



Western Plains Gold

Annual Report 2005

Western Plains Gold Ltd

ACN 109 426 502

Mission Statement

To be an aggressive explorer and later, a developer of world class gold and copper-gold orebodies in Eastern Australia, delivering sustainable corporate growth and maximum long term shareholder wealth.

Corporate Goals

The principal objective of the Company is to create shareholder wealth through the rapid discovery and development of one or more significant new gold and/or gold-copper mineral deposits in Eastern Australia. In other words, what we are about is simply:

Finding and Mining Orebodies

Corporate Strategy

In order to achieve this objective the Company has adopted the following key corporate strategies:

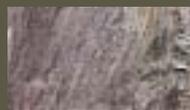
- Enhance the potential for exploration success by taking maximum advantage of the knowledge and extensive technical experience, expertise and proven discovery track record of the Company's directors;
- Concentrate efforts on geographically and geologically well defined areas;
- Complete drill testing of the eight already defined targets on the Company's project areas within two years;
- Maintain a focus on all projects; and
- Rapidly follow-up positive indications of mineralisation with second phase drilling.

We will approach our business with a focus on long term growth and corporate stability by:

- developing in our directors, employees and consultants a culture of continuous improvement, positive support and recognition of achievement; and
- being flexible and open to opportunities but mindful of strategic fit and overall corporate risk.

Further, we will seek to deliver superior results over the long term to our shareholders, by a combination of:

- capital gains; and
- dividends, when commercially appropriate.



Corporate Directory

Western Plains Gold Ltd

ABN 51 109 426 502

DIRECTORS

Robert H Duffin Non-executive Chairman
Gary J Jones Technical Director (Executive)
Robert L Richardson Non-executive

SECRETARY

Heath L Roberts

REGISTERED AND ADMINISTRATION OFFICE

Address Level 11, Kyle House
 27-31 Macquarie Place
 Sydney NSW 2000
 PO Box N239, Grosvenor Place
 NSW 1220 Australia

Telephone: +61 2 9251 1044
Facsimile: +61 2 9247 3434
E-mail: info@westernplainsgold.com.au
Website: www.westernplainsgold.com.au

SHARE REGISTRY

Registries Limited Level 2, 28 Margaret Street,
 Sydney, NSW, 2000
 PO Box R67, Royal Exchange
 Sydney, NSW 2000

Telephone: +61 2 9279 0667
Facsimile: +61 2 9279 0664

AUDITORS

Barnes Dowell James

BANKERS

Westpac Banking Corporation

STOCK EXCHANGE LISTING

Listed on Australian Stock Exchange Limited
 ASX Code: WPG

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Chairman's Review

My board and I are very pleased to present Western Plains Gold Ltd's Annual Report for the year to 30 June 2005. This is our first report as a listed public company.

Western Plains Gold was incorporated on 7 June 2004 to explore for gold and copper deposits in Eastern Australia. After securing a number of tenements, either by acquisition, farm-in or application, we released our IPO prospectus on 3 March 2005, and a Supplementary Prospectus on 3 June 2005. Our share offer closed on 10 August 2005 and our shares were listed on the ASX on 23 August. The IPO raised just under \$3 million.

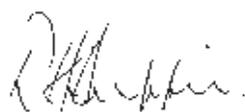
As set out in the Prospectus, we have six excellent exploration projects in the Lachlan Fold Belt, and in the Broken Hill Block. Although less than six weeks has elapsed since we completed our capital raising, we have already completed two airborne geophysical surveys and have carried out RAB drilling programs in five of our prospects. This work is reviewed in more detail in the following report by Gary Jones, our Technical Director. As at the date of this report we do not have any material results from these programs.

We set out an aggressive and ambitious exploration program in the prospectus, and we intend to pursue that program over the next 12 months and beyond. We will also look at acquiring additional exploration interests, as time goes by.

Exploration is a risky business but the rewards for success can be large. There is no guarantee of success, but I am confident that we have a good portfolio of assets and that our people are first class.



Finally, I would like to thank my fellow directors, Gary Jones and Bob Richardson, our company secretary, Heath Roberts, our financial controller, Rob Waring, and our key consultants, Wendy Corbett and Wolfgang Leyh, for the hard work, dedication and commitment to the Company they all showed during the capital raising process and since. I would also like to acknowledge the contributions made by Max Carling at Terrain Capital and the group of key brokers and investors which supported the Company's IPO. Lastly, I would like to thank my fellow shareholders for supporting the Company's vision and for providing the funding to allow us to get to the stage where we are today.



R H DUFFIN
Chairman
30 September 2005

Competent Person

Information in this report which relates to exploration results is based on information compiled by Mr Gary Jones, a Member of the Australasian Institute of Mining and Metallurgy. He is a 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 edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (the JORC Code).

Western Plains Gold – Board of Directors



BOB DUFFIN
Chairman



GARY JONES
Director, Technical



BOB RICHARDSON
Non-Executive Director



HEATH ROBERTS
Company Secretary

Review of Operations

LACHLAN FOLD BELT

TRUNDLE PROJECT

The Company has recently completed an in-depth review of previous mapping and shallow drilling data at the Mordialloc prospect situated in the northern part of the project area. Results of this work have defined monzonite and quartz monzonite porphyries that are interpreted as late stage intrusive phases and are thus potentially significant for porphyry style copper-gold mineralisation. These rocks are identical to the mineralising porphyries at Northparkes and are favourably situated in the peripheral zone of a larger more mafic intrusion. The mineral potential of the target area is supported by strongly anomalous bedrock copper values together with coincident anomalous gold geochemistry. The anomalies for both elements are open to the west and north and the Company has recently completed a program of grid-based RAB drilling comprising 90 holes that was designed to give better definition of these anomalies and to provide targets for deeper drilling.

A detailed low level aeromagnetic survey over the entire Trundle project area has recently been completed by a firm of airborne geophysical survey contractors engaged by the Company. Results of the survey will be used to define structures and potential porphyry alteration systems that will become targets for further detailed exploration including systematic RAB drilling.

LAKE CARGELLIGO PROJECT

The Company has designed two diamond drill holes to test the Achilles I prospect. DDH-1 will test beneath the gold-copper soil geochemical anomaly on grid Section 10,000 N while DDH-2 will test the broad outcropping zone of intense hydrothermal alteration on Section 11,000 N.

Open file literature research has outlined a new area of interest at the Mt Boorithumble prospect in the northern part of EL 6367. Drilling by a previous explorer intersected a 58 metre down-hole zone of disseminated to semi-massive sulphides comprising dominantly pyrite and pyrrhotite but also containing significant base metals up to 1.95% lead, 2.00% zinc, 1.20% copper and 1500 ppm silver. The mineralisation is associated in part with a discrete magnetic anomaly.

PEAK HILL EAST

A detailed low-level aeromagnetic survey over the Peak Hill East project area was completed in early September 2005 in conjunction with the survey carried out on the Trundle tenement. Results of the survey will be used to assist with the definition of the detailed geology including structures, intrusions and potential porphyry alteration systems. The most prospective of these features will become targets for further detailed exploration including reconnaissance geological mapping, rock chip sampling and systematic RAB drilling.

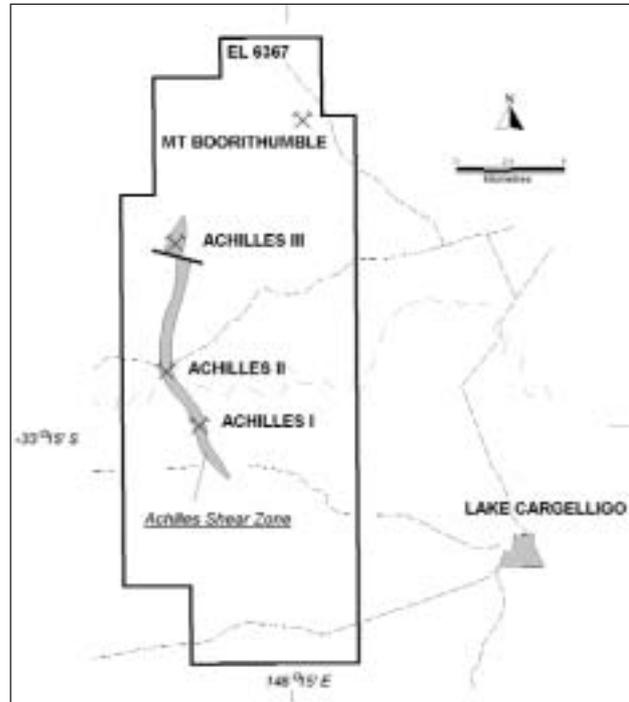


FIGURE 1: Lake Cargelligo Project

BROKEN HILL BLOCK

EURIOWIE PROJECT

The Company has completed a program of detailed mapping and rock chip sampling at the Fairy Hill prospect within EL 5771 at Broken Hill. Fourteen of seventeen samples collected are highly anomalous in copper with values up to 18.5%. Gold is also consistently anomalous with several values in excess of 100 ppb with a maximum value of 1.86 g/t. Detailed mapping has defined a 220 metre long by 75 metre wide north-westerly trending zone

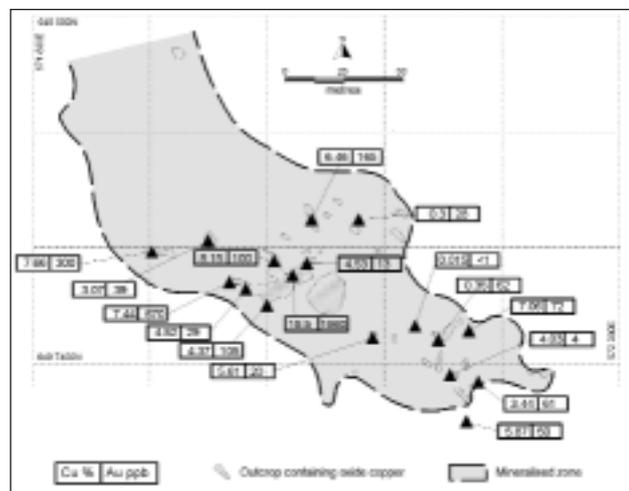


FIGURE 2: Euriovie Project - Fairy Hill Prospect

of altered and mineralised gneissic rocks that contain prominent copper oxides. The mineralised rocks have been exposed in a number of small old workings and the zone is open to the north-west where outcrop disappears beneath shallow soil cover. Extensive soil cover is also present to the south and east. A significant part of the mineralised zone is masked by small dumps where material from the old workings was sorted.

A program of RAB drilling comprising 108 holes for 292 metres was completed in early September 2005. This sampling was designed to better define the mineralised zone and to provide targets for deeper RC percussion drilling. The Company considers this prospect, which has never previously been drilled, has excellent potential for both a near surface oxide and deeper primary copper-gold deposit. Western Plains Gold plans to test this promising target with percussion drilling as soon as a suitable drill rig is available.

A program of RAB drilling comprising 125 holes for 595 metres was completed over the 600 metre long gossan zone at the Yalcowinna Creek prospect. Results of this work will help define targets for deeper drill testing.

A reconnaissance RAB drilling program comprising 210 holes for 764 metres was carried out at the Smiths Well prospect. The sampling was designed to assist with the definition of the poorly outcropping gossan zone and to test the Smiths Well magnetic anomaly.

MULYUNGARIE PROJECT

The Company has completed detailed geophysical modelling of both the large gravity and ground magnetic anomalies at the K-1 prospect. Results of this work have defined targets for two pre-collared diamond drill holes that are scheduled to commence in the last quarter of calendar 2005.

The South Australian Department of Primary Industries and Resources (PIRSA) has granted the Company drilling aid under the Plan for Accelerating Exploration (PACE) for this program. The PACE funding will cover half of the drilling costs.

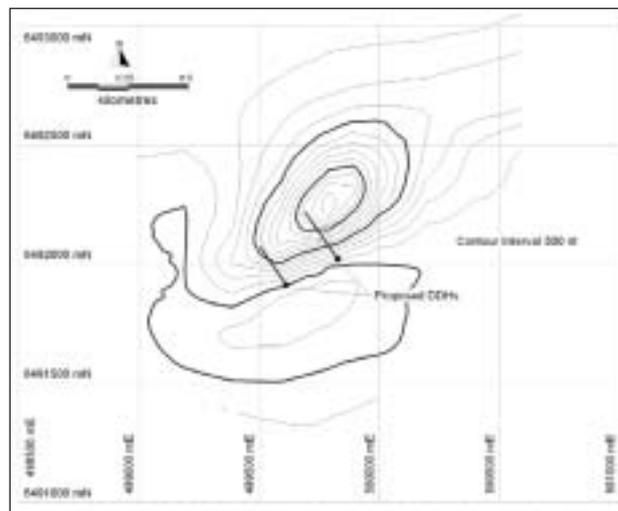


FIGURE 3: Mulyungarie Project – K1 Prospect

REDAN PROJECT

A program of detailed RAB drilling has recently been completed by Western Plains Gold at the Chert Ridge copper-gold prospect in EL 5795. A total of 96 holes were drilled for 285 metres. This sampling was designed to accurately define zones of anomalous copper-gold intersected in RAB drilling by a previous explorer. The anomalous zone is situated in an area of intermittent gossan and chert outcrop, some of which is highly anomalous in gold. Rock chip sampling by Western Plains Gold earlier in the year returned values of up to 172 g/t Au.

The Chert Ridge prospect lies in the central zone of a 9 kilometre long magnetic horizon that extends from the Fence Gossan in the east to the Tors prospect in the west. The Company plans to conduct reconnaissance mapping and rock chip sampling over the entire length of this horizon in addition to follow-up sampling at both these prospects.

GARY JONES

Technical Director

Schedule of Tenements

Tenement	Tenement Number	Interest	Joint Venture Details
NEW SOUTH WALES			
Broken Hill			
Mundi Mundi	EL 4657	0%	WPG can earn 60%, PlatSearch 100%
Euriowie	EL 5771	0%	WPG can earn 60%, PlatSearch 80%, Eaglehawk 20%
Para Bore	EL 6188	0%	WPG can earn 60%, PlatSearch 80%, Eaglehawk 20%
Redan	EL 5795	80%	Eaglehawk 20%, PlatSearch has a royalty interest
Kanbara	EL 6394	80%	Eaglehawk 20%, PlatSearch has a royalty interest
Lachlan Fold Belt			
Trundle	EL 4512	100%	PlatSearch and Nosebi have royalty interests
Peak Hill East	EL 6342	100%	-
Lake Cargelligo	EL 6367	100%	-
SOUTH AUSTRALIA			
Mulyungarie	EL 2776	0%	WPG can earn 60%, PlatSearch 80%, Eaglehawk 20%

Report of the Directors

Your Directors present the financial report of the Company for the period ended 30 June 2005.

The following persons hold office as Directors at the date of this report and throughout the period. Their qualifications and experience are:

ROBERT H DUFFIN

**BSc (Hons), MSc (Hons), Grad Dip Mgt, FAusIMM, CP
Non-Executive Chairman**

Bob Duffin has been a Director from the date of the Company's incorporation on 7 June 2004. He is a company director and consultant to the mining industry, with over 30 years experience in resource exploration and project assessment including over 20 years experience in mining investment analysis, project valuations and assessments of fair value of securities. He is a director of Centennial Coal Company Limited and, during the past three years, he has also served as a director of Midwest Corporation Limited, both listed companies.

GARY J JONES

**BSc, MAusIMM, MASEG
Director, Technical**

Gary Jones has been a Director since 7 June 2004. He is a geologist with over 36 years professional experience in mineral exploration and resource and reserve estimation. He has been an independent consultant to the mining industry for the past 21 years.

BOB RICHARDSON

**BSc, BE (Hons), MAusIMM, MASEG
Non-executive Director**

Bob Richardson became a director on 3 November 2004. He has extensive involvement in exploration management, geophysics and exploration technology for more than 39 years. During the past three years Bob Richardson has also served as a director of PlatSearch NL, a listed company.

HEATH ROBERTS

**Dip Law (SAB), Grad Dip Legal Practice
Company Secretary**

Heath Roberts was a director of the Company from the date of incorporation on 7 June 2004 until he resigned on 3 November 2004, but remains the Company's secretary. He practiced as a commercial solicitor over the last 15 years before focussing on company secretarial practice, corporate advice and fund raising, with an emphasis on the resource and mining sectors. Heath consults extensively to Oakhill Hamilton Pty Ltd, a company which provides secretarial and corporate advisory services to a range of listed and unlisted companies.

Directors' Interests in Shares and Options

Directors' interests in shares and options as at 30 June 2005 are set out in Note 17 to the financial statements. Between the end of the financial year and the date of this report Bob Duffin subscribed for 125,000 shares, Gary Jones subscribed for 10,000 shares and Bob Richardson subscribed for 50,000 shares.

Activities

The principal continuing activity of the Company is the exploration for economic copper and gold and metals.

Results

The net result of operations after applicable income tax expense was a loss of \$112,081.

Dividends

No dividends were paid or proposed during the period.

Review of Operations

A review of the operations of the Company during the financial period and the results of those operations are contained in pages 3 and 4 in this report.

Corporate Structure

Western Plains Gold Ltd is a limited liability company that is incorporated and domiciled in Australia.

Employees

The Company had no employees as at 30 June 2005. The Company uses contract geologists and other consultants as required.

Significant Changes

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

Matters Subsequent to the End of the Financial Period

There were at the date of this report no matters or circumstances which have arisen since 30 June 2005 that have significantly affected or may significantly affect:

- i) the operations of the Company,
- ii) the results of those operations, or
- iii) the state of affairs of the Company,

in the financial years subsequent to 30 June 2005, other than the finalisation of the Company's ASX IPO. Following the closure of the IPO on 10 August 2005, 13,959,000 new shares were issued

at 20 cents each to raise an amount of \$2,791,800 and were allotted on 17 August 2005. Costs of the issue unpaid at 30 June 2005 of \$219,000 were paid following the allotment.

Likely Developments and Expected Results

As the Company's areas of interest are at an early stage of exploration, it is not possible to postulate likely developments and any expected results. The Company is hoping to identify other precious and base metal exploration and evaluation targets.

Remuneration Report

DIRECTORS' BENEFITS AND EMOLUMENTS

It is proposed that during its annual budget review the Board will review the Directors' Emoluments. Remuneration levels, including participation in the Company's Share Option Plan, are set to provide reasonable compensation in line with the Company's limited financial resources. During the period no Director of the Company has received or become entitled to receive a benefit (other than a benefit included in Notes 16 and 17 to the accounts) by reason of a contract made by the Company or a related corporation with the Director or with a firm of which he is a member, or with a company in which he has a substantial financial interest.

REMUNERATION OF THE BOARD AND SENIOR MANAGEMENT

The Board on advice from the remuneration committee will determine the fees for non-executive directors and remuneration packages for executives. The fees for Directors are disclosed below.

The Company has established a share option plan for the benefit of directors, officers, senior executives and consultants, a summary of which is set out below.

There is no retirement scheme for Non-Executive Directors.

DIRECTORS' FEES

Directors are entitled to remuneration out of the funds of the Company but the remuneration of the Non-Executive Directors may not exceed in any year the amount fixed by the Company in general meeting for that purpose. The aggregate remuneration of the Non-Executive Directors has been fixed at a maximum of \$100,000 per annum to be apportioned among the non-executive directors in such a manner as they determine (refer below). Directors are also entitled to be paid reasonable travelling, accommodation and other expenses incurred in consequence of their attendance at Board meetings and otherwise in the execution of their duties as directors. The Directors have resolved that director's fees will be \$35,000 per annum for the Chairman and \$20,000 per annum for Non-Executive Directors, plus statutory superannuation contributions. These fees will be effective from the date on which the ASX granted official quotation to its shares – 23 August 2005.

DIRECTORS' EMPLOYMENT CONTRACTS

Neither Mr Duffin nor Mr Richardson have entered into employment contracts with the Company. The Company and Mr

Jones have entered into a service agreement, details of which are set out below.

AGREEMENT BETWEEN THE COMPANY AND GEONZ ASSOCIATES LTD

Pursuant to a letter agreement dated 30 November 2004 between Western Plains Gold Ltd, Geonz Associates Ltd (Geonz), a company controlled by Gary Jones, the parties agreed that Geonz and Jones would provide technical consulting services to the Company. The agreement will have effect from the date on which the Company's shares are first listed on the ASX being 23 August 2005. The Company will pay a retainer of \$125,000 per annum (inclusive of Director's fees), and Gary Jones agreed to provide consulting services for a minimum of 150 days per annum. Days worked in excess of 150 attract per diem fees of \$700.

The agreement can be terminated by 12 months notice by the Company to Geonz or by three months notice by Geonz to the Company.

AGREEMENT BETWEEN THE COMPANY AND PLATSEARCH FOR THE PROVISION OF TECHNICAL SERVICES

The Company and PlatSearch NL entered into a letter agreement on 11 November 2004 for the provision of certain technical services, office and administration support. The agreement, which is for a term of one year following the listing of the Company on the ASX on 23 August 2005, entitles Western Plains Gold to use part of the premises, facilities and administrative support unutilised by PlatSearch on an arms-length, at-cost basis. Additionally, PlatSearch will provide the services of Mr Richardson as a technical consultant, when so requested by the Company's Board, at the rate of \$130 per hour for up to four days per month.

DIRECTORS, OFFICERS, SENIOR EMPLOYEES AND CONSULTANTS SHARE OPTION PLAN

The Company has established the Western Plains Gold Ltd Employees and Officers Share Options Plan ("the Plan") to assist in the attraction, retention and motivation of the Company's directors, officers, employees and senior consultants. No options have been granted under the Plan as at the date of this report.

A summary of the rules of the Plan is as follows. All Directors, officers, employees and senior consultants (whether full- or part-time) will be eligible to participate in the Plan after a qualifying period of 12 months employment by the Company or its subsidiaries (or, in the case of a senior consultant, having provided consulting services to the Company or its subsidiaries on a continuous basis for at least 12 months), although the Board may waive this requirement.

The allocation of options under the Plan is at the discretion of the Board.

If permitted by the Board, options may be issued to a nominee of a director, officer, employee or senior consultant (for example, to a spouse or family company).

Each option allows the option holder to subscribe for one fully paid ordinary share in the Company and will expire five years from its date of issue. Options will be issued free. The

exercise price of options will be determined by the Board subject to a minimum price equal to the market value of the Company's shares at the time the Board resolves to issue the options. The total number of shares the subject of options issued under the Plan, when aggregated with other options issued under the Plan during the previous five years must not exceed five percent of the Company's issued share capital at the time.

The Board may amend the Plan rules at any time subject to the requirements of the ASX Listing Rules.

Share Options

Particulars of options granted over unissued shares:

- i) There were no shares issued during the period ended 30 June 2005 by virtue of the exercise of options.
- ii) As at the end of the financial period, the Company had on issue:
3,475,000 options over unissued shares exercisable by 28 September 2009 at 25 cents per share and 3,475,000 options over unissued shares exercisable by 28 September 2009 at 35 cents per share.
- iii) Since the end of the financial year the Company has issued 279,180 options (exercise price 25 cents and expiry date 28 September 2009) and 2,500,000 options (exercise price 30 cents and expiry date 16 September 2008).

Option holders do not have any right, by virtue of the option, to participate in any share issue of the Company until the options are exercised.

Meetings of Directors

During the period the Company's Directors held five meetings. Messrs R H Duffin and G J Jones were in attendance at all of the meetings. Mr H L Roberts attended the two meetings held while he was a Director and Mr R L Richardson attended the three held while he was a Director.

Non-Executive Directors, Messrs R H Duffin and R L Richardson and Executive Director Mr G J Jones are members of the Company's Audit Committee. The Committee will review the Company's financial systems, accounting policies, half-year and annual financial statements. There were no Audit Committee meetings during the period. The first meeting was held in September 2005.

Indemnification and Insurance of Directors and Officers

The Company has not, either during or since the end of the financial period, in respect of any person who is or has been an officer or auditor of the Company or a related body corporate indemnified or made any relevant agreement for indemnifying against a liability incurred as an officer, including costs and expenses in successfully defending legal proceedings.

Environmental Performance

WPG holds exploration licences issued by the Mines Departments of two state governments which specify guidelines for environmental impacts in relation to exploration activities. The licence conditions provide for the full rehabilitation of the areas of exploration in accordance with the various Mines Departments' guidelines and standards. There have been no significant known breaches of the licence conditions.

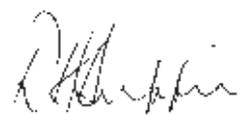
Auditor's Independence and Non-Audit Services

The following non-audit services were provided by the Company's auditor, Barnes Dowell James. The directors are satisfied that the provision of non-audit services is compatible with the general standard of independence for auditors imposed by the Corporations Act 2001. The nature and scope of each type of non-audit service provided means that auditor independence was not compromised. The Directors received a declaration of independence from the auditors of Western Plains Gold Ltd. It is located on page 8 and forms part of this report.

Barnes Dowell James received or are due to receive the following amounts for the provision of non-audit services:

Independent Accountant's report:	<u>\$5,000</u>
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Signed at Sydney this 30th day of September 2005 in accordance with a resolution of the Directors.



R H DUFFIN
Chairman

Auditor's Independence Declaration

BARNES DOWELL JAMES

Chartered Accountants

30 September 2005

The Directors
Western Plains Gold Ltd
Level 11, Kyle House
27-31 Macquarie Place
Sydney NSW 2000
PO Box N239
Grosvenor Place NSW 1220

Partners

C H Barnes FCA
A J Dowell CA
M W James CA

Associate

M A Nakkan CA

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Manly

Level 5, 22 Central Ave
Manly National Building
Manly NSW 2095

Correspondence

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North Sydney NSW 2059

Telephone

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(02) 9929 7428

email: bdj@bdj.com.au

Dear Sirs,

AUDITOR'S INDEPENDENCE DECLARATION TO THE DIRECTORS OF WESTERN PLAINS GOLD LTD

In relation to our audit of the financial report of Western Plains Gold Ltd for the financial year ended 30 June, 2005, to the best of my knowledge and belief, there have been no contraventions of the auditor independence requirements of the Corporations Act 2001 or any applicable code of professional conduct.

Yours faithfully

BARNES DOWELL JAMES



A. J. DOWELL

Partner

Statement of Financial Performance

period from date of incorporation 7 June 2004 to 30 June 2005

	Note	2005
		\$
REVENUE FROM ORDINARY ACTIVITIES	2	<u>7,768</u>
ASX and ASIC fees		(20,049)
Computer services		(3,803)
Contract administration services		(15,000)
Corporate advisory services		(15,000)
Depreciation expense		(309)
Legal fees		(7,936)
Public relations		(22,835)
Printing and stationery		(3,198)
Share registry costs		(4,100)
Travel and accommodation		(16,685)
Other expenses from ordinary activities		<u>(10,934)</u>
		<u>(119,849)</u>
(LOSS) FROM ORDINARY ACTIVITIES BEFORE INCOME TAX EXPENSE		(112,081)
INCOME TAX EXPENSE RELATING TO ORDINARY ACTIVITIES	3	<u>-</u>
(LOSS) FROM ORDINARY ACTIVITIES AFTER INCOME TAX EXPENSE	14	<u>(112,081)</u>
NET (LOSS) ATTRIBUTABLE TO MEMBERS OF WESTERN PLAINS GOLD LTD		<u>(112,081)</u>
TOTAL REVENUES, EXPENSES AND VALUATION ADJUSTMENTS ATTRIBUTABLE TO MEMBERS OF WESTERN PLAINS GOLD LTD AND RECOGNISED DIRECTLY IN EQUITY		<u>-</u>
TOTAL CHANGES IN EQUITY OTHER THAN THOSE RESULTING FROM TRANSACTIONS WITH OWNERS AS OWNERS ATTRIBUTABLE TO MEMBERS OF WESTERN PLAINS GOLD LTD		<u>\$(112,081)</u>
Basic loss per share (cents per share)	15	1.52
Diluted loss per share (cents per share)	15	1.52

Statement of Financial Position

at 30 June 2005

	Note	2005
		\$
CURRENT ASSETS		
Cash assets		827,888
Receivables	5	4,251
TOTAL CURRENT ASSETS		832,139
NON-CURRENT ASSETS		
Tenement security deposits	7	50,000
Plant and equipment	8	2,781
Deferred exploration and evaluation expenditure	9	348,529
TOTAL NON-CURRENT ASSETS		401,310
TOTAL ASSETS		1,233,449
CURRENT LIABILITIES		
Payables	10	36,803
Loan	11	70,000
TOTAL CURRENT LIABILITIES		106,803
TOTAL LIABILITIES		106,803
NET ASSETS		\$1,126,646
EQUITY		
Contributed equity	12	546,500
Subscriptions under share offer	13	692,227
Accumulated losses	14	(112,081)
TOTAL EQUITY		\$1,126,646

Statement of Cash Flows

period from date of incorporation 7 June 2004 to 30 June 2005

	Note	2005
		\$
CASH FLOWS FROM OPERATING ACTIVITIES		
Payment to suppliers and employees		(61,988)
Interest received		7,768
NET CASH FLOWS (USED IN) OPERATING ACTIVITIES	25	<u>(54,220)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of plant and equipment		(3,090)
Expenditure on mining interests (exploration)		(77,529)
Tenement security deposits		(50,000)
NET CASH FLOWS (USED IN) INVESTING ACTIVITIES		<u>(130,619)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from borrowings		70,000
Proceeds from issue of shares		250,500
Subscriptions under share offer		825,882
Equity raising expenses		(133,655)
NET CASH FLOWS FROM FINANCING ACTIVITIES		<u>1,012,727</u>
Net increase in cash held		827,888
Add opening cash brought forward		-
CLOSING CASH CARRIED FORWARD	25	<u><u>\$827,888</u></u>

Notes to and forming part of the Accounts

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

BASIS OF ACCOUNTING

The financial statements have been prepared in accordance with the historical cost convention.

The financial report is a general purpose financial report which has been prepared in accordance with the requirements of the Corporations Act which includes applicable Accounting Standards. Other mandatory professional reporting requirements (Urgent Issues Group Consensus Views) have also been complied with.

FUTURE FUNDING

The financial statements have been prepared on a going concern basis, the basis of which is dependent upon the Company being able to obtain additional funding to support future long term exploration, evaluation and development of its properties. The Company relies upon equity funding to support its exploration activities and presently intends to continue capital raising in subsequent financial years to maintain those activities. There is some uncertainty whether the entity will be able to obtain additional funding in subsequent periods. If the Company is unable to obtain such funding, it may be required to vary future exploration, evaluation and development programs, to realise assets and extinguish liabilities and commitments other than in the normal course of business and at amounts which are different to those which are currently stated in the accounts.

EXPLORATION AND EVALUATION

– COSTS CARRIED FORWARD

Costs carried forward

Costs incurred during exploration and evaluation activities related to an area of interest are accumulated. Costs are carried forward provided such costs are expected to be recouped through successful development, or by sale, or where exploration and evaluation activities have not at balance date reached a stage to allow a reasonable assessment regarding the existence of economically recoverable reserves. Costs carried forward in respect of an area of interest that is abandoned are written off in the year in which the decision to abandon is made.

Amortisation

Upon successful development of a mining project, accumulated costs will be amortised over the life of the areas of interest to which such costs related on a production output basis.

Cash

For the purposes of the statement of cash flows, cash includes cash on hand and in banks, and money market investments readily convertible to cash within two working days, net of outstanding bank overdrafts.

Joint venture operations

Interests in joint ventures are brought to account by including in the respective classifications, the share of individual assets employed, and liabilities and expenses incurred.

Income tax

Tax-effect accounting is applied using the liability method whereby income tax is regarded as an expense and is calculated on the accounting profit after allowing for permanent differences. To the extent timing differences occur between the time items are recognised in the accounts and when items are taken into account in determining taxable income, the net related taxation benefit or liability, calculated at current rates, is disclosed as a future income tax benefit or a provision for deferred income tax. The net future income tax benefit relating to tax losses and timing differences is not carried forward as an asset unless the benefit is virtually certain of being realised.

Earnings per share/Loss per share

Basic EPS is calculated as net profit or net loss attributable to members, adjusted to exclude costs of servicing equity (other than dividends) and preference share dividends, divided by the weighted average number of ordinary shares, adjusted for any bonus element.

Diluted EPS is calculated as net profit or net loss attributable to members, adjusted for:

- (a) cost of servicing equity (other than dividends) and preference share dividends;
- (b) the after tax effect of dividends and interest associated with dilutive potential ordinary shares that have been recognised as expenses; and
- (c) other non-discretionary changes in revenues or expenses during the period that would result from the dilution of potential ordinary shares;

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

Leases

Operating lease payments, where the lessor effectively retains substantially all of the risks and benefits of ownership of the lease items, are included in the determination of the operating profit in equal instalments over the lease term.

Plant and equipment

Plant and equipment are included at cost. Depreciation is provided on a straight line basis on all plant and equipment at rates calculated to write off the cost, less estimated residual value at the end of the useful lives of the assets, over those estimated useful lives. The major depreciation period for plant and equipment is three years; being computer equipment.

Recoverable amount

Non-current assets are not revalued to an amount above their recoverable amount, and where carrying values exceed this recoverable amount assets are written down. In determining recoverable amount the expected net cash flows have been discounted to their present value using a market determined risk adjusted discount rate.

Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the entity and the revenue can be reliably measured. Interest is recognised when the control of a right to receive is attained.

Money market securities and term deposits

Money market securities and term deposits are stated at the lower of cost and net realisable value. Money market bank accepted bills are generally taken out for 30 days and have an effective interest rate of 5.32%. Money market securities are at 24 hour call and have an effective interest rate of 5.05%.

Trade creditors

Liabilities to trade creditors are recognised for amounts to be paid in the future for goods and services received, whether billed or not billed to the Company. Trade creditor liabilities are carried at cost and are normally settled on 30 day terms.

Ordinary shares

Ordinary share capital is recognised at the fair value of the consideration received by the Company. Details of shares issued and the terms and conditions of options outstanding over ordinary shares at balance date are set out in Note 12.

Comparative figures

As the Company was incorporated on 7 June 2004 there are no comparative figures and this financial report covers the period from the date of incorporation to 30 June 2005.

	2005
	\$

2. REVENUE FROM ORDINARY ACTIVITIES

Interest received – other persons/corporation	\$7,768
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3. INCOME TAX

Prima facie income tax (credit) on operating (loss) at 30%	(33,624)
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Future income tax benefit in respect of timing differences – not recognised	33,624
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Income tax expense	–
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No provision for income tax is considered necessary in respect of the Company for the period ended 30 June 2005.

No recognition has been given to any future income tax benefit which may arise from operating losses not claimed for tax purposes. The Company has estimated its losses not claimed of \$112,081. These amounts have not been brought to account in calculating any future tax benefit.

A benefit of 30% of approximately \$33,624 will only be obtained if:

- The Company derives future assessable income of a nature and of an amount sufficient to enable the benefit from the deductions for the losses to be realised,
- The Company continues to comply with the conditions for deductibility imposed by the law, and
- No changes in tax legislation adversely affect the Company in realising the benefit from the deductions for the losses.

No franking credits are available for subsequent years.

2005

\$

4. AUDITORS' REMUNERATION

Total amounts receivable by the current auditors of the Company for:

Audit of the Company's accounts

-

Other services – Independent Accountant's Report for IPO Prospectus

5,012

5,012

5. RECEIVABLES – CURRENT

Other receivables

4,251

6. OTHER FINANCIAL ASSETS

Money market securities – bank deposits

-

Bank negotiable certificates of deposit, which are normally invested for 30 days, were used during the period and there were no funds in these instruments at 30 June 2005.

7. TENEMENT SECURITY DEPOSITS

Cash with government mines department

50,000

These deposits are restricted so that they are available for any rehabilitation that may be required on exploration tenements (refer to Note 20).

8. PLANT AND EQUIPMENT

Plant and equipment – at cost

3,090

Accumulated depreciation

(309)

2,781

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

-

Additions

3,090

Disposals

-

Depreciation expense

(309)

2,781

2005

\$

9. DEFERRED EXPLORATION AND EVALUATION EXPENDITURE

Costs brought forward	-
Costs incurred during the period	348,529
Expenditure written off during period	-
Costs carried forward	\$348,529

Exploration expenditure costs carried forward are made up of:

Expenditure on joint venture areas	65,793
Expenditure on non joint venture areas	282,736
Costs carried forward	\$348,529

The above amounts represent costs of areas of interest carried forward as an asset in accordance with the accounting policy set out in Note 1. The ultimate recoupment of deferred exploration and evaluation expenditure in respect of an area of interest carried forward is dependent upon the discovery of commercially viable reserves and the successful development and exploitation of the respective areas or alternatively sale of the underlying areas of interest for at least their carrying value. Amortisation, in respect of the relevant area of interest, is not charged until a mining operation has commenced.

10. CURRENT LIABILITIES – PAYABLES

Trade creditors	6,499
Other related parties – associated company – PlatSearch NL	30,304
	\$36,803

11. CURRENT LIABILITIES – LOAN

Unsecured loan from associated company – PlatSearch NL (interest free). This loan was repaid in August 2005.	\$70,000
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12. CONTRIBUTED EQUITY**SHARE CAPITAL**

11,600,000 ordinary shares fully paid	\$546,500
---------------------------------------	------------------

Movements in ordinary share capital	Date	Number of shares	Issue price	\$
Shares issued at Company's incorporation	07-06-04	500	\$1.00	500
Shares issued for cash	28-09-04	1,374,500	\$0.006912	9,500
Shares issued for cash	28-09-04	775,000	\$0.012903	10,000
Shares issued for cash	28-09-04	500,000	\$0.001	500
Shares issued for cash	28-09-04	1,875,000	\$0.08	150,000
Shares issued to acquire tenements	03-11-04	2,000,000	\$0.08	160,000
Shares issued for services rendered	03-11-04	2,750,000	\$0.04	110,000
Shares issued for cash	03-11-04	2,000,000	\$0.04	80,000
Shares issued to acquire interest in a tenement	10-11-04	325,000	\$0.08	26,000
Balance at end of current financial period	30-06-05	11,600,000		\$546,500

2005
\$
TERMS AND CONDITIONS OF CONTRIBUTED EQUITY
Ordinary Shares

Ordinary shares 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 and amounts paid up on shares held.

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

Options

There are 6,950,000 options outstanding. There are 3,475,000 options which expire on 28 September 2009, which are exercisable at 25 cents and 3,475,000 options which expire on 28 September 2009, which are exercisable at 35 cents. These options issued during the current period.

13. SUBSCRIPTIONS UNDER SHARE OFFER

During the period March 2005 to June 2005 applications were received for 4,129,410 shares under the Company's Prospectus dated 3 March 2005 at an issue price of \$0.20 each for an amount of \$825,882.

Subscriptions under share offer

825,882

Costs of the share issue

133,655
\$692,227

Following the closure of the Initial Public Offer (IPO) on 10 August 2005, the shares were allotted, together with applications received after 30 June 2005, on 17 August 2005 (refer note 24).

14. ACCUMULATED LOSSES

Balance at the beginning of period

-

Operating loss after income tax expense

112,081

Balance at the end of period

\$112,081
15. LOSS PER SHARE

Basic loss per share (cents per share) 1.52 cents.

Diluted loss per share (cents per share) 1.52 cents.

Weighted average number of ordinary shares on issue used in the calculation of basic and diluted loss per share is 7,378,159.

Loss used in calculating basic and diluted loss per share

\$112,081

The number of potential ordinary shares that are not dilutive and not included in determining diluted EPS are 6,950,000.

Conversion, call, subscription or issue after 30 June 2005:

Since the end of the financial period there have been no other conversions to, call of, or subscriptions for ordinary shares or issues of potential ordinary shares since the reporting date and before the completion of these financial statements.

16. REMUNERATION AND RETIREMENT BENEFITS

(a) Directors' remuneration

The following table outlines the nature and amount of the elements of the remuneration of specified Directors of the Company for the period ended 30 June 2005.

	Salary	Directors Fees	Consulting Fees	Superannuation Contributions	Options	Total
2005	\$	\$	\$	\$	\$	\$
R H Duffin	-	-	-	-	-	-
G J Jones	-	-	22,000	-	-	22,000
R L Richardson	-	-	-	-	-	-
H L Roberts	-	-	-	-	-	-
	-	-	\$22,000	-	-	\$22,000

Mr Richardson is an employee of PlatSearch NL an ASX listed public company. Services provided by PlatSearch to the Company during the period are set out in Note 17.

Directors' interests in shares and options in the Company are set out in Note 17.

(b) Executive Officers' remuneration, shares and options

Other than Directors, there are no other officers who satisfy the definition of "Executive Officers" who are or were involved in, concerned with, or who take part in, the management of the affairs of WPG and/or related bodies corporate.

17. RELATED PARTY DISCLOSURES

The Directors in office during the period were R H Duffin and G J Jones. H L Roberts was a director from 7 June 2004 to 3 November 2004 and R L Richardson became a director on 3 November 2004.

Since the date of incorporation interests and movements in the shares and options of the Company held by Directors and their Director-related entities as at 30 June 2005:

	R H Duffin	G J Jones	R L Richardson	H L Roberts	Total
<i>Fully Paid Ordinary Shares</i>					
at 30 June 2005	1,375,000	775,000	-	500,000	2,650,000
2009 Options					
at 30 June 2005	687,500	225,000	-	250,000	1,162,500

No options were granted to Directors during the current period under the Company's Employees Option Plan. Shares and options held by Directors included those held by the Directors and their Director-related entities, including the spouses of such Directors and relatives of such Directors. All shares and options, were issued or granted on terms no more favourable than to other shareholders or option holders.

Mr R L Richardson is an employee and Director of and has a significant financial interest in PlatSearch NL, a company that provided technical services to the Company during the period. Services provided during the period ended 30 June 2005, which are referred to in the remuneration of Directors in Note 16, amounted to \$110,000. Mr G J Jones is a Director and has a significant financial interest in Geonz Associates Ltd, a company that provides geological and exploration management services to the Company. Services provided during the period ended 30 June 2005 amounted to \$22,000. The \$22,000 is included in the remuneration of Directors in Note 16.

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.

18. JOINT VENTURES

The Company is a party to a number of exploration joint venture agreements to explore for copper and gold. Under the terms of the agreements the Company will be required to contribute towards the exploration and other costs if it wishes to maintain or increase its percentage holdings. The joint ventures are not separate legal entities. There are contractual arrangements between the participants for sharing costs and future revenues in the event of exploration success. There are no assets and liabilities attributable to the Company at balance date resulting from these joint ventures, other than exploration expenditure costs carried forward as detailed in Note 9.

Percentage equity interests in joint ventures at 30 June 2005 were as follows:

	Percentage Interest
	2005
NEW SOUTH WALES	
Broken Hill - Base Metals, Gold	
Euriowie – PlatSearch 100%, WPG can earn 60%	0%
Mulyungarie – PlatSearch 100%, WPG can earn 60%	0%
South Australia – Base Metals and Gold	
Mulyungarie – PlatSearch 100%, WPG can earn 60%	0%

19. FINANCIAL REPORT BY SEGMENT

The Company operates predominantly in the one business and in one geographical area, namely Australian mineral exploration and evaluation.

20. CONTINGENT LIABILITIES

The Company has provided guarantees totalling \$50,000 in respect of mining tenements and the guarantees are secured against short term deposits of these amounts. These guarantees in respect of mining tenements are secured against deposits with the NSW Department of Mines. The Company does not expect to incur any material liability in respect of the guarantees.

21. EMPLOYEE ENTITLEMENTS

An employee share option plan has been established where selected officers and employees of the Company can be issued with options over ordinary shares in Western Plains Gold Ltd. The options, issued for nil consideration, will be issued in accordance with a performance review by the Directors. The options cannot be transferred and will not be quoted on the ASX. The Company has not yet made an issue under the Plan.

22. FINANCIAL INSTRUMENTS

INTEREST RATE RISK EXPOSURE

At balance date, the Company was exposed to a floating weighted average interest rate as follows:

	2005
Weighted average rate of cash balances	1.08%
Cash balances	\$827,888

Bank negotiable certificates of deposit are normally invested for 30 days and other cash at bank balances are at call. All other financial assets and liabilities are non-interest bearing.

NET FAIR VALUE OF FINANCIAL ASSETS AND LIABILITIES, ON BALANCE SHEET AND CREDIT RISK

The net fair value of cash and cash equivalents and non-interest bearing monetary financial assets and financial liabilities of the Company approximates their carrying value. Credit risk is minimal at balance date.

23. COMMITMENTS

EXPLORATION LICENCE EXPENDITURE REQUIREMENTS

In order to maintain the Company's tenements in good standing with the various Mines Departments, the Company will be required to incur exploration expenditure under the terms of each tenement. In addition, the Company has commitments to expend funds towards earning or retaining an interest under joint venture agreements.

	2005
	\$
Payable not later than one year	420,019
Payable later than one year but not later than two years	216,542
	<u>\$636,561</u>

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 Company from time to time.

24. SUBSEQUENT EVENTS

There have been no material events subsequent to 30 June 2005 other than the finalisation of the Company's ASX IPO. Following the closure of the IPO on 10 August 2005, 13,959,000 new shares at 20 cents each were issued for an amount of \$2,791,800 and were allotted on 17 August 2005. Costs of the issue unpaid at 30 June 2005 of \$219,000 were paid following the allotment. As at 30 June 2005 an amount of \$825,882 had been received as subscriptions under the share offer (refer Note 13).

25. STATEMENT OF CASH FLOWS

Reconciliation of net cash outflow from operating activities to operating loss after income tax

(a)	Operating (loss) after income tax	(112,081)
	Depreciation	309
	Shares issued for services	25,000
	Change in assets and liabilities:	
	(Increase)/decrease in receivables	(4,251)
	(Decrease)/increase in trade and other creditors	36,803
	Net cash outflow from operating activities	<u>\$ (54,220)</u>
(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. The Company does not have any unused credit facilities.	
	The balance at 30 June 2005 comprised:	
	Cash assets	827,888
	Bank deposits (Note 6)	-
	Cash on hand	<u>\$827,888</u>

26. IMPACT OF ADOPTING AUSTRALIAN EQUIVALENT TO INTERNATIONAL FINANCIAL REPORTING STANDARDS

The Company entity will be required to prepare financial statements that comply with Australian equivalents to International Financial Reporting Standards ("A-IFRS") for annual reporting periods beginning on or after 1 January 2005. Accordingly, the Company's first half-year report prepared under A-IFRS will be for the half-year reporting period ending 31 December 2005 and its first annual financial report prepared under A-IFRS will be for the year ending 30 June 2006.

This financial report has been prepared in accordance with Australian accounting standards and other financial reporting requirements (Australian GAAP). The differences between Australian GAAP and IFRS identified to date as potentially having a significant effect on the consolidated entity's financial position are summarised below. The summary should not be taken as an exhaustive list of all the differences between Australian GAAP and IFRS. No attempt has been made to identify all disclosure,

presentation or classification differences that would affect the manner in which transactions or events are presented.

(a) Transition Management

The Company has been looking at how to assess the impact of the transition to IFRS and to achieve compliance with IFRS reporting for the financial year commencing 1 July 2005. The Company will be in a position to fully comply with the requirements of AIFRS for the 31 December 2005 half year and the 30 June 2006 financial year.

(b) Assessment and planning

This phase provided a high level overview of the impacts of conversion to AIFRS on existing accounting and reporting policies and procedures, systems and processes, business structures and staff. The assessment and planning phase is now completed as at 30 June 2005.

(c) Design

The design phase is in progress as at 30 June 2005.

(d) Implementation

The implementation phase includes implementation of identified changes to accounting and business procedures, systems and processes and will enable the consolidated entity to generate the required reconciliations and disclosures of AASB1 First time Adoption of Australian Equivalents to International Reporting Standards. This phase is in progress as at 30 June 2005.

(e) Impact of Transition to AIFRS

The Company has not quantified the effects of the differences except as discussed below. Accordingly, there can be no assurances that the consolidated statements of financial performance and financial position would not be significantly different if determined in accordance with IFRS. Only a complete set of financial statements and notes together with comparative balances can provide a true and fair presentation of the company's and consolidated entity's financial position, results of operations and cash flows in accordance with IFRS.

The key potential implications of the conversion to IFRS on the consolidated entity are as follows:

- Equity-based compensation in the form of shares and options will be recognised at fair value as expenses in the period during which Director, employee or consultant provides related services. The Company may issue equity based compensation to Directors, employees and consultants. There have been no options issued under the Employee Share Option Plan (ESOP) at transition date, and therefore no adjustment recognised in the opening balance sheet through retained earnings and therefore no impact on first time transition.

- Under current Australian GAAP exploration and evaluation expenditure carried forward is valued on a cost basis in accordance with the exploration, evaluation and development expenditure accounting policy set out in Not 1 to the Financial Statements. Under AIFRS this will remain unchanged except that "pre-exploration" cost will not be recognised. Pre-exploration costs are costs incurred prior to licences being granted. Management are currently analysing capital expenditures, however it is not expected that any adjustments will be necessary.

- Changes in accounting policies will be recognised by restating comparatives rather than making current year adjustments with note disclosures of prior year effects.

Directors Declaration

In accordance with a resolution of the Directors of Western Plains Gold Ltd, I state that:

- (1) In the opinion of the Directors:
 - (a) financial statements and notes of the Company are in accordance with the Corporations Act 2001, including:
 - (i) giving a true and fair view of the Company's financial position as at 30 June 2005 and of its performance for the year ended on that date; and
 - (ii) complying with Accounting Standards and the Corporations Regulations 2001; and
 - (b) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.
- (2) This declaration has been made after receiving the declarations required to be made to the Directors in accordance with section 295A of the Corporations Act 2001 for the financial year ended 30 June 2005.

On behalf of the Board



R H DUFFIN

Director

Sydney, 30 September 2005

Independent Auditor's Report

BARNES DOWELL JAMES

Chartered Accountants

Partners

C H Barnes FCA
A J Dowell CA
M W James CA

Associate

M A Nakkan CA

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To Members of Western Plains Gold Ltd

SCOPE

We have audited the financial report of Western Plains Gold Ltd for the financial period ended 30 June 2005 as set out on pages 9 to 21.

The Company's Directors are responsible for the financial report. We have conducted an independent audit of this financial report in order to express an opinion on it to the members of the Company.

Our audit has been conducted in accordance with Australian Auditing Standards to provide reasonable assurance whether the financial report is free of material misstatement. Our procedures included examination, on a test basis, of evidence supporting the amounts and other disclosures in the financial report and the evaluation of accounting policies and significant accounting estimates. These procedures have been undertaken to form an opinion whether, in all material respects, the financial report is presented fairly in accordance with Accounting Standards and other mandatory professional reporting requirements in Australia and statutory requirements so as to present a view which is consistent with our understanding of the company's financial position, and performance as represented by the results of its operations and its cash flows.

The audit opinion expressed in this report has been formed on the above basis.

INDEPENDENCE

In accordance with ASIC Class Order 05/83, we declare to the best of our knowledge and belief that the Auditor's Independence Declaration set out on page 8 of the Financial Report has not changed as at the date of providing our audit opinion.

AUDIT OPINION

In our opinion, the financial report of Western Plains Gold Ltd is in accordance with:

- (a) the Corporations Act 2001, including:
 - (i) giving a true and fair view of the company's financial position as at 30 June 2005 and its performance for the period ended on that date; and
 - (ii) complying with Accounting Standards in Australia and the Corporations Regulations 2001; and
- (b) other mandatory professional reporting requirements in Australia.

Yours faithfully

BARNES DOWELL JAMES



ANTHONY DOWELL

Partner

30 September 2005

Corporate Governance Statement

The Board of Directors of Western Plains Gold Ltd (WPG) is responsible for corporate governance and strives for high standards in this regard. The Board monitors the business and affairs of WPG on behalf of the shareholders by whom they are elected and to whom they are accountable. The Board draws on relevant best practice principles particularly those issued by the ASX Corporate Governance Council in March 2003. At a number of its meetings the Board examined the WPG corporate governance practices and the progress towards a review of its practice compared to the best practice principles proposed by the ASX Corporate Governance Council. While WPG is attempting to adhere to the principles proposed by ASX, it is mindful that there may be some instances where compliance is not practicable for a company of WPG's size.

The March 2003 Australian Stock Exchange Corporate Governance Council publication "Principles of Good Corporate Governance and Best Practice Recommendations" is for guidance purposes, however all listed companies are required to disclose the extent to which they have followed the recommendations; to identify any recommendations that have not been followed; and reasons for not doing so. The Company's Board of Directors has reviewed the recommendations. In many cases the Company was already achieving the standard required. In other cases the Company will have to consider new arrangements to enable compliance. In a limited number of instances, the Company may determined not to meet the standard set out in the recommendations, largely due to the recommendation being considered by the Board to be unduly onerous for a company of this size.

The following paragraphs set out the Company's position relative to each of the 10 principles contained in the ASX Corporate Governance Council's report.

PRINCIPLE 1: Lay solid foundations for management and oversight

The Company has not yet formalised and disclosed the functions reserved to the Board and those delegated to management. However, the Company has a small Board of three Directors (two Non-Executive Directors and the Director Technical) and a small team of people, so roles and functions have to be flexible to meet specific requirements.

PRINCIPLE 2: Structure the Board to add value

The Company complies with most of the recommendations within this area as the Chairman is separate from the Executive Director. The Company does not comply with the recommendation that a majority of Directors are independent, because one is an Executive Director and the Chairman is a

substantial shareholder and the third Non-executive Director represents an associated company and a substantial shareholder. The Company has a Board nomination committee.

Two of the Company's three Directors are non-executives, and the employer of one of the non-executives has undertaken "material" consultancy work for the Company within the past three years. 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

The Company has a policy concerning trading in its securities by Directors, management, staff and significant consultants which is set out below. The Company does not have a formal code of conduct, again reflecting the Company's size and the close interaction of individuals throughout the organisation.

PRINCIPLE 4: Safeguard integrity in financial reporting

The Company is reviewing its procedures to ensure compliance with the recommendations set out under this principle.

Senior management confirms that the financial reports represent a true and fair view and are in accordance with relevant accounting standards. The Director Technical 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 are in accordance with relevant accounting standards.

The Company has an Audit Committee and is reviewing its formal charter, and the written charter will be approved by the Board.

The Audit Committee consists of the two Non-Executive Directors, Messrs Duffin and Richardson and the Executive Director, Mr Jones. These directors have applicable expertise and skills for this Committee. This structure does not meet the ASX's guidance regarding independence, in that it should have a majority of independent directors. The audit committee reports to the Board after each committee meeting. In conjunction with the full Board, the committee meets with and reviews the performance of the external auditors (including scope and quality of the audit).

PRINCIPLE 5: Make timely and balanced disclosure

The Company, its Directors and consultants are very aware 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. Whilst the Company does

not have formal written policies regarding disclosure, it uses strong informal systems underpinned by experienced individuals. The Company maintains a register of matters considered for possible market disclosure.

PRINCIPLE 6: *Respect the rights of shareholders*

All significant information disclosed to the ASX is posted on the Company's website as soon as it is disclosed to the ASX. When analysts are briefed on aspects of the Group's operations, the material used in the presentation is released to the ASX and posted on the Company's website. Procedures have also been established for reviewing whether any price sensitive information has been inadvertently disclosed, and if so, this information is also immediately released to the market.

Whilst the Company does not have a communications strategy to promote effective communication with shareholders, as it believes this is excessive for small companies, the Company does communicate regularly with shareholders. The Company has requested the external auditor to attend general meetings and this has been supported by the Company's audit partner at Barnes Dowell James.

PRINCIPLE 7: *Recognise and manage risk*

The Company is a small, exploration company and does not believe that there is significant need for formal policies on risk oversight and management of risk. Risk management arrangements are the responsibility of the Board of Directors and senior management collectively. Risk Factors is an agenda item for each Board meeting.

PRINCIPLE 8: *Encourage enhanced performance*

The Company has a Remuneration Committee of Messrs Duffin, Jones and Richardson which meets as and when required, to review performance matters and remuneration. There has been no formal performance evaluation of the Board during the past financial period, although its composition will be reviewed at a Board meeting at least annually. The Directors work closely with management and have full access to all the Company's files and records.

PRINCIPLE 9: *Remunerate fairly and responsibly*

Directors believe that the size of the Company makes individual salary and consultant negotiations more appropriate than formal remuneration policies. The Remuneration Committee will seek independent external advice and market comparisons as necessary. In accordance with Corporations Act requirements, the Company discloses the fees or salaries paid to all Directors, plus the five highest paid officers. The Company has an Employee Share Option Plan that was introduced in 2004 but has not made an issue under the Plan at this time.

PRINCIPAL 10: *Recognise the legitimate interests of stakeholders*

Due to the Company's size and relative level of operational activity which makes legal compliance a less onerous task than with larger companies, the Company does not have a formal

code of conduct to guide compliance with legal and other obligations. The Board of Directors continues to review the situation to determine the most appropriate and effective operational procedures.

ETHICAL STANDARDS

The Board's policy is for the Directors and management to conduct themselves with the highest ethical standards. All Directors and employees will be expected to act with integrity and objectivity, striving at all times to enhance the reputation and performance of the Company.

SECURITIES TRADING AND TRADING WINDOWS

Directors, employees and key consultants must consult with the Chairman of the Board or the Executive Director before dealing in shares of the Company. Purchases or sales in the Company's shares by Directors, employees and key consultants may not be carried out other than in the "window", being the period commencing two days and ending 30 days following the date of announcement of the Company's annual or half yearly results, quarterly report or a major announcement leading, in the opinion of the Board, to an informed market. However, Directors, employees and key consultants are prohibited from buying or selling WPG shares at any time if they are aware of price sensitive information that has not been made public.

EMPLOYEE SHARE OPTION PLAN

At a General Meeting held in 2004, shareholders approved the adoption of the Company's Employee Share Option Plan. No options have been issued under the Plan.

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. Option holders have no voting rights until the options are exercised.

AUDIT COMMITTEE

At the date of the Report of the Directors, the Company has a committee of two Non-Executive Directors and an Executive Director, which meets with the Company's external auditors at least once during each half-year. These meetings will take place prior to the finalisation of the half-year financial statements and Annual Report and prior to the signing of the Audit Report.

STATEMENT UNDER ASX LISTING RULE 4.10.19

From the date of admission of the Company's shares on ASX (23 August 2005) to the date of this Annual Report, the Company has used the cash and assets in a form readily convertible to cash that it had at the time of admission in a way consistent with that set out in the Company's prospectus dated 3 March 2005 and the Supplementary Prospectus dated 3 June 2005.

Shareholder Information

Information relating to shareholders at 23 September 2005 (per ASX Listing Rule 4.10)

SUBSTANTIAL SHAREHOLDERS

Substantial Shareholders	Shareholding
PlatSearch NL	6,350,000
Irrawaddy Investments Pty Ltd	1,500,000

DISTRIBUTION OF SHAREHOLDERS

Number of ordinary shares held	Number of Holders	Ordinary Shares
1 – 1,000	0	0
1,001 – 5,000	10	35,800
5,001 – 10,000	191	1,905,510
10,000 – 100,000	157	5,768,050
100,001 – and over	46	17,849,640
	404	25,559,000

As at the date of this report, there are no shareholders with less than a marketable parcel of \$500.

TOP 20 SHAREHOLDERS OF ORDINARY SHARES as at 23 September 2005

	Shares	% Shares Issued
PlatSearch NL	6,350,000	24.84
Irrawaddy Investments Pty Ltd	1,375,000	5.38
Vedere Nominees Pty Limited	844,500	3.30
Geonz Associates Ltd	785,000	3.07
Chan Consolidated Limited	500,000	1.96
Mr Heath Roberts	500,000	1.96
Nosebi Mining and Management Pty Ltd	450,000	1.76
Warman Investments Pty Ltd	400,000	1.57
Feta Nominees Pty Limited	350,000	1.37
Carling Capital Partners Pty Ltd	350,000	1.37
McKell Place Nominees Pty Ltd	300,000	1.17
Clodene Pty Ltd	300,000	1.17
Mambat Pty Ltd	275,000	1.08
Symington Pty Ltd	260,000	1.02
Diskdew Pty Ltd	250,000	0.98
Market Securities Pty Limited	250,000	0.98
Mr G T Brock and Mrs K L Brock	200,000	0.78
Purbeck Pty Ltd	200,000	0.78
Octifil Pty Ltd	195,000	0.76
ANZ Nominees Limited	195,000	0.76
Total of top 20 holdings	14,329,500	56.06
Other holdings	11,229,500	43.94
Total fully paid shares issued	25,559,000	100.00

OPTIONS

There are 23 holders of the 9,729,180 options at the date of this report and PlatSearch NL has 49.9% of the options on issue.

RESTRICTED SECURITIES

The number and class of restricted securities and securities subject to voluntary escrow that are on issue, and the date that the escrow period ends are as follows:

8,949,975 shares with an ASX escrow of 24 months from 23 August 2005; 1,450,000 shares with an ASX escrow of 12 months from 28 September 2004 (voluntary escrow until 31 December 2005); 2,816,680 options exercisable at \$0.25 with an ASX escrow of 24 months from 23 August 2005; 937,500 options exercisable at \$0.25 with an ASX escrow for 12 months from 28 September 2004 (voluntary escrow until 31 December 2005) and 3,475,000 options exercisable at \$0.35 ASX with an ASX escrow for 24 months from 23 August 2005.



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