

ASX and Media Release

Quarterly activities report December quarter 2016

HIGHLIGHTS

Challenger gold mine (WPG 100%)

- ❖ 12,429 ounces of gold produced in quarter taking YTD production to 24,567 ounces
- ❖ Guidance for FY 2017 of 50,000 ounces remains unchanged
- ❖ Exploration program momentum building up with significant results achieved

Tarcoola gold mine (WPG 100%)

- ❖ Mining commenced late November 2016
- ❖ 768 ounces of gold in ore mined and on Tarcoola stockpile at end of quarter
- ❖ Near mine exploration targeting strategy developed and being implemented

Western Gawler Craton joint venture (WPG approximately 34%)

- ❖ WGCJV dispute resolved; WPG has 100% of Challenger Deeps with new JV to be formed to explore for gold in other tenements
- ❖ Interesting exploration results announced by JV manager

Tunkillia gold project (WPG 100%)

- ❖ Advanced data compilation completed
- ❖ Further exploration program to commence in March quarter

Corporate

- ❖ Board renewal process progressing
- ❖ Listed options converted during the quarter and unexercised options taken up and exercised by the underwriter

31 January 2017



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RESULTS AT A GLANCE

Sales and Processing (Challenger Processing Hub)	Units	December Quarter 2016	Year To Date	*September Quarter 2016
Total Ore Processed	Tonnes	157,707	309,305	151,598
Grade Processed	g/t Au	2.58	2.61	2.64
Recovery	%	94.9	94.7	94.5
Gold Recovered	Ounces	12,429	24,567	12,138
All-in Sustaining Cost*	\$/Ounce	1,614	1,550	1,493
Gold Sold	Ounces	12,818	24,243	11,425
Average Gold Price Received	\$/Ounce	1,631	1,689	1,755
Sales Revenue Realised**	A\$000's	20,923	40,979	20,056

Challenger Gold Mine Operations Summary	Units	December Quarter 2016	Year To Date	*September Quarter 2016
Underground Capital Development	m	149	543	394
Total Underground Development	m	1,222	2,435	1,213
Underground Ore Mined	Tonnes	117,682	226,133	108,451
Underground Ore Grade***	g/t Au	3.02	3.06	3.11
Surface Stockpiles Treated****	Tonnes	39,582	78,221	38,639

Tarcoola Gold Mine Operations Summary	Units	December Quarter 2016	Year To Date	*September Quarter 2016
Production Drilling	m	3,842	3,842	-
Open Pit Waste Mined	bcm	167,809	167,809	-
Open Pit Ore Mined	Tonnes	8,825	8,825	-
Grade	g/t Au	2.71	2.71	-
Ore Hauled to Processing Facility	Tonnes	-	-	-
ROM Stockpile	Tonnes	8,825	8,825	-

- Notes: *
- AISC in relation to underground mining costs include all lateral development and fixed asset additions other than those associated with permanent infrastructure. AISC in relation to open cut mining activities excludes capitalised waste mining costs. AISC includes an appropriate allocation of head office costs.
- ** Production, sales and revenue information is provided for the Challenger gold mine at 100% (WPG 50% 1 June to 31 July, 100% from 1 August). Current year sales and revenue attributable to the joint venture partner up to 31 July 2016 are 1,891 oz for revenue of \$3,354k
- *** Includes stoping ore, development ore and low grade development ore
- **** Low grade stockpiled material acquired with the Challenger Gold Mine

CHALLENGER GOLD MINE

OVERVIEW

The Challenger mine continued operations at full production rates during the quarter.

Updated Mineral Resource and Ore Reserve Estimates

On 25 October 2016 WPG released the 30 June 2016 Mineral Resource and Ore Reserve estimate. This update took into account mining depletion and drilling and sampling results since the previous estimate as at 30 April 2016.

The 30 June 2016 Mineral Resource estimate was a total of 838,000 tonnes at an average grade of 9.76 g/t Au containing 263,000 ounces of gold.

The 30 June 2016 Ore Reserves estimate was 558,000 tonnes at an average grade of 4.98 g/t Au containing 89,000 ounces of gold.

WPG confirms that it is not aware of any new information or data that materially affects the information included in the 25 October 2016 market announcement and above in relation to the mineral resource estimate and ore reserve estimate, and confirms that to the best of its knowledge and belief all material assumptions and technical parameters underpinning the mineral resource and ore reserve estimates in the 25 October 2016 market announcement continue to apply and have not materially changed except to the extent of production.

Production and Costs

Total ore mined from underground for the quarter was 117,682 tonnes @ 3.02g/t Au (35,417 tonnes from development and 82,265 tonnes from stoping). Underground ore feed to the mill was supplemented by 39,582 tonnes of low grade surface stockpile material.

Milled tonnes for the quarter were 157,707 @ 2.58 g/t Au. Average recovery of 94.9% was slightly impacted by lower recoveries from treating the low grade surface stockpile material. Total gold recovered was 12,429 ounces, while gold sold was 12,818 ounces.

All-In-Sustaining Cost (AISC) in the quarter was \$1,614 per ounce recovered. This unacceptably high AISC was driven largely by low gold production in the month of December. A production improvement program has been implemented. Total revenue from bullion sales was \$20.9 million at an average gold price of \$1,631 per ounce.

NEAR MINE EXPLORATION

Resource definition and near mine exploration opportunities were pursued during the quarter by a program of underground diamond drilling. This ongoing program of near mine exploration drilling activity is to identify new minable resources that can be accessed from existing underground development.

Challenger West

During the quarter, a total of forty two drill holes for 5,975 metres were drilled to test the continuity of Challenger West ore shoots lower in the mine. In the middle to upper levels of Challenger West, there are multiple ore shoots (OD2, OD3, OD4) that were mined by the previous owner. The drilling throughout Challenger West area was located between the 290 and 710mRL.

Two drill programs returned very promising results on the OD4 shoot at the 450 level and OD1 shoot at the 370 level.

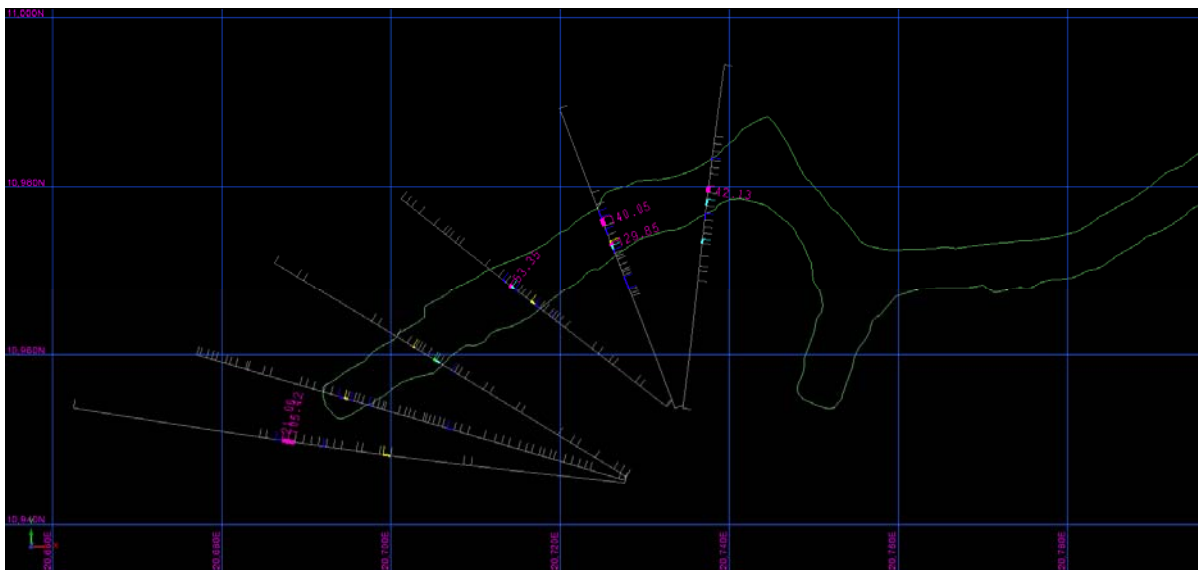


Figure 1: Drill hole intercepts for 450 OD4 and level development to the end of December 2016.

Significant intercepts include:

- 16CUD1842: 1.66m @ 63.21g/t from 43.09m
- 16CUD1882: 0.43m @ 53.55g/t from 30.14m
- 16CUD1883: 0.39m @ 129.85g/t from 27.30m
- 16CUD1883: 1.24m @ 140.05g/t from 30.51m
- 16CUD1884: 1.00m @ 42.13g/t from 32.00m
- 16CUD1908: 0.95m @ 214.28g/t from 271.8m
- 16CUD1918: 1.19m @ 14.62g/t from 78.47m
- 16CUD1922: 0.90m @ 157.03g/t from 83.23m
- 16CUD1980: 2.00m @ 34.66g/t from 80.00m

Thirty two of the forty two holes drilled into Challenger West returned low grade results on leucosomes intersected, but due to the nuggetty nature of the gold at Challenger, there is potential for future development on the OD2, OD3 and OD4 ore shoots.



Figure 2: visible gold in core at Challenger West

A full description of drilling details, including table of significant intercepts can be found in Appendix 1 of this report.

Challenger SSW

During the quarter, eighteen drill holes for 1,447 metres were drilled into the CSSW ore envelope from the 955 exploration drive. The purpose of this drilling was to identify the constraints to the ore envelope above this drive and to assist with further delineation of the mineralised envelope.

Significant intercepts include:

- 16CUD1938: 0.69m @ 15.90g/t from 16.39m
- 16CUD1939: 1.00m @ 9.97g/t from 11.00m
- 16CUD1940: 0.80m @ 20.99g/t from 10.25m

The results from this drilling inside the CSSW mineralised envelope indicate that there are numerous leucosomes that contain gold which are comparable in length and grade to intercepts announced in 2015 by the mine's previous owner.

A full description of drilling details, including table of significant intercepts can be found in Appendix 1 of this report.

Aminus

Diamond drilling to test the continuity of the Aminus lode between the 600 and 390 levels was completed during the quarter. Two programs consisting of 16 drill holes for 999 metres were drilled, with very encouraging drill results received at the 590 and 410 levels.

Seven of the fifteen drill holes targeting Aminus returned significant intercepts and has provided increased confidence to commence production from both the 590 and 410 levels.

Significant intercepts from Aminus drilling include:

- 16CUD1796: 1.00m @ 47.26g/t from 65m
- 16CUD1796: 0.30m @ 48.64g/t from 75.61m
- 16CUD1812: 0.49m @ 49.11g/t from 19.00m
- 16CUD1815: 4.34m @ 6.44g/t from 43.03m
- 16CUD1817: 0.37m @ 51.55g/t from 27.67m
- 16CUD1981: 3.71m @ 9.99g/t from 63.34m

A full description of drilling details, including table of significant intercepts can be found in Appendix 1 of this report.

M3

The M3 lode at Challenger has been previously mined in surface and underground operations by previous owners. The M3 lode is a near mine target that has not been fully explored and is not in the current Challenger resource.

One drilling program at the 1025 level was completed in the quarter. Fifteen drill holes for 2,095 metres were completed with excellent results returned on the M3 ore shoot. The location of diamond drilling is located within the footwall portion of the M3 ore shoot, which has been sporadically mined between the 1100 and 900 levels.

Based on these results, further drilling targeting M3 on several levels will be completed in the next quarter, as shown in figure 3.

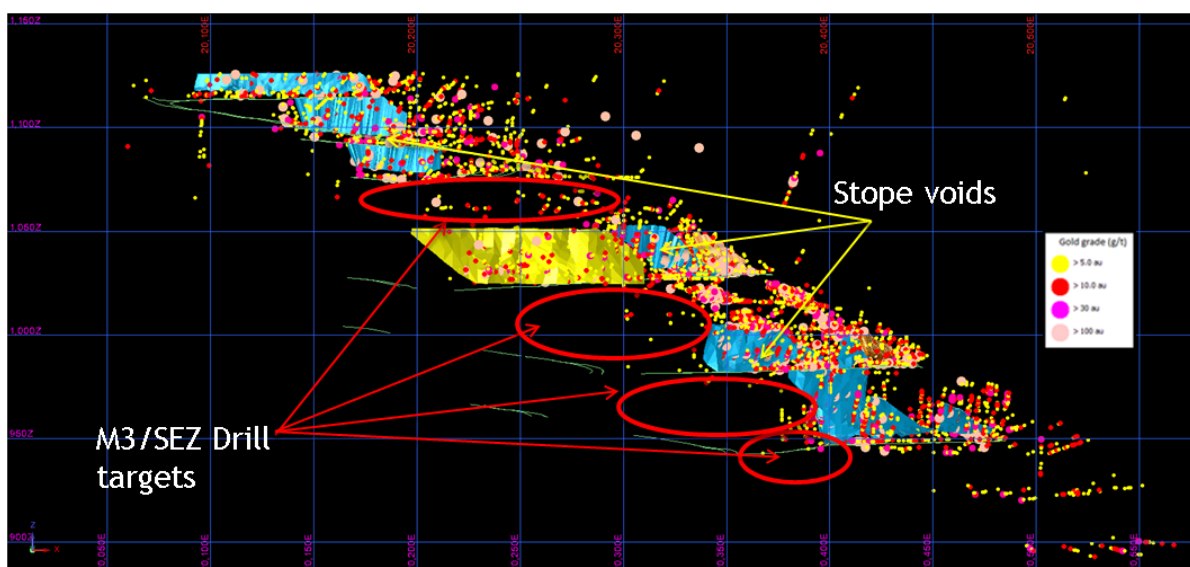


Figure 3: Long section of M3 shoot showing diamond drill intercepts, previously mined stope voids (blue) and the 1025 drill target zone (yellow)

Significant intercepts from M3 drilling include:

- 16CUD1964: 0.94m @ 156.57g/t from 17.66m
- 16CUD1968: 0.30m @ 120.44g/t from 11.75m
- 16CUD1969: 1.13m @ 23.04g/t from 13.24m
- 16CUD1970: 0.76m @ 36.60g/t from 14.80m
- 16CUD1971: 1.75m @ 12.31g/t from 18.45m

A full description of drilling details, including table of significant intercepts can be found in Appendix 1 of this report.

Future exploration activities

The focus of future exploration activities at Challenger for the remainder of the financial year is shown in Figure 4 below.

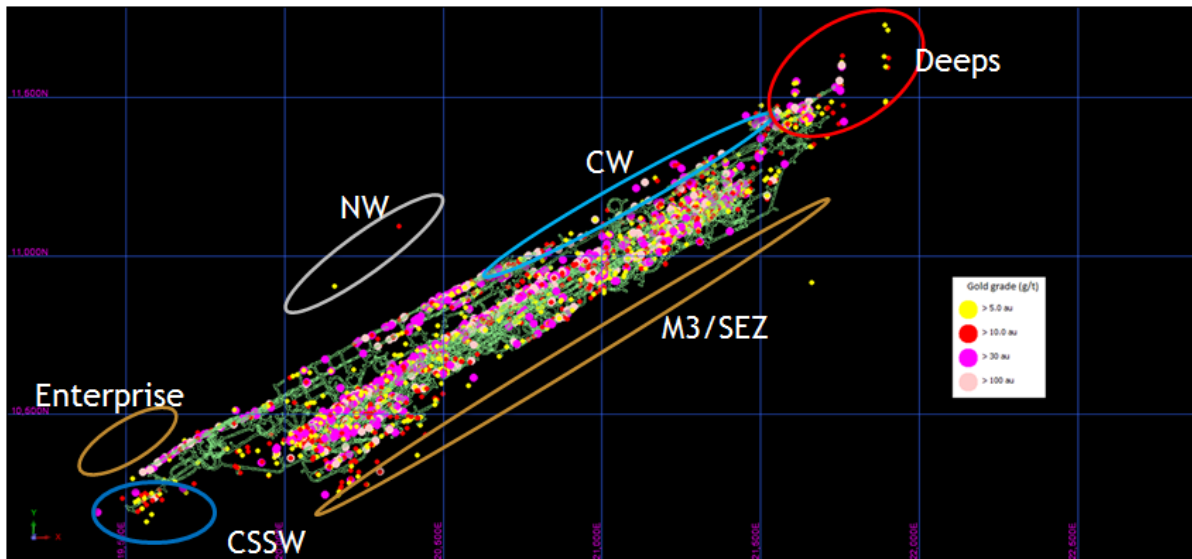


Figure 4: Near Mine exploration targets at Challenger for FY2017

Drilling is planned on multiple near mine exploration targets over the next six months. The diamond drilling program will be split into two sections – development drilling and near mine exploration drilling. Development drilling involves further drilling into Challenger West, Aminus and remnant opportunities in the historic M1 and M2 lodes. Near mine exploration drilling will target M3 and CSSW, with the goal of increasing the Challenger resource for 2017.

Challenger Deeps

During the quarter a dispute over ownership of the gold rights in the northern section of EL 5661 (and therefore ML 6457, which contains the down-plunge extension of the Challenger lodes known as Challenger Deeps) was resolved with WPG's 100% right to all minerals in this area confirmed.

Exploration drilling in the area will commence from underground drill cuddies once adequate ventilation is established in this area.

TARCOOLA GOLD MINE

OVERVIEW

The December quarter was one of significant achievement for the Tarcoola Gold Project, with WPG taking an undeveloped site in a remote location and bringing a mine into production in just 4 weeks. All major regulatory approvals were received by mid-November, key contracts were let and development of the project on the ground commenced immediately on the receipt of all relevant approvals. The project was fast tracked with all supporting infrastructure being established, and first ore mined from the pit in mid-December.

Updated Ore Reserve Estimates

On 1 September 2016 WPG revised its estimate of Ore Reserves for Tarcoola to 710,000 tonnes at an average grade of 3.1 g/t Au containing 71,000 ounces as at 29 August 2016.

WPG confirms that it is not aware of any new information or data that materially affects the information included in the 1 September 2016 market announcement and above in relation to the ore reserve estimate, and confirms that to the best of its knowledge and belief all material assumptions and technical parameters underpinning the ore reserve estimate in the 1 September 2016 market announcement continue to apply and have not materially changed except to the extent of production since.

Production

A total of 171,523 bcm mined from the pit, including 8,825 tonnes of ore at 2.71 g/t containing 768 ounces of gold. During the quarter, the mined ore was stockpiled at Tarcoola.

Haulage of ore to the Challenger processing hub and the recovery of gold commenced in the March 2017 quarter.



Figure 5: visible gold in sample recovered from Tarcoola stockpile

PEPR APPROVAL

The Program for Environment Protection and Rehabilitation (PEPR) for the Tarcoola operation was approved during the quarter. This was the last material regulatory approval required for WPG to commit to mine development at Tarcoola. WPG worked closely with the SA Department of State Development (DSD) and other stakeholders throughout the PEPR approval process.

In anticipation of the Decision to Mine, all contracts for the project were awarded, most of the equipment necessary for works to commence was mobilised to Tarcoola. Refurbishment of the Tarcoola Hospital, and other buildings owned by WPG in the Tarcoola township, continued during the quarter.

The project has resulted in the creation of 40 direct full time jobs.

Tarcoola is South Australia's newest mine, and its development, together with the Challenger mine, will transform WPG to a successful mid-tier gold producer.



Figure 6: Excavator at Tarcoola



Figure 7: Main accommodation block – refurbished Tarcoola hospital



Figure 8: Fly-in fly-out service to Tarcoola

DECISION TO MINE

On 11 November 2016, WPG announced that the Board of Directors had made a Decision to Mine at Tarcoola. This decision followed PEPR approval, payment of \$72,000 into a Significant Environmental Benefit vegetation clearance offset account and lodgement and registration of the mine closure rehabilitation bond of \$1.76 million.

COMMENCEMENT OF MINING

On 17 November 2016, WPG announced it had progressed the project's immediate development with the commencement of fly-in fly-out (FIFO) services deploying staff and contractors to site, marking the official start of mine development at Tarcoola.

On 24 November 2016, within two weeks of the Decision to Mine, mining commenced. The mine was officially opened on 13 December 2016 at Tarcoola and at the minesite, and was attended by the DSD, stakeholders including representatives of the Native Title holders, the Antakirinja Matu-Yankuntjatjara Aboriginal Corporation, the Department of Defence and the project's major contractors.



Figure 9: Tarcoola gold mine opening

ORE HAULAGE TO CHALLENGER

Planned upgrades to the haul road and the traffic management plan were completed and Tarcoola ore began being trucked to Challenger for treatment through the Challenger CIP plant in January 2017. Processing of Tarcoola ore at Challenger replaces the depleted low grade surface stockpile material.



Figure 10: Tarcoola ore arrives at Challenger for processing

NEAR MINE EXPLORATION

Historical near mine exploration data has been reviewed and an orientation soil sampling survey was completed at the Wondergraph and Warrigal Prospects (see Figure 11). Forty two samples on four transects over mineralisation were surveyed at Wondergraph, Warrigal and Day Dawn (historical working in the southern part of Warrigal). Three different size fractions were taken at each point (-2.8+1.6mm, -1.6+0.22mm and -0.22mm) and each sample was analysed with BLEG and Fire Assay for gold, as well as multi-element analysis. Indications are that the fine fraction (-0.22mm) is the most sensitive for gold and Fire Assay is the preferred lab analysis method for gold detection and these methods will be used for a larger soil sampling program planned at Warrigal in the March quarter. Historical induced polarisation (IP) geophysical data will also be reprocessed, with the objective of identifying mineralisation trends or prospective zones for drill testing.

A small Reverse Circulation program is also planned for the Wondergraph Prospect. Nine holes for 320m will be drilled using the site grade control rig with the ambition to define another resource at Tarcoola.

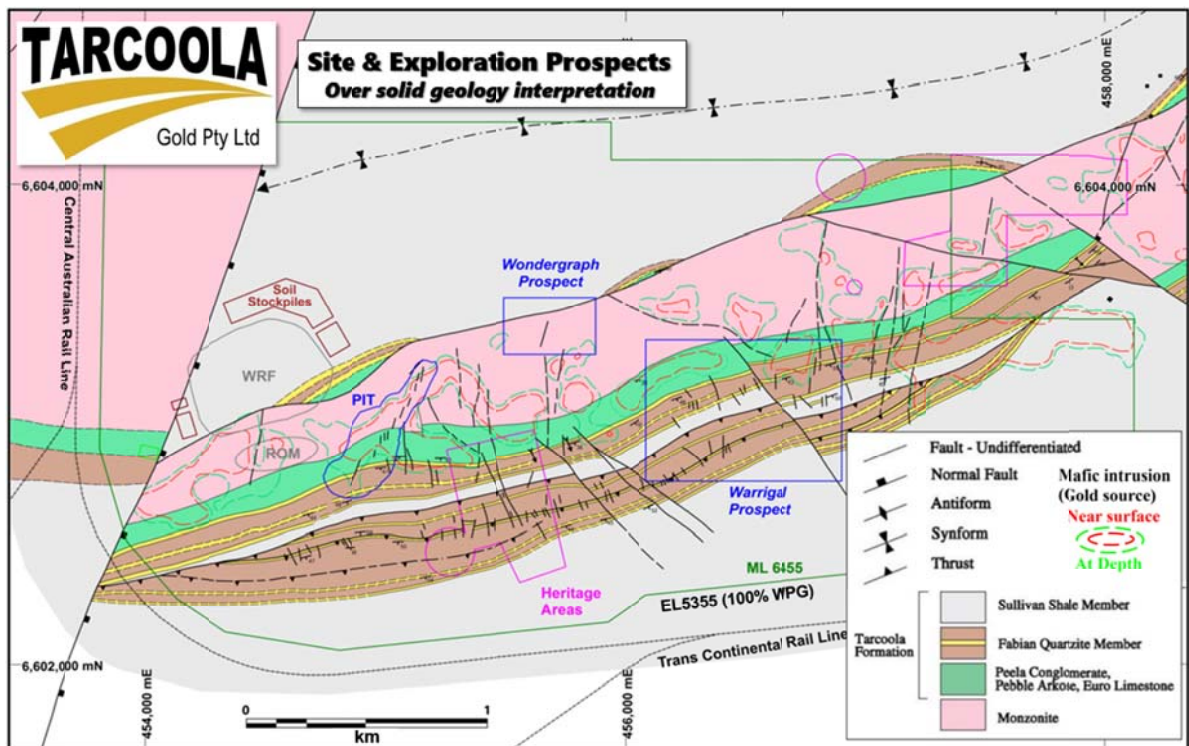


Figure 11: Site layout and Exploration Prospects with planned work

WPG has rights to 100% of all minerals over an area of 1,207km² on ELs 5355 and 5254 surrounding the Tarcoola mine and is reviewing other exploration targets with potential for further discoveries.

WESTERN GAWLER CRATON JV (WGCJV)

The current interests of the parties to the WGCJV are approximately WPG 34%, and Tyranna Resources Ltd 66%. Parts of the project area are also subject to a 10% carried interest held by a private company. Tyranna is the manager of the joint venture. The WGCJV's strategy is to target the more advanced gold prospects which are situated within 50 kilometres of the Challenger gold processing operations and increase the economic scale of these prospects via focused and extensive exploration drilling.

In recent years a dispute existed between the parties that hampered exploration activities. This dispute was resolved during the quarter. Under the binding term sheet signed by the parties, Tyranna agreed to drop its claim over the northern part of EL 5661 and in return, WPG agreed that ownership of the other tenements subject to the WGCJV will be transferred to Tyranna under a new joint venture arrangement. This new joint venture is over gold rights in the WGCJV area only and Tyranna will hold rights to other minerals (subject to other third party rights). The interests of the two parties in the new joint venture *ab initio* will be exactly the same as under the old joint venture, and there will be no change to the dilution provisions. As with the old joint venture, Tyranna will be manager of the new joint venture.

The new agreement will allow WPG to continue with its exploration and development of the down-plunge extensions to the Challenger lodes in Challenger Deeps, secure now in the knowledge that it has 100% rights to this area.

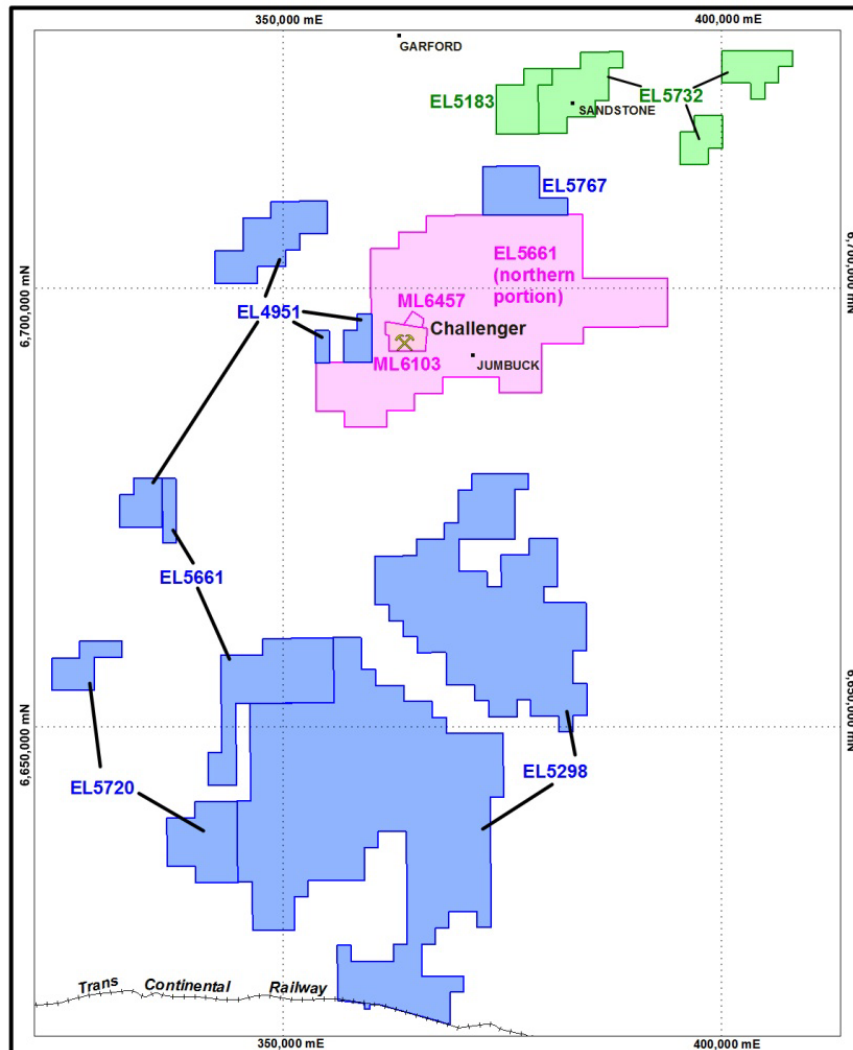


Figure 12: WGCJV tenure (shown in green and blue) and CGO tenure (shown in pink)

The WGCJV under Tyranna’s management completed extensive reverse circulation and diamond drilling during the quarter at the Greenwood and Campfire Bore Prospects, north-east of Challenger. Assays returned a number of interesting intersections (full details were reported in Tyranna’s ASX announcements of 22 December 2016 and 11 January 2017).

WPG is engaging with its WGCJV partner through technical discussions and encourages Tyranna to continue exploring in the WGCJV project area for potential eventual treatment of ore through the Challenger mill.

TUNKILLIA

EXPLORATION

WPG has 100% of all minerals over an area of 1,604km² on ELs 5670, 5901 and 5790 and is reviewing exploration targets with potential for further discoveries. An advanced data compilation of historic drill logs at the 223 Deposit was completed during the quarter. This data will be analysed with 3D software with the aim of defining the structure of the gold hosting quartz lodes to generate higher grade gold target zones beneath the already defined mineralisation. Regional target generation on the broader Yarlbrinda Shear Zone away from the 223 deposit has also been conducted and appropriate geophysical techniques to assist this are being reviewed.

No formal work has commenced on the Definitive Feasibility Study however it is envisaged that in-house resources will be deployed later in the year.

MUCKANIPPIE, ROBINS RISE, LAKE WOORONG AND PERFECTION WELL

With WPG's current focus on fast tracking its gold projects, the Company's efforts were diverted for the quarter from its other South Australian project assets.

There was no substantive work undertaken on these tenements during the quarter, however, a review of these projects and previously proposed programs is underway, in the effort to generate a priority ranking and new targets.

CORPORATE

BOARD CHANGES

During the quarter changes to the Board were made that reflect the Company's strategy of renewal, generational change and diversity.

Ms Helen Wiseman was appointed as a Non-executive Director on 20 October 2016. Helen is an experienced Director and chartered accountant and is also Chair of the Audit & Risk Committee.

Non-executive Director Len Dean retired on 30 November 2016. Len was a Director for almost 10 years and made a substantial contribution to the Company during his tenure.

Managing Director and CEO Martin Jacobsen resigned effective 16 December 2016 due to ill health. Martin's determined hard work over the last 10 years has strengthened the success of the Company, including the development and sale of WPG's iron ore assets in 2011, the identification and acquisition of WPG's gold project assets at Tarcoola and Tunkillia in 2014, and the acquisition and restart of the Challenger gold mine.

CEO APPOINTMENT

Wayne Rossiter was appointed Chief Executive Officer on 22 December 2016. Wayne joined WPG in June 2011 to manage its energy portfolio. He was promoted to Chief Financial Officer in July 2013. Wayne has been an integral part of our executive team responsible for the identification, negotiation and acquisition of our gold portfolio. He is a qualified mining engineer and chartered accountant and his appointment reflects WPG's succession planning process.

SHARE PLACEMENT

In November 2016, WPG completed a placement of 4,819,277 shares to Low Impact Diamond Drilling Service Pty Ltd (LIDDS). The shares issued to LIDDS were a legacy obligation of the Tarcoola gold project and were allotted on taking the Decision to Mine.

EXERCISE OF OPTIONS

During the quarter, approximately \$2,287,456 was raised through exercise of 60,196,219 of the Company's existing quoted exercise price options. The unexercised options expired on 31 December 2016 and were subsequently taken up by the underwriter. Approximately \$181,443 was raised through the issue to the underwriter of 4,774,813 shares on exercise of the remaining options.

ISSUE OF UNQUOTED OPTIONS

During the quarter, 37,500,000 unlisted Vendor and Broker options (exercise price \$0.11, expiry 30 September 2018) were issued.

25 million Vendor options were issued as part of the acquisition of its former joint venture partner Diversified Minerals Pty Ltd (DMPL) 50% interest in the Challenger mining and exploration joint ventures (CJVs), to increase its interest to 100% of the Challenger gold operations.

12.5 million Broker options were issued as part of the underwriting fee for the \$6.32 million 1 for 6 Entitlement Offer completed in the September 2016 quarter

The issue of the Vendor and Broker options was approved at a general meeting of shareholders held on 13 October 2016.

HEDGING

At the end of the quarter the Company sold forward 5,000 ounces of gold. The Company intends to enter into further hedging arrangements in the current quarter.

FINANCIAL POSITION

As at 31 December 2016 the Company had cash at bank of \$9.7 million and gold bullion at realisable value of \$2.7 million.

Further Information

For further information please contact WPG's Executive Chairman, Bob Duffin or Chief Executive Officer, 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 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 Statements

CHALLENGER

Mineral Resources

The information that relates to Mineral Resources contained in this report is based on, and fairly represents, information and supporting documentation prepared by Mr Stuart Hampton.

Stuart Hampton is a Member of the Australasian Institute of Mining and Metallurgy. He is an independent contract geologist who previously compiled information concerning the Challenger gold mine and worked at Challenger for 11 years. He qualifies 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) and has sufficient experience relevant to the style of mineralisation being reported herein. Stuart Hampton 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.

Ore Reserves

The information that relates to Ore Reserves contained in this report is based on, and fairly represents, information and supporting documentation prepared by Mr Luke Phelps.

Luke Phelps is a Member of the Australasian Institute of Mining and Metallurgy. He is a full time employee of Challenger Gold Operations Pty Ltd, a wholly owned subsidiary of WPG Resources Ltd, who previously compiled information concerning the Ore Reserve estimates for the Challenger gold mine and has worked at Challenger for over 6 years. He qualifies 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) and has sufficient experience relevant to the style of mineralisation being reported herein. Luke Phelps 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.

Exploration activities

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.

TARCOOLA

Ore Reserves

The information in this report that relates to Ore Reserves is based on, and fairly represents, information and supporting documentation compiled by Mr John Wyche. John Wyche is employed full-time by Australian Mine Design and Development Pty Ltd, an independent consultant mining engineering company which completed the mine design and ore reserve estimate for inclusion in the Feasibility Study.

John Wyche is a member of the Australasian Institute of Mining and Metallurgy and has 33 years of experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity being undertaken to qualify as a Competent Person as defined in the 2012 Edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. John Wyche consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

Exploration activities

The Tarcoola exploration activities and results contained in this report are based on information compiled by Mr Paul Wittwer.

Paul Wittwer is a Member of the Australasian Institute of Mining and Metallurgy and the Australian Institute of Geoscientists. He is a Senior Project Geologist 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). Paul Wittwer 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.

Drill Data - Significant Intercepts Challenger

Exploration Diamond Drill hole Details (Local Grid)							Intercept Details				
Hole ID	Collar mN	Collar mE	Collar mAHD	Dip	Grid Azi	Hole Length	From (m)	To (m)	Interval (m)	Au (g/t)	Shoot
16CUD1796	10958.46	20741.29	564.193	53	145	83	65	66	1	47.26	AMINUS
							68.59	69	0.41	5.01	AMINUS
							75.61	75.91	0.3	48.64	AMINUS
16CUD1798	10958.21	20741.48	563.397	37	145	65	30.87	31.57	0.7	12.79	AMINUS
16CUD1812	11109.84	21064.86	411.944	0	155	50	19.00	19.49	0.49	49.11	AMINUS
16CUD1813	11109.73	21064.04	411.905	0	175	55	25.42	26.43	1.01	7.91	AMINUS
16CUD1815	11112.47	21065.89	411.581	-18	90	65	43.03	47.37	4.34	6.44	AMINUS
16CUD1816	11111.98	21065.89	411.575	-20	100	55	34.90	35.76	0.86	12.39	AMINUS
16CUD1817	11111.17	21065.84	411.31	-23	115	65	27.67	28.04	0.37	51.55	AMINUS
16CUD1842	10944.89	20727.64	467.761	-25	277	70	43.09	44.75	1.66	63.21	CW
16CUD1882	10953.88	20732.61	466.624	-40	307	50	30.14	30.57	0.43	53.55	CW
16CUD1883	10953.71	20733.59	466.871	-42	339	50	27.30	27.69	0.39	129.85	CW
							30.51	31.75	1.24	140.05	CW
16CUD1884	10953.7	20734.52	467.121	-37	8	50	32.00	33.00	1.00	42.13	CW
16CUD1908	11055.22	21016.58	344.745	15	335	140	27.18	28.13	0.95	214.28	CW
16CUD1918	11055.32	21016.05	343.126	-24	327	130	78.47	79.66	1.19	14.62	CW
16CUD1922	11055.3	21016.86	343.063	-31	343	150	83.23	84.13	0.90	157.03	CW
16CUD1930	10219.71	19545.48	960.923	45	130	80	30.00	31.00	1.00	6.44	CSSW
16CUD1933	10219.44	19545.03	960.946	45	185	79	25.86	26.38	0.52	5.29	CSSW
16CUD1935	10224.98	19544.26	959.859	25	310	81	6.00	6.70	0.70	6.37	CSSW
16CUD1936	10224.98	19544.21	960.867	45	310	81	19.14	20.00	0.86	5.48	CSSW
16CUD1938	10225.27	19544.62	959.899	25	5	80	16.31	17.00	0.69	15.90	CSSW
16CUD1939	10225.22	19544.63	960.704	45	5	82	11.00	12.00	1.00	9.97	CSSW
16CUD1940	10225.06	19544.4	961.107	65	5	80	10.25	11.05	0.80	20.99	CSSW
							25.00	26.00	1.00	7.13	CSSW
16CUD1957	10214.95	19501.05	961.073	25	5	81	3.20	4.08	0.88	5.74	CSSW
16CUD1964	10413.99	20240.54	1026.768	25	99	115	17.66	18.60	0.94	156.57	M3
							68.41	69.00	0.59	6.38	SEZ
16CUD1968	10413.27	20237.06	1025.85	25	159	125	11.75	12.05	0.30	120.44	M3
16CUD1969	10413.27	20236.69	1025.587	22	167	130	13.24	14.37	1.13	23.04	M3
							95.00	96.00	1.00	12.65	SEZ
16CUD1970	10413.23	20236.4	1025.428	19	175	150	14.80	15.56	0.76	36.60	M3
16CUD1971	10413.32	20236.08	1025.123	15	183	175	18.45	20.20	1.75	12.31	M3
16CUD1972	10413.25	20235.87	1024.987	12	189	220	20.55	20.98	0.43	9.04	M3
16CUD1979	11016.2	21024.37	369.946	2	340	140	3.00	3.49	0.49	5.05	M2
							82.00	83.00	1.00	5.86	CW
16CUD1980	11015.96	21023.9	369.946	2	326	130	80.00	82.00	2.00	34.66	CW
16CUD1981	11015.72	21023.47	369.947	2	313	150	63.34	67.05	3.71	9.99	AMINUS

JORC Code, 2012 Edition – Table 1

Section 1 Sampling Techniques and Data

Criteria	Commentary
<i>Sampling techniques</i>	<ul style="list-style-type: none"> Underground BQ and LTK60 drill core is whole core sampled, ranging from 0.3m to 1.3m sample intervals. Each sample is crushed to 4mm and pulverised to 75 microns through the PAL (pulverizing aggressive leach) process. In the PAL process, each sample is pulverised in an aqueous solution with cyanide bearing assay tabs and a collection of assorted ball bearings. Each sample is processed in the PAL for one hour, resulting in an Au_CN complex bearing liquor and remnant pulverised sample.
<i>Drilling techniques</i>	<ul style="list-style-type: none"> Underground diamond drilling is undertaken by Challenger Gold Operations and HMR Drilling Services. Challenger Gold operates two LM75 underground drill rigs with separate power pack running BQ triple tube wireline gear. HMR Drilling services operate a CAT272D skid steer drill rig with a 400 series feed frame and running LTK60 conventional rods with triple tubes. No diamond core was oriented.
<i>Drill sample recovery</i>	<ul style="list-style-type: none"> All drill core is presented as whole core in core trays by Challenger Gold and contractor drillers. Core blocks are inserted at the end of every run. Any core loss is noted by the diamond driller on an additional core block if required. Any core loss is discussed with the drillers in a process of constant improvement to maximise returns. In the case of core loss, generally only fine material is lost through grinding. Any discrepancies between the measured length of the core and that of the core blocks are identified and recorded in logging as gaps in the lithology and also in the geotechnical logging. Unless a mineralised leucosome is ground away, there is no sample bias due to fines loss.
<i>Logging</i>	<ul style="list-style-type: none"> All drill core is geologically logged (lithology, mineralisation, structure) and geotechnically logged (Q value – rock quality) down to cm-scale. (Any leucosome greater than 0.20m in length is recorded as a separate lithology). The logging is quantitative in nature as lithology percentages and compositions are recorded and all geotechnical logging relies on measurements for the calculation of Q values. All core is digitally photographed, one core tray per photo, with photos stored on site server for reference.
<i>Sub-sampling techniques and sample preparation</i>	<ul style="list-style-type: none"> Samples taken from BQ and LTK60 underground core are full core sampled. The sample is submitted to the site laboratory for analysis. All samples are dried at a maximum temperature of 90 degrees Celsius to drive off moisture that would interfere with splitting the sample. After drying, samples are crushed using a Boyd Crusher to approximately 4mm in size and then split through a rotary sample splitter to produce a sub-sample. The crusher is cleaned regularly, with barren material (bricks) crushed through it to ensure no smearing prior to the sample run being crushed. Each reject sample is retained for resampling if required. Each sample can be tracked by its sample number through the entire laboratory process and results for the original samples and all QAQC samples are presented in digital form to the site geologists.
<i>Quality of assay</i>	<ul style="list-style-type: none"> Assaying at Challenger is completed using the PAL process (pulverizing aggressive leach). This process effectively replicates the process in the

Criteria	Commentary
<i>data and laboratory tests</i>	<p>Challenger mill. Each sample is pulverised in aqueous solution with cyanide bearing assay tabs and a collection of assorted ball bearings. Each sample is processed in the PAL for one hour, resulting in an Au_CN complex bearing liquor and remnant pulverised sample. The pulverised material is 95% passing 75 microns, the ideal liberation size for gold at Challenger.</p> <ul style="list-style-type: none"> • Every twentieth sample is duplicated for the original sample bag (re-split) to produce a duplicate. Every sample run (53 samples) will contain at least two duplicates, a blank and a standard (prepared by Gannet Holdings Pty Ltd). These are to ensure that the sub-sampling is representative, that the PAL is correctly cleaned between sample runs and that the PAL is pulverising the samples correctly for full gold extraction. • Following PAL processing, the samples are individually decanted, centrifuged and prepared for analysis in an AAS by solvent separation using DIBK (20 minutes). The sample is then aspirated through the AAS to produce a reading. The AAS is calibrated for each sample run using analytical reagent prepared standards (of 1.0, 5.0, 10.0 and 20.0 g/t Au) from Rowe Scientific. Each sample is adjusted for sample weight in Labman software to produce the gold grade in ppm. These grades are presented to site Geologists in MS Excel .csv spread sheets. • For each sample job; blanks, standards and duplicates are examined to ensure that the blanks are below detection (0.01ppm), the standards are within 8% (experimental accuracy) and that the duplicates are 'reasonable' with respect to the nugget effect of the Challenger deposit. Any sample jobs that fail these checks will be re-analysed from re-splits of the original samples. In addition, all the blanks, standards and duplicates are examined quarterly to ensure that the laboratory is maintaining overall operating standards.
<i>Verification of sampling and assaying</i>	<ul style="list-style-type: none"> • Significant intercepts were verified by Challenger Mine Geologists and the Senior Mine Geologist. Any significant intercepts in exploration drilling and selected significant intercepts from underground production diamond drilling are submitted to Genalysis at least annually for external analysis. This analysis is undertaken by SP-02 or SP-03 sample preparation followed by partial fire assay using a 50 gram charge (FA50). These results are compared to the original PAL results to ensure that the site analyses are repeatable. While the two analysis processes are different, a correlation 0.94 has been achieved for the last comparison, undertaken in June 2016, and 0.83 to 0.98 over the last two years. • No twinned holes were drilled • All core logging data is captured digitally on company laptop computers and stored on the site server, which is backed up daily. All sample information is recorded both in the relevant logs/face sheets and in sample submission forms that are submitted to the laboratory (on and off site). This allows checking that all samples are present and accounted for by laboratory staff. Assay results are generated as MS Excel .csv files that are stored on the site server and are manually merged with the primary logging/face sheet information. This merged data (logs, collar information and assays) are all imported to the site Diamond Drilling Database in MS Access for use in Surpac. All information imported to the database is checked by the importer in MS Access and Surpac to ensure the correct location/display of data. Ongoing checks are carried out by the entire technical team as the data is used. • The only modification of assay data, following creation by Labman software is altering of results below detection, <0.01g/t Au, to 0.001g/t Au, averaging of duplicate results to produce an 'au_plot' grade for plotting and application of c80, c140 and c180 cut-offs to the primary data. All of these modifications are undertaken using the merged data in MS Excel (using standard forms), prior to importing to MS Access
<i>Location of data points</i>	<ul style="list-style-type: none"> • All surveys on site are carried out by qualified Surveyors using a Total Station Leica theodolite from known wall stations determined from surface stations located by GPS. Surveying in this manner provides three dimensional collar co-ordinates and development pickups to mm-scale accuracy. Drill hole collars are surveyed in the same way as the rest of the workings with collar dip and azimuth determined by surveying a rod that fits into the drill holes. The collar surveys are transmitted electronically to the site Geologists who merge this information into the MS

Criteria	Commentary																																																
	<p>Excel logs for each drill hole. Down hole surveying of underground diamond drill core is undertaken with a single-shot electric down hole compass/camera at a minimum of every 30m down hole.</p> <ul style="list-style-type: none"> All survey data is stored as local Challenger Mine Grid. Challenger Mine Reduced Level (RL) = AHD + 1000m so AHD 193m level = 1193mRL. <p>Transformations between AMG and local grids: origin, azimuth</p> <p>AMG origin and azimuth conversions are based on the following coinciding points.</p> <table border="1"> <thead> <tr> <th colspan="4">AMG84 Co-ordinates</th> </tr> <tr> <th>Station Name</th> <th>mN</th> <th>mE</th> <th>mAHD</th> </tr> </thead> <tbody> <tr> <td>CH10</td> <td>6693784.890</td> <td>363338.265</td> <td>194.97</td> </tr> <tr> <td>CH20</td> <td>6693917.900</td> <td>363657.477</td> <td>50.069</td> </tr> <tr> <td>Origin</td> <td>6693379.301</td> <td>363699.494</td> <td>194.410</td> </tr> <tr> <td>Flat Battery</td> <td>6693411.735</td> <td>363510.463</td> <td>194.314</td> </tr> </tbody> </table> <table border="1"> <thead> <tr> <th colspan="4">Challenger Mine Grid co-ordinates</th> </tr> <tr> <th>Station Name</th> <th>mN</th> <th>mE</th> <th>mAHD</th> </tr> </thead> <tbody> <tr> <td>CH10</td> <td>10524.890</td> <td>19860.005</td> <td>1194.977</td> </tr> <tr> <td>CH20</td> <td>10499.951</td> <td>20204.989</td> <td>1050.069</td> </tr> <tr> <td>Origin</td> <td>10000.000</td> <td>20000.000</td> <td>1194.410</td> </tr> <tr> <td>Flat Battery</td> <td>10114.083</td> <td>19845.777</td> <td>1194.314</td> </tr> </tbody> </table> <ul style="list-style-type: none"> Challenger Mine Grid North 0° = 329.0° MAGNETIC Challenger Mine Grid North 0° = 333° 14'41"AMG (grid bearing + 26°45'19" = AMG bearing) Challenger Mine Grid 31° = Magnetic North 0° Topographic control is taken from the surface stations (above) and traversed to the operating areas through the use of wall stations. 	AMG84 Co-ordinates				Station Name	mN	mE	mAHD	CH10	6693784.890	363338.265	194.97	CH20	6693917.900	363657.477	50.069	Origin	6693379.301	363699.494	194.410	Flat Battery	6693411.735	363510.463	194.314	Challenger Mine Grid co-ordinates				Station Name	mN	mE	mAHD	CH10	10524.890	19860.005	1194.977	CH20	10499.951	20204.989	1050.069	Origin	10000.000	20000.000	1194.410	Flat Battery	10114.083	19845.777	1194.314
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<i>Data spacing and distribution</i>	<ul style="list-style-type: none"> Underground drilling is drilled at either 20m horizontal or from 20 to 100m vertically spaced fans. Holes are designed to intersect the lodes at 15 to 25m spacing along strike, as close to perpendicular to the strike of the lodes with fold closures specifically targeted. Underground and surface drilling is adequate to broadly define the lodes for the purposes of level planning. No sample compositing of underground diamond drilling has been applied 																																																
<i>Orientation of data in relation to geological</i>	<ul style="list-style-type: none"> The orientation of underground drill holes are designed to be as perpendicular to the lode system as possible. During any grade calculation (be it production or resource) any structure parallel drill holes are examined for their effect on the final grade result, and where appropriate, excluded from the grade calculations, thus reducing the effect of any sample bias. 																																																

Criteria	Commentary
<i>structure</i>	
<i>Sample security</i>	<ul style="list-style-type: none"> • Samples are submitted to the site laboratory as soon as practical after sampling in individually numbered calico sample bags (labelled CUD for diamond drilling). Analysis is not undertaken until all descriptive paperwork is correctly submitted for the samples. From acceptance of the samples, each sample is tracked on site through Labman software to ensure that each assay is correctly matched with its sample. Any discrepancy between submitted samples and the paperwork is identified and may result in the entire sample job being resampled from original material prior to analysis. External laboratories utilise their own systems for sample tracking.
<i>Audits or reviews</i>	<ul style="list-style-type: none"> • Data reviews are undertaken on an ongoing basis by site Geologists while using the data. Any errors identified (either by staff, MS Access or Surpac) is queried and corrected as a part of a program of continual improvement. • Lab audits are done annually, showing that operating procedures for sample management, QAQC and result consistency are being adhered to.

Section 2 Reporting of Exploration Results

Criteria	Commentary
<i>Mineral tenement and land tenure status</i>	<ul style="list-style-type: none"> • All exploration was undertaken within the current Challenger Mine Lease ML6103. The underlying Exploration Licence EL5661 comprises 687 square kilometres within the Woomera Prohibited Area, straddling the Mobella and Commonwealth Hill pastoral leases.
<i>Exploration done by other parties</i>	<ul style="list-style-type: none"> • Previous exploration and mining activities at Challenger Gold Mine have been conducted by Dominion Gold (1995-2010) and Kingsgate Consolidated (2010-2016)
<i>Geology</i>	<ul style="list-style-type: none"> • Challenger occurs within the Mulgathing Complex of the Gawler Craton and the area is characterized by Archaean to mid-Proterozoic gneissic country rock. Original granulite facies metamorphism is overlaid by retrograde amphibolite facies recrystallization around 1650 - 1540 Ma (Tomkins, 2002). Saprolitic clays extended to 50 m depth within the ore zone, reflecting a deeper base of oxidation. High-grade gold mineralisation is associated with coarse-grained quartz veins with feldspar, cordierite and sulphides dominated by arsenopyrite, pyrrhotite and lesser telluride. These veins are interpreted as migmatites that have undergone partial melting, with this melting reflecting a precursor hydrothermal alteration event (McFarlane, Mavrogenes and Tomkins, 2007). <p>Three main types of leucosome/vein styles have been defined:</p> <ol style="list-style-type: none"> 1. quartz dominant veins, which may be remnant pre-metamorphic mineralised veins 2. polysilicate veins, which are dominant in the main ore zones and host the majority of the mineralisation 3. Pegmatitic veins, which are unmineralised, late stage, with cross-cutting relationships. <p>The gold mineralisation is structurally controlled through emplacement of the partial melt into relatively low-strain positions. McFarlane, Mavrogenes and Tomkins (2007), using Monazite geochronology proposed a 40 Ma period between 2460 and 2420 Ma of repeated high-</p>

Criteria	Commentary
	<p>temperature events.</p> <p>The Challenger Structure can be defined as a laterally extensive shear zone with shoots that plunge 30° to 029° (AMG). These ore shoots are defined by leucosome veins, which are characteristically ptgmatically folded. The small-scale folding is parasitic to the overall larger scale folding that can be interpreted from drill core. The folding is interpreted as pre peak metamorphism along with gold mineralisation. Post-folding, the Challenger shoots were subjected to extreme WNW-ESE shortening and extension directed shallowly to the NE.</p> <p>Reference: Androvic, P, Bamford, P, Curtis, J, Derwent, K, Giles, A, Gobert, R, Hampton, S, Heydari, M, Kopeap, P and Sperring, P, 2013. Challenger Gold Mine, Australasian Mining and Metallurgical Operating Practices, AusIMM. 1097-1112.</p>
<i>Drill hole Information</i>	<ul style="list-style-type: none"> • See Appendix 1 to this report. • Drill holes with significant intercepts have been recorded in Appendix 1. • All holes drilled at Challenger during the period did intersect leucosomes, however due to the high nugget effect of gold distribution at Challenger, not all intersected leucosomes were significantly mineralised.
<i>Data aggregation methods</i>	<ul style="list-style-type: none"> • For all results at Challenger Gold Mine, a low cut-off of 0.01g/t Au is applied (limit of detection), these results are replaced with 0.001g/t Au in the drilling database to flag that they are below detection. The assay result is stored as au_plot in the database and variable top cuts of c80g/t, c140g/t and c180g/t are used where required. No upper grade truncation is used for significant intercepts. • Reported mineralised intercepts are based on consistent zones of mineralisation greater than 5 g/t and intervals over 0.3 metres. • No metal equivalent values have been used.
<i>Relationship between mineralisation widths and intercept lengths</i>	<ul style="list-style-type: none"> • All mineralisation widths are reported as down hole lengths as true widths are not known, due to the boudinaged nature of the leucosomes. As this exploration is entirely for resource development, any significant intercepts used in lode modelling are constrained by the resulting model, producing a de-facto true width for further calculations.
<i>Diagrams</i>	<ul style="list-style-type: none"> • Diagrams have been included in the main body of the report. • Due to the large number of drill holes included in this report, only the drill holes containing significant intercepts have been shown on diagrams.
<i>Balanced reporting</i>	<ul style="list-style-type: none"> • The results recorded in Table 1 show significant intercepts greater than 5g/t and results for all other drill holes at the end of the quarter. Drill holes with pending assays have been removed from Table 1 and will be reported in the next exploration update.
<i>Other substantive exploration data</i>	<ul style="list-style-type: none"> • No other meaningful or material exploration has been undertaken.
<i>Further work</i>	<ul style="list-style-type: none"> • Planned underground drilling for the current financial year focuses on infilling the lower levels of the Challenger West resource, further definition drilling of Challenger SSW, lateral conceptual exploration targets (Enterprise) and drilling of Challenger Deeps to extend the mine life.