

ASX and Media Release

Feasibility Study supports viability of Tarcoola gold project

WPG Resources Ltd (ASX: WPG) is pleased to announce the results of its Feasibility Study for the development of the Tarcoola gold project in South Australia.

The Feasibility Study indicates that the project is technically feasible and economically viable at current gold prices as a small to medium sized open pit gold mine with heap leach treatment of the ore for gold recovery, supported by the necessary on and off-site services and infrastructure.

Feasibility Study Highlights	
Annualised Production (Average)	20,000 ounces gold
Capital expenditure	\$16.7 million
Average All-in Sustaining Costs (AU\$/Ounce)	\$1,088
Commencement of construction and production	2016
Mine life	3 years
Return on capital invested over project life (pre tax)	92%
Ungeared, pre tax NPV_{7.5}	\$12.0 million
Contained gold in Ore Reserve	74,000 ounces

WPG Executive Chairman Bob Duffin said: "We are delighted with the results of the Feasibility Study which supports our belief in the underlying quality and inherent value of the Tarcoola gold project.

"The results indicate we have an affordable gold project complete with key operating, processing and infrastructure solutions, at cost levels providing significant leverage to current and projected gold prices. The project has considerable growth potential through further exploration with substantial synergies between the project and our adjacent Tunkillia gold project.

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“Within 18 months of the acquisition of the Tarcoola gold project we now have the project at feasibility study level which is a tribute to the hard work by our own internal team and outside independent professional consultants, each expert in their own field. The detailed work on the Feasibility Study builds on our confidence that a decision on progressing the project will be made by the end of this calendar year with the objective of construction beginning early next year, subject to financing and regulatory approvals.

“The Feasibility Study’s excellent financial metrics provides a strong basis which will enable a range of financing options for the project to be investigated.

“There has been strong interest from various financial institutions and potential project partners in the progress we have made at Tarcoola and we anticipate that these discussions will be enhanced with the release of this summary of the Feasibility Study,” Mr Duffin said.

On 9 April 2015 the South Australian Department of State Development (DSD) granted registration to Tarcoola Gold Pty Ltd (a 100% owned subsidiary of WPG) of Mineral Claim 4376 over the Tarcoola gold project. A Mineral Lease Proposal (MLP) for the project was lodged with DSD on 11 August 2015 and is now available for inspection by interested parties. Submissions are to close on 8 October 2015. The drafting of the Program for Environment Protection and Rehabilitation (PEPR) is being advanced and will be submitted soon after the grant of the Mineral Lease (ML).

Summary of the Tarcoola Gold Project Feasibility Study

Tarcoola location and history

The Tarcoola gold project is located in central South Australia, approximately 190km south of Coober Pedy and 600km northwest of Adelaide, approximately 2km west of the Tarcoola township, adjacent to the Trans-Australian and Central Australian railway lines with excellent existing infrastructure and communications.

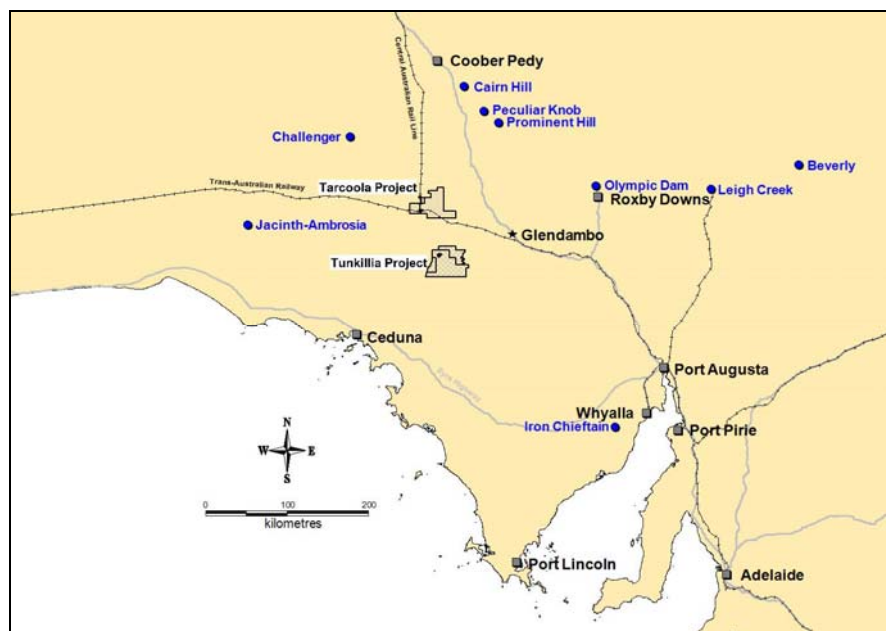


Figure 1 – Location of the Tarcoola gold project

The first alluvial gold was discovered in the Tarcoola area in 1893, and the area has reportedly produced ~77koz of gold at an average grade of ~37.5g/t, most of which was mined prior to the 1940's. The goldfield has been dormant for many years and has historically suffered from a fragmented ownership.

There are many old but shallow workings within the proposed ML area and the greater exploration tenement. There is excellent potential to identify additional open-pittable deposits to add to the mine life.

The project is located on Crown Reserve land and Native Title is held by the Antakirinja Matu-Yankunytjatjara people represented by the Antakirinja Matu-Yankunytjatjara Aboriginal Corporation (AMYAC). A Native Title Mining Agreement will be negotiated with AMYAC prior to the grant of a ML.

Given the Tarcoola goldfield's importance to the evolution of South Australia's history, there are a number of areas within the proposed ML which have been confirmed as a State Heritage Place in the SA Heritage Register. Proposed mining activities are not expected to impact on any heritage areas, whose ongoing preservation will be ensured by the State Heritage Unit.

Management and contributors

The Tarcoola gold project was purchased from Mungana Goldmines Ltd in May 2014 and WPG has subsequently undertaken all necessary work to progress the project to a Feasibility Study. The study was managed by WPG and its subsidiary Tarcoola Gold Pty Ltd with inputs from outside experts and contractors as follows:

Consultants	Contribution
H&S Consultants	Mineral Resource Estimate
Pells Sullivan Meynink Consultants	Geotechnical Engineering
Australian Mine Design & Development	Ore Reserves and Mine Design
Kappes Cassiday & Associates	Process Design
Como Engineers	Process and Infrastructure Engineering
SGS Lakefield Oretest and ALS Metallurgy	Metallurgical Testwork
EBS Ecology	Environmental Studies
Rockwater and Jacobs Group (SKM)	Hydrological
Austral Archaeology	Archaeological Assessment
Parsons Brinkerhoff	Approvals

Mineral Resource and Ore Reserves

Mineral Resources

The total mineral resource estimate at Tarcoola is 973,000 tonnes at an average grade of 3.12 g/t Au containing 97,000oz Au (see Note 2).

Mineral Resource Category	Tonnage (000)	Grade (g/t Au)	Gold 000 oz
Measured	-	-	-
Indicated	919	3.14	92.68
Inferred	55	2.77	4.86
Total	973	3.12	97.54

Totals are subject to rounding errors

Ore Reserves

The Ore Reserve estimate is 900,000 tonnes at 2.6 g/t gold containing a total of 74,000 ounces (see Note 1).

Ore Reserve Category	Tonnage (000)	Grade (g/t Au)	Gold 000 oz
Proved	-	-	-
Probable	900	2.60	74
Total	900	2.60	74

A cross section indicating drill hole intercepts through the Perseverance orebody is indicated in Figure 2 below.

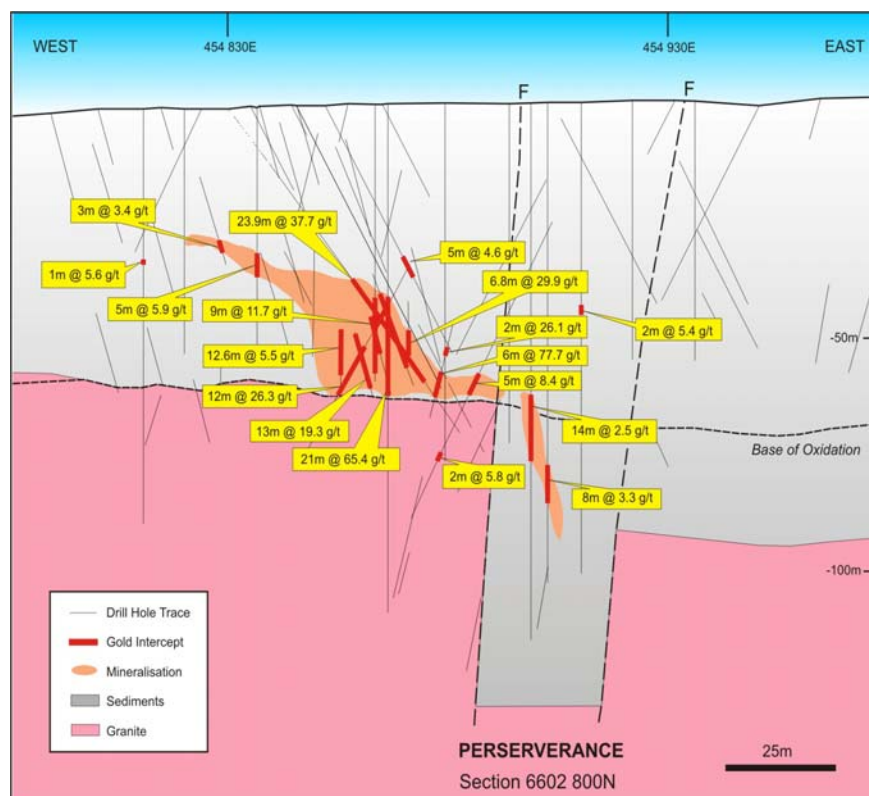


Figure 2 - Perseverance Cross Section

Production and Cost Assumptions

The project will be developed as an open pit mine with heap leach treatment and processing to recover the gold.

Capital costs have been minimised by the use of leased accommodation village, utilising contractor crushing and off-site carbon stripping.

When the project is in production it will provide 68 new permanent jobs in this remote part of South Australia.

The Feasibility Study envisages conventional open cut mining primarily from the Perseverance deposit, with a satellite pit in the Last Resource area, at a production rate of approximately 350,000 tonnes per annum and presents a sound case for the development of a project with a life of at least three years with the following key parameters.

Production Summary	
Project Life (based on existing reserves only)	3 years
Average strip ratio (waste to ore tonnes)	7.6:1
Open Pit Ore Reserve mined & processed	0.900 Mt
Average Annual Processing Rate (approximately)	350 kt
Average Gold recovery	81%
Average Annualised Gold Production	20,000 oz

Assumptions	Y1	Y2	Y3
US\$ Gold Price	\$1,138	\$1,138	\$1,138
Exchange Rate (A\$:US\$)	0.700	0.700	0.700
AU\$ Gold Price	\$1,626	\$1,626	\$1,626

Life Of Mine Operating Cost Summary	\$/Tonne Ore
Mining	\$27.30
Crushing and screening	\$ 6.12
Processing	\$ 8.42
Utilities	\$ 0.74
Processing Labour and Administration	\$ 9.15
Site General and Administration	\$ 9.80
Royalties	\$ 5.05
Total Cash Costs	\$66.58

Mining

The proposed open pit will be mined using conventional mining equipment. Whittle Four-X optimisation software was used for the pit optimisation which comprises two stages with oxide ore, with high recoveries, being mined in the initial stages to optimise economic returns. Pit design and scheduling, which was undertaken in accordance with appropriate geotechnical parameters, has indicated that some

900,000 tonnes of probable ore reserve can be economically mined from a single large and a smaller satellite open pit at a strip ratio of approximately 7.6:1 (waste:ore) to a final pit depth of 115 metres.

Annualised production from the mine when at steady state, will be approximately 20,000oz per annum.

Metallurgical Testwork and Process Design

Testwork has confirmed the project's suitability to recovery of gold by heap leaching. In particular, the oxide ore which comprises some 50% of the total ore reserve tonnage and 55% of the contained gold, has shown excellent recoveries of up to 90% with rapid leaching characteristics. Recovery predictions by oxidation level are presented in the Table below.

Main Ore Type	Heap Leach Recovery
Perseverance Oxide	90%
Perseverance Transition & Primary	71%
Last Resource Oxide	71%
Last Resource Transition & Primary	61%

The processing circuit is a simple heap leach consisting of:

- Delivery of ore to a Run-of-Mine (ROM) pad crushing;
- Crushing to -8mm;
- Agglomeration;
- Stacking;
- Heap leaching and adsorption; and
- Off-site carbon stripping and electrowinning.

Infrastructure and Logistics

The project area has excellent logistics, with public road access to site, access to the main Trans Australian and Central Australian rail lines, and with existing mobile phone coverage.

Upgrades to existing water bores, airstrip and the main track between site and the abandoned Tarcoola township will be undertaken to suit the requirements of the project.

A workforce accommodation village, office facilities and vehicle workshops will be constructed on site as well as facilities for power generation, water processing and fuel storage facilities. Existing Telstra infrastructure will be utilised for communication requirements. WPG already owns two houses in the town of Tarcoola, which will be utilised after some refurbishment.

An isometric view of the heap leach layout is presented in Figure 3 below.

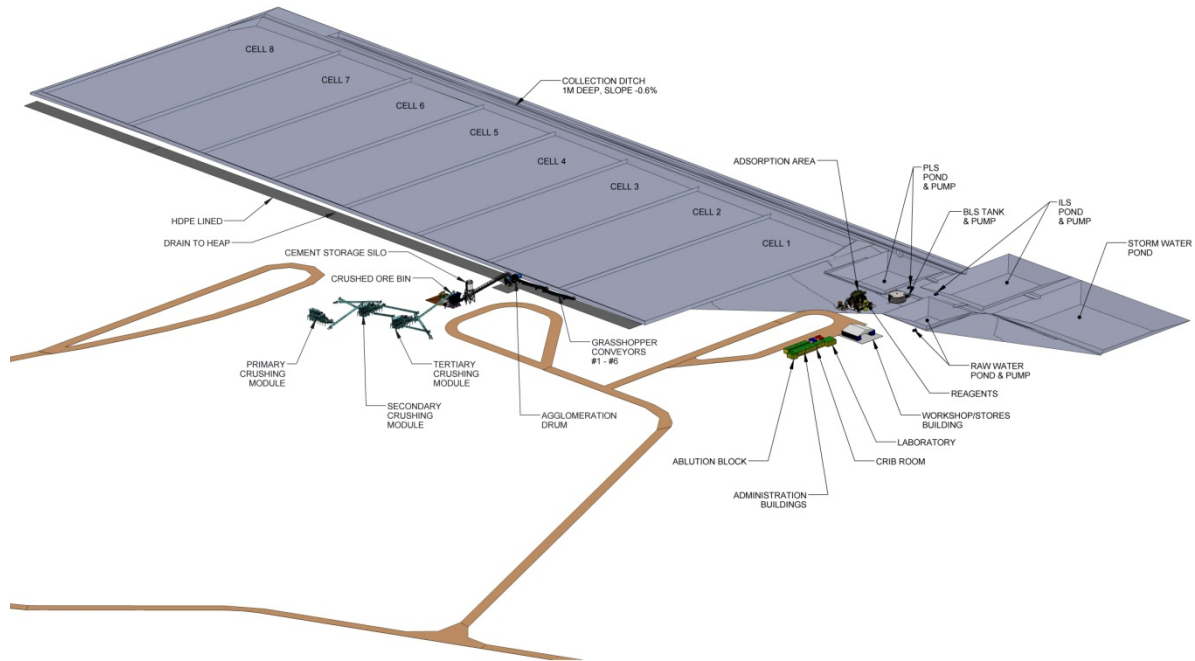


Figure 3 – Isometric View of Heap Leach Infrastructure Layout
Project economics and parameters

The Feasibility Study envisages a mining rate of 350,000 tonnes per annum, capital expenditure of \$16.7 million, with an ungeared, pre tax NPV_{7.5} of \$12.0 million and results in a return of 92% on capital invested over the modelled 3 year project life.

CAPEX

Capital Cost Summary	\$000
Owners Costs	\$500
Accommodation Camp	\$1,873
Airstrip	\$911
Water Supply	\$1,140
Leach Pad and Ponds	\$4,634
Process Plant	\$6,310
Mining mobilisation	\$400
Environmental Bond/SEB	\$950
Total Capital Costs	\$16,718

Financing Options

A range of financing options are being considered for the development of the project and with the completion of the feasibility study, these will now be refined to determine the best outcome.

Licensing and Permitting/Approvals Process

On 9 April 2015 DSD granted registration to Tarcoola Gold Pty Ltd of Mineral Claim 4376 for the Tarcoola gold project. An MLP for the project was lodged with DSD on 11 August 2015 with submissions due to close on 8 October 2015. The drafting of the PEPR is being advanced and will be submitted soon after the grant of the ML.

WPG will continue to work closely with DSD throughout the ML and PEPR approval process to facilitate the completion of the approvals process early in 2016, with mine construction and production targeted to commence soon thereafter.

Development Timetable

The schedule to commence operations is contingent upon the timing of project approvals from DSD and financing being secured for the project.

The timeline objectives are:

Schedule	Project Task
Q4 2015	Grant of Mineral Lease
Q4 2015	Submission of PEPR
Q1/Q2 2016	Approval of PEPR EPA approvals
Q3 2016	Commencement of operations

Competent Persons Statements

Note 1 – Competent Persons Statement – Ore Reserve estimate

The information pertaining to the Tarcoola gold project ore reserves is extracted from the ASX releases “Tarcoola gold project –Ore Reserve Estimate” released on 22 September 2015 and “Tarcoola gold project – further information on resource and reserves” released on 23 September 2015 and are available to view on www.wpgresources.com.au.

WPG confirms that it is not aware of any new information or data that materially affects the information included in the original market announcements and that all material assumptions and technical parameters underpinning the estimates in the relevant market announcements 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 announcement.

The information in this report that relates to Ore Reserves is based on information compiled by Mr John Wyche. John Wyche is employed full-time by Australian Mine Design and Development Pty Ltd, an independent consultant mining engineering company which completed the mine design and ore reserve estimate for inclusion in the Feasibility Study. Mr Wyche is a member of the Australasian Institute of Mining and Metallurgy and has 33 years of experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity being

undertaken to qualify as a Competent Person as defined in the 2012 Edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. Mr Wyche consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

Note 2 – Competent Persons Statement – Mineral Resource estimate

The information pertaining to the Tarcoola gold project mineral resource estimate was extracted from the report entitled “December 2012 Quarterly Report” released on 24 January 2013 and is available to view on www.asx.com.au. The information was first disclosed by Mungana Goldmines Limited 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.

The resource estimate was prepared by Simon Tear of H & S Consultants who is a member of the Australasian Institute of Mining and Metallurgy. Simon Tear is a Director of H&S Consultants, an independent consulting company who prepared the information for Mungana Goldmines Ltd. Simon Tear 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 2012 edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (the JORC Code & Guidelines). Simon Tear 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.

Further Information

For further information please contact WPG’s Managing Director & CEO, Martin Jacobsen or CFO Wayne Rossiter on (02) 9251 1044.