



ASX and Media Release

BRR Media webcast with Bob Duffin

Mr Bob Duffin, Executive Chairman of WPG Resources Ltd (ASX:WPG) talks about the completion of WPG's \$3 million preliminary feasibility study for the Giffen Well Project in a BRR Media webcast.

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

Transcription of BRR Media webcast with WPG Resources Ltd (ASX:WPG) Executive Chairman, Bob Duffin

Bob Duffin:

If we get into production at 5 million tonnes per annum then the life of the project is 30 years and it sets us up for a long term future as a secure source of supply of high grade iron ore to Asian markets.

WPG was floated on the ASX in 2006 and we acquired some iron ore tenements in South Australia in 2007 and since then we've been very much a South Australian focussed iron ore company.

When we acquired those iron ore projects they formed part of what used to be called the SASE project. They were the Peculiar Knob and Hawks Nest tenements. One tenement that we didn't acquire that was part of the SASE package was called Giffen Well.

We knew a lot about Giffen Well. We sold Peculiar Knob and Hawks Nest in 2011 but we managed to acquire an option over this Giffen Well project about 12 months ago.

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We started the pre-feasibility study in January of last year and we finished it on time and on budget a few weeks ago.

The feasibility study looks at the development of an integrated project consisting of the magnetite project at Giffen Well, the coal project at Penrhyn, a power station at Penrhyn and our port assets at Port Pirie.

Port Pirie port assets are a key to understanding why we are able to deliver this project in the face of infrastructure constraints in South Australia.

The capital cost for project development including all assets that I've just spoken about is about \$1.5 billion.

That's equivalent to about \$300 per annual tonne and \$300 per annual tonne is a common yardstick in the iron ore industry. So we are about in line with the rest of the market.

The normal model that we will be following is to introduce a foreign partner to assist us with funding the bankable feasibility study and go on to fund the capital expenditure for project development.

We are well into discussions with some foreign partners, time will tell whether or not we are able to achieve what they are looking for in that regard.

There are two ways to look at this project. Firstly our principle objective is to be an iron ore producer. That's what we sought to do with the Peculiar Knob project. But at the eleventh hour some other party came along and offered us a price which we accepted to sell that project. You see we bought those projects then for \$4 million and sold them for \$320 million four years later. So the prospect of de-risking Giffen Well and introducing either a foreign partner to fund the project development or alternatively to affect a buyout is very much in our minds.

If we get into production at 5 million tonnes per annum then the life of the project is 30 years which sets us up for a long term future as a secure source of supply of high grade iron ore to the Asian markets.

If on the other hand we end up selling the project, as we did last time, it will enrich our shareholders in a very significant way in a very short period of time.

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Further Information

For further information please contact WPG's Executive Chairman Bob Duffin on 02 9247 3232 or Company Secretary Larissa Brown on 02 9251 1044.