



ASX ANNOUNCEMENT/MEDIA RELEASE

30 June 2011

Western Gold Resources Limited – Withdrawal of IPO

Highlights

- Golden West Resources Limited's ('GWR') subsidiary Western Gold Resources Limited ('Western Gold') has lodged with ASIC a prospectus concerning the Initial Public Offer for Western Gold.
- This Offer Period has lapsed with the minimum subscription not being achieved. Therefore Western Gold has elected to withdraw the Initial Public Offer.
- The Merger Implementation Deed, between Western Gold and Silvrex Limited, has reached the Final Completion Date without the conditions precedent being able to be met and accordingly Western Gold has elected to withdraw from the merger with Silvrex.
- As per the Merger Implementation Deed, Western Gold will convert its outstanding loan into Silvrex shares and as a consequence hold approximately 18% of Silvrex.
- GWR remains committed to developing its valuable gold assets.

Details

Western Gold - Initial Public Offer

Western Gold has lodged an Initial Public Offer (IPO) Prospectus and was seeking to raise a minimum of \$7.0 million and list on the ASX.

Despite strong support from GWR shareholders for the Western Gold IPO, broader market volatility, macro financial issues and general negative investment sentiment has contributed to the minimum subscription under the IPO not being able to be reached within the Offer Period. Accordingly, Western Gold has determined to withdraw the IPO and return the application money it has received.

Merger Implementation Deed

The Merger Implementation Deed Western Gold has with Silvrex Limited (Silvrex) has a Final Completion date of 30 June 2011. As this date has been reached without all of the conditions precedent being met Western Gold has elected not to proceed with the merger with Silvrex.

Under the Merger Implementation Deed, Western Gold will convert any outstanding loans with Silvrex into shares in Silvrex. After conversion of the loan it is anticipated that Western Gold will hold approximately 18% of the issued capital. As a major shareholder of Silvrex, Western Gold looks forward to working with the Silvrex Board on progressing the highly prospective Dalafin asset.

Wiluna West Gold Project

GWR, through its 100% owned subsidiary Western Gold, remains the owner of the valuable Wiluna West Gold Project. GWR will continue to explore opportunities to develop this gold project to the benefit of shareholders and all of its stakeholders.

Mr David Sanders, Chairman of GWR commented; "We are extremely disappointed Western Gold has withdrawn the Western Gold IPO. Despite receiving strong support from GWR shareholders and excellent feedback from the investment community the headwinds faced in such an uncertain investment environment were too difficult to overcome. The decision to end the Merger Implementation Deed and convert the Western Gold loan allows us to retain a material interest in an exciting project and work with the Silvrex board to continue to progress the Dalafin Project. We are now actively exploring opportunities to progress our valuable gold project at Wiluna and we look forward to progressing the Dalafin asset in due course."

- ENDS -

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