ASX ANNOUNCEMENT

ASX: GTE

GREAT WESTERN EXPLORATION

19 October 2017

Drilling to Commence at Yandal West Gold Project

- **Continued strong gold results from Phase 3 infill soils at the May Queen area at Yandal West**
- **Peak gold values of 852, 638 and 466ppb confirming previous results**
- **Multiple Drill targets confirmed using soils, magnetics and detailed geological mapping**
- **Maiden RC drilling campaign at May Queen to commence next week**

Summary

- Further strong results received from Phase 3 (160m x 40m) infill soil sampling in the May Queen area at Yandal West Gold Project, with peak gold values of **852ppb, 638ppb, 466ppb, 406pp and 335ppb**
- These results supplement previously reported very strong peak gold values from Phase 1 and Phase 2 soils at May Queen that include **2,380ppb (2.38g/t), 951ppb, 716ppb, 473ppb 384ppb, 412ppb, 213ppb, and 207ppb**
- These gold results combined with other pathfinder elements in soil at May Queen strongly indicate an extensive near surface hydrothermal system with a geochemical signature similar to other large gold deposits in the Yandal Gold Belt
- Geological mapping and detailed aeromagnetics indicate the gold-in-soil is associated with a brittle-ductile structural zone with the size and scale to host a large gold system, being approximately 6km x 1.2 km
- To date 11 priority RC drill targets have been identified where there is anomalous gold -in soil associated with shearing and/or aeromagnetic structural targets solely within the May Queen area
- A drill rig is scheduled to be mobilized to site on **Saturday 21 October** for commencement of drilling next week

Commentary

Great Western Exploration Limited ("the Company", "GTE") is pleased to announce that further strong gold results from the Phase 3 infill (160m x 40m) soil program at Yandal West Gold Project ("Yandal West") have been received. This program covered the May Queen area located in the southeastern region of the 9km long gold trend (**Fig 1**) delineated in Phase 1 (640m x 80m) soils (ASX Release – 05/07/17).

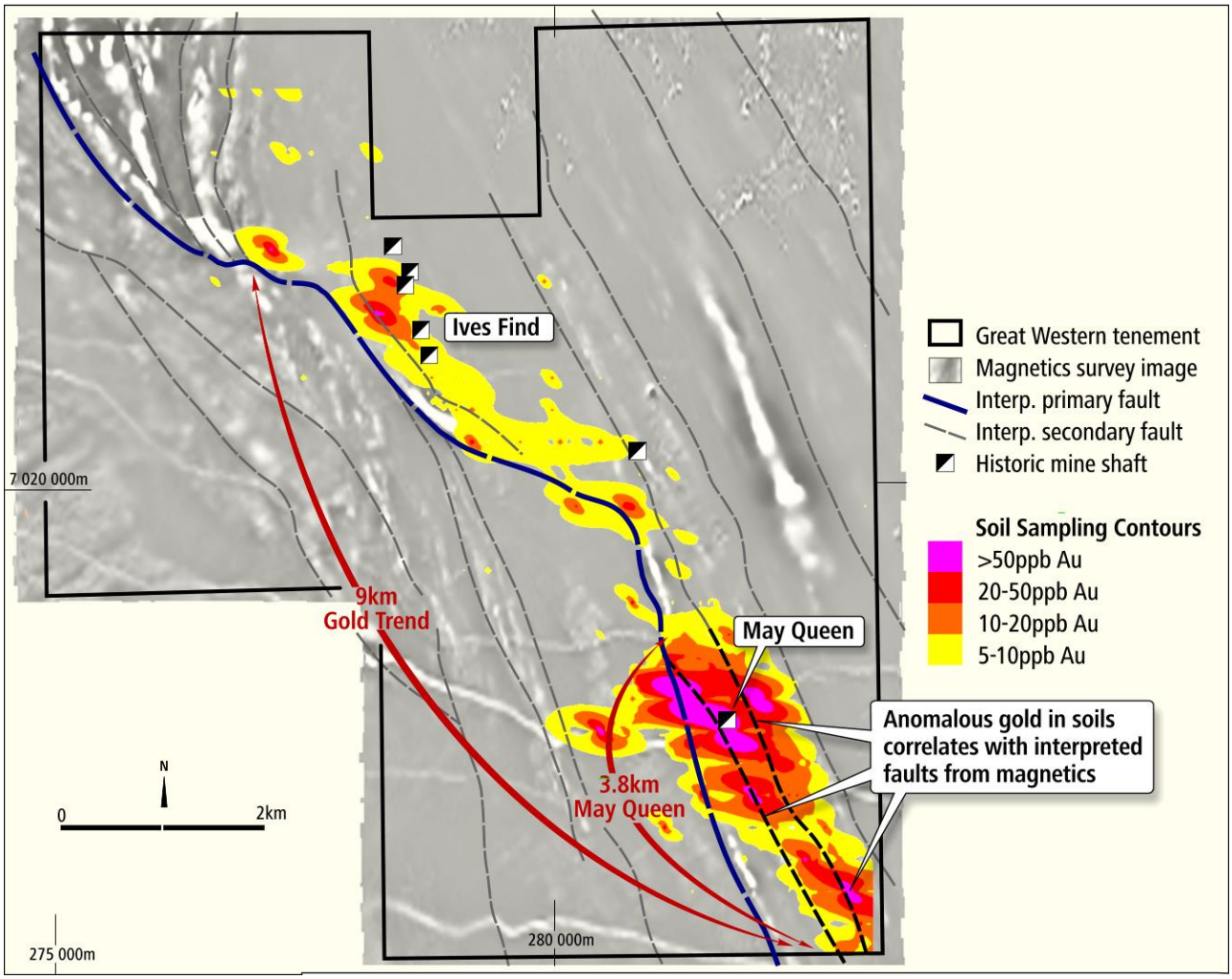

Figure 1. The 9km gold trend at Yandal West co-incident with Newexco's interpreted main fault from the detailed aeromagnetic data

The latest soil results include peak values of **852ppb**, **638ppb**, **466ppb**, **406ppb**, and **335ppb** gold that further support the large-scale extent of untested strong gold anomalism within the Yandal West Gold Project. These are in addition to the previously announced peak soil values of 2,380ppb (2.38g/t), 951ppb, 716ppb, 473ppb 384ppb, 412ppb, 213ppb, and 207ppb encountered in the Phase 1 (640m x 80m) and Phase 2 (320m x 40m) programmes (**ASX Release 14/09/17**).

Significantly, despite the reasonably broad spacing of soil sampling (160m x 40m), the results are so robust that correlations can be made with aeromagnetics and geological features even at this scale. This has allowed the Company to accurately plan drilling which is now due to commence.

To date priority 11 RC drill targets have been identified where there is strong gold-in-soil anomalism coincident with aeromagnetic structural targets (**Fig 2**). There are also further aeromagnetic structural targets within the May Queen trend under cover where soils sampling is ineffective that require auger or shallow RAB drilling prior to a separate RC drill programme designed to test these targets area specifically.

Discussion

The size, scale and intensity of the gold-in-soil in conjunction with multi-element pathfinder association of tungsten and bismuth is a strong indication of an extensive, near surface, gold bearing hydrothermal system (**Fig 4**). In addition, the geometry of the soil geochemistry indicates a distribution consistent with gold and pathfinder elements being enriched along preferred corridors that could be related to faulting, shearing and preferred lithological units.

The geological mapping identified a heterogenous geological sequence of basalts (major tholeiitic, minor Mg), dolerite, quartz veining, calc-silicate rocks, numerous pegmatite dykes & plugs and felsic schists (sheared porphyry). There is also ample evidence of extensive brittle-ductile deformation which is an important characteristic associated with major gold deposits located elsewhere in the Yandal Gold.

The detailed aeromagnetic data also indicates a structural setting consistent with a brittle – ductile corridor of approximately 6 km in strike and 1.2km in width with the gold-in-soil anomalies co-incident with breaks, jogs and demagnetisation (**Fig 3**).

Furthermore, both the gold and pathfinder elements have a positive correlation with northwest trending linear magnetic features that appear to be shears or faults. This is supported by field observations of shearing near or co-incident with these trends (**Fig 2**). The magnetics data also indicates a possible granite intrusion undercover to the west that has an associated gold-in-soil anomaly.

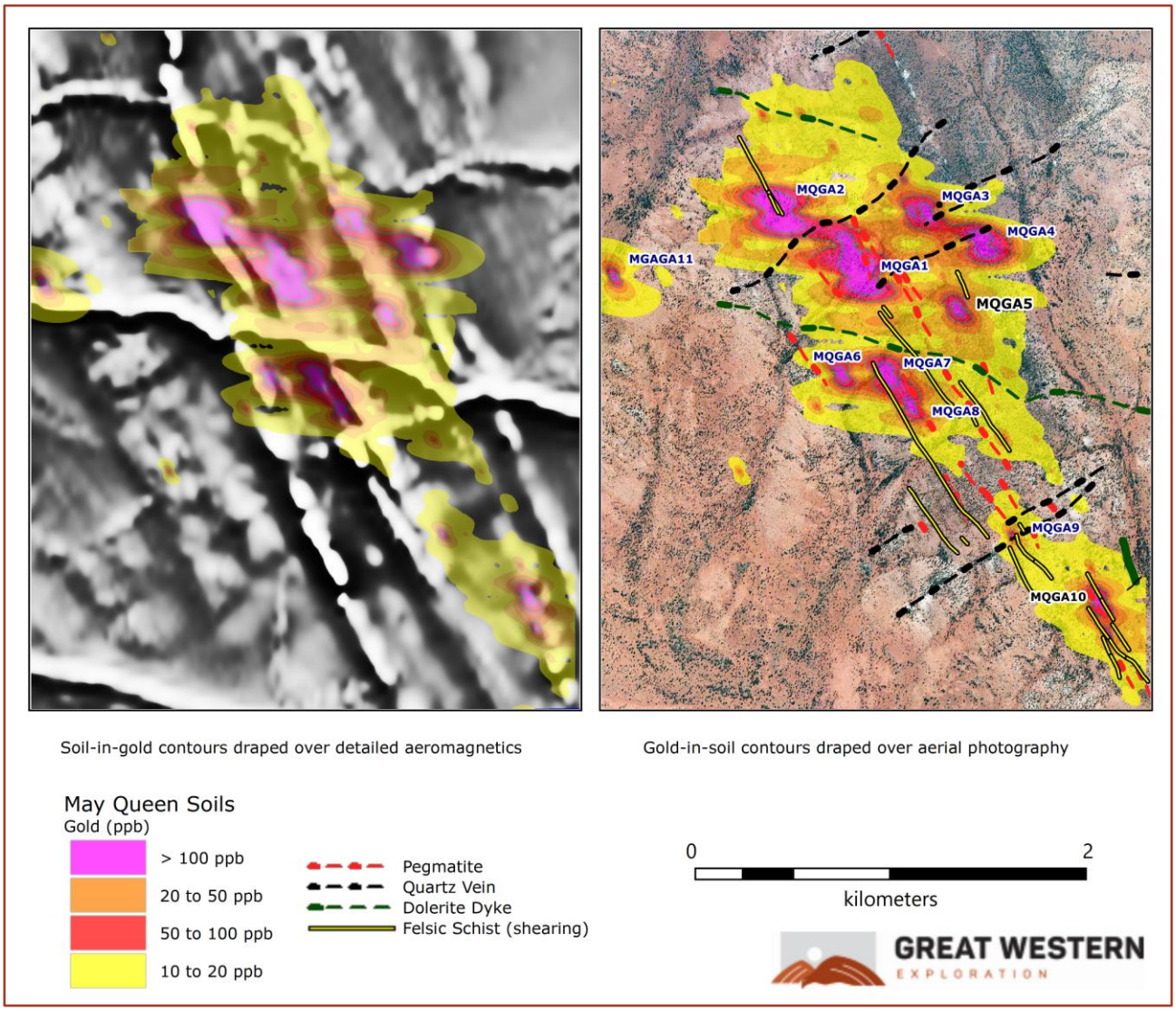

Figure 2. May Queen RC drill targets. The gold-in-soil anomalies are high tenor, robust and have a strong correlation with aeromagnetic structural targets within a 6 km long brittle-ductile structural corridor. This is a strong indication of an extensive near surface gold-bearing hydrothermal system with potential size and scale to form a large gold deposit.

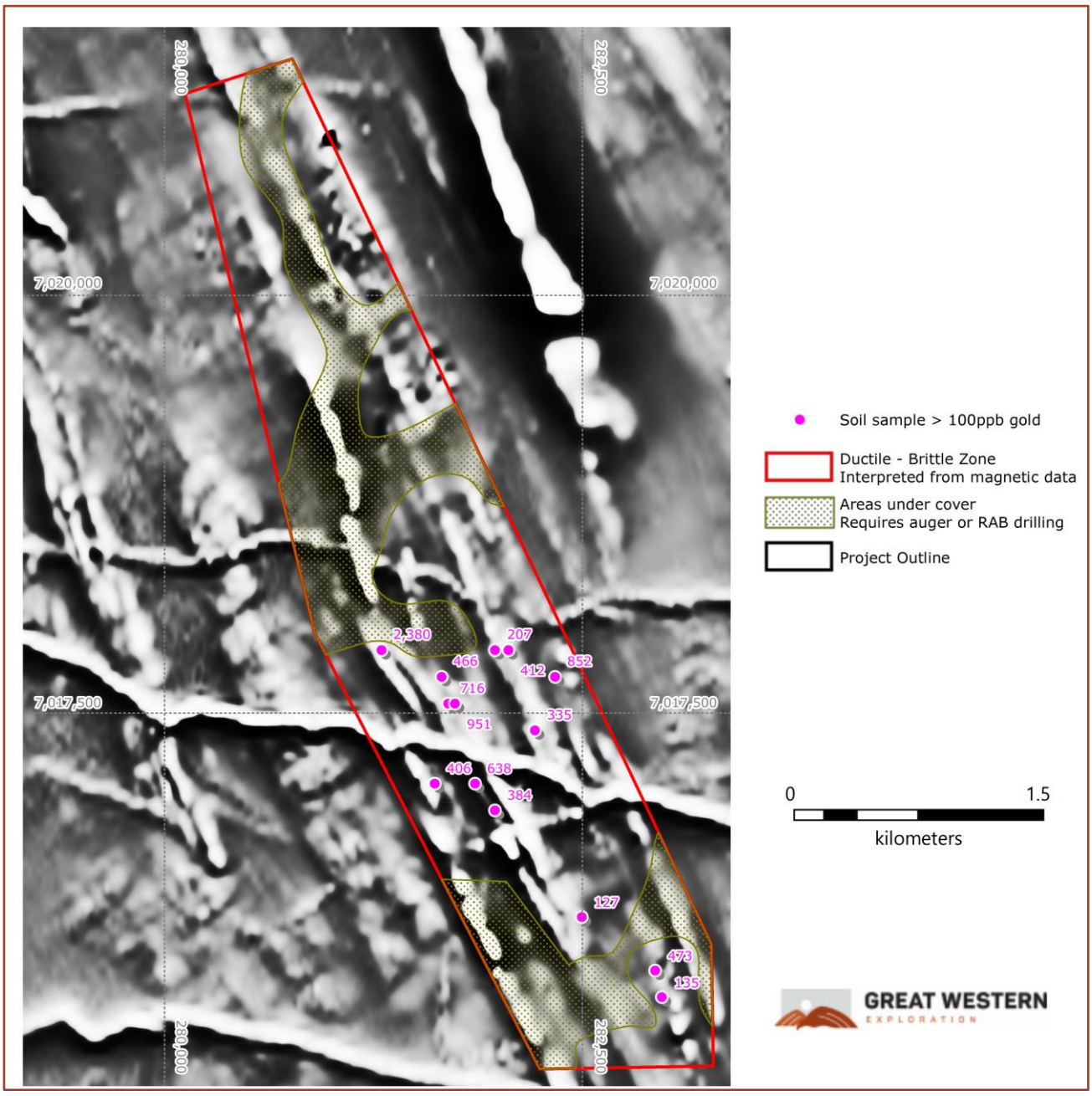

Figure 3. Highly prospective brittle-ductile structural corridor identified in aeromagnetic data. The corridor is 6 km long. Within the corridor there are clear faults, breaks and demagnetisation that are co-incident with strong gold-in soil anomalies. The pathfinder elements W, Bi and As also correlate well with these aeromagnetic structures which is further positive evidence of a significant gold bearing system associated with this brittle-ductile corridor.

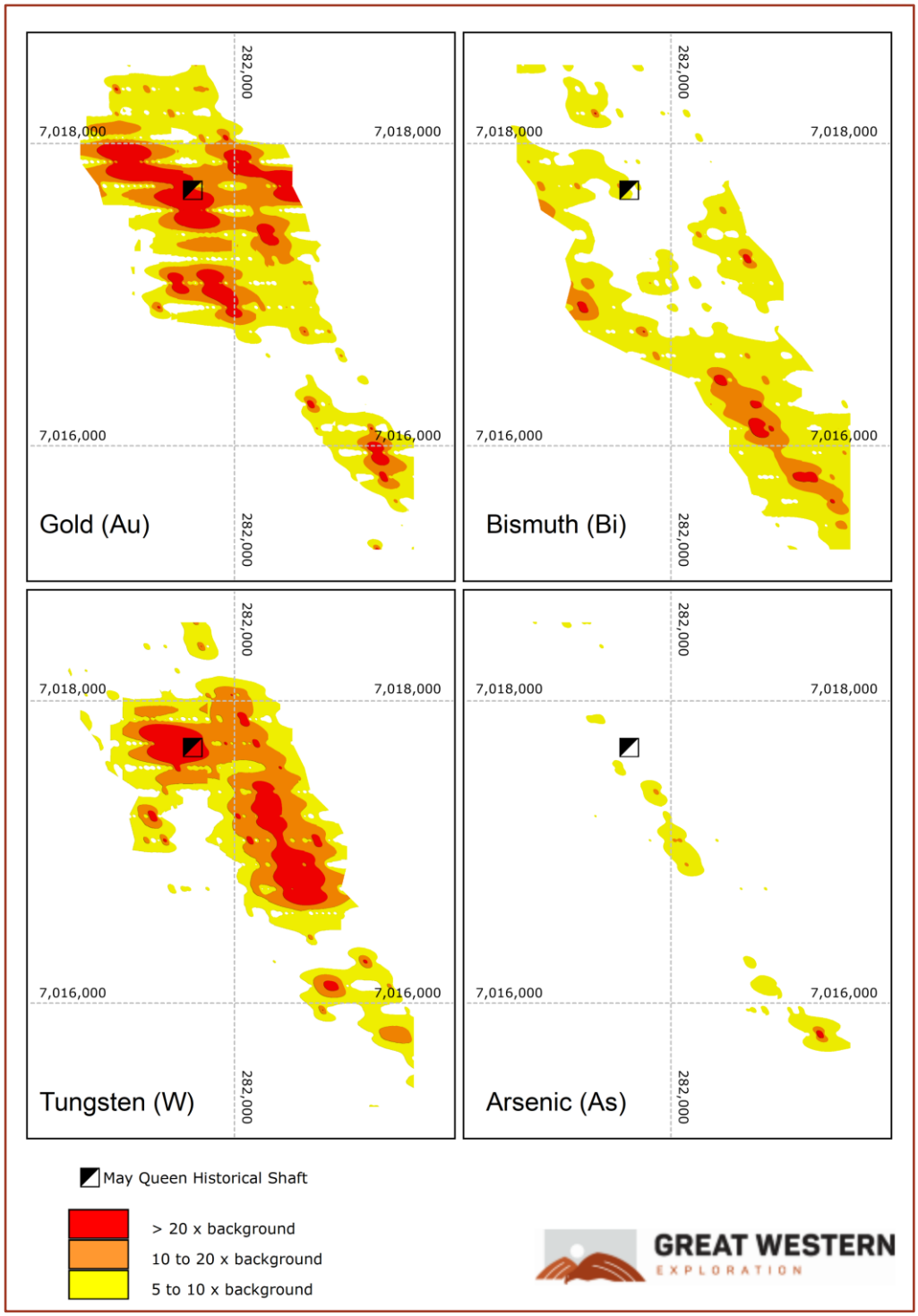

Figure 4. There is a strong correlation of the main pathfinder elements which provides further strong evidence of significant gold bearing system forming within the May Queen brittle-ductile structural corridor

There are many characteristics, both observed and inferred, that are similar to the Bronzewing gold deposit located 55km to the south. These are summarized in the following table:

Type	Characteristic	
Geochemical signature:	Gold, bismuth, tungsten	✓
Major host rock:	Tholeiitic basalt	✓
Minor host rock:	Mg Basalt and felsic porphyry dykes	✓
Granitoids:	Granodioritic sill intrudes the basalt sequence	✓
Metamorphic Grade:	Mid- to upper greenschist facies	✓
Critical Assemblages (Host Rocks):	Actinolite, albite, epidote	✓
Major Structural Styles:	Brittle ductile shear zone hosted	✓
Nature of Controlling Structure:	Located in a structural corridor comprising anastomosing shear zones around pods of undeformed basalt.	✓

In addition to the above there is high-grade gold in granodiorite and hornblende gabbro along strike at the Ives Find prospect. These are also observed at the Jundee gold mine located 60 km north that also has many of the same characteristics listed for the Bronzewing gold deposit.

Drilling

The Company has planned an initial programme of approximately 3,000m. This programme will be carried out in two tranches of 1,500m so that the Company can assess the assays mid programme. The primary objective of this initial programme is to better understand the nature and dip of the mineralisation prior to a more substantial step out programme.

The drill rig is scheduled to be mobilized and the Company is anticipating drilling to start next week.

The Company looks forward to keeping the market updated with progress from this and future eagerly anticipated drill campaigns.

About the Yandal West Project

The Yandal West gold project is located within the world class Yandal gold belt (**Fig 5**), approximately 55km north of Bronzewing gold deposit (3.5Mozs) and 60 km south of Jundee gold mine (10Mozs). The Company acquired 100% of the Ives Find gold field and 80% of the Harris Find gold field in 2016 and is the first time that both goldfields have been consolidated into one project. Previously the area had a long history of fragmented ownership.

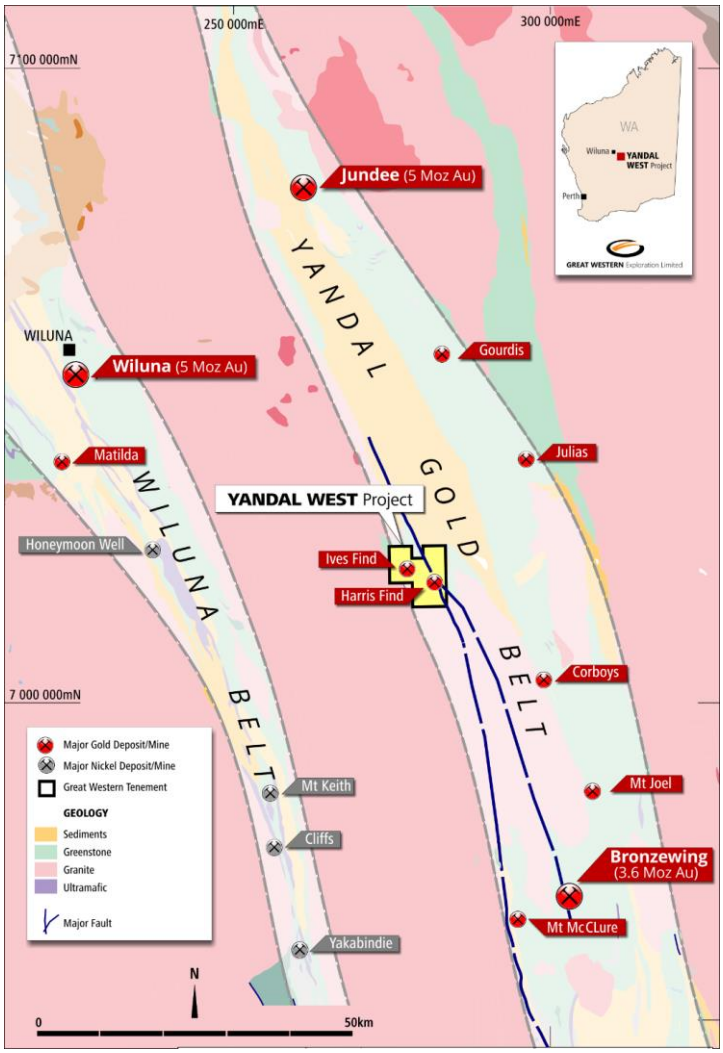

Figure 5. Location of the Yandal West gold project

In February GTE undertook a limited RC programme at Ives Find to understand the nature of the gold mineralisation. The drilling intersected high-grade gold mineralisation within a promising geological setting that has similarities to other major gold deposits in the region including Bronzewing and Jundee (ASX Release – 29th March 2017).

Satisfied that similar mechanisms observed at other significant gold deposits elsewhere in the Yandal belt are also present at Yandal West, the company commenced a program of systematic exploration, starting with regional scale soil programme (Phase 1 soils – 640m x 80m) and detailed aeromagnetics (50m line spacing). Newexco Consultants were contracted to carry out the geophysical interpretation.

This work resulted in the identification of a 9km gold-in-soil trend that contained a strong (> 20ppb) 3.5km long soil anomaly at May Queen. This anomaly is also coincident with a high priority aeromagnetic target identified by Newexco Consultants that has all the hallmarks of an exciting greenfields discovery (ASX Release – 5th July 2017).

The Company then carried out Phase 2 soils to infill the May Queen area from 640m x 80m to 320m x 40m sample spacing. The results of this work are the subject of this announcement.

JORC Code, 2012 Edition – Table 1 report

Section 1 Sampling Techniques and Data

(Criteria in this section apply to all succeeding sections.)

Sampling techniques	*Nature and quality of sampling (e.g. cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc.). These examples should not be taken as limiting the broad meaning of sampling.* *Include reference to measures taken to ensure sample representativity and the appropriate calibration of any measurement tools or systems used.* *Aspects of the determination of mineralisation that is Material to the Public Report. In cases where 'industry standard' work has been done this would be relatively simple (e.g. reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30 g charge for fire assay'). In other cases, more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (e.g. submarine nodules) may*	*1.0 Soil Sampling* Sample taken from 30 cm depth and sieved through a 1/32 size mesh to collect approximate 200 g soil material.

	warrant disclosure of detailed information	
Drilling techniques	*Drill type (e.g. core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc.) and details.*	Not applicable
Drill sample recovery	*Method of recording and assessing core and chip sample recoveries and results assessed.* *Measures taken to maximise sample recovery and ensure representative nature of the samples.* *Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred to potential loss/gain of fine/coarse material.*	Not applicable
Logging	*Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies. Whether logging is qualitative or quantitative in nature. Core (or costean, channel etc.) photography.*	Not applicable Various topographic data was noted for mapping purposes.
Sub-sampling techniques and sample	*If core, whether cut or sawn and whether quarter, half or all core taken. If noncore,*	No sub sampling required Sample Preparation The samples have been sorted and dried. Primary preparation has

preparation	*whether riffled, tube sampled, rotary split etc. and whether sampled wet or dry.* *For all sample types, the nature, quality and appropriateness of the sample preparation technique.* *Quality Control procedures adopted for all sub-sampling stages to maximise representativity of samples.* *Measures taken to ensure that the sampling is representative of the in situ material collected, including for instance results for field duplicate/second half sampling.* *Whether sample sizes are appropriate to the grain size of the material being sampled.*	been by crushing the whole sample. The whole sample has then been pulverised in a vibrating disc pulveriser.
Quality of assay data and laboratory tests	*The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.* *Nature of quality control procedures adopted (e.g. standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (i.e. lack of bias) and precision have been*	Laboratory: Bureau Veritas Minerals Pty Ltd <u>Analytical Methods</u> The samples have been digested with Aqua Regia. This is a partial digest Though it is extremely efficient for extraction of Gold. Easily digested elements show good recoveries however others (particularly the refractory oxides and silicates) are poorly extracted. Au(AR) Au(AR) Au(AR) Ag As Bi Li Ga Mo Pb Rb Sn W determined by Inductively Coupled Plasma (ICP) Mass Spectrometry. Cu Co Fe Mn Ni V Zn determined by Inductively Coupled Plasma (ICP) Optical Emission

		Spectrometry.
Verification of sampling and assaying	*The verification of significant intersections by either independent or alternative company personnel.* *The use of twinned holes* *Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.* *Discuss any adjustment to assay data.*	Not Applicable
Location of data points	*Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation.* *Specification of the grid system used.* *Quality and adequacy of topographic control.*	Samples were located using hand held GPS The grid system used is GDA 94 (Zone 51).
Data spacing and distribution	*Data spacing for reporting of Exploration Results.* *Whether the data spacing and distribution are sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and*	Soil samples were collected on 320m x 80m grid

	classifications applied. *Whether sample compositing has been applied.*	
Orientation of data in relation to geological structure	*Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.* *If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material.*	Not applicable
Sample security	*The measures taken to ensure sample security.*	The samples were collected into poly-woven bags that were secured with cable ties then taken to Wiluna to be dispatched directly to the lab in Perth by courier. The samples are left unattended in the locked yard at the Courier depot before dispatch.
Audits or reviews	*The results of any audits or reviews of sampling techniques and data.*	No audits or reviews were undertaken due to the early stage of exploration.

Section2 Reporting of Exploration Results

(Criteria listed in the preceding section also apply to this section.)

Mineral tenement and land tenure status	*Type, reference name/number, location and ownership including agreements or material*	**Tenement No** **Name** **Ownership**

	issues with third parties including joint ventures, partnerships, overriding royalties, native title interests, historic sites, wilderness or national park and environmental settings. *The security of the tenure held at the time of reporting along with any known impediments to obtaining a licence to operate in the area.*	E53/1369 Ives Find 100% E53/1612 Harris Find 80% E53/1816 Harris Find 80% Project Name: Yandal West All tenements granted and in good standing There is no Native Title over the project area
Exploration done by other parties	*Acknowledgement and appraisal of exploration by other parties*	Soil sampling carried out in 1992 over some of the area. Details on method etc. were not reported adequately.
Geology	*Deposit type, geological setting and style of mineralisation.*	The project area is located within the Archaean Yandal Greenstone Belt and is considered prospective gold mineralisation.
Drill hole Information	*A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill holes:* *Easting and northing of the drill hole collar.* *Elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar* *Dip and azimuth of the hole.*	Not applicable

	Down hole length and interception depth. *Hole length.* *If the exclusion of this information is justified on the basis that the information is not Material and this exclusion does not detract from the understanding of the report, the Competent Person should clearly explain why this is the case.*	
Data aggregation methods	*In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (e.g. cutting of high grades) and cut-off grades are usually Material and should be stated.* *Where aggregate intercepts incorporate short lengths of high-grade results and longer lengths of low-grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail.*	The following criteria was used for calculating the gold contours referred to in this report: *Contour Type* Machine computational grid *Software:* Surfer v14 *Gridding Method* Inverse Distance to a power *Power:* 2 *Smoothing* 5 *Search Radius* Ellipsoid with anisotropy ratio of 1.5 orientated at 330° true north to parallel geological strike measured in the field *Grid Spacing:* 40m *Convex Hull* 1 *Z transformation* Linear
Relationship between mineralisation widths and	*These relationships are particularly important in the reporting of Exploration Results.*	Not applicable

intercept lengths	*If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.* *If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (e.g. 'down hole length, true width not known')*	
Diagrams	*Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported These should include, but not be limited to a plan view of drill hole collar locations and appropriate sectional views.*	A Map showing location and soil contours is shown in figure 3 of this report
Balanced reporting	*Where comprehensive reporting of all Exploration Results is not practicable representative reporting of both low and high grades and/or widths should be practised avoiding misleading reporting of Exploration Results.*	All soils samples taken in the survey have been used to produce soil contour maps.
Other substantive exploration data	*Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples – size and method of treatment; metallurgical*	Not applicable

	test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances.	
Further work	*The nature and scale of planned further work (e.g. tests for lateral extensions or depth extensions large-scale step-out drilling).* *Diagrams that are clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is commercially sensitive.*	Infill soil sampling geological mapping in areas of interest. Initial scout Exploration RC drilling to test subsequent soil anomalies

Competent Person Statement

The information in this report that relates to Exploration Results, Mineral Resources or Ore Reserves is based on information compiled by Mr. Jordan Luckett who is a member of the Australian Institute of Mining and Metallurgy. Mr. Luckett is an employee of Great Western Exploration Limited and 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 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr. Luckett consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.