



ASX and Media Release

Finance News Network interview with Bob Duffin

Mr Bob Duffin, Executive Chairman of WPG Resources Ltd (ASX:WPG) has been interviewed by Finance News Network.

Bob explains WPG's progress and future plans for its Giffen Well Iron Ore Project and the potential synergies between Giffen Well and the Company's Penrhyn coal and Port Pirie assets.

Watch the interview on WPG's website: www.wpgresources.com.au/media.asp .

Transcription of Finance News Network Interview with WPG Resources Ltd (ASX:WPG) Executive Chairman, Bob Duffin

Lelde Smits: Hello I'm Lelde Smits for the Finance News Network and joining me today from WPG Resources Limited (ASX:WPG) is Executive Chairman, Bob Duffin. Bob welcome back.

Bob Duffin: Thanks Lelde.

Lelde Smits: When we last spoke you had just acquired the Giffen Well magnetite deposit in South Australia. What is your strategy for developing the project?

Bob Duffin: Lelde, there's over 80 undeveloped magnetite projects in Australia. And for a magnetite project to be developed these days, it's got to have a lot of things going for it. We think Giffen Well is distinguished by a number of features. Firstly the grade, the grade is high. Secondly it recovers well to a magnetite concentrate; you get a high grade clean concentrate. Thirdly it's close to infrastructure, Central Australia Railway line passes almost through the site and that railway line goes to Port Pirie, where we already have our port assets. We're going to develop Giffen Well to a size which matches the capacity of the existing infrastructure. So there will be no need to develop costly new infrastructure for this project, so that's the strategy.

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ABN 51 109 426 502
Level 9, Kyle House
27-31 Macquarie Place
Sydney NSW 2000
Telephone (+612) 9251 1044
Facsimile (+612) 9247 3434
info@wpgresources.com.au
www.wpgresources.com.au

Lelde Smits: WPG Resources has been aiming to complete feasibility studies for Giffen Well's development. What progress have you made so far?

Bob Duffin: The prefeasibility study is progressing well, on time and on budget - that will be completed by March of next year. We've already released the resource estimates for Giffen Well; they went out on the 4th of October this year. And we've released the results of our key metallurgy test work, which went out on the 29th of October. The next milestones will be the capital and operating cost estimates for the project, which I don't expect to be completed until the end of this year. So it's progressing well. Should that prefeasibility study deliver the results we're anticipating, we will then move on to the final bankable feasibility study which will take another two years.

Lelde Smits: And what is the potential size of the Giffen Well project?

Bob Duffin: I won't be able to answer that one definitively until the feasibility studies are completed. But at this stage, we're targeting the production of about five million tonnes per annum of concentrate, which can be handled easily through our existing port assets at Port Pirie. And to do that level of production, we require an operation to treat 13 million tonnes per annum of iron ore. I do stress, the feasibility studies are not yet finished and there's no guarantee that the production level will be achieved, but that is looking pretty good at the moment.

Lelde Smits: So Bob, what plans has WPG Resources made for ongoing finance commitments at Giffen Well?

Bob Duffin: We are perfectly well funded ourselves at the moment. I read some statistics just recently that suggests 65 per cent of Australia's mining companies have got less than \$5 million in the bank; we've got about \$13 million. So we're well funded, we can finish the prefeasibility study, we can make the option payment to the vendor, should we go that far down the track. And we can commence the bankable feasibility study without recourse to our existing shareholders.

So far as the development of the project is concerned, we are in early discussions with a number of foreign industry players and they have the capacity, and have shown the interest to get involved in this project. It won't be of course until into the new year or sometime after that, but we'll find out whether they will participate.

Lelde Smits: Last time we spoke you mentioned the Penrhyn coal project. What developments have occurred since?

Bob Duffin: Penrhyn is less than 100 kilometres away from Giffen Well and we see the potential for Penrhyn to be developed as part of an integrated project that consists of Giffen Well, Penrhyn and our port assets at Port Pirie. We're presently seeing Penrhyn as being delivering coal to a mine mouth power station, a small mine mouth power station that provides energy to the Giffen Well project at competitive costs.

Lelde Smits: Finally Bob as we approach a new year, what are WPG's biggest priorities in 2013?

Bob Duffin: Clearly to finish the prefeasibility study, hopefully it will be positive and to move onto the final feasibility study, and to introduce our partners.

Lelde Smits: Bob Duffin, thank you for the update on WPG Resources.

Bob Duffin: Thanks Lelde.

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Further Information

For further information please contact WPG's Executive Chairman Bob Duffin on 02 9247 3232 or Company Secretary Larissa Brown on 02 9251 1044.