



ASX and Media Release

Finance News Network interview with Bob Duffin

Mr Bob Duffin, Executive Chairman of WPG Resources Ltd (ASX: WPG) has been interviewed on television by Finance News Network. Bob provides an overview of WPG and its iron ore and coal projects in South Australia and a detailed update on the status of its flagship iron ore project, Peculiar Knob.

Watch the interview on WPG's website: www.wpgresources.com.au/media.

TRANSCRIPTION OF FINANCE NEWS NETWORK INTERVIEW WITH WPG RESOURCES (ASX:WPG) EXECUTIVE CHAIRMAN, BOB DUFFIN

Clive Tompkins: Hello Clive Tompkins reporting for the Finance News Network. Joining me for the first time from WPG Resources is Executive Chairman, Bob Duffin. Bob welcome to FNN, can you start by introducing WPG Resources?

Bob Duffin: WPG is a listed company; we listed on the ASX five years ago. We acquired a portfolio of iron ore projects in South Australia four years ago and since then our focus has been very much on the development of one of those projects, Peculiar Knob which is poised for development this year. But we do have a pipeline of other projects which will be developed in due course behind that.

Clive Tompkins: Okay so where's your share price and what's your market cap?

Bob Duffin: Our share price is slightly under 90 cents as we sit here today and the market capitalisation of the Company is a bit under \$250 million.

Clive Tompkins: Okay Bob, turning to your key project now Peculiar Knob located south of Coober Pedy, can you introduce the project?

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Bob Duffin: Peculiar Knob is Australia's highest grade undeveloped iron ore deposit with the added benefits of having the lowest levels of the key impurities, being phosphorus and alumina.

Clive Tompkins: Thanks Bob and what's your stake in the project, what stage of production is it at?

Bob Duffin: We own 100% of Peculiar Knob; it's slightly under 20 million tonnes in resource. But we do have another DSO iron ore project at Hawks Nest which lies very close to Peculiar Knob, which will take the total resource for the direct shipping ore to slightly under 40 million tonnes - which at our targeted production rate of 3.3 million tonnes per annum, will give us a plus ten year mine life.

Clive Tompkins: And just a more general question now Bob, can you tell us about the iron ore mineralisation in South Australia, because South Australia is generally associated with other minerals?

Bob Duffin: Australia's first iron ore mine was developed in South Australia. That was developed by what is now OneSteel, formerly BHP, and that's been going for over a hundred years. There are a number of other iron ore deposits in various places in South Australia. We have the key iron ore projects near Coober Pedy, one of those is Peculiar Knob and the other is our Hawks Nest Project.

Clive Tompkins: And what about infrastructure for the project and Government approvals?

Bob Duffin: One of the key advantages of our project and our Company is its unrivalled access to infrastructure. We have access to the key Central Australian railway line, a high capacity underutilised rail line that goes right to the Port. We do have a thirty year Port Access Agreement to utilise Port Pirie, so we have the infrastructure issue solved.

In terms of the key approvals process, there are only two outstanding issues of any materiality. One is what they call the MARP – the Mining and Rehabilitation Plan, and the other one is the Development Application for what we're proposing to do in Port Pirie. We expect both of those to be in place by mid to late March.

Clive Tompkins: Bob the all important question, funding - has it been secured?

Bob Duffin: Yes it has. We raised \$85 million in equity late last year and we have a \$120 million facility with Deutsche Bank, subject only to the satisfaction of those two outstanding approvals that I've told you about a moment ago, together with the completion of documentation. Once they're in place, we expect to commence construction in April of this year with production and sales to commence late this year.

Clive Tompkins: Now Bob in addition to your direct shipping ore you also have a magnetite resource, can you tell us about that?

Bob Duffin: Yes we do, we have a very large magnetite deposit at Hawks Nest. We have a 569 million tonne magnetite deposit at 35% Fe with clear potential to increase that to over a billion tonnes. It's subject to a joint venture with WISCO, China's third largest steel mill. There are some regulatory issues associated with the ongoing development of that project. But we're pretty confident that those regulatory issues will be solved within the first half of this current year.

Clive Tompkins: And I believe WPG Resources also has some coal projects, can you tell us about the size of the resource?

Bob Duffin: One of our coal projects has a JORC compliant resource of 270 million tonnes as we sit here today and we're about to commence a drilling programme on a second project, which has a defined exploration target of 200 million tonnes. That programme of drilling will commence shortly and will be completed during early April of this year. And so with some luck, we will have a coal resource base approaching 500 million tonnes within a few months.

Clive Tompkins: And these coal projects, where are they located?

Bob Duffin: Penrhyn, the key project is located critically within 25 kilometres of the Wirrida railway siding which we will be using for the export of our Peculiar Knob iron ore. So again, the key infrastructure will be in place by the time we come to develop the coal project.

Clive Tompkins: Bob last question. Where do you see WPG Resources twelve months from now?

Bob Duffin: I think the outlook for this Company is pretty exciting and within twelve months we should be in production at Peculiar Knob. We should be generating quite significant cash flow; the Board I hope will be looking at the potential for paying a dividend around that time.

We should have our joint venture with China's third largest steel producer WISCO on our magnetite projects in the feasibility stage by then. And hopefully we will have our coal project well down the track also.

Clive Tompkins: Bob Duffin thanks for introducing WPG Resources.

Bob Duffin: Thank you very much.

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Further Information

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