



20 November 2007

ASX ANNOUNCEMENT

Corporate Summary

ASX Code: GWR

Issued Capital: 73 Mil

Issued Options: 42 Mil

Market Cap fully diluted

Nov 07 \$A247 Mil

Contact Details

6/136 Main Street

OSBORNE PARK

Western Australia 6017

Tel: +61 8 92019202

Fax: +61 8 92019203

admin@goldenwestresources.com

www.goldenwestresources.com

Enquiries:

Gary Hutchinson

Managing Director

Mick Wilson

Exploration Manager / Director

Peter Thompson

Director General Manager, Operations

**REJECT FAIRSTAR OFFER
and support
WILUNA WEST IRON ORE FUNDING**

Golden West Resources (Golden West) repeats its advice to shareholders to **REJECT** the inadequate and unsolicited scrip takeover offer from Fairstar Resources, and ignore all correspondence you may receive from Fairstar.

Golden West also recommends that shareholders vote **FOR** Resolution 3 at the Company's forthcoming Annual General Meeting on 29th November 2007 to provide additional funding to advance the Wiluna West Iron Ore Project.

Golden West recommends all shareholders to **WAIT** for the Target Statement.

As advised previously, Golden West believes the Fairstar offer is inadequate, dilutes your investment, and provides no upside benefit to progress the development of the Wiluna West Iron Ore project.

Golden West believes the offer from Fairstar is of uncertain value as there is no cash component and Fairstar stock is highly volatile and illiquid. It will significantly dilute existing shareholders' ownership of the Wiluna West Iron Ore Project and does not bring any synergies between the companies' assets or improve the Company's asset base.

Golden West has already received significant support from its shareholders with written assurances from shareholders representing 22.6% of the Company's shares intending to **REJECT** the offer.

As a consequence, scrip-for-scrip capital gains tax rollover relief will not be available to Golden West shareholders who accept the offer, because it cannot attain the minimum 80% acceptances required for such relief to apply.

Many Golden West shareholders are therefore likely to face significant tax liabilities should they accept the offer from Fairstar.

Golden West also notes that Fairstar has indicated it will vote its shares against Resolution 3 at the Company's Annual General Meeting on 29th November 2007.

Resolution 3 seeks your approval to issue up to 14,477,689 new Golden West shares to provide the funds needed to maintain exploration drilling and development studies at the Wiluna West Iron Ore Project .

Approval of such funding is therefore in the interests of all Shareholders. The Board urges you to vote **FOR** Resolution 3 on your proxy or at the Annual General Meeting.

Golden West declared its initial Inferred Mineral Resource for Wiluna West only in April 2007, but has already increased that estimate by 72% to 86.3 million tonnes grading 60.1% Fe.

Golden West notes that while Fairstar opposes Resolution 3 it is seeking your support for a takeover that will require it to raise at least \$10 million simply to cover transaction costs and advisers fees, but will not provide any additional funding to advance the Wiluna West Iron Ore Project.

Ends

Messrs Michael Wilson and Alan Rudd, Directors of Golden West Resources, have notified the Company of a material personal interest with respect to the takeover bid by Fairstar for Golden West and have not, and do not, participate in decisions by the Board with respect to the Fairstar bid, including this announcement.

For more information, please contact:

Michael Minosora Azure Capital (08) 6263 0888	Paul Downie Porter Novelli (08) 9386 1233 0414 947 129
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