



## QUARTERLY REPORT

### FOR THE PERIOD ENDED 30 SEPTEMBER 2005

#### HIGHLIGHTS

During the September quarter, Golden West Resources (“GWR”) concentrated on iron exploration and development within the Wiluna West project, recording significant progress:

- To date mapping and rock chip sampling over just 30% of the prospective, cumulative mineralised strike length of 125 kilometres, has identified that potential exists for 160 to 230 million tonnes of iron mineralisation grading more than 60% Fe. A significant portion of this is expected to be direct shipping haematite.
- Snowden Group was commissioned to undertake a desktop study to confirm the commerciality of a potential iron project. The results of this study have shown robust economics.
- Based upon this study the project will be advanced on two fronts, to convert the stated potential into a JORC compliant resource and to commence planning the mining operations based upon the direct shipping haematite.
- The Snowden desktop study shows that a profitable mining operation can be developed in two stages.
  - Stage 1 will involve mining direct shipping haematite and trucking to market or port.
  - Stage 2 requires the construction of a conceptual railroad to site from a new port located north of Geraldton at Oakajee.
- Mapping and rock chip sampling programs are ongoing and it is expected that drill testing of the iron deposits will commence in the December 2005 quarter.
- Snowden Group has been appointed as project managers with the specific tasks of defining a JORC compliant resource and getting the project into production.
- Marketing of the high grade haematite has commenced with a number of potential customers expressing interest.
- It is expected that the grant of the mining leases is imminent. A flora survey has been commenced and a fauna survey will be commenced by early November 2005. It is planned that a Notice of Intent to Mine will be submitted to the Department of Industry and Resources in the new year.

## **REVIEW OF OPERATIONS**

### **WILUNA WEST PROJECT**

The 440 square kilometre Wiluna West Project is located approximately 40 kilometres west of the township of Wiluna in the North Eastern Goldfields of Western Australia, 450 kilometres north of Kalgoorlie. The project area covers almost the entire Joyners Find Greenstone Belt, with contiguous tenements for a length of 45 kilometres. The project area contains a number of high grade iron deposits and a combined gold resource totalling 889,000 tonnes at 3.36 g/t Au, containing 96,100 ounces of gold.

### **IRON**

The Company's Wiluna West Iron project has achieved major advances during the September quarter.

- A regional rock chip and geological mapping program has been initiated.
- A further 12 RC holes were completed, testing direct shipping haematite mineralisation.
- Snowden Group undertook a desktop study of the project's commerciality.
- Snowden Group has been appointed as project managers.

### **Regional Rock Chip Sampling and Mapping Program**

A regional rock chip sampling program initiated during the quarter yielded highly encouraging results identifying a number of new iron deposits.

Based upon geological mapping and aeromagnetic interpretation, there are 5 main mineralised units. These are referred to as Units (A) to (E) on the following plan and have a current cumulative strike length of 125 kilometres. Of these units, only Unit (B) and Unit (C) have been explored in any detail, and the work to date is only over the northern, well exposed portions, representing just 30% of the total prospective strike of all Units.

Results of this work strongly suggest that the project has the potential to host a major iron deposit. Potential for at least 160 to 230 million tonnes (Mt) has been identified in work recently completed on Units (B) & (C). The potential for new discoveries is considered to be high.

This view is supported by a combination of geological mapping, aeromagnetic interpretation, rock chip sampling and RC drilling. Recent work on Unit (C) includes widths of up to 120 metres of mineralisation, which have yielded grades of 62% Fe, based on rock chip sampling. Earlier work upon Unit (B) identified zones of high grade mineralisation (>65% Fe) over extended strike lengths, which could be used for blending with lower grade material, producing a comparatively high grade product containing low levels of deleterious contaminants.

Significant areas of high grade detrital mineralisation have also been identified. This style of deposit could quickly be brought into production at a low capital cost.

## **RC Drilling**

A total of 12 RC holes (WWRC099 to WWRC110) for an aggregate of 1,011 metres was completed. All of these drill holes are located within E53/1089, where GWR is currently earning a 60% interest from Jindalee Resources.

Drilling targeted high grade, direct shipping haematite mineralisation, along strike from RC drilling reported in the previous quarter. Drill holes were drilled on 400 metre by 40 metre spacings and have confirmed that the mineralisation is continuous over a strike length of 2.6 kilometres and is open both along strike and down dip.

The drilling confirmed the high grade tenor of the haematite iron mineralisation combined with low levels of deleterious containments.

Significant intercepts included:

- **WWRC100, 7m at 64.12% Fe from 1m**
- **WWRC103, 6m at 63.00% Fe from 6m and 7m @ 62.63% Fe from 40m**
- **WWRC108, 8m at 60.82% Fe from 1m**

*Note 1: Mineralisation is steeply dipping and true down hole widths are approximately  $\geq 0.6$*

*Note 2: Assays are based upon an average of 1 metre cone split samples analysed by Ultra Trace Laboratories in Perth by XRF*

## **Snowden Desk Top Study**

The Company commissioned Snowden Group to undertake a desktop study of potential project economics with the results of the study generating positive results.

The Snowden review:

- Confirms potential for 160 to 230 million tonnes of haematite and haematite goethite mineralisation at an average grade greater than 60% Fe.
- Confirms potential for approximately 2 to 3 million tonnes of high grade haematite mineralisation in the form of scree.
- Shows that the Meeka Concept represents a strong and viable option for project development. The Meeka Concept is a hypothetical scenario that relies on low cost rail transport, using a proposed new rail system substantially following the path of previous, removed rail infrastructure to Mullewa and on to a new port facility near to Geraldton (Oakajee). This major infrastructure project is already in part being considered by a number of mining companies in this region.
- That the Geraldton Concept based upon current iron prices for direct shipping haematite is profitable. The Geraldton Concept revolves around trucking iron to the Port of Geraldton.

## **Project Development Plan and Notice of Intent to Mine**

A project development model is being developed with the assistance of Snowden Group who have been appointed project managers.

The key objectives are:

- To commence planning mining operations based upon the already identified direct shipping haematite. Initially this will be on the high grade haematite scree mineralisation.
- To convert the potential 160 to 230 million tonnes of iron mineralisation to a JORC compliant resource.

Test pitting and metallurgical testwork on several of the identified haematite scree deposits will be initiated with a view to determining reserves sufficient to allow mining to proceed. In conjunction with the flora and fauna surveys presently being undertaken and various other requirements that will allow a Notice of Intent to Mine to be lodged with the Department of Industry and Resources shortly after the grant of Mining Leases.

Of equal priority to the above will be to convert the potential 160 to 230 million tonnes to a JORC compliant resource. Geological mapping and rock chip sampling programs are ongoing and will be followed by RC and diamond drilling programs.

*Note 3: All statements of potential **iron** tonnages and grade in this document should not be misconstrued as estimates of Mineral Resources and are conceptual in nature. At present it is uncertain whether or not further exploration will result in the determination of a Mineral Resource.*

*Tonnages have been estimated within mapped and drilled Units by generation of three-dimensional solids based upon geological logging of mineralised horizons, within which average drill hole grades have been assigned. Tonnage potential has been estimated by applying these grades and widths to mapped and/or sampled (but not necessarily drilled) horizons of favourable mineralised material along strike or in similar geological settings to those drilled units.*

## **GOLD**

It is likely that mining leases over most of the known gold deposits will be granted during the coming quarter. At this stage the Company is planning to approach companies with milling facilities within trucking distance with a view to commencing mining of known deposits.

A number of the known gold deposits are adjacent to the recently identified iron deposits that may permit a unique style of mine in which both gold and iron could be extracted.

## **TENEMENT ACQUISITION**

In January 2005, the Company applied for exploration licence E53/1159 and it anticipates that this tenement will be granted in the near future.

E53/1159 is located to the south east of the Wiluna West Project and is along strike from the Hinkler Well, Abercromby and Millipede uranium deposits. These deposits, like the giant Yeelirrie deposit, located 16 kilometres south of the Company's Wiluna West Project are calcrete hosted style deposits (Regional Geology Map).

The Company's consultant geophysicist has identified a strong radiometric anomaly, which the Company intends to further investigate using ground based radiometric traverses.

### **DOHERTY'S PROJECT**

The Doherty's project is located in the Barrambie Greenstone Belt approximately 100 kilometres south west of the Wiluna West project. The project contains an indicated resource of 25,700 tonnes at 23.8 g/t Au for a contained 20,430 ounces.

No field exploration was undertaken during the quarter.

### **BULLABULLING SOUTH PROJECT**

(Ramelius Resources Limited earning 75%)

The farm-in partner reported no fieldwork during the quarter.

### **CORPORATE**

#### **Steel Mill.**

The Company has received a number of enquiries from Asian steel mills in pursuit of entering into agreements to purchase the high grade haematite and possible joint venture to assist in developing the iron project.

A delegation from a Chinese steel mill will visit Wiluna Iron project early November 2005.

Gary W Hutchinson  
Managing Director

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*The Information in this report that relates to Exploration Results is based on information compiled by Alan Rudd, who is a member of the Australian Institute of Geoscientists. Mr Rudd is a director of Golden West Resources Limited and 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 "Australian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves: Alan Rudd consents to the 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 1/7/96. Origin: Appendix 8. Amended 1/7/97, 1/7/98, 30/9/2001.

Name of entity

Golden West Resources Limited

ABN 54 102 622 051

Quarter ended ("current quarter")

30 September 2005

### Consolidated statement of cash flows

|   | Current quarter<br>\$A'000 | Year to date<br>(3 months) \$A'000 |
|---|----------------------------|------------------------------------|
| <b>Cash flows related to operating activities</b>               |                            |                                    |
| 1.1 Receipts from product sales and related debtors             |                            |                                    |
| 1.2 Payments for: (a) exploration and evaluation                | (253)                      | (253)                              |
| (b) development   | --                         | --                                 |
| (c) production  | --                         | --                                 |
| (d) administration  | (155)                      | (155)                              |
| 1.3 Dividends received  | --                         | --                                 |
| 1.4 Interest and other items of a similar nature received       | 3                          | 3                                  |
| 1.5 Interest and other costs of finance paid                    | --                         | --                                 |
| 1.6 Income taxes paid   | --                         | --                                 |
| 1.7 Other (GST)   | (2)                        | (2)                                |
| <b>Net Operating Cash Flows</b>                                 | <b>(407)</b>               | <b>(407)</b>                       |
| <b>Cash flows related to investing activities</b>               |                            |                                    |
| 1.8 Payment for purchases of: (a)prospects                      | --                         | --                                 |
| (b)equity investments   | --                         | --                                 |
| (c) other fixed assets  | (1)                        | (1)                                |
| 1.9 Proceeds from sale of: (a)prospects                         | --                         | --                                 |
| (b)equity investments   | --                         | --                                 |
| (c)other fixed assets   | --                         | --                                 |
| 1.10 Loans to other entities                                    | --                         | --                                 |
| 1.11 Loans repaid by other entities                             | --                         | --                                 |
| 1.12 Other (provide details if material)                        | --                         | --                                 |
| <b>Net investing cash flows</b>                                 | <b>(1)</b>                 | <b>(1)</b>                         |
| 1.13 Total operating and investing cash flows (carried forward) | <b>(408)</b>               | <b>(408)</b>                       |

+ See chapter 19 for defined terms.

**Appendix 5B**  
**Mining exploration entity quarterly report**

|      |  |       |       |
|------|--|-------|-------|
| 1.13 | Total operating and investing cash flows (brought forward) | (408) | (408) |
|      | <b>Cash flows related to financing activities</b>          |       |       |
| 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)                              | --    | --    |
|      | <b>Net financing cash flows</b>                            | --    | --    |
|      | <b>Net increase (decrease) in cash held</b>                | (408) | (408) |
| 1.20 | Cash at beginning of quarter/year to date                  | 1,021 | 1,021 |
| 1.21 | Exchange rate adjustments to item 1.20                     | --    | --    |
| 1.22 | <b>Cash at end of quarter</b>                              | 613   | 613   |

**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<br>\$A'000 |
|------|--|----------------------------|
| 1.23 | Aggregate amount of payments to the parties included in item 1.2 | 182                        |
| 1.24 | Aggregate amount of loans to the parties included in item 1.10   | Nil                        |

1.25 Explanation necessary for an understanding of the transactions

The payment shown at 1.23 includes an amount of \$75,463 for drilling and mess facilities paid to a company associated with one of the Directors.

**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

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|  |
|--|

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

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|  |
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**Financing facilities available**

*Add notes as necessary for an understanding of the position.*

|     |                             | Amount available<br>\$A'000 | Amount used<br>\$A'000 |
|-----|-----------------------------|-----------------------------|------------------------|
| 3.1 | Loan facilities             | Nil                         | Nil                    |
| 3.2 | Credit standby arrangements | Nil                         | Nil                    |

+ See chapter 19 for defined terms.

**Estimated cash outflows for next quarter**

|                                |            |
|--------------------------------|------------|
|                                | \$A'000    |
| 4.1 Exploration and evaluation | 200        |
| 4.2 Development                | Nil        |
| <b>Total</b>                   | <b>200</b> |

**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. | Current quarter<br>\$A'000 | Previous quarter<br>\$A'000 |
| 5.1 Cash on hand and at bank  | 13                         | 21                          |
| 5.2 Deposits at call  | 600                        | 1,000                       |
| 5.3 Bank overdraft  | Nil                        | Nil                         |
| 5.4 Other (provide details)   | Nil                        | Nil                         |
| <b>Total: cash at end of quarter (item 1.22)</b>  | <b>613</b>                 | <b>1,021</b>                |

**Changes in interests in mining tenements**

|     | Tenement<br>reference   | Nature of interest<br>(note (2)) | Interest at<br>beginning<br>of quarter | Interest at<br>end of<br>quarter |
|-----|---|----------------------------------|--|----------------------------------|
| 6.1 | Interests in mining tenements relinquished, reduced or lapsed |                                  |  |                                  |
| 6.2 | Interests in mining tenements acquired or increased           | ELA 53/1177                      | Nil                                    | Nil                              |
|     |   | L53/146                          | Nil                                    | Nil                              |

+ See chapter 19 for defined terms.

**Appendix 5B**  
**Mining exploration entity quarterly report**

**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 <b>Preference +securities</b><br><i>(description)</i>  |              |               |   |  |
| 7.2 Changes during quarter<br>(a) Increases through issues<br>(b) Decreases through returns of capital, buy-backs, redemptions |              |               |   |  |
| 7.3 <b>+Ordinary securities</b>  | 43,211,002   | 19,286,002    |   |  |
| 7.4 Changes during quarter<br>(a) Increases through issues<br>(b) Decreases through returns of capital, buy-backs              |              |               |   |  |
| 7.5 <b>+Convertible debt securities</b><br><i>(description)</i>  |              |               |   |  |
| 7.6 Changes during quarter<br>(a) Increases through issues<br>(b) Decreases through securities matured, converted              |              |               |   |  |
| 7.7 <b>Options</b><br><i>(description and conversion factor)</i>   | 21,605,506   | 21,605,506    | <i>Exercise price</i><br>\$ 0.20              | <i>Expiry date</i><br>31 December 2007           |
|  | 1,450,000    | Nil           | \$ 0.25                                       | 30 June 2008                                     |
|  | 1,450,000    | Nil           | \$ 0.30                                       | 30 June 2008                                     |
|  | 1,450,000    | Nil           | \$ 0.40                                       | 30 June 2008                                     |
| 7.8 Issued during quarter  |              |               |   |  |
| 7.9 Exercised during quarter   |              |               |   |  |
| 7.10 Expired during quarter  |              |               |   |  |
| 7.11 <b>Debentures</b><br><i>(totals only)</i>   |              |               |   |  |
| 7.12 <b>Unsecured notes</b><br><i>(totals only)</i>  |              |               |   |  |

+ See chapter 19 for defined terms.

## 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 4).
- 2 This statement does give a true and fair view of the matters disclosed.

Sign here: ..... Date: 31 October 2005  
(Director)

Print name: Gary Wayne Hutchinson

## 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 1022: Accounting for Extractive Industries* and *AASB 1026: 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.

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