Western Desert RESOURCES

ANNUAL REPORT

MINERAL CLAIMS 1089, 1090, 1091, 1092, 1093, 1094, 1095

For the Period 2/6/2011 to 1/6/2012

TENNANT CREEK

by

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Target Commodities: Gold and base metals

1:250000 Tennant Creek SE5314

1:100000 Tennant Creek 5758

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SUMMARY

This report is the annual report for Mineral Claims 1089 to 1095 inclusive, which includes the "Mystery" and "M29" targets and are referred to collectively in this report as the "M29/Mystery leases".

The M29/Mystery leases comprise seven mineral claims located 5km northwest of Tennant Creek township. They are prospective for Tennant Creek style gold and base metal mineralisation, indeed the Hidden Mystery historical works are contained within (but excluded from) the leases. Numerous magnetic surveys have been undertaken and a relatively minor amount of drill testing has been carried out over the leases. The best intersection to date has been 1m @ 3.65 g/t Au at a depth of 52m at the Mystery prospect.

During the reporting period WDR conducted a review of the historical data and determined that previous work has focused exclusively on ironstone bodies. WDR also formed the view that it is not only ironstone bodies that are prospective hosts for gold deposits in the Tennant Creek goldfield. WDR believes there is good potential for shear zone hosted mineralisation along strike from the Mary Lane Shear Zone. The likely association of this style of deposit with disseminated sulfides and the vast improvement in IP technology in recent years presents an excellent opportunity for identification of new targets and discovery of new deposits within the lease group.

1. INTRODUCTION

1.1 LOCATION AND ACCESS

The M29/Mystery leases are located only 5km northwest of Tennant Creek township and cover a total area of about 280 Ha (Figure 1). MCCs 1089 to 1091 cover the Mystery Prospect and MCCs 1092 to 1095 cover the M29 Prospect. The leases are located on the Tennant Creek 1:250,000 Geology Map and lie within Pastoral Lease 1142. Access is via the Stuart Highway for 2km, then west along the sealed Warrego haul road for 3km. There is a disused power line trending east-southeast across the Mystery Prospect.

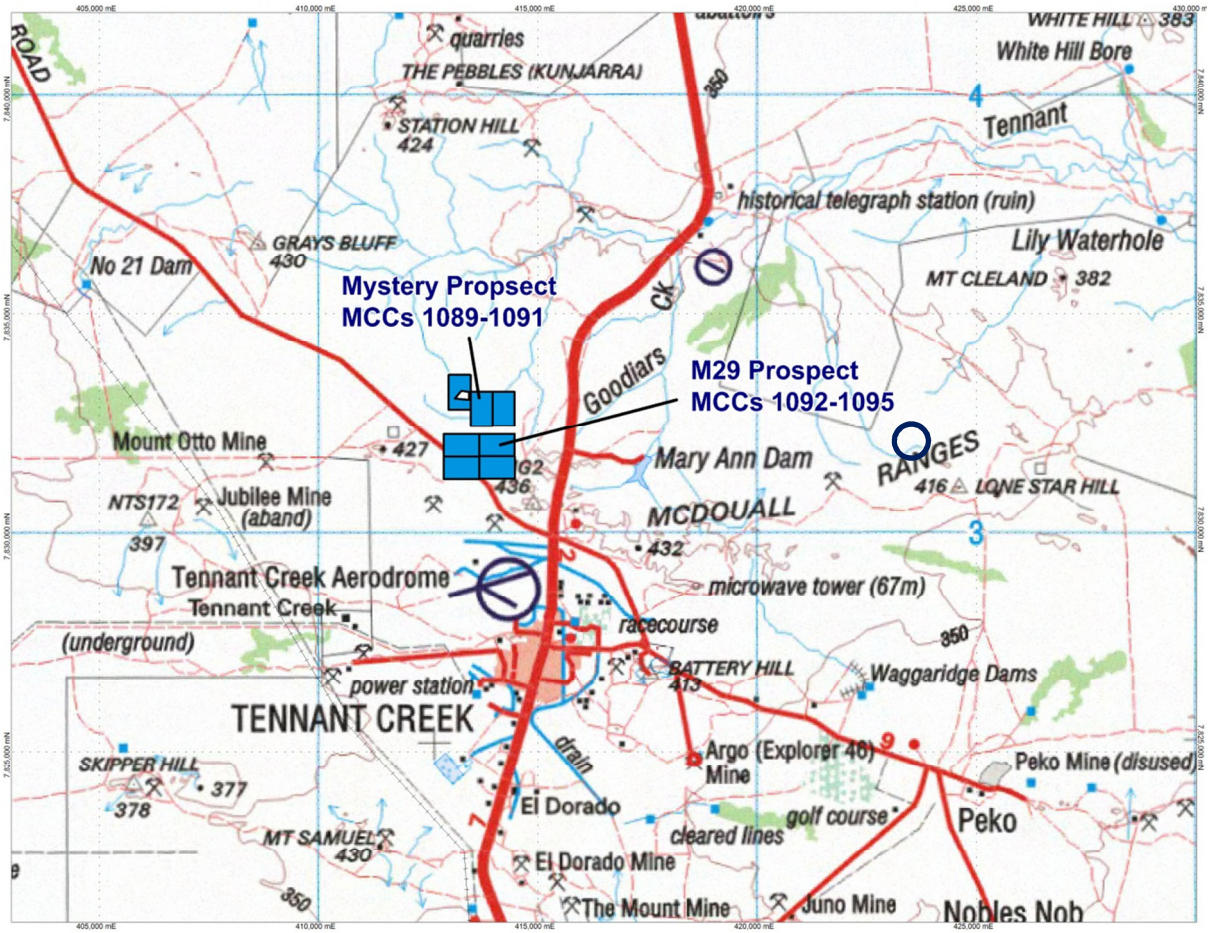

Figure 1: Mystery-M29 Prospects Location Plan

1.2 TENURE

MCCs 1089-1095 were first granted on 2nd June 1992 to Roebuck Resources NL/Centralfield Minerals Pty Ltd JV as retention licences from precursor EL 5706. The MCCs were subsequently renewed in 1997 and 2002. They were transferred to Tennant creek Gold (NT) Pty Ltd in May 2004, renewed in 2007 for another five years and finally, transferred to WDR Gold Pty Ltd in 2008. The lease listing is provided in Table 1. The tenements expired on 1st June 2012 and are the subject of a renewal application submitted in May 2012.

Table 1: Mystery/M29 Lease Summary

Lease No.	Area (Ha)	First Grant
MCC1089	35.65	2/6/1992
MCC1090	40	2/6/1992
MCC1091	40	2/6/1992
MCC1092	40	2/6/1992
MCC1093	40	2/6/1992
MCC1094	40	2/6/1992
MCC1095	40	2/6/1992

From WDR's recent experience with mineral leases in the area, it is unlikely that the Mytery-M29 leases are located correctly in the available digital datasets. Boundary pegs will need to be verified with differential GPS prior to exploration.

1.3 MINING HISTORY

The historical Hidden Mystery workings are located within the Mystery Lease MCC1089, however they are excised from the lease. There are no documented workings within the M29/Mystery leases. ACTIVITIES DURING THE CURRENT PERIOD

2. GEOLOGY

2.1 Regional Geology

The oldest exposed Proterozoic rocks of the Tennant Creek Inlier are the metasediments of the Warramunga Formation which host all the known ironstone-gold-copper-bismuth deposits of the Tennant Creek Goldfield (~170 tonnes gold).

The Paleoproterozoic metasediments were laid down or deposited about 1860Ma after which they were deformed and intruded by voluminous amounts of porphyry and granitoid during the 1858 Ma to 1845 Ma Barramundi Orogeny. Following the above extrusive volcanics and volcaniclastics of the Flynn Subgroup were erupted from 1845 Ma to 1827 Ma associated with further intrusion of porphyry.

Another deformational event preceded deposition of the Hatches Creek Group/Tomkinson Creek Subgroup from 1820Ma to 1785Ma followed by the intrusion of late-stage granitoid and porphyry between 1712 Ma and 1650 Ma.

2.2 Local Geology

Within the project area the three lithological units present are the Caraman Formation mudstone, siltstone, shale and greywacke which crops or subcropsout over most of the area, sheared subvolcanic quartz feldspar/altered porphyry and intrusive lamprophyre.

The major structural feature is the WNW-trending Mary Lane Shear Zone which passes through the northeast corner of the lease group. This is a major regional shear zone approximately 300m wide.

The Hidden Mystery area is dominated by sheared turbidites with cleavage striking at 100° and quartz stringer and stockwork zones with occasional conformable pods of quartz-hematite ironstone.

The M29 area lies to the south of the Mary Lane Shear Zone and the dominant structural feature is the regional D2 east-west cleavage and related folding. Some small pods of quartz-hematite ironstone outcrop. There is a prominent lamprophyric sill which outcrops along deeply incised creek beds.

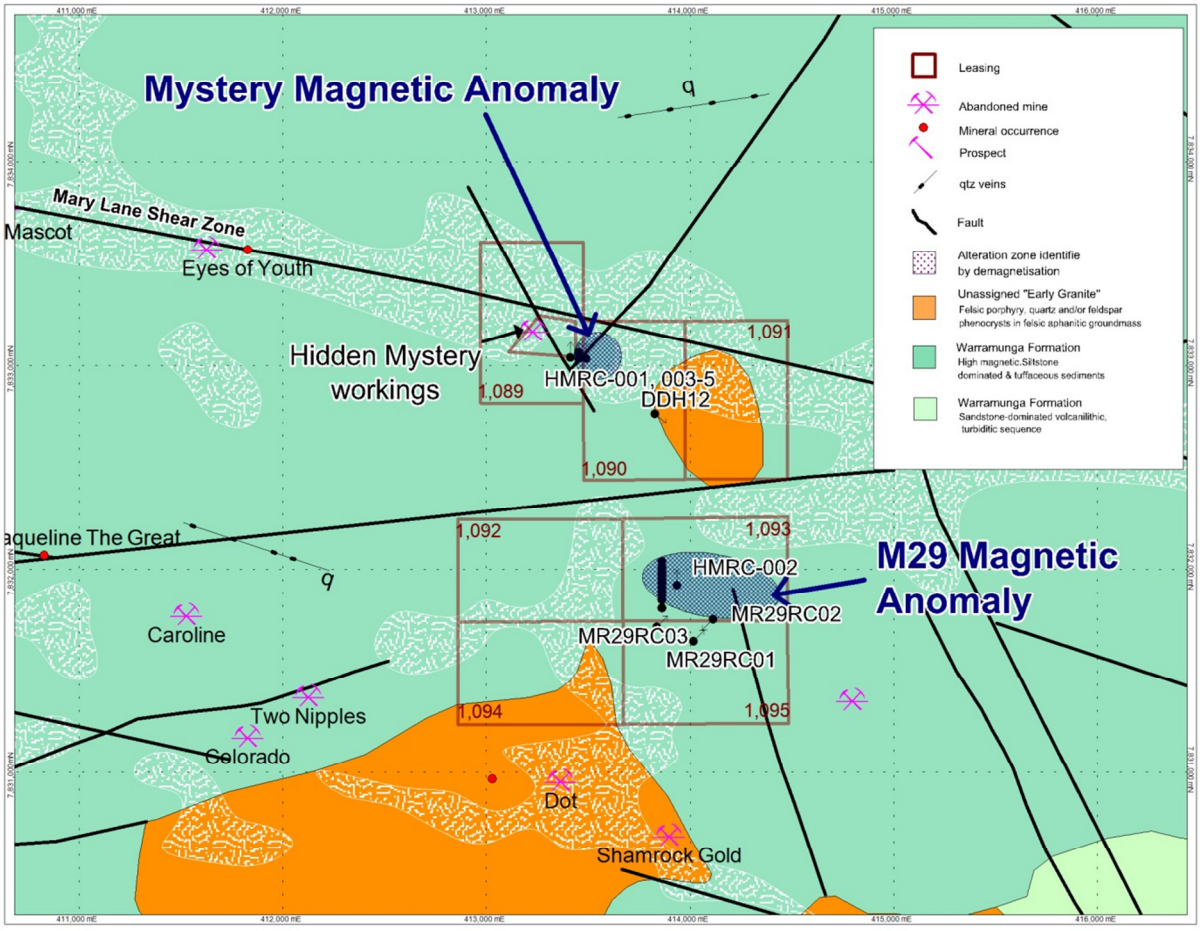

Figure 2: Summary Geology (based on NTGS digital dataset) of M29 & Mystery Prospects with known drill hole locations

3. PREVIOUS EXPLORATION

The M29/Mystery leases have had a long history of past exploration. Regional exploration started as early as 1937 with a regional magnetic survey over the Mascot-Mary Lane area by the Aerial, Geological and Geophysical Survey of North Australia. The BMR flew a detailed aeromagnetic survey over the area in 1996, and a ground magnetic survey immediately east of the Hidden Mystery ironstone workings undertaken in 1969 (Haigh, BMR Record 1969/87).

The Hidden Mystery Reserve 300 was proclaimed in 1968 and BMR NT Mines Branch interpreted the magnetic data and drilled a "low priority" target (DDH12- NTGS Record 1972/30) which is situated on MCC1090. The drill hole was terminated at 548.6m without intersecting massive magnetite or hematite. Nine spot geochemical analyses for Cu, Pb, Zn and Bi were undertaken with no results of significance. The source of the magnetic anomaly was attributed to weakly magnetic sediments intersected below 208m, immediately underlying a 20.3 metre intersection of lamprophyre from 188.5 – 208.8 metres downhole depth.

EL 5706 (the precursor to MCC1089-1095) was joint ventured to Metana Minerals NL in March 1988 who immediately purchased the Austirex 1984, 200m line space TMI data, identifying two aeromagnetic anomalies worthy of ground follow-up, namely Mystery and M29 (refer to Figures 2). Ground magnetics was conducted by Solo Geophysics over the three southwest graticular blocks of EL 5706 on a 5m x 40m spacing to locate the Mystery and M29 anomalies. The projected source of the Mystery Anomaly is located 100m east of the Hidden Mystery lease boundary (i.e. the down-plunge, sub-surface extension of the auriferous Hidden Mystery ironstone is located on MCC1090). Metana modelled line profiles 3280E and 3360E postulating a cylindrically-shaped magnetic body 70m deep, plunging steeply east-southeast.

The magnetic interpretation was drill tested in 1995 by the Roebuck JV. Drill hole HMRC-001 was collared 80m south of the projected Hidden Mystery anomaly (3321E, 2876N) and drilled due north, to a depth of 130m. It intersected one metre of mineralised ironstone averaging 3.65grams/tonne, gold between 104 and 105 metres and 2 metres at 0.16g/t gold and 2285 ppm copper between 113 – 115 metres. Massive ironstone was intersected between 85.5m and 89m and again between 104.5m and 110m. Chloritic alteration was evident from 95m to 199m associated with ironstone stringers from 110m to 116m. A further three RC holes were drilled in 1996 in follow-up of these results, but no ironstone or mineralisation was intersected. A detailed 40m station spaced gravity survey over an area of 280 x 360m covering magnetic anomaly in 1996 and identified a small gravity high co-incident with the ironstone intersected in HMRC-001.

At the M29 Prospect there were also five shallow RAB holes drill by Metana to bedrock (total 34m) on grid line 3840E, one of which intersected lamprophyre. Roebuck followed up with 11 RAB holes (total 92m) in 1991 on grid line 3750E, six of which intersected lamprophyre. All samples were assayed for gold, copper, lead and bismuth with lamprophyre showing elevated Cu (100ppm) and Pb (70ppm) values. One RC hole, HMRC-002 was drilled in 1996 beneath the M29 magnetic anomaly, but encountered no magnetic material.

Geochemical surveys were also undertaken by the various joint ventures. As part of a regional BLEG drainage sampling program Metana collected one soil sample from the Mystery – M29 main drainage giving an anomalous gold value of 1.2ppb. (Metana also collected 978 samples and analysed for gold from the Mystery – M29 grid. Roebuck lag sampled two lines on the western boundary of the Mystery – M29 grid in 1992 for mainly inconclusive results.

Metana also mapped the area at 1:2,000 scale and undertook petrographic analysis on rocks within and near the Mary Lane Shear zone. The intrusive lamprophyre sill was found to outcrop over an area of 500m x 400m, mainly in the M29 area. The contact with surrounding metasediments was found to be ferruginised and veined. A dolerite dyke was discovered along a northeast trending

(interpreted D3) fault. Broad scale potassium metasomatism was observed, in all rocks excluding the lamprophyres, but it was not known if this was a local or regional phenomenon.

Tennant Creek Gold (NT) Ltd used the 1998 AGSO 200m line-spaced, 60m clearance magnetic data and modelling of the available gravity data to establish the location of a broad dipolar anomaly underlying MCC1093. The above anomaly was refined by an 8 line kilometre ground magnetic survey (80m traverses x 10m stations). Interpretation of the M29 ground magnetic survey data revealed a very complex body dipping steeply north or south of possibly Cu-Au-magnetite mineralisation. RC Drill holes M29RC01 & 02 were each drilled to 300m depth to test this above interpretation while M29RC03 targeted an interpreted source of 10% magnetite and was drilled to 276m. Four metre composite samples were assayed for Au, Cu, Bi and Fe, with no significant results. It was concluded that both magnetic dipoles were intersected and that the magnetite occurs within the hinge zone of a steeply plunging isoclinally folded package of metasediments and hematitic shales.

The known historical drill holes are plotted on Figure 2.

4. ACTIVITIES DURING THE CURRENT PERIOD

No field based activities have been undertaken during the current reporting period. A compilation and review of the previous exploration has been undertaken (refer Section 1.4). WDR has assessed its leases in the Tennant Creek area and has determined them to be worthy of further exploration. WDR has compiled previous exploration in the area and has come to form the view that magnetic anomalies or ironstone bodies are not an essential element of the Tennant Creek mineralisation model, as has previously been assumed. WDR believes that there is considerable potential for shear zone hosted mineralisation, given a favourable structural setting. A favourable structural setting is already evidenced, at least in the first order, by way of the Mary Lane Shear Zone.

The presence of a significant amount of lamprophyric rocks within the leases is seen as a further positive attribute in the M29/Mystery leases. Lamprophyres are seen as potentially transporting agents form deep mantle sources and given the right structural or chemical variation, may deposit their gold on ascent.

Recent improvements in detecting disseminated sulphides through improve IP regimes and processing, provides an opportunity in the M29/Mystery leases to detect new and deeper targets and therefore opens the door for discovery of new deposits in the lease area.

5. FUTURE ACTIVITIES

The planned work program to explore the M29/Mystery leases is summarised below:

- Confirm the precise location of the lease boundaries with differential GPS;
- Geological mapping and site investigations to confirm geological interpretations and confirm locations of key features;
- Review of existing gravity and magnetic datasets, remodel if necessary. This will be conducted in-house.

- Plan and collect a grid of IP, with an initial focus in the vicinity of the Mary Lane Shear Zone. The configuration of the IP array is under consideration with a consultant geophysicist engaged to provide recommendations.
- Structural interpretation- aiming to identify local controls on mineralisation and favourable dilational zones within shears
- It is expected that direct drilling targets will arise from the IP survey. These will be investigated in all likelihood by diamond drilling rather than RC drilling due to the known issues with water and the value in understanding the orientation of geological structures. Drill core will be systematically analysed using a portable XRF analyser and selected intervals will be assayed for gold and a range of base metals. It is also probable that downhole geophysical wireline logging will be performed.

6. EXPENDITURE

Expenditure for the period was $3,491.