



GOLDEN WEST RESOURCES LIMITED

(ABN 54 102 622 051)

Corporate Summary

<i>ASX Code:</i>	<i>GWR</i>
<i>Issued Capital:</i>	<i>53 M</i>
<i>Listed Options:</i>	<i>22 M</i>
<i>Unlisted Options:</i>	<i>4 M</i>
<i>Market Cap:</i>	<i>A\$ 26 M</i>

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Enquiries

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Managing Director

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Exploration Manager / Director

Quarterly Report

Quarter Ending 31 March 2006

Highlights

Wiluna West Project

Golden West Resources (ASX: GWR), owner of a high grade iron ore deposit near Wiluna, is pleased to announce the completion of the following work during the March quarter 2006.

Highlights for the quarter include:

- Detailed geological mapping and rock chip sampling over the Bowerbird prospect on Unit B, yielding high grade hematite results including 8.2m @ 69.7% Fe and 10.2m @ 67.8% Fe. This mineralisation is world class grade.
- Detailed geological mapping upon four selected target areas on Unit C has commenced.
- The Company has joined the Geraldton Iron Ore Alliance to undertake Government discussions on behalf of several mid-west based iron ore companies.
- Progress has been made with several governmental and corporate bodies with respect to infrastructure and port access.
- Discussions with a number of steel mills continued.

Exploration progress during the March quarter was delayed by rainfall associated with several cyclones and ongoing negotiations with traditional owners. It is anticipated that these issues will be resolved early in the forthcoming quarter and the drilling campaign is expected to commence in the June quarter.

Work concentrated on defining target areas in preparation for a major exploration drilling campaign to underpin the two staged development plan for the project.

Stage 1. To commence production as soon as possible of high grade direct shipping iron ore using existing infrastructure.

Stage 2. Development of a major project that will require significant infrastructure including rail and port development.

REVIEW OF OPERATIONS

WILUNA WEST PROJECT **(Gold, Iron, Uranium)**

The company's 440 square kilometre Wiluna West Project is located approximately 40km west of the township of Wiluna in the North Eastern Goldfields of Western Australia. Almost the entire Joyners Find greenstone belt is held with contiguous tenements over a length of 45km. The Joyners Find greenstone belt has significant mineralisation containing substantial gold and iron deposits.

A gold resource of 788,000 tonnes at 3.5 g/t gold containing 87,000 ounces has already been identified with potential for additional discoveries. A number of potential high grade iron deposits have recently been identified from rock chip sampling and drilling.

The Company intends to concentrate on developing a marketable iron ore resource.

IRON

Exploration activities during the quarter were delayed as a result of rainfall associated with cyclones. In addition, an Aboriginal heritage survey was commenced in March 2006 and discussions are continuing with Traditional Owners.

The Company's exploration development strategy for the project is as follows:

- **Stage 1**

- **Generate Early Cash Flow**

- Stage 1 is designed to define a JORC standard reserve of at least 3 to 5 million tonnes of high grade iron ore and commence production at a rate of 500,000 to 1 million tonnes per annum to generate a cash flow to assist financing for Stage 2 operation.

- **Stage 2**

- **Confirm the Project's potential iron ore resource.**

- Stage 2 will involve the development of a major iron ore project of at least 160 Mt to 220 Mt, to establish an initial iron ore resource to support infrastructure requiring approximately 10 to 12 million tonnes per annum.

Work carried out during the quarter included:

- 1:1000 scale geological mapping and rock chip sampling at the Bowerbird and C1 prospects.
- Upgrade of the exploration campsite.
- Aboriginal heritage survey.
- Evaluating infrastructure rail and port options.

Geological Mapping & Rock Chip Sampling

1:1000 scale geological mapping and rock chip sampling has been completed at the Bowerbird prospect on Unit B and commenced at the C1 prospect on Unit C.

The detailed mapping and rock chip sampling at Bowerbird has identified widespread stoichiometrically pure hematite ± maghemite ± magnetite mineralisation over a strike length of more than 1 kilometre. This high grade quality ore will be used to fulfil the plan for Stage 1 of the project.

TABLE 1
SIGNIFICANT ROCK CHIP SAMPLE RESULTS
BOWERBIRD PROSPECT

SAMPLE #	MGA		WIDTH (M)	Fe (%)	SiO2 (%)	Al2O3 (%)	P (%)	S (%)	LOI (%)
	NORTH	EAST							
G100003	7042516	794441	8.2	69.68	0.38	0.25	0.018	0.005	0.01
G100007	7042594	794481	10.2	67.68	0.88	0.58	0.035	0.023	1.50
G100020	7042474	794490	7.8	69.54	0.28	0.18	0.028	0.005	0.02
G100023	7042712	794500	7.1	67.64	0.84	0.79	0.094	0.021	1.11
G100026	7042869	794510	5.7	68.60	0.94	0.72	0.033	0.006	0.39
G100029	7042950	794516	5.1	69.26	0.48	0.34	0.008	0.005	0.17
G100042	7043555	794704	9.6	65.91	1.54	0.90	0.340	0.096	1.93
G100054	7043304	794622	7.2	66.52	1.68	1.03	0.112	0.039	1.69
G100055	7043279	794618	5.7	63.67	2.90	1.29	0.106	0.071	4.01
G100056	7043276	794608	7.5	65.40	2.28	1.10	0.098	0.034	2.41
G100061	7041730	794413	7.4	63.34	2.20	1.30	0.091	0.088	5.31
G100072	7041552	794402	6.4	67.30	1.73	1.28	0.032	0.013	0.90
G100073	7041559	794447	16.0	64.52	2.16	1.49	0.186	0.107	3.06
G100075	7041507	794428	8.2	65.77	2.18	1.24	0.054	0.067	1.93

- Note 1) Assays are based upon surface rock chip samples and analysed by Ultra Trace Laboratories in Perth using XRF
2) Samples $\geq 5m$ in width and $> 60\%$ Fe

RC Drilling

Assay results for the two lines of stratigraphic RC drilling reported in the previous quarter over an accessible portion of unit C to gain geological information have been received and significant intercepts are summarised in Table 2

TABLE 2
SIGNIFICANT RC DRILL RESULTS
UNIT C STRATIGRAPHIC DRILLING

Hole #	North (MGA)	East (MGA)	Dip	From	Intercept (m)	Fe (%)	SiO2 (%)	Al2O3 (%)	P (%)	S (%)
WWRC113	7029320	792420	-60	0	7	54.9	11.9	3.5	0.04	0.04
WWRC118	7030100	792420	-60	7	5	53.6	9.7	4.6	0.05	0.10
WWRC119	7030100	792380	-60	20	15	58.4	6.9	3.8	0.08	0.04
WWRC120	7030100	792352	-60	59	6	58.8	9.7	1.1	0.08	0.00

Note : Assays are based upon an average of 1m cone split samples analysed by Ultra Trace Laboratories in Perth using XRF.

The above mineralisation is bedded hematite goethite style and is considered to be encouraging, considering the lines were selected according to their accessibility rather than strength of observed surface mineralisation.

INFRASTRUCTURE

The company appointed Mr George Bray to advise and assist with negotiations on the company's requirements for infrastructure for the Wiluna Iron Project. Mr Bray is a civil engineer with considerable knowledge of local and regional planning and infrastructure requirements.

Stage 1

In relation to the development of Stage 1, the company plans to initially identify a JORC resource of 3 to 5 million tonnes of high grade direct shipping iron ore, which will be sold at the rate of up to 1 million tonnes per annum. It is planned for this ore to be exported from either Geraldton or Esperance Ports.

An alternative is to truck ore to Leonora and then rail to Esperance Port. The Esperance Port currently has spare shipping capacity and requires an additional storage shed and unloading facilities.

Stage 2

Stage 2 will involve significant infrastructure planning, as it will be based on exporting 10 to 12 million tonnes per annum, either through Geraldton/ Oakajee or Esperance Ports.

The company has joined the Geraldton Iron Ore Alliance with four other iron ore companies with projects in the Midwest region. These companies, jointly through the Alliance, are seeking approval from the WA Government for the construction of rail facilities in the Midwest region and a new port at Oakajee, approximately 34 kilometres north of the existing port at Geraldton.

Since the end of the reporting period, the Premier of Western Australia approved the site location for the Oakajee Port. The port design and connecting rail corridors are under discussions. Golden West will need to build a railway to connect its Wiluna Iron Project to the proposed rail facilities near Meekatharra.

Another alternative also under consideration by Golden West is to rail iron ore from Wiluna to Esperance. This will require construction of a new rail from Wiluna to Leonora and to connect to the already established infrastructure from Leonora to Esperance. Rail upgrades will need to be made, together with additional unloading facilities and storage sheds at Esperance.

Costing and planning of both of these infrastructure scenarios, together with discussions with various stakeholders including Government Departments and Ministers, have commenced.

Steel Mills

A number of discussions and presentations have been held and continue. In most cases confidentiality agreements or requests to withhold names have been requested.

There are strong enquiries from Asian mills to establish ties, enter into joint ventures or off-take agreements with iron projects to guarantee iron ore supplies in the future.

GOLD

No gold exploration was undertaken during the quarter. The Company is considering several options for the ongoing development of the gold potential that exists upon its tenements. The project presently contains a combined gold resource of 788,000 tonnes at 3.5 g/t gold.

URANIUM

The Company plans to drill a single stratigraphic traverse of holes during the current quarter testing a possible palaeochannel target within the Abercromby Creek and upstream from the Hinkler Well Prospect, where low grade lenses of uranium mineralisation have been reportedly defined over an area of 3 km by 1 km upon E53/1159.

DOHERTY'S PROJECT **(Gold)**

The Doherty's project is located in the Barrambie Greenstone Belt approximately 100km 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.

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.



0 300km

WESTERN AUSTRALIA



WILUNA WEST PROJECT

PROPOSED RAILWAY FROM WILUNA WEST TO PROPOSED PORT AT OAKAJEE

EXISTING RAILWAY LEONORA - KALGOORLIE - ESPERANCE

PROJECT LOCATIONS
GOLDEN WEST RESOURCES LIMITED



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")

31 March 2006

Consolidated statement of cash flows

	Current quarter \$A'000	Year to date (9 months) \$A'000
Cash flows related to operating activities		
1.1 Receipts from product sales and related debtors		
1.2 Payments for: (a) exploration and evaluation	(280)	(830)
(b) development	--	--
(c) production	--	--
(d) administration	(164)	(548)
1.3 Dividends received	--	--
1.4 Interest and other items of a similar nature received	10	35
1.5 Interest and other costs of finance paid	--	--
1.6 Income taxes paid	--	--
1.7 Other (GST)	(16)	(43)
Net Operating Cash Flows	(450)	(1386)
Cash flows related to investing activities		
1.8 Payment for purchases of: (a)prospects	--	--
(b)equity investments	--	--
(c) other fixed assets	(183)	(198)
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)	--	--
Net investing cash flows	(183)	(198)
1.13 Total operating and investing cash flows (carried forward)	(633)	(1584)

+ See chapter 19 for defined terms.

Appendix 5B
Mining exploration entity quarterly report

1.13	Total operating and investing cash flows (brought forward)	(633)	(1584)
	Cash flows related to financing activities		
1.14	Proceeds from issues of shares, options, etc.	2459	3020
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)	--	(30)
	Net financing cash flows	2459	2990
	Net increase (decrease) in cash held	1826	1406
1.20	Cash at beginning of quarter/year to date	601	1,021
1.21	Exchange rate adjustments to item 1.20	--	--
1.22	Cash at end of quarter	2427	2427

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	140
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 \$61,764 for drilling, mess facilities and vehicle purchase 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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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	500
4.2 Development	Nil
Total	500

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	1	1
5.2 Deposits at call	2,450	600
5.3 Bank overdraft	(24)	Nil
5.4 Other (provide details)	Nil	Nil
Total: cash at end of quarter (item 1.22)	2427	601

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	EL 53/ 1173 EL 53/ 1177 ML 53/ 1016 ML 53/ 1017 ML 53/ 1018	Nil Nil Nil Nil Nil	100% 100% 100% 100% 100%

+ 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 Preference +securities <i>(description)</i>				
7.2 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions				
7.3 +Ordinary securities	52,518,627	30,593,627		
7.4 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs	7,000,000	7,000,000	\$0.35	\$0.35
7.5 +Convertible debt securities <i>(description)</i>				
7.6 Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted				
7.7 Options <i>(description and conversion factor)</i>	22,922,881	22,922,881	<i>Exercise price</i> \$0.20	<i>Expiry date</i> 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	625,000	625,000	\$0.20	31 December 2007
7.9 Exercised during quarter				
7.10 Expired during quarter				
7.11 Debentures <i>(totals only)</i>				
7.12 Unsecured notes <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: 28 April 2006
(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.