

ASX and Media Release

Quarterly activities report December quarter 2011

HIGHLIGHTS

- ❖ WPG sold its iron ore assets in South Australia to OneSteel Limited in October 2011 for a cash consideration of approximately \$320 million.
- ❖ WPG's shareholders received a cash distribution of \$1.05 per share from the above sale on 2 November 2011. The distribution consisted of a return of capital of \$0.42 per share and WPG's maiden dividend of \$0.63 cents per share, which was fully franked.
- ❖ WPG has not sold its Port Pirie land, leases with third parties, and its approvals to build a bulk commodities receival, storage and load-out facility at Port Pirie, and the Company is seeking to leverage off this strategic set of assets going forward.
- ❖ Exploration for potash has commenced at WPG's 100% owned Pidinga project area north west of Ceduna in South Australia.
- ❖ WPG has negotiated an agreement under which the Company has the right to earn up to an 82% joint venture interest in the iron ore rights in the Giffen Well project area south west of Coober Pedy.
- ❖ One cored hole at the company's Lochiel North coal project area to the south of Port Pirie has been completed and the site has been rehabilitated. Results of the upgrading testwork performed at Evergreen Energy's test facility in Wyoming have been received.
- ❖ WPG is reviewing options to participate in the liquidation of Evergreen Energy Inc which filed for bankruptcy protection in the United States on 24 January 2012.

31 January 2012



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SALE OF IRON ORE ASSETS TO ONESTEEL LIMITED

WPG sold its iron ore assets in South Australia to OneSteel Limited in October 2011 for approximately \$320 million. Following the sale, a distribution of \$1.05 per share, consisting of a return of capital of \$0.42 per share and a fully franked dividend of \$0.63 cents per share, was paid to shareholders on 2 November 2011.

WPG will pay capital gains tax of \$71 million in April 2012 as a result of the asset sale. Immediately after that payment WPG expects to have a cash balance of some \$14 million, which is adequate to fund its current business plan.

SOUTH AUSTRALIAN PROJECT ASSETS

The locations of WPG's South Australian project assets are shown in the following drawing. This map shows the Company's granted tenements and also those under application, plus the Giffen Well tenement referred to below.



Not all project assets shown above are owned by WPG. The Prominent Hill copper/gold mine and its infrastructure are owned by OZ Minerals Ltd, the Cairn Hill magnetite/copper mine and its infrastructure are owned by a joint venture between IMX Resources Ltd and Sichuan Taifeng, the Challenger gold mine is owned by Kingsgate Consolidated Ltd, and the Ingomar and Corner Gate coal projects form part of the Lake Philipson project that is owned by SA Coal Corporation, a subsidiary of White Energy Company Ltd. The Peculiar Knob and Hawks Nest tenements are now owned by OneSteel.

Port Pirie

WPG owns a large industrial block of land in Port Pirie on which it intended to build an iron ore receival, storage, and load-out facility until the sale of the Company's Peculiar Knob and Hawks Nest iron ore assets was agreed. Since the sale, construction activities have ceased and construction activities have been rehabilitated and the site placed on care and maintenance.

WPG sees Port Pirie as a key strategic asset which the Company can leverage going forward. While the development consent was for an iron ore export facility, WPG believes the site is equally suited for a range of other bulk commodities. WPG sees potential to use Port Pirie to provide a key mine to market solution for its South Australian projects which, without access to a port, could be difficult to develop.

An unusually severe storm hit Port Pirie during the afternoon of 17 December 2011. This storm caused much damage in the town, including at the Company's property in George Street. Much of the perimeter fencing was destroyed. WPG has since repaired the fencing, at a cost of several tens of thousands of dollars. The photos below show the fence immediately after the storm, and after being repaired.



The fence after the storm



The fence after its repair

SOUTH AUSTRALIAN IRON ORE PROJECTS

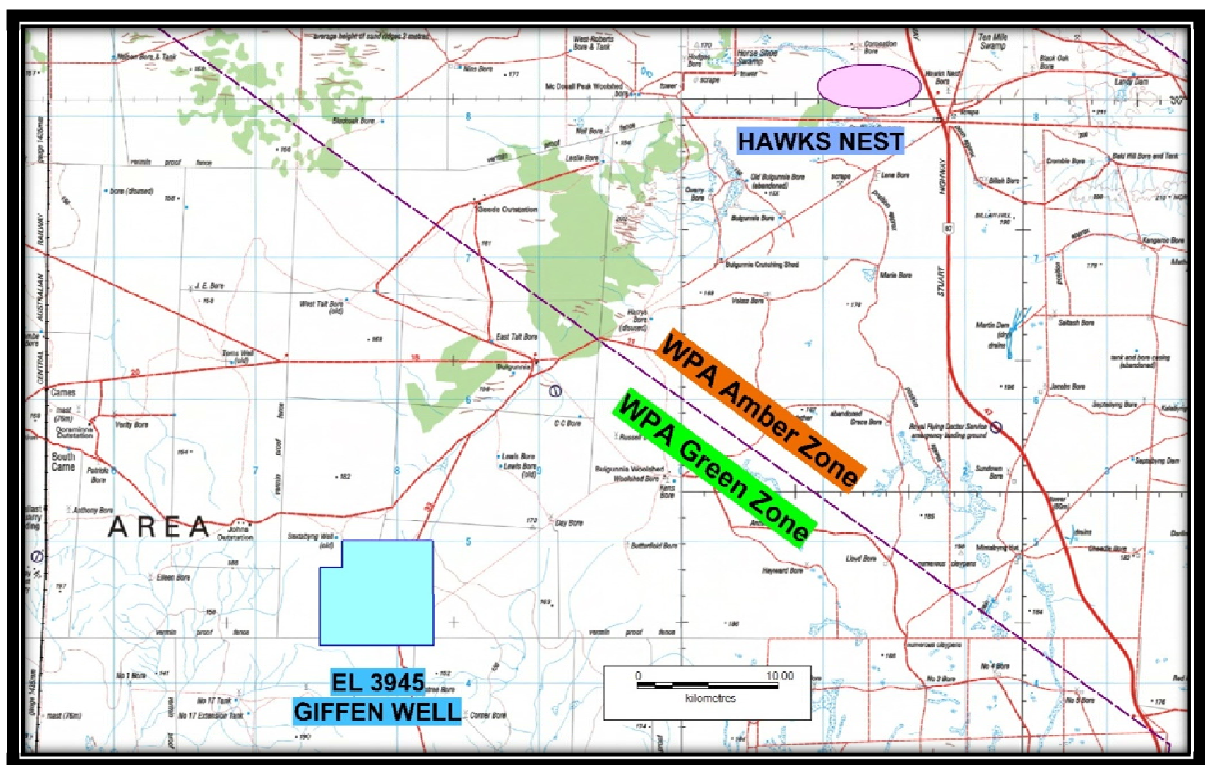
WPG temporarily retired from the iron ore industry when it sold its iron ore assets to OneSteel Limited for approximately \$320 million in October 2011.

The Company returned to the iron ore sector in January 2012 when it entered into binding Heads of Agreement with Maosen Australia Pty Ltd covering EL 3945 at Giffen Well.

WPG's interest in Giffen Well will be held by its new subsidiary Giffen Iron Pty Ltd.

Giffen Well was originally part of the South Australian Steel and Energy Project (SASE) but had been relinquished by the time WPG acquired the Peculiar Knob and Hawks Nest tenements from SASE in 2006.

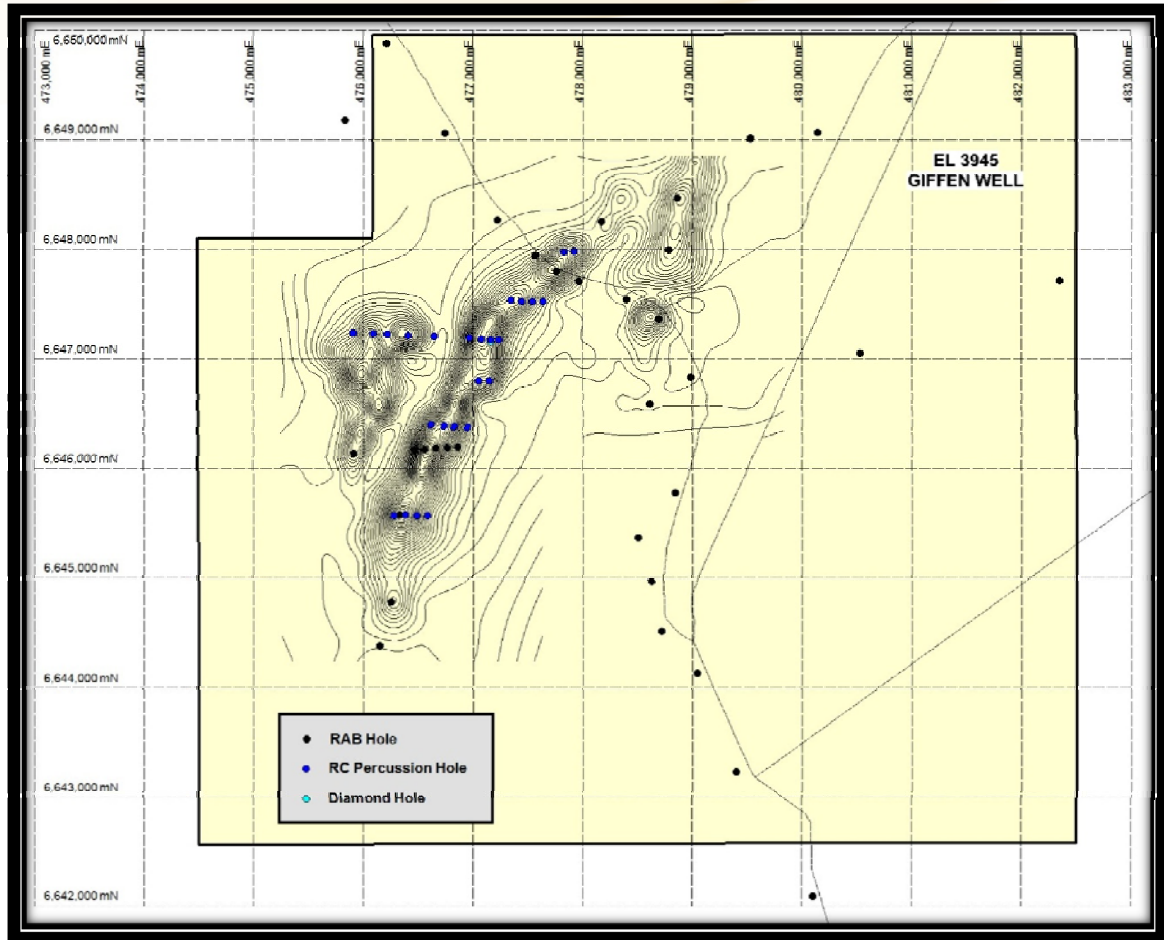
Giffen Well lies within the Green Zone of the Woomera Prohibited Area (WPA) as shown below. It is not in the more sensitive Red or Amber Zones.



Giffen Well is just 25 kilometres from the Carnes siding on the Central Australian railway line. There is direct rail access to WPG's port facilities at Port Pirie, a distance by rail of 550 kilometres.

Ground geophysical and drilling programs carried out as part of the SASE project outlined a significant deposit of magnetite BIF at Giffen Well. The drilling focussed on the magnetite BIF. However the BIF is in places in contact with granite of the Hiltaba Suite. This is a geological setting that is analogous to that at Peculiar Knob where high grade (>60%Fe) massive hematite is located adjacent to Hiltaba aplite and granite in the footwall. These contact zones at Giffen Well are considered to be prime conceptual targets that have good potential for the discovery of DSO haematite orebodies such as that at Peculiar Knob and Buzzard at Hawks Nest.

The location of the existing drill holes is shown in the drawing below.

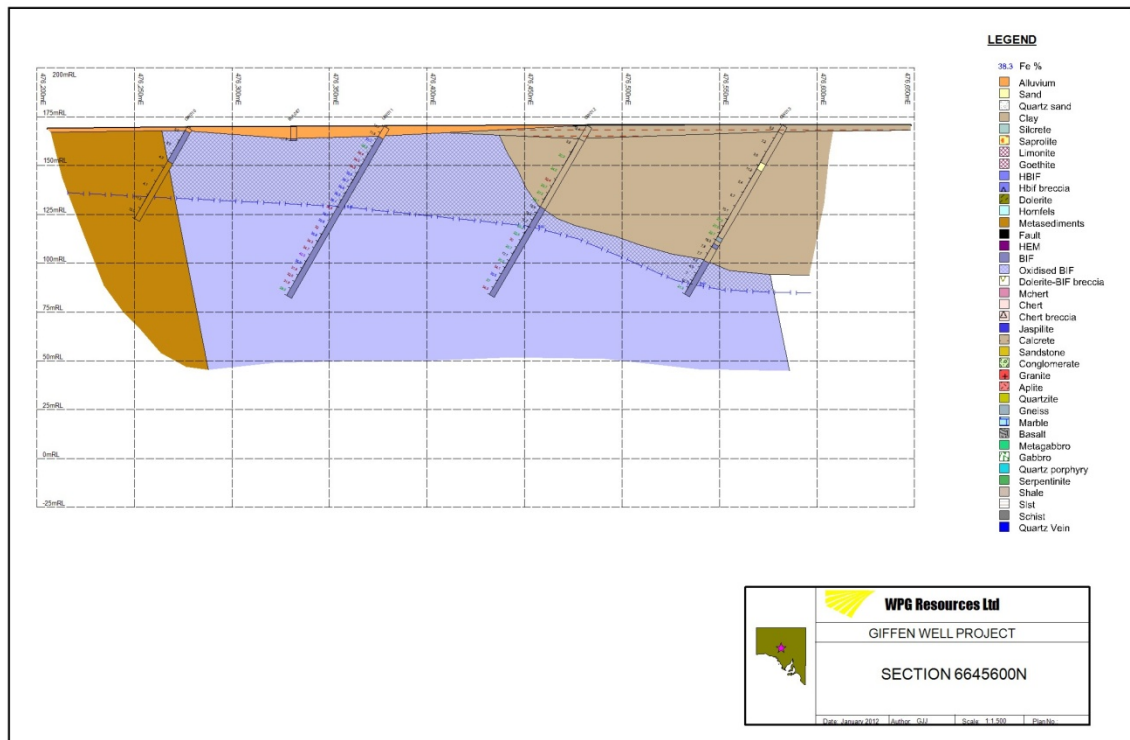


A summary of significant BIF intersections is listed in the following table.

Hole Number	MGA94 m East	MGA94 m North	Depth From (m)	Depth To (m)	Interval (m)	Fe Grade (%)
GW001	477162	6647178	2	81	79	37.1
GW005	476092	6647233	16	70	54	32.3
GW006	475911	6647237	0	20	20	40.3
GW007	477078	6647181	0	88	88	34.0
GW008	477240	6647176	4	100	96	34.8
GW009	476970	6647191	0	60	60	32.5
GW011	476378	6645576	8	100	92	35.1
GW012	476482	6645575	16	100	84	24.7
GW015	476738	6646389	24	40	16	39.2
GW016	476826	6646383	8	92	84	30.9
GW019	477924	6647982	32	56	24	33.1
GW020	477445	6647526	0	100	100	39.2
GW021	477543	6647524	36	68	32	35.4
GW024	477051	6646802	12	100	88	35.0
GW025	477152	6646802	0	100	100	34.1

The Fe grades at Giffen Well are high and are similar to those at Hawks Nest. The grades are much higher than many of the magnetite deposits elsewhere in South Australia, and in particular those for the Braemar iron formation in the Peterborough – Broken Hill area, and the Eyre Peninsula.

A typical drilling section at Giffen Well is shown in the drawing below. Note that the BIF subcrops on this section. It forms a strike ridge on other sections, where BIF scree is well developed at the surface.



The combination of high grades and shallow depth suggest low mining costs per Fe unit mined.

The spacing of the 26 deeper holes drilled previously on the main BIF strike ridge is too wide to enable a JORC compliant resource to be estimated at this stage of project's development. However WPG has outlined an exploration target of BIF mineralisation in the range 390 – 500 million tonnes at a grade of between 33% and 38% Fe. This exploration target is based on the drill hole and other data currently available and is conceptual in nature. There has been insufficient exploration to define a mineral resource for this exploration target, and it is uncertain if further exploration will result in the determination of a mineral resource in this area.

Preliminary beneficiation tests carried out as part of the SASE project suggest that a high grade iron concentrate of about 69% Fe with very low levels of alumina and phosphorous may be readily produced from the Giffen Well magnetite BIF.

WPG plans to commence a substantial program of systematic resource development drilling that will provide the basis for a preliminary feasibility study. If this is positive as expected, a joint venture will be formed with Maosen to develop the project.

WPG regards Giffen Well as one of the best iron ore project opportunities available in Australia. For a range of reasons, very little work has been done on it in the last 4 years – the iron ore boom has largely passed it by. WPG has been seeking exposure to this project for over four years.

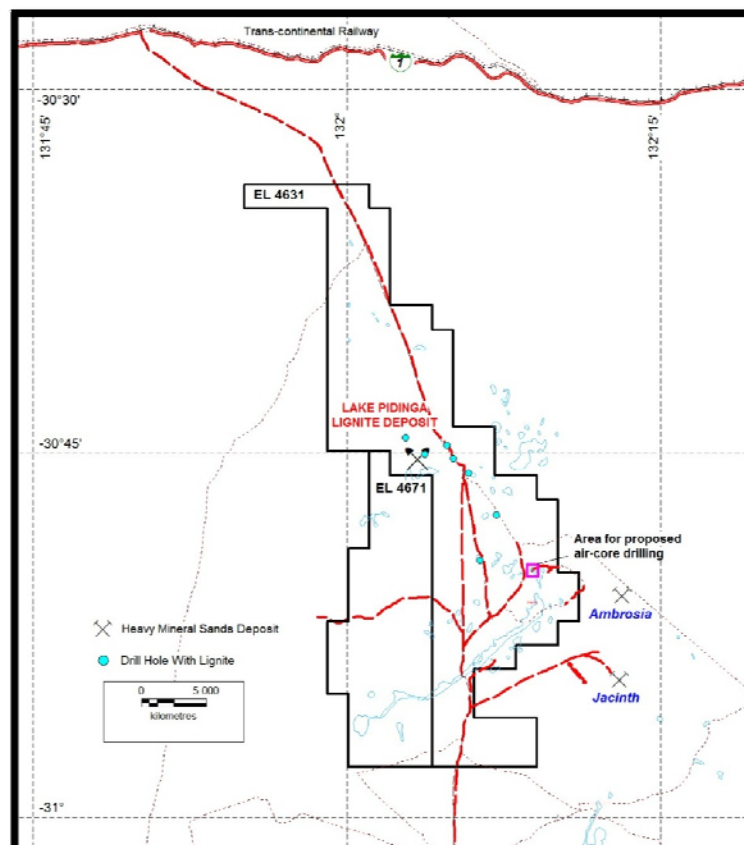
SOUTH AUSTRALIAN POTASH EXPLORATION

WPG commenced an exploration program for potash in South Australia during the quarter.

The initial focus of the program is EL 4631 which is some 250 kilometres north west of Ceduna. EL 4631 and the neighbouring EL 4671 have been transferred to WPG's 100% owned subsidiary Southern Potash Pty Ltd.

The South Australian Mines Department has drilled a number of shallow holes in an area known as Lake C and this work outlined a body of alunitic clay at least 700 metres long by 150 metres wide. The mineralised zone is about 3 metres thick and lies within a few metres of the surface. The mineralised zone is open to the south and east. These holes returned intersections averaging 7.6% potash. Other holes drilled away from Lake C also returned potentially ore grade intersections.

The project area is about 50 kilometres from the Ooldea siding at Cook on the Transcontinental Railway, and so there is direct rail access to WPG's port facility at Port Pirie. Its location is shown in the drawing below.



Draft Declaration of Environmental Factors (“DEF”) and Exploration Work Authority (“EWA”) documents have been lodged and negotiations regarding access have commenced with traditional owners and native title claimant groups.

Subject to the completion of all access requirements and the availability of a suitable drilling contractor, WPG plans to commence this drilling program during the next few months.

SOUTH AUSTRALIAN ENERGY COAL PROJECTS

WPG’s South Australian energy coal projects consist of its Penrhyn coal deposit, Lochiel North and tenements under application at Perfection Well.

These assets are held by Southern Coal Holdings Pty Ltd (SCH), which is a 100% owned subsidiary. SCH was earmarked to be used as the joint venture vehicle to be owned equally by WPG and Evergreen Energy Inc, but the joint venture has not been consummated as Evergreen has not delivered an effective and exclusive Australian licence to use its coal upgrading technology.

On 24 January 2012 Evergreen filed for bankruptcy protection under Chapter 7 of the United States Bankruptcy Code. A bankruptcy trustee has been appointed and the assets of the company are to be liquidated in accordance with the Code.

WPG is reviewing its options for participating in this sale process, either alone or in joint venture with others.

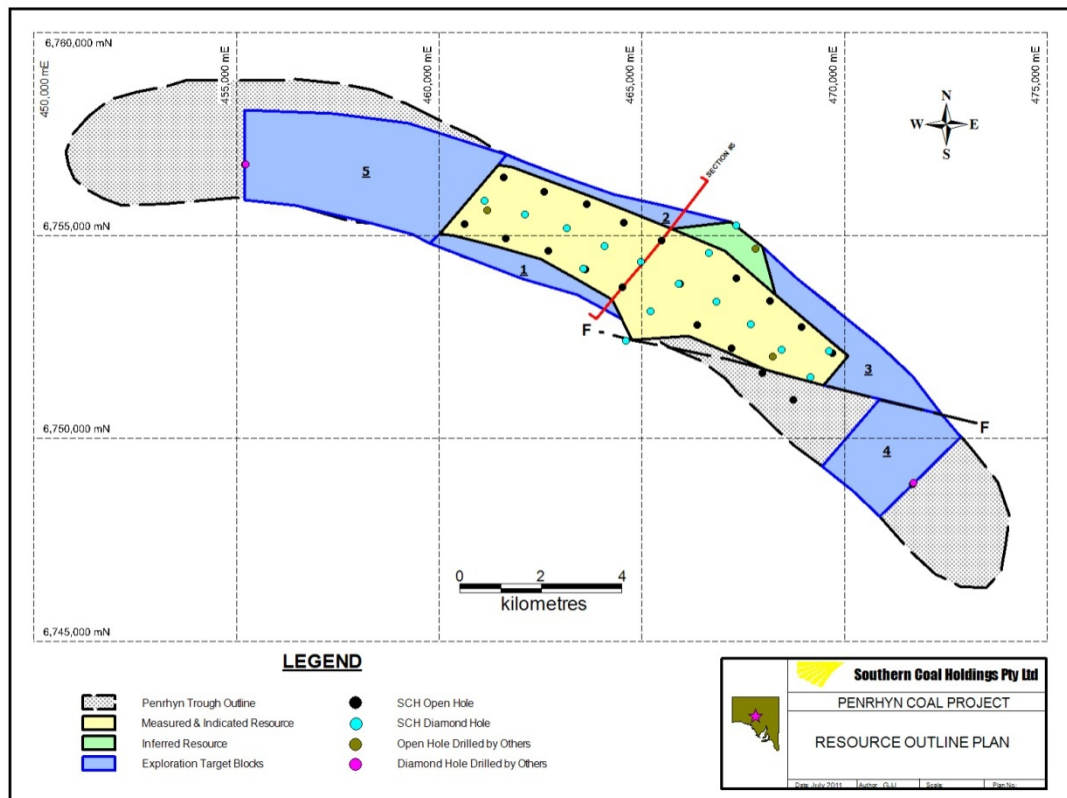
WPG has incorporated a new US subsidiary, New World Coal Management Inc, and that company has employed a small number of Evergreen’s former key technical and management personnel that have been terminated. This has been done to keep the team with the critical know-how together, pending the outcome of the liquidation process.

Penrhyn Coal Project

No fieldwork was completed at Penrhyn during the quarter.

Preliminary work has commenced on the design of a conceptual open pit at Penrhyn, but this work is still in its infancy.

The extent of the Company’s previously reported drilling programs at Penrhyn is shown in the drawing below.



The resource estimate for Penrhyn was released in July 2011. A summary of the estimate is set out in the following table.

Resource Category	Tonnage (million tonnes)
Measured coal resource	185.4
Indicated coal resource	150.5
Inferred coal resource	16.5
Total coal resource	352.4

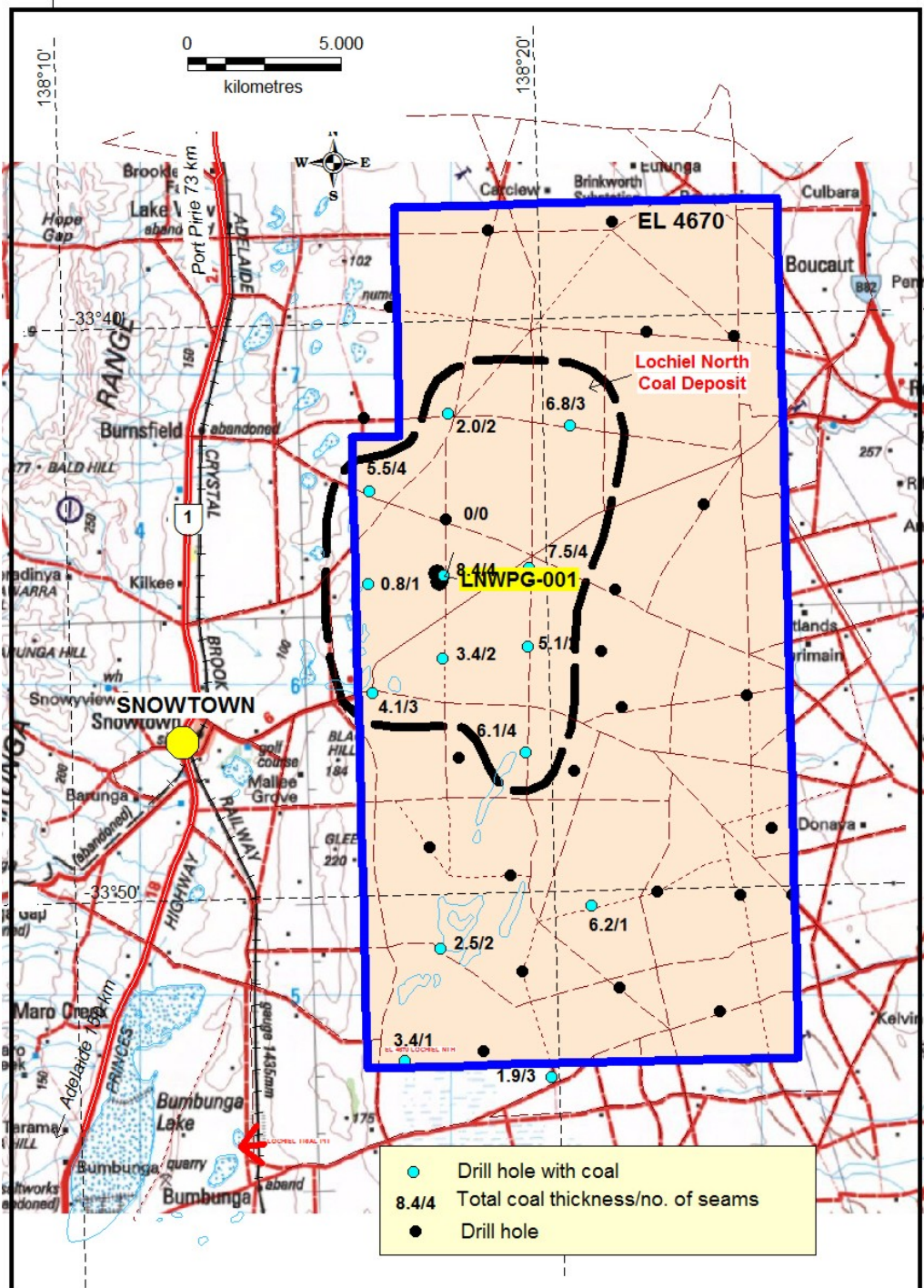
Core samples have been analysed in Australia and also at Evergreen's facility in Wyoming, USA. This work suggests the calorific value of the product coal prepared using Evergreen's K-Process is expected to be approximately 5,000 kcal/kg on an as received basis. Ash, moisture, sodium and chlorine levels in the product coal were lower than in the feedstock. WPG expects that a product coal with specifications suitable for the South Asian market could be prepared.

Lochiel North Coal Project

EL 4670 covers an area of 374 square kilometres and includes the northern section of the Lochiel coal deposit, one of five deposits outlined within the large Northern Saint Vincent Basin. The coal is of Tertiary age and occurs within the Clinton Coal Measures, an unconsolidated, carbonaceous, sandy and clayey formation at depths that range between 30 and 150 metres.

The coal is generally of low rank, high in moisture, sodium and sulphur and relatively low in ash.

WPG's initial exploration consists of a single short but large diameter diamond core hole that was completed during the previous quarter and provided samples for testing in the Evergreen Energy test facility in Wyoming USA. The location of the drill hole is shown in the diagram below.



The samples sent to the USA were combined by Evergreen into three composites in order to reduce the effects of sample variability. Results of the test work are shown in the table below.

Moisture %			LHV(Kcal/kg)			HHV (Kcal/kg)		
As received			As received			As received		
45.39			1,781			2,140		
Raw Coal (EQM*)	K-Fuel Product (AP**)	K-Fuel Product (EQM*)	Raw Coal (EQM*)	K-Fuel Product (AP**)	K-Fuel Product (EQM*)	Raw Coal (EQM*)	K-Fuel Product (AP**)	K-Fuel Product (EQM*)
35.9	14.59	13.9	2,192	3,085	3,114	2,512	3,308	3,335

*EQM - As measured at equilibrium moisture

**AP - As processed

Rehabilitation work has been completed at the drill site and a rehabilitation report has been prepared and submitted to DMITRE (formerly PIRSA).

Perfection Well Coal Project

The application for this new tenement, ELA 97/10, at Perfection Well, is still being processed by DMITRE. No work was done during the quarter.

Competent Person

The review of exploration activities and results contained in this report are based on information compiled by Mr Gary Jones, a Member of the Australasian Institute of Mining and Metallurgy. He is Technical Director of WPG Resources Limited and a full time employee of Geonz Associates Limited. He has sufficient experience which is relevant to the style of mineralisation and types of deposits under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the December 2004 edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (the JORC Code). Gary Jones has consented in writing to the inclusion in this report of the matters based on his information in the form and context in which it appears.

Further Information

For further information please contact WPG's Executive Chairman Bob Duffin, on (02) 9247 3232 or 0412 234 684.