

BARNES DOWELL JAMES

CHARTERED ACCOUNTANTS

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18 August 2005

The Directors
Western Plains Gold Ltd
Level 11, Kyle House
27-31 Macquarie Place
Sydney NSW 2000
PO Box N239
Grosvenor Place NSW 1220

Dear Sirs,

INDEPENDENT ACCOUNTANT'S REPORT

On 1 March 2005, we prepared, at your request, a report for inclusion in a Prospectus issued by Western Plains Gold Ltd dated 3 March 2005 in relation to the issue of up to 24,000,000 Shares in Western Plains Gold Ltd (WPG) at an issue price of 20 cents each.

Scope of our Report

You have now requested that we update our report to allow for the raising of \$2,791,800, through the issue of 13,959,000 shares at 20 cents each. You have requested that Barnes Dowell James report on whether anything has come to our attention that would indicate that the financial information disclosed in the attached Annexure A does not present fairly:

- WPG's results for the period from 7 June 2004 (being the date of registration of WPG as a company) to 30 June 2005; and
- WPG's assets and liabilities as at 30 June 2005, both historical and assuming that the Offer and all of the transactions outlined below had taken place on that date.

This financial information has been reproduced at Appendix A to this report, including the financial reporting framework and details of adjustments to the historical financial position.

In our role as Independent Accountant, we have reviewed this financial information in accordance with Australian auditing standards applicable to review engagements, in particular Auditing Standard AUS 902 – Review of Financial Reports. Such a review is limited primarily to inquiries of WPG's directors and analytical procedures applied to the financial information. These procedures do not provide all of the evidence that would be required in an audit and, accordingly, we do not express an audit opinion.

Financial Information

The historical financial information has been derived from WPG's unaudited financial statements for the period from 7 June 2004 to 30 June 2005. A full audited Financial Report for WPG is scheduled to be lodged with ASX in September 2005.

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WPG's proforma statements of financial position as at 30 June 2005 reflect the completion of the Offer as though it has taken place on 30 June 2005, and;

- To reflect the completion of the Subscription under the Offer, includes the following transactions:
 - The issue of 13,959,000 Shares for \$0.20 each, being the Subscription under the offer:
and
 - Costs of the issue unpaid at 30 June 2005 of \$219,000 and which became payable when the shares under the offer were allotted on 17 August 2005.

Opinion

Based on our review, which is not an audit, nothing has come to our attention that causes us to believe the financial information in Appendix A to this report does not present fairly:

- WPG's historical results for the period from 7 June 2004 to 30 June 2005;
- The historical statements of financial position as at 30 June 2005; and
- The proforma statements of financial position as at 30 June 2005, as they would appear assuming that certain subsequent transactions had taken place as at that date as outlined above.

Subsequent Events

To the best of our knowledge and belief, there have been no material items, transactions or events, outside the ordinary course of WPG's business, that have occurred subsequent to 30 June 2005, other than the finalisation of the abovementioned share issue, that require comment upon or adjustment to the information referred to in this report or which would cause such information to be misleading or deceptive.

Independence

Barnes Dowell James does not have any interest in the outcome of the Offer other than in connection with the preparation of this report for which normal professional fees will be received. Barnes Dowell James are the WPG auditors.

Yours faithfully
BARNES DOWELL JAMES



A. J. DOWELL
Partner

BARNES DOWELL JAMES

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WESTERN PLAINS GOLD LTD

Appendix A

Statements of Financial Position as at 30 June 2005

Set out below is WPG's unaudited statement of financial position as at 30 June 2005 and its proforma statements of financial position as at 30 June 2005, incorporating the transactions in Note 2.

	Historical 30 Jun 2005 \$	Proforma 30 Jun 2005 \$
ASSETS		
Current Assets		
Cash	827,888	2,574,806
Other Debtors	4,251	4,251
Total Current Assets	832,139	2,579,057
Non Current Assets		
Tenement Security Deposits	50,000	50,000
Plant and Equipment	2,781	2,781
Exploration and Evaluation Expenditure	348,529	348,529
Total Non Current Assets	401,310	401,310
Total Assets	1,233,449	2,980,367
Current Liabilities		
Loan from PlatSearch NL	100,304	100,304
Trade and Other Creditors	6,499	6,499
Total Current Liabilities	106,803	106,803
Non Current Liabilities		
	-	-
Total Liabilities	106,803	106,803
Net Assets	1,126,646	2,873,564
Shareholders' Equity		
Issued Capital	546,500	546,500
Subscriptions under the share offer	825,882	2,791,800
Costs of the share issue	(133,655)	(352,655)
	1,238,727	2,985,645
Retained Profits (Losses)	(112,081)	(112,081)
Total Shareholders' Equity	1,126,646	2,873,564

WESTERN PLAINS GOLD LTD**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS****1. Financial Reporting Framework**

The financial information included in this report has been prepared in accordance with applicable accounting standards and other mandatory professional reporting requirements.

The financial information has been prepared on the basis of historical costs and does not take into account changing money values or current valuations of non current assets. Cost is based on fair values of the consideration given in exchange for assets.

The following significant accounting policies have been adopted in the preparation and presentation of the financial information and will be used in the preparation of subsequent financial reports.

(a) Share Issue costs

Costs incurred directly attributable to the issue of Shares are deducted from the proceeds of the issue.

(b) Exploration and Evaluation Expenditure

Exploration and evaluation expenditure is considered separately for each area of interest.

Exploration and evaluation expenditure related to an area of interest will be written off as incurred, except that it may be carried forward providing that rights to tenure of the area of interest are current and provided further that at least one of the following conditions is met:

- (i) Such expenditure is expected to be recouped through successful development and exploitation of the area of interest or, alternatively, by its sale; and
- (ii) Exploration and evaluation activities in the area of interest have not, at balance date, reached a stage which permits a reasonable assessment of the existence or otherwise of economically recoverable reserves and active and significant operations in, or in relation to, the area of interest are continuing.

Impact of Adopting Australian Equivalent to International Financial Reporting Standards

The Company will be required to prepare financial statements that comply with Australian equivalents to International Financial Reporting Standards ("A-IFRS") for annual reporting periods beginning on or after 1 January 2005. Accordingly, the Company's first half-year report prepared under A-IFRS will be for the half-year reporting period ending 31 December 2005, and its first annual financial report prepared under A-IFRS will be for the year ending 30 June 2006.

The Company is in the process of evaluating the impact of A-IFRS on the Company and consequently has not yet finalised how it is going to manage the transition to A-IFRS. The directors have completed the initial impact study and will comment on its plan to prepare the Company to be A-IFRS compliant in the Annual Report to be released to the Australian Stock Exchange in September 2005.

While no decision has yet been made as to the policy alternatives to be applied or the extent to which it will affect the Company, the directors have reviewed the following as being the key accounting policy differences expected to arise on transitioning to A-IFRS.

Capitalised Exploration and Evaluation Expenditure

A-IFRS was recently introduced (in December 2004), effective from 1 January 2006 in relation to the mining and exploration industries. The costs of exploration and evaluation may be carried forward as per the current Australian standard and an impairment test on those assets is required when facts and circumstances indicate that the carrying value of the assets may exceed recoverable amounts.

Impairment Testing

Under A-IFRS all current and non-current assets will be subject to impairment testing. The Company has tested the values attributed to assets where impairment is indicated. Such testing requires the Company to identify the smallest group of assets generating independent cash inflows, called cash generating units ("CGUs"), and determine the recoverable amount for each CGU. Recoverable amounts are determined using the higher of either value in use calculated using reliable estimates of

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future discounted cash flows, or fair values. Where the carrying amount of a CGU exceeds the recoverable amount, an impairment loss exists which will be recognised in the statement of income. The Company does not believe that there will be any adjustment required as a result of any impairment testing. However it is not practicable to determine the impact of the change in accounting policy for future financial reports, as any impairment or reversal thereof will be affected by future conditions.

2. Proforma Statements of Financial Position

The proforma statement of financial position as at 30 June 2005 that reflects the completion of the Subscription under the Offer as though it had taken place on 30 June 2005 (Proforma Subscription) includes the following transactions:

- (a) The issue of 13,959,000 Shares for \$0.20 each; and
- (b) The balance of costs of \$219,000 associated with the issue.

3. Share Capital

	Number of Shares	\$
Based on the Subscription taken up under the Offer		
Shares on issue	11,600,000	546,500
Shares issued pursuant to the Prospectus	13,959,000	2,791,800
Less: Costs associated with the issue – paid		(133,655)
– payable		(219,000)
		<u>2,439,145</u>
	<u>25,559,000</u>	<u>2,985,645</u>

There are also 6,950,000 options on issue at the date of this report. All options expire on 28 September 2009. The exercise price of 3,475,000 options is 25 cents and the exercise price of the remaining 3,475,000 options is 35 cents.

4. Financial Reporting by Segments

The Company currently operates solely in the resources industry in Australia.