GoldenWest
RESOURCES LIMITED
ABN 54 102 622 051

21 July 2008

Dear Shareholder

General Meeting

Enclosed with this letter are a number of documents in relation to a general meeting of the Company to be held on Friday, 29 August 2008 at 2:00pm in the Swan Room at the Parmelia Hilton Hotel in Perth to consider a number of resolutions important to the future of your Company.

The documents enclosed with this letter are as follows:

- Notice of General Meeting and Explanatory Memorandum.
- Statement by Mr Con Markopoulos.
- Statement by Mr Michael Wilson.
- Proxy Form for shareholders who cannot attend the meeting in person.

Resolutions 1 to 4 on the Notice of Meeting have been proposed by Portman Limited, the Company's second largest shareholder and a potential competitor in the iron ore industry. Portman Limited has proposed resolutions to remove the Company's two executive directors, namely executive chairman Con Markopoulos and exploration director Mick Wilson, and to appoint two new non-executive directors, Portman Limited managing director Mr Richard Mehan and Mr Paul Piercy. Portman Limited has chosen not to request your Company to distribute a statement on their behalf with these documents. Portman Limited may, however, choose to write to you separately at a later stage to set out their position, in which case I urge you to await a response from your Company before deciding to support them.

Since Portman Limited made a press release in relation to its proposals the Company has received substantial shareholder support who have reiterated their support for the current Board, as shareholders did previously in the results of the February 2008 EGM.

Your Company's independent non-executive directors, being myself and Mr John Lester, recommend that you vote against the removal of Mr Markopoulos and Mr Wilson as directors for the reasons set out in the Explanatory Memorandum. All of your directors recommend that you vote against the election of Mr Mehan and Mr Piercy as directors for the reasons set out in the Explanatory Memorandum.

Resolutions 5 and 6 on the Notice of Meeting relate to Mr John Lester. Mr Lester was appointed as a non-executive director in March 2008 at which time the Board also agreed to grant Mr Lester an equivalent number of options to the amount approved by shareholders for other directors in the past. Shareholders are therefore being asked to approve the re-election of Mr Lester and the grant of these options to Mr Lester. Each member of the Company's

Board recommends you vote in favour of resolutions 5 and 6, except Mr Lester who declines to make a recommendation.

Resolutions 7 to 12 are resolutions proposed and recommended by your Board in relation to the following matters:

- The issue of options to employees.
- The acquisition of additional tenements adjacent to the Company's Wiluna West project.
- The approval of a share and option placement.
- The adoption of a new Constitution.

I recognise the fact that shareholders have been asked to vote at a number of general meetings over the last few years and that the support of the Company's loyal shareholders should not be taken for granted. Given the importance of the matters set out above to the future of your Company, I urge you all to either attend the meeting itself or lodge a proxy with the Company so that your vote can be counted in shaping the future direction of your Company.

Both myself and my fellow directors would welcome the opportunity to discuss any queries or comments shareholders have either in relation to the general meeting itself or generally. To this end shareholder queries can be directed to any of the Board members by telephone to 08 9201 9202 or by email to admin@goldenwestresources.com.

Yours sincerely

Alan Rudd
Director

Con Markopoulos
Executive Chairman
c/- Golden West Resources Limited

Statement of Mr Con Markopoulos concerning the resolution for his removal as a Director

In considering the proposed resolution of Portman Mining to remove me, Constantino Markopoulos, from the Board of GWR I invite shareholders to consider the following.

My involvement with GWR

1 I am a current member of the Australian Institute of Company Directors and have been a director of your Company since 3 March 2007, having already been reappointed twice to your Board at Extraordinary General Meetings held on 21 September 2007 and 19 February 2008.

2 At a particularly sensitive time in GWR's history in February 2008 two GWR executive Directors resigned and this left the company in an awkward position. I was asked to step up to the position of interim executive Chairman of GWR. In good faith and the interest of all shareholders and for the good of the company I accepted that challenge and I am proud to have played a significant role in the continued development of GWR particularly in the last 6 months in my role as Chairman. My recent achievements include:

- Appointed John Lester to the GWR Board as an independent
- Achieved unification of GWR Board which focused on adding value to all shareholders
- Introduced strong focus on an aggressive drilling program
- Imminent announcement regarding a significant resource upgrade
- Selected a pre-eminent provider for the Scoping Study and Pre Feasibility Study moving towards mining the resource
- Reviewed and significantly reduced operational costs
- Reviewed the provision of all contracted external services to GWR

3 I bring to the Board more than 30 years specific Resource Industry experience (Beach Petroleum, Shell, ICI/Orica and Pasminco). My aspirations in remaining on the GWR Board continue to include:

- To ensure that the exploration program is focussed on increasing the global resources to a magnitude of more than 100 million tonnes
- To convert the resources to mining reserves
- To return wealth to all shareholders
- To appoint a proficient and well qualified industry specialist as a Managing Director
- To ensure good corporate governance and compliance with corporate and statutory requirements
- To protect GWR from any aggressive back door takeover at sub-optimal values

Portman Mining

4 I have and continue to oppose the aggressive stance taken by Portman in their relationship with GWR so far.

5 Portman initially advised me that they were only interested in 14% of GWR. They then sought Foreign Investment Review Board approval to move to 19.9%.

6 Initially they said they wanted one representative on the Board of GWR and it was probably a legal person they had in mind. In fact they have now nominated 2 people on the Board, not a legal representative but Mr Mehan (Portman Managing Director) and another person who is purported to be independent but is nominated on the Portman ticket.

7 Portman said they had no more expectations. Portman have since told me to remove a founding director of the GWR Board (Mick Wilson).

8 At my request we arranged a meeting with Portman to engage in dialogue and to understand their needs as a major shareholder (not the largest

shareholder). Several matters were discussed openly and we all agreed to continue dialogue and move forward. With apparent disregard of either our meeting and the intent to keep the dialogue moving forward only 48 hours later Portman raised a Section 249D requisition for my removal (along with other resolutions).

9 It appears to me that Portman have a clear agenda which includes taking aggressive control of GWR and shipping ore south to Esperance. This is hugely disadvantageous to the 80% non Portman shareholders. The railway route to Esperance needs a 300 kilometre spur to be built from Leonora to Wiluna West (built at GWR cost no doubt) and the Leonora-Esperance link needs substantial upgrading. The port of Esperance itself needs upgrading to carry any more traffic at all. Add to this the additional costs of shipping from Esperance to Geraldton (5 days at $150,000 a day) and it becomes apparent that the costs of delivering iron ore to market will be very much higher than the proposed route to Oakajee. Yilgarn Infrastructure has made an offer to GWR to build a railway link from Weld Range to Wiluna West to link up with the main network to Oakajee at their expense so GWR will simply pay freight and can use its resources solely for the development of its mine. The freight costs quoted are much cheaper than Portman's proposed route to Esperance. The Portman agenda differs completely to my view that GWR is for all shareholders and that clearly the best infrastructure option for GWR is west at Oakajee.

Corporate governance

10 I am greatly concerned that the request for my removal will lead to control of the company changing and Portman, a 19.9% shareholder, taking control.

11 My removal is sought despite the fact that Portman is a major shareholder but it is not the largest shareholder.

My aspirations for GWR

12 GWR is in an exciting and challenging stage of development. It has become such an attractive takeover target because of its success in identifying high grade iron ore deposits combined with very low levels of

contaminants. This gives the company enormous competitive advantage, which, properly managed, ought to yield significant returns.

13 To capitalise on its assets GWR needs a Board which works in harmony, which is diverse and which has experience in Australian mining and business conditions, whilst being attune to the requirements of modern corporate governance.

14 If all the first 4 resolutions fail (including the resolution to remove the 2 directors) then I strongly believe that harmony will remain. The Board will be able to get on with its role in overseeing the efficient and proper management of the company. The aggressive and opportunistic control attempt by Portman will be thwarted.

15 Not all of the company's shareholders have the same investment criteria or goals. At an initial meeting between Mr Mehan and me and John Lester he said "Portman is not interested in this holding as an investment, we are interested in the Resource." Clearly, Portman has an agenda which suits itself and does not even attempt to create an impression that they will give all shareholders an equal opportunity to create wealth. I greatly welcome the opportunity to continue on the Board of GWR to achieve those goals for all shareholders of GWR including Portman.

16 As quoted in the media ***"Mr Mehan said that if Portman's motion were successful, the new look Golden West board would seek to appoint a managing director to increase the board size to five".*** If this eventuates then Portman would gain majority control of the board without paying a control premium price. This would amount to being in effect a quasi-takeover with less than a 20% stake and therefore I believe NOT in the interests of all other shareholders.

I urge all shareholders to vote AGAINST all of the first 4 resolutions and to vote in favour of all the other resolutions

Statement of Mr. Michael Wilson concerning the resolution for his removal as a Director

I am a geologist and a foundation Director of Golden West Resources Limited ("GWR"). GWR was formed in November 2002 and floated upon the ASX in December 2004 and since this time I have been Executive Exploration Director.

Many GWR shareholders already know me personally as a large number of our original shareholders still remain on the share register.

In my almost 6 years as a director of GWR I have seen the Company grow to one that has a market capitalisation of in excess of $150 million and which I believe will in time evolve to be the key iron ore producer in the mid-west region. I am confident that the Company with its united and well balanced Board will generate considerable wealth for its shareholders. Recent corporate activity seeking to dismiss members of the Board demonstrates that our Company has assets that are worth pursuing.

On the 30th June 2008, Portman Limited ("PMM") lodged a notice seeking the removal of both Mr Markopoulos and myself. PMM have indicated that there is "nothing personal" about their action and I agree. I believe their action is strategic and financial, but for the benefit of PMM only and not all GWR shareholders.

Rather than focus on my achievements with our Company I feel that it is more important to focus on what I believe to be in the best interests of the shareholders of GWR:

- In my opinion and my fellow Board members, the performance of Mr Markopoulos in his role as a Director and more recently as Executive Chairman of GWR has been outstanding.

- As reported to the media "Mr Mehan said that if Portman's motion were successful, the new look Golden West board would seek to appoint a managing director to increase the board size to five". If this eventuates then Portman would gain majority control of the board without paying a control premium price. This would amount to being in effect a quasi-takeover with less than a 20% stake and therefore I believe **Not** in the interests of all other shareholders.

- As I personally own a significant number of shares and options in GWR I have a large vested interest in seeing the company go forward. I don't believe that replacing a well balanced and effective board with possibly 3 persons who have only PMM's interests at heart will be beneficial for all GWR shareholders.

- Since PMM lodged their notice there has been a rapid decline in the GWR share price. As such the market has clearly demonstrated their lack of enthusiasm for PMM's tactics.

- PMM have not paid their minority shareholders a dividend since their majority shareholder American company Cleveland Cliffs took control in early 2005, despite their being world record iron ore prices.

- PMM have indicated that they wish GWR ore to be shipped out of Esperance. Are GWR shareholders expected to pay the $1.3 billion to extend the railway line 300km from Leonora and to upgrade the existing rail and port infrastructure for the benefit of Portman?

Taking my focus off PMM I would also urge shareholders to consider the following:

- I head a highly professional and loyal team of over 30 people and my dismissal could prove highly disruptive for the company.

- I have forged a very strong relationship with the Wiluna Community, especially the Indigenous people. Shareholders who were present at the last EGM in February 2008 would recall there were 4 Indigenous Elders who had travelled to Perth to give me their personal support.

- Any decision to remove me may well alienate a significant number of stakeholders (employees, the indigenous community and other contacts) whose support is crucial to the success of the Company.

I believe that PMM's attempt to dismiss both Mr Markopoulos and myself is not in the best interests of the majority of the shareholders of GWR.

This is an attempt to secure control of GWR by a shareholder who only holds 19.9% of the stock.

I therefore urge GWR shareholders to support both Mr Markopoulos and myself in the EGM to be held on the 29th August 2008.

Golden West Resources Limited

ACN 102 622 051

NOTICE OF GENERAL MEETING
AND
EXPLANATORY MEMORANDUM

Date of Meeting:	Friday, 29 August 2008
Time of Meeting:	2:00pm (WST)
Place of Meeting:	The Swan Room, Parmelia Hilton Hotel, 14 Mill Street, Perth, Western Australia

GOLDEN WEST RESOURCES LIMITED

ABN 54 102 622 051

NOTICE OF GENERAL MEETING

Notice is hereby given that a general meeting of shareholders of Golden West Resources Limited ABN 54 102 622 051 will be held at the Swan Room, Parmelia Hilton Hotel, 14 Mill Street, Perth, Western Australia on Friday, 29 August 2008 at 2:00pm (WST).

The Explanatory Memorandum which accompanies and forms part of this Notice of Meeting contains information relevant to the various matters to be considered at the Meeting.

AGENDA

1. REMOVAL OF DIRECTOR – MR CONSTANTINO MARKOPOULOS

To consider and if thought fit, pass the following resolution as an **ordinary resolution:**

'That Mr Constantino Markopoulos be removed as a director of the Company with immediate effect.'

2. APPOINTMENT OF DIRECTOR – MR PAUL PIERCY

To consider and if thought fit, pass the following resolution as an **ordinary resolution:**

'That Mr Paul Piercy be appointed as a director of the Company with immediate effect.'

3. REMOVAL OF DIRECTOR – MR MICHAEL REGINALD WILSON

To consider and if thought fit, pass the following resolution as an **ordinary resolution:**

'That Mr Michael Reginald Wilson be removed as a director of the Company with immediate effect.'

4. APPOINTMENT OF DIRECTOR – MR RICHARD MEHAN

To consider and if thought fit, pass the following resolution as an **ordinary resolution:**

'That Mr Richard Mehan be appointed as a director of the Company with immediate effect.'

5. RE-ELECTION OF DIRECTOR – MR JOHN HUGH LESTER

To consider, and if thought fit, pass the following resolution as an **ordinary resolution:**

'That Mr John Hugh Lester who was appointed as a Director on 4 March 2008 to fill a casual vacancy, be re-elected as a director of the Company.'

6. APPROVAL OF ISSUE OF OPTIONS TO JOHN HUGH LESTER OR HIS NOMINEE

To consider and if thought fit, pass the following resolution as an **ordinary resolution**:

'That, for the purpose of Listing Rule 10.11 of the Listing Rules of ASX Limited, approval is given for the Company to issue 1,000,000 options to Mr John Lester, a director of the Company, or his nominee, on the terms set out in Annexures 'A' and 'B' to the Explanatory Memorandum.'

> The Company will, in accordance with Listing Rule 10.13.6, disregard any votes cast on this Resolution by John Hugh Lester and any of his associates. However, the Company need not disregard a vote cast on this Resolution if:
>
> (a) it is cast by a person as proxy for a person who is entitled to vote in accordance with the directions on the proxy form; or
>
> (b) it is cast by the person chairing the meeting as a proxy for a person who is entitled to vote in accordance with a direction on the proxy form to vote as the proxy decides.

7. APPROVAL OF ISSUE OF OPTIONS TO EMPLOYEES PURSUANT TO EMPLOYEE SHARE OPTION PLAN

To consider and if thought fit, pass the following resolution as an **ordinary resolution**:

'That, for the purpose of Exception 9(b) set out in Listing Rule 7.2 of the Listing Rules of ASX Limited, approval is given for the Company to issue options under the Company's Employee Share Option Plan for a period of 3 years after the resolution is passed.'

> The Company will, in accordance with Exception 9(b) to Listing Rule 7.2, disregard any votes cast on this resolution by a director of the Company and any associate(s) of a director. However, the Company need not disregard a vote if:
>
> (a) it is cast by a person as proxy for a person who is entitled to vote in accordance with the directions on the proxy form; or
>
> (b) it is cast by the person chairing the meeting as a proxy for a person who is entitled to vote in accordance with a direction on the proxy form to vote as the proxy decides.

8. APPROVAL OF ACQUISITION OF JOYNERS FIND TENEMENTS

To consider, and if thought fit, pass the following as an **ordinary resolution:**

'That approval is given for the Company to acquire Mining Leases M53/971 and M53/972 for the consideration set out in the Explanatory Memorandum.'

9. APPROVAL OF ISSUE OF SHARES AS PART OF JOYNERS FIND TENEMENT ACQUISITION

To consider, and if thought fit, pass the following resolution as an **ordinary resolution**:

'That, for the purposes of Listing Rule 7.1 of the Listing Rules of ASX Limited, approval is given for the Company to issue 5,000,000 fully paid ordinary shares to Mr John Doutch or his nominees in part consideration for the acquisition of Mining Leases M53/971 and M53/972.'

> The Company will, in accordance with Listing Rule 7.3.8, disregard any votes cast on this resolution by a person who may participate in the proposed issue and a person who might obtain a benefit except a benefit solely in the capacity of a holder of ordinary securities if the resolution is passed and any associate(s) of those persons. However, the Company need not disregard a vote if:
>
> (a) it is cast by a person as proxy for a person who is entitled to vote in accordance with the directions on the proxy form; or
>
> (b) it is cast by the person chairing the meeting as a proxy for a person who is entitled to vote in accordance with a direction on the proxy form to vote as the proxy decides.

10. APPROVAL OF SHARE PLACEMENT

To consider, and if thought fit, pass the following resolution as an **ordinary resolution**:

'That, for the purpose of Listing Rule 7.1 of the Listing Rules of ASX Limited, approval is given for the Company to issue up to 25,000,000 fully paid ordinary shares on the terms set out in the Explanatory Memorandum.'

> The Company will, in accordance with Listing Rule 7.3.8, disregard any votes cast on this resolution by a person who may participate in the proposed issue and a person who might obtain a benefit except a benefit solely in the capacity of a holder of ordinary securities if the resolution is passed and any associate(s) of those persons. However, the Company need not disregard a vote if:
>
> (a) it is cast by a person as proxy for a person who is entitled to vote in accordance with the directions on the proxy form; or
>
> (b) it is cast by the person chairing the meeting as a proxy for a person who is entitled to vote in accordance with a direction on the proxy form to vote as the proxy decides.

11. APPROVAL OF OPTION PLACEMENT

To consider, and if thought fit, pass the following resolution as an **ordinary resolution**:

'That, for the purposes of Listing Rule 7.1 of the Listing Rules of ASX Limited, approval is given for the Company to issue of up to 25,000,000 options on the terms set out in the Explanatory Memorandum and Annexure 'C' to the Explanatory Memorandum.'

> The Company will, in accordance with Listing Rule 7.3.8, disregard any votes cast on this resolution by a person who may participate in the proposed issue and a person who might obtain a benefit except a benefit solely in the capacity of a holder of ordinary securities if the resolution is passed and any associate(s) of those persons. However, the Company need not disregard a vote if:
>
> (a) it is cast by a person as proxy for a person who is entitled to vote in accordance with the directions on the proxy form; or
>
> (b) it is cast by the person chairing the meeting as a proxy for a person who is entitled to vote in accordance with a direction on the proxy form to vote as the proxy decides.

12. ADOPTION OF NEW CONSTITUTION

To consider and if thought fit, to pass the following resolution as a **special resolution:**

'That, pursuant to section 136(2) of the Corporations Act, the Company repeal its Constitution and in its place adopt a new Constitution in the form tabled at the general meeting.'

BY ORDER OF THE BOARD

David Sanders
Company Secretary

21 July 2008

PROXY INSTRUCTIONS

Members are advised that:

- each member has a right to appoint a proxy to attend and vote for them;
- the proxy need not be a member of the Company; and
- a member who is entitled to cast 2 or more votes may appoint either 1 or 2 proxies and may specify the proportion or number of votes each proxy is appointed to exercise. If the appointment is for 2 proxies and does not specify the proportion or number of votes each proxy may exercise, then, in accordance with section 249X(3) of the *Corporations Act*, each proxy may exercise half of the votes.

The member may specify the manner in which the proxy is to vote on each resolution or may allow the proxy to vote at his or her discretion.

In accordance with section 250BA of the *Corporations Act*, the Company specifies that the proxy form (and the power of attorney or other authority, if any, under which the proxy form is signed) or a copy or facsimile which appears on its face to be an authentic copy of the proxy form (and the power of attorney or other authority) must be:

- posted or delivered to the Company's share registry, Advanced Share Registry, at Unit 2 150 Stirling Highway, Nedlands, Western Australia, 6009 or sent to the share registry by facsimile on +61 8 9389 7871; or
- posted or delivered to the registered office of the Company at Level 19, 1 William Street, Perth, Western Australia, 6000 or sent to that office by facsimile on +61 8 9288 6001.

Those documents must be received by the Company at least 48 hours before the time for holding the Meeting, or adjourned Meeting as the case may be, at which the individual named in the proxy form proposes to vote.

The proxy form must be signed by the shareholder or his/her attorney duly authorised in writing or, if the shareholder is a body corporate, in a manner permitted by the *Corporations Act*. In the case of Shares jointly held by two or more persons, at least one joint holder must sign the proxy form.

A proxy form is attached to this Notice.

VOTING ENTITLEMENT

In accordance with Regulation 7.11.37 of the *Corporations Act*, the Directors have set a date to determine the identity of those entitled to attend and vote at the Meeting. For the purposes of determining voting entitlements at the Meeting, Shares will be taken to be held by the persons who are registered as holding at 5:00pm (WST) on 27 August 2008. Accordingly, transactions registered after that time will be disregarded in determining entitlements to attend and vote at the Meeting.

DEFINITIONS

For assistance in considering the Notice of Meeting and accompanying Explanatory Memorandum, the following words are defined here:

ASX means ASX Limited ACN 008 624 691.

Board means the board of Directors of the Company.

Business Day has the meaning given in the Listing Rules.

Company means Golden West Resources Limited ABN 54 102 622 051.

Constitution means the constitution of the Company.

Corporations Act means the *Corporations Act* 2001 (Commonwealth).

Director means a Director of the Company.

Employee Share Option Plan means the Company's employee incentive plan proposed for shareholder approval by resolution 7 of this Notice.

Explanatory Memorandum means the explanatory memorandum enclosed with and comprising part of this notice of general meeting.

Listing Rules means the listing rules of ASX.

Meeting means the general meeting of the Company called pursuant to this Notice.

Notice means this notice of general meeting of the Company.

Share means a fully paid ordinary share in the capital of the Company.

GOLDEN WEST RESOURCES LIMITED

ABN 54 102 622 051

EXPLANATORY MEMORANDUM

This Explanatory Memorandum is intended to provide shareholders with information to assess the merits of the resolutions contained in the accompanying Notice of Meeting of the Company.

The Directors recommend shareholders read this Explanatory Memorandum in full before making any decision in relation to the resolutions.

Resolutions 1 to 4 – Removal and Appointment of Directors

On 30 June 2008 the Company was served with a request from Portman Limited, a shareholder with at least 5% of the votes that may be cast at a general meeting of the Company, to convene a general meeting of the Company to consider various resolutions in relation to the removal and appointment of Directors.

Portman Limited is proposing the removal of both of the Company's current executive directors, interim executive chairman Mr Con Markopoulos and exploration director Mr Michael Wilson.

The request from Portman Limited did not specify the reasons why Portman Limited is seeking the removal of Messrs Markopoulos and Wilson as Directors. Portman Limited has, however, issued a media release advising that the reason Portman Limited is proposing the removal of these Directors is to keep the Company's Board to its current size of four Directors, in circumstances where Portman Limited is also proposing the election of two new directors.

Mr Wilson was a founding director of the Company and has been responsible for overseeing the Company's exploration activities since its inception during which time the Company has grown from a small junior explorer at the time of listing on ASX in December 2004 to a company with a current market capitalisation in excess of $170 million.

Mr Markopoulos was appointed as a non-executive director of the Company in March 2007 in recognition of Mr Markopoulos' expertise in strategic procurement and supply. Since late February 2008, when the Company's previous managing director and general manager resigned from the Board, Mr Markopoulos has acted in an executive capacity as interim executive chairman whilst the Company has conducted a worldwide search for a new managing director. Mr Markopoulos has held senior management positions with Beach Petroleum, Delhi Santos, Shell, ICI/Orica, Pasminco, RACV, Autojap and Coles Myer as well as the provision of strategic planning consultancy services to the private sector.

In late 2007 a former shareholder of the Company delivered to the Company a request to call a general meeting to consider various changes to the Company's Board, including the removal of Messrs Markopoulos and Wilson. At that shareholders' meeting, held on 21 February 2008, approximately 200 shareholders and visitors attended the meeting but no shareholder at the meeting was prepared to propose the resolution to remove either Mr Markopoulos or Mr Wilson.

In these circumstances the non-executive directors of the Company, Mr John Lester and Mr Alan Rudd, recommend that shareholders vote against the removal of Messrs Markopoulos and Wilson as directors.

As noted above, Portman Limited also intend to propose the election of two new directors to the Board, namely Mr Paul Piercy and Mr Richard Mehan.

Mr Mehan is the managing director of Portman Limited and therefore would not be considered to be an independent director in accordance with the ASX corporate governance guidelines. The Board does not consider it to be in the best interests of shareholders to appoint the managing director of a major shareholder and competitor to its Board as a non-executive director. Mr Mehan has tertiary qualifications as an economist. Whilst Mr Mehan does have considerable experience in the iron ore industry the Board considers that industry experience is more relevant in an executive rather than a non-executive role and this is the focus of the Company's ongoing search for a new managing director. The Company notes that since Mr Mehan's appointment as Managing Director and CEO of Portman Limited on 12 April 2005 Portman Limited has not paid a dividend despite being a profitable iron ore producer, and the shareholding of its majority shareholder, US based Cleveland-Cliffs, has increased from 79.86% to 85.19%. Mr Mehan has been reported as suggesting that iron ore from the Company's Wiluna West project should be exported through Esperance (the same port that Portman Limited exports its ore from its Koolyanobbing iron ore mine) with a spur railway being built between Leonora and Wiluna West. The costs of exporting through this route are considerably greater than the Company's preferred route to the proposed new port of Oakajee. The distance is half as far again, shipping takes 5 days longer with the exporter paying a freight penalty, and the railway will be extremely expensive to build. The Board therefore recommends that shareholders vote against the election of Mr Mehan.

According to Portman Limited's media release Mr Piercy is a qualified metallurgist with extensive experience in the iron ore industry. The Company has invited Mr Piercy to meet with its non-executive directors to discuss his intentions as a director if appointed. Whilst noting Mr Piercy's experience, the Board are mindful of the decision by shareholders at the general meeting held in February 2008 not to approve a proposed amendment to the Company's Constitution to increase the maximum number of directors from five to ten. In the circumstances where the Company currently already has four directors and is seeking to appoint a new managing director as its fifth director the Board therefore recommends that shareholders vote against the election of Mr Piercy.

Resolution 5 – Re-election of John Lester as a Director

Mr Lester was appointed as a Director to fill a casual vacancy on 4 March 2008. Under the Company's current Constitution any Director appointed to fill a casual vacancy (other than the Managing Director) holds office only until the conclusion of the next general meeting of shareholders and is eligible for re-election at that meeting. Mr Lester is therefore offering himself for re-election at the Meeting.

The Company notes that Portman Limited has indicated a desire to keep the Company's Board at its current size of four directors pending the appointment of a Managing Director and have not sought to remove Mr Lester as a director. It is the Company's understanding, therefore, that Portman Limited supports the re-election of Mr Lester.

Mr Lester graduated from Oxford University with an honours degree in Natural Science before joining Joseph Sebag and Company Stockbrokers in London. His time there included a period on secondment to the investment team at Consolidated Goldfields Limited. He was manager of Sebag's Perth and Melbourne offices.

Mr Lester then joined Jardine Fleming and Company as chief securities dealer and was made a member of the main board. He later joined Peter Hains and Company Stockbrokers in Sydney and Pembroke Securities Limited as head of Corporate Finance.

More recently, Mr Lester spent a number of years in Indonesia where he advised mining companies on capital raisings and their relations with stock market investors. He later set up and owned a number of companies specializing in the provision of services to the mining and oil industries in Indonesia. Since returning to Australia he has acted as a consultant, providing corporate and financial services to a number of mining companies.

Resolution 6 – Approval of Issue of options to John Lester or his nominee

At the time of Mr Lester's appointment as a Director the Board resolved to issue him with an equivalent option package to that issued to other non-executive Directors of the Company, subject to shareholder approval.

ASX Listing Rule 10.11 requires shareholder approval for the issue of the options to a related party of the Company. A 'related party' for the purposes of the Listing Rules includes a Director.

ASX Listing Rule 10.13 sets out a number of matters which must be included in a notice of meeting convened to consider the issue of securities under ASX Listing Rule 10.11.

For the purposes of ASX Listing Rule 10.13 the following information is provided to shareholders in relation to Resolution 6:

(a) proposed allottee:

John Hugh Lester, a non-executive director of the Company, or his nominee(s).

(b) maximum number of securities to be issued:

- 500,000 options exercisable at $2.00 each on or before 31 December 2010.
- 500,000 options exercisable at $3.00 each on or before 31 December 2011.

(c) date for issue of securities:

As soon as practicable after the approval of the Resolution and in any event within one month after the date of such approval.

(d) price at which the securities are proposed for issue and intended use of funds raised:

No funds will be raised from the issue of the options as the options are to be issued in consideration of Mr Lester's appointment as a non-executive Director.

(e) terms of the securities:

- The terms of the options exercisable at $2.00 on or before 31 December 2010 are set out in Annexure 'A'.
- The terms of the options exercisable at $3.00 on or before 31 December 2011 are set out in Annexure 'B'.

As approval of shareholders is being sought pursuant to Listing Rule 10.11, under Listing Rule 7.2 Exception 14, approval under Listing Rule 7.1 is not required.

Resolution 7 – Approval of issue of options to employees under Employee Share Option Plan

Background

The Company has recently adopted an Employee Share Option Plan.

The purpose of the Employee Share Option Plan is to:

- recognise the efforts of those employees that have made a significant contribution to the Company's success;
- provide an incentive to employees of the Company to work toward achieving the Company's long-term objectives and thereby improve the financial performance of the Company;
- attract people with a high level of experience and ability to the employment of the Company; and
- enhance the loyalty and relationships already formed between the Company and its employees.

The Board of the Company believes that the Employee Share Option Plan will make an important contribution to the long-term financial performance of the Company and, correspondingly, an increase in shareholder wealth.

Eligibility for participation in the Employee Share Option Plan is at the discretion of the Board of the Company or a committee of Directors formed for that purpose. Directors of the Company are eligible to participate in the Employee Share Option Plan subject to shareholder approval. No approval for participation by Directors is being sought at this stage, as the current Directors hold options issued as a result of previous shareholder approvals.

ASX Listing Rule 7.1 prohibits a listed company from issuing or agreeing to issue equity securities (which includes shares and options) exceeding 15% of the company's ordinary capital in any 12 month period without shareholder approval, subject to a number of exceptions.

Exception 9(b) to ASX Listing Rule 7.2 permits equity securities issued under an employee incentive scheme (such as the Employee Share Option Plan) where the employee incentive scheme is approved by shareholders within 3 years before the date the securities are issued.

For the purpose of approval pursuant to Exception 9(b) to Listing Rule 7.2 a summary of the terms of the Employee Share Option Plan is set out as follows:

- The total number of options that may be offered under the Employee Share Option Plan is limited with reference to the ASIC Class Order applicable to Employee Share Incentive Schemes.
- In making its decision to issue options the Board may decide which employee or Director is eligible to receive the options, the number of options and the conditions which are to apply in respect of the options. The Board is limited to offering options to employees or Directors who have served in their respective roles for at least 1 year.
- When deciding to invite a participant to apply for options, the Board is required to determine the exercise price, which must be at least the weighted average market price of a Share on the ASX over the five trading days preceding the date of the relevant offer.
- The options are to be exercisable for a term not exceeding 5 years from the date of issue, or such longer term as shareholders approve in general meeting. The options may not be exercised after the expiry of that term.

- The Board may, subject to applicable laws, impose any conditions on the exercise of options such as vesting conditions and performance conditions.
- To exercise an option the participant must give written notice to the Company in the prescribed form specifying that they wish to exercise some or all of their options and provide the relevant option certificate and payment of the full exercise price.
- If at any time prior to the last date options are exercisable, a participant ceases to be a participant due to retirement, permanent disability, redundancy or death, all such options held by the participant, may be exercised within 1 year after the event, and if not exercised in that period the options shall lapse.
- If it at any time prior to the last date options are exercisable, a participant ceases to be a participant other than due to retirement, permanent disability, redundancy or death, all such options held by the participant, may be exercised within 90 days after the participant ceases to be a participant and if not exercised in that period the options shall lapse.
- An executor, administrator, successor or permitted assign of an option holder who is deceased or becomes bankrupt or subject to external administration is entitled to be registered as the option holder. In all other circumstances the options are not transferable.
- Despite any unfulfilled vesting or performance conditions options will be exercisable in the event of a takeover bid for the Company for a period of 120 days.
- There are no participating rights or entitlements inherent in the options and option holders will not be entitled to participate in new issues of capital offered to shareholders during the currency of the options. However, as required by the Listing Rules, the Company will send a notice to each holder of options prior to any record date and option holders will only be able to participate in a new issue if they have exercised their options prior to the record date for the new issue.
- In the event of any reorganisation of the issued capital of the Company on or prior to the expiry of the options, the rights of an option holder will be changed to the extent necessary to comply with the applicable Listing Rules in force at the time of the reorganisation.

As the Employee Share Option Plan has only been recently adopted there have been no securities issued under the Employee Share Option Plan.

Resolutions 8 and 9 – Approval of Joyners Find tenement acquisition and issue of Shares as part of acquisition

The Board has negotiated the opportunity to acquire two Mining Leases (being M53/971 and M53/972) located adjacent to the Company's existing Joyners Find tenements. The purchase price negotiated for the tenements is $5,000,000 in cash and the issue of 5,000,000 Shares. Based on the closing price for the Company's Shares on the day prior to finalisation of this Explanatory Memorandum, the total consideration for the proposed acquisition is valued at $12,500,000. The transaction is conditional on approval by the Company's shareholders in general meeting and the consent of the Minister for Mines pursuant to the Mining Act. The Company has paid a deposit of $820,000 which is non-refundable if shareholders do not approve the transaction.

The two Mining Leases host down dip extensions to the Company's current resource and possible southern extension, BIF exploration potential, and gold resources. The tenements also constrain access to over half of the Company's Joyners Find resource due to the proximity of the resource to the tenement boundaries. The Company has obtained an independent valuation of the tenements from Al Maynard & Associates. A summary of that valuation is attached as Annexure 'D' to this Explanatory Memorandum.

ASX Listing Rule 7.1 prohibits a listed company from issuing or agreeing to issue equity securities (which includes shares and options) exceeding 15% of the company's ordinary capital in any 12 month period without shareholder approval, subject to a number of exceptions.

The proposed issue of Shares does not fall within one of the exceptions and accordingly, shareholder approval is being sought under Listing Rule 7.1.

ASX Listing Rule 7.3 sets out a number of matters which must be included in a notice of meeting convened to consider the issue of securities under ASX Listing Rule 7.1.

For the purposes of ASX Listing Rule 7.3 the following information is provided to shareholders in relation to Resolution 9:

(a) maximum number of securities to be issued:

5,000,000 Shares.

(b) date for issue and allotment of the securities:

It is proposed that the Shares will be issued and allotted as soon as practicable after the resolution is passed but in any event they will be issued and allotted at a date no later than 3 months after the resolution is passed.

(c) price at which the securities are proposed for issue and intended use of funds raised:

The issue price of the Shares will be based on the market price for Shares at the time of issue calculated in accordance with applicable accounting standards. The Shares are to be issued as part of the Company's consideration for acquiring tenements and as such no funds will be raised from the issue of the Shares.

(d) terms of the securities:

The Shares issued will rank equally with and are subject to the same terms as the existing Shares on issue.

(e) proposed allottee:

The Shares will be issued to Mr John Doutch or his nominee(s).

Resolutions 10 and 11 – Approval of placement of shares and options

The Company is seeking shareholder approval for the placement of up to a further 25,000,000 Shares and 25,000,000 options.

As set out in recent company updates sent to you by the Chairman, the Company continues to receive expressions of interest from prospective strategic investors and customers eager to participate in the development and exploitation of the Wiluna West Project. Exploration at present is focused on increasing the global resource to a magnitude that will underpin a 10 million tonne per annum mining operation and at this point exploration will focus on not only increasing the global resource but converting the resources to mining reserves. The Company is about to commence a detailed scoping and pre-feasibility study that will highlight these milestones and intends to engage world recognised consultants to undertake this work.

The Company has made considerable progress in securing significant ongoing funding for the Company. Given the current record prices available for iron ore it is obviously in the Company's interests to accelerate its exploration and development program to the extent that funds are available to prudently do so. Given the current volatility of equity markets the Board believes it is important to have in place approval to enable the Company to take advantage of near term funding opportunities to ensure that the Company remains well funded to exploit the Wiluna West Project for the benefit of all shareholders.

ASX Listing Rule 7.1 prohibits a listed company from issuing or agreeing to issue equity securities (which includes shares and options) exceeding 15% of the company's ordinary capital in any 12 month period without shareholder approval, subject to a number of exceptions.

The proposed issue of Shares and options does not fall within one of the exceptions set out in Listing Rule 7.2 and accordingly, shareholder approval is being sought under Listing Rule 7.1.

ASX Listing Rule 7.3 sets out a number of matters which must be included in a notice of meeting convened to consider the issue of more equity securities under ASX Listing Rule 7.1.

For the purposes of ASX Listing Rule 7.3 the following information is provided to shareholders in relation to Resolution 10:

(a) maximum number of securities to be issued:

25,000,000 Shares.

(b) date for issue and allotment of the securities:

It is proposed that the Shares will be issued and allotted progressively but in any event they will be issued and allotted at a date no later than 3 months after the date of the Meeting or such longer period as is approved by ASX by way of waiver.

(c) price at which the securities proposed for issue and intended use of funds raised:

The minimum issue price of the Shares is 90% of the 5 day volume weighted average price prior to the day of issue. Funds raised from the issue will be used to fund the Company's ongoing exploration activities and its detailed scoping and pre-feasibility study as well as for working capital.

(d) terms of the securities:

All Shares issued will rank equally with and are subject to the same terms as the existing Shares on issue.

(e) basis on which allottees will be identified:

Prospective allottees will be strategic investors looking for a long term investment whose interests are aligned with those of the Company. Allottees will be either professional investors, sophisticated investors or other interests to whom disclosure is not required to be made pursuant to Chapter 6D of the *Corporations Act*. No related parties of the Company will be entitled to participate in the proposed placement.

For the purposes of ASX Listing Rule 7.3 the following information is provided to shareholders in relation to Resolution 11:

(a) maximum number of securities to be issued:

25,000,000 options.

(b) date for issue and allotment of the securities:

It is proposed that options will be issued and allotted progressively but in any event they will be issued and allotted at a date no later than 3 months after the date of the Meeting or such longer period as is approved by ASX by way of waiver.

(c) price at which the securities proposed for issue and intended use of funds raised:

The Company wishes to maintain the flexibility to issue options as attaching options to the Shares the subject of Resolution 10 or to issue options separately for cash consideration. The minimum issue price of the options is therefore $0. Any funds which are raised from the issue of options will be used to fund the Company's ongoing exploration activities and its detailed scoping and pre-feasibility study as well as for working capital.

(d) terms of the securities:

The options will be exercisable at a minimum price of $2.00 each at any time during the three years after their issue and will be issued on the terms set out in Annexure 'C'.

(e) basis on which allottees will be identified:

Prospective allottees will be strategic investors looking for a long term investment whose interests are aligned with those of the Company. Allottees will be either professional investors, sophisticated investors or other interests to whom disclosure is not required to be made pursuant to Chapter 6D of the *Corporations Act*. No related parties of the Company will be entitled to participate in the proposed placement.

Resolution 12 – Adoption of new Constitution

As most shareholders would be aware, the Company was involved in a costly dispute earlier in the year in relation to the interpretation of its existing Constitution. Former directors of the Company proposed a resolution at the general meeting held in February 2008 to amend one clause only of the Constitution but this proposal was not accepted by shareholders. Since that time, the Company has commissioned a thorough review of its Constitution which has identified a number of instances where the provisions of the Constitution are either contrary to provisions of the *Corporations Act* or the Listing Rules, or have not been updated to take account of changes made to the Listing Rules in recent years. As such, the Board considers it prudent to adopt a new ASX compliant Constitution. Given the inadequacies of the existing Constitution and the proposal to adopt a new Constitution, the Board does not consider it appropriate to expend shareholder funds to set out a detailed comparison of the old and new Constitutions, nor to send a complete copy of the new Constitution to shareholders. The Company will provide a copy of the proposed new Constitution to any shareholder on request.

Annexure A – Terms of the Company's $2 Options

(a) Exercise Date
The Options are exercisable wholly or in part at any time before 5.00 pm WST on 31 December 2010. Options not exercised by that date shall lapse.

(b) Exercise Price
Each Option shall entitle the Optionholder to acquire one Share upon payment of the sum of $2.00 per Option to the Company.

(c) Notice of Exercise
Each Option may be exercised by notice in writing to the Company at any time before their date of expiry. Any notice of exercise of an Option received by the Company will be deemed to be a notice of the exercise of that Option as at the date of receipt.

(d) Quotation of Shares on Exercise
Application will be made to ASX for official quotation of the Shares issued on exercise of Options.

(e) Participation Rights or Entitlements
There are no participating rights or entitlements inherent in the Options and Optionholders will not be entitled to participate in new issues of securities offered to the Company's shareholders during the currency of the Options. However, the Company will ensure that for the purposes of determining entitlements to any such issue, the record date will be at least 10 Business Days after the issue is announced so as to give Optionholders the opportunity to exercise their Options before the date for determining entitlements to participate in any issue.

(f) Shares allotted on Exercise
Shares allotted pursuant to the exercise of Options will be allotted following receipt of all the relevant documents and payments and will rank equally with all other Shares.

(g) Reorganisation of Share Capital
In the event of a reorganisation of the issued capital of the Company, the rights of the Optionholder will be changed to the extent necessary to comply with the ASX Listing Rules applying to a reorganisation of capital at the time of the reorganisation.

(h) Bonus Issues
If, from time to time, before the expiry of the Options the Company makes a pro rata issue of Shares to shareholders for no consideration, the number of Shares over which a Option is exercisable will be increased by the number of Shares which the Optionholder would have received if the Option had been exercised before the date for calculating entitlements to the pro rata issue.

Annexure B – Terms of the Company's $3 Options

(a) **Exercise Date and Exercise Price**
The exercise price is $3.00 per Option and the expiry date for exercise of the Options is 31 December 2011. Each Option entitles the holder, on exercise, to one Share.

(b) **Notice of Exercise**
The Options are exercisable wholly or in part by notice in writing to the Company at any time before 5.00 pm WST on the expiry date. Any notice of exercise of an Option received by the Company will be deemed to be a notice of the exercise of that Option as at the date of receipt. Options not exercised by the expiry date shall lapse.

(c) **Transfer of Options and Quotation of Shares on Exercise**
Options may not be transferred other than to a nominee of the holder. Quotation of Options on ASX will not be sought. However, the Company will apply to ASX for official quotation of Shares issued on the exercise of Options.

(d) **Participation Rights or Entitlements**
There are no participating rights or entitlements inherent in the Options and holders will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Options. However, the Company will ensure that the record date for determining entitlements to any such issue will be at least 6 ASX Business Days after the issue is announced.

(e) **Shares allotted on Exercise**
Shares allotted and issued on exercise of Options will rank equally with other fully paid ordinary shares of the Company.

(f) **Reconstruction of Share Capital**
In the event of any reconstruction (including a consolidation, subdivision, reduction or return) of the issued capital of the Company prior to the expiry of any Options, the number of Options to which each optionholder is entitled or the exercise price of his or her Options or both or any other terms will be reconstructed in a manner determined by the Board which complies with the provisions of the ASX Listing Rules.

(g) **Bonus Issues**
If the Company makes an issue of Shares to Shareholders by way of capitalisation of profits or reserves ('Bonus Issue'), each optionholder holding any Options which have not expired at the time of the record date for determining entitlements to the Bonus Issue shall be entitled to have issued to him upon exercise of any of those Options the number of Shares which would have been issued under the Bonus Issue ('Bonus Shares') to a person registered as holding the same number of Shares as that number of Shares to which the optionholder may subscribe pursuant to the exercise of those Options immediately before the record date determining entitlements under the Bonus Issue (in addition to the shares which he or she is otherwise entitled to have issued to him or her upon such exercise).

Annexure C – Terms of the proposed new Options

(a) **Exercise Date**

The Options are exercisable wholly or in part at any time before 5.00 pm WST on the date that is three years after their issue date. Options not exercised by that date shall lapse.

(b) **Exercise Price**

Each Option shall entitle the Optionholder to acquire one Share upon payment of the exercise price to the Company. The exercise price will not be less than $2.00.

(c) **Notice of Exercise**

Each Option may be exercised by notice in writing to the Company at any time before their date of expiry. Any notice of exercise of an Option received by the Company will be deemed to be a notice of the exercise of that Option as at the date of receipt.

(d) **Quotation of Shares on Exercise**

Application will be made to ASX for official quotation of the Shares issued on exercise of Options.

(e) **Participation Rights or Entitlements**

There are no participating rights or entitlements inherent in the Options and Optionholders will not be entitled to participate in new issues of securities offered to the Company's shareholders during the currency of the Options. However, the Company will ensure that for the purposes of determining entitlements to any such issue, the record date will be at least 10 Business Days after the issue is announced so as to give Optionholders the opportunity to exercise their Options before the date for determining entitlements to participate in any issue.

(f) **Shares allotted on Exercise**

Shares allotted pursuant to the exercise of Options will be allotted following receipt of all the relevant documents and payments and will rank equally with all other Shares.

(g) **Reorganisation of Share Capital**

In the event of a reorganisation of the issued capital of the Company, the rights of the Optionholder will be changed to the extent necessary to comply with the ASX Listing Rules applying to a reorganisation of capital at the time of the reorganisation.

(h) **Bonus Issues**

If, from time to time, before the expiry of the Options the Company makes a pro rata issue of Shares to shareholders for no consideration, the number of Shares over which a Option is exercisable will be increased by the number of Shares which the Optionholder would have received if the Option had been exercised before the date for calculating entitlements to the pro rata issue.

Annexure D – Summary of Valuation

AL MAYNARD & ASSOCIATES Pty Ltd

Consulting Geologists

www.geological.com.au *(ABN 75 120 492 435)*

9/280 Hay Street,	*Tel: (+618) 9388 1000*	*Mob: 04 0304 9449*
SUBIACO, WA, 6008	*Fax: (+618) 9388 1768*	*A/h: (618) 9443 3333*
Australia		*al@geological.com.au*

Australian & International Exploration & Evaluation of Mineral Properties

The Directors,
Golden West Resources Ltd,
Suite 6, 136 Main Street,
Osborne Park, WA 6017

14th July, 2008

Dear Sirs,

EXECUTIVE SUMMARY

An independent valuation has been prepared by Al Maynard & Associates ("AM&A") at the request of Mr. C. Markopoulos, Executive Chairman of Golden West Resources Limited ("GWR") to provide an opinion of the current value (if any) of Mining Leases, M53/971 & M53/972 - known as the "Doutch Tenements".

The Doutch Tenements contain both gold and iron deposits and the down dip extension of the high-grade Joyners Find iron deposit held by GWR.

AM&A have determined the following;

- Stand alone value of the Doutch Tenements is $10.15 million
- The additional value to GWR is $18.2 million.

Iron Mineralisation

The Doutch Tenements contain two outcropping iron deposits, the Western BIF (central to the tenements) and a small portion of the Joyners Find iron deposit located in the south east corner of M53/972, for a combined Inferred Iron Resource of 1.5Mt @ 62.5% Fe. They also contain the down dip extension of the Joyners Find iron deposit owned by GWR that occurs along the eastern boundary of M53/971 and 972. Snowdens calculated an Inferred Resource of 7.75Mt @ 64.6% Fe for the Joyners Find deposit for the main portion of the ironstone deposits that outcrop immediately east of the Doutch Tenements in GWR's ground.

Gold Mineralisation

The Doutch Tenements contain the historic Joyners Find gold mine which up to 1945 produced a total of 21,000t of gold ore for 6,076oz at a recovered grade of 9.0g/t Au. Exploration and recent open pit mining has identified two additional gold bearing structures termed the NW Gossan and Central Gossan.

VALUATION

The full exploitation of the project's iron resources depends on normal open pit mining, including bunds and safe walls to 100m depth. If mining cannot extend across tenement boundaries, substantial portions of potential resource will become 'sterilised' for both parties. Portions of individual deposits that cross tenement boundaries have been allocated on a percentage of strike-length basis.

Two cases were considered, the first being a restricted mining scenario for each party with pits limited to tenement boundaries and the second being an unrestricted case with optimised pits being mined to 100m depth. In the first case the gold potential is considered to have to pay for its mining but in the second it is considered to be a by-product of iron ore pits and as such mined 'for free'. This comes as a positive return for the Doutch ground. In situ iron ore values at a nominal $3.00 to $13.00 per tonne were apportioned to the iron mineralisation as a measure of worth in different scenarios.

As an outcome of this independent report GWR has now advised that a consideration comprising $5 million cash plus 5 million shares is the absolute maximum it is prepared to offer for these tenements strictly subject to shareholder approval.

It is AM&A's opinion that the stand alone value of the Doutch ground is $10.15 million. It is also concluded that the purchase of the Doutch Tenements increases the value of GWR's project area by $18.2 million.

Consequently the proposed sale is considered beneficial to both parties, subject to its commercial terms.

Yours faithfully,

(Signed)

<u>Allen J. Maynard</u> BAppSc(Geolo), MAIG, MAusIMM.

The information in this report that relates to Exploration Results or Mineral Resources is based on information complied by Allen J Maynard who is a member of The Australian Institute of Geoscientists ("AIG") and the Australasian Institute of Mining and Metallurgy ("AusIMM"). Mr Maynard has sufficient experience to qualify as a Competent Person for the purposes of the 2005 Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. Mr Maynard is an independent consultant to Golden West Resources Ltd and he consents to the inclusion in the report of the matters based on their information in the form and context in which they appear

GOLDEN WEST RESOURCES LTD

ABN 54 102 622 051

PROXY FORM

Appointment of Proxy

I/We appoint as proxy to vote in accordance with the following directions (or if no directions have been given, as the proxy or Chairman see fit) at the General Meeting of the Company to be held at the Swan Room, Parmelia Hilton Hotel, 14 Mill Street, Perth, Western Australia on Friday, 29 August 2008, at 2:00pm (WST) (and at any adjournment thereof).

	or the Chairman of the meeting

Name and address of person you are appointing as your first proxy (if not the meeting Chairman) and/or failing him

Appointing a Second Proxy

	Name and address of person you are appointing as your second proxy (if not the meeting Chairman)

Proxy 1 is appointed to represent _______% of my voting right, or if 2 proxies are appointed, Proxy 1 represents ______% and Proxy 2 represents _______% of my total votes. My total voting right is __________ shares.

Note: *If the appointment does not specify the proportion or number of votes that the proxy may exercise, each proxy may exercise half the votes.*

		For	Against	Abstain *
1	REMOVAL OF CONSTANTINO MARKOPOULOS AS A DIRECTOR			
2	APPOINTMENT OF PAUL PIERCY AS A DIRECTOR			
3	REMOVAL OF MICHAEL REGINALD WILSON AS A DIRECTOR			
4	APPOINTMENT OF RICHARD MEHAN AS A DIRECTOR			
5	RE-ELECTION OF JOHN HUGH LESTER AS A DIRECTOR			
6	APPROVAL OF ISSUE OF OPTIONS TO JOHN HUGH LESTER			
7	APPROVAL OF ISSUE OF OPTIONS TO EMPLOYEES PURSUANT TO EMPLOYEE SHARE OPTION PLAN			
8	APPROVAL OF ACQUISITION OF JOYNER'S FIND TENEMENTS			
9	APPROVAL OF ISSUE OF SHARES AS PART OF JOYNER'S FIND TENEMENT ACQUISITION			

10 APPROVAL OF SHARE PLACEMENT

11 APPROVAL OF OPTION PLACEMENT

12 ADOPTION OF NEW CONSTITUTION

*If you mark the abstain box for a particular item, you are directing your proxy not to vote on that item.

If the chair of the meeting is appointed as your proxy, or may be appointed by default and you do not wish to direct your proxy how to vote as your proxy in respect of a resolution, please place a mark in the box. By marking this box, you acknowledge that the Chair of the meeting may exercise your proxy even if he has an interest in the outcome of a resolution and that the votes cast by the Chair of the meeting for those resolutions other than as proxy holder will be disregarded because of that interest. **The Chair intends to vote any undirected proxies against resolutions 1 – 4 inclusive and in favour of all other resolutions.** If you do not mark this box, and you have not directed your proxy how to vote, the Chair will not cast your votes on a resolution if the Chair is a person whose votes are required to be disregarded on that resolution, and your votes will not be counted in calculating the required majority if a poll is called on that resolution.

Contact Email address

Contact Telephone Number

(   )

Signature(s)

Shareholder 1	Shareholder 2	Shareholder 3
Director	Director/Secretary	Sole Director and Secretary

Proxies may be lodged either by facsimile to the Company's share registry on +61 8 9389 7871 or to the registered office on +61 08 9288 6001, or by mail or delivery to the share registry at Unit 2, 150 Stirling Highway, Nedlands, Western Australia, 6009, or to the registered office of the Company at Level 19, 1 William Street, Perth, Western Australia. To be valid, a proxy form must be received by the Company no later than 48 hours before the time appointed for the General Meeting. For assistance in completing this form, please refer to the next page of this form.

INSTRUCTIONS FOR COMPLETION OF THE PROXY FORM

Shareholders Name
This is the name of the shareholder as it appears on the Company's share register. For the purposes of this General Meeting, shares will be taken to be held by those persons who are the registered holders at 5:00pm WST Wednesday, 27 August 2008.

Appointment of Proxy
A shareholder entitled to attend and vote at the General Meeting is entitled to appoint not more than two persons (whether shareholders or not) as proxy or proxies to attend in the shareholder's place at the General Meeting. The proxy has the same right as the shareholder to speak and vote at the General Meeting. If you leave this section blank, the Chairman of the meeting will be your proxy.

Vote on Resolutions
You may direct your proxy how to vote by placing a mark in one of the boxes opposite the resolution/s you wish to direct your proxy to vote on. You can split your vote on any resolution/s by inserting the number/s of shares you wish to vote in the appropriate box/es. Please ensure you clearly mark the box by placing a mark or the number of shares you are voting.

Appointing a Second Proxy
If a shareholder appoints two proxies, each proxy may be appointed to represent a specific proportion of the shareholder's voting rights. If such appointment is not made then each proxy may exercise half of the shareholder's voting rights. Fractions shall be disregarded.

Contact Telephone
This will help us if there are any problems with your proxy form.

Signature(s)
Each shareholder must sign this form. If your shares are held in joint names, only one shareholder must sign but if a separate proxy form is lodged by more than one joint holder then the proxy lodged by the joint holder whose name appears first on the Company's share register will be valid to the exclusion of other proxies. If you are signing as an Attorney, then the Power of Attorney must accompany this form. Only duly authorised officer(s) can sign on behalf of a company. Please sign in the boxes provided which state the office held by the signatory.

Delivery of Proxy
To be effective, forms to appoint proxies must be received by the Company no later than 48 hours before the time appointed for the holding of this General Meeting, that is by 2:00pm (WST) Wednesday, 27 August 2008, by hand, post or facsimile.