



# ASX and Media Release

## Quarterly activities report December quarter 2014

### HIGHLIGHTS

#### South Australian gold projects

- ❖ WPG moves to 100% ownership of Tunkillia gold project
- ❖ Increase in flexibility and pace of development programs
- ❖ Enhances future project financing options

#### Tunkillia gold project (WPG 100%)

- ❖ Progression to 100% ownership of Tunkillia through acquisition of residual 30% interest owned by Helix Resources Limited (HLX)
- ❖ On-going Tunkillia data review to optimise development options
- ❖ Process to transfer Tunkillia tenements continued through the Quarter, with Ministerial approval granted in January 2015

#### Tarcoola gold project (WPG 100%)

- ❖ Focus on fast tracking development of Tarcoola gold project with objective of mine construction beginning at the end of 2015
- ❖ Completion of metallurgical diamond drilling program in November 2014 (with assay results received in January 2015)
- ❖ Mineral Claim for Tarcoola project submitted to Department of State Development (DSD)
- ❖ Mineral Lease Application (MLA) documentation for Tarcoola well advanced and being progressed in consultation with DSD
- ❖ Continuing program of stakeholder meetings including Native Title Holders

#### Corporate

- ❖ Continuing interest from potential project financiers
- ❖ Process of Port Pirie land asset sale continues
- ❖ Strong financial position maintained – cash at bank at 31 December \$3.48 million

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## SOUTH AUSTRALIAN GOLD PROJECTS

The location of the Company's gold projects is shown below in Figure 1.

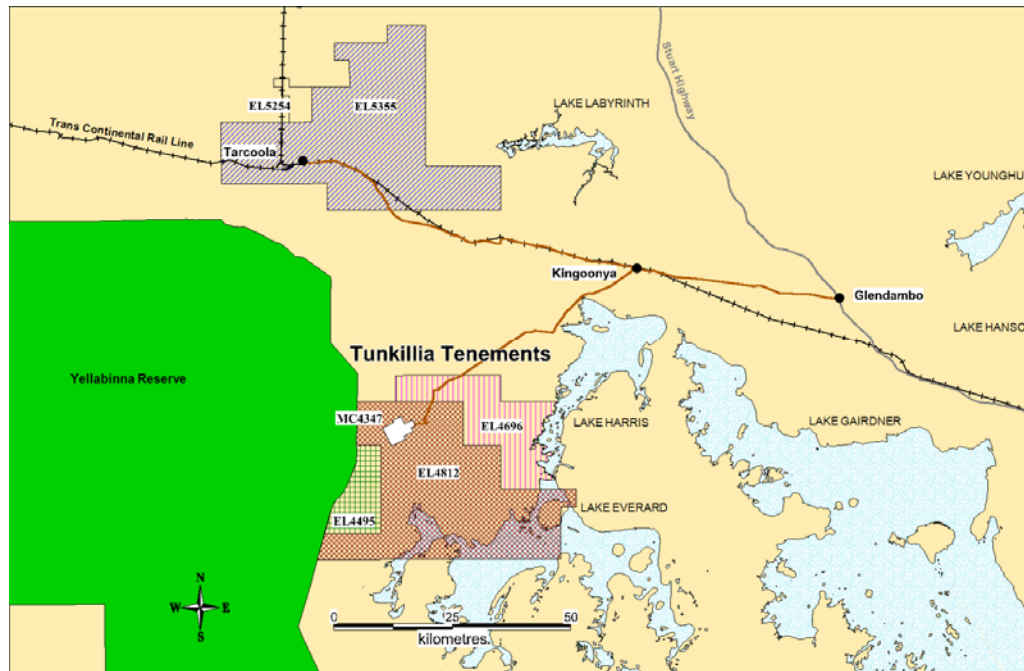


Figure 1 – Location of Tunkillia and Tarcoola Exploration Tenements

### TARCOOLA

A metallurgical drilling program commenced in October and was completed in November 2014.

The drilling program was undertaken to enable further heap leaching methodologies testwork to be conducted which will 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.

Assay results were received and subsequently reported in the Company's 14 January 2015 ASX announcement (results highlight: Drill Hole TAD 008 intersected 6.50m (true width) @ 8.77 g/t gold, including 1.70m (true width) @ 24.61 g/t gold).

During the Quarter, WPG completed a detailed review of the Tarcoola project regional exploration data. Data from a total of 27 prospects/exploration targets defined by previous explorers together with regional calcrete sampling was compiled and reviewed. Ten prospects have been recommended for follow-up exploration as a result of this study.

Development of the project continues on fast track targeting construction by the end of calendar 2015.

The location of the Tarcoola Mineral Claim application and a cross-section of the Perseverance deposit at Tarcoola are shown below.

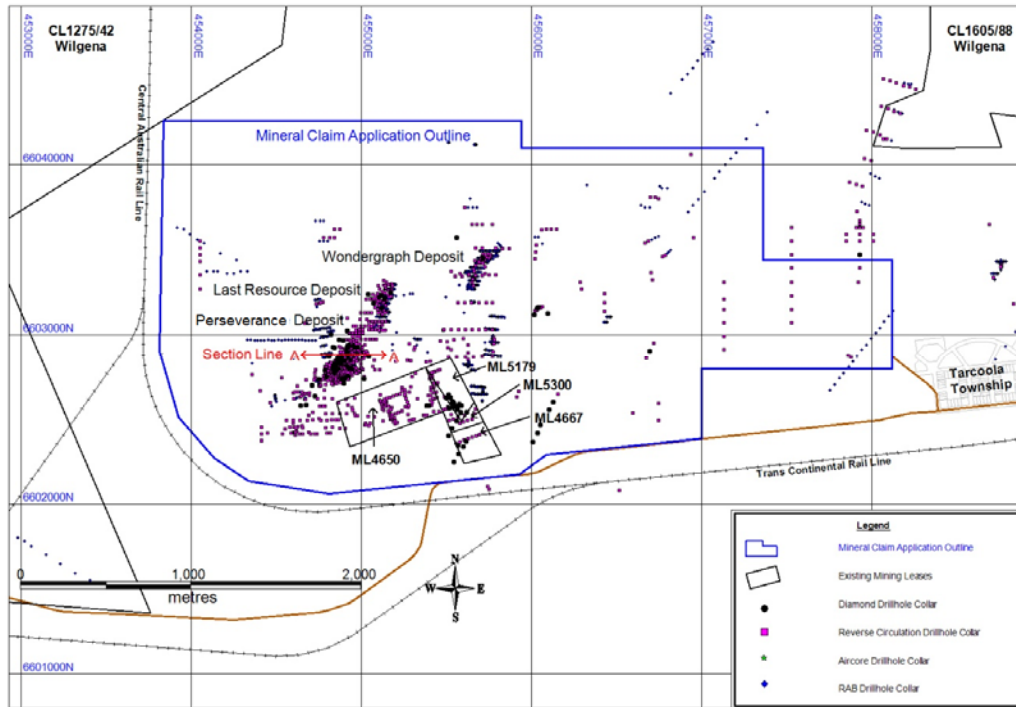


Figure 2 – Tarcoola Mineral Claim Outline

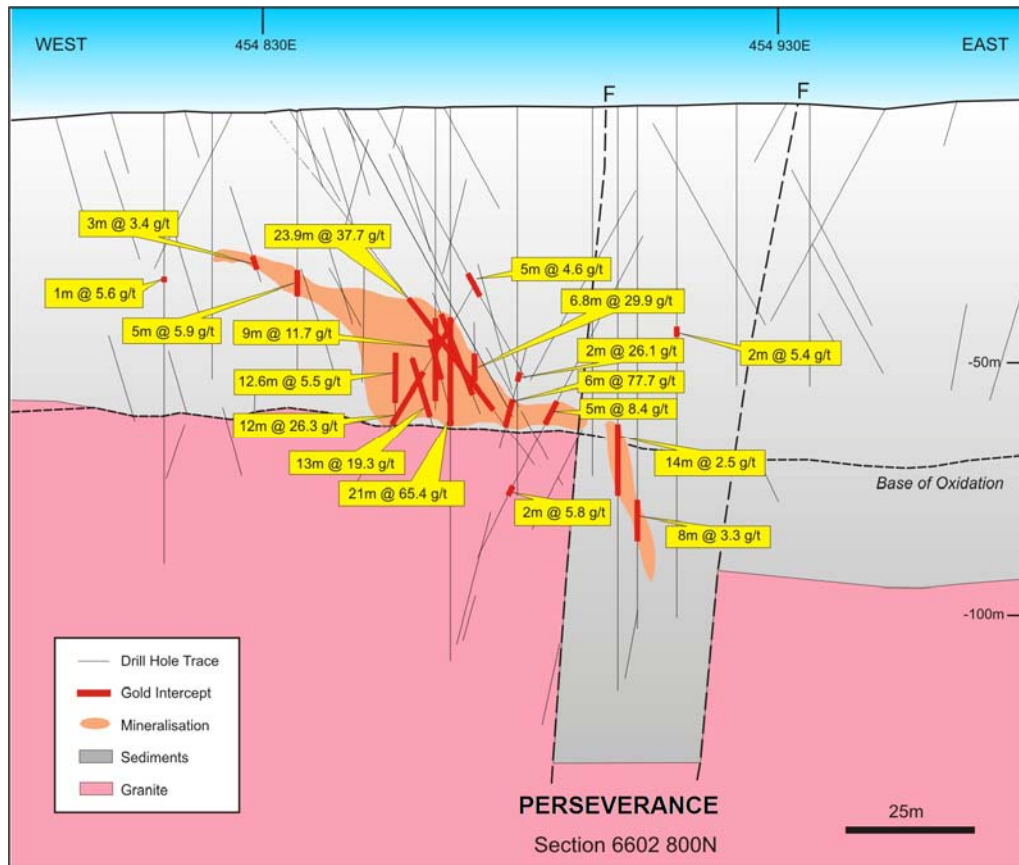


Figure 3 – Cross Section 6,602,800N ('A – A' Figure 2)

## **Plant design**

During the Quarter, WPG's metallurgical consultants conducted an infrastructure review at site, which included identification of location options for heap leach pads and materials handling plant and equipment.

## **Mineral Claim**

A Mineral Claim (MC) over the Tarcoola project area was submitted to DSD in November 2014. The proposed MC area will provide for the mine and infrastructure, including a mining camp and water infrastructure.

## **MLA**

The MLA documentation is well advanced and is being progressed in consultation with DSD for submission after 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 (the Antakirinja Matu-Yankunytjatjara People), pastoralists and South Australian Government agencies has been ongoing during the Quarter.

## **TUNKILLIA**

In its 26 November 2014 ASX release, WPG announced that it had moved to 100% ownership of the Tunkillia gold project in South Australia's Gawler Craton through the acquisition of the residual 30% interest owned by Helix Resources Limited (HLX), its then Joint Venture (JV) partner in the project. The project comprises EL 4812, EL 4495 and MC 4347.

Under the Sale and Purchase Agreement (SPA) reached with HLX, WPG now owns 100% of the Tenements previously held by HLX on behalf of the Tunkillia JV. This has set the platform for WPG to re-define the project parameters and advance a new exploration and development strategy.

Following the transaction, the Mining Lease Application (MLA) which was submitted to DSD by the previous owners in April 2014 was withdrawn, thereby allowing Tunkillia Gold Pty Ltd, a wholly owned subsidiary of WPG, to re-apply for a Mineral Claim and subsequently re-submit the MLA in its own name.

The transfer of EL 4812 and EL 4495 from HLX to Tunkillia Gold Pty Ltd continued through the Quarter with Ministerial approval for the transfer granted and subsequently announced in WPG's 22 January 2015 ASX release. The transfer of the tenements from HLX to Tunkillia Gold Pty Ltd will now be finalised upon registration of the SPA and Instrument of Transfer in the Mining Register.

## Review of data

During the Quarter, WPG completed a detailed review of the Tunkillia project regional exploration data. Data from a total of 31 prospects defined by previous explorers together with regional calcrete sampling and airborne geophysical surveys spread across the three tenements was compiled and reviewed. Thirteen prospects have been recommended for follow-up exploration as a result of this study.

WPG has also initiated an independent review of the Tunkillia resource data. The objective of this study is to estimate the resource at a range of gold cut-off grades so as to enable the Company to evaluate and determine the optimal development strategy for the project.

## OTHER SOUTH AUSTRALIAN PROJECT ASSETS

### MUCKANIPPIE, ROBINS RISE, LAKE WOORONG, PERFECTION WELL AND LOCHIEL NORTH

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

There was no substantive work undertaken on these tenements during the Quarter.



Figure 4 – Location map of WPG tenements

## **CORPORATE**

### **PROJECT FINANCE**

WPG received continuing interest from several potential project financiers who have approached the Company in relation to the development of the Tarcoola and Tunkillia gold projects. These discussions have been enhanced by the Company's move to 100% ownership of both projects.

### **PORT PIRIE LAND ASSET**

In its ASX release of 5 September 2014, WPG announced it has decided it no longer requires its Spencer Gulf Ports land asset in Port Pirie and the process for sale of this asset was initiated during the December Quarter.

### **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 31 December 2014 the Company had cash at bank of \$3.48 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 reviews of exploration activities and results contained in this report are based on information compiled by Mr Gary Jones, a Fellow of the Australasian Institute of Mining and Metallurgy. He is Technical Director of WPG Resources Ltd and a full time employee of Geonz Associates Limited. He has sufficient experience which is relevant to the style of mineralisation and types of deposits under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the December 2012 edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (the JORC Code). Gary Jones has consented in writing to the inclusion in this report of the matters based on his information in the form and context in which it appears.