



# ASX and Media Release

## Chairman's letter to shareholders

### Tunkillia and Tarcoola Gold Projects, South Australia

Dear Shareholder

It is with great pleasure that I confirm to you that WPG is now moving forward into an exciting phase following the successful acquisition in late May of our new 100% owned subsidiary Tunkillia Gold Pty Ltd (TGPL) and its interests in two gold projects in South Australia.

Today we have released an Investor Presentation to the ASX on these gold projects Tunkillia (TGPL approximately 70%) and Tarcoola (TGPL 100%). This Investor Presentation is available on our company website.

I see significant similarities between these opportunities and our former iron ore projects in South Australia.

WPG bought the Peculiar Knob and Hawks Nest projects in 2006 for \$4 million and sold them five years later for \$320 million. During those five years we increased the resource tonnage at Peculiar Knob by 50% through exploration, and discovered a new orebody at Hawks Nest that we called Tui. We solved the infrastructure and permitting issues and benefited from the rising iron ore price, which we predicted at the time. Peculiar Knob would not have been economically viable had we not grown the tonnage and if the iron ore price had not risen, and that's why a number of companies walked away from it before we came along.

So far as Tunkillia and Tarcoola are concerned, we will carry out further exploration with the objective of increasing the resource tonnage and grade, review process and infrastructure optimisation, and seek to exploit synergies between the two deposits. Also, we have taken a positive view on the medium term outlook for the gold price. Those areas are where we see similarities between our 2006 iron ore and 2014 gold strategies.

Tunkillia and Tarcoola have the additional advantage of being further advanced projects than our iron ore projects were at the stage we acquired them. Importantly, they are in the historically endowed gold areas of the Gawler Craton and have substantial exploration potential.

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Also, these projects fit well with the Company's experience of working within South Australia's mining regime and our well-established working relationships with all the relevant regulatory Departments.

WPG has acquired TGPL for an up-front consideration of a little under \$2.50 per ounce of gold in resource. This multiplier is low – many recent transactions for undeveloped gold projects have been reported recently where the multiplier exceeds \$20 per ounce. The multiplier is also low when compared with industry benchmarks for the cost of finding new deposits through exploration.

Our commitment now is to take these new gold projects forward and fully enhance their potential. Our Executive Team already has a strong understanding of the projects through the exhaustive due diligence it has carried out on TGPL and the gold projects – particularly during the last three months prior to the full acquisition.

Their enthusiasm which has continued unabated during the search for a substantial new project is now focussed on preparing work programs and budgets for Tunkillia and Tarcoola with the aim of commencing fieldwork later this year.

Our partner in Tunkillia is Helix Resources Limited (ASX: HLX around 30%) and we look forward to working with them in progressing the project and “cracking” the Tunkillia nut to create wealth for all shareholders.

The acquisition of these two projects marks the turning point of WPG's metamorphosis from an iron ore company to a company now focussed on gold. As shareholders are well aware, our search for new acquisitions has been extensive over a period of many months. We have been proactive in seeking out opportunities and also in appraising offers that come through our doors. We set high benchmarks for our acquisition criteria.

Your patience and strong support which has continued during this period has been invaluable in sustaining our effort. We now look forward to sharing with you what we believe will be an exciting future with our gold projects.

Yours sincerely



Bob Duffin

We have implemented a process by which Larissa Brown, our Company Secretary, advises shareholders that a new announcement has been made, shortly after the announcement is released by the ASX. If you are not already on Larissa's list and would like to be, please contact her on [larissabrown@wpgresources.com.au](mailto:larissabrown@wpgresources.com.au).

## 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.*