GREAT WESTERN Exploration Limited

Base and Precious Metal Exploration Company

Great Western Exploration Limited
ABN 53 123 631 470

Great Western Exploration Limited is a publicly listed exploration company with the primary objective of creating wealth for shareholders through the discovery of world-class mineral deposits.

ASX Code: *GTE*
Capital Structure
Shares on Issue: 166.0 M
Options on Issue: 11.35 M

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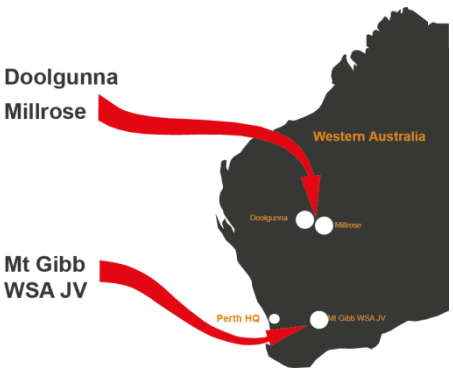

17 December 2014

Cunyu Exploration Update

- The recent reverse circulation ("RC") drilling at the Finlayson Gold Project has exceeded expectations with the discovery of a gold bearing hydrothermal system.
- The drilling also confirms extensive areas of mafic volcanic sequences interpreted to be the northern extension of the Norseman – Wiluna greenstone belt.
- A significant leap forward in the exploration development by intersecting a hydrothermally altered shear zone with elevated gold values of 0.16g/t Au.
- Gravity data indicates that the underlying greenstone could extend for up to 30 kilometres.
- This work culminates in the realisation that GTE potentially has 30km of unexplored Norseman-Wiluna Greenstone that contains a gold bearing hydrothermal system.
- The Norseman – Wiluna belt is one of the world's most prospective mineral terrains that hosts numerous world class gold and nickel deposits.
- GTE continues to build compelling exploration targets in the region and is the largest landholder in the under explored Yerrida Basin. This region has the potential to provide for significant new discoveries similar to that of the revitalised Frazer Range region.

Great Western Exploration Limited ("GTE"; "the Company") is pleased to announce that the Cunyu reverse circulation ("RC") drilling has exceeded expectations by intersecting a hydrothermally altered mafic shear zone that contains anomalous gold mineralisation and associated pathfinder elements including bismuth, silver and tellurium (fig 1).

The shear zone has a downhole width of 15 metres with peak gold anomalism that includes 1 metre intervals of 157ppb (0.16g/t Au) and 155ppb (0.16g/t Au) from 144 and 150 metres depth respectively (fig 2). The gold anomalism along with the important pathfinder elements is strong evidence of a gold bearing hydrothermal system. The discovery of a mineralised shear zone within a greenstone sequence is a significant and important development at this early stage of drilling as it provides a step change in the advancement of the Project.

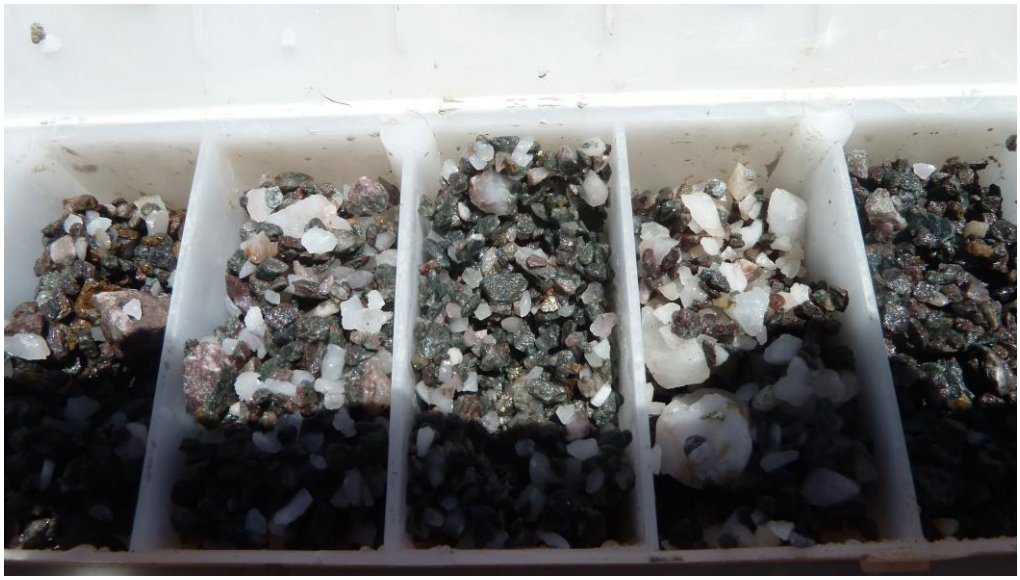

Figure 1. CNRC005 mineralised shear zone

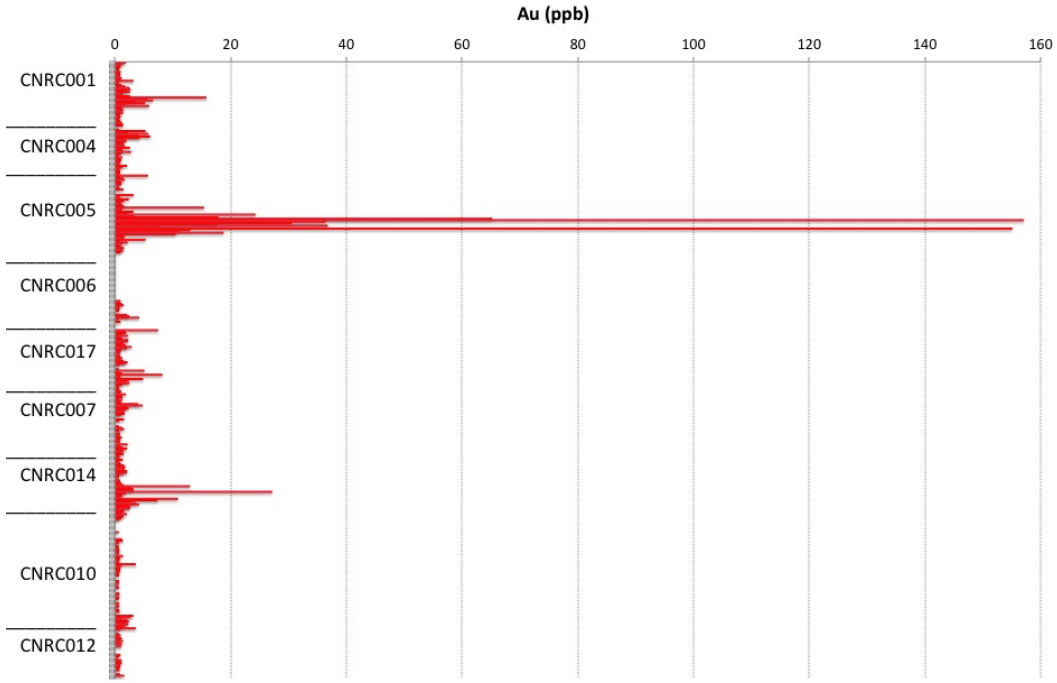

Figure 2. Comparative gold assay chart showing elevated gold in drill-hole CNRC005.

The primary objective of this drill programme was to test the Company's initial conceptual model that there is unexplored greenstone sequences under shallow cover along the eastern margin of the Yerrida basin. To test this model the company designed a very broad spaced regional drill programme to determine the depth and nature of the basement rocks to open up a sizeable area for further exploration.

The drilling not only achieved its primary objective but demonstrated that critical elements required for gold mineralisation are present which has advanced the project faster than originally expected. Furthermore the Company's structural interpretation based on the drilling and regional aeromagnetic data indicates that the gold is occurring within what could be an extensive hydrothermal system.

A simplified illustration of the structural interpretation at the Finlayson prospect is shown in figure 3 where the recent drill holes are displayed as white points and the historic drilling located 2 kilometres to the north as magenta points. The 'hot' colours indicate rocks of high magnetic response and the 'cool' colours a low magnetic response. The interpretation shows a strong magnetic unit, which drilling confirmed to be a mafic volcanic sequence, within a 2 kilometres wide structural corridor comprising of primary north trending structures and secondary northwest and northeast trending structures. There are significant areas of demagnetisation coincident with these structures which could be explained as hydrothermal alteration occurring within dilation zones related to these structures and are therefore potential sites for the formation of gold deposits.

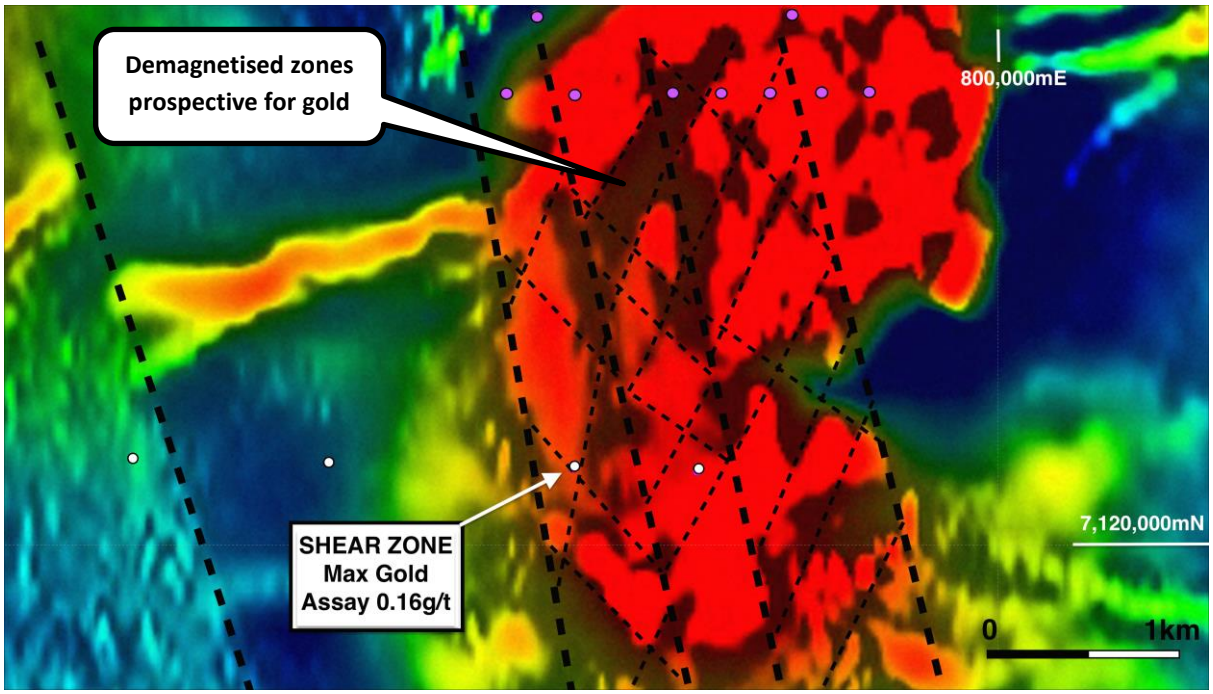

Figure 3. Simplified structural model over magnetics at the Finlayson Gold Project

The Wiluna gold deposits located just 50 kilometres to the south and also in the Norseman – Wiluna greenstone belt are hosted in a sequence of mafic volcanic rocks. The gold is within a corridor 2 kilometres wide and 5 kilometres long that is bounded by two major north trending structures. Between these major structures are secondary brittle-ductile linking structures orientated to the north and northeast that host the gold in the form of quartz reef deposits with associated sulphides. There is also demagnetisation of the host rocks associated with the gold mineralisation within this corridor.

At this early stage the geological associations and dimension of the Wiluna gold deposits compares well to that at the Finlayson gold project.

Basement depths determined by the drilling combined with the geophysical data and field mapping of the basal Finlayson Member has identified extensive areas of interest that are likely to have the greenstone sequence under shallow cover. Whilst the newly discovered shear zone will be the focus of future exploration these other areas of interest will be included into the overall exploration strategy.

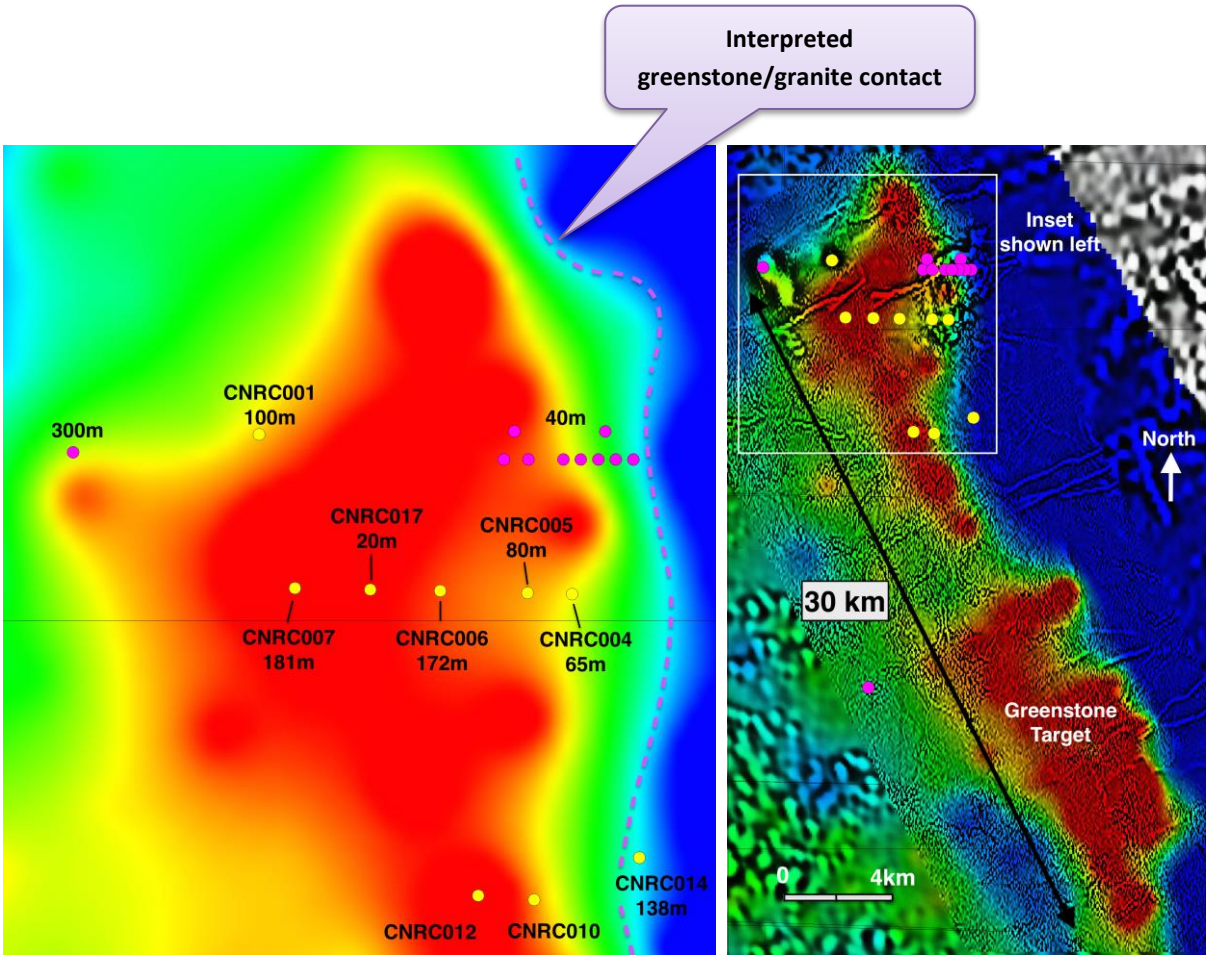

Figure 4. (Left) Recent drill-hole locations with depth to basement shown in yellow and interpreted greenstone / granite contact shown as the dashed line over Bouger gravity image. (Right) A regional merged gravity and magnetic image shows the extent of the gravity anomaly that is interpreted to be coincident with the underlying greenstone sequence.

Managing Director Jordan Luckett said these initial results are highly encouraging and made the following comments on the Finlayson prospect:

"The drilling had already realised its objective by providing strong evidence of unexplored greenstone sequences under as little as 20m of cover. However to have intersected a gold bearing shear zone in first pass reconnaissance drilling in an area where there has been no previous exploration is a fantastic result, more so when you consider it is located just 50km along strike from the Wiluna gold mines"

"Furthermore the geophysical evidence that supports a large area of possible hydrothermal alteration directly along strike of the intersected shear zone makes the Finlayson prospect a compelling gold target with potential for a large discovery. The company is excited by this development and can't wait to carry out further drilling."

Goodin Prospect

The drilling at Goodin has now finished with two RC holes for 400 metres being completed to test two airborne EM anomalies. The drilling intersected a zone of approximately 20 metres of disseminated sulphides in shale at both targets that the company believes explains the EM anomalies. These are the first ever drill holes in this area which will now provide the company important geological information for the follow-up of the remaining EM anomalies.

Samples have been submitted for assay with the results expected in a few weeks.

J A Luckett
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 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.

Appendix 1. Drill Hole Information

Prospect	Tenement	Tenement Ownership	Hole ID	E (MGAZ50)	N (MGAZ50)	Hole Depth (m)	Dip (degrees)	Azimuth (degrees)	Depth to Basement (m)	Comments
Goodin	E53/1324	100%	DDRC001	747380	7147085	200	-60	000	Not applicable	Disseminated sulphide in shale
Goodin	E53/1324	100%	DDRC003	747878	7147563	200	-60	000	Not applicable	Disseminated sulphide in shale
Finlayson	E51/1234	Earning 70%	CNRC001	793995	7122662	155	-90	000	100	Mafic basement
Finlayson	E51/1234	Earning 70%	CNRC004	798465	7120377	137	-90	000	65	Mafic basement
Finlayson	E51/1234	Earning 70%	CNRC005	797830	7120393	191	-90	000	80	Mafic basement. Shear zone intersected from 140 to 155m. Max. gold assay of 1m @ 0.16g/t from 144m and 150m.
Finlayson	E51/1234	Earning 70%	CNRC006	796585	7120423	188	-90	000	172	Mafic basement
Finlayson	E51/1234	Earning 70%	CNRC017	795584	7120441	179	-90	000	20	Mafic basement
Finlayson	E51/1234	Earning 70%	CNRC007	794510	7120463	190	-90	000	181	Mafic basement
Finlayson	E51/1238	Earning 70%	CNRC014	799428	7116607	155	-90	000	138	Granitic basement
Finlayson	E51/1238	Earning 70%	CNRC010	797923	7116066	161	-90	000	DNR	Siltstone and carbonates
Finlayson	E51/1238	Earning 70%	CNRC012	797128	7116066	173	-90	000	DNR	Siltstone and Proterozoic volcanics

JORC Code, 2012 Edition (Table 1) – Finlayson and Goodin exploration drilling

Section 1 Sampling Techniques and Data

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

Criteria	JORC Code explanation	Commentary
Sampling techniques	• *Nature and quality of sampling (eg 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 representivity and the appropriate calibration of any measurement tools or systems used.* • *Aspects of the determination of mineralisation that are Material to the Public Report.* • *In cases where 'industry standard' work has been done this would be relatively simple (eg '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 (eg submarine nodules) may warrant disclosure of detailed information.*	a) Reverse circulation (RC) drill chips collected through a cyclone in 1m intervals b) Equal amounts of the 1m intervals are combined into 4m composite samples of approximately 2.5 kg and submitted for assay.
Drilling techniques	• *Drill type (eg core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc) and details (eg core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc).*	a) Reverse circulation, b) 5.5" diameter hole, c) Face sampling bit
Drill sample recovery	• *Method of recording and assessing core and chip sample recoveries and results assessed.*	a) This is reconnaissance exploration drilling therefore it cannot be determined whether a relationship exists between sample recovery and grade.

Criteria	JORC Code explanation	Commentary
	• *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 due to preferential loss/gain of fine/coarse material.*	b) Visual determination of recovery and only recorded if a significant variation is observed
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.* • *The total length and percentage of the relevant intersections logged.*	a) 100% of the drill holes were quantitatively (geological) logged on site
Sub-sampling techniques and sample preparation	• *If core, whether cut or sawn and whether quarter, half or all core taken.* • *If non-core, 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 representivity 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.*	a) Sampling was done by scoop b) No field duplicates submitted c) Sample size and QAQC procedures are appropriate for first pass exploration drilling and the style of mineralisation being targeted d) Sample preparation was done offsite by Labwest laboratories located in Perth. Samples were dried, crushed to 2mm, and a 500-700g split taken by rotary-division for pulverisation to 75µm in an LM1 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.* • *For geophysical tools, spectrometers, handheld XRF instruments, etc, the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc.* • *Nature of quality control procedures adopted (eg standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (ie lack of bias) and precision have*	a) Assaying was completed by Labwest Laboratories located in Perth b) Labwest is accredited by NATA to ISO/IEC 17025 standards c) Laboratory QAQC procedures used d) No external laboratory checks or company standards/repeats/blanks submitted.

Criteria	JORC Code explanation	Commentary
	been established.	e) Assay Technique: A 25g sample digested in aqua-regia then determined for gold using ICP-MS. A separate portion of sample is digested in aqua-regia in microwave apparatus for multi element analysis by ICP-MS/ICP-OES. f) Elements assayed: (detection limit ppm accept Au ppb): Ag (0.01) As (0.5) Bi (0.1) Ca (10) Co (0.2) Cr (2) Cu (0.2) Fe (100) Hg (0.05) In (0.01) Mn (2) Mo (0.1) Ni (2) Pb (0.2) Sb (0.1) Te (0.2) U (0.02) W (0.1) Zn (0.2) Zr (1) Au (0.5) g) Aqua Regia digest may not fully dissolve all minerals and therefore may under represent some elements if they are associated with a mineral that has only been partially digested
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.*	a) Drill hole collars located using handheld GPS +/- 5m accuracy in plan b) Grid: UTM c) Datum: MGA94 d) Zone: 50
Data spacing and distribution	• *Data spacing for reporting of Exploration Results.* • *Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied.*	a) Reconnaissance regional stratigraphy drilling with holes > 500m apart

Criteria	JORC Code explanation	Commentary
	• *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.*	a) The reported shear zone at Finlayson was intersected by a single vertical drill hole and therefore dip and true thickness of the zone cannot be determined
Sample security	• *The measures taken to ensure sample security.*	b) Samples were under the supervision of senior company employee from collection to delivery at the laboratory c) Individual samples collected in calico bags and then shipped in polyweave bags that are cable tied.
Audits or reviews	• *The results of any audits or reviews of sampling techniques and data.*	Not applicable

Section 2 Reporting of Exploration Results

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

Criteria	JORC Code explanation	Commentary
Mineral tenement and land tenure status	• *Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical 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.*	a) See appendix 1 for list of drill locations, tenements numbers and ownership details b) All tenements in good standing c) E51/1234 and E51/1238 subject to Heads of Agreement ("HoA") with Glencore whereby GTE earning 70% d) Application for extension of term for E51/1234 and E51/1238 still pending
Exploration done by other parties	• *Acknowledgment and appraisal of exploration by other parties.*	a) At Finlayson there has been no previous non-government funded exploration. 12 shallow RC holes along a single line were drilled approximately 2km to the north by WMC in the early 1990s and single 300m diamond hole located approximately 5km to the northwest was drilled in the late 1980s.

Criteria	JORC Code explanation	Commentary
		b) At Cunyu there has been no previous non-government funded exploration
Geology	• *Deposit type, geological setting and style of mineralisation.*	Not applicable
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* ○ *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.*	See appendix 1 for drill hole details
Data aggregation methods	• *In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (eg 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 assumptions used for any reporting of metal equivalent values should be clearly stated.*	Not applicable
Relationship between mineralisation widths and intercept lengths	• *These relationships are particularly important in the reporting of Exploration Results.* • *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 (eg 'down hole length, true width not known').*	Not applicable
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*	a) See report for location figure of Finlayson drill holes

Criteria	JORC Code explanation	Commentary
	drill hole collar locations and appropriate sectional views.	
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 practiced to avoid misleading reporting of Exploration Results.*	Not applicable
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 test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances.*	a) geological observations that support the Company's analysis of the Finlayson gold results are included in the report b) Open file report A34775 (WMC) contains petrographic results describing the basement rocks intersected in a single diamond hole at Quartermaine as Archaean mafic & ultramafic with traces of nickel sulphides. Also details the 12 shallow RC holes that WMC drilled where basalt and komatiite were intersected
Further work	• *The nature and scale of planned further work (eg tests for lateral extensions or depth extensions or large-scale step-out drilling).* • *Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.*	a) At Finlayson further geophysical, geological and drilling programmes are required b) Any proposed programme will be announced as and when they are conceived and subsequent results reported accordingly.