

# NiPlats Quadruples Resource at Australia's largest vanadium deposit

ANNOUNCEMENT

5 March 2010

## HIGHLIGHTS

- New Mineral Resource estimate by Runge increases the vanadium Resource by about 400% to **3.16 billion tonnes at 0.30%  $V_2O_5$**  and confirms Speewah as Australia's largest vanadium deposit.
- Pit optimisations and a reserve estimate on the Mineral Resource at Central are planned once all metallurgical studies are completed. The flat dipping deposit geometry and very high vanadium tenor, significantly enhance the opportunity for a commercially viable vanadium project.
- Work currently underway includes metallurgical and feasibility studies for a potential open pit and downstream processing of the vanadium into vanadium pentoxide and ferrovanadium.

## MINERAL RESOURCE ESTIMATE

NiPlats Australia Limited ("NiPlats" or "the Company") (ASX: NIP) is very pleased to report a very substantial increase in Mineral Resources at the Speewah vanadium deposit to a total **Measured, Indicated and Inferred Mineral Resource** estimated at **3,159Mt at 0.30%  $V_2O_5$** , 2% Ti and 14.8% Fe, at a block cut-off grade of 0.23%  $V_2O_5$  (Table A) within the 100% owned Speewah Project (Figure 1).

The Mineral Resource has now been estimated to include the previously reported **Central** deposit and two additional deposits at **Red Hill** and **Buckman** (Figure 1). They individually extend over strike lengths of 5.5 to 8km and up to 2km wide. These combined Resources at Speewah are significantly larger than any other deposit in Australia and there are several other areas within the Speewah Dome with magnetite bearing gabbro that have yet to be drill tested.

Mineral Resource estimation has been undertaken by Runge Limited ("Runge"). It includes assay results from the latest phase of drilling completed in 2009. The Resource tonnes, grade and classification have been estimated at a block model cut-off grade of 0.23%  $V_2O_5$  (see explanatory notes provided in Attachment 1).

The **Central deposit** contains a total Measured, Indicated and Inferred Mineral Resource estimated at 854Mt at 0.32%  $V_2O_5$  at a 0.23%  $V_2O_5$  cut-off (Table B). Significantly, this deposit contains a basal high grade zone with total **Measured, Indicated and Inferred Mineral Resources of 434Mt at 0.37%  $V_2O_5$**  (at 0.23%  $V_2O_5$  cut off grade). An important outcome of this Resource estimate is the upgrade in classification where **200Mt at 0.37%  $V_2O_5$  is in the Measured and Indicated categories** (Table B). This can be attributed to the **very consistent and continuous** nature of the magnetite mineralisation in the host gabbro.

Pit optimisations and a reserve estimate will be undertaken on the Central deposit once all the metallurgical testwork programmes are completed. Such a **large resource**, combined with the **outcropping and flat dipping deposit geometry with little surface oxidation**, and the very **high vanadium concentrate tenor**, significantly enhances the opportunity for a commercially viable vanadium project.

Work underway includes metallurgical and feasibility studies for a potential open pit and downstream processing of the vanadium into vanadium pentoxide and ferrovanadium.

## DIRECTOR'S COMMENTARY

The Board is extremely pleased to be able to deliver such a significant increase in the Resource which is now many times larger in terms of contained vanadium than any other Australian vanadium project. The key aspects of this announcement include:

- Quadrupling the already very large vanadium resource;
- Opening of the Red Hill and Buckman areas, with maiden resource estimates;
- Upgrading the Central deposit Resource to include Measured Resources under the JORC code.

Each would be a noteworthy and significant achievement individually and more so because they have been achieved just one year after the maiden Resource on the Central deposit was declared in February 2009.

The Board commends the core geological team of Ken Rogers, Dr Rob Ramsay and Alex Eves who are responsible for the planning, management and delivery of the exploration programme and analysis that has delivered this exceptional outcome at the high end of expectation.

This Resource upgrade is the first of a number of key objectives in respect of the vanadium project to be delivered during 2010. NiPlats is currently completing scoping studies focussed on the Central deposit. These studies, which include metallurgical testing and feasibility components, are designed to deliver the following key outcomes in 2010:

- Vanadium processing Flowsheet, OPEX, CAPEX and Net Present Value for the vanadium project;
- Pit design and optimisation that will lead to a Reserve estimate on the Central deposit.

Following on from these outcomes, the next step will be to complete an application for a Mining Lease that would allow future development.

The strategy NiPlats has adopted is to de-risk the vanadium project by delivering the key technical background and support that will be required to attract investment and development funding for the vanadium project in the shortest possible timeframe.

R Wolanski  
**DIRECTOR**

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### Competent Persons Statement

*The information in this Report that relates to Mineral Resources is based on information provided by Alex Eves and Dr Rob Ramsay of NiPlats Australia Ltd, compiled by Graham de la Mare of Runge Limited and reviewed by Aaron Green of Runge Limited. Aaron Green takes overall responsibility for the Mineral Resource Report. He is a Member of the Australian Institute of Geoscientists and has sufficient experience, which is relevant to the style of mineralisation and type of deposit under consideration, and to the activity he is undertaking, to qualify as a Competent Person in terms of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves' (JORC Code 2004 Edition). Aaron Green consents to the inclusion of such information in this Report in the form and context in which it appears.*

*Mr Ken Rogers, Member of the Australian Institute of Geoscientists, Chief Geologist of NiPlats Australia Limited, compiled the technical aspects of this report relating to the Speewah Project and content of this release. Mr Rogers has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity that is being reported on to qualify as a Competent Person as defined in the 2004 Edition of the Australasian Code for Reporting of Mineral Resources and Ore Reserves (the JORC Code). Mr Rogers consents to the inclusion in the report of the matters in the form and context in which it appears.*

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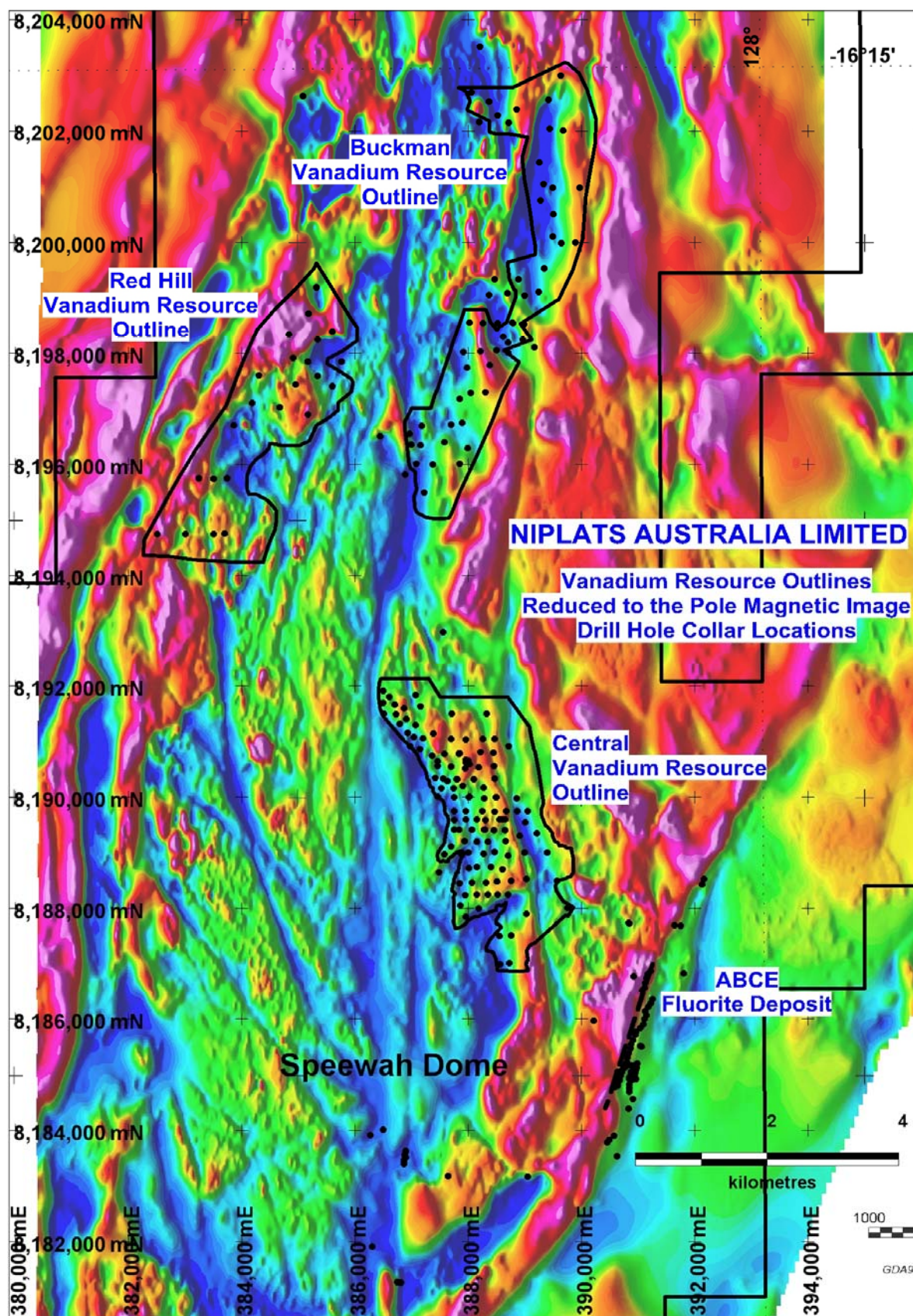


Figure 1: Location of Vanadium Mineral Resources at Speedwah within the Exploration Licence boundaries (black lines)

The Mineral Resource for the combined Central, Red Hill and Buckman deposits within the Speewah project area is presented in Table A below:

**Table A: Speewah Project - February 2010 Mineral Resource Estimate, 0.23% V<sub>2</sub>O<sub>5</sub> Cut-off**

Speewah Project		Tonnes Mt	V %	V <sub>2</sub> O <sub>5</sub> %	Fe %	Ti %
Zone	Class					
High Grade	Measured	115	0.21	0.37	15.0	2.1
	Indicated	84	0.21	0.38	15.0	2.1
	Inferred	1,227	0.19	0.35	14.8	2.0
<b>High Grade Total</b>		<b>1,427</b>	<b>0.20</b>	<b>0.35</b>	<b>14.9</b>	<b>2.0</b>
Low Grade	Measured	86	0.15	0.27	14.7	2.0
	Indicated	91	0.15	0.26	14.8	2.0
	Inferred	1,557	0.15	0.27	14.7	2.0
<b>Low Grade Total</b>		<b>1,733</b>	<b>0.15</b>	<b>0.27</b>	<b>14.7</b>	<b>2.0</b>
Combined Zones	Measured	201	0.18	0.33	14.9	2.1
	Indicated	175	0.18	0.32	14.9	2.1
	Inferred	2,783	0.17	0.30	14.8	2.0
<b>Grand Total</b>		<b>3,159</b>	<b>0.17</b>	<b>0.30</b>	<b>14.8</b>	<b>2.0</b>

*Note: Estimate based on results of XRF analysis for V, Fe and Ti, with V<sub>2</sub>O<sub>5</sub> calculated as V % x 1.785. Differences may occur due to rounding.*

The Mineral Resource Estimates for each of the Central, Buckman and Red Hill deposits are given in Table B.

**Table B: Mineral Resource Estimate February 2010, Speewah Deposits, 0.23% V<sub>2</sub>O<sub>5</sub> Cut-off**

Central Deposit		Tonnes Mt	V %	V <sub>2</sub> O <sub>5</sub> %	Fe %	Ti %
Zone	Class					
High Grade	Measured	115	0.21	0.37	15.0	2.1
	Indicated	84	0.21	0.38	15.0	2.1
	Inferred	234	0.21	0.37	14.8	2.1
<b>High Grade Total</b>		<b>434</b>	<b>0.21</b>	<b>0.37</b>	<b>14.9</b>	<b>2.1</b>
Low Grade	Measured	86	0.15	0.27	14.7	2.0
	Indicated	91	0.15	0.26	14.8	2.0
	Inferred	244	0.14	0.26	14.5	2.0
<b>Low Grade Total</b>		<b>420</b>	<b>0.15</b>	<b>0.26</b>	<b>14.6</b>	<b>2.0</b>
Combined Zones	Measured	201	0.18	0.33	14.9	2.1
	Indicated	175	0.18	0.32	14.9	2.1
	Inferred	478	0.17	0.31	14.6	2.0
<b>Grand Total</b>		<b>854</b>	<b>0.18</b>	<b>0.32</b>	<b>14.8</b>	<b>2.0</b>

Buckman Deposit		Tonnes Mt	V %	V <sub>2</sub> O <sub>5</sub> %	Fe %	Ti %
Zone	Class					
High Grade	Measured					
	Indicated					
	Inferred	438	0.19	0.34	14.9	2.0
<b>High Grade Total</b>		<b>438</b>	<b>0.19</b>	<b>0.34</b>	<b>14.9</b>	<b>2.0</b>
Low Grade	Measured					
	Indicated					
	Inferred	733	0.15	0.27	14.7	2.0
<b>Low Grade Total</b>		<b>733</b>	<b>0.15</b>	<b>0.27</b>	<b>14.7</b>	<b>2.0</b>
Combined Zones	Measured					
	Indicated					
	Inferred	1,170	0.17	0.30	14.8	2.0
<b>Grand Total</b>		<b>1,170</b>	<b>0.17</b>	<b>0.30</b>	<b>14.8</b>	<b>2.0</b>

Red Hill Deposit		Tonnes Mt	V %	V <sub>2</sub> O <sub>5</sub> %	Fe %	Ti %
Zone	Class					
High Grade	Measured					
	Indicated					
	Inferred	555	0.19	0.34	14.8	2.0
<b>High Grade Total</b>		<b>555</b>	<b>0.19</b>	<b>0.34</b>	<b>14.8</b>	<b>2.0</b>
Low Grade	Measured					
	Indicated					
	Inferred	580	0.15	0.26	14.9	2.0
<b>Low Grade Total</b>		<b>580</b>	<b>0.15</b>	<b>0.26</b>	<b>14.9</b>	<b>2.0</b>
Combined Zones	Measured					
	Indicated					
	Inferred	1,135	0.17	0.30	14.8	2.0
<b>Grand Total</b>		<b>1,135</b>	<b>0.17</b>	<b>0.30</b>	<b>14.8</b>	<b>2.0</b>

Note: Estimate based on results of XRF analysis for V, Fe and Ti, with V<sub>2</sub>O<sub>5</sub> calculated as V % x 1.785. Differences may occur due to rounding.



## Attachment 1. Notes to accompany Mineral Resource estimates:

### Technical summary of grade estimation process:

Runge Limited (Runge) was contracted by Speewah Mining Ltd (Speewah) to complete Mineral Resource estimates on the Central, Buckman and Red Hill prospects of the Speewah project area.

Speewah supplied all geological and sampling data and provided technical and geological support to Runge during the resource modelling process.

The resource estimate was completed using the following parameters:

- The Speewah Project covers a 17km lateral strike extent and reaches a maximum depth of 275m from surface at approximately 255mRL to -20mRL.
- The Speewah Project includes three deposits; Central, Buckman, and Red Hill. The Central estimate covers a 6km strike extent, Buckman covers an 8km strike extent, and the Red Hill estimate covers a 5.5km strike extent. The deposits are all approximately 2km in width.
- Drill holes used in the resource estimate include 3 diamond holes and 209 RC holes for a total of 7,200m within the resource wireframes.
- RC holes in the resource were drilled at section spacings of between 250m and 700m at Central, with a localised area of 4 holes drilled at 50m spacing. The RC holes at Buckman have been drilled on an irregular spacing of between 350m and 450m along a strike of 12° and include one line of drilling where holes are spaced at 250m across strike. Most drill lines through this deposit have fewer than 5 holes on each line. The RC holes at Red Hill include two southerly lines drilled at a spacing of 1km. Through the remainder of the deposit, holes have been drilled on an irregular grid at 500m spacing with one oblique drill line where holes are spaced at 260m.
- RC holes were sampled at 1m intervals. The sampling method involved collecting a calico bagged sample from a trailer mounted cone splitter, while the bulk reject was collected in large plastic bags to enable further test work to be conducted. Diamond holes were drilled using PQ and HQ core and are currently being sampled at 1m intervals with ¼ core to be submitted for analysis.
- Sample preparation and assay was carried out by Ultratrace Laboratories in Perth. Comprehensive assaying of V, Fe and Ti was carried out routinely using XRF whilst V (check assay) and Cu were analysed using Inductively Coupled Plasma (ICP).
- $V_2O_5$  values were calculated using the formula  $V\% \times 1.785$ .
- Runge considers that the overall QAQC results for the Speewah Project are acceptable and confirm the validity of the assay data for use in the resource estimate.
- A site visit was conducted in September 2009 by Aaron Green (Runge) to review the project and deposit geology, and site procedures.
- Approximately 90% of the drill holes have been surveyed at the collar using DGPS. The remainder have been located using a field GPS. Holes were predominantly drilled vertically with four holes drilled at an angle of between -60° to -75°. Downhole surveys were completed on four holes at Central using a Globaltech Pathfinder digital down hole camera within the rods, where dips in the order of -89° were recorded.
- Surface topography was defined by photogrammetry and suitable data was available for the full extent of the deposit areas.
- Wireframes were constructed using cross sectional interpretations based on mineralised envelopes constructed at a nominal 0.18% V cut-off for the basal high grade zone, and 0.1% V for the low grade zone. Samples within the wireframes were composited to even 1.0m intervals.
- No high grade cuts were applied to the data.
- A separate Surpac block model was used for the estimate of each deposit with a block size of 100m NS by 50m EW by 5m vertical with sub-cells of 25m by 12.5m by 1.25m at Central and Buckman. The model at Red Hill used a block size of 200m NS by 100m EW by 5m vertical with sub-cells of 50m by 25m by 1.25m.
- Ordinary Kriging (OK) was used to estimate the Speewah Resource. Parameters were based on variography and showed a nugget of between 4% and 11% for V, 3% and 26% for Fe, and 1% and 11% for Ti. Variability in V, Fe, and Ti at all three deposits is low resulting in long modelled ranges up to 1,900m.

- Ordinary Kriging (OK) grade interpolation used an oriented 'ellipsoid' search neighbourhood adjusted to reflect the dip at various locations through the deposits. Multiple search passes were used ranging between 300m and 600m for the first pass up to 2,000m for the third pass. Each deposit used a minimum number of samples of 10 in the first pass, 4 in the second pass, and 2 in the third pass with a maximum of 5 samples per drill hole. Between 76% and 90% of the blocks were estimated in the first two passes.
- An ID<sup>2</sup> interpolation was also run to check the OK estimate for each deposit. The models compare favourably with the ID<sup>2</sup> estimate reporting within 2% difference in total tonnes with identical grades.
- A bulk density of 3.11t/m<sup>3</sup> was determined from 59 measurements of fresh magnetite gabbro sampled from two diamond drill holes.
- The resource was classified as Measured, Indicated and Inferred Mineral Resource. The Measured portion of the resource was defined through the Central deposit where the drill spacing was drilled on a 250m by 250m regular pattern, with some closer spaced areas of 50m by 50m, and lode continuity was robust (Figure 2). The Indicated portion included areas of the Central deposit where drill density was spaced at 250m to 350m and on drill lines having two or more drill holes and lode continuity was good. This includes the western edge of the Central deposit where the basal high grade footwall has been mapped at surface. The Inferred portion was applied to the more sparsely drilled portions of the Central deposit (up to 700m drill spacing) and where lode continuity was still good. The majority of the Buckman and Red Hill deposits have been classified as Inferred Mineral resource due to the wide drill spacings of up to 1,000m and reasonably good lode continuity.
- The peripheral areas of all three deposits have significant areas of Mineral Potential where the lodes have been extended out to prospect outlines supplied by NIP. These outlines represent surface mapping of high grade basal magnetite in the western margins and represent topographical features to the east beyond which drilling is unlikely to be undertaken.

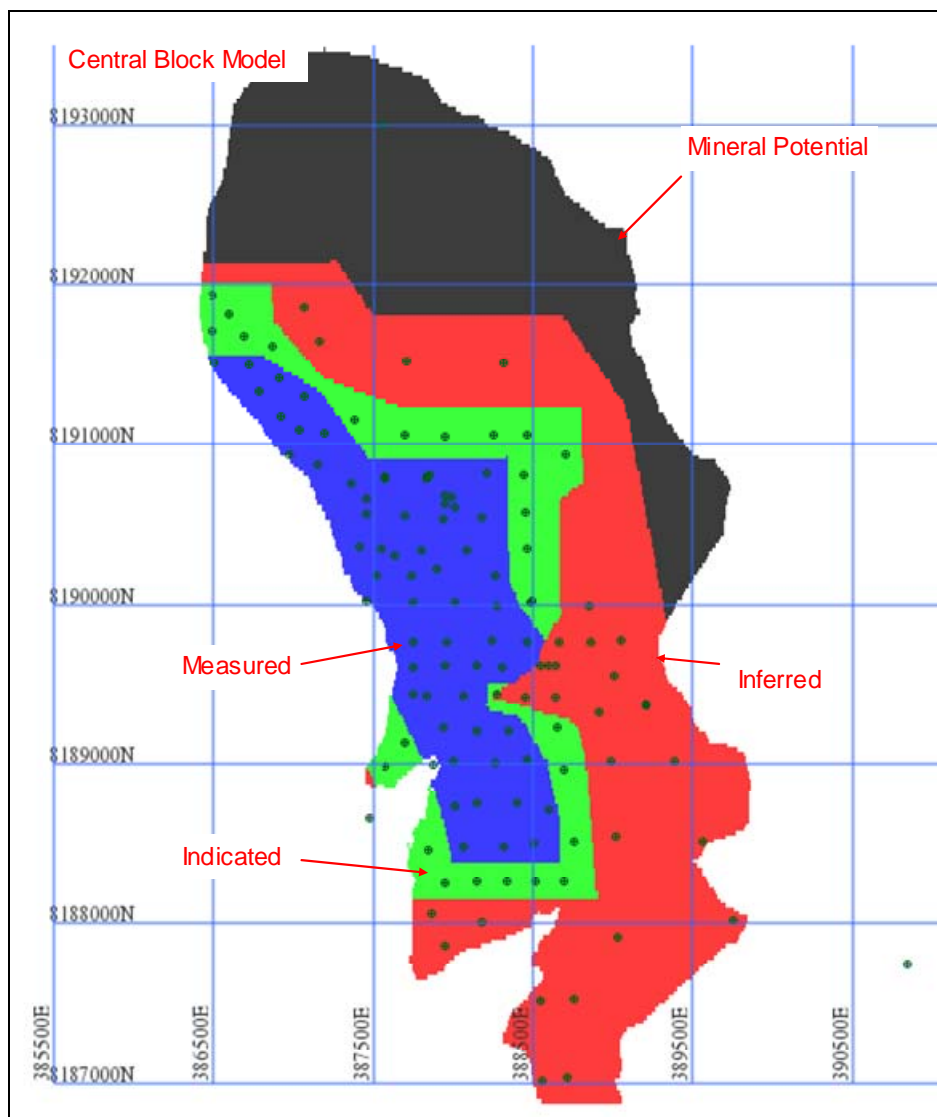


Figure 2. Spewah Central Deposit Block Model Classification Outline: Blue = Measured, Green = Indicated, Red = Inferred, Black = Unclassified Mineral Potential. Green dots are the drill holes used in the estimate. Grid lines at 1000m.



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Background

NiPlats Australia Limited (“NiPlats”) is a mining and exploration company whose prime focus is the definition and development of its vanadium, platinum and fluorite discoveries in the East Kimberly region of Western Australia (Figure 3). Newly discovered copper and gold prospectivity is a major focus in 2010 in addition to completing studies on the vanadium and fluorite projects.

The tenements contain a very large vanadium deposit with combined Measured, Indicated and Inferred Resources totalling 3,159 Mt at 0.30% (at 0.23%  $V_2O_5$  cut-off grade) in three deposits.

This includes the Central deposit with Measured, Indicated and Inferred Resources totalling 854 Mt at 0.32% (at 0.23%  $V_2O_5$  cut-off grade), comprising a Measured Resource of 201 Mt at 0.33%  $V_2O_5$ , Indicated Resource of 175 Mt at 0.32%  $V_2O_5$  and an Inferred Resource of 478 Mt at 0.31%  $V_2O_5$  which includes a high grade zone of 434 Mt at 0.37% (at 0.23%  $V_2O_5$  cut-off grade), comprising a Measured Resource of 115 Mt at 0.37%  $V_2O_5$ , Indicated Resource of 85 Mt at 0.38%  $V_2O_5$  and an Inferred Resource of 234 Mt at 0.37%  $V_2O_5$ .

In addition, maiden vanadium Mineral Resources have been estimated at the Red Hill and Buckman Prospects. The Buckman deposit contains an Inferred Resource of 1,170 Mt at 0.30%  $V_2O_5$  (at 0.23%  $V_2O_5$  cut-off grade), and the Red Hill deposit contains an Inferred Resource of 1,135 Mt at 0.30%  $V_2O_5$  (at 0.23%  $V_2O_5$  cut-off grade).

The tenements also contain a high-grade, high-quality fluorite deposit with Indicated and Inferred Resources totalling 6.7 Mt at 24.6% (at 10%  $CaF_2$  cut-off grade), comprising an Indicated Resource of 4.1 Mt at 25.3%  $CaF_2$  and an Inferred Resource of 2.6 Mt at 23.6%  $CaF_2$ .

NiPlats Australia Limited has a 100% interest in three granted Mining Leases (M80/267, M80/268 and M80/269) and two granted exploration licences (E80/2863 and E80/3657) covering 473 km<sup>2</sup> located about 110 km southwest of Kununurra. The tenements cover the Speewah Dome where Proterozoic-age Hart Dolerite intrudes older sediments of the Speewah and Kimberley Groups, which has been disrupted by fault and fault splays of the Greenvale Fault Zone that hosts both fluorite and copper mineralisation in the Speewah area.

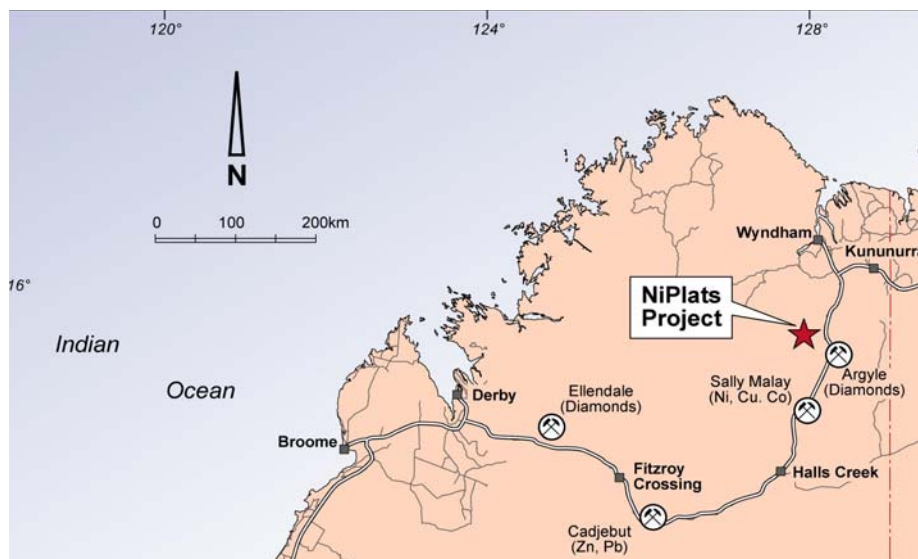


Figure 3. Location of NiPlats Australia Limited project area in northern Western Australia.