

27 January 2005

## *Quarterly Report*

**FOR THE PERIOD ENDING 31 DECEMBER 2004**

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### **HIGHLIGHTS**

➤ **Drilling Commences**

The Company has commenced an aggressive gold exploration program at the Wiluna West project, with two drilling rigs on site. To date a total of 5,703m of drilling has been completed, which includes 32 RC holes for 2,088m and 73 aircore holes for 3,615m with drilling continuing.

Initial results include:

#### **Eagle Prospect**

RC and aircore drilling at the Eagle prospect has yielded encouraging results. Aircore drilling results have confirmed that the Joyners Shear Zone contains multiple mineralised structures over a width of 630m and a strike length of at least 3km. New drilling is planned to target extensions.

Significant RC and aircore intercepts include:

- **14m @ 5.58 g/t Au from 26m** in WWRC020
- **7m @ 5.90 g/t Au from 16m to 23m (EOH)** in WWAC018

#### **Iron Monarch Prospect**

RC drilling at the Iron Monarch Prospect has returned encouraging results, which indicates that the current resource will be significantly upgraded.

Intercepts include:

- **8m @ 3.51 g/t Au from 68m** in WWRC045
- **7m @ 3.45 g/t Au from 53m** in WWRC049

➤ **Iron Ore**

Discussions are in progress with third parties with respect to development of the high-grade iron ore mineralisation found within the Wiluna West project. Previous rock chip sampling by the company, over a strike length of 8km has returned an average grade of 68% iron.

## **CORPORATE**

- The company successfully raised \$2.8 million and listed on the ASX on 24 December 2004.
- The company intends to explore its Projects with priority on the advanced gold project of Wiluna West. The results of the exploration programme will be added to the resource model and reported in the March 05 quarter.
- The company's aim is to increase and expand on the known resources at Wiluna West.

## **PROJECTS**

### **1. WILUNA WEST PROJECT (100% P53/1024 to P53/1033 inclusive (MLA's 53/1016 to 53/1018 inclusive) E53/1114, E53/1116, E53/1089 and the company is earning 60% of 53/1089 from Jindalee Resources Limited)**

The Wiluna West Project is located approximately 40km west of the township of Wiluna in the North Eastern Goldfields of Western Australia, 450km north of Kalgoorlie.

The project area covers almost the entire Joyners Find Greenstone Belt having contiguous tenements for a strike length of 45km.

The RC drilling programme being undertaken is based upon the Company's targeted exploration strategy which is to focus on expanding resources which stand at a combined resource of 656,000 tonnes at 3.4 g/t gold for 71,000 ounces of gold. The objective of this strategy is to increase the present resources, define mineable reserves and commence mining with a view to toll treating ore at one of several nearby milling facilities.

The exploration program commenced at the Wiluna West project has achieved the following results:

#### **Eagle Prospect**

- Pattern 400m x 40m spaced aircore drilling at the Eagle prospect has commenced. At 31 December 2004 a total of 26 aircore holes for 1,095m (WWAC001 - 026) was completed. This program is ongoing and to date an additional 47 holes for 2,520m has been completed (WWAC027 - 073). The assay results are pending.

#### **Iron Monarch Prospect**

- 8 RC holes (WWRC042 - 049) for 598m at the Iron Monarch prospect were completed. A further 17 holes for approximately 1,300m remain to be drilled and will be completed during the current quarter.

#### **Eagle Prospect**

The 4km long Eagle prospect is located within the Joyners Shear Zone in a system that possesses a number of geochemical and structural targets over a width of greater than 1km. The extensive gold-in-soil anomaly envelopes the previously identified BIF hosted Eagle deposit that contains a small resource of 28,000 tonnes at 3 g/t gold.

A 400m x 40m aircore drilling program was commenced at the Eagle prospect. The aim of this drilling is twofold:

- To demonstrate that the plus 1km wide Joyners Find Shear Zone contains multiple mineralised structures.
- To better define significant mineralisation identified by previous drilling.

A total of 26 holes for an aggregate of 1,095m were completed. A further 47 holes for 2,520m has been completed to date. Assay results are pending.

Geological logging of the first drill line (36,600N) intersected a sequence of chlorite and talc-carbonate-chlorite schists containing a number of BIF and chert horizons. The aircore drilling technique was found to be unsatisfactory as the aircore bit could not penetrate the numerous BIF and chert bands within the oxide horizon, resulting in a number of drill holes failing to reach fresh bedrock lithologies. This problem has now been rectified and all subsequent holes have reached target depths.

Despite the above mentioned drilling difficulties encountered along this drill line a number of holes achieved anomalous to significant intercepts. These are summarised in Table 1 and upon Figure 2.

**TABLE 1**

**EAGLE PROSPECT  
ANOMALOUS & SIGNIFICANT AIRCORE DRILLING RESULTS**

HOLE ID	NORTH Grid	EAST Grid	AZI Grid	DI P	INTERSECTION (m)			GRADE	COMMENTS
					From	To	Width	Au (ppb)	
WWAC005	36,600	97,527	090	-60	0	4	4	445	Target A on Fig 2
					24	32	8	250	
WWAC011	36,600	97,260	090	-60	12	20	8	408	Target B on Fig 2
WWAC016	36,600	97,120	090	-60	24	40	16	280	Target C on Fig 2
WWAC018	36,600	97,020	090	-60	16	23 EOH	7	5900	Target D on Fig 2
				incl	20	23 EOH	3	11.9g/t	
WWAC019	36,600	97,015	090	-60	32	36	4	2610	Target D on Fig 2
WWAC022	36,600	96,900	090	-60	16	20	4	194	Target E on Fig 2

- Notes: 1) Anomalous intercept is defined as a composite sample assaying > 200ppb Au  
 2) All holes were drilled with an aircore bit or conventional hammer. Samples cuttings were collected at 1m intervals and a spear composite sample of approximately 3kg in size was obtained. Each sample was analysed for Au and As by level aqua regia digest which has a lower detection limit of 1ppb Au and 1ppb As.

The results from the first line of aircore drilling at the Eagle prospect indicates that the Joyners Find Shear Zone contains **multiple mineralised structures over a width of at least 600m. Exploration in the past has largely overlooked this possibility mainly targeting one individual horizon.** The Company finds these results to be highly encouraging and it is anticipated that by the end of the current quarter, the 400m x 40m spaced aircore drilling over the Eagle prospect should have covered a strike length of 2km.

In addition to the above, RC drilling of selected targets in the vicinity of the Eagle deposit have returned significant drill hole intercepts which are summarised in Table 2 below.

**TABLE 2  
EAGLE PROSPECT  
SIGNIFICANT RC DRILL HOLE INTERCEPTS**

HOLE ID	NORTH Grid	EAST Grid	AZI Grid	DIP	INTERSECTION (m)			GRADE	COMMENTS
					From	To	Width	Au (g/t)	
WWRC018	35,796	96,970	090	-60	13	16	3	1.73	
WWRC020	37,140	97,100	090	-60	26	40	14	5.58	>20g/t Au cut to 20g/t
				incl	31	32	1	16.9	
				incl	33	34	1	69.1	uncut
WWRC021	37,140	97,080	090	-60	71	74	3	3.58	
WWRC022	38,640	97,140	090	-60	0	2	2	2.95	
WWRC023	38,640	97,120	090	-60	31	33	2	1.55	
WWRC025	39,000	97,120	090	-60	32	34	2	3.14	
WWRC026	39,000	97,000	090	-60	58	62 EOH	4	4.84	

- Notes: 1) Unless otherwise specified all intercepts greater than 20 g/t Au have been cut to 20 g/t Au. A lower cut off of 0.5 g/t Au has also been applied with a maximum of 1m of internal dilution.
- 2) All holes were drilled by a 4¾-inch RC hammer. Samples cuttings were collected at 1m intervals and an approximate 3kg riffle split sub-sample obtained. Each sample was analysed by the B/AAS method (aqua regia digest) which has a lower detection limit of 0.01 g/t Au
- 3) True downhole width are likely to be a factor of  $\geq 0.5$  of the reported width as the sequence appears to be sub-vertical.

The intercept returned in WWRC020 (14m @ 5.58 g/t Au) is also confirmed by intercepts achieved in earlier drilling on the same line, reporting 14m @ 3.2 g/t Au from 18m in JF291 and 24m @ 1.1 g/t Au from 122m in JF306. Limited drilling has been completed along strike to the north and south of this drill line. Further RC and aircore drilling is planned in the current quarter to determine the significance of these intercepts.

### Iron Monarch Prospect

During December 2004, a total of 8 RC holes for 598m were completed at the Iron Monarch prospect. The next phase of RC drilling (1,300m), is scheduled to commence late January 2005 and will continue to explore the depth and strike extensions of the deposit.

The Iron Monarch Prospect contains a previously reported indicated resource of 57,000 tonnes at 3.9 g/t gold to a depth of 40m. The deposit has not been closed, either at depth or along strike.

Table 3 summarizes the significant results achieved from the first round of RC drilling and were previously reported on 7 January 2005.

**TABLE 3**

**IRON MONARCH PROSPECT  
SIGNIFICANT RC DRILLING INTERCEPTS**

HOLE ID	NORTH Grid	EAST Grid	AZI Grid	DIP	INTERSECTION (m)			GRADE
					From	To	Width	Au (g/t)
WWRC042	33100	96750	090	-60	23	25	2	1.70
					27	30	3	4.19
WWRC043	33100	96730	090	-60	59	64	5	4.64
WWRC044	33100	96710	090	-60	88	92	4	1.58
WWRC045	33020	96720	090	-60	68	76	8	3.51
				incl	74	75	1	14.9
WWRC048	32980	96750	090	-60	19	21	2	1.38
WWRC049	32980	96730	090	-60	53	60	7	3.45
				incl	57	58	1	13.1

- Notes: (1) Unless otherwise specified all intercepts greater than 20 g/t Au have been cut to 20 g/t Au. A lower cut off of 0.5 g/t Au has also been applied with a maximum of 1m of internal dilution.
- (2) All holes were drilled by a 4¼-inch RC hammer. Sample cuttings were collected at 1m intervals and an approximate 3kg riffle split sub-sample obtained. Each sample was analysed by the fire assay method which has a lower detection limit of 0.01 g/t Au.
- (3) True downhole width are likely to be a factor of  $\geq 0.5$  of the reported width as the sequence appears to be sub-vertical.

**2. DOHERTY'S PROJECT (100% P57/972)**

No fieldwork was undertaken at the Doherty's Project during the quarter. An exploration program consisting of rock chip sampling and geological mapping is planned for the current quarter.

Preliminary discussions with an underground mining contractor will be held with respect to mining the already identified gold deposit.

**3. BULLABULLING SOUTH PROJECT  
(Ramelius Resources Limited earning 75% in E15/762)**

No fieldwork was completed by the farm-in partner during the quarter.

Gary W Hutchinson  
Managing Director

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*Information in this report relating to ore reserves, mineral resources or mineralisation conforms with the reporting requirements of the "Australian Institute of Mining and Metallurgy's Code for Reporting of Identified Mineral Resources and Ore Reserves" and is based on and accurately reflects information compiled by Alan Rudd of Golden West Resources Limited who is a Competent Person as defined by the code and is a member of the Australian Institute of Geoscientists. This person consents to the release of the information dealing with these matters in the form in which it is reported.*



**Golden West**  
RESOURCES LIMITED

197000 mE

198000 mE

7038000 mN

7037000 mN

7036000 mN

JF284  
JF285  
JF294

WWAC070 WWAC066

Aircore traverse drilling in progress

JF286  
WWAC064 JF287 WWAC054 WWAC050

Aircore traverse results pending

**WWRC020, 14m @ 5.4 g/t Au from 26m**

JF268  
JF265  
JF262 JF292  
JF222  
JF221 J10 J07 J04 J01  
JFD03 JF220  
JF048  
JF049

Proposed aircore traverse

**Target D – 7m @ 5.9 g/t Au from 16m (EOH)**

**Target C – 4m @ 0.5 g/t Au from 24m**

**Target E – 4m @ 0.2 g/t Au from 16m**

**Target B – 8m @ 0.4 g/t Au from 12m**

WWAC022 WWAC012 J22 J21 J19 J17 J15 WWAC007 WWAC003 WWAC001

Aircore traverse

Five targets identified over a width of 630m

**Target A – 4m @ 0.5 g/t Au from 0m**

**JOYNER'S FIND SHEAR ZONE**

JF077  
JF076  
JF075  
JF030  
NJORC03

WWAC043 WWAC023 WWAC029 WWAC027

Aircore traverse results pending

JF029



0 500m

# 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 54102 622 051

Quarter ended ("current quarter")

31 December 2004

### Consolidated statement of cash flows

	Current quarter \$A'000	Year to date (6 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 (b) development (c) production (d) administration	(128 )	(191)
1.3 Dividends received	(68)	(128)
1.4 Interest and other items of a similar nature received	1	2
1.5 Interest and other costs of finance paid	(12 )	(12 )
1.6 Income taxes paid		
1.7 Other (GST)	(18)	(4)
<b>Net Operating Cash Flows</b>	<b>(225 )</b>	<b>(333 )</b>
<b>Cash flows related to investing activities</b>		
1.8 Payment for purchases of: (a)prospects (b)equity investments (c) other fixed assets	(455 )	(455)
1.9 Proceeds from sale of: (a)prospects (b)equity investments (c)other fixed assets	--	(1)
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>(455)</b>	<b>(456)</b>
1.13 Total operating and investing cash flows (carried forward)	<b>(680)</b>	<b>(789)</b>

+ See chapter 19 for defined terms.

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

1.13	Total operating and investing cash flows (brought forward)	(680)	(789)
	<b>Cash flows related to financing activities</b>		
1.14	Proceeds from issues of shares, options, etc.	2,868	2,942
1.15	Proceeds from sale of forfeited shares		
1.16	Proceeds from borrowings	50	50
1.17	Repayment of borrowings	(50)	(50)
1.18	Dividends paid		
1.19	Other (capital raising costs)	(38)	(97)
	<b>Net financing cash flows</b>	<b>2,830</b>	<b>2,845</b>
	<b>Net increase (decrease) in cash held</b>	<b>2,150</b>	<b>2,056</b>
1.20	Cash at beginning of quarter/year to date	37	131
1.21	Exchange rate adjustments to item 1.20		
1.22	<b>Cash at end of quarter</b>	<b>2,187</b>	<b>2,187</b>

**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	156
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 \$87,000 for drilling 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

In December 2004 the company Issued 4,150,000 fully paid shares to complete the acquisition of Mining projects detailed in the Prospectus dated 21 September 2004.

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 as necessary for an understanding of the position.

		Amount available \$A'000	Amount used \$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	250
4.2	Development	nil
<b>Total</b>		<b>250</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 \$A'000	Previous quarter \$A'000
5.1	Cash on hand and at bank	187	37
5.2	Deposits at call	2,000	Nil
5.3	Bank overdraft	Nil	Nil
5.4	Other (provide details)		
<b>Total: cash at end of quarter (item 1.22)</b>		<b>2,187</b>	<b>37</b>

**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	Wiluna P53/1024 to P53/1033 Inclusive	100 % subject to a gold royalty	Nil Option	100 % Subject to gold royalty
		MLAs 53/1016 to 53/1018 Inclusive	Application for mining licences lodged	Applic	Applic
		P53/1089	Earning 60% from Jindalee Resources	Nil	Nil
		E53/1114	100%	Nil	100%
		E53/1116	Application for 100%	Nil	Nil Appli
		Doherty P57/972	100%	Nil	100%
		Bulla Bulling South E15/762	100%	Nil	Reducing to 25%

+ 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> <i>(description)</i>				
7.2 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions				
7.3 <b>+Ordinary securities</b>	37,631,002	16,725,502		
7.4 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs	18,468,500	14,318,500	20 cents	20 cents
7.5 <b>+Convertible debt securities</b> <i>(description)</i>				
7.6 Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted				
7.7 <b>Options</b> <i>(description and conversion factor)</i>	1,450,000 1,450,000 1,450,000	Nil Nil Nil	<i>Exercise price</i> 25 cents 30 cents 40 cents	<i>Expiry date</i> 30 June 2008 30 June 2008 30 June 2008
7.8 Issued during quarter				
7.9 Exercised during quarter				
7.10 Expired during quarter				
7.11 <b>Debentures</b> <i>(totals only)</i>				
7.12 <b>Unsecured notes</b> <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 /does not\* (*delete one*) give a true and fair view of the matters disclosed.

Sign here: ..... Date: 27 January 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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+ See chapter 19 for defined terms.