

# ASX and Media Release

## WPG puts Tarcoola on fast track to development targeting production in 18 months

WPG Resources (ASX:WPG) announced today that it will fast track development of a gold project it acquired just two months ago, with the objective of commencing operations late next year.

The Company said that a review of data since the acquisition had confirmed that its 100% owned Tarcoola gold project in the Gawler Craton of South Australia could be successfully developed into a mining operation producing approximately 20,000oz of gold per year.

Mining would be a conventional open pit operation with associated heap leach processing. Initial mine life would be four to five years.

The announcement comes less than three years since WPG sold its South Australian iron ore project, Peculiar Knob, for \$320 million with strong returns to shareholders.

WPG moved into gold when it completed acquisition of its two new South Australian gold projects – Tarcoola and Tunkillia – in May of this year.

In excess of \$20 million has been spent by other parties on exploration, resource definition drilling, and permitting at the Tarcoola and Tunkillia projects. This work includes feasibility and scoping studies at Tarcoola, where a total resource estimated to be 973,000 tonnes averaging 3.12 g/t Au containing 97,000oz Au has been identified in the two main deposits – Perseverance and Last Resource (see the Appendix for further details). Another known prospect at Tarcoola, Wondergraph, provides additional upside potential.

A total of 628 drill holes for 53,191 metres have been used in the Tarcoola resource estimate. This includes 29 diamond drill holes for 4,240 metres, 20 RCD holes for 4,220 metres, 534 RC holes for 42,590 metres and 45 percussion holes for 2,140 metres.

WPG will commence its fast track program with a metallurgical drilling program as soon as regulatory approval has been obtained.

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WPG's timeline objectives include:

- Q4 2014: Completion of metallurgical studies; lodging of mining lease application.
- Q4 2014 and Q1 2015: Initial open pit design, heap leach study, completion of scoping study
- Q2 2015: MLA approval, PEPR approval.
- Q3 2015: Contracts for establishment of open pit mining operation, heap leach processing and associated infrastructure.
- Q4 2015: Commence operations.

WPG Executive Chairman Bob Duffin today said:

“Our detailed review of the comprehensive data already available on this project has confirmed our confidence in the project's pedigree and we believe a mining operation can be successfully and quickly developed at Tarcoola which is technically feasible and economically viable at the current gold price.

“This has prompted us to take the decision to fast track development at Tarcoola and achieve early cashflow from the project.

“In effect, it will mean that within four years of the successful outcome of the sale of our iron ore project we would have:

- Carried out an extensive search for new projects and completed detailed assessments of more than 50 project opportunities
- Identified and acquired a project which fits our skill sets and our requirement that any project acquired would be sufficiently advanced for early production potential
- Acquired the project under favourable terms
- Progressed the project through the permitting and other stages that will lead to the decision to commence mining operations.

“Absent any new investment initiatives not yet contemplated, WPG is sufficiently well funded to complete all of the activities needed to reach the decision to mine without the need to raise additional capital”, he said.

“The project's capex and opex are both expected to be low. At 20,000 ounces of gold per year the mine will have a modest beginning but there is considerable growth potential through further exploration and as we identify synergies between Tarcoola and our adjacent gold project, Tunkillia.

“The rapid development time-frame gives our team a sharp focus and renewed vigour as we again enhance and bring to fruition a new project with cashflow value for our shareholders.”

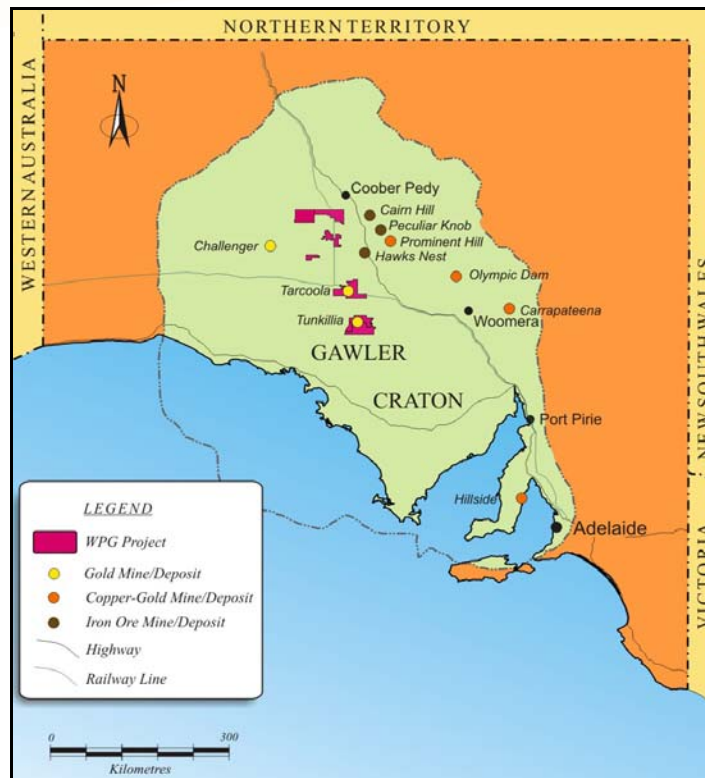


Figure 1. Location map of WPG tenements including Tunkillia and Tarcoola gold projects

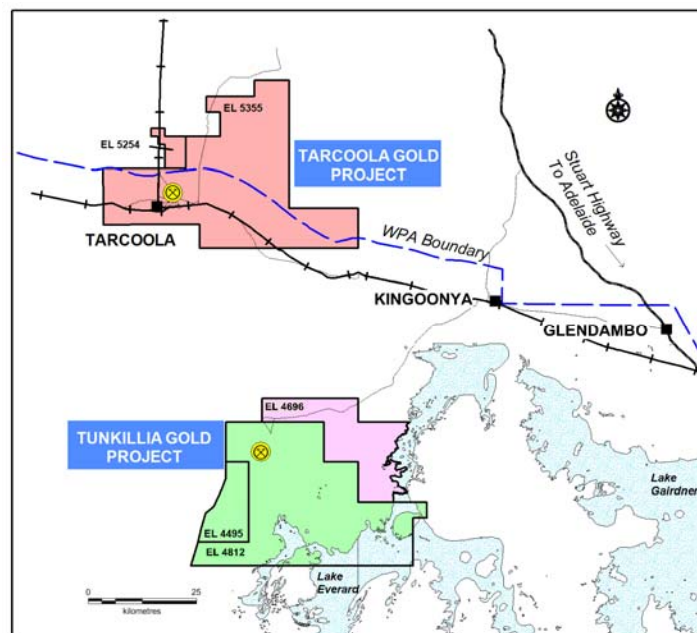


Figure 2. Tarcoola and Tunkillia gold projects

## 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.

## Appendix

### Tarcoola resource estimate – WPG 3 April 2014 announcement

The Tarcoola gold project – The resource estimate is as follows:

Category	Thousand Tonnes	Gold g/t	Gold 000 oz
Measured	-	-	-
Indicated	919	3.14	92.68
Inferred	55	2.77	4.86
<b>Total</b>	<b>973</b>	<b>3.12</b>	<b>97.54</b>

The information in the above table is extracted from the report by Mungana Goldmines Limited (ASX:MUX) entitled “December 2012 Quarterly Report” released on 24 January 2013 and is available to view on [www.asx.com.au](http://www.asx.com.au). The information pertaining to the Tarcoola 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.

WPG confirms that it is not aware of any new information or data that materially affects the information included in the original market announcements as indicated above and confirms that to the best of its knowledge and belief all material assumptions and technical parameters underpinning the estimates in the relevant market announcement continue to apply and have not materially changed.

WPG confirms that the form and context in which the Competent Person's findings are presented have not been materially modified from the original market announcements.