



ASX and Media Release

Quarterly activities report September quarter 2014

HIGHLIGHTS

Tarcoola gold project (WPG 100%)

- ❖ Focus on fast tracking development of Tarcoola gold project with production scheduled at the end of 2015
- ❖ Drilling operations underway to obtain metallurgical samples
- ❖ Spring Fauna and Flora survey completed and report due November 2014
- ❖ MLA documentation for Tarcoola well advanced and being progressed in consultation with DSD
- ❖ Program of stakeholder meetings including Native Title Holders has begun

Tunkillia gold project (WPG 70%)

- ❖ Efforts directed towards defining higher grade but lower tonnage pockets for potential cashflow development prior to development of the larger deposit itself

Corporate

- ❖ Preliminary discussions held with potential project financiers
- ❖ WPG to divest Port Pirie land asset
- ❖ Strong financial position maintained. Cash at bank at 30 September \$4.5 million

31 October 2014



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SOUTH AUSTRALIAN GOLD PROJECTS

TARCOOLA

WPG's focus is on the Tarcoola gold project located in South Australia's Gawler Craton. The project has the potential to be developed in a short time frame, at the current gold price, and with modest capital expenditure that will not lead to large shareholder dilution at the funding stage.

The Company is targeting construction of a mining operation to commence late in calendar 2015. The feasibility study is well advanced and the approvals and permitting phases have commenced.

Data review and verification

Previous feasibility and scoping studies at Tarcoola identified a total resource estimate of 973,000 tonnes averaging 3.12 g/t Au containing 97,000oz Au.

Intensive review and verification of data has confirmed Tarcoola could be successfully developed into a conventional open pit mining operation with associated heap leach processing, producing approximately 20,000oz of gold per year with initial mine life expected to be four to five years.

Fauna and Flora survey

A spring Fauna and Flora survey took place in early September 2014. Monitoring was undertaken at a number of sites over one week and no species of conservation significance were detected. The report detailing results of this survey should be completed in November 2014 and will be incorporated into the Mining Lease Application (MLA).

Metallurgical drilling program

In its ASX release of 28 October 2014 WPG announced the start of its metallurgical program at the project site.

This follows regulatory approval of an ePEPR (Exploration Program for Environment Protection and Rehabilitation) by the South Australian Department of State Development (DSD) for the undertaking of drilling operations to obtain metallurgical samples.

The program will enable the Company to conduct research and development on heap leaching methodologies to develop and optimise heap leach metallurgical and process design flow sheets for the project. The work will lead to detailed design of crushing, conveying and stacking options, design of leach pads and ponds as well as feasibility level capital and operating cost estimates for detailed evaluation of the project's economics.

Concurrent with the metallurgical sampling program whose schedule was delayed slightly awaiting rig availability, water samples from the proposed water sources will be collected for use in the metallurgical testwork.

Plant design

WPG's metallurgical consultants have visited the site for an infrastructure review including identification of location options for heap leach pads and materials handling plant and equipment.

Mineral Claim

Preparation for the pegging and lodgement of a Mineral Claim (MC) over the Tarcoola project area in the December 2014 quarter is well advanced. The proposed MC area will provide for a mining camp as well as water infrastructure.

MLA

The MLA documentation is well advanced and is being progressed in consultation with DSD for submission after the grant of the MC. DSD has also carried out a site visit as part of the consultancy process on the planned development schedule.

Stakeholder consultation

A program of stakeholder consultation meetings including Native Title Holders has begun with the first meetings held in late October 2014.

TUNKILLIA

Tunkillia is a much larger deposit than Tarcoola but it is lower grade. WPG's efforts there are being directed towards defining higher grade but lower tonnage pockets within the existing deposit that may provide an opportunity to generate a cashflow prior to the development of the larger deposit itself.

WPG is also looking at the potential for the discovery of new deposits at Tunkillia.

Previous feasibility and scoping studies undertaken at Tunkillia identified a total resource estimate of 26.3 million tonnes averaging 1.04 g/t Au containing 878,000 ounces of gold and 2.5 million ounces of silver. These studies have contemplated a medium size open pit with a six year mine life utilising conventional CIL processing.

Environmental clearance

In its ASX release of 15 August 2014 WPG confirmed that it had received Federal environmental clearance for the Tunkillia gold project. After assessing further information after a referral under the Environmental Protection and Biodiversity Conservation Act 1999 (EPBC 1999), the Department of Environment advised WPG Resources that the project does not require further assessment and approval under the EPBC Act before it can proceed.

The decision follows the implementation of three rigorous independent environmental surveys on the project carried out by EBS Ecology in May 2012, September 2012 and in March 2014.

Data review and verification

Preparatory work towards a review and verification of the mineral resource by WPG for the Tunkillia gold deposit was advanced during the quarter. A series of East-West oriented geological cross sections covering the 6,200 metres of systematically drilled strike have been compiled, constructed and digitised.

Resource outlines using a combination of geology and gold assay values were manually defined for each section and also digitised. Construction of wireframe models from these outlines to confirm the previous resource estimate is progressing.

Mining Lease Application

The Mining Lease Application (MLA) continues to be assessed by DSD and will soon be put out for public comment.

Exploration

Further work on the regional Tunkillia exploration targets is currently being prioritised. The potential for the discovery of new deposits at Tunkillia associated with known calcrete and other anomalies that have been insufficiently tested is being investigated. Some of these lie on a tenement owned 100% by WPG that forms part of the Tunkillia package.

OTHER SOUTH AUSTRALIAN PROJECT ASSETS

With WPG's current focus on fast tracking the Tarcoola gold project, the Company's efforts were diverted for the Quarter from its other South Australian project assets

MUCKANIPPIE, ROBINS RISE AND LAKE WOORONG

Within the Muckanippie, Robins Rise and Lake Woorong tenements in the Northern Gawler Craton region south of Coober Pedy geophysical surveys identified a number of priority targets on anomalies considered prospective for the discovery of direct shipping iron ore, gold, IOCG and nickel sulphide deposits. In June 2014 WPG completed an aircore drilling program at Muckanippie on targets that are considered to have excellent potential for the discovery of a massive sulphide nickel deposit. The Robins Rise and Lake Woorong tenements are highly prospective for IOCG and DSO haematite deposits analogous to those at Peculiar Knob and Hawks Nest that were sold by WPG in 2011.



Location map of WPG tenements

CORPORATE

PROJECT FINANCE

Preliminary discussions have been held with several potential project financiers who have approached WPG in relation to the development of the Company's gold projects. These discussions are continuing.

PORT PIRIE LAND ASSET

In its ASX release of 5 September 2014 WPG announced it no longer requires its Spencer Gulf Ports land asset in Port Pirie and is now in the process of seeking a buyer for this industrial property.

In 2011 Spencer Gulf Ports Pty Ltd (SGP), a wholly owned subsidiary of WPG, purchased the 4.5Ha vacant block of land at Port Pirie with the intention of using it as a commercial bulk shipping facility for ore storage and mineral exporting from the then developing WPG Peculiar Knob Iron Ore Mine. The site was selected due to its access to existing rail infrastructure and its proximity to the Port Pirie Wharf.

After \$5 million expenditure (excluding the purchase price) on permitting, rehabilitation and facilities, further development of the site was deferred following WPG's sale of Peculiar Knob and other tenements to OneSteel (now Arrium Limited) for \$320 million, with Whyalla chosen by the mining project's new owner as the port of export. The Port Pirie site presently is vacant and has been maintained in good condition by WPG.

NEW PROJECTS REVIEW

During the Quarter WPG continued its comprehensive review of mining investment opportunities, covering 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 potential.

FINANCIAL POSITION

As at 30 September 2014 the Company had cash at bank of \$4.5 million. 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.

Competent Person

The information in this report that relates to both the Tarcoola and Tunkillia gold projects resources estimate is based on information compiled by Mr Simon Tear a competent person who is a member of the Australasian Institute of Mining and Metallurgy. Simon Tear was a full time employee of H & S Consultants, an independent consulting company who prepared the information for Mungana Goldmines Limited. He has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the December 2004 and December 2012 editions of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (the JORC Code). He has previously consented to their inclusion in company public announcements.