

Corporate Governance Statement
Golden West Resources Ltd
ACN 102 622 051
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1 Principle 1 – Lay solid foundations for management and oversight

Board Charter

- 1.1 The Board has adopted a Board Charter detailing the functions and responsibilities of the board and areas of authority delegated to senior executives.

Performance Evaluation

- 1.2 The Chairperson shall review the performance of the Chief Executive Officer (or equivalent) and each Director and the Chief Executive Officer shall review the performance of executive management at least once every calendar year with reference to the terms of their employment contract. The Chairperson shall review the performance of each non-executive director at least once every calendar year.

Reporting

- 1.3 The Company should include in the corporate governance statement in its Annual Report and on its website the recommended information set out in the ASX Corporate Governance Principles in relation to Principle 1.

2 Principle 2 - Structure the Board to add value

Composition of the Board

- 2.1 The Board should be of a size and composition that is conducive to making appropriate decisions. The Board should be large enough to incorporate a variety of perspectives and skills, and to represent the best interests of the Company as a whole rather than of individual shareholders or interest groups. It should not, however, be so large that effective decision-making is hindered. The current Constitution of the Company restricts the number of directors to five in the absence of shareholder approval. Shareholders have approved an increase in the maximum number of directors to eight.

Independent Directors

- 2.2 The Company will regularly review whether each non-executive director is independent and each non-executive director should provide to the Board all information that may be relevant to this assessment. If a director's independence status changes this should be disclosed and explained to the market in a timely fashion.
- 2.3 The Company will endeavour to ensure that it has a majority of independent directors at all times, subject to the right of shareholders in general meeting to elect and remove directors.

Chairperson

- 2.4 It is considered appropriate to require the Chairperson to be a non-executive director. The Chairperson will not be the Chief Executive Officer of the Company. The Chairperson's other positions should not be such that they are likely to hinder the effective performance of their role of Chairperson of the Company.

Independent decision- making

- 2.5 All directors – whether independent or not - should bring an independent judgement to bear on Board decisions. Directors are encouraged to confer regularly without management present. Their discussions are to be facilitated by the Chairperson. Non-executive directors should inform the Chairperson before accepting any new appointments as directors.

Independent advice

- 2.6 To facilitate independent decision making, the Board and any committees it convenes from time to time may seek advice from independent experts whenever it is considered appropriate. With the consent of the Chairperson, individual directors may seek independent professional advice, at the expense of the Company, on any matter connected with the discharge of their responsibilities.

Procedure for selection of new directors

- 2.7 The Company believes it is not of a size to justify having a Nomination Committee. If any vacancies arise on the Board, all directors are involved in the search and recruitment of a replacement. The Board believes corporate performance is enhanced when the Board has an appropriate mix of skills, experience, expertise and diversity.
- 2.8 In support of their candidature for directorship or re-election, non-executive directors should provide the Board with details of other commitments and an indication of time available for the Company. Prior to appointment or being submitted for re-election non-executive directors should specifically acknowledge to the Company that they will

have sufficient time to meet what is expected of them. Re-appointment of directors is not automatic.

Induction and education

- 2.9 The Board will implement an induction program to enable new directors to gain an understanding of:
- 2.9.1 the Company's financial, strategic, operational and risk management position;
 - 2.9.2 the culture and values of the Company;
 - 2.9.3 the rights, duties and responsibilities of the directors;
 - 2.9.4 the roles and responsibilities of senior executives;
 - 2.9.5 the role of any Board committees in operation;
 - 2.9.6 meeting arrangements; and
 - 2.9.7 director interaction with each other, senior executives and other stakeholders.
- 2.10 Directors will have reasonable access to continuing education to update and enhance their skills and knowledge, including education concerning key developments in the Company and in the mining and resources industry.

Access to information

- 2.11 The Board has the right to obtain all information from within the Company which it needs to effectively discharge its responsibilities.
- 2.12 The Chief Executive Officer is required on request from the Board to supply the Board with information in a form and timeframe, and of a quality that enables the Board to discharge its duties effectively. Directors are entitled to request additional information where they consider such information necessary to make informed decisions. Directors are entitled to meet with executives as required to fulfil their executive roles, or in the case of non-executive Directors provided prior notice is given to the Chairperson or Chief Executive Officer.

Reporting

- 2.13 The Company should include in the corporate governance statement in its Annual Report and on its website the recommended information set out in the ASX Corporate Governance Principles in relation to Principle 2.

3 Principle 3: Promote ethical and responsible decision-making

Code of conduct

- 3.1 The Board has adopted a Code of Conduct to promote ethical and responsible decision making by directors, management and employees. The Code embraces the values of honesty, integrity, enterprise, excellence, accountability, justice, independence and equality of stakeholder opportunity.
- 3.2 The Chief Executive Officer is responsible for ensuring that training on the Code of Conduct is provided to staff and officers of the Company.
- 3.3 The Chief Executive Officer and the Company Secretary are responsible for making advisers, consultants and contractors aware of and accountable to the Company's expectations set out in the Code of Conduct.

Diversity

- 3.4 The Board has adopted a Diversity Policy on achieving gender, age and ethnic diversity in the Company's employees.
- 3.5 The Chief Executive Officer and the Company Secretary are responsible for ensuring the policy is brought to the attention of all affected persons and for monitoring compliance with the policy.

Reporting

- 3.6 The Company should include in the corporate governance statement in its Annual Report and on its website the recommended information set out in the ASX Corporate Governance Principles in relation to Principle 3.

4 Principle 4: Safeguard integrity in financial reporting

Audit and Risk Management Committee

- 4.1 The Board has established an Audit and Risk Management Committee pursuant to an Audit and Risk Management Committee Charter.
- 4.2 The Audit and Risk Management Committee's mandate includes reviewing the integrity of the Company's financial reporting and overseeing the independence and competence of the external auditors.

Composition of Audit and Risk Management Committee

- 4.3 Members of the Audit and Risk Management Committee are directors of the Company appointed by the Board and the committee is structured as follows:
 - 4.3.1 consists only of non-executive directors;
 - 4.3.2 is chaired by a non-executive director who is not Chairperson of the Board; and
 - 4.3.3 has at least three members (or less if there are less than three non-executive directors appointed to the Board).

Reporting

- 4.4 The Company should include in the corporate governance statement in its Annual Report and on its website the recommended information set out in the ASX Corporate Governance Principles in relation to Principle 4.

5 Principle 5: Make timely and balanced disclosure

Disclosure Policy

- 5.1 The Board has adopted a Disclosure Policy for ensuring timely and accurate disclosure of price-sensitive information to shareholders through the ASX.
- 5.2 The Disclosure Policy ensures that:
 - 5.2.1 all investors have equal and timely access to material information concerning the Company including its financial position, performance, ownership and governance; and
 - 5.2.2 Company announcements are subjected to a vetting and authorisation process designed to ensure they:
 - (a) are released in a timely manner;
 - (b) are factual and balanced;
 - (c) do not omit material information; and
 - (d) are expressed in a clear and objective manner that allows investors to assess the impact of the information when making investment decisions.

Reporting

- 5.3 The Company should include in the corporate governance statement in its Annual Report and on its website the recommended information set out in the ASX Corporate Governance Principles in relation to Principle 5.

6 Principle 6: Respect the rights of shareholders

Communication with Shareholders

- 6.1 The Board is committed to open and accessible communication with holders of the Company's shares. Disclosure of information and other communication will be made as appropriate by mail or email.
- 6.2 The Company's website will also be used to provide additional relevant information to security holders. The Board considers the following to be appropriate features for the Company's website:
- 6.2.1 placing the full text of notices of meeting and explanatory material on the website;
 - 6.2.2 providing, where possible, advance notification of significant group briefings (including but not limited to, results announcements);
 - 6.2.3 providing information about the last three years' press releases or announcements plus at least three years of financial data on the website; and
 - 6.2.4 providing information updates to security holders on request by email.
- 6.3 The Company will keep a summary record for internal use of the issues discussed at group or one-on-one briefings with investors and analysts, including a record of those present and the time and place of the meeting.

General Meetings

- 6.4 The Company is committed to improving shareholder participation in general meetings. In order to achieve that objective, the Company has adopted guidelines of the ASX Corporate Governance Council for improving shareholder participation through the design and content of notices and through the conduct of the meeting itself.

Reporting

- 6.5 The Company should include in the corporate governance statement in its Annual Report and on its website the recommended information set out in the ASX Corporate Governance Principles in relation to Principle 6.

7 Principle 7: Recognise and manage risk

Establishment and Review of Policies

- 7.1 The Board as a whole is ultimately responsible for establishing and reviewing the Company's policies on risk profile, oversight and management and satisfying itself that management has developed and implemented a sound system of risk management and internal control.
- 7.2 The Board believes it is not of a size to justify having an internal audit function for efficiency purposes.
- 7.3 Risk management policies and procedures shall be adopted to identify, assess and minimise material risks affecting the Company including the following categories:
- 7.3.1 operational;
 - 7.3.2 environmental;
 - 7.3.3 sustainability;
 - 7.3.4 compliance;
 - 7.3.5 strategic;
 - 7.3.6 ethical conduct;
 - 7.3.7 reputation or brand;
 - 7.3.8 technological;
 - 7.3.9 product or service quality;
 - 7.3.10 human capital;
 - 7.3.11 financial reporting; and
 - 7.3.12 market-related risks.

Audit and Risk Management Committee

- 7.4 The Board has established an Audit and Risk Management Committee pursuant to an Audit and Risk Management Committee Charter.
- 7.5 The Audit and Risk Management Committee's mandate includes overseeing the implementation of the Company's risk management program and reporting to the Board as to the effectiveness of the Company's management of its material risks.

Composition of Audit and Risk Management Committee

- 7.6 See section 4.3 above.

Management Responsibility

- 7.7 The Company's risk management program will be implemented by senior management under the direction of the Audit and Risk Management Committee as follows:
- 7.7.1 ensuring that matters affecting the goals, objectives and performance of the Company and the safety of its stakeholders are identified and assessed by an operational risk management framework in accordance with industry accepted standards;
 - 7.7.2 obtaining and regularly reviewing insurance for the Company relevant to managing material risks;

- 7.7.3 implementing and maintaining internal control systems which will be identified in conjunction with the external auditors;
 - 7.7.4 monitoring and verifying the Company's compliance with record keeping and operating requirements, including all requirements of law including indigenous and community rights and environmental obligations; and
 - 7.7.5 minimising the potential for loss or damage resulting from risks affecting the Company.
- 7.8 the Audit and Risk Management Committee shall report to the Board at least once every financial year as to the effectiveness of the Company's management of its material risks.

Review by the Board

- 7.9 The Board must review the effectiveness of implementation of the risk management system at least annually.
- 7.10 When reviewing risk management policies the Board should take into account the Company's legal obligations and should also consider the reasonable expectations of the Company's stakeholders, including security holders, employees, customers, suppliers, creditors, consumers and the community.

Managing Director

- 7.11 The Chief Executive Officer is required annually to state in writing to the Board that the Company has a sound system of risk management, that internal compliance and control systems are in place to ensure the implementation of Board policies, and that those systems are operating efficiently and effectively in all material respects.

Verification of financial reports

- 7.12 The Chief Executive Officer and Chief Financial Officer (or equivalent) are required by the Company to state the following in writing prior to the Board making a solvency declaration pursuant to section 295(4) of the Corporations Act:
- 7.12.1 that the Company's financial reports contain a true and fair view, in all material respects, of the financial condition and operating performance of the Company and comply with relevant accounting standards; and
 - 7.12.2 that the declaration provided in accordance with section 295A of the Corporations Act is founded on a sound system of risk management and that the system is operating effectively in all material respects in relation to financial reporting risks.

Reporting

- 7.13 The Company should include in the corporate governance statement in its Annual Report and on its website the recommended information set out in the ASX Corporate Governance Principles in relation to Principle 7.

8 Principle 8: Remunerate fairly and responsibly

Director and senior executive remuneration policies

- 8.1 The Company's remuneration policy is structured for the purpose of:
- 8.1.1 motivating executive directors and senior management to pursue the long-term growth and success of the Company; and
 - 8.1.2 demonstrating a clear relationship between executive directors' and senior management's performance and remuneration.
- 8.2 The Board's responsibility is to set the level and structure of remuneration for executive directors and senior management, for the purpose of balancing the Company's competing interests of:
- 8.2.1 attracting and retaining executive directors and senior management; and
 - 8.2.2 not paying excessive remuneration.
- 8.3 Executive directors' remuneration should be structured to reflect short and long-term performance objectives appropriate to the Company's circumstances and goals.
- 8.4 Executive directors' and senior management's remuneration packages should involve a balance between fixed and incentive pay, reflecting short and long-term performance objectives appropriate to the Company's circumstances and goals.
- 8.5 Non-executive directors' remuneration should be formulated with regard to the following guidelines:
- 8.5.1 non-executive directors should normally be remunerated by way of fees, in the form of cash, non-cash benefits, superannuation contributions or equity, without participating in schemes designed for the remuneration of executives;
 - 8.5.2 non-executive directors should not be provided with retirement benefits other than superannuation.
- 8.6 No director may be involved in setting their own remuneration or terms and conditions and in such a case relevant directors are required to be absent from the full Board discussion.
- 8.7 The annual Remuneration Report shall be prepared in accordance with the requirements of the Corporations Act.
- 8.8 Shareholder approval will be sought in the event that it is required pursuant to the Corporations Act, the ASX Listing Rules or the Company's Constitution for any aspect of director or senior executive remuneration.

Remuneration Committee

- 8.9 The Board has established a Remuneration Committee pursuant to a Remuneration Committee Charter.
- 8.10 The Remuneration Committee's mandate is to review and make recommendations to the Board on:
- 8.10.1 the Company's remuneration, recruitment, retention and termination policies and procedures for senior executives;
 - 8.10.2 senior executives' remuneration and incentives;
 - 8.10.3 superannuation arrangements;

8.10.4 the remuneration framework for directors; and

8.10.5 remuneration by gender.

Composition of Remuneration Committee

8.11 Members of the Remuneration Committee are directors of the Company appointed by the Board and the Committee is structured as follows:

8.11.1 consists only of non-executive directors;

8.11.2 is chaired by a non-executive director who is not Chairperson of the Board; and

8.11.3 has at least three members (or less if there are less than three non-executive directors appointed to the Board).

Reporting

8.12 The Company should include in the corporate governance statement in its Annual Report and on its website the recommended information set out in the ASX Corporate Governance Principles in relation to Principle 8.