



Western Plains Gold Ltd

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The Company Announcements Office
Australian Stock Exchange Limited
Exchange Centre
Level 6, 20 Bridge Street
SYDNEY NSW 2000

Dear Sirs

TRANSFER OF IRON ORE TENEMENTS COMPLETED

Members of Western Plains Gold Ltd (**WPG**) will meet on 26 October to consider and if thought fit approve the acquisition of Southern Iron Pty Ltd (**Southern Iron**) and the other matters set out in the Notice of Meeting which has been dispatched to WPG's shareholders.

Southern Iron today advised that it has completed the acquisition of tenements RL 103 (Peculiar Knob) and EL 3196 (Hawks Nest) in South Australia. The vendor is SASE Pty Ltd, a subsidiary of Felix Resources Limited.

The inferred resource estimate for Peculiar Knob is 14 million tonnes of haematite mineralisation at an average grade of 63.2% iron and low levels of impurities, particularly phosphorous, with a grade of 0.02%. Hawks Nest contains the Kestrel, Goshawk, Harrier, Eagle, Kite and Falcon magnetite deposits, and the Buzzard haematite deposit. Buzzard contains a total measured, indicated and inferred resource of 6.7 million tonnes at an average grade of 60% iron. Combined, the Peculiar Knob and Buzzard haematite deposits contain a total resource of 20.7 million tonnes at an average grade of 62.2% iron.

The total measured, indicated and inferred resource estimate for the Kestrel deposit is 220 million tonnes at an average grade of 36% iron. All up, the Hawks Nest tenement contains identified mineral resources of magnetite of 540 million tonnes at an average grade of 34.8% iron.

WPG has prepared a drilling program which will commence soon after the 26 October meeting, designed to upgrade the status of the Peculiar Knob resource estimate to the measured and indicated categories, to explore for additional resource tonnage at depth, and to obtain metallurgical and geotechnical data for use in mine design studies. The drilling program will form the first stage of a detailed feasibility study designed to bring the project into production at 1-2 million tonnes per annum in 2008.



Southern Iron has also advised that it had made a generous offer to buy back the Peculiar Knob royalty held by a consortium of three unrelated companies. The royalty holders rejected the offer, preferring instead to retain a royalty interest in future sales of direct shipping iron ore.

Yours faithfully

A handwritten signature in black ink, appearing to be 'H L Roberts', written in a cursive style.

H L Roberts
Secretary

Competent Person

*The review of exploration activities and results contained in this report is based on information compiled by **Mr Gary Jones**, a Member of the Australasian Institute of Mining and Metallurgy. He is Technical Director of the Company and a full time employee of Geonz Associates Limited. He has sufficient experience which is relevant to the style of mineralisation and types of deposits under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the December 2004 edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (the JORC Code). Gary Jones has consented to the inclusion in this report of the matters based on his information in the form and context in which it appears.*

Further Information

For further information please contact WPG's independent directors, Bob Richardson on 0414 592 080 or Gary Jones on +647 854 0453, or Bob Duffin, Chairman of WPG and director of Southern Iron, on (02) 9247 3232 or 0412 234 684.