



ASX and Media Release

Proactive Q&A Session with Wayne Rossiter

WPG Resources Ltd (ASX:WPG, WPGO) is pleased to advise that Chief Executive Officer Wayne Rossiter has completed a question and answer session with Proactive Investors.

The full question and answer session is attached.

It is also available on the Company's website, or can be viewed by typing the following link into your web browser:

<http://www.proactiveinvestors.com.au/companies/news/181532/wpg-resources-wayne-rossiter-talks-growing-gold-guidance-in-proactive-qa-sessions-181532.html>

Further Information

For further information please contact WPG's 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.

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WPG Resources Ltd's
Wayne Rossiter talks
growing gold guidance in
Proactive Q&A Sessions™

WPG Resources Ltd (ASX:WPG) delivered record gold production in June of 6,230 ounces, and 13,909 for the quarter, from its South Australian based assets of Challenger and Tarcoola.

WPG pours gold at the Challenger plant by successfully blending ore from the Tarcoola mining operations with Challenger ore, with the company increasing throughput to 700,000 tpa from 600,000 tpa.

We are joined exclusively by Wayne Rossiter, chief executive officer for WPG Resources, in Proactive Q&A Sessions™.

PROACTIVE INVESTORS: Welcome Wayne.

First of all can you take us through FY18 production guidance and costs, and how this compares to the previous corresponding period?

Wayne Rossiter: Production guidance is 70,000 to 80,000 gold ounces during FY18, with all-in-sustaining costs in the A\$1,270 range.

These costs will start to fall from the current levels as we re-build underground development this calendar year and complete the Tarcoola push-back over the coming few months.

Guidance for FY17 which was 52,000 to 56,000, and we poured 2% outside this range at 50,882 ounces.

All-in-sustaining costs were A\$1,431 for the June quarter and A\$1,532 for the year.

We always expected costs would start higher as we were accessing low grade stopes and milling low grade stockpiles.

The increasing guidance comes as the company solves a few of the production puzzles at Challenger, mainly impacted by the slower than anticipated ramp-up of production and processing of Tarcoola ore during March and April along with the impact of lower than planned underground development at Challenger which has limited access to higher grade stopes and impacted the costs.

Highlighting this, we had record gold production of 13,909 ounces in June and our new mining contractor commences in August who knows the mine and can deliver on physicals in particular development metres.

WPG has now taken the key steps to as a gold producing turnaround story.

How much revenue was derived from bullion sales during FY17, and what is the hedging strategy for the next 12-months?

Wayne Rossiter: Bullion sales were 50,951 ounces for FY17 revenue of \$85 million at an average gold price of A\$1,664 per ounce.

At the start of July the company had open forward sales of 9,250 ounces of gold at an average price of A\$1,653 per ounce.

We intend to enter into further hedging arrangements in the current quarter to give some short term visibility on cash inflows.

Based on our guidance of 70,000 to 80,000 ounces for the F18 year revenue should be in the order of \$115 million.

What is the exploration plan for the renewal of resources, and current projected years of mine life?

Wayne Rossiter: The prior owner of Challenger wrote-off over 450,000 ounces out of the resource as they prepared the mine for sale.

We have been consistently drilling underground at Challenger to bring that back into our resource estimate.

Since acquisition we have increased the resource base by 79% to 343,000 ounces and added an exploration target of up to 165,000 ounces on a new structure called M3.

We have three rigs drilling 24/7 and our focus is on drilling Challenger Deeps which will become our major production area later this year.

In particular our drilling in Challenger Deeps is seeking to bring additional parallel lodes into resource estimates which are currently excluded.

We will also be drilling extensively on M3 to bring this into our resource estimate.

At Tarcoola we have a number of potential opportunities around the periphery of the pit to do some in-fill drilling to add to the resource and reserve estimate.

The Tarcoola area hosts extensive old workings and there are numerous other opportunities to test for other mineralised areas on the mining lease.

Across our combine projects, including Tunkillia we have almost 1 million ounces in resource with a lot of opportunity to add to this, particularly at Challenger, as we drill M3 and keep drilling ahead of development in Challenger Deeps where we know, from deep surface drilling, the mineralised structures continue to plunge.

Moving to the orebody at both Challenger and Tarcoola, can you provide some details and how this impacts the ore going through the mill?

Wayne Rossiter: We are blending Challenger primary material with oxide material from Tarcoola.

As we get deeper into the pit at Tarcoola at the end of the year the Tarcoola feed will start to transition to primary material.

At this moment at Tarcoola we are mining supergene oxide ore with a high clay content.

This has been successfully managed at the mill with 2 to 1 blend ratios of Challenger to Tarcoola ore and at throughputs of 700,000tpa.

We expect to invest a modest amount of capital to allow sustained milling at 700,000tpa and with some modest further investment out of future cash flow have the potential to increase this to over 800,000tpa.

How far has the entitlement issue progressed, and what is the company's current cash position?

Wayne Rossiter: WPG completed an oversubscribed placement in June and is well funded with circa \$10 million in cash at the end of June 2017

We also have an entitlement issue currently open at the same price as the placement of \$0.048 per share, with a free unlisted \$0.08 option for every 2 shares subscribed for, expiring in two years.

The entitlement issue is not underwritten, but we expect it to add further cash back onto the balance sheet to assist in funding the re-investment in underground development at Challenger.

Finally Wayne, can you talk us through why an investor should consider adding WPG Resources to their portfolio?

Wayne Rossiter: Compared to our peers with similar production profiles WPG should have a market capitalisation orders of magnitude higher than we currently have.

This means there is significant potential for short-term share price growth based on lowering costs and further upside as we build our production profile beyond our FY18 guidance.

What investors are watching is our all-in-sustaining costs which are trending downwards and will continue this trajectory as we deliver on our strategy at both mines.

WPG is now a turnaround story with growing gold guidance and reducing costs.

Potential mine life can be extended through discoveries, or even through toll treatment arrangements as we own the only mill in this area.

We also have significant regional exploration and pre-development opportunities ready for further work.

PROACTIVE INVESTORS: Thank-you Wayne.

Ends