



# 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 discusses the Company's recent acquisition of two gold projects and its decision to fast track the Tarcoola gold project.

Watch the interview on WPG's website: [www.wpgresources.com.au/media.asp](http://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 from WPG Resources Ltd (ASX:WPG) is its Executive Chairman, Bob Duffin. Bob welcome back to FNN.

**Bob Duffin:** Thanks Lelde, it's great to be back with you.

**Lelde Smits:** When we last spoke in 2012, WPG Resources was focused on the Giffen Well magnetite iron ore project in South Australia. How and why has your focus changed?

**Bob Duffin:** When we last spoke, we'd recently sold our Peculiar Knob iron ore project for \$320 million and distributed the proceeds back to our shareholders. It was natural for us to remain in the iron ore space, but the Giffen Well project was a magnetite project and magnetite projects are extremely high cost projects. And we took a strategic decision after some time, that magnetite was not the right commodity for a small company. We like gold; we've all had a prior experience in our working careers in the gold industry. Gold is a commodity which can always be sold and can be developed for modest capital expenditure.

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**Lelde Smits:** The Company recently acquired the Tarcoola gold project in South Australia's Gawler Craton. How did the opportunity arise to purchase the asset?

**Bob Duffin:** The company which owned Tarcoola and Tunkillia was Mungana Goldmines (ASX:MUX) and Mungana's major shareholder was in administration. And so while Mungana I think wanted to develop these projects, it was unable to raise the funding because of the unique position of its major shareholder, and it was a natural seller of the project.

**Lelde Smits:** Bob, what is the size of the Tarcoola gold project's resource?

**Bob Duffin:** There are two projects, there's a large low grade deposit called Tunkillia. In round terms it's about 30 million tonnes at a little over a gram, containing almost a million ounces. And the higher grade but smaller tonnage Tarcoola project, it contains about 100,000 ounces and that's the one we're going to focus on initially.

**Lelde Smits:** WPG has just announced it will fast-track the development of the project. When are you hoping to be in production and what needs to occur before then?

**Bob Duffin:** We have set as our strategic target to be in production by the end of next year. The key milestones are later on in this current quarter, the commencement of a metallurgical drilling program. Next quarter the lodgement of the mining lease application and then working through the feasibility study information, by the end of the next financial year. That will allow us to bring this project Tarcoola into production by the end of next calendar year.

**Lelde Smits:** How much have you already invested into the projects, and how much do you anticipate pouring into the fast-tracking process?

**Bob Duffin:** Lelde we bought the projects for \$1.5 million, plus the allotment of 7.5 million WPG shares. So that was a purchase price of about \$1.8 million, that's equivalent to about \$2.50 per ounce. There are some trailing payments, but they are contingent on getting the projects into production. To get to the decision, the point where we make the decision to mine at Tarcoola will cost about \$0.5 million. That's in addition to our normal monthly overheads of about \$250,000.

**Lelde Smits:** Bob as you do progress to production at the end of next year, what is the Company's funding model?

**Bob Duffin:** We think we can get to that point where we make the decision to put Tarcoola into production without the need for further capital raisings. We've not yet worked out what the capital cost for the project will be to get it into production, but we're anticipating that it will be quite modest. And we'll face the issue of how to raise that funding for the capital further down the track.

**Lelde Smits:** Finally Bob, how would you like to see WPG Resources positioned this time next year?

**Bob Duffin:** This time next year Lelde, I think we will be very close to making the decision to commit the project development at Tarcoola. And we should have progressed the exploration at Tunkillia as well.

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

**Bob Duffin:** Thank you very much for having me today.

**End of Transcript**

## **Further Information**

*For further information please contact WPG's Executive Chairman, Bob Duffin on (02) 9247 3232 or Managing Director & CEO, Martin Jacobsen on (02) 9251 1044.*