



Half Year Report  
31 December 2012

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## Competent Person's Statement

The information in this report which relates to Exploration Targets, 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 and Metallurgy ("AusIMM") and independent consultant to the Company. Mr Varndell is a consultant of Al Maynard and 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.

## Corporate directory

### Board of directors:

Gary Lyons (Non-executive chairman)  
Tan Sri Dato' Tien Seng Law (Non-executive deputy chairman)  
Michael Wilson (Executive director)  
Chin An Lau (Non-executive director)  
Kong Leng (Jimmy) Lee (Non-executive director)  
Teck Siong Wong (Alternate for Mr Law)

### Executive general manager

Craig Ferrier

### Company secretary:

Mark Pitts

### Principal and registered office:

Suite 4, 138 Main Street  
OSBORNE PARK, WESTERN AUSTRALIA 6017

PO Box 260  
OSBORNE PARK, WESTERN AUSTRALIA 6917  
Telephone: +61 8 9201 9202  
Facsimile: +61 8 9201 9203  
Email: [admin@goldenwestresources.com](mailto:admin@goldenwestresources.com)  
Website: [www.goldenwestresources.com](http://www.goldenwestresources.com)

### Issued capital as at 31 December 2012:

Fully paid ordinary shares: 192,142,447  
Options: 24,600,000

### Auditors:

Stantons International  
Level 2, 1 Walker Avenue  
WEST PERTH, WESTERN AUSTRALIA 6005  
Telephone: +61 8 9481 3188  
Facsimile: +61 8 9321 1204

### Bankers:

National Australia Bank Limited  
6/259 Bannister Road  
CANNING VALE, WESTERN AUSTRALIA 6155

### Share registry:

Security Transfer Registrars Pty Ltd  
770 Canning Highway  
APPLECROSS, WESTERN AUSTRALIA 6153  
Telephone: +61 8 9315 2333  
Facsimile: +61 8 9315 2233

### Solicitors:

Bennett & Co  
Level 10, BGC Centre  
28 The Esplanade  
PERTH, WESTERN AUSTRALIA 6000  
Telephone: +61 8 6316 2200  
Facsimile: +61 8 6316 2211

### Stock exchange:

Australian Securities Exchange Limited

### Company code:

GWR

### Definitions:

'GWR' and 'the Company' means Golden West Resources Limited

## Directors' report

Your Directors submit their report for the half-year 31 December 2012.

### Directors

The following persons were Directors of the Company during the half-year and up to the date of this report. Directors were in office for this entire period unless otherwise stated.

Gary Lyons	- Non Executive Chairman
Tien Seng Law	- Non Executive Deputy Chairman
Michael Wilson	- Executive Director
Chin An Lau	- Non Executive Director
Kong Leng (Jimmy) Lee	- Non Executive Director
Teck Siong Wong	- Alternate for Mr Law

### Dividends

No amounts have been paid or declared by way of dividend by the Company during the half-year or in the period to the date of this report.

### Principal activities

The principal activities of the Company and its subsidiaries during the course of the half-year continued to be the exploration and evaluation of its mining projects in Australia and West Africa.

### Operating results

The consolidated loss after income tax for the half-year was \$775,015 (2011: loss of \$2,921,761). There were no non-cash costs incurred during the period (2011: \$2,131,852). During the period net cash used in operating and investing activities totalled \$4,620,984 (2011: \$3,814,487), of which \$880,000 was relating to investments in ASX listed West Peak Iron Limited (WPI) (note 8) in the current reporting period.

### Review of operations

The Company's activities during the half year were focused on the development of the Wiluna West Iron Ore Project. Following the receipt of the mining approval from the Department of Mines and Petroleum in April 2012, the Company accelerated development activities directed at completing the transition from explorer to miner. This included the completion of an infill RC drilling program at the JWD deposit for a total of 4,468m in 68 holes. The deposit is now drilled out on an approximate line spacing of 50m by 20m. A resource update is currently being completed. The Company has also undertaken a program of material characterisation with lump test work completed at the CSIRO facilities in Brisbane on the high grade (63.5% Fe) hematite ore from the JWD deposit. The results of the test work confirmed that the JWD lump ore is of high quality and suitable as direct feed to a blast furnace.

GWR completed a customer engagement program in Japan, Korea and Taiwan during the period with strong interest shown in the JWD lump product.

## Directors' report (continued)

The Company has continued to progress studies and commercial discussions in relation to port and transport infrastructure to support the development of the JWD deposit and larger Wiluna West project. In July 2012 the Company announced that it had entered into a Capacity Reservation Deed with Esperance Ports Sea & Land. Importantly, the Wiluna West Iron Ore Project environmental referral was lodged in December 2012 with the West Australian Environmental Protection Authority under section 38(1) of the Environmental Protection Act 1986. This referral concerns the expansion of the mining project to an output of 10Mtpa.

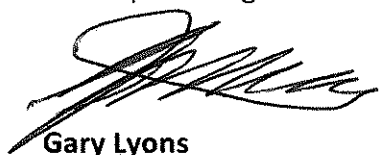
Regional exploration was commenced at the Woodley Project (GWR earning 85%), situated 100km south west of the Wiluna West Project. A maiden 21 hole 1608 RC drilling program yielded significant DSO hematite/goethite intercepts. In December 2012 GWR entered into an agreement with Dragon Energy Ltd to farm-in to the Lee Steere Project, increasing the Company's interest in the Earahedy basin (200km north east of Wiluna) to a total area of 1,537km<sup>2</sup>. A program of rock chip sampling and geological mapping has commenced along with detailed aerial magnetic surveys and remote sensing.

Consistent with a strategy of geographic diversification, GWR acquired a strategic 19.9% shareholding in ASX listed, West Peak Iron Limited (ASX Code: WPI) at a cost of \$880,000. WPI are focused on exploring their significant tenement interests in the West African country, Liberia, which is highly prospective for iron ore in a country that has a long history of iron ore mining. WPI completed a successful maiden drilling campaign in the half year at the Bomi South Project which is located 60km from the port of Monrovia in close proximity to existing rail infrastructure. GWR directors, Mr Gary Lyons and Mr Jimmy Lee have also been appointed directors of West Peak Iron Limited.

### After balance date events

There is no matter or circumstance that has arisen since the balance sheet date to the date of this report, which has significantly affected, or may significantly affect the operations of the consolidated entity, the results of those operations or the state of affairs of the consolidated entity subsequent to the reporting date.

This report is signed in accordance with a resolution of the Directors.



**Gary Lyons**

**Chairman**

Dated at Perth this 11<sup>th</sup> day of March 2013

## Consolidated statement of profit or loss and other comprehensive income for the half-year ended 31 December 2012

	Note	Consolidated	
		December 2012 \$	December 2011 \$
Revenue	4	679,040	952,155
Employee expenses	5	(806,588)	(1,029,915)
Share based payments	6	--	(2,131,852)
Depreciation expense		(105,439)	(116,157)
Other expenses		(542,028)	(595,992)
<b>Profit/(loss) before income tax</b>		<b>(775,015)</b>	<b>(2,921,761)</b>
Income tax expense		--	--
<b>Profit/(loss) for the period</b>		<b>(775,015)</b>	<b>(2,921,761)</b>
Attributable to members of the Parent		(775,015)	(2,921,761)
<b>Basic/diluted earnings/(loss) per share (cents per share)</b>		<b>(0.40)</b>	<b>(1.52)</b>
<b>Other comprehensive income</b>			
<i>Items that will not be reclassified subsequently to profit or loss</i>			
Gain on investment in listed shares		320,000	--
<i>Items that may be reclassified subsequently to profit or loss</i>			
Loss on available-for-sale financial assets		(16,276)	--
Other comprehensive income for the period		303,724	--
<b>Total comprehensive loss for the period</b>		<b>(471,291)</b>	<b>(2,921,761)</b>
Total comprehensive loss attributable to members of the Parent		(471,291)	(2,921,761)
<b>Basic/diluted comprehensive loss per share (cents per share)</b>		<b>(0.25)</b>	<b>(1.52)</b>

*The above statement should be read in conjunction with the accompanying notes.*

**Consolidated statement of financial position  
as at 31 December 2012**

	Note	Consolidated	
		December 2012 \$	June 2012 \$
<b>Assets</b>			
<b>Current assets</b>			
Cash and cash equivalents		20,261,080	24,882,064
Trade and other receivables		326,345	479,450
Prepayments		64,079	13,593
<b>Total current Assets</b>		<u>20,651,504</u>	<u>25,375,107</u>
<b>Non Current Assets</b>			
Plant & Equipment		731,254	828,834
Exploration & evaluation expenditure	7	85,389,575	82,268,276
Available-for-sale financial assets	8	135,216	151,492
Other financial assets	9	2,325,866	1,107,163
<b>Total Non Current Assets</b>		<u>88,581,911</u>	<u>84,355,765</u>
<b>Total assets</b>		<u>109,233,415</u>	<u>109,730,872</u>
<b>Liabilities</b>			
<b>Current liabilities</b>			
Trade and other payables		592,462	621,023
Interest bearing liabilities		5,593	6,687
Other current liabilities		--	--
Provisions		117,476	102,896
<b>Total Current Liabilities</b>		<u>715,531</u>	<u>730,606</u>
<b>Non Current Liabilities</b>			
Provisions		279,302	290,393
<b>Total Non Current Liabilities</b>		<u>279,302</u>	<u>290,393</u>
<b>Total liabilities</b>		<u>994,833</u>	<u>1,020,999</u>
<b>Net assets</b>		<u>108,238,582</u>	<u>108,709,873</u>
<b>Equity</b>			
Contributed equity	10	147,021,501	147,021,501
Reserves	11	26,613,336	26,309,612
Accumulated losses		<u>(65,396,255)</u>	<u>(64,621,240)</u>
<b>Total equity</b>		<u>108,238,582</u>	<u>108,709,873</u>

*The above statement should be read in conjunction with the accompanying notes.*

## Consolidated statement of changes in equity for the half-year ended 31 December 2012

	Ordinary share capital	Accumulated losses	Option reserve	Investments revaluation reserve	Total Equity
	\$	\$	\$	\$	\$
<b>Balance at 1/7/2012</b>	147,021,501	(64,621,240)	26,309,612	--	108,709,873
Loss for the period	--	(775,015)	--	--	(775,015)
Other comprehensive income for the year	--	--	--	303,724	303,724
Total comprehensive loss for the period	--	(775,015)	--	303,724	(471,291)
Share based payments	--	--	--	--	--
<b>Balance at 31/12/2012</b>	<b>147,021,501</b>	<b>(65,396,255)</b>	<b>26,309,612</b>	<b>303,724</b>	<b>108,238,582</b>
<b>Balance at 1/7/2011</b>	<b>147,001,501</b>	<b>(60,044,830)</b>	<b>23,883,574</b>	<b>--</b>	<b>110,840,245</b>
Loss for the period	--	(2,921,761)	--	--	(2,921,761)
Other comprehensive loss for the year	--	--	--	--	--
Total comprehensive loss for the period	--	(2,921,761)	--	--	(2,921,761)
Share based payments	--	--	2,131,852	--	2,131,852
<b>Balance at 31/12/2011</b>	<b>147,001,501</b>	<b>(62,966,591)</b>	<b>26,015,426</b>	<b>--</b>	<b>110,050,336</b>

*The above statement should be read in conjunction with the accompanying notes.*



**Consolidated statement of cash flows  
for the half-year ended 31 December 2012**

	<b>Consolidated</b>	
	<b>December 2012</b>	<b>December 2011</b>
	<b>\$</b>	<b>\$</b>
<b>Cash flows from operating activities</b>		
Payments to suppliers and employees	(1,375,118)	(1,820,555)
Interest received	856,374	1,131,948
	<b>(518,744)</b>	<b>(688,607)</b>
<b>Cash flows from investing activities</b>		
Payments for exploration & evaluation expenditure	(3,195,678)	(3,047,719)
Investments in listed company shares	(880,000)	(38,980)
Payments for plant and equipment	(7,859)	(3,088)
Proceeds from sale of plant and equipment	--	33,779
Payments for security deposits/bonds	(18,703)	
Refunds from security deposits/bonds	--	34,610
Loans to other entities	--	(104,482)
	<b>(4,102,240)</b>	<b>(3,125,880)</b>
<b>Cash flows from financing activities</b>		
	<b>--</b>	<b>--</b>
<b>Net cash provided by financing activities</b>		
Net decrease in cash and cash equivalents	(4,620,984)	(3,814,487)
Cash and cash equivalents at beginning of the period	24,882,064	31,622,677
Cash and cash equivalents at the end of the period	20,261,080	27,808,190

*The above statement should be read in conjunction with the accompanying notes.*

## **Notes to the financial statements (continued) for the half-year ended 31 December 2012**

### **Note 1: Corporate information**

The financial report of Golden West Resources Limited and its subsidiaries ('the consolidated entity or the Group') for the half-year ended 31 December 2012 was authorized for issue in accordance with a resolution of the directors on 11 March 2013.

Golden West Resources is a company limited by shares, incorporated in Australia, whose shares are publicly traded on the Australian Securities Exchange.

### **Note 2: Basis of preparation and accounting policies**

#### **Basis of preparation**

This general purpose condensed financial report for the half-year ended 31 December 2012 has been prepared in accordance with AASB 134: Interim Financial Reporting and the Corporations Act 2001.

The half-year financial report does not include all notes of the type normally included within the annual financial report and therefore cannot be expected to provide as full an understanding of the financial performance, financial position and financing and investing activities of the consolidated entity as the full financial report. It is therefore recommended that the half-year financial report be read in conjunction with the annual report for the year ended 30 June 2012, and considered together with any public announcements made by Golden West Resources Limited during the half-year ended 31 December 2012.

The accounting policies and methods of computation adopted in the preparation of the half year financial report are consistent with those adopted and disclosed in the company's 2012 annual financial report for the financial year ended 30 June 2012, except for the impact of the Standards and Interpretations described below. These accounting policies are consistent with Australian Accounting Standards and with International Financial Reporting Standards.

#### **Changes in accounting policies and disclosures**

The Group has adopted all of the new and revised Standards and Interpretations issued by the Australian Accounting Standards Board (the AASB) that are relevant to their operations and effective for the current half-year.

New and revised Standards and amendments thereof and Interpretations effective for the current half-year that are relevant to the Group include:

- Amendments to AASB 1, 5, 7, 101, 112, 120, 121, 132, 133 and 134 as a consequence of AASB 2011-9 'Amendments to Australian Accounting Standards – Presentation of Items of Other Comprehensive Income'

## **Notes to the financial statements (continued) for the half-year ended 31 December 2012**

The adoption of all the new and revised Standards and Interpretations has not resulted in any changes to the Group's accounting policies and has no effect on the amounts reported for the current or prior half-years. However, the application of AASB 2011-9 has resulted in changes to the Group's presentation of, or disclosure in, its half-year financial statements.

- AASB 2011-9 introduces new terminology for the statement of comprehensive income and income statement. Under the amendments to AASB 101, the statement of comprehensive income is renamed as a statement of profit or loss and other comprehensive income and the income statement is renamed as a statement of profit or loss. The amendments to AASB 101 retain the option to present profit or loss and other comprehensive income in either a single statement or in two separate but consecutive statements. However, the amendments to AASB 101 require items of other comprehensive income to be grouped into two categories in the other comprehensive income section: (a) items that will not be reclassified subsequently to profit or loss and (b) items that may be reclassified subsequently to profit or loss when specific conditions are met. Income tax on items of other comprehensive income is required to be allocated on the same basis – the amendments do not change the option to present items of other comprehensive income either before tax or net of tax. The amendments have been applied retrospectively, and hence the presentation of items of other comprehensive income has been modified to reflect the changes. Other than the above mentioned presentation changes, the application of the amendments to AASB 101 does not result in any impact on profit or loss, other comprehensive income and total comprehensive income.

### **Note 3: Segment information**

#### *Determination and identification of reportable segment*

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components, whose operating results are regularly reviewed by the entity's chief operating decision maker to make decisions about resources to be allocated to the segment and assess its performance and for which discrete financial information is available.

The Group identifies its operating segments based on the internal reports that are reviewed and used by the executive management team (chief operating decision makers) in assessing performance and determining the allocation of resources.

The operations and assets of Golden West Resources Limited and its controlled entities are primarily employed in exploration and evaluation activities relating to minerals in Western Australia. The decision to allocate the resources to individual projects is predominantly based on available cash reserve, technical data and the expectation of future metal price. Accordingly, the Group has identified only one reportable segment, being mineral exploration activities undertaken in Western Australia. The financial information presented in the consolidated statement of comprehensive income and consolidated statement of financial position is the same as that presented to the chief operating decision maker.

**Notes to the financial statements (continued)  
for the half-year ended 31 December 2012**

**Note 4: Revenue**

	<b>Consolidated</b>	
	<b>December 2012</b>	<b>December 2011</b>
	<b>\$</b>	<b>\$</b>
Interest received	618,471	948,872
Other revenue	60,569	3,283
	<u>679,040</u>	<u>952,155</u>

**Note 5: Employee expenses**

Salary and wages	594,040	727,402
Superannuation	40,759	37,187
Other employee expenses	171,789	265,326
	<u>806,588</u>	<u>1,029,915</u>

**Note 6: Share based payments**

Share based payments (note 11)	--	2,131,852
	<u>--</u>	<u>2,131,852</u>

**Note 7: Exploration and evaluation expenditure**

	<b>Consolidated</b>	
	<b>December 2012</b>	<b>June 2012</b>
	<b>\$</b>	<b>\$</b>
<b>Non current</b>		
Balance at beginning of the period	82,268,276	77,337,627
Expenditure incurred during the period	3,121,299	4,930,649
Balance at the end of the period	<u>85,389,575</u>	<u>82,268,276</u>

The ultimate recoupment of exploration and evaluation expenditure relating to the Group's iron ore and gold projects carried forward is dependent on the successful development for commercial exploitation or sale of the respective mining projects.

## Notes to the financial statements (continued) for the half-year ended 31 December 2012

### Note 8: Available-for-sale financial assets

	Consolidated	
	December 2012	June 2012
	\$	\$
At fair value		
Shares – UK listed <sup>1</sup>	135,216	151,492
Shares – Australian unlisted	--	--
	135,216	151,492

1. Western Gold Resources Limited a wholly owned subsidiary of the Company held 1,795,803 ordinary shares in AIM listed company Stratex International Limited as at end of the reporting period.

Available-for-sale investments consist of investments in ordinary shares, and therefore have no fixed maturity date or coupon rate.

#### **Available-for-sale investments - listed shares**

The fair value of listed available-for sale investments has been determined directly with reference to published price quotations in an active market.

#### **Available-for-sale investments – unlisted shares**

The fair value of the unlisted available-for-sale investments has been estimated using valuation techniques based on assumptions that are not supported by observable market prices or rates.

Management believes the estimated fair value resulting from the valuation techniques and recorded in the balance sheet and the related impairment charge recorded in the profit and loss account are reasonable and the most appropriate at the balance sheet date.

A reconciliation of the movement during the period is as follows:

Opening balance	11,670,000	11,670,000
Additions	--	--
Closing balance	11,670,000	11,670,000
Allowance for impairment loss <sup>1</sup>	(11,670,000)	(11,670,000)
	--	--

1. An allowance for impairment loss of \$11,670,000 has been recognised by the Group in a prior period as management has determined that the investment is impaired.

## Notes to the financial statements (continued) for the half-year ended 31 December 2012

### Note 9: Other financial assets

	Consolidated	
	December 2012 \$	June 2012 \$
<b>Non-current</b>		
Security deposits/bonds	1,125,866	1,107,163
Investments in shares – Australian listed <sup>1</sup>	1,200,000	--
	<u>2,325,866</u>	<u>1,107,163</u>

1. In October 2012, Golden West Resources Limited (GWR) acquired an initial 18.6% interest in ASX listed company West Peak Iron Limited (WPI) via placement for 12,000,000 shares at a price of 5 cents, amounting to \$600,000. In December 2012, GWR increased its interest to 19.9% by subscribing to a further placement for 4,000,000 shares at a price of 7 cents each, amounting to \$280,000.

### Note 10: Contributed equity

Issued capital		
192,142,447 Ordinary fully paid shares (30 June 2012: 192,142,447)	147,021,501	147,021,501
	<b>Number</b>	<b>\$</b>
<i>Movement in ordinary shares on issue</i>		
At 1 July 2012	192,142,447	147,021,501
Share issues	--	--
At 31 December 2012	<u>192,142,447</u>	<u>147,001,501</u>

### Note 11: Reserves

Option reserve		
Balance at beginning of the period	26,309,612	23,883,574
Share based payments	--	2,426,038
	<u>26,309,612</u>	<u>26,309,612</u>
Investments revaluation reserve		
Balance at beginning of the period	--	--
Unrealised gain on revaluation of listed shares	303,724	--
	<u>303,724</u>	<u>--</u>
<b>Total Reserves</b>	<u>26,613,336</u>	<u>26,309,612</u>

## **Notes to the financial statements (continued) for the half-year ended 31 December 2012**

### **Note 12: Contingent liabilities**

The Group is not aware of any significant contingencies since the last annual reporting date.

### **Note 13: Events subsequent to reporting date**

There is no other matter or circumstance that has arisen since the end of reporting period to the date of this report, which has significantly affected, or may significantly affect the operations of the consolidated entity, the results of those operations or the state of affairs of the consolidated entity in subsequent to reporting date.

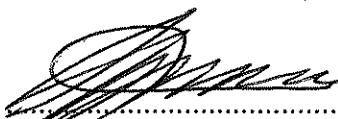
## Directors' declaration

In accordance with a resolution of the directors of Golden West Resources Limited, I state that:

In the opinion of the directors:

- (a) The financial statements and notes of the consolidated entity are in accordance with the Corporations Act 2001, including:
  - (i) Giving a true and fair view of the financial position as at 31 December 2012 and the performance for the half-year ended on that date of the consolidated entity; and
  - (ii) Complying with Accounting Standard AASB 134 Interim Financial Reporting and the Corporations Regulations 2001.
- (b) There are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

On behalf of the Board,



.....  
Gary Lyons  
Chairman

Perth, 11<sup>th</sup> March, 2013



11 March 2013

Board of Directors  
Golden West Resources Limited  
Suite 4, 138 Main Street  
Osborne Park WA 6017

Dear Sirs

**RE: GOLDEN WEST RESOURCES LIMITED**

In accordance with section 307C of the Corporations Act 2001, I am pleased to provide the following declaration of independence to the directors of Golden West Resources Limited.

As Audit Director for the review of the financial statements of Golden West Resources Limited for the half year ended 31 December 2012, I declare that to the best of my knowledge and belief, there have been no contraventions of:

- (i) the auditor independence requirements of the Corporations Act 2001 in relation to the review;  
and
- (ii) any applicable code of professional conduct in relation to the review.

Yours faithfully,

**STANTONS INTERNATIONAL AUDIT AND CONSULTING PTY LTD**  
**(Trading as Stantons International)**  
**(An Authorised Audit Company)**



**Martin Michalik**  
Director

**INDEPENDENT AUDITOR'S REVIEW REPORT  
TO THE MEMBERS OF  
GOLDEN WEST RESOURCES LIMITED**

**Report on the Half-Year Financial Report**

We have reviewed the accompanying half-year financial report of Golden West Resources Limited, which comprises the consolidated statement of financial position as at 31 December 2012, the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity, and consolidated statement of cash flows for the half-year ended on that date, condensed notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration for Golden West Resources Limited (the consolidated entity). The consolidated entity comprises both Golden West Resources Limited (the Company) and the entities it controlled during the half year.

*Directors' Responsibility for the Half-Year Financial Report*

The directors of Golden West Resources Limited are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that is free from material misstatement, whether due to fraud or error.

*Auditor's Responsibility*

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half year financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the consolidated entity's financial position as at 31 December 2012 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of Golden West Resources Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Whilst we considered the effectiveness of management's internal controls over financial reporting when determining the nature and extent of our procedures, our review was not designed to provide assurance on internal controls.

Our review did not involve an analysis of the prudence of business decisions made by the directors or management.

*Independence*

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations Act 2001*, has been provided to the directors of Golden West Resources Limited on 11 March 2013.

*Conclusion*

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Golden West Resources Limited is not in accordance with the *Corporations Act 2001* including:

- (a) giving a true and fair view of the consolidated entity's financial position as at 31 December 2012 and of its performance for the half-year ended on that date; and
- (b) complying with Accounting Standards AASB 134 Interim Financial Reporting and Corporations Regulations 2001.

**STANTONS INTERNATIONAL AUDIT AND CONSULTING PTY LTD**

**(Trading as Stantons International)**

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*Stantons International Audit & Consulting Pty Ltd*



**Martin Michalik**

**Director**

West Perth, Western Australia

11 March 2013