



NR: 2016-05

November 1, 2016

## **WPC SIGNS DEFINITIVE AGREEMENT WITH MANDALAY RESOURCES TO ACQUIRE THE LUPIN GOLD MINE AND THE ULU GOLD PROJECT**

**Vancouver, British Columbia – WPC Resources Inc.** (the “Company” or “WPC”) is pleased to report it has signed a definitive agreement (the “Agreement”) with Mandalay Resources Corporation (“Mandalay”) to acquire Mandalay’s 100%-owned subsidiary, Lupin Mines Incorporated (“LMI”). LMI owns 100% interests in the Lupin Gold Mine and the Ulu Gold Property (the “Properties”).

The Lupin Gold Mine (the “Lupin”) was in production from 1982 to December 2004. Lupin was placed on to care and maintenance in February 2005. To date over 3.4 million ounces of gold have been mined and recovered from Lupin with an average mill-head grade of 8.9 grams per tonne (0.259 ounces per ton). Currently, Lupin holds all permits required to maintain its present good standing including a Type “A” water licence which allows for the transition from care and maintenance to the restart of operations and ultimately to commercial production. LMI also holds, in restricted cash accounts approximately \$27.5 million, which have been pledged through letters of credit to cover future estimated environmental reclamation costs on the Properties.

Stephen Wilkinson, WPC’s President and CEO commented, “The signing of the Agreement to acquire the Lupin Gold Mine and its 2,300 ton per day mill and processing plant together with the Ulu Gold Property is the start of a new era for WPC. Our strategy is to build a significant gold producer by taking advantage of the favourable purchase terms and advanced stage of the Properties. Post-closing, WPC will focus on leveraging the existing permits, infrastructure and defined near surface drill targets to bring Lupin into production in a shorter period and with lower capital costs than would be possible for a typical mining project. Immediately upon closing, the Company will focus on drilling to confirm a mine plan with a view to advancing toward restarting production.”

Should the technical feasibility and the economic viability of the project establish mineral reserves supported by completion of a feasibility study, it is management’s intention to bring the Lupin project into production.

The Agreement represents an arm’s length transaction between the parties and supersedes the previous Ulu option agreement. It includes the following terms:

- 1) On closing, WPC will pay purchase price consideration to Mandalay consisting of C\$3M cash, 15 million common shares of WPC and a \$1.6M principal amount convertible promissory note. The promissory note will be repayable four years from completion of the transaction, bear interest at 6% per annum and be convertible at Mandalay’s election into common shares of WPC at a price of C\$0.10 per share.
- 2) WPC will make an aggregate cash payment equal to the equivalent of 10,000 ounces of refined gold, payable in 12 quarterly installments equal to the cash equivalent of 833 1/3 ounces of refined gold per

quarter, based on the average gold price for each such quarter, beginning with the second quarter immediately following the full quarter after the commencement of commercial production.

- 3) Beginning in the quarter after the completion of payment of the aforementioned 12 quarterly instalments, WPC will pay to Mandalay a royalty of 1% NSR on gold production mined from the Lupin property.

The transaction, which is expected to be completed prior to December 31, 2016, is subject to the satisfaction or waiver of certain conditions, including WPC completing a private placement or other financing for gross proceeds of not less than \$5 million and the receipt of all necessary regulatory approvals.

Upon completion of the transaction, Mandalay will own 20 million common shares of WPC and will have the right to acquire up to an additional 16 million common shares of WPC upon conversion of the convertible note.

### **About the Lupin Gold Mine**

Lupin is situated approximately 400 kilometres (“km”) north of Yellowknife on the west side of Contwoyto Lake within the Kitikmeot Region of Nunavut. The Lupin property consists of five contiguous Mining Leases covering 6,758 hectares. The property is subject to a 1.0% net smelter return royalty payable to Kinross Gold Corporation. The on-site infrastructure includes the 2,300 ton per day gold mill building and equipment, shaft and hoist, residence for operational personnel, 1.6 km all-season air strip, tank farm for diesel fuel storage (containing approximately 2 million liters of fuel), permitted tailings areas and developed mine workings to a depth of approximately 1,600 metres.

At Lupin gold is associated with pyrrhotite, arsenopyrite and quartz veins developed in an amphibolite iron formation with a mapped strike length of several kilometers. The iron formation is hosted in the Archean-age Contwoyto Formation. Multiple stages of deformation have folded the iron formation into a steeply dipping “M-shaped” structure. The principal gold zones are confined to the continuous amphibolitic Lupin iron formation. Other, more recently identified zones of gold mineralization, are hosted in a subsidiary amphibolite iron formation in the footwall of the principal gold zones.

In 2011, Elgin Mining Inc. re-evaluated the Lupin resource database. Using 5 grams gold per tonne (“g/t Au”) over a minimum horizontal width of 2.5 metres as a lower cut-off, an inferred resource was estimated to contain 1,110,000 mineralized tonnes grading 11.32 grams per tonne gold, containing 403,000 ounces of gold mainly within the West Zone – South of Shaft.

**Note:** *\*\*WPC considers this to be an historic resource as estimated at December 31, 2011 in the NI 43-101 technical report on the property entitled "NI 43-101 Technical Report on the Lupin Mine Property, Kitikmeot Region – Nunavut, for Elgin Mining Inc." by G. A. Harron, P.Geo. The technical report is available for viewing under Elgin's corporate profile on SEDAR at [www.sedar.com](http://www.sedar.com). A qualified person on the behalf of WPC has not done sufficient work to classify this historic estimate as a current mineral resource and WPC does not treat it as a current mineral resource.*

## About the Ulu Gold Property

The Ulu Gold Property is located approximately 125 km north of the Lupin Gold Mine, and consists of mining lease #3563 covering 947 hectares containing 16 known gold occurrences. The property has seen extensive exploration work since its discovery in 1989. Past work at the Ulu Gold Property includes 1.7 km of underground development and approximately 98 km of diamond drilling in 405 holes to define a gold resource with most work focused on the Flood gold zone.

In July 2015, WPC announced an independent NI 43-101 mineral resource estimate for the Ulu Gold Property and filed an amended technical report, entitled "Technical Report on the Ulu Gold Property, Nunavut, Canada" dated July 10, 2015. The Ulu mineral resource was estimated by independent consultants using a 4 gram per tonne ("g/t") of gold cut-off value as follows:

<b>Classification</b>	<b>Gold</b>	<b>Tonnage</b>	<b>Gold Grade</b>	<b>Gold Contained</b>	
	<i>Cut-off (g/t)</i>	<i>Tonnes</i>	<i>g/t</i>	<i>Ounces</i>	
<b>Flood Zone</b>					
	Measured	> 4.0	1,000,000	8.48	272,000
	Indicated	> 4.0	1,500,000	6.90	333,000
	Measured & Indicated	> 4.0	2,500,000	7.53	605,000
	Inferred	> 4.0	891,000	5.57	160,000
<b>Gnu Zone</b>					
	Inferred	> 4.0	370,000	5.57	66,000
<b>Total - Flood and Gnu Zones</b>					
	<b>Measured &amp; Indicated</b>	<b>&gt; 4.0</b>	<b>2,500,000</b>	<b>7.53</b>	<b>605,000</b>
	<b>Inferred</b>	<b>&gt; 4.0</b>	<b>1,261,000</b>	<b>5.57</b>	<b>226,000</b>

**Qualified Person:** The technical information in this news release has been prepared in accordance with Canadian Regulatory requirements as set out in National Instrument 43-101. The technical information provided in this press release was reviewed by Warren Robb, P.Geo., a qualified person for the purposes of NI 43-101.

## About the Company

WPC is a Vancouver-based gold company focused on mineral exploration and development in northern Canada. It has entered into a definitive agreement to acquire a 100% interest in the historic Lupin Gold Mine and Ulu Gold Property from Mandalay Resources Corporation. In addition, in May 2014, the Company signed an agreement to acquire Inukshuk Exploration Inc., the owner of a 100% interest in the 8,000-hectare Hood River property located contiguous to the Ulu Gold Property. The Company trades on the TSX-Venture Exchange under the symbol, **WPQ**, and has 98,700,304 common shares currently issued and outstanding.

For further information, please contact:

Stephen Wilkinson, President and CEO

- - or -

Wayne Moorhouse, CFO and Secretary

Telephone: 778-379-1433

*Neither the TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in the Policies of the TSX-Venture Exchange) accepts responsibility for the adequacy or accuracy of this Release.*

**CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS AND INFORMATION**

*This news release contains certain "forward-looking information" within the meaning of Canadian securities laws. Actual results may differ materially from those indicated by such forward-looking information. All information included herein, other than statements of historical fact, including the expected completion of the Placement and the timing thereof, and the expected use of proceeds are forward-looking statements and involves various risks and uncertainties. There can be no assurance that the forward-looking information will prove to be accurate, as actual results and future events could differ materially from those anticipated in such information.*