



## ASX Mining Company News (from company websites)

### Port Bonython

Western Plains Resources is

pleased to advise that the SA Government has released details on the development of an iron ore export facility at Port Bonython.

The Government has awarded preferred bidder status to the Spencer Gulf PortLink Consortium.

Key members of the Consortium include Flinders Ports, Leighton Contractors, ARTC, BIS and Macquarie Capital.

The new iron ore port is expected to be operational in 2011.

The Company is actively working on an innovative strategy to allow it to commence exports from another port before then as an interim measure.

A total of 10 expressions of interest were lodged for this project, including one from Spencer Ports Group, a consortium assembled by Western Plains.

Flinders Ports operates all seven public ports in South Australia.

Western Plains is surprised the Government did not see the benefit in introducing competition into the South Australian ports sector, but recognises that Flinders Ports is an experienced, capable and competent port operator.

Western Plains looks forward to working with Flinders Ports so that this new facility is constructed quickly, and to a scope that makes it cost competitive with other bulk commodity export ports.

Western Plains will be a corner-

stone customer of this port.

This decision, together with the Department of Defence's decision in relation to the Peculiar Knob mine and infrastructure development, which the Company announced on 16 October, are very important developments in the Company's transition from explorer to producer.

Western Plains heavily lobbied the State Government to commit to the development of this new port.

It is rewarding that the Government has now responded.

It seems unlikely that commitment to this development would have been taken without the Company's initiatives.



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### Western Plains

#### Chairman's review – Bob Duffin

The year has been an extremely busy and productive period, with a mix of very encouraging developments on the one hand, tempered with some frustrations on the other.

On the positive side, we have almost doubled the total DSO resource tonnage since we acquired our iron ore tenements in October 2006, just two years ago.

We were pleased to secure the grant of a 14 year mining lease at our flagship Peculiar Knob project area, and we have discovered Tui, a new DSO orebody at Hawks Nest.

We have found sufficient water in basement fractures (and significantly not in the overlying sedimentary sequences) for our DSO project, we have completed the feasibility study for the Buzzard deposit, and we are well down the track with the myriad of third party permits and approvals that are required before the DSO project can be brought into production.

In addition, we have completed a very encouraging scoping study for the development of just one of the six known magnetite deposits at Hawks Nest.

But we have also had a number of set-backs, which should not be glossed over.

OneSteel Limited's decision not to extend the Memorandum of Understanding we executed with it in July 2007 into a site access agreement for the Port of Whyalla was a major blow to the Company.

Whyalla is an under-utilised asset and we did not want to use any of OneSteel's key infrastructure – in the main, just a vacant block of land that OneSteel's own management had identified to us as suitable for our purpose.

We completed a geotechnical drilling program on that site with OneSteel's approval and spent a lot of money there on consultants and

engineering studies.

With the benefit of hindsight, we wasted a lot of time and money pursuing the Whyalla option.

We have also been frustrated in our efforts to obtain all necessary approvals from the Commonwealth Department of Defence to operate within the Woomera Prohibited Area.

The WPA is used for testing war materials but there are also a number of large mines, pastoral activities, opal diggings and other activities within the WPA, all operating apparently without adverse effect on Defence's or their own activities.

At Defence's request, we have agreed to relocate the essential infrastructure for the development of Peculiar Knob, and we are now proceeding to document the Peculiar Knob access agreement.

We have not yet reached agreement with Defence for our proposed mining operations at Hawks Nest.

The Hawks Nest area is of particular concern to Defence and it may be necessary for us to vacate that site from time to time while high impact, high security tests of a national security nature are carried out.

OneSteel's unpreparedness to allow us to use Whyalla and our frustrations with Defence have inevitably impacted on our development timetable and our ability to secure the financing package that we had anticipated would be in place well before now.

We reacted to the Whyalla decision by forming the Port Bonython Bulk Users Group Inc (which I chair), an umbrella group representing the interests of a number of junior mining companies that need access to a deep water port in South Australia

Our iron ore projects have the potential to make very significant contributions to the South Australian econo-

my.

At our target production rate of 4.5 million tonnes per annum of DSO, revenue would be in line with the state's current wheat sales, greater than barley, and almost as large as grapes.

It would be larger than natural gas and uranium oxide (pre Olympic Dam expansion).

It will generate up to 170 jobs directly, almost all in the Coober Pedy and Whyalla areas in the State electorate of Giles, together with many construction and contracting opportunities.

If we can bring just one of our six magnetite deposits into production as well the number of jobs created will be much larger and the revenue could exceed that from copper, the State's largest mineral export earner.

Our tenements have potential for the discovery of additional DSO and magnetite deposits and this potential, if realised, could make the Company one of the most important in South Australia's resources sector.

To achieve this potential both the State and Commonwealth governments must demonstrate a real commitment to the development of the South Australian mining industry.

Mining is not incompatible with world's best environmental practices and is not a threat to national security.

Since December 2007 the world's financial systems and equity markets have been subject to significant stresses.

This volatility has impacted the Company's share price, along with that of all other similar companies.

In spite of this, iron ore demand from China and other Asian countries remains firm.