

Appendix 5B

Mining exploration entity and oil and gas exploration entity quarterly report

Name of entity

WPG Resources Ltd

ABN

51 109 426 502

Quarter ended ("current quarter")

30 September 2017

| Consolidated statement of cash flows | | Current quarter | Year to date (3 months) |
|---|---|------------------------|------------------------------------|
| | | \$A'000 | \$A'000 |
| 1. | Cash flows from operating activities | | |
| 1.1 | Receipts from customers | 17,184 | 17,184 |
| 1.2 | Payments for | | |
| | (a) exploration & evaluation | (1,145) | (1,145) |
| | (b) development | (5,920) | (5,920) |
| | (c) production* | (13,494) | (13,494) |
| | (d) staff costs | (370) | (370) |
| | (e) administration and corporate costs | (381) | (381) |
| 1.3 | Dividends received (see note 3) | - | - |
| 1.4 | Interest received | 13 | 13 |
| 1.5 | Interest and other costs of finance paid | (80) | (80) |
| 1.6 | Income taxes paid | - | - |
| 1.7 | Research and development refunds | - | - |
| 1.8 | Other | - | - |
| 1.9 | Net cash from / (used in) operating activities | (4,193) | (4,193) |
| 2. | Cash flows from investing activities | | |
| 2.1 | Payments to acquire: | | |
| | (a) property, plant and equipment | (1,484) | (1,484) |
| | (b) tenements (see item 10) | - | - |
| | (c) investments | - | - |
| | (d) other non-current assets | - | - |

| Consolidated statement of cash flows | | Current quarter | Year to date (3 months) |
|---|---|------------------------|------------------------------------|
| | | \$A'000 | \$A'000 |
| 2.2 | Proceeds from the disposal of: | | |
| | (a) property, plant and equipment | - | - |
| | (b) tenements (see item 10) | - | - |
| | (c) investments | - | - |
| | (d) other non-current assets | - | - |
| 2.3 | Cash flows from loans to other entities | - | - |
| 2.4 | Dividends received (see note 3) | - | - |
| 2.5 | Other (provide details if material) | - | - |
| 2.6 | Net cash from / (used in) investing activities | (1,484) | (1,484) |

| | | | |
|-------------|---|----------|----------|
| 3. | Cash flows from financing activities | | |
| 3.1 | Proceeds from issues of shares | - | - |
| 3.2 | Proceeds from issue of convertible notes | - | - |
| 3.3 | Proceeds from exercise of share options | - | - |
| 3.4 | Transaction costs related to issues of shares, convertible notes or options | - | - |
| 3.5 | Proceeds from borrowings | - | - |
| 3.6 | Repayment of borrowings | - | - |
| 3.7 | Transaction costs related to loans and borrowings | - | - |
| 3.8 | Dividends paid | - | - |
| 3.9 | Other (details provided below) | - | - |
| 3.10 | Net cash from / (used in) financing activities | - | - |

| | | | |
|-----------|--|----------------|----------------|
| 4. | Net increase / (decrease) in cash and cash equivalents for the period | (5,677) | (5,677) |
| 4.1 | Cash and cash equivalents at beginning of period | 9,929 | 9,929 |
| 4.2 | Net cash from / (used in) operating activities (item 1.9 above) | (4,193) | (4,193) |
| 4.3 | Net cash from / (used in) investing activities (item 2.6 above) | (1,484) | (1,484) |

| Consolidated statement of cash flows | | Current quarter | Year to date |
|---|--|------------------------|---------------------|
| | | \$/A'000 | (3 months) |
| | | | \$/A'000 |
| 4.4 | Net cash from / (used in) financing activities (item 3.10 above) | - | - |
| 4.5 | Effect of movement in exchange rates on cash held | - | - |
| 4.6 | Cash and cash equivalents at end of period | 4,252 | 4,252 |

* Production costs include all site operating costs included in AISC which includes all site staff along with an appropriate allocation of head office costs.

| 5. Reconciliation of cash and cash equivalents | Current quarter | Previous quarter | |
|---|--|-------------------------|--------------|
| at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts | \$/A'000 | \$/A'000 | |
| 5.1 | Bank balances | 4,252 | 8,495 |
| 5.2 | Call deposits | - | - |
| 5.3 | Bank overdrafts | - | - |
| 5.4 | Other (provide details) | - | 1,434 |
| 5.5 | Cash and cash equivalents at end of quarter (should equal item 4.6 above) | 4,252 | 9,929 |

6. Payments to directors of the entity and their associates

6.1 Aggregate amount of payments to these parties included in item 1.2

(88)

6.2 Aggregate amount of cash flow from loans to these parties included in item 2.3

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6.3 Include below any explanation necessary to understand the transactions included in items 6.1 and 6.2

| | |
|--|--|
| | |
|--|--|

| 7. Payments to related entities of the entity and their associates | Current quarter \$A'000 |
|--|------------------------------------|
| 7.1 Aggregate amount of payments to these parties included in item 1.2 | - |
| 7.2 Aggregate amount of cash flow from loans to these parties included in item 2.3 | - |
| 7.3 Include below any explanation necessary to understand the transactions included in items 7.1 and 7.2 | |

| 8. Financing facilities available <i>Add notes as necessary for an understanding of the position</i> | Total facility amount at quarter end \$A'000 | Amount drawn at quarter end \$A'000 |
|--|---|--|
| 8.1 Loan facilities | - | - |
| 8.2 Credit standby arrangements | - | - |
| 8.3 Other (please specify) | - | - |
| 8.4 Include below a description of each facility above, including the lender, interest rate and whether it is secured or unsecured. If any additional facilities have been entered into or are proposed to be entered into after quarter end, include details of those facilities as well. | | |

| 9. Estimated cash outflows for next quarter | \$A'000 |
|--|-----------------|
| 9.1 Exploration and evaluation* | (737) |
| 9.2 Development** | (6,739) |
| 9.3 Production*** | (20,324) |
| 9.4 Staff costs | (490) |
| 9.5 Administration and corporate costs | (486) |
| 9.6 Other | (1,000) |
| 9.7 Total estimated cash outflows | (29,776) |

* exploration excludes any stope definition or production drilling which form part of production costs reported in AISC.

** development includes costs associated with the development of the Tarcoola gold project, capitalised waste mining at the Tarcoola Gold mine, lateral development costs at the Challenger gold mine that do not form part of AISC, and other capital additions.

*** production costs represent estimates of net operating outflows at both the Challenger gold mine and Tarcoola gold mine.

| 10. | Changes in tenements (items 2.1(b) and 2.2(b) above) | Tenement reference and location | Nature of interest | Interest at beginning of quarter | Interest at end of quarter |
|------|---|---------------------------------|--------------------|----------------------------------|----------------------------|
| 10.1 | Interests in mining tenements and petroleum tenements lapsed, relinquished or reduced | - | - | - | - |
| 10.2 | Interests in mining tenements and petroleum tenements acquired or increased | - | - | - | - |

Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Sign here:

Larissa Brown

Date: 20 October 2017

(Company Secretary)

Print name:

Larissa Brown

Notes

1. The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity that wishes to disclose additional information is encouraged to do so, in a note or notes included in or attached to this report.
2. If this quarterly report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 6: Exploration for and Evaluation of Mineral Resources* and *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.

Schedule of tenements as at 20 October 2017

| Tenement | Tenement Number | Interest | Holder / Joint Venture Details |
|--|-----------------|----------|--|
| Challenger, South Australia | | | |
| Challenger | ML 6103 | 100% | Interest held by wholly owned subsidiary Challenger Gold Operations Pty Ltd |
| Challenger | ML 6457 | 100% | Interest held by wholly owned subsidiary Challenger Gold Operations Pty Ltd |
| Challenger | MPL 63 | 100% | Interest held by wholly owned subsidiary Challenger Gold Operations Pty Ltd |
| Challenger | MPL 65 | 100% | Interest held by wholly owned subsidiary Challenger Gold Operations Pty Ltd |
| Challenger | MPL 66 | 100% | Interest held by wholly owned subsidiary Challenger Gold Operations Pty Ltd |
| Jumbuck Challenger (northern portion) | EL 5661 | 100% | Interest held by wholly owned subsidiary Challenger Gold Operations Pty Ltd |
| Jumbuck southern portion | EL 5661 | 100% | Interest held by wholly owned subsidiary Challenger Gold Operations Pty Ltd JV details* |
| Blowout | EL 4951 | 100% | Interest held by wholly owned subsidiary Challenger Gold Operations Pty Ltd JV details** |
| Mulgathing | EL 5298 | 100% | Interest held by wholly owned subsidiary Challenger Gold Operations Pty Ltd JV details** |
| Mobella | EL 5720 | 100% | Interest held by wholly owned subsidiary Challenger Gold Operations Pty Ltd JV details** |
| Sandstone | EL 5767 | 100% | Interest held by wholly owned subsidiary Challenger Gold Operations Pty Ltd JV details** |
| Sandstone | EL 5732 | 90% | 90% Interest held by wholly owned subsidiary Challenger Gold Operations Pty Ltd; 10% held by Coombedown Resources Pty Ltd JV details** |
| Campfire Bore | EL 5998 | 90% | 90% Interest held by wholly owned subsidiary Challenger Gold Operations Pty Ltd; 10% held by Coombedown Resources Pty Ltd JV details** |
| Barton West | EL 5450 | 100% | Interest held by wholly owned subsidiary Challenger Gold Operations Pty Ltd JV details*** |
| Tarcoola, South Australia | | | |
| Tarcoola | ML 6455 | 100% | Interest held by wholly owned subsidiary Tarcoola Gold Pty Ltd |
| Tarcoola | EL 5355 | 100% | Interest held by wholly owned subsidiary Tarcoola Gold Pty Ltd |
| Tarcoola | EL 5254 | 100% | Interest held by wholly owned subsidiary Tunkillia Gold Pty Ltd |
| Tarcoola | ML 4650 | 100% | Interest held by wholly owned subsidiary Tarcoola Gold Pty Ltd |
| Tarcoola | ML 4667 | 100% | Interest held by wholly owned subsidiary Tarcoola Gold Pty Ltd |
| Tarcoola | ML 5179 | 100% | Interest held by wholly owned subsidiary Tarcoola Gold Pty Ltd |
| Tarcoola | ML 5300 | 100% | Interest held by wholly owned subsidiary Tarcoola Gold Pty Ltd |
| Tunkillia, South Australia | | | |
| Tunkillia | EL 5901 | 100% | Interest held by wholly owned subsidiary Tunkillia Gold Pty Ltd |
| Tunkillia | EL 5670 | 100% | Interest held by wholly owned subsidiary Tunkillia Gold Pty Ltd |
| Cooritta Hill at Tunkillia | EL 5790 | 100% | Interest held by wholly owned subsidiary Tunkillia Gold Pty Ltd |
| Northern Gawler Craton, South Australia | | | |
| Lake Woorong | EL 5994 | 100% | Interest held by wholly owned subsidiary Southern Coal Holdings Pty Ltd |
| Muckanippie | EL 5154 | 100% | Interest held by WPG Resources Ltd |
| Penrhyn | EL 5718 | 100% | Interest held by wholly owned subsidiary Southern Coal Holdings Pty Ltd |
| Perfection Well | EL 5995 | 100% | Interest held by wholly owned subsidiary Southern Coal Holdings Pty Ltd |

EL = Exploration Licence; ML = Mineral Lease; MPL = Miscellaneous Purposes Licence

* The southern portion of the tenement is subject to joint venture arrangements – 26% Western Gawler Craton joint venture (WGCJV) interest held (Tyranna Resources Ltd (Tyranna) 74%); in accordance with terms of binding Heads of Agreement ownership to be transferred to Tyranna over gold rights in the WGCJV area, no change to JV interest.

** The tenement is subject to joint venture arrangements – 26% WGCJV interest held (Tyranna Resources Ltd (Tyranna) 74%); in accordance with terms of binding Heads of Agreement ownership to be transferred to Tyranna over gold rights in the WGCJV area, no change to JV interest.

*** The tenement is subject to joint venture arrangements – 90% Challenger Gold Operations and 10% MT Mining Pty Ltd

+ See chapter 19 for defined terms.