21 August 2007

ASX ANNOUNCEMENT

Corporate Summary

ASX Code: ***GWR***

Issued Capital: ***71 Mil***

Issued Options: ***41 Mil***

Market Cap fully diluted

Aug 07 ***$A226 Mil***

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Golden West welcomes A$750m commitment to iron ore needs of mid west region

Golden West Resources Limited (ASX: GWR) welcomes the news that Yilgarn Infrastructure has negotiated an investment agreement of A$750 million with five major Chinese enterprises. The Company understands the investment commitment is to underpin the equity needed for the development of the Oakajee port and railway infrastructure in the Mid West region of WA.

The equity deal announcement follows a previous Yilgarn Infrastructure announcement of a commitment by China EXIM Bank to underwrite the debt required for the project. This latest development further cements the involvement of China with the Australian iron ore industry especially in the emergent new iron ore province of the Mid West.

Attached is a copy of Yilgarn Infrastructure's media announcement. Golden West is assessing the Oakajee Port proposal as an option for exporting to Asian markets of at least 10 million tonnes pa of iron ore from the development of the Company's Wiluna West iron ore project northeast of Geraldton.

Project background

Wiluna Iron Ore Project is located 40 kilometres south of Wiluna in Western Australia. The project has already defined 50 Million Tonnes (MT) of high grade hematite mineralisation, grading 61% iron (Fe). The iron deposits are within five separate semi-parallel mineralised units within the 440 sq/kms of tenements.

The Company is employing continuous drilling, targeting a minimum defined resource of 100 Million Tonnes by December 2007, as it builds towards Golden West's major objective of a resource to support a long-life, 10 Million Tonnes per annum mining operation.

Infrastructure planning to accommodate an initial 10 Million Tonnes per annum from Wiluna to Weld Range to the proposed Port of Oakajee has commenced.

Ends

20 August 2007 **MEDIA STATEMENT**

YILGARN SECURES MAJOR INVESTMENT DEAL

Yilgarn Infrastructure Limited has signed an investment agreement with five major Chinese enterprises to underpin the A$750 million equity needed for the development of the Oakajee Port and Rail Project in Western Australia's Mid West region.

The agreement, signed in Beijing on Friday, August 17, was witnessed by the Australian Embassy's Minister Commercial, the Director of the Commonwealth Government's Beijing office of Invest Australia and senior members of China's EXIM Bank and the China Development Bank.

Speaking at the ceremony, Yilgarn Chairman Dr John Saunders said a crucial component of the agreement was a 'local content' commitment by all parties to partner with Australian expertise and suppliers for the development, construction and operation of the estimated A$3 billion infrastructure project.

The equity deal follows a commitment by China's EXIM Bank to underwrite the debt required for the project.

"Yilgarn is forging a highly skilled and competent project team by combining Australian expertise and local inputs with Chinese project execution capabilities," Dr Saunders said.

"Ensuring these commercial partnerships continue to be created and fostered into the construction and delivery phases of the port and rail will ensure the Mid West – and Western Australia – receives the best possible infrastructure development.

"This agreement provides significant opportunities for Western Australian companies to form partnerships in key roles for this project and to take advantage of China's demand for our products and the need for local expertise. It also sets up a pathway for companies in WA to go offshore to join their Chinese counterparts in the Chinese project and infrastructure marketplace."

The group of five companies – with combined assets of more than US$50 billion and revenues of more than US$60 billion - includes some of China's biggest enterprises in the fields of port and railway construction; railway operations, iron ore trading and steel production. * See attached list for detail.

Dr Saunders said the strong balance sheets and delivery capabilities of the group would provide Yilgarn with significant strategic, technical and financial support and would complement its world-renowned Australian-based engineering and project management team, which includes WorleyParson's Services Pty Ltd and Parsons Brinckerhoff.

"This equity agreement, together with the debt finance commitment secured from China's EXIM Bank, puts Yilgarn on the best possible financial footing as we progress the Oakajee Port and Rail Project," Dr Saunders said.

"With substantial preliminary works done, including engineering pre-feasibility, key environmental investigations and specialised geotechnical, rail alignment and vessel handling studies, Yilgarn is now moving onto definitive feasibility studies with a strong team well equipped to handle this extremely complex development."

Yilgarn also plans to list on the Australian Stock Exchange to enable further investment in the company from the Australian public and institutions.

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Background

China Railway Materials Commercial Corporation (**CRM**)
Main Business: Trading and logistic focus on railway systems. Provision of materials, and equipment and technology for the construction and operation of the railway system in China and internationally including locomotives, wagons, fuel supplies, operation and maintenance, investment, training.
Employees: more than 10,000

Sinosteel Corporation (**Sinosteel**)
Main Business: Sinosteel is China's biggest iron ore trading and investment company and engaging in developing, mining and processing of metallurgical mineral resources internationally; trading and logistics of metallurgical raw materials; manufacturing major equipment for the steel industry worldwide. It is the key raw material supplier and sales-agent for major Chinese steel mills.
Employees: 48,600

Anshan Iron and Steel Group Corporation (**Ansteel**)
Main Business: China's second largest iron and steel company with steel production of 16 mtpa in 2006 and increase to 40 mtpa by 2011.
Employees: more than 31,000

China Railway Engineering Corporation (**CREC**)
Main Business: Rail project planning and design, construction and installation, manufacturing, R&D, technical consulting and capital management. CREC has built more than 55,000 km of railway trunk lines, 3,300 km of bridges and 3,600 km of tunnels.
Employees: more than 292,300

China Communications Construction Corporation (CCCC)
Main Business: One of the world's biggest infrastructure contractors specialising in marine engineering and port construction and other transportation infrastructure. CCCC is China's largest port design and construction company and a leading enterprise in road, bridge construction and design. CCCC is the biggest dredging company in China and the third largest in the world.
Achievement of port construction includes: China's 250,000 DWT Iron Ore Terminal in Caofeidian and 300,000 DWT Oil Terminal in Dalian.
Employees: more than 70,000

Assets and revenues as at 31 Dec 2006 ($1= ¥7.8051)
(Numbers are in billion, and rounded at 2 decimal places)

Company name	**Assets**		**Revenue**		**Source of information**
	RMB (¥)	USD ($)	RMB (¥)	USD ($)	
CRM	22.3	2.86	65.39	8.38	Company website
Sinosteel	26.60	3.41	61.00	7.82	Company brochure
Ansteel	100.00	12.81	70.00	8.97	Company brochure
CREC	140.80	18.04	163.60	20.96	Audited Financial Report
CCCC	126.95	16.27	114.88	14.72	Audited Financial Report
Total	**416.65**	**53.39**	**474.87**	**60.85**	

About Yilgarn

Yilgarn is a well-funded, unlisted public company, established to develop the Oakajee Port and Rail Project in Western Australia's Mid West region on an open access, multi-user basis.

Yilgarn is independent of the region's mines, which will become customers and users of the infrastructure.

The company's project is to build an independently owned and operated common-user port and railway aligned to service all the region's commercial mines to reach multiple existing and future users.

Yilgarn's regional focus is to deliver a competitive commercial solution for existing iron ore mines seeking to expand operations and to ensure potential new mines have open access to vital infrastructure at the lowest possible capital and operating costs.

This will enable the greatest possible return and regional growth opportunities for the Mid West.

Project Status

- Substantial engineering pre-feasibility studies of the Oakajee port and rail completed.
- Key environmental, fauna and flora surveys and Aboriginal heritage investigations completed.
- Specialised geotechnical, hydrological, rail alignment and vessel handling simulations completed.
- Port design constructability established.
- Official Project Definition Document provided to State Government (May 2007).
- Definitive pre-construction studies scheduled to start.
- Debt-finance agreement signed with EXIM Bank.
- Agreements signed with Midwest Corporation and Gindalbie Metals (as future customers) to work together to progress the development of the port and rail.
- Agreements being negotiated with other mine customers.

Subject to environmental and other approvals, Yilgarn is on track to start construction in late 2008 for project completion in 2011.