WESTGOLD
RESOURCES LIMITED

2018 ANNUAL REPORT

Starlight Pit and Underground Mine
Fortnum Gold Project

CORPORATE DIRECTORY

DIRECTORS
Peter J Newton (Non-Executive Chairman)
Peter G Cook (Managing Director)
Johannes S Norregaard (Executive Director)
Peter B Schwann (Non-Executive Director)
Fiona J Van Maanen (Non-Executive Director)
Suresh V Shet (Non-Executive Director)

COMPANY SECRETARY
David W Okeby

KEY MANAGEMENT
Debra A Fullarton (Chief Financial Officer)
Paul D Hucker (Group Chief Mining Engineer)

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Australia

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CHAIRMAN'S LETTER

Dear Shareholders

It is with pleasure that I present you Westgold Resources Limited's Annual Report for the period ending 30 June 2018.

I'm not one to look in the rear view mirror but it is appropriate that given the massive year we have had that I provide you with some reflections.

In our 2018 financial year, our first full year since the demerger from Metals X Limited we have made major milestones toward our objective of building a long-life gold producer with its assets firmly planted in Western Australia.

Our production output was slightly below our expectations and our costs a little higher but these pale into insignificance against the progress made on the big picture.

Our Murchison Region operations including the Mekatharra Gold Operations and Cue Gold Operations are a massive aggregation play, the likes of never seen before on such a regional scale. The renovation and re-invigoration of the projects in the Murchison have set the Company up for a long future. During the year our teams started five new underground mines, five new open pits and completed the refurbishment and re-commissioning of two treatment plants. To top that off, we absorbed ownership and management of contract miner, Australian Contract Mining Pty Ltd and internalised our mining processes. We completed three other acquisitions with that of Polar Metals Pty Ltd from S2 Resources Limited, a 14.3% interest in Cue Region neighbour Musgrave Minerals Limited and divested our toughest project the South Kalgoorlie Operations.

All in all, it was a busy year. A year in which we invested over $176 million into capital to establish these projects for the long term.

Our major initiative going forward will be the commencement of new development and production at Big Bell. This will become our trophy mine, a mine that will add a further 100,000 ounces per annum to our profile with a life of more than 10-years.

In the year forward we will continue our ramp-up to full production at our Murchison Projects. We will continue to rebuild and improve the profile of our HGO and will continue to focus on our core objective as a pure-play Australian Gold producer. This may mean the divestment or spin-off of our remaining base metal and lithium assets.

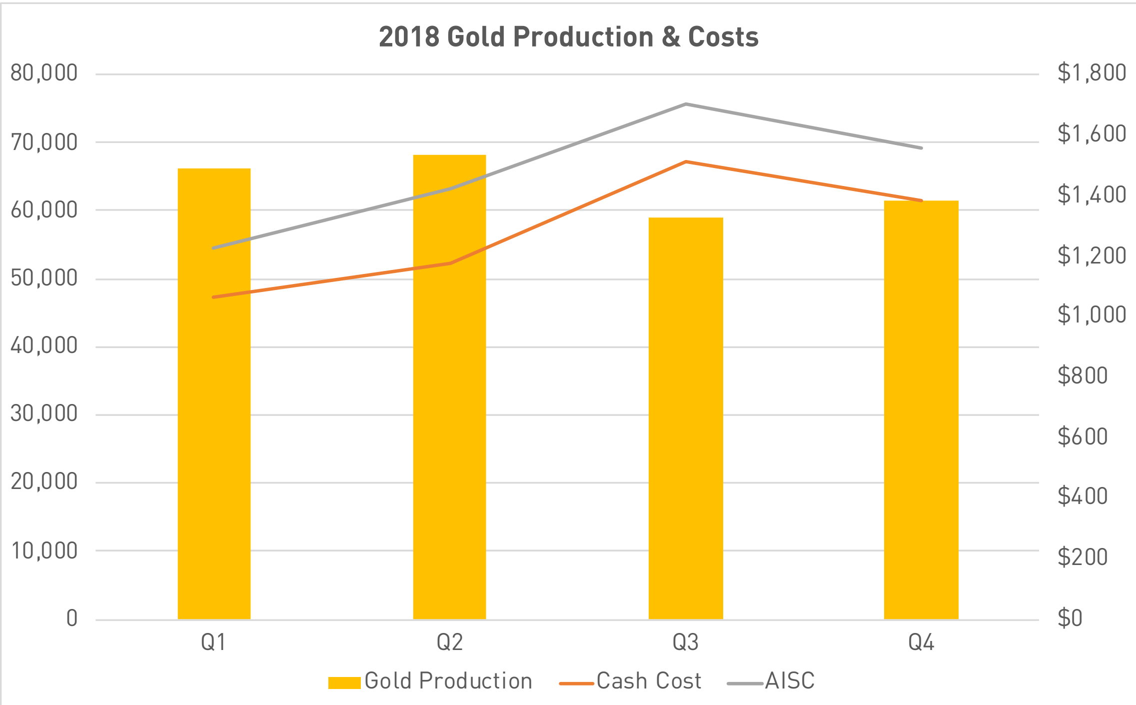
Peter J Newton
Chairman

OPERATIONS OVERVIEW

In the past year Westgold continued with its growth plan across its portfolio of gold assets. This witnessed the commencement of five new underground mines in the Murchison region and five open pit mines. In addition two process plants were refurbished (Fortnum and Tuckabianna) and re-commissioned providing a platform of processing hubs for ores mined in the region. Following the start-up of the Tuckabianna Plant, the previous Central Murchison Gold Project was split into two operations based around the two processing hubs. The northern section and Bluebird processing hub is now referred and reported as the Meekatharra Gold Operations (**MGO**) whist the southern section named and reported as the Cue Gold Operations (**CGO**).

In the Kalgoorlie Region, the company continued to operate the Higginsville Gold Operations (**HGO**) which had a difficult year as the small margins from mining of the harder and lower-grade Mt Henry Ores was impacted by significant structural repair issues in the crushing circuit and fine ore storage parts of the plant. The Company divested its shortest life asset in the South Kalgoorlie Operations (**SKO**) at the end of the March Quarter but retained its valuable lithium royalties, exploration and mining rights.

Gold output for the Westgold Group operations totalled 253,210 ounces at a cash cost (C1) of A$1,273 per ounce and an all-in-sustaining cost (AISC) of $1,462 per ounce.



MEEKATHARRA GOLD OPERATIONS (MGO)

The Meekatharra Gold Operations continued to operate with production now in a steady-state. The Bluebird processing hub (1.6 – 1.8 millions tonnes per annum) continued to be fed from a combination of underground and open pit ore feeds. The higher-grade underground ore feed contributed 43.5% of plant feed for the year up from 34.5% in the previous period.

Gold output for MGO increased by 11% over the previous year to 112,430 ounces at a cash cost (C1) of A$1,260 per ounce and an AISC of A$1,492 per ounce. The operations were severely impacted by an extraordinary storm and flooding event in the March quarter which affected both output and costs.

An additional two underground mines commenced during the year with the small Jack Ryan underground mine being developed but not yet stoped, and the larger South Emu-Triton underground mine starting its development late in the year. Both of these will see a further increase in the proportion of higher ground underground ores in the coming year. In future years underground mining at both the Boomerang and Bluebird underground mines will also supplement ore feeds.

Bluebird Processing Plant
Meekatharra Gold Operations

CUE GOLD OPERATIONS (CGO)

Mining commenced at the Cue Gold Operations (CGO) approximately twelve months ago with the development of the Comet underground mine. Development ores from this mine initially went to MGO, but following the completion of the refurbishment and re-commissioning of the Tuckabianna processing hub (1.2-1.4 million tonnes per annum) ore from this mine will now go into that plant.

The main initial feed to the Tuckabianna plant will be a blend of predominantly low-grade historic tailings from Day Dawn supplemented with ore from the Comet underground mine. The tailings will progressively be replaced with open pit ores from Great Fingall, Yellow Taxi and other smaller open pits in the Day Dawn and Cuddingwarra areas of the CGO.

The main game, and base-load feedstock for the Murchison region is the Big Bell underground mine. This large scale sub-level cave underground mine closed in 2003 when gold prices plummeted to below A$500 per ounce. Westgold has spent two years dewatering and refurbishing this large mine which will go into production in the coming year. It will achieve a full production rate by the end of the 2020 calendar year adding approximately 100,000 ounces per annum and essentially filling the Tuckabianna processing hub in its own right.

In its first full quarter since commissioning the CGO produced 8,917 ounces at an cash cost of A$1,445 per ounce and AISC of A$1,623 per ounce.

Comet Underground Mine
Cue Gold Operations

FORTNUM GOLD PROJECT (FGP)

The Fortnum Gold Project had its first full year of production after the plant was re-commissioned and moved to production at the start of the year. The initial plan at Fortnum was to start on existing low-grade stocks which would progressively be replaced with open pit ores and then underground ores. However following extremely encouraging results from the Starlight underground evaluation, it was decided to invest the capital to bring the refurbishment of this mine and its development forward.

Whilst this brought a little ore forward and consumed more working capital, it sets the operation up for a faster ramp-up of output in the coming year and in the longer term provides a higher-grade ore and ounce base load for a steadier level of production.

The year showed four consecutive quarters of increased gold output with the full year output of 41,820 ounces at a cash cost (C1) of A$1,266 per ounce and an AISC of A$1,387 per ounce.

Fortnum Processing Plant
Fortnum Gold Project

HIGGINSVILLE GOLD OPERATIONS (HGO)

The Higginsville Gold Operations continued to operate through the year on the Mt Henry ores located approximately 75 km south of the plant. The open pits are large, the ore is hard and low in grade but still worthy and viable to mine. On these ores alone there is a long life, however the margins are slim and additional ore feeds are required to improve economics.

The operating performance during the year suffered a significant set-back as the original four stage crushing circuit began to show its age and the fine ore handling systems succumbed to the abrasive nature of the Mt Henry banded iron ores. The crushing circuit required significant maintenance with the impact being downtime. A decision was made to hold the workforce together and ride through these difficulties and repairs on a continuous basis.

The re-build of the project commenced with the acquisition of Polar Metals Pty Ltd, S2 Resources Limited's subsidiary which held the Polar Bear gold project 10-40 km east of the HGO plant. The first phase of mining from these is undergoing licencing and permitting, and should start to be blended into the ore feedstock early in 2019 with the first pit providing a blended ore for at least 2 years.

HGO produced 55,958 ounces during the year at cash cost (C1) of $1,398 per ounce and an AISC of $1,565 per ounce with the December and March quarter bearing the brunt of cost and output issues.

Higginsville Processing Plant
Higginsville Gold Operations

OTHER ASSETS

Rover Project (Northern Territory) – 100%

Westgold continues to hold substantial polymetallic assets in the Rover Filed near Tennant Creek, Northern Territory.

These assets include:

- The Rover 1 deposit; a polymetallic Iron-Oxide-Copper-Gold (IOCG) prospect with a significant copper-gold-bismuth-cobalt resource which is close to development ready.
- The Explorer 142 prospect where initial drilling has defined high grade copper resuts from with another IOCG system.
- The Explorer 108 prospect where a significant lead-zinc-silver resource has been defined.
- A series of other coincident magnetic and gravity anomalies through the cover sequence.

Warumpi Prospect (Northern Territory) – 100%

A grass roots exploration play where initial works have discovered a highly mineralised gossan containing copper and zinc.

Lithium Assets – 100%

A significant package of Lithium royalties, exploration and mining rights covering the freehold lands of Hampton Gold Mining Areas near Kalgoorlie, including:

- A Lithium royalty on the northern part of the Mt Marion lithium mine of $2/t of ore mined and milled plus 1.5% NSR.
- A Lithium royalty on the Buldania Project of Lion Town Resources of $2/t of ore mined and milled plus 1.5% NSR.
- The rights to explore and develop lithium projects on Location 53 and Location 59 of the Hampton Gold Mining Area lands near Kalgoorlie.

Rover 1 Project
High Grade Copper Core

MINERAL RESOURCES & ORE RESERVES

WESTGOLD RESOURCES LIMITED Gold Division (WA Operating Mines) Mineral Resource Statement - Rounded for Reporting 30/6/18			
Project	**Tonnes ('000s)**	**Grade**	**Ounces Au ('000s)**
Measured			
CGO	656	4.18	88
MGO	1,565	3.22	162
FGP	68	1.56	3
HGO	3,118	2.20	220
Sub-Total	**5,407**	**2.72**	**474**
Indicated			
CGO	35,553	2.54	2,905
MGO	28,491	1.70	1,560
FGP	15,891	1.86	949
HGO	15,991	1.99	1,022
Sub-Total	**95,926**	**2.09**	**6,437**
Inferred			
CGO	19,506	2.46	1,546
MGO	30,249	1.81	1,778
FGP	5,859	1.87	353
HGO	10,637	1.99	682
Sub-Total	**66,251**	**2.05**	**4,359**
Total			
CGO	55,714	2.53	4,539
MGO	60,305	1.81	3,500
FGP	21,819	1.86	1,305
HGO	29,746	2.01	1,924
Grand Total	**167,584**	**2.09**	**11,269**

Full Mineral Resource Statements including for the Northern Territory Projects can be found on page 101.

WESTGOLD RESOURCES LIMITED Gold Division (WA Operating Mines) Ore Reserve Statement - Rounded for Reporting 30/6/18			
Project	**Tonnes ('000s)**	**Grade**	**Ounces Au ('000s)**
Proven			
CGO	405	4.46	58
MGO	1,112	2.35	84
FGP	68	1.56	3
HGO	29	3.63	3
Sub-Total	**1,613**	**2.87**	**149**
Probable			
CGO	21,403	2.53	1,742
MGO	4,555	2.56	375
FGP	5,822	2.07	387
HGO	5,916	1.91	363
Sub-Total	**37,696**	**2.37**	**2,867**
Total			
CGO	21,807	2.57	1,800
MGO	5,667	2.52	459
FGP	5,890	2.06	390
HGO	5,945	1.92	367
Grand Total	**39,309**	**2.39**	**3,016**

Full Ore Reserve Statements can be found on page 101.

DIRECTORS' REPORT

The Directors submit their report together with the financial report of Westgold Resources Limited ("Westgold" or "the Company") and of the Consolidated Entity, being the Company and its controlled entities ("the Group"), for the year ended 30 June 2018.

DIRECTORS

The names and details of the Company's Directors in office during the financial year and until the date of this report are as follows. Directors were in office for this entire period unless otherwise stated.

Names, qualifications, experience and special responsibilities

Peter Newton – Non-Executive Chairman (Appointed 6 October 2016)
Mr Newton retired after 25 years as a stockbroker in 1994. Since then he has been a significant participant in the Australian resource industry as an investor, non-executive director, Chairman and mentor in a number of listed and successful companies. Mr Newton is also the Chairman of the Company's Remuneration & Nomination Committee and Audit Committee.

During the past three years he has served as a director of the following public listed companies:

- Metals X Limited *.

Peter Cook – Managing Director (Appointed 19 March 2007)
Mr Cook (BSc (Applied Geology), MSc MAusIMM) (Min.Econ.) has 35 years of experience in the fields of exploration, project, operational and corporate management of mining companies.

During the past three years he has served as a director of the following public listed companies:

- Metals X Limited (Appointed 23 July 2004 – Resigned 2 February 2017);
- Pantoro Limited (Appointed 31 August 2009 – Resigned 5 October 2016); and
- Nelson Resources Limited. (Appointed 4 June 2013; admitted to ASX on 6 December 2017)*

Johannes Norregaard – Director of Operations (Appointed 29 December 2016)
Mr Norregaard (B.Eng (Mining) WASM, MAusIMM) has over 30 years of corporate and mine management experience in base metal and gold operations across Australia, Canada and South East Asia.

Mr Norregaard has held no public company directorships in the past three years.

Peter B Schwann – Independent Non-Executive Director (Appointed 2 February 2017)
Mr Schwann (Assoc. in Applied Geology, FAusIMM, FAIG, MSEG) is a highly experienced internationally recognised geologist and mining executive. Mr Schwann has broad experience across multiple commodities with extensive geological capability as well as significant operational management. Mr Schwann serves on the Company's Audit and Remuneration & Nomination Committee.

During the past three years he has served as a director of the following public listed companies:

- Aruma Resources Limited *.

Suresh Shet – Non-Executive Director (Appointed 18 December 2017)
Mr Shet (MSc Geol), MAusIMM) has over 22 years of experience in various mineral commodities in fields ranging from exploration to feasibility studies, new mine development, mergers and acquisitions, and project evaluation. Mr Shet is a nominee director of Gold and Energy Resources Ltd (GEAR) who is a significant shareholder in the Company. He is also an Associate Member of the Singapore Institute of Directors (SID).

Mr Shet has held no public company directorships in the past three years.

DIRECTORS' REPORT

Fiona Van Maanen – Non-Executive Director (Appointed 6 October 2016)
Mrs Van Maanen is a CPA, holds a Bachelor of Business (Accounting) degree and a Graduate Diploma in Company Secretarial Practice. Mrs Van Maanen has more than 25 years' experience in accounting and financial management in the mining and resources industry. Mrs Van Maanen also served as Company secretary of Westgold until December 1, 2016, prior to its demerger from Metals X Limited. Mrs Van Maanen serves on the Company's Audit and Remuneration & Nomination Committee.

Mrs Van Maanen has held no public company directorships in the past three years.

* Denotes current directorship.

INTERESTS IN THE SHARES OF THE COMPANY

As at the date of this report, the interests of the Directors in the shares and options of Westgold Resources Limited were:

Director	Fully Paid Ordinary Shares	Options
PG Cook	10,379,066	5,555,816
JS Norregaard	-	1,000,000
PJ Newton	6,941,656	1,388,322
PB Schwann	-	-
FJ Van Maanen	435,521	87,105
SV Shet	-	-
Total	**17,756,243**	**8,031,243**

COMPANY SECRETARY

David Okeby (Appointed 1 December 2016)
Mr Okeby has significant legal, contractual, administrative and corporate experience in the mining industry. Mr Okeby brings skills in governance, stakeholder relations and corporate activities including mergers, acquisitions and disposals.

PRINCIPAL ACTIVITIES

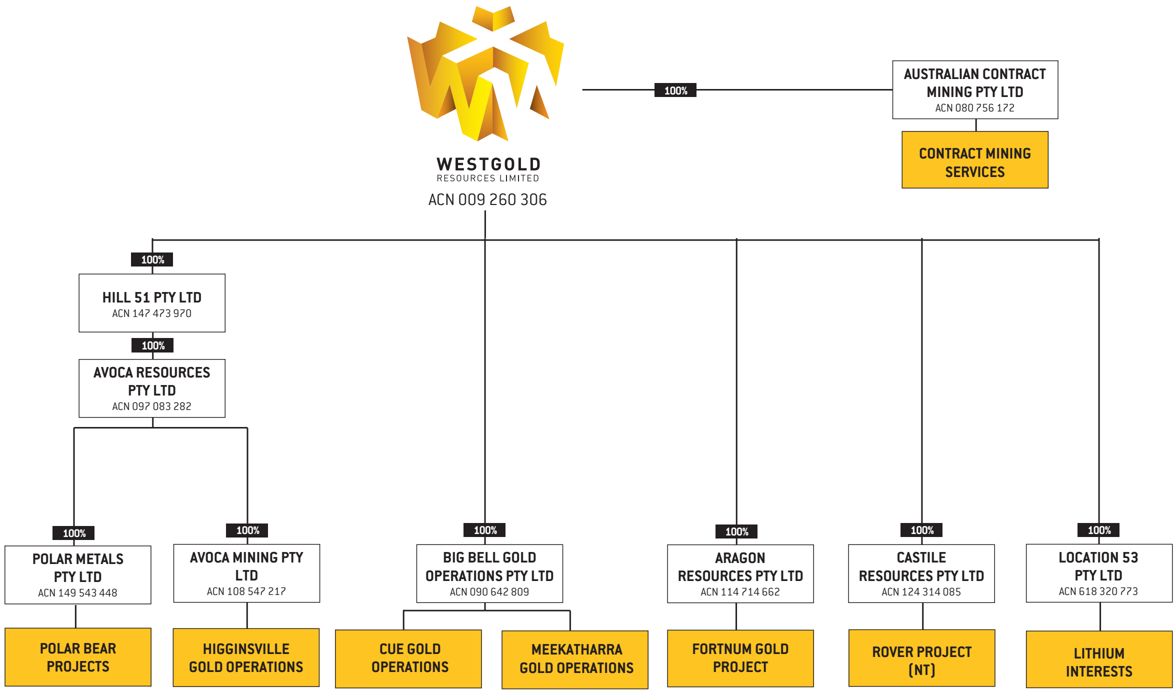
The principal activities during the year of the Consolidated Entity were the exploration, development and operation of gold mines, primarily in Western Australia.

EMPLOYEES

The Group had 829 employees at 30 June 2018 (2017: 371).

The increase was largely due to the employees taken on with the acquisition of Australian Contract Mining Pty Ltd.

CORPORATE STRUCTURE



OPERATING AND FINANCIAL REVIEW

OPERATING RESULTS

The Group's net loss after income tax for the year was $1,171,059 (2017: $15,774,520), reflecting the continued expansion of the Group's activities:

- Consolidated revenue from continuing operations: $371,631,294 (2017: $307,025,260);
- Consolidated total cost of sales from continuing operations: $405,011,434 (2017: $290,072,056);
- Exploration and evaluation expenditure written off: $6,237,307 (2017: $908,729);
- Impairment of goodwill: $2,553,772 (2017: nil);
- Loss after income tax from continuing operations: $41,387,675 (2017: Profit $5,669,548); and
- Impairment loss on available-for-sale financial assets: $2,535,760 (2017: $81,850).

The Central Murchison Gold Project's ("CMGP") combined revenue increased to $195,722,443 (2017: $167,631,025) reflecting the ramp-up in production. The combined segment loss of $7,086,474 (2017: profit of $6,036,437), however, represents the increased costs of ore development compared to stope production. During the 4th quarter the CMGP has been split into two distinct areas around the separate processing hubs and this refocus should facilitate a reduction in processing costs. The new divisions are the Meekatharra Gold Operations ("MGO") and the Cue Gold Operations ("CGO").

The Higginsville Gold Operation ("HGO") revenue was $94,802,011 (2017: $139,394,236) and a segment loss of $13,522,152 (2017: loss of $10,276,719) was a result of operating issues at the process plant during the year. The gold deposits of Polar Metals Pty Ltd were acquired for $9,080,000 providing new future ore feed to supplement the Mt Henry gold deposits in future years. Furthermore, 40% of the plant capacity is planned to be taken up by toll processing agreements in the year forward.

The Fortnum Gold Project ("FGP") recorded revenue of $69,808,741 (2017: nil) and a segment profit of $2,115,430 (2017: loss of $212,602). Gold output rose in each quarter of the plant's full operating year in line with the planned ramp-up of gold output with the start of the production from the Yarlaweelor open pit and the Starlight underground mine.

Exploration continued at all operations during the year with $25,469,201 expended. Title rationalisation and the review of carrying values on land resulted in a write-off of $6,237,307 (2017: $908,729).

DIRECTORS' REPORT

Australian Contract Mining Pty Ltd (ACM) was acquired on 3 July 2017 for $27,840,000 plus working capital adjustments. Over the year, Westgold invested an additional $25,675,918 to refurbish and re-invigorate the ACM business. A goodwill impairment of $2,553,772 (2017: nil) was taken in relation to the acquisition. The contract mining and services division internalised most of its contracts within the group on a cost re-imbursement basis. However, external revenue of $11,298,099 was also generated during the year. The segment loss of $21,101,822 is largely associated with increased depreciation and amortisation costs.

The South Kalgoorlie Operations (SKO) was sold to Northern Star Resources Limited, as announced on 8 March 2018, resulting in a profit before tax of $62,649,706.

REVIEW OF FINANCIAL CONDITION

The Consolidated Statement of Cash Flows illustrates that there was an increase in cash and cash equivalents in the year ended 30 June 2018 of $6,309,386 (2017: $66,659,051 increase).

- Cash flow from operating activities: $14,710,955 (2017: $75,594,478);
- Cash flows used in investing activities: $96,762,714 (2017: $135,900,264).
- Cash flows from financing activities: $87,343,245 (2017: $126,964,837).

Operating Activities
Cash flows used in operating activities across the Group were lower than that of the previous corresponding year due to the acquisition of ACM and the continued ramp-up of CMGP being offset by the proceeds received from the sale of SKO and the sale of available-for-sale financial assets.

Investing Activities
Cash flows used in investing activities across the Group were lower than that of the previous corresponding year. Cash flows in the current year relate to the establishment of the Starlight and Big Bell underground mines, continued capital investment in the CMGP and capital investment in ACM. Capital investments in the previous year were offset by the cash injection received on the demerger from Metals X Limited.

Capital re-investment in mine properties and development, exploration and evaluation expenditure and property, plant and equipment during the year totaled $175,742,870, broken into key operations as follows:

- CMGP $92,390,700 (2017: $78,075,525);
- HGO $25,145,139 (2017: $16,763,481);
- FGP $32,093,044 (2017: $31,816,276);
- ACM $25,675,918 (2017: nil); and
- Other exploration activities $438,069 (2017: $619,221).

Capital commitments of $21,532,775 (2017: $2,561,288) existed at the reporting date, principally relating to the purchase of plant and equipment.

Financing Activities
- The Group received $67,860,000 from Golden Energy and Resources Limited (GEAR) under a subscription agreement; and
- The Group's lease liabilities have increased by $20,194,531 (2017: $3,118,072) to $30,648,318 (2017: $10,453,787) over the year due to the acquisition of additional open pit and underground mining fleet and other heavy mobile equipment.

SHARE ISSUES DURING THE YEAR

Date	Number of shares	Purpose
3 July 2017	14,000,000	Part consideration to acquire a privately owned specialist underground mining contractor, Australian Contract Mining Pty Ltd
11 August 2017	889,533	Consideration for the acquisition of accommodation facilities purchased from Mining and Civil Management Services Pty Ltd
5 December 2017	16,900,000	Issued under a subscription agreement with Golden Energy and Resources Limited (GEAR)
12 January 2018	11,000,000	Issued under a subscription agreement GEAR
30 January 2018	8,100,000	Issued under a subscription agreement GEAR
13 February 2018	2,268,294	Issued on the conversion of WGXO quoted op-tions
23 February 2018	4,000,000	Part consideration to acquire Polar Metals Pty Ltd from S2 Resources Limited
17 May 2018	29,750	Issued on the conversion of WGXO quoted options
21 May 2018	505	Issued on the conversion of WGXO quoted options
Total	**57,188,082**	

DIVIDENDS

No dividends were paid to Members during the 2018 financial year.

The Directors do not propose to pay any dividend for financial year ended 30 June 2018.

REVIEW OF OPERATIONS

Westgold continued to expand its gold business during the year. It was a period of significant growth with the highlights being the refurbishment and successful commissioning of the Fortnum process plant, the first full year of production from CMGP and the completion of the acquisition of the Tuckabianna Project as a plant capacity and thus output expansion for the CMGP.

The key assets are:

1. The Central Murchison Gold Project now broken into:
    - Meekatharra Gold Operations; and
    - Cue Gold Operations;
2. The Fortnum Gold Project;
3. The Higginsville Gold Operation;
4. The Rover Project; and
5. The Contract Mining Division.

The Central Murchison Gold Project

Following the completion of refurbishment and subsequent commissioning of the Tuckabianna Plant (located near Cue), commercial production for the plant was declared on 1 April 2018. Following this, the CMGP has been split into two distinct project areas being:

1. The Meekatharra Gold Operations utilising the Bluebird Plant as a processing hub for the ores in the northern part of the overall CMGP Project area; and
2. The Cue Gold Operations utilising the Tuckabianna Plant as a processing hub for the ores in the southern part of the overall CMGP Project area.

DIRECTORS' REPORT

REVIEW OF OPERATIONS (CONTINUED)

The CMGP project is a consolidation of nine historic gold mining centres in the Central Murchison Region between the regional towns of Meekatharra and Cue. These include the Day Dawn, Cuddingwarra, Big Bell, Pinnacles, Reedy, Nannine, Yaloginda, Paddy's Flat and Meekatharra North gold mining centres which have historic production of over 10 million ounces, but with historic production being sourced primarily from a handful of larger underground mines. The key objective is to re-establish steady state production from these key underground mines.

Meekatharra Gold Operations

This area is centred upon the Bluebird processing hub which is a 1.6 - 1.8 million tonne per annum CIP plant and associated infrastructure. The northern part of the overall CMGP makes up the MGO covering the historic gold mining centre's of Reedy's, Nannine, Yaloginda, Paddy's Flat and Meekatharra North.

Gold output from the operation for the year was 112,430 ounces at a C1 Cash Cost of A$1,260 per ounce and an all-in sustaining cost of A$1,492 per ounce.

The Paddy's Flat underground mine is the main production source. It produced approximately 40% of the tonnes processed and approximately 62% of the ounces for the year. A small additional tonnage was produced from the Jack Ryan underground mine. The remainder of plant feed was from the lower-grade Mickey Doolan open pit mine with a small amount from the Gibraltar South open pit. The operations were impacted by a freak storm in the March quarter which reduced overall output and escalated average costs.

In the ensuing year, steady production from the Paddy's Flat underground mine will be supplemented by increased output from the Jack Ryan and the South Emu-Triton underground mines. Underground mining output is expected to supply more than 50% of the feed and around 75% of the planned ounces in the ensuing year.

Cue Gold Operations

This area is centred upon the Tuckabianna processing hub which is a 1.2 - 1.4 million tonne per annum CIP plant and associated infrastructure. The southern part of the overall CMGP makes up the CGO covering the historic gold mining centres of Big Bell, Cuddingwarra, Day Dawn, Pinnacles (Comet), and Tuckabianna.

The Tuckabianna Plant was refurbished and commissioned during the year to reach commercial production on 1 April 2018. In its first quarter of production (Q4 2017/18) gold output was 8,917 ounces at a C1 Cash Cost of A$1,363 per ounce and an all-in sustaining cost of A$1,550 per ounce.

In its first quarter the plant was fed by ores from the Comet Mine supplemented by low-grade stocks and historic tailings.

In the ensuing year, open pit mining will commence at Day Dawn, in particular the Great Fingall and Yellow Taxi mines. The main game at the CGO is the Big Bell Mine which after two years of dewatering and refurbishment is expected to commence its development into virgin lodes before the end of calendar year 2018. It will gradually increase its production output to dominate the plant feed at Tuckabianna and production output for CGO. The Big Bell Mine is expected to produce more than 100,000 ounces per annum in its own right when at steady-state.

On the business development front, Westgold acquired a 14.68% equitable interest in a CGO neighbour, Musgrave Minerals Limited (ASX:MGV) who have a number of open pit and underground mineable resources in close proximity to the Tuckabianna Plant.

Furthermore, Westgold signed a Cooperation Agreement with Musgrave Minerals Limited under which the parties will look to commercialise mining of the current known deposits, leveraging off the mining skill sets and infrastructure existing at the CGO.

The Fortnum Gold Project

The FGP encapsulates the historic mining centres of Labouchere, Fortnum, Horseshoe and Peak Hill.

The Fortnum Plant is a nominal 1 million tonnes per annum CIP plant which had its first full year of production producing 41,820 oz at a C1 Cash Cost of A$1,266 per ounce and an all-in sustaining cost of A$1,397 per ounce.

As planned, the plant started on low-grade stocks which were progressively replaced with open pit ores and towards the end of the year higher grade ore from the Starlight underground mine. This resulted in four successive quarterly increases in gold output. Long term plant feed is planned from the Starlight underground and Yarlaweelor.

In the ensuing year, production output is expected to continue to ramp-up as underground mining output shifts from remnants to virgin ore lodes.

The Higginsville Gold Operation

The centre-piece of the HGO is the 1.3 million tonnes per annum CIP plant, infrastructure and its 300 person accommodation village. The plant began to show issues with its age in the past year causing significant downtime with the crushing circuit and fine ore bin. This caused remedial actions to be taken including contract crushing and major maintenance repairs to the fine ore storage system. Consequently, output was down and costs were higher which impacted the operating result with losses during the year.

Mining at HGO continued from the low-grade Mt Henry open pits with ore being carted approximately 80km north to the processing plant.

The acquisition of the gold deposits of Polar Metals Pty Ltd (a subsidiary of S2 Resources Limited (ASX: S2R)) was completed on 26 February 2018. The acquisition price was $9m, being $3m in cash and $6m in Westgold shares. The defined resources within the Polar Bear tenure offer near-term ore feed to supplement the Mt Henry ores deposits. These will provide a blended ore feedstock in the second half of FY2019. Approximately 40% of the ore feeds in the ensuing year will be toll processing ore commitments.

The South Kalgoorlie Operation

The sale of SKO to Northern Star Resources Limited (ASX:NST) was completed on 29 March 2018. Consideration for the sale was $80m, being $20m in cash and $60m in NST shares at a deemed value of $6.30 per share. Westgold has retained the lithium royalties over the Mt Marion Lithium Mine and the rights to explore and mine lithium over Location 53 and Location 59.

The Rover Project

The Rover Project is a postulated undercover repetition of the rich Tennant Creek goldfield 80 km to the north-east. Exploration to date has so far fully tested a small number of anomalies and significant mineralised Iron Oxide Copper Gold ("IOCG") systems have been discovered at the Rover 1 and Explorer 142 prospects. In addition, significant lead-zinc-silver discoveries have been made at Explorer 108 and recently at the Curiosity Prospect to its south. The project area is proximal to a major infrastructure corridor being adjacent to the Central Australian Railway, gas pipeline and Stuart Highway.

Contract Mining and Services Division

During the year the Company acquired 100% of ACM, a full service mining contractor and the incumbent underground mining contractor in our underground mines. ACM and its contracts with Westgold were integrated and internalised into the Group. Historically ACM had been operating at a significant loss and this has flowed through to a segment loss for this division this year. There has also been a direct impact on the mining operations during the second half of the year with increased unit costs, which in turn has had a negative impact on the overall operating results of the Group.

However substantial modernisation and upgrading of safety, management, accounting, maintenance, asset management systems and associated practices has occurred. The mining fleet has been expanded and substantially upgraded with the repair and overhaul of mid-life equipment and the purchase or leasing of numerous additional equipment.

DIRECTORS' REPORT

REVIEW OF OPERATIONS (CONTINUED)

The drilling division was also re-started and most of the underground drilling of the Group being internalised, in addition to the provision of some external contract work. The surface drilling rigs (RC and diamond) are currently being refurbished with the view to also partially internalising that work.

This division was awarded a contract to continue underground mining at the HBJ mine (SKO) for Northern Star Resources Limited and other smaller external works were won.

Westgold Operating Performance by Operation

Operational performance for the year ended 30 June 2018 is summarised below:

	Units	HGO^	SKO^^	MGO	CGO	FGP	Group
UG Ore Mined	t	-	286,006	707,268	32,745	126,401	1,152,420
UG Grade Mined	g/t	-	2.83	3.81	3.60	2.77	3.45
OP BCM Mined	BCM	3,191,374	867,097	3,191,519	-	3,158,074	10,408,064
OP Ore Mined	t	784,004	241,480	921,014	-	480,048	2,426,546
OP Grade Mined	g/t	1.74	1.70	1.58	-	1.63	1.65
Ore Processed	t	1,189,400	499,078	1,627,141	204,269	845,180	4,365,068
Head Grade	g/t	1.73	2.31	2.56	1.71	1.66	2.09
Recovery	%	84.79	90.14	84.07	79.17	92.14	86.29
Gold Produced	**oz**	**55,958**	**34,086**	**112,430**	**8,917**	**41,820**	**253,210**
Gold Sold	**oz**	**56,071**	**36,107**	**109,871**	**8,572**	**41,840**	**252,460**
Achieved Gold Price	A$/oz	1,662	1,665	1,651	1,668	1,668	1,659
Cost Summary							
Mining	A$/oz	590	868	750	583	578	696
Processing	A$/oz	732	208	353	794	482	454
Admin	A$/oz	159	54	163	156	227	158
Stockpile Adjustments	A$/oz	(83)	(54)	(6)	(88)	(20)	(35)
C1 Cash Cost (produced oz) *	**A$/oz**	**1,398**	**1,075**	**1,260**	**1,445**	**1,266**	**1,273**
Royalties	A$/oz	72	31	82	27	43	64
Marketing/Cost of sales	A$/oz	2	2	1	1	1	2
Sustaining Capital	A$/oz	72	114	140	140	54	107
Corporate Costs	A$/oz	21	20	8	10	23	15
All-in Sustaining Costs **	**A$/oz**	**1,565**	**1,241**	**1,492**	**1,623**	**1,387**	**1,462**
Project Startup Capital	A$/oz	287	163	542	848	673	467
Exploration Holding Cost	A$/oz	88	55	97	54	27	76
All-in Cost ***	**A$/oz**	**1,940**	**1,459**	**2,131**	**2,525**	**2,087**	**2,005**

^ HGO processing costs are net of toll processing credits.

^^ SKO sold to NST in March 2018.

Operational performance for the previous corresponding year to 30 June 2017 is summarised below:

	Units	CMGP	FGP	HGO	SKO	Group
Physical Summary						
UG Ore Mined	t	557,146	-	300,925	261,027	1,065,251
UG Grade Mined	g/t	3.51	-	3.99	2.97	3.47
OP BCM Mined	BCM	5,511,649	55,926	2,949,318	2,235,145	10,752,037
OP Ore Mined	t	992,894	47,931	651,651	568,049	2,260,525
OP Grade Mined	g/t	1.81	2.07	2.18	2.80	2.17
Ore Processed	t	1,516,658	70,505	1,232,184	987,666	3,852,013
Head Grade	g/t	2.34	0.98	2.37	2.75	2.43
Recovery	%	86.73	92.42	89.06	90.11	88,45
Gold Produced	**oz**	**101,339**	**2,061**	**84,595**	**78,912**	**266,906**
Gold Sold	**oz**	**101,261**	**149**	**83,862**	**80,022**	**265,294**
Achieved Gold Price	A$/oz	1,655	1,700	1,662	1,636	1,636
Cost Summary						
Mining	A$/oz	820	504	583	700	707
Processing	A$/oz	335	-	386	198	308
Admin	A$/oz	154	15	113	52	109
Stockpile Adjustments	A$/oz	(176)	(458)	(12)	3	(74)
C1 Cash Cost (produced oz) *	A$/oz	1,133	60	1,069	953	1,051
Royalties	A$/oz	84	-	131	40	85
Marketing/Cost of sales	A$/oz	2	-	2	1	1
Sustaining Capital	A$/oz	82	-	35	99	71
Corporate Costs	A$/oz	3	-	7	7	5
All-in Sustaining Costs **	A$/oz	1,303	60	1,243	1,100	1,215
Project Startup Capital	A$/oz	560	13,575	90	119	381
Exploration Holding Cost	A$/oz	53	1,315	69	47	66
All-in Cost ***	A$/oz	1,842	14,952	1,402	1,267	1,662

* C1 Cash Cost ("C1"): represents the cost for mining, processing and administration after accounting for movements in inventory (predominantly ore stockpiles). It includes net proceeds from by-product credits, but excludes the cost of royalties and capital costs for exploration, mine development and plant and equipment.

** All-in Sustaining Cost ("AISC"): is made up of the C1 cash cost plus royalty expense, sustaining capital expense and general corporate and administration expenses.

*** All-in Cost ("AIC"): is made up of the AISC plus growth (major project) capital and discovery expenditure.

C1, AISC and AIC are non-IFRS financial information and are not subject to audit.

Other Assets

The Company retains non-core assets in battery metals (Lithium) where it holds significant exploration tenure and royalties. It also continues to hold significant gold and base metal assets in the Tennant Creek and the West Arunta region including the development ready Rover 1 deposit and Explorer 108 deposit. The Company is currently considering the divestment or spin-off of these assets as it continues the focus on its Western Australian gold mines.

DIRECTORS' REPORT

REVIEW OF OPERATIONS (CONTINUED)

CORPORATE

On 30 November 2017, the Company announced it had agreed to form a strategic alliance with Singapore-listed Golden Energy and Resources Limited (SGX: AUE) (GEAR) to support the continued expansion of Westgold's Australian Gold Operations and further growth options for the Company. Under the agreement, GEAR took a diluted 10% position in new equity capital representing 36,000,000 shares over three tranches. The placement occurred at a price of A$1.885 per share which was at a premium to short term VWAPs.

Investments

Westgold holds small investments in exploration companies which, apart from Musgrave Minerals Limited result from dealing in non-core mining titles. The current investment holdings are:

- Musgrave Minerals Limited (ASX:MGV) 14.68% (2017: nil);
- ROX Resources Limited (ASX:RXL) 1.19% (2017: nil);
- Aruma Resources Limited (ASX:AAJ) 1.17% (2017: nil);
- Royal Nickel Corporation (TSX:RNX) 6.46% (2017: nil); and
- Auris Minerals Limited (ASX:AUR) 0.74% (2017: 1.41%).

SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

Total equity increased by 35% or $104,322,349 to $403,957,963 (2017: increase of $195,525,007 to $299,635,614). The 2018 movement was largely as a result of 36,000,000 shares issued to GEAR at $67,860,000 and the 18,000,000 shares issued for the acquisitions of both Australian Contract Mining Pty Ltd and Polar Metals Pty Ltd.

SIGNIFICANT EVENTS AFTER THE BALANCE DATE

There have been no significant events after the balance date.

LIKELY DEVELOPMENTS AND EXPECTED RESULTS

It is expected that the Group will continue its exploration, mining, processing, production and marketing of gold bullion in Australia, and will continue the development of its gold exploration projects. These are described in more detail in the Review of Operations above.

ENVIRONMENTAL REGULATION AND PERFORMANCE

The Group's operations are subject to the relevant environmental protection legislation (Commonwealth and State legislation). The Group holds various environmental licenses issued under these laws, to regulate its mining and exploration activities in Australia. These licenses include conditions and regulations in relation to specifying limits on discharges into the air, surface water and groundwater, rehabilitation of areas disturbed during the course of mining and exploration activities and the storage of hazardous substances.

All environmental performance obligations are monitored by the board of directors and subjected from time to time to Government agency audits and site inspections. There have been no material breaches of the Group's licenses and all mining and exploration activities have been undertaken in compliance with the relevant environmental regulations.

SHARE OPTIONS

Bonus options

On 28 September 2017, the Company issued 64,099,433 listed options (WGXO) to shareholders pursuant to a pro rata bonus issue. These options are exercisable at $2.00 on or before 30 June 2019.

Unissued shares

As at the date of this report, there were 76,800,884 unissued ordinary shares under option relating to both listed and unlisted options.

Option holders do not have any right, by virtue of the option, to participate in any share issue of the Company or any related body corporate.

Shares issued as a result of exercising options

During the financial year, 2,298,549 listed options were converted to acquire fully paid ordinary shares in the Company, refer to note 25 for further details.

INDEMNIFICATION AND INSURANCE OF DIRECTORS AND OFFICERS

During the financial year, the Company paid a premium in respect of a contract of insurance to insure Directors and officers of the Company and related bodies corporate against those liabilities for which insurance is permitted under section 199B of the Corporations Act 2001. Disclosure of the nature of the liabilities and the amount of the premium is prohibited under the conditions of the contract of insurance.

INDEMNIFICATION OF AUDITORS

To the extent permitted by law, the Company has agreed to indemnify its auditors, Ernst & Young, as part of the terms of its audit engagement agreement against claims by third parties arising from the audit (for an unspecified amount). No payment has been made to indemnify Ernst & Young during or since the financial year.

DIRECTORS' MEETINGS

The number of meetings of Directors' (including meetings of committees of Directors' held during the year and the number of meetings attended by each Director was as follows:

	Directors Meetings		Audit Committee		Remuneration & Nomination Committee	
	Eligible to attend	Attended	Eligible to attend	Attended	Eligible to attend	Attended
PG Cook	12	12	-	-	-	-
PJ Newton	13	13	1	1	1	1
JS Norregaard	12	12	-	-	-	-
PB Schwann	13	13	1	1	1	1
SV Shet	5	4	-	-	-	-
FJ Van Maanen	13	13	1	1	1	1

Committee Membership

As at the date of this report, the Company had an Audit Committee and a Remuneration and Nomination Committee of the Board of Directors.

Members acting on the committees of the Board during the year were:

Audit Committee	Remuneration & Nomination Committee
PJ Newton *	PJ Newton *
PB Schwann	PB Schwann
FJ Van Maanen	FJ Van Maanen

* Designates the Chairman of the Committee.

DIRECTORS' REPORT

REMUNERATION REPORT (AUDITED)

Contents

1. REMUNERATION REPORT OVERVIEW

The Directors of Westgold Resources Limited present the Remuneration Report ("the Report") for the Group for the year ended 30 June 2018 (FY2018). This Report forms part of the Directors' Report and has been audited in accordance with section 300A of the Corporations Act 2001 and its regulations.

The Report details the remuneration arrangements for Westgold's Key Management Personnel ("KMP") being the:

- Non-Executive Directors ("NEDs"); and
- Managing Director ("MD"), executive directors and senior executives (collectively "the executives").

KMP are those who directly, or indirectly, have authority and responsibility for planning, directing and controlling the major activities of the Group.

Details of KMP of the Group are set out below:

Name	Position	Appointed	Resigned
(i) Non-Executive Directors (NEDs)			
PJ Newton	Non-Executive Chairman	6 October 2016	-
PB Schwann	Non-Executive Director	2 February 2017	-
SV Shet	Non-Executive Director	18 December 2017	-
FJ Van Maanen	Non-Executive Director	6 October 2016	-
(ii) Executive Directors			
PG Cook	Managing Director	19 March 2007	-
JS Norregaard	Director of Operations	29 December 2016	-
(iii) Other Executives (KMPs)			
JG Brock	Chief Operating Officer - Murchison	1 January 2017	30 June 2018
PD Hucker	Chief Operating Officer - Eastern Goldfields *	17 October 2012	-
DW Okeby	Legal Counsel and Company Secretary	1 March 2004	-
SM Balloch	Chief Financial Officer	1 December 2016	13 July 2018
DA Fullarton	Chief Financial Officer	21 May 2018	-

* Note that a management restructure resulted in PD Hucker changing roles on 20 July 2018 to that of Group Chief Mining Engineer

2. REMUNERATION GOVERNANCE

Remuneration and Nomination Committee Responsibility

The remuneration and nomination committee is a subcommittee of the Board. It is primarily responsible for making recommendations to the Board on:

- Non-Executive Director fees;
- Executive remuneration (Directors and senior executives); and
- The executive remuneration framework and incentive plan policies.

The remuneration and nomination committee assesses the appropriateness of the nature and amount of remuneration of non-executive directors and executives on a periodic basis by reference to relevant employment market conditions with the overall objective of ensuring maximum stakeholder benefit from the retention of a high performing directors and executive team.

The composition of the remuneration and nomination committee is set out on page 20 of this annual report.

Use of remuneration advisors

During the year, the Remuneration and Nomination Committee approved the engagement of BDO Remuneration and Reward Pty Ltd ("BDO") to review and provide recommendations on the Group's executive remuneration framework and policies.

Both BDO and the Committee are satisfied the advice received from BDO is free from undue influence from the KMP to whom the remuneration recommendations apply.

The remuneration recommendations were provided to the Committee as an input into decision making only. The Remuneration Committee considered the recommendations, along with other factors, in making its remuneration decisions.

The fees paid to BDO for the remuneration recommendations were $27,250. No other fees were paid to BDO during the year.

Outcome of BDO Remuneration Review

Following the BDO remuneration review the following changes to the remuneration structure were made during FY2018:

The introduction of a formal short term incentive ("STI") policy that has the objective of linking executive remuneration with the achievement of the Group's key operational and financial targets. The STI will be an annual "at risk" component of remuneration for executives that is payable in cash based on performance against key performance indicators (refer to section 4).

Following the BDO remuneration review the following changes to the remuneration structure will be made in FY2019:

The long term incentive policy will be amended to focus the efforts of executives on long term value creation to further align management's interests with those of the shareholders. The LTI will be considered to be an annual "at risk" component of remuneration for executives that is payable in zero exercise price options ("ZEPOs") (being an option to acquire an ordinary share in Westgold for nil consideration).

The Managing Director will have a maximum LTI opportunity of 80% of fixed remuneration and other executives have a maximum LTI opportunity of 60% of fixed remuneration. The number of options to be granted will be determined by dividing the LTI remuneration dollar amount by the volume weighted average price of Westgold shares traded on the ASX during the 5 day trading period prior to the day of the grant.

REMUNERATION REPORT (AUDITED) (CONTINUED)

2. REMUNERATION GOVERNANCE (CONTINUED)

As a transitional arrangement, for the options to be granted in FY2019, the LTI performance period will be treated as two tranches:

- 50% of the options will be performance tested against the LTI performance measures for the period 1 July 2018 to 30 June 2020; and
- 50% of the options will be performance tested against the LTI performance measures for the period 1 July 2018 to 30 June 2021.

All subsequent grants of options will have a three year performance period. There will be no opportunity for re-testing. Any options that do not vest will lapse after testing. Executives are able to exercise any options that vest for up to two years after the vesting date before the vested options lapse.

Options will be subject to the following performance conditions:

- Relative Total Shareholder Return ("RTSR") (50%); and
- Return on Capital Employed ("ROCE") (50%).

The Board considers that RTSR is an appropriate performance hurdle because it ensures that a proportion of each participant's remuneration is explicitly linked to shareholder value and ensures that participants only receive a benefit where there is a corresponding direct benefit to shareholders.

The Board considers ROCE as an appropriate measure as it focuses executives on generating earnings that efficiently use shareholder capital as the reinvestment of earnings.

Remuneration report at FY2017 AGM

The FY2017 remuneration report received positive shareholder support at the FY2017 AGM with a vote of 89% in favour.

3. NON-EXECUTIVE DIRECTOR REMUNERATION

NED Remuneration Policy

Westgold's NED fee policy is designed to attract and retain high calibre directors who can discharge the roles and responsibilities required in terms of good governance, strong oversight, independence and objectivity.

The Company's constitution and the ASX listing rules specify that the NED fee pool limit, shall be approved periodically by shareholders. The last determination was on listing of the Company and included in the notice of meeting for demerger from Metals X Limited and approved at the Extraordinary General Meeting of shareholders on 24th November 2014 with an aggregate fee pool of $500,000 per year.

The amount of the aggregate remuneration sought to be approved by shareholders and the manner in which it is paid to NEDs is reviewed annually against comparable companies. The Board also considers advice from external advisors when undertaking the review.

Non-executive directors are encouraged to hold shares in the Company and align their interests with the Company's shareholders. The shares are purchased by the directors at the prevailing market share price.

NED Remuneration Structure

The remuneration of NEDs consists of director's fees. There is no scheme to provide retirement benefits to NEDs other than statutory superannuation. NEDs do not participate in any performance-related incentive programs.

Fees paid to NEDs cover all activities associated with their role on the Board and any sub-committees. No additional fees are paid to NEDs for being a Chair or Member of a sub-committee. However, NEDs are entitled to fees or other amounts as the Board determines where they perform special duties or otherwise perform extra services on behalf of the Company. They may also be reimbursed for out-of- pocket expenses incurred as a result of their directorships.

4. EXECUTIVE REMUNERATION

Executive Remuneration Policy

In determining executive remuneration, the Board aims to ensure that remuneration practices are:

- competitive and reasonable, enabling the Company to attract and retain high calibre talent;
- aligned to the Company's strategic and business objectives and the creation of shareholder value;
- transparent and easily understood; and
- acceptable to shareholders.

The Company's approach to remuneration ensures that remuneration is competitive, performance-focused, clearly links appropriate reward with desired business performance and is simple to administer and understand by executives and shareholders.

In line with the remuneration policy, remuneration levels are reviewed annually to ensure alignment to the market and the Company's stated objectives to provide a base level of remuneration which is both appropriate to the position and is competitive in the market.

Executive Remuneration Structure

The Company's remuneration structure provides for a combination of fixed and variable pay with the following components:

- fixed remuneration;
- short-term incentives ("STI"); and
- long-term incentives ("LTI").

In accordance with the Company's objective to ensure that executive remuneration is aligned to Company performance, a portion of executives' remuneration is placed "at risk". The relative proportion of FY2018 potential total remuneration packages split between the fixed and variable remuneration is shown below:

Executive	Fixed remuneration	STI	LTI
Managing Director	40%	20%	40%
Other Executives	52%	21%	27%

DIRECTORS' REPORT

REMUNERATION REPORT (AUDITED) (CONTINUED)

4. EXECUTIVE REMUNERATION (CONTINUED)

Elements of remuneration

Fixed remuneration

Fixed remuneration consists of base salary, superannuation and other non-monetary benefits and is designed to reward for:

- the scope of the executive's role;
- the executive's skills, experience and qualifications; and
- individual performance.

Short Term Incentive (STI) arrangements

Under the STI, all executives have the opportunity to earn an annual incentive award which is delivered in cash. The STI recognises and rewards annual performance.

How is it paid?	Any STI award is paid in cash after the assessment of annual performance.
How much can executives earn?	In FY2018, following the BDO remuneration review, the STI dollar values that executives are entitled to receive as a percentage of their fixed remuneration would not exceed 50% for the Managing Director and 40% for the other executives.
How is performance measured?	A combination of specific Company Key Performance Indicators ("KPIs") are chosen to reflect the core drivers of short term performance and also to provide a framework for delivering sustainable value to the Group and its shareholders. The following KPIs were chosen for the 2018 financial year: • KPI 1: Safety & Environmental Performance Targets (25%); • KPI 2: All-in Sustaining Cost (AISC) relative to budget (25%); • KPI 3: Production relative to budget (25%); and • KPI 4: Personal KPI as assessed by Remuneration Committee (25%). These measures have been selected as they can be reliably measured, are key drivers of value for shareholders and encourage behaviors in line with the Company's core values.
When is it paid?	The STI award is determined after the end of the financial year following a review of performance over the year against the STI performance measures by the Remuneration and Nomination Committee. The Board approves the final STI award based on this assessment of performance and the award is paid in cash up to three months after the end of the performance period.

What happens if an executive leaves?	Where an executive ceases to be an employee of the Group: • due to resignation or termination for cause, before the end of the financial year, no STI is awarded for that year; or • due to redundancy, ill health, death or other circumstances approved by the Board, the executive will be entitled to a pro-rata cash payment based on assessment of performance up to the date of ceasing employment for that year. unless the Board determines otherwise.
What happens if there is a change of control?	In the event of a change of control, a pro-rata cash payment will be made based on assessment of performance up to the date of the change of control (subject to Board discretion).

Long Term Incentive (LTI) arrangements

Under the LTI plan, annual grants of options are made to executives to align remuneration with the creation of shareholder value over the long-term.

How is it paid?	Executives are eligible to receive options. In FY2018 and FY2017 options issued were Premium Exercise Price Options ("PEPOs"), being an option to acquire an ordinary share in Westgold for a pre-determined exercise price. The exercise price is calculated as 125% of the volume weighted average price ("VWAP") of Westgold shares traded on the ASX during the 5 day trading period prior to the day of the grant.
How much can executives earn?	The LTI dollar values that executives are entitled to receive as a percentage of their fixed remuneration would not exceed 100% (FY2017: 158%) for the Managing Director and 80% (FY2017: 211%) for the other executives. The number of options granted were determined using the fair value at the date of grant using a Black and Scholes valuation model, taking into account the terms and conditions upon which the options were granted.
How is performance measured?	Options are subject to a one year service period performance measure. There are no other performance conditions as it is designed as a retention plan. The options have an exercise price of 125% of the 5 day VWAP of Westgold shares traded on the ASX prior to the day of the grant. The long term incentive policy has been amended for FY2019 to focus on long term value creation and further align managements' interest with those of the shareholders.
When is performance measured?	Options will vest when the executive continues to be employed by the Group on the first anniversary of the grant date or as determined by the board of Directors. Executives are able to exercise the options for up to two years after the vesting date before the options lapse.

What happens if an executive leaves?	Where an executive ceases to be an employee of the Group: • due to resignation or termination for cause, then any unvested options will automatically lapse on the date of the cessation of employment; or • due to redundancy, ill health, death or other circumstances approved by the Board, the executive will generally be entitled to a pro-rata number of unvested options based on achievement of the performance measures over the performance period up to the date of cessation of employment; and • where an employee ceases employment after the vesting of their options, the options automatically lapse after three months of cessation of employment. unless the Board determines otherwise on compassionate grounds.
What happens if there is a change of control?	In the event of a change of control, the performance period end date will be brought forward to the date of the change of control and PEPO's will vest based on performance over the shortened period (subject to board discretion).
Are executives eligible for dividends?	Executives are not eligible to receive dividends on unvested options.

5. PERFORMANCE AND EXECUTIVE REMUNERATION OUTCOMES

Remuneration earned by executives in 2018

The actual remuneration earned by executives in the year ended 30 June 2018 is set out in Table 1 on page 29. This provides shareholders with a view of the remuneration paid to executives for performance in FY2018 year.

STI performance and outcomes

A combination of financial and non-financial measures were used to measure performance for STI rewards. As a result of the Group's performance against those measures no STIs were rewarded for the FY2018.

LTI performance and outcomes

LTI options granted in FY2017 vested in January 2018. LTI options granted in FY2018 will be subject to a one year vesting period ending in November 2018.

In November 2017, after receiving approval from shareholders at the AGM, 2,400,000 options were granted in total to the Executive Directors, PG Cook and JS Norregaard and 1,200,000 to other executives.

For further details of options granted and vested refer to Table 3 below.

Overview of Company performance

The table below sets out information about Westgold's earnings and movements in shareholder wealth for the past five years up to and including the current financial year.

	30June 14	30 June 15	30 June 16	30 June 17	30 June 18
Closing share price	N/A	N/A	N/A	$1.84	$1.85
Profit/(loss) per share (cents)	$7.82	$4.49	($6.75)	$5.18	($0.34)
Net tangible assets per share	$0.34	$0.44	$0.34	$0.98	$1.12
Dividend paid per shares (cents)	-	-	-	-	-

Clawback of remuneration

In the event of serious misconduct or material misstatement in the Group's financial statements, the board has the discretion to reduce, cancel or clawback any unvested short term incentives or long term incentives.

Share trading policy

The Westgold trading policy applies to all non-executive directors and executives. The policy prohibits employees from dealing in Westgold securities while in possession of material non-public information relevant to the Group. Executives must not enter into any hedging arrangements over unvested long term incentives under the Group's long term incentive plan. The Group would consider a breach of this policy as gross misconduct, which may lead to disciplinary action and potentially dismissal.

6. EXECUTIVE EMPLOYMENT ARRANGEMENTS

A summary of the key terms of employment agreements for executives is set out below. There is no fixed term for executive service agreements and all executives are entitled to participate in the Company's STI and LTI plans. The Company may terminate employment agreements immediately for cause, in which the executive is not entitled to any payment other than the value of fixed remuneration and accrued leave entitlements up to the termination date.

Name	Base Salary $	Superannuation	Notice Period	Termination Payment
PG Cook (Managing Director)	580,000	9.5%	3 months	6 months base salary
JS Norregaard (Director of Oper-ations)	500,000	9.5%	3 months	6 months base salary
JG Brock (Chief Operating Of-ficer – Murchison)	320,000	9.5%	3 months	Per NES *
PD Hucker (Chief Operating Of-ficer – Eastern Goldfields) **	319,635	9.5%	3 months	Per NES *
DW Okeby (Legal Counsel and Company Secretary)	250,000	9.5%	3 months	Per NES *
SM Balloch (Chief Financial Of-ficer)	300,000	9.5%	1 month	Per NES *
DA Fullarton (Chief Financial Of-ficer)	250,000	9.5%	3 months	Per NES *

* NES are National Employment Standards as defined in the Fair Work Act 2009 (Cth), which outline the minimum termination benefits based on years of service.

** Note that a management restructure resulted in PD Hucker changing roles on 20 July 2018 to that of Group Chief Mining Engineer.

7. EXECUTIVE CONTRACTUAL ARRANGEMENTS

Table 1: Remuneration for the year ended 30 June 2018

	Short Term				Post employment	Long term benefits	Share-based payment	Total	% Performance related	% of remuneration that consists of performance rights
	Salary and Fees	Cash Bonus	Annual Leave Benefit	Non monetary benefits	Superannuation	Long service leave	Options			
Non-executive Directors										
PJ Newton	80,000	-	-	-	7,600	-	-	87,600	-	-
PB Schwann	80,000	-	-	-	7,600	-	-	87,600	-	-
FJ Van Maanen (6)	81,900	-	-	-	5,700	-	-	87,600	-	-
SV Shet (1)	42,489	-	-	-	-	-	-	42,489	-	-
	284,389	**-**	**-**	**-**	**20,900**	**-**	**-**	**305,289**		
Executive Directors										
PG Cook (6)	612,794	-	25,192	5,350	22,306	(8,457)	1,050,352	1,707,537	-	-
JS Norregaard (5, 6)	534,784	50,000	10,505	5,937	26,800	3,877	271,517	903,420	-	-
Other key management personnel										
JG Brock (2, 4, 6)	341,298	-	1,441	1,810	24,999	(822)	348,630	717,356	-	-
PD Hucker (6)	324,498	-	17,729	2,715	25,502	15,226	348,630	734,300		
DW Okeby (3)	225,000	-	9,798	7,739	21,375	29,079	348,630	641,621	-	-
SM Balloch (2, 3)	354,238	-	13,747	3,889	33,653	9,798	437,994	853,319	-	-
DA Fullarton (1)	29,487	-	2,393	-	2,801	141	-	34,822	-	-
	2,422,099	**50,000**	**80,805**	**27,440**	**157,436**	**48,842**	**2,805,753**	**5,592,375**		
Totals	**2,706,488**	**50,000**	**80,805**	**27,440**	**178,336**	**48,842**	**2,805,753**	**5,897,664**		

1. SV Shet and DA Fullarton were appointed 18 December 2017 and 21 May 2018 respectively.
2. JG Brock and SM Balloch resigned 30 June 2018 and 13 July 2018 respectively.
3. Includes amounts recovered from Pantoro Limited in respect of remuneration for services provided by DW Okeby and SM Balloch of $59,624 and $74,564 respectively.
4. Includes annual leave paid out on termination.
5. The cash bonus was paid in lieu of options.
6. Where employees have reached the maximum super contribution base, the amount of deemed super in excess of the maximum was paid out as salary at the employees election.

Table 2: Remuneration for the year ended 30 June 2017

	Short Term			Post employment	Long term benefits	Share-based Payment				
	Salary and Fees	Annual leave benefit	Non monetary benefits	Superannuation	Long service leave	Performance Rights (Metals X pre-demerger)	Options	Total	% Performance related	% of remuneration that consists of performance rights
Non-executive Directors										
WS Hallam (1)	13,333	-	-	1,267	-	-	-	14,600	-	-
PJ Newton (2)	46,667	-	-	4,433	-	-	-	51,100	-	-
PB Schwann (2)	33,333	-	-	3,167	-	-	-	36,500	-	-
FJ Van Maanen (2)	46,667	-	-	4,433	-	-	-	51,100	-	-
	140,000	**-**	**-**	**13,300**	**-**	**-**	**-**	**153,300**		
Executive Directors										
PG Cook (5)	400,858	12,819	2,453	22,542	33,828	165,387	670,275	1,308,162	13	13
WS Hallam (1) (5)	29,294	-	324	2,187	909	88,840	-	121,554	73	73
JS Norregaard (2)	210,000	17,042	1,463	19,950	1,078	-	-	249,533	-	-
Other key management personnel										
JG Brock	352,207	2,971	1,164	13,563	822	-	268,110	638,837	-	-
PD Hucker (4)	319,635	(9,456)	5,486	30,365	16,030	341,421	268,110	971,591	35	35
DW Okeby (3)	115,897	2,482	2,428	11,010	24,929	-	268,110	424,856	-	-
SM Balloch (3)	196,086	15,913	2,494	18,628	19,246	-	357,480	609,847	-	-
JW Russell (3, 6)	126,650	6,757	2,161	12,469	5,254	-	134,055	287,346	-	-
	1,750,627	**48,528**	**17,973**	**130,714**	**102,096**	**595,648**	**1,966,140**	**4,611,726**		
Totals	**1,890,627**	**48,528**	**17,973**	**144,014**	**102,096**	**595,648**	**1,966,140**	**4,765,026**		

1. WS Hallam changed from executive Director to a non-executive Director on 1 December 2016 and resigned 2 February 2017.
2. PJ Newton, PB Schwann, FJ Van Maanen and SJ Norregaard were appointed 6 October 2016, 2 February 2017, 6 October 2016 and 29 December 2016, respectively.
3. Amounts represent period from 1 December 2016 to 30 June 2017.
4. PD Hucker was a director of Westgold pre-demerger and resigned 3 October 2016.
5. For the period 1 July to 30 November 2016 an apportionment of the remuneration provided by Metals X has been included based upon an estimate of time spent on the Westgold operations. For Mr Cook this was 20% and Mr Hallam 15%.
6. No longer considered to be key management personnel.

REMUNERATION REPORT (AUDITED) (CONTINUED)

8. ADDITIONAL STATUTORY DISCLOSURES

This section sets out the additional disclosures required under the *Corporations Act 2001*.

Table 3: Westgold options granted and vested during the year (Consolidated)

	Year	Options granted during the year (No.)	Grant date	Fair value per option at grant date	Value of options at grant date $	Vesting date	Exercise price	Expiry date	Options vesting during the period	Options lapsed during the year
PG Cook	2018	1,400,000	22/11/2017	$0.45	627,806	22/11/2018	$2.31	24/11/2020	-	-
PG Cook	2017	2,250,000	24/11/2016	$0.60	1,340,457	11/1/2018	$2.02	11/1/2020	2,250,000	-
JS Norregaard	2018	1,000,000	23/11/2017	$0.45	448,433	22/11/2018	$2.31	24/11/2020	-	-
JS Norregaard	2017	-	-	-	-	-	-	-	-	-
JG Brock	2018	300,000	23/11/2017	$0.45	133,621	22/11/2018	$2.31	24/11/2020	-	-
JG Brock	2017	900,000	11/1/2017	$0.60	536,220	11/1/2018	$2.02	11/1/2020	900,000	-
PD Hucker	2018	300,000	23/11/2017	$045	133,621	22/11/2018	$2.31	24/11/2020	-	-
PD Hucker	2017	900,000	11/1/2017	$0.60	536,220	11/1/2018	$2.02	11/1/2020	900,000	-
DW Okeby	2018	300,000	23/11/2017	$0.45	133,621	22/11/2018	$2.31	24/11/2020	-	-
DW Okeby	2017	900,000	11/1/2017	$0.60	536,220	11/1/2018	$2.02	11/1/2020	900,000	-
SM Balloch	2018	300,000	23/11/2017	$.045	133,621	22/11/2018	$2.31	24/11/2020	-	-
SM Balloch	2017	1,200,000	11/1/2017	$0.60	714,960	11/1/2018	$2.02	11/1/2020	1,200,000	-
DA Fullarton	2018	-	-	-	-	-	-	-	-	-
DA Fullarton	2017	-	-	-	-	-	-	-	-	-

For details on the valuation of the options, including models and assumptions used, please refer to note 29.

The value of the share based payments granted during the period is recognised in compensation over the vesting period of the grant.

Table 4: Shareholdings of key management personnel (including nominees)

	Balance held at 1 July 2017	On exercise of options	Net change other [1]	Balance held at 30 June 2018
Directors				
PG Cook	9,529,066	-	500,000	10,029,066
PJ Newton	6,941,656	-	-	6,941,656
SJ Norregaard	-	-	-	-
PB Schwann	-	-	-	-
FJ Van Maanen	435,521	-	-	435,521
SV Shet	-		-	-
Executives				
SM Balloch	113,340	-	-	113,340
JG Brock	-	-	-	-
PD Hucker	146,384	-	-	146,384
DW Okeby	30,234	-	-	30,234
DA Fullarton	-	-	-	-
Total	**17,196,201**	**-**	**500,000**	**17,696,201**

1. Represents acquisition of shares on market.

Table 5: Performance right and option holdings of key management personnel (including nominees)

	Options balance at beginning of year 1 July 2017	Options granted as remuneration	Options balance at end of year 30 June 2018	Options not vested and not exercisable	Options vested and exercisable
Directors					
PG Cook	2,250,000	1,400,000	3,650,000	1,400,000	2,250,000
PJ Newton	-	1,000,000	1,000,000	1,000,000	-
JS Norregaard	-	-	-	-	-
PB Schwann	-	-	-	-	-
SV Shet	-	-	-	-	
FJ Van Maanen	-	-	-	-	-
Executives					
JG Brock	900,000	300,000	1,200,000	300,000	900,000
PD Hucker	900,000	300,000	1,200,000	300,000	900,000
DW Okeby	900,000	300,000	1,200,000	300,000	900,000
SM Balloch	1,200,000	300,000	1,500,000	300,000	1,200,000
DA Fullarton	-	-	-	-	-
Total	**6,150,000**	**3,600,000**	**9,750,000**	**3,600,000**	**6,150,000**

Loans to key management personnel and their related parties

There are no loans to key management personnel during the years ended 30 June 2018 and 20 June 2017.

End of Audited Remuneration Report.

DIRECTORS' REPORT

CORPORATE GOVERNANCE

In recognising the need for the highest standards of corporate behaviour and accountability, the Directors of the Company support and have adhered to the principles of Corporate Governance. The Company's corporate governance statement is available at the Company's website at:

www.westgold.com.au/about/corporate-governance/

AUDITOR'S INDEPENDENCE AND NON-AUDIT SERVICES

AUDITOR INDEPENDENCE

The Directors received the Auditor's Independence Declaration, as set out on page 34, from Ernst & Young.

NON-AUDIT SERVICES

The following non-audit services were provided by the entity's auditor, Ernst & Young. The Directors are satisfied that the provision of non-audit is compatible with the general standard of independence for auditors imposed by the Corporations Act 2001. The nature and scope of each type of non-audit service provided means that auditor independence was not compromised.

Ernst & Young received or are due to receive the following amounts for the provision of non-audit services (refer to note 31):

	$
Tax compliance services	239,227

Signed in accordance with a resolution of the Directors.

PG Cook
Managing Director
Perth, 31 August 2017

AUDITOR'S INDEPENDENCE DECLARATION

Ernst & Young
11 Mounts Bay Road
Perth WA 6000 Australia
GPO Box M939 Perth WA 6843

Tel: +61 8 9429 2222
Fax: +61 8 9429 2436
ey.com/au

Auditor's Independence Declaration to the Directors of Westgold Resources Limited

As lead auditor for the audit of Westgold Resources Limited for the financial year ended 30 June 2018, I declare 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.

This declaration is in respect of Westgold Resources Limited and the entities it controlled during the financial year.

Ernst & Young

Ernst & Young

Philip Teale
Partner
31 August 2018

PT:CT:WESTGOLD:021

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2018

	Notes	2018	2017
Continuing operations			
Revenue	5	371,631,294	307,025,260
Cost of sales	7(a)	(405,011,434)	(290,072,056)
Gross (loss)/profit		**(33,380,140)**	**16,953,204**
Other income	6	5,525,825	1,890,921
Other expenses	7(b)	(12,367,092)	(6,862,369)
Finance costs	7(c)	(2,912,005)	(807,440)
Impairment loss on available-for-sale financial assets	15	(2,535,760)	(81,850)
Exploration and evaluation expenditure written off	18	(6,237,307)	(908,729)
Impairment of goodwill	37(a)	(2,553,772)	-
(Loss)/profit before income tax from continuing operations		**(54,460,251)**	**10,183,737**
Income tax benefit / (expense)	8	13,072,576	(4,514,189)
Loss for the year from continuing operations		**(41,387,675)**	**5,669,548**
Discontinued operations			
Profit from discontinued operations after tax	38	**40,216,616**	**10,104,972**
Net (loss)/profit for the year		**(1,171,059)**	**15,774,520**
Other comprehensive profit for the year, net of tax		**-**	**-**
Total comprehensive (loss)/profit for the year		**(1,171,059)**	**15,774,520**
(Loss)/profit attributable to:			
Members of the parent		**(1,171,059)**	**15,774,520**
		(1,171,059)	**15,774,520**
(Loss)/profit per share for the profit attributable to the ordinary equity holders of the parent (cents per share)			
Basic (loss)/profit per share			
Continuing operations	9	(12.14)	(0.97)
Discontinuing operations	9	11.80	6.14
		(0.34)	**5.18**
Diluted (loss)/profit per share			
Continuing operations	9	(12.14)	(0.97)
Discontinuing operations	9	11.80	6.14
		(0.34)	**5.18**

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2018

	Notes	2018	2017
CURRENT ASSETS			
Cash and cash equivalents	10	73,446,753	67,137,367
Trade and other receivables	11	19,905,830	8,798,147
Inventories	12	60,693,057	47,956,628
Prepayments	13	1,366,359	796,293
Other financial assets	14	1,286,546	1,337,819
Total current assets		**156,698,545**	**126,026,254**
NON-CURRENT ASSETS			
Available-for-sale financial assets	15	6,267,158	373,151
Property, plant and equipment	16	181,409,840	103,667,146
Mine properties and development costs	17	175,644,187	125,323,262
Exploration and evaluation expenditure	18	147,262,738	162,604,807
Total non-current assets		**510,583,923**	**391,968,366**
TOTAL ASSETS		**667,282,468**	**517,994,620**
CURRENT LIABILITIES			
Trade and other payables	19	85,208,108	73,485,323
Provisions	20	7,195,801	4,765,939
Interest-bearing loans and borrowings	22	16,819,651	5,259,259
Unearned income	24	18,075,375	5,812,500
Total current liabilities		**127,298,935**	**89,323,021**
NON-CURRENT LIABILITIES			
Provisions	21	78,018,113	91,808,450
Interest-bearing loans and borrowings	23	13,828,667	5,194,528
Deferred tax liabilities	8	42,320,592	32,033,007
Total non-current liabilities		**134,167,372**	**129,035,985**
TOTAL LIABILITIES		**261,466,307**	**218,359,006**
NET ASSETS		**405,816,161**	**299,635,614**
EQUITY			
Issued capital	25	276,976,897	173,944,902
Accumulated losses	26	(65,915,053)	(64,743,994)
Share-based payments reserve	27	13,260,686	8,941,075
Other reserves	27	181,493,631	181,493,631
TOTAL EQUITY		**405,816,161**	**299,635,614**

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2018

	Notes	2018	2017
OPERATING ACTIVITIES			
Receipts from customers		408,791,905	414,647,671
Interest received		566,207	764,812
Other income		821,046	954,064
Payments to suppliers and employees		(392,290,195)	(340,278,788)
Interest paid		(1,416,560)	(493,281)
Income tax paid		(1,761,448)	-
Net cash flows from operating activities	10	**14,710,955**	**75,594,478**
INVESTING ACTIVITIES			
Payments for property, plant and equipment		(47,359,009)	(47,307,664)
Payments for mine properties and development		(99,053,638)	(63,782,674)
Payments for exploration and evaluation		(25,521,635)	(23,906,069)
Proceeds from sale of available-for-sale financial assets	15	61,540,372	-
Proceeds from sale of property, plant and equipment		79,848	481,615
Cash acquired on acquisition of subsidiary	37(a)	2,357,406	-
Acquisition of subsidiary	37(b)	(3,000,000)	-
Proceeds from disposal of subsidiary	38	17,461,016	-
Payment for available for sale financial assets	15(d)	(3,360,000)	-
Proceeds from / (payments for) performance bond facility		92,926	(1,385,472)
Net cash flows used in investing activities		**(96,762,714)**	**(135,900,264)**
FINANCING ACTIVITIES			
Payment of finance lease liabilities	4(g)	(15,371,603)	(3,973,371)
Repayment of related party borrowings	37(a)	(2,500,000)	-
Proceeds from intercompany loans		-	34,938,208
Proceeds from parent entity on demerger		-	96,000,000
Proceeds from share issue	25(b)	72,457,098	-
Share issue costs	25(b)	(2,375,000)	-
Proceeds from gold prepayment	24	36,150,750	-
Net cash flows from financing activities		**88,361,144**	**126,964,837**
Net increase in cash and cash equivalents		6,309,386	66,659,051
Cash and cash equivalents at the beginning of the financial year		67,137,367	478,316
Cash and cash equivalents at the end of the year	10	**73,446,753**	**67,137,367**

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2018

	Issued capital	Accumulated losses	Share based payments reserve	Equity reserve	Total Equity
2018					
At 1 July 2017	**173,944,902**	**(64,743,994)**	**8,941,075**	**181,493,631**	**299,635,614**
Loss for the year	-	(1,171,059)	-	-	(1,171,059)
Other comprehensive income, net of tax	-	-	-	-	-
Total comprehensive loss for the year net of tax	**-**	**(1,171,059)**	**-**	**-**	**(1,171,059)**
Transactions with owners in their capacity as owners					
Share-based payments	-	-	4,319,611	-	4,319,611
Issue of share capital	105,407,095	-	-	-	105,407,095
Share issue costs, net of tax	(2,375,100)	-	-	-	(2,375,100)
At 30 June 2018	**276,976,897**	**(65,915,053)**	**13,260,686**	**181,493,631**	**405,816,161**

	Issued capital	Accumulated losses	Share based payments reserve	Equity reserve	Total Equity
2017					
At 1 July 2016	**171,644,902**	**(80,518,514)**	**5,664,403**	**7,319,816**	**104,110,607**
Profit for the year	-	15,774,520	-	-	15,774,520
Other comprehensive income, net of tax	-	-	-	-	-
Total comprehensive profit for the year net of tax	**-**	**15,774,520**	**-**	**-**	**15,774,520**
Share-based payments	-	-	3,276,672	-	3,276,672
Intercompany loans written off on demerger	-	-	-	171,242,432	171,242,432
Tax consolidation adjustments	-	-	-	2,931,383	2,931,383
Issue of share capital	2,300,000	-	-	-	2,300,000
At 30 June 2017	**173,944,902**	**(64,743,994)**	**8,941,075**	**181,493,631**	**299,635,614**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

1. CORPORATE INFORMATION

The financial report of Westgold Resources Limited for the year ended 30 June 2018 was authorised for issue in accordance with a resolution of the Directors on 30 August 2018.

Westgold Resources Limited ("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 nature of the operations and principal activities of the Group are described in the Directors' Report.

The address of the registered office is Level 6, 197 St Georges Tce, Perth WA 6000.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(A) BASIS OF PREPARATION

The financial report is a general purpose financial report, which has been prepared in accordance with the requirements of the Corporations Act 2001 and Australian Accounting Standards and other authoritive pronouncements of the Australian Accounting Standards Board.

The financial report has been prepared on a historical cost basis, except for available-for-sale financial assets, which have been measured at fair value.

The financial report is presented in Australian dollars.

(B) STATEMENT OF COMPLIANCE

The financial report complies with Australian Accounting Standards as issued by the Australian Accounting Standards Board and also International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board.

Adoption of new accounting standards
In the current year, the Group has adopted all of the new and revised Standards and Interpretations issued by the Australian Accounting Standards Board (the AASB) that are relevant to its operations and effective for annual reporting periods beginning on 1 July 2017. Adoption of these Standards and Interpretations did not have any effect on the financial position or performance of the Group.

New and amended standards and interpretations issued but not yet effective
A number of new Standards, amendment of Standards and Interpretations have recently been issued but are not yet effective and have not been adopted by the Group as at the financial reporting date. The potential effect of these Standards are yet to be fully determined. However it is not expected that the new or amended Standards will significantly affect the Group's accounting policies, financial position or performance, except for the following:

<table>
<tr><th>Reference and Title</th><th>Applicate date for Group</th><th>Summary</th></tr>
<tr><td>AASB 9 Financial Instruments</td><td>1 July 2018</td><td>
AASB 9 which contains accounting requirements for financial instruments, replacing AASB 139 Financial Instruments: Recognition and Measurement. The standard contains requirements in the areas of classification and measurement, impairment, hedge accounting and de-recognition.
Existing financial assets and liabilities of the Group were assessed in terms of the requirements for AASB 9. In this regards, the Group has determined that the adoption of AASB will impact the classification of financial asset and liabilities as follows:
<table>
<tr><th>Class of financial instrument presented in the Consolidated Statement of Financial Position</th><th>Original measurement category under AASB 9 (i.e. prior to 1 July 2018)</th><th>New measurement category under AASB 9 (i.e. from 1 July 2018)</th></tr>
<tr><td>Cash and cash equivalents</td><td>Cash and cash equivalents</td><td>Financial assets at amortised cost</td></tr>
<tr><td>Trade and other receivables</td><td>Loans and receivables</td><td>Financial assets at amortised cost</td></tr>
<tr><td>Available-for-sale financial assets</td><td>Available-for-sale financial assets</td><td>Financial assets will either be designated as fair value through other comprehensive income (when held for strategic reasons) or accounted for as financial assets at fair value through profit and loss</td></tr>
<tr><td>Interest-bearing loans and borrowings</td><td>Financial liability at amortised cost</td><td>Financial liability at amortised cost</td></tr>
</table>
The change in classification will not result in any re-measurement adjustments at 1 July 2018. The Group will adopt AASB 9 retrospectively from 1 July 2018 and has elected not to restate comparative information.
</td></tr>
<tr><td>AASB 15 Revenue from Contracts with Customers</td><td>1 July 2018</td><td>
AASB 15 Revenue was issued in December 2015 and establishes a five-step model to account for revenue arising from contracts with customers, Under AASB 15, revenue is recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer. Under AASB 15 the revenue recognition model will change from one based on the transfer of risk and reward of ownership to the transfer of control of ownership. The Group plans to adopt AASB 15 using the modified retrospective approach. In this regard, the Group will apply AASB 15 retrospectively at 1 July 2018 to all contracts that were not completed.
Revenue from gold sales is recognised when gold is sold out of the metal account. The Group has no other performance obligations once gold has been sold off the metal account and accordingly, adoption of AASB 15 is not expected to have material impact on revenue recognition in relation to gold sales.
Unearned income is in relation to the gold pre-pay facility as disclosed note 24 to the Financial Statements. The Group has determined that any financing component of this facility as at 30 June 2018 is not expected to have a material impact on revenue recognition. The Group will assess future prepaid revenue on a case-by-case basis.
The Group also generates revenue from tolling operations and contract mining and for the year ended 30 June 2018 this revenue represented 3.4% from continuing operations. The Group has completed its assessment of the impact of AASB 15 in relation this revenue, and AASB 15 will not have a material impact on the revenue recognised for current contracts in place as at 30 June 2018.
</td></tr>
</table>

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Reference and Title	Applicate date for Group	Summary
AASB 16 Leases	1 July 2019	AASB 16 provides a new lease accounting model which requires a lessee to recognise assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value. A lessee measure the right-of-use assets similarly to other non-financial assets and lease liabilities similarly to other financial liabilities. Assets and liabilities arising from a lease are initially measured on a present value basis. The measurement includes non-cancellable lease payments (including inflation-linked payments), and also includes payments to be made in optional periods if the lessee is reasonably certain to exercise an option to extend the lease, or not to exercise an option and terminate the lease. AASB 16 contains disclosure requirements for lessees. The Group is in the process of assessing the impact of the new lease standard.
AASB Interpretation 23, and relevant amending standards	1 July 2019	The Interpretation clarifies the application of the recognition and measurement criteria in AASB 112 Income Taxes when there is uncertainty over income tax treatments. The Interpretation specifically addresses the following: • Whether an entity considers uncertain tax treatments separately • The assumptions an entity makes about the examination of tax treatments by taxation authorities. The Group is still assessing whether there will be any material impact.

(C) CHANGES IN ACCOUNTING POLICY

The accounting policies used in the preparation of these financial statements are consistent with those used in previous years, except as stated in note 2(b).

(D) BASIS OF CONSOLIDATION

The consolidated financial statements comprise the financial statements of the parent entity and its subsidiaries ("the Group") as at 30 June each year. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if and only if the Group has:

- Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee);
- Exposure, or rights, to variable returns from its involvement with the investee; and
- The ability to use its power over the investee to affect its returns.

When the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement with the other vote holders of the investee;
- Rights arising from other contractual arrangements; and
- The Group's voting rights and potential voting rights.

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the Consolidated Statement of Comprehensive Income from the date the Group gains control until the date the Group ceases to control the subsidiary.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies. All intercompany transactions between members of the Group are eliminated in full on consolidation.

(E) FOREIGN CURRENCY TRANSLATION

(i) Functional and presentation currency

Both the functional and presentation currency of the Company and its Australian subsidiaries is Australian dollars (A$).

(ii) Transactions and balances

Transactions in foreign currencies are initially recorded in the functional currency by applying the exchange rates ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange at the reporting date.

All exchange differences are taken to the profit or loss.

(F) OPERATING SEGMENTS

An operating segment is a component of an entity that engages in business activities from which it may earn revenues and incur expenses (including revenues and expenses relating to transactions with other components of the same entity), whose operating results are regularly reviewed by the entity's chief operating decision maker to make decisions about resources to be allocated to the segment and assess its performance and for which discrete financial information is available. This includes start-up operations which are yet to earn revenues. Management will also consider other factors in determining operating segments such as the existence of a line manager and the level of segment information presented to the board of directors.

Operating segments have been identified based on the information provided to the chief operating decision makers – being the executive management team. The Group aggregates two or more operating segments when they have similar economic characteristics.

Operating segments that meet the quantitative criteria as prescribed by AASB 8 are reported separately. However, an operating segment that does not meet the quantitative criteria is still reported separately where information about the segment would be useful to users of the financial statements.

Information about other business activities and operating segments that are below the quantitative criteria are combined and disclosed in a separate category for "all other segments".

(G) CASH AND CASH EQUIVALENTS

Cash and cash equivalents in the Consolidated Statement of Financial Position comprise cash at bank and in hand and short-term deposits that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

(H) TRADE AND OTHER RECEIVABLES

Trade and other receivables, which generally have 30-60 day terms, are recognised initially at fair value and subsequently measured at amortised cost using the effective interest rate method, less an allowance for impairment.

Collectability of trade and other receivables is reviewed on an ongoing basis. Individual debts that are known to be uncollectible are written off when identified. An impairment allowance is recognised when there is objective evidence that the Group will not be able to collect the receivable. Financial difficulties of the debtor, default payments or debts more than 60 days overdue are considered objective evidence of impairment. The amount of the impairment loss is the receivable carrying amount compared to the present value of estimated future cash flows, discounted at the original effective interest rate.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(I) INVENTORIES

Inventories are valued at the lower of cost and net realisable value.

Cost includes expenditure incurred in acquiring and bringing the inventories to their existing condition and location and is determined using the weighted average cost method.

(J) DERIVATIVE FINANCIAL INSTRUMENTS

The Group uses derivative financial instruments to manage commodity price exposures. Such derivative financial instruments are initially recorded at fair value on the date on which the derivative contract is entered into and are subsequently remeasured to fair value.

Certain derivative instruments are also held for trading for the purpose of making short term gains. None of the derivatives qualify for hedge accounting and changes in fair value are recognised immediately in profit or loss in other revenue and expenses.

Derivatives are carried as assets when their fair value is positive and as liabilities when their fair value is negative. The Group did not enter into or hold any derivative financial instruments during the reporting period (2017: nil).

(K) JOINT ARRANGEMENTS

Joint arrangements are arrangements over which two or more parties have joint control. Joint Control is the contractual agreed sharing of control of the arrangement which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control. Joint arrangements are classified as ether a joint operation or a joint venture, based on the rights and obligations arising from the contractual obligations between the parties to the arrangement.

To the extent the joint arrangement provides the Group with rights to the individual assets and obligations arising from the joint arrangement, the arrangement is classified as a joint operation and as such, the Group recognises its:

- Assets, including its share of any assets held jointly;
- Liabilities, including its share of liabilities incurred jointly;
- Revenue from the sale of its share of the output arising from the joint operation;
- Share of revenue from the sale of the output by the joint operation; and
- Expenses, including its share of any expenses incurred jointly.

To the extent the joint arrangement provides the Group with rights to the net assets of the arrangement, the investment is classified as a joint venture and accounted for using the equity method. Under the equity method, the cost of the investment is adjusted by the post-acquisition changes in the Group's share of the net assets of the joint venture.

(L) BORROWING COSTS

Borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset (i.e. an asset that necessarily takes a substantial period of time to get ready for its intended use or sale) are capitalised as part of the cost of that asset. All other borrowing costs are expensed in the period they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

(M) REHABILITATION COSTS

The Group is required to decommission and rehabilitate mines and processing sites at the end of their producing lives to a condition acceptable to the relevant authorities.

The expected cost of any approved decommissioning or rehabilitation programme, discounted to its net present value, is provided when the related environmental disturbance occurs. The cost is capitalised when it gives rise to future benefits, whether the rehabilitation activity is expected to occur over the life of the operation or at the time of closure. The capitalised cost is amortised over the life of the operation and the increase in the net present value of the provision for the expected cost is included in financing expenses. Expected decommissioning and rehabilitation costs are based on the discounted value of the estimated future cost of detailed plans prepared for each site. Where there is a change in the expected decommissioning and restoration costs, the value of the provision and any related asset are adjusted and the effect is recognised in profit or loss on a prospective basis over the remaining life of the operation.

The estimated costs of rehabilitation are reviewed annually and adjusted as appropriate for changes in legislation, technology or other circumstances. Cost estimates are not reduced by potential proceeds from the sale of assets or from plant clean up at closure.

(N) AVAILABLE-FOR-SALE INVESTMENTS

All available-for-sale financial assets are initially recognised at fair value plus directly attributable transaction costs.

Available-for-sale financial assets are those non-derivative financial assets, principally equity securities that are designated as available-for-sale. Investments are designated as available-for-sale if they do not have fixed maturities and fixed and determinable payments and management intends to hold them for the medium to long term.

After initial recognition, available-for-sale financial assets are measured at fair value. Gains or losses are recognised in other comprehensive income and presented as a separate component of equity until the investment is sold, collected or otherwise disposed of, or until the investment is determined to be impaired, at which time the cumulative gain or loss previously reported in equity is included in profit or loss.

The fair value of investments that are actively traded in organised markets is determined by reference to quoted market bid prices at the close of business on the reporting date.

For investments with no active market, fair value is determined using valuation techniques. Such valuation techniques include using recent arm's length transactions; reference to the current market value of another instrument that is substantially the same; discounted cash flow analysis and option pricing models. Where fair value cannot be reliably measured for certain unquoted investments, these investments are measured at cost.

(O) BUSINESS COMBINATIONS

Business combinations are accounted for using the acquisition method. The consideration transferred in a business combination shall be measured at fair value, which shall be calculated as the sum of the acquisition-date fair values of the assets transferred by the acquirer, the liabilities incurred by the acquirer to former owners of the acquiree and the equity issued by the acquirer, and the amount of any non-controlling interest in the acquiree. For each business combination, the acquirer measures the non-controlling interest in the acquiree either at fair value or at the appropriate share of the acquiree's identifiable net assets. Acquisition-related costs are expensed as incurred.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic conditions, the Group's operating or accounting policies and other pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in the host contracts by the acquiree.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(O) BUSINESS COMBINATIONS (CONTINUED)

If the business combination is achieved in stages, the acquisition date fair value of the acquirer's previously held equity interest in the acquiree is remeasured at fair value as at the acquisition date through profit or loss.

Any contingent consideration to be transferred by the acquirer will be recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration which is deemed to be an asset or liability will be recognised in accordance with AASB 139 either in profit or loss or in other comprehensive income. If the contingent consideration is classified as equity, it shall not be remeasured and subsequent settlement is accounted for within equity. In instances, where the contingent consideration does not fall within the scope of AASB 139, it is measured in accordance with the appropriate AASB.

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interest over the fair value of the identifiable net assets acquired and liabilities assumed. If this consideration is lower than the fair value of the identifiable net assets of the subsidiary acquired, the difference is recognised in profit or loss.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

Where goodwill forms part of a cash-generating unit and part of the operation within that unit is disposed of, the goodwill associated with the operation disposed of is included in the carrying amount of the operation when determining the gain or loss on disposal of the operation. Goodwill disposed of in this circumstance is measured based on the relative value of the operation disposed of and the portion of the cash-generating unit retained.

(P) PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment is stated at historical cost less accumulated depreciation and any impairment in value.

Capital work-in-progress is stated at cost and comprises all costs directly attributable to bringing the assets under construction ready to their intended use. Capital work-in-progress is transferred to property, plant and equipment at cost on completion.

Depreciation is calculated on a straight-line basis over the estimated useful life of the asset, or where appropriate, over the estimated life of the mine.

Major depreciation periods are:

- Mine specific plant and equipment is depreciated using – the shorter of life of mine and useful life. Useful life ranges from 2 to 25 years.
- Buildings – the shorter of life of mine and useful life. Useful life ranges from 5 to 40 years.
- Office plant and equipment is depreciated at 33% per annum for computers and office machines and 20% per annum for other office equipment and furniture.

Impairment

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

For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

If any such indication exists and where the carrying values exceed the estimated recoverable amount, the assets or cash-generating units are written down to their recoverable amount. Refer to note 2(t) for further discussion on impairment testing performed by the Group.

Derecognition

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset.

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

(Q) EXPLORATION AND EVALUATION EXPENDITURE

Expenditure on acquisition, exploration and evaluation relating to an area of interest is carried forward at cost where rights to tenure of the area of interest are current and:

i. it is expected that expenditure will be recouped through successful development and exploitation of the area of interest or alternatively by its sale; and/or

ii. exploration and evaluation activities are continuing in an area of interest but at reporting date have not yet reached a stage which permits a reasonable assessment of the existence or otherwise of economically recoverable reserves.

A regular review is undertaken of each area of interest to determine the appropriateness of continuing to carry forward costs in relation to that area of interest. Where uncertainty exists as to the future viability of certain areas, the value of the area of interest is written off to the profit and loss or provided against.

Impairment

The carrying value of capitalised exploration and evaluation expenditure is assessed for impairment on a regular basis or whenever impairment indicators are present. When information becomes available suggesting that the recovery of expenditure which had previously been capitalised is unlikely or that the Group no longer holds tenure, the relevant capitalised amount is written off to the profit or loss in the period when the new information becomes available.

(R) MINE PROPERTIES AND DEVELOPMENT

Expenditure on the acquisition and development of mine properties within an area of interest are carried forward at cost separately for each area of interest. This includes the costs associated with waste removal (stripping costs) in the creation of improved access and mining flexibility in relation to the ore to be mined in the future. Accumulated expenditure is amortised over the life of the area of interest to which such costs relate on a production output basis.

A regular review is undertaken of each area of interest to determine the appropriateness of continuing to carry forward costs in relation to that area of interest.

Impairment

The carrying value of capitalised mine properties and development expenditure is assessed for impairment whenever facts and circumstances suggest that the carrying amount of the asset may exceed its recoverable amount.

Recoverable amount 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. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. Refer to note 2(t) for further discussion on impairment testing performed by the Group.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(S) NON-CURRENT ASSETS AND DISPOSAL GROUPS HELD FOR SALE AND DISCONTINUED OPERATIONS

Non-current assets and disposal groups are classified as held for sale and measured at the lower of their carrying amount and fair value less costs to sell if their carrying amount will be recovered principally through a sale transaction. They are not depreciated or amortised. For an asset or disposal group to be classified as held for sale it must be available for immediate sale in its present condition and its sale must be highly probable.

An impairment loss is recognised for any initial or subsequent write-down of the asset (or disposal group) to fair value less costs to sell. A gain is recognised for any subsequent increases in fair value less costs to sell of an asset (or disposal group), but is not in excess of any cumulative impairment loss previously recognised. A gain or loss not previously recognised by the date of the sale of the non-current asset (or disposal group) is recognised as the date of derecognition.

A discontinued operation is a component of the Group that has been disposed of or is classified as held for sale and that represents a separate major line of business or geographical area of operations, is part of a single coordinated plan to dispose of such a line of business or area of operations, or is a subsidiary acquired exclusively with a view to resale. The results of discontinued operations are presented separately on the face of the Consolidated Statement of Comprehensive Income and the assets and liabilities are presented separately on the face of the Consolidated Statement of Financial Position.

(T) IMPAIRMENT OF NON-FINANCIAL ASSETS

The Group assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs of disposal and its value in use. Recoverable amount 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. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used.

The Group bases its impairment calculation on detailed budgets and forecasts, which are prepared separately for each of the Group's CGUs to which the individual assets are allocated, based on the life-of-mine plans. The estimated cash flows are based on expected future production, metal selling prices, operating costs and forecast capital expenditure based on life-of-mine plans.

Value in use does not reflect future cash flows associated with improving or enhancing an asset's performance, whereas anticipated enhancements to assets are included in fair value less costs of disposal calculations.

Impairment losses of continuing operations, including impairment on inventories, are recognised in the profit and loss. For such properties, the impairment is recognised in other comprehensive income up to the amount of any previous revaluation.

For assets, an assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment losses no longer exist or have decreased. If such indication exists, the Group estimates the asset's or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in profit or loss.

(U) TRADE AND OTHER PAYABLES

Trade payables and other payables are carried at amortised cost and due to their short-term nature they are not discounted. They represent liabilities for goods and services provided to the Group prior to the end of the financial year that are unpaid and arise when the Group becomes obliged to make future payments in respect of the purchase of these goods and services. The amounts are unsecured and usually paid within 30 days of recognition.

(V) INTEREST-BEARING LOANS AND BORROWINGS

All loans and borrowings are initially recognised at the fair value of the consideration received less directly attributable transaction costs.

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the effective interest rate method.

Borrowings are classified as current liabilities unless the Group has the unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

(W) PROVISIONS

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.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the reporting date. The discount rate used to determine the present value reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision resulting from the passage of time is recognised in finance costs.

(X) LEASES

Leases are classified at their inception as either operating or finance leases based on the economic substance of the agreement so as to reflect the risks and benefits incidental to ownership.

(i) Operating Leases

The minimum lease payments of operating leases, where the lessor effectively retains substantially all of the risks and benefits of ownership of the leased item, are recognised as an expense in profit and loss on a straight-line basis over the lease term.

Contingent rentals are recognised as an expense in the financial year in which they are incurred.

(ii) Finance Leases

Leases which effectively transfer substantially all the risks and benefits incidental to ownership of the leased item to the Group are capitalised at the inception of the lease at the fair value of the leased property or, if lower, at the present value of the minimum lease payments.

Lease payments are apportioned between the finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged directly to profit and loss.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(X) LEASES (CONTINUED)

Capitalised leased assets are depreciated over the estimated useful life of the asset or where appropriate, over the estimated life of the mine.

The cost of improvements to or on leasehold property is capitalised, disclosed as leasehold improvements, and amortised over the unexpired period of the lease or the estimated useful lives of the improvements, whichever is the shorter.

(Y) REVENUE

Revenue is measured at the fair value of the consideration received or receivable to the extent 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:

Gold sales

Revenue from gold production is recognised when the significant risks and rewards of ownership have passed to the buyer.

Tolling revenue

Tolling revenue is recognised as the tolling services are performed. Tolling revenue is earned per tonne of ore processed.

Interest income

Revenue is recognised as interest accrues using the effective interest method. This is a method of calculating the amortised cost of a financial asset and allocating the interest income over the relevant period using the effective interest rate, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.

(Z) EARNINGS PER SHARE

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

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

- cost of servicing equity (other than dividends) and preference share dividends;
- the after tax effect of dividends and interest associated with dilutive potential ordinary shares that have been recognised; and
- other non-discriminatory 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.

(AA) ISSUED CAPITAL

Issued and paid up capital is recognised at the fair value of the consideration received by the Group. Any transaction costs arising on the issue of ordinary shares are recognised directly in equity as a reduction in the proceeds received.

(AB) SHARE-BASED PAYMENT TRANSACTIONS

The Group provides benefits to employees (including Directors) in the form of share-based payment transactions, whereby employees render services in exchange for shares or rights over shares (equity-settled transactions). The Group has one plan in place that provides these benefits. It is the Long Term Incentive Plan ("LTIP") which provides benefits to all employees including Directors.

In valuing equity-settled transactions, no account is taken of any vesting conditions (such as service conditions), other than conditions linked to the price of the shares of Westgold Resources Limited (market conditions) if applicable.

The cost of these equity-settled transactions with employees is measured by reference to the fair value at the date at which they are granted. The fair value is determined by using a Black & Scholes model. Further details of which are given in note 28.

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

At each subsequent reporting date until vesting, the cumulative charge to the Consolidated Statement of Comprehensive Income is the product of (i) the grant date fair value of the award; (ii) the current best estimate of the number of awards that will vest, taking into account such factors as the likelihood of employee turnover during the vesting period and the likelihood of non-market performance conditions being met; and (iii) the expired portion of the vesting period.

The charge to profit and loss for the period is the cumulative amount as calculated above less the amounts already charged in previous periods. There is a corresponding credit to equity.

Until an award has vested, any amounts recorded are contingent and will be adjusted if more or fewer awards vest than were originally anticipated to do so. Any award subject to a market condition is considered to vest irrespective of whether or not the market condition is fulfilled, provided that all other conditions are satisfied.

If a non-vesting condition is within the control of the Group, Company or the employee, the failure to satisfy the condition is treated as a cancellation. If a non-vesting condition within the control of neither the Group, Company nor employee is not satisfied during the vesting period, any expense for the award not previously recognised is recognised over the remaining vesting period, unless the award is forfeited.

If the terms of an equity-settled award are modified, as a minimum an expense is recognised as if the terms had not been modified. An additional expense is recognised for any modification that increases the total fair value of the share-based payment arrangement, or is otherwise beneficial to the employee, as measured at the date of modification.

If an equity-settled award is cancelled, it is treated as if it had vested on the date of cancellation, and any expense not yet recognised for the award is recognised immediately. However, if a new award is substituted for the cancelled award, and designated as a replacement award on the date that it is granted, the cancelled and new award are treated as if they were a modification of the original award, as described in the previous paragraph.

The dilutive effect, if any, of outstanding options is reflected as additional share dilution in the computation of dilutive earnings per share.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(AC) EMPLOYEE BENEFITS

(i) Wages, salaries, sick leave and other short term benefits

Liabilities for wages and salaries, including non-monetary benefits, accumulating sick leave and other short term benefits expected to be settled wholly within 12 months of the reporting date are recognised in respect of employees' services up to the reporting date. They are measured at the amounts expected to be paid when the liabilities are settled.

(ii) Long service leave

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

(iii) Superannuation

Contributions made by the Group to employee superannuation funds, which are defined contribution plans, are charged as an expense when incurred.

(AD) ONEROUS OPERATING LEASE PROVISION

A provision for an onerous operating lease is recognised when the expected benefits to be derived from the lease are lower than the unavoidable cost of meeting the obligations under the lease. The provision is measured at the lessor of the present value of the expected net cost of continuing with the lease and the net cost to exit the lease.

(AE) OTHER TAXES

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

- when 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, which 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 financing activities, which is recoverable from, or payable to, the taxation authority are classified as operating cash flows.

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

(AF) INCOME TAX

Current income 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 at the reporting date in the countries where the Group operates and generates taxable income. Current income tax relating to items recognised directly in other comprehensive income or equity is recognised in other comprehensive income or equity and not in profit or loss. Management periodically evaluates positions taken in the tax returns with respect to situations where applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

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

The tax rates and tax laws used to compute the amount of current and deferred tax assets and liabilities are those that are enacted or substantively enacted at the reporting date in the countries where the Group operates and generates taxable profits.

Deferred tax liabilities are recognised for all taxable temporary differences except to the extent that the deferred tax liability arises from:

- the initial recognition of goodwill;
- 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 tax loss); and
- taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures when the timing of the reversal of the temporary differences can be controlled by the Group and it is probable that the temporary differences will not reverse in the foreseeable future.

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

- the deferred 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 tax loss); and
- the deductible temporary difference is associated with investments in subsidiaries, associates and interests in joint ventures and it is not probable that the temporary difference will reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at each reporting date 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 tax asset to be utilised.

Unrecognised deferred tax assets and deferred tax liabilities are reassessed at each reporting date and are recognised to the extent that they satisfy the requirements for recognition.

Deferred tax assets and deferred tax liabilities are offset only if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on the same taxable entity.

Income taxes relating to transactions recognised outside profit and loss (for example, directly in other comprehensive income or directly in equity) are also recognised outside profit and loss.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(AF) INCOME TAX (CONTINUED)

Tax consolidation

Westgold Resources Limited and its wholly-owned Australian resident subsidiaries formed a tax consolidated group ("the Tax Group") with effect from 1 December 2016. Members of the Tax Group have entered into a tax sharing agreement, which provides for the allocation of income tax liabilities between members of the Tax Group should the parent, Westgold Resources Limited, default on its tax payments obligations.

The Group has applied the group allocation approach in determining the appropriate amount of current taxes and deferred taxes to allocate to members of the tax consolidated group. Members of the tax consolidated group have entered into a tax funding agreement. The tax funding agreement provides for the allocation of current taxes to members of the tax consolidated group.

The allocation of taxes under the tax funding agreement is recognised as an increase/decrease in the controlled entities intercompany accounts with the tax consolidated group head company, Westgold Resources Limited. The nature of the tax funding agreement is such that no tax consolidation adjustments are required.

3. SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements and estimates on historical experience and on other various factors it believes to be reasonable under the circumstances, the result of which form the basis of the carrying values of assets and liabilities that are not readily apparent from other sources.

Management has identified the following critical accounting policies for which significant judgements have been made as well as the following key estimates and assumptions that have the most significant impact on the financial statements. Actual results may differ from these estimates under different assumptions and conditions and may materially affect financial results or the financial position reported in future periods.

Further details of the nature of these assumptions and conditions may be found in the relevant notes to the financial statements.

SIGNIFICANT JUDGMENTS

Impairment of available-for-sale-investments

In determining the amount of impairment of financial assets, the Group has made judgments in identifying financial assets whose decline in fair value below cost is considered "significant" or "prolonged". A significant decline is assessed based on the historical volatility of the share price.

The higher the historical volatility, the greater the decline in fair value required before it is likely to be regarded as significant. A prolonged decline is based on the length of time over which the share price has been depressed below cost. A sudden decline followed by immediate recovery is less likely to be considered prolonged compared to a sustained fall of the same magnitude over a longer period.

The Group considers a less than a 10% decline in fair value is unlikely to be considered significant for investments actively traded in a liquid market, whereas a decline in fair value of greater than 20% will often be considered significant. For less liquid investments that have historically been volatile (standard deviation greater than 25%), a decline of greater than 30% is usually considered significant.

Generally, the Group does not consider a decline over a period of less than three months to be prolonged. However, where the decline in fair value is greater than six months for liquid investments and 12 months for illiquid investments, it is usually considered prolonged

Mine properties and development costs
Mine properties and development costs represent all the acquired exploration, evaluation and development expenditure in which economic mining of a mineral reserve has commenced. Amortisation of costs is provided on the unit-of-production method.

Significant judgement is required to identify suitable production measures, to determine the contained ore for each mine and to determine the expected volumes of waste to be stripped. Factors that are considered include:

- any proposed changes in the design of the mine;
- estimates of the quantities of ore reserves and mineral resources for which there is a high degree of confidence of economic extraction;
- future production levels;
- future commodity prices; and
- future cash costs of production and capital expenditure.

There are numbers uncertainties inherent in estimating the carrying value of mine properties and development and assumptions that are valid at the time of estimation may change significantly when new information becomes available. Changes in the forecast price of commodities, exchange rates, production costs or recovery rates may change the economic status of reserves and may, ultimately, result in the carrying value being restated.

Determination of mineral resources and ore reserves
The determination of reserves impacts the accounting for asset carrying values, depreciation and amortisation rates and provisions for mine rehabilitation. The Group estimates its mineral resource and reserves in accordance with the Australian code for Reporting of Exploration Results, Mineral Resources and Ore Reserves 2012 (the "JORC code"). The information on mineral resources and ore reserves were prepared by or under the supervision of Competent Persons as defined in the JORC code. The amounts presented are based on the mineral resources and ore reserves determined under the JORC code.

There are numerous uncertainties inherent in estimating mineral resources and ore reserves and assumptions that are valid at the time of estimation may change significantly when new information becomes available.

Changes in the forecast prices of commodities, exchange rates, production costs or recovery rates may change the economic status of reserves and may, ultimately, result in the reserves being restated.

Mine rehabilitation provision
The Group assesses its mine rehabilitation provisions on an annual basis in accordance with the accounting policy stated in note 2(m). In determining an appropriate level of provision, consideration is given to the expected future costs to be incurred, the timing of those future costs (largely dependent on the life of mine) and the estimated level of inflation. The ultimate rehabilitation costs are uncertain, and cost estimates can vary in response to many factors, including estimates of the extent and costs of rehabilitation activities, technological changes, regulatory changes, cost increases as compared to the inflation rates, and changes in discount rates. The expected timing of expenditure can also change, for example in response to changes in reserves or to production rates. These uncertainties may result in future actual expenditure differing from the amounts currently provided. Therefore, significant estimates and assumptions are made in determining the provision for mine rehabilitation. As a result, there could be significant adjustments to the provisions established which would affect future financial result. The provision at reporting date represents management's best estimate of the present value of the future rehabilitation costs required.

3. SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS (CONTINUED)

Impairment of capitalised exploration and evaluation expenditure

The future recoverability of capitalised exploration and evaluation expenditure is dependent on a number of factors, including whether the Group decides to exploit the related area interest itself or, if not, whether it successfully recovers the related exploration and evaluation asset through sale.

Factors that could impact the future recoverability include the level of reserves and resources, future technological changes, which could impact the cost of mining, future legal changes (including changes to environmental restoration obligations) and changes to commodity prices.

To the extent that capitalised exploration and evaluation expenditure is determined not to be recoverable in the future, profits and net assets will be reduced in the period in which this determination is made.

In addition, exploration and evaluation expenditure is capitalised if activities in the area of interest have not yet reached a stage that permits a reasonable assessment of the existence or otherwise of economically recoverable reserves. To the extent it is determined in the future that this capitalised expenditure should be written off, profits and net assets will be reduced in the period in which this determination is made.

Impairment of capitalised mine development expenditure

The future recoverability of capitalised mine development expenditure is dependent on a number of factors, including the level of proved, probable and inferred mineral resources, future technological changes, which could impact the cost, future legal changes (including changes to environmental restoration obligations) and changes to commodity prices.

The Group regularly reviews the carrying values of its mine development assets in the context of internal and external consensus forecasts for commodity prices and foreign exchange rates, with the application of appropriate discount rates for the assets concerned.

To the extent that capitalised mine development expenditure is determined not to be recoverable in the future, this will reduce profit in the period in which this determination is made. Capitalised mine development expenditure is assessed for recoverability in a manner consistent with property, plant and equipment as described below. Refer to note 2(r) for further discussion on the impairment assessment process undertaken by the Group.

Impairment of property, plant and equipment

Property, plant and equipment is reviewed for impairment if there is any indication that the carrying amount may not be recoverable. Where a review for impairment is conducted, the recoverable amount is assessed by reference to the higher of "value in use" (being net present value of expected future cash flows of the relevant cash generating unit) and "fair value less costs to sell".

In determining the value in use, future cash flows for each cash generating unit (CGU) (i.e. each mine site) are prepared utilising management's latest estimates of:

- the quantities of ore reserves and mineral resources for which there is a high degree of confidence of economic extraction;
- royalties and taxation;
- future production levels;
- future commodity prices;
- future cash costs of production and development expenditure; and
- other relevant cash inflows and outflows.

Cash flow scenarios for a range of commodity prices and foreign exchange rates are assessed using internal and external market forecasts, and the present value of the forecast cash flows is determined utilising a pre-tax discount rate.

The Group's cash flows are most sensitive to movements in commodity price, expected quantities of ore reserves and mineral resources and key operating costs. In particular, the Higginsville and Central Murchison Gold Operations are most sensitive to expected quantities of ore reserves and mineral resources to be extracted and therefore the estimated future cash inflows resulting from the sale of product produced is dependent on these assumptions.

Variations to the expected cash flows, and the timing thereof, could result in significant changes to any impairment losses recognised, if any, which in turn could impact future financial results. Refer to Note 2(t) for further discussion on the impairment assessment process undertaken by the Group.

Life of mine method of amortisation and depreciation

The Group recognises depreciation for certain assets using the units of production method. The units of production method requires the use of estimates and assumptions. Significant judgement is required in assessing the available reserves and the production capacity of the plants to be depreciated under this method. Factors that are considered in determining reserves and production capacity are the Group's history of converting resources to reserves and the relevant time frames, the complexity of metallurgy, markets and future developments. When these factors change or become known in the future, such differences will impact pre-tax profit and carrying values of assets.

Share-based payment transactions

The Group measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined by using an appropriate valuation, using the assumptions as discussed in note 28. The accounting estimates and assumptions relating to equity-settled share-based payments would have no impact on the carrying amounts of assets and liabilities in the next annual reporting period but may impact expenses and equity.

4. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group's principal financial instruments comprise receivables, trade and other payables, finance lease and hire purchase contracts, cash and cash equivalents, deposits and available-for-sale financial assets.

Risk exposures and responses

The Group manages its exposure to key financial risks in accordance with the Group's financial risk management policy. The objective of the policy is to support the delivery of the Group's financial targets while protecting future financial security.

The main risks arising from the Group's financial instruments are interest rate risk, credit risk, equity price risk and liquidity risk. The Group uses different methods to measure and manage different types of risks to which it is exposed. These include monitoring levels of exposure to interest rate, foreign exchange risk and assessments of market forecasts for interest rate, foreign exchange and commodity prices. Ageing analysis and monitoring of receivables are undertaken to manage credit risk, liquidity risk is monitored through the development of future rolling cash flow forecasts.

The board reviews and agrees policies for managing each of these risks as summarised below.

Primary responsibility for identification and control of financial risks rests with the Board. The Board reviews and agrees policies for managing each of the risks identified below, including for interest rate risk, credit allowances and cash flow forecast projections.

4. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

Details of the significant accounting policies and methods adopted, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognised, in respect of each class of financial asset, financial liability and equity instrument are disclosed in note 2 to the financial statements.

(a) Interest Rate Risk

The Group's exposure to risks of changes in market interest rates relate primarily to the Group's interest-bearing liabilities and cash balances. The level of debt is disclosed in notes 22 and 23. The Group's policy is to manage its interest cost using fixed rate debt. Therefore, the Group does not have any variable interest rate risk on its debt. The Group constantly analyses its interest rate exposure. Within this analysis, consideration is given to potential renewals of existing positions, alternative financing positions and the mix of fixed and variable interest rates. There is no significant exposure to changes in market interest rates at the reporting date.

At the reporting date the Group's exposure to interest rate risk for classes of financial assets and financial liabilities is set out below.

2018	Floating interest rate	Fixed interest	Non-interest bearing	Total carrying amount
Financial Assets				
Cash and cash equivalents	73,446,753	-	-	73,446,753
Trade and other receivables	-	-	19,905,830	19,905,830
Other financial assets	-	1,286,546	-	1,286,546
	73,446,753	**1,286,546**	**19,905,830**	**94,639,129**
Financial Liabilities				
Trade and other payables	-	-	(85,208,108)	(85,208,108)
Interest-bearing liabilities	-	(30,648,318)	-	(30,648,318)
	-	**(30,648,318)**	**(85,208,108)**	**(115,856,426)**
Net financial liabilities				**(21,217,297)**

2017	Floating interest rate	Fixed interest	Non-Interest bearing	Total carrying amount
Financial Assets				
Cash and cash equivalents	67,137,367	-	-	67,137,367
Trade and other receivables	-	-	8,798,147	8,798,147
Other financial assets	-	1,337,819	-	1,337,819
	67,137,367	**1,337,819**	**8,798,147**	**77,273,333**
Financial Liabilities				
Trade and other payables	-	-	(73,485,323)	(73,485,323)
Interest-bearing liabilities	-	(10,453,787)	-	(10,453,787)
	-	**(10,453,787)**	**(73,485,323)**	**(83,939,110)**
Net financial liabilities				**(6,665,777)**

(b) Credit Risk

Credit risk arises from the financial assets of the Group, which comprises cash and cash equivalents, trade and other receivables and other financial assets held as security and loans. Cash and cash equivalents are held with National Australia Bank which is an Australian Bank with an AA- credit rating (Standard & Poor's). The Group's exposure to credit risk arises from potential default of the counter party, with the maximum exposure equal to the carrying amount of the financial assets (as outlined in each applicable note).

The Group does not hold any credit derivatives to offset its credit exposure.

The Group trades only with recognised, creditworthy third parties and as such collateral is not requested nor is it the Group's policy to securitise its trade and other receivables.

Receivable balances are monitored on an ongoing basis with the result that the Group does not have a significant exposure to bad debts.

Significant concentrations of credit risk are in relation to cash and cash equivalents with Australian banks.

(c) Price Risk

Equity Security Price Risk

The Group's revenues are exposed to equity security price fluctuations arising from investments in equity securities. Refer to note 15 for details of available-for-sale financial assets held at 30 June 2018.

At 30 June 2018, if equity security prices had moved by a reasonably possible 20%, as illustrated in the table below, with all other variables held constant, post tax profits and equity would have been affected as follows:

	Post tax profit higher/(lower)		Other Comprehensive Income higher/(lower)	
	2018	2017	2018	2017
Judgements of reasonably possible movements:				
Price + 20%	-	-	877,402	52,241
Price - 20%	(877,402)	(52,241)	-	-

A sensitivity of +20% or -20% has been selected as this is considered reasonable given recent fluctuations in equity prices and management's expectations of future movements. The movements in other comprehensive income are due to possible higher or lower equity security prices from investments in equity securities that are classified as available-for-sale financial assets (refer to note 2(n)). The overall sensitivity for post-tax profits and equity in 2018 is higher due to the company owning more equity securities (refer to note 15).

(d) Commodity Price Risk

The Group's revenues are exposed to commodity price fluctuations. Periodically, the Group enters into contracts to manage commodity price risk. At the end of the financial year the Group had unrecognised sales contracts for 192,500 ounces at an average price of $1,738.27 per ounce ending in December 2019, which the Group will deliver physical gold to settle. There is therefore no exposure on recognised financial instruments at the balance sheet date.

4. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(e) Liquidity Risk

Liquidity risk arises from the financial liabilities of the Group and the subsequent ability to meet the obligations to repay the financial liabilities as and when they fall due.

The Group's objective is to maintain a balance between continuity of funding and flexibility through the use of finance and hire purchase leases.

The table below reflects all contractually fixed payables for settlement, repayment and interest resulting from recognised financial liabilities as of 30 June 2018. Cash flows for financial liabilities without fixed amount or timing are based on the conditions existing as 30 June.

The remaining contractual maturities of the Group's financial liabilities are:

	2018	2017
6 months or less	(95,516,153)	(76,269,004)
6 - 12 months	(7,425,843)	(2,690,092)
1 - 5 years	(14,580,329)	(5,406,408)
Over 5 years	-	-
	(117,522,325)	**(84,365,504)**

Maturity analysis of financial assets and liabilities based on management's expectation.

The risk implied from the values shown in the table below reflects a balanced view of cash inflows and outflows. Leasing obligations, trade payables and other financial liabilities mainly originate from the financing of assets used in our ongoing operations such as property, plant, equipment and investments of working capital e.g. inventories and trade receivables. To monitor existing financial assets and liabilities, as well as to enable effective controlling of future risks, management monitors its Group's expected settlement of financial assets and liabilities on an ongoing basis.

2018	<6 months	6-12 months	1-5 years	>5 years	Total
Financial assets					
Cash and equivalents	74,693,563	-	-	-	74,693,563
Trade and other receivables	19,905,830	-	-	-	19,905,830
Other financial assets	1,286,546	-	-	-	1,286,546
	95,885,939	**-**	**-**	**-**	**95,885,939**
Financial liabilities					
Trade and other payables	(85,208,108)	-	-	-	(85,208,108)
Interest-bearing loans	(10,308,045)	(7,425,843)	(14,580,329)	-	(32,314,217)
	(95,516,153)	**(7,425,843)**	**(14,580,329)**	**-**	**(117,522,325)**
Net inflow/(outflow)	**369,786**	**(7,425,843)**	**(14,580,329)**	**-**	**(21,636,386)**

2017	<6 months	6-12 months	1-5 years	>5 years	Total
Financial assets					
Cash and equivalents	68,344,719	-	-	-	68,344,719
Trade and other receivables	8,798,147	-	-	-	8,798,147
Other financial assets	1,337,819	-	-	-	1,337,819
	78,480,685	-	-	-	78,480,685
Financial liabilities					
Trade and other payables	(73,485,323)	-	-	-	(73,485,323)
Interest-bearing loans	(2,783,681)	(2,690,092)	(5,406,408)	-	(10,880,181)
	(76,269,004)	**(2,690,092)**	**(5,406,408)**	**-**	**(84,365,504)**
Net inflow/(outflow)	**2,211,681**	**(2,690,092)**	**(5,406,408)**	**-**	**(5,884,819)**

(f) Fair Values

For all financial assets and liabilities recognised in the Consolidated Statement of Financial Position, carrying amount approximates fair value unless otherwise stated in the applicable notes.

The methods for estimating fair value are outlined in the relevant notes to the financial statements.

The Group uses various methods in estimating the fair value of a financial instrument. The methods comprise:

Level 1 – the fair value is calculated using quoted prices in active markets.

Level 2 - the fair value is estimated using inputs other than quoted prices included in level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from price).

Level 3 – the fair value is estimated using inputs for the asset or liability that are not based on observable market data.

The fair value of the financial instruments as well as the methods used to estimate the fair value are summarised in the table below.

2018	Quoted market price (Level 1)	Valuation technique market observable inputs (Level 2)	Valuation technique non market observable inputs (Level 3)	Total
Financial Assets				
Available-for-sale financial assets				
Listed investments [1]	6,267,158	-	-	**6,267,158**
	6,267,158	**-**	**-**	**6,267158**

1. Quoted market price represents the fair value determined based on quoted prices on active markets as at the reporting date without any deduction for transaction costs. The fair value of the listed equity investments are based on quoted market prices.

2017	Quoted market price (Level 1)	Valuation technique market observable inputs (Level 2)	Valuation technique non market observable inputs (Level 3)	Total
Financial Assets				
Available-for-sale financial assets				
Listed investments[1]	373,151	-	-	**373,151**
	373,151	**-**	**-**	**373,151**

1. Quoted market price represents the fair value determined based on quoted prices on active markets as at the reporting date without any deduction for transaction costs. The fair value of the listed equity investments are based on quoted market prices.

Transfer between categories

There were no transfers between Level 1 and Level 2, and no transfers into and out of Level 3 fair value measurement.

4. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(g) Changes in liabilities arising from financing activities

	1 July 2017	Cash flows	New leases	Other	30 June 2018
Current obligations under finance leases	5,259,259	(15,731,604)	10,112,345	6,707,306	16,819,651
Non-current obligations under finance leases	10,865,790	-	15,341,445	(6,707,306)	13,828,667
Total liabilities from financing activities	**16,125,049**	**(15,731,604)**	**25,453,790**	**-**	**30,648,318**

	1 July 2016	Cash flows	New leases	Other	30 June 2017
Current obligations under finance leases	3,130,282	(3,973,371)	843,089	4,416,170	5,259,259
Non-current obligations under finance leases	4,205,433	-	5,405,265	(4,416,170)	5,194,528
Total liabilities from financing activities	**7,335,715**	**(3,973,371)**	**6,248,354**	**-**	**10,453,787**

5. REVENUE

	2018	2017
Revenue from sale of gold	358,701,887	307,025,260
Revenue from mining and contracting services	11,298,099	-
Revenue from toll treatment	1,631,308	-
Total revenue	**371,631,294**	**307,025,260**

6. OTHER INCOME

	2018	2017
Interest received - other corporations	571,555	764,714
Net realised gain on sale of available-for-sale financial assets	1,446,807	-
Other income	3,507,463	1,126,207
Total other income	**5,525,825**	**1,890,921**

7. EXPENSES

(a) **Cost of sales**	2018	2017
Salaries, wages expense and other employee benefits	82,322,112	22,454,134
Superannuation expense	7,820,601	2,133,142
Operating lease rentals	8,296,931	4,174,601
Other production costs	190,807,150	176,876,874
Write down in value of inventories to estimated net realisable value	4,267,426	8,202,318
Royalty expense	15,596,877	19,570,817

Contract mining services

Salaries, wages expense and other employee benefits	3,342,315	-
Superannuation expense	317,520	-
Mining and contracting service costs	6,598,000	-
Depreciation and amortisation expense		
Depreciation of non-current assets:		
Property, plant and equipment	26,425,537	7,989,279
Buildings	853,810	669,291
Amortisation of non-current assets:		
Mine properties and development costs	58,363,155	48,001,600
Total cost of sales	**405,011,434**	**290,072,056**
(b) Other expenses		
Administration expenses		
Employee benefits expense		
Salaries and wages expense	2,771,849	1,584,021
Directors' fees and other benefits	284,389	140,000
Superannuation expense	320,821	180,975
Other employee benefits	53,723	15,580
Share-based payments expense	4,319,611	3,276,672
	7,750,393	5,197,248
Other administration expenses		
Consulting expenses	1,015,392	548,598
Travel and accommodation expenses	247,150	146,404
Other costs	1,678,224	217,723
Operating lease rentals	350,353	599,682
	3,291,119	1,512,407
Depreciation expense		
Depreciation of non-current assets:		
Property plant and equipment	180,330	58,619
Total administration expenses	**11,221,842**	**6,768,274**
Miscellaneous expenses		
Net loss on sale of assets	1,145,250	94,095
Miscellaneous expenses	**1,145,250**	**94,095**
Total other expenses	**12,367,092**	**6,862,369**
(c) Finance costs		
Interest expense	1,417,574	500,071
Unwinding of rehabilitation provision discount	1,494,431	307,369
Total finance costs	**2,912,005**	**807,440**

8. INCOME TAX

	2018	2017
(a) Major components of income tax expense:		
Income Statement		
Current income tax expense		
Current income tax (benefit)/expense	(15,966,295)	8,961,062
Adjustments in respect of current income tax of previous years	(5,369,468)	-
Deferred income tax		
Relating to origination and reversal of temporary differences in current year	21,646,708	(510,644)
Relating to temporary differences derecognised	3,475,934	394,474
Adjustment in respect of current income tax of previous years	5,573,635	-
Income tax reported in the income statement	**9,360,514**	**8,844,892**

	2018	2017
(b) Amounts charged or credited directly to equity		
Share issue costs	(1,017,901)	-
	(1,017,901)	**-**

(c) A reconciliation of income tax benefit and the product of accounting loss before income tax multiplied by the Group's applicable income tax rate is as follows:

	2018	2017
Accounting loss before tax from continuing operations	(54,460,251)	(10,183,737)
Accounting profit before tax from discontinuing operations	62,649,706	14,435,675
Total accounting profit before income tax	**8,189,455**	**24,619,412**
At statutory income tax rate of 30% (2017: 30%)	2,456,837	7,385,824
Non-deductible items	3,306,360	1,074,012
Deductible items	-	(9,418)
Impact of forming tax consolidated group	-	394,474
Temporary differences derecognised	3,475,934	-
Under/over in respect of prior years	121,385	-
Income tax benefit reported in the income statement	**9,360,514**	**8,844,892**
Tax (benefit) / expense from continuing operations	(13,072,576)	4,514,189
Tax expense from discontinued operations	22,433,090	4,330,703
Income tax expense reported in the income statement	**9,360,514**	**8,844,892**

(d) Deferred income tax at 30 June relates to the following

	Statement of financial position		Statement of comprehensive income	
	2018	2017	2018	2017
Deferred tax liabilities				
Exploration	(39,544,410)	(30,177,112)	9,367,298	16,147,001
Deferred mining	(38,796,138)	(20,661,697)	18,134,441	(438,345)
Mine properties & development	(3,348,564)	(4,018,337)	(669,773)	(505,071)
Inventories	(71,030)	-	71,030	(1,865,207)
Consumables	(4,383,187)	(3,257,853)	1,125,334	3,257,853
Reduced depreciation for tax base reset	(5,798,935)	(5,885,553)	(86,618)	5,885,553
Diesel rebate	(530,810)	(376,626)	154,184	126,182
Gross deferred tax liabilities	**(92,473,074)**	**(64,377,178)**		
Deferred tax assets				
Accelerated depreciation for tax purposes	-	-	-	259,698
Available-for-sale financial assets	742,758	-	(742,728)	-
Inventories	762,232	3,298,075	2,535,843	(3,298,075)
Accrued expenses	58,092	-	(58,092)	-
Provision for employee entitlements	2,306,998	1,765,036	(541,962)	(630,337)
Provision for fringe benefits tax	(10,409)	-	10,409	1,218
Provision for rehabilitation	29,684,837	27,228,360	(2,456,477)	(19,003,940)
Capital raising costs	693,146	52,700	(640,446)	(52,700)
Recognised tax losses	15,914,858	-	-	-
Gross deferred tax assets	**50,152,482**	**32,344,171**		
Net deferred tax liabilities	**(42,320,592)**	**(32,033,007)**		
Deferred tax income/(expense)			**26,202,443**	**(116,170)**

(e) Unrecognised losses

At 30 June 2018, there are no unrecognised losses for the Group (2017: nil).

9. EARNINGS PER SHARE

The following reflects the income used in the basic and diluted earnings per share computations.

		2018	2017
(a)	**Earnings used in calculating earnings per share**		
	Net (loss)/profit attributable to ordinary equity holders of the parent	(41,387,675)	5,669,548
	Profit attributable to discontinued operations	40,216,616	10,104,972
	Net profit attributable to ordinary equity holders of the parent	**1,171,059**	**15,774,520**
	Basic earnings per share (cents)		
	Continuing operations	*(12.18)*	*1.86*
	Discontinued operations	*11.80*	*3.32*
		(0.34)	*5.18*
	For diluted earnings per share:		
	Net loss attributable to ordinary equity holders of the parent (from basic EPS)	(41,387,675)	5,669,548
	Profit attributable to discontinued operations	40,216,616	10,104,972
	Net (loss)/profit attributable to ordinary equity holders of the parent	**1,171,059**	**15,774,520**
	Diluted (loss)/profit per share (cents)		
	Continuing operations	*(12.18)*	*1.86*
	Discontinued operations	*11.80*	*3.32*
		(0.34)	*5.18*
(b)	**Weighted average number of shares**		
	Weighted average number of ordinary shares for basic earnings per share	341,025,577	304,674,912
	Effect of dilution:		
	Share options	-	-
	Weighted average number of ordinary shares adjusted for the effect of dilution	**341,025,577**	**304,674,912**

Basic EPS is calculated by dividing the profit for the year attributable to ordinary equity holders of the parent by the weighted average number of ordinary shares outstanding during the year. Diluted EPS is calculated by dividing the profit attributable to ordinary equity holders of the parent by the weighted average number of ordinary shares outstanding during the year plus the weighted average number of ordinary shares that would be issued on conversion of all the dilutive potential ordinary shares into ordinary shares.

The Company had 76,800,884 (2017: 11,000,000) share options on issue that are excluded from the calculation of diluted earnings per share for the current financial period because they are considered non-dilutive.

There have been no other transactions involving ordinary shares or potential ordinary shares between the reporting date and the date of authorisation of these financial statements.

10. CASH AND CASH EQUIVALENTS

	2018	2017
Cash at bank and in hand	**73,446,753**	**67,137,367**

CASH FLOW RECONCILIATION

Reconciliation of net profit after income tax to net cash flows from operating activities

	2018	2017
(Loss)/profit after income tax	**(1,171,059)**	**15,774,520**
Amortisation and depreciation	98,843,975	71,184,084
Gold prepayment physical deliveries	(23,887,876)	(22,493,125)
Income tax expense/(benefit)	9,360,514	8,844,892
Share based payments	4,319,611	3,276,672
Unwinding of rehabilitation provision discount	1,853,965	377,962
Exploration and evaluation expenditure written off	6,381,974	1,166,966
Net profit on sale of financial instruments	(1,446,807)	-
Fair value change in financial instruments	2,535,760	81,850
Option fee received in financial instruments	(3,076,890)	-
Impairment of goodwill	2,553,772	-
Toll treatment fee received in financial instruments	(2,138,917)	-
Tenement sold for financial instruments	-	(455,000)
Profit on disposal of subsidiaries	(61,759,658)	-
Loss on disposal of property, plant and equipment	1,145,250	94,654
	33,513,616	**77,853,475**
Changes in assets and liabilities		
(Increase)/decrease in inventories	(16,701,522)	(12,074,896)
(Increase)/decrease in trade and other receivables and prepayments	(7,057,850)	(2,921,294)
Increase/(decrease) in trade and other creditors	4,867,576	4,845,515
Increase/(decrease) in provisions	89,137	7,891,678
Net cash flows from operating activities	**14,710,955**	**75,594,478**

11. TRADE AND OTHER RECEIVABLES (CURRENT)

	2018	2017
Other debtors	**19,905,830**	**8,798,147**

Other debtors are non-interest bearing.

The carrying amounts disclosed above approximate the fair value. Refer to note 4(b) on credit risk of trade receivables to understand how the Group manages and measures credit quality of trade receiva-bles that are neither past due or impaired.

12. INVENTORIES (CURRENT)

	2018	2017
Ore stocks at net realisable value	22,662,067	23,537,969
Gold in circuit at cost	20,039,963	15,824,503
Gold metal at cost	-	257,028
Stores and spares at cost	20,278,645	10,724,520
Provision for obsolete stores and spares	(2,287,618)	(2,387,392)
Total inventories at lower of cost and net realisable value	**60,693,057**	**47,956,628**

During the year there were write-downs in inventories to net realisable value of $4,267,426 (2017: $8,202,318) from continuing operations for the Group. This is included in cost of sales refer to note 7(a).

13. PREPAYMENTS (CURRENT)

	2018	2017
Prepayments	**1,366,359**	**796,293**

14. OTHER FINANCIAL ASSETS (CURRENT)

	2018	2017
Cash on deposit - bank guarantee facility	**1,286,546**	**1,337,819**

The cash on deposit is interest bearing and is used as security for bank guarantees

15. AVAILABLE-FOR-SALE FINANCIAL ASSETS (NON-CURRENT)

	2018	2017
Shares – Australian and Canadian listed	**6,267,158**	**373,151**

Movement in available-for-sale financial assets		
At 1 July	373,151	-
Additions	68,523,333	455,001
Proceeds on disposal of available-for-sale financial assets	(61,540,373)	-
Net gain on sale of available-for-sale financial assets (refer note 6)	1,446,807	-
Impairment	(2,535,760)	(81,850)
At 30 June	**6,267,158**	**373,151**

Available-for-sale financial assets consist of investments in ordinary shares.

(a) The Company has a 0.74% (2017: 1.41%) interest in Auris Minerals Limited (Auris) (formerly RNI NL), which is involved in the mining and exploration of base metals in Australia. Auris is listed on the Australi-an Securities Exchange. At the end of the year, the fair value of the Company's investment was $204,000 (2017: $285,000) which is based on Auris' quoted share price.

(b) The Company has a 1.19% (2017: nil) interest in ROX Resources Limited (ROX), which is involved in the exploration of gold and nickel in Australia. ROX is listed on the Australian Securities Exchange. At the end of the year, the fair value of the Company's investment was $165,000 (2017: nil), which is based on ROX's quoted share price.

(c) The Company has a 1.17% (2017: nil) interest in Aruma Resources Limited (Aruma), which is involved in the exploration of gold in Australia. Aruma is listed on the Australian Securities Exchange. At the end of the year, the fair value of the Company's investment was $78,000 (2017: nil) which is based on Aruma's quoted share price.

(d) The Company has a 14.68% (2017: nil) interest in Musgrave Minerals Limited (Musgrave), which is in-volved in the exploration of gold and base metals in Australia. Musgrave is listed on the Australian Securi-ties Exchange. At the end of the year, the fair value of the Company's investment was $3,456,000 (2017: nil) which is based on Musgrave's quoted share price.

(e) The Company has a 6.46% (2017: nil) interest in Royal Nickel Corporation (RNC), which is a precious and base metal mining company. RNC is listed on the Toronto Stock Exchange. At the end of the year, the fair value of the Company's investment was $2,364,158 (2017: nil) which is based on RNC's quoted share price.

(f) During the year ended 30 June 2018, the Company sold its total investment holding in Overland Re-sources Limited (Overland). 30 June 2018 $NIL (2017: $88,150).

(g) During the year ending 30 June 2018 the Company acquired shares in Northern Star Resources Lim-ited on the disposal of SKO and then sold its total investment by 30 June 2018 $NIL (2017: nil)

At the end of the year, the market value of the investments were lower than the cost. As such, the Company recognised an impairment of $2,535,760 (2017: $81,850).

16. PROPERTY, PLANT & EQUIPMENT (NON-CURRENT)

Plant and equipment	**2018**	**2017**
Gross carrying amount at cost	298,386,377	115,625,394
Accumulated depreciation	(177,622,024)	(66,999,508)
Net carrying amount	120,764,353	48,625,886
Land and buildings		
Gross carrying amount at cost	29,895,813	29,397,191
Accumulated depreciation	(16,695,769)	(16,380,790)
Net carrying amount	13,200,044	13,016,401
Capital work in progress at cost	47,445,443	42,024,859
Total property, plant and equipment	**181,409,840**	**103,667,146**

Movement in property, plant and equipment

Plant and equipment		
At 1 July net of accumulated depreciation	48,625,886	43,202,806
Transfer from capital work in progress	48,347,224	15,027,695
Disposals	(1,633,574)	(544,319)
Acquisition of subsidiary (refer to note 37(a))	54,127,834	-
Disposal of subsidiary (refer to note 38)	(1,507,829)	-
Depreciation charge for the year	(27,195,188)	(9,060,296)
At 30 June net of accumulated depreciation	**120,764,353**	**48,625,886**
Land and buildings		
At 1 July net of accumulated depreciation	13,016,401	11,959,097
Transfer from capital works in progress	1,281,683	1,849,125
Disposals	-	(31,950)
Disposal of subsidiary (refer to note 38)	(193,939)	-
Depreciation charge for the year	(904,101)	(759,871)
At 30 June net of accumulated depreciation	**13,200,044**	**13,016,401**
Capital work in progress		
At 1 July	42,024,859	4,332,453
Additions	63,662,059	60,924,230
Disposal of subsidiary (refer to note 38)	(3,450,866)	-
Acquisition of subsidiary (refer to note 37(a))	92,005	-
Transfer to mine properties and development	(5,253,707)	(6,355,007)
Transfer to plant and equipment	(48,347,224)	(15,027,692)
Transfer to land and buildings	(1,281,683)	(1,849,125)
At 30 June	**47,445,443**	**42,024,859**

The carrying value of plant and equipment held under finance leases and hire purchase contracts at 30 June 2018 is $30,197,581 (2017: $10,865,790).

Leased assets and assets under hire purchase contracts are pledged as security for the related finance lease and hire purchase lease liabilities (refer to notes 22 and 23).

17. MINE PROPERTY AND DEVELOPMENT (NON-CURRENT)

	2018	2017
Development areas at cost		
Gross carrying amount at cost	756,919	8,434,080
Net carrying amount	**756,919**	**8,434,080**
Mine properties		
Gross carrying amount at cost	29,636,669	22,381,139
Accumulated amortisation	(9,958,042)	(7,489,724)
Net carrying amount	**19,678,627**	**14,891,415**
Mine capital development		
Gross carrying amount at cost	387,288,414	305,328,787
Accumulated amortisation	(232,079,773)	(203,331,020)
Net carrying amount	**155,208,641**	**101,997,767**
Total mine properties and development	**175,644,187**	**125,323,262**
Movement in mine properties and development		
Development areas at cost		
At 1 July	8,434,080	756,919
Additions	-	7,677,161
Transfer to mine site establishment	(7,677,161)	-
At 30 June	**756,919**	**8,434,080**
Mine site establishment		
At 1 July net of accumulated amortisation	14,891,415	16,456,542
Additions	-	-
Transfer from capital work in progress (refer to note 16)	1,590,250	1,630,195
Transfer from development areas	7,677,161	-
Amortisation charge for the year	(4,480,199)	(3,195,322)
At 30 June net of accumulated amortisation	**19,678,627**	**14,891,415**
Mine capital development		
At 1 July net of accumulated amortisation	101,997,767	70,677,701
Additions	99,176,579	56,105,513
Disposal of subsidiary (refer to note 38)	(20,929,586)	-
Transfer from capital work in progress (refer to note 16)	3,663,458	4,724,813
Transfer from exploration and evaluation expenditure (refer to note 18)	37,564,911	28,658,334
Amortisation charge for the year	(66,264,488)	(58,168,594)
At 30 June net of accumulated amortisation	**155,208,641**	**101,997,767**

18. EXPLORATION EXPENDITURE (NON-CURRENT)

	2018	2017
Exploration and evaluation costs carried forward in respect of mining areas of interest		
Pre-production areas		
At Cost	147,262,738	162,604,807
Net carrying amount	**147,262,738**	**162,604,807**
Movement in deferred exploration and evaluation expenditure		
At 1 July net of accumulated impairment	162,604,807	164,583,990
Additions	25,469,201	26,122,736
Acquisition of subsidiary (refer to note 37(b))	9,080,000	-
Disposal of subsidiary (refer to note 38)	(12,208,169)	-
Adjustment to rehabilitation liability (refer to note 21)	6,263,784	1,723,381
Transferred to mine capital development (refer to note 17)	(37,564,911)	(28,658,334)
Expenditure written off:		-
- continuing operations	(6,237,307)	(908,729)
- discontinued operations (refer note 38)	(144,667)	(258,237)
At 30 June net of accumulated impairment	**147,262,738**	**162,604,807**

The ultimate recoupment of costs carried forward for exploration and evaluation phases is dependent on the successful development and commercial exploitation or sale of the respective mining areas.

During the year, a review was undertaken for each area of interest to determine the appropriateness of continuing to carry forward costs in relation to that area of interest. In assessing the carrying value of all of the Group's projects, certain expenditure on exploration and evaluation of mineral resources has not led to the discovery of commercially viable quantities of mineral resources. As a result, exploration and evaluation expenditure of $6,381,974 (2017: $1,166,966) was written off to the profit and loss. The amount relates to tenements which were written down to nil as the expenditure did not result in the discovery of commercially viable quantities of mineral resources and as a result no future benefits are expected.

19. TRADE AND OTHER PAYABLES (CURRENT)

	2018	2017
Trade creditors (a)	38,335,418	45,610,406
Sundry creditors and accruals (b)	46,872,690	27,874,917
	85,208,108	**73,485,323**

(a) Trade creditors are non-interest bearing and generally on 30 day terms.

(b) Sundry creditors and accruals are non-interest bearing and generally on 30 day terms.

The carrying value of trade and other payables approximates the fair value thereof.

20. PROVISIONS (CURRENT)

	2018	2017
Provision for annual leave	5,285,567	3,151,155
Provision for long service leave	1,907,302	1,489,867
Provision for fringe benefits tax payable	2,932	5,043
Provision for off-market lease agreement (a)	-	119,874
	7,195,801	**4,765,939**

(a) Provision for off-market lease

On the acquisition of Alacer in 2014, a provision was recognised for the fact that lease rentals for offic-es at Parliament Place were significantly higher than the market rate at acquisition. The provision was calculated based on the difference between the market rate and the rate paid. The operating lease had a life of four years.

21. PROVISIONS (NON-CURRENT)

	2018	2017
Provision for long service leave	1,072,168	1,047,248
Provision for rehabilitation (a)	76,945,945	90,761,202
	78,018,113	**91,808,450**

(a) Provision for rehabilitation

Environmental obligations associated with the retirement or disposal of mining properties and/or of exploration activities are recognised when the disturbance occurs and are based on the extent of the damage incurred. The provision is measured as the present value of the future expenditure. The rehabilitation liability is remeasured at each reporting period in line with the change in the time value of money (recognised as an interest expense in the Consolidated Statement of Comprehensive Income and an increase in the provision), and additional disturbances/change in the rehabilitation cost are recognised as additions/changes to the corresponding asset and rehabilitation liability. The nature of rehabilitation activities includes dismantling and removing structures, rehabilitation mines, dismantling operating facilities, closer of plant and waste site restoration, reclamation and revegetation of affected areas. The timing is associated with current life of mine projections. Refer to note 3 for further information.

(c) Current and non-current movements in provisions	Onerous operating lease	Rehabilitation	Total
At 1 July 2016	**599,370**	**81,779,855**	**82,379,225**
Arising during the year	-	6,921,293	6,921,293
Utilised	(581,382)	-	(581,382)
Adjustment due to revised conditions	-	1,723,381	1,723,381
Rehabilitation expenditure	-	(41,289)	(41,289)
Unwind of discount	101,886	377,962	479,848
At 30 June 2017	**119,874**	**90,761,202**	**90,881,076**
At 1 July 2017	**119,874**	**90,761,202**	**90,881,076**
Utilised	(119,874)	-	(119,874)
Disposal of subsidiary (refer to note 38)	-	(22,003,513)	(22,003,513)
Adjustment due to revised conditions	-	6,334,291	6,334,291
Unwind of discount	-	1,853,965	1,853,965
At 30 June 2018	**-**	**76,945,945**	**76,945,945**

22. INTEREST BEARING LOANS AND BORROWINGS (CURRENT)

	2018	2017
Lease liability	**16,819,651**	**5,259,259**

Represents current portion of finance leases which have repayment terms of 36 months

23. INTEREST BEARING LOANS AND BORROWINGS (NON-CURRENT)

	2018	2017
Lease liability	**13,828,667**	**5,194,528**

Represents non-current portion of finance leases which have repayment terms of 36 months from in-ception.

The carrying amount of the Group's non-current loans and borrowings approximate their fair value. The weighted average interest rate is 5.44% per annum (2017: 4.08%).

Assets pledged as security:

The carrying amounts of assets pledged as security for current and non-current interest bearing liabilities are:

	2018	2017
Non-current		
Finance lease		
Plant and equipment	30,197,581	10,865,790
Total non-current assets pledged as security	30,197,581	10,865,790

Plant and equipment assets are pledged against lease liabilities for the term of the lease period.

24. UNEARNED INCOME (CURRENT)

	2018	2017
Gold prepayment	18,075,375	5,812,500
	18,075,375	**5,812,500**

In September 2014, the Company drew down on a newly established $40,445,000 gold pre-pay facility with Citibank N.A ("Citi"). In January 2016, the Company extended the gold pre-pay facility with Citi for 12 months for $23,250,000. In September 2017, the Company extended the gold pre-pay facility with Citi for 18 months for $36,150,750. The draw down is repayable in gold ounces in equal instal-ments of 1,250 ounces per month between October 2014 and March 2019 inclusive. During the year, 15,000 ounces were delivered to Citi.

The arrangement has been classified as unearned income on the Consolidated Statement of Financial Position as Citi has prepaid the Company for a fixed quantity of gold ounces. The Company now has a legal obligation to deliver gold ounces, and will subsequently recognise revenue as and when it makes the repayment in gold ounces. The Company will measure revenue based on the allocation of the nominal amounts of the advance payments corresponding to the goods delivered.

25. ISSUED CAPITAL

		2018	2017
(a)	**Ordinary Shares**		
	Issued and fully paid	**276,976,897**	**173,944,902**

(b)	**Movements in ordinary shares on issue**	**Number**	**$**
	At 1 July 2016	417,178,651	171,644,902
	Issue share capital	1,250,000	2,300,000
	Share consolidation*	(112,507,164)	-
	At 30 June 2017	**305,921,487**	**173,944,902**
	Acquisition of subsidiary (refer note 37)	18,000,000	31,420,000
	Issued share capital (refer note 28 (b))	889,533	1,529,997
	Issued share capital on conversion of options (f)	2,298,549	4,597,098
	Issued share capital	36,000,000	67,860,000
	Share issue costs, net of tax	-	(2,375,100)
	At 30 June 2018	**363,109,569**	**276,976,897**

* A share consolidation took place on 28 November 2016 resulting in the cancellation of 112,507,164 ordinary shares to allow a two for one in specie distribution of Westgold shares to Metals X Limited shareholders.

(c) Terms and conditions of contributed equity

Holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at shareholder meetings. In the event of winding up the Company the holders are entitled to participate in the proceeds from the sale of all surplus assets in proportion to the number of and amounts paid up on shares held.

Effective 1 July 1998, the Corporations legislation in place abolished the concepts of authorised capital and par share values. Accordingly, the Parent does not have authorised capital nor par value in respect of its issued shares.

(d) Escrow Restrictions

There are no current escrow restrictions on the issued capital of the Company.

(e) Options on issue

Unissued ordinary shares of the Company under option at the date of this report are as follows:

Type	Expiry Date	Exercise Price	Number of options
Unlisted *	11 January 2020	$2.02	9,700,000
Unlisted *	24 November 2020	$2.31	5,300,000
Listed	30 June 2019	$2.00	61,800,884
Total			**76,800,884**

* Issued pursuant to the Westgold Resources Limited Employee Share and Option Plan.

25. ISSUED CAPITAL (CONTINUED)

(f) Option conversions

2,298,549 listed options were converted during the financial year (2017: nil).

(g) Capital management – gearing ratio

	2018	2017
Gearing ratio	7.55%	3.49%
Net debt	30,648,318	10,453,787
Capital	405,816,161	299,635,614

The Group's objective when managing capital are to safeguard their ability to continue as a going concern, so that they can continue to provide returns to shareholders and benefit for other stakeholders and to maintain capital structure that is appropriate for the Group's current and/or projected financial position. In order to maintain or adjust the capital structure, the Group may return capital to shareholders, buyback its shares, issue new shares, borrow from financiers or sell asset to reduce debt.

26. ACCUMULATED LOSSES

	2018	2017
At 1 July	(64,743,994)	(80,518,514)
Net profit in current period attributable to members of the parent entity	3,599,545	15,774,520
At 30 June	**(61,144,449)**	**(64,743,994)**

27. RESERVES

	Share based payments	Equity	Total
At 30 June 2016	**5,664,403**	**7,319,816**	**12,984,219**
Share-based payments	3,276,672	-	3,276,672
Tax consolidated group accounting	-	2,931,383	2,931,383
Income tax losses contributed to parent entity	-	171,242,432	171,242,432
At 30 June 2017	**8,941,075**	**181,493,631**	**190,434,706**
Share-based payments	4,319,611	-	4,319,611
At 30 June 2018	**13,260,686**	**181,493,631**	**194,754,317**

Nature and purpose of reserves

Equity reserve

This reserve relates to the intercompany loans with Metals X Ltd written off on demerger of the Consolidated Entity and includes tax consolidated adjustments.

Share based payments reserve

This reserve is used to recognise the fair value of rights and options issued to employees in relation to equity-settled share based payments.

28. SHARE-BASED PAYMENTS

(a) Recognised share-based payment expense

The expense recognised for services received during the year is shown in the table below:

	2018	2017
Expense arising from equity-settled share-based payments	**4,319,611**	**3,276,672**

The share-based payment plan is described below. There have been no cancellations or modifications to the plan during 2017 and 2016.

(b) Transactions settled using shares

On 3 July 2017, the Company announced that it had completed the acquisition of Australian Contract Mining Pty Ltd ("ACM"). Consideration for the acquisition was the issue of 14,000,000 fully paid ordinary shares. The shares were measured at a deemed value of $1.81 per share based on the agreed number of shares negotiated as consideration for the sale. The acquisition has been accounted for using the fair value of the net assets acquired as disclosed in note 37(a).

On 14 August 2017, the Company announced that it had completed the acquisition of accommodation facilities purchased from Mining and Civil Management Services Pty Ltd. Consideration for the acquisition (inclusive of GST) was the issue of 889,533 fully paid ordinary shares. The acquisition has been accounted for by measuring the depreciable replacement costs to determine the fair value of the assets acquired and recognised as additions to property, plant and equipment in note 16.

On 13 February 2018, the Company announced that it had completed the acquisition of Polar Metals Pty Ltd. Consideration for the acquisition included the issue of 4,000,000 fully paid ordinary shares. The Company determined that it could not readily estimate the fair value of the assets acquired on the basis that this was an exploration asset. The purchase was measured by reference to the share issued which were measured at market value on 13 February 2018 (acquisition date) at $1.52 per share. Refer to note 37(b) for further information on the asset acquisition.

(c) Employee Share and Option Plan

Under the Employee Share and Option Plan (ESOP), grants are made to senior executives and other staff members who have made an impact on the Group's performance. ESOP grants are delivered in the form of share options or performance rights which vest over periods as determined by the Board of Directors.

(d) Performance Rights

Performance rights are issued for nil consideration. Performance rights are subject to vesting conditions as determined by the Board of Directors. Any performance rights that do not vest by their expiry date will lapse. Upon vesting, these performance rights will be settled in ordinary fully paid shares of the Company.

No performance rights have been issued under the ESOP.

(e) Share options

Share options are issued for nil consideration. The exercise price, vesting conditions and expiry date are determined by the Board of Directors. The expiry date is not less than two years from issue date. Any options that are not exercised by the expiry date will lapse. Upon exercise, these options will be settled in ordinary fully paid shares of the Company.

Summary of options granted under the Employee Share and Option Plan

	2018 Number	2018 WAEP	2017 Number	2017 WAEP
Outstanding at the beginning of the year	11,000,000	2.02	-	-
Granted during the year	5,475,000	2.31	11,000,000	2.02
Exercised during the year	-	-	-	-
Lapsed/cancelled during the year	(1,475,000)	2.05	-	-
Outstanding at the year end	**15,000,000**	**2.12**	**11,000,000**	**2.02**
Exercisable at the year end	**9,700,000**	**2.02**	**-**	**-**

28. SHARE-BASED PAYMENTS (CONTINUED)

The outstanding balance as at 30 June 2018 is represented by the following table:

							Number of options at end of period	
Grant Date	**Vesting date**	**Expiry date**	**Exercise Price**	**Options granted**	**Options lapsed / cancelled**	**Options exercised**	**On issue**	**Vested**
22/11/2017	22/11/2018	24/11/2020	$2.31	2,400,000	-	-	2,400,000	-
23/11/2017	24/11/2018	24/11/2020	$2.31	3,075,000	(175,000)	-	2,900,000	-
24/11/2016	11/1/2018	11/1/2020	$2.02	2,250,000	-	-	2,250,000	2,250,000
11/1/2017	11/1/2018	11/1/2020	$2.02	8,750,000	(1,300,000)	-	7,450,000	7,450,000
Total				**16,475,000**	**(1,475,000)**	**-**	**15,000,000**	**9,700,000**

Weighted average remaining contractual life of share options

The weighted average remaining contractual life for the share options outstanding as at 30 June 2018 is 2.12 (2017: 2.53).

Range of exercise price of share options

The exercise price for options outstanding at the end of the year is $2.31 (2017: $2.02).

Weighted average fair value of share options

The weighted average fair value of options granted during the year was $0.45 (2017: $0.60).

Share option valuation

The fair value of the equity-settled share options granted under the ESOP is estimated at the date of grant using a Black & Scholes model, which takes into account factors including the option's exercise price, the volatility of the underlying share price, the risk-free interest rate, the market price of the underlying share at grant date, historical and expected dividends and the expected life of the option.

The following table gives the assumptions made in determining the fair value of the options granted:

Grant date	22/11/2017	23/11/17	24/11/16	11/01/17
Expected volatility (%)	50%	50%	50%	50%
Risk-free interest rate (%)	1.84%	1.82%	1.98%	1.98%
Expected life of options (yrs)	2.5	2.5	2.5	2.5
Options exercise price ($)	$2.31	$2.31	$2.02	$2.02
Share price at grant date ($)	$1.83	$1.825	$1.93	$1.93
Fair value at grant date ($)	$0.45	$0.45	$0.60	$0.60

The effects of early exercise have been incorporated into the calculations by using an expected life for the option that is shorter than the contractual life based on historical exercise behaviour, which is not necessarily indicative of exercise patterns that may occur in the future. The expected volatility was determined using a historical sample of the Company's share price over a two month period. The resulting expected volatility therefore reflects the assumptions that the historical volatility is indicative of future trends, which may also not necessarily be the actual outcome.

29. COMMITMENTS

(a) Capital commitments

At 30 June 2018 the Consolidated Entity has capital commitments that relate principally to the purchase and maintenance of plant and equipment for its mining operations.

Capital expenditure commitments

Estimated capital expenditure contracted for at reporting date, but not recognised as liabilities for the Consolidated Entity:

	2018	2017
- Within one year	**21,532,775**	**2,561,288**

(b) Operating lease commitments and expenditure commitments on tenements

The Company has entered into a commercial property lease on office rental. The Company has entered into commercial leases on power generation facilities and office equipment. These operating leases have an average life of between one month and five years with renewal options included in the contracts.

The Company also has commercial leases over the tenements in which the mining operations are located. These tenement leases have a life of between six months and twenty one years. In order to maintain current rights to explore and mine the tenements, the Group is required to perform minimum exploration work to meet the expenditure requirements specified by the relevant state governing body. There are no restrictions placed on the lessee by entering into these contracts.

Future minimum rentals payable under non-cancellable operating leases as at 30 June are as follows:

	2018	2017
(i) Operating leases – company as lessee		
- Within one year	4,010,068	2,781,797
- After one year but not more than five years	4,810,649	4,189,484
	8,820,717	**6,971,281**
(ii) Mineral tenement leases:		
- Within one year	5,369,852	5,301,969
- After one year but not more than five years	20,333,150	20,238,505
- After more than five years	46,573,944	50,260,776
	72,276,946	**75,801,250**

29. COMMITMENTS (CONTINUED)

(c) Finance lease and hire purchase commitments

The Company has finance leases and hire purchase contracts for various items of plant and machinery. The leases do have terms of renewal but no escalation clauses. Renewals are at the option of the specific entity that holds the lease. The finance and hire purchase contracts have an average term of 36 months with the right to purchase the asset at the completion of the lease term.

Future minimum lease payments under finance leases and hire purchase contracts together with the present value of the minimum lease payments are as follows:

	2018	
	Minimum lease payments	**Present value of lease payments**
Within one year	19,578,912	16,819,651
After one year but not more than five years	17,027,473	13,828,667
Total minimum lease payments	36,606,385	30,648,318
Less amounts representing finance charges	(5,958,067)	-
Present value of minimum lease payments	**30,648,318**	**30,648,318**

	2017	
	Minimum lease payments	**Present value of lease payments**
Within one year	5,591,325	5,259,259
After one year but not more than five years	5,378,182	5,194,528
Total minimum lease payments	10,969,507	10,453,787
Less amounts representing finance charges	(515,720)	-
Present value of minimum lease payments	**10,453,787**	**10,453,787**

The weighted average interest rate of leases for the Company is 5.44% (2017: 4.08%).

(d) Other commitments

The Group has obligations for various expenditures such as royalties, production-based payments and exploration expenditure. Such expenditures are predominantly related to the earning of revenue in the ordinary course of business.

30. CONTINGENT ASSETS AND LIABILITIES

(i) Bank guarantees

The Group has a number of bank guarantees in favour of various government authorities and service providers. The bank guarantees primarily relate to office leases and environmental and rehabilitation bonds at the various projects. The total amount of these guarantees at the reporting date is $1,286,546 (2017: $1,337,819). These bank guarantees are fully secured by term deposits (refer to note 14).

(ii) Clawback agreement

AngloGold Ashanti holds the right to earn back a 75% interest in any individual resource defined within the tenements acquired from AngloGold by Westgold (with the exception of Rover 1 and Explorer 108), under specific terms, conditions, specified payments and performance hurdles. No resource has been defined in the remaining areas to date.

31. AUDITOR'S REMUNERATION

	2018	2017
Amounts received or due and receivable by Ernst & Young (Australia) for:		
An audit or review of financial reports of the entity and any other entity within the Group	334,895	305,390
Other services in relation to the entity and any other entity in the Consolidated Entity:		
- tax compliance	239,227	170,800
Total auditor remuneration	**574,122**	**476,190**

32. INTERESTS IN JOINT OPERATIONS

Cannon Gold Project

The mine financing and profit sharing agreement with Southern Gold Limited ("SAU") for the development of the Cannon Gold Project was transferred to Northern Star Resources Limited with the sale HBJ Minerals Pty Ltd on 29 March 2018. Refer to note 38.

At 30 June 2018, there are no commitments relating to the joint operation.

33. OPERATING SEGMENTS

For management purposes, the Group is organised into operating segments determined by the location of the mineral being mined or explored, as these are the sources of the Group's major risks and have the most effect on rates of return. The Group comprises the following reportable segments:

-	Higginsville Gold Operations	Mining, treatment, exploration and development of gold assets.
-	Meekatharra Gold Operations *	Mining, treatment, exploration and development of gold assets.
-	Cue Gold Operations *	Mining, treatment, exploration and development of gold assets.
-	Fortnum Gold Project	Mining, treatment, exploration and development of gold assets.
-	Northern Territory Projects	Exploration and development of mineral assets.
-	Contract Mining and Services Division	Contract mining and services.

* Previously reported as Central Murchison Gold Project (refer to footnote 1)

Executive management monitors the operating results of its operating segments separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on operating profit or loss and is measured consistently with operating profit or loss in the consolidated financial statements. However, certain income and expenses (see below) are managed on a consolidated basis and are not allocated to operating segments. All other adjustments and eliminations are part of the detailed reconciliations presented further below.

The following table presents revenue and profit information for reportable segments for the years ended 30 June 2018 and 30 June 2017.

Year ended 30 June 2018	**Higginsville Gold Operations**	**Meekatharra Gold Operations (MGO) [1]**	**Cue Gold Operations (CGO) [1]**	**Fortnum Gold Project**	**Northern Territory Projects**	**Contract Mining and Services Division**	**Unallocated Corporate Costs**	**Total**
Revenue								
External customers	94,802,011	181,334,613	14,387,830	69,808,741	-	11,298,099	-	371,631,294
Total revenue	**94,802,011**	**181,334,613**	**14,387,830**	**69,808,741**	**-**	**11,298,099**	**-**	**371,631,294**
Results								
Depreciation and amortisation	(14,880,556)	(42,735,050)	(1,061,940)	(13,661,825)	(22,429)	(13,280,702)	(180,330)	(85,822,832)
Exploration and evaluation expenditure written off	(5,602,267)	(47,204)	(72,960)	(514,876)	-	-	-	(6,237,307)
Segment loss	**(13,522,152)**	**(6,914,998)**	**(171,476)**	**2,115,430**	**(22,429)**	**(21,101,822)**	**(2,912,005)**	**(42,529,452)**
Total assets	**86,367,948**	**300,594,150**	**n/a [1]**	**96,504,078**	**18,395,567**	**85,006,739**	**-**	**586,868,482**
Total liabilities	**(42,413,919)**	**(77,784,498)**	**n/a [1]**	**(27,119,207)**	**(953)**	**(50,379,081)**	**-**	**(197,697,658)**
Other disclosures								
Capital expenditure	(25,145,139)	(92,390,700)	n/a [1]	(32,093,044)	(438,069)	(25,675,918)	-	(175,742,870)

Year ended 30 June 2017	Higginsville Gold Operations	Meekatharra Gold Operations (MGO) [1]	Cue Gold Operations (CGO) [1]	Fortnum Gold Project	Northern Territory Projects	Contract Mining and Services Division	Unallocated Corporate Costs	Total
Revenue								
External customers	139,394,236	167,631,024	-	-	-	-	-	307,025,260
Total revenue	**139,394,236**	**167,631,024**	**-**	**-**	**-**	**-**	**-**	**307,025,260**
Results								
Depreciation and amortisa-tion	(26,074,751)	(29,694,297)	-	(866,519)	(24,603)	-	(58,619)	(56,718,789)
Exploration and evaluation expenditure written off	(304,063)	(552,692)	-	(20,499)	(31,475)	-	-	(908,729)
Segment profit/(loss)	**10,276,719**	**6,036,437**	**-**	**(212,602)**	**(56,077)**	**-**	**(807,440)**	**15,237,037**
Total assets	**69,282,146**	**238,453,539**	**-**	**70,987,275**	**17,977,478**	**-**	**-**	**396,700,438**
Total liabilities	**(41,524,845)**	**(74,798,626)**	**-**	**(18,455,389)**	**(1,195)**	**-**	**-**	**(134,780,055)**
Other disclosures								
Capital expenditure	(16,763,481)	(80,375,525)	-	(31,816,276)	(619,221)	-	-	(129,574,503)

1. During the quarter ending 30 June 2018, financial production had commenced from the Tuckabianna plant located near Cue and a decision was made to split the Central Murchison Gold Project into two distinct project areas, MGO and CGO. These operations are both held under Big Bell Gold Operations Pty Ltd and share common assets, operate one bank account and have a common supplier base. It is therefore not practical to segment the assets and liabilities for these divisions, however the processing operations are managed separately and the revenue and expenses, including depreciation calculated on estimated assets utilized throughout the period, have therefore been reported separately with effect from 1 April 2018.

Unallocated corporate costs

Finance income and fair value gains and losses on financial assets are not allocated to individual segments as the underlying instruments are managed on a Group basis.

Current taxes, deferred taxes and certain financial assets and liabilities are not allocated to those segments as they are also managed on a Group basis.

Corporate charges comprise non-segmental expenses such as head office expenses and interest costs. Corporate charges are not allocated to operating segments.

Other disclosures

Capital expenditure consists of additions of property, plant and equipment, mine properties and development and exploration and evaluation expenditure including assets from the acquisition of subsidiaries.

33. OPERATING SEGMENTS (CONTINUED)

(a) Reconciliation of profit/(loss)

	2018	2017
Segment (loss)/profit	**(42,529,452)**	**15,237,037**
Corporate administration expenses	(11,221,842)	(6,768,273)
Corporate interest income	571,555	764,714
Corporate other income	3,507,463	1,126,204
Net realized gains on disposal of available-for-sale financial assets	1,446,807	-
Impairment loss on available-for-sale financial assets	(2,535,760)	(81,850)
Net loss on disposal of assets	(1,145,250)	(94,095)
Impairment of goodwill	(2,553,772)	-
Total consolidated (loss)/profit before income tax	**(54,460,251)**	**10,183,737**

(b) Reconciliation of assets

Segment operating assets	**586,868,482**	**396,700,438**
Unallocated corporate assets		
Cash and cash equivalents	70,768,635	65,983,151
Trade and other receivables	1,245,684	282,508
Prepayments	499,573	289,005
Other financial assets	940,677	1,337,819
Available-for-sale financial assets	6,267,158	373,150
Property, plant and equipment	692,259	273,955
Assets – discontinued operations	-	52,754,594
Total consolidated assets	**667,282,468**	**517,994,620**

(c) Reconciliation of liabilities

Segment operating liabilities	**197,697,658**	**134,870,055**
Unallocated corporate liabilities		
Trade and other payables	19,540,611	13,291,703
Other provisions	2,283	-
Provision for employee benefits	1,858,796	1,326,922
Interest-bearing loans and borrowings	46,367	119,874
Deferred tax liability	42,320,592	32,033,007
Liabilities – discontinued operations	-	36,807,445
Total consolidated liabilities	**261,466,307**	**218,359,006**

(d) Segment revenue from external customers

Segment revenue	371,631,294	307,025,260
Total revenue	**371,631,294**	**307,025,260**

Revenue from external customers by geographical locations is detailed below. Revenue is attributable to geographical location based on the location of the customers. The Company does not have external revenues from external customers that are attributable to any foreign country other than as shown.

Australia	371,631,294	307,025,260
Total revenue	**371,631,294**	**307,025,260**

The Group has two customers to which it sells gold and each accounts for 36% and 61% of this external revenue respectively (2017: 44% and 56%).

(e) Segment non-current assets, excluding financial assets, are all located in Australia.

34. KEY MANAGEMENT PERSONNEL

(a) Details of Key Management Personnel

			Appointed	Resigned
(i)	**Non-Executive Directors**			
	PJ Newton	Non-Executive Chairman	6 October 2016	-
	PB Schwann	Non-Executive Director	2 February 2017	-
	SV Shet	Non-Executive Director	18 December 2017	
	FJ Van Maanen	Non-Executive Director	6 October 2016	-
(ii)	**Executive Directors**			
	PG Cook	Managing Director	19 March 2007	-
	JS Norregaard	Executive Director	29 December 2016	-
(iii)	**Other Executives (KMPs)**			
	SM Balloch	CFO	1 December 2016	8 July 2018
	DA Fullarton	CFO	21 May 2018	-
	JG Brock	Chief Operating Officer – Murchison	21 March 2016	30 June 2018
	PD Hucker	Chief Operating Officer – Eastern Gold-fields	17 October 2012	-
	DW Okeby	Legal Counsel and Company Secretary	1 December 2016	-

A management restructure resulted in PD Hucker changing roles on 20 July 2018 to that of Group Chief Mining Engineer. There are no other changes of the key management personnel after the reporting date and before the date the financial report was authorised for issue.

(b) Compensation of Key Management Personnel

	2018	2017
Short-term employee benefits	2,864,733	1,957,128
Post employment benefits	178,336	144,014
Other long-term benefits	48,842	102,096
Share-based payment	2,805,753	2,561,788
	5,897,664	**4,765,026**

The amounts disclosed in the table related to key management personnel were recognised as expenses by Metals X Limited up to 30 November 2016. From 1 December 2016, amounts were for the account of Westgold.

(c) Loans to Key Management Personnel

There were no loans to key management personnel during the current or previous financial year.

(d) Interest held by Key Management Personnel under the Long Term Incentive Plan

Grant date	Expiry date	Exercise price $	2018	2017
22/11/2017	24/11/2020	2.31	2,400,000	-
23/11/2017	24/11/2020	2.31	1,200,000	-
24/11/2016	11/1/2020	2.02	2,250,000	2,250,000
11/1/2017	11/1/2020	2.02	3,900,000	4,350,000
Total			**9,750,000**	**6,600,000**

35. RELATED PARTY DISCLOSURES

(a) Subsidiaries

The consolidated financial statements include the financial statements of Westgold Resources Limited and the subsidiaries listed in the following table:

Name	Country of incorporation	Ownership Interest 2018	Ownership Interest 2017
Castile Resources Pty Ltd	Australia	100%	100%
Aragon Resources Pty Ltd	Australia	100%	100%
Big Bell Gold Operations Pty Ltd	Australia	100%	100%
Australian Contact Mining Pty Ltd *	Australia	100%	0%
Hill 51 Pty Ltd	Australia	100%	100%
Avoca Resources Pty Ltd	Australia	100%	100%
Avoca Mining Pty Ltd	Australia	100%	100%
Polar Metals Pty Ltd *	Australia	100%	0%
HBJ Minerals Pty Ltd **	Australia	0%	100%
Dioro Exploration NL**	Australia	0%	100%
Location 53 Pty Ltd	Australia	100%	100%
Hampton Gold Mining Areas Limited **	United Kingdom	0%	100%

* Entities acquired (refer to note 37)

** Entities disposed on sale (refer to note 38)

(b) Ultimate Parent

Westgold Resources Limited is the ultimate parent entity.

(c) Key Management Personnel

Details relating to key management personnel, including remuneration paid, are included in note 34.

(d) Transactions with related parties

	2018	2017
Transactions associated with entities in the Metals X Limited ("MLX") wholly owned group prior to and at the date of demerger:		
- Loans repayment between Metals X Limited	-	(152,603,469)
- Loans draw down between Bluestone Australia Pty Ltd	-	17,866,649
- Loans forgiven with MLX on demerger	-	221,522,908
- Loans written off with Bluestone Australia Pty Ltd on demerger	-	(50,280,476)

36. INFORMATION RELATING TO WESTGOLD RESOURCES LIMITED ("THE PARENT ENTITY")

	2018	2017
Current assets	72,226,989	67,872,602
Total assets	356,538,551	217,877,960
Current liabilities	21,250,528	14,616,114
Total liabilities	21,282,253	14,616,114
Issued capital	275,958,998	173,944,903
Retained earnings	41,479,832	15,819,086
Share-based payments reserve	13,260,686	8,941,075
Other reserves	4,556,783	4,556,783
Total Equity	**335,256,299**	**203,261,847**
Profit of the parent entity	25,660,747	88,478,494
Total comprehensive profit of the parent entity	25,660,747	91,409,877

Guarantees entered into by the parent entity in relation to the debts of its subsidiaries.

Pursuant to ASIC Corporations (Wholly-owned Companies) Instrument 2016/785, Westgold and its wholly owned subsidiaries (except Location 53 Pty Ltd) entered into a deed of cross guarantee on 28 November 2016 (the Guarantee). The effect of the Guarantee is that Westgold has guaranteed to pay any deficiency in the event of winding up of any controlled entity which is a party to the Guarantee or if they do not meet their obligations under the terms of any debt subject to the Guarantee. The controlled entities which are parties to the Guarantee have given a similar guarantee in the event that Westgold is wound up or if it does not meet its obligations under the terms of any debt subject to the Guarantee.

The Consolidated Statement of Financial Position and Consolidated Statement of Comprehensive Income for the closed group is not different to the Group's Statement of Financial Position and Statement of Comprehensive Income.

Contingent liabilities of the parent entity.	Nil
Contractual commitments by the parent entity for the acquisition of property, plant or equipment.	Nil

37. ACQUISITIONS

(a) Business combinations

Acquisition of Australia Contract Mining Pty Ltd

On 8 June 2017, the Company announced it had signed an agreement to acquire 100% of the private-ly owned specialist underground mining contractor, Australian Contract Mining Pty Ltd ("ACM") with a view to internalise and integrated them into the Group.

On 3 July 2017, the Company announced that it had completed the acquisition of ACM from Majestic Investment Trust. Consideration for the acquisition was the issue of 14,000,000 fully paid ordinary shares. The shares were measured at a deemed value of $1.81 per share based on the agreed num-ber of shares negotiated as consideration for the sale and the net fair value of net assets acquired.

Assets acquired and liabilities assumed

At the date of this report, the fair values of assets and liabilities have been determined as at the date of acquisition.

	Fair value recognised on acquisition
Assets	
Cash and cash equivalents	2,357,406
Trade and other receivables [1]	3,506,897
Other assets	356,619
Inventories [2]	8,004,982
Property, plant and equipment	54,219,839
Goodwill [3]	2,553,772
	70,999,515
Liabilities	
Trade and other payables	22,839,595
Interest-bearing loans and borrowings [4]	20,943,682
Provisions	1,876,238
	45,659,515
Total identifiable net assets as fair value	**25,340,000**

	Fair value recognised on acquisition
Westgold shares (14,000,000 ordinary shares)	25,340,000
Purchase consideration transferred	**25,340,000**
Analysis of cash flows on acquisition:	
Cash acquired with the subsidiary	2,357,406
Net cash flow	**2,357,406**

The changes to the provisional accounting for the business combination took place as a result of management finalising their review of the assets and liabilities acquired.

Had the acquisition occurred on 1 July 2016, the business would have contributed no revenue, as all contracts were with the Group, and $10,878,537 of losses to the profit after tax for the year ended 30 June 2017.

Notes

1. **Trade and other receivables**

   This represents the contractual amounts receivable and all amounts have subsequently been received.

2. **Inventories**

   The recoverable amount is the higher of the CGU's fair value less costs of disposal (FVLCD) and value in use (VIU). The recoverable amount of the ACM CGU has been determined based on a value in use calculation using cash flow projections from actual results to 30 June 2018. The VIU is most sensitive to changes in the pre-tax discount rate of 13% and growth rates for future cash flows which have been assumed to be nil%.

3. **Goodwill**

   Goodwill is tested for impairment annually and when circumstances indicate that the carrying value may be impaired. Given the losses incurred by the ACM cash-generating unit (CGU) from the date of acquisition to 30 June 2018, management determined that there were sufficient impairment indicators to prompt an impairment test of the goodwill acquired in the business combination.

   Impairment is determined for goodwill by assessing the recoverable amount of the CGU (or group of CGUs) to which the goodwill relates. Where the recoverable amount of the CGU is less than its carrying amount including goodwill, an impairment loss is recognised. In allocating the impairment loss, individual assets within the CGU are not reduced below their own recoverable amounts. Impairment losses relating to goodwill cannot be reversed in future periods.

   As a result of this analysis, management has recognised an impairment charge of $2,553,772 in the current period against goodwill.

4. **Interest bearing loans and borrowings**

   The loan, previously disclosed under provisional liabilities, of $2,500,000 was subsequently repaid to Majestic Investment Trust.

(b) Asset acquisitions

Acquisition of Polar Metals Pty Ltd

On 13 February 2018, the Company announced that it had completed the acquisition of Polar Metals Pty Ltd. Consideration for the acquisition was the issue of 4,000,000 fully paid ordinary shares.

	Fair value recognised on acquisition
Exploration and evaluation expenditure	9,080,000
	9,080,000
Westgold shares (4,000,000 ordinary shares)	6,080,000
Cash consideration	3,000,000
Purchase consideration transferred	**9,080,000**

38. DISCONTINUED OPERATIONS

In a strategy to focus efforts on the larger long-life Murchison gold assets, agreement was reached to sell the South Kalgoorlie Operations (SKO) to Northern Star Resources Limited (Northern Star).

SKO operates Jubilee Processing Plant as its mining hub. In recent years the HBJ Underground Mine had operated as the core feed with additional smaller open pit and low grade stockpile sources providing approximately 60% of plant capacity. The remainder of plant capacity was filled by toll processing third party ores from the region.

Westgold sold its wholly owned subsidiaries that collectively make up the SKO; Dioro Exploration Pty Ltd, HBJ Minerals Pty Ltd and Hampton Gold Mining Areas Ltd. The consideration for the sale was $80 million (with working capital adjustments). The purchase consideration was made up of $20 million in cash and $60 million in unrestricted fully paid ordinary shares in Northern Star calculated using a backward-looking 10-day VWAP.Westgold retained its lithium royalties over the Mt Marion Lithium Mine and the rights to lithium exploration and mining over Location 53 and 59.

	2018	2017
Results of the discontinued operations:		
Revenue	67,260,297	130,115,535
Cost of sales	(66,256,596)	(115,634,543)
Gross profit	1,003,701	14,480,992
Other income	390,548	282,956
Other expenses	-	559
Finance costs	(359,534)	(70,595)
Exploration and evaluation expenditure written off	(144,667)	(258,237)
Gain on disposal of controlled entities	61,759,658	-
Profit before tax	**62,649,706**	**14,435,675**
Income tax expense	(22,433,090)	(4,330,703)
Profit for the year from discontinued operations	**40,216,616**	**10,104,972**

	2018
Cash flow information from discontinued operations:	
Operating activities	13,297,796
Investing activities	(12,509,364)
Financing activities	(902,589)
	(114,156)

Carrying value of net assets at date of disposal:	
Assets	
Trade and other receivables	41,483
Inventories	11,970,075
Prepayments	195,329
Property, plant and equipment	5,152,635
Mine properties and development costs	20,929,587
Exploration and evaluation expenditure	12,208,169
Deferred tax asset	982,231
	51,579,509

Liabilities	
Trade and other payables	(7,454,795)
Provisions	(23,155,680)
Deferred tax liabilities	(4,458,165)
	(35,068,640)
Net assets disposed of	16,510,869
Gain on sale of subsidiary	
Consideration received in cash and cash equivalents	19,000,000
Deferred sale proceeds on sale of subsidiary	1,000,000
Consideration received in shares	59,809,527
Working capital adjustments	(1,539,000)
Less net assets disposed of	(16,510,869)
Gain on disposal	**61,759,658**

Entities disposed were: Dioro Exploration Pty Ltd, HBJ Minerals Pty Ltd and Hampton Gold Mining Areas Limited.

39. EVENTS AFTER THE BALANCE SHEET DATE

There are no significant events after the balance sheet date.

DIRECTORS' DECLARATION

In accordance with a resolution of the Directors of Westgold Resources Limited, I state that:

In the opinion of the Directors:

(a) the financial statements and notes of the Company and of the Group are in accordance with the Corporations Act 2001, including:

  (i) giving a true and fair view of the Company's and the Group's financial position as at 30 June 2018 and of their performance for the year ended on that date; and

  (ii) complying with the Australian Accounting Standards (including the Australian Accounting Interpretations) and Corporations Regulations 2001; and

(b) the financial statements and notes also comply with International Financial Reporting Standards as disclosed in note 2(b) and;

(c) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable; and

(d) this declaration has been made after receiving the declarations required to be made to the Directors in accordance with section 295A of the Corporations Act 2001 for the financial year ended 30 June 2018.

As at the date of this declaration, there are reasonable grounds to believe that the members of the Closed Group identified in note 36 will be able to meet any obligations or liabilities to which they are or may become subject, by virtue of the Deed of Cross Guarantee.

On behalf of the Board.

PG Cook
Managing Director
Perth, 31 August 2018

INDEPENDENT AUDIT REPORT

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Independent auditor's report to the members of Westgold Resources Limited

Report on the audit of the financial report

Opinion

We have audited the financial report of Westgold Resources Limited (the Company) and its subsidiaries (collectively the Group), which comprises the consolidated statement of financial position as at 30 June 2018, the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, notes to the financial 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 consolidated financial position of the Group as at 30 June 2018 and of its consolidated financial 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 auditor 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.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial report of the current year. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, but we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial report. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying financial report.

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1. Recoverability of non-current assets

Why significant	How our audit addressed the key audit matter
The Group's assessment of the recoverable amount of mining assets requires estimation and judgment about assumptions used, including reserves and resources and related production profiles, future operating and capital expenditure, commodity prices, discount rates and exchange rates. Changes to key assumptions could lead to material changes in the estimated recoverable amounts of mine properties and development costs, property, plant and equipment and capitalised exploration and evaluation expenditure (refer to note 3). Accordingly, this was considered to be a key audit matter.	We assessed the Group's identification of indicators of impairment. Where such indicators were identified, we assessed the methodology used by the Group to estimate the recoverable value of the relevant cash generating unit (CGU) and considered whether this was consistent with the requirements of Australian Accounting Standards. We assessed the appropriateness of each key assumption used in the Group's impairment assessment models used to calculate recoverable values, in particular: ► We gained an understanding of the changes in reserves and resources estimates during the year and assessed whether the reserves and resource estimates were appropriately applied to relevant areas of the Group's financial report, including the recoverable value of mining assets and calculation of depletion, depreciation and amortisation ► We assessed the qualifications, competence and objectivity of the Group's internal experts whose work formed the basis of the Group's estimation of mineral reserves and resources quantities ► We assessed operating and capital costs included in the cash flow forecasts for consistency with current operating costs, capital costs and forecast mine production ► Involving our valuation specialists, we assessed the Group's assumptions relating to future metals prices and discount rates, comparing these to market data and also for consistency with other estimates used in the financial report ► We performed sensitivity analysis on the Group's calculated recoverable values for alternative assumptions around gold forecast pricing, foreign exchange rates, the discount rate applied, capital costs, operating costs and production.

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INDEPENDENT AUDIT REPORT

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2. Rehabilitation and restoration provisions

Why significant	How our audit addressed the key audit matter
As a consequence of its operations, the Group incurs obligations to restore and rehabilitate the environment. Rehabilitation activities are governed by a combination of legislative requirements and Group policies. As at 30 June 2018, the Group's consolidated statement of financial position includes provisions of $76.95 million in respect of such obligations. Estimating the costs associated with these future activities requires considerable judgment in relation to factors such as timing of the rehabilitation, the costs associated with the rehabilitation activities and economic assumptions such as discount rates and inflation rates.	Our audit procedures included the following: ► Involved our rehabilitation specialists to review the rehabilitation plans and to assess whether the cost estimates were reasonable and complied with Group policies and relevant legislative requirements. This included assessing costs against other external data such as actual costs incurred to date to consider the appropriateness of data used in the Group's cost estimates and an assessment of the Group's historical forecasting accuracy ► Assessed the qualifications, competence and objectivity of the Group's internal experts that formed the basis of the cost estimates ► Evaluated the Group's treatment of changes in the rehabilitation provision from the prior year ► Assessed the adequacy of the Group's disclosures relating to rehabilitation obligations.

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3. Acquisition accounting

Why significant	How our audit addressed the key audit matter
During the year, the Group completed the acquisition of Australian Contract Mining Pty Ltd ("ACM"), as set out in Note 37 of the financial report. The acquisition accounting for the transaction comprises significant judgment for the purposes of purchase price allocation. Given the high level of judgment, we considered this area to be a key audit matter.	Our audit procedures included the following: ► Evaluated whether the accounting treatment applied including the acquisition date and the consideration were consistent with the terms of the purchase agreement ► Assessed the appropriateness of the identified acquired assets (including property, plant and equipment, inventories and trade and other receivables) and liabilities assumed (including interest-bearing loans and borrowings and trade and other payables) by evaluating underlying contracts and financial information of ACM ► Assessed the results of third party valuations of property, plant and equipment acquired and assessed the qualifications, competence and objectivity of the Group's external valuation expert ► Involvement of our tax specialists to assess the tax implications of the acquisition ► Assessed the qualifications, competence and objectivity of management's internal experts for the purposes of considering the significant estimates and judgments associated with their determination of the fair values of inventories acquired and provisions assumed ► We have assessed the fair value of the remaining assets acquired and liabilities assumed, including the recognition of any goodwill ► Assessed the appropriateness of the disclosures in the financial report.

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 Company's 2018 Annual Report other than the financial report and our auditor's report thereon. We obtained the Directors' Report and the Corporate Governance Statement that are to be included in the Annual Report, prior to the date of this auditor's report, and we expect to obtain the remaining sections of the Annual Report after the date of this auditor's report.

Our opinion on the financial report does not cover the other information and we do not and will not express any form of assurance conclusion thereon, with the exception of the Remuneration Report and our related assurance opinion.

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.

INDEPENDENT AUDIT REPORT

If, based on the work we have performed on the other information obtained prior to the date of this auditor's report, 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 relating 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.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

INDEPENDENT AUDIT REPORT

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- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial report. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated to the directors, we determine those matters that were of most significance in the audit of the financial report of the current year and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on the audit of 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 2018.

In our opinion, the Remuneration Report of Westgold Resources Limited for the year ended 30 June 2018, 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.

Ernst & Young

Ernst & Young

Philip Teale
Partner
Perth
31 August 2018

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SECURITY HOLDER INFORMATION AS AT 10 OCTOBER 2018

(a) Top 20 Quoted Shareholders

	%	Number of shares
HSBC CUSTODY NOM AUST LTD	40.10%	145,598,946
J P MORGAN NOM AUST LTD	12.00%	43,570,684
NATIONAL NOM LTD	7.92%	28,764,515
SUN HUNG KAI INV SVCS LTD	7.70%	27,953,786
CS THIRD NOM PL	3.75%	13,622,185
CITICORP NOM PL	3.48%	12,627,903
ALL-STATES FINANCE PL	1.91%	6,941,656
REDLAND PLAINS PL	1.83%	6,643,500
AJAVA HLDGS PL	1.28%	4,662,727
S2 RES LTD	1.10%	4,000,000
COOK PETER GERARD	0.74%	2,693,750
BNP PARIBAS NOM PL	0.74%	2,686,392
WESTERN BRIDGE PL	0.53%	1,937,991
CITICORP NOM PL	0.53%	1,920,141
SILVER LAKE RES LTD	0.34%	1,250,000
DEBORTOLI WINES PL	0.32%	1,158,631
OAKSOUTH PL	0.28%	1,033,125
HOLT CARL ERIC + L	0.28%	1,004,205
AJAVA HLDGS PL	0.26%	956,154
COOK PETER GERARD + J C	0.26%	941,617
Total	**85.71%**	**311,263,322**

(b) Distribution of quoted ordinary shares

Size of parcel	Number of share holders	Number of shares
1 - 1,000	1,793	860,545
1,001 - 5,000	2,218	5,536,373
5,001 - 10,000	744	5,479,438
10,001 - 100,000	813	21,026,200
100,000 +	98	330,207,013
Total	**5,629**	**363,109,569**

(c) Number of holders with less than a marketable parcel of ordinary shares

Total Unmarketable parcel $500 basis price $1.70	**549**	**69,532**

(d) Substantial Shareholders

	%	Number of shares
Ruffer LLP	10.27%	37,276,412
Golden Energy & Resources Limited	9.91%	36,000,000
BlackRock Investment Management (UK) Ltd.	9.41%	34,183,459
APAC Resources Limited	7.70%	27,953,786
Van Eck Associates Corporation	5.04%	18,295,379

SECURITY HOLDER INFORMATION

(e) Top 20 Quoted Optionholders (expiry 30/06/2019, exercise price $2.00)

	%	Number of shares
HSBC CUSTODY NOM AUST LTD	29.71%	18,360,402
J P MORGAN NOM AUST LTD	9.71%	6,002,751
SUN HUNG KAI INV SVCS LTD	9.05%	5,590,758
REDLAND PLAINS PL	4.38%	2,708,700
NATIONAL NOM LTD	2.99%	1,850,248
STARSHINE MLP PL	2.43%	1,500,000
CS THIRD NOM PL	2.30%	1,422,235
HOLT CARL ERIC + L	2.27%	1,400,000
ALL-STATES FINANCE PL	2.25%	1,388,332
BNP PARIBAS NOM PL	2.15%	1,325,760
CITICORP NOM PL	1.90%	1,176,548
AJAVA HLDGS PL	1.83%	1,128,064
WELLBY ROBERT JOHN + N H	1.19%	733,472
COOK PETER GERARD	0.87%	538,750
COOK JOAN CHRISTINE	0.83%	511,744
HSBC CUSTODY NOM AUST LTD	0.81%	501,787
GOLDMAN SACHS AUST PL	0.77%	474,163
ZENG CUIPING	0.73%	451,663
MORGAN STANLEY AUST SEC N	0.64%	396,241
GALUFO PL	0.56%	347,252
Total	**77.37%**	**47,808,870**

(f) Distribution of quoted options

Size of parcel	Number of option holders	Number of options
1 - 1,000	3,815	1,191,117
1,001 - 5,000	1,018	2,221,265
5,001 - 10,000	152	1,081,556
10,001 - 100,000	147	4,636,031
100,000 +	46	52,670,915
Total	**5,178**	**61,800,884**

(g) Voting Rights

The voting rights for each class of security on issue are:

Ordinary fully paid shares

Each ordinary shareholder is entitled to one vote for each share held.

Options Expiring 30/06/2019 - Exercise Price $2.00

The holders of options have no rights to vote at a general meeting of the company.

Unquoted Employee Options

The holders of options have no rights to vote at a general meeting of the company.

SECURITY HOLDER INFORMATION

(h) Unquoted Equity Securities

Number of Employee Options	Exercise Price	Expiry Date	Number holders
9,700,000	$2.02	11/01/2020	12
5,300,000	$2.31	24/11/2020	19

Unquoted employee options are issued under an employee incentive scheme.

MINERAL RESOURCES & ORE RESERVES

WESTGOLD RESOURCES LIMITED Gold Division (WA Operating Mines) Mineral Resource Statement - Rounded for Reporting 30/6/18			
Project	**Tonnes ('000s)**	**Grade**	**Ounces Au ('000s)**
Measured			
CGO	656	4.18	88
MGO	1,565	3.22	162
FGP	68	1.56	3
HGO	3,118	2.20	220
Sub-Total	**5,407**	**2.72**	**474**
Indicated			
CGO	35,553	2.54	2,905
MGO	28,491	1.70	1,560
FGP	15,891	1.86	949
HGO	15,991	1.99	1,022
Sub-Total	**95,926**	**2.09**	**6,437**
Inferred			
CGO	19,506	2.46	1,546
MGO	30,249	1.81	1,778
FGP	5,859	1.87	353
HGO	10,637	1.99	682
Sub-Total	**66,251**	**2.05**	**4,359**
Total			
CGO	55,714	2.53	4,539
MGO	60,305	1.81	3,500
FGP	21,819	1.86	1,305
HGO	29,746	2.01	1,924
Grand Total	**167,584**	**2.09**	**11,269**

WESTGOLD RESOURCES LIMITED Gold Division (WA Operating Mines) Ore Reserve Statement - Rounded for Reporting 30/6/18			
Project	**Tonnes ('000s)**	**Grade**	**Ounces Au ('000s)**
Proven			
CGO	405	4.46	58
MGO	1,112	2.35	84
FGP	68	1.56	3
HGO	29	3.63	3
Sub-Total	**1,613**	**2.87**	**149**
Probable			
CGO	21,403	2.53	1,742
MGO	4,555	2.56	375
FGP	5,822	2.07	387
HGO	5,916	1.91	363
Sub-Total	**37,696**	**2.37**	**2,867**
Total			
CGO	21,807	2.57	1,800
MGO	5,667	2.52	459
FGP	5,890	2.06	390
HGO	5,945	1.92	367
Grand Total	**39,309**	**2.39**	**3,016**

Cue Gold Operations Mineral Resource Statement - Rounded for Reporting												
	Measured			Indicated			Inferred			Total		
Project	**Tonnes ('000s)**	**Grade**	**Ounces Au ('000s)**	**Tonnes ('000s)**	**Grade**	**Ounces Au ('000s)**	**Tonnes ('000s)**	**Grade**	**Ounces Au ('000s)**	**Tonnes ('000s)**	**Grade**	**Ounces Au ('000s)**
Big Bell	-	-	-	16,472	2.79	1,478	7,505	2.66	642	23,977	2.75	2,119
Cuddingwarra	-	-	-	6,555	2.06	435	2,826	2.34	213	9,381	2.15	648
Day Dawn	188	1.73	10	4,661	3.77	565	3,389	2.47	269	8,238	3.19	844
Tuckabianna	367	5.92	70	3,810	2.72	334	5,786	2.27	422	9,963	2.58	826
Stockpiles	101	2.42	8	4,054	0.72	94	-	-	-	4,155	0.76	102
Total	**656**	**4.18**	**88**	**35,553**	**2.54**	**2,905**	**19,506**	**2.46**	**1,546**	**55,714**	**2.53**	**4,539**

Cue Gold Operations Ore Reserve Statement - Rounded for Reporting									
	Proven			Probable			Total		
Project	**Tonnes ('000s)**	**Grade**	**Ounces Au ('000s)**	**Tonnes ('000s)**	**Grade**	**Ounces Au ('000s)**	**Tonnes ('000s)**	**Grade**	**Ounces Au ('000s)**
Big Bell	-	-	-	11,829	2.89	1,098	11,829	2.89	1,098
Cuddingwarra	-	-	-	1,289	2.08	86	1,289	2.08	86
Day Dawn	-	-	-	2,112	3.93	267	2,112	3.93	267
Tuckabianna	304	5.14	50	2,119	2.90	197	2,423	3.18	248
Stockpiles	101	2.42	8	4,054	0.72	94	4,155	0.76	102
Fender Underground	-	-	-	435	2.96	41	435	2.96	41
Total	**405**	**4.46**	**58**	**21,403**	**2.53**	**1,742**	**21,807**	**2.57**	**1,800**

Cue Gold Operations Mineral Resource Statement - Comparison to Previous Year									
	2017 Mineral Resource			2018 Mineral Resource			Change		
Project	**Tonnes ('000s)**	**Grade**	**Ounces Au ('000s)**	**Tonnes ('000s)**	**Grade**	**Ounces Au ('000s)**	**Tonnes ('000s)**	**Grade**	**Ounces Au ('000s)**
Big Bell	27,993	2.77	2,491	23,977	2.75	2,119	-4,016	-0.02	-372
Cuddingwarra	9,381	2.15	648	9,381	2.15	648	0	-	0
Day Dawn	8,761	3.10	872	8,238	3.19	844	-524	0.09	-28
Tuckabianna	10,520	2.42	819	9,963	2.58	826	-557	0.16	7
Stockpiles	4,095	0.76	100	4,155	0.76	102	60	0.00	2
Total	**60,750**	**2.52**	**4,931**	**55,714**	**2.53**	**4,539**	**-5,036**	**0.01**	**-392**

Cue Gold Operations Ore Reserve Statement - Comparison to Previous Year									
	2017 Ore Reserve			2018 Ore Reserve			Change		
Project	**Tonnes ('000s)**	**Grade**	**Ounces Au ('000s)**	**Tonnes ('000s)**	**Grade**	**Ounces Au ('000s)**	**Tonnes ('000s)**	**Grade**	**Ounces Au ('000s)**
Big Bell	12,254	2.78	1,096	11,829	2.89	1,098	-425	0.10	2
Cuddingwarra	1,358	2.02	88	1,289	2.08	86	-70	0.06	-2
Day Dawn	2,154	4.04	280	2,112	3.93	267	-42	-0.11	-13
Tuckabianna	1,864	2.97	178	2,423	3.18	248	559	0.21	70
Stockpiles	4,077	0.73	96	4,155	0.76	102	78	0.03	6
Total	**21,707**	**2.49**	**1,738**	**21,807**	**2.57**	**1,800**	**100**	**0.08**	**62**

Meekatharra Gold Operations Mineral Resource Statement - Rounded for Reporting												
	Measured			Indicated			Inferred			Total		
Project	**Tonnes ('000s)**	**Grade**	**Ounces Au ('000s)**	**Tonnes ('000s)**	**Grade**	**Ounces Au ('000s)**	**Tonnes ('000s)**	**Grade**	**Ounces Au ('000s)**	**Tonnes ('000s)**	**Grade**	**Ounces Au ('000s)**
Meekatharra North	-	-	-	956	1.74	54	723	1.38	32	1,679	1.59	86
Nannine	-	-	-	717	1.74	40	422	1.57	21	1,139	1.68	61
Paddy's Flat	844	4.78	130	15,660	1.59	802	12,301	1.50	594	28,805	1.65	1,526
Reedy's	95	1.66	5	3,240	2.27	236	9,389	2.52	762	12,725	2.45	1,003
Yaloginda	15	2.26	1	7,918	1.68	428	7,414	1.55	369	15,347	1.62	798
Stockpiles	610	1.32	26	-	-	-	-	-	-	610	1.32	26
Total												
	1,565	**3.22**	**162**	**28,491**	**1.70**	**1,560**	**30,249**	**1.83**	**1,778**	**60,305**	**1.81**	**3,500**

Meekatharra Gold Operations Ore Reserve Statement - Rounded for Reporting									
	Proven			Probable			Total		
Project	**Tonnes ('000s)**	**Grade**	**Ounces Au ('000s)**	**Tonnes ('000s)**	**Grade**	**Ounces Au ('000s)**	**Tonnes ('000s)**	**Grade**	**Ounces Au ('000s)**
Meekatharra North	-	-	-	421	1.74	24	421	1.74	24
Nannine	-	-	-	244	1.86	15	244	1.86	15
Paddy's Flat	501	3.61	58	2,613	2.66	224	3,115	2.82	282
Reedy's	-	-	-	713	2.94	67	713	2.94	67
Yaloginda	-	-	-	564	2.52	46	564	2.52	46
Stockpiles	610	1.32	26	-	-	-	610	1.32	26
Total	**1,112**	**2.35**	**84**	**4,555**	**2.56**	**375**	**5,667**	**2.52**	**459**

Meekatharra Gold Operations Mineral Resource Statement - Comparison to Previous Year									
	2017 Mineral Resource			2018 Mineral Resource			Change		
Project	**Tonnes ('000s)**	**Grade**	**Ounces Au ('000s)**	**Tonnes ('000s)**	**Grade**	**Ounces Au ('000s)**	**Tonnes ('000s)**	**Grade**	**Ounces Au ('000s)**
Meekatharra North	1,569	1.56	79	1,679	1.59	86	109	0.03	7
Nannine	830	1.67	44	1,139	1.68	61	309	0.01	17
Paddy's Flat	32,482	1.69	1,770	28,805	1.65	1,526	-3,677	-0.05	-244
Reedy's	10,527	2.41	816	12,725	2.45	1,003	2,197	0.04	187
Yaloginda	15,544	1.63	813	15,347	1.62	798	-197	-0.01	-14
Stockpiles	192	1.91	12	610	1.32	26	418	-0.59	14
Total	**61,145**	**1.80**	**3,533**	**60,305**	**1.81**	**3,500**	**-840**	**0.01**	**-33**

Meekatharra Gold Operations Ore Reserve Statement - Comparison to Previous Year									
	2017 Ore Reserve			2018 Ore Reserve			Change		
Project	**Tonnes ('000s)**	**Grade**	**Ounces Au ('000s)**	**Tonnes ('000s)**	**Grade**	**Ounces Au ('000s)**	**Tonnes ('000s)**	**Grade**	**Ounces Au ('000s)**
Meekatharra North	294	1.48	14	421	1.74	24	127	0.26	10
Nannine	43	1.62	2	244	1.86	15	201	0.24	12
Paddy's Flat	3,711	3.29	393	2,806	3.13	282	-905	-0.17	-111
Reedy's	580	3.11	58	713	2.94	67	133	-0.17	9
Yaloginda	1,159	2.83	105	564	2.52	46	-595	-0.31	-60
Stockpiles	192	1.91	12	610	1.32	26	418	-0.59	14
Total	**5,979**	**3.04**	**585**	**5,358**	**2.67**	**459**	**-620**	**-0.38**	**-125**

Higginsville Gold Operations Mineral Resource Statement - Rounded for Reporting												
	Measured			Indicated			Inferred			Total		
Project	Tonnes ('000s)	Grade	Ounces Au ('000s)	Tonnes ('000s)	Grade	Ounces Au ('000s)	Tonnes ('000s)	Grade	Ounces Au ('000s)	Tonnes ('000s)	Grade	Ounces Au ('000s)
Trident	620	3.75	75	571	5.24	96	714	4.51	104	1,904	4.48	275
Chalice	266	4.04	35	501	3.55	57	186	4.15	25	953	3.80	116
Corona - Fairplay	2	-	0	944	2.26	69	282	2.95	27	1,228	2.42	96
Vine	-	-	-	190	2.13	13	468	2.04	31	658	2.07	44
Lake Cowan	71	1.63	4	1,191	1.53	58	528	1.34	23	1,790	1.47	85
Two Boys	-	-	-	375	2.04	25	203	2.88	19	578	2.33	43
Mount Henry	1,301	1.88	79	8,147	1.73	453	898	1.83	53	10,347	1.76	584
Paleochannels	-	-	-	1,474	2.15	102	208	2.13	14	1,682	2.15	116
Greater Eundynie	-	-	-	-	-	-	683	1.86	41	683	1.86	41
Polar Bear	-	-	-	1,160	1.90	71	5,260	1.67	282	6,420	1.71	353
Musket	107	2.26	8	376	2.33	28	601	1.60	31	1,084	1.92	67
Other	-	-	-	485	1.54	24	603	1.72	33	1,087	1.64	57
Stockpiles	751	0.86	21	258	1.00	8	-	-	-	1,009	0.89	29
Total	**3,118**	**2.20**	**220**	**15,672**	**1.99**	**1,004**	**10,634**	**1.99**	**681**	**29,424**	**2.01**	**1,906**

Higginsville Gold Operations Ore Reserve Statement - Rounded for Reporting									
	Proven			Probable			Total		
Project	**Tonnes ('000s)**	**Grade**	**Ounces Au ('000s)**	**Tonnes ('000s)**	**Grade**	**Ounces Au ('000s)**	**Tonnes ('000s)**	**Grade**	**Ounces Au ('000s)**
Trident	-	-	-	-	-	-	-	-	-
Chalice	-	-	-	-	-	-	-	-	-
Corona - Fairplay	-	-	-	286	2.91	27	286	2.91	27
Vine	-	-	-	-	-	-	-	-	-
Lake Cowan	-	-	-	132	1.97	8	132	1.97	8
Two Boys	-	-	-	57	2.12	4	57	2.12	4
Mount Henry	-	-	-	3,236	1.79	186	3,236	1.79	186
Paleochannels	-	-	-	924	2.06	61	924	2.06	61
Greater Eundynie	-	-	-	-	-	-	-	-	-
Polar Bear	-	-	-	707	1.87	43	707	1.87	43
Musket	-	-	-	244	2.42	19	244	2.42	19
Other	-	-	-	193	1.66	10	193	1.66	10
Stockpiles	29	3.63	3	136	1.27	6	164	1.68	9
Total	**29**	**3.63**	**3**	**5,916**	**1.91**	**363**	**5,945**	**1.92**	**367**

Higginsville Gold Operations Mineral Resource Statement - Comparison to Previous Year									
	2017 Mineral Resource			2018 Mineral Resource			Change		
Project	**Tonnes ('000s)**	**Grade**	**Ounces Au ('000s)**	**Tonnes ('000s)**	**Grade**	**Ounces Au ('000s)**	**Tonnes ('000s)**	**Grade**	**Ounces Au ('000s)**
Trident	1,904	4.48	275	1,904	4.48	275	-	-	-
Chalice	953	3.80	116	953	3.80	116	-	-	-
Corona - Fairplay	1,708	2.00	110	1,228	2.42	96	-480	0.43	-14
Vine	658	2.07	44	658	2.07	44	-	-	-
Lake Cowan	1,790	1.47	85	1,790	1.47	85	-	-	-
Two Boys	2,000	1.64	105	900	2.14	62	-1,100	0.50	-44
Mount Henry	19,460	1.72	1,075	10,347	1.76	584	-9,114	0.04	-490
Paleochannels	2,321	1.91	142	1,682	2.15	116	-639	0.24	-26
Greater Eundynie	683	1.86	41	683	1.86	41	-	-	-
Polar Bear	0	-	0	6,420	1.71	353	6,420	1.71	353
Musket	937	1.99	60	1,084	1.92	67	147	-0.07	7
Other	194	1.64	10	1,087	1.64	57	893	0.00	47
Stockpiles	368	1.79	21	1,009	0.89	29	641	-0.90	8
Total	**32,978**	**1.97**	**2,084**	**29,746**	**2.01**	**1,924**	**-3,231**	**0.05**	**-160**

Higginsville Gold Operations Ore Reserve Statement - Comparison to Previous Year									
	2017 Ore Reserve			2018 Ore Reserve			Change		
Project	**Tonnes ('000s)**	**Grade**	**Ounces Au ('000s)**	**Tonnes ('000s)**	**Grade**	**Ounces Au ('000s)**	**Tonnes ('000s)**	**Grade**	**Ounces Au ('000s)**
Trident	-	-	-	-	-	-	-	-	-
Chalice	-	-	-	-	-	-	-	-	-
Corona - Fairplay	481	2.34	36	286	2.91	27	-195	0.57	-9
Vine	-	-	-	-	-	-	-	-	-
Lake Cowan	132	1.97	8	132	1.97	8	-	-	-
Two Boys	45	2.17	3	57	2.12	4	12	-0.05	1
Mount Henry	7,299	1.57	369	3,236	1.79	186	-4,063	0.22	-183
Paleochannels	550	1.90	34	924	2.06	61	374	0.16	28
Greater Eundynie	-	-	-	-	-	-	-	-	-
Polar Bear	-	-	-	707	1.87	43	707	1.87	43
Musket	122	3.06	12	244	2.42	19	122	-0.64	7
Other	76	1.41	3	193	1.66	10	117	0.25	7
Stockpiles	368	1.79	21	164	1.68	9	-204	-0.11	-12
Total	**9,074**	**1.67**	**487**	**5,945**	**1.92**	**367**	**-3,129**	**0.25**	**-120**

Fortnum Gold Project Mineral Resource Statement - Rounded for Reporting												
	Measured			**Indicated**			**Inferred**			**Total**		
Project	**Tonnes ('000s)**	**Grade**	**Ounces Au ('000s)**	**Tonnes ('000s)**	**Grade**	**Ounces Au ('000s)**	**Tonnes ('000s)**	**Grade**	**Ounces Au ('000s)**	**Tonnes ('000s)**	**Grade**	**Ounces Au ('000s)**
Fortnum	-	-	-	5,661	2.47	449	3,787	1.94	236	9,448	2.26	685
Horseshoe	-	-	-	1,266	2.09	85	183	1.43	8	1,449	2.01	93
Peak Hill	-	-	-	5,233	1.70	286	1,284	2.05	85	6,518	1.77	371
Stockpiles	68	1.56	3	1,423	0.86	40	24	0.99	1	1,515	0.90	44
Total	**204**	**1.56**	**10**	**13,583**	**1.97**	**860**	**5,279**	**1.95**	**330**	**19,066**	**1.96**	**1,200**

Fortnum Gold Project Ore Reserve Statement - Rounded for Reporting									
	Proven			**Probable**			**Total**		
Project	**Tonnes ('000s)**	**Grade**	**Ounces Au ('000s)**	**Tonnes ('000s)**	**Grade**	**Ounces Au ('000s)**	**Tonnes ('000s)**	**Grade**	**Ounces Au ('000s)**
Fortnum	-	-	-	3,859	2.40	298	3,859	2.40	298
Horseshoe	-	-	-	549	1.98	35	549	1.98	35
Peak Hill	-	-	-	328	1.85	20	328	1.85	20
Stockpiles	68	1.56	3	1,086	0.98	34	1,154	1.02	38
Total	**68**	**1.56**	**3**	**5,822**	**2.07**	**387**	**5,890**	**2.06**	**390**

Fortnum Gold Project Mineral Resource Statement - Comparison to Previous Year									
	2017 Mineral Resource			2018 Mineral Resource			Change		
Project	**Tonnes ('000s)**	**Grade**	**Ounces Au ('000s)**	**Tonnes ('000s)**	**Grade**	**Ounces Au ('000s)**	**Tonnes ('000s)**	**Grade**	**Ounces Au ('000s)**
Fortnum	9,793	2.22	699	9,448	2.26	685	-345	0.03	-14
Horseshoe	1,448	2.01	93	1,449	2.01	93	1	-0.00	0
Peak Hill	11,525	1.51	561	9,407	1.60	483	-2,118	0.08	-78
Stockpiles	1,564	0.80	40	1,515	0.90	44	-49	0.09	3
Total	**24,330**	**1.78**	**1,394**	**21,819**	**1.86**	**1,305**	**-2,511**	**0.08**	**-89**

Fortnum Gold Project Ore Reserve Statement - Comparison to Previous Year									
	2017 Ore Reserve			2018 Ore Reserve			Change		
Project	**Tonnes ('000s)**	**Grade**	**Ounces Au ('000s)**	**Tonnes ('000s)**	**Grade**	**Ounces Au ('000s)**	**Tonnes ('000s)**	**Grade**	**Ounces Au ('000s)**
Fortnum	4,006	1.93	249	3,859	2.40	298	-148	0.47	49
Horseshoe	565	1.96	36	549	1.98	35	-16	0.02	-1
Peak Hill	-	-	-	328	1.85	20	328	-	20
Stockpiles	1,102	0.90	32	1,154	1.02	38	52	0.11	6
Total	**5,674**	**1.74**	**317**	**5,890**	**2.06**	**390**	**216**	**0.32**	**73**

WESTGOLD RESOURCES LIMITED Northern Territory – Undeveloped Polymetallic Deposits Mineral Resource Statement - Rounded for Reporting																					
	Gold			**Silver**			**Copper**			**Bismuth**			**Cobalt**			**Lead**			**Zinc**		
Project	**k tonnes**	**Grade g/t**	**k oz**	**k tonnes**	**Grade g/t**	**k oz**	**k tonnes**	**Grade %**	**k t metal**	**k tonnes**	**Grade %**	**k t metal**	**k tonnes**	**Grade %**	**k t metal**	**k tonnes**	**Grade %**	**k t metal**	**k tonnes**	**Grade %**	**k t metal**
Indicated																					
Explorer 108	-	-	-	8,438	14.32	3,886	5,689	0.36	20.3	-	-	-	-	-	-	8,438	2.05	172.8	8,438	3.41	288.1
Explorer 142	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Rover 1	2,741	2.42	213	2,741	2.33	205	2,741	1.42	38.9	2,741	0.18	4.9	2,741	0.04	1.1	-	-	-	-	-	-
Sub-Total	**2,741**	**2.42**	**213**	**11,179**	**11.38**	**4,091**	**8,430**	**0.70**	**59.2**	**2,741**	**0.18**	**4.9**	**2,741**	**0.04**	**1.1**	**8,438**	**2.05**	**172.8**	**8,438**	**3.41**	**288.1**
Inferred																					
Explorer 108	-	-	-	3,430	3.32	366	-	-	-	-	-	-	-	-	-	3,430	1.88	64.3	3,430	2.81	96.5
Explorer 142	176	0.21	1	-	-	-	176	5.21	9.2	-	-	-	-	-	-		-	-	-	-	-
Rover 1	4,073	1.27	166	4,073	1.90	249	4,073	1.06	43.2	4,073	0.11	4.5	4,073	0.08	3.3	-	-	-	-	-	-
Sub-Total	**4,249**	**1.23**	**168**	**7,503**	**2.55**	**614**	**4,249**	**1.23**	**52**	**4,073**	**0.11**	**4**	**4,073**	**0.08**	**3**	**3,430**	**1.78**	**64**	**3,430**	**2.81**	**96**
Total																					
Explorer 108	-	-	-	11,868	3.32	4,252	5,689	-	20.3	-	-	-	-	-	-	11,868	1.88	237.2	11,868	2.81	384.6
Explorer 142	176	0.21	1	-	-	-	176	5.21	9.2	-	-	-	-	-	-		-	-	-	-	-
Rover 1	6,814	1.27	380	6,814	1.90	454	6,814	1.06	82.1	6,814	0.11	9.4	6,814	0.08	4.4	-	-	-	-	-	-
Grand Total	**6,990**	**1.69**	**381**	**18,682**	**7.83**	**4,706**	**12,679**	**0.88**	**111.6**	**6,814**	**0.14**	**9.4**	**6,814**	**0.06**	**4.4**	**11,868**	**2.00%**	**237.2**	**11,868**	**3.24**	**384.6**

FURTHER INFORMATION

Refer to the Westgold Resources Limited ASX Announcement dated 2 October 2018 for detailed infomation relating to Mineral Resources & Reserves Estimates.

COMPETENT PERSONS STATEMENTS

The information in this report that relates to Exploration Targets, Exploration Results and Mineral Resources is based on information compiled Mr Jake Russell B.Sc. (Hons) MAIG. Mr Russell has sufficient experience which is relevant to the styles of mineralisation and types of deposit under consideration and to the activities which they are undertaking to qualify as a Competent Person as defined in the 2012 Editions of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (JORC 2012)". Mr Russell consents to the inclusion in this report of the matters based on his information in the form and context in which it appears. Mr Russell is a full time senior executive of the Company and is eligible to, and may participate in short-term and long-term incentive plans of the Company as disclosed in its annual reports and disclosure documents.

The information in this report that relates to Ore Reserves is based on information compiled by Mr Anthony Buckingham B.Eng (Mining Engineering) MAusIMM. Mr Buckingham has sufficient experience which is relevant to the styles of mineralisation and types of deposit under consideration and to the activities which they are undertaking to qualify as a Competent Person as defined in the 2012 Editions of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (JORC 2012)". Mr Buckingham consents to the inclusion in this report of the matters based on his information in the form and context in which it appears. Mr Buckingham is a full time senior executive of the Company and is eligible to, and may participate in short-term and long-term incentive plans of the Company as disclosed in its annual reports and disclosure documents.

The information is extracted from the report entitled 'Amended Announcement - 2018 Mineral Resource & Ore Reserve' created on 2 October 2018 and is available to view on Westgold's website (www.westgold.com.au) and the ASX (www.asx.com.au). The company confirms that it is not aware of any new information or data that materially affects the information included in the original market announcement and, in the case of estimates of Mineral Resources or Ore Reserves, that all material assumptions and technical parameters underpin-ning the estimates in the relevant market announcement continue to apply and have not material-ly changed. The company confirms that the form and context in which the Competent Person's findings are presented have not been materially modifed from the original market announcement.

STATEMENT OF GOVERNANCE ARRANGEMENTS AND INTERNAL CONTROLS

Governance of Westgold's mineral resources and ore reserves development and management activities is a key responsibility of the Executive Management of the Company.

The Group Chief Geologist and Group Chief Mining Engineer of Westgold oversee reviews and technical evaluations of the estimates and evaluate these with reference to actual physical and cost and performance measures. The evaluation process also draws upon internal skill sets in operational and project management, ore processing and commercial/financial areas of the business.

The Group Chief Geologist is responsible for monitoring the planning, prioritisation and progress of exploratory and resource definition drilling programs across the company and the estimation and reporting of resources and reserves. These definition activities are conducted within a framework of quality assurance and quality control protocols covering aspects including drill hole siting, sample collection, sample preparation and analysis as well as sample and data security.

A three-level compliance process guides the control and assurance activities:

- Provision of internal policies, standards, procedures and guidelines;
- Resources and reserves reporting based on well-founded assumptions and compliance with external standards such as the Australasian Joint Ore Reserves Committee (JORC) Codes;
- Internal assessment of compliance and data veracity.

The objectives of the estimation process are to promote the maximum conversion of identified mineralisation into JORC compliant Mineral Resources and Ore Reserves.

Westgold reports its Mineral Resources and Ore Reserves on an annual basis, in accordance with the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (the JORC code) 2012 Edition.

Mineral Resources are quoted inclusive of Ore Reserves. Competent Persons named by Westgold are members of the Australasian Institute of Mining and Metallurgy and/or the Australian Institute of Geoscientists, and qualify as Competent Persons as defined in the JORC Code.