

ASX and Media Release

Quarterly activities report June quarter 2007

Western Plains Resources Ltd (ASX:WPG) is progressing its feasibility study for the development of the Peculiar Knob direct shipping iron ore (DSO) project in South Australia. The study is now scheduled for completion in late August. The identified mineral resource estimate for the Peculiar Knob project now totals 19 million tonnes at an average grade of 63.7% Fe. The Buzzard mineral resource estimate has been increased to 9.1 million tonnes at an average grade of 60.1% Fe. Two new zones of high grade iron mineralisation have been identified by recent drilling in the Hawks Nest tenement.

HIGHLIGHTS

- ❖ The feasibility study for the Peculiar Knob DSO project is progressing well, but is behind schedule. It is now expected to be substantially completed by the end of August. The mining lease application has been lodged and is expected to be granted in February 2008. Applications for mineral claims at the Buzzard and Kestrel deposits at Hawks Nest have been submitted. Mineral claims are an intermediate step towards the grant of a mining lease
- ❖ During the quarter the Company announced that a funding package of up to \$77.5 million for the development of the Peculiar Knob project had been negotiated. Part of the equity amount included in the package is subject to shareholder approval, and a general meeting has been convened for 6 August to consider and approve this component.
- ❖ Two new zones of high grade iron mineralisation have been discovered in holes recently completed by WPG at Buzzard East and Kite South in the Hawks Nest tenement. These holes were part of a drilling program designed to test several promising geophysical targets for the presence of new DSO hematite. Follow-up drilling is planned.

30 July 2007



ABN 51 109 426 502
Level 11, Kyle House
27-31 Macquarie Place
Sydney NSW 2000
Telephone (+612) 9251 1044
Facsimile (+612) 9247 3434
info@westernplainsresources.com.au
www.westernplainsresources.com.au

CORPORATE

Placement

On 2 May WPG announced that it had placed 6,500,000 ordinary shares at a price of \$0.53 per share to institutions to raise \$3.5 million before expenses.

Peculiar Knob Financing and Offtake Agreement

On 4 July WPG announced that it had executed a binding heads of agreement (**HOA**) with Focus Investment Limited (**Focus**) and Tangshan Xingye Industry and Trade Group Co, Ltd (**Xingye**) pursuant to which:

- Focus will subscribe for 5,813,953 ordinary voting shares in WPG for a total subscription amount of \$7.5 million at an issue price of \$1.29 per share, in two tranches;
- Focus will be solely responsible for procuring project debt funding of not less than \$50 million for development of the Company's DSO iron ore projects; and
- Focus and/or Xingye will be granted the exclusive right and obligation to purchase not less than 70% of DSO ore produced, on a take or pay basis.

In addition, Focus has been granted a first right of refusal to participate in the development of the magnetite projects forming part of the Company's Hawks Nest project, and the exclusive right to market 20% of the total magnetite produced from the Hawks Nest project.

The allotment of the first tranche of 2,325,582 shares was made on 18 July. The second tranche of 3,488,372 shares is subject to approval by WPG's shareholders. A general meeting of WPG's shareholders will be held on 6 August to consider and if thought fit approve the issue of the second tranche.

The \$50 million debt funds to be procured by Focus for development of the Company's DSO projects will be increased to a maximum of \$70 million if the bankable feasibility study (**BFS**) now being completed by WPG suggests that a larger amount will be required. In that event, Focus and/or Xingye will be granted the exclusive right and obligation to increase the percentage of DSO ore to be marketed by them on a take or pay basis from 70% by 1% for each \$1 million by which the capital expenditure exceeds \$50 million, to a maximum of 90%.

The procurement of the project debt by Focus is subject to the completion by WPG of an acceptable BFS and the grant of a mining lease. The loan will be repaid out of project cashflow on normal commercial terms, but with a favourable rate of interest payable by WPG.

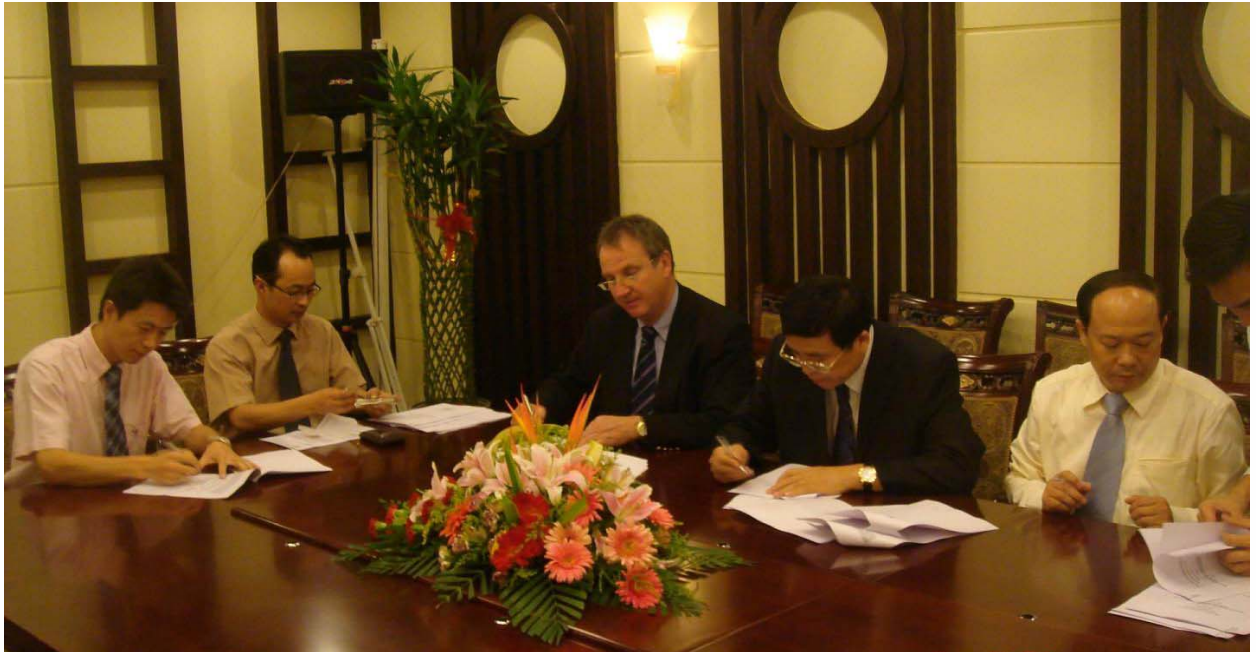


Figure 1
Signing Ceremony, Tangshan, Hebei Province, China, 3 July 2007

From left to right: Mr Myles Fang, WPG; Mr. Qunli Sun, Managing Director of Tangshan Dinghui Investment & Guarantee Co Ltd and Managing Director of Focus Investment Ltd; Mr Bob Duffin, Executive Chairman of WPG; Mr Wen Zhao, Chairman of Tangshan Longhuiyuan Commerce & Trade Co Ltd and Chairman of Focus Investment Ltd, and Mr Zhanxin Yan: President (Chairman) of Tangshan Xingye Industry and Trade Group Co Ltd.

The DSO ore subject to the take or pay arrangement will be purchased by Focus and/or Xingye on a full FOB basis and at a price set annually at parity with Pilbara benchmark prices. A 7% premium will apply for the first two years' production, reflecting the high quality of the ore. The premium will be reviewed each two years, depending on market conditions at the time.

Focus is a Hong Kong company that is related to the Chinese companies Tangshan Longhuiyuan Commerce & Trade Co, Ltd, and Tangshan Dinghui Investment and Guarantee Co, Ltd. Longhuiyuan is a trading company which, amongst other things, trades in iron ore, coal and steel. Dinghui is an investment company with interests a number of business areas.

Focus's debt funding and offtake obligations under the HOA are guaranteed by Xingye. Xingye is a privately owned integrated iron ore mining company and steel maker that was founded in 1984. Its main plants are located in the city of Tangshan, Hebei Province, 120 kilometres east of Beijing. It is one of the top 500 companies in China and one of the top 100 taxpayers. It has a Chinese AAA banking rating. The Xingye group produced 2 million tonnes of steel last year, and plans to increase that to 3 million tonnes this year. Its steel sales are made to most Chinese Provinces. It has offshore investments in India, Malaysia and Singapore, and is planning further activities in Thailand and the Philippines.

SOUTH AUSTRALIAN DSO IRON ORE PROJECT

Background

WPG's iron ore project in South Australia lie on the Peculiar Knob tenement, RL 103, and the Hawks Nest tenement, EL 3196. WPG holds its interests in both of these tenements through its 100% owned subsidiary Southern Iron Pty Ltd (**Southern Iron**). Iron ore deposits occur in both tenements. Peculiar Knob is a high grade specular haematite direct shipping ore deposit with very low levels of impurities. Hawks Nest contains five known magnetite deposits occurring in banded iron formations, one known DSO deposit (Buzzard) and one high grade altered magnetite deposit (Kite). The locations of the two tenements are shown in Figures 1. Projects held by other companies in the region and currently under development or at the feasibility study stage are also shown in Figure 1. This drawing also shows potential haul road routes to rail sidings on the Tarcoola-Alice Springs railway.

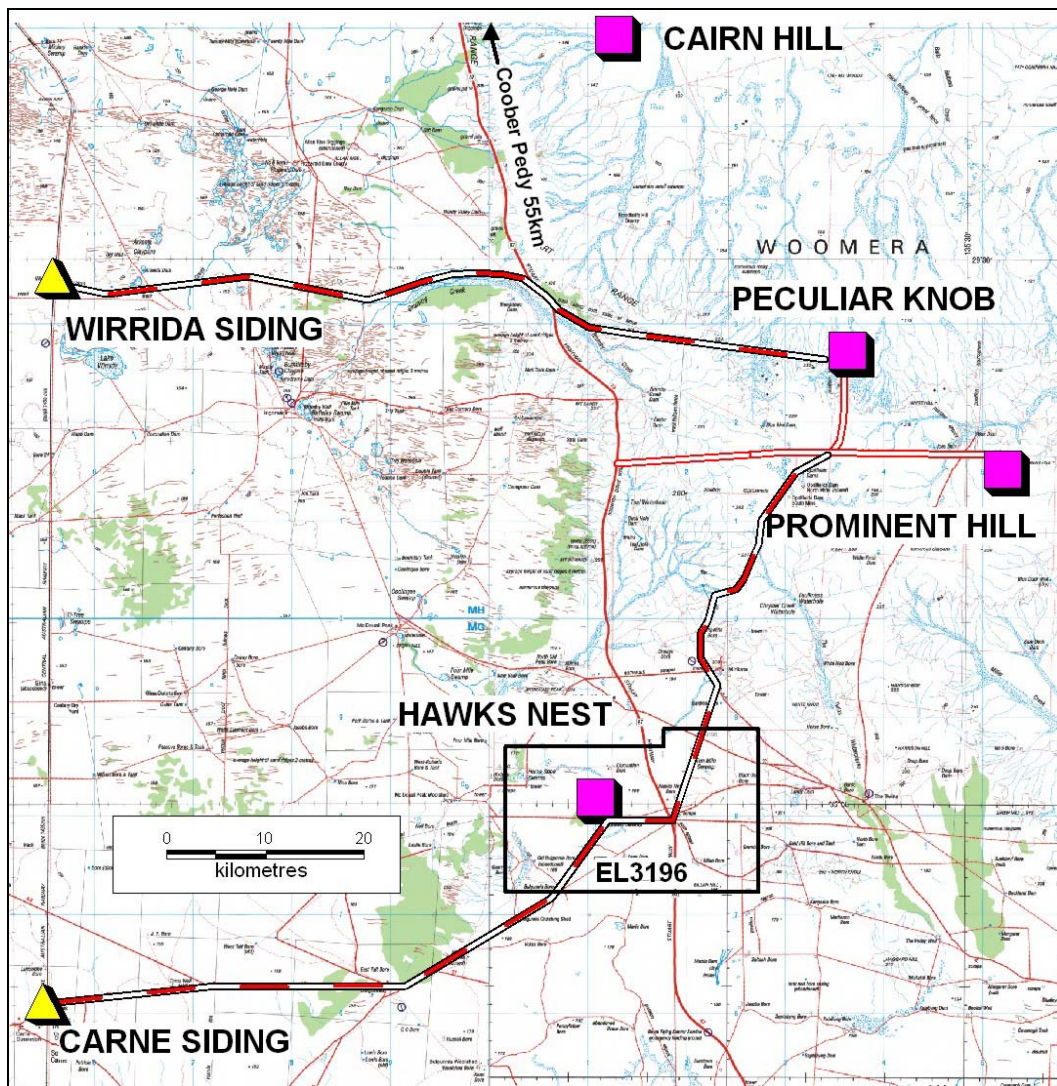


Figure 2
Locations of Peculiar Knob and Hawks Nest Tenements

Mineral Resource Estimates

WPG released an updated mineral resource estimate for the Peculiar Knob project on 24 May. This estimate was based on a sectional approach, was prepared manually, and included all available data including that obtained as part of the project's BFS. Since then, the Company has completed a set of computer-assisted estimates. The revised estimate, also based on a 55% Fe cut-off grade, is set out in Table 1. The differences between the 24 May and the current estimate are not material, giving comfort with the integrity of the modelling procedures adopted.

Table 1
Mineral Resource Estimate – Peculiar Knob

Category	Million Tonnes	Fe %	P %	SiO ₂ %	Al ₂ O ₃ %	LOI %
Measured resource	13.4	63.7	0.01	7.4	0.3	0.5
Indicated resource	4.1	63.4	0.02	8.2	0.2	0.4
Inferred resource	1.5	64.5	0.02	6.0	0.3	0.3
Total resource	19.0	63.7	0.02	7.5	0.3	0.5

WPG's other DSO deposit for which an identified mineral resource estimate has been prepared is the Buzzard deposit in the nearby Hawks Nest tenement. The Company's consultants have re-calculated the resource estimate at Buzzard, again using a 55% Fe cut-off grade. This estimate is 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	2.1	61.7	0.03	9.3	1.1	0.8
Indicated resource	4.5	59.8	0.05	11.1	1.4	1.1
Inferred resource	2.5	59.2	0.06	9.7	2.6	2.0
Total resource	9.1	60.1	0.05	10.3	1.7	1.3

The total resource estimates for the Peculiar Knob and Buzzard DSO projects are shown in Table 3.

Table 3
Mineral Resource Estimate – Peculiar Knob and Buzzard Combined

Category	Million Tonnes	Fe %	P %	SiO ₂ %	Al ₂ O ₃ %	LOI %
Measured resource	15.5	63.4	0.01	7.7	0.4	0.5
Indicated resource	8.6	61.5	0.04	9.7	0.8	0.8
Inferred resource	4.0	61.2	0.05	8.3	1.7	1.4
Total resource	28.1	62.5	0.02	8.0	0.7	0.7

Peculiar Knob Feasibility Study

WPG commenced the Peculiar Knob DSO BFS in December 2006. Eight specialist consulting firms have been appointed to contribute to the BFS. The study was scheduled for completion in June. It is slightly behind schedule as management's focus for the last two months has been directed towards securing the financing and offtake package announced on 4 July. The study is now scheduled to be substantially completed by the end of August. Progress to date is set out in Table 4.

Table 4
Status of Peculiar Knob Feasibility Study

Function	Consultant	Status		
		Started	Substantial Progress	Signed Off
Environmental issues	Parsons Brinckerhoff		√	
Resource modelling	WPG			√
Resource model audit	Hellman & Schofield	√		
Metallurgical supervision	Multimet		√	
Metallurgical testwork	IML (now Amdel)			√
Geotechnical study	Pells Sullivan Meynink			√
Pit design, ore reserves	Australian Mine Design and Development	√		
Engineering	Como Engineers		√	
Site and offsite logistics	Como Engineers		√	
Financial modelling	WPG/Airpl	√		

A presentation on the BFS will be released as soon as reliable information is available.

DSO Exploration at Hawks Nest

The Company completed a percussion drilling program as part of its DSO exploration at Hawks Nest during the previous quarter. Results have been now been received. High grade iron intersections were made in two of the holes that were designed to test several promising geophysical targets for the presence of new DSO hematite and/or high grade magnetite deposits within the Hawks Nest BIF terrain. At the Buzzard East prospect hole HNWPR8 intersected 6 metres with an average grade of 50.7% Fe immediately beneath 40 metres of clay and running sand that forced the premature abandonment of the hole. This hole was drilled on a northeast trending residual gravity anomaly that extends for over 1 kilometre along what is interpreted to be a major structure from the Buzzard DSO hematite deposit. The geophysical setting of this area is shown in Figure 3.

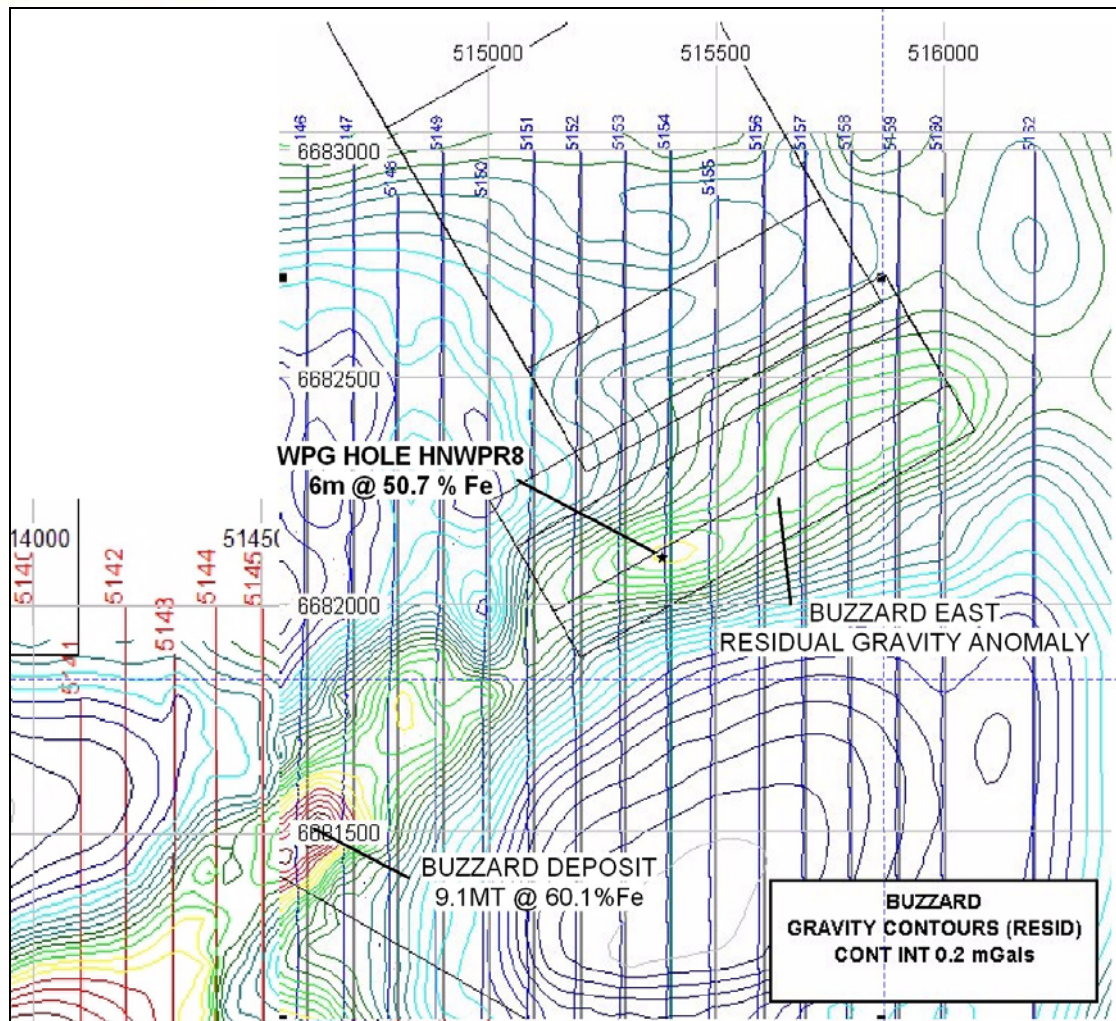


Figure 3
Buzzard Residual Gravity Contours

Hole HNWPR6 at the Kite South prospect intersected 12 metres at an average grade of 63.1% Fe (up to a maximum 67.7% Fe from 25 to 27 metres down hole) from a depth of 19 metres to the base of oxidation at 31 metres. WPG considers that these intersections at Buzzard East and Kite are significant and represent potential new discoveries of DSO hematite mineralisation.

Broad intersections of moderate Fe grade magnetite mineralisation were made in several of the other holes including 112 metres at 41.9% Fe from 38 to 150 metres in hole HNWPR10 at the East Central prospect. A full summary of results is contained in Table 4.

Table 4
June Quarter Hawks Nest Drilling Results

Hole	Easting m	Northing m	Depth m	From m	To m	Interval m	Fe %
HNWPR1	506360	6678250	102	34	88	54	34.5
HNWPR2	506430	6678300	120	10	50	40	34.0
HNWPR3	506490	6678060	126	8	60	52	37.5
				70	124	54	40.9
HNWPR4	506565	6678105	120	3	83	80	35.9
HNWPR5	506915	6677685	117	18	72	54	34.7
HNWPR6	506700	6677825	150	5	87	82	41.3
			Incl.	5	49	44	49.0
			Incl.	19	31	12	63.1
HNWPR7	512905	6681460	150	10	150	140	38.7
HNWPR8	515515	6682270	46	40	46	6	50.7
HNWPR9	515490	6682310	32	No assays	Hole	abandoned	
HNWPR10	512630	6680170	150	38	150	112	41.9
HNWPR11	512630	6680070	180	54	96	42	30.8
				159	179	20	30.7
HNWPR12	513730	6680340	73	52	73	21	34.9
HNWPR13	513730	6680240	49	No assays	Hole	abandoned	
HNWPR14	506105	6679020	105	24	32	8	43.6
HNWPR15	506005	6679020	73	No assays	Hole	abandoned	
HNWPR16	505895	6679970	150	7	84	77	32.4
HNWPR17	505995	6679970	151	7	151	144	30.8
HNWPR18	511350	6679270	97	28	97	69	36.6
HNWPR19	514754	6680685	90	34	90	56	35.7

Permitting

A draft mining lease application for the Peculiar Knob project was lodged in late May. Based on recent advice from PIRSA, the regulatory authority, the mining lease is expected to be granted in February 2008.

Mineral claim applications have been lodged to cover the Buzzard deposit at Hawks Nest. These applications are being processed by PIRSA. Mineral claims are an intermediate step in the process between an exploration licence and a mining lease.

Forward Exploration Program

WPG has planned a further 3,000 metre program of drilling for Hawks Nest that will be commenced as soon as a suitable rig can be contracted. At the Buzzard deposit several in-fill resource definition holes will be drilled together with three large diameter diamond core holes to provide samples for metallurgical test work. Follow-up exploration holes will be drilled at the Buzzard East and Kite South prospects and holes that had to be abandoned will be redrilled with more suitable equipment.

WPG also plans to conduct a detailed low level airborne magnetic and radiometric survey to cover the entire Hawks Nest tenement.

SOUTH AUSTRALIAN MAGNETITE PROJECT

Hawks Nest

Further reviews of existing data from the Hawks Nest magnetite deposits have been undertaken. An information memorandum designed to present a summary of the status of the project and its potential, and an outline of the investment opportunity it presents, is in preparation.

Mineral resource estimates for the Hawks Nest magnetite deposits, as previously reported, are shown in Table 5.

Table 5
Mineral Resource Estimates – Magnetite Deposits

Deposit	Category	Million Tonnes	Fe %	P %	SiO ₂ %	Al ₂ O ₃ %	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	-	-	-	-

COPPER/GOLD EXPLORATION PROJECTS

Trundle NSW

EL 4512, EL6655 - WPG 100%

Results for the two inclined RC percussion holes drilled at the **Mordialloc Prospect** were plotted and studied in detail. WPG considers the copper-gold mineralisation intersected in holes TR047 and TR048 is contained within a large porphyry system that has overall dimensions of 1,400 metres north-south by 950 metres east-west and that this system requires more drilling to adequately test it. Planning of follow-up drilling is in progress.

As part of the next stage of exploration for the Trundle project WPG is planning to conduct further investigation of the Copper Hill, Botfields and Dunns prospects in the far south of the tenement. Previous drill intersections at these prospects are significantly encouraging to warrant additional exploration and will be targeted for further drilling as will un-tested areas of previously outlined RAB geochemical anomalies.

Lake Cargelligo NSW

EL 6367, EL 6530 - WPG 100%

No fieldwork was conducted on the Lake Cargelligo areas during the quarter. Planning for the next phase of exploration is in progress. This is likely to involve deeper drill testing of the Achilles 3 geochemical anomaly, follow-up drilling at Achilles 1 and follow-up air core drilling on emerging geochemical targets on the northern sector of the Achilles Shear Zone.

Peak Hill East NSW

EL 6342, EL 6675 - WPG 100%

No fieldwork was conducted on the Peak Hill areas during the quarter.

Euriowie NSW

EL 5771 and EL 6188 – WPG can earn 60%

The results of four programmes of RAB, RC percussion and diamond drilling by WPG at the Yalcowinna Creek prospect have broadly outlined a copper mineralised system that is 850 metres long, on average 20-25 metres thick and extends for at least 390 metres down dip. The uniform and predictable continuity of this system is highly unusual for the Broken Hill district where the rocks are generally intensely folded and sophisticated structural interpretation is required to determine the configuration of many of the known mineral bodies. The Yalcowinna Creek mineralised system is open both along strike and down dip. WPG considers there remains ample room for zones of significantly higher grade mineralisation to occur within the large un-tested areas of this deposit.

WPG plans to carry out additional RAB sampling in areas with shallow soil cover along strike to the north and south in order to determine the limits of the mineralisation. The results of this drilling will be merged with the existing data and used to define new targets for deeper drilling.

Mulyungarie SA

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

No fieldwork was conducted on the Mulyungarie areas during the quarter.

Redan NSW

EL 5795 - WPG 100%

No fieldwork was conducted on the Redan area during the quarter.

Competent Persons

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.

The mineral resource estimate set out in Table 2 for the Buzzard deposit 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 WPG's Executive Chairman Bob Duffin, on (02) 9251 1044 or 0412 234 684, or Gary Jones, on (+647) 854 0453 or 0410 358 280.