West
ABN 64 102 622 051

21 August 2006

Ms E Harris
Australian Stock Exchange Limited
2 The Esplanade
PERTH WA 6000

Dear Elizabeth

RE: PRICE QUERY

In reply to your price query we advise:

1) The company is not aware of any information concerning it that has not been announced.

2) Not applicable.

3) No.

4) On 18 August 2006 the Company announced it had completed a placement to raise $7.5 million for funding and accelerated exploration program at the Wiluna West Iron Project.

   - **Stage 1: To generate early cash flow**

     Stage 1 is to outline a JORC reserve of 3 to 5 million tonnes of high grade direct shipping hematite (iron ore) suitable for selling and exporting to market at a rate of 500,000 to 1 million tonnes per annum to generate a cash flow to assist in funding the stage 2 program.

   - **Stage 2: Confirm the size of the iron ore resource at the Wiluna Project and develop the required infrastructure.**

     Stage 2 will involve the development of a major iron ore project of at least 150 to 200 million tonnes and the required infrastructure to support a 10 to 12 million tonne per annum operation.

   Recently a report featured in the Mining News stated that the Company was in discussions with a Chinese steel mill after they had visited the Wiluna West Iron Project. At this stage those discussions are not proceeding.

5) The Company confirms that that it is in compliance with the Listing Rules and in particular Listing Rule 3.1.

Yours sincerely

GARY W. HUTCHINSON
Managing Director

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21 August 2006

Mr Gary Hutchinson
Managing Director
Golden West Resources Limited
Level 1
284 Oxford Street
LEEDERVILLE WA 6007

By Facsimile: 08 9201 9203

Dear Gary

Golden West Resources Limited (the "Company")

RE: PRICE QUERY

We have noted a change in the price of the Company's securities from a low of $1.35 on 18 August 2006 to a high of $2.20 today. We have also noted an increase in the volume of trading in the securities over this period.

In light of the price change and increase in volume, please respond to each of the following questions.

1. Is the Company aware of any information concerning it that has not been announced which, if known, could be an explanation for recent trading in the securities of the Company?

2. If the answer to question 1 is yes, can an announcement be made immediately? If not, why not and when is it expected that an announcement will be made?

   Please note, if the answer to question 1 is yes and an announcement cannot be made immediately, you need to contact us to discuss this and you need to consider a trading halt (see below).

3. Is there any reason to think that there may be a change in the operating profit before abnormal items and income tax so that the figure for the financial year ended 30 June 2006 would vary from the previous financial year by more than 15%? If so, please provide details as to the extent of the likely variation.

4. Is there any other explanation that the Company may have for the price change and increase in volume in the securities of the Company?

5. Please confirm that the Company is in compliance with the listing rules and, in particular, listing rule 3.1.

Your response should be sent to me by e-mail at elizabeth.harris@asx.com.au or by facsimile on facsimile number (08) 92212020. It should not be sent to the Company Announcements Office.

Unless the information is required immediately under listing rule 3.1, a response is requested as soon as possible and, in any event, not later than **12 noon.W.S.T on Monday,21 August 2006.**

Under listing rule 18.7A, a copy of this query and your response will be released to the market, so your response should be in a suitable form and separately address each of the questions asked. If you have any queries or concerns, please contact me immediately.

Listing rule 3.1

Listing rule 3.1 requires an entity to give ASX immediately any information concerning it that a reasonable person would expect to have a material effect on the price or value of the entity's securities. The exceptions to this requirement are set out in listing rule 3.1A.

In responding to this letter you should consult listing rule 3.1 and Guidance Note 8 – Continuous Disclosure: listing rule 3.1.

If the information requested by this letter is information required to be given to ASX under listing rule 3.1 your obligation is to disclose the information immediately.

Your responsibility under listing rule 3.1 is not confined to, or necessarily satisfied by, answering the questions set out in this letter.

Trading halt

If you are unable to respond by the time requested, or if the answer to question 1 is yes and an announcement cannot be made immediately, you should consider a request for a trading halt in the Company's securities. As set out in listing rule 17.1 and Guidance Note 16 – Trading Halts we may grant a trading halt at your request. We may require the request to be in writing. We are not required to act on your request. You must tell us each of the following.

- The reasons for the trading halt.
- How long you want the trading halt to last.
- The event you expect to happen that will end the trading halt.
- That you are not aware of any reason why the trading halt should not be granted.
- Any other information necessary to inform the market about the trading halt, or that we ask for.

The trading halt cannot extend past the commencement of normal trading on the second day after the day on which it is granted. If a trading halt is requested and granted and you are still unable to reply to this letter before the commencement of trading, suspension from quotation would normally be imposed by us from the commencement of trading if not previously requested by you. The same applies if you have requested a trading halt because you are unable to release information to the market, and are still unable to do so before the commencement of trading.

If you have any queries regarding any of the above, please let me know.

Yours sincerely,

Elizabeth Harris
Adviser, Issuers (Perth)

Direct Line: (08) 9224 0011