



30 April 2012

About Golden West Resources

Golden West Resources is an emerging Iron ore producer in the Midwest region of Western Australia.

To date the company has a total JORC Hematite Reserve of 69.2Mt, comprising of Proven 2.9Mt @ 59.7% Fe and Probable 66.4Mt @ 60.3% Fe and a Resource of 130.3Mt, comprising of Measured 3.7Mt @ 59.6% Fe, Indicated 77.2Mt @ 60.3% Fe and Inferred 49.5Mt @ 59.8% Fe, making it the second largest DSO resource in the Midwest Iron Ore province.

Golden West Resources also has a JORC gold Resource comprising of Indicated 46,000t @ 3.54 g/t Au and Inferred 3,432,000t @ 2.29g/t Au for a total 3,478,000t @ 2.31g/t Au.

Corporate summary

ASX code: GWR
Issued Capital: 192.142 Million
Issued Options: 24.6 Million
Cash on hand: \$27.0 Million

Board and Management

Gary Lyons
Non-executive Chairman
Mick Wilson
Executive director
Tien Seng Law
Non-executive director
Kong (Jimmy) Lee
Non-executive director
CA Lau
Non-executive director
Sophie Raven
Company secretary
Craig Ferrier
Executive General Manager

Enquiries

Richard Taylor
Riley Mathewson Public Relations
Tel: +61 (0)8 9381 2144
Mob: +61 (0)451 471 006

QUARTERLY REPORT – MARCH 2012

=====

HIGHLIGHTS

Wiluna West Iron Project

Mining Approval

- GWR has been granted formal approval to commence mining operations at its Wiluna West project.
- The approval applies to the John William Douth deposit which contains a high grade hematite Resource of 10.8Mt at an average grade of 64.1% Fe.
- The Company is now actively pursuing export arrangements through either Esperance or Geraldton.

Aboriginal heritage

- In February 2012 the Minister for Indigenous Affairs advised GWR they are able to use the land outlined in their section 18 application for mining and the construction, maintenance and use of associated infrastructure.

Infrastructure

- The Company is progressing discussions with the Department of Transport, infrastructure groups, and other industry players for the proposed iron ore throughput increase at Esperance Port.
- GWR has also re-engaged with the Geraldton Iron Ore Alliance and progressed work directed at establishing a transport corridor for the proposed port at Oakajee.

RC Drilling

- 6 RC drill holes for 486m were completed at Unit C at the CJ prospect, where Jindalee Resources Limited holds a 20% free carried interest. Significant intercepts included;
 - WWRC2855, 14M @ 60.2% Fe from 26m

Wiluna West Gold Project

- Over 1,000 tonnes of stockpiled ore from the Golden Monarch gold deposit was transported by GWR to the Apex Minerals NL (Apex) Wiluna Gold Mine, where it is planned to process the trial parcel through the Apex mill to provide metallurgical information and assist with negotiations in respect to reaching a toll milling agreement

Woodley Iron Project

- GWR executed a farm in agreement with Nemex Resources Limited in respect to their Woodley Iron project.
- The Woodley Project is located 100km south west of the Wiluna West iron project and contains a 22km long banded iron formation (BIF) where previous rock chip sampling has identified significant hematite goethite mineralisation over a strike length of 18km.
- GWR plans to commence systematic exploration during the coming quarter

Corporate

- In February 2012 the board elected Mr Gary Lyons as Chairman and Mr Tien Seng Law as Deputy Chairman following the earlier retirement of Mr David Sanders as a director and chairman.

Wiluna West Hematite Project

Mining Approvals

Following the end of the quarter, in April, GWR announced that it had been granted formal approval to commence mining of its high grade resources at Wiluna. The approval from the State Department of Minerals and Petroleum (DMP) will allow GWR to mine up to one million tonnes per annum for three years from their John William Douth (JWD) deposit. The JWD deposit contains a direct shipping ore (DSO) hematite resource of 10.8Mt at a very high grade 64.1%, providing iron levels at or above resources found in the Pilbara.

The Company has previously been granted a clearing permit from the Department of Environment and Conservation (DEC) meaning that other than works approvals, all statutory approvals have now been obtained. GWR expect mining to be by conventional open cut, contract mining with works approval for the crushing and screening process and a water extraction licence to be obtained prior to the commencement of operations.

Aboriginal Heritage

A section 18 application under the *Aboriginal Heritage Act, 1972* for approval to disturb a recorded ethnographic site (by the proposed JWD mining operations) was considered by the Aboriginal Cultural Material Committee (ACMC) at the Department of Indigenous Affairs on 8 February 2012. By letter dated 4 April 2012 the Minister for Indigenous Affairs advised that based on current knowledge there are no Aboriginal sites on the land the subject of the section 18 application and that GWR are able to use the land for the purpose described in the section 18 application as mining and the construction, maintenance and use of associated infrastructure.

Infrastructure

In January 2012 the West Australian Government through the Minister for Transport announced its decision to increase the Esperance port capacity by up to 20 million tonnes per annum in a staged plan. The Company has continued to advance discussions with interested parties in the planned increase of Esperance Port capacity. This has included Department of Transport (DoT), infrastructure groups, and other industry players.

It is understood that the DoT and Esperance Ports Sea and Land are undertaking a market sounding in relation to the development plans and identification and selection of a proponent(s). GWR has indicated its willingness to support initiatives that will deliver incremental capacity increases in the short to medium term in a cost effective manner.

GWR is also actively pursuing opportunities for the transport and export of its high grade JWD ore through either Esperance or Geraldton. The Company remains optimistic of completing arrangements that will lead to the development of the JWD deposit now that the formal mining approval has been granted. In addition, GWR has also re-engaged with the Geraldton Iron Ore Alliance as a member and separately has progressed work directed at establishing a transport corridor for the proposed port at Oakajee

GWR has also progressed work on the mining proposal for the entire Wiluna West Iron project and referral document to be submitted to the EPA. Further work has been undertaken to support consultation with key stakeholders ahead of the EPA submission.

RC Drilling

Six RC holes for 486m were completed in E53/1089, where Jindalee Resources Limited holds a 20% free carried interest. The drilling tested targets upon Unit C at the CJ prospect. Drill collars are summarised in Table 1 and significant intercepts in Table 2.

TABLE 1

RC Drill Hole Statistics								
Hole ID	Prospect	Tenement	Azi	Dip	AHDRL	MGA North	MGA East	EOH
WWRC2851	CJ	E53/1089	090	-60	588	7030400	792420	80
WWRC2852	CJ	E53/1089	090	-60	585	7030400	792380	80
WWRC2853	CJ	E53/1089	090	-60	587	7030300	792420	72
WWRC2854	CJ	E53/1089	090	-60	585	7030300	792380	80
WWRC2855	CJ	E53/1089	090	-60	573	7030000	792380	78
WWRC2856	CJ	E53/1089	090	-60	570	7030000	792340	96
Total								486

Table 2

Anomalous RC Fe Ore Intercepts >4m @ >50% Fe								
Hole ID	From	To	Intercept	Fe %	SiO ₂ %	Al ₂ O ₃ %	P %	LOI %
WWRC2854	14	19	5	52.7	18.1	1.8	0.10	4.2
WWRC2855	26	40	14	60.2	4.7	2.5	0.12	6.2
WWRC2856	74	78	4	57.9	10.2	1.2	0.11	5.3

Wiluna West Gold Project

The Wiluna West Gold Project contains a total Resource Estimate of 3.48Mt @ 2.3g/t Au for a theoretical contained 258,000oz Au at a 1g/t cut off (Indicated Resource 46,000 tonnes @ 3.5g/t Au and Inferred Resource 3.43Mt @ 2.3g/t Au).

The Company intends to commence gold production by custom milling ore at a nearby processing facility and negotiations are well under way. Recent work highlighted the Golden Monarch, Iron King and Bottom Camp prospects as the most attractive start up pits.

Previous operators excavated a small open pit over a portion of the Golden Monarch deposit, from which a 1,235 tonne trial parcel of stockpiled ore was transported to the Apex mill in Wiluna. It is planned to process the trial parcel through the Apex mill to provide metallurgical information and assist with negotiations in respect to reaching a toll milling agreement.

RC drilling completed at the Golden Monarch and Iron King deposits in the previous Quarter is being compiled and Resource models updated, from which pit optimisation studies will be undertaken.

Woodley Iron Project

On the 30th March GWR announced that through its 100% owned subsidiary Iron West Resources Pty Ltd it had executed a farm in agreement with ASX listed Company Nemex Resources Limited ("Nemex") for Nemex's Woodley iron project.

The 420km² Woodley project contains an extensive north-west trending banded iron formation (BIF) with a strike length of 22km. Previous rock chip sampling has shown values in the range 51.5% Fe to 65.9% Fe over 18km of the 22km strike length. The project is located 600km north of Perth and 100km south west of the GWR's Wiluna West iron project in the Midwest region of WA (refer figure 1).

In July 2011 Nemex announced that it had completed nine reconnaissance RC drill holes over two prospect areas with two of these holes intersecting significant hematite mineralisation;

NWDR002 11m @ 55.6% Fe (59% CaFe), from 35m

NWDR006 16m @ 54.8% Fe (60.6% CaFe), from 37m

(Note CaFe = $\text{Fe}/(100-\text{LOI}) \times 100$, intercepts are down hole widths not true widths)

GWR is planning a systematic program of geological mapping, geophysical interpretation and RC drilling to evaluate the potential for DSO hematite mineralisation according to GWR Executive General Manager Craig Ferrier.

Details of the Agreement are as follows;

- GWR must spend a minimum of \$300,000 on exploration within 12 months of signing the agreement after which time it may elect to withdraw
- Upon GWR spending a total of \$1,000,000 on exploration it will have earned an interest of 85%
- Nemex will be free carried to completion of a bankable feasibility study
- Should GWR identify an iron resource of at least 10Mt at greater than or equal to 55% Fe or a gold resource of greater than 500,000 ounces of gold at a grade of 2g/t then Nemex shall be entitled to be issued up to 1,000,000 shares in GWR with the number of shares capped at \$600,000 maximum value.

GWR commenced exploration activities on the Woodley project in late April 2012.

Earaheedy Iron & Manganese Project

GWR continues to look for opportunities within the Earraheedy Basin, located approximately 200km northeast of Wiluna which is considered highly prospective for both iron and manganese deposits. GWR has now acquired a total area of 1382km².

During the quarter, Access Deeds were executed with the Wiluna Native Title claimants for E69/3020.3022, 3026 and 3037 and it is anticipated that these tenements will be granted during the coming quarter.

Project Generation

As previously announced the Company is now actively seeking other iron ore and bulk commodity opportunities within the Midwest and Yilgarn regions.

Corporate

In February 2012 the board elected Mr Gary Lyons as Chairman and Mr Tien Seng Law as Deputy Chairman following the earlier retirement of Mr David Sanders as a director and chairman.

The Company had cash on hand as at 31 March 2012 of \$27.04 million with outflows for the quarter of \$0.77m.

Pursuant to a takeover offer made by Stratex International plc ("Stratex"), an AIM quoted exploration and development company focussed in Turkey and Africa, on 9 January 2012 GWR (through its wholly owned subsidiary Western Gold Resources Limited) received 1,795,803 fully paid ordinary shares in Stratex as consideration for its shareholding of 28,848,242 ordinary shares in Silvrex Limited ("Silvrex"). In addition, Stratex also repaid the outstanding convertible notes plus interest owing on behalf of Silvrex in early February.

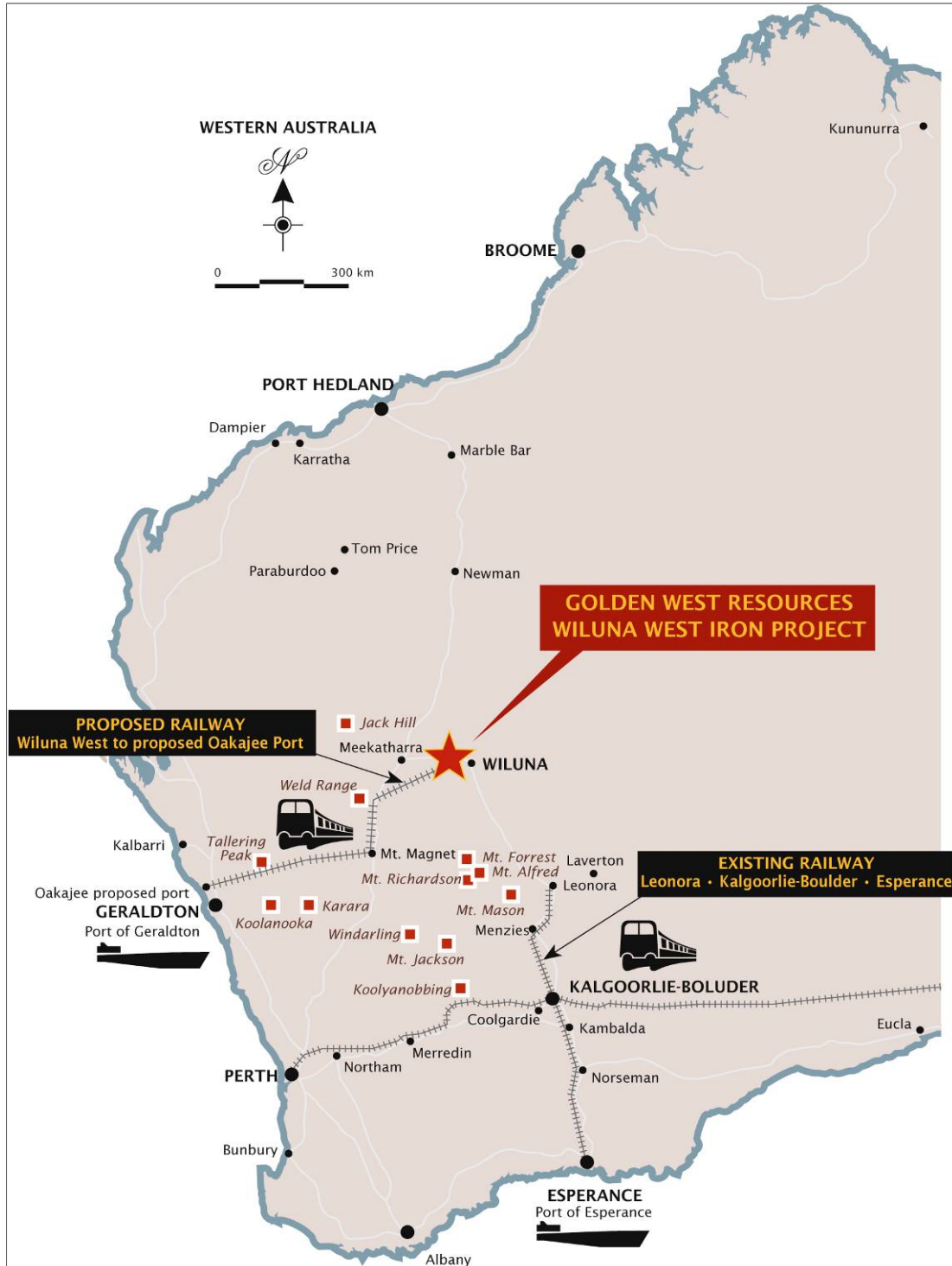


Figure 1: Project Location

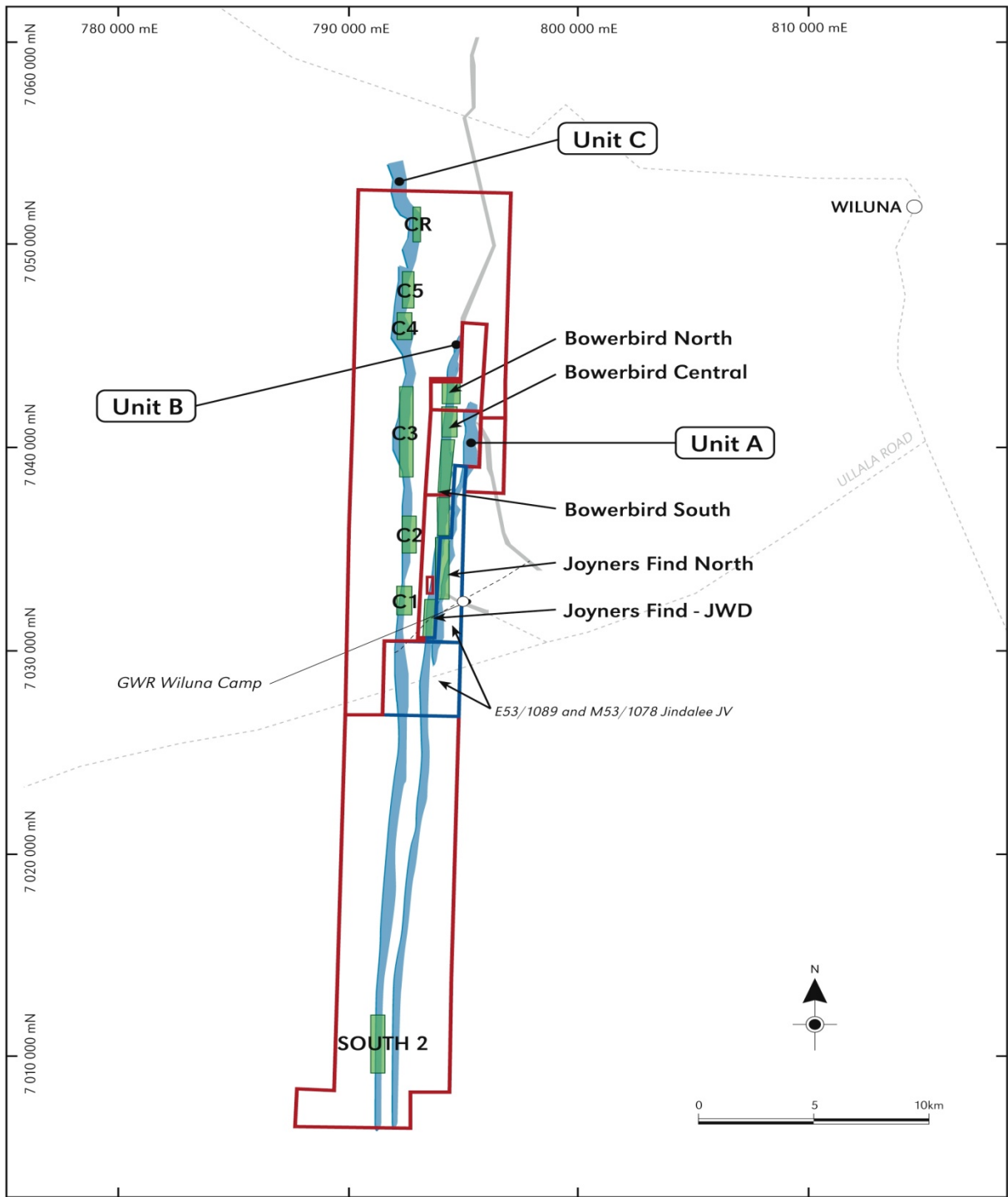


Figure 2: Wiluna West Iron Project

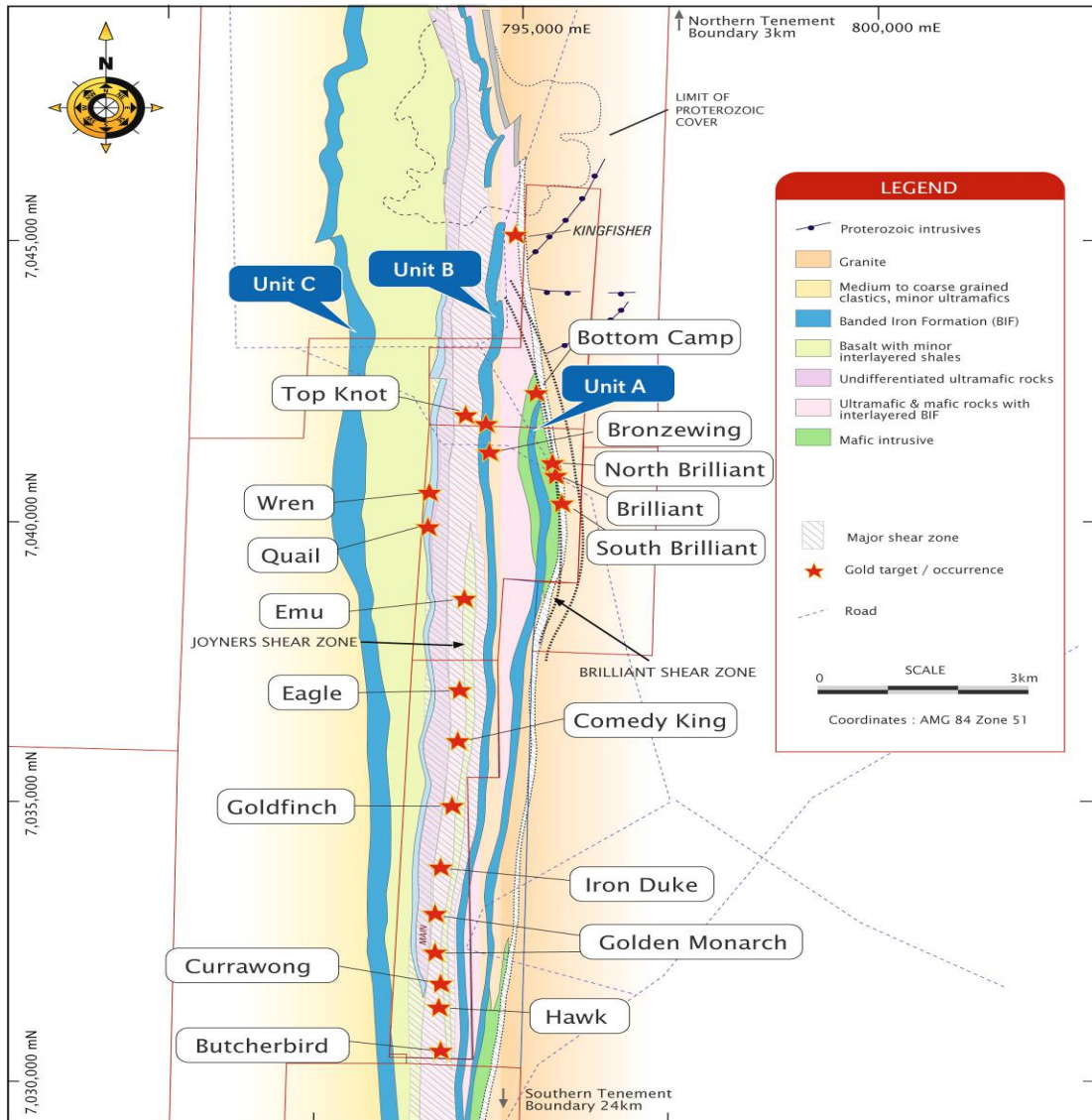


Figure 3 Wiluna West Gold

Competent Person’s Statement

The information in this report which relates to Exploration Targets, Exploration Results, Mineral Resources or Ore Reserves is based on information compiled by Mr Brian Varndell, who is a Fellow of the Australasian Institute of Mining & Metallurgy (“AusIMM”) and independent consultant to the Company. Mr Varndell is a consultant of Al Maynard & Associates Pty Ltd and has 40 years of experience in exploration and mining in a variety of mineral deposit styles. Mr Varndell has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the “Australasian Code for reporting of Exploration Results, Mineral Resources and Ore Reserves”. Mr Varndell consents to inclusion in the report of the matters based on his information in the form and context in which it appears.

Appendix 5B

Mining exploration entity quarterly report

Introduced 01/07/96 Origin Appendix 8 Amended 01/07/97, 01/07/98, 30/09/01, 01/06/10, 17/12/10

Name of entity

Golden West Resources Limited

ABN

54 102 622 051

Quarter ended ("current quarter")

31 March 2012

Consolidated statement of cash flows

		Current quarter (3 month's) \$A'000	Year to date (9 month's) \$A'000
Cash flows related to operating activities			
1.1	Receipts from product sales and related debtors	-	-
1.2	Payments for (a) exploration & evaluation	(940)	(3,988)
	(b) development	-	-
	(c) production	-	-
	(d) administration	(617)	(2,438)
1.3	Dividends received	-	-
1.4	Interest and other items of a similar nature received	787	1,919
1.5	Interest and other costs of finance paid	-	-
1.6	Income taxes paid	-	-
1.7	Other (provide details if material)	-	-
Net Operating Cash Flows		(770)	(4,507)
Cash flows related to investing activities			
1.8	Payment for: (a) prospects	-	-
	(b) equity investments	-	(39)
	(c) other fixed assets	(99)	(102)
1.9	Proceeds from: (a) prospects	-	-
	(b) equity investments	-	-
	(c) other fixed assets	-	34
1.10	Loans to other entities	-	(113)
1.11	Loans repaid by other entities	104	104
1.12	Other (Environmental bonds & security deposits)	(2)	41
Net investing cash flows		3	(75)
1.13	Total operating and investing cash flows (carried forward)	(767)	(4,582)

1.13	Total operating and investing cash flows (brought forward)	(767)	(4,582)
	Cash flows related to financing activities		
1.14	Proceeds from issues of shares, options, etc.	-	-
1.15	Proceeds from sale of forfeited shares	-	-
1.16	Proceeds from borrowings	-	-
1.17	Repayment of borrowings	-	-
1.18	Dividends paid	-	-
1.19	Other (capital raising costs)	-	-
	Net financing cash flows	-	-
	Net increase (decrease) in cash held	(767)	(4,582)
1.20	Cash at beginning of quarter/year to date	27,808	31,623
1.21	Exchange rate adjustments to item 1.20	-	-
1.22	Cash at end of quarter	27,041	27,041

Payments to directors of the entity and associates of the directors

Payments to related entities of the entity and associates of the related entities

		Current quarter \$A'000
1.23	Aggregate amount of payments to the parties included in item 1.2	242
1.24	Aggregate amount of loans to the parties included in item 1.10	-
1.25	Explanation necessary for an understanding of the transactions	
	Payment of fees, salaries and superannuation to the directors of the Company during the quarter.	

Non-cash financing and investing activities

- 2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

- 2.2 Details of outlays made by other entities to establish or increase their share in projects in which the reporting entity has an interest

Financing facilities available

Add notes necessary for an understanding of the position.

	Amount available \$A'000	Amount used \$A'000
3.1 Loan facilities	-	-
3.2 Credit standby arrangements	-	-

Estimated cash outflows for next quarter

	\$A'000
4.1 Exploration and evaluation	877
4.2 Development	-
4.3 Production	-
4.4 Administration	668
Total	1,545

Reconciliation of cash

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.		Curent quarter \$A'000	Previous quarter \$A'000
5.1	Cash on hand and at bank	841	1,155
5.2	Deposits at call	26,200	26,653
5.3	Bank overdraft	-	-
5.4	Other (provide details)	-	-
	Total: cash at end of quarter (item 1.22)	27,041	27,808

Changes in interests in mining tenements

	Tenement reference	Nature of interest (note (2))	Interest at beginning of quarter	Interest at end of quarter
6.1	-	-	-	-
	Interests in mining tenements relinquished, reduced or lapsed			
6.2	-	-	-	-
	Interests in mining tenements acquired or increased			

Issued and quoted securities at end of current quarter

Description includes rate of interest and any redemption or conversion rights together with prices and dates.

	Total number	Number quoted	Issue price per security (see note 3) (cents)	Amount paid up per security (see note 3) (cents)
7.1 Preference ⁺securities <i>(description)</i>				
7.2 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions				
7.3 ⁺Ordinary securities	192,142,447	192,142,447		
7.4 Changes during quarter (a) Increases through issues: (b) Decreases through returns of capital, buy-backs	59,880	59,880		
7.5 ⁺Convertible debt securities <i>(description)</i>				
7.6 Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted				
7.7 Options <i>(description and conversion factor)</i>	21,500,000		Exercise price \$0.58	Expiry date 22 Nov 2015
	700,000		\$0.58	4 Jan 2016
	1,400,000		\$0.58	22 Feb 2016
	1,000,000		\$0.58	22 Mar 2016
7.8 Issued during quarter				
Unlisted options to employees & a contractor	700,000		\$0.58	4 Jan 2016
Unlisted options to a consultant	1,400,000		\$0.58	22 Feb 2016
Unlisted options to an employee	1,000,000		\$0.58	22 Mar 2016
7.9 Exercised during quarter				
7.10 Expired during quarter				
7.11 Debentures <i>(totals only)</i>				

7.12 **Unsecured notes** (*totals only*)

--	--

Compliance statement

- 1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act or other standards acceptable to ASX (see note 5).
- 2 This statement does give a true and fair view of the matters disclosed.

Sign here:



Date: 30 April 2012

Print name: Craig Ferrier
Executive General Manager

Notes

- 1 The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.
- 2 The "Nature of interest" (items 6.1 and 6.2) includes options in respect of interests in mining tenements acquired, exercised or lapsed during the reporting period. If the entity is involved in a joint venture agreement and there are conditions precedent which will change its percentage interest in a mining tenement, it should disclose the change of percentage interest and conditions precedent in the list required for items 6.1 and 6.2.
- 3 **Issued and quoted securities.** The issue price and amount paid up is not required in items 7.1 and 7.3 for fully paid securities.
- 4 The definitions in, and provisions of, *AASB 6: Exploration for and Evaluation of Mineral Resources and AASB 107: Statement of Cash Flows* apply to this report.
- 5 **Accounting Standards.** ASX will accept, for example, the use of International Accounting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.

====