



27 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

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**Peter Thompson**

**Director General Manager, Operations**

**REJECT  
Fairstar Offer  
and IGNORE all communications  
with Fairstar**

Golden West Resources (Golden West) again advises shareholders to **REJECT** the inadequate and unsolicited scrip takeover offer from Fairstar Resources, and **IGNORE** all correspondence or communications you may receive from Fairstar.

Golden West advises that it will shortly release its Target's Statement formally explaining its reasons for **REJECTING** the offer from Fairstar.

However, the Company has become aware that Fairstar has been making unsolicited and unwelcome efforts to communicate directly with Golden West shareholders.

Golden West therefore advises shareholders to **IGNORE** all correspondence and all other attempts at direct communication by Fairstar.

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

Golden West has already received irrevocable written undertakings from shareholders representing 27.85% of the Company's shares that they intend to **REJECT** the inadequate offer from Fairstar, including two of the Company's major shareholders, Falak Holding LLC and the Francke group of shareholders.

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 opposes the Company's proposal to raise funds to further advance the Wiluna West Iron ore project that will be put to shareholders at the Company's Annual General Meeting on 29 November 2007.

Yet Fairstar proposes an equity raising of at least \$10 million to cover transaction costs and advisers fees associated with its takeover offer but which will not provide any additional funding for the Company.

In comparison, Golden West has appointed respected iron ore executive Geoff Wedlock as the new Chairman of Golden West, marking a significant milestone for the Company that will undoubtedly assist Golden West with its development ambitions.

Mr Wedlock brings more than 35 years experience in minerals exploration and project development, including senior executive roles with BHP Billiton, Portman Mining and Grange Resources.

The Company has also announced the appointment of Capital Investment Partners Pty Ltd as lead manager to undertake a share placement to institutional and sophisticated professional shareholders.

The introduction of such investors onto the register of Golden West will enhance liquidity and provide support for future capital raising requirements necessary to continue the development of the Project.

The Company will also undertake a matching non-renounceable rights issue, entitling existing shareholders to acquire one new Golden West share for every 15 already held.

The placement and rights issue are expected to raise approximately \$36 million for the further advancement of the Wiluna West project.

Together these developments provide an outstanding platform from which the Company can drive development of the Wiluna West Project for the benefit of all shareholders.

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:

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