



GREAT WESTERN

E X P L O R A T I O N

NOTICE OF ANNUAL GENERAL MEETING AND EXPLANATORY STATEMENT

**Annual General Meeting of the Company to be held
at 6 Outram Street, West Perth, Western Australia
on Friday, 16 November 2018 at 10am (WST)**

This Notice of Annual General Meeting and Explanatory Statement should be read in its entirety. If Shareholders are in doubt as to how they should vote, they should seek advice from their accountant, solicitor or other professional adviser without delay.

Corporate Directory

| | |
|--------------------------|--|
| Directors | Kevin Somes (Non-executive Chairman) Jordan Luckett (Managing Director) Rimas Kairaitis (Non-executive Director) Terrence Grammer (Non-executive Director) |
| Secretary | Justin Barton |
| Registered Office | Level 2, 35 Outram Street WEST PERTH WA 6005 Telephone: (08) 6311 2852 Facsimile: (08) 6313 3997 Website: www.greatwesternexploration.com.au |
| Auditor | Bentleys London House Level 3, 216 St Georges Tce PERTH WA 6000 |
| Solicitors | Steinepreis Paganin Level 4, The Read Building 16 Milligan Street PERTH WA 6000 |
| Share Registry | Computershare Investor Services Limited Level 11 172 St Georges Terrace PERTH WA 6000 Telephone: 1300 787 272 Facsimile: (08) 9323 2033 |
| ASX Code | GTE |

Notice of Annual General Meeting

Notice is hereby given that the Annual General Meeting of Shareholders of Great Western Exploration Limited will be held at 6 Outram Street, West Perth, Western Australia, on Friday 16 November 2018 at 10:00 am (WST).

The Explanatory Statement which accompanies and forms part of this Notice describes the various matters to be considered.

Words and phrases used in the Resolutions are defined in Section 3 of the accompanying Explanatory Statement and these words and phrases have the same meaning in this Notice of Annual General Meeting as defined in the Explanatory Statement.

ORDINARY BUSINESS

1. FINANCIAL STATEMENTS AND REPORTS

To receive and consider annual financial report of the Company for the year ended 30 June 2018 and the reports of the Directors and the Auditor in accordance with the Corporations Act.

2. RESOLUTION 1 – ADOPTION OF THE REMUNERATION REPORT

To consider and, if thought fit, to pass the following as a **non-binding ordinary resolution**:

“That for the purposes of Section 250R(2) of the Corporations Act and for all other purposes, the Remuneration Report as set out in the Annual Report for the financial year ended 30 June 2018 be adopted by the Shareholders.”

The vote on this Resolution is advisory only and does not bind the Directors or the Company.

Voting Prohibition Statement:

A vote on this Resolution must not be cast (in any capacity) by or on behalf of the following persons:

- a) a member of the Key Management Personnel, details of whose remuneration are included in the Remuneration Report; or
- b) a Closely Related Party of such member.

However, a person described above may cast a vote on this Resolution as a proxy if the vote is not cast on behalf of a person described above and either:

- a) the voter is appointed as a proxy by writing that specifies the way the proxy is to vote on this Resolution; or
 - b) the voter is the Chairman and the appointment of the Chairman as proxy:
 - (i) does not specify the way the proxy is to vote on this Resolution; and
 - (ii) expressly authorises the Chairman to exercise the proxy even if this Resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel for the Company.
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3. RESOLUTION 2 – RE-ELECTION OF KEVIN SOMES

To consider and, if thought fit, pass the following resolution as an **ordinary resolution**:

“That for all purposes Mr. Kevin Somes, a Director retiring by rotation in accordance with 13.2 of the Company’s Constitution and, being eligible for re-election, be re-elected as a Director of the Company.”

4. RESOLUTION 3 – ISSUE OF OPTIONS TO EMPLOYEES

To consider and, if thought fit, pass the following resolution as an **ordinary resolution**:

“That for the purposes of ASX Listing Rule 7.1 and for all other purposes, approval is given for the Company to allot and issue up to 6,000,000 Options on the terms and conditions set out in the Explanatory Statement”

Voting Exclusion:

The Company will disregard any votes on this Resolution by or on behalf of a person who is expected to participate in, or who will obtain a material benefit as a result of, the proposed issue (except a benefit solely by reason of being a holder of ordinary securities in the Company) or an associate of that person (or those persons). However, the Company need not disregard a vote cast on the Resolution if:

- a) It is cast as proxy for a person who is entitled to vote in accordance with the directions on the proxy form; or
- b) It is cast by the person chairing the meeting as a proxy for a person who is entitled to vote in accordance with the directions on the proxy form as the proxy decides.

The Chairman intends to vote all available proxies in favour of Resolution 3.

5. RESOLUTION 4 – APPROVAL FOR 10% PLACEMENT CAPACITY

To consider and, if thought fit, to pass the following resolution as a **special resolution**:

“That, for the purposes of ASX Listing Rule 7.1A and for all other purposes, Shareholders approve the issue of Equity Securities up to 10% of the issued capital of the Company (at the time of issue) calculated in accordance with the formula prescribed in ASX Listing Rule 7.1A.2 and on terms and conditions in the Explanatory Statement”.

Voting Exclusion:

The Company will disregard any votes cast in favour of the Resolution by or on behalf of a person who is expected to participate in, or who will obtain a material benefit as a result of, the proposed issue (except a benefit solely by reason of being a holder of ordinary securities in the Company) or an associate of that person (or those persons). However, the Company will not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

Explanatory Statement

The Explanatory Statement accompanying this Notice of Annual General Meeting is incorporated in and comprises part of this Notice of Annual General Meeting. Capitalised terms used in this Notice and the Explanatory Statement are set out in the Schedule of Definitions in the Explanatory Statement.

Voting

Shareholders can vote by either:

- a) attending the Annual General Meeting and voting in person or by attorney (who should bring an original or certified copy of the power of attorney), or in the case of a corporate Shareholder by appointing a corporate representative; or

- b) appointing a proxy to attend and vote on their behalf using the Proxy Form attached to this Notice and by submitting their proxy appointment and voting instructions in person, by post, or by facsimile.

Proxies

Please note that:

- a) a member of the Company entitled to attend and vote at the Meeting is entitled to appoint a proxy;
- b) a proxy need not be a member of the Company, and
- c) a member of the Company entitled to cast two or more votes may appoint two proxies and may specify the proportion or number of votes each proxy is appointed to exercise, and where the proportion or number is not specified, each proxy may exercise half of the votes.

The Proxy Form must be received no later than 48 hours before the commencement of the Meeting. Any Proxy Form received after that time will not be valid for the meeting.

If a proxy is not directed how to vote on an item of business, the proxy may generally vote, or abstain from voting as they think fit.

The enclosed Proxy Form provides further details on appointing proxies and lodging the Proxy Form.

Voting Eligibility

Regulation 7.11.37(3) of the Corporations Regulations 2001 provides that the specified time for who holds Shares for the purpose of a meeting (a) must satisfy any applicable requirements of the ASX Settlement Operating Rules and (b) must not be more than 48 hours before the meeting.

Accordingly, as the meeting is scheduled for Friday, 16 November 2018 at 10:00 am (WST), the voting entitlement date and time will be 5.00pm WST 2 Trading Days prior to the meeting.

The Company's Directors have determined that the persons eligible to vote at the Annual General Meeting are those who are registered Shareholders of the Company at 5pm WST on Tuesday, 14 November 2018.

Corporate Representative

Any corporate Shareholder who has appointed a person to act as its corporate representative at the Annual General Meeting should complete and execute the Proxy Form in accordance with the appointment requirements and Sections 127 and 250D of the Corporations Act or with the legal requirements of the country in which the corporate Shareholder was incorporated.

The corporate representative should be provided with a certificate or letter confirming their appointment and evidence of any authority to act as the corporate representative. The authority may be sent to the Company and/or registry in advance or handed in at the Annual General Meeting. An appointment of Corporate Representative form is available if required.

By Order of the Board of Directors



**Justin Barton
Company Secretary
Great Western Exploration Limited**

15 October 2018

Explanatory Statement

The purpose of this Explanatory Statement is to provide Shareholders with all information known to the Company which is material to a decision on how to vote on the Resolutions in the accompanying Notice of Annual General Meeting. This Explanatory Statement should be read in conjunction with the Notice of Annual General Meeting.

1. FINANCIAL STATEMENTS AND REPORTS

Pursuant to the Corporations Act the financial report, Directors' Report and Auditor's Report of the Company for the year ended 30 June 2018 will be tabled at the Annual General Meeting. There is no requirement for a formal resolution on this item of business. Shareholders should consider these documents and raise any matters of interest when the item is addressed at the Annual General Meeting.

A copy of the Company's financial report, Directors' Report and Auditor's Report are available from the website www.greatwesternexploration.com.au or on the ASX website on the Company's announcement page.

The Chairman will also provide Shareholders with a reasonable opportunity to ask the Company's Auditor questions relevant to:

- the conduct of the audit;
- the preparation and content of the independent audit report;
- the accounting policies adopted by the Company in relation to the preparation of accounts; and
- the independence of the Auditor in relation to the conduct of the audit.

Written questions may also be submitted to the Company's Auditor on the content of the Auditor's Report and the conduct of the audit. Such questions must be received by the Company Secretary at the Company's registered office no later than 5 business days before the Annual General Meeting.

2. RESOLUTION 1: ADOPTION OF REMUNERATION REPORT

The Directors' Report for the year ended 30 June 2018 contains a Remuneration Report, which sets out the policy for the remuneration of the Directors and the executives of the Company.

The Remuneration Report, by way of summary:

- (a) explains the Company's remuneration policy and the process for determining the remuneration of its Directors and executive officers;
- (b) addresses the relationship between the Company's remuneration policy and the Company's performance; and
- (c) sets out remuneration details for each Director and each of the Company's executives and group executives named in the Remuneration Report for the financial year ended 30 June 2018.

Section 250R (2) of the Corporations Act requires companies to put a resolution to their members that the Remuneration Report be adopted. The vote on this Resolution is advisory only, however, and does not bind the Board or the Company. The Board will consider the outcome of the vote and comments made by Shareholders on the Remuneration Report at the Annual General Meeting when reviewing the Company's remuneration policies.

The Chairman will give Shareholders a reasonable opportunity to ask questions about or to make comments on the Remuneration Report.

Under the Corporations Act, if 25% or more of votes that are cast are voted against the adoption of the Remuneration Report at two consecutive Annual General Meetings, Shareholders will be required to vote at

the second of those Annual General Meetings on a resolution that a further meeting is held at which all of the Company's Directors who were directors when the resolution to make the directors report considered at the later Annual General Meeting was passed (other than the Managing Director) must go up for re-election (Spill Resolution).

If more than 50% of votes cast are in favour of the Spill Resolution, the Company must convene a shareholder meeting (Spill Meeting) within 90 days of the second Annual General Meeting.

All of the directors of the company who were directors of the Company when the resolution to make the directors' report considered at the second Annual General Meeting was passed, other than the managing director of the company, will cease to hold office immediately before the end of the Spill Meeting but may stand for re-election at the Spill Meeting.

Previous voting results

At the Company's previous Annual General Meeting the votes cast against the remuneration report considered at that Annual General Meeting were less than 25%. Accordingly, the Spill Resolution is not relevant for this Annual General Meeting.

Voting on Resolution 1 will be determined by a show of hands at the Annual General Meeting.

3. RESOLUTION 2: RE-ELECTION OF KEVIN SOMES

3.1 Introduction

In accordance with ASX Listing Rule 14.4 and pursuant to Clause 13.2 of the Constitution, at each Annual General Meeting, one-third of the Directors must retire from office. Each Director is entitled to offer himself for re-election as a Director at the Annual General Meeting, which coincides with his retirement. Pursuant to Clause 17.4 of the Constitution, the Managing Director is exempted by his or her office as Managing Director from the requirement to retire by rotation.

Kevin Somes, who has served as a director since 11 October 2013 and was last re-elected on 16 November 2017, retires by rotation and seeks re-election.

3.2 Qualifications and other material directorships

Mr Somes is a Chartered Accountant (FCA) of 50 years and was founding partner of Somes Cooke Chartered Accountants, which specialized in auditing and advising mining and exploration companies.

Mr Somes has extensive experience in the management of exploration companies, with Somes Cooke being the auditors of a number of ASX listed mining companies during his tenure.

Mr Somes' career also includes numerous business ventures spanning pearl farming, aquaculture, taverns and hotels, whisky production and bakeries. Mr Somes is also actively involved with the local community and recently retired as the President of the Claremont Football Club and is a Rotarian (Paul Harris Fellow).

3.3 Independence

If elected the board does not consider Mr Somes will be an independent director.

3.4 Directors' recommendation

The Board recommends that Shareholders vote in favour of Resolution 2.

4. RESOLUTION 3: ISSUE OF OPTIONS TO EMPLOYEES

4.1 Introduction

The Company proposes to issue 6,000,000 Options to employees of the Company as a reward and incentive to promote motivation, company ownership and loyalties (Option Placement). The Options proposed to be issued under the Option Placement will vest immediately upon approval by shareholders and, where relevant, the share price meeting the exercise price of the Options.

The Company is committed to remunerating its employees in a manner that is market competitive and consistent with best practice as well as supporting the interests of Shareholders. Accordingly, the Company considers it appropriate to issue employees Options to align the interests of the employees with those of Shareholders and increase Company performance.

The Company seeks to have the flexibility to issue securities to allow this number of securities not to be included in the calculation under ASX Listing Rule 7.1.

4.2 ASX Listing Rule 7.1

ASX Listing Rule 7.1 provides that a company must not, subject to certain exceptions, issue during any 12 month period any equity securities or other securities with rights of conversion to equity if the number of those securities exceeds 15% of the total ordinary securities on issue at the commencement of that 12 month period.

One circumstance where an issue is not taken into account in the calculation of this 15% threshold is where the issue has the prior approval of Shareholders in a general meeting.

The Company is seeking approval under ASX Listing Rule 7.1 to be able to issue up to 6,000,000 Options.

4.3 ASX Listing Rule 7.3

ASX Listing Rule 7.3 sets out the matters which must be included in the notice of meeting convened to seek shareholder approval under ASX Listing Rule 7.1.

For the purposes of ASX Listing Rule 7.3, the following information is provided to Shareholders in relation to Resolution 3:

- (a) The maximum number of securities to be issued is 6,000,000 Options;
- (b) The Options will be issued no later than 3 months after the date of the Annual General Meeting (or such later date to the extent permitted by any ASX waiver or modification of the ASX Listing Rules) and will be issued on the one date;
- (c) The Options will be issued for nil cash consideration;
- (d) The Options will be issued at an exercise price of \$0.02, expiring 31 December 2021.
- (e) The Options will be issued to employees of the Company at the discretion of the Directors. The Options will not be issued to Directors or other related parties of the Company;
- (f) The Options will be issued on the terms set out in **Schedule 2**;
- (g) No funds will be raised from the issue of the Options. The Options are being issued to employees of the Company in consideration for their services to the Company and to promote motivation, company

ownership and loyalty.

- (h) A voting exclusion statement is included in the Notice.

4.4 Directors' recommendation

The Board unanimously recommends that Shareholders vote in favour of Resolution 3. This will allow the Company to issue securities, whilst preserving the Company's 15% annual limit permitted by ASX Listing Rule 7.1.

5. RESOLUTION 4: APPROVAL FOR 10% PLACEMENT CAPACITY

5.1 Introduction

The Company is seeking Shareholder approval by way of a special resolution to have the ability to issue Equity Securities under the 10% Placement Facility.

ASX Listing Rule 7.1A enables an eligible entity to issue Equity Securities up to 10% of its issued share capital through placements over a 12 month period after the eligible entity's Annual General Meeting (**10% Placement Facility**). The 10% Placement Facility is in addition to the entity's 15% placement capacity under Listing Rule 7.1.

An eligible entity for the purposes of ASX Listing Rule 7.1A is an entity that is not included in the S&P/ASX 300 Index and has a market capitalisation of \$300 million or less. The Company has a current market capitalisation of \$6,441,395. The Company is an eligible entity for the purposes of ASX Listing Rule 7.1A.

The effect of Resolution 4 will be to allow the Directors to issue the Equity Securities under ASX Listing Rule 7.1A during the period up to 12 months after the Meeting without subsequent Shareholder approval and without using the Company's 15% placement capacity under ASX Listing Rule 7.1.

Resolution 4 is a special resolution and therefore requires approval of 75% of the votes cast by Shareholders present and eligible to vote (in person, by proxy, by attorney or, in the case of a corporate Shareholder, by a corporate representative).

5.2 ASX Listing Rule 7.1A

(a) Equity Securities

Any Equity Securities issued under the 10% Placement Facility must be in the same class as an existing quoted class of Equity Securities of the Company. At the date of this Notice, the Company has only one class of quoted Equity Securities, being its Shares (ASX Code: GTE).

(b) Formula for calculating 10% Placement Facility

ASX Listing Rule 7.1A.2 provides that eligible entities which have obtained shareholder approval at an Annual General Meeting may issue or agree to issue, during the 12 month period after the date of the Annual General Meeting, a number of Equity Securities calculated in accordance with the following formula:

(AxD) - E

Where:

A is the number of shares on issue 12 months before the date of issue or agreement:
plus the number of fully paid shares issued in the 12 months under an exception in ASX Listing Rule 7.2;
plus the number of partly paid shares that became fully paid in the 12 months;
plus the number of fully paid shares issued in the 12 months with approval of holders of shares under ASX Listing Rules 7.1 and 7.4. This does not include an issue of fully paid

shares under the entity's 15% placement capacity without shareholder approval;
less the number of fully paid shares cancelled in the 12 months.

Note that A is has the same meaning in ASX Listing Rule 7.1 when calculating an entity's 15% placement capacity.

D is 10%

E is the number of Equity Securities issued or agreed to be issued under ASX Listing Rule 7.1A.2 in the 12 months before the date of the issue or agreement to issue that are not issued with the approval of shareholders under ASX Listing Rules 7.1 or 7.4.

(c) ASX Listing Rule 7.1 and Listing Rule 7.1A

The ability of an entity to issue Equity Securities under ASX Listing Rule 7.1A is in addition to the entity's 15% placement capacity under ASX Listing Rule 7.1.

At the date of this Notice, the Company has on issue one class of quoted Equity Securities being, fully paid ordinary shares (ASX Code: GTE).

The Company has 920,199,310 Shares on issue. As a result the Company has a capacity to issue:

- (i) 138,029,896 Shares under ASX Listing Rule 7.1; and
- (ii) subject to Shareholders approving Resolution 4, 92,019,931 Shares under ASX Listing Rule 7.1A.

The actual number of Equity Securities that the Company will have capacity to issue under ASX Listing Rule 7.1A will be calculated at the date of issue of the Equity Securities in accordance with the formula prescribed in ASX Listing Rule 7.1A.2 (refer to Section 6.2(b) above).

(d) Minimum Issue Price

The issue price of Equity Securities issued under ASX Listing Rule 7.1A must be not less than 75% of the volume weighted average price of Equity Securities in the same class calculated over the 15 Trading Days on which trades in that class were recorded immediately before:

- (i) the date on which the price at which the Equity Securities are to be issued is agreed; or
- (ii) if the Equity Securities are not issued within 5 Trading Days of the date in paragraph (i) immediately above, the date on which the Equity Securities are issued.

(e) 10% Placement Period

Shareholder approval of the 10% Placement Facility under Listing Rule 7.1A is valid from the date of the Annual General Meeting at which the approval is obtained and expires on the earlier to occur of:

- (i) the date that is 12 months after the date of the Annual General Meeting at which the approval is obtained; or
- (ii) the date of the approval by shareholders of a transaction under ASX Listing Rules 11.1.2 (a significant change to the nature or scale of activities) or 11.2 (disposal of main undertaking),

(10% Placement Period).

(f) Shareholder approval

The ability to issue Equity Securities under the 10% Placement Facility is subject to shareholder approval by way of a special resolution at an Annual General Meeting.

5.3

Information required by ASX Listing Rule 7.3A

ASX Listing Rule 7.3A sets out a number of matters which must be included in a notice of meeting seeking an approval under ASX Listing Rule 7.1A. The following information is provided for the purposes of Listing Rule 7.3A:

- (a) The Equity Securities will be issued at an issue price of not less than 75% of the volume weighted average price for the Company's Equity Securities over the 15 Trading Days on which trades in that class were recorded immediately before:
 - (i) the date on which the price at which the Equity Securities are to be issued is agreed; or
 - (ii) if the Equity Securities are not issued within 5 Trading Days of the date in paragraph(i) immediately above, the date on which the Equity Securities are issued.
- (b) There is a risk of economic and voting dilution to existing Shareholders in approving the 10% Placement Facility, including the risk that:
 - (i) the market price for the Company's Equity Securities may be significantly lower on the date of the issue of the Equity Securities than on the date Shareholders approve the 10% Placement Facility; and
 - (ii) the Equity Securities may be issued at a price that is at a discount to the market price for the Company's Equity Securities on the issue date, or issued for non-cash consideration for the acquisition of a new asset,

which may have an effect on the amount of funds raised by the issue of the Equity Securities.

Dilution Table

The table below shows the potential dilution of holders of Shares on the basis of three different assumed issue prices and numbers of Shares on issue:

| Current share issue capacity | Dilution when compared with the current issued share capital | Issue of 10% of the enlarged share capital | | |
|--|--|---|------------------------------------|--|
| | | \$0.0035 per share (50% decrease in issue price) | \$0.007 per share (issue price) | \$0.014 per share (50% increase in issue price) |
| 920,199,310 | 10% issue | 92,019,931 shares | 92,019,931 shares | 92,019,931 shares |
| Current issued capacity | Funds raised | \$322,070 | \$644,140 | \$1,288,279 |
| 1,380,298,965 | 10% issue | 138,029,896 shares | 138,029,896 shares | 138,029,896 shares |
| 50% increase in issued share capital | Funds raised | \$483,105 | \$966,209 | \$1,932,419 |
| 1,840,398,620 | 10% issue | 184,039,862 shares | 184,039,862 shares | 184,039,862 shares |
| 100% increase in issued share capital | Funds raised | \$644,140 | \$1,288,279 | \$2576,558 |

The dilution table has been prepared on the following assumptions:

- (i) The issue price is \$0.007 based on the closing price of shares on 8 October 2018.
- (ii) The current issued share capital has been calculated in accordance with the formula in ASX Listing Rule 7.1A.2 as at 8 October 2018.

- (iii) The Company issues the maximum number of equity securities available under the share issue mandate under ASX Listing Rule 7.1A.
 - (iv) No options are exercised or converted into Shares.
 - (v) The table shows only the effect of issues of the Company's equity securities under the 10% Placement Facility under ASX Listing Rule 7.1A, not under the Company's 15% placement capacity under ASX Listing Rule 7.1.
- (c) The Company will only issue and allot the Equity Securities during the 10% Placement Period. The approval under Resolution 4 for the issue of the Equity Securities will cease to be valid in the event that Shareholders approve a transaction under Listing Rule 11.1.2 (a significant change to the nature or scale of activities) or Listing Rule 11.2 (disposal of main undertaking).
- (d) The Company may seek to issue the Equity Securities for the following purposes:
- (i) to raise funds, in which case the Company intends to use the funds raised on Company's current assets, general working capital, and towards any possible acquisition of new assets or investments (including expense associated with such acquisition).
 - (ii) as non-cash consideration for the acquisition of new resources, assets and investments (including expenses associated with such acquisitions). In such circumstances the Company will provide a valuation of the non-cash consideration as required by Listing Rule 7.1A.3.

The Company will comply with the disclosure obligations under Listing Rules 7.1A.4 and 3.10.5A upon issue of any Equity Securities.

- (e) The Company's allocation policy is dependent on the prevailing market conditions at the time of any proposed issue pursuant to the 10% Placement Facility. The identity of the allottees of the Equity Securities will be determined on a case-by-case basis having regard to the factors including but not limited to the following:
- (i) the purpose of the issue;
 - (ii) alternative methods of raising funds that are available to the Company, including but not limited to, rights issue or other issue in which existing security holders can participate;
 - (iii) the effect of the issue of the Equity Securities on the control of the Company;
 - (iv) the circumstances of the Company, including, but not limited to, the financial situation and solvency of the Company; and
 - (v) advice from corporate, financial and broking advisers (if applicable).

The allottees under the 10% Placement Facility have not been determined as at the date of this Notice but may include existing substantial Shareholders and/or new Shareholders who are not related parties or associates of a related party of the Company. Further, if the Company is successful in acquiring new resources, assets or investments, it is likely that the allottees under the 10% Placement Facility will be the vendors of the new resources, assets or investments.

- (f) The Company has previously obtained Shareholder approval under rule 7.1A at its 2017 Annual General Meeting.

The total number of Equity Securities issued in the 12 months preceding the date of the Meeting is 120,000,000 representing 15% of the total number of Equity Securities on issue at the commencement of that 12 month period which was 800,199,310.

The details of all issues of Equity Securities by the Company during the 12 months preceding the date of the Meeting are set out in **Schedule 1** to this Explanatory Memorandum.

- (g) A voting exclusion statement is included in the Notice. At the date of the Notice, the Company has not approached any particular existing Shareholder or security holder or an identifiable class of existing security holder to participate in the issue of the Equity Securities. No existing Shareholder's votes will therefore be excluded under the voting exclusion in the Notice.

5.4

Directors' recommendation

The Board unanimously recommends that Shareholders vote in favour of Resolution 4.

6. DEFINITIONS

In this Explanatory Statement:

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|--------------------------|---|
| ASX | means ASX Limited or the Australian Securities Exchange operated by ASX Limited, as the context requires. |
| Board | means the board of Directors. |
| Chairman | means the chairman of the Annual General Meeting. |
| Closely Related Party | of a member of the Key Management Personnel means: <ul style="list-style-type: none">(a) a spouse or child of the member;(b) a child of the member's spouse;(c) a dependent of the member or the member's spouse;(d) anyone else who is one of the member's family and may be expected to influence the member, or be influenced by the member, in the member's dealing with the entity;(e) a company the member controls; or(f) a person prescribed by the Corporations Regulations 2001 (Cth) for the purposes of the definition of 'closely related party' in the Corporations Act. |
| Company | means Great Western Exploration Limited (ACN 123 631 470). |
| Constitution | means the constitution of the Company. |
| Corporations Act | means the Corporations Act 2001 (Cth) as amended. |
| Director | means a director of the Company. |
| Equity Securities | has the meaning given in the Listing Rules |
| Explanatory Statement | means this explanatory statement. |
| Annual General Meeting | means the meeting convened by this Notice. |
| Key Management Personnel | has the same meaning as in the accounting standards issued by the Australian Accounting Standards Board and means those persons having authority and responsibility for planning, directing and controlling the activities of the Company, or if the Company is part of a consolidated entity, of the consolidated entity, directly or indirectly, including any director (whether executive or otherwise) of the Company, or if the Company is part of a consolidated entity, of an entity within the consolidated group |
| Listing Rules | means the listing rules of the ASX. |
| Notice | means this notice of meeting. |
| Option | means an option to acquire a Share. |

| | |
|-------------|--|
| Proxy Form | means the proxy form attached to this Notice. |
| Resolution | means a resolution set out in the Notice. |
| Share | means a fully paid ordinary share in the capital of the Company. |
| Shareholder | means a holder of a Share. |
| WST | means Australian Western Standard Time. |

SCHEDULE 1 – ISSUES OF EQUITY SECURITIES SINCE 14 NOVEMBER 2017

| Date | Quantity | Class | Recipients | Issue price and discount to Market Price ¹ (if applicable) | Form of consideration |
|--------------------------|-------------|------------------------------|---|---|--|
| Issue – 12 December 2017 | 100,000,000 | Ordinary Shares ² | Sophisticated investors. | \$0.02 | Amount raised: \$2,000,000 Amount spent: \$500,000 Use of funds: Drilling at Yandal West Project and working capital Amount remaining: \$1,500,000 |
| Issue – 12 December 2017 | 14,000,000 | Ordinary Shares ² | All Directors (or associates), including Mr Lockett, Mr Somes, Mr Grammer and Mr Kairaitis and past Directors | \$0.02 | Exercise of \$0.02 options Amount raised: \$280,000 Amount spent: \$280,000 Use of funds: Drilling at Yandal West Project and working capital. Amount remaining: Nil |
| Issue – 12 December 2017 | 2,000,000 | Ordinary Shares ² | Consultants | Nil | Exercise of \$0.00 options Amount raised: Nil |
| Issue – 20 December 2017 | 4,000,000 | Ordinary Shares ² | Diversified Asset Holdings Pty Ltd | \$0.02 | Exercise of \$0.02 options Amount raised: \$80,000 Amount spent: \$80,000 Use of funds: Drilling at Yandal West Project and working capital. Amount remaining: Nil |

Notes:

1. Market Price means the closing price on ASX (excluding special crossings, overnight sales and exchange traded option exercises). For the purposes of this table the discount is calculated on the Market Price on the last trading day on which a sale was recorded prior to the date of issue of the relevant Equity Securities.
2. Fully paid ordinary shares in the capital of the Company, ASX Code: GTE (terms are set out in the Constitution).

SCHEDULE 2 – TERMS AND CONDITIONS OF EMPLOYEE OPTIONS

The Options entitle the holder to subscribe for Shares on the following terms and conditions:

- a) Each Option gives the Optionholder the right to subscribe for one Share;
- b) The Options will expire at 5:00pm (WST) on 31 December 2021 (Expiry Date). Any Options not exercised before the Expiry Date will automatically lapse on the Expiry Date.
- c) Subject to d) below, the Options will vest immediately when the Share Price equals or exceeds the Exercise Price of the respective Shares after the date of issue of the Options;
- d) If there is a Change of Control Event prior to the Expiry Date, the Options shall automatically vest. “Change of Control Event” means the occurrence of the offerer under the takeover offer in respect of all the shares in the Company (Shares) announces that it has achieved acceptances in respect of 50.1% or more of the Shares;
- e) Other than by operation of a Change of Control Event, any Options which have not vested as at the date the holder ceases to be employed or engaged by the Company, shall automatically lapse unless otherwise determined by the board. Any Options which have vested prior to the date of termination shall not lapse;
- f) The Options held by each Optionholder may be exercised in whole or in part, and if exercised in part, multiples of 1,000 must be exercised on each occasion;
- g) Subject to the Options vesting in accordance with c), an Optionholder may exercise their Options by lodging with the Company, before the Expiry Date:
 - a. A written notice of exercise of Options specifying the number of Options being exercised; and
 - b. A cheque or EFT for the Exercise Price for the number of Options being exercised;(Exercise Notice).
- h) An Exercise Notice is only effective when the Company has received the full amount of the Exercise Price in cleared funds.
- i) Within 10 Business Days of receipt of the Exercise Notice accompanied by the Exercise Price, the Company will allot the number of Shares required under these terms and conditions in respect of the number of Options specified in the Exercise Notice.
- j) The Options are not transferrable.
- k) All Shares allotted upon the exercise of Options will upon allotment rank *pari passu* in all respects with other Shares.
- l) The Company will not apply for quotation of the Options on the ASX. However, the Company will apply for quotation of all Shares allotted pursuant to the exercise of Options on ASX within 10 Business Days after the date of allotment of those Shares.
- m) Participation in new issues

There are no participation rights or entitlements inherent in the Options and holders will not be entitled to participate in new issues of capital offered to holders of shares during the currency of the Options.

However, the Company will ensure that for the purposes of determining entitlements to any such issue, the record date will be at least 10 business days after the issue is announced. This will give holders of Options the opportunity to exercise their Options prior to the date for determining entitlements to participate in any such issue.

- n) Adjustment for bonus issues of Shares

If the Company makes a bonus issue of Shares or other securities to existing Shareholders (other than an issue in lieu or in satisfaction, of dividends or by way of dividend reinvestments):

- (i) the number of Shares which must be issued on the exercise of an Option will be increased by the number of Shares which the Option holder would have received if the Option holder had exercised the Option before the record date for the bonus issue; and
- (ii) no change will be made to the Exercise Price.

o) Adjustment for pro rata issue

If the Company makes an issue of shares pro rata to existing Shareholders (other than an issue in lieu of in satisfaction of dividends or by way of dividend reinvestment) the exercise price of an Option will be reduced according to the following formula:

$$\text{New exercise price} = O - \frac{E [P - (S + D)]}{N+1}$$

O = the old exercise price of the Option.

E = the number of underlying shares into which one Option is exercisable.

P = average market price per share weighted by reference to volume of the underlying shares during the 5 trading days ending on the day before the ex rights date or ex entitlements dates.

S = the subscription price of a share under the pro rata issue.

D = the dividend due but not yet paid on the existing underlying shares (except those to be issued under the pro rata issue).

N = the number of shares with rights or entitlements that must be held to receive a right to one new Share.

p) Adjustment for reorganisation

If there is any reconstruction of the issued share capital of the Company, the rights of Option holders will be varied to comply the ASX Listing Rules which apply to the reconstruction at the time of the reconstruction.

GREAT WESTERN EXPLORATION LIMITED

ABN 53 123 631 470

FOR ALL ENQUIRIES CALL (08) 6311 2852

FACSIMILE (08) 6313 3997

ALL CORRESPONDENCE TO: P O Box 8142, Subiaco East WA 6008

YOUR VOTE IS IMPORTANT

FOR YOUR VOTE TO BE EFFECTIVE IT MUST BE RECORDED BEFORE 10.00AM (WST), 14 November 2018.

TO VOTE BY COMPLETING THE PROXY FORM

STEP 1 Appointment of Proxy

Indicate here who you want to appoint as your Proxy

If you wish to appoint the Chairman of the Meeting as your proxy, mark the box. If you wish to appoint someone other than the Chairman of the Meeting as your proxy please write the full name of that individual or body corporate. If you leave this section blank, or your named proxy does not attend the meeting, the Chairman of the Meeting will be your proxy. A proxy need not be a security holder of the company. Do not write the name of the issuer company or the registered security holder in the space.

Proxy which is a Body Corporate

Where a body corporate is appointed as your proxy, the representative of that body corporate attending the meeting must have provided an 'Appointment of Corporate Representative' prior to admission. An Appointment of Corporate Representative form can be obtained from the company's securities registry.

Appointment of a Second Proxy

You are entitled to appoint up to two proxies to attend the meeting and vote on a poll. If you wish to appoint a second proxy, an additional Proxy Form may be obtained by telephoning the company's securities registry or you may copy this form.

To appoint a second proxy you must:

- (a) complete two Proxy Forms. On each Proxy Form state the percentage of your voting rights or the number of securities applicable to that form. If the appointments do not specify the percentage or number of votes that each proxy may exercise, each proxy may exercise half your votes. Fractions of votes will be disregarded.
- (b) return both forms together in the same envelope.

STEP 2 Voting Directions to your Proxy

You can tell your Proxy how to vote

To direct your proxy how to vote, place a mark in one of the boxes opposite each item of business. All your securities will be voted in accordance with such a direction unless you indicate only a portion of voting rights are to be voted on any item by inserting the percentage or number of securities you wish to vote in the appropriate box or boxes. If you do not mark any of the boxes on a given item, your proxy may vote as he or she chooses. If you mark more than one box on an item your vote on that item will be invalid.

STEP 3 Sign the Form

The form **must** be signed as follows:

Individual: This form is to be signed by the security holder.

Joint Holding: where the holding is in more than one name, all the security holders must sign.

Power of Attorney: to sign under a Power of Attorney, you must have already lodged it with the registry. Alternatively, attach a certified photocopy of the Power of Attorney to this form when you return it.

Companies: this form must be signed by a Director jointly with either another Director or a Company Secretary. Where the company has a Sole Director who is also the Sole Company Secretary, this form must be signed by that person. **Please indicate the office held by signing in the appropriate place.**

STEP 4 Lodgement of a Proxy

This Proxy Form (and any Power of Attorney under which it is signed) must be received at an address given below at least 48 hours before the commencement of the meeting. Any Proxy Form received after that time will not be valid for the scheduled meeting.

BY MAIL - P O Box 8142, Subiaco East WA 6008

BY FAX - 08 6313 3997

IN PERSON - 6 Outram Street, WEST PERTH WA 6005

Attending the Meeting - If you wish to attend the meeting please bring this form with you to assist registration.

Shareholder Details

Name:

Address:

Contact Telephone No:

Contact Name (if different from above):

STEP 1 - Appointment of Proxy

I/We being a member/s of Great Western Exploration Limited hereby appoint

☐

the Chairman of the
Meeting (mark with

OR

If you are not appointing the Chairman of the Meeting as your proxy please write here the full name of the individual or body corporate (excluding the registered Security holder) you are appointing as your proxy.

or failing the individual or body corporate named, or if no individual or body corporate is named, the Chairman of the Meeting, as my/our proxy at the Annual **General Meeting** of Great Western Exploration Limited to be held at 6 Outram Street, West Perth WA on 16 November 2018 at 10.00 am (WST) and at any adjournment of that meeting, to act on my/our behalf and to vote in accordance with the following directions or if no directions have been given, as the proxy sees fit.

Chairman authorised to exercise undirected proxies on remuneration related resolution. Where I/we have appointed the Chairman of the Meeting as my/our proxy (or the Chairman becomes my/our proxy by default), I/we expressly the Chairman to exercise my/our proxy on Resolutions 1 to 4 (except where I/we have indicated a different voting intention below) even though Resolutions 1 is connected directly or indirectly with the remuneration of a member of key management personnel, which includes the **Chairman**.

Important Note: If the Chairman of the Meeting is (or becomes) your proxy you can direct the Chairman to vote for or against or abstain from voting on Resolutions 1 to 8 by marking the appropriate box in Step 2 below.

The Chairman of the Meeting intends to vote undirected proxies in favour of each resolution. In exceptional circumstances, the Chairman of the Meeting may change his/her voting intention on any resolution, in which case an ASX announcement will be made.

Please read the voting instructions carefully.

If two proxies are being appointed, the proportion of voting rights this proxy represents is %

STEP 2 - Voting directions to your Proxy – please mark ☒ to indicate your directions

| | | For | Against | Abstain |
|--------------|-------------------------------------|-----|---------|---------|
| Resolution 1 | Adoption of Remuneration Report | | | |
| Resolution 2 | Re-election of Director – Mr Somes | | | |
| Resolution 3 | Issue of Employee Options | | | |
| Resolution 4 | Approval for 10% Placement Capacity | | | |

STEP 3 - Please sign here - This section *must* be signed in accordance with the instructions overleaf to enable your directions to be implemented.

Individual or Security holder 1

Security holder 2

Security holder 3

Sole Director & Sole Company Secretary

Director

Director/Company Secretary

Contact Name

Contact Daytime Telephone

Date / / 2018