WAG LIMITED

ABN 63 008 666 233

Annual Report – 30 June 2013

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Corporate Directory

Directors	Frederick (Eric) Ng Steven Pynt Graham Anderson
Company Secretary	Krystel Kirou
Registered Office	14 Emerald Terrace West Perth WA 6005 Telephone: 08 9322 2700
Share Register	Computershare Investor Services Pty Limited Level 2, 45 St Georges Terrace Perth WA 6000 Telephone: 1300 787 575
Auditor	Crowe Horwath Level 6, 256 St Georges Terrace Perth WA 6000 Telephone: 08 9481 1448
Securities Exchange Listing	WAG Limited's shares are listed on the Australian Securities Exchange, the home branch being Perth. Code : WAG (currently suspended from trading)
Website Address	www.wagltd.com.au

Directors' Report

Your Directors present their report on WAG Limited (WAG or the Company) for the year ended 30 June 2013.

Directors

The names of each person who has been a Director during the year and continues in office to the date of this report are:

Frederick Ng (Non - Executive Director) Appointed 22/05/2013
Steven Pynt (Non - Executive Director) Appointed 22/05/2013
Graham Anderson (Non-Executive Director) Appointed 22/05/2013

Gary Christian Steinepreis (Executive Director, Chair and Company Secretary) Resigned 23/05/2013
Patrick Nicolas Burke (Executive Director) Resigned 23/05/2013
Matthew Richard Sheldrick (Non Executive Director) Resigned 23/05/2013

Company Secretary

The company secretary is Krystel Kirou (Appointed 23/05/2013).

Principal Activities

During the year the principal continuing activities of the Company consisted of:

1. review and analysis of new opportunities in the renewable energy sector;
2. investigating the acquisition of, or investment in, new projects / businesses in other business segments; and
3. signing of an implementation agreement to acquire all the shares in Ephraim Resources Limited.

Operating Result

The loss from operations for the financial year after providing for income tax amounted to $116,970 (2012:$1,245,971).

Review of Operations

As previously announced, WAG has been reviewing new investment opportunities and more recently signalled its intention to enter into the growing renewable and clean technology sector. In line with this strategy, on 14 June 2013 the Company announced the signing of an implementation agreement to acquire all of the shares in Ephraim Resources Limited, which owns 99% of the issued shares of PT FirstFlower (PTFF), an Indonesian incorporated entity. PTFF's business is agricultural biogenetics research and experimentation, licencing and consultancy, with a focus on nipah palm breeding, tissue culture, cultivation and plantation, and the conversion of sap from the nipah palm to sugar and ethanol. In consideration for the acquisition, WAG will, following a share consolidation on an approximately 28 for 1 basis, issue 1,500,000,000 fully paid ordinary shares to Ephraim's shareholders and also issue a further 11,000,000 shares to raise a minimum of $2.2 million. The acquisition is subject to a number of conditions, and the transaction will only complete once all the conditions have been met.

Financial Position

During the year the Company had sufficient funds to meet its commitments. The Board recognises the need to raise further funding in order to meet commitments over the ensuing twelve month period. The Company is currently suspended from trading on ASX and is managing expenditure appropriately until the Company is able to re-comply with Chapters 1 and 2 of the Listing Rules.

Significant Changes in the State of Affairs

Other than as reported above there were no significant changes in the state of affairs of the Company.

Dividends

No dividends were paid or are proposed to be paid during the financial year (2012:Nil)..

Future Developments, Prospects and Business Strategies

The Company's business strategies and prospects for growth in future financial years have not been included in this report, as the inclusion of this information is likely to result in an unreasonable prejudice to the Company.

Environmental Issues

The Company's operations are not regulated by any significant environmental regulations under a law of the Commonwealth or of a State or Territory.

Subsequent Events

There has been no matters or circumstance, other than that referred to in the financial statements or notes thereto, that has arisen since the end of the financial year, that has significantly affected, or may significantly affect, the operations of the Company. Accordingly, this information has not been disclosed in this report.

INFORMATION ON DIRECTORS

Frederick (Eric) Ng (Non-executive Director)

Experience and Expertise

Mr Ng has been the Principal Consultant of Chadway Management Service Pte Ltd since 1982. He is responsible for providing operational management, planning and execution of growth strategies organically and through merger and acquisitions as well as corporate finance services to companies in Singapore and the region, including Australia. He also advises on business growth and globalisation strategies, capital market and corporate governance issues and is an active capital market intermediary matching capital with business. Chadway also provides advisory services for companies in their listing via an initial public officering ('IPO') or reverse take-over ('RTO') on regional stock exchanges such as SGX and ASX.

Mr Ng is also active in various societies and institutions, being a member of the Singapore Institute of Directors and a Fellow of the Singapore Human Resource Institute. He also served as District Governor for Singapore of Lions Clubs International from 2002 to 2003.

Mr Ng resides in Singapore.

Other Current Directorships
GBM Gold Ltd
Chasen Holdings Ltd
Richfield International Ltd

Former Directorships in the Last Three Years
Avaplas Ltd

INFORMATION ON DIRECTORS (continued)

Frederick (Eric) Ng (Non-executive Director) (continued)

Interests in Shares and Options
120,000,000 ordinary shares in WAG Limited

Steven Pynt (Non-executive Director)

Experience and Expertise
Mr Pynt has 32 years' experience in law, accounting and business management.
After graduating in law from the University of Western Australia in 1980, Mr Pynt completed his articled clerkship at Dwyer & Thomas Solicitors before commencing work in 1983 as a tax consultant with the accounting firm Duesburys, which subsequently merged with Ernst & Whinney.

In 1985 Mr Pynt established his own legal firm and in 1988 merged his firm with Michell Sillar McPhee where he became a Partner. He subsequently established the firm Healy Pynt and after leaving that firm established the practice of McDonald Pynt Lawyers with David McDonald in 2003. Steven ceased practice in June 2010 to take up the position of Managing Director of Muzz Buzz Franchising Pty Ltd which is Australia's leading specialty drive through coffee franchise with 52 stores in Australia and New Zealand.

Mr Pynt also obtained a Bachelor of Business in 1986, a Master of Business Administration in 1995, and a Master of Taxation Studies in 1999.

Mr Pynt was Deputy Chairman and then Chairman of the Commercial Tribunal of Western Australia from 1994 – 2004, which deals with Commercial Tenancy legislation, Credit Act and other commercial disputes and applications. He also taught Ethics and Professional Responsibility to Articled Law Clerks from 1994 to 2005 and was a member of the Racing Penalties Appeal Tribunal from 1995 to 2007.

Mr Pynt resides in Perth.

Other Current Directorships
South East Asia Resources Ltd
Global Health Limited
Gondwana Resources Limited
Richfield International Limited

Former Directorships in the Last Three Years

None

Interests in Shares and Options
Nil

Graham Anderson (Non-executive director)

Experience and Expertise
Mr Anderson is 50 years of age, has a Bachelor of Business Degree and is a member of the Institute of Chartered Accountants. Mr Anderson commenced his career in 1983 with Ernst & Young before later moving to the national chartered accounting firms of Duesburys and Horwath as a Partner with particular responsibilities for providing a range of audit and related corporate services.

In 1991 Mr Anderson established and ran as managing director "Duesburys Share Registry Services" which provided a range of specialist share registry services to ASX Listed Companies. This business was sold to Computershare Share Registry Services, an ASX Top 100 company in 1997; and Mr Anderson was directly responsible for the negotiation, structure and completion of this deal.

Mr Anderson was appointed as Chairman of the Horwath Perth Partnership in 1997, with responsibility for co-ordination and control of Partners meetings, guidance and support to the managing partner, and for development of the strategic direction of the practice. He was also a member of the Horwath national committees for audit and corporate services, training and information technology.

In 1999 Mr Anderson established his own specialist corporate advisory, audit and management consulting practice which merged with Munro & Wyllie in early 2005 and now trades as GDA Corporate.

Mr Anderson has extensive experience and knowledge of the ASX Listing Rules and Corporations Act and has acted as Director of numerous public companies throughout his career.

His public company responsibilities include both acting in the chief financial officer role as well as corporate compliance role, including extensive liaison with ASX and ASIC, control and implementation of corporate governance, completion of annual financial reports and auditor liaison, and shareholder relations with registry and shareholders both retail and institutional.

Mr Anderson resides in Perth.

Other Current Directorships
Mako Hydrocarbons Ltd
Pegasus Metals Ltd
Oakajee Corporation Ltd
Kangaroo Resources Ltd
RMA Energy Ltd

Former Directorships in the Last Three Years
APA Financial Ltd
Dynasy Metals Australia Ltd
Echo Resources Ltd
Ethan Minerals Ltd
Tangiers Petroleum Ltd

Interests in Shares and Options
Nil

Krystel Kirou (Company Secretary)

Experience and Expertise
Ms Kirou graduated from the University of Western Australia with a Bachelor of Commerce, majoring in Accounting and Economics.

Ms Kirou has gained broad experience with over 6 years working in audit and corporate services. Before joining GDA Corporate in 2008, she worked as an auditor in a chartered accountancy firm, providing audit services to small and medium sized enterprises and organizations.

Ms Kirou is a Senior Accountant at GDA Corporate and is responsible for the financial reporting and provision of business services for a number of listed companies, in addition to company secretarial duties including ongoing ASX and ASIC compliance.

Ms Kirou was previously a Joint Company Secretary of Tangiers Petroleum Limited, an ASX and AIM listed Company, and is currently Company Secretary of Echo Resources Limited.

Meetings of the Board of Directors

The numbers of meetings of the Company's Board of Directors held during the year ended 30 June 2013, and the numbers of meetings attended by each director were:

Name of Director	Number of Meetings - A	Number of Meetings - B
Gary Steinepreis	-	-
Patrick Burke	-	-
Matthew Sheldrick	-	-
Frederick (Eric) Ng	1	1
Steven Pynt	1	1
Graham Anderson	1	1

A = Number of meetings attended
B = Number of meetings held during the time the Director held office during the year

Options

Details of unissued shares or interests under option as at the date of this report are:

2013	Number	Status
Options expiring 31 Dec 2013 exercise price 3 cents	50,000,000	Granted
	50,000,000	

The 50,000,000 unlisted options have not vested as at the date of this report.

Proceedings on Behalf of the Company

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

Auditor

Crowe Horwath continues in office in accordance with section 327 of the *Corporations Act 2001*.

Non-Audit Services

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

Auditor's Independence Declaration

A copy of the auditor's independence declaration as required under section 307C of the *Corporations Act 2001* is set out on page 9 of the Annual Report.

Corporate Governance

The Directors of the Company support and adhere to the principles of corporate governance, recognising the need for the highest standard of corporate behaviour and accountability. A review of the Company's corporate governance practices was undertaken during the year. Please refer to the corporate governance statement included with this report.

Remuneration Report (audited)

The remuneration report is set out under the following main headings:
(1) Principles used to determine the nature and amount of remuneration
(2) Details of remuneration
(3) Employment Contracts of Directors and Senior Executives
(4) Performance-based Remuneration

The information provided under headings 1 to 4 above includes remuneration disclosures that are required under Accounting Standard AASB 124, *Related Party Disclosures*.

1 Principles used to determine the nature and amount of remuneration

The objective of the Company's policy is to provide remuneration that is competitive and appropriate. The Board ensures that executive reward satisfies the following key criteria for good reward governance practices:
(i) competitiveness and reasonableness;
(ii) acceptability to shareholders;
(iii) transparency; and
(iv) capital management.

Directors
Fees and payments to Directors reflect the demands which are made on, and the responsibilities of, the Directors. Directors' fees and payments are reviewed annually by the Board. The Board also ensures that Directors' fees and payments are appropriate and in line with the market. The Chairman's fees are determined together with those of the Directors. Directors do not receive share based payments as part of their compensation package.

In order to conserve the Company's funds the Board resolved to cancel all payments to directors and their related parties for the entire year ended 30 June 2013. Payments to directors and their related parties will only be reinstated if and when the Company has sufficient funding to meet its commitments, has re-complied with Chapters 1 and 2 of the Listing Rules and been re-instated to trading on ASX.

Retirement allowances and benefits for Directors
There are no retirement allowances or other benefits (other than superannuation) paid to Directors.

2 Details of Remuneration

The amount of remuneration of the Directors of WAG Limited (as defined in AASB 124 Related Party Disclosures) is set out below. During the financial year there were no key management personnel other than the Directors. There was no remuneration of any type paid, to the Directors for the financial year ended 30 June 2013.

Remuneration Report (Audited) (continued)

2 Details of Remuneration (continued)

	Short-term employee benefits			Post employment benefits	Share based	
2012	**Fees**	**Related Entity fees**	**Director Salary**	**Super - annuation**	**Options**	**Total**
Name of director	**$**	**$**	**$**	**$**	**$**	**$**
Directors						
Gary Steinepreis (a)	-	15,000	-	-	-	15,000
Patrick Burke (b)	15,000	-	-	-	-	15,000
Matthew Sheldrick (c)	-	-	13,761	1,239	-	15,000
Totals	**15,000**	**15,000**	**13,761**	**1,239**	**-**	**45,000**

The fees paid to Directors and / or Director related entities for the 2012 financial year were for the work undertaken in the provision of management services for the ongoing operations of the Company, of the particular Director, to the Company, as follows:

(a) Leisurewest Consulting Pty Ltd, as trustee for the Leisurewest Trust, an entity associated with Gary Steinepreis, was paid $15,000 exclusive of GST;

(b) Patrick Burke was paid fees in the amount of $15,000 exclusive of GST.

(c) Matthew Sheldrick was paid a salary of $13,761 and superannuation of $1,239.

3 Employment Contracts of Directors and Senior Executives

As at the date of this report there are no executives or key management personnel, other than the Directors, engaged by the Company. Directors serve on a month to month basis with no formal employment contracts and there are no termination payments payable.

4 Performance-based Remuneration

There was no performance-based remuneration paid to Directors during the financial year.

This is the end of the Remuneration Report.

Indemnifying of Officers or Auditor

The Company does not currently have Directors and / or officers or auditor insurance. No insurance to cover the prospective liability of Directors and / or officers or auditors was paid during the financial year.

This director's report, incorporating the remuneration report, is signed in accordance with a resolution of the Board of Directors.

Frederick (Eric) Ng - Director
30 August 2013

Crowe Horwath

AUDITOR'S INDEPENDENCE DECLARATION

In accordance with the requirements of section 307C of the Corporations Act 2001, as lead auditor for the audit of WAG Limited for the year ended 30 June 2013, I declare that, to the best of my knowledge and belief, there have been:

(a) no contraventions of the auditor independence requirements of the Corporations Act 2001 in relation to the audit; and

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

Crowe Horwath Perth

CROWE HORWATH PERTH

PHILIPPA HOBSON
Partner

Signed at Perth, 30 August 2013

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The financial report is presented in Australian currency.

The financial report covers WAG Limited as an individual entity only. WAG Limited is a Company limited by shares, incorporated and domiciled in Australia. Its registered office and principal place of business is:

WAG Limited
14 Emerald Terrace
West Perth WA 6005

A description of the nature of the Company's operations and its principal activities is included in the review of operations and activities in the Directors' report on pages 2 to 6. The Directors' report does not form part of this financial report.

The financial report was authorised for issue by the Directors on 30 August 2013. The Company has the power to amend and reissue the financial report.

The Company has ensured and continues to ensure that its corporate reporting is timely, complete and available.

	Note	2013 $	2012 $
Other income	4	41	15,544
Impairment expense	9	-	(1,002,000)
Expenses	5	(117,011)	(259,515)
Loss before income tax		**(116,970)**	**(1,245,971)**
Income tax expense	6	-	-
Loss for the year		**(116,970)**	**(1,245,971)**
Comprehensive income		-	-
Total comprehensive loss for the year		**(116,970)**	**(1,245,971)**
Comprehensive loss attributable to the members of WAG		**(116,970)**	**(1,245,971)**
Loss per share attributable to the ordinary equity holders of the Company:		**Cents**	**Cents**
Basic and Diluted loss per share	20(a)	**(0.02)**	**(0.20)**

The above Statement of Comprehensive Income should be read in conjunction with the accompanying notes.

	Note	2013 $	2012 $
ASSETS			
Current assets			
Cash and cash equivalents	7	41,096	43,409
Trade and other receivables	8	46,517	1,487
Total current assets		**87,613**	**44,896**
Total assets		**87,613**	**44,896**
LIABILITIES			
Current liabilities			
Trade and other payables	10	41,750	15,231
Total current liabilities		**41,750**	**15,231**
Total liabilities		**41,750**	**15,231**
Net assets		**45,863**	**29,665**
EQUITY			
Issued capital	11(a)	59,921,543	59,788,375
Accumulated losses		(59,875,680)	(59,758,710)
Total equity		**45,863**	**29,665**

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

2013	**Ordinary Shares $**	**Accumulated losses $**	**Total Attributable to Owners $**
Balance at 1 July 2012	**59,788,375**	**(59,758,710)**	**29,665**
Total Comprehensive loss for the year	-	(116,970)	**(116,970)**
Subtotal	59,788,375	(59,875,680)	**(87,305)**
Transactions with Owners in their capacity as Owners:	-	-	**-**
Issue of shares	133,168		**133,168**
Balance 30 June 2013	**59,921,543**	**(59,875,680)**	**45,863**

2012	**Ordinary Shares $**	**Accumulated losses $**	**Total Attributable to Owners $**
Balance at 1 July 2011	**59,788,375**	**(58,512,739)**	**1,275,636**
Total Comprehensive loss for the year	-	(1,245,971)	**(1,245,971)**
Subtotal	59,788,375	(59,758,710)	**29,665**
Transactions with Owners in their capacity as Owners:	-	-	**-**
Balance 30 June 2012	**59,788,375**	**(59,758,710)**	**29,665**

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

	Note	2013 $	2012 $
Cash flows from operating activities			
BAS refund received		-	21,303
Tax refund		-	1,442
Interest received		41	9,102
GST collected		-	500
Payments to suppliers and employees		(110,940)	(278,209)
Net cash outflow from operating activities	19	**(110,899)**	**(245,862)**
Cash flows from investing activities			
Payment for investments in renewable energy	9	-	(277,000)
Proceeds on sale of investments		-	5,000
Loan to other entity		(27,582)	-
Net cash outflow from investing activities		**(27,582)**	**(272,000)**
Cash flows from financing activities			
Proceeds from issue of shares		133,168	-
Proceeds from borrowings		3,000	-
Net cash inflow from financing activities		**136,168**	**-**
Net decrease in cash and cash equivalents		**(2,313)**	**(517,862)**
Cash and cash equivalents at the beginning of the financial year		43,409	561,271
Cash and cash equivalents at the end of the financial year	7	**41,096**	**43,409**

The above Cash Flow Statement should be read in conjunction with the accompanying notes.

1 Statement of significant accounting policies

This financial report includes the financial statements and notes of WAG Limited, a Public Limited entity currently suspended from trading on ASX. The Company is a for profit entity for financial reporting purposes under Australian Accounting Standards.

(a) Basis of Preparation

The financial report is a general purpose financial report that has been prepared in accordance with Australian Accounting Standards, Australian Accounting Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board and the *Corporations Act 2001*.

Australian Accounting Standards set out accounting policies that the AASB has concluded would result in a financial report containing relevant and reliable information about transactions, events and conditions to which they apply. Compliance with Australian Accounting Standards ensures that the financial statements and notes also comply with International Financial Reporting Standards. Material accounting policies adopted in the preparation of this financial report are presented below. They have been consistently applied unless otherwise stated.

The financial report has been prepared on an accruals basis and is based on historical costs, modified, where applicable, by the measurement at fair value of selected non – current assets, financial assets and financial liabilities.

(b) Segment Reporting

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

The Company does not currently operate an ongoing business. The Company is currently in the process of acquiring another company that operates in the area of agricultural biogenetics research, experimentation, licencing and consultancy. The Company currently operates in one geographic sector that being Australia.

The Directors are of the opinion that the current financial position and performance of the Company is equivalent to the operating and geographic segment identified above and as such no further disclosure is being provided.

(c) Interest Income

Interest income is recognised on a time proportion basis using the effective interest method.

(d) Income Tax

The income tax expense (revenue) for the year comprises current income tax expense (income) and deferred tax expense (income). Current income tax expense charged to profit or loss is the tax payable on taxable income. Current tax liabilities (assets) are measured at the amounts expected to be paid to (recovered from) the relevant taxation authority.

Deferred income tax expense reflects movements in deferred tax asset and deferred tax liability balances during the year as well unused tax losses. Current and deferred income tax expense (income) is charged or credited outside profit or loss when the tax relates to items that are recognised outside profit or loss.

1 Statement of significant accounting policies (continued)

(d) Income Tax (continued)

Except for business combinations, no deferred income tax is recognised from the initial recognition of an asset or liability where there is no effect on accounting or taxable profit or loss. Deferred tax assets and liabilities are calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled and their measurement also reflects the manner in which management expects to recover or settle the carrying amount of the related asset or liability. Deferred tax assets relating to temporary differences and unused tax losses are recognised only to the extent that it is probable that future taxable profit will be available against which the benefits of the deferred tax asset can be utilised.

Where temporary differences exist in relation to investments in subsidiaries, branches, associates and joint ventures, deferred tax assets and liabilities are not recognised where the timing of the reversal of the temporary difference can be controlled and it is not probable that the reversal will occur in the foreseeable future.

Current tax assets and liabilities are offset where a legally enforceable right of set-off exists and it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur. Deferred tax assets and liabilities are offset where: (a) a legally enforceable right of set-off exists; and (b) the deferred tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur in future periods in which significant amounts of deferred tax assets or liabilities are expected to be recovered or settled.

(e) Impairment of Assets

At the end of each reporting period, the Company assesses whether there is any indication that an asset may be impaired. The assessment will include the consideration of external and internal sources of information. If such an indication exists, an impairment test is carried out on the asset by comparing the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, to the asset's carrying amount. Any excess of the asset's carrying amount over its recoverable amount is recognised immediately in profit or loss.

Where it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

(f) Cash and Cash Equivalents

For cash flow statement presentation purposes, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, with maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

(g) Trade and Other Receivables

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost, less provision for doubtful debts. Trade receivables are due for settlement no more than 30 days from the date of recognition.

Collectability of trade receivables is reviewed on an ongoing basis. Debts which are known to be uncollectible are written off.

1 Statement of significant accounting policies (continued)

(g) Trade and Other Receivables (continued)

A provision for doubtful receivables is established when there is objective evidence that the Company will not be able to collect all amounts due according to the original terms of receivables.

The amount of the provision is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate.

Cash flows relating to short-term receivables are not discounted if the effect of discounting is immaterial. The amount of the provision is recognised in the statement of comprehensive income.

(h) Financial Assets

Recognition and initial measurement

Financial instruments, incorporating financial assets and financial liabilities, are initially measured at cost on trade date, which includes transaction costs, when the related contractual rights or obligations exist. Subsequent to initial recognition these instruments are measured as set out below.

Financial assets at fair value through profit and loss

A financial asset is classified in this category if acquired principally for the purpose of selling in the short term, or if so designated by management and within the requirement of AASB 139: *Recognition and Measurement of Financial Instruments*.

Realised and unrealised gains and losses arising from changes in the fair value of these assets are included in the statement of comprehensive income in the period in which they arise.

Receivables

Receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are stated at amortised cost using the effective interest rate method.

Available-for-sale financial assets

Available-for-sale financial assets include any financial assets not included in the above categories. They comprise investments in the equity of other entities where there is neither a fixed maturity nor fixed or determinable payments.

Available-for-sale financial assets are included in non-current assets, except for those which are expected to mature within 12 months after the end of the reporting period.

Held-to-maturity investments

Held-to-maturity investments are non-derivative financial assets that have fixed maturities and fixed or determinable payments, and it is the Company's intention to hold these investments to maturity. They are subsequently measured at amortised cost.

Held-to-maturity investments are included in non-current assets where they are expected to mature within 12 months after the end of the reporting period. All other investments are classified as current assets.

Financial liabilities

Non-derivative financial liabilities are recognised at amortised cost, comprising original debt less principal payments and amortisation.

Fair value

Fair value is determined based on current bid prices for all quoted investments. Valuation techniques are applied to determine the fair value for all unlisted securities, including recent arm's length transactions, reference to similar instruments and option pricing models.

1 Statement of significant accounting policies (continued)

(h) Financial Assets (continued)

Impairment

At each reporting date, the Company assesses whether there is objective evidence that a financial instrument has been impaired. In the case of available-for-sale financial instruments, a prolonged decline in the value of the instrument is considered to determine whether an impairment has arisen. Impairment losses are recognised in the statement of comprehensive income.

(i) Trade and Other Payables

These amounts represent liabilities for goods and services provided to the Company prior to the end of the financial year which are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition.

(j) Contributed Equity

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

If the entity reacquires its own equity instruments, e.g. as the result of a share buy-back, those instruments are deducted from equity and the associated shares are cancelled. No gain or loss is recognised in the income statement and the consideration paid including any directly attributable incremental costs (net of income taxes) is recognised directly in equity.

(k) Earnings Per Share

(i) Basic earnings per share

Basic earnings per share is calculated by dividing the profit / (loss) attributable to equity holders of the Company, excluding any costs of servicing equity other than ordinary shares, by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the year.

(ii) Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares and the weighted average number of shares assumed to have been issued for no consideration in relation to dilutive potential ordinary shares.

(l) Goods and Services Tax

Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the taxation authority. In this case it is recognised as part of the cost of acquisition of the asset or as part of the expense. Cash flows are presented in the cash flow statement on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to the taxation authority, are presented as operating cash flows.

(m) Equity Settled Payments

The Company has made equity-settled share-based payments to nonaligned third parties. The fair value of the equity to which those parties become entitled is measured at grant date and recognised as an expense over the vesting period, with a corresponding increase to an equity account. The fair value of shares is ascertained as the market bid price. The fair value of options is ascertained using a Black–Scholes pricing model which incorporates all market vesting conditions. The number of shares and options expected to vest is reviewed and adjusted at each reporting date such that the amount recognised for services received as consideration for the equity instruments granted shall be based on the number of equity instruments that eventually vest.

1 Statement of significant accounting policies (continued)

(n) Critical Accounting Estimates and Judgements

The preparation of financial statements in conformity with AIFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company's accounting policies. Where there are areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, these are disclosed in note 3.

(o) Adoption of new and revised Accounting Standards

Standards and Interpretations applicable to 30 June 2013
In the year ended 30 June 2013, the Directors have reviewed all of the new and revised Standards and Interpretations issued by the AASB that are relevant to the Company and effective for the current annual reporting period. The following is a summary of these Standards and Interpretations that have had a material impact on the Company.

- ❖ AASB 2011-9 Amendments to Australian Accounting Standards – Presentation of Other Comprehensive Income.

This Standard requires entities to group items presented in other comprehensive income on the basis of whether they might be reclassified subsequently to profit or loss and those that will not. The adoption has had no effect on the financial position or performance of the Company.

In addition, the pre-existing terminology for the statement of comprehensive income has been retained.

Standards and Interpretations on issue not yet adopted
The Directors have also reviewed all new Standards and Interpretations that have been issued but are not yet effective for the year ended 30 June 2013. The Directors anticipate that the adoption of these Standards and Interpretations in future periods will have no material financial impact on the financial statements of the Company. These Standards and Interpretations will be first applied in the financial report of the Company that relates to the annual reporting period beginning after the effective date of each pronouncement.

(p) Going Concern

The financial report has been prepared on the basis of the going concern and historical cost conventions.

The Directors recognise the need to raise additional funds via equity raisings for future project development. As part of the signed implementation agreement with Ephraim Resources Ltd announced to ASX on 14 June 2013, the Company plans to raise $2.2 million. The Directors are confident in being able to raise these additional funds as required. If this transaction however does not proceed, based on the Company's cash flow forecast, the Board of Directors is confident that the Company will have adequate working capital funds in the next 12 months to enable the Company to continue its current level of activities and to ensure the realisation of assets and extinguishment of liabilities as and when they fall due.

In addition, in order to conserve the Company's funds the Board resolved to cancel all payments to directors and their related parties. Payments to directors and their related parties will only be reinstated if and when the Company has sufficient funding to meet its commitments, has re-complied with Chapters 1 and 2 of the Listing Rules and been re-instated to trading on ASX.

On this basis, it is the opinion of the Board of Directors that the Company will be able to continue as a going concern and that therefore, this basis of preparation is appropriate. Should the Company not achieve the matters set out above, there is uncertainty whether the Company will continue as a going

(p) Going Concern (continued)

concern and therefore whether it will realise its assets and extinguish its liabilities in the normal course of business and at the amounts stated in the financial report.

The financial report does not contain any adjustments relating to the recoverability and classification of recorded assets or to the amounts, or classification of, recorded assets or liabilities that might be necessary should the Company not be able to continue as a going concern.

2 Financial Risk Management

The Company's financial instruments consist of deposits with banks and accounts receivable and payable.

The totals for each category of financial instruments, measured in accordance with AASB 139 as detailed in the accounting policies to these financial statements, are as follows:

Financial Instruments	**Note**	**2013**	**2012**
Financial assets		**$**	**$**
Cash and cash equivalents	7	41,096	43,409
Trade and other receivables	8	46,517	1,487
Total financial assets		**87,613**	**44,896**
Financial liabilities			
Trade and other payables	10	41,750	15,231
Total financial liabilities		**41,750**	**15,231**

(i) Overall Risk Management

The Company's activities expose it to a variety of financial risks; market risk (including fair value interest rate risk), credit risk, liquidity risk and cash flow interest rate risk. The Company's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the Company. Risk management is carried out by the Board of directors under policies approved by the Board.

The Board identifies and evaluates financial risks and provides written principles for overall risk management.

(ii) Financial Risk Exposure and Management

The main risks the Company is exposed to through its financial instruments are credit rate risk and liquidity risk.

Credit risk

Credit risk arises from the financial assets of the Company, which comprise cash and cash equivalents and trade and other receivables. The Company's exposure to credit risk arises from potential default of the counter party, with a maximum exposure equal to the carrying amount of these instruments.

The Company does not have any significant credit risk exposure to any single counterparty. The credit risk on liquid funds is limited because the counter party is a bank with high credit rating.

Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash to meet commitments as and when they fall due. The Company's financial liabilities include other payables which are non-interest bearing and generally paid within a 60 day period. Expenses are managed on an ongoing basis, and the company will raise additional funds as and when necessary.

2 Financial Risk Management (continued)

(ii) Financial Risk Exposure and Management (continued)

Financial Instruments Maturity Analysis

As the Company has no significant interest-bearing assets other than cash at bank, the Company's income and operating cash flows are not materially exposed to changes in market interest rates. Cash flows from financial assets are expected to be realised within 1 year, financial liabilities due for payment are also expected to be settled within 1 year. Financial assets and financial liabilities are neither past due nor impaired with the exception of financial assets which have been impaired, refer to note 9.

Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of financial instruments will fluctuate because of changes in market interest rates. The Company's exposure to interest rate risk is not significant and is limited to cash and cash equivalents. The company does not rely on the generation of interest to provide working capital.

Financial Instruments 2013	**Floating interest rate**	**Fixed interest rate maturing in: 1 year or less**	**Non-interest bearing**	**Total**	**Weighted average effective interest rate**
	$	**$**	**$**	**$**	**%**
(i) Financial assets					
Cash assets	41,096	-	-	**41,096**	**0.09**
Trade and other receivables	-	-	46,517	**46,517**	
Total financial assets	**41,096**	**-**	**46,517**	**87,613**	
(ii) Financial liabilities					
Trade and other payables	41,750	-	41,750	**41,750**	
Total financial liabilities	**-**	**-**	**41,750**	**41,750**	

Financial Instruments 2012	**Floating interest rate**	**Fixed interest rate maturing in: 1 year or less**	**Non-interest bearing**	**Total**	**Weighted average effective interest rate**
	$	**$**	**$**	**$**	**%**
(i) Financial assets					
Cash assets	43,409	-	-	**43,409**	**3.94**
Trade and other receivables	-	-	1,487	**1,487**	
Total financial assets	**43,409**	**-**	**1,487**	**44,896**	
(ii) Financial liabilities					
Trade and other payables	-	-	15,231	**15,231**	
Total financial liabilities	**-**	**-**	**15,231**	**15,231**	

3 Critical Accounting Estimates, Judgements and Assumptions

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that may have a financial impact on the entity and that are believed to be reasonable under the circumstances.

Share and option issues for other than cash

The 150,000,000 options issued to Enviro Capital Pty Ltd in 2010 as a bonus / incentive for Enviro Capital to deliver potential investment opportunities to the Company will only vest if the Board and the shareholders in general meeting approve the transaction proposed.

The options have not been valued or expensed to the profit and loss account as they were issued as an incentive or bonus based on the completion of a transaction requiring shareholder approval and as such have not yet vested, are not exercisable and will be forfeited if no transaction is completed.

50,000,000 options of the 100,000,000 unexpired options issued to Enviro Capital expired on 31/12/2012 and have been cancelled.

4 Other Income

	2013	2012
	$	$
Interest received	41	9,102
Miscellaneous tax refund	-	1,442
Sale of broadcasting equipment	-	5,000
	41	**15,544**

5 Expenses

	2013	2012
Loss before income tax includes the following specific expenses:	**$**	**$**
Corporate management costs	76,646	30,000
Corporate compliance costs	39,944	25,327
Occupancy costs	-	47,778
Staff costs	-	15,000
Renewable energy expenditure	-	12,965
Capital raising costs	-	69,823
General administration expenses	421	58,622
	117,011	**259,515**

6 Income Tax Expense	**2013**	**2012**
	$	**$**
(a) The components of tax expense comprise:		
Current tax	-	-
Deferred tax	-	-
	-	-

(b) The prima facie tax on loss from ordinary activities before income tax is reconciled to income tax as follows:	**2013**	**2012**
	$	**$**
Prima facie tax benefit on loss from continuing activities before income tax at 30% (2012: 30%)	(35,091)	(373,791)
Add the tax effect of:		
Revenue losses not recognised	94,880	134,206
Other deferred tax balances not recognised	-	240,018
Other non-allowable items	22,874	-
	82,663	433
Less tax effect of:		
Other deferred tax balances not recognised	(82,663)	-
Non-Assessable items	-	(433)
Income Tax	-	-

(c) Unrecognised deferred tax assets:	**2013**	**2012**
	$	**$**
Carry forward revenue losses	675,304	580,424
Capital raising costs	309	17,591
Financial assets	75,000	75,000
Provisions and accruals	4,200	3,900
Other	247,139	312,820
	1,001,952	**989,735**

The tax benefits of the above deferred tax assets will only be obtained if:

(a) the company derives future assessable income of a nature and of an amount sufficient to enable the benefits to be utilised;
(b) the company continues to comply with the conditions for deductibility imposed by law; and
(c) no changes in income tax legislation adversely affect the company in utilising the benefits.

The deferred tax asset for carry forward revenue losses included in the comparative year has been corrected for non-deductible expenditure. There has been no change to the income tax expense.

7 Current Assets – Cash and Cash Equivalents	**2013**	**2012**
	$	**$**
Cash at bank and in hand is interest bearing with a floating interest rate of 0% (2012: 0.80%)	41,096	43,409
	41,096	**43,409**

8 Current Assets – Trade and Other Receivables	**2013**	**2012**
	$	**$**
Goods and services tax recoverable	7,385	1,487
Deposits paid	11,550	-
Other debtors - unsecured	27,582	-
	46,517	**1,487**

8 Current Assets – Trade and Other Receivables (continued)

Other debtors – unsecured represents a short term advance provided to PT First Flower (Subsidiary of Ephraim Resources Limited) for working capital purposes. There are no fixed repayment terms and there is no interest payable. The Company agreed to acquire all the shares in Ephraim Resources Ltd, subject to various conditions, on 14 June 2013.

9 Financial Assets	**2013 $**	**2012 $**
Non - Current		
Financial assets at cost	-	1,002,000
Less impairment	-	(1,002,000)
Total Financial Assets	**-**	**-**

The proposed acquisition of renewable energy and biochar developer PacPyro did not happen in the previous financial year. As such, the carrying value of the investment in PacPyro was impaired to a carrying value of nil.

10 Current Liabilities – Trade and Other Payables	**2013 $**	**2012 $**
Other payables	38,750	15,231
Short term loan - unsecured	3,000	-
	41,750	**15,231**

The short term loan represents a shareholder loan from Frederick (Eric) Ng. There are no fixed repayment terms set and there is no interest payable on the loan.

11 Issued Capital	**2013 Shares**	**2013 $**	**2012 Shares**	**2012 $**
(a) Share Capital				
Ordinary shares fully paid	**704,530,706**	**59,921,543**	612,635,706	59,788,375

(b) Share Options	**2013 Options**	**2012 Options**	**2013 $**	**2012 $**
Options exercisable at 2 cents expiring on 31 December 2012	-	50,000,000	-	-
Options exercisable at 3 cents expiring on 31 December 2013	50,000,000	50,000,000	-	-
	50,000,000	**100,000,000**	**-**	**-**

The options have not been valued or expensed to the profit and loss account as they were issued as an incentive or bonus based on the completion of a transaction requiring shareholder approval and as such have not yet vested, are un-exercisable and will be forfeited if no transaction is completed. See note 11c for further details.

11 Issued Capital (continued)

(c) Movement in Ordinary Share Capital

2013 Date	**Details**	**Number of shares**	**Issue price $**	**Amount $**
1/7/2012	Opening balance	612,635,706		59,788,375
6/6/2013	Issue of shares	91,895,000	0.00145	133,168
30/6/2013	**Balance**	**704,530,706**		**59,921,543**

2012 Date	**Details**	**Number of shares**	**Issue price**	**Amount $**
1/7/2011	Opening balance	612,635,706		59,788,375
30/6/2012	**Balance**	**612,635,706**		**59,788,375**

Ordinary shares entitle the holder to participate in dividends and the proceeds on winding up of the Company in proportion to the number of and amounts paid on the shares held. Ordinary shareholders rank behind creditors in the distribution of proceeds from the winding-up of the Company. On a show of hands every holder of ordinary shares present at a meeting in person or by proxy, is entitled to one vote, and upon a poll each share is entitled to one vote.

(d) Movement in Options

2013 Date	**Details**	**Weighted average remaining contractual life-years**	**Number of options**	**Issue price**	**Amount $**
1/7/2012	Opening balance		100,000,000		-
31/12/2012	Options expired		(50,000,000)		-
30/6/2013	**Balance outstanding**	**1.00**	**50,000,000**		**-**
	Balance exercisable		**-**		**-**

2012 Date	**Details**	**Weighted average remaining contractual life-years**	**Number of options**	**Issue price**	**Amount $**
1/7/2011	Opening balance		150,000,000		-
31/12/2011	Options expired		(50,000,000)		
30/6/2012	**Balance outstanding**	**1.00**	**100,000,000**		**-**
	Balance exercisable		**-**		**-**

(e) Terms and Conditions of Options

The material terms and conditions of the 150 million options issued on 7 April 2010 are as follows:

(i) each option entitles the holder, when exercised, to one (1) share.

(ii) 50 million options are exercisable at any time on or before 31 December 2011 (now expired unexercised), 50 million options are exercisable at any time on or before 31 December 2012 (now expired unexercised) and 50 million options are exercisable at any time on or before 31 December 2013.

(iii) the exercise price of the options is 1 cent each for the 50 million expiring 31 December 2011, 2 cents each for the 50 million expiring 31 December 2012 and 3 cents each for the 50 million expiring 31 December 2013.

11 Issued Capital (continued)

Vesting Condition

The options will vest upon completion of any transaction entered into by the Company which has resulted from the introduction, negotiation and involvement of Enviro Capital and has been approved by the shareholders of the Company.

(f) Control of Capital

Management controls the capital of the Company in order to generate long term shareholder value and ensure that the Company can fund its operations and continue as a going concern.

The Company's capital includes ordinary share capital. There are no externally imposed capital requirements. Management manages the Company's capital by assessing the Company's financial risks and adjusting its capital structure in response to changes in these risks and in the market. These responses include the management of debt levels, distributions to shareholders and share issues.

There has been no change in the strategy adopted by management to control the capital of the Company since the prior year.

12 Dividends

There were no dividends recommended or paid during the financial year.

13 Key Management Personnel Disclosures

(a) Directors: The following persons were Directors during the financial year:

Frederick Ng (appointed 22 May 2013)

Steven Pynt (appointed 22 May 2013)

Graham Anderson (appointed 22 May 2013)

Patrick Nicolas Burke (resigned 23 May 2013)

Gary Christian Steinepreis (resigned 23 May 2013)

Matthew Richard Sheldrick (resigned 23 May 2013)

(b) Key management personnel compensation paid	**2013**	**2012**
	$	**$**
Fees paid to Directors and / or associated entities	-	30,000
Salary and superannuation paid to Directors	-	15,000
	-	**45,000**

The fees paid to Directors and / or Director related entities were for the work undertaken in the provision of management services for the ongoing operations of the Company in the previous financial year, of the particular Director, to the Company, as follows:

(a) Leisurewest Consulting Pty Ltd, as trustee for the Leisurewest Trust, an entity associated with Gary Steinepreis, was paid $15,000 exclusive of GST in 2012;
(b) Patrick Burke was paid fees in the amount of $15,000 exclusive of GST in 2012; and
(c) Matthew Sheldrick was paid a salary of $13,761 and superannuation of $1,239 in 2012.

In order to conserve the Company's funds the board resolved to cancel all payments to Directors and their related parties for the entire 2013 financial year. Payments to Directors and their related parties will only be reinstated if and when the Company has sufficient funding to meet its commitments, has re-complied with Chapters 1 and 2 of the listing rules and been re-instated to trading on ASX.

13 Key Management Personnel Disclosures (continued)

(c) Equity Instrument Disclosures Relating to Key Management Personnel

Share holdings

The numbers of shares in the Company held during the financial year by each Director of WAG Limited, including their personally related parties, are set out below:

2013 Directors	**Balance at the start of the year**	**Acquired/(Disposed) during the year**	**Other changes**	**Balance on resignation**	**Balance at the end of the year**
Gary Steinepreis	63,875,000	(63,875,000)	-	**-**	**N/A**
Patrick Burke	13,375,000	(13,375,000)	-	**-**	**N/A**
Matthew Sheldrick	2,000,000	(2,000,000)	-	**-**	**N/A**
Frederick Ng	-	120,000,000	-	N/A	**120,000,000**
Steven Pynt	-	-	-	N/A	**-**
Graham Anderson	-	-	-	N/A	**-**
	79,250,000	**40,750,000**	**-**	**-**	**120,000,000**

2012 Directors	**Balance at the start of the year**	**Acquired during the year**	**Other changes**	**Balance on resignation**	**Balance at the end of the year**
Gary Steinepreis	63,875,000	-	-	N/A	**63,875,000**
Patrick Burke	13,375,000	-	-	N/A	**13,375,000**
Matthew Sheldrick	2,000,000	-	-	N/A	**2,000,000**
	79,250,000	**-**	**-**	**-**	**79,250,000**

14 Share Based Payments

During the financial year ended 30 June 2013 and 30 June 2012 no share-based payments were made.

15 Remuneration of Auditors

	2013 $	**2012 $**
During the year fees were paid or payable for services provided by the auditors of the Company:		
Audit assurance services - **Crowe Horwath**		
Financial reports under the Corporations Act 2001	10,000	25,000
Non audit assurance services - **Crowe Horwath**		
Independent accountants report	-	11,000
Total remuneration for audit services	**10,000**	**36,000**

16 Commitments

There is no capital expenditure contracted for at the reporting date that has not been recognised as a liability.

17 Related Party Transactions

Disclosures relating to key management personnel are set out in note 13 and in the remuneration section of the Directors' Report.

Payments for supplies and services rendered	**2013 $**	**2012 $**
Office rent paid to Ascent Capital Holdings an entity associated with Gary Steinepreis	-	24,500
Fees paid for the provision of management services	-	30,000
Salary and superannuation paid	-	15,000
Total related party transaction payments	**-**	**69,500**

The Company received a short term loan during the year from a shareholder and director of the Company being Frederick (Eric) Ng for $3,000; (2012 :Nil) which is still outstanding at year end. There are no fixed repayment terms set and there is no interest payable on the loan.

18 Subsequent Events

There has been no matters or circumstance, other than that referred to in the financial statements or notes thereto, that has arisen since the end of the financial year, that has significantly affected, or may significantly affect, the operations of the Company. Accordingly, this information has not been disclosed in this report.

19 Reconciliation of Loss After Income Tax to Net Cash Outflow from Operating Activities	**2013 $**	**2012 $**
Loss for the year	(116,970)	(1,245,971)
Profit on sale of investments	-	(5,000)
Net loss of capital on impairment of investments	-	1,002,000
Changes in operating assets and liabilities:		
Increase/(decrease) in trade and other payables	23,519	(1,718)
(Increase)/Decrease in trade and other receivables	(17,448)	4,827
Net cash outflow from operating activities	**(110,899)**	**(245,862)**

20 Loss Per Share

(a) Basic and Diluted Loss Per Share	**2013 Cents**	**2012 Cents**
Loss attributable to the ordinary equity holders of the Company	**(0.02)**	**(0.20)**

(b) Reconciliation of Loss used in Calculating Loss Per Share	**2013**	**2012**
Basic and diluted loss per share	**$**	**$**
Loss attributable to the ordinary equity holders of the Company used in calculating basic and diluted loss per share	**(116,970)**	**(1,245,971)**

(c) Weighted Average Number of Shares Used as the Denominator	**2013 Number**	**2012 Number**
Weighted average number of ordinary shares used as the denominator in calculating basic loss per share	**618,929,884**	**612,635,706**

(d) Information Concerning the Classification of Securities

Options

Options are considered to be potential ordinary shares. The options have not been included in the determination of basic earnings per share or diluted earnings per share as their affects are considered antidilutive.

21 Acquisition

On 14 June 2013 the Company announced the signing of an implementation agreement to acquire all of the shares in Ephraim Resources Limited, which owns 99% of the issued shares of PT FirstFlower (PTFF), an Indonesian incorporated entity. PTFF's business is agricultural biogenetics research and experimentation, licencing and consultancy, with a focus on nipah palm breeding, tissue culture, cultivation and plantation, and the conversion of sap from the nipah palm to sugar and ethanol. In consideration for the acquisition, WAG will, following a share consolidation on an approximately 28 for 1 basis, issue 1,500,000,000 fully paid ordinary shares to Ephraim's shareholders and also issue a further 11,000,000 shares to raise a minimum of $2.2 million. The acquisition is subject to a number of conditions, and the transaction will only complete once all the conditions have been met.

22 Company Details

The registered office and principal place of business of the Company is:

14 Emerald Terrace
West Perth
WA 6005

The Directors' of the Company declare that:

1 the financial statements and notes as set out on pages 10 to 29 are in accordance with the *Corporations Act 2001*, and

(i) comply with Accounting Standards and the *Corporations Regulations 2001*; and
(ii) give a true and fair view of the financial position of the Company as at 30 June 2013 and of its performance for the year ended on that date.

2 the Directors' acting in the capacity of Chief Executive Officer and Chief Financial Officer have declared that:

(i) the financial records of the Company for the financial year have been properly maintained in accordance with section 286 of the *Corporations Act 2001*;

(ii) the financial statements and notes for the financial year comply with the accounting standards; and

(iii) the financial statements and notes for the financial year give a true and fair view.

3 in the opinion of the Directors', there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

4 the Directors' draw your attention to note 1 to the financial statements which includes a statement of compliance with international financial reporting standards.

This declaration is made in accordance with a resolution of the Board of Directors.

Frederick (Eric) Ng
Director
30 August 2013

INDEPENDENT AUDIT REPORT TO MEMBERS OF WAG LIMITED

Report on the Financial Report

We have audited the accompanying financial report of WAG Limited ('the Company') which comprises the statement of financial position as at 30 June 2013, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration.

Directors' Responsibility for the Financial Report

The directors of the company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error. In Note 1, the directors also state, in accordance with Accounting Standard AASB 101 *Presentation of Financial Statements*, that the 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. These Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

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

Independence

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

Auditors' Opinion

In our opinion:

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

   (i) giving a true and fair view of the company's financial position as at 30 June 2013 and of its performance for the year ended on that date; and

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

(b) the financial report also complies with International Financial Reporting Standards as disclosed in Note 1.

Inherent Uncertainty Regarding Continuation as a Going Concern

Without qualification to the audit opinion expressed above, attention is drawn to the following matter. As a result of the matters described in Note 1(p) to the financial statements, there is a inherent uncertainty as to whether the company will be able to continue as a going concern and therefore whether it will realise its assets and extinguish its liabilities in the normal course of business and at the amounts stated in the financial report.

Report on the Remuneration Report

We have audited the Remuneration Report included in pages 7 to 8 of the directors' report for the year ended 30 June 2013. 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 WAG Limited for the year ended 30 June 2013 complies with section 300A of the *Corporations Act 2001.*

Crowe Horwath Perth

CROWE HORWATH PERTH

PHILIPPA HOBSON
Partner

Signed at Perth, 30 August 2013

Corporate Governance Statement

WAG Limited (the Company) and the Board are committed to achieving and demonstrating the highest standards of corporate governance. The Board continues to review the framework and practices to ensure they meet the interests of shareholders. The disclosure of corporate governance practices can be viewed on the Company website at www.wagltd.com.au.

The Directors are responsible to the shareholders for the performance of the Company in both the short and the longer term and seek to balance sometimes competing objectives in the best interests of the Company as a whole. Their focus is to enhance the interests of shareholders and other key stakeholders and to ensure the Company is properly managed.

Day to day management of the Company's affairs and the implementation of the corporate strategy and policy initiatives are undertaken by the Board.

Corporate Governance Compliance

A description of the Company's main corporate governance practices are set out below. The Company has considered the ASX Corporate Governance Principles and the corresponding Recommendations to determine an appropriate system of control and accountability to best fit its business and operations commensurate with these guidelines.

Disclosure of Corporate Governance Practices
Summary Statement

	ASX Principles and Recommendations	"If not, why not"
Recommendation 1.1	✓	
Recommendation 1.2	✓	
Recommendation 2.1	✓	
Recommendation 2.2		✓
Recommendation 2.3	✓	
Recommendation 2.4		✓
Recommendation 2.5	✓	
Recommendation 2.6	✓	
Recommendation 3.1	✓	
Recommendation 3.2		✓
Recommendation 3.3		✓
Recommendation 3.4		✓
Recommendation 4.1		✓
Recommendation 4.2		✓
Recommendation 4.3	✓	
Recommendation 4.4		✓
Recommendation 5.1	✓	
Recommendation 6.1	✓	
Recommendation 7.1	✓	
Recommendation 7.2		✓
Recommendation 7.3	✓	
Recommendation 8.1		✓
Recommendation 8.2	✓	

Disclosure – Principles & Recommendations - financial year 2013

Principle 1 – Lay solid foundations for management and oversight

Recommendation 1.1:

Companies should establish the functions reserved to the Board and those delegated to senior executives and disclose those functions.

Disclosure:

The Directors are responsible to the shareholders for the performance of the Company in both the short and the longer term and seek to balance sometimes competing objectives in the best interests of the Company as a whole. Their focus is to enhance the interests of shareholders and other key stakeholders and to ensure the Company is properly managed.

Day to day management of the Company's affairs and the implementation of the corporate strategy and policy initiatives are undertaken by the Board. Due to the size of the Company and current operations there is no CEO and it is the intention to appoint a CEO when required, however, the Corporate Governance Charter contains a statement of practices and processes the Board has adopted to discharge its responsibilities. It includes the processes the Board has implemented to undertake its own tasks and activities, the matters it has reserved for its own consideration and decision-making, the authority delegated to the CEO, including limits on how the CEO can execute that authority and provides guidance on the relationship between the Board and the CEO.

The matters that the Board has specifically reserved for its decision are:

- the appointment and management of the CEO;
- approval of the overall strategy and annual budgets of the business; and
- compliance with constitutional documents.

The CEO is delegated the authority to ensure the effective day-to-day management of the business and the Board monitors the exercise of these powers. The CEO is required to report regularly to the Board on the performance of the Business.

Some Board functions are handled through Board Committees. These committees are appointed when the size and scale of operations requires. However, the Board as a whole is responsible for determining the extent of powers residing in each Committee and is ultimately responsible for accepting, modifying or rejecting Committee recommendations.

Recommendation 1.2:

Companies should disclose the process for evaluating the performance of senior executives.

Disclosure:

The Board (and when appointed the CEO) is responsible for evaluating the senior executives. Induction procedures are in place and senior executives have formal job descriptions which includes the process for evaluating their performance.

There was no performance evaluation of the senior executives during the financial year as the Company had no senior executives other than members of the board who managed the Company.

Principle 2 – Structure the board to add value

Recommendation 2.1:

A majority of the Board should be independent directors.

Disclosure:

The Company did not have a majority of independent directors for the majority of the year. However, there were changes to the Board of Directors on the 22nd of May 2013 with the resignation of the entire Board at that stage and the appointment of three new directors. At year end, the Company did have a majority of independent directors.

Frederick (Eric) Ng was determined to be non-independent due to being a substantial shareholder of the Company. The other two directors, Steven Pynt and Graham Anderson were determined to be independent.

The Board's policy is that the majority of directors shall be independent, non-executive directors. The composition of the Board does currently conform to its policy.

Recommendation 2.2:

The Chair should be an independent director.

Disclosure:

The Chair of the Board was Gary Steinepreis until 23 May 2013 who was not independent. The position of Chair is currently vacant. It is the Board's intention to comply with its policy at a time when the size of the Company and its activities warrants such a structure.

Recommendation 2.3:

The roles of the Chair and CEO should not be exercised by the same individual.

Disclosure:

The role of the Chairman and the CEO are not exercised by the same person. The division of responsibilities between the Chairman and the CEO is set out in the Board Charter.

Recommendation 2.4:

The Board should establish a Nomination Committee.

Disclosure:

A nomination committee has not been established. The role of the Nomination Committee has been assumed by the full Board operating under the Nomination Committee Charter adopted by the Board.

Recommendation 2.5:

Companies should disclose the process for evaluating the performance of the Board, its committees and individual directors.

Disclosure:

The Chairman is responsible for evaluation of the CEO, the Board and the committees.

The review is currently informal but is based on a review of goals for the Board and individual Directors. The goals are based on corporate requirements and any areas for improvement that may be identified. The Chairman will provide each Director with confidential feedback on his or her performance. Induction procedures are in place for all directors and senior executives report to the Board as to their area of responsibility at each Board meeting, if required.

Principle 2 – Structure the board to add value (continued)

Recommendation 2.6:

Companies should provide the information indicated in the *Guide to reporting on Principle 2*.

Disclosure:

Skills, Experience, Expertise and term of office of each Director and re-election procedure

A profile of each director containing their skills, experience and expertise is set out in the Directors' Report.

In accordance with the Constitution, one third of the directors retire by rotation each year and may offer themselves for re-election.

In determining candidates for the Board the Nomination Committee considers the procedure as detailed in the Board Charter and the skills and qualifications of potential candidates that will best enhance the Board's effectiveness taking into consideration the current composition of the Board.

Identification of Independent Directors

Refer to recommendation 2.1 above. Independence is measured having regard to the relationships listed in Box 2.1 of the Principles & Recommendations.

Statement concerning availability of Independent Professional Advice

To assist directors with independent judgement, it is the Board's policy that if a director considers it necessary to obtain independent professional advice to properly discharge the responsibility of their office as a director then, provided the director first obtains approval for incurring such expense from the Chairman, the Company will pay the reasonable expenses associated with obtaining such advice.

Principle 3 – Promote ethical and responsible decision-making

Recommendation 3.1:

Companies should establish a Code of Conduct and disclose the code or a summary of the code as to:

- the practices necessary to maintain confidence in the company's integrity;
- the practices necessary to take into account their legal obligations and the reasonable expectations of their stakeholders; and
- the responsibility and accountability of individuals for reporting and investigating reports of unethical practices.

Disclosure:

The Company has a Code of Conduct that applies to all Directors, senior executives, employees and contractors.

Recommendation 3.2:

Companies should establish a policy concerning diversity and disclose the policy or a summary of that policy. The policy should include requirements for the Board to establish measurable objectives for achieving gender diversity for the Board to assess annually both the objectives and progress in achieving them.

Disclosure:

The Board supports diversity but the Company has not yet developed a policy. It is the Board’s intention to develop a policy at a time when the size of the Company and its activities warrants such a structure.

Principle 3 – Promote ethical and responsible decision-making (continued)

Recommendation 3.3:

Companies should disclose in each annual report the measurable objectives for achieving gender diversity set by the board in accordance with the diversity policy and progress towards achieving them.

Disclosure:

The Board supports diversity but the Company has not yet developed a policy.

Recommendation 3.4:

Companies should disclose in each annual report the proportion of women employees in the whole organisation, women in senior executive positions and women on the Board.

Disclosure:

There is one women employee in the whole organisation including senior executive positions and the Board, being the Company Secretary.

Principle 4 – Safeguard integrity in financial reporting

Recommendation 4.1

The Board should establish an Audit Committee.

Disclosure:

An audit committee has not been established.

The role of the Audit Committee has been assumed by the full Board operating under the Audit Committee Charter adopted by the Board.

Recommendation 4.2:

The Audit Committee should be structured so that it:

- consists only of non-executive directors;
- consists of a majority of independent directors;
- is chaired by an independent Chair, who is not Chair of the Board; and
- has at least three members.

Disclosure:

There is no audit committee. However, if one was established the Board policy is that it would have two (2) members who are non-executive directors. This structure would comply with the structure set out in the Board Charter adopted by the Company but not with the ASX Corporate Governance Principles and the corresponding Recommendations.

Recommendation 4.3:

The Audit Committee should have a formal charter.

Disclosure:

The Company has an Audit Committee Charter although this is currently administered by the Board.

Recommendation 4.4:

Companies should provide the information indicated in the *Guide to reporting on Principle 4.*

Principle 4 – Safeguard integrity in financial reporting (continued)

Recommendation 4.4: (continued)

Disclosure:

There is no Audit Committee and the whole Board acts in this capacity in accordance with the Board Charter.

When established, the Audit Committee plans to hold a minimum of 3 meetings per year. It is intended that the Company's auditor will be invited to attend all Audit Committee meetings held during the financial year.

The Company has established procedures for the selection, appointment and rotation of its external auditor. The Board is responsible for the initial appointment of the external auditor and the appointment of a new external auditor when any vacancy arises, as recommended by the Audit Committee. Candidates for the position of external auditor must demonstrate independence from the Company through the engagement period. The Board may otherwise select an external auditor based on criteria relevant to the Company's business and circumstances. The performance of the external auditor is reviewed on an annual basis by the Board.

Principle 5 – Make timely and balanced disclosure

Recommendation 5.1:

Companies should establish written policies designed to ensure compliance with ASX Listing Rule disclosure requirements and to ensure accountability at a senior executive level for that compliance and disclose those policies or a summary of those policies.

Disclosure:

The Board Charter contains the policies designed to ensure compliance with ASX Listing Rule disclosure and accountability at a senior executive level for that compliance.

Principle 6 – Respect the rights of shareholders

Recommendation 6.1:

Companies should design a communications policy for promoting effective communication with shareholders and encouraging their participation at general meetings and disclose their policy or a summary of that policy.

Disclosure:

The Company has a Shareholder Communications Policy contained within the Policy on Continuous Disclosure and a website for making information available to shareholders. Shareholders are encouraged to attend and participate in general meetings.

Principle 7 – Recognise and manage risk

Recommendation 7.1:

Companies should establish policies for the oversight and management of material business risks and disclose a summary of those policies.

Principle 7 – Recognise and manage risk (continued)

Recommendation 7.1: (continued)

Disclosure:

The Board has adopted a Risk Management Policy. As detailed in 7.2 no risk management committee has been formed and this role is undertaken by the Board, however, the overall basis for risk management is to provide recommendations about:

1. Assessing the internal processes for determining and managing key risk areas, particularly:
    - non-compliance with laws, regulations, standards and best practice guidelines, including environmental and industrial relations laws;
    - litigation and claims; and
    - relevant business risks other than those that are dealt with by other specific Board Committees.
2. Ensuring that the Company has an effective risk management system and that major risks to the Company are reported at least annually to the Board.
3. Receiving from management reports on all suspected and actual frauds, thefts and breaches of laws.
4. Evaluating the process the Company has in place for assessing and continuously improving internal controls, particularly those related to areas of significant risk.
5. Assessing whether management has controls in place for unusual types of transactions and/or any potential transactions that may carry more than an acceptable degree of risk.
6. Meeting periodically with key management, internal and external auditors and compliance staff to understand and discuss the Company's control environment.

Recommendation 7.2:

The Board should require management to design and implement the risk management and internal control system to manage the Company's material business risks and report to it on whether those risks are being managed effectively. The Board should disclose that management has reported to it as to the effectiveness of the Company's management of its material business risks.

Disclosure:

Management designs, implements and maintains risk management and internal control systems to manage the Company's material business risks. As part of the reporting procedures, management report to the Board confirming that those risks are being managed effectively.

The Company policies are designed to ensure strategic, operational, legal, reputation and financial risks are identified, assessed, effectively and efficiently managed and monitored to enable achievement of the Company's business objectives.

A Risk Management Committee has not been formed and no internal audit function exists. All functions, roles and responsibilities with regard to risk oversight and management and internal control are undertaken by the board as at the date of this report.

Recommendation 7.3:

The Board should disclose whether it has received assurance from the Chief Executive Officer (or equivalent) and the Chief Financial Officer (or equivalent) that the declaration provided in accordance with section 295A of the Corporations Act is founded on a sound system of risk management and internal control and that the system is operating effectively in all material respects in relation to financial reporting risks.

Principle 7 – Recognise and manage risk (continued)

Recommendation 7.3: (continued)

Disclosure:

Due to the size of the Company, the Board signed the declaration in accordance with section 295A of the Corporations Act. The declaration is made and is founded on a sound system of risk management and internal control and that the system is operating effectively in all material respects in relation to financial risk.

Principle 8 – Remunerate fairly and responsibly

Recommendation 8.1 and 8.2:

The Board should establish a Remuneration Committee. The Remuneration Committee should be structured so that it:

- consists of a majority of independent directors;
- is chaired by an independent Chair; and
- has at least three members.

Disclosure:

A Remuneration Committee has not been established.

The role of the Remuneration Committee has been assumed by the full Board operating under the Remuneration Committee Charter adopted by the Board.

Recommendation 8.3:

Companies should clearly distinguish the structure of non-executive directors' remuneration from that of executive directors and senior executives.

Disclosure:

Non-executive directors are remunerated at a fixed fee for time, commitment and responsibilities. Remuneration for non-executive directors is not linked to the performance of the Company. There are no documented agreements providing for termination or retirement benefits to non-executive directors (other than for superannuation). There are currently no options issued to non-executive directors.

Executive directors and senior executives are offered a competitive level of base pay at market rates and are reviewed annually to ensure market competitiveness. Long term performance incentives may include performance and production bonus payments, shares options granted at the discretion of the Board and subject to obtaining the relevant approvals.