
Westgold Resources NL Report

For the Quarter Ended 30 June 2005

OVERVIEW

■ DJIBOUTI GOLD PROJECT

- **Drilling at Garabbayis Prospect**
 - **Additional Prospects Identified**
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DJIBOUTI GOLD PROJECT

The Company has advanced its pioneering exploration for epithermal gold deposits in the Republic of Djibouti, north-east Africa. Two encouraging work phases were completed as follows:

1) RAB Drilling of Garabbayis Prospect

The Company met its commitments to drill Garrabayis. A suitable diamond drilling rig could not be sourced at a justifiable price and so five first-pass open holes for a total of 605m were drilled using a modified RAB rig provided by the Government of Djibouti. The aim was to shallow test below the strong 800m strike length surface gold anomaly so as to gain geological and assay information and to determine whether the target fossil boiling zone may be close to surface.

All five holes intersected zones of disrupted and altered basalt, probably representing fissure zones. The alteration is characterised by bleaching of the country rock, quartz and calcite veining and pyritisation.

Broad zones of sub-economic gold mineralisation were encountered and it is interpreted that the fossil boiling zone is at a greater depth than was able to be achieved by the RAB rig.

At a 0.1g/t cut-off, the broader mineralised zones were as follows:

Hole No.	
GARB001	37-45m
GARB002	60-78m
GARB003	58-60m
GARB004	32-38m (including 4m @ 0.52g/t) 74-100m (bottom of hole)
GARB005	2-18m 34-58m (including 2m @ 1.1g/t) 66-78m

The Company is now looking to source a suitable diamond drilling rig at a reasonable price to enable deeper drilling at Garrabayis. In the same programme it would also test the Gaggade Prospect at which erosion of the top of the epithermal system has occurred and the target fossil boiling zone should be closer to the surface.

2) Prospect Examination

Mention was made in the March Quarterly report of the definition of additional prospects by imagery studies and that most had been ground inspected and grab sampled. Assays returned during the quarter and, in general, they returned only weak anomalism. Nonetheless, on the basis of the field observations, the Company believes further work is appropriate at four prospects.

Westgold is exploring in Djibouti in joint venture with Green River Geology Co Pty Ltd (GRG). Djibouti is at the triple junction where the Red Sea Rift, the Gulf of Aden and the Great African Rift meet. A mantle hot spot underlies this area and the area is tectonically and hydrothermally active. Epithermal gold deposits have been mined profitably in similar settings around the world including the McLaughlin mine in California, Acupan and Antarnok in the Philippines and Lihir and Porgera in Papua New Guinea.

CORPORATE

Sale of Maari Interest

In January 2005 Westgold entered into an agreement to sell its 2.5% interest in the Maari Oil Project (held via Delta Oilfield Developments Limited) in conjunction with Carpenter Pacific Resources NL's interest for A\$6.2 million cash (A\$3.1 million to Westgold before tax).

Following the sale of the interest which settled on 18 March 2005 Westgold received \$2.625 million as its 50% share of the sale proceeds.

SBM/Woss Litigation

In September 2000, the Company issued proceedings against St. Barbara Mines Limited (SBM) and Mr Ron Woss, a former director of St. Barbara, for an amount of approximately \$7.6 million.

The Company lodged an amended Statement of Claim on 2 February 2001 and subsequently both SBM and Woss filed their respective defences to their claim.

The discovery and statement taking process has been completed. The matter is awaiting entry for trial and a trial date may be as early as October 2005.

Other

During the quarter Westgold reviewed a number of minerals based projects. To date none of them have met the Company's investment criteria. The Company is continuing to evaluate other opportunities in the resources sector.

Dated this 28th day of July 2005.

Signed on behalf of the Board of Westgold Resources NL.



Michael Atkins
Chairman

Please direct enquiries to:

Andrew Chapman
Telephone: (08) 9326 5700

For further information please refer to the Company's website on www.westgold.com.au.

Competent Person Declaration

The information on mineralisation in this report accurately reflects information prepared by competent persons (as defined by the Australasian Code of Reporting of Identified Mineral Resources and Ore Reserves). It is compiled by AJ Drummond, a Director of the Company, who is a Fellow of The Australian Institute of Mining and Metallurgy with more than requisite experience in the fields of activity in which he is reporting.

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

WESTGOLD RESOURCES NL

ABN

60 009 260 306

Quarter ended ("current quarter")

30 June 2005

Consolidated statement of cash flows

	Current quarter \$A'000	Year to date (12 months) \$A'000
Cash flows related to operating activities		
1.1 Receipts from product sales and related debtors	-	-
1.2 Payments for (a) exploration and evaluation	(116)	(280)
(b) development	-	-
(c) production	-	-
(d) administration	(196)	(874)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	115	369
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Other		
- Loan to associated entity Delta Oilfield Developments Limited	-	(372)
- Management fees received	-	45
- Other	3	5
Net Operating Cash Flows	(194)	(1,107)
Cash flows related to investing activities		
1.8 Payment for purchases of: (a) prospects	-	-
(b) equity investments	-	-
(c) other fixed assets	-	(2)
1.9 Proceeds from sale of: (a) prospects	-	-
(b) equity investments	26	733
(c) other fixed assets	-	-
1.10 Loans to other entities	-	-
1.11 Loans repaid by other entities	-	-
1.12 Other - Return of Capital	-	2,928
- Proceeds from Sale of Maari Interest	2,625	2,625
Net investing cash flows	2,651	6,284
1.13 Total operating and investing cash flows (carried forward)	2,457	5,177

1.13	Total operating and investing cash flows (brought forward)	2,457	5,177
	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 (provide details if material)	-	-
	Net financing cash flows	-	-
	Net increase (decrease) in cash held	2,457	5,177
1.20	Cash at beginning of quarter/year to date	6,925	4,205
1.21	Exchange rate adjustments to item 1.20	-	-
1.22	Cash at end of quarter	9,382	9,382

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	62
1.24	Aggregate amount of loans to the parties included in item 1.10	-

1.25 Explanation necessary for an understanding of the transactions

Directors fees	62
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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

N/A

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

N/A

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	-	-
3.2 Credit standby arrangements	-	-

Estimated cash outflows for next quarter

	\$A'000
4.1 Exploration and evaluation	200
4.2 Development	-
Total	200

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	3,119	749
5.2 Deposits at call	6,263	6,176
5.3 Bank overdraft	-	-
5.4 Other (provide details)	-	-
Total: cash at end of quarter (item 1.22)	9,382	6,925

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>	Nil			
7.2 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions	Nil			
7.3 +Ordinary securities	75,244,113	75,244,113		
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>	Nil			
7.6 Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted	Nil			
7.7 Options <i>(description and conversion factor)</i>	All convert at 1 for 1 ordinary share		Exercise Price	Expiry Date
	500,000	Unlisted	20 cents	31/7/2005
	500,000	Unlisted	20 cents	31/7/2006
	1,000,000	Unlisted	15 cents	30/11/2007
7.8 Issued during quarter	Nil			
7.9 Exercised during quarter	Nil			
7.10 Expired during quarter	Nil			
7.11 Debentures <i>(totals only)</i>	Nil			
7.12 Unsecured notes <i>(totals only)</i>	Nil			

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: 28/07/05

(Company secretary)

Print name: ANDREW CHAPMAN

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.