



29 October 2007

ASX ANNOUNCEMENT

Corporate Summary

ASX Code: GWR

Issued Capital: 73 Mil

Issued Options: 42 Mil

Market Cap fully diluted

Sep 07 \$A263 Mil

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**GOLDEN WEST TO REFER FAIRSTAR BIDDER'S
STATEMENT
TO TAKEOVERS PANEL**

SHAREHOLDERS ADVISED TO TAKE NO ACTION

Golden West Resources Limited (ASX: GWR) advises its shareholders to continue to **take no action** in regards to the all scrip takeover bid from Fairstar Resources Ltd (ASX: FAS).

GWR advises shareholders that on Friday 26 October 2007, the Company received a replacement Bidders Statement from Fairstar, following notification to Fairstar of deficiencies in the original statement.

Legal and tax advice received by Golden West Resources indicates that the Replacement Bidder's Statement continues to be deficient in material areas and does not sufficiently address all of the concerns raised by the Company with regards to the original statement (see below).

As a consequence, Golden West Resources is intending to refer the replacement Bidder's Statement to the Takeovers Panel regarding its concerns with the respect to the replacement Bidder's Statement.

The Company believes these material deficiencies must be addressed before the replacement Bidder's Statement can be considered for dispatch to Golden West Resources shareholders.

Of particular concern to Golden West Resources is that Fairstar continues to maintain that Stamp Duty will not be payable as a result of the successful acquisition of greater than 90% interest in Golden West Resources.

Golden West Resources has requested specific tax advice on this point and is advised that Stamp Duty will apply in this circumstance. The Stamp Duty payable should the transaction proceed is estimated to be in the amount of \$13,200,000.

Golden West Resources believes that the triggering of this substantial impost at this stage of the Company's development, without bringing any benefit in terms of cost synergies or the development of Golden West's Wiluna West Project, is an unnecessary burden that will erode the existing funds of the combined entities.

These funds would otherwise have been devoted to the further development of the Wiluna West Iron Ore Project and other exploration activities of a combined entity.

Golden West Resources does not believe this is in the interests of any shareholders.

Golden West Resources believes that the failure by Fairstar to inform shareholders that Stamp Duty will be payable on this transaction remains a material deficiency in the replacement Bidders Statement.

Golden West believes the Bidders Statement does not sufficiently inform shareholders of the likely financial situation facing the combined entity should the proposed offer be successful in delivering 100% ownership to Fairstar.

Golden West Resources continues to prepare a Target Statement response to the FAS Bidder's Statement, which will contain a recommendation from the Board of Golden West Resources to shareholders, as well as a report from the appointed Independent Expert, PricewaterhouseCoopers. In the meantime GWR continues to urge shareholders to **TAKE NO ACTION** with respect to the Fairstar offer.

For more information, please contact:

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