

# Appendix 5B

## Mining exploration entity quarterly report

Introduced 1/7/96. Origin: Appendix 8. Amended 1/7/97, 1/7/98, 30/9/2001, 01/06/10.

Name of entity

WPG Resources Ltd

ABN

51 109 426 502

Quarter ended ("current quarter")

30 September 2011

### Consolidated statement of cash flows

	Current quarter 30 September 2011	Year to date (3 months) 30 September 2011
	\$A'000	\$A'000
<b>Cash flows related to operating activities</b>		
1.1 Receipts from product sales and related debtors		
1.2 Payments for (a) exploration & evaluation	(629)	(629)
(b) development	(13,265)	(13,265)
(c) production		
(d) administration	(2,804)	(2,804)
1.3 Dividends received		
1.4 Interest, rent and grants received	935	935
1.5 Interest and other costs of finance paid		
1.6 Income taxes paid		
1.7 Other - tenement deposits paid	(3,224)	(3,224)
Other - GST paid not yet refunded	(259)	(259)
<b>Net Operating Cash Flows</b>	<b>(19,246)</b>	<b>(19,246)</b>
<b>Cash flows related to investing activities</b>		
1.8 Payment for purchases of: (a) prospects		
(b) equity investments		
(c) other fixed assets		
1.9 Proceeds from sale of: (a) prospects		
(b) equity investments Deposit	5,000	5,000
(c) other fixed assets		
1.10 Loans to other entities		
1.11 Loans repaid by other entities		
1.12 Other -Purchase Land	(1,179)	(1,179)
<b>Net investing cash flows</b>	<b>3,821</b>	<b>3,821</b>
1.13 Total operating and investing cash flows (carried forward)	(15,425)	(15,425)

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1.13	Total operating and investing cash flows (brought forward)	(15,425)	(15,425)
	<b>Cash flows related to financing activities</b>		
1.14	Proceeds from issues of shares, options, etc.	749	749
1.15	Proceeds from sale of forfeited shares		
1.16	Proceeds from borrowings		
1.17	Repayment of borrowings		
1.18	Dividends paid		
1.19	Other – Financing Charges paid	(5,000)	(5,000)
	<b>Net financing cash flows</b>	(4,251)	(4,251)
	<b>Net increase (decrease) in cash held</b>	(19,676)	(19,676)
1.20	Cash at beginning of quarter/year to date *	66,414	66,414
1.21	Exchange rate adjustments to item 1.20		
1.22	Cash at end of quarter (this Excludes refundable WISCO \$500k JV deposit)	46,738	46,738

**Payments to directors of the entity and associates of the directors**

**Payments to related entities of the entity and associates of the related entities**

	Current quarter \$A'000	
1.23	Aggregate amount of payments to the parties included in item 1.2	327
1.24	Aggregate amount of loans to the parties included in item 1.10	-

1.25 Explanation necessary for an understanding of the transactions

Directors' fees and Consultancy fees

**Non-cash financing and investing activities**

2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

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2.2 Details of outlays made by other entities to establish or increase their share in projects in which the reporting entity has an interest

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**Financing facilities available**

Add notes as necessary for an understanding of the position.

	Amount available \$A'000	Amount used \$A'000
3.1	Loan facilities	
3.2	Credit standby arrangements	

+ See chapter 19 for defined terms.

### Estimated cash outflows for next quarter

		\$A'000
4.1	Exploration and evaluation	300
4.2	Development	1,500
4.3	Production	-
4.4	Administration	1,200
<b>Total</b>		<b>3,000</b>

### Reconciliation of cash

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.		Current quarter \$A'000	Previous quarter \$A'000
5.1	Cash on hand and at bank	134	292
5.2	Deposits at call	2,961	7,922
5.3	Bank overdraft		
5.4	Other – fixed term bank deposits	43,643	58,200
<b>Total: cash at end of quarter (item 1.22) Note*</b>		<b>46,738</b>	<b>66,414</b>

Note \* Excludes \$500,000 WISCO JV Deposit received in June 09 Qtr held in trust and conditionally refundable should the JV not proceed.

### Changes in interests in mining tenements

	Tenement reference	Nature of interest (note (2))	Interest at beginning of quarter	Interest at end of quarter
6.1	Interests in mining tenements relinquished, reduced or lapsed	Peculiar Knob (ML 6314) Peculiar Knob infrastructure (MPL 125 – 131, MPL 133-134) Peculiar Knob infrastructure (EML 6363 – 6382) Buzzard (MC 3810) Buzzard (RLA (replacing MC 3810))	100%	0%
		Hawks Nest (EL 4248) Kestrel (MC 3809) Kestrel (RLA (replacing MC 3809))	100%	0%
		Mt Brady (EL 4422) Windy Valley (EL 4423)	100%	0%
6.2	Interests in mining tenements acquired or increased			

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**Issued and quoted securities at end of current quarter**

*Description includes rate of interest and any redemption or conversion rights together with prices and dates.*

	Total number	Number quoted	Issue price per security (see note 3) (cents)	Amount paid up per security (see note 3) (cents)
7.1 <b>Preference +securities</b>	Nil			
7.2 Changes during quarter				
(a) Increases through issues	Nil			
(b) Decreases through returns of capital, buy-backs, redemptions				
7.3 <b>+Ordinary securities *</b>	249,524,340	249,524,340		
7.4 Changes during quarter				
(a) Increases through issues	1,765,000	1,765,000		
(b) Decreases through returns of capital, buy-backs	Nil			
7.5 <b>+Convertible debt securities</b>	Nil			
7.6 Changes during quarter				
(a) Increases through issues	Nil			
(b) Decreases through securities matured, converted	Nil			
7.7 <b>Options **</b>			<i>Exercise price</i>	<i>Expiry date</i>
			\$	
	1,000,000	0	\$1.69	29 May 2012
	125,000	0	\$0.727	2 Sep 2013
	50,000	0	\$1.087	4 Jul 2012
	1,300,000	0	\$1.117	17 Sep 2012
	750,000	0	\$1.227	12 Nov 2012
	1,000,000	0	\$1.19	29 Nov 2011
<b>Rights ***</b>			\$	<i>Vesting date*</i>
	2,258,590			1 July 2013
7.8 Rights issued during quarter	3,081,933	0	\$0.00	1 July 2014
7.9 Options exercised during quarter	1,290,000	0	\$0.227	22 Nov 2011
	300,000	0	\$1.087	4 Jul 2012
	175,000	0	\$0.727	2 Sep 2013
7.10 Expired during quarter	Nil			
7.11 <b>Debentures (totals only)</b>	Nil			
7.12 <b>Unsecured notes (totals only)</b>	Nil			

\* As at the date of this report the Company has on issue 257,864,418 fully paid ordinary shares as a result of option exercises and vested incentive rights (see below).

\*\* On 6 October 2011 1,725,000 of WPG Resources Ltd (WPG) options were exercised and on 11 October 2011 1,291,000 of WPG Resources Ltd (WPG) options were exercised.

\*\*\* All existing incentive rights vested fully on completion of the sale of iron ore assets to OneSteel Limited on 6 October 2011 resulting in the issue of 5,324,078 fully paid ordinary shares.

+ See chapter 19 for defined terms.

## Compliance statement

- 1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act or other standards acceptable to ASX (see note 4).
- 2 This statement does give a true and fair view of the matters disclosed.

Sign here: *Larissa Brown*  
(Company Secretary)

Date: 31 October 2011

Print name: Larissa Brown

## Notes

- 1 The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.
- 2 The "Nature of interest" (items 6.1 and 6.2) includes options in respect of interests in mining tenements acquired, exercised or lapsed during the reporting period. If the entity is involved in a joint venture agreement and there are conditions precedent which will change its percentage interest in a mining tenement, it should disclose the change of percentage interest and conditions precedent in the list required for items 6.1 and 6.2.
- 3 **Issued and quoted securities** The issue price and amount paid up is not required in items 7.1 and 7.3 for fully paid securities.
- 4 The definitions in, and provisions of, *AASB 1022: Accounting for Extractive Industries* and *AASB 1026: Statement of Cash Flows* apply to this report.
- 5 **Accounting Standards** ASX will accept, for example, the use of International Accounting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.

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Tenement	Tenement Number	Interest	Joint Venture Details
<b>SOUTH AUSTRALIA – COAL TENEMENTS</b>			
Penrhyn	EL 4525 ELA 339/09	50%	Interest held by 50% owned subsidiary Southern Coal Holdings Pty Ltd.
Pidinga	EL 4631	50%	Interest held by 50% owned subsidiary Southern Coal Holdings Pty Ltd.
Talacootra	EL 4671	50%	Interest held by 50% owned subsidiary Southern Coal Holdings Pty Ltd.
Perfection Well	ELA 97/10	50%	Interest held by 50% owned subsidiary Southern Coal Holdings Pty Ltd
Lochiel North	EL 4670	50%	Interest held by 50% owned subsidiary Southern Coal Holdings Pty Ltd.

EL = Exploration Licence  
 ELA = Exploration Licence Application

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