



# **BUILDING SOUTH AUSTRALIA'S FIRST REGIONAL GOLD PLAY**

ASX: WPG

November 2015

# GOLDEN TRIFECTA

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- Gold focus with advanced projects in the Gawler Craton
- Existing **Challenger** mine to be re-opened in ~2Q16\*
- **Tarcoola** mine to be in production in 3Q16
- **Tunkillia** pre-development asset with cornerstone JORC resource
- Regional synergies
- Yarlbrinda shear zone at Tunkillia analogous to major shear zones in Western Australia – potential for new major discoveries
- WPG's gold tenure to expand from 2,811km<sup>2</sup> to 4,961km<sup>2</sup> of highly prospective ground
- Total Gawler Craton tenure will be 7,323km<sup>2</sup>
- Strong South Australia experience with Government, Defence, and Native Title holders

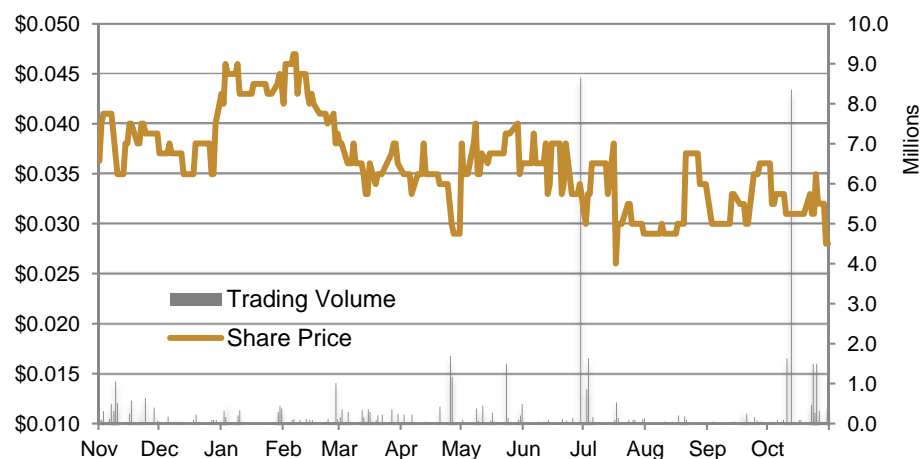


# CORPORATE OVERVIEW

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ASX code	WPG
Share price (5 November 2015*)	\$0.035
Issued shares**	281.0 million
Incentive rights	12.1 million
Market capitalisation	\$9.8 million
Cash* (30 September 2015)	\$1.2 million
Enterprise value	\$8.6 million

\* Pre ex-entitlement date \*\* Pre-completion of 1:3 Entitlements  
Issue and potential PYBAR placement announced on 2 November 2015



Top Shareholders*	Interest
Bob Duffin	11.8%
Jalinsons Pty Ltd	8.2%
HSBC Custody Nominees	4.1%
RHB Securities	2.9%
UBS Wealth Management	2.6%

## Board of Directors

Bob Duffin - Executive Chairman

Martin Jacobsen - MD & CEO

Gary Jones - Technical Director

Len Dean - Non-Executive Director

Lim See Yong - Non-Executive Director

Dennis Mutton - Non-Executive Director

## Key Executives

Wayne Rossiter - CFO

Larissa Brown - Company Secretary

Kurt Crameri - Project Manager

George Gaal - Financial Controller

**BUILDING SOUTH AUSTRALIA'S FIRST REGIONAL GOLD PLAY**

# FROM IRON ORE TO GOLD

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## IRON ORE

- Acquired South Australian iron ore projects in 2006 for **\$4 million** and sold them in 2011 for **\$320 million**
- Distributed bulk of proceeds to shareholders and retained \$15m to seek new opportunities
- Well regarded management and technical team with proven track record retained

## GOLD

- Acquired 100% of Tarcoola and 70% Tunkillia gold assets from Mungana in May 2014 and residual 30% from Helix in December 2014 (paid \$2.58 per resource oz)
- Option to acquire Challenger gold mine from Kingsgate Consolidated Limited (KCN) executed in October 2015 (total staged consideration of \$1 million)
- Transition to producer status with expected share price re-rating:
  - Challenger – to be re-opened in ~2Q16
  - Tarcoola – production to commence 3Q16 (~20,000 oz p.a.)
  - Tunkillia – advanced exploration targeting 2018+ production
- Excellent exploration portfolio, both gold and other

# MINING AND DEVELOPMENT PLAN

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Project	Plan
<b>Challenger</b>	Mine planned to be re-opened in 2Q16 (est.) using smaller equipment and headings to minimise dilution
	JV Partner, Diversified Mineral Pty Ltd (DMPL) are specialists narrow underground miners and part of the PYBAR Group of companies
	Expectation of a material restatement of mineral resource (KCN 2015 resource reduced by ~360koz after accounting for production)
	Develop a mine plan for a minimum of 2 to 3 years of production
<b>Tarcoola</b>	Mining expected to commence in 3Q16
	Potential for processing ore at Challenger to be investigated
	Investigating joint venture and contractor capital funding arrangements
	Cash flows from Tarcoola to fund exploration and minimise shareholder dilution
<b>Tunkillia</b>	Potential development of Tunkillia “223 deposit” from 2018+
	Enhance Tunkillia economics by expanding resource base
	Excellent exploration address with high probability of Yalbrinda shear hosting multiple deposits

# MILESTONES ACHIEVED 2014/2015

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Tarcoola	Tunkillia	Challenger
<ul style="list-style-type: none"> <li>✓ Acquired 100% of Tarcoola</li> <li>✓ Mineral Claim lodged and tenure rationalised</li> <li>✓ Completed metallurgical drilling and testwork</li> <li>✓ Completed flora and fauna survey and other studies</li> <li>✓ Stakeholder consultations in-progress</li> <li>✓ Lodged Mining Lease Proposal</li> <li>✓ Completed Feasibility Study</li> <li>❑ Negotiate NTMA</li> <li>❑ Assess Challenger synergies</li> <li>❑ Complete PEPR</li> <li>❑ Project finance and construction</li> </ul>	<ul style="list-style-type: none"> <li>✓ Acquired 70% of Tunkillia</li> <li>✓ Obtained Federal Environmental EPBC clearance</li> <li>✓ Increased ownership to 100% and secured tenure</li> <li>✓ Lodged revised Mineral Claim</li> <li>✓ Revised resource announced</li> <li>✓ Exploration review completed and targets identified</li> <li>✓ Completed calcrete sampling program at Tunkillia</li> <li>❑ Phase 1 exploration drilling</li> <li>❑ Expand resource base</li> <li>❑ Lodge ML/RL</li> <li>❑ Complete feasibility study</li> </ul>	<ul style="list-style-type: none"> <li>✓ Exclusive and binding option agreement to acquire Challenger</li> <li>✓ Term Sheet with JV partner (DMPL part of PYBAR Group)</li> <li>❑ Complete due diligence</li> <li>❑ New mine plan</li> <li>❑ Ownership transition</li> <li>❑ Recommence operations</li> </ul>

# CHALLENGER

WPG'S EXCLUSIVE OPTION TO ACQUIRE



# CHALLENGER GOLD PROJECT

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- Mine opened in 2002 and has produced over 1Moz
- 2015 production of 80,151 oz gold
- Complex structure on a fine scale but with extraordinary continuity down plunge
- Simple gravity and CIL recovery
- Dry mine with excellent geotechnical conditions
- Simple mining technique with large drives to maximise throughput and annual gold production
- Significant dilution of ore, reducing mill grade
- Mining focus until 2013 on M1/M2 structures to depth
- Mining shifted to parallel Challenger West structure in 2013
- Cost reduction strategies implemented by KCN have made the mine profitable however profits diminished by ore drive sizes and stopping heights
- Significant write down in resources in June 2015 resource report reflective of impending closure however mineralisation remains in situ
- Opportunity to significantly enhance economics through optimal equipment selection and minimising dilution to extend mine life





# CHALLENGER MINERAL RESOURCES

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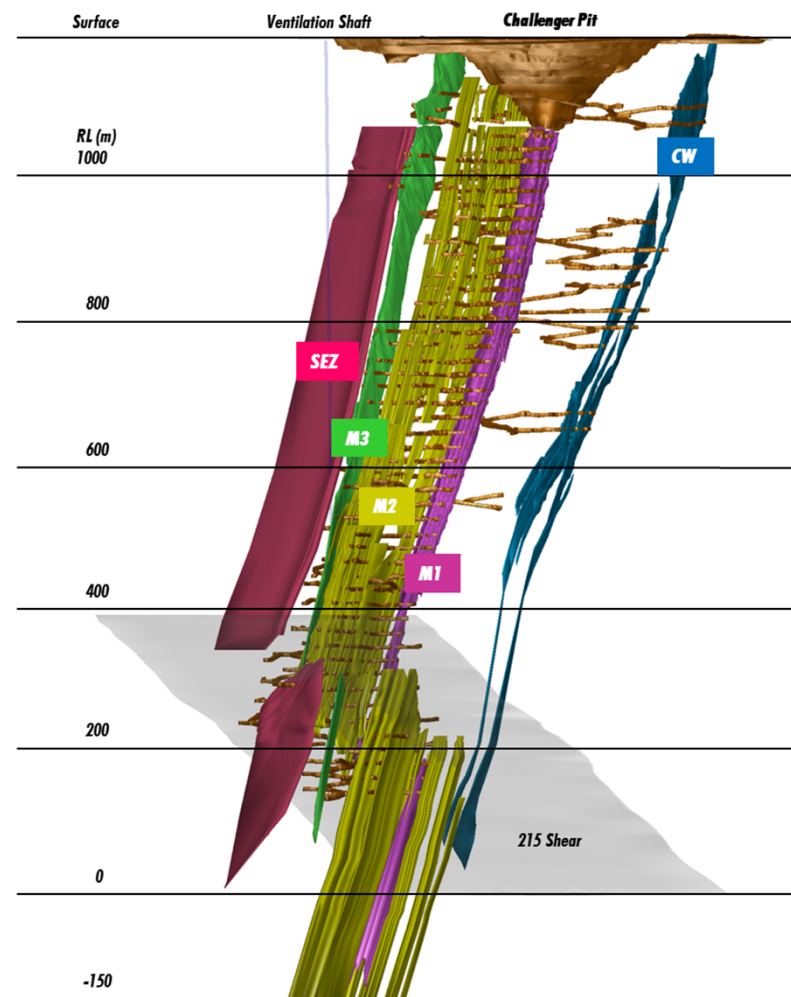
	30 June 2014			30 June 2015			<i>Change</i>
Category	Mt	Au g/t	Au (000s oz)	Mt	Au g/t	Au (000s oz)	Au (000s oz)
Measured	0.37	7.34	90	0.38	5.15	60	(30)
Indicated	1.59	7.87	400	0.37	9.70	110	(290)
Inferred	0.58	7.88	150	0.06	7.41	20	(130)
<b>TOTAL</b>	<b>2.54</b>	<b>7.80</b>	<b>640</b>	<b>0.81</b>	<b>7.47</b>	<b>190</b>	<b>(450)</b>

- Expected resource on closure (28 February 2016) is ~ 140koz based on 190koz resource and depletion until mine closure
- Reduction in resources from 2014 to 2015 is ~450koz of which ~90koz is attributable to production
- Expectation of a material restatement of mineral resource (KCN 2015 resource reduced by ~360koz after accounting for production)

# WHY IS CHALLENGER CLOSING?

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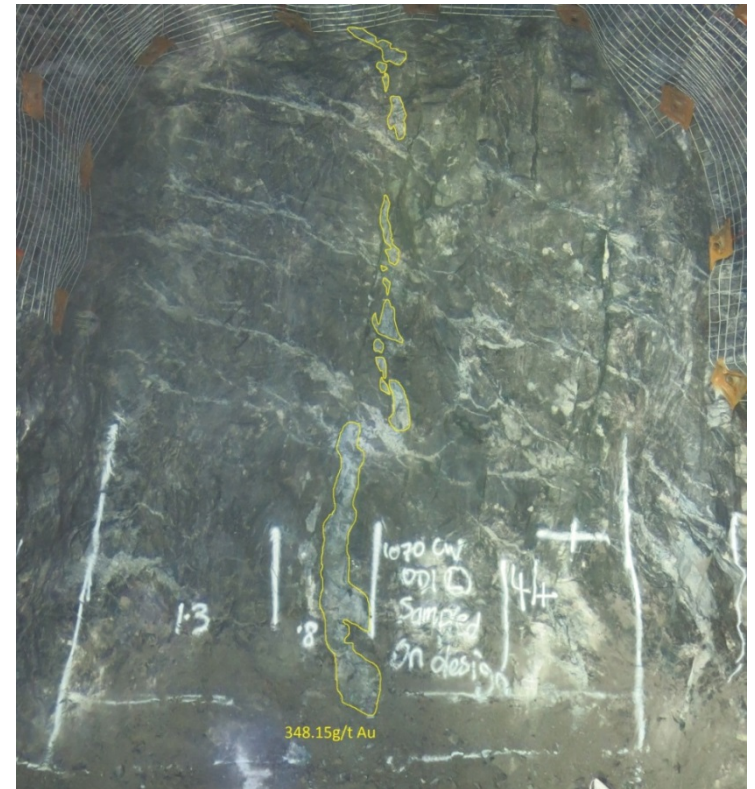
- Asset value is not material to KCN
- Project capital constrained with focus on production ounces
- Equipment selection and required tonnages to feed mill have favoured wide mining widths and high (20m) sub-levels
- Development widths to accommodate larger equipment instead of minimising dilution
- Significant development dilution
- Over-break in stoping due to mining dimensions increases stoping dilution
- Mining in M1/M2 largely abandoned in 2013 after mining through “215 Shear”
- Mining since 2013 largely in Challenger West but with no change in mining equipment or development sizes despite lower gold endowment
- Economics of extraction at depth hampered due to diluted grade



# WHY ARE WE BUYING CHALLENGER?

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- Opportunity to acquire and reinvigorate an established operation with a new mining paradigm
- Improve economics through a change in mine plan geometry, with the effect of reducing mining dilution and increasing ROM grade
- Extend mine life and exercise better mine planning and control through operating at a lower throughput
- Existing resource gives potential for 2+ year mine life and reinstated resource for a potentially much longer mine life
- Main Challenger orebody continues plunging beyond developed levels
- Potential for new orebodies such as Challenger SSW
- Synergies with other WPG projects in Gawler Craton
- Potential to process Tarcoola ore and reduce overall processing costs
- WPG transition to producer status
- Strategic relationship with PYBAR Group



# CHALLENGER DEAL

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- Challenger Gold Operations Pty Ltd (CGO), a 100% owned subsidiary of KCN, holds Challenger Gold mine and exploration assets
- WPG and Diversified Minerals Pty Ltd (DMPL, part of the PYBAR Group) entered into an Option Agreement on 30 October 2015 to acquire CGO and paid KCN \$25,000 option fee
- The Option Agreement is **exclusive** and **binding on KCN** if exercised
- Under the Option Agreement WPG and DMPL to finalise due diligence, exercise the option, and pay \$75,000 deposit to KCN before 10 December 2015
- If option exercised DMPL to take placement of WPG shares at 3.1 cents per share through investment of \$0.8 million to \$1.2 million
- Binding Agreements to be executed following exercise of option. Completion to occur on approximately 28 February 2016 when KCN has finalised mining under an agreed plan and has placed the mine on care and maintenance
- Total consideration will be **\$1 million**
- KCN will be paid a royalty of \$25 per ounce on gold sold from the Challenger SSW envelope to apply after the first 30,000 ounces of gold are produced from that area
- No KCN royalty applies from production from any other areas

# PROPOSED CHALLENGER JOINT VENTURE

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## Joint Venture

- Acquisition in 50/50 JV with DMPL with WPG appointed as manager and PYBAR Mining Services as mining contractor
- Acquisition includes all bonds, assets and infrastructure including the existing CIL plant, camp and airstrip
- KCN to finalise mining and processing activities by approximately 28 February 2016 under an agreed mine plan
- Mine to be placed on care and maintenance by KCN with no residual employee or contractor liabilities
- WPG and DMPL to re-open mine after development of revised mine plan

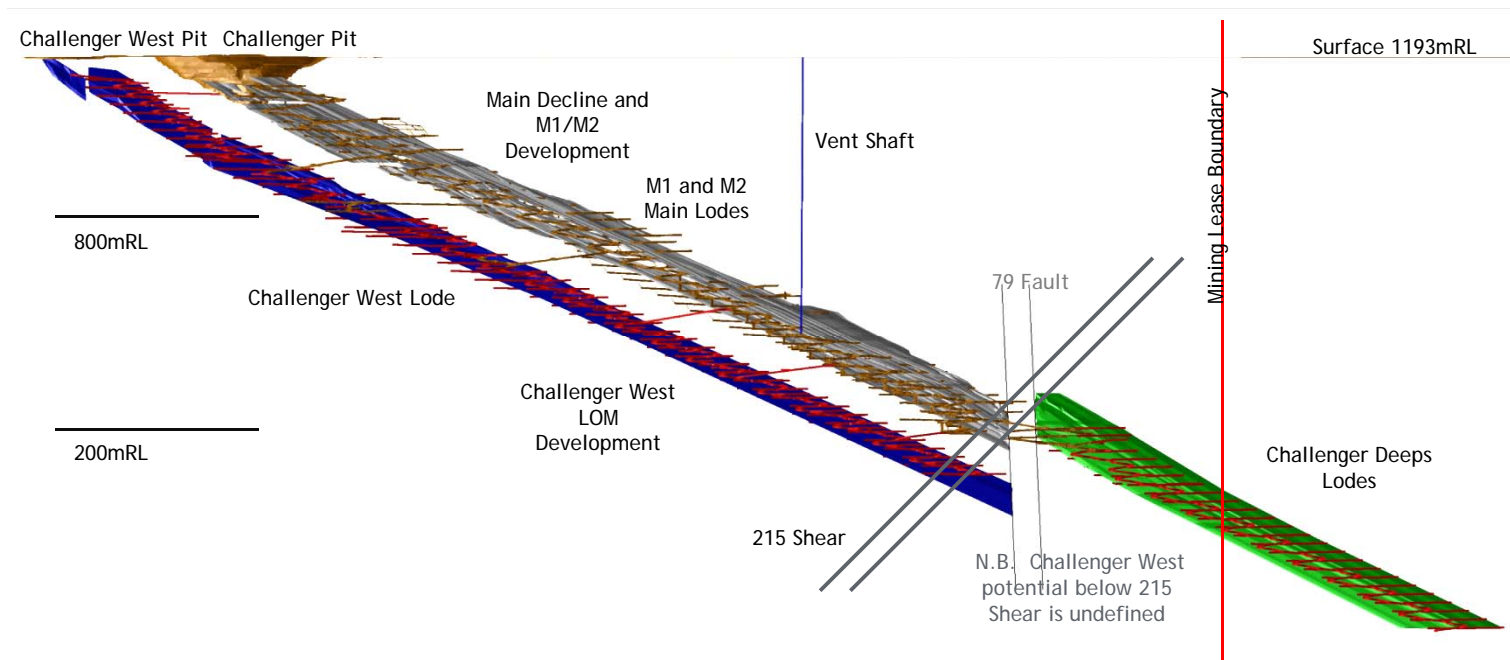
## About PYBAR

- PYBAR is the third largest underground hard rock mining contractor in Australia
- PYBAR is privately owned and has a workforce of over 800 people
- The PYBAR Group has established infrastructure and operations across Australia
- As a wholly owned associate company, DMPL holds a number of PYBAR's investments in other companies and projects.

# EXTENDED UNDERGROUND MINING

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- Production in Challenger West conceptually taken to 31 March 2018 at lower throughputs
- Challenger Deeps lodes expected to continue beyond this conceptual mine plan
- MLP lodged over MC (ML grant imminent)
- Excludes additional potential mining at Challenger SSW or other lodes

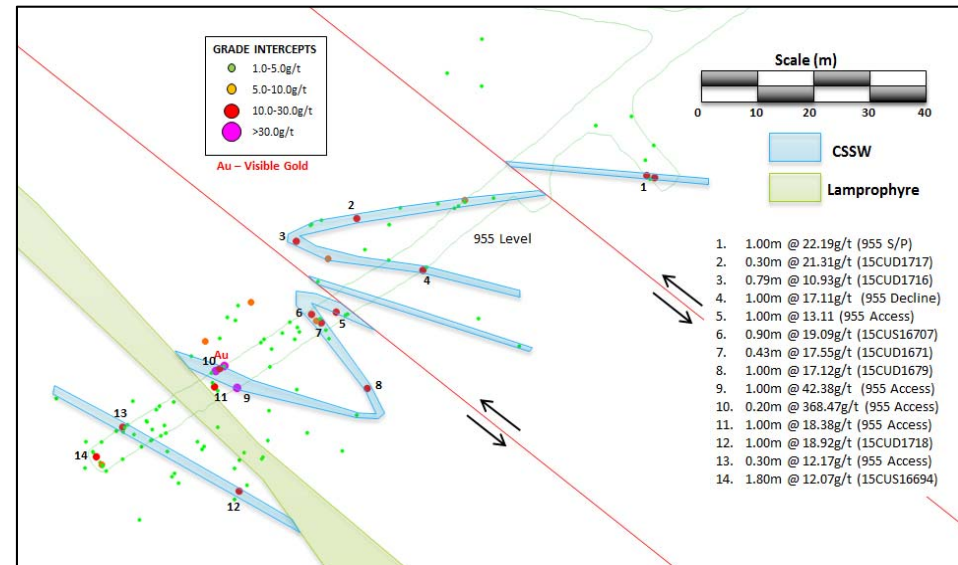




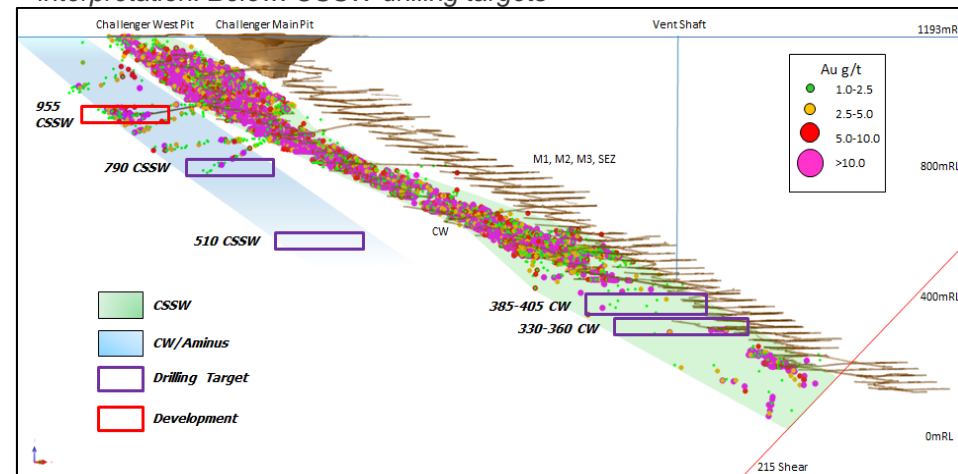
# EXPLORATION POTENTIAL

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- Highly endowed gold area with numerous conceptual targets
- Anomalous gold results from extensive drilling activities requiring further investigation
- Excellent opportunity to discover additional structures to extend mine life
- Challenger SSW discovery now intercepted with an exploration drive with development on structure
- New mineable lodes generally associated with sporadic very high grade “hits”
- Best result on Challenger SSW 0.20m @ 368.47g/t Au



Above: Flitch of 955 CSSW showing significant intercepts and geological interpretation. Below: CSSW drilling targets





# TARCOOLA

POTENTIAL SYNERGIES WITH CHALLENGER TO  
ELIMINATE HEAP/PLANT CAPEX

# TARCOOLA FEASIBILITY STUDY

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- FS undertaken by WPG with contributions from independent consultants as required completed in September 2015
- Based on conventional open pit mining and **heap leach** recovery of gold
- Technical, commercial and regulatory areas addressed through this feasibility have included:
  - Mineral Resources;
  - Geotechnical engineering;
  - Mine design and ore reserves;
  - Metallurgical processing (recovery);
  - Infrastructure;
  - Human resources;
  - Supply and administration;
  - Product logistics and sales; and
  - Statutory approvals, stakeholder relations and environmental management.

## MINERAL RESOURCES

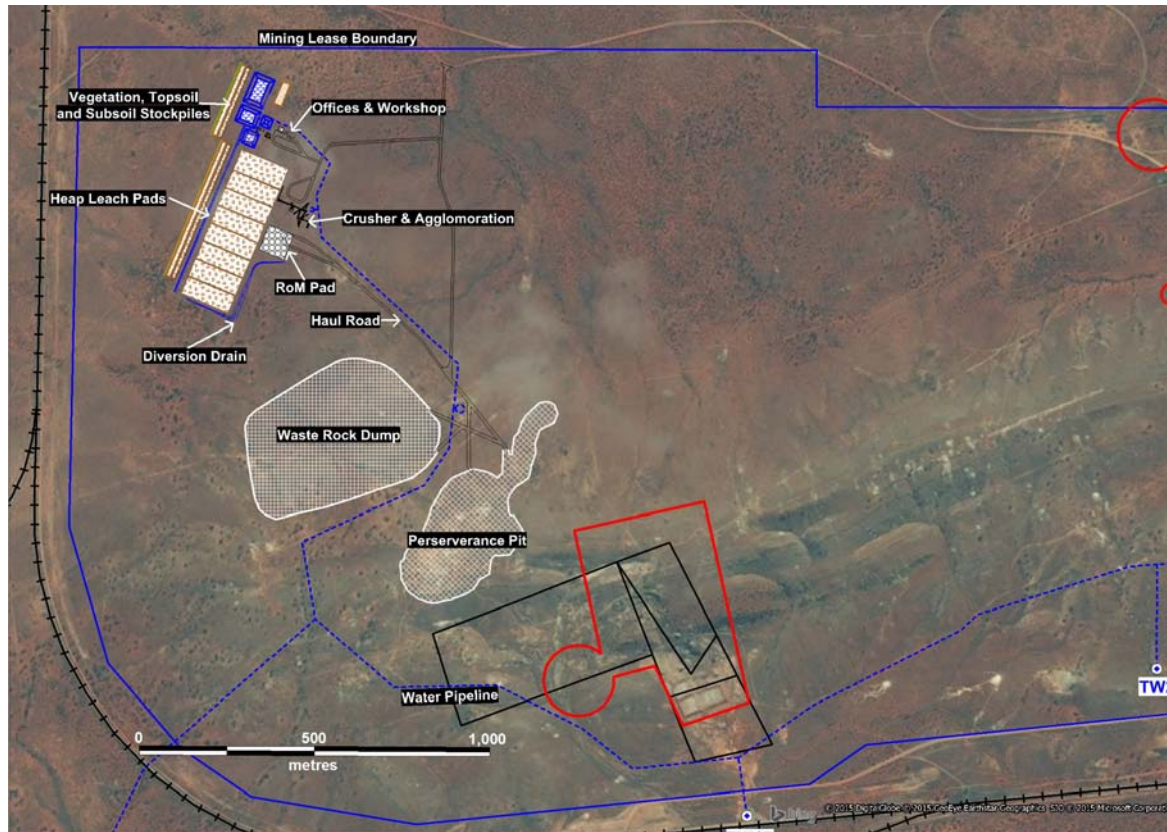
Category	000s Tonnes	Au g/t	Au oz
Measured	-	-	-
Indicated	919	3.14	92,680
Inferred	55	2.77	4,860
<b>TOTAL</b>	<b>973</b>	<b>3.12</b>	<b>97,500</b>

## ORE RESERVES

Category	Ore Type	000s Tonnes	Au g/t	Au oz
Probable	Oxide	450	2.8	41,000
	Transition	150	2.3	11,000
	Primary	300	2.4	23,000
<b>TOTAL</b>		<b>900</b>	<b>2.6</b>	<b>74,000</b>

# TARCOOLA HEAP LEACH SITE LAYOUT

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- MC 4376 (725ha)
- Open pit and waste rock dump would remain unaltered if Tarcoola ore was to be processed at Challenger
- Capital expenditure would be significantly reduced as no Heap Leach Pads or processing facilities would be required

# TARCOOLA ASSUMPTIONS

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MAIN ORE TYPE	RECOVERY*
Perseverance Oxide	90%
Perseverance Transition & Primary	71%
Last Resource Oxide	71%
Last Resource Transition & Primary	61%
Overall Recovery	81%

COMPONENT/COMMODITY	AMOUNT
Gold Price	US\$1,138/oz
Silver Price	US\$16/oz
AUD:USD exchange rate	0.7000
Gold Price (AUD)	\$1,626/oz
Corporate tax rate	30%
Royalty Rates	(Various)

\* CIL recoveries if ore was processed at Challenger would be expected to be approximately 95%

# TARCOOLA HEAP LEACH FINANCIAL RESULTS

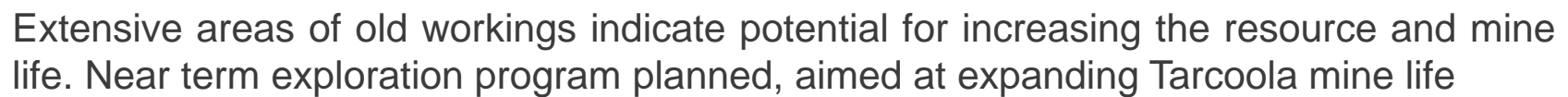
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FINANCIAL	
Initial Capital (\$m)	\$16.7
Working Capital (\$m)	\$2.3
Pre Tax NPV <sub>7.5</sub> (\$m)	\$12.0
Pre Tax Cumulative Cashflow (\$m)	\$15.6
Pre Tax IRR (%)	92%
Post Tax NPV <sub>7.5</sub> (\$m)	\$7.9

HEAP LEACH OPERATING COSTS	(US\$/oz)	(A\$/oz)
C1	\$642	\$918
AISC	\$761	\$1,088
All-in-Costs	\$956	\$1,366



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# TUNKILLIA

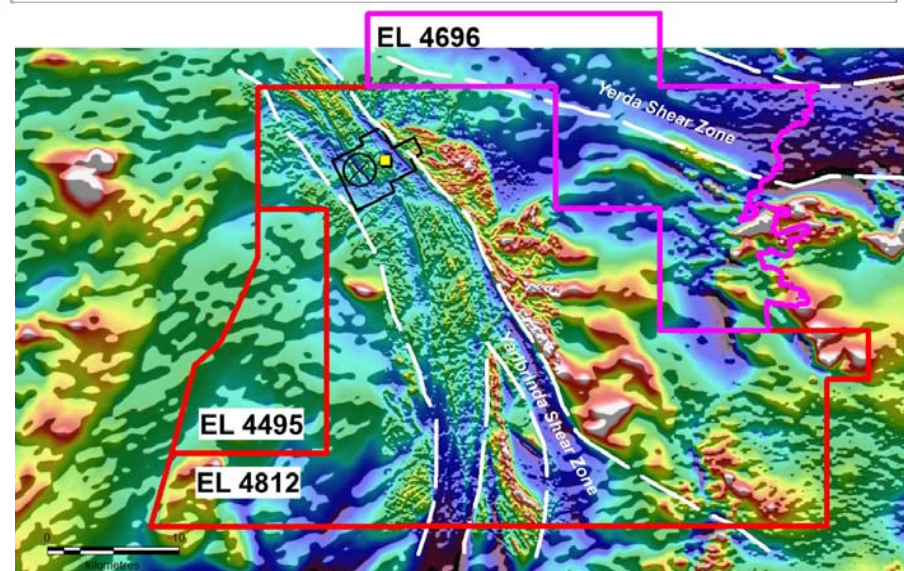
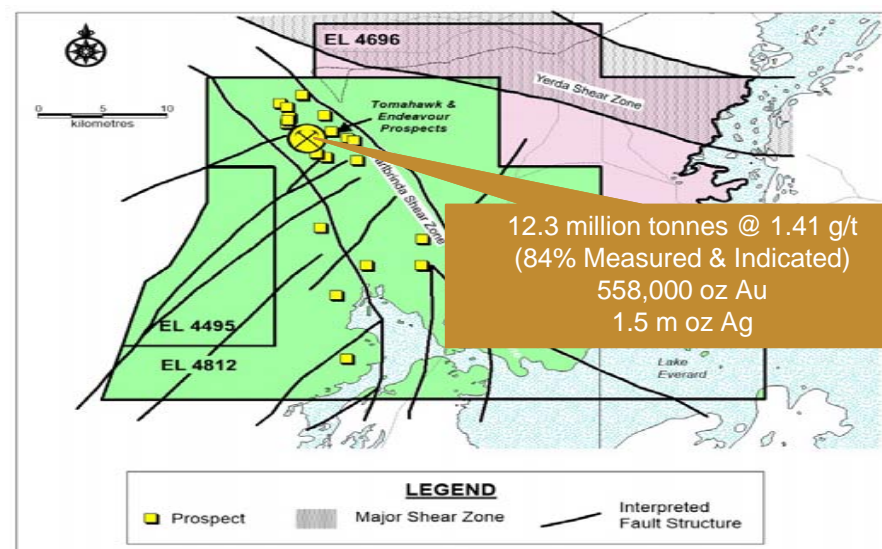
A LARGE SCALE PROJECT  
WITH SUBSTANTIAL UPSIDE POTENTIAL



# TUNKILLIA GOLD PROJECT

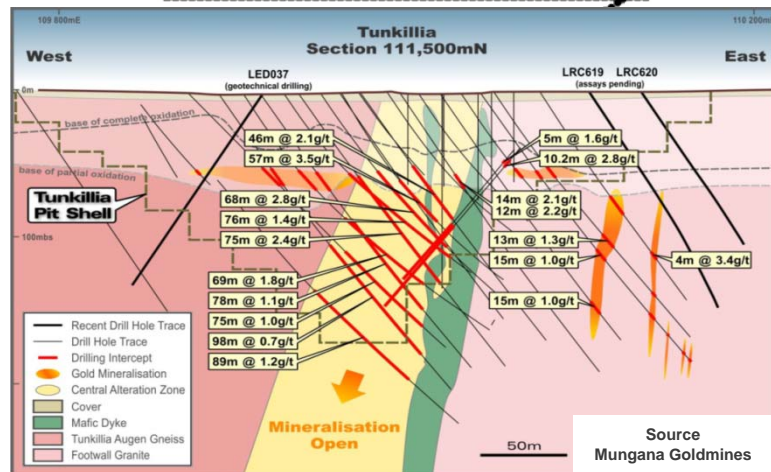
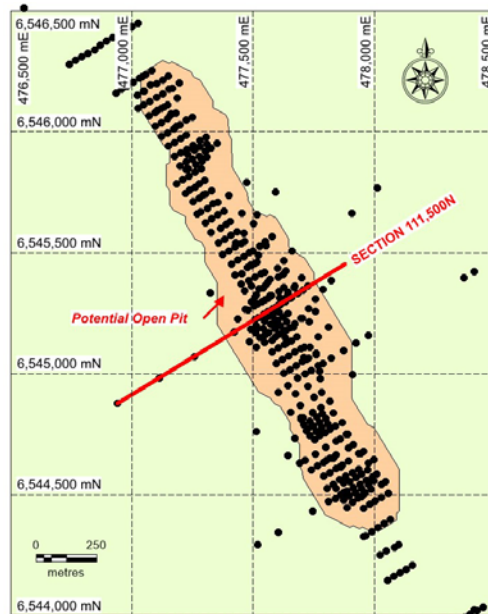
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- 3 Exploration Licences covering an area of 1,604 km<sup>2</sup>
- MC 4384 (2,252ha)
- WPG's holds 100% interest in all tenements
- Extensive ground position on two major shear zones: Yarlbirinda & Yerda
- Significant bedrock gold mineralisation present at a number of prospects
- Strategy to identify additional resources to feed central mill



# TUNKILLIA DEVELOPMENT STRATEGY

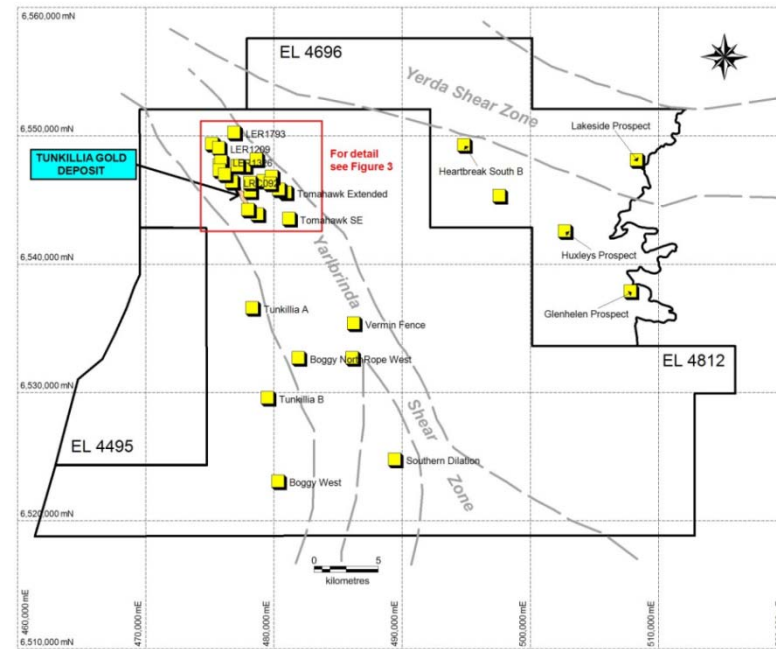
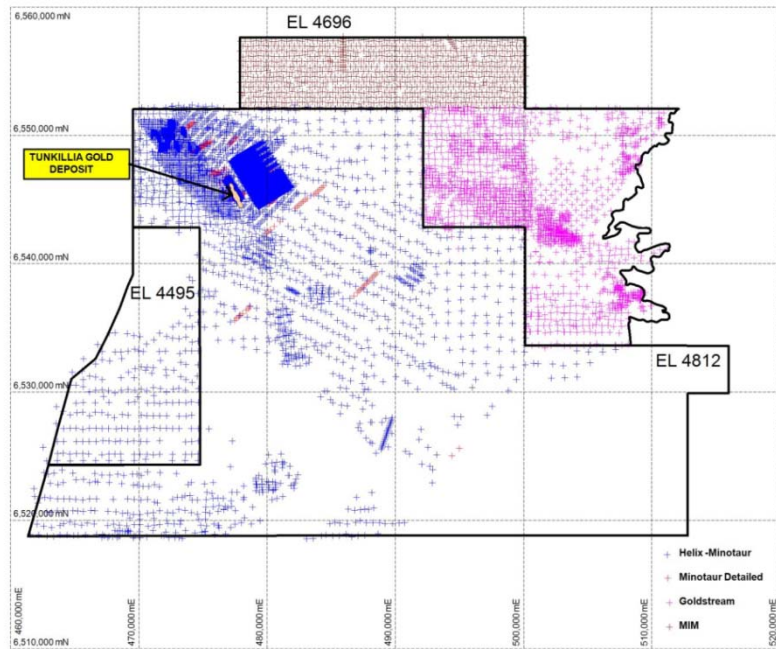
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- Previous owner completed Scoping Study and PFS on the “223 Deposit”
- Mine life 5 to 6 years
- Current mineral resource 12.3 Mt at 1.41 g/t Au for 558,000 oz gold
- WPG strategy is to identify satellite resources from the numerous exploration targets identified
- WPG has completed a calcrete sampling program on priority prospects close to the “223 Deposit”
- Project economics will be significantly enhanced through increased resources and an increase in mine life

# EXPLORATION TARGETS

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- > 12,000 calcrete samples taken over Tunkillia area
- Calcrete sampling led to the discovery of both Tunkillia and Challenger
- 33 prospects identified to date from historical review;
- Calcrete sampling completed on 8 priority targets with assay results pending
- Phase 1 drilling anticipated for early 2016 – RAB or aircore and RC drilling used to follow up calcrete anomalies

# WPG RESOURCES

BUILDING SOUTH AUSTRALIA'S FIRST REGIONAL  
GOLD PLAY

# ENTITLEMENTS OFFER & FUNDING

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## Entitlements Offer

- WPG launched a 1 for 3 entitlements offer on 2 November to raise up to \$2.1 million
- 2.2 cents per share offer price is 30% discount to VWAP with an attaching free 4 cent exercise price option expiring on 31 December 2016
- It is intended that the funds will be used principally to advance the Tarcoola gold project towards completion of all necessary approvals and permits preparatory to bringing the project into production, to test exploration targets at Tunkillia, and for working capital, including Challenger due diligence

## PYBAR Placement

- Upon exercise of the Challenger Option, DMPL will take placement of WPG shares at 3.1 cents per share through investment of \$0.8 million to \$1.2 million

## Development Funding

- WPG in detailed discussion with mining contractors on funding solutions for Tarcoola which include joint venture and equity participation in the project
- Discussion underway with the PYBAR Group on potential funding sources for an accelerated Challenger re-start
- Goal is to minimise need for any new equity for project development and to fund exploration from project cash flows



# EMERGING GOLD PRODUCER

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- Strategic and dominant Gawler Craton tenement holding including Challenger processing plant
- Substantial synergies due to relative close proximity of projects
- Tunkillia provides significant upside gold leverage
- Excellent exploration properties
- Proven management team
- Track record of delivering shareholder value
- Transition to producer status may drive significant value uplift

# IMPORTANT NOTICES

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**Note 1:** The 30 June 2015 published resource estimate for the Challenger gold mine was extracted from the report entitled “Kingsgate 2015 Mineral Resources and Ore Reserves” created on 23 October 2015 and is available to view on [www.asx.com.au](http://www.asx.com.au). The previous 30 June 2014 published resource estimate for the Challenger gold mine was extracted from the report entitled “Annual Mineral Resources and Ore Reserves Statement” created on 17 October 2014 and is available to view on [www.asx.com.au](http://www.asx.com.au). WPG has not undertaken any work on the project that would impact either of these this published resource estimates.

**Note 2:** The information pertaining to the Tunkillia gold project resource was extracted from the report entitled “September 2012 Quarterly Activities Report” dated 29 October 2012. The information pertaining to the Tarcoola gold project resource was extracted from the report entitled “December 2012 Quarterly Report” released on 24 January 2013. Both reports are available to view on [www.asx.com.au](http://www.asx.com.au). The information for both projects was first disclosed by Mungana Goldmines Ltd under the JORC Code 2004. The Tunkillia resource estimate was updated in February 2015 – see WPG’s ASX announcement of 4 February 2015. Resource estimates for both projects were prepared by Simon Tear of H & S Consultants who has previously consented to their inclusion in company public announcements. WPG has not undertaken any work on the project that would impact either of these this published resource estimates

**Note 3:** The information pertaining to the Tarcoola gold project ore reserves is extracted from the ASX releases “Tarcoola gold project –Ore Reserve Estimate” released on 22 September 2015 and “Tarcoola gold project – further information on resource and reserves” released on 23 September 2015 and are available to view on [www.wpgresources.com.au](http://www.wpgresources.com.au). The information pertaining to the Tarcoola Ore Reserves is based on information compiled by Mr John Wyche, an employee of Australian Mine Design and Development Pty Ltd, who has previously consented to its inclusion in company public announcements. WPG confirms that the form and context in which the Competent Person’s findings are presented have not been materially modified from the original market announcement.

**Note 4:** Exploration prospects shown on the maps herein are zones of interest that were defined by previous explorers prior to the acquisition of the Tarcoola and Tunkillia projects by WPG and prior to the introduction of the JORC Code 2012. Except as follows, as far as WPG is aware the information pertaining to these exploration prospects has not materially changed since the introduction of the JORC Code 2012. A review of the exploration date for the Tunkillia project area was conducted by WPG in March 2015 – see WPG’s ASX announcement of 25 February 2015, and results of WPG’s metallurgical drilling programs were released by WPG in its ASX announcement of 10 February 2015.

**Note 5:** This presentation contains forward looking statements concerning the projects owned by WPG. Statements concerning mineral resources may also be deemed to be forward looking statements in that they involve elements based on specific assumptions

Forward looking statements are not statements of historical fact, and actual events or results may differ materially from those described in the forward looking statements as a result of a variety of risks, uncertainties and other factors. Forward looking statements are based on WPG’s beliefs, opinions and estimates as of the date they are made and no obligation is assumed to update forward looking statements if these beliefs, opinions and estimates should change or reflect other future developments

WPG cannot guarantee the accuracy and/or completeness of the figures or data in this presentation

All dollar amounts indicated in this presentation are in Australian dollars unless otherwise stated