

ASX and Media Release

Exploration for potash deposits in South Australia

WPG Resources Ltd (ASX:WPG) has commenced exploration for potash in south western South Australia.

Potash deposits have been known to occur in the Lake Ifould – Lake Pidinga area of south western South Australia since at least 1948. The potash is associated with the mineral alunite, which is widely recognised as a common source of potash. Potash is a valuable fertiliser commodity, and is likely to become more so as the World puts more emphasis on food security.

Alunite is also sometimes associated with epithermal gold deposits.

The alunite deposits occur in the pallid zone of kaolinitic clays that overly deeply weathered Precambrian granite and gneiss and are exposed in the lower levels of cliffs that fringe some of the salt lakes and lagoons in the area.

The key area for WPG's initial exploration lies on EL 4631 which is some 250 kilometres north west of Ceduna. EL 4631 and the neighbouring EL 4671 have been transferred to WPG's 100% owned subsidiary Southern Potash Pty Ltd.

The South Australian Mines Department has drilled a number of shallow holes in an area known as Lake C and this work outlined a body of alunitic clay at least 700 metres long by 150 metres wide. The mineralised zone is about 3 metres thick and lies within a few metres of the surface. The mineralised zone is open to the south and east. These holes returned intersections averaging 7.24% potash. Other holes drilled away from Lake C also returned potentially ore grade intersections.

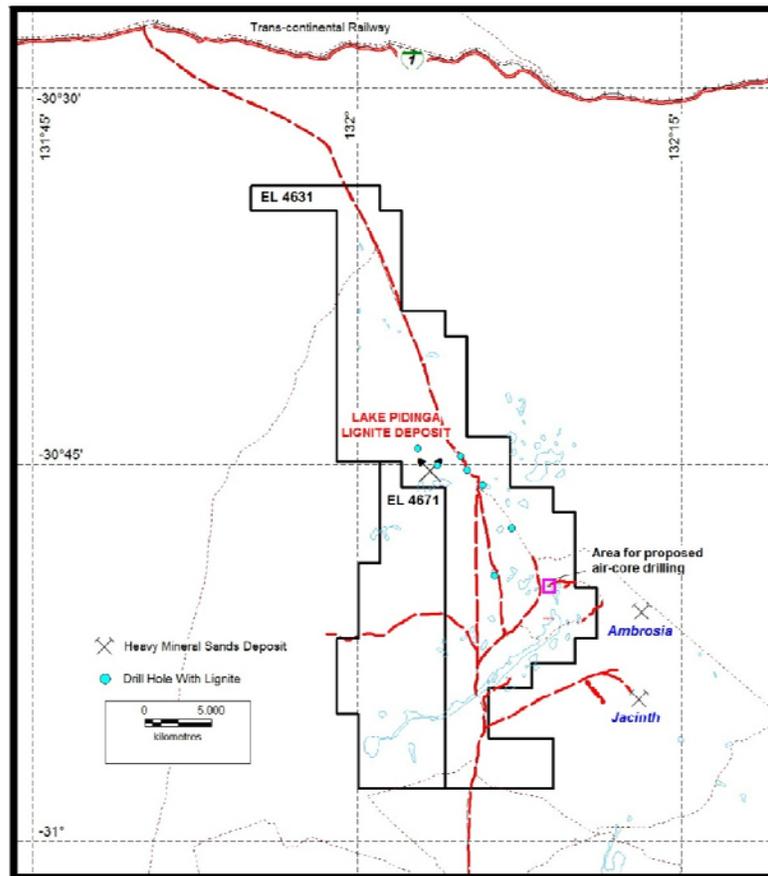
A reconnaissance field trip to this area was carried out by three senior WPG management personnel during November 2011. Following this trip, WPG considers the Pidinga area has the potential to host a significant potash deposit and has planned a modest program of shallow air-core drilling as an initial follow up of the Mines Department discovery. On-going exploration will also examine the epithermal gold potential of the project area.

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The project area is about 50 kilometres from the Ooldea siding on the Transcontinental Railway, and so there is direct rail access to WPG's port facility at Port Pirie. The key part of the tenement is less than 10 kilometres from the Ambrosia heavy mineral sand mines from which product is trucked 250 kilometres to Port Thevenard at Ceduna. Accordingly, there is a range of logistics alternatives available for transporting product. Its location is shown in the drawing below.



Draft Declaration of Environmental Factors (“DEF”) and Exploration Work Authority (“EWA”) documents have been lodged and negotiations regarding access have commenced with traditional owners and native title claimant groups.

Subject to the completion of all access requirements and the availability of a suitable drilling contractor, WPG plans to commence this drilling program during the next few months.

Competent Person

The review of exploration activities and results contained in this report are based on information compiled by Mr Gary Jones, a Member of the Australasian Institute of Mining and Metallurgy. He is Technical Director of WPG Resources Limited and a full time employee of Geonz Associates Limited. He has sufficient experience which is relevant to the style of mineralisation and types of deposits under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the December 2004 edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (the JORC Code). Gary Jones has consented in writing to the inclusion in this report of the matters based on his information in the form and context in which it appears.

Further Information

For further information please contact WPG's Executive Chairman Bob Duffin, on (02) 9247 3232 or 0412 234 684.