2 PRIORITY PROJECTS

3.2M oz IDENTIFIED MINERAL RESOURCES

EXPLORATION UPSIDE

Westgold Resources Limited

WESTGOLD 2011 ANNUAL REPORT

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Westgold
Resources Limited

WESTGOLD HAS ESTABLISHED A STRONG PLATFORM TO BECOME AUSTRALIA'S NEXT MID-TIER GOLD PRODUCER

CONTENTS

TARGETING 200,000 OZ PER ANNUM FROM TWO MINING CENTRES IN PROVEN GOLD PRODUCING REGIONS

CHAIRMANS' STATEMENT

Dear Shareholder

Westgold has undergone a major transformation during the last year. The successful takeover of Aragon Resources in the second half of the financial year has established Westgold as an emerging producer with a development strategy targeting 200,000 ounces of annual gold equivalent production over the next 5 years. The combined resources of Westgold now stand at 3.2 million ounces gold equivalent in two of the most famous gold provinces in Australia - namely Tennant Creek in the Northern Territory and the Central Murchison Goldfield of Western Australia.

Westgold's leases in the Central Murchison host 40% of the historic production from the entire Murchison Region, which includes 3 goldfields with over 5 million ounces of historic gold production. The names of mines which Westgold is now targeting include some of the most famous mines in Western Australia including the Big Bell, Great Fingall and Golden Crown. The Great Fingall, which itself recorded over 1.2 million ounces of gold production at a grade of 19.5 g/t, has not been mined since 1918 and remains open beyond current defined reserves at depth.

The Central Murchison Gold project contains 2 million ounces of JORC resources, 60% of which are in the Measured and Indicated category. This inventory will deliver an integrated operation built around the high grade underground gold mines supported by multiple open pits.

In the Northern Territory, Westgold has strategic control of almost the entire Rover Mineral Field. The Project is located 80km south west of and is a clear analogue to the historic Tennant Creek Goldfield, which produced 5.5 million ounces of gold and 500,000 tonnes of copper from just a handful of high grade mines. We have already drilled out two resources, being the 1.22 million ounce Au Eq resource at our Rover 1 Project and the 8.7 Mt Pb/Zn resource at nearby Explorer 108. We are currently also exploring at Explorer 142 which has produced a number of encouraging high grade copper intersections from a larger and equally as intense magnetic anomaly to the Rover 1 deposit.

Westgold, having completed the consolidation of all these great projects, is now proceeding down the path to development, including conducting feasibility work at the Central Murchison Project and gaining approvals for the establishment of a decline to the Rover 1 Resource to enable further resource drill out and preparation for mining.

In order to deliver on this development strategy we have added to our already highly experienced exploration team, by bolstering it with proven open pit and underground mining professionals led by our new Managing Director, Scott Huffadine. At this point I would like to pay tribute to Andrew Beckwith, the previous Managing Director who has moved to a new role as Executive Director- Exploration. Andrew has been with Westgold since the acquisition of the Rover Project and has led the exploration team that has discovered the resources at the Rover Project.

At an enterprise value per resource ounce of less than $25, Westgold is not challenged by peer group comparative valuations, and your Board considers as we move down the path to production the market will substantially re-rate Westgold as a genuine emerging gold producer with an appropriate valuation.

Westgold's reserves and resources are of a high quality, with the ability to have high grade production and low costs in two well known historic gold provinces. We have a strong development plan, and experienced professionals in place to implement it.

With a market capitalisation just in excess of $80 million, and with its emerging producer status in a strong gold price environment, our challenge is to build upon this to accurately reflect the underlying value of the assets we hold. We consider that this will be achieved by meeting the various milestones over the next six months resulting in a bankable feasibility and decision to mine at the Central Murchison Gold Project and other project newsflow at both Project areas, together with a strong investor relations program to gain greater market awareness of this exciting emerging production story.

I can assure you that your Board and your employees will work tirelessly in pursuit of this goal.

I would like to thank my fellow Directors and our wonderful employees for the work they have done over the last year, and for their enthusiasm for the task ahead of them in the coming year.

Yours sincerely

Michael Atkins

Michael Atkins
Chairman

ABOUT WESTGOLD

Westgold Resources Limited ("Westgold") has established a strong platform to build Australia's next mid-tier gold producer, targeting production of 200,000 ounces per annum from the development of two mining centres in proven goldfields, which have historically produced in excess of 10 million ounces of gold.

Following the acquisition of Aragon Resources completed in May 2011, Westgold's key projects are the Central Murchison Gold Project (CMGP) near Cue in Western Australia and the Rover Project near Tennant Creek in the Northern Territory. Collectively, the total Identified mineral resource estimate from both projects is in excess of 3.22 Million ounces gold equivalent. In addition, both projects hold significant underlying exploration potential providing growth potential and the opportunity for Westgold to establish a production profile over the longer term.

In order to move ahead with a parallel development of these two mining centres, Westgold has assembled a management team with the relevant experience to develop producing mines at both the CMGP and Rover. Furthermore, the Company has a high quality and supportive shareholder base keen to take Westgold to the next stage of development.

Central Murchison Gold Project (CMGP)

The CMGP is made up of a number of separate deposits exploitable by surface (open-pit) and underground mining. Westgold has devised a strategic development plan that commences with the processing of historic tailings and open pit ores whilst establishing underground infrastructure for two major underground mines that will produce higher-grade and longer-term sustainable production. Westgold intends to construct a new process plant with a capacity of approximately 1-1.2 million tonnes per annum. Initial gold production will target 50-60,000 ounces per annum building to steady state production of 120,000 ounces per annum when the higher grade underground ores are introduced. An initial project term of 8 years is expected from commencement. The key attributes of the project are:

- A proven past gold production centre with historical production +5M oz gold
- 330 km^2 of contiguous predominantly granted mining tenements
- A current total JORC resource aggregating more than 2 Million ounces of gold.
- Three underground gold mines with initial mining reserves of 614,000 ounces of gold underpinning an integrated production base.
- Multiple open pit resources which are currently being evaluated for mining reserves.
- Significant free on surface low grade stockpiles and tailings.
- Well located adjacent to the Great Northern Highway with established infrastructure already in place.

Rover Project

The Rover Project consists of 1172 square kilometres of contiguous tenements over stratigraphy considered to be an under-cover repetition of the rich Tennant Creek goldfield 80 km to the north-east. The Company has so far fully tested three blind targets within the project, each of which has defined significant mineralised systems at the Rover 1, Explorer 108 and Explorer 142 prospects. The key focus has been Rover 1 where Westgold has a development-ready project. The key elements to the future success of the project are:

- New gold province analog to historic Tennant Ck. Gold field +5.5M ounces gold and 0.5Mt copper
- 3 successful discoveries in Rover 1 (Au-Cu), Explorer 108 (Pb-Zn-Ag) and Explorer 142 (Cu-Au)
- 1.22Moz Au equivalent total identified mineral resource (JORC) at Rover 1
- A commercially positive outcome from Rover 1 development studies
- Strategically located 80km from Tennant Creek near major infrastructure corridor adjacent to Central Australian Railway, gas pipeline and Stuart Hwy
- Exploration upside in multiple drill ready look alike targets

The CGMP and Rover mining centres are being developed in parallel, providing Westgold with near-term production and a resource base of more than 3.2 million ounces, as well as considerable exploration upside in both the Central Murchison and Tennant Creek regions.

MANAGING DIRECTORS REPORT

Dear Shareholders

I commenced my role as Managing Director of Westgold in early June 2011 following the successful takeover of Aragon Resources Limited and as part of the Board's determination to transition Westgold from an explorer to a miner.

Since joining Westgold, I have been conducting a detailed review of the Company's assets and production opportunities and building an experienced development team, including the recent appointment of a Chief Operating Officer. Westgold has two exciting and currently undervalued development projects which together can propel Westgold into the ranks of Australia's mid-tier gold producers, capable of delivering 200,000 ounces of gold per annum in the upcoming years. Both projects are in historically underexplored regions, and both projects also have the benefit of access to infrastructure that will assist us as we pursue development.

The opportunities within the Westgold portfolio currently stem from the strategies implemented by Westgold's Board and management, as well as a significant body of work completed at both projects over the last 12 months, which have clearly focussed Westgold on progressing a parallel development of the Central Murchison Gold Project (CMGP) and the Rover Project. This work has culminated in resource upgrades and mining studies, allowing us to build a clear production strategy from the combined gold equivalent (JORC) Identified Mineral Resource of 3.22 million ounces.

In the Northern Territory at the Rover Project, preliminary mine development studies have returned a positive commercial outcome, supporting the decision to establish an initial decline access to upper levels of the ore body. Additional drilling completed during the year has resulted in an increase in the overall Indicated resource by 110%. In the near future, I look forward to being able to present to you a revised mining and development plan with a target to gain approvals for a decline access into the Rover 1 orebody in the first half of 2012.

Our exploration team continues to actively explore the Rover Project and is currently focussed upon the evaluation of a number of other look-alike targets which are analogous to Rover 1 and the deposits of the Tennant Creek field just 80km to the North East. During the year, Westgold completed a survey using a new high powered electromagnetic geophysical technique which has the ability to highlight targets to depths of 800m in the Rover field. The results of this survey were integrated with the existing datasets and each anomaly has now been re-assessed and prioritised for testing in the ensuing year. Our exploration team, led by Andy Beckwith, is excited by the targets and the chances of an additional discovery in the near term.

The exploration and development strategy for the CGMP also progressed during the year. Mine development studies showed the key high-grade underground mines of Great Fingall, Golden Crown and Big Bell are capable of providing the cornerstone for an integrated open pit and underground production centre at the CGMP. Initial open pit studies and development options were assessed with a development strategy nearing completion.

As well as offering the potential for near-term production, our suite of assets continues to offer considerable exploration upside. Exploration was successful in identifying new prospects which culminated in a new discovery at Jims Find at the CMGP, which clearly demonstrates the potential for additional discoveries to build the production profile from within the Company's tenements.

The key focus in the coming months will be the integration of all these elements into a bankable feasibility study which will pave the way for development of the CMGP.

In summary, we believe that we have assembled a compelling portfolio of assets in two regions with considerable potential, as well as a management team with the relevant experience to develop both of our key projects.

I would like to thank all shareholders for their patience and belief in our Company and we look forward to being able to crystallise the value contained within our assets in the year to come.

Yours Faithfully

Scott Huffadine
Managing Director

PROJECT SUMMARY

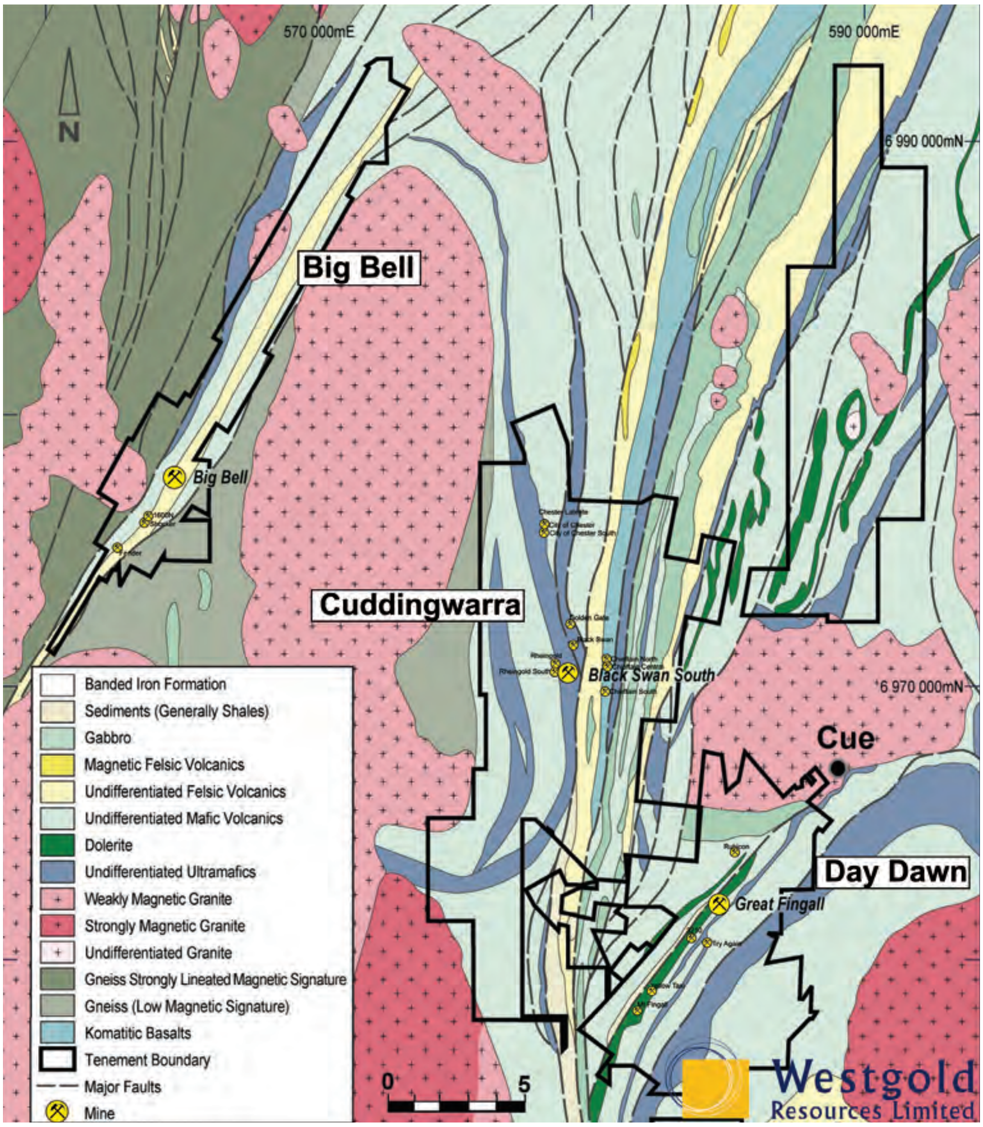
WESTERN AUSTRALIA

CENTRAL MURCHISON GOLD PROJECT (CGMP)

The Central Murchison Gold Project (CGMP) is located near Cue in Western Australia, approximately 650 kilometres north of Perth. The Company holds 330 square kilometres of predominantly granted mining tenements covering the three historic production centres of Big Bell, Cuddingwarra and Day Dawn. Aggregated historic gold production is over 5 million ounces and the current remaining resource estimate is approximately 2 million ounces:

- The Day Dawn Goldfield which has produced approximately 1.6 million ounces of gold predominantly from the Great Fingall and Golden Crown mines; and
- The Big Bell Goldfield, which has produced over 2.6 million ounces of gold from orebodies located on the regionally dominant Big Bell shear zone.
- The Cuddingwarra Goldfield has produced approximately 800,000 ounces of gold in recent times from a number of open pit mines.

Westgold's strategy is focussed on advancing the significant resource base from these historic production areas to support a sustainable production profile of 120,000 ounces per annum. Current estimates suggest an initial 8 year mine life for the development.



During the year the CGMP progressed towards development with the completion of 25,088 metres of drilling resulting in a significant upgrade in the resource base. Underground mine development studies were completed on the Big Bell and consolidated Great Fingall and Golden Crown resources which resulted in mining reserve estimates that underpin the projected production profile from the project.

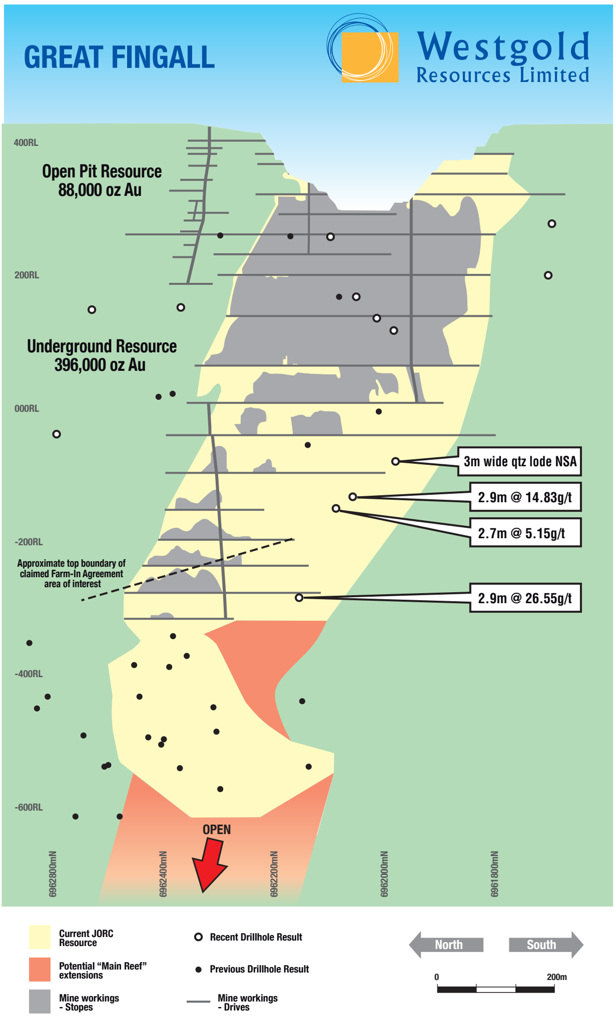
5M oz Au HISTORIC PRODUCTION

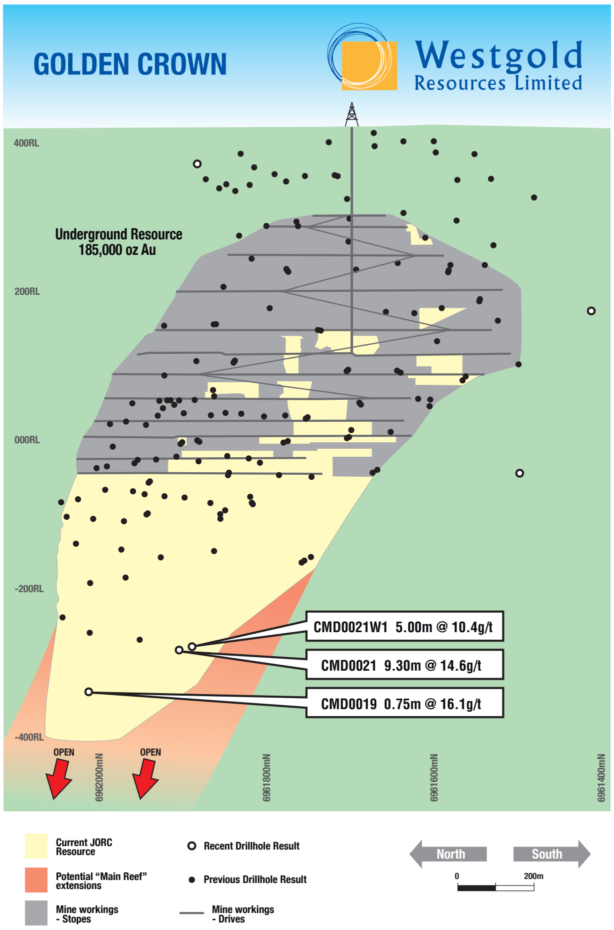
Central Murchison tenement plan showing historic mining centres and underlying geological interpretation

CGMP - THE DAY DAWN GOLDFIELD

The main focus of exploration activity in the Day Dawn goldfield at the CGMP was to investigate the depth and strike extensions to the Great Fingall and Golden Crown gold bearing reef structures. The Golden Crown and Great Fingall deposits are hosted within the Great Fingall Dolerite ("GFD") and are located just 600 metres apart. In addition, drilling tested for analogues to these known systems along strike where the depth of drilling has historically outside the two main deposits been limited to 120 metres below surface.

Past production from the historic Great Fingall and Golden Crown mines is recorded as 1.2 million ounces at an average grade of 19.5g/t Au and 288,000 ounces at an average grade of 13.8g/t Au respectively. These ore bodies remain open at depth providing confidence in future resource additions. Importantly the production of 1.2M ounces from the Great Fingall mine ceased in 1918 and represents one of the few ore bodies of this size that has not been subject to any modern underground mine development.





Long sections showing remaining resource and recent high grade drill results from the Golden Crown and Great Fingall mines.

There is a 49% Farm-in Agreement claim over the Great Fingall deeps from 500 metres below surface. The current total resource included in this area is approximately 927,000 tonnes @ 9.1g/t Au for 271,000 ounces. The current total probable reserve included in this area is approximately 502,000 tonnes @ 6.6g/t Au for 107,000 ounces.

GREAT FINGALL
GOLDEN CROWN
HISTORIC PRODUCTION
1.6M oz @17g/t Au

Significant intercepts received from drilling at Great Fingall and Golden Crown during the period as well as schematics showing the intercepts for both mines are outlined below:

Great Fingall Reef
CMD0017 2.9m @ 26.55g/t Au from 728.1m, including a bonanza un-cut assay of 0.35m at 212g/t Au; and
CMD0018 2.7m @ 5.15g/t Au from 643.3m,
including 0.4m @ 18.15g/t Au.

Golden Crown Reef
CMD0021 9.3m @ 14.65g/t Au from 712m including
3.4m @ 37.54g/t Au; and
CMD0021W1 5.0m @ 10.36g/t Au from 714m, including 0.85m @ 37.95g/t Au.

Mining Studies for Day Dawn

The updated resource estimate for both Golden Crown and Great Fingall deposits now totals 1,947,000 tonnes @ 9.3g/t Au for 581,000 ounces and this was used as the foundation for the underground mining study encompassing both the Great Fingall and Golden Crown resources.

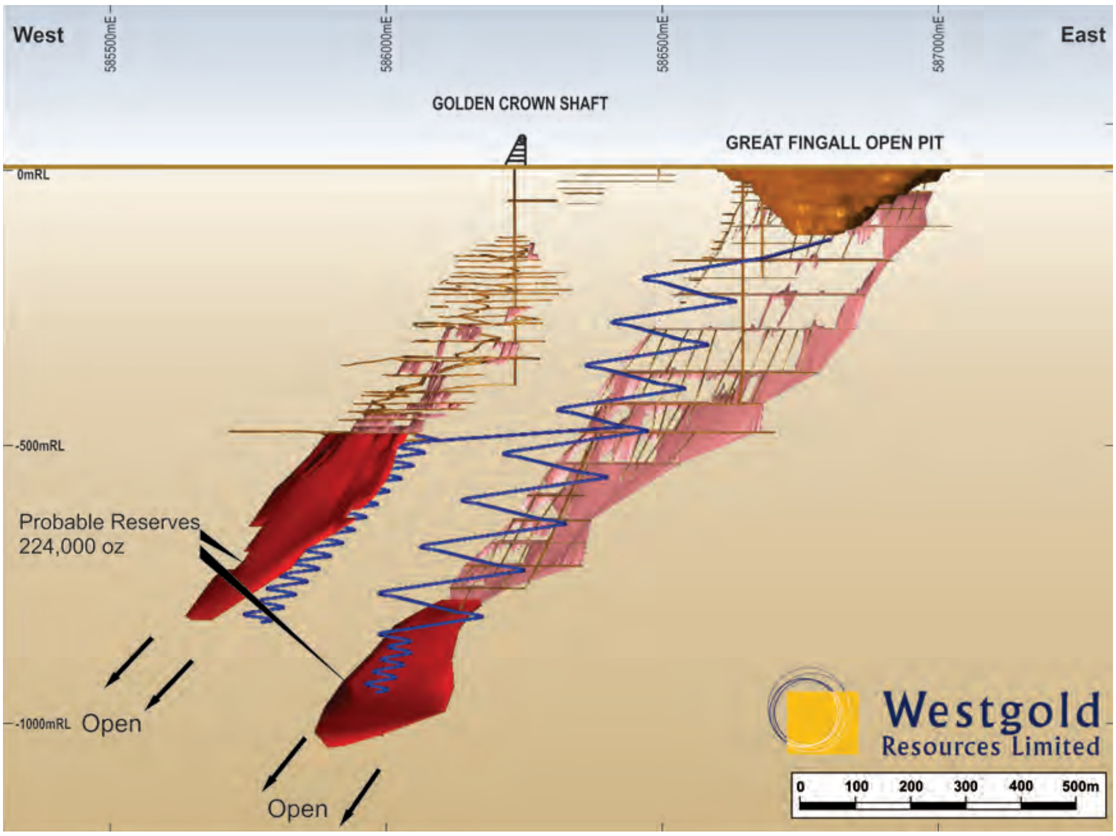
The close proximity of the two mines provides a unique opportunity to consider development of the two proven high grade ore bodies from a common main decline access. The mine development and extraction study was completed by Mining Plus Pty Ltd and recommended a long-hole open stoping mining methodology with top down sequencing.

The study focus was limited to only the previously un-mined sections of the overall resource that is classified as Indicated (JORC) below the 525m RL at Golden Crown and below the 800m RL on the Great Fingall reef.

Mining dilution of 10% at zero grade and an 80% mine recovery factor were applied to conclude a Probable Mining Reserve estimate of 878,000 tonnes @ 7.95g/t Au for 224,000 ounces of gold.

The study also concluded that following a two-year establishment period, the mine was capable of producing high-grade ore at a rate of approximately 200,000 tonnes per annum.

Westgold considers that the outcomes of this study can be significantly improved from a timing, reserve increase and base case economics perspective by the incorporation of remnant reef material which exists between the base of the current open pit and the upper boundary of the current reserve. This review will be carried out over the next six months.



Historical workings and with reserves in red and conceptual decline design in blue at Golden Crown and Great Fingall.

CGMP - THE BIG BELL GOLDFIELD

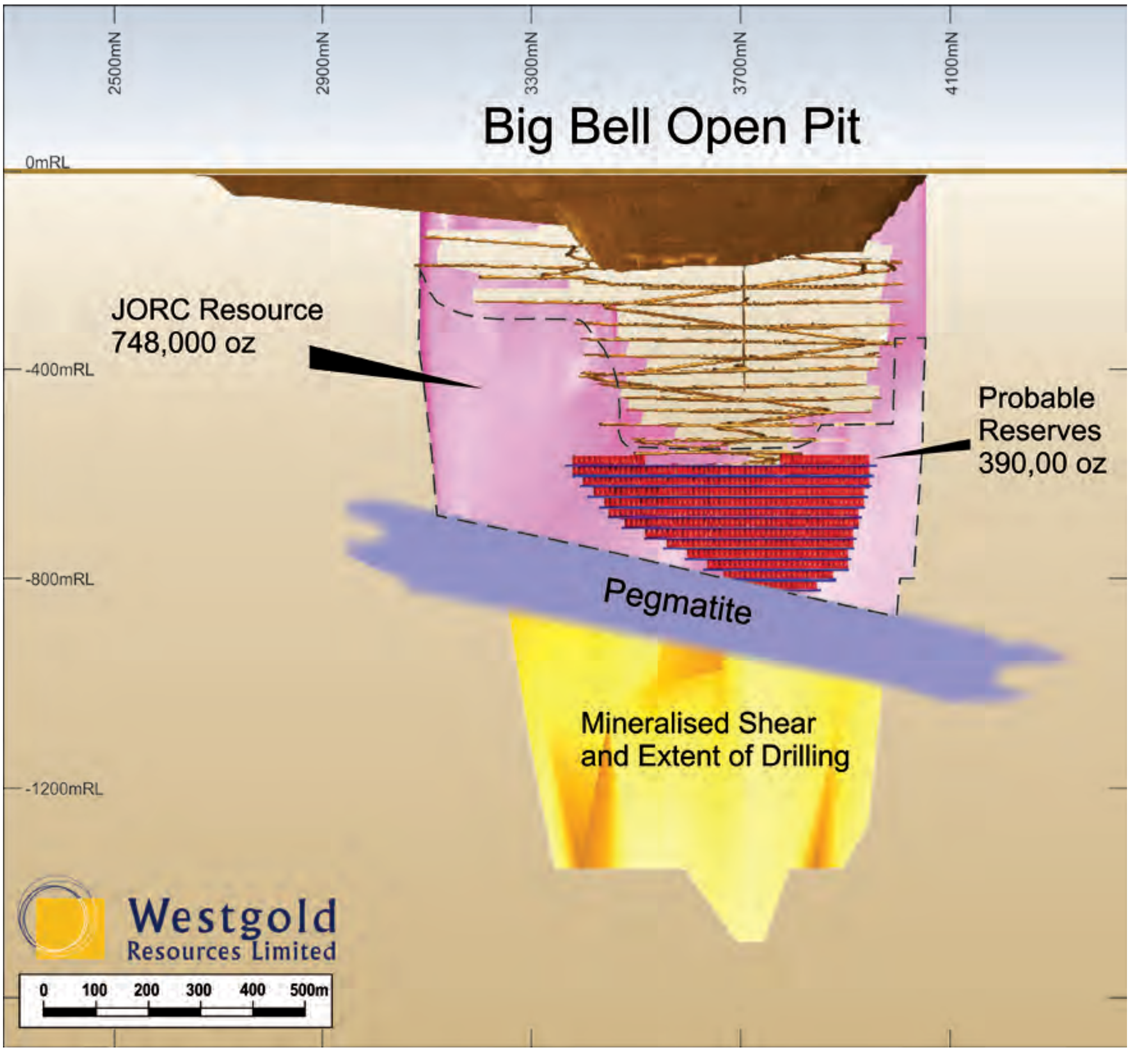
Exploration during the year successfully extended the Big Bell resource to the south and at depth. The drilling confirmed depth continuity of the ore system with diamond hole CMC0004 returning an intercept of 43.4m @ 2.5g/t Au from 902.3m (including 10.9m @ 4.54g/t Au from 923.9m). A resource update completed during the year resulted in a 212,000 ounce increase to the total Identified Mineral Resource estimate for the Big Bell mine to a total of 5,161,000 tonnes @ 4.5/t Au for 748,000 ounces of gold and equates to a 29% increase over 2010.

Big Bell Mine Development Studies

A mining development study was completed on the Big Bell mine and conservatively considered only the Indicated Resource that represents a continuation of the previously mined area between -500mRL and -825mRL.

The study concluded that a Probable Mining Reserve of 2,895,000 tonnes at a grade of 4.2 g/t Au containing 390,000 ounces of gold was immediately available from this area. This represents an approximate conversion rate of 65% resource into reserve.

The mining method recommended for Big Bell was longitudinal sub-level caving of the high grade core of the orebody. Development and stope sequencing was been planned with cognisance of mining experience at Big Bell and with due consideration to the known ground stresses which impacted previous ore extraction. The planned rate of extraction applied in the study considerably less than when the mine was last in operation and the applied mining method is designed to maintain mining efficiency and maximize recovered grades. An independent geotechnical scoping study also formed part of the development study.



Big Bell historical workings showing the reserves in red and total resource in purple.

CGMP - THE CUDDINGWARRA GOLDFIELD

Mining at the Cuddingwarra goldfield has witnessed the production of approximately 800,000 ounces of gold, predominantly from open pits mined between 1995 and 2004. Remnant resources beneath and adjacent to the known ore systems makes up an aggregated total resource estimate of 3,011,000 tonnes @ 3.6g/t Au containing 349,000 ounces of gold.

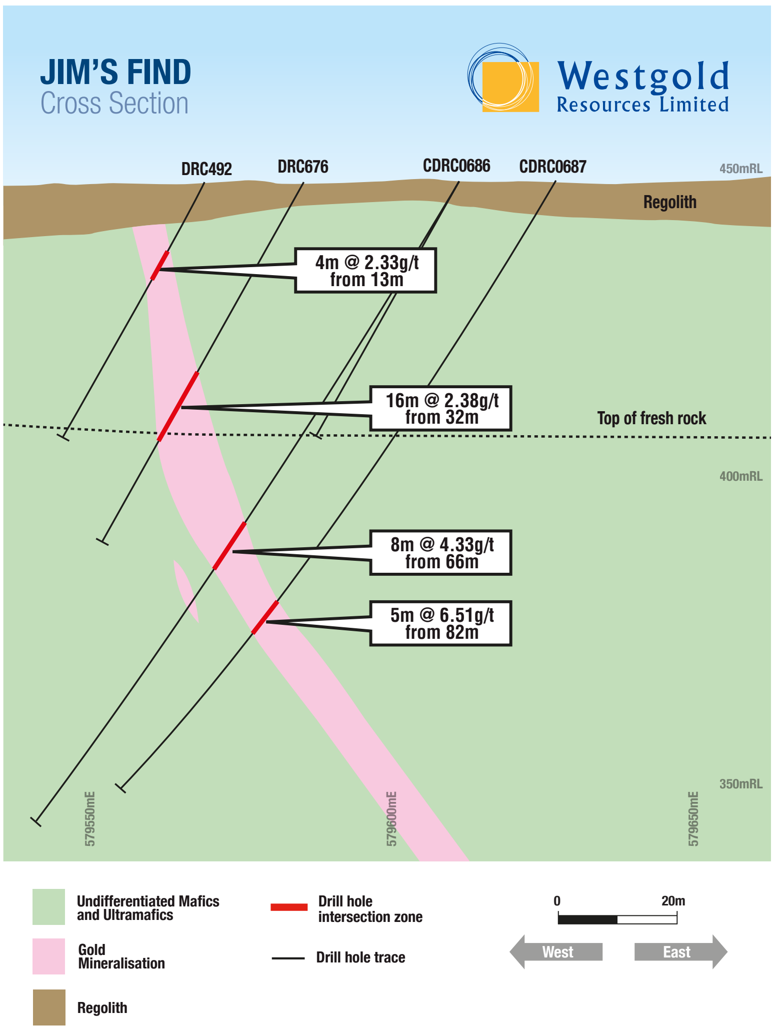
During the year, 10,172 metres of aircore drilling was completed resulting in the discovery of the Jims Find Prospect in the City of Chester Mine area. This will be drilled out to a level sufficient to support a resource estimate early in the next financial year, with further mining evaluation to follow. Significant results received from Jim's Find during the year are detailed below:

CDRC071	13.00m @ 6.86 g/t Au from 61 metres
CDRC0687	5.00m @ 6.51 g/t Au from 82 metres
CDRC0704	9.00m @3.25 g/t Au from 36 metres
CDRC0698	7.00m @2.46 g/t Au from 55 metres
CDRC0686	8.00m @ 4.36 g/t Au from 66 metres

Mineralisation at Jim's Find remains open along strike and at depth and diamond drill results from hole CDRC0686 returned an intercept of 8m @ 4.33g/t Au from 66m in a shear zone within a brecciated mafic rock unit, supporting a primary gold system at depth.

Additional drilling on other targets to the south of the Jims Find discovery has identified mineralisation which appear similar to this new discovery. Significant results received include:

CDAC1646	8m @ 6.83/t Au from 12m
CDAC1634	4m @ 3.04 g/t Au from 45m



Jims Find cross section 6,976,685mN from the centre of the orebody.

CMGP Resource table

Mining Centre/ Deposit	Measured			Indicated			Inferred			Total Resource		
	Tonnes	Au	Au	Tonnes	Au	Au	Tonnes	Au	Au	Tonnes	Au	Au
	('000s)	g/t	Oz	('000s)	g/t	Oz	('000s)	g/t	Oz	('000s)	g/t	Oz
Murchison Bell												
1600N/Shocker				415	2.5	33,000	359	3.2	37,000	774	2.8	70,000
Big Bell*				5,153	4.5	747,000	7	4.9	1,200	5,161	4.5	748,000
Fender				71	4.1	9,000				71	4.1	9,000
North Fender				385	1.7	21,000	578	1.6	30,000	963	1.7	51,000
Sub -total				6,024	4.2	810,000	944	2.2	68,200	6,969	3.9	878,000
Cuddingwarra												
Black Swan				222	3.5	25,000	1	1.3		223	3.5	25,000
Black Swan South				315	3.5	35,000	1,816	3.8	224,000	2,131	3.8	259,000
Chieftain				50	3.1	5,000	75	3.4	8,000	125	3.3	13,000
City of Chester				28	2.3	2,000	82	2.4	6,000	110	2.4	8,000
City of Sydney	4	1.6		62	2.1	4,000				65	2.0	4,000
Golden Gate				65	3.0	6,000	1	2.6		66	3.0	6,000
Rheingold							89	3.8	11,000	89	3.8	11,000
Rheingold South	23	3.3	3,000	82	3.6	10,000	96	3.4	11,000	202	3.5	23,000
Sub-total	27	3.0	3,000	824	3.3	87,000	2,160	3.7	260,000	3,011	3.6	349,000
Day Dawn												
3210				50	3.3	5,000				50	3.3	5,000
Golden Crown*				551	9.6	169,000	91	5.4	16,000	642	9.0	185,000
Great Fingall				349	1.9	21,000	1,500	1.4	67,000	1,849	1.5	88,000
Great Fingall*[1]				1,034	10.2	340,000	271	6.5	56,000	1,305	9.4	396,000
Kinsella	1	2.9		54	3.1	5,000				55	3.1	6,000
Mt Fingall							30	3.1	3,000	30	3.1	3,000
Rubicon	19	2.9	2,000	50	2.3	4,000	12	1.3		80	2.3	6,000
South Fingall				36	2.8	3,000	28	3.1	3,000	65	3.0	6,000
Try Again	1	1.8		12	3.2	1,000	178	3.1	17,000	192	3.1	19,000
Yellow Taxi				80	2.4	6,000	15	2.9	1,000	94	2.5	7,000
Yellow Taxi South							37	4.3	5,000	37	4.3	5,000
Sub-total	21	2.8	2,000	2,216	7.8	554,000	2,162	2.5	168,000	4,399	5.1	726,000
Sub Total In situ	**47**	**3.3**	**5,000**	**9,064**	**5.0**	**1,451,000**	**5,266**	**2.9**	**496,200**	**14,379**	**4.2**	**1,953,000**
Stockpiles												
Big Bell Stockpiles				116	0.8	3,000				116	0.8	3,000
Big Bell Tails							3,394	0.7	72,000	3,394	0.7	72,000
Cuddingwarra Stockpiles				70	0.8	2,000				70	0.8	2,000
Day Dawn Stockpiles				119	0.8	3,000				119	0.8	3,000
Fingall Sands				34	0.9	1,000				34	0.9	1,000
Sub Total Stockpiles	**0**	**0**	**0**	**339**	**0.8**	**9,000**	**3,394**	**0.6**	**72,000**	**3,733**	**0.7**	**81,000**
TOTAL	**47**	**3.3**	**5,000**	**9,403**	**4.8**	**1,460,000**	**8,660**	**2.0**	**568,200**	**18,112**	**3.5**	**2,034,000**

NORTHERN TERRITORY

ROVER PROJECT

The Rover Project is located approximately 80km south west of Tennant Creek in the Northern Territory and is considered to represent an undercover stratigraphic extension of the Tennant Creek Goldfield where more than 5.5M ounces of gold and approximately 0.5M tonnes of copper have been produced from a number of high grade historical mines.

Westgold retains a large strategic landholding covering the prospective stratigraphy and its exploration to date has seen three major anomalies drilled for three significant discoveries, being Rover 1, Explorer 108 and Explorer 142.

The targeted mineralisation style is Iron Oxide Copper Gold (IOCG) similar to that of Tennant Creek. Within the Rover Project area, the Rover 1 prospect represents the first new major gold and copper discovery in the region. The mineralisation and alteration style is very similar to the past high grade mines of the Tennant Creek goldfield. Westgold has defined a number of look-alike or analogous targets within its tenure and intends to continue the exploration of these targets to expand its resource base within the field.

Westgold believes that the Rover 1 Prospect has defined sufficient resource enabling the Company to advance towards development and that Rover 1 will be the focus of activity at the Rover Project in the coming year.

ROVER 1 PROSPECT

(Westgold 100%)

Rover 1 is a structurally controlled poly-metallic deposit considered to be an IOCG (iron-oxide-copper-gold) deposit hosted by a magnetite and hematite rich ironstone within Proterozoic aged sediments.

During the year a total of 12,223 metres were drilled, which upgraded a significant portion of the Inferred resource to the Indicated category in the upper area of the Rover 1 orebody. In addition to this infill drilling, the main mineralised zones have been successfully traced down-plunge, increasing the overall dimensions of the ore system, which remains open below 900m.

The total resource estimate update was completed in July 2011 and increased to 6.81Mt @ 5.57 g/t of gold equivalence, containing 1,220,300 gold equivalent ounces. Importantly, there was more than a doubling of the Indicated category of the resource which will underpin an initial mining reserve estimate in the next stage of project development studies.

Classification	Updated Resource Estimate (at 2.5% gold eq.* cut-off)	Maiden Resource Estimate (as at February 2010) (at 2.5% gold eq.* cut-off)
Indicated	2,740,700t @ 6.59 g/t Au eq. 580,700 oz Au eq.	588,000t @ 14.6g/t Au eq. 276,000 oz Au eq.
Inferred	4,073,400t @ 4.89 g/t Au eq 640,400 oz Au eq.	4,742,000t @ 5.0g/t Au eq. 761,000 oz Au eq.
Total	6,814,000t @ 5.57g/t Au eq. 1,220,300 oz Au eq.	5,330,000 @ 6.1 g/t Au eq. 1,037,000 oz Au eq.

Based on the increased confidence of the Indicated resource and the focus on the higher grade gold and copper lodes, utilising a 2.5g/t Au and 1% Cu cut-off only, the resource contains 750Koz Au equivalent^ (Tables 2a and b).

Table 2a: Rover 1 – High Grade Gold Zones (using 2.5 g/t Au cut-off)

Classification	Tonnes	AuEq g/t^	Au g/t	Cu %	AuEq Oz^
Indicated	607,618	11.86	9.26	1.47	231,689
Inferred	717,118	5.54	5.1	0.25	127,729
Total	1,324,736	8.44	7.01	0.81	359,470

Rounding errors may occur

Table 2b: Rover 1 – High Grade Copper Zones (using 1% Cu cut-off)

Classification	Tonnes	AuEq g/t^	Au g/t	Cu %	AuEq Oz^
Indicated	1,622,575	3.25	1.63	0.38	169,543
Inferred	1,862,000	3.55	1.87	0.25	221,632
Total	3,564,419	3.41	1.76	0.31	390,781

Rounding errors may occur

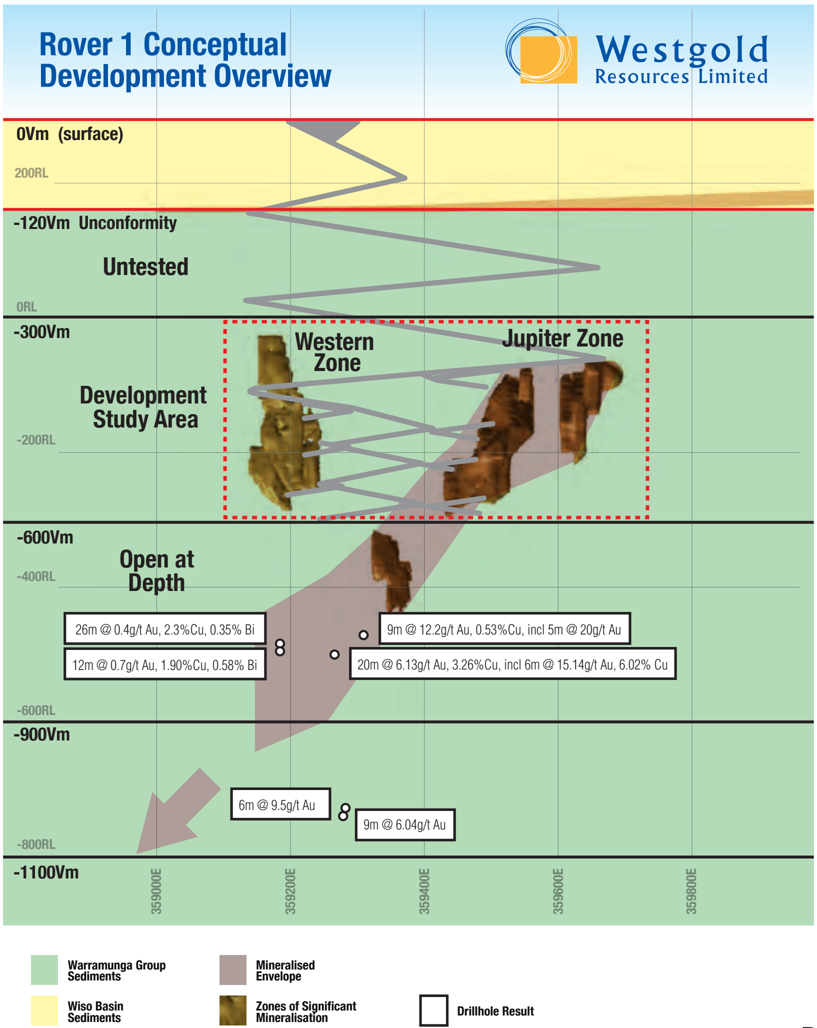
The previous and maiden mine scoping study will be reviewed with the confidence of this resource upgrade. Westgold will focus on the recovery of Gold and Copper only as the primary commodities, knowing that recoverable co-products of cobalt and bismuth may still be available to reduce the overall operating costs at the project in the longer term.

An important component of the new resource estimate, and in particular the Indicated resource, is that the ounces (equivalent) per vertical metre (OVM), in gold and copper alone exceeds 1,650 OVM in the study area, which compares favourably with other operating underground gold mines.

Westgold is advancing approvals for an exploration decline to make exploration more efficient and establish a foundation for future mine development. Initial baseline Flora, Fauna, Water and Waste Rock Characterisation studies have been completed in preparation for a development proposal to be submitted to the Northern Territory regulators.

Diamond drilling completed at Rover 1 during the year returned a number of significant intercepts which are tabulated below:

WGR1D055-1A	4m @ 2.97% Cu, 0.47g/t Au from 923m
WGR1D055-1A	15m @ 1.47g/t Au, 1.98% Cu from 974m
R1ARD41-1	6m @ 78.7g/t Au, 1.0% Cu from 474m
R1ARD33	26m @ 0.4g/t Au, 2.3% Cu from 857m
WGR1D031-3A1A1	7m @ 0.9g/t Au, 2.1% Cu from 624m
WGR1D052	8m @ 1.97% Cu from 480m
	3m @ 13.1g/t Au, 1.08% Cu from 562m
WGR1D053	17m @ 4.9g/t Au, 1.73% Cu from 645m
	8m @ 5.7g/t Au, 0.13% Cu from 716m
	8m @ 9.1g/t Au, 2.3% Cu from 653m
WGR1D050	19.5m @ 3.31% Cu, 0.16g/t Au from 436.25m



Long section of the Rover 1 ore system with proposed decline and development study area highlighted.

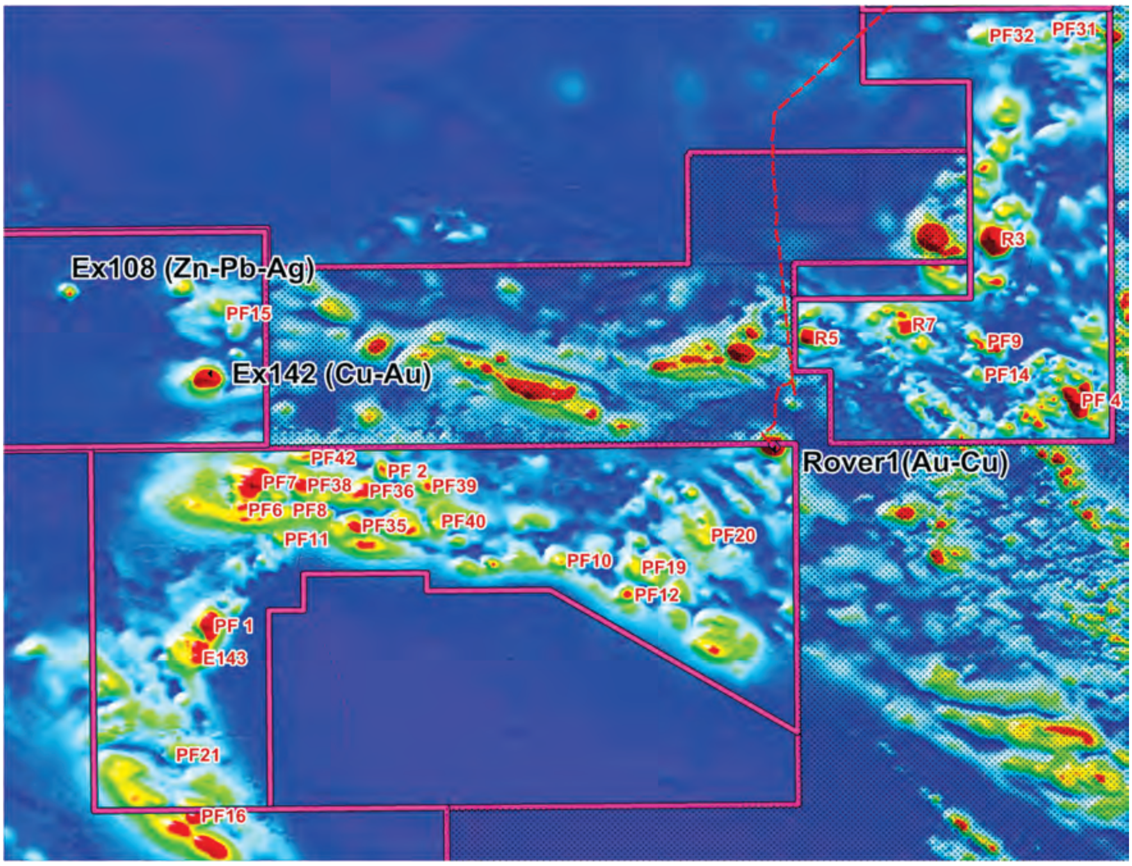
ROVER 1 110% INCREASE IN INDICATED RESOURCE

ROVER PROJECT REGIONAL EXPLORATION

The principal achievement during the year was the completion of a state of the art Heli-TEM survey over the priority target areas at the Rover Project. Heli-TEM is the most powerful airborne time-domain electromagnetic system commercially available and this survey represents one of the first applications of the system in Australia.

Orientation surveys were flown over the known deposits at Rover 1, Explorer 142 and Explorer 108 to enable comparison of new anomalies with the known mineralised ironstone fingerprints discovered to date. Detailed response modelling has been completed and integration of the Heli-TEM dataset with the existing magnetic and gravity data sets has lead to the definition and re-ranking of priority exploration targets the Company's tenements.

The exploration strategy at Rover for the next 12 months will be to systematically test the 6 highest ranking targets to enable broader coverage of the Rover field aimed at delivering a new discovery. Drilling will initially target the Rover 7 Target, located approximately 8km north east of the Rover 1 Prospect and the Pathfinder 1 Target (PF1) target, located 30km to the south west of Rover 1 on the margins of the Rover granite and in a similar setting to Tennant Creeks largest mine, Warrego which produced 1.6Moz of gold.



Geophysics showing the regional targets over the company's tenements.

ROVER MULTIPLE DRILL READY TARGETS

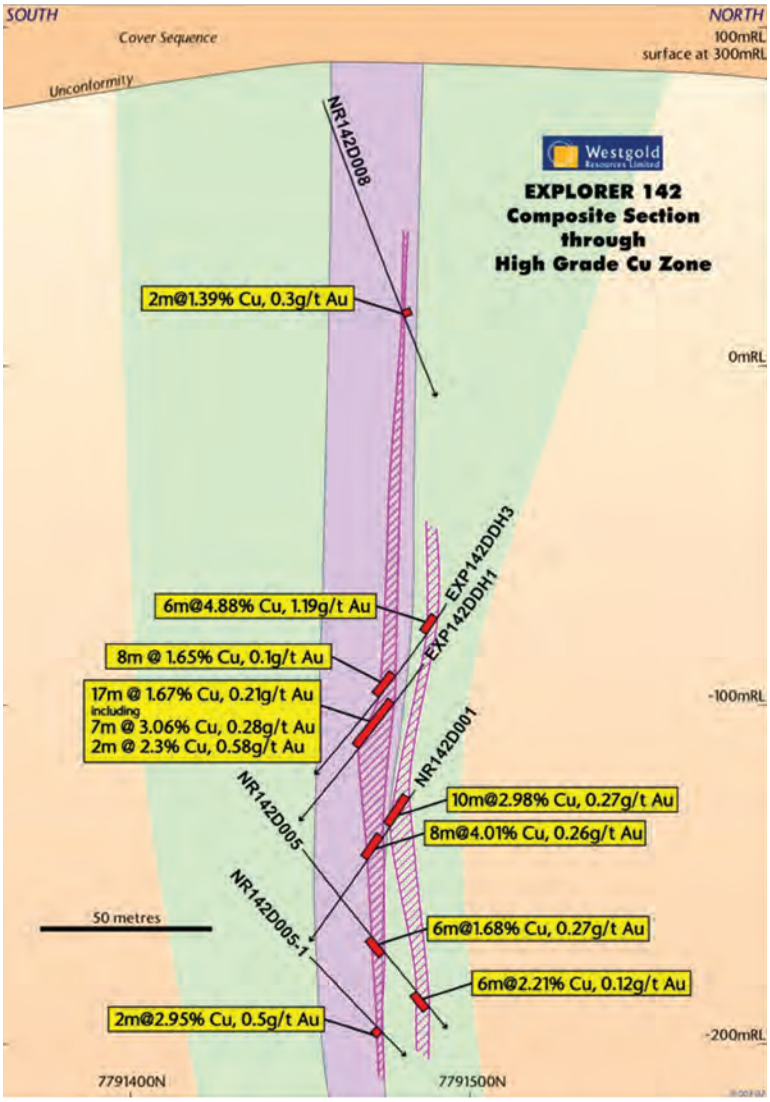
ROVER - EXPLORER 142 PROSPECT

Drilling continued at the Explorer 142 Prospect during the year with 3,656 metres of diamond drilling completed. The drill cores have confirmed the prospect to be another large IOCG system containing high-grade copper mineralisation and associated gold, bismuth and cobalt mineralisation.

The modelled geophysical target at Explorer 142 is twice the size of the Rover 1 anomaly at 1,500 metres in length. Drilling to date has only tested 30% of the most intense magnetic signature with more drilling planned.

Significant results for the drilling completed during the year include the following:

NR142D005	7m @ 0.89% Cu, 0.37g/t Au from 516m
	6m @ 1.68% Cu, 0.27g/t Au from 528m
	6m @ 2.21% Cu, 0.12g/t Au from 549m
NR142D005-1	1m @ 1.27% Cu, 0.29g/t Au from 547m
	2m @ 2.95% Cu, 0.5g/t Au from 554m
NR142D006	1m @ 2.87% Cu, 0.33g/t Au from 636m
NR142D008	2m @ 1.39% Cu, 0.3g/t Au from 298m



Composite cross section through Explorer 142 showing results to date.

ROVER - EXPLORER 108 PROSPECT

The Rover Goldfield is also prospective for lead and zinc deposits as demonstrated by our previous work at Explorer 108, where in early 2008 the Company announced the first JORC compliant Inferred Resource Estimate (Table 3) totalling:

8.7 Mt at 5.6% combined Pb & Zn, 20 g/t Ag, 0.3 g/t Au

Contained metal of

- Zinc 320,000 tonnes
- Lead 171,000 tonnes
- Silver 5.6 Moz
- Gold 70,900 oz

This deposit includes a robust higher grade core of 4.0 Mt at 8.2% combined Pb & Zn, 25 g/t Ag, 0.3 g/t Au (Table 4) and significantly the resource remains open in most directions.

A single drill hole completed in late 2009 clearly demonstrates the potential for extensions at least 100 metres beyond the current resource limits which encountered further significant mineralisation.

The lead-zinc prospectivity of the Rover Goldfield remains an enigma when compared to Tennant Creek where only minor lead-zinc mineralisation has been reported in that region and reflects the potential which exists on the Company's tenements.

Importantly, the Explorer 108 deposit and the surrounding 12 km^2 is 100% owned by Westgold, with the AngloGold clawback having been extinguished. The Company is considering various options available to advance the deposit further including potential joint venture partners.

Table 3 Total Inferred Resource Statement, at 2.5% Pb+Zn%

Class	Tonnes T	Pb+Zn %	Pb %	Zn %	Au g/t	Ag g/t	Cu %	Pb Metal T	Zn Metal T	Au Oz	Ag Oz
Inferred	8,733,000	5.6	2.0	3.7	0.3	20	0.1	**170,900**	**319,900**	**70,900**	**5,587,300**
Total	**8,733,000**	**5.6**	**2.0**	**3.7**	**0.3**	**20**	**0.1**	**170,900**	**319,900**	**70,900**	**5,587,300**

Rounding errors may occur

Table 4 Total Inferred Resource Statement, at 5.0% Pb+Zn%

Class	Tonnes T	Pb+Zn %	Pb %	Zn %	Au g/t	Ag g/t	Cu %	Pb Metal T	Zn Metal T	Au Oz	Ag Oz
Inferred	3,992,000	8.2	2.8	5.4	0.3	25	0.1	**112,000**	**213,600**	**42,000**	**3,141,500**
Total	**3,992,000**	**8.2**	**2.8**	**5.4**	**0.3**	**25**	**0.1**	**112,000**	**213,600**	**42,000**	**3,141,500**

Rounding errors may occur

OTHER EXPLORATION

McArthur Basin Joint Venture (Minerals and Metals Group (MMG) earning 60%)

During the year, the Company signed an Option and Joint Venture Agreement ("Joint Venture") with Melbourne based global mining and exploration company MMG.

The McArthur Basin hosts one of the world's largest Pb-Zn deposits, the McArthur River Mine and is also considered highly prospective for large scale copper deposits similar to the Mt Isa Belt in western Queensland.

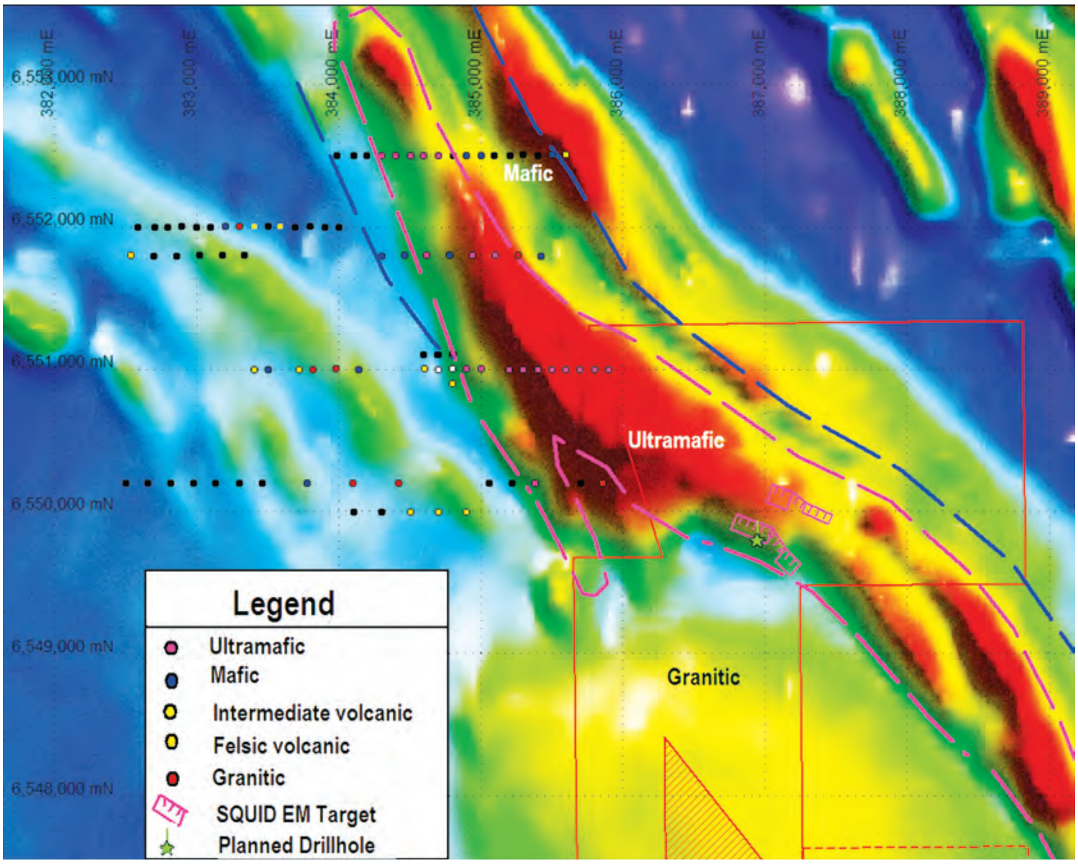
MMG (Minerals and Metals Group) are earning into the Joint Venture tenements and may initially earn 60% equity in the tenements upon sole funding exploration expenditure of $3.0M over a four year period. MMG have the right to increase equity to 80% by sole funding further exploration expenditure to the commencement of a Pre-Feasibility Study.

MMG, as manager, report that the initial exploration activities on the tenement area have seen the completion of a whole of basin analysis study including review of historical exploration and geochemical data, structure and stratigraphy to determine priority target areas. Results of this assessment have highlighted a number of favourable targets with infill geochemical sampling plan during the second half year of 2011.

Lake Lefroy – Nickel

At the Lake Lefroy Nickel Prospect, Westgold is exploring for komatiite hosted nickel mineralisation similar to that found in the Kambalda region. The project area is located over the Aztec Dome which exhibits a similar regional magnetic signature to that of the adjacent Kambalda Dome. The project area is overlain by salt lake sediments that have impeded exploration in the past.

Two diamond holes were completed in the 2011 March quarter which intersected strongly magnetic komatiite stratigraphy, however no massive sulphides were present in the drill core. Westgold is currently reviewing options to advance the testing for the potential massive sulphide targets.



Regional magnetic images showing coincident favourable host lithology interpreted from previous drilling along strike of Aragon's defined SQUID EM target.

Maitland Joint Venture –gold (Mongolian Resource Corporation formerly Alamar Resources Limited 51% and manager)

The Maitland joint venture tenements cover a portion of the Barwidgee Fault Zone which hosts the nearby Corboys deposit in the Yandal Belt of Western Australia. The Yandal Belt is a major gold producing area with a number of major deposits like Jundee/Nimary, Bronzewing, Mt McClure and Darlot.

CORPORATE

On 7 February 2011 Westgold announced it would make an off-market takeover of Aragon via the issue of one ordinary share for every one share that it did not already own and one option for every Aragon option. Aragon, via its subsidiary, Big Bell Gold Operations Pty Ltd, owns the Central Murchison Gold Project (CMGP) which contains a 2 million ounce JORC compliant resource. Prior to the off-market takeover Westgold held a 20.13% interest in Aragon.

The offer was aimed at creating a gold-focussed and growth-orientated company based on the development of two major mining centres, Rover at Tennant Creek in the Northern Territory and the Central Murchison Gold Project in Western Australia with a view to creating a substantial mid-tier mining house with combined resources of 3.0Moz gold-equivalent and annual production potential of 200,000oz gold-equivalent.

The offer opened on 8 March 2011 and was closed on 27 April 2011 with Westgold the holding 95.4% of Aragon before moving to compulsory acquisition. Upon completion of compulsory acquisition on 27 May 2011 Westgold held 100% of Aragon.

On 1 June 2011 Westgold advised that it has restructured its Board to reflect the Company's focus on development and production from its Northern Territory and Western Australian gold projects. As a result Mr Scott Huffadine was appointed as the new Managing Director. Mr Huffadine is a Geologist (BSc. (Hons)) with over 18 years' experience in the resources industry, specifically in mining project management and geology and was previously employed by Harmony Gold Australia Pty Ltd as the General Manager of the Hill 50 Gold project for 4 years which included the assets that encompass the current Central Murchison Gold Project.

Mr Huffadine's previous roles have seen him manage operational start-ups for open pit and underground mining operations, as well as the operational management of large scale going concerns in a number of regulatory environments and commodities. His appointment and background in project development and production reflects the Company's clear focus on building the next mid tier Australian gold producer through the development of the Central Murchison Gold Project (CMGP) and Rover 1.

Mr Andrew Beckwith will continue to apply his extensive experience and lead the Company's exploration team in an executive role as Director – Exploration.

Mr Paul Cmrlec resigned as a director of Westgold to concentrate on his other business interests.

Investments – Rum Jungle Resources

As a result of the takeover of Aragon Resources Limited the Company has a holding of 16,000,000 fully paid ordinary shares (9.74%) in Rum Jungle Uranium Ltd ("Rum Jungle").

Our investment in Rum Jungle provides Westgold with excellent exposure to the Ammaroo and Barrow Creek phosphate prospects.

Rum Jungle has advanced its work in the Amaroo area with the announcement of drilling results which may represent extensions to the Barrow Creek 1 deposit. Rum Jungle announced a maiden JORC resource (inferred category) of 51Mt @ 18% P2O5 (using a 15% P_2O_5 cut-off).

Westgold
Resources Limited

COMPETENT PERSONS STATEMENTS

Competent Persons Statements - Rover 1& Explorer 108

The information in this report that relates to exploration, mineral resources or ore reserves is based on information compiled by Mr Andrew Beckwith (B.AppSc.) who is a full time employee of Westgold Resources Limited, is a member of the AusIMM. Mr Beckwith has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a competent person as described by the 2004 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". Mr Beckwith consents to the inclusion in this report of the matters based on his information in the form and context in which it appears.

Competent Persons Statement - Central Murchison Gold Project

The Mineral Resources presented in this tables for stockpiles of mineralised material, as well as for the historic Big Bell Tailings is based upon information compiled by Mr Jake Russell who is a fulltime employee of Westgold Resources. Mr Russell has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Russell consents to the inclusion of this table in the report in the form and context in which it appears. For both stockpile and tailings resources all material is included in the Mineral Resource.

Other Mineral Resources and Ore Reserves presented in the tables above relating to the Central Murchison Gold Project have been reviewed by Mr Andrew Beckwith from publically stated JORC-compliant information originally reported in by Aragon Resources in their "Quarterly Activities and Cashflow Reports" released to the Australian Securities Exchange on the 28 January 2011. This information, in the opinion of Mr Beckwith, complies with the reporting standards of the 2004 JORC Code. Mr Beckwith is a Member of the Australasian Institute of Mining and Metallurgy and has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Beckwith is a Director of Westgold Resources and consents to the inclusion of this table in the form and context in which it appears.

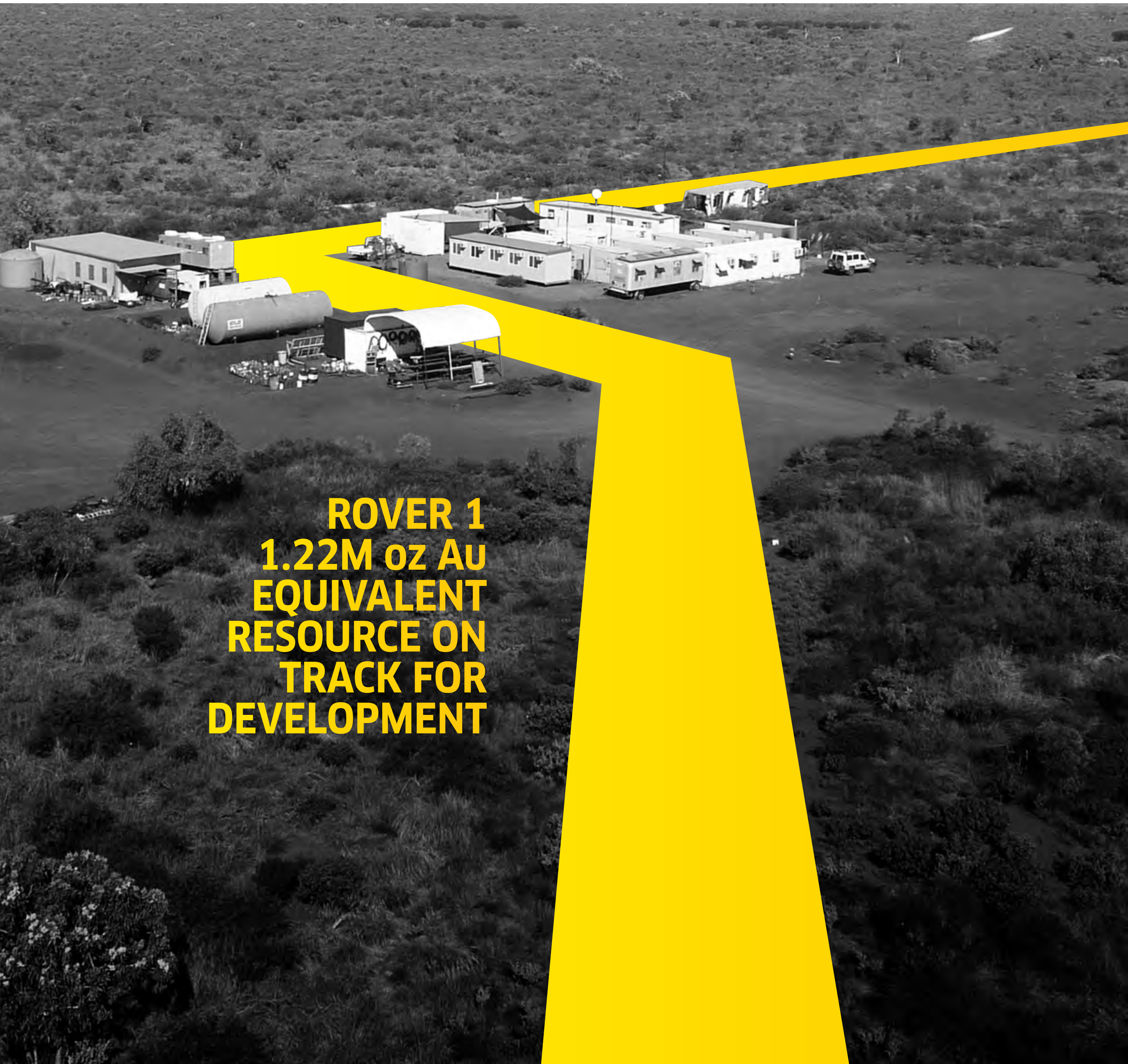
Gold Equivalence

The Gold Equivalence calculation for the Total Identified Mineral Resource represents total metal value for each metal assuming 100% recovery, summed and expressed in equivalent gold grade or ounces. The prices used in the calculation being US$1100/oz Au, US$7000/t Cu, US$21.0/lb Co, US$7.5/lb Bi and US$15.0/oz Ag and approximate metal prices as at 18 Feb 2010 as used in the original resource estimate.

*AuEq – Gold equivalent based on the formula AuEq=Au+0.014*Ag+4.675*Bi+13.091*Co+1.979*Cu

The Gold Equivalence calculation for the high grade domains (tables 2a and B), which represents total metal value for Gold and Copper only assuming 100% recovery, summed and expressed in equivalent gold grade or ounces. The prices used in the calculation being US$1500/oz Au and US$8,500/t Cu and are discounted on metal prices as at 27 July 2011.

^AuEq - Gold equivalent based on the formula AuEq=Au+1.7625*Cu



ROVER 1 1.22M oz Au EQUIVALENT RESOURCE ON TRACK FOR DEVELOPMENT

DIRECTORS' REPORT

The Directors submit their report for the year ended 30 June 2011. This report is to be read in conjunction with the Review of Operations and other information contained in the 2011 Annual Report of Westgold Resources Limited ("Westgold", "Company" or "chief entity") and its controlled entities ("Group").

DIRECTORS

The Directors of Westgold during the financial year and as at the date of this report are as follows. Directors were in office for the entire period unless otherwise stated.

NAMES, QUALIFICATION, EXPERIENCE AND SPECIAL RESPONSIBILITIES

Michael William Atkins – Non Executive Chairman

Mr Atkins is a Fellow of the Australian Institute of Company Directors. Mr Atkins was a founding partner of a national Chartered Accounting practice from 1979 to 1987 and was a Fellow of the Institute of Chartered Accountants in Australia until resigning in June 2011.

Between 1987 and 1998 he was a director of, and involved in the executive management of, several publicly listed resource companies with operations in Australia, USA, South East Asia and Africa. From 1990 to 1995 he was Managing Director and later a non-executive director of Claremont Petroleum NL and Beach Petroleum NL during their reconstruction, and then remained as a Non Executive Director until 1995. He was also founding Executive Chairman of Gallery Gold Ltd until 1998, and remained a Non Executive Director until 2000.

Since February 2009 Mr Atkins has been a Director - Corporate Finance at Patersons Securities Limited where he advises on the formation of, and capital raising for, emerging companies in the Australian resources sector.

He is currently non-executive Chairman of Australian listed companies Westgold Resources Limited, Legend Mining Limited and Azumah Resources Limited.

During the past three years, Mr Atkins has also served as a Director of the following publicly listed companies:

Legend Mining Limited * (Appointed 14 February 2003)
Azumah Resources Limited * (Appointed 20 October 2009)
Matsa Resources Limited (Appointed 15 March 2007, resigned 30 November 2009)

Scott James Huffadine – Managing Director (appointed 1 June 2011)

Mr Huffadine is a Geologist (BSc. (Hons)) with over 18 years' experience in the resources industry, specifically in mining project management and geology. He was an Executive Director of Metals X Limited since June 2009, and was the Chief Operating Officer of the same company for the two years prior to this. Prior to joining Metals X, he was employed by Harmony Gold Australia Pty Ltd as the General Manager of the Hill 50 Gold project for 4 years which included the assets that encompass the current Central Murchison Gold Project.

Mr Huffadine's previous roles have seen him manage operational start-ups for open pit and underground mining operations, as well as the operational management of large scale going concerns in a number of regulatory environments and commodities. His appointment and background in project development and production reflects the Company's clear focus on building the next mid tier Australian gold producer through the development of the Central Murchison Gold Project (CMGP) and Rover 1.

During the past three years, Mr Huffadine has also served as a Director of the following publicly listed companies:

Metals X Limited (Resigned 31 May 2011)

Andrew Francis Beckwith – Executive Director-Exploration

Mr Beckwith is a geologist with over 20 years experience in the Australian exploration and mining industry, having held a number of previous roles including with Aragon Resources Limited (formerly Navarre Resources Pty Ltd), AngloGold Ashanti Australia, Acacia Resources, Helix Resources, Normandy NFM and BP Minerals and is a Member of the Australasian Institute of Mining and Metallurgy and the Society of Economic Geologists.

During the past three years, Mr Beckwith has not served as a Director of any other publicly listed company.

Peter Gerard Cook – Non-Executive Director

Mr Cook is a Geologist (BSc (Applied Geology)) and Mineral Economist (MSc (Min. Econ)). In recent years he has been the Managing Director of Hill 50 Limited, the Chief Executive Officer of Harmony Gold Australia Pty Ltd, the Managing Director of Abelle Limited and the Chairman of Metals Exploration Limited. He has considerable experience in the fields of exploration and project and corporate management of mining companies.

He is currently the Chairman of Metals X Limited and Pacific Nuiguni Limited and formerly the Chairman of Aragon Resources Limited. He is a non-executive director of Kingsrose Mining Limited.

During the past three years, Mr Cook has also served as a Director of the following publicly listed companies:

Metals X Limited * (Appointed 23 June 2004)
Aragon Resources Limited * (Appointed 18 May 2007; delisted 6 May 2011)
Pacific Niugini Limited * (Appointed 21 August 2009)
Kingsrose Mining Limited * (Appointed 1 October 2010)

Warren Hallam – Non-Executive Director

Mr Hallam is a Metallurgist and Mineral Economist with over 25 years experience across a range of business and commodity markets. Notably Mr Hallam brings to Westgold both his extensive commercial experience and his involvement with the development and commissioning of processing plants specifically within the gold industry. Mr Hallam's commercial acumen and technical expertise compliments the current skill set of the Westgold board.

In recent years Mr Hallam has been the Managing Director of Metals Exploration Limited, an Executive Director of Metals X Limited and is currently the Managing Director of Westgold's major shareholder, Metals X Limited.

During the past three years, Mr Hallam has also served as a Director of the following publicly listed companies:

Metals X Limited * (Appointed 1 March 2005)

Paul Cmrlec – Non-Executive Director (resigned 31 May 2011)

Mr Cmrlec holds a Bachelor of Mining Engineering degree from the University of South Australia. Mr Cmrlec specialises in underground mining engineering and has held a number of operational and planning roles, including the position of Underground Manager at several Western Australian gold mines. He was previously the Group Mining Engineer for Harmony Gold Australia and is currently the Group Mining Engineer for Metals X Limited.

His recent experience includes the general management of major feasibility studies for the Wafi Copper-Gold deposit for Papua New Guinea, and the Wingellina Nickel-Cobalt deposit in the Central Musgraves region of Western Australia. Direct liaisons with Traditional Landowners, their representatives and government stakeholders have been a key requirement in both of these roles.

He is currently the managing director of Pacific Niugini Limited.

During the past three years, Mr Cmrlec has served as a Director of the following publicly listed company.

Pacific Niugini Limited * (Appointed 3 June 2010)

* *denotes current directorship*

COMPANY SECRETARY

Andrew Chapman is a chartered accountant with over 18 years experience with publicly listed companies where he has held positions as Company Secretary and Chief Financial Officer and has experience in the areas of corporate acquisitions, divestments and capital raisings. He has worked for a number of public companies in the mineral resources, oil and gas and technology sectors.

Mr Chapman is also a director & company secretary of Matsa Resources Limited. He is an associate member of the Institute of Chartered Accountants (ICAA) and a Fellow of the Financial Services Institute of Australasia (Finsia).

PRINCIPAL ACTIVITIES

The principal activity of the Group during the financial year was the exploration for minerals.

OPERATING RESULTS

The consolidated profit of the Group for the year ended 30 June 2011, after income tax, amounted to $4,670,268 (2010: profit of $1,300,877).

DIVIDENDS

No dividend was paid or declared by Westgold in the period since the end of the previous financial year, and up to the date of this report. The Directors do not recommend that any amount be paid by way of dividend.

CORPORATE STRUCTURE

Westgold is a company limited by shares, which is incorporated and domiciled in Australia.

EMPLOYEES

The Group had 20 employees of which 19 were full-time as at 30 June 2011 (2010: 10 full-time equivalent employees).

REVIEW OF OPERATIONS

A full review of the operations of the consolidated entity during the year ended 30 June 2011 is included on pages 4 to 17.

SUMMARY OF FINANCIAL PERFORMANCE

Westgold made a net profit for the year of $4,670,268(2010: profit of $1,300,877) predominantly as a result of:

(i) A gain on the realisation of its investment in Aragon Resources Limited (Aragon) after takeover as an available-for-sale financial asset of $5,560,181;

(ii) Recognising an income tax benefit of $3,490,520 as a result of the acquisition of Aragon Resources Limited;

(iii) Interest income of $587,883 (2010: $513,616) being greater than that of the previous year due to an increase in the cash held during the year;

(iv) Exploration costs of $450,413 were written off during the year; and

(v) Costs associated with the takeover of Aragon Resources Limited of $2,275,950 including a provision for stamp duty costs of $2,000,000.

SUMMARY OF FINANCIAL POSITION

The Group's financial position strengthened in 2011 with its net asset position increasing from $48.5 million in 2010 to $110.0 million this financial year primarily due to the takeover of Aragon Resources Limited that was completed in May 2011 with consideration being the issue of shares and options in Westgold to Aragon shareholders and the continued capitalisation of exploration expenditure during the financial year. The Company funded its exploration activities from its existing cash reserves.

Cash reserves at 30 June 2011 were $11.2 million compared to $15 million in the previous financial year.

EXPLORATION ACTIVITIES

During the financial year Westgold continued its exploration activities in the Northern Territory, spending approximately $10 million on exploration with the predominant focus being on the Rover Project. Upon the successful takeover of Aragon exploration was also conducted on the Central Murchison Gold Project near Cue, Western Australia.

CORPORATE ACTIVITIES

Takeover of Aragon Resources Limited

On 7 February 2011 Westgold announced it would make an off-market takeover of Aragon via the issue of one ordinary share for every one share that it did not already own and one option for every Aragon option. Aragon, via its subsidiary, Big Bell Gold Operations Pty Ltd, owns the Central Murchison Gold Project (CMGP) which contains a 2 million ounce JORC compliant resource. The Group's focus is to move forward with the development of the CMGP as well as continue with exploration at the Rover Project with a view to also developing that project.

As a result of the takeover Westgold increased its total equity from $48.5 million at 30 June 2010 to $110.0 million at 30 June 2011 primarily due to the issue if shares and options. At the time of the off-market takeover Westgold held 46.9 million shares in Aragon which represented a 20.13% interest.

SIGNIFICANT CHANGES IN STATE OF AFFAIRS

In the opinion of the Directors, there were no significant changes in the state of affairs of the Group that occurred during the financial year other than as disclosed in this report or the consolidated financial statements.

AFTER BALANCE DATE EVENTS

There is no other matter or circumstance that has arisen since the end of the financial year to the date of this report, which has significantly affected, or may significantly affect the operations of the Group, the results of those operations or the state of affairs of the Group in subsequent financial years.

ENVIRONMENTAL REGULATION AND PERFORMANCE

The Group's operations are subject to various environmental regulations in respect of its exploration activities. The Group aims to ensure that an appropriate standard of environmental care is achieved, and in doing so, that it is aware of and is in compliance with all environmental legislation. The Directors have complied with these regulations and are not aware of any breaches of the legislation during the financial year which are material in nature.

FUTURE DEVELOPMENTS AND EXPECTED RESULTS

It is expected that the Group will continue with its exploration and development activities within Australia.

Further information on likely developments and the expected results are not included in this report because the Directors believe it would be likely to result in unreasonable prejudice to the Group.

DIRECTORS' MEETINGS

The number of meetings of the Board of Directors held during the period each Director held office during the year and the number of meetings attended are as follows:

Director	Directors' Meetings	
	Attended	Eligible to attend
Michael Atkins	14	14
Scott Huffadine (appointed 1 June 2011)	2	2
Andrew Beckwith	14	14
Peter Cook	11	14
Warren Hallam	9	14
Paul Cmrlec (resigned 31 May 2011)	8	12

In view of the size of the Company the Directors do not consider it necessary to establish separate nomination, remuneration or audit committees to deal with subjects that the Board currently presides over.

DIRECTORS' INTERESTS IN SHARES AND OPTIONS OF THE COMPANY

The relevant interest of each director in the shares and options issued by the Company or other related body corporate, as notified to the Australian Securities Exchange in accordance with S.205G(1) of the Corporations Act 2001, at the date of this report is as follows:

	Note	Ordinary Shares Westgold Resources Limited	Options over Ordinary Shares	Performance Rights
M Atkins		3,704,250	250,000	-
S Huffadine		297,000	2,600,000	2,000,000
A Beckwith		9,269,250	1,000,000	750,000
P Cook	(1)	104,486,921	750,000	-
W Hallam	(1)	103,644,644	-	-

(1) Mr Cook and Mr Hallam are directors of Metals X Limited which holds 103,644,644 fully paid ordinary shares in the Company.

Options granted to directors and officers of the Company

Since the end of the financial year, the Company granted options and performance rights for no consideration over unissued ordinary shares in the Company to the following directors and executives of the Company as part of their remuneration:

Directors	Number of Options Granted	Exercise Price	Expiry Date	Number of Performance Rights Granted
S Huffadine	2,000,000	$0.29	15 August 2014	2,000,000
A Beckwith	1,000,000	$0.29	15 August 2014	750,000
Executive				
A Chapman	375,000	$0.29	04 July 2014	-

SHARE OPTIONS

Unissued Shares under Options

At the date of this report unissued ordinary shares of the Company under option are:

Expiry Date	Exercise Price	Number
21 January 2012	$0.45	625,000
8 November 2012	$0.45	250,000
30 November 2012	$0.21	2,500,000
7 January 2013	$0.20	1,000,000
25 August 2013	$0.45	150,000
30 November 2013	$0.21	500,000
31 December 2013	$0.20	17,500,00
11 January 2014	$0.32	1,025,000
4 July 2014	$0.29	1,825,000
15 August 2014	$0.29	3,000,000
24 August 2014	$0.22	400,000
5 October 2014	$0.65	500,000
25 March 2015	$0.48	650,000

All options expire on the earlier of their expiry date or termination of the employee's employment. These options do not entitle the holder to participate in any share issue of the Company or any other body corporate.

Shares Issued on Exercise of Options

During or since the end of the financial year, the Company issued no ordinary shares as a result of the exercise of options.

REMUNERATION REPORT - Audited

A. PRINCIPLES OF COMPENSATION

This report outlines the remuneration arrangements in place for Directors and executives of the Company and Group, "Key Management Personnel". Key management personnel have authority and responsibility for planning, directing and controlling the activities of the Company and Group, including directors of the Company and other executives. The key management personnel comprise the directors of the Company and executives for the Company and Group including the five most highly remunerated Company and Group executives.

Remuneration Philosophy

The performance of the Group depends upon the quality of its Directors and executives. To prosper, the Company and Group must attract, motivate and retain highly skilled Directors and executives.

To this end, the Group embodies the following principles in its remuneration framework:

- Provide competitive rewards to attract high calibre executives
- Link executive rewards to shareholder value

The Board as a whole is responsible for considering remuneration policies and packages applicable both to board members and senior executives of the Company and Group. The board remuneration policy is to ensure the remuneration package, which is not linked to the performance of the Company and Group, properly reflects the person's duties and responsibilities and that remuneration is competitive in attracting, retaining and motivating people of the highest quality.

REMUNERATION REPORT – Audited (Continued)

Remuneration Structure

In accordance with best practice corporate governance, the structure of Non-Executive Director and Senior Management remuneration is separate and distinct.

Non-Executive Director Remuneration

Objective

The Board seeks to set aggregate remuneration at a level which provides the Company with the ability to attract and retain Directors of the highest calibre, whilst incurring a cost which is acceptable to shareholders.

Structure

The Constitution and the ASX Listing Rules specify that the aggregate remuneration of Non-Executive Directors shall be determined from time to time by a general meeting. An amount not exceeding the amount determined is then divided between the Directors as agreed. The current aggregate remuneration is $300,000 per year.

The amount of aggregate remuneration sought to be approved by shareholders and the manner in which it is apportioned amongst Directors is reviewed annually. The Board considers advice from external consultants as well as the fees paid to non-executive Directors of comparable companies when undertaking the annual review process. Each Director receives a fee for being a Director of the Company.

Non-Executive Directors are encouraged by the Board to hold shares in the Company (purchased by the Director on market). It is considered good governance for Directors to have a stake in the Company whose Board he or she sits.

The remuneration of Non-Executive Directors for the period ending 30 June 2011 is detailed in this report.

Managing Director and Executive Remuneration Structure

Based on the current stage in the Group's development, its size, structure and strategies, the Board considers that the key performance indicator in assessing the performance of Executives and their contribution towards increasing shareholder value is share price performance over the review period.

Individual and Group operating targets associated with traditional financial and non-financial measures are difficult to set given the small number of Executives and the need to be flexible and multi-tasked, as the Group responds to a continually changing business environment. Consequently, a formal process of defining Key Performance Indicators (KPI's) and setting targets against the KPI's has not been adopted at the present time.

Remuneration consists of the following key elements:

Fixed remuneration;
Variable remuneration;
Short term incentives (STI); and
Long term incentives (LTI).

The proportion of fixed remuneration and variable remuneration is established for each Executive by the Board.

Fixed Remuneration

Fixed remuneration is reviewed annually by the Board. The process consists of a review of the Company, business unit and individual performance, relevant comparative remuneration in the market and internal and, where appropriate, external advice on policies and practices. The Board can access external advice independent of management.

Executives are given the opportunity to receive their fixed (primary) remuneration in a variety of forms including cash and fringe benefits such as motor vehicles. It is intended that the manner of payment chosen will be optimal for the recipient without creating undue cost for the Company.

The fixed remuneration component for executives for the period ending 30 June 2011 is detailed in this report.

REMUNERATION REPORT – Audited (Continued)

Variable Remuneration – Short Term Incentive (STI)

The objective of the STI is to link the increase in shareholder value over the year with the remuneration received by the Executives charged with achieving that increase. The total potential STI available is set at a level so as to provide sufficient incentive to the Executives to achieve the performance goals and such that the cost to the Group is reasonable in the circumstances.

Annual STI payments granted to each Executive depend on their performance over the preceding year and are based on recommendations from the Managing Director following collaboration with the Board. Typically included are measures such as contribution to strategic initiatives, risk management and leadership/team contribution.

The aggregate of annual STI payments available for Executives across the Group is subject to the approval of the Board. Payments are usually delivered as a cash bonus. There were no STI payments made during the financial year ending 30 June 2011. In March 2010 the Board approved an STI payment to those executives and staff who directly contributed to the Group publishing its initial JORC-compliant resource on Rover 1.

Variable Remuneration – Long Term Incentive Plan (LTI)

The objective of the LTI plan is to reward Executives in a manner which aligns the element of remuneration with the creation of shareholder wealth. As such LTI's are made to Executives who are able to influence the generation of shareholder wealth and thus have an impact on the Group's performance.

The level of LTI granted is, in turn, dependent on the Company's recent share price performance, the seniority of the Executive and the responsibilities the Executive assumes in the Group.

In November 2010 the Company, following shareholder approval, adopted a new Long Term Incentive Plan (LTIP) which allowed for the issue of both options and performance rights, and LTI grants to Executives are delivered in the form of employee share options and/or performance rights. Options are issued at an exercise price determined by the Board at the time of issue and performance rights can have performance hurdles set at the time of the issue. Employee share options were issued in accordance with the Company's Share Option Plan.

Typically, the grant of LTI's occurs at the commencement of employment or in the event that the individual receives a promotion and, as such, is not subsequently affected by the individual's performance over time. However, under certain circumstances, including breach of employment conditions, the Directors may cause the options or performance rights to expire prior to their vesting date.

The Group does not have a policy to prohibit executives from entering into arrangements to protect the value of unvested LTI awards. There were no options or performance rights issued to executives under the Company's ESOP or LTIP as LTI payments during the financial year.

Other Benefits

Key management personnel can receive additional benefits as non-cash benefits as part of the terms and conditions of their appointment. Non-cash benefits typically includes, car parking and expenses where the Company pays fringe benefits tax on these benefits.

REMUNERATION REPORT – Audited (Continued)

Remuneration of Directors and Executives (Company and Consolidated) - Audited

		Primary		Post Employment	Equity			
Non-Executive Directors	**Salary & Fees**	**Non Monetary Benefits**	**STI Cash Bonus**	**Super-annuation**	**Options**	**Total**	**Value of options as a proportion of total remuneration**	**% Performance related**
M Atkins								
2011	**70,000**	**-**	**-**	**6,300**	**-**	**76,300**		
2010	65,000	-	-	5,850	-	70,850	-	-
P Cook ^								
2011	**45,780**	**-**	**-**	**-**	**-**	**45,780**	**-**	**-**
2010	33,500	-	-	-	-	33,500	-	-
W Hallam [1]								
2011	**38,000**	**-**	**-**	**-**	**-**	**38,000**	**-**	**-**
2010	10,392	-	-	-	-	10,392	-	-
P Cmrlec [1,4]								
2011	**34,877**	**-**	**-**	**-**	**-**	**34,877**	**-**	**-**
2010	10,392	-	-	-	-	10,392	-	-
M Okeby [2]								
2010	23,000	-	-	2,150	-	25,150	-	-
Executive Directors								
S Huffadine[5]								
2011	**29,067**	**-**	**-**	**2,616**	**-**	**31,683**	**-**	**-**
A Beckwith								
2011	**252,936**	**9,451**	**-**	**22,764**	**-**	**285,151**	**-**	**-**
2010	246,145	3,225	50,000	26,653	-	326,023	-	15.34
Executives								
D Stephens [3]								
2011	**160,000**	**-**	**-**	**14,400**	**42,521**	**216,921**	**19.60**	**19.60**
2010	112,205	2,418	-	10,098	117,479	242,200	48.50	48.50
A Chapman								
2011	**153,294**	**5,907**	**-**	**13,796**	**-**	**172,997**	**-**	**-**
2010	122,082	8,554	-	10,987	7,101	148,724	4.78	4.78

1 Appointed 18 March 2010 - Directors fees for Mr Hallam and Mr Crmlec are paid to Bluestone Australia Limited, a wholly owned subsidiary of Metals X Limited of which Mr Hallam is a director and Mr Crmlec is a senior executive

2 Resigned 18 March 2010

3 Appointed 5 October 2009

4 Resigned 31 May 2011

5 Appointed 1 June 2011

^ Directors fees for Mr Cook are paid to Ajava Pty Ltd, a company of which Mr Cook is a shareholder and beneficiary.

There were shares and options issued to directors and executives who held shares and options in Aragon Resources Limited at the time of the off-market takeover by the Company. Refer to note 28 for more details.

REMUNERATION REPORT – Audited (Continued)

Analysis of bonuses included in remuneration - Audited

The short-term incentive bonus is for performance during the current financial year using the criteria outlined earlier. There was no short term incentive bonus paid during the financial year.

In 2010 Mr Beckwith received a bonus of $50,000 all of which vested and was paid in the previous financial year. No amount was forfeited.

Options over equity instruments granted as compensation – Audited

There were no options granted during the financial year to key management. Details on options over ordinary shares in the Company that were granted as compensation to each key management person and vested during the reporting period are as follows:

Executive	Number of options granted during 2011	Grant date	Fair Value per option at grant date	Exercise price per option $	Expiry date	Number of options vesting during 2011
D Stephens	-	5 October 2009	0.32	0.65	5 October 2014	500,000
A Chapman	-	25 March 2010	0.27	0.45	25 March 2015	100,000

Since the end of the financial year 3,375,000 options have been granted. The options were provided at no cost to the recipients.

All options expire at the earlier of the expiry date or termination of the individuals employment. The options are exercisable from grant date.

Factors and Assumptions

The following factors and assumptions were used in determining the fair value of options on grant date:

Grant Date	Option Life	Fair Value per Option	Exercise Price	Price of Share on Date of Grant	Expected Volatility	Risk – free Interest Rate	Dividend Yield
05.10.09	5 years	0.32	$0.65	$0.32	100%	5.12%	-
25.03.10	5 years	0.27	$0.48	$0.27	100%	5.48%	-

B. SHARES ISSUED ON EXERCISE OF COMPENSATION OPTIONS - AUDITED

During the reporting period, there were no shares issued on the exercise of options previously granted as compensation.

C. ANALYSIS OF OPTIONS AND RIGHTS OVER EQUITY INSTRUMENTS GRANTED AS COMPENSATION - AUDITED

There were no options or rights over equity investments granted as compensation during the report period. Details of vesting profiles of the options granted as remuneration to each key management person to the Group and each of the named Company executives and Group executives are detailed below:

	Options Granted		% vested in 2011	% forfeited in year (A)	Financial years in which grant vests
2010					
Executives	**Number**	**Date**			
D Stephens	500,000	05.10.09	500,000	-%	5 October 2010
A Chapman	100,000	25.03.10	100,000	-%	25 March 2011

(a) The % forfeited in the year represents the reduction from the maximum number of options available to vest due to the highest level performance criteria not being achieved.

REMUNERATION REPORT – Audited (Continued)

D. ANALYSIS OF MOVEMENTS IN OPTIONS - AUDITED

There were no movement during the reporting period, by value, of options over ordinary shares in the Company held by each key management person and each of the five named Company executives and relevant Group executives.

E. SERVICE CONTRACTS - AUDITED

It is the Board's policy that services contracts are entered into with all executive key management personnel and that these contracts have no termination date.

Mr Scott Huffadine, Managing Director, has a contract of employment with the Company. Mr Huffadine receives a salary of $320,000 (excluding superannuation) per annum effective from 1 June 2011. This contract is for an unlimited term and is capable of termination on three months notice. The Group retains the right to terminate the contract immediately, by making payment equal to three months pay in lieu of notice.

Mr Andrew Beckwith, Executive Director - Exploration, has a contract of employment with the Company. Mr Beckwith receives a salary of $260,000 (excluding superannuation) per annum. This fixed remuneration amount is effective from 1 June 2011 onwards with his previous fixed remuneration being $252,293 (excluding superannuation) per annum. This contract is for an unlimited term and is capable of termination on three months notice. The Group retains the right to terminate the contract immediately, by making payment equal to three months pay in lieu of notice.

Mr Damien Stephens, Exploration Manager, has a contract of employment with the Company. Mr Stephens receives a salary of $160,000 (excluding superannuation) per annum. This contract is for an unlimited term and is capable of termination on one month's notice. The Group retains the right to terminate the contract immediately, by making payment equal to one month's pay in lieu of notice.

Mr Andrew Chapman, Company Secretary, has a contract of employment with the Company. Mr Chapman receives a salary of $120,000 (including superannuation) based on a minimum 2.5 days work per week. An equivalent hourly rate is payable for additional time worked. This contract is for an unlimited term and is capable of termination on one month's notice. The Group retains the right to terminate the contract immediately, by making payment equal to one month's pay in lieu of notice.

INDEMNIFICATION OF OFFICERS

An indemnity agreement has been entered into between the Company and each of the Directors of the Company named earlier in this report and with each full-time executive officer who acts as a Director on behalf of the Company on the boards of any company the Company has a financial interest in. Under the agreement, the Company has agreed to indemnify those officers against any claim or for any expenses or costs, to the extent permitted by law, which may arise as a result of work performed in their respective capacities. In addition, the agreement provides for the Company to procure and pay the premium for an insurance policy to cover, to the extent permitted by law, such claims and expenses, and to continue maintaining an insurance policy for a period of seven years after an officer has ceased to act in that capacity.

INSURANCE PREMIUM PAID FOR OFFICERS

The Company has paid an insurance premium in respect of a contract insuring each of the Directors of the Company named earlier in this report and the executive officers of the Group against liabilities and expenses, to the extent permitted by law, arising from claims made against them in their capacity as Directors and officers of the Group, other than conduct involving a wilful breach of duty in relation to the Group. Due to confidentiality restrictions in the insurance policy the premium paid has not been disclosed.

AUDITOR INDEPENDENCE

The auditor's independence declaration for the year end 30 June 2011 is on page 31. This declaration forms part of this director's report.

NON-AUDIT SERVICES

During the financial year KPMG, the Group's auditor, has performed certain other services in addition to their statutory duties.

The Board has considered the non-audit services provided during the year by the auditor and is satisfied that the provision of those non-audit services is compatible with, and did not compromise, the auditor independence requirements of the Corporations Act 2001.

KPMG received or are due to receive the following amount for the provision of non-audit services:

Review of Bidder's Statement	$1,437

This report is signed for and on behalf of the Directors in accordance with a resolution of the Directors.

Scott Huffadine
Managing Director

Perth, 26 September 2011

AUDITOR'S INDEPENDENCE DECLARATION

KPMG

Lead Auditor's Independence Declaration under Section 307C of the Corporations Act 2001

To: the directors of Westgold Resources Limited

I declare that, to the best of my knowledge and belief, in relation to the audit for the financial year ended 30 June 2011 there have been:

(i) no contraventions of the auditor independence requirements as set out in the Corporations Act 2001 in relation to the audit; and

(ii) no contraventions of any applicable code of professional conduct in relation to the audit.

KPMG
KPMG

Grant Robinson
Grant Robinson
Partner

Perth

26 September 2011

KPMG, an Australian partnership and a member firm of the KPMG network of independent member firms affiliated with KPMG International, a Swiss cooperative.

CORPORATE GOVERNANCE STATEMENT

Since the introduction of the ASX Corporate Governance Council's Principles o*f Good Corporate Governance and Best Practice Recommendations* (ASX Principles and Recommendations), and the revised second edition of the ASX Principles and Recommendations, Westgold Resources Limited has made it a priority to adopt systems of control and accountability as the basis for the administration of corporate governance. The Company's corporate governance practices for the year ending 30 June 2011 and as at the date of this report are outlined in this corporate governance statement.

The Company has considered each recommendation provided in the ASX Principles and Recommendations, taking into account factors such as the size of the Company and the Board, resources available and activities of the Company. Where, after due consideration, the Company's corporate governance practices depart from the ASX Principles and Recommendations, the Board has offered full disclosure of the nature of, and reason for, the adoption of its own practice.

For further information on corporate governance policies adopted by the Company, refer to the corporate governance section of our website: **www.westgold.com.au**.

1. COMPLIANCE WITH BEST PRACTICE RECOMMENDATIONS

The table below summaries the Company's compliance with the Corporate Governance Council's Recommendations:

Principle #	ASX Corporate Governance Council Recommendations	Reference	Comply
Principle 1	**Lay solid foundations for management and oversight**		
1.1	Establish the functions reserved to the Board and those delegated to senior executives and disclose those functions.	2(a)	Yes
1.2	Disclose the process for evaluating the performance of senior executives.	2(h), 3(b), Remuneration Report	Yes
1.3	Provide the information indicated in the Guide to reporting on principle 1.	2(a), 2(h), 3(b), Remuneration Report	Yes
Principle 2	**Structure the Board to add value**		
2.1	A majority of the Board should be independent directors.	2(e)	No
2.2	The chair should be an independent director.	2(c), 2(e)	Yes
2.3	The roles of chair and chief executive officer should not be exercised by the same individual.	2(b), 2(c)	Yes
2.4	The Board should establish a nomination committee.	2(d)	No
2.5	Disclose the process for evaluating the performance of the Board, its committees and individual directors.	2(h)	Yes
2.6	Provide the information indicated in the Guide to reporting on principle 2.	2(b), 2(c), 2(d), 2(e), 2(h)	Yes
Principle 3	**Promote ethical and responsible decision-making**		
3.1	Establish a code of conduct and disclose the code or a summary as to:	4(a)	Yes
	• the practices necessary to maintain confidence in the company's integrity;		
	• the practices necessary to take into account the company's legal obligations and the reasonable expectations of its stakeholders; and		
	• the responsibility and accountability of individuals for reporting and investigating reports of unethical practices.		
3.2	Establish a policy concerning trading in company securities by directors, senior executives and employees and disclose the policy or a summary.	4(b)	Yes
3.3	Provide the information indicated in the Guide to reporting on principle 3.	4(a), 4(b)	Yes

Principle #	ASX Corporate Governance Council Recommendations	Reference	Comply
Principle 4	**Safeguard integrity in financial reporting**		
4.1	The Board should establish an audit committee.	3(a)	Yes
4.2	The audit committee should be structured so that it:	3(a)	No
	• consists only of non-executive directors;		
	• consists of a majority of independent directors;		
	• is chaired by an independent chair, who is not chair of the Board; and		
	• has at least three members.		
4.3	The audit committee should have a formal charter	3(a)	Yes
4.4	Provide the information indicated in the Guide to reporting on principle 4.	3(a)	Yes
Principle 5	**Make timely and balanced disclosure**		
5.1	Establish written policies designed to ensure compliance with ASX Listing Rule disclosure requirements and to ensure accountability at senior executive level for that compliance and disclose those policies or a summary of those policies.	5(a), 5(b)	Yes
5.2	Provide the information indicated in the Guide to reporting on principle 5.	5(a), 5(b)	Yes
Principle 6	**Respect the rights of shareholders**		
6.1	Design a communications policy for promoting effective communication with shareholders and encouraging their participation at general meetings and disclose the policy or a summary of that policy.	5(a), 5(b)	Yes
6.2	Provide the information indicated in the Guide to reporting on principle 6.	5(a), 5(b)	Yes
Principle 7	**Recognise and manage risk**		
7.1	Establish policies for the oversight and management of material business risks and disclose a summary of those policies.	6(a)	Yes
7.2	The Board should require management to design and implement the risk management and internal control system to manage the company's material business risks and report to it on whether those risks are being managed effectively. The Board should disclose that management has reported to it as to the effectiveness of the company's management of its material business risks.	6(a), 6(b), 6(d)	Yes
7.3	The Board should disclose whether it had received assurance from the chief executive officer and the chief financial officer that the declaration provided in accordance with section 295A of the Corporations Act is founded on a sound system of risk management and internal control and that the system is operating effectively in all material respects in relation to financial reporting risks.	6(c)	Yes
7.4	Provide the information indicated in the Guide to reporting on principle 7.	6(a), 6(b), 6(c), 6(d)	Yes
Principle 8	**Remunerate fairly and responsibly**		
8.1	The Board should establish a remuneration committee.	3(b)	No
8.2	Clearly distinguish the structure on non-executive directors' remuneration from that of executive directors and senior executives.	3(b), Remuneration Report	Yes
8.3	Provide the information indicated in the Guide to reporting on principle 8.	3(b),	Yes

2. THE BOARD OF DIRECTORS

2(a) Roles and Responsibilities of the Board

The role of the Board is to be accountable to the shareholders and investors for the overall performance of the Company and takes responsibility for monitoring the Company's business and affairs and setting its strategic direction, establishing and overseeing the Company's financial position provide leadership for and the supervision of the Company's senior management.

The Board is responsible for:

- Appointing, evaluating, rewarding and if necessary the removal of the Chief Executive Officer ("CEO") and senior management;
- Development of corporate objectives and strategy with management and approving plans, new investments, major capital and operating expenditures and major funding activities proposed by management;
- Monitoring actual performance against defined performance expectations and reviewing operating information to understand at all times the state of the health of the Company;
- Assessing the effectiveness of senior management's implementation of systems and the management of business risks, safety and occupational health, environmental issues and community development;
- Satisfying itself that the financial statements of the Company fairly and accurately set out the financial position and financial performance of the Company for the period under review;
- Satisfying itself that there are appropriate reporting systems and controls in place to assure the Board that proper operational, financial, compliance, risk management and internal control process are in place and functioning appropriately.
- Approving and monitoring financial and other reporting;
- Assuring itself that appropriate audit arrangements are in place;
- Ensuring that the Company acts legally and responsibly on all matters and approving the Company's policies on risk oversight and management, internal compliance and control, Code of Conduct, and legal compliance and assuring itself that the Company practice is consistent with that Code; and other policies; and
- Reporting to and advising shareholders.

Other than as specifically reserved to the Board, responsibility for the day-to-day management of the Company's business activities is delegated to the Chief Executive Officer and Executive Management.

2(b) Board Composition

The Directors determine the composition of the Board employing the following principles:

- the Board, in accordance with the Company's constitution must comprise a minimum of three Directors;
- the roles of the Chairman of the Board and of the Chief Executive Officer should be exercised by different individuals;
- the majority of the Board should comprise Directors who are non-executive;
- the Board should represent a broad range of qualifications, experience and expertise considered of benefit to the Company; and
- the Board must be structured in such a way that it has a proper understanding of, and competency in, the current and emerging issues facing the Company, and can effectively review management's decisions.

The Board is currently comprised of three non-executive Directors and two executive Directors. Details of the members of the Board, their experience, expertise, qualifications, terms of office and independent status are set out in the Directors' Report of the Annual Report under the heading "Directors".

The following board changes have occurred since 1 July 2010:

- Mr Paul Cmrlec resigned as a non-executive director on 31 May 2011
- Mr Scott Huffadine was appointed Managing Director on 1 June 2011
- Mr Andrew Beckwith became Executive Director – Exploration on 1 June 2011

2. THE BOARD OF DIRECTORS (CONTINUED)

The Company's constitution requires one-third of the Directors (or the next lowest whole number) to retire by rotation at each Annual General Meeting (AGM). The Directors to retire at each AGM are those who have been longest in office since their last election. Where Directors have served for equal periods, they may agree amongst themselves or determine by lot who will retire. A Director must retire in any event at the third AGM since he or she was last elected or re-elected. Retiring Directors may offer themselves for re-election.

A Director appointed as an additional or casual Director by the Board will hold office until the next AGM when they may be re-elected.

The Chief Executive Officer is not subject to retirement by rotation and, along with any Director appointed as an additional or casual Director, is not to be taken into account in determining the number of Directors required to retire by rotation.

2(c) Chairman and Chief Executive Officer

The Chairman is responsible for:

- leadership of the Board;
- the efficient organisation and conduct of the Board's functions;
- the promotion of constructive and respectful relations between Board members and between the Board and management;
- contributing to the briefing of Directors in relation to issues arising at Board meetings;
- facilitating the effective contribution of all Board members; and
- committing the time necessary to effectively discharge the role of the Chairman.

The Chief Executive Officer is responsible for:

- implementing the Company's strategies and policies; and
- running the affairs of the Company under the delegated authority from the Board.

The Board specifies that the roles of the Chairman and the Chief Executive Officer are separate roles to be undertaken by separate people.

2(d) Nomination Committee

The Company does not comply with ASX Recommendation 2.4. The Company is not of a relevant size to consider formation of a nomination committee to deal with the selection and appointment of new Directors and as such a nomination committee has not been formed.

Nominations of new Directors are considered by the full Board in accordance with the Company's "Selection of New Directors Policy".

2(e) Independent Directors

The Company recognises that independent directors are important in assuring shareholders that the Board is properly fulfilling its role and is diligent in holding senior management accountable for its performance. The Board assesses each of the directors against specific criteria to decide whether they are in a position to exercise independent judgment.

Directors of Westgold Resources Limited are considered to be independent when they are independent of management and free from any business or other relationship that could materially interfere with, or could reasonably be perceived to materially interfere with, the exercise of their unfettered and independent judgement.

In making this assessment, the Board considers all relevant facts and circumstances. Relationships that the Board will take into consideration when assessing independence are whether a Director:

- is a substantial shareholder of the Company or an officer of, or otherwise associated directly with, a substantial shareholder of the Company;

2. THE BOARD OF DIRECTORS (CONTINUED)

2(e) Independent Directors (Continued)

- is employed, or has previously been employed in an executive capacity by the Company or another Company member, and there has not been a period of at least three years between ceasing such employment and serving on the Board;
- has within the last three years been a principal of a material professional advisor or a material consultant to the Company or another Company member, or an employee materially associated with the service provided;
- is a material supplier or customer of the Company or other Company member, or an officer of or otherwise associated directly or indirectly with a material supplier or customer; or
- has a material contractual relationship with the Company or another Company member other than as a Director.

The Company does not comply with ASX Recommendation 2.1. While there is a majority of non-executive Directors there is not a majority of independent Directors on the Board. In accordance with the definition of independence above, only one of the Directors (Mr Atkins) of the Company is considered to be independent.

The Board believes that the Company is not of sufficient size to warrant the inclusion of more independent non-executive Directors in order to meet the ASX recommendation of maintaining a majority of independent non-executive Directors. The Company maintains a mix of Directors from different backgrounds with complementary skills and experience.

In recognition of the importance of independent views and the Board's role in supervising the activities of management the Chairman must be a non-executive director.

2(f) Avoidance of conflicts of interest by a Director

In order to ensure that any interests of a Director in a particular matter to be considered by the Board are known by each Director, each Director is required by the Company to disclose any relationships, duties or interests held that may give rise to a potential conflict. Directors are required to adhere strictly to constraints on their participation and voting in relation to any matters in which they may have an interest.

2(g) Board access to information and independent advice

Directors are able to access members of the management team at any time to request relevant information.

There are procedures in place, agreed by the Board, to enable Directors, in furtherance of their duties, to seek independent professional advice at the company's expense.

2(h) Review of Board performance

The performance of the Board is reviewed regularly by the Chairman. The Chairman conducts performance evaluations which involve an assessment of each Board member's performance against specific and measurable qualitative and quantitative performance criteria. The performance criteria against which directors and executives are assessed is aligned with the financial and non-financial objectives of Westgold Resources Limited. Directors whose performance is consistently unsatisfactory may be asked to retire.

3. BOARD COMMITTEES

3(a) Audit Committee

Given the size and scale of the Company's operations the full Board undertakes the role of the Audit Committee. The Audit Committee does not comply with ASX Recommendation 4.2 as only three of the five members are non-executive Directors and only one is considered to be an independent Director (refer 2(e)). The role and responsibilities of the Audit Committee are summarised below.

3. BOARD COMMITTEES (CONTINUED)

3(a) Audit Committee (Continued)

The Audit Committee is responsible for reviewing the integrity of the Company's financial reporting and overseeing the independence of the external auditors. The Board sets aside time to deal with issues and responsibilities usually delegated to the Audit Committee to ensure the integrity of the financial statements of the Consolidated Entity and the independence of the auditor.

The Board reviews the audited annual and half-year financial statements and any reports which accompany published financial statements and recommends their approval to the members. The Board also reviews annually the appointment of the external auditor, their independence and their fees.

The Board is also responsible for establishing policies on risk oversight and management. The Company has not formed a separate Risk Management Committee due to the size and scale of its operations.

External Auditors

The Company's policy is to appoint external auditors who clearly demonstrate quality and independence. The performance of the external auditor is reviewed annually and applications for tender of external audit services are requested as deemed appropriate, taking into consideration assessment of performance, existing value and tender costs. It is KPMG's policy to rotate engagement partners on listed companies at least every five years.

An analysis of fees paid to the external auditors, including a break-down of fees for non-audit services, is provided in the notes to the financial statements in the Annual Report.

There is no indemnity provided by the Company to the auditor in respect of any potential liability to third parties.

The external auditor is requested to attend the annual general meeting and be available to answer shareholder questions about the conduct of the audit and preparation and content of the audit report.

The directors are satisfied that the provision of any non-audit services during the year by the auditors is compatible with the general standard of independence for auditors imposed by the Corporations Act.

The directors are satisfied that the provision of any non-audit services does not compromise the auditor's independence requirements of the Corporations Act because the services were provided by persons who were not involved in the audit.

3(b) Remuneration Committee

The role of a Remuneration Committee is to assist the Board in fulfilling its responsibilities in respect of establishing appropriate remuneration levels and incentive policies for employees.

The Board has not established a separate Remuneration Committee due to the size and scale of its operations. This does not comply with Recommendation 8.1 however the Board as a whole takes responsibility for such issues.

The responsibilities include setting policies for senior officers remuneration, setting the terms and conditions for the CEO, reviewing and making recommendations to the Board on the Company's incentive schemes and superannuation arrangements, reviewing the remuneration of both executive and non-executive directors and undertaking reviews of the CEO's performance.

The Company has structured the remuneration of its senior executives such that it comprises a fixed salary, statutory superannuation and participation in the Company's Long Term Incentive Plan. The Company believes that by remunerating senior executives in this manner it rewards them for performance and aligns their interests with those of shareholders and increases the Company's performance.

Non-executive directors are paid their fees out of the maximum aggregate amount approved by shareholders for non-executive director remuneration.

3. BOARD COMMITTEES (CONTINUED)

3(b) Remuneration Committee (Continued)

The remuneration received by directors and executives in the current period is contained in the "Remuneration Report" within the Directors' Report of the Annual Report.

4. ETHICAL AND RESPONSIBLE DECISION MAKING

4(a) Code of Ethics and Conduct

The Board endeavours to ensure that the Directors, officers and employees of the Company act with integrity and observe the highest standards of behaviour and business ethics in relation to their corporate activities. The "Code of Conduct" sets out the principles, practices, and standards of personal behaviour the Company expects people to adopt in their daily business activities.

All Directors, officers and employees are required to comply with the Code of Conduct. Senior managers are expected to ensure that employees, contractors, consultants, agents and partners under their supervision are aware of the Company's expectations as set out in the Code of Conduct.

All Directors, officers and employees are expected to:

- comply with the law;
- act in the best interests of the Company;
- be responsible and accountable for their actions; and
- observe the ethical principles of fairness, honesty and truthfulness, including prompt disclosure of potential conflicts.

4(b) Policy concerning trading in Company securities

The Company's "Securities Trading Policy" applies to all directors, officers and employees and was updated in December 2010. This policy sets out the restrictions on dealing in securities by people who work for, or are associated with the Company and is intended to assist in maintaining market confidence in the integrity of dealings in the Company's securities. The policy stipulates that the only appropriate time for a Director, officer or employee to deal in the Company's securities is when they are not in possession of price sensitive information that is not generally available to the market.

As a matter of practice, Company shares may only be dealt with by Directors and officers of the Company under the following guidelines:

- No trading is permitted in the period of two weeks prior to the announcement to the ASX of the Company's full year, half year and quarterly results or any other designated blackout period;
- Guidelines are to be considered complementary to and not replace the various sections of the Corporations Act 2001 dealing with insider trading; and
- Obtain the prior written consent of the Chairman (or two of the other Directors/Board if you are the Chairman).

5. TIMELY AND BALANCED DISCLOSURE

5(a) Shareholder communication

The Company believes that all shareholders should have equal and timely access to material information about the Company including its financial situation, performance, ownership and governance. The Company's "ASX Disclosure Policy" encourages effective communication with its shareholders by requiring that Company announcements:

- be factual and subject to internal vetting and authorisation before issue;
- be made in a timely manner;
- not omit material information;
- be expressed in a clear and objective manner to allow investors to assess the impact of the information when making investment decisions;
- be in compliance with ASX Listing Rules continuous disclosure requirements; and
- be placed on the Company's website promptly following release.

5. TIMELY AND BALANCED DISCLOSURE (CONTINUED)

Shareholders are encouraged to participate in general meetings. Copies of addresses by the Chairman or Chief Executive Officer are disclosed to the market and posted on the Company's website. The Company's external auditor attends the Company's annual general meeting to answer shareholder questions about the conduct of the audit, the preparation and content of the audit report, the accounting policies adopted by the Company and the independence of the auditor in relation to the conduct of the audit.

5(b) Continuous disclosure policy

The Company is committed to ensuring that shareholders and the market are provided with full and timely information and that all stakeholders have equal opportunities to receive externally available information issued by the Company. The Company's "ASX Disclosure Policy" described in 5(a) reinforces the Company's commitment to continuous disclosure and outline management's accountabilities and the processes to be followed for ensuring compliance.

The policy also contains guidelines on information that may be price sensitive. The Company Secretary has been nominated as the person responsible for communications with the ASX. This role includes responsibility for ensuring compliance with the continuous disclosure requirements with the ASX Listing Rules and overseeing and coordinating information disclosure to the ASX.

6. RECOGNISING AND MANAGING RISK

The Board is responsible for ensuring there are adequate policies in relation to risk management, compliance and internal control systems. The Company's policies are designed to ensure strategic, operational, legal, reputation and financial risks are identified, assessed, effectively and efficiently managed and monitored to enable achievement of the Company's business objectives. A written policy in relation to risk oversight and management has been established ("Risk Management Policy"). Considerable importance is placed on maintaining a strong control environment. There is an organisation structure with clearly drawn responsibilities.

6(a) Board oversight of the risk management system

The Board is responsible for approving and overseeing the risk management system. The Board reviews, at least annually, the effectiveness of the implementation of the risk management controls and procedures.

The principle aim of the system of internal control is the management of business risks, with a view to enhancing the value of shareholders' investments and safeguarding assets. Although no system of internal control can provide absolute assurance that the business risks will be fully mitigated, the internal control systems have been designed to meet the Company's specific needs and the risks to which it is exposed.

Annually, the Board is responsible for identifying the risks facing the Company, assessing the risks and ensuring that there are controls for these risks, which are to be designed to ensure that any identified risk is reduced to an acceptable level.

The Board is also responsible for identifying and monitoring areas of significant business risk. Internal control measures currently adopted by the Board include:

- monthly reporting to the Board in respect of operations and the Company's financial position, with a comparison of actual results against budget; and
- regular reports to the Board by appropriate members of the management team and/or independent advisers, outlining the nature of particular risks and highlighting measures which are either in place or can be adopted to manage or mitigate those risks.

The Company's risk management system is evolving. It is an on-going process and it is recognised that the level and extent of the risk management system will evolve commensurate with the development and growth of the Company's activities.

6. RECOGNISING AND MANAGING RISK (CONTINUED)

6(b) Risk management roles and responsibilities

The Board is responsible for approving and reviewing the Company's risk management strategy and policy. Executive management is responsible for implementing the Board approved risk management strategy and developing policies, controls, processes and procedures to identify and manage risks in all of the Company's activities.

The Board is responsible for satisfying itself that management has developed and implemented a sound system of risk management and internal control.

6(c) Chief Executive Officer and Chief Financial Officer Certification

The Chief Executive Officer and Chief Financial Officer provide to the Board written certification that in all material respects:

- The Company's financial statements present a true and fair view of the Company's financial condition and operational results and are in accordance with relevant accounting standards;
- The statement given to the Board on the integrity of the Company's financial statements is founded on a sound system of risk management and internal compliance and controls which implements the policies adopted by the Board; and
- The Company's risk management an internal compliance and control system is operating efficiently and effectively in all material respects.

6(d) Internal review and risk evaluation

Assurance is provided to the Board by executive management on the adequacy and effectiveness of management controls for risk on a regular basis.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
for the year ended 30 June 2011

	Note	2011 $	2010 $
Other income	4(a)	**1,850**	3,123
Depreciation expense	5(a)	**(214,317)**	(144,412)
Other expenses	5(b)	**(2,305,436)**	(1,557,319)
Reversal of diminution of investments	12	**-**	1,199,518
Gain on re-measurement of investment in associate to fair value	12	**-**	1,882,840
Share of net gains on available-for-sale financial assets of associate transferred to profit and loss		**-**	254,049
Exploration and evaluation expenditure written off		**(450,413)**	-
Provision for stamp duty on acquisition		**(2,000,000)**	-
Results from operating activities		**(4,968,316)**	1,637,799
Finance income	4(b)	**587,883**	513,616
Gain on realisation of available-for-sale financial assets transferred to profit and loss		**5,560,181**	-
Net finance income		**6,148,064**	513,616
Share of loss of equity accounted associate	12	**-**	(850,538)
Profit/(Loss) before income tax		**1,179,748**	1,300,877
Income tax expense	6	**3,490,520**	-
Net Profit for the period attributable to equity holders of the Company		**4,670,268**	1,300,877
Other comprehensive income			
Share of net gain on available-for-sale financial asset adjustment in investment in associate		**-**	118,180
Net gains on former associate available-for-sale financial assets transferred to profit and loss		**-**	(254,049)
Net change in fair value of available-for-sale financial assets		**(4,960,000)**	800,000
Other comprehensive income for the period, net of income tax		**(4,960,000)**	664,131
Total comprehensive income/(loss) for the period attributable to equity holders of the Company		**(289,732)**	1,965,008
Basic loss per share (cents per share)	7	**1.72**	(0.63)
Diluted loss per share (cents per share)	7	**1.72**	(0.63)

The Notes on pages 45 to 87 are an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
for the Year Ended 30 June 2011

ASSETS	Note	2011 $	2010 $
CURRENT ASSETS			
Cash and Cash Equivalents	8	**11,255,181**	15,026,236
Other Receivables	9	**87,156**	1,490
Other Assets	10	**22,393**	-
TOTAL CURRENT ASSETS		**11,364,730**	15,027,726
NON-CURRENT ASSETS			
Other Receivables	9	**3,443,225**	88,600
Available-For-Sale Financial Assets	11	**4,320,000**	7,600,000
Property, Plant and Equipment	13	**1,254,784**	755,283
Deferred Exploration and Evaluation Expenditure	14	**93,760,890**	26,205,695
Intangible Assets	15	**3,490,520**	-
TOTAL NON-CURRENT ASSETS		**106,269,419**	34,649,578
TOTAL ASSETS		**117,634,149**	49,677,304
LIABILITIES			
CURRENT LIABILITIES			
Trade and Other Payables	16	**4,184,408**	1,091,584
Employee Benefit Provisions	17	**186,297**	112,482
TOTAL CURRENT LIABILITIES		**4,370,705**	1,204,066
NON-CURRENT LIABILITIES			
Employee Benefit Provisions	17	**53,247**	-
Provision for Rehabilitation	17	**3,149,000**	-
TOTAL NON-CURRENT LIABILITIES		**3,202,247**	-
TOTAL LIABILITIES		**7,572,952**	1,204,066
NET ASSETS		**110,061,197**	48,473,238
EQUITY			
Issued Capital	18	**171,119,902**	113,384,013
Reserves	19	**499,341**	1,317,539
Accumulated Losses	19	**(61,558,046)**	(66,228,314)
TOTAL EQUITY		**110,061,197**	48,473,238

The Notes on pages 45 to 87 are an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS
for the Year Ended 30 June 2011

	Note	2011 $	2010 $
CASH FLOWS FROM OPERATING ACTIVITIES			
Payments to suppliers and employees		**(2,484,844)**	(1,227,397)
Interest received		**564,383**	513,616
Other		**1,850**	3,123
NET CASH FLOWS USED IN OPERATING ACTIVITIES	23	**(1,918,611)**	(710,658)
CASH FLOWS FROM INVESTING ACTIVITIES			
Exploration expenditure		**(9,558,789)**	(8,050,232)
Payments for investments		**(1,709,819)**	(1,950,000)
Cash acquired on purchase of subsidiary	24	**9,780,816**	-
Proceeds from sale of plant and equipment		**20**	-
Payments for property, plant and equipment		**(319,661)**	(468,155)
Payments for security deposit		**(45,010)**	(2,600)
NET CASH FLOWS USED IN INVESTING ACTIVITIES		**(1,852,444)**	(10,470,987)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from the issue of shares		**-**	22,000,000
Proceeds from the exercise of options		**-**	400,000
Costs associated with the issue of shares		**-**	(920,611)
NET CASH FLOWS FROM FINANCING ACTIVITIES		**-**	21,479,389
NET INCREASE/(DECREASE) IN CASH HELD		**(3,771,055)**	10,297,744
Cash at beginning of year		**15,026,236**	4,728,492
CASH AND CASH EQUIVALENTS AT END OF YEAR	23	**11,255,181**	15,026,236

The Notes on pages 45 to 87 are an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
for the Year Ended 30 June 2011

	Issued capital $	Other reserve $	Option reserve $	Accumulated losses $	Total Equity $
As at 1 July 2009	91,904,624	(65,343)	539,683	(67,529,191)	24,849,773
Profit for the period	-	-	-	1,300,877	1,300,877
Share of net gain on available for sale financial asset adjustment in investment in associate	-	118,180	-	-	118,180
Transfer of net gain on available for sale financial asset on derecognition of associate	-	(254,049)	-	-	(254,049)
Fair value change in the available-for-sale financial asset to other comprehensive income	-	800,000	-	-	800,000
Total comprehensive income for the period	-	664,131	-	1,300,877	1,965,008
Transactions with owners recorded directly in equity					
Shares issued	22,400,000	-	-	-	22,400,000
Share based payment	-	-	179,068	-	179,068
Transaction costs on share issue	(920,611)	-	-	-	(920,611)
As at 30 June 2010	**113,384,013**	**598,788**	**718,751**	**(66,228,314)**	**48,473,238**
As at 1 July 2010	113,384,013	598,788	718,751	(66,228,314)	48,473,238
Profit for the period	-	-	-	4,670,268	4,670,268
Share of net gain on available for sale financial asset adjustment in investment in associate	-	-	-	-	-
Transfer of net gain on available for sale financial asset on realisation	-	(800,000)	-	-	(800,000)
Fair value change in the available-for-sale financial asset to other comprehensive income	-	(4,160,000)	-	-	(4,160,000)
Total comprehensive income for the period	-	(4,960,000)	-	4,670,268	(289,732)
Transactions with owners recorded directly in equity	-	-	-	-	-
Shares issued on acquisition of subsidiary	57,735,889	-	-	-	57,735,889
Options issued on acquisition of subsidiary	-	-	3,967,093	-	3,967,093
Share based payment	-	-	174,709	-	174,709
Transaction costs on share issue	-	-	-	-	-
As at 30 June 2011	**171,119,902**	**(4,361,212)**	**4,860,553**	**(61,558,046)**	**110,061,197**

The Notes on pages 45 to 87 are an integral part of these consolidated financial statements.

NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

for the Year Ended 30 June 2011

1. REPORTING ENTITY

Westgold Resources Limited (the "Company") is a company domiciled in Australia. The consolidated financial statements of the Company as at and for the year ended 30 June 2011 comprise the Company, its subsidiaries (together referred to as the "Group" or "Consolidated Entity") and the Group's interest in associates.

2. BASIS OF PREPARATION

(a) Statement of compliance

The financial report is a general purpose financial report which has been prepared in accordance with Australian Accounting Standards (AASBs) (including Australian Interpretations) adopted by the Australian Accounting Standards Board (AASB) and the Corporations Act 2001. The consolidated financial report of the Group complies with International Financial Reporting Standards (IFRS's) and interpretations adopted by the International Accounting Standards Board.

The consolidated financial statements were approved by the Board of Directors on 26 September 2011.

(b) Basis of measurement

The consolidated financial statements have been prepared on the historical cost basis except for the following:

- available-for-sale financial assets are measured at fair value

The methods used to measure fair values are discussed further in note 3(g).

(c) Functional and presentation currency

The consolidated financial statements are presented in Australian dollars which is the functional currency of all the companies in the Group.

(d) Use of estimates and judgements

The preparation of the consolidated financial statements in conformity with IFRS's requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

In particular, information about significant areas of estimation uncertainty and critical judgements in applying accounting policies that have the most significant effect on the amount recognised in the financial statements are described in the following notes:

Note 6	Recoverability of deferred tax assets
Note 14	Deferred exploration and evaluation costs
Note 17 & 20	Provisions and contingencies
Note 27	Measurement of share based payments
Note 31	Valuation of financial instruments

3. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies set out below have been applied consistently to all periods, presented in these consolidated financial statements, and have been applied consistently across the Group except as noted in Note 3(b) and 3(r) relating to changes in accounting policies. The financial report includes financial statements for the consolidated entity consisting of the Company and its subsidiaries.

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(a) Principles of Consolidation

(i) Business combinations

Business combinations are accounted for using the acquisition method as at the acquisition date, which is the date on which the control is transferred to the Group. Control is the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. In assessing control, the Group takes into consideration potential voting rights that currently are exercisable

Acquisitions after 1 July 2009

For acquisitions after 1 July 2009, the Group measures goodwill at the acquisition date as:

- The fair value of the consideration transferred; plus
- The recognised amount of any non-controlling interests in the acquiree; plus if the business combination is achieved in stages, the fair value of the existing equity interest in the acquiree; less
- The net recognised amount (generally fair value of the identifiable assets acquired and liabilities assumed.

When the excess is negative, a bargain purchase gain is recognised immediately in profit or loss.

The consideration transferred does not include amounts related to the settlement of pre-existing relationships. Such amounts are generally recognised in profit or loss.

Costs related to the acquisition, other than those associated with the issue of debt or equity securities, that the Group incurs in connection with a business combination are expensed as incurred.

Any contingent consideration payable is recognised at fair value at the acquisition date. If the contingent consideration is classified as equity, it is not remeasured and settlement is accounted for within equity. Otherwise, subsequent changes to the fair value of the contingent consideration are recognised in profit or loss.

When share-based payment awards (replacement awards) are required to be exchanged for awards held by the acquiree's employees (acquiree's awards) and relate to past services, then all or a portion of the amount of the acquirer's replacement awards is included in measuring the consideration transferred in the business combination. This determination is based on the market-based value of the replacement awards compared with the market-based value of the acquiree's awards and the extent to which the replacement awards relate to past and/or future service.

(ii) Subsidiaries

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of the Company as at 30 June 2011 and the results of all subsidiaries for the year then ended. The Company and its subsidiaries together are referred to in this financial report as "the Group".

Subsidiaries are entities controlled by the Group. Control exists when the Group has the power, directly or indirectly, to govern the financial and operating policies of an entity so as to obtain benefits from its activities. In assessing control, potential voting rights that presently are exercisable or convertible are taken into account. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases. They are de-consolidated from the date that control ceases.

Investments in subsidiaries are carried at their cost of acquisition in the Company's financial statements.

(iii) Transactions eliminated on consolidation

Intra-group balances, and any unrealised income and expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements. Accounting policies of subsidiaries are consistent with the parent.

(iv) Associates (equity accounted investees)

Associates are those entities in which the Group has significant influence, but not control, over the financial and operating policies. Associates are accounted for using the equity method (equity accounting investees). The consolidated financial statements include the Group's share of the income and expenses of equity accounted investees, after adjustments to align the accounting policies with those of the Group, from the date that significant influence commences until the date that significant influence ceases. When the Group's share of losses exceeds its interest in an equity accounted investee, the carrying amount of that investment (including any long term investments) is reduced to nil and the recognition of further losses is discontinued except to the extent that the Group has an obligation or has made payments on behalf of the investee.

In the Company's financial statements, investments in associates are recognised and carried at fair value.

3 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(b) Segment Reporting

Determination and presentation of operating segments

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components. All operating segments' operating results are regularly reviewed by the Group's CEO to make decisions about resources to be allocated to the segment and assess its performance, and for which discrete financial information is available.

Segment results that are reported to the CEO include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items comprise mainly corporate assets (primarily the Company's headquarters), head office expenses, and income tax assets and liabilities.

Segment capital expenditure is the total cost incurred during the period to acquire property, plant and equipment, and intangible assets other than goodwill.

(c) Foreign currency translation

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

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

Non monetary items are measured in terms of historical cost in a foreign currency are translated using the exchange rate as at the date of the initial transaction.

All exchange differences in the consolidated financial report are recorded in profit and loss.

(d) Plant and Equipment

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

Costs include expenditures that are directly attributable to the acquisition of the asset.

The cost of replacing part of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Group and its cost can be measured reliably. The costs of the day-to-day servicing of property, plant and equipment are recognised in profit and loss as incurred.

Depreciation is calculated on a straight-line basis over the estimated useful life of the asset as follows:

Plant and equipment – over 3 to 5 years

Derecognition and disposal

An item of plant and equipment is derecognised upon disposal or when no further future economic benefits are expected from its use or disposal.

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 asset) is included in profit or loss in the year the asset is derecognised.

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(e) Impairment of non-financial assets

At each reporting date, the Group assesses whether there is any indication that an asset may be impaired. Recoverable amount is the higher of its fair value less costs to sell and value in use. It is determined for an individual asset, unless the asset's value in use cannot be estimated to be close to its fair value less costs to sell and it does not generate cash inflows that are largely independent of those from other assets or groups of assets, in which case, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

Where an indicator of impairment exists, the Group makes a formal estimate of 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. Where the carrying amount of an asset or cash generating unit exceeds its estimated recoverable amount the assets or cash generating unit is considered impaired and is written down to its recoverable amount.

The carrying amounts of non-current assets, other than exploration and evaluation expenditure carried forward are reviewed to determine if they are in excess of their recoverable amount at balance date. The recoverable amount is assessed on the basis of expected net cash flows which will be received from the assets employed and subsequent disposal. If the carrying amount of a non-current asset exceeds the recoverable amount, the asset is written down to the lower amount. In assessing recoverable amounts the relevant cash flows have not been discounted to their present value.

Amounts receivable from controlled entities are repayable on demand and therefore the fair value is the same as the face value of the debt. The recoverability of the amounts due is assessed at each reporting date with reference to the net asset position of the subsidiary. To the extent that the amounts receivable exceed the net asset position of the subsidiary, an allowance for non recovery is made. The allowance is subsequently reversed if the net assets of the subsidiary increase, but not to an amount greater than the face value of the debt. Impairments and subsequent reversals are recognised in the income statement in the period they arise.

(f) Financial Instruments

Non derivative financial instruments

Non derivative financial instruments comprise investments in equity securities, other receivables, cash and cash equivalents and trade and other payables.

Investments are classified as either financial assets at fair value through profit or loss, loans and receivables, held-to-maturity investments, or available-for-sale investments, as appropriate. When non-derivative financial instruments are recognised initially, they are measured at fair value, plus, in the case of investments not at fair value through profit or loss, directly attributable transactions costs.

A financial instrument is recognised if the Group becomes a party to the contracted provisions of the instrument. Financial assets are derecognised if the Group's contractual rights to the cash flows from that financial asset expire or if the Group transfers the financial asset to another party without retaining control or substantially all risks and rewards of the asset.

All regular way purchases and sales of financial assets are recognised on the trade date i.e. the date that the Group commits to purchase the asset. Regular way purchases or sales are purchases or sales of financial assets under contracts that require delivery of the assets within the period established generally by regulation or convention in the marketplace.

Other

Other non-derivative financial instruments are measured at amortised cost using the effective interest method.

Available-for-sale investments

The Group's investment in equity securities are classified as available-for-sale financial assets. After initial recognition available-for sale investments are measured at fair value with gains or losses being recognised as a separate component of equity other than impairment losses. When an investment is derecognised the cumulative gain or loss previously reported in equity is transferred to profit or loss.

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(g) Impairment of financial assets

A financial asset is considered to be impaired if objective evidence indicates that one or more events have had a negative effect on the estimated future cash flows of that asset.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount, and the present value of the estimated future cash flows discounted at the original effective interest rate. An impairment loss in respect of an available-for-sale financial asset is calculated by reference to its current fair value.

Individually significant financial assets are tested for impairment on an individual basis. The remaining financial assets are assessed collectively in groups that share similar credit risk characteristics.

All impairment losses are recognised in profit or loss. Any cumulative loss in respect of an available-for-sale financial asset recognised previously in equity is transferred to profit or loss.

An impairment loss is reversed if the reversal can be related objectively to an event occurring after the impairment loss was recognised. For financial assets measured at amortised cost and, the reversal is recognised in profit or loss. For available-for-sale financial assets that are equity securities, the reversal is recognised directly in equity.

(h) Deferred exploration and evaluation costs

Exploration for and evaluation of mineral resources is the search for mineral resources after the entity has obtained legal rights to explore in a specific area, as well as the determination of the technical feasibility and commercial viability of extracting the mineral resource. Accordingly, exploration and evaluation expenditures are those expenditures incurred by the Company in connection with the exploration for and evaluation of mineral resources before the technical feasibility and commercial viability of extracting mineral resources are demonstrable.

Accounting for exploration and evaluation expenditures is assessed separately for each area of interest. An area of interest is an individual geological area which is considered to constitute a favourable environment for the presence of a mineral deposit or has been proved to contain such a deposit.

Expenditure incurred on activities that precede exploration and evaluation of mineral resources, including all expenditure incurred prior to securing legal rights to explore an area, is expensed as incurred. For each area of interest the expenditure is recognised as an exploration and evaluation asset where the following conditions are satisfied.

a) The rights to tenure of the area of interest are current; and

b) At least one of the following conditions is also met:

    i. The expenditure is expected to be recouped through successful development and commercial exploitation of an area of interest, or alternatively by its sale; and

    ii. Exploration and evaluation activities in the area of interest have not, at reporting date, reached a stage which permits a reasonable assessment of the existence or otherwise of “economically recoverable reserves” and active and significant operations, in or in relation to, the area of interest are continuing. Economically recoverable reserves are the estimated quantity of product in an area of interest that can be expected to be profitably extracted, processed and sold under current and foreseeable conditions.

Exploration and evaluation assets include:

- Acquisition of rights to explore;
- Exploratory drilling, trenching and sampling; and
- Activities in relation to evaluating the technical feasibility and commercial viability of extracting the mineral resource.

General and administrative costs are allocated to, and included in, the cost of exploration and evaluation assets only to the extent that those costs can be related directly to the operational activities in the area of interest to which the exploration and evaluation assets relate. In all other instances, these costs are expensed as incurred.

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(h) Deferred exploration and evaluation costs (Continued)

Exploration and evaluation assets are classified as tangible or intangible according to the nature of the assets. As the assets are not yet ready for use, they are not depreciated. Assets that are classified as tangible assets include:

- Piping and pumps;
- Tanks; and
- Exploration vehicles and drilling equipment.

Assets that are classified as intangible assets include:-

- Drilling rights;
- Acquired rights to explore;
- Exploratory drilling costs; and
- Trenching and sampling costs.

Borrowing costs incurred in connection with the financing of exploration and evaluation activities are expensed as incurred.

Exploration and evaluation assets are transferred to Development Assets once technical feasibility and commercial viability of an area of interest is demonstrable. Exploration and evaluation assets are assessed for impairment, and any impairment loss is recognised, prior to being reclassified.

The carrying amount of the exploration and evaluation assets is dependent on successful development and commercial exploitation, or alternatively, sale of the respective area of interest.

Impairment testing of exploration and evaluation assets

Exploration and evaluation assets are assessed for impairment if sufficient data exists to determine technical feasibility and commercial viability or facts and circumstances suggest that the carrying amount exceeds the recoverable amount.

Exploration and evaluation assets are tested for impairment when any of the following facts and circumstances exist:

- The term of exploration licence in the specific area of interest has expired during the reporting period or will expire in the near future, and is not expected to be renewed;
- Substantive expenditure on further exploration for and evaluation of mineral resources in the specific area are not budgeted nor planned;
- Exploration for and evaluation of mineral resources in the specific area have not led to the discovery of commercially viable quantities of mineral resources and the decision was made to discontinue such activities in the specified area; or
- Sufficient data exist to indicate that, although a development in the specific area is likely to proceed, the carrying amount of the exploration and evaluation asset is unlikely to be recovered in full from successful development or sale.

Where potential impairment is indicated, an assessment is performed for each CGU which is no larger than the area of interest. The company performs impairment testing in accordance with the accounting policy 3(f).

(i) Cash and cash equivalents

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

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

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(j) 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.

(k) Trade and other payables

Trade payables and other payables are carried at amortised cost. 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.

(l) 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 reasonable estimate is made of the amount of the obligation.

The expense relating to any provision is presented in the income statement net of any reimbursement.

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

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

Provision for site restoration is recognised in respect of the estimated cost of rehabilitation, decommissioning and restoration of the area disturbed up to reporting date, but not rehabilitated. Such activities include dismantling infrastructure, removal and treatment of waste material, and land rehabilitation, including recontouring, topsoiling and revegetation of the disturbed area. The amount recognised as a liability represents the estimated future costs discounted to present value at a pre-tax rate that reflects current market assessment of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as a finance income in the income statement. At each reporting date, the site restoration provision is remeasured to reflect any changes in discount rates and timing or amounts of the costs to be incurred. Such changes in the estimated liability are accounted for prospectively from the date of the change and are added to or deducted from the related asset where it is probable that future economic benefits will flow to the entity.

(m) Revenue recognition

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

Finance Income

Finance income comprises interest income on funds invested (including available-for-sale financial assets), dividend income, gains on the disposal of available-for-sale financial assets and changes in the fair value of financial assets at fair value through profit or loss. Interest income is recognised as it accrues in profit or loss, using the effective interest method.

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(n) Contributed equity

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

(o) Earnings Per Share

Basic earnings per share is calculated as net profit attributable to members, 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, adjusted for:

- Costs 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 as expenses; and
- Other non-discretionary changes in revenues or expenses during the period that would result from the dilution of potential ordinary shares;

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

(p) 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.

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 on a straight line basis.

There were no leases classified as finance leases during the financial period.

q) Income tax

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

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

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

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

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

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(r) Income tax (Continued)

Unrecognised deferred income tax assets are reassessed at each balance sheet date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

The carrying amount of deferred income tax assets is reviewed at each balance sheet 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 income tax asset to be utilised.

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

Income taxes relating to items recognised directly in equity are recognised in equity and not in the statement of comprehensive income.

(i) Tax consolidation

The Company and its wholly-owned Australian resident entities have formed a tax-consolidated group with effect from 1 July 2002. The head entity within the tax-consolidated group is Westgold Resources Limited.

Current tax expense/income, deferred tax liabilities and deferred tax assets arising from temporary differences of the members of the tax-consolidated group are recognised in the separate financial statements of the members of the tax-consolidated group using the 'separate taxpayer within group' approach by reference to the carrying amounts of assets and liabilities in the separate financial statements of each entity and the tax values applying under tax consolidation.

Any current tax liabilities (or assets) and deferred tax assets arising from unused tax losses of the subsidiaries is assumed by the head entity in the tax-consolidated group and are recognised by the Company as amounts payable (receivable) to/(from) other entities in the tax-consolidated group in conjunction with any tax funding arrangement amounts (refer below). Any difference between these amounts is recognised by the Company as an equity contribution or distribution.

The Company recognises deferred tax assets arising from unused tax losses of the tax-consolidated group to the extent that it is probable that future taxable profits of the tax-consolidated group will be available against which the asset can be utilised.

Any subsequent period adjustment to deferred tax assets arising from unused tax losses as a result of revised assessments of the probability of recoverability is recognised by the head entity only.

(ii) Nature of tax funding arrangements and tax sharing arrangements

The head entity, in conjunction with other members of the tax-consolidated group, has entered into a tax funding arrangement which sets out the funding obligations of members of the tax-consolidated group in respect of tax amounts. The tax funding arrangements require payments to/from the head entity equal to the current tax liability/(asset) assumed by the head entity and any tax-loss deferred tax asset assumed by the head entity, resulting in the head entity recognising an inter-entity receivable/(payable) equal in amount to the tax liability/(asset) assumed. The inter-entity receivables/(payables) are at call.

Contributions to fund the current tax liabilities are payable as per the tax funding arrangement and reflect the timing of the head entity's obligation to make payment for tax liabilities to the relevant tax authorities.

The head entity in conjunction with other members of the tax-consolidated group, has also entered into a tax sharing agreement. The tax sharing agreement provides for the determination of the allocation of income tax liabilities between the entities should the head entity default on its tax payment obligations. No amounts have been recognised in the financial statements in respect of this agreement as payment of any amounts under the tax sharing agreement is considered remote.

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(s) Goods and services tax

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

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

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the balance sheet.

Cash flows are included in the Cash Flow Statement 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.

(t) Employees benefits

(i) Defined contribution superannuation funds

Obligations for contributions to defined contribution superannuation funds are recognised as an expense in profit or loss when they are due.

(ii) Short-term benefits

Liabilities for employee benefits for wages, salaries, annual leave and sick leave represent present obligations resulting from employees' services provided to reporting date and are calculated at undiscounted amounts based on remuneration wage and salary rates that the Group expects to pay as at reporting date including related on-costs, such as workers compensation insurance and payroll tax.

(iii) 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 expected future wage and salary levels, experience of employee departures, and periods of service. Expected future payments are discounted using market yields at the reporting date on national government bonds with terms to maturity and currencies that match, as closely as possible, the estimated future cash outflows.

(iv) Share-based payment transactions

The grant date fair value of share-based payment awards granted to employees is recognised as an employee expense, with a corresponding increase in equity, over the period that the employees unconditionally become entitled to the awards. The amount recognised as an expense is adjusted to reflect the number of awards for which the related service and non-market vesting conditions are expected to be met, such that the amount ultimately recognised as an expense is based on the number of awards that do not meet the related service and non-market performance conditions at the vesting date. For share-based payment awards with non-vesting conditions, the grant date fair value of the share-based payment is measured to reflect such conditions and there is no true-up for differences between expected and actual outcomes.

New accounting standards and interpretations

The following standards, amendments to standards and interpretations have been identified as those which may impact the entity in the period of initial application. They are available for early adopt at 30 June 2011 but have not been applied in preparing this financial report.

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

These are outlined in the table below.

Reference	Title	Summary	Application Date of Standard	Application Date for Consolidated Entity
AASB 2009-11	Amendments to Australian Accounting Standards arising from AASB 9 [AASB 1, 3, 4, 5, 7, 101, 102, 108, 112, 118, 121, 127, 131, 132, 136, 139, 1023 and 1038 and Interpretations 10 and 12]	These amendments arise from the issuance of AASB 9 Financial Instruments that sets out requirements for the classification and measurement of financial assets. The requirements in AASB 9 form part of the first phase of the IASB's project to replace IAS 39 Financial Instruments: Recognition and Measurement. This Standard shall be applied when AASB 9 is applied.	1 January 2013	1 July 2013
AASB 2009-14	Amendments to Australian Interpretation – Prepayments of a Minimum Funding Requirement	These amendments arise from the issuance of Prepayments of a Minimum Funding Requirement (Amendment to IFRIC 14). The requirements of IRFIC 14 meant that some entities could not treat any surplus in a defined benefit pension plan as an economic benefit. The amendment requires entities to treat the benefit of such an early payment as a pension asset. Subsequently, the remaining surplus in the plan, if any, is subject to the same analysis as if no prepayment had been made.	1 January 2011	1 July 2011
AASB 9 Financial Instruments	Amendments to Australian Accounting Standard - Financial Instruments and its associated amending standards	AASB 9 includes requirements for the classification and measurement of financial assets resulting from the first part of Phase 1 of the IASB's project to replace IAS 39 Financial Instruments: Recognition and Measurement (AASB 139 Financial Instruments: Recognition and Measurement). These requirements improve and simplify the approach for classification and measurement of financial assets compared with the requirements of AASB 139. The main changes from AASB 139 are described below. Financial assets are classified based on (1) the objective of the entity's business model for managing the financial assets; (2) the characteristics of the contractual cash flows. This replaces the numerous categories of financial assets in AASB 139, each of which had its own classification criteria. AASB 9 allows an irrevocable election on initial recognition to present gains and losses on investments in equity instruments that are not held for trading in other comprehensive income. Dividends in respect of these investments that are a return on investment can be recognised in profit or loss and there is no impairment or recycling on disposal of the instrument. Financial assets can be designated and measured at fair value through profit or loss at initial recognition if doing so eliminates or significantly reduces a measurement or recognition inconsistency that would arise from measuring assets or liabilities, or recognising the gains and losses on them, on different bases.	1 January 2013	1 July 2013

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Reference	Title	Summary	Application Date of Standard	Application Date for Consolidated Entity
AASB 124 (Revised)	Related Party Disclosures (December 2009)	The revised AASB 124 simplifies the definition of a related party, clarifying its intended meaning and eliminating inconsistencies from the definition, including: a) the definition now identifies a subsidiary and an associate with the same investor as related parties of each other; (b) entities significantly influenced by one person and entities significantly influenced by a close member of the family of that person are no longer related parties of each other; and (c) the definition now identifies that, whenever a person or entity has both joint control over a second entity and joint control or significant influence over a third party, the second and third entities are related to each other. A partial exemption is also provided from the disclosure requirements for government-related entities. Entities that are related by virtue of being controlled by the same government can provide reduced related party disclosures.	1 January 2011	1 July 2011
AASB 2010-4	Further Amendments to Australian Accounting Standards arising from the Annual Improvements Project [AASB 1, AASB 7, AASB 101, AASB 134 and Interpretation 13]	Emphasises the interaction between quantitative and qualitative AASB 7 disclosures and the nature and extent of risks associated with financial instruments. Clarifies that an entity will present an analysis of other comprehensive income for each component of equity, either in the statement of changes in equity or in the notes to the financial statements. Provides guidance to illustrate how to apply disclosure principles in AASB 134 for significant events and transactions. Clarifies that when the fair value of award credits is measured based on the value of the awards for which they could be redeemed, the amount of discounts or incentives otherwise granted to customers not participating in the award credit scheme, is to be taken into account.	1 January 2011	1 July 2011
AASB 2010-5	Amendments to Australian Accounting Standards [AASB 1, 3, 4, 5, 101, 107, 112, 118, 119, 121, 132, 133, 134, 137, 139, 140, 1023 & 1038 and Interpretations 112, 115,127, 132, & 1042]	This Standard makes numerous editorial amendments to a range of Australian Accounting Standards and Interpretations, including amendments to reflect changes made to the text of IFRS by the IASB. These amendments have no major impact on the requirements of the amended pronouncements.	1 January 2011	1 July 2011
AASB 2010-6	Amendments to Australian Accounting Standards – Disclosures on Transfers of Financial Assets [AASB 1 & 7]	The amendments increase the disclosure requirements for transactions involving transfers of financial assets. They require enhancements to the existing disclosures in IFRS 7 where an asset is transferred but is not derecognised and introduce new disclosures for assets that are derecognised but the entity continues to have exposure to the asset after the sale.	1 July 2011	1 July 2011

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Reference	Title	Summary	Application Date of Standard	Application Date for Consolidated Entity
AASB 2010-7	Amendments to Australian Accounting Standards arising from AASB 9 (December 2010)	The requirements for classifying and measuring financial liabilities were added to AASB 9. The existing requirements for the classification of financial liabilities and the ability to use the fair value option have been retained. However, where the fair value option is used for financial liabilities the change in fair value is accounted for as follows: The change attributable to changes in credit risk is presented in other comprehensive income. The remaining change is presented in profit or loss. If this approach creates or enlarges an accounting mismatch in the profit or loss, the effect of the changes in credit risk are also presented in profit or loss.	1 January 2013	1 July 2013
AASB 2010-8	Amendments to Australian Accounting Standards – Deferred Tax: Recovery of Underlying Assets [AASB 112]	These amendments address the determination of deferred tax on investment property measured at fair value and introduce a rebuttable presumption that deferred tax on investment property measured at fair value should be determined on the basis that the carrying amount will be recoverable through sale. The amendments also incorporate SIC-21 Income Taxes – Recovery of Revalued Non-Depreciable Assets into AASB 112.	1 January 2012	1 July 2012
AASB 1053	Application of Tiers of Australian Accounting Standards	This Standard establishes a differential financial reporting framework consisting of two Tiers of reporting requirements for preparing general purpose financial statements: (a) Tier 1: Australian Accounting Standards (b) Tier 2: Australian Accounting Standards – Reduced Disclosure Requirements Tier 2 comprises the recognition, measurement and presentation requirements of Tier 1 and substantially reduced disclosures corresponding to those requirements. The following entities apply Tier 1 requirements in preparing general purpose financial statements: (a) For-profit entities in the private sector that have public accountability (as defined in this Standard) (b) The Australian Government and State, Territory and Local Governments. The following entities apply either Tier 2 or Tier 1 requirements in preparing general purpose financial statements: (a) For-profit private sector entities that do not have public accountability. (b) All not-for-profit private sector entities Public sector entities other than the Australian Government and State, Territory and Local Governments.	1 July 2013	1 July 2013

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Reference	Title	Summary	Application Date of Standard	Application Date for Consolidated Entity
AASB 1054	Australian Additional Disclosures	This standard is as a consequence of phase 1 of the joint Trans-Tasman Convergence project of the AASB and FRSB. This standard relocates all Australian specific disclosures from other standards to one place and revises disclosures in the following areas: (a) Compliance with Australian Accounting Standards (b) The statutory basis or reporting framework for financial statements (c) Whether the financial statements are general purpose or special purpose (d) Audit fees (e) Imputation credits	1 July 2011	1 July 2011
*	Consolidated Financial Statements IFRS 10	IFRS 10 establishes a new control model that applies to all entities. It replaces parts of IAS 27 Consolidated and Separate Financial Statements dealing with the accounting for consolidated financial statements and SIC- 12 Consolidation – Special Purpose Entities. The new control model broadens the situations when an entity is considered to be controlled by another entity and includes new guidance for applying the model to specific situations, including when acting as a manager may give control, the impact of potential voting rights and when holding less than a majority voting rights may give control. This is likely to lead to more entities being consolidated into the group.	1 January 2013	1 July 2013
*	Joint Arrangements IFRS 11	IFRS 11 replaces IAS 31 Interests in Joint Ventures and SIC-13 Jointly- controlled Entities – Non-monetary Contributions by Ventures. IFRS 11 uses the principle of control in IFRS 10 to define joint control, and therefore the determination of whether joint control exists may change. In addition IFRS 11 removes the option to account for jointly controlled entities (JCEs) using proportionate consolidation. Instead, accounting for a joint arrangement is dependent on the nature of the rights and obligations arising from the arrangement. Joint operations that give the venturers a right to the underlying assets and obligations themselves is accounted for by recognising the share of those assets and obligations. Joint ventures that give the venturers a right to the net assets is accounted for using the equity method. This may result in a change in the accounting for the joint arrangements held by the group.	1 January 2013	1 July 2013
*	Disclosure of Interests in Other Entities IFRS 12	IFRS 12 includes all disclosures relating to an entity's interests in subsidiaries, joint arrangements, associates and structures entities. New disclosures have been introduced about the judgements made by management to determine whether control exists, and to require summarised information about joint arrangements, associates and structured entities and subsidiaries with non-controlling interests.	1 January 2013	1 July 2013

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Reference	Title	Summary	Application Date of Standard	Application Date for Consolidated Entity
*	Fair Value Measurement IFRS 13	IFRS 13 establishes a single source of guidance under IFRS for determining the fair value of assets and liabilities. IFRS 13 does not change when an entity is required to use fair value, but rather, provides guidance on how to determine fair value under IFRS when fair value is required or permitted by IFRS. Application of this definition may result in different fair values being determined for the relevant assets. IFRS 13 also expands the disclosure requirements for all assets or liabilities carried at fair value. This includes information about the assumptions made and the qualitative impact of those assumptions on the fair value determined.	1 January 2013	1 July 2013

* The AASB has not issued these standards, which were finalised by the IASB in May 2011.

The impact of the adoption of these new and revised standards and interpretations has not been determined by the Company.

4. REVENUES

	2011 $	2010 $
The profit before income tax includes the following revenues whose disclosure is relevant in explaining the performance of the entity.		
(a) Other income		
Sundry income	**1,850**	3,123
b) Finance income		
Interest received – other parties	**587,883**	513,616

5. EXPENSES AND LOSSES

	2011 $	2010 $
a) Depreciation		
Depreciation of plant & equipment	**214,317**	144,412
	214,317	144,412
b) Other expenses		
(i) Employee benefits expense		
Wages and salaries	**950,848**	490,446
Superannuation expenses	**45,756**	39,563
Other employee benefits	**25,286**	16,550
Share based payments	**1,907**	179,068
Total employee benefits	**1,023,797**	725,627
(ii) Administration and other expenses		
Operating lease rentals	**91,867**	58,166
Legal and professional fees	**150,527**	84,963
Administration expenses	**1,025,035**	681,849
Loss on disposal of property plant and equipment	**14,210**	6,714
Total administration and other expenses	**1,281,639**	831,692
Total other expenses	**2,305,436**	1,557,319
(c) Auditor's Remuneration		
Remuneration received, or due and receivable, by the auditor of the Company and its affiliates for:		
Audit and review of the financial statements of the Company and other entities in the Group	**111,038**	66,103
Other services in relation to the Company and any other entity in the Group	**1,437**	-
	112,475	66,103

6. INCOME TAX

A reconciliation between tax expense and the product of accounting profit before income tax multiplied by the applicable income tax rate is as follows:

	2011 $	2010 $
(a) Numerical reconciliation between aggregate tax expense recognised in the income statement and tax expense calculated per the statutory income rate	**1,179,748**	1,300,877
At the Group's statutory income rate 30% (2010: 30%)	**353,294**	390,263
Adjustments in respect of current year income tax		
Share-based payments expense	**572**	53,720
Other non-deductible items	**88,466**	11,925
Gain on deemed sale of equity accounted financial assets	**-**	(564,852)
Share of associate's loss	**-**	255,161
Gain realised on consolidation	**(1,668,054)**	-
Stamp duty on acquisition	**600,000**	-
	(625,092)	146,217
Reversal/(recognition) of previously unrecognised tax loses	**625,092**	(146,217)
Deferred Tax Asset (DTA) on temporary differences and tax losses brought to account at balance date	**3,490,520**	-
Income tax benefit for the year	**3,490,520**	-
Deferred income tax		
Deferred income tax at 30 June relates to the following:		
Deferred tax liabilities		
Capitalised mining and exploration expenditure	**(14,581,297)**	(7,859,956)
Property, plant and equipment	**(27,092)**	-
Available-for-sale financial assets	**-**	(1,671,922)
Gross deferred tax liabilities	**(14,608,389)**	(9,531,878)
Deferred tax assets		
Income tax losses	**17,657,692**	14,551,861
Rehabilitations provisions	**944,700**	-
Available-for-sale financial assets	**600,000**	-
Other temporary differences	**24,844**	24,844
Deferred tax assets not recognised	**(4,618,847)**	(8,388,671)
Gross deferred tax assets	**(14,608,389)**	9,531,878
Deferred tax income/(expense)	**-**	-
Net deferred tax recognised in the balance sheet	**-**	-

The deferred tax assets not recognised have not been brought to account at balance date as the realisation of these is not probable.

This benefit (which has been calculated as 30% of losses and deductions available) will only be obtained if:

(i) The Company derives future assessable income of a nature and of an amount sufficient to enable the benefit from the deductions for the losses to be realised;

(ii) The Company continues to comply with the conditions for deductibility imposed by the tax legislation; and

(iii) No changes in tax legislation adversely affect the Company in realising the benefit from the deduction for the losses.

The consolidated entity's carried forward tax losses at balance date are $58,858,972(2010: $48,506,202).

6. INCOME TAX (CONTINUED)

Tax consolidation

Effective 1 July 2002, for the purposes of income taxation, Westgold Resources Limited and its 100% owned subsidiaries have formed a tax consolidated group. Members of the group have entered into a tax funding agreement in order to allocate income tax expense to the wholly-owned subsidiaries on a pro-rata basis. In addition, the agreement provides for the allocation of income tax liabilities between the entities should the head entity default on its tax payment obligations. At the balance date, the possibility of default is remote. The head entity of the tax consolidated group is Westgold Resources Limited.

7. EARNINGS PER SHARE

The following reflects the income and share data used in the calculations of basic and diluted earnings per share.

	2011 $	2010 $
Net profit	**4,670,268**	1,300,877
Number of ordinary shares		
Weighted average number of ordinary shares used in the calculation of the basic earnings per share	**270,795,664**	207,251,006
Effect of dilutive securities:		
Share Options	**302,544**	-
Adjusted weighted number of ordinary shares used in calculating diluted earnings per share	**271,098,208**	207,251,006

There were a further 3,050,000 (2010: 4,075,000) potential ordinary shares (options) not considered to be dilutive.

8. CASH AND CASH EQUIVALENTS

	2011 $	2010 $
Cash at bank and in hand	**161,656**	339,025
Short term deposits	**11,093,525**	14,687,211
	11,255,181	15,026,236

Cash at bank and in hand earns interest at floating rates based on daily bank deposit rates. Short term deposit are made for varying periods of between one day and one month depending on the immediate cash requirements of the Company and earns interest at the respective short term deposit rates. Short term deposits have an average maturity of 30 days and have a floating interest rate which has averaged 5.35% (2010: 4.25%).

9. OTHER RECEIVABLES

	2011 $	2010 $
CURRENT		
Other debtors	**87,156**	1,490
	87,156	1,490
NON CURRENT		
Security deposits	**3,443,225**	88,600
	3,443,225	88,600

10. OTHER ASSETS

	2011 $	2010 $
CURRENT		
Prepayments	**22,393**	-
	22,393	-

11. OTHER INVESTMENTS

	2011 $	2010 $
Available-for-sale financial assets	**4,320,000**	7,600,000
	4,320,000	7,600,000

(i) The Company has a 9.74% (2010: nil) interest in Rum Jungle Limited that it obtained via the acquisition of Aragon Resources Limited.

(ii) The Company held a 19.7% interest in Aragon Resources Limited at 30 June 2010. During the current financial year the Company acquired all the issued capital of Aragon.

12. INVESTMENT IN ASSOCIATES

On 14 January 2010 Aragon Resources Limited ceased to be an associate of Westgold and was subsequently treated as an available-for-sale financial asset and carried at fair value. On 7 April 2011 Aragon became a wholly-owned subsidiary of Westgold following an off-market takeover (refer Note 25).

Aragon Resources Limited became an associate of Westgold from 1 July 2007 and was treated as an investment in associate for accounting purposes up until 14 January 2010. Westgold held a 19.75% interest in Aragon at 30 June 2010.

Summary financial information for Aragon not adjusted for the percentage ownership held by the Group at the time the investment in associate ceased (14 January 2010):

	2011 $	2010 $
Current assets	-	10,484,423
Non-current assets	-	3,792,695
Total assets	-	14,277,118
Current liabilities	-	6,089,158
Non-current liabilities	-	83,818
Total liabilities	-	6,172,976
Net Assets	-	8,104,142
Revenues	-	91,885
Administration expenses	-	(688,061)
Exploration expenditure written off	-	(2,101,698)
Income tax benefit	-	140,548
Net gains on available-for-sale financial assets	-	366,450
Loss	-	2,190,876

At 30 June 2010 Westgold held a 19.75% interest in Aragon. The Group's share of loss in its investment in associate up until the time it ceased to be an associate for the year ended 30 June 2010 was $850,538.

	2011 $	2010 $
Reconciliation		
A reconciliation of the movement in the investment in associate is set out below.		
Opening balance	-	2,500,000
Additional investment	-	1,950,000
Share of associate's loss	-	(850,538)
Provision for diminution in associate	-	-
Share of associate's net gain on available for sale financial asset	-	118,180
Reversal of prior period impairment expense	-	1,199,518
Transfer to available-for-sale financial asset	-	(4,917,160)
Closing balance	-	-

At the time of ceasing to be an investment in associate Westgold recorded a gain of $1,882,840 to reflect the measurement to fair market value of the available-for-sale financial asset being the investment in Aragon.

13. PROPERTY, PLANT AND EQUIPMENT

	2011 $	2010 $
(a) At cost		
Land and buildings	**601,936**	329,331
Accumulated depreciation	**(36,039)**	(19,157)
	565,897	310,174
Plant and Equipment	**1,289,869**	733,322
Accumulated depreciation	**(600,982)**	(288,213)
	688,887	445,109
	1,254,784	755,283
(b) Reconciliation		
Land and buildings:		
Carrying amount at beginning	**310,174**	214,371
Acquisition of subsidiary (note 23)	**239,378**	-
Additions	**33,227**	111,358
Depreciation charge for year	**(16,882)**	(15,555)
	565,897	310,174
Plant and Equipment:		
Carrying amount at beginning	**445,109**	223,882
Acquisition of subsidiary (note 23)	**169,009**	-
Additions	**286,431**	356,881
Disposals	**(14,227)**	(6,797)
Depreciation charge for the year	**(197,435)**	(128,857)
	688,887	445,109

14. DEFERRED EXPLORATION AND EVALUATION EXPENDITURE

	2011 $	2010 $
Costs carried forward in respect of areas of interest in:		
Carrying amount of exploration and evaluation	**93,760,890**	26,205,695
Reconciliation		
A reconciliation of the carrying amounts of exploration and evaluation expenditure is set out below.		
Exploration and/or evaluation expenditure		
Carrying amount at beginning of year	**26,205,695**	17,957,674
Acquisition of subsidiary (note 23)	**57,969,325**	-
Additions	**10,036,283**	8,248,021
Expenditure written off	**(450,413)**	-
Carrying amount at end of year	**93,760,890**	26,205,695

14. DEFERRED EXPLORATION AND EVALUATION EXPENDITURE (CONTINUED)

Ultimate recoupment of costs carried forward in respect of areas of interest in the exploration and evaluation phases is dependent on successful development and commercial exploitation, or alternatively, sale of the respective areas. The consolidated entity has an interest in certain exploration tenements and the amounts shown above include amounts expended to date in the acquisition and/or exploration of those tenements. Please refer to Note 21 for details on the AngloGold Ashanti Clawback Agreement.

Impairment - During the year a review was undertaken of each area of interest to determine the appropriateness of continuing to carry forward costs in relation to that area of interest. Exploration and evaluation expenditure of $450,413 (2010: nil) was written off to the consolidated statement of comprehensive income. The major expenditure written off related to the Lake Darlot group of tenements.

15. INTANGIBLE ASSETS

	2011 $	2010 $
Goodwill	**3,490,520**	-

As a result of an acquisition through business combinations (refers Note 25) goodwill was generated. As at balance date there is no impairment on the goodwill balance.

16. TRADE AND OTHER PAYABLES

	2011 $	2010 $
CURRENT		
Unsecured Liabilities:		
Trade creditors and accruals	**4,184,408**	1,091,584
	4,184,408	1,091,584

17. PROVISIONS

		2011 $	2010 $
CURRENT			
Provision for annual leave		**186,297**	112,482
NON CURRENT			
Provision for long service leave		**53,247**	-
Provision for rehabilitation	(a)	**3,149,000**	-
		3,202,247	-

(a) Provision for Rehabilitation

Environmental obligations associated with the retirement or disposal and/or of exploration properties 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 future expenditure. The rehabilitation liability is remeasured at each reporting period in line with the change in the time value money (recognised as an interest expense in the Income Statement 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.

(b) Movements in Provisions

At 1 July	**-**	-
Arising during the year	**-**	-
Arising from acquisition (note 24)	**3,149,000**	-
Unwind of discount	**-**	-
At 30 June	**3,149,000**	-

18. CONTRIBUTED EQUITY

	2011 $	2010 $
(a) Ordinary Shares		
Issued and paid up capital 414,178,651 fully paid ordinary shares (2010: 227,933,846)	**171,119,902**	113,384,013

(a) The Company's shares have no par value and there is no limit to the amount of authorised capital.

Movements in shares on issue	2011		2010	
	Number of shares	$	Number of shares	$
On issue at 1 July	**227,933,846**	**113,384,013**	170,933,846	91,904,624
Issued during the year				
- exercise of options [1]	**-**	**-**	2,000,000	400,000
- acquisition of subsidiary [2]	**186,244,805**	**57,735,889**	-	-
- share placement [3]	**-**	**-**	55,000,000	22,000,000
- less: transaction costs	**-**	**-**	-	(920,611)
On issue at 30 June – fully paid	**414,178,651**	**171,119,902**	227,933,846	113,384,013

1 In the previous financial year, 2,000,000 unlisted options were exercised at an exercise price of $0.20 each.
2 The Company issued 186,244,805 fully paid ordinary shares as partial consideration for the acquisition of Aragon Resources Limited at a deemed acquisition date of 7 April 2011.
3 In October 2009 the Company placed 55,000,000 ordinary shares at an issue price of $0.40 each to institutional and sophisticated investors.

(b) Terms and conditions of contributed equity

Ordinary Shares

Ordinary shares have the right to receive dividends as declared and, in the event of winding up of the Company, to participate in the proceeds from the sale of all surplus assets in proportion to the number of, and amounts paid up on shares held. Ordinary shares entitle their holder to one vote, either in person or by proxy, at a meeting of the Company.

19. RESERVES AND ACCUMULATED LOSSES

	2011 $	2010 $
Other reserve	**(201,212)**	598,788
Options reserve	**4,860,553**	718,751
Net unrealised gains reserve	**(4,160,000)**	-
	499,341	1,317,539
Accumulated losses	**(61,558,046)**	(66,228,314)

(a) Nature and purpose of reserves

Other reserve - The other reserve is used to record movements that are not attributed to a directly recognised reserve.

Option reserve - The option reserve is used to record the value of the share based payments provided to employees, including key management personnel, as part of their remuneration. Refer to Note 24 for further details of the Employee Share Option Plan.

Not unrealised gains reserve - This reserve records the movements in the fair value of available-for-sale investments.

20. CAPITAL AND OTHER COMMITMENTS

Operating lease commitments

	2011 $	2010 $
Future operating lease rentals of office space provided for in the financial statements and payable:		
- not later than one year	-	7,231
- later than one year but not later than five years	-	-
	-	7,231

(a) Remuneration commitments

	2011 $	2010 $
Commitments for the payment of salaries and other remuneration under long term contracts in existence at reporting date but not recognised as liabilities, payable:		
- not later than one year	**169,174**	93,283
Amounts disclosed are remuneration commitments that relate to termination payments arising from employment agreements of Directors and Executives referred to in the Remuneration Report. The amounts are not recognised as liabilities and are not included in the Directors or Executive Remuneration.	-	-

(b) Exploration commitments

	2011 $	2010 $
In order to maintain current rights of tenure to exploration permits, the consolidated entity has certain obligations to expend minimum amounts of money. The following exploration expenditure requirements have not been provided for in the financial report and are payable:	-	-
- not later than one year	**1,849,359**	1,728,254
- after one year but not more than 5 years	**1,533,477**	-
	3,382,836	1,728,254

The Company has no capital expenditure commitments to perform minimum exploration works and/or to expend minimum amounts of money on such works in designated exploration areas as it holds no exploration tenements. All exploration tenements are held through subsidiaries.

21. CONTINGENT LIABILITIES AND ASSETS

(a) As at 30 June 2011, the Company had a bank guarantee outstanding of $50,000 (2010: $50,000) in favour of the Central Land Council over tenements in the Northern Territory. This guarantee will only be called upon if the Company fails to meet its environmental obligations in respect of certain mining leases, as if it fails to meet its obligations under the agreement with the Central Land Council. The bank guarantee is secured against a cash deposit with the bank that has issued the guarantee (refer to Note 9).

(b) As at 30 June 2011, the Group had bank guarantees outstanding totalling $10,000 (2010: $10,000) in favour of the Minister for Mines. These guarantees will only be called upon if the Group fails to meet its environmental obligations in respect of certain mining leases, or if it fails to meet its obligations under the lease. All of the bank guarantees are secured against cash deposits with the bank that has issued the guarantees.

(c) As at 30 June 2011, the Group had bank guarantees outstanding totalling $51,140 (2010: $28,600) in favour of the Northern Territory Department of Resources. These guarantees will only be called upon if the Group fails to meet its environmental obligations in respect of certain mining leases, or if it fails to meet its obligations under the lease. All of the bank guarantees are secured against cash deposits with the bank that has issued the guarantees.

(d) As at 30 June 2011, the Group had several performance bonds outstanding for a total of $3,149,000 (2010: nil) in favour of the Department of Mines and Petroleum over tenements in Western Australia. These performance bonds will only be called upon if the Consolidated Entity fails to meet its environmental obligations in respect of certain mining leases, or if it fails to meet its obligations under the agreement with the Department of Mines and Petroleum. The performance bonds are secured against a cash deposit with the bank has issued the performance bonds.

(e) AngloGold Ashanti Clawback Agreement - AngloGold holds the right to earn back a 75% interest in any individual resource defined within the tenements acquired from AngloGold (with the exception of Rover 1 and Explorer 108), under specific terms, conditions, specified payments and performance hurdles. On 1 September 2010 Westgold announced it had agreed with AngloGold various amendments to the Clawback Agreement for future prospects.

1. If Westgold define a JORC compliant resource of 500,000 AuEq ounces or more within the defined tenements then:

(a) Westgold must advise AngloGold within 7 days of the resource estimate;

(b) AngloGold must define an area of interest ("AOI") of no less than 20 sq km's and up to 150 sq km centred on the JORC compliant resource;

(c) AngloGold has 9 months to notify Westgold whether it wishes to exercise its claw-back option to proceed with the claw-back of a 75% interest.

2. Should AngloGold exercise its claw-back option it must fulfil all of the following obligations to earn its 75% claw-back interest:

(a) Reimburse Westgold three times (3x) its past expenditure on the tenement containing the AOI the subject of the claw-back (but excluding any expenditure relating to previous AOI's on the same tenement whether or not the option to claw-back was exercised in respect to such AOI);

(b) Define a JORC compliant resource of at least 2 million AuEq ounces within 30 months from the date of the exercise of the claw-back option; and

(c) Complete a detailed feasibility study on the AOI within 5 years from the date of exercising the option (i.e. Inclusive of the 30 months to define the 2 million AuEq ounces), although AngloGold may request that Westgold agree to an extension of time to complete the feasibility study and such an extension shall not be unreasonably withheld by Westgold.

21. CONTINGENT LIABILITIES AND ASSETS (CONTINUED)

In addition, the parties have agreed:

1. The measure for AuEq to be related to the primary commodity and the next most valuable co-commodity only and using commodity prices at the time of notification.
2. If Westgold makes an application for a Mineral Lease ("MLA") over an area which contains a JORC compliant resource of less than 500,000 AuEq ounces it will trigger an equivalent claw-back right by AngloGold within that area of the MLA only.
3. AngloGold may conduct sole risk exploration on any part of the tenement areas for the purposes of making a decision with respect to a claw-back.

22. CONTROLLED ENTITIES

The following were controlled entities during the financial year, and have been included in the consolidated financial statements. The financial years of all controlled entities are the same as that of the Company.

	Place of Incorporation and Operation	Type of Shares	Book Value of Investment		% of Shares Held	
			2011 $	2010 $	2011 $	2010 $
Westgold Resources Limited	Australia					
Controlled Entities:						
Castle Hill Resources NL	Australia	Ordinary	**-**	-	**100**	100
Delta Oil & Gas Pty Ltd	Australia	Ordinary	**25**	25	**100**	100
Saracen Management Pty Ltd	Australia	Ordinary	**1**	1	**100**	100
Castile Resources Pty Ltd	Australia	Ordinary	**2**	2	**100**	100
Aragon Resources Pty Ltd	Australia	Ordinary	**75,945,786**	-	**100**	100
			75,945,814	**28**		
Subsidiary Companies of AAG						
Fulcrum Resources Pty Ltd	Australia	Ordinary	**3,171,607**	-	**100**	**-**
Big Bell Gold Operations Pty Ltd	Australia	Ordinary	**8,006,080**	-	**100**	**-**
			11,177,687	**-**		

23. STATEMENT OF CASH FLOWS

(a) Reconciliation of the Net Profit after Income Tax to the Net Cash Flows of the Operations

	2011 $	2010 $
Net profit	**4,670,268**	1,300,177
Non-cash items:		
- Depreciation	**214,317**	144,412
- Loss on sale of plant and equipment	**14,210**	6,714
- Share of associate's net loss	**-**	850,538
- Reversal of provision for diminution	**-**	(1,199,518)
- Share based payments	**1,907**	179,068
- Write off of exploration expenditure	**450,413**	-
- Net change in fair value of available-for-sale financial assets	**-**	(1,882,840)
Provision for stamp duty	**(2,000,000)**	-
- Re-classification of share of net gains from investment in associate	**-**	(254,049)
- Gain on realisation of available-for-sale financial assets	**(5,560,181)**	-
- Income tax benefit	**3,490,520**	-
Changes in assets and liabilities:		
- Increase)/decrease in receivables	**(85,666)**	37,922
- (Increase) in prepayments	**(22,393)**	-
- Icrease/(decrease) in trade and other creditors	**(3,219,068)**	44,364
- Increase/(decrease) in employee entitlements	**127,062**	62,554
Net cash used in operating activities	**(1,918,611)**	(710,658)

(b) Reconciliation of Cash

Cash balance comprises:		
Cash	**11,255,181**	15,026,236

For the purposes of the cash flow statements, cash includes cash on hand and in banks and investments in money market instruments, net of outsourcing bank overdrafts. Cash at bank earns interest at floating interest rates based on daily bank deposit rates.

24. SEGMENT INFORMATION

Identification of reportable segment

The Group identifies its operating segments based on the internal reports that are reviewed and used by the executive management team and board of directors (chief operating decision makers) in assessing performance and determining the allocation of resources.

The operating segments are identified by management based on the manner in which resources are allocated. Discrete financial information about each of these operating businesses is reported to the executive management team on at least a monthly basis.

The reportable segments are based on aggregated operating segments determined by the similarity of the mineral being mined or explored and their location, 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:

- Rover Project	Exploration for gold/copper in the Northern Territory
- Central Murchison Gold Project (CMGP)	Exploration and development of gold assets located at Cue, Western Australia

24. SEGMENT INFORMATION (CONTINUED)

Basis of accounting for purposes of reporting by operating segments

Accounting policies adopted

Unless stated otherwise, all amounts reported to the executive management team and Board of Directors as the chief operating decision makers is in accordance with accounting policies that are consistent to those adopted in the annual financial statements of the Group.

The Group does not have any inter-entity sales. Corporate charges comprise non-segmental expenses such as head office expenses and interest. Corporate charges are not allocated to operating segments.

It's the Group's policy that if items of revenue and expense are not allocated to operating segments then any associated assets and liabilities are not allocated to segments. This is to avoid allocations within segments which management believe would be inconsistent.

The following items and associated assets and liabilities are not allocated to operating segments as they are not considered part of the core operations of any segment:

- Fair value gains/losses on financial instruments.
- Net gains on disposal of available-for-sale investments.
- Finance costs.

The following table presents revenue and profit information for reportable segments for the years ended 30 June 2011 and 30 June 2010.

	Rover	CMGP	Other	Total	Eliminations	Total Consolidated
Year ended 30 June 2011						
Revenue						
- Interest revenue	2,223	4	585,656	587,883	-	587,883
- Other income	-	1,850	-	1,850	-	1,850
Total segment revenue	2,223	1,850	585,656	589,733	-	589,733
Segment net profit/(loss) after tax	(312,390)	(116,032)	6,043,390	5,614,968	-	5,614,968
Other segment information						
- Depreciation	(173,771)	(7,035)	(33,511)	(214,317)	-	(214,317)
- Reversal of provision for diminution of investments	-	-	-	-	-	-
- Net gain on available-for-sale financial investments	-	-	5,560,181	5,560,181	-	5,560,181
- Exploration and evaluation expenditure written off	171,106	110,777	168,530	450,413	-	450,413
- Share of loss of associate	-	-	-	-	-	-
- Segment assets	33,417,148	58,691,711	133,742,504	225,851,363	(108,217,214)	117,634,149
- Capital expenditure	312,401	-	1,118	313,519	-	313,519
- Segment liabilities	(34,034,150)	(11,971,250)	(13,890,080)	(59,895,480)	67,468,432	(7,572,952)

24. SEGMENT INFORMATION (CONTINUED)

	Rover	CMGP	Other	Total	Eliminations	Total Consolidated
Year ended 30 June 2010						
Revenue						
- Interest revenue	1,673	-	511,943	513,616	-	513,616
Other income	-	-	3,123	3,123	-	3,123
Total segment revenue	1,673	-	515,066	516,739	-	516,739
Segment net profit/(loss) after tax	(158,714)	-	2,121,509	1,962,795	(616,918)	1,300,877
Other segment information						
- Depreciation	(115,218)	-	(29,194)	(144,412)	-	(144,412)
- Reversal of provision for diminution of investments	-	-	1,199,518	1,199,518	-	1,199,518
- Net gain on available-for-sale financial investments	-	-	2,136,889	2,136,889	-	2,136,889
- Exploration and evaluation expenditure written off	-	-	-	-	-	-
- Share of loss of associate	-	-	(850,538)	(850,538)	-	(850,538)
- Segment assets	24,137,609	-	48,847,763	72,985,372	(23,308,068)	49,677,304
- Capital expenditure	424,970	-	43,269	468,239	-	468,239
- Segment liabilities	(24,442,222)	-	(15,139,395)	(39,581,617)	23,892,226	(15,689,391)

25. BUSINESS COMBINATION

(a) Summary of Acquisition

On 7 February 2011 Westgold Resources Limited announced an off-market takeover offer for all of the issued share capital of Aragon Resources Limited, a publicly listed Australian company which owns the Central Murchison Gold Project near Cue Western Australia. The consideration for the offer was on a scrip for scrip basis, being one Westgold share for every one Aragon share held and one new option for every one Aragon option. The offer was successful and resulted in Westgold increasing its ownership of Aragon from 19.75% to 100%. The deemed date for the acquisition is 7 April 2011.

Taking control of Aragon will enable Westgold to create a substantial mid-tier mining house with combined resources of 3 million Oz gold equivalent and annual production potential of 200,000 ounce gold equivalent within five years.

In the period from acquisition to 30 June 2011 Aragon contributed interest income of $108,805 and a loss of $443,109 to the Group's results. If the acquisition had occurred on 1 July 2010, consolidated revenue and consolidated profit before income tax for the year ended 30 June 2011 would have been $13,218,666 and $6,316,109 respectively

25. BUSINESS COMBINATION (CONTINUED)

(a) Summary of Acquisition (Continued)

The following summarises the major classes of consideration transferred, and the recognised amounts of assets acquired and liabilities assumed at the acquisition date:

Consideration transferred

Equity instruments issued (186,244,805 ordinary shares)	57,735,890
Replacement options issued	4,139,896
	61,875,786

Equity Instruments Issued

The fair value of the ordinary shares issued was based on the listed share price of the Company at 7 April 2011 of $0.31 per share.

Replacement Options Issued

The terms of the off-market takeover required the Company to issue one new option (replacement option) for every option held by Aragon option holders (acquiree's option). The terms and conditions of the replacement options are as follows:

Grant Date	Vesting Date	Expire Date	Exercise Price	Number
26 May 2011	26 May 2011	31 May 2011	$0.30 each	1,250,000
26 May 2011	26 May 2011	30 November 2012	$0.21 each	2,500,000
26 May 2011	26 May 2011	30 November 2013	$0.21 each	500,000
26 May 2011	26 May 2011	24 August 2014	$0.22 each	400,000
26 May 2011	26 May 2011	7 January 2013	$0.20 each	1,000,000
26 May 2011	26 May 2011	11 January 2014	$0.32 each	1,025,000
26 May 2011	26 May 2011	31 December 2013	$0.20 each	17,500,000

The market based value of the new options at the acquisition date of 7 April 2011 was $4,139,896. All options are vested and exercisable immediately.

As a result of the off-market takeover Westgold realised a gain on its original investment in Aragon of $5,560,181 which is reflected in the statement of comprehensive income.

25. BUSINESS COMBINATION (CONTINUED)

Identifiable assets acquired and liabilities assumed

	Fair Value Recognised on Acquisition
Cash and cash equivalents	9,780,816
Trade and other receivables (current)	289,289
Prepayments	32,116
Trade and other receivables (non-current)	3,309,615
Property, plant and equipment	408,387
Exploration and evaluation assets	57,969,325
Other financial assets (Investments)	8,480,000
Deferred tax asset	944,700
Trade and other payables	(1,101,720)
Provisions (current)	(73,042)
Deferred tax liability	(4,435,220)
Provisions for rehabilitation (non-current)	(3,149,000)
Fair value of identifiable net assets	72,455,266
Purchase consideration	61,875,786
Fair value of existing interest in acquiree	14,070,000
Goodwill on Acquisition	3,490,520

Purchase Consideration

Inflow/(outflow) of cash to acquire Aragon Resources Limited, net of cash acquired	9,780,816
Cash consideration and inflow/(outflow) of cash	9,780,816

Goodwill on acquisition resulted from the recognition of deferred tax assets and liabilities at acquisition date.

The following fair values have been determined on a provisional basis:

- The value of the carried forward losses of Aragon of $6 million has been determined provisionally pending completion of a tax review.
- The Group has environmental obligations in respect of certain mining lease and has recognised a provision for rehabilitation of $3,149,000. However, the Group is continuing its review of these matters during the measurement period. If new information obtained within one year from the acquisition date about facts and circumstances that existed at the acquisition date identifies adjustments to the above amount for provisions, or any additional provisions that existed at the acquisition date, then the acquisition accounting will be revised.

Acquisition-related costs

The Group incurred acquisition-related costs of $2,275,950 relating to stamp duty, external legal fees, technical fees and due diligence costs. The legal fees, technical fees and due diligence costs have been included in administration expenses in the Group's consolidated statement of comprehensive income.

26. EMPLOYMENT BENEFITS AND SUPERANNUATION COMMITMENTS

	2011 $	2010 $
(a) Employee Benefits		
The aggregate employee benefit liability is comprised of:		
Provisions (current)	**186,297**	112,482

(b) The consolidated entity contributes at least 9% of each employee's gross salary to the employee's nominated plan in accordance with the superannuation guarantee legislation. In addition, employees may contribute further amounts by way of salary sacrifice.

27. SHARE BASED PAYMENTS

(a) Employee Share Option Plan

The Group has an Employee Share Option Plan (ESOP) for the granting of options to staff members. Options issued under the ESOP vest as follows:

(i) 100% upon the expiration of 12 months from the date the options were issued;

Other relevant terms and conditions applicable to options granted under the ESOP include:

(a) Options issued pursuant to the plan will be issued free of charge.

(b) The exercise price of the options shall be as the Directors in their absolute discretion determine, provided the exercise price shall not be less than the weighted average of the last sale price of the Company's shares on ASX at the close of business on each of the 5 business days immediately preceding the date on which the Directors resolve to grant the options.

(c) Subject to the above, the options may be exercised at any time prior to the expiration of 60 months from the issue date.

(d) The Directors may limit the total number of options which may be exercised under the plan in any year.

(e) Options with a common expiry date may have a different exercise price and exercise date.

(f) Options shall lapse upon the earlier of:

   (i) The expiry of the exercise period; and

   (ii) The expiry of 30 days after the option holder ceases to be an employee by reason of dismissal, resignation or termination of employment, office or services for any reason, except the Directors may resolve within 30 days of such dismissal, resignation or termination, that the options shall lapse on other terms they consider appropriate.

(g) Upon exercise the options will be settled in ordinary shares of Westgold Resources Limited.

27. SHARE BASED PAYMENTS (CONTINUED)

(b) Long Term Incentive Plan (Continued)

The Group adapted a Long Term Incentive Plan (LTIP) that allows for the issue of both performance rights and options to staff members that was approved by shareholders on 24 November 2010. There have been no issue of either options or performance rights to staff members as at 30 June 2011.

Options issued under the LTIP have the following relevant terms and conditions:

(a) Options issued pursuant to the plan will be issued free of charge.

(b) The exercise price of the options shall be as the Directors in their absolute discretion determine, provided the exercise price shall not be less than the weighted average of the last sale price of the Company's shares on ASX at the close of business on each of the 5 business days immediately preceding the date on which the Directors resolve to grant the options.

(c) Subject to the above, the options may be exercised at any time prior to the expiration of 60 months from the issue date.

(d) The Directors may limit the total number of options which may be exercised under the plan in any year.

(e) Options with a common expiry date may have a different exercise price and exercise date.

(f) Options shall lapse upon the earlier of:

  (i) The expiry of the exercise period; and

  (ii) The expiry of 30 days after the option holder ceases to be an employee by reason of dismissal, resignation or termination of employment, office or services for any reason, except the Directors may resolve within 30 days of such dismissal, resignation or termination, that the options shall lapse on other terms they consider appropriate.

Performance rights issued under the LTIP have the following relevant terms and conditions:

(a) Performance rights issued pursuant to the plan will be issued free of charge.

(b) The performance rights may have performance hurdles attached to them and are therefore not able to be exercised until those vesting dates.

(c) Subject to the above, the performance rights may be exercised at any time prior to the expiration of 3 years from the issue date.

(d) The Directors may limit the total number of performance rights which may be exercised under the plan in any year.

(e) Performance rights shall lapse upon the earlier of:

  (i) The expiry of the exercise period; and

  (ii) The expiry of 30 days after the performance rights holder ceases to be an employee by reason of dismissal, resignation or termination of employment, office or services for any reason, except the Directors may resolve within 30 days of such dismissal, resignation or termination, that the performance rights shall lapse on other terms they consider appropriate.

(c) Summary of options issued under the Employee Share Option Plan

The following table summarises the number (No.) and the weighted average exercise price (WAEP) of, and movements in, share options issued during the year to employees other than to key management personnel which have been disclosed in Note 28.

	2011 No.	2011 WAEP $	2010 No.	2010 WAEP $
Outstanding at 1 July	1,725,000	0.46	1,025,000	0.45
Granted during the year	-	-	700,000	0.48
Forfeited during the year	550,000	0.46	-	-
Outstanding at 30 June	1,175,000	0.46	1,725,000	0.46
Exercisable at 30 June	1,175,000	0.46	1,025,000	0.45

27. SHARE BASED PAYMENTS (CONTINUED)

(d) Summary of options issued under the Employee Share Option Plan (Continued)

The outstanding balance as at 30 June 2011 is represented by the following options over ordinary shares, exercisable upon meeting the above terms and conditions:

(a) 375,000 options with an exercise price of $0.45 each, and with an expiry date of 22 January 2012, each with a vesting period of twelve months. All have vested and are exercisable at balance date.

(b) 250,000 options with an exercise price of $0.45 each, and with an expiry date of 8 November 2012, each with a vesting period of twelve months. All have vested and are exercisable at balance date.

(c) 550,000 options with an exercise price of $0.48 each, and with an expiry date of 25 March 2015, each with a vesting period of twelve months. None are vested or exercisable at balance date.

(e) Weighted average remaining contract life

The weighted average remaining contract life for the share options outstanding at the end of the year is 2.2 years (2010: 3.1 years).

(f) Weighted average fair value of options granted

The weighted average fair value for the share options outstanding at the end of the year is $0.22 (2010: $0.22).

(g) Exercise prices

The exercise price for options outstanding at the end of the year was $0.46 (2010: $0.46).

(h) Option pricing model

The fair value of the options is estimated at the date of grant using a Black Scholes model. There were no options issued during the year.

The expected volatility reflects the assumption that the historical volatility is indicative of future trends, which may also not necessarily be the actual outcome. No other features of options granted were incorporated into the measurement of fair value.

(i) Directors and Executives Options

In addition to the ESOP, the Company has issued options to Directors and Executives from time to time. The terms and conditions of those options vary between option holders. There were no options issued to Director or Executives during the financial year.

Options issued to non-executive Directors vest immediately. Options previously issued to the Managing Director and Executives vest commencing from 12 months from the date of offer.

Other relevant terms and conditions applicable to options granted as above include:

(a) any Directors or Executives vested options that are unexercised by the anniversary of their grant date will expire; and

(b) upon exercise, these options will be settled in ordinary shares of Westgold Resources Limited.

27. SHARE BASED PAYMENTS (CONTINUED)

(j) Summary of options issued to Directors and Executives

The following table illustrates the number (No.) and weighted average exercise prices (WAEP) of share options issued.

	2011 No.	2011 WAEP $	2010 No.	2010 WAEP $
Outstanding at 1 July	2,350,000	0.46	3,750,000	0.30
Granted during the year	-	-	600,000	0.62
Exercised during the year	-	-	(2,000,000)	0.20
Expired during the year	(1,500,000)	0.40	-	-
Outstanding at 30 June	850,000	0.57	2,350,000	0.46
Exercisable at 30 June	850,000	0.57	1,750,000	0.40

(k) Summary of options issued to Directors and Executives

The outstanding balance at 30 June 2011 is represented by the following options over ordinary shares, exercisable upon meeting the above terms and conditions:

Executives

(a) 250,000 options over ordinary shares with an exercise price of $0.45 each, exercisable upon meeting the relevant conditions and expiring 22 January 2012.

(b) 500,000 options over ordinary shares with an exercise price of $0.65 each, exercisable upon meeting the relevant conditions and expiring 5 October 2014.

(c) 100,000 options over ordinary shares with an exercise price of $0.48 each, exercisable upon meeting the relevant conditions and expiring 25 March 2015.

(l) Summary of weighted average remaining contract life of options issued to Directors and Executives

The weighted average contractual life for the options outstanding at 30 June 2011 is 2.52 years (2010: 1.6 years).

(m) Range of exercise price of options issued to Directors and Executives

The range of exercise prices for options outstanding the end of the year was $0.45 to $0.65 (2010: $0.35 - $0.65).

(n) Weighted average fair value of options granted to Directors and Executives

The weighted average fair value of options outstanding the end of the year was $0.27 (2010: $0.15).

The weighted average share price at the date of exercise of share options exercised during the year ended 30 June 2011 was nil (2010: $0.20).

27. SHARE BASED PAYMENTS (CONTINUED)

(o) Option pricing of model of options issued to Directors and Executives

The fair value of the options is estimated at the date of grant using a Black Scholes model. There were no options issued to directors or executives during the year.

The expected life of the options is based on historical data and is not necessarily indicative of exercise patterns that may occur.

The expected volatility reflects the assumption that the historical volatility is indicative of future trends, which may also not necessarily be the actual outcome.

No other features of options granted were incorporated into the measurement of fair value.

Employee Expenses	2011 $	2010 $
Share options granted in 2010 - equity settled	**62,419**	124,581
Share options granted in 2011 - equity settled	**-**	-
Total expense recognised as employee costs	**62,419**	124,581

28. KEY MANAGEMENT PERSONNEL DISCLOSURES

(a) Details of Key Management Personnel

(i) Directors

M Atkins	Chairman (non-executive)
S Huffadine	Managing Director, appointed 1 June 2011
A Beckwith	Executive Director - Exploration
P Cook	Director (non-executive)
W Hallam	Director (non-executive)
P Cmrlec	Director (non-executive), resigned 31 May 2011

(ii) Executives

D Stephens	Exploration Manager
A Chapman	Company Secretary

(b) Compensation of Key Management Personnel

	2011 $	2010 $
Short-term employment benefits	**799,312**	686,913
Post-employment benefits	**59,876**	55,738
Termination benefits	**-**	-
Share-based payment	**42,521**	124,581
	901,709	867,232

The Key management personnel receive no compensation in relation to the management of the Company. The compensation disclosed above represents an allocation of the key management personnel's estimated compensation from the Group in relation to their services rendered to the Company.

Individual directors and executives compensation disclosure

Information regarding individual directors and executives compensation and some equity instruments disclosures as permitted by Corporations Regulation 2M.3.03 is provided in the remuneration report section of the directors' report.

No director has entered into a material contract with the Company or the Group since the end of the previous financial year and there were no material contracts involving directors' interests existing at year-end.

28. KEY MANAGEMENT PERSONNEL DISCLOSURES (CONTINUED)

(c) Option holdings of Key Management Personnel

2011	Balance at 1 July 2010	Granted as Remuneration	Options Exercised	Net Change Other	Balance at 30 June 2011	Vested during the year
Directors						
M Atkins	-	-	-	250,000[1]	250,000	-
S Huffadine	-	-	-	600,000[1]	600,000	-
P Cook	-	-	-	750,000[1]	750,000	-
W Hallam	-	-	-	-	-	-
A Beckwith	1,500,000	-	-	(1,500,000)	-	-
P Cmrlec	-	-	-	-	-	-
Executives						
D Stephens	500,000	-	-	-	500,000	500,000
A Chapman	350,000	-	-	-	350,000	100,000
Total	**2,350,000**	**-**	**-**	**100,000**	**2,450,000**	**600,000**

2010	Balance at 1 July 2009	Granted as Remuneration	Options Exercised	Net Change Other	Balance at 30 June 2010	Vested during the year
Directors						
M Atkins	2,000,000	-	(2,000,000)	-	-	-
A Beckwith	1,500,000	-	-	-	1,500,000	-
P Cook	-	-	-	-	-	-
W Hallam	-	-	-	-	-	-
P Cmrlec	-	-	-	-	-	-
Executives						
D Stephens	-	500,000	-	-	500,000	-
A Chapman	250,000	100,000	-	-	350,000	-
Total	**3,750,000**	**600,000**	**(2,000,000)**	**-**	**2,350,000**	**-**

28. KEY MANAGEMENT PERSONNEL DISCLOSURES (CONTINUED)

(d) Shareholdings of Key Management Personnel

2011	Balance at 1 July 2010	Purchases	Received on Exercise of Options	Sales	Net Change Other	Balance at 30 June 2011
Directors						
M Atkins	3,075,000	-	-	-	629,520[1]	3,704,520
S Huffadine	-	197,000	-	-	100,000[1]	297,000
A Beckwith	9,125,000	-	-	-	144,250[1]	9,269,250
P Cook (i)	73,665,636	10,457,150	-	-	20,364,135*[1]	104,486,921
W Hallam (i)	72,915,636	10,457,150	-	-	20,271,858*	103,644,644
P Cmrlec (i)	25,000	-	-	-	(25,000)	-
Executive						
D Stephens	-	-	-	-	-	-
A Chapman	287,500	-	-	-	40,000[1]	327,500
Total	**159,093,772**	**21,111,300**	**-**	**-**	**41,524,763**	**221,729,835**

2010	Balance at 1 July 2009	Purchases	Received on Exercise of Options	Sales	Net Change Other	Balance at 30 June 2010
Directors						
M Atkins	1,075,000		2,000,000	-	-	3,075,000
A Beckwith	9,125,000	-	-	-	-	9,125,000
P Cook (i)	51,376,089	22,289,547	-	-	-	73,665,636
W Hallam (i)	-	6,000,000	-	-	66,915,636	72,915,636
P Cmrlec (i)	-	-	-	-	25,000	25,000
Executives						
D Stephens	-	-	-	-	-	-
A Chapman	287,500	-	-	-	-	287,500
Total	**61,863,589**	**28,289,547**	**2,000,000**	**-**	**66,940,636**	**159,093,772**

(i) Mr Cook and Mr Hallam are directors of Metals X Limited which owns 103,644,644 fully paid ordinary shares in the Company. Mr Cmrlec is an executive of Metals X Limited.

* Metals X Limited held 20,271,858 shares in Aragon Resources Limited at the time of the off-market takeover and as a result increased the number of shares they hold in the Group.

No shares were granted to key management personnel during the reporting period as remuneration in 2010 and 2011.

1 Shares and options were issued to these key management personnel who held shares and options in Aragon Resources Limited at the time of the off-market takeover by the Company. These share and options were issued on the same terms and conditions as all other Aragon shareholders and option holders.

All equity transactions with specified Directors and specified executives other than those arising from the exercise of remuneration options have been entered into under terms and conditions no more favourable than those the entity would have adopted if dealing at arms length.

(i) Mr Cook and Mr Hallam are Directors of Metals X Limited which owns 103,644,644 fully paid ordinary shares in the Company.

28. KEY MANAGEMENT PERSONNEL DISCLOSURES (CONTINUED)

(e) Other transactions and balances with Key Management Personnel

(i) Fees of $4,265 (2010: $58,166) were paid to Aragon Resources Limited, an associate of the Company and an entity of which Mr P Cook was the Chairman, for office rent and other expenses. This amount was expensed during the year. At year end there is $ nil outstanding (2010: $3,782).

Fees of $1,837 (2010: $8,845) were charged to Aragon Resources Limited, an associate of the Company and an entity of which Mr P Cook was the Chairman, for reimbursement of expenses at cost. This amount was charged against expenses incurred during the year. At year end $ nil (2010: $170) was outstanding.

Fees of $248,891 (2010: $8,884) were paid to Bluestone Australia Limited, a wholly owned subsidiary of Metals X Limited, a company of which Mr P Cook and Mr W Hallam are directors, and of which Mr P Cmrlec is an executive, for provision of technical and accounting services, office rent and other expenses. This amount was expensed during the year. At year end there is $12,826 (2010: $5,945) outstanding.

29. RELATED PARTY TRANSACTIONS

Ultimate parent

Westgold Resources Limited is the ultimate Australian parent company.

Identification of Related Parties

Ownership interests in wholly owned entities:

Details of ownership interests are set out in note 20.

Wholly Owned Entities

Interest free unsecured loans due to the parent entity from each of its wholly owned entities are as follows:

	2011 $	2010 $
Castle Hill Resources NL	**14,586,619**	14,586,619
Delta Oil and Gas Pty Ltd	**52,256**	52,256
Saracen Management Pty Ltd	**200,103**	200,103
Castile Resources Pty Ltd	**33,034,958**	23,538,573
Big Bell Gold Operations Pty Ltd	**13,377**	-
	47,887,313	38,377,552
Provision for non-recovery	**(14,828,979)**	(14,828,979)
	33,058,334	23,548,573

These loans are repayable on demand.

Details of transactions with key management personnel are disclosed in note 28(e).

30. PARENT ENTITY DISCLOSURES

As at, and throughout, the financial year ending 30 June 2011 the parent company of the Group was Westgold Resources Limited.

	2011 $	2010 $
Result of the parent Entity		
Profit/(loss) for the period	**(355,853)**	2,122,721
Other comprehensive income	**-**	-
Total comprehensive income for the period	**-**	-
Financial position of parent entity at year end		
Current assets	**2,374,393**	15,005,816
Total assets	**112,545,341**	48,837,763
Current liabilities	**2,421,337**	300,417
Total liabilities	**2,486,155**	300,417
Total equity of the parent entity comprising of:		
Share capital	**171,119,902**	113,384,013
Reserves	**6,485,953**	2,344,150
Retained earnings	**(67,546,670)**	(67,190,817)
Total equity	**110,059,185**	48,537,346

31. FINANCIAL INSTRUMENTS

Overview

This note presents information about the Group's exposure to credit, liquidity and market risks, its objectives, policies and processes for measuring and managing risk, and the management of capital.

The Group does not use any form of derivatives as it is not at a level of exposure that requires the use of derivatives to hedge its exposure. Exposure limits are reviewed by management on a continuous basis. The Group does not enter into or trade financial instruments, including derivative financial instruments, for speculative purposes.

The Board of Directors has overall responsibility for the establishment and oversight of the risk management framework. Management monitors and manages the financial risks relating to the operations of the Group through regular reviews of the risks.

Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group's cash and cash equivalents, receivables from customers and investment securities.

Presently, the Group undertakes exploration and evaluation activities exclusively in Australia. At the reporting date there were no significant concentrations of credit risk.

Cash and cash equivalents and investment securities

The Group limits its exposure to credit risk by only investing in liquid securities and only with counterparties that have an acceptable credit rating.

Trade and other receivables

As the Group operates primarily in exploration activities, it does not have trade receivables and therefore is not exposed to significant credit risk in relation to trade and other receivables.

31. FINANCIAL INSTRUMENTS (CONTINUED)

Exposure to credit risk

The carrying amount of the Group's financial assets represents the maximum credit exposure. The Group's maximum exposure to credit risk at the reporting date was:

		Carrying amount	
	Note	2011 $	2010 $
Other receivables	9	**87,156**	1,490
Cash and cash equivalents	8	**11,255,181**	15,026,236
Security deposits	9	**3,443,225**	88,600
Available-for-sale assets	11	**4,320,000**	7,600,000

Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

The Group manages liquidity risk by maintaining adequate cash reserves from funds raised in the market and by continuously monitoring forecast and actual cash flows. The Group does not have any external borrowings.

The Group may need to raise additional capital in the next 12 months to meet forecast operational and exploration activities. The decision on how the Group will raise future capital will depend on market conditions existing at that time.

The following are the contractual maturities of financial liabilities, including estimated interest payments and excluding the impact of netting agreements:

	Carrying amount	Contractual cash flows	6 mths or less	6-12 mths	1-2 years	2-5 years
30 June 2011						
Trade and other payables	4,184,408	4,184,408	3,960,226	224,182	-	-
	4,184,408	4,184,408	3,960,226	224,182	-	-
30 June 2010						
Trade and other payables	1,091,584	1,091,584	861,993	229,591	-	-
	1,091,584	1,091,584	861,993	229,591	-	-

Market Risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the Group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

Currency risk

The Group is not exposed to currency risk and at reporting date the Group holds no financial assets or liabilities which are exposed to foreign currency risk.

Interest rate risk

The Group is exposed to interest rate risk (primarily on its cash and cash equivalents), which is the risk that a financial instrument's value will fluctuate as a result of changes in the market interest rates on interest-bearing financial instruments. The Group does not use derivatives to mitigate these exposures.

The Group adopts a policy of ensuring that as far as possible it maintains excess cash and cash equivalents in short terms deposit at interest rates maturing over 30 day rolling periods or less.

31. FINANCIAL INSTRUMENTS (CONTINUED)

Profile

At the reporting date the interest rate profile of the Group's interest-bearing financial instruments was:

	Carrying amount	
	2011 $	2010 $
Fixed rate instruments		
Short term deposits	**11,093,526**	14,687,211
	11,093,526	14,687,211
Variable rate instruments		
Cash at bank and on hand	**161,655**	339,025
	161,655	339,025

Fair value sensitivity analysis for fixed rate instruments

The Group does not account for any fixed rate financial assets and liabilities at fair value through profit or loss. Therefore a change in interest rates at the reporting date would not affect profit or loss.

A change of 100 basis points in interest rates would have increased or decreased the Group's equity by $110,935 (2010: $146,872).

Cash flow sensitivity analysis for variable rate instruments

A change of 100 basis points in interest rates at the reporting date would have increased or decreased the Group's equity and profit or loss by $1,617 (2010: $3,390). This analysis assumes that all other variables remain constant. The analysis is performed on the same basis for 2010.

Fair values

Fair values versus carrying amounts

The carrying amounts of financial assets and liabilities approximate fair value. The basis for the assessment of fair values versus carrying value of financial instruments not carried at fair value is described below.

(i) Other receivables, trade and other payables

Other receivables, trade and other payables are short term in nature. As a result, the fair value of these instruments is considered to approximate its fair value.

Other Market Price Risk

Other Equity price risk is the risk that the value of the instrument will fluctuate as a result of changes in market prices (other than those arising from interest rate risk or currency risk), whether caused by factors specific to an individual investment, its issuer or all factors affecting all instruments traded in the market.

Investments are managed on an individual basis and material buy and sell decisions are approved by the Board of Directors. The primary goal of the Group's investment strategy is to maximise investment returns.

The Group's investments are solely in equity instruments. These instruments are classified as available-for-sale and carried at fair value with fair value changes recognised directly in equity until derecognised.

The following table details the breakdown of the investment assets and liabilities held by the Group:

	Note	30 June 2011 $	30 June 2010 $
Listed equities	10	4,320,000	7,600,000

Sensitivity analysis

The Group's equity investments are listed on the Australian Stock Exchange. A 3% increase in stock prices at 30 June 2011 would have increased equity by $129,600 (2010: $228,000), an equal change in the opposite direction would have decreased equity by an equal but opposite amount.

31. FINANCIAL INSTRUMENTS (CONTINUED)

Commodity Price Risk

The Group operates primarily in the exploration and evaluation phase and accordingly the Group's financial assets and liabilities are subject to minimal commodity price risk.

Capital Management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern, so as to maintain a strong capital base sufficient to maintain future exploration and development of its projects. In order to maintain or adjust the capital structure, the Group may return capital to shareholders, issue new shares or sell assets to reduce debt. The Group's focus has been to raise sufficient funds through equity to fund exploration and evaluation activities. The Group monitors capital on the basis of the gearing ratio, however there are no external borrowings as at balance date.

The Group encourages employees to be shareholders through the Executive Share Option Plan and the Long Term Incentive Plan.

There were no changes in the Group's approach to capital management during the year. Risk management policies and procedures are established with regular monitoring and reporting.

Neither the Company nor any of its subsidiaries are subject to externally imposed capital requirements.

DIRECTORS' DECLARATION

1. In the opinion of the directors of Westgold Resources Limited (the "Company"):

   (a) the consolidated financial statements and notes and the Remuneration report in the Directors' report, set out on pages 24 to 29, are in accordance with the Corporations Act 2001, including:

      (i) giving a true and fair view of the Group's financial position as at 30 June 2011 and of its performance, for the financial year ended on that date; and

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

   (b) the financial report also complies with International Financial Reporting Standards as disclosed in note 2(a);

   (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.

2. The directors have been given the declarations required by Section 295A of the Corporations Act 2001 from the chief executive officer and chief financial officer for the financial year ended 30 June 2011.

Signed in accordance with a resolution of the directors;

Scott Huffadine
Managing Director

Perth, 26 September 2011

INDEPENDENT AUDIT REPORT TO THE MEMBERS OF WESTGOLD RESOURCES LIMITED

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

Report on the financial report

We have audited the accompanying financial report of Westgold Resources Limited (the company), which comprises the consolidated statement of financial position as at 30 June 2011, and consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year ended on that date, notes 1 to 31 comprising a summary of significant accounting policies and other explanatory information and the directors' declaration of the Group comprising the company and the entities it controlled at the year's end or from time to time during the financial year.

Directors' responsibility 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 is free from material misstatement whether due to fraud or error. In note 2(a), the directors also state, in accordance with Australian Accounting Standard AASB 101 *Presentation of Financial Statements*, that the financial statements of the Group comply with International Financial Reporting Standards.

Auditor's responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. These Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the financial report that gives a true and fair view 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

We performed the procedures to assess whether in all material respects the financial report presents fairly, in accordance with the *Corporations Act 2001* and Australian Accounting Standards, a true and fair view which is consistent with our understanding of the Group's financial position and of its performance.

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

Independence

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

Auditor's opinion

In our opinion:

(a) the financial report of the Group is in accordance with the *Corporations Act 2001*, including:

(i) giving a true and fair view of the Group's financial position as at 30 June 2011 and of its performance for the year ended on that date; and

(ii) complying with Australian Accounting Standards and the Corporations Regulations 2001.

(b) the financial report also complies with International Financial Reporting Standards as disclosed in note 2(a).

Report on the remuneration report

We have audited the Remuneration Report included in pages 14 to 19 of the directors' report for the year ended 30 June 2011. 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 auditing standards.

Auditor's opinion

In our opinion, the remuneration report of Westgold Resources Limited for the year ended 30 June 2011, complies with Section 300A of the *Corporations Act 2001*.

KPMG

KPMG

Grant Robinson

Grant Robinson

Partner

Perth

26 September 2011

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INTERESTS IN MINING TENEMENTS
as at 14 September 2011

PROJECT PARTICULARS	TENEMENT NUMBER	STATUS	WESTGOLD'S INTEREST
Northern Territory			
McArthur Basin[3]	EL26028	Granted	100%
	EL26029	Granted	100%
	EL26030	Granted	100%
	EL26031	Granted	100%
	EL26183	Granted	100%
	EL26362	Granted	100%
	EL26363	Granted	100%
	EL26419	Granted	100%
	EL26572	Granted	100%
	EL26579	Granted	100%
	EL26921	Granted	100%
	EL26922	Granted	100%
	EL26923	Granted	100%
	EL26949	Granted	100%
Rover	EL24541 *	Granted	100%
	EL24989 * [1]	Granted	100%
	EL25343	Application	100%
	EL25344	Application	100%
	EL25345	Application	100%
	EL25427	Granted	100%
	EL25506	Application	100%
	EL25507	Application	100%
	EL25511 *	Granted	100%
	EL25522	Application	100%
	EL25523	Application	100%
	EL25524	Application	100%
	EL25525	Application	100%
	EL26242 *	Application - Vetoed	100%
	EL26537 *	Application	100%
	EL26538 *	Application	100%
	SEL27039 * [2]	Granted	100%
Tennant Creek	EL25372	Granted	100%
	EL26033	Granted	100%
	EL26034	Granted	100%
	EL26034	Application	100%
	EL28906	Application	100%
Western Australia			
Central Murchison Gold Project (CMGP)	E20/216	Granted	100%
	E20/505	Granted	100%
	G20/1	Granted	100%
	G20/11	Granted	100%
	G20/2	Granted	100%

PROJECT PARTICULARS	TENEMENT NUMBER	STATUS	WESTGOLD'S INTEREST
(CMGP)	G20/3	Granted	100%
	G20/4	Granted	100%
	L20/21	Granted	100%
	L20/39	Granted	100%
	M20/17	Granted	100%
	M20/192	Granted	100%
	M20/197	Granted	100%
	M20/307	Granted	100%
	M20/333	Application	100%
	M20/351	Application	100%
	M20/418	Application	100%
	M20/435	Application	100%
	M20/436	Application	100%
	M20/50	Granted	100%
	M20/98	Granted	100%
	M20/99	Granted	100%
	P20/1578	Granted	100%
	E20/638	Granted	100%
	E21/104	Granted	100%
	E21/122	Granted	100%
	E21/127	Granted	100%
	E21/153	Application	100%
	L20/40	Granted	100%
	L20/41	Granted	100%
	L21/14	Application	100%
	M20/102	Granted	100%
	M20/103	Granted	100%
	M20/104	Granted	100%
	M20/105	Granted	100%
	M20/171	Granted	100%
	M20/202	Granted	100%
	M20/21	Granted	100%
	M20/218	Granted	100%
	M20/22	Granted	100%
	M20/252	Granted	100%
	M20/256	Granted	100%
	M20/297	Granted	100%
	M20/298	Granted	100%
	M20/299	Granted	100%
	M20/300	Granted	100%
	M20/301	Granted	100%
	M20/313	Granted	100%
	M20/315	Granted	100%

PROJECT PARTICULARS	TENEMENT NUMBER	STATUS	WESTGOLD'S INTEREST
(CMGP)	M20/332	Application	100%
	M20/354	Granted	100%
	M20/78	Granted	100%
	M21/102	Granted	100%
	M21/104	Granted	100%
	P20/1505	Granted	100%
	P20/1506	Granted	100%
	P20/1735	Granted	100%
	P20/1737	Granted	100%
	P20/1951	Granted	100%
	P20/1964	Granted	100%
	P20/1965	Granted	100%
	P20/1966	Granted	100%
	P20/1967	Granted	100%
	P20/1968	Granted	100%
	P20/1969	Granted	100%
	P20/1970	Granted	100%
	P20/1975	Granted	100%
	P20/1976	Granted	100%
	P20/1991	Granted	100%
	P20/1992	Granted	100%
	P20/1993	Granted	100%
	P20/1994	Granted	100%
	P20/1995	Granted	100%
	P20/1996	Granted	100%
	P20/1997	Granted	100%
	P20/1998	Granted	70%
	P20/1999	Granted	70%
	P20/2000	Granted	70%
	P20/2001	Granted	70%
	P20/2011	Granted	100%
	P20/2133	Granted	100%
	P20/2158	Granted	100%
	P21/668	Granted	100%
	P21/669	Granted	100%
	P21/670	Granted	100%
	P21/671	Granted	100%
	P21/688	Granted	100%
	P21/689	Granted	100%
	P21/695	Granted	100%
	P21/714	Application	100%
	M20/456	Application	100%
	P20/1842	Granted	100%

PROJECT PARTICULARS	TENEMENT NUMBER	STATUS	WESTGOLD'S INTEREST
(CMGP)	E20/537	Granted	100%
	E20/540	Granted	100%
	E21/131	Granted	100%
	E21/37	Granted	60%
	L20/29	Granted	100%
	L20/38	Granted	100%
	L21/11	Granted	100%
	M20/293	Granted	100%
	M21/10	Granted	100%
	M21/103	Granted	100%
	M21/105	Granted	100%
	M21/110	Granted	100%
	M21/122	Application	100%
	M21/123	Application	100%
	M21/135	Application	100%
	M21/14	Granted	100%
	M21/141	Application	100%
	M21/24	Granted	100%
	M21/44	Granted	100%
	M21/49	Granted	100%
	M21/55	Granted	100%
	M21/56	Granted	100%
	M21/65	Granted	100%
	M21/69	Granted	100%
	M21/7	Granted	100%
	M21/74	Granted	100%
	M21/75	Granted	100%
	M21/83	Granted	100%
	M21/89	Granted	100%
	M21/93	Granted	100%
	M21/96	Application	100%
	M21/97	Application	100%
	P21/458	Granted	100%
	P21/459	Granted	100%
	P21/543	Granted	100%
	P21/544	Granted	100%
	P21/546	Granted	100%
	P21/575	Granted	100%
	P21/584	Granted	100%
	P21/649	Granted	100%
	P21/672	Granted	100%
	P21/673	Granted	100%
	P21/674	Granted	100%

PROJECT PARTICULARS	TENEMENT NUMBER	STATUS	WESTGOLD'S INTEREST
(CMGP)	P21/675	Granted	100%
	P21/676	Granted	100%
	P21/677	Granted	100%
	P21/678	Granted	100%
	P21/679	Granted	100%
	P21/680	Granted	100%
	P21/681	Granted	100%
	P21/682	Application	100%
	P21/683	Granted	100%
	P21/684	Granted	100%
	P21/685	Granted	100%
	P21/686	Granted	100%
	P21/687	Granted	100%
Lake Lefroy	E15/1152	Granted	100%
	E15/905	Granted	100%
Yandal[4]	E53/1202	Granted	49%
	E53/1237	Granted	49%
	E53/1355	Granted	49%
	P53/1243	Granted	49%
	P53/1244	Granted	49%
	P53/1245	Granted	49%
	P53/1247	Granted	49%
	P53/1248	Granted	49%
	P53/1249	Granted	49%
	P53/1250	Granted	49%
	P53/1468	Amalgamated	49%
	P53/1469	Granted	49%
Lakeside	M21/110	Application	60%
	M21/145	Application	60%
	M21/146	Application	60%
	M21/147	Application	60%

* These tenements are subject to a Clawback Agreement with AngloGold Ashanti Australia Limited

1 As of 1 September 2010 this tenement is now subject to the Clawback Agreement with AngloGold Ashanti Australia Limited

2 Excludes the Explorer 108 deposit and surrounding 12km^2. Now 100% owned by Westgold without any clawback rights to AngloGold Ashanti Australia Limited

3 These tenements are held 100% by Westgold but are subject to a joint venture with MMG Exploration Ltd.

4 These tenements are held in joint venture with Mongolian Resource Corporation Ltd (formerly Alamar Resources Limited)

SHAREHOLDER INFORMATION

The following additional information was applicable as at 14 September 2011.

1. SUBSTANTIAL SHAREHOLDERS

The names of the substantial shareholders and the number of shares to which they are entitled are:

Name	Number of Shares	Percentage
Metals X Limited	103,644,644	25.02%
SG Hiscock & Company Limited	22,674,363	5.47%

2. FULLY PAID ORDINARY SHARES

(a) The number of holders of fully paid ordinary shares is 2,693. Holders of fully paid ordinary shares are entitled to one vote per fully paid ordinary share.

(b) Distribution of fully paid ordinary shareholders:

Category (Size of Holding)	Number of Fully Paid Ordinary Shareholders
1 - 1,000	170
1,001 - 5,000	631
5,001 - 10,000	443
10,001 - 100,000	1,113
100,001 and over	336
	2,693

(c) The number of fully paid ordinary shareholdings held in less than marketable parcels is 389.

(d) The 20 largest fully paid ordinary shareholders together held 59.41% of the securities in this class.

	Name	Number	%
1.	Metals X Limited	103,644,644	25.02
2.	Bell Potter Nominees Ltd <BB Nominees A/C>	28,139,907	6.79
3.	National Nominees Limited	22,526,905	5.44
4.	Fitel Nominees Limited	20,966,721	5.06
5.	Equity Trustees Limited <SGH Pi Smaller Co's Fund>	13,038,263	3.15
6.	Equity Trustees Limited <SGH Tiger A/C>	9,576,923	2.31
7.	Mr Andrew Francis Beckwith	6,425,000	1.55
8.	Whittingham Securities Pty Limited	5,800,000	1.40
9.	Kurraba Investments Pty Ltd	5,290,000	1.28
10.	Mr Anthony Richard Martin	4,250,000	1.03
11.	Ms Sabina Marie Schlink <Hensman Family A/C>	3,345,000	0.81
12.	Six Fingers Pty Ltd <Six Fingers Disc A/C>	3,110,333	0.75
13.	Six Fingers Pty Ltd <Six Fingers Disc A/C>	3,000,000	0.72
14.	J P Morgan Nominees Australia Limited	2,713,486	0.66
15.	Mr Simon Robert Evans + Mrs Kathryn Margaret Evans <Kamiyacho Super Fund A/C>	2,500,000	0.60
16.	Lost Ark Nominees Pty Limited <RAS GFAM A/C>	2,500,000	0.60
17.	Mr Charles Brian Marheine + Mrs Barbara Jean Marheine <B Marheine B Haul PL SF A/C>	2,400,000	0.58
18.	Penand Pty Ltd <Beckwith Super Fund A/C>	2,375,000	0.57
19.	Mr Keith E Lindner <Keith E Lindner Living A/C>	2,372,590	0.57
20.	Turin Pty Ltd <Turin Super Fund A/C>	2,100,000	0.51
		246,074,772	59.41%

There are a total of 414,178,651 fully paid ordinary shares on issue, all of which are listed on Australian Securities Exchange Limited.

3. UNQUOTED EQUITY SECURITIES

As at 14 September 2011 there were 30,025,000 unlisted options and 2,750,000 performance rights outstanding. The holders do not have any voting rights. Of these 6,850,000 options and 2,750,000 performance rights were issued pursuant to the Company's Long Term Incentive Plan or its Employee Share Option Plan.

Number of Options	Exercise Price	Expire Date	Number of Holders
625,000	$0.45	21 January 2012	3
250,000	$0.45	8 November 2012	1
500,000	$0.65	5 October 2014	1
650,000	$0.48	25 March 2015	5
2,500,000	$0.21	30 November 2012	3
1,000,000	$0.20	7 January 2013	3
500,000	$0.21	30 November 2013	1
17,500,000	$0.20	31 December 2013	12
1,025,000	$0.32	11 January 2014	9
400,000	$0.22	24 August 2014	1
1,825,000	$0.29	4 July 2014	6
3,000,000	$0.29	15 August 2014	2

There are 2 holders of performance rights with specific performance hurdles expiring 15 August 2014.

4. REGISTERED AND PRINCIPAL OFFICE

The address of the registered and principal office in Australia is Level 3, 123 Adelaide Terrace,
East Perth WA 6004. The telephone number is (61 8) 9326 5700 and the facsimile number is (61 8) 9326 5799.

5. REGISTERS OF SECURITIES

Held at the following address:

Perth: Computershare Investor Services Pty Limited
Level 2, Reserve Bank Building
45 St Georges Terrace
Perth, WA 6000

Telephone: (61 8) 9323 2000
Facsimile: (61 8) 9323 2033

6. RESTRICTED SECURITIES

None of the securities on issue are Restricted Securities

Westgold
Resources Limited

2 PRIORITY PROJECTS

3.2M OZ IDENTIFIED MINERAL RESOURCES

EXPLORATION UPSIDE

Westgold
Resources Limited