GoldenWest RESOURCES LIMITED

ABN 54 102 622 051

12th August 2008

Corporate Summary

ASX Code: GWR

Issued Capital: 110 Mil

Issued Options:14.5 Mil

Market Cap fully diluted August 2008: $193 Mil

Contact Details

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Enquiries:

Con Markopoulos

Executive Chairman

Mick Wilson

/ Executive Director Exploration

Offtake Agreement and Placement

Golden West Resources Limited ("GWR") is pleased to announce that it has entered into an off-take agreement and a share placement agreement with Hunan Valin Steel Tube & Wire Co., Ltd, of China.

Offtake Agreement

GWR has contracted to supply Valin with up to 4.5Mt of direct shipping iron ore annually for a period of 15 years. Prior to the commencement of shipping from the proposed Oakajee Port, the price for each shipment will be determined by both parties and shall in no event be higher than 80% of the prevailing spot price or lower than 110% of the applicable, lowest published benchmark (FOB) price as agreed between the major Australian iron ore producers (BHP Billiton and or Rio Tinto) and the major Asian Steel mills for high grade hematite iron ore produced in the Pilbara.

Upon completion of the port of Oakajee, the price will be set according to lowest published benchmark (FOB) price as agreed between the major Australian iron ore producers (BHP Billiton and or Rio Tinto) and the major Asian Steel mills for high grade hematite iron ore produced in the Pilbara.

Share Placement

Valin have undertaken to subscribe for 14.4 million shares at a price of $1.85 per share, raising a total of $26.64 million, conditional on Chinese government and Australian FIRB approval. Valin made application to the FIRB on the 25th of June 2008 and the FIRB decision is expected shortly. The price represents a 12% premium to the market over the last 5 days trading. Upon issue, Valin will hold approximately 11.4% of GWR's issued capital.

GWR will apply the funds from the Valin placement to continue its aggressive exploration and development program at the Wiluna West Iron Ore Project. Following the placement, GWR will have total cash reserves in excess of $45 million.

These agreements represent a major milestone in the development of the Wiluna West Iron Ore Project, and provide the Company with a cornerstone partner and customer in the world’s most significant steel market.

Valin is listed upon the Shenzhen Stock Exchange and is 33.02% owned by Arcelor Mittal, which is the largest steel company in the world and 33.92% owned by Hunan Valin Steel and Iron Group, with the balance held by the public. Valin’s principal activities are manufacturing, processing and selling smelted steel, rolled steel, thread steel, small and medium-scale steel materials, ferrous metals, non-ferrous metals and related products. Products of the Group are available in the People's Republic of China and are exported to the United States, Korea, Thailand, Vietnam, Singapore, Malaysia, Hong Kong and Taiwan.

For more information, please contact:

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