



## ASX Announcement

### GWR Secures More Ground in Earaaheedy Basin Lee Steere Tenements Farm-in Agreement

Golden West Resources Limited (“GWR” or “the Company”) through its 100% owned subsidiary Iron West Resources Pty Ltd (“Iron West”) is pleased to announce that it has entered into an agreement with Dragon Energy Ltd (ASX Code: DLE and “Dragon”) to farm-in to their Lee Steere Project which consists of two tenements E69/2126 and E69/2377 (“Farm-in Agreement”). Dragon holds the two tenements with the iron ore rights for the tenements being subject to a joint venture between Dragon and Polaris Metals Pty Ltd (“Polaris”) a wholly owned subsidiary of Mineral Resources Limited (ASX Code: MIN).

The 155km<sup>2</sup> Lee Steere Project is located in the Earaaheedy Basin (Figure 1) approximately 200km north east of Wiluna and E69/2377 is located immediately to the north of E69/3022 held by GWR (Figure 2). The Earaaheedy Basin is considered highly prospective for iron and manganese deposits, with iron mineralisation associated within the Frere Formation.

Previous exploration in the 1970s principally, by Amax and BHP, identified hematite and goethite mineralisation along the Frere Formation. Recently there has been a surge of exploration activity within the region with Anglo American executing a joint venture agreement with Cazaly Resources and Vector Resources in 2011 over ground adjacent to the Lee Steere Project. Anglo can earn up to 75% via staged payments of up to \$51M and completion of a BFS. Other ASX listed companies active in the region include Atlas Iron Limited (Giralia), Zenith Minerals Limited and Enterprise Metals Limited.

Exploration by Dragon has included reconnaissance geological mapping, rock chip sampling, ground magnetic surveys and a gravity survey. Results from this work have identified significant iron and manganese mineralisation, with rock chip sampling results ranging from 30.5% up to 65.6% Fe and 17.7% up to 49.5% Mn.

GWR plans to commence detailed geological mapping, remote sensing and detailed aerial magnetic surveys over the next few months.

Under the Farm-in Agreement Iron West has agreed to farm into Dragon’s interest in the tenements and the Polaris joint venture (“Joint Venture”) on the following key terms:

- Iron West can earn a 55% interest in the tenements and iron ore rights by spending approximately \$845,000 on Joint Venture Expenditure (which includes exploration, development and mining expenditure);
- Iron West is obliged to spend a minimum of \$350,000 on Joint Venture Expenditure within 24 months of the commencement date, after which time it can elect to withdraw;
- Unless Iron West elects to withdraw it will make a payment of \$200,000 to Dragon (payable at the election of Iron West either cash or shares in GWR);
- Iron West to be appointed manager of the Joint Venture upon earning its 55% interest;
- Upon completion of the farm-in commitment by Iron West the interest of the respective parties in minerals on the tenements will be as follows:

Name of party	Iron Ore	Other Minerals
Iron West	55%	55%
Dragon	20%	45%
Polaris	25%	Nil

Craig Ferrier  
Executive General Manager  
24 December 2012

- ENDS -

**Please direct enquiries to:**

**Golden West Resources**

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**Competent Person's Statement**

The information in this report which relates to Exploration Results, Mineral Resources or Ore Reserves is based on information compiled by Mr Brian Varndell, who is a Fellow of the Australasian Institute of Mining & Metallurgy ("AusIMM") and independent consultant to the Company. Mr Varndell is a consultant of AI Maynard & Associates Pty Ltd and has 40 years of experience in exploration and mining in a variety of mineral deposit styles. Mr Varndell 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 Varndell consents to inclusion in the report of the matters based on his information in the form and context in which it appears.

Figure 1: GWR Project Location Plan

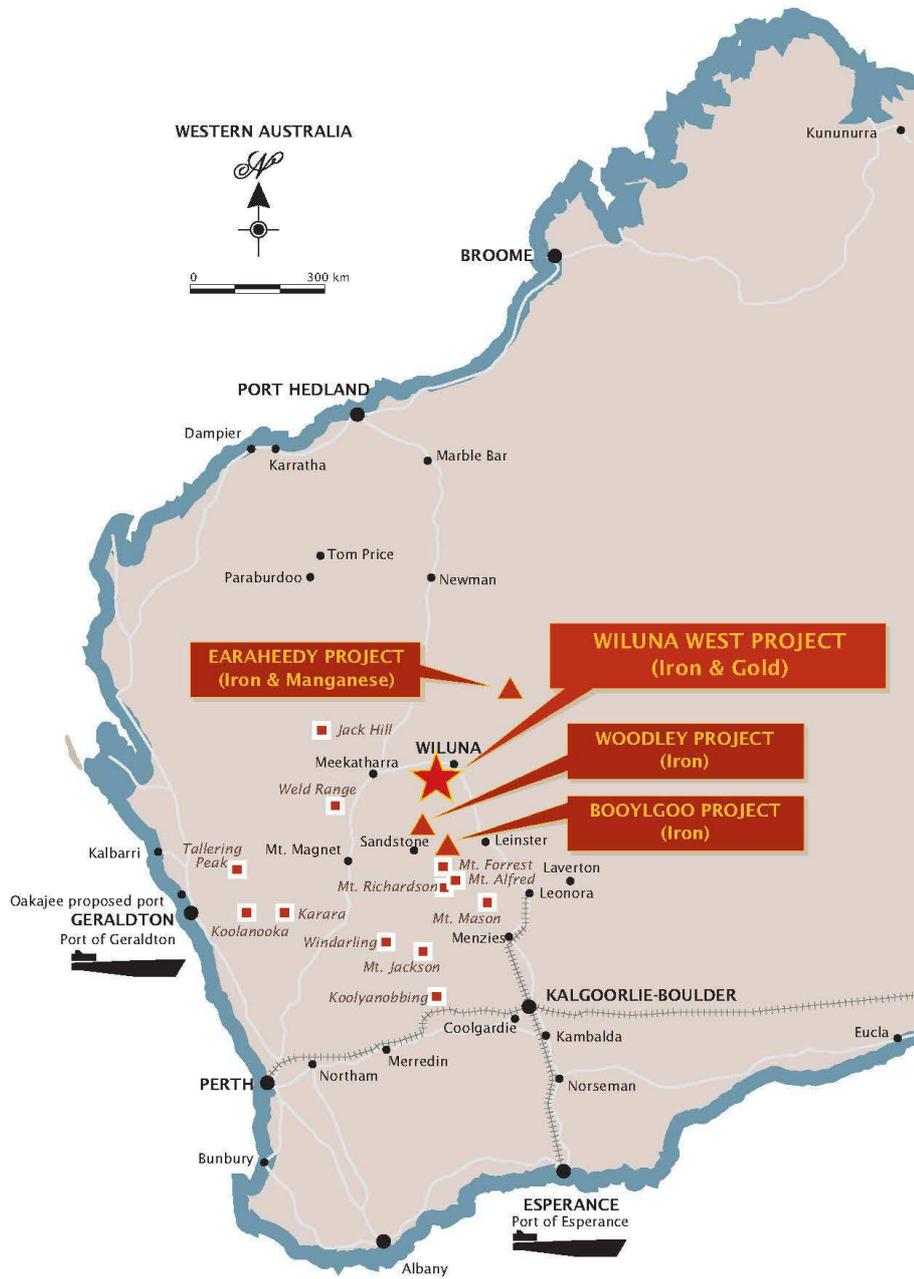


Figure 2: Earraheedy Regional Magnetics

