



# ASX and Media Release

## Exploration targets for the BIFs at Hawks Nest

Western Plains Resources Limited (ASX:WPG) most recently published resource estimates for its Hawks Nest project south of Coober Pedy in South Australia in its Annual Report that was released on 26 October 2009.

The iron mineralisation at Hawks Nest occurs as direct shipping high grade haematite and also as either magnetite or haematite in banded iron formations. The magnetite BIF is similar to the taconites widely mined in the Great Lakes district of North America while the haematite BIF is similar to the itabirites mined in South America and parts of Africa.

The previously published resource estimates are set out in Table 1 and 2. These tables focus on the BIFs and not the high grade DSO deposits. The DSO resource estimates at Hawks Nest were also set out in the Company's 26 October 2009 report but the additional DSO exploration potential is not the subject of this release.

**Table 1  
Mineral Resource Estimates – Hawks Nest Magnetite BIFs**

Deposit	Category	Million Tonnes	Fe %	P %	SiO <sub>2</sub> %	Al <sub>2</sub> O <sub>3</sub> %	LOI %
Kestrel	Measured resource	100	37	0.06	37	0.83	0.58
	Indicated resource	60	36	0.06	38	1.00	0.79
	Inferred resource	60	36	0.06	39	1.05	0.78
	Total resource	220	36	0.06	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 resource		569	35	-	-	-	-

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ABN 51 109 426 502  
 Level 9, Kyle House  
 27-31 Macquarie Place  
 Sydney NSW 2000  
 Telephone (+612) 9251 1044  
 Facsimile (+612) 9247 3434  
[info@westernplainsresources.com.au](mailto:info@westernplainsresources.com.au)  
[www.westernplainsresources.com.au](http://www.westernplainsresources.com.au)

**Table 2**  
**Mineral Resource Estimates – Hawks Nest Haematite BIFs**

Category	Million Tonnes	Fe %	P %	SiO <sub>2</sub> %	Al <sub>2</sub> O <sub>3</sub> %	LOI %
Tui - indicated resource	23.9	38.2	0.03	43.5	0.72	0.51
Tui - inferred resource	2.8	36.7	0.02	45.2	0.92	0.61
Buzzard footwall – inferred resource	29.9	38.9	0.03	41.2	0.97	0.73
Buzzard SE – inferred resource	16.1	35.2	0.11	45.9	1.65	0.73
Buzzard West – inferred resource	29.8	36.6	0.03	45.4	0.86	0.66
Total resource	102.5	37.4	0.04	43.8	0.99	0.66

In summary, the total resource tonnage for the magnetite BIF deposits is 569 million tonnes and for the haematite BIF deposits it is 102.5 million tonnes.

WPG completed a scoping study for the development of a magnetite concentrate project at the Kestrel deposit and the results of this study were summarised in the Company's release of 8 April 2008. In essence, the study suggested that Kestrel (resource tonnage estimate, as shown above, of 220 million tonnes out of the total Hawks Nest magnetite resource of 569 million tonnes) alone could support a long life, viable operation producing 6 million tonnes per annum of magnetite concentrates.

The Hawks Nest project lies within the Woomera Prohibited Area and, as previously disclosed, the Commonwealth is expected to release a new policy in the next few weeks or months that sets out the terms under which it will allow future exploration and mining activities in the WPA to proceed. It is possible that the Commonwealth, following a whole-of-government review, will ban mining at Hawks Nest. This is in spite of the project area being held under a valid exploration tenement that, with its predecessors, has been in place for more than a decade, in spite of the project area being within sight of the Stuart Highway on which there are more than 400 vehicle movements per day, in spite of WPG's representations that it will implement whatever security restrictions that the Department of Defence reasonably requires, in spite of the provision by WPG of an independent report to Defence that concludes all risks are low to very low and can be managed, and in spite of WPG's assurances that it will evacuate the mine site whenever requested by Defence to do so.

WPG is taking all reasonable steps to influence the Commonwealth's decision in order to preserve then build shareholder value in this project. WPG does not know what position the Commonwealth will eventually adopt when it releases its new policy. But if it decides to ban mining at Hawks Nest, this will not impact on WPG's flagship Peculiar Knob DSO project which is the focus of the Company's activities because it is outside Defence's newly-defined core area.

WPG has recently completed a study of the further exploration potential over and that which is captured by Tables 1 and 2 and these exploration targets are set out in Table 3. This study was carried out so that the potential which will be foregone if mining is banned at Hawks Nest can be better understood by the Commonwealth, the market and all other stakeholders.

The exploration targets are based on the drill hole and other data currently available and are conceptual in nature. Except for the resources set out in Table 1 and 2, there has been insufficient exploration to define a mineral resource for these exploration targets, and it is uncertain if further exploration will result in the determination of a mineral resource in these areas.

**Table 3**  
**Hawks Nest BIF Exploration Targets**

Mineralisation Category	Exploration Target	
	Tonnage Range Million Tonnes	Fe Grade Range %
Magnetite BIF	790 - 890	32 - 37
Haematite BIF	1,400 – 1,680	22 - 43
<b>Total</b>	<b>2,190 – 2,570</b>	<b>22 - 43</b>

The exploration targets shown in Table 3 suggests there is potential for **more than doubling** the current resource tonnage in the magnetite deposits, or increasing the resource tonnage **more than four-fold** when compared to the Kestrel deposit that was the subject of the successful 2008 scoping study.

Similarly, the data suggests there is potential for increasing the tonnage of haematite BIF **by a factor of more than 15**.

#### **Methodology**

*In the case of the Goshawk, Harrier, Kite, Eagle and Falcon prospects, exploration target tonnages and grades for the magnetite BIF have been estimated from existing drill holes, results of WPG's detailed aeromagnetic survey, magnetic modelling and 3D wireframe models. Exploration targets for the Kestrel deposit have been estimated on the basis of modest depth, strike and down-dip extensions to the orebody (which has been drilled systematically) where mineralisation is open in these directions. Support for the continuation of the mineralisation is also provided by the detailed magnetic data.*

*The exploration target estimate for the haematite BIF is based on 40 deep drill holes and 1,548 assays of RC percussion chips and diamond drill core. The haematite BIF mineralisation shows strong coincidence with a well defined gravity anomaly that covers an approximate area of 3.4 square kilometres.*

*The exploration targets shown in Table 3 are additional to the mineral resource estimates shown in Table 1 and 2.*

#### **Competent Persons**

*The mineral resource estimates for the non-Kestrel magnetite deposits and the haematite BIF deposits and the exploration targets 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.*

*The mineral resource estimate for the Kestrel magnetite deposit contained in this report is based on information compiled by Mr Arnold van der Heyden, a Member of the Australasian Institute of Mining and Metallurgy. He is an employee of Hellman & Schofield Pty Ltd. 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). Arnold van der Heyden 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 Executive Chairman Bob Duffin on (02) 9247 3232 or 0412 234 684, or Heath Roberts Executive Director and General Counsel on (02) 9247 7359 or 0419 473 925.*