



WPG

Resources Ltd

ABN 51 109 426 502

Annual Report
2013

Contents

Chairman's Review	1
Statement of Mineral Resource Estimates and Exploration Targets	3
Tenement Schedule	4
Directors' Report	5
Auditor's Independence Declaration	17
Corporate Governance	18
Directors and Management	22
Sustainability, Environmental Management and Community Engagement	26
Consolidated Statement of Comprehensive Income	28
Consolidated Statement of Financial Position	30
Consolidated Statement of Cash Flows	31
Consolidated Statement of Changes in Equity	32
Notes to the Financial Statements	33
Directors' Declaration	61
Independent Auditor's Report	62
Shareholder Information	65
Corporate Directory	67

Chairman's Review



“This team’s enthusiasm has continued as strong as ever from the beginning of the year and the Company’s board and management are committed to building increased shareholder value in the years ahead.”

Dear Fellow Shareholder

Your board and I are pleased to present WPG Resources Limited’s Annual Report for the year to 30 June 2013. This was your Company’s ninth year as a listed entity.

Flushed with our success in selling our iron ore assets to Arrium Limited in the previous year for approximately \$320 million (which allowed us to make a distribution of \$1.05 per share to our shareholders), we started the year under review with enthusiasm and eager anticipation about the year ahead. Our early focus was directed towards the Giffen Well project where we had earlier entered into an option agreement that could have allowed us to progress to a joint venture had we so chosen. We completed a prefeasibility study on an integrated project consisting of a magnetite mine and concentrator at Giffen Well, with electric power to be generated from a mine mouth power station to be built alongside a small coal mine at our Penrhyn coal deposit and process water to be obtained from our own tenements, and product to be exported using our port assets at Port Pirie. Early in the option period we were approached by a large Japanese steel mill that had expressed interest in funding the more detailed bankable feasibility study for the project’s development, and we held discussions and negotiations with the Japanese for almost a year. The results of the PFS were positive but the Japanese were deterred by the \$1.5 billion capital cost estimated for the project’s development, and the steel mill eventually decided not to go forward in partnership with us. Magnetite projects are risky and capital intensive and we took the Japanese company’s decision as a proxy for the market’s appetite for new magnetite developments in Australia. As a result we sought to renegotiate the terms of the option agreement with the project’s owner to reflect the changed market

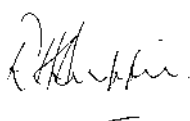
circumstances. The owner was not prepared to do this and we had little alternative but to take the decision not to exercise our option to acquire an interest in Giffen Well. We have retained our coal and port assets in South Australia that were to be a key part in the integrated project.

At the same time as we were progressing with our due diligence at Giffen Well we were also looking for new project opportunities. This process has accelerated since we decided not to exercise the option. WPG is widely recognised as an iron ore company but the Company was in its earlier days a gold and copper explorer and our management team has prior exposure to a range of different commodities and mine types in several different countries. We have reviewed more than 40 projects and companies and conducted detailed reviews of a handful of these. We have made offers where we believe our cash, management expertise and stock exchange listing would add value to the asset under review, but only when it would be to the benefit of our own shareholders as well. We will continue this process until the right opportunity is identified and an agreement reached.

We have not ignored our other exploration tenements in South Australia. We conducted programs on our Muckanippie, Robins Rise and Lake Woorong properties in the Coober Pedy area, and have identified anomalies which are prospective for the discovery of direct shipping iron ore, gold and nickel sulphide deposits. We will conduct further work on up to 15 prospects later this financial year with a view to defining drill targets.

We recently announced the appointment of Martin Jacobsen as the Company's Managing Director. Martin was instrumental in delivering the outstanding outcome of our asset sale to Arrium last year and managed the Giffen Well PFS. Your board congratulates Martin on his promotion and is confident that his good work will continue in his new role. Not long before Martin's appointment Heath Roberts, a long standing director, tendered his resignation from the board and as an employee to pursue other opportunities and we all wish Heath good fortune with whatever he does in the future.

WPG is in the enviable position of being well funded. Like many junior miners, we have reduced our staff numbers and in some instances the days worked in order to preserve cash. In spite of this, we have retained most of the key management team that was responsible for last year's sale of our iron ore assets. This team's enthusiasm has continued as strong as ever from the beginning of the year and the Company's board and management are committed to building increased shareholder value in the years ahead.



R H Duffin
Chairman

18 October 2013

Statement of Mineral Resource Estimates and Exploration Targets

as at 16 October 2013

Mineral Resources

Penrhyn – Sub-Bituminous Coal – EL 4525

Category	Million Tonnes
Measured	185.4
Indicated	150.5
Inferred	16.5
Sub-total	352.4

Exploration Target

Penrhyn Coal Project – EL 4525

Coal Category	Exploration Target Tonnage Range (mt)
Sub-Bituminous Coal	200–300

Lochiel North Coal Project – EL 4670

Coal Category	Inferred Resource Tonnage (mt)
Lignite	270

Competent Person

The details of the resource estimates contained in this report are based on information compiled by Mr Gary Jones, a Fellow of the Australasian Institute of Mining and Metallurgy. He is Technical Director of the Company and a full time employee of Geonz Associates Limited. He has sufficient experience which is relevant to the style of mineralisation and types of deposits under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the December 2004 and the December 2012 editions of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (the JORC Code). Gary Jones has consented in writing to the inclusion in this report of the matters based on his information in the form and context in which it appears.

The exploration targets in this report are based on the currently available drill hole data and are conceptual in nature. There has been insufficient exploration to define a mineral resource, and it is uncertain if further exploration will result in determination of a mineral resource.

Tenement Schedule

as at 16 October 2013

South Australia – Iron Ore / Base Metals / Gold Tenements

	Exploration Licence Number	Interest	Holder / Joint Venture Details
Lake Woorong	EL 4907	100%	Interest held by wholly owned subsidiary Southern Coal Holdings Pty Ltd.
Mirikata	EL 5075	100%	Interest held by WPG Resources Ltd.
Muckanippie	EL 5154	100%	Interest held by WPG Resources Ltd.

South Australia – Coal Tenements

	Tenement Number	Interest	Joint Venture Details
Penrhyn	EL 4525	100%	Interest held by wholly owned subsidiary Southern Coal Holdings Pty Ltd.
Perfection Well	EL 4908	100%	Interest held by wholly owned subsidiary Southern Coal Holdings Pty Ltd.
Lochiel North	EL 4670	100%	Interest held by wholly owned subsidiary Southern Coal Holdings Pty Ltd.

Directors' Report

Your Directors present their report on the consolidated entity, consisting of WPG Resources Ltd (WPG or the Company) and the entities it controlled (Group) at the end of, or during the financial year ended 30 June 2013.

Directors

The following persons held office as Directors at the date of this report and throughout the financial year, unless otherwise stated:

Name, Position and Qualifications	Directorships of Other Listed Companies	Resignation Date
Robert H Duffin , Executive Chairman <i>BSc (Hons), MSc (Hons), Grad Dip Mgt, FAusIMM</i>	Ferrowest Ltd from 27 July 2006 – 8 September 2011	
Gary J Jones , Technical Director <i>BSc (Auckland), FAusIMM, MASEG</i>		
Leonard A Dean , Non-Executive Director <i>BSc (Metallurgy)</i>	Gladiator Resources Limited from 30 August 2010 – 17 December 2012	
Lim See Yong , Non-Executive Director <i>BBA (Singapore)</i>		
Dennis R Mutton , Non-Executive Director <i>BSc (Hons), Grad Dip Mgt, FAIM, JP, FAICD</i>		
Heath L Roberts , Executive Director* <i>Dip Law (SAB), Grad Dip Legal Practice (UTS)</i>		7 August 2013

* Mr Roberts, a director since 2004, resigned from the Board on 7 August 2013. No other directors resigned during or since the end of the financial year.

A biography and statutory disclosures regarding each Director are provided in the Directors and Management section of this report.

Meetings of Directors

Attendances at the Company's Board and Committee meetings held during the year are summarised as follows:

Director	Board	Audit and Risk	Corporate Governance and Nomination	Remuneration
	Total meetings – 8	Total Meetings – 3	Total meetings – 1	Total meetings – 1
RH Duffin	8 of 8	N/A	N/A	N/A
HL Roberts*	8 of 8	N/A	N/A	N/A
GJ Jones	8 of 8	N/A	N/A	N/A
LA Dean	8 of 8	3 of 3	1 of 1	1 of 1
Lim SY	8 of 8	3 of 3	1 of 1	1 of 1
DR Mutton	8 of 8	3 of 3	1 of 1	1 of 1

There was 1 circular resolution passed by the Board during the financial year.

* Mr Roberts resigned from the Board on 7 August 2013.

Directors' Interests in Shares, Options and Rights

Directors' interests in shares and rights as at the date of this report are set out below:

Director	No. Shares	No. Options	No. Rights*
RH Duffin	24,163,997	–	–
GJ Jones	520,000	–	1,062,531
LA Dean	250,000	–	–
Lim SY	–	–	–
DR Mutton	41,000	–	–

* 527,922 of these rights are granted to an Executive Director and are subject to shareholder approval at the 27 November 2013 Annual General Meeting.

Principal Activities

The principal continuing activity of the Group is exploration, evaluation and development of its iron ore, base and precious metal, and coal projects located in South Australia as well as investment opportunities in advanced stage exploration to PFS / BFS stage assets.

Further details are provided in the Review of Operations.

Results

The net result of operations after applicable income tax expense was a loss of \$5,060,420 (2012 – profit of \$170,755,723) which includes the write-off of exploration, evaluation and development expenditure incurred of \$4,099,703 (2012 – \$1,652,836).

Review of Operations

During the financial year the Company was focussed on the completion of the Giffen Well iron ore project preliminary feasibility study (PFS). The PFS was finalised in March 2013, however, a decision not to exercise a right to acquire a 25% interest in the project resulted in WPG's interest in the Giffen Well tenement expiring during May 2013.

The Company's current attention includes exploration program on a number of its tenements and the pursuit of a comprehensive review of mining investment opportunities, seeking to leverage off the Company's strong cash position and skill set. At year end a number of projects had been identified as potential investment opportunities and discussions with interested parties are ongoing.

Giffen Well Iron Ore

The Company entered into a binding Heads of Agreement in January 2012 with Maosen Australia Pty Ltd to farm-in on Maosen's Giffen Well iron ore tenement in South Australia (the Project).

Under the terms of this Heads of Agreement, WPG could earn a 25% interest in the Project upon completion of the PFS and the payment of \$5 million to Maosen and the Company's interest could increase to 82% as a result of completing a definitive feasibility study on this Project and the payment of further amounts to Maosen.

During the financial year the Company focused on analysis of the Giffen Well drilling program and completion of a PFS to optimise the Company's own strategic assets in energy and port access to create an economical integrated project. The Giffen Well farm-in Agreement granted an exclusive twelve month right to conduct resource definition and a PFS.

In October 2012, a JORC resource estimate of 688.8 million tonnes was announced after the completion of the 16-hole RC percussion and diamond drilling program late in the prior year. The high grade magnetite BIF (banded iron formation) with an average grade of 30.9% Fe and low levels of impurities is based on the assay results from 26 MESA (South Australian Department of Minerals and Energy) and 16 WPG drill holes for a total of 6,432 metres. A high proportion, namely 62% of the resource tonnage falls into the Indicated category providing a high level of geological confidence.

The testing process adopted Davis Tube Recovery (DTR) for assaying and Satmagan metallurgical testwork and sizing analysis. The DTR testwork produced mass recoveries in excess of 40% resulting in high quality concentrate grades of over 68.4% Fe.

The PFS was predicated on utilising coal from the Penrhyn project as a means of delivering significant energy cost savings over conventional power generation options and to exploit the WPG owned port facilities at Port Pirie. The facility is well served by the direct rail links to Giffen Well and the Company's Penrhyn coal project.

Based on a 30 year project life and a mining rate of 13 million tonnes per annum, the project was modelled on a targeted production rate of 5 million tonnes per annum (tpa) of the 68.4% Fe magnetite concentrate. In support of this the Penrhyn coal project would mine 480,000 tpa of sub-bituminous coal to fire a 100 MW mine mouth power station that would provide power to the Giffen Well beneficiation plant.

Capital costs inclusive of the Giffen Well mine, beneficiation plant, Penrhyn coal mine, power station, water and power reticulation, rail loops and spurs and development of the port facilities totalled \$1.5 billion. Off-balance sheet funding of the power supply had the potential to reduce this capital investment to approximately \$1 billion.

In May 2013, the Company announced its decision to allow the option to acquire a 25% joint venture interest in the Project to expire unexercised despite the encouraging results of the PFS. Market uncertainties meant a high project risk profile and the inability to negotiate more attractive terms for the acquisition of the asset with the tenement owner was taken into account in arriving at this decision.

Mirikata

New iron prospects were pursued with exploration licences in South Australia's Gawler Craton secured for Mirikata in October 2012 and Muckanippie in January 2013.

Previous drill testing in the Mirikata tenement has confirmed magnetic anomalies, caused by magnetic banded iron formation (BIF) identified. An exploration program for this project is still being developed.

Muckanippie, Robins Rise and Lake Woorong

A detailed review of previous company data was completed for these projects identifying several areas of interest for iron oxide copper gold (IOCG), massive sulphide copper-gold-nickel, DSO haematite, BIF and gneiss hosted magnetite iron ore deposits. At Muckanippie project EL, intersections of up to 15m with 44.78% Fe have been noted from previous drilling.

During the last quarter, an exploration program was commenced on all three projects located in South Australia's Gawler Craton. Land access issues that include cultural heritage clearances, landholder access and Department of Defence approvals have been addressed, enabling a programme of geophysics and site reconnaissance to proceed. The results of this initial exploration work will direct future exploration.

Port Pirie Land

WPG continues to hold its South Australian port facility as a vital asset for its operations. The Port Pirie land, a large industrial block, was purchased to facilitate the receipt, storage and load-out of iron ore but the site is considered equally appropriate for a range of other bulk commodities.

The facility featured as an integral part of the Giffen Well iron ore infrastructure solution for the annual transshipment of the planned 5 million tonnes of magnetite concentrate. Although this project will not proceed, the land and improvements are being maintained to appropriate standards to ensure it can be capitalised upon for new projects.

During the year, the Company satisfactorily demonstrated substantial commencement of activity and expenditure under land use rights terms of the land purchase agreement with the South Australian government.

Pidinga and Talacootra

The cultural heritage survey undertaken late last year produced disappointing outcomes and although some of the traditional owners supported an exploration program, the tenements were subsequently relinquished as majority consensus was not reached.

Penrhyn Coal Deposit

The Penrhyn sub-bituminous black coal resource was intended as the site to house the power station and related infrastructure for the supply of power and water to the Giffen Well iron ore project.

Activities at Penrhyn were concentrated on a program of reserve and geotechnical drilling on the south-eastern portion of the Penrhyn coal deposit as part of the Giffen Well PFS.

No further coal exploration was undertaken to the end of the year.

Lochiel North Coal

A renewal application was lodged but no further activity was conducted on the tenement.

Lifting of Woomera Prohibited Area (WPA) Moratorium

In the first quarter of the year, the Woomera Prohibited Area Coordination Office lifted a moratorium on new exploration licences in the WPA and released a template Exploration Deed of Access for exploration. WPG has enjoyed consistent access to its main projects in the WPA and the lifting of the moratorium on new exploration licences paves the way for new opportunities that may arise.

Corporate Structure

WPG is a public company limited by shares that is incorporated and domiciled in Australia. The Company is listed on the ASX and trades under the code "WPG". WPG group companies are set out in Note 24 to the Financial Statements.

Employees and Service Providers

As at 30 June 2013 the Company had 12 full time and part time personnel.

Following a review of its business structure, various cost saving measures were implemented to reduce corporate administrative costs.

Gender Diversity

While the Company seeks to ensure that selection and recruitment decisions are based on merit, it recognises that greater innovation and improved engagement are achieved through having a diverse workforce. The Board aims to attract and maintain a

Board and employee base which has an appropriate mix of skills, experience and expertise by recruiting from a diverse pool of qualified candidates.

The Company is committed to developing and maintaining an inclusive work environment accessible to all and actively promotes a corporate culture which embraces diversity.

One female, the Group Company Secretary, reports directly to the Executive Chairman.

Proportion of women employees

	30 June 2013		30 June 2012	
Women employees in the whole organisation	3/12	25%	3/12	25%
Women on the Board	0/6	0%	0/6	0%
Senior Executives	1/6	17%	1/7	14%

Significant Changes in State of Affairs

The Directors are not aware of any significant changes in the state of affairs of the Group occurring during the financial year, other than as disclosed in this report.

Matters Subsequent to the End of the Financial Year

There were at the date of this report no matters or circumstances which have arisen since 30 June 2013 that have significantly affected or may significantly affect:

- the operations of the Group;
- the results of those operations; or
- the state of affairs of the Group.

Likely Developments and Expected Results

The Company plans to continue with the exploration program already underway for Muckanippie (EL 5154), Robins Rise (EL 4525) and Lake Woorong (EL 4907) tenements with the aim of identifying targets for further follow-up drilling. The next phase drilling will provide information necessary to evaluate the resource potential. The Group will consider other commodities not just coal and iron ore.

Concurrent with the exploration program, the Company is actively seeking to develop relationships with potential third party users of its strategically located land at Port Pirie for storage and export of ore.

Management is actively assessing investment opportunities that have already identified potential project assets where the company can add value. By concentrating on assets with advance stage exploration, the Company expects to participate in the commercial development, the permitting and project de-risking processes for projects entering prefeasibility or bankable feasibility study stage.

Such new projects would dovetail in with its operational "add-value" philosophy for providing project synergies in terms of developing it at a lower cost and more quickly; preserving and utilising WPG's existing assets, skillsets and infrastructure; and delivering the commodity more efficiently.

Environmental Performance

The Group's exploration and development activities are conducted in accordance with environmental regulations under both Commonwealth and State legislation.

To the best of the Directors' knowledge, the Group has adequate systems in place to ensure compliance with the requirements of all environmental legislation described above and are not aware of any breach of those requirements during the financial year and up to the date of the Directors' Report.

Details of the Group's environmental performance are provided in "Sustainability, Environmental Performance and Community Relations".

Share Options

During the year ended 30 June 2013 and to the date of this report no shares were issued by virtue of the exercise of options.

During the year ended 30 June 2013 the following options expired:

No. options expired	Date options expired
209,000	12 November 2012

As at the date of this report there were no options outstanding.

Rights

During the year ended 30 June 2013 and to the date of this report no ordinary shares were issued by virtue of the vesting of rights.

As at the date of this report the following Incentive Rights are outstanding:

Incentive Rights	Vesting date
4,428,115	1 July 2015
5,866,673*	1 July 2016

* 527,922 of these incentive rights are granted to an Executive Director and are subject to shareholder approval at the 27 November 2013 Annual General Meeting.

Dividends

No dividends were paid or proposed during the year.

Remuneration Report – Audited

Policy on Remuneration

Directors' Benefits and Emoluments

Directors' remuneration levels, including participation in the Company's Incentive Rights Plan, are structured to provide reasonable compensation consistent with the Company's financial resources and the size and scale of the Company's operations.

Remuneration of the Board and Senior Management

The Board, on advice from the Remuneration Committee, determine the remuneration packages for Executive and Non-Executive Directors and for senior management. Decisions taken by the Remuneration Committee and the Board are based on a range of factors, including advice from an independent remuneration consultant.

In establishing and implementing fair remuneration arrangements, the Remuneration Committee and the Board has sought to align remuneration on a market basis with peer companies. The Company has adopted this approach rather than apply particular performance criteria to each relevant individual, which for a company at WPG's stage of operations, remain impractical to determine.

The Incentive Rights Plan (the Plan) for the benefit of Executive Directors and senior management was implemented in the 2011 financial year. A detailed summary of the Plan is set out below.

There is no retirement scheme for Directors.

Independent Assessment of Directors Benefits and Emoluments

In accordance with previous resolutions of the Remuneration Committee and the Board, the Company appointed the Godfrey Remuneration Group as its independent external remuneration consultant to provide remuneration recommendations and advice to the Remuneration Committee relating to key management personnel of WPG in the 2013 financial year.

The Board is satisfied that the recommendations and advice provided by Godfrey Remuneration Group were free from undue influence of key management personnel. Godfrey Remuneration Group provide key management personnel remuneration recommendations to the Non-Executive Directors only so that neither key management personnel nor the external remuneration consultants are conflicted in the remuneration recommendations or advice they provide.

An amount of \$2,970 was paid during the year to the external remuneration consultant.

Key Management Personnel and Details of Remuneration

The following tables outline persons who were key management personnel of the Company and the nature and amount of the elements of the remuneration of those persons for the year ended 30 June 2013.

Key Management Personnel in office during the year were:

Name	Position held	Date appointed	Date resigned
RH Duffin	Executive Chairman	–	–
HL Roberts	Executive Director	–	7 August 2013
GJ Jones	Technical Director	–	–
LA Dean	Non-executive Director	–	–
Lim SY	Non-executive Director	–	–
DR Mutton	Non-executive Director	–	–
M Jacobsen	Chief Executive Officer	–	–
G Harding	Chief Financial Officer	–	29 May 2013
W Rossiter *	Chief Financial Officer	29 May 2013	–
L Brown	Group Company Secretary	–	–
R Fang	Bus Development Manager	–	–
I White	Systems & Risk Manager	–	–

* On 29 May 2013, in addition to his duties as General Manager – Coal, Mr Rossiter accepted the role of Chief Financial Officer.

		Short-term employee benefits				Post-employment benefits	Share-based payments		Total	% of remuneration that is performance based	% of value of remuneration that consists of options
		Cash salary and fees	Current year bonus	Prior year bonus	Non-monetary benefits	Super-annuation	Incentive rights	Options			
		\$	\$	\$	\$	\$	\$	\$			
Directors											
RH Duffin	2013	135,000	–	–	–	–	–	–	135,000	0%	0%
	2012	375,000	–	–	–	–	729,637	–	1,104,637	66.1%	0%
HL Roberts *	2013	292,000	–	–	–	–	9,863	–	301,863	3.3%	0%
	2012	280,000	–	–	–	–	288,800	–	568,800	50.8%	0%
GJ Jones	2013	280,500	–	–	–	–	10,336	–	290,836	3.6%	0%
	2012	298,000	–	–	–	–	300,511	–	598,511	50.2%	0%
LA Dean	2013	64,220	–	–	–	5,780	–	–	70,000	0%	0%
	2012	32,110	–	–	–	37,890	–	–	70,000	0%	0%
Lim SY	2013	70,000	–	–	–	–	–	–	70,000	0%	0%
	2012	70,000	-	–	–	–	–	–	70,000	0%	0%
DR Mutton	2013	49,445	–	–	–	20,555	–	–	70,000	0%	0%
	2012	52,220	–	–	–	17,780	–	–	70,000	0%	0%
RL Richardson **	2013	–	–	–	–	–	–	–	–	0%	0%
	2012	9,880	–	–	–	18,389	–	–	28,269	0%	0%

* Resigned 7 August 2013

** Retired 23 November 2011

		Short-term employee benefits				Post-employment benefits	Share-based payments			% of remuneration that is performance based	% of value of remuneration that consists of options
		Cash salary and fees	Current year bonus	Prior year bonus	Non-monetary benefits	Super-annuation	Incentive rights	Options	Total		
		\$	\$	\$	\$	\$	\$	\$	\$	%	%
Other key management personnel											
M Jacobsen	2013	406,587	–	–	–	36,593	24,826	–	468,006	5.3%	0%
	2012	370,000	–	–	–	50,000	426,802	–	846,802	50.4%	0%
G Harding **	2013	438,000	–	–	–	–	9,863	–	447,863	2.2%	0%
	2012	290,000	–	–	–	–	291,040	–	581,040	50.1%	0%
W Rossiter	2013	274,393	–	–	–	24,696	10,066	–	309,155	3.3%	0%
	2012	270,000	–	–	–	24,300	191,437	–	485,737	39.4%	0%
L Brown	2013	199,248	–	–	–	17,932	7,262	–	224,442	3.2%	0%
	2012	183,486	–	–	–	16,514	198,363	–	398,363	49.8%	0%
R Fang	2013	159,000	–	–	–	–	5,371	–	164,371	3.3%	0%
	2012	214,169	–	–	–	–	267,257	–	481,426	55.5%	0%
I White	2013	60,552	–	–	–	–	1,740	–	62,292	3.0%	0%
	2012	126,994	–	–	–	–	162,620	–	289,614	56.2%	0%
A Horne *	2013	–	–	–	–	–	–	–	–	0%	0%
	2012	81,675	–	–	–	–	279,347	–	361,022	77.4%	0%
A Keaney *	2013	–	–	–	–	–	–	–	–	0%	0%
	2012	66,610	–	–	–	5,995	177,255	–	249,859	70.9%	0%
Total compensation	2013	2,428,945	–	–	–	105,555	79,327	–	2,613,828	0%	0%
	2012	2,720,144	–	–	–	170,868	3,313,069	–	6,204,081	53.4%	0%

* Transferred to Arrium Group on 6 October 2011

** Includes service contract termination fees effective 29 May 2013

Share-based Payment and Bonuses

Employees and Officers Share Option Plan (the Share Option Plan)

The Share Option Plan which was in effect for the year ended 30 June 2010 has been replaced by the Incentive Rights Plan. All options issued under the Share Option Plan have now either been exercised or expired. No further options will be issued under the Share Option Plan.

Incentive Rights Plan (the Plan)

The Company believes that encouraging its employees to become shareholders is the best way of aligning their interests with those of its shareholders.

The Plan, approved by shareholders on 31 August 2010, has become the principal tool for the award and administration of incentive entitlements to all eligible employees and Executive Directors. The Plan represents a major simplification and standardisation of the Company's incentives system.

The Plan assists in the attraction, retention and motivation of the Company's Directors, officers, employees and senior consultants. The Plan does so in a manner that is compliant with relevant tax legislation and in a less dilutory fashion than the Share Option Plan.

Under the Plan, eligible employees and Executive Directors may be granted rights to shares in the capital of the Company upon the satisfaction of specified performance criteria (Performance Rights) and specified periods of tenure (Retention Rights) over a vesting period of 3 years, or on shorter periods in some cases.

The Performance Rights and Retention Rights (Rights) will not vest unless the vesting conditions imposed by the Board have been satisfied.

Rights cannot vest nor can shares be issued in relation to vested Rights during any period when such recipients would be excluded from acquiring shares under the Company's Securities Trading and Trading Windows Policy.

Performance and Retention Incentives

A Long-Term Incentive (LTI) Award will be made in the form of Rights to shares which will have a vesting period of 3 years. The number of Rights that ultimately vest (that is, convert to shares) will be based on the Company's performance over the same 3 years. These awards take the form of Performance Rights and Retention Rights (refer below).

An LTI Award will be made by way of the grant of "**Performance Rights**" as soon as practicable after each financial year end. The number of Performance Rights to be granted annually to each eligible employee or Executive Director is calculated by the following formula:

$$\text{Participant's Base Package} \times \text{Target Performance LTI\%} \div \text{Adjusted Right Value}$$

The performance measurement period is three years, and performance is based on average absolute Total Shareholder Return (TSR) and the relative TSR of sixty ASX listed companies. The sixty listed companies for the purposes of the calculation are peer companies nominated by Godfrey Remuneration Group, and those companies have a spread of size and level of operations such as to represent, in the Board's view, an appropriate benchmark group.

An LTI Award will also be made by way of grant of "**Retention Rights**", which will be issued to eligible employees and Executive Directors pursuant to the terms of the Plan upon or as soon as practicable after commencement of employment and annually thereafter. These Retention Rights are granted annually and on a pro rata basis to the employees' period of tenure, with the full amount vesting if the employee were to remain employed by the Company for 3 years.

The number of Retention Rights to be granted annually to each eligible employee or Executive Director is calculated by the following formula:

$$\text{Participant's Base Package} \times \text{Target Retention LTI\%} \div \text{Right Value}$$

Target Performance and Retention LTI% figures are developed from broad market data provided by Godfrey Remuneration Group.

Right value is determined by the following formula:

$$\text{Share Price} - (\text{Annual Dividend} \times \text{Minimum Vesting Period})$$

Adjusted Right Value is determined by the following formula, with **Probability of Vesting** set at 50% in line with broad market data:

$$\text{Right Value} \times \text{Probability of Vesting}$$

Summary of the Plan

Purpose of the Plan

The purpose of the Plan is to provide an incentive for eligible employees and Executive Directors by enabling them to participate in the future growth of the Company and upon becoming shareholders to participate in the Company's profits and development. Under the Plan, eligible employees and Executive Directors may be granted rights to shares in the capital of the Company upon the satisfaction of specified performance criteria and specified periods of tenure. The provision of this incentive is expected to result in future benefits to the shareholders and employees of the Company that result from:

- attracting, motivating and retaining key employees by providing balanced, competitive remuneration packaging;
- assisting eligible employees and Executive Directors to become shareholders in the Company, ensuring that they have commonly shared goals related to producing relatively high returns for shareholders; and
- less dilution to the Company than the issue of options under the Share Option Plan.

Offer of Rights

When eligible employees and Executive Directors satisfy specified criteria imposed by the Board (including performance criteria and specified periods of tenure) the Board may make a written offer to the employee of Rights. The offer will specify the number of Rights being offered and the conditions that must be met by the employee before the Rights will vest.

Number of Rights Offered

The number of Rights that will be offered to an employee pursuant to an offer is entirely within the discretion of the Board. Each Right will, upon vesting, entitle the holder to one (1) share in the capital of the Company.

Vesting Conditions

The measurement and vesting period for both Performance Rights and Retention Rights is 3 years. The Board has the discretion to vary this vesting and measurement period, in a range of circumstances including bonus issues, rights issues and capital reorganisations.

Performance Rights – the number of Performance Rights granted is based on the formula outlined above. The number Performance Rights that vest is based on the performance of the Company relative to the average absolute TSR and the relative TSR of sixty ASX

listed companies over the three year vesting period. Performance Rights are granted annually and on a pro-rata basis to the employee's period of tenure.

Retention Rights – the number of Retention Rights granted is based on the formula outlined above. Vesting of all Retention Rights will occur if the employee remains employed by the Company for three years. Retention Rights are granted annually and on a pro rata basis to the employee's period of tenure.

The Rights will not vest unless the vesting conditions imposed by the Board have been satisfied.

Rights cannot vest nor can shares be issued in relation to vested Rights during any period when such recipients would be excluded from acquiring shares under the Company's Securities Trading and Trading Windows Policy.

Exercise Price

Employee participants in the Plan will not be required to make any payment in return for a grant of Rights nor for the issue or transfer of shares upon the vesting of Rights.

Lapse of Rights

Rights that have not vested will lapse:

- at the end of the Measurement Period for Retention Rights;
- at the end of the Measurement Period for Performance Rights when some, but not all, of them do not vest;
- following one re-testing of Performance Rights if they fail to vest;
- if the Rights are transferred without the Board's consent;
- if the employee ceases his or her employment or employment relationship with a Group company; or
- under any circumstances specified by the Board in the offer of Rights.

Shares Allotted Upon Exercise of Rights

The Company will issue or transfer fully paid, ordinary shares to the employee as soon as practicable after the vesting of Rights. The shares allotted under the Plan will be of the same class and will rank equally with shares in the Company at the date of issue.

Transfer of Rights

A Right is not transferable without the consent of the Board.

Takeover, Scheme or Arrangement

In the event of a change-in-control including a takeover:

- unvested Retention Rights will not be affected; and
- unvested Performance Rights will vest in the proportion that the Company's share price has grown since the date of grant of the Performance Rights or such greater proportion as determined in the discretion of the Board. Maximum vesting is 100%.

Bonus Issues, Rights Issues and Capital Reconstruction

In order to prevent a reduction of the number of shares to which the Rights relate in the event of bonus issues or pro rata rights issues, the Plan rules provides for an adjustment of the number of Rights in accordance with ASX Listing Rule 6.22.2. In the case of a capital reconstruction the number of Rights may be adjusted at the discretion of the Board.

Participation in New Issues

There are no participating rights or entitlements inherent in the Rights and the holders will not be entitled to participate in new issues of capital offered to shareholders during the currency of the Rights. In addition, holders of Rights will not be entitled to vote or receive dividends as a result of their holding of Rights.

Ban on Hedging Performance Risk

The Board has a hedging risk policy. Under Section 206J of the Corporations Amendment Act 2011 for Rights issued on or after 1 July 2011, Key Management Personnel and their closely related parties must not enter into arrangements which would have the effect of limiting their exposure relating to Rights which have not vested.

Rights Granted as Remuneration

Details of the terms and conditions of rights granted to Key Management Personnel as compensation during the reporting period are as follows:

Name	Issue date	No. rights granted	Fair value \$	Vested during year	Lapsed during year	Estimated minimum value \$	Estimated maximum value \$	Vesting date
RH Duffin	1 July 2012	–	–	–	–	0.00	–	–
HL Roberts *	1 July 2012	510,150	9,863	–	–	0.00	9,863	1 July 2015
GJ Jones	1 July 2012	534,609	10,336	–	–	0.00	10,336	1 July 2015
M Jacobsen	1 July 2012	1,284,110	24,826	–	–	0.00	24,826	1 July 2015
G Harding **	1 July 2012	510,150	9,863	–	–	0.00	9,863	1 July 2015
W Rossiter	1 July 2012	520,632	10,066	–	–	0.00	10,066	1 July 2015
L Brown	1 July 2012	375,624	7,262	–	–	0.00	7,262	1 July 2015
R Fang	1 July 2012	277,787	5,371	–	–	0.00	5,371	1 July 2015
I White	1 July 2012	89,975	1,740	–	–	0.00	1,740	1 July 2015
		4,103,037	79,327	–	–	0.00	79,327	

* Resigned 7 August 2013

** Left the Company on 29 May 2013

Directors' Contracts

Messrs Duffin and Jones are engaged by the Company on terms agreed and approved by the Board on recommendation of the Remuneration Committee. Details of those arrangements are set out below. In each case, the services of Messrs Duffin and Jones is provided through a services contract between the Company and a corporate entity associated with either Messrs Duffin or Jones, as the case requires.

Executive Chairman – Bob Duffin

Contract term:	Rolling 12 months
Remuneration:	\$120,000 pa for the year ended 30 June 2014
Rights:	–
Termination payments:	Payment on early termination by the Group, other than for gross misconduct, equal to 6 months base remuneration

Executive Director – Gary Jones

Contract term:	Rolling 12 months
Remuneration:	\$183,600 pa for the year ended 30 June 2014
Rights:	Cumulative Rights issued as of 30 June 2013 are 534,609 Rights
Termination payments:	Payment on early termination by the Group, other than for gross misconduct, equal to 6 months base remuneration

Key Management Personnel (KMP) Contracts

Chief Executive Officer – Martin Jacobsen

Employed:	Commenced 31 August 2007
Base salary:	\$442,011 pa for the year ended 30 June 2014
Rights:	Cumulative Rights issued as of 30 June 2013 are 1,284,110
Termination payments:	Payment on early termination by the Group, other than for gross misconduct, equal to 6 months base salary

Chief Financial Officer – Wayne Rossiter

Employed:	Commenced 1 July 2011
Remuneration:	\$238,947 pa for the year ended 30 June 2014
Rights:	Cumulative Rights issued as of 30 June 2013 are 520,632 Rights
Termination payments:	Payment on early termination by the Group, other than for gross misconduct, equal to 6 months base salary

Group Company Secretary – Larissa Brown

Employed:	Commenced 1 December 2009 (previously contractor)
Remuneration:	\$215,493 pa for the year ended 30 June 2014
Rights:	Cumulative Rights issued as of 30 June 2013 are 375,624 Rights
Termination payments:	Payment on early termination by the Group, other than for gross misconduct, equal to 6 months base salary

Business Development Manager – Rui Fang (Myles)

Contract term:	From 1 February 2012
Remuneration:	\$159,000 pa for the year ended 30 June 2014
Rights:	Cumulative Rights issued as of 30 June 2013 are 277,787 Rights
Termination payments:	Payment on early termination by the Group, other than for gross misconduct, equal to 6 months base remuneration

Systems and Risk Manager – Ian White

Contract term:	From 1 June 2012
Remuneration:	\$51,500 pa for the year ended 30 June 2014
Rights:	Cumulative Rights issued as of 30 June 2013 are 89,975 Rights
Termination payments:	–

Service contracts or employment agreements have been entered into by the Company with all Key Management Personnel and executives, describing the components and amounts of remuneration applicable on their initial appointment, including terms and performance criteria (if applicable) and entitlements to options under the Share Option Plan and/or rights under the Incentive Rights Plan. These contracts do not fix the amount of remuneration increases from year to year. Remuneration levels will be reviewed generally each year on advice from an Independent Remuneration Consultant to align with peer company remuneration levels, changes in job responsibilities and market compensation expectations.

Directors and KMPs are entitled to rights under the Incentive Rights Plan which are issued from time to time.

END OF AUDITED REMUNERATION REPORT

Rights Granted as Remuneration Following the Reporting Period

Details of the terms and conditions of rights granted to key management personnel and executives as compensation following the reporting period are as follows:

Name	Issue date	No. rights granted *	Fair value \$	Vested after year end	Lapsed after year end	Estimated minimum value \$	Estimated maximum value \$	Vesting date
RH Duffin	1 July 2013	–	–	–	–	0.00	–	–
HL Roberts**	1 July 2013	671,694	21,494	–	(671,694)	0.00	–	–
GJ Jones	1 July 2013	527,922	16,893	–	–	0.00	16,893	1 July 2016
M Jacobsen	1 July 2013	2,113,418	67,629	–	–	0.00	67,629	1 July 2016
W Rossiter	1 July 2013	685,494	21,936	–	–	0.00	21,936	1 July 2016
L Brown	1 July 2013	618,210	19,783	–	–	0.00	19,783	1 July 2016
R Fang	1 July 2013	457,188	14,630	–	–	0.00	14,630	1 July 2016
I White	1 July 2013	148,083	4,739	–	–	0.00	4,739	1 July 2016
		5,222,009	167,104	–	(671,694)	0.00	145,610	

* 527,922 of these incentive rights are granted to an Executive Director and are subject to shareholder approval at the 27 November 2013 Annual General Meeting

** Resigned 7 August 2013

Indemnification and Insurance of Officers and Auditors

Indemnification

The Company has entered into Deeds of Indemnity Insurance and Access with its Directors and Officers indemnifying those Directors and Officers, and agreeing to provide funding arrangements for costs and expenses incurred in defending any legal proceedings arising as a consequence of their acting as a Director or Officer of WPG. The Company also provides an indemnity to an officer of the company engaged to provide personal services on a contractual basis.

Insurance Premiums

During the financial year the Company has paid premiums to insure each of the Directors and Officers against liabilities for costs and expenses incurred by them in defending any legal proceedings arising out of their conduct while acting in the capacity of director or officer of the Company, other than conduct involving a wilful breach of duty in relation to the Company.

The premiums paid are not disclosed as such disclosure is prohibited under the terms of the contract.

Proceedings

No person has applied to the Court under section 237 of the *Corporations Act 2001* for leave to bring proceedings on behalf of the Company, or to intervene in any proceedings to which the Company is a party, for the purpose of taking responsibility on behalf of the Company for all or part of those proceedings.

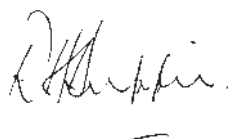
No proceedings have been brought or intervened in on behalf of the company with leave of the Court under section 237 of the *Corporations Act 2001*.

This report is made in accordance with a resolution of directors.

Auditor's Independence and Non-audit Services

No non-audit services were provided by the Company's auditor, Grant Thornton Audit Pty Ltd during the current financial year. The Directors received a declaration of independence from the auditors of the Company. It is located on page 17 and forms part of this report.

Signed this 30th day of August 2013 in accordance with a resolution of the Directors.



RH Duffin
Executive Chairman

Auditor's Independence Declaration



Grant Thornton

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Auditor's Independence Declaration To the Directors of WPG Resources Limited

In accordance with the requirements of section 307C of the Corporations Act 2001, as lead auditor for the audit of WPG Resources Limited for the year ended 30 June 2013, I declare that, to the best of my knowledge and belief, there have been:

- a no contraventions of the auditor independence requirements of the Corporations Act 2001 in relation to the audit; and
- b no contraventions of any applicable code of professional conduct in relation to the audit.

GRANT THORNTON AUDIT PTY LTD
Chartered Accountants

I S Kemp
Partner – Audit & Assurance

Sydney, 30 August 2013

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Corporate Governance Statement

The Board of Directors of WPG Resources Ltd:

- Is responsible for corporate governance and strives for high standards in this regard.
- Monitors the Company's business and affairs on behalf of the shareholders by whom they are elected and to whom they are accountable.
- Draws on relevant best practice principles particularly the *Corporate Governance Principles and Recommendations (2nd edition)* issued by the ASX Corporate Governance Council in August 2007 and subsequent updates and these are revised on an ongoing basis.

The Company endeavours to adhere to the best practice principles proposed by ASX, mindful that there may be some instances where compliance is not practicable for a company of WPG's size. In many cases the Company is achieving the standard required, although in some cases the Company is considering new arrangements to enable compliance. In a limited number of instances, the Company does not meet certain standards set out in the recommendations, largely due to the standards being considered by the Board to be unduly onerous for the Company.

The following paragraphs set out the Company's position relative to each of the 8 principles contained in the ASX Corporate Governance Council's report, the extent to which it has followed the recommendations, identifying any recommendations that have not been followed and reasons for not doing so.

PRINCIPLE 1 – LAY SOLID FOUNDATIONS FOR MANAGEMENT AND OVERSIGHT

Board and Board Charter

The Company had a Board of six Directors throughout the financial year (three Executive Directors and three Non-Executive Directors). In August 2013, following the resignation of Mr Heath Roberts, the Board now has five Directors (two Executive Directors and three Non-Executive Directors).

The Company has adopted a formal Board Charter which sets out the functions and responsibilities of the Board and those delegated to management. A formal Delegation of Authority Policy has been adopted and is operated by WPG's small senior management team. At all times the Board and management recognise the overriding responsibility to act honestly, fairly and diligently and in accordance with the law as set out in the Company's Code of Conduct and Ethics, summarised below. The Board Charter is available for review on the Company's website.

Performance Evaluations

Informal performance evaluations of senior management, directors, the Board and Board committees by the Board take place periodically. The Board, with the assistance of the Corporate Governance & Nomination Committee, regularly monitors its performance and the performance of the Directors and Board Committees throughout the year.

A formal questionnaire completed by each of the Directors was also used to review the Board's performance. This internal review was led by the Chairman and the outcomes were discussed and considered by all Directors.

The satisfaction of specified performance criteria under the Company's Incentive Rights Plan is, in part, measured against peer company performance bringing genuine objectivity to the performance evaluation process. As the Company grows, further formalised processes for evaluating performance will be implemented.

PRINCIPLE 2 – STRUCTURE THE BOARD TO ADD VALUE

Directors

The Executive Chairman's role is exercised separately from the Chief Executive Officer. Biographies for Mr Bob Duffin (Executive Chairman) and Mr Martin Jacobsen (Chief Executive Officer) are provided in the Directors and Management section of the 2013 Annual Report.

Following the resignation of Mr Heath Roberts on 7 August 2013, the majority of Directors are independent. Two of the Directors, including the Chairman, are Executive Directors (Messrs Duffin and Jones). The three Non-Executive Directors (Messrs Dean, Lim and Mutton) are independent.

The Board is of the view that, given the Company's current position and focus, there is an adequate and broad mix of skills represented on the Board and that the experience of each of the Directors enables them to be aware of and capable of acting in an independent manner and in the best interests of the shareholders.

Board Committees

The Company has an Audit & Risk Committee, Remuneration Committee and Corporate Governance & Nomination Committee.

Each committee comprises the three Non-Executive Directors of the Company (Messrs Dean, Lim and Mutton), all of whom are independent. Formal, written charters have been adopted for each of the committees.

Board Membership

The Board, with the assistance of the Corporate Governance and Nomination Committee regularly reviews its membership to ensure that it has the appropriate mix of skills and experience required to meet the needs of the Company, monitors the performance of the board, its committees and directors through an ongoing and informal evaluation process. In July, a formal review of its performance was also conducted. A questionnaire completed by each of the Directors was used to review the Board's performance. This internal review was led by the Chairman and the outcomes were discussed and considered by all Directors.

When the Board identifies the requirement for new membership through a Board position becoming vacant or to broaden the mix of available skills, decisions are based on the mix of skills and diversity the Board wishes to achieve. Any new Board member will be recruited from a diverse range of suitably qualified candidates.

Election and Re-election of Directors

In accordance with the ASX Listing Rules and the Company's Constitution, no Director may retain office without re-election beyond the third annual general meeting since he or she was last elected or re-elected. Retiring Directors may offer themselves for re-election, however the Board informally reviews the performance of a retiring Director before giving a recommendation on whether a retiring Director should be nominated and recommended for re-election.

The Company's Constitution also requires that Directors who have been appointed by the Board must retire and stand for re-election at the next annual general meeting following their appointment.

Independent Professional Advice

Each Director of the Company has the right to seek independent professional advice at the expense of the Company. Prior approval of the Chairman is required, but this will not be unreasonably withheld.

PRINCIPLE 3 – PROMOTE ETHICAL AND RESPONSIBLE DECISION-MAKING

Company Policies

The Company has a formal Code of Conduct & Ethics. Directors, officers, employees and key contractors/consultants (WPG Representatives) are required conduct themselves with the highest ethical standards. All WPG Representatives will be expected to act with integrity and objectivity, striving at all times to enhance the reputation and performance of the Company. The Code is distributed to all WPG Representatives and compliance reviewed regularly.

The Company has a policy concerning trading in its securities by WPG Representatives which sets out information and guidelines that must be complied with when trading in WPG Company securities. The Company's Securities Trading and Trading Windows Policy has been made public in accordance with Listing Rule 12.9 and is available on the Company's website.

The Company has an Environmental Policy. All WPG Representatives proactively manage activities and adopt techniques which minimise the Company's environmental impacts at every stage and location of its operations. The Company recognises its responsibility to manage with high professional standards the environmental impacts associated with its operations as it pursues its objective of generating value for shareholders, employees and local communities.

The Board of Directors conducts regular reviews of all policies and procedures.

Diversity

Set out in the Directors Report and below are the proportion of women employees in the whole organisation, women in senior executive positions and women on the Board.

	30 June 2013		30 June 2012	
Women employees in the whole organisation	3/12	25%	3/12	25%
Women on the Board	0/6	0%	0/6	0%
Senior Executives	1/6	17%	1/7	14%

The Company is committed to developing and maintaining an inclusive work environment accessible to all and actively promotes a corporate culture which embraces diversity. A formal Diversity Policy has been adopted, and other policies implemented by the Company include in them the Company's commitment to maintaining an inclusive work environment. The Diversity Policy does not include measurable objectives for achieving gender diversity. The personnel remaining with the Company following the sale of Iron Ore assets to Arrium (formerly OneSteel) in 2011 form a stable key group who are not likely to change significantly in the short term. When the employee base of the Company increases, measurable objectives for gender diversity will be established.

While the Company seeks to ensure that selection and recruitment decisions are based on merit, it recognises that greater innovation and improved engagement are achieved through having a diverse workforce. The Board aims to attract and maintain a Board and employee base which has an appropriate mix of skills, experience and expertise by recruiting from a diverse pool of qualified candidates. Any new personnel will be selected from a broad range of candidates.

PRINCIPLE 4 – SAFEGUARD INTEGRITY IN FINANCIAL REPORTING

The Company has an Audit & Risk Committee. A formal, written charter for the Audit & Risk Committee has been adopted and is available for review on the Company's website.

Audit & Risk Committee

The Audit & Risk Committee consists of the three Non-Executive Directors, Messrs Dean, Lim and Mutton, all of whom are independent, and is chaired by Mr Mutton, an independent director who is not the chair of the Board. The qualifications of each member are set out in the Directors Report. These Directors are considered to have applicable expertise and skills for this Committee.

The Audit & Risk Committee reports to the Board after each committee meeting. There are usually two meetings of the Audit & Risk Committee each year although the committee will meet more regularly to discuss risk factors, related to both projects and broader corporate risk, as necessary.

External Auditor

In conjunction with the Board, the Audit & Risk Committee meets with and reviews the performance of the external auditors (including scope and quality of the audit). The selection and appointment of external auditors must be approved by shareholders at an AGM. The size, profile, experience and cost structure of external audit firms must be considered commensurate with the requirements of a listed company of the size of WPG. The Audit & Risk Committee and the auditor make a recommendation to the Board on external auditor engagement partner rotation.

During the 2011–2012 financial year ASIC authorised the appointment of Grant Thornton Audit Pty Ltd as the Company's auditor on a resolution of Directors until its next AGM. Following a tender process for the auditor role, which was undertaken during the second half of 2012, shareholders approved the appointment of Grant Thornton Audit Pty Ltd as the Company's auditor at the 2012 AGM.

System of Internal Control

The Audit & Risk Committee assesses the performance and objectivity of the audit function and internal control systems. The Company regularly reviews its procedures to ensure compliance with the recommendations set out under this principle.

Confirming Financial Reports

Senior management confirms that the financial reports represent a true and fair view and are in accordance with relevant accounting standards. The Chief Executive Officer and the Chief Financial Officer state in writing to the Board that the Company's financial reports are complete and present a true and fair view, in all material respects, of the financial condition and operational results of the Company and are in accordance with relevant accounting standards.

PRINCIPLE 5 – MAKE TIMELY AND BALANCED DISCLOSURE

Disclosure

The Company, its Directors, Officers and consultants are highly cognisant of the ASX's continuous disclosure requirements and operate in an environment where strong emphasis is placed on full and appropriate disclosure to the market. The Company continually uses strong informal systems to achieve this objective, underpinned by experienced individuals.

The Company has adopted a Disclosure & Communications Policy which sets out its commitment to complying with its disclosure obligations and maintaining public confidence through timely disclosure of information which affects investment decisions. WPG representatives must immediately notify the nominated Disclosure Officers as soon as they become aware of material information concerning the business

of WPG that a reasonable person would expect to have a material effect on the price or value of WPG's securities. This information will be considered for release to the market by the Disclosure Officers who will coordinate the preparation and release of information to ASX and shareholders. Where time permits, the Board will review and approve the form of disclosure of major company announcements or decisions.

While the Company will not generally comment on market rumours or speculation, they will respond if ASX considers that there is or is likely to be a false market in WPG's securities.

PRINCIPLE 6 – RESPECT THE RIGHTS OF SHAREHOLDERS

Communicating With Shareholders

The Company's Disclosure & Communications Policy sets out the ways in which the Company promotes effective communication with shareholders. The Company promotes its website and the electronic distribution of data to shareholders as the favoured course of communication. The Company provides information updates to investors by email.

All significant information disclosed to the ASX is posted on the Company's website as soon as it is released by the ASX.

Answering Questions from Shareholders

The Company actively answers questions and communications from shareholders, where appropriate, in a concise and timely fashion. To the extent possible, the Company facilitates the orderly handling of shareholders' procedural inquiries through introduction to appropriate contacts at service providers, such as the Company's share registry, Boardroom Pty Ltd.

The Company has requested its external auditor attend all general meetings. This has been supported by the Company's audit director at Grant Thornton. The Company's external auditor attends all annual general meetings and is available at that time to answer questions from shareholders. In some cases, questions are better presented in writing in advance and in that case such an approach is facilitated.

Analyst Briefings

When analysts are briefed on aspects of the Group's operations, the material used in the presentation is (or has previously been) released to the ASX and posted on the Company's website. Where appropriate, the Company keeps a summary record of these briefings and the issues discussed. The Company is vigilant in ensuring that non-public, price sensitive information is not discussed on these occasions. Any non-public, price sensitive information that may have been inadvertently disclosed is immediately released to the market.

PRINCIPLE 7 – RECOGNISE AND MANAGE RISK

Risk Management Policy and Procedures

Risk management arrangements are the responsibility of the Board of Directors, the Audit & Risk Committee and senior management collectively. The Company has a Risk Management Policy for the oversight and management of material business risks. The Board determines the Company's "risk profile" and is responsible for overseeing and approving

risk management strategy and policies, internal compliance and internal control.

Risk factors are discussed regularly at Board meetings. The Audit & Risk Committee meets regularly to discuss risk factors, related to both projects and broader corporate risk. Senior Management meets regularly to discuss risk factors.

The Company has developed a risk assessment process which identifies and measures risks that might impact upon the achievement of the Company's goals and objectives, formulates risk management strategies to manage identified risks and monitors the environment for emerging factors and trends that affect these risks.

The Company's risk management systems and internal compliance and controls are monitored and assessed regularly to ensure they are of a high standard of performance and improvements in their effectiveness implemented as required.

Work Health and Safety (WHS)

The Company is committed to a healthy and safe working environment and the welfare of all workers and any person entering any of its workplaces. WPG has a formal Work Health and Safety policy and comprehensive procedural manual, which is provided and agreed to in writing by all WPG representatives and is subject to regular reviews.

Officer Due Diligence

The Company conducts regular reviews of its WHS due diligence obligations. The Company has developed an Officers due diligence safety governance plan which shows comprehensively how officers will meet their due diligence obligations. The safety governance plan is followed and regularly analysed for effectiveness.

Financial Reporting Risks

The Board has received the declarations required to be made to the Directors from the Chief Executive Officer and Chief Financial Officer in accordance with section 295A of the *Corporations Act 2001* for the financial year ended 30 June 2013.

PRINCIPLE 8 – REMUNERATE FAIRLY AND RESPONSIBLY

Remuneration Committee

The Company has a Remuneration Committee, which has a formal, written charter. The Committee is comprised of the three non-executive Directors, Messrs Dean, Lim and Mutton, all independent directors, and is chaired by Mr Dean.

The Committee meets as and when required, to review performance matters and remuneration. The qualifications of each member are set out in the Directors Report.

The Remuneration Committee reviews and make recommendations to the Board on the Company's remuneration, recruitment, retention and termination policies and procedures for senior executives, senior executives' remuneration and incentives, superannuation arrangements, the remuneration framework for Directors and the outcomes of discussions with the Company's external remuneration consultant. Directors believe that the size

and nature of the Company makes individual salary and consultant negotiations more appropriate than formal remuneration policies. These negotiations are designed to attract, retain and motivate high calibre executives by providing remuneration packages which include market competitive fixed annual rewards and long term incentives of retention and performance rights. The Incentive Rights Plan is summarised in the Directors Report.

Executive Remuneration

The Remuneration Committee has received independent external advice and market comparisons in establishing the 2013/2014 financial year fixed annual reward (FAR) packages for Directors and senior executives. In accordance with Corporations Act requirements, the Company discloses the fees or salaries paid to all Directors and Key Management Personnel.

The Company has granted rights pursuant to the Incentive Rights Plan to Executive Directors and senior executives for the 2013/2014 financial year and these are disclosed in the Directors Report.

Non-Executive Directors' Remuneration

Non-Executive directors are remunerated by way of fees. Non-Executive directors do not participate in the Company's Incentive Rights Plan, and do not receive options, bonus payments or retirement benefits other than superannuation.

Approved Company documents

Available on Company website:

- Board Charter
- Audit & Risk Committee Charter
- Securities Trading & Trading Windows Policy

Summary in Corporate Governance Statement or Annual Report:

- Remuneration Committee Charter
- Corporate Governance & Nomination Committee Charter
- Delegation of Authority
- Code of Conduct & Ethics
- Diversity Policy
- Environmental Policy
- Incentive Rights Plan
- Communications & Disclosure Policy
- Risk Management Policy
- Work Health & Safety Policy and Comprehensive Procedural Manual
- Officers Due Diligence Safety Governance Plan

Directors and Management



“The commitment, skills and core values of our team provide an outstanding constant driving force to assure WPG’s ongoing performance.”

Robert H Duffin – Executive Chairman

BSc (Hons), MSc (Hons), Grad Dip Mgt, FAusIMM

Bob Duffin is a company director with over 40 years’ experience in resource exploration, project assessment, mining investment analysis, and company management.

Bob has held senior positions in the exploration divisions of Peko Wallsend and MIM Holdings, then two of Australia’s largest mining companies, and is a former Managing Director of Austrex International, an international resource exploration consulting and contracting firm. He has lived and worked in mining communities, including periods in Kalgoorlie in Western Australia and Mount Isa in Queensland, where he worked on exploration programs for a number of commodities, including gold, copper, uranium, base metals and iron ore. He has also worked with three stockbroking firms and was head of research at one of Australia’s leading resource sector brokers in the 1980s.

Bob is a former Non-Executive Director of a number of companies, including Centennial Coal, Midwest Corporation, Ferrowest, Burmine, Austmin Gold, Mt Lyell, the UK resources investment company Europa Minerals Group, and Mancala, a mining contractor.

Heath L Roberts – Executive Director

Dip Law (SAB), Grad Dip LegP (UTS)

Heath Roberts practiced as a commercial solicitor in his early career before specialising in corporate advisory, fund raising and company secretarial practice, with a focus on the resource and mining sectors.

Heath has had over 15 years broad commercial experience with a range of ASX listed companies and other unlisted resource and mining groups and has participated as an adviser and principal in a number of ASX listings and corporate reconstructions. He has a strong corporate background and

**Robert Duffin – Executive Chairman****Heath Roberts – Executive Director****Gary Jones – Technical Director**

significant experience in project assessment and acquisition, transaction negotiation, capital markets and corporate administration.

Heath was a Director for the full financial year and resigned in August 2013 after 9 years serving as Executive Director, as well as at various times Company Secretary and Legal Counsel.

Gary J Jones – Technical Director

BSc, FAusIMM, MSEG

Gary Jones is a geologist with over 45 years' professional experience in mineral exploration and resource and reserve estimation for various type of mineral deposits including porphyry copper-gold and epithermal gold. He is Managing Director of Geonz Associates Ltd, a leading New Zealand firm of consulting geologists, and has been an independent consultant to the mining industry for the past 29 years during which time assignments have been completed in many parts of the world including Australia, Indonesia, North and South America, Canada and New Zealand.

Prior to setting up his own consultancy Gary worked as an exploration geologist for Geopeko for 15 years in various parts of Australia including 12 years in central New South Wales where he established and managed a new exploration operation for Geopeko. During this time he supervised numerous base and precious metal projects throughout the Lachlan Fold Belt and parts of the New England region and is credited with the discovery of the Northparkes porphyry copper-gold deposits. Following the initial discoveries at Goonumbla, Gary also had a major input into the pegging of a large block of exploration licences in the Lake Cowal region. He planned and supervised the initial regional exploration programs that ultimately led to the discovery of the 4.4 million ounce Cowal porphyry gold deposit. Early in his career Gary worked on iron ore exploration and mining activities in the Northern Territory.

Lim See Yong – Non-Executive Director

BBA (Singapore)

Lim See Yong is General Manager and Director of Xin Sheng International Private Limited, a trading company related to

**Lim See Yong – Non-Executive Director****Len Dean – Non-Executive Director****Dennis Mutton – Non-Executive Director**

**Larissa Brown – Group Company Secretary****Martin Jacobsen – Chief Executive Officer****Wayne Rossiter – Chief Financial Officer**

Tangshan Xingye Industrial and Trade Group Corporation, an investor in raw materials for the steel industry. He spent 11 years with NatSteel Trade International, a Singapore mill that produces bars and wire rods from scrap. He was NatSteel's chief representative in China for 7 years from 1995. From 2002 to 2006 he was in charge of selling iron ore and steel products to China, and exporting semi and finished steel products to South East Asian markets. See Yong lives in Singapore.

Len A Dean – Non-Executive Director

BSc (Met)

Len Dean has had a 40 year career in the resources sector, with particular emphasis in the global iron ore industry. He spent 36 years with BHP, finishing in 2000 as Vice President, Coal and Iron Ore Marketing. During his period with BHP he was General Manager, Marketing for BHP Iron Ore in Perth for 8 years, he managed iron ore mining operations at BHP's Yampi Sound mine, and he lived and worked at BHP's (now Arrium's) Whyalla works for 4 years. He was Managing Director of Sesa Goa Limited, India's largest private sector exporter of iron ore, from 2003 to 2006. More recently, he has been an iron ore consultant with a wide client base including Orinoco Iron (Venezuela), Mitsui Iron Ore Development, CVRD (Brazil) and Mineral Enterprises Limited (India).

Dennis R Mutton – Non-Executive Director

BSc (Hons), Grad Dip Mgt, JP, FAIM, FAICD

Dennis Mutton is a management consultant specialising in natural resource management, primary industries and resources, regional growth initiatives and business-government relations. From 1997 to 2002 he was Chief Executive of the South Australian Department of Primary Industries and Resources. He has a portfolio of directorships including Chair of Bio Innovation SA and Deputy Chair of CRC Pork Ltd. He is a former Director of Mines, former Chair of the Natural Resources Management Council, and a former Director of the Australian Rural Leadership Foundation. Dennis lives in Adelaide.

Larissa Brown – Group Company Secretary

BA, Dip Ed, Grad Dip ACG, ACSA

Larissa Brown has over 10 years' experience in the administration of resource and resource technology companies. Larissa has significant experience in corporate and regulatory management, ASIC and ASX corporate compliance, share registry management, shareholder communications and annual report preparation. Larissa is a Chartered Secretary and was appointed Group Company Secretary on 6 August 2009.

Martin Jacobsen – Chief Executive Officer

MSCC, MDP (Unisa)

Martin Jacobsen joined WPG from his previous position as Vice President, Operations, with Golden China Resources Limited, a gold mining and exploration company with project assets in China. Prior to that he was Technical Director with Emperor Mines Limited and had earlier held senior management positions in gold, chrome and platinum mining operations in South Africa. He has been project manager for a number of projects in a wide range of commodities and mine types. Martin manages new project acquisition and development, and was appointed the Company's CEO in April 2012.

Wayne Rossiter – Chief Financial Officer

BE (Mining), CA, MAppFin, MAusIMM, GMAICD

Wayne is both a mining engineer and a chartered accountant. Wayne has held senior finance and management roles in resource and energy companies including Clean Global Energy Limited, Core Mining Limited, Sino Gold Mining Limited, Cockatoo Coal Limited, Roc Oil Limited and Novus Petroleum Limited. Wayne has knowledge and experience in transitioning companies from the exploration stage through to development and into production. His range of experience includes underground coal gasification, coal seam gas, coal, conventional oil and gas, precious metals, gold and iron ore with global experience covering Australia, Africa, China, Indonesia, the USA, the UK, the former Soviet Republic of Georgia and the Middle East.

ACSA	Associate Chartered Secretaries Australia	Grad Dip ACG	Graduate Diploma in Applied Corporate Governance
BA	Bachelor of Arts	Grad Dip LegP	Graduate Diploma in Legal Practice
BBA	Bachelor of Business Administration	Grad Dip Mgt	Graduate Diploma in Management
BE	Bachelor of Engineering	JP	Justice of the Peace
BSc	Bachelor of Science	MAppFin	Master of Applied Finance
CA	Associate Institute of Chartered Accountants in Australia	MAusIMM	Member Australasian Institute of Mining and Metallurgy
Dip Ed	Diploma in Education	MDP	Management Development Programme
Dip Law	Diploma in Law	MSc	Master of Science
FAICD	Fellow Australian Institute of Company Directors	MSCC	Mine Surveyors Certificate of Competency
FAIM	Fellow Australian Institute of Management	MSEG	Member Society of Exploration Geophysicists
FAusIMM	Fellow Australasian Institute of Mining and Metallurgy		
GMAICD	Graduate Member Australian Institute of Company Directors		

Sustainability, Environmental Management and Community Engagement

“Environmental performance and social responsibility are fundamental in everything we do.”

The Company recognises that in order to be an economically successful company, efficient environmental performance and understanding must be integrated into all aspects of the Company's activities.

WPG continually strives to improve its environmental performance and monitor its performance by comparison to industry standards, and ensure public availability and transparency of relevant documentation.

As a minimum standard, WPG has ensured that all operational areas comply with applicable government laws and regulations.

WPG will encourage and support research programmes relevant to its operations which will provide for a greater understanding of the environment and improvement in our rehabilitation and management methods.

Environmental Performance

WPG holds exploration licences in South Australia. These tenements have been issued by the South Australian state government which specifies guidelines for environmental impacts in relation to activities undertaken under authority of the tenements.

Exploration Licences

The Company's activities on these tenements are directed towards mineral exploration (rather than development) and are directly and indirectly regulated by a range of state legislation. The exploration licence and mineral claim conditions require the full rehabilitation of the areas on completion of exploration in accordance with various guidelines and standards. A security bond ensures compliance with this rehabilitation obligation and there have been no known breaches of the licence conditions.

Muckanippie, Robins Rise and Lake Woorong Projects

During the year, an exploration program commenced on all three projects located in South Australia's Gawler Craton. Land access issues that include cultural heritage clearances, landholder access and Department of Defence approvals were addressed, enabling a programme of geophysics and site reconnaissance to proceed. The results of this initial exploration work will direct future exploration.

Giffen Well

During the year, the Company announced its decision to allow the option to acquire a 25% joint venture interest in the Giffen Well iron ore project to expire unexercised despite the encouraging results of the PFS. Rehabilitation of the drilling sites was completed during August 2013.

Port Pirie

On 8 July 2011 the Company announced that the South Australian government approved the Development Application for the building of an iron ore receipt storage and export facility at Port Pirie, utilising land adjacent to the port waterfront, a modern, state of the art storage shed then a barging system to a deep water transshipment point. In order to prepare the development application the Company undertook an extensive range of environmental studies. The operation of these facilities will be subject to significant environmental regulation.

On 11 August 2011 the Company announced that it had completed the purchase from the South Australian State Government of land in Port Pirie on which it will build an iron ore receipt, storage and load-out facility. Environmental remediation of the site was completed and ongoing monitoring is continuing while the Company evaluates other commercial options for its use.

Carbon Pollution Reduction and Emissions Trading

The Company actively monitors developments in policy and legislation relating to carbon pollution reduction and emissions trading. Moving forward, as the impact of these matters distils to firm obligations the Company will embrace and implement them. Initial assessment of potential carbon offset costs has been undertaken by the Company.

WPG has a strong commitment to best practice compliance with all relevant environmental protection conditions.

WPG will:

- set and communicate environmental objectives and quantified targets;
- monitor progress against these objectives and targets;
- implement environmental management plans in operating areas which may have a significant environmental impact;
- identify where remedial actions are required and implement action plans; and
- monitor licence requirements, with performance against licence conditions reported to the various State regulators on a regular basis.

Environmental performance is reported to the WPG Board on a regular basis.

Safety Management Program

WPG values the safety and health of all of its employees, contractors and the wider community in which it operates.

The Company is committed to a healthy and safe working environment and the welfare of all workers and any person entering any of its workplaces. WPG has a formal Work Health and Safety Policy and Comprehensive Procedural Manual, which is provided and agreed to in writing by all WPG Representatives and is subject to regular reviews. Through this Work Health and Safety management system the Company applies best industry standards to its operations.

Employment and Training

WPG is committed to providing a professional and rewarding work environment where employees can grow and develop their careers.

WPG encourages all employees to undertake professional training, and, as a priority, ensures that their staff have all necessary training to competently carry out their jobs.

WPG will particularly look at enhancing regional employment and training opportunities, and to providing employment and training to appropriate indigenous candidates, especially in the local areas of its operations, and encourages its contractor companies to do the same.

The Company actively encourages women to apply for vacant positions, creates a workplace where talented and qualified women want to work and ensures external recruitment suppliers provide a balance of talented and qualified men and women candidates.

WPG believes that a more effective and innovative workforce is created by recruiting from a diverse range of candidates to access the deepest possible talent pool.

The Company seeks to select and recruit a diverse employee base, including, but not limited to, candidates of different gender, age, ethnicity and cultural background who have an appropriate mix of skills, experience and expertise by recruiting from a diverse pool of qualified candidates. The Board actively promotes a corporate culture which embraces diversity by ensuring an inclusive environment exists not only within the Company but also within its contractor companies. The objectives established by the Company for the achievement of gender diversity within the Company are included in the Directors Report.

Community Relations

WPG's commitment to maintaining good relationships with its employees, stakeholders, Government and non-Government organisations is important to the success and longevity of its operations.

The Company has developed an effective community engagement and consultation strategy, with key community groups identified and communicated with to understand their concerns and likely social implications. Independent advisers assist the Company in formulating and implementing these strategies. WPG consults with pastoralists, Aboriginal communities, other mining and exploration companies and the State and Federal Government in and around the project areas.

WPG initiated and actively consults with all key community groups in and around Port Pirie for the proposed iron ore receipt, storage and export operations. WPG has a permanent staff presence in Port Pirie and actively maintains its assets there. This will continue as the Company evaluates other commercial options for the use of the land purchased from the South Australian State Government.

Consolidated Statement of Comprehensive Income

for the year ended 30 June 2013

		CONSOLIDATED	
		2013	2012
	Note	\$ '000	\$ '000
REVENUE FROM CONTINUING OPERATIONS	2	581	4,659
Other income	2	1	49
ASX and ASIC costs		(31)	(89)
Contract administration services		(1,148)	(1,104)
Corporate advisory services		(2)	(368)
Depreciation and amortisation		(46)	(52)
Directors' fees		(128)	(149)
Employment costs		(319)	(1,298)
Exploration & port evaluation expenditure written-off		(4,100)	(1,653)
Insurance		(152)	(184)
Legal fees		(65)	(321)
Loss on sale of assets		(23)	–
Office costs		(54)	(57)
Operating lease rental expense		(217)	(181)
Public relations		(75)	(101)
Registry costs		(26)	(45)
Share based payments	3	(89)	(3,536)
Superannuation expense		(102)	(75)
Travel and accommodation		(121)	(216)
Impairment loss on available-for-sale financial assets		–	(1,391)
Fair value adjustment on financial assets at fair value through profit or loss		(27)	(1,798)
Impairment loss on Port Pirie property		(5)	(1,607)
Other expenses		(295)	(511)
LOSS BEFORE INCOME TAX EXPENSE		(6,443)	(10,028)
Income tax benefit / (expense)	4	1,382	539
LOSS AFTER TAX FROM CONTINUING OPERATIONS		(5,061)	(9,489)
Profit after tax from discontinued operations sold during the year	21	–	180,244
NET PROFIT / (LOSS) FOR YEAR		(5,061)	170,756
OTHER COMPREHENSIVE INCOME / (LOSS)			
Change in fair value on available-for-sale financial assets		(10)	(55)
Income tax on other comprehensive income		3	17
OTHER COMPREHENSIVE INCOME / (LOSS) NET OF TAX		(7)	(38)
TOTAL COMPREHENSIVE INCOME / (LOSS) ATTRIBUTABLE TO OWNERS OF WPG RESOURCES LTD		(5,068)	170,718

Consolidated Statement of Comprehensive Income

for the year ended 30 June 2013

		CONSOLIDATED	
		2013	2012
	Note	\$ '000	\$ '000
Loss per share from continuing operations attributable to the owners of WPG Resources Ltd			
Basic earnings / (loss) per share (¢ per share)	23	(1.94)	(3.71)
Diluted earnings / (loss) per share (¢ per share)	23	(1.94)	(3.71)
Earnings per share from discontinued operations attributable to the owners of WPG Resources Ltd			
Basic earnings / (loss) per share (¢ per share)	23	–	70.39
Diluted earnings / (loss) per share (¢ per share)	23	–	70.39
Earnings per share from profit / (loss) attributable to the owners of WPG Resources Ltd			
Basic earnings / (loss) per share (¢ per share)	23	(1.94)	66.68
Diluted earnings / (loss) per share (¢ per share)	23	(1.94)	66.68

The above Consolidated Statement of Comprehensive Income should be read in conjunction with the accompanying notes.

Consolidated Statement of Financial Position

as at 30 June 2013

		CONSOLIDATED	
		2013	2012
	Note	\$ '000	\$ '000
CURRENT ASSETS			
Cash and cash equivalents	6	10,941	15,940
Trade and other receivables	7	195	1,073
TOTAL CURRENT ASSETS		11,136	17,013
NON-CURRENT ASSETS			
Available-for-sale financial assets	14	158	89
Other financial assets	8	74	90
Property, plant, equipment and leasehold improvements	9	1,350	1,408
Exploration and evaluation expenditure	10	2,721	4,151
TOTAL NON-CURRENT ASSETS		4,303	5,738
TOTAL ASSETS		15,439	22,751
CURRENT LIABILITIES			
Trade and other payables	16	632	3,018
TOTAL CURRENT LIABILITIES		632	3,018
NON-CURRENT LIABILITIES			
Deferred tax liability	17	11	14
Provisions	18	66	10
TOTAL NON-CURRENT LIABILITIES		77	24
TOTAL LIABILITIES		709	3,042
NET ASSETS		14,730	19,709
EQUITY			
Contributed equity	19	24,982	16,661
Reserves	20	114	8,353
Accumulated losses		(10,366)	(5,305)
TOTAL EQUITY		14,730	19,709

The above Consolidated Statement of Financial Position should be read in conjunction with the accompanying notes.

Consolidated Statement of Cash Flows

for the year ended 30 June 2013

	Note	CONSOLIDATED	
		2013	2012
		\$'000	\$'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipt from customers		1	34
Payments to suppliers and employees		(1,867)	(6,869)
Interest received		638	5,003
R&D tax grant received		–	314
Rent received		–	15
Company tax paid		(938)	–
Supplier commitment deposit		–	(3,724)
NET CASH OUTFLOWS FROM OPERATING ACTIVITIES	30	(2,166)	(5,227)
CASH FLOWS FROM INVESTING ACTIVITIES			
Acquisition of property, plant and equipment		(38)	(3,119)
Proceeds from sale of property, plant and equipment		26	–
Expenditure on mining interests (exploration)		–	(1,859)
Expenditure on mining interests (development)		(2,628)	(2,601)
Development capital expenditure		–	(10,479)
Investment in available for sale financial assets		(106)	–
Proceeds from sale of subsidiaries net of tax		–	247,576
Transaction costs relating to disposal of cash generating unit		–	(8,960)
NET CASH (OUTFLOWS) / INFLOWS FROM INVESTING ACTIVITIES		(2,746)	220,558
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from issue of shares		–	4,200
Payment of dividends		(52)	(162,303)
Repayment of share capital		(35)	(108,202)
NET CASH OUTFLOWS FROM FINANCING ACTIVITIES		(87)	(266,305)
NET DECREASE IN CASH AND CASH EQUIVALENTS		(4,999)	(50,974)
Cash and cash equivalents at the beginning of the year		15,940	66,914
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	6	10,941	15,940

The above Consolidated Statement of Cash Flows should be read in conjunction with the accompanying notes.

Consolidated Statement of Changes in Equity

for the year ended 30 June 2013

AT 30 JUNE 2011

Total comprehensive profit

Profit for the year

Other comprehensive income

Change in fair value of available-for-sale financial assets net of tax

Total comprehensive profit for the year

Transactions with owners in their capacity as owners

Issue of new shares

Return of capital

Dividends (Note 19)

Share based payments expense

AT 30 JUNE 2012

Total comprehensive profit

Loss for the year

Other comprehensive income

Change in fair value of available-for-sale financial assets net of tax

Total comprehensive profit for the year

Transactions with owners in their capacity as owners

Issue of new shares

Share based payments expense

AT 30 JUNE 2013

Contributed Equity	Accumulated Losses	Share Based Payments Reserves	AFS Reserve	Total Equity
\$'000	\$'000	\$'000	\$'000	\$'000
120,434	(13,607)	4,785	70	111,682
–	170,756	–	–	170,756
–	–	–	(38)	(38)
–	170,756	–	(38)	170,718
4,530	–	–	–	4,530
(108,303)	–	–	–	(108,303)
–	(162,454)	–	–	(162,454)
–	–	3,536	–	3,536
(103,773)	(162,454)	3,536	–	(262,691)
16,661	(5,305)	8,321	32	19,709
–	(5,061)	–	–	(5,061)
–	–	–	(7)	(7)
–	(5,061)	–	(7)	(5,068)
8,321	–	(8,321)	–	–
–	–	89	–	89
8,231	–	(8,232)	–	89
24,982	(10,366)	89	25	14,730

The above Consolidated Statement of Changes in Equity should be read in conjunction with the accompanying notes.

Notes to the Financial Statements

for the year ended 30 June 2013

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of preparation

The financial statements are general purpose financial statements, which have been prepared in accordance with the requirements of the *Corporations Act 2001*, Australian Accounting Standards, and other authoritative pronouncements of the Australian Accounting Standards Board. They have been prepared on a historical cost basis using the accrual method of accounting.

(b) Statement of compliance

The financial statements also comply with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board.

(c) Basis of consolidation

The consolidated financial statements comprise the financial statements of WPG Resources Ltd (WPG or the Company) and its subsidiaries (collectively, the "Group") as at 30 June each year. Subsidiaries are entities over which the Company has the power to govern the financial and operating policies generally accompanying a shareholding of more than one half of the voting rights. Potential voting rights that are currently exercisable or convertible are considered when assessing control. The financial statements of subsidiaries are prepared for the same reporting period as the parent company, using consistent accounting policies. All intercompany balances and transactions, income and expenses and profit and losses resulting from intra-group transactions have been eliminated in full. Subsidiaries are fully consolidated from the date on which control is transferred to the Group and cease to be consolidated from the date on which control is transferred out of the Group.

(d) Property, plant, equipment and leasehold improvements

Plant and equipment is stated at cost less accumulated depreciation and any impairment in value.

Depreciation is calculated on a straight-line basis over the estimated useful life of the asset:

- plant and equipment – depreciated over four years;
- leasehold improvements – depreciated over term of lease.

The carrying values of plant and equipment are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable.

An item of plant and equipment is derecognised upon disposal.

Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the item) is included in the profit and loss in the period the item is derecognised.

(e) Borrowing costs

Borrowing costs are recognised as an expense when incurred.

(f) Investments

All investments in subsidiaries are recognised at cost, being the fair value of the consideration given and including acquisition charges associated with the investment.

Available-for-sale financial assets comprise investments in listed and unlisted entities and any non-derivatives that are not classified as any other category of financial assets, and are classified as non-current assets (unless management intends to dispose of the investment within 12 months of the end of the reporting period). After initial recognition, these investments are measured at fair value with gains or losses recognised in other comprehensive income (available-for-sale investments revaluation reserve). Where there is a significant or prolonged decline in the fair value of an available-for-sale financial asset (which constitutes objective evidence of impairment) the full amount including any amount previously charged to other comprehensive income is recognised in profit or loss. Purchases and sales of available-for-sale financial assets are recognised on settlement date with any change in fair value between trade date and settlement date being recognised in other comprehensive income. On sale, the amount held in available-for-sale reserves associated with that asset is recognised in profit or loss as a reclassification adjustment.

Reversals of impairment losses on equity instruments classified as available-for-sale cannot be reversed through profit or loss. Reversals of impairment losses on debt instruments classified as available-for-sale can be reversed through profit or loss where the reversal relates to an increase in the fair value of the debt instrument occurring after the impairment loss was recognised in profit or loss.

Financial assets at fair value through profit and loss are measured at fair value with gains or losses recognised in profit or loss. A financial asset is classified as fair value through profit and loss if acquired principally for the purpose of selling in the short term or if it is a derivative that is not designated as a hedge. Assets in this category are classified as current assets in the statement of financial position if they are expected to be settled within 12 months, otherwise they are classified as non-current assets.

The fair value of quoted investments are determined by reference to Securities Exchange quoted market bid prices at the close of business at the end of the reporting period. For investments where there is no quoted market price, fair value is determined by reference to the current market value of another instrument which is substantially the same or is calculated based on the expected cash flows of the underlying net asset base of the investment or using another suitable valuation technique.

(g) Exploration, evaluation, development and restoration costs

Exploration and evaluation

Exploration and evaluation expenditure incurred by or on behalf of the Group is accumulated separately for each area of interest. Such expenditure comprises net direct costs and an appropriate portion of related overhead expenditure, but does not include general overheads or administrative expenditure not having a specific connection with a particular area of interest.

Exploration and evaluation costs in relation to separate areas of interest for which rights of tenure are current are brought to account in the year in which they are incurred and carried forward provided that:

- such costs are expected to be recouped through successful development and exploitation of the area, or alternatively through its sale; or
- exploration and/or evaluation activities in the area have not yet reached a stage which permits a reasonable assessment of the existence or otherwise of economically recoverable reserves.

Once a development decision has been taken, all past and future exploration and evaluation expenditure in respect of the area of interest is aggregated within costs of development.

Exploration and evaluation – impairment

The Group assesses at the end of each reporting period whether there is an indication that an asset has been impaired and for exploration and evaluation cost whether the above carry forward criteria are met.

Accumulated costs in respect of areas of interest are written off or a provision made in the profit and loss when the above criteria do not apply or when the Directors assess that the carrying value may exceed the recoverable amount. The costs of productive areas are amortised over the life of the area of interest to which such costs relate on the production output basis.

Provisions are made where farm-in partners are sought and there is a possibility that carried-forward expenditures may have to be written off in the future if a farm-in partner is not found. In the event that farm-in agreements are reached or the Group undertakes further exploration in its own right on those properties, the provisions would be reviewed and if appropriate, written back.

Mine Development

Development expenditure incurred by or on behalf of the Group is accumulated for the area of interest in which economically recoverable reserves have been identified to the satisfaction of the Directors. Such expenditure comprises net direct costs and, in the same manner as for exploration and evaluation expenditure, an appropriate portion of related overhead expenditure having a specific connection with the development.

All expenditure incurred prior to the commencement of commercial levels of production from the development is carried forward to the extent to which recoupment out of revenue to be derived from the sale of production from the relevant development property, or from the sale of that property, is reasonably assured.

No amortisation is provided in respect of development until commencement of mining. After this decision, the costs are amortised over the life of the area of interest to which such costs relate on a production output basis.

Port Development

Expenditure incurred by or on behalf of the Group is accumulated separately for Port Development. Such expenditure comprises net direct costs and, in the same manner as for exploration and evaluation expenditure, an appropriate portion of related overhead expenditure having a specific connection with the development.

All expenditure incurred prior to the commencement of commercial levels of production is carried forward to the extent to which recoupment out of revenue to be derived from the sale of production.

No amortisation is provided in respect of development until mining commences. After this decision, the costs are amortised over the life of the mine on a production output basis.

Development Capital

Expenditure incurred by or on behalf of the Group is accumulated separately for construction of assets in support of the project. Such expenditure comprises net direct costs and, in the same manner as for exploration and evaluation expenditure, an appropriate portion of related overhead expenditure having a specific connection with the development.

All expenditure incurred prior to the commencement of commercial levels of production for the project is carried forward to the extent to which recoupment out of revenue to be derived from the sale of production.

No amortisation is provided in respect of development until commencement of mining. After this decision, the costs are amortised over the life of the mine on a production output basis.

Restoration

Provisions for restoration costs are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

If the effect of the time value of money is material, provisions are determined by discounting the expected cash flows at a re-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

(h) Trade and other receivables

Trade receivables, which generally have a 30 day term, are recognised and carried at original invoice amount less an allowance for any uncollectible amounts.

An estimate for doubtful debts is made when collection of the full amount is no longer probable. Bad debts are written off when identified.

Objective evidence of impairment include financial difficulties of the debtor, default payments or debts more than 90 days overdue. On confirmation that the trade receivable will not be collectible the gross carrying value of the asset is written off against the associated provision.

(i) Cash and cash equivalents

Cash and short-term deposits in the statement of financial position comprise cash at bank and short-term deposits with an original maturity of three months or less.

For the purposes of the Statement of Cash Flows, cash and cash equivalents consist of cash and cash equivalents as defined above, net of outstanding bank overdrafts, if any.

(j) Trade and other payables and provisions

Trade and other payables represent liabilities for goods and services provided to the Group prior to the year end and which are unpaid. These amounts are unsecured and have 7-60 day payment terms.

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

(k) Employee leave benefits

Wages, salaries, annual leave and sick leave

Liabilities for wages and salaries, including non-monetary benefits, annual leave and accumulated sick leave expected to be settled within 12 months of the end of the reporting period are recognised in other payables in respect of employees' services up to the end of the reporting period. They are measured at the amounts expected to be paid when the liabilities are settled. Liabilities for non-accumulating sick leave are recognised when the leave is taken and are measured at the rates paid or payable.

Long service leave

The liability for long service leave is recognised in the provision for employee benefits and measured as the present value of

expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures, and periods of service. Expected future payments are discounted using market yields at the reporting date on national government bonds with terms to maturity and currencies that match, as closely as possible, the estimated future cash outflows.

(l) Superannuation

The Group contributes to defined contribution superannuation funds for employees. The cost of these contributions is expensed as incurred.

(m) Share-based payment transactions

In addition to salaries, the Group provides benefits to certain employees (including directors) of the Group in the form of share-based payment transactions, whereby employees render services in exchange for shares or rights over shares ("equity-settled transactions").

The WPG Resources Ltd Incentive Rights Plan (the Plan) is in place to provide these benefits.

The cost of equity-settled transactions are measured at the fair value of WPG shares on the grant date. In valuing transactions settled by way of issue of rights, no account is taken of any vesting limits or hurdles, or the fact that the rights are not transferable.

The cost of these equity-settled transactions is measured by reference to the fair value at the grant date determined by using the Binomial Tree option valuation methodology model, prepared by an external consultant having regard to historical volatility determined by that consultant.

The cost of equity-settled transactions is recognised, together with a corresponding increase in equity, over the period in which the vesting conditions are fulfilled, ending on the date on which the relevant employees become fully entitled to the award (the vesting period).

The cumulative expense recognised for equity-settled transactions at the end of the reporting period until vesting date reflects (i) the extent to which the vesting period has expired and (ii) the Group's best estimate of the number of equity instruments that will ultimately vest. No adjustment is made for the likelihood of market performance conditions being met as the effect of these conditions is included in the determination of fair value at grant date.

The profit or loss charge or credit for a period represents the movement in cumulative expense recognised as at the beginning and end of that period.

No expense is recognised for awards that do not ultimately vest, except for awards where vesting is only conditional upon a market condition.

If the terms of an equity-settled award are modified, as a minimum an expense is recognised as if the terms had not

been modified. In addition, an expense is recognised for any modification that increases the total fair value of the share-based payment arrangement, or is otherwise beneficial to the employee, as measured at the date of modification.

If an equity-settled award is cancelled, it is treated as if it had vested on the date of the cancellation, and any expense not yet recognised is recognised immediately.

However, if a new award is substituted for the cancelled award and designated a replacement award on the date it is granted, the cancelled and new award are treated as if they were a modification of the original award, as described in the previous paragraph.

The dilutive effect, if any, of outstanding rights is reflected as additional share dilution in the computation of earnings per share except where such dilution would serve to reduce a loss per share.

(n) Leases

Leases where the lessor retains substantially all the risks and benefits of ownership of the asset are classified as operating leases.

Operating lease payments are recognised as an expense in the income statement on a straight-line basis over the lease term.

(o) Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognised.

Government grants

Grants from the government are recognised when all conditions attached to them have been met, either in the profit and loss against the expenses it is to compensate or as deferred income or by deducting the grant in arriving at the carrying amount of the asset.

Interest

Revenue is recognised as the interest accrues.

Rent

Rental income is recognised on an accrual basis monthly in accordance with substance of the relevant agreement.

(p) Income tax

Current tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the end of the reporting period.

Deferred income tax is provided on all temporary differences at the end of the reporting period between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred income tax liabilities are recognised for all taxable temporary differences:

- except where the deferred income tax liability arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- in respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, except where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred income tax assets are recognised for all deductible temporary differences, carry-forward of unused tax assets and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry-forward of unused tax assets and unused tax losses can be utilised:

- except where the deferred income tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- in respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are only recognised to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred income tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilised.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the end of each reporting period.

Income taxes relating to items recognised directly in other comprehensive income or equity are recognised in other comprehensive income or equity and not in the profit and loss.

Effective 1 January 2012, the Company and subsidiaries signed a tax sharing agreement pursuant to the Tax Consolidation Legislation to form a tax consolidation group for the purposes of determining the allocation of the group tax liability and which of the parties is to fund the group tax liability.

(q) Other taxes

Revenues, expenses and assets are recognised net of the amount of GST except:

- where the GST incurred on a purchase of goods and services is not recoverable from the taxation authority, in which case the GST is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and
- receivables and payables are stated with the amount of GST included.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the Consolidated Statement of Financial Position.

Cash flows are included in the Consolidated Statement of Cash Flows on a gross basis and the GST component of cash flows arising from investing and financial activities, which are recoverable from, or payable to, the taxation authority are classified as operating cash flows.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the taxation authority.

(r) Currency

The functional and presentation currency for the Group is Australian dollars (\$).

(s) Impairment of assets

The Group assesses at the end of each reporting period whether there is an indication that an asset may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, the Group makes an estimate of the asset's recoverable amount. An asset's recoverable amount is the higher of its fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets and the asset's value in use cannot be estimated to be close to its fair value. In such cases the asset is tested for impairment as part of the cash-generating unit to which it belongs. When the carrying amount of an asset or cash-generating unit exceeds its recoverable amount, the asset or cash-generating unit is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

Impairment losses relating to continuing operations are recognised in those expense categories consistent with the function of the impaired asset unless the asset is carried at revalued amount (in which case the impairment loss is treated as a revaluation decrease).

An assessment is also made at the end of the reporting period as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the recoverable amount is estimated. A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine

the asset's recoverable amount since the last impairment loss was recognised. If that is the case the carrying amount of the asset is increased to its recoverable amount.

The increased amount cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in profit or loss unless the asset is carried at revalued amount, in which case the reversal is treated as a revaluation increase. After such a reversal the depreciation charge is adjusted in future periods to allocate the asset's revised carrying amount, less any residual value, on a systematic basis over its remaining useful life.

(t) Significant accounting judgements, estimates and assumptions

The carrying amounts of certain assets and liabilities are often determined based on estimates and assumptions of future events. The key estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of certain assets and liabilities within the next annual reporting period are set out below.

Share-based payment transactions

The Company measures the cost of equity-settled share-based option payments at fair value at the grant date using the Binomial Tree (previously the Black Scholes) formula taking into account the terms and conditions upon which the instruments were granted. The cost of equity-settled share based incentive rights are fair valued by reference to the WPG share price on the grant date.

Exploration and evaluation costs

The Company capitalises all its exploration and evaluation expenditure in accordance with accounting policy Note 1(g) – refer Note 10.

Deferred tax assets

The company has made a judgement not to recognise the deferred tax assets disclosed in Note 3 as the directors remain uncertain as to their future eligibility for application against any future taxable income.

(u) Issued capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

(v) Earnings per share

Basic earnings per share is calculated as net profit attributable to members of the Company, adjusted to exclude any costs of servicing equity divided by the weighted average number of ordinary shares.

Diluted earnings per share is calculated as net profit attributable to members of the Company, adjusted for:

- costs of servicing equity;

- the after tax effect of dividends and interest associated with dilutive potential ordinary shares that have been recognised as expenses; and
- other non-discretionary changes in revenues or expenses during the period that would result from the dilution of potential ordinary shares;

divided by the weighted average number of ordinary shares and dilutive potential ordinary shares, adjusted for any bonus element.

(w) Rounding of amounts

The company is of a kind referred to in Class Order 98/0100 issued by the Australian Securities and Investments Commission relating to rounding of amounts in the financial report. Amounts have been rounded to the nearest thousand dollars (\$'000) unless otherwise stated.

(x) Accounting Standards issued not yet effective

Certain new accounting standards and interpretations have been published that are not mandatory for 30 June 2013 reporting periods. The Group's assessment of the impact of these new standards and interpretations is set out below.

AASB 9 amends the requirements for classification and measurement of financial assets for periods beginning on or after 1 January 2015. Due to adoption only being mandatory for the 30 June 2016 year end, the Group has not yet made an assessment of the impact of these amendments.

AASB 2010-4 deletes various disclosures from AASB 7 Financial Instrument: Disclosures relating to credit risk, renegotiated loans and receivables and the fair value of collateral held. There will be no impact on initial adoption to amounts recognised in the financial statement as the amendments result in fewer disclosures only.

AASB 10 (issued August 2011) introduces a single 'control model' for all entities, including special purpose entities (SPEs). When this standard is first adopted for the year ended 30 June 2014, there will be no impact on transactions and balances recognised in the financial statements because the entity does not have any special purpose entities. AASB 10 (issued August 2011) also introduces the concept of 'de facto' control for entities with less than a 50% ownership interest in an entity, but which have a large shareholding compared to other shareholders. Additional guidance is also included to determine when decision making authority over an entity has been delegated by a principal to an agent. There will be no impact when this standard is first adopted for the year ended 30 June 2014, as all group companies are 100% owned with no delegation of decision making authority.

AASB 11 (issued August 2011) states that joint arrangements will be classified as either 'joint operations' (where parties with joint control have rights to assets and obligations for liabilities) or 'joint ventures' (where parties with joint control have rights to the net assets of the arrangement). When this standard is adopted for the first time for the year ended 30 June 2014, joint ventures will be accounted for in consolidated financial

statements using the equity method, rather than the proportionate consolidation method.

AASB 12 (issued August 2011) combines existing disclosures from AASB127 Consolidated and Separate Financial Statements, AASB 128 Investments in Associates and AASB 131 Interests in Joint Ventures. The amendment introduces new disclosure requirements for interests in associates and joint arrangements, as well as new requirements for unconsolidated structured entities. As this is a disclosure standard only, there will be no impact on amounts recognised in the financial statements. However, additional disclosures will be required for interests in associates and joint arrangements, as well as for unconsolidated structured entities.

Currently, fair value measurement requirements are included in several Accounting Standards. AASB 13 establishes a single framework for measuring fair value of financial and non-financial items recognised at fair value in the statement of financial position or disclosed in the notes in the financial statements. Due to the recent release of this standard, the entity has yet to conduct a detailed analysis of the differences between the current fair valuation methodologies used and those required by AASB 13.

However, when this standard is adopted for the first time for the year ended 30 June 2014, there will be no impact on the financial statements because the revised fair value measurement requirements apply prospectively from 1 July 2013.

Amendments to AASB 2011-9 (issued September 2011) to align the presentation of items of other comprehensive income (OCI) with US GAAP. When this standard is first adopted for the year ended 30 June 2013, there will be no impact on amounts recognised for transactions and balances for 30 June 2013 (and comparatives). However, the statement of comprehensive income will include name changes and include subtotals for items of OCI that can subsequently be reclassified to profit or loss in future (e.g. foreign currency translation reserves) and those that cannot subsequently be reclassified (e.g. fixed asset revaluation surpluses).

AASB 119 (2011) issued September 2011 has been amended. The main changes include:

- Elimination of the 'corridor' approach for deferring gains/losses for defined benefit plans;
- Actuarial gains/losses on remeasuring the defined benefit plan obligation/asset to be recognised in OCI rather than in profit or loss, and cannot be reclassified in subsequent periods;
- Subtle amendments to timing for recognition of liabilities for termination benefits; and
- Employee benefits expected to be settled (as opposed to due to settled under current standard) within 12 months after the end of the reporting period are short-term benefits, and therefore not discounted when calculating leave liabilities. Annual leave not expected to be used within 12 months of end of reporting period will in future be discounted when calculating leave liability.

The entity currently calculates its liability for annual leave employee benefits on the basis that it is due to be settled within 12 months of the end of the reporting period because employees are entitled to use this leave at any time. The amendments to AASB119 require that such liabilities be calculated on the basis of when the leave is expected to be taken, i.e. expected settlement.

When this standard is first adopted for 30 June 2014 year end, annual leave liabilities will be recalculated on 1 July 2012. Leave liabilities for any employees with significant balances of leave outstanding who are not expected to take their leave within 12 months will be discounted, which may result in a reduction of the annual leave liabilities recognised on 1 July 2012, and a corresponding increase in retained earnings at that date.

AASB 2010-6 (issued November 2010) provides additional disclosures required for entities that transfer financial assets, including information about the nature of financial assets involved and the risks associated with them. As this is a

disclosure standard only, there will be no impact on amounts recognised in the financial statements.

AASB 1054 (issued May 2011). The amendment moves additional Australian specific disclosure requirements for for-profit entities from various Australian Accounting Standards into this Standard as a result of the Trans-Tasman Convergence Project.

The requirement to disclose each class of capital commitment and expenditure commitment contracted for at the end of the reporting period (other than commitments for the supply of inventories) is removed. Although this Standard was adopted for the first time for the year ended 30 June 2012, the financial statements continue to disclose capital expenditure and exploration expenditure commitments.

The directors have considered the impact of other standards issued, not yet effective, and have determined that they would have no impact on the financial report when the standards are first adopted.

2. REVENUE

Revenue from continuing operations

Interest received – other persons / corporations

Other income

Sundry income

3. SHARE BASED PAYMENTS

Current period expense for share based payments granted

Accelerated expense for early vesting share based payments

CONSOLIDATED	
2013	2012
\$ '000	\$ '000
581	4,659
581	4,659
1	49
1	49
89	241
–	3,295
89	3,536

On 1 July 2011, 3,081,933 incentive rights were issued to Key Management Personnel. The value of these rights upon granting was \$2,572,744. Prior to the sale of iron ore assets to Arrium (formerly OneSteel) in the previous period, the Board resolved that all outstanding staff share incentive rights would vest upon completion of the sale agreement. These events caused a significant expense to be recognised in the prior period.

4. INCOME TAX EXPENSE

Loss from continuing activities before tax expense

Prima facie tax benefit on loss from continuing activities at 30% (2012: 30%)

Tax effect of amounts which are not deductible in calculating taxable income:

Entertainment

Share-based payments

Impairment on investments

Legal costs on capital raising

Tax effect of current year tax losses for which no deferred tax asset has been recognised

Fair value of warrants expense

Overprovision in prior year

Income tax (benefit) / expense

Income tax relates to deferred tax

Unrecognised deferred tax assets and liabilities

On income tax account:

Capital raising costs

Timing differences

Carry forward tax losses

Net unrecognised deferred tax asset

CONSOLIDATED	
2013	2012
\$ '000	\$ '000
(6,443)	(10,028)
(1,932)	(3,008)
1	1
27	1,060
10	957
–	1,449
1,856	(471)
–	(527)
(1,344)	–
(1,382)	(539)
1,858	2,338
454	(747)
2,260	2,397
4,572	3,988

The taxation benefits will be obtained only if the assessable income derived is of a nature and an amount sufficient to enable the benefit of deductions to be realised; conditions for deductibility imposed by the law are complied with; and there are no changes in tax legislation that adversely affect the realisation of the benefit of the deductions. For accounts purposes, with respect to the above, the Company has not brought the tax benefit to account.

All losses available to the group of companies are included in the current year ended 30 June 2013.

5. AUDITOR'S REMUNERATION

Total amounts receivable by the Auditors for:

Amounts paid / payable to Grant Thornton Audit Pty Ltd for audit and review of the financial report of the Group

In the prior period Grant Thornton merged with BDO (NSW-VIC) and fees charged by both firms are included under Grant Thornton for that year.

CONSOLIDATED	
2013	2012
\$ '000	\$ '000
45	81

6. CASH AND CASH EQUIVALENTS

Cash at bank

Money market securities – term deposits

The weighted average interest rate as at the end of the reporting period is 3.83% (2012: 5.06%) and the average remaining term is 45 days (2012: 70 days).

7. TRADE AND OTHER RECEIVABLES

Current

GST receivable

Interest receivables

Prepayments and other receivables

No trade and other receivables are past due date.

8. OTHER FINANCIAL ASSETS

Non-current

Deposit with government mines department *

Rental lease deposit

* These non-interest earning deposits are restricted so that they are available for any rehabilitation that may be required on exploration tenements.

9. PROPERTY, PLANT, EQUIPMENT AND LEASEHOLD IMPROVEMENTS

Port Pirie Property – at directors' valuation

Accumulated amortisation

Reconciliation of the carrying amount of plant and equipment at the beginning and end of the current and previous financial year

Carrying amount at beginning of financial year

Additions

Expenditure reclassified from Port Development Expenditure (Note 12)

Expenditure reclassified from Development Capital Expenditure (Note 13)

Impairment loss expensed to profit and loss

Carrying amount at end of financial year

Plant and equipment – at cost

Accumulated depreciation

CONSOLIDATED	
2013	2012
\$'000	\$'000
783	1,600
10,158	14,340
10,941	15,940
42	753
46	103
107	217
195	1,073
–	15
74	75
74	90
990	990
–	–
990	990
990	–
5	–
–	1,179
–	1,418
(5)	(1,607)
990	990
541	560
(181)	(145)
360	415

9. PROPERTY, PLANT, EQUIPMENT AND LEASEHOLD IMPROVEMENTS *continued*

Reconciliation of the carrying amount of plant and equipment at the beginning and end of the current and previous financial year

Carrying amount at beginning of financial year

Additions

Expenditure reclassified from Development Capital Expenditure (Note 13)

Disposals

Depreciation expense

Carrying amount at end of financial year

Leasehold improvements – at cost

Accumulated depreciation

Reconciliation of the carrying amount of leasehold improvements at the beginning and end of the current and previous financial year

Carrying amount at beginning of financial year

Additions

Disposals

Depreciation expense

Carrying amount at end of financial year

Carrying amount of property, plant, equipment and leasehold improvements at end of financial year

10. EXPLORATION AND EVALUATION EXPENDITURE

Exploration expenditure

Costs brought forward

Costs incurred during the period

Subsidiary sold during the period

Expenditure written-off during period

Costs carried forward

Exploration expenditure costs carried forward are made up of:

Expenditure on non-joint venture areas

Costs carried forward

11. PECULIAR KNOB MINING DEVELOPMENT EXPENDITURE

Development expenditure

Costs brought forward

Costs incurred during the period

Subsidiary sold during the year

Costs carried forward

CONSOLIDATED	
2013	2012
\$ '000	\$ '000
415	129
38	66
–	456
(49)	(190)
(44)	(46)
360	415
38	38
(38)	(35)
–	3
3	9
–	–
–	–
(3)	(6)
–	3
1,350	1,408
4,151	11,925
2,670	2,880
–	(10,654)
(4,100)	–
2,721	4,151
2,721	4,151
2,721	4,151
–	12,007
–	1,025
–	(13,032)
–	–

12. PORT DEVELOPMENT EXPENDITURE

Port evaluation expenditure

Costs brought forward	
Costs incurred during the period	
Expenditure written-off during period	
Expenditure reclassified as port property during the year (Note 9)	
Costs carried forward	

13. DEVELOPMENT CAPITAL EXPENDITURE

Development capital expenditure

Costs brought forward	
Costs incurred during the period	
Subsidiary sold during the year	
Ancillary asset sold during the year	
Expenditure written off during the period	
Expenditure reclassified as port property during the period (Note 9)	
Expenditure reclassified as plant & equipment during the period (Note 9)	
Costs carried forward	

14. AVAILABLE FOR SALE FINANCIAL ASSETS

Listed company securities

Equity securities – Level 1

Unlisted company securities

Equity securities – Level 3

Listed and unlisted securities

CONSOLIDATED	
2013	2012
\$'000	\$'000
–	1,724
–	948
–	(1,493)
–	(1,179)
–	–
–	13,421
–	9,786
–	(14,048)
–	(7,154)
–	(131)
–	(1,418)
–	(456)
–	–
158	89
158	89
–	–
–	–
158	89

Listed equity securities are valued at fair value determined by reference to closing prices on the relevant securities exchange on which it is listed. The table above classifies financial instruments recognised in the statement of financial position of the group according to the hierarchy stipulated in AASB 7 as follows: *Level 1 – the instrument has quoted prices (unadjusted) in active markets for identical assets or liabilities; Level 2 – a valuation technique is used using inputs other than quoted prices within Level 1 that are observable for the financial instrument, either directly (i.e. as prices), or indirectly (i.e. derived from prices); or Level 3 – a valuation technique is used using inputs that are not based on observable market data (unobservable inputs).*

15. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

Listed company securities

Warrants in listed company (not quoted) – Level 3

Value carried forward

Total gain / (loss) for the year recognised in profit or loss

Value of listed company securities

In the prior period WPG Securities Pty Ltd unlisted warrants in US listed Evergreen Energy Inc. were fully impaired following the filing of a petition for bankruptcy protection under Chapter 7 of the United States Bankruptcy Code in January 2012.

16. CURRENT LIABILITIES – PAYABLES

Trade creditors and accruals

Other creditors

Current tax liabilities

These payables are non-interest bearing and are generally settled on 30 day terms.

17. DEFERRED TAX LIABILITIES

Non-current

Deferred tax liability arising from fair value movement in shares / warrants

18. PROVISIONS

Premises make good

Long service leave

Premises make good relates to the requirement to restore leased office premises in Kyle House to its original condition. This provision has been recognised as the estimated cost of removing partitions and has been capitalised as part of the cost of leasehold improvements and amortised over the life of the lease. Movement in this provision is set out below:

Carrying amount at start of year

Provision recognised – charged to Leasehold Improvements

Carrying amount at end of year

Long service leave reflects the present value of future entitlements after assessing length of service and other employment factors. Movement in this provision is set out below:

Carrying amount at start of year

Provision recognised – charged to Long Service Leave

Carrying amount at end of year

CONSOLIDATED	
2013	2012
\$'000	\$'000
–	–
–	–
–	1,798
–	(1,798)
–	–
456	513
176	184
–	2,321
632	3,018
11	14
11	14
10	10
56	–
66	10
10	10
–	–
10	10
–	–
56	–
56	–

19. CONTRIBUTED EQUITY

Share capital

260,947,378 (2011: 247,759,340) fully paid ordinary shares

Shares issued during the period

Exercise of options

Repayment of share capital

Reclassification of reserves

260,947,378 (2012: 260,947,378) fully paid ordinary shares

Share issue costs

CONSOLIDATED	
2013	2012
\$'000	\$'000
24,520	128,293
–	–
–	4,530
–	(108,303)
8,321	–
32,841	24,520
(7,859)	(7,859)
24,982	16,661

Movements in ordinary share capital

At beginning of the reporting period

Shares issued during the year

Exercise of options and rights

At end of reporting period

CONSOLIDATED	
2013	2012
No.	No.
260,947,378	247,759,340
–	3,082,960
–	10,105,078
260,947,378	260,947,378

Fully paid ordinary shares carry one vote per share and carry the right to dividends

There were no shares issued during the year.

Terms and conditions of contributed equity

Ordinary Shares

Ordinary shares have no par value, have the right to receive dividends as declared and, in the event of winding up the Company, to participate in the proceeds from the sale of all surplus assets in proportion to the number of shares held.

Ordinary shares entitle their holder to one vote, either in person or by proxy, at a general meeting of the Company. Option holders have no voting rights until the options are exercised.

Options

No shares were issued during the year ended 30 June 2013 by virtue of the exercise of options. 209,000 options lapsed during the year. As at 30 June 2013, the Company had no options on issue.

Rights

No shares were issued during the year ended 30 June 2013 by virtue of the vesting of rights.

As at 30 June 2013, the Company had on issue:

Rights	Exercise Price	Expiry date
4,598,165	\$0.00	1 July 2015

Dividend and Return of Capital

On 2 November 2011 a total dividend amount of \$162,454,583 and a total capital return of \$104,303,056 were paid.

As of 30 June 2013 \$165,875 remains unpaid (30 June 2012 – \$253,044) and is recorded in current payables.

20. RESERVES

Share based payments reserve

Opening balance

Transferred to share capital

Expensed

Closing balance

Available-for-sale reserve

Opening balance

Change in fair value of available-for-sale assets

Closing balance

Total Reserves

The share based payments reserve represents a valuation of options and rights issued in prior years, and to rights only in the current financial period.

CONSOLIDATED	
2013	2012
\$'000	\$'000
8,321	4,785
(8,321)	–
89	3,536
89	8,321
32	70
(7)	(38)
25	32
114	8,353

21. DISCONTINUED OPERATIONS

The Company sold its iron ore subsidiaries effective 6 October 2011. This discontinuing operation resulted in the sale of the iron ore subsidiaries of Southern Iron Pty Ltd, Central Iron Pty Ltd and Coober Pedy Resources Pty Ltd.

Financial information relating to the iron ore assets from 1 July 2011 to 6 October 2011 (date of disposal) is set out below:

Financial performance

Revenue

Total expenses

Gross loss

Income tax benefit (expense)

Net profit / (loss) attributable to discontinued operations

Gain on sale of iron ore assets

Income tax expense

Gain on sale of subsidiaries after income tax

Profit from discontinued operations

2013	1 July 2011 to 6 Oct 2011
\$'000	\$'000
–	–
–	(1,383)
–	(1,383)
–	319
–	(1,064)
–	253,252
–	(71,944)
–	181,308
–	180,244

21. DISCONTINUED OPERATIONS continued

Information relating to the financial position of the iron ore subsidiaries on disposal date (6 October 2011) is set out below:

Carrying amounts of assets and liabilities

Cash	
Property, plant and equipment	
Trade and other receivables	
Other financial assets	
Exploration and development expenditure	
Development capital expenditure	

Total assets

Trade creditors	
Deferred tax liability	

Total liabilities

Net assets

2013	Disposal date 6 Oct 2011
\$'000	\$'000
–	–
–	171
–	333
–	11,224
–	23,686
–	21,202
–	56,616
–	–
–	1,630
–	1,630
–	54,986

Cash flow information for the period ended 6 October 2011 (Disposal Date):

Net cash outflow from operating activities	
Net cash outflow from investing activities	
Net cash outflow from financing activities	

Net increase / (decrease) in cash generated by the iron ore subsidiaries

Detail of the sale of the iron ore subsidiaries are as follows:

Consideration received	
Sale transaction costs	
Carrying amount of the net assets sold	

Gain on sale before income tax

Income tax expense

Gain on sale after income tax

2013	Period from 1 July 2011 to 6 Oct 2011
\$'000	\$'000
–	(7,080)
–	296,290
–	–
–	289,210
–	317,227
–	(8,989)
–	(54,986)
–	253,252
–	71,944
–	181,308

22. SHARE BASED PAYMENTS

Share based payment expense recognised during the financial year

Incentives issued to employees and officers under the Incentive Rights Plan

Total share based payment expense

CONSOLIDATED	
2013	2012
\$	\$
88,898	3,536,410
88,898	3,536,410

22. SHARE BASED PAYMENTS continued

The following share based payment options and incentive rights were granted and/or exercised during the current year and where applicable, comparative reporting period.

Grant date	Vesting date	Exercise date	Exercise price	Balance at beginning of year	Granted during the year	Exercised during the year	Expired during the year	Balance at end of year	Exercisable at end of year
2013									
Incentive Rights									
Directors Options									
12 November 2007		12.11.12	\$1.227	209,000	–	–	209,000	–	–
Weighted average exercise price				\$1.227	–	–	\$1.227	–	–
Incentive Rights									
1 July 2012	01.07.15	–	\$0.000	–	4,598,165	–	–	4,598,165	–
Weighted average exercise price				–	\$0.000	–	–	\$0.000	–
TOTAL				209,000	4,598,165	–	209,000	4,598,165	–
Weighted average exercise price				\$1.227	\$0.000	–	\$1.227	\$0.000	–
2012									
Share Option Plan									
22 November 2006		08.09.11	\$0.227	1,290,000	–	1,290,000	–	–	–
4 July 2007		22.09.11	\$1.087	350,000	–	350,000	–	–	–
17 September 2007		06.10.11	\$1.117	1,300,000	–	1,300,000	–	–	–
2 September 2008		08.09.11	\$0.727	300,000	–	300,000	–	–	–
			3,240,000	–	3,240,000	–	–	–	–
Weighted average exercise price			\$0.723	–	\$0.723	–	–	–	–
Directors Options									
12 November 2007		06.10.11	\$1.227	750,000	–	541,000	–	209,000	209,000
Weighted average exercise price				\$1.227	–	\$1.227	–	\$1.227	\$1.227
Brokers' Options									
29 November 2010		10.10.11	\$1.190	1,000,000	–	1,000,000	–	–	–
29 November 2010		–	\$1.690	1,000,000	–	–	1,000,000	–	–
				2,000,000	–	1,000,000	1,000,000	–	–
Weighted average exercise price				\$1.440	–	\$1.190	\$1.690	–	–
Incentive Rights									
1 July 2011	01.07.14	06.10.11	\$0.000	2,258,590	3,081,933	5,340,523	–	–	–
Weighted average exercise price				\$0.000	\$0.000	\$0.000	–	–	–
TOTAL				8,248,590	3,081,933	10,121,523	1,000,000	209,000	209,000
Weighted average exercise price				\$1.026	\$0.000	\$0.739	\$1.690	\$1.227	\$1.227

The weighted average share price at date of exercise for the year ended 30 June 2013 was \$0.000 (2012: \$1.272) and the weighted average remaining contractual life of share options outstanding at 30 June 2013 was 0 days (2012: 135 days).

22. SHARE BASED PAYMENTS *continued*

Employees and Officers Share Option Plan (the Share Option Plan)

The Share Option Plan which was in effect for the year ended 30 June 2010 has been replaced by the Incentive Rights Plan. All options issued under the Share Option Plan have now either been exercised or expired. No further options will be issued under the Share Option Plan.

Incentive Rights Plan (the Plan)

The Company believes that encouraging its employees to become shareholders is the best way of aligning their interests with those of its shareholders.

The Plan, approved by shareholders on 31 August 2010, has become the principal tool for the award and administration of incentive entitlements to all eligible employees and Executive Directors. The Plan represents a major simplification and standardisation of the Company's incentives system.

The Plan assists in the attraction, retention and motivation of the Company's Directors, officers, employees and senior consultants. The Plan does so in a manner that is compliant with relevant tax legislation and in a less dilutory fashion than the Share Option Plan.

Under the Plan, eligible employees and Executive Directors may be granted rights to shares in the capital of the Company upon the satisfaction of specified performance criteria (Performance Rights) and specified periods of tenure (Retention Rights) over a vesting period of 3 years, or on shorter periods in some cases.

The Performance Rights and Retention Rights (Rights) will not vest unless the vesting conditions imposed by the Board have been satisfied.

Rights cannot vest nor can shares be issued in relation to vested Rights during any period when such recipients would be excluded from acquiring shares under the Company's Securities Trading and Trading Windows Policy.

The cost of these equity-settled transactions is measured by reference to the fair value at the grant date determined by using the Binomial Tree option valuation methodology model, prepared by an external consultant having regard to historical volatility determined by that consultant.

Inputs into the model:

Spot price of underlying security
Risk free interest rate
Dividend yield
Probability of vesting
Exercise price
Standard deviation / volatility

2013	2012
\$0.058	\$0.835
4.41%	4.41%
0.0%	0.0%
100%	100%
\$0.00	\$0.00
59.30%	59.30%

Performance and Retention Incentives

A Long-Term Incentive (LTI) Award will be made in the form of Rights to shares which will have a vesting period of 3 years. The number of Rights that ultimately vest (that is, convert to shares) will be based on the Company's performance over the same 3 years. These awards take the form of Performance Rights and Retention Rights (refer below).

An LTI Award will be made by way of the grant of "**Performance Rights**" as soon as practicable after each financial year end. The number of Performance Rights to be granted annually to each eligible employee or Executive Director is calculated by the following formula:

$$\text{Participant's Base Package} \times \text{Target Performance LTI\%} \div \text{Adjusted Right Value}$$

The performance measurement period is three years, and performance is based on average absolute Total Shareholder Return (TSR) and the relative TSR of sixty ASX listed companies. The sixty listed companies for the purposes of the calculation are peer companies nominated by Godfrey Remuneration Group, and those companies have a spread of size and level of operations such as to represent, in the Board's view, an appropriate benchmark group.

An LTI Award will also be made by way of grant of "**Retention Rights**", which will be issued to eligible employees and Executive Directors pursuant to the terms of the Plan upon or as soon as practicable after commencement of employment and annually thereafter. These Retention Rights are granted annually and on a pro rata basis to the employees' period of tenure, with the full amount vesting if the employee were to remain employed by the Company for 3 years.

22. SHARE BASED PAYMENTS *continued*

The number of Retention Rights to be granted annually to each eligible employee or Executive Director is calculated by the following formula:

Participant's Base Package x Target Retention LTI% ÷ Right Value

Target Performance and Retention LTI% figures are developed from broad market data provided by Godfrey Remuneration Group.

Right value is determined by the following formula:

Share Price – (Annual Dividend x Minimum Vesting Period)

Adjusted Right Value is determined by the following formula, with **Probability of Vesting** set at 50% in line with broad market data:

Right Value x Probability of Vesting

Summary of the Plan

Purpose of the Plan

The purpose of the Plan is to provide an incentive for eligible employees and Executive Directors by enabling them to participate in the future growth of the Company and upon becoming shareholders to participate in the Company's profits and development. Under the Plan, eligible employees and Executive Directors may be granted rights to shares in the capital of the Company upon the satisfaction of specified performance criteria and specified periods of tenure. The provision of this incentive is expected to result in future benefits to the shareholders and employees of the Company that result from:

- attracting, motivating and retaining key employees by providing balanced, competitive remuneration packaging;
- assisting eligible employees and Executive Directors to become shareholders in the Company, ensuring that they have commonly shared goals related to producing relatively high returns for shareholders; and
- less dilution to the Company than the issue of options under the Share Option Plan.

Offer of Rights

When eligible employees and Executive Directors satisfy specified criteria imposed by the Board (including performance criteria and specified periods of tenure) the Board may make a written offer to the employee of Rights. The offer will specify the number of Rights being offered and the conditions that must be met by the employee before the Rights will vest.

Number of Rights Offered

The number of Rights that will be offered to an employee pursuant to an offer is entirely within the discretion of the Board. Each Right will, upon vesting, entitle the holder to one (1) share in the capital of the Company.

Vesting Conditions

The measurement and vesting period for both Performance Rights and Retention Rights is 3 years. The Board has the discretion to vary this vesting and measurement period, in a range of circumstances including bonus issues, rights issues and capital reorganisations.

Performance Rights – the number of Performance Rights granted is based on the formula outlined above. The number Performance Rights that vest is based on the performance of the Company relative to the average absolute TSR and the relative TSR of sixty ASX listed companies over the three year vesting period. Performance Rights are granted annually and on a pro-rata basis to the employee's period of tenure.

Retention Rights – the number of Retention Rights granted is based on the formula outlined above. Vesting of all Retention Rights will occur if the employee remains employed by the Company for three years. Retention Rights are granted annually and on a pro rata basis to the employee's period of tenure.

The Rights will not vest unless the vesting conditions imposed by the Board have been satisfied.

Rights cannot vest nor can shares be issued in relation to vested Rights during any period when such recipients would be excluded from acquiring shares under the Company's Securities Trading and Trading Windows Policy.

Exercise Price

Employee participants in the Plan will not be required to make any payment in return for a grant of Rights nor for the issue or transfer of shares upon the vesting of Rights.

22. SHARE BASED PAYMENTS *continued*

Lapse of Rights

Rights that have not vested will lapse:

- at the end of the Measurement Period for Retention Rights;
- at the end of the Measurement Period for Performance Rights when some, but not all, of them do not vest;
- following one re-testing of Performance Rights if they fail to vest;
- if the Rights are transferred without the Board's consent;
- if the employee ceases his or her employment or employment relationship with a Group company; or
- under any circumstances specified by the Board in the offer of Rights.

Shares Allotted Upon Exercise of Rights

The Company will issue or transfer fully paid, ordinary shares to the employee as soon as practicable after the vesting of Rights. The shares allotted under the Plan will be of the same class and will rank equally with shares in the Company at the date of issue.

Transfer of Rights

A Right is not transferable without the consent of the Board.

Takeover, Scheme or Arrangement

In the event of a change-in-control including a takeover:

- unvested Retention Rights will not be affected; and
- unvested Performance Rights will vest in the proportion that the Company's share price has grown since the date of grant of the Performance Rights or such greater proportion as determined in the discretion of the Board. Maximum vesting is 100%.

Bonus Issues, Rights Issues and Capital Reconstruction

In order to prevent a reduction of the number of shares to which the Rights relate in the event of bonus issues or pro rata rights issues, the Plan rules provides for an adjustment of the number of Rights in accordance with ASX Listing Rule 6.22.2. In the case of a capital reconstruction the number of Rights may be adjusted at the discretion of the Board.

Participation in New Issues

There are no participating rights or entitlements inherent in the Rights and the holders will not be entitled to participate in new issues of capital offered to shareholders during the currency of the Rights. In addition, holders of Rights will not be entitled to vote or receive dividends as a result of their holding of Rights.

23. EARNINGS / (LOSS) PER SHARE

		CONSOLIDATED	
		2013	2012
Basic earnings / (loss) per share	cents	(1.94)	66.68
Diluted earnings / (loss) per share	cents	(1.94)	66.68
Weighted average number of ordinary shares outstanding during the year used in calculation of basic and diluted EPS	No.	260,947,378	256,084,403
Earnings / (Loss) after tax used in calculating basic and diluted EPS	\$	(5,060,420)	170,755,723

There were no options and 4,598,165 rights outstanding at the end of the year (2012 – 209,000 options and no rights) that have not been taken into account in calculating diluted EPS because their effect would be antidilutive.

On 1 July 2013, 6,538,367 rights were issued to Directors, KMPs and employees which would not have significantly increased the amount of weighted average number of ordinary shares used to calculate diluted EPS had these been issued at the end of the reporting period.

24. RELATED PARTY DISCLOSURES

No payments have been made to Related Parties other than those set out in Note 31.

Subsidiaries

The consolidated financial statements include the financial statements of WPG Resources Ltd and the subsidiaries listed below:

Name	Country of incorporation	Equity Interest		Investment	
		2013	2012	2013	2012
		%	%	\$	\$
WPG Ore Marketing Pty Ltd	Australia	100	100	1	1
WPG Securities Pty Ltd	Australia	100	100	1	1
Port Bonython Bulk Users Group Inc	Australia	100	100	1	1
Port Bonython Pty Ltd	Australia	100	100	1	1
Spencer Gulf Holdings Pty Ltd	Australia	100	100	1	1
Southern Potash Pty Ltd	Australia	100	100	1	1
Spencer Gulf Ports Pty Ltd	Australia	100	100	1	1
Southern Coal Holdings Pty Ltd	Australia	100	100	1	1
Giffen Iron Pty Ltd	Australia	100	100	1	1
New World Coal Pty Ltd	Australia	100	100	1	1
New World Coal Management Inc	USA	–	100	–	1
				10	11

25. FINANCIAL REPORTING BY SEGMENT

The Group has adopted AASB 8 Operating Segments whereby segment information is presented using a “management approach”, i.e. segment information is provided on the same basis as information used for internal reporting purposes by the chief operating decision maker. The executive management committee (comprising of the Executive Chairman, Executive Director, Technical Director, CEO and CFO) are the chief operating decision makers.

The executive management committee have determined that there are currently no operating segments and no discrete information is provided to them and therefore no segment information has there been disclosed. The executive management committee receives consolidated financial information for the Group. As an exploration and evaluation group the executive management committee monitors segment performance based on non-financial measures such as exploration results as well expenditure rather than EBITDA as would a production company.

The Group is currently not selling products and as such no information has been provided on a product basis for 2013 or 2012. The Group currently has no sales revenue and no customers. As such no information has been disclosed for sales revenue on a geographic basis, nor are there any major customers that comprise more than 10% of the Group's revenue. All the Group's non-current assets are based in Australia.

26. FINANCIAL INSTRUMENTS

Fair value of financial assets and liabilities

The fair value of cash and cash equivalents and non-interest bearing monetary financial assets and financial liabilities of the Group approximates their carrying value. Credit risk is minimal at the end of the reporting period.

Capital Risk Management

The Group considers its capital to comprise its ordinary share capital, options reserves and accumulated losses.

In managing its capital, the Group's primary objective is to ensure its continued ability to provide a consistent return for its equity shareholders through a combination of capital growth and distributions when applicable. In order to achieve this objective, the Group seeks to maintain a sufficient funding base to enable the Group to meet its working capital and strategic investment needs. In making decisions to adjust its capital structure to achieve these aims, either through altering its dividend policy, new share issues, or reduction of debt, the Group considers not only its short-term position but also its long-term operational and strategic objectives.

26. FINANCIAL INSTRUMENTS *continued*

Financial Risk Management

(a) General objectives, policies and processes

In common with all other businesses, the Group is exposed to risks that arise from its use of financial instruments. This note describes the Group's objectives, policies and processes for managing those risks and the methods used to measure them. Further quantitative information in respect of these risks is presented throughout these financial statements.

There have been no substantive changes in the Group's exposure to financial instrument risks, its objectives, policies and processes for managing those risks or the methods used to measure them from previous periods unless otherwise stated in this note.

Examples of the principal financial instruments from which financial instrument risk arises are trade receivables, cash at bank and trade and other payables.

The Board has overall responsibility for the determination of the Group's risk management objectives and policies and, whilst retaining ultimate responsibility for them, it has delegated the authority for designing and operating processes that ensure the effective implementation of the objectives and policies to the Group's finance function. The Groups' risk management policies and objectives are therefore designed to minimise the potential impacts of these risks on the results of the Group where such impacts may be material.

The Board receives regular reports from the Chief Financial Officer through which it reviews the effectiveness of the processes put in place and the appropriateness of the objectives and policies it sets.

The overall objective of the Board is to set policies that seek to reduce risk as far as possible without unduly affecting the Group's competitiveness and flexibility. Further details regarding these risks are set out below.

(b) Credit Risk

Credit risk is the risk that the other party to a financial instrument will fail to discharge their obligation resulting in the Group incurring a financial loss.

The maximum exposure to credit risk at the reporting date is as follows:

	CONSOLIDATED	
	2013	2012
	\$'000	\$'000
Cash and cash equivalents	10,941	15,940
Other receivables	46	103
Deposits with Government Departments	–	15
Lease rental deposit	74	75
	11,061	16,133

There are two counterparties for cash and cash equivalents which are Westpac Banking Corporation Limited and Bank of Western Australia Limited.

Liquidity risk

Liquidity risk is the risk that the Group may encounter difficulties raising funds to meet commitments associated with financial instruments, e.g. borrowing repayments. It is the policy of the Board of Directors that treasury maintain adequate cash reserves or committed credit facilities and the ability to close-out market positions.

26. FINANCIAL INSTRUMENTS *continued*

Financing arrangements

The following financing facilities were available at the reporting date:

	CONSOLIDATED					
	Carrying Amount	Contractual Cash flows	< 6 mths	6–12 mths	1–3 years	> 3 years
	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000
Maturity Analysis – 2013						
Financial Liabilities						
Trade creditors & accruals	456	456	456	–	–	–
TOTAL	456	456	456	–	–	–
Financial Assets (Loans and receivables including cash and cash equivalents)						
Cash at bank and deposits at call	10,941	10,941	10,941	–	–	–
Other receivables	46	46	46	–	–	–
Lease rental deposit	74	74	–	–	–	74
TOTAL	11,061	11,061	10,987	–	–	74
Maturity Analysis – 2012						
Financial Liabilities						
Trade creditors	513	513	513	–	–	–
TOTAL	513	513	513	–	–	–
Financial Assets (Loans and receivables including cash and cash equivalents)						
Cash at bank and deposits at call	15,940	15,940	15,940	–	–	–
Trade debtors	–	–	–	–	–	–
Other receivables	103	103	103	–	–	–
Deposits with Government departments	15	15	–	–	15	–
Lease rental deposit	75	75	–	–	–	75
TOTAL	16,133	16,133	16,043	–	15	75

The Group holds sufficient deposits at banks to meet liquidity needs.

(c) Interest rate risk

At the end of the reporting period, the Group was exposed to a floating weighted average interest rate as follows:

Weighted average rate of cash balances
Cash balances
Weighted average rate of term deposits
Term deposits

CONSOLIDATED	
2013	2012
2.28%	3.33%
\$783,055	\$1,599,966
3.95%	5.25%
\$10,157,963	\$14,339,751

Term deposits are normally invested between 30 to 120 days and other cash at bank balances are at call. All other financial assets and liabilities are non-interest bearing.

The Group monitors its interest rate risk exposure continuously with a view to obtaining the highest practical level of interest income.

26. FINANCIAL INSTRUMENTS *continued*

The Group invests surplus cash in interest bearing term deposits with financial institutions and in doing so it exposes itself to the fluctuations in interest rates that are inherent in such a market.

The Group's exposure to interest rate risk is set out in the tables below:

Sensitivity Analysis – 2013

Cash and cash equivalents

Tax charge of 30%

After tax increase / (decrease)

The above analysis assumes all other variables remain constant.

The same analysis was performed for the period ended 30 June 2012.

Sensitivity Analysis – 2012

Cash and cash equivalents

Tax charge of 30%

After tax increase / (decrease)

The above analysis assumes all other variables remain constant.

CONSOLIDATED				
Carrying Amount	+1.0% of AUD IR		–1.0% of AUD IR	
	Profit	Other Equity	Profit	Other Equity
	\$'000	\$'000	\$'000	\$'000
10,941	109	–	(109)	–
–	(33)	–	33	–
10,941	76	–	(76)	–
15,940	159	–	(159)	–
–	(48)	–	48	–
15,940	111	–	(111)	–

27. CONTINGENCIES

There were at the date of this report no known contingencies.

28. COMMITMENTS

Exploration licence expenditure requirements

In order to maintain the Group's tenements in good standing with the various mines departments, the group will be required to incur exploration expenditure under the terms of each licence. These expenditure requirements will diminish if the Group joint ventures projects to third parties.

Payable not later than one year

Payable later than one year but not later than two years

It is likely that the granting of new licences and changes in licence areas at renewal or expiry will change the expenditure commitment to the Group from time to time.

Operating leases

Office lease & equipment

Not later than one year

Later than one year but not later than five years

Later than five years

CONSOLIDATED	
2013	2012
\$ '000	\$ '000
790	441
534	44
1,324	485
186	170
380	14
–	–
566	184

29. SUBSEQUENT EVENTS

There were at the date of this report no matters or circumstances which have arisen since 30 June 2013 that have significantly affected or may significantly affect:

- the operations of the Group;
- the results of those operations; or
- the state of affairs of the Group.

30. CASH FLOW INFORMATION

Reconciliation of net cash outflow from operating activities to operating profit/(loss) after income tax

(a) Operating profit/(loss) after income tax	
Depreciation & amortisation	
Exploration & evaluation expenditure write-off	
Share-based payments	
Fair value loss on investment	
Impairment loss on investments	
Impairment loss on Port Pirie property	
Net gain on disposal of investment	
Tax effect of change in fair value of assets	
Loss on sale of assets	

Change in assets and liabilities:

Decrease in receivables	
Increase in deposits	
Decrease in trade and other creditors	
Net cash outflow from operating activities	

- (b) For the purpose of the Statement of Cash Flows, cash includes cash on hand, at bank, deposits and bank bills used as part of the cash management function. Apart from a company credit card, the Company does not have any unused credit facilities.

The balance at 30 June 2013 comprised:

Cash assets (Note 6)	
Term deposits (Note 6)	
Cash on hand	

CONSOLIDATED	
2013	2012
\$ '000	\$ '000
(5,061)	170,756
46	52
4,100	1,653
89	3,536
27	1,798
–	1,391
5	1,607
–	(181,309)
–	(527)
23	–
878	131
–	(3,724)
(2,273)	(591)
(2,166)	(5,227)
783	1,600
10,158	14,340
10,941	15,940

31. KEY MANAGEMENT PERSONNEL DISCLOSURES

Key Management Personnel Compensation

The aggregate compensation made to Key Management Personnel of the Company and the Group is set out below:

Short-term employee benefits	
Post-employment benefits	
Non-monetary benefits	
Share-based benefits	

CONSOLIDATED	
2013	2012
\$	\$
2,428,946	2,720,144
105,555	170,868
–	–
79,327	3,313,070
2,613,828	6,204,081

31. KEY MANAGEMENT PERSONNEL DISCLOSURES *continued*

Interests and movement in rights under the Incentive Rights Plan as at 30 June 2013:

Rights held by Directors and other Key Management Personnel

	At 30 June 2012	Granted	Vested during period	Lapsed during period	At 30 June 2013
HL Roberts *	–	510,150	–	–	510,150
GJ Jones	–	534,609	–	–	534,609
M Jacobsen	–	1,284,110	–	–	1,284,110
G Harding **	–	510,150	–	–	510,150
W Rossiter	–	520,632	–	–	520,632
L Brown	–	375,624	–	–	375,624
R Fang	–	277,787	–	–	277,787
I White	–	89,975	–	–	89,975
Total	–	4,103,037	–	–	4,103,037

* Resigned as a director on 7 August 2013

** Left the Company on 29 May 2013

Options held by Directors and other Key Management Personnel

Interests and movements in the options of the Company held by Directors and their Director-related entities as at 30 June 2013:

	At 30 June 2012	Granted	Exercised	Lapsed	At 30 June 2013 (fully vested & exercisable)
DR Mutton	209,000	–	–	209,000	–
Total	209,000	–	–	209,000	–

No options were granted to Directors during the current period under the Company's Share Option Plan. Shares and options held by Directors included those held by the Directors and their Director-related entities.

Services provided by Director-related entities were under normal commercial terms and conditions. No other benefits have been received or are receivable by Directors, other than those already disclosed in the notes to the accounts.

As at 30 June 2012 none of the Key Management Personnel held any options in the Share Option Plan and no new options were granted to Key Management Personnel during this period.

Interests and movements in the shares of the Company held by Directors and their Director-related entities and Key Management Personnel as at 30 June 2013:

Shareholdings

Fully Paid Ordinary Shares

	At 30 June 2012	Acquired during period	Disposed during period	At 30 June 2013
RH Duffin	24,163,997	–	–	24,163,997
HL Roberts *	1,468,285	–	–	1,468,285
GJ Jones	520,000	–	–	520,000
LA Dean	250,000	–	–	250,000
Lim See Yong	–	–	–	–
DR Mutton	41,000	–	–	41,000
M Jacobsen	400,000	–	–	400,000
G Harding **	28,708	–	–	28,708
W Rossiter	923,545	–	–	923,545
L Brown	85,000	–	–	85,000
R Fang	–	–	–	–
I White	244,002	–	–	244,002
Total	28,124,537	–	–	28,124,537

* Resigned as a director on 7 August 2013

** Left the Company on 29 May 2013

31. KEY MANAGEMENT PERSONNEL DISCLOSURES continued**Comparative year – 2012****Rights held by Directors and other Key Management Personnel**

	At 30 June 2011	Granted	Vested during period	Lapsed during period	At 30 June 2012
RH Duffin	666,667	584,415	1,149,520	1,562	–
HL Roberts	250,000	218,181	466,619	1,562	–
GJ Jones	250,000	232,209	480,647	1,562	–
M Jacobsen	360,000	327,273	685,711	1,562	–
G Harding	240,000	225,975	464,413	1,562	–
W Rossiter	–	229,326	228,545	781	–
L Brown	160,000	155,844	314,282	1,562	–
R Fang	230,000	202,596	431,034	1,562	–
I White	–	194,805	194,002	803	–
A Horne	201,923	231,429	431,790	1,562	–
A Keaney	–	212,337	211,556	781	–
Total	2,258,590	2,814,390	5,058,119	14,861	–

Options held by Directors and other Key Management Personnel

Interests and movements in the options of the Company held by Directors and their Director-related entities and Key Management Personnel as at 30 June 2012:

	At 30 June 2011	Granted	Exercised	Lapsed	At 30 June 2012 (fully vested & exercisable)
LA Dean	250,000	–	250,000	–	–
Lim See Yong	250,000	–	250,000	–	–
DR Mutton	250,000	–	41,000	–	209,000
Total	750,000	–	541,000	–	209,000

Interests and movement in options under the Share Option Plan as at 30 June 2012:

	At 30 June 2011	Granted	Exercised	Lapsed	At 30 June 2012 (fully vested & exercisable)
HL Roberts	540,000	–	540,000	–	–
GJ Jones	500,000	–	500,000	–	–
RL Richardson	250,000	–	250,000	–	–
M Jacobsen	1,100,000	–	1,100,000	–	–
G Harding	375,000	–	375,000	–	–
L Brown	75,000	–	75,000	–	–
R Fang	350,000	–	350,000	–	–
I White	50,000	–	50,000	–	–
Total	3,240,000	–	3,240,000	–	–

No options were granted to Directors during the current period under the Company's Share Option Plan. Shares and options held by Directors included those held by the Directors and their Director-related entities.

Services provided by Director-related entities were under normal commercial terms and conditions. No other benefits have been received or are receivable by Directors, other than those already disclosed in the notes to the accounts.

31. KEY MANAGEMENT PERSONNEL DISCLOSURES *continued*

Shareholdings

Fully Paid Ordinary Shares

	At 30 June 2011	Acquired during period	Disposed during period	At 30 June 2012
RH Duffin	14,514,477	9,649,520	–	24,163,997
HL Roberts	461,666	1,006,619	–	1,468,285
GJ Jones	1,033,332	1,500,647	2,013,979	520,000
LA Dean	–	250,000	–	250,000
Lim See Yong	639,395	250,000	889,395	–
DR Mutton	–	41,000	–	41,000
RL Richardson*	103,942	250,000	–	353,942
M Jacobsen	159,033	2,185,711	1,944,744	400,000
G Harding	28,708	839,413	839,413	28,708
W Rossiter	–	1,152,090	228,545	923,545
L Brown	10,000	389,282	314,282	85,000
R Fang	50,441	781,034	831,475	–
I White	–	488,004	244,002	244,002
Total	17,000,994	18,783,320	7,305,835	28,478,479

* As at date of retirement 23 November 2011

32. CORPORATE INFORMATION

The financial statements of WPG Resources Ltd for the year ended 30 June 2013 were authorised for issue in accordance with a resolution of the directors on 28 August 2013 and cover the Consolidated Entity consisting of WPG Resources Ltd and its subsidiaries as required by the Corporations Act 2001. Separate financial statements for WPG Resources Ltd as an individual entity are no longer presented as a consequence of a change to the Corporations Act 2001. However, limited financial information for WPG Resources Ltd as an individual entity is included in Note 33.

WPG Resources Ltd is a company limited by shares and incorporated in Australia. It is a for-profit company and its shares are publicly traded on the Australian Securities Exchange under the ASX code "WPG".

The nature of the operations and principal activities of the Company are described in the Review of Operations.

The financial statements are presented in Australian currency.

33. PARENT ENTITY INFORMATION

The following information relates to the parent entity, WPG Resources Ltd. The information presented has been prepared using accounting policies that are consistent with those presented in Note 1.

	PARENT	
	2013	2012
	\$ '000	\$ '000
Current assets	24,822	28,110
Non-current assets	332	385
Total assets	25,154	28,495
Current liabilities	591	3,018
Non-current liabilities	77	24
Total liabilities	668	3,042
Contributed equity	24,982	16,661
Accumulated profits / (losses)	(610)	439
Available-for-sale reserve	25	32
Share-based payment reserve	89	8,321
Total equity	24,486	25,453
Profit / (loss) for the year	(1,049)	177,213
Other comprehensive income/(loss) for the year	(7)	(38)
Total comprehensive profit / (loss) attributable to members of WPG Resources Ltd	(1,056)	177,175

Directors' Declaration

In accordance with a resolution of the Directors of WPG Resources Ltd, I state that:

- (1) The Directors of the Company declare that:
 - (a) financial statements comprising the statement of comprehensive income, statement of financial position, statement of cash flows, statement of changes in equity and accompanying notes are in accordance with the *Corporations Act 2001*, and:
 - (i) give a true and fair view of the consolidated entity's financial position as at 30 June 2013 and of the performance for the year ended on that date; and
 - (ii) comply with Accounting Standards and the Corporations Regulations 2001.
- (2) The Company has included in the notes to the financial statements an explicit and unreserved statement of compliance with International Financial Reporting Standards.
- (3) In the Directors' opinion, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.
- (4) The remuneration disclosures set out on pages 9 to 15 of the Directors' Report (as part of the Audited Remuneration Report) for the year ended 30 June 2013, comply with Section 300A of the Corporations Regulations 2001.
- (5) The Directors have been given the declarations by the Chief Executive Officer and the Chief Financial Officer required to be made to the Directors in accordance with section 295A of the *Corporations Act 2001*.

On behalf of the Board



RH Duffin
Executive Chairman

30 August 2013

Independent Auditor's Report



Grant Thornton

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Independent Auditor's Report To the Members of WPG Resources Limited

Report on the financial report

We have audited the accompanying financial report of WPG Resources Limited (the "Company"), which comprises the consolidated statement of financial position as at 30 June 2013, the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information and the directors' declaration of the consolidated entity comprising the Company and the entities it controlled at the year's end or from time to time during the financial year.

Directors responsibility for the financial report

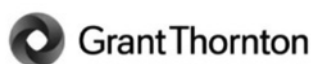
The Directors of the Company are responsible for the preparation of the financial report that gives a true and fair view of the financial report in accordance with Australian Accounting Standards and the Corporations Act 2001. This responsibility includes such internal controls as the Directors determine are necessary to enable the preparation of the financial report to be free from material misstatement, whether due to fraud or error. The Directors also state, in the notes to the financial report, in accordance with Accounting Standard AASB 101 Presentation of Financial Statements, that compliance with the Australian equivalents to International Financial Reporting Standards ensures that the financial report, comprising the financial statements and notes, complies with International Financial Reporting Standards.

Auditor's responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. Those standards require us to comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

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An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error.

In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Directors, as well as evaluating the overall presentation of the financial report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

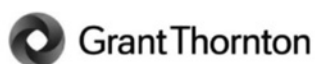
Independence

In conducting our audit, we have complied with the independence requirements of the Corporations Act 2001.

Auditor's opinion

In our opinion,

- a the financial report of WPG Resources Limited is in accordance with the Corporations Act 2001, including:
 - i giving a true and fair view of the consolidated entity's financial position as at 30 June 2013 and of its performance for the year ended on that date; and
 - ii complying with Australian Accounting Standards and the Corporations Regulations 2001; and
- b the financial report also complies with International Financial Reporting Standards as disclosed in the notes to the financial statements.

**Report on the remuneration report**

We have audited the remuneration report included in pages 9 to 15 of the directors' report for the year ended 30 June 2013. The Directors of the Company are responsible for the preparation and presentation of the remuneration report in accordance with section 300A of the Corporations Act 2001. Our responsibility is to express an opinion on the remuneration report, based on our audit conducted in accordance with Australian Auditing Standards.

Auditor's opinion on the remuneration report

In our opinion, the remuneration report of WPG Resources Limited for the year ended 30 June 2013, complies with section 300A of the Corporations Act 2001.

A large, stylized handwritten signature of "Grant Thornton" in black ink.

GRANT THORNTON AUDIT PTY LTD
Chartered Accountants

A handwritten signature of "FS Kemp" in black ink.

FS Kemp
Partner – Audit & Assurance

Sydney, 30 August 2013

Shareholder Information

Information relating to shareholders at 16 October 2013

Substantial Shareholders

	Shareholding
Robert Duffin	24,163,997
Jalinsons Pty Ltd	22,350,000

Distribution of Shareholders

Number of ordinary shares held	Number of Holders	Ordinary Shares
1 – 1,000	299	121,114
1,001 – 5,000	515	1,563,409
5,001 – 10,000	377	3,098,774
10,001 – 100,000	1,014	37,860,837
100,001 – and over	367	218,473,294
	2,572	261,117,428

At the prevailing market price of \$0.035 per share, there are 1,359 shareholders with less than a marketable parcel of \$500.

Top 20 Shareholders of Ordinary Shares as at 16 October 2013

	Shares	% Shares issued
Platsearch NL	10,407,837	3.986%
Invia Custodian Pty Limited <JPW Super Fund 2>	8,830,000	3.382%
Mr Robert Harry Duffin	8,500,000	3.255%
DMG & Partners Securities Pte Ltd <Clients A/C>	8,051,148	3.083%
Peninsula Exploration Pty Ltd	8,000,000	3.064%
Irrawaddy Investments Pty Ltd <Wotrun Pty Ltd S/F A/C>	7,250,735	2.777%
Jalinsons Pty Ltd <JPW Super Fund No 2 A/C>	7,100,000	2.719%
UBS Wealth Management Australia Nominees Pty Ltd	7,000,365	2.681%
HSBC Custody Nominees (Australia) Limited	5,415,329	2.074%
Irrawaddy Investments Pty Ltd <Duffin Family A/C>	4,403,945	1.687%
Sydney Fund Managers Ltd	3,587,984	1.374%
Elphinstone Holdings Pty Limited	3,462,600	1.326%
National Nominees Limited	3,347,202	1.282%
Chembank Pty Limited <Philandron Account>	3,000,000	1.149%
Custodial Services Limited <Beneficiaries Holding A/C>	2,963,800	1.135%
Mr David Cliffe	2,800,000	1.072%
REC Investment Management Pty Ltd	2,781,862	1.065%
Ziani Corporation Pty Ltd <Ziani Property Unit A/C>	2,750,000	1.053%
Mr Alexandre Peter Swanson & Ms Lynley Marie Swanson <Alexandre Super Fund A/C>	2,700,120	1.034%
RB Wellard Pty Ltd <Browning Exe Super Fund A/C>	2,328,437	0.892%
Total of top 20 holdings	104,681,364	40.090%
Other holdings	156,436,064	59.910%
Total fully paid shares issued	261,117,428	100.000%

Corporate Governance

The extent to which the Company has followed the recommendations set by the ASX Corporate Governance Council during the reporting period is set out in the Corporate Governance Section of this Annual Report and is up to date as at the date of the report.

Incentive Rights Plan

At a General Meeting held in August 2010, the Share Option Plan was replaced by the Incentive Rights Plan. There are 11 holders of Incentive Rights. The Incentive Rights Plan is summarised in the Directors' Report.

Voting rights

There are no restrictions on voting rights. On a show of hands every member present or by proxy shall have one vote and upon a poll each share shall have one vote. Where a member holds shares which are not fully paid, the number of votes to which that member is entitled on a poll in respect of those part paid shares shall be that fraction of one vote which the amount paid up bears to the total issued price thereof. Holders of incentive rights have no voting rights until they vest.

Restricted Securities

There are no restricted securities on issue.

There is no current on market buy back.

Corporate Directory

WPG Resources Ltd

ABN 51 109 426 502

Directors

Robert H Duffin	Executive Chairman
Martin C A Jacobsen	Managing Director
Gary J Jones	Technical Director (Executive)
Leonard A Dean	Non-executive Director
Lim See Yong	Non-executive Director
Dennis R Mutton	Non-executive Director

Secretary

Larissa Brown

Registered and Administration Office

<i>Address</i>	Level 9, Kyle House 27–31 Macquarie Place Sydney NSW 2000 PO Box N239, Grosvenor Place NSW 1220 Australia
<i>Telephone</i>	+61 2 9251 1044
<i>Facsimile</i>	+61 2 9247 3434
<i>E-mail</i>	info@wpgresources.com.au
<i>Website</i>	www.wpgresources.com.au

Share Registry

<i>Boardroom Pty Limited</i>	Level 7, 207 Kent Street, Sydney, NSW, 2000 GPO Box 3993 Sydney, NSW 2001
<i>Telephone</i>	+61 2 9290 9600
<i>Facsimile</i>	+61 2 9279 0664

Auditors

Grant Thornton Audit Pty Ltd

Bankers

Westpac Banking Corporation

Stock Exchange Listing

Listed on Australian Securities Exchange Limited
ASX Code: WPG



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