

WILGENA RESOURCES

JUNE 2017 QUARTERLY UPDATE

Dear Shareholder

This is the second of our Quarterly updates. Whilst there might appear to be little happening on the surface, there has been a lot going on below.

Board Restructure

Robert Behets has advised the Board that due to his increasing external business commitments he did not feel he could provide the time he considered a Chairman of the Company needed to provide. As a result, Rob and I have swapped roles and the Board has appointed me the Company's new Chairman. Rob remains as a Non-Executive Director and he has reinforced his belief in, and his continuing commitment to, the Company. Rob and I have been working closely on Wilgena for some time now and so the transition has been pretty seamless.

I have also indicated to the Board that I am able to provide the Company more time and lead it through this next phase where the objective is to raise the required capital and to have shareholders holding shares in a listed company. As a result, until such time as a new Managing Director is appointed, I will be Executive Chairman.

The Board, Rob, Jim and myself, and our Company Secretary, Richard, remain very committed to achieving that objective as soon as possible and more on that is below. During this time, until the capital is in, we will not draw nor accrue any Director's or Company Secretarial fees. We are working on a structure for a modest number of shares to be issued, in lieu, upon the achievement of various milestones.

Cash Balance

We have been, and will continue until the next major capital raising, operating on a minimal cash burn basis. This includes operating 'virtually' without a physical office. As a result, we have Cash at Bank at 30 June 2017 of \$138,000 which means we can continue to operate at current rates for many months to come without additional capital. However, once we relaunch our efforts towards listing and major capital raising, we will need to raise some further funds to cover the cost of doing this.

As mentioned in our last update, we have continued to evaluate the market's appetite for raising capital for the Company. Whilst the present is not the time, we have started to see the market turn and this gives us some optimism that we might be able to proceed sometime in the second half of 2017. We are starting to ramp up our commitments and readiness for this as we speak.

We have also continued to evaluate and discuss various options with potential merger entities, in case that provides a better pathway. That process is ongoing and there are a number of parties that we are dealing with at present.

At the end of the day, we remain focused on maintaining and growing existing shareholder value, but with shareholders ending up with shares in a listed company and with the Wilgena assets well-funded to undertake a thorough exploration program as previously intended.

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Project Update

Attached to this email is a current Company Overview presentation. I encourage you to have a look at this.

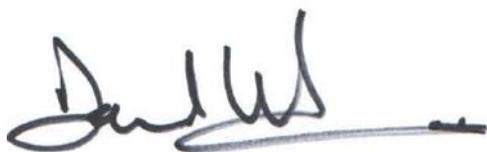
You will see that we have expanded on the areas within the tenement package that we are focusing on. Whilst the Lake Labyrinth Shear Zone Gold Project remains our number one priority, recent work by our exploration team has shown a number of other areas of interest. These are summarised in the presentation and briefly below:

- Moolkra Gold Prospect – this is on the new area around the Earea Dam ML which we have applied for – Ferguson tenement (ELA 2017/00024)
- Double Dutch Gold Prospect – where RC drilling has intersected significant thicknesses (>10m) of +1 g/t gold at shallow depths
- Kenella Rocks Zinc Prospect – a recent review of the core from historical drill holes, coupled with a program of re-sampling and re-assaying of the zones of mineralisation recorded in these drill holes, has shown that this prospect requires follow-up
- Boomerang Gold Prospect – a review of historical results for this prospect, which is on trend with the WPG's Tarcoola Gold mine, shows this is a prospect worthy of further follow up work

We are using this time to ensure our tenements remain in good standing and to review historical work where appropriate. We continue to look at new opportunities with an eye to identifying something which will add to shareholder value and which is complementary to our key existing projects.

Our intent is to continue to provide you with quarterly updates whilst we are waiting to relaunch our bid for listing and capital raising, but we will keep you informed, on a timely basis, where those efforts are commenced.

As previously advised, in order to preserve cash, we will only forward these updates by email.



David Williams
Executive Chairman

27 July 2017