



ASX announcement

31 October 2014

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Directors & Management

Gary Lyons:
Chairman

Mathew Walker:
Director

Teck Wong:
Director

Sonu Cheema:
Company Secretary

Issued Capital

80,500,000 ordinary shares

ASX Code: WPI

WEST PEAK IRON LIMITED

SEPTEMBER 2014 QUARTERLY ACTIVITIES REPORT

KEY POINTS

- On 1 July 2014 the Company released its maiden Resource estimate for the Bong West Prospect comprising an inferred resource of 11.1 million tonnes at 36.36% Fe (refer to the ASX announcement dated 1 July 2014 for full details of the resource estimate and competent person statement).
- A Preliminary Assessment of a small scale mining operation based on crushing and screening of soft, friable itabirite material to produce a high grade concentrate product for sale was completed.
- On 26 September, West Peak Iron announced that it has entered into a Sale and Farm-out Agreement in respect of its Liberian assets.
- Funding arrangements secured for ongoing operations.
- Board restructure to minimise corporate overheads actioned.

SEPTEMBER QUARTER ACTIVITIES

The directors of West Peak Iron Limited ("**West Peak**" or the "**Company**") are pleased to present its activities report for the September quarter 2014.

On 1 July 2014 the Company released its maiden Resource estimate for the Bong West Prospect comprising an inferred resource of 11.1 million tonnes at 36.36% Fe (refer to the ASX announcement dated 1 July 2014 for full details of the resource estimate and competent person statement). Concurrent with this work the Company has undertaken a preliminary assessment ("Preliminary Assessment") into the viability of establishing a small scale mining operation at Bong West. This work has included preliminary open pit designs and a review of potential infrastructure solutions.

The results of the Preliminary Assessment of a small scale mining operation based on crushing and screening of soft, friable itabirite material to produce a high grade concentrate product for sale were positive for options based on either a mine gate sale or via access to third party rail and port facilities. Options assessed which assumed transport of concentrate to port by road haulage were less favourable.

On 26 September, West Peak announced that it had entered into a Sale and Farm-out Agreement in respect of its Liberian assets.

Under the terms of the agreement Mineraux Limited has the right to earn up to a 100% shareholding interest in the Company's Liberian subsidiary (**Subsidiary**) which directly owns the Liberian assets.

The material terms of the agreement are as follows:

- (a) **Conditions precedent:** Settlement of the Initial Interest (defined below) is subject to:
- (i) The Company obtaining all necessary shareholder approvals to complete the transaction; and

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- (ii) The Company and Mineraux Limited obtaining all necessary regulatory and other third party approvals to complete the transaction.

Settlement of each stage of the Farm-in is conditional on completion of the Acquisition and each preceding stage of the Farm-in.

- (b) **Acquisition:** A 17% shareholding interest in the Subsidiary (**Initial Interest**) is acquired following payment of US\$50,000 to the Subsidiary and satisfaction of the conditions precedent.
- (c) **Farm-in:** Mineraux Limited can earn additional shareholding interests in the Subsidiary by sole funding the Subsidiary in the following manner:
 - (i) 17% (34% aggregate): Payment of US\$100,000 to the Company on or before 31 December 2014;
 - (ii) 17% (51% aggregate): Payment of US\$150,000 to the Company on or before 30 June 2015; and
 - (iii) 49% (100% aggregate): Written notice to the Company on or before 30 June 2015.
- (d) **Royalty:** If Mineraux Limited completes the 100% acquisition of the Subsidiary the Company is entitled to a \$1 per tonne royalty on all minerals, concentrates, metals, ores and other mineral substances produced from the Liberian assets.

The Company will be seeking shareholder approval for this disposal at its annual general meeting. Further details will be set out in the notice of meeting which was distributed to shareholders on 29 October 2014.

BOARD RESTRUCTURE

During the September Quarter the board accepted the resignations of Mr Graham Marshall and Mr Jimmy Lee effective on 31 July 2014.

Mr Mathew Walker, currently Executive Director, has agreed to serve as a Non-Executive director, effective 1 August 2014.

FINANCIAL POSITION

The board also wishes to provide an update on the current financial position of the Company. Since 1 January 2014, in an effort to minimise cash expenditure on corporate overheads and thereby complete exploration activities in Liberia without the need for a dilutive share placement, all directors of the Company agreed to accrue director fees.

During the previous quarter, the Company was successful in establishing a finance facility with Bluebay Investments to provide ongoing working capital. The initial loan was for an amount of AUD 300,000, is unsecured and accrues interest at the rate of 1% per month (which equates to an annualised rate of interest of 12.11%). The loan is repayable on or before 30 June 2015 ("End Date") and subject to any requirements for shareholder approval, may be converted into shares at the weighted variable average price of shares in WPI in the 20 business days prior to the End Date. The Company has recently secured an increase in this facility to \$500,000 with the intent of which, when utilised following the implementation of a cost reduction program, will provide ongoing working capital for the business into the New Year.



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Yours Faithfully
By Order of the Board

Mathew Walker
Director

For further information contact: Mathew Walker; Executive Director, West Peak Iron Ltd.
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Appendix 5B

Mining exploration entity quarterly report

Introduced 1/7/96. Origin: Appendix 8. Amended 1/7/97, 1/7/98, 30/9/2001.

Name of entity

WEST PEAK IRON LTD

ABN

71 142 411 390

Quarter ended ("current quarter")

30 September 2014

Consolidated statement of cash flows

Cash flows related to operating activities		Current quarter \$A'000	Year to date (3 months) \$A'000
1.1	Receipts from product sales and related debtors		
1.2	Payments for (a) exploration and evaluation	(72)	(72)
	(b) development	-	-
	(c) production	-	-
	(d) administration	(81)	(81)
1.3	Dividends received	-	-
1.4	Interest and other items of a similar nature received	-	-
1.5	Interest and other costs of finance paid	-	-
1.6	Income taxes paid (GST)	(5)	(5)
1.7	Other	-	-
	Net Operating Cash Flows	(158)	(158)
Cash flows related to investing activities		-	-
1.8	Payment for purchases or renewal of:		
	(a) prospects (Tenement Sale Agreement and Tenement Applications)	-	-
	(b) equity investments	-	-
	(c) other fixed assets	-	-
1.9	Proceeds from sale of:		
	(a) prospects	-	-
	(b) equity investments	-	-
	(c) other fixed assets	-	-
1.10	Loans from other entities	200	200
1.11	Loans repaid by other entities	-	-
1.12	Other (provide details if material)	-	-
	Net investing cash flows	200	200
1.13	Total operating and investing cash flows (carried forward)	42	42

1.13	Total operating and investing cash flows (brought forward)	42	42
	Cash flows related to financing activities		
1.14	Proceeds from issues of shares, options, etc.	-	-
1.15	Proceeds from sale of forfeited shares	-	-
1.16	Proceeds from borrowings	-	-
1.17	Repayment of borrowings	-	-
1.18	Dividends paid	-	-
1.19	Other (Placement and capital raising fees)	-	-
	Net financing cash flows	-	-
	Net increase (decrease) in cash held	42	42
1.20	Cash at beginning of quarter/year to date	21	21
1.21	Exchange rate adjustments to item 1.20/rounding	-	-
1.22	Cash at end of quarter	63	63

Payments to directors of the entity and associates of the directors

Payments to related entities of the entity and associates of the related entities

	Current quarter \$A'000
1.23 Aggregate amount of payments to the parties included in item 1.2	-
1.24 Aggregate amount of loans to the parties included in item 1.10	-

1.25 Explanation necessary for an understanding of the transactions

Payments of Director remuneration/fees, superannuation and provision of administration/consulting services.

Non-cash financing and investing activities

2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

-

2.2 Details of outlays made by other entities to establish or increase their share in projects in which the reporting entity has an interest

-

+ See chapter 19 for defined terms.

Financing facilities available

Add notes as necessary for an understanding of the position.

	Amount available \$A'000	Amount used \$A'000
3.1 Loan facilities	500	450
3.2 Credit standby arrangements	-	-

* Refer to summary of Company Loans in June 2014 Quarterly Activities Report

Estimated cash outflows for next quarter

	\$A'000
4.1 Exploration and evaluation	-
4.2 Development	-
4.3 Production	-
4.4 Administration	30
Total	30

Reconciliation of cash

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.	Current quarter \$A'000	Previous quarter \$A'000
5.1 Cash on hand and at bank	63	21
5.2 Deposits at call	-	-
5.3 Bank overdraft	-	-
5.4 Other (provide details)	-	-
Total: cash at end of quarter (item 1.22)	63	21

Changes in interests in mining tenements

	Tenement reference	Nature of interest (note (2))	Interest at beginning of quarter	Interest at end of quarter
6.1 Interests in mining tenements relinquished, reduced or lapsed	-	-	-	-
6.2 Interests in mining tenements acquired or increased	-	-	-	-

+ See chapter 19 for defined terms.

Issued and quoted securities at end of current quarter*

Description includes rate of interest and any redemption or conversion rights together with prices and dates.

	Total number	Number quoted	Issue price per security (see note 3) (cents)	Amount paid up per security (see note 3) (cents)
7.1 Preference securities (description)	-	-	-	-
7.2 Changes during quarter	-	-	-	-
7.3 +Ordinary securities	80,500,000	80,500,000	-	-
7.4 Changes during quarter, increases through	-	-	-	-
7.5 +Convertible debt securities (description)	-	-	-	-
7.6 Changes during quarter	-	-	-	-
7.7 Options (description and conversion factor)	-	-	-	-
7.8 Issued during quarter	-	-	-	-
7.9 Exercised during quarter	-	-	-	-
7.10 Expired during quarter	-	-	-	-
7.11 Debentures (totals only)	-	-		
7.12 Unsecured notes (totals only)	-	-		

+ See chapter 19 for defined terms.

Compliance Statement

- 1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act [or other standards acceptable to ASX \(see note 4\)](#).
- 2 This statement does give a true and fair view of the matters disclosed.

Sign here:

(Director)

Date: 31 October 2014

Print name: Mathew Walker

Notes

- 1 The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.
- 2 The "Nature of interest" (items 6.1 and 6.2) includes options in respect of interests in mining tenements acquired, exercised or lapsed during the reporting period. If the entity is involved in a joint venture agreement and there are conditions precedent which will change its percentage interest in a mining tenement, it should disclose the change of percentage interest and conditions precedent in the list required for items 6.1 and 6.2.
- 3 **Issued and quoted securities** The issue price and amount paid up is not required in items 7.1 and 7.3 for fully paid securities.
- 4 The definitions in, and provisions of, *AASB 1022: Accounting for Extractive Industries* and *AASB 1026: Statement of Cash Flows* apply to this report.
- 5 **Accounting Standards** ASX will accept, for example, the use of International Accounting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.

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