



# WPG Resources Ltd

ABN 51 109 426 502

## Half-Year Financial Report

31 DECEMBER 2014

# CORPORATE DIRECTORY

## WPG Resources Ltd

ABN 51 109 426 502

### DIRECTORS

Robert H Duffin  
Martin C Jacobsen  
Gary J Jones  
Leonard A Dean  
Lim See Yong  
Dennis R Mutton

### SECRETARY

Larissa Brown

### REGISTERED AND ADMINISTRATION OFFICE

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### AUDITORS

Grant Thornton Audit Pty Ltd

### BANKERS

Westpac Banking Corporation

### SECURITIES EXCHANGE LISTING

Listed on Australian Securities Exchange Limited  
ASX Code: WPG

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# DIRECTORS' REPORT

Your Directors submit their report for the half-year ended 31 December 2014.

## 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)

Martin C Jacobsen, MSCC, MDP (Unisa) (Managing Director & CEO)

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

### Summary

- WPG has moved to 100% ownership of its SA gold projects Tarcoola and Tunkillia enabling enhanced flexibility and speed for project development
- Acquisitions realised on extremely favourable terms to WPG
- Tarcoola being fast tracked for mine construction to begin late 2015, first gold production anticipated early 2016
- Tunkillia detailed review has confirmed the resource estimate for the 223 deposit can be enhanced at higher cut-off grades allowing a wide degree of flexibility for strategic development options.
- Tunkillia review also has revealed more gold prospects in addition to the 223 deposit – 14 of these scheduled for priority exploration

### Operations in detail

The net result of operations after applicable income tax expense for the half-year was a loss of \$1,302,355 (2013 – loss of \$1,799,010).

The principal continuing activity of the Group is exploration, evaluation and development of its base and precious metal, iron ore and coal projects in South Australia as well as the pursuit of new investment opportunities.

During the 2014 calendar year WPG acquired the Tarcoola and Tunkillia gold projects, both located in the Gawler Craton in South Australia. These projects have had in excess of \$20 million in historic expenditure undertaken on them and both have been taken through successful pre-feasibility studies. The Tarcoola gold project and a 70% interest in the Tunkillia gold project were acquired from Mungana Goldmines Limited in May 2014 and the residual 30% interest in the Tunkillia gold project and the tenements were acquired from Helix Resources Limited in December 2014. The transaction was registered on 2 March 2015 and will be completed upon the cancellation of the existing Mineral Claim.

These acquisitions were concluded under extremely favourable terms to WPG. The weighted average up-front consideration in cash and scrip amounted to approximately \$2.69 per ounce of resource acquired which is an extremely low price for such advanced stage pre-development projects. Through these acquisitions WPG has established itself as the dominant gold explorer in the region, controlling 2,836km<sup>2</sup> of gold exploration tenements which include the Yarlbinda and Yerda share systems. These tenements, in addition to the known resources, host numerous high priority exploration targets.

In July 2014 WPG announced the prioritisation of the Tarcoola gold project with production anticipated to commence in the first quarter of the 2016 calendar year through a conventional open pit mining and heap leach processing operation. With the recent increase in the Australia dollar gold price, WPG is now fast-tracking evaluation of the Tunkillia gold project.

WPG is now poised to transition into a gold producer, a similar position it was in in 2012 when the Company was developing the Peculiar Knob iron ore mine.

## *DIRECTORS' REPORT (CONTINUED)*

### *Tarcoola Project*

Tarcoola is an historic mining area and records indicate extraction of over 77,000oz of gold at 35g/t, principally from high grade narrow vein underground stopping operations. The two main deposits in the area, Perseverance and Last Resource, contain a resource estimate of 973,000 tonnes averaging 3.12 g/t Au containing 97,000oz Au, and are now the focus of WPG's project development. In addition to this area, there are numerous other identified areas of mineralisation including the Wondergraph prospect, which provide potential upside to the project.

Pre-feasibility studies indicate that the Tarcoola gold project can be developed into a mining operation producing approximately 20,000oz of gold per year. Mining would be a conventional open pit operation with associated heap leach processing. Initial mine life would be four to five years. Metallurgical test work conducted by the previous owners demonstrated outstanding leaching characteristics.

In November 2014 the Company completed a metallurgical drilling program to obtain samples for metallurgical testing to confirm the previous results and to develop and optimise heap leach metallurgical and process design flow sheets. This test work is expected to be finalised by April 2015.

The Company has been actively engaging with stakeholders, including native title holders, as a prelude to submitting a Mineral Lease Application. Following successful negotiations with the South Australian Department of State Development to resolve some complex historic tenure issues, the Company re-pegged the Tarcoola Mineral Claim on 16 February 2015 and intends lodging a Mineral Lease Application soon after the Mineral Claim is granted.

WPG anticipates first gold production from Tarcoola in early 2016 and with the strengthening AUD gold price the Tarcoola gold project will generate strong cash flows to support our other business activities.

### *Tunkillia Project*

The Tunkillia 223 deposit lies in the north western part of the Tunkillia tenement block. The majority of the resource occurs in the "Central Alteration Zone" of the Tunkillia Augen Gneiss, which is a sheared granite body forming part of the Tunkillia Suite intrusives of early Proterozoic age. A degree of supergene dispersion and local enrichment has occurred at the base of the weathering profile. Primary mineralisation is hosted within the NW-trending Yarlbrinda shear zone. A broad corridor of low-grade mineralisation is present, in which higher-grades are typically associated with greater intensity of steep to moderately dipping quartz veins.

The previously published resource estimate for the 223 deposit at Tunkillia is a total of 26.3 million tonnes at an average grade of 1.04 g/t gold using a 0.5g/t cut-off grade (as reported by Mungana Goldmines in its September 2012 Quarterly Report dated 29 October 2012 and available to view at [www.asx.com.au](http://www.asx.com.au)). WPG has recast the resource estimate using a 0.5 g/t cut-off grade in the oxide zone, and a 1.0 g/t cut-off grade in the primary zone, resulting in a revised resource estimate of 12.32 million tonnes at 1.41g/t for 558,500 contained ounces (as reported in WPG's ASX announcement dated 4 February 2015).

The revised resource estimate demonstrates a greater degree of flexibility for WPG's development options for the project.

WPG has now commenced an analysis of the potential development scenarios including optimisation studies. The results of these studies will then set the platform for WPG to redefine the project parameters and advance a new exploration and development strategy. WPG anticipates that capital costs on the Tunkillia gold project will be significantly reduced from previous studies by targeting a smaller scale operation with lower throughput, but with production in the order of 50,000 oz Au per annum.

Other prospects have been identified within the tenement blocks, and these other prospects will be more extensively explored now that WPG owns 100% of the project area.

In August 2014 Federal environment clearance was received from the Department of Environment having finalised their assessment of endangered species through three independent environmental surveys previously lodged. The assessment and approval was granted under the Environmental Protection and Biodiversity Conservation Act 1999.

On 22 January 2015 Ministerial approval for the transfer of EL 4812 and EL 4495 from Helix Resources Limited (HLX) to Tunkillia Gold Pty Ltd, a 100% owned subsidiary of WPG, was granted and the transfers registered on 2 March 2015. This is a significant milestone as it removes any constraints that were previously in place around project financing and security that existed as a result of tenure been held by Helix. The Tunkillia gold project Mineral Claim will be re-pegged in the name of Tunkillia Gold Pty Ltd once the existing Mineral Claim is cancelled. A Mineral Lease Application will be submitted in due course once the new Mineral Claim has been approved and the necessary exemption from the regulations obtained.

## DIRECTORS' REPORT (CONTINUED)

### *Muckanippie, Robins Rise and Lake Woorong Projects*

Having previously identified a number of prospective anomalies, priority exploration targets on the three tenements in the Northern Gawler Craton were identified. Prospect targets within the Muckanippie EL are considered to have excellent potential discovery of a massive sulphide nickel deposit while the Robins Rise and Lake Woorong tenements are highly prospective for the DSO haematite deposits.

In June 2014 an aircore drilling program was completed by WPG at Muckanippie on specific targets with an intention to carry out deeper RC and/or diamond drilling of the highest priority targets that emerge. WPG is evaluating the next phase of exploration on these tenements.

### *Port Pirie Property*

During the period, a decision was made to sell the land at Port Pirie as the port facility is no longer required by WPG. The land inclusive of rehabilitation and other improvements has been maintained in good condition while a buyer is being sought for this industrial property.

### *Financial position*

As at 31 December 2014 the Company had cash at bank of \$3.5 million, representing cash backing of 1.3 cents per share. This ensures WPG is well placed to fund its present development plans and to continue to undertake reviews of acquisition opportunities.

## 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 13 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:



**R H DUFFIN**  
Executive Chairman

Sydney

11 March 2015

# CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the half-year ended 31 December 2014

		Consolidated Entity	
	Note	2014 \$'000	2013 \$'000
<b>REVENUE FROM CONTINUING OPERATIONS</b>	4	89	191
Other income		1	18
ASX and ASIC fees		(28)	(25)
Contract administration services		(214)	(298)
Corporate advisory services		(11)	(8)
Depreciation and amortisation expense		(10)	(18)
Directors' fees		(102)	(99)
Employment costs		(149)	(167)
Project evaluation costs written off		(203)	(846)
Insurance		(46)	(52)
Legal fees		(20)	(19)
Office costs		(30)	(31)
Operating lease rental expense		(98)	(103)
Public relations		(42)	(18)
Registry costs		(17)	(16)
Share based payments	5	(100)	(71)
Superannuation expense		(57)	(51)
Travel and accommodation		(45)	(49)
Fair value adjustment on financial assets at fair value through profit or loss		(95)	(39)
Other expenses		(125)	(97)
<b>LOSS BEFORE INCOME TAX EXPENSE</b>		(1,302)	(1,798)
Income tax benefit		-	-
<b>LOSS FROM CONTINUING OPERATIONS</b>		(1,302)	(1,798)
<b>OTHER COMPREHENSIVE INCOME</b>			
Change in fair value on available-for-sale financial assets		-	10
Income tax (expense) / benefit on other comprehensive income		-	(3)
<b>OTHER COMPREHENSIVE INCOME FOR THE HALF YEAR NET OF TAX</b>		-	7
<b>TOTAL COMPREHENSIVE INCOME FOR THE HALF-YEAR ATTRIBUTABLE TO OWNERS OF WPG RESOURCES LTD</b>		(1,302)	(1,791)
Basic loss per share (¢ per share)		(0.48)	(0.69)
Diluted loss per share (¢ per share)		(0.48)	(0.69)

The above Consolidated Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the accompanying notes.

# CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2014

		Consolidated Entity	
	Note	31 Dec 2014 \$'000	30 Jun 2014 \$'000
<b>CURRENT ASSETS</b>			
Cash and cash equivalents		3,478	5,463
Trade and other receivables		92	135
Available for sale financial assets	7	316	-
		<u>3,886</u>	<u>5,598</u>
Assets classified as held for sale		1,288	-
<b>TOTAL CURRENT ASSETS</b>	6	<u>5,174</u>	<u>5,598</u>
<b>NON-CURRENT ASSETS</b>			
Available-for-sale financial assets	7	-	416
Other financial assets		224	74
Exploration and evaluation expenditure	8	5,669	4,841
Property, plant, equipment and leasehold improvements	9	57	1,340
		<u>5,950</u>	<u>6,671</u>
<b>TOTAL NON-CURRENT ASSETS</b>		<u>5,950</u>	<u>6,671</u>
<b>TOTAL ASSETS</b>		<u>11,124</u>	<u>12,269</u>
<b>CURRENT LIABILITIES</b>			
Trade and other payables		487	441
<b>TOTAL CURRENT LIABILITIES</b>		<u>487</u>	<u>441</u>
<b>NON-CURRENT LIABILITIES</b>			
Provisions		195	184
<b>TOTAL NON-CURRENT LIABILITIES</b>		<u>195</u>	<u>184</u>
<b>TOTAL LIABILITIES</b>		<u>682</u>	<u>625</u>
<b>NET ASSETS</b>		<u>10,442</u>	<u>11,644</u>
<b>EQUITY</b>			
Contributed equity	10	25,248	25,232
Reserves		297	213
Accumulated losses		(15,103)	(13,801)
<b>TOTAL EQUITY</b>		<u>10,442</u>	<u>11,644</u>

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 2014

	Attributable to the owners of WPG Resources Ltd				
	Contributed Equity \$'000	Accumulated Losses \$'000	Options Reserve \$'000	AFS Reserve \$'000	Total Equity \$'000
<b>AT 1 JULY 2013</b>	<b>24,982</b>	<b>(10,366)</b>	<b>89</b>	<b>25</b>	<b>14,730</b>
<b>Total comprehensive income for the half-year</b>					
Loss for the period	-	(1,798)	-	-	(1,798)
<b>Other comprehensive income</b>					
Change in fair value on available-for-sale financial assets, net of tax	-	-	-	7	7
<b>Total comprehensive income for the half-year</b>	<b>-</b>	<b>(1,798)</b>	<b>-</b>	<b>7</b>	<b>(1,791)</b>
<b>Transactions with owners in their capacity as owners</b>					
Issue of new shares	10	-	(10)	-	-
Share based payments expense	-	-	71	-	71
	<b>10</b>	<b>-</b>	<b>61</b>	<b>-</b>	<b>71</b>
<b>AT 31 DECEMBER 2013</b>	<b>24,992</b>	<b>(12,164)</b>	<b>150</b>	<b>32</b>	<b>13,010</b>
<b>Total comprehensive loss for the half-year</b>					
Loss for the period	-	(1,637)	-	-	(1,637)
<b>Other comprehensive income</b>					
Change in fair value on available-for-sale financial assets, net of tax	-	-	-	(32)	(32)
<b>Total comprehensive loss for the half-year</b>	<b>-</b>	<b>(1,637)</b>	<b>-</b>	<b>(32)</b>	<b>(1,669)</b>
<b>Transactions with owners in their capacity as owners</b>					
Issue of new shares	240	-	-	-	240
Share based payments expense	-	-	63	-	63
	<b>240</b>	<b>-</b>	<b>63</b>	<b>-</b>	<b>303</b>
<b>AT 30 JUNE 2014</b>	<b>25,232</b>	<b>(13,801)</b>	<b>213</b>	<b>-</b>	<b>11,644</b>
<b>Total comprehensive loss for the half-year</b>					
Loss for the period	-	(1,302)	-	-	(1,302)
<b>Other comprehensive income</b>					
Change in fair value on available-for-sale financial assets, net of tax	-	-	-	-	-
<b>Total comprehensive loss for the half-year</b>	<b>-</b>	<b>(1,302)</b>	<b>-</b>	<b>-</b>	<b>(1,302)</b>
<b>Transactions with owners in their capacity as owners</b>					
Issue of new shares	16	-	(16)	-	-
Share based payments expense	-	-	100	-	100
	-	-	-	-	-
<b>AT 31 DECEMBER 2014</b>	<b>25,248</b>	<b>(15,103)</b>	<b>297</b>	<b>-</b>	<b>10,442</b>

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 2014

	Consolidated Entity	
	2014 \$'000	2013 \$'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Receipts from customers	13	10
Payment to suppliers and employees	(1,073)	(1,844)
Interest received	76	196
<b>NET CASH FLOWS USED IN OPERATING ACTIVITIES</b>	<b>(984)</b>	<b>(1,638)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Acquisition of property, plant and equipment	(19)	(1)
Investment in available for sale financial assets	6	-
Tenement security deposits	(150)	-
Expenditure on mining interests (exploration)	(828)	(249)
<b>NET CASH FLOWS USED IN INVESTING ACTIVITIES</b>	<b>(991)</b>	<b>(250)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Payment of dividends	(6)	-
Repayment of share capital	(4)	-
<b>NET CASH FLOWS USED IN FINANCING ACTIVITIES</b>	<b>(10)</b>	<b>-</b>
<b>NET DECREASE IN CASH AND CASH EQUIVALENTS</b>	<b>(1,985)</b>	<b>(1,888)</b>
Cash and cash equivalents at beginning of period	5,463	10,941
<b>CASH AND CASH EQUIVALENTS AT END OF PERIOD</b>	<b>3,478</b>	<b>9,053</b>

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 2014 were authorised for issue in accordance with a resolution of the Directors on 11 March 2015. 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 2014.

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 2014 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 2014 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**

The interim financial statements have been prepared in accordance with the accounting policies adopted in WPG's last annual financial statements for the year ended 30 June 2014 except for the application of the following standard.

#### **Non-current Assets Classified as Held for Sale**

Non-current assets classified as held for sale are those assets whose carrying amounts will be recovered principally through a sale transaction rather than through continuing use. These assets are stated at the lower of their carrying amount and fair value less costs to sell and are not depreciated or amortised. Interest expense continues to be recognised on liabilities of a disposal group classified as held for sale.

An impairment loss is recognised for any initial or subsequent write down of the asset to fair value less costs to sell. A gain is recognised for subsequent increases in fair value less costs to sell of an asset but not exceeding any cumulative impairment losses previously recognised.

The Port Pirie assets classified as held for sale do not meet the definition of a discontinued operation.

### **(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 judgements, estimates and assumptions applied in the interim financial statements, including the key sources of estimation uncertainty were the same as those applied in the Company's last annual financial statements for the year ended 30 June 2014.

# Notes to the Half-Year Financial Statements

## 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, Managing Director, Technical Director, and CFO).

The executive management committee has determined that there are currently no operating segments and no discrete information is provided to them and therefore no segment information has 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 2014 or 2013. 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.

	Consolidated	
	31 Dec 2014 \$'000	31 Dec 2013 \$'000
<b>4. REVENUE</b>		
<b>From Continuing Operations</b>		
Interest received	76	181
Rent received	13	10
	<u>89</u>	<u>191</u>

## 5. SHARE BASED PAYMENTS

Current period expense for share based payments granted in the current period and in prior periods

	100	71
	<u>100</u>	<u>71</u>

On 1 July 2014, 5,704,801 (1 July 2013 – 5,866,673) incentive rights were issued to key management and Executive Directors and shareholders have subsequently approved the grant of the Executive Directors' incentive rights. The value of these rights upon granting was \$233,896 (2013 - \$209,227) and a pro-rata amount has been expensed.

	Consolidated	
	31 Dec 2014 \$'000	30 Jun 2014 \$'000
<b>6. ASSETS CLASSIFIED AS HELD FOR SALE</b>		
<b>Port Pirie property</b>		
Expenditure reclassified from Property, Plant and Equipment	1,288	-
Carrying amount at end of period	<u>1,288</u>	<u>-</u>

The industrial property at Port Pirie comprising land and improvements on 4.5 hectares is surplus to WPG's need and the company is seeking a buyer.

## Notes to the Half-Year Financial Statements

	Consolidated	
	31 Dec 2014 \$'000	30 Jun 2014 \$'000
<b>7. AVAILABLE FOR SALE FINANCIAL INSTRUMENTS</b>		
<b>Listed company securities</b>		
<b>Current</b>		
Equity Securities – Level 1	316	-
	<u>316</u>	<u>-</u>
<b>Non-current</b>		
Equity Securities – Level 1	-	416
	<u>-</u>	<u>416</u>

The listed securities have been placed on the market for sale following a decision to divest them.

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

	Consolidated	
	31 Dec 2014 \$'000	30 Jun 2014 \$'000
<b>8. EXPLORATION AND EVALUATION EXPENDITURE</b>		
<b>Exploration expenditure</b>		
Costs brought forward	4,841	2,721
Costs incurred during the period	828	444
Subsidiary acquired during the period	-	1,826
Exploration expenditure impaired during the period	-	(150)
Costs carried forward	<u>5,669</u>	<u>4,841</u>
<b>9. PROPERTY, PLANT, EQUIPMENT AND LEASEHOLD IMPROVEMENTS</b>		
<b>Port Pirie property – at directors' valuation</b>	-	990
Accumulated amortisation	-	-
	<u>-</u>	<u>990</u>
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	990
Asset reclassified as Asset Held For Sale	(990)	-
Carrying amount at end of period	<u>-</u>	<u>990</u>

## Notes to the Half-Year Financial Statements

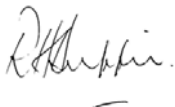
	Consolidated	
	31 Dec 2014	30 Jun 2014
	\$'000	\$'000
<b>9. PROPERTY, PLANT, EQUIPMENT AND LEASEHOLD IMPROVEMENTS (continued)</b>		
<b>Plant and equipment – at cost</b>	293	573
Accumulated depreciation	(236)	(223)
	<u>57</u>	<u>350</u>
Reconciliation of the carrying amount of plant and equipment at the beginning and end of the current and previous financial year		
Carrying amount at beginning of financial year	350	360
Additions	18	16
Disposals	-	3
Asset reclassified as Asset Held For Sale	(298)	-
Depreciation expense	(13)	-
Carrying amount at end of period	<u>57</u>	<u>350</u>
<b>Leasehold improvements – at cost</b>	38	38
Accumulated amortisation	(38)	(38)
	<u>-</u>	<u>-</u>
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	-	-
Amortisation expense	-	-
Carrying amount at end of period	<u>-</u>	<u>-</u>
	<u>-</u>	<u>-</u>
Carrying amount of property, plant, equipment and leasehold improvements at end of the period	<u>57</u>	<u>1,340</u>
<b>10. CONTRIBUTED EQUITY</b>		
<b>Share capital</b>		
268,617,428 ordinary shares fully paid (30 June 2013: 260,947,378)	33,091	32,841
Shares issued during the period	16	250
268,994,920 ordinary shares fully paid (30 June 2014: 268,617,428)	<u>33,107</u>	<u>33,091</u>
Share issue costs	(7,859)	(7,859)
	<u>25,248</u>	<u>25,232</u>
<b>11. SUBSEQUENT EVENTS</b>		
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 Profit or Loss and Other 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 2014 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 11 March 2015

Level 17, 383 Kent Street  
Sydney NSW 2000

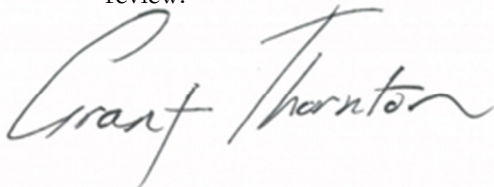
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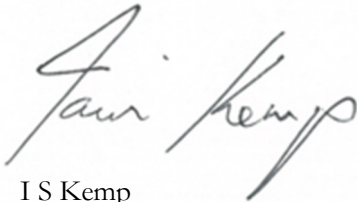
**Auditor's Independence Declaration  
To The Directors of WPG Resources Limited**

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 half-year ended 31 December 2014, 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 review; and
- b No contraventions of any applicable code of professional conduct in relation to the review.



GRANT THORNTON AUDIT PTY LTD  
Chartered Accountants



I S Kemp  
Partner - Audit & Assurance

Sydney, 11 March 2015

Grant Thornton Audit Pty Ltd ACN 130 913 594  
a subsidiary or related entity of Grant Thornton Australia Ltd ABN 41 127 556 389

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

We have reviewed the accompanying half-year financial report of WPG Resources Limited (“Company”), which comprises the consolidated financial statements being the statement of financial position as at 31 December 2014, and the statement of profit or loss and other 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 explanatory information and the directors’ declaration of the consolidated entity, comprising both the Company and the entities it controlled at the half-year’s end or from time to time during the half-year.

### **Directors’ responsibility for the half-year financial report**

The directors of WPG Resources Limited are responsible for the preparation of 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 controls 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 consolidated 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 half-year financial report is not in accordance with the Corporations Act 2001 including: giving a true and fair view of WPG Resources Limited’s financial position as at 31 December 2014 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 Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

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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 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, with the exception of the matter described in the preceding paragraph, we have not become aware of any matter that makes us believe that the half-year financial report of WPG Resources Limited 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 2014 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



I S Kemp  
Partner - Audit & Assurance

Sydney, 11 March 2015



## WPG Resources Ltd

ABN 51 109 426 502

ASX CODE: WPG

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