



# ASX and Media Release

## Cash enhancement program

WPG Resources Ltd (ASX: WPG) advises that the Company has implemented a cash enhancement program as a consequence of current market conditions facing junior miners.

As part of this program, all staff and consultants have agreed voluntarily to reduce their fees and salaries in order to conserve cash.

The Company's Chairman will reduce his fee by 60%, non-executive directors will reduce their fees by 50%, and executive directors and all other staff by 20%. Unfortunately, it has also been necessary to make a small number of part-time non-technical, administrative and back office staff redundant. The redundancies will not impact on the Company's technical or management skill sets going forward.

Bob Duffin, WPG's Executive Chairman, said that the Company implemented a similarly structured cost reduction program six years ago that was summarised in WPG's ASX announcement of 15 July 2009, and for the same reason. "Just over two years later", he went on to say, "WPG sold its iron ore assets for \$320 million and paid a distribution to shareholders of \$1.05 per share, which was an excellent outcome for shareholders."

The reductions in remuneration packages are permanent, and not deferrals. These, and a number of other cost saving initiatives, are expected to reduce the Company's cash consumption by approximately \$1 million over a full year. The changes will result in a higher proportion of the Company's quarterly cash spend being directed towards project expenditure, and less on administrative overheads.

In addition, WPG has sold a number of assets it no longer requires. The Company has entered into an agreement to sell its Port Pirie land for \$750,000 with settlement anticipated in September 2015. A large number of railway sleepers which were stored on the Port Pirie land were sold in a separate transaction for \$123,500.

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Additionally, an application for an R&D grant is advancing, for a refund on money spent on its eligible research and development.

Non-essential activities have been deferred, with the current focus on finalising the Tarcoola gold project feasibility study, securing all necessary permits to allow for project development, and implementing an exploration program at Tunkillia.

## **Further Information**

*For further information please contact WPG's Managing Director & CEO, Martin Jacobsen or CFO Wayne Rossiter on (02) 9251 1044.*