
NEWS

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SCOPING STUDY COMMENCES FOR W.A.

IRON ORE PROJECT AT WILUNA

A proposed hematite iron ore project in Western Australia is a step closer to development with approval announced today for a scoping study to proceed.

The study is expected to lead into the key feasibility study for the production and sale of iron ore from the Wiluna West project east of Geraldton being developed by Golden West Resources Limited (ASX code "GWR").

The Company said today its decision to proceed with the scoping study followed:

- The successful definition last month of Wiluna's maiden Inferred Mineral Resource of 50.1 million tonnes (Mt) of direct shipping ore, averaging 61.1% iron (Fe) and low levels of phosphorous
- The favourable preliminary results from a separate transport study of Golden West's likely rail and port costs for the option of shipping bulk tonnages south through Esperance – the study finding the rate would be around a competitive A\$25 per tonne based on 10 Mt per annum
- A high level of confidence of a significant tonnage upgrade in the short-term to Golden West's iron resources as
 - Current drilling schedules are being enhanced, and
 - The initial 50 Mt JORC estimate is only from one area of the Wiluna West tenements. Assay results from a further 8,000 drill samples are progressively being received.

Golden West Resources' Managing Director, Mr Gary Hutchinson, said today that the scoping study would provide an initial overview of likely mining, engineering and port costs for West Wiluna as it moved to meet its major production and life of mine objectives of at least 10 million tonnes a year for a minimum 15 years.

issued through

FIELD PUBLIC RELATIONS PTY LTD ABN 74 008 222 311

231 South Road, MILE END SA 5031

Ph: 08 8234 9555 Fax: 08 8234 9566

admin@fieldpr.com.au

“The key outcomes from the scoping study will keep us on track for the move into the critical feasibility study ahead of any decision to mine,” Mr Hutchinson said.

Snowden Consulting Group has been appointed to conduct the scoping study.

Golden West is maintaining a vigorous drilling program to rapidly expand its resources, targeting a starting point for mining in the range from 150 million.

It has kept its ore shipment option open, being potentially able to export through either Esperance or the proposed Oakajee port north of Geraldton.

Mr Hutchinson said that Longrun Transport Developments Pty Ltd, which had undertaken the Esperance transport study, had now been commissioned to also examine transport costs for the alternative Wiluna to Oakajee Port via Weld Range route.

“We anticipate a saving of around 20% on this route as it is 200 kilometres shorter than exporting through Esperance,” Mr Hutchinson said.

“The new Longrun findings will be incorporated into the scoping study.”

Wiluna West’s initial resource estimate is contained within a small number of targets within close proximity to each other in Golden West Resources’ tenements, 35 kilometres southwest of Wiluna and 450 kilometres north of Kalgoorlie.

“We have only tested 30% of the prospective strike at Wiluna West and are confident of readily achieving our desired initial mineral target of at least 150 million tonnes of iron ore,” Mr Hutchinson said.

Golden West Resources’ JORC estimate was dominated by the Company’s C4 deposit which alone contains 24 Mt @ 60% Fe, including significant high grade tonnages of 15.3 Mt grading 62.7% Fe and 5.6% silica.

Assay results pending are from drilling on the C1, C2, C3 and C5 deposits immediately south and along strike from C4.

The intensified drilling program is focused on identifying new resources rather than infill drilling of known deposits and will utilise new exploration models based upon known deposits such as C4.

MEDIA CONTACT:

Gary Hutchinson	Golden West Resources	04128 364 135
Kevin Skinner	Field Public Relations	(08) 8234 9555 / 0414 822 631

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