



ASX and Media Release

Development of the Buzzard deposit at Hawks Nest to be fast tracked

WPG Resources Ltd (ASX:WPG) is pleased to advise that the development of the Buzzard DSO iron ore deposit at Hawks Nest will be brought forward so that it and the Peculiar Knob mine will be operated in parallel, rather than sequentially.

Peculiar Knob is already fully permitted and construction activities have commenced. It is expected to be in production and generating cashflow later this financial year. It has been designed to produce 3.3 mtpa of high grade iron ore fines.

Detailed drilling, mine planning studies, and metallurgical testwork for Buzzard have been completed. Resource and reserve estimates have been released and are set out in WPG's Annual Report for 2010.

WPG estimates it will take some 12 months for all necessary permits for the development of Buzzard to be in place. Construction activities will take up to six months, so the mine could be production at the end of 2012.

Capital costs for development of Buzzard will be modest because nearly all of the necessary infrastructure will already have been built for the operation of Peculiar Knob. A 60 kilometre haul road will be necessary, but it is possible that part of the Old Stuart Highway could be used for this. Additional accommodation units will be needed at the Peculiar Knob village, but provision for a larger workforce has been made in the design of the camp, and messing facilities will not need to be upgraded.

Buzzard will be developed initially at the rate of 1.7 mtpa, which is the capacity of one train set or consist. With three train consists operating, total production including that from Peculiar Knob will increase to 5 mtpa.

The Hawks Nest tenement is highly prospective for the discovery of new DSO iron ore deposits and WPG will soon commence an exploration drilling program designed to increase the Company's DSO resource base.

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Further Information

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