



Apollo mine boost from Western Plains farm-in

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WESTERN Plains Resources will invest at least \$90,000 in Apollo Minerals' six iron ore tenements in the Coober Pedy region to "bulk up" its South Australian portfolio.

The farm-in agreement, announced yesterday, will see Western Plains investing in an aeromagnetic survey of the 1829sq km area, located within the boundaries of the Woomera Test Facility. The company may spend a further \$750,000 over the next two years to gain 51 per cent

interest in the tenements.

That investment will depend on results from the survey, which are expected by the end of the first quarter of 2009, chairman Bob Duffin said. "In this current period of difficult markets, we are trying to bulk up by buying additional prospects in South Australia," Mr Duffin said.

"This action demonstrates our interest to remain in and explore for iron ore."

Apollo's Commonwealth Hill project area lies about 70km away from Western

Plains' Hawks Nest tenement.

The exploration focus will be on magnetite and direct shipping ore haematite deposits. Interestingly, since the new tenements lie in Defence Department territory, the deal has a provision allowing spending on exploration to pause if the department of Defence denies access.

Mr Duffin is reportedly frustrated at delays in getting the go-ahead from Defence for projects at Peculiar Knob and Hawks Nest, which he said would be worth \$450

million in exports a year.

Meanwhile, Western Plains says iron ore prospects - both in terms of its price and demand - will improve by the end of the first 2009 quarter.

While demand is likely to slow down in the short-term, the long-term view is stronger thanks to predicted higher demand for iron ore from China and India.

Shares in both closed steady, Western Plains at 30c and Apollo Minerals at 20c.