



ASX and Media Release

Dispute resolution invoked by Pybar

WPG Resources Ltd (ASX: WPG) advises that its wholly owned subsidiary, Challenger Gold Operations Pty Ltd (CGO), received formal notices of dispute late last week from Pybar Mining Services Pty Ltd (Pybar) under the dispute resolution clauses of a mining contract with Pybar, concerning unpaid claims for services rendered by Pybar at the Challenger Gold Mine.

The mining contract with Pybar was terminated in August 2017 and a new contractor, Byrncut Australia Pty Ltd has been engaged, as first announced by WPG on 7 July 2017. Pybar now claims \$8,703,852.73 (net of GST) under its contract. CGO has denied these claims and has notified Pybar of an off-setting counter claim for damages and loss arising from Pybar's failure to properly perform services in accordance with the mining contract. CGO is presently assessing its off-setting claims.

No writ of summons or other documentation relating to any legal proceedings has been served on CGO to date. Notwithstanding that WPG has fully provided for the amount claimed by Pybar in its consolidated financial statements released on 29 September 2017, CGO believes Pybar's claim has little merit and intends to vigorously defend any proceedings if litigation is commenced and will continue to keep the market informed of further developments in respect of this.

Pybar's affiliated company, Diversified Minerals Pty Ltd (DMPL), formerly held a charge over CGO and its assets but this charge was replaced on 29 September 2017. Any claim Pybar may have under its contract is unsecured.

Further Information

For further information please contact WPG's Executive Chairman, Bob Duffin or CEO Wayne Rossiter on (02) 9251 1044.

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Forward-Looking Statements

This document may include forward-looking statements. Forward-looking statements include, but are not limited to statements concerning WPG's planned activities, including but not limited to mining and exploration programs, and other statements that are not historical facts. When used in this document, the words such as "could", "plan", "estimate", "expect", "intend", "may", "potential", "should" and similar expressions are forward-looking statements. In addition, summaries of Exploration Results and estimates of Mineral Resources and Ore Reserves could also be forward looking statements. Although WPG believes that its expectations reflected in these forward-looking statements are reasonable, such statements involve risks and uncertainties and no assurance can be given that actual results will be consistent with these forward-looking statements.