

# 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 2013

### Consolidated statement of cash flows

	Current quarter \$A'ooo	Year to date (12 months) \$A'ooo
<b>Cash flows related to operating activities</b>		
1.1 Receipts from product sales and related debtors	0	0
1.2 Payments for (a) exploration	(128)	(128)
(b) evaluation & development	(41,788)	(41,788)
(c) production	(3,581)	(3,581)
(d) administration	(1,044)	(1,044)
1.3 Dividends received	0	0
1.4 Interest and other items of a similar nature received	24	24
1.5 Interest and other costs of finance paid	(1,494)	(1,494)
1.6 Income taxes paid	0	0
1.7 Other (Net recovery of gst )	0	0
<b>Net Operating Cash Flows</b>	<b>(48,011)</b>	<b>(48,011)</b>
<b>Cash flows related to investing activities</b>		
1.8 Payment for purchases of: (a) prospects	0	0
(b) equity investments	0	0
(c) other fixed assets	(2,046)	(2,046)
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	(510)	(510)
<b>Net investing cash flows</b>	<b>(2,556)</b>	<b>(2,556)</b>
1.13 Total operating and investing cash flows (carried forward)	<b>(50,567)</b>	<b>(50,567)</b>

+ See chapter 19 for defined terms.

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1.13	Total operating and investing cash flows (brought forward)	(50,567)	(50,567)
<b>Cash flows related to financing activities</b>			
1.14	Proceeds from issues of shares, options, etc.	23,869	23,869
1.15	Proceeds from sale of forfeited shares	0	0
1.16	Proceeds from borrowings	21,458	21,458
1.17	Repayment of borrowings	0	0
1.18	Dividends paid	0	0
1.19	Other (provide details if material)	0	0
	<b>Net financing cash flows</b>	<b>45,327</b>	<b>45,327</b>
	<b>Net increase (decrease) in cash held</b>	<b>(5,240)</b>	<b>(5,240)</b>
1.20	Cash at beginning of quarter/year to date	9,022	9,022
1.21	Exchange rate adjustments to item 1.20	0	0
1.22	<b>Cash at end of quarter</b>	<b>3,782</b>	<b>3,782</b>

**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	2,930
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

The amount of \$2,930,000 at 1.23 comprises directors fees and super – Director payments being made to Rick Allert \$25,057, Michael Ashton \$12,291, Phillip Lockyer \$12,291, Norm Gardner \$104,344, Graham Bubner \$70,781, and Scott Perrin \$12,291.  
The majority of the related party transaction was for contracting services to Remote Contracting Services Pty Ltd (RCS) \$2,589,376, Titeline Drilling Pty Ltd \$13,020, and Perrin Legal Pty Ltd \$90,255.

**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		
• Leasing facility	-	12,000
• Macquarie Bank Bridge Finance Facility (Refer below*)	40,000	40,000
3.2 Credit standby arrangements	0	0

\* Note: Macquarie Bank Limited ("MBL") provided an interim bridge finance facility which was repaid in full on 16 October 2013. The interim bridge finance facility was repaid via drawdown of the Company's full project finance facility, totalling \$80m from MBL on the same date.

### Estimated cash outflows for next quarter

		\$A'000
4.1	Exploration and evaluation	(150)
4.2	Development	(68,400)
4.3	Production	(22,700)
4.4	Administration (includes net recovery of GST)	(1,350)
<b>Total</b>		<b>(92,600)</b>

*\*Note: Cash inflows from the export of iron ore in the December quarter have been excluded from the above table.*

### 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	3,541	3,145
5.2	Deposits at call	241	5,877
5.3	Bank overdraft	0	0
5.4	Other (provide details)	0	0
<b>Total: cash at end of quarter</b> (item 1.22)		<b>3,782</b>	<b>9,022</b>

### Changes in interests in mining tenements

	Tenement reference	Nature of interest (note (2))	Interest at beginning of quarter	Interest at end of quarter
6.1		Interests in mining tenements relinquished in June		
6.2		Interests in mining tenements acquired or increased		

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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 <b>Preference securities</b> <i>(description)</i>				
7.2 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs				
7.3 <b>+Ordinary securities</b>	409,487,231	409,487,231	N/A	
7.4 Changes during quarter (a) Increases through issues				
• Placement	31,639,686	31,639,686	55.0000	Fully paid
• Underwriting of entitlement offer				
• Exercise of Placement Options	9,166,653	9,166,653	49.5218	Fully paid
• Exercise of unlisted Director and Employee Options	2,000,000 4,152,261 1,400,000 275,000	2,000,000 4,152,261 1,400,000 275,000	14.4785 36.2635 36.9468 53.5218	Fully paid Fully paid Fully paid Fully paid
(b) Decreases through returns of capital, buy-backs (c) Release from Escrow				
7.5 <b>+Convertible debt securities</b> <i>(description)</i>				
7.6 Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted				
7.7 <b>Options</b> <i>(description and conversion factor)</i>			<i>Exercise price in cents</i>	<i>Expiry date</i>
Option E*	1,000,000	0	14.4785	30/11/2013
Option J*	6,847,739	0	36.2635	29/11/2013
Option K*	1,150,000	0	36.2635	29/11/2013
Option M*	375,000	0	38.2635	24/01/2014
Option N*	1,600,000	0	36.9468	29/11/2013
Option O*	833,347	0	49.5218	24/12/2013
Option P*	2,500,000	0	53.5218	23/11/2013
Option Q*	775,000	0	53.5218	25/01/2015
Option S*	350,000	0	80.0000	10/10/2014
7.8 Issued during quarter	0	0		
7.9 Exercised during quarter				
Option E*	2,000,000		14.4785	30/11/2013
Option J*	4,152,261		36.2635	29/11/2013
Option N*	1,400,000		36.9468	29/11/2013
Option O*	9,166,653		49.5218	24/12/2013
Option P*	250,000		53.5218	23/11/2013
Option Q*	25,000		53.5218	25/01/2015
7.10 Expired during quarter	0	0		
7.11 <b>Debentures</b> <i>(totals only)</i>				
7.12 <b>Unsecured notes</b> <i>(totals only)</i>				

+ See chapter 19 for defined terms.

- \* Option E, J and N - Director Options approved by shareholders.
- Option K,M,P,Q and S - Options issued pursuant to the WDR Employee Share Option Plan.
- Option O - Options issued pursuant to Share Placement Agreement approved by shareholders.

## Compliance statement

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



Sign here: ..... Date: 28 October 2013

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.