

## ASX RELEASE

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Great Western Exploration Limited

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ASX Code: **GTE**



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### QUARTERLY ACTIVITIES REPORT

#### DECEMBER 2016

The achievements of Great Western Exploration Limited for the December 2016 Quarter are highlighted below and explained in the main report.

#### Highlights:

- The completion of the Vanguard Exploration Limited acquisition.
- The acquisition of a majority interest (80%) in the Harris Find project located adjacent to the Ives Find project situated in the Yandel greenstone belt.
- Commenced drilling at Ives Find
- Completed a \$645,000 Capital Raising.

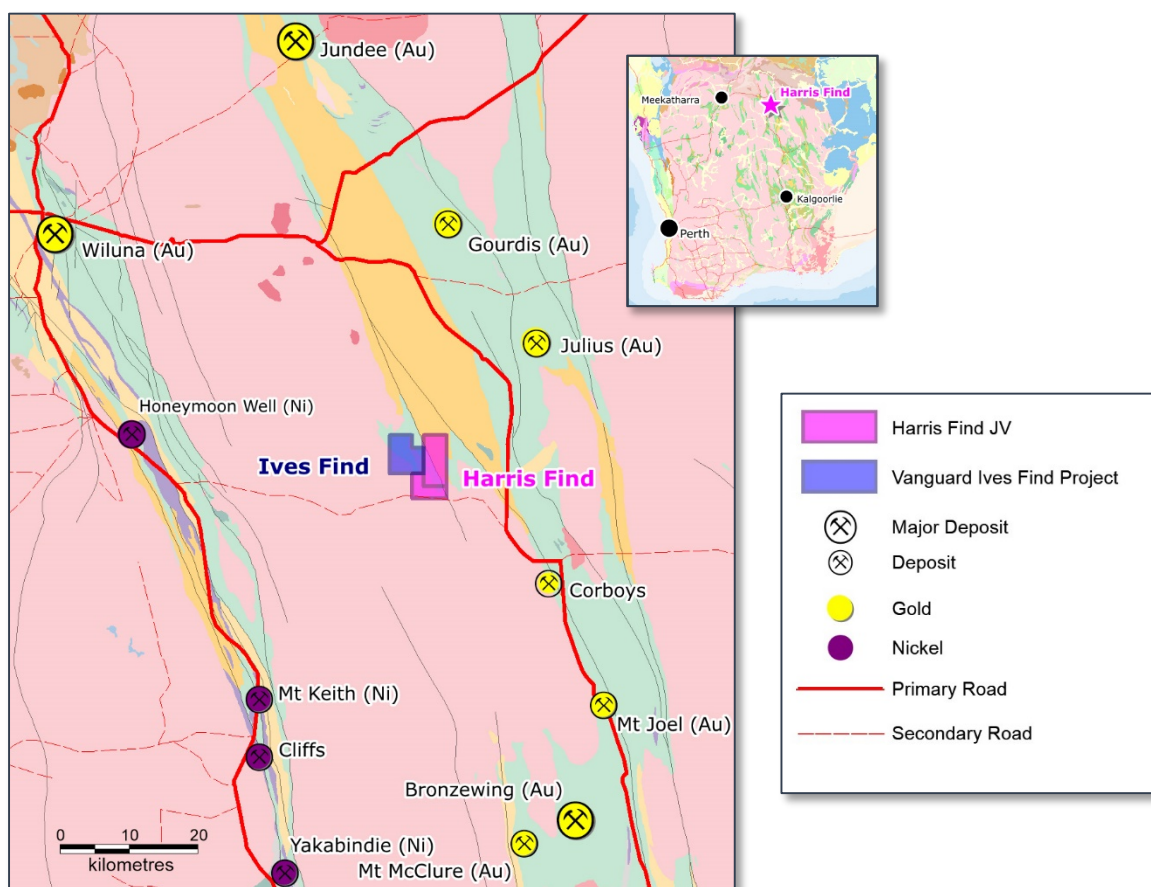


**Figure 1.** Location of Ives and Harris Find Projects

The following is the December 2016 Quarterly Report to shareholders for Great Western Exploration Limited (“the Company”; “Great Western”).

### Drilling Commenced at the Ives Find and Harris Find Projects

On 19<sup>th</sup> January 2016 Great Western commenced reverse circulation (“RC”) drilling at the Ives and Harris Find projects. The Company is planning to complete approximately a total of 1,000m of drilling mainly targeting high grade lode gold but could also drill through several pegmatites zones known to occur around the gold target areas.



**Figure 1a.** Location of Harris Find and Ives Find Projects.

### Vanguard Exploration Limited Acquisition (“Vanguard”)

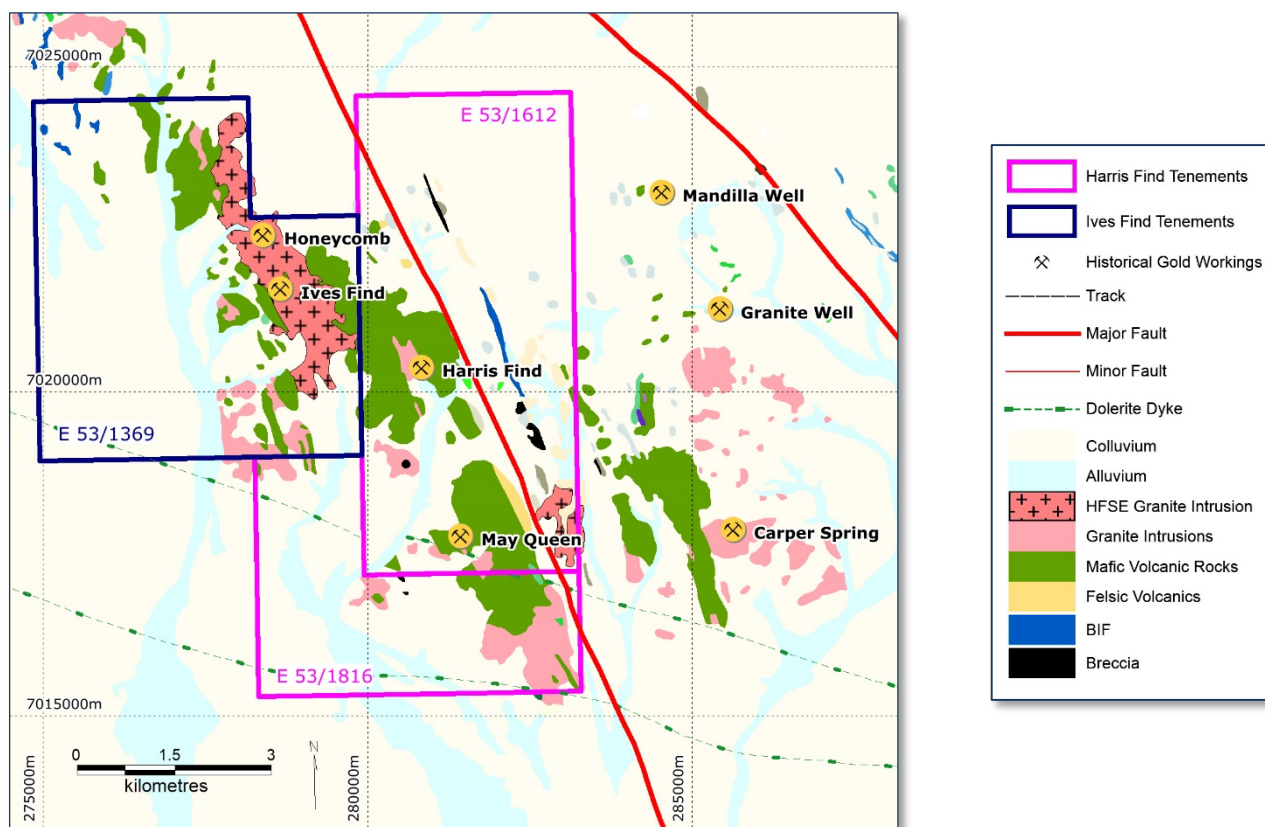
During the quarter the Company completed the acquisition of Vanguard. The company received 96.35% acceptances for the Great Western which allows the company to compulsory acquire the remaining shares if required.

Vanguard wholly owned the Ives Find and Fairbairne projects.

### Harris Find Project Acquisition (“Harris”)

During the quarter Great Western acquired a controlling interest (80%) in exploration tenements E53/1612 and E53/1816 (the “Harris Find Project”). The Company is currently drilling at the DDH – BW1 prospect.

The Harris Find project is adjacent to Vanguard’s Ives Find Project, and both projects occur within the Yandel greenstone belt approximately 63 km southeast (“SE”) of the Jundee gold mine and 55 km northwest (“NW”) of the Bronzewing gold mine.



**Figure 2.** Harris Find and Ives Find Geology.

The geology comprises of mafic volcanics interbedded with felsic volcanics and sediments intruded by granodiorites and HFSE granites (fig 2). The area is also structurally complex, with numerous minor faults orientated in several directions interconnected with several major NW trending faults that form part of the regional Moilers shear zone.

There are two areas of old workings within the project, Harris Find and May Queen. The main workings are at Harris Find, and were mined up to 1910 at a grade of 17.37 g/t gold. The gold mineralisation is within quartz veins up to 5 m wide that occur within northwesterly orientated shear zones. There are numerous similar shears 1 m to 15 m wide and up to 100 m apart located around the area of the mine.

The May Queen workings are located approximately 2.5km to the SE along strike of the Harris Find. There has been no drilling in this area, and in recent years over 100 nuggets have been recorded to come from this area.

There has been surprisingly little exploration carried out in the region, most likely due to the fragmented private ownership of the tenements over the years. Previous exploration included localised soil sampling and very shallow RAB drilling in 1990 by companies affiliated with Great Central Mines, which were targeting some of the interpreted shear zones. Only 11 RC holes have been drilled, mostly around the Harris Find workings and there was one diamond hole drilled in the 1970s in the days when the gold rights were not attached to the Mineral Claims used for base metal exploration.

The acquisition of a controlling interest in the Harris Find Project has not only allowed the Company to consolidate an area of the Yandel greenstone belt that is highly prospective for gold, but the geology is also prospective for lithium, base metals and cobalt.

### *Gold*

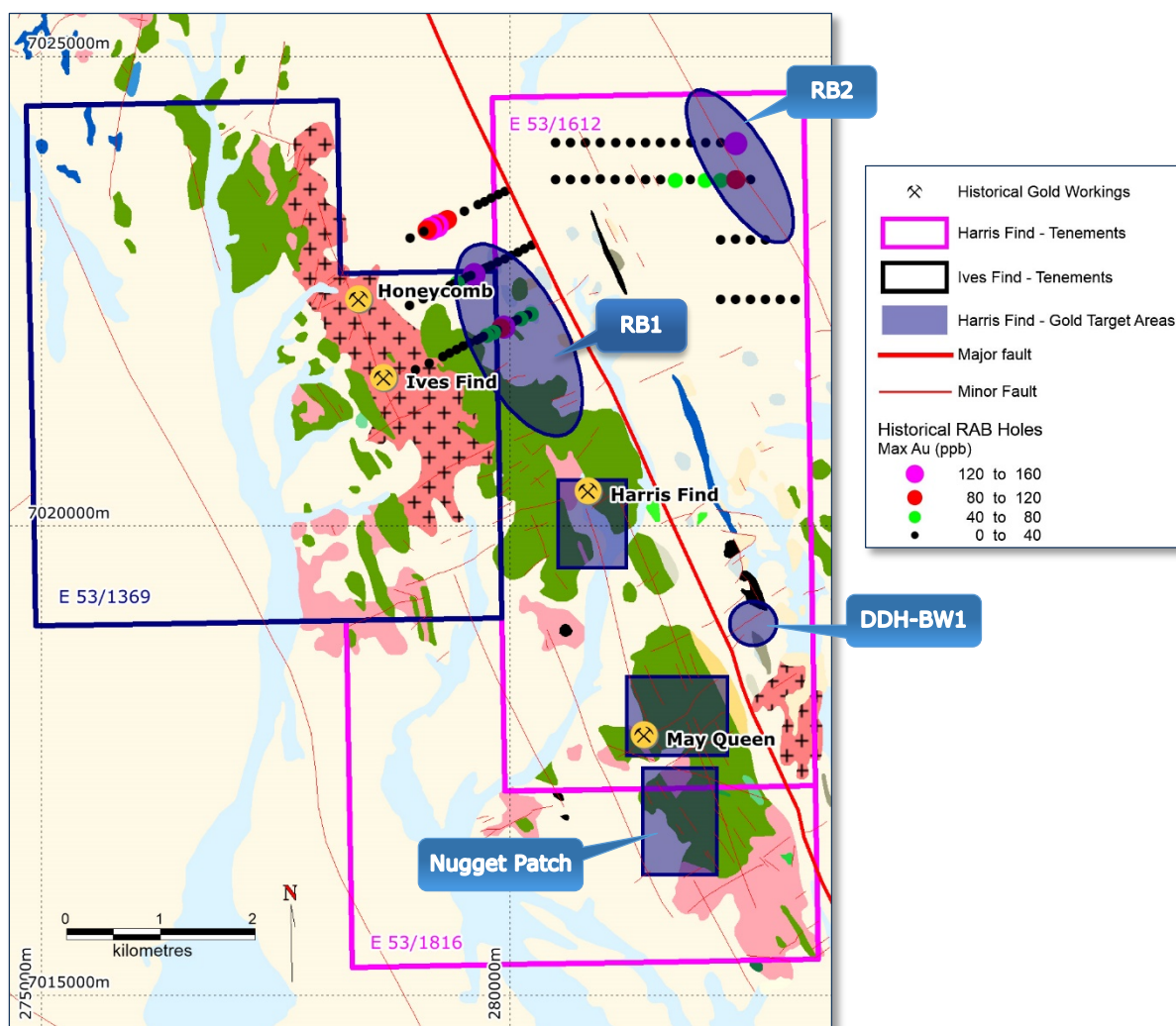
The primary focus at both Ives and Harris Find is on gold mineralisation. There are significant amounts of secondary and primary gold associated with shears that occur in a complex structural setting within greenstone sequences that have been intruded by several different types of granites. This is similar to what has been observed in other nearby locations where significant gold discoveries have been made including Julius, Corboys, Mt McClure deposits and Bronzewing deposits, as well as the major Jundee deposit located 65 km to the NW. Furthermore, the area has not been subject to the co-ordinated and systematic modern exploration programmes that resulted in these discoveries.

While the Company is confident that applying such programmes will result in the discovery of new exciting gold targets, it has already identified several priority areas for immediate follow-up from the limited historical work. The following is a description of each target (not in order of priority) which is shown in figure 3:

### *Harris Find*

The Harris Find workings have strike length of approximately 250 m long and a maximum depth of 17 m. The reported mine grade was 17.37 g/t and a rock chip sample taken from bottom of the workings returned an assay of 105 g/t gold. There are 8 shallow (<30 m) RC drill holes drilled around the workings with 5 intersecting significant gold mineralisation that include 4 m @ 1.16 g/t gold, 3 m @ 2.84 g/t gold, 1 m @ 12.5 g/t gold, 4 m @ 6.87 g/t gold and 1 m @ 6.8 g/t gold. These intersections remain open at depth.

The drilling did not systematically test the workings and was not continued along strike where the shear zone continues, which is co-incident with a strong gold-in-soil anomaly ( > 10 ppb) that extends approximately a further 750 m to the southwest.



**Figure 3.** Initial gold areas identified for further follow-up at Harris Find.

### *May Queen*

No drilling has been reported at May Queen, and there appears to be no historical production records. Historical soil sampling delineated a 650 m x 500 m gold – in-soil anomaly (>10 ppb) that was not followed up. Further soil sampling completed by the Vendor covering the NW strike of the workings extended the gold anomalism a further 500 m with the highest value 6.34 g/t gold. The Vendor also carried some metal detecting and recorded 12 nuggets from the area.

May Queen is an interesting target and further soil sampling and geophysics surveys are required prior to drill testing this area.



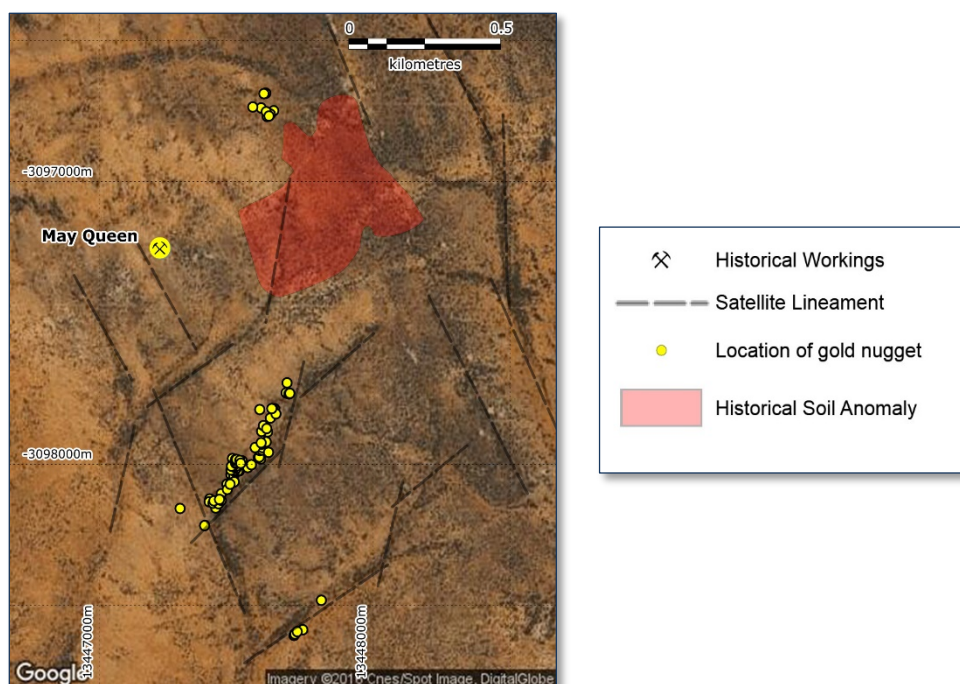
**DDH – BW1**

The DDH – BW1 target is an exciting walk up drill target. It is a historical diamond hole drilled to a depth of 120 m in the 1970s by Anglo America exploring for nickel on one of their Barwidgee Project Mineral Claims (“MC”). The drill hole was not assayed for gold as MCs did not contain gold rights, only base metal rights.

It was reported that the drill hole intersected fresh sulphides within ultramafic rock at 24 m and then for the next 60 m before bottoming out in granite. Further examination of the drill log reveals that the hole intersected silicified amphibolite with up to 20% sulphides (pyrite, pyrrhotite and minor sphalerite), quartz veining, quartz sericite schists, chalcopryrite veinlets, strong chlorite alteration, and jaspilite. The bottom of the hole intersected granite porphyry with quartz sphalerite veining and was terminated in pegmatite.

The high grade mineralisation encountered in the RC drilling at Ives Find was within silicified amphibolite with strong sulphides, quartz veining and quartz sericite schists. The sequence described is also similar to what has been reported at the Julius gold deposit located 25 km to the east where gold occurs within altered mafic and ultramafic along the contact of a granite. Furthermore, government mapping has identified breccia and shearing near the drill hole location which is a feature of the Nimary-Jundee deposits located 65 km along strike to the NW that have the same type of alteration and lithologies.

The Company is planning to re-drill this hole using RC to test for gold and lithium, as well as carry out geochemical and geophysical surveys along strike of the shear and breccia zones.



**Figure 4.** Concentration of gold nuggets south of May Queen.

### *Nugget Patch*

The Vendor carried out metal detecting in an area approximately 850 m SE of May Queen and discovered approximately 83 nuggets concentrated in an area that looks to be a cross fault within a NW trending shear zone (fig 4).

The nuggets range from smooth to jagged, suggesting that many of them have been liberated directly from nearby veins. The discovery of visible gold within vein quartz in the same location is further evidence that the source of the gold could be nearby undiscovered lodes (fig 5).



**Figure 5.** Examples of nuggets found at Nugget Patch. Note the primary gold visible in the quartz suggest the source is nearby.

The Company intends to complete geological mapping, geochemical and geophysical surveys prior to drilling.

### *RB1 & RB2*

In the 1990s, Great Central Mines carried out some localised RAB drilling targeting interpreted shear zones. These areas have shallow cover so the drilling was not able to penetrate more than a few metres on average.

The drilling did delineate two encouraging geochemical gold anomalies that appear to be continuous across several broadly spaced lines co-incident with NW trending shears (fig 3). These anomalies will be followed by the company firstly carrying out mapping, geochemical and geophysical surveys followed by drilling.

### *Lithium*

As previously stated by the Company in relation to Ives Find, the geological setting of this area is text book for lithium exploration (USGS Lithium exploration guide) having the right type of granite source rock and numerous pegmatites with the right mineralogy. Furthermore, diamond hole DDH-BW1 intersected pegmatite at the bottom of hole.

Within the Ives-Harris Find area the GSWA mapped large area of pegmatite outcrop and further field checking identified numerous pegmatites, in some locations over a strike length of approximately 6 km and up to 300 m in width. Minerals that have been observed in hand specimen include spessartine (Mn rich garnet), green muscovite and white k-feldspar. There are additional minerals that are either tourmaline and/or tantalite as well as fluorite and/or spodumene. There is also abundant manganese oxide coating of the host basalts adjacent to the pegmatite intrusions.

### *Base Metals & Cobalt*

There are bi-modal volcanic sequences (interbedded mafic and felsic volcanics) co-incident with a sulphidic black shale within the Harris Find Project. These types of sequences are known to host VHMS mineralisation and, more importantly, is similar to the sequence that hosts the Teutonic Bore and Jaguar VHMS deposits located approximately 125 km to the south.

There are further similarities with the Ives - Harris area enriched in HFSE, which is not common for the district, but is also a feature of the rocks that hosts the Jaguar and Teutonic Bore deposits.

In the 1970s, in addition to completing the diamond hole DDH-BW1, Anglo America completed 24 shallow (average depth 25 m) air track holes. The location of these holes are uncertain, but they appear to be in the vicinity of the diamond hole targeting the black shale/Chert ridge.

Some of the results from these holes are encouraging for base metal VHMS mineralisation, with the best results reported as being:

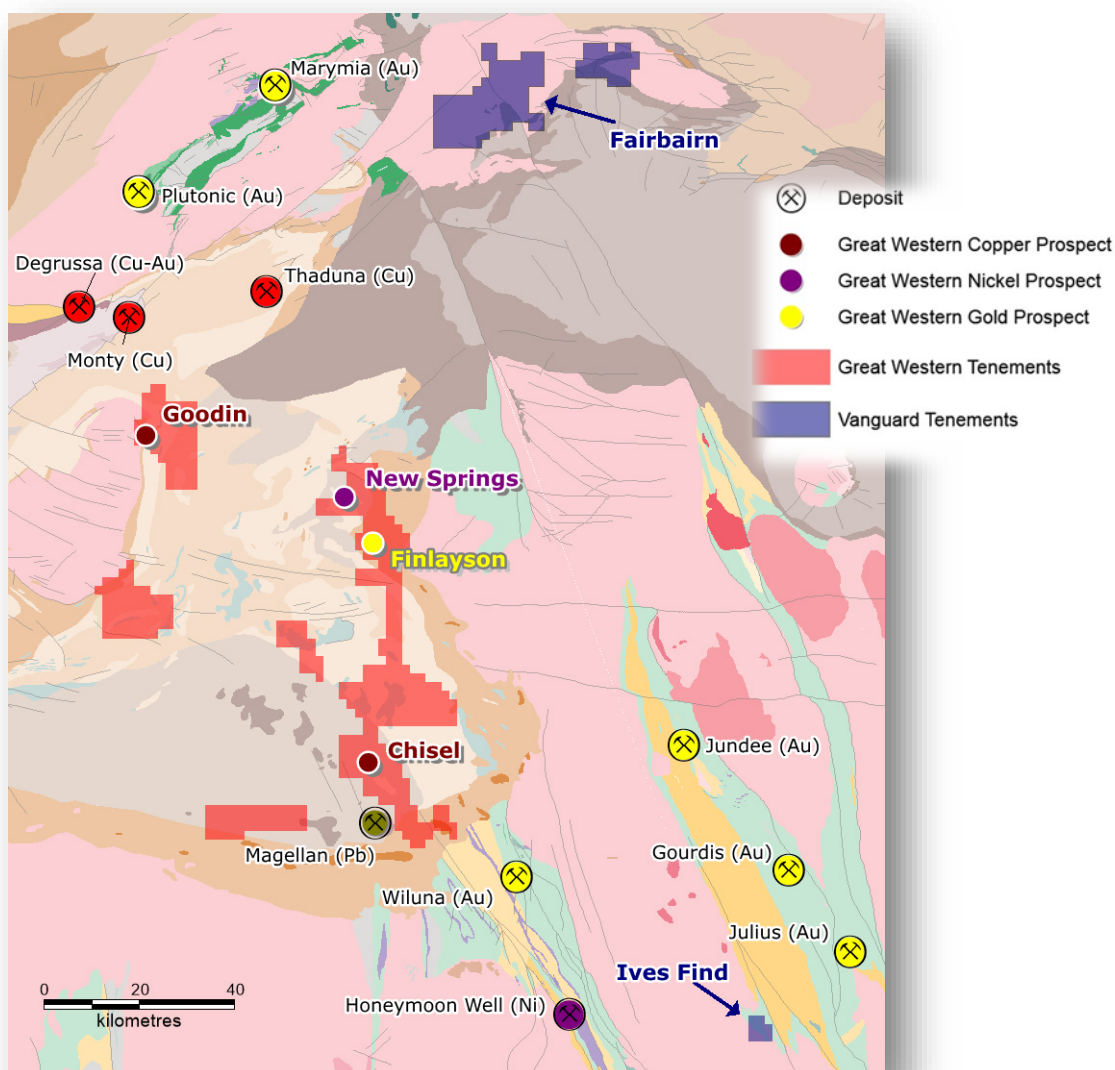
Cu (ppm)	Pb (ppm)	Zn (ppm)	Co (ppm)	Ni (ppm)	Ag (g/t)
560	120	360	<b>110</b>	120	<b>2</b>

As a side note, one of the holes, BW 7G, was reported as intersecting approximately 55' (~18 m) of disseminated sulphides to the bottom of the hole. The hole appears to be drilled down dip of an outcropping gossan somewhere along strike of DDH-BW1. Also, the hole appears to have been only been assayed for copper, lead & zinc and returned an anomalous 400 ppm copper result.



## Activities at the Company's Other Prospects

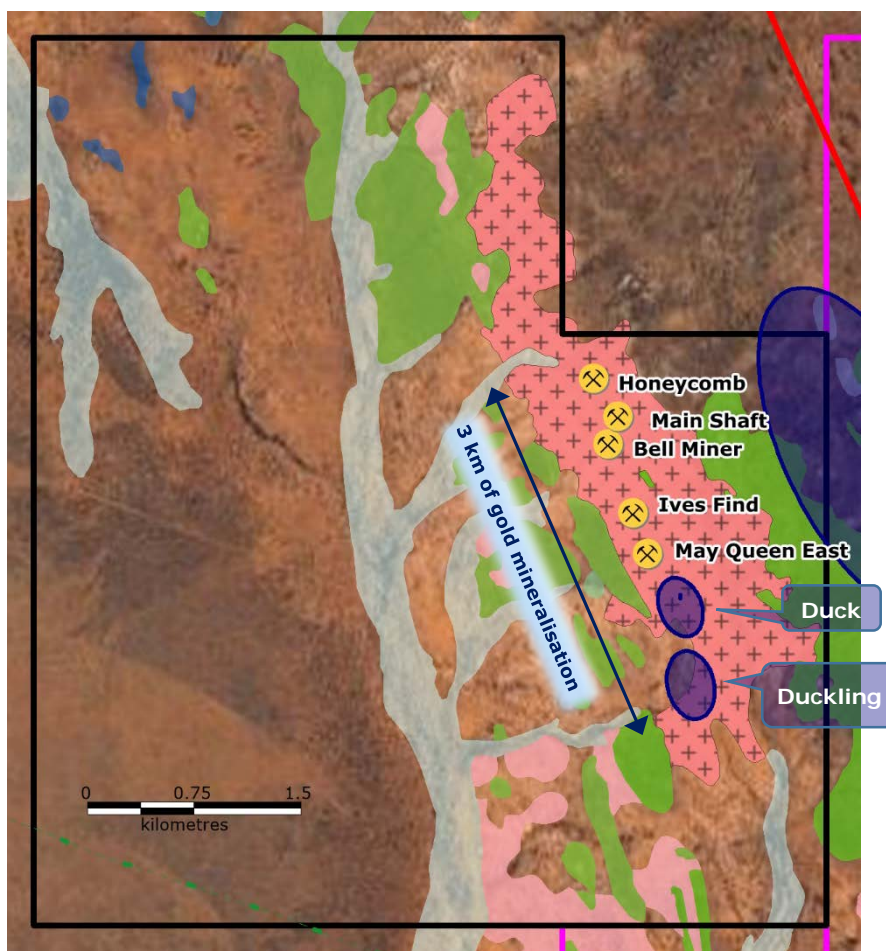
The following is an update on the Company's other prospects (fig 6).



**Figure 6.** Location of Great Western and Vanguards North Yilgarn projects (Harris Find not shown but is adjacent to Ives Find).

## Ives Find ("Ives")

The Company commenced RC drilling at Ives on the 19<sup>th</sup> January 2016. The programme is still continuing and it is expected to be completed shortly. The drilling is planned to follow up the new Duck and Duckling gold discoveries stepping out from the original discovery holes. Further drilling is also planned to test extensions at the main workings (fig 7).



**Figure 7.** Location of the historical gold workings and the Duck and Duckling discoveries at the Ives Find Project

The Ives Find project area is located approximately 65 kilometres southeast of Wiluna and lies within the world-class Yandel Gold Province (fig 1). Exploration by Vanguard has established the presence of high-grade gold in drilling. In addition to the gold mineralisation there are also significant silver assays (table 1).

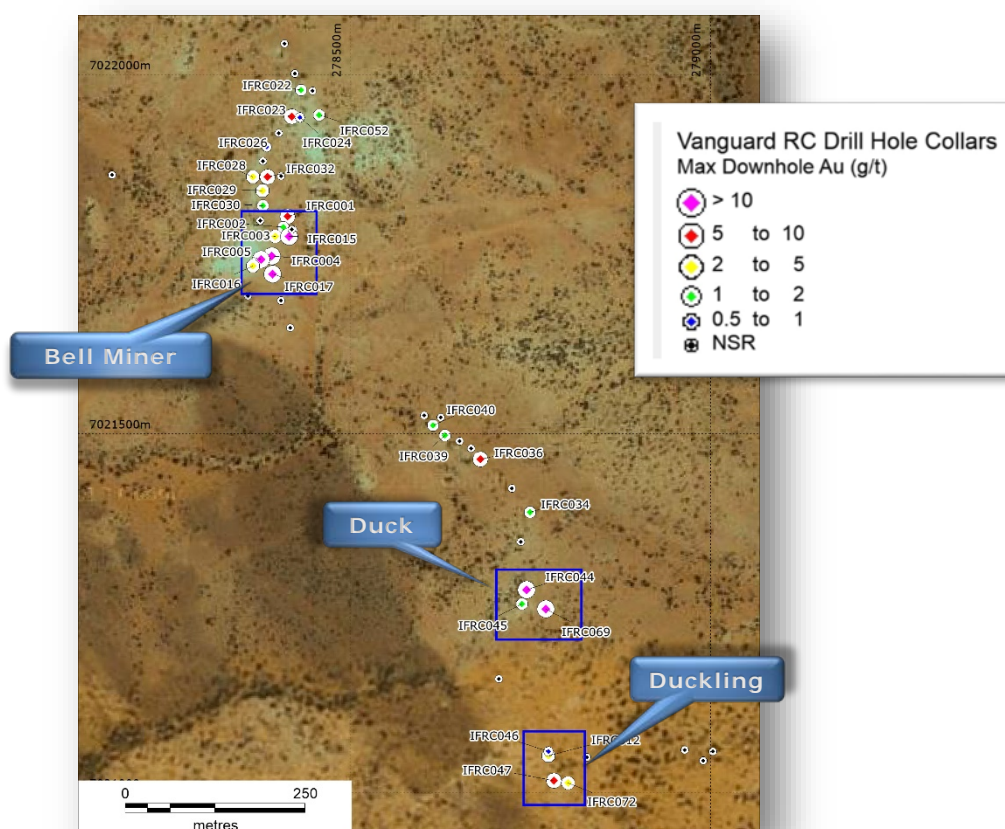
The project is well located in terms of infrastructure with two mills within trucking distance, one at Wiluna and the second at Bronzewing located 55 km to the south, which is currently on care and maintenance.

The Company acquired Vanguard Exploration Limited after it made a new high grade gold discovery along strike of the historical Ives Find gold workings. The best results from the reverse circulation (“RC”) drilling completed by Vanguard to date are summarised in Table 1.

Table 1 High grade results from Vanguard Drilling at Ives Find using a 10 g/t gold threshold.

Hole No	Depth From	Depth to	Interval (m)	Gold Au g/t	Silver Ag g/t
IFRC004	38	39	1	19.70	27.5
	39	40	1	12.20	22.0
IFRC005	34	35	1	41.53	24.0
	35	36	1	114.90	162.0
IFRC015	47	48	1	22.40	9.0
IFRC017	55	56	1	27.90	61.0
IFRC044	12	13	1	24.40	11.4
IFRC069	33	34	1	22.16	60.4

Drilling completed by Vanguard identified three high grade veins; Bell Miner, Duck & Duckling. The drilling also demonstrated gold mineralisation extending approximately 1 km south east of the historical Ives Find gold workings (fig 8).



**Figure 8:** Drill hole collar location map for all Vanguard RC drilling at Ives Find showing high grade intersected over 1 km of strike length.

Further drilling is required at all three prospects. There is also potential for further discoveries of similar high grade veins as there are a number of geochemical anomalies that remain untested. By example, the Duckling vein was a new discovery as a result of drill testing surface geochemical anomaly. Also of interest in the Vanguard drilling is an end of hole high grade intersection of 1 m @ 1.5% tungsten (IFRC015 from 46 m depth).

In terms of gold exploration, the Company believes there is also potential for much wider zones of gold mineralisation along the granite – greenstone contact where surface mapping indicates shearing but has not yet been drilled.

#### *Lithium, Tantalum and Tungsten*

In addition to the gold potential, the ground is also prospective for lithium as the granite that hosts the gold mineralisation at Ives Find is rich in high field strength elements (“HFSE”). These granite types are known economic sources of tin and tungsten as well as rare – element pegmatites. These pegmatites are important economic sources of lithium and tantalum (also known as LCT pegmatites). There are many pegmatites outcropping throughout the project area that are spatially related to this granite and there has been no previous exploration for lithium in this area.

The GSWA mapped in a large area of pegmatite outcrop and further field checking identified pegmatites in a number of locations over strike length of approximately 6 km and in some areas these are up to 300 m in width (fig 9). Minerals that have been observed in hand specimen include spessartine (Mn rich garnet), green muscovite and white k-feldspar. There are additional minerals that are either tourmaline and/or tantalite as well as fluorite and/or spodumene. In WA, there are Pegmatites with similar mineral assemblages which contain economic amounts of lithium. There is also abundant manganese oxide coating of the host basalts adjacent to the pegmatite intrusions.

The following table lists the main guidelines published by the United States Geological Survey (“USGS”) for the exploration and discovery of economic lithium – tantalum pegmatites (LCT pegmatites):



**Table 2.** The USGS guidelines for lithium exploration

USGS Lithium Exploration Guidelines	Ives Find Project
The potential for giant LCT pegmatite deposits are within Archaean aged rocks	✓
All LCT pegmatites were emplaced into orogenic hinterlands, even those now in the cores of Precambrian cratons.	✓
LCT pegmatites represent the most highly differentiated and last to crystallize components of certain granitic melts.	✓
Parental granites are typically peraluminous, S-type granites. The genetic links between a pegmatite and its parental granite have been established through various lines of evidence. In the clearest cases, the two can be linked by physical continuity (Greer Lake, Canada) (Č S-t and others, 2005).	✓
The identification of possible granitic parents is a key step in evaluating a region for LCT pegmatite potential. Fertile, peraluminous granites typically contain coarse muscovite that is green rather than silvery; potassium feldspar that is white rather than pink; and accessory garnet, tourmaline, fluorite, and (or) cordierite (Selway and others, 2005). Fertile granites have high caesium, lithium, rubidium, tin, and tantalum, and low calcium, iron and magnesium	✓
The most evolved pegmatites may contain orange, manganese-rich spessartine	✓

All of these criteria are observed at Ives Find.

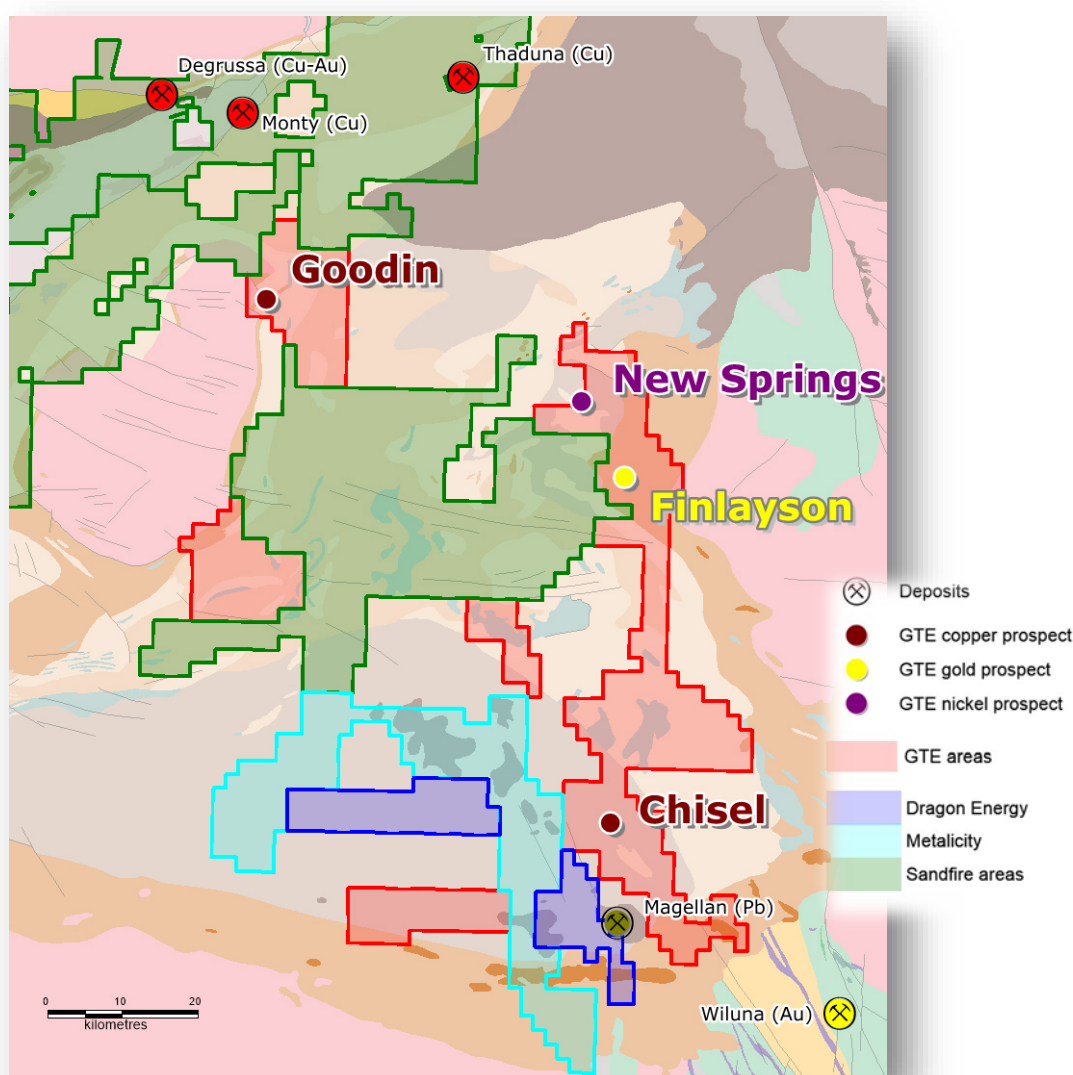
**Figure 9:** One example of Pegmatite Outcrop at Ives Find.



## Yerrida Project

The Company did not carry out any filed work on its Yerrida projects during the quarter where the Company currently has approximately 1,300 km<sup>2</sup> of area within the Yerrida Basin. The area starts from 17 km south east (“SE”) of the Monty copper deposit (25 km SE of Degruessa) and extends approximately 120 km to the SE (fig 6). The Company believes the project is prospective for copper massive sulphide, nickel-cobalt massive sulphide and lode gold.

To date the Company has identified four prospects; Goodin (copper), New Springs (nickel-cobalt), Chisel (copper) and Finlayson (gold). The Finlayson prospect is within the Cunyu JV tenements owned by Glencore where the Company is earning 70%.



**Figure 10.** Regional map showing Great Western, Sandfire, Metalicity and Dragon Energy Areas in the Yerrida Basin

\*Note the areas outside of those shown above are covered by tenements owned by various companies and individuals which are not shown. There are no remaining areas available

Activity in the region has been increasing considerable over the last six months with Sandfire Resources Limited (“Sandfire”) acquiring over 2,300 km<sup>2</sup> within the Yerrida basin adjacent to Great Western’s areas (fig 10). There has also been a lot of interest in cobalt exploration activity in the southern area of the Yerrida adjacent to the Company’s tenements.

This emphasises the strategic value of the Company’s Yerrida tenements and indicates the possibility of increased exploration activity adjacent to the Company’s areas over the next 12 months and if this activity results in a new discovery in the district it will have an immediate positive affect on the Company’s share price.

*Finlayson Prospect (Cunyu JV Great Western earning 70%)*

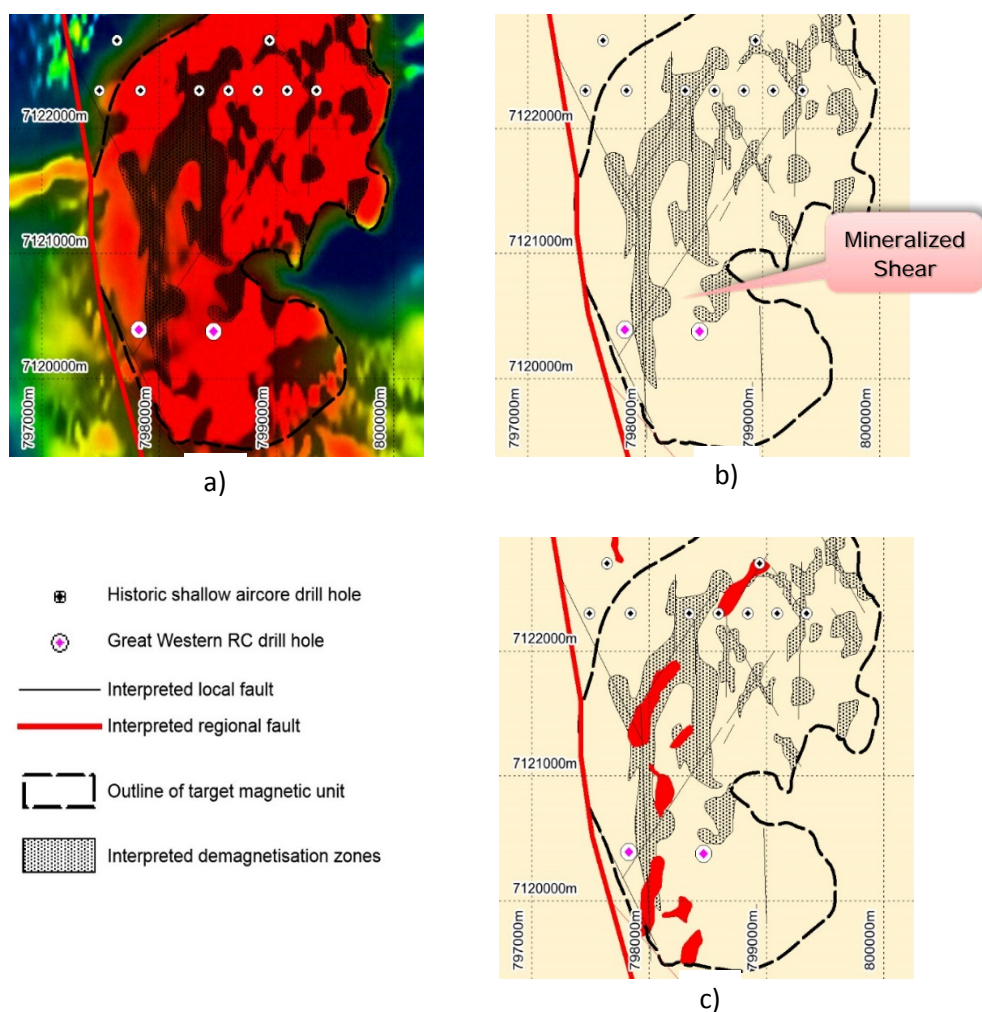
The Cunyu JV is a Joint Venture (“JV”) between the Company and Glencore, whereby the Company is earning 70%. The project was initially acquired by Jubilee Resources Limited for potential Norilsk style magmatic nickel sulphide mineralisation.

Drilling has confirmed the presence of mafic –ultramafic sequences with traces of nickel sulphides along strike to the north west of some of WA’s largest nickel deposits near Wiluna. Furthermore, a number of regional interpretations show the extension of the Bardoc and/or Perseverance faults through the project area.

Work completed by the Company identified the Finlayson gold prospect where drilling intersected a large mineralised shear that likely forms part of the Bardoc/Perseverance shear zone which hosts many major gold mines along strike including the Plutonic gold mine (~5 million ounces) 70 km to the north west and the Wiluna gold mine (~5 million ounces) approximately 70 km to the south east (fig 6).

The drilling was successful in demonstrating that the Finlayson prospect is prospective for gold. The Company’s interpretation indicates that the gold is occurring within what could be an extensive hydrothermal system within a 2 kilometres wide structural corridor (fig 11). This is similar in size and geological setting as the Wiluna gold deposits located 70 km along strike to the southeast.

The Finlayson prospect is a high priority gold target and is scheduled to be drill tested following the initial drilling at Ives Find, most likely during the March quarter this year



**Figure 11.** Finlayson gold prospect a) airborne magnetics image b) areas of demagnetisation c) the Wiluna gold pits (red) superimposed for size and geometry comparison

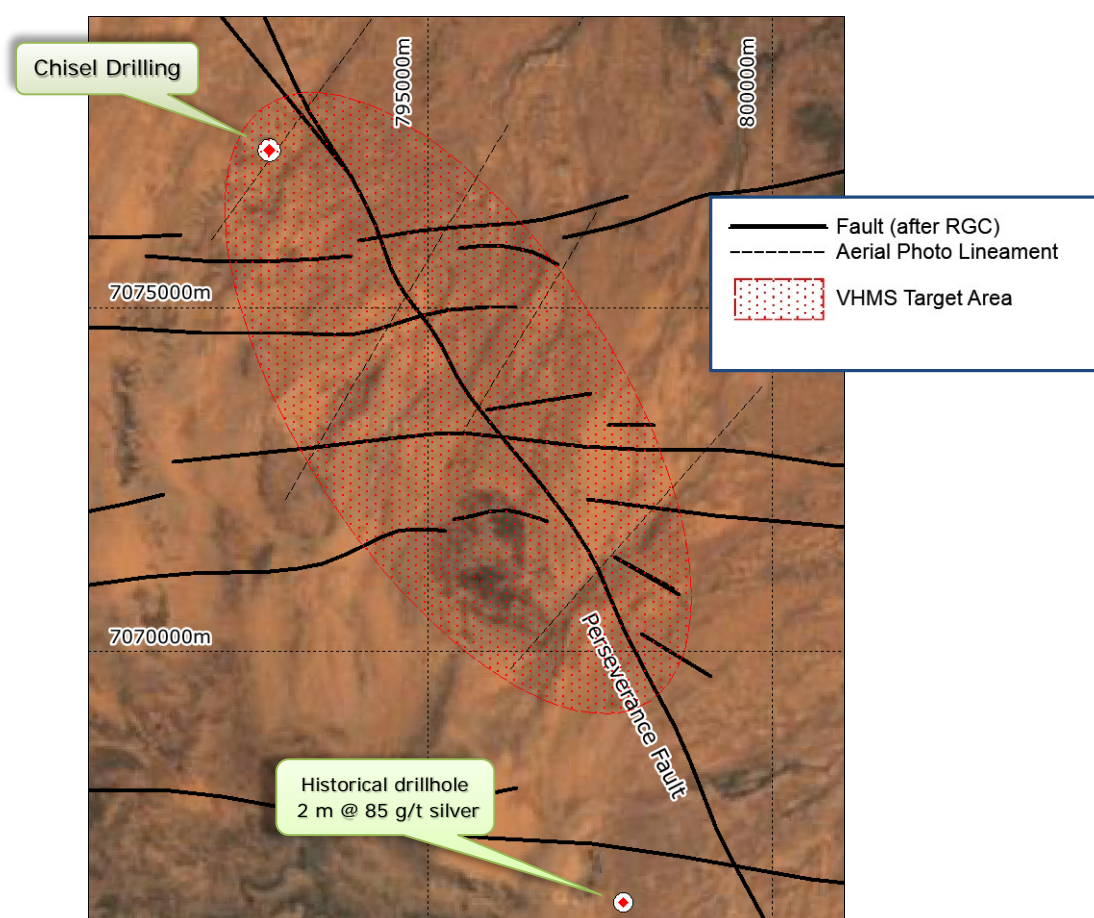
#### *Chisel Prospect (Great Western 100%)*

The Chisel prospect is located approximately 40 km northwest (“NW”) of Wiluna and 14 km north (“N”) of the Magellan lead mine (fig 6). The company believes the area is prospective for massive copper sulphide and silver - lead -zinc style mineralisation and has historical base metal anomalies in historic drilling that have not been followed up.

Most of the exploration in the region was completed by RSG in the early to mid-1990s that resulted in the discovery of the Magellan lead mine. The high level of base metal anomalism that was encountered led RSG to refer to the region as base metal corner in their reports.

The Company believes that the Chisel prospect is prospective for VHMS style copper mineralisation similar to the Degruessa and Monty deposits. Three RC holes were completed this year to determine the nature of the base metal anomalism in an historical intersection of 2 m @ 3.2% copper, 8 g/t silver, 0.296 g/t gold and 0.12% zinc from a single diamond hole (DDH7) drilled in 1994. The main interest in the historical diamond drill hole was the juxtaposition of base metal mineralisation and “peperite” which is a diagnostic feature of Degruessa and Monty style massive copper mineralisation

The drilling demonstrated a similar geology to Degruessa where mafic volcanics have erupted and/or intruded into a sedimentary sequence forming peperite and hydrothermal alteration. The drilling intersected wide zones (>50 m) of strongly altered medium and fine grained basaltic (mafic) volcanic sequences with locally intense carbonate and pyrite alteration which is indicative of a large hydrothermal system.



**Figure 12:** Target Area for VHMS mineralisation at Chisel.

Four potential VHMS horizons have been identified using path finder geochemistry where there has been a combination is barium, silver, cobalt, copper, manganese, iron, molybdenite and zinc enrichment.

Approximately 6 km to the south of Chisel, an historical drill hole intersected 2 m @ 85 g/t silver from 44 m (bottom of hole) that also requires further follow-up work (fig 12).

These positive results allow the Company to now proceed with ground EM covering a block 1 km wide and 5 km long to the southeast to target the area adjacent to the Perseverance fault where there is a gravity anomaly co-incident with a complex structural intersection (fig 12).

#### *New Springs Prospect (Great Western - 100%)*

The New Springs prospect is located approximately 90 km NW of Wiluna within a layered mafic intrusion colloquially referred to as the Cunyu Sill. The Company believes the Cunyu Sill is prospective for magmatic massive nickel – cobalt sulphide similar to the Nova deposit.

The nickel potential of the prospect was first recognised by the GSWA in the late 1990s and Rio Tinto reported in the early 2000s that the area was prospective for Norilsk style massive nickel sulphide mineralisation based on whole rock geochemistry. This was before discovery of either Nova or Nebo nickel deposits in WA.

The prospect also exhibits the criteria set out in the United States Geological Survey (“USGS”) exploration guidelines for magmatic nickel massive sulphide published in 2010 following a worldwide study to determine a deposit model to facilitate the assessment for undiscovered, potentially economic magmatic Ni-Cu±PGE sulphide deposits. The USGS concluded the regional geological guide for magmatic nickel mineralisation are as follows:

- Province boundaries, rifts, and deeply penetrating faults that can allow for efficient transport of magma through the crust.
- Small- to medium-sized differentiated mafic and (or) ultramafic dykes and sills,
- Deposits are generally not hosted in thick, large-layered intrusions.
- Sulphur-bearing crustal rocks into which the layered mafic rocks are intruded.

All of these criteria are either directly observed or can be reasonably interpreted to occur at New Springs where the GSWA has interpreted sulphur bearing crustal rocks, province boundaries, rifts within the Yerrida basin.

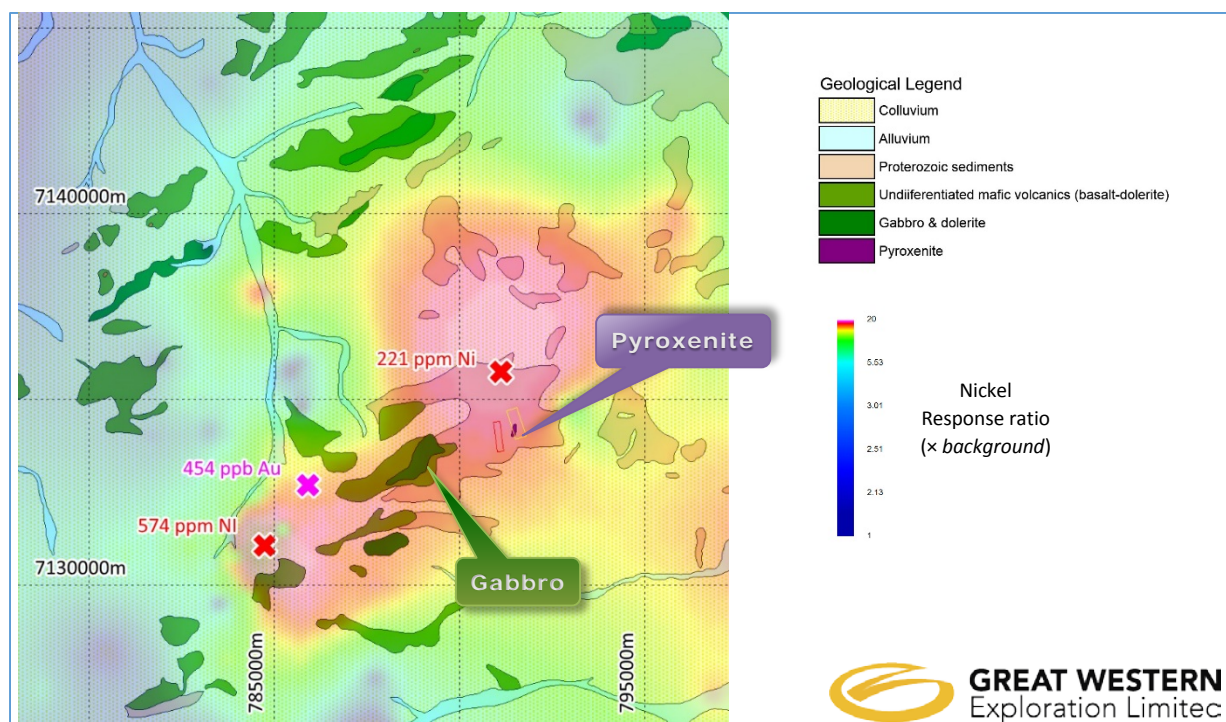
The project is also strongly anomalous (> 20 times background) in nickel, copper, cobalt, gold and PGEs with the peak nickel values of 574 ppm and 221 ppm and maps out a broad area that is enriched in nickel, copper, cobalt, Gold and PGEs co-incident with the layered mafic – ultramafic sequence (fig 13).

This compares well with the Nova nickel deposit which is also hosted in gabbro-pyroxenite sequence where a similar regional geochemical survey was completed over the Fraser Range that identified a nickel anomaly with a peak value of 271 ppm that ultimately led to the discovery of Nova.

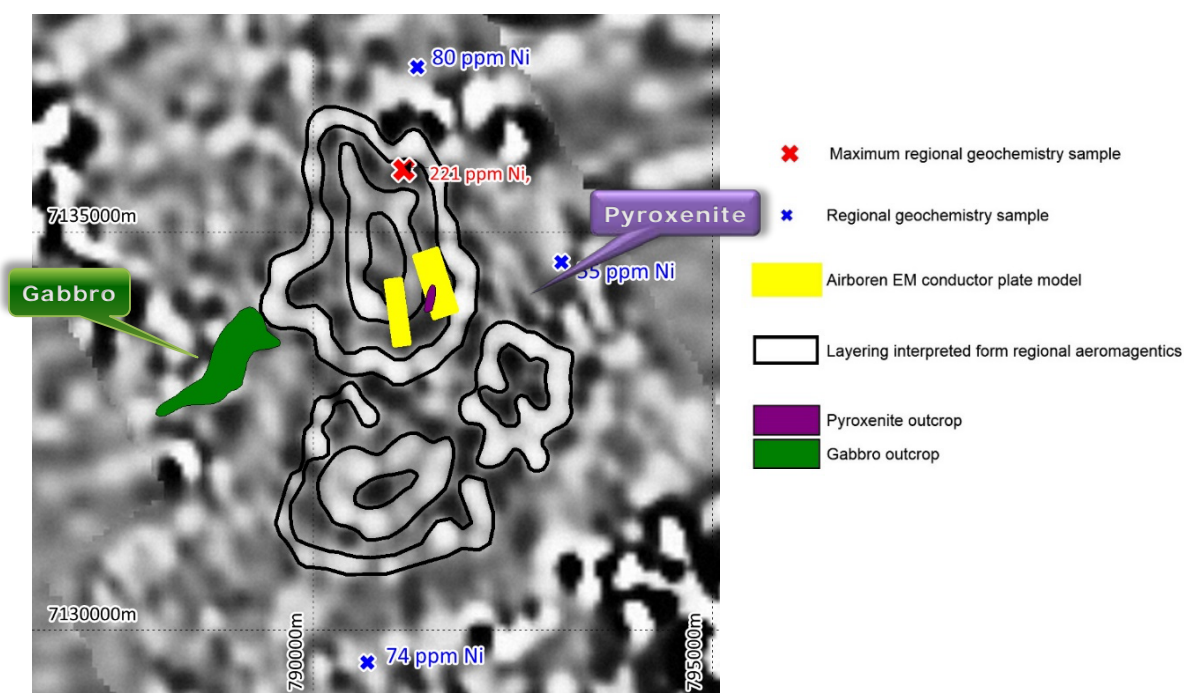
There are a number of EM anomalies where the airborne surveys have covered areas within the dolerite-gabbro-pyroxenite sequences that are of interest to the Company. Three of these anomalies were selected for detailed



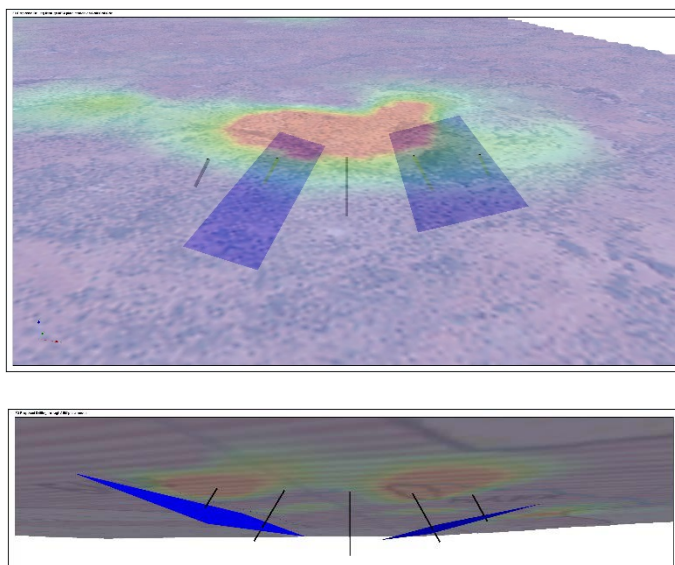
plate modelling on the basis of the proximity to the pyroxenite outcrop and elevated nickel, copper and gold in the regional soil sampling along strike of these anomalies (fig 14 & fig 15).



**Figure 13.** GSWA regional geology overlain by the regional gridded nickel response ratios. Also shown is the location of the two maximum nickel and the maximum gold assay at the New Springs prospect from the regional geochemistry database in relation to the gabbro and pyroxenite outcrops



**Figure 14.** Some features of interest in the regional aeromagnetic data may represent smaller distinct layers or intrusions within a larger intrusive body



**Figure 15.** Two of the airborne EM Plate models in 3d (yellow plates in figure 14) with proposed drilling overlain by gold in regional soil sampling (800 m line spacing). The plate models are also co-incident with elevated nickel and copper in regional soils.

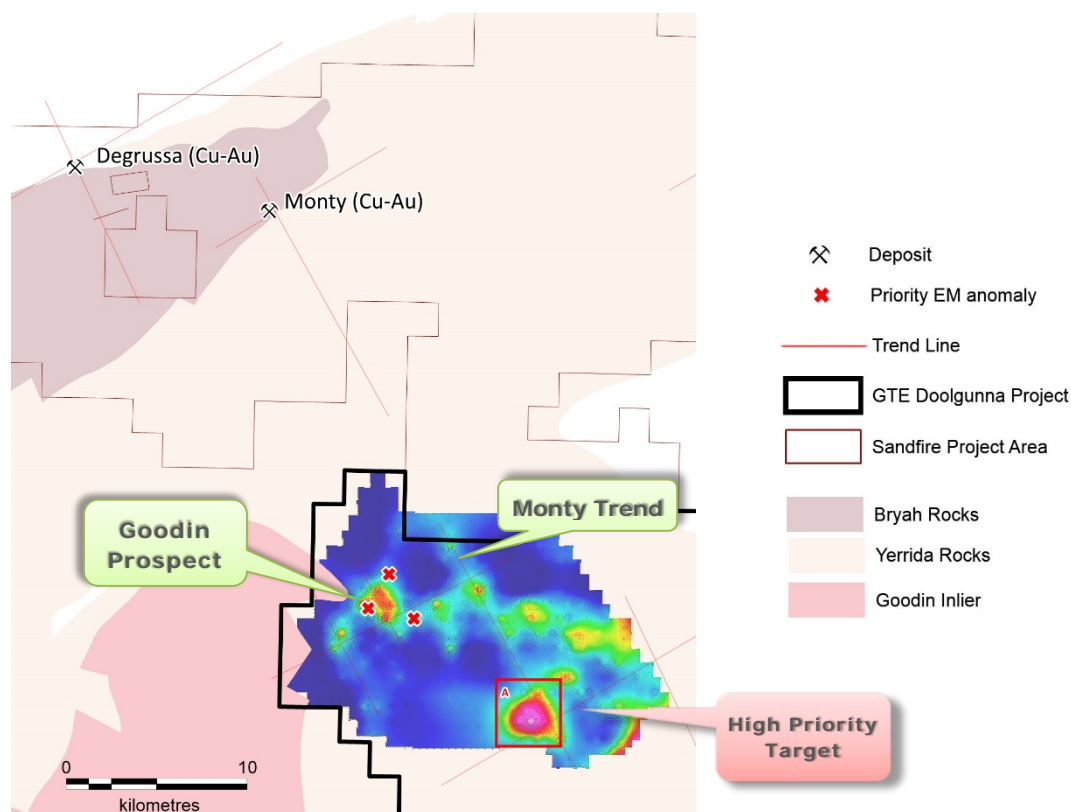
Further work to be completed includes ground EM planned to allow more precise 3D modelling and then carry out drilling.

#### *Goodin Prospect (Great Western- 100%)*

The Goodin prospect is located just 25 km and 17 km south east of Degruessa and Monty respectively. The Company has 8 remaining untested EM anomalies at the Goodin prospect along the “Degruessa” trend which occur at or near the Johnson Cairn – mafic volcanic contact along the western half of the projects.

The Company recently recognized a second Monty trend in both the aeromagnetic and regional soils dataset and has so far identified two high priority structural targets with copper & gold enrichment in soils co-incident with gravity anomalies along this trend (fig 16).

The next phase of exploration will be to carry out EM surveys to cover the Monty trend and then drilling to test the remaining targets at the Goodin prospect and any new targets identified along the Monty trend following the EM survey.

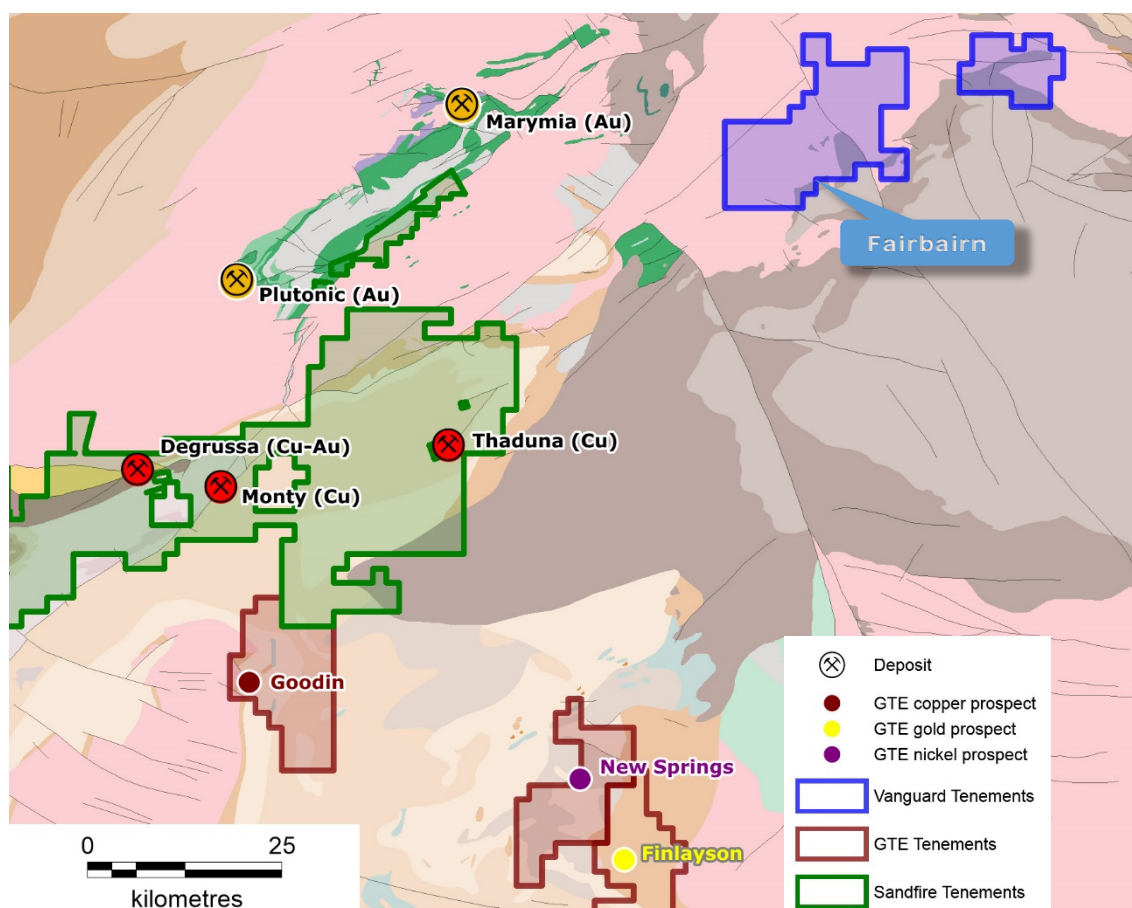


**Figure 16.** Map showing copper enrichment mapping a fault that is trending towards Monty located 16 km along strike to the northwest. Area A is a high priority structural target co-incident with copper in soil enrichment located 30 km along strike from Monty.

#### *Fairbairn Copper Project – Vanguard (100%)*

The Fairbairn project area is located approximately 170 kilometres north of Wiluna and is situated on the Jenkins-Goodin Fault Zone along strike for the Degrussa copper deposit (fig 17). Historical documents reported chalcopyrite within the project including 4 m @ 2.43% Cu in drilling.

The Company believes this prospect is prospective for Proterozoic copper (porphyry and VHMS) and Archaean lode gold. A number of prospective areas have been identified that require geophysical surveys to be completed.



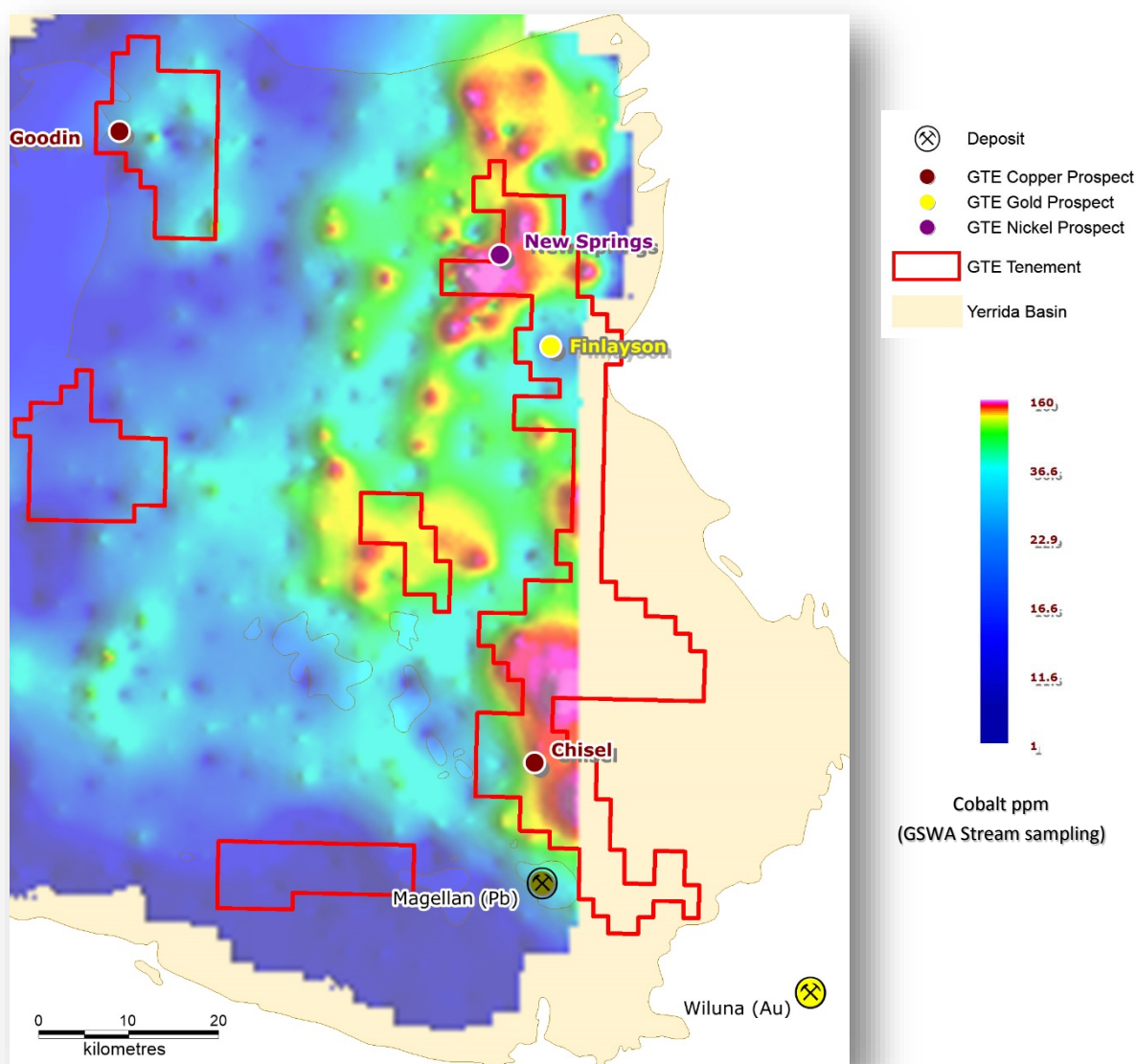
**Figure 17:** Location of Fairbairn along the Jenkins-Goodin fault

### *Yerrida Cobalt*

Australia is the world's fourth largest producer of cobalt and the majority of the production is a by-product of nickel laterite and nickel sulphide mining. The two biggest producers in WA are Glencore's Murrin Murrin nickel (laterite) mine and BHP's Nickel West (sulphide) operations. There is also significant cobalt in the newly discovered Nova nickel-cobalt sulphide deposit.

The Company has been exploring for magmatic nickel – cobalt massive sulphide deposits targeting the mafic volcanic sequences along the eastern margin of the Yerrida as well as the Cunyu Sill, where the New Springs prospect is located. During this process the Company identified the strongest regional cobalt geochemical anomalies in the GSWA regional stream database and these are mostly retained within the company's project areas (fig 18).





**Figure 18.** Cobalt (ppm) regional geochemical map derived from the GSWA Yerrida regional soil and stream data

However, ASX listed companies, Riva Resources Limited (“**Riva**”; **ASX:RIR**) and Metalicity Limited (“**Metalicity**”; **ASX: MCT**), recently announced cobalt projects in the southern region of the Yerrida basin they believe to be sediment hosted adjacent to Great Western’s tenements.

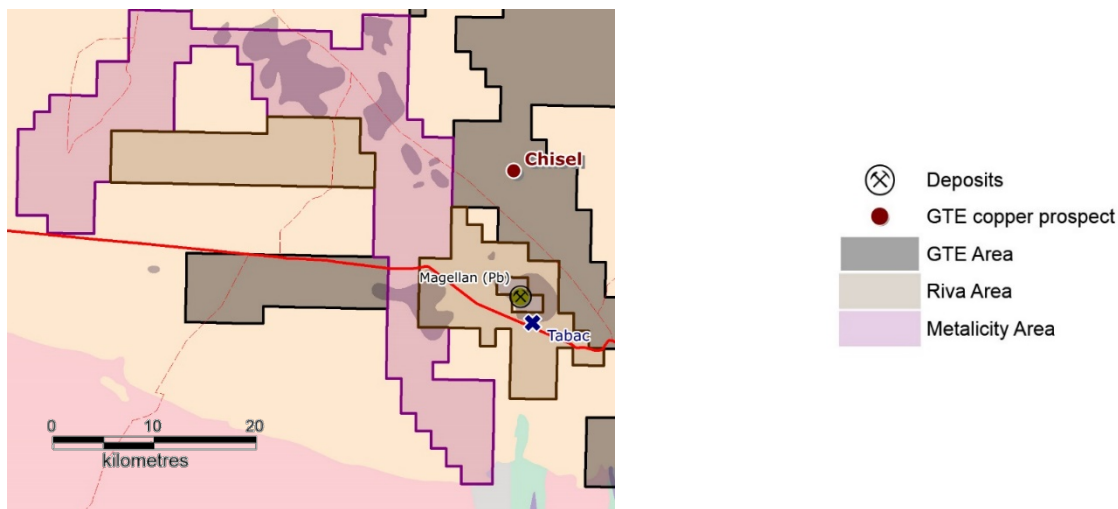
Dragon Energy reported it acquired the Tabac Cobalt Prospect (fig 19) that has significant historic cobalt intersections of up to 80 m @ 0.77% cobalt in diamond drilling. While Metalicity announced the acquisition of the Kyarra Cobalt where they reported historical RAB drilling results up to 0.64% cobalt and also commented that the Yerrida basin is an emerging cobalt district with similarities to the copper-cobalt deposits of the Zambian Copper Belt.

Both companies have reported they are targeting sedimentary hosted cobalt, a style of mineralisation that has not yet been recognised by Great Western or other previous explorers in the Yerrida Basin to date. However, the

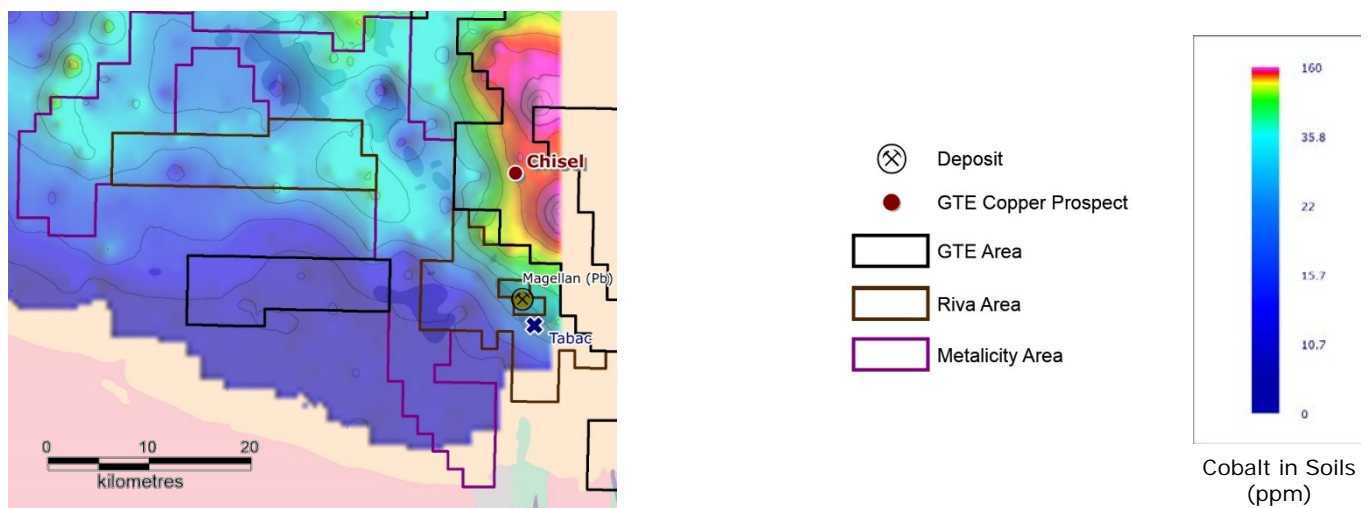


tectonic setting of the Yerrida basin is similar in some ways to the Zambia styles of sedimentary copper-cobalt mineralisation to which they are making comparisons although the Yerrida rocks are considerably older (Palaeoproterozoic vs Neoproterozoic).

Rather than the sedimentary hosted style cobalt favoured by Riva and Metalicity, Great Western will continue to focus on exploring for magmatic nickel-cobalt sulphide style deposits similar to Nova and Norilsk after work completed by the GSWA, Rio Tinto and Glencore indicated favourable geology for these types of deposits within the project areas. Furthermore, BHP's Nickel West operation is Australia's largest cobalt producer from a number of similar style deposits located between Wiluna and Leinster along strike to the south.



a) Location of Riva's Tabac Prospect, Metalicity's Kyarra Cobalt Project and Great Western's Paroo Areas.



b) Regional GSWA cobalt surface geochemistry that covers the entire Yerrida basin shows strong regional cobalt anomalies with Great Western areas directly north of Riva Resource's Tabac cobalt prospect and also adjacent to Metalicity Kyarra Cobalt Project.

**Figure 19.** Cobalt Exploration activity occurring along the southern boundary of Great Western areas in the Yerrida Basin.

The company will continue to monitor the work completed by these other companies closely as both companies have indicated they are planning to commence drilling in the near future. If their work does demonstrate that a new style of cobalt mineralisation exists in the Yerrida basin, then the company is well positioned as it has large areas of the target stratigraphy continuing into its areas and it also retains the most anomalous regional surface geochemical cobalt areas in the region (fig 18).

**J A Lockett**

**Managing Director**

**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 Lockett who is a member of the Australian Institute of Mining and Metallurgy. Mr Lockett 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 Lockett consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.