

ASX and Media Release

Challenger Deeps Development Update

WPG Resources Ltd (ASX:WPG) is pleased to provide an update on the development of Challenger Deeps with the commencement of the first ore drive on the 115 level at Challenger.



Figure 1: Challenger M2 S2 R Ore Drive face photo showing an extensive quartz package on the first ore drive on the 115m RL level.

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ABN 51 109 426 502
Level 9, Kyle House
27-31 Macquarie Place
Sydney NSW 2000
Telephone (+612) 9251 1044
Facsimile (+612) 9247 3434
info@wpgresources.com.au
www.wpgresources.com.au



Challenger Deeps is the down plunge continuation below the 215 shear of the heavily mineralised systems that have been mined successfully at Challenger over the last 15 years. Surface drilling undertaken in 2009 confirmed the continuation of these systems at least 280m vertical (or 560m down plunge) below the last stoping horizon on the 135 level of the mine. This stoping was undertaken on limbs of the M1/M2 structures with mining at that time constrained by the mining lease boundary. The new adjacent ML6457 allows unconstrained mining to proceed down plunge.

During late 2017, following an upgrade of the mine ventilation system, diamond drilling targeting the next four production levels (115, 95, 75 and 55 levels) has been undertaken to provide increased data density for mine planning purposes. This drilling has targeted not just the limbs of M1/M2 mined on the 135 level but has also targeted other limbs and folds, including Challenger West, Aminus, M3 and SEZ that have never been mined previously below the 215 shear.

This drilling has to-date provided encouraging results and are very similar to those in levels above the shear where multiple limbs and folds have been successfully mined at grades in excess of 5 g/t Au. Importantly these additional folds, outside of those assumed in initial mine planning, also have the potential to increase the ounces per vertical metre above those used for initial planning purposes.

Waste development on the 115 level has been undertaken allowing development to target both the M1 and M2 stoping areas with the M2 S2 R development drive now entering the high grade ore zone. Both ore and waste development will continue with the first stoping of the M2 S2 limb scheduled in late February. Decline development is also progressing with the Jumbuck decline scheduled to reach the 95 level in late January.

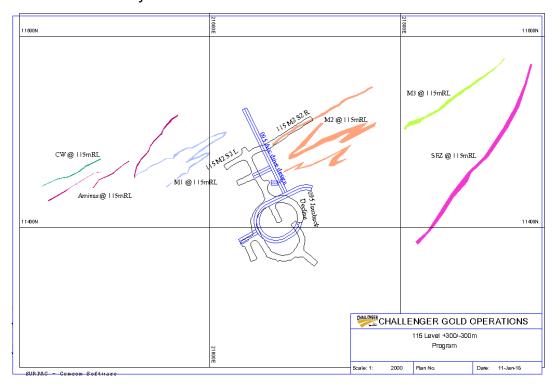


Figure 2: Challenger Deeps development schematic showing ore target areas and development to-date.



Further Information

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

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.

Competent Person Statement

The Challenger exploration activities and results contained in this report are based on information compiled by Mr Kurt Crameri.

Kurt Crameri is a Member of the Australasian Institute of Mining and Metallurgy. He is a Senior Project Geologist and Mining Engineer and a full time employee of WPG Resources Ltd. He has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the December 2012 edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (the JORC Code & Guidelines). Kurt Crameri has consented in writing to the inclusion in this report of the matters based on his information in the form and context in which it appears.