



# EMERGING GOLD PRODUCER UP TO THE CHALLENGE

SOUTH AUSTRALIAN CHAMBER OF MINES AND ENERGY  
Breakfast Series Presentation

ASX: WPG

09 June 2016

# DISCLAIMER

- Note 1:** The information pertaining to the Challenger gold project resource is extracted from the ASX release “Challenger Mineral Resource Estimate” released on 19 May 2016 and is available to view on [www.wpgresources.com.au](http://www.wpgresources.com.au). The information pertaining to the Challenger Mineral Resource is based on information compiled by Mr Stuart Hampton, an independent consulting geologist, 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 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 document may include forward-looking statements. Forward-looking statements include, but are not limited to statements concerning WPG’s planned activities 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.

# CORPORATE OVERVIEW (ASX: WPG)

3

## Capital Structure

Share price (6 June 2016)	\$0.082
Issued shares	446.9 million
Issued options (4¢ exercise price)	89.1 million
Incentive rights	18.1 million
Market capitalisation (incl options)	\$40.2 million
Cash (31 March 2016) *	\$2.6 million
Enterprise value	\$37.6 million

\* A placement to institutional investors completed on 15 April 2016 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
- First gold poured from Challenger on 31 May 2016



## Substantial Shareholders

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

## 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



# THE GOLDEN TRIFECTA

4

## Challenger (50%)

- Acquired in March 2016
- Updated resource of 745kt at 9.11g/t announced on 19 May 2016
- First gold poured 31 May 2016
- Attributable production guidance of 50koz for year to 30 June 2017 and aspirational prospective longer term production for FY2018 and beyond of 50koz
- ML 6457 granted for 'Challenger Deeps'

## Tunkillia (100%)

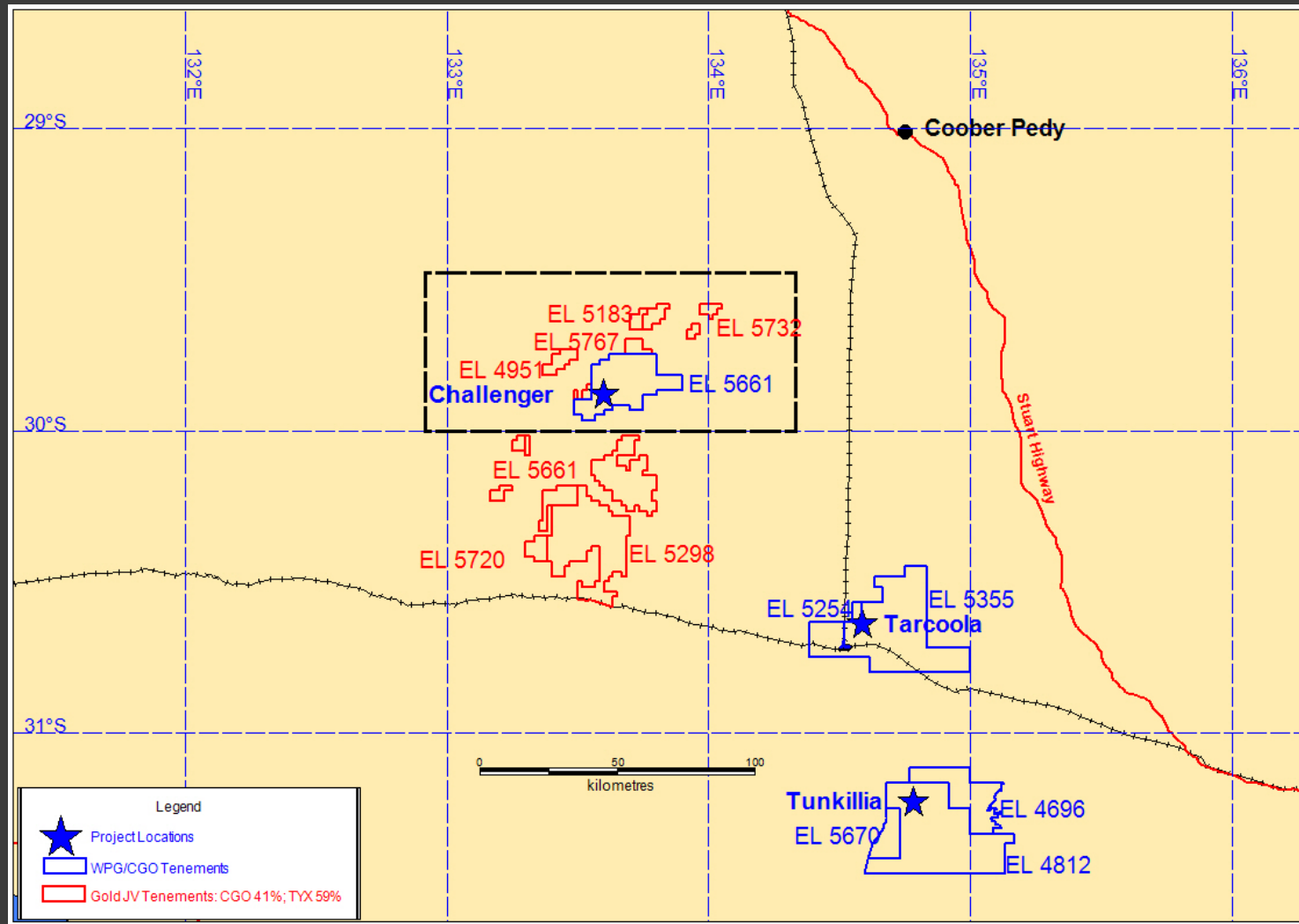
- Pre-development asset with JORC resource
- Highly prospective Yarlbrinda shear zone
- Drilling program commenced March 2016



## Tarcoola (100%)

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

# CHALLENGER GOLD PROJECT



PRODUCTION PLANNED PRIOR TO 30 JUNE 2016

# SUCCESSFUL RE-START OF OPERATIONS

6

## Established Operations

- Challenger mine acquired by WPG in March 2016
- Acquisition cost of \$1m, inclusive of \$2.7m bonds
- Production history of >1 million ounces
- WPG holds 50% (manager) and has a strong relationship with JV partner, DMPL

## Short-Term Production

- Re-deployment of workforce from 16 May 2016 with first gold poured on 31 May 2016
- Restart achieved within budget (both \$ and time)
- 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
- Key contracts renegotiated
- Minimal Restart Capital cost



# CHALLENGER MINERAL RESOURCE ESTIMATE

7

Category	Tonnage (000 t)	Grade (g/t gold)	Contained ounces (Gold 000 oz)
Measured	147	6.98	33.5
Indicated	527	10.80	183.5
Inferred	149	11.62	55
Sub Total	<b>823</b>	<b>10.27</b>	<b>272</b>
Stockpiles Measured	122	1.30	5
Total	<b>945</b>	<b>9.11</b>	<b>277</b>

Updated 19 May 2016



# FIRST GOLD POUR

8



Restart Management Team L to R: Marcus Doyle, Andrew White, Anthony Evers, Robyn Greening



# FORWARD MINING STRATEGY

9

## 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

## Workforce

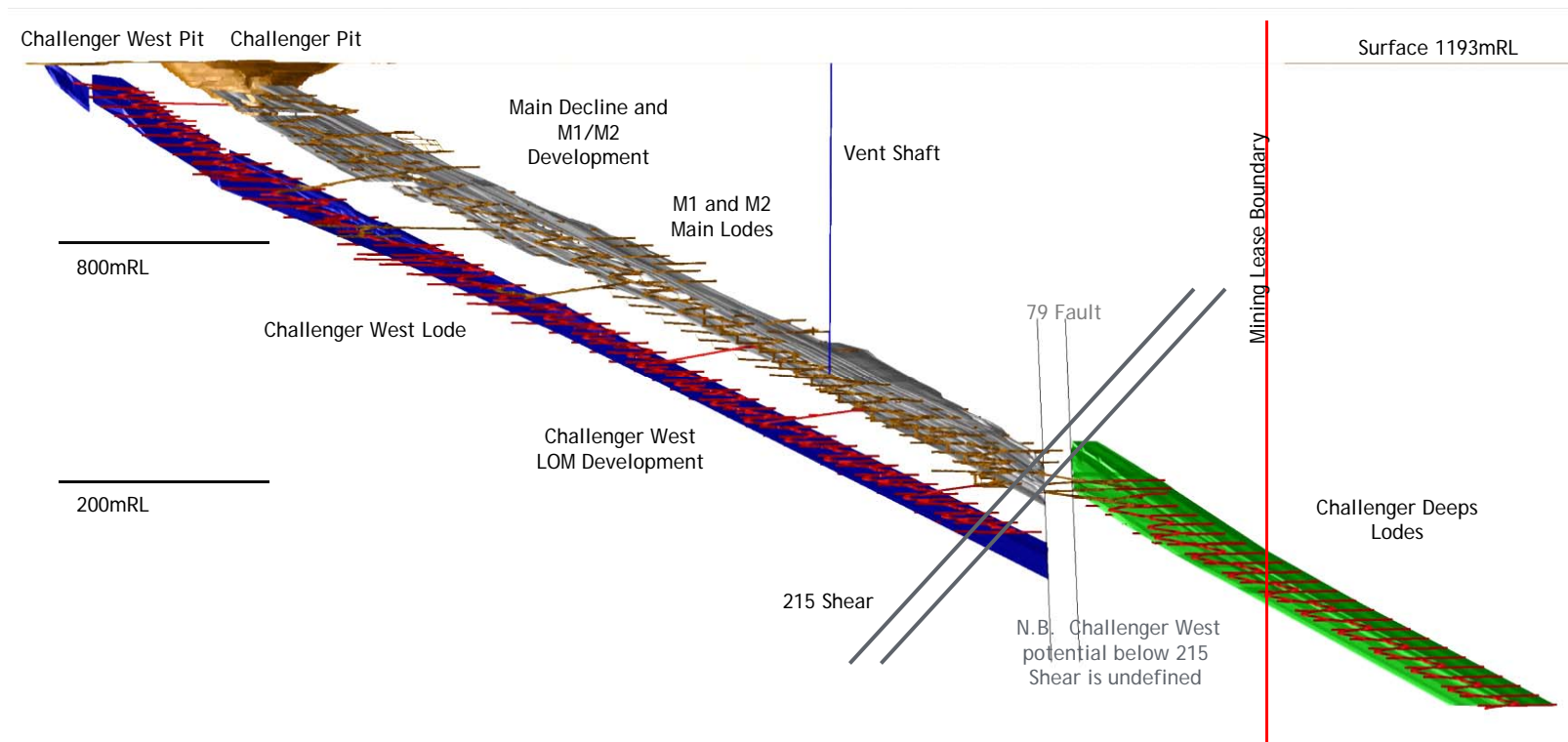
- >91% of CJV workforce South Australian based
- >84% of overall workforce South Australian based



# EXTENDED UNDERGROUND MINING

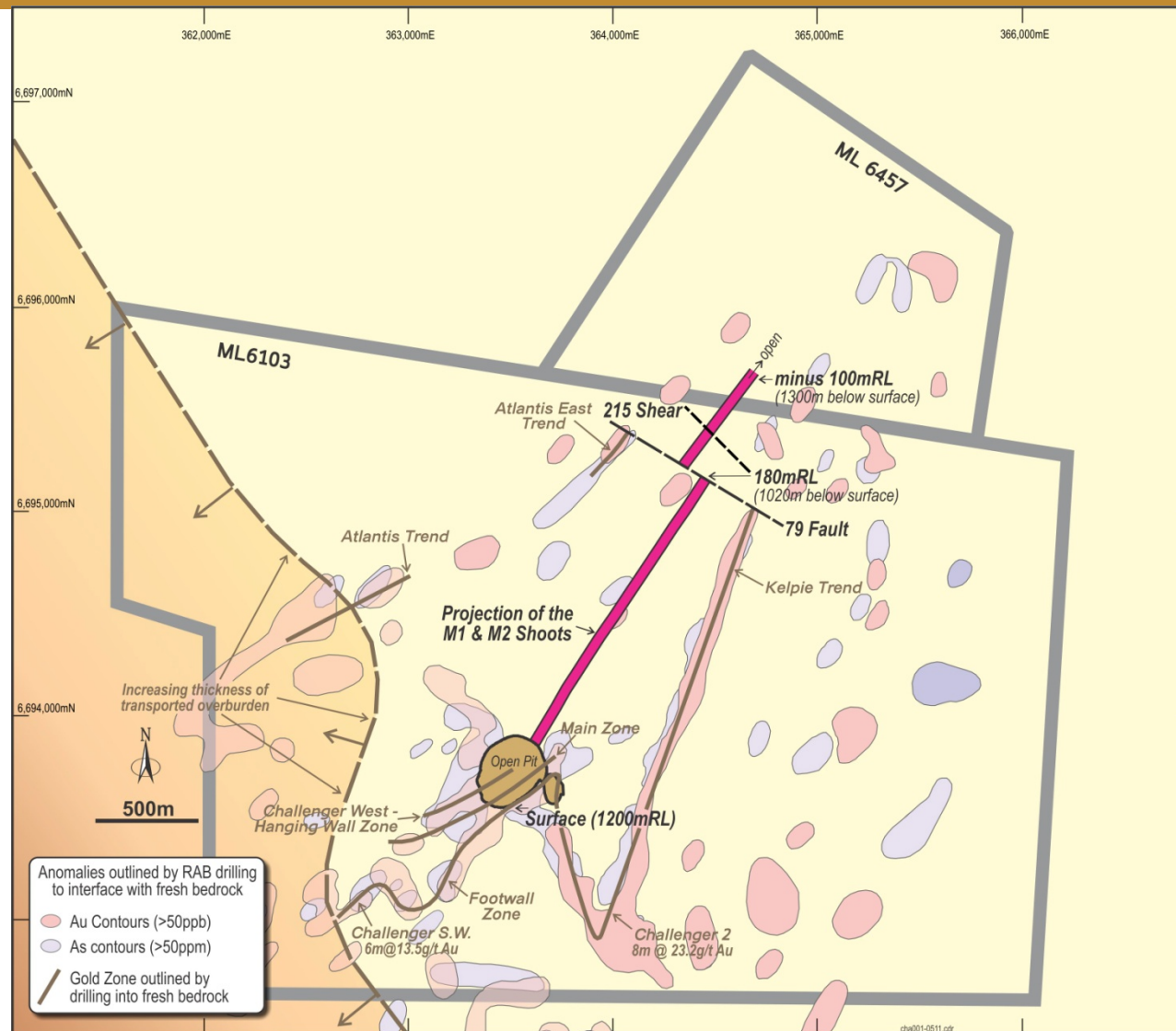
10

- Mine plan limited to existing ML – new ML 6457 now granted
- Challenger Deeps lodes expected to continue beyond conceptual mine plan
- Current plan excludes additional potential mining at Challenger SSW or other lodes



# ML 6457 GRANTED

11





# CENTRAL INFRASTRUCTURE HUB

12

## Established Infrastructure

- Challenger CIP processing facility throughput capacity of 650ktpa
- 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
- 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
- Key contract terms including mining, power, air transport and camp services renegotiated and finalised
- Located centrally to prospective exploration assets

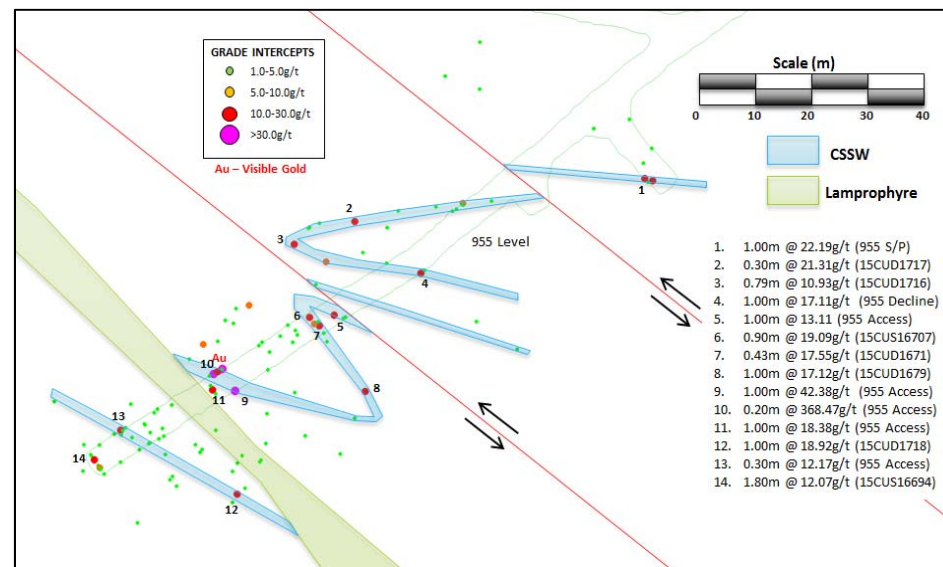


# SIGNIFICANT EXPLORATION POTENTIAL

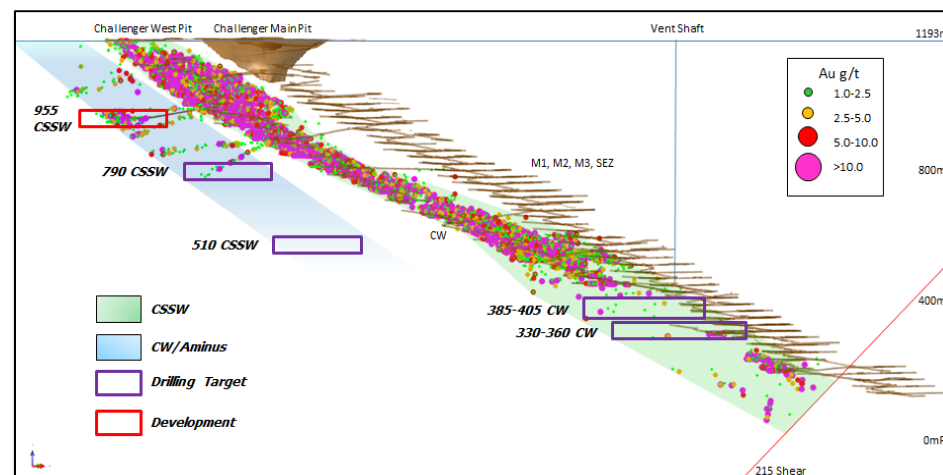
13

## 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 lodes generally associated with sporadic very high grade “hits”
- Best result on Challenger SSW recorded:
  - 0.20m @ 368.47g/t Au

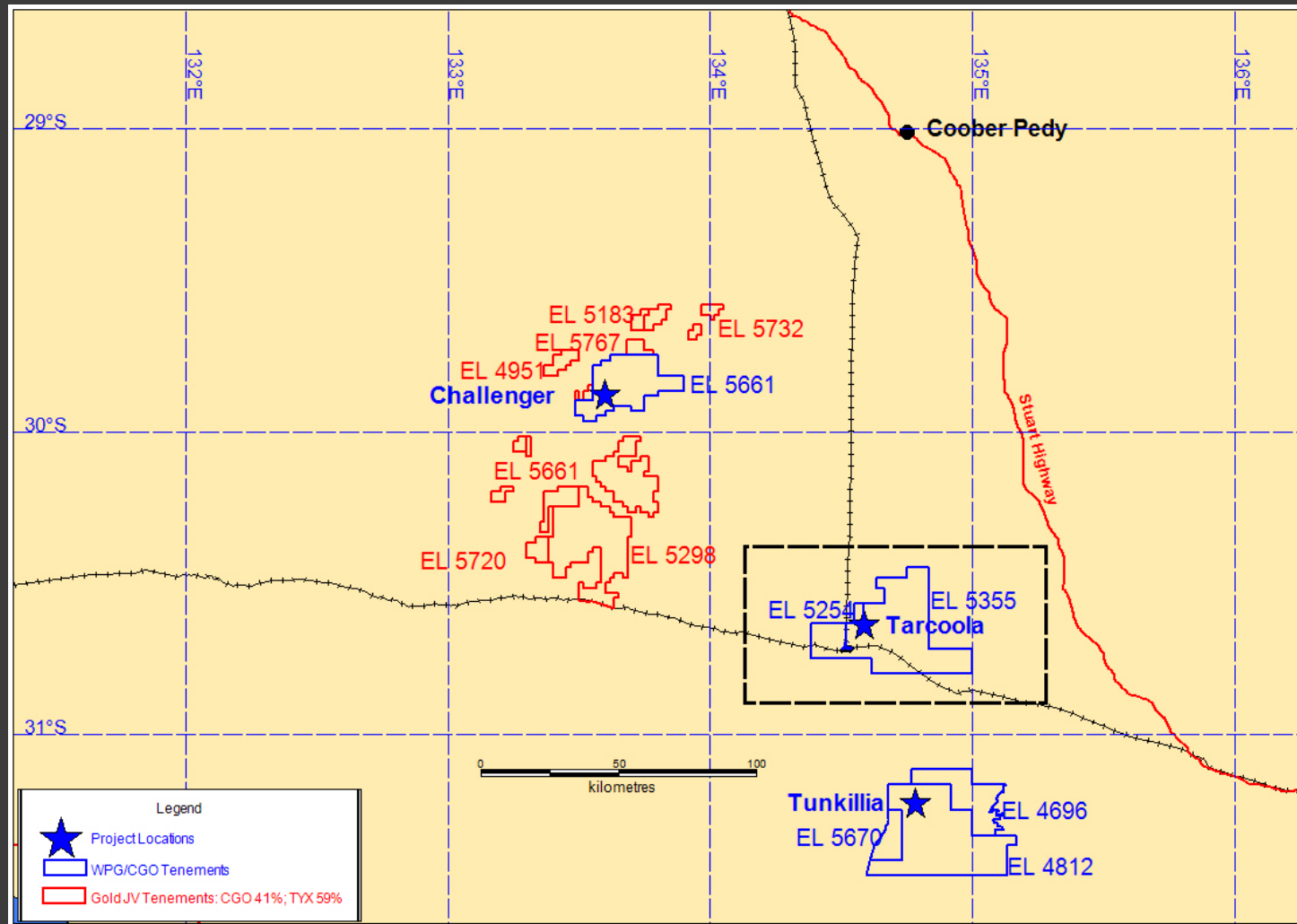


Above: Flitch of 955 CSSW showing significant intercepts and geological interpretation. Below: CSSW drilling targets





# TARCOOLA GOLD PROJECT



MINIMAL CAPITAL COSTS WITH CHALLENGER  
PROCESSING OPTION

# STRONG PROJECT ECONOMICS

15

## Project Overview

- Original Definitive 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 treatment plant:
  - Significantly reduces capital expenditure
  - Provides a higher confidence of recoveries
  - Potential for increase in reserve grade
  - Reduces overall unit processing costs at Challenger
- DFS currently being revised to reflect this option
- PEPR to be lodged for Challenger processing option by end June 2016
- Mining anticipated in 3Q16 with processing at Challenger at ~20koz pa

### Original Definitive Feasibility Study\* Heap leach Operation\*\*

Annualised Production (Average)	20,000 oz
Capital Expenditure	\$16.7m
Average AISC (A\$ per oz)	\$1,088
Commencement of Production	3Q 2016
Mine Life	3 years
Capital Return over Project Life (pre-tax)	92%
Ungeared, pre-tax NPV7.5	\$12.0m
Ore Reserve – Contained Gold	74,000 oz

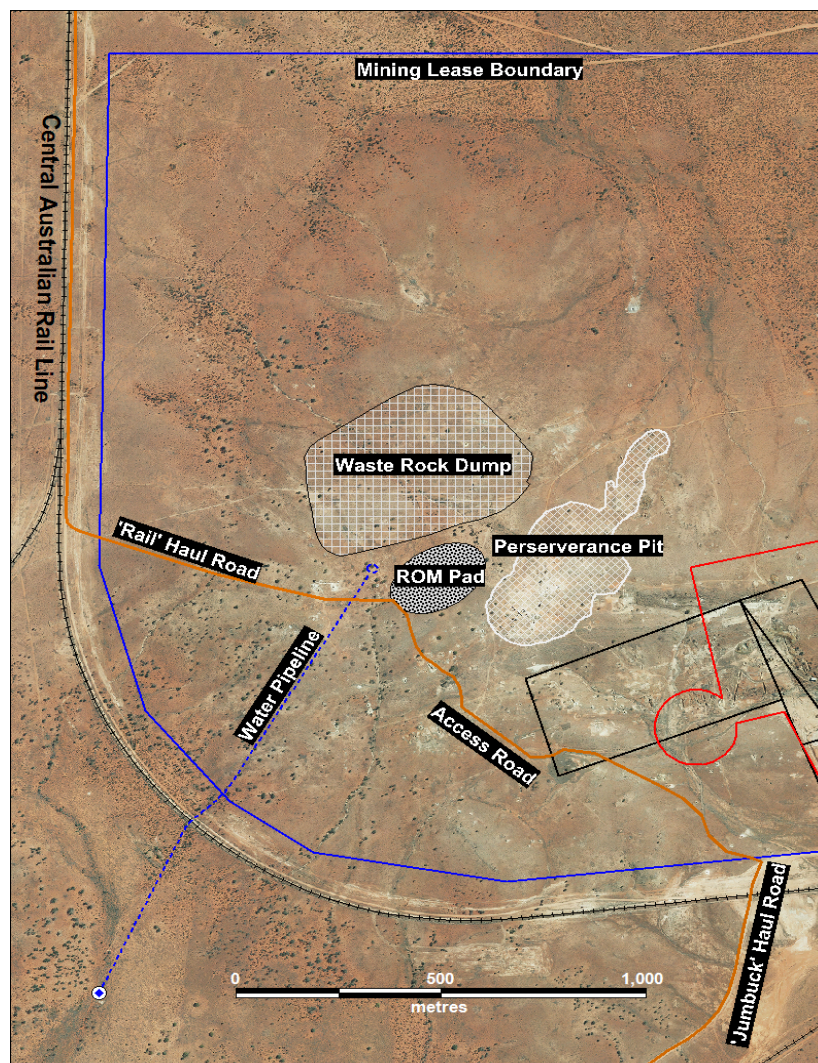
Study based on A\$1,626/oz

\* See ASX Release 25 September 2015 for more information

\*\* No longer preferred option – DFS currently being updated

# MINIMAL CAPITAL REQUIREMENTS

16



## Indicative Site Layout

- Open pit and waste rock dump will still be required
- Potential expansion of open pit with higher recoveries in primary zone
- No requirement for leach pads or processing facilities
- Reduced requirement for on-site infrastructure = reduced environmental impact
- Haulage route with low capital requirements for “fit for purpose” road
- 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

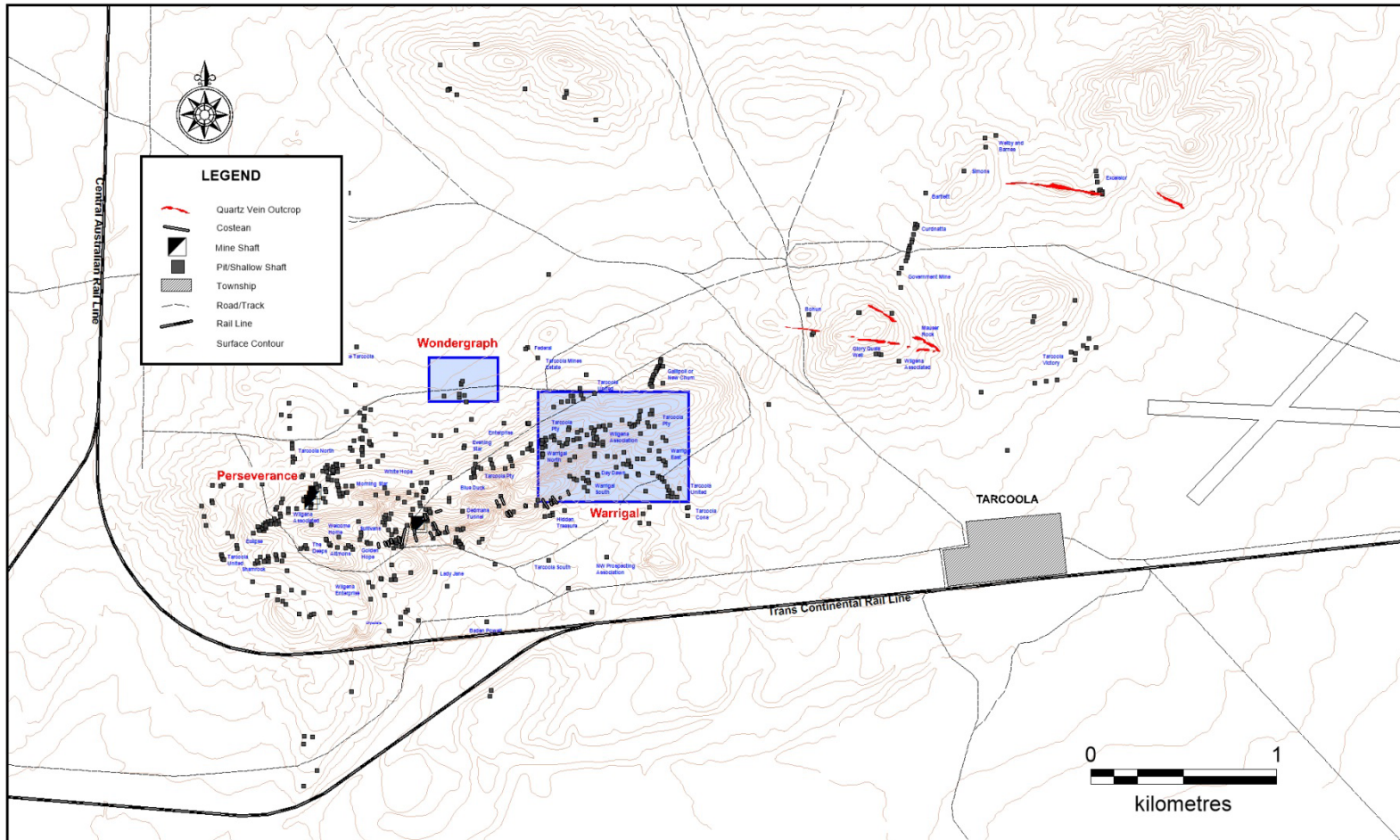
Category	Ore Type	000s Tonnes	Au g/t	Au oz
Probable	Oxide	450	2.8	41,000
	Transition	150	2.3	11,000
	Primary	300	2.4	23,000
<b>TOTAL</b>		<b>900</b>	<b>2.6</b>	<b>74,000</b>



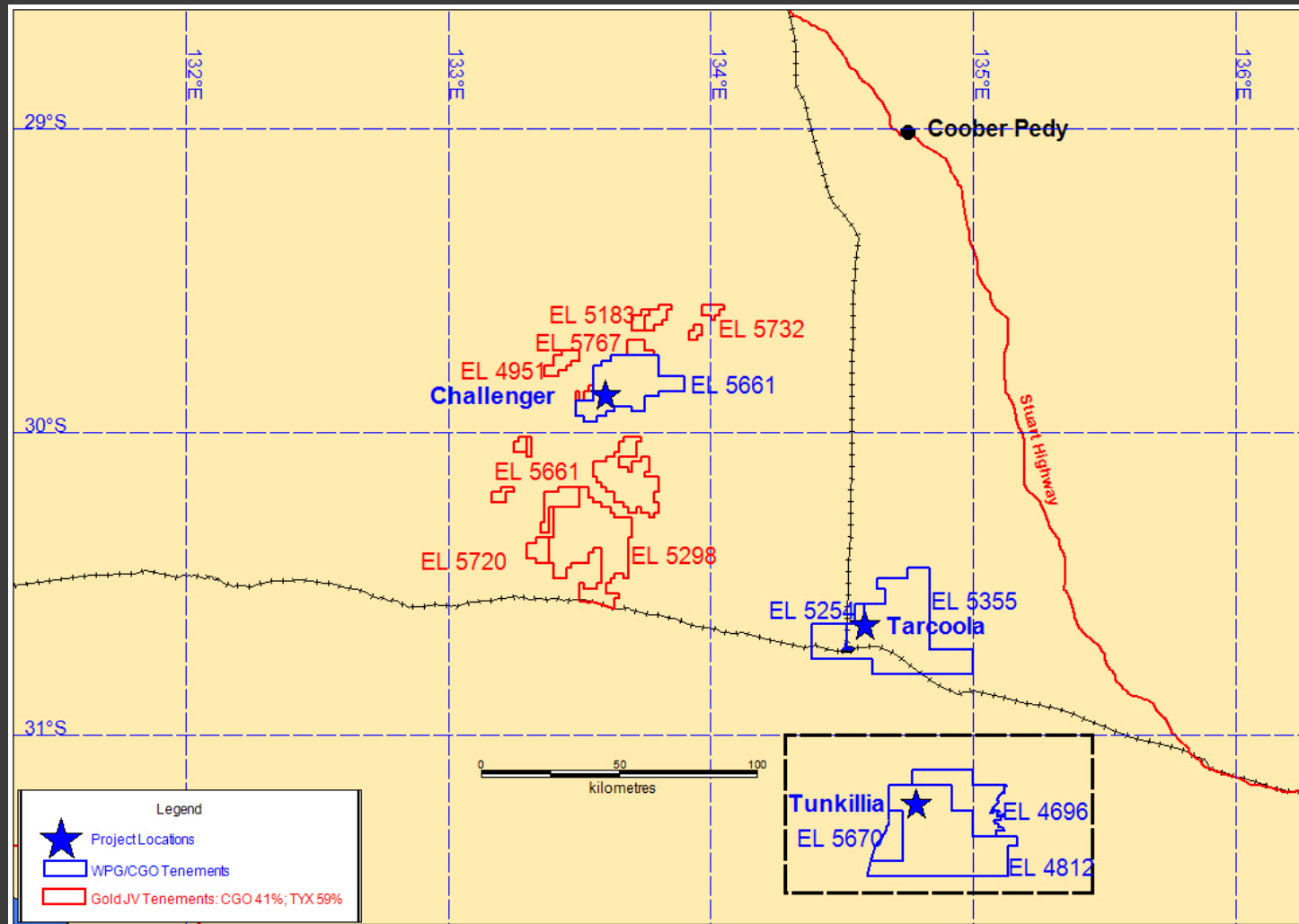
# TARCOOLA ML UPSIDE POTENTIAL

17

- 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

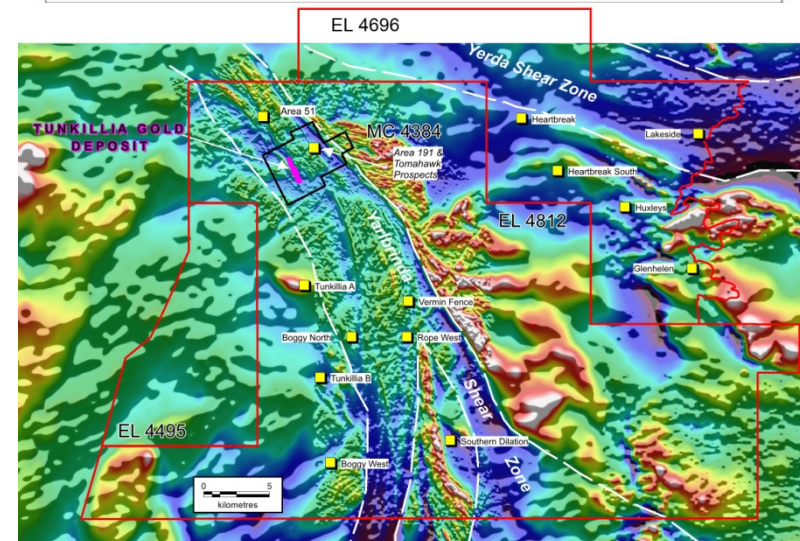
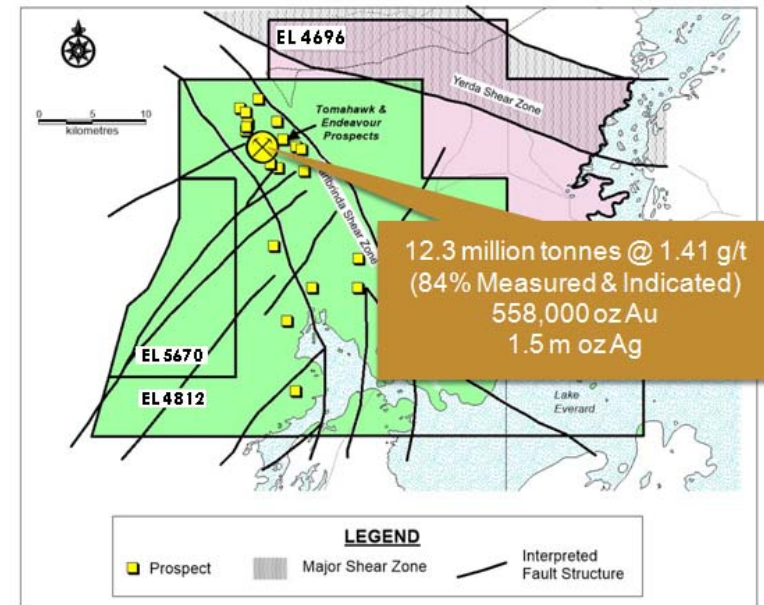


# PROSPECTIVE EXPLORATION OPPORTUNITY

19

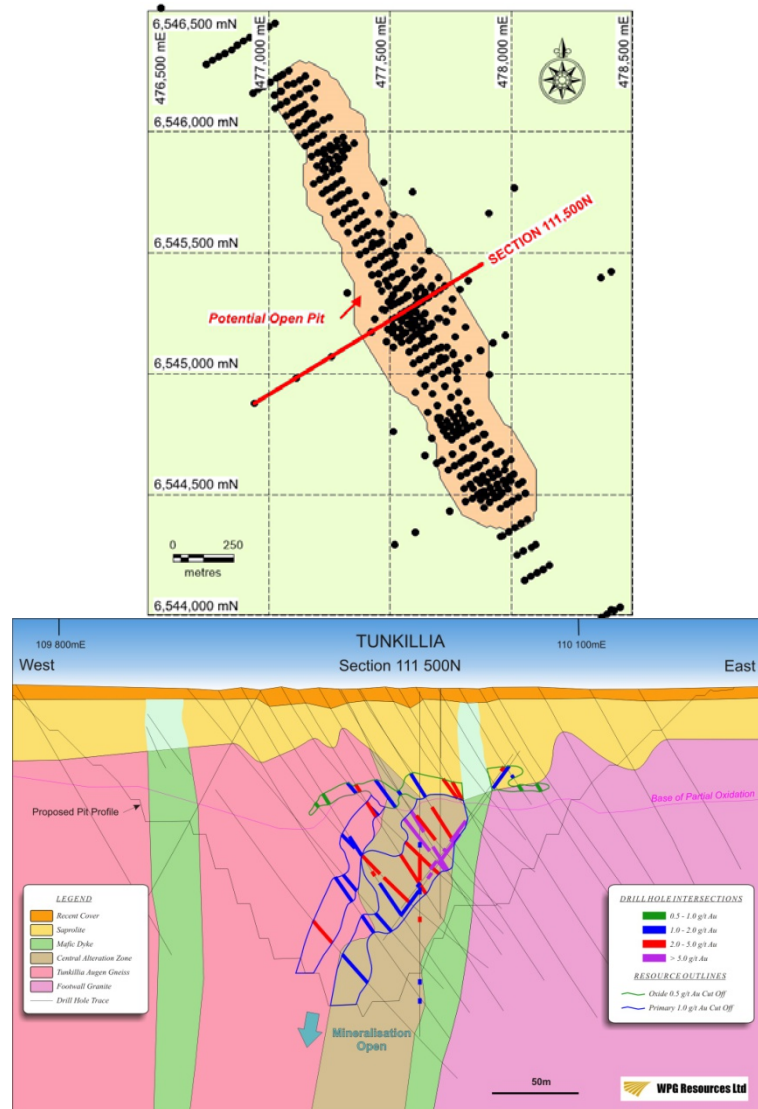
## Project Overview

- WPG's holds 100% interest in all tenements
- 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
- Extensive ground position on two major shear zones: Yarlbirinda & Yerda
- Significant bedrock gold mineralisation present at a number of prospects
- Excellent discovery potential
- Analogous to major Kalgoorlie shear zone systems



# FORWARD DEVELOPMENT STRATEGY

20



## Development Strategy

- Previous owner completed Scoping Study and PFS on the “223 Deposit”
- Indicative mine life 5 to 6 years
- Previous PFS undertaken shows project economics would be significantly enhanced with expanded resource to amortise capital cost
- Strategy to identify satellite resources from the numerous exploration targets identified



PROVEN MANAGEMENT  
UP TO THE CHALLENGE