

WPG

Resources Ltd

ABN 51 109 426 502

Annual Report 2017

Contents

Chairman’s Review	1
Statement of Ore Reserve and Mineral Resource Estimates	3
Tenement Schedule	12
Directors’ Report	13
Directors and Management	36
Auditor’s Independence Declaration	39
Corporate Governance Statement	40
Sustainability, Environmental Management and Community Engagement	49
Consolidated Statement of Profit or Loss and Other Comprehensive Income	51
Consolidated Statement of Financial Position	52
Consolidated Statement of Cash Flows	53
Consolidated Statement of Changes in Equity	54
Notes to the Financial Statements	55
Directors’ Declaration	80
Independent Auditor’s Report	81
Security Holder Information	86
Corporate Directory	



Dear Fellow Shareholder

Your Company's performance in the year under review has been disappointing. Although we reported an EBITDA of a positive \$0.8 million, our statutory loss of \$9.1 million and total production of 50,882 ounces of gold which failed to meet guidance of 52,000 to 56,000 ounces were absolutely unacceptable.

On the positive side, we met many critical milestones during the year. Just before the start of the financial year we brought the Challenger mine back into production, and in August 2016 we acquired our then joint venture partner's 50% interest in Challenger for \$9 million to take WPG's ownership to 100%. The joint venture partner was Diversified Minerals Pty Ltd, an affiliate of Challenger's mining contractor, Pybar Mining Services Pty Ltd. At the time, we thought this acquisition would have a pay-back period of less than a year – unfortunately it didn't work out this way.

We reached agreement with a separate joint venture partner in the WGCV about the ownership of certain tenements held by the joint venture in October 2016, and that gave us clear 100% title to a mineral lease adjoining Challenger in which the Challenger Deeps orebodies are located. In December 2016 we initiated open pit mining activities at our Tarcoola mine after having received all necessary approvals for the new mine a few weeks earlier. The first ore was hauled from Tarcoola to Challenger in January 2017. Also in January, the manager of the WGCV, in which our interest is now approximately 25%, announced a maiden mineral resource estimate for a number of deposits located on these tenements. The Challenger processing hub is ideally located to treat ore from these deposits if they prove viable. Exploration in the WGCV tenements is still in progress.

In February this year the first tonne of gold was poured at Challenger since the mine was re-opened by us last year. In March, we completed upgrading the ventilation system at Challenger to allow safe access to the Challenger Deeps lodes and we commenced our underground drilling program at Challenger Deeps in April. This program, which is continuing, is delivering highly encouraging gold intersections. Its objective is to test the potential for the known mineralisation there to support a longer mine life.

In May, we released an exploration target estimate for the M3 and SEZ shoots at Challenger, and we are testing these shoots now by drilling and developing exploration and production drives. In September 2017 we released updated mineral resource and ore reserve estimates for Challenger and Tarcoola as at 30 June 2017. The gold contained in the Challenger resource estimate of 364,000 ounces has grown by some 101,000 ounces or 38% from the 263,000 ounces estimated a year earlier, notwithstanding depletion from mining. The Challenger ore reserve estimate is 96,700 ounces, 8% higher than the 89,400 ounces estimated a year ago, which is more than sufficient to replace depletion through mining activities over the last year. At Tarcoola, the gold contained in the resource estimate is 87,600 ounces, down marginally from last year's estimate of 97,600 ounces, and the gold content of the ore reserve estimate is 54,300 ounces compared with 71,000 ounces last year.

We completed three equity raisings during the year. Two of these were highly successful; but the third was not quite so successful. In August 2016 we raised \$7.3 million in an oversubscribed placement to professional and sophisticated investors and followed that up by a fully underwritten rights issue that raised a further \$6.1 million before costs. In December 2016 we raised \$3.6 million through the exercise of listed options. In June 2017 we raised \$7.2 million in an oversubscribed placement to professional and sophisticated investors and followed that up by a rights issue to shareholders that would have raised another \$5.4 million had it been fully subscribed. Unfortunately shareholders did not support the rights issue and its failure has placed strain on the Company's balance sheet that is discussed in the financial statements which follow. WPG has always tried to offer new shares to existing shareholders in the past under identical terms that we have offered to the institutions, and it is disappointing that shareholders failed to support the issue this time.

Now for the bad news. While the achievements to date that are summarised above are highly satisfying, our AISC to date has been unsustainably high. There are a number of reasons for this, which we understand. It is tempting to say that the costs have been high simply because the grades mined to date at Challenger have been lower than expected. However, this is a simplification. Mine development at Challenger is well below plan, equipment availability has suffered from lack of adequate maintenance, and skilled manning levels have been below agreed numbers. The mine development shortfall means that higher grade virgin stopes have not been available for extraction when anticipated, other stopes have been mined out of sequence, and we have been required to extract ore from lower grade remnant areas that have been accessible without the planned development.

While Challenger's performance has disappointed, Tarcoola's has not. We always anticipated that there would be a nine month period of pre-stripping of waste with a gradual build-up of ore mined during that period. The pre-strip period has almost finished now, and we expect Tarcoola to deliver high grade and low cost ore to the Challenger mill over the next two years.

Chairman's review

We have not simply accepted the poor performance at Challenger as a factor over which we have no control. Our new CEO Wayne Rossiter, with the assistance of Cornel Parshotam, our COO, is implementing a mine turn-around strategy to address these shortcomings. We have appointed a new General Manager at Challenger and have replaced the former Challenger mining contractor with a new contractor, Byrnecut Australia Pty Ltd, a highly credentialed operator. We have also implemented some changes in the reporting lines to ensure the Tarcoola and Challenger mines are fully focussed on delivering an optimised feed to the Challenger mill.

Wayne's turn-around strategy is set out in more detail in his report which follows. Your Board fully endorses Wayne's ideas.

During the year we implemented a board renewal, generational change and diversity policy and we have seen a number of changes to the composition of the Board. Len Dean, Dennis Mutton and Martin Jacobsen left the Board and I thank all three for their very significant contributions to the Company's development. Helen Wiseman joined the Board as a Non-Executive Director, is Lead Independent Director and chairs the Audit & Risk Committee, and Cornel Parshotam was appointed as an Alternate Director to Gary Jones, who lives in New Zealand. I expect there will be further changes to the Board over the next few months.

Finally, your entire Board want to acknowledge the support that you, our shareholders, have given us and your company over the last 13 years.



Bob Duffin

Chairman

16 October 2017

Statement of Ore Reserve and Mineral Resource Estimates

as at 16 October 2017

WPG's Mineral Resources estimate was a total of 15,541,000 tonnes at an average grade of 2.02 g/t Au containing 1,009,600 ounces of gold and 352.4 million tonnes of coal. The combined mineral resource estimate for the producing Challenger and Tarcoola operations is 3,221,000 tonnes at an average grade of 4.36g/t Au containing 451,000 ounces of gold.

WPG Ore Reserves at 30 June 2017 were estimated to be 1,104,000 tonnes at an average grade of 4.25 g/t Au containing 151,000 ounces of gold.

South Australian Gold Projects – Mineral Resource Estimate

PROJECT	MEASURED			INDICATED			INFERRED			TOTAL RESOURCE		
	Gold	Gold		Gold	Gold		Gold	Gold		Gold	Gold	
	Tonnes (kt)	Grade (g/t)	Metal (koz)	Tonnes (kt)	Grade (g/t)	Metal (koz)	Tonnes (kt)	Grade (g/t)	Metal (koz)	Tonnes (kt)	Grade (g/t)	Metal (koz)
Challenger	246.0	5.49	43.0	926.0	7.44	221.0	449.0	6.90	100.0	1,621.0	6.99	364.0
Tarcoola	130.0	3.39	13.7	930.0	1.82	54.4	540.0	1.12	19.6	1,600.0	1.70	87.6
Tunkillia	3,100.0	1.68	167.0	7,240.0	1.29	300.0	1,980.0	1.45	92.0	12,320.0	1.41	558.0
TOTAL*	3,476.0	2.00	223.7	9,096.0	1.97	575.4	2,969.0	2.22	211.6	15,541.0	2.02	1,009.6
ATTRIBUTABLE	3,465.7	1.99	221.9	9,057.4	1.94	566.2	2,950.3	2.19	207.4	15,473.4	2.00	994.4

*WPG's ownership increased to 100% on 1 August 2016

South Australian Gold Projects – Ore Reserve Estimate

PROJECT	PROVED			PROBABLE			TOTAL RESERVES		
	Gold	Gold		Gold	Gold		Gold	Gold	
	Tonnes (kt)	Grade (g/t)	Metal (koz)	Tonnes (kt)	Grade (g/t)	Metal (koz)	Tonnes (kt)	Grade (g/t)	Metal (koz)
Challenger	99.4	3.99	12.7	437.7	5.97	84.0	537.2	5.60	96.7
Tarcoola	151.6	3.40	16.6	415.6	2.80	37.7	567.2	3.00	54.3
Tunkillia	-	-	-	-	-	-	-	-	-
TOTAL*	251.0	3.63	29.3	853.3	4.43	121.7	1,104.4	4.25	151.0
ATTRIBUTABLE	246.8	3.63	28.8	835.1	4.40	118.2	1,082.0	4.23	147.0

*WPG's ownership increased to 100% on 1 August 2016

Challenger Mineral Resource Estimate (ML 6103, ML 6457) as at 30 June 2017

This Mineral Resource estimate (>3.0g/t Au underground cut-off grade, >1.5g/t Au open pit cut-off grade) relates to the Challenger gold mine, located in South Australia within ML 6103 and ML 6457.

Category	30 June 2017			30 June 2016		
	Tonnes (kt)	Gold (g/t)	Gold (koz)	Tonnes (kt)	Gold (g/t)	Gold (koz)
Measured	246	5.49	43	214	5.42	37
Indicated	926	7.44	221	475	11.14	170
Inferred	449	6.90	100	149	11.61	56
TOTAL*	1,621	6.99	364	838	9.76	263

*totals may vary due to rounding

Competent Person Statement

The resource estimate was prepared by Mr Kurt Crameri, Senior Project Geologist and Mining Engineer and a full time employee of WPG Resources Ltd, who is a member of the Australasian Institute of Mining and Metallurgy. Kurt Crameri qualifies as a Competent Person as defined in the December 2012 edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (the JORC Code) and has sufficient experience relevant to the style of mineralisation being reported herein. Kurt Crameri has consented in writing to the inclusion in this report of the matters based on his information in the form and context in which it appears.

Statement of Ore Reserve and Mineral Resource Estimates

as at 16 October 2017

Challenger Mineral Resource estimates by Source are shown below.

Category	30 June 2017			30 June 2016		
	Tonnes (kt)	Gold (g/t)	Gold (koz)	Tonnes (kt)	Gold (g/t)	Gold (koz)
Source: Challenger West						
Measured	76	4.40	11	71	6.94	16
Indicated	198	8.32	53	165	11.43	61
Inferred	39	5.38	7	-	-	-
TOTAL*	313	7.00	71	236	10.08	77
Source: Aminus						
Measured	20	4.62	3	2	6.48	0.5
Indicated	16	5.85	3	1	7.06	0.5
Inferred	7	4.61	1	-	-	-
TOTAL*	43	5.08	7	3	6.73	1
Source: M1 Shadow Zone						
Indicated	27	8.41	7	27	8.41	7
Inferred	60	8.41	16	60	8.41	16
TOTAL*	87	8.41	23	87	8.41	23
Source: M1						
Measured	35	3.36	4	-	-	-
Indicated	246	3.76	30	-	-	-
Inferred	189	3.76	23	-	-	-
TOTAL*	470	3.73	56	-	-	-
Source: M2						
Measured	96	7.42	23	67	8.40	18
Indicated	272	11.19	98	278	11.27	101
Inferred	89	13.78	39	89	13.78	39
TOTAL*	457	10.90	160	434	11.34	158
Source: M3						
Measured	5	8.01	1	-	-	-
Indicated	91	6.49	19	-	-	-
Inferred	55	6.99	12	-	-	-
TOTAL*	151	6.72	32	-	-	-
Source: SEZ						
Measured	5	9.99	2	-	-	-
Indicated	77	4.82	12	5	9.99	2
Inferred	11	3.20	1	-	-	-
TOTAL*	93	4.90	15	5	9.99	2
Source: Stockpiles**						
Measured	10	0.82	0	75	1.30	3
TOTAL*	10	0.82	0	75	1.30	3

* totals may vary due to rounding

**Stockpile data from closing figure of CGO Monthly Report (June 2017).

Progress made during the year in evaluating previously reported data

On 1 June 2017 WPG released the 31 March 2017 Challenger Mineral Resource estimate. This update took into account mining depletion and drilling and sampling results since the previous estimate as at 30 June 2016 as well as a change in the underground cut-off grade from 5.0g/t Au to 3.0g/t Au, resulting in the inclusion of the M1 generic in the resource.

The 31 March 2017 Mineral Resource estimate was a total of 1,401,401 tonnes at an average grade of 7.62 g/t Au containing 343,299 ounces of gold.

Statement of Ore Reserve and Mineral Resource Estimates

as at 16 October 2017

The Mineral Resource was estimated using a combination of geological grade calculations, generic modelling and block modelling. Various top cuts were applied to the grade calculations as there is a high nugget effect in the Challenger deposit and significant visible gold. The cut-off grade used in the estimate was 3.0 g/t Au for all of the lodes and was based on what is considered an economic cut-off for underground mining in relation to prevailing gold prices and projected operating costs.

Progress made since 30 June 2017

The 30 June 2017 Mineral Resource estimate reported on 29 September 2017 was a total of 1.6 million tonnes at an average grade of 7 g/t Au containing 364,000 ounces of gold. The Mineral Resource estimate is inclusive of the Ore Reserve estimate.

The contained gold in the updated mineral resource estimate of 364,000 ounces is 6% higher than that shown in WPG's 31 March 2017 resource estimate announced by the Company on 1 June 2017 and 38% higher than the 30 June 2016 Mineral Resource estimate announced on 25 October 2016.

The increase in gold contained in the 30 June 2017 resource estimate compared with that of the 31 March 2017 estimate is due to:

- Depletion of the previous resource estimate by way of production during the period April 2017 - June 2017.
- Small decrease in the M2 resource due to production from remnant areas included in the resource (usually while accessing M3).
- An increase in the M3 resource due to the effect of positive drilling returns around the 1055 level and the inclusion of M3 resource in lower levels of Challenger. The increase of the M3 resource is due to the conversion of 47,000 ounces of the M3/SEZ exploration target released in May 2017 being converted into the Challenger Resource estimate.
- An increase in the SEZ resource due to inclusion of SEZ resource above the 1070 level based on historical drilling and production – previously omitted from resource.
- A decrease in the Challenger West resource is due to the generic being updated with production data from the 410, 390 and 370 OD1 levels (development only).
- Small decrease in Aminus resource from production, offset by the inclusion of Aminus resource below the 215 shear.
- Depletion of the surface low grade stocks due to processing.

Status of further evaluation and/or exploration work

The Resource estimate is validated as an ongoing process by comparing the Resource estimate figures to production figures and the mill reconciliation. In addition the figures are compared between iterations of the Resource estimate.

Resource definition and near mine exploration opportunities are being pursued through development drilling into Challenger West, Aminus and remnant opportunities in the historic M1 and M2 lodes. Near mine exploration drilling targeted M3 and CSSW. This ongoing program of near mine exploration drilling activity is to identify new minable resources that can be accessed from existing underground development.

The Challenger Deeps drilling program will be used to plan initial mining activities at Challenger Deeps towards the M1, M2, Aminus and Challenger West lodes with the goal of adding to existing mineral resource and ore reserves estimates.

Mining of the main Challenger deposit and now Challenger Deeps will occur in parallel with the progression of other near mine exploration opportunities that can be accessed from existing underground development including Challenger West, Challenger South South West (CSSW), Aminus, Enterprise, Challenger North West and M3/SEZ.

Challenger Ore Reserve Estimate (ML 6103, ML 6457) as at 30 June 2017

This Ore Reserve estimate relates to the Challenger gold mine, located in South Australia within ML 6103 and ML 6457.

Category	30 June 2017			30 June 2016		
	Tonnes (kt)	Gold (g/t)	Gold (koz)	Tonnes (kt)	Gold (g/t)	Gold (koz)
Proved	99.4	3.99	12.7	190.3	3.52	21.5
Probable	437.7	5.97	84.0	368.0	5.74	67.9
TOTAL*	537.1	5.60	96.7	558.3	4.98	89.4

* totals may vary due to rounding

Competent Person Statement

The information in this report that relates to Ore Reserves is based on, and fairly represents, information and supporting documentation compiled by Mr Luke Phelps. Luke Phelps is a Member of the Australasian Institute of Mining and Metallurgy. He is a full time employee of Challenger Gold Operations Pty Ltd, a wholly owned subsidiary of WPG Resources Ltd, who previously compiled information concerning the Ore Reserve estimates for the Challenger gold mine and has worked at Challenger for over 8

Statement of Ore Reserve and Mineral Resource Estimates

as at 16 October 2017

years. He qualifies as a Competent Person as defined in the December 2012 edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (the JORC Code) and has sufficient experience relevant to the style of mineralisation being reported herein. Luke Phelps has consented in writing to the inclusion in this report of the matters based on his information in the form and context in which it appears.

Progress made during the year in evaluating previously reported data

The 30 June 2016 Ore Reserve estimate reported on 25 October 2016 was 89,448 contained ounces Au, is a 6,049 (7.25%) ounce net increase to the 2016 Interim Ore Reserve estimate of 83,400 contained ounces Au. The Ore Reserves do not include any Inferred Resources.

Progress made since 30 June 2017

The 30 June 2017 Ore Reserve estimate reported on 29 September 2017 is 537,200 tonnes at an average grade of 5.60 g/t Au containing 96,755 ounces of gold. The Ore Reserves do not include any Inferred Resources.

The 30 June 2017 Ore Reserve estimate of 96,755 ounces is a 7,307 (7.5%) ounce net increase to the June 2016 Ore Reserve estimate of 89,448 contained ounces Au.

The variations to the June 2016 Ore Reserve estimate are as follows:

- Depletion of the previous Ore Reserve estimate by way of production during the period from July 2016 to June 2017.
- The conversion of M3 Resource to Reserve through increased Resource grade data.
- The conversion of M1 & M2 Resource to Reserve in the Challenger Deeps region of the mine through increased Resource grade data.
- An Increase in the M2 Reserve estimates due to the economic analysis of the M2 Resource in the upper remnant areas of the mine.
- An Increase in the Aminus Reserve estimates due to the economic analysis of the Aminus Resource data in close proximity to the Challenger West levels.
- Depletion of the surface low grade stocks due to processing.

All material assumptions and technical parameters underpinning the Ore Reserve estimate continue to apply and have not materially changed except to the extent of production since 30 June 2017.

Status of further evaluation and/or exploration work

The existing Challenger CIP and gravity processing facility will be utilised to extract the gold from the June 2017 Ore Reserve ore. A 95.5% mill recovery has been assumed in the Ore Reserve estimation based on the historical performance of the Challenger processing plant. The current Tailings Storage Facility (TSF2) design provides sufficient capacity to store the planned tailings generated by the mine plan.

Challenger Ore Reserve Estimates by Source are shown below.

Category	30 June 2017			30 June 2016		
	Tonnes (kt)	Gold (g/t)	Gold (koz)	Tonnes (kt)	Gold (g/t)	Gold (koz)
Source: Challenger West						
Proved	27.9	3.66	3.3	85.1	4.66	12.8
Probable	133.6	7.64	32.8	210.8	5.59	37.9
TOTAL*	161.5	6.96	36.1	295.9	5.33	50.7
Source: M1						
Probable	113.0	3.14	11.4	-	-	-
TOTAL*	113.0	3.14	11.4	-	-	-
Source: M2						
Proved	31.5	5.94	6.0	28.8	5.91	5.5
Probable	138.4	7.47	33.2	152.4	5.92	29.0
TOTAL*	169.9	7.19	39.2	181.2	5.92	34.5
Source: M3						
Probable	39.2	4.29	5.4	-	-	-
TOTAL*	39.2	4.29	5.4	-	-	-
30 June 2017				30 June 2016		

Statement of Ore Reserve and Mineral Resource Estimates

as at 16 October 2017

Category	Tonnes (kt)	Gold (g/t)	Gold (koz)	Tonnes (kt)	Gold (g/t)	Gold (koz)
Source: Aminus						
Proved	25.6	2.62	2.2	1.2	3.69	0.1
Probable	13.6	2.62	1.1	-	-	-
TOTAL*	39.2	2.62	3.3	1.2	3.69	0.1
Source: SEZ						
Proved	4.8	6.75	1.0	-	-	-
Probable	-	-	-	4.8	6.75	1.0
TOTAL*	4.8	6.75	1.0	4.8	6.75	1.0
Source: Stockpiles						
Proved	9.8	0.82	0.3	75.3	1.3	3.1
TOTAL*	9.8	0.82	0.3	75.3	1.3	3.1

* totals may vary due to rounding

Tarcoola Mineral Resource Estimate (ML 6455)

This Mineral Resource estimate relates to the Perseverance and Last Resource deposits, located in South Australia within ML 6455.

Category	30 June 2017			30 June 2016		
	Tonnes (kt)	Gold (g/t)	Gold (koz)	Tonnes (kt)	Gold (g/t)	Gold (koz)
Measured	130	3.39	13.7	-	-	-
Indicated	930	1.82	54.4	919	3.14	92.7
Inferred	540	1.12	19.6	55	2.77	4.9
TOTAL*	1,600	1.70	87.7	974	3.12	97.6

* totals may vary due to rounding

Competent Person Statement

The resource estimate was prepared by Aaron Meakin of CSA Global Pty Ltd who is a member of the Australasian Institute of Mining and Metallurgy. Aaron Meakin is a full-time employee of CSA Global Pty Ltd, an independent consulting company and has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2012 Edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (JORC Code, 2012 Edition). Aaron Meakin has consented in writing to the inclusion in this report of the matters based on his information in the form and context in which it appears.

Progress made during the year in evaluating previously reported data

There was no change to the Mineral Resource estimate during the financial year.

In September 2015, the Company released a feasibility study for the Tarcoola project to be developed as a conventional open pit mining operation with associated heap leach processing. The Feasibility Study indicated that the project is technically feasible and economically viable at the then gold prices as a small to medium sized open pit gold mine with heap leach treatment of the ore for gold recovery, supported by the necessary on and off-site services and infrastructure.

In September 2016, WPG released its revised Tarcoola definitive feasibility study for the processing of Tarcoola ore through the Challenger CIP treatment plant, indicating substantially enhanced economic outcomes over the heap leach option. The ore will be hauled to Challenger for treatment, supported by substantially reduced on and off-site services and infrastructure. There will be no need for leach pads or gold recovery circuit on site, resulting in a substantially reduced environmental footprint. Treatment through the Challenger CIP plant results in substantially increased gold recovery, now estimated to be 95%.

In December 2016, the Tarcoola gold mine opened with first gold hauled to Challenger in January 2017. First gold was poured in February 2017.

Progress made since 30 June 2017

The 30 June 2017 Mineral Resource estimate reported on 21 September 2017 is a total of 1.6 million tonnes at an average grade of 1.7 g/t Au containing 87,600 ounces of gold. The 30 June 2017 Mineral Resource estimate was reported for the first time in accordance with the 2012 JORC Code. The Mineral Resource estimate is inclusive of the Ore Reserve estimate. Highlights included:

Statement of Ore Reserve and Mineral Resource Estimates

as at 16 October 2017

- The inclusion of an additional 2,000 ounces from the Wondergraph prospect into indicated resource. Mineralisation is near surface (within 10m) and 500m from existing mining operations. Mineralisation at Wondergraph is open along strike in both directions.
- Total resource of 87,600 ounces including 13,700 ounces defined as a measured resource
- Remaining Ore Reserves of 567,200t at 3.0g/t for 54,300 ounces
- The resource model reconciles well to mined physicals and will act as a detailed planning tool to implement highly selective ore extraction.
- Several mineralised structures that are currently being mined, or are proximal to the current open pit are not included in the resource estimation and will form targets for drilling that is scheduled to commence this quarter.

Status of further evaluation and/or exploration work

Various RC drill programs were prepared for near pit targets in August 2017 close to the Perseverance pit. On 26 September 2017, WPG announced that near pit exploration drilling had commenced targeting the continuation of in-pit mineralising controls along strike including at Morning Star, Forgotten Prince, SW Eclipse, White Hope and Wondergraph. Pit exposure has enhanced the geological understanding of the prospects and the drilling is designed to improve the definition of historic drilling intercepts with the intent of increasing current gold resources.

Tarcoola Ore Reserve Estimate (ML 6455)

This Ore Reserve estimate relates to the Perseverance and Last Resource deposits, located in South Australia within ML 6455.

Reserve Category	Type	30 June 2017			30 June 2016		
		Tonnes (kt)	Gold (g/t)	Gold (koz)	Tonnes (kt)	Gold (g/t)	Gold (koz)
Proved	Oxide	48.4	4.7	7.3	-	-	-
	Transition	23.2	4.0	3.0	-	-	-
	Primary	21.1	4.0	2.7	-	-	-
	Stockpile	58.8	1.9	3.6	-	-	-
	Total	151.5	3.4	16.6	-	-	-
Probable	Oxide	79.9	2.2	5.8	450	2.8	41
	Transition	119.0	2.3	8.8	150	2.3	11
	Primary	216.7	3.3	23.2	300	2.4	23
	Stockpile	0.0	0.0	0.0	-	-	-
	Total	415.6	2.8	37.8	900	2.6	75
TOTAL*	Oxide	128.3	3.2	13.0	450	2.8	41
	Transition	142.2	2.6	11.7	150	2.3	11
	Primary	237.8	3.4	25.9	300	2.4	23
	Stockpile	58.8	1.9	3.6	-	-	-
	Total	567.1	3.0	54.2	900	2.6	75

* totals may vary due to rounding

Competent Person Statement

The information in this report that relates to Ore Reserves is based on, and fairly represents, information and supporting documentation compiled by Mr John Wyche. John Wyche is employed full-time by Australian Mine Design and Development Pty Ltd, an independent consultant mining engineering company which completed the mine design and ore reserve estimate for inclusion in the Feasibility Study. Mr Wyche is a member of the Australasian Institute of Mining and Metallurgy and has 33 years of experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity being undertaken to qualify as a Competent Person as defined in the 2012 Edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (JORC Code, 2012 Edition). Mr Wyche has consented in writing to the inclusion in the report of the matters based on his information in the form and context in which it appears.

Progress made during the year in evaluating previously reported data

WPG announced an updated Ore Reserve estimate on 1 September 2016, based on the mine design completed by independent mining engineering consultants Australian Mine Design and Development Pty Ltd for inclusion in the updated Tarcoola gold project Feasibility Study that is a total of 710,000 tonnes at 3.1 g/t Au containing 71,000 ounces. The Ore Reserve Estimate is derived from

Statement of Ore Reserve and Mineral Resource Estimates

as at 16 October 2017

the resource model prepared by Simon Tear of H&S Consultants in January 2013 and includes the Indicated Resource category only. This updated Ore Reserve estimate is based on the September 2016 revised Feasibility Study for the Tarcoola gold project.

The revised Tarcoola definitive feasibility study is for the processing of Tarcoola ore through the Challenger CIP treatment plant, which indicates substantially enhanced economic outcomes over the heap leach option. The ore will be hauled to Challenger for treatment, supported by substantially reduced on and off-site services and infrastructure. There will be no need for leach pads or gold recovery circuit on site, resulting in a substantially reduced environmental footprint. Treatment through the Challenger CIP plant results in substantially increased gold recovery, now estimated to be 95%.

Progress made since 30 June 2017

The 30 June 2017 Ore Reserve estimate reported on 21 September 2017, based on the mine design completed by independent mining engineering consultants Australian Mine Design and Development Pty Ltd, was a total of 567,200 tonnes at an average grade of 3.0 g/t Au containing 54,300 ounces of gold. Proved Ore Reserves are derived from Measured Resources. Probable Ore Reserves are derived from Indicated Mineral Resources. The Ore Reserves do not include any Inferred Resources.

The variations to the previous Ore Reserve estimate are as follows:

- Opencut mining commenced in December 2016 so there has been some depletion through mining,
- A new Resource Model has been prepared which incorporates extensive grade control drilling and geological mapping through the top 30 metres of the deposit.

All material assumptions and technical parameters underpinning the Ore Reserve estimate continue to apply and have not materially changed except to the extent of production since 30 June 2017.

A gold price of A\$1,650 per ounce was used in the Reserves calculation. A gold price of A\$1,650 is considered appropriate based on the current market conditions for gold.

Status of further evaluation and/or exploration work

Tarcoola is an operating opencut gold mine. The mine is being operated substantially in accordance with the 2016 Feasibility Study. Improvements are being made to the planning and operating procedures as more information is gained through grade control and mining.

As an operating mine all required permits and agreements are in place and mining and process recoveries and costs are based on actual costs including mine operating, site, ore haulage and processing costs.

Tunkillia Mineral Resource Estimate (EL 5901)

This Mineral Resource estimate relates to the Tunkillia 223 deposit, located in South Australia within EL 5901.

Zone	Category	30 June 2017					30 June 2016				
		Million Tonnes	Gold g/t	Silver g/t	Gold 000 oz	Silver 000 oz	Million Tonnes	Gold g/t	Silver g/t	Gold 000 oz	Silver 000 oz
Oxide Zone	Measured	1.26	1.38	2.4	56	96	1.26	1.38	2.4	56	96
	Indicated	2.94	1.04	1.9	98	179	2.94	1.04	1.9	98	179
	Inferred	0.44	0.82	1.5	11	20	0.44	0.82	1.5	11	20
	Total*	4.64	1.11	2.0	165	295	4.64	1.11	2.0	165	295
Primary Zone	Measured	1.84	1.87	5.9	111	347	1.84	1.87	5.9	111	347
	Indicated	4.30	1.46	4.3	202	592	4.30	1.46	4.3	202	592
	Inferred	1.54	1.63	5.0	81	249	1.54	1.63	5.0	81	249
	Total*	7.68	1.59	4.8	394	1,188	7.68	1.59	4.8	394	1,188
Oxide and Primary Zones	Measured	3.10	1.68	4.4	167	443	3.10	1.68	4.4	167	443
	Indicated	7.24	1.29	3.3	300	771	7.24	1.29	3.3	300	771
	Inferred	1.98	1.45	4.2	92	269	1.98	1.45	4.2	92	269
	Total*	12.32	1.41	3.7	559	1,483	12.32	1.41	3.7	559	1,483
		0.5g/t Au cut-off grade (Oxide Zone), 1.0g/t Au cut-off grade (Primary Zone)					0.5g/t Au cut-off grade (Oxide Zone), 1.0g/t Au cut-off grade (Primary Zone)				

* totals may vary due to rounding

Statement of Ore Reserve and Mineral Resource Estimates

as at 16 October 2017

Competent Person Statement

The information in this report that relates to the Tunkillia gold project Resource estimate is based on information compiled by Mr Simon Tear a competent person who is a member of the Australasian Institute of Mining and Metallurgy. Simon Tear is a Director of H & S Consultants, an independent consulting company who prepared the information for WPG. He has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2012 Edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (JORC Code, 2012 Edition). He has consented in writing to the inclusion in this report of the matters based on his information in the form and context in which it appears.

Progress made during the year in evaluating previously reported data

There was no change to the Mineral Resource estimate during the financial year.

The information pertaining to the Tunkillia gold project mineral resource estimate was detailed in the market announcement entitled "Tunkillia resource estimate enhanced at higher cut-off grade" released on 4 February 2015 and is available to view on www.wpgresources.com.au. WPG confirms that it is not aware of any new information or data that materially affects the information included in that announcement and that all material assumptions and technical parameters underpinning the estimates continue to apply and have not materially changed.

Progress made since 30 June 2017

There has been no change to the Mineral Resource estimate since the end of the financial year.

Status of further evaluation and/or exploration work

There was no substantive work undertaken at Tunkillia during the year.

WPG is reviewing exploration targets with potential for further discoveries. An advanced data analysis of historic drilling at the 223 Deposit is being undertaken with the objective of defining targets for drill testing of higher grade gold zones beneath the already defined mineralisation.

Penrhyn Sub-Bituminous Coal Mineral Resource Estimate (EL 5718)

This Mineral Resource estimate relates to the Penrhyn coal deposit, located in South Australia within EL 5718.

Category	30 June 2017	30 June 2016
	Million Tonnes	Million Tonnes
Measured	185.4	185.4
Indicated	150.5	150.5
Inferred	16.5	16.5
TOTAL	352.4	352.4

Competent Person Statement

The details of the Penrhyn Resource estimate contained in this report are based on information compiled by Mr Gary Jones, a Fellow of the Australasian Institute of Mining and Metallurgy. He is 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 2004 and the 2012 Editions of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (JORC Code). Gary Jones has consented in writing to the inclusion in this report of the matters based on his information in the form and context in which it appears.

Progress made during the year in evaluating previously reported data

There was no change to the Mineral Resource estimate during the financial year.

The information for the Penrhyn coal project was first disclosed by WPG Resources Ltd under the JORC Code 2004 on 7 July 2011 and was extracted from the report entitled "Maiden 352.4 million tonne coal resource estimate for Penrhyn deposit". The report is available to view on www.asx.com.au. It has not been updated since to comply with the JORC Code, 2012 Edition on the basis that the information has not materially changed since it was last reported.

Progress made since 30 June 2017

There has been no change to the Mineral Resource estimate since the end of the financial year.

Status of further evaluation and/or exploration work

There was no substantive work undertaken on the tenement during the year.

Governance Arrangements and Internal Controls for the Reporting of Mineral Resources and Ore Reserves

Mineral Resources are reported inclusive of Ore Reserves. Mineral Resources and Ore Reserves estimates are produced and reported by suitably qualified employees and consultants in accordance with the JORC Code, using industry standard techniques and internal guidelines. These estimates are reviewed when appropriate by suitably qualified external Competent Persons.

The Mineral Resource estimates for the Barton West and Penrhyn projects were reported in accordance with JORC Code 2004. It is envisaged that the Mineral Resources will be upgraded to JORC Code, 2012 Edition as and when appropriate.

The Mineral Resource estimates for the Challenger, Tarcoola and Tunkillia projects were reported in accordance with JORC Code, 2012 Edition.

The Ore Reserve estimates were reported in compliance with the JORC Code, 2012 Edition.

Tenement Schedule

as at 16 October 2017

Tenement	Tenement Number	Interest	Holder / Joint Venture Details
Challenger, South Australia			
Challenger	ML 6103	100%	Interest held by wholly owned subsidiary Challenger Gold Operations Pty Ltd
Challenger	ML 6457	100%	Interest held by wholly owned subsidiary Challenger Gold Operations Pty Ltd
Challenger	MPL 63	100%	Interest held by wholly owned subsidiary Challenger Gold Operations Pty Ltd
Challenger	MPL 65	100%	Interest held by wholly owned subsidiary Challenger Gold Operations Pty Ltd
Challenger	MPL 66	100%	Interest held by wholly owned subsidiary Challenger Gold Operations Pty Ltd
Jumbuck Challenger (northern portion)	EL 5661	100%	Interest held by wholly owned subsidiary Challenger Gold Operations Pty Ltd
Jumbuck southern portion	EL 5661	100%	Interest held by wholly owned subsidiary Challenger Gold Operations Pty Ltd JV details*
Blowout	EL 4951	100%	Interest held by wholly owned subsidiary Challenger Gold Operations Pty Ltd JV details**
Mulgathing	EL 5298	100%	Interest held by wholly owned subsidiary Challenger Gold Operations Pty Ltd JV details**
Mobella	EL 5720	100%	Interest held by wholly owned subsidiary Challenger Gold Operations Pty Ltd JV details**
Sandstone	EL 5767	100%	Interest held by wholly owned subsidiary Challenger Gold Operations Pty Ltd JV details**
Sandstone	EL 5732	90%	90% Interest held by wholly owned subsidiary Challenger Gold Operations Pty Ltd; 10% held by Coombedown Resources Pty Ltd JV details**
Campfire Bore	EL 5998	90%	90% Interest held by wholly owned subsidiary Challenger Gold Operations Pty Ltd; 10% held by Coombedown Resources Pty Ltd JV details**
Barton West	EL 5450	100%	Interest held by wholly owned subsidiary Challenger Gold Operations Pty Ltd JV details***
Tarcoola, South Australia			
Tarcoola	ML 6455	100%	Interest held by wholly owned subsidiary Tarcoola Gold Pty Ltd
Tarcoola	EL 5355	100%	Interest held by wholly owned subsidiary Tarcoola Gold Pty Ltd
Tarcoola	EL 5254	100%	Interest held by wholly owned subsidiary Tunkillia Gold Pty Ltd
Tarcoola	ML 4650	100%	Interest held by wholly owned subsidiary Tarcoola Gold Pty Ltd
Tarcoola	ML 4667	100%	Interest held by wholly owned subsidiary Tarcoola Gold Pty Ltd
Tarcoola	ML 5179	100%	Interest held by wholly owned subsidiary Tarcoola Gold Pty Ltd
Tarcoola	ML 5300	100%	Interest held by wholly owned subsidiary Tarcoola Gold Pty Ltd
Tunkillia, South Australia			
Tunkillia	EL 5901	100%	Interest held by wholly owned subsidiary Tunkillia Gold Pty Ltd
Tunkillia	EL 5670	100%	Interest held by wholly owned subsidiary Tunkillia Gold Pty Ltd
Cooritta Hill at Tunkillia	EL 5790	100%	Interest held by wholly owned subsidiary Tunkillia Gold Pty Ltd
Northern Gawler Craton, South Australia			
Lake Woorong	EL 5994	100%	Interest held by wholly owned subsidiary Southern Coal Holdings Pty Ltd
Muckanippie	EL 5154	100%	Interest held by WPG Resources Ltd
Penrhyn	EL 5718	100%	Interest held by wholly owned subsidiary Southern Coal Holdings Pty Ltd
Perfection Well	EL 5995	100%	Interest held by wholly owned subsidiary Southern Coal Holdings Pty Ltd

EL = Exploration Licence; ML = Mineral Lease; MPL = Miscellaneous Purposes Licence

* The southern portion of the tenement is subject to joint venture arrangements – 26% Western Gawler Craton joint venture (WGCJV) interest held (Tyranna Resources Ltd (Tyranna) 74%); in accordance with terms of binding Heads of Agreement ownership to be transferred to Tyranna over gold rights in the WGCJV area, no change to JV interest.

** The tenement is subject to joint venture arrangements – 26% WGCJV interest held (Tyranna Resources Ltd (Tyranna) 74%); in accordance with terms of binding Heads of Agreement ownership to be transferred to Tyranna over gold rights in the WGCJV area, no change to JV interest.

*** The tenement is subject to joint venture arrangements – 90% Challenger Gold Operations and 10% MT Mining Pty Ltd

Your Directors present their report on the consolidated entity, consisting of WPG Resources Ltd (WPG or the Company) and the entities it controlled (Group) at the end of, or during the financial year ended 30 June 2017.

Chief Executive Officer's Report and Review of Operations

WPG has deliberately focussed on its three South Australian gold projects (the Challenger and Tarcoola operating gold mines and Tunkillia gold project) during this financial year. During the period under review the Company has become a multi-project gold producer after acquiring 100% of, and continuing to operate, the Challenger gold mine and bringing its Tarcoola gold project into production.



The 2017 financial year has been a transitional year for your Company where WPG has moved from a pre-production company re-starting a mature underground mine within a joint venture to an emerging producer on the cusp of delivering significant stable gold production from two 100% owned operating mines and with significant upside exploration potential at all operating sites and in the broader exploration holdings.

During the year the Company sold 49,060 ounces of gold at an average price of \$1,664 per ounce for a total of \$81.4 million in revenue. The financial results for the financial year have been disappointing reflected in an operating loss of \$9.1 million. Included in this loss is \$9.9 million in depreciation and amortisation charges for an EBITDA of \$0.8 million.

This poor operating performance is largely attributable to underperformance at the Challenger gold mine driven by the need to mine lower grade material than planned as a result on poor development rates achieved by our mining contractor resulting in a lower head grade and higher AISC than anticipated. To remedy this situation a new mining contractor, Byrnegut Australia Pty Ltd, were mobilised to site in early August 2017 and we expect a third jumbo to arrive on site in the December quarter to bring underground development back to schedule by the end of this calendar year.

At Tarcoola an unexpected depletion zone increased the pre-stripping requirements before accessing ore however excellent grades have been encountered in the supergene ore and this material has been successfully processed in the Challenger mill at higher throughputs than anticipated. A final cut-back at Tarcoola is currently underway and upon completion in October will reduce the life-of mine strip ratio of 1.8:1 which will allow the delivery of low cost ore to the Challenger mill.

Looking forward the coming financial year is viewed as a transformational one for the Company. Our production guidance of 70,000 to 80,000 ounces of gold remains unchanged with this building from a low September quarter production level during the contractor changeover and increasing significantly in the December quarter onwards. We anticipate that AISC will fall to approximately A\$1,200 per ounce from Q4 FY2018 onwards. The change of contractor undertaken in the September quarter and push-back at Tarcoola are the two key operational steps required to execute this strategy with increases in mill throughput already achieved with steady state rates now increased from 600,000 tonnes per annum to over 700,000 tonnes per annum.

Prior to WPG acquiring Challenger the previous owner wrote-off 450,000 ounces of resource principally in Challenger West and Challenger Deeps. The Challenger mine was acquired on the premise that a significant proportion of this resource could be re-established, that mineralisation continues down plunge and that exploration potential also existed in other structures within the mineralised system.

Since acquisition WPG has been actively drilling with its wholly owned drilling fleet and the mineral resource estimate has increased by over 87% to 364,000 ounces before taking mining depletion into account. As part of this the previously intermittently mined M3 structure has yielded a significant exploration target of which 32,000 ounces now included within the resource estimate. Our highest grade stope mined to date was in the M3 structure 150 metres below surface.

Mining in Challenger Deeps was suspended by the previous owner for a number of reasons including grade depletion proximal to the ductile 215 shear and with mining activities abutting the mining lease boundary with adjacent tenure in dispute. WPG has resolved this dispute with a new mining lease granted to allow mining in Challenger Deeps. Drilling activities in the Deeps are giving very encouraging results and our second phase drilling program on the next four levels in the Deeps has now commenced with first stoping in Challenger Deeps scheduled for the new year. Our planning is based on mining of limited structures within Challenger Deeps however there is significant upside that additional limbs within M1 and M2 may be minable along with the potential to also mine Challenger West below the shear to significantly increase the ounces per vertical metre.

WPG continues to have a low market capitalisation which limits the availability of capital and accordingly WPG has approached capital expenditure frugally. Our recent entitlement offer was withdrawn and funds received returned to shareholders following heavy selling pressure that drove our share price to less than the offer price. To execute our business plan we will require a capital raising and management are working on a number of options to achieve this. Execution of this business plan is essential to delivering shareholder value. To this end WPG would like to express its gratitude to the SA Government who continue to support our project and, subsequent to year end, have provided temporary relief on rehabilitation bonding requirements.

Directors' Report

for the year ended 30 June 2017

Our trade creditor and accrual balance of \$21.4 million includes an amount of \$10.6 million (including GST) in relation to the April, May and June progress claims submitted by our previous mining contractor. The mining contract with Pybar Mining Services Pty Ltd was terminated in August 2017 with unpaid claims as of that date totalling \$9.6 million (including GST). On 28 September 2017 Pybar Mining Services Pty Ltd initiated a dispute under the dispute resolution clauses of the mining contract with respect to each of these unpaid claims. Challenger Gold Operations Pty Ltd has denied these claims and has notified Pybar of an off-setting claim for failure to properly perform services in accordance with the mining contract. Challenger Gold Operations Pty Ltd is presently assessing its off-setting claims.

Results

Sales and Processing (Challenger Processing Hub)	Units	**2016-2017 year
Total Ore Processed	Tonnes	602,105
Grade Processed	g/t Au	2.77
Recovery	%	95.0
Gold Recovered	Ounces	50,882
All-in Sustaining Cost*	\$/Ounce	1,532
Gold Sold	Ounces	50,951
Gold Sold – attributable to WPG	Ounces	49,060
Average Gold Price Received	\$/Ounce	1,664
Sales Revenue Realised**	A\$000's	84,799
Sales Revenue Realised – attributable to WPG	A\$000's	81,422

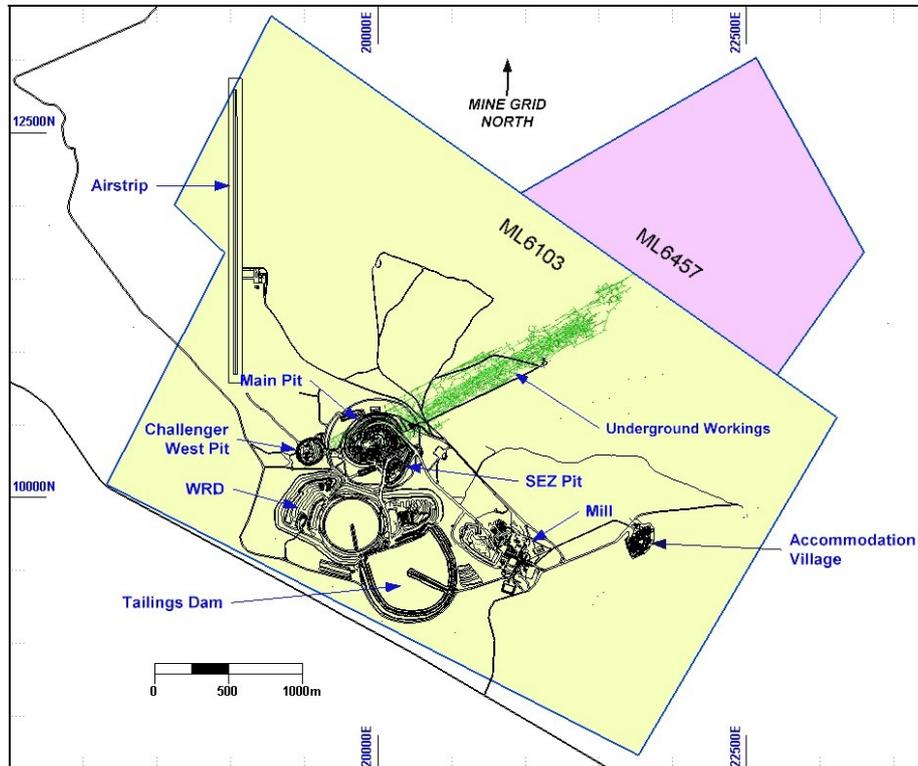
Challenger Gold Mine Operations Summary	Units	**2016-2017 year
Underground Capital Development	m	894
Total Underground Development	m	5,136
Underground Ore Mined	Tonnes	480,416
Underground Ore Grade***	g/t Au	3.03
Surface Stockpiles Treated****	Tonnes	81,058

Tarcoola Gold Mine Operations Summary	Units	**2016-2017 year
Open Pit Waste Mined	bcm	1,248,799
Open Pit Ore Mined	Tonnes	120,287
Mined Grade	g/t Au	2.32
Ore Hauled to Processing Facility	Tonnes	69,439
ROM Stockpile	Tonnes	58,363

- Notes:**
- * AISC in relation to underground mining costs include all lateral development and fixed asset additions other than those associated with permanent infrastructure. AISC in relation to open cut mining activities excludes capitalised waste mining costs. AISC includes an appropriate allocation of head office costs.
 - ** Production, sales and revenue information is provided for the Challenger gold mine at 100% level (WPG 50% 1 July to 31 July 2016, 100% from 1 August 2016). Current year sales and revenue attributable to the joint venture partner up to 31 July 2016 were 1,891 oz for revenue of \$3,354k
 - *** Includes stoping ore, development ore and low grade development ore
 - **** Low grade stockpiled material acquired with the Challenger gold mine

Challenger Gold Mine

Challenger is located in the northwestern part of the Gawler Craton, within the Woomera Prohibited Area in South Australia. It is situated approximately 250 km north of Ceduna and 730 km northwest of Adelaide, and is 130 km northwest of WPG's Tarcoola gold project. The Challenger mine and key infrastructure, including the accommodation village, airstrip, CIP treatment plant, tailings dam, two open pit mines, and underground workings are located on ML 6103. Native Title is held by the Antakirinja Matu-Yankunytjatjara people represented by the Antakirinja Matu-Yankunytjatjara Aboriginal Corporation (AMYAC). A Native Title Mining Agreement was implemented by a previous owner covering ML 6103 and a new Native Title Mining Agreement has been successfully negotiated for the new ML 6457.



Location of MLs 6103 and 6457 at Challenger

Challenger mining operations are undertaken on ML 6103 and the mine is surrounded by the northern section of EL 5661. A new mineral lease, ML 6457, was granted during the year out of this northern section of EL 5661. ML 6457 contains down plunge extensions of the Challenger lodes and is known as "Challenger Deeps". The Challenger mine recommenced operations in late May 2016 and commissioning continued through to late July. The mine continued to operate throughout the year.

Increased ownership of Challenger

In August 2016, WPG completed the acquisition of its former joint venture partner DMPL's 50% interest in the mining and exploration joint ventures. The purchase price was \$9 million, assumption of \$375,000 debt for its joint venture interest and the issue of 25 million WPG options to DMPL with a fair value of \$425,000. The acquisition of the former joint venture partner's interest, effective from 1 August 2016, increased WPG's interest in the Challenger mine to 100% and doubled WPG's share of production as well WPG's as attributable share of gold contained in Challenger's resources and reserves. It also doubled WPG's exposure to the exploration upside potential of the WGCJV.

Mining

Mining continued from July 2016 and throughout the year.

During the year, production was primarily from the Challenger West lode with additional material sourced from the Aminus, M2 and M3 lodes. Development of a cross-cut to give access to newly drilled areas of the M3 lode and stoping operations in M3 commenced. The new mining area in M3 near to surface has significant upside opportunity.

However, underground development continued to be below budget which impacted the ability of the mine to develop multiple new stoping areas and to access higher grade areas of the resource. Development focussed on maintaining mill feed resulting in development into lower grade areas of the mine when insufficient development capacity was available to open new stoping areas.

Directors' Report

for the year ended 30 June 2017

Initiatives were implemented to improve the delivery of mine physicals in underground mining operations throughout the year. Increases in development metres achieved allows mining to be undertaken in an increased number of stoping areas and improvements in mining physicals positively impact on AISC.

Further investment in underground development will enable the development of stoping areas in both Challenger West and Challenger Deeps to enable more accurate mine planning and grade management in the mine. Further development on M3 is also expected subject to further drilling results.

In anticipation of commencement of mining in Challenger Deeps later in the calendar year, rehabilitation works at the bottom of the Jumbuck decline at Challenger were completed and development towards the next production level recommenced in early July.

During the June 2017 quarter, WPG invited a number of mining contractors to tender for a new mining contract at Challenger in a competitive process and in July issued a Letter of Intent to Byrncut Australia Pty Ltd. Byrncut mobilised to site and assumes responsibility for all underground mining at Challenger from 8 August 2017.

Byrncut was the contractor at Challenger prior to WPG's acquisition of the mine and they are very familiar with operations at site and have a demonstrable record of delivering on mine physicals at the Challenger gold mine.

During the changeover period, milling operations utilised accumulated ROM stockpiles at both Challenger and Tarcoola.

30 June 2016 Mineral Resource and Ore Reserve Estimates

On 25 October 2016 WPG released the 30 June 2016 Challenger Mineral Resource and Ore Reserve estimate. This update took into account mining depletion and drilling and sampling results since the previous estimate as at 30 April 2016.

The 30 June 2016 Mineral Resource estimate was a total of 838,000 tonnes at an average grade of 9.76 g/t Au containing 263,000 ounces of gold.

The 30 June 2016 Ore Reserves estimate was 558,000 tonnes at an average grade of 4.98 g/t Au containing 89,000 ounces of gold.

Updated Challenger Mineral Resource Estimate

On 1 June 2017 WPG released the 31 March 2017 Challenger Mineral Resource estimate. This update took into account mining depletion and drilling and sampling results since the previous estimate as at 30 June 2016 as well as a change in the underground cut-off grade from 5.0g/t Au to 3.0g/t Au, resulting in the inclusion of the M1 generic in the resource.

The 31 March 2017 Mineral Resource estimate was a total of 1,401,401 tonnes at an average grade of 7.62 g/t Au containing 343,299 ounces of gold.

30 June 2017 Mineral Resource and Ore Reserve Estimates

On 29 September 2017, WPG released the 30 June 2017 Challenger Mineral Resource and Ore Reserve estimate.

The 30 June 2017 Mineral Resource estimate was a total of 1.6 million tonnes at an average grade of 7 g/t Au containing 364,000 ounces of gold.

The 30 June 2017 Ore Reserves estimate was 537,200 tonnes at an average grade of 5.60 g/t Au containing 96,700 ounces of gold.

WPG confirms that it is not aware of any new information or data that materially affects the information included in the 29 September 2017 market announcement and above in relation to the mineral resource estimate, and confirms that to the best of its knowledge and belief all material assumptions and technical parameters underpinning the mineral resource and ore reserve estimates in the 29 September 2017 market announcement continue to apply and have not materially changed except to the extent of production.

Mill

In February 2017 the Challenger CIP plant poured the first tonne of gold since it was restarted under WPG's management in May 2016. In addition to this milestone, the first blended Challenger-Tarcoola gold bars were produced in February.

Since then, various blend ratios of Challenger and Tarcoola ore have been treated, with trials also covering treatment of 100% Tarcoola feed only. Steady state processing was successfully increased from a 4:1 ratio of Challenger to Tarcoola ore achieved, up to a 2:1 ratio despite the introduction of high clay content supergene ore to the Tarcoola feed.

Due to the abundant availability of ore from both Challenger and Tarcoola the Challenger mill has been run at full capacity. During the June 2017 quarter the Company commenced studies on the potential to increase the throughput of the Challenger mill. As the Challenger processing plant is largely a fixed cost operation with limited variable cost elements a significant opportunity exists to lower unit treatment and overall costs.

Trials were undertaken to run the Challenger treatment plant at higher throughput rates. Throughput at the Challenger plant was increased from the 600,000 tpa rate, at which it operated for many years, to 700,000 tpa with no material loss of gold recovery. Some modest capital will be required to be spent to sustain this throughput rate.

Existing water bores were successfully refurbished during the quarter and are now yielding sufficient water for steady state processing at 700,000 tpa. Additional water will be required to increase this throughput to 800,000 tpa and analysis of suitable drilling sites is underway.

At present ore is sourced from both Challenger and Tarcoola however in the future scope exists to expand the resource base at and near to both sites and to modify the scale of mining operations to ensure continuous ore feed. In addition an expanded mill capacity will increase the potential for future toll treatment of third party ore including potentially the WGCJV which announced its maiden resource estimate in the quarter, and with those resources in close proximity to the Challenger mill.

Production Guidance

Production guidance for the combined Challenger and Tarcoola mining operations for the year to 30 June 2017 was in the range of 52,000 to 56,000 ounces. The actual combined production of 50,882 ounces from the Challenger and Tarcoola mining operations for the year to 30 June 2017 was 2% below the lower end of the guidance range.

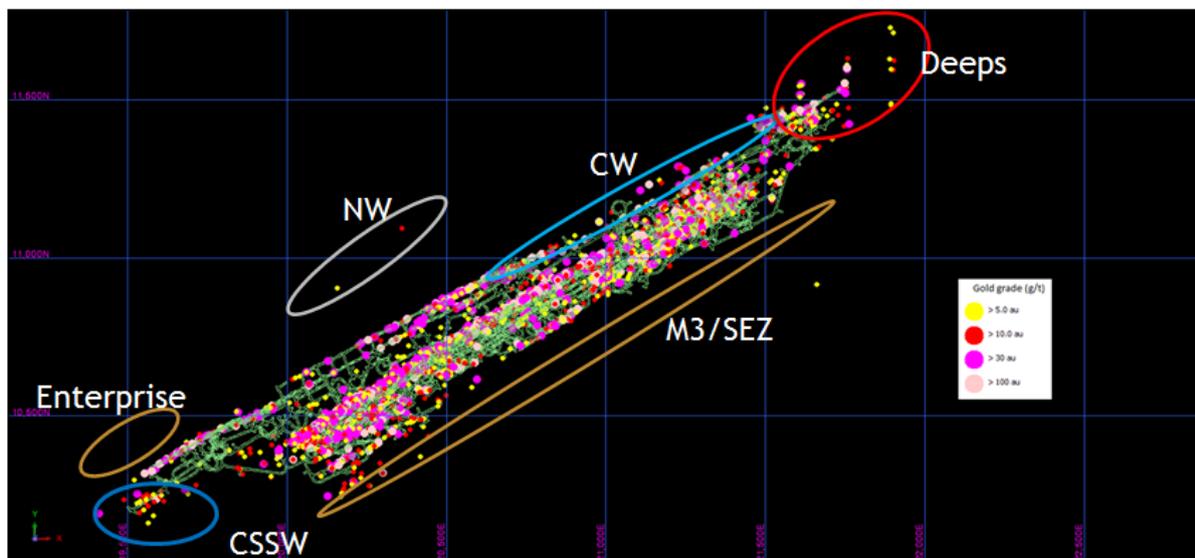
Building production profile into 2018

Production guidance for the 2018 financial year is 70,000 to 80,000 ounces.

Exploration

WPG placed a high priority on mounting a vigorous exploration program in the near-mine environment during the year. Resource definition and near mine exploration opportunities were pursued during the year by a program of underground diamond drilling split into two sections – development drilling and near mine exploration drilling. Development drilling involved further drilling into Challenger West, Aminus and remnant opportunities in the historic M1 and M2 lodes. Near mine exploration drilling targeted M3 and CSSW. This ongoing program of near mine exploration drilling activity is to identify new minable resources that can be accessed from existing underground development.

The surface projections of these areas are shown in relation to existing underground workings in Figure 1.



Locations of Near Mine Targets

Challenger SSW

Drilling in the CSSW mineralised zone tested the down plunge extension of the CSSW envelope below existing drilling and development mined by the previous owner. Indications are that there are numerous leucosomes that contain gold which are comparable in length and grade to intercepts announced in 2015 by the mine's previous owner.

Directors' Report

for the year ended 30 June 2017

Enterprise

The Enterprise target is the down plunge projection of the Challenger SW and contains moderate to low grade gold intercepts. Enterprise is accessible through CSSW development.

The initial Enterprise drill program was highly encouraging, with several holes intersecting several vein packages, some up to three metres wide in core. There are numerous, moderate grade hits from Enterprise between 3 to 10g/t within these vein packages.

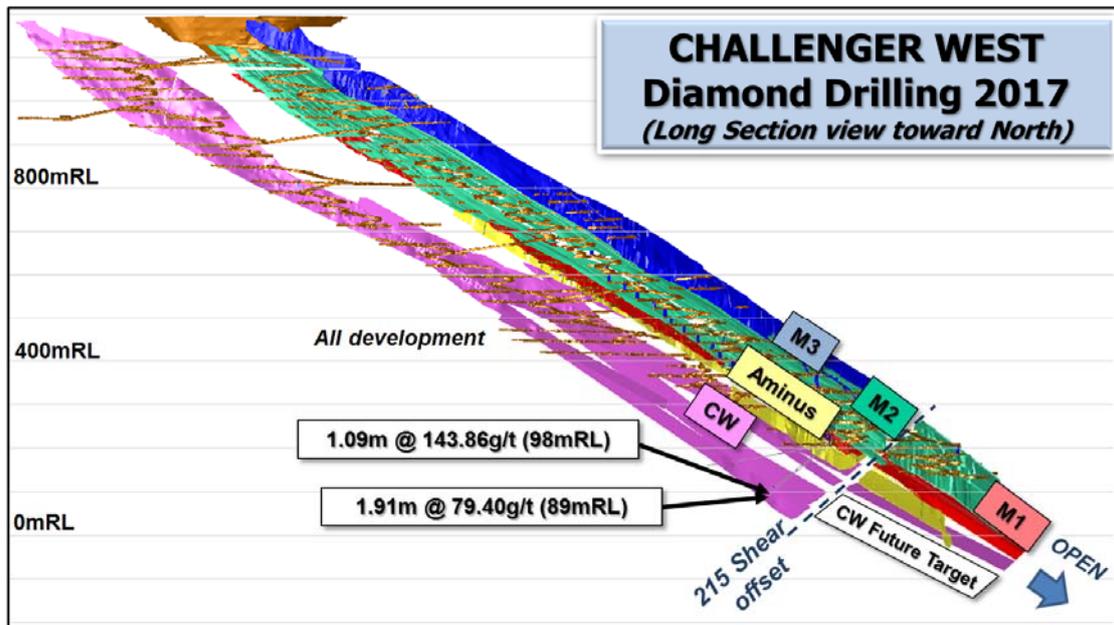
Challenger West

Drilling was conducted to test the continuity of Challenger West ore shoots in the lower parts of the mine with encouraging results returned, including visible gold in several holes.

A separate drilling program in Challenger Deeps verified the Challenger system continuity at depth of the M1, M2, Aminus and Challenger West ore shoots.



Visible gold in core at Challenger West



Challenger West drill results below 100mRL

Aminus and OFW

Located within the greater Challenger mine area significant intercepts have provided increased confidence to commence production following Diamond drilling to test the continuity of the Aminus lode.

M3/SEZ

The M3 lode is a near mine target that has not been fully explored and is not in the current Challenger resource. The M3 and SEZ lodes are located on separate limbs of a folded vein package, with a potential strike length of up to 150 metres.

Extensive drilling programs have been designed from these levels drilled and are ongoing.

On 22 May 2017 WPG announced a combined exploration target for the M3 and SEZ shoots, above the 215 shear.

Challenger Deeps

During the year a dispute over ownership of the gold rights in the northern section of EL 5661 (and therefore ML 6457, which contains the down-plunge extension of the Challenger lodes known as Challenger Deeps) was resolved with WPG's 100% right to all minerals in this area confirmed.

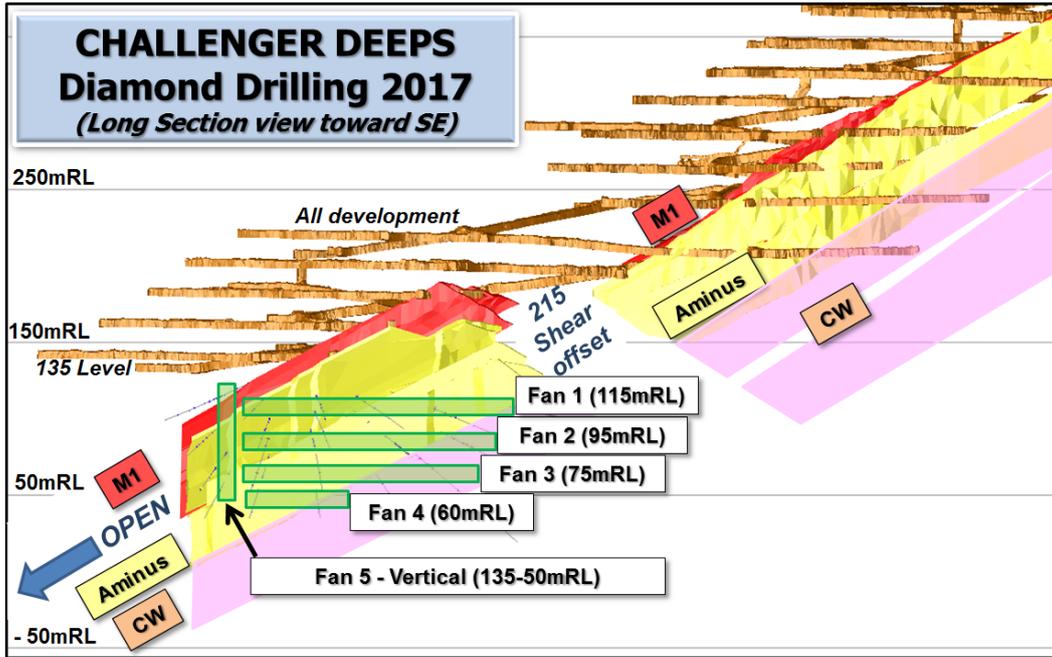
Exploration drilling in the area commenced in early April 2017 from underground drill cuddies following a mine ventilation upgrade which allowed drilling to commence in Challenger Deeps. Encouraging gold assays from the Challenger Deeps drilling program were announced from April - June 2017.



Primary fan bank at the ventilation shaft collar fully installed and running

Nineteen drill holes targeting down plunge extensions of the M1, M2, Aminus and Challenger West ore shoots verified the Challenger system continuity at depth.

Importantly, Challenger West was also intercepted for the first time below the 215 Shear as part of this Challenger Deeps drilling. The close proximity of Challenger West to M1 at the lower levels presents attractive parameters at depth to increase ounces per vertical metre. The Phase 2 program on Challenger Deeps commenced in September 2017 following development extensions to the Jumbuck decline below the shear and establishment of a new drilling platform.

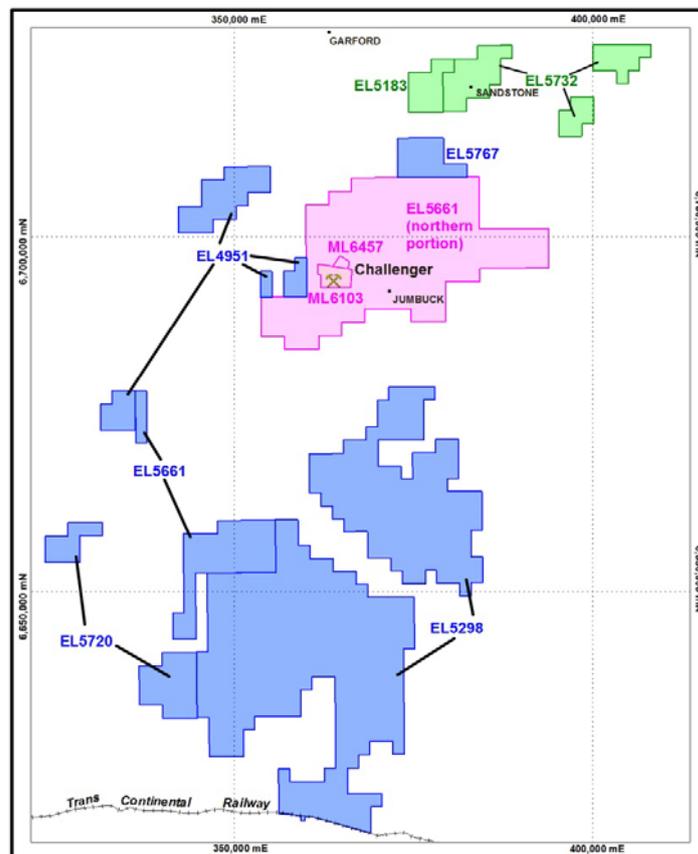


Challenger Deeps Drilling

Drilling is planned on multiple near mine exploration targets over the next twelve months. Development drilling will involve further drilling into Challenger West, Aminus and remnant opportunities in the historic M1 and M2 lodes. Near mine exploration drilling will target Challenger Deeps, M3/SEZ and Enterprise.

WGCJV

The Western Gawler Craton Joint Venture, between WPG and Tyranna Resources Ltd covers a number of exploration tenements held by Challenger Gold Operations. The Challenger Gold Mine is not subject to the WGCJV.



WGCJV tenure and CGO tenure (EL 5661 (northern portion) and ML 6103 and 6457)

The current interests of the parties to the WGCJV are approximately WPG 29%, Tyranna Resources Ltd (Tyranna) 71%. Tyranna Resources Ltd (Tyranna) is the manager of the WGCJV. The WGCJV tenements have focussed on the Golf Bore, Greenwood, Mainwood and Campfire Bore prospects. During the year Tyranna announced a maiden resource estimate of 219,000 oz of gold at a cut-off grade of 0.5 g/t Au in a number of prospects within the WGCJV (refer to Tyranna's ASX announcement of 24 January 2017 and summarised in Figure 14) and completed a program of Reverse Circulation drilling at the Typhoon and Monsoon Prospects, 35km SSW of Challenger gold mine, which returned a number of significant intersections (see Tyranna's ASX announcements dated 8 June and 6 July 2017).

WPG encourage Tyranna to continue exploring in the WGCJV project area for potential eventual treatment of ore through the Challenger mill.

Parts of the project area are also subject to a 10% carried interest held by a private company. The WGCJV's strategy is to target the more advanced gold prospects which are situated within 50 kilometres of the Challenger gold processing operations and increase the economic scale of these prospects via focused and extensive exploration drilling. WPG encourages its WGCJV partner to continue exploring in the project area for potential eventual treatment of ore through the Challenger mill.

In recent years a dispute existed between the parties that hampered exploration activities. In October 2016, a dispute over ownership of the gold rights in the northern section of EL 5661 (and therefore ML 6457, which contains the down-plunge extension of the Challenger lodes known as Challenger Deeps) was resolved with WPG's 100% right to all minerals in this area confirmed.

Under the binding term sheet signed by the parties, Tyranna agreed to drop its claim over the northern part of EL 5661 and in return, WPG agreed that ownership of the tenements subject to the WGCJV, will be transferred to Tyranna under a new joint venture arrangement. This new joint venture is over gold rights in the WGCJV area only and Tyranna will hold rights to other minerals (subject to other third party rights). The interests of the two parties in the new joint venture *ab initio* will be exactly the same as under the old joint venture, and there will be no change to the dilution provisions. As with the old joint venture, Tyranna will be manager of the new joint venture.

The new agreement will allow WPG to continue with its exploration and development of the down-plunge extensions to the Challenger lodes in the area known as Challenger Deeps, secure now in the knowledge that it has 100% rights to this area.

Tarcoola Gold Project

Tarcoola is an historic mining area approximately 170km south east of Challenger. Records indicate previous extraction of over 77,000 ounces of gold at approximately 35 grams per tonne (g/t), principally from high grade narrow vein underground stoping operations. The two defined open-pitatable deposits in the area, Perseverance and Last Resource, contain an ore reserve estimate of 710,000 tonnes averaging 3.1 g/t of gold containing 71,000 ounces of gold, and this area is the current focus of WPG's project development. In addition, there are numerous other identified areas of mineralisation including the Wondergraph prospect, which provide potential upside to the project.

The Tarcoola project is located on ML 6455 which is surrounded by EL 5355, both of which are owned by WPG's subsidiary Tarcoola Gold Pty Ltd.

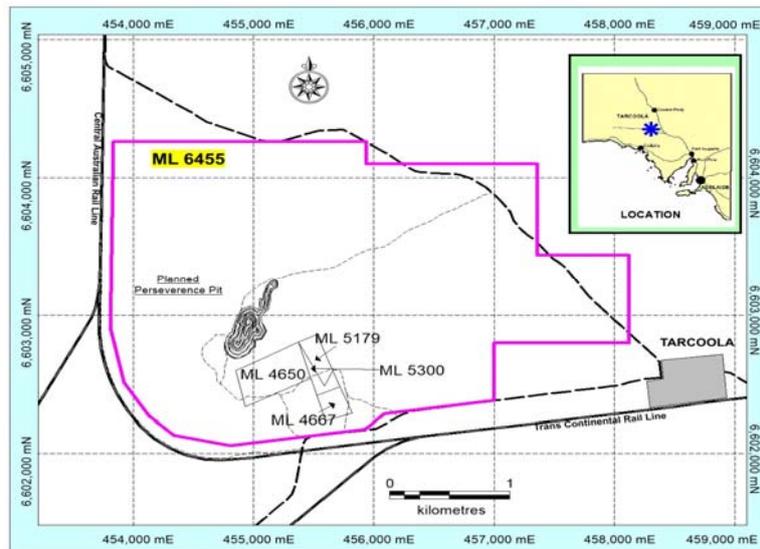
The project is located on Crown Reserve land and Native Title is held by the Antakirinja Matu-Yankunytjatjara people represented by the Antakirinja Matu-Yankunytjatjara Aboriginal Corporation (AMYAC).

This year has also seen the advancement of the Tarcoola gold project through the regulatory approvals process to the commencement of operations in December 2016. Challenger has presented significant operating synergies due to its proximity to Tarcoola.

In September 2016, WPG released its revised Tarcoola definitive feasibility study for the processing of Tarcoola ore through the Challenger CIP treatment plant, with ore hauled to Challenger for treatment, supported by substantially reduced on and off-site services and infrastructure – no need for leach pads or gold recovery circuit on site, resulting in a substantially reduced environmental footprint and gold recovery of approximately 95%.

The Program for Environment Protection and Rehabilitation (PEPR) was lodged in close consultation with DSD (now DPC) and once approved, WPG committed to project development at Tarcoola. The Company continues to work closely with DSD and other stakeholders as the project progressed to construction and mining operations and this will continue post-mining rehabilitation and monitoring works. WPG reached agreement with the Department of Defence (Defence) to access the haul road which traverses the WPA. WPG works closely with Defence under the co-existence framework for accessing the WPA.

WPG completed the acquisition of the vacant Tarcoola Hospital for the purpose of converting the building into dormitory-style accommodation. Refurbishment of the Hospital and other buildings owned by WPG in the Tarcoola township were finalised in anticipation of mining approvals.



Location of ML 6455 at Tarcoola

Activities to finalise permitting of the Tarcoola gold project and to obtain all requisite mining approvals and agreements to enable project development, and commencement of mining and haulage to Challenger occurred during the year and mining operations commenced in December 2016. The first ore mined from the pit in mid-December. Haulage of ore to the Challenger processing hub commenced in January 2017 with the first Tarcoola gold poured during February 2017.

Heavily oxidised sediments overlying the pit and disturbed ground due to old mine workings in the upper benches were encountered early in the quarter. This surficial zone suffered from gold depletion however expected gold grades were mined from mid-March onwards and grade control drilling activities are now providing reliable estimates of contained gold in mining blocks.

Since January, grade predictability has been steadily improving, and the positive trend is expected to continue as mining moves below the oxidised sediments and the updated geological model becomes available. This included record ore production during June 2017.

The Tarcoola gold mine continued to ramp-up following stripping of the poorly mineralised upper benches of the pit. During April, a number of significant rainfall events in close proximity to each other caused the suspension of pit operations for 7 days and haulage for 10 days until damage to major access roads to the site was remedied and critical supplies brought back to the mine.

Exploration

WPG has 100% of all minerals over an area of 1,201km² on EL 5355 and EL 5254 and reviews exploration targets with potential for further discoveries.

Warrigal Prospect

During the year, historical near mine exploration data was reviewed and an orientation soil sampling survey completed at the Wondergraph and Warrigal Prospects. A larger soil sampling program at Warrigal generated a significant RC drill target and testing is underway.

Wondergraph

During the year a small RC program to test historical open down dip and along strike mineralisation was completed at the Wondergraph Prospect. The target is being evaluated for more potential drilling positions with the intention of defining another resource for the Tarcoola operation.

Updated Tarcoola Ore Reserve Estimates

On 1 September 2016 WPG revised its estimate of Ore Reserves for Tarcoola to 710,000 tonnes at an average grade of 3.1 g/t Au containing 71,000 ounces as at 29 August 2016.

On 21 September 2017, WPG released the 30 June 2017 Tarcoola Mineral Resource and Ore Reserve estimate.

The 30 June 2017 Mineral Resource estimate was a total of 1.6 million tonnes at an average grade of 1.70 g/t Au containing 87,600 ounces of gold.

The 30 June 2017 Ore Reserves estimate was 567,200 tonnes at an average grade of 3.0 g/t Au containing 54,300 ounces of gold.

WPG confirms that it is not aware of any new information or data that materially affects the information included in the 21 September 2017 market announcement and above in relation to the mineral resource estimate, and confirms that to the best of its knowledge and belief all material assumptions and technical parameters underpinning the mineral resource and ore reserve estimates in the 21 September 2017 market announcement continue to apply and have not materially changed except to the extent of production.

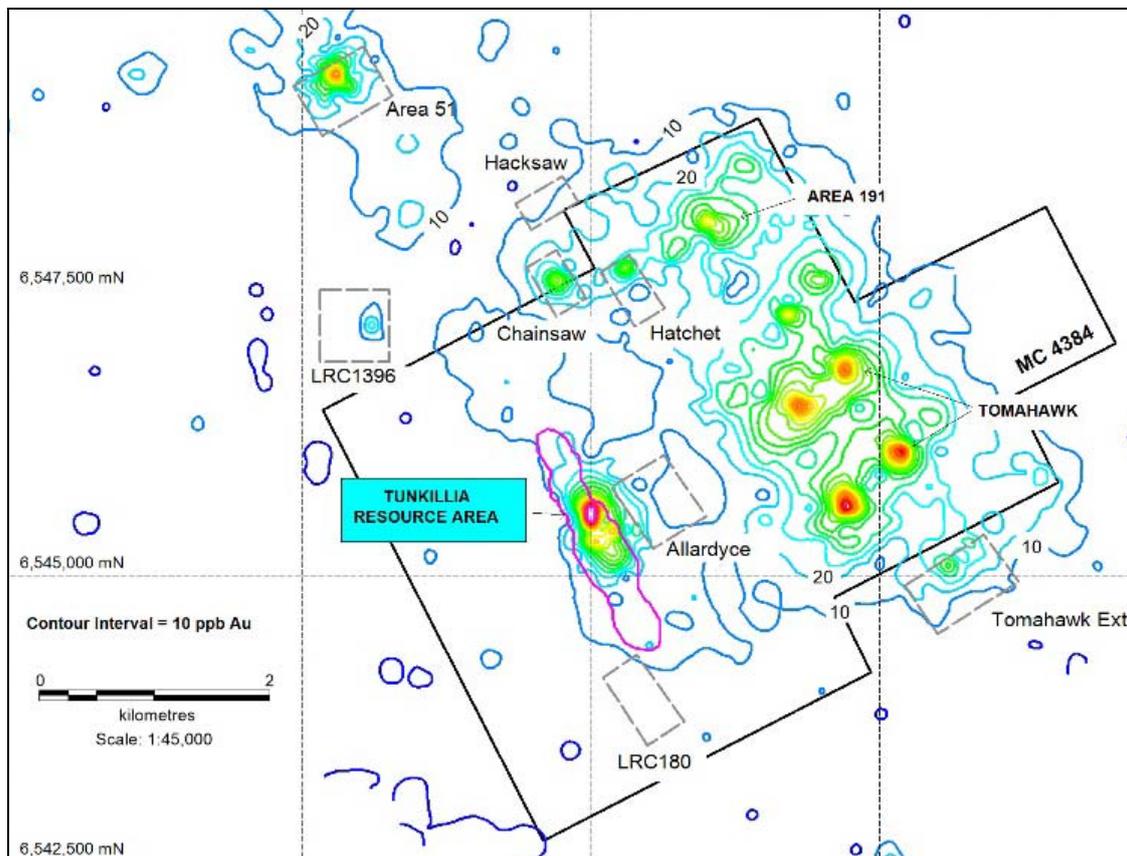
Tunkillia Gold Project

The Tunkillia gold project is located some 550 km northwest of Adelaide and 70 km southwest of Tarcoola in the Gawler Craton and was first discovered in 1996. WPG has 100% of all minerals over an area of 1,362km² on EL 5670, 5901 and 5790 and is reviewing exploration targets with potential for further discoveries. An advanced data compilation of historic drill logs at the 223 Deposit was completed during the December 2016 quarter. The analysis of historical quartz vein data in 3D is ongoing, with the aim of defining the structure of the gold hosting quartz lodes to generate higher grade gold target zones beneath the already defined mineralisation.

Regional target generation on the broader Yarlbirinda Shear Zone away from the 223 deposit was prepared and an Induced Polarisation (IP) survey designed. A 12-month PEPR was lodged and approved by the Mineral Resources Division of the SA Department of the Premier and Cabinet (DPC) in readiness for exploration work on the broader Yarlbirinda Shear Zone away from the 223 deposit.

During the year a number of funding opportunities for Tunkillia were investigated.

No formal work has commenced on the Definitive Feasibility Study however it is envisaged that in-house resources will be deployed in the 2017-2018 year.



Tunkillia drilling targets

Muckanippie, Robins Rise and Lake Woorong Projects

With WPG's current focus on fast tracking its gold projects, the Company's efforts were diverted from its other South Australian project assets.

There was no substantive work undertaken on these tenements during the year.

Directors' Report

for the year ended 30 June 2017

Directors

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

Name, Position and Qualifications	Directorships of Other Listed Companies	Appointment date	Resignation date
Robert H Duffin , Executive Chairman BSc (Hons), MSc (Hons), Grad Dip Mgt, FAusIMM			
Helen Wiseman , Lead Independent Non-Executive Director BSc (Hons), CA, GMAICD	Bid Corporation Limited (Johannesburg Stock Exchange) 20 March 2016 - present	20 October 2016	
Gary J Jones , Non-Executive Director * BSc (Auckland), FAusIMM, MSEG			
Lim See Yong , Non-Executive Director BBA (Singapore)			
Cornel Parshotam , Alternate Director for Gary Jones Dip Mining, GCC		1 March 2017	
Martin C Jacobsen , Managing Director & CEO MSCC, MDP (Unisa)			19 December 2016
Leonard A Dean , Non-Executive Director BSc (Metallurgy)			30 November 2016
Dennis R Mutton , Non-Executive Director BSc (Hons), Grad Dip Mgt, JP, FAIM, FAICD			22 March 2017

* Mr Jones became a Non-Executive Director on 30 November 2016 (prior to that he was Technical Director).

No Directors were appointed or resigned since the end of the financial year. A biography and statutory disclosures regarding each Director are provided in the Directors and Management section of this report.

Meetings of Directors

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

Director	Board	Audit & Risk	Corporate Governance & Nomination	Remuneration
	Total meetings – 13	Total Meetings – 3	Total meetings – 1	Total meetings – 1
Bob Duffin	13 of 13	N/A	N/A	N/A
Helen Wiseman	10 of 10	2 of 2	N/A	1 of 1
Gary Jones	13 of 13	N/A	N/A	N/A
Lim See Yong	13 of 13	3 of 3	1 of 1	1 of 1
Cornel Parshotam*	4 of 4	N/A	N/A	N/A
Martin Jacobsen**	5 of 6	N/A	N/A	N/A
Leonard Dean***	6 of 6	1 of 1	1 of 1	N/A
Dennis Mutton****	10 of 10	2 of 2	1 of 1	N/A

There were four circular resolutions passed by the Board during the year.

* Mr Parshotam was appointed as Alternate Director to Mr Jones on 1 March 2017. Mr Parshotam has been invited to attend all Board meetings.

**Resigned 19 December 2016

*** Resigned 30 November 2016

**** Resigned 22 March 2017

Directors' Interests in Shares, Options and Rights

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

Director	No. Shares	No. Rights
Bob Duffin	62,469,010	-
Helen Wiseman	270,000	-
Gary Jones	2,143,931	1,415,870
Lim See Yong	-	-
Cornel Parshotam	-	-

Board renewal

A number of Board changes occurred during the year. Helen Wiseman, a Chartered Accountant and former partner at KPMG, was appointed to the Board of Directors and was also appointed Chair of the Audit Committee and Lead Independent Director. Mr Cornel Parshotam, WPG's Chief Operating Officer, who has held senior management positions in underground and open pit gold and base metal mining operations and processing, including Head of Operations and General Manager Mine at BHP Billiton's Olympic Dam mine in South Australia, was appointed as an Alternate Director to Mr Gary Jones. The changes best utilise the strong skills and experience held by the Board and committee members and reflect WPG's commitment to board renewal, generational change, and diversity.

Principal Activities

The principal activities of the Group are mining, exploration, evaluation and development of its precious metal, base metal, iron ore and coal projects located in South Australia. During the year, the Group continued to operate the Challenger gold mine, brought its Tarcoola gold project into production, and continued pursuing exploration opportunities at its third major gold project in South Australia, Tunkillia.

Further details are provided in the Review of Operations.

Results

The net result of operations after applicable income tax expense was a loss of \$9,056,000 (2016 – loss of \$8,282,000). The Group's net assets at the end of the year were \$21,403,000 (2016 - \$6,374,000).

Corporate

Corporate Structure

WPG is a public company limited by shares that is incorporated and domiciled in Australia. The Company is listed on the ASX and trades under the code "WPG". WPG group companies are set out in Note 19 to the Financial Statements.

Financial Position

As at 30 June 2017, the Company had cash at bank of \$9.9 million.

Capital Raisings

On 27 July 2016 WPG completed a placement of 113,040,000 shares to sophisticated and professional investors. \$7.35 million was raised. At the same time the Company launched a 1:6 Entitlement Offer to existing shareholders. The fully underwritten Offer was completed on 19 August and raised \$6.32 million on the issue of 97,260,964 fully paid ordinary shares. The funds raised were used to fund the acquisition of 50% of Challenger and to provide funding for developing Tarcoola and for general working capital purposes.

On 13 June 2017 WPG completed a placement of 150,000,000 shares to sophisticated and professional investors raising \$7.2 million. A free 1 for 2 unlisted option exercisable at \$0.08 by 30 June 2019 is attached to the Placement shares. These options are subject to shareholder approval. The shares were issued under the Company's existing placement capacity pursuant to ASX Listing Rules 7.1 and 7.1A. The share placement raised funds for the Challenger mill expansion, mine development, exploration and for general working capital purposes.

On 19 June 2017 WPG launched a \$5.4 million 1 for 8 pro rata non-renounceable Entitlement Issue to eligible shareholders. Due to unfavourable market conditions, the offer was withdrawn on 15 August 2017 and all application moneys refunded.

Directors' Report

for the year ended 30 June 2017

Exercise of Options

During the year, approximately \$3,226,456 was raised through exercise of the Company's quoted options. Following the July 2016 Entitlement Offer, the option exercise price was reduced from \$0.04 to \$0.038.

The unexercised options expired on 31 December 2016 and were subsequently taken up by the underwriter. Approximately \$181,443 was raised through the issue to the underwriter of 4,774,813 shares on exercise of the remaining options.

Diversity

The Company is committed to developing and maintaining an inclusive work environment accessible to all and actively promotes a corporate culture which embraces diversity including, but not limited to, gender, age, ethnicity, cultural background and people with disabilities. The Board aims to attract and maintain a Board and employee base which has an appropriate mix of skills, experience and expertise by recruiting from a diverse pool of talented and qualified candidates.

The Company seeks to ensure that selection and recruitment decisions are based on merit. The Company recognises that greater innovation and improved engagement are achieved through having a diverse workforce. WPG recognises that a diverse and inclusive workplace not only ensures recruitment of high quality employees, but also enhances employee retention, encourages greater innovation and increases employee engagement.

The Company supports flexible work arrangements, where possible and promotes maintaining a healthy balance between work and home life. An employee's performance is measured by their output and their contribution to the Company.

The Board promotes a corporate culture which embraces diversity by ensuring an inclusive environment exists not only within the Company but also within its contractor companies.

Gender Diversity

Women are actively encouraged to apply for vacant positions. The Company will ensure that external recruitment suppliers provide a balance of talented and qualified men and women candidates.

One Non-executive Director is female.

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

Proportion of women employees

	30 June 2017		30 June 2016	
Women employees in the whole organisation	15/89	17%	14/74	19%
Women on the Board	1/4	25%	0/6	0%
Senior Executives	1/5	20%	1/6	17%

Significant Changes in State of Affairs

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

Matters Subsequent to the End of the Financial Year

On 19 June 2017 WPG launched a \$5.4 million 1 for 8 pro rata non-renounceable Entitlement Issue to eligible shareholders. Due to unfavourable market conditions, the offer was withdrawn on 15 August 2017 and all application moneys refunded.

In July 2017, WPG invited a number of mining contractors to tender for a new mining contract at Challenger in a competitive process and issued a Letter of Intent to Byrncut Australia Pty Ltd who commenced mobilisation activities and assumed responsibility for all underground mining at Challenger as of 5 August 2017.

On 21 September and 29 September 2017, WPG released the 30 June 2017 Mineral Resource and Ore Reserve Estimates for Tarcoola and Challenger respectively.

The combined 30 June 2017 Mineral Resource estimate was a total of 3,221,000 tonnes at an average grade of 4.36 g/t Au containing 451,000 ounces of gold.

The 30 June 2017 Ore Reserves estimate was 1,104,000 tonnes at an average grade of 4.25 g/t Au containing 151,000 ounces of gold.

WPG confirms that it is not aware of any new information or data that materially affects the information included in the 21 September and 29 September 2017 market announcements and above in relation to the mineral resource estimate, and confirms

that to the best of its knowledge and belief all material assumptions and technical parameters underpinning the mineral resource and ore reserve estimates in the 21 September and 29 September 2017 market announcements continue to apply and have not materially changed except to the extent of production.

During the year, CGO entered into an agreement with Diversified Minerals Pty Ltd whereby DMPL procured a bank guarantee to be issued to replace the \$2.6 million cash-backed bond and these release funds were utilised as working capital at the Challenger gold mine. DMPL was granted security over the shares held in CGO and the assets of CGO.

Subsequent to year end this security granted to DMPL was discharged. In lieu of posting a replacement rehabilitation bond in respect of the Challenger gold mine, the Company has granted security over the assets of WPG Resources Ltd, Challenger Gold Operations Pty Ltd, Tarcoola Gold Pty Ltd and WPG Gawler Pty Ltd to the Minister for Mineral Resources and Energy in South Australia. The security will be released when a replacement rehabilitation bond is provided by the Company.

The mining contract with Pybar Mining Services Pty Ltd was terminated in August 2017 with unpaid claims as of that date totalling \$9.6 million (including GST). On 28 September 2017 Pybar Mining Services Pty Ltd initiated a dispute under the dispute resolution clauses of the mining contract with respect to each of these unpaid claims. Challenger Gold Operations Pty Ltd has denied these claims and has notified Pybar of an off-setting claim for failure to properly perform services in accordance with the mining contract. Challenger Gold Operations Pty Ltd is presently assessing its off-setting claims.

Other than as noted above, at the date of this report there are no other matters or circumstances which have arisen since 30 June 2017 have significantly affected or may significantly affect:

- a) the operations of the Group;
- b) the results of those operations; or
- c) the state of affairs of the Group.

Likely Developments and Expected Results

There are no likely developments of which the Directors are aware which could significantly affect the results of the Group's operations in subsequent financial years not otherwise disclosed in the Principal Activities, the Review of Operations or the Matters Subsequent to the End of the Financial Year sections of the Directors' Report.

Environmental Performance

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

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

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

Incentive Rights

During the year ended 30 June 2017, 4,815,900 shares were issued on vesting of incentive rights.

No shares have been issued on vesting of incentive rights from the end of the year to the date of this report.

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

Incentive Rights	Vesting date
4,415,957	1 July 2017*
4,931,769	1 July 2018
6,721,244	1 July 2019

* At the date of this report, 2,816,098 rights have vested but the shares associated with these rights have not yet been issued. 1,599,859 performance rights will be re-tested at 1 July 2018.

Options

88,861,748 shares were issued on exercise of options during the year. As at the date of this report, there are 37,500,000 options outstanding, exercisable at \$0.11 expiring on 30 September 2018. Subject to shareholder approval, 79,166,667 options with an

Directors' Report

for the year ended 30 June 2017

exercise price of \$0.08 expiring on 30 June 2019 will be issued to sophisticated and professional investors who participated in the June 2017 Placement and the Corporate Adviser to the June 2017 capital raising.

Dividends

No dividends were paid or proposed during the year.

Remuneration Report – Audited

Policy on Remuneration

Directors' Benefits and Emoluments

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

Remuneration of the Board and Senior Management

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

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

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

There is no retirement scheme for Directors.

Independent Assessment of Directors Benefits and Emoluments

In accordance with previous resolutions of the Remuneration Committee and the Board, the Company appointed Godfrey Remuneration Group as its independent external remuneration consultant to provide remuneration recommendations and advice to the Remuneration Committee relating to key management personnel of WPG during the 2017 financial year.

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

An amount of \$23,320 was paid during the year to the external remuneration consultant.

Key Management Personnel and Details of Remuneration

The following tables outline persons who were key management personnel of the Company and the nature and amount of the elements of the remuneration of those persons for the year ended 30 June 2017.

Key Management Personnel in office during the year were:

Name	Position held	Date appointed during the year	Date resigned during the year
Bob Duffin	Executive Chairman	-	-
Helen Wiseman	Lead Independent Non-Executive Director	20 October 2016	-
Gary Jones*	Non-executive Director	-	-
Lim See Yong	Non-executive Director	-	-
Larissa Brown	Group Company Secretary	-	-
Wayne Rossiter**	Chief Executive Officer	-	-
Cornel Parshotam***	Chief Operating Officer and Alternate Director	-	-
Daryl Midgley	Chief Financial Officer	1 March 2017	-

Name	Position held	Date appointed during the year	Date resigned during the year
Martin Jacobsen	Managing Director	-	19 December 2016
Len Dean	Non-executive Director	-	30 November 2016
Dennis Mutton	Non-executive Director	-	22 March 2017

* Mr Jones became a Non-Executive Director on 30 November 2016 (prior to that he was Technical Director).

** Mr Rossiter was appointed Chief Executive Officer on 22 December 2016 (prior to that he was Chief Financial Officer).

*** Mr Parshotam became Alternate Director to Gary Jones on 1 March 2017

		Short-term employee benefits				Post-employment benefits	Share-based payments		Total	% of remuneration that is performance based	% of value of remuneration that consists of options
		Cash salary and fees	Current year bonus	Prior year bonus	Non-monetary benefits	Super-annuation	Incentive rights	Options			
		\$	\$	\$	\$	\$	\$	\$	%	%	
Directors											
Bob Duffin	2017	154,796	-	-	-	-	-	154,796	0%	0%	
	2016	48,000	-	-	-	-	-	48,000	0%	0%	
Helen Wiseman *	2017	42,000	-	-	-	-	-	42,000	0%	0%	
	2016	-	-	-	-	-	-	-	0%	0%	
Gary Jones* **	2017	112,538	-	-	-	-	17,827	130,365	13.7%	0%	
	2016	157,800	-	-	-	-	23,738	181,538	13.1%	0%	
Lim See Yong*	2017	60,000	-	-	-	-	-	60,000	0%	0%	
	2016	35,175	-	-	-	-	-	35,175	0%	0%	
Martin Jacobsen ***	2017	370,725	-	-	-	18,219	194,979	583,923	33.4%	0%	
	2016	353,141	-	-	-	33,548	97,292	483,981	20.1%	0%	
Len Dean	2017	25,000	-	-	-	-	-	25,000	0%	0%	
	2016	35,160	-	-	-	-	-	35,160	0%	0%	
Dennis Mutton	2017	22,500	-	-	-	22,500	-	45,000	0%	0%	
	2016	5,160	-	-	-	30,000	-	35,160	0%	0%	
Total	2017	787,559	-	-	-	40,719	212,806	1,041,084	20.4%	0%	
	2016	634,436	-	-	-	63,548	121,030	819,014	14.8%	0%	

* The available approved 'pool' for Non-executive Director fees is \$500,000 (approved in a General Meeting held on 31 August 2010). \$197,857 of this available 'pool' was utilised during the year.

** From 1 July – 30 November 2016, Mr Jones was engaged by the Company on terms agreed and approved by the Board on recommendation of the Remuneration Committee with the services of Mr Jones being provided through a services contract between the Company and a corporate entity associated with Mr Jones. On 1 December 2016, Mr Jones became a Non-executive Director and is paid Non-executive Director fees.

*** Mr Jacobsen was engaged under an employment agreement, until his resignation on 19 December 2016.

Other key management personnel

Cornel Parshotam*	2017	324,721	-	-	-	30,849	94,551	450,121	21.0%	0%
	2016	49,760	-	-	-	4,680	-	54,440	0%	0%
Larissa Brown	2017	177,206	-	-	-	16,835	54,048	248,089	22.0%	0%
	2016	169,578	-	-	-	16,110	27,946	213,634	13.1%	0%
Wayne Rossiter**	2017	307,593	-	-	-	28,965	87,741	424,299	21.0%	0%
	2016	238,508	-	-	-	22,658	39,372	300,538	13.1%	0%
Daryl Midgley***	2017	76,667	-	-	-	7,283	-	83,950	0%	0%
	2016	-	-	-	-	-	-	-	-	-
Total	2017	886,187	-	-	-	83,932	236,340	1,206,459	19.5%	0%
	2016	457,846	-	-	-	43,448	67,318	568,612	11.8%	0%

Total compensation

	2017	1,673,746	-	-	-	124,651	449,146	2,247,543	19.9%	0%
	2016	1,091,782	-	-	-	106,996	188,348	1,387,262	13.8%	0%

* No directors fees were paid to Mr Parshotam during the year

** Mr Rossiter was appointed CEO effective 22 December 2016 (previously CFO)

*** Mr Midgley was appointed CFO 1 March 2017

Share-based Payment and Bonuses

Incentive Rights Plan (the Plan)

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

The Plan, approved by shareholders on 31 August 2010, is the principal tool for the reward and administration of incentive entitlements to all eligible officers, employees, senior consultants and Executive Directors. The Company's Executive Chairman is entitled to participate in the Plan, but has elected not to do so in order to increase the number of Incentive Rights available to other Plan participants.

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

Under the Plan, eligible employees and Executive Directors may be granted rights to shares in the capital of the Company upon the satisfaction of specified performance criteria (Performance Rights) and specified periods of tenure (Retention Rights) over a vesting period of 3 years, or on shorter periods in some cases. Following the end of the year, the Board amended the Plan so that Retention Rights are no longer offered, and going forward, the LTI reward will be offered in 2 separate performance-based tranches (absolute performance, and relative performance). This change will apply to Incentive Rights going forward. Retention Rights already granted will remain until they vest, lapse or are cancelled in accordance with the Plan.

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

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

Performance and Retention Incentives

A Long-Term Incentive (LTI) reward will be made in the form of Rights to shares which will have a vesting period of 3 years. The number of Rights that ultimately vest (that is, convert to shares) will be based on the Company's performance over the same 3 years. There are 3 separate tranches of incentive rights (retention, absolute performance, and relative performance) which are subject to different vesting tests.

Retention rights

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

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

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

Following the end of the year, the Board amended the Plan so that Retention Rights are no longer offered, and going forward, the LTI reward will be offered in 2 separate performance-based tranches (absolute performance, and relative performance). This change will apply to Incentive Rights going forward. Retention Rights already granted will remain until they vest, lapse or are cancelled in accordance with the Plan.

Performance Rights

An LTI reward made by way of the grant of "**Performance Rights**" is granted as soon as practicable after each financial year end. The performance measurement period is three years, and performance is based on average absolute Total Shareholder Return (TSR) and the relative TSR of sixty ASX listed companies. The number of Performance Rights to be granted annually to each eligible employee or Executive Director is calculated by the following formula:

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

Absolute

Absolute performance compares WPG's share price as at the grant date and change compounded annually over 3 years.

Relative

Relative performance compares WPG to a basket of 60 ASX listed companies (the 30 immediately above and 30 immediately below WPG's market capitalisation in the materials industry group on the grant date. These performance rights vest according to WPG's

relative position in that group of companies as at the vesting date. The sixty listed companies for the purposes of the calculation are peer companies nominated by Godfrey Remuneration Group, and those companies have a spread of size and level of operations such as to represent, in the Board's view, an appropriate benchmark group.

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

Right value is determined by the following formula:

Share Price – (Annual Dividend x Minimum Vesting Period)

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

Right Value x Probability of Vesting

Re-testing

In accordance with the Plan rules if no rights in a tranche vest, they will be re-tested once 1 year after the 3 year vesting date. If no vesting occurs upon re-testing the rights will lapse.

Summary of the Plan

Purpose of the Plan

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

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

Offer of Rights

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

Number of Rights Offered

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

Vesting Conditions

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

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

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

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

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

Exercise Price

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

Directors' Report

for the year ended 30 June 2017

Lapse of Rights

Rights that have not vested will lapse:

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

Shares Allotted Upon Exercise of Rights

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

Transfer of Rights

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

Takeover, Scheme or Arrangement

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

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

Bonus Issues, Rights Issues and Capital Reconstruction

In order to prevent a reduction of the number of shares to which the Rights relate in the event of bonus issues or pro rata rights issues, the Plan rules provides for an adjustment of the number of Rights in accordance with ASX Listing Rule 6.22.2.

In the case of a capital reconstruction the number of Rights may be adjusted at the discretion of the Board.

Participation in New Issues

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

Ban on Hedging Performance Risk

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

Rights Granted as Remuneration

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

Name	Issue date	No. rights granted	Fair value \$	Vested during period	Forfeited during period	Estimated minimum value \$	Estimated maximum value \$	Vesting date
Bob Duffin	-	-	-	-	-	0.00	-	-
Martin Jacobsen	1 July 2016	2,599,725	194,979	2,101,653	(4,450,511)	0.00	194,979	1 July 2019
Gary Jones	1 July 2016	237,689	17,827	527,922	(189,968)	0.00	17,827	1 July 2019
Cornel Parshotam	1 July 2016	1,260,681	94,551	-	-	0.00	94,551	1 July 2019
Larissa Brown	1 July 2016	720,645	54,048	606,445	(136,973)	0.00	54,048	1 July 2019
Wayne Rossiter	1 July 2016	1,169,877	87,741	673,729	(185,309)	0.00	87,741	1 July 2019
Total		5,988,617	449,146	3,909,749	(4,962,761)	0.00	449,146	

Interests and movement in rights under the Incentive Rights Plan as at 30 June 2017:

Rights held by Directors and other Key Management Personnel

	At 30 June 2016	Granted	Vested during period	Forfeited during period	At 30 June 2017
Martin Jacobsen	7,455,931	2,599,725	(2,101,653)	(4,450,511)	3,503,492
Gary Jones	1,884,306	237,689	(527,922)	(189,968)	1,404,105
Cornel Parshotam	-	1,260,681	-	-	1,260,681
Larissa Brown	2,130,432	720,645	(606,445)	(136,973)	2,107,659
Wayne Rossiter	2,813,187	1,169,877	(673,729)	(185,309)	3,124,026
Total	14,283,856	5,988,617	(3,909,749)	(4,962,761)	11,399,963

Services provided by Directors' 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.

Interests and movements in the shares of the Company held by Directors and their Directors' related entities and Key Management Personnel as at 30 June 2017:

Shareholdings

Fully paid ordinary shares	At 30 June 2016	Acquired during period	Granted upon vesting of rights	Disposed during period	At 30 June 2017
Bob Duffin	44,095,776	18,373,234	-	-	62,469,010
Helen Wiseman	-	270,000	-	-	270,000
Gary Jones	1,126,630	548,409	478,892	-	2,153,931
Lim See Yong	-	-	-	-	-
Cornel Parshotam	-	-	-	-	-
Len Dean*	2,000,000	-	333,333	(2,333,333)**	-
Martin Jacobsen*	2,522,044	745,751	1,952,471	(5,220,266)**	-
Dennis Mutton*	254,666	42,444	63,666	(360,776)**	-
Larissa Brown	1,302,583	636,100	562,807	-	2,501,490
Wayne Rossiter	4,767,718	2,776,376	625,341	-	8,169,435
Total	56,069,417	23,392,314	4,016,510	(7,914,375)	75,563,866

* closing balances are as at resignation dates

**Deemed disposed on resignation/retirement

Directors' Contracts

Mr Duffin is engaged by the Company on terms agreed and approved by the Board on recommendation of the Remuneration Committee. Details of those arrangements are set out below. The services of Mr Duffin are provided through a services contract between the Company and a corporate entity associated with Mr Duffin.

Executive Chairman – Bob Duffin

Contract term:	Rolling 12 months
Remuneration:	\$154,796 pa
Rights:	-
Termination payments:	Payment on early termination by the Group, other than for gross misconduct, equal to 6 months base remuneration

Key Management Personnel (KMP) Contracts

Chief Operating Officer – Cornel Parshotam

Contract term:	Commenced 26 April 2016
Remuneration:	\$339,450 pa
Rights:	Cumulative Rights issued as of 30 June 2017 are 1,260,681 Rights
Termination payments:	Payment on early termination by the Group, other than for gross misconduct, equal to 6 months base salary

Directors' Report

for the year ended 30 June 2017

Group Company Secretary – Larissa Brown

Contract term:	Commenced 1 December 2009 (previously contractor)
Remuneration:	\$194,040 pa
Rights:	Cumulative Rights issued as of 30 June 2017 are 2,107,659 Rights
Termination payments:	Payment on early termination by the Group, other than for gross misconduct, equal to 6 months base salary

Chief Executive Officer – Wayne Rossiter

Contract term:	Commenced 1 July 2011
Remuneration:	\$350,400 pa
Rights:	Cumulative Rights issued as of 30 June 2017 are 3,124,026 Rights
Termination payments:	Payment on early termination by the Group, other than for gross misconduct, equal to 6 months base salary

Chief Financial Officer – Daryl Midgley

Contract term:	Commenced 1 March 2017
Remuneration:	\$251,850 pa
Rights:	No cumulative Rights issued as of 30 June 2017
Termination payments:	Payment on early termination by the Group, other than for gross misconduct, equal to 6 months base salary

Service contracts or employment agreements have been entered into by the Company with all Key Management Personnel and executives, describing the components and amounts of remuneration applicable on their initial appointment, including terms and performance criteria (if applicable) and entitlements to options under the Share Option Plan and/or rights under the Incentive Rights Plan. These contracts do not fix the amount of remuneration increases from year to year. Remuneration levels will be reviewed generally each year on advice from an Independent Remuneration Consultant to align with peer company remuneration levels, changes in job responsibilities and market compensation expectations. All Key Management personnel have agreed to be paid termination benefits at the Company's option in fully paid ordinary shares subject to certain conditions over the next 12 months. Issues of shares to Directors are subject to shareholder approval.

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

End of Audited Remuneration Report

Indemnification and Insurance of Officers and Auditors

Indemnification

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

Insurance Premiums

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

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

Proceedings

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

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

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

Auditor's Independence and Non-Audit Services

No non-audit services were provided by the Company's auditor, Grant Thornton Audit Pty Ltd during the current financial year. The Directors received a declaration of independence from the auditors of the Company. It is located on page 39 and forms part of this report.

Signed this 29th day of September 2017 in accordance with a resolution of the Directors.



Bob Duffin
Executive Chairman

Directors' and Management

for the year ended 30 June 2017

Bob Duffin – Executive Chairman

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

Bob Duffin is a company director with over 45 years' experience in resource exploration, project assessment, mining investment analysis, and company management.

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

Bob is a former Non-Executive Director of a number of companies, including Centennial Coal, Midwest Corporation, Ferrowest, Burmine, Austmin Gold, Mt Lyell, the UK resources investment company Europa Minerals Group, and Mancala, a mining contractor. Bob has been a Director of WPG since 2004.



Helen Wiseman – Lead Independent Non-Executive Director

BSc (Hons), CA, GMAICD

Helen Wiseman is a Chartered Accountant and former partner at accounting firm KPMG. She has approximately 30 years' professional experience including working with a broad range of corporate clients in the mining, oil and gas, energy, manufacturing, technology and government sectors. She is a director of, and chairs the audit committee of, Bid Corporation Limited (Bidcorp), a global foodservice group listed on the Johannesburg Stock Exchange and the Australian Consumers Association (Choice). She is also a director of Imalia, a financial services company she co-founded.

She is a member of the Institute of Chartered Accountants in Australia, the Australian Institute of Company Directors, the Institute of Directors Southern Africa, UK Institute of Directors and an associate member of the Association of Certified Fraud Examiners.

Helen was appointed a Director of WPG in October 2016 and is Chair of the Audit & Risk Committee. Helen was appointed Lead Independent Director in March 2017.



Gary Jones – Non-Executive Director

BSc (Auckland), FAusIMM,

Gary Jones is a geologist with over 50 years' professional experience in mineral exploration and resource and reserve estimation for various type of mineral deposits including porphyry copper-gold, epithermal gold and iron ore. He is Managing Director of Geonz Associates Ltd, a leading New Zealand firm of consulting geologists, and has been an independent consultant to the mining industry for the past 33 years during which time assignments have been completed in many parts of the world including Australia, Indonesia, North and South America, Canada and New Zealand.

Prior to setting up his own consultancy Gary worked as an exploration geologist for Geopeko for 15 years in various parts of Australia including 12 years in central New South Wales where he established and managed a new exploration operation for Geopeko. During this time he supervised numerous base and precious metal projects throughout the Lachlan Fold Belt and parts of the New England region and is credited with the discovery of the Northparkes porphyry copper-gold deposits. Following the initial discoveries at Goonumbla, Gary also had a major input into the pegging of a large block of exploration licences in the Lake Cowal region. He planned and supervised the initial regional exploration programs that ultimately led to the discovery of the 4.4 million ounce Cowal porphyry gold deposit. Early in his career Gary worked on iron ore exploration and mining activities in the Northern Territory. Gary has been a Director of WPG since 2004.



Lim See Yong – Non-Executive Director

BBA (Singapore)

Lim See Yong is General Manager and Director of Xin Sheng International Private Limited, a trading company related to Tangshan Xingye Industrial and Trade Group Corporation, an investor in raw materials for the steel industry. He spent 11 years with NatSteel Trade International, a Singapore mill that produces bars and wire rods from scrap. He was NatSteel's chief representative in China for 7 years from 1995. From 2002 to 2006 he was in charge of selling iron ore and steel products to China, and exporting semi and finished steel products to South East Asian markets. See Yong lives in Singapore. He has been a Director of WPG since 2007.



Cornel Parshotam – Alternate Director for Gary Jones; Chief Operating Officer

Dip Mining, GCC

Cornel Parshotam is a mining professional with over 37 years of operational mining experience. Cornel has held senior mining management positions in Africa and Australasia including General Manager Operations at Metallon Gold Zimbabwe, Acting Operations Manager at Emperor Gold Mines in Fiji and more recently General Manager Mine and then Head of Operations and BHP Billiton's Olympic Dam Mine in South Australia. His range of experience encompasses the management and operation of both surface and underground operations in base metal and precious metal mining.



Larissa Brown – Group Company Secretary

BA, Dip Ed, Grad Dip ACG, AGIA

Larissa Brown is a chartered secretary with particular experience in the administration of resource and resource technology companies. Larissa manages corporate and regulatory compliance, share registry and shareholder liaison & communications and annual reporting, as well as work health safety, safety governance and policy development. Larissa was appointed Group Company Secretary on 6 August 2009.



Wayne Rossiter – Chief Executive Officer

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

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



Directors' and Management

for the year ended 30 June 2017

Daryl Midgley – Chief Financial Officer

Daryl Midgley is an experienced finance professional with extensive experience in the mining industry. Daryl has previously provided financial consultancy services to a number of ASX-listed companies and was the CFO for ASX-listed KBL Mining Ltd prior to joining WPG. Daryl initially joined WPG as a consultant in late 2016 before being appointed as CFO in March 2017.



“THE COMMITMENT, SKILLS AND CORE VALUES OF OUR TEAM PROVIDE AN OUTSTANDING CONSTANT DRIVING FORCE TO ASSURE WPG’S ONGOING PERFORMANCE”

Bob Duffin
Chairman

Key to Post nominals

AGIA	Associate Governance Institute of Australia	FAusIMM	Fellow Australasian Institute of Mining and Metallurgy
BA	Bachelor of Arts	GCC	Geological Certificate of Competency
BBA	Bachelor of Business Administration	GMAICD	Graduate Member Australian Institute of Company Directors
BE	Bachelor of Engineering	Grad Dip ACG	Graduate Diploma in Applied Corporate Governance
BSc	Bachelor of Science	Grad Dip Mgt	Graduate Diploma in Management
CA	Associate Institute of Chartered Accountants in Australia	MappFin	Master of Applied Finance
Dip Ed	Diploma in Education	MAusIMM	Member Australasian Institute of Mining and Metallurgy
Dip Mining	Diploma in Mining	MSc	Master of Science



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

In accordance with the requirements of section 307C of the Corporations Act 2001, as lead auditor for the audit of WPG Resources Limited for the year ended 30 June 2017, I declare that, to the best of my knowledge and belief, there have been:

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

GRANT THORNTON AUDIT PTY LTD
Chartered Accountants

J L Humphrey
Partner - Audit & Assurance

Adelaide, 29 September 2017

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Corporate Governance Statement

This Corporate Governance Statement is current as at 30 June 2017 and has been approved by the Board of WPG Resources Ltd.

The Board of Directors of WPG Resources Ltd:

- Is responsible for corporate governance and strives for high standards in this regard.
- Monitors the Company's business and affairs on behalf of the shareholders by whom they are elected and to whom they are accountable.
- Draws on relevant best practice principles particularly the *Corporate Governance Principles and Recommendations (3rd edition)* issued by the ASX Corporate Governance Council in 2014 and these are revised on an ongoing basis.

The Company strives to achieve the best practice principles proposed by the Council and in many cases the Company has adopted the Council's recommendations and is achieving the standard. In a limited number of circumstances the Company does not meet the standards set out in the recommendations, largely due to adoption of a recommendation being considered by the Board to be not practicable for a company of WPG's size. Regular reviews of corporate governance are conducted to identify and implement new arrangements to enable adoption of recommendations not yet implemented.

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

Principle 1: Lay solid foundations for management and oversight

Roles and Responsibilities of the Board and Management

Board and Board Charter

At the start of the financial year the Company had a Board of six Directors – three Executive Directors (Bob Duffin, Martin Jacobsen and Gary Jones) and three Non-Executive Directors (Len Dean, Lim See Yong and Dennis Mutton):

The following changes to the Board took place during the year. The changes were in accord with the Company's policy of board renewal, generational change and diversity:

- On 20 October 2016 Ms Helen Wiseman was appointed to the Board.
- On 30 November 2016 Len Dean retired from the Board.
- On 1 December 2016 Gary Jones became a Non-Executive Director.
- On 19 December 2016 Martin Jacobsen resigned from the Board.
- On 1 March 2017 Mr Cornel Parshotam was appointed Alternate Director to Mr Jones.
- On 22 March 2017 Dennis Mutton resigned from the Board.

At the date of the report, the Company had a Board of four Directors (one Executive Director and three Non-Executive Directors) and one alternate Director:

Executive Directors	Non-Executive Directors	Alternate
Bob Duffin	Gary Jones	Cornel Parshotam
	Lim See Yong	
	Helen Wiseman	

Biographies for each of the Directors are provided in the Directors and Management section of the 2017 Annual Report.

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

Election and Re-Election of Directors

Material information about Directors provided

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

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

All material information about the Directors is set out in the Directors Report. All information relevant to a decision to elect or re-elect any director is provided to security holders in the Annual Report and the relevant Notice of Meeting.

Shareholders are provided with:

- Biographical details, including their relevant qualifications and experience and the skills they bring to the Board
- Details of any other material directorships currently held by the candidate

In the case of a candidate standing for re-election as a Director:

- the term of office currently served by the Director
- if the Board considers the Director to be an independent director, a statement to that effect
- a statement by the Board as to whether it supports the election or re-election of the candidate.

In the case of a candidate standing for election as a director for the first time:

- any material adverse information revealed by the checks the entity has performed about the Director;
- details of any interest, position, association or relationship that might influence, or reasonably be perceived to influence, in a material respect his or her capacity to bring an independent judgement to bear on issues before the board and to act in the best interests of the entity and its security holders generally; and
- if the Board considers that the candidate will, if elected, qualify as an independent director, a statement to that effect.

Undertaking appropriate checks of prospective Directors

One new Director, Helen Wiseman, was appointed during the year. Cornel Parshotam, the Company's Chief Operating Officer, was appointed Alternate Director to Gary Jones. Prior to Helen and Cornel being appointed, the Company undertook appropriate checks of their character, experience, education, criminal record and bankruptcy history, as well as confirmation from the person that they will have sufficient time to fulfil their director responsibilities. These checks are performed prior to any new person being appointed a director or put forward to security holders for election as a director.

Written Agreements

Each Director and senior executive of the Company has an agreement in writing with the Company which sets out the key terms and conditions of their appointment including their duties, rights and responsibilities. The key terms of Director and senior executive agreements are included in the Directors Report.

Company Secretary

The Company Secretary is accountable directly to the Board, through the Chair, on all matters to do with the proper functioning of the Board. The responsibilities of the Company Secretary are set out in the Board charter which is available on the Company's website.

The Company Secretary has a direct line of reporting to the Chair. Each Director communicates directly with the Company Secretary as required.

In addition the Company Secretary reports to the Executive Chair and CEO on various other matters including work health safety and safety governance.

Corporate Governance Statement

Diversity

Diversity Policy

The Company is committed to developing and maintaining an inclusive work environment accessible to all and actively promotes a corporate culture which embraces diversity. A formal Diversity Policy has been adopted, and other policies implemented by the Company include in them the Company's commitment to maintaining an inclusive work environment.

The Company seeks to ensure that selection and recruitment decisions are based on merit and it recognises that greater innovation and improved engagement are achieved through having a diverse workforce. WPG recognises that a diverse and inclusive workplace not only ensures recruitment of high quality employees, but also enhances employee retention, encourages greater innovation and increases employee engagement. The Board aims to attract and maintain a Board and employee base which has an appropriate mix of skills, experience and expertise by recruiting from a diverse pool of qualified candidates. Any new personnel will be selected from a broad range of candidates.

The Company supports flexible work arrangements, where possible and promotes maintaining a healthy balance between work and home life. An employee's performance is measured by their output and their contribution to the Company.

The Board promotes a corporate culture and supports initiatives which embrace diversity by ensuring an inclusive environment exists not only within the Company but also within its contractor companies.

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

The Diversity Policy does not include measurable objectives for achieving gender diversity. During most of the year, the Company's personnel formed a stable key group. Measurable objectives for gender diversity are being considered.

Set out in the Directors Report and below are the proportion of women employees in the whole organisation, women in senior executive positions and women on the Board. The Company is not a 'relevant employer' under the Workplace Gender Equality Act.

	30 June 2017		30 June 2016	
Women employees in the whole organisation	15/89	17%	14/74	19%
Women on the Board	1/5	20%	0/6	0%
Women Senior Executives*	1/5	20%	1/6	17%

*the Senior Executives are the Executive Chairman, CEO, CFO, COO and Company Secretary. The Company Secretary is a woman.

Performance Evaluations

Performance evaluations of senior management, Directors, the Board and Board committees by the Board take place periodically. The Board has adopted Non-Financial Performance Indicators which are used as part of the performance evaluation process. These are project management, corporate reporting, compliance and skills management.

Board Performance

The Board, with the assistance of the Corporate Governance & Nomination Committee, regularly monitors its performance and the performance of the Committees and the Directors throughout the year.

A formal questionnaire completed by each of the Directors is also used to review the Board's performance. This internal review is led by the Chairman and the outcomes are discussed and considered by all Directors. The formal questionnaire was completed by all Directors, and outcomes discussed. The evaluation determined that the Board was satisfied with the progress made with its policy of board renewal, generational change and diversity and the performance of each Director and itself as a whole. The Board's skills were discussed in detail.

The satisfaction of specified performance criteria for executive Directors under the Company's Incentive Rights Plan is, in part, measured against peer company performance bringing genuine objectivity to the performance evaluation process.

Senior Executives Performance

Performance evaluations of senior management by the Board take place periodically. During the year, performance evaluations of senior management took place during July and August 2016. The evaluations were led by the Chairman and discussed in detail by the Board.

The satisfaction of specified performance criteria for senior management under the Company's Incentive Rights Plan is, in part, measured against peer company performance bringing genuine objectivity to the performance evaluation process.

Principle 2: Structure the board to add value

Nomination Committee

The Company has a Corporate Governance & Nomination Committee, which has a formal, written charter. The Committee is comprised of the two independent non-executive Directors, Ms Wiseman and Mr Lim, and is chaired by Mr Lim. During their tenure as Directors, Messrs Dean and Mutton were independent Directors and members of the Committee.

The Committee meets as and when required. The qualifications of each member are set out in the Directors Report. The number of meetings held during the year is set out in the Directors Report.

The responsibilities of the Committee are set out in the Corporate Governance & Nomination Committee charter which is available on the Company's website.

Board Skills Matrix

The Board, with the assistance of the Corporate Governance and Nomination Committee regularly reviews its membership to ensure that it has the appropriate mix of skills, experience, expertise and diversity to enable it to meet the needs of the Company.

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

As at the date of this report, the Directors collectively contribute the following key skills and experience:

Skill	Number of Directors with that skill
Executive experience	5
Risk Management	5
International experience	5
Publicly listed Company Governance	4
NED experience	4
Mining and exploration industry experience	4
Business and Commercial experience	4
Financial Skills and literacy	3
Human Resources	3
Gold industry expertise	3
Technical expertise	3
Marketing expertise	2
Work Health and Safety	2
CEO/CFO experience	2

The appointment of Non-Executive Director Helen Wiseman has strengthened the Board skills matrix by bringing further experience especially within the areas of Financial Skills and literacy, CEO/CFO experience, Human Resources and Risk Management. The appointment of Cornel Parshotam as Alternate Director to Gary Jones has strengthened the Board's Gold industry, Technical and Work Health and Safety skills.

The Constitution provides that the Company has not less than 3 or more than 9 Directors.

Independent Directors

Non-Executive Directors Ms Wiseman and Mr Lim are independent. During their tenure as Directors, Messrs Dean and Mutton were independent. The length of service of each Director is set out in the Directors and Management section of the 2017 Annual Report.

In March 2017 the Directors appointed independent non-executive Director Helen Wiseman as Lead Independent Director. As Lead Independent Director, Helen oversees the executives of the Company and sets a pro-shareholder agenda without the management conflicts that an executive insider sometimes faces.

Majority of Directors are not Independent

The majority of Directors are not independent. The Chairman, Mr Duffin is an Executive Director. Of the three Non-Executive Directors, Ms Wiseman and Mr Lim are independent and Mr Jones, who was previously Technical Director, is not independent. Mr

Corporate Governance Statement

Parshotam is the Company's COO and is not independent. The Board is of the view that the experience of each of the Directors enables them to be aware of and capable of acting in an independent manner and in the best interests of the shareholders.

Chair and CEO

The Executive Chairman is not independent. Mr Bob Duffin (Executive Chairman) is an executive Director and substantial shareholder. Mr Duffin's biography is provided in the Directors and Management section of the 2017 Annual Report. The Board is of the view that Mr Duffin's director experience enables him to be aware of and act in an independent manner and in the best interests of the shareholders.

The Executive Chairman's role is exercised separately from the Chief Executive Officer (Mr Wayne Rossiter). Mr Rossiter's biography is provided in the Directors and Management section of the 2017 Annual Report.

Director Inductions and Professional Development

The Company provides new Directors with all necessary information about the Company and its management. Any new Director has access to any member of key management personnel and Company records.

The Company Secretary provides details of all of the Company's Charters and Policies, and the Company's Board reporting practices. The Chairman provides background and details on the Company's projects and strategy.

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.

The Board and Nomination Committee review the group skills and knowledge of the Directors and the Company supports and encourages professional development of its Directors when required. The Directors receive regular briefings on developments in accounting standards.

Principle 3: Act ethically and responsibly

Code of Conduct

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

The Company has developed and adopted a number of policies and procedures, which are regularly reviewed by the Board of Directors for adequacy and compliance, to lead the direction of ethical and responsible decision making. The policies are listed at the end of the Corporate Governance Statement and on the Company's website.

Responsible Gold and Global Supply Chain

The Company recognises and takes seriously the risk and impact of precious metals which are mined within conflict affected and high risk countries and deals only with companies which refine, manufacture, trade or distribute precious metals whose supply chain due diligence systems and procedure are compliant with the London Bullion Market Association LBMA Responsible Gold Guidance and the Organisation for Economic Cooperation and Development OECD Due Diligence Guidance for Responsible Supply Chains where the proceeds of gold and other minerals may be directly or indirectly financing or benefiting armed conflict and the abuse of human rights are boycotted.

Principle 4: Safeguard integrity in corporate reporting

Audit Committee

The Company has an Audit & Risk Committee. The Audit & Risk Committee has a formal, written charter which is available on the Company's website.

The Audit & Risk Committee is comprised of the two independent non-executive Directors, Ms Wiseman and Mr Lim, and is chaired by Ms Wiseman, an independent director who is not the chair of the Board. The qualifications of each member are set out in the Directors and Management section of the 2017 Annual Report. These Directors are considered to have applicable expertise and skills for this Committee. During their tenure as Directors, Messrs Dean and Mutton were independent Directors and members of the Committee.

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

Confirming Financial Reports

The Chief Executive Officer and the Chief Financial Officer state in writing to the Board that the Company's half-year and annual financial reports are complete and represent a true and fair view, in all material respects, of the financial condition and operational results of the Company and are in accordance with relevant accounting standards. This statement also confirms that the Company's financial reports are founded on a sound system of risk management and internal control, and that the system is operating effectively in all material respects in relation to financial risks and that nothing has occurred since the year-end that would materially change the position.

The Board of Directors approves the financial reports.

Auditor Attendance at AGM

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

Principle 5: Make timely and balanced disclosure

Continuous Disclosure

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

The Company has a Disclosure and Communications Policy which sets out its commitment to complying with its disclosure obligations and maintaining public confidence through timely disclosure of information which affects investment decisions. WPG representatives must immediately notify the nominated Disclosure Officers as soon as they become aware of material information concerning the business of WPG that a reasonable person would expect to have a material effect on the price or value of WPG's securities. This information will be considered for release to the market by the Disclosure Officers who will coordinate the preparation and release of information to ASX and shareholders. Where time permits, the Board will review and approve the form of disclosure of major company announcements or decisions.

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

Principle 6: Respect the rights of security holders

Website

The Company's website www.wpgresources.com.au sets out information about the Company, its Board and management, and its projects. The website also has a copy of ASX announcements, as well as copies of quarterly, half-year and annual reports.

The Company has a corporate governance page on its website which includes the Company's Corporate Governance Statement, Board Charter, Audit and Risk Committee Charter, Remuneration Committee Charter and Corporate Governance and Nomination Committee Charter as well as the Company's Securities Trading and Trading Windows Policy.

Communication with Investors

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

Information disclosed to the ASX is posted on the Company's website soon after it is released by the ASX. The Company provides information updates to investors by email.

Facilitating and Encouraging Participation at Meetings

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

Shareholders are given the opportunity to ask questions during meetings and meet and talk with Directors and senior management after meetings. The Contact Us page on the Company's website contains a variety of email addresses where company management can be contacted.

Corporate Governance Statement

Additionally, the Company's external auditor attends all annual and other general meetings and is available at that time to answer questions from shareholders. In some cases, questions are better presented in writing in advance and in that case such an approach is facilitated.

Electronic Communications Option

Through the company's website, shareholders and all interested parties can subscribe to receive communications from the company (WPG Information Updates). The Contact Us page contains a variety of email addresses where company management can be contacted.

Principle 7: Recognise and manage risk

Risk Committee

The Company has an Audit & Risk Committee. The Audit & Risk Committee has a formal, written charter which is available on the Company's website.

The Audit & Risk Committee is comprised of the two independent non-executive Directors, Ms Wiseman and Mr Lim, and is chaired by Ms Wiseman, an independent director who is not the chair of the Board. The qualifications of each member are set out in the Directors and Management section of the 2017 Annual Report. These Directors are considered to have applicable expertise and skills for this Committee. During their tenure as Directors, Messrs Dean and Mutton were independent Directors and members of the Committee.

The number of meetings held during the year is set out in the Directors Report. There are usually two meetings of the Audit & Risk Committee each year although the committee will meet more regularly to discuss risk factors, related to both projects and broader corporate risk, as necessary.

Risk Management Review

Risk Management Policy and Procedures

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

Risk factors are discussed regularly at Board and Audit & Risk Committee meetings. Senior management meets regularly to discuss risk factors. The Audit & Risk Committee met during the year to discuss risk factors and review the Company's risk management framework, related to both projects and broader corporate risk.

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

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

No Internal Audit Function

The Company does not have an internal audit function.

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

System of Internal Control

The Audit & Risk Committee assesses the performance and objectivity of the Company's internal control systems and regularly reviews its procedures within its broader risk management framework.

Economic, Environmental and Social Sustainability Risks

The company undertakes minerals exploration and mining development and as such faces risks inherent to its business including economic, environmental and social sustainability risks which may materially impact the company's ability to create or preserve value for security holders over the short, medium or long term.

The Company prioritises safety and health to people, the environment and community. The Company views sustainable and responsible business practices as an important long term driver of performance and shareholder value and is committed to transparency, fair dealing, responsible treatment of employees and partners and positive interaction with the community.

The Company has in place policies and procedures including a risk management framework which is developed and updated to help manage these risks.

Work Health and Safety (WHS)

The Company is committed to a healthy and safe working environment and the welfare of all workers and any person entering any of its workplaces. WPG has a formal Work Health and Safety policy and comprehensive procedural manual, which is provided and agreed to in writing by all WPG representatives and is subject to regular reviews. The Company has developed and implemented new comprehensive corporate and site risk registers. Through this Work Health and Safety management system the Company applies best industry standards to its operations.

The Company consults on Work Health and Safety with all contractors prior to entry to site.

The Company also consults with all of its employees, contractors and visitors on specific safety and security related to entry into the Woomera Prohibited Area (WPA), where some of its projects are located, in accordance with Department of Defence guidelines.

Officer Due Diligence

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

Financial Management and Reporting Risks

The Board has received the declarations required to be made to the Directors from the Chief Executive Officer and Chief Financial Officer in accordance with section 295A of the *Corporations Act 2001* for the financial year ended 30 June 2017.

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

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

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

Share trading

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

Environmental policy

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

Further information is provided in the Sustainability, Environmental Management and Community Engagement section of the Annual Report.

Principle 8: Remunerate fairly and responsibly

Remuneration Committee

The Company has a Remuneration Committee, which has a formal, written charter. The Committee is comprised of the two independent non-executive Directors, Ms Wiseman and Mr Lim, and is chaired by Ms Wiseman. During their tenure as Directors, Messrs Dean and Mutton were independent Directors and members of the Committee. The responsibilities of the Committee are set out in the Remuneration Committee charter which is available on the Company's website.

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

The Remuneration Committee reviews and make recommendations to the Board on the Company's remuneration, recruitment, retention and termination policies and procedures for senior executives, senior executives' remuneration and incentives,

Corporate Governance Statement

superannuation arrangements, the remuneration framework for Directors and the outcomes of discussions with the Company's external remuneration consultant. Directors believe that the size and nature of the Company makes individual salary and consultant negotiations more appropriate than formal remuneration policies. These negotiations are designed to attract, retain and motivate high calibre executives by providing remuneration packages which include market competitive fixed annual rewards and long term incentives of performance rights. The Incentive Rights Plan is summarised in the Directors Report.

The Company's policies on remuneration are disclosed in the Remuneration Report.

Remuneration of Executives and Non-Executive Directors

Executive Remuneration

The Remuneration Committee and the Board have established the 2017/2018 financial year fixed annual reward (FAR) packages for executive Directors and senior executives.

In accordance with Corporations Act requirements, the Company discloses the fees or salaries paid to all Directors, and each member of key management personnel of the Company.

The Company will grant rights pursuant to the Incentive Rights Plan to senior executives for the 2017/2018 financial year. Rights to Executive Director are subject to shareholder approval.

Non-Executive Directors' Remuneration

Non-Executive Directors are remunerated by way of fees.

Non-Executive Directors do not participate in the Company's Incentive Rights Plan, and do not receive options, bonus payments or retirement benefits other than superannuation.

Ban on Hedging Remuneration of Key Management Personnel

The Company has an equity-based remuneration scheme (Incentive Rights Plan). The Company's Share Trading and Trading Windows Policy provides that participants in the Incentive Rights Plan must not enter into any transactions which would have the effect of hedging or otherwise transferring to any other person the risk of any fluctuation in the value of those entitlements until they have vested. The Securities Trading and Trading Windows Policy is available on the Company's website.

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

Environmental Performance

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

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

WPG encourages and supports research programs relevant to its operations which provide for a greater understanding of the environment and improvement in our rehabilitation and management methods.

WPG holds exploration licences in South Australia. These tenements have been issued by the South Australian State Government which specifies guidelines for minimisation of environmental impacts in relation to activities undertaken on the tenements.

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

Challenger gold mine and exploration tenements

In March 2016 the Company acquired the Challenger gold mine and exploration assets and after a period of temporary closure, site operations recommenced on 16 May 2016 and have operated continuously since then.

The mine has in place substantial environmental monitoring programs which are in accordance with the approved Program for Environmental Protection and Rehabilitation (PEPR). All exploration activities are subject to Exploration Programs for Environmental Protection and Rehabilitation (ePEPR) which outlines environmental impacts and site rehabilitation.

Tarcoola gold project

The Tarcoola gold mine and exploration assets operate under Exploration Licences and Mineral Lease 6455. The ML conditions require the full rehabilitation of the areas on completion of development in accordance with various guidelines and standards. Tarcoola also has in place substantial environmental monitoring programs which are in accordance with the approved Program for Environmental Protection and Rehabilitation (PEPR). All exploration activities are subject to Exploration Programs for Environmental Protection and Rehabilitation (ePEPR) which outlines environmental impacts and site rehabilitation.

Around the Tarcoola mine (within four historic MLs) are a number of sites of historical significance. These sites are not mined and the Company continues to comply with the strict guidelines set out in the ML conditions.

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

WPG will:

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

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

Safety Management Program

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

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

The Company consults on Work Health and Safety with all contractors prior to entry to site.

The Company also consults with all of its employees, contractors and visitors on specific safety and security related to entry into the Woomera Prohibited Area (WPA), where some of its projects are located, in accordance with Department of Defence guidelines.

Employment and Training

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

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

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

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

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

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

Community Relations

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

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

WPG is committed to supporting the local communities in the areas of its operations. During the year, the Company contributed to the Royal Flying Doctor Service.

**“ENVIRONMENTAL PERFORMANCE AND SOCIAL RESPONSIBILITY ARE
FUNDAMENTAL IN EVERYTHING WE DO”**

Bob Duffin
Chairman

Consolidated Statement of Profit or Loss and Other Comprehensive Income

for the year ended 30 June 2017

	Note	Consolidated	
		2017 \$'000	2016 \$'000
Revenue			
Revenue from continuing operations	2	81,422	1,515
Other income		109	176
Total revenue		81,531	1,691
Production Costs (including depreciation and amortisation)	2	(85,590)	(3,642)
Gross profit/(loss)		(4,059)	(1,951)
Less: Expenses			
Administrative expenses		(3,626)	(3,389)
Occupancy costs		(365)	(317)
Exploration and evaluation expenditure impaired		-	(2,372)
Share based payments	16	(516)	(199)
Other expenses		(490)	(54)
Total Expenses		(4,997)	(6,331)
Loss before tax		(9,056)	(8,282)
Income tax benefit	3	-	-
Loss after tax from continuing operations		(9,056)	(8,282)
Other comprehensive income		-	-
Other comprehensive income net of tax		-	-
Total comprehensive income attributable to owners		(9,056)	(8,282)
Earnings per share from profit / (loss) attributable to the owners of WPG Resources Ltd			
Basic earnings / (loss) per share (cents per share)	17	(1.29)	(2.31)
Diluted earnings / (loss) per share (cents per share)	17	(1.29)	(2.31)

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 30 June 2017

	Note	Consolidated	
		2017 \$'000	2016 \$'000
Current assets			
Cash and cash equivalents	5	9,929	4,613
Trade and other receivables	6	1,916	1,203
Inventories	7	5,209	3,243
Other financial assets	8	523	74
Total current assets		17,577	9,133
Non-current assets			
Other financial assets	8	2,137	1,605
Property, plant and equipment	9	16,466	396
Development assets	10	15,131	821
Exploration and evaluation expenditure	11	4,640	6,246
Total non-current assets		38,374	9,068
Total assets		55,951	18,201
Current liabilities			
Trade and other payables	12	21,376	5,474
Provisions	13	1,903	1,423
Total current liabilities		23,279	6,897
Non-current liabilities			
Provisions	13	11,269	4,930
Total non-current liabilities		11,269	4,930
Total liabilities		34,548	11,827
Net assets		21,403	6,374
Equity			
Contributed equity	14	54,640	31,330
Reserves	15	1,230	455
Accumulated losses		(34,467)	(25,411)
Total equity		21,403	6,374

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

Consolidated Statement of Cash Flows

for the year ended 30 June 2017

	Note	Consolidated	
		2017 \$'000	2016 \$'000
Cash flows from operating activities			
Receipts from customers		81,106	1,515
Payments to suppliers and employees		(60,092)	(3,048)
Interest received		79	58
Rent received		-	11
Research and development tax incentive received		-	256
Net cash flows used in operating activities	23	21,093	(1,208)
Cash flows from investing activities			
Payment for acquisition of plant and equipment		(8,070)	(11)
Proceeds from sale of property, plant and equipment		-	711
Payment for development expenditure on mining interests		(16,256)	(389)
Payment for exploration and evaluation expenditure on mining interests		(2,297)	(1,234)
Payments of tenement security deposits		(2,461)	(30)
Payment for acquisition of DMPL's 50% JV interest	25	(8,267)	-
Payment for acquisition of Challenger Gold Operations Pty Ltd		(875)	(125)
Payment for investment in financial assets		(299)	-
Net cash flows used in investing activities		(38,525)	(1,078)
Cash flows from financing activities			
Proceeds from issue of shares / exercise of options		24,277	5,718
Payment for share issue costs		(1,529)	(159)
Net cash flows from financing activities		22,748	5,559
Net decrease in cash and cash equivalents			
Cash and cash equivalents at beginning of the year		4,613	1,340
Cash and cash equivalents at the end of the year	23	9,929	4,613

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

Consolidated Statement of Changes in Equity

for the year ended 30 June 2017

	Note	Consolidated			Total Equity \$'000
		Contributed Equity \$'000	Accumulated Losses \$'000	Share Based Payments Reserves \$'000	
2017					
1 July 2016 – opening balances		31,330	(25,411)	455	6,374
Total comprehensive income					
Loss for the year		-	(9,056)	-	(9,056)
Other comprehensive income		-	-	-	-
Total		-	(9,056)	-	(9,056)
Transactions with owners in their capacity as owners					
Issue of new shares, net of share issue costs	14	23,144	-	-	23,144
Vested options transferred to share capital	14	166	-	(166)	-
Share based payments expense	15	-	-	941	941
Total		23,310	-	775	24,085
As at 30 June 2017		54,640	(34,467)	1,230	21,403
2016					
1 July 2015 – opening balances		25,628	(17,129)	399	8,898
Total comprehensive income					
Loss for the year		-	(8,282)	-	(8,282)
Other comprehensive income		-	-	-	-
Total		-	(8,282)	-	(8,282)
Transactions with owners in their capacity as owners					
Issue of new shares, net of share issue costs		5,702	-	(143)	5,559
Share based payments expense	15	-	-	199	199
Total		5,702	-	56	5,758
As at 30 June 2016		31,330	(25,411)	455	6,374

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

1. Summary of Significant Accounting Policies

(a) Corporate information

The consolidated financial statements of WPG Resources Ltd and its subsidiaries (collectively, the Group) for the year ended 30 June 2017 were authorised for issue in accordance with a resolution of the directors on 29 September 2017. WPG Resources Ltd (WPG, the Company or the parent) is a for profit company limited by shares incorporated in Australia whose shares are publicly traded on the Australian Securities Exchange.

The Group is principally engaged in gold mining, gold exploration and project development. The Group's principal place of business is 27 – 31 Macquarie Place Sydney. Further information on the nature of the operations and principal activities of the Group is provided in the Directors' Report. Information on the Group's structure is provided in note 19.

(b) Basis of preparation

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

(c) Statement of compliance

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

(d) Going concern

The financial statements have been prepared on the going concern basis, which contemplates continuity of normal business activities and the realisation of assets and settlement of liabilities in the normal course of business. The Group incurred a loss of \$9.1 million for the year ended 30 June 2017 (2016: \$8.3 million), generated a net cash outflow from operating and investing activities of \$17.4 million and, as of that date, the Group's current liabilities exceeded its current assets by \$5.7 million (2016: \$2.2 million).

In order for the Group to continue as a going concern, the Group must achieve the following:

- Development at Challenger to be on schedule and within budget following appointment of our new underground mining contractor, Byrnescut Australia Pty Ltd, and completion of the final push back at Tarcoola, to enable production to be in line with the Group's cash flow forecasts.
- Raising additional funds which may be from a variety of means inclusive but not limited to issue of new equity, debt, asset sales or entering into joint venture arrangements on mineral properties.

If the Group is unable to achieve the outcomes noted above then there is a material uncertainty that may cast significant doubt about the Group's ability to continue as a going concern and therefore the Group may be unable to realise its assets and liabilities in the normal course of business.

In addition to the above, the mining contract with Pybar Mining Services Pty Ltd was terminated in August 2017 with unpaid claims as of that date totalling \$9.6 million (including GST). On 28 September 2017 Pybar Mining Services Pty Ltd initiated a dispute under the dispute resolution clauses of the mining contract with respect to each of these unpaid claims. Challenger Gold Operations Pty Ltd has denied these claims and has notified Pybar of an off-setting claim for failure to properly perform services in accordance with the mining contract. Challenger Gold Operations Pty Ltd is presently assessing its off-setting claims.

The financial report does not include any adjustments relating to the recoverability and classification of recorded asset amounts or to the amounts and classification of liabilities that may be necessary should the Group be unable to continue as a going concern.

(e) Basis of consolidation

The consolidated financial statements comprise the financial statements of the Group as at 30 June each year. The parent controls a subsidiary if it is exposed, or has right, to variable returns from its involvement with the subsidiary and has the ability to affect those returns through its power over the subsidiary. Potential voting rights that are currently exercisable or convertible are considered when assessing control. The financial statements of subsidiaries are prepared for the same reporting period as the parent company, using consistent accounting policies. All intercompany balances and transactions, income and expenses and profit and losses resulting from intra-group transactions have been eliminated in full. Subsidiaries are fully consolidated from the date on which control is transferred to the Group and cease to be consolidated from the date on which control is transferred out of the Group.

Business combinations

The Group accounts for business combinations using the acquisition method when control is transferred to the Group. The consideration transferred in the acquisition is generally measured at fair value, as are the identifiable net assets acquired. Any goodwill that arises is tested annually for impairment. Any gain on a bargain purchase is recognised in profit or loss immediately. Transaction costs are expense as incurred, except if related to the issue of debt or equity securities.

(f) Property, plant, and equipment

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

Plant and equipment is depreciated based on a unit-of-production method which results in a depreciation charge

Notes to the Financial Statements

as at 30 June 2017

proportional to the depletion of the estimated total production over its life. Where there is a change in the estimated total production the depreciation rate is adjusted prospectively in the reporting period in which the change occurs.

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

An item of plant and equipment is derecognised upon disposal.

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

(g) Exploration, evaluation, development and restoration costs

Exploration and evaluation

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

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

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

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

Exploration and evaluation – impairment

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

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

Provisions are made where farm-in partners are sought and there is a possibility that carried-forward expenditures may have to be written off in the future if a farm-in partner is not

found. In the event that farm-in agreements are reached or the Group undertakes further exploration in its own right on those properties, the provisions would be reviewed and if appropriate, written back.

Mine development

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

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

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

Rehabilitation and restoration

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

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

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

(h) Trade and other receivables

Trade receivables are recognised and carried at original invoice amount less an allowance for any uncollectible amounts.

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

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

(i) Cash and cash equivalents

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

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

(j) Inventories

Inventories are stated at the lower of cost and net realisable value. Cost comprises direct materials and delivery costs, direct labour, import duties and other taxes, an appropriate proportion of variable and fixed overhead expenditure based on normal operating capacity.

Costs of purchased inventory are determined after deducting rebates and discounts received or receivable.

Mining inventory cost is determined on the following basis:

- Gold and other materials on hand is valued on an average total production cost method;
- Ore stockpile are valued at the average cost of mining and stockpiling the ore, including haulage;
- A proportion of related depreciation and amortisation charge is included in the cost of inventory

Stock in transit is stated at the lower of cost and net realisable value. Cost comprises of purchase and delivery costs, net of rebates and discounts received or receivable.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

(k) Trade and other payables and provisions

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

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

(l) Employee benefits

Wages, salaries, annual leave and sick leave

Short-term employee benefits are current liabilities included in employee benefits, measured at the undiscounted amount that the Group expects to pay as a result of the unused entitlement. Annual leave liability is still presented as current liability for presentation purposes under AASB 101 Presentation of Financial Statements.

Long service leave

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

(m) Leases

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

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

(n) Revenue

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

Sale of gold

Revenue from the sale of gold is recognised when the significant risks and rewards of ownership of the gold have passed to the buyer, usually on delivery of the gold. Revenue from the sale of gold is measured at the fair value of the consideration received or receivable.

(o) Income tax

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

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

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

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

Notes to the Financial Statements

as at 30 June 2017

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

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

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

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

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

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

(p) Other taxes

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

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

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

Cash flows are included in the Consolidated Statement of Cash Flows on a gross basis and the GST component of cash flows

arising from investing and financial activities, which are recoverable from, or payable to, the taxation authority are classified as operating cash flows.

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

(q) Currency

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

(r) Impairment of assets

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

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

(s) Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker.

The chief operating decision maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Board of Directors.

(t) Financial Instruments

Initial recognition and measurement

Financial instruments are initially measured at fair value plus transaction costs except where the instrument is classified as 'at fair value through profit or loss' in which case transaction costs are expensed immediately.

Classification and subsequent measurement

Financial instruments are subsequently measured at fair value, amortised cost using the effective interest rate method or at cost. Fair value represents the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Quoted prices in an active market are used to determine fair value where possible. The Group does not designate any interest in subsidiaries, associates or joint venture entities as being subject to the requirements of accounting standards specifically applicable to financial instruments,

- i) **Loans and receivables**
Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are subsequently measured at amortised cost using the effective interest rate method.
- ii) **Financial liabilities**
Non-derivative financial liabilities (excluding financial guarantees) are subsequently measured at amortised cost.
- iii) **Derivative financial instruments**
Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently remeasured to their fair value at the end of each reporting period. The Group uses derivative financial instruments to hedge its exposure to changes in commodity prices arising in the normal course of business. The Group does not trade derivatives for speculative purposes. Derivative financial instruments are recognised at fair value on the date a derivative contract is entered into. Derivatives financial instruments are recognised at fair value on the date a derivative contract is entered into. Derivatives are valued on a mark-to-market valuation and the gain or loss on re-measurement to fair value is recognised through the Statement of Profit or Loss and Other Comprehensive Income.
- iv) **Available-for-sale financial assets**
Available-for-sale financial assets include any financial assets not included in the above categories. The Group's available-for-sale financial assets are initially measured at fair value. Subsequent to initial recognition, available-for-sale financial assets are measured at fair value.

Fair value measurement

Fair value is determined based on current bid prices for all quoted investments. Valuation techniques are applied to determine the fair value for all unlisted securities with reference to similar instruments and option pricing models.

Impairment

At each reporting date, the Group assesses whether there is objective evidence that a financial instrument has been impaired. If there is objective evidence of impairment, the cumulative loss – measured as the difference between the current fair value, less any impairment loss on that financial asset previously not recognised in the profit or loss, is removed from equity and recognised in profit or loss.

(u) Significant accounting judgements, estimates and assumptions

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

Share-based payment transactions

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

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

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

The cost of these equity-settled transactions is measured by reference to the fair value at the grant date determined by using the Binomial Tree option valuation methodology model.

Exploration and evaluation costs

The Group capitalises all its exploration and evaluation expenditure in accordance with accounting policy Note 1(g). Application of this policy requires management to make estimates and assumptions as to future events and circumstances, in particular the assessment of whether economic quantities of reserves will be found. Any such estimates and assumptions may change as new information becomes available.

Deferred mining expenditure

The Group defers mining costs incurred during the production stage of its operations, which are calculated in accordance with accounting policy note 1(g). Changes in an individual mine's design will generally result in changes to the life-of-mine waste to contained gold ounces (life-of-mine) ratio. Changes in other technical and economic parameters that impact reserves will also have an impact on the life-of-mine ratio even if they do not affect the mine's design. Changes to the life-of-mine are accounted for prospectively.

Ore reserve estimates

The Group estimates ore reserves and mineral resources each year based on information compiled by Competent Persons as defined in accordance with the Australian code for reporting Exploration Results, Mineral Resources and Ore Reserves 2012 ('JORC code'). Estimated quantities of economically recoverable reserves are based upon interpretations of geological models and require assumptions to be made including estimates of short and long-term commodity prices,

Notes to the Financial Statements

as at 30 June 2017

exchange rates, future operating performance and capital requirements. Changes in reported reserve estimates can impact the carrying value of plant and equipment and development, provision for restoration and rehabilitation obligations as well as the amount of depreciation and amortisation.

Unit-of-Production method of depreciation and amortisation

The Group uses the unit-of-production basis when depreciating / amortising mine specific assets which results in a depreciation / amortisation charge proportional to the depletion of the anticipated remaining life-of-mine production. Economic life, which is assessed annually, has due regard to both its physical life limitations and to present assessments of economically recoverable reserves of the mine property. These calculations require the use of estimates and assumptions.

Impairment of assets

The group assesses each Cash-Generating Unit (CGU), at least annually, to determine whether there is any indication of impairment or reversal. Where an indicator of impairment or reversal exists, a formal estimate of the recoverable amount is made, which is deemed as being the higher of fair value less costs to sell and value in use calculated in accordance with accounting policy note 1(q). These assessments require the use of estimates and assumptions such as ore reserves, future production, commodity prices, discount rates, exchange rates, operating costs, sustaining capital costs, any future development cost necessary to produce the reserves (including the magnitude and timing of cash flows) and operating performance.

Acquisition of CGO Joint Venture

The acquisition of the subsidiary during the period was considered a business combination under AASB3.

Restoration costs

The Company recognises provisions for rehabilitation and restoration in accordance with accounting policy Note 1(g) – refer Note 13. Significant judgment is required in determining the provision for restoration and rehabilitation as there are many transactions and other factors that will affect the ultimate payable to rehabilitate and restore the mine site. The estimate of future costs therefore requires management to make assessment of the future restoration and rehabilitation date, future environmental legislation, changes in regulations, price increases, changes in discount rates, the extent of restoration activities and future rehabilitation technologies. When these factors change or become known in the future, such differences will impact the restoration and rehabilitation provision in the period in which they change or become known. At each reporting date the rehabilitation and restoration provision is remeasured to reflect any of these changes. During the period a rehabilitation and restoration provision was recognised on the acquisition of Challenger Gold Operations Pty Ltd and the commencement of the Tarcoola open pit. The measurement of this restoration provisions has been estimated by management.

Deferred acquisition costs

The Company recognises deferred acquisition costs in relation to contingent payments that may be payable in the future upon certain milestones occurring. In assessing these, the Company uses significant judgment regarding the feasibility of the projects, the economic hurdles required for a development decision, estimates of future commodity prices. A probability weighted discounted valuation of these contingent milestones is then calculated to calculate the deferred acquisition costs to be brought to account. Following the acquisition of CGO, along with an increased gold price, the Group believes that mining of Tarcoola will commence shortly, as such the deferred acquisition payments relating to commencing mining at Tarcoola have been recognised as an increased provision payable at year end (refer note 13).

(v) Issued capital

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

(w) Earnings per share

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

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

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

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

(x) Investments in associates and joint ventures

Associates are those entities over which the Group is able to exert significant influence but which are not subsidiaries.

A joint venture is an arrangement that the Group controls jointly with one or more other investors, and over which the Group has rights to a share of the arrangement's net assets rather than direct rights to underlying assets and obligations for underlying liabilities. A joint arrangement in which the Group has direct rights to underlying assets and obligations for underlying liabilities is classified as a joint operation.

Investments in associates and joint ventures are accounted for using the equity method. Interests in joint operations are accounted for by recognising the Group's assets (including its share of any assets held jointly), its liabilities (including its share of any liabilities incurred jointly), its revenue from the

sale of its share of the output arising from the joint operation, its share of the revenue from the sale of the output by the joint operation and its expenses (including its share of any expenses incurred jointly).

Any goodwill or fair value adjustment attributable to the Group's share in the associate or joint venture is not recognised separately and is included in the amount recognised as investment.

The carrying amount of the investment in associates and joint ventures is increased or decreased to recognise the Group's share of the profit or loss and other comprehensive income of the associate and joint venture, adjusted where necessary to ensure consistency with the accounting policies of the Group.

Unrealised gains and losses on transactions between the Group and its associates and joint ventures are eliminated to the extent of the Group's interest in those entities. Where unrealised losses are eliminated, the underlying asset is also tested for impairment.

(y) Rounding of amounts

The company is of a kind referred to in Class Order 2016/191 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) or in certain cases, the nearest dollar.

(z) Accounting Standards

New and revised standards effective for these financial statements

In the current year, there are no new and/or revised Standards and Interpretations adopted in these Financial Statements affecting presentation or disclosure and the reported results or financial position.

Accounting Standards issued not yet effective and not been adopted by the Group

The accounting standards that have not been early adopted for the year ended 30 June 2017 but will be applicable to the Group in the future reporting periods are detailed below. Apart from these standards, we have considered other accounting standards that will be applicable in future periods but are considered insignificant to the Group:

- *AASB 9 Financial Instruments, AASB 2010-7 Amendments to Australian Accounting Standards arising from AASB 9 (December 2010), AASB 2014-1 Amendments to Australian Accounting Standards (Part E- Financial Instruments), AASB 2014-7 Amendments to Australian Accounting Standards arising from AASB 9 (December 2014)*
 - AASB 9 Financial Instruments addresses the classification, measurement and derecognition of financial assets and liabilities and introduces new rules for hedge accounting. In December 2014, the AASB made further changes to the classification and measurement rules and also introduced a new

impairment model. These latest amendments now complete the new financial instruments standard. This standard does not apply mandatorily before 1 January 2018. When this standard is first adopted for the year ending 30 June 2019, there will be no material impact on the transactions and balances recognised in the financial statements.

- *AASB 16 'Leases'*
 - AASB 16 replaces AASB 17 Leases and some related Interpretations. The new standard requires all leases to be accounted for as 'on-balance sheet', other than short term and low value asset leases. The standard provides new guidance on the application of the definition of lease on the sale and lease back accounting. The standard also requires new and different disclosures about leases. This standard does not apply mandatorily before 1 January 2019. When this standard is first adopted for the year ending 30 June 2020, there will be no material impact on the transactions and balances recognised in the financial statements.
- *AASB 2016-2 'Amendments to Australian Accounting Standards – Disclosure Initiative: Amendments to AASB 107'*
 - AASB 2016-2 amends AASB 107 Statement of Cash Flows to require entities preparing financial statements in accordance with Tier 1 reporting requirements to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes. This standard does not apply mandatorily before 1 January 2017. When this standard is first adopted for the year ending 30 June 2018, there will be no material impact on the financial statements.
- *AASB 15 Revenue from Contracts with Customers*
 - AASB 15 replaces AASB 118 and AASB 111 Construction Contracts. The new standard is based on the principle that revenue is recognised when control of a good or service transfers to a customer; the notion of control replaces the existing notion of risks and rewards. The standard permits a modified retrospective approach for the adoption. Under this approach entities will recognise transitional adjustments in retained earnings on the date of initial adoption, i.e. without restating the comparative period. They will only need to apply the new rules to contracts that are not completed as of the date of initial application. The standard does not apply mandatorily for reporting periods beginning before 1 January 2018. When this standard is first adopted for the year ending 30 June 2018, there will be no material impact on the financial statements.

Notes to the Financial Statements

as at 30 June 2017

	Consolidated	
	2017 \$'000	2016 \$'000
2. Revenue and expenses		
Revenue from continuing operations		
Revenue from gold sales	81,422	1,515
Revenue from continuing operations	81,422	1,515
Production Costs		
Mining and milling costs	63,625	3,056
Mine administration and royalty costs	10,527	1,545
Inventory movement	1,576	(959)
Depreciation and amortisation	9,862	-
Total production costs	85,590	3,642

3. Income tax benefit		
Loss from continuing activities before tax expense	(9,056)	(8,282)
Prima facie tax benefit on loss from continuing activities at 30% (2016: 30%)	(2,717)	(2,485)
Tax effect of amounts which are not deductible in calculating taxable income:		
Other deductible items	-	(35)
Share-based payments	155	60
Impairment of exploration expenditure	-	712
Deferred acquisition purchase price	25	545
Accretion of provisions	168	-
Fair value movement on investments	47	5
Loss on hedging asset	100	-
Tax effect of current year tax losses for which no deferred tax asset has been recognised	2,222	1,198
Income tax benefit	-	-
Income tax related to deferred tax		
Unrecognised deferred tax assets and liabilities on income tax account:		
Capital raising costs	401	80
Timing differences	-	-
Carry forward tax losses	10,335	8,113
Net unrecognised deferred tax asset	10,736	8,193

The taxation benefits will be obtained only if the assessable income derived is of a nature and an amount sufficient to enable the benefit of deductions to be realised; conditions for deductibility imposed by the law are complied with; and there are no changes in tax legislation that adversely affect the realisation of the benefit of the deductions. For accounts purposes, with respect to the above, the Company has not brought the tax benefit to account. All losses available to the group of companies are included in the current year ended 30 June 2017 as it is assumed that these tax losses will be available to the Group to offset future taxable income subject to satisfaction of the continuity of ownership or same business test.

	Consolidated	
	2017 \$	2016 \$
4. Auditor's remuneration		
Audit and review of the financial report of the Group	85,390	54,236

Notes to the Financial Statements

as at 30 June 2017

	Consolidated	
	2017 \$'000	2016 \$'000
5. Cash and cash equivalents		
Cash at bank	8,495	2,895
Money market securities – term deposits	1,434	1,718
Cash and cash equivalents	9,929	4,613

The weighted average interest rate as at the end of the reporting period is 1.61% (2016: 0.72%) and the average remaining term is 83 days (2015: 33 days).

6. Trade and other receivables		
Current		
Trade receivables	315	375
GST and diesel fuel rebate receivable	1,472	412
Interest receivables	-	3
Other receivables	129	413
Trade and other receivables	1,916	1,203

No trade and other receivables are past due date.

7. Inventories		
Store and consumables	2,261	950
Run of mine ore	1,088	982
Gold doré	1,420	1,066
Gold in circuit	440	245
Inventories	5,209	3,243

8. Other financial assets		
Current		
Financial instruments – commodity put options*	308	-
Financial assets measured at fair value through profit and loss	215	74
Other financial assets – current	523	74
Non-current		
Tenement security deposits	2,035	1,531
Deposits paid	102	74
Other financial assets – non-current	2,137	1,605

* During the year WPG entered into gold forward sales contracts. At the year-end WPG had gold forward sales contracts totalling 9,250 ounces at an average sale price of \$1,654 per ounce with settlement dates ranging between 27 July 2017 and 29 September 2017.

Purpose and recognition

Derivatives are used to hedge the cashflow risk associated with the future gold sale transactions. Current assets and liabilities reflect those instruments which are due for settlement within one year based on a valuation at year end including those instruments which have been settled prior to their expiry but subsequent to 30 June 2017. All instruments are expected to be settled within one year from the end of the reporting date.

Risk exposures and fair value measurements

Information about the group's exposure to credit risk, foreign exchange risk and the methods and assumptions used in determining fair values is provided in notes 1 and 20. The maximum exposure to credit risk at the of the reporting period is the carrying amount of the abovementioned derivative financial assets.

Notes to the Financial Statements

as at 30 June 2017

	Consolidated	
	2017	2016
	\$'000	\$'000
9. Property, plant and equipment		
Plant and equipment		
Plant and equipment at cost	19,658	710
Accumulated depreciation	(3,192)	(314)
Carrying amount at end of financial year	16,466	396
Reconciliation of the carrying amount of property, plant and equipment at the beginning and end of the current and previous financial year		
Carrying amount at beginning of financial year	396	59
Acquisitions- refer to note 25	13,449	354
Additions	5,499	10
Depreciation expense	(2,878)	(27)
Carrying amount at end of financial year	16,466	396
Property, plant and equipment	16,466	396

10. Development asset		
Development asset at cost	22,757	841
Accumulated amortisation	(7,626)	(20)
Development asset at cost	15,131	821
Development asset reconciliation		
Balance at beginning of financial year	821	-
Acquisitions – refer to note 25	1,377	452
Additions	16,616	389
Transfer from exploration and evaluation expenditure	3,824	-
Amortisation	(7,507)	(20)
Carrying amount at end of financial year	15,131	821

The mine development assets (which include Tarcoola and Challenger mines), along with the associated property, plant and equipment have been determined by management to be a single cash generating unit (“CGU”). The recoverable amount of the CGU has been determined by a value-in-use calculation. Management believe that the fair value of the CGU is greater than the carrying value and therefore fully recoverable.

The fair value has been determined using a discounted cash flow model with the following key assumptions:

- Life of mine remaining – 4.5 years
- Pre-tax discount rate of 16%
- Gold price of AUD \$1,650 per ounce

	Consolidated	
	2017	2016
	\$'000	\$'000
11. Exploration and evaluation expenditure		
Costs brought forward	6,246	7,384
Additions	2,218	1,234
Transferred to development assets	(3,824)	-
Exploration expenditure impaired during the financial year	-	(2,372)
Exploration and evaluation expenditure	4,640	6,246

Notes to the Financial Statements

as at 30 June 2017

	Consolidated	
	2017 \$'000	2016 \$'000
12. Trade and other payables		
Current		
Trade creditors and accruals	20,336	4,501
Deferred consideration payable	-	750
Other creditors	1,040	223
Trade and other payables	21,376	5,474

Trade creditors and accruals and other creditors are non-interest bearing and are generally settled on end of month plus 30 day terms.

Trade creditors and accruals include an amount of \$10.6 million (including GST) payable to PYBAR Mining Services Pty Ltd in relation to the April, May and June claims. The June claim of \$3.9 million (including GST) is in dispute.

The mining contract with Pybar Mining Services Pty Ltd was terminated in August 2017 with unpaid claims as of that date totalling \$9.6 million (including GST). On 28 September 2017 Pybar Mining Services Pty Ltd initiated a dispute under the dispute resolution clauses of the mining contract with respect to each of these unpaid claims. Challenger Gold Operations Pty Ltd has denied these claims and has notified Pybar of an off-setting claim for failure to properly perform services in accordance with the mining contract. Challenger Gold Operations Pty Ltd is presently assessing its off-setting claims.

All other trade creditors are within agreed payment terms.

13. Provisions		
Current		
Employee entitlements	853	273
Deferred acquisition cost	1,050	1,150
Current provisions	1,903	1,423
Non-current		
Rehabilitation and restoration costs	10,607	3,767
Premises make good	10	10
Deferred acquisition cost	595	1,041
Employee entitlements	57	112
Non-current provisions	11,269	4,930

During the year, CGO entered into an agreement with Diversified Minerals Pty Ltd whereby DMPL procured a bank guarantee to be issued to replace the \$2.6 million cash backed bond and these release funds were utilised as working capital at the Challenger gold mine. DMPL was granted security over the shares held in CGO and the assets of CGO.

Subsequent to year end this security granted to DMPL was discharged. In lieu of posting a replacement rehabilitation bond in respect of the Challenger gold mine, the Company has granted security over the assets of WPG Resources Ltd, Challenger Gold Operations Pty Ltd, Tarcoola Gold Pty Ltd and WPG Gawler Pty Ltd to the Minister for Mineral Resources and Energy in South Australia. The security will be released when a replacement rehabilitation bond is provided by the Company.

Deferred acquisition cost		
Carrying amount at start of year	2,191	324
Paid during the year	(629)	-
Provision recognised – charged to profit and loss	83	1,867
Deferred acquisition cost refers to the probability weighted discounted valuation of the contingent milestone payments that may become due under the acquisitions in respect of the Tarcoola gold project and the Tunkillia gold project.	1,645	2,191

Notes to the Financial Statements

as at 30 June 2017

	Consolidated	
	2017 \$'000	2016 \$'000
13. Provisions (continued)		
Rehabilitation and restoration		
Carrying amount at start of year	3,767	-
Provision recognised on acquisition of Challenger Gold Operations	-	3,767
Provision recognised in business combination – refer to note 25	6,216	-
Revision of provision*	(1,422)	-
Provision recognised on commencement of mining at Tarcoola	1,488	-
Discount unwind	558	-
Total provision for rehabilitation and restoration	10,607	3,767

* Represents amendments to future restoration and rehabilitation liabilities resulting from changes to the approved mine plan in the financial year, initial recognition of new rehabilitation provisions as well as a change in provision assumptions. Key provision assumption changes include reassessment of costs and timing of expenditure.

The rehabilitation provision is based on estimates for the Tarcoola and Challenger mine sites and refers to the measures and actions required to remediate land disturbed by exploration and mining activities. Close down and restoration costs include the dismantling and demolition of infrastructure and the removal of residual materials and remediation of disturbed areas. Close down and restoration costs are provided for in the accounting period when the obligation arising from the related disturbance occurs based on the net present value of estimated future costs.

The costs are estimated on the basis of a closure plan. The cost amortisation or 'unwinding' of the discount applied in establishing the net present value of provision is charged to the statement of profit or loss. The rehabilitation expenditure for the Tarcoola mine is expected to be \$1.7 million and occur in 2020. The rehabilitation expenditure for the Challenger mine is expected to be \$9.3 million and is expected to occur in 2021. The cost estimates are calculated annually during the life of the operation to reflect known developments and are subject to formal review at regular intervals.

	Consolidated	
	2017 \$'000	2016 \$'000
14. Contributed equity		
Share capital		
At the beginning of the financial year	31,330	25,628
Shares issued during the period	21,270	5,515
Issued on exercise of options	3,407	203
Issued on vesting of incentive rights	166	143
Share issue costs	(1,533)	(159)
Contributed equity	54,640	31,330

	Consolidated	
	2017 No.	2016 No.
Movements in ordinary share capital		
As at 1 July	447,340,108	278,994,920
Shares issued during the year	365,120,241	161,003,355
Issued on exercise of options	88,681,748	5,072,877
Issued on vesting of incentive rights	4,815,900	2,268,956
At the end of the reporting period	905,957,997	447,340,108

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

14. Contributed equity (continued)

Terms and conditions of contributed equity

Ordinary Shares

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

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

Rights

4,815,900 shares were issued during the reporting period by virtue of the vesting of rights (2016: 2,268,956). As at 30 June 2017, the Company had on issue:

Rights	Exercise price	Vesting date
4,415,957 *	\$0.00	1 July 2017
4,931,769	\$0.00	1 July 2018
7,471,079	\$0.00	1 July 2019

* At the date of this report, 2,816,098 rights have vested but the shares associated with these rights have not yet been issued. 1,599,859 performance rights will be re-tested at 1 July 2018.

Options

88,681,748 shares were issued during the reporting period by virtue of the exercise of options (2016: 5,063,956). As at 30 June 2017, the Company had on issue:

Options*	Exercise price	Expiry date
37,500,000	\$0.11	30 September 2018

* Subject to shareholder approval, 79,166,667 options with an exercise price of \$0.08 expiring on 30 June 2019 will be issued to sophisticated and professional investors who participated in the June 2017 Placement and the Corporate Adviser to the June 2017 capital raising.

15. Reserves

Share based payments reserve

	Consolidated	
	2017 \$'000	2016 \$'000
Opening balance	455	399
Transferred to share capital	(166)	(143)
Expensed	516	199
Acquisitions- refer to note 25	425	-
Reserves	1,230	455

The share based payments reserve represents a valuation of incentive rights and options. Incentives issued to employees and officers under the Incentive Rights Plan have been expensed.

16. Share based payments

Share based payment expense recognised during the financial year

Incentives issued to employees and officers under the Incentive Rights Plan	516	199
Share based payments	516	199

The incentive rights plan is described in the Directors' Report.

Notes to the Financial Statements

as at 30 June 2017

16. Share-based payments (continued)

Inputs into the model	2017	2016	2015	2014
Spot price of underlying security	\$0.075	\$0.034	\$0.041	\$0.032
Risk free interest rate	2.12%	2.15%	3.34%	4.41%
Dividend yield	0.00%	0.00%	0.0%	0.0%
Probability of vesting	100%	100%	100%	100%
Exercise price	\$0.00	\$0.00	\$0.00	\$0.00
Standard deviation / volatility	35.89%	73.67%	80.83%	59.30%
Fair value per right	\$0.075	\$0.034	\$0.041	\$0.032

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

Grant date	Vesting Date	Exercise Price	Balance beginning of year	Granted during the year	Exercised during the year	Cancelled during the year	Balance at end of year	Exercisable at end of year
2017 Incentive Rights								
1-Jul-12	01.07.15	\$0.00	1,304,048	-	-	(1,304,048)	-	-
		<i>Weighted average exercise price</i>	<i>\$0.00</i>	<i>\$0.00</i>	<i>\$0.00</i>	<i>\$0.00</i>	<i>\$0.00</i>	<i>\$0.00</i>
1-Jul-13	01.07.16	\$0.00	5,295,590	-	(5,189,705)	(105,885)	-	-
		<i>Weighted average exercise price</i>	<i>\$0.00</i>	<i>\$0.00</i>	<i>\$0.00</i>	<i>\$0.00</i>	<i>\$0.00</i>	<i>\$0.00</i>
1-Jul-14	01.07.17	\$0.00	4,917,178	-	-	(501,221)	4,415,957	-
		<i>Weighted average exercise price</i>	<i>\$0.00</i>	<i>\$0.00</i>	<i>\$0.00</i>	<i>\$0.00</i>	<i>\$0.00</i>	<i>\$0.00</i>
1-Jul-15	01.07.18	\$0.00	6,620,123	-	-	(1,688,354)	4,931,769	-
		<i>Weighted average exercise price</i>	<i>\$0.00</i>	<i>\$0.00</i>	<i>\$0.00</i>	<i>\$0.00</i>	<i>\$0.00</i>	<i>\$0.00</i>
1-Jul-16	01.07.19	\$0.00	-	10,369,256	-	(2,898,447)	7,471,079	-
		<i>Weighted average exercise price</i>	<i>\$0.00</i>	<i>\$0.00</i>	<i>\$0.00</i>	<i>\$0.00</i>	<i>\$0.00</i>	<i>\$0.00</i>
Total			18,136,939	10,369,526	(5,189,705)	(6,497,955)	16,818,805	-

Grant date	Vesting Date	Exercise Price	Balance beginning of year	Granted during the year	Exercised during the year	Cancelled during the year	Balance at end of year	Exercisable at end of year
2016 Incentive Rights								
1-Jul-12	01.07.15	\$0.00	3,536,907	-	(2,001,398)	(231,461)	1,304,048	-
		<i>Weighted average exercise price</i>	<i>\$0.00</i>	<i>\$0.00</i>	<i>\$0.00</i>	<i>\$0.00</i>	<i>\$0.00</i>	<i>\$0.00</i>
1-Jul-13	01.07.16	\$0.00	5,511,082	-	(129,297)	(86,195)	5,295,590	-
		<i>Weighted average exercise price</i>	<i>\$0.00</i>	<i>\$0.00</i>	<i>\$0.00</i>	<i>\$0.00</i>	<i>\$0.00</i>	<i>\$0.00</i>
1-Jul-14	01.07.17	\$0.00	5,307,301	-	(167,197)	(222,926)	4,917,178	-
		<i>Weighted average exercise price</i>	<i>\$0.00</i>	<i>\$0.00</i>	<i>\$0.00</i>	<i>\$0.00</i>	<i>\$0.00</i>	<i>\$0.00</i>
1-Jul-15	01.07.18	\$0.00	-	6,620,123	-	-	6,620,123	-
		<i>Weighted average exercise price</i>	<i>\$0.00</i>	<i>\$0.00</i>	<i>\$0.00</i>	<i>\$0.00</i>	<i>\$0.00</i>	<i>\$0.00</i>
Total			14,355,290	6,620,123	(2,297,892)	(540,582)	18,136,939	-

16. Share-based payments (continued)

Performance and Retention Incentives

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

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

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

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

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

	Consolidated	
	2017	2015
17. Loss per share		
Basic earnings / (loss) per share (cents)	(1.29)	(2.31)
Diluted earnings / (loss) per share (cents)	(1.29)	(2.31)
Weighted average number of ordinary shares outstanding during the year used in calculation of basic and diluted EPS	700,911,784	357,805,147
Earnings / (Loss) after tax used in calculating basic and diluted EPS	(9,055,975)	(8,281,305)

	Consolidated	
	2017	2016
	\$	\$
18. Related party disclosures		
Key management personnel compensation		
The aggregate compensation made to KMP of the Company and the Group is set out below:		
Short-term employee benefits	1,673,746	1,091,782
Post-employment benefits	124,651	106,996
Non-monetary benefits	-	-
Share-based benefits	449,146	188,348
Key management personnel compensation	2,247,543	1,387,126

Detailed disclosures for remuneration and other transactions with key management personnel have been included in the directors' report.

Notes to the Financial Statements

as at 30 June 2017

19. Group entities

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

Name	Country of incorporation	Equity interest		Investment	
		2017 %	2016 %	2017 \$	2016 \$
Challenger Gold Operations Pty Ltd	Australia	100	100	10,300,000	500,000
Southern Coal Holdings Pty Ltd	Australia	100	100	1	1
Tarcoola Gold Pty Ltd	Australia	100	100	1	1
Tunkillia Gold Pty Ltd	Australia	100	100	1,842,304	1,842,304
WPG Gawler Pty Ltd	Australia	100	100	1	1
WPG Securities Pty Ltd	Australia	100	100	1	1
Total				12,142,308	2,342,308

20. Financial instruments

Fair value of financial assets and liabilities

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

Capital risk management

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

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

Financial risk management

(a) General objectives, policies and processes

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

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

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

The Board has overall responsibility for the determination of the Group's risk management objectives and policies and, whilst retaining ultimate responsibility for them, it has delegated the authority for designing and operating processes that ensure the effective implementation of the objectives and policies to the Group's finance function.

The Groups' risk management policies and objectives are therefore designed to minimise the potential impacts of these risks on the results of the Group where such impacts may be material.

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

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

20. Financial instruments (continued)

(b) Credit risk

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

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

	Consolidated	
	2017	2016
	\$'000	\$'000
Cash and cash equivalents	9,929	4,613
Other receivables	1,916	811
Tenement security deposit	2,020	1,531
Lease rental deposit	102	74
Total	13,967	7,029

All cash and cash equivalent funds are held with the Westpac Banking Corporation Limited.

(c) Liquidity risk

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

(d) Interest rate risk

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

	Consolidated	
	2017	2016
Weighted average rate of cash balances	0.00%	0.00%
Cash balances	\$8,494,993	\$2,895,412
Weighted average rate of term deposits	1.61%	0.72%
Term deposits	\$1,434,411	\$1,717,417

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

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

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

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

Sensitivity analysis

	Carrying Amount \$'000	+1.0% of AUD IR		-1.0% of AUD IR	
		Profit \$'000	Other Equity \$'000	Profit \$'000	Other Equity \$'000
Consolidated – 2017					
Cash and cash equivalents	9,929	99	-	(99)	-
Tax charge of 30%	-	(30)	-	30	-
After tax increase / (decrease)	9,929	69	-	(69)	-
Consolidated – 2016					
Cash and cash equivalents	4,613	46	-	(46)	-
Tax charge of 30%	-	(14)	-	14	-
After tax increase / (decrease)	4,613	32	-	(32)	-

The above analysis assumes all other variables remain constant.

Notes to the Financial Statements

as at 30 June 2017

20. Financial instruments (continued)

Financing arrangements

The following financing facilities were available at the reporting date:

Maturity analysis	Carrying Amount	Contractual Cash flows	< 6 mths	6-12 mths	1-3 years	> 3 years
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Consolidated – 2017						
Financial liabilities						
Trade creditors and other payables	21,376	21,376	21,376	-	-	-
Deferred consideration	1,645	2,413	550	500	50	1,313
Total	23,021	23,789	21,926	500	50	1,313
Financial assets (loans and receivables including cash and cash equivalents)						
Cash at bank and deposits at call	9,929	9,929	9,929	-	-	-
Other receivables	128	128	128	-	-	-
Tenement security deposit	2,035	2,035	-	-	1,910	125
Lease rental deposit	-	-	-	-	-	102
Total	12,092	12,092	10,057	-	1,910	227

Maturity analysis	Carrying Amount	Contractual Cash flows	< 6 mths	6-12 mths	1-3 years	> 3 years
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Consolidated – 2016						
Financial liabilities						
Trade creditors and other payables	5,474	5,474	5,474	-	-	-
Deferred consideration	2,191	3,010	1,150	550	313	998
Total	7,665	8,484	6,624	550	313	998
Financial assets (loans and receivables including cash and cash equivalents)						
Cash at bank and deposits at call	4,613	4,613	4,613	-	-	-
Other receivables	399	399	399	-	-	-
Tenement security deposit	1,531	1,531	1,531	-	-	-
Lease rental deposit	74	74	-	-	-	74
Total	6,617	6,617	6,543	-	-	74

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

(e) *Market risk*

Commodity price risk

The Group's revenue is exposed to commodity price fluctuations, in particular to gold prices. Price risk relates to the risk that the fair value of the future cash flows of gold sales will fluctuate because of changes in market prices largely due to the demand and supply factors for commodities. The Group is exposed to commodity price risk to the sale of gold on physical delivery at prices determined by market at the time of sale. The Group manages commodity price risk as follows:

Forward sales contracts

Gold price risk is managed through the use of forward sales contracts which effectively fix the Australian dollar gold price and thus provide cash flow certainty. Gold forward contracts are marked to market at fair value through profit and loss.

Gold prices, cash flows and economic conditions are constantly monitored to determine whether to implement a hedging program. At 30 June 2017, the Group had 9,250 ounces in forward sales contracts at an average price of \$1,654. Refer to note 8 for further details.

20. Financial instruments (continued)

Gold price sensitivity analysis

The Group has performed a sensitivity analysis relating to its exposure to gold price risk at reporting date. This sensitivity analysis demonstrates the effect on the current year results and equity which could result in a change in these risks. Any impacts from such hedging would be in relation to revenue from gold sales.

Based on gold sales of 34,451 (50,951 less forward sales of 16,500) during the year ended 30 June 2017, if the gold price in Australian dollars changed by +/- \$100 with all other variables remaining constant, the estimated realised impact on pre-tax profit (loss) and equity would have been +/- \$3,445 thousand impact on pre-tax profit (loss) and equity.

(f) *Fair value measurement*

The financial assets and liabilities of the Group are recognised on the Consolidated Balance Sheet at their value in accordance with the accounting policies in Note 1. Measurement of fair value is group into levels based on the degree to which fair value is observable in accordance with AASB 7 Financial Instruments: Disclosure.

- Level 1 – fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2 – fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices).
- Level 3 – fair value measurements are those derived from valuation techniques that includes inputs for the asset or liability that are not based on observable market data (unobservable inputs).

Fair value measurement of financial instruments

The Group carries derivative financial instruments (gold forward contracts) at fair value. The fair values of derivative financial instruments were determined to be of Level 2 on the fair value hierarchy above. The fair value of financial instruments traded in active markets is based on quoted market prices at the balance sheet date. A market is regarded as active if quoted prices are readily and regularly available from exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis.

The fair values of available-for-sale financial assets are measured at fair value using the closing price on the reporting date as listed on the Australian Securities Exchange Limited (ASX). Available-for-sale financial assets are recognised as a Level 1 in the fair value hierarchy above. The carrying amounts of trade receivables and payables are assumed to approximate their fair values due to their short-term nature.

The fair value of financial instruments that are not traded in an active market is determined using valuation techniques. These valuation techniques maximise the use of observable market data where it is available and rely as little as possible on entity specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2. If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

21. Contingencies

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

The Group has provided a number of bank guarantees in favour of government authorities and service providers in relation to environmental and rehabilitation bonds for the Tarcoola gold mine totalling \$1,925,000 (2016: \$150,000). These bank guarantees are fully secured by cash on term deposit.

During the year, CGO entered into an agreement with Diversified Minerals Pty Ltd whereby DMPL procured a bank guarantee to be issued to replace the \$2.6 million cash-backed bond and these release funds were utilised as working capital at the Challenger gold mine. DMPL was granted security over the shares held in CGO and the assets of CGO.

Subsequent to year end this security granted to DMPL was discharged. In lieu of posting a replacement rehabilitation bond in respect of the Challenger gold mine, the Company has granted security over the assets of WPG Resources Ltd, Challenger Gold Operations Pty Ltd, Tarcoola Gold Pty Ltd and WPG Gawler Pty Ltd to the Minister for Mineral Resources and Energy in South Australia. The security will be released when a replacement rehabilitation bond is provided by the Company.

Notes to the Financial Statements

as at 30 June 2017

22. Commitments

Exploration licence expenditure requirements

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

	Consolidated	
	2017 \$'000	2016 \$'000
Commitments		
Payable not later than one year	3,240	2,053
Payable later than one year but not later than two years	-	2,525
Total	3,240	4,578
Operating leases		
Office lease and equipment		
Not later than one year	291	419
Later than one year but not later than five years	99	110
Later than five years	-	83
Total	390	612

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

23. Cash flow information

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

	Consolidated	
	2017 \$'000	2016 \$'000
Operating profit/(loss) after income tax	(9,056)	(8,282)
Depreciation and amortisation	9,862	47
Exploration and evaluation expenditure impaired	-	2,372
Share-based payments	516	199
Fair value loss/(gain) on investment	104	14
Unrealised hedging gain	332	
Deferred acquisition price expense	83	1,817
Accretion expense on rehabilitation	553	-
Loss on sale of assets	-	39
Change in assets and liabilities		
Increase in receivables	(713)	(714)
Increase in inventories	(1,966)	(1,132)
Increase in provisions	6,226	335
Increase in trade and other creditors	15,152	4,097
Net cash outflow from operating activities	21,093	(1,208)

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

The balance at 30 June comprised:

Cash assets	8,495	2,895
Term deposits	1,434	1,718
Cash on hand	9,929	4,613

24. Interest in joint operations

In the comparative year, the Group has recognised its share of jointly held assets, liabilities, revenues and expenses of joint operations. Effective 1 August 2016 the Company acquired the interests of Diversified Minerals (Challenger) Pty Ltd in the Challenger Joint Venture and the joint ventures were dissolved. Details of this transaction are shown in Note 25 Acquisition of Challenger Gold Operations Pty Ltd. These have been incorporated in the financial statements under the appropriate classifications. Information relating to joint operations that are material to the consolidated entity are set out below:

Name	Principal place of business / Country of incorporation	Ownership interest	
		2017 %	2016 %
Challenger Gold Operations Pty Ltd	Exploration, mining and production of gold and silver in South Australia	100%	50%

25. Acquisition of Challenger Gold Operations Pty Ltd

Effective from 1 August 2016, WPG completed the acquisition of its former joint venture partner Diversified Minerals Pty Ltd (DMPL) 50% interest in the Challenger mining and exploration joint ventures (CJVs), to increase its interest to 100% of the Challenger gold operations.

The purchase price was \$9 million, assumption of \$375,000 debt for its joint venture interest and the issue of 25 million WPG options to DMPL with a fair value of \$425,000. The unlisted vendor options will expire on 30 September 2018 and the exercise price is \$0.11 per option exercised. The issue of vendor options was approved at a general meeting of shareholders held on 13 October 2016.

In accordance with AASB108 - Accounting Policies, Changes in Accounting Estimates and Errors and in the absence of an Australian Accounting Standard that specifically applies to a transaction, other event or condition, management shall use its judgement in developing and applying an accounting policy. The Directors have elected to account for the increased interest in the CJV's (from joint control to full 100% control) at cost as the assets and liabilities had previously been recognised at the time of obtaining joint control. In the opinion of management and the directors the accounting policy adopted reflects the economic substance of the transaction and is prudent

If the acquisition had occurred on 1 July 2016, management estimates that consolidated revenue would have been \$84.8 million, and consolidated loss for the year would have been \$8.3 million. In determining these amounts, management has assumed that the fair value adjustments, determined provisionally, that arose on the date of acquisition would have been the same if the acquisition had occurred on 1 July 2016.

The fair value of the assets and liabilities of Challenger Gold Operations Pty Ltd acquired as at the date of acquisition were as follows:

	50% acquisition \$'000
Assets	
Cash	733
Cash bonds	635
GST receivable	659
Diesel fuel rebate receivable	470
Run of mine inventory	731
Gold-In-Circuit	404
Finished goods	1,597
Stores	1,014
Prepayments	40
Plant and equipment	13,449
Mine development	1,377
Total Assets	21,109

Notes to the Financial Statements

as at 30 June 2017

25. Acquisition of Challenger Gold Operations Pty Ltd (continued)

	50% acquisition \$'000
Liabilities	
Trade creditors	4,417
Accruals	311
Provisions	365
Rehabilitation provision	6,216
Total Liabilities	11,309
Net Assets / (Liabilities) acquired at written down value	9,800
Purchase Price	
Payment for DMPL's 50% joint venture interest	9,000
Assumption of DMPL JV debt	375
Issuance of options	425
Total Purchase Price	9,800
Cash Flow	
Payment for DMPL's 50% joint venture interest	(9,000)
Cash acquired	733
Net Cash Flow	(8,267)

26. Segment reporting

Management has determined the operating segment based on internal reports about components of the group that are regularly reviewed by the Managing Director in order to make strategic decisions. Reportable operating segments are production, exploration and other costs with a main focus on gold.

The Managing Director monitors performance in these areas separately. Unless stated otherwise, all amounts reported to the Managing Director are determined in accordance with accounting policies that are consistent with those adopted in the annual financial statements of the group.

	Exploration \$'000	Production \$'000	Consolidated \$'000
2017			
Revenue	-	81,422	81,422
Cost of production	-	(85,590)	(85,590)
Other expenses	(33)	(608)	(642)
Segment profit/loss before tax	(33)	(4,775)	(4,808)
Other income			109
Other expenses			(4,357)
Profit/loss before income tax from continuing operations			(9,056)
Segment assets			
Segment assets from continuing operations	3,252	42,282	45,534
Corporate unallocated assets			
Cash and cash equivalents			9,929
Trade and other receivables			179
Other financial assets			309
Total consolidated assets			55,951

Notes to the Financial Statements

as at 30 June 2017

26. Segment reporting (continued)

	Exploration \$'000	Production \$'000	Consolidated \$'000
Segment liabilities			
Segment liabilities from continuing operations	(148)	(32,270)	(32,418)
Corporate unallocated liabilities			
Trade and other payables			(380)
Provisions			(253)
Deferred acquisition costs			(1,497)
Total consolidated liabilities			(34,548)

	Exploration \$'000	Production \$'000	Consolidated \$'000
2016			
Revenue	-	1,515	1,515
Cost of production	-	(3,642)	(3,642)
Other expenses	(2,372)	-	(2,372)
Segment profit/loss before tax	(2,372)	(2,127)	(4,499)
Other income			176
Other expenses			(3,959)
Profit/loss before income tax from continuing operations			(8,282)

Segment assets			
Segment assets from continuing operations	6,535	7,443	13,978
Corporate unallocated assets			
Cash and cash equivalents			3,623
Trade and other receivables			446
Other financial assets			154
Total consolidated assets			18,201

Segment liabilities			
Segment liabilities from continuing operations	(127)	(9,096)	(9,223)
Corporate unallocated liabilities			
Trade and other payables			(58)
Provisions			(355)
Deferred acquisition costs			(2,191)
Total consolidated liabilities			(11,827)

Segments assets by geographical location

Segment assets of WPG are geographically located in Australia.

Notes to the Financial Statements

as at 30 June 2017

27. Corporate information

The financial statements of WPG Resources Ltd for the year ended 30 June 2017 were authorised for issue in accordance with a resolution of the directors on 29 September 2017 and cover the Consolidated Entity consisting of WPG Resources Ltd and its subsidiaries as required by the Corporations Act 2001. Separate financial statements for WPG Resources Ltd as an individual entity are no longer presented as a consequence of a change to the Corporations Act 2001.

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

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

The financial statements are presented in Australian currency.

28. Parent entity information

The following information relates to the parent entity, WPG Resources Ltd. The information presented has been prepared using accounting policies that are consistent with those presented in Note 1, other than investment in subsidiaries which are recorded at cost, less provision for impairment.

	Parent Entity	
	2017 \$'000	2016 \$'000
Current assets	30,615	7,222
Non-current assets	343	2,725
Total assets	30,958	9,947
Current liabilities	677	1,387
Non-current liabilities	66	2,186
Total liabilities	743	3,573
Contributed equity	54,640	31,329
Accumulated losses	(25,655)	(25,410)
Share-based payment reserve	1,229	455
Total equity	30,214	6,374
Loss for the year	(4,408)	(8,282)
Other comprehensive income for the year	-	-
Total comprehensive income attributable to members of WPG Resources Ltd	(4,408)	(8,282)

29. Subsequent events

Other than noted below no matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the Company, the results of those operations, or the state of affairs of the Company in future financial years except as follows:

On 19 June 2017 WPG launched a \$5.4 million 1 for 8 pro rata non-renounceable Entitlement Issue to eligible shareholders. Due to unfavourable market conditions, the offer was withdrawn on 15 August 2017 and all application moneys refunded.

In July 2017, WPG invited a number of mining contractors to tender for a new mining contract at Challenger in a competitive process and issued a Letter of Intent to Byrnescut Australia Pty Ltd who commenced mobilisation activities and assumed responsibility for all underground mining at Challenger as of 5 August 2017.

On 21 September and 29 September 2017, WPG released the 30 June 2017 Mineral Resource and Ore Reserve Estimates for Tarcoola and Challenger respectively.

The combined 30 June 2017 Mineral Resource estimate was a total of 3,221,000 tonnes at an average grade of 4.36 g/t Au containing 451,000 ounces of gold.

The 30 June 2017 Ore Reserves estimate was 1,104,000 tonnes at an average grade of 4.25 g/t Au containing 151,000 ounces of gold.

29. Subsequent events (continued)

WPG confirms that it is not aware of any new information or data that materially affects the information included in the 21 September and 29 September 2017 market announcements and above in relation to the mineral resource estimate, and confirms that to the best of its knowledge and belief all material assumptions and technical parameters underpinning the mineral resource and ore reserve estimates in the 21 September and 29 September 2017 market announcements continue to apply and have not materially changed except to the extent of production.

During the year, CGO entered into an agreement with Diversified Minerals Pty Ltd whereby DMPL procured a bank guarantee to be issued to replace the \$2.6 million cash-backed bond and these release funds were utilised as working capital at the Challenger gold mine. DMPL was granted security over the shares held in CGO and the assets of CGO.

Subsequent to year end this security granted to DMPL was discharged. In lieu of posting a replacement rehabilitation bond in respect of the Challenger gold mine, the Company has granted security over the assets of WPG Resources Ltd, Challenger Gold Operations Pty Ltd, Tarcoola Gold Pty Ltd and WPG Gawler Pty Ltd to the Minister for Mineral Resources and Energy in South Australia. The security will be released when a replacement rehabilitation bond is provided by the Company.

The mining contract with Pybar Mining Services Pty Ltd was terminated in August 2017 with unpaid claims as of that date totalling \$9.6 million (including GST). On 28 September 2017 Pybar Mining Services Pty Ltd initiated a dispute under the dispute resolution clauses of the mining contract with respect to each of these unpaid claims. Challenger Gold Operations Pty Ltd has denied these claims and has notified Pybar of an off-setting claim for failure to properly perform services in accordance with the mining contract. Challenger Gold Operations Pty Ltd is presently assessing its off-setting claims.

Directors' Declaration

as at 30 June 2017

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

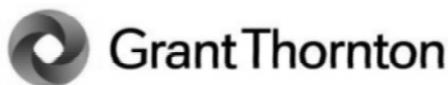
- (1) The Directors of the Company declare that:
 - (a) financial statements comprising the statement of profit or loss and other comprehensive income, statement of financial position, statement of cash flows, statement of changes in equity and accompanying notes are in accordance with the *Corporations Act 2001*, and:
 - (i) give a true and fair view of the consolidated entity's financial position as at 30 June 2017 and of the performance for the year ended on that date; and
 - (ii) comply with Accounting Standards and the Corporations Regulations 2001.
 - (b) The Company has included in the notes to the financial statements an explicit and unreserved statement of compliance with International Financial Reporting Standards.
- (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.
- (3) The remuneration disclosures set out on pages 28 to 34 of the Directors' Report (as part of the Audited Remuneration Report) for the year ended 30 June 2017, comply with Section 300A of the Corporations Regulations 2001.
- (4) The Directors have been given the declarations by the Chief Executive Officer and the Chief Financial Officer required to be made to the Directors in accordance with section 295A of the *Corporations Act 2001*.

On behalf of the Board



Bob Duffin
Executive Chairman

29 September 2017



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

Report on the audit of the financial report

Opinion

We have audited the financial report of WPG Resources Limited (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 30 June 2017, the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated statement statements, including a summary of significant accounting policies, and the directors' declaration.

In our opinion, the accompanying financial report of the Group is in accordance with the *Corporations Act 2001*, including:

- a Giving a true and fair view of the Group's financial position as at 30 June 2017 and of its performance for the year ended on that date; and
- b Complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Group in accordance with the independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

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Material Uncertainty Related to Going Concern

We draw attention to Note 1(d) in the financial statements, which indicates that the Group incurred a net loss of \$9.1 million during the year ended 30 June 2017 and had total net cash outflows from operating and investing activities totalling \$17.4 million. These conditions, along with other matters as set forth in Note 1(d), indicate that a material uncertainty exists that may cast doubt on the Group's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

In addition to the matter described in the Material Uncertainty Related to Going Concern section, we have determined the matters described below to be the key audit matters to be communicated in our report.

Key audit matter	How our audit addressed the key audit matter
<p>Acquisition of Challenger Gold Operations Joint Venture Notes 1(e), (u), 25</p> <p>During the year, the Group acquired an additional 50% share of Challenger Gold Joint Venture to bring its ownership interest to 100%.</p> <p>This area is a key audit matter due to judgements and estimates required in determining the appropriate accounting, including estimating fair values of net assets acquired and estimating the fair value of the purchase consideration.</p>	<p>Our procedures included, amongst others:</p> <ul style="list-style-type: none"> • Reading the relevant purchase agreements in relation to the acquisition to identify the purchase consideration and details of the assets and liabilities acquired as part of the transaction to determine whether the accounting for the acquisition is consistent with the requirements of AASB 3 – <i>Business Combinations</i>; • Testing the identification and valuation of identifiable assets and liabilities against available supporting documentation; • Assessing the judgements and estimates made by management; • Testing the methodology and mathematical accuracy of the calculations performed by management; and • Assessing the adequacy of Group's disclosures within the financial statements.



Key audit matter	How our audit addressed the key audit matter
<p>Provision for Rehabilitation and Restoration Note 1(g), (u), 13</p> <p>As at 30 June 2017, the Group has a liability of \$10.6 million relating to the estimated cost of rehabilitation, decommissioning and restoration for areas disturbed during operation of the Challenger and Tarcoola mine area but not yet rehabilitated.</p> <p>The provision is based upon current cost estimates and has been determined on a discounted basis with reference to current legal requirements and technology. At each reporting date the rehabilitation liability is reviewed and re-measured in line with changes in observable assumptions, timing and the latest estimates of the costs to be incurred based on area of disturbance at reporting date.</p> <p>The area is a key audit matter as the determination of the restoration liability involves a level of complex calculations and significant management judgement.</p>	<p>Our procedures included, amongst others:</p> <ul style="list-style-type: none"> • Obtaining the restoration provision calculation prepared by management and agreeing to the general ledger; • Undertaking an evaluation of managements experts used in the assessment of the provision and its assumptions; • Testing the additions to the provision against our understanding of the business including new mining operation which commenced during the year; • Recalculating the implied interest charges associated with the time value of money; • Obtaining an understanding of any restoration undertaken during the year for appropriate accounting treatment; • Considering the inputs into the calculation including the discount and inflation rates for comparison to external sources as well as the expected timing of cash flows; and • Reviewing the appropriateness of the related disclosures within the financial statements.
<p>Inventories Notes 1(j), 7</p> <p>At 30 June 2017, the Group has recognised inventory in the form of store and consumables of \$2.2 million, run of mine ore of \$2.5 million and gold ore on hand of \$0.4 million.</p> <p>The determination of the carrying value and existence of ore stockpiles, gold in circuit and ore mined are significant areas of judgement. This includes consideration of production through the application of IFRIC 20 – <i>Stripping Costs in the Production Phase of a Surface Mine</i>.</p> <p>This is a key audit matter due to the estimates utilised in determining the quantities and valuing the inventory from the various mines.</p>	<p>Our procedures included, amongst others:</p> <ul style="list-style-type: none"> • Documenting the processes and assessing the internal controls relating to the costing of inventory; • Reconciling the costs of production to the inventory costing schedules prepared by management; • Testing a sample of production costs to supporting documentation to determine if allocated appropriately; • Attending the stocktake at the Challenger site where a sample of stores and consumable items were selected and physically verified; • Attended the Challenger site and physically verifying the ore stockpiles around year end for consistency with supporting survey data; • Testing the reasonability of the costs absorbed into run of mine ore, gold in circuit and bullion on hand; • Testing management's methodology and assumptions used in quantifying stock obsolescence and net realisable value; and • Reviewing the appropriateness of the related disclosures within the financial statements.



Key audit matter	How our audit addressed the key audit matter
<p>Valuation of development and production assets, made up of:</p> <ul style="list-style-type: none"> - Development assets – Notes 1(g), (u), 10 - Property, plant and equipment – Notes 1(f), (u), 9 <p>The Group has total assets attributable to the Challenger cash generating unit of \$42.3 million and incurred \$24.3 million during the year associated with stripping of the Tarcoola pit and the continued development of the decline at the Challenger underground mine.</p> <p>In addition, \$3.8 million of Tarcoola exploration assets were transferred to development assets during the year to commence stripping which occurred during the reporting period.</p> <p>Amortisation of development and production assets represents an area of significant judgement within the financial statements as the Group applies a units of production amortisation policy which involves management judgement in determining the rates of amortisation based on the depletion of the ore reserves.</p> <p>In addition, the evaluation of the recoverable amount of the assets requires significant judgement in determining key assumptions supporting the expected future cash flows and the utilisation of the relevant assets.</p> <p>This area is a key audit matter due to the level of judgement and estimation used in the determination of amortisation rates and the discounted cashflow models supporting the asset recoverable values.</p>	<p>Our procedures included, amongst others:</p> <ul style="list-style-type: none"> • Documenting the processes and assessing the internal controls relating to management's assessment of impairment, calculation of deferred stripping costs and amortisation; • Obtaining management's reconciliation of capital and development assets and agreeing to the general ledger; • Assessing whether the determination of cash generating unit's for consistency with our understanding of how the Chief Operating Decision Maker monitors the Group's operations and makes decisions about groups of assets that generate independent cash flows; • Obtaining management's value in use model for the Challenger cash generating unit over its life of mine and analysed for appropriateness against AASB 136, including: <ul style="list-style-type: none"> - Understanding management's assumptions; - Performing sensitivity analysis on assumptions; and - Reviewing forecast production against available reserves and resources; • Evaluating managements experts in relation to compilation of reserves and resources used in the model prepared by management; • Evaluation of managements experts used in the computation of the stripping ratio applied to the Tarcoola pit; • Analysing the stripping ratio against management's experts estimates and for compliance against IFRIC 20; • Comparing amortisation calculations to production data; • Comparing the market capitalisation of the company at 30 June 2017 against the carrying value of assets; and • Reviewing the appropriateness of the related disclosures within the financial statements.

Information Other than the Financial Report and Auditor's Report Thereon

The Directors are responsible for the other information. The other information comprises the information included in the Group's annual report for the year ended 30 June 2017, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.



Responsibilities of the Directors' for the Financial Report

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

In preparing the financial report, the Directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at: http://www.auasb.gov.au/auditors_responsibilities/ar1.pdf. This description forms part of our auditor's report.

Report on the Remuneration Report

Opinion on the Remuneration Report

We have audited the Remuneration Report included in the directors' report for the year ended 30 June 2017.

In our opinion, the Remuneration Report of WPG Resources Limited, for the year ended 30 June 2017, complies with section 300A of the *Corporations Act 2001*.

Responsibilities

The Directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

A stylized signature of Grant Thornton.

GRANT THORNTON AUDIT PTY LTD

Chartered Accountants

A handwritten signature of J L Humphrey.

J L Humphrey
Partner - Audit & Assurance

Adelaide, 29 September 2017

Security Holder Information

Information relating to shareholders as at 10 October 2017

Substantial Shareholders

	Shareholding
Bob Duffin	62,469,010
L&M Group	52,083,333
Jalinsons Pty Ltd	38,216,664

Distribution of Shareholders

Number of ordinary shares held	Number of Holders	Ordinary Shares
1 – 1,000	279	93,675
1,001 – 5,000	372	1,095,194
5,001 – 10,000	273	2,205,650
10,001 – 100,000	1,105	45,259,190
100,001 – and over	978	857,304,288
TOTAL	3,007	905,957,997

At the prevailing market price of \$0.022 per share, there are 1,303 shareholders with less than a marketable parcel of \$500.

Top 20 Shareholders of Ordinary Shares as at 10 October 2017	Shares	% held
L&M Group Limited	52,258,333	5.768%
Jalinsons Pty Ltd <JPW Super Fund No 2 A/C>	35,149,997	3.880%
Jetan Pty Ltd	26,193,957	2.891%
REC Investment Management Pty Ltd	22,080,541	2.437%
Jalinsons Pty Ltd <JPW Super Fund A/C>	17,786,110	1.963%
Mr Robert Harry Duffin	16,055,554	1.772%
Mr Martin Montull	14,500,000	1.601%
Irrawaddy Investments Pty Ltd <Wotrun Pty Ltd S/F A/C>	13,695,831	1.512%
Custodial Services Limited <Beneficiaries Holding A/C>	9,645,045	1.065%
National Nominees Limited <DB A/C>	9,541,708	1.053%
Chembank Pty Limited <Philandron Account>	9,000,000	0.993%
Lawncat Pty Ltd	8,621,514	0.952%
86th Arcadian Pty Limited <A J Darbyshire Super A/C>	8,377,982	0.925%
Irrawaddy Investments Pty Ltd <Duffin Family A/C>	8,318,561	0.918%
Jetan Pty Limited <GR Plummer Super Fund A/C>	8,000,000	0.883%
BNP Paribas Nominees Pty Ltd <IB AU Noms Retailclient DRP>	7,862,011	0.868%
Nonad Financial Services Pty Ltd <P & P Brennan SF A/C>	7,844,500	0.866%
Sydney Fund Managers Ltd	6,777,301	0.748%
Mr Eric George Baker & Mrs Janine Marie Baker <Kameruka Super A/C>	6,476,666	0.715%
Washington H Soul Pattinson And Company Limited	6,363,373	0.702%
Total of top 20 holdings	294,548,984	32.512%
Other holdings	611,409,013	67.488%
Total fully paid shares issued	905,957,997	100.000%

Unquoted options

There are 2 holders of unquoted options (exercise price \$0.11, expiry 30 September 2018). Each holder has more than 20% of these unquoted options.

Unquoted options	Shares	% held
Diversified Minerals Pty Ltd	25,000,000	67%
Veritas Securities Pty Ltd	12,500,000	33%
Total unquoted options (Exercise price \$0.11, expiry 30 September 2018)	37,500,000	100%

Corporate Governance

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

Incentive Rights Plan

At a General Meeting held in August 2010, the Incentive Rights Plan was adopted. There are 15 holders of Incentive Rights. The Incentive Rights Plan is summarised in the Directors' Report.

Voting rights

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

Restricted securities

There are no restricted securities on issue.

There is no current on market buy back.

Corporate Directory

WPG Resources Ltd

ABN 51 109 426 502

Directors

Robert H Duffin - Executive Chairman

Helen Wiseman – Lead Independent Non-Executive Director

Gary J Jones - Non-Executive Director

Lim See Yong - Non-Executive Director

Cornel Parshotam - Alternate Director for Gary Jones

Secretary

Larissa Brown

**Registered and
Administration Office**

WPG Resources Ltd

Address

Level 9, Kyle House
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Sydney NSW 2000

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Grosvenor Place NSW 1220

Telephone

+61 2 9251 1044

Facsimile

+61 2 9247 3434

E-mail

info@wpgresources.com.au

Website

www.wpgresources.com.au

Share Registry

Boardroom Pty Limited

Address

Grosvenor Place
Level 12, 225 George Street
Sydney NSW 2000

GPO Box 3993

Sydney NSW 2001

Telephone

+61 2 9290 9600

Facsimile

+61 2 9279 0664

Grant Thornton Audit Pty Ltd

Address

Level 3, 170 Frome Street
Adelaide SA 5000

Auditors

Bankers

Westpac Banking Corporation

Securities Exchange Listing

**Listed on Australian Securities Exchange Limited
ASX Code: WPG**

