



30 October 2008

**Corporate Summary**

**ASX Code: GWR**  
**Issued Capital: 138 Million**  
**Issued Options: 26 Million**

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**Quarterly Report for the  
Quarter Ending 30 September 2008**

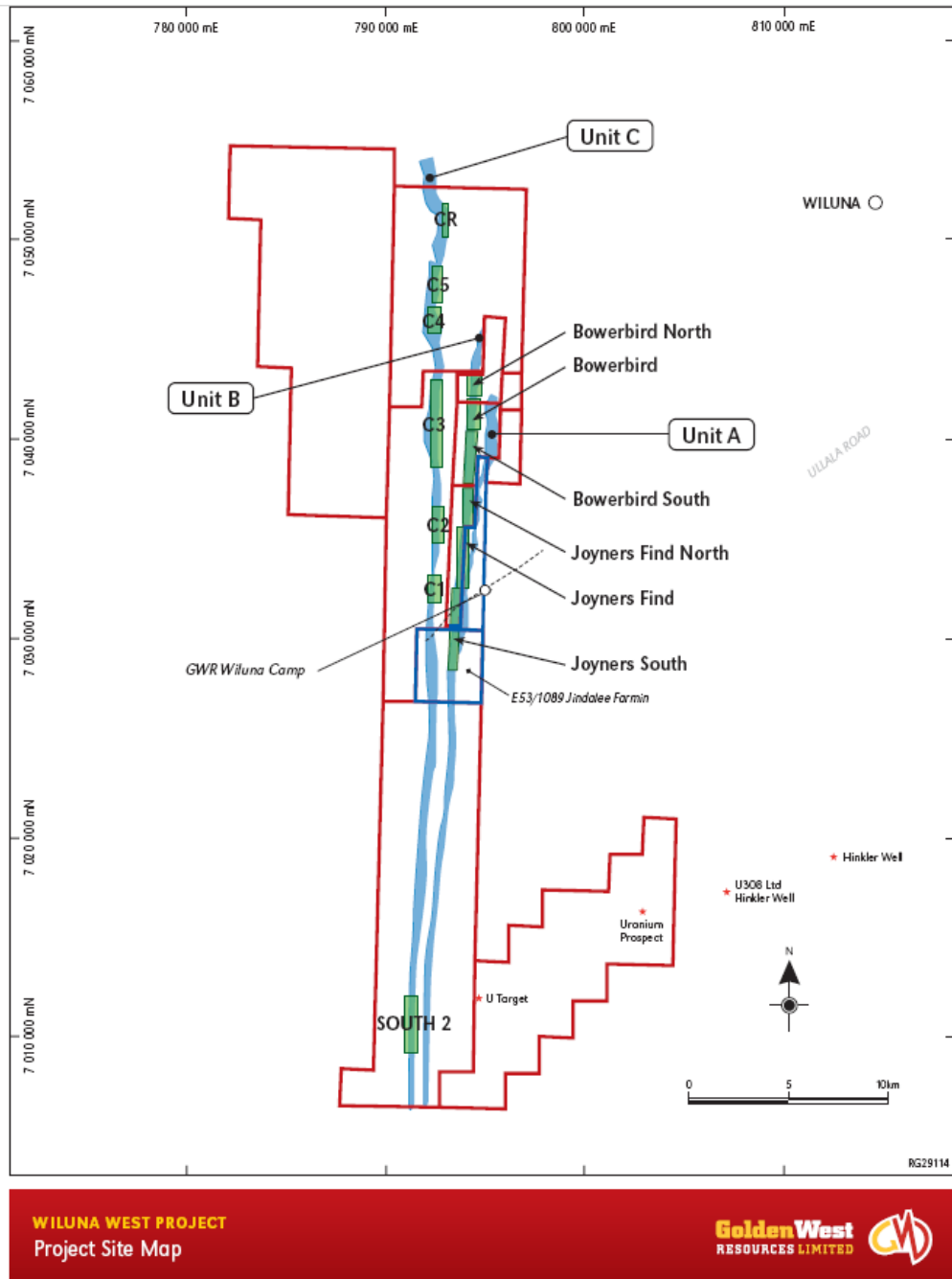
**HIGHLIGHTS**

**Despite the global credit crisis GWR is in a sound position being well funded having a quality high grade hematite deposit and has made significant advances in procuring infrastructure and offtake agreements for its ore.**

- During the September quarter a major resource upgrade was achieved taking the inferred resources at GWR's flagship iron ore project to 124 million tonnes.
- Subsequent to the end of the quarter with the inclusion of the South 2 deposit the global resource has increased to 126 million tonnes at 59% Fe representing an increase of 46% over the September 2007 figure
- RC drilling continues to define wide zones of mineralization outside of the current resource boundaries, allowing for further resource upgrades.
- GWR has appointed Mr David Rose as Chief Executive Officer commencing with the Company on 6 October. Mr Rose, has held executive management roles with companies such as Rio Tinto, Western Mining, CRA, Pasminco and Argyle Diamonds
- Off take agreements have been executed with Hunan Valin Steel Co., Ltd of China and Yijian Investment Co Limited of Hong Kong for up to 5 million tonnes of direct shipping iron ore annually for a period of 15 years.
- Hunan Valin and Yijian Investment Co also subscribed for a total of 16 million shares in the Company at a price of \$1.85 raising a total of \$29.6 million. Hunan Valin has also been given the opportunity to nominate a non executive Director to the GWR Board at the forthcoming Annual General Meeting.
- GWR has signed a foundation customer agreement with Yilgarn Infrastructure Limited in relation to rail infrastructure and port facilities at the Port of Oakajee.
- GWR has also acquired a 20% stake in Yilgarn Infrastructure and been assigned a Board seat. In return Yilgarn has also taken a stake in GWR.

# Resources - Iron

During the September quarter a major resource upgrade was achieved taking the Inferred Resources at GWR's flagship iron ore project, the Wiluna West Project, to 124 million tonnes.



**Figure 1 - Wiluna West Project Site Map**

Subsequent to the end of the quarter, with the inclusion on the South 2 deposit, the global Resource has increased to 126 million tonnes at 59% Fe representing an increase of 46% over the September 2007 figure. In addition to this Resource upgrade RC drilling continues to define wide zones of mineralizing outside of the current Resource boundaries, allowing for further Resource upgrades.

The exploration team has continued to generate a significant number priority hematite targets for future drilling.

**Table 1: Inferred Iron Ore Resources-Wiluna West (50% Fe cut-off)**

<i>Deposit</i>	<i>Tonnes (Mt)</i>	<i>Fe (%)</i>	<i>P (%)</i>	<i>Al<sub>2</sub>O<sub>3</sub> (%)</i>	<i>SiO<sub>2</sub> (%)</i>	<i>LOI (%)</i>
Bowerbird North	3.9	59.6	0.04	3.8	6.6	2.6
Bowerbird Central	11.8	58.5	0.06	3.5	9.3	2.7
Bowerbird South	8.4	56.6	0.04	3.7	11.6	3.1
Joyners Find	4.6	64.9	0.02	1.9	2.8	2.0
Jindalee Joyners North	6.9	59.9	0.04	2.6	7.4	2.3
Jindalee Joyners	2.3	62.2	0.02	2.9	5.4	1.9
C1	4.2	58.5	0.09	3.3	7.2	5.2
C2	3.4	60.1	0.03	2.1	6.0	6.0
C3	41.0	57.6	0.08	2.5	9.9	5.0
C4	28.9	58.9	0.04	2.2	10.8	2.5
C5	4.4	59.1	0.12	2.1	8.9	3.8
CR	4.0	60.6	0.03	1.4	9.3	1.7
South 2	2.1	56.2	0.08	2.0	9.1	7.8
<b>Total</b>	<b>126</b>	<b>59</b>	<b>0.06</b>	<b>2.6</b>	<b>9.3</b>	<b>3.6</b>

## Exploration - Iron

During the period the following drilling was completed on the project, with each prospect detailed in Table 2 below:

**Table 2: July-September 2008 Drilling**

<b>Hole Type</b>	<b>No of Holes</b>	<b>Prospect</b>	<b>M Drilled</b>
RC	115	Bowerbird/Bowerbird South	11419
RC	26	Joyners Find south	2434
RC	17	C1	1775
RC	67	C2	4291
RC	6	C3	724
RC	1	C4	82
RC Pre-collar	5	C4	29.1
RC Water Bore	1	C4	82
Diamond HQ	1	Bowerbird	96.3
Diamond HQ	1	Joyners Find	66
Diamond HQ	1	C5	108.8
Diamond PQ	2	Bowerbird	140
Diamond PQ	2	C4	233
<b>Totals</b>	<b>245</b>		<b>21477.2</b>

A number of significant assays were returned during the period as detailed in Table 3.

**Table 3: Significant Fe Intercepts**

Hole ID	MGA North	MGA East	Az/Dip	EOH	From	To	Intercept	Fe %	SiO2%	Al2O3%	P%	LOI%
<b>Bowerbird/Bowerbird South</b>												
WWRC1219	7039825.00	792630.00	90/-60	74	3	15	12	60.41	9.57	1.26	0.02	2.44
WWRC1258	7041449.86	794378.73	90/-60	104	61	83	<b>22</b>	<b>65.16</b>	<b>3.04</b>	<b>2.08</b>	<b>0.04</b>	<b>1.34</b>
WWRC1259	7041349.93	794390.36	90/-60	120	85	96	11	65.53	3.02	1.79	0.03	1.02
WWRC1261	7041249.49	794404.42	90/-60	110	74	88	14	65.23	3.12	1.90	0.04	1.06
WWRC1262	7041248.95	794340.72	90/-60	120	74	84	10	62.08	5.97	1.57	0.05	2.26
WWRC1264	7041049.21	794330.20	90/-60	104	10	22	12	58.74	7.90	4.50	0.03	3.03
WWRC1265	7041049.22	794386.20	90/-60	110	1	19	<b>18</b>	<b>61.45</b>	<b>6.10</b>	<b>3.46</b>	<b>0.04</b>	<b>2.27</b>
WWRC1267	7040949.25	794415.60	90/-60	80	50	66	16	63.04	4.45	2.52	0.06	2.39
WWRC1273	7040949.67	794384.55	90/-60	122	11	29	<b>18</b>	<b>58.20</b>	<b>7.93</b>	<b>5.34</b>	<b>0.03</b>	<b>3.02</b>
WWRC1275	7041549.11	794392.57	90/-60	92	5	21	16	61.51	5.80	3.71	0.03	2.25
					50	65	15	60.64	6.49	4.49	0.04	2.03
WWRC1276	7040599.19	794430.49	90/-60	138	24	35	11	63.47	5.00	2.55	0.02	1.17
WWRC1279*	7040200.00	794490.00	90/-60	80	25	43	<b>18</b>	<b>62.76</b>	<b>4.66</b>	<b>3.51</b>	<b>0.03</b>	<b>1.69</b>
WWRC1280	7040101.56	794500.16	90/-60	80	23	33	10	66.35	2.33	1.74	0.02	0.91
WWRC1283	7039799.78	794458.13	90/-60	104	37	51	14	66.23	1.95	1.13	0.07	1.91
WWRC1330	7037100.68	794368.19	90/-60	80	20	30	10	58.30	7.94	5.20	0.04	3.21
					33	44	11	58.55	5.72	3.49	0.17	6.49
WWRC1332	7036999.33	794369.71	90/-60	80	21	44	13	59.77	7.68	3.89	0.04	2.87
WWRC2257*	7040200.00	794450.00	90/-60	112	12	30	<b>18</b>	<b>61.62</b>	<b>4.72</b>	<b>3.97</b>	<b>0.03</b>	<b>2.80</b>
					35	40	5	62.02	7.84	1.84	0.01	1.38
					86	100	14	66.67	1.96	1.37	0.05	0.97
WWRC2258*	7040200.00	794410.00	90/-60	184	14	20	6	59.50	6.85	4.64	0.04	2.87
					155	174	<b>19</b>	<b>64.93</b>	<b>3.88</b>	<b>1.56</b>	<b>0.07</b>	<b>1.39</b>
WWRC2262	7039498.38	794458.71	90/-60	109	36	51	15	64.13	5.06	2.08	0.01	0.98
WWRC2264	7040000.49	794450.91	90/-60	118	97	110	13	64.66	3.60	2.53	0.03	1.22
WWRC2241	7040899.98	794344.54	90/-60	100	88	100	12	62.85	5.86	1.26	0.06	2.57
<b>C3</b>												
WWRC1162	7039799.83	792454.30	270/-60	116	12	32	20	62.00	4.33	2.74	0.08	3.53
<b>C4</b>												
WWRC2226	7045496.00	792440.00	0/-90	119	21	59	21	60.15	10.61	1.65	0.03	1.25
WWRC2227	7045553.00	792402.00	90/-60	71	19	45	26	62.15	4.55	2.05	0.03	4.12
WWRC2228 A	7045450.00	792349.00	90/-60	82	15	46	31	62.46	6.42	1.95	0.03	1.79
					66	74	8	63.71	5.95	1.44	0.03	1.26
WWRC2225	7045599.00	792420.00	0/-90	143	34	122	<b>88</b>	<b>62.77</b>	<b>4.44</b>	<b>2.51</b>	<b>0.04</b>	<b>2.97</b>
<i>Water Bore</i>												
WWRC2206	7045750.00	792500.00	90/-60	28	0	20	20	65.63	3.04	1.28	0.03	1.58
WWRC2229	7046150.00	792603.97	90/-60	112	79	90	11	61.93	7.83	1.98	0.06	1.08
<b>C5</b>												
WWRC2238	7047900.44	792632.50	90/-60	100	5	25	20	63.27	8.61	0.26	0.04	0.49
<b>South 2</b>												
WWRC1226	7010200.00	791290.00	90/-60	50	13	20	7	55.28	15.10	0.83	0.04	4.63
					22	26	4	59.18	9.42	0.78	0.05	4.68
WWRC1235	7010502.00	791288.00	90/-60	82	5	12	7	56.88	4.96	2.30	0.05	10.27
WWRC1238	7010604.00	791331.00	90/-60	98	50	58	8	58.25	5.89	1.31	0.12	8.88

Hole ID	MGA North	MGA East	Az/Dip	EOH	From	To	Intercept	Fe %	SiO2%	Al2O3%	P%	LOI%
WWRC1239	7010603.00	791287.00	90/-60	86	56	61	5	57.45	7.36	1.66	0.07	8.50
WWRC1248	7011403.00	791440.00	90/-60	92	34	38	4	57.25	5.88	1.44	0.06	10.44
<b>Notes: Minimum Intersection Length = 1m, Interval Top Cut = 9,999,999.00 % Fe, Interval Bottom Cut = 55.00 % Fe, Maximum Internal Dilution = 1m, Reporting Assays Greater than 60.00 % Fe</b>												
<b>* Already announced to ASX</b>												

During the quarter assay turnaround time blew out to 12 weeks, this is partly due to a lab shutdown whilst additional capacity was installed and partly due to the unprecedented growth in iron ore exploration, drilling and assaying. This turn-around is expected to soften in the New Year with additional capacity now on stream.

**Table 4: Status of Analytical Data**

Outstanding Assays	Assays Returned During the Quarter	Samples Dispatched to Laboratory during The Quarter
10845	7916	11556

### ***Bowerbird & Bowerbird South***

A major program of drilling at Bowerbird and Bowerbird South which is the southern extension of the Bowerbird deposit was completed for a total of 115 RC holes for 11,419 metres. Approximately 70% of the assays from this drilling have now been returned. Results received so far have confirmed the high grade nature of the deposit.

### ***Jindalee Joint Venture - E53/1089 and M53/1078***

During the quarter ten RC holes, WWRC1381-1390, were drilled on E53/1089 (Joyners Find South) for a total of 944 metres. No results from this drilling have been received.

One metallurgical HQ diamond hole, WWDD19 was completed for 66 metres. Resource block modeling during the quarter in the Jindalee portion of the Joyners Find Prospect was announced to the ASX in August 2008.

### ***Joyners Find - 100% GWR***

#### ***C1***

A total of 17 RC holes were completed late in the period for 1,775 metres. Drilling was designed to test outcropping hematite and strike extensions of previous intercepts, principally testing the central and eastern bands. Wide zones of hematite were identified on lines 7032500mN and 7032600mN. In addition to targeting hematite mineralisation three holes were drilled over a strike length of 300 metres to access the potential for magnetite mineralisation on wide zone of banded Iron formation estimated to be 70-100 metres in true thickness. The holes all intersected wide zones ~40-60 metres of magnetite-rich Banded Iron Formation with estimated iron grade of 33-36% Fe. All of the holes ended in mineralisation were terminated due to rig capacity. Samples from these holes have been dispatched for Davis Tube testing to access the potential for beneficiation of this material. This zone remains open along strike to the north and south. All C1 assay results are outstanding at the end of the quarter. Drilling has indicated the hematite mineralization at the C1 deposit is more structurally complex than the larger deposits at the Wiluna West Project.

## **C2**

A total of 67 RC holes were completed at C2 for a combined total of 4,291 metres. Mapping and ground truthing has indicated that further potential exists within the western, central and eastern bands for additional ore.

Central and eastern hematite bands were confirmed between 70335500mN and 7035700mn however by 7035800mN the central band appears to have been faulted off. Drilling within this prospect indicates that it is structurally complex. All assays from this prospect are outstanding at the end of the period.

## **C3**

An Inferred block model Resource was updated by consultants, Snowden, during the period with the ore Resource being increased by some 18 million tonne or ~75% increase.

The drilling and ore resource work has assisted with a clearer definition of the ore body, defining three distinct ore pods, two of which remain open along strike and all three being open at depth. Based on this assessment further drilling commence late in the period to define additional tonnages along strike and at depth with some six RC holes completed for 724 metres. Assays remain outstanding.

## **C4**

An inferred block model resource was defined by consultants, Snowden during the period with the ore resource being increased by some 4.8 million tonnes or ~20% increase to 28.9 million tonnes. A total of 193.1 metres of RC drilling was completed during the period concentrating on providing a water bore and RC pre-collars to diamond metallurgical tails. The water bore was drilled as a test production bore.

## **C5**

Assay data was returned for one hole drilled at C5 mid-year. This hole successfully confirmed ore within a previously undrilled area of the block model (see Table 3).

## ***Joyners Find South***

A total of 16 RC holes were completed at Joyners Find South for 1,490 metres, although results from this drilling have not been returned the results based on geological logging suggest there is low potential for wide zones of high grade mineralisation in the area.

## ***South 2***

An Inferred Resource block model was completed late in the quarter by Snowdens. The South 2 deposit lies at the southern end of the Wiluna West Project and confirms the potential of this area to host iron ore resources. The ore within this deposit is largely hydrated. Limited drilling along strike from this deposit confirms that mineralisation does persist outside of the current resource area.

## **Tenement Acquisition**

Following approval by shareholders GWR has acquired two additional mining leases positioned within GWR's Wiluna West tenements. The two mining leases previously sterilized access for mining of over half of the Joyners Find hematite deposit, which is the highest grade deposit so far identified.

Deposits of this quality can be blended with lower quality ores to produce a marketable product. The mining leases also contain the historical Joyners Find gold mine and the strike extension of the GWR Iron Monarch gold deposit and potential iron ore.

## Exploration - Uranium

GWR's uranium tenement is directly south and along strike of U3O8 Limited's Hinkler Well-Dawson Well calcrete hosted uranium deposit which is within a paleo-channel draining into Lake Way. It is also some 10km west and within the same channel as Toro Energy Limited's Lake Way-Centipede Deposit (inferred resource of 15.5mt @ 580ppm U<sub>3</sub>O<sub>8</sub>). U3O8 Limited's Inferred Resource at Hinkler Well on a 100ppm cutoff is 51.5 million tonnes @ 163ppm U<sub>3</sub>O<sub>8</sub> for 8400 tonnes of U<sub>3</sub>O<sub>8</sub> (or 18.5 million lbs of U<sub>3</sub>O<sub>8</sub>).

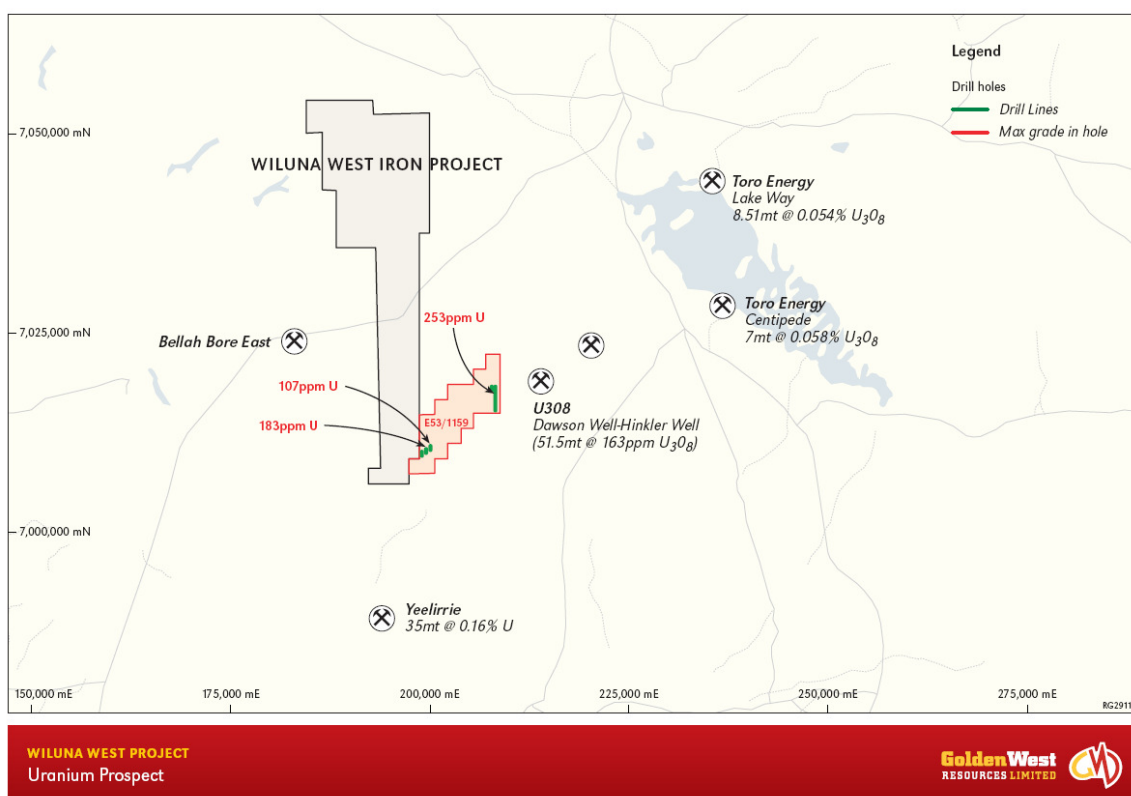


Figure 2 - Uranium Prospect

Assay results for RC drilling completed early in 2008 have finally been returned with a number of anomalous uranium intercepts being defined.

Table 5: Anomalous Uranium Intercepts-E53/1159

Hole ID	MGA North	MGA East	From	To	Intercept	U ppm	U3O8 ppm
WWAC9001	7017990	208055	3	12	9	85	100
WWAC9002	7017950	208055	4	16	12	115	136
				<b>Includes</b>	5	144	170
WWAC9003	7017910	208055	4	16	12	115	135
				<b>Includes</b>	7	148	175
WWAC9004	7017870	208055	4	19	15	114	134.
WWAC9017	7010218	795099	1	2	1	107	126
WWAC9024	7010080	794750	4	7	3	91	107
				<b>Includes</b>	1	183	215

Hole ID	MGA North	MGA East	From	To	Intercept	U ppm	U3O8 ppm
WWAC9026	7009998	794750	4	5	1	45	53

These results are deemed to be particularly significant as they suggest that E53/1159 may contain 15km of untested strike, which is almost completely under cover. GWR plans to undertake further work upon this tenement during the next six months.

## **Wiluna West Infrastructure and Development**

GWR has signed a foundation customer agreement with Yilgarn Infrastructure Limited to use rail infrastructure, berth and storage facilities, industrial facilities, ship loading and unloading and other infrastructure proposed to be financed and built by Yilgarn Infrastructure at the Port of Oakajee. Yilgarn Infrastructure has also entered into a foundation customer and infrastructure agreement with Mid West Corporation Limited (now owned by Sinosteel).

Under the terms of the foundation customer agreement Yilgarn Infrastructure has undertaken to finance and build a railway connecting GWR's project at Wiluna West, via Weld Range junction, to the proposed port at Oakajee providing that all the required government approvals are given to the parties.

GWR has taken a 20% interest in Yilgarn Infrastructure Limited. Yilgarn is the reserve proponent for construction of the port at Oakajee and GWR believes it retains rights to construct a railway network in the Midwest to transport ore from various mines to the coast. Yilgarn is backed by a consortium of powerful Chinese state-owned companies and has a line of credit with the Exim Bank of China. GWR believes that Yilgarn is the company with the greatest ability to construct a railway from Wiluna to the coast taking in Midwest's Weld Range deposits and linking up with a line from Gindalbie's Karara deposit. The railway will be open access and will encourage the development of additional mining operations in the Midwest.

## **Corporate**

There were a number of corporate transactions consummated by the Company in the quarter.

The Company completed placements to a number of parties including Hunan Valin Steel Co Limited (the sixth largest steel company in China), Yijian Investment Co of Hong Kong and Yilgarn Infrastructure Limited to raise in excess of 35 million dollars.

The Company also entered into long term off take agreements with Hunan Valin and Yijian Investments to supply up to 5 million tonnes of direct shipping ore annually for a period of 15 years.

The Company appointed Mr David Rose as Chief Executive Officer. Mr Rose commenced work with the Company on 6 October. Mr Rose was previously Chief Operating Officer for Rio Tinto Iron Ore responsible for Rio's Iron Ore's projects in India, Brazil and Guinea including the world class 6 billion dollars Simandou Project.

The Company held a general meeting on 29 August 2008 to consider a number of resolutions put forward by Portman Limited to make changes to the Company's board together with a series of resolutions proposed by the Company. All of the resolutions proposed by Portman Limited were defeated and all other resolutions were carried, except for the resolution for the adoption of a new constitution which required a special resolution.



**Competent Person's Statement**

*The information in this Public Report that relates to Exploration Results and Mineral Resources is based on, and accurately reflects, the information compiled by Ms Marlene Kelly a consultant to Golden West Resources Limited. Ms Kelly is a member of the Australian Institute of Geoscientists. and has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activities which she 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. Ms Kelly consents to the inclusion in this report of the matters based on the 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 2008

### Consolidated statement of cash flows

Cash flows related to operating activities	Current quarter \$A'000	Year to date (12 months) \$A'000
1.1 Receipts from product sales and related debtors	--	--
1.2 Payments for (a) exploration and evaluation	(4,912)	(4,912)
(b) development	--	--
(c) production	--	--
(d) administration	(1,408)	(1,408)
1.3 Dividends received	--	--
1.4 Interest and other items <sup>1</sup> of a similar nature received	401	401
1.5 Interest and other costs of finance paid	--	--
1.6 Income taxes paid	--	--
1.7 Other (GST)	(1,423)	(1,423)
Other (Fuel Credits)	35	35
<b>Net Operating Cash Flows</b>	<b>(7,307)</b>	<b>(7,307)</b>
<b>Cash flows related to investing activities</b>		
1.8 Payment for purchases of: (a) prospects	(4,882)	(4,882)
(b) equity investments	(10,080)	(10,080)
(c) other fixed assets	(131)	(131)
1.9 Proceeds from sale of: (a) prospects	--	--
(b) equity investments	--	--
(c) other fixed assets	--	--
1.10 Loans to other entities	(510)	(510)
1.11 Loans repaid by other entities	1	1
1.12 Other (provide details if material)	--	--
<b>Net investing cash flows</b>	<b>(15,602)</b>	<b>(15,602)</b>
1.13 Total operating and investing cash flows (carried forward)	(22,909)	(22,909)

+ See chapter 19 for defined terms.

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

1.13	Total operating and investing cash flows (brought forward)	(22,909)	(22,909)
	<b>Cash flows related to financing activities</b>		
1.14	Proceeds from issues of shares, options, etc.	39,680	39,680
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)	(1,480)	(1,480)
	<b>Net financing cash flows</b>	<b>38,200</b>	<b>38,200</b>
	<b>Net increase (decrease) in cash held</b>	<b>15,291</b>	<b>15,291</b>
1.20	Cash at beginning of quarter/year to date	23,076	23,076
1.21	Exchange rate adjustments to item 1.20		--
1.22	<b>Cash at end of quarter</b>	<b>38,367</b>	<b>38,367</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	368
1.24	Aggregate amount of loans to the parties included in item 1.10	--

1.25 Explanation necessary for an understanding of the transactions

All payments relating to Directors and Associates were on normal commercial terms.

**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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+ See chapter 19 for defined terms.

### 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	--	--
3.2 Credit standby arrangements	--	--

### Estimated cash outflows for next quarter

	\$A'000
4.1 Exploration and evaluation	4,434
4.2 Development	--
<b>Total</b>	<b>4,434</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	220	688
5.2 Deposits at call	38,147	22,379
5.3 Bank overdraft	--	--
5.4 Other (provide details)	--	--
<b>Total: cash at end of quarter</b> (item 1.22)	<b>38,367</b>	<b>23,067</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			

+ 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>	131,415,763	131,415,763		
7.4 Changes during quarter (a) Increases through issues Rights issue Placements Listed Options Exercised Unlisted Options Exercised  (b) Decreases through returns of capital, buy-backs	5,000,000 16,000,000	5,000,000 16,000,000	\$1.50 \$1.85	\$1.50 \$1.85
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>	15,013,879 9,250,000	15,013,879 --	<i>Exercise price</i> \$2.00 \$3.00	<i>Expiry date</i> 31 December 2010 31 December 2011
7.8 Issued during quarter	500,000 500,000	500,000 500,000	\$2.00 \$3.00	31 December 2010 31 December 2011
7.9 Exercised during quarter				

+ See chapter 19 for defined terms.

7.10	Expired during quarter				
7.11	<b>Debentures</b> <i>(totals only)</i>				
7.12	<b>Unsecured notes</b> <i>(totals only)</i>				

## 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: .....  
(Director/Company secretary)

Print name: Mr John Lester

## 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.