

# 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

WESTERN DESERT RESOURCES LIMITED
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ABN

48 122 301 848
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Quarter ended ("current quarter")

31 December 2009
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### Consolidated statement of cash flows

Cash flows related to operating activities	Current quarter \$A'000	Year to date (6 months) \$A'000
1.1 Receipts from product sales and related debtors	0	0
1.2 Payments for		
(a) exploration and evaluation	(1, 531)	(3, 172)
(b) development	0	0
(c) production	0	0
(d) administration	(529)	(814)
1.3 Dividends received	0	0
1.4 Interest and other items of a similar nature received	14	24
1.5 Interest and other costs of finance paid	0	0
1.6 Income taxes paid	0	0
1.7 Other (reimbursement of exploration expenditure)	1,145	2,470
<b>Net Operating Cash Flows</b>	(901)	(1,492)
<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	(10)	(399)
1.9 Proceeds from sale of:		
(a) prospects	750	750
(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 (provide details if material)	0	0
<b>Net investing cash flows</b>	740	351
1.13 Total operating and investing cash flows (carried forward)	(161)	(1,141)

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1.13	Total operating and investing cash flows (brought forward)	(161)	(1,141)
	<b>Cash flows related to financing activities</b>		
1.14	Proceeds from issues of shares, options, etc.	8,907	10,296
1.15	Proceeds from sale of forfeited shares	0	0
1.16	Proceeds from borrowings	0	0
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>	8,907	10,296
	<b>Net increase (decrease) in cash held</b>	8,746	9,155
1.20	Cash at beginning of quarter/year to date	1,327	918
1.21	Exchange rate adjustments to item 1.20	0	0
1.22	<b>Cash at end of quarter</b>	10,073	10,073

**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	646
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 \$645,712 at 1.23 comprises directors fees – M K Ashton (8,750), M R Billing (\$13,750), G J Bubner (\$8,750) and D J Cloke (\$8,750). In addition consulting fees and expenses were paid to related corporations of directors – M R Billing (\$30,548), G J Bubner (\$54,500), D J Cloke (1,769), N W Gardner (\$55,387). Also an amount of \$324,985 for exploration drilling was paid to Titeline Drilling Pty Ltd, a company associated with M K Ashton and an amount of \$138,523 for exploration civil works was paid to Remote Contracting Services Ltd, a company associated with N W Gardner.

**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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+ See chapter 19 for defined terms.

### 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	0	0
3.2 Credit standby arrangements	0	0

### Estimated cash outflows for next quarter

	\$A'000
4.1 Exploration and evaluation (Refer Note 6)	1,250
4.2 Development	0
<b>Total</b>	<b>1,250</b>

### Reconciliation of cash

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.

	Current quarter \$A'000	Previous quarter \$A'000
5.1 Cash on hand and at bank	602	112
5.2 Deposits at call	9,471	1,215
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>10,073</b>	<b>1,327</b>

### Changes in interests in mining tenements

	Tenement reference	Nature of interest (note (2))	Interest at beginning of quarter	Interest at end of quarter
6.1 Interests in mining tenements relinquished, reduced or lapsed	EL 24814	JV Genesis Resources	45%	0%
	EPM 15771	JV Genesis Resources	45%	0%
	EL 26759	Roper Bar JV	85%	80%
	EL 25672	Roper Bar JV	85%	80%
	EL 24307	Roper Bar JV	85%	80%
	EL 24944	Roper Bar JV	85%	80%
	EL 26992	Roper Bar JV	85%	80%
	EL 24665	Roper Bar JV	85%	80%
	EL 25373	Limbla	100%	0%
	EL 25554	Limbla	100%	0%
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, redemptions				
7.3 <b>+Ordinary securities</b>	128,453,915	128,453,915	N/A	Fully Paid
7.4 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs	21,380,713	21,380,713	N/A	Fully Paid
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</i>	<i>Expiry date</i>
Options A *	3,362,500	0	25	30/06/2010
Options B *	1,500,000	0	25	30/06/2011
Options C*	800,000	0	18	30/09/2011
Options D*	1,535,643	0	18	30/11/2011
Options E*	5,000,000	0	20	30/11/2013
Options F*	100,000	0	18	30/09/2011
Options G*	500,000	0	11	23/04/2012
7.8 Issued during quarter	0	0		
7.9 Exercised during quarter	1,887,500 220,000 450,000 838,614 50,000	1,887,500 220,000 450,000 838,614 50,000	25 20 18 18 11	30/06/2010 30/06/2011 30/09/2011 30/11/2011 23/04/2012
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>				

Options A \* - Options issued to seed capitalists and brokers.  
Options B \* - Options issued to sponsoring broker.  
Options C \* - Options issued pursuant to the WDR Employee Options Scheme.  
Options D \* - Listed options issued pursuant to Rights Issue.  
Options E \* - Director's options.  
Options F \* - Options issued to legal advisor.  
Options G \* - Options issued pursuant to the WDR Employee Options Scheme.

+ 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: 28/ 1 / 2010  
(Company secretary)

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.
- 6 **Exploration Expenditure** Reimbursement of \$750k exploration expenditure is expected from Joint Venture Partner Itochu in the next quarter.

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