



GoldenWest
RESOURCES LIMITED

ABN 54 102 622 051

31 July 2012

About Golden West Resources

Golden West Resources is an emerging Iron ore producer in the Midwest region of Western Australia.

To date the company has a total JORC Hematite Reserve of 69.2Mt, comprising of Proven 2.9Mt @ 59.7% Fe and Probable 66.4Mt @ 60.3% Fe and a Resource of 130.3Mt, comprising of Measured 3.7Mt @ 59.6% Fe, Indicated 77.2Mt @ 60.3% Fe and Inferred 49.5Mt @ 59.8% Fe, making it the second largest DSO resource in the Midwest Iron Ore province.

Golden West Resources also has a JORC gold Resource comprising of Indicated 46,000t @ 3.54 g/t Au and Inferred 3,432,000t @ 2.29g/t Au.

Corporate summary

ASX code: GWR

Issued Capital: 192.142 Million

Issued Options: 24.6 Million

Cash on hand: \$24.9 Million

Board and Management

Gary Lyons

Non-executive Chairman

Mick Wilson

Executive director

Tien Seng Law

Non-executive director

Kong (Jimmy) Lee

Non-executive director

CA Lau

Non-executive director

Sophie Raven

Company secretary

Craig Ferrier

Executive General Manager

Enquiries

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QUARTERLY REPORT – June 2012

HIGHLIGHTS

Wiluna West Iron Project

Mining Approval

- GWR has been granted formal approval to commence mining operations at its Wiluna West project.
- The approval applies to the John William Douth (JWD) deposit which contains a high grade hematite Resource of 10.8Mt at an average grade of 64.1% Fe.
- The Company is now actively pursuing export arrangements through either Esperance or Geraldton.

Infrastructure

- GWR and Esperance Port Authority (EPSL) have agreed the terms to a Capacity Reservation Deed concerning the reservation of capacity in relation to new facilities to be constructed as part of the proposed increase in export capacity at the Port of Esperance.
- GWR is progressing work related to transport logistics solutions for shipping product out of Esperance and Geraldton.

Aboriginal Heritage

- A final Instructions meeting in relation to Aboriginal Heritage was held at the Wiluna West project on the 19th of June with the Tarlpa Native Title claimants. This combined with the results of approximately 2 years of ongoing Aboriginal Heritage survey work will form the basis of a Heritage Management Plan (HMP). The traditional owners also gave heritage clearance for mining to proceed at the JWD deposit.

JWD Development

- A 4,500m infill drilling RC drilling program commenced at the JWD deposit and by the end of the quarter 18 RC drill holes for 1,324m were completed. This drilling will be used to complete detailed mine planning.
- Product quality and product definition work was progressed during the quarter with a programme of metallurgical test-work defined to be undertaken with CSIRO in support of technical marketing activities.

Corporate

- GWR remains well funded with cash reserves of \$24.9 million and no debt. In addition, the Company has cash backed security deposits amounting to \$1.1m (increased by \$0.571m during the quarter with the JWD mining approval)

Woodley Iron Project (JV)

- GWR completed a systematic geological mapping and rock chip sampling program which has identified significant hematite goethite mineralisation over a strike length of 15km. Five target areas have been selected for follow up RC drilling and a POW has been lodged with DMP and this will be undertaken once approvals are in place.

Earaheedy Iron Manganese Project

	<ul style="list-style-type: none"> • A meeting was held with the Birriliburu Native Title holders in respect to executing an access deed for E69/2936 and terms have been agreed. • The remaining tenement applications with the exception of E69/3020 (subject to ballot) are expected to be granted shortly
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Wiluna West Hematite Project

Mining Approvals

In April, GWR announced that it had been granted formal approval to commence mining of its high grade resources at Wiluna. The approval from the State Department of Minerals and Petroleum (DMP) will allow GWR to mine up to one million tonnes per annum for three years from their John William Douth (JWD) deposit. The JWD deposit contains a direct shipping ore (DSO) hematite resource of 10.8Mt at a very high grade 64.1%, providing iron levels at or above resources found in the Pilbara (refer announcement dated 23 April 2012).

The Company has previously been granted a clearing permit from the Department of Environment and Conservation (DEC) meaning that other than works approvals, all statutory approvals have now been obtained. GWR expect mining to be by conventional open cut, contract mining with works approval for the crushing and screening process and a water extraction licence to be obtained prior to the commencement of operations.

Since the notification of the mining approval, the Company has continued to progress discussions in relation to port access to support trial shipments of JWD ore and/or the longer term export of ore from the JWD deposit. During the quarter GWR has progressed work related to transport logistics solutions for shipping product out of Esperance and Geraldton.

Infrastructure

In January 2012 the West Australian Government through the Minister for Transport announced its decision to increase the Esperance port capacity by up to 20 million tonnes per annum in a staged plan. The Company has continued to advance discussions with interested parties in the planned increase of Esperance Port capacity. This has included Department of Transport (DoT), infrastructure groups, and other industry players.

In June 2012 the DoT and Esperance Ports Sea and Land (EPSL) advertised a market sounding in relation to the development plans and to support identification and selection of a proponent(s). GWR remains actively engaged in activities related to the proposed port development.

Since the end of the quarter, GWR and EPSL have agreed the terms to a Capacity Reservation Deed concerning the reservation of capacity in relation to facilities to be constructed as part of the proposed increase in export capacity at the Port of Esperance (New Facilities). The arrangements reserve capacity for GWR to export 3 million tonnes per annum utilising the New Facilities. GWR's right to access the Port or utilise any reserved capacity is dependent on the Company entering into a New Facilities Agreement on terms that are acceptable to the respective parties (including a future operator of the proposed New Facilities).

GWR is also actively pursuing opportunities for the transport and export of its high grade JWD ore through either Esperance or Geraldton. The Company remains optimistic of completing arrangements that will lead to the development of the JWD deposit now that the formal mining approval has been granted.

GWR has also progressed work on the mining proposal for the entire Wiluna West Iron project and referral document to be submitted to the EPA. Consultation with key stakeholders was concluded during the quarter.

Aboriginal Heritage

A final Instructions meeting in relation to Aboriginal Heritage was held at the Wiluna West project on the 19th of June with the Tarlpa Native Title claimants. This combined with the results of approximately 2 years of ongoing Aboriginal Heritage survey work will form the basis of a Heritage Management Plan (HMP). The traditional owners also gave heritage clearance for mining to proceed at the John William Douth (JWD) hematite deposit.

JWD Development

Infill RC Drilling

A 4,500m infill drilling RC drilling program commenced at the JWD deposit and by the end of the quarter 18 RC drill holes for 1,324m were completed. Upon completion of the current programme of RC drilling the deposit in the proposed mine area will have been drilled out on a nominal 50m by 20m spacing;

- This drilling will underpin detailed mine planning and scheduling.
- Will be used in product quality studies.
- Facilitate the conversion of the indicated and Inferred Resources to a Measured status.

Product Quality and Definition

Product quality and product definition work was progressed during the quarter with a programme of metallurgical test-work defined in support of technical marketing activities. The initial work will focus on lump test-work to be undertaken at the CSIRO facilities in Brisbane with sinter pot test work planned to follow. Work is scheduled to commence in the September quarter this year.

Other

RC Drilling E53/1116

A total of six RC holes for 594 meters was completed at the South 4 prospect testing outcropping hematite mineralisation. Assay results are not as yet available.

Corporate

GWR remains well funded with cash reserves of \$24.9 million and no debt. In addition, the Company has cash backed security deposits amounting to \$1.1m (increased by \$0.571m during the quarter with the JWD mining approval).

Wiluna West Gold Project

The Wiluna West Gold Project (Figure 3) contains a total Resource Estimate comprising Indicated Resource 46,000 tonnes @ 3.5g/t Au and Inferred Resource 3.43Mt @ 2.3g/t Au.

The Company is seeking to commence gold production by custom milling ore at a nearby processing facility. Previous operators excavated a small open pit over a portion of the Golden Monarch deposit, from which a 1,235 tonne trial parcel of stockpiled ore was transported to the Apex mill in Wiluna. The trial parcel is awaiting treatment at the Apex mill to provide metallurgical information and assist with negotiations in respect to reaching a toll milling agreement.

Woodley Iron Project

On the 30th March GWR announced that through its 100% owned subsidiary Iron West Resources Pty Ltd it had executed a farm in agreement with ASX listed Company Nemex Resources Limited (“Nemex”) for Nemex’s Woodley iron project.

The 420km² Woodley Project is located 600km north of Perth and 100km south west of the GWR Wiluna West Iron Project in the mid-west region of WA (refer Figure 1) and contains a north-west trending banded iron formation (“BIF”) with a strike length of 22km.

The recently completed geological mapping has identified widespread hematite and goethite mineralisation over a strike length of approximately 15km associated with BIF. Rock chip sampling has confirmed that significant mineralisation is present in outcrop over significant widths of up to 30m in some locations, highlights of which are presented in Table 1 and all results are plotted on Figure 4

Table 1
Significant Rock Chip Sample Results

Samp.no	Northing	Easting	Fe	Ca Fe	SiO ₂	Al ₂ O ₃	P	LOI
A029394	6935430	741049	65.83	67.91	1.76	0.54	0.101	3.06
A029330	6937594	737680	65.20	68.62	1.03	0.52	0.019	4.99
A029333	6938366	737567	64.56	68.04	1.61	0.70	0.032	5.11
A029189	6937538	740035	64.26	65.93	2.96	2.24	0.035	2.54
A029140	6940655	739220	64.00	66.94	1.78	1.82	0.045	4.39
A029144	6940668	739344	63.90	65.67	4.63	0.89	0.035	2.70
A029341	6928852	746566	63.88	67.11	1.85	1.30	0.206	4.82
A029341	6928852	746566	63.88	67.11	1.85	1.30	0.206	4.82
A029413	6935093	740918	63.82	66.47	3.08	1.09	0.025	3.98
A029325	6936729	737785	63.79	66.29	2.92	1.46	0.061	3.77
A029356	6936481	740161	63.49	65.34	3.99	2.30	0.032	2.83
A029398	6935303	741153	63.49	66.83	1.92	1.59	0.056	5.00
A029176	6938422	739679	63.47	65.98	2.96	1.83	0.069	3.80
A029296	6936224	740755	63.46	65.71	4.43	1.25	0.088	3.43
A029355	6936701	740203	63.36	65.77	3.45	1.97	0.060	3.66
A029212	6940920	739307	63.27	67.01	2.28	1.45	0.049	5.58
A029410	6935305	741029	63.25	67.50	1.76	0.83	0.065	6.29
A029297	6936209	740765	63.22	66.31	3.28	1.40	0.066	4.66
A029407	6935370	740932	63.15	66.64	2.12	1.32	0.199	5.24
A029150	6940758	739245	63.10	65.25	4.72	1.04	0.109	3.30

Note: Ca Fe = Fe/(100-LOI)*100

A total of 225 rock chip samples were collected and 70% of these had grades >55% Fe, with 35% reporting grades >60% Fe, to a maximum of 65.2% Fe (68.6% Ca Fe). The rock chip samples indicate high-grade iron values at surface, however, the depth extent of this possible DSO mineralisation will not be known until drilling has been undertaken. GWR has submitted a Program of Works (“POW”) to the Department of Minerals and Energy (“DMP”) for an RC drilling program to test five target areas and this drilling will be undertaken as soon as approval is obtained.

Earaheedy Iron & Manganese Project

GWR continues to look for opportunities within the Earraheedy Basin, located approximately 200km north east of Wiluna. This basin is considered highly prospective for both iron and manganese deposits. GWR has now acquired a total area of 1,382km². Previous exploration mostly in the 1970s identified significant hematite goethite mineralisation associated with the Frere Formation, which is evident on air magnetics (Figure 5). GWR's tenement applications, based upon aerial magnetic data interpretation and geological mapping undertaken by the Geological Survey of WA ("GSWA") are estimated to contain approximately 45km of strike.

During the quarter a meeting was held with the Birriliburu Native Title holders with respect to executing an access deed for E69/2936 and terms have been agreed. The remaining tenement applications with the exception of E69/ 3020 (subject to ballot) are expected to be granted shortly. Upon grant GWR intends to undertake airborne geophysical surveys and geological mapping programs.

Project Generation

As previously announced the Company is now actively seeking other iron ore and bulk commodity opportunities within the Midwest and Yilgarn regions.

Community

A long-term friendship continues to blossom between the Wiluna Martu Eagles and the Dalkeith Nedlands junior football clubs after their fourth annual "footy" match was held this year at Wiluna.

Alternating between the two home communities of Perth and Wiluna, this extraordinary event is the brainchild of GWR Executive Director Mick Wilson and past president of the Nedlands Dalkeith club Peter Dawson, and has the financial support of Golden West Resources and nine other resource and services companies operating in and around Wiluna.

WA Football Commission Director of Pathways and Competitions Grant Dorrington and WAFL Commissioner Larry Kickett attended the weekend, which included a cultural awareness program run by the local Martu people with assistance from the Central Desert Native Title Services.

According to Grant Dorrington, football is the common ground which has allowed these two very different communities to develop close bonds both among the players and their parents and supporters.

"This is the type of program we will now carefully study to see if it can be spread to other communities particularly in the more remote regional areas of Western Australia," Grant Dorrington said.

Competent Person's Statement

The information in this report which relates to Exploration Targets, Exploration Results, Mineral Resources or Ore Reserves is based on information compiled by Mr Brian Varndell, who is a Fellow of the Australasian Institute of Mining & Metallurgy ("AusIMM") and independent consultant to the Company. Mr Varndell is a consultant of Al Maynard & Associates Pty Ltd and has 40 years of experience in exploration and mining in a variety of mineral deposit styles. Mr Varndell has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the "Australasian Code for reporting of Exploration Results, Mineral Resources and Ore Reserves". Mr Varndell consents to inclusion in the report of the matters based on his information in the form and context in which it appears.

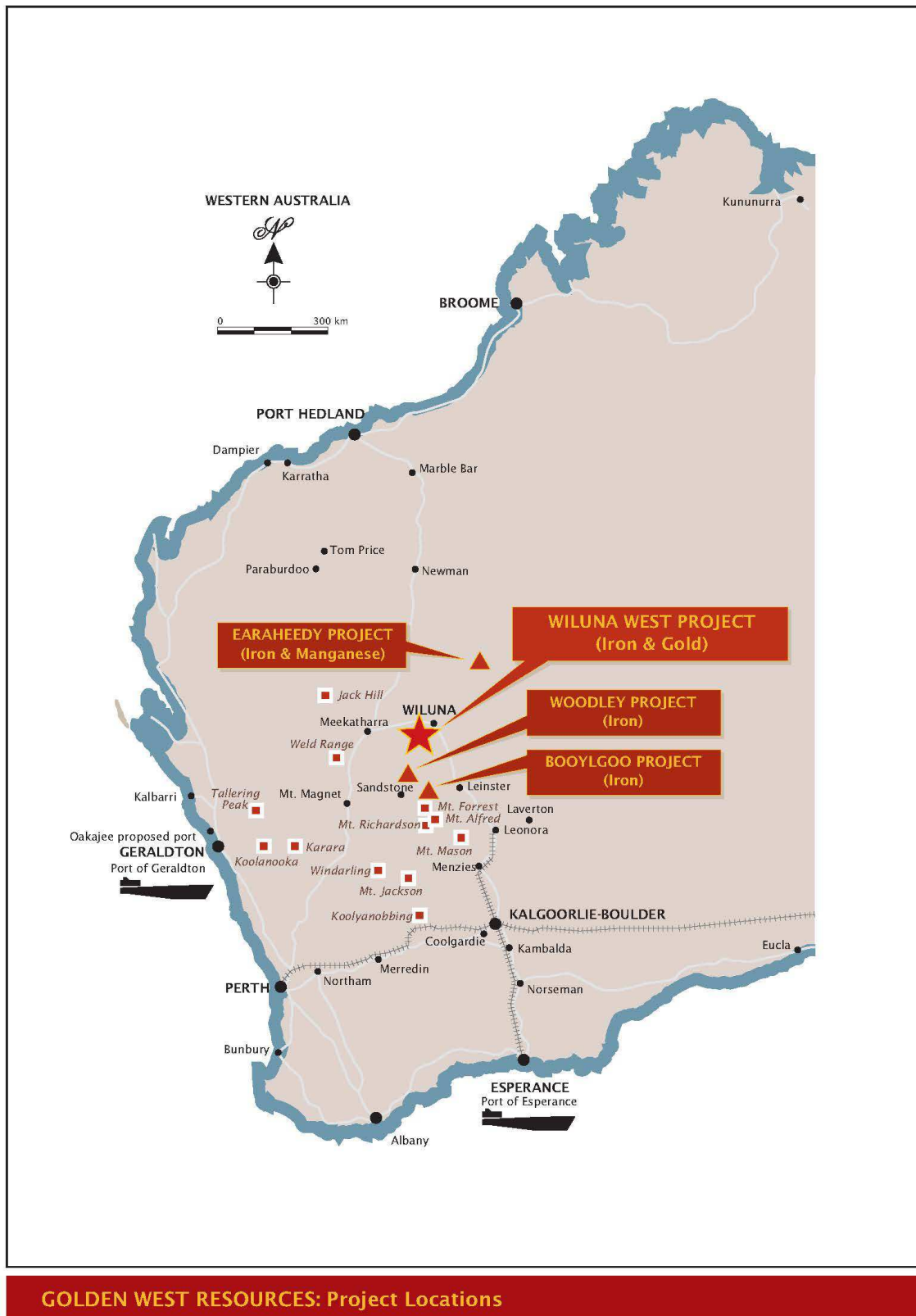


Figure 1: Golden West Resources Project Locations

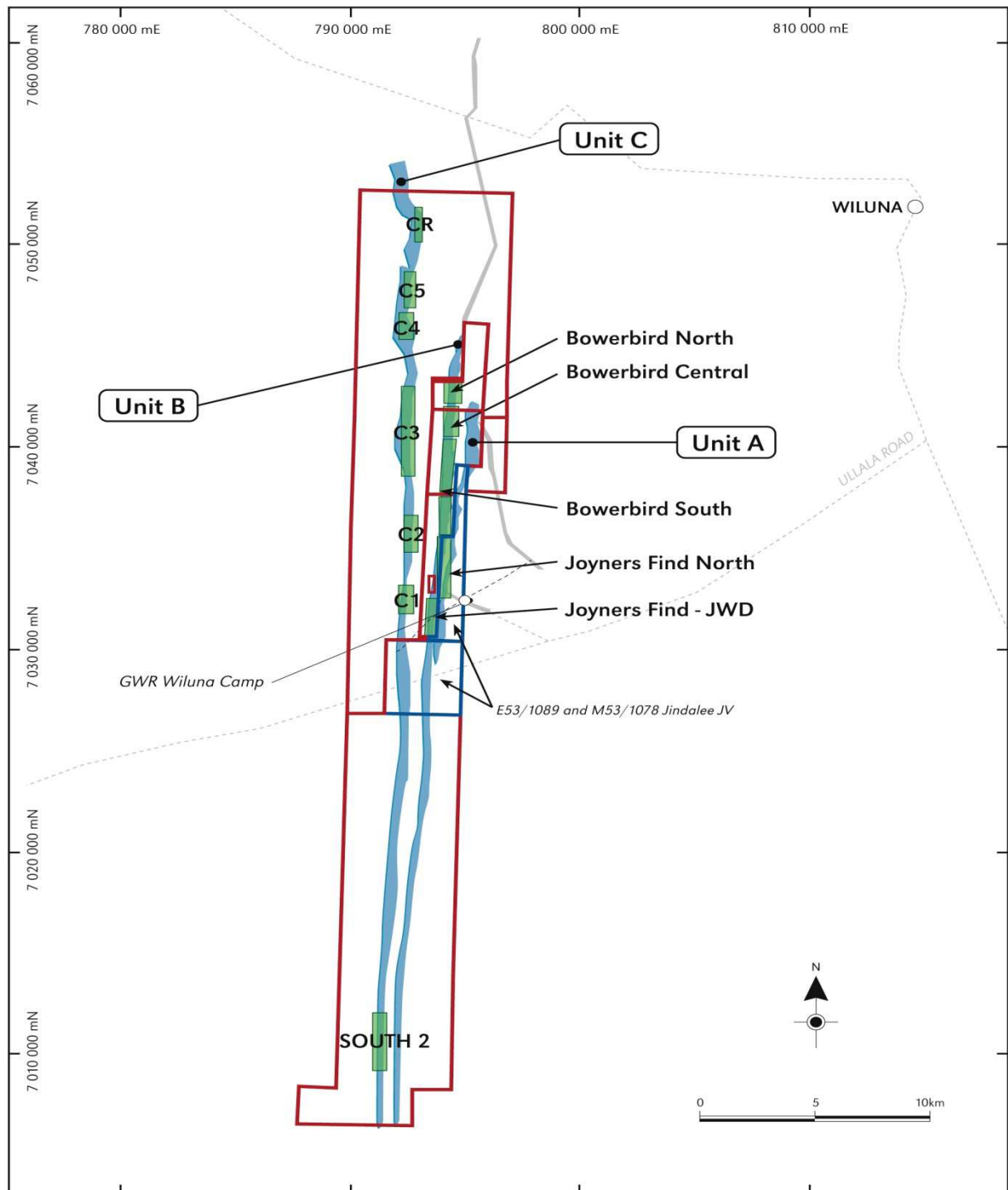


Figure 2: Wiluna West Iron Project

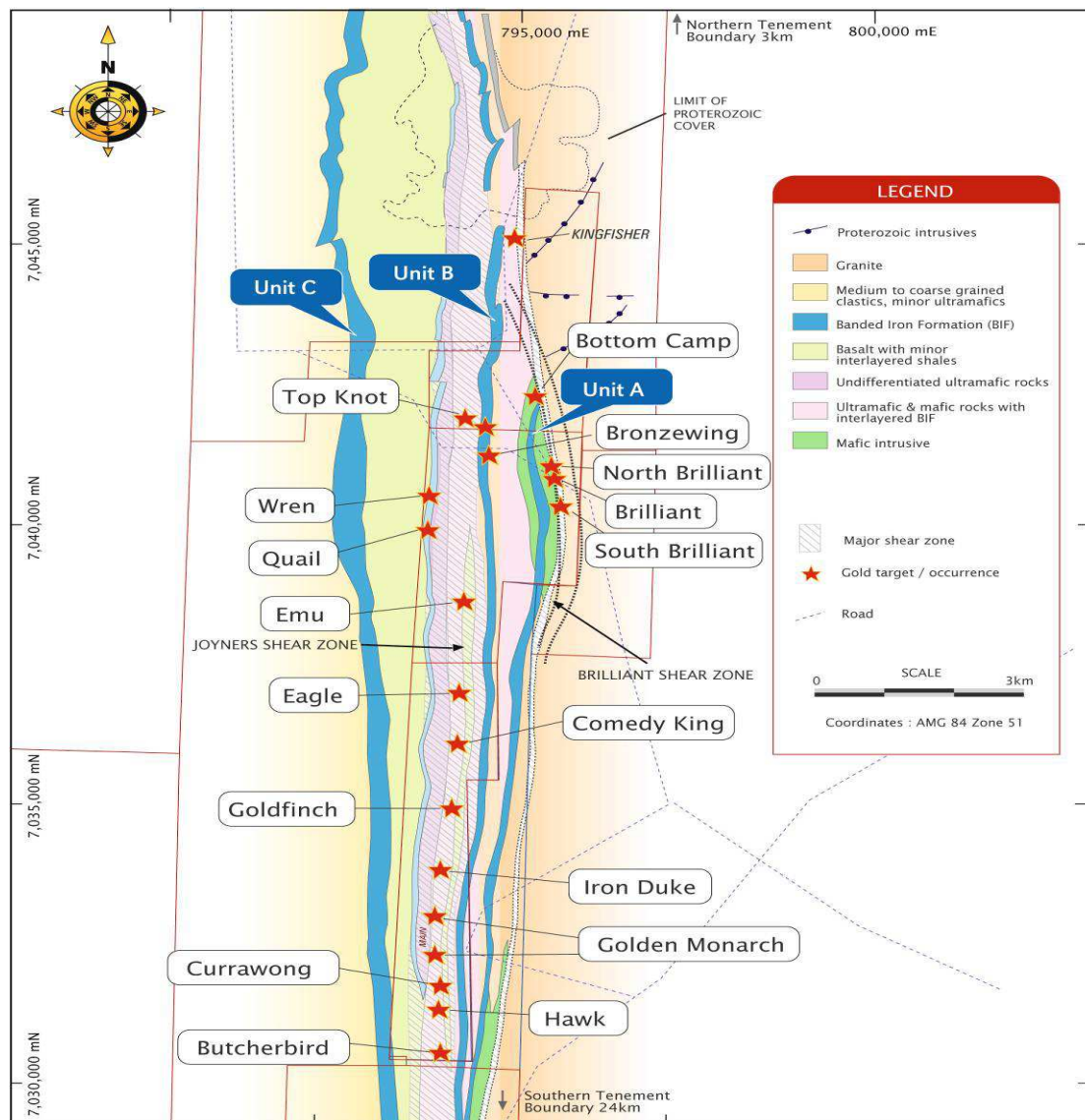


Figure 3 Wiluna West Gold

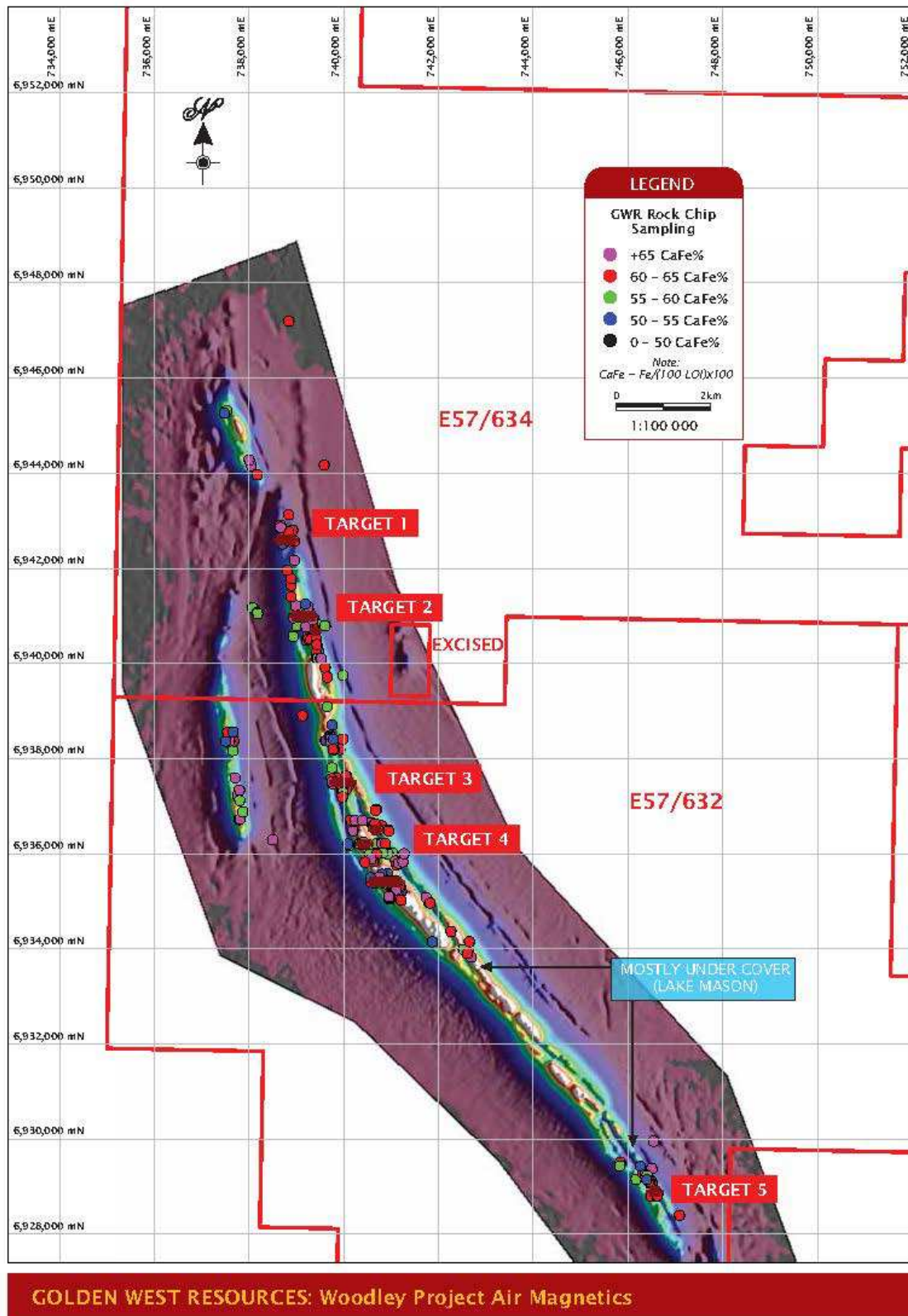


Figure 4 Woodley Project Air Magnetics and Rock Chip Sample Results

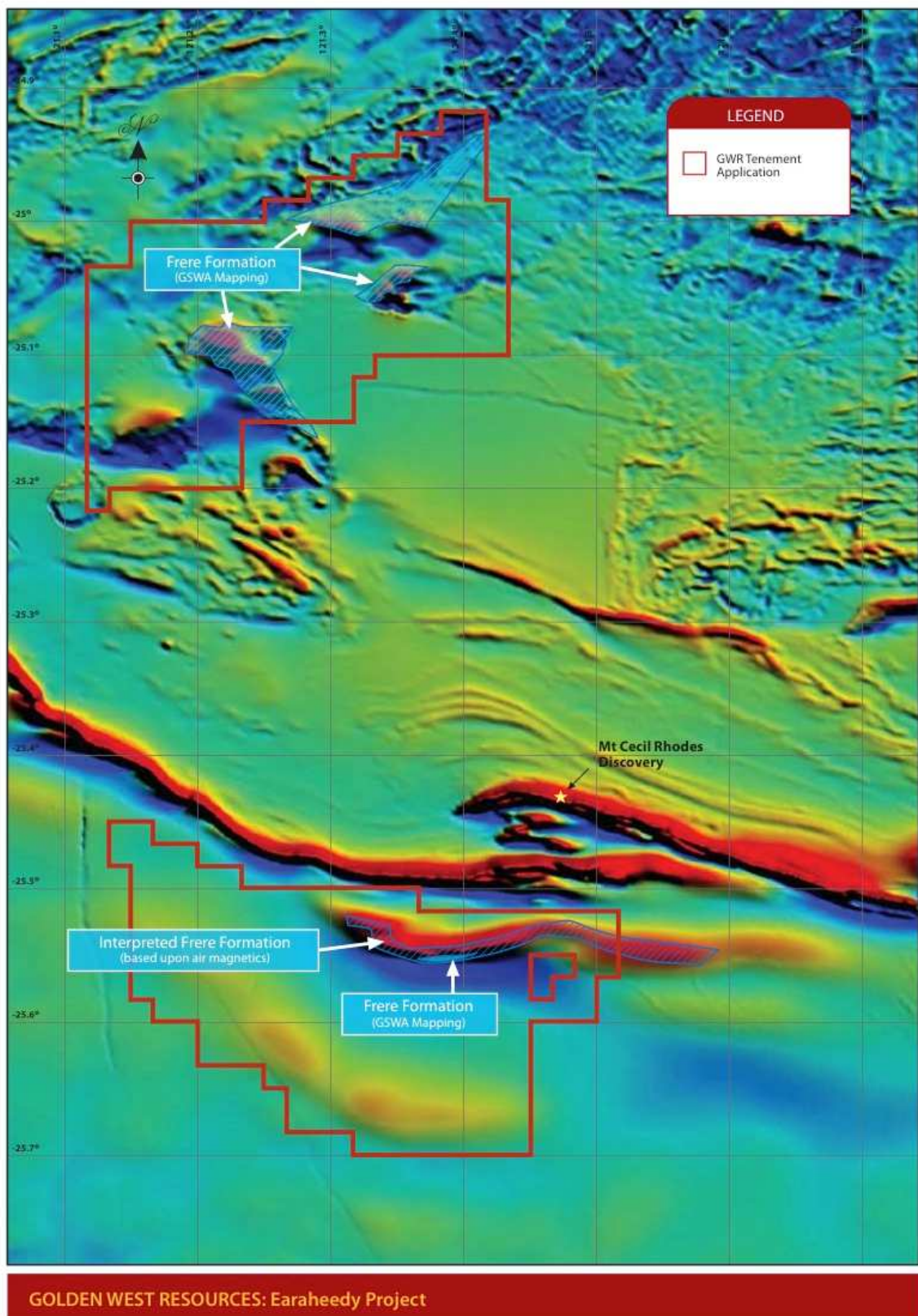


Figure 5 Earaheedy Project

Appendix 5B

Mining exploration entity quarterly report

Introduced 01/07/96 Origin Appendix 8 Amended 01/07/97, 01/07/98, 30/09/01, 01/06/10, 17/12/10

Name of entity

Golden West Resources Limited

ABN

54 102 622 051

Quarter ended ("current quarter")

30 June 2012

Consolidated statement of cash flows

		Current quarter (3 month's) \$A'000	Year to date (12 month's) \$A'000
Cash flows related to operating activities			
1.1	Receipts from product sales and related debtors	-	-
1.2	Payments for (a) exploration & evaluation	(877)	(4,865)
	(b) development	-	-
	(c) production	-	-
	(d) administration	(897)	(3,335)
1.3	Dividends received	-	-
1.4	Interest and other items of a similar nature received	194	2,113
1.5	Interest and other costs of finance paid	-	-
1.6	Income taxes paid	-	-
1.7	Other (provide details if material)	-	-
Net Operating Cash Flows		(1,580)	(6,087)
Cash flows related to investing activities			
1.8	Payment for: (a) prospects	-	-
	(b) equity investments	-	(39)
	(c) other fixed assets	(8)	(110)
1.9	Proceeds from: (a) prospects	-	-
	(b) equity investments	-	-
	(c) other fixed assets	-	34
1.10	Loans to other entities	-	(113)
1.11	Loans repaid by other entities	-	104
1.12	Other (Environmental bonds & security deposits)	(571)	(530)
Net investing cash flows		(579)	(654)
1.13	Total operating and investing cash flows (carried forward)	(2,159)	(6,741)

1.13	Total operating and investing cash flows (brought forward)	(2,159)	(6,741)
	Cash flows related to financing activities		
1.14	Proceeds from issues of shares, options, etc.	-	-
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)	-	-
	Net financing cash flows	-	-
	Net increase (decrease) in cash held	(2,159)	(6,741)
1.20	Cash at beginning of quarter/year to date	27,041	31,623
1.21	Exchange rate adjustments to item 1.20	-	-
1.22	Cash at end of quarter	24,882	24,882

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	285
1.24	Aggregate amount of loans to the parties included in item 1.10	-
1.25	Explanation necessary for an understanding of the transactions	
	Payment of fees, salaries and superannuation to the directors of the Company during the quarter.	

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

- 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

Financing facilities available

Add notes necessary for an understanding of the position.

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

Estimated cash outflows for next quarter

	\$A'000
4.1 Exploration and evaluation	2,124
4.2 Development	-
4.3 Production	-
4.4 Administration	842
Total	2,966

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.		Curent quarter \$A'000	Previous quarter \$A'000
5.1 Cash on hand and at bank		682	841
5.2 Deposits at call		24,200	26,200
5.3 Bank overdraft		-	-
5.4 Other (provide details)		-	-
Total: cash at end of quarter (item 1.22)		24,882	27,041

Changes in interests in mining tenements

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

Issued and quoted securities at end of current quarter

Description includes rate of interest and any redemption or conversion rights together with prices and dates.

		Total number	Number quoted	Issue price per security (see note 3) (cents)	Amount paid up per security (see note 3) (cents)
7.1	Preference ⁺securities <i>(description)</i>				
7.2	Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions				
7.3	⁺Ordinary securities	192,142,447	192,142,447		
7.4	Changes during quarter (a) Increases through issues: (b) Decreases through returns of capital, buy-backs				
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>	21,500,000 700,000 1,400,000 1,000,000		Exercise price \$0.58 \$0.58 \$0.58 \$0.58	Expiry date 22 Nov 2015 4 Jan 2016 22 Feb 2016 22 Mar 2016
7.8	Issued during quarter Unlisted options to employees & a contractor Unlisted options to a consultant Unlisted options to an employee				
7.9	Exercised during quarter				
7.10	Expired during quarter				
7.11	Debentures <i>(totals only)</i>				

7.12 **Unsecured notes** (*totals only*)

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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 5).
- 2 This statement does give a true and fair view of the matters disclosed.

Sign here:



Date:

31 July 2012

Print name:

Mr Craig Ferrier
Executive General Manager

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 6: Exploration for and Evaluation of Mineral Resources* and *AASB 107: 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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