WESTGOLD RESOURCES LIMITED

ACN 009 260 306

Half-year Financial Report for the half-year ended 31 December 2018

CORPORATE DIRECTORY

This half-year report covers the Group comprising Westgold Resources Limited (the Company) and its subsidiaries (the Group). The Group's functional and presentation currency is AUD ($).

A description of the Group's operations and its principal activities is included in the review of operations and activities in the Directors' Report on page 3.

Directors
Peter Newton (Non-Executive Chairman)
Peter Cook (Managing Director)
Steve Norregaard (Executive Director)
Peter Schwann (Non-Executive Director)
Suresh Shet (Non-Executive Director)
Fiona Van Maanen (Non-Executive Director)

Company Secretary
David Okeby

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Securities Exchange
Listed on the Australian Securities Exchange

Codes: ASX: WGX, WGXO

Domicile and Country of Incorporation
Australia

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APPENDIX 4D - RESULTS FOR ANNOUNCEMENT TO THE ASX

This Appendix 4D is to be read in conjunction with the 2018 Annual Financial Report, the 31 December 2018 Half-year Financial Report and Directors' Report.

Consolidated	31 December 2018 $	31 December 2017 $	Movement $	Movement %
Revenue from ordinary activities: [1]	232,533,896	180,379,826	52,154,070	29%
Loss from ordinary activities after tax attributable to members: [2]	(17,784,401)	(3,697,141)	(14,087,260)	381%
Net loss attributable to members:	(17,784,401)	(713,620)	(17,070,781)	2392%
Net tangible assets per share:	1.06	1.12		

1. Revenue from ordinary activities relates to revenue from contracts with customers from continuing operations.
2. Loss from ordinary activities after tax discloses the loss from continuing operations after tax.

DIVIDEND INFORMATION

The directors do not propose to pay any dividend for the half-year ended 31 December 2018.

No dividends were paid to members for the 30 June 2018 financial year.

This Appendix 4D is to be read in conjunction with the 2018 Annual Financial Report and Director's Report.

Review of Results: refer to the review of results included in the Directors' Report.

DIRECTORS' REPORT

Your directors submit their report for the half-year ended 31 December 2018.

DIRECTORS

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

Peter Newton (Non-Executive Chairman)
Peter Cook (Managing Director)
Steve Norregaard (Executive Director)
Peter Schwann (Non-Executive Director)
Suresh Shet (Non-Executive Director)
Fiona Van Maanen (Non-Executive Director)

RESULTS AND REVIEW OF OPERATIONS

Preamble

The Westgold Group maintained its core focus on the Central Murchison during the half-year. All three processing hubs (Bluebird, Tuckabianna and Fortnum) are now operating at full capacity. The newest of these, Tuckabianna, has had its first full half-year operating at plant capacity but 'lays in waiting' for the Group's largest single underground mine, Big Bell, which is expected to provide 80-90% of its feed for the ensuing 10 years.

Big Bell moved closer to production during the half-year with mine dewatering and rehabilitation of old drives and infrastructure nearing completion at the end of the calendar year. A small amount of ore has been won late in the half-year during this pre-production phase. Over the 2019 calendar year, the capital mine development phase intensifies and the ramp up to full production run-rate of 1 million tonne per annum should be achieved.

Westgold continued to operate its remaining Kalgoorlie region gold project (Higginsville) which has had a difficult year. A number of processes to enhance output and/or get the best value from the project for shareholders commenced.

The Group's wholly owned mining contractor, Australian Contract Mining Pty Ltd (ACM) continued its improvement during the period generating positive EBITDA and improved fleet reliability and output.

Results of Operations

- Consolidated total loss after income tax - $17,784,401 (2017: $713,620);
- Total consolidated revenue - $232,533,896 (2017: $180,379,826);
- Total cost of sales - $258,663,457 (2017: $175,857,721);
- Cash flows from operating activities - $2,286,431 (2017: $19,566,947);
- Cash flows used in investing activities - $64,265,579 (2017: $79,847,271);
- Cash flows from financing activities - $32,323,869 (2017: $52,889,971).

Although financial outcomes showed an accounting loss of $17,784,401, there has been a substantial increase in consolidated revenue by $52,154,070 in comparison to the prior period due to an increase in production of some 10,720 ounces.

Cost of sales of $258,663,457 included $55,519,551 for depreciation and amortisation expenses.

Cash flows from operating activities included the reduction in trade payables of $16,685,182.

Cash flow used in investing activities included a significant investment in property plant and equipment of $44,288,219.

Cash flows from financing activities included a placement as well as an extension to the gold pre-pay facility.

Key Gold Operations

1. Meekatharra Gold Operations (MGO);
2. Cue Gold Operations (CGO);
3. Fortnum Gold Operation (FGO); and
4. Higginsville Gold Operation (HGO)

Key Results

<table>
<tr><th rowspan="3">Operation</th><th colspan="2">Revenue</th><th colspan="2">Costs of Sales (i)</th><th colspan="2">Amortisation / Depreciation</th></tr>
<tr><th>2018</th><th>2017</th><th>2018</th><th>2017</th><th>2018</th><th>2017</th></tr>
<tr><th>$m</th><th>$m</th><th>$m</th><th>$m</th><th>$m</th><th>$m</th></tr>
<tr><td>MGO (ii)</td><td>81.6</td><td rowspan="2">102.8</td><td>90.5</td><td rowspan="2">106.1</td><td>23.7</td><td rowspan="2">21.5</td></tr>
<tr><td>CGO (ii)</td><td>44.7</td><td>54.5</td><td>9.3</td></tr>
<tr><td>FGO</td><td>44.7</td><td>27.2</td><td>44.5</td><td>24.4</td><td>9.9</td><td>7.7</td></tr>
<tr><td>HGO (iii)</td><td>38.9</td><td>50.4</td><td>47.9</td><td>45.4</td><td>10.6</td><td>8.1</td></tr>
<tr><td>Other</td><td>22.6</td><td>-</td><td>21.3</td><td>-</td><td>2.2</td><td>-</td></tr>
<tr><td>Total</td><td>232.5</td><td>180.4</td><td>258.7</td><td>175.9</td><td>55.7</td><td>37.3</td></tr>
</table>

i. Includes amortisation and depreciation
ii. MGO and CGO were combined as the CMGP in 2017
iii. Includes toll processing

Capital Investment Activities

Cash flows used in investing activities totalled $64,265,579, which was lower than the previous period (2017: $79,499,894) reflects continuation of the development phase for the Big Bell underground mine.

Cash capital re-investment in mine properties and development, exploration and evaluation expenditure and property, plant and equipment during the period:

- MGO $24,499,375 (2017: $40,582,209);
- CGO $30,828,875 (2017: included in MGO);
- FGO $8,759,567 (2017: $19,313,954);
- HGO $5,609,236 (2017: $12,676,830); and
- Other activities $1,321,393 (2017: $1,842,861).

REVIEW OF OPERATIONS

Dividends

No dividends were paid to members during the 2018 half-year (2017: nil).

Corporate

The Company moved to replenish its working capital post the acquisition of ACM with two funding options:

1. The extension of the Group’s gold pre-pay facility by 12,500 ounces at a net price after fees of $1,668.28/oz. This provided an immediate $20.85 million in working capital which will be repaid by the delivery of 1,250 ounces per month from September 2019 to June 2020.

2. A placement of 26 million fully paid ordinary shares at $0.90 per share to raise $23.4 million before fees.

In addition, a conditional sale agreement to sell the Group’s Mount Marion Lithium production royalties in a swap for $250,000 in cash and 200 metric tonnes of Cobalt metal (approx. A$10m), which remains subject to completion, could yield an additional $10-$15m working capital in the 2019 calendar year.

REVIEW OF OPERATIONS (continued)

On 24 December 2018, the Group signed a binding term sheet with Doray Minerals Limited (Doray) to buy its Andy Well and Gnaweeda assets located 40km north of Meekatharra, subject to satisfactory completion of due diligence. Under the terms, Westgold will pay Doray $2.5 million in cash, $6.5 million in Westgold shares calculated at the 30-day VWAP price prior to the execution of the term sheet, and the following bonus payments if the following future production milestones are achieved:

- $2 million cash after production by Westgold of 100,000 oz from the projects;
- $2 million cash after production by Westgold of 250,000 oz from the projects;
- $2 million cash after production by Westgold of 500,000 oz from the projects.

Gold Operations

Meekatharra Gold Operations

MGO uses the Bluebird CIP plant (1.4 - 1.8 million tpa) and associated infrastructure as a processing hub for the ores in the northern part of the Central Murchison Region.

During the half-year, mining occurred at the Paddy's Flat, Jack Ryan and South Emu underground mines, as well as the Mickey Doolan open pit.

The operating physical and fiscal outcomes for MGO for the half-year and their direct comparison with the previous corresponding reporting period are tabulated below.

Operational output was impacted by much harder than anticipated ore feed impacting plant throughput. This accounted for the bulk of production shortfall. The construction of a secondary crushing circuit to alleviate this issue has commenced with plans to commission it in the final quarter of FY 2019.

At the lower throughput rates, a large stockpile of ore was accumulated in front of the plant and open pit mining was temporarily halted whilst this was drawn upon. Open pit mining will re-start coincident with the commissioning of the secondary crushing circuit.

Cue Gold Operations

CGO is serviced by the Tuckabianna processing hub (a CIP 1.2 - 1.4 million tpa CIP plant).

The Tuckabianna mill had its first full half-year after the commissioning quarter. In the first quarter of the half-year, the focus was on the physical task of achieving expected plant throughput which was successfully completed on a feedstock dominated by low grade stock and tailings. Following this, open pit mining started at the Day Dawn open pits with a view to these and the Comet Underground mining filling the production gap whilst the Big Bell mine builds to full capacity. This was also successful with production output ramping on a quarter on quarter basis for the half-year.

The operating physical and fiscal outcomes for CGO for the half-year and their direct comparison with the previous corresponding reporting period are tabulated below.

The Big Bell Underground Mine continued to advance rapidly and remains on track to recommence in the ensuing half-year with production from the long-term sub-level cave operation ramping up to its steady-state run rate of 1million tonner per annum by the end of FY 2019.

Fortnum Gold Operations

FGO is centred upon the historic mining centres of Labouchere, Fortnum, Horseshoe and Peak Hill gold mining centres with the refurbished Fortnum process hub (CIP plant (0.8 -1 million tpa) and associated infrastructure servicing the mines.

Plant throughput was constrained due to ore hardness during the quarter which accounted for most of the production shortfall. Ample stocks of open pit ore and low grade stocks sit in front of the processing plant. The Starlight underground mine was fully refurbished during the half-year.

The operating physical and fiscal outcomes for FGO for the half-year and their direct comparison with the previous corresponding reporting period are tabulated below.

FGO continued its transition toward underground mining as the dominant ore source during the period. Ore driving commenced on the first virgin Starlight lodes with the ore system showing excellent ore grades. This is also supported by recent high-grade exploration drilling results.

REVIEW OF OPERATIONS (continued)

Higginsville Gold Operations

HGO is centred on the Higginsville processing hub (CIP plant - 1.3 million tpa) and associated infrastructure.

During the half-year, HGO continued to mine from the Mt Henry long term open pit with ores being carted approximately 75km north to the processing plant. The planned Baloo deposit was still awaiting statutory approvals and it is hoped these will be obtained to enable mining in the ensuing half-year.

The operating physical and fiscal outcomes for HGO for the half-year and their direct comparison with the previous corresponding reporting period are tabulated below.

Other Operations

Contract Mining Services Division (ACM)

Following the significant re-investment and re-build of the contract mining business during the previous financial year, which involved substantial mid-life rebuilds and refurbishment over the past year, the division is now aligned with the expanding needs of the Group's internal operations.

A lesser percentage of ACM revenue was also generated from external contracts.

Northern Territory Exploration Assets

Rover Project

Westgold has reviewed the Rover Project with a view to unlocking its significant value and opportunity for its shareholders. Westgold believes Rover has the potential with additional work to turn into a significant stand-alone project. However, the project is of polymetallic nature and does not fit with Westgold's core objective of gold production from its Western Australian gold mines.

Westgold continues to consider the divestment or in-specie spin-out of these NT polymetallic assets.

Lithium Interests

Westgold owns two lithium royalties:

1. Covering the northern extent of the Mt Marion lithium mine. When mined, by project owner, Reed Industrial Minerals Pty Ltd (RIM), Westgold will receive a $2/tonne payment for all ores mined and milled as well as a 1.5% Net Sales Royalty (NSR) from any product derived and sold from the 30 hectare area. The Group agreed to sell its Mt Marion Lithium Royalties to Cobalt 27 in a swap for $250,000 in cash and 200 metric tonnes of Cobalt Metal. Settlement is expected in the ensuing half-year.

   In addition, Westgold holds exclusive rights to explore and mine lithium minerals from within the whole of Location 53 and Location 59 areas which surround the Mount Marion deposit of RIM. Whilst no exploration for lithium has occurred on these areas, significant lithium anomalies and occurrences have been mapped.

2. Westgold also holds a royalty entitlement of $2/tonne or ore (mined and processed) and a 1.5% NSR over the Buldania Lithium discovery of Liontown Resources Ltd which is located east of Norseman on the edge of the Fraser Range mobile belt.

These lithium assets are also non-core to Westgold's business and the Board is also considering the appropriate route to unlocking further value for our shareholders.

REVIEW OF OPERATIONS (continued)

Performance of the Gold Division for the half-year ending 31 December 2018 and the previous corresponding period are summarised below:

31 December 2018		MGO	CGO	FGO	HGO	Group
Physical Summary	Units					
UG Ore Mined	t	336,796	102,279	201,821	-	640,897
UG Grade Mined	g/t	3.97	3.71	2.60	-	3.49
OP BCM Mined	BCM	233,976	1,066,950	1,193,955	1,136,365	3,631,247
OP Ore Mined	t	204,383	142,733	282,300	358,322	987,739
OP Grade Mined	g/t	1.61	1.72	1.61	1.72	1.67
Ore Processed	t	674,964	577,940	421,898	420,208	2,095,009
Head Grade	g/t	2.67	1.67	2.09	1.63	2.07
Recovery	%	84.0%	87.3%	95.6%	82.1%	86.9%
Gold Produced	oz	48,714	27,232	27,067	18,088	121,101
Gold Sold	oz	47,453	25,927	26,181	17,239	116,799
Achieved Gold Price	A$/oz	1,720	1,722	1,708	1,714	1,717
Cost Summary						
Mining	A$/oz	724	885	872	733	795
Processing	A$/oz	394	704	448	673	517
Admin	A$/oz	80	82	85	150	92
Stockpile Adjustment*	A$/oz	25	9	(194)	58	(22)
C1 Cash Cost (produced oz)*	**A$/oz**	**1,223**	**1,680**	**1,211**	**1,614**	**1,382**
Royalties	A$/oz	86	38	47	45	60
Marketing/Cost of sales	A$/oz	1	1	1	3	1
Corporate Costs	A$/oz	9	7	18	36	14
Sustaining Capital	A$/oz	92	25	71	49	66
All-in Sustaining Costs*	**A$/oz**	**1,411**	**1,751**	**1,348**	**1,747**	**1,523**
Project Startup Capital	A$/oz	264	1,027	208	152	406
Exploration Holding Cost*	A$/oz	123	71	35	113	90
All-in Cost*	**A$/oz**	**1,798**	**2,849**	**1,590**	**2,012**	**2,019**

Note that some of these values differ from those released in the quarterly with changes to stockpile adjustments and exploration holding costs.

31 December 2017		MGO	CGO	FGO	HGO	Group
Physical Summary	Units					
UG Ore Mined	t	347,308	-	21,531	0	368,839
UG Grade Mined	g/t	4.29	-	1.99	0.00	4.16
OP BCM Mined	BCM	1,905,522	-	1,665,703	1,399,185	4,970,410
OP Ore Mined	t	412,003	-	201,773	427,867	10,41,643
OP Grade Mined	g/t	1.69	-	1.52	1.93	1.76
Ore Processed	t	820,799	-	386,131	622,617	1,829,547
Head Grade	g/t	2.78	-	1.44	1.83	2.17
Recovery	%	85.84%	-	90.45%	84.91%	86.50%
Gold Produced	oz	63,082	-	16,246	31,053	110,381
Gold Sold	oz	62,531	-	16,425	30,544	109,500
Achieved Gold Price	A$/oz	1,644	-	1,654	1,649	1,647
Cost Summary						
Mining	A$/oz	644	-	390	442	550
Processing	A$/oz	322	-	597	618	446
Admin	A$/oz	143	-	270	159	166
Stockpile Adjustment	A$/oz	3	-	(65)	(64)	(26)
C1 Cash Cost (produced oz)	**A$/oz**	**1,112**	**-**	**1,192**	**1,155**	**1,136**
Royalties	A$/oz	82	-	34	79	74
Marketing/Cost of sales	A$/oz	1	-	2	2	1
Corporate Costs	A$/oz	145	-	212	97	141
Sustaining Capital	A$/oz	6	-	27	13	11
All-in Sustaining Costs	**A$/oz**	**1,347**	**-**	**1,4678**	**1,346**	**1,363**
Project Startup Capital	A$/oz	450	-	1,138	229	489
Exploration Holding Cost	A$/oz	90	-	43	84	81
All-in Cost	**A$/oz**	**1,888**	**-**	**2,648**	**1,659**	**1,934**

* 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. These are widely used "industry standard" terms that certain investors use to evaluate company performance.

REVIEW OF OPERATIONS (continued)

End of Directors' Report

AUDITOR'S INDEPENDENCE

The auditor's independence declaration is included on page 26 of this report.

Signed in accordance with a resolution of the directors.

Peter Cook
Managing Director

28 February 2019

Consolidated Statement of Comprehensive Income for the Half-Year ended 31 December 2018

	Notes	31 December 2018	31 December 2017
Continuing operations			
Revenue from contracts with customers	3	232,533,896	180,379,826
Cost of sales		(258,663,457)	(175,857,721)
Gross (loss) / profit		**(26,129,561)**	**4,522,105**
Other income	4	8,266,491	3,643,022
Other expenses	5	(4,574,367)	(6,205,305)
Finance costs		(1,778,655)	(1,589,065)
Gain on fair value changes of financial assets		798,000	-
Impairment of assets		(1,571,057)	-
Impairment of goodwill	6	-	(2,166,180)
Loss before income tax from continuing operations		**(24,989,149)**	**(1,795,423)**
Income tax benefit (expense)		7,204,748	(1,901,718)
Loss for the period from continuing operations		**(17,784,401)**	**(3,697,141)**
Discontinued operations			
Profit from discontinued operations after tax		**-**	**2,983,521**
Net loss for the year		**(17,784,401)**	**(713,620)**
Other comprehensive income			
Items that may be reclassified subsequently to profit or loss (net of tax)			
Net fair value changes in available-for-sale financial assets	8	-	(714,500)
Other comprehensive loss for the period, net of tax		-	(714,500)
Total comprehensive loss for the period		**(17,784,401)**	**(1,428,120)**
Loss attributable to:			
Members of the parent		(17,784,401)	(713,620)
		(17,784,401	**(713,620)**
Total comprehensive loss attributable to:			
Members of the parent		(17,784,401)	(1,428,120)
		(17,784,401)	**(1,428,120)**
Loss per share for the profit attributable to the ordinary equity holders of the parent (cents per share)			
Basic loss per share			
Continuing operations		(4.86)	(1.08)
Discontinuing operations		-	0.87
		(4.86)	(0.21)
Diluted loss per share			
Continuing operations		(4.86)	(1.08)
Discontinuing operations		-	0.87
		(4.86)	(0.21)

Consolidated Statement of Financial Position as at 31 December 2018

	Notes	31 December 2018	30 June 2018
CURRENT ASSETS			
Cash and cash equivalents		43,791,473	73,446,753
Trade and other receivables		21,333,954	19,905,830
Inventories	7	67,623,356	60,693,057
Prepayments		2,751,973	1,366,359
Other financial assets		1,427,836	1,286,546
Total current assets		**136,928,592**	**156,698,545**
NON-CURRENT ASSETS			
Financial assets at fair value through profit and loss	8	4,701,000	-
Available-for-sale financial assets	8	-	6,267,158
Property, plant and equipment	9	189,077,983	181,409,840
Mine properties and development costs	10	194,444,348	175,644,187
Exploration and evaluation expenditure	11	148,868,508	147,262,738
Total non-current assets		**537,091,839**	**510,583,923**
TOTAL ASSETS		**674,020,431**	**667,282,468**
CURRENT LIABILITIES			
Trade and other payables		68,522,926	85,208,108
Provisions		8,576,857	7,195,801
Interest-bearing loans and borrowings		17,280,659	16,819,651
Unearned income	12	16,067,000	18,075,375
Total current liabilities		**110,447,442**	**127,298,935**
NON-CURRENT LIABILITIES			
Provisions		78,194,362	78,018,113
Interest-bearing loans and borrowings		18,174,150	13,828,667
Unearned income	12	20,853,550	-
Deferred tax liabilities		35,115,844	42,320,592
Total non-current liabilities		**152,337,906**	**134,167,372**
TOTAL LIABILITIES		**262,785,348**	**261,466,307**
NET ASSETS		**411,235,083**	**405,816,161**
EQUITY			
Issued capital	15	299,206,897	276,976,897
Accumulated losses		(83,699,454)	(65,915,053)
Share-based payments reserve		14,234,009	13,260,686
Other reserves		181,493,631	181,493,631
TOTAL EQUITY		**411,235,083**	**405,816,161**

Consolidated Statement of Cash Flows for the Half-Year ended 31 December 2018

	31 December 2018	31 December 2017
OPERATING ACTIVITIES		
Receipts from customers	228,741,895	210,863,954
Interest received	4,207,202	238,758
Other income	4,024,976	425,331
Payments to suppliers and employees	(233,618,031)	(191,211,670)
Interest paid	(857,758)	(749,426)
Income tax paid	(211,853)	-
Net cash flows from operating activities	**2,286,431**	**19,566,947**
INVESTING ACTIVITIES		
Payments for property, plant and equipment	(44,288,219)	(21,083,203)
Payments for mine properties and development	(19,268,433)	(48,666,123)
Payments for exploration and evaluation	(7,461,794)	(12,271,027)
Payments for performance bond facility	(141,290)	(347,377)
Proceeds from sale of property, plant and equipment	1,408,751	62,864
Proceeds from sale of financial assets	5,485,406	100,189
Net cash inflow on acquisition of subsidiary	-	2,357,406
Net cash flows used in investing activities	**(64,265,579)**	**(79,847,271)**
FINANCING ACTIVITIES		
Proceeds from share issue	23,400,000	31,856,500
Payments for share issue costs	(1,170,000)	(1,592,825)
Payment of finance lease liabilities	(10,759,682)	(13,524,454)
Proceeds from gold prepayment	20,853,550	36,150,750
Net cash flows from financing activities	**32,323,868**	**52,889,971**
Net decrease in cash and cash equivalents held	(29,655,280)	(7,390,353)
Cash and cash equivalents at the beginning of the financial period	73,446,753	67,137,367
Cash and cash equivalents at the end of the financial period	**43,791,473**	**59,747,014**

Consolidated Statement of Changes in Equity for the Half-Year ended 31 December 2018

	Issued capital	Accumulated losses	Share-based payments reserve	Available-for-sale reserves	Other reserves	Total Equity
2018						
At 1 July 2018	**276,976,897**	**(65,915,053)**	**13,260,686**	**-**	**181,493,631**	**405,816,161**
Loss for the period	-	(17,784,401)	-		-	(17,784,401)
Other comprehensive income, net of tax	-	-	-	-	-	
Total comprehensive loss for the year net of tax	-	(17,784,401)	-	-	-	(17,121,494)
Transactions with owners in their capacity as owners						
Share-based payments	-	-	973,323	-	-	973,323
Issue of share capital	23,400,000	-	-	-	-	23,400,000
Share issue costs	(1,170,000)	-	-	-	-	(1,170,000)
At 31 December 2018	**299,206,897**	**(83,699,454)**	**14,234,009**	**-**	**181,493,631**	**411,235,083**
2017						
At 1 July 2017	**173,944,902**	**(64,743,994)**	**8,941,075**	**-**	**181,493,631**	**299,635,614**
Loss for the period	-	(713,620)	-	-	-	(713,620)
Other comprehensive income, net of tax	-	-	-	(714,500)	-	(714,500)
Total comprehensive loss for the year net of tax	-	(713,620)	-	(714,500)	-	(1,428,120)
Transactions with owners in their capacity as owners						
Share-based payments	-	-	2,984,782	-	-	2,984,782
Issue of share capital	58,726,497	-	-	-	-	58,726,497
Share issue costs	(1,592,825)	-	-	-	-	(1,592,825)
At 31 December 2017	**231,078,574**	**(65,457,614)**	**11,925,857**	**(714,500)**	**181,493,631**	**358,325,948**

Notes to the Financial Statements for the Half-Year ended 31 December 2018

1. CORPORATE INFORMATION

The financial report of Westgold Resources Limited for the half-year ended 31 December 2018 was authorised for issue in accordance with a resolution of the directors on 28 February 2019.

Westgold is a for profit company incorporated in Australia and limited by shares, which 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 Terrace, Perth, WA 6000.

2. SUMMARY OF ACCOUNTING POLICIES

(a) Basis of preparation of the half-year financial report

This general purpose condensed consolidated financial report for the half-year ended 31 December 2018 has been prepared in accordance with AASB 134 *Interim Financial Reporting* and the *Corporations Act 2001*.

The half-year financial report does not include all notes of the type normally included within the annual financial report and therefore cannot be expected to provide as full an understanding of the financial performance, financial position and financing and investing activities of the Group as the full financial report.

It is recommended that the half-year financial report be read in conjunction with the annual report of Westgold for the year ended 30 June 2018 and considered together with any public announcements made by Westgold and its controlled entities during the half-year ended 31 December 2018 in accordance with the continuous disclosure obligations of the ASX listing rules.

(b) Basis of consolidation

The half-year financial report is comprised of the financial statements of Westgold (the Company) and its controlled entities (the Group).

The financial statements of subsidiaries are prepared for the same reporting period as the parent company, using consistent accounting policies.

All intercompany balances and transactions, including unrealised profits arising from intra-group transactions, have been eliminated in full. Unrealised losses are eliminated unless costs cannot be recovered.

Controlled entities are consolidated from the date on which control is transferred to the Group and cease to be consolidated from the date on which control is transferred out of the Group.

Where there is loss of control of a controlled entity, the consolidated financial statements include the results for the part of the reporting period during which the Company has control.

(c) New and amended accounting standards and interpretations

The Group has adopted all Accounting Standards and Interpretations effective from 1 July 2018. Other than the changes described below, the accounting policies adopted are consistent with those of the previous financial year.

The Group applied AASB 15 *Revenue from Contracts with Customers* ("AASB 15") and AASB 9 *Financial Instruments* ("AASB 9") for the first time from 1 January 2018. The nature and effect of the adoption of these new standards are described below. Several other new and amended Accounting Standards and Interpretations applied for the first time from 1 July 2018, but did not have an impact on the consolidated financial statements of the Group and, hence, have not been disclosed.

Notes to the Financial Statements for the Half-Year ended 31 December 2018 (continued)

AASB 9

AASB 9 which contains accounting requirements for financial instruments, replaces parts of AASB 139 *Financial Instruments: Recognition and Measurement* ("AASB 139"). AASB 9 contains requirements in the areas of classification and measurement, impairment, hedge accounting and de-recognition.

The Group has applied AASB 9 retrospectively, with the initial application date being 1 July 2018. The cumulative impact of applying AASB 9 is recognised at the date of initial application as an adjustment to the opening balance of retained earnings. The Group has elected not to restate comparative information.

Classification and measurement

AASB 9 introduced new classification and measurement models for financial assets. A financial asset shall be measured at amortised cost, if it is held within a business model whose objective is to hold assets in order to collect contractual cash flows, which arise on specified dates and are solely payments of principal and interest ("SPPI"). All other financial instrument assets are to be classified and measured at fair value through profit or loss ("FVTPL") unless the entity makes an irrevocable election on initial recognition to present gains and losses on equity instruments (that are not held-for trading) in other comprehensive income ("OCI").

For financial liabilities, the standard requires the portion of the change in fair value that relates to the entity's own credit risk to be presented in OCI (unless it would create an accounting mismatch). New simpler hedge accounting requirements more closely align the accounting treatment with the risk management activities of the Group.

Existing financial assets and liabilities of the Group were assessed in terms of the requirements for AASB 9. In this regard the adoption of AASB 9 will impact on the classification of financial assets and liabilities:

Financial instrument	Original measurement category under AASB 139 (i.e. prior to 1 July 2018)	New measurement category under AASB 9 (i.e. from 1 July 2018)
Cash and cash equivalents	Loans and receivables	Financial assets at amortised cost
Trade receivables, deposit and other receivables	Loans and receivables	Financial assets at amortised cost
Equity investments	Available-for-sale financial assets	Financial assets at fair value through profit and loss (FVTPL)
Trade and other payables	Financial liability at amortised cost	Financial liability at amortised cost
Interest bearing loans and borrowings	Financial liability at amortised cost	Financial liability at amortised cost

The Group no longer has any financial assets at fair value through OCI (debt instruments) or any financial assets designated at fair value through OCI (equity instruments).

The changes in classification have not resulted in any re-measurement adjustments at 1 July 2018.

Impairment

In relation to the financial assets carried at amortised cost, AASB 9 requires an expected credit loss model to be applied as opposed to an incurred credit loss model under AASB 139. The expected credit loss model requires the Group to account for expected credit losses and changes in those expected credit losses at each reporting date to reflect changes in credit risk since initial recognition of the financial asset. In particular, AASB 9 requires the Group to measure the loss allowance at an amount equal to lifetime expected credit loss ("ECL") if the credit risk on the instrument has increased significantly since initial recognition. On the other hand, if the credit risk on the financial instrument has not increased significantly since initial recognition, the Group is required to measure the loss allowance for that financial instrument at an amount equal to the ECL within the next 12 months.

Notes to the Financial Statements for the Half-Year ended 31 December 2018 (continued)

At 1 July 2018, the Group reviewed and assessed the existing financial assets for impairment using reasonable and supportable information. In accordance with AASB 9, where the Group concluded that it would require undue cost and effort to determine the credit risk of a financial asset on initial recognition, the Group recognises lifetime ECL.

Given the nature of the Group's business and the nature of its financial assets subject to impairment assessment, there was no material impact arising from the application of the new impairment requirements of AASB 9. As all of the Group's trade receivables, deposits and other current receivables which the Group measured at amortised cost are short term (i.e., less than 12 months) and the Group has credit rating and risk management policies in place, the change to a forward-looking expected credit loss approach did not have a material impact on the amounts recognised in the financial statements.

AASB 15 *Revenue from Contracts with Customers (AASB 15)*

AASB 15 supersedes AASB 118 *Revenue* ("AASB 118") and related Interpretations and it applies to all revenue arising from contracts with customers, unless those contracts are in the scope of other standards. AASB 15 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.

AASB 15 requires entities to exercise judgement, taking into consideration all of the relevant facts and circumstances when applying each step of the model to contracts with their customers. The standard also specifies the accounting for the incremental costs of obtaining a contract and the costs directly related to fulfilling a contract. In addition, the standard requires enhanced and extensive disclosures about revenue to help investors better understand the nature, amount, timing and uncertainty of revenue and cash flows from contracts with customers.

The Group has adopted AASB 15 using the modified retrospective approach with the date of initial application being 1 July 2018. The Group elected to apply the standard only to contracts that were not completed contracts at the initial date of application The comparative information has not been restated and continues to be reported under AASB 118 and related interpretations.

Overall impact

The Group's revenue from contracts with customers comprises three main streams being the sale of gold bullion, revenue generated from tolling operations and revenue generated from mining and contracting services. The Group undertook a comprehensive analysis of the impact of the new revenue standard based on a review of the contractual terms of its principal revenue streams with the primary focus being to understand whether the timing and amount of revenue recognised could differ under AASB 15. For all of the Group's revenue streams, the nature and timing of satisfaction of the performance obligations, and, hence, the amount and timing of revenue recognised under AASB 15, is the same as that under AASB 118.

Impact on Consolidated Statement of Comprehensive Income

Gold bullion sales: there were no changes identified with respect to the timing or amount of revenue recognition. For bullion sales, most of this is sold under long term sales contract with the refiner or various banks under a forward sales or prepaid facility. Revenue from bullion sales is recognised at a point in time when control passes to the buyer. This generally occurs after the unrefined doré is out turned and the Group either instructs the refiner to purchase the outturned fine metal or advises the refiner to transfer the gold to the bank by crediting the metal account of the bank. As all performance obligations are satisfied at that time, there are no remaining performance obligations under the contract. The transaction price is determined at transaction date and there are no further adjustments to this price.

Notes to the Financial Statements for the Half-Year ended 31 December 2018 (continued)

Under the gold pre-pay facility, the Group receives advances from the customer for the sale of refined gold. Amounts received in advance of the sale are recognised as a contract liability and are released to revenue when the sale is recognised. The contract liability in relation to the unearned income on the gold pre-pay facility is disclosed in note 12 to the half-year financial report. The Group has no other performance obligations other than the delivery of the determined quantity of gold.

The Group applies the practical expedient to not adjust the promised consideration for the effects of a significant financing component where the period between the transfer of the refined gold to a customer and the receipt of the advance is one year or less.

As at 31 December 2018 the financing component was insignificant accordingly, the adoption of AASB 15 did not have a material impact on revenue recognition in relation to the unearned income.

Revenue generated from tolling operations is recognised over time based on input method when the ore is processed as this is the best method of measuring the work completed over time, hence, when the performance obligation is achieved in line with the tolling agreements. Tolling operations are run and billed on a campaign basis.

As at 31 December 2018 the Group had no open tolling campaigns accordingly, adoption of AASB 15 has not had a material impact on revenue recognition in relation to toll processing.

Revenue generated from mining and contracting services is allocated based on the supply of equipment and personnel and will be recognised over time, on a gross basis, as the services are provided. The customer has 30 days from invoice to dispute any charges and the Group has no other performance obligations after this period.

As at 31 December 2018 the Group had no significant external *mining and contract services* accordingly, adoption of AASB 15 has not had a material impact on revenue recognition in relation to mining and contracting services.

Other impacts

The change did not have a net impact on the Consolidated Statement of Financial Position or the Consolidated Statement of Cash Flows. There was no impact on earnings per share.

Notes to the Financial Statements for the Half-Year ended 31 December 2018 (continued)

3. REVENUE FROM CONTRACTS WITH CUSTOMERS

	Half-year ended 31 December 2018	Half-year ended 31 December 2017
Revenue from sale of gold	200,550,435	180,379,826
Revenue from mining and contracting services	22,616,594	-
Revenue from toll treatment	9,366,867	-
Total revenue from contracts with customers	**232,533,896**	**180,379,826**

The prior year comparatives have not been restated for the requirements of AASB 15 (see note 2 (c)).

4. OTHER INCOME

	Half-year ended 31 December 2018	Half-year ended 31 December 2017
Interest income calculated using the effective interest rate method	147,808	247,989
Net gain on financial assets at FVTPL	3,121,248	-
Net gain on sale of available-for-sale investment	-	12,039
Net gain on sale of assets	972,458	-
Other income	4,024,977	3,382,994
Total other income	**8,266,491**	**3,643,022**

5. OTHER EXPENSES

Administration expenses		
Employee benefits expense		
Salaries and wages expense	1,757,551	1,537,728
Directors' fees and other benefits	160,000	120,000
Superannuation expense	201,290	174,016
Other employee benefits	27,000	-
Share-based payments expense	973,323	2,984,782
	3,119,164	4,816,526
Other administration expenses		
Consulting expenses	582,218	293,305
Travel and accommodation expenses	98,087	114,718
Administration costs	268,306	581,204
Operating lease rentals	360,906	185,588
	1,309,517	1,174,815
Depreciation expense		
Property plant and equipment	145,686	69,899
Total administration expenses	**4,574,367**	**6,061,240**
Other		
Net loss on sale of assets	-	144,065
	-	**144,065**
Total other expenses	**4,574,367**	**6,205,305**

Notes to the Financial Statements for the Half-Year ended 31 December 2018 (continued)

6. 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 31 December 2017, management determined that there were sufficient impairment indicators to prompt an impairment test of the provisional 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.

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 31 December 2017. 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%.

As a result of this analysis, management has recognised an impairment charge of $2,166,180 in the previous period against goodwill. For property, plant and equipment within the ACM CGU, the provisional fair values of these assets have been determined primarily through external valuations using the market comparison approach method (Level 3 in the fair value hierarchy).

7. INVENTORIES

During the half-year ended 31 December 2018, there was a net inventory write-down of $2,785,071 relating to ore stockpiles, stores and spares (2017: $1,350,474) for the Group. This amount is included in the cost of sales line in the Consolidated Statement of Comprehensive Income. Inventory write-downs relate to inventories being valued at net realisable value which is lower than cost.

8. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT AND LOSS

During the period, the Group sold its total investment holding in RNC Minerals (RNC). RNC is listed on the Toronto Stock Exchange (TSX: RNX). At the end of the period, the Group's investment was nil (30 June 2018: 2,364,158), which is based on the quoted share price.

The Group has a 0.73% (30 June 2018: 0.74%) interest in Auris Minerals Limited (Auris), which is involved in the exploration of base metals in Australia. Auris is listed on the Australian Securities Exchange (ASX: AUR). At the end of the period, the fair value of the Group's investment was $120,000 (30 June 2018: $204,000), which is based on the quoted share price.

The Group has a 12.41% (30 June 2018: 14.68%) interest in Musgrave Minerals Limited (Musgrave), which is involved in the exploration of gold and base metals in Australia. Musgrave is listed on the Australian Securities Exchange (ASX: MGV). At the end of the period, the fair value of the Group's investment was $4,416,000 (30 June 2018: $3,456,000), which is based on the quoted share price.

The Group has a 1.19% (30 June 2018: 1.19%) interest in Rox Resources Limited (Rox), which is involved in the exploration of base and precious metals in Australia. Rox is listed on the Australian Securities Exchange (ASX: RXL). At the end of the period, the fair value of the Group's investment was $135,000 (30 June 2018: $165,000), which is based on the quoted share price.

The Company has a 1.15% (2018: 1.17%) 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 period, the fair value of the Company's investment was $30,000 (2018: $78,000), which is based on Aruma's quoted share price.

Notes to the Financial Statements for the Half-Year ended 31 December 2018 (continued)

8. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT AND LOSS (continued)

In the prior year, these financial assets were classified as available-for-sale financial instruments and have been reclassified as financial assets at fair value through profit and loss in accordance with AASB 9, refer to note 2 (c) for further details.

9. PROPERTY, PLANT AND EQUIPMENT

During the half-year ended 31 December 2018, the Group paid $44,288,219 (2017: $21,083,203) in relation to property, plant and equipment acquisitions.

10. MINE PROPERTIES AND DEVELOPMENT

During the half-year ended 31 December 2018, the Group paid $19,268,433 (2017: $48,666,123) in relation to mine properties and development costs. During the period, there were transfers of $5,018,065 to Mine Properties and Development from Exploration and Evaluation as mining areas commenced development.

11. EXPLORATION AND EVALUATION EXPENDITURE

During the half-year ended 31 December 2018, the Group paid $7,461,794 (2017: $12,271,027) in relation to exploration and evaluation expenditure.

During the period, 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. As a result, no areas of interest were determined to be impaired.

12. UNEARNED INCOME

In September 2014, the Company drew down on $40,445,000 on a gold pre-pay facility with Citibank N.A ("Citi"). In January 2016, the Company extended the gold pre-pay facility with Citi for 18 months for $23,250,000. In August 2017 the Company further 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 instalments of 1,250 ounces per month between October 2014 and March 2019 inclusive.

At 30 June 2018, 11,250 ounces remain to be delivered. In August 2018, the facility was renegotiated and the remaining 10,000 ounces are now due for delivery between January 2019 and August 2019 with an additional 91 ounces due as a fee for the change.

In November 2018, the Company expanded the gold pre-pay facility with Citi by a further 12,500 ounces for $20,853,550. This draw down is repayable in gold ounces in equal instalments of 1,250 ounces per month between September 2019 and June 2020 inclusive.

The total outstanding gold pre-pay facility is therefore 22,591 ounces with repayments scheduled from January 2019 to June 2020 inclusive.

This 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 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.

13. DIVIDENDS PAID

No dividends have been paid or declared by the Company during the half year or up to the date of this report.

Notes to the Financial Statements for the Half-Year ended 31 December 2018 (continued)

14. COMMITMENTS AND CONTINGENCIES

Commitments

At 31 December 2018, the Group had the following commitments:

- capital expenditure commitments of $7,260,907 principally relating to plant and equipment upgrades and the development of the Big Bell Underground Mine (30 June 2018: $21,532,975);
- lease expenditure commitments of $70,459,452 relating to tenements on which mining and exploration operations are located (30 June 2018: $72,276,946).
- finance lease and hire purchase expenditure commitments of $35,454,809 for relating to contracts for various items of plant and machinery (30 June 2018: $30,648,318).

Furthermore, AASB 16 *Leases* will require the recognition of additional right-of-use assets for the remaining term of the current leases for office premises and the warehouse facility, as well as the power stations at the various mine sites as from 1 July 2019.

Contingencies

Since the last annual reporting date, there has been no material change in any other commitments or contingencies of the Group.

15. ISSUED CAPITAL

	31 December 2018 $	30 June 2018 $
Issued capital		
Ordinary shares		
Issued and fully paid	**299,206,897**	**276,976,897**

Movements in ordinary shares on issue	**Number of shares on issue**	**$**
At 1 July 2017	305,921,487	173,944,902
Acquisition of subsidiary	14,000,000	25,340,000
Acquisition of assets	-	33,386,497
Issued share capital	17,789,533	-
Share issue costs	-	(1,592,825)
At 31 December 2017	337,711,020	**231,078,574**
At 1 July 2018	363,109,569	276,976,897
Issued share capital	26,000,000	23,400,000
Share issue costs	-	(1,170,000)
At 31 December 2018	389,109,569	**299,206,897**

Notes to the Financial Statements for the Half-Year ended 31 December 2018 (continued)

16. OPERATING SEGMENTS

There has been a change in the basis of segmentation or the basis of measurement of segment profit from those used in the last general purpose financial report in that internal activities of the Contract Mining Services Division have been reported within the applicable Gold Operations in order to reflect the net cost for each of those operations. Furthermore, the Northern Territory Exploration Projects, External Mining Services Contracts and Lithium Rights have been amalgamated as "Other". Comparative figures have been restated accordingly.

The following table presents revenue and profit information regarding the Group's operating segments for the half-years ended 31 December 2018 and 31 December 2017.

Half-year ended 31 December 2018	MGO	CGO	FGO	HGO	Other	Total
Revenue						
External customers	81,574,380	44,722,935	44,704,032	38,915,955	22,616,594	232,533,896
Total revenue	**81,574,380**	**44,722,935**	**44,704,032**	**38,915,955**	**22,616,594**	**232,533,896**
Results						
Segment profit (loss)	**(8,959,350)**	**(9,754,765)**	**245,465**	**(9,021,506)**	**(1,989,116)**	**(29,479,272)**

Half-year ended 31 December 2017	MGO	CGO	FGO	HGO	Other	Total
Revenue (continuing operations)						
External customers	102,832,442	-	27,170,092	50,377,292	-	180,379,826
Total segment revenue	**102,832,442**	**-**	**27,170,092**	**50,377,292**	**-**	**180,379,826**
Results (continuing operations)						
Segment profit (loss)	**(3,250,882)**	**-**	**2,649,175**	**4,949,761**	**(1,403,476)**	**2,933,040**

The following table presents assets and liabilities of the Group's operating segments as at 31 December 2018 and 30 June 2018.

	MGO	CGO	FGO	HGO	Other	Total
Segment assets						
As at 31 December 2018	**182,580,497**	**212,869,311**	**114,032,415**	**83,316,166**	**30,816,874**	**623,615,263**
As at 30 June 2018	**180,294,757**	**170,281,486**	**105,101,958**	**86,367,948**	**44,822,333**	**586,868,482**
Segment liabilities						
As at 31 December 2018	**(58,037,846)**	**(59,188,990)**	**(28,801,832)**	**(34,195,882)**	**(6,175,304)**	**(186,399,854)**
As at 30 June 2018	**(67,120,370)**	**(40,992,760)**	**(32,810,386)**	**(42,413,919)**	**(14,360,223)**	**(197,697,658)**

Notes to the Financial Statements for the Half-Year ended 31 December 2018 (continued)

16. OPERATING SEGMENTS (continued)

Unallocated corporate costs

Finance income and costs, 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. Corporate charges are not allocated to operating segments.

(a) Reconciliation of profit (loss)

	31 December 2018	31 December 2017
Segment (loss) profit	**(29,479,272)**	**2,933,040**
Corporate administration expenses	(4,574,367)	(6,061,240)
Corporate interest income	147,808	247,989
Corporate other income	4,024,976	3,382,994
Gain on fair value changes of financial assets	798,000	-
Net gains on disposal financial assets at fair value through profit and loss	3,121,248	12,039
Net gain (loss) on disposal of assets	972,458	(144,065)
Impairment of goodwill	-	(2,166,180)
Total consolidated loss before income tax	**(24,989,149)**	**(1,795,423)**

(b) Reconciliation of assets

	31 December 2018	30 June 2018
Segment operating assets	**623,615,263**	**586,868,482**
Unallocated corporate assets		
Cash and cash equivalents	42,485,180	70,768,635
Trade and other receivables	774,596	1,245,684
Prepayments	362,486	499,573
Other financial assets	1,180,677	940,677
Financial assets at fair value through profit and loss	4,701,000	6,267,158
Property, plant and equipment	901,229	692,259
Total consolidated assets	**674,020,431**	**667,282,468**

(c) Reconciliation of liabilities

	31 December 2018	30 June 2018
Segment operating liabilities	**186,399,854**	**197,697,658**
Unallocated corporate liabilities		
Trade and other payables	39,198,283	19,540,611
Other provisions	-	2,283
Provision for employee benefits	2,013,281	1,858,796
Interest-bearing loans and borrowings	58,086	46,367
Deferred tax liability	35,115,844	42,320,592
Total consolidated liabilities	**262,785,348**	**261,466,307**

Notes to the Financial Statements for the Half-Year ended 31 December 2018 (continued)

17. OTHER FINANCIAL ASSETS AND FINANCIAL LIABILITIES

All financial instruments carrying values are a reasonable approximation of their fair value.

Fair value hierarchy

The Group held the following financial instruments measured at fair value:

	31 December 2018			
	Quoted market price (Level 1)	Valuation technique market observable inputs (Level 2)	Valuation technique non market observable inputs (Level 3)	Total
Financial Assets				
Financial assets at fair value through profit and loss				
Listed investments	4,701,000	-	-	4,701,000
	4,701,000	-	-	4,701,000

	30 June 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	6,267,158	-	-	6,267,158
	6,267,158	-	-	6,267,158

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 values 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.

The table above illustrates the classification of the Group's financial instruments based on the fair value hierarchy. This classification provides a reasonable basis to illustrate the nature and extent of risks associated with those financial instruments.

Notes to the Financial Statements for the Half-Year ended 31 December 2018 (continued)

18. SHARE-BASED PAYMENTS

(a) Share options

On 28 November 2018, 460,613 unlisted share options were approved for directors. 50% of the options vest 24 months from the issue date and 50% of the options vest 36 months from the measurement date subject to the satisfaction of defined performance criteria.

These options have not yet been issued.

The fair value of the options granted is estimated using a Black & Scholes model, taking into account the terms and conditions upon which the options were granted.

	Tranche 1	**Tranche 2**
Valuation date	28 Nov 2018	28 Nov 2018
Expected volatility (%)	50%	50%
Risk-free interest rate (%)	1.81%	2.06%
Expiry date	30 June 2020	30 June 2021
Options exercise price ($)	nil	nil
Share price at grant date ($)	$0.985	$0.985
Fair value at grant date ($)	$0.228	$0.328

(b) Transactions settled using shares

None.

19. EVENTS AFTER THE BALANCE DATE

On 8 January 2019, the Group announced that it had entered into a revised forward contract book totalling 150,000 ounces which is structured as a fixed forward delivery of 10,000 ounces per month at a price of $1,776.10 per ounce for fifteen months commencing 25 January 2019 with $17,776,100 being received per month.

Directors' Declaration

In accordance with a resolution of the directors of Westgold Resources Limited (the Company), I state that:

In the opinion of the directors:

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

  (i) giving a true and fair view of the Group's financial position as at 31 December 2018 and of its performance for the half-year ended on that date; and

  (ii) complying with Australian Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*; and

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

On behalf of the Board

Peter Cook
Managing Director
28 February 2019

Auditor's Independence Declaration

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

As lead auditor for the review of the financial report of Westgold Resources Limited for the half-year ended 31 December 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 review; and

b) no contraventions of any applicable code of professional conduct in relation to the review.

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

Ernst & Young

Ernst & Young

Philip Teale
Partner
28 February 2019

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PT:CT:WGX:031

Independent Review Report

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

Report on the half-year financial report

Conclusion

We have reviewed the accompanying half-year financial report of Westgold Resources Limited (the Company) and its subsidiaries (collectively the Group), which comprises the consolidated statement of financial position as at 31 December 2018, the consolidated statement of comprehensive income, consolidated statement of changes in equity and the consolidated statement of cash flows for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration.

Based on our review, which is not an audit, nothing has come to our attention that causes us to believe that the half-year financial report of the Group is not 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 31 December 2018 and of its consolidated financial performance for the half-year ended on that date; and

b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Directors' responsibility for the half-year financial report

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

Auditor's responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, anything has come to our attention that causes us to believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the Group's consolidated financial position as at 31 December 2018 and its consolidated financial performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of the Group, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

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Independent Review Report (continued)

Building a better working world

Independence

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

Ernst & Young

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Philip Teale
Partner
Perth
28 February 2019

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