



ASX and Media Release

Termination of the magnetite JV with WISCO at Hawks Nest

WPG Resources Ltd (ASX:WPG) has advised Wugang Australian Resources Investment Pty Ltd (“WISCO”) that it does not wish to further extend the period for the satisfaction of the conditions precedent in the agreements between them of 12 June 2009 for the magnetite joint venture at Hawks Nest to come into effect, and that the agreements are now terminated in accordance with those agreements.

WPG announced the proposed joint venture on 4 May 2009 and on 12 June 2009 WPG announced that the transaction documents had been signed. On 23 September 2009 WPG announced that it had been advised by the Department of Defence that it would not be supportive if an investment proposal was lodged by WISCO to the Foreign Investment Review Board (FIRB). FIRB approval was a key condition precedent to the establishment of the joint venture.

WPG and WISCO have on several occasions extended the period for the satisfaction of the key FIRB condition, most recently on 28 February 2011 when the parties agreed to extend it to 30 September 2011. As at that extended date Defence had not yet indicated what changes it would require to the joint venture arrangements in order for it to support an application by WISCO to FIRB, and FIRB approval has still not been received.

WPG announced on 22 August 2011 that it had agreed to sell its iron ore assets including Hawks Nest to OneSteel Limited and this proposed sale will be considered by WPG's shareholders at a general meeting to be held on 4 October 2011. WPG considers the certainty of the sale (although it still depends on shareholders approving it) outweighs the potential benefits in further extending the period for the satisfaction of the conditions precedent under the joint venture, when it is still not certain what conditions Defence and FIRB will impose if the joint venture is eventually approved.

WPG has built up a close relationship with WISCO over the last several years, and thanks WISCO for its patience. WPG hopes to be able to work cooperatively with WISCO in future mining investment opportunities.

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