

GREAT WESTERN EXPLORATION LIMITED

ABN 53 123 631 470

FINANCIAL REPORT

**HALF YEAR ENDED
31 DECEMBER 2014**

GREAT WESTERN EXPLORATION LIMITED
ABN 53 123 631 470

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GREAT WESTERN EXPLORATION LIMITED
ABN 53 123 631 470

CORPORATE DIRECTORY

Directors	K C Some J A Luckett C D Mathieson T R Grammer
Secretary	K F Edwards
Registered and Principal Office	185 Hay Street SUBIACO WA 6008 Telephone: (08) 6489 0101 Facsimile: (08) 6489 0100 Website: www.greatwesternexploration.com.au
Auditor	Bentleys Level 1 12 Kings Park Road WEST PERTH WA 6005 Telephone: (08) 9226 4500 Facsimile: (08) 9226 4300
Solicitor	Kings Park Corporate Lawyers Level 2 45 Richardson Street WEST PERTH WA 6005
Share Registry	Computershare Investor Services Limited Level 2 Reserve Bank Building 45 St Georges Terrace PERTH WA 6000 Telephone: (08) 9323 2000 Facsimile: (08) 9323 2033
ASX Code	GTE - Shares

GREAT WESTERN EXPLORATION LIMITED
ABN 53 123 631 470

DIRECTORS' REPORT

The Directors present the financial report of the Consolidated Group ("the Group") for the half-year ended 31 December 2014.

DIRECTORS

The names of the Directors in office during the half year and until the date of this report are as below. Directors were in office for the entire period unless otherwise stated.

Kevin Clarence Somes	Chairman
Jordan Ashton Luckett	Managing Director
Craig Donald Mathieson	Non-executive Director
Terrence Ronald Grammer	Non-executive (Appointed 25 July 2014)

REVIEW OF OPERATIONS

During the period under review the Group focused its exploration activities on base metals, gold and nickel.

The Group's activities are contained in releases to the ASX on a quarterly basis and contained in the Group's website

www.greatwesternexploration.com.au

During the period of review Great Western Exploration Ltd ("GTE") has focused its exploration activities on targeting gold and base metal deposits within Doolgunna and Cunyu (Joint Venture) Projects of the Yerrida Basin in Western Australia. The recent discovery and mine development of the DeGrussa Copper-Gold Mine and the continued operations at the Magellan Lead Mine has reinvigorated the awareness and interest of this under-explored region as a premier poly-metallic exploration address.

In addition, GTE is exploring for gold at the 100% owned Millrose Project located in the northern Kalgoorlie Super-terrane of the Eastern Goldfields Province and gold and nickel at the Forrestania Nickel Joint Venture Project where established nickel miner Western Areas NL has earned a 70% interest.

YERRIDA

Doolgunna Project (100% GTE)

Analysis of previously collected geophysical and geochemical data highlighted areas prospective for copper and gold within the Proterozoic Yerrida Basin stratigraphy. Several high priority targets have been defined and at the Goodin Prospect after the completion of a Heritage Survey two copper electro magnetic (EM) targets were drill tested in November 2014. The drilling was successful in determining the source of two EM anomalies by intersecting a unit of black shale. However no significant assays were returned from the program.

GTE continues to define targets where geochemical anomalous areas are coincident with regional structures interpreted from recently acquired gravity and magnetic geophysical data. The Company maintains its focus on drill testing these targets into 2015.

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Cunyu Joint Venture Project (GTE earning 70%)

GTE completed a wide spaced reverse circulation (RC) drill program totaling nine hole for 1,529 meters at the Finlayson Prospect. This Prospect is located over the northern area of an extensive greenstone sequence that has been interpreted from the Companies previous geophysical surveys. The greenstone sequence occurs beneath a variable thickness of cover and is 55 kilometers north west of the Wiluna Mine Center where approximately 5 million ounces of gold has been mined. This drilling successfully achieved its primary objective by intersecting the basement greenstone rocks from depths of 23 meters. In addition to this, an altered shear zone within a mafic host rock returned low level gold anomalism. The Company is excited by this result at such an early stage of exploration as it opens up a significant land area of highly prospective near surface greenstone rocks and provides evidence that the prospect contains mineralised structures with gold bearing potential.

FORRESTANIA

This project is the subject of a Joint Venture with Western Areas NL (WSA) (70%) and GTE (30%). WSA reported that no exploration work had been completed during the current period.

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AUDITOR'S DECLARATION

The Auditor's Independence Declaration for the half year ended 31 December 2014 under section 307C of the Corporations Act 2001 is set out on page 24.

This report is signed in accordance with a resolution of the Board of Directors.

A handwritten signature in dark ink, appearing to read 'K C Somes', is written over a faint, light-colored rectangular stamp or watermark.

K C Somes
Chairman

Dated: Perth 16th March 2015

GREAT WESTERN EXPLORATION LIMITED
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**CONSOLIDATED STATEMENT OF PROFIT OR LOSS
AND OTHER COMPREHENSIVE INCOME
FOR THE HALF-YEAR ENDED 31 DECEMBER 2014**

	Note	Consolidated 31.12.2014 \$	Consolidated 31.12.2013 \$
Interest revenue		3,763	28,931
Other revenue		-	9,548
Employee benefits expense		(254,791)	(256,209)
Directors fees		(74,435)	(82,500)
Depreciation		(12,519)	(15,007)
Administration costs		(206,930)	(324,168)
Compliance and regulatory		(42,833)	(48,007)
Net loss on revaluation of financial asset		(400)	(2,600)
Mineral exploration expenditure written off		(24,244)	(292,350)
Impairment of mineral exploration expenditure		-	(2,049,654)
Loss before income tax		(612,389)	(3,032,016)
Income tax expense		-	-
Loss for the period		(612,389)	(3,032,016)
Other comprehensive income		-	-
Items that may be reclassified subsequently to profit or loss:			
Exchange differences on translating Foreign Controlled entities		(3,690)	1,216
Total comprehensive income for the period attributable to members		(616,079)	(3,030,800)
Earnings per share			
From continuing operations:			
Basic earnings per share (cents)		(0.38)	(2.42)

The accompanying notes form part of this condensed consolidated half-year financial report.

GREAT WESTERN EXPLORATION LIMITED
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CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2014

	Note	Consolidated 31.12.2014 \$	Consolidated 30.06.2014 \$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents		35,014	311,457
Trade and other receivables		35,921	24,133
Other financial assets		600	1,000
Other		4,431	5,483
TOTAL CURRENT ASSETS		75,966	342,073
NON-CURRENT ASSETS			
Plant and equipment		71,005	85,358
Mineral exploration expenditure	5	6,003,583	5,541,853
Other financial assets		31,616	59,616
TOTAL NON-CURRENT ASSETS		6,106,204	5,686,827
TOTAL ASSETS		6,182,170	6,028,900
CURRENT LIABILITIES			
Trade and other payables		402,957	240,883
Provisions		22,110	24,039
TOTAL CURRENT LIABILITIES		425,067	264,922
TOTAL LIABILITIES		425,067	264,922
NET ASSETS		5,757,103	5,763,978
EQUITY			
Issued capital	3	19,020,005	18,441,819
Reserves		1,855,971	1,828,623
Accumulated losses		(15,118,873)	(14,506,464)
TOTAL EQUITY		5,757,103	5,763,978

The accompanying notes form part of this condensed consolidated half-year financial report.

GREAT WESTERN EXPLORATION LIMITED
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CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE HALF-YEAR ENDED 31 DECEMBER 2014

	Issued Capital	Option Reserves	Foreign Currency Translation Reserve	Accumulated Losses	Total
	\$	\$	\$		\$
Consolidated					
Balance at 1.7.2014	18,441,819	1,784,878	43,765	(14,506,484)	5,763,978
Loss for the period	-	-		(612,389)	(612,389)
Other comprehensive income for the period	-	-	(3,690)	-	(3,690)
Total comprehensive Income for the period	-	-	(3,690)	(612,389)	(616,079)
Share based payments	-	31,018	-	-	31,018
Shares issued during the period	578,186	-	-	-	578,186
Balance at 31.12.2014	19,020,005	1,815,896	40,075	(15,118,873)	5,757,103
Consolidated					
Balance at 1.7.2013	14,190,666	1,823,325	25,704	(10,126,870)	5,912,825
Loss for the period	-	-		(3,032,016)	(3,032,016)
Other comprehensive income for the period	-	-	1,216	-	1,216
Total comprehensive Income for the period	-	-	1,216	(3,032,016)	(3,030,800)
Share based payments	-	-	-	-	-
Shares issued during the period	3,780,473	-	-	-	3,780,473
Balance at 31.12.2013	17,971,139	1,823,325	26,920	(13,158,886)	6,662,498

The accompanying notes form part of this condensed consolidated half-year financial report.

GREAT WESTERN EXPLORATION LIMITED
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CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2014

	Consolidated 31.12.2014 \$	Consolidated 31.12.2013 \$
CASH FLOWS FROM OPERATING ACTIVITIES		
Payments to suppliers and employees	(370,109)	(697,846)
Mineral exploration expenditure	(473,218)	(2,573,845)
Interest received	3,763	28,931
Net cash used in operating activities	<u>(839,564)</u>	<u>(3,242,760)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of plant and equipment	(2,122)	(17,586)
Acquisition of exploration projects	(61,698)	(216,024)
Refund of security deposit	28,000	-
Net cash provided by/(used in) investing activities	<u>(35,820)</u>	<u>(233,610)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of options	-	-
Proceeds from issue of shares	604,709	3,934,960
Securities issue costs	(5,768)	(154,487)
Net cash provided by financing activities	<u>598,941</u>	<u>3,780,473</u>
Net increase/(decrease) in cash held	(276,443)	304,103
Cash and cash equivalents at beginning of period	311,457	867,631
Cash and cash equivalents at end of period	<u>35,014</u>	<u>1,171,734</u>

The accompanying notes form part of this condensed consolidated half-year financial report.

GREAT WESTERN EXPLORATION LIMITED
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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2014

NOTE 1: BASIS OF PREPARATION

These general purpose financial statements for the interim half-year reporting period ended 31 December 2014 have been prepared in accordance with requirements of the *Corporations Act 2001* and Australian Accounting Standards including AASB 134: Interim Financial Reporting. Compliance with Australian Accounting Standards ensures that the financial statements and notes also comply with International Financial Reporting Standards.

This interim financial report is intended to provide users with an update on the latest annual financial statements of Great Western Exploration Limited and its controlled entities ("the Group"). As such, it does not contain information that represents relatively insignificant changes occurring during the half-year within the Group. It is therefore recommended that this financial report be read in conjunction with the annual financial statements of the Group for the year ended 30 June 2014, together with any public announcements made during the half-year.

The Group has adopted all of the new and revised Standards and Interpretations issued by the Australian Accounting Standards Board (the AASB) that are relevant to their operations and effective for the current half-year.

New and revised Standards and amendments thereof and Interpretations effective for the current half-year that are relevant to the Group include:

- AASB 1031 'Materiality' (2013)
- AASB 2012-3 'Amendments to Australian Accounting Standards – Offsetting Financial Assets and Financial Liabilities'
- AASB 2013-3 'Amendments to AASB 136 – Recoverable Amount Disclosures for Non Financial Assets'
- AASB 2013-4 'Amendments to Australian Accounting Standards – Novation of Derivatives and Continuation of Hedge Accounting'
- AASB 2013-5 'Amendments to Australian Accounting Standards – Investment Entities'
- AASB 2013-9 'Amendments to Australian Accounting Standards' – Part B: 'Materiality'
- AASB 2014-1 'Amendments to Australian Accounting Standards'
 - Part A: 'Annual Improvements 2010-2012 and 2011-2013 Cycles'
 - Part B: 'Defined Benefit Plans: Employee Contributions (Amendments to AASB 119)'
 - Part C: 'Materiality'
- Interpretation 21 'Levies'

The adoption of the above standards have not had a material impact on this half year financial report.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2014

NOTE 1: BASIS OF PREPARATION (CONTINUED)

a) Going Concern

The Half- year financial report has been prepared on the going concern basis, which contemplates the continuity of normal business activity, and the realisation of assets and the settlement of liabilities in the ordinary course of business.

The Group incurred a loss for the half-year of \$612,389 (31 December 2013 loss \$3,032,016).

The Group has a working capital deficiency of \$(349,101) at 31 December 2014 (30 June 2014 \$77,151 (surplus)). The Group has ongoing expenditures in respect of administration costs, exploration and evaluation expenditure on its exploration projects and the Directors are conscious of the fact that they will need to raise additional capital.

Included in the working capital deficiency is an amount of \$208,266 representing accrued salaries and directors fees due to directors. The Directors have agreed to accept the issue of shares, to the value \$120,507, in lieu of the monies owing, with a further \$61,733 deferred until such time as the company has adequate working capital. A General Meeting of the Company will be called in due course to seek shareholders' approval for the issue of shares to directors.

Since 31 December 2014 the Company has completed the 1:10 non-renounceable rights issue the subject of the prospectus dated 27 November 2014, the issue raised approximately \$370,000 before issue costs, with the Board confident of placing the shortfall of approximately \$128,000.

The Directors believe that at the date of signing of the financial statements there are reasonable grounds to believe that the Group will be able to raise sufficient funds to meet its obligations as and when they fall due and continue to proceed with the Group's objectives beyond the currently committed expenditure for the 12-month period from the date of signing this financial report.

In arriving at this conclusion, the Directors are comfortable that, as and when required, they will be able to raise equity to provide sufficient working capital.

Should the Directors not achieve the matters as set out above, there is material uncertainty whether the Group will continue as a going concern and therefore whether they will realise their assets and extinguish their liabilities in the normal course of business and at the amounts stated in the financial report.

GREAT WESTERN EXPLORATION LIMITED
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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2014

NOTE 1: BASIS OF PREPARATION (CONTINUED)

a) Going Concern (Continued)

The financials do not include any adjustments relating to the recoverability and classification of recorded asset amounts and classification of liabilities that might be necessary, should the Group not continue as a going concern and meet its debts as and when they fall due.

NOTE 2: OPERATING SEGMENTS

Segment Information

Identification of reportable segments

The Group has identified its operating segments based on the internal reports that are reviewed and used by the Board of Directors (chief operating decision makers) in assessing performance and determining the allocation of resources.

The Group's principal activities are mineral exploration and managed primarily on a project by project basis. Operating segments are therefore determined on the same basis.

Reportable segments disclosed are based on aggregating operating segments where the segments are considered to have similar economic characteristics.

Types of products and services by segment

The Group's exploration projects consists of:

- Nickel & Gold
- Base metals

Basis of accounting for purposes of reporting by operating segments

Unless stated otherwise, all amounts reported to the Board of Directors as the chief decision maker with respect to operating segments are determined in accordance with accounting policies that are consistent to those adopted in the annual financial statements of the Group.

Segment assets

Segment assets are clearly identifiable on the basis of their nature and physical location.

Unless indicated otherwise in the segment assets note, investments in financial assets, deferred tax assets and intangible assets have not been allocated to operating segments.

GREAT WESTERN EXPLORATION LIMITED
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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2014

NOTE 2: OPERATING SEGMENTS(CONTINUED)

Segment liabilities

Liabilities are allocated to segments where there is direct nexus between the incurrence of the liability and the operations of the segment. Segment liabilities include trade and other payables and certain direct borrowings.

Unallocated items

Items of revenue, expense, assets and liabilities are not allocated to operating segments if they are not considered part of the core operations of any segment.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2014

NOTE 2: OPERATING SEGMENTS (CONTINUED)

(i) Segment performance

	Doolgunna Base Metals	Xstrata JV Base Metals	Forrestania Nickel & Gold	Other Nickel & Gold	Total
	\$	\$	\$	\$	\$
Six months ended 31.12.2014					
External sales	-	-	-	-	-
Total segment revenue	-	-	-	-	-
Segment net loss before tax	-	-	-	-	-
Reconciliation of segment result to net profit/(loss) before tax					
Amount not included in segment result but reviewed by the Board:					
Interest received and Other Income					3,763
Employee benefit expense					(254,791)
Directors fees					(74,435)
Compliance					(42,833)
Depreciation					(12,519)
Other expenses					(206,930)
Mineral exploration written off					(24,244)
Net loss on revaluation of financial asset					(400)
Net profit/(loss) before tax from continuing operations					(612,389)

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2014

NOTE 2: OPERATING SEGMENTS (CONTINUED)

(i) Segment performance

	Doolgunna Base Metals	Kazakhstan Base Metals	Forrestania Nickel & Gold	Millrose Nickel & Gold	Total
	\$	\$	\$	\$	\$
Six months ended 31.12.2013					
External sales	-	-	-	-	-
Total segment revenue	-	-	-	-	-
Segment net loss before tax	-	(2,228,726)	-	-	(2,228,726)
Reconciliation of segment result to net profit/(loss) before tax					
Amount not included in segment result but reviewed by the Board:					
Interest received and Other Income					38,479
Employee benefit expense					(256,209)
Directors fees					(82,500)
Compliance					(48,007)
Depreciation					(15,007)
Other expenses					(324,168)
Mineral exploration written off					(113,278)
Net loss on revaluation of financial asset					(2,600)
Net profit/(loss) before tax from continuing operations					(3,032,016)

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2014

NOTE 2: OPERATING SEGMENTS (CONTINUED)

(ii) Segment assets

	Doolgunna Base Metals	Xstrata JV Base Metals \$	Forrestania Nickel & Gold \$	Millrose Nickel & Gold \$	Other \$	Total \$
31.12.2014						
Segment assets	2,758,841	582,196	2,346,306	274,557	41,683	6,003,583
Segment asset movements for the period:						
• Capital expenditure	123,672	274,488	7,818	2,993	-	408,971
• Acquisitions	11,075	-	-	-	41,685	52,760
• Impairment	-	-	-	-	-	-
	134,747	274,488	7,818	2,993	41,685	461,731
Reconciliation of segment assets to total assets						
Unallocated assets:						
• Cash and cash equivalents						35,014
• Receivables						35,921
• Other financial assets						600
• Property plant and equipment						71,005
• Other						36,047
Total assets from continuing operations						6,182,170

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2014

NOTE 2: OPERATING SEGMENTS (CONTINUED)

(ii) Segment assets

	Doolgunna Base Metals \$	Kazakhstan Copper \$	Forrestania Nickel & Gold \$	Bullseye Millrose Nickel & Gold	Other \$	Total \$
30.6.2014						
Segment assets	2,931,801	-	2,338,488	271,564	-	5,541,853
Segment asset movements for the period:						
• Capital expenditure	621,629	2,317,024	38,824	59,297	191,958	3,228,732
• Acquisitions	23,662	216,024	-	-	-	239,686
	645,291	2,533,048	38,824	59,297	191,958	3,468,418
Reconciliation of segment assets to total assets						
Unallocated assets:						
• Cash and cash equivalents						311,457
• Receivables						24,133
• Property plant and equipment						85,358
• Other assets						6,483
• Other financial assets						59,616
Total assets from continuing operations						6,028,900

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2014

NOTE 2: OPERATING SEGMENTS (CONTINUED)

(iii) Segment liabilities

	Doolgunna Base Metals \$	Xstrata JV Base Metals \$	Forrestania Nickel & Gold \$	Millrose/Bullseye Nickel & Gold \$	Other \$	Total \$
31.12.2014						
Segment liabilities	-	-	-	-	-	-
Reconciliation of segment liabilities to total liabilities						
Unallocated liabilities:						
• Other liabilities						<u>425,067</u>
Total liabilities from continuing operations						<u>425,067</u>
30.6.2014						
Segment liabilities	-	-	-	-	-	-
Reconciliation of segment liabilities to total liabilities						
Unallocated liabilities:						
• Other liabilities						<u>264,922</u>
Total liabilities from continuing operations						<u>264,922</u>

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2014

NOTE 3: ISSUED CAPITAL

31.12.2014

	No. on issue	\$
ISSUED CAPITAL		
Ordinary shares on issue	166,000,466	19,020,005
	No. on issue	\$

Movements in Ordinary Shares

Balance at the beginning of the period	147,873,163	18,441,819
Issued during the period		
On 25 July 2014, rights issue at \$0.03 per share	9,526,303	285,789
On 7 October 2014, placement at \$0.04 per share	8,600,000	344,000
On 16 October 2014, issue at \$0.04 per share	1,000	40
Share issue costs	-	(51,643)
Balance at the end of the period	166,000,466	19,020,005

Options

Unlisted

Balance at the beginning of the period	9,350,000	1,784,858
Issued during the period	2,000,000	31,018
Expired during the period	-	-
Balance at the end of the period	11,350,000	1,815,896

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2014

NOTE 4: SHARE BASED PAYMENTS

In July 2014, 2,000,000 options were granted to a Director under the Group's Employee Share Option Plan. The options expire on 30 June 2016 and are exercisable at \$0.10 per share.

The fair value of the options granted is estimated as at the date of grant, using the Binomial Options Pricing method, taking into account the terms and conditions upon which the options were granted.

The following table lists the inputs to the model used for the half-year ended 31 December 2014.

	Issue Date 25 July 2014
Expected volatility (%)	88.33
Risk-free interest rate (%)	2.55
Dividend yield	-

The share price of the underlying equity on 25 July 2014 was \$0.052. The estimated fair value of the options at grant date was \$0.0155. The options were vested immediately.

NOTE 5: MINERAL EXPLORATION EXPENDITURE

	31.12.2014	30.6.2014
	\$	\$
Capitalised at cost at the beginning of the period	5,541,853	5,091,496
Deferred exploration expenditure	461,730	3,468,419
Impairment of exploration expenditure	-	(3,018,062)
Balance at the at the end of the period	6,003,583	5,541,853

The value of the Group's interest in exploration expenditure is dependent upon:

- the continuance of the Group's rights to tenure of the areas of interest
- the results of future exploration; and
- the recoupment of costs through successful development and exploitation of the areas of interest or alternatively by their sale.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2014

NOTE 6: FINANCIAL INSTRUMENTS

The Group's financial instruments consist of trade and other receivables, other financial assets and trade and other payables. The financial instruments are measured at cost, less any provision for non-recovery. The carrying amount of the financial assets and liabilities approximate their fair value.

NOTE 7: EVENTS SUBSEQUENT TO REPORTING DATE

The Directors are not aware of any matter or circumstance that has arisen since 31 December 2014 which has significantly affected or may significantly affect the operations of the Group, the results of those operations, or the state of affairs of the Group, in future financial years other than:

- on 29 January 2015 the Company announced the completion of the 1:10 non-renounceable rights issue the subject of the prospectus dated 27 November 2014, which raised approximately \$370,000 before issue costs;
- the Company has announced to ASX on 16 March 2015 that it has agreed, subject to shareholder approval, to issue a total of 4,016,900 fully paid shares at an issue price of \$0.03 each to directors in lieu of directors' fees and salaries accrued to 31 December 2014.

NOTE 8: CONTINGENT LIABILITIES

There has been no change in contingent liabilities since the last annual reporting date.

GREAT WESTERN EXPLORATION LIMITED
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DIRECTORS' DECLARATION

In accordance with a resolution of the Directors of Great Western Exploration Limited, I state that:

In the opinion of the Directors:

- (a) the financial statements and notes of the Group are in accordance with the *Corporations Act 2001*, including:
 - (i) giving a true and fair view of the financial position as at 31 December 2014 and the performance for the half-year ended on that date of the Group; and
 - (ii) complying with Accounting Standards AASB 134 *Interim Financial Reporting* and the Corporations Regulations 2001; and
- (b) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they come due and payable.

On behalf of the Board

A handwritten signature in dark ink, appearing to read 'K C Somes', is written over a faint, light-colored rectangular stamp or watermark.

K C Somes
Chairman

Dated: Perth 16th March 2015

**Bentleys Audit & Corporate
(WA) Pty Ltd**

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To the Board of Directors

Auditor's Independence Declaration under Section 307C of the Corporations Act 2001

As lead audit director for the review of the financial statements of Great Western Exploration Limited for the half year ended 31 December 2014, I declare that to the best of my knowledge and belief, there have been no contraventions of:

- the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
- any applicable code of professional conduct in relation to the review.

Yours faithfully



BENTLEYS
Chartered Accountants



MARK DELAURENTIS CA
Director

Dated at Perth this 16th day of March 2015

Independent Auditor's Review Report

To the Members of Great Western Exploration Limited

We have reviewed the accompanying half-year financial report of Great Western Exploration Limited ("the Company") and Controlled Entities ("the Consolidated Entity") which comprises the consolidated statement of financial position as at 31 December 2014, the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the half-year ended on that date, a statement of accounting policies, other selected explanatory notes and the directors' declaration of the Entity, comprising the Company and the entities it controlled during the half-year.

Directors Responsibility for the Half-Year Financial Report

The directors of the Company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the Corporations Act 2001 and for such control as the directors determine is necessary to enable the preparation of the half-year financial report that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 Review of a Financial Report Performed by the Independent Auditor of the Entity, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the financial report is not in accordance with the Corporations Act 2001 including: giving a true and fair view of the Consolidated Entity's financial position as at 31 December 2014 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 Interim Financial Reporting and the Corporations Regulations 2001. As the auditor of the Consolidated Entity, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Independent Auditor's Review Report

To the Members of Great Western Exploration Limited (Continued)



Independence

In conducting our review, we have complied with the independence requirements of the Corporations Act 2001.

Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Great Western Exploration Limited and Controlled Entities is not in accordance with the Corporations Act 2001 including:

- a. Giving a true and fair view of the Consolidated Entity's financial position as at 31 December 2014 and of its performance for the half-year ended on that date; and
- b. Complying with Accounting Standard AASB 134: Interim Financial Reporting and Corporations Regulations 2001.

Emphasis of matter

Without qualifying our conclusion, we draw attention to Note 1 of the half-year financial report which indicates that the Consolidated Entity incurred a net loss of \$612,389 during the period ended 31 December 2014. This condition, along with other matters as set forth in note 1, indicate the existence of a material uncertainty which may cast significant doubt about the Consolidated Entity's ability to continue as a going concern and therefore, the Consolidated Entity may be unable to realise its assets and settle its liabilities in the normal course of the business and at the amounts stated in the half-year financial report.

BENTLEYS
Chartered Accountants

MARK DELAURENTIS CA
Director

Dated at Perth this 16th day of March 2015