



WPG Resources Ltd

ABN 51 109 426 502

Half-Year Financial Report

31 DECEMBER 2012

CORPORATE DIRECTORY

WPG Resources Ltd

ABN 51 109 426 502

DIRECTORS

Robert H Duffin
Heath L Roberts
Gary J Jones
Leonard A Dean
Lim See Yong
Dennis R Mutton

SECRETARY

Larissa Brown

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AUDITORS

Grant Thornton Audit Pty Ltd

BANKERS

Westpac Banking Corporation

STOCK EXCHANGE LISTING

Listed on Australian Securities Exchange Limited
ASX Code: WPG

CONTENTS

Directors' Report	1
Consolidated Statement of Comprehensive Income ...	3
Consolidated Statement of Financial Position	5
Consolidated Statement of Changes in Equity	6
Consolidated Statement of Cash Flows	7
Notes to the Consolidated Financial Statements	8
Directors' Declaration	15
Auditor's Independence Declaration	16
Independent Auditor's Review Report	17

DIRECTORS' REPORT

Your directors submit their report for the half-year ended 31 December 2012.

DIRECTORS

The names of the Company's directors in office during the half-year and until the date of this report are as below. Directors were in office for this entire period unless otherwise stated.

Robert H Duffin, BSc (Hons), MSc (Hons), Grad Dip Mgt, FAusIMM (Executive Chairman)

Heath L Roberts, Dip Law (SAB), Grad Dip Leg P (UTS) (Executive Director)

Gary J Jones, BSc, FAusIMM, MASEG (Technical Director)

Leonard A Dean, BSc (Metallurgy) (Non-Executive Director)

Lim See Yong, BBA (Singapore) (Non-Executive Director)

Dennis R Mutton, BSc (Hons), Grad Dip Mgt, FAIM, FAICD, JP (Non-Executive Director)

REVIEW AND RESULTS OF OPERATIONS

The net result of operations after applicable income tax expense for the half-year was a profit of \$99,765 (2011 – profit of \$171,790,711).

The principal continuing activity of the Group is exploration, evaluation and development of the Group's iron ore and coal projects located in South Australia.

Building on the Company's past success in the iron ore sector, the focus has continued with the Giffen Well project, a new high grade magnetite project located south of Coober Pedy. WPG's subsidiary Giffen Iron Pty Ltd farmed into Giffen Well in January 2012 under a Heads of Agreement with the tenement holder, Maosen Australia Pty Ltd, which grants the company an exclusive twelve month right to conduct resource definition drilling and a pre-feasibility study. Upon satisfactory completion of PFS, Giffen Iron Pty Ltd will have the right to earn up to 82% interest in the iron ore rights subject to the payment of \$5 million to the vendor and funding a bankable feasibility study. There is potential to secure a 100% interest by meeting other specific commitments under the arrangement.

The Giffen Well preliminary feasibility study intends to exploit the existing Port Pirie infrastructure to optimise asset utilisation and to deliver coal from the Company's coal resources located at Penrhyn to a mine mouth power station providing energy to the Giffen Well project at competitive costs. Early indications suggest that using coal from the Penrhyn project may deliver significant energy cost savings over conventional power generation options. Concentrate will be railed to the Company's Port Pirie port facility for transhipment to Capesize vessels anchored in deep water in Spencer Gulf. Activities over the half year has focused on metallurgical test work and the preliminary feasibility study that is substantially underway with current efforts on the evaluation of the capital and operating cost estimates to achieve an on-time March 2013 completion date.

Having completed drilling at the site in June 2012, the Davis Tube metallurgical test work that followed has identified mass recoveries in excess of 40% resulting in high quality concentrate grades >68% Fe. This high level of magnetite BIF (banded iron formation) is complemented with low levels of impurities. Subsequent preliminary modelling has led to a JORC compliant mineral resource estimate of 688.8 million tonnes being announced in October 2012 with 62% of the resource tonnage estimate classified as Indicated. The resource secures a project life of at least 30 years based on an approximate plant feed of 13 million tonnes per annum. The objective is to produce some 5 million tonnes of high grade magnetite concentrate per annum that matches the capacity of the existing infrastructure owned in Port Pirie. The treatment plant has been designed to produce a haematite concentrate in early years while the oxide zone is mined. The preliminary resource estimate identified an indicated resource of 427.6 million tonnes and an inferred resource of 261.2 million tonnes.

Throughout the half year, WPG continued a range of baseline environmental monitoring at its Port Pirie facility consistent with conditions of the Development Approval for the site and secured an extension of time to develop the intended export facility to August 2015.

Exploration licences have been secured for the Mirikata and Muckanippie projects. Both areas are prospective for iron ore and IOCG/U mineralisation. The company is presently designing plans for undertaking exploration activities upon the tenements.

Inability to obtain a mutually acceptable access agreement with the native title claimants and increased focus on the Giffen Well project resulted in the voluntary relinquishment of the tenements for the Pidinga and Talacootra projects.

DIRECTORS' REPORT (CONTINUED)

In respect of the coal projects, planning of a program of reserve and geotechnical drilling on the south-eastern portion of the Penrhyn coal deposit was carried out as part of the Giffen Well PFS. Literature research and digital data compilation of past exploration results was commenced in the Perfection Well tenement. A renewal application for the Lochiel North tenement has been lodged.

FINANCIAL

The results of operations are shown above and in the accompanying financial statements.

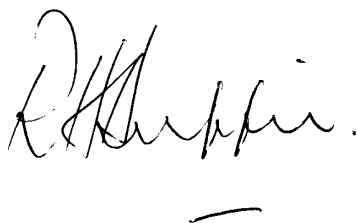
SUBSEQUENT EVENTS

The Directors are not aware of any significant changes in the state of affairs of the Group occurring since the end of the half year.

AUDITOR'S INDEPENDENCE DECLARATION

The independence declaration of our auditor is on page 16 and forms part of this report.

This report is made in accordance with a resolution of the Board of Directors and is signed for and on behalf of the directors by:

A handwritten signature in black ink, appearing to read 'R H Duffin', with a horizontal line underneath.

R H DUFFIN
Executive Chairman

Sydney

28 February 2013

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the half-year ended 31 December 2012

		Consolidated Entity	
	Note	2012 \$'000	2011 \$'000
REVENUE FROM CONTINUING OPERATIONS	4	344	3,016
Other income		-	31
ASX and ASIC fees		(26)	(79)
Contract administration services		(492)	(537)
Corporate advisory services		(2)	(309)
Depreciation and amortisation expense		(23)	(26)
Directors' fees		(64)	(85)
Employment costs		(158)	(235)
Exploration and port evaluation expenditure written off		(193)	(1,865)
Insurance		(68)	(53)
Legal fees		(47)	(87)
Loss on sale of assets		(18)	-
Office costs		(33)	(31)
Operating lease rental expense		(107)	(67)
Public relations		(38)	(60)
Registry costs		(15)	(32)
Share based payments	5	(44)	(3,536)
Superannuation expense		(50)	(55)
Travel and accommodation		(43)	(61)
Fair value adjustment on financial assets at fair value through profit or loss		11	(1,710)
Impairment loss on available for sale financial assets		-	(1,274)
Impairment loss on Port Pirie property	6	-	(1,607)
Other expenses		(178)	(333)
LOSS BEFORE INCOME TAX EXPENSE		(1,244)	(8,995)
Income tax benefit		1,344	513
PROFIT / (LOSS) AFTER INCOME TAX FROM CONTINUING OPERATIONS		100	(8,482)
Profit after tax from discontinued operations sold during the period	13	-	180,273
NET PROFIT FOR HALF YEAR		100	171,791
OTHER COMPREHESIVE INCOME / (LOSS)			
Change in fair value on available-for-sale financial assets		(3)	(25)
Income tax benefit on other comprehensive income		1	8
OTHER COMPREHENSIVE LOSS FOR THE HALF YEAR NET OF TAX		(2)	(17)
TOTAL COMPREHENSIVE INCOME / (LOSS) FOR THE HALF-YEAR ATTRIBUTABLE TO OWNERS OF WPG RESOURCES LTD		98	171,774

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the half-year ended 31 December 2012

	Consolidated Entity	
	2012	2011
Earnings / (loss) per share from continuing operations attributable to the owners of WPG Resources Ltd		
Basic earnings / (loss) per share (¢ per share)	0.04	(3.4)
Diluted earnings / (loss) per share (¢ per share)	0.04	(3.3)
Earnings per share from discontinued operations attributable to the owners of WPG Resources Ltd		
Basic earnings / (loss) per share (¢ per share)	0.0	71.4
Diluted earnings / (loss) per share (¢ per share)	0.0	71.0
Earnings per share from profit / (loss) attributable to the owners of WPG Resources Ltd		
Basic earnings / (loss) per share (¢ per share)	0.04	68.0
Diluted earnings / (loss) per share (¢ per share)	0.04	67.7

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

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2012

		Consolidated Entity	
	Note	31 Dec 2012 \$'000	30 Jun 2012 \$'000
CURRENT ASSETS			
Cash and cash equivalents		13,384	15,940
Trade and other receivables		1,090	1,073
TOTAL CURRENT ASSETS		14,474	17,013
NON-CURRENT ASSETS			
Available-for-sale financial assets		98	89
Other financial assets		90	90
Property, plant, equipment and leasehold improvements	6	1,378	1,408
Exploration and evaluation expenditure	7	5,451	4,151
Peculiar Knob mining development expenditure	8	-	-
Port development expenditure	9	-	-
Development capital expenditure	10	-	-
TOTAL NON-CURRENT ASSETS		7,017	5,738
TOTAL ASSETS		21,491	22,751
CURRENT LIABILITIES			
Trade and other payables		600	3,018
Current tax liabilities		977	-
TOTAL CURRENT LIABILITIES		1,577	3,018
NON-CURRENT LIABILITIES			
Deferred tax liability		13	14
Provisions		50	10
TOTAL NON-CURRENT LIABILITIES		63	24
TOTAL LIABILITIES		1,640	3,042
NET ASSETS		19,851	19,709
EQUITY			
Contributed equity	11	24,982	16,661
Reserves		74	8,353
Accumulated losses		(5,205)	(5,305)
TOTAL EQUITY		19,851	19,709

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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the half-year ended 31 December 2012

	Attributable to the owners of WPG Resources Ltd				
	Contributed Equity \$'000	Accumulated Losses \$'000	Options Reserve \$'000	AFS Reserve \$'000	Total Equity \$'000
AT 1 JULY 2011	120,434	(13,607)	4,785	70	111,682
Total comprehensive loss for the half-year					
Profit for the period	-	171,791	-	-	171,791
Other comprehensive income					
Change in fair value on available-for-sale financial assets, net of tax	-	-	-	(17)	(17)
Total comprehensive loss for the half-year	-	171,791	-	(17)	171,774
Transactions with owners in their capacity as owners					
Issue of new shares	4,200	-	-	-	(104,103)
Return of Capital	(108,303)				
Dividends	-	(162,454)	-	-	(162,454)
Share based payments expense	-	-	3,536	-	3,536
	(104,103)	(162,454)	3,536	-	(263,021)
AT 31 DECEMBER 2011	16,331	(4,270)	8,321	53	20,435
Total comprehensive loss for the half-year					
Profit for the period	-	(1,035)	-	-	(1,035)
Other comprehensive income					
Change in fair value on available-for-sale financial assets, net of tax	-	-	-	(21)	(21)
Total comprehensive loss for the half-year	-	(1,035)	-	(21)	(1,056)
Transactions with owners in their capacity as owners					
Issue of new shares	330	-	-	-	330
	330	-	-	-	330
AT 30 JUNE 2012	16,661	(5,305)	8,321	32	19,709
Total comprehensive loss for the half-year					
Profit for the period	-	100	-	-	100
Other comprehensive income					
Change in fair value on available-for-sale financial assets, net of tax	-	-	-	(2)	(2)
Total comprehensive loss for the half-year	-	100	-	(2)	98
Transactions with owners in their capacity as owners					
Issue of new shares	-	-	-	-	-
Reserves reclassified to shares	8,321	-	(8,321)	-	-
Share based payments expense	-	-	44	-	44
	8,321	-	(8,277)	-	44
AT 31 DECEMBER 2012	24,982	(5,162)	44	30	19,851

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

CONSOLIDATED STATEMENT OF CASH FLOWS

For the half-year ended 31 December 2012

	Consolidated Entity	
	2012 \$'000	2011 \$'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from customers	-	46
Payment to suppliers and employees	(1,506)	(4,694)
R&D tax claim proceeds	-	315
Supplier deposit commitment	-	(3,724)
Interest received	383	2,608
NET CASH FLOWS USED IN OPERATING ACTIVITIES	(1,123)	(5,449)
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of property, plant and equipment	(41)	(3,250)
Expenditure on mining interests (development)	-	(1,859)
Expenditure on mining interests (exploration)	(1,347)	(956)
Development capital expenditure	-	(10,474)
Proceeds from sale of subsidiaries	-	317,227
Transaction costs relating to disposal of cash generating unit	-	(8,960)
NET CASH FLOWS USED IN INVESTING ACTIVITIES	(1,387)	291,728
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of shares	-	4,200
Payment of dividends	(28)	(162,266)
Repayment of share capital	(18)	(108,177)
NET CASH FLOWS FROM FINANCING ACTIVITIES	(46)	(266,243)
NET INCREASE IN CASH AND CASH EQUIVALENTS	(2,556)	20,036
Cash and cash equivalents at beginning of period	15,940	66,914
CASH AND CASH EQUIVALENTS AT END OF PERIOD	13,384	86,950

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

NOTES TO THE HALF-YEAR FINANCIAL STATEMENTS

1. CORPORATE INFORMATION

These financial statements of WPG Resources Ltd (the Company or WPG) for the half-year ended 31 December 2012 were authorised for issue in accordance with a resolution of the Directors on 28 February 2013. WPG Resources Ltd is a company incorporated in Australia and limited by shares which are publicly traded on the Australian Securities Exchange.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

These half-year financial statements do not include all notes of the type normally included in the annual financial statements and therefore cannot be expected to provide as full an understanding of the financial performance, financial position and financing and investing activities of the Company as the full financial statements.

These half-year financial statements should be read in conjunction with the annual financial statements of WPG for the year ended 30 June 2012.

It is also recommended that these half-year financial statements be considered together with any public announcements made by WPG during the half-year ended 31 December 2012 in accordance with the continuous disclosure obligations arising under the Corporations Act 2001.

(a) Basis of Preparation

These general purpose financial statements for the half-year reporting period ending 31 December 2012 have been prepared in accordance with the requirements of the Corporations Act 2001 and Australian Accounting Standard AASB 134 Interim Financial Reporting. The historical cost basis has been used except for available-for-sale financial assets which have been measured at fair value.

For the purpose of preparing these half-year financial statements, the half-year has been treated as a discrete report period.

(b) Significant Accounting Policies

These half-year financial statements have been prepared using the same accounting policies as used in the annual financial statements for the year ended 30 June 2012.

(c) 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.

(d) Significant Accounting Judgments, 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.

The treatment of GST on the Ancillary Assets and certain costs forming part of the sale to OneSteel has not yet been confirmed. A private ruling has been sought from the ATO on this matter. At reporting date, directors have considered the maximum potential impact and have applied their best estimate of GST recoverable and payable in respect of the sale.

NOTES TO THE HALF-YEAR FINANCIAL STATEMENTS (CONTINUED)

3. SEGMENT INFORMATION

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 chief operating decision makers comprises of the executive management committee (comprising of the Executive Chairman, Executive Director, Technical Director, CEO and CFO).

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 2012 or 2011. 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.

4. REVENUE

FROM CONTINUING OPERATIONS

	Consolidated 31 Dec 2012 \$'000	31 Dec 2011 \$'000
Interest received	344	3,001
Rent received	-	15
	344	3,016

5. SHARE BASED PAYMENTS

Current period expense for share based payments granted in prior periods	44	241
Accelerated expense for early vesting share based payments	-	3,295
	44	3,536

On 1 July 2012, 4,598,165 incentive rights were issued to key management and directors and the shareholders have subsequently approved the grant of the executive directors' incentive rights. The value of these rights upon granting was \$266,693 and a pro-rata amount has been expensed.

NOTES TO THE HALF-YEAR FINANCIAL STATEMENTS (CONTINUED)

	Consolidated	
	31 Dec 2012	30 Jun 2012
	\$'000	\$'000
6. PROPERTY, PLANT, EQUIPMENT AND LEASHOLD IMPROVEMENTS		
Port Pirie Property – at director's valuation	990	990
Accumulated amortisation	-	-
	990	990
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	990	-
Expenditure reclassified from Port Development Expenditure (Note 9)	-	1,179
Expenditure reclassified from Development Capital Expenditure (Note 10)	-	1,418
Impairment loss expensed to profit and loss	-	(1,607)
Carrying amount at end of period	990	990
Plant and equipment – at cost	549	560
Accumulated depreciation	(163)	(145)
	386	415
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	415	129
Additions	38	66
Expenditure reclassified from Development Capital Expenditure (Note 10)	-	456
Disposals	(45)	(190)
Depreciation expense	(22)	(46)
Carrying amount at end of period	386	415
Leasehold improvements – at cost	38	38
Accumulated amortisation	(36)	(35)
	2	3
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	3	9
Additions	-	-
Amortisation expense	(1)	(6)
Carrying amount at end of period	2	3
Carrying amount of property, plant, equipment and leasehold improvements at end of the period	1,378	1,408

NOTES TO THE HALF-YEAR FINANCIAL STATEMENTS (CONTINUED)

	Consolidated	
	31 Dec 2012	30 Jun 2012
	\$'000	\$'000
7. EXPLORATION AND EVALUATION EXPENDITURE		
Exploration expenditure		
Costs brought forward	4,151	11,925
Costs incurred during the period	1,457	2,880
Subsidiary sold during the period	-	(10,654)
Expenditure written off during the period	(157)	-
Costs carried forward	<u>5,451</u>	<u>4,151</u>
8. PECULIAR KNOB MINING DEVELOPMENT EXPENDITURE		
Development expenditure		
Costs brought forward	-	12,007
Costs incurred during the period	-	1,025
Subsidiary sold during the period	-	(13,032)
Costs carried forward	<u>-</u>	<u>-</u>
9. PORT DEVELOPMENT EXPENDITURE		
Port evaluation expenditure		
Costs brought forward	-	1,724
Costs incurred during the period	-	1,189
Expenditure written off during the period	-	(1,734)
Expenditure reclassified as port property during the period (Note 6)	-	(1,179)
Costs carried forward	<u>-</u>	<u>-</u>
10. DEVELOPMENT CAPITAL EXPENDITURE		
Development capital expenditure		
Costs brought forward	-	13,421
Costs incurred during the period	-	9,787
Subsidiary sold during the period	-	(14,048)
Ancillary assets sold during the period	-	(7,154)
Expenditure written off during the period	-	(131)
Expenditure reclassified as port property during the period (Note 6)	-	(1,418)
Expenditure reclassified as plant & equipment during the period (Note 6)	-	(457)
Costs carried forward	<u>-</u>	<u>-</u>

NOTES TO THE HALF-YEAR FINANCIAL STATEMENTS (CONTINUED)

	Consolidated	
	31 Dec 2012	30 Jun 2012
	\$'000	\$'000
11. CONTRIBUTED EQUITY		
Share capital		
260,947,378 ordinary shares fully paid (30 June 2011: 247,759,340)	16,661	120,434
Shares issued during the period	-	330
Exercise of options	-	4,200
Repayment of share capital	-	(108,303)
Reclassification of reserves	8,321	-
257,864,413 ordinary shares fully paid (30 June 2012: 260,947,378)	24,982	16,661

	Half Year Ended	Half Year Ended
	31 December 2012	31 December 2011
	\$'000	\$'000
12. DIVIDENDS		
Ordinary Shares		
Dividends paid during the half year	-	162,454

13. DISCONTINUED OPERATIONS

During the half year ended 31 December 2011, the Company sold its iron ore assets to OneSteel Limited (now Arrium Ltd) effective 6 October 2011. The financial information relating to the iron ore assets from 1 July 2011 to 6 October 2011 (date of disposal) is set out below:

	Half Year Ended	Half Year Ended
	31 December 2012	31 December 2011
	\$'000	\$'000
Financial Performance		
Revenue	-	-
Total expenses	-	(1,383)
Gross profit	-	(1,383)
Income tax benefit (expense)	-	319
Net profit attributable to discontinued operations	-	(1,064)
Gain on sale of iron ore assets	-	253,281
Income tax expense	-	(71,944)
Gain on sale of subsidiaries after income tax	-	181,337
Profit from discontinued operation	-	180,273

NOTES TO THE HALF-YEAR FINANCIAL STATEMENTS (CONTINUED)

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

	From annual financial statements 30 June 2012 \$'000	From annual financial statements 30 June 2011 \$'000
Carrying amounts of assets and liabilities		
Cash	-	-
Property, plant and equipment	-	11
Trade and other receivables	-	333
Other financial assets	-	8,000
Exploration and development expenditure	-	22,654
Development capital expenditure	-	10,446
Total assets	-	56,616
Trade creditors	-	-
Deferred tax liability	-	1,630
Total liabilities	-	1,630
Net assets	-	54,986

Cash flow information for the period ended 6 October 2011, the disposal date, is as follows:

	Six months ended 31 December 2012 \$'000	From half-year financial statements Six months ended 31 December 2011 \$'000
Net cash outflow from operating activities	-	(7,080)
Net cash inflow from investing activities	-	296,319
Net cash inflow from financing activities	-	-
Net decrease in cash generated by the iron ore subsidiaries	-	289,239

NOTES TO THE HALF-YEAR FINANCIAL STATEMENTS (CONTINUED)

Details of the 30 June 2012 year sale of the iron ore subsidiaries are as follows:

	\$'000
Consideration received	317,227
Sale transaction costs	(8,960)
Carrying amount of net assets sold	<u>(54,986)</u>
Gain on sale before income tax	253,281
Income tax expense	<u>(71,944)</u>
Gain on sale after income tax	<u><u>181,337</u></u>

14. SUBSEQUENT EVENTS

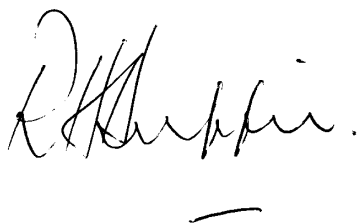
The Directors are not aware of any significant changes in the state of affairs of the Group occurring since the end of the half year.

DIRECTORS' DECLARATION

The directors of WPG Resources Ltd declare that:

1. the financial statements comprising the Consolidated Statement of Comprehensive Income, Consolidated Statement of Financial Position, Consolidated Statement of Cash Flows, Consolidated Statement of Changes in Equity and accompanying notes, are in accordance with the Corporations Act 2001 and:
 - i) comply with Accounting Standard AASB 134 Interim Financial Reporting and the Corporations Regulations 2001; and
 - ii) give a true and fair view of the consolidated entity's financial position as at 31 December 2012 and of its performance for the half-year ended on that date;
2. 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.

This declaration is made in accordance with a resolution of the Board of Directors and is signed for and on behalf of the directors by:



R H DUFFIN
Chairman of Directors
Sydney 28 February 2013

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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 review of WPG Resources Limited for the six months ended 31 December 2012, 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, 28 February, 2013

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Independent Auditor's Review Report To the Members of WPG Resources Ltd

We have reviewed the accompanying half-year financial report of WPG Resources Ltd ("Company"), which comprises the statement of financial position as at 31 December 2012, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the half-year ended on that date, notes comprising a statement or description of accounting policies, other selected explanatory notes and the directors' declaration

Directors' responsibility for the half-year financial report

The directors of WPG Resources Ltd are responsible for the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the Corporations Act 2001 and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that is free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with the Auditing Standard on Review Engagements ASRE 2410: Review of a Financial Report Performed by the Independent Auditor of the Entity, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the financial report is not in accordance with the Corporations Act 2001 including giving a true and fair view of the financial position as at 31 December 2012 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134: Interim Financial Reporting and the Corporations Regulations 2001. As the auditor of WPG Resources Ltd, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review

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procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Independence

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

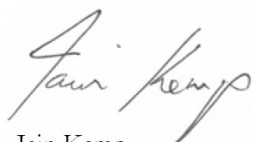
Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of WPG Resources Ltd is not in accordance with the Corporations Act 2001, including:

- a giving a true and fair view of the Company's financial position as at 31 December 2012 and of its performance for the half-year ended on that date; and
- b complying with Accounting Standard AASB 134: Interim Financial Reporting and Corporations Regulations 2001.



GRANT THORNTON AUDIT PTY LTD
Chartered Accountants



Iain Kemp
Partner - Audit & Assurance

Sydney, 28 February, 2013



WPG Resources Ltd

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