



ASX and Media Release

Execution of Forbearance Term Sheet

WPG Resources Ltd (ASX: WPG) (“**WPG**” or the “**Company**”) refers to its previous announcements regarding discussions that the Company, its key operating subsidiary Challenger Gold Operations Pty Limited (“**CGO**”) and other subsidiaries of the Company (together, “**Group**”) are engaged in to recapitalise their business or restructure their operations (“**Recapitalisation Discussions**”).

The Company provides the following update to the market. Since the Recapitalisation Discussions are ongoing, this update is not an update to the market for the purpose of the Company ending its voluntary suspension. That will be the subject of a future announcement to the market.

Forbearance term sheet executed

As part of the Recapitalisation Discussions, the Company and CGO have entered into a forbearance term sheet with key stakeholders in its business, including with Byrnescut Australia Pty Limited and Byrnescut Offshore Pty Limited (together, “**Byrnescut Entities**”).

Among other things, under the forbearance term sheet the Byrnescut Entities have granted extensions to the dates of payment of unsecured debt obligations of the Company and its trading subsidiaries during the forbearance period. Scheduled payments under the secured financing arrangement will continue to be paid. The Byrnescut Entities have undertaken not to take enforcement action against the Group during the forbearance period.

During the forbearance period, the Group will continue to negotiate with potential investors regarding prospective further investment to the Group and to negotiate recapitalisation terms with key stakeholders. Mining activities will also continue at the Challenger and Tarcoola mines.

The forbearance period will continue until the earlier of 28 August 2018 and the implementation of a recapitalisation of the Group. The term sheet also provides certain termination events including insolvency events in respect of the Group and the progress of the Recapitalisation Discussions.

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The Company intends to remain suspended during the forbearance period while the Recapitalisation Discussions continue.

The Company will keep the market informed of material developments.

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.