



Golden West
RESOURCES LIMITED

ABN 54 102 622 051

22 January 2008

ASX ANNOUNCEMENT

Corporate Summary

ASX Code: GWR

Issued Capital: 104.6 Mil

Issued Options: 24.8 Mil

Market Cap fully diluted

Dec 07 \$A282.1 Mil

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GWR REJECTS FAS STATEMENTS

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Golden West Resources Limited (**GWR**) refers to the announcement made by Fairstar Resources Limited (**Fairstar**) to Australian Stock Exchange Limited (**ASX**) on 18 January 2008 entitled "GWR Shareholders' Meeting".

GWR wishes to correct certain inaccurate statements made by FAS in its announcement.

Mr Geoff Wedlock

In its statement Fairstar describes a resolution to be put to the shareholders of GWR at the Extraordinary General Meeting on 5 February 2008 (**EGM**) as "a resolution to ratify the invalid appointment of Mr Geoffrey Wedlock as a director of GWR".

GWR advises that this statement is incorrect. GWR has received legal advice that the appointment of Mr Geoff Wedlock, an experienced and internationally respected iron ore executive, is valid and he is entitled to act as a Director and Chairman of Golden West Resources.

This position is supported by recent findings made by the Honourable Justice Hasluck of the Supreme Court of Western Australia.

In *Markopoulos v Wedlock* [2008] WASC 3 (4 January 2008), Justice Hasluck dismissed an application seeking to prevent Chairman Geoff Wedlock and Company Secretary John Palermo from acting as officers of the company.

In his written judgment, Justice Hasluck:

- noted that two of the applicants (Alan Rudd and Michael Wilson) were a director and shareholder respectively of Fairstar, which had made an off-market takeover bid for GWR on or about 4 September 2007;
- found that there was no serious issue to be tried regarding the validity of Mr Wedlock's appointment or the conduct of Mr Palermo;
- held that GWR continues to function and that the management and internal affairs of the company would be addressed at the forthcoming EGM on 5 February 2008; and
- suggested that the dispute was essentially referable to commercial imperatives and differences of opinion, rather than to concerns about compliance with GWR's constitution or whether GWR's affairs were being conducted in a regular manner;

On Friday 18 January 2008, a further application by Messrs Rudd and Wilson, together with Constantino Markopoulos, for an urgent trial of the Supreme Court proceedings prior to the EGM on 5 February 2008 was dismissed by Justice Le Miere. In dismissing the further application, Justice Le Miere agreed with Justice Hasluck's views that there were insufficient grounds to justify a trial of the proceedings prior to the EGM.

GWR believes these rulings clearly demonstrate the validity of Mr Wedlock's appointment and is confident that under his leadership the company will be well positioned to progress the Wiluna West Project for the benefit of all shareholders.

GWR is surprised that given Mr Wedlock's experience and reputation in the iron ore industry, FAS does not intend to support the re-election of Mr Wedlock to the Board particularly in light of the absence of any iron ore industry experience on the FAS board.

GWR recommends to all shareholders to vote in favour of Mr Wedlock.

Shareholder Meeting

GWR has written to FAS pointing out that GWR has convened the shareholder meeting on 5 February in accordance with its obligations under both the Corporations Act and its constitution.

The statements by FAS regarding the use of company funds and the management time are therefore without basis and demonstrative of an absence of understanding of either the Corporations Act or the constitution of the Company by FAS.

ENDS

For more information, please contact:

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