GoldenWest
RESOURCES LIMITED

ABN 54 102 622 051

19th August 2008

*Corporate Summary*

***ASX Code:*** ***GWR***

***Issued Capital:*** ***110 Mil***

***Issued Options:14.5 Mil***

***Market Cap fully diluted August 2008: $193 Mil***

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## Boardroom Radio

Attached to this announcement is a transcript from an interview on Boardroom Radio on Friday, 15 August 2008 with Mr John Lester, a director of Golden West Resources Limited.

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boardroom radio

INTERVIEW WITH JOHN LESTER, EXECUTIVE DIRECTOR OF GOLDEN WEST RESOURCES LIMITED (GWR)
"GWR On Track"
**http://www.brr.com.au/event/49444**

FRIDAY, AUGUST 15, 2008, 4:15 PM.

BRR Today on Boardroom Radio, we are joined by Mr. John Lester, Executive Director at Golden West Resources. John, welcome to Boardroom Radio.

GWR Thank you very much indeed and looking forward to telling your audience about our company.

BRR Now, John, it has been a while since we have heard from Golden West on Boardroom Radio, but you have got no shortage of news out to the market lately. Let us go back and perhaps we can start by having a bit of a general update on Wiluna West. You put something out towards the end of July. There have been some resource upgrades, and perhaps just a bit of background for our listeners who are interested in the iron ore sector, particularly in the Midwest.

GWR Well, I would like to start by saying that what has happened to Golden West is that we have put ourselves now in the position of being a pre-production company, not just an exploration company. We have got three drill rigs operating at Wiluna at the present time and we will be putting a fourth super rig on the site within the next two or three weeks. We recently announced an upgrade of our ore resource from 86.3 million tonnes to 119 million tonnes of 59% haematite which is direct shipping ore. So we now have a resource which is of a size that, I believe, is the second largest haematite resource in the Midwest, and certainly can sustain our mining operation at the rate of 10 million tonnes a year.

BRR I understand you have the contractors out there working on a scoping and a pre-feasibility study as well.

GWR Yes, we have contracted with the consultants, Engenium, who are currently working on a scoping study which should be completed next month and we will move straight on to a pre-feasibility study which will be finished by the end of December.

BRR Now, of course, Oakajee Port and Rail's successful tender was huge news in the last month or thereabouts. How does that affect your plans and would you care to comment just on the decision, generally?

GWR Yes. The decision to build a port at Oakajee means that we have a mine when previously we only had a resource stuck out in Wiluna which was not readily accessible to export markets. So this is tremendous news for the company and we have been talking with the winning tenderer, that is Oakajee Port and Rail, and to Yilgarn Infrastructure, who were the losing proponents, about building a railway to Wiluna West, and both companies have indicated that they would be happy to build a railway as far as Wiluna West provided that Golden West was willing to give them a pay or carry contract.

BRR Recently, in fact I think it was 12th of August, Golden West entered into an off-take agreement and also a share placement agreement with a Chinese company, Hunan Valin Steel Tube & Wire Co. Perhaps first, and I probably mispronounced this, you could give us some background on Valin for our listeners that probably are not as familiar with the Chinese steel companies.

GWR Yes. The company is listed on the Shenzhen Stock Exchange, but the most important thing about it, we believe, is that it is owned 33% by Arcelor Mittal. It is a European and British steel company and the largest steel company in the world. It is the only truly international steel company. This deal is actually signed off by Lakshmi Mittal himself as well as the board of Arcelor Mittal. So we regard it as quite a vote of confidence in our project and in our management team.

BRR Now, John, first looking at the off-take agreement, could you tell our listeners basically about the terms involved?

GWR Yes. We have agreed to supply 4.5 million tonnes a year of direct shipping ore. The price will be set at the BHP/Rio benchmark price which is a very good deal without discounts. The reason we have entered into an off-take agreement at this time, and we have been accused of doing it prematurely, but one of the real reasons we have done it is because it gives us leverage over the rail companies and the port company because we could talk to them now and they can be confident that we have ore that we are going to be shipping and we have a contract which is going to be shipped. So we have much more to say to them and can do a much better deal with them.

BRR No doubt that was just encouraging Oakajee Port and Rail in the financing of the railway spur out to Wiluna.

GWR Not just the spur to Wiluna, but it will help finance the whole project because the project is totally dependent on throughput from the Midwest iron ore companies and we are now going to be part of that.

BRR Now, Valin has also undertaken to subscribe for around 14 million shares in GWR. What price will they come in at assuming Foreign Investment Review Board approval comes through?

GWR They have agreed to subscribe at a price of $1.85 a share which is a 25-cent premium on today's price.

BRR Now, you are obviously at a very important stage of your development, how do you intend to apply the funds?

GWR Well, we need funds for the scoping study, we need funds for the pre-feasibility study and we need funds for our ongoing exploration program which will be designed not only to increase the size of our inferred resource but to start upgrading some of the resource to JORC compliant resource to indicated rather than just an Inferred resource.

BRR You have also announced that Mr. Davis Rose will be the new CEO of GWR, what does he bring to the team and what sort of expertise, I suppose, in the iron ore sector, more importantly, is he bringing to the board?

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GWR He has got tremendous experience in mining all over the world. He was with CRA, he was with Western Mining, he was the Managing Director of Argyle Diamond Mines, and his last job was as the COO of Rio's non-Australian iron ore operations in Guinea, India and in Brazil. So he has got tremendous experience in mining and in bringing projects from exploration up to production and arranging project financing, and particularly, in iron ore and working on start-up iron ore projects.

BRR Now, you have also picked up fairly recently some new tenements surrounding Wiluna West. Is that helping you consolidate your footprint in the area?

GWR There were two tenements which were right in the middle of our own leases and a very rich part of our ore dips down into those tenements, and because of the structure of a pit design without being able to dig the pit onto those tenements, we would effectively sanitize up to 3.5 or 4 million tonnes of our own very high grade and that is 64% or 65% plus haematite ore. So it was essential that we bought those tenements so that we can mine not only what is on them but to mine our own ore.

BRR John, at the shareholders' meeting on the 29th of August, you are also looking for shareholder approval for share placement. What is the rationale behind the move and how do you expect to apply the funds?

GWR Yes. That is to effectively give us ammunition when we need it because we want to, if we can, start mining and shipping ore towards the end of next year. We are looking if we can get logistics right to use road and rail transport at Port Hedland and we want to be shipping about a million tonne a year of our high grade ore. In order to do that, we are going to need to raise some additional funds.

BRR How much exactly are you looking to raise?

GWR I cannot give you the answer yet. We have got to wait on the pre-feasibility and feasibility studies.

BRR John Lester, thank you very much for your time. It sounds like very exciting times for Golden West. We hope to chat with you again soon. Thanks again.

GWR Thank you very much indeed. Nice to talk to you all.

INTERVIEW CONCLUDED

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