



ASX and Media Release

Mining Lease Application submitted for the Tunkillia gold project

A Mining Lease Application (MLA) for the development of the Tunkillia gold project in South Australia, which is under acquisition option to WPG Resources (ASX: WPG), has been lodged with the SA Department for Manufacturing, Innovation, Trade, Resources and Energy (DIMITRE).

WPG Resources announced on 3 April 2014 that it has entered into a binding term sheet with Mungana Goldmines Limited (ASX:MUX) for the option to purchase Mungana's Tarcoola and Tunkillia gold projects which are located around 450 kilometres north-west of Port Augusta in South Australia.

Feasibility and scoping studies have been carried out by Tunkillia Gold Pty Ltd on the projects during the past two years which have resulted in the identification at Tunkillia of a total resource estimate of 26.3 million tonnes averaging 1.04g/t Au containing 878,000 ounces of gold and 2.5 million ounces of silver at the 100% level. The details of this estimate are set out in WPG's 3 April 2014 ASX announcement.

The mineral resource estimate is extracted from the report entitled "September 2012 Quarterly Report" dated 29 October 2012 and is available to view at www.munganagoldmines.com.au. The information pertaining to the Tunkillia gold project resource estimate was prepared and first disclosed by Mungana under the JORC Code 2004. It has not been updated since to comply with the JORC Code 2012 on the basis that the information has not materially changed since it was last reported.

Mungana has lodged the MLA with DIMITRE in relation to the Tunkillia project which is the larger and more advanced of the two projects being acquired, as the next step in the regulatory process of continuing to move the projects forward from the exploration stage to potential mining projects.

WPG Executive Chairman Bob Duffin today said that this was a significant step for the Tunkillia project and provided further assurance to the WPG assessment team of the advanced status of the project and its potential.

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“The MLA includes all required baseline environmental, social and heritage studies which have been carried out by a highly qualified team of well-recognised independent consultants, some of which worked on the feasibility study for our Peculiar Knob iron ore project a few years ago,” he said.

WPG’s strategic move back into gold will come through the purchase of all of the issued capital of Mungana’s 100% owned subsidiary Tunkillia Gold Pty Ltd, which holds Mungana’s interests in the Tunkillia gold project (Mungana around 72%, Helix Resources Ltd (ASX: HLX) around 28%) and the Tarcoola gold project (100%).

Under the binding Term Sheet with Mungana, there was a period of up to 4 weeks for WPG to undertake further due diligence on Tunkillia Gold Pty Ltd and the Tarcoola and Tunkillia gold projects, before completing the acquisition.

Mr Duffin said that lodgement of the MLA came at the same time as WPG’s assessment team was continuing this due diligence which has included meeting with the regulators in Adelaide and carrying out field visits to the two gold projects.

“As I said previously they fit neatly in our sweet spot – existing resources with additional exploration potential, where value can be added by our management team through further exploration aimed at extending the resource base, obtaining all necessary approvals for project development, the completion of bankable feasibility studies, and eventually the arranging of project development capital”, Mr Duffin confirmed.

Further Information

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