



NiPlats achieves first stage of defining Australia's largest vanadium deposit

ANNOUNCEMENT

5 February 2009

HIGHLIGHTS

- 2008 exploration programme has delivered a significant milestone for the Company with the completion of a maiden Vanadium Resource Estimate at Speewah confirming the Speewah Dome hosts a very large vanadium deposit.
- The total Indicated and Inferred Mineral Resource for the combined low and high grade zones is estimated at 851 million tonnes at 0.32% V₂O₅ (at 0.23% V₂O₅ lower cut-off grade).
- The high grade zone contains combined total Indicated and Inferred Mineral Resource of 279 million tonnes at 0.39% V₂O₅ (at 0.365% V₂O₅ lower cut-off grade).
- The Indicated portion of the high grade zone is 107 million tonnes at 0.40% V₂O₅ (at 0.365% V₂O₅ lower cut-off grade).
- The Indicated Resource will be used for pit optimisation studies. The favourable setting of the resource (outcropping and near surface, gentle slope) and the characteristic of mostly fresh rock from surface, combined with the very high vanadium tenor, significantly enhance the opportunity for a commercially viable vanadium project.
- Work in 2009 will include metallurgical and feasibility studies currently underway for a potential open pit and downstream processing of the vanadium into vanadium pentoxide and ferrovandium.
- The Board of Directors believes the magnitude and grade of the resource represents a significant new discovery in the Australian mineral landscape.

Following the completion of the 2008 field season, NiPlats Australia Limited ("NiPlats" or "the Company") (ASX: NIP) is very pleased to report its maiden Mineral Resource estimate for the Central Zone vanadium deposit within the 100% owned Speewah Project.

MINERAL RESOURCE

CSA Global Pty Ltd (CSA) estimated a total V, Fe and Ti Mineral Resource for the Central prospect of the Speewah project area as presented in the tables below:

Table 1: Speewah Central Prospect Mineral Resource estimate Basal High Grade Zone.

Zone	Category	M Tonnes	Grade at V ₂ O ₅ >= 0.365%			
			V %	V ₂ O ₅ %	Total Fe %	Total Ti %
Basal High Grade	Measured	-	-	-	-	-
	Indicated	107	0.22	0.40	15.2	2.1
	Inferred	172	0.22	0.39	15.4	2.2
	High Grade Total	279	0.22	0.39	15.3	2.2

Note: The CSA Mineral Resource was estimated within constraining wireframe surfaces based on a nominal lower cut-off grade of 0.2% V, for the high grade zone. The resource is quoted from blocks above the specified cut-off grade of 0.365% V₂O₅. Estimate based on results of XRF analysis for V, Fe and Ti, with V₂O₅ calculated as V % x 1.785. Differences may occur due to rounding.

Table 2: Speewah Central Prospect Mineral Resource estimate Combined Zones.

Zone	Category	M Tonnes	Grade at V ₂ O ₅ >= 0.23%			
			V %	V ₂ O ₅ %	Total Fe %	Total Ti %
Basal High Grade	Measured	-	-	-	-	-
	Indicated	127	0.22	0.39	15.1	2.1
	Inferred	256	0.21	0.38	15.0	2.1
	High Grade Total	383	0.21	0.38	15.1	2.1
Low Grade	Measured	-	-	-	-	-
	Indicated	207	0.15	0.28	15.1	2.1
	Inferred	261	0.15	0.26	14.5	2.0
	Low Grade Total	468	0.15	0.27	14.8	2.0
Combined Zones	Measured	-	-	-	-	-
	Indicated	334	0.18	0.32	15.1	2.1
	Inferred	517	0.18	0.32	14.8	2.1
	Grand Total	851	0.18	0.32	14.9	2.1

Note: The CSA Mineral Resource was estimated within constraining wireframe surfaces based on a nominal lower cut-off grade of 0.2% V, from the high grade zone, and 0.1% V for the low grade zone. The resource is quoted from blocks above the specified cut-off grade of 0.23% V₂O₅. Estimate based on results of XRF analysis for V, Fe and Ti, with V₂O₅ calculated as V % x 1.785. Differences may occur due to rounding.

Technical summary of grade estimation process:

- CSA Global Pty Ltd (CSA) were contracted by Speewah Mining Ltd (Speewah) to complete a Mineral Resource estimate on the Central prospect of the Speewah project area.
- Speewah supplied all geological and sampling data and provided technical and geological support to CSA during the resource modelling process.
- Samples were composited to 1m, based on length analysis.
- Classified mineralisation has a strike extent of 5,750m varying in width between 450m and 2300m, within the interpreted overall strike extent of 7,800m and width of up to 2,750m.
- Resource estimation based on XRF assay results for V, Fe and Ti from 52 RC holes.
- Wireframe surfaces were generated to delineate the high grade basal zone, at a nominal 0.2% V cut-off, with the overlying low grade zone surface based on a nominal 0.1% V cut-off grade.
- Drill hole samples were flagged within the wireframe surfaces high and low grade zones.
- Statistical analysis was carried out on the XRF sample results within the high and low grade zones for V %, Fe % and Ti %.
- The base of each zone was used as a datum to flatten both the model and data for resource estimation. This was done to minimise artefacts created by the gently undulating zone and allowed better connectivity between grades for spatial analysis and resource estimation. The model blocks were returned to their original position after resource estimation.
- A relative nugget of 5% was modelled for both zones, demonstrating low variability for V at short ranges.
- A volume block model was constructed in Datamine using the provided topography and constructed mineralisation surfaces. All blocks were coded according to their location relative to the wireframe surfaces using the same coding as in the sample flagging.
- The block model contained parent block sizes of 100m x 100m x 1m (X x Y x Z) with sub celling to 10m x 10m x 1m
- The base of the high and low grade zones of the block model were each flattened, in a similar manner to the drill holes, for an Ordinary Kriged (OK) grade estimation to be carried out on each zone separately, for V, Fe and Ti.
- An Inverse Distance to the power of 2 (IDS) estimate was also used as a cross check on the Kriged grades.
- A search ellipse of 750m by 550m by 20m was used for the high grade zone, while a search ellipse of 750m by 550m by 30m was used for the low grade zone. The search ellipses are aligned according to the modelled variogram directions with the major axis at 0° dip towards 330° and the semi-major axis at 0° dip towards 60°.
- A minimum of 6 samples and a maximum of 24 samples were used to estimate the sample grades into each block. A maximum of 5 samples from any one drill hole were used per block estimate, with no octant based searching utilised.
- The flattened estimated zones were returned back into their correct positions and validated visually along the drill section lines to ensure the estimated grades appropriately reflected the sampling results.
- Statistical analysis and trend plots comparing the estimated block and drill hole sampling grades were also used to validate the results of the grade estimation.
- A bulk density of 3.13 t/m³ was applied to all blocks, based on the results of density measurements carried out on 55 diamond drill core samples from the host unit.
- Table 3 presents the extents of the classified zones of the modelled resource.

Table 3: Extents of classified mineralisation

	Easting	Northing	Elevation
Minimum	386410	8186815	69
Maximum	389900	8192205	229

- The Mineral Resources are classified as Inferred, based on current drill coverage, confidence in geological continuity and kriging variance, and Indicated in the higher confidence area of the resource.

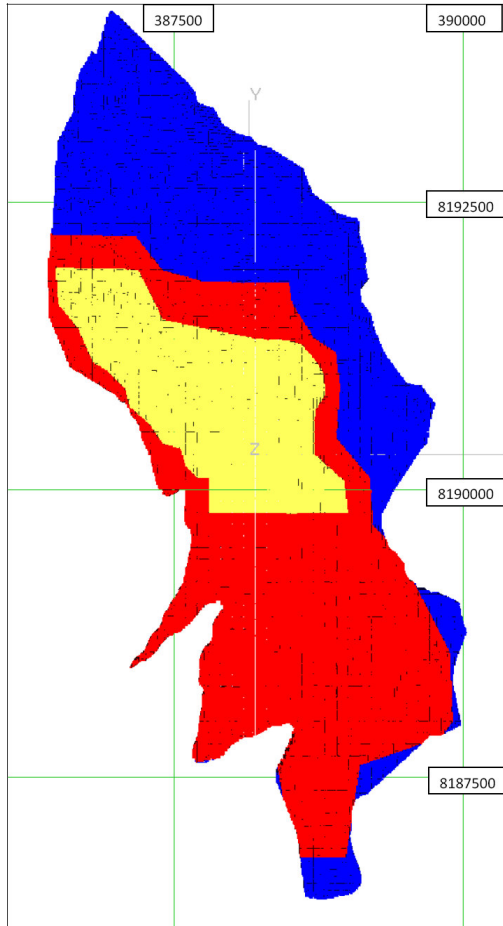


Figure 1. Speewah Central Prospect Model Classification Outline: Yellow = Indicated, Red = Inferred, Blue = Unclassified. Grid lines at 2500m.

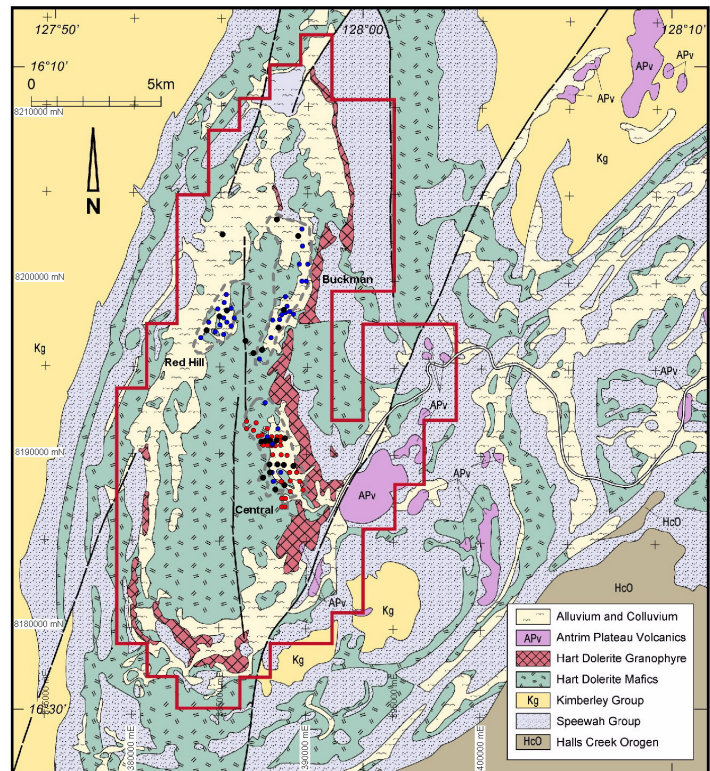


Figure 2: Location of drill holes and vanadium targets at Speewah

The information above, beginning at the section "Mineral Resource" in this Report that relates to in-situ Mineral Resources is based on information provided by Alex Eves of NiPlats Australia Ltd, compiled by Grant Louw of CSA Global and reviewed by Elizabeth Haren and Bradley Toms of CSA Global. Bradley Toms takes overall responsibility for the 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). Bradley Toms consents to the inclusion of such information in this Report in the form and context in which it appears.



FURTHER COMMENTS BY NIPLATS AUSTRALIA LTD

RESOURCE SIZE AND QUALITY

The maiden resource at Speewah represents a very large vanadium deposit and contains titaniferous magnetite with very high vanadium tenor. The Company has identified the high grade basal zone to provide focus for scoping studies to be carried out in 2009 where preliminary investigations suggest a potential 20 to 30 year mine life. It is important to note that the entire resource, inclusive of low grade, contains magnetite with vanadium tenor that is being exploited commercially in other existing vanadium projects.

The resource estimate represents only the Central Zone within the Speewah Dome (Figure 2). The Directors note that the Resource is significantly larger than the initial exploration target previously reported (December 2007) of 300-400Mt at grades between 0.3-0.4% V₂O₅ (based on drilling and mapping conducted in 2007). This reflects the successful exploration programme completed in 2008 which better defined the extent of the total deposit.

In addition, the Red Hill and Buckman Zones are exploration targets, each of 200-400Mt at 0.3-0.4% V₂O₅, based on drilling and mapping. The Red Hill and Buckman exploration targets have been significantly increased from initial estimates released in November 2008. Further drilling within the Central, Red Hill and Buckman Zones will make this Australia's largest vanadium deposit, and should significantly increase the size of the Indicated category.

The Board are encouraged by the high grade Indicated Mineral Resource of **107 million tonnes at 0.40% V₂O₅**, which compares favourably with other vanadium projects globally both in size and grade, and will be used for pit optimisation studies. Significantly, the resource outcrops in the west and dips flatly to the east at about 4° (degrees), providing favourable geometry for minimising the mining strip ratio. Furthermore, the resource shows little weathering and is mostly fresh rock from the surface, which will facilitate the magnetic separation of the vanadium bearing titaniferous magnetite mineral.

The Company would also like to highlight the very high vanadium tenor in the titaniferous magnetite within the resource. Preliminary metallurgical testwork recorded values of 2.4% V₂O₅ within the high grade basal zone, with values of 2.0%, 1.8% and 1.5% V₂O₅ progressively towards the top of the total resource. This compares with values of 1.0 to 1.6% V₂O₅ for most other vanadium deposits. The amount of vanadium in the magnetite ('tenor') is important in the end product production cycle, where higher tenor magnetite may deliver significant cost savings.

Given the large size and high quality of the resource, the Board advises that future work will focus on scoping and pre-feasibility studies on the high grade Indicated Mineral Resource of **107 million tonnes at 0.40% V₂O₅**, as preliminary investigations suggests a potential mine life of 20 to 30 years based on producing approximately 6,000 tonnes of ferro-vanadium end product per year.

Further exploration may result in the identification of higher grade zones with the existing resource area or exploration targets. Any improvement in grade will enhance the feasibility of the vanadium project.

NEXT STEPS FOR 2009

The very large vanadium resource combined with comparatively high vanadium tenor and third party confirmation of the metallurgical process for production of a vanadium end product will provide the Director's with the confidence that a significant asset has been delivered in relation to the vanadium project. This work will form the foundation for pre-feasibility studies to be completed over the coming year to support the feasibility of a vanadium project.

Mr Ken Rogers, Member of the Australian Institute of Geoscientists, Acting 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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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.

The tenements contain a very large vanadium deposit with Indicated and Inferred Resources totalling 851 Mt at 0.32% (at 0.23% V_2O_5 cut-off grade), comprising an Indicated Resource of 334 Mt at 0.32% V_2O_5 and an Inferred Resource of 517 Mt at 0.32% V_2O_5 which includes a high grade zone of 279 Mt at 0.39% (at 0.365% V_2O_5 cut-off grade), comprising an Indicated Resource of 107 Mt at 0.4% V_2O_5 and an Inferred Resource of 172 Mt at 0.39% V_2O_5 .

The tenements also contain a high-grade, high-quality fluorite deposit with Indicated and Inferred Resources totalling 5.5 Mt at 24.5% (at 10% CaF_2 cut-off grade), comprising an Indicated Resource of 4.4 Mt at 24.9% CaF_2 and an Inferred Resource of 1.1 Mt at 23.0% 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 km² located about 100 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 mineralisation and carbonatites in the Speewah area.

The potential quantity and grade of the exploration targets referred to in relation to 'Red Hill' and 'Buckman' Zones is conceptual in nature and there has been insufficient exploration to define a Mineral Resource.