

ASX and Media Release

Quarterly activities report June quarter 2011

HIGHLIGHTS

- ❖ All State, Commonwealth and third party approvals required for the development of the Company's flagship Peculiar Knob direct shipping iron ore project south of Coober Pedy in South Australia and for the construction of the iron ore receival, storage and loadout facility that will be built at Port Pirie have been received, and mobilisation of contractors for the construction of the mine site infrastructure has commenced.
- ❖ All contracts for the construction and operation of the project inclusive of all logistics services have been let.
- ❖ The Deutsche Bank project finance commitment for the development of Peculiar Knob and the Port Pirie facilities has been increased from US\$120 million to A\$140 million.
- ❖ The Commonwealth released the final Hawke Review of the Woomera Prohibited Area (WPA) during the quarter and this confirms that mining and military activities can coexist except for a small area in the south eastern corner of the WPA where WPG has no tenement interests. WPG has engaged with the new Woomera Coordination Office on how the new policy can translate into an action plan. This relates mainly to WPG's Hawks Nest tenement and the WISCO joint venture, and not to the Peculiar Knob project, which already has received all necessary approvals.
- ❖ WPG and Evergreen Energy Inc have signed the joint venture agreement that will have the exclusive right to use Evergreen's K-Process® clean coal technology for the first 15 mtpa of product coal produced in Australia.
- ❖ A maiden resource estimate totalling 352.4 million tonnes of coal has been released for the Penrhyn project.

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CORPORATE

Deutsche Bank facility – Peculiar Knob project development

WPG and Deutsche Bank AG, Sydney Branch, have agreed to amend and extend the commitment letter between them for the financing of the Peculiar Knob DSO iron ore project including the Port Pirie facilities. The extended period now expires on 31 August 2011, by which date the parties anticipate that the amended key financing transaction documents will have been executed. The financing transaction documents are now at an advanced draft stage.

Deutsche Bank's project finance commitment has increased from US\$120 million to A\$140 million which adequately addresses the adverse movement in exchange rates since the commitment was first negotiated and announced late last year. The commitment is now denominated and priced in A\$ terms. The iron ore prepay has been increased to A\$70 million and the loan notes, which also have a face value of A\$70 million, can be drawn in three tranches. The number of WPG warrants to be issued to Deutsche Bank after the financing documents have been signed remains at 6% of WPG's ordinary shares at that date.

The commitment remains subject to the satisfaction of a number of conditions which WPG expects will be satisfied during the current quarter. Financial close will occur when all conditions are satisfied.

Joint Venture with Evergreen Energy Inc

WPG and Evergreen Energy Inc. (NYSE Arca: EEE), a green energy technology solutions company, have signed joint venture agreements to jointly develop and commercialise Evergreen's K-Fuel® coal upgrading technology throughout Australia.

WPG's subsidiary, Southern Coal Holdings Pty Ltd (**SCH**), has been used as the joint venture vehicle. SCH holds all of WPG's coal assets in South Australia. Under the terms of the agreements, SCH has the exclusive licence for the first 15 million tonnes per annum of upgraded coal produced anywhere in Australia, not just from SCH's current tenement portfolio, and will have the first right of refusal to participate in production of K-Fuel® in excess of 15 mtpa, on terms to be negotiated in good faith at the time. On completion, 50% of SCH's shares will be held by WPG, and 50% by Evergreen. WPG expects that the share issue by SCH to Evergreen will be completed during the September quarter.

SOUTH AUSTRALIAN PROJECT ASSETS

The locations of WPG's South Australian project assets are shown in Figure 1. This map shows the Company's granted tenements and also those under application.

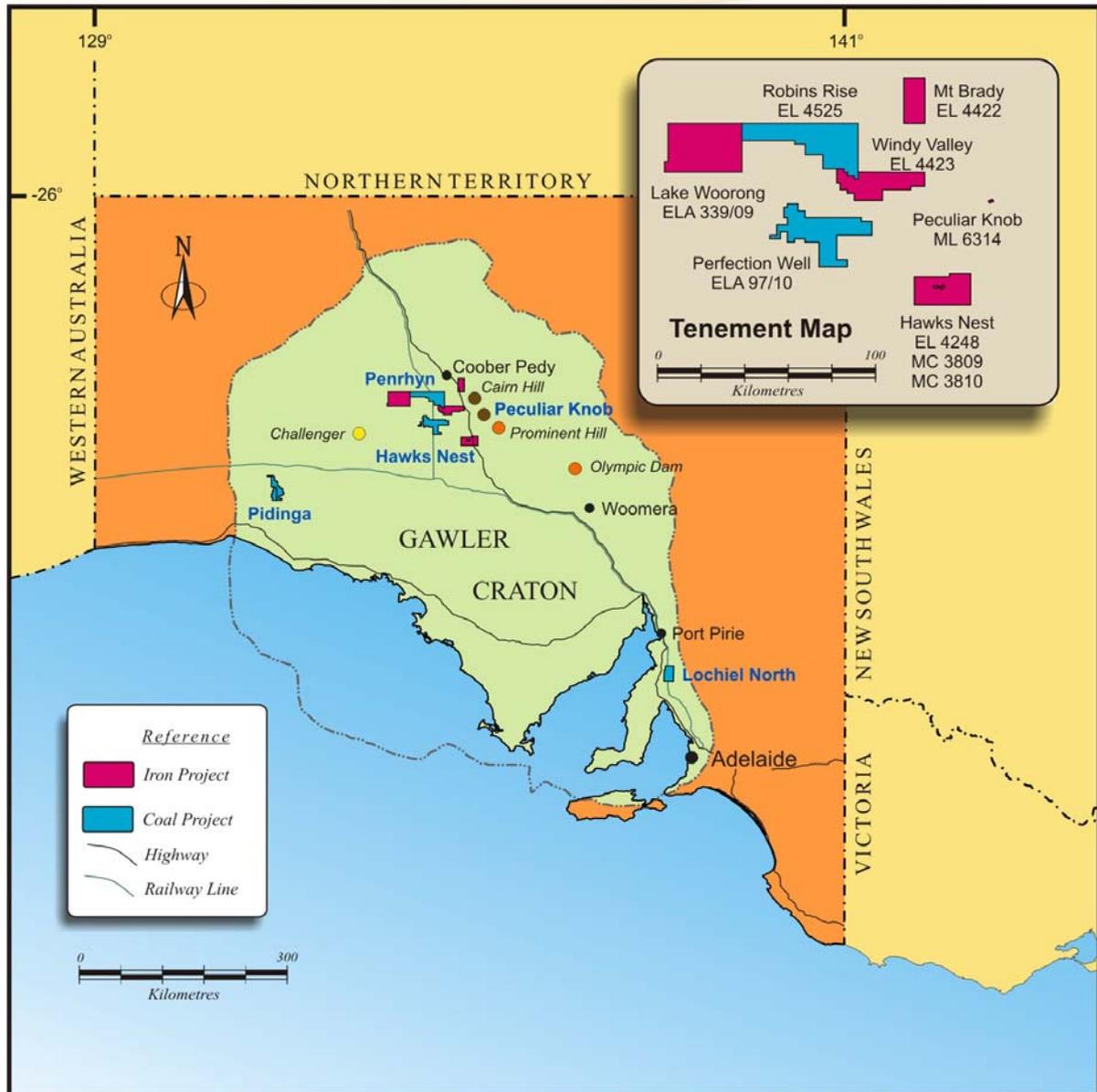


Figure 1
Location of WPG's Project Assets in South Australia

SOUTH AUSTRALIAN DSO IRON ORE PROJECT

WPG's direct shipping (**DSO**) iron ore projects in South Australia lie on the Peculiar Knob mineral lease, ML 6314 and on the Buzzard mineral claim MC 3810 at Hawks Nest. MC 3810 is covered by a Retention Lease application. WPG holds its interests in these tenements through its 100% owned subsidiary Southern Iron Pty Ltd.

The locations of these tenements and the infrastructure required to enable the development of Peculiar Knob are shown in Figure 2. The locations of WPG's other tenement assets in the Coober Pedy region are also shown.

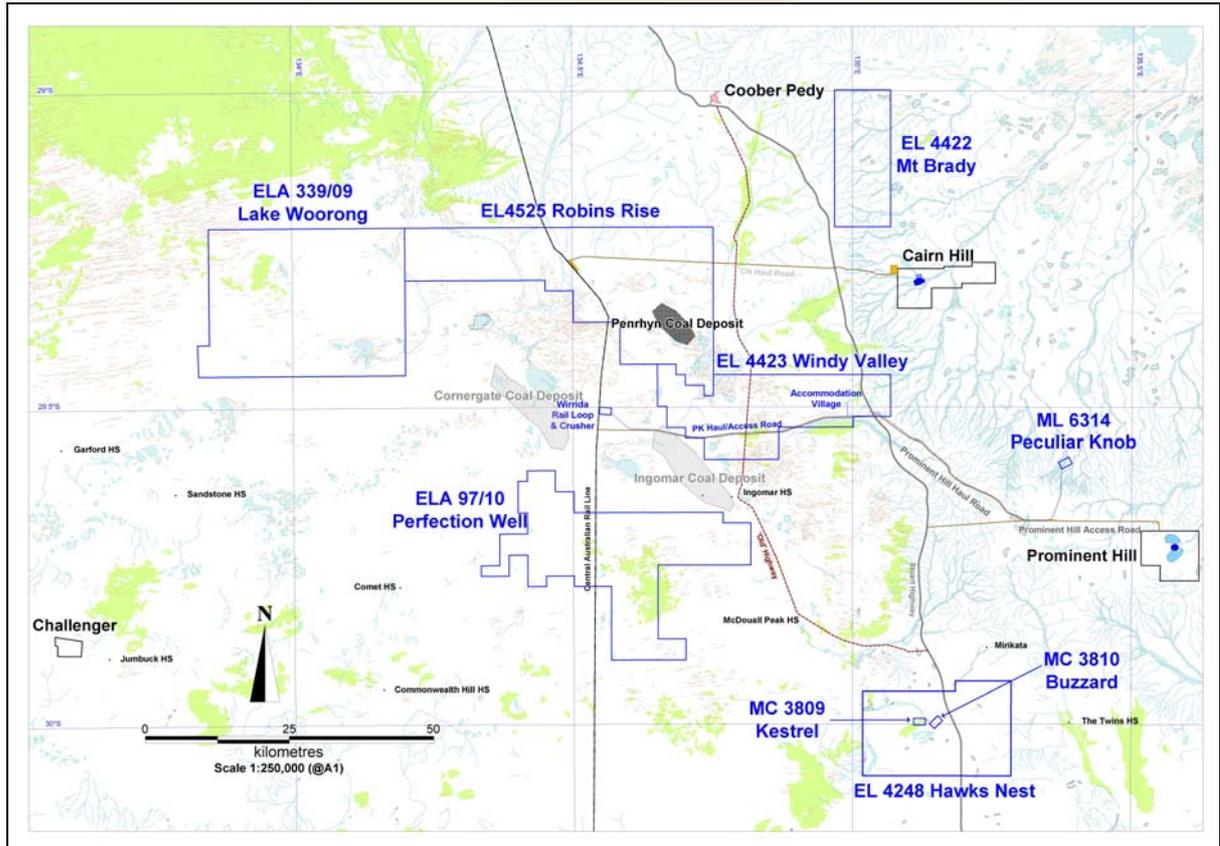


Figure 2
Peculiar Knob Tenement Locations and Proposed Infrastructure

Not all project assets shown in Figure 2 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.

All other tenements in this drawing are owned by WPG. In addition to those shown, WPG holds MPLs and EMLs along the haul road route from the Peculiar Knob mine to the Wirrida railway siding, and has additional MPLs along pipeline routes from the Stafford borefield at Hawks Nest and the Penrhyn borefield.

Permitting

Peculiar Knob is now fully permitted and contractors have mobilised to site and have commenced construction of the project.

Port Pirie

The Company's Development Application for the construction of the iron ore receipt, storage and loadout facilities has also been approved.

Settlement of the purchase of the land in Port Pirie is expected to be completed during August 2011 after which construction activities will commence. In preparation for this, a disused railway line adjacent to the site has been removed in preparation for its replacement and upgrading and transportable site offices have been established.

Contracts awarded

All material construction contracts and service provider contracts have been let for both the mine area and for Port Pirie. These contracts have either been formally executed or are at the advanced draft stage awaiting completion of documentation prior to their execution.

Expenditure to date

As at 30 June 2011 the capital expenditure on the total mine and Port Pirie project completed to date was \$12.2 million or 8.6% of the estimated total capital expenditure. This amount is additional to funds paid into escrow accounts and other commitments including the environmental bond, which has now also been paid.

Iron ore sales

WPG has entered into one five year iron ore sales contract for 350,000 tonnes per annum and has MOUs in place for additional sales contracts. The Company intends to negotiate additional long term binding offtake agreements over the remainder of this year.

Development timetable

Practical completion for the project's development including the Port Pirie facilities is scheduled for June 2012.

WPG expects that the first ore train will depart from Wirrida to Port Pirie in May 2012 and that the first ore sales will occur in June 2012.

Buzzard development

WPG has decided to fast track the development of the Buzzard DSO deposit at Hawks Nest and will commence the permitting process shortly.

SOUTH AUSTRALIAN MAGNETITE PROJECT

The Company's magnetite project in South Australia lies on the Hawks Nest exploration licence EL 4248 and the Kestrel mineral claim MC 3809, both of which are subject to the WISCO joint venture.

MC 3809 is covered by a Retention Lease application.

These tenements are held by Central Iron Pty Ltd, a 100% owned subsidiary of WPG.

No technical work was conducted on this project during the quarter and its technical status remains as summarised in the Company's June 2009 quarterly report.

Commonwealth Review of the Woomera Prohibited Area

The Commonwealth Government's Hawke Review of the WPA released its Final Report during the quarter.

The report recommended that mining and military activities can coexist in most areas of the WPA except for a small area in the south eastern corner that's referred to as the Red Zone. None of WPG's tenement assets lie in this zone.

The Commonwealth has announced it has adopted the recommendations. WPG has engaged with the newly formed Woomera Coordination Office to determine the best way forward to turn the new policy into an action plan. WPG anticipates that this will be clarified before the end of August.

The new policy paves the way for the early development of the Buzzard DSO deposit at Hawks Nest in which there is no foreign investment, and for further exploration activities in this highly prospective tenement. It should also allow the WISCO joint venture to proceed, possibly subject to some constraints to reflect legitimate national security concerns. Once the new policy is translated into workable guidelines, any changes that are necessary to give effect to the WISCO joint venture will be negotiated, together with other elements that reflect circumstances that have changed since the agreement was negotiated in 2009.

The new policy will have no material effect on the Peculiar Knob project and all of its infrastructure as it is already fully permitted for development and production.

NORTHERN GAWLER CRATON EXPLORATION PROJECT

Mt Brady Windy Valley

A program of trial aircore drilling designed to provide bedrock geochemical samples and geological data over the most prospective zones of the geophysical anomalies was planned during the quarter. A site clearance was carried out by the Antakirinja Matu-Yankunytjatjara Native Title holders. Commencement of the drilling has been deferred to later in the year. Previous exploration and the results from WPG's recent geophysical surveys at Mt Brady have shown the prospect has good potential for the discovery of copper, iron and rare earth element (REE) mineralisation.

No exploration was conducted on the Windy Valley exploration tenement during the quarter.

SOUTH AUSTRALIAN ENERGY COAL PROJECTS

WPG’s South Australian energy coal interests consist of the Penrhyn coal deposit, the tenements either granted or under application at Perfection Well, Pidinga and Lochiel North. These assets are held by Southern Coal Holdings Pty Ltd.

The locations of these tenements are shown in Figure 1.

Penrhyn Coal Project

During the quarter WPG completed the program of systematic resource definition drilling on the central section of the Penrhyn coal deposit. The total amount of drilling comprised 4,636 metres and was made up of 3,611 metres of rotary mud drilling in open holes and diamond drill hole pre-collaring together with 1,025 metres of PQ sized triple tube diamond coring. Detailed geological logging and down-hole geophysical probe measurements for gamma, neutron, calliper and near and far densities were completed for each of the 31 drill holes.

A plan of the Penrhyn drilling program is shown in Figure 3.

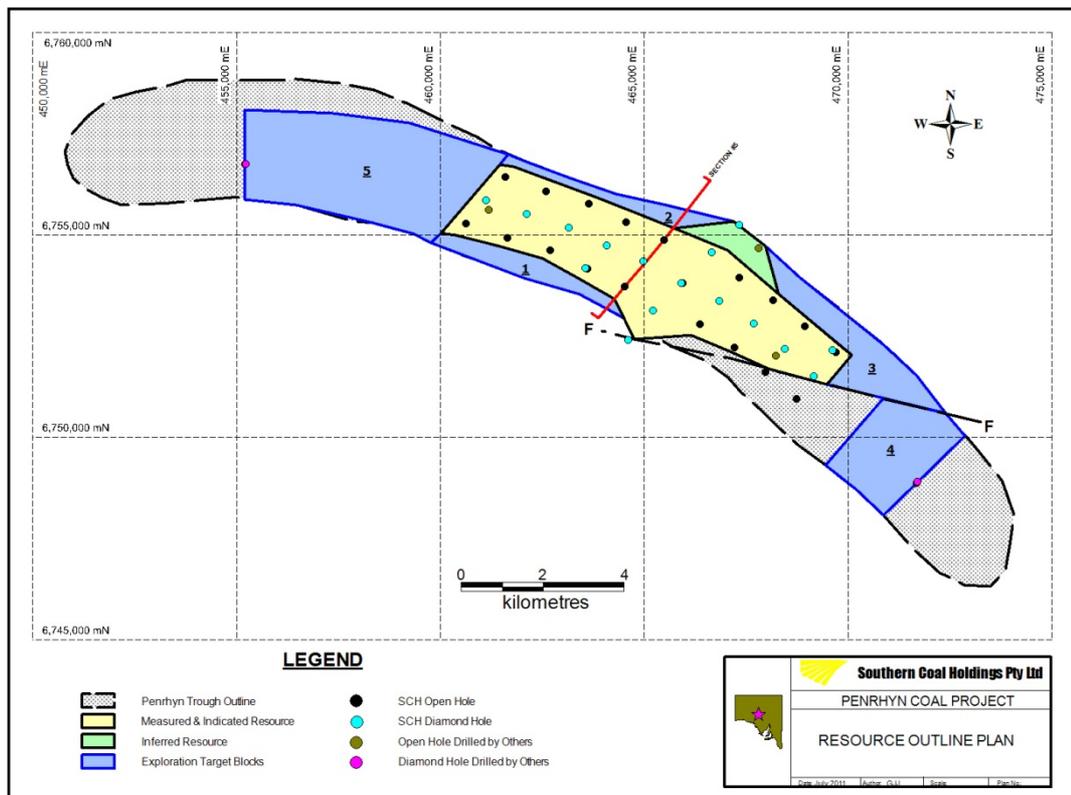


Figure 3
Penrhyn Drilling Program

The drilling program defined four significant coal seams together with two coal bearing stratigraphic horizons that are host to between two and four seams. The largest intersection was 8.0 metres in the J Seam; seams less than 0.4 metres thick were not sampled and have been ignored in calculating the resource estimate.

A brief description of each of the seams is as follows:

L Seam

Seam L is the uppermost seam and apart from hole PCWP-017 was only intersected in the diamond holes drilled along the axis of the trough. The seam occurs as two shallow sub-basinal structures close to the contact between the Mt Toondina Formation and the overlying Algebuckina Sandstone. In the northwest the seam was intersected in holes PCWP-022, PCWP-019, PCWP-016 and PCWP-016A. To the southeast the seam was intersected in holes PCWP-010 and PCWP-005. The interpreted configuration of Seam L is most likely a result of post depositional erosion at the Mt Toondina – Algebuckina unconformity. The seam ranges in thickness from 1.40 metres to 3.40 metres. Down-hole depths to the top of this seam range from 62.0 to 90.4 metres.

J Seam

The J Seam lies ~6 to 12 metres beneath the L Seam and is continuous over the area drilled. The coal thicknesses range from 0.55 metres to 8.0 metres with the best development occurring in the north-east sector where the seam is consistently greater than 6 metres thick and open in that direction. This seam appears to have been partially eroded prior to the deposition of the overlying Jurassic Algebuckina Sandstone along the northern and southern margins of the trough.

M Seam

The M Seam is a thin coal band that is conformable with the J Seam and lies a few metres beneath it. This seam was intersected in all the central diamond holes and several of the rotary mud holes on both margins of the Penrhyn basin. Thicknesses range from 0.9 to 1.9 metres.

G Seam

The G Seam is a coal bearing stratigraphic interval that is continuous across the zone drilled apart from the faulted-off area in the south east. It comprises a carbonaceous clay horizon with several coal bands that combined range in thickness from 2.85 to 6.05 metres. Closer spaced drilling should enable more reliable hole to hole correlation of the individual seams that occur within this zone.

N Seam

The N Seam is a further carbonaceous horizon that is host to between one and three thin coal seams. Combined coal thicknesses range from 0.80 to 2.80 metres.

It is apparent that there has been significant cross bedding and probably pre-consolidation erosion and scouring during what is thought to have been a more active deposition period during the development of the Penrhyn Basin. This is most evident in the interval between the base of the G Seam and the top of the R Seam. Cross bedding was commonly noted in core from the finely laminated sandy units and was also observed in the core from the four diamond holes drilled by WPG in 2010. These features are believed to be the reason for the significant variation in the relative stratigraphic position of the N Seam across the area drilled.

R Seam

The R Seam is a consistent coal seam that occurs over the entire area as established by intersections in all of the drill holes. The seam ranges in thickness from 2.2 to 4.9 metres but is greater than 3.0 metres thick in 22 of the 31 holes drilled. It has a distinctive 'box' shaped profile in the geophysical probe logs.

Resource Estimate

A preliminary resource estimate for Penrhyn has been prepared following detailed geological interpretation, seam correlation and 3-D modelling, assisted by an analysis of the down hole geophysical logs. Full details of this estimate were disclosed in WPG's ASX release of 11 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

A final resource estimate will be prepared following the receipt of the results of the coal quality, washing and other test work. These results are expected during the September quarter.

An orthographic projection of the L (green), J (pink) and R (grey) seams is shown along with the drill holes in Figure 4. Note the vertical scale on this diagram has been expanded by 10 relative to the horizontal scale.

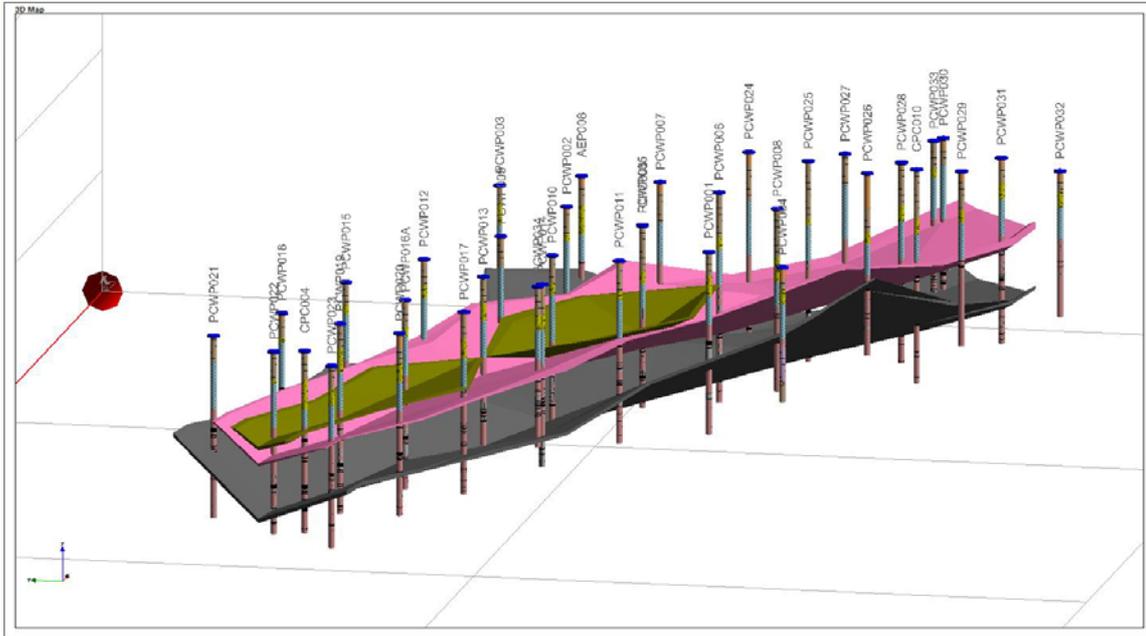


Figure 4
Penrhyn Coal Seams

Lochiel North Coal Project

Drilling of a large diameter core hole into the Lochiel coal deposit commenced early in the September quarter. Coal seam samples will be dispatched to the USA for testing at Evergreen's test facility in Wyoming.

Perfection Well Coal Project

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

Pidinga Coal Project

ELs 4631 and EL 4671 cover a combined area of 501 square kilometres within which known lignite deposits occur along the eastern margin of the Eucla Basin. No work was done during the quarter.

Competent Person

The review of exploration activities and results contained in this report and the resource estimates for the Penrhyn coal deposit 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.