

ASX and Media Release

Resolution of the Western Gawler Craton joint venture dispute

WPG Resources Ltd (ASX: WPG, WPGO) is pleased to advise that it and its joint venture partner Tyranna Resources Ltd (ASX: TYX) have agreed to resolve the dispute between them in relation to the ownership of certain tenements that are part of the Western Gawler Craton joint venture (WGCJV).

The WGCJV holds exploration tenements in the region of WPG's Challenger gold mine in South Australia. The current interests in the joint venture are Tyranna approximately 66% and WPG 34%. WPG holds its interest through its 100% owned subsidiary Challenger Gold Operations Pty Ltd (CGO). Tyranna is manager of the WGCJV.

WPG and Tyranna each hold mining or exploration tenements near Challenger in their own right, as well as the tenements that are part of the WGCJV. In addition, a third party holds a carried interest in a small area of the WGCJV tenement package. A number of the tenements are also subject to rights to specific minerals held by other parties.

Under the binding term sheet which has been signed by the parties, Tyranna has agreed to drop its claim that the northern part of EL 5661 that surrounds the Challenger mine and the recently granted ML 6457 form part of the WGCJV. The Challenger mine lies on ML 6103 which abuts ML 6457. Ownership of ML 6103 has never been disputed.

In return, WPG has agreed that ownership of the tenements subject to the WGCJV will be transferred to Tyranna and its subsidiary Half Moon Pty Ltd (HMP) and that a new gold exploration joint venture will be formed between WPG and Tyranna and their subsidiaries. The interests of the two parties in the new joint venture *ab initio* will be exactly the same as under the old joint venture, and there will be no change to the dilution provisions. As with the old joint venture, Tyranna will be manager of the new joint venture.

Figure 1 shows the tenements that will be included in the new joint venture in blue and green (WGCJV tenure), and the tenements held by CGO and not included in the joint venture in pink (the CGO tenure).

4 October 2016



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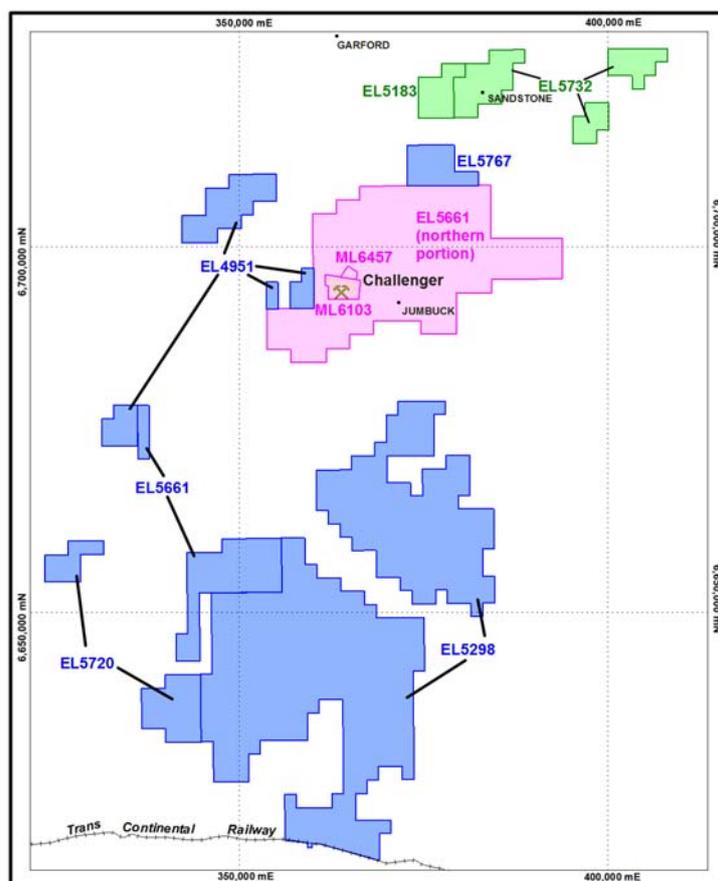


Figure 1: WGCJV tenure and CGO tenure

WPG's Executive Chairman Bob Duffin said that he was pleased that the dispute has been resolved in a sensible manner. "No-one likes uncertainty", he said.

He also said "The new agreement will allow WPG to continue with its exploration and development of the down-dip extensions to the Challenger lodes in the area known as Challenger Deeps, secure now in the knowledge that it has 100% rights to this area.

"Tyranna, as manager of the joint venture, is currently operating two drilling rigs at Campfire Bore within the joint venture tenements. We encourage Tyranna and holders of other tenements near Challenger to mount aggressive exploration programs in this underexplored and highly prospective part of South Australia. The Challenger mill is the only gold treatment plant in this region, and WPG will be pleased to negotiate toll treatment arrangements where possible".

The key provisions of the binding term sheet will form the basis of a new joint venture agreement that is expected to be finalised within the next 60 days.

Further Information

For further information please contact WPG's Executive Chairman, Bob Duffin or (02) 9247 3232 or Managing Director & CEO, Martin Jacobsen on (02) 9251 1044.