

Highlights

Wiluna West Iron Ore Project

- In April, GWR received formal advice from the Environmental Protection Authority that the Wiluna West Iron Ore Project does not warrant formal assessment under the Environmental Protection Act 1986. This means that future mining proposals will only require Department of Minerals and Energy clearance
- As previously announced GWR released a Resource update for the high grade DSO hematite JWD deposit with a total of 10.7Mt at 63.7% Fe with >60% of the Resource now in the Measured category.
- Sinter pot testing completed at CISRI's Beijing facilities during the quarter demonstrate JWD fines products perform in the sintering process at a level equivalent to or better than the high volume, seaborne-traded, iron ore fines products currently exported from the Pilbara region.
- The proposed development of a new multi-user iron ore export facility at the Port of Esperance progressed with two consortia selected during the quarter for RFP phase of the procurement process.
- Commercial discussions advanced concerning port and infrastructure access.

Wiluna West Gold Project

- GWR is currently undertaking a detailed review of its gold asset, in particular the Golden Monarch and Iron King deposits. This work includes resource modelling and pit optimisation studies and this work will be completed in the coming Quarter.

Earaheedy Iron & Manganese Project

- A detailed photogeological interpretation has been completed on E69/2026 (Dragon JV) by Nick Locket and Associates, which has identified a number of targets prospective for iron and manganese mineralisation

Corporate

- GWR remains well funded with cash reserves of \$24.4m and no debt. This strong cash position continues to allow GWR to assess a number of new project opportunities in Australia and Africa.
- During the quarter GWR successfully completed an underwritten Entitlements Issue on the basis of one new share for every four shares held to raise approximately \$7.2m before costs.

About GWR

Golden West Resources Limited (GWR) is an emerging iron ore producer in the Midwest region of Western Australia.

To date the company has a total JORC Code compliant 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 Code compliant gold Resource comprising an Indicated 46,000t @ 3.5 g/t Au and Inferred 3,432,000t @ 2.3g/t Au.

Corporate Summary

ASX code: GWR
Issued Capital: 249.18 million
Issued Options: 24.6 million
Cash on hand: \$24.4 million

Board & Management

Gary Lyons

Non-executive Chairman

Mick Wilson

Executive Director

Tan Sri Dato' Tien Seng Law

Non-executive Director

Kong Leng (Jimmy) Lee

Non-executive Director

Chin An (CA) Lau

Non-executive Director

Mark Pitts

Company Secretary

Craig Ferrier

Chief Executive Officer

Enquiries

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Wiluna West Iron Ore Project

Mining Approvals Major Project

In April 2013 GWR received notification from the Office of the Environmental Protection Authority (“EPA”), of the Chairman’s determination, on the level of assessment required for the Wiluna West Iron Ore Project environmental referral.

The referral, lodged with the EPA in December 2012 under section 38(1) of the Environmental Protection Act 1986 (“EP Act”), concerned the plans to develop the Wiluna West iron ore mine at a rate of production of up to 10 million tonnes per annum with a mine life of approximately 15 years.

The EPA has advised that it considers the information provided by GWR, in its referral information, is adequate, and although it does potentially impact on the environmental factors identified, it does not warrant formal assessment under the EP Act. The EPA advised that any potential environmental impacts of the proposal can be adequately regulated and mitigated by other statutory decision-making processes in order to meet the EPA’s objectives and principles. The determination was subject to a 14 day appeals period, which closed without any objection lodged.

GWR has already received approval from the Western Australian Department of Mines and Petroleum for mining of the John William Douth (“JWD”) high grade deposit. The JWD mining proposal allows mining to commence at a rate of 1 million tonnes per annum for three years, and forms part of the larger Wiluna West Iron Ore Project.

The determination will permit development of the Wiluna West Iron Ore Project on the basis of large scale mining activity, subject to standard processes including, obtaining clearing permits under Part V of the EP Act and approval of mining proposals under the Mining Act 1978. As outlined above, GWR has already obtained clearing permits and approval under the Mining Act 1978 for mining to commence at the JWD deposit.

Infrastructure

In January 2012, the Western Australian State Government announced its decision to increase the Esperance port capacity by up to 20 million tonnes per annum, in a staged expansion plan. The State Government announced in January 2013 that it had given the go-ahead for the next stage of developing a new iron ore export facility at the Port of Esperance.

Transport Minister Troy Buswell announced that the State Government has accepted an Esperance Port Authority (“EPSL”) board recommendation to start a procurement process to identify a private sector consortium to design, finance, construct and operate the planned Multi-User Iron Ore Facility (“MUIOF”).

The private sector were invited to participate in a Registration of Interest and Pre-qualification (“ROIP”) process. This followed a market sounding exercise conducted for the EPSL in 2012 which indicated that it may be commercially viable to develop a facility for an additional 10 to 12 million tonnes per year. Esperance Port currently has an operating licence to handle 11.5 million tonnes a year.

The market sounding exercise carried out by EPSL also confirmed previous industry studies that iron ore production in the Yilgarn region could significantly grow in the next 10-15 years.

Two of five consortia that registered an interest in participating in a Request for Proposal (RFP) have been short-listed to tender for the project. The two consortia are:

- Qube Bulk Pty Ltd and Brookfield Infrastructure (Australia) Pty Ltd, and
- Yilgarn Esperance Solution (YES) consortium. YES consortium comprises McConnell Dowell Constructors (Aust) Pty Ltd, Asciano and Marubeni Corporation Ltd.

The short-listed consortia have significant experience in infrastructure investment as well as designing, financing and operating major projects related to the movement and handling of large volumes of bulk products. EPSL believe that a key feature of the MUIOF is that it will be designed and developed by the private sector. Accordingly, the scope and capital costs of the project will be identified by the private sector, based on its view of the level of commercially sustainable demand for iron ore export capacity through the Port.

In July 2012, GWR and EPSL entered into 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 previously commissioned engineering firm, AECOM to develop a GWR-specific supply chain model customised to include transportation of ore from the Wiluna West mine site to potential rail hub(s) between Leonora and Menzies. This work is being used to further define the project development options and assist in current and future commercial discussions.

During the quarter the Company has continued discussions with interested parties in the planned increase of Esperance Port capacity and has also progressed discussions concerning port and infrastructure access related to Geraldton Port.

JWD Development

Resource Update

In April 2013, GWR announced that it had completed a resource update for the high grade DSO hematite JWD deposit located at the Wiluna West Iron Ore Project.

The total Mineral Resource estimate for the JWD deposit is 10.7 million tonnes at 63.7% Fe, above a cut off of 55% Fe, as set out in Table 1.

In April 2012, GWR announced that it had received the Western Australian Department of Mines and Petroleum approval of the mining proposal for the JWD high grade deposit. This Mining Approval concerns 1 million tonnes per annum for three years. In August 2012, the company completed an RC infill drilling program as part of the work undertaken prior to commencement of mining activities.

The JWD Resource estimate has been calculated by independent consultants Optiro and includes the results of the infill RC drilling program undertaken in 2012. The nominal drill spacing is now 50m by 20m (previously 100m by 40m). The deposit is high grade and has low contaminants, with SiO₂ at 2.8% and Al₂O₃ at 1.5% and 60% of the Mineral Resource is in the Measured category.

The updated JWD resource has been re-estimated on redefined northing limits and shows an overall increase in tonnes (1.2 Mt) and minor reduction in Fe grade compared with the previous 2010 estimate (based on the same northing limits). Silica grades compare favourably between the two estimates, with alumina grades reduced at most Fe cut-offs. Phosphorous and LOI grades have increased slightly.

The increase in drill density for the current estimate has resulted in an increase in resource confidence, hence the resource is now classified dominantly as Measured, with some Indicated and Inferred, compared with the Indicated and Inferred classification of the previous estimate.

Table 1
March 2013 - JWD Mineral Resource by resource category

	% Fe Cut off	Mt	Fe %	SiO ₂ %	Al ₂ O ₃ %	P %	LOI %
Measured	55	6.4	64.1	2.63	1.51	0.034	3.07
	58	6.3	64.2	2.58	1.49	0.034	3.06
	60	6.2	64.3	2.47	1.44	0.033	3.01
	65	2.3	66.2	1.85	1.12	0.023	1.60
Indicated	55	0.9	63.6	2.76	1.33	0.030	3.57
	58	0.8	63.9	2.46	1.27	0.030	3.59
	60	0.8	64.0	2.23	1.25	0.031	3.62
	65	0.3	66.4	1.57	1.01	0.021	1.50
Inferred	55	3.4	63.1	3.23	1.58	0.029	3.38
	58	3.2	63.5	2.83	1.45	0.029	3.38
	60	3.0	63.8	2.51	1.38	0.029	3.39
	65	0.8	66.3	1.61	1.01	0.020	1.51
Total	55	10.7	63.7	2.83	1.52	0.032	3.21
	58	10.4	63.9	2.64	1.46	0.032	3.20
	60	10.0	64.1	2.47	1.41	0.032	3.17
	65	3.3	66.2	1.77	1.09	0.022	1.57

Competent Person's Statement

The information in this Public Report that relates to JWD Mineral Resources is based on, and accurately reflects, information compiled by Mr. Paul Blackney of Optiro Pty Ltd, who is a Member of The Australasian Institute of Mining and Metallurgy. Mr. Blackney has sufficient experience that 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. Blackney consents to the inclusion in this report of the matters based on the information in the form and context in which it appears.

Product Definition and Marketing

GWR has completed the metallurgical sinter pot test-work program on its JWD normal fines and coarse fines products from the Wiluna West Iron Ore Project.

This program, in conjunction with the lump metallurgical program that was completed and reported in October 2012, now concludes the metallurgical test-work required to demonstrate that the ore to be mined from the JWD deposit at Wiluna West will be a product highly sought after by steel mills.

The JWD lump metallurgical test-work was carried out at the CSIRO laboratories in Brisbane. The test-work confirmed the lump ore to be physically competent with high metallurgical properties, qualities highly valued by North Asian steel mills. The high desirability of using JWD lump was confirmed by feedback obtained from a customer engagement program in late 2012 to steel mills in North East Asia.

Typical Chemical Analysis (%) – JWD Lump						
Fe	SiO₂	Al₂O₃	P	S	LOI	CaFe
63.5	3.7	1.6	0.02	0.01	3.4	65.7

The sintering performance of two JWD iron ore fines products (normal fines and coarse fines) was carried out at CISRI's Beijing research facilities.

Typical Chemical Analysis (%) – JWD Fines (-6.3mm)						
Fe	SiO ₂	Al ₂ O ₃	P	S	LOI	CaFe
61.0	5.8	2.9	0.03	0.01	2.7	62.7

Typical Chemical Analysis (%) – JWD Coarse Fines (-10.0mm)						
Fe	SiO ₂	Al ₂ O ₃	P	S	LOI	CaFe
62.6	4.5	2.0	0.03	0.01	2.7	64.3

A total of nine sintering blends were tested using the substitution method. The blends tested represent the typical iron ore blends expected to be used in sintering in the Chinese steel mills market segment. The CISRI sinter pot test-work results show that the proposed GWR iron ore fines products perform in the sintering process at a level equivalent to or better than (eg productivity, fuel rate) the high volume, seaborne-traded, iron ore fines products currently exported from the Pilbara region.

The resultant sinter product metallurgical test-work (*Reducibility Index (RI)*, *Reduction Degradation Index (RDI)*, *Decrepitation Index (DI)* and *Softening & Melting (S value)*), indicates that the two GWR fines products produce sinter suitable for blast furnace usage and in the case of the S value, a sinter that has improved melting properties.

The positive metallurgical test-work results indicate that GWR's lump and iron ore fines products will be viewed by the steel mills as value adding. This test-work now enables three scenarios for the production and marketing of GWR products:

1. Two products to market – lump ore* (-40mm/+6.3mm) and iron ore fines (-6.3mm)
2. One product to market – coarse iron ore fines (-10mm)
3. One product to market – lump ore (-40mm) (inclusive of undersize fraction below -6.3mm)

* For lump production, a -40mm top size cut off was selected to maximise lump yield and still produce a lump top size suitable for direct charging into blast furnaces.

The next phase of the process optimisation is to establish which scenario maximises the financial returns to GWR, having regard for selling price outcomes, processing costs and logistics and inventory holding costs. This activity is being undertaken in conjunction with processes around port access and logistics.

Wiluna West Gold Project

A comprehensive study of the Wiluna West Gold project has been initiated, focusing on the Golden Monarch and Iron King deposits. This work includes resource modelling and pit optimisation studies. GWR is actively pursuing options for treatment of ore from its Wiluna West Gold Project.

Earaheedy Iron & Manganese Project

GWR continues to look for opportunities within the Earaheedy Basin, located approximately 200km northeast of Wiluna. This basin is considered highly prospective for both iron and manganese deposits. Following signing off the Lee Steere farm-in agreement (E69/2126 and E69/2377), GWR has now acquired a total area of 1,527km².

Previous exploration, mostly in the 1970s, identified significant hematite-goethite mineralisation associated with the Frere Formation that is evident on air magnetics (Figure 2). Based upon aerial magnetic data interpretation and geological mapping undertaken by the Geological Survey of WA, the GWR tenements and applications are estimated to contain approximately 45km of prospective strike. The tenements comprising the Lee Steere farm-in agreement with Dragon Energy are interpreted to contain approximately 38km of prospective strike. Collectively prospective strike is now a total of 83km.

Exploration undertaken during the quarter has included interpretation of high quality satellite imagery.

Detailed Satellite Imagery and Interpretation E69/2126

GWR commissioned Nick Lockett and Associates to acquire detailed satellite imagery and complete a detailed photogeological interpretation over E69/2126 which is part of the Lee Steere farm-in agreement with Dragon Energy. This work has identified a number of targets prospective for DSO iron and manganese mineralisation.

Woodley Iron Project

Detailed geological mapping is planned for the coming quarter.

Investment in West Peak Iron

GWR holds 19.9% interest in ASX listed company West Peak Iron Limited (WPI). Mr Gary Lyons and Jimmy Lee, directors of GWR, have been appointed to the board of WPI.

WPI have been focusing on the Bomi South Project which is located 60km from the port of Monrovia in close proximity to existing railroads, where 7 targets have been identified based upon a detailed aerial magnetic survey completed in 2012. In March 2013 WPI undertook RC drilling at Targets 4 and 6 which intersected true widths of up to 40m of friable itabirite (refer to West Peak Iron June 2013 Quarterly Report)

Field work is currently being undertaken on Targets 2, 3 and 7 which includes geological mapping, and geochemical sampling, including pitting and auger sampling.

Field work is also planned for the Bobo Creek project in the next few months

Project Generation

As previously announced, the Company is now actively seeking other iron ore and bulk commodity opportunities within Western Australia and elsewhere. The Company has recently reviewed a number of opportunities within Australia and Africa.

Corporate

Cash position

GWR remains well funded with cash reserves of \$24.4 million and no debt. In addition, the Company has cash backed security deposits amounting to \$1.1 million.

Entitlements Issue

GWR successfully completed an underwritten Entitlements Issue during the quarter on the basis of one new share for every four shares held to raise approximately \$7.2m before costs. The purpose of the capital-raising was to ensure that the Company retains sufficient cash reserves to fund the initial development of its proposed mining activities at Wiluna West and to take advantage of other mining and exploration project opportunities that arise from time to time.

The Entitlements Issue was fully underwritten by Eight Carat Securities Pty Ltd. The Directors are very pleased with the response from existing shareholders (representing 51% of entitlements) and the support shown by the underwriter in difficult market conditions.

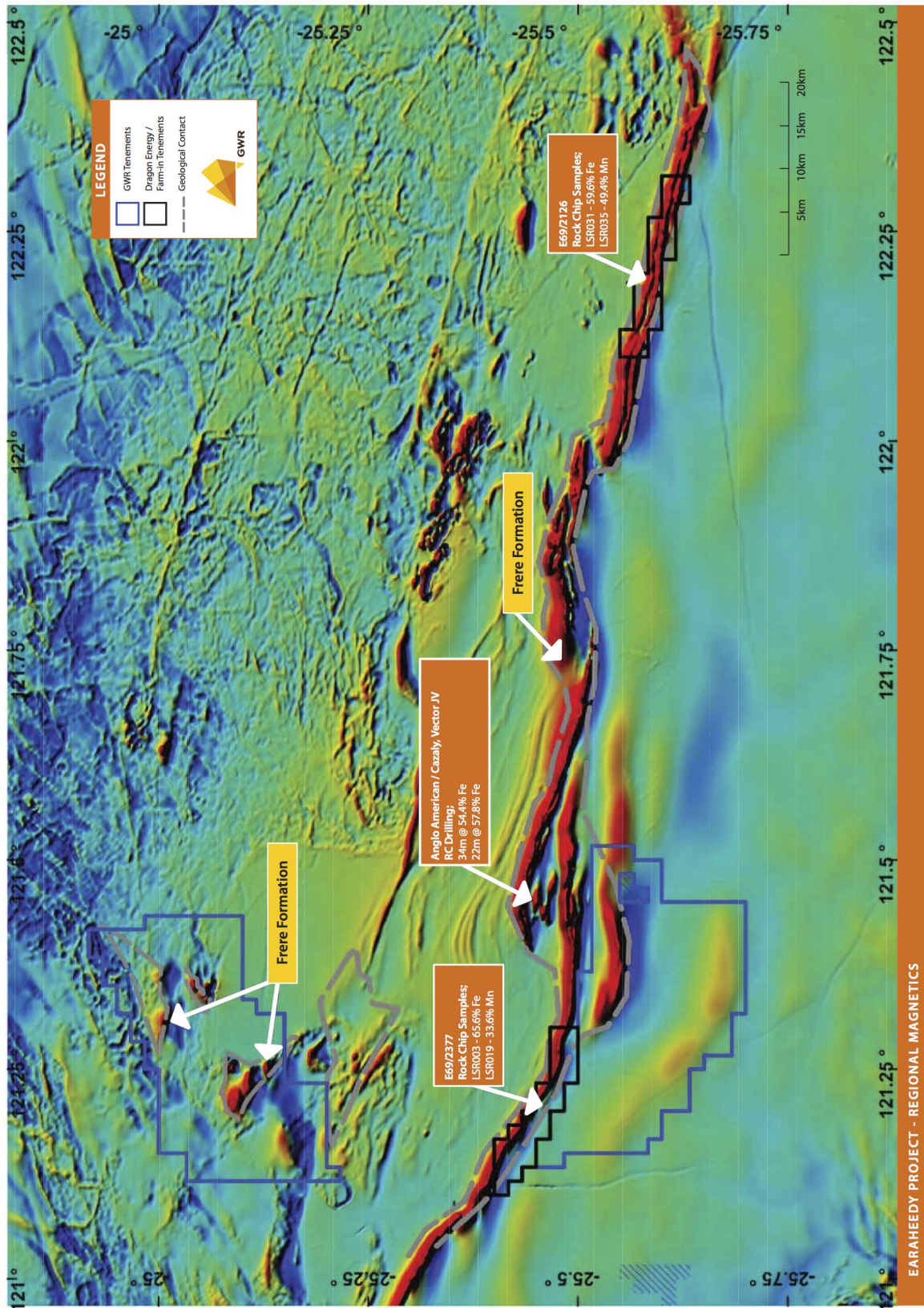
Competent Person's Statement

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 AI 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: Project location map



Figure 2: Earraheedy regional magnetics



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 2013

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	(969)	(5,300)
	(b) development	-	-
	(c) production	-	-
	(d) administration	(836)	(3,058)
1.3	Dividends received	-	-
1.4	Interest and other items of a similar nature received	312	1,473
1.5	Interest and other costs of finance paid	-	-
1.6	Income taxes received (GST paid)	-	-
1.7	Other (provide details if material)	18	88
Net Operating Cash Flows		(1,475)	(6,797)
Cash flows related to investing activities			
1.8	Payment for: (a) prospects	-	-
	(b) equity investments	-	(880)
	(c) other fixed assets	(13)	(30)
1.9	Proceeds from: (a) prospects	-	-
	(b) equity investments	-	-
	(c) other fixed assets	-	-
1.10	Loans to other entities	-	-
1.11	Loans repaid by other entities	-	-
1.12	Other (Environmental bonds & security deposits)	(1)	(19)
Net investing cash flows		(14)	(929)
1.13	Total operating and investing cash flows (carried forward)	(1,489)	(7,726)

1.13	Total operating and investing cash flows (brought forward)	(1,489)	(7,726)
	Cash flows related to financing activities		
1.14	Proceeds from issues of shares, options, etc.	7,205	7,205
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	7,205	7,205
	Net increase (decrease) in cash held	5,716	(521)
1.20	Cash at beginning of quarter/year to date	18,645	24,882
1.21	Exchange rate adjustments to item 1.20	-	-
1.22	Cash at end of quarter	24,361	24,361

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	287
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	1,357
4.2 Development	-
4.3 Production	-
4.4 Administration	689
Total	2,046

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	2,080	870
5.2 Deposits at call	22,281	17,775
5.3 Bank overdraft	-	-
5.4 Other (provide details)	-	-
Total: cash at end of quarter (item 1.22)	24,361	18,645

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	Nil	-	-
6.2	Interests in mining tenements acquired or increased	E69/2936-I	Granted	Nil
				100%

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	240,178,059	240,178,059		
7.4	Changes during quarter (a) Increases through issues: (b) Decreases through returns of capital, buy-backs	48,035,612	48,035,612	15 cents	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>	21,500,000		Exercise price \$0.58	Expiry date 22 Nov 2015
		700,000		\$0.58	4 Jan 2016
		1,400,000		\$0.58	22 Feb 2016
		1,000,000		\$0.58	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 <i>(totals only)</i>				

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 Jul 2013

Print name:

Mr Craig Ferrier
CEO

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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