



# ASX and Media Release

## Challenger secures \$20m debt facility

### HIGHLIGHTS

- **\$20m secured debt facility executed with Byrnegut Group**
- **Optimised plan to fast track underground mining at Challenger Deeps**
- **Focus on sustainable and profitable future operations**

The Directors of WPG Resources Ltd (ASX: WPG) are pleased to advise that its wholly owned subsidiary Challenger Gold Operations Pty Ltd (CGO) has entered into a \$20 million secured debt facility with the Byrnegut Group. Byrnegut Australia Pty Ltd is the mining contractor at the Challenger gold mine.

The \$20m facility has been made available for general working capital purposes and CGO will work with the lender and its affiliated mining consulting arm Mining Plus to deliver an optimised mine plan that puts increased emphasis on near term development into the Challenger Deeps area. The facility was subject to customary financial, legal and operational due diligence. All conditions precedent have been met and drawdown of the \$20m is expected to commence before the end of December 2017.

The two year facility carries an interest rate of approximately 20% per annum and will be amortised monthly over the length of the loan. It will provide the funds necessary for continuation of operations at Challenger. The significant improvement in working capital will allow WPG to strengthen its balance sheet leading to a focus on longer term mine planning and development.

WPG's CEO, Wayne Rossiter, said "WPG has flagged to the market the need to inject working capital into our business and in particular at Challenger, to allow the development of the virgin Challenger Deeps area. Byrnegut was the contractor at Challenger prior to WPG's acquisition of the mine and is very familiar with operations at site. We are pleased to be working closely with Byrnegut and Mining Plus over the coming months and years, both as contractor and financier, to enhance and optimise mining at Challenger."

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Chairman Bob Duffin said “When we bought Challenger, one of our key objectives was to develop into the new mining area known as Challenger Deeps as quickly as possible. Up until now we haven’t been able to do this. Our plan is to de-emphasise short term high cost remnant mining in the older parts of the mine, and put more focus on developing into the Deeps which have the potential to be mined for many years to come.”

### **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.