



ASX and Media Release

Drilling commences at Challenger Deeps

WPG Resources Ltd (ASX: WPG) is pleased to advise that drilling has commenced in the Challenger Deeps area in anticipation of mining activities commencing later in the year. The drilling is being conducted from collars developed in underground coddies near the bottom of the current workings.

This follows completion of the planned modification to the primary ventilation upgrade works at Challenger that was announced by WPG on 23 March 2017 and the more recent completion of the portal fan installation as well as some minor additional works underground.

The area known as Challenger Deeps is situated below the 215 shear which displaces the Challenger mineralised system by a known amount. Historical surface drilling indicates that the Challenger mineralised system may continue down plunge at least 300m vertical below existing mine workings. Limited mine development below the 215 shear was undertaken previously by the prior owner but mining was not pursued then due to the proximity of this area to the boundary of the Challenger mining lease (ML 6103). The new adjacent ML 6457 held by WPG now allows mining down plunge.

Drilling commenced over the weekend to test the M1 and M2 lodes immediately below the 215 shear. This drilling will also target the Challenger West lode which has not previously been drilled below the 215 shear. The goals of this drilling program are to assist with planning mining activities and to add to existing mineral resource and ore reserves estimates.

Results from Phase 1 of this systematic drilling program, which is anticipated to take approximately 6 weeks, will be used to plan initial mining activities at Challenger Deeps.

Executive Chairman Bob Duffin said “this systematic drilling program, commencing on schedule, is the next major step in our plans to mine Challenger below the 215 shear.”

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Mining of the main Challenger deposit and now Challenger Deeps will occur in parallel with the progression of other near mine exploration opportunities that can be accessed from existing underground development including Challenger West, Challenger South South West (CSSW), Aminus, Enterprise, Challenger North West and M3/SEZ.

Further Information

For further information please contact WPG's Executive Chairman, Bob Duffin or CEO 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 activities, including but not limited to 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 Statement

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.