

# ASX and Media Release

## Quarterly activities report December quarter 2008

### HIGHLIGHTS

- ❖ A Deed of Access with the Commonwealth of Australia has been signed which gives the Company the right to develop its Peculiar Knob mine within the Woomera Prohibited Area near Coober Pedy in South Australia and to construct all of the infrastructure necessary to bring the mine into production.
- ❖ The South Australian Government has awarded preferred tenderer status to the Spencer Gulf PortLink Consortium to develop the new iron ore export port at Port Bonython near Whyalla.
- ❖ Western Plains is well into discussions which may lead to the development of an innovative solution that provides short term port access prior to the construction of Port Bonython.
- ❖ The Company has farmed into the iron ore rights within the Commonwealth Hill tenement package held by Apollo Minerals south of Coober Pedy. These tenements are well located with respect to infrastructure planned for the Peculiar Knob project and are prospective for iron ore deposits.
- ❖ Exploration at Hawks Nest has indicated the widespread development of primary haematite banded iron formations near the Buzzard and Tui DSO iron ore deposits and a preliminary resource estimate of a total of 102.5 million tonnes at an average grade of 37.4% Fe has been made for this material. Metallurgical testwork will need to be completed in order to design a flowsheet for the economic recovery of the iron.
- ❖ Negotiations are continuing with potential offtake and funding parties for the development of the DSO project and for further work on the Company's portfolio of magnetite deposits.

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## CORPORATE

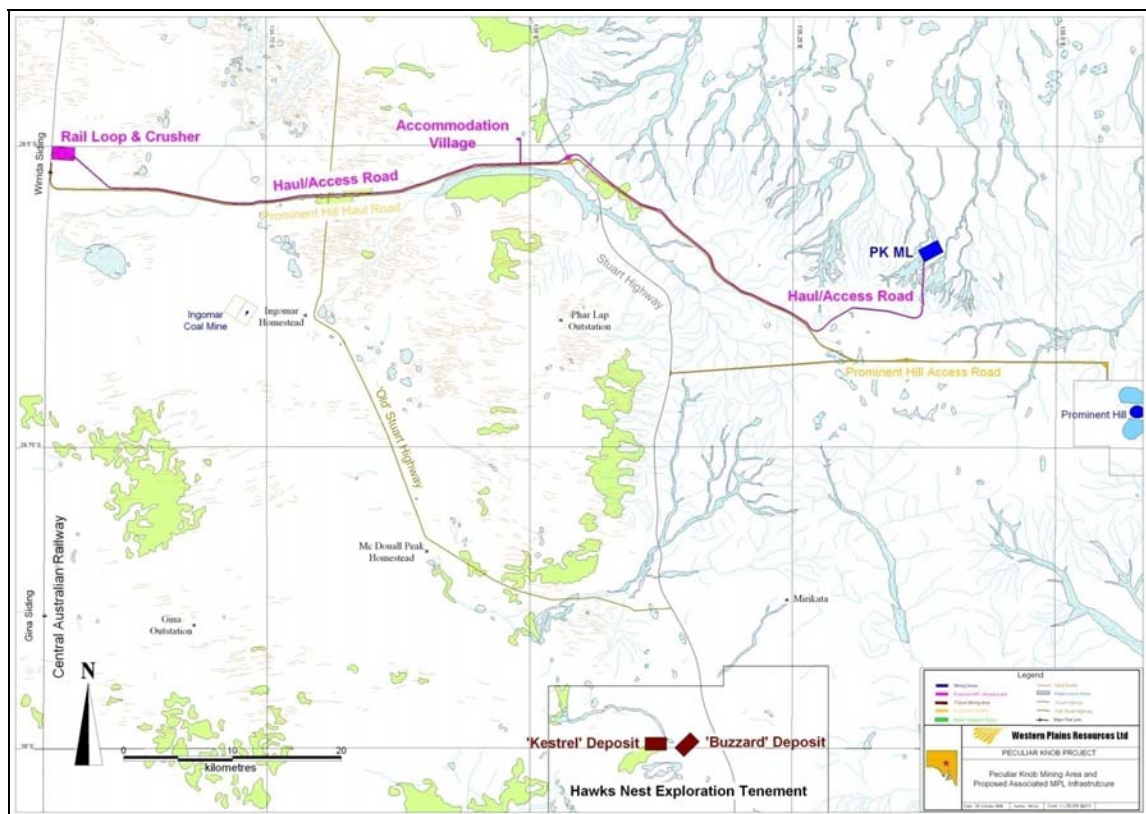
### Project Funding

WPG remains in advanced negotiations with a small number of companies from China, Korea and other Asian countries for project funding and offtake arrangements for its direct shipping ore (**DSO**) and magnetite iron ore projects.

## SOUTH AUSTRALIAN DSO IRON ORE PROJECT

WPG's iron ore projects in South Australia lie on the Peculiar Knob mineral lease, ML 6314 and the Hawks Nest exploration licence, EL 3196 within which two mineral claims, MCs 3809 (Kestrel) and 3810 (Buzzard), lie. Retention lease applications covering MCs 3809 and 3810 have been lodged. A retention lease is a precursor to a mining lease. An application (ELA 2008/00476) has been lodged to renew the entire 398 square kilometres held under EL 3196. WPG holds its interests in all these tenements through its 100% owned subsidiary Southern Iron Pty Ltd.

The locations of these tenements and the infrastructure required to enable the Company's proposed developments are shown in Figure 1.



**Figure 1**  
**Tenement Locations and Proposed Infrastructure**

No technical work was conducted on the Company's DSO project during the quarter and its technical status remains as summarised in the September 2008 quarterly report. Capital and operating cost estimates are as set out in the Company's presentation to the Mining SA Conference held in Whyalla on 3 December 2008 a copy of which was released on that day.

## **Permitting, Logistics, Infrastructure and Other Approvals**

### ***Commonwealth of Australia - Department of Defence***

The Company executed a Deed of Access with the Commonwealth of Australia in January 2009 pursuant to which the Commonwealth, through the Minister for Defence, has granted formal approval for the construction of the Peculiar Knob mine inside the Woomera Prohibited Area, and for the construction of all necessary infrastructure for development of the mining operation. This infrastructure includes the haul road, the underpass beneath the Stuart Highway, the crushing plant and rail loading facility at Wirrida siding, and the project's accommodation village. The locations of the mine and its infrastructure that are covered by the Deed are shown in Figure 1.

### ***Miscellaneous Purposes Licences and Other Permits***

Miscellaneous Purpose Licence applications for the proposed waste dump, and the new siting for the haul road, crushing plant and accommodation village in accordance with the Access Deed are in preparation and can be surveyed and lodged shortly. The Mining and Rehabilitation Plan can also now be lodged.

Compensation negotiations with pastoral lease holders and holders of affected exploration licences are on-going.

### ***Water***

Water extraction licences were lodged with the Department of Water, Land and Biodiversity Conservation on 22 May 2008 and are still pending.

### ***Port Bonython***

The South Australian Government announced in October 2008 that it had awarded preferred tenderer status for the development of this new port to the Spencer Gulf PortLink Consortium. Key members of the consortium include Flinders Port (operator of all seven public ports in South Australia), Leighton Contractors, ARTC, BIS and Macquarie Capital.

WPG understands that the consortium is to report to Government in late February 2009 on the status of its feasibility study for this key infrastructure. WPG has had a number of meetings with the consortium and its consultants and looks forward to assisting the consortium to bring this new port on line at the earliest possible date.

### **Port Adelaide**

WPG is in negotiations that may lead to the development of a short term opportunity to export iron ore through Adelaide using an innovative materials handling strategy. Further details will be announced when these negotiations are more mature.

### **Port Darwin**

The Company and the Darwin Port Corporation have executed an MOU for short term access to the iron ore loader at Darwin.

### **Whyalla**

There is no change to the status of the Company's initiatives to gain access to the Port of Whyalla from that announced on 20 December 2007.

## **Regional Exploration**

Approvals have been obtained from the Department of Defence to continue exploration activities at Hawks Nest until at least June 2009, when an application to extend for a further period will be lodged.

Assay results for the 19 RC percussion holes (3,497 metres) completed at Hawks Nest during August and September 2008 were received during the quarter and are summarised in Table 1. These holes were designed to test new targets defined from regional geological and geophysical data that was compiled and interpreted by WPG.

Several of the holes intersected zones of high grade DSO haematite and 15 of the 19 intersected large thicknesses of haematite BIF. The haematite BIF is similar in composition and iron content to the material that lies adjacent to the high grade DSO haematite deposits at Buzzard and Tui.

Resource estimates based on wireframe models were made for the haematite BIF mineralisation in the Buzzard Footwall, Buzzard South East and Buzzard West zones during the quarter. Details of the estimates for each of these zones are shown in Table 2.

The results of the drilling program have confirmed that the large central gravity anomaly at Hawks Nest is predominantly underlain by haematite BIF. The four zones for which resources have been estimated are situated on this anomaly as shown in Figure 2. Figure 2 also shows the location of other widely spaced drill holes that have been sited elsewhere on this gravity anomaly by WPG and previous explorers. Many of these have recorded significant haematite BIF intersections with Fe grades also in the range of 30-40% and highlight the potential for additional mineralisation beneath other sections of the large gravity anomaly.

**Table 1  
Hawks Nest Drilling Results**

Hole	Target	East m	North m	Depth m	From m	To m	Interval m	Fe %
HNWPR-83	Buzzard SE	514830	6681025	200	26	200	174	33.9
				Incl.	40	46	6	64.3
HNWPR-84	Buzzard SE	514730	6681050	200	20	190	170	28.2
HNWPR-85	Buzzard SE	514930	6681085	180	42	130	88	31.7
				Incl.	120	128	8	53.5
					140	166	26	39.6
				Incl.	158	164	6	63.1
HNWPR-86	Buzzard SE	515300	6680600	174	49	173	124	30.6
HNWPR-87	Buzzard West	514280	6680950	200	16	200	184	34.6
HNWPR-88	Buzzard West	514215	6681015	162	16	162	146	38.8
HNWPR-89	Buzzard West	513970	6681150	186	18	186	168	36.9
HNWPR-90	Central	512930	6681150	200	4	200	196	39.1
HNWPR91	Central	513340	6681040	200	34	200	166	36.9
HNWPR92	Condor North	512900	6679100	200	91	125	34	27.1
					136	200	64	28.1
HNWPR-93	Condor North	512550	6679020	186	78	186	108	34.7
HNWPR-94	Condor South	513400	6678230	200	120	150	30	24.4
HNWPR-95A	Kea	511909	6677716	141	78	140	62	25.3
HNWPR-96	Goshawk North	511270	6680570	192	101	113	12	38.3
					125	137	12	32.4
					143	155	12	35.2
					168	192	24	39.2
HNWPR-97	Goshawk North	511100	6680670	200	14	26	12	26.6
					28	50	22	16.8
					50	60**	10	39.5
HNWPR-98	Goshawk South	510410	6679250	200	32	70*	38	32.8
					88	146*	58	33.0
HNWPR-99	Goshawk Ext	511550	6680600	200	4	100*	96	31.0
HNWPR-100	Harrier South	511325	6678850	198	No HBIF			

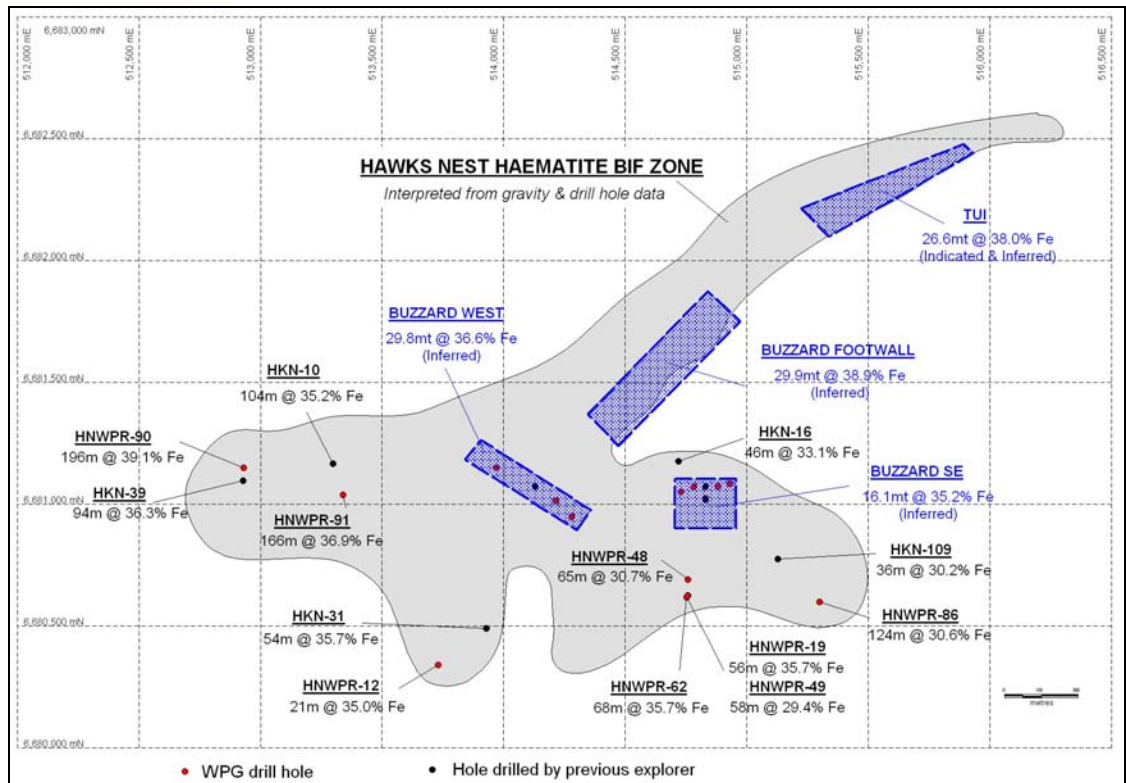
Notes: \*Denotes magnetite BIF intersection

\*\*Denotes magnetite skarn intersection

**Table 2  
Resource Estimates, Hawks Nest Haematite BIF Zones**

Prospect	Category	Million Tonnes	Grade				
			Fe%	SiO <sub>2</sub> %	Al <sub>2</sub> O <sub>3</sub> %	P%	LOI%
Tui	Indicated	23.9	38.2	43.5	0.72	0.03	0.51
	Inferred	2.8	36.7	45.2	0.92	0.02	0.61
Buzzard Footwall	Inferred	29.9	38.9	41.2	0.97	0.03	0.73
Buzzard South East	Inferred	16.1	35.2	45.9	1.65	0.11	0.73
Buzzard West	Inferred	29.8	36.6	45.4	0.86	0.03	0.66
<b>Total</b>	Indicated + Inferred	<b>102.5</b>	<b>37.4</b>	<b>43.8</b>	<b>0.99</b>	<b>0.04</b>	<b>0.66</b>

As shown in the table above, the total resource estimate for the haematite BIF zones at Hawks Nest is now 102.5 million tonnes at an average grade of 37.4% Fe.



**Figure 2**  
**Haematite BIF Zones at Hawks Nest**

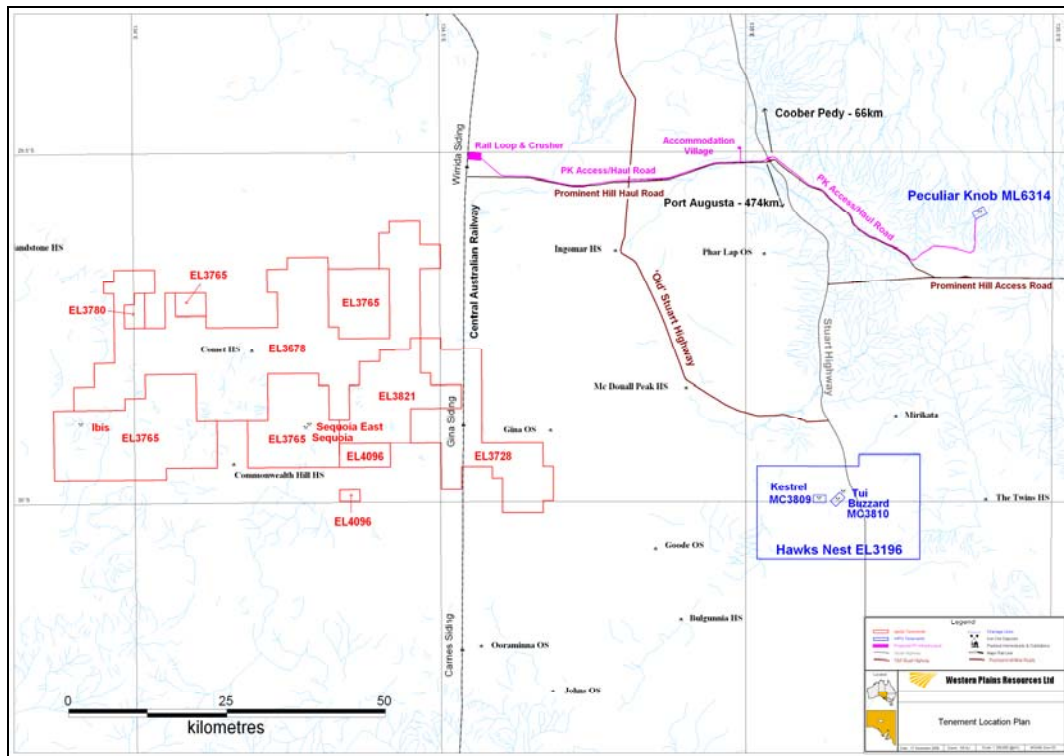
Metallurgical testwork will be carried out to optimise a flowsheet for the economic recovery of iron in the haematite BIF zones.

## SOUTH AUSTRALIAN MAGNETITE PROJECT

No technical work was conducted on this project and its technical status remains as summarised in the Company's September 2008 quarterly report.

## COMMONWEALTH HILL FARM-IN

During the quarter WPG entered into a farm-in agreement with Apollo Minerals Limited in respect of Apollo's Commonwealth Hill tenements ELs 3678, 3728, 3765, 3780, 3821 and 4096 near Coober Pedy in South Australia. The locations of these tenements with respect to WPG's Peculiar Knob and Hawks Nest tenements are shown in Figure 3.



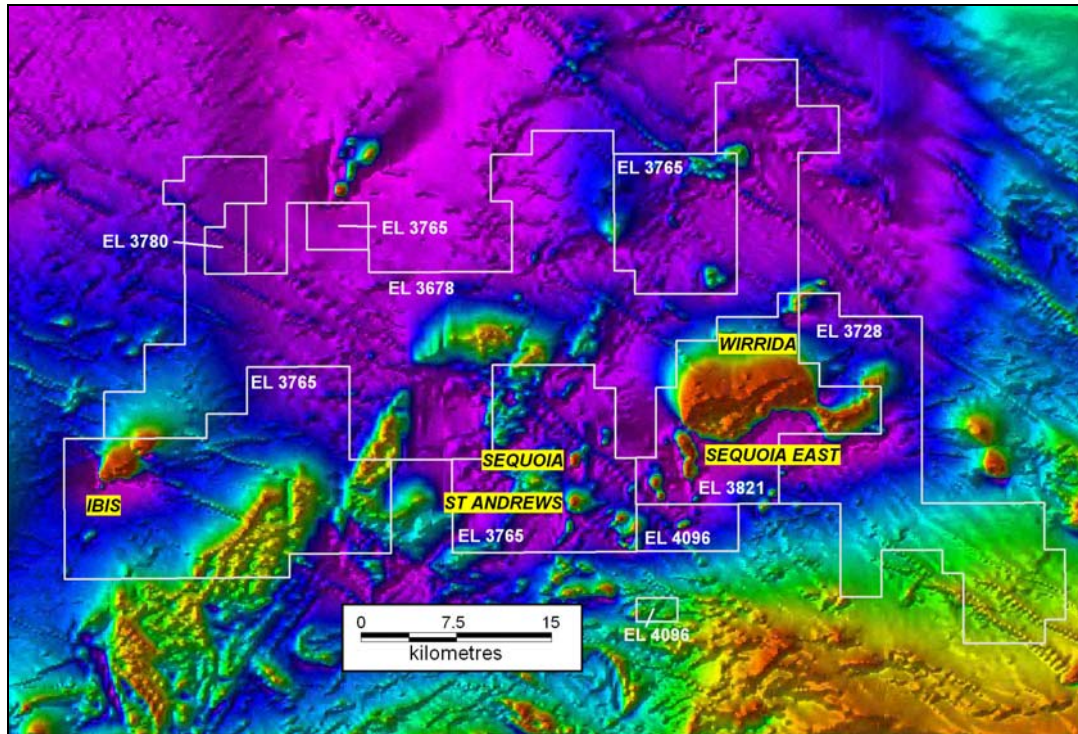
**Figure 3**  
**Location of the Commonwealth Hill Tenements**

The Commonwealth Hill project area is located approximately 70 kilometres to the WNW of WPG's Hawks Nest exploration tenement EL 3196, and 50 kilometres SW from the Wirrida siding on the Central Australian Railway line where WPG intends to construct its rail loading facility for the Peculiar Knob and Hawks Nest DSO operations.

The tenements cover a total area of 1,829 square kilometres and include five known iron ore prospects - Sequoia, Sequoia East, Ibis, St Andrews and Wirrida. The locations of these prospects on a regional aeromagnetic contour map are shown in Figure 4.

Western Plains can earn a 51% interest in the Commonwealth Hill tenements by the expenditure of \$750,000, including a minimum commitment of \$90,000. WPG can then increase its interest to 75% by expenditure of an additional \$750,000.

Initial testing of the Sequoia prospect comprised 9 widely spaced shallow drill holes and was carried out by the then South Australian Mines Dept (MESA) in 1995-96 as part of a broader regional iron ore exploration program. Narrow intersections of banded iron formation magnetite mineralisation were intersected in the drill holes with Fe grades in the range 10 to 39%.

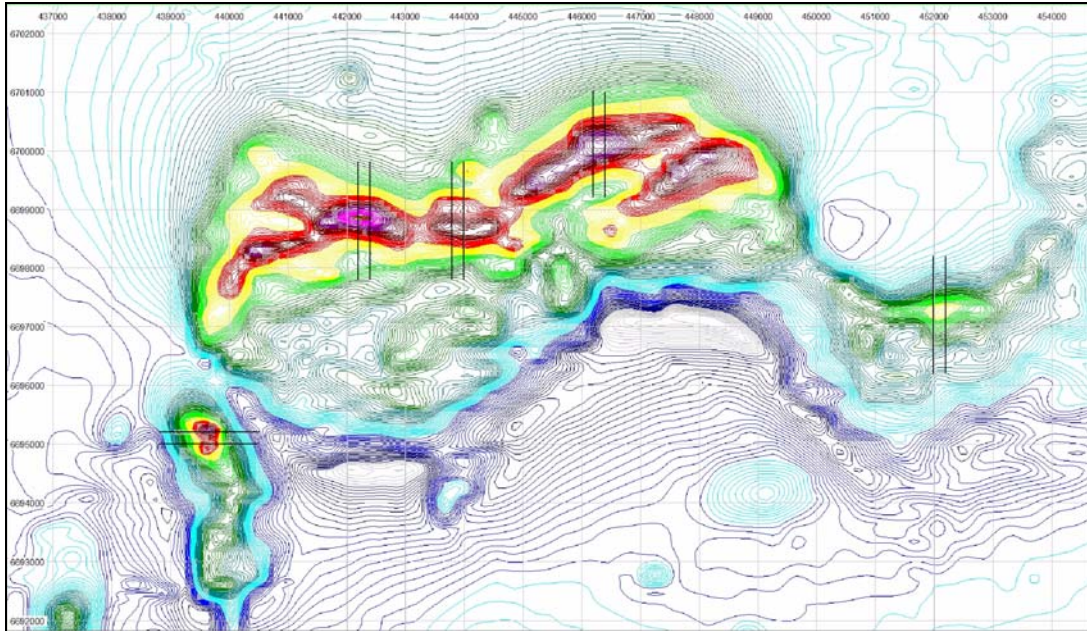


**Figure 4**  
**Locations of Key Prospects at Commonwealth Hill**

WPG believes the Commonwealth Hill tenements have the potential for the discovery of new DSO haematite deposits together with additional magnetite deposits. The tenements contain several intense magnetic anomaly features which have been the focus of a relatively small amount of past exploration. The anomalies at Ibis and Sequoia East have yet to be drilled. The Ibis prospect is located about 30 kilometres to the east of the Challenger gold mine and its magnetic anomaly is significantly larger in dimension than that at Sequoia. Coarse grained BIF outcrops at Ibis. The St Andrews prospect is located to the south of Sequoia. A single hole drilled as part of a past gold exploration program returned an intersection of 28 metres at an average grade of 53.4% Fe.

WPG's exploration will target both DSO haematite and magnetite BIF styles of iron ore deposits. The Company has planned a program of ground magnetic and gravity surveying for the Ibis, Sequoia East and Wirrida prospects that is scheduled to commence in the March quarter. The work program has been designed to follow-up existing aeromagnetic anomalies, which are shown in Figure 5.





**Figure 5**  
**Aeromagnetic Anomalies at Sequoia East and Wirrida and Proposed Ground Magnetic and Gravity Traverses**

The results of the program will be used to develop geophysical models that will define targets for drill testing. The geophysical modelling of a combination of detailed ground magnetic and gravity data has proved to be a successful technique for WPG in the discovery new DSO haematite and haematite and magnetite BIF deposits at Hawks Nest.

## **COPPER/GOLD EXPLORATION PROJECTS**

### **Trundle NSW**

EL 4512 – WPG 100%

No field work was carried out by joint venture partner Cybele during the quarter. Cybele can earn a 70% interest in the Trundle tenement from WPG, by completing exploration expenditures totalling \$3 million over a three year period with a minimum work commitment of \$600,000 in the first year. Cybele can earn an additional 20% interest in the project by completing a feasibility study.

No significant results were received from the two drill holes from the Bloomfield prospect and one hole from the Mordialloc prospect that had assays outstanding at the end of the September quarter.

**Peak Hill East NSW**

ELs 6342 &amp; 6675 – WPG 100%

No field work was carried out during the quarter. EL 6675 expired during the quarter and has not been renewed. An application to renew EL 6342 has been lodged.

**Lake Cargelligo NSW**

EL 6367 – WPG 100%

No work was done on this tenement during the quarter. An application to renew this tenement has been lodged.

**Euriowie NSW**

EL 5771 – WPG 60%

The Company's interest in this tenement has been sold to Silver City Mining Ltd. The consideration received was 754,500 convertible preference shares that are convertible into ordinary shares once agreed performance criteria have been met.

**Competent Persons**

*The review of exploration activities and results contained in this report are based on information compiled by Mr Gary Jones, a Member of the Australasian Institute of Mining and Metallurgy. He is Technical Director of Western Plains Resources Limited 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**

*For further information please contact WPG's Executive Chairman Bob Duffin, on (02) 9251 1044 or 0412 234 684, or Heath Roberts, Executive Director and Company Secretary on (02) 9247 7359 or 0419 473 925.*