



Golden West
RESOURCES LIMITED

ABN 54 102 622 051

31 October 2006

ASX ANNOUNCEMENT

Corporate Summary

ASX Code: GWR
Issued Capital: 61 Mil
Issued Options: 26 Mil
**Market Cap fully diluted
Oct 06:** \$A161 Mil

Contact Details

4/159 Main Street
OSBORNE PARK
Western Australia 6017
Tel: +61 8 92019202
Fax: +61 8 92019203

admin@goldenwestresources.com
www.goldenwestresources.com

Enquiries:

Gary Hutchinson
Managing Director
Mick Wilson
Exploration Manager / Director

Quarterly Report
Quarter Ending 30th September 2006

Highlights

Wiluna West Project

- The Company commenced a major RC drilling program testing Stage 1 and 2 iron ore targets within the Wiluna West Project, with a total of 6,800m of RC drilling being completed during the quarter.
- Drilling at the C4 prospect has so far confirmed geologic expectations, that this unit comprises a potentially major iron ore resource. Significant intercepts include:

WWRC200, 54M @ 63.3% Fe from 36m to end of hole ("EOH")
WWRC202, 33M @ 61.7% Fe from 31m
WWRC302, 48M @ 61.5% Fe from 32m to EOH
WWRC308, 61M @ 62.4% Fe from 19m to EOH
WWRC312, 77M @ 63.8% Fe from 3m to EOH

- The C4 prospect is at least 1km in length, up to 130m in true width, open along strike and at depth and has the potential to host a resource of the magnitude of 50 to 100 million tonnes.
- Drilling is well advanced at the Bowerbird prospect, which is being targeted to underpin the Stage 1 development of the project. Significant intercepts include:

WWRC252, 33M @ 62.2% Fe from 31m
WWRC256, 22M @ 61.6% Fe from 15m
WWRC265, 15M @ 64.6% Fe from 28m

- Infill drilling at Bowerbird will be completed in November with resource/reserve estimates to be completed by the Company's consultant, Snowdens.
- Extension and infill drilling will continue at the C4 prospect, and drilling of the C1, C2 and C3 prospects will commence during the December 2006 quarter.
- A maiden resource estimate for the C4 deposit is expected to be completed by Snowden's during the March 2007 quarter.
- The company believes that it is well on track to defining its targeted reserves of 5 million tonnes and resources of the magnitude 150 to 200 million tonnes

REVIEW OF OPERATIONS

WILUNA WEST PROJECT (Iron, Gold, Uranium)

The 440 square kilometres Wiluna West Project is located approximately 40km west of the township of Wiluna in the north-eastern Goldfields of Western Australia. Almost the entire Joyner's Find greenstone belt is held with contiguous tenements over a length of 45km.

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 Stage 1 and Stage 2 developments of the project.

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 20km of the Yeelirrie uranium deposit.

IRON

The project contains 5 prospective BIF horizons termed Units A to E, which cumulatively represent a strike length of 125km. The current exploration focus is on mapped and sampled sections of Units B and C exposed in the central to northern portion of the Joyner's Find Greenstone Belt. Work undertaken during the quarter included RC drilling, aeromagnetic surveys, geological mapping, aboriginal heritage surveys and flora and fauna surveys. The heritage, flora and fauna surveys were carried out over the northern portions of both Units B and C and did not identify any areas of high significance.

Geological mapping was completed at a scale of 1:1000 at the Bowerbird prospect on Unit B and the C4 and C3 prospects upon unit C as a precursor to the RC drilling.

A detailed aeromagnetic survey was undertaken over the southern portion of the Project where only minimal exploration has been undertaken. Results are as yet unavailable but are expected to yield target zones.

The company commenced a major RC drilling program and completed 93 holes for 6,800m during the quarter. This is an ongoing drilling program that will continue well into the new year. The goal of the present drilling is to identify the resources and reserves that will underpin the planned Stages 1 and 2 development of the Project:

Stage 1: To generate early cash flow

Stage 1 is to outline a JORC compliant reserve of 5 million tonnes of high grade direct shipping hematite (iron ore) suitable for selling and exporting to market at a rate of 1 million tonnes per annum to generate a cash flow to assist in funding the Stage 2 programme.

Stage 2: Confirm the size of the iron ore resource and develop the required infrastructure

Stage 2 will involve the development of a major iron ore project of at least 150 to 200 million tonnes and the required infrastructure to support an envisaged 10 to 12 million tonne per annum operation.

RC DRILLING

A total of 93 RC holes for an aggregate of 6,800m was completed during the quarter at the Bowerbird prospect on Unit B and the C4 prospect upon Unit C.

C4 Prospect

A total of 35 RC holes for an aggregate of 2,481m was completed during the quarter on a 100/200m by 40m grid pattern, with this program ongoing.

Results to date have been highly encouraging and strongly suggest that a major iron deposit has been identified at C4. At present, assay results are only available for less than 50% of the drilling undertaken. Significant results are summarised in Table 1.

**TABLE 1
C4 PROSPECT
SIGNIFICANT RC DRILL HOLE INTERCEPTS**

HOLE ID	NORTH (MGA ZONE 50)	EAST	Dip/Azi	FROM (m)	TO (m)	WIDTH (m)	Fe (%)	SiO ₂ (%)	Al ₂ O ₃ (%)	P (%)	LOI (%)
WWRC200	7045600	792325	-60/090	36	90 eoh	54	63.27	3.42	2.22	0.046	3.51
WWRC202	7046400	792581	-60/090	31	64	33	61.73	6.36	2.96	0.038	2.01
WWRC300	7045600	792475	-60/090	1	9	8	63.98	3.81	1.91	0.039	2.53
			inc.	20	30	10	62.31	4.78	3.54	0.031	2.24
WWRC301	7045600	792446	-60/090	27	56	29	63.79	4.34	2.71	0.028	1.60
WWRC302	7045595	792400	-60/090	32	80 eoh	48	61.49	4.72	2.57	0.035	4.40
				59	72	13	65.82	2.18	1.00	0.034	2.46
WWRC303	7045600	792360	-60/090	23	45 eoh	22	64.88	2.12	0.97	0.026	3.90
WWRC304	7045700	792460	-60/090	10	26	16	62.36	5.02	2.15	0.031	3.24
				48	53	5	63.83	7.12	0.70	0.028	0.71
WWRC306	7045700	792420	-60/090	4	14	10	60.51	6.22	2.29	0.023	4.47
				39	48 eoh	9	61.19	7.37	2.41	0.027	2.32
WWRC308	7045700	792380	-60/090	19	80 eoh	61	62.43	3.91	2.70	0.041	3.76
WWRC312	7045800	792460	-60/090	3	80 eoh	77	63.82	4.69	1.47	0.035	2.22
			incl	17	80	63	65.27	4.05	1.04	0.035	1.27
WWRC314	7045800	792420	-60/090	13	42 eoh	29	61.15	5.23	3.83	0.022	2.88
WWRC316	7045800	792380	-60/090	19	28	9	61.79	5.08	2.85	0.027	3.28
				34	62 eoh	28	63.94	3.72	2.61	0.016	2.01
WWRC320	7045900	792520	-60/090	55	59	4	62.15	6.06	2.53	0.034	2.08

Note 1 Assay results based upon 1m cone split samples analysed by Ultra Trace Laboratories, Perth using XRF.

Note 2 Mineralisation is steeply dipping and true width is estimated to be approximately >75% of the down hole intercept.

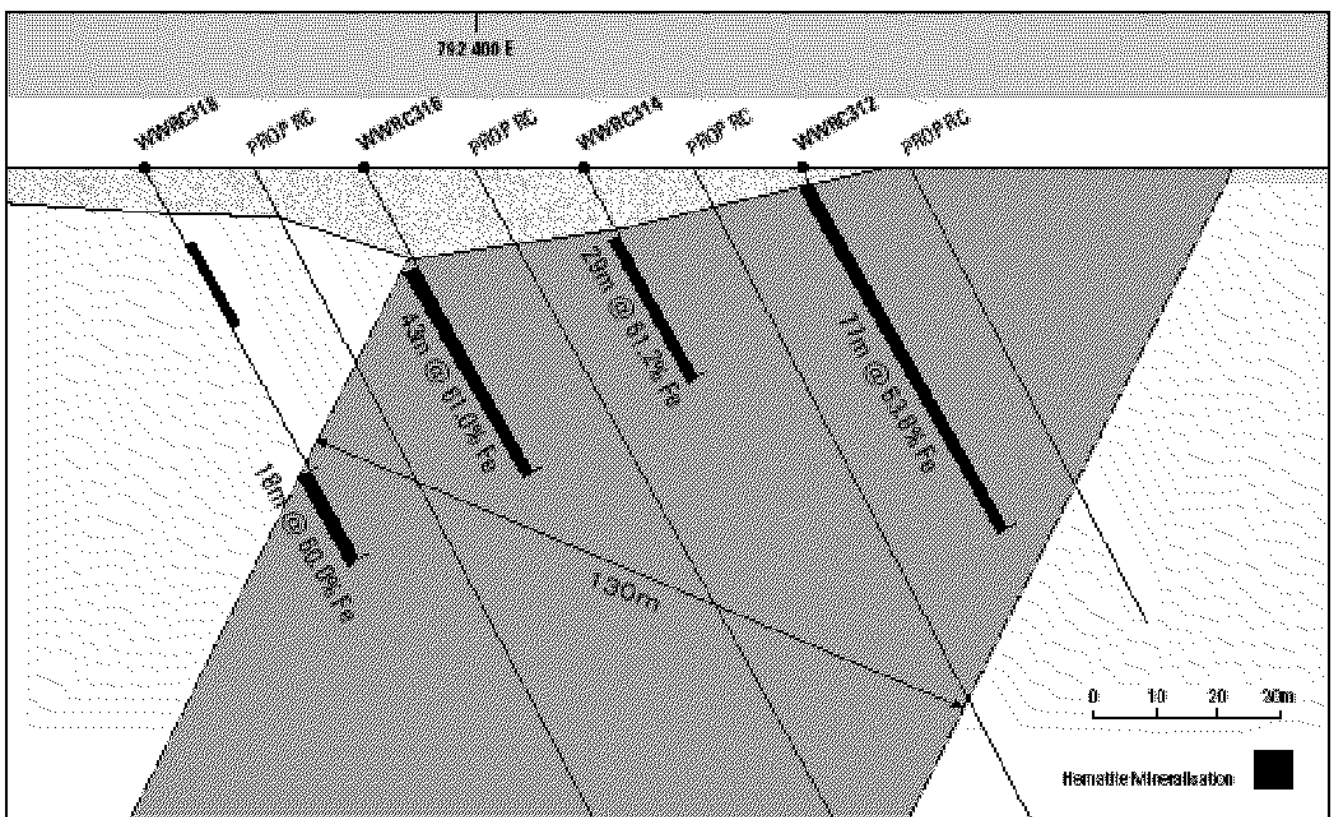
Note 3 EOH: End of hole

Drilling to date has identified significant and widespread mineralisation over a strike length of at least 1km (remains open both along strike and at depth), with true widths of moderate to high grade hematite mineralisation of up to 130m, making the C4 prospect possibly the thickest hematite body yet described in the Yilgarn Province of Western Australia. The mineralisation intersected is almost entirely direct shipping hematite.

As a result of a combination of difficult drilling conditions, drill rig capabilities and the large width of the hematite mineralisation many holes finished in mineralisation. A larger RC drill rig will mobilise to site in October 2006 where a series of 150m to 200m deep holes are planned to more fully test the C4 prospect.

Given the results of geological mapping, surface rock chip sampling and RC drilling to date, the Company believes that the C4 prospect on its own, has the potential to host a resource in the magnitude of 50 to 100 million tonnes.

Most of the drilled mineralisation at C4 does not outcrop as it is in an area of low topographic relief, which is covered by a thin veneer of soil and laterite. This has important exploration implications for the entire project as drilling to date has largely focused on outcropping targets. A gravity survey is planned during the coming quarter to determine if this geophysical technique can be utilised to define other concealed target zones within the project area.



C4 Cross Section – 7 045 800 N Wiluna West Project



WRC312-41

Unit B & Unit B West

A total of 39 RC drill holes was completed for an aggregate of 2,927m on a 400m by 40m grid pattern. Drilling targeted a 3.2km strike length of mineralisation identified to date along a portion of Unit B between 7037600N and 7040800N and a hematite unit (Unit B West), located 200m to the west of Unit B on 100m line spacings.

This systematic drilling upon Unit B identified an area that is now referred to as the Bowerbird South prospect.

A number of significant intercepts were achieved and these are summarised in Table 2

TABLE 2
UNIT B REGIONAL
SIGNIFICANT RC DRILL HOLE INTERCEPTS

HOLE ID	NORTH	EAST	Dip/Azi	FROM	TO	WIDTH	Fe	SiO ₂	Al ₂ O ₃	P	LOI
	(MGA ZONE 50)			(m)	(m)	(m)	(%)	(%)	(%)	(%)	(%)
WWRC214	7038000	794340	-60/090	26	30	4	62.51	5.24	2.00	0.070	2.93
WWRC216	7038400	794400	-60/090	20	24	4	61.08	6.03	2.98	0.068	3.32
WWRC219	7038800	794440	-60/090	70	82	12	61.81	3.91	2.39	0.129	4.80
WWRC225	7039200	794445	-60/090	13	30	17	63.38	3.87	3.13	0.009	2.05
WWRC226	7039200	794420	-60/090	86	95 eoh	9	65.75	3.23	0.84	0.013	1.52
WWRC228	7039460	794265	-60/090	20	27	7	60.03	4.96	3.48	0.064	5.23
WWRC229	7039360	794270	-60/090	16	26	10	61.28	4.74	3.92	0.035	3.18
WWRC231	7039200	794265	-60/090	27	36	9	63.13	4.72	2.49	0.026	1.96
WWRC238	7040000	794460	-60/090	17	23	6	61.48	4.51	3.28	0.036	3.78
WWRC241	7039900	794235	-60/090	31	36	5	62.16	8.39	1.38	0.038	0.92
WWRC242	7039800	794420	-60/090	28	41	13	59.80	7.59	1.90	0.117	4.50
			-60/090	35	41	6	64.89	2.46	1.14	0.104	3.46
WWRC243	7040400	794490	-60/090	9	24	15	61.38	3.81	2.57	0.122	5.22
WWRC244	7040400	794460	-60/090	51	70	19	62.73	4.07	3.02	0.078	2.68
WWRC247	7040800	794460	-60/090	5	10	5	59.98	7.53	3.47	0.050	2.71
WWRC249	7040800	794372	-60/090	59	63	4	66.53	2.62	0.94	0.071	0.90

Note 1 Assay results based upon 1m cone split samples analysed by Ultra Trace Laboratories, Perth using XRF.

Note 2 Mineralisation is steeply dipping and true width is estimated to be approximately >60% of the down hole intercept.

Note 3 EOH: End of hole

In addition to the Bowerbird South prospect the 400m line spaced drill program has identified a number of areas that require following up.

Bowerbird South Prospect

A total of 19 RC holes for an aggregate of 1,391m was completed on 100m line spacings over a strike length of 1km. The drilling is expected to be completed by the first week of November after which the Company's consultants, Snowden, will undertake resource / reserve calculations.

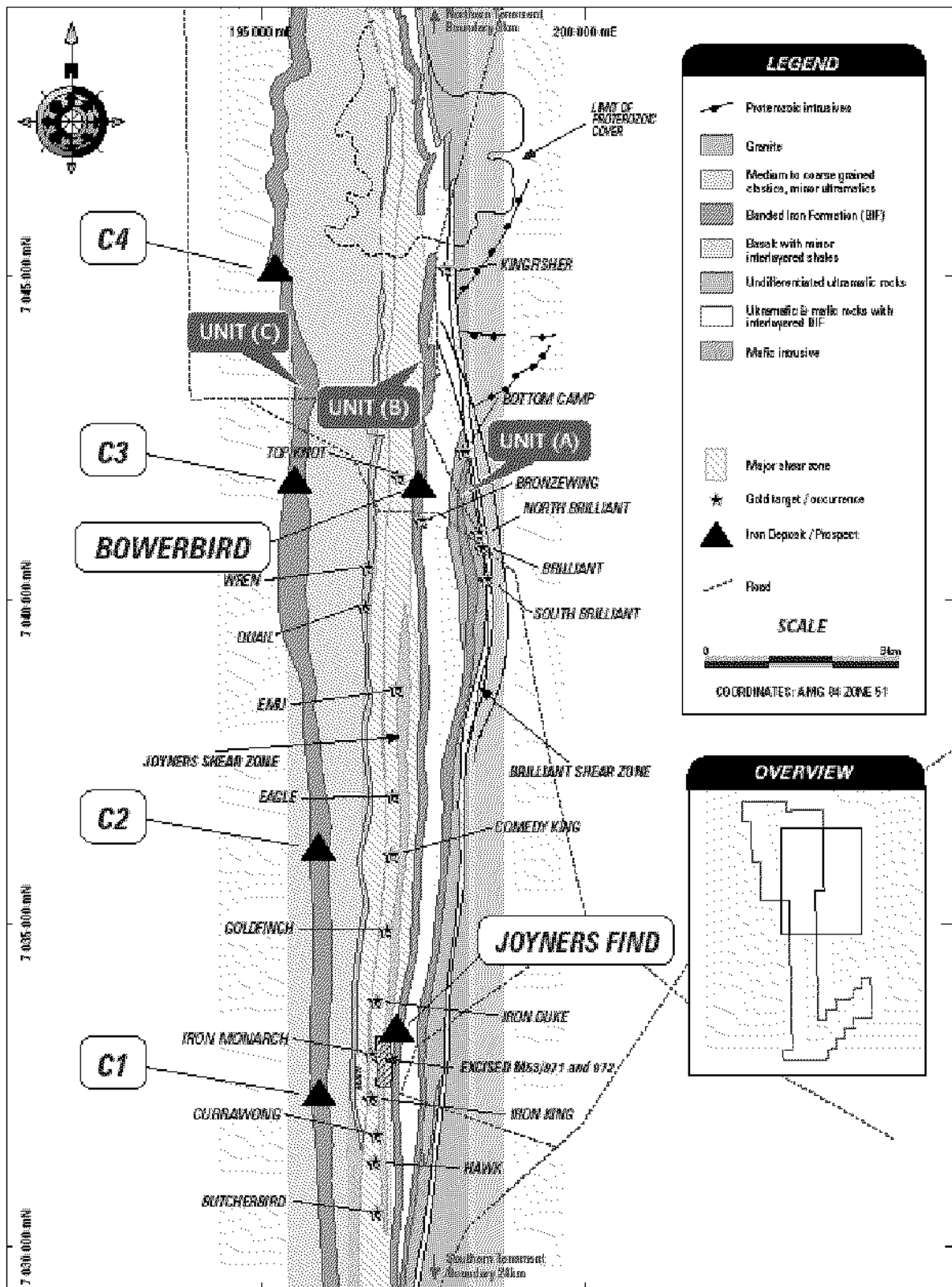
Significant results achieved during the quarter are summarised in Table 3:

TABLE 3
BOWERBIRD SOUTH PROSPECT
SIGNIFICANT RC DRILL HOLE INTERCEPTS

HOLE ID	NORTH	EAST	Dip/Azi	FROM	TO	WIDTH	Fe	SiO ₂	Al ₂ O ₃	P	LOI
	(MGA ZONE 50)			(M)	(m)	(m)	(%)	(%)	(%)	(%)	(%)
WWRC251	7041200	794440	-60/090	30	33	3	63.83	5.67	1.98	0.018	2.92
WWRC252	7041200	794375	-60/090	15	20	5	60.64	5.26	4.19	0.060	3.24
				31	64	33	62.21	4.90	3.04	0.069	2.66
			incl	37	54	17	64.49	3.07	1.92	0.067	2.46
WWRC254	7041600	794400	-60/090	5	11	6	62.63	4.99	2.97	0.029	2.07
				51	61	10	62.69	6.88	1.86	0.055	1.26
WWRC255	7041800	794420	-60/090	20	27	7	62.20	5.71	1.81	0.067	3.21
WWRC256	7041400	794420	-60/090	15	37	22	61.61	5.42	4.06	0.035	1.94
			incl	15	28	13	64.60	3.49	2.29	0.038	1.43
WWRC257	7041400	794390	-60/090	53	71	18	62.28	4.69	3.51	0.038	2.13
			incl	53	65	12	65.73	2.52	1.67	0.037	1.36
WWRC258	7041400	794390	-60/090	61	65	4	63.69	3.36	2.17	0.066	2.72
WWRC259	7041000	794425	-60/090	38	46	8	63.62	3.51	1.92	0.064	3.05
WWRC262	7041000	794400	-60/090	74	82	8	65.10	3.59	1.37	0.059	1.45
WWRC263	7040900	794370	-60/090	11	15	4	60.65	7.09	2.89	0.030	2.84
				44	50	6	60.11	5.38	4.48	0.107	3.55
				53	57	4	66.07	1.57	1.22	0.049	2.09
WWRC264	7041000	794330	-60/090	20	25	5	61.62	4.02	2.99	0.070	4.14
WWRC265	7041100	794435	-60/090	28	43	15	64.60	3.07	2.07	0.052	2.14
WWRC267	7041300	794420	-60/090	48	64	16	62.61	4.94	2.93	0.032	1.77
			incl	48	60	12	66.64	1.58	1.44	0.030	1.07
WWRC269	7041300	794360	-60/090	31	49	18	64.43	5.50	4.10	0.060	3.47
WWRC271	7041500	794407	-60/090	18	30	12	64.43	3.58	2.63	0.041	1.51
				33	39	6	67.34	1.71	1.27	0.048	0.68
WWRC273	7041500	794370	-60/090	46	61	12	65.34	3.11	2.28	0.023	1.14
				49	61	12	65.34	3.11	2.28	0.023	1.14

Note 1 Assay results based upon 1m cone split samples analysed by Ultra Trace Laboratories, Perth using XRF.

Note 2 Mineralisation is steeply dipping and true width is estimated to be approximately >60% of the down hole intercept.



Infrastructure

Stage 1: The Company plans to enter into sale agreements of 1 million tonnes per annum of high-grade hematite (iron ore). The iron ore will be transported by road to a stockpile site at Leonora then railed to Esperance Port.

Stage 2: Wiluna Project is 700 kilometres from the proposed Oakajee port, 25 kilometres north of Geraldton, and 900 kilometres north of the current operating port of Esperance. The Stage 2 program will initially involve transporting of at least 10 million tonnes of iron ore per annum to a port. Railway infrastructure from Wiluna to either west of Meekatharra approximately 280 kilometres or to Leonora 320 kilometres will need to be built.

The Meekatharra railway plan will join up with a planned railway construction by other Geraldton Alliance members for the Midwest region from West of Meekatharra to the proposed Oakajee port.

The Leonora rail plan will connect Wiluna Project to the current rail infrastructure at Leonora to the operating port of Esperance. Upgrading of certain parts of that rail corridor and infrastructure construction of a storage shed and tippler will be required at Esperance. Expressions of interest to build and finance this infrastructure are being received.

Esperance Port

An option over land at the Esperance Port suitable for a 300,000 tonne iron ore storage shed has been entered into with the option exercisable by 31 December 2006. Rail cartage discussions have commenced with ARG to transport sufficient ore to Esperance to meet a shipping target of 1 million tonnes per annum, possibly using Cape Size ships (160,000 tonnes). Further discussions regarding port access and tippler operation is continuing. The Company plans to exercise the Esperance Port lease of land option before 31 December 2006

Road Cartage

Road transport contract from Wiluna to Leonora (320kms) for carting up to 1 million tons per annum is now being discussed and expressions of interest will be called for.

Railway Infrastructure

The Company appointed Mr Raymond Marks from Longrun Pty Ltd (who has considerable experience in railway infrastructure) to complete a study and evaluate the costs and plans for Stage 1. In addition, Longrun will evaluate the infrastructure requirements relating to Stage 2 in linking the Wiluna project to the proposed Midwest regional rail system to Oakajee Port, or the alternative plan of building a rail from Wiluna to Leonora.

Both routes will require new rail infrastructure of approximately 300 kilometres to link with other rail networks. Further discussions will be held with Esperance Port Authority regarding the infrastructure at the port to handle the proposed 10 million ton per annum program.

Geraldton Iron Ore Alliance

Golden West Resources is a member of the Geraldton Iron Ore Alliance. The Geraldton Iron Ore Alliance has proposed the building of a new port at Oakajee, 25 kilometres north of Geraldton. The Government of Western Australia has confirmed Oakajee as the most suitable site for the proposed port. The Alliance is leading discussions on the planning and financing of the port and rail infrastructure and is endeavouring to obtain direction from the West Australian Government on the ownership, funding and longer term management of this infrastructure.

This is progressing and in the meantime the Company continues to evaluate its infrastructure options of either ports, Oakajee or Esperance, as it develops the Wiluna iron ore Project.

Steel Mills – Sale of Ore

Presentations to steel mills and iron ore dealers continue, with strong interest directed to longer term involvement in the Project and the required infrastructure with several interested companies having visited the Wiluna Project. Due to mutually agreed confidentiality agreements, the Company cannot disclose names of interested steel mills until an agreement is formulated.

The Company is endeavouring to obtain a better understanding of the magnitude of the Wiluna iron ore project, as displayed by the recent discovery of a potentially large iron ore deposit at the C4 prospect.

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 (reported to contain 50,000 tonnes of contained U308), located 16km south of the Company's Wiluna West Project are calcrete hosted style deposits.

The Company is considering their options in regards to progressing the project in conjunction with the major iron ore drilling campaigns.

PROPOSED EXPLORATION FOR THE DECEMBER 2006 QUARTER

The Company will continue with its present exploration and resource/reserve definition drilling programs with the following work planned for the December 2006 quarter.

- RC drilling at the C4 prospect to define the strike limits of the deposit and commence systematic drilling to test the mineralisation to a depth of at least 150m.
- Undertake a trial gravity survey over the C4 deposit to determine whether this technique can be applied to evaluate other areas that may contain a similar concealed iron deposit.
- Commence RC drilling of the C3 prospect where detailed geological mapping and rock chip sampling has identified significant mineralisation over widths in excess of 100m.
- Commence preliminary RC drilling of the C2 and C1 prospects.
- Complete resource/reserve delineation drilling at the Bowerbird South prospect.
- Submit a notice of intent to mine (NOI) to the DOIR for the Bowerbird South prospect.
- Commit to the Esperance Port Authority on the lease of land at port.

DOHERTY PROJECT

(Gold)

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

A review of all geological data is in progress with a view to explore for potential extension at depth and possibly seek a joint venture partner.

BULLA BULLING – SOUTH PROJECT

(Gold)

The Bullabulling South Project is located 35 kilometres southwest of Coolgardie at the Southern end of the highly mineralised Coolgardie – Bullabulling Greenstone Belt. Gold deposits within 10 kilometres of the project have produced more than 1 million ounces of gold.

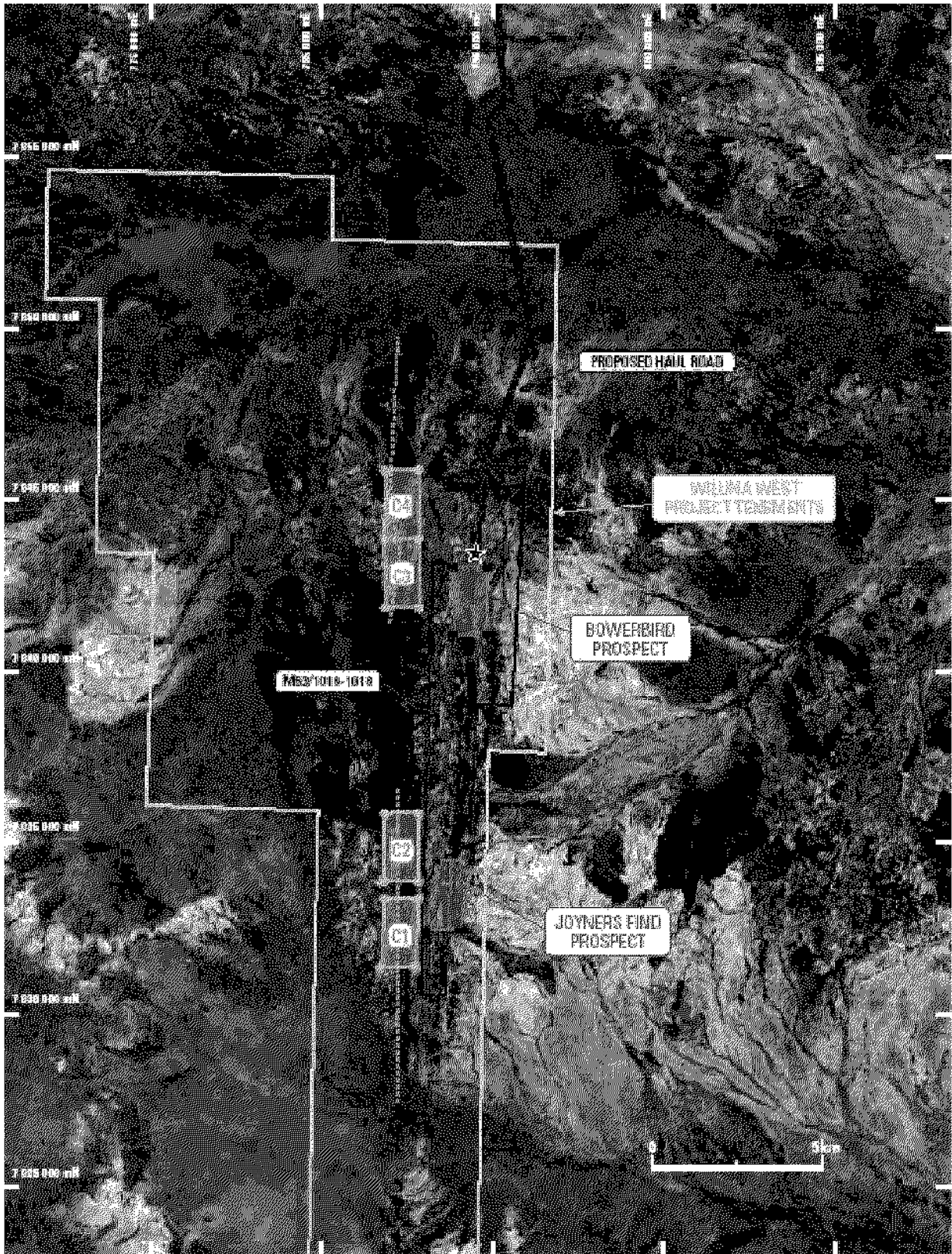
Two large gold-in-soil anomalies have been delineated, being the Triton and Canyon prospects. The Canyon prospect overlies the Reptile and Bullabulling shear zones and contains anomalous drillhole gold intercepts (up to 2g/t) along the downhole saprolite-saprock interface below transported overburden.

The company will review all data and may elect to seek a joint venture partner.

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
Web address: 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



**SATELLITE IMAGE SHOWING CURRENT DRILL TARGETS
WILUNA WEST IRON PROJECT
GOLDEN WEST RESOURCES LIMITED**



Golden West Resources Limited
A subsidiary of

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 2006

Consolidated statement of cash flows

		Current quarter \$A'000	Year to date (3 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	(1,080)	(1,080)
	(b) development	--	--
	(c) production	--	--
	(d) administration	(245)	(245)
1.3	Dividends received	--	--
1.4	Interest and other items of a similar nature received	31	31
1.5	Interest and other costs of finance paid	--	--
1.6	Income taxes paid	--	--
1.7	Other (GST)	(100)	(100)
Net Operating Cash Flows		(1,394)	(1,394)
Cash flows related to investing activities			
1.8	Payment for purchases of: (a)prospects	--	--
	(b)equity investments	--	--
	(c) other fixed assets	(270)	(270)
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		(270)	(270)
1.13	Total operating and investing cash flows (carried forward)	(1,664)	(1,664)

+ See chapter 19 for defined terms.

Appendix 5B
Mining exploration entity quarterly report

1.13	Total operating and investing cash flows (brought forward)	(1,664)	(1,664)
	Cash flows related to financing activities		
1.14	Proceeds from issues of shares, options, etc.	7,656	7,656
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)	(375)	(375)
	Net financing cash flows	7,281	7,281
	Net increase (decrease) in cash held	5,617	5,617
1.20	Cash at beginning of quarter/year to date	1,426	1,426
1.21	Exchange rate adjustments to item 1.20	--	--
1.22	Cash at end of quarter	7,043	7,043

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	399
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 \$315,660 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	1,800
4.2	Development	Nil
Total		1,800

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	55	Nil
5.2 Deposits at call	6,988	1,500
5.3 Bank overdraft	Nil	(74)
5.4 Other (provide details)	Nil	Nil
Total: cash at end of quarter (item 1.22)	7,043	1,426

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	ML53/115	Miscellaneous Licence	Nil	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	59,687,720	37,762,720		
7.4 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs	7,031,343	7,031,343		
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>	23,566,288 1,450,000 1,450,000 1,450,000	23,566,288 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	1,562,500	1,562,500	\$0.20	31 December 2007
7.9 Exercised during quarter	781,343	781,343	\$0.20	31 December 2007
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: 30 October 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.