

ASX and Media Release

Quarterly activities report September quarter 2015

HIGHLIGHTS

Tarcoola gold project (WPG 100%)

- ❖ Mineral Lease Proposal lodged
- ❖ Feasibility study completed
- ❖ Ore Reserve Estimate announced

Tunkillia gold project (WPG 100%)

- ❖ Drilling program submitted to DSD
- ❖ Mineral Lease Proposal advancing

Corporate

- ❖ Port Pirie land sold for \$750,000
- ❖ Financing strategies for development of both Tarcoola and Tunkillia gold projects being pursued

30 October 2015

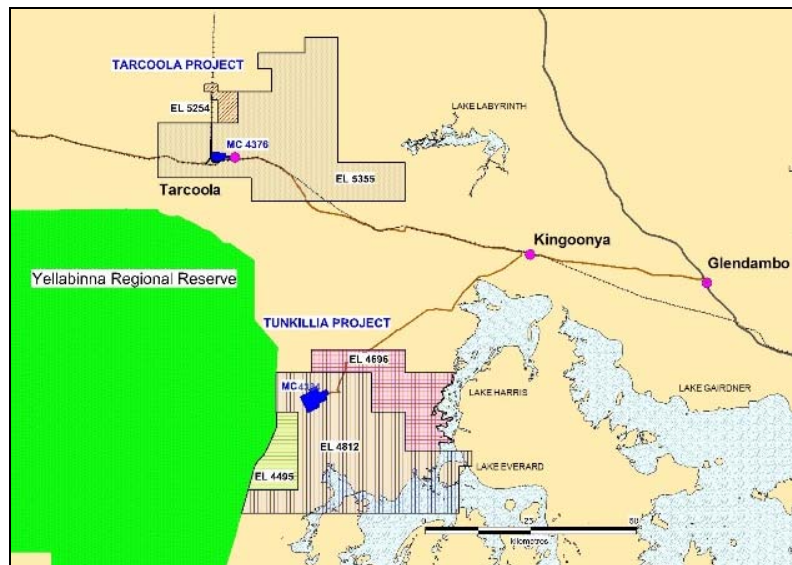


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SOUTH AUSTRALIAN GOLD PROJECTS

WPG Resources Ltd (ASX: WPG) holds its key South Australian gold prospects through two wholly-owned subsidiaries – Tarcoola Gold Pty Ltd and Tunkillia Gold Pty Ltd.

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



Location of Tunkillia and Tarcoola Exploration Tenements

TARCOOLA

Feasibility Study

The feasibility study for the development of the Tarcoola gold heap leach project was completed on 25 September 2015 following receipt of final post-test analysis and reporting of column leach metallurgical testwork. Upon receipt of this metallurgical report process plant design and cost estimates were finalised, the pit optimisation schedule determined and an ore reserve estimate prepared.

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.

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.

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. Capital expenditure of \$16.7 million with an ungeared, pre tax NPV_{7.5} of \$12.0 million results in a return of 92% on capital invested over the modelled 3 year project life. Annualised production from the mine when at steady state, will be approximately 20,000 ounces.

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

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 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

Permitting and Agreements

Following the grant to Tarcoola Gold Pty Ltd of Mineral Claim 4376 over 725 hectares for the Tarcoola gold project, the Company finalised and lodged its Mineral Lease Proposal (MLP) for the project with DSD on 8 August 2015. The MLP was formally advertised in accordance with DSD procedure, issued to a range of stakeholders, including relevant government departments and was open for public submissions until 8 October 2015. The MLP is now advancing through the approvals process. It is anticipated that the Mineral Lease will be granted towards the end of the calendar year.

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.

WPG is well advanced with documentation for our Program for Environment Protection and Rehabilitation (PEPR) which will be lodged once the Mineral Lease is granted. Once these submissions are approved we will be in a position to commit to project development at Tarcoola, subject to financing.

WPG will continue to work closely with DSD and other stakeholders 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.

WPG's wholly owned subsidiary Tarcoola Gold Pty Ltd acquired EL 5355, in which its 100% owned Tarcoola gold project is situated, during the quarter. The Sale Agreement and Instrument of Transfer of EL 5355 were lodged with the Department of State Development (DSD) and Ministerial Approval was received and the transfer entered into the mining register on 11 September 2015.

The 4 existing MLs at Tarcoola were transferred to WPG's wholly owned subsidiary Tarcoola Gold Pty Ltd (from another of WPG's wholly owned subsidiaries Tunkillia Gold Pty Ltd) during the quarter. Ministerial Approval was received and the transfer entered into the mining register on 31 July 2015.

Exploration

With the transfer of EL 5355 now complete, WPG has 100% of all minerals over the broader tenement, an area of 1,183km² and is reviewing exploration targets with potential for further discoveries.

Purchase of land and buildings at Tarcoola

During the quarter WPG established a local base at Tarcoola with the acquisition of two land and building packages which will be used by field personnel as the Company progresses the Tarcoola gold project towards development. The houses are located in the Tarcoola township, which lies only 3.5km from the project site.

Both these houses are serviceable and the Company intends to use the houses as a base for members of its own team and contractors prior to establishing a permanent camp supporting mining activities.

TUNKILLIA

Exploration

During the Quarter the Company has focused on optimisation of potential development scenarios and the preparation of an exploration program to increase the size of the Tunkillia deposit.

A drilling program on priority prospects within the Tunkillia exploration tenements was submitted to DSD and an exploration program approved. The exploration program commenced during October 2015 with calcrete sampling on a number of prospects identified for priority follow-up work. These priority prospects are all located within close proximity to the Tunkillia "223" gold deposit which makes them suitable to provide potential satellite feed for a centralised processing plant.

Permitting

A Mineral Lease Proposal (MLP) for the Tunkillia gold project is advancing.

OTHER SOUTH AUSTRALIAN PROJECT ASSETS

MUCKANIPPIE, ROBINS RISE, LAKE WOORONG AND PERFECTION WELL

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.



Location map of WPG tenements

CORPORATE

PORT PIRIE LAND ASSET

On 30 July 2015 the Company announced it has entered into an agreement to sell its large and strategically located block of land in Port Pirie for \$750,000. Contracts for sale were exchanged and the sale process completed on 28 September 2015.

During July 2015, WPG sold a large number of railway sleepers stored on the Port Pirie land for an amount of \$123,500.

R&D REFUND

On 9 July 2015 the Company announced that it had received \$279,000 from the Federal Government's Research and Development Tax Concession Scheme relating to costs incurred by WPG during the 2013-2014 financial year on research and development activities undertaken on the Muckanippie tenement. An application for an R&D refund for the 2014-2015 financial year is currently being reviewed and is anticipated to be lodged within the coming weeks.

INCENTIVE RIGHTS VESTING

On 2 July 2015 WPG announced that 1,972,462 fully paid ordinary shares were issued to employees and consultants under the terms of WPG's Incentive Rights Plan. Two out of the three tranches of incentive rights granted in 2012 (retention and relative performance) fully vested on satisfaction of vesting conditions. WPG's relative position in a group of 60 ASX listed materials industry group companies shifted upwards between 1 July 2012 and 1 July 2015, outperforming 77% of the comparator companies.

CASH ENHANCEMENT PROGRAM

On 14 August 2015 WPG advised that as a consequence of current market conditions facing junior miners the Company had implemented a cash enhancement program.

All staff and consultants voluntarily agreed to permanent reductions of their fees and salaries in order to conserve cash. A small number of part-time non-technical, administrative and back office staff were made redundant and on 27 August 2015 WPG announced that 296,494 fully paid ordinary shares were issued to those employees and consultants under the terms of WPG's Incentive Rights Plan.

These, and a number of other cost saving initiatives, are expected to reduce the Company's cash consumption by approximately \$1 million over a full year.

PROJECT FINANCE

WPG is pursuing a range of financing strategies for development of both Tarcoola and Tunkillia gold projects and receives continuing interest from several potential project financiers who have approached the Company in relation to this. With the completion of the Tarcoola gold project feasibility study, these financing options will be refined to determine the best outcome.

FINANCIAL POSITION

As at 30 September 2015 the Company had cash at bank of \$1.2 million.

Further Information

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

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.