



ASX and Media Release

Large increase in resource for the Peculiar Knob DSO project

The feasibility study for the development of Western Plains Resources Ltd's (ASX:WPG) Peculiar Knob direct shipping iron ore (DSO) project in South Australia is progressing well. Resource modelling from the Company's recent drilling program has now reached the stage where a new resource estimate is available. The total resource estimate for Peculiar Knob is now 19.4 million tonnes at an average grade of 63.7% Fe. This is an increase of some 40% when compared with the previous estimate, which was prepared in February 1997. Importantly, over 90% of the resource tonnage now falls in the measured and indicated categories.

WPG is progressing the feasibility study for the development of the Peculiar Knob DSO deposit in South Australia that commenced in December 2006. Peculiar Knob is a high grade specular haematite deposit with low levels of impurities. A new mineral resource estimate, based on the results of the drilling program completed between January and March 2007, is now available. This estimate, set out in Table 1 below, has been prepared using a classical sectional approach. The estimate has been prepared for a 55% Fe cut off grade. The development of a block model for the deposit has commenced, and this will allow resource estimates at different cut off grades to be prepared. The block model will also be used to prepare ore reserve estimates, and for open pit mine design.

**Table 1
Mineral Resource Estimate – Peculiar Knob**

Category	Million Tonnes	Fe %	P %	SiO ₂ %	Al ₂ O ₃ %	LOI %
Measured resource	13.5	63.7	0.01	7.3	0.3	0.5
Indicated resource	4.6	63.8	0.01	7.7	0.2	0.5
Inferred resource	1.3	64.5	0.02	6.4	0.2	0.3
Total resource	19.4	63.7	0.01	7.3	0.3	0.5

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WPG's other DSO deposit for which an identified mineral resource estimate has been prepared is the Buzzard deposit in the nearby Hawks Nest project. As previously reported, the resource estimate for the Buzzard deposit is as set out in Table 2.

Table 2
Mineral Resource Estimate – Buzzard

Category	Million Tonnes	Fe %	P %	SiO ₂ %	Al ₂ O ₃ %	LOI %
Measured resource	1.8	62	0.03	9.3	1.2	0.8
Indicated resource	3.1	60	0.04	10.9	1.7	1.4
Inferred resource	1.8	59	0.06	8.7	2.9	2.5
Total resource	6.7	60	0.05	9.9	1.9	1.5

The Company has engaged the consultants who prepared the original resource estimate in Table 2 to review the estimate, to take into account movements in iron ore pricing since the current estimate was prepared in November 2000. It is possible that this review may result in an increase in the resource tonnage at Buzzard.

Combining the Peculiar Knob and Buzzard resource estimates set out above produces the total resource estimates for the Company's two known DSO projects shown in Table 3 below.

Table 3
Mineral Resource Estimate – Peculiar Knob and Buzzard Combined

Category	Million Tonnes	Fe %	P %	SiO ₂ %	Al ₂ O ₃ %	LOI %
Measured resource	15.3	63.5	0.01	7.5	0.4	0.4
Indicated resource	7.7	62.3	0.02	9.0	0.8	0.8
Inferred resource	3.1	61.3	0.04	7.7	1.8	1.2
Total resource	26.1	62.9	0.02	8.0	0.7	0.6

WPG considers it likely that its DSO resource inventory could support a mining development that ramps production levels up to 2 million tonnes per annum of ore from Peculiar Knob alone, or a 3 mtpa operation from a combined project, for a life of up to 10 years.

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 in writing to the inclusion in this report of the matters based on his information in the form and context in which it appears.

Further Information

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