

ASX and Media Release

WPG moves to 100% ownership of Tunkillia gold project

Gold focused WPG Resources (WPG) is pleased to announce today that it has moved to 100% ownership of the Tunkillia gold project in South Australia ("Project") through the acquisition of the residual 30% interest owned by Helix Resources Limited (HLX), its Joint Venture (JV) partner in the Project. The Project comprises EL 4812, EL 4495 and MC 4347 (the Tenements).

WPG acquired 70% of the Project at the end of May this year with its transition into a gold explorer and developer through the acquisition of the Tunkillia and Tarcoola projects in the Gawler Craton from Mungana Goldmines Limited (MUX).

Under the Sale and Purchase Agreement (SPA) reached with HLX and announced today, WPG will own 100% of the Tenements previously held by HLX on behalf of the Tunkillia JV, and this will set the platform for WPG to redefine the Project parameters and advance a new exploration strategy.

As a result of the transaction, the Mining Lease Proposal (MLP) which was submitted to the Department of State Development (DSD) in April this year will be withdrawn, thereby allowing WPG to re-apply for a Mineral Claim and subsequently re-submit the MLP in its own name.

Mineralisation at Tunkillia was first discovered by HLX in late 1996, during a drilling program to test an extensive surface geochemical anomaly defined from calcrete sampling. Subsequent to the initial discovery, progressive evaluation of the project has been undertaken through joint venture arrangements.

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ABN 51 109 426 502
Level 9, Kyle House
27-31 Macquarie Place
Sydney NSW 2000
Telephone (+612) 9251 1044
Facsimile (+612) 9247 3434
info@wpgresources.com.au
www.wpgresources.com.au

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.

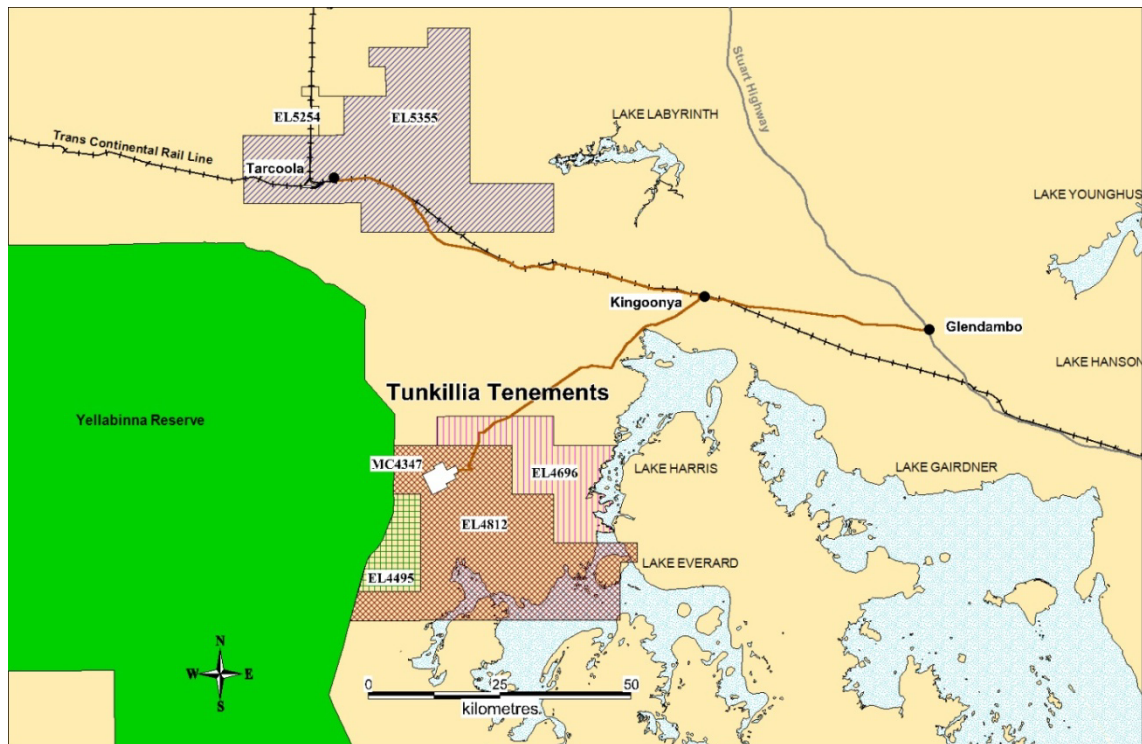


Figure 1: Tunkillia Tenements Location

WPG Executive Chairman Bob Duffin today said: “The move to proceed to 100% ownership of Tunkillia is logical from a development and operating point of view. Our review of data on both projects since the acquisitions in late May has reinforced our confidence in their potential. We see the twin projects as a natural fit and are keen to develop early cash flow from both.”

“Our initial efforts at Tunkillia 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.

“Including its 100% owned EL 4696, WPG now controls 1,607km² over the highly prospective Yarlbirinda shear zone which hosts the existing gold resource, with excellent potential for extensions and further discoveries. WPG has already identified a number of high ranking exploration targets in close proximity to the Tunkillia deposit which will now be the focus of its exploration strategy in this area.”

Mr Duffin said it was particularly pleasing that under the terms of the SPA HLX will become a significant shareholder in WPG and that is evidence of HLX's confidence and strong support for both WPG and the Project.

"We have had a good working relationship with HLX as a JV partner during the past six months and look forward now to having them continue the relationship through their shareholding."

Key terms of the transaction

As part of the acquisition, WPG will pay HLX \$500,000 in cash and issue 10,000,000 ordinary WPG shares (to be held in escrow for six months) upon receipt of Ministerial approval and transfer of the tenements.

Further contingent consideration is payable upon commencement of mine construction over the existing resource of a further \$500,000 in cash and 10,000,000 ordinary WPG shares. This consideration is also payable in the event of the sale of more than 50% of the Project, or a change in control of WPG.

In addition, a 1% NSR royalty will be payable on (i) 30% of production of gold and silver from the currently defined resource and (ii) 100% of mineral production from other areas within the Tenements.

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 pertaining to the Tunkillia gold project resource was extracted from the report entitled "September 2012 Quarterly Activities Report" dated 29 October 2012 and is available to view on www.asx.com.au. The information for the Tunkillia gold project was first disclosed by Mungana Goldmines Ltd 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.

Resource estimates were prepared by Simon Tear of H & S Consultants who has previously consented to their inclusion in company public announcements.