

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

ABN

48 122 301 848

Quarter ended ("current quarter")

30 September 2009

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 and evaluation	(1, 641)	(1, 641)
	(b) development	0	0
	(c) production	0	0
	(d) administration	(285)	(285)
1.3	Dividends received	0	0
1.4	Interest and other items of a similar nature received	10	10
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)	1,325	1,325
Net Operating Cash Flows		(591)	(591)
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	(389)	(389)
1.9	Proceeds from sale of:		
	(a)prospects	0	0
	(b)equity investments	0	0
	(c)other fixed assets	0	0
		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
Net investing cash flows		(389)	(389)
1.13	Total operating and investing cash flows (carried forward)	(980)	(980)

+ See chapter 19 for defined terms.

Appendix 5B
Mining exploration entity quarterly report

1.13	Total operating and investing cash flows (brought forward)	(980)	(980)
	Cash flows related to financing activities		
1.14	Proceeds from issues of shares, options, etc.	1,389	1,389
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
	Net financing cash flows	1,389	1,389
	Net increase (decrease) in cash held	409	409
1.20	Cash at beginning of quarter/year to date	918	918
1.21	Exchange rate adjustments to item 1.20	0	0
1.22	Cash at end of quarter	1,327	1,327

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
1.24	Aggregate amount of loans to the parties included in item 1.10

1.25 Explanation necessary for an understanding of the transactions

Amount of \$844,197 at 1.23 comprises directors fees – M A Ashton (8,750), M R Billing (\$13,750), G J Bubner (\$8,750) and D J Cloke (\$8,750). In addition consulting fees were paid to related corporations of directors – M R Billing (\$24,438), G J Bubner (\$30,616), N W Gardner (\$48,659). Also an amount of \$443,088 for exploration drilling was paid to Titeline Drilling Pty Ltd, a company associated with M K Ashton and an amount of \$257,395 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

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

+ 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)	1,500
4.2 Development	0
Total	1,500

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	112	68
5.2 Deposits at call	1,215	850
5.3 Bank overdraft	0	0
5.4 Other (provide details)	0	0
Total: cash at end of quarter (item 1.22)	1,327	918

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 25660 EL 23630 EL 25469	Hayes Dam Winnecke Sliding Rock Well	100% 100% 100%	0% 0% 0%
6.2 Interests in mining tenements acquired or increased	EL 24814 EPM 15771	JV Genesis Resources JV Genesis Resources	0% 0%	45% 45%

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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 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	103,627,088	103,627,088	N/A	Fully Paid
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>			<i>Exercise price</i>	<i>Expiry date</i>
	Options A *	5,250,000	0	25	30/06/2010
	Options B *	1,500,000	0	25	30/06/2011
	Options C *	220,000	0	20	30/06/2011
	Options C*	1,250,000	0	18	30/09/2011
	Options D*	2,374,257	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*	550,000	0	11	23/04/2012
7.8	Issued during quarter	0	0	18	30/09/2011
7.9	Exercised during quarter	15,660	15,660	18	30/11/2011
		500,000	0	24.659865	30/06/2010
7.10	Expired during quarter	100,000	0	18	30/09/2011
7.11	Debentures <i>(totals only)</i>				
7.12	Unsecured notes <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.

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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 4).
- 2 This statement does give a true and fair view of the matters disclosed.



Sign here: Date: 28/ 10 / 2009
(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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