



31 January 2008

|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <p><b><u>Corporate Summary</u></b></p> <p><b>ASX Code:</b> GWR</p> <p><b>Issued Capital:</b> 104.6 Mil</p> <p><b>Issued Options:</b> 24.8 Mil</p> <p><b>Market Cap fully diluted Jan 08:</b> \$A232 Mil</p> <p><b>Contact Details</b></p> <p>6/136 Main Street<br/>OSBORNE PARK<br/>Western Australia 6017</p> <p><b>Tel:</b> +61 8 92019202<br/><b>Fax:</b> +61 8 92019203</p> <p><a href="mailto:admin@goldenwestresources.com">admin@goldenwestresources.com</a><br/><a href="http://www.goldenwestresources.com">www.goldenwestresources.com</a></p> <p><b>Enquiries:</b></p> <p><b>Gary Hutchinson</b><br/><b>Managing Director</b></p> <p><b>Mick Wilson</b><br/><b>Exploration Manager / Director</b></p> <p><b>Peter Thompson</b><br/><b>Director General Manager, Operations</b></p> | <p>Quarterly Report<br/>Quarter Ending 31 December 2007<br/><i>Highlights</i></p> <p>WILUNA WEST PROJECT</p> <ul style="list-style-type: none"><li>• The Interim Inferred Mineral Resource at Wiluna West was boosted by 72% to 86.3 M/t grading 60.1% Fe of direct shipping hematite. All of the additional tonnages come from upon Unit C in particular the C3 deposit.</li><li>• Scout drilling in the southern half of the project area commenced and focused on targets mostly under cover, significant intercepts included:<br/><br/>WWRC2055, 46m @ 58.0% Fe From 46m<br/>WWRC1054, 36M @ 49.8% Fe from 17m.</li><li>• Rock chip sampling on Unit B at Joyners Find South has confirmed significant high grade hematite. Results include:<br/>16m @ 62.6% Fe on 7030000N<br/>8m @ 63.2% Fe on 7029900N<br/>8m @ 68.7% Fe on 7030600N<br/>6m @ 68.9% Fe on 7032400N</li><li>• An aggressive drilling campaign has been devised and will commence in the March 2008 quarter. The initial focus will be on increasing the JORC resource to between 120 and 150 M tonnes. At this point it is planned to commence reserve definition whilst continuing with resource definition.</li><li>• Metallurgical and geotechnical studies have commenced with a diamond drilling program initiated and ongoing</li><li>• A small aircore drilling program is planned to test two uranium targets upon E53/1159, including the immediate strike extension of the Hinkler Well uranium deposit that straddles the GWR eastern boundary</li><li>• Independent Directors reject Fairstar Resources unsolicited scrip takeover bid.</li></ul> |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |

## 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.

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.

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.

During the December 2007 quarterly period much of the Company's focus was on validation of RC drilling and resource modeling of the Unit C deposits defined by an aggressive RC drilling campaign during the previous quarters. In addition regional exploration and airborne magnetics interpretation continued to provide future exploration targets.

#### Resource Upgrade

International mining consultant, **Snowden** completed an inferred mineral resource upgrade during the quarter to define some 60mt of high grade iron ore within the Unit C deposits in accordance with the JORC 2004 code.

**Table 1: Unit C Deposits Inferred Mineral Resource >50% Fe cut-off Grade**

| Deposit      | Tonnes (mt) | Fe (%)      | SiO2 (%)   | Al2O3 (%)  | P (%)        | LOI (%)    |
|--------------|-------------|-------------|------------|------------|--------------|------------|
| C1           | 4.2         | 58.5        | 7.2        | 3.3        | 0.088        | 5.2        |
| C2           | 3.4         | 60.1        | 6.0        | 2.1        | 0.029        | 6.0        |
| C3           | 23.3        | 59.1        | 8.6        | 2.1        | 0.073        | 4.4        |
| C4           | 24.1        | 59.6        | 9.2        | 2.5        | 0.034        | 2.7        |
| C5           | 4.4         | 59.1        | 8.9        | 2.1        | 0.118        | 3.8        |
| C Regional   | 4.0         | 60.6        | 9.3        | 1.4        | 0.030        | 1.7        |
| <b>Total</b> | <b>63.3</b> | <b>59.4</b> | <b>8.7</b> | <b>2.3</b> | <b>0.057</b> | <b>3.7</b> |

Together with the inferred resource previously defined and reported on B Ridge (Bowerbird, Bowerbird North, Joyners Find, Joyners Find North) the combined total inferred mineral resource at Wiluna is **86.3mt @ 60.1% Fe**.

**Table 2: Inferred Mineral Resources for Wiluna West Project**

| Deposit      | Unit | Type  | Tonnes (mt) | Fe (%)      | SiO2 (%)   | Al2O3 (%)  | P (%)       | LOI (%)    |
|--------------|------|-------|-------------|-------------|------------|------------|-------------|------------|
| B Ridge      | B    | Block | 23.0        | 62.0        | 5.3        | 2.7        | 0.031       | 2.2        |
| C Ridge      | C    | Block | 63.3        | 59.4        | 8.7        | 2.3        | 0.057       | 3.7        |
| <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> |

## 1.1 Exploration

Much of the quarter was taken up with validation of RC drilling for resource modeling of the Unit C deposits. RC drilling during the period was carried out at South 2 Prospect which lies some 35km south of C4. The area is largely under cover and has been targeted on the basis of interpretation of airborne magnetics.

### Geochemistry

Rock chip sampling directly south of the Joyners Find deposit identified high grade mineralisation over a strike length of 4.2km. The best results include **16m at 62.62% Fe** and **8m at 68.71% Fe**, see **Table 3**. The mineralisation is typical of B ridge haematite mineralisation within ultramafic schist which dips sub-vertically. Mapping indicates mineralisation lies within two main bands which have a potential cumulative width of between 5-15m. RC drilling is planned to test this mineralisation further.

**Table 3: Unit B Anomalous Rock Chip Sampling- Joyners Find South**

|               | Northing | Easting  |        |           |        |          |           |       |       |         |
|---------------|----------|----------|--------|-----------|--------|----------|-----------|-------|-------|---------|
| Sample Number |          | From (m) | To (m) | Width (m) | Fe (%) | SiO2 (%) | Al2O3 (%) | P (%) | S (%) | LOI1000 |
| GA213351      | 7032590  | 793678   | 793683 | 5         | 66.40  | 2.06     | 1.08      | 0.05  | 0.02  | 1.99    |
|               |          |          |        |           |        |          |           |       |       |         |
| GA213352      | 7032500  | 793671   | 793674 | 3         | 67.64  | 0.88     | 0.62      | 0.07  | 0.02  | 1.11    |
| GA213353      |          | 793685   | 793689 | 4         | 65.49  | 0.83     | 0.27      | 0.22  | 0.01  | 4.65    |
|               |          |          |        |           |        |          |           |       |       |         |
| GA213354      | 7032400  | 793667   | 793669 | 2         | 64.74  | 5.56     | 0.63      | 0.06  | 0.01  | 1.21    |
| GA213355      |          | 793677   | 793683 | 6         | 68.86  | 0.56     | 0.40      | 0.05  | 0.03  | 0.60    |
|               |          |          |        |           |        |          |           |       |       |         |
| GA213356      | 7032000  | 793688   | 793690 | 2         | 62.28  | 4.43     | 2.29      | 0.08  | 0.06  | 3.97    |
|               |          |          |        |           |        |          |           |       |       |         |
| GA213357      | 7031815  | 793664   | 793667 | 3         | 67.38  | 1.36     | 0.98      | 0.06  | 0.05  | 1.13    |
|               |          |          |        |           |        |          |           |       |       |         |
| GA213358      | 7031700  | 793666   | 793669 | 3         | 67.22  | 2.68     | 0.47      | 0.05  | 0.01  | 0.76    |
|               |          |          |        |           |        |          |           |       |       |         |
| GA213359      | 7031580  | 793687   | 793694 | 7         | 59.31  | 10.67    | 1.18      | 0.04  | 0.03  | 2.94    |
|               |          |          |        |           |        |          |           |       |       |         |
| GA213360      | 7031505  | 793683   | 793685 | 2         | 67.98  | 1.23     | 0.28      | 0.05  | 0.01  | 0.70    |
|               |          |          |        |           |        |          |           |       |       |         |
| GA213361      | 7031395  | 793674   | 793676 | 2         | 68.68  | 0.55     | 0.27      | 0.08  | 0.01  | 0.68    |
|               |          |          |        |           |        |          |           |       |       |         |
| GA213362      | 7031000  | 793583   | 793584 | 1         | 66.43  | 2.57     | 0.80      | 0.04  | 0.02  | 1.64    |
| GA213363      |          | 793587   | 793588 | 1         | 68.42  | 0.93     | 0.23      | 0.03  | 0.03  | 0.48    |
| GA213364      |          | 793594   | 793596 | 2         | 67.41  | 1.08     | 0.72      | 0.06  | 0.05  | 1.50    |
|               |          |          |        |           |        |          |           |       |       |         |
| GA213365      | 7030890  | 793572   | 793574 | 2         | 68.02  | 0.86     | 0.48      | 0.03  | 0.02  | 1.02    |
| GA213366      |          | 793576   | 793577 | 1         | 64.92  | 3.39     | 1.70      | 0.05  | 0.04  | 1.66    |
| GA213367      |          | 793587   | 793590 | 3         | 66.56  | 3.01     | 0.30      | 0.04  | 0.01  | 1.71    |
|               |          |          |        |           |        |          |           |       |       |         |
| GA213368      | 7030805  | 793577   | 793580 | 3         | 68.25  | 0.48     | 0.42      | 0.09  | 0.03  | 1.48    |
|               |          |          |        |           |        |          |           |       |       |         |
| GA213369      | 7030700  | 793545   | 793546 | 1         | 66.02  | 3.11     | 0.79      | 0.04  | 0.03  | 1.51    |
| GA213370      |          | 793549   | 793550 | 1         | 68.16  | 0.54     | 0.51      | 0.08  | 0.02  | 0.95    |
| GA213371      |          | 793560   | 793562 | 2         | 66.11  | 1.67     | 1.44      | 0.10  | 0.05  | 1.63    |
|               |          |          |        |           |        |          |           |       |       |         |
| GA213372      | 7030600  | 793553   | 793554 | 1         | 67.56  | 1.53     | 0.38      | 0.07  | 0.04  | 1.11    |

|                | Northing | Easting  |        |           |        |          |           |       |       |         |
|----------------|----------|----------|--------|-----------|--------|----------|-----------|-------|-------|---------|
| Sample Number  |          | From (m) | To (m) | Width (m) | Fe (%) | SiO2 (%) | Al2O3 (%) | P (%) | S (%) | LOI1000 |
| GA213373       |          | 793557   | 793558 | 1         | 67.03  | 1.19     | 0.71      | 0.07  | 0.02  | 1.69    |
| GA213374       |          | 793561   | 793569 | 8         | 68.71  | 0.45     | 0.29      | 0.07  | 0.02  | 0.77    |
|                |          |          |        |           |        |          |           |       |       |         |
| GA213375       | 7030405  | 793531   | 793532 | 1         | 66.60  | 2.29     | 0.86      | 0.03  | 0.09  | 0.84    |
|                |          |          |        |           |        |          |           |       |       |         |
| GA213376       | 7030310  | 793513   | 793517 | 4         | 65.47  | 2.44     | 0.91      | 0.05  | 0.05  | 2.85    |
|                |          |          |        |           |        |          |           |       |       |         |
| GA213377       | 7030200  | 793504   | 793508 | 4         | 64.11  | 3.85     | 1.04      | 0.07  | 0.12  | 2.66    |
| GA213378       |          | 793524   | 793528 | 4         | 67.56  | 1.23     | 0.82      | 0.05  | 0.03  | 1.05    |
|                |          |          |        |           |        |          |           |       |       |         |
| GA213379       | 7030140  | 793498   | 793499 | 1         | 63.45  | 2.24     | 0.60      | 0.07  | 0.10  | 5.42    |
|                |          |          |        |           |        |          |           |       |       |         |
| GA213380       | 7030000  | 793473   | 793483 | 10        | 62.09  | 3.33     | 2.07      | 0.08  | 0.10  | 4.90    |
| GA213381       |          | 793483   | 793489 | 6         | 63.14  | 2.22     | 1.77      | 0.05  | 0.06  | 5.29    |
| Combined width |          |          |        | 16        | 62.62  | 2.78     | 1.92      | 0.06  | 0.08  | 5.10    |
|                |          |          |        |           |        |          |           |       |       |         |
| GA213382       | 7029900  | 793451   | 793454 | 3         | 62.73  | 2.75     | 1.86      | 0.07  | 0.07  | 5.30    |
| GA213383       |          | 793463   | 793471 | 8         | 63.22  | 3.07     | 1.72      | 0.07  | 0.09  | 4.45    |
|                |          |          |        |           |        |          |           |       |       |         |
| GA213384       | 7029800  | 793467   | 793472 | 5         | 64.62  | 2.43     | 1.68      | 0.07  | 0.08  | 2.72    |
| GA213385       |          | 793477   | 793481 | 4         | 62.31  | 2.99     | 2.96      | 0.18  | 0.06  | 4.40    |
|                |          |          |        |           |        |          |           |       |       |         |
| GA213386       | 7029700  | 793466   | 793467 | 1         | 63.30  | 2.84     | 1.37      | 0.10  | 0.07  | 4.41    |
| GA213387       |          | 793476   | 793481 | 5         | 59.04  | 7.53     | 1.37      | 0.06  | 0.10  | 6.33    |
|                |          |          |        |           |        |          |           |       |       |         |
| GA213388       | 7029600  | 793446   | 793447 | 1         | 64.40  | 3.10     | 1.74      | 0.07  | 0.06  | 2.91    |
|                |          |          |        |           |        |          |           |       |       |         |
| GA213389       | 7029500  | 793441   | 793442 | 1         | 66.08  | 1.76     | 1.34      | 0.08  | 0.04  | 1.96    |
|                |          |          |        |           |        |          |           |       |       |         |
| GA213390       | 7029390  | 793456   | 793458 | 2         | 62.63  | 3.83     | 1.76      | 0.06  | 0.05  | 4.40    |
|                |          |          |        |           |        |          |           |       |       |         |
| GA213391       | 7029285  | 793429   | 793430 | 1         | 67.58  | 1.22     | 0.60      | 0.03  | 0.02  | 1.32    |
|                |          |          |        |           |        |          |           |       |       |         |
| GA213392       | 7029250  | 793436   | 793440 | 4         | 67.19  | 1.61     | 1.02      | 0.04  | 0.03  | 1.33    |
|                |          |          |        |           |        |          |           |       |       |         |
| GA213393       | 7029130  | 793417   | 793419 | 2         | 67.45  | 1.46     | 0.83      | 0.02  | 0.04  | 1.30    |
|                |          |          |        |           |        |          |           |       |       |         |
| GA213394       | 7029045  | 793415   | 793419 | 4         | 67.82  | 1.21     | 0.79      | 0.03  | 0.03  | 0.99    |
|                |          |          |        |           |        |          |           |       |       |         |
| GA213395       | 7028890  | 793413   | 793416 | 3         | 60.77  | 4.13     | 3.16      | 0.07  | 0.09  | 5.23    |
|                |          |          |        |           |        |          |           |       |       |         |
| GA213396       | 7028510  | 793409   | 793410 | 1         | 53.98  | 6.38     | 4.31      | 0.06  | 0.14  | 10.82   |
|                |          |          |        |           |        |          |           |       |       |         |
| GA213397       | 7028420  | 793427   | 793430 | 3         | 53.43  | 8.47     | 2.96      | 0.12  | 0.14  | 10.24   |

### Airborne Magnetism Interpretation

During the quarter an extensive airborne magnetism interpretation was completed by consultants, Southern Geoscience Consultants which has served to provide comprehensive geological interpretations of the belt in addition to defining a number of exploration targets which will be drill tested. This work is invaluable as it provides a solid geological framework for future regional work.

### Down Hole Surveying

A program of down hole surveying commenced by consultants Pilbara Wireline Services with the purpose of providing down hole density data required for resource definition and down hole survey information.

### RC Drilling

A total of 94 RC holes drill tested the regional South 2 prospect for an advancement of some 7330m and some 4113 samples as detailed in Table 4.

**Table 4: Drilling Summary**

| Hole Type  | Prospect  | No of Holes | Meters |
|------------|-----------|-------------|--------|
| RC         | South 2   | 94          | 7330   |
| Diamond-HQ | C4        | 3           | 247.7  |
| Diamond-HQ | Bowerbird | 1           | 58.9   |

Re-sampling and RC drilling assays returned a number of significant intercepts as detailed within Table 5.

**Table 5: Significant Intercepts**

| Hole Number             | Northing | Easting | m RL | Grid Az.0° | Dip 0° | Hole Depth | From | To | Intercept | Fe %  | SiO <sub>2</sub> % | Al <sub>2</sub> O <sub>3</sub> % | P %   | LOI % |
|-------------------------|----------|---------|------|------------|--------|------------|------|----|-----------|-------|--------------------|----------------------------------|-------|-------|
| <b>C1 PROSPECT</b>      |          |         |      |            |        |            |      |    |           |       |                    |                                  |       |       |
| WWRC796                 | 7032399  | 792321  | 589  | 90         | -60    | 116        | 85   | 90 | 5         | 62.99 | 3.2                | 1.21                             | 0.13  | 4.84  |
|                         |          |         |      |            |        |            |      |    |           |       |                    |                                  |       |       |
| <b>C4 Prospect</b>      |          |         |      |            |        |            |      |    |           |       |                    |                                  |       |       |
| WWRC596                 | 7045850  | 792450  | 566  | 90         | -60    | 105        | 24   | 56 | 32        | 62.74 | 4.78               | 3.4                              | 0.022 | 1.84  |
|                         |          |         |      |            |        |            |      |    |           |       |                    |                                  |       |       |
| WWRC599                 | 7045848  | 792392  | 564  | 90         | -60    | 81         | 21   | 29 | 8         | 61.3  | 6.06               | 3.82                             | 0.01  | 2.29  |
|                         |          |         |      |            |        |            |      |    |           |       |                    |                                  |       |       |
| WWRC600                 | 7045850  | 792363  | 563  | 90         | -60    | 79         | 24   | 32 | 8         | 62.27 | 4.98               | 3.32                             | 0.01  | 2.23  |
|                         |          |         |      |            |        |            |      |    |           |       |                    |                                  |       |       |
| <b>South 2 Prospect</b> |          |         |      |            |        |            |      |    |           |       |                    |                                  |       |       |
| WWRC2134                | 7010000  | 791250  | ~560 | 90         | -60    | 100        | 38   | 44 | 6         | 61.14 | 4.61               | 0.825                            | 0.16  | 6.47  |

**Note:**

*Bottom Cut 60% Fe, Max Int Dilution 2m, Min Int*

*Fe Value 55%*

### Diamond Drilling

Metallurgical diamond drill testing commenced late in the quarter with 4 holes completed for a combined total of 306.6m and 25 samples. The purpose of the drilling is to provide material for metallurgical testwork and geotechnical data for mine planning. This program is ongoing and will continue into the next quarter.

### Future Work

Drilling for the next quarter and beyond is expected to focus on extending and infilling areas of known mineralisation increasing both the size and confidence level of the Unit B and Unit C deposits at Wiluna West. In addition it is planned to drill test two targets in the south of the project at South 2, which returned 6m @ 61.14% Fe and at South 3, which produced wide intervals of ore grade material from rock chip sampling conducted in the September quarter including:

18m @ 63.1% Fe

28m @ 61.6% Fe

40m @ 57.2% Fe.

A review of available drilling and targets on Unit B has defined a zone of outcropping ore directly south of Joyner's Find which includes some 4.2 strike kilometres of potential high grade ore which has been confirmed by rock chip sampling and which to date remains untested.

The review has defined an area intersected by widely spaced drilling conducted in early 2006 directly south of the Bowerbird deposit, which returned highly anomalous results, see Table 6. Using a lower cut of grade of 50% Fe, anomalous intersections occurred in every line over at strike length of 2.8km, which include a number of high grade results of considerable widths. The better intercepts were:

12m @ 61.81% Fe  
 18m @ 62.85% Fe  
 15m @ 56.33% Fe  
 19m @ 62.73 %Fe  
 10m @ 62.29% Fe.

In addition a second zone, lying directly west of that above (Bowerbird West) intersected widths of mineralisation up to 15m.

**Table 6: Anomalous Intercepts-B Ridge**

| South of Bowerbird |          |         |      |    |           |       |        |         |      |      |       |
|--------------------|----------|---------|------|----|-----------|-------|--------|---------|------|------|-------|
| Hole Id            | Northing | Easting | From | To | intercept | Fe %  | SiO2 % | Al2O3 % | P%   | S %  | LOI % |
| WWRC209            | 7037600  | 794320  | 2    | 7  | 5         | 55.13 | 11.61  | 5.76    | 0.01 | 0.01 | 3.32  |
|                    |          |         |      |    |           |       |        |         |      |      |       |
| WWRC212            | 7038000  | 794420  | 5    | 9  | 4         | 57.15 | 11.14  | 2.56    | 0.06 | 0.01 | 4.07  |
|                    |          |         | And  |    |           |       |        |         |      |      |       |
|                    |          |         | 13   | 15 | 2         | 57.32 | 13.09  | 2.29    | 0.02 | 0.00 | 2.59  |
|                    |          |         |      |    |           |       |        |         |      |      |       |
| WWRC213            | 7038000  | 794380  | 19   | 23 | 4         | 56.52 | 12.16  | 2.44    | 0.07 | 0.00 | 4.20  |
|                    |          |         |      |    |           |       |        |         |      |      |       |
| WWRC214            | 7038000  | 794340  | 74   | 79 | 5         | 58.64 | 10.89  | 0.43    | 0.01 | 0.00 | 0.83  |
|                    |          |         |      |    |           |       |        |         |      |      |       |
| WWRC219            | 7038800  | 794440  | 2    | 11 | 9         | 55.02 | 9.47   | 4.22    | 0.04 | 0.03 | 3.45  |
|                    |          |         | Inc  |    |           |       |        |         |      |      |       |
|                    |          |         | 6    | 11 | 5         | 57.63 | 9.47   | 4.22    | 0.04 | 0.03 | 3.45  |
|                    |          |         | And  |    |           |       |        |         |      |      |       |
|                    |          |         | 70   | 82 | 12        | 61.81 | 3.91   | 2.39    | 0.13 | 0.01 | 4.80  |
|                    |          |         |      |    |           |       |        |         |      |      |       |
| WWRC225            | 7039200  | 794445  | 12   | 30 | 18        | 62.85 | 4.38   | 3.30    | 0.01 | 0.02 | 2.12  |
|                    |          |         | 35   | 37 | 2         | 63.70 | 3.79   | 3.33    | 0.01 | 0.01 | 1.68  |
|                    |          |         |      |    |           |       |        |         |      |      |       |
| WWRC226            | 7039200  | 794420  | 86   | 95 | 9         | 65.75 | 3.23   | 0.84    | 0.01 | 0.01 | 1.52  |
|                    |          |         |      |    |           |       |        |         |      |      |       |
| WWRC232            | 7039600  | 794505  | 9    | 13 | 4         | 54.37 | 18.81  | 2.23    | 0.01 | 0.01 | 1.24  |
|                    |          |         |      |    |           |       |        |         |      |      |       |
| WWRC233            | 7039600  | 794450  | 4    | 7  | 3         | 51.44 | 15.01  | 6.88    | 0.01 | 0.03 | 4.14  |
|                    |          |         | And  |    |           |       |        |         |      |      |       |
|                    |          |         | 43   | 44 | 1         | 61.16 | 5.70   | 4.01    | 0.02 | 0.01 | 2.15  |
|                    |          |         | And  |    |           |       |        |         |      |      |       |
|                    |          |         | 58   | 62 | 4         | 58.66 | 11.89  | 2.60    | 0.01 | 0.01 | 1.08  |
|                    |          |         |      |    |           |       |        |         |      |      |       |
| WWRC234            | 7039600  | 794420  | 41   | 44 | 3         | 60.30 | 8.01   | 3.63    | 0.02 | 0.02 | 1.70  |
|                    |          |         | And  |    |           |       |        |         |      |      |       |
|                    |          |         | 83   | 86 | 3         | 56.82 | 13.59  | 2.71    | 0.02 | 0.01 | 2.02  |
|                    |          |         | And  |    |           |       |        |         |      |      |       |
|                    |          |         | 88   | 90 | 2         | 59.87 | 12.33  | 0.24    | 0.03 | 0.00 | 1.37  |

| South of Bowerbird    |          |         |      |    |           |       |        |         |      |      |       |
|-----------------------|----------|---------|------|----|-----------|-------|--------|---------|------|------|-------|
| Hole Id               | Northing | Easting | From | To | intercept | Fe %  | SiO2 % | Al2O3 % | P%   | S %  | LOI % |
| WWRC236               | 7039600  | 794245  | 15   | 30 | 15        | 56.33 | 9.21   | 4.44    | 0.06 | 0.03 | 5.21  |
| WWRC238               | 7040000  | 794460  | 6    | 11 | 5         | 52.12 | 11.83  | 7.26    | 0.03 | 0.06 | 5.68  |
|                       |          |         | And  |    |           |       |        |         |      |      |       |
|                       |          |         | 17   | 24 | 7         | 60.32 | 4.89   | 3.89    | 0.04 | 0.17 | 4.31  |
|                       |          |         | And  |    |           |       |        |         |      |      |       |
|                       |          |         | 44   | 49 | 5         | 59.76 | 8.14   | 3.00    | 0.06 | 0.03 | 2.91  |
| WWRC239               | 7040000  | 794420  | 3    | 6  | 3         | 58.37 | 8.18   | 4.41    | 0.03 | 0.03 | 3.48  |
| WWRC240               | 7040000  | 794380  | 51   | 54 | 3         | 60.67 | 5.76   | 2.96    | 0.07 | 0.01 | 4.05  |
|                       |          |         | Inc  |    |           |       |        |         |      |      |       |
|                       |          |         | 34   | 40 | 6         | 64.89 | 2.46   | 1.14    | 0.10 | 0.00 | 3.46  |
| WWRC243               | 7040400  | 794490  | 9    | 24 | 15        | 61.38 | 3.81   | 2.57    | 0.12 | 0.02 | 5.22  |
| WWRC244               | 7040400  | 794460  | 6    | 9  | 3         | 53.51 | 12.16  | 6.28    | 0.03 | 0.04 | 4.02  |
|                       |          |         | And  |    |           |       |        |         |      |      |       |
|                       |          |         | 51   | 70 | 19        | 62.73 | 4.07   | 3.02    | 0.08 | 0.01 | 2.68  |
| <b>Bowerbird West</b> |          |         |      |    |           |       |        |         |      |      |       |
| WWRC231               | 7039200  | 794265  | 26   | 36 | 10        | 62.29 | 5.23   | 2.99    | 0.03 | 0.08 | 2.13  |
| WWRC230               | 7039260  | 794270  | 15   | 22 | 7         | 55.82 | 8.03   | 5.75    | 0.06 | 0.03 | 5.82  |
| WWRC229               | 7039360  | 794270  | 16   | 26 | 10        | 61.28 | 4.74   | 3.92    | 0.04 | 0.03 | 3.18  |
| WWRC228               | 7039460  | 794265  | 20   | 27 | 7         | 60.03 | 4.96   | 3.48    | 0.06 | 0.02 | 5.23  |
| WWRC242               | 7039800  | 794240  | 26   | 41 | 15        | 58.92 | 8.53   | 2.15    | 0.12 | 0.00 | 4.55  |
| WWRC241               | 7039900  | 794235  | 31   | 38 | 7         | 59.23 | 10.08  | 2.66    | 0.06 | 0.01 | 1.99  |

In addition a further 2km strike length on Unit B is earmarked for RC drilling at 200m spacing between Bowerbird and Joyners Find.

## 1.2 Project Development

### 1.21 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 for the northern area. A program of infill drilling and further resource drilling was planned and will be implemented in the third quarter. It is projected that the planned work will increase the JORC resources to over 100Mt.

An application for a mining lease that covers both the C and B ridges in the northern area was prepared and submitted. Environmental studies that are required for a mining proposal for this area were commissioned and in progress.

A bulk sampling program for the Bowerbird deposit on the B ridge has been designed and planned. The purpose is to provide an iron ore product for testing and acceptance in the market place. Approval will be sought in the third quarter with operations proceeding in the fourth quarter.

The high level project timeline developed to define the tasks and resources necessary to achieve a 10mtpa production scenario by mid 2011 has been completed and forms the action plan for moving ahead. A conceptual picture of the area has been developed showing potential mining areas and infrastructure locations. The key aspects of the 2008 program being initiated now are a prefeasibility study to define the economic and sustaining parameters for the future feasibility study, completion of environmental studies encompassing the whole northern area and submittal of mining proposal.

## **1.22 Off Site Infrastructure**

Rail transport studies have been completed by Longrun Transport Developments Pty that evaluates two alternative infrastructure options and costs. One 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 other was the original proposal to use the Esperance port. The results favour the Midwest scheme but are presently still in the concept stage.

## **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, with Sino Corporation also initiating a takeover of Midwest Corporation.

## **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. 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 License, E53/1159, is located in the south east of the Wiluna West Project and is upstream from Dawson Well, Hinkler well, Centipede and Lake Way uranium deposits. Application to DOIR and DEP were made during the quarter for permission to continue drill testing. The approval to drill and drill testing is expected early in the next period when an expected 35 holes will test the westerly strike extension to uranium mineralisation intersected within U3O8's ground and drill testing of a radiometrics anomaly.

## **2.0 OTHER PROJECTS**

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

The Doherty's Project (M57/619) is located in the Barrambie Greenstone belt some 100km south west of the Wiluna West Project. The project contains an indicated resource of 25,700 tonnes at 23.8g/t Au for a contained 20, 430 ounces of gold.

An internal review resulted in the definition of a number of down-plunge drill targets being defined. A 6 hole program for 700m has been planned which is designed to intersect the down plunge extension of the previously mined A and B shoots. Both structures have been selectively mined to a vertical depth of 45m in the A shoot and an unknown depth in the B shoot. The A and B shoots occur in adjacent shallow plunging anticlinal hinges of a folded shear zone within an albite porphyry intrusion which is open at depth.

Application to DOIR for permission to drill has been completed with approval and drill testing expected early within the next period.

### **3. CORPORATE**

#### **3.1 Fairstar Resources Ltd**

Fairstar Resources Limited ("Fairstar") announced a highly conditional, unsolicited off market scrip takeover bid for 100% of the Company on 4 September 2007 with shareholders being offered five Fairstar shares for one Golden West Resources share. The Company referred the original and subsequent Bidder's statements to the Takeovers Panel, following legal and tax advice, that it was deficient in material areas and did not sufficiently address a number of concerns raised by the Company. Subsequent replacement Bidder's Statements were lodged by Fairstar with the Company on 26 October 2007 and 13 November 2007.

Your Board of Directors 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 were appointed as Corporate Adviser, Pullinger Readhead Lucas continue to act as the company's solicitors and Pricewaterhouse Coopers were appointed as Independent Experts to assess the proposal.

On 27<sup>th</sup> November 2007 the Company issued the Target Statement in relation to the Fairstar bid in which the Company's Independent Directors unanimously recommended to shareholders to reject the offer from Fairstar. The reasons for the Directors recommendation comprise:

- The Fairstar Offer is highly opportunistic and does not recognise the true value of the Company's Wiluna West Project;
- The Offer is extremely dilutive to Golden West Shareholders and will reduce the proportion of the Wiluna West project owned by current Golden west Shareholders from 100% to approximately 70%, if the takeover is successful;
- There are likely to be significant Capital Gains Tax ("CGT") consequences for Shareholders who accept the Offer as they will not qualify for scrip for scrip CGT rollover if Fairstar do not acquire at least 80% of the Company;
- The value Golden West Shareholders will receive under the offer is uncertain, with no cash component;
- The acquisition of Golden West may trigger \$43.55 million in transaction costs that could otherwise be used to develop the Wiluna West Project. Funds would have to be raised to pay these costs;
- The combination of Fairstar with Golden West will deliver no synergies or cost savings and does not enhance the prospect of successful development of the Wiluna West Project;
- Combining Golden West and Fairstar does not result in an increase in scale or diversification that is material enough to warrant any market re-rating;
- The funding for the Offer is highly conditional and may leave the merged company in financial distress or forced to raise substantial additional equity;
- Inability to accept a higher offer, should one emerge.

Following this unanimous rejection by the Company's directors of the original Offer, Fairstar revised its offer on 11<sup>th</sup> December 2007 to seven Fairstar shares for one Golden West Resources share.

On 11<sup>th</sup> December 2007 the Company's Independent Directors recommended Shareholders to REJECT the revised Fairstar offer on the basis the revised offer fails in the following areas:

- No cash component;
- The offer may trigger capital gains tax;
- The offer will excessively dilute Golden West shareholders' interest in the Wiluna West Iron Ore Project; and
- Fairstar still does not offer any substantial assets, cost synergies or increased capability to develop the Project.

On 14<sup>th</sup> January 2008 Fairstar announced an extension in its bid for the Company until 13<sup>th</sup> February 2008 and advised it was the beneficial owner of approximately 33% of the Company's share capital. A supplementary Target Statement and supplementary Independent Experts Report is being prepared by the Company.

### **3.2 Board of Directors**

The Company has received a request from a shareholder, Falak Holdings, to seek the removal of Directors Messrs Con Markopoulos, Alan Rudd and Michael Wilson. In accordance with the Company's obligations and under the Corporations Act, the Company has convened a general meeting of shareholders on 5<sup>th</sup> February 2008.

At this general meeting the Company seeks to ratify the appointment of Mr Geoffrey Wedlock as a Director of the Company. In accordance with the Company's Constitution any director appointed by the Board must retire at the next meeting of Shareholders and seek re-appointment. Mr Wedlock was appointed as Director and Chairman on 5<sup>th</sup> December 2007 following the retirement of the Company's founding Chairman Dr John Daniels. Mr Wedlock has more than 35 years experience in the iron ore exploration and development industry and his appointment heralds a new era for the Company as it seeks to develop its flagship Wiluna West Iron Ore Project. Prior to joining the Company, Mr Wedlock held a number of senior executive roles in the iron ore industry. He is a former managing director of leading iron ore miner Portman Mining, advanced magnetite developer Grange Resources, and Executive Vice President and CEO of BHP Iron Ore Pty Ltd, where he played a key role in the development of many of BHP's major assets in the Pilbara.

On 24<sup>th</sup> December 2007 Messrs Con Markopoulos, Alan Rudd and Michael Wilson filed an application with the Supreme Court of Western Australia seeking an injunction preventing Chairman Geoff Wedlock and Company Secretary John Palermo from acting as officers of the Company.

On 4<sup>th</sup> January 2007 Justice Hasluck dismissed the application and included in his written judgement:

- Noted that two of the applicants (Alan Rudd and Michael Wilson) were a director and shareholder respectively of Fairstar, which had made an off-market takeover bid for the Company;
- Found that there was no serious issue to be tried regarding the validity of Mr Wedlock's appointment or the conduct of Mr Palermo;
- Held that the Company continues to function and that the management and internal affairs of the Company would be addressed at the forthcoming general meeting of shareholders; and
- Suggested that the dispute was essentially referable to commercial imperatives and differences of opinion, rather than to concerns about compliance with the Company's constitution or whether the Company's affairs were being conducted in a regular manner.

On Friday 18<sup>th</sup> January 2008, a further application by Messrs Con Markopoulos, Alan Rudd and Michael Wilson for an urgent trial of the Supreme Court proceedings prior to the general meeting on 5<sup>th</sup> February 2008 was dismissed by Justice Le Miere. In dismissing the further application, Justice Le Miere agreed with Justice Hasluck's views that there was insufficient grounds to justify a trial of the proceedings prior to the general meeting.

The general meeting on 5<sup>th</sup> February also includes a resolution amending the Company's Constitution. The Constitution refers to the number of directors on the Board as #5#. In the past four years the number of directors on the Board has been as high as seven members.

### **3.3 Capital Raisings**

In December 2007 the Company completed a placement of 14.477 million shares, to institutional and sophisticated investors, at \$1.85 per share to raise \$26.78 million to further advance its flagship Wiluna West Iron Ore Project. The Company also announced a one for 15 non renounceable pro-rata rights issue to existing shareholders at an issue price of \$1.85 per share. The rights issue closed on 25<sup>th</sup> January 2008.

Gary W Hutchinson  
Managing Director

For further Information:  
Golden West Resources Limited  
Suite 6, 136 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)

#### **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.*

# 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 2007**

### Consolidated statement of cash flows

|                                                   |                                                            | Current quarter<br>\$A'000 | Year to date<br>(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               | (2,865)                    | (6,154)                            |
|                                                   | (b) development                                            | --                         | --                                 |
|                                                   | (c) production                                             | --                         | --                                 |
|                                                   | (d) administration                                         | (893)                      | (1,716)                            |
| 1.3                                               | Dividends received                                         | --                         | --                                 |
| 1.4                                               | Interest and other items of a similar nature received      | 43                         | 77                                 |
| 1.5                                               | Interest and other costs of finance paid                   | --                         | --                                 |
| 1.6                                               | Income taxes paid                                          | --                         | --                                 |
| 1.7                                               | Other (Takeover Costs)                                     | (983)                      | (983)                              |
|                                                   | Other (Fines)                                              | (71)                       | (71)                               |
|                                                   | Other (Security Bonds)                                     | (25)                       | (25)                               |
|                                                   | Other (GST)                                                | (188)                      | 98                                 |
|                                                   | Other (Fuel Credits)                                       | 16                         | 53                                 |
| <b>Net Operating Cash Flows</b>                   |                                                            | (4,966)                    | (8,721)                            |
| <b>Cash flows related to investing activities</b> |                                                            |                            |                                    |
| 1.8                                               | Payment for purchases of: (a)prospects                     | --                         | --                                 |
|                                                   | (b)equity investments                                      | --                         | --                                 |
|                                                   | (c) other fixed assets                                     | (132)                      | (290)                              |
| 1.9                                               | Proceeds from sale of: (a)prospects                        | --                         | --                                 |
|                                                   | (b)equity investments                                      | --                         | --                                 |
|                                                   | (c)other fixed assets                                      | --                         | 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>                   |                                                            | (132)                      | (279)                              |
| 1.13                                              | Total operating and investing cash flows (carried forward) | (5,098)                    | (9,000)                            |

+ See chapter 19 for defined terms.

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

|      |                                                            |         |         |
|------|------------------------------------------------------------|---------|---------|
| 1.13 | Total operating and investing cash flows (brought forward) | (5,098) | (9,000) |
|      | <b>Cash flows related to financing activities</b>          |         |         |
| 1.14 | Proceeds from issues of shares, options, etc.              | 30,865  | 31,430  |
| 1.15 | Proceeds from sale of forfeited shares                     | --      | --      |
| 1.16 | Proceeds from borrowings                                   | --      | --      |
| 1.17 | Repayment of borrowings                                    | --      | --      |
| 1.18 | Dividends paid                                             | --      | --      |
| 1.19 | Other (capital raising costs)                              | (1,652) | (1,860) |
|      | <b>Net financing cash flows</b>                            | 29,213  | 29,570  |
|      | <b>Net increase (decrease) in cash held</b>                | 24,115  | 20,570  |
| 1.20 | Cash at beginning of quarter/year to date                  | 3,751   | 7,296   |
| 1.21 | Exchange rate adjustments to item 1.20                     | --      | --      |
| 1.22 | <b>Cash at end of quarter</b>                              | 27,866  | 27,866  |

**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<br>\$A'000 |
|------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------|
| 1.23 | Aggregate amount of payments to the parties included in item 1.2                                                                                                                                                                                                                                             | 368                        |
| 1.24 | Aggregate amount of loans to the parties included in item 1.10                                                                                                                                                                                                                                               | Nil                        |
| 1.25 | Explanation necessary for an understanding of the transactions<br>The payment shown at 1.23 includes an amount of \$11,800 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<br>\$A'000 | Amount used<br>\$A'000 |
|-----|-----------------------------|------------------------|
| 3.1 | Loan facilities             | Nil                    |
| 3.2 | Credit standby arrangements | Nil                    |

+ See chapter 19 for defined terms.

### Estimated cash outflows for next quarter

|              |                            |              |
|--------------|----------------------------|--------------|
|              |                            | \$A'000      |
| 4.1          | Exploration and evaluation | 2,500        |
| 4.2          | Development                | Nil          |
| <b>Total</b> |                            | <b>2,500</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<br>\$A'000 | Previous quarter<br>\$A'000 |
| 5.1                                                                                                                                                         | Cash on hand and at bank | 2,366                      | 223                         |
| 5.2                                                                                                                                                         | Deposits at call         | 25,500                     | 3,528                       |
| 5.3                                                                                                                                                         | Bank overdraft           | Nil                        | Nil                         |
| 5.4                                                                                                                                                         | Other (provide details)  | Nil                        | Nil                         |
| <b>Total: cash at end of quarter</b> (item 1.22)                                                                                                            |                          | 27,866                     | 3,751                       |

### 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 | E15/762                       | 100%                             | Nil                        |
| 6.2 | Interests in mining tenements acquired or increased           | M(A)53/1087                   | 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<br>number | Number<br>quoted | Issue price per<br>security (see<br>note 3) (cents) | Amount paid up<br>per security (see<br>note 3) (cents) |
|----------------------------------------------------------------------|-----------------|------------------|-----------------------------------------------------|--------------------------------------------------------|
| 7.1 <b>Preference<br/>+securities</b><br><i>(description)</i>        | Nil             |                  |                                                     |                                                        |
| 7.2 Changes during<br>quarter                                        | Nil             |                  |                                                     |                                                        |
| 7.3 <b>+Ordinary<br/>securities</b>                                  | 103,065,941     | 103,065,941      |                                                     |                                                        |
| 7.4 Changes during<br>quarter                                        |                 |                  |                                                     |                                                        |
| (a) Increases<br>through issues                                      |                 |                  |                                                     |                                                        |
| Placement                                                            | 14,477,678      | 14,477,678       | \$1.85                                              | \$1.85                                                 |
| Listed options<br>exercised                                          | 15,668,948      | 15,668,948       | \$0.20                                              | \$0.20                                                 |
| Unlisted options<br>exercised                                        | 450,000         | 450,000          | \$0.25                                              | \$0.25                                                 |
|                                                                      | 450,000         | 450,000          | \$0.30                                              | \$0.30                                                 |
|                                                                      | 200,000         | 200,000          | \$0.40                                              | \$0.40                                                 |
|                                                                      | 11,111          | 11,111           | \$2.00                                              | \$2.00                                                 |
| (b) Decreases<br>through returns of<br>capital, buy-backs            | Nil             |                  |                                                     |                                                        |
| 7.5 <b>+Convertible debt<br/>securities</b><br><i>(description)</i>  | Nil             |                  |                                                     |                                                        |
| 7.6 Changes during<br>quarter                                        | Nil             |                  |                                                     |                                                        |
| 7.7 <b>Options</b><br><i>(description and<br/>conversion factor)</i> |                 |                  | <i>Exercise price</i>                               | <i>Expiry date</i>                                     |
|                                                                      | 800,000         | Nil              | \$0.25                                              | 30 June 2008                                           |
|                                                                      | 800,000         | Nil              | \$0.30                                              | 30 June 2008                                           |
|                                                                      | 1,050,000       | Nil              | \$0.40                                              | 30 June 2008                                           |
|                                                                      | 14,263,879      | Nil              | \$2.00                                              | 31 December 2010                                       |
|                                                                      | 8,500,000       | Nil              | \$3.00                                              | 31 December 2011                                       |
| 7.8 Issued during<br>quarter                                         | Nil             | Nil              | \$2.00                                              | 31 December 2010                                       |
| 7.9 Exercised during<br>quarter                                      | 15,668,948      | 15,668,948       | \$0.20                                              | 31 December 2007                                       |
|                                                                      | 450,000         | Nil              | \$0.25                                              | 30 June 2008                                           |
|                                                                      | 450,000         | Nil              | \$0.30                                              | 30 June 2008                                           |
|                                                                      | 200,000         | Nil              | \$0.40                                              | 30 June 2008                                           |
|                                                                      | 11,111          | Nil              | \$2.00                                              | 31 December 2010                                       |
| 7.10 Expired during<br>quarter                                       | 108,274         | 108,274          | \$0.20                                              | 31 December 2007                                       |
| 7.11 <b>Debentures</b><br><i>(totals only)</i>                       |                 |                  |                                                     |                                                        |
| 7.12 <b>Unsecured notes</b><br><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 2008  
(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.

== == == == ==