



## ASX ANNOUNCEMENT/MEDIA RELEASE

31 August 2011

### Maiden Iron Ore Reserve

Golden West Resources ("GWR") is pleased to announce a maiden Reserve for its flagship Wiluna West Hematite Project.

GWR has achieved a maiden Iron Ore Reserve Estimate of 69.2Mt at 60.3% Fe (comprising a Proven Reserve of 2.9Mt at 59.7% Fe and a Probable Reserve of 66.4Mt at 60.3% Fe) from its Wiluna West DSO Hematite Project (Table 1). Golder Associates Pty Ltd have completed an independent review and due diligence and a Declaration and Statement and Consent from Golder Associates is attached to this announcement.

The Resource upgrade to a Reserve is a further validation of the high quality low impurity Hematite deposit at Wiluna West.

The 69.2 Mt Hematite Ore Reserve:

- underpins a potential 10 year mine life at a production rate of approximately 7Mt per year;
- are contained within the C3, C4, Joyners Find and Bowerbird deposits. Importantly 95% of the Indicated and Measured Resources within these optimised pits have been converted to Reserves; and
- does not include an additional 14.3Mt of Inferred Resources at a grade of 59.3% Fe, 7.9% SiO<sub>2</sub>, 2.9% Al<sub>2</sub>O<sub>3</sub>, 0.04% P and 3.5% LOI that occurs within the designed pits.

The achievement of a Reserve positions GWR to continue momentum for its plans towards mining operations. GWR is pursuing a strategy of exporting iron ore through the Esperance port in the short term and the proposed port of Oakajee in the longer term.

**Table 1**

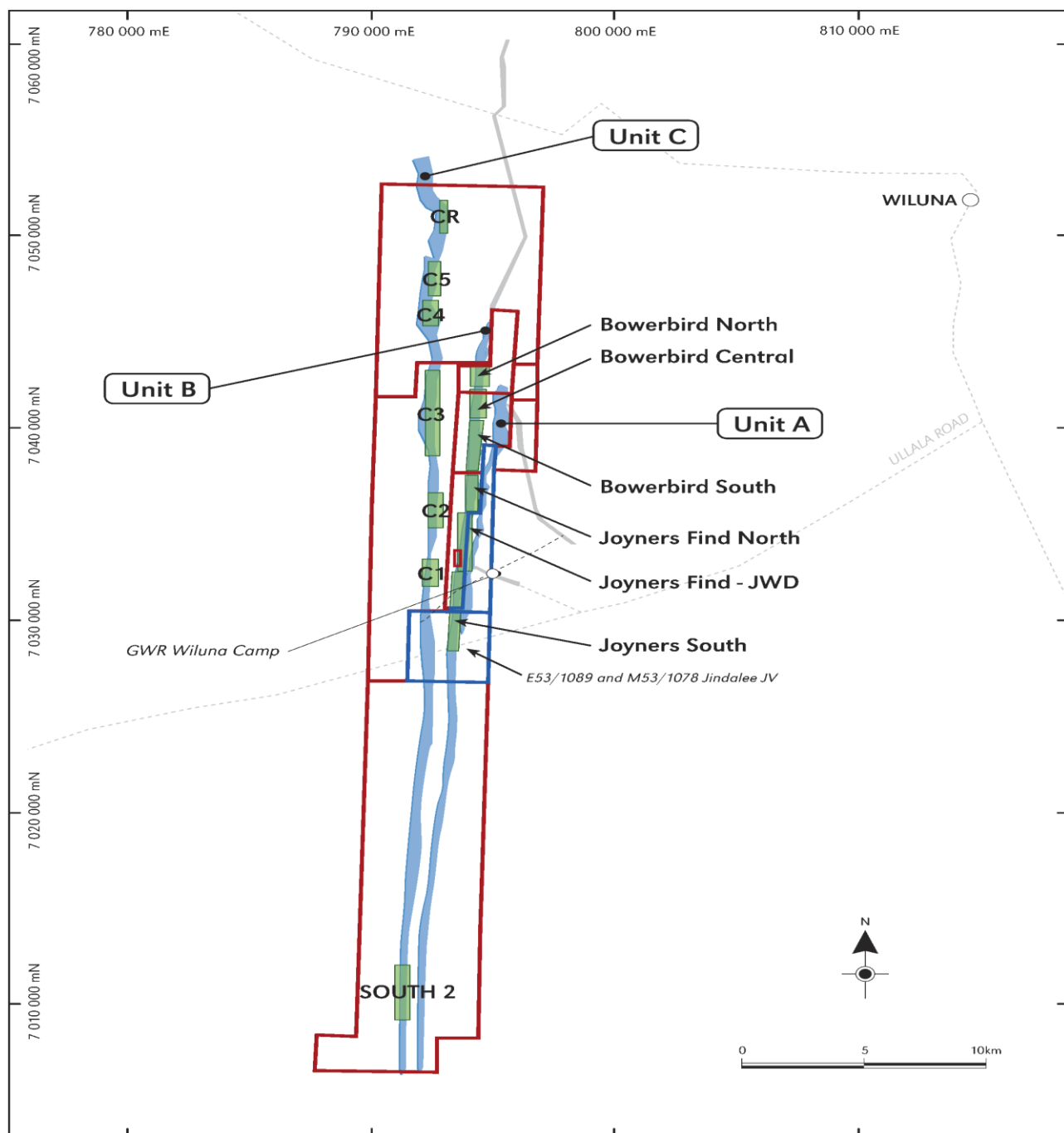
<b>Golden West Resources Limited Wiluna West DSO Hematite Project Reserve Estimate Reported at a 50% cut-off</b>						
<b>Classification</b>	<b>Tonnes (Mt)</b>	<b>Fe %</b>	<b>SiO<sub>2</sub> %</b>	<b>Al<sub>2</sub>O<sub>3</sub> %</b>	<b>LOI %</b>	<b>P %</b>
<b>Proven</b>	<b>2.9</b>	<b>59.7</b>	<b>7.6</b>	<b>2.6</b>	<b>4.0</b>	<b>0.07</b>
<b>Probable</b>	<b>66.4</b>	<b>60.3</b>	<b>7.2</b>	<b>2.5</b>	<b>3.6</b>	<b>0.05</b>
<b>Total</b>	<b>69.2</b>	<b>60.3</b>	<b>7.2</b>	<b>2.5</b>	<b>3.6</b>	<b>0.05</b>

The Reserves occur within the global Wiluna West DSO Hematite Resource as summarised in Table 2.

Table 2

Golden West Resources Limited Wiluna West Hematite Project 2011 Mineral Resource Update Reported above a 50% cut-off						
Classification	Tonnes (Mt)	Fe %	SiO <sub>2</sub> %	Al <sub>2</sub> O <sub>3</sub> %	LOI %	P %
Measured	3.7	59.6	7.8	2.5	4.0	0.09
Indicated	77.2	60.3	7.4	2.4	3.6	0.05
Inferred	49.5	59.6	7.3	2.5	3.9	0.05
<b>Total</b>	<b>130.3</b>	<b>60.0</b>	<b>7.4</b>	<b>2.4</b>	<b>3.6</b>	<b>0.06</b>

Project Geology – Iron Ore Occurrences



**Competent Persons Statement**

*The information in this report which relates to Exploration Results, Mineral Resources or Ore Reserves is based on information compiled by Mr Allen Maynard, who is a Member of the Australian Institute of Geosciences (“AIG”), a Corporate Member of the Australasian Institute of Mining & Metallurgy (“AusIMM”) and independent consultant to the Company. Mr Maynard is the Director and Principal of Al Maynard & Associates Pty Ltd and has over 30 years of exploration and mining experience in a variety of mineral deposit styles. Mr Maynard 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 Maynard consents to inclusion in the report of the matters based on his information in the form and context in which it appears.*

- ENDS -

**Please direct enquiries to:**

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26 August 2011

Project No. 117641048-002-L-Rev0

Paul Leidich  
Golden West Resources Ltd  
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OSBOURNE PARK WA 6017

## WILUNA WEST HEMATITE PROJECT ORE RESERVES

Dear Paul

Golder Associated have completed the review of the Wiluna West Hematite as requested by Golden West Resources. The review is detailed in Golder's report 117641048-001-R-Final. The Ore Reserve statement for the Wiluna West Hematite Project is provided below.

Golder will provide a suitable Competent Person's Consent Form upon provision of the form and context for which the Ore Reserves statement will be used.

### 1.0 ORE RESERVE STATEMENT

This section details the Ore Reserves as determined by the Updated Pre-feasibility Study for the Wiluna West Hematite Project located near Wiluna in the Mid West Region of Western Australia. A cut-off grade of 50% Fe was used to estimate the Ore Reserves.

**Table 1: Ore Reserves within Designed Pits**

	ROM Mt	Fe %	SiO <sub>2</sub> %	Al <sub>2</sub> O <sub>3</sub> %	LOI %	P %
<b>Proved</b>	2.9	59.7	7.6	2.6	4.0	0.07
<b>Probable</b>	66.4	60.3	7.2	2.5	3.6	0.05
<b>Total</b>	69.2	60.3	7.2	2.5	3.6	0.05

An additional 14.3 Mt of Inferred Resources is included within the designed pits. These Resources have an average grade of 59.3% Fe, 7.9% SiO<sub>2</sub>, 2.9% Al<sub>2</sub>O<sub>3</sub>, 3.5% LOI and 0.04% P.

### Estimation and Reporting of Ore Reserves

Criteria	Comments
<b>Mineral Resource Estimate for Conversion to Ore Reserves</b>	The Mineral Resource models for the Wiluna West Hematite Project were developed by a combination of GWR and various consultants as part of GWR's ongoing Feasibility Studies. Golder have not reviewed the models on which the Mineral Resources are based. The stated Mineral Resource is inclusive of the Ore Reserve.
<b>Study Status</b>	A Pre-feasibility study was completed in 2008. Updates to resource models and mine plan have occurred throughout the period from 2009 to 2011.



Criteria	Comments
<b>Cut-off Parameters</b>	A cut-off grade of 50% Fe has been used for developing the geological model and mine planning.
<b>Mining Factors or Assumptions</b>	<p>It has been assumed that the Resource models incorporate dilution. A mining loss of 5% has also been assumed as part of the scheduling and Ore Reserve inventory.</p> <p>The Ore Reserves are reported within a pit design which is based on open pit optimisation. The optimisation was carried out at a 55% Fe cut-off including only Measured, Indicated and Inferred Mineral Resource categories. The optimisation used an iron ore price of USD\$ 0.864 per dry metric tonne unit (dmtu) for iron ore fines. The premium used for lump product was 27%.</p> <p>The overall pit slopes used for the design are based on pre-feasibility level geotechnical studies (PSM 2009).</p>
<b>Metallurgical Factors or Assumptions</b>	The metallurgical recovery through the crushing and screening plant is assumed to be 100% with a 50:50 lump:fines split.
<b>Cost and Revenue Factors</b>	Costs include allowances for mining, administration, railing to the port and shipping to China.
<b>Market Assessment</b>	<p>The ore is to be processed using well tested crushing and screening technology to make a direct saleable ore lump and fines product. The products will be transported to either the Port of Esperance via existing rail line or via the proposed Oakajee rail line and port and then shipped to customers, most likely in Asia.</p> <p>A production rate of 4 to 6.5 Mtpa ROM ore has been considered. A gross selling price of \$158 per ore tonne for shipping through the Esperance port and a price of \$99 per one tone for shipping through the Oakajee Port has been estimated as part of GWR's financial analysis.</p>
<b>Other</b>	<p>Through discussions with traditional owners GWR have gained Native Title approval for mining tenure over the deposits to be mined as part of the Wiluna West Hematite Project.</p> <p>Heritage surveys have been completed; a heritage site at Joyners Find was identified. A Section 18 heritage disturbance application has been submitted to the Western Australian Department of Mines and Petroleum, GWR expect this to be approved during the second half of 2011.</p> <p>Flora and fauna surveys of the planned disturbance areas have been completed; no species of significance were identified.</p> <p>GWR expect to submit a mining proposal to the Western Australian Department of Mines and Petroleum in late 2011 or early 2012.</p>
<b>Classification</b>	There is Measured, Indicated and Inferred Resources within the model. The Measured and Indicated Resources within the designed pits have been converted to Proved and Probable Ore Reserves (Measured to Proved, Indicated to Probable).
<b>Audit/Previous Studies</b>	No audits on the Resource or Reserve estimates by an independent reviewer have been carried out.

## 2.0 COMPLIANCE WITH THE JORC CODE ASSESSMENT CRITERIA

This Ore Reserves statement has been compiled in accordance with the guidelines defined in the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (The JORC Code - 2004 Edition).

The Ore Reserves have been compiled by Nathan Robinson of Golder Associates, who is a Member of Australasian Institute of Mining and Metallurgy. Mr. Robinson has had sufficient experience in Ore Reserve estimation relevant to the style of mineralisation and type of deposit under consideration to qualify as Competent Person as defined in the 2004 Edition of the "Australasian Code for Reporting of Mineral Resources and Ore Reserves".

Yours Sincerely

### GOLDER ASSOCIATES PTY LTD



Nathan Robinson  
Senior Mining Engineer

NR/RGB/jlt



Ross Bertinshaw  
Principal Mining Engineer

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