



ASX announcement

31 July 2014

ACN: 142 411 390

T: 08 6489 1600

F: 08 6489 1601

E: admin@westpeakiron.com.au

Suite 9, 330 Churchill Avenue,

Subiaco WA 6008

PO Box 866,

Subiaco WA 6904

www.westpeakiron.com.au

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

JUNE 2014 QUARTERLY ACTIVITIES REPORT

KEY POINTS

- *A maiden Resource estimate for the Bong West prospect in the Inferred category of 11.1 million tonnes at 36.36% Fe.*
- *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.*
- *Discussions with several strategic partners commenced to advance the development of the Bong West prospect.*
- *Funding arrangements secured for ongoing operations.*
- *Board restructure to minimise corporate overheads actioned.*

JUNE QUARTER ACTIVITIES

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

During the quarter the Company reported an independent maiden Resource estimate for its wholly owned Bong West prospect in Liberia. The resource, in the inferred category, totalled 11.1 million tonnes at 36.36% Fe, with a lower Fe cut off of 30%. Please refer to the ASX announcement dated 1 July 2014 for full details of the resource estimate and competent person statement, and for full details of exploration results and competent person statement to the ASX announcement dated 17 June 2014. Concurrent with this work the Company undertook 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 (refer announcement dated 16 July 2014) 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.

The Company now intends to seek a strategic partner for the development of the Bong West project and has initiated discussions with a number of potentially interested parties.

The Company is completing an internal strategic review of its business, inclusive of but not limited to, the potential of its other Liberian exploration assets, acquisition opportunities, board structure and composition and capital requirements. Some of these changes are addressed further below.

BOARD RESTRUCTURE

The board today also accepted the resignations of Mr Graham Marshall and Mr Jimmy Lee.

Mr Marshall was a founding director and former Chairman of West Peak Iron and has made a significant contribution to the company in his years of service since its initial public listing on the ASX on 26 October 2010. Mr Marshall resigns to pursue his other business interests and the Company wishes him well in his future endeavours.

Mr Jimmy Lee has also made a significant contribution to the Company in his years of service since 10 October 2012, inclusive of two site visits to Liberia to oversee exploration activities and pursue commercial contacts within the country. He likewise resigns to pursue other business interests and the Company also wishes him well in his future endeavours.

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 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 \$400,000 and is currently finalising terms for a further increase to \$500,000 in the amount of the facility, 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.

In addition, continuing directors have agreed to defer the repayment of accrued fees and other amounts incurred on behalf of the Company until 30 June 2015 ("End Date").

CORPORATE

The Company had 2,000,000 unlisted options expire during the quarter as per attached Appendix 5B.

Yours Faithfully
By Order of the Board

Mathew Walker
Director

For further information contact:

Mathew Walker; Executive Director, West Peak Iron Ltd.
Telephone: +61 8 6489 1600
Email: admin@westpeakiron.com.au

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 June 2014

Consolidated statement of cash flows

Cash flows related to operating activities		Current quarter \$A'000	Year to date (12 months) \$A'000
1.1	Receipts from product sales and related debtors		
1.2	Payments for (a) exploration and evaluation	(335)	(1,100)
	(b) development	-	-
	(c) production	-	-
	(d) administration	(68)	(390)
1.3	Dividends received	-	-
1.4	Interest and other items of a similar nature received	-	11
1.5	Interest and other costs of finance paid	-	-
1.6	Income taxes paid (GST)	-	22
1.7	Other	-	-
	Net Operating Cash Flows	(403)	(1457)
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	300	300
1.11	Loans repaid by other entities	-	-
1.12	Other (provide details if material)	-	-
	Net investing cash flows	300	300
1.13	Total operating and investing cash flows (carried forward)	(103)	(1157)

1.13	Total operating and investing cash flows (brought forward)	(103)	(1157)
	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	(103)	(1157)
1.20	Cash at beginning of quarter/year to date	124	1178
1.21	Exchange rate adjustments to item 1.20/rounding	-	-
1.22	Cash at end of quarter	21	21

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	400	300
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	40
4.2 Development	-
4.3 Production	-
4.4 Administration	30
Total	70

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	21	124
5.2 Deposits at call	-	-
5.3 Bank overdraft	-	-
5.4 Other (provide details)	-	-
Total: cash at end of quarter (item 1.22)	21	124

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	2,000,000	Nil	Ex price 15 cents	Expiry date 30/06/14
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 July 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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