

Appendix 5B

Mining exploration entity quarterly report

Introduced 1/7/96. Origin: Appendix 8. Amended 1/7/97, 1/7/98, 30/9/2001, 01/06/10.

Name of entity

WESTERN DESERT RESOURCES LIMITED

ABN

48 122 301 848

Quarter ended ("current quarter")

30 September 2012

Consolidated statement of cash flows

Cash flows related to operating activities	Current quarter \$A'000	Year to date (3 months) \$A'000
1.1 Receipts from product sales and related debtors	0	0
1.2 Payments for (a) exploration & evaluation	(5,008)	(5,008)
(b) development	(3,987)	(3,987)
(c) production	0	0
(d) administration	(1,930)	(1,930)
1.3 Dividends received	0	0
1.4 Interest and other items of a similar nature received	287	287
1.5 Interest and other costs of finance paid	0	0
1.6 Income taxes paid	0	0
1.7 Other (research and development grants)	0	0
Net Operating Cash Flows	(10,638)	(10,638)
Cash flows related to investing activities		
1.8 Payment for purchases of: (a) prospects	0	0
(b) equity investments	0	0
(c) other fixed assets	(4,926)	(4,926)
1.9 Proceeds from sale of: (a) prospects	0	0
(b) equity investments	0	0
(c) other fixed assets	0	0
1.10 Loans to other entities	0	0
1.11 Loans repaid by other entities	0	0
1.12 Other – Environmental performance bonds	(19)	(19)
Net investing cash flows	(4,945)	(4,945)
1.13 Total operating and investing cash flows (carried forward)	(15,583)	(15,583)

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1.13	Total operating and investing cash flows (brought forward)	(15,583)	(15,583)
Cash flows related to financing activities			
1.14	Proceeds from issues of shares, options, etc.	57,932	57,932
1.15	Proceeds from sale of forfeited shares	0	0
1.16	Proceeds from borrowings	0	0
1.17	Repayment of borrowings	(11)	(11)
1.18	Dividends paid	0	0
1.19	Other (provide details if material)	0	0
Net financing cash flows		57,921	57,921
Net increase (decrease) in cash held		42,338	42,388
1.20	Cash at beginning of quarter/year to date	10,198	10,198
1.21	Exchange rate adjustments to item 1.20	0	0
1.22	Cash at end of quarter	52,536	52,536

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	1,873
1.24	Aggregate amount of loans to the parties included in item 1.10	0

1.25 Explanation necessary for an understanding of the transactions

Amount of \$1,873,234 at 1.23 comprises directors fees and super – R G Allert \$25,000, M K Ashton \$12,262, D J Cloke \$12,262, P C Lockyer \$12,262, S D Perrin \$12,262. A related party of S D Perrin was paid \$79,530 during the quarter for consultancy services rendered. In addition, a party related to M K Ashton (Titeline Drilling Pty Ltd) was paid \$860,696 during the quarter for contract drilling services.
A related party of N W Gardner was paid \$858,960 during the quarter for earthworks, equipment hire charges and construction contracting.

Non-cash financing and investing activities

2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

Nil

2.2 Details of outlays made by other entities to establish or increase their share in projects in which the reporting entity has an interest

Nil

Financing facilities available

Add notes as necessary for an understanding of the position.

		Amount available \$A'000	Amount used \$A'000
3.1	Loan facilities	250,000	-
3.2	Credit standby arrangements	0	0

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Estimated cash outflows for next quarter

		\$A'000
4.1	Exploration and evaluation	4,470
4.2	Development	31,078
4.3	Production	0
4.4	Administration (includes net recovery of GST)	(1,419)
Total		34,129

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	51	51
5.2	Deposits at call	52,485	52,485
5.3	Bank overdraft	0	0
5.4	Other (provide details)	0	0
Total: cash at end of quarter (item 1.22)		52,536	52,536

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 in June	EL24307	Amalgamated into EL29548	100%	0%
		EL25672	Amalgamated into EL29548	100%	0%
		EL24944	Amalgamated into EL29548	100%	0%
		EL26759	Amalgamated into EL29548	100%	0%
		EL26992	Amalgamated into EL29548	100%	0%
6.2	Interests in mining tenements acquired or increased	EL29548	Amalgamated exploration lease Roper Bar (see above)	0%	100%
		ML28962	Mining Lease (Roper Bar camp lease)	0%	100%
		ML28963	Mining Lease (Roper Bar Area F-West)	0%	100%

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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				
7.3 +Ordinary securities	321,171,029	321,171,029	N/A	
7.4 Changes during quarter (a) Increases through issues Exercise of options "K" (b) Decreases through returns of capital, buy-backs (c) Release from Escrow	102,326,826 25,000	102,326,826 25,000	70.00 00cents 36.2635cents	Fully paid Fully paid
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>			<i>Exercise price in cents</i>	<i>Expiry date</i>
Options E*	4,000,000	0	14.4785	30/11/2013
Options H*	350,000	0	58.2635	31/12/2012
Option J*	13,000,000	0	36.2635	29/11/2013
Option K*	1,300,000	0	36.2635	29/11/2013
Option M*	375,000	0	38.2635	24/01/2014
Option N*	3,000,000	0	36.9468	29/11/2013
Option O*	10,000,000	0	49.5218	24/12/2013
Option P*	3,250,000	0	53.5218	23/11/2013
Option Q*	975,000	0	53.5218	25/01/2015
Option R*	250,000	0	53.5218	05/02/2014
Options WDRAZ*	25,000,023	0	70.0000	02/11/2012
7.8 Issued during quarter Options WDRAZ *	25,000,023	0	70.0000cents	02/11/2012
7.9 Exercised during quarter Options K*	25,000	0	36.2635 cents	29/11/2013
7.10 Expired during quarter	0	0	-	-
7.11 Debentures <i>(totals only)</i>				
7.12 Unsecured notes <i>(totals only)</i>				

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Options E* - Director's options.
Options H* - Options issued pursuant to the WDR Employee Options Scheme.
Options J* - Director's options.
Options K* - Options issued pursuant to the WDR Employee Options Scheme.
Option M*- Options issued pursuant to the WDR Employee Options Scheme.
Option N* - Director's options.
Option O* - Options issued pursuant to Share Placement.
Option P*- Options issued pursuant to the WDR Employee Options Scheme.
Option Q*- Options issued pursuant to the WDR Employee Options Scheme.
Option R*- Options issued pursuant to the WDR Employee Options Scheme.
Option WDRAZ* - Options issued pursuant to the Share Placement announced 26th June 2012.

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: 29th October 2012
Print name: Laurie Ackroyd

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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