

ASX and Media Release

Quarterly activities report March quarter 2008

HIGHLIGHTS

- ❖ The total resource estimate for the Buzzard DSO deposit at Hawks Nest has increased to 14.1 million tonnes at 62.0% Fe, as a result of the drilling program that began in October 2007 and was completed in March 2008. The total DSO inventory at Peculiar Knob and Buzzard is now estimated to be 33.1 million tonnes at an average grade of 62.9% Fe.
- ❖ Highly encouraging drilling results from the Tui DSO prospect and also at the Buzzard South and Harrier prospects at Hawks Nest have been received.
- ❖ An initial resource estimate for the Tui DSO deposit will be completed and released when all outstanding data is to hand – probably early in May.
- ❖ Tui also contains a large body of haematite banded iron formation that typically assays in the range 35-40% Fe. A resource estimate will be prepared and released when all data is processed. Metallurgical testwork on this material will be carried out in the June Quarter.
- ❖ A scoping study for development of the Kestrel magnetite deposit at Hawks Nest was completed during the Quarter. The results are very positive and suggest the Hawks Nest magnetite deposits could be amongst the best in Australia.
- ❖ The offer of the Peculiar Knob mining lease is expected in early May.
- ❖ Requests for expressions of Interest for the construction of an iron ore export facility at Port Bonython in the northern part of Spencer Gulf will be initiated and advertised by the SA Government in early May.

29 April 2008



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CORPORATE

Project Funding

WPG and Xin Sheng International Private Limited, a Singapore company, entered into a binding agreement in 2007 whereby Xin Sheng would provide a \$115 million funding package for the development of the Peculiar Knob project. This agreement is being renegotiated and the parties will discuss in good faith the details of such funding when port access and regulatory approval issues are resolved.

WPG has also entered into non-binding Heads of Agreement with three Chinese steel mills and with a Korean trader for long term supply of uncommitted iron ore on attractive pricing terms.

SOUTH AUSTRALIAN DSO IRON ORE PROJECT

WPG's iron ore projects in South Australia lie on the Peculiar Knob tenement, RL 103, and the Hawks Nest tenement, EL 3196 within which two mineral claims, MCs 3809 (Kestrel) and 3810 (Buzzard), lie. WPG holds its interests in these tenements through its 100% owned subsidiary Southern Iron Pty Ltd.

Peculiar Knob

Recent Drilling

Three diamond drill holes for 411 metres were drilled at Peculiar knob during the March quarter. These holes were designed to provide additional geotechnical data to refine the design of the proposed starter open pit. All core was oriented during the drilling and structural measurements and other logging has been completed. A core inspection was made by the company's geotechnical consultants who will provide a supplementary report following detailed analysis of the new data derived from these holes.

Mining Lease and Other Tenements

The Director of Mines has advised that provisional conditions for the Peculiar Knob mining lease have been finalised and the application has been referred as a matter of course to the Extractive Industries Committee of Planning SA. Assuming the process proceeds as anticipated, the offer of a mining lease is expected to be made in early May.

Miscellaneous Purpose Licence applications for the proposed waste dump, haul road, crushing plant site and accommodation village and airstrip have been prepared and have been surveyed in the field. These applications, together with the Mining and Rehabilitation Plan will be lodged shortly after the conditions attaching to the mining lease are known.

Compensation agreements with pastoral lease holders are in preparation. Negotiations have commenced with holders of exploration licences that will be affected by the haul road route and no major issues are anticipated in obtaining these approvals.

Department of Defence

Discussions and negotiations with the Department of Defence for access for mining purposes to the Woomera Prohibited Area are continuing.

Water

Good flows of water of suitable quantity and quality for use in the Peculiar Knob mining project, including potable water for the accommodation village, have been recorded in exploration drill holes at Hawks Nest. This water occurs in basement fractures, not in the younger Great Artesian Basin or other overlying sedimentary units. Pumping tests have been completed and water extraction licences are being prepared.

Port Bonython

The Minister for Transport, Energy and Infrastructure has announced that expressions of interest will be called shortly for the construction of a deep water port in the northern end of Spencer Gulf at Port Bonython, 25 kilometres from Whyalla, that will be suitable for the export of iron ore. WPG expects that advertisements will appear in the media on or about 5 May.

WPG will take an active role in this process with a view to influencing the scale, scope and timing of the proposed port development.

Port Darwin

The Company and the Darwin Port Corporation (**DPC**) have agreed a draft MOU that is subject to Ministerial approval which is currently being sought by the DPC. The MOU relates to the export of iron ore from Darwin.

Hawks Nest

WPG has completed the extensive RC percussion and diamond drilling program that commenced in late October 2007. A total of 9,297 metres was drilled in 65 holes as follows:

| | | |
|-----------------------------|----------|--------------|
| Buzzard RC Percussion | 26 holes | 3,742 metres |
| Buzzard Diamond Core | 4 holes | 577 metres |
| Tui RC Percussion | 24 holes | 4,060 metres |
| Kite RC Percussion | 8 holes | 486 metres |
| Harrier RC Percussion | 1 hole | 102 metres |
| Buzzard South RC Percussion | 2 holes | 330 metres |

All holes have been surveyed using a down-hole gyroscopic survey tool and collar positions picked up with differential GPS survey. Logging and photography of core and chips has been completed however assays remain outstanding for all of the diamond holes drilled at Buzzard. Receipt of these assays is expected in late April – early May.

Three of the diamond holes at Buzzard were drilled in PQ size and massive hematite intersections have been forwarded to a laboratory for metallurgical testwork, density measurements and assaying. Core from the three inclined holes was oriented where possible and structural information recorded to assist with geotechnical aspects of future mine design.

Details of the mineralised intersections recorded from the drilling at Buzzard, Tui and Kite are shown in Tables 1, 2 and 3 and a brief summary of results from the five prospects drilled follows.

Buzzard

Results of the recent drilling have generally confirmed WPG's previous geological interpretation. The massive hematite mineralisation is contained within two steep dipping stacked lenses, the main one of which extends over a strike length of 700 metres. They lie adjacent and parallel to a NE-SW trending fault structure that juxtaposes a large body of hematite BIF against weakly metamorphosed, in places ferruginous, metasediments. The massive hematite mineralisation has been closed off at the north eastern end however the host hematite BIF extends beyond the last line of WPG drill holes and is most likely continuous with the hematite BIF body at Tui.

At the south western end the massive hematite continues as a thin, steep dipping, tabular body to grid 9,510mE. The mineralisation appears to have minor offsets due to cross faulting at this end of the deposit.

A map showing the geology interpreted from the drill holes is shown in Figure 1 and a cross section through the centre of the deposit is shown in Figure 2.

Table 1
Significant Intersections, Buzzard Deposit

| Hole | East m | North m | Depth m | From m | To m | Interval m | Fe % | SiO ₂ % | Al ₂ O ₃ % | P % | LOI % |
|----------|-----------|------------|------------|-----------|---------|---------------|---------|-----------------------|-------------------------------------|--------|----------|
| HNWPR-36 | 514708 | 6681630 | 192 | 16 | 34 | 18 | 60.8 | 8.2 | 2.71 | 0.02 | 1.45 |
| HNWPR-38 | 514802 | 6681704 | 210 | 48 | 64 | 16 | 52.7 | 20.6 | 1.78 | 0.05 | 1.56 |
| | | | | 81 | 98 | 17 | 52.5 | 23.0 | 0.72 | 0.04 | 0.74 |
| | | | | 126 | 147 | 21 | 56.7 | 15.2 | 1.70 | 0.06 | 1.19 |
| HNWPR-39 | 514886 | 6681620 | 192 | 78 | 158 | 80 | 65.8 | 2.7 | 1.39 | 0.11 | 0.57 |
| | | | | 172 | 189 | 17 | 55.3 | 16.1 | 1.74 | 0.22 | 0.76 |
| HNWPR-41 | 514868 | 6681726 | 210 | 126 | 134 | 8 | 62.6 | 9.0 | 0.51 | 0.02 | 0.56 |
| HNWPR-42 | 514960 | 6681718 | 144 | 106 | 110 | 4 | 57.2 | 5.4 | 3.36 | 1.25 | 2.31 |
| HNWPR-43 | 514900 | 6681778 | 210 | 202 | 210 | 8 | 60.5 | 17.2 | 0.85 | 0.28 | 5.86 |
| HNWPR-50 | 514495 | 6681303 | 210 | 52 | 78 | 26 | 65.4 | 3.8 | 0.87 | 0.04 | 0.95 |
| | | | | 132 | 142 | 10 | 60.4 | 12.5 | 0.15 | 0.04 | 0.62 |
| HNWPR-52 | 514530 | 6681340 | 78 | 24 | 54 | 30 | 63.3 | 3.9 | 2.21 | 0.01 | 2.62 |
| HNWPR-53 | 514571 | 6681297 | 150 | 130 | 140 | 10 | 47.5 | 29.6 | 1.49 | 0.04 | 0.51 |
| HNWPR-54 | 514569 | 6681369 | 86 | 20 | 34 | 14 | 57.3 | 7.8 | 4.40 | 0.02 | 5.04 |
| HNWPR-55 | 514607 | 6681333 | 162 | 96 | 106 | 10 | 62.1 | 5.9 | 2.90 | 0.07 | 0.78 |
| | | | | 110 | 156 | 46 | 61.1 | 6.8 | 2.92 | 0.04 | 0.78 |
| HNWPR-56 | 514650 | 6681358 | 156 | 128 | 147 | 19 | 61.1 | 5.1 | 2.64 | 0.22 | 1.42 |
| HNWPR-57 | 514684 | 6681396 | 102 | 80 | 93 | 13 | 61.0 | 4.9 | 2.82 | 0.02 | 1.75 |
| HNWPR61A | 514470 | 6681257 | 108 | 70 | 92 | 22 | 56.3 | 18.1 | 0.54 | 0.03 | 0.49 |
| HNWPR-82 | 514418 | 6681384 | 198 | 112 | 120 | 8 | 63.8 | 7.7 | 0.29 | 0.01 | 0.48 |
| | | | | 171 | 186 | 15 | 59.8 | 7.1 | 3.87 | 0.07 | 1.04 |

Table 2
Significant Intersections, Tui Deposit

| Hole | East m | North m | Depth m | From m | To m | Interval m | Fe % | SiO ₂ % | Al ₂ O ₃ % | P % | LOI % |
|----------|-----------|------------|------------|-----------|---------|---------------|---------|-----------------------|-------------------------------------|--------|----------|
| HNWPR-8 | 515515 | 6682270 | 46 | 40 | 46 | 6 | 50.7 | 23.6 | 1.08 | 0.05 | 1.41 |
| HNWPR-20 | 515438 | 6682172 | 200 | 112 | 178 | 66 | 34.3 | 49.9 | 0.53 | 0.02 | 2.21 |
| HNWPR-21 | 515374 | 6682235 | 108 | 68 | 98 | 30 | 39.4 | 43.3 | 0.16 | 0.01 | 0.28 |
| HNWPR-22 | 515628 | 6682320 | 168 | 54 | 140 | 86 | 41.3 | 39.7 | 0.66 | 0.02 | 0.26 |
| HNWPR-23 | 515670 | 6682278 | 200 | 54 | 200 | 146 | 40.2 | 41.3 | 0.54 | 0.02 | 0.21 |
| HNWPR-25 | 515938 | 6682434 | 150 | 50 | 96 | 46 | 37.6 | 45.0 | 0.54 | 0.01 | 0.43 |
| HNWPR-44 | 515520 | 6682270 | 96 | 44 | 62 | 18 | 55.6 | 16.2 | 0.63 | 0.02 | 2.02 |
| HNWPR-45 | 515485 | 6682310 | 192 | 52 | 182 | 130 | 52.4 | 24.3 | 0.64 | 0.02 | 0.66 |
| | | | Incl. | 118 | 182 | 64 | 61.3 | 12.6 | 0.61 | 0.02 | 0.61 |
| HNWPR-63 | 515300 | 6682140 | 168 | 48 | 168 | 120 | 37.5 | 44.3 | 0.62 | 0.02 | 0.55 |
| HNWPR-64 | 515328 | 6682110 | 204 | 68 | 204 | 136 | 40.5 | 40.2 | 0.54 | 0.03 | 0.71 |
| HNWPR-65 | 515357 | 6682081 | 210 | 104 | 210 | 106 | 34.4 | 47.5 | 0.51 | 0.04 | 0.57 |
| HNWPR-66 | 515732 | 6682216 | 198 | 131 | 198 | 67 | 45.7 | 31.0 | 1.27 | 0.18 | 0.53 |
| | | | Incl. | 142 | 168 | 26 | 59.5 | 11.7 | 0.56 | 0.36 | 0.30 |
| HNWPR-67 | 515452 | 6682326 | 192 | 48 | 192 | 144 | 43.3 | 37.2 | 0.36 | 0.02 | 0.32 |
| | | | Incl. | 162 | 192 | 30 | 61.7 | 9.2 | 0.75 | 0.01 | 0.78 |
| HNWPR-68 | 515604 | 6682344 | 120 | 60 | 85 | 25 | 34.0 | 44.7 | 2.93 | 0.04 | 1.82 |
| HNWPR-69 | 515700 | 6682248 | 210 | 56 | 210 | 154 | 45.4 | 31.6 | 1.00 | 0.04 | 1.50 |
| | | | Incl. | 64 | 104 | 40 | 59.0 | 12.2 | 0.77 | 0.04 | 1.67 |
| HNWPR-70 | 515732 | 6682384 | 156 | 60 | 122 | 62 | 38.1 | 42.5 | 1.14 | 0.02 | 0.82 |
| | | | Incl. | 114 | 122 | 8 | 56.6 | 16.8 | 0.77 | 0.01 | 0.67 |
| HNWPR-71 | 515668 | 6682448 | 168 | 104 | 168 | 64 | 38.3 | 41.8 | 1.87 | 0.03 | 0.54 |
| HNWPR-78 | 515410 | 6682279 | 204 | 48 | 204 | 156 | 34.1 | 49.9 | 0.46 | 0.04 | 0.28 |
| HNWPR-79 | 515449 | 6682237 | 138 | 43 | 119 | 76 | 30.5 | 52.1 | 1.59 | 0.09 | 1.14 |
| HNWPR-80 | 515552 | 6682308 | 156 | 48 | 145 | 97 | 44.2 | 34.6 | 0.90 | 0.05 | 0.56 |
| | | | Incl. | 100 | 115 | 15 | 65.0 | 4.83 | 0.63 | 0.02 | 0.64 |
| HNWPR-81 | 515526 | 6682334 | 204 | 46 | 204 | 158 | 47.0 | 30.5 | 0.71 | 0.02 | 0.77 |
| | | | Incl. | 100 | 122 | 22 | 58.0 | 14.1 | 0.99 | 0.03 | 1.00 |
| HKN-22* | 516126 | 6682573 | 150 | 174 | 202 | 28 | 60.3 | 8.7 | 1.6 | 0.03 | 1.38 |
| | | | | 140 | 150 | 10 | 57.7 | 16.2 | 0.43 | 0.02 | 0.08 |

- * Hole drilled by previous explorer

Table 3
Significant Intersections, Kite Prospect

| Hole | East m | North m | Depth m | From m | To m | Interval m | Fe % | SiO ₂ % | Al ₂ O ₃ % | P % | LOI % |
|----------|-----------|------------|------------|-----------|---------|---------------|---------|-----------------------|-------------------------------------|--------|----------|
| HNWPR-26 | 506656 | 6677800 | 60 | 22 | 60 | 38 | 26.5 | 58.9 | 1.67 | 0.04 | 0.52 |
| HNWPR-27 | 506742 | 6677850 | 60 | 6 | 53 | 47 | 38.7 | 41.5 | 1.22 | 0.07 | 0.94 |
| HNWPR-28 | 506710 | 6677715 | 60 | 16 | 60 | 44 | 34.4 | 44.2 | 1.62 | 0.07 | 0.65 |
| HNWPR-29 | 506753 | 6677741 | 60 | 14 | 60 | 46 | 38.8 | 43.5 | 0.67 | 0.08 | 0.22 |
| HNWPR-30 | 506796 | 6677766 | 66 | 10 | 66 | 56 | 34.5 | 42.8 | 3.80 | 0.10 | 2.08 |
| HNWPR-31 | 506602 | 6677886 | 60 | 10 | 60 | 50 | 36.2 | 44.9 | 1.29 | 0.07 | 1.34 |
| HNWPR-32 | 506645 | 6677912 | 60 | 6 | 60 | 54 | 32.3 | 51.8 | 0.80 | 0.05 | 0.78 |
| HNWPR-33 | 506688 | 6677935 | 60 | 2 | 60 | 58 | 32.3 | 49.7 | 0.44 | 0.04 | 0.68 |

A block model and resource estimate has been completed for Buzzard with results as set out in Table 4.

Table 4
Mineral Resource Estimate, Buzzard Deposit

| Resource Category | Tonnes (million) | Grade | | | | |
|------------------------|------------------|-------|--------------------|----------------------------------|------|------|
| | | Fe% | SiO ₂ % | Al ₂ O ₃ % | P% | LOI% |
| Limonite/Goethite Zone | | | | | | |
| Indicated | 0.3 | 59.6 | 6.6 | 3.6 | 0.04 | 3.8 |
| Primary Zone | | | | | | |
| Measured | 12.1 | 62.1 | 8.1 | 1.4 | 0.05 | 0.9 |
| Indicated | 1.2 | 60.5 | 8.2 | 2.4 | 0.07 | 1.2 |
| Inferred | 0.5 | 62.3 | 8.5 | 1.1 | 0.07 | 0.8 |
| Sub-total | 13.8 | 62.0 | 8.1 | 1.5 | 0.05 | 1.0 |
| Total, Both Zones | | | | | | |
| Measured | 12.1 | 62.1 | 8.1 | 1.4 | 0.05 | 0.9 |
| Indicated | 1.5 | 60.3 | 7.9 | 2.6 | 0.06 | 1.8 |
| Inferred | 0.5 | 62.3 | 8.5 | 1.1 | 0.07 | 0.8 |
| TOTAL | 14.1 | 62.0 | 8.1 | 1.6 | 0.05 | 1.0 |

This estimate is based on resource outlines defined using geology and a cut-off grade of 55% Fe.

The combined mineral resource estimate for the Company's Peculiar Knob and Buzzard deposits is set out in Table 5.

Table 5
Total Mineral Resource Estimates, Peculiar Knob and Buzzard Deposits

| Resource Category | Tonnes (million) | Grade | | | | |
|-------------------|------------------|-------------|--------------------|----------------------------------|-------------|------------|
| | | Fe% | SiO ₂ % | Al ₂ O ₃ % | P% | LOI% |
| Measured | 25.5 | 62.9 | 7.7 | 0.8 | 0.03 | 0.7 |
| Indicated | 5.6 | 62.6 | 8.1 | 0.8 | 0.03 | 0.7 |
| Inferred | 2.0 | 64.0 | 6.6 | 0.5 | 0.03 | 0.4 |
| TOTAL | 33.1 | 62.9 | 7.7 | 0.8 | 0.03 | 0.7 |

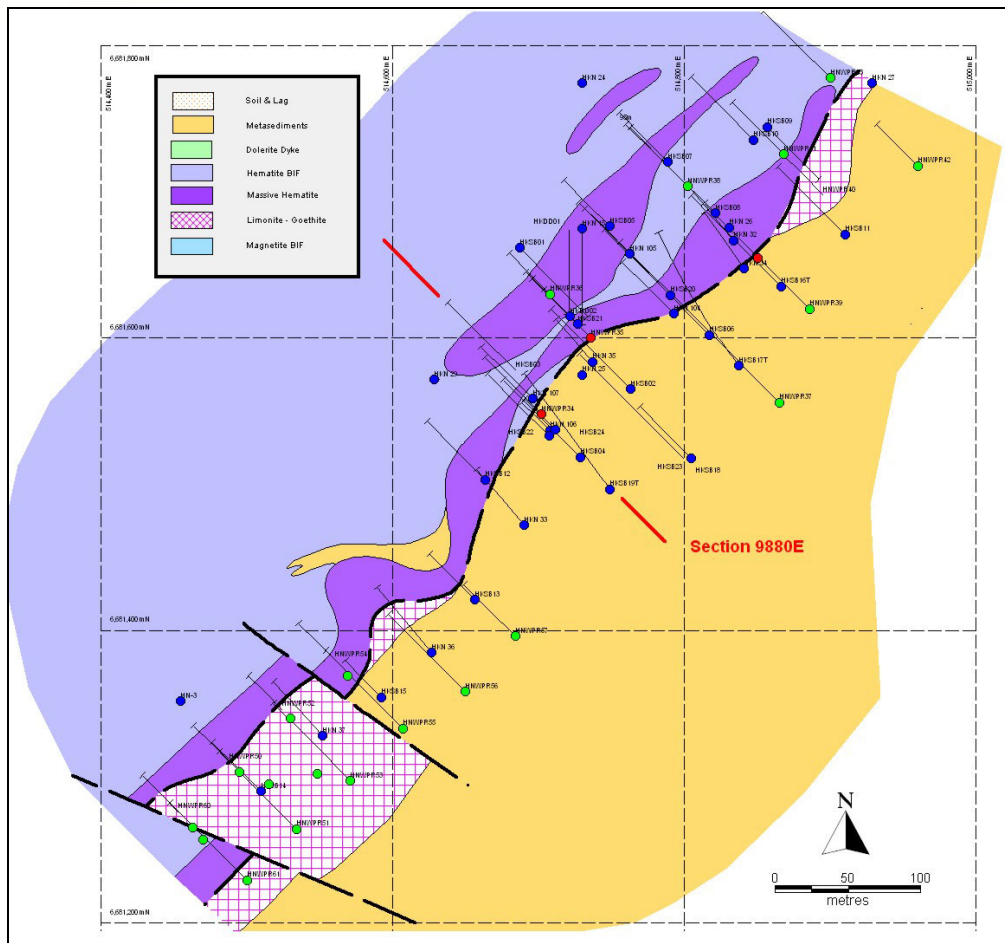


Figure 1
Buzzard Geology

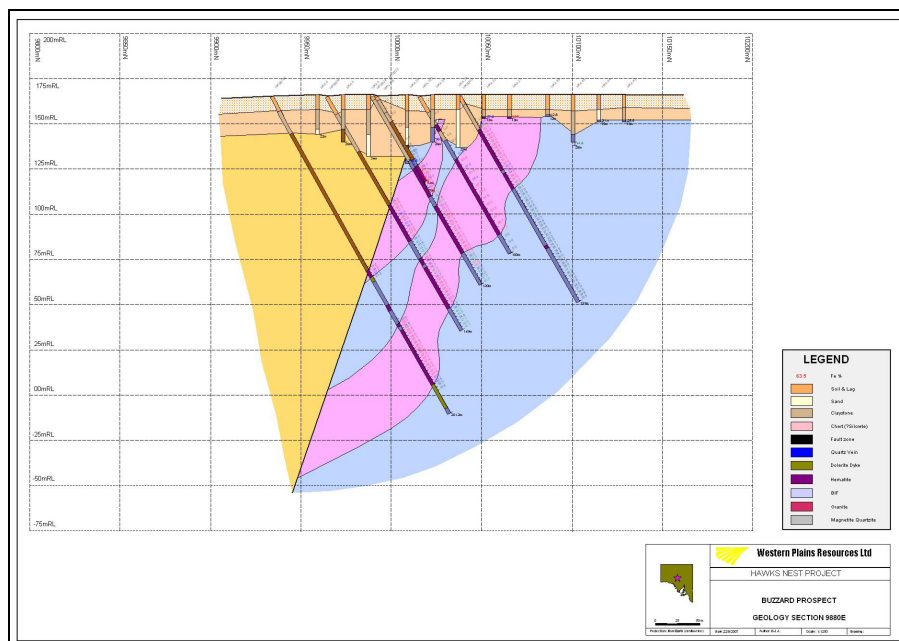


Figure 2
Buzzard Cross Section 9,880mE

A cross section through the Buzzard block model is shown in Figure 3.

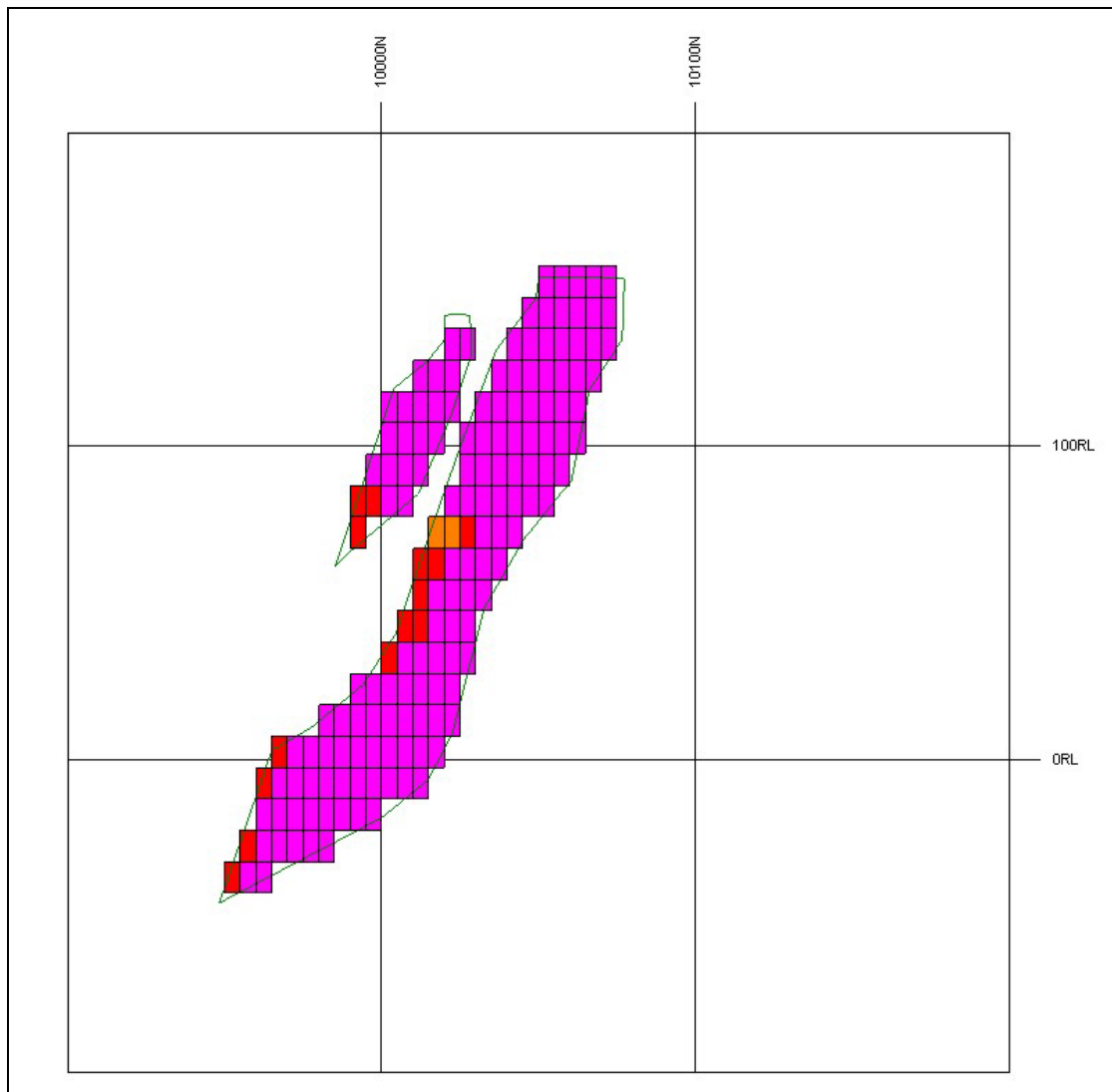


Figure 3
Buzzard Block Model Section 9,880mE
Green - massive hematite outline
Purple blocks >60% Fe

Tui

Results of the drilling at Tui have defined a moderate sized body of DSO material. This massive hematite mineralisation is located along a section of the southern contact of a larger deposit of hematite BIF that is most likely continuous with the lower grade host hematite BIF at Buzzard. High grade zones (>55% Fe) have been intersected in 8 of the 24 holes drilled at Tui over a strike length of 300 metres.

Resource estimates will be completed for both the large body of hematite BIF that typically assays in the range 35-40% Fe and the high grade DSO material during the June Quarter. Metallurgical testing will also be commenced on a representative selection of percussion chip samples.

Kite

Eight shallow inclined holes were drilled at the Kite prospect to test for a possible zone of supergene enriched hematite above the base of oxidation. No significant high grade mineralisation was intersected. This drilling program was not designed to test the magnetite zone, which is well developed at Kite.

Harrier

Vertical hole HNWPR-75 was drilled adjacent to a previous WPG hole HNWPR-18 (69 metres averaging 36.6% Fe) at the Harrier prospect. An intersection of 84 metres averaging 40.5% Fe in magnetite BIF was recorded from this hole and is considered highly significant in terms of the potential of this large magnetic anomaly to host a substantial iron (magnetite) resource.

Buzzard South

Two holes were drilled in an area 470 metres to the south east of Buzzard to follow-up an intersection made in a previous company hole HKN-108 (16 metres averaging 59.7% Fe). The holes were drilled 50 metres either side of HKN-108. Two narrow zones of high grade mineralisation were intersected in Hole HNWPR-58: in the upper oxidized zone (24 -30 metres, 6 metres averaging 62.2% Fe) and deeper (64 – 76 metres, 12 metres averaging 60.9% Fe). High grade mineralisation was intersected over 16 metres in Hole HNWPR-59 from 136 to 152 metres with an average grade of 62.2% Fe. Further follow-up drilling in this area is warranted.

Regional Exploration

Results have been received for the detailed low level aeromagnetic survey and will be used in conjunction with all the existing drill hole data to develop a geological interpretation map for EL 3196 and to attempt to define new targets for DSO hematite mineralisation. A magnetic image from the new data is shown as Figure 4.

SOUTH AUSTRALIAN MAGNETITE PROJECT

WPG completed a scoping study for the development of the Kestrel magnetite deposit at Hawks Nest during the Quarter, and a summary of the results of the study was released on 8 April.

There are six known magnetite deposits at Hawks Nest: Kestrel, Goshawk, Harrier, Eagle, Kite and Falcon. All of these have been drilled in the past, but more work has been completed at Kestrel than at the other deposits.

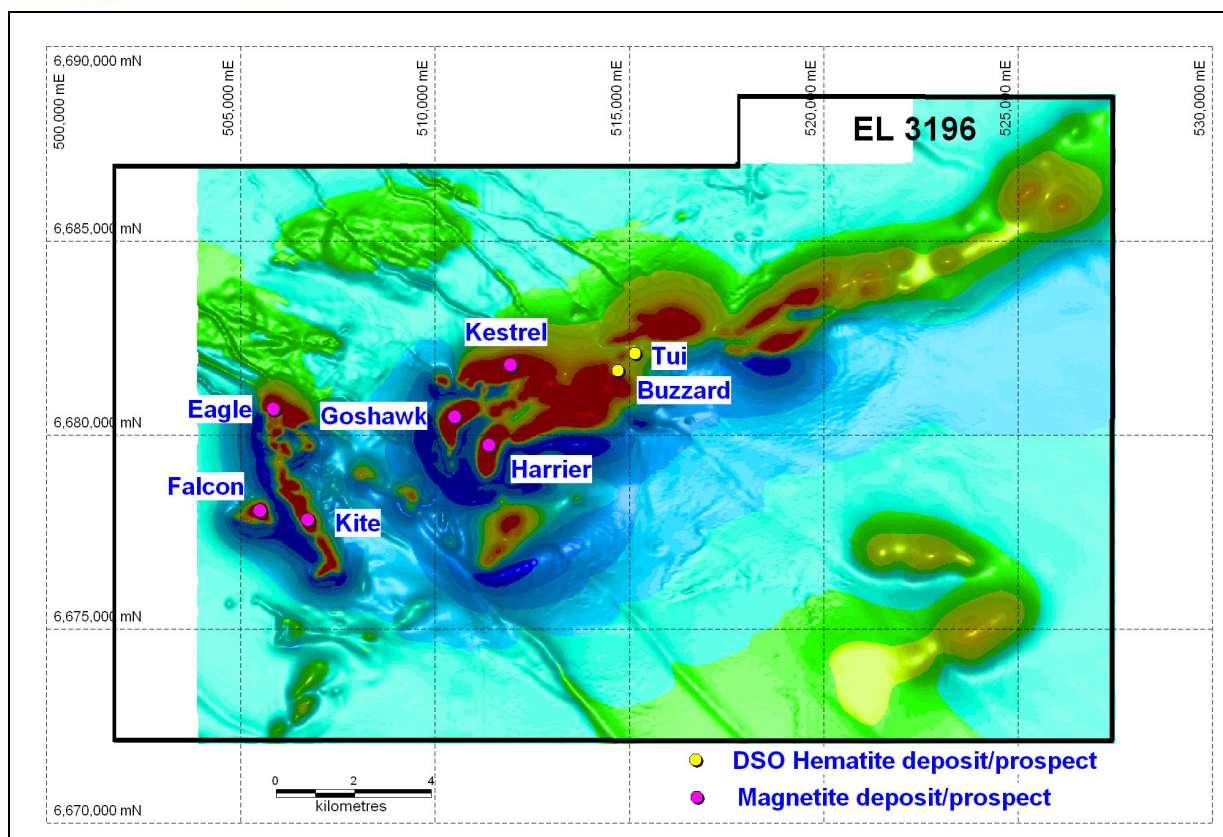


Figure 4
Detailed Aeromagnetic Image, EL 3196 Hawks Nest

The Kestrel deposit consists of a steeply north-dipping magnetite banded iron formation with intercalated sediments and dykes. In drill core, higher grade magnetite zones have very narrow or no quartz banding, with some suggestion of replacement of quartz by magnetite.

Kestrel has been drilled on lines 100 metres apart over a strike length of some 1,200 metres. Drilling consists of 17 diamond and 90 RC percussion holes. Holes are generally 50 metres apart on section. Most holes were limited to a depth of 135 metres below surface.

The deposit is open along strike in both directions, and at depth. It appears to be closed to the north, but it may extend further south than is defined by drilling to date.

A geological section through the Kestrel deposit on line 511,330mE is shown in Figure 5.

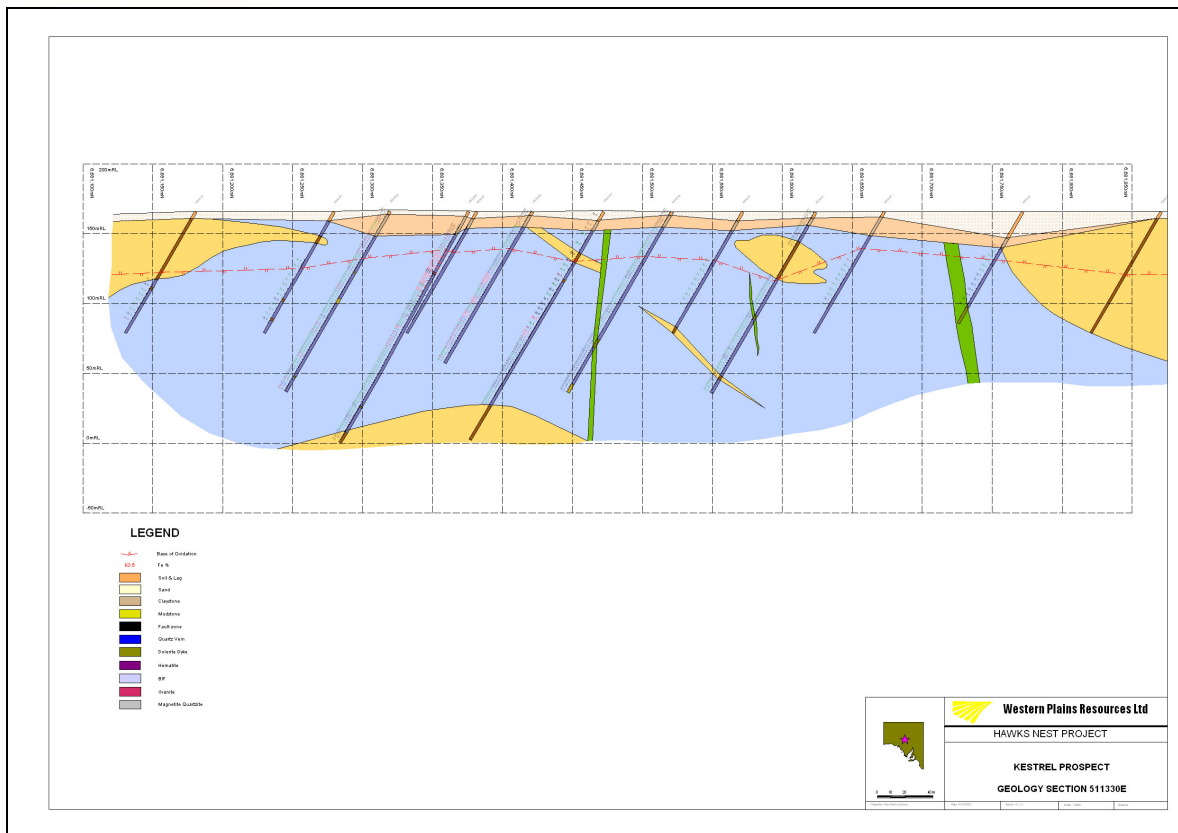


Figure 5
Geological Cross Section through Kestrel Magnetite Deposit at Hawks Nest

Resource estimates for the Hawks Nest magnetite deposits are set out in Table 6.

Table 6
Resource Estimates, Hawks Nest 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 | - | - | - | - |

Drill hole cuttings from two RC holes at Kestrel and one each from Goshawk, Harrier, Eagle, Kite and Falcon were retrieved and submitted for Davis Tube metallurgical testwork. Davis Tube testwork was carried out following grinding of the samples to a size of 100% passing 75 microns. The results of this testwork are summarised in Table 7.

Table 7
Davis Tube Testwork, Hawks Nest Magnetite Deposits

| Deposit | Hole Number | Intercept (m) | Davis Tube Recovery %Mass | Davis Tube Concentrate | | | |
|---------|-------------|---------------|---------------------------|------------------------|------|-------------------|---------------------------------|
| | | | | %Fe | %P | %SiO ₂ | %Al ₂ O ₃ |
| Kestrel | HKN065 | 54 | 45.4 | 65.2 | 0.00 | 8.71 | 0.11 |
| Kestrel | HKN077 | 60 | 44.9 | 65.3 | 0.01 | 8.52 | 0.07 |
| Goshawk | HKN081 | 62 | 48.6 | 65.3 | 0.01 | 7.97 | 0.15 |
| Harrier | HKN088 | 72 | 47.2 | 66.5 | 0.01 | 7.52 | 0.16 |
| Eagle | HKN100 | 92 | 41.2 | 67.5 | 0.01 | 6.41 | 0.10 |
| Kite | HKN092 | 68 | 55.2 | 69.6 | 0.01 | 3.24 | 0.39 |
| Falcon | HKN091 | 68 | 35.8 | 67.1 | 0.01 | 6.53 | 0.40 |

Mass recoveries to concentrate varied from 35.8% from hole HKN091 at Falcon to 55.2% from hole HKN092 at Kite. The iron grade of the concentrates varied from 65.2% in hole HKN065 at Kestrel to 69.6% in hole HKN092 at Kite. Overall, the mass recovery to concentrate is relatively high when compared with many other Australian magnetite deposits where the results of similar testwork have been reported.

A scoping study has been completed for the design of a metallurgical plant to treat a total of 13.5 million tonnes of run of mine ore to produce 6 million tonnes per annum of magnetite concentrate. Pit optimisation studies have been completed and capital and operating cost estimates have been prepared for the conceptual project. In essence, the study indicated that the total capital cost for project development would be approximately \$720 million, inclusive of EPCM and contingencies. The largest components of this are \$388 million for the metallurgical plant and \$75 million for a rail spur from the Central Australian Railway to site. Initial cash operating costs were estimated to be approximately \$51/tonne of concentrate to FOB.

The scoping study has focussed on Kestrel but the limits of the Kestrel deposit have not yet been defined. Davis Tube testwork suggests that some of the other magnetite deposits at Hawks Nest may have even better metallurgical characteristics than Kestrel and there is clear potential in all deposits to increase the total tonnage of magnetite mineralisation with further drilling. The optimum scale for project development may exceed the 6 million tonnes per annum assumed, and the life of the project could be much more than the 16 years incorporated in the scoping study. There is also potential to value add, through the production of pellets, DRI or pig iron.

WPG is seeking a partner to fund further exploration and more detailed project development studies for its Hawks Nest magnetite assets

COPPER/GOLD EXPLORATION PROJECTS

Trundle NSW

EL 4512 – WPG 100%

WPG has farmed-out the Trundle project to Cybele Resources (Australia) Ltd, a wholly owned subsidiary of Canadian company Calibre Mining Corporation.

Cybele has advised WPG that it has completed a geochemical sampling program that has refined drilling targets and that a drilling program will be initiated later this year.

Peak Hill East NSW

ELs 6342 & 6675 – WPG 100%

Discussions with potential joint venture partners for the two Peak Hill tenements continued during the quarter.

Lake Cargelligo NSW

EL 6367 – WPG 100%

Euriowie NSW

EL 5771 – WPG 60%

No field work was carried out on the Lake Cargelligo or Euriowie project areas during the Quarter. The Company is seeking joint venture partners for these projects.

Competent Persons

The review of exploration activities and results and the mineral resource estimates for the Peculiar Knob and Buzzard deposits 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 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 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.