



ASX Announcement

NON RENOUNCEABLE ENTITLEMENT ISSUE DESPATCH OF OFFER DOCUMENTS

Golden West Resources Limited (**Company** or **GWR**) confirms that in accordance with the Entitlement Issue timetable it has today despatched Entitlement & Acceptance Forms and Offer Documents to all eligible shareholders.

The Entitlement Issue **is fully underwritten** and offers eligible shareholders the opportunity to acquire additional fully paid ordinary shares in the capital of the Company via a non-renounceable rights issue on the basis of one (1) Share for every four (4) Shares held at the record date of 23 April 2013.

In addition to their entitlements the Company will enable eligible shareholders to subscribe for additional new shares if they wish to do so, subject to the amount of available shortfall, compliance with the ASX Listing Rules and the Corporations Act. Full details of the shortfall facility and the additional shares available to eligible shareholders are set out in the Offer Document.

As a reminder the key dates during the Entitlement Issue are:

Offer announced to ASX	15 April 2013
Ex date (Shares Quoted on an ex-entitlement basis)	17 April 2013
Record Date (date for determining entitlements of Eligible Shareholders to participate in the Offer)	23 April 2013
Offer Document dispatched to Eligible Shareholders (expected date of dispatch of Offer Document and Entitlement and Acceptance Forms)	29 April 2013
Acceptances close*	13 May 2013
Company to notify ASX of undersubscriptions (if any)**	16 May 2013
Issue of new shares and dispatch holding statements**	21 May 2013

* *Subject to the Listing Rules, the Directors reserve the right to extend the Closing Date for the Entitlement Issue at their discretion. Should this occur, the extension will have a consequential effect on the anticipated date of issue for the New Shares and shortfall shares.*

** *These dates are indicative only.*

A copy of the Entitlement and Acceptance form and Offer Document are attached.

Mark Pitts
Company Secretary

29 April 2013

GOLDEN WEST RESOURCES LIMITED
ACN 102 622 051

Entitlement Issue Offer Document

**Non-renounceable pro rata offer of shares at an issue price of
15 cents on the basis of 1 new share for every 4 shares held on
the Record Date**

Underwritten by Eight Carat Securities Pty Ltd
AFSL 326514

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Chairman's Letter to Shareholders

22 April 2013

Dear Shareholder,

On behalf of the Directors of Golden West Resources, I invite you to make an investment in your Company.

The Company is pleased to offer eligible shareholders the opportunity to acquire additional fully paid ordinary shares via a non-renounceable rights issue (Entitlement Issue) at a significant discount to recent trading in the Company's shares.

The terms of the Entitlement Issue are one (1) Share for every four (4) Shares held at the record date of 23 April 2013 at an offer price of 15 cents per Share. This pricing represents a discount of 27% from GWR's Volume Weighted Average Price (VWAP) since the beginning of 2013 to the date of the Entitlement Issue announcement. The Entitlement Issue is fully underwritten by Eight Carat Securities Pty Ltd

This Prospectus sets out the details of the Entitlement Issue, the maximum number of Shares which may be issued under the Entitlement Issue is 48,035,612 to raise approximately \$7.2 million before costs. In order to encourage maximum participation, existing shareholders will also be given the right to participate in any shortfall and priority will be given to enable shareholders to subscribe for up to an amount of at least \$5,000 each (inclusive of their entitlement) subject to sufficient shortfall being available.

The Company is undertaking the capital raising to ensure that it retains sufficient cash reserves to fund the initial development of its proposed mining activities at Wiluna West and to take advantage of other mining and exploration project opportunities that arise from time to time. The Company's cash position stood at \$18.6 million as at the end of March 2013.

It is the board's intention to ensure that the Company remains well funded, with the financial capacity to be able to meet its operational demands and also be able to consider acquisition and new project opportunities. The Board has chosen to raise capital through an Entitlements Issue as it considers it is appropriate to provide the Company's shareholders, many of whom have supported the Company since its initial listing, the opportunity to increase their holding at an appropriate discount to the recent market price.

Accordingly, I encourage your participation in this entitlement issue. Should you wish to discuss any aspect of this capital raising please do not hesitate to contact me, my fellow Directors or the Company secretary, Mark Pitts on +61 8 9201 9202.

Yours faithfully

Gary Lyons
Chairman

1. Introduction

Golden West Resources Limited (**GWR** or the **Company**) is making a non-renounceable pro-rata offer of shares to shareholders of GWR to raise up to approximately \$7,205,342 before costs (**Entitlement Issue**).

This is an important document and requires your immediate attention. It should be read in its entirety.

The Offer is being made under section 708AA of the Corporations Act 2001 (Cth) (**Corporations Act**). This document is not a prospectus and does not contain all of the information that would ordinarily be contained in a prospectus.

Shareholders should be aware that an investment in GWR involves many risks which may be higher than risks associated with investments in other companies. Investors should consider an investment in GWR speculative. If you are in doubt about what to do or whether to accept the Offer you should consult your stockbroker, accountant, solicitor or other professional adviser without delay.

No person is authorised to give any information or to make any representation in connection with the Offer which is not contained in this Entitlement Issue Offer Document. Any information or representation so contained may not be relied on as having been authorised by GWR in connection with the Offer.

The distribution of this Entitlement Issue Offer Document in jurisdictions outside Australia and New Zealand may be restricted by law and therefore shareholders to whom the Offer is made in such jurisdictions should seek advice on and observe any such restrictions.

If you are beneficially entitled to shares in the Company and these shares are held on your behalf by a nominee or custodian you will need to contact the nominee or custodian to obtain details as to your right to participate in the Offer.

2. Details of Offer

2.1 Offer

GWR is making a non-renounceable pro-rata offer of shares to Shareholders (**Eligible Shareholders**) on the basis of one share for every four shares held at the Record Date (**Offer**) at an issue price of \$0.15 each. Where the determination of the entitlement of any Eligible Shareholder under the Offer (**Entitlement**) results in a fraction of a share, such fraction will be rounded up to the nearest whole share. The Offer is fully underwritten by Eight Carat Securities Pty Ltd (**Underwriter**).

GWR will accept applications until 5.00pm WST on the Closing Date detailed in Section 2.2 or such later date as the Directors in their absolute discretion shall determine, subject to the requirements of the ASX Listing Rules.

Your Entitlement is shown on the personalised Entitlement and Acceptance Form accompanying this Entitlement Issue Offer Document. You may accept the Offer only by applying for shares on the Entitlement and Acceptance Form or making

payment by BPAY in accordance with the directions on the Entitlement and Acceptance Form.

You may accept for all or only part of your Entitlement.

GWR will also allow Eligible Shareholders (other than the Directors or their associated entities) to apply for additional shares if they wish to do so. If all Eligible Shareholders do not take up their Entitlement in full the shortfall (**Shortfall**) will be allocated so that Eligible Shareholders will be given a priority right to subscribe for up to \$5,000 each (inclusive of their Entitlement) before any of the Shortfall is allocated to the Underwriter.

Acceptance of a completed Entitlement and Acceptance Form or receipt of payment via BPAY by GWR creates a legally binding contract between the applicant and GWR for the number of shares accepted or deemed to be accepted by the applicant. The Entitlement and Acceptance Form does not need to be signed by the applicant to be legally binding. The Offer and contract formed on acceptance are governed by the applicable law of Western Australia.

If the Entitlement and Acceptance Form is returned and not completed correctly it may still be treated as valid. The Directors' decision as to whether to treat the acceptance as valid and how to construe, amend or complete the Entitlement and Acceptance Form is final.

Shares offered by this Entitlement Issue Offer Document are expected to be issued, and security holder statements dispatched, on the date specified in the timetable in Section 2.2.

It is the responsibility of applicants to determine their allocation prior to trading in the shares. Applicants who sell shares before they receive their holding statements will do so at their own risk.

2.2 Timetable

Entitlement Issue announced to ASX	15 April 2013
Ex date (shares quoted on an ex-Entitlement basis)	17 April 2013
Record Date (date for determining Entitlements of Eligible Shareholders to participate in the Offer)	23 April 2013
Entitlement Issue Offer Document dispatched to Eligible Shareholders	29 April 2013
Closing Date ⁽¹⁾	13 May 2013
Shares quoted on a deferred settlement basis	14 May 2013
Company to notify ASX of under subscriptions (if any) ⁽²⁾	16 May 2013
Issue of new shares and dispatch holding statements ⁽²⁾	21 May 2013

- 1 Subject to the Listing Rules, the Directors reserve the right to extend the Closing Date of the Offer at their discretion. Should this occur, the extension will have a consequential effect on the anticipated date of issue for the shares.
- 2 These dates are indicative only.

2.3 Capital Structure

The capital structure of the Company on completion of the Offer is set out below:

	Shares	Unlisted Options
On issue prior to the Offer	192,142,447	21,500,000 ¹ 700,000 ² 1,400,000 ³ 1,000,000 ⁴
Shares expected to be issued under the Offer	48,035,612	N/A
Total	240,178,059	24,600,000⁵

- 1 Exercisable at \$0.58 on or before 22 November 2015
- 2 Exercisable at \$0.58 on or before 4 January 2016
- 3 Exercisable at \$0.58 on or before 22 February 2016
- 4 Exercisable at \$0.58 on or before 22 March 2016
- 5 Pursuant to the terms of the options the option exercise price will be adjusted as a consequence of the Entitlement Issue in accordance with the formula in the ASX Listing Rules to \$0.56.

2.4 Use of funds

The Company intends to apply the funds raised from the Offer (after meeting the expenses of the Offer) towards furthering the development of the Company's Wiluna West iron ore and gold projects, conducting exploration programs in relation to the Company's other projects in Western Australia and taking advantage of other mining and exploration project opportunities that arise from time to time. .

2.5 No Rights trading

The pro-rata offer of shares is non-renounceable, which means that Eligible Shareholders may not sell or transfer all or any part of their Entitlement to subscribe for shares under the Offer.

2.6 Share trading history

The lowest and highest market sale prices of shares on ASX during the three months immediately preceding the date of this Entitlement Issue Offer Document were \$0.248 on 15 March 2013 and \$0.155 on 16 April 2013, respectively.

The last sale price for shares traded on ASX prior to the date of this Entitlement Issue Offer Document was \$0.19 on 18 April 2013 .

2.7 ASX quotation

Application has been made to ASX for the official quotation of the shares to be issued under the Offer. If permission is not granted by ASX for the official quotation of the shares to be issued under the Offer, GWR will repay, as soon as practicable, without interest, all application monies received pursuant to the Offer.

2.8 Taxation implications

The Directors do not consider it appropriate to give shareholders advice regarding the taxation consequences of subscribing for shares under this Entitlement Issue Offer Document. GWR, its advisers and its officers do not accept any responsibility or liability for any such taxation consequences to shareholders. As a result, shareholders should consult their professional tax adviser in connection with subscribing for shares under this Entitlement Issue Offer Document.

2.9 Overseas shareholders

You are eligible to participate in the Offer if you were a registered holder of GWR shares as at the Record Date with a registered address in Australia, New Zealand, China, Malaysia, Hong Kong or Singapore. The Directors of the Company have determined that it is not practical for shareholders in other jurisdictions to participate in the Offer having regard to the number of shareholders with addresses outside these countries, the number and value of the shares they hold and the cost of complying with the legal regiments and the requirements of the regulatory authorities in each of the countries concerned.

This Offer is not intended to, constitute an offer of shares in any place or jurisdiction in which, or to any person to whom, it would not be lawful to make such an offer or to issue the Offer. The distribution of this Offer in jurisdictions outside Australia and New Zealand may be restricted by law and persons who come into possession of this Offer should seek advice on and observe any such restrictions. Any failure to comply with such restrictions may constitute a violation of applicable securities laws.

2.10 Privacy

GWR collects information about each applicant provided on an Entitlement and Acceptance Form for the purposes of processing the application and, if the application is successful, to administer the applicant's security holding in GWR.

By submitting an Entitlement and Acceptance Form, each applicant agrees that GWR may use the information provided by an applicant on the Entitlement and Acceptance Form for the purposes in this privacy disclosure statement and may disclose it for those purposes to the share registry, GWR's related bodies corporate, agents, contractors and third party service providers, including mailing houses and professional advisers, and to ASX and regulatory authorities.

If an Entitlement and Acceptance Form is submitted and you do not provide the information required on the Entitlement and Acceptance Form, GWR may not be able to accept or process your application.

An applicant has a right to gain access to the information that GWR holds about that person subject to certain exemptions under law. A fee may be charged for access. Access requests must be made in writing to GWR's registered office.

2.11 Enquiries

Enquiries concerning the Entitlement and Acceptance Form can be made by contacting Security Transfer Registrars Pty Ltd (**Share Registry**) or by telephone on (08) 9315 2333 or by facsimile: on (08) 9315 2233. The addresses for the Share Registry are:

By delivery: Security Transfer Registrars Pty Ltd, 770 Canning Highway, Applecross WA 6153,

By post: Security Transfer Registrars Pty Ltd, PO Box 535, Applecross WA 6953

By email: registrar@securitytransfer.com.au

General enquires in relation to GWR can be made to the Company Secretary at Suite 4, 138 Main Street, Osborne Park, Western Australia 6017 or by telephone on (08) 9201 9202 or by facsimile on (08) 9201 9203 or by email to admin@goldenwestresources.com. Information may also be obtained by visiting the Company's website: www.goldenwestresources.com.au.

If you are beneficially entitled to GWR shares and those shares are held on your behalf by a nominee or custodian you should direct any enquiries to your nominee or custodian.

3. Risk Factors

An investment in shares should be regarded as speculative. In addition to the general risks applicable to all investments in listed securities, there are specific risks associated with an investment in GWR.

The Directors consider that the following summary, which is not exhaustive, represents some of the specific risk factors which shareholders need to be aware of in evaluating GWR's business and risks of increasing your investment in GWR. Shareholders should carefully consider the following factors.

3.1 Specific Risks

(a) Future capital requirements

The Company will require significant expenditures to bring its existing iron ore and gold resources into production and will also require expenditure to conduct further exploration in relation to its exploration assets.

If the Company is unable to use debt or equity to fund expansion after the substantial exhaustion of the net proceeds of the Offer, existing capital and funds generated from operations, there can be no assurance that the Company will have sufficient capital resources for that purpose, or other purposes, or that it will be able to obtain additional resources on terms acceptable to the Company or at all.

Any additional equity financing may be dilutive to the Company's existing Shareholders and any debt financing if available, may involve restrictive covenants, which limit the Company's operations and business strategy. The Company's failure to raise capital if and when needed could delay or suspend the Company's business strategy and could have a material adverse effect on the Company's activities.

(b) Title, Tenure and Access - General

Mining tenements and licences which the Company owns or may acquire either by application, sale and purchase or farm-in are regulated by the applicable mining legislation.

Renewal of titles or licences is made by way of application to the relevant department. There is no guarantee that a renewal will be automatically granted other than in accordance with the applicable mining legislation. In addition, the relevant minister or government agency may impose conditions on any renewal, including relinquishment of ground.

(c) Global Credit and Investment Markets

Global credit, commodity and investment markets have recently experienced a high degree of uncertainty and volatility. The factors which have led to this situation have been outside the control of the Company and may continue for some time resulting in continued volatility and uncertainty in world stock markets (including ASX). This may impact the price at which the Company's securities trade regardless of operating performance and affect the Company's ability to raise additional equity and/or debt to achieve its objectives.

(d) Commodity Price Volatility and Foreign Exchange Risk

Commodity prices fluctuate and are affected by numerous factors beyond the control of the Company. These factors include world demand, supply and rates of production for a given commodity, forward selling by producers, and production cost levels in major metal-producing regions.

Moreover, commodity prices are also affected by macroeconomic factors such as expectations regarding inflation, interest rates and global and regional demand for, and supply of, the commodity as well as general global economic conditions. These factors may have an adverse effect on the Company's exploration, development and production activities, as well as on its ability to fund those activities.

Furthermore, international prices of various commodities including iron ore and gold are denominated in United States Dollars, whereas the

income and expenditure of the Company are and will be taken into account in Australian currency, exposing the Company to the fluctuations and volatility of the rate of exchange between the United States Dollar and the Australian Dollar as determined in international markets.

Furthermore, no hedging strategy has yet been developed by the Company. This may result in the Company being exposed to the effects of the change in currency (exchange rate) risk, which may have an adverse impact on the profitability and/or financial position of the Company.

(e) General Environmental Risks

Mining is an industry which has become subject to increasing environmental responsibility and liability. The potential liability is an ever-present risk. The Company may become subject to liability for pollution or other hazards against which it has not insured or cannot insure, including those in respect of past mining or other activities for which it has not been responsible.

(f) Resource and Reserve Estimates

Resource and reserve estimates are expressions of judgement based on knowledge, experience and industry practice. Estimates that are valid when made may change significantly when new information becomes available through drilling, sampling and similar examinations.

In addition, resource and reserve estimates are necessarily imprecise and depend to some extent on interpretations, which may prove to be inaccurate. Should the Company encounter mineralisations or formations different from those predicted, resource estimates may have to be adjusted and mining plans may have to be altered in a way which could adversely affect the Company's operations.

(g) Taxation and government regulations

Changes in taxation and government legislation in a range of areas (for example, Corporations Act, accounting standards, and taxation law) can have a significant influence on the outlook for companies and the returns to investors.

The recoupment of taxation losses accrued by the Company from any future revenues is subject to the satisfaction of tests outlined in taxation legislation or regulations in the jurisdictions in which the Company operates. There is no guarantee that the Company will satisfy all of these requirements at the time it seeks to recoup its tax losses which may impact on the financial performance and cashflows of the Company.

(h) Reliance on key personnel

The Company is reliant on its management. The loss of one or more of these individuals could adversely affect the Company.

In addition, the Company's ability to manage growth effectively will require it to continue to implement and improve its management systems and to recruit and train new employees and consultants. Although the Company expects to be able to do so in the future, there can be no assurance that the Company will be able to attract and retain skilled and experienced personnel and consultants.

(i) Joint venture parties, contractors and agents

The Directors are unable to predict the risk of financial failure or default by a participant in any joint venture to which the Company is, or may become a party; or insolvency or other managerial failure by any of the contractors used by the Company in any of its activities; or insolvency or other managerial failure by any of the other service providers used by the Company for any activity.

(j) Exploration, development, mining and processing risks

Mineral exploration, project development and mining by their nature contain elements of significant risk. Ultimate and continuous success of these activities is dependent on many factors such as:

- (i) the discovery and/or acquisition of economically recoverable ore resources;
- (ii) successful conclusions to bankable feasibility studies;
- (iii) access to adequate capital for project development;
- (iv) design and construction of efficient mining and processing facilities within capital expenditure budgets;
- (v) securing and maintaining title to tenements;
- (vi) obtaining consents and approvals necessary for the conduct of exploration and mining;
- (vii) access to competent operational management and prudent financial administration, including the availability and reliability of appropriately skilled and experienced employees, contractors and consultants; and
- (viii) adverse weather conditions over a prolonged period can adversely affect exploration and mining operations and the timing of revenues.

Whether or not income will result from development of tenements depends on the successful establishment of mining operations. Factors including costs, actual mineralisation, consistency and reliability of ore grades and commodity prices affect successful project development and mining operations.

(k) Metallurgy

Metal and/or mineral recoveries are dependent upon the metallurgical process, and by its nature contain elements of significant risk such as:

- (i) identifying a metallurgical process through testwork to produce a saleable metal and/or concentrate;
- (ii) developing an economic process route to produce a metal and/or concentrate; and
- (iii) changes in mineralogy in the ore deposit can result in inconsistent metal recovery, affecting the economic viability of the project.

(l) Operational and technical risks

The current and future operations of the Company, including exploration, appraisal and production activities may be affected by a range of factors, including:

- (i) geological, geotechnical and hydrogeological conditions;
- (ii) limitations on activities due to seasonal weather patterns;
- (iii) alterations to joint venture programs and budgets;
- (iv) unanticipated operational and technical difficulties encountered in survey, drilling and production activities;
- (v) electrical and mechanical failure of operating plant and equipment, industrial and environmental accidents, industrial disputes and other force majeure events;
- (vi) unavailability of aircraft or drilling equipment to undertake airborne surveys and other geological and geophysical investigations;
- (vii) the supply and cost of skilled labour;
- (viii) unexpected shortages or increases in the costs of water, consumables, diesel fuel, tyres, spare parts and plant and equipment; and
- (ix) prevention or restriction of access by reason of political unrest, outbreak of hostilities and inability to obtain consents or approvals.

(m) Insurance

The Company has a policy of obtaining insurance for environmental and other operational risks where appropriate, taking into consideration the availability of cover and premium costs and where required under its contractual commitments. There can be no assurance, however, that the Company will be able to obtain or maintain such insurance coverage at

reasonable rates (or at all), or that any coverage it has or obtains will be adequate and available to cover any such claims.

(n) Native title and Aboriginal heritage

It is possible that in relation to tenements that the Company has an interest in or will in the future acquire such an interest there may be areas over which legitimate common law native title rights of Aboriginal Australians exist. In relation to native title, the Wiluna West project is subject to a Native Title Agreement with the Tarlpa people in relation to the development of the Wiluna West gold and iron ore projects.

Mining tenements in Western Australia are subject to the provisions of the Aboriginal Heritage Act, which seeks to protect Aboriginal sites and objects. Heritage surveys have been conducted on tenements that contain the Wiluna West gold and iron ore projects and have identified Aboriginal heritage sites. It is possible that other Aboriginal sites or objects may exist which the Company is not aware of. Should additional Aboriginal heritage sites be identified, the Company will be required to consult with relevant Aboriginal communities and native title claimants which could impact future exploration and development plans.

3.2 General Risks

(a) Securities Investment

Applicants should be aware that there are risks associated with any securities investment. The prices at which the Company's securities trade may be above or below the issue price, and may fluctuate in response to a number of factors.

Furthermore, the stock market, and in particular the market for mining and exploration companies, has experienced extreme price and volume fluctuations that have often been unrelated or disproportionate to the operating performance of such companies. These factors may materially affect the market price of the securities, regardless of the Company's operational performance.

(b) Share Market Conditions

The market price of the securities may fall as well as rise and may be subject to varied and unpredictable influences on the market for securities in general and resource stocks in particular. Neither the Company nor the Directors warrant the future performance of the Company or any return on an investment in the Company.

(c) General Economic Climate and Share Market Conditions

Factors such as global credit risks, inflation, currency fluctuation, interest rates and supply and demand have an impact on operating costs, commodity prices and stock market prices. The Company's future revenues and the market price for its listed securities may be affected by these factors, as well as fluctuations in the price of minerals, which are beyond the Company's control.

3.3 Investment Speculative

The above list of risk factors should not to be taken as exhaustive of the risks faced by the Company or by investors in the Company. The above factors, and others not specifically referred to above, may in future materially affect the financial performance of the Company and the value of the securities offered. Potential investors should consider that an investment in the Company is speculative and should consult their professional adviser before deciding whether to apply for securities.

4. Underwriting

4.1 Underwriting

The Entitlement Issue is underwritten by Eight Carat Securities Pty Ltd ACN 130 566 282, AFSL 326514.

The Underwriter is entitled to an underwriting fee of 5% of the amount underwritten together with an initiation fee of \$50,000.

The Underwriter is entitled to terminate its underwriting agreement in the following circumstances:

- (a) Any of the following happens which has, or would have, a material adverse effect on the success of the Entitlement Issue.
 - legislation is introduced into the Parliament of the Commonwealth of Australia or of any state or Territory of Australia;
 - the Federal Government of the Commonwealth of Australia, the government of any State or Territory of Australia or of the jurisdiction in which the Company conducts its business makes a public announcement of a policy or of its intention to pass legislation;
 - the ASIC or a delegate of the ASIC or the Reserve Bank of Australia adopts a regulation or policy.
- (b) The Company or a related corporation fails in a material way to comply with any of the following:
 - its Constitution;
 - any law dealing with companies, including a law of the country of incorporation, the country in which the Company conducts its business, and a country in which its securities are listed;
 - a requirement, order or request of or by the ASIC or any government agency of the country the country in which the Company conducts its business, or a country in which its securities are listed;
 - any agreement entered into by it.

- (c) The Company or a subsidiary alters its capital structure in a way not contemplated by this Entitlement Issue Offer Document, without the written consent of the Underwriter.
- (d) Any of the following happens in relation to the Company or a related corporation:
 - something that reasonably indicates that there is a significant risk that the Company is or will become unable to pay debts as they fall due;
 - the Company ceasing, or indicating that it is about to cease, carrying on business;
 - a step being taken to have a receiver or receiver and manager appointed to the Company;
 - anything happening under any law or in the any jurisdiction that is similar to, or has a similar effect to, any of the events listed above.
- (e) The Constitution or any other constituent document of the Company or a subsidiary is amended without the written consent of the Underwriter.
- (f) There is a major outbreak or escalation or hostilities (whether or not war has been declared) involving the armed forces of any of the following which is likely to have a material adverse effect on the success of the Entitlement Issue:
 - (i) The Commonwealth of Australia;
 - (ii) Japan;
 - (iii) The United Kingdom;
 - (iv) The United States of America; or
 - (v) The People's Republic of China.
- (g) The Company is in breach of the underwriting agreement, the breach is material, and the breach is either incapable of remedy or is not remedied within 14 business days after it first occurs.
- (h) The ASX makes an official statement to the Company or the Underwriter in writing that unconditional approval, or approval subject to conditions the satisfaction of which is within the control of the Company or the Underwriter, for the official quotation of the shares will not be granted in sufficient time for the Company to comply with s1031 of the Corporations Act as varied by any modification of or exemption under the Corporations Act by the ASIC.
- (i) A director of the Company or a related corporation is charged with an indictable offence.
- (j) The volume weighted average price of shares in the Company drops below \$0.15 share for 5 consecutive trading days.

4.2 Underwriter's interest in shares

The Underwriter does not currently have any interest in shares in the Company. The maximum number of shares in the Company that the Underwriter could acquire pursuant to the Entitlement Issue assuming no Eligible Shareholders subscribe for shares other than the directors and their nominees as noted in section 5 below is 42,093,473 shares. The maximum voting power the Underwriter could acquire in the Company as a consequence of the Entitlement Issue is therefore 17.5%.

5. Directors' interests in Company securities

The Directors' current relevant interest in shares and prospective relevant interests in shares in the Company are as follows:

	Gary Lyons	Tan Sri Dato Tien Seng Law	Michael Wilson	Chin An Lau	Kong Leng Lee
Current number of shares	Nil	21,489,114 ²	2,084,438	195,000 ¹	Nil
Entitlement to shares under the Offer	Nil	5,372,279	521,110	48,750	Nil
Maximum Number of shares after Offer	Nil	26,861,393	2,605,548	243,750	Nil

¹ Ordinary Shares held via indirect interest through Mr C A Lau's spouse.

² Ordinary Shares held via indirect interest through HSBC Custody Nominees Australia (as registered holder) on behalf of Wynnes Investment Holding Ltd (as beneficial holder), of which TS Lau holds a 100% interest.

The Directors have advised the Company that they or their nominees will take up their full Entitlement under the Offer.

The Directors also hold the following unlisted options:

	Gary Lyons	Tan Sri Dato Tien Seng Law	Michael Wilson	Chin An Lau	Kong Leng Lee
Current number of options	4,000,000	4,000,000	4,000,000	4,000,000	4,000,000

6. Substantial Holders' interest in Company securities

As at the Record Date the Company has the following substantial holders:

	Cliffs Asia Pacific Iron	Wynnes Investment Holding Limited	Joyful Winner Holding Limited	Hunan Valin Steel Co Limited
Voting Power	12.63%	11.12%	10.76%	7.49%

If a substantial holder takes up their Entitlement their voting power in the Company will remain unchanged. If a substantial holders does not take up their Entitlement in full the amount they do not take up will form part of the Shortfall which will be either allocated to other Eligible Shareholders who apply for part of the Shortfall or the Underwriter.

As noted in section 5 Wynnes Investment Holding Ltd (a company owned by Tan Sri Dato Tien Seng Law) intends to take up its Entitlement.

The Company is unaware as to whether any of the other substantial holders intend to take up all or any of their Entitlement.

7. Action Required by Shareholders

7.1 If you wish to take up all of your Entitlement

Should you wish to accept all of your Entitlement to subscribe for shares, then applications for shares under this Entitlement Issue Offer Document must be made in accordance with the instructions referred to in this Entitlement Issue Offer Document and on the Entitlement and Acceptance Form. Please read the instructions carefully.

If not paying via BPAY a completed Entitlement and Acceptance Forms must be accompanied by a cheque in Australian dollars, crossed 'Not Negotiable' and made payable to 'Golden West Resources Limited' and lodged at any time after the issue of this Entitlement Issue Offer Document and on or before the Closing Date at GWR's share registry (by delivery or by post) at the addresses in Section 2.11 above.

If paying via BPAY you are not required to return the Entitlement and Acceptance Form, applicants should be aware that their own financial institution may implement earlier cut off times with regards to electronic payment and it is the responsibility of the applicant to ensure that funds are submitted through BPAY by the date and time mentioned above. If you elect to pay via BPAY, you must follow the instructions for BPAY set out in the Entitlement and Acceptance Form and you will not need to return the Entitlement and Acceptance Form.

7.2 If you wish to take up only part of your Entitlement

Should you wish to only take up part of your Entitlement, then applications for shares under this Entitlement Issue Offer Document must be made in accordance with the instructions referred to in this Entitlement Issue Offer Document and on the Entitlement and Acceptance Form. Please read the instructions carefully.

Please complete the Entitlement and Acceptance Form by filling in the details in the spaces provided, including the number of shares you wish to accept and the amount payable (calculated at \$0.15 per share accepted).

If not paying via BPAY completed Entitlement and Acceptance Forms must be accompanied by a cheque in Australian dollars, crossed 'Not Negotiable' and made payable to 'Golden West Resources Limited' and lodged at any time after the issue of this Entitlement Issue Offer Document and on or before the Closing Date at GWR's share registry (by delivery or by post) at the addresses in Section 2.11 above.

If paying via BPAY you are not required to return the Entitlement and Acceptance Form, applicants should be aware that their own financial institution may implement earlier cut off times with regards to electronic payment and it is the responsibility of the applicant to ensure that funds are submitted through BPAY by the date and time mentioned above. If you elect to pay via BPAY, you must follow the instructions for BPAY set out in the Entitlement and Acceptance Form and you will not need to return the Entitlement and Acceptance Form.

7.3 If you wish to apply for additional shares under Shortfall Facility

Shareholders may, in addition to taking up all of the Entitlement, apply for additional Shortfall shares. Any Shortfall will first be applied to ensure all Eligible Shareholders who have applied for shares up to a total value of \$5,000 (inclusive of their Entitlement) will receive shares to at least that value. If the Shortfall is not sufficient to allow this to occur, applications for additional shares will be scaled back on a pro rata basis.

Where additional Shortfall shares are applied for by an Eligible Shareholders so that the total number of shares applied for exceeds the value of \$5,000, the decision as to whether to accept all or part of the application above \$5,000 will be at the discretion of the Underwriter. No additional shares will be issued out of the Shortfall which will result in a shareholder increasing their voting power in the Company above 20%.

Should you wish to apply for Shortfall shares, application must be made in accordance with the instructions referred to in this Entitlement Issue Offer Document and on the Entitlement and Acceptance Form. Please read the instructions carefully.

If not paying by BPAY you can apply for Shortfall shares as well as your Entitlement by submitting one completed Entitlement and Acceptance Form accompanied by a cheque in Australian dollars crossed "Not Negotiable" and made payable to "Golden West Resources Limited" and lodged at any time after the issue of this Entitlement Issue Offer Document and on or before the Closing

Date at GWR's share registry (by delivery or by post) at the addresses in section 2.11.

If paying via BPAY you are not required to return the Entitlement and Acceptance Form, applicants should be aware that their own financial institution may implement earlier cut off times with regards to electronic payment and it is the responsibility of the applicant to ensure that funds are submitted through BPAY by the date and time mentioned above. By paying for more shares than your Entitlement, you will be making an application for the excess shares as Shortfall shares. If you elect to pay via BPAY, you must follow the instructions for BPAY set out in the Entitlement and Acceptance Form and you will not need to return the Entitlement and Acceptance Form.

Eligible Shareholders are not assured their Application for Shortfall shares will be met in full and by applying for Shortfall shares you are bound to accept a lesser number of shares as determined by the Company in accordance with the terms of the Shortfall Facility set out in section 2.1 above. Any excess application monies will be refunded without interest.

7.4 If you do not wish to take up your Entitlement

If you do not wish to accept any of your Entitlement, you are not obliged to do anything. In that case, shares not accepted by the Closing Date will become Shortfall shares and you will receive no benefit.

The number of shares you hold and the rights attaching to those shares will not be affected should you choose not to accept any part of your entitlement, however your percentage holding in the capital of GWR will be diluted.

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ENTITLEMENT AND ACCEPTANCE APPLICATION FORM

THIS DOCUMENT IS IMPORTANT. IF YOU ARE IN DOUBT AS TO HOW TO DEAL WITH IT, PLEASE CONTACT YOUR STOCK BROKER OR LICENSED PROFESSIONAL ADVISOR.

REGISTERED OFFICE:
SUITE 4
138 MAIN STREET
OSBORNE PARK WA 6017
AUSTRALIA

GOLDEN WEST RESOURCES LIMITED

ABN :54 102 622 051

SHARE REGISTRY:
Security Transfer Registrars Pty Ltd
All Correspondence to:
PO BOX 535,
APPLECROSS WA 6953 AUSTRALIA
770 Canning Highway,
APPLECROSS WA 6153 AUSTRALIA
T: +61 8 9315 2333 F: +61 8 9315 2233
E: registrar@securitytransfer.com.au
W: www.securitytransfer.com.au

Code:

Holder Number:

Eligible Holding as at 5.00pm WST
on 23 April 2013:

Entitlement to Securities 1:4:

Amount payable on acceptance
@ \$0.15 per Security:

NON-RENOUCEABLE RIGHTS ISSUE CLOSING AT 5.00PM WST ON 13 MAY 2013

(1) I/We the above named being registered at 5.00pm WST on the 23 April 2013 as holder(s) of Shares in the Company hereby accept as follows:

	NUMBER OF NEW SHARES ACCEPTED/APPLIED FOR	AMOUNT ENCLOSED @ \$0.15 PER SHARE
Entitlement or Part Thereof	, ,	\$, , .
Additional New Shares *	, ,	\$, .
TOTAL	, ,	TOTAL \$, , .

(* refer to sections 2.1 of the Offer Document)

- (2) I/We have enclosed/made payment for amount shown above (following the payment instructions as detailed overleaf).
- (3) I/We hereby authorise you to place my/our name(s) on the register of members in respect of the number of New Securities allotted to me/us.
- (4) I/We agree to be bound by the Constitution of the Company.
- (5) I/We understand that if any information on this form is not completed correctly, or if the accompanying payment is for the wrong amount, it may still be accepted. Any decision of the Directors as to whether to accept this form, and how to construe, amend or complete it shall be final.
- (6) I/We authorise the Company to send me/us a substituted form if this form ceases to be current.
- (7) I/We declare that I/we have received a full and unaltered version of the Offer Document either in an electronic or paper format.
- (8) My/Our contact details in case of enquiries are:

NAME

TELEPHONE NUMBER

 ()

EMAIL ADDRESS

BPAY PAYMENT OR THE RETURN OF THIS DOCUMENT WITH THE REQUIRED REMITTANCE WILL CONSTITUTE YOUR ACCEPTANCE OF THE OFFER.

PAYMENT INFORMATION - Please also refer to payment instructions overleaf.



Biller Code: 159483

Ref:



CHEQUE/MONEY ORDER

All cheques (expressed in Australian currency) are to be made payable to **Golden West Resources Limited** and crossed "Not Negotiable".

BPAY® this payment via internet or phone banking.

Your **BPAY®** reference number is unique to this offer and is not to be used for any other offer.

REGISTRY DATE STAMP

E & O.E.

PAYMENT INSTRUCTIONS

Bill Code: 159483

BPAY® this payment via internet or phone banking.
Your reference number is quoted on the front of this form.

Multiple acceptances must be paid separately.

Applicants should be aware of their financial institution's cut-off time (the time payment must be made to be processed overnight) and ensure payment is processed by their financial institution on or before the day prior to the closing date of the offer. BPAY applications will only be regarded as accepted if payment is received by the registry from your financial institution on or prior to the closing date. It is the Applicant's responsibility to ensure funds are submitted correctly by the closing date and time.

You do not need to return this form if you have made payment via BPAY.

Your BPAY reference number will process your payment to your entitlement electronically and you will be deemed to have applied for such Securities for which you have paid.

**CHEQUE/MONEY ORDER**

All cheques should be drawn on an Australian bank and expressed in Australian currency and crossed "Not Negotiable".

Sufficient cleared funds should be held in your account as your acceptance may be rejected if your cheque is dishonoured.

Cheques or bank drafts drawn on overseas banks in Australian or any foreign currency will NOT be accepted. Any such cheques will be returned and the acceptance deemed to be invalid.

Do not forward cash as receipts will not be issued.

When completed, this form together with the appropriate payment should be forwarded to the share registry:

Security Transfer Registrars Pty Ltd
PO Box 535, APPLECROSS WA 6953.

Applications must be received by Security Transfer Registrars Pty Ltd no later than 5.00pm WST on the closing date.

EXPLANATION OF ENTITLEMENT

1. The front of this form sets out the number of Securities and the price payable on acceptance of each Security.
2. Your entitlement may be accepted either in full or in part.
There is no minimum acceptance.

ENQUIRIES

All enquiries should be directed to the Company's share registry:

Security Transfer Registrars Pty Ltd

PO Box 535, Applecross WA 6953 AUSTRALIA

770 Canning Highway, Applecross WA 6153 AUSTRALIA

Telephone +61 8 9315 2333

Facsimile +61 8 9315 2233

Email registrar@securitytransfer.com.au

PRIVACY STATEMENT

Personal information is collected on this form by Security Transfer Registrars Pty Ltd as the registrar for securities issuers for the purpose of maintaining registers of securityholders, facilitating distribution payments and other corporate actions and communications. Your personal details may be disclosed to related bodies corporate, to external service providers such as mail and print providers, or as otherwise required or permitted by law. If you would like details of your personal information held by Security Transfer Registrars Pty Ltd or you would like to correct information that is inaccurate please contact them on the address on this form.