



31 October 2007

**Corporate Summary**

**ASX Code: GWR**

**Issued Capital: 73 Mil**

**Issued Options: 41 Mil**

**Market Cap fully diluted**

**Oct 07: \$A262 Mil**

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**Managing Director**

**Mick Wilson**

**Exploration Manager / Director**

Quarterly Report  
Quarter Ending 30 September 2007  
*Highlights*

WILUNA WEST PROJECT

- Interim Inferred Mineral Resource at Wiluna West boosted by 72% to 86.3 M/t grading 60.1% Fe.
- Diamond drilling commences at C4
- Further significant iron intercepts achieved at the C2, C4 and C5 prospects, including:
  - 83m @ 64.82% Fe from 25m in WWRC778
  - 33m @ 63.42% Fe from 33m in WWRC805
- High grade hematite identified by geological mapping over a strike length of 1.1km in southern half of project area and confirmed by rock chip sampling. Results include:
  - 18m @ 63.1% Fe
  - 28m @ 61.6% Fe
  - 40m @ 57.2% Fe
- The 11,700m backlog of drill samples described in the previous quarterly report has now largely been cleared.
- Fairstar Resources makes unsolicited scrip take over bid on Golden West.

## COMPANY REVIEW

### 1.0 WILUNA WEST PROJECT – IRON/GOLD/URANIUM

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.

The Company's focus is on iron ore exploration and development. An aggressive RC drilling program is underway to identify the resources and reserves that will underpin the development of the project.

In April 2007, the Company announced a maiden Inferred Mineral Resource of 50.1 million tonnes @ 61% Fe. Following the receipt of additional drilling results from deposits on C Ridge, international mining consultants Snowdens have compiled a new interim Inferred Mineral Resource of 86.3 Mt @ 60.1% Fe (refer separate ASX announcement dated 31 October 2007). This represents a 72% increase in tonnage.

The Company expects to complete a further resource update in time for inclusion in the December 2007 quarterly report.

In addition, the project contains a gold resource of 788,000 tonnes at 3.5 g/t gold for a contained 87,000 ounces of gold, with considerable potential for additional discoveries.

The southern area of the project is highly prospective for calcrete hosted uranium deposits being along strike from the Hinkler Well uranium deposit and within 20 kilometres of the Yeelirrie uranium deposit.

#### Resource Upgrade

As recently announced the interim Inferred Mineral Resource at Wiluna West has been boosted by 72% to 86.3 Mt grading 60.1% Fe.

The new estimate, completed by international mining consultants Snowden, includes initial resource estimates for the C1, C2, C5 and C Regional deposits. Snowden estimated the combined Inferred Mineral Resource for all six deposits tested on the northern 23 kilometre section of the C Ridge, including C3 and C4, at 63.3 million tonnes @ 59.4% Fe.

The current Inferred Mineral Resource is summarised in Table 1.

**Table 1**  
**Inferred Mineral Resource**  
**Wiluna West Project**

Deposit	Unit	Type	Tonnes (Mt)	Fe (%)	SiO <sub>2</sub> (%)	Al <sub>2</sub> O <sub>3</sub> (%)	P (%)	LOI (%)
Bowerbird	B	Block	9.5	59.8	7.7	3.5	0.06	2.7
Bowerbird Nth	B	Sectional	2.0	61.5	5.3	3.2	0.04	2.1
Joyners Find	B	Block	7.8	64.6	3.1	1.9	0.02	2.0
Joyners Nth	B	Sectional	3.6	63.1	4.8	2.5	0.03	2.1
C1	C	Block	4.2	58.5	7.2	3.3	0.09	5.2
C2	C	Block	3.4	60.1	6.0	2.1	0.03	6.0
C3	C	Block	23.3	59.1	8.6	2.1	0.07	4.4
C4	C	Block	24.1	59.6	9.2	2.5	0.03	2.7
C5	C	Block	4.4	59.1	8.9	2.1	0.12	3.8
C Regional	C	Block	4.0	60.6	9.3	1.4	0.03	1.7
<b>TOTAL</b>			<b>86.3</b>	<b>60.1</b>	<b>7.8</b>	<b>2.4</b>	<b>0.05</b>	<b>3.3</b>

Note 1) All resources reported above 50% Fe cut off  
2) **Block** model resources estimated by Snowden  
3) **Sectional** resources estimated by GWR

The work undertaken by Snowden has also identified a number of areas on C Ridge with the potential to further boost resources as drilling continues both along strike and at depth beneath the existing Inferred Mineral Resource

### 1.1 Exploration

During the September quarter reverse circulation drilling, geological mapping, rock chip sampling and resource estimation was undertaken. Subsequent to the end of the quarter diamond drilling was commenced at the C4 prospect. This drilling will provide further confidence in the structural and geological controls to mineralisation. The diamond drilling will also yield important geotechnical and metallurgical information.

#### RC Drilling

The Company continued with its iron exploration RC drilling, with a total of 257 holes for an aggregate of 19,367m. Drilling was undertaken at the C1 South, C3, C4, C5, C Regional and South Regional prospect areas as summarised in Table 2. During the quarter scout RC drilling of geophysical targets under cover south of the Ullala road was commenced (South Regional).

**Table 2  
Drilling Summary**

<b>Prospect</b>	<b># Holes</b>	<b># Meters</b>
C1 South	24	1,875
C3	3	222
C4	9	756
C5	11	1,016
C Regional	34	2,653
South Regional	176	12,847
<b>Total</b>	<b>257</b>	<b>19,369</b>

#### Northern Project Location

Exploration to date has concentrated on Units B and C in the northern 23 km-long exposed portion of the 44 km Wiluna West project. Six deposits within Unit C, known as CR, C5, C4, C3, C2, C1 have been the focus of a high intensity RC drilling program, yielding encouraging results.

The following (Table 3) summarises significant drill hole intercepts upon Unit C.

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Hole Number	Northing	Easting	Grid Az./Dip	Hole Depth (m)	From (m)	To (m)	Intercept	Fe%	Si%	Al <sub>2</sub> O <sub>3</sub> %	P%	LOI
<b>C2 PROSPECT</b>												
WWRC521	7035401	792766	90/-60	94	2	12	10	66.05	2.35	1.27	0.01	2.13
WWRC531	7035202	792669	90/-60	106	44	56	12	63.52	2.5	1.09	0.014	6.08
					62	73	11	62.05	2.31	0.84	0.0074	8.55
WWRC610	7034093	792594	270/-60	88	21	32	11	61.46	3.86	1.88	0.055	5.99
<b>C4 PROSPECT</b>												
WWRC317	7045502	792370	90/-60	75	28	57	29	61.56	6.23	1.58	0.031	3.87
WWRC319	7045501	792339	90/-60	60	28	60	32	65.1	3.42	1.58	0.034	1.53
WWRC322	7045899	792481	90/-60	44	18	29	11	61.09	6.21	3.55	0.028	2.42
WWRC324	7045899	792441	90/-60	80	29	54	25	61.8	5.26	3.62	0.036	2.52
WWRC334	7046100	792499	90/-60	80	29	46	17	63.87	3.9	2.41	0.042	2
<b>C4 PROSPECT</b>												
WWRC580	7045551	792441	90/-60	93	22	34	12	64.89	3.91	1.48	0.069	1.12
					43	54	11	64.38	4.89	1.51	0.019	1.32
WWRC581	7045552	792368	90/-60	124	82	108	26	64.95	4.02	1.38	0.049	2.85
WWRC594	7045849	792471	90/-60	69	23	36	13	62.32	5.03	3.28	0.033	2.34
					40	60	20	61.43	8.1	2.33	0.017	1.49
WWRC777	7045649	792450	90/-60	76	22	50	28	64.72	4.13	1.86	0.031	1.28
WWRC778	7045650	792371	90/-60	150	25	108	83	64.82	3.3	1.74	0.031	2.02
WWRC804	7045449	792337	90/-60	79	41	66	25	65.23	3.46	1.59	0.025	1.56
WWRC805	7045451	792298	90/-60	83	33	66	33	63.42	3.78	2.36	0.05	2.6
WWRC811	7046149	792520	90/-60	95	29	39	10	61.92	7.54	2.3	0.03	1.52
<b>C5 PROSPECT</b>												
WWRC675	7051799	792882	90/-60	98	71	89	18	65.39	4.25	0.93	0.0186	0.97
WWRC713	7048600	792680	90/-60	94	67	79	12	60.85	11.97	0.187	0.028	0.4
WWRC1056	7047300	792664	90/-60	76	10	19	9	61.8	3.22	0.97	0.17	3.22

Notes: Interval Top Cut 99999 % Fe, Interval Bottom Cut: 60 % Fe, Maximum Internal Dilution 2m, Individual Assay Fe Average 55 %.

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There are a number of areas drilled to date that remain open at depth and along strike. There also remains considerable potential for the discovery of additional deposits in the poorly explored southern half of the project area.

In addition, a diamond drill rig has been engaged at the project and results from the program will give further confidence of the structural and geological controls to mineralization. The diamond drilling will also provide important, geotechnical and metallurgical information.

### Southern Project Location Rock Chip & Mapping

A mapping and rock chip sampling program has identified high grade outcropping hematite over 1.1km strike length in an area approximately 10km south of deposit C1 on C Ridge.

All rock chip samples taken from this zone on lines 100-200m apart returned in excess of 50% Fe. The sampling also returned wide intercepts of ore up to 40m in width. These widths are expected to be close to true widths because the mineralisation is steeply dipping.

Mapping has also highlighted further targets which will be rock chip sampled in the near future. These targets are likely to significantly add to the known iron resources at the Wiluna West Project.

The best chip sampling results to date include **18m at 63.14% Fe, 28m @ 61.64% Fe and 40m @ 57.24% Fe.**

Rock chip assay results are as follows.

Sample Number	Northing	Easting		Width (m)	Fe (%)	SiO2 (%)	Al2O3 (%)	P (%)	S (%)	LOI1000
		From (m)	To (m)							
GB213004	7023000	792185	792195	10	55.61	8.20	3.07	0.05	0.16	8.19
GB213003		792195	792205	10	51.02	20.82	0.82	0.10	0.08	5.10
GB213002		792205	792215	10	61.78	3.87	1.48	0.08	0.07	5.55
GB213001		792215	792225	10	60.54	9.57	0.92	0.02	0.04	2.13
<b>total width</b>				<b>40</b>	<b>57.24</b>	<b>10.62</b>	<b>1.57</b>	<b>0.06</b>	<b>0.09</b>	<b>5.24</b>
GB213010	7022900	792190	792200	10	56.43	13.47	0.79	0.09	0.04	4.54
GB213009		792200	792210	10	58.05	8.22	1.55	0.10	0.09	6.68
<b>total width</b>				<b>20</b>	<b>57.24</b>	<b>10.85</b>	<b>1.17</b>	<b>0.10</b>	<b>0.06</b>	<b>5.61</b>
GB213008	7022900	792260	792270	10	64.38	2.07	1.29	0.01	0.06	4.08
GB213007		792270	792280	10	57.15	6.08	2.45	0.03	0.10	8.94
GB213006		792280	792290	10	56.93	8.42	3.35	0.03	0.10	5.19
GB213005		792290	792300	10	44.32	15.52	9.45	0.03	0.11	11.05
<b>total width</b>				<b>40</b>	<b>55.70</b>	<b>8.02</b>	<b>4.14</b>	<b>0.02</b>	<b>0.09</b>	<b>7.32</b>
GB213011	7022800	792194	792204	10	59.19	4.25	1.43	0.11	0.11	8.81
GB213012		792250	792262	12	59.31	9.35	1.61	0.04	0.09	3.51
GB213016	7022600	792214	792222	8	62.43	4.77	1.67	0.03	0.08	3.55
GB213015		792222	792227	5	64.89	2.80	1.19	0.02	0.09	2.72
GB213014		792227	792232	5	62.09	5.43	1.33	0.02	0.15	4.00
<b>total width</b>				<b>18</b>	<b>63.14</b>	<b>4.33</b>	<b>1.40</b>	<b>0.03</b>	<b>0.11</b>	<b>3.42</b>
GB213018	7022600	792150	792160	10	62.87	2.66	1.05	0.07	0.06	5.62
GB213017		792160	792170	10	60.65	5.66	1.85	0.07	0.07	5.05
<b>total width</b>				<b>20</b>	<b>61.76</b>	<b>4.16</b>	<b>1.45</b>	<b>0.07</b>	<b>0.06</b>	<b>5.34</b>
GB213025	7022400	792156	792164	8	58.51	9.40	1.14	0.04	0.12	5.57

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Sample Number	Northing	Easting		Width (m)	Fe (%)	SiO2 (%)	Al2O3 (%)	P (%)	S (%)	LOI1000
		From (m)	To (m)							
GB213024		792164	792169	5	59.73	5.03	2.96	0.05	0.11	5.77
GB213023		792169	792174	5	65.06	2.10	1.16	0.07	0.08	3.18
GB213022		792174	792179	5	62.45	2.75	1.67	0.10	0.10	5.31
GB213021		792179	792184	5	62.46	4.40	1.45	0.05	0.10	4.35
<b>total width</b>				<b>28</b>	<b>61.64</b>	<b>4.74</b>	<b>1.68</b>	<b>0.06</b>	<b>0.10</b>	<b>4.84</b>
GB213020	7022400	792210	792218	8	60.91	3.72	2.31	0.03	0.12	5.83
GB213019		792218	792223	5	57.38	5.71	3.32	0.03	0.12	8.08
<b>total width</b>				<b>13</b>	<b>59.15</b>	<b>4.72</b>	<b>2.82</b>	<b>0.03</b>	<b>0.12</b>	<b>6.96</b>
GB213028	7022200	792131	792138	7	53.75	12.89	2.06	0.06	0.11	7.44
GB213027		792138	792148	10	60.78	5.62	1.23	0.05	0.12	5.32
GB213026		792148	792158	10	60.45	5.20	1.43	0.08	0.13	6.07
<b>total width</b>				<b>27</b>	<b>58.33</b>	<b>7.90</b>	<b>1.57</b>	<b>0.06</b>	<b>0.12</b>	<b>6.28</b>
GB213030	7022000	792223	792230	7	58.80	3.72	2.83	0.10	0.10	8.81
GB213029		792230	792235	5	55.38	6.10	3.03	0.13	0.09	10.10
<b>total width</b>				<b>12</b>	<b>57.09</b>	<b>4.91</b>	<b>2.93</b>	<b>0.116</b>	<b>0.097</b>	<b>9.455</b>
GB213033	7023100	792277	792287	10	58.40	5.97	2.31	0.04	0.11	7.51
GB213032		792287	792292	5	63.39	2.38	1.41	0.02	0.08	5.21
GB213031		792292	792297	5	60.47	5.09	2.10	0.02	0.10	5.69
<b>total width</b>				<b>20</b>	<b>60.75</b>	<b>4.48</b>	<b>1.94</b>	<b>0.03</b>	<b>0.10</b>	<b>6.14</b>

These rock chip sampling and drilling results reinforce the Company's confidence it can develop a significant iron ore project at Wiluna capable of producing at least 10 million tonnes of ore annually.

## 1.2 Project Development

### 1.2.1 Scoping Study

Calculation of an Inferred Mineral Resource of 86.3 million tonnes of iron @60.1% Fe was completed in accordance with the JORC code. A draft submittal for the mining approval (NOI) for stage 1 at Bowerbird has been completed by Keith Lindbeck & Associates and is under review. Work was begun on preparing an application for further mining leases in the north area.

A high level project timeline is being developed to define the tasks and resources necessary to achieve a 10mtpa production scenario by mid 2011. A conceptual picture of the area is also to be developed showing potential mining areas and infrastructure locations. The key aspects being initiated now are a scoping study to define the economic and sustaining parameters for the future feasibility study and a program to expand the environmental studies to encompass the whole north area.

### 1.2.2 Off Site Infrastructure

Longrun Transport Developments Pty Ltd has been engaged to complete a study to evaluate the alternative infrastructure options and costs for linking the Wiluna project to the proposed Midwest regional rail system to Oakajee Port. The Wiluna West Project is 700km from the proposed Oakajee port, 25km north of Geraldton.

The plans initially involve transporting at least 10 million tonnes of iron ore per annum through the Oakajee port. Initial railway infrastructure plans include railway construction from Wiluna west to south of Meekatharra at Weld Range for approximately 279km, then joining the proposed Midwest

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regional plan has been completed by Longrun Transport Developments Pty Ltd. The initial findings are very encouraging, predicting a cost of less than \$20.00 per tonne of iron ore to transport ore from the Wiluna project to the proposed port of Oakajee. These figures are interim estimates only and will need to be comprehensively reviewed if a decision is made to export from the Oakajee Port.

### **1.23 Geraldton Iron Ore Alliance**

Golden West Resources is a member of the Geraldton Iron Ore Alliance. Members of the Alliance have proposed the building of a new port at Oakajee, 25km north of Geraldton. The Government of Western Australia has confirmed Oakajee as the most suitable site for the proposed port. The Government has outlined a suggested rail and port plan to accommodate the required infrastructure. Since this announcement the two main companies involved, Murchison Metals and Midwest Corporation have commenced takeover discussions.

### **1.24 Steel Mills**

Enquiries continue with Asian Steel Mills and iron ore brokers looking for involvement in the Wiluna Iron Project via equity and or offtake agreement. During the quarter three Chinese steel mills held discussions with the Company, including one which visited the Wiluna West Project site. At this stage the Company is continuing to focus on developing a full understanding of the overall potential of the Wiluna West Project prior to committing to any Joint Venture or offtake arrangements.

### **1.3 Uranium**

Exploration Licence E53/1159 is located in the southeast of the Wiluna West Project and is upstream from the Dawson Well, Hinkler Well, Centipede and Lake Way uranium deposits. These deposits, like the Yeelirrie deposit (50,000 tonnes of contained U<sub>3</sub>O<sub>8</sub>), and U308 are located in close proximity of the Company's Wiluna West Project.

## **2.0 OTHER PROJECTS**

### **2.1 Doherty's - Gold**

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 of gold.

A review of all previous geological data has been completed and drilling is planned for the next quarter to test the down- plunge continuation of the mineralisation to the north.

### **2.2 Bullabulling – Gold**

The Company has surrendered the Bullabulling South Project .

## **3. CORPORATE**

### **3.1 Fairstar Resources Ltd**

Fairstar Resources Limited announced a highly conditional off market scrip takeover bid for 100% off the Company on 4 September 2007. Shareholders are being offered 5 Fairstar shares for each Golden West Resources share.

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Your Board of Directors has met and formed a committee of independent Directors to deal with all aspects of the Fairstar bid, including the appointment of independent advisors to assist the committee in assessing and handling all matters relating to this offer. Azure Capital has been appointed as Corporate Adviser. Pullinger Readhead Lucas continue to act as the Company's solicitors and Pricewaterhouse Coopers have been appointed as Independent Experts to assess the proposal.

The Company recommends that all Golden West Resources shareholders take no action in relation to the Fairstar offer until the Target's Statement, including the Independent Experts Report, has been prepared and sent to all Golden West Resources shareholders.

A replacement Bidder's Statement statement was lodged with the Company on 26 October 2007 and the Company is now in the process of preparing a Target Statement.

The Company has referred the replacement Bidder's Statement to the Takeovers Panel following legal and tax advice that it continues to be deficient in material areas and does not sufficiently address a number of concerns raised by the Company relating to Fairstar's original Bidder's statement which was lodged on 15 October 2007.

The Company believes these material deficiencies must be addressed before the replacement Bidder's Statement can be considered for dispatch to Golden West Resources shareholders.

Gary W Hutchinson  
Managing Director

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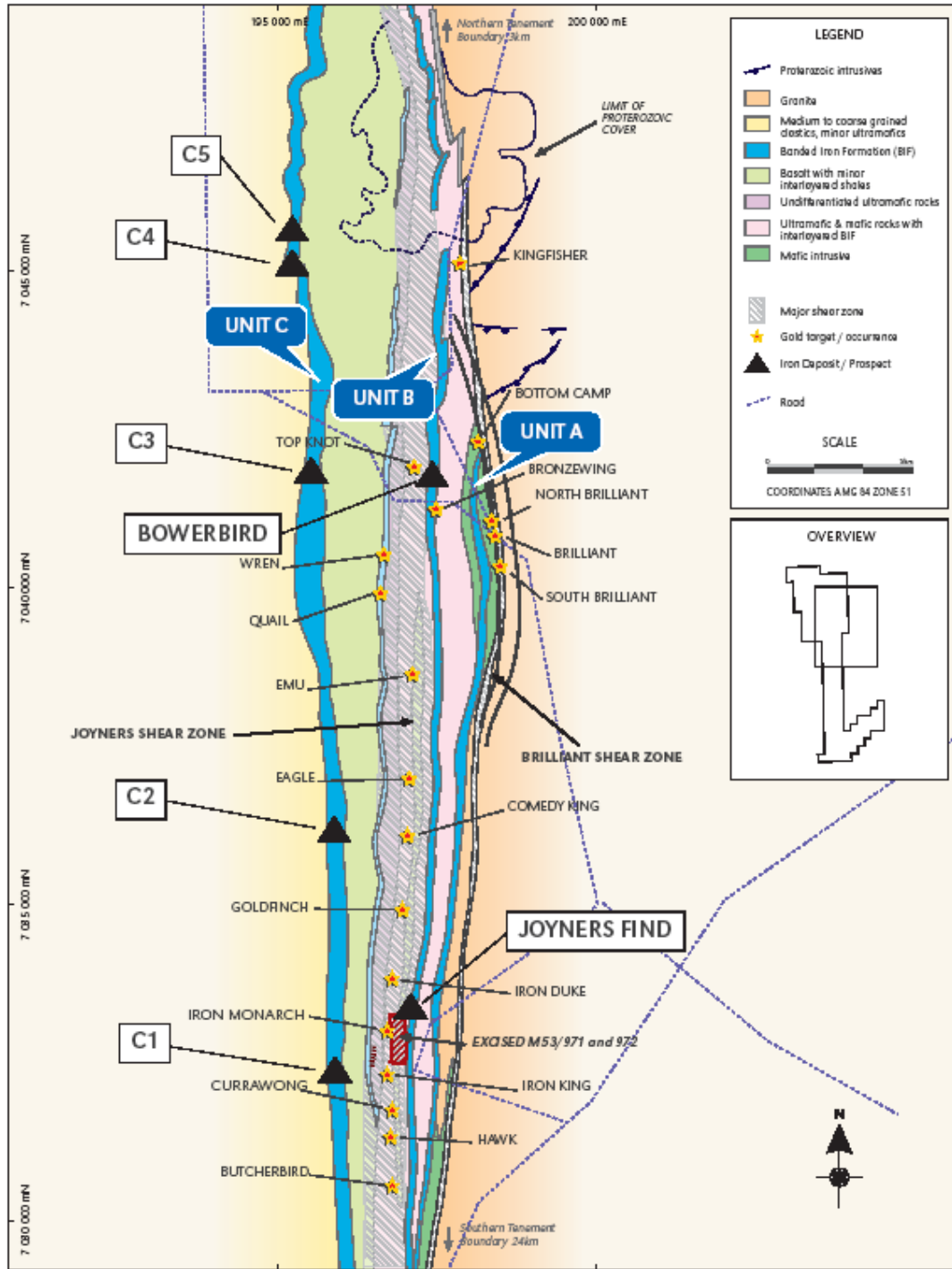
Web address: [www.goldenwestresources.com](http://www.goldenwestresources.com)

#### Competent Person's Statement

*The information in this Public Report that relates to Mineral Resources is based on, and accurately reflects, the information compiled by Ms Marlene Kelly a consultant to Golden West Resources Limited and Mr Paul Blackney of Snowden Mining Industry Consultants. Ms Kelly and Mr Blackney are members of the Australian Institute of Geoscientists and Australasian Institute of Mining and Metallurgy, respectively. Ms Kelly and Mr Blackney have sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activities which they are undertaking to qualify as Competent Persons as defined in the 2004 edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. Ms Kelly and Mr Blackney consent to the inclusion in this report of the matters based on the information in the form and context in which it appears.*



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## 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 2007**

#### Consolidated statement of cash flows

	Current quarter \$A'000	Year to date (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	(3,289)	(3,289)
(b) development	--	--
(c) production	--	--
(d) administration	(823)	(823)
1.3 Dividends received	--	--
1.4 Interest and other items of a similar nature received	34	34
1.5 Interest and other costs of finance paid	--	--
1.6 Income taxes paid	--	--
1.7 Other (GST)	286	286
Other (Fuel Credits)	37	37
<b>Net Operating Cash Flows</b>	<b>(3,755)</b>	<b>(3,755)</b>
<b>Cash flows related to investing activities</b>		
1.8 Payment for purchases of: (a)prospects	--	--
(b)equity investments	--	--
(c) other fixed assets	(158)	(158)
1.9 Proceeds from sale of: (a)prospects	--	--
(b)equity investments	--	--
(c)other fixed assets	11	11
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>(147)</b>	<b>(147)</b>
1.13 Total operating and investing cash flows (carried forward)	<b>(3,902)</b>	<b>(3,902)</b>

+ See chapter 19 for defined terms.

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

1.13	Total operating and investing cash flows (brought forward)	(3,902)	(3,902)
	<b>Cash flows related to financing activities</b>		
1.14	Proceeds from issues of shares, options, etc.	565	565
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)	(208)	(208)
	<b>Net financing cash flows</b>	357	357
	<b>Net increase (decrease) in cash held</b>	(3,545)	(3,545)
1.20	Cash at beginning of quarter/year to date	7,296	7,296
1.21	Exchange rate adjustments to item 1.20	--	--
1.22	<b>Cash at end of quarter</b>	3,751	3,751

**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	808
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 \$458,381 for drilling and operational personnel paid to a company associated with one of the Directors. 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

Nil.

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

Nil.

**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	3,000
4.2 Development	Nil
<b>Total</b>	<b>3,000</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	223	3,296
5.2 Deposits at call	3,528	4,000
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>3,751</b>	<b>7,296</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.

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**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>	71,808,204	71,808,204		
7.4 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs	2,824,580	2,824,580		
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>	16,845,794 1,250,000 1,250,000 1,250,000 12,724,990 7,000,000	16,845,794 Nil Nil Nil Nil Nil	<i>Exercise price</i> \$0.20 \$0.25 \$0.30 \$0.40 \$2.00 \$3.00	<i>Expiry date</i> 31 December 2007 30 June 2008 30 June 2008 30 June 2008 31 December 2010 31 December 2011
7.8 Issued during quarter	Nil	Nil	\$2.00	31 December 2010
7.9 Exercised during quarter	2,824,580	2,824,580	\$0.20	31 December 2007
7.10 Expired during quarter				
7.11 <b>Debentures</b> <i>(totals only)</i>				
7.12 <b>Unsecured notes</b> <i>(totals only)</i>				

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## 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 2007  
(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.

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