



Western Plains Resources 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

WPG'S QUARTERLY REPORT FOR THE PERIOD TO 31 DECEMBER 2006

Western Plains Resources Ltd (**WPG**) is pleased to provide the following report on exploration and acquisition activities conducted during the three month period ending 31 December 2006. Other information on the Company's projects and its previous announcements are available on WPG's website at www.westernplainsresources.com.au.

HIGHLIGHTS

- ❖ WPG's shareholders approved the acquisition of Southern Iron Pty Ltd at a general meeting on 26 October 2006. This acquisition is designed to transform WPG from an explorer to a pre-producer.
- ❖ A capital raising totalling \$2.75 million was completed on 23 November 2006.
- ❖ The Company's name changed from Western Plains Gold Ltd to Western Plains Resources Ltd in November 2006. The change of name reflects the Company's changed strategic focus.
- ❖ WPG commenced a \$1.6 million bankable feasibility study on the Peculiar Knob DSO iron ore deposit in South Australia late in the quarter. As part of this study, a resource definition drilling program comprising 59 holes for an estimated 7,900 metres has commenced. The Peculiar Knob deposit was estimated in 1997 to contain an inferred resource of 14 million tonnes of haematite mineralisation at an average grade of 63.2 per cent iron.
- ❖ A 2,300 metre RC percussion drill program has been planned to test several geophysical targets for new deposits of haematite/high grade magnetite mineralisation at the Hawks Nest project in South Australia. A contract has been let for this program which will follow the completion of the resource definition drilling at Peculiar Knob.



- ❖ A two hole RC percussion drilling program that tested coincident copper-gold geochemical anomalies at the Mordialloc prospect in the Trundle project area has been completed. Both holes intersected mixed sequences of andesitic volcanic and monzonitic intrusive rocks containing variable amounts of disseminated pyrite and chalcopyrite. Assay results are expected early in the March quarter.
- ❖ Programs of aircore drilling have been completed in the Lachlan Fold Belt projects at Peak Hill East and Lake Cargelligo. Several holes on two widely spaced traverses across the interpreted northern extension of the Achilles shear zone at Lake Cargelligo intersected significant widths of hydrothermally altered and sheared acid volcanics.
- ❖ The planned program of RC percussion and diamond drilling designed to test new high priority geochemical and geophysical anomaly targets at the Yalcowinna Creek, Son of Man and B40 prospects within the Euriowie project area near Broken Hill has also commenced. Minor to extensive zones of disseminated pyrite in altered metasediments have been intersected in the four holes completed at the Son of Man prospect.

CORPORATE

WPG's shareholders approved the Company's move into iron ore through the acquisition of Southern Iron Pty Ltd (**Southern Iron**) at a general meeting held on 26 October 2006. Southern Iron is now a 100% owned subsidiary of WPG. Shareholders also approved a change of name of the company to Western Plains Resources Ltd at the general meeting. The change of name became effective in November 2006.

WPG completed a capital raising of \$2.75 million late in the quarter. This raising consisted of a \$0.75 million placement and a \$2.0 million underwritten share purchase plan. The capital raising was designed to provide funding for the Company's Peculiar Knob iron ore project feasibility study, to carry out an exploration program at the Hawks Nest iron ore project, to provide funds for its gold and base metals exploration projects in Eastern Australia, and for general working capital purposes.

On 10 October 2006 WPG announced that Southern Iron had executed a Memorandum of Understanding with China Kingdom International Group Co Ltd (**CKI**) in relation to the possible investment by CKI in WPG and its iron ore projects. The Company has agreed to extend the term of the MOU to allow CKI to complete a site visit after the Chinese New Year.

SA IRON ORE PROJECTS

Peculiar Knob SA RL 103 - WPG 100%

The Peculiar Knob DSO iron ore project area is located some 50 kilometres to the north west of the Prominent Hill mine in South Australia. Its location, and the location of the Company's other iron ore tenement, Hawks Nest, are shown in Figure 1.

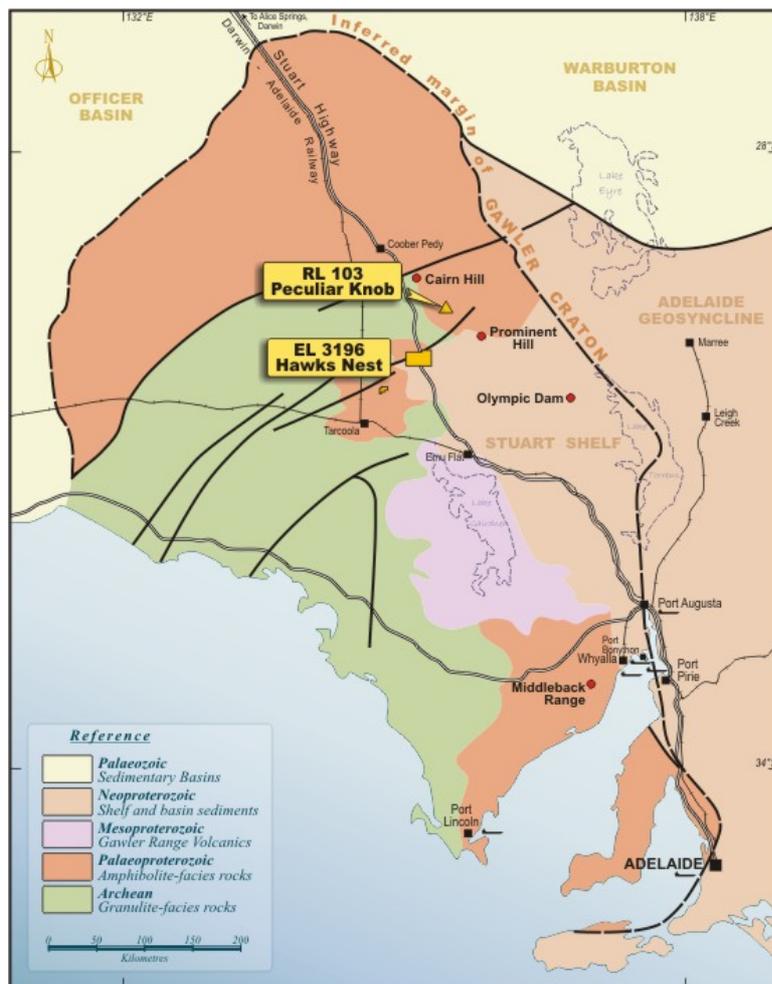


Figure 1
Location of Iron Ore Projects

WPG has commenced a bankable feasibility study for the development of a mining operation at Peculiar Knob. As a key part of this study an extensive program of resource definition drilling comprising 54 RC percussion and 5 diamond drill holes for an estimated total of 7,900 metres commenced on 15 January as scheduled and will continue well into the March 2007 quarter. Results of this program will enable an upgrade of the status of the resource that can potentially be mined by open pit methods to the Measured and Indicated categories and provide essential data for a detailed mine design. Core from the five diamond holes will provide material for metallurgical test work and rock mechanics studies. Several deeper RC holes will also be drilled to test the width and grade of the deeper sections of the Peculiar Knob haematite bodies.

This \$1 million drilling program forms part of the project's \$1.6 million feasibility study. The study

will consider all parts of the supply chain, from mining through to truck and rail haulage, and port operations. All key consultants for the feasibility study have been engaged, and fieldwork has commenced. The feasibility study is scheduled to be completed by the end of June 2007 with the grant of the mining lease expected later this year. Production is expected to commence in 2008.

Hawks Nest SA EL 3196 - WPG 100%

During the quarter WPG acquired and integrated the significant amount of drill hole data from the most recent previous drilling by others into the Company's GIS database. All previous drill hole data and other relevant technical reports were subsequently reviewed in detail.

Hawks Nest contains the Buzzard haematite deposit with a total measured and indicated resource estimated by others of 6.7 million tonnes at an average grade of 60% iron, together with a number of magnetite deposits which have been drilled out to various levels of detail in the past. The total haematite resource estimate for the Peculiar Knob and Buzzard deposits is 20.7 million tonnes at an average grade of 62.2% iron.

Identified mineral resource estimates reported by others for the Hawks Nest magnetite deposits are set out in the following table:



Deposit	Category	Million Tonnes	Fe %	P ₂ O ₅ %	SiO ₂ %	Al ₂ O ₃ %	LOI %
Kestrel	Measured resource	100	37	0.13	37	0.83	0.58
	Indicated resource	60	36	0.13	38	1.00	0.79
	Inferred resource	60	36	0.13	39	1.05	0.78
	Total resource	220	36	0.13	38	0.94	0.69
Goshawk	Inferred resource	148	35	-	-	-	-
Harrier	Inferred resource	54	35	-	-	-	-
Eagle	Inferred resource	92	31	-	-	-	-
Kite	Inferred resource	30	51	-	-	-	-
Falcon	Inferred resource	25	32	-	-	-	-
Total measured, indicated and inferred		569	35	-	-	-	-

The locations of the key Hawks Nest prospects are shown on the aeromagnetic image in Figure 2.

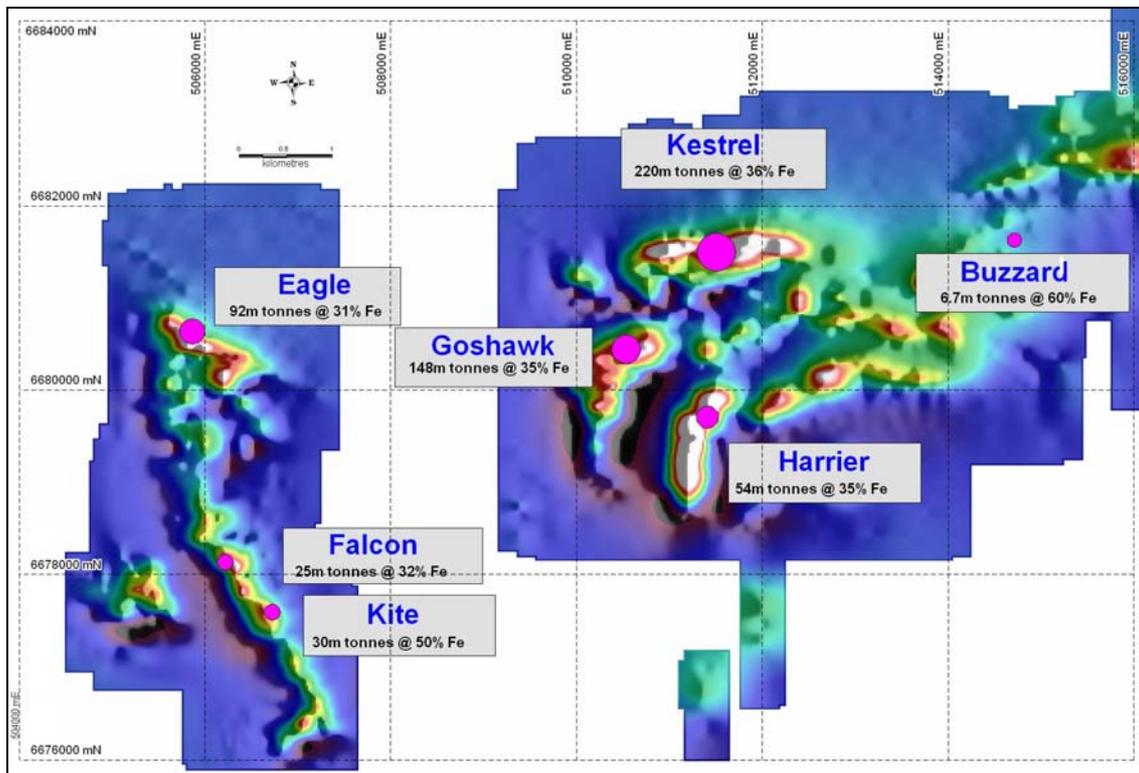


Figure 2
Locations of Iron Ore Prospects at Hawks Nest

A 17 hole RC percussion drill program for an estimated 2,300 metres has been planned to test several targets for new DSO haematite and/or high grade magnetite deposits within the Hawks Nest tenement. As part of this program a number of holes will be drilled to follow-up high grade (>60% Fe) iron intercepts made in previous drill holes at the Kite prospect. A contract has been let for this program which will follow the completion of the resource definition drilling at Peculiar Knob.



WPG will review existing data on the Hawks Nest magnetite deposits with a view to identifying optimal development strategies. The magnetite deposits are thought to be suitable for the production of concentrates, pellets and other forms of value added products. This work will commence during the March quarter.

LACHLAN FOLD BELT PROJECTS

Trundle NSW EL 4512, EL6655 - WPG 100%

Two inclined RC percussion holes for a total of 499 metres were completed at the **Mordialloc Prospect**. The holes were designed to test co-incident gold and copper anomaly peaks within the large anomalous zone defined from previous programs of RAB and aircore drilling. Both holes intersected mixed sequences of Ordovician shoshonitic andesitic volcanics and monzonic intrusive rocks. Minor intervals of calc-silicate skarn were also intersected in the hole drilled on line 6360 575N. Variable amounts of disseminated pyrite and chalcopyrite were present in both holes. Assay samples have been submitted for analysis and results are expected early in the March quarter.

A review of previous exploration in the area covered by EL 6655 Yarrabandai was commenced.

Lake Cargelligo NSW EL 6367, EL 6530 - WPG 100%

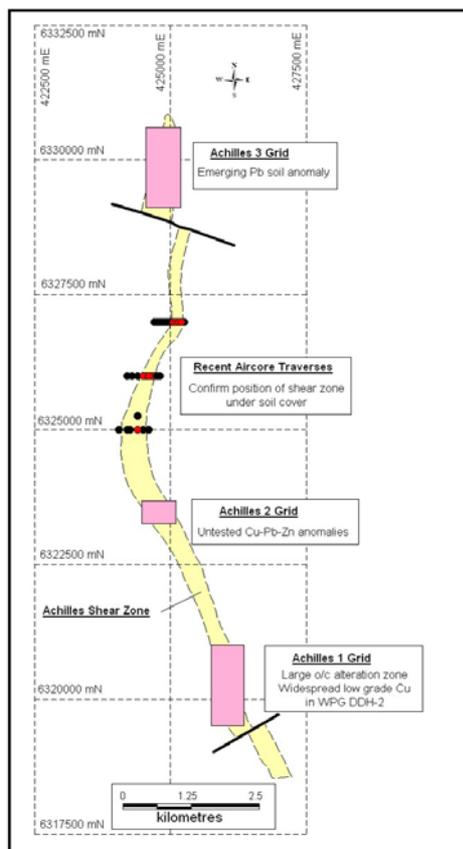


Figure 3
Lake Cargelligo Project

A program of aircore drilling comprising 70 holes for 2,614 metres was completed during the period. These holes were designed to sample the bedrock and test for mineralisation and/or evidence of hydrothermal alteration beneath six discrete magnetic anomalies. In addition three, one kilometre spaced traverses of holes were drilled across the interpreted northern extension of the 14 kilometre long Achilles shear zone in the soil covered area between the Achilles 2 and Achilles 3 prospects.

A number of holes drilled on magnetic anomalies situated on or close to the old buried water courses of the Lachlan River were not able to reach bedrock due to excessive water in-flow and/or running sands. Andesitic volcanics and haematic shales and tuffs were recorded from the holes that did reach bedrock. Intensely hydrothermally altered ?acid volcanics were intersected in holes drilled on the three traverses across the Achilles shear zone. Results indicate the shear zone is between 200 – 250 metres wide on these lines. Bottom hole and selected down-hole profile samples have been submitted for analysis. Results are expected early in the March quarter.



In-fill soil sampling was completed at the *Achilles 3 Prospect* during the quarter. Results of this work will provide better definition of the previously outlined significant lead anomaly and thereby assist with the targeting of possible deeper drill holes.

Peak Hill East NSW EL 6342, EL 6675 - WPG 100%

A program of aircore drilling comprising 31 holes for 1,555 metres was completed during the quarter. These holes were designed to geochemically sample the bedrock and test for mineralisation and/or evidence of hydrothermal alteration in five target areas defined from the 2005 WPG detailed aeromagnetic survey.

A brief summary of the results from each of the anomalies is as follows:

Anomaly # 20

Seven holes were drilled on 100 metre centres. Rock types encountered comprised mainly andesitic volcanoclastic sandstones and tuff together with shale. Minor quartz veining, manganese staining and weak chlorite alteration were noted in some holes. Weakly anomalous copper (144 ppm) was recorded from Hole PHE001 and weakly anomalous zinc (165 ppm) from Hole PHE002.

Anomaly # 13

Six holes were drilled on 100 metre centres. Rock types encountered comprised mainly volcanoclastic sandstone-siltstone and sheared tuff, possibly of andesitic composition. Minor quartz-sericite-chlorite alteration was noted in Hole PHE013. Weakly anomalous zinc (162 ppm) was recorded from Hole PHE013.

Anomaly # 14

Six holes were drilled on 100 metre centres. Rock types encountered comprised volcanoclastic siltstones and sandstones together with andesitic tuffs and breccia. Quartz-calcite veining with magnetite selvages and aggregates was noted in Holes PHE017 and PHE018 together with talc-sericite-chlorite and silica alteration. No significantly anomalous values were recorded from any of the elements analysed.

Anomaly # 11

Five holes were drilled on 100 metre centres. Rock types encountered comprised andesitic volcanoclastic sandstones with some chlorite-calcite-silica alteration and minor pyrite. No significantly anomalous values were recorded from any of the elements analysed.

Anomaly # 17

Six holes were drilled on 100 metre centres. Rock types encountered comprised volcanoclastic sandstone-siltstone, tuff and breccia. Chlorite-calcite-silica-kaolin alteration was noted in Holes PHE029 and PHE030. Trace levels of pyrite were also present in PHE029. Weakly anomalous zinc (174 ppm) was recorded from Hole PHE028.



BROKEN HILL PROJECTS

Euriowie NSW EL 5771 and EL 6188 – WPG can earn 60%

A program of RC percussion and diamond drilling to test three high priority targets within the Euriowie project area is in progress.

Four holes totalling 415 metres have been completed at the ***Son of Man prospect***. All holes intersected zones of disseminated and veined sulphides of variable thickness within altered metasediments. Sulphides comprise mostly pyrite however chalcopyrite has been noted in some intervals. A one metre thick zone of chalcopyrite, pyrite and pyrrhotite was intersected within a seven metre thick mineralised zone in Hole SOM-4.

Two RC drill holes were completed on geophysical targets at the ***B40 Prospect***. Hole B40-1 intersected weathered chlorite-biotite altered meta-sediments with weak disseminated pyrite for most of the hole to 204 metres including a 10 metre thick interval of massive magnetite rich chlorite altered iron formation. Hole B40-2 intersected a similar sequence to B40-1.

Drilling of a fence of two inclined RC percussion holes and one inclined RC percussion pre-collared diamond hole at the ***Yalcowinna Creek Prospect*** is in progress. These holes are testing copper geochemical and EM targets down dip of the mineralised sub-crop in the southern, soil covered, part of the grid. Previous RC percussion holes intersected broad intervals of low-grade copper mineralisation (up to 24m averaging 0.35 % copper). Two holes of the current program were completed before heavy rain prevented access. Hole YC-1 intersected weakly pyritic, biotite-chlorite altered metasediments to 75 metres followed by a 39 metre wide chalcopyrite bearing zone at 75-114 metres, with more massive sulphide rich bands at 77-78, 80-84 and 99-101 metres. Hole YC-11 intersected the same copper zone down-dip where an extensive, 42 metre wide chalcopyrite bearing mineralised zone was intersected at 144-186 metres with more abundant massive sulphide rich bands at 150-153, 157-166, 170-171, 174-177, 179-186 and 190-191metres.

Drilling will resume when access roads dry out. Drill samples from all holes completed so far are being forwarded for analysis.

Mulyungarie SA NSW EL 4657 and SA EL 3478 – WPG can earn 60%

Attempts to contract a suitable drill rig for the planned 15 vertical rotary-core hole program at the ***K1 Prospect*** are on-going. No field work was conducted during the December quarter.



Redan NSW EL 5795 - WPG 100%

A detailed review of past company drilling data pertaining to the Redan tenement area was completed during the quarter. No significant new results emerged from this study.

Yours faithfully

R H Duffin
Executive Chairman

Gary J Jones
Technical Director

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 a 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 Bob Duffin, Chairman, on (02) 9251 1044 or 0412 234 684, or Gary Jones, Technical Director, on 0410 358 280.