



ASX and Media Release

WPG finalises the acquisition of the Challenger gold mine

Highlights

- The acquisition of the Challenger gold mine and South Australian exploration assets from Kingsgate Consolidated Limited has now been finalised
- Mine placed on temporary suspension
- Revised mine plan well advanced for mine re-opening by the Challenger Joint Venture
- Gold production from Challenger anticipated before 30 June 2016
- WPG implementing regional gold strategy in the Gawler Craton and transitioning to gold production.

WPG Resources Ltd (ASX: WPG, WPGO) is pleased to announce that it has finalised the acquisition of the Challenger gold mine and South Australian exploration assets from Kingsgate Consolidated Limited (KCN).

WPG now owns all of the issued capital of Challenger Gold Operations Pty Ltd (CGO) (formerly a KCN subsidiary) and all of its assets. 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.

CGO owns the Challenger gold mine and exploration tenement package surrounding it, and the Barton West mineral sands project tenements in South Australia. Assets acquired include the open pits and underground mines, the CIL 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.

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Figure 1 –Challenger gold mine

KCN has finished all mining and processing activities and placed the mine on temporary suspension with no residual employee or contractor liabilities. This process was undertaken according to an agreed mine plan and WPG anticipates that approximately 140,000 ounces of gold remains in mineral resource.

WPG has been appointed Manager of the 50/50 Challenger Joint Venture (CJV) with the remaining interest held by Diversified Minerals Pty Ltd (DMPL). PYBAR Mining Services has been appointed as mining contractor for the Challenger project.

The CJV mine restart plan is well advanced and will be detailed in a separate announcement once it is completed and adopted. The mine plan will focus on a combination of smaller scale mining equipment and reducing mining dilution for a more efficient mining operation. During the period of temporary suspension a number of essential site maintenance works will be undertaken.

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. Production of gold at Tarcoola is anticipated to commence later this year.

Further Information

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