WCP RESOURCES LTD

ABN 50 002 664 495

2016 ANNUAL REPORT

CORPORATE DIRECTORY

DIRECTORS:
Mr Ian Middlemas – Chairman
Mr Robert Behets – Non-Executive Director
Mr Levi Mochkin – Non-Executive Director
Mr Mark Pearce – Non-Executive Director

COMPANY SECRETARY:
Mr Gregory Swan

REGISTERED AND PRINCIPAL OFFICE:
Level 9, BGC Centre
28 The Esplanade
Perth WA 6000
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SHARE REGISTER:
Computershare Investor Services Pty Ltd
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Perth WA 6000
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STOCK EXCHANGE LISTING:
Australian Securities Exchange
Home Branch – Perth
Level 40, Central Park
152-158 St Georges Terrace
Perth WA 6000

ASX CODE:
WCP – Fully paid ordinary shares

BANKERS:
Australia and New Zealand Banking Group Limited

SOLICITORS:
DLA Piper

AUDITOR:
Deloitte Touche Tohmatsu

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WCP RESOURCES LTD

DIRECTORS' REPORT

The Directors of WCP Resources Limited present their report on the Consolidated Entity consisting of WCP Resources Limited ("**Company**" or "**WCP**") and the entities it controlled at the end of, or during, the year ended 30 June 2016 ("**Consolidated Entity**" or "**Group**").

DIRECTORS

The names and details of the Group's directors in office at any time during the financial year or since the end of the financial year are:

Current Directors	
Mr Ian Middlemas	Chairman
Mr Robert Behets	Non-Executive Director *(appointed 25 February 2016)*
Mr Levi Mochkin	Non-Executive Director
Mr Mark Pearce	Non-Executive Director
Former Directors	
Mr Peter Woodman	Managing Director *(resigned 22 January 2016)*
Mr Simon O'Loughlin	Non-Executive Director *(resigned 25 February 2016)*

Unless otherwise stated, Directors held their office from 1 July 2015 until the date of this report.

CURRENT DIRECTORS AND OFFICERS

Mr Ian Middlemas *B.Com, CA*

Chairman

Mr Middlemas is a Chartered Accountant, a member of the Financial Services Institute of Australasia and holds a Bachelor of Commerce degree. He worked for a large international Chartered Accounting firm before joining the Normandy Mining Group where he was a senior group executive for approximately 10 years. He has had extensive corporate and management experience, and is currently a director with a number of publicly listed companies in the resources sector.

Mr Middlemas was appointed a Director of the Company on 14 September 2009. During the three year period to the end of the financial year, Mr Middlemas has held directorships in Apollo Minerals Limited (July 2016 – present), Cradle Resources Limited (May 2016 – present), Paringa Resources Limited (October 2013 – present), Berkeley Energia Limited (April 2012 – present), Prairie Mining Limited (August 2011 – present), Syntonic Limited (April 2010 – present), Salt Lake Potash Limited (January 2010 – present), Equatorial Resources Limited (November 2009 – present), Sovereign Metals Limited (July 2006 – present), Odyssey Energy Limited (September 2005 – present), Papillon Resources Limited (May 2011 – October 2014), Sierra Mining Limited (January 2006 – June 2014) and Decimal Software Limited (July 2013 – April 2014).

Mr Robert Behets *B.Sc(Hons), FAusIMM, MAIG*

Non-Executive Director

Mr Behets is a geologist with over 28 years' experience in the mineral exploration and mining industry in Australia and internationally. He has had extensive corporate and management experience and has been a Director of a number of ASX-listed companies in the resources sector including Mantra Resources Limited ("Mantra"), Papillon Resources Limited, and Berkeley Energia Limited. Mr Behets was instrumental in the founding, growth and development of Mantra, an African-focused uranium company, through to its acquisition by ARMZ for approximately A$1 billion in 2011. Prior to Mantra, he held various senior management positions during a long career with WMC Resources Limited.

Mr Behets has a strong combination of technical, commercial and managerial skills and extensive experience in exploration, mineral resource and ore reserve estimation, feasibility studies and operations across a range of commodities, including uranium, gold and base metals. He is a Fellow of The Australasian Institute of Mining and Metallurgy, a Member of the Australian Institute of Geoscientists and was previously a member of the Australasian Joint Ore Reserve Committee ('JORC').

CURRENT DIRECTORS AND OFFICERS (Continued)

Mr Behets was appointed a Director of the Company on 25 February 2016. During the three year period to the end of the financial year, Mr Behets has also held directorships in Berkeley Energia Limited (April 2012 – present) Cradle Resources Limited, (May 2016 – present), Equatorial Resources Limited (February 2016 – present) and Papillon Resources Limited (May 2012 – October 2014).

Mr Levi Mochkin

Non-Executive Director

Mr Mochkin has been an executive director and key leader of the Ledger Holdings Pty Ltd Group ("Ledger Holdings"), located in Melbourne, Australia. Mr Mochkin has been in the resources sector for over 28 years advising companies, identifying projects, and raising capital of over $800 million for mining projects. Ledger Holdings will assist in WCP's assessment of new investment opportunities.

Mr Mochkin was appointed a Director on 3 April 2006. During the three year period to the end of the financial year, Mr Mochkin has not held any other directorships in listed companies.

Mr Mark Pearce *B.Bus, CA, FCIS, FFin*

Non-Executive Director

Mr Pearce is a Chartered Accountant and is currently a director of several listed companies that operate in the resources sector. He has had considerable experience in the formation and development of listed resource companies. Mr Pearce is also a Fellow of the Institute of Chartered Secretaries and Administrators and a Fellow of the Financial Services Institute of Australasia.

Mr Pearce was appointed a Director of the Company on 14 September 2009. During the three year period to the end of the financial year, Mr Pearce has held directorships in Apollo Minerals Limited (July 2016 – present), Salt Lake Potash Limited (August 2014 – present), Prairie Mining Limited (August 2011 – present), Syntonic Limited (April 2010 – present), Equatorial Resources Limited (November 2009 – present), Sovereign Metals Limited (July 2006 – present), Odyssey Energy Limited (September 2005 – present) and Decimal Software Limited (July 2013 - April 2014).

Mr Gregory Swan *B.Com, CA, ACIS, AFin*

Company Secretary

Mr Swan is a Chartered Accountant and Chartered Secretary. He commenced his career at a large international Chartered Accounting firm and has since worked in the corporate office of a number of listed companies that operate in the resources sector. Mr Swan was appointed Company Secretary of the Company on 31 October 2012.

EMPLOYEES

The Consolidated Entity has no employees at 30 June 2016 (2015: nil).

PRINCIPAL ACTIVITIES

The principal activities of the Consolidated Entity during the year consisted of the identification, acquisition, exploration and development of resource projects. No significant change in the nature of these activities occurred during the year.

EARNINGS PER SHARE

	2016 (Cents)	2015 (Cents)
Basic and diluted earnings per share	**(0.10)**	(0.30)

DIVIDENDS

No dividends were paid or declared since the start of the financial year. No recommendation for payment of dividends has been made.

OPERATING AND FINANCIAL REVIEW

Operations

Highlights during, and subsequent to the end of, the year were as follows:

- Secured lithium surface and mineral rights comprising options over an initial core landholding of 415 contiguous acres (the "Piedmont Lithium Project") in the Carolina Lithium Belt, a historic lithium producing district in North Carolina, United States;

- Announced that resource company executive, Mr Anastasios (Taso) Arima, will be appointed as an Executive Director of the Company, and experienced U.S. geologist, Mr Lamont Leatherman, will be appointed as Consulting Geologist to the Company;

- Continued to monitor the situation in Yemen where the Company's Al Hariqah Gold Project (the "Al Hariqah Gold Project") is located. Activities at the Al Hariqah Project are currently suspended given the continued levels of violence, political instability and civil unrest in Yemen. WCP is encouraged by previous results at the Al Hariqah Project, however continuing activities at the Al Hariqah Project is not considered appropriate in the current environment. If circumstances improve WCP may look to restart activities;

- Continued its review of the Yalgoo Gold Project (the "Yalgoo Gold Project") to identify any other potential targets. Subject to the results from this review, the Company will then assess plans for further exploration work at the Yalgoo Project, which may include a follow-up drilling program; and

- At 30 June 2016, the Company had cash reserves of approximately $1.9 million placing the Company in a strong position to conduct its current activities, including the recently announced Piedmont Lithium Project.

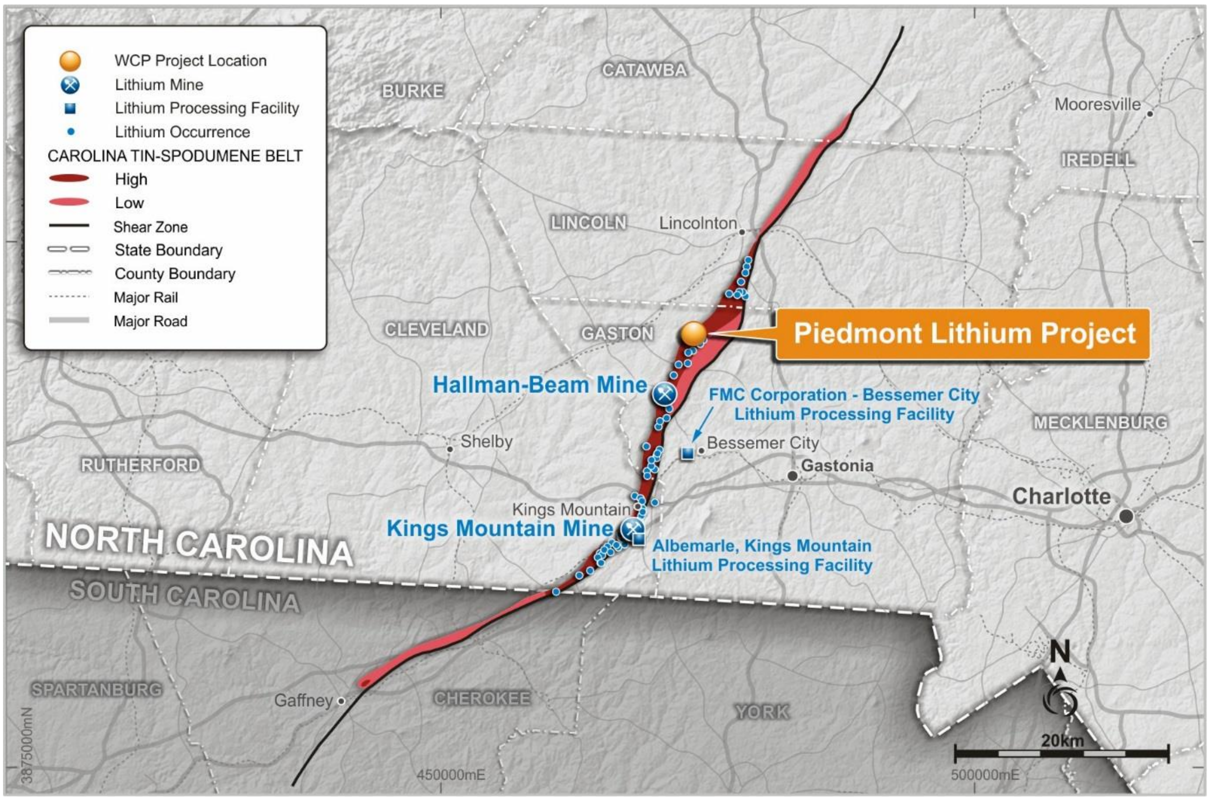

Figure 1: Piedmont Lithium Project Location

OPERATING AND FINANCIAL REVIEW (Continued)

Piedmont Lithium Project

Subsequent to the end of the financial year, the Company announced that it had secured lithium surface and mineral rights comprising options over an initial core landholding of 415 contiguous acres (the “Piedmont Lithium Project”) in the Carolina Lithium Belt, also referred to as the Carolina Tin-Spodumene Belt (“TSB”), a historic lithium producing district in North Carolina, United States (Figure 1).

The TSB has been recognised as one of the largest lithium provinces in the world and is located approximately 40 kilometres west of Charlotte, North Carolina, United States. The Company’s Piedmont Lithium Project is located along trend from the historic Hallman-Beam (~6km south) and Kings Mountain (~17km south) lithium mines. From the 1950’s to the 1990’s these two mines were the most important western world lithium producers and the only U.S. domestic source of lithium, and their metallurgy formed the foundation for the design of modern lithium processing facilities.

Albemarle Corporation (NYSE:ALB, market cap of A$11.9 billion) (“Albemarle”) and FMC Corporation (NYSE:FMC, market cap of A$8.6 billion) (“FMC”) operate the only two North American lithium downstream processing facilities, which are both located in close proximity to the Project and which continue to be some of the largest producers of lithium products worldwide.

The Project was previously explored by FMC and more recently by North Arrow Minerals Inc., including 19 holes drilled in 2009/10, prior to changing its focus to gold and base metal opportunities due to the significant fall in lithium price in 2010. WCP is currently in the process of acquiring this historical drill data and will update the market on the results of this prior exploration in the coming weeks.

The combination of unique proximity to downstream lithium infrastructure together with the growing U.S. demand for electric vehicle and battery storage markets, places the Company in a unique position to build a strategic U.S. domestic source of lithium production.

Al Hariqah Project

The Al Hariqah Project is a near-surface gold deposit located in the Republic of Yemen and within the Arabian-Nubian Shield (“ANS”), an emerging gold mining region that contains a number of large gold deposits, including Centamin plc’s (LSE:CEY, TSX:CEE) Sukari gold project. Previous drilling at the Al Hariqah Project has defined a broad zone of gold mineralisation which is approximately 4km in length, up to 500m wide, and extends to at least 150m depth with several deep holes ending in mineralisation.

As a result of the increase in the level of violence, political instability and civil unrest in Yemen over the last few years, WCP and its joint venture partner Cantex made the decision in October 2014 to suspend activities at the Al Hariqah Project. Prior to the suspension of activities at the Al Hariqah Project, WCP and Cantex had drilled 44 holes for 6,378m of drilling which demonstrated the potential for extensions to the previously known gold mineralisation.

WCP continues to be encouraged by previous results at the Al Hariqah Project, especially seeing shallow intervals of significant mineralization, however continuing activities at the Al Hariqah Project is not considered appropriate in the current environment. The Company will continue to monitor the situation in Yemen and if circumstances improve the Company may look to restart activities.

In October 2014 the Company announced that it had earned an initial 40% interest in the Al Hariqah Project, after meeting its joint venture expenditure commitment of US$5 million, following which the Company elected not to increase its interest above 40%. Cantex also announced that WCP had met its first US$5 million expenditure commitment on the Al Hariqah Project. Notwithstanding this, Cantex since disputed WCP’s achievement of the US$5 million expenditure commitment. WCP denies Cantex’s assertions. The parties are in ongoing discussions and WCP will seek to resolve any dispute in accordance with the dispute resolution provisions contained in the Agreement.

In accordance with the terms of the earn-in agreement between WCP and Cantex, the Company has also elected not to contribute its respective share of the joint venture costs subsequent to earning its 40% interest in order to conserve its cash reserves. Instead, WCP’s interest will be subject to dilution. At 30 June 2016, WCP has estimated that its interest in the Al Hariqah Project has been diluted to approximately 33%.

Yalgoo Gold Project

The Yalgoo Project comprises a prospective tenement located in the Yalgoo Mineral Field in Western Australia and close to a number of important gold and base metal operations.

The Company completed a sampling program at the Yalgoo Project in 2011 that returned encouraging selective rock chip assays including: 9.36g/t Au, 9.98g/t Au, 25.1g/t Au and 60.4g/t Au. The results were returned from selective sampling of quartz veins hosted in Archean metamorphosed mafic intrusive rocks and from a north-south striking zone approximately 3km in length between the Kings Find and Nyngan historic workings.

After signing a Native Title agreement with the Badimia People and receiving Native Title clearance, the Company completed a scout style drilling program in 2013 which comprised of 42 holes for approximately 1,200m of drilling. The assay results did not return any significant intercepts.

The Company is currently continuing a review of the Yalgoo Project area to identify any other potential targets. Subject to the results from this review, the Company will then assess plans for further exploration work at the Yalgoo Project, which may include a follow-up drilling program.

Corporate

During the year, the Company continued to examine new business opportunities in the resources sector, both domestic and overseas, which resulted in the announcement, subsequent to the end of the financial year, that the Company had secured lithium surface and mineral rights comprising options over an initial core landholding of 415 contiguous acres (the "Piedmont Lithium Project") in the Carolina Lithium Belt, a historic lithium producing district in North Carolina, United States.

During the year, the Company sold its available-for-sale listed investment in Raya Group Limited (ASX:RYG) (comprising 3,750,013 shares) for net proceeds of approximately $107,000.

Mr Robert Behets was appointed as a Non-Executive Director of the Company, effective from 25 February 2016. Mr Peter Woodman resigned as Managing Director of the Company, effective from 22 January 2016, and Mr Simon O'Loughlin resigned as a Non-Executive Director of the Company, effective from 25 February 2016.

Subsequent to the end of the financial year, the Company announced that, effective on or about 1 October 2016, resource company executive, Mr Anastasios (Taso) Arima, will be appointed as an Executive Director of the Company, and experienced U.S. geologist, Mr Lamont Leatherman, will be appointed as Consulting Geologist.

Results of Operations

The Consolidated Entity's net loss after tax for the year ended 30 June 2016 was $383,978 (2015: $1,177,749).

This loss is partly attributable to business development expenses of $191,016 (2015: $307,097) which is attributable to the Group's assessment during the year of various new business opportunities in the resources and other sectors, both domestically and overseas, including travel costs.

Financial Position

At 30 June 2016, the Company had cash reserves of approximately $1.9 million (2015: $2.3 million) and no debt, placing the Company in a strong position to conduct its current activities and to pursue new business development opportunities.

At 30 June 2016, the Company had net assets of approximately $1.9 million (2015: $2.3 million), a decrease of 20.6% compared with the previous year. This is consistent with and largely attributable to the current year's net loss after tax.

OPERATING AND FINANCIAL REVIEW (Continued)

Business Strategies and Prospects for Future Financial Years

The objective of the Group is to create long-term shareholder value through the discovery, development and acquisition of technically and economically viable mineral deposits.

To date, the Group has not commenced production of any minerals, nor has it identified a Mineral Resource in accordance with the JORC Code. To achieve its objective, the Group currently has the following business strategies and prospects over the medium to long term:

- Continue to actively assess new domestic and overseas business opportunities in the mineral resources sector to complement the Company's current projects;
- If circumstances permit, increase drilling and other exploration activities at the Al Hariqah Project and/or Yalgoo Project; and
- Subject to the results of exploration programs, prepare an initial Mineral Resource estimate in accordance with the JORC Code for the Al Hariqah Project and/or Yalgoo Project.

All of these activities are inherently risky and the Board is unable to provide certainty of the expected results of these activities, or that any or all of these likely developments will be achieved. The material business risks faced by the Group that could have an effect on the Group's future prospects, and how the Group manages these risks, include:

- **New projects and acquisitions** – The Company has to date and will continue to actively pursue and assess other new business opportunities in the resources sector. These new business opportunities may take the form of direct project acquisitions, joint ventures, farm-ins, acquisition of tenements/permits, or direct equity participation. The acquisition of projects (whether completed or not) may require the payment of monies (as a deposit and/or exclusivity fee) after only limited due diligence and prior to the completion of comprehensive due diligence. There can be no guarantee that any proposed acquisition will be completed or be successful. If a proposed acquisition is not completed, monies already advanced may not be recoverable, which may have a material adverse effect on the Company. If any acquisition is completed, the Company will need to reassess, at that time, the funding allocated to any current projects and new projects, which may result in the Company reallocating funds from other projects and/or the raising of additional capital (if available). Furthermore, notwithstanding that an acquisition may proceed upon the completion of due diligence, the usual risks associated with a new project/business activities will remain;

- **The Company's exploration properties may never be brought into production** – The exploration for, and development of, mineral deposits involves a high degree of risk. Few properties which are explored are ultimately developed into producing mines. To mitigate this risk, the Company will undertake systematic and staged exploration and testing programs on its mineral properties and, subject to the results of these exploration programs, the Company will then progressively undertake a number of technical and economic studies with respect to its projects prior to making a decision to mine. However there can be no guarantee that the studies will confirm the technical and economic viability of the Company's mineral properties or that the properties will be successfully brought into production;

- **The Company's activities will require further capital** – The exploration and any development of the Company's exploration properties will require substantial additional financing. Failure to obtain sufficient financing may result in delaying or indefinite postponement of exploration and any development of the Company's properties or even a loss of property interest. There can be no assurance that additional capital or other types of financing will be available if needed or that, if available, the terms of such financing will be favourable to the Company;

- **The Company is subject to sovereign risk of the Republic of Yemen** – The Company's operations in the Republic of Yemen are exposed to various levels of political, economic and other risks and uncertainties. The Republic of Yemen is a developing country which does not have an established mining industry. There can be no assurances that the ongoing political uncertainty and violence in Republic of Yemen will end and allow the Company's operations to recommence, or allow the Company to attract new funding for any further operations. In the event circumstances do not improve or deteriorate further, it will have a direct impact on the Company's operations or its ability to attract new funding for its operations in Yemen;

- **The Company may be adversely affected by fluctuations in commodity prices** – The price of gold fluctuates widely and is affected by numerous factors beyond the control of the Company. Future production, if any, from the Company's mineral properties will be dependent upon the price of gold being adequate to make these properties economic. The Company currently does not engage in any hedging or derivative transactions to manage commodity price risk. As the Company's operations change, this policy will be reviewed periodically going forward; and
- **Global financial conditions may adversely affect the Company's growth and profitability** – Many industries, including the mineral resource industry, are impacted by these market conditions. Some of the key impacts of the current financial market turmoil include contraction in credit markets resulting in a widening of credit risk, devaluations and high volatility in global equity, commodity, foreign exchange and precious metal markets, and a lack of market liquidity. Due to the current nature of the Company's activities, a slowdown in the financial markets or other economic conditions may adversely affect the Company's growth and ability to finance its activities. If these increased levels of volatility and market turmoil continue, the Company's activities could be adversely impacted and the trading price of the Company's shares could be adversely affected.

ENVIRONMENTAL REGULATION AND PERFORMANCE

The Consolidated Entity's operations are subject to various environmental laws and regulations under the relevant government's legislation. Full compliance with these laws and regulations is regarded as a minimum standard for all operations to achieve.

Instances of environmental non-compliance by an operation are identified either by external compliance audits or inspections by relevant government authorities.

There have been no known breaches by the Consolidated Entity during the financial year.

SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

Significant changes in the state of affairs of the Consolidated Entity during the financial year were as follows:

(i) Mr Peter Woodman resigned as Managing Director of the Company, effective from 22 January 2016;

(ii) Mr Robert Behets was appointed as a Non-Executive Director of the Company, effective from 25 February; and

(iii) Mr Simon O'Loughlin resigned as a Non-Executive Director of the Company, effective from 25 February.

SIGNIFICANT EVENTS AFTER THE BALANCE DATE

(i) On 27 September 2016, the Company announced that it had secured lithium surface and mineral rights comprising options over an initial core landholding of 415 contiguous acres (the "Piedmont Lithium Project") in the Carolina Lithium Belt, a historic lithium producing district in North Carolina, United States; and

(ii) On 27 September 2016, the Company announced that, effective on or about 1 October 2016, resource company executive, Mr Anastasios (Taso) Arima, will be appointed as an Executive Director of the Company, and experienced U.S. geologist, Mr Lamont Leatherman, will be appointed as Consulting Geologist; and

(iii) On 27 September 2016, the Company issued 45,000,000 Incentive Options to key consultants and advisors of the Company, including 40,500,000 Incentive Options to Mr Arima, Mr Leatherman, and other consultants in consideration for introducing the Piedmont Lithium Project opportunity to the Company.

Other than as outlined above, as at the date of this report there are no matters or circumstances which have arisen since 30 June 2016 that have significantly affected or may significantly affect:

- the operations, in financial years subsequent to 30 June 2016, of the Consolidated Entity;
- the results of those operations, in financial years subsequent to 30 June 2016, of the Consolidated Entity; or
- the state of affairs, in financial years subsequent to 30 June 2016, of the Consolidated Entity.

DIRECTORS' INTERESTS

As at the date of this report, the Directors' interests in the securities of the Company are as follows:

	Ordinary Shares[1]	Performance Rights[2]
Ian Middlemas	20,000,000	-
Robert Behets	1,000,000	-
Levi Mochkin	52,500,000	2,000,000
Mark Pearce	3,500,000	1,200,000

Notes:
[1] 'Ordinary Shares' means fully paid ordinary shares in the capital of the Company.
[2] 'Performance Rights' means the right to subscribe for one Ordinary Share in the Capital of the Company upon the completion of specific performance milestones set by the Company.

SHARE OPTIONS AND PERFORMANCE RIGHTS

At the date of this report the following Incentive Options and Performance Rights have been issued over unissued Ordinary Shares of the Company:

- 19,000,000 Incentive Options exercisable at $0.05 each that expire on 31 December 2019;
- 13,000,000 Incentive Options exercisable at $0.10 each that expire on 31 December 2019;
- 13,000,000 Incentive Options exercisable at $0.15 each that expire on 31 December 2019;
- 1,100,000 Performance Rights that expire on 31 December 2016;
- 1,100,000 Performance Rights that expire on 30 June 2017;
- 1,100,000 Performance Rights that expire on 31 December 2017; and
- 1,100,000 Performance Rights that expire on 31 December 2018.

During the year ended 30 June 2016 and up to the date of this report, no ordinary shares have been issued as a result of the exercise of options or performance rights.

INDEMNIFICATION AND INSURANCE OF OFFICERS AND AUDITORS

The Constitution of the Company requires the Company, to the extent permitted by law, to indemnify any person who is or has been a director or officer of the Company or Group for any liability caused as such a director or officer and any legal costs incurred by a director or officer in defending an action for any liability caused as such a director or officer.

During or since the end of the financial year, no amounts have been paid by the Company or Group in relation to the above indemnities. During the financial year, an insurance premium of $14,125 (2015: $22,450) was paid by the Group to insure against a liability incurred by a person who is or has been a director or officer of the Company or Group.

REMUNERATION REPORT (AUDITED)

This Remuneration Report, which forms part of the Directors' Report, sets out information about the remuneration of Key Management Personnel ("**KMP**") of the Group.

Details of Key Management Personnel

The KMP of the Group during or since the end of the financial year were as follows:

Current Directors

Mr Ian Middlemas	Chairman
Mr Robert Behets	Non-Executive Director *(appointed 25 February 2016)*
Mr Levi Mochkin	Non-Executive Director
Mr Mark Pearce	Non-Executive Director

Former Directors

Mr Simon O'Loughlin	Non-Executive Director *(resigned 25 February 2016)*
Mr Peter Woodman	Managing Director *(resigned 22 January 2016)*

Other KMP

Mr Gregory Swan	Company Secretary

Unless otherwise disclosed, the KMP held their position from 1 July 2015 until the date of this report.

Remuneration Policy

The Group's remuneration policy for its KMP has been developed by the Board taking into account the size of the Group, the size of the management team for the Group, the nature and stage of development of the Group's current operations, and market conditions and comparable salary levels for companies of a similar size and operating in similar sectors.

In addition to considering the above general factors, the Board has also placed emphasis on the following specific issues in determining the remuneration policy for KMP:

- the Group is currently focused on identifying and acquiring suitable resource projects and undertaking exploration, appraisal and development activities;
- risks associated with small cap resource companies whilst exploring and developing projects; and
- other than profit which may be generated from asset sales, the Company does not expect to be undertaking profitable operations until sometime after the commencement of commercial production on any of its projects.

Executive Remuneration

The Group's remuneration policy is to provide a fixed remuneration component and a performance based component (short term incentive and long term incentive). The Board believes that this remuneration policy is appropriate given the considerations discussed in the section above and is appropriate in aligning executives' objectives with shareholder and business objectives.

Fixed Remuneration

Fixed remuneration consists of base salaries, as well as employer contributions to superannuation funds and other non-cash benefits. Non-cash benefits may include provision of motor vehicles. Fixed remuneration is reviewed annually by the Board. The process consists of a review of company and individual performance, relevant comparative remuneration externally and internally and, where appropriate, external advice on policies and practices.

REMUNERATION REPORT (AUDITED) (Continued)

Executive Remuneration (Continued)

Performance Based Remuneration – Short Term Incentive

Some executives are entitled to an annual cash bonus upon achieving various key performance indicators ("**KPI's**"), as set by the Board. Having regard to the current size, nature and opportunities of the Company, the Board has determined that these KPI's will include measures such as successful completion of the acquisition of new projects, exploration activities (e.g. completion of exploration programs within budgeted timeframes and costs), development activities (e.g. completion of scoping and/or feasibility studies), corporate activities (e.g. recruitment of key personnel) and business development activities (e.g. project acquisitions and capital raisings). Prior to the end of each financial year, the Board assesses performance against these criteria.

Given recent market conditions and the status of the Company's operations, the Board has determined not to pay any cash bonuses in respect of the year ended 30 June 2016 (2015: Nil).

Performance Based Remuneration – Long Term Incentive

The Group has adopted a long-term incentive plan ("**LTIP**") comprising the "WCP Performance Rights Plan" (the "**Plan**") to reward KMP and key employees for long-term performance. Shareholders approved the Plan in August 2014 at a General Meeting of Shareholders.

The Plan provides for the issuance of unlisted performance share rights ("**Performance Rights**") which, upon satisfaction of the relevant performance conditions attached to the Performance Rights, will result in the issue of an Ordinary Share for each Performance Right. Performance Rights are issued for no consideration and no amount is payable upon conversion thereof.

To achieve its corporate objectives, the Company needs to attract and retain its key staff, whether employees or contractors. The Board believes that grants made to eligible participants under the Plan will provide a powerful tool to underpin the Company's employment and engagement strategy, and that the implementation of the Plan will:

(a) enable the Company to recruit, incentivise and retain KMP and other eligible employees and contractors needed to achieve the Company's business objectives;
(b) link the reward of key staff with the achievement of strategic goals and the long term performance of the Company;
(c) align the financial interest of participants of the Plan with those of Shareholders; and
(d) provide incentives to participants of the Plan to focus on superior performance that creates Shareholder value.

Performance Rights granted under the Plan to eligible participants will be linked to the achievement by the Company of certain performance conditions as determined by the Board from time to time. These performance conditions must be satisfied in order for the Performance Rights to vest. Upon Performance Rights vesting, Ordinary Shares are automatically issued for no consideration. If a performance condition of a Performance Right is not achieved by the expiry date then the Performance Right will lapse.

During the financial year, no Performance Rights were granted to KMP or other employees.

In the past, the Group has chosen to provide unlisted incentive options ('Incentive Options') to some KMP as part of their remuneration and incentive arrangements in order to attract and retain their services and to provide an incentive linked to the performance of the Group. The Board's policy was to grant Incentive Options to KMP with exercise prices at or above market share price (at the time of agreement). As such, the Incentive Options granted to KMP were generally only of benefit if the KMP performed to the level whereby the value of the Group increased sufficiently to warrant exercising the Incentive Options granted.

Other than service-based vesting conditions (if any), there were no additional performance criteria on the Incentive Options granted to KMP, as given the speculative nature of the Group's activities at that time and the previously small management team responsible for its running, it was considered the performance of the KMP and the performance and value of the Group were closely related.

The Company prohibits executives from entering into arrangements to limit their exposure to Incentive Options granted as part of their remuneration package.

Non-Executive Director Remuneration

The Board's policy is to remunerate Non-Executive Directors at market rates for comparable companies for time, commitment and responsibilities. Given the current size, nature and risks of the Company, Incentive Options have been used to attract and retain Non-Executive Directors, where deemed appropriate. The Board determines payments to the Non-Executive Directors and reviews their remuneration annually, based on market practice, duties and accountability. Independent external advice is sought when required.

The maximum aggregate amount of fees that can be paid to Non-Executive Directors is subject to approval by shareholders at a General Meeting. Director's fees paid to Non-Executive Directors accrue on a daily basis. Fees for Non-Executive Directors are not linked to the performance of the economic entity. However, to align Directors' interests with shareholder interests, the Directors are encouraged to hold shares in the Company and Non-Executive Directors may in limited circumstances receive Incentive Options and/or Performance Rights in order to secure their services.

The Company prohibits Non-Executive Directors from entering into arrangements to limit their exposure to Incentive Options granted as part of their remuneration package.

Fees for the Chairman are presently $36,000 (2015: $36,000), however given recent market conditions and the status of the Company's operations, the Chairman, Mr Ian Middlemas, elected to only receive fees of $24,000 for the 2016 financial year (2015: $24,000). Fees for Non-Executive Directors are presently set at between $20,000 to $50,000 per annum (2015: $20,000 to $50,000). These fees cover main board activities only.

Non-Executive Directors may receive additional remuneration for other services provided to the Company, including but not limited to, membership of committees.

Relationship between Remuneration of KMP and Shareholder Wealth

During the Company's new acquisition, exploration and development phases of its business, the Board anticipates that the Company will retain earnings (if any) and other cash resources for the exploration and development of its resource projects. Accordingly the Company does not currently have a policy with respect to the payment of dividends and returns of capital. Therefore there was no relationship between the Board's policy for determining, or in relation to, the nature and amount of remuneration of KMP and dividends paid and returns of capital by the Company during the current and previous four financial years.

The Board did not determine, and in relation to, the nature and amount of remuneration of the KMP by reference to changes in the price at which shares in the Company traded between the beginning and end of the current and the previous four financial years. Discretionary annual cash bonuses are based upon achieving various non- financial KPI's that are not based on share price or earnings, such as the successful acquisition of new projects, exploration activities (e.g. completion of exploration programs within budgeted timeframes and costs), development activities (e.g. completion of scoping and/or feasibility studies), corporate activities (e.g. recruitment of key personnel) and business development activities (e.g. project acquisitions and capital raisings). However, as noted above, certain KMP are granted Performance Rights (and in the past have received Incentive Options) which generally will be of greater value to KMP if the value of the Company's shares increases (subject to vesting conditions being met).

Relationship between Remuneration of KMP and Earnings

As discussed above, the Company is currently undertaking new acquisition, exploration and development activities, and does not expect to be undertaking profitable operations (other than by way of material asset sales, none of which is currently planned) until sometime after the successful commercialisation, production and sales of commodities from one or more of its projects. Accordingly the Board does not consider earnings during the current and previous four financial years when determining, and in relation to, the nature and amount of remuneration of KMP.

REMUNERATION REPORT (AUDITED) (Continued)

Emoluments of KMP

Details of the nature and amount of each element of the emoluments of each KMP of WCP Resources Limited are as follows:

2016	Short-term benefits Salary & fees $	Short-term benefits Cash bonus $	Post-employment benefits $	Share-based payments $	Termination Payments $	Total $	Percentage performance related %
Directors							
Ian Middlemas [1]	**24,000**	**-**	**2,280**	**-**	**-**	**26,280**	**-**
Robert Behets [2]	**10,431**	**-**	**991**	**-**	**-**	**11,422**	**-**
Levi Mochkin [3]	**120,000**	**-**	**4,750**	**(19,137)**	**-**	**105,613**	**-**
Mark Pearce [4]	**20,000**	**-**	**1,900**	**(11,482)**	**-**	**10,418**	**-**
Simon O'Loughlin[5]	**13,333**	**-**	**1,267**	**-**	**-**	**14,600**	**-**
Peter Woodman [6]	**82,337**	**-**	**7,822**	**(57,412)**	**8,761**	**41,508**	**-**
Other KMP							
Gregory Swan [7]	**-**	**-**	**-**	**(5,741)**	**-**	**(5,741)**	**-**
	270,101	**-**	**19,010**	**(93,772)**	**8,761**	**204,100**	**-**

Notes:

1 Given recent market conditions and the status of the Company's operations, Mr Middlemas elected to only receive fees of $24,000 for the 2016 financial year.

2 Mr Behets was appointed on 25 February 2016.

3 During the year Mr Mochkin was paid, or is payable, $50,000 for directors' fees and Ledger Holdings Pty Ltd, an entity associated with Mr Mochkin, was paid, or is payable, $70,000 for additional services provided in respect of business development activities. During the year, any share based payment expense previously recognised under AASB 2 relating to 2,000,000 Performance Rights held by Mr Mochkin has been reversed on the basis that it is considered unlikely that the these Performance Rights will ultimately vest.

4 During the year, any share based payment expense previously recognised under AASB 2 relating to 1,200,000 Performance Rights held by Mr Pearce has been reversed on the basis that it is considered unlikely that the these Performance Rights will ultimately vest.

5 Mr O'Loughlin resigned effective from 25 February 2016.

6 Mr Woodman resigned effective from 22 January 2016 and forfeited 6,000,000 Performance Rights. Any share based payment expense previously recognised under AASB 2 in respect to these Performance Rights has been reversed.

7 Mr Swan provides services as the Company Secretary through a services agreement with Apollo Group Pty Ltd ('Apollo). During the year, Apollo was paid or is payable $180,000 for the provision of administration and company secretarial services to the Group. During the year, any share based payment expense previously recognised under AASB 2 relating to 600,000 Performance Rights held by Mr Swan has been reversed on the basis that it is considered unlikely that the these Performance Rights will ultimately vest.

2015	Short-term benefits Salary & fees $	Short-term benefits Cash bonus $	Post-employment benefits $	Share-based payments $	Total $	Percentage performance related %
Directors						
Ian Middlemas [1]	24,000	-	-	-	24,000	-
Peter Woodman [2]	258,700	-	17,966	57,412	334,078	17%
Levi Mochkin [3]	120,000	-	4,750	19,137	143,887	13%
Simon O'Loughlin	20,000	-	1,900	-	21,900	-
Mark Pearce	20,000	-	1,900	11,482	33,382	34%
Other KMP						
Gregory Swan [4]	-	-	-	5,741	5,741	100%
	442,700	-	26,516	93,772	562,988	

Notes:

1 Given recent market conditions and the status of the Company's operations, Mr Middlemas elected to only receive fees of $24,000 for the 2015 financial year.

2 Given recent market conditions and the status of the Company's operations, Mr Woodman's annual salary was reduced from $300,000 per annum to $160,000 per annum (inclusive of superannuation), effective from 1 May 2015.

3 During the year Mr Mochkin was paid, or is payable, $50,000 for directors' fees and Ledger Holdings Pty Ltd, an entity associated with Mr Mochkin, was paid, or is payable, $70,000 for additional services provided in respect of business development activities.

4 Mr Swan provides services as the Company Secretary through a services agreement with Apollo Group Pty Ltd ("Apollo"). During the year, Apollo was paid $272,000 for the provision of a fully serviced office and administrative, corporate, accounting and company secretarial services to the Group, based on a monthly retainer of between $16,000 and $26,000. From 1 July 2015, the monthly retainer has been reduced to $15,000.

Loans with Key Management Personnel

No loans were provided to or received from KMP during the year ended 30 June 2016 (2015: Nil).

Other Transactions with Key Management Personnel

Apollo Group Pty Ltd, a Company of which Mr Mark Pearce is a director and beneficial shareholder, was paid $180,000 during the 2016 year for the provision of serviced office facilities and administration services (2015: $272,000), based on a monthly retainer of $15,000 due and payable in advance with no fixed term. The agreement may be terminated by either party for any reason by giving one months' notice.

Options and Performance Rights Granted to Key Management Personnel

No Options were granted by the Company to any KMP or other employees of the Group during the year ended 30 June 2016, and no Incentive Options previously granted to KMP were exercised or lapsed during the financial year.

No Performance Rights were granted by the Company to any KMP or other employees of the Group during the year ended 30 June 2016, and no Performance Rights previously granted to KMP converted during the financial year. 6,000,000 Performance Rights previously granted to KMP lapsed during the financial year.

Option and Performance Right holdings of Key Management Personnel

2016	Held at 1 July 2015	Granted as Remuneration	Options Exercised/ Rights Converted	Options/ Rights Lapsed	Held at 30 June 2016	Vested and exercisable at 30 June 2016
Directors						
Ian Middlemas	-	-	-	-	-	-
Robert Behets	- [1]	-	-	-	-	-
Levi Mochkin	2,000,000	-	-	-	2,000,000	-
Mark Pearce	1,200,000	-	-	-	1,200,000	-
Simon O'Loughlin	-	-	-		- [2]	- [2]
Peter Woodman	6,000,000	-	-	(6,000,000)	- [2]	- [2]
Other KMP						
Gregory Swan	600,000	-	-	-	600,000	-
	9,800,000	-	-	(6,000,000)	3,800,000	-

Notes:

[1] As at date of appointment.

[2] As at date of resignation.

Ordinary Shareholdings of Key Management Personnel

2016	Held at 1 July 2015	Options Exercised/ Rights Converted	Net Change Other	Held at 30 June 2016
Directors				
Ian Middlemas	20,000,000	-	-	20,000,000
Robert Behets	1,000,000 [1]	-	-	1,000,000
Levi Mochkin	52,500,000	-	-	52,500,000
Mark Pearce	3,500,000	-	-	3,500,000
Simon O'Loughlin	8,700,000	-	(4,350,000)	4,350,000 [2]
Peter Woodman	3,250,000	-	-	3,250,000 [2]
Other KMP				
Gregory Swan	1,105,859	-	(105,859)	1,000,000
	89,055,859	-	(4,455,859)	84,600,000

Notes:

[1] As at date of appointment.

[2] As at date of resignation.

REMUNERATION REPORT (AUDITED) (Continued)

Employment Contracts with KMP

Ledger Holdings Pty Ltd, an entity associated with Mr Levi Mochkin, has an agreement with WCP Resources Limited for the provision of services in relation to business development activities. The agreement may be terminated by either party for any reason by giving two months' notice. Ledger Holdings Pty Ltd receives a monthly retainer of $5,833 per month (2015: $5,833 per month), with any additional fees to be agreed between the parties as required from time to time. Mr Mochkin also receives directors' fees of $50,000 per annum.

End of Remuneration Report.

DIRECTORS' MEETINGS

The number of meetings of directors held during the year and the number of meetings attended by each director were as follows:

	Board Meetings	
	Number eligible to attend	Number attended
Ian Middlemas	2	2
Robert Behets	-	-
Levi Mochkin	2	2
Mark Pearce	2	2
Simon O'Loughlin	2	1
Peter Woodman	1	1

There were no Board committees during the financial year.

NON-AUDIT SERVICES

There were no non-audit services provided by the auditor (or by another person or firm on the auditor's behalf) during the financial year.

AUDITOR'S INDEPENDENCE DECLARATION

The lead auditor's independence declaration for the year ended 30 June 2016 has been received and can be found on page 14 of the Directors' Report.

Signed in accordance with a resolution of the directors.

MARK PEARCE
Director

28 September 2016

AUDITOR'S INDEPENDENCE DECLARATION

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The Board of Directors
WCP Resources Limited
Level 9, 28 The Esplanade
PERTH WA 6000

28 September 2016

Dear Board Members

WCP Resources Limited

In accordance with section 307C of the Corporations Act 2001, I am pleased to provide the following declaration of independence to the directors of WCP Resources Limited.

As lead audit partner for the audit of the financial statements of WCP Resources Limited for the financial year ended 30 June 2016, I declare that to the best of my knowledge and belief, there have been no contraventions of:

(i) the auditor independence requirements of the Corporations Act 2001 in relation to the audit; and

(ii) any applicable code of professional conduct in relation to the audit.

Yours sincerely

Deloitte Touche Tohmatsu

DELOITTE TOUCHE TOHMATSU

David Newman
Partner
Chartered Accountants

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
YEAR ENDED 30 JUNE 2016

	Notes	2016 $	2015 $
Continuing operations			
Interest revenue		**53,556**	71,205
Other income	2	**95,711**	-
Exploration and evaluation expenses		**(54,793)**	(357,554)
Corporate and administrative expenses		**(386,950)**	(450,050)
Business development expenses		**(191,016)**	(307,097)
Other expenses	3(a)	**99,514**	(134,253)
Loss before income tax		**(383,978)**	(1,177,749)
Income tax expense	4(a)	**-**	-
Loss for the year		**(383,978)**	(1,177,749)
Loss attributable to members of WCP Resources Limited		**(383,978)**	(1,177,749)
Other comprehensive income			
Items that may be reclassified subsequently to profit or loss:			
Net fair value loss on available for sale financial assets		**-**	(63,750)
Impairment losses on available for sale financial assets transferred to profit and loss		**-**	30,000
Other comprehensive loss for the year, net of tax		**-**	(33,750)
Total comprehensive loss for the year		**(383,978)**	(1,211,499)
Total comprehensive loss attributable to members of WCP Resources Limited		**(383,978)**	(1,211,499)
Basic loss per share (cents per share)	16	**(0.10)**	(0.30)
Diluted loss per share (cents per share)	16	**(0.10)**	(0.30)

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

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AT 30 JUNE 2016

	Notes	2016 $	2015 $
ASSETS			
Current Assets			
Cash and cash equivalents	15(b)	**1,855,095**	2,301,494
Trade and other receivables	6	**13,811**	25,139
Total Current Assets		**1,868,906**	2,326,633
Non-Current Assets			
Exploration and evaluation assets	7	**52,022**	52,022
Property, plant and equipment	8	**1,289**	8,740
Available for sale financial assets	9	**-**	11,250
Total Non-Current Assets		**53,311**	72,012
TOTAL ASSETS		**1,922,217**	2,398,645
LIABILITIES			
Current Liabilities			
Trade and other payables	10	**63,322**	41,303
Provisions	11	**-**	14,955
Total Current Liabilities		**63,322**	56,258
TOTAL LIABILITIES		**63,322**	56,258
NET ASSETS		**1,858,895**	2,342,387
EQUITY			
Contributed equity	12	**30,453,178**	30,453,178
Reserves	13	**-**	99,514
Accumulated losses	14	**(28,594,283)**	(28,210,305)
TOTAL EQUITY		**1,858,895**	2,342,387

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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
YEAR ENDED 30 JUNE 2016

	Ordinary Shares	Share Based Payment Reserve	Investments Available For Sale Reserve	Accumulated Losses	Total Equity
	$	$	$	$	$
Balance at 1 July 2015	**30,453,178**	**99,514**	**-**	**(28,210,305)**	**2,342,387**
Net loss for the year	**-**	**-**	**-**	**(383,978)**	**(383,978)**
Total comprehensive loss for the year	**-**	**-**	**-**	**(383,978)**	**(383,978)**
Transactions with owners recorded directly in equity					
Share based payments	**-**	**(99,514)**	**-**	**-**	**(99,514)**
Balance at 30 June 2016	**30,453,178**	**-**	**-**	**(28,594,283)**	**1,858,895**
Balance at 1 July 2014	30,453,178	-	33,750	(27,032,556)	3,454,372
Net loss for the year	-	-	-	(1,177,749)	(1,177,749)
Other comprehensive income:					
Net fair value loss on available for sale financial assets	-	-	(63,750)	-	(63,750)
Impairment losses on available for sale financial assets transferred to profit and loss	-	-	30,000	-	30,000
Total comprehensive loss for the year	-	-	(33,750)	(1,177,749)	(1,211,499)
Transactions with owners recorded directly in equity					
Share based payments	-	99,514	-	-	99,514
Balance at 30 June 2015	30,453,178	99,514	-	(28,210,305)	2,342,387

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

CONSOLIDATED STATEMENT OF CASH FLOWS
YEAR ENDED 30 JUNE 2016

	Notes	2016 $	2015 $
Cash flows from operating activities			
Payments to suppliers and employees		**(612,686)**	(1,373,314)
Interest received		**59,326**	85,284
Net cash used in operating activities	15(a)	**(553,360)**	(1,288,030)
Cash flows from investing activities			
Proceeds from sale of available-for-sale investments		**106,961**	-
Net cash generated by investing activities		**106,961**	-
Cash flows from financing activities			
Proceeds from issue of shares		**-**	-
Net cash generated by financing activities		**-**	-
Net decrease in cash and cash equivalents		**(446,399)**	(1,288,030)
Cash and cash equivalents at beginning of year		**2,301,494**	3,589,524
Cash and cash equivalents at the end of the year	15(b)	**1,855,095**	2,301,494

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

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies adopted in preparing the financial report of WCP Resources Limited ("WCP" or "Company") and its consolidated entities ("Consolidated Entity" or "Group") for the year ended 30 June 2016 are stated to assist in a general understanding of the financial report.

WCP is a Company limited by shares incorporated and domiciled in Australia whose shares are publicly traded on the Australian Securities Exchange.

The financial report of the Group for the year ended 30 June 2016 was authorised for issue in accordance with a resolution of the Directors on 28 September 2016.

(a) Basis of Preparation

The financial report is a general purpose financial report, which has been prepared in accordance with Australian Accounting Standards ("AASBs") adopted by the Australian Accounting Standards Board ("AASB") and the *Corporations Act 2001*.

The financial statements comprise the consolidated financial statements of the Group. For the purposes of preparing the consolidated financial statements, the Company is a for-profit entity.

The financial report has also been prepared on a historical cost basis, except for available-for-sale investments and other financial assets, which have been measured at fair value. The financial report is presented in Australian dollars.

(b) Statement of Compliance

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

In the current year, the Group has adopted all of the new and revised Standards and Interpretations issued by the AASB that are relevant to its operations and effective for the current annual reporting period. New and revised standards and amendments thereof and interpretations effective for the current reporting period that are relevant to the Group include:

- AASB 2015-3 *Amendments to Australian Accounting Standards arising from the Withdrawal of AASB 1031 Materiality* which completes the withdrawal of references to AASB 1031 in all Australian Accounting Standards and Interpretations, allowing that standard to be effectively withdrawn.

The adoption of these new and revised standards has not resulted in any significant changes to the Group's accounting policies or to the amounts reported for the current or prior periods.

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet effective have not been adopted by the Group for the annual reporting period ended 30 June 2016. Those which may be relevant to the Group are set out in the table below, but these are not expected to have any significant impact on the Group's financial statements:

Standard/Interpretation	Application Date of Standard	Application Date for Group
AASB 2014-4 *Amendments to Australian Accounting Standards - Clarification of Acceptable Methods of Depreciation and Amortisation*	1 January 2016	1 July 2016
AASB 2015-1 *Amendments to Australian Accounting Standards - Annual Improvements to Australian Accounting Standards 2012– 2014 Cycle*	1 January 2016	1 July 2016
AASB 2015-2 *Amendments to Australian Accounting Standards - Disclosure Initiative: Amendments to AASB 101*	1 January 2016	1 July 2016
AASB 2016-2 *Amendments to Australian Accounting Standards - Disclosure Initiative: Amendments to AASB 107*	1 January 2017	1 July 2017

(c) Principles of Consolidation

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of the Company as at 30 June 2016 and the results of all subsidiaries for the year then ended.

Control is achieved when the Company has power over the investee, is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to use its power to affect its returns. The Company reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above. When the Company has less than a majority of the voting rights of an investee, it has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally. The Company considers all relevant facts and circumstances in assessing whether or not the Company's voting rights in an investee are sufficient to give it power.

Subsidiaries are all those entities (including special purpose entities) over which the Company has the power to govern the financial and operating policies, so as to obtain benefits from its activities, generally accompanying a shareholding of more than one-half of the voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Company controls another entity.

The financial statements of the subsidiaries are prepared for the same reporting period as the Company, using consistent accounting policies. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Company.

Subsidiaries are fully consolidated from the date on which control is transferred to the Company. They are de-consolidated from the date that control ceases.

Intercompany transactions and balances, income and expenses and profits and losses between Group companies, are eliminated. Investments in subsidiaries are accounted for at cost in the Statement of Financial Position of the Company.

(d) Foreign Currencies

(i) Functional and presentation currency

The functional currency of each of the Group's entities is measured using the currency of the primary economic environment in which that entity operates. The consolidated financial statements are presented in Australian dollars which is the Company's functional and presentation currency.

(ii) Transactions and balances

Foreign currency transactions are translated into functional currency using the exchange rates prevailing at the date of the transaction. Foreign currency monetary items are translated at the year-end exchange rate. Non-monetary items measured at historical cost continue to be carried at the exchange rate at the date of the transaction. Non-monetary items measured at fair value are reported at the exchange rate at the date when fair values were determined.

Exchange differences arising on the translation of monetary items are recognised in the income statement, except where deferred in equity as a qualifying cash flow or net investment hedge.

Exchange differences arising on the translation of non-monetary items are recognised directly in equity to the extent that the gain or loss is directly recognised in equity, otherwise the exchange difference is recognised in the income statement.

(iii) Group companies

The financial results and position of foreign operations whose functional currency is different from the group's presentation currency are translated as follows:

- assets and liabilities are translated at year-end exchange rates prevailing at that reporting date;
- income and expenses are translated at average exchange rates for the period; and
- retained earnings are translated at the exchange rates prevailing at the date of the transaction.

Exchange differences arising on translation of foreign operations are transferred directly to the group's foreign currency translation reserve in equity. These differences are recognised in profit or loss in the period in which the operation is disposed.

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(e) Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of 3 months or less, and bank overdrafts. Bank overdrafts are shown within short-term borrowings in current liabilities on the Statement of Financial Position.

(f) Trade and Other Receivables

Trade receivables are recognised and carried at original invoice amount less a provision for any uncollectable debts. An estimate for doubtful debts is made when collection of the full amount is no longer probable. Bad debts are written-off as incurred.

Receivables from related parties are recognised and carried at the nominal amount due and are interest free.

(g) Investments and Other Financial Assets

(i) Classification

Financial assets in the scope of AASB 139 *Financial Instruments: Recognition and Measurement* are classified as either financial assets at fair value though profit or loss, loans and receivables, held-to-maturity investments, or available-for-sale investments, as appropriate. When financial assets 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 transaction costs. The Group determines the classification of its financial assets after initial recognition and, when allowed and appropriate, re-evaluates this designation at each financial year-end.

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss are financial assets held for trading. A financial asset is classified in this category if acquired principally for the purpose of selling in the short term. Derivatives are also categorised as held for trading unless they are designated as hedges.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They arise when the Group provides money, goods or services directly to a debtor with no intention of selling the receivable. They are included in current assets, except for those with maturities greater than twelve months after the reporting date which are classified as non-current assets. Loans and receivables are included in receivables in the Statement of Financial Position.

Held-to-maturity investments

Non-derivative financial assets with fixed or determinable payments and fixed maturity are classified as held-to-maturity when the Group has the positive intention and ability to hold to maturity. Investments intended to be held for an undefined period are not included in this classification. Investments that are indeed to be held-to-maturity, such as bonds, are subsequently measured at amortised cost. This cost is computed as the amount initially recognised minus principal repayments, plus or minus the cumulative amortisation using the effective interest method of any difference between the initially recognised amount and the maturity amount. This calculation includes all fees and points paid or received between parties to the contract that are an integral part of the effective interest rate, transaction costs and all other premiums and discounts. For investments carried at amortised cost, gains and losses are recognised in profit or loss when the investments are derecognised or impaired, as well as through the amortisation process.

Available-for-sale financial assets

Available-for-sale financial assets, comprising principally marketable equity securities, are non-derivatives that are either designated in this category or not classified in any of the other categories. They are included in non-current assets unless management intends to dispose of the investment within twelve months of the reporting date.

(ii) *Recognition and derecognition*

Purchases and sales of investments are recognised on trade-date – the date on which the Group commits to purchase or sell the asset. Investments are initially recognised at fair value plus transaction costs for all financial assets not carried at fair value through profit or loss. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all the risks and rewards of ownership.

(iii) *Subsequent measurement*

Available-for-sale financial assets and financial assets at fair value through profit or loss are subsequently carried at fair value. Loans and receivables and held-to-maturity investments are carried at amortised cost using the effective interest rate method. Realised and unrealised gains and losses arising from changes in the fair value of the 'financial assets at fair value through profit or loss' category are included in the profit or loss in the period in which they arise. Unrealised gains and losses arising from changes in the fair value of non-monetary securities classified as available-for-sale are recognised in equity in the investments available for sale reserve. When securities classified as available-for-sale are sold or impaired, the accumulated fair value adjustments previously reported in equity are included in the income statement as gains and losses on disposal or impairment of investment securities.

(iv) *Impairment*

The Group assesses at each balance date whether there is objective evidence that a financial asset or group of financial assets is impaired. In the case of equity securities classified as available for sale, a significant or prolonged decline in the fair value of a security below its cost is considered in determining whether the security is impaired. If any such evidence exists for available-for-sale financial assets, the cumulative loss – measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognised in profit and loss – is transferred from equity to the income statement. Impairment losses recognised in the income statement on equity instruments classified as held for sale are not reversed through the income statement.

(h) Property, Plant and Equipment

(i) *Cost and valuation*

All classes of property, plant and equipment are measured at cost.

Where assets have been revalued, the potential effect of the capital gains tax on disposal has not been taken into account in the determination of the revalued carrying amount. Where it is expected that a liability for capital gains tax will arise, this expected amount is disclosed by way of note.

(ii) *Depreciation*

Depreciation is provided on a straight line basis on all property, plant and equipment.

	2016	2015
Major depreciation periods are:		
Plant and equipment:	**5 years**	5 years

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(i) Exploration and Development Expenditure

Expenditure on exploration and evaluation is accounted for in accordance with the 'area of interest' method and with AASB 6 *Exploration for and Evaluation of Mineral Resources*, which is the Australian equivalent of IFRS 6.

Exploration and evaluation expenditure encompasses expenditures incurred by the Group in connection with the exploration for and evaluation of mineral resources before the technical feasibility and commercial viability of extracting a mineral resource are demonstrable.

Exploration and evaluation expenditure incurred by the Group in relation to the acquisition of rights to explore is accumulated for each area of interest and recorded as an asset if:

- the rights to tenure of the area of interest are current; and
- at least one of the following conditions is also met:
  - the exploration and evaluation expenditures are expected to be recouped through successful development and exploitation of the area of interest, or alternatively, by its sale; and
  - exploration and evaluation activities in the area of interest have not at the 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.

For each area of interest, expenditure incurred in the acquisition of rights to explore is capitalised, classified as tangible or intangible, and recognised as an exploration and evaluation asset. Exploration and evaluation assets are measured at cost at recognition. Exploration and evaluation expenditure incurred by the Group subsequent to acquisition of the rights to explore is expensed as incurred, up to costs associated with the preparation of a feasibility study.

Capitalised exploration costs are reviewed each reporting date to establish whether an indication of impairment exists. If any such indication exists, the recoverable amount of the capitalised exploration costs is estimated to determine the extent of the impairment loss (if any). Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but only to the extent that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in previous years.

Where a decision is made to proceed with development, accumulated expenditure is tested for impairment and transferred to development properties, and then amortised over the life of the reserves associated with the area of interest once mining operations have commenced.

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

(j) Payables

Liabilities are recognised for amounts to be paid in the future for goods and services received. Trade accounts payable are normally settled within 60 days.

(k) Provisions

Provisions are recognised when the Group has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured.

(l) Revenue Recognition

Revenues are recognised at the fair value of the consideration received net of the amount of goods and services tax (GST) payable to the taxation authority.

Interest revenue is recognised as it accrues, taking into account the effective yield on the financial asset.

(m) Income Tax

The income tax expense for the period is the tax payable on the current period's taxable income based on the national income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences between the tax bases of assets and liabilities and their carrying amounts in the financial statements, and to unused tax losses.

Deferred tax assets and liabilities are recognised for temporary differences at the tax rates expected to apply when the assets are recovered or liabilities are settled, based on those tax rates which are enacted or substantively enacted for each jurisdiction. The relevant tax rates are applied to the cumulative amounts of deductible and taxable temporary differences to measure the deferred tax asset or liability. An exception is made for certain temporary differences arising from the initial recognition of an asset or a liability. No deferred tax asset or liability is recognised in relation to these temporary differences if they arose on goodwill or in a transaction, other than a business combination, that at the time of the transaction did not affect either accounting profit or taxable profit or loss.

Deferred tax liabilities and assets are not recognised for temporary differences between the carrying amount and tax bases of investments in controlled entities where the Company is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

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

Unrecognised deferred income tax assets are reassessed at each balance 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.

Current and deferred tax balances attributable to amounts recognised directly in equity are also recognised directly in equity.

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

(n) Employee Entitlements

Provision is made for the Group's liability for employee benefits arising from services rendered by employees to balance date. Employee benefits that are expected to be settled wholly within 12 months have been measured at the amounts expected to be paid when the liability is settled, plus related on-costs. Employee benefits payable later than 12 months have been measured at the present value of the estimated future cash outflows to be made for those benefits.

(o) Earnings per Share

Basic earnings per share (“EPS”) is calculated by dividing the net profit attributable to members of the Company for the reporting period, after excluding any costs of servicing equity, by the weighted average number of ordinary shares of the Company, adjusted for any bonus issue.

Diluted EPS is calculated by dividing the basic EPS earnings, adjusted by the after tax effect of financing costs associated with dilutive potential Ordinary Shares and the effect on revenues and expenses of conversion to Ordinary Shares associated with dilutive potential Ordinary Shares, by the weighted average number of Ordinary Shares and dilutive Ordinary Shares adjusted for any bonus issue.

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(p) Goods and Services Tax

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Tax Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of the expense. Receivables and payables in the Statement of Financial Position are shown inclusive of GST.

Cash flows are presented in the Statement of Cash Flows on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

(q) Use and Revision of Accounting Estimates

The preparation of the financial report 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. The 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 if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

(r) Operating Segments

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

Operating segments have been identified based on the information provided to the chief operating decision makers – being the board of directors.

The group aggregates two or more operating segments when they have similar economic characteristics, and the segments are similar in each of the following respects:

- Nature of the products and services,
- Nature of the production processes,
- Type or class of customer for the products and services,
- Methods used to distribute the products or provide the services, and if applicable
- Nature of the regulatory environment.

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

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

(s) Business Combinations

Acquisitions of subsidiaries and businesses are accounted for using the acquisition method. The consideration for each acquisition is measured at the aggregate of the fair values (at the date of exchange) of assets given, liabilities incurred or assumed, and equity instruments issued by the Group in exchange for control of the acquiree. Acquisition-related costs are recognised in profit or loss as incurred.

Where applicable, the consideration for the acquisition includes any asset or liability resulting from a contingent consideration arrangement, measured at its acquisition-date fair value. Subsequent changes in such fair values are adjusted against the cost of acquisition where they qualify as measurement period adjustments (see below). All other subsequent changes in the fair value of contingent consideration classified as an asset or liability are accounted for in accordance with relevant Standards. Changes in the fair value of contingent consideration classified as equity are not recognised.

Where a business combination is achieved in stages, the Group's previously held interests in the acquired entity are remeasured to fair value at the acquisition date (i.e. the date the Group attains control) and the resulting gain or loss, if any, is recognised in profit or loss. Amounts arising from interests in the acquiree prior to the acquisition date that have previously been recognised in other comprehensive income are reclassified to profit or loss, where such treatment would be appropriate if that interest were disposed of.

The acquiree's identifiable assets, liabilities and contingent liabilities that meet the conditions for recognition under AASB 3(2008) are recognised at their fair value at the acquisition date, except that:

- deferred tax assets or liabilities and liabilities or assets related to employee benefit arrangements are recognised and measured in accordance with AASB 112 *Income Taxes* and AASB 119 *Employee Benefits* respectively*;*
- liabilities or equity instruments related to the replacement by the Group of an acquiree's share-based payment awards are measured in accordance with AASB 2 *Share-based Payment*; and
- assets (or disposal groups) that are classified as held for sale in accordance with AASB 5 *Noncurrent Assets Held for Sale and Discontinued Operations* are measured in accordance with that Standard.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted during the measurement period (see below), or additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed as of the acquisition date that, if known, would have affected the amounts recognised as of that date.

The measurement period is the period from the date of acquisition to the date the Group obtains complete information about facts and circumstances that existed as of the acquisition date – and is subject to a maximum of one year.

(t) Impairment of Assets

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

In assessing the 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.

An assessment is also made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the recoverable amount is estimated. A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case the carrying amount of the asset is increased to its recoverable amount. That increased amount cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. After such a reversal the depreciation charge is adjusted in future periods to allocate the asset's revised carrying amount, less any residual value, on a systematic basis over its remaining useful life.

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(u) Fair Value Estimation

The fair value of financial assets and financial liabilities must be estimated for recognition and measurement or for disclosure purposes.

The fair value of financial instruments traded in active markets (such as publicly traded derivatives, and trading and available-for-sale securities) is based on quoted market prices at the reporting date. The quoted market price used for financial assets held by the Group is the current bid price; the appropriate quoted market price for financial liabilities is the current ask price.

The fair value of financial instruments that are not traded in an active market (for example, over the counter derivatives) is determined using valuation techniques. The Group uses a variety of methods and makes assumptions that are based on market conditions existing at each balance date. Quoted market prices or dealer quotes for similar instruments are used for long-term debt instruments held. Other techniques, such as discounted cash flows, are used to determine fair value for the remaining financial instruments. The fair value of interest-rate swaps is calculated as the present value of the estimated future cash flows. The fair value of forward exchange contracts is determined using forward exchange market rates at the reporting date.

The nominal value less estimated credit adjustments of trade receivables and payables are assumed to approximate their fair values. The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the Group for similar financial instruments.

(v) Issued and Unissued Capital

Ordinary Shares and Performance Shares are classified as equity. Issued and paid up capital is recognised at the fair value of the consideration received by the Company.

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

(w) Dividends

Provision is made for the amount of any dividend declared on or before the end of the year but not distributed at balance date.

(x) Share-Based Payments

Equity-settled share-based payments are provided to officers, employees, consultants and other advisors. These share-based payments are measured at the fair value of the equity instrument at the grant date. Fair value is determined using the Binomial option pricing model.

The fair value determined at the grant date is expensed on a straight-line basis over the vesting period, based on the Company's estimate of equity instruments that will eventually vest. At each reporting date, the Company revises its estimate of the number of equity instruments expected to vest. The impact of the revision of the original estimates, if any, is recognised in profit or loss over the remaining vesting period, with a corresponding adjustment to the share based payments reserve.

Equity-settled share-based payments may also be provided as consideration for the acquisition of assets. Where ordinary shares are issued, the transaction is recorded at fair value based on the quoted price of the ordinary shares at the date of issue. The acquisition is then recorded as an asset or expensed in accordance with accounting standards.

	2016 $	2015 $

2. OTHER INCOME

Net gain on sale of available-for sale investments	**95,711**	-
	95,711	-

3. OTHER EXPENSES

(a) Other Expenses

Impairment of investments available for sale	**-**	30,000
Write-off of plant and equipment	**-**	4,739
Share based payments expense/(reversal of prior year expense)	**(99,514)**	99,514
	(99,514)	134,253

(b) Depreciation and Amortisation Included in Statement of Profit or Loss and Other Comprehensive Income

Depreciation of plant and equipment	**7,451**	7,062

(c) Employee Benefits Expense (including KMP)

Salaries, wages and fees	**270,101**	442,700
Defined contribution plans	**19,010**	26,516
Termination payments	**8,761**	-
Share based payments expense/(reversal of prior year expense)	**(99,514)**	99,514
	198,358	568,730

4. INCOME TAX

(a) Recognised in profit or loss

Current income tax		
Current income tax benefit in respect of the current year	**-**	-
Deferred income tax		
Relating to origination and reversal of temporary differences	**(11,597)**	(101,110)
Adjustments in respect of deferred income tax of previous years	**(124,689)**	(40,664)
Deferred tax assets not brought to account	**136,286**	141,774
Income tax expense/(benefit) reported in profit or loss	**-**	-

(b) Recognised in other comprehensive income

Deferred income tax		
Unrealised loss on available-for-sale investments	**-**	(10,125)
Deferred tax assets not brought to account	**-**	10,125
Income tax expense/(benefit) reported in other comprehensive income	**-**	-

	2016 $	2015 $
4. INCOME TAX (Continued)		
(c) Reconciliation between tax expense and accounting loss before income tax		
Accounting loss before income tax	**(383,978)**	(1,177,749)
At the Australian income tax rate of 30% (2015: 30%)	**(115,194)**	(353,325)
Expenditure not allowable for income tax purposes	**103,598**	252,215
Adjustments in respect of deferred income tax of previous years	**(124,689)**	(40,664)
Deferred tax assets not brought to account	**136,285**	141,774
Income tax expense/(benefit) attributable to profit/(loss)	**-**	-
(d) Deferred Tax Assets and Liabilities		
Deferred income tax at 30 June relates to the following:		
Deferred Tax Liabilities		
Exploration and evaluation assets	**15,607**	15,607
Accrued interest	**1,283**	3,014
Deferred tax assets used to offset deferred tax liabilities	**(16,890)**	(18,621)
	-	-
Deferred Tax Assets		
Available-for-sale financial assets	**-**	409,126
Accrued expenditure	**7,980**	8,715
Provisions	**-**	4,487
Capital allowances	**-**	8,700
Tax losses available to offset against future taxable income	**3,341,545**	2,783,942
Deferred tax assets used to offset deferred tax liabilities	**(16,890)**	(18,621)
Deferred tax assets not brought to account	**(3,332,635)**	(3,196,349)
	-	-

The benefit of deferred tax assets not brought to account will only be brought to account if:

- future assessable income is derived of a nature and of an amount sufficient to enable the benefit to be realised;
- the conditions for deductibility imposed by tax legislation continue to be complied with; and
- no changes in tax legislation adversely affect the Group in realising the benefit.

(e) Tax Consolidation

The Company and its wholly-owned Australian resident entities have formed a tax consolidated group from 1 July 2008 and are therefore taxed as a single entity from that date. The head entity within the tax consolidated group is WCP Resources Limited.

5. DIVIDENDS PAID OR PROVIDED FOR ON ORDINARY SHARES

No dividends have been paid or proposed for the year ended 30 June 2016 (2015: Nil).

	2016 $	2015 $
6. TRADE AND OTHER RECEIVABLES		
Accrued interest receivable	**4,277**	10,047
GST receivable	**9,534**	15,092
	13,811	25,139
7. EXPLORATION AND EVALUATION ASSETS		
(a) Areas of Interest		
Yemen Gold Project	**-**	-
Yalgoo Gold Project	**52,022**	52,022
	52,022	52,022
(b) Reconciliation		
Balance at 1 July	**52,022**	52,022
Additions	**-**	-
Balance at 30 June [1]	**52,022**	52,022

Notes:
[1] The ultimate recoupment of costs carried forward for exploration and evaluation is dependent on the successful development and commercial exploitation or sale of the respective areas of interest.

	2016 $	2015 $
8. PROPERTY, PLANT AND EQUIPMENT		
(a) Plant and Equipment		
At cost	**100,220**	100,220
Accumulated depreciation and impairment	**(98,931)**	(91,480)
Net carrying amount	**1,289**	8,740
(b) Reconciliation		
Carrying amount at beginning	**8,740**	20,541
Additions	**-**	-
Disposals and write-offs	**-**	(4,739)
Depreciation	**(7,451)**	(7,062)
Carrying amount at end of year, net of accumulated depreciation and impairment	**1,289**	8,740
9. AVAILABLE FOR SALE FINANCIAL ASSETS		
At fair value:		
Shares – Australian listed	**-**	11,250

		2016 $	2015 $
10. TRADE AND OTHER PAYABLES			
Trade creditors		**36,722**	5,538
Accrued expenses		**26,600**	35,765
		63,322	41,303
11. PROVISIONS			
Employee entitlements		**-**	14,955
12. CONTRIBUTED EQUITY			
(a) Issued and Unissued Capital			
397,808,129 fully paid ordinary shares (2015: 397,808,129)	12(b)	**30,453,178**	30,453,178
Nil unissued milestone shares (2015: 3,000,000)		**-**	-
		30,453,178	30,453,178

(b) Movements in Ordinary Shares During the Past Two Years Were as Follows:

Date	Details	Number of Ordinary Shares	Issue Price	$
01-Jul-15	**Opening Balance**	**397,808,129**	**-**	**30,453,178**
30-Jun-16	**Closing Balance**	**397,808,129**	**-**	**30,453,178**
01-Jul-14	**Opening Balance**	397,808,129	-	30,453,178
30-Jun-15	**Closing Balance**	397,808,129	-	30,453,178

(c) Rights Attaching to Ordinary Shares

The rights attaching to fully paid ordinary shares (“**Ordinary Shares**”) arise from a combination of the Company's Constitution, statute and general law.

Ordinary Shares issued following the exercise of Options or conversion of Performance Rights in accordance note 13(c) will rank equally in all respects with the Company's existing Ordinary Shares.

Copies of the Company's Constitution are available for inspection during business hours at the Company's registered office. The clauses of the Constitution contain the internal rules of the Company and define matters such as the rights, duties and powers of its shareholders and directors, including provisions to the following effect (when read in conjunction with the Corporations Act 2001 or Listing Rules).

(i) Shares

The issue of shares in the capital of the Company and options over unissued shares by the Company is under the control of the directors, subject to the Corporations Act 2001, ASX Listing Rules and any rights attached to any special class of shares.

(ii) Meetings of Members

Directors may call a meeting of members whenever they think fit. Members may call a meeting as provided by the Corporations Act 2001. The Constitution contains provisions prescribing the content requirements of notices of meetings of members and all members are entitled to a notice of meeting. A meeting may be held in two or more places linked together by audio-visual communication devices. A quorum for a meeting of members is 2 shareholders.

The Company holds annual general meetings in accordance with the Corporations Act 2001 and the Listing Rules.

(iii) Voting

Subject to any rights or restrictions at the time being attached to any shares or class of shares of the Company, each member of the Company is entitled to receive notice of, attend and vote at a general meeting. Resolutions of members will be decided by a show of hands unless a poll is demanded. On a show of hands each eligible voter present has one vote. However, where a person present at a general meeting represents personally or by proxy, attorney or representative more than one member, on a show of hands the person is entitled to one vote only despite the number of members the person represents.

On a poll each eligible member has one vote for each fully paid share held and a fraction of a vote for each partly paid share determined by the amount paid up on that share.

(iv) Changes to the Constitution

The Company's Constitution can only be amended by a special resolution passed by at least three quarters of the members present and voting at a general meeting of the Company. At least 28 days' written notice specifying the intention to propose the resolution as a special resolution must be given.

(v) Listing Rules

Provided the Company remains admitted to the Official List, then despite anything in its Constitution, no act may be done that is prohibited by the Listing Rules, and authority is given for acts required to be done by the Listing Rules. The Company's Constitution will be deemed to comply with the Listing Rules as amended from time to time.

	Notes	2016 $	2015 $
13. RESERVES			
Share Based Payments Reserve	13(b)	-	99,514
Investments Available For Sale Reserve	13(d)	-	-
		-	99,514

(a) Nature and Purpose of Reserves

(i) Share Based Payments Reserve

The share based payments reserve records the fair value of share based payments made by the company.

(ii) Investments Available for Sale Reserve

Changes in the fair value and exchange differences arising on translation of investments classified as available-for-sale financial assets are taken to the investments available for sale reserve as described in Note 1(g). Amounts are recognised in profit and loss when the associated assets are sold or impaired.

13. RESERVES (Continued)

(b) Movements in Share Based Payments Reserve During the Past Two Years

Date	Details	Number of Performance Rights	$
01-Jul-15	**Opening Balance**	**10,400,000**	**99,514**
22-Jan-16	Lapse of Performance Rights	**(6,000,000)**	**-**
30-Jun-16	Share-based payment expense	**-**	**(99,514)**
30-Jun-16	**Closing Balance**	**4,400,000**	**-**
01-Jul-14	**Opening Balance**	**-**	**-**
5-Sep-14	Issue of Performance Rights	**10,400,000**	**-**
30-Jun-15	Share-based payment expense	**-**	**99,514**
30-Jun-15	**Closing Balance**	**10,400,000**	**99,514**

(c) Terms and Conditions of Performance Rights

The unlisted performance share rights ("Performance Rights") are granted based upon the following terms and conditions:

- Each Performance Right automatically converts into one Ordinary Share upon vesting of the Performance Right;
- Each Performance Right is subject to performance conditions (as determined by the Board from time to time) which must be satisfied in order for the Performance Right to vest;
- The Performance Rights outstanding at the end of the financial year have the following expiry dates:
  - 1,100,000 Performance Rights at no exercise price that expire on 31 December 2016;
  - 1,100,000 Performance Rights at no exercise price that expire on 30 June 2017;
  - 1,100,000 Performance Rights at no exercise price that expire on 31 December 2017; and
  - 1,100,000 Performance Rights at no exercise price that expire on 31 December 2018.
- The Performance Rights vest upon the following performance conditions:
  - Achievement of 1.0Moz Resource Milestone on or before 31 December 2016;
  - Achievement of 4.0Moz Resource Milestone on or before 30 June 2017;
  - Achievement of Scoping Study Milestone on or before 31 December 2017; and
  - Achievement of Feasibility Study Milestone on or before 31 December 2018;
- Ordinary Shares issued on conversion of the Performance Rights rank equally with the then Ordinary Shares of the Company;
- Application will be made by the Company to ASX for official quotation of the Ordinary Shares issued upon conversion of the Performance Rights;
- If there is any reconstruction of the issued share capital of the Company, the rights of the Performance Right holders may be varied to comply with the ASX Listing Rules which apply to the reconstruction at the time of the reconstruction;
- No application for quotation of the Performance Rights will be made by the Company; and
- Without approval of the Board, Performance Rights may not be transferred, assigned or novated, except, upon death, a participant's legal personal representative may elect to be registered as the new holder of such Performance Rights and exercise any rights in respect of them.

	Note	2016 $	2015 $

(d) Movements in Investments Available for Sale Reserve During the Past Two Years

	Note	2016 $	2015 $
Investments Available for Sale Reserve			
Balance at 1 July		-	33,750
Net fair value gain/(loss) on available for sale financial assets		-	(63,750)
Impairment losses on available for sale financial assets transferred to profit or loss		-	30,000
Balance at 30 June		-	-

14. ACCUMULATED LOSSES

	Note	2016 $	2015 $
Balance at 1 July		**(28,210,305)**	(27,032,556)
Net profit/(loss) for the year		**(383,978)**	(1,177,749)
Balance at 30 June		**(28,594,283)**	(28,210,305)

15. STATEMENT OF CASH FLOWS

(a) Reconciliation of the Net Loss After Tax to the Net Cash Flows from Operations

	Note	2016 $	2015 $
Loss for the year		**(383,978)**	(1,177,749)
Adjustment for non-cash income and expense items			
Depreciation and amortisation		**7,451**	7,062
Write-off of plant and equipment		-	4,739
Impairment loss		-	30,000
Net gain on sale of available-for sale investments		**(95,712)**	-
Share-based payments		**(99,514)**	99,514
Change in assets and liabilities			
(Increase)/decrease in trade and other receivables		**11,328**	17,026
Increase/(decrease) in trade and other creditors		**22,019**	(231,305)
Increase/(decrease) in other provisions		**(14,955)**	(37,317)
Net cash outflow from operating activities		**(553,361)**	(1,288,030)

(b) Reconciliation of Cash

	Note	2016 $	2015 $
Cash at bank and on hand		**4,465**	5,738
Short term deposits		**1,850,630**	2,295,756
		1,855,095	2,301,494

(c) Non-cash Financing and Investing Activities

During the 2016 and 2015 financial years, there were no non-cash financing or investing activities.

16. EARNINGS PER SHARE

	2016 cents	2015 cents
Basic loss per share	**(0.10)**	**(0.30)**
Diluted loss per share	**(0.10)**	**(0.30)**

	2016 $	2015 $
The following reflects the income and share data used in the calculations of basic earnings per share:		
Net loss	**(383,978)**	**(1,177,749)**
Earnings used in calculating basic and diluted earnings per share	**(383,978)**	**(1,177,749)**

	Number of Ordinary Shares 2016	Number of Ordinary Shares 2015
Weighted average number of Ordinary Shares used in calculating basic earnings per share	**397,808,129**	397,808,129

(a) Non-Dilutive Securities

As at balance date, 4,400,000 Performance Rights (which represent 4,400,000 potential Ordinary Shares) were considered non-dilutive as they would decrease the loss per share.

(b) Conversions, Calls, Subscriptions or Issues after 30 June 2016

Since 30 June 2016, the Company has issued the following Incentive Options to key consultants and advisors of the Company:

- 19,000,000 Incentive Options exercisable at $0.05 each that expire on 31 December 2019;
- 13,000,000 Incentive Options exercisable at $0.10 each that expire on 31 December 2019; and
- 13,000,000 Incentive Options exercisable at $0.15 each that expire on 31 December 2019.

Other than as outlined above, there have been no conversions to, calls of, or subscriptions for Ordinary Shares or issues of potential Ordinary Shares since the reporting date and before the completion of this financial report.

17. RELATED PARTIES

	Country of Incorporation	Equity Interest 2016 %	Equity Interest 2015 %
(a) Subsidiaries			
WCP Gold Pty Ltd	Australia	**100**	100
WCP Copper Pty Ltd	Australia	**100**	100
Mt Philips Exploration Pty Ltd	Australia	**100**	100
WCP Energy Pty Ltd	Australia	**100**	100
WCP Phosphate Pty Ltd	Australia	**100**	100

(b) Ultimate Parent

WCP Resources Limited is the ultimate parent of the Group.

(c) Transactions with Related Parties

Balances and transactions between the Company and its subsidiaries, which are related parties of the Company, have been eliminated on consolidation and are not disclosed in this note.

(d) Transactions with Key Management Personnel

Apollo Group Pty Ltd, a Company of which Mr Mark Pearce is a director and beneficial shareholder, was paid $180,000 during the 2016 year for the provision of serviced office facilities and administration services (2015: $272,000), based on a monthly retainer of $15,000 due and payable in advance with no fixed term.

	Notes	2016 $	2015 $
18. PARENT ENTITY DISCLOSURES			
(a) Financial Position			
Assets			
Current Assets		**1,868,904**	2,326,631
Non-Current Assets		**53,311**	72,012
Total Assets		**1,922,215**	2,398,643
Liabilities			
Current Liabilities		**63,322**	56,258
Total Liabilities		**63,322**	56,258
Equity			
Contributed equity		**30,453,177**	30,453,177
Accumulated losses		**(28,594,284)**	(28,210,306)
Share based payments reserve		**-**	99,514
Available-for-sale financial assets reserve		**-**	-
Total Equity		**1,858,893**	2,342,385
(b) Financial Performance			
Loss for the year		**(383,978)**	(1,177,749)
Other comprehensive loss		**-**	(33,750)
Total comprehensive loss		**(383,978)**	(1,211,499)

(c) Other

No guarantees have been entered into by the parent entity in relation to its subsidiaries.

Refer to note 23 for details of contingent assets and liabilities.

19. SHARE-BASED PAYMENTS

(a) Recognised Share-based Payment Expense

From time to time, the Group provides Performance Rights and/or Incentive Options to officers, employees, consultants and other key advisors as part of remuneration and incentive arrangements. The number of Performance Rights and/or Incentive Options granted, and the terms of the options granted are determined by the Board. Shareholder approval is sought where required.

During the past two years, the following equity-settled share-based payments have been recognised:

	2016 $	2015 $
Expense arising from equity-settled share-based payment transactions	**(99,514)**	99,514

(b) Summary of Performance Rights Granted as Share-based Payments

The following table illustrates the number and weighted average exercise prices (WAEP) of Performance Rights and Incentive Options on issue at the beginning and end of the financial year:

	2016 Number	2016 WAEP	2015 Number	2015 WAEP
Outstanding at beginning of year	**10,400,000**	**-**	-	-
Lapsed during the year	**(6,000,000)**	**-**	-	-
Granted during the year	**-**	**-**	10,400,000	-
Outstanding at end of year	**4,400,000**	**-**	10,400,000	-

The following Performance Rights were granted as share-based payments during the past two years:

Rights Series	Security Type	Number	Grant Date	Expiry Date	Exercise Price $	Fair Value $
Series 1	Rights	2,600,000	29-Aug 14	31-Dec-16	-	$0.035
Series 2	Rights	2,600,000	29-Aug 14	30-Jun-17	-	$0.035
Series 3	Rights	2,600,000	29-Aug 14	31-Dec-17	-	$0.035
Series 4	Rights	2,600,000	29-Aug 14	31-Dec-18	-	$0.035

(c) Weighted Average Remaining Contractual Life

At 30 June 2016, the weighted average remaining contractual life of Performance Rights granted as share-based payments was 1.4 years.

(d) Range of Exercise Prices

At 30 June 2016, the Performance Rights have a nil exercise price.

(e) Weighted Average Fair Value

There were no performance rights or options granted during the year ended 30 June 2016.

(f) Option and Rights Pricing Models

The fair value of the equity-settled share options granted is estimated as at the date of grant using the Binomial option valuation model taking into account the terms and conditions upon which the options were granted. The fair value of the performance rights granted is estimated as at the date of grant using the seven day volume weighted average share price prior to issuance.

The table below lists the inputs to the valuation model used for Performance Rights granted by the Group during the last two years:

Inputs	Series 1	Series 2	Series 3	Series 4
Exercise price	-	-	-	-
Grant date share price	$0.035	$0.035	$0.035	$0.035
Grant date	29-Aug 14	29-Aug 14	29-Aug 14	29-Aug 14
Issue date	29-Aug 14	29-Aug 14	29-Aug 14	29-Aug 14
Expiry date	31-Dec-16	30-Jun-17	31-Dec-17	31-Dec-18
Expected life of right[1]	2.3 years	2.8 years	3.3 years	4.3 years
Fair value at grant date	$0.035	$0.035	$0.035	$0.035

Notes:

[1] The expected life of the Performance Rights is based on the expiry date of the Performance Rights.

20. AUDITORS' REMUNERATION

	2016 $	2015 $
Amounts received or due and receivable by Deloitte Touche Tohmatsu for an audit or review of the financial report of the Group	**22,140**	21,750
	22,140	21,750

21. SEGMENT INFORMATION

AASB 8 requires operating segments to be identified on the basis of internal reports about components of the Consolidated Entity that are regularly reviewed by the chief operating decision maker in order to allocate resources to the segment and to assess its performance.

On the basis of internal reports provided to Directors for assessing performance and determining the allocation of resources within the Group, the Consolidated Entity operates in two segments, being mineral exploration in Western Australia (Yalgoo Project) and mineral exploration in the Republic of Yemen (Al Hariqah Project).

(a) Segment reconciliations

2016	Western Australia Exploration	Republic of Yemen Exploration	Unallocated[1]	Total
Segment revenue	**-**	**-**	**53,556**	**53,556**
Segment loss	**(234,545)**	**(221,755)**	**72,322**	**(383,978)**
Segment assets	**52,022**	**-**	**1,870,195**	**1,922,217**
Segment liabilities	**28,868**	**28,868**	**5,586**	**63,322**
Additions to non-current assets	**-**	**-**	**-**	**-**

Notes:

[1] Unallocated segment revenues and expenses relate to interest income and expenses that arise at the corporate level that cannot be directly allocated to the above exploration segments on a reasonable basis. Unallocated segment assets and liabilities comprise cash and cash equivalents, available for sale financial assets and other assets and liabilities that cannot be directly allocated to the above exploration segments on a reasonable basis.

2015	Western Australia Exploration	Republic of Yemen Exploration	Unallocated[1]	Total
Segment revenue	-	-	71,205	71,205
Segment loss	(155,626)	(793,868)	(228,255)	(1,177,749)
Segment assets	52,022	-	2,346,623	2,398,645
Segment liabilities	5,800	-	50,728	56,258
Additions to non-current assets	-	-	-	-

Notes:

[1] Unallocated segment revenues and expenses relate to interest income and expenses that arise at the corporate level that cannot be directly allocated to the above exploration segments on a reasonable basis. Unallocated segment assets and liabilities comprise cash and cash equivalents, available for sale financial assets and other assets and liabilities that cannot be directly allocated to the above exploration segments on a reasonable basis.

22. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

(a) Overview

The Group's principal financial instruments comprise receivables, payables, cash, and short-term deposits. The main risks arising from the Group's financial instruments are interest rate risk, foreign currency risk, credit risk and liquidity risk.

This note presents information about the Group's exposure to each of the above risks, its objectives, policies and processes for measuring and managing risk, and the management of capital. Other than as disclosed, there have been no significant changes since the previous financial year to the exposure or management of these risks.

The Group manages its exposure to key financial risks in accordance with the Group's financial risk management policy. Key risks are monitored and reviewed as circumstances change (e.g. acquisition of a new project) and policies are revised as required. The overall objective of the Group's financial risk management policy is to support the delivery of the Group's financial targets whilst protecting future financial security.

Given the nature and size of the business and uncertainty as to the timing and amount of cash inflows and outflows, the Group does not enter into derivative transactions to mitigate the financial risks. In addition, the Group's policy is that no trading in financial instruments shall be undertaken for the purposes of making speculative gains. As the Group's operations change, the Directors will review this policy periodically going forward.

The Board of Directors has overall responsibility for the establishment and oversight of the risk management framework. The Board reviews and agrees policies for managing the Group's financial risks as summarised below.

(b) 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. This arises principally from cash and cash equivalents and trade and other receivables.

There are no significant concentrations of credit risk within the Group. The carrying amount of the Group's financial assets represents the maximum credit risk exposure, as represented below:

	Notes	2016 $	2015 $
Cash and cash equivalents	15(b)	**1,855,095**	2,301,494
Trade and other receivables	6	**13,811**	25,139
		1,868,906	2,326,633

The Group does not have any significant customers and accordingly does not have any significant exposure to bad or doubtful debts.

Trade and other receivables comprise primarily accrued interest revenue and GST refunds due. Where possible the Group trades only with recognised, creditworthy third parties. It is the Group's policy that all customers who wish to trade on credit terms are subject to credit verification procedures. In addition, receivable balances are monitored on an ongoing basis with the result that the Group's exposure to bad debts is not significant. At 30 June 2016, none (2015: none) of the Group's receivables are past due. No impairment losses on receivables have been recognised.

With respect to credit risk arising from cash and cash equivalents, the Group's exposure to credit risk arises from default of the counter party, with a maximum exposure equal to the carrying amount of these instruments.

22. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

(c) Liquidity Risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Board's approach to managing liquidity is to ensure, as far as possible, that the Group will always have sufficient liquidity to meet its liabilities when due. At 30 June 2015 and 2016, the Group had sufficient liquid assets to meet its financial obligations.

The contractual maturities of financial liabilities, including estimated interest payments, are provided below. There are no netting arrangements in respect of financial liabilities.

2016	≤6 Months $	6-12 Months $	1-5 Years $	≥5 Years $	Total $
Group					
Financial Assets					
Cash and cash equivalents	**1,855,095**	**-**	**-**	**-**	**1,855,095**
Trade and other receivables	**13,811**	**-**	**-**	**-**	**13,811**
	1,868,906	**-**	**-**	**-**	**1,868,906**
Financial Liabilities					
Trade and other payables	**63,322**	**-**	**-**	**-**	**63,322**
	63,322	**-**	**-**	**-**	**63,322**

(d) Interest Rate Risk

The Group's exposure to the risk of changes in market interest rates relates primarily to the cash and short-term deposits with a floating interest rate.

These financial assets with variable rates expose the Group to cash flow interest rate risk. All other financial assets and liabilities, in the form of receivables and payables are non-interest bearing.

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

	Notes	2016 $	2015 $
Interest-bearing financial instruments			
Cash at bank and on hand	15(b)	**4,465**	5,738
Short term deposits	15(b)	**1,850,630**	2,295,756
		1,855,095	2,301,494

The Group's cash at bank and on hand and short term deposits had a weighted average floating interest rate at year end of 1.98% (2015: 2.57%).

The Group currently does not engage in any hedging or derivative transactions to manage interest rate risk.

Interest rate sensitivity

A sensitivity of 10% has been selected as this is considered reasonable given the current level of both short term and long term interest rates. A 10% movement in interest rates at the reporting date would have increased (decreased) equity and profit and loss by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency rates, remain constant. The analysis is performed on the same basis for 2015.

	Profit or loss		Equity	
	10% Increase	10% Decrease	10% Increase	10% Decrease
2016				
Group				
Cash and cash equivalents	**4,696**	**(4,696)**	**4,696**	**(4,696)**
2015				
Group				
Cash and cash equivalents	5,907	(5,907)	5,907	(5,907)

(e) Foreign Currency Risk

The Group does not have any material exposure to financial instruments denominated in foreign currencies at year end.

(f) Equity Price Risk

During the 2016 financial year, the Company sold its available-for-sale listed investment in Raya Group Limited (ASX:RYG), comprising 3,750,013 shares, for net proceeds of $106,961. A net gain on sale of $95,711 has been recognised in profit of loss for the 2016 financial year. Following the sale, the Group does not have any exposure to equity price risk arising from its equity investments.

(g) Commodity Price Risk

The Group is exposed to commodity price risk. These commodity prices can be volatile and are influenced by factors beyond the Group's control. As the Group is currently engaged in exploration and business development activities, no sales of commodities are forecast for the next 12 months, and accordingly, no hedging or derivative transactions have been used to manage commodity price risk.

(h) Capital Management

The Board's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. Given the stage of development of the Group, the Board's objective is to minimise debt and to raise funds as required through the issue of new shares. The Group is currently examining new business opportunities where acquisition/working capital requirements of a new project may involve additional funding in some format (which may include debt where appropriate).

There were no changes in the Group's approach to capital management during the year.

The Group is not subject to externally imposed capital requirements.

(i) Fair Value

The net fair value of financial assets and financial liabilities approximates their carrying value. The methods for estimating fair value are outlined in the relevant notes to the financial statements.

23. CONTINGENT ASSETS AND LIABILITIES

On 31 October 2014, Cantex announced that WCP had met its first US$5 million expenditure commitment on the Al Hariqah Project and had thus earned a 40% interest in the Al Hariqah Project. Cantex also confirmed this in writing to WCP. Notwithstanding this, Cantex has now disputed WCP's achievement of the US$5 million expenditure commitment. WCP denies Cantex's claim and are confident of successfully defending the claim. Accordingly, no provision for any liability has been recognised in these financial statements.

24. COMMITMENTS

The Group has no commitments for expenditure.

25. EVENTS SUBSEQUENT TO BALANCE DATE

(i) On 27 September 2016, the Company announced that it had secured lithium surface and mineral rights comprising options over an initial core landholding of 415 contiguous acres (the "Piedmont Lithium Project") in the Carolina Lithium Belt, a historic lithium producing district in North Carolina, United States; and

(ii) On 27 September 2016, the Company announced that, effective on or about 1 October 2016, resource company executive, Mr Anastasios (Taso) Arima, will be appointed as an Executive Director of the Company, and experienced U.S. geologist, Mr Lamont Leatherman, will be appointed as Consulting Geologist; and

(iii) On 27 September 2016, the Company issued 45,000,000 Incentive Options to key consultants and advisors of the Company, including 40,500,000 Incentive Options to Mr Arima, Mr Leatherman, and other consultants in consideration for introducing the Piedmont Lithium Project opportunity to the Company.

Other than as outlined above, as at the date of this report there are no matters or circumstances which have arisen since 30 June 2016 that have significantly affected or may significantly affect:

- the operations, in financial years subsequent to 30 June 2016, of the Consolidated Entity;
- the results of those operations, in financial years subsequent to 30 June 2016, of the Consolidated Entity; or
- the state of affairs, in financial years subsequent to 30 June 2016, of the Consolidated Entity.

DIRECTORS' DECLARATION

In accordance with a resolution of the directors of WCP Resources Limited:

1. In the opinion of the directors:

   (a) the attached financial statements, notes and the additional disclosures included in the directors' report designated as audited, are in accordance with the Corporations Act 2001, including:

      (i) compliance with accounting standards and Corporations Regulations 2001; and

      (ii) gives a true and fair view of the financial position as at 30 June 2016 and of the performance for the year ended on that date of the Group; and

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

2. The attached financial statements are in compliance with International Financial Reporting Standards, as stated in note 1 to the financial statements.

3. The Directors have been given a declaration required by section 295A of the Corporations Act 2001 for the financial year ended 30 June 2016.

On behalf of the Board

MARK PEARCE
Director

28 September 2016

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Independent Auditor's Report to the members of WCP Resources Limited

Report on the Financial Report

We have audited the accompanying financial report of WCP Resources Limited, which comprises the statement of financial position as at 30 June 2016, the statement of profit or loss and other comprehensive income, the statement of cash flows and the statement of changes in equity for the year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration of the consolidated entity, comprising the company and the entities it controlled at the year's end or from time to time during the financial year as set out on pages 16 to 45.

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 gives a true and fair view and is free from material misstatement, whether due to fraud or error. In Note 1, the directors also state, in accordance with Accounting Standard AASB 101 *Presentation of Financial Statements*, that the consolidated financial statements 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. Those 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 company'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 company'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 believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Deloitte.

Auditor's Independence Declaration

In conducting our audit, we have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of WCP Resources Limited, would be in the same terms if given to the directors as at the time of this auditor's report.

Opinion

In our opinion:

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

  (i) giving a true and fair view of the consolidated entity's financial position as at 30 June 2016 and of its performance for the year ended on that date; and

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

(b) the consolidated financial statements also comply with International Financial Reporting Standards as disclosed in Note 1.

Report on the Remuneration Report

We have audited the Remuneration Report included in pages 9 to 14 of the directors' report for the year ended 30 June 2016. The directors of the company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

Opinion

In our opinion the Remuneration Report of WCP Resources Limited for the year ended 30 June 2016, complies with section 300A of the *Corporations Act 2001*.

Deloitte Touche Tohmatsu

DELOITTE TOUCHE TOHMATSU

David Newman
Partner
Chartered Accountants
Perth, 28 September 2016

CORPORATE GOVERNANCE

WCP Resources Limited (**WCP** or **Company**) and the entities it controls believe corporate governance is a critical pillar on which business objectives and, in turn, shareholder value must be built.

The Board of WCP has adopted a suite of charters and key corporate governance documents which articulate the policies and procedures followed by the Company.

These documents are available in the Corporate Governance section of the Company's website, www.wcpresources.com.au. These documents are reviewed at least annually to address any changes in governance practices and the law.

The Company's Corporate Governance Statement 2016, which explains how WCP complies with the ASX Corporate Governance Council's 'Corporate Governance Principles and Recommendations – 3rd Edition' in relation to the year ended 30 June 2016, is available in the Corporate Governance section of the Company's website, www.wcpresources.com.au and will be lodged with ASX together with an Appendix 4G at the same time that this Annual Report is lodged with ASX.

In addition to the ASX Corporate Governance Council's 'Corporate Governance Principles and Recommendations – 3rd Edition' the Board has taken into account a number of important factors in determining its corporate governance policies and procedures, including the:

- relatively simple operations of the Company, which currently only undertakes mineral exploration and development activities;
- cost verses benefit of additional corporate governance requirements or processes;
- size of the Board;
- Board's experience in the resources sector;
- organisational reporting structure and number of reporting functions, operational divisions and employees;
- relatively simple financial affairs with limited complexity and quantum;
- relatively small market capitalisation and economic value of the entity; and
- direct shareholder feedback.

ASX ADDITIONAL INFORMATION

The shareholder information set out below was applicable as at 31 August 2016.

1. TWENTY LARGEST HOLDERS OF LISTED SECURITIES

The names of the twenty largest holders of listed securities are listed below:

Name	No of Ordinary Shares Held	Percentage of Issued Shares
Nasdaq Securities Australia Pty Limited	52,500,000	13.20
Arredo Pty Ltd	20,000,000	5.03
Mrs Susan Maree Whiting	10,000,000	2.51
Greenslade Holdings Pty Ltd	9,033,202	2.27
Nefco Nominees Pty Ltd	8,062,000	2.03
Sapphire Chip Pty Ltd	7,200,000	1.81
HSBC Custody Nominees (Australia) Limited	6,700,000	1.68
Foreign Dimensions Pty Ltd	6,250,000	1.57
Mr Gregory John Howe + Ms Tracie Lee Vella <Tag Super Fund A/C>	6,000,000	1.51
Perma-Seal Australia Pty Ltd <Super Fund A/C>	6,000,000	1.51
Mr Haydn Geoffrey Thompson	4,900,000	1.23
Octifil Pty Ltd	4,779,250	1.20
Annlew Investments Pty Ltd <Annlew Investments PL SF A/C>	4,600,000	1.16
Hillboi Nominees Pty Ltd	4,050,994	1.02
Ms Lucille O'Loughlin <Lucille O'Loughlin Inves A/C>	4,025,000	1.01
Bodie Investments Pty Ltd	4,000,000	1.01
Mr Michael Andrew Whiting + Mrs Tracey Anne Whiting <Whiting Family S/F A/C>	3,600,000	0.90
GP Securities Pty Ltd	3,500,000	0.88
Mr Mark Pearce + Mrs Natasha Pearce <NMLP Family A/C>	3,500,000	0.88
Mr Vicenco Alac	3,100,000	0.78
Total Top 20	**171,800,446**	**43.19**
Others	226,007,683	56.81
Total Ordinary Shares on Issue	**397,808,129**	**100.00**

2. DISTRIBUTION OF EQUITY SECURITIES

Analysis of numbers of holders by size of holding:

Distribution	Number of Shareholders	Number of Shares
1 – 1,000	190	71,789
1,001 – 5,000	152	405,431
5,001 – 10,000	139	1,232,898
10,001 – 100,000	470	21,887,926
More than 100,000	344	374,210,085
Totals	**1,295**	**397,808,129**

There were 510 holders of less than a marketable parcel of ordinary shares.

ASX ADDITIONAL INFORMATION (Continued)

3. VOTING RIGHTS

See Note 12(c) of the Notes to the Financial Statements.

4. SUBSTANTIAL SHAREHOLDERS

Substantial Shareholder notices have been received from the following:

Substantial Shareholder	Number of Shares
NASDAQ Securities Australia Pty Limited	52,500,000
Arredo Pty Ltd	20,000,000

5. ON-MARKET BUY BACK

There is currently no on-market buy back program for any of WCP Resources Limited's listed securities.

6. UNQUOTED SECURITIES

Other than Performance Rights issued under an employee incentive scheme, the Company does not have any unlisted securities on issue.

7. MINERAL RESOURCES STATEMENT

To date, the Company has not reported any Mineral Resources or Ore Reserves for its exploration projects.

8. EXPLORATION INTERESTS

As at 31 August 2016, the Company has an interest in the following projects:

Project Name	Tenement Number/Name	Location	Percentage Interest	Status
Yalgoo Gold Project	E59/1594	Western Australia	100%	Granted
Al Hariqah Gold Project[1]	Al Hariqah	Yemen	~33%	Granted

Notes:
[1] At 31 August 2016, WCP has estimated that its interest in the Al Hariqah Project has been diluted to approximately 33%

9. COMPETENT PERSON STATEMENT

The information in this report that relates to Exploration Results is extracted from the report entitled 'September 2015 Quarterly Report'. This report is available to view on www.wcpresources.com.au. The information in the original ASX Announcement that related to Exploration Results was based on, and fairly represents, information compiled by Mr Peter Woodman, a Competent Person who is a member Australian Institute of Mining and Metallurgy. Mr Woodman was employed by WCP Resources Limited. Mr Woodman has sufficient experience that is relevant to the style of mineralization and type of deposit under consideration and to the activity being undertaken to qualify as a Competent Person as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. The Company confirms that it is not aware of any new information or data that materially affects the information including in the original market announcement. The Company confirms that the form and context in which the Competent Person's findings are presented have not been materially modified from the original market announcement.

WCP
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