



**Golden West**  
RESOURCES LIMITED

ABN 54 102 622 051

## NEWS RELEASE

31 August 2010

## INVESTOR PRESENTATION

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Please find attached the presentation to be made by Chief executive officer, Mark Hine to the Mid West Economic and Resources Summit 2010 in Geraldton today.

- ENDS -

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**Golden West**  
RESOURCES LIMITED

# Mid West Economic and Resources Summit 2010

*Golden West Resources— A Sound Investment*

# Overview



## Issued Securities

Ordinary Shares (GWR)	165M
Issued Options	28M

## Capitalisation / Cash

Market Cap (\$0.87 per share 27/08/10)	A\$144M
Cash (31/07/10)	A\$25M

## Major Shareholders

Cliffs Asia Pacific Iron Ore Pty Ltd	14.75%
Fairstar Resources Limited	14.15%
Wynnes Investment	13.04%
Hunan Valin Steel Co Ltd	8.75%
Australia Conglin Intl Invest. Group	4.38%
Rubicon	2.82%



**David Sanders**  
(Non Executive Chairman)  
15 years experience  
in corporate and  
resources law



**Gary Lyons**  
(Non-Executive Director)  
20 years experience  
& MD, Heiniger Groups  
Aust. Ops, Chairman Stallion  
Stations, Director Biological  
Wool Harvesting, & Fairstar



**John Lester**  
(Executive Director)  
35 years  
international  
stockbroking experience and  
corporate adviser



**Law Tien Seng**  
(Non-Executive Director)  
Malaysian Business  
Adv of Jinan Group of  
Shandong Province, Deputy  
Chairman of Hiap Teck Venture.



**Mick Wilson**  
(Executive Director)  
25 years exploration  
geologist in Australia  
and SE Asia



**Mark Hine**  
(CEO)  
30 years experience in  
Australian and  
Overseas  
mining industry



**Wang Jun**  
(Non-Executive Director)  
20 years experience  
& now Director, Vice  
President & Board Secretary of  
Hunan Valin Steel Co., Ltd



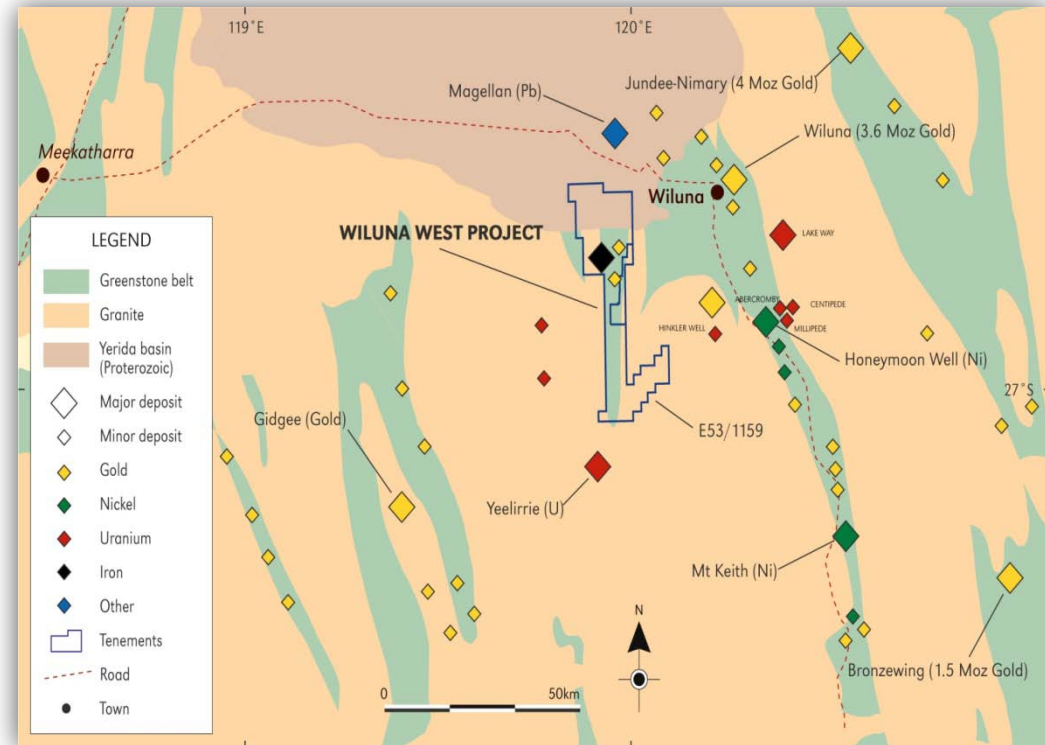
**Anthony Begovich**  
(CFO)  
12 years as chartered  
accountant in mining  
industry & with major  
accounting firm in Australia &  
overseas

*Wiluna West Iron Ore Project – A Flexible and Robust Development Strategy*

# Project Overview

## Project Inventory

- Project located 40kms west of Wiluna.
- Tenement holding of 440km<sup>2</sup>.
- Iron Ore Mineral Resource of 148Mt @ 59% Fe (second largest hematite deposit in Midwest region).
- Gold Mineral Resource of 3.48Mt @ 2.3g/t for 258,200 Oz.



# Development Strategy

## Flexible Development Strategy

- Infrastructure is the Vital Element
- Availability of Two Ports (Esperance or Oakajee)
- Iron Ore Project Developed in 3 Stages:
  - **Stage I** – Mine 1Mtpa High Grade DSO shipped through Esperance (*proves concept plus early cash flow*).
  - **Stage II** – Expand Mine output to 3Mtpa High Grade DSO shipped through Esperance (*enhances project economics and cash flow*).
  - **Stage III** – Full scale 10Mtpa DSO shipped through Oakajee or Esperance (*Optimum NPAT, ROC, IRR*).

Wiluna West Mineral Resource Update  
February 2010 (50% Fe cut-off)

Classification	Tonnes	Fe %	SiO <sub>2</sub> %	Al <sub>2</sub> O <sub>3</sub> %	P %	LOI %
Measured	1.2	61.9	6.5	2.9	0.04	1.7
Indicated	49.2	60.5	7.2	2.6	0.05	3.3
Inferred	97.3	58.4	8.9	2.8	0.06	4.1
<b>Total</b>	<b>147.7</b>	<b>59.1</b>	<b>8.3</b>	<b>2.7</b>	<b>0.06</b>	<b>3.8</b>

*Resource Large Enough to Underpin Successful Commercial Development*

# Stage I: Short Term Strategy

## Core Elements:

- Demonstrate Robustness of the Project and Quality of the Resource – *Project Margin > \$20/t*
- Mine 1mtpa High Grade DSO from JWD Deposit over 2-3 years.
- Truck to Leonora and Rail to Esperance Port.
- Scoping Studies completed end 2009.
- Utilise existing facilities at Esperance Port (*or establish railcar dumper and storage facilities with other parties*).
- CAPEX ~\$15M, OPEX ~\$80/T

## Next Steps:

- Mining Approval – *application lodged.*
- Native Title Agreement – *finalised.*
- Rail and Port Access – *commenced.*
- Engineering Studies (Detailed) – *commenced.*

Wiluna West Project Map

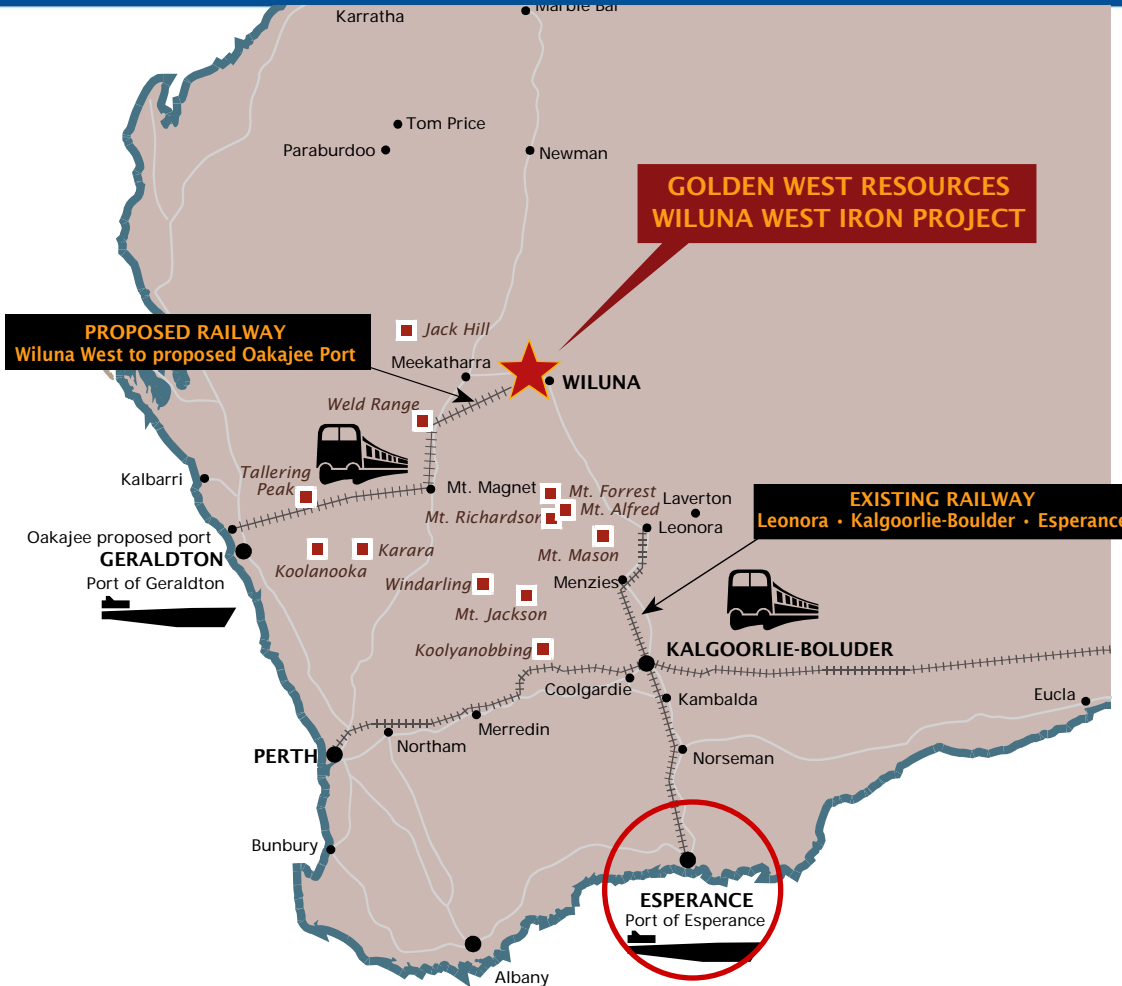


JWD & Joyners Find North Resource February 2010

	Tonnes (Mt)	Fe %	SiO <sub>2</sub> %	Al <sub>2</sub> O <sub>3</sub> %	P %	LOI %
IND	9.9	63.9	3.5	1.8	0.03	2.4
INF	8.9	62.6	4.4	1.9	0.04	2.4
<b>TOTAL</b>	<b>18.8</b>	<b>63.3</b>	<b>3.9</b>	<b>1.9</b>	<b>0.04</b>	<b>2.4</b>

*Stage I Delivers Strong Margins While Demonstrating The Quality of The Resource*

# Esperance : Unlocking Immediate Value



## Why Esperance?

- Stage I & II development strategies.
- Prefeasibility Engineering studies completed.
- Infrastructure is in place:
  - deep water port
  - sealed road from Wiluna to Leonora
  - railway from Leonora to Esperance
  - railway siding at Leonora
- GWR believes suitable commercial arrangements can be negotiated to access this infrastructure.

Port	Spur or Road (km)	Public Rail (km)	Total (km)
Oakajee	230	400	630
Esperance	320	650	970

*Esperance Option – Infrastructure Backbone in Place*

# Stage II: Medium Term Strategy



## Core Elements:

- Upgrade existing Rail and Port Infrastructure to accommodate an additional 5-7mtpa of shared throughput at Esperance.
- Desktop Infrastructure Capex estimate of \$150M for the upgrade of existing rail and port to be shared with identified potential and existing users.
- Mine expanded from 1mtpa to 3mtpa.
- Mine CAPEX ~\$15M and OPEX ~\$70/T

## Next Steps:

- Ore Reserve 60Mt defined.
- Agreements to be negotiated with identified potential and existing users.
- Engineering Studies for Rail and Port upgrades.
- Regulatory Approvals (Mine extension, Rail upgrade and Port expansion).
- Infrastructure Upgrade completed within 3 years.

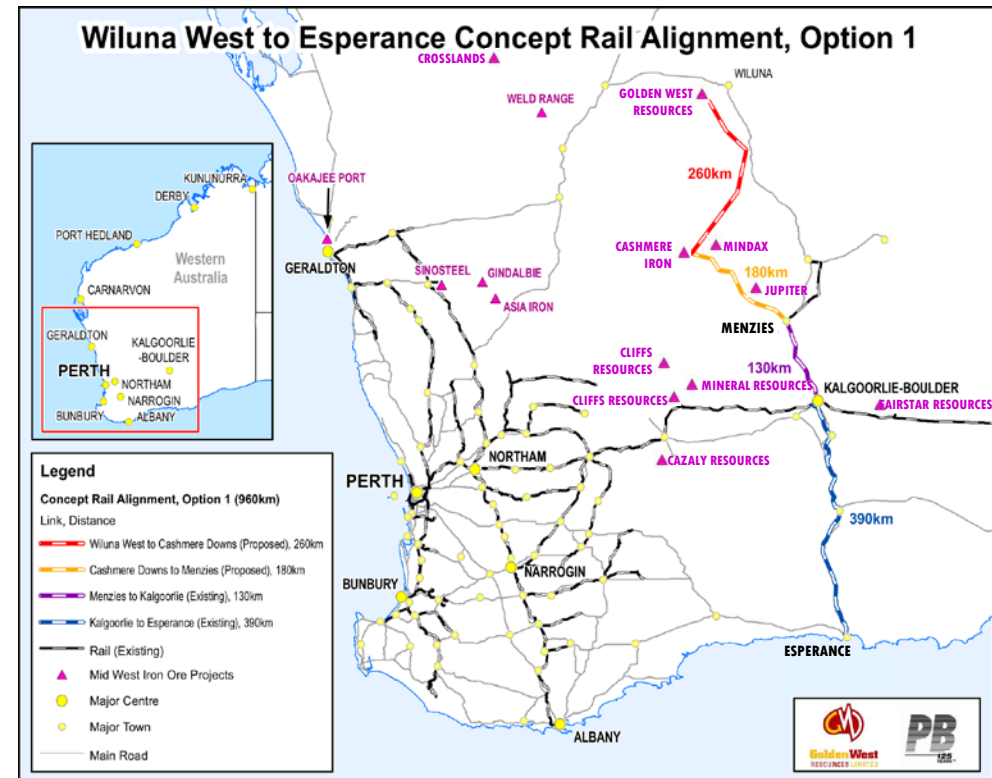
*Stage II Enhances Project Economics while Long Term Infrastructure Developed*



# Stage III: Long Term Strategy

## Core Elements:

- Oakajee or Esperance Port option to be selected.
- Esperance (a possible alternative):
  - Requires ~400kms of new rail from Wiluna West to Menzies.
  - Link in emerging producers (Cashmere Iron, Mindax, JMS)
  - Upgrade existing Menzies to Esperance railway to allow ~35mtpa combined capacity.
  - Expand Esperance Port to handle 35Mtpa.
  - Infrastructure costs to be shared with existing and emerging DSO operations along the line.



*Project Scale Underpinned by Quality of Resource and Support of Off-take Partner*

# Stage III: Long Term Strategy

## Core Elements (cont'd):

- Oakajee (preferred)
  - Phase I – Port 45Mtpa, Rail 75Mtpa
  - Dependent on new Oakajee Port and Rail being developed to Weld Range
  - Requires 230kms of new rail/haulroad from Wiluna West to Weld Range.
  - Potential for GWR to blend with others.
  - Operational 2014.
- Complete Wiluna West (Major Project) DFS Q4, 2011.
- Wiluna West expanded to 10mtpa DSO in line with Development of Oakajee or Esperance.

## The Mid-West region



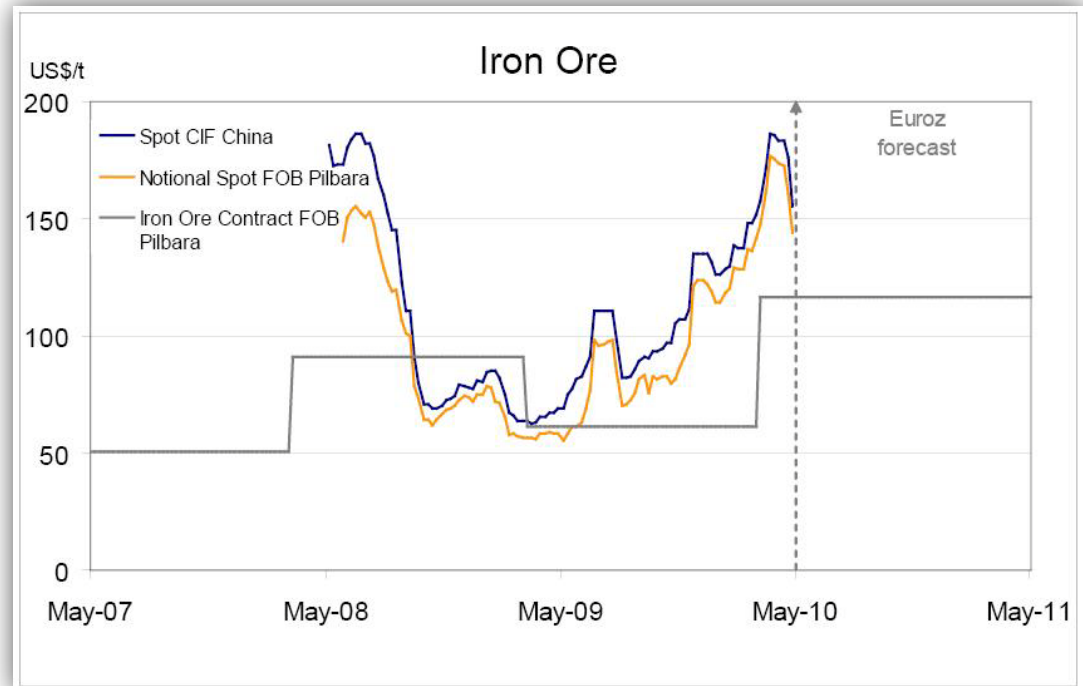
Port	Spur Road or New Rail (km)	Public Rail (km)	Total (km)
Oakajee	230	400	630
Esperance	440	530	970

*Project Scale Underpinned by Quality of Resource and Support of Off-take Partner*

# Market Outlook

- Chinese Steel Consumption forecast to double over next 10 years.
- Iron Ore Market to remain in tight supply until 2013.
- China is experiencing a remarkable demographic transition.
- China now the Worlds largest Automobile Manufacturer.

## Calendar Year 2010 - Iron Ore Market



Source: Metal Bulletin



# Key Project Milestones



Milestone	Target Date	Status
Native Title Agreement	Jul 2010	<i>Finalised</i>
60 Mt Reserve	Mar 2011	<i>Advanced</i>
Stage I Mining Approval	Dec 2010	<i>Application lodged</i>
Stage I Rail and Port Agreements	Dec 2010	<i>Initiated</i>
Stage I Mining	Apr 2011	<i>Approvals/Infrastructure Dependent</i>
10Mt DFS (completed)	Dec 2011	<i>Infrastructure Dependent</i>
10Mt Mine Production	Dec 2014	<i>Infrastructure Dependent</i>

*Wiluna West Iron Ore Project – A Robust Development Strategy*

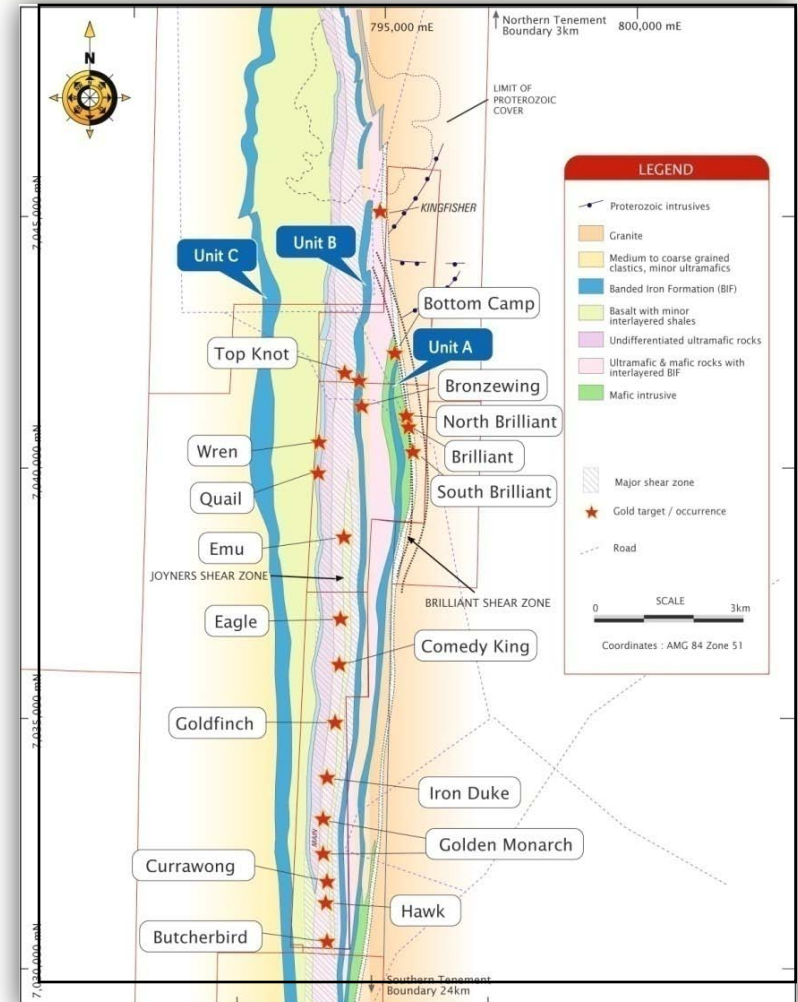
# Gold Resource Map



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## Core Elements

- Recent resource upgrade yielding a 230% increase to a combined gold Resource of 3.48Mt @ 2.3g/t for 258,200oz.
- Gold Resource largely above 50m depth.
- Significant potential for new discoveries upon the regional Joyners Find and Brilliant Shear Zones.
- Infill RC drilling planned to upgrade portion of Resource to Indicated status.
- Pit optimization studies commenced.
- Discussions with nearby potential toll milling facilities commenced.
- Gold production targeted for 2011.



*Wiluna West – Quality Mineral Resources*

# Gold Resources



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Prospect	Resource Type	Shear	Tonnage	Grade g/t Au	Ounces Au
Golden Monarch	Indicated	JSZ	46,000	3.54	5,200
	Inferred		685,000	2.31	50,900
Eagle	Inferred	JSZ	489,000	2.40	37,800
Iron Hawk	Inferred	JSZ	138,000	1.53	6,800
Iron King	Inferred	JSZ	481,000	2.30	35,600
Goldfinch	Inferred	JSZ	80,000	1.39	3,600
Bronzewing	Inferred	JSZ	104,000	2.40	8,000
Bottom Camp	Inferred	BSZ	329,000	2.00	21,100
Bowerbird	Inferred	JSZ	169,000	3.12	17,000
Brilliant	Inferred	BSZ	342,000	2.53	27,900
Comedy King	Inferred	JSZ	183,000	1.84	10,800
Emu	Inferred	JSZ	371,000	2.41	28,700
Wren	Inferred	JSZ	61,000	2.48	4,800
<b>TOTAL</b>			<b>3,478,000</b>	<b>2.31</b>	<b>258,200</b>

Joyners Shear Zone (JSZ) Brilliant Shear Zone (BSZ)

*Wiluna West – Quality Mineral Resources*

# Summary



- High quality deposit, a sound development strategy and access to “open access infrastructure options”.
- Actively progressing Stage I Development of Wiluna West (1Mtpa DSO)
  - Low risk Capex option.
  - Offtake partner to underpin project economics already in place.
  - Operating cost of A\$80 per tonne must deliver Project Margins >\$20/t.
  - Agreements for access to infrastructure and approval to mine underway.
- Progressing detailed studies on infrastructure upgrades to increase output through Esperance.
- Options to Develop 10Mtpa Project through Oakajee or Esperance identified.
- Progressing the spin out of the non iron ore assets.

*Wiluna West Iron Ore Project – A Robust Development Strategy*

# Regulatory and Compliance



## Disclaimer

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## Competent Person's Statement

*The information in this release which relates to Exploration Results, Mineral Resources or Ore Reserves is based on information compiled by Mr Allen Maynard, who is a Member of the Australian Institute of Geosciences ("AIG"), a corporate member of the Australasian Institute of Mining & Metallurgy ("AusIMM") and independent consultant to the Company. Mr Maynard is the principal of Al Maynard & Associates Pty Ltd and has over 30 years of exploration and mining experience in a variety of mineral deposit styles. Mr Maynard has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2004 edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". Mr Maynard consents to inclusion in the report of the matters based on his information in the form and contact in which it appears.*

*The gold estimate was completed under the overall supervision and direction of Steven Hodgson, MAIG, of CSA Global who is a Competent Person as defined by the Australasian Code for the Reporting of Exploration Results, Mineral Resources and Ore Reserves (JORC Code 2004 Edition) and who consents to the inclusion in this report of the matters based on the information in the form and context in which it appears. The information in this report that relates to in-situ Mineral Resources based on information provided by GWR.*







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**Thank You**

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