GOLDEN WEST RESOURCES LIMITED

(ABN 54 102 622 051)

INTERIM FINANCIAL REPORT
31 DECEMBER 2005

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SUMMARY OF OPERATIONS

During the half-year ended 31 December 2005, the Company focused on iron exploration at the Wiluna West Project:

- Wiluna Project area has increased to 440 square kilometres, with several new tenements applied for.
- Identified 5 iron mineralised ridges for a cumulative strike length of 125 kilometres that show potential to host iron deposits of the magnitude 160 to 230 million tonnes of iron ore.
- Snowden Group have been appointed as Wiluna Iron Ore Project Managers.
- Mining Licences 53/1016 to 53/1018 at Wiluna granted.
- Notice of Intent to mine commenced with flora and fauna studies completed.
- Detailed geological mapping completed over northern portions of units "B" and "C" and rockchip sampling returning encouraging iron grades with averages up to 68% Fe.
- Drilling on Unit B confirmed high grade hematite mineralisation at depth.

REVIEW OF OPERATIONS

WILUNA WEST PROJECT (Iron, Gold, Uranium)

The 440 square kilometre Wiluna West Project is located approximately 40 kilometres west of the township of Wiluna in the North Eastern Goldfields of Western Australia. Almost the entire Joyners Find greenstone belt is held with contiguous tenements over a length of 45 kilometres. The Joyners Find greenstone belt is well mineralised containing substantial gold and iron deposits.

A gold resource of 788,000 tonnes at 3.5 g/t gold, containing 87,000 ounces has already been identified with considerable potential for additional discoveries. A number of significant iron deposits have recently been identified.

IRON

The Wiluna West Iron Project has achieved some major advances. Based upon geological mapping and aeromagnetic interpretation, there are 5 potentially mineralised units. These are identified as Units (A) to (E) as show on the following plan, and have a cumulative strike of 125 kilometres. Of these only the most northern portions of units (B) and (C) have been mapped and tested with rock chip sampling, returning encouraging iron assay results.

Unit (B) returned average rock chip assays of 68% Fe over 10 kilometres and unit (C) returned from much wider surface areas of up to 120 metres in width, grades yielding up to 62% Fe with low levels of deleterious contaminants.

Reverse circulation drilling over a strike length of 2.6 kilometres on Unit B has confirmed that the high grade mineralisation continues at depth and is open along strike. A further two lines of stratigraphic RC drilling on an accessible portion of unit (C) consisting of 10 holes for 795 metres was also completed.

Results of the work completed to date over the northern sections of Units (B) and (C), represents only approximately 30% of the cumulative prospective strike of 125 kilometres. This however suggests that the Wiluna Iron Project has the potential to host a major iron deposit between 160 to 230 million tonnes.

Snowden Desk Top Study

The Company commissioned Snowden Group to undertake a desktop study of the potential project economics with the results of the study generating positive results.

The Snowden review confirmed:

- Wiluna Project has the potential for at least 160 to 230 million tonnes of hematite and hematite goethite mineralisation at an average grade of greater than 60% Fe.
- That the infrastructure relating to the Meeka concept and the Geraldton concept are viable options for developing the Wiluna iron Project.

REVIEW OF OPERATIONS (Continued)

The Meeka concept is a hypothetical scenario of transporting large tonnages per annum that relies on low cost transport, using a proposed new rail system from Wiluna to a new port at Oakajee. The Geraldton concept revolves around trucking high grade direct shipping ore to Mullewa and onto Geraldton Port.

Development Plan

A project development model of two stages to be carried out concurrently has been commenced.

Stage 1:

Commencing production of high grade direct shipping ore using existing infrastructure to generate cash flow. This will require the delineation of reserve of 2 to 3 million tonnes.

Stage 2:

The development of a major iron project that will require significant infrastructure. The Company's first task will be to define sufficient resources / reserves that will justify this infrastructure.

Infrastructure

The Company has commenced discussions with Government departments and corporations in relation to rail, road and port facilities required for the Wiluna Iron project. A specialist in dealing with infrastructure and Government has been engaged. Several scenarios are being evaluated including the use of either Geraldton or Esperance ports.

Steel Mills

Sale of iron ore contracts, initially in parcels of 500,000 to 1,000,000 tonnes per annum are being discussed with steel mills and when a JORC resource is established the sales contracts will be finalised.

GOLD

Mining leases M53/1016 to M53/1018 inclusive at the Wiluna West Project have been granted. These mining leases cover all the area subject to the previous prospecting licences (P53/ 1024 to P53/1033 inclusive) and the known gold deposits containing a combined resource of 788,000 tonnes at 3.5 g/t for 87,000 ounces of gold.

The Company is planning to approach parties with milling facilities within trucking distance with a view of commencing mining of the known deposits and further evaluating the gold resource potential along strike and at depth.

REVIEW OF OPERATIONS (Continued)

DOHERTY'S PROJECT

Doherty's Project is located at the Barrambie Mining Centre, 65 kilometres north of the township of Sandstone in the Murchison region of Western Australia. The Project consists of a single granted prospecting licence P57/972 covering an area of 175 hectares.

The Project contains an indicated resource of 25,700 tonnes at 23.8 g/t Au for a contained 20,430 ounces. The Company has recently pegged a mining licence over this lease.

BULLABULLING SOUTH PROJECT

The 98 square kilometre Bullabulling South Project is located 35 kilometres southwest of Coolgardie at the Southern end of the highly mineralised Coolgardie – Bullabulling Greenstone Belt. Gold deposits within 10 kilometres of the project have produced more than 1 million ounces of gold.

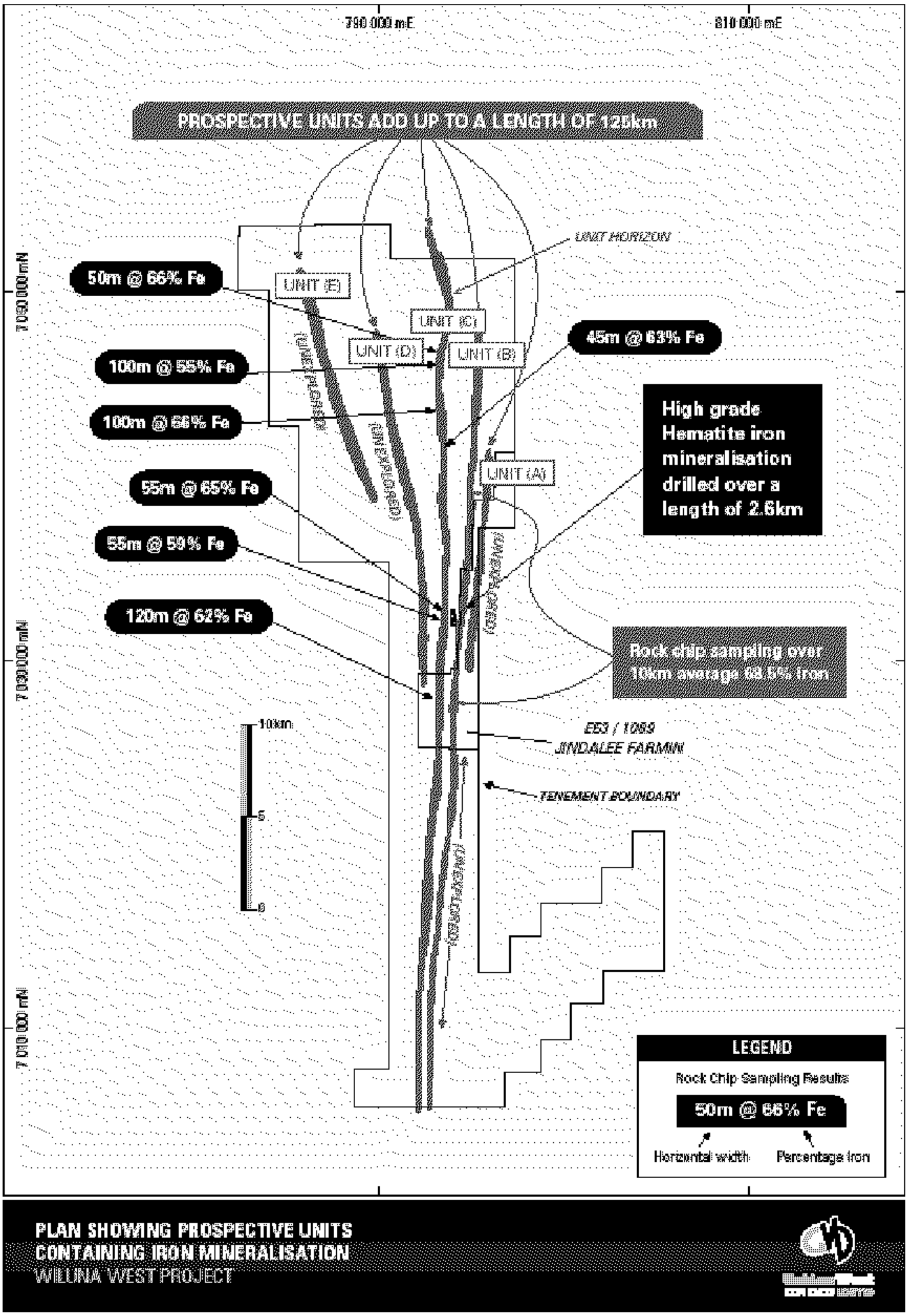
The Company has a farm-in agreement with Ramelius Resources Limited, whereby Ramelius may earn up to 75% interest in granted exploration licence E15/762. Once Ramelius has earned its interest, the Company will be free carried until a decision to carry out commercial mining operations is made.

Two large gold-in-soil anomalies have already been defined in the project. The Canyon gold-in-soil anomaly has to date been sparsely drilled and contains bedrock gold intercepts of up to 2 grams per ton gold (g/t au). The 1,500 metre diameter untested Triton gold-in-soil anomaly, overlies the southern end of the Bullabulling Shear Zone and is a high priority drill target.

LIST OF TENEMENTS

E53/1089-I	Jindalee Resources Limited	100/100 GWR Earning 60%
E53/1114-I	Golden West Resources Limited	100/100
E53/1116-I	Golden West Resources Limited	100/100
E53/1159-I	Golden West Resources Limited	100/100
ELA53/1173	Golden West Resources Limited	100/100
ELA53/1177	Golden West Resources Limited	100/100
L53/146	Golden West Resources Limited	100/100
L53/147	Golden West Resources Limited	100/100
L53/148	Golden West Resources Limited	100/100
M53/1016-I	Golden West Resources Limited	100/100
M53/1017-I	Golden West Resources Limited	100/100
M53/1018-I	Golden West Resources Limited	100/100
MLA53/1078	Jindalee Resources Limited	100/100 GWR Earning 60%

REVIEW OF OPERATIONS (Continued)



DIRECTORS' REPORT

Your Directors submit their financial report on the accounts of Golden West Resources Limited for the half-year ended 31 December 2005.

DIRECTORS

The following persons were Directors of Golden West Resources Limited during the whole of the half-year and up to the date of this report:

John Leonard Daniels (Chairman)
Gary Wayne Hutchinson
George Peter Gregory
Alan Paul Rudd
Michael Reginald Wilson

REVIEW OF OPERATIONS

Refer to the summary of Review of Operations for a review of operational matters.

ADOPTION OF AUSTRALIAN EQUIVALENTS TO IFRS

This interim financial report has been prepared under Australian equivalents to IFRS. A reconciliation of differences between previous GAAP and Australian equivalents to IFRS has been included in Note 2 of this report.

AUDITOR'S INDEPENDENCE DECLARATION

A copy of the Auditor's independence declaration as required under Section 307C of the Corporations Act 2001 is set out on page 28.

This report is signed in accordance with a resolution of the Directors.

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Gary Wayne Hutchinson
Director

Dated at Perth this 8th day of March, 2006.

GOLDEN WEST RESOURCES LIMITED

CONDENSED INCOME STATEMENT
FOR THE HALF-YEAR ENDED 31 DECEMBER 2005

	Note	December 2005 $	December 2004 $
Revenue		19,607	1,599
Consulting fees		(41,790)	(71,697)
Depreciation		(4,676)	(1,304)
Borrowing costs		--	(12,000)
Exploration expenditure written off		(3,534)	--
Employee entitlements		(256,500)	(67,500)
Legal costs		(4,472)	--
Management fees		--	(75,919)
Other expenses from ordinary activities		(156,630)	(101,518)
Loss before income tax	3	(447,995)	(328,339)
Income tax		--	--
Loss after income tax		(447,995)	(328,339)
Loss attributable to members of Golden West Resources Limited		(447,995)	(328,339)
Basic loss per share (cents per share)	4	(1.02)	(1.68)

The above condensed income statement should be read in conjunction with the accompanying notes.

CONDENSED BALANCE SHEET
AS AT 31 DECEMBER 2005

	December 2005 $	June 2005 $
CURRENT ASSETS		
Cash and cash equivalents	601,830	1,020,996
Trade and other receivables	53,335	53,814
Prepayments	16,383	--
Total Current Assets	671,548	1,074,810
NON CURRENT ASSETS		
Plant and equipment	53,454	19,098
Mineral exploration and evaluation expenditure	3,757,433	3,394,558
Total Non Current Assets	3,810,887	3,413,656
TOTAL ASSETS	4,482,435	4,488,466
CURRENT LIABILITIES		
Trade and other payables	83,633	208,749
Provisions	93,630	82,000
Non interest bearing liabilities	--	1,420
Total Current Liabilities	177,263	292,169
TOTAL LIABILITIES	177,263	292,169
NET ASSETS	4,305,172	4,196,297
EQUITY		
Issued Capital	5,427,518	4,870,648
Reserves	108,028	108,028
Accumulated losses	(1,230,374)	(782,379)
TOTAL EQUITY	4,305,172	4,196,297

The above condensed balance sheet should be read
in conjunction with the accompanying notes.

CONDENSED STATEMENT OF CHANGES IN EQUITY
FOR THE HALF-YEAR ENDED 31 DECEMBER 2005

	Ordinary Share Capital	Options Reserves	Accumulated Losses	Total
	$	$	$	$
Balance at 01/07/2004	443,215	--	(240,253)	202,962
Shares issued during the period	3,429,357	--	--	3,429,357
Loss attributable to members of parent entity	--	--	(328,339)	(328,339)
Balance at 31/12/2004	3,872,572	--	(568,592)	3,303,980
Balance at 01/07/2005	4,870,648	108,028	(782,379)	4,196,297
Shares issued during the period	556,870	--	--	556,870
Loss attributable to members of parent entity	--	--	(447,995)	(447,995)
Balance at 31/12/2005	5,427,518	108,028	(1,230,374)	4,305,172

The above condensed statement of changes in equity should be read in conjunction with the accompanying notes.

CONDENSED STATEMENT OF CASH FLOWS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2005

	December 2005 $	December 2004 $
Cash Flows from Operating Activities		
Payments for administration	(384,490)	(141,703)
Interest received	24,632	1,520
Interest paid	--	(12,000)
Other payments - GST	(26,999)	--
Net Cash (Used In) Operating Activities	(386,857)	(152,183)
Cash Flows from Investing Activities		
Payments for exploration expenditure	(549,309)	(193,735)
Payments for tenement acquisitions	--	(455,000)
Payment for plant and equipment	(14,460)	(627)
Net Cash (Used In) Investing Activities	(563,769)	(649,362)
Cash Flows from Financing Activities		
Proceeds from issue of shares	561,460	2,938,000
Costs associated with share issues	(30,000)	(70,000)
Proceeds from borrowings	--	50,000
Repayment of borrowings	--	(50,000)
Net Cash Provided By Financing Activities	531,460	2,868,000
Net increase in cash and cash equivalents held	(419,166)	2,066,455
Cash and cash equivalents at beginning of the financial period	1,020,996	131,159
Cash and cash equivalents at the end of the half-year	601,830	2,197,614

The above condensed statement of cash flows
should be read in conjunction with the accompanying notes.

NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2005

NOTE 1: BASIS OF PREPARATION

The half-year condensed financial statements are a general purpose financial report prepared in accordance with the requirements of Corporations Act 2001, Australian Accounting Standard AASB 134: Interim Financial Reporting, Urgent Issues Group Interpretations and other authoritative pronouncements of the Australian Accounting Standards Board.

The half-year financial report complies with Australian Accounting Standards which includes Australian equivalents to International Financial Reporting Standards ('AIFRS'). Compliance with AIFRS ensures that the half-year financial report, comprising the financial statements and notes thereto, complies with International Financial Reporting Standards ('IFRS').

It is recommended that this financial report be read in conjunction with the annual financial report for the year ended 30 June 2005 and any public announcements made by Golden West Resources Limited and its controlled entities during the half-year in accordance with continuous disclosure requirements arising under the Corporations Act 2001.

As this is the first interim financial report prepared under Australian equivalents to IFRS, the accounting policies applied are inconsistent with those applied in the 30 June 2005 annual report as this report was presented under previous Australian GAAP. Accordingly, a summary of the significant accounting policies under Australian equivalents to IFRS have been included below. A reconciliation of equity and profit or loss between previous GAAP and Australian equivalents to IFRS has been prepared per Note 2.

The half-year report does not include full disclosures of the type normally included in an annual financial report.

Accounting Policies

(a) Income Tax

The charge for current income tax expenses is based on the profit for the year adjusted for any non-assessable or disallowed items. It is calculated using the rates that have been enacted or are substantively enacted by the balance sheet date.

Deferred tax is accounted for using the balance sheet liability method in respect of temporary differences arising between the tax base of assets and liabilities and their carrying amounts in the financial statements. No deferred income tax will be recognised from the initial recognition of an asset or liability, excluding a business combination, where there is no effect on accounting or taxable profit or loss.

Deferred tax is calculated at the tax rates that are expected to apply to the period when the asset is realised or liability is settled. Deferred tax is credited in the income statement except where it relates to items that may be credited directly to equity, in which case the deferred tax is adjusted directly against equity.

Deferred income tax assets are recognised to the extent that it is probable that future profit will be available against which deductible temporary differences can be utilised.

The amount of benefits brought to account or which may be realised in the future is based on the assumption that no adverse change will occur in income taxation legislation and the anticipation that the economic entity will derive sufficient future assessable income to enable the benefit to be realised and comply with the conditions of deductibility imposed by the law.

NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2005

NOTE 1: BASIS OF PREPARATION (Continued)

(b) Property, Plant and Equipment

Each class of property, plant and equipment is carried at cost or fair value less, where applicable, any accumulated depreciation and impairment losses.

Plant and equipment

Plant and equipment is measured on the cost basis less depreciation and impairment losses.

The carrying amount of plant and equipment is reviewed annually by directors to ensure it is not in excess of the recoverable amount from these assets. The recoverable amount is assessed on the basis of the expected net cash flows that will be received from the assets employment and subsequent disposal. The expected net cash flows have been discounted to their present values in determining recoverable amounts.

Depreciation

The depreciable amount of all fixed assets is depreciated on a straight-line basis over their useful lives to the economic entity commencing from the time the asset is held ready for use. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements.

The depreciation rates used for each class of depreciable assets are:

Plant and equipment	7.50-37.50%

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains and losses are included in the income statement.

(c) Exploration and Development Expenditure

Exploration, evaluation and development expenditure incurred is accumulated in respect of each identifiable area of interest. These costs are only carried forward to the extent that they are expected to be recouped through the successful development of the area or where activities in the area have not yet reached a stage that permits reasonable assessment of the existence of economically recoverable reserves.

Accumulated costs in relation to an abandoned area are written off in full against profit in the year in which the decision to abandon the area is made.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2005

NOTE 1: BASIS OF PREPARATION (Continued)

(c) Exploration and Development Expenditure (continued)

When production commences, the accumulated costs for the relevant area of interest are amortised over the life of the area according to the rate of depletion of the economically recoverable reserves.

A regular review is undertaken of each area of interest to determine the appropriateness of continuing to carry forward costs in relation to that area of interest.

Costs of site restoration are provided over the life of the facility from when exploration commences and are included in the costs of that stage. Site restoration costs include the dismantling and removal of mining plant, equipment and building structures, waste removal, and rehabilitation of the site in accordance with clauses of the mining permits. Such costs have been determined using estimates of future costs, current legal requirements and technology on a discounted basis.

Any changes in the estimates for the costs are accounted on a prospective basis. In determining the costs of site restoration, there is uncertainty regarding the nature and extent of the restoration due to community expectations and future legislation. Accordingly the costs have been determined on the basis that the restoration will be completed within one year of abandoning the site.

(d) Leases

Leases of fixed assets where substantially all the risks and benefits incidental to the ownership of the asset, but not the legal ownership that are transferred to entities in the economic entity are classified as finance leases.

Finance leases are capitalised by recording an asset and a liability at the lower of the amounts equal to the fair value of the leased property of the present value of the minimum lease payments, including any guaranteed residual values. Lease payments are allocated between the reduction of the lease liability and the lease interest expense for the period.

Leased assets are depreciated on a straight-line basis over their estimated useful lives where it is likely that the economic entity will obtain ownership of the asset or over the term of the lease.

Lease payments for operating leases, where substantially all the risks and benefits remain with the lessor, are charged as expenses in the periods in which they are incurred.

Lease incentives under operating leases are recognised as a liability and amortised on a straight-line basis over the life of the lease term.

(e) Financial Instruments

Recognition

Financial instruments are initially measured at cost on trade date, which includes transactions costs, when the related contractual rights or obligations exist. Subsequent to initial recognition these instruments are measured as set out below.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2005

NOTE 1: BASIS OF PREPARATION (Continued)

(e) Financial Instruments (continued)

Financial assets at fair value through profit and loss

A financial asset is classified in this category if acquired principally for the purpose of selling in the short term, or if so designated by management and within the requirement of AASB 139: Recognition and Measurement of Financial Instruments. Realised and unrealised gains and losses arising from changes in the fair value of these assets are included in the income statement in the period in which they arise.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are stated at amortised cost using the effective interest rate method.

Held-to-maturity investments

These investments have fixed maturities, and it is the Company's intention to hold these investments to maturity. Any held-to-maturity investments held by the Company are stated at amortised cost using the effective interest rate method.

Available-for-sale financial assets

Available-for-sale financial assets include any financial assets not included in the above categories. Available-for-sale financial assets are reflected at fair value. Unrealised gains and losses arising from changes in fair value are taken directly to equity.

Financial liabilities

Non-derivative financial liabilities are recognised at amortised cost, comprising original debt less principal payments and amortisation.

Fair value

Fair value is determined based on current bid prices for all quoted investments. Valuation techniques are applied to determine the fair value for all unlisted securities, including recent arm's length transactions, reference to similar instruments and option pricing models.

Impairment

At each reporting date, the Company assesses whether there is objective evidence that a financial instrument has been impaired. In the case of available-for-sale financial instruments, a prolonged decline in value of the instrument is considered to determine whether an impairment has arisen. Impairment losses are recognised in the income statement.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2005

NOTE 1: BASIS OF PREPARATION (Continued)

(f) Impairment of Assets

At each reporting date, the Company reviews the carrying values of its tangible and intangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, is compared to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed to the income statement.

Impairment testing is performed annually for goodwill and intangible assets with indefinite lives.

Where it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

(g) Investments in Associates

Investments in associate companies are recognised in the financial statements by applying the equity method of accounting where significant influence is exercised over an investee. Significant influence exists where the investor has the power to participate in the financial and operating policy decisions of the investees but does not have control or joint control over those policies. The equity method of accounting recognises the Company's share of post acquisition reserves of its associates.

(h) Employee Benefits

Provision is made for the Company's liability for employee benefits arising from services rendered by employees to balance date. Employee benefits that are expected to be settled within one year have been measured at the amounts expected to be paid when the liability is settled, plus related on-costs. Employee benefits payable later than one year have been measured at the present value of the estimated future cash outflows to be made for those benefits.

(i) Cash and Cash Equivalents

Cash and cash equivalents includes cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within short-term borrowings in current liabilities on the balance sheet.

(j) Revenue

Revenue from the sale of goods is recognised upon the delivery of goods to customers.

Interest revenue is recognised on a proportional basis taking into account the interest rates applicable to the financial assets.

Revenue from the rendering of a service is recognised upon the delivery of the service to the customers.

All revenue is stated net of the amount of goods and service tax (GST).

NOTES TO THE FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2005

NOTE 1: BASIS OF PREPARATION (Continued)

(k) Borrowing Costs

Borrowing costs directly attributable to the acquisition, construction or production of assets that necessarily take a substantial period of time to prepare for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

All other borrowing costs are recognised in income in the period in which they are incurred.

(l) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Tax Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the balance sheet are shown inclusive of GST.

Cash flows are presented in the cash flow statement on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

(m) Comparative Figures

When required by Accounting Standards, comparative figures have been adjusted to conform to changes in presentation for the current financial year.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2005

NOTE 2: FIRST-TIME ADOPTION OF AUSTRALIAN EQUIVALENTS TO INTERNATIONAL FINANCIAL REPORTING STANDARDS

Reconciliation of Equity at 1 July 2004 **Economic Entity**

	Previous GAAP at 01/07/2004	Adjustments on introduction of Aust'n equivalents to IFRS	Aust'n equivalents to IFRS at 01/07/2004
	$	$	$
CURRENT ASSETS			
Cash and cash equivalents	131,159	--	131,159
Trade and other receivables	27,184	--	27,184
Total Current Assets	158,343	--	158,343
NON CURRENT ASSETS			
Plant and equipment	8,371	--	8,371
Mineral exploration and evaluation expenditure	86,602	--	86,602
Total Non Current Assets	94,973	--	94,973
TOTAL ASSETS	253,316	--	253,316
CURRENT LIABILITIES			
Trade and other payables	48,934	--	48,934
Non interest bearing liabilities	1,420	--	1,420
Total Current Liabilities	50,354	--	50,354
TOTAL LIABILITIES	50,354	--	50,354
NET ASSETS	202,962	--	202,962
EQUITY			
Issued capital	443,215	--	443,215
Accumulated losses	(240,253)	--	(240,253)
TOTAL EQUITY	202,962	--	202,962

NOTES TO THE FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2005

NOTE 2: FIRST-TIME ADOPTION OF AUSTRALIAN EQUIVALENTS TO INTERNATIONAL FINANCIAL REPORTING STANDARDS (Continued)

Reconciliation of Equity at 31 December 2004 — **Economic Entity**

	Previous GAAP at 31/12/2004	Adjustments on introduction of Aust'n equivalents to IFRS	Aust'n equivalents to IFRS at 31/12/2004
	$	$	$
CURRENT ASSETS			
Cash and cash equivalents	2,197,614	--	2,197,614
Trade and other receivables	71,664	--	71,664
Total Current Assets	2,269,278	--	2,269,278
NON CURRENT ASSETS			
Plant and equipment	7,637	--	7,637
Mineral exploration and evaluation expenditure	1,644,631	--	1,644,631
Total Non Current Assets	1,652,268	--	1,652,268
TOTAL ASSETS	3,921,546	--	3,921,546
CURRENT LIABILITIES			
Trade and other payables	548,646	--	548,646
Non interest bearing liabilities	1,420	--	1,420
Total Current Liabilities	550,066	--	550,066
NON CURRENT LIABILITIES			
Employee entitlements	67,500	--	67,500
Total Non Current Liabilities	67,500	--	67,500
TOTAL LIABILITIES	617,566	--	617,566
NET ASSETS	3,303,980	--	3,303,980
EQUITY			
Issued capital	3,872,572	--	3,872,572
Accumulated losses	(568,592)	--	(568,592)
TOTAL EQUITY	3,303,980	--	3,303,980

NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2005

NOTE 2: FIRST-TIME ADOPTION OF AUSTRALIAN EQUIVALENTS TO INTERNATIONAL FINANCIAL REPORTING STANDARDS (Continued)

Reconciliation of Equity at 30 June 2005 **Economic Entity**

	Previous GAAP at 30/06/2005	Adjustments on introduction of Aust'n equivalents to IFRS	Aust'n equivalents to IFRS at 30/06/2005
	$	$	$
CURRENT ASSETS			
Cash and cash equivalents	1,020,996	--	1,020,996
Trade and other receivables	53,814	--	53,814
Total Current Assets	1,074,810	--	1,074,810
NON CURRENT ASSETS			
Plant and equipment	19,098	--	19,098
Mineral exploration and evaluation expenditure	3,394,558	--	3,394,558
Total Non Current Assets	3,413,656	--	3,413,656
TOTAL ASSETS	4,488,466	--	4,488,466
CURRENT LIABILITIES			
Trade and other payables	208,749	--	208,749
Provisions	82,000	--	82,000
Non interest bearing liabilities	1,420	--	1,420
Total Current Liabilities	292,169	--	292,169
TOTAL LIABILITIES	292,169	--	292,169
NET ASSETS	4,196,297	--	4,196,297
EQUITY			
Issued capital	4,870,648	--	4,870,648
Reserves	108,028	--	108,028
Accumulated losses	(782,379)	--	(782,379)
TOTAL EQUITY	4,196,297	--	4,196,297

NOTES TO THE FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2005

NOTE 2: FIRST-TIME ADOPTION OF AUSTRALIAN EQUIVALENTS TO INTERNATIONAL FINANCIAL REPORTING STANDARDS (Continued)

Reconciliation of Profit or Loss for the half-year 31 December 2004

	Economic Entity		
	Previous GAAP	**Effect of transition to Aust'n equivalents to IFRS**	**Aust'n equivalents to IFRS**
	$	**$**	**$**
Revenue	1,599	--	1,599
Consulting fees	(71,697)	--	(71,697)
Depreciation	(1,304)	--	(1,304)
Borrowing costs	(12,000)	--	(12,000)
Management fees	(75,919)	--	(75,919)
Employee entitlements	(67,500)	--	(67,500)
Other expenses from ordinary activities	(101,518)	--	(101,518)
Loss before income tax	(328,339)	--	(328,339)
Income tax	--	--	--
Loss after income tax	(328,339)	--	(328,339)
Loss attributable to members of Golden West Resources Limited	(328,339)	--	(328,339)

NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2005

NOTE 2: FIRST-TIME ADOPTION OF AUSTRALIAN EQUIVALENTS TO INTERNATIONAL FINANCIAL REPORTING STANDARDS (Continued)

Reconciliation of Profit or Loss for the full year to 30 June 2005

	Economic Entity		
	Previous GAAP $	**Effect of transition to Aust'n equivalents to IFRS** $	**Aust'n equivalents to IFRS** $
Revenue	38,984	--	38,984
Consulting fees	(103,460)	--	(103,460)
Depreciation	(3,435)	--	(3,435)
Borrowing costs	(12,000)	--	(12,000)
Employee entitlements	(82,000)	--	(82,000)
Legal costs	(3,654)	--	(3,654)
Other expenses from ordinary activities	(376,561)	--	(376,561)
Loss before income tax	(542,126)	--	(542,126)
Income tax	--	--	--
Loss after income tax	(542,126)	--	(542,126)
Loss attributable to members of Golden West Resources Limited	(542,126)	--	(542,126)

(i) During the year ended 30 June 2005, remuneration options were granted to Directors on 6 August 2004. These options vested on grant date. The Company has taken the election under AASB1 "First-time adoption of Australian Equivalents to International Financial Reporting Standards" not to book the value of remuneration options issued after 7 November 2002 but which vested before 1 January 2005.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2005

NOTE 3: LOSS

	December 2005 $	December 2004 $
Loss before income tax includes the following revenues and expenses whose disclosure is relevant in explaining the financial performance for the interim period:		
Revenues		
Interest received	18,187	1,599
Expenses		
Consultancy fees	41,790	71,697
Rent and outgoings	10,855	75,919
Employee entitlements	256,500	67,500
Exploration expenditure written off	3,534	--
Legal costs	4,472	--

NOTE 4: LOSS PER SHARE

The following reflects the income and data used in the calculations of basic and diluted earnings per share:

	December 2005 $	December 2004 $
Loss used in calculating basic and diluted loss per share	(447,995)	(328,339)
	Number of Shares	**Number of Shares**
Weighted average number of ordinary shares used in calculating Basic loss per share:	43,740,002	19,552,842

Diluted loss per share has not been disclosed as the conversion to ordinary shares does not lead to an inferior view of the earnings performance of the entity.

NOTE 5: CONTINGENT LIABILITIES

Golden West Resources Limited have no known material contingent liabilities since the last annual reporting date.

NOTE 6: EVENTS SUBSEQUENT TO REPORTING DATE

Subsequent to the end of the half-year ended 31 December 2005, the following events have occurred:

- A placement of 7 million ordinary fully paid shares to raise $2,450,000 was completed on 6 February 2006.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2005

NOTE 7: SEGMENT INFORMATION

Geographical segments:

	Australia December 2005 $	Australia December 2004 $
Segment Revenue	19,607	1,599
Segment Result	(447,995)	(328,339)

Business segments:

The operation and assets of Golden West Resources are predominantly employed in exploration activities relating to minerals in Australia.

DIRECTORS' DECLARATION

The Directors declare that the financial statements and notes set out on pages 8 to 24:

(a) comply with Accounting Standard AASB134: Interim Financial Reporting and the Corporations Regulations; and
(b) give a true and fair view of the entity's financial position as at 31 December 2005 and of its performance for the half-year ended on that date.

In the Directors' opinion:

(a) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Directors.

Dated this 8th day of March, 2006.

....

Gary Wayne Hutchinson
Director

STANTON PARTNERS

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WEST PERTH 6005
WESTERN AUSTRALIA

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INDEPENDENT REVIEW REPORT
TO THE MEMBERS OF
GOLDEN WEST RESOURCES LIMITED

Scope

We have reviewed the financial report comprising of the balance sheet, income statement, statement of cash flows, statement of changes in equity, accompanying notes to the financial statements and the Directors' Declaration of Golden West Resources Limited (the Company) for the half-year ended 31 December 2005 as set out on pages 8 to 25. The directors of the Company are responsible for preparing a financial report that gives a true and fair view of the financial position and performance of the Company and that complies with Accounting Standard AASB 134 "Interim Financial Reporting" in accordance with the Corporations Act 2001. This includes responsibility for the maintenance of adequate accounting records and internal controls that are designed to prevent and detect fraud and error, and for the accounting policies and accounting estimates inherent in the financial report.

Review Approach

We have performed an independent review of the financial report in order to state whether, on the basis of the procedures described, anything has come to our attention that would indicate that the financial report is not presented fairly in accordance with Accounting Standard AASB 134 "Interim Financial Reporting" and other mandatory financial reporting requirements in Australia and statutory requirements, so as to present a view which is consistent with our understanding of the disclosing entity's financial position, and performance as represented by the results of its operations and its cash flows, and in order for the disclosing entity to lodge the financial report with the Australian Securities and Investments Commission.

Our review has been conducted in accordance with Australian Auditing and Assurance Standards applicable to review engagements. A review is limited primarily to inquiries of the disclosing entity's personnel and analytical procedures applied to the financial data. These procedures do not provide all the evidence that would be required in an audit, thus the level of assurance is less than given in an audit. We have not performed an audit and, accordingly, we do not express an audit opinion.

Independence

We are independent of the Company, and have met the independence requirements of Australian professional ethical pronouncements and the Corporations Act 2001. We have given to the directors of the Company a written Auditor's Independence Declaration.

Statement

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Golden West Resources Limited is not in accordance with:

(a) the Corporations Act 2001, including:

  (i) giving a true and fair view of the company's financial position as at 31 December 2005 and of its performance for the half-year ended on that date; and

  (ii) complying with Accounting Standard AASB 134 Interim Financial Reporting and the Corporations Regulations 2001; and

(b) other mandatory financial reporting requirements in Australia.

STANTON PARTNERS

Stanton Partners

J P Van Dieren
Partner

West Perth, Western Australia
8 March 2006

STANTON PARTNERS

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8 March 2006

Board of Directors
Golden West Resources Limited
Unit 4
159 Main Street
OSBORNE PARK WA 6017

Dear Directors

RE: GOLDEN WEST RESOURCES LIMITED

In accordance with section 307C of the Corporations Act 2001, I am pleased to provide the following declaration of independence to the directors of Golden West Resources Limited.

As Audit Partner for the review of the financial statements of Golden West Resources Limited for the 6 month period ended 31 December 2005, I declare that to the best of my knowledge and belief, there have been no contraventions of:

(i) the auditor independence requirements of the Corporations Act 2001 in relation to the review; and

(ii) any applicable code of professional conduct in relation to the review.

Yours sincerely
STANTON PARTNERS

Stanton Partners

J Van Dieren

John Van Dieren
Partner