



# ASX and Media Release

## Challenger lodges its defence and counterclaim to Pybar's claim in SA Supreme Court

On 8 December 2017, WPG Resources Ltd subsidiary, Challenger Gold Operations Pty Ltd (owner of the Challenger Gold Mine in South Australia) filed its defence of a claim brought by contractor Pybar Mining Services as to a mining services agreement which was terminated in August 2017.

The defence, filed in the Supreme Court of South Australia, strongly refutes Pybar's claims on several grounds including that:

- Pybar failed to properly perform its services with due care and skill and in accordance with the contract and good industry practice;
- Pybar failed to supply equipment and supplies of an acceptable standard, quality and specification;
- Pybar failed to provide adequate and properly qualified and trained labour;
- Pybar failed to progress services as contracted; and
- Pybar failed to apply a proper standard of skill necessary to competently perform services.

The defence sets out the arguments as to how Pybar's various breaches of contract gave rise to Challenger suffering significant loss and damage in its operations for the consideration of the court.

Independently of its defence, Challenger has filed claims against Pybar exceeding \$9 million (plus GST) for losses including in respect of costs overruns, damage to property, losses caused by improper mining practices, and for recovery of overcharges. Challenger's counterclaim against Pybar exceeds Pybar's claim against Challenger of \$8.7 million (plus GST).

Challenger Director, Wayne Rossiter said of the filing "Having undertaken a thorough review of the consequences of Pybar's performance at our mine, our Directors are very pleased to now have the opportunity to commence defending our claim for the losses wrongly incurred and seeking damages. We will be vigorously pursuing our recovery rights to ensure that shareholders are fully and properly compensated."

**11 December 2017**



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## Further Information

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## 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.