



ASX Announcement

NON RENOUNCEABLE ENTITLEMENT ISSUE

Golden West Resources Limited (**Company** or **GWR**) has announced that it will be offering eligible shareholders the opportunity to acquire additional fully paid ordinary shares in the capital of the Company (**Shares**) via a non-renounceable rights issue (**Entitlement Issue**) on the basis of one (1) Shares for every four (4) Shares held at the record date of 23 April 2013 (**Record Date**), with any fractional entitlements being rounded up.

Shares under the Entitlement Issue will be offered at 15 cents per Share.

Attached is a Notice Letter despatched earlier today to all eligible and ineligible shareholders of ordinary shares in the Company.

Mark Pitts
Company Secretary



16 April 2013

[Recipient's Name]
[Company Name]
[Address]
[Address]

Dear Shareholder,

Non Renounceable Entitlement Issue

On 15 April 2013, Golden West Resources (**Company**) announced a fully underwritten non-renounceable entitlements issue of up to approximately 48,035,612 new fully paid ordinary shares (**Entitlement Issue**) under which its eligible shareholders will be offered one (1) fully paid ordinary share in the Company (**New Shares**) for every four (4) fully paid ordinary shares held at 5.00pm (Perth time) on 23 April 2013 (**Record Date**) at an issue price of 15 cents per New Share, with any fractional entitlements being rounded up.

The Company will also make available a shortfall facility to enable Shareholders to subscribe for additional New Shares if they wish to do so, subject to compliance with the ASX Listing Rules and the Corporations Act. Full details of the shortfall facility and the additional shares available to eligible shareholders will be set out in the Offer Document.

The Entitlement Issue will be made pursuant to an Offer Document to all registered shareholders on the Record Date who reside in Australia, New Zealand, China, Hong Kong, Malaysia and Singapore.

The New Shares will rank equally with all other fully paid ordinary shares of the Company, including in respect of dividends, from the date of allotment.

The Entitlements Issue will raise up to approximately \$7.2 million before costs and is underwritten by Eight Carat Securities Pty Ltd AFSL 326514.

The Company is undertaking the Entitlement Issue 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.

The Company's Chairman Mr Gary Lyons said, "it is the board's intention to ensure that GWR remains a well funded company, 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".

As a shareholder of our Company, we look forward to extending the Entitlement Issue to you. We expect to dispatch the Offer Document and Entitlement and Acceptance Form to eligible shareholders on or around 29 April 2013.

The following are key dates relating to the Entitlement Issue that you need to be aware of:

| | |
|---|---------------|
| 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.

Please consult your stockbroker, solicitor, accountant or other financial adviser if you are in any doubt as to the value of the Entitlement Issue. Information regarding the Entitlement Issue can be viewed on the ASX website.

This letter does not constitute an offer of shares. The offer of shares will only be made in, or accompanied by, a copy of the Offer Document sent to eligible shareholders. Before deciding whether to apply for shares, you should consider the terms of the Entitlement Issue carefully. If in doubt, consult with your professional adviser.

If you have any questions, please contact the Company Secretary on (08) 9201 9202.

Yours sincerely



Mark Pitts
Company Secretary



16 April 2013

[Recipient's Name]
[Company Name]
[Address]
[Address]

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The Company has decided that it is unreasonable to make the offer to shareholders outside of Australia, New Zealand, China, Malaysia, Hong Kong and Singapore having regard to:

- a) the small number of shareholders with addresses outside these countries;
- b) the number and value of the shares they hold; and
- c) the cost of complying with the legal requirements and the requirements of the regulatory authorities in each of the countries concerned.

We regret that the Entitlement Issue is therefore not extended to you and you will not receive a copy of the Offer Document and Entitlement and Acceptance Form.

If you have any questions, please contact me at Company's offices details are on the bottom of this letter.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Mark Pitts', written in a cursive style.

Mark Pitts
Company Secretary