



# ASX and Media Release

## Giffen Well project provides opportunity for integrated resource development

The high grade of WPG Resources Ltd (ASX:WPG) new flagship magnetite iron ore project, Giffen Well, combined with the Company's existing port assets at Port Pirie and the potential access to low cost power from WPG's Penrhyn coal project provides a unique opportunity for a viable economic integrated resource development, according to the Company's Annual Report released yesterday. The Annual Report includes the Financial Statements for the year, which show the Company's reported after tax earnings for the period of \$171 million, largely attributable to the sale in October 2011 of the Company's then iron ore assets, along with a summary of current project activities.

Referring to the Company's new Giffen Well magnetite iron ore project, WPG said it was on a fast track to complete feasibility studies for the project's development. WPG released mineral resource estimates for Giffen Well early this month, and said the preliminary feasibility study is due for completion in the first quarter of next calendar year.

The Company stated that the key distinguishing features of Giffen Well include its high grade, its proximity to rail and WPG's port infrastructure, and its likely low mining strip ratio and favourable metallurgical characteristics which will be confirmed as the feasibility studies progress. WPG's existing port assets at Port Pirie minimise capital required for development and its 100% owned Penrhyn coal project could provide low cost electricity for the treatment plant and other uses.

Unlike some other potential magnetite projects that require very large scales of development (with attendant very large capital expenditure commitments) in order for the economics to work, the Company stated that it is focussing on a modest scale of production with manageable capital expenditure requirements.

Further commenting today, Bob Duffin, WPG's Executive Chairman said that the combination of the Giffen Well iron ore project, the Company's port assets and its Penrhyn coal project forms a unique package that is virtually unrivalled in Australia. He said that WPG's objective was to match the scale of development at Giffen Well to existing infrastructure capacity and to take advantage of Penrhyn's potential for supplying low cost energy.

"This is a very clear, well defined and achievable strategy that does not require major investment in new port or rail facilities by other parties, over which we have little influence", he said. "We are in control of the agenda."

The Annual Report is available online at [www.wpgresources.com.au](http://www.wpgresources.com.au). Investors who wish to receive a hard copy should contact the Company.

#### **Further Information**

For further information please contact WPG's Executive Chairman, Bob Duffin on (02) 9247 3232 or Chief Executive Officer, Martin Jacobsen on (02) 9251 1044.

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