



Golden West
RESOURCES LIMITED

ABN 54 102 622 051

27 May 2011

Company announcements office
ASX Limited
20 Bridge Street
Sydney NSW 2000

Letter to shareholders - Western Gold Resources Limited Prospectus

Dear Sir/Madam,

Please find following a copy of the letter sent to shareholders of the Company today regarding the Prospectus concerning the Initial Public Offer for Western Gold Resources Limited.

Yours sincerely

Anthony Begovich
CFO/Company Secretary



Golden West
RESOURCES LIMITED

ABN 54 102 622 051

26th May 2011

Dear Shareholder

Western Gold Resources Limited

As announced to ASX on 17 May 2011, GWR's subsidiary, Western Gold Resources Limited (formally Aureus Gold Limited) ("**Western Gold**") has lodged with ASIC a prospectus concerning the Initial Public Offer for Western Gold ("**IPO**").

Western Gold is a company with two quality gold projects:

- Wiluna West Gold Project – an advanced exploration project located in Western Australia with potential to move to gold production
- Dalafin Gold Project – an early stage exploration project located in Senegal (West Africa)

Western Gold's strategic objective is to develop prospective gold projects in multiple jurisdictions from early stage exploration, through advanced exploration and development, and ultimately into production.

I have great pleasure in enclosing a copy of the Western Gold prospectus which details this exciting opportunity.

In Specie Distribution

As approved by shareholders at the Annual General Meeting held in November 2010, GWR resolved to distribute Western Gold shares in specie to all GWR shareholders through an IPO. All GWR shareholders as at the record date set by ASX will receive Western Gold shares on a ratio of 1 GWR Share = 0.2707 Western Gold Shares. The Western Gold share price for the purpose of the IPO is \$0.20 per share.

GWR is delighted with this outcome and the opportunity to unlock value for GWR shareholders through the in specie distribution.

Priority Offer

In addition to the in specie distribution, GWR is delighted to be able to provide to its shareholders the opportunity to apply for additional Western Gold shares through a Priority Offer under the IPO.

GWR shareholders who wish to apply under the Priority Offer must at least apply for the minimum entitlement of 10,000 shares (being minimum application monies of \$2,000) and thereafter in multiples of 1,000 shares. There is no maximum limit for the Priority Offer.

Applications under the Priority Offer will be accepted in priority to Applications under the Public Offer. Applications under the Priority Offer can only be made on the yellow Priority Offer accompanying the prospectus.

Indicative Timetable

Set out below is an indicative timetable for the IPO as set out in the prospectus.

Prospectus Lodged with ASIC	16 th May 2011
Opening Date	23 rd May 2011
Closing Date	10 th June 2011
Record Date for in specie distribution	23 rd June 2011
Expected Listing Date on ASX	4 th July 2011

Please note this timetable is indicative only and subject to change. In particular, the Board of Western Gold reserves the right to extend the Offer Period.

If you have any questions in respect of Western Gold, please contact the Western Gold Company Secretary, Mr Vaughan Webber on (08) 9201 1552 or by email at admin@westerngoldresources.com.au.

Yours sincerely



David Sanders
Chairman