



ASX and Media Release

WPG releases its results for the June 2016 year

WPG Resources Ltd (ASX: WPG) today released its financial statements for the year to 30 June 2016.

During the year, the Company acquired a 50% joint venture interest in the Challenger gold mine in South Australia, a joint venture interest in the Western Gawler Craton exploration joint venture which holds exploration tenements near Challenger, was granted a mineral lease for its Tarcoola gold project south of Challenger and completed a feasibility study for development of Tarcoola on a stand-alone basis, and progressed exploration activities at its Tunkillia pre-development gold project south of Tarcoola. Three capital raisings were completed during the year and, towards the end of the period under review, Challenger was brought back into production.

Subsequent to the end of the financial year WPG acquired its joint venture partner's interest in Challenger, doubled its interest in the Western Gawler Craton exploration joint venture, finalised a feasibility study for development of Tarcoola as a simple open pit from which ore will be trucked to Challenger for processing, and completed a further capital raising. The capital raisings were carried out at increasingly higher prices.

The result for the year was a loss before tax of \$8.3 million.

The main contributors to the loss were a non-cash impairment charge of \$2.4 million largely in relation to the carrying value of the Penrhyn coal project, Challenger restart costs of \$2.1 million, and the bringing forward of costs yet to be incurred for certain milestone payments to be made to the vendors when the decision to commit to development of Tarcoola is taken, of \$1.8 million.

WPG's Executive Chairman Bob Duffin said "We have been quite aggressive in cleaning up our balance sheet this year. For this reason some costs which might normally be carried on the books have been expensed, and this has led to the relatively large loss which we have reported.

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“Penrhyn is a large tonnage semi-bituminous black coal deposit but, in spite of the strong increase in coal prices in the last few months, it is difficult to see it being developed in the short term. The restart costs we incurred at Challenger which were lower than we expected have been written off, and the Tarcoola milestone payments yet to be incurred have been booked because we are confident that the project will be developed soon after all regulatory approvals are to hand, hopefully within the next few weeks.

“With a clean and simple balance sheet WPG is now well placed to go forward as a mid-tier gold producer that can be easily understood by shareholders and the market more broadly.”

Further Information

For further information please contact WPG’s Executive Chairman, Bob Duffin or (02) 9247 3232 or Managing Director & CEO, Martin Jacobsen on (02) 9251 1044.