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Company Announcements Office  
ASX Limited

Dear Sir/Madam

***By e-Lodgement***

**SECOND SWEDISH IRON ORE DEAL TO EXPAND IRON ORE EXPLORATION  
TARGET TO 208 - 215 MT OF MINERALISATION**

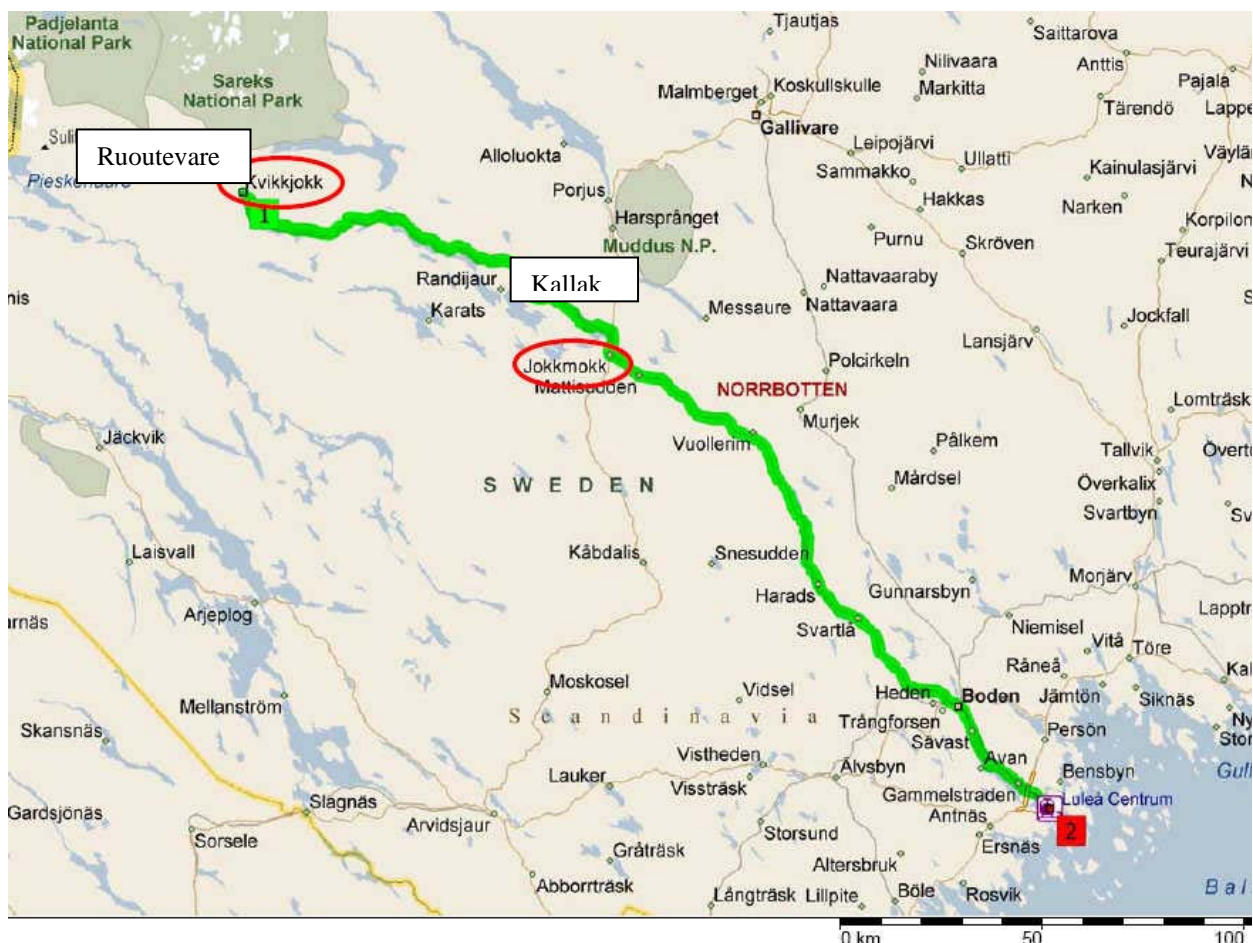
**Highlights:**

- WAG Limited (WAG or the Company) has entered into a second farm-in agreement with Beowulf Mining Plc (Beowulf) pursuant to which, subject to shareholder approval and certain other conditions, the Company has agreed to complete drilling, metallurgical testwork and a magnetic survey programme by April 2010 to earn a 50% interest in Beowulf's Kallak Project.
- The Kallak Project consists of one Exploration Permit covering 500 hectares located in Northern Sweden, approximately 70km south east of Beowulf's Ruotevare Project. The Company announced on 5 June 2008 that it had entered into a conditional farm-in agreement with Beowulf to earn a 50% interest in the Ruotevare Project.
- The Kallak Iron deposit was discovered by the Geological Survey of Sweden (SGU) in 1947-48. Based on exploration by SGU consisting of limited drilling and geophysical surveys, SGU estimated that Kallak has target iron mineralization ranging from 88Mt to 92Mt at a grade range of 35% – 42% Fe.
- Based upon the work carried out by SGU, the Company's combined exploration target for the Ruotevare and Kallak Projects is 208 – 215 Mt of mineralization with average grades of 35 – 42% Fe. The potential quantity and grades for both Ruotevare and Kallak are conceptual in nature. There has been insufficient exploration to define a Mineral Resource under the JORC Code and it is uncertain if further exploration will result in the determination of a Mineral Resource.
- The two iron ore projects potentially represent an excellent opportunity to generate a commercially attractive iron ore resource proximate to the EU market.
- Further detail concerning the Kallak Project can be found on Beowulf's website at [www.beowulfmining.com](http://www.beowulfmining.com).

## **Background to the Kallak Project**

The Kallak Project is located in northern Sweden in the County of Norrbotten, approximately 35km north west of the town of Jokkmokk. The Kallak Project is located approximately 70km south east of the Ruotevare Project. The road distance between Jokkmokk and the Gulf of Bothnia sea port at Lulea is 170km. At Lulea, the iron ore mining company LKAB is annually shipping approximately 4 Mt of magnetite concentrates and pellets to steel plants in Finland and Sweden.

## **Ruotevare and Kallak Project Location Diagram**



## **Geological Summary and Forward Exploration Plan**

The Kallak Iron deposit was discovered by the Geological Survey of Sweden (SGU) in 1947-48. From 1968 – 1970 geophysical measurements (magnetic, gravimetric and electromagnetic) were carried out in the area.

Based on exploration by SGU consisting of limited drilling and geophysical surveys, SGU estimated that Kallak has target iron mineralization of 88 – 92Mt at 35 – 42% iron. The tonnage estimate has been determined through the analysis of geophysical data. The potential quantity and grades for Kallak are conceptual in nature. There has been insufficient exploration to define a Mineral Resource under the JORC Code and it is uncertain if further exploration will result in the determination of a Mineral Resource.

The Company intends to seek to establish a JORC Code compliant Mineral Resource Estimate as soon as possible through the revision of existing data and additional drilling. The work program will include:

- A magnetic survey to define the extent of mineralisation and assist in developing a three dimensional model of the ore body.
- Sampling and density measurements of retained core material (SGU) in order to verify assay and density data
- A drilling program aimed at verifying the lateral and vertical extent of mineralisation as well as providing sufficient information for which to generate a resource estimate.
- A programme of metallurgical testwork to assess the metallurgical response of the mineralisation.

The close proximity of the Ruotevare and Kallak Projects will provide WAG with the opportunity of efficiently investigating the projects concurrently. It is anticipated that drilling programmes will be coordinated between the two projects using the same drilling crew and logistical facilities.

The proximity of the two projects will potentially enable a combined resource to be generated which can subsequently be exploited and transported using common facilities, thereby reducing capital expenditure.

### **Transaction Details**

The Farm-In Agreement (Agreement) sets out the terms under which it is proposed that WAG and Beowulf will explore and evaluate the Kallak Project. The Agreement is conditional upon a 30 day due diligence period and subject to shareholder approval. The Company has commenced its due diligence.

Under the Agreement:

- Beowulf has granted WAG, during an 22 month evaluation phase (Evaluation Phase), the following exclusive rights:
  - access to all data and other information held by Beowulf that pertains to the Kallak Project; and
  - the right to explore and evaluate the Kallak Project for its mineral bearing potential.
- During the Evaluation Phase WAG shall have sole responsibility for funding and completing a drilling programme comprising up to 25 holes of not less than 100 metres each in depth, provided that WAG may revise the drilling based upon results during the Evaluation Phase, a magnetic survey and a programme of metallurgical testwork.
- Upon completion of the drilling programme, magnetic survey and metallurgical testwork within the Evaluation Phase, the Company shall become vested with a 50% economic interest in the Kallak Project.

- The Company may withdraw from this Agreement at any time during the Evaluation Phase.
- The Parties will enter into a formal agreement within 60 days.

### **Mining in Sweden**

Sweden has a very rich mining history which has been of great economic importance to the country.

Sweden is by far the largest iron ore (mostly magnetite) producer in the EU, and it is also among the leading producers of base and precious metals.

Today, exploration is carried out by large and small Swedish and foreign exploration companies. As a result of exploration activities in the last few years, two new non-ferrous mines have come into operation and a new gold mine will start production this year. During the same period, the quantity of profitable ores in existing mines has been increased by effective and successful exploration in the vicinity of these mines.

The many benefits of operating in Sweden include well developed infrastructure, a highly skilled mining and exploration workforce, extremely low sovereign risk and a very strong mining culture built up over many decades.

### **New Opportunity**

The opportunity to invest in the Ruotevare and Kallak Projects allows the Company to commit specific funding to an exploration program in the mineral exploration industry. The Company is continuing its broadcasting business and has not made a decision to change the nature of its existing business and that decision will only be made if the Board considers this to be in the interests of all shareholders. At that time shareholders will be asked to consider and, if thought fit, ratify this proposal.

In the event that the exploration program provides encouraging results and requires further expenditure, the Board will consider that expenditure at that time.

It may be that at this time the activities of the Company will be sufficient to change the nature and/or scale of its operations. ASX has advised it may require full re-compliance with Chapters 1 and 2 of the ASX Listing Rules in the event the Company applies additional funding to the mineral exploration projects, acquires additional projects or raises additional funds in connection with the above. The Board will ensure that the Company and its shareholders have sufficient information to enable such a decision to be made.

Yours faithfully  
**WAG Limited**



**Patrick Burke**  
**Director**

### *Competent Persons Statement*

*The information in this report which relates to Exploration Results, Mineral Resources or Ore Reserves is based on information compiled by Mr Allen J Maynard, who is a Corporate Member of the Australasian Institute of Mining and Metallurgy, a Member of the Australian Institute of Geoscientists and independent consultant to the Company. Mr Maynard is principal of AI Maynard & Associates and has over 25 years of exploration and mining experience in a variety of mineral deposit styles including iron ore mineralisation. Mr Maynard has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the "Australasian Code for reporting of Exploration Results, Mineral Resources and Ore Reserves". Mr Maynard consents to inclusion in the report of the matters based on his information in the form and context in which it appears.*