

ASX and Media Release

Commencement of Phase 2 drilling program at SA targets

WPG Resources Ltd (ASX:WPG) has commenced a program of aircore drilling on its tenements in the Northern Gawler Craton region near Coober Pedy in South Australia.

This is the first stage of a drilling campaign on priority targets in the Company's Phase 2 exploration program on the tenements.

The Gawler Craton is host to several large producing mines and emerging mineral deposits including Olympic Dam, Prominent Hill, Challenger, Carrapateena and Hillside. Several important iron ore deposits also occur in the Northern Gawler including Cairn Hill, Giffen Well and Snaefell together with the Peculiar Knob and Hawks Nest deposits that were sold by WPG in 2011 for approximately \$320 million.

The Company is the holder of five exploration licences that cover some of the most prospective ground in the region shown in Figure 1.

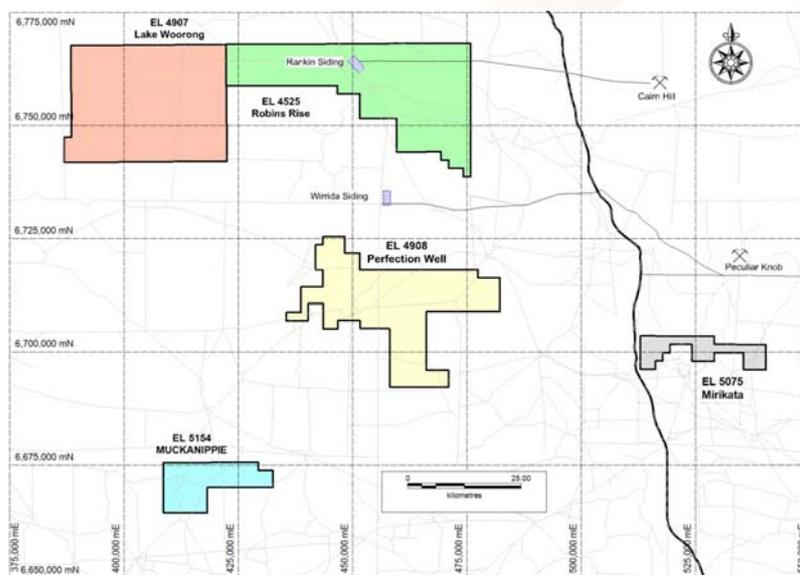


Figure 1. WPG Northern Gawler Exploration Tenements

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ABN 51 109 426 502

Level 9, Kyle House
27-31 Macquarie Place
Sydney NSW 2000

Telephone (+612) 9251 1044
Facsimile (+612) 9247 3434
info@wpgresources.com.au
www.wpgresources.com.au

These tenements cover a combined area of 2,629 square kilometres and are considered to have excellent potential for the discovery of several types of mineral occurrences including iron oxide copper gold (IOCG), massive sulphide copper-gold-nickel, DSO haematite, banded iron formation (BIF) and gneiss hosted magnetite iron ore deposits.

During Phase 1 of its exploration program completed in 2013, WPG defined 14 areas for follow-up exploration within the Muckanippie (EL 5154), Robins Rise (EL 4525) and Lake Woorong (EL 4907) tenements from an in-depth review of past exploration. Detailed ground magnetic surveys were carried out over each of these prospects following heritage clearances and results have been used to define priority targets for follow-up drilling.

The drilling program has commenced on the Nardoo South prospect within the Muckanippie tenement where previous shallow RAB drilling returned significant nickel intersections in several holes up to a maximum of 0.14% Ni. Significant iron intersections were also recorded from the previous RAB drilling at Nardoo South including 15m at 44.8% Fe. The geochemically anomalous zone occurs in an area of coincident magnetic and electromagnetic anomalies that are located on the western margin of the large prospective Malbooma Anorthosite Complex.

Elsewhere within the Muckanippie EL, magnetic anomalies at the Duke and Regal prospects will also receive follow-up first-pass drilling.

Three of the highest priority targets within the Lake Woorong and Robins Rise tenements have also been selected for drilling as part of the current program. These anomalies are situated on the Coober Pedy Ridge, a geological domain that is considered to be highly prospective for the discovery of DSO haematite deposits by WPG and others. The Company is using its comprehensive in-house knowledge of the ore controls of the Peculiar Knob DSO iron deposit as a target model.

The exploration activities in the Northern Gawler Craton set out above complement the Company's renewed interest in gold, and the Tunkillia and Tarcoola gold deposits to the south which are subject to an acquisition option agreement.

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 Ltd 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 2012 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.