

ASX and Media Release

Quarterly activities report March quarter 2014

HIGHLIGHTS

- ❖ **Acquisition:** WPG has taken a strong position in the gold sector with the potential acquisition of two strategic projects at Tunkillia and Tarcoola in the Gawler Craton in SA
- ❖ Feasibility and scoping studies carried out by Tunkillia Gold Pty Ltd on the projects during the past two years identified at Tunkillia 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
- ❖ A Mining Lease Application (MLA) for the development of the Tunkillia gold project has been lodged with the SA Department for Manufacturing, Innovation, Trade, Resources and Energy (DMITRE)
- ❖ **Exploration:** Phase 2 drilling program has commenced on nickel sulphide and DSO haematite targets in SA tenements
- ❖ **New Projects Review:** WPG is continuing its intensive review activity across a wide range of commodities and mining sectors both in Australia and overseas, taking advantage of the depth of in-house skills and experience
- ❖ In addition to WPG's return to the gold sector with the South Australian projects, the company also now places zinc and copper together with gold at the top of WPG's list of favoured commodities and opportunity focus
- ❖ **Corporate:** WPG sustains strong financial position: Cash at bank at 31 March \$8.2 million, representing cash backing of 3.1 cents per share

30 April 2014



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

ACQUISITION

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 Tunkillia and Tarcoola gold projects which are located around 450 kilometres north-west of Port Augusta in South Australia.

Mungana's largest shareholder is Mungana Pty Ltd (In Liquidation), a 100% owned subsidiary of Kagara Ltd (In Liquidation) which holds approximately 59% of Mungana's voting shares.

WPG's 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. The agreement allows for four weeks of due diligence and an extension has been granted for an additional two weeks at WPG's request. The locations of the two projects are shown on the map below.



Location map of Tunkillia and Tarcoola gold projects

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 studies also resulted in the identification at Tarcoola of a total resource estimate of 973,000 tonnes averaging 3.12g/t Au containing 97,540 ounces of gold. The details of this estimate also are set out in WPG's 3 April 2014 ASX announcement.

These mineral resource estimates are extracted from the report entitled "September 2012 Quarterly Report" dated 29 October 2012 which is available to view at www.munganagoldmines.com.au. The information pertaining to the Tunkillia and Tarcoola gold projects resource estimates were prepared and first disclosed by Mungana under the JORC Code 2004. They have 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.

Studies suggest the deposits can be mined by conventional open pit operations and technical work to date indicates both deposits are amenable to CIL/CIP processing.

In excess of \$20 million has been spent by other parties in exploration and permitting activities to this stage.

MINING LEASE APPLICATION (MLA)

On 23 April 2014 a Mining Lease Application (MLA) for the development of the Tunkillia gold project, which is the larger and more advanced of the two projects being acquired, was lodged with DMITRE.

Mungana lodged the MLA as the next step in the regulatory process of continuing to move the projects forward from the exploration stage to potential mining projects.

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.

TERMS OF ACQUISITION

WPG's up-front acquisition price is approximately \$2.40 per attributable ounce of gold, payable largely in cash and partly in WPG shares.

Details of the Terms of Acquisition can be viewed in WPG Resources announcement on 3 April 2014.

SOUTH AUSTRALIAN PROJECT ASSETS

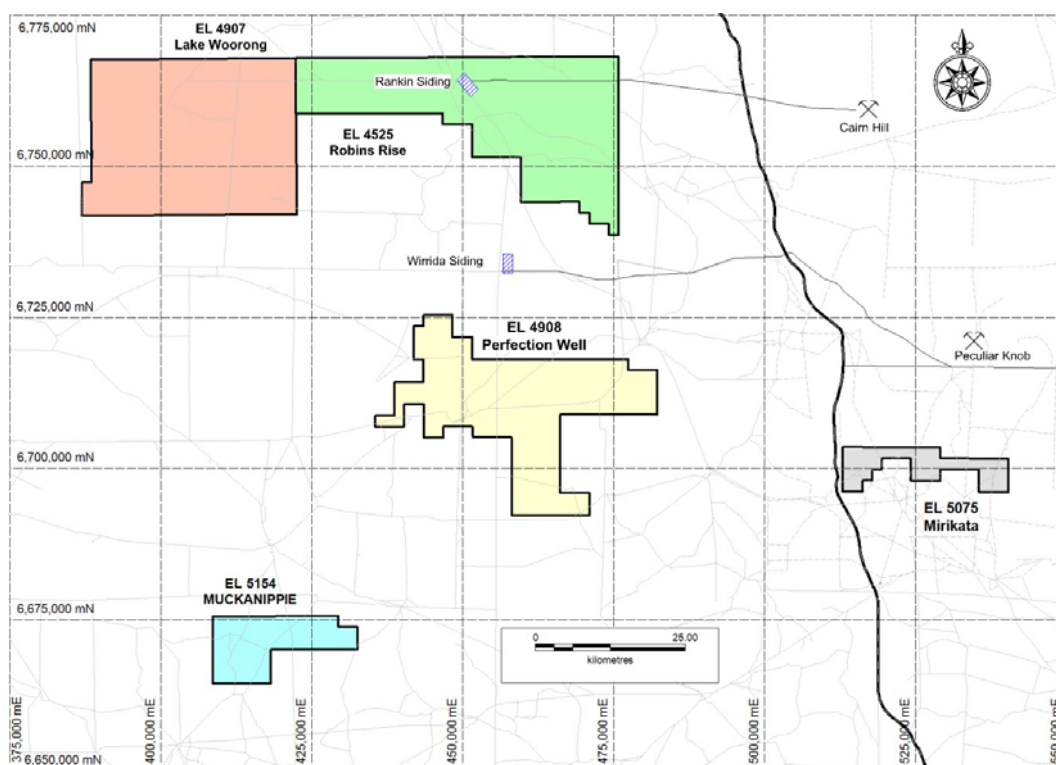
EXPLORATION

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. These tenements shown on the figure below 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.



WPG Northern Gawler Exploration Tenements

During 2013 WPG in Phase 1 of its exploration program 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 values 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.

Other Projects – Lochiel North, Perfection Well and Mirikata

No exploration work was undertaken on these project areas during the quarter.

NEW PROJECTS REVIEW

During the Quarter WPG has continued its comprehensive review of mining investment opportunities.

The scope of opportunities being reviewed covers a wide range of commodities and mining sectors both in Australia and overseas. The WPG team has the experience in many overseas jurisdictions and across a wide range of commodities and mining to embrace such potentials.

This has enabled the company to both set benchmarks high in its approach to seeking new opportunities and also to implement an exhaustive appraisal program over a wide range of projects and commodities

The emphasis is on advanced stage exploration to PFS/BFS stage assets, where WPG can add value by completing permitting and de-risking projects prior commercial development decisions.

This program is still continuing. In addition to the return to the gold sector with these South Australian projects, WPG also now places zinc and copper together with gold at the top of its list of favoured commodities and opportunity focus.

CORPORATE

As at 31 March 2014 the Company had cash at bank of \$8.2 million, representing cash backing of 3.1 cents per share. This ensures WPG continues to be well placed to pursue further acquisition opportunities.

Further Information

For further information please contact WPG's Executive Chairman, Bob Duffin on (02) 9247 3232 or Managing Director & CEO, Martin Jacobsen on (02) 9251 1044.