

ASX and Media Release

Quarterly activities report March quarter 2016

HIGHLIGHTS

Tarcoola gold project (WPG 100%)

- ❖ Mineral Lease granted
- ❖ PEPR advancing

Tunkillia gold project (WPG 100%)

- ❖ Drilling of high priority targets identified from calcrete sampling program conducted

Challenger gold project

- ❖ Acquisition of Challenger gold project completed
- ❖ Re-start plans advance

Corporate

- ❖ R&D refund received
- ❖ Options exercised
- ❖ Placement completed

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SOUTH AUSTRALIAN GOLD PROJECTS

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

The location of the Company’s projects is shown below.



Figure 1: Location of Challenger, Tarcoola and Tunkillia Exploration Tenements

CHALLENGER

Acquisition finalised

On 15 March 2016 WPG finalised the acquisition of the Challenger gold mine and South Australian exploration assets from Kingsgate Consolidated Limited.

WPG now owns all of the issued capital of Challenger Gold Operations Pty Ltd (CGO) and all of its assets. CGO owns the Challenger gold mine and exploration tenement package surrounding it, and the Barton West mineral sands project tenement in South Australia.

Assets acquired include the open pits and underground mines, the CIP plant, camp, airstrip and all other relevant assets and infrastructure, as well as approximately \$2.7 million of bonds lodged with the South Australian government.

The purchase price of \$1 million will be paid in four quarterly instalments with the first due within 30 days of the recommencement of milling operations at Challenger. The first payment will be offset by \$100,000, being the amount already paid.

Challenger Joint Venture (CJV)

Diversified Minerals Pty Ltd (DMPL), an entity within the PYBAR Group (PYBAR), entered into a 50/50 joint venture over the Challenger gold mine with WPG as joint venture manager for the Challenger Gold operation.

Mining Contract

PYBAR Mining Services has been appointed as mining contractor for the Challenger project. Following the end of the quarter, WPG, in its capacity as Manager of the CJV, signed a letter of intent with PYBAR Mining Services Pty Ltd (PYBAR) for the provision of mining services at the Challenger gold mine.

PYBAR is one of Australia's pre-eminent and extremely successful underground mining contractors. PYBAR will commence mining services, including securing plant and equipment, key personnel and mobilisation shortly and the CJV and PYBAR will continue to work together to finalise the mining contract.

Temporary suspension and restart

The mine is currently on temporary suspension during which time a number of essential site maintenance works are being undertaken.

The CJV mine restart plan is well advanced focussing on a more efficient mining operation utilising a combination of smaller scale mining equipment and reduced mining dilution.

The CJV appointed a General Manager following the end of the quarter and recruitment of workers and finalisation of key contracts is advancing.

The CJV intends to commence processing of stockpiles at Challenger next month, and to recommence underground mining activities in late May 2016 with the first gold anticipated prior to 30 June 2016.

Challenger is located close to WPG's existing Tarcoola and Tunkillia projects in the Gawler Craton which will provide significant operating synergies for all of WPG's assets (see figure 2).

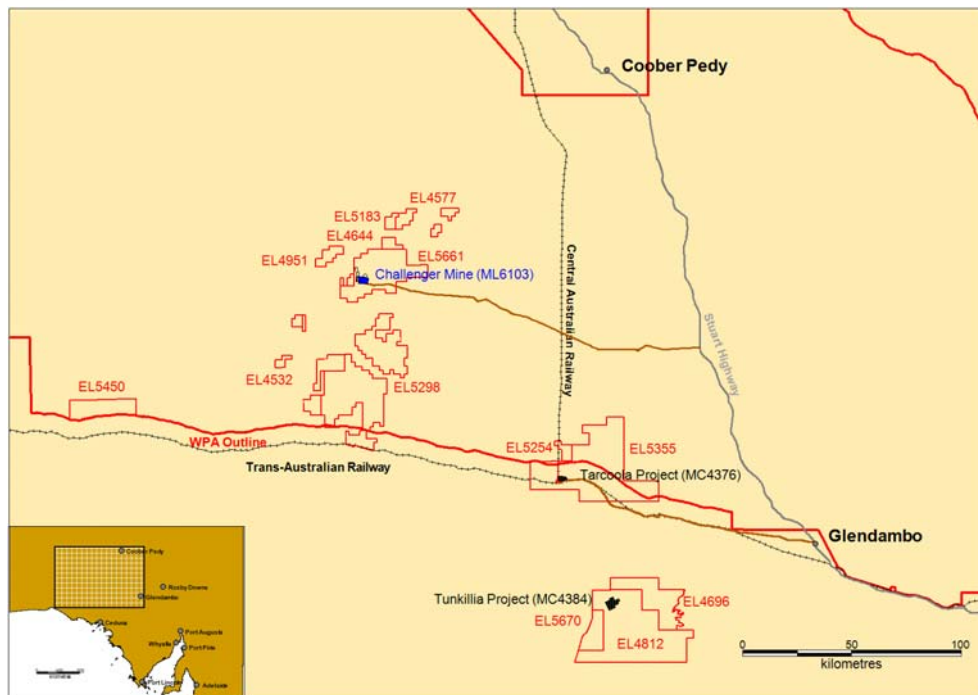


Figure 2: Location of the Challenger gold project and tenements

Reopening Challenger will also present potential synergies by the proximity of the Challenger mill and infrastructure to the Tarcoola gold project.

NTMA

Native Title is held by the Antakirinja Matu-Yankunytjatjara people represented by the Antakirinja Matu-Yankunytjatjara Aboriginal Corporation (AMYAC). A Native Title Mining Agreement was successfully negotiated with AMYAC prior to acquisition relating to Mineral Claim 4348. The NTMA has now been registered by DSD.

TARCOOLA

Mineral Lease

On 8 March 2016 the Honourable Tom Koutsantonis MP, South Australia's Treasurer, Finance Minister, Minister for State Development and Minister for Mineral Resources and Energy confirmed the grant of ML 6455 over the former MC 4376 to WPG's wholly owned subsidiary Tarcoola Gold Pty Ltd, for a period of 10 years. The lease covers the entire historic Tarcoola goldfield, not just the proposed initial pits on the Perseverance and Last Resource orebodies (see figure 3).

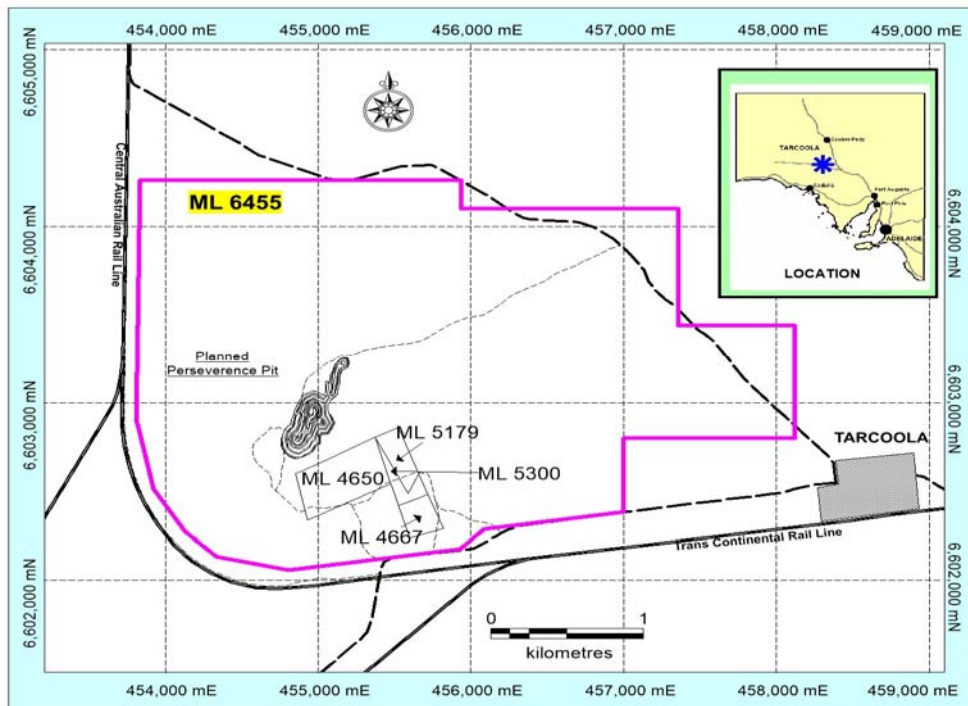


Figure 3: Location of ML 6455 at Tarcoola

PEPR

The Program for Environment Protection and Rehabilitation (PEPR) is now being finalised for lodgement. Once the PEPR is approved, WPG will be in a position to commit to project development of the Tarcoola project, subject to financing.

WPG will continue to work closely with DSD and other stakeholders throughout the PEPR approval process to facilitate its completion by Q3 2016, with mine construction and production targeted to commence soon thereafter.

Exploration

WPG has 100% of all minerals over an area of 1,212km² on EL 5355 and 5254 and is reviewing exploration targets with potential for further discoveries.

TUNKILLIA

Exploration

During the quarter the Company conducted a program of RC drilling in the immediate vicinity of the Tunkillia 223 deposit. Drilling at the Area 51 and Tomahawk Extended prospects was completed following the end of the quarter.

This RC percussion drilling program was designed to enable the Company to test both the saprolite and underlying bedrock zones with deeper drilling beneath two of the significant anomalies that emerged from detailed calcrete sampling carried out in late 2015 (see figure 4).

An initial batch of assay results has been received and is being assessed.

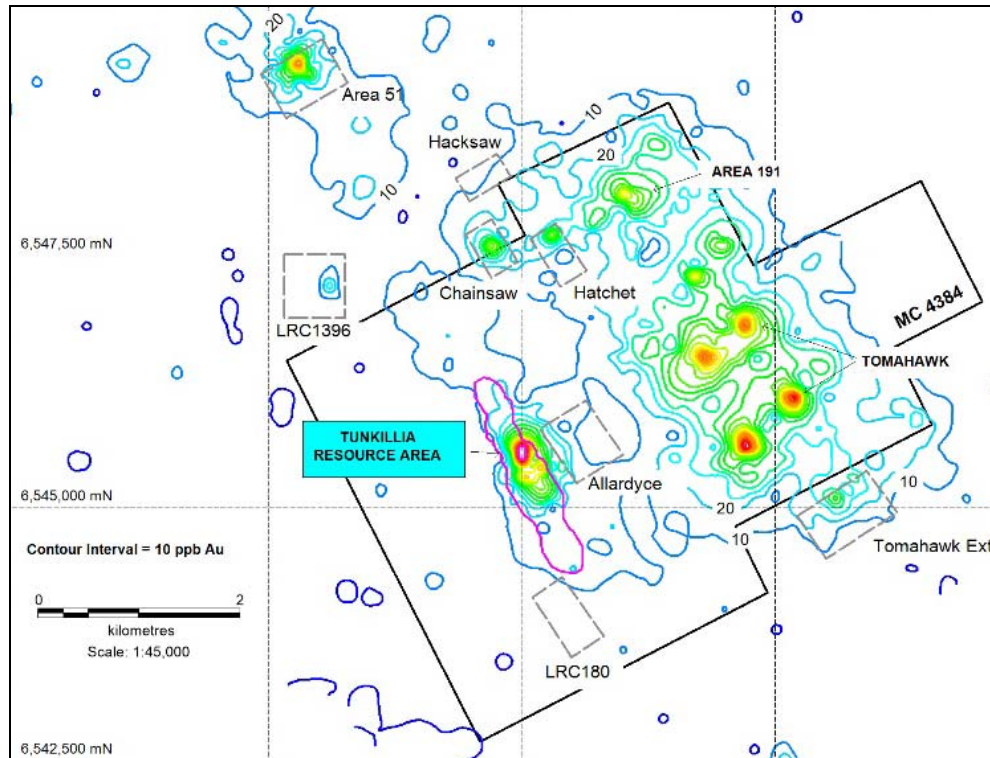


Figure 4: Tunkillia drilling targets

A smaller and lower tenor gold in calcrete anomaly has been outlined at the Hatchet prospect, which may be drilled later.

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.

CORPORATE

R&D REFUND

On 20 January 2016 the Company announced that it had received \$282,000 from the Federal Government's Research and Development Tax Concession Scheme relating to costs incurred by WPG during the 2014-2015 financial year on research and development activities undertaken at Tarcoola.

SHARE PLACEMENT

Since the end of the quarter, WPG completed a placement of 41,442,278 shares to sophisticated and professional investors. Approximately \$2.65 million was raised (before costs). The placement brought a number of new institutional investors onto WPG's register. The shares were issued under the Company's existing placement capacity pursuant to ASX Listing Rules 7.1 and 7.1A and do not require shareholder approval.

The share placement raised working capital to progress development of Tarcoola and the restart of Challenger.

EXERCISE OF OPTIONS

During the quarter, approximately \$128,000 was raised through exercise of the Company's existing quoted \$0.04 exercise price options. Following the end of the quarter a further \$30,000 of options were exercised.

FINANCIAL POSITION

As at 31 March 2016 the Company had cash at bank of \$2.6 million. Since the end of the quarter a further \$2.65 million was raised (before costs) through a share placement to institutional investors.

Further Information

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