

# ASX and Media Release

## WPG signs SPA to acquire strategic gold projects in South Australia

WPG Resources (ASX:WPG) has signed the Sale and Purchase Agreement (SPA) with Mungana Goldmines Limited (ASX: MUX) to acquire Tunkillia Gold Pty Ltd and its interests in the Tunkillia and Tarcoola gold projects in South Australia – and is pleased to announce it will proceed to completion by the end of this month assuming satisfaction of all conditions precedent.

Under the Sale and Purchase Agreement WPG will purchase all of the issued capital of Tunkillia Gold Pty Ltd which is Mungana's 100% owned subsidiary and holds Mungana's interests in Tunkillia (Mungana around 70%, Helix Resources Ltd (ASX: HLX) around 30%) and Tarcoola (100%).

### KEY TERMS OF THE TRANSACTION

WPG has already paid a deposit of \$150,000.

Under the SPA:

- WPG will pay Mungana upon completion of the sale of the Subsidiary; a further \$1.35 million in cash and 7.5 million fully paid ordinary shares in WPG (which will be subject to voluntary escrow for 12 months);
- As a result of acquiring the Subsidiary, WPG will guarantee some historical obligations linked to the Tarcoola gold project; and
- WPG will pay Mungana a net smelter return royalty for attributable gold and silver produced from the Mineral Claim (MC 4347) area within the Tunkillia gold project based on the following sliding scale:

• Gold Price per ounce	< US\$1,750	1.00% NSR
• Gold Price per ounce	US\$1,750 to US\$2,000	1.25% NSR
• Gold Price per ounce	US\$2,000 or higher	1.50% NSR

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- WPG will pay additional consideration of up to \$1 million in a number of stages, upon the achievement of certain milestones, as follows:

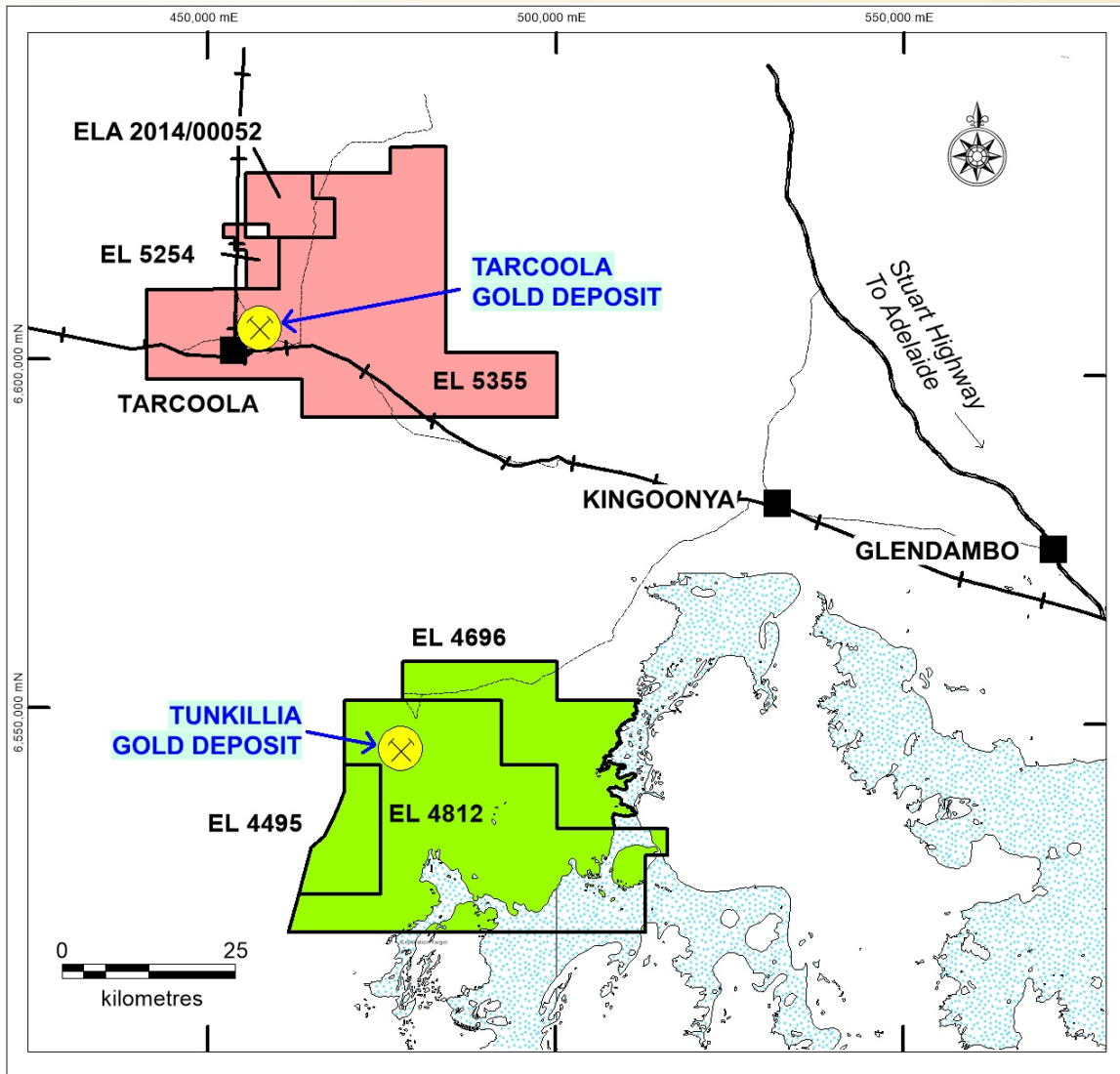
Amount	Trigger Event
\$250,000 (in cash or WPG shares, at WPG's election)	The date on which there is established pursuant to the JORC Code a probable ore reserve of 100,000oz or more of gold within the Exclusive Area (Tarcoola) in addition to the JORC compliant resource identified within the Exclusive Area at the Commencement Date
\$250,000 (in cash)	The earlier of the commencement of mine construction and mining operations in any part of the Exclusive Area.
\$500,000 (in cash or WPG shares, at WPG's election)	The earlier of the commencement of mine construction and mining operations on MC 4347 (Tunkillia) or the area of any tenement succeeding or replacing MC 4347 which overlaps MC 4347.

## THE 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.

In addition, a Mining Lease Application (MLA) in relation to the Tunkillia project, which is the larger and more advanced of the two projects, was lodged with DMITRE by Mungana on 23 April, continuing the process of moving the projects forward from the exploration stage to potential mining projects.

The locations of the two projects are shown on the map overleaf.



## 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.