



ASX and Media Release

WPG to divest Port Pirie land asset

With its focus now firmly on development of its recently acquired gold assets in South Australia's Gawler Craton, WPG Resources (ASX: WPG) has decided it no longer requires its Spencer Gulf Ports land asset in Port Pirie and is now in the process of seeking a buyer for this industrial property.

WPG acquired the strategic industrial land three years ago as part of its plan for an integrated iron ore development and export infrastructure chain for its iron ore project assets.

In 2011 Spencer Gulf Ports Pty Ltd (SGP), a wholly owned subsidiary of WPG, purchased the 4.5Ha vacant block of land at Port Pirie with the intention of using it as a commercial bulk shipping facility for ore storage and mineral exporting from the then developing WPG Peculiar Knob Iron Ore Mine. The site was selected due to its access to existing rail infrastructure and its proximity to the Port Pirie Wharf.

The land is located on the corner of George Street and Ellen Street, and is surrounded by commercial and industrial developments including the Wharf and Nyrstar Smelter.

WPG implemented a rehabilitation programme for the site, and planned to refurbish and extend the existing rail that runs through and adjacent to the Land. This work and the proposed construction of an ore storage receipt, storage and load-out facility including a conveyor system to transport ore from the facility across to berth 7 at the Wharf had earlier received Development Consent, which is still valid. It was intended that the ore would be transhipped by barge to large seagoing vessels moored in Spencer Gulf.

After \$5 million expenditure (excluding the purchase price) on rehabilitation and facilities, further development of the site was deferred following WPG's sale of Peculiar Knob and other tenements to OneSteel (now Arrium Limited) for \$320 million, with Whyalla chosen by the mining project's new owner as the port of export. The Port Pirie site presently is vacant and has been maintained in good condition by WPG.

5 September 2014



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“Port Pirie is poised for revitalisation and expansion spurred by the announced decisions by Nyrstar to go ahead with the transformation and redevelopment of its Port Pirie smelter into an advanced metal recovery and refining facility at a capital cost of around \$514 million,” WPG Executive Chairman Bob Duffin said today.

“This is a tremendous boon to the city and a spur for wide ranging community and other industrial development growth attracting new business activity and investment.

“With WPG’s focus now fully changed from iron ore to bringing our Tarcoola gold project into production within 18 months, we no longer hold our land in Port Pirie for its original purpose. We would prefer to sell the land and redeploy the cash freed up towards the development of Tarcoola.

“As Port Pirie now develops anew, we feel this strategic landholding should be put to more active use by other parties as a valuable infrastructure asset. Thus we are now initiating a divestment sale of land process.”

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.