

**Issued and Outstanding: 52,957,304 Common Shares**

**January 19, 2015**

## **WPC RESOURCES TO ACQUIRE 100% LUPIN GOLD MINE AND THE ULU GOLD PROJECT**

**Vancouver, British Columbia** – WPC Resources Inc. (the “Company” or “WPC”) is very pleased to report that it has entered into a non-binding letter of intent (the “LOI”) with Mandalay Resources Corporation (“Mandalay”) to acquire its 100% owned subsidiary, Lupin Mines Incorporated which owns the Lupin Gold Mine, and the Ulu Gold Property (the “Properties”). Mandalay owns 100% interest in and to the Properties, subject to the pre-existing option agreement with WPC respecting the Ulu Gold Property dated May 30<sup>th</sup>, 2014.

The Lupin Gold Mine (the “Mine”) was in production from 1982 to December 2004, and was put on to care and maintenance in February 2005. Over 104.4 tonnes of gold (3.4 million ounces of gold) were recovered with an average mill-head grade of 8.9 grams per tonne (0.259 ounces per ton).

Stephen Wilkinson, WPC’s President commented, “The acquisition of the Lupin gold mine and its attendant mill and processing plant together with the Ulu gold property as a potential satellite source of mill feed will be a major advancement for the WPC business plan. Our strategy is to build a significant gold producer, taking advantage of the ongoing market malaise to minimize purchase and capital costs while building on these high-grade and development stage projects. Furthermore, with such knowledgeable and experienced major shareholders and management, WPC has a unique competitive advantage with which it can continue its rapid growth.”

The LOI supersedes the previous Ulu option agreement and includes the following terms subject to any necessary regulatory, territorial government and shareholder approvals -

- 1) Prior to the closing of this transaction, Mandalay will ensure that the permits are in place as required to maintain the Properties in their present good standing including but not limited to the water permits and all necessary licences, and the financial terms and conditions of the environmental bonds for the Properties are established to the satisfaction of WPC.
- 2) WPC will pay to Mandalay the following consideration for the purchase of the Properties consisting of Cash and Shares where:
  - a. The Cash will be paid at the closing of the transaction, in the amount of C\$3 million, and
  - b. WPC will issue 18 million common Shares to Mandalay, scheduled as;
    - i. 6 million shares upon the closing, and,
    - ii. 6 million shares on each of the next 2 anniversary dates of the closing.

- c. WPC will offer Mandalay the opportunity to participate in any financing such that Mandalay may maintain at least a 10% equity interest in WPC. This right will expire on commencement of commercial production from either Lupin or Ulu.
- 3) In addition to the above, WPC will agree to issue to Mandalay a convertible note in the amount C\$1.6 million in consideration of the Ulu Gold Property environmental bond. The note will:
  - a. bear an annual interest of 6% that, if not paid annually in arrears, will accrue and be capitalized;
  - b. be unsecured and non-transferable;
  - c. for outstanding principal and interest, be convertible into WPC commons shares at the election of Mandalay where the shares will be convertible at C\$0.10 each and the minimum amount per conversion would be C\$200,000, and;
  - d. have a term of 4 years at the end of which period WPC would have the right to repay in cash any outstanding balance of the note.
- 4) 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.
- 5) Beginning in the quarter after the completion of payment of the abovementioned 12 quarterly instalments, WPC will pay to Mandalay a royalty of 1% NSR on gold production mined from the Lupin property.
- 6) Mandalay and WPC will agree to execute all such further documents or do all things necessary to implement and carry into effect the provisions and intent of the LOI including but not limited to execution of a Definitive Agreement.
- 7) The closing for this transaction may take place on or before May 15, 2015, or on such other date as mutually agreed to by the parties.

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

The Mine is situated approximately 400 kilometres north of Yellowknife on the western side of Contwoyto Lake within the Kitikmeot Region of Nunavut. The Mine 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 ("Kinross").

The gold mineralization is associated with pyrrhotite, arsenopyrite and quartz veins developed in an amphibolite iron formation. 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 West, Central and Eastern zones of gold mineralization are confined to the continuous amphibolitic Lupin iron formation. The M1 and M2 zones of gold mineralization are hosted in a smaller, subsidiary amphibolite iron formation 60 and 80 metres east of the West Zone.

In 2002, Elgin Mining Inc. re-evaluated the resources' database. Using a gold grade of 5 grams gold per tonne over a minimum horizontal width of 2.5 metres as a lower cut-off, a base case was estimated with an inferred resource of 1,110,000 tonnes grading 11.32 grams per tonne gold, containing 403,000 ounces of gold. Additionally there is the significant potential to define additional gold resources at depth in the Centre, West, M1 and M2 zones, especially where past drilling has shown continued gold mineralization below the existing infrastructure.

**Note:** \*\*WPC considers this to be an historic resource as estimated as 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). The author is independent of Elgin as such term is defined in NI 43-101. **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 has seen extensive exploration since its discovery in 1989. By 2011 there had been approximately 1.7 kilometres ("km") of underground development and approximately 136 km of diamond drilling. Most of the past work undertaken has focused on the Flood zone.

**Historic Resource:** In 2011, Elgin Mining Inc. ("Elgin") completed its historic NI 43-101 compliant mineral resource for the Flood zone within the Ulu gold deposit as shown in the following chart.

Gold (g/t) Cut Off	Indicated Mineral Resources		Inferred Mineral Resources		
	Tonnes*	Gold (g/t)	Tonnes*	Gold (g/t)	Gold (g/t)
2.5	751,000	11.37	418,000	10.61	10.61
5.0	720,000	11.70	410,000	10.73	10.73
7.0	630,000	12.44	370,000	11.15	11.15

\* Tonnes have been rounded to reflect relative accuracy of the mineral resource estimate.

\*\*WPC considers this to be a historic resource as estimated as at June 27, 2011 in the NI 43-101 technical report on the property entitled "NI 43-101 Technical Report on the Ulu Gold Property, Kitikmeot Area -- Nunavut Territory, Canada" by Richard A. Graham, P.Geo. and G. H. Wahl, P. Geo. The technical report is available for viewing under Elgin's corporate profile on SEDAR at [www.sedar.com](http://www.sedar.com). Both authors are independent of Elgin as such term is defined in NI 43-101. **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.**

### Qualified Person and NI 43-101 Disclosure

Mr. Bruce E. Goad, P.Geo, B.Sc. (Hon.), M.Sc., has reviewed and approved the technical contents of this news release. Mr. Goad is a qualified person as described by National Instrument 43-101.

## **About WPC Resources Inc.**

WPC is Vancouver, British Columbia-based gold exploration company focused on mineral exploration and development. The Company has acquired a 100% interest in the 8,000 ha Hood River property in Nunavut and recently entered into agreements to earn up to an 80% interest in the advanced Ulu gold project from Elgin Mining Inc. These properties contiguously cover more than 9,000 ha of the High Lake greenstone belt that is well known for hosting high-grade gold occurrences. The Company is listed on the TSX-V with the trading symbol: **WPQ**.

For additional information, please contact:

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### **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, without limitation, information regarding future production, is considered forward-looking information 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. 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.