



# UP TO THE CHALLENGE

South Australian Energy Investment Conference

ASX: WPG

20 APRIL 2016

# DISCLAIMER

**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

# CORPORATE OVERVIEW (ASX: WPG)

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## Capital Structure

Share price (18 April 2016)	\$0.090
Issued shares *	445.9 million
Issued options (4¢ exercise price)	90.5 million
Incentive rights	18.1 million
Market capitalisation * (excl options)	\$40.1 million
Cash (31 December 2015)	\$3.1 million
Enterprise value	\$37.0 million

\* Includes 41 million shares to be issued this week through a placement to institutional investors completed on 15 April 2016 which raised \$2.65 million

## Brief Corporate History

- In August 2011, WPG sold its iron ore assets in South Australia to OneSteel Ltd for \$320 million which represented an investment return of 400%
- WPG acquired Tarcoola and Tunkillia gold projects in May 2014, transitioning its strategic focus from iron ore to gold
- In March 2016, WPG finalised its acquisition of the Challenger gold mine and associated South Australian exploration assets



## Substantial Shareholders \*\*

Bob Duffin	9.9%
Jalinsons Pty Ltd	6.9%
Diversified Minerals	5.8%

\*\* Shareholdings diluted for placement

## 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



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# THE GOLDEN TRIFECTA

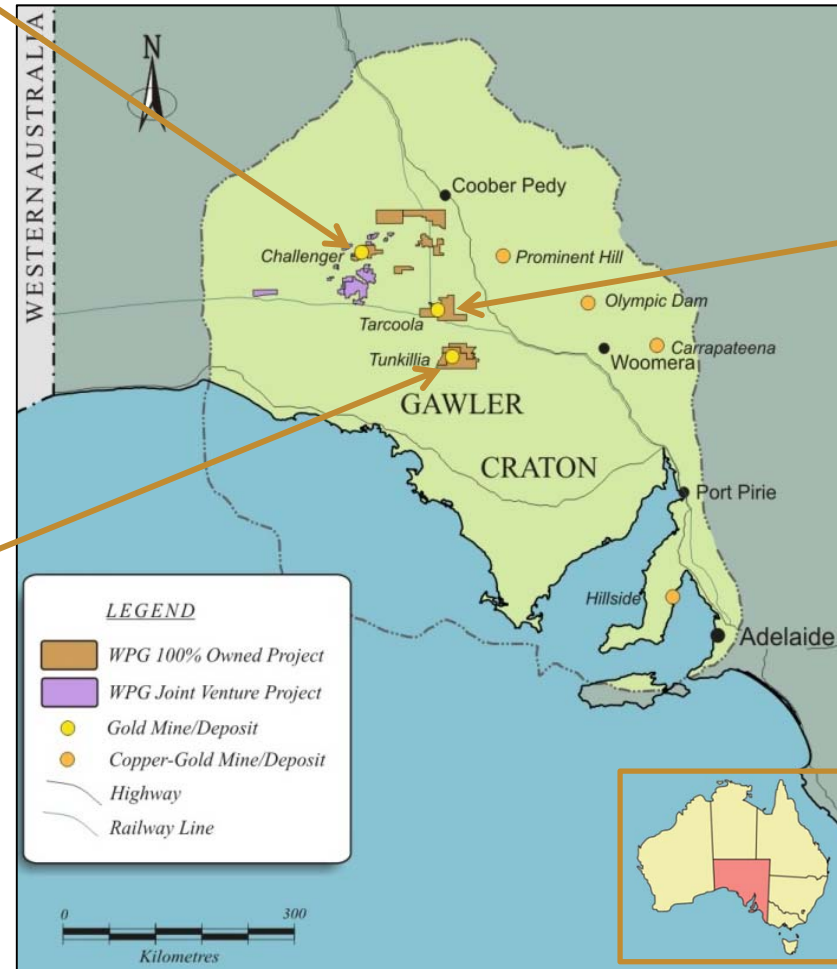
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## Challenger (50%)

- Acquired in March 2016
- Production anticipated prior to 30 June 2016
- Attributable production guidance of 50koz for year to 30 June 2017
- Aspirational prospective longer term production for FY2018 and beyond of 50koz

## Tunkillia (100%)

- Pre-development asset with JORC resource
- Highly prospective Yarlbinda shear zone
- Drilling program commenced March 2016



## Tarcoola (100%)

- ML 6455 granted in March 2016
- PEPR and revised ML conditions for Challenger processing option to be completed
- Mining expected 3Q16
- Expected annualised production of 20koz pa

# INVESTMENT CASE

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## Short-Term Gold Production

- First gold from Challenger expected prior to 30 June 2016
- High-grade open pit mining at Tarcoola expected in 3Q16
- Substantial synergies due to close proximity of projects to centralised Challenger processing plant

## Exploration Potential

- Tunkillia provides significant upside gold leverage
- Extensive gold exploration properties located near current projects

## Strong Track Record

- Proven management team with a track record of delivering shareholder value
- In 2011, WPG sold its iron ore assets for \$320 million (with capital returned to shareholders), representing a total investment return of 400%

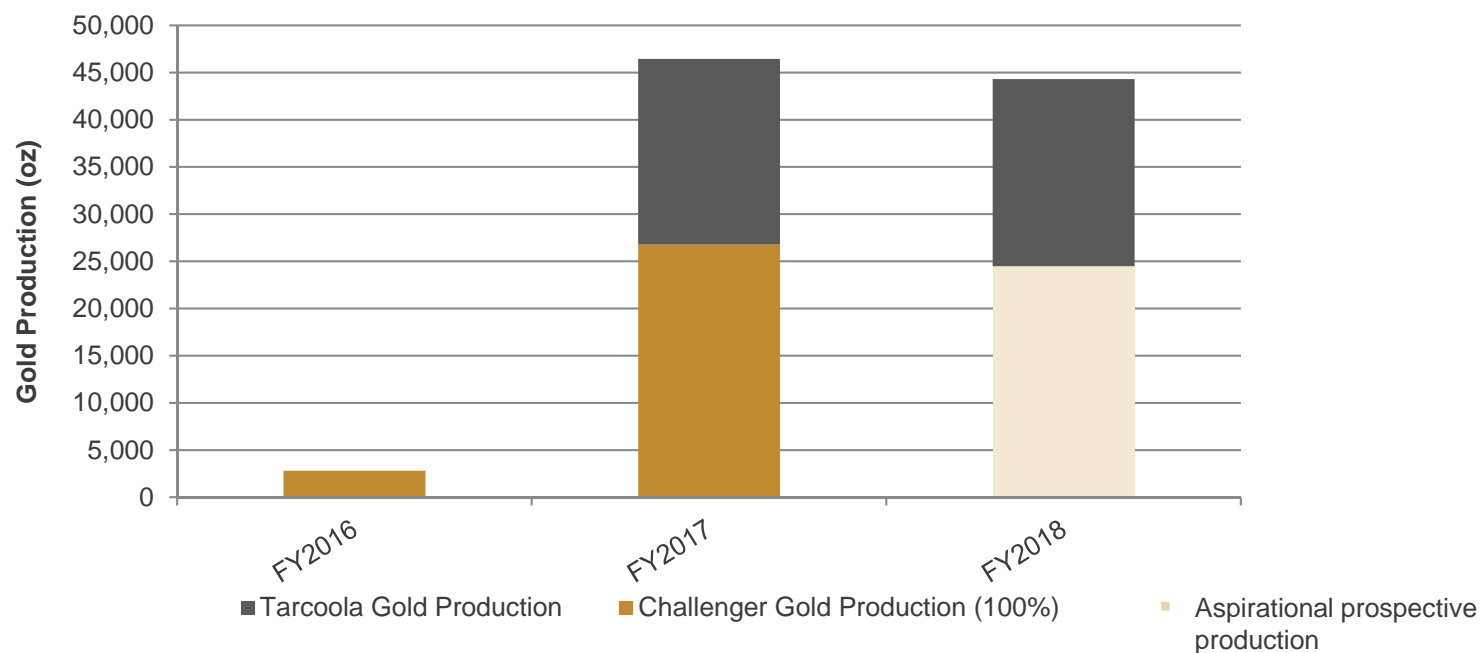
# BASE CASE PRODUCTION GUIDANCE

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## Indicative Gold Production

- In a base case scenario, WPG aims to produce in excess of 45 koz in FY2017
- Assumes no additions to existing resource at Challenger
- Tunkillia development provides significant production upside

## Base Case Production Targets

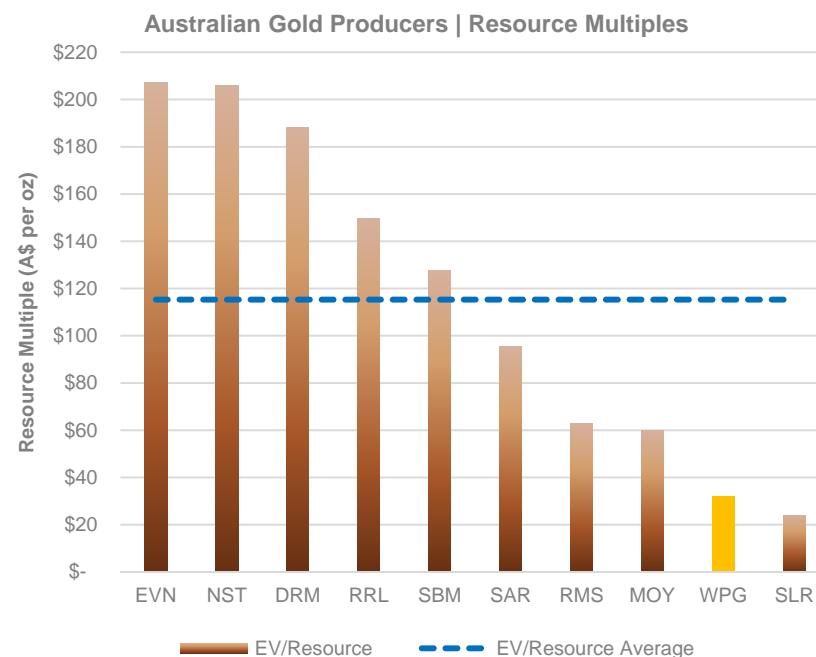
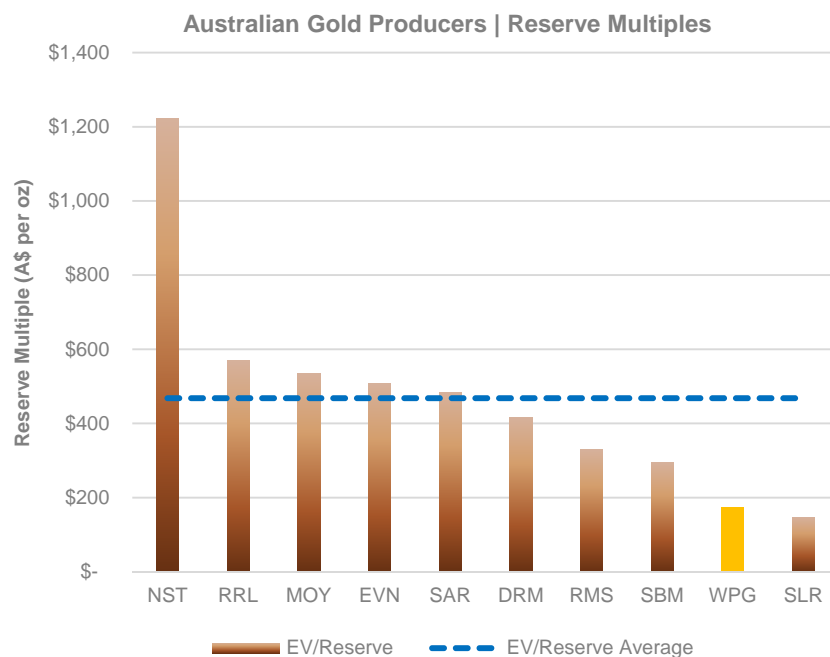


# IMMINENT VALUE RE-RATING

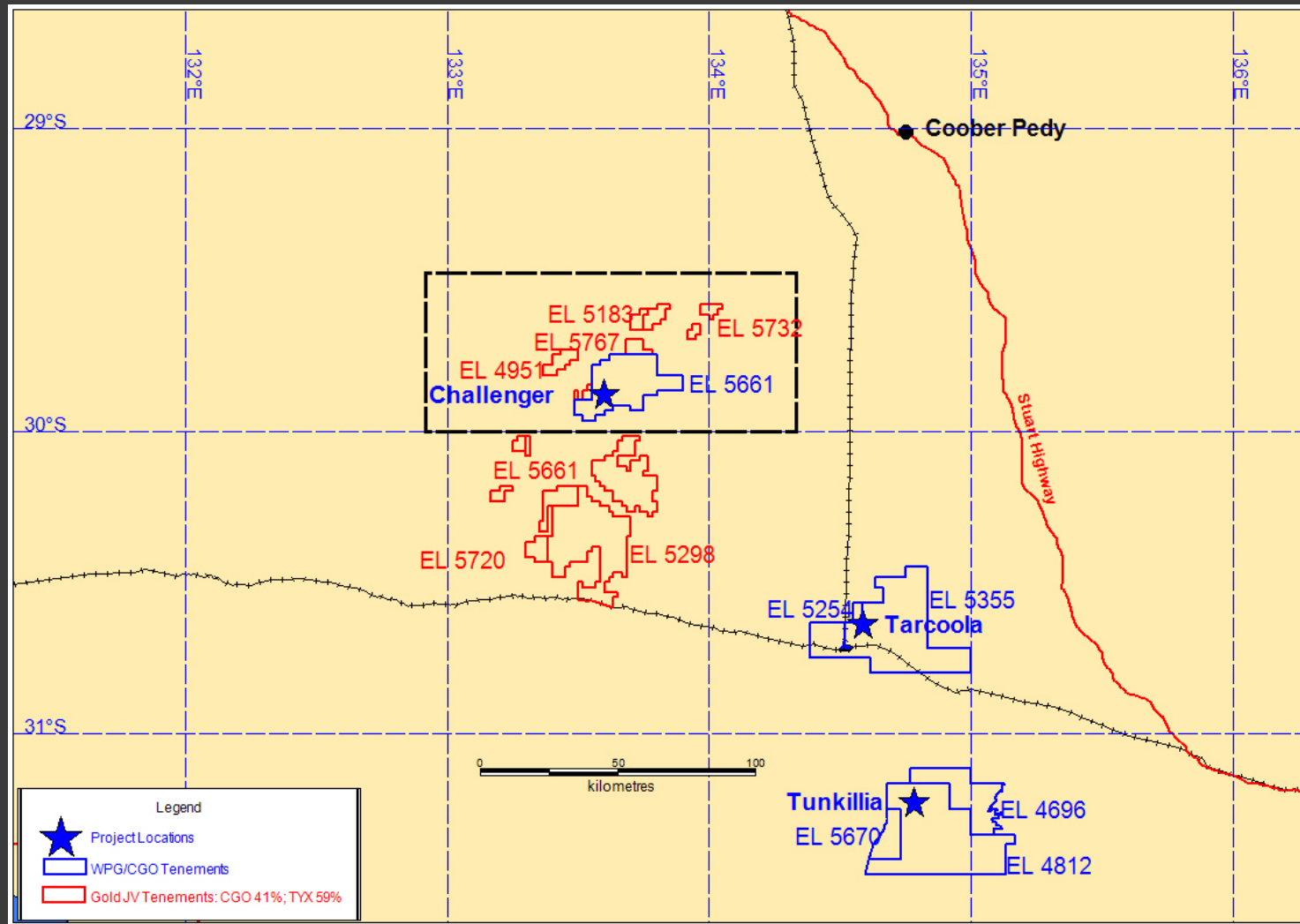
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## Value Creation

- Expected value re-rating as WPG moves from development to production
- Ability to extend life of mine through highly prospective exploration properties in close proximity to Challenger processing plant
- EV/Resource calculation excludes anticipated substantial re-instatement of resources written off by Kingsgate at 30 June 2015



# CHALLENGER GOLD PROJECT



PRODUCTION PLANNED PRIOR TO 30 JUNE 2016



# ESTABLISHED OPERATIONS FOR RE-START

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## Established Operations

- Challenger mine acquired by WPG in March 2016
- Production history of >1 million ounces
- Essential maintenance works to be undertaken prior to re-starting operations during temporary suspension
- WPG holds 50% (manager) and has a strong relationship with JV partner, DMPL



## Short-Term Production

- Production anticipated prior to 30 June 2016
- Initial guidance is for annualised production to 30 June 2017 of 50koz pa from underground (100% level) - based on conservative estimates of grade
- Aspirational prospective longer term production for FY2018 and beyond of 50koz
- Mine ready for re-start with stockpiles and fully developed underground mining stocks
- Negotiations underway with key contractors



# FORWARD MINING STRATEGY

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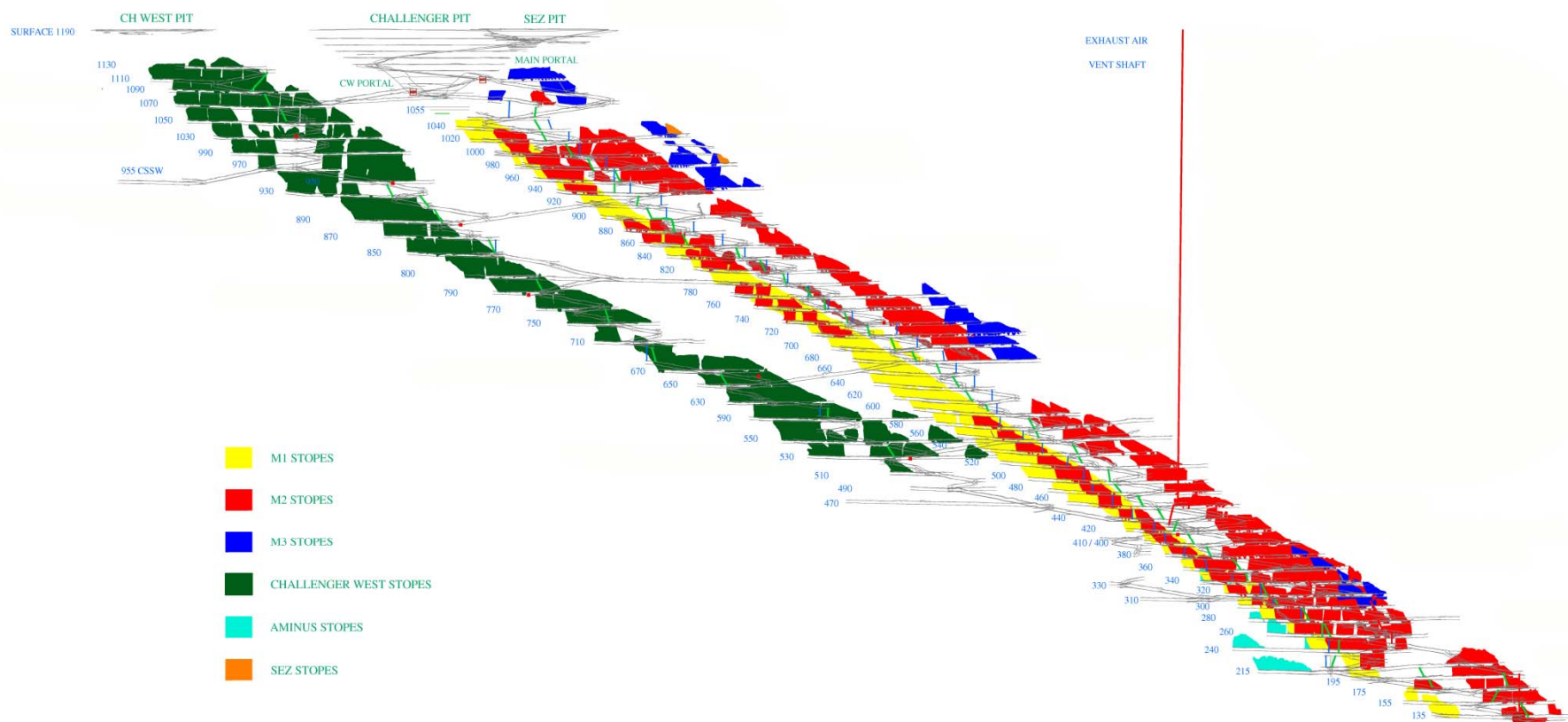
## Indicative Mine Planning

- Initial production from Challenger West structure to be supplemented by mining below 215 shear and remnants extraction within existing ML
- Ventilation using existing declines and ventilation shaft (minor extension to Challenger West decline scheduled)
- Short term planning based on existing stope definition drilling
- Longer term planning based on historical mine performance in areas with limited drilling information
- Reduced development and stoping dilution to be achieved through:
  - Reduced size of development drive
  - Reduced overbreak in stoping areas
  - Smaller stoping dimensions



# CHALLENGER CROSS SECTION

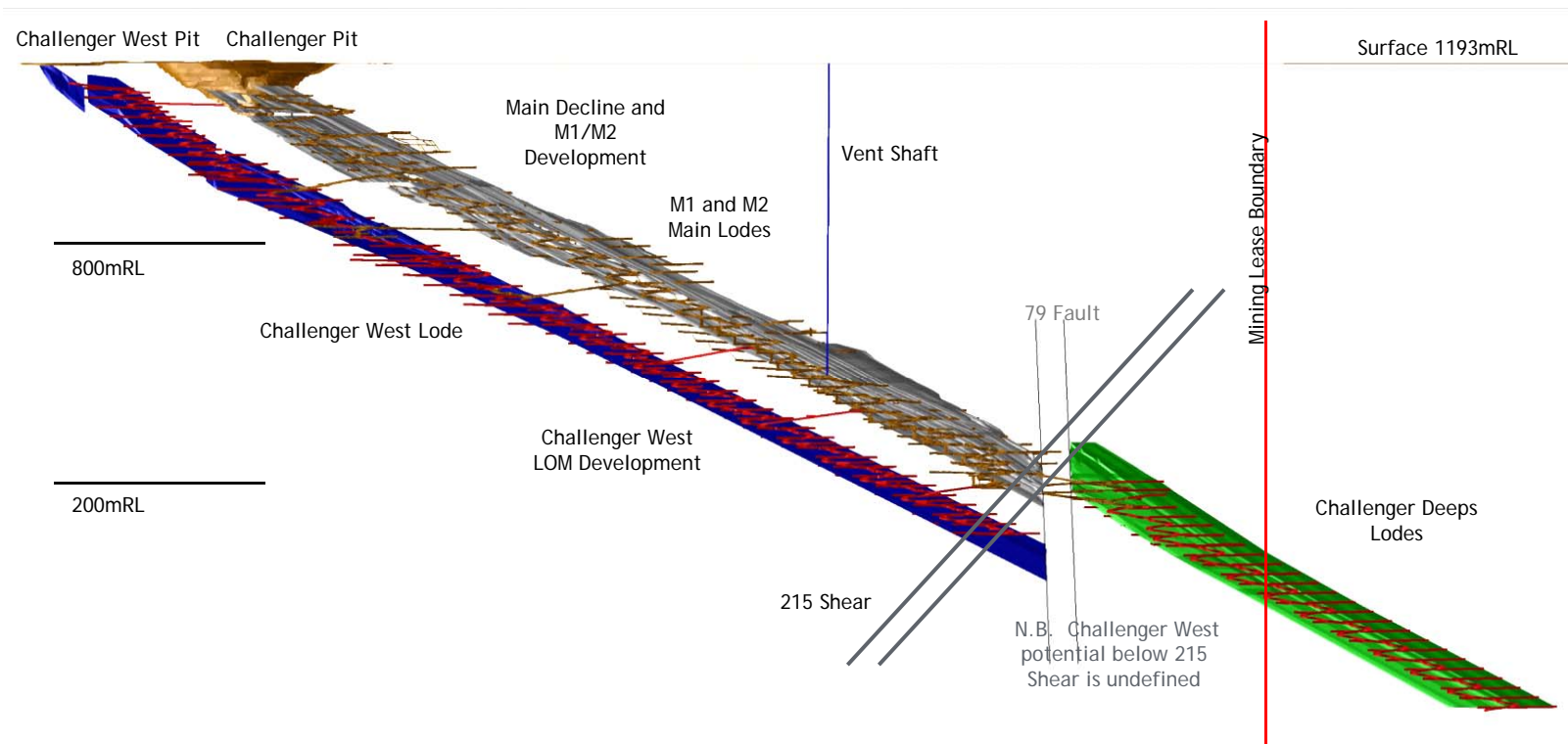
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## EXTENDED UNDERGROUND MINING

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- Mine plan limited to existing ML
- Challenger Deeps lodes expected to continue beyond conceptual mine plan
- MLP lodged over MC (ML grant imminent)
- Excludes additional potential mining at Challenger SSW or other lodes





# CENTRAL INFRASTRUCTURE HUB

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## Established Infrastructure

- WPG acquired the Challenger CIP processing facility which was upgraded from throughput capacity of 450ktpa to 650ktpa in 2009/10
- Other key infrastructure on site includes:
  - diesel power stations (~5MW total capacity)
  - tailings storage facility
  - offices and workshop facilities
  - unsealed airstrip
  - a mine village housing up to 200 personnel
- ROM stockpile to “fill up” mill until Tarcoola ore available
- Efficiency of mill to be maintained through supplementing mill feed from:
  - existing stockpiles
  - Tarcoola toll treatment (subject to commercial agreement)
  - other third party toll treatment
- Negotiations underway with key contractors including mining, power, air transport and camp services
- Located in close proximity to prospective exploration assets

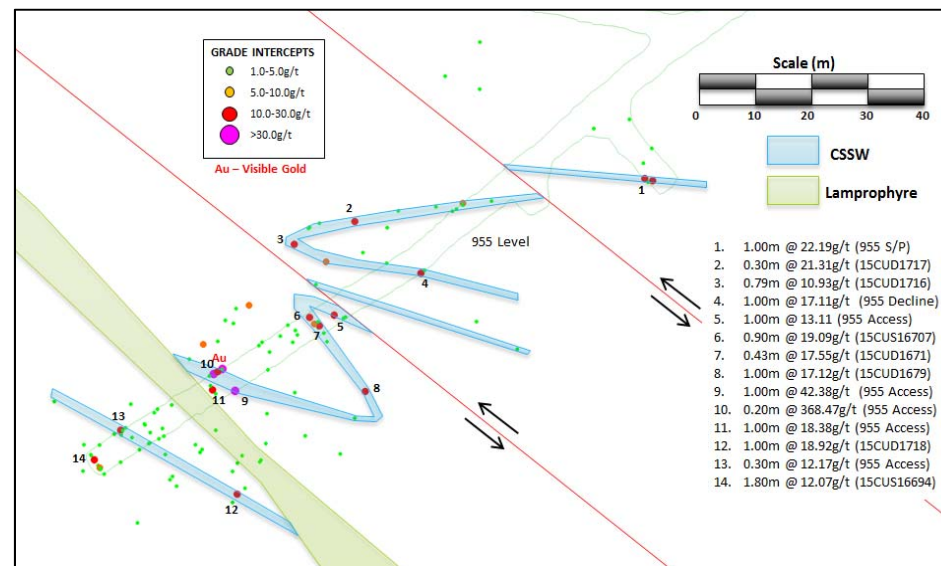


# SIGNIFICANT EXPLORATION POTENTIAL

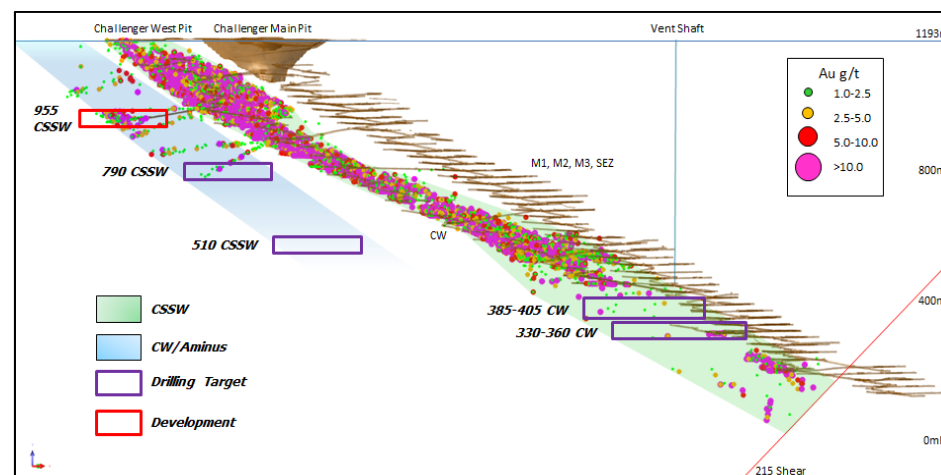
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## Exploration Upside

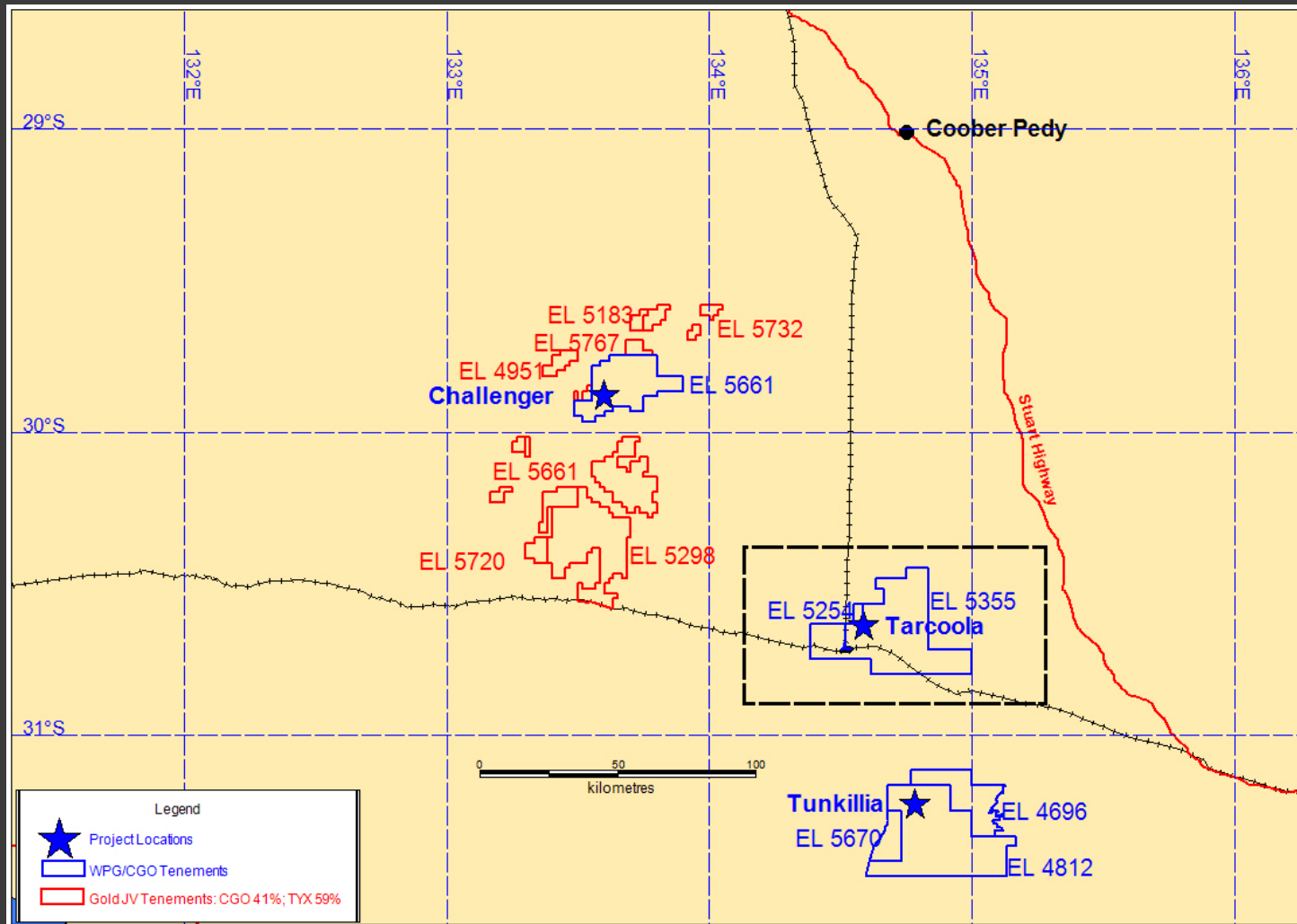
- Ability for extensions of mine life in deeps and through discovery
- Sufficient drilling to systematically define new mining areas in advance of expected mining
- Highly endowed gold area with numerous conceptual targets
- Anomalous gold results from extensive drilling activities requiring further investigation
- Challenger SSW discovery now intercepted with an exploration drive with development on structure
- New mineable lodges generally associated with sporadic very high grade “hits”
- Best result on Challenger SSW recorded:
  - 0.20m @ 368.47g/t Au



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



# TARCOOLA GOLD PROJECT



MINIMAL CAPITAL COSTS WITH CHALLENGER  
PROCESSING OPTION

# STRONG PROJECT ECONOMICS

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## Project Overview

- Feasibility study based on conventional open pit mining and **heap leach** recovery of gold
- ML 6455 granted in March 2016 based on heap leach processing
- Compelling case to process ore through Challenger mill
  - Significantly minimises capital expenditure
  - Provides a higher confidence of recoveries
  - Potential for pit expansion & increase in reserves
  - Reduces unit milling costs at Challenger
- Revised ML condition and PEPR to be lodged for Challenger processing option
- Mining anticipated in 3Q16 at ~20koz pa

Feasibility Study Highlights – Heap leach Operation*		Challenger processing**
Annualised Production (Average)	20,000 oz	20,000 oz
Capital Expenditure	\$16.7m	<\$5.0m
Average AISC (A\$ per oz)	\$1,088	\$1,164
Commencement of Production	3Q 2016	3Q 2016
Mine Life	3 years	3 years
Capital Return over Project Life (pre-tax)	92%	385%
Ungeared, pre-tax NPV7.5	\$12.0m	\$22.2m
Ore Reserve – Contained Gold	74,000 oz	74,000 oz

Both studies are based on A\$1,626/oz

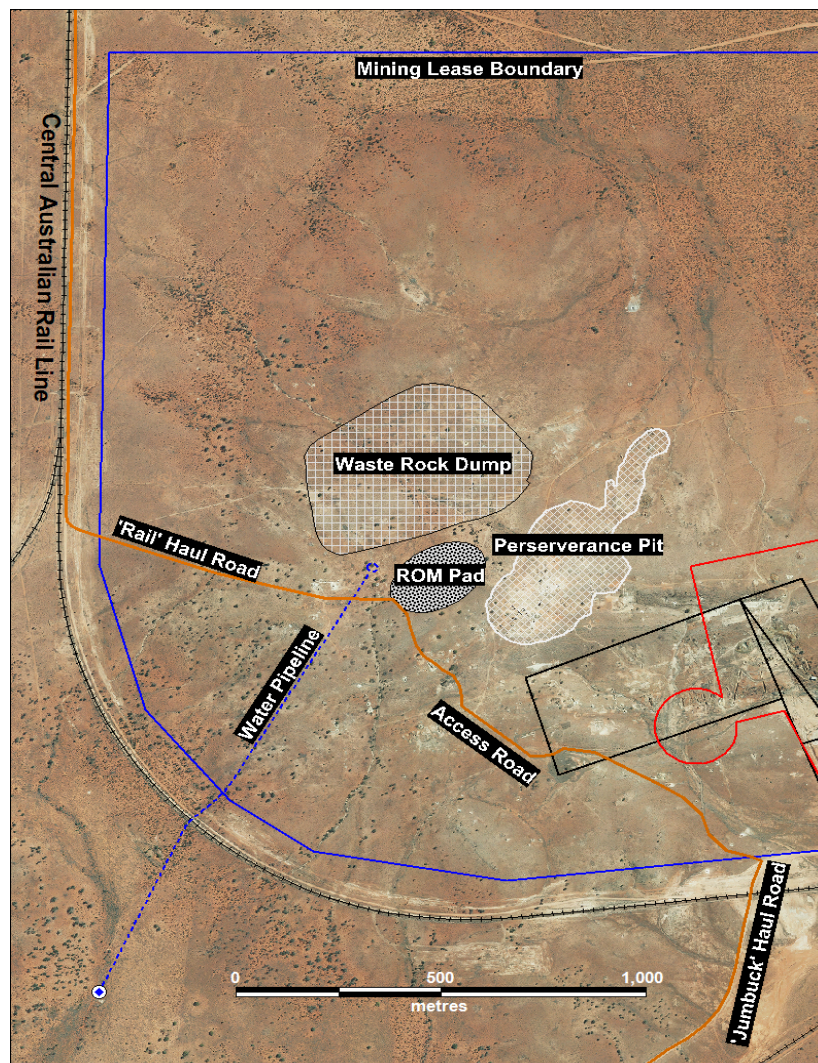
\* See ASX Release 25 September 2015 for more information

\*\* Based on a scoping study. Feasibility study not yet finalised



# MINIMAL CAPITAL REQUIREMENTS

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## Indicative Site Layout

- Open pit and waste rock dump will still be required
- Potential expansion of open pit and waste rock dump with higher recoveries in primary zone
- No requirement for leach pads or processing facilities
- Reduced requirement for on-site infrastructure
- Two road haulage routes identified with low capital requirements for “fit for purpose” roads
- Utilisation of other Challenger infrastructure

## 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>

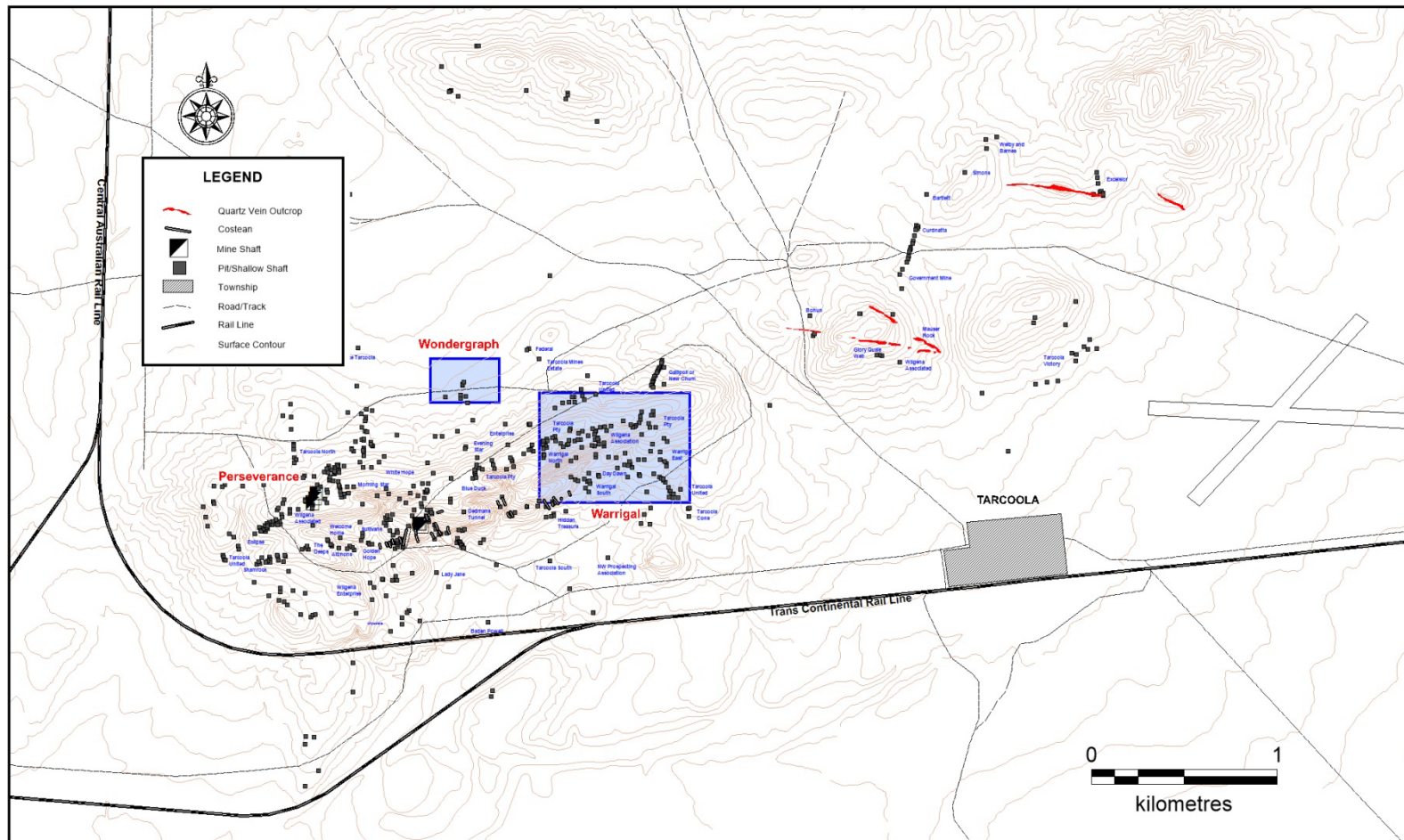
## ORE RESERVES

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>

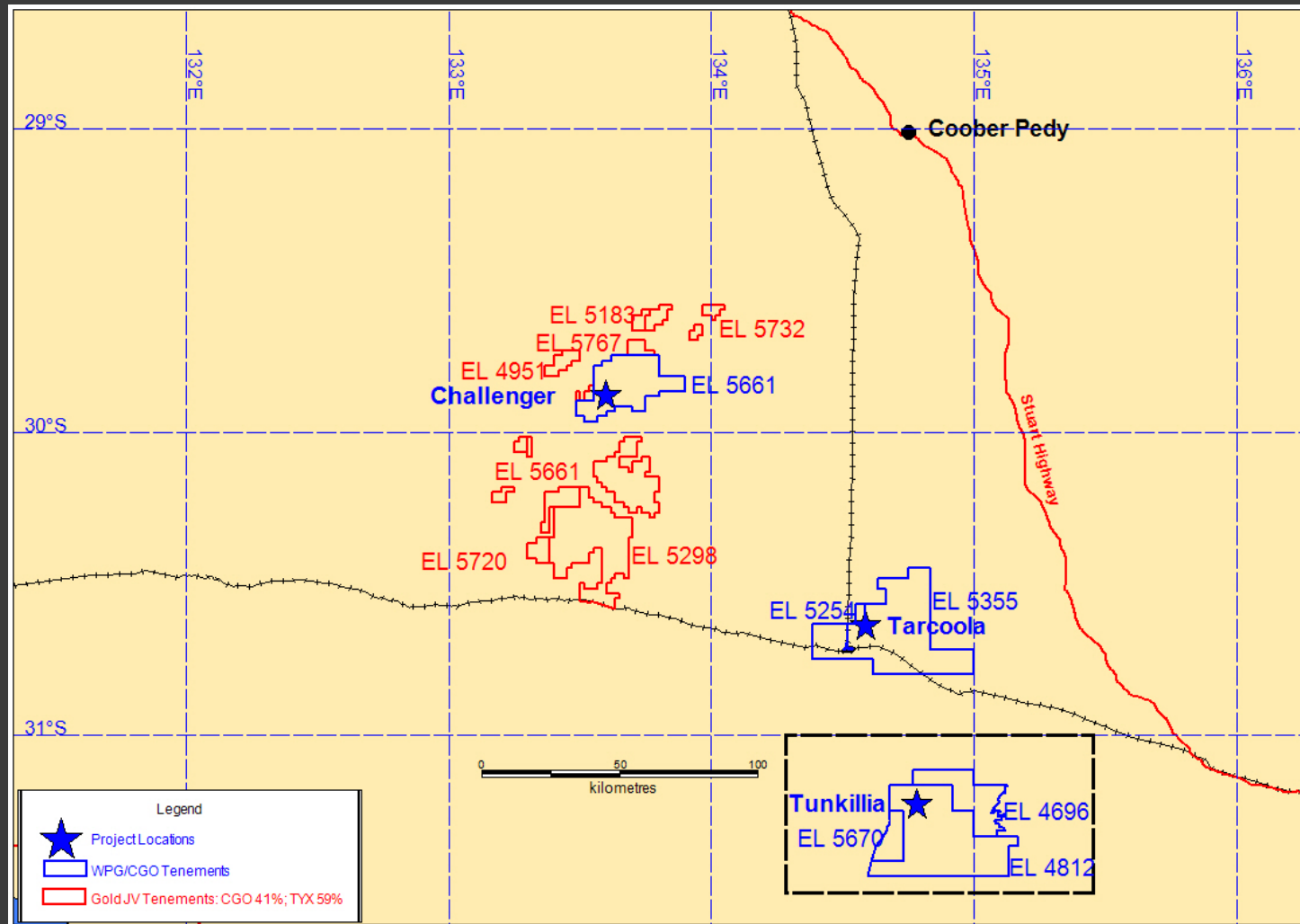
# TARCOOLA ML UPSIDE POTENTIAL

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- Extensive areas of old workings indicate potential for increasing the resource and mine life
- Near term exploration program planned which is aimed at expanding Tarcoola mine life



# TUNKILLIA GOLD PROJECT



PROSPECTIVE OPPORTUNITY  
WITH JORC RESOURCE

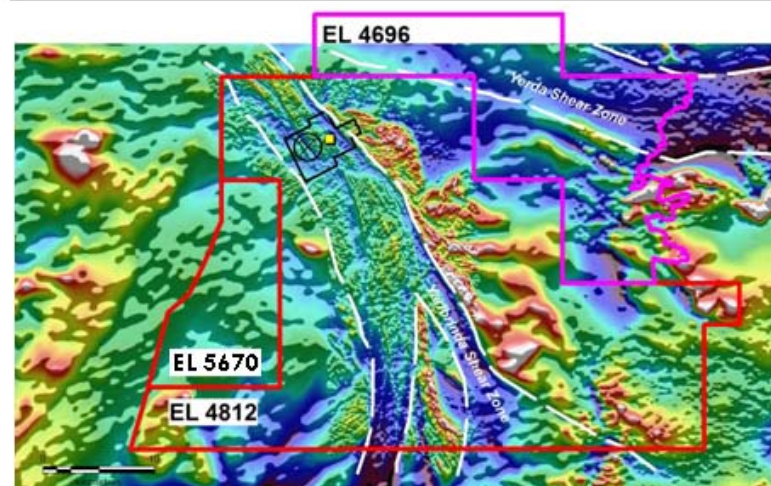
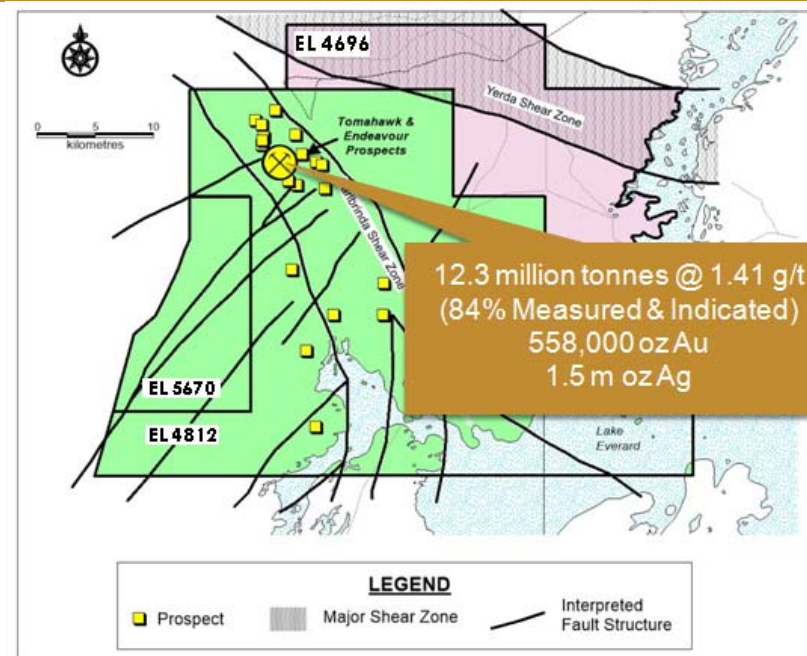


# PROSPECTIVE EXPLORATION OPPORTUNITY

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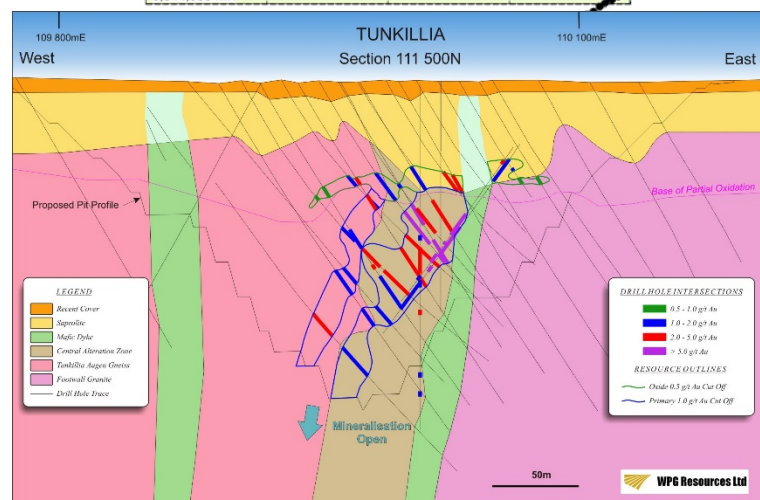
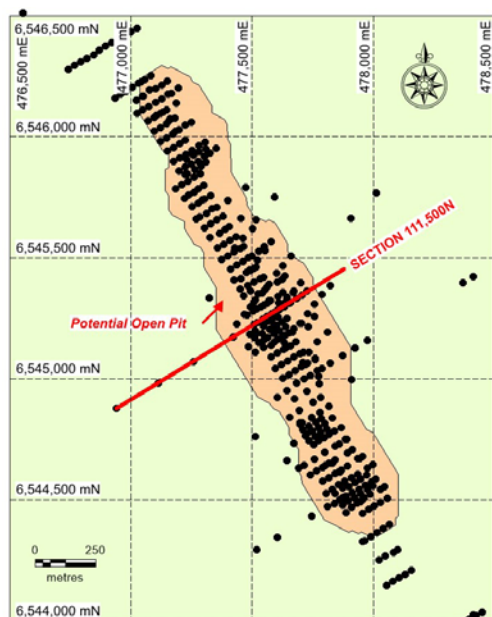
## Project Overview

- Cornerstone “223 Deposit” 12.3Mt @ 1.41g/t Au (M&I) for 558koz Au and 1.5Moz Ag
- Strategy to identify additional resources to feed central mill
- 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
- Excellent discover potential and analogous to major Kalgoorlie shear zone systems



# FORWARD DEVELOPMENT STRATEGY

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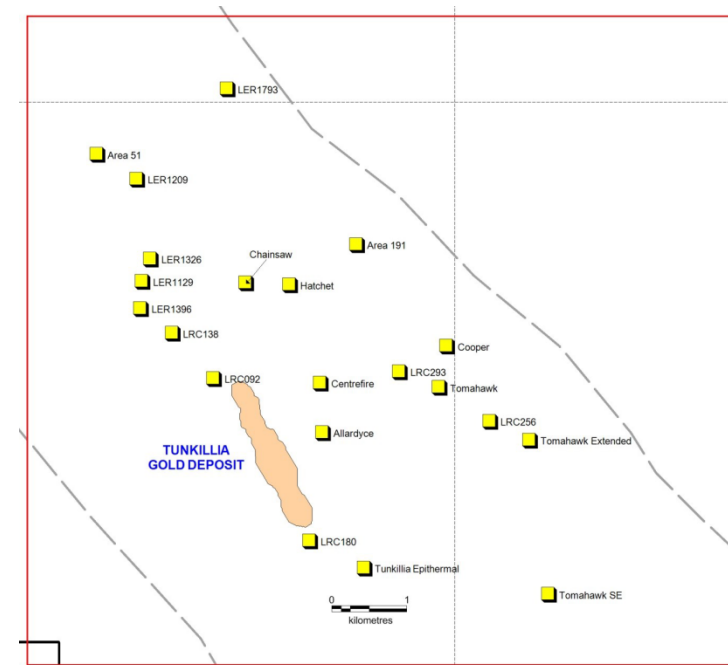


## Development Strategy

- Previous owner completed Scoping Study and PFS on the “223 Deposit”
- Current mine life 5 to 6 years
- Previous PFS undertaken shows project economics significantly enhanced through expanded resource to amortise capital cost
- Strategy to identify satellite resources from the numerous exploration targets identified
- Completed calcrete sampling program on priority prospects close to the “223 Deposit”
- Drilling program on Area 51 and Tomahawk Extended imminent (subject to weather)

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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
- Phase 1 drilling imminent focussing on Area 51 and Tomahawk Extended anomalies





PROVEN MANAGEMENT  
UP TO THE CHALLENGE