



# GOLDEN WEST RESOURCES LIMITED

(ABN 54 102 622 051)

## **Corporate Summary**

<i>ASX Code:</i>	<i>GWR</i>
<i>Issued Capital:</i>	<i>46 Mil</i>
<i>Listed Options:</i>	<i>22 Mil</i>
<i>Unlisted Options:</i>	<i>4 Mil</i>
<i>Market Cap:</i>	<i>A\$ 20 Mil</i>

## **Contact Details**

*4/159 Main Street*

**OSBORNE PARK**

*Western Australia 6017*

*Tel: +61 8 92019202*

*Fax: +61 8 92019203*

[admin@goldenwestresources.com](mailto:admin@goldenwestresources.com)

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

## **Enquiries:**

*Gary Hutchinson*

*Managing Director*

*Mick Wilson*

*Exploration Manager / Director*

## **Quarterly Report**

**Quarter Ended 31 December 2005**

### **Wiluna West Project**

## **Highlights**

The Quarter ended 31 December 2005 was one of significant achievement for Golden West Resources.

Iron exploration completed in the Quarter includes:

- Detailed geological mapping over the northern portions of Unit B and Unit C. Rock chip sampling undertaken with encouraging iron grades.
- A trenching program over several high grade hematite surface deposits was undertaken and metallurgical test work commenced.
- Flora and fauna surveys have been completed over the proposed Stage 1 mining area.
- Continued discussions with Governmental and Corporate groups related to infrastructure.
- Exploration concentrated on defining target areas in preparation for a major exploration campaign in the first quarter of 2006.

The Golden West Resources Board of Directors are focused on the development of the Wiluna West Project in two distinct stages:

**Stage 1:** Commencing production from high grade surface direct shipping iron using existing infrastructure to generate cash flow.

**Stage 2:** The development of the major iron project in stages. Initially define the magnitude of the resource required to justify the required infrastructure.

## **Milestones for March 06 Quarter**

### **Stage 1**

- Outline sufficient reserves of direct shipping hematite ore to allow mining to commence.
- Lodge Notice of Intent (NOI) to mine with the Department of Industry and Resources (DOIR) early in 2006.
- Seek tenders for mining and cartage contracts.

### **Stage 2**

- Define the magnitude of resources required to justify the infrastructure, suitable for the development of a major project.
- Commence testing of targets for resource definition.

## REVIEW OF OPERATIONS

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

The 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 is well mineralised 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 considerable potential for additional discoveries. A number of significant iron deposits have recently been identified.

### **IRON**

The Company has set a development strategy for the Wiluna West Project revolving around two distinct stages:

**Stage 1:** Commencing production from high grade surface direct shipping hematite using existing infrastructure to generate cash flow. The Company is targeting a production rate of 500,000 to 1 million tonnes of high grade direct shipping iron ore.

**Stage 2:** The development of a major project. The resource size to be based on the required new infrastructure.

The Company is developing both stages concurrently.

The Snowden Group, as project managers, are presently reviewing the various infrastructure options required for Stage 2 to determine the target resource size required to justify the infrastructure requirements such as rail.

Iron exploration completed during the quarter included:

- 1:5000 scale geological mapping of the northern well exposed portions of Unit B and Unit C
- A trenching and bulk sampling program to test high grade hematite scree mineralisation in four locations.
- 10 RC holes for 795m drilled on two of stratigraphic traverses of Unit C.
- Preparation of an NOI, including flora and fauna surveys.

### **Geological Mapping**

1:5000 scale geological mapping was undertaken on the northern well exposed portions of Units B and C. Mapping on unit B confirmed continuity and showed large strike lengths of hematite and bedded hematite goethite mineralisation.

Mapping on Unit C identified four priority targets that will be followed with more detailed mapping and rock chip sampling.

Only the northern portions of Units B and C have to date been mapped and Units A, D and E have yet to be explored.

### Trenching / Metallurgical Testwork

Geological mapping has identified a number of hematite rich surface deposits adjacent to Unit B. The surface deposits contain boulders largely consisting of hematite. A total of nine trenches were completed at the Bowerbird Eagle, Comedy King and Joyners Find prospects, testing hematite scree mineralisation defined by geological mapping.

60 bulk samples have been collected from the trenches and submitted to SGS Laboratories in Perth for metallurgical testwork. The testwork will involve screening tests to determine if the hematite scree can be simply extracted. Following positive results further work will be undertaken to define reserves. Conceptually it is thought that these deposits could be mined at very low cost as the operation would only involve screening of the top soil.

### RC Drilling

Two lines of stratigraphic RC drilling were undertaken over an accessible portion of Unit C to gain geological information. A total of 795m in 10 holes was completed (WWRC111 to WWRC120), on two lines located at 7029320N and 7030100N. The lines were selected according to their accessibility rather than the strength of the observed mineralisation.

No assay results are presently available. These results will be reported as soon as received.

### Rock Chip Sampling

A total of 21 rock chip samples were collected on Units B and C as part of the mapping program. Table 1 summarises these results

**Table 1**

#### Summary Rock Sampling Results

MGA Northing	MGA Easting	Unit	Sample ID	Fe %	Al <sub>2</sub> O <sub>3</sub> %	P %	S %	SiO <sub>2</sub> %	TiO <sub>2</sub> %	LOI
7046420	792606	C	G24683	66.72	1.02	0.05	0.0270	1.61	0.0140	1.45
7046408	792612	C	G24684	67.14	1.18	0.05	0.0170	1.76	0.0110	0.91
7044026	794714	B	G24685	62.22	1.02	0.07	0.0910	2.38	0.0160	6.9
7044040	794689	B	G24686	62.8	0.65	0.05	0.0570	4.67	0.0150	4.28
7043842	794740	B	G24687	59.04	0.38	0.05	0.0630	8.78	0.0070	5.48
7043767	794690	B	G24688	61.43	1.36	0.05	0.1100	5.55	0.0580	4.12
7043508	794723	B	G24689	65.95	0.43	0.04	0.1060	1.35	0.0120	3.62
7043472	794568	B	G24690	58.64	1.06	0.03	0.1000	8.06	0.0290	5.96
7043472	794568	B	G24691	62.47	1.48	0.16	0.0560	4.6	0.0310	3.57
7043500	794449	B	G24692	61.26	1.39	0.08	0.0510	4.57	0.0240	5.54
7043300	794631	B	G24693	64.12	1.55	0.12	0.0670	2.57	0.0280	3.47
7042468	794928	B	G24695	24.55	0.75	0.05	0.0240	58.89	0.0110	4.4
7042151	794443	B	G24696	66.59	0.35	0.09	0.0770	2.75	0.0170	1.26
7042131	794338	B	G24697	63.62	0.62	0.08	0.0640	2.13	0.0100	5.51
7042084	794447	B	G24698	65.66	0.49	0.05	0.0170	4.34	0.0100	0.86
7041796	794405	B	G24699	67.79	0.4	0.08	0.0510	0.9	0.0050	1.54
7045421	792372	C	G24700	60.82	0.17	0.04	0.0140	12.14	0.0070	0.49
7045421	792378	C	G24701	67.18	0.17	0.05	0.0100	2.91	0.0000	0.96
7045421	792383	C	G24702	63.54	0.34	0.05	0.0160	7.61	0.0090	0.66
7045430	792356	C	G24703	66.69	0.34	0.04	0.0190	3.19	0.0070	1.26

Note: Samples were analysed by Ultratrace Laboratories in Perth by XRF

The rock chip sampling results continued to yield high grade results. Of particular note are samples G24700 to G24703 which are composite samples taken over an outcrop width of 27 m on Unit C. Further rock chip sampling will be undertaken during the coming quarter in conjunction with geological mapping.

## **INFRASTRUCTURE**

The company continued discussions with various Governmental departments and Corporations in relation to infrastructure requirements for transporting 500,000 to 1 million tonnes per annum of ore from Wiluna to Geraldton. The initial plans include haulage via road and rail for a period of 4 to 5 years followed by a greater requirement of facilities when the main Wiluna Iron Stage 2 Project is confirmed which will include rail from Wiluna to the proposed Oakajee Port facilities.

## **STEEL MILLS**

Discussions continued with representatives from several steel mills from Asia. The Company's immediate focus is to secure sales of at least 1 million tonnes of the high grade direct shipping ore, which should attract a premium price per tonne due to its high grade blending potential, generating early cash flows.

## **GOLD**

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

## **URANIUM**

During the March 2006 quarter the Company intends to collect and compile all previous exploration results upon E53/1159. This tenement is located in the south east of the project.

## **DOHERTYS 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

For further Information:  
Golden West Resources Limited  
Unit 4, 159 Main Street, Osborne Park, Western Australia 6017  
Phone: +61 9 9201 9202  
Fax: +61 9 9201 9203  
Email: [admin@goldenwestresources.com](mailto:admin@goldenwestresources.com)  
Web address: [www.goldenwestresources.com](http://www.goldenwestresources.com)

*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.*

790 000 mE

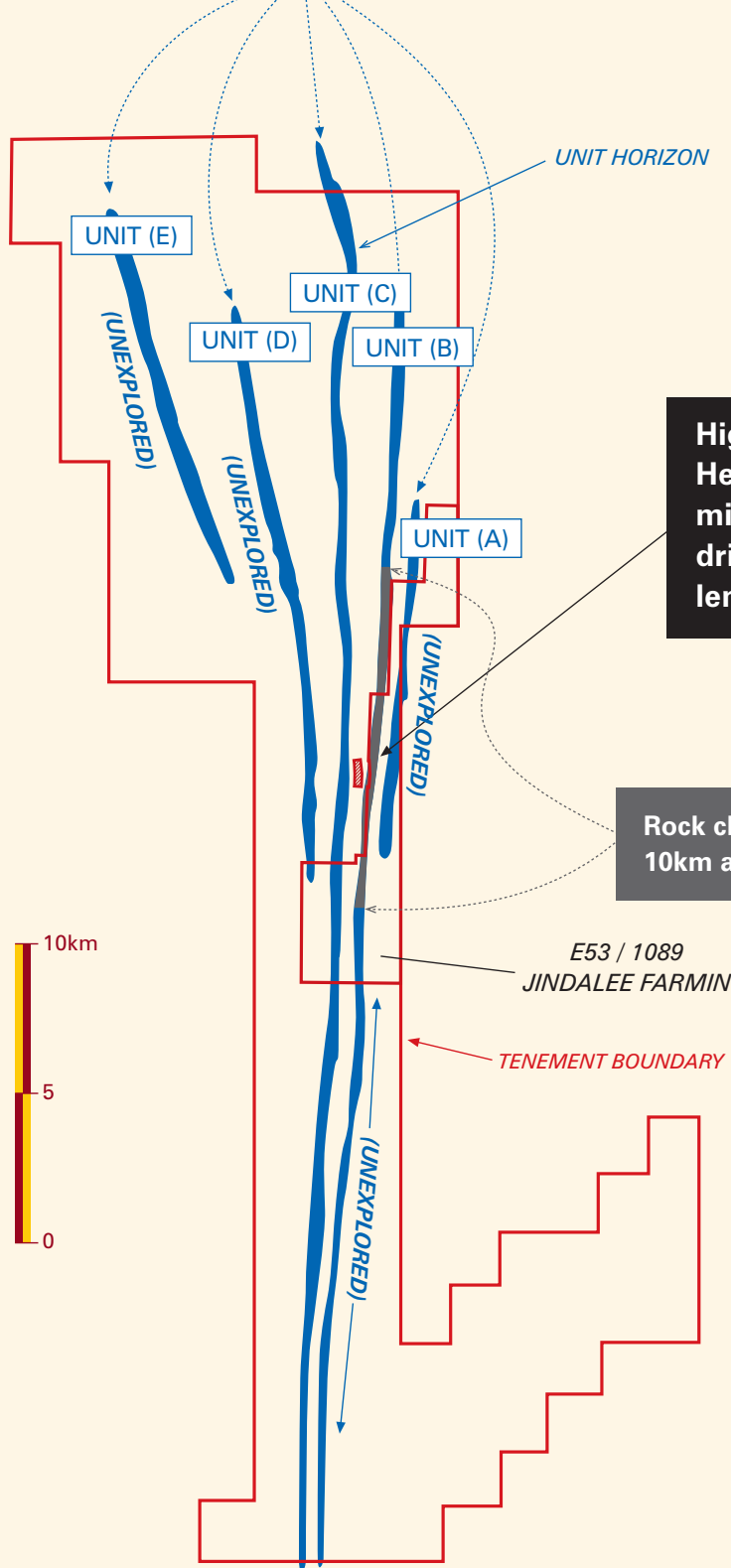
810 000 mE

PROSPECTIVE UNITS ADD UP TO A LENGTH OF 125km

7 050 000 mN

7 030 000 mN

7 010 000 mN



High grade Hematite iron mineralisation drilled over a length of 2.6km

Rock chip sampling over 10km average 68.5% Iron

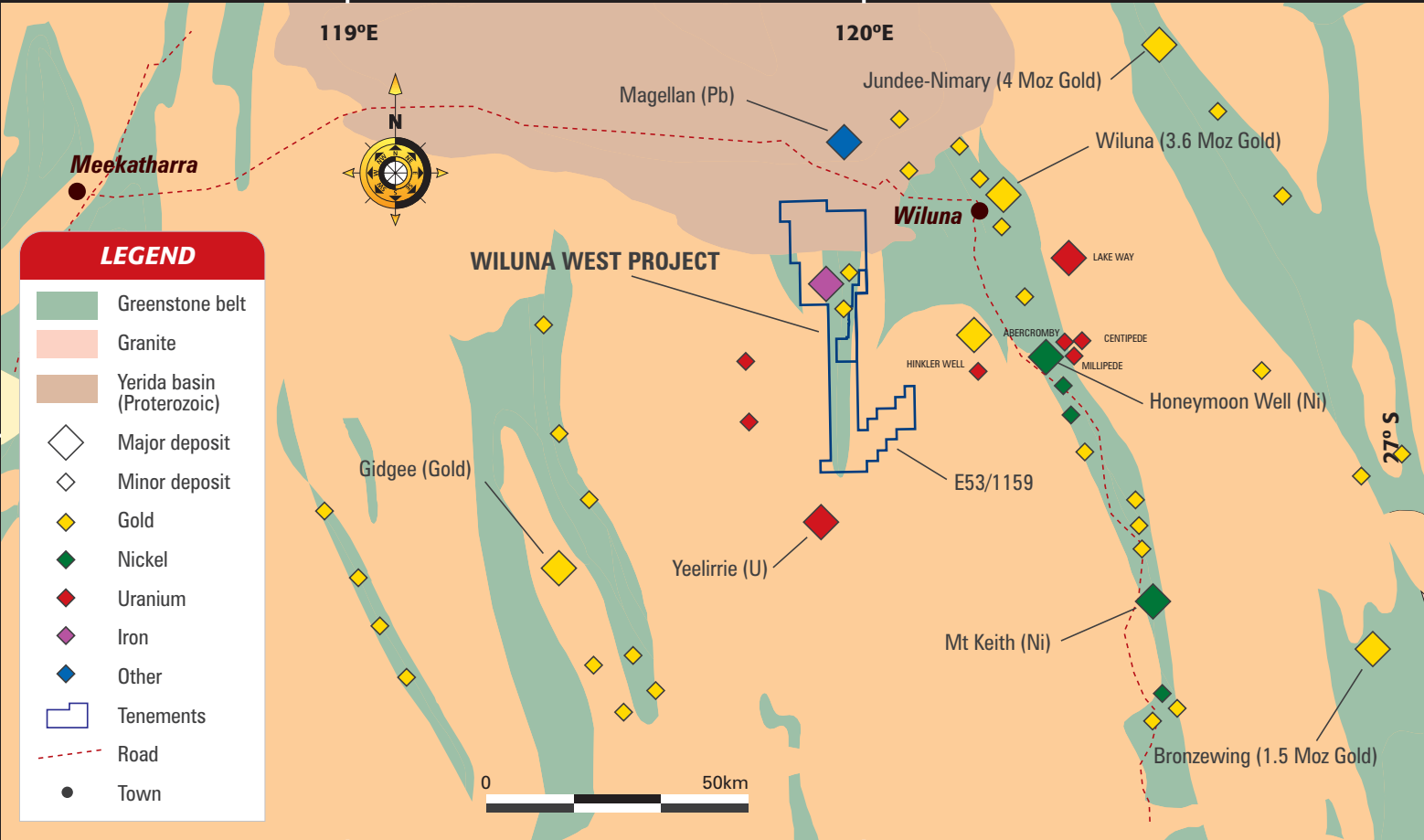
E53 / 1089 JINDALEE FARMIN

TENEMENT BOUNDARY

PLAN SHOWING PROSPECTIVE UNITS CONTAINING IRON MINERALISATION WILUNA WEST PROJECT



GoldenWest RESOURCES LIMITED



**REGIONAL GEOLOGY**  
**WILUNA WEST PROJECT**

# 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 December 2005

### 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	(297)	(550)
(b) development	--	--
(c) production	--	--
(d) administration	(229)	(384)
1.3 Dividends received	--	--
1.4 Interest and other items of a similar nature received	22	25
1.5 Interest and other costs of finance paid	--	--
1.6 Income taxes paid	--	--
1.7 Other (GST)	(25)	(27)
<b>Net Operating Cash Flows</b>	<b>(529)</b>	<b>(936)</b>
<b>Cash flows related to investing activities</b>		
1.8 Payment for purchases of: (a)prospects	--	--
(b)equity investments	--	--
(c) other fixed assets	(14)	(15)
1.9 Proceeds from sale of: (a)prospects	--	--
(b)equity investments	--	--
(c)other fixed assets	--	--
1.10 Loans to other entities	--	--
1.11 Loans repaid by other entities	--	--
1.12 Other (provide details if material)	--	--
<b>Net investing cash flows</b>	<b>(14)</b>	<b>(15)</b>
1.13 Total operating and investing cash flows (carried forward)	<b>(543)</b>	<b>(951)</b>

+ See chapter 19 for defined terms.

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

1.13	Total operating and investing cash flows (brought forward)	(543)	(951)
	<b>Cash flows related to financing activities</b>		
1.14	Proceeds from issues of shares, options, etc.	561	561
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)	(30)
	<b>Net financing cash flows</b>	531	531
	<b>Net increase (decrease) in cash held</b>	(12)	(420)
1.20	Cash at beginning of quarter/year to date	613	1,021
1.21	Exchange rate adjustments to item 1.20	--	--
1.22	<b>Cash at end of quarter</b>	601	601

**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	166
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 \$90,210 for drilling, mess facilities and consulting fees 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

--

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	300
4.2	Development	Nil
<b>Total</b>		<b>300</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	1	13
5.2	Deposits at call	600	600
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>601</b>	<b>613</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	EL 53/1159	Nil	100%
	L53/147 L53/148	Application for Misc Lic Application for Misc Lic	Nil Nil	Nil Nil

+ See chapter 19 for defined terms.

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

**Issued and quoted securities at end of current quarter**

*Description includes rate of interest and any redemption or conversion rights together with prices and dates.*

	Total number	Number quoted	Issue price per security (see note 3) (cents)	Amount paid up per security (see note 3) (cents)
7.1 <b>Preference +securities</b> <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>	45,518,627	23,593,627		
7.4 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs	2,000,000 307,625	2,000,000 307,625	\$0.25 \$0.20	\$0.25 \$0.20
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>	22,297,881 1,450,000 1,450,000 1,450,000	22,297,881 Nil Nil Nil	<i>Exercise price</i> \$0.20 \$0.25 \$0.30 \$0.40	<i>Expiry date</i> 31 December 2007 30 June 2008 30 June 2008 30 June 2008
7.8 Issued during quarter	1,000,000	1,000,000	\$0.20	31 December 2007
7.9 Exercised during quarter	307,625	307,625	\$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>				

+ See chapter 19 for defined terms.

## Compliance statement

- 1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act or other standards acceptable to ASX (see note 4).
- 2 This statement does give a true and fair view of the matters disclosed.

Sign here: ..... Date: 31 January 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.

== == == == ==

---

+ See chapter 19 for defined terms.