

WEST PEAK IRON LIMITED

DECEMBER 2014 QUARTERLY ACTIVITIES REPORT



ASX announcement

30 January 2015

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Directors & Management

Gary Lyons:
Chairman

Mathew Walker:
Director

Teck Wong:
Director

Sonu Cheema:
Company Secretary

Issued Capital

99,828,400 ordinary shares

ASX Code: WPI

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

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

(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 received shareholder approval for this disposal at its annual general meeting which was held on 28 November 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. Pursuant to resolutions 5, 6, 7 and 8 of the Annual General Meeting of Shareholders held on 28 November 2014, the accrued director fees and accrued debt interest on the financing facility were settled via issue of shares. As a result of the resolutions being passed at the Annual General Meeting of Shareholders, the issued capital for West Peak increased from 80,500,000 ordinary shares to 99,828,400 ordinary shares.

During the June 2014 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 and subsequently increased to AUD 500,000 in the September quarter, 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.

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")

31 December 2014

Consolidated statement of cash flows

Cash flows related to operating activities	Current quarter \$A'000	Year to date (6 months) \$A'000
1.1 Receipts from product sales and related debtors		
1.2 Payments for (a) exploration and evaluation	-	(72)
(b) development	-	-
(c) production	-	-
(d) administration	(43)	(124)
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)
1.7 Other	-	-
Net Operating Cash Flows	(43)	(201)
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
1.11 Loans repaid by other entities	-	-
1.12 Other (provide details if material)	-	-
Net investing cash flows	-	200
1.13 Total operating and investing cash flows (carried forward)	(43)	(1)

1.13	Total operating and investing cash flows (brought forward)	(43)	(1)
	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	(43)	(1)
1.20	Cash at beginning of quarter/year to date	63	21
1.21	Exchange rate adjustments to item 1.20/rounding	-	-
1.22	Cash at end of quarter	20	20

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	500
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	15
Total	15

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	20	63
5.2 Deposits at call	-	-
5.3 Bank overdraft	-	-
5.4 Other (provide details)	-	-
Total: cash at end of quarter (item 1.22)	20	63

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 <i>(description)</i>	-	-	-	-
7.2 Changes during quarter	-	-	-	-
7.3 +Ordinary securities	99,828,400	99,828,400	-	-
7.4 Changes during quarter, increases through	19,328,400	19,328,400	-	<i>Issue of securities was approved by Shareholders pursuant to resolutions 5, 6, 7 and 8 at the Annual General Meeting of the Company held on 28 November 2014</i>
7.5 +Convertible debt securities <i>(description)</i>	-	-	-	-
7.6 Changes during quarter	-	-	-	-
7.7 Options <i>(description and conversion factor)</i>	-	-	-	-
7.8 Issued during quarter	-	-	-	-
7.9 Exercised during quarter	-	-	-	-
7.10 Expired during quarter	-	-	-	-
7.11 Debentures <i>(totals only)</i>	-	-		
7.12 Unsecured notes <i>(totals only)</i>	-	-		

+ 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: 30 January 2015

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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