

# Appendix 5B

## Mining exploration entity quarterly report

Introduced 1/7/96. Origin: Appendix 8. Amended 1/7/97, 1/7/98, 30/9/2001, 01/06/10.

Name of entity

WPG Resources Ltd

ABN

51 109 426 502

Quarter ended ("current quarter")

30 June 2011

### Consolidated statement of cash flows

<b>Cash flows related to operating activities</b>	Current quarter 30 June 2011  \$A'000	Year to date (12 months) 30 June 2011  \$A'000
1.1 Receipts from product sales and related debtors		
1.2 Payments for (a) exploration & evaluation (b) development (c) production (d) administration	(15,529)	(25,167)
1.3 Dividends received		
1.4 Interest, rent and grants received	1,316	2,667
1.5 Interest and other costs of finance paid		
1.6 Income taxes paid		
1.7 Other - tenement & rental deposits received		10
Other - GST paid not yet refunded	527	(541)
<b>Net Operating Cash Flows</b>	<b>(14,794)</b>	<b>(26,493)</b>
<b>Cash flows related to investing activities</b>		
1.8 Payment for purchases of: (a) prospects (b) equity investments (c) other fixed assets	(28)	(250) (2,015) (104)
1.9 Proceeds from sale of: (a) prospects (b) equity investments (c) other fixed assets		
1.10 Loans to other entities		
1.11 Loans repaid by other entities		
1.12 Other (provide details if material) Deposit on Land	(110)	(110)
<b>Net investing cash flows</b>	<b>(138)</b>	<b>(2,479)</b>
1.13 Total operating and investing cash flows (carried forward)	(14,932)	(28,972)

+ See chapter 19 for defined terms.

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1.13	Total operating and investing cash flows (brought forward)	(14,932)	(28,972)
	<b>Cash flows related to financing activities</b>		
1.14	Proceeds from issues of shares, options, etc.	189	85,398
1.15	Proceeds from sale of forfeited shares		
1.16	Proceeds from borrowings		
1.17	Repayment of borrowings		
1.18	Dividends paid		
1.19	Other – share issue costs		(5,034)
	<b>Net financing cash flows</b>	189	80,364
	<b>Net increase (decrease) in cash held</b>	(14,743)	51,392
1.20	Cash at beginning of quarter/year to date *	81,157	15,022
1.21	Exchange rate adjustments to item 1.20		
1.22	<b>Cash at end of quarter (this Excludes WISCO \$500k JV deposit) *</b>	66,414	66,414

\* Excludes \$500,000 WISCO JV Deposit received in June 09 Qtr held in trust and conditionally refundable should the JV not proceed.

**Payments to directors of the entity and associates of the directors**

**Payments to related entities of the entity and associates of the related entities**

		Current quarter \$A'000
1.23	Aggregate amount of payments to the parties included in item 1.2	270
1.24	Aggregate amount of loans to the parties included in item 1.10	-

1.25 Explanation necessary for an understanding of the transactions

Directors' fees and Consultancy fees

**Non-cash financing and investing activities**

2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

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2.2 Details of outlays made by other entities to establish or increase their share in projects in which the reporting entity has an interest

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+ See chapter 19 for defined terms.

## Financing facilities available

Add notes as necessary for an understanding of the position.

	Amount available \$A'000	Amount used \$A'000
3.1 Loan facilities		
3.2 Credit standby arrangements		

### Estimated cash outflows for next quarter

	\$A'000
4.1 Exploration and evaluation	500
4.2 Development	48,000
4.3 Production	
4.4 Administration	2,500
<b>Total</b>	<b>51,000</b>

## Reconciliation of cash

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.

	Current quarter \$A'000	Previous quarter \$A'000
5.1 Cash on hand and at bank	292	80
5.2 Deposits at call	7,922	136
5.3 Bank overdraft		
5.4 Other – fixed term bank deposits	58,200	80,941
<b>Total: cash at end of quarter (item 1.22) Note*</b>	<b>66,414</b>	<b>81,157</b>

Note \* Excludes \$500,000 WISCO JV Deposit received in June 09 Qtr held in trust and conditionally refundable should the JV not proceed.

## Changes in interests in mining tenements

	Tenement reference	Nature of interest (note (2))	Interest at beginning of quarter	Interest at end of quarter
6.1 Interests in mining tenements relinquished, reduced or lapsed	Penrhyn EL 4525 and ELA 339/09 Pidinga EL 4631 Talacootra EL 4671 Perfection Well ELA 97/10 Lochiel North EL 4670	Subject to satisfaction of conditions precedent of joint venture agreement with Evergreen Energy outlined in ASX announcement dated 10 June 2011, beneficial interest in coal tenements will reduce to 50%.	100%	100%
6.2 Interests in mining tenements acquired or increased	MPL 133 – 134	Granted	0%	100%

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**Issued and quoted securities at end of current quarter**

*Description includes rate of interest and any redemption or conversion rights together with prices and dates.*

	Total number	Number quoted	Issue price per security (see note 3) (cents)	Amount paid up per security (see note 3) (cents)
7.1 <b>Preference +securities</b>	Nil			
7.2 Changes during quarter				
(a) Increases through issues	Nil			
(b) Decreases through returns of capital, buy-backs, redemptions				
7.3 <b>+Ordinary securities</b>	247,759,340	247,759,340		
7.4 Changes during quarter				
(a) Increases through issues	500,000	500,000		
(b) Decreases through returns of capital, buy-backs	Nil			
7.5 <b>+Convertible debt securities</b>	Nil			
7.6 Changes during quarter				
(a) Increases through issues	Nil			
(b) Decreases through securities matured, converted	Nil			
7.7 <b>Options</b>			<i>Exercise price</i>	<i>Expiry date</i>
			\$	
	1,290,000	0	\$0.227	22 Nov 2011
	500,000	0	\$1.19	29 Nov 2011
	500,000	0	\$1.19	29 Nov 2011
	1,000,000	0	\$1.69	29 May 2012
	350,000	0	\$1.087	4 Jul 2012
	1,300,000	0	\$1.117	17 Sep 2012
	750,000	0	\$1.227	12 Nov 2012
	300,000	0	\$0.727	2 Sep 2013
<b>Rights *</b>			\$	<i>Vesting date</i>
	2,258,590	0	\$0.00	1 July 2013
7.8 Issued during quarter	Nil			
7.9 Exercised during quarter	500,000	0	\$0.377	11 May 2011
7.10 Expired during quarter	Nil			
7.11 <b>Debentures (totals only)</b>	Nil			
7.12 <b>Unsecured notes (totals only)</b>	Nil			

\* On 22 July 2011, the Company granted 3,081,933 incentive rights to senior executives and Executive Directors pursuant to the WPG Resources Ltd Incentive Rights Plan. 1,034,805 of these incentive rights are granted to Executive Directors and are subject to shareholder approval at the next General Meeting.

## Compliance statement

- 1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act or other standards acceptable to ASX (see note 4).
- 2 This statement does give a true and fair view of the matters disclosed.

Sign here: *Larissa Brown*  
(Company Secretary)

Date: 29 July 2011

Print name: Larissa Brown

## Notes

- 1 The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.
- 2 The "Nature of interest" (items 6.1 and 6.2) includes options in respect of interests in mining tenements acquired, exercised or lapsed during the reporting period. If the entity is involved in a joint venture agreement and there are conditions precedent which will change its percentage interest in a mining tenement, it should disclose the change of percentage interest and conditions precedent in the list required for items 6.1 and 6.2.
- 3 **Issued and quoted securities** The issue price and amount paid up is not required in items 7.1 and 7.3 for fully paid securities.
- 4 The definitions in, and provisions of, *AASB 1022: Accounting for Extractive Industries* and *AASB 1026: Statement of Cash Flows* apply to this report.
- 5 **Accounting Standards** ASX will accept, for example, the use of International Accounting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.

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Tenement	Tenement Number	Interest	Joint Venture Details
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**SOUTH AUSTRALIA – IRON ORE TENEMENTS**

Peculiar Knob	ML 6314	100%	Interest held by wholly owned subsidiary Southern Iron Pty Ltd
Peculiar Knob infrastructure	MPL 125 – 131, MPL 133-134	100%	Interest held by wholly owned subsidiary Southern Iron Pty Ltd
Peculiar Knob infrastructure	EML 6363 – 6382	100%	Interest held by wholly owned subsidiary Southern Iron Pty Ltd
Hawks Nest	EL 4248	100%	Interest held by wholly owned subsidiary Central Iron Pty Ltd
Kestrel	MC 3809	100%	Beneficial interest held by wholly owned subsidiary Central Iron Pty Ltd
Kestrel	RLA (replacing MC 3809)	100%	Beneficial interest held by wholly owned subsidiary Central Iron Pty Ltd
Buzzard	MC 3810	100%	Interest held by wholly owned subsidiary Southern Iron Pty Ltd
Buzzard	RLA (replacing MC 3810)	100%	Interest held by wholly owned subsidiary Southern Iron Pty Ltd
Mt Brady	EL 4422	100%	Interest held by wholly owned subsidiary Coober Pedy Resources Pty Ltd
Windy Valley	EL 4423	100%	Interest held by wholly owned subsidiary Coober Pedy Resources Pty Ltd

**SOUTH AUSTRALIA – COAL TENEMENTS \***

Penrhyn	EL 4525 ELA 339/09	100%	Interest held by wholly owned subsidiary Southern Coal Holdings Pty Ltd.
Pidinga	EL 4631	100%	Interest held by wholly owned subsidiary Southern Coal Holdings Pty Ltd.
Talacootra	EL 4671	100%	Interest held by wholly owned subsidiary Southern Coal Holdings Pty Ltd.
Perfection Well	ELA 97/10	100%	Interest held by wholly owned subsidiary Southern Coal Holdings Pty Ltd
Lochiel North	EL 4670	100%	Interest held by wholly owned subsidiary Southern Coal Holdings Pty Ltd.

\* Subject to satisfaction of conditions precedent of joint venture agreement with Evergreen Energy outlined in ASX announcement dated 10 June 2011, beneficial interest in coal tenements will reduce to 50%.

EL	=	Exploration Licence
ELA	=	Exploration Licence Application
EML	=	Extractive Minerals Lease
MC	=	Mineral Claim
ML	=	Mineral (Mining) Lease
MPL	=	Miscellaneous Purposes Licence
RL	=	Retention Lease
RLA	=	Retention Lease Application

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