



Western Plains Resources Ltd

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NOTICE OF MEETING

NOTICE OF GENERAL MEETING

EXPLANATORY STATEMENT

PROXY FORM (*SEPARATE*)

Date of Meeting

31 August 2010

Time of Meeting

11am Sydney time

Place of Meeting

Banjo Patterson Room
Sydney Harbour Marriott
55 Pitt Street
SYDNEY, NSW



Western Plains Resources Ltd

ABN 51 109 426 502

WESTERN PLAINS RESOURCES LTD
ABN 51 109 426 502
(WPG or the Company)

NOTICE OF GENERAL MEETING

A General Meeting of Western Plains Resources Ltd ABN 51 109 426 502 will be held at 11am on 31 August 2010 at the Banjo Patterson Room, Sydney Harbour Marriott, 55 Pitt Street, Sydney NSW 2000.

The business to be considered at the General Meeting is set out below. This Notice of Meeting should be read in conjunction with the accompanying Explanatory Statement, which contains information in relation to each of the following resolutions. A Proxy Form also accompanies this Notice of Meeting.

BUSINESS

Resolution 1: Ratification of an Issue of Shares – Placement April 2010

To consider and, if thought fit, to pass the following ordinary resolution:

“That, for the purposes of Listing Rules 7.1 and 7.4 of the Australian Securities Exchange Listing Rules and for all other purposes, the Company approves the issue of 15,800,000 fully paid ordinary shares in the capital of the Company that were allotted on 21 April 2010 at a price of 80 cents per share to raise an aggregate of \$12,640,000.”

The Company will disregard any votes cast on Resolution 1 by any person who participated in the issue of shares and any associates of those persons.

However, the Company need not disregard a vote if:

- (a) it is cast by a person as proxy for a person who is entitled to vote in accordance with the directions on the proxy form; or
- (b) it is cast by the person chairing the meeting as proxy for a person who is entitled to vote in accordance with the direction on the proxy form to vote as the proxy decides.

Resolution 2: Approval of an Issue of Shares – Placement to Wugang Australian Resources Investment Pty Ltd (WISCO)

To consider and, if thought fit, to pass the following ordinary resolution:

“That, for the purposes of Listing Rules 7.1 and 7.3 of the Australian Securities Exchange Listing Rules and for all other purposes, the Company approves the issue of 12,121,100 fully paid ordinary shares in the capital of the Company at a price of \$0.25 per share to Wugang Australian Resources Investment Pty Ltd (WISCO) to raise an aggregate of \$3,030,275.”

The Company will disregard any votes cast on Resolution 2 by Wugang Australian Resources Investment Pty Ltd and any associates of that Company.

However, the Company need not disregard a vote if:

- (a) it is cast by a person as proxy for a person who is entitled to vote in accordance with the directions on the proxy form; or
- (b) it is cast by the person chairing the meeting as proxy for a person who is entitled to vote in accordance with the direction on the proxy form to vote as the proxy decides.

Resolution 3: Approval of an Issue of Options – Placement to Incito Equity Solutions Pty Ltd

To consider and, if thought fit, to pass the following ordinary resolution:

"That, for the purposes of Listing Rules 7.1 and 7.3 of the Australian Securities Exchange Listing Rules and for all other purposes, the Company approves the issue of 1,000,000 options with an exercise price of \$1.00 per option and 1,000,000 options with an exercise price of \$1.50 per option and otherwise on the terms set out in the Explanatory Statement to Incito Equity Solutions Pty Ltd."

The Company will disregard any votes cast on Resolution 3 by Incito Equity Solutions Pty Ltd and any associates of that Company.

However, the Company need not disregard a vote if:

- (a) it is cast by a person as proxy for a person who is entitled to vote in accordance with the directions on the proxy form; or
- (b) it is cast by the person chairing the meeting as proxy for a person who is entitled to vote in accordance with the direction on the proxy form to vote as the proxy decides.

Resolution 4: Change the name of the Company to WPG Resources Ltd

To consider and, if thought fit, to pass the following special resolution:

"That the name of the Company be changed to WPG Resources Ltd."

Resolution 5: Increase in the limit on Non-Executive Directors Fees

To consider and, if thought fit, to pass the following ordinary resolution:

"That, in accordance with Clause 43 of the Company's Constitution, the limit on non-executive Director's fees be increased from \$200,000 to \$500,000 per annum."

The Company will disregard any votes cast on Resolution 5 by any Director of the Company and any associates of these persons.

However, the Company need not disregard a vote if:

- (a) it is cast by a person as proxy for a person who is entitled to vote in accordance with the directions on the proxy form; or
- (b) it is cast by the person chairing the meeting as proxy for a person who is entitled to vote in accordance with the direction on the proxy form to vote as the proxy decides.

Resolution 6: To Elect a Director – Mr Dennis Mutton

Mr Dennis Mutton retires as a Director in accordance with the Company's Constitution and, being eligible, offers himself for re-election.

Resolution 7: Replace the Western Plains Resources Ltd Employees and Officers Share Option Plan / Adoption of the WPG Resources Ltd Incentive Rights Plan

To consider and, if thought fit, to pass the following ordinary resolution:

"That the existing Western Plains Resources Ltd Employees and Officers Share Option Plan be replaced and for the purposes of ASX Listing Rule 7.2 (Exception 9) a new plan, called the WPG Resources Ltd Incentive Rights Plan be adopted in its place on the terms initialled for identification by the Chairman of the General Meeting at which the resolution is passed."

The Company will disregard any votes cast on Resolution 7 by any Director of the Company eligible to participate in any employee incentive scheme or their associates.

However, the Company need not disregard a vote if:

- (a) it is cast by a person as proxy for a person who is entitled to vote in accordance with the directions on the proxy form; or
- (b) it is cast by the person chairing the meeting as proxy for a person who is entitled to vote in accordance with the direction on the proxy form to vote as the proxy decides.

Resolution 8: To approve a Grant of Rights to a Director – Bob Duffin

Subject to Resolution 7 being approved, to consider and, if thought fit, to pass the following ordinary resolution:

“That, for the purposes of Listing Rules 10.14 of the Australian Stock Exchange Listing Rules and for all other purposes, the Company approves the grant of a maximum of 566,667 share rights under the WPG Resources Ltd Incentive Rights Plan to Director Bob Duffin on the terms set out in the Explanatory Statement.”

The Company will disregard any votes cast on Resolution 8 by any Director of the Company eligible to participate in any employee incentive scheme or their associates.

However, the Company need not disregard a vote if:

- (a) it is cast by a person as proxy for a person who is entitled to vote in accordance with the directions on the proxy form; or
- (b) it is cast by the person chairing the meeting as proxy for a person who is entitled to vote in accordance with the direction on the proxy form to vote as the proxy decides.

Resolution 9: To approve a Grant of Rights to a Director – Heath Roberts

Subject to Resolution 7 being approved, to consider and, if thought fit, to pass the following ordinary resolution:

“That, for the purposes of Listing Rules 10.14 of the Australian Stock Exchange Listing Rules and for all other purposes, the Company approves the grant of a maximum of 250,000 share rights under the WPG Resources Ltd Incentive Rights Plan to Director Heath Roberts on the terms set out in the Explanatory Statement.”

The Company will disregard any votes cast on Resolution 9 by any Director of the Company eligible to participate in any employee incentive scheme or their associates.

However, the Company need not disregard a vote if:

- (a) it is cast by a person as proxy for a person who is entitled to vote in accordance with the directions on the proxy form; or
- (b) it is cast by the person chairing the meeting as proxy for a person who is entitled to vote in accordance with the direction on the proxy form to vote as the proxy decides.

Resolution 10: To approve a Grant of Rights to a Director – Gary Jones

Subject to Resolution 7 being approved, to consider and, if thought fit, to pass the following ordinary resolution:

“That, for the purposes of Listing Rules 10.14 of the Australian Stock Exchange Listing Rules and for all other purposes, the Company approves the grant of a maximum of 250,000 share rights under the WPG Resources Ltd Incentive Rights Plan to Director Gary Jones on the terms set out in the Explanatory Statement.”

The Company will disregard any votes cast on Resolution 10 by any Director of the Company eligible to participate in any employee incentive scheme or their associates.

However, the Company need not disregard a vote if:

- (a) it is cast by a person as proxy for a person who is entitled to vote in accordance with the directions on the proxy form; or
- (b) it is cast by the person chairing the meeting as proxy for a person who is entitled to vote in accordance with the direction on the proxy form to vote as the proxy decides.

By order of the Board

Larissa Brown
Company Secretary
31 July 2010

VOTING ENTITLEMENTS

In accordance with regulation 7.11.37 of the *Corporations Regulations*, all shares of the Company will be taken, for the purposes of the General Meeting, to be held by the persons who hold them at 5pm Sydney time on 27 August 2010. Only those persons will be entitled to vote at the General Meeting on 31 August 2010.

PROXIES

- Votes at the General Meeting may be given personally or by proxy, attorney or representative.
- A member entitled to attend and vote at the meeting has the right to appoint no more than two proxies and may specify the proportion or number of votes each proxy is appointed to exercise.
- If the member appoints two proxies and the appointment does not specify the proportion or the number of the member's votes each proxy may exercise, each proxy may exercise one half of the member's votes. If the member appoints two proxies, neither proxy may vote on a show of hands.
- A proxy need not be a member of the Company.
- A proxy form must be signed by the member or his or her power of attorney who has not received any notice of revocation of the authority. Proxies given by corporations must be signed in accordance with the corporation's constitution and the Corporations Act 2001 (Cth).
- The proxy form (and any power of attorney under which it is signed) must be received by the Company's share registry, Registries Limited, electronically, by facsimile on +61 2 9290 9655, by mail to GPO Box 3993, Sydney NSW 2001 or delivery to the office of Registries Limited being Level 7, 207 Kent Street, Sydney, NSW, 2000 **no later than 48 hours before the commencement of the General Meeting** that is, by no later than 11am on 29 August 2010. Any proxy form received after that time will not be valid for the scheduled meeting.



WESTERN PLAINS RESOURCES LTD
ABN 51 109 426 502
(WPG or the Company)

EXPLANATORY STATEMENT

This Explanatory Statement has been prepared for the information of members of Western Plains Resources Ltd ABN 51 109 426 502 in connection with the business to be transacted at the General Meeting of members of the Company to be held at 11am on 31 August 2010 at the Banjo Patterson Room Sydney Harbour Marriott 55 Pitt Street, Sydney NSW 2000.

The Directors recommend members read this Explanatory Statement in full before making any decision in relation to the resolutions to be considered at the General Meeting.

Resolution 1: Ratification of an Issue of Shares – Placement April 2010

This resolution seeks to ratify the issue of fully paid ordinary shares in the capital of the Company under ASX Listing Rules 7.1 and 7.4.

In April 2010, the Company issued and allotted 15,800,000 shares to raise \$12,640,000 to advance the Company's flagship Peculiar Knob direct shipping ore iron ore project near Coober Pedy in South Australia towards development and to provide general working capital.

This resolution seeks shareholder ratification of the share issue.

The following information is provided for member's consideration of Resolution 1:

- The number of securities (fully paid ordinary shares coded WPG) that the Company issued is 15,800,000.
- The shares were issued at a price of 80 cents per share.
- The shares were allotted on 21 April 2010.
- The shares were issued to excluded offerees in the context of S708 of the *Corporations Act 2001 (Cth)*.
- The shares rank pari pasu with the Company's ASX quoted securities coded WPG.

If shareholders of the Company ratify the issue of the shares pursuant to this Resolution 1, the shares issued pursuant to this resolution will not count towards the 15% limit in respect of issues of equity securities which the Directors of the Company may undertake without shareholder approval in a 12 month period under ASX Listing Rule 7.1.

Resolution 2: Approval of an issue of Shares – Placement to Wugang Australian Resources Investment Pty Ltd (WISCO)

This resolution was approved by shareholders at a General Meeting of the Company held on 6 August 2009 and again at the Company's 2009 AGM held on 24 November 2009. A condition of the approval given by shareholders at the time of each of those meetings (as required by the ASX Listing Rules) was that the proposed share issue occur within 3 months of the relevant meeting dates. The relevant shares were not issued to the proposed recipient, WISCO, within 3 months of either of those meetings therefore the resolution needs to be reconsidered.

To consider and, if thought fit, to pass the following ordinary resolution:

"That, for the purposes of Listing Rules 7.1 and 7.3 of the Australian Securities Exchange Listing Rules and for all other purposes, the Company approves the issue of 12,121,100 fully paid ordinary shares in the capital of the Company at a price of \$0.25 per share to Wugang Australian Resources Investment Pty Ltd (WISCO) to raise an aggregate of \$3,030,275."

On 4 May 2009, WPG announced the signing of a binding heads of agreement with WISCO, whereby WISCO may earn a 50% interest in the Hawks Nest Project by contributing \$45 million in exploration, feasibility and development expenditure. On 12 June 2009, the Company announced execution of the formal transaction documentation with WISCO (Hawks Nest Joint Venture). Separate from the \$45 million investment by WISCO in the Hawks Nest Project, the transaction also includes the issue of 12,121,100 WPG shares to WISCO at a price of \$0.25 to raise \$3,030,275. By this resolution, the Company seeks shareholder approval of this proposed share issue.

The transaction between WPG and WISCO (including the proposed share issue subject of this resolution) is subject to a number of conditions precedent, including approval by the Australian Foreign Investment Review Board (FIRB). There have been significant delays to that process, caused by objections being raised by the Department of Defence to the transaction. These objections are based in part on the location of the Hawks Nest project within the Woomera Prohibited Area. If shareholders of the Company ratify the issue of the shares to WISCO, the shares issued pursuant to this resolution will not count towards the 15% limit in respect of issues of equity securities which the Directors of the Company may undertake without shareholder approval in a 12 month period under ASX Listing Rule 7.1. In the event that the transaction between WPG and WISCO were not to be approved by FIRB then the share issue would not occur, notwithstanding that shareholders may have approved the issue.

WISCO have agreed to a number of extensions to the condition precedent period in the Hawks Nest Joint Venture in order for WPG and WISCO to more fully assess the impact of the position taken by the Department of Defence and to engage in further discussions with Defence and the whole of the Commonwealth. WISCO's representatives have stressed their strong commitment to continue to cooperate constructively and patiently with WPG so that this important joint venture can proceed and to consider reasonable changes to the joint venture's structure and documentation in order to accommodate the Commonwealth's concerns.

The following information is provided for member's consideration of Resolution 2:

- The number of securities (fully paid ordinary shares coded WPG) that the Company will issue is 12,121,100.
- The shares will be issued at a price of \$0.25 cents per share.
- The date of issue of the shares is not known at present as certain conditions precedent must first be satisfied. The issue date will however be no later than three months from the date of the meeting, or such other date as ASX may permit.
- The shares will be issued to or as directed by WISCO.
- The shares will rank pari pasu with the Company's ASX quoted securities coded WPG.

Resolution 3: Approval of an issue of Options – Placement to Incito Equity Solutions Pty Ltd

WPG has executed a service agreement with Incito Equity Solutions Pty Ltd (Incito), for the provision of consulting services. This is an arms-length transaction. Incito and its Directors are unrelated to WPG or its Directors. The transaction includes the issue of 2,000,000 WPG options to Incito as outlined in the table below:

	No. Options	Exercise price	Expiry date	Special conditions
Tranche 1	500,000	\$1.00	31/08/2011	None
	500,000	\$1.00	31/08/2011	Options vest 29 February 2011
Tranche 2	1,000,000	\$1.50	29/02/2012	Vesting conditional upon performance criteria (refer below)

By this resolution, the Company seeks shareholder approval of this proposed option issue.

The following information is provided for member's consideration of Resolution 3:

- The options will be issued to or as directed by Incito.
- Incito or any nominee is responsible for its own tax liability (if any) in relation to the option issue and the issue of any shares as a result of exercise of the options.
- The options will be issued within one month of the date of the meeting or at such time as deemed appropriate by an ASX waiver (if applicable).
- The options will be granted for nil monetary consideration and therefore no funds will be raised from the issue of the options.
- In order for the Tranche 2 options to vest the following performance criteria must be met:
 - WPG's share price must exceed \$1.00 (calculated on the volume weighted average price for the Company's shares trading on the ASX for the previous 15 days) at some point during the period from 31 August 2010 to 30 November 2010, in which case WPG will renew Incito's retainer for a further period of 3 months, or
 - If for any other reason WPG renews Incito's retainer three months after the date of the General Meeting.
- Any funds raised from the exercise of options will be used for general working capital and for the development of the Company's flagship project Peculiar Knob.
- The options carry no voting rights until such time as they are exercised and converted into fully paid ordinary shares.
- In accordance with the ASX Listing Rules, the options carry no rights to participate in new issues of securities to holders of shares except to the extent the options have been exercised, if that is permitted by the option terms, and the shares are allotted in respect of the options exercised before the record date for determining entitlements to the issue.
- In the event of reconstruction of Capital, the rights of an option holder will be changed to the extent necessary to comply with the Listing Rules applying to a reorganisation of capital at the time of the reorganisation. In particular, in the case of a pro rata offer of securities, the number of options will be adjusted in accordance with ASX Listing Rule 6.22.2.

If shareholders of the Company ratify the issue of the options to Incito, the options issued pursuant to this resolution will not count towards the 15% limit in respect of issues of equity securities which the Directors of the Company may undertake without shareholder approval in a 12 month period under ASX Listing Rule 7.1. In the event that the performance criteria are not met, then the options would not vest.

Resolution 4: Change the name of the Company to WPG Resources Ltd

The Company is increasingly recognised and referred to (albeit informally) by its abbreviation 'WPG', which is also the ASX code for the Company. Further, the Company's current name, Western Plains Resources Ltd, is considered to be somewhat unwieldy and more representative of its past, rather than the future. The Directors therefore propose a change in the name of the Company to WPG Resources Ltd. This name has been reserved with the Australian Securities and Investments Commission (ASIC).

The proposed change of name, which must be passed as a special resolution in order to be effective, will have no bearing on the rights and liabilities attaching to the Company's securities. In order for the name change to be effective, it must be approved by shareholders as a special resolution.

Resolution 5: Increase in the limit on Non-Executive Directors Fees

The current limit on the aggregate amount that may be paid to the non-executive Directors of the Company by way of Directors fees is \$200,000 per annum. This limit was set in 2006.

The Company is making the transfer from explorer to miner and, over time, a number of additional skill sets will need to be brought to the Company, at the Board level to effectively implement the Company's growth plans.

By increasing the limit on the aggregate amount that may be paid to the non-executive Directors of the Company by way of Directors fees from \$200,000 to \$500,000, the Company will have the flexibility to appropriately remunerate additional non-executive Directors as may be required from time to time. While the Company does not intend to utilise the full amount of this increase in non-executive Directors fees at present, the limit is considered appropriate by the Board and gives sufficient flexibility for future needs.

Resolution 6: Re-election of Director Dennis Mutton

Mr Mutton was appointed to the Board on 21 July 2010. Detailed information in relation to his qualifications and experience were released to the ASX on 21 July 2010. Mr Mutton was a director from August 2007 until December 2008 and has now rejoined the board. He is a management consultant specialising in natural resource management, primary industries and resources, regional growth initiatives and business-government relations.

Mr Mutton is required by the Company's constitution to retire at the General Meeting and, having done so, is eligible to and seeks re-election to the Board.

The Company's Directors (with Mr Mutton abstaining) strongly recommend that shareholders approve the re-election of Mr Mutton to the Board.

Resolution 7: Replace Western Plains Resources Ltd Employees and Officers Share Option Plan / Adoption of WPG Resources Ltd Incentive Rights Plan**Background**

The Company's existing Western Plains Resources Ltd Employees and Officers Share Option Plan (the Old Plan) was adopted in 2004.

Since the Old Plan was implemented there have been significant changes including:

- the Company's move to evolve from an explorer to a developer/miner,
- new employee share scheme (ESS) taxing provisions have recently been passed by Parliament,
- a new Corporations Act 2001 (Cth) limit of one year's base salary has been introduced on termination benefits that may be paid to executive and managerial officers (this includes the benefit value of shares, rights and options where vesting is triggered or accelerated by a termination of employment), and
- new long term incentive (LTI) guidelines have been implemented by stakeholders such as the Australian Shareholders Association.

The Company engaged an independent remuneration consultant, Godfrey Remuneration Group, for the purpose of assisting the Company's Remuneration Committee to review the Old Plan and determine an appropriate course of action moving forward. This process has identified a recommended approach of replacing the Old Plan with a new plan, which, if adopted, will be called the WPG Resources Ltd Incentive Rights Plan, (the New Plan). Adoption of the New Plan is the subject of this resolution.

It is the intention of the Company that cash share rights (Rights) be issued under the New Plan instead of employee share options under the Old Plan, as a means to deliver long-term incentive benefits to eligible persons and, accordingly, no further issues of employee options will be made by the Company under the Old Plan. However, all options issued to date under the Old Plan will remain valid under the terms of the Old Plan until their exercise or expiry.

ASX Listing Rule 7.1 requires a listed company to obtain shareholder approval prior to the issue of shares or securities convertible into shares (including options or Rights) representing more than 15% of the issued capital of that company in any rolling 12 month period. An exception to ASX Listing Rule 7.1, which is set out in ASX Listing Rule 7.2 (Exception 9), provides that issues under an employee incentive plan are exempt for a period of 3 years from the date on which shareholders approve the issue of securities under the plan as an exception to ASX Listing Rule 7.1.

Resolution 7 seeks shareholder approval for the adoption of the New Plan in accordance with Exception 9 of Listing Rule 7.2. If Resolution 7 is passed, the Company will be able to issue shares (or Rights) under the New Plan without impacting on the Company's ability to issue up to 15% of its total ordinary securities without shareholder approval in any 12 month period.

The objective of the New Plan is to attract, motivate and retain key employees. It is considered by the Directors that the adoption of the New Plan and the future issue of Rights and shares under the New Plan will give selected employees the opportunity to participate in the future growth of the Company and be a useful and appropriate tool to provide balanced, competitive remuneration packaging. Additionally, the issue of shares and Rights under the New Plan is less dilutive to the Company than the issue of options under the Old Plan.

In the case of an offer to an Executive Director of Rights under the New Plan, the acquisition of these equity securities will require shareholder approval in accordance with Listing Rule 10.14.

Performance and Retention Incentives

The Company believes that encouraging its employees to become shareholders is the best way of aligning their interests with those of its shareholders. In the past, equity participation has been accomplished through the Old Plan, which had previously been approved by shareholders.

The New Plan will become the principal tool for the award and administration of incentive entitlements to all eligible staff and group executives. The New Plan will represent a major simplification and standardisation of the Company's incentives system.

Subject to approval of Resolution 7, a Long-Term Incentive (LTI) Award will be made in the form of Rights to shares which will have a vesting timeframe of 3 years. The number of Rights that ultimately vest (that is, convert to shares) will be based on the Company's performance over the same 3 years. These awards take the form of Performance Rights and Retention Rights (refer below).

An LTI Award will be made by way of the grant of "**Performance Rights**" as soon as practicable after each financial year end. The number of Performance Rights to be granted annually to each employee is calculated by the following formula:

$$\text{Participant's Base Package} \times \text{Target Performance LTI\%} \div \text{Adjusted Right Value}$$

The performance measurement period will be three years, and performance will be based on average absolute and relative Total Shareholder Return (TSR) of sixty ASX listed companies. The sixty listed companies for the purposes of the calculation are peer companies nominated by Godfrey Remuneration Group, and those companies have a spread of size and level of operations such as to represent, in the Board's view, an appropriate benchmark group.

An LTI Award will also be made by way of grant of "**Retention Rights**", which will be issued to staff pursuant to the terms of the New Plan upon or as soon as practicable after commencement of employment and annually thereafter. These Rights would be granted and vest annually, with the full amount vesting if the employee were to remain employed by the Company for 3 years.

The number of Retention Rights to be granted annually to each employee is calculated by the following formula:

$$\text{Participant's Base Package} \times \text{Target Retention LTI\%} \div \text{Right Value}$$

Target Performance and Retention LTI% figures are developed from broad market data provided by Godfrey Remuneration Group.

Right value is determined by the following formula:

$$\text{Share Price} - (\text{Annual Dividend} \times \text{Minimum Vesting Period})$$

Adjusted Right Value is determined by the following formula, with **Probability of Vesting** set at 50% in line with broad market data:

$$\text{Right Value} \times \text{Probability of Vesting}$$

A summary of the terms and conditions of the New Plan is set out below. **The full terms and conditions of the New Plan may be obtained free of charge by contacting the Company Secretary and a copy will be available for examination at the General Meeting.**

Summary of the New Plan

Purpose of the New Plan

The purpose of the New Plan is to provide an incentive for employees and Executive Directors by enabling them to participate in the future growth of the Company and upon becoming shareholders to participate in the Company's profits and development. Under the New Plan, employees and Executive Directors may be granted rights to shares in the capital of the Company upon the satisfaction of specified performance criteria and specified periods of tenure (these are broadly referred to as "Rights" in this Explanatory Statement). The provision of this incentive is expected to result in future benefits to the shareholders and employees of the Company that result from:

- attracting, motivating and retaining key employees by providing balanced, competitive remuneration packaging;
- assisting employees to become shareholders in the Company, ensuring that they have commonly shared goals related to producing relatively high returns for shareholders;
- less dilution to the Company than the issue of options under the Old Plan.

Offer of Rights

When an employee satisfies specified criteria imposed by the Board (including performance criteria and specified periods of tenure) the Board may make a written offer to the employee of Rights. The offer will specify the number of Rights being offered and the conditions that must be met by the employee before the Rights will vest.

Number of Rights Offered

The number of Rights that will be offered to an employee pursuant to an offer is entirely within the discretion of the Directors. Each Right will, upon vesting, entitle the holder to one (1) share in the capital of the Company.

Vesting Conditions

The measurement and vesting period for both Performance and Retention Rights is 3 years.

Performance Rights – the number of Performance Rights granted is based on the formula outlined above. The number Performance Rights that vest is based on the performance of the Company relative to the average absolute and relative Total Shareholder Return (TSR) of sixty ASX listed companies over the three year vesting period. The Rights are granted annually and on a pro rata basis to the employees' period of tenure.

Retention Rights – the number of Retention Rights granted is based on the formula outlined above. Vesting of all Retention Rights will occur if the employee remains employed by the Company for three years. The Rights are granted annually and on a pro rata basis to the employees' period of tenure.

The Rights will not vest unless the vesting conditions imposed by the Board have been satisfied.

Rights cannot vest nor can shares be issued in relation to vested Rights during any period when such recipients would be excluded from acquiring shares under the Company's Securities Trading and Trading Windows policy.

Exercise Price

Employee participant in the New Plan will not be required to make any payment in return for a grant of Rights nor for the issue or transfer of shares upon the vesting of Rights.

Lapse of Rights

Rights that have not vested will lapse:

- at the end of the Measurement Period for Retention Rights;
- at the end of the Measurement Period for Performance Rights when some, but not all, of them do not vest;
- following one re-testing of Performance Rights if they fail to vest;
- if the Rights are transferred without the Board's consent;
- if the employee ceases his or her employment or employment relationship with a Group Company; or
- under any circumstances specified by the Board in the offer of Rights.

Shares Allotted Upon Exercise of Rights

The Company will issue or transfer fully paid, ordinary shares to the employee as soon as practicable after the vesting of Rights. The shares allotted under the New Plan will be of the same class and will rank equally with shares in the Company at the date of issue.

Transfer of Rights

A Right is not transferable without the consent of the Board.

Takeover, Scheme or Arrangement

In the event of a change-in-control including a takeover:

- Unvested Retention Rights will not be affected, and
- Unvested Performance Rights will vest in the proportion that the Company's share price has grown since the date of grant of the Performance Rights or such greater proportion as determined in the discretion of the Board. Maximum vesting is 100%.

Bonus Issues, Rights Issues and Capital Reconstruction

In order to prevent a reduction of the number of shares to which the Rights relate in the event of bonus issues, Rights issues or a capital reconstruction, there are provisions in the New Plan rules which provide a method of adjustment of the number of Rights to prevent such a reduction. In particular, in the case of a pro rata offer of securities, the number of options will be adjusted in accordance with ASX Listing Rule 6.22.2.

Participation in New Issues

There are no participating rights or entitlements inherent in the Rights and the holders will not be entitled to participate in new issues of capital offered to shareholders during the currency of the Rights. In addition, holders of Rights will not be entitled to vote or receive dividends as a result of their holding of Rights.

Resolutions 8, 9 and 10: Grant of Rights to Directors

Background

Shareholder approval is required under ASX Listing Rule 10.14 for the grant of Rights to Directors. Subject to the approval of Resolution 7, shareholder approval is sought for the grant of up to 1,066,667 Rights, potentially representing ordinary shares equal to 0.88% of the Company's current issued and outstanding ordinary shares, to vest over the next three years to the three executive Directors of the Company, pursuant to the New Plan described with regard to Resolution 7, above.

The grant of Rights will provide a long-term incentive for outstanding Company performance and promote opportunity for share ownership in the Company.

The ASX Listing Rules and the Corporations Act 2001 (Cth) set out a number of regulatory requirements which must be satisfied in relation to Resolutions 8, 9 and 10. These requirements are addressed below.

Technical Information Required by ASX Listing Rule 10.15A

ASX Listing Rule 10.15A requires the following information to be included in a notice of meeting proposing an approval under Listing Rule 10.14 of Rights which may be granted to Executive Directors.

The maximum number of Rights (and hence the maximum number of WPG shares) which may be granted to Executive Directors is 1,066,667, to vest over three years. The formulas applicable to the calculation of the number of Rights to be potentially issued in each year are described with regard to Resolution 7, above.

The number of Rights to be granted by the Company under the New Plan to each of the three Directors above is:

Bob Duffin	566,667
Heath Roberts	250,000
Gary Jones	250,000
	1,066,667

This is the maximum number of securities that may be acquired by all persons for whom approval is required.

The Right Value is determined by the following formula:

$$\text{Share Price} - (\text{Annual Dividend} \times \text{Minimum Vesting Period})$$

The Adjusted Right Value is determined by the following formula, with Probability of Vesting set at 50% in line with broad market data:

$$\text{Right Value} \times \text{Probability of Vesting}$$

No persons have been granted Rights under the New Plan.

The names of persons referred to in ASX Listing Rule 10.14 entitled to participate in the Plan are:

Bob Duffin
Heath Roberts
Gary Jones

No consideration is payable at the time of grant of the Rights or when shares are issued upon satisfaction of the vesting conditions attached to the Rights.

The Board may, from time to time at its absolute discretion declare that any full or part time employee or Executive Director of the Company (in the case of the latter, subject to shareholder approval) is eligible to receive Rights under the Plan.

No loans have been made by the Company to any person in relation to the acquisition of the Rights.

Details of any Rights and/or shares issued under the New Plan will be published each year in the Annual Report of the Company relating to the period in which Rights or shares have been issued and the Annual Report will disclose that approval for the issue of shares under the New Plan was obtained under Listing Rule 10.14. Any additional director who becomes entitled to participate in the New Plan after Resolutions 7-10 are approved who is not named in this Notice of Meeting will not participate until approval is obtained under Listing Rule 10.14 (if approval is required under that Listing Rule).

The Rights will be granted no later than 3 years after the date of this General Meeting (or such later date as permitted by any ASX waiver or modification of the Listing Rules).

In accordance with the ASX Listing Rules, there are no participating rights or entitlements inherent in the Rights and the holders will not be entitled to participate in new issues of capital offered to shareholders during the currency of the Rights. In addition, holders of Rights will not be entitled to vote or receive dividends as a result of their holding of Rights.

Conditions of the Rights

An initial allocation of Rights will be granted, subject to the terms and conditions of the New Plan referred to in Resolution 7. Information in relation to these allocations is provided below and in Resolution 7 of the Explanatory Statement. Following and subject to shareholder approval of Resolutions 8, 9 and 10 Performance Rights and Retention Rights will be issued to Executive Directors as set out in the table below.

Director	Performance Rights	Retention Rights
Bob Duffin	453,334	113,333
Heath Roberts	166,667	83,333
Gary Jones	166,667	83,333

The Performance Rights will vest upon the satisfaction of the relevant vesting criteria described above. These Rights will be effective from 1 July 2010.

The Retention Rights will vest upon the Director achieving a tenure period of 3 continuous years from the date of grant.

Exercise of Rights and Allocation of Shares

To the extent that the performance and retention conditions outlined above in relation to Resolution 7 have been satisfied, the Rights will vest automatically. Shares allocated upon vesting of Rights will rank equally with all other shares of the Company on issue.

Based on independent advice and extensive investigation, the Non-executive Directors are of the view that the overall remuneration of the Executive Directors, including the proposed grant of Rights, is reasonable having regard to the circumstances of the Company, the duties and responsibilities of the Executive Directors and the market levels of remuneration for officers in similar positions in similar sized companies.

Section 208 of the Corporations Act

Under Chapter 2E of the Corporations Act, a public company cannot give a "financial benefit" to a "related party" unless one of the exceptions to the section apply or shareholders have in general meeting previously approved the giving of that financial benefit to the related party. In the current circumstances, the grant of the Rights to the Directors constitutes a "financial benefit" as defined in the Corporations Act. Accordingly, the proposed grant of Rights constitutes the provision of a financial benefit to related parties of the Company. The Company is of the view that grant of the Rights falls within one of the exceptions to Chapter 2E of the Corporations Act, however provides additional information as follows.

Section 219 of the Corporations Act

Pursuant to Section 219 of the Corporations Act, the following information is provided to shareholders:

- a) The related parties to whom the financial benefit will be given are the three Directors of the Company, Messrs Bob Duffin, Heath Roberts and Gary Jones.
- b) The nature of the financial benefit to each of the relevant persons is the grant of Rights pursuant to the New Plan for nil cash consideration. The number of Rights to be granted to Messrs Duffin, Roberts and Jones was determined as part of the Company's annual remuneration settlement which included a review of the remuneration paid to directors of companies of a similar size to the Company and factoring in the skill, experience and contribution of each of Messrs Duffin, Roberts and Jones, when considered together with his remuneration detailed below.

The Directors who do not have a material personal interest in the outcome of Resolutions 8, 9 and 10 recommend approval of the Resolutions.

- c) If shareholders approve the grant of the Rights, and all of the Rights vest, the effect will be to dilute the shareholding of existing shareholders by approximately 0.88% on an undiluted basis (based on the number of Company shares on issue as at 30 June 2010), or approximately 0.84% on a diluted basis (based on the number of Company shares and options on issue as at 30 June 2010).

- d) If vesting occurs then a cash award of \$1,000 will be payable to the Participant. If the Vested Rights Value is more than \$1,000 then the Participant will be entitled to the transfer or issue of WPG shares, the number to be determined by dividing the excess of the Vested Rights Value over \$1,000 by the WPG share price.
- e) In the 12 months before the date of this notice, the highest, lowest and last trading price of the Company's shares on ASX are as set out below:

	Date	Price (\$)
Highest	6 April 2010	\$1.05
Lowest	29 September 2009	\$0.22
Last	28 July 2010	\$0.79

- f) As at the date of this notice, the Directors subject of the proposed issue of Rights referred to in Resolutions 8, 9 and 10 hold the following relevant interests in securities in the Company.

Director's Name	Interest in WPG shares	Interest in WPG November 2011 25c options
Bob Duffin	13,779,184	0
Heath Roberts	541,666	1,000,000
Gary Jones	1,013,332	500,000

- g) In addition to the Rights referred to above, the Directors receive the following additional remuneration from the Company.

Director's Name	Designation	Base Package 2011
Bob Duffin	Executive Chairman	340,000
Heath Roberts	Executive Director	250,000
Gary Jones	Executive Director	250,000

* During the 2008 financial year the Executive Directors named above made significant voluntary salary reductions of 30%. Additionally, the Directors were not issued options under the Old Plan for the last two years. At the 2008 AGM resolutions relating to option issues to the Directors were voluntarily withdrawn and no options were granted in 2009.

- h) The value of the Rights will be expensed by the Company. Other than as set out in this Notice of Meeting and Explanatory Statement, the Company considers that from an economic and commercial point of view there are no costs or detriments, including opportunity costs or taxation consequences, for the Company or benefits foregone by the Company, resulting from the grant of Rights pursuant to Resolutions 8, 9 and 10.
- i) Neither the Directors nor the Company are aware of any other information that would be reasonably required by shareholders to make a decision in relation to the financial benefits contemplated by Resolutions 8, 9 and 10.



Name and Address

ALL CORRESPONDENCE TO:
 Registries Limited
 GPO Box 3993
 Sydney NSW 2001
 Australia



Your Address

This is your address as it appears on the company's share register. If this is incorrect, please mark the box with an "X" and make the correction on the form. Securityholders sponsored by a broker should advise your broker of any changes. **Please note, you cannot change ownership of your securities using this form.**

YOUR VOTE IS IMPORTANT

**FOR YOUR VOTE TO BE EFFECTIVE IT MUST BE RECORDED BEFORE 11AM
 SUNDAY 29 AUGUST 2010**

TO VOTE ONLINE

Reference Number: <HIN/SRN>



STEP 1 : VISIT www.registries.com.au/vote/westernplainsgm2010

STEP 2: Enter your holding/Investment type

STEP 3: Enter your Reference Number and VAC: <VAC NUMBER>

TO VOTE BY COMPLETING THE PROXY FORM

SAMPLE

STEP 1 Appointment of Proxy

Indicate here who you want to appoint as your Proxy. If you wish to appoint the Chairman of the Meeting as your proxy, mark the box. If you wish to appoint someone other than the Chairman of the Meeting as your proxy please write the full name of that individual or body corporate. If you leave this section blank, or your named proxy does not attend the meeting, the Chairman of the Meeting will be your proxy. A proxy need not be a security holder of the company. Do not write the name of the issuer company or the registered securityholder in the space.

Proxy which is a Body Corporate

Where a body corporate is appointed as your proxy, the representative of that body corporate attending the meeting must have provided an "Appointment of Corporate Representative" prior to admission. An Appointment of Corporate Representative form can be obtained from the company's securities registry.

Appointment of a Second Proxy

You are entitled to appoint up to two proxies to attend the meeting and vote on a poll. If you wish to appoint a second proxy, an additional Proxy Form may be obtained by telephoning the company's securities registry or you may copy this form.

To appoint a second proxy you must:

- (a) complete two Proxy Forms. On each Proxy Form state the percentage of your voting rights or the number of securities applicable to that form. If the appointments do not specify the percentage or number of votes that each proxy may exercise, each proxy may exercise half your votes. Fractions of votes will be disregarded.
- (b) return both forms together in the same envelope.

STEP 2 Voting Directions to your Proxy

You can tell your Proxy how to vote

To direct your proxy how to vote, place a mark in one of the boxes opposite each item of business. All your securities will be voted in accordance with such a direction unless you indicate only a portion of voting rights are to be voted on any item by inserting the percentage or number of securities you wish to vote in the appropriate box or boxes. If you do not mark any of the boxes on a given item, your proxy may vote as he or she chooses. If you mark more than one box on an item your vote on that item will be invalid.

STEP 3 Sign the Form

The form **must** be signed as follows:

Individual: This form is to be signed by the securityholder.

Joint Holding: where the holding is in more than one name, all the securityholders must sign.

Power of Attorney: to sign under a Power of Attorney, you must have already lodged it with the registry. Alternatively, attach a certified photocopy of the Power of Attorney to this form when you return it.

Companies: this form must be in accordance with the company's constitution and the Corporations Act. **Please indicate the office held by signing in the appropriate place.**

STEP 4 Lodgement of a Proxy

This Proxy Form (and any Power of Attorney under which it is signed) must be received at an address given below not later than 48 hours before the commencement of the meeting at **11am on Sunday, 29 August 2010**. Any Proxy Form received after that time will not be valid for the scheduled meeting.

Proxies may be lodged using the reply paid envelope or:

BY MAIL - Share Registry – Registries Limited, GPO Box 3993, Sydney NSW 2001 Australia

BY FAX - + 61 2 9290 9655

IN PERSON - Share Registry – Registries Limited, Level 7, 207 Kent Street, Sydney NSW 2000 Australia

Vote online at:

www.registries.com.au/vote/westernplainsgm2010
 or turnover to complete the Form ➔

Attending the Meeting

If you wish to attend the meeting please bring this form with you to assist registration.

Western Plains Resources Ltd

<Co Name>
 <Address 1>
 <Address 2>
 <Address 3>
 <Address 4>
 <Address 5>

<BARCODE>#

STEP 1 - Appointment of Proxy

I/We being a member/s of **Western Plains Resources Ltd** and entitled to attend and vote hereby appoint

the Chairman of the Meeting (mark with an 'X') **OR**

If you are not appointing the Chairman of the Meeting as your proxy please write here the full name of the individual or body corporate (excluding the registered Securityholder) you are appointing as your proxy.

or failing the individual or body corporate named, or if no individual or body corporate is named, the Chairman of the Meeting, as my/our proxy at the **General Meeting of Western Plains Resources Ltd to be held at the Banjo Patterson Room, Sydney Harbour Marriott, 55 Pitt Street, Sydney, NSW 2000 on Tuesday, 31 August 2010 at 11am** and at any adjournment of that meeting, to act on my/our behalf and to vote in accordance with the following directions or if no directions have been given, as the proxy sees fit.

If the Chairman of the Meeting is appointed as your proxy or may be appointed by default, and you do not wish to direct your proxy how to vote in respect of a resolution, please mark this box. By marking this box, you acknowledge that the Chairman of the Meeting may vote as your proxy even if he has an interest in the outcome of the resolution and votes cast by the Chairman of the Meeting for those resolutions, other than as proxy holder, will be disregarded because of that interest. If you do not mark this box, and you have not directed your proxy how to vote, the Chairman of the Meeting will not cast your votes on the resolution and your votes will not be counted in calculating the required majority if a poll is called. The Chair intends to vote all undirected proxies in favour of the resolution.

STEP 2 - Voting directions to your Proxy – please mark to indicate your directions

Resolution	For	Against	Abstain*
1 Ratification of an Issue of Shares – Placement April 2010	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2 Approval of an issue of Shares – Placement to Wugang Australia Resources Investment Pty Ltd (WISCO)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3 Approval of an issue of Options – Placement to Incito Equity Solutions Pty Ltd	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4 Change the name of the Company to WPG Resources Ltd	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5 Increase in the limit on Non-Executive Directors Fees	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
6 Re-elect Director Dennis Mutton	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
7 Replace Western Plains Resources Ltd Employees and Officers Share Option Plan / Adoption of Western Plains Resources Ltd Employees and Officers Rights Plan	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
8 To approve a Grant of Share Rights to a Director – Bob Duffin	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
9 To approve a Grant of Share Rights to a Director – Heath Roberts	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
10 To approve a Grant of Share Rights to a Director – Gary Jones	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

The Chairman of the Meeting intends to vote undirected proxies in favour of each of the items of business.

*If you mark the Abstain box for a particular item, you are directing your proxy not to vote on your behalf on a show of hands or on a poll and your votes will not be counted in computing the required majority on a poll.

STEP 3 - PLEASE SIGN HERE This section *must* be signed in accordance with the instructions overleaf to enable your directions to be implemented.

Individual or Securityholder 1	Securityholder 2	Securityholder 3
Sole Director and Sole Company Secretary	Director	Director/Company Secretary