

ASX and Media Release

Quarterly activities report June quarter 2009

HIGHLIGHTS

- ❖ A major joint venture covering the Company's magnetite deposits at Hawks Nest south of Coober Pedy in South Australia was announced during the quarter. In essence, an Australian subsidiary of China's third largest state owned steel mill, Wuhan Iron & Steel, has agreed to spend \$45 million to earn a 50% participating interest in the project, and to subscribe for a further \$3 million of new equity in the Company. The transaction is subject to the receipt of approvals from the relevant Australian and Chinese government authorities.
- ❖ The Company announced a \$5.6 million placement and rights issue during the quarter. This equity raising was completed early in July.
- ❖ WPG received an offer to fund development of its Peculiar Knob direct shipping iron ore project in July. This offer is currently under review.
- ❖ Permitting for the ancillary approvals required to bring the Peculiar Knob project into production continued during the quarter. This project is now almost fully permitted and is virtually shovel-ready for development.
- ❖ Exploration in the Commonwealth Hill project area recommenced late in the quarter. The focus of this work is directed at the Wirrida anomaly that was defined in the March quarter, and on six other prospects that have been identified following data reviews.
- ❖ Applications have been lodged for two additional exploration licences south of Coober Pedy. These tenements are at Mount Brady and Windy Valley.
- ❖ The Company is in advanced negotiations to sell its interest in the Trundle copper-gold project area in New South Wales, a non-core asset.

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CORPORATE

WISCO Joint Venture

WPG announced during the quarter that it had executed a set of detailed transaction documents with Wugang Australian Resources Investment Pty Ltd, an Australian subsidiary of Wuhan Iron & Steel (Group) Co (**WISCO**) to establish a 50/50 joint venture to complete a feasibility study and, if this is positive, to develop one or more of the 6 known magnetite deposits in the Company's Hawks Nest tenements.

The transaction has been structured to meet the Commonwealth Department of Defence's known constraints on the development of mining projects that lie within the Woomera Prohibited Area (**WPA**).

The key terms of the contractual agreements as executed are as follows:

- WISCO has agreed to sole fund a minimum commitment of \$25 million to earn a 50% participating interest in the joint venture;
- This amount will be spent on a bankable feasibility study (**BFS**) for the development of one or more magnetite mining and processing operations;
- If after the minimum commitment of \$25 million has been spent the parties agree that further exploration or BFS work is required, or alternatively if the parties agree to commit to project development without further exploration or BFS studies, WISCO will sole fund the next \$20 million without increasing its 50% participating interest in the joint venture;
- If WISCO withdraws from the joint venture after the minimum commitment has been spent, WISCO's participating interest will be diluted on a sliding scale, such that if WISCO's expenditure is capped at \$25 million its participating interest will be reduced to approximately 28%;
- The joint venture will be managed by a jointly owned management company, in which WPG will hold 51% of the shares, will appoint 3 of the 5 directors, and most of the key executives. A paramount principle of the agreements is that WPG will control the management company;
- WISCO will assist WPG to secure funding for WPG's share of the capital expenditure required to bring the project into production;
- WISCO will subscribe for approximately 12.1 million new WPG shares at a price of \$0.25 per share for a total amount of approximately \$3 million, and WISCO will have the right to participate in capital raisings by WPG for the next 2 years so that it maintains a 15% interest in the Company;
- WISCO will be entitled to nominate one suitably qualified person to join WPG's board;
- WISCO will be granted a right to purchase 50% of WPG's share of magnetite concentrate production on arms-length terms; and
- WPG and WISCO will cooperate in relation to the early development of the proposed new iron ore export facility at Port Bonython.

WPG's participating interest in the joint venture cannot be diluted to less than 50%. WISCO can dilute its interest to less than 50%. Under some circumstances, WISCO will be entitled to ownership of more than 50% of the saleable product produced by funding a disproportionate share of the project's capital and operating costs, but WPG's voting rights will not fall below 50%.

Providing WISCO does not withdraw from the joint venture (which it cannot do before it funds its minimum commitment of \$25 million), WPG will not be required to contribute to joint venture funding before WISCO has spent \$45 million.

WPG and WISCO's legal advisors have met with the Foreign Investment Review Board (**FIRB**) because the transaction requires the Commonwealth's approval pursuant to the Foreign Acquisitions and Takeovers Act 1975 (*Cwth*). WISCO's application to FIRB has been drafted and will be lodged after the Department of Defence has approved the transaction.

WPG has given detailed presentations to senior uniformed officers of the Royal Australian Air Force, managers of the WPA, and senior officials in the Department of Defence. The Company has also briefed senior Ministers of both the South Australian and Commonwealth governments. The full set of transaction documents that set up the joint venture have been provided to the Commonwealth.

The WPA covers an area of 127,000 square kilometres in South Australia – about the same size as England. The footprint of a possible Hawks Nest magnetite project, including the open pit mine, concentrator, tailings storage facility and associated infrastructure, is expected to cover about 10 square kilometres, less than 0.008% of the area of the WPA. The project area is virtually within sight of the Stuart Highway, the main road from Adelaide to Darwin, on which there are hundreds of vehicle movements per day.

Capital Raising

WPG placed approximately 12.2 million shares at a price of \$0.30 per share to professional and sophisticated investors during the quarter, and issued approximately 7.9 million additional shares pursuant to a 1:12 rights issue at a price of \$0.25 per share early in July. The placement attracted more applications than could be accepted, and the rights issue, which included a "top-up" facility, was oversubscribed. The total amount raised is approximately \$5.6 million prior to costs.

Peculiar Knob Project Finance Offer

The Company received an offer to finance development of its Peculiar Knob DSO iron ore project in early July. The Company is currently reviewing this offer.

SOUTH AUSTRALIAN DSO IRON ORE PROJECT

WPG's iron ore projects in South Australia lie on the Peculiar Knob mineral lease, ML 6314 and the Hawks Nest exploration tenement, EL 4248 within which two mineral claims, MCs 3809 (Kestrel) and 3810 (Buzzard), lie. WPG holds its interests in all these tenements through its 100% owned subsidiary Southern Iron Pty Ltd.

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

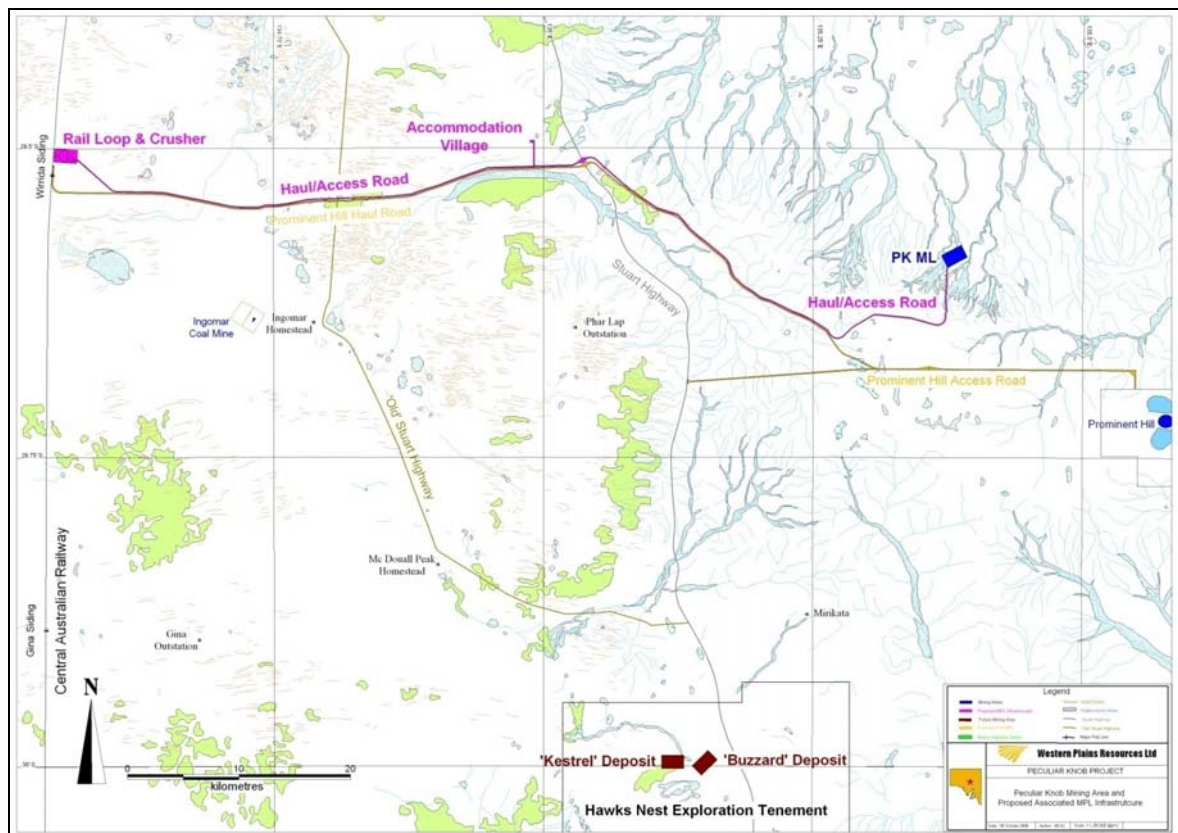


Figure 1
Peculiar Knob Tenement Locations and Proposed Infrastructure

No technical work was conducted on the Company's DSO project during the quarter and its technical status remains as summarised in the March 2009 quarterly report.

Permitting, Logistics, Infrastructure and Other Approvals

Commonwealth of Australia - Department of Defence

As previously disclosed, WPG and the Commonwealth have executed an access agreement pursuant to which the Commonwealth has approved the construction and operation of the Peculiar Knob mine within the Woomera Prohibited Area, and the construction of all necessary infrastructure for development of the project.

This infrastructure includes the haul road, the underpass beneath the Stuart Highway, the crushing plant and rail loading facility at Wirrida siding, and the project's accommodation village.

Miscellaneous Purposes Licences and Other Permits

Miscellaneous Purpose Licences for the haul road, crushing plant and accommodation village have been surveyed in the field and formal applications will be lodged shortly. The Mining and Rehabilitation Plan is in an advanced draft stage, and will be finalised when an agreement with the one remaining exploration licence holder that has not yet agreed to provide access is finalised. Compensation negotiations with the two pastoral lease holders are well advanced.

Water

The Company has water extraction licences in place that are sufficient for the Peculiar Knob operation. Separately, WPG has received the Commonwealth's approval to construct a pipeline from the borefield to a central distribution point.

Port Bonython

The South Australian Government received the feasibility study prepared by the Spencer Gulf PortLink Consortium for the construction of this new bulk commodities export port on 16 March 2009. Key members of the consortium include Flinders Ports (who enjoy a monopoly of ownership of all seven public ports in South Australia), Leighton Contractors, ARTC, BIS and Macquarie Capital.

The government has not yet announced its intentions in relation to the development of this port. An early decision is important, not only from the perspective of the development of the Peculiar Knob mine, but also for the development of a number of other projects held by various companies elsewhere in South Australia.

Port Adelaide

WPG is reviewing the potential for exporting ore through Port Adelaide as a sub-optimal but short term solution until Port Bonython becomes available.

WPG estimates the FOB cost disadvantage in using Port Adelaide rather than Port Bonython would be in the range of \$10 to \$12 per tonne, which would have a material impact on project cashflows. In addition, the largest single contribution to the project's carbon footprint is caused by the diesel fuel burned by the haulage trains. Port Bonython is some 230 kilometres closer to Peculiar Knob than Adelaide and using Port Adelaide would unnecessarily add to the project's greenhouse gas emissions.

SOUTH AUSTRALIAN MAGNETITE PROJECT

No technical work was conducted on this project and its technical status remains as summarised in the Company's March 2009 quarterly report.

Permitting, Logistics, Infrastructure and Other Approvals

Native Title Exploration Agreement

The Company has executed an agreement for land access and mineral exploration with the Antakirinja Matu-Yankunytjatjara Native Title Claim Group that covers the Hawks Nest project area. This is a Native Title Mining Agreement for the purposes of Part 9B of the Mining Act 1971 (SA).

Commonwealth of Australia - Department of Defence

The Commonwealth through the Department of Defence has agreed to extend WPG's Hawks Nest access agreement for a further period of six months, which is the normal term of exploration access agreements for tenements lying within the WPA.

COMMONWEALTH HILL FARM-IN

WPG is earning a joint venture interest in Apollo Minerals Limited's Commonwealth Hill tenements ELs 3678, 3728, 3765, 3780 and 3821 located approximately 70 kilometres to the WNW of WPG's Hawks Nest exploration tenement EL 4248, and 50 kilometres SW from the Wirrida Siding on the Central Australian Railway line where WPG intends to construct its rail loading facility for the Peculiar Knob and Hawks Nest DSO operations. The Company can earn a 51% interest in the tenement package by the expenditure of \$750,000, including a minimum commitment of \$90,000. WPG can then increase its interest to 75% by expenditure of an additional \$750,000.

The locations of the Commonwealth Hill and other exploration tenements in which WPG has an interest is shown in Figure 2.

A program of data compilation was completed during the quarter. Location, assay and lithology information from all previous RAB, aircore, RC percussion and diamond drill holes has been incorporated into a GIS data base along with the results of extensive previous calcrete sampling programs.

A new program of ground magnetic surveying was commenced in the south-eastern section of the project area late in the quarter. This survey will incorporate thirteen additional traverses across the promising Wirrida West anomaly where reconnaissance ground magnetic and gravity surveys were completed during the March quarter. Surveys will also be carried out over six other discrete aeromagnetic anomaly features that are considered to be potential iron ore targets. The location of these survey areas is shown in Figure 3.

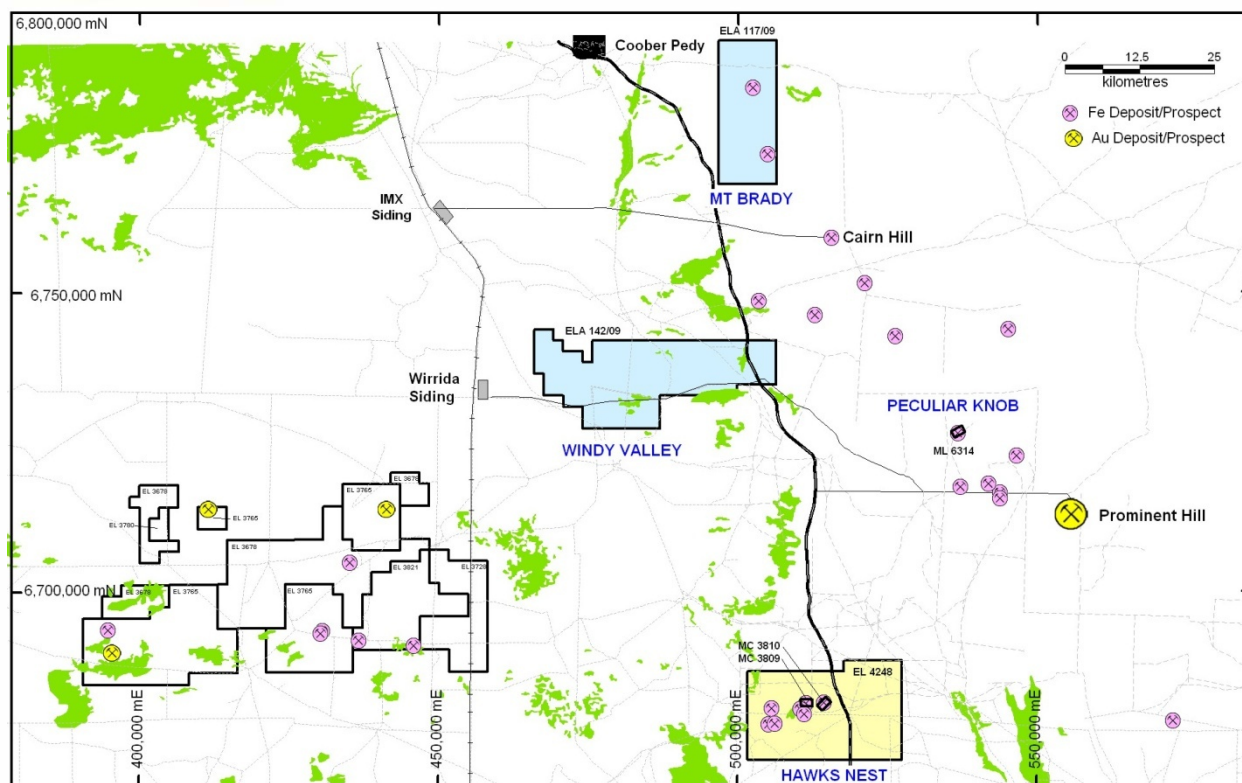


Figure 2
WPG's Tenements South of Coober Pedy

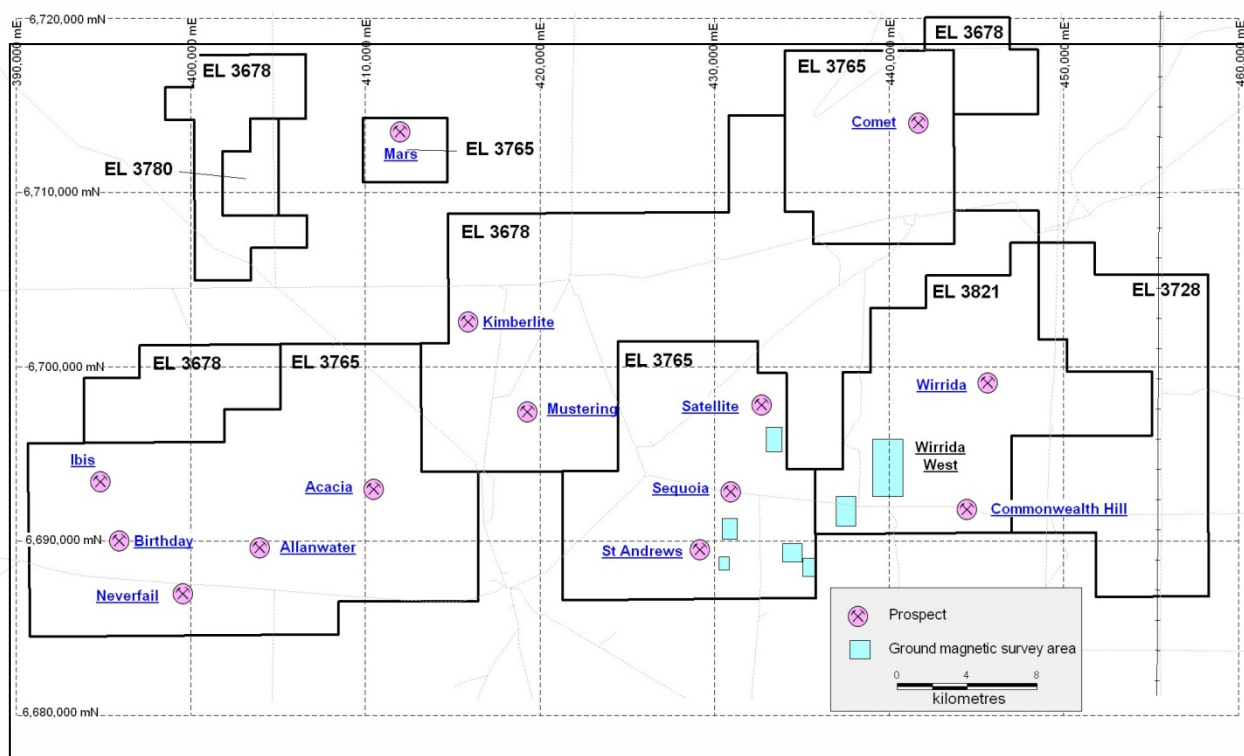


Figure 3 Commonwealth Hill Targets

NORTHERN GAWLER CRATON EXPLORATION PROJECTS

During the quarter the Company lodged applications for two new exploration licences in the prospective Coober Pedy region of South Australia; ELA 117/09 Mt Brady and ELA 142/09 Windy Valley. When granted, these tenements will enhance WPG's strong ground position that covers a total area of 2,487.5 square kilometres in the emerging Mt Woods iron ore province of the northern Gawler Craton.

Mt Brady

ELA 117/09 Mt Brady covers an area of 233 square kilometres and is located immediately to the north west of the magnetite-copper-gold deposit being developed at Cairn Hill as shown in Figure 2.

Data compilation was commenced during the quarter. All drill hole information from previous air-core, RC percussion and diamond drilling has been incorporated into a GIS data base. Exploration by previous companies was directed principally towards iron oxide copper-gold targets and was focused on the Mt Brady and Dingo prospects. Both prospects encompass zones of complex magnetic character which indicate potential for banded iron formation.

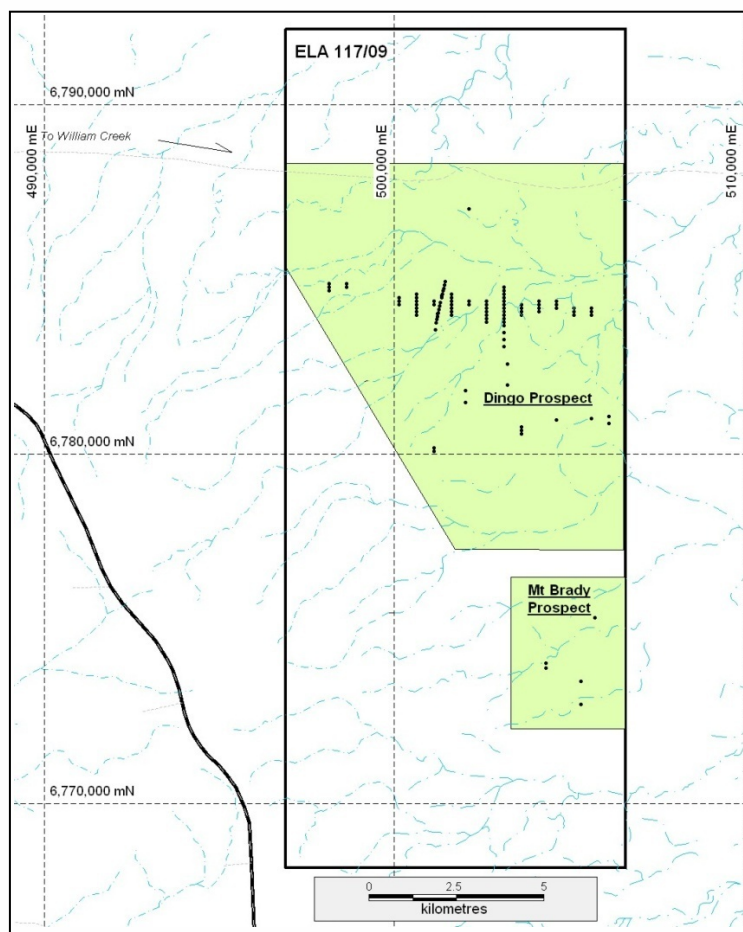


Figure 5
Mt Brady ELA 117/09 Showing Prospect Locations

Previous drilling at the Mt Brady prospect intersected significant intervals of massive magnetite mineralisation associated with a sequence of pegmatite bearing skarns and possible carbonatite. Intersections include 5.8 metres averaging 61.9% Fe and 6.5 metres averaging 61.1% Fe in separate drill holes. Anomalous copper and rare earth element intervals were also recorded. A magnetic map showing the location of previous drill holes is shown in Figure 6 and a drill section through holes DD88LR19 and DD88LR20 with down-hole histogram plots for iron is shown in Figure 7.

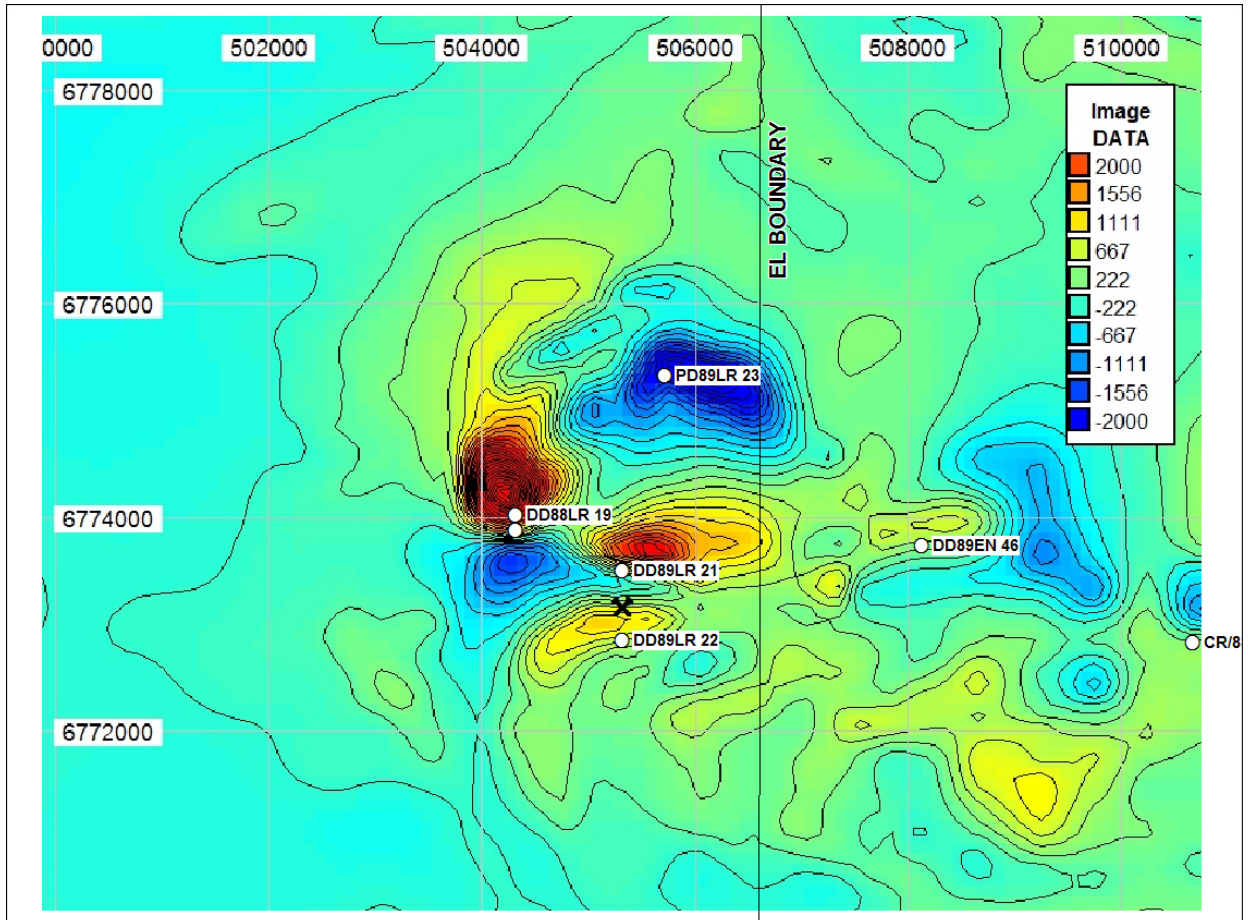


Figure 6
Aeromagnetics and Previous Drill Hole Locations at the Mt Brady Prospect

Detailed gravity, ground magnetic and Sirotem surveys were carried out by previous explorers at the Dingo prospect. Anomalous base metal values recorded from an initial RC percussion hole drilled to test a regional magnetic feature were followed up with lines of air-core holes, however no significant bedrock anomalies considered worthy of deeper drill testing were defined. None of the magnetic anomalies were tested for BIF mineralisation.

Fieldwork comprising geophysical surveys and drilling will commence following the grant of the Mt Brady exploration licence.

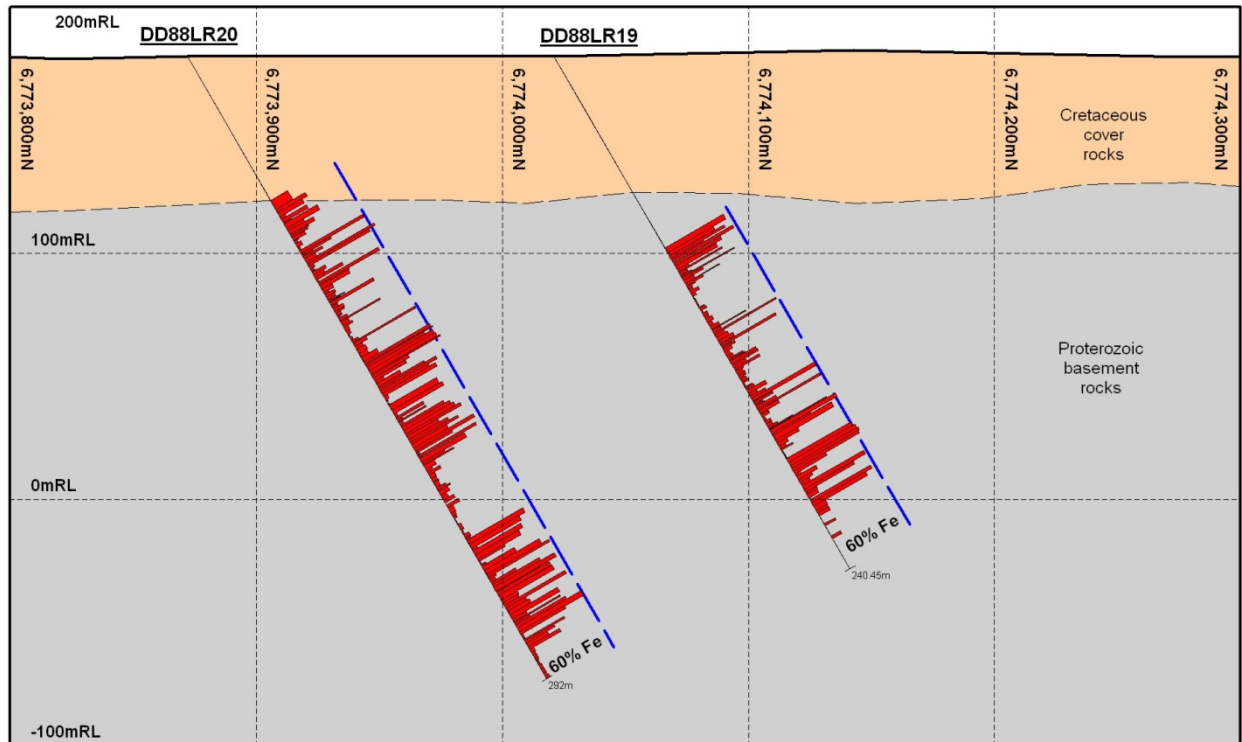


Figure 7
Mt Brady Prospect Drill Section 504 300E Showing Fe Histograms

Windy Valley

The Windy Valley exploration licence application ELA 142/09 covers an area of 426 square kilometres and is situated between the Stuart Highway and the Tarcoola to Alice Springs railway line as shown in Figure 2.

The Windy Valley tenement has potential for discovery of iron ore deposits, both as DSO and magnetite, and for iron oxide copper-gold deposits. In addition to its intrinsic metalliferous exploration potential, the new tenement also has strategic value to the Company. The proposed accommodation village for the Company's Peculiar Knob high grade iron ore mine, and much of the haul road from Peculiar Knob to the Wirrida rail siding lie within this tenement. In addition, the tenement will provide access for the development of gravel pits for use in the haul road construction. Younger sedimentary cover and fissures in the basement rocks are considered to be prospective for the discovery of water that would augment the already established and licensed water supply at Hawks Nest.

COPPER/GOLD EXPLORATION PROJECTS

Trundle NSW

EL 4512 – WPG 100%

WPG is in advanced negotiations to sell its interest in this non-core project. Documentation is currently in preparation and the transaction is expected to be completed in August.

Peak Hill East NSW

ELs 6342– WPG 100%

No field work was carried out during the quarter.

Lake Cargelligo NSW

EL 6367 – WPG 100%

No work was done on this tenement during the quarter. EL 6367 was renewed during the quarter until 26 January 2011.

Competent Persons

The review of exploration activities and results contained in this report are based on information compiled by Mr Gary Jones, a Member of the Australasian Institute of Mining and Metallurgy. He is Technical Director of Western Plains Resources Limited and a full time employee of Geonz Associates Limited. He has sufficient experience which is relevant to the style of mineralisation and types of deposits under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the December 2004 edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (the JORC Code). Gary Jones has consented in writing to the inclusion in this report of the matters based on his information in the form and context in which it appears.

Further Information

For further information please contact WPG's Executive Chairman Bob Duffin, on (02) 9247 3232 or 0412 234 684, or Heath Roberts, Executive Director and Company Secretary on (02) 9247 7359 or 0419 473 925.