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# **Westgold Resources NL Report**

For the Quarter Ended 31 March 2005

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## **OVERVIEW**

### **■ DJIBOUTI GOLD PROJECT**

- **Phase 1 Exploration Completed**

### **■ MAARI OILFIELD PROJECT**

- **Settlement of Sale of Interest in Maari .**
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## **DJIBOUTI GOLD PROJECT**

The Company is carrying out exploration for and development of minerals on two properties in Djibouti, north-east Africa. Phase 1 of the Exploration Programme was conducted in April and May 2004 over a 5 to 6 week period. The main aim of Phase 1 was to establish the extent and location of the mineralised core of the epithermal systems at surface on both properties.

Initial soil and rock chip samples identified several gold anomalies, thereby confirming the potential to discover epithermal-style gold mineralisation on both properties.

Westgold has appraised these anomalies and was encouraged by the initial results.

Westgold has earned its initial 40% interest and now intends to move to Phase 2 of the Exploration Programme. Phase 2 of the Exploration Programme will involve a limited RAB drilling program at Garrabayis and Gaggade. The initial programme will focus on the drilling of five RAB holes at Garrabayis. Drilling is expected to commence in early May 2005 and is expected to take approximately one month.

Based on the initial encouragement received from the initial results in Phase I, Westgold carried out a detailed computer assisted landsat imaging survey of Djibouti and identified 15 areas of interest. Westgold has applied for and received 15 Research Permits which allows Westgold up to twelve months to make an initial assessment of the permits before applying for full exploration permits. The Research permits remain subject to receipt of Presidential Decree. During February and March a reconnaissance of the permits was made by helicopter and each area was visited and visually assessed by Westgold geologists and limited samples

were taken. The results of that sampling program are not yet available but on receipt and analysis will be released to the market.

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.

### **MAARI OILFIELD PROJECT – 2.5% Interest (5% held by Delta Oilfield Developments Limited)**

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).

The sale of the interest was settled on 18 March 2005. Westgold will receive 50% of the sale proceeds of A\$6.2 million less costs associated with the sale and applicable New Zealand income tax. This receipt is not included in the attached statement of cash flows.

The sale has resulted in a solid return on the Company's investment in Maari and will enable Westgold to focus on opportunities in the minerals sector.

## **CORPORATE**

### **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 the main focus and has been completed to the point that Westgold can and is preparing for entry for trial. The Company will continue to review its options to ensure this matter can be heard as early as possible.

## **Other**

Westgold holds approximately 2.93 million shares in Carpenter Pacific Resources NL which has acquired a 30% interest in the Jefferson-McLeod Oil and Gas Project in Texas, USA and has entered into another US based oil and gas transaction, the Helper Project. Carpenter is currently conducting an ongoing drilling program on both of these projects. Westgold will continue to monitor Carpenter's progress as part of assessing its investment.

Dated this 29<sup>th</sup> day of April 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](http://www.westgold.com.au).*

# 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")

31 March 2005

### Consolidated statement of cash flows

	Current quarter \$A'000	Year to date (9 months) \$A'000
<b>Cash flows related to operating activities</b>		
1.1 Receipts from product sales and related debtors	-	-
1.2 Payments for (a) exploration and evaluation	(65)	(164)
(b) development	-	-
(c) production	-	-
(d) administration	(97)	(678)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	92	254
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	(41)	(372)
- Management fees received	-	45
- Other	2	2
<b>Net Operating Cash Flows</b>	<b>(109)</b>	<b>(913)</b>
<b>Cash flows related to investing activities</b>		
1.8 Payment for purchases of: (a) prospects	-	-
(b) equity investments	-	-
(c) other fixed assets	(2)	(2)
1.9 Proceeds from sale of: (a) prospects	-	-
(b) equity investments	-	707
(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
<b>Net investing cash flows</b>	<b>(2)</b>	<b>3,633</b>
1.13 Total operating and investing cash flows (carried forward)	<b>(111)</b>	<b>2,720</b>

1.13	Total operating and investing cash flows (brought forward)	(111)	2,720
	<b>Cash flows related to financing activities</b>		
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)	-	-
	<b>Net financing cash flows</b>	-	-
	<b>Net increase (decrease) in cash held</b>	(111)	2,720
1.20	Cash at beginning of quarter/year to date	7,036	4,205
1.21	Exchange rate adjustments to item 1.20	-	-
1.22	<b>Cash at end of quarter</b>	6,925	6,925

### 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	37
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	37
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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
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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

N/A
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## 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	-
<b>Total</b>	<b>200</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	749	941
5.2 Deposits at call	6,176	6,095
5.3 Bank overdraft	-	-
5.4 Other (provide details)	-	-
<b>Total: cash at end of quarter</b> (item 1.22)	<b>6,925</b>	<b>7,036</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	-	-	-
6.2	Interests in mining tenements acquired or increased	-	-	-

\* The Company has a 50% shareholding in Delta Oilfield Developments Limited which in turn owned a 5% direct legal and beneficial interest in the Maari Oilfield, New Zealand. During the quarter Delta Oilfield Developments Limited sold its interest in the Maari Oilfield and therefore at 31 March 2005 no longer has an interest.

## 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>	Nil			
7.2 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions	Nil			
7.3 <b>+Ordinary securities</b>	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 <b>+Convertible debt securities</b> <i>(description)</i>	Nil			
7.6 Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted	Nil			
7.7 <b>Options</b> <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 <b>Debentures</b> <i>(totals only)</i>	Nil			
7.12 <b>Unsecured notes</b> <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: 29/04/05

(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.