



ASX and Media Release

Challenger mine update

WPG Resources Ltd (ASX: WPG; WPGO) advises that there has been a significant reduction in forecast gold production for the month of December. It is likely that this month's production will be about 3,000 ounces of gold. This is down from November's record production under WPG's ownership of approximately 5,100 ounces.

Total production for the quarter is expected to be approximately 12,400 ounces, which is marginally more than the first quarter's production of 12,138 ounces. In addition, approximately 1,000 ounces is expected to be produced from WPG's new Tarcoola mine this month.

While underground ore haulage in the year to date at Challenger has been a little in excess of budget, mine development is well behind schedule. The disappointing production projection for December is largely attributable to the impact of this which has resulted in only lower grade stoping areas being available for production during the month.

Pybar Mining Services Pty Ltd, WPG's mining contractor at Challenger, has agreed to employ two more fitters at Challenger in an effort to improve availability of the two existing jumbo development drill rigs at Challenger. Pybar has also agreed to deploy a new and third jumbo to Challenger to catch up on the development shortfall. The new jumbo is expected to arrive on site in early January.

WPG is not expecting to be in profit for the current half year.

Further Information

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

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

Forward-Looking Statements

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