

ASX Release

14 October 2016

Great Western Exploration Limited
ABN 53 123 631 470

ASX Code: *GTE*

Success starts with Opportunity

GTE is an experienced exploration company focussed on the discovery of high value base metal, nickel and gold deposits.

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Board of Directors

Kevin Somes – Chairman

Jordan Luckett – Managing Director

Craig Mathieson – Non-Executive

Terry Grammer – Non-Executive

Justin Barton – Company Secretary

Vanguard Acquisition Update

Great Western Exploration Limited (“the Company”) would like to provide an update on the Vanguard Exploration Limited (“Vanguard”) acquisition.

All of the Directors and the substantial shareholders of Vanguard have signed their Share Sale Agreement for the sale of their shares to the Company. This represents 59% of the Vanguard shares.

The Minority Shareholder Share Sale Agreements, with an accompanying Prospectus, will now be sent out to the remaining Vanguard shareholders for their attention.

The Company has already sent out a Notice of Meeting to its own shareholders to approve the Vanguard acquisition to be held on the 25th October, 2016.

Vanguard has two projects:

- A promising new gold-silver discovery with bonanza grades at its Ives Find project located in the Yandal greenstone belt; and
- Its second project called Fairbairn is located east of Doolgunna on the Jenkins/Goodin fault along strike of the Degruessa copper deposit.

Accompanying the Notice of Meeting was the Independent Expert Report (“IER”) that included a Independent Geologist report on these projects:

On the 26th April 2016 the Company announced an all script offer for unlisted public company Vanguard Exploration Limited (“Vanguard”) that has been accepted by the Directors of Vanguard and who will recommend it to Vanguard shareholders. The offer is on the basis of four GTE shares for one Vanguard share which equates to a total of 150,833,124 GTE shares. The offer is subject to several conditions which are detailed in that announcement.

The Company also announced on 23 September 2016, a Notice of Meeting to be held on 25 October 2016 for shareholders to vote on the proposed acquisition of Vanguard. This announcement included an Independent Expert Report and accompanying Independent Geologist Reports on the Vanguard and GTE projects.

Also announced was Vanguard recent new high grade gold discovery near the historical Ives Find gold workings located in the Yandal greenstone belt. The following table are the best results from the Vanguard drilling to date using a 10 g/t gold cut-off:

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

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

Vanguard also have a second project called Fairbairn that is located on the Jenkins/Goodin fault, along strike from Degrudda that the Company believes to be prospective for copper and gold and is an excellent fit with the Company’s current Doolgunna focus.

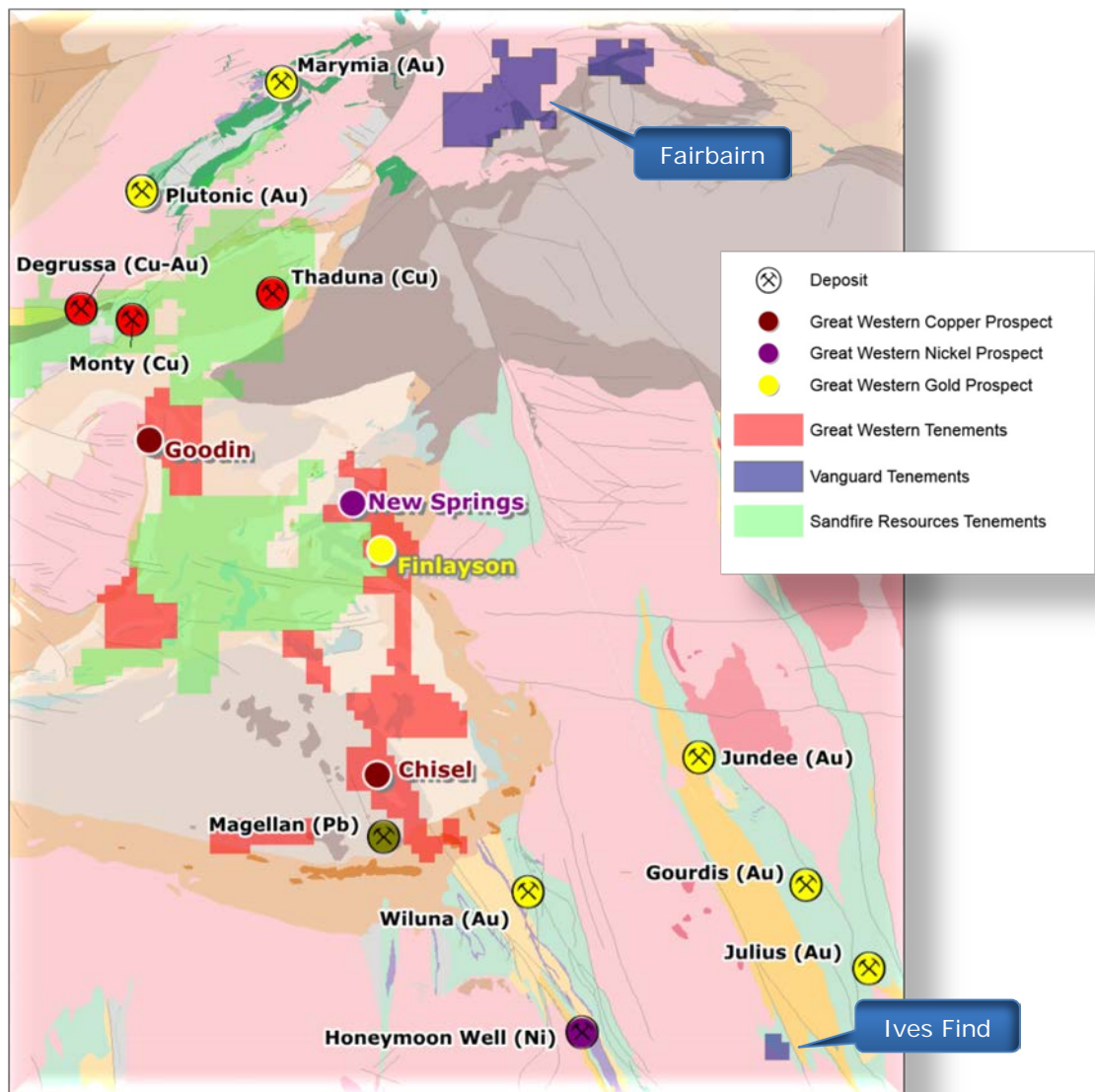


Figure 1. Location of GTE and Vanguards North Yilgarn projects

Ives Find Gold – Lithium Project

The Ives Find project area is located approximately 65 kilometres southeast of Wiluna and lies within the world-class Yandal Gold Province (fig 2). Exploration by Vanguard has established the presence of high-grade gold in drilling. In addition to the gold mineralisation there are also significant silver assays (table 1.)

The project is located approximately 55 km from the Bronzewing mill and 6 km from a main road that can connect the project to this mill. The mill is on care and maintenance and the current owners have stated their intentions to re-start milling operations as soon as possible by consolidating mill feed within a 70 km radius.

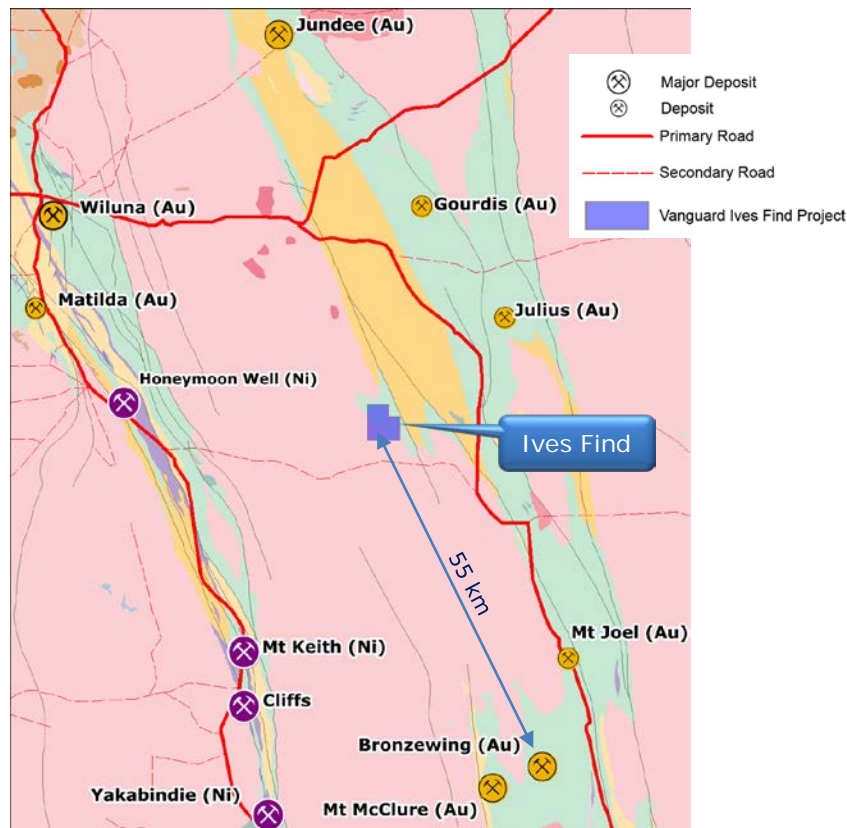


Figure 2. Location of Ives Find in the Yandal belt, Western Australia

Gold

Previous exploration carried out on the project included 19 shallow reverse circulation (“RC”) drill holes mostly targeting the historic Ives find workings and some surrounding areas in the late 1980s. This drilling intersected the high grade veins under the workings similar to what has been observed in the recent Vanguard drilling. It was recommended in the geological reports at the time to examine the possibility for tribute mining.

To date Vanguard has completed 52 shallow RC holes within the project area for a total of 2,609 m with the majority of holes between 40 m and 60 m depth and two holes greater than 100 m depth. Table 2 at the end of this report lists all the drill holes completed by Vanguard.

The gold mineralisation intersected so far occurs as narrow very high grade veins within shears hosted in granite. The grade appears to increase where these shears contain more mafic (amphibole) material. The mineralisation does not appear to be typical Archaean lode style and the multi-element geochemistry suggests a magmatic source for the mineralising fluid with anomalous bismuth, tungsten, tin, lead, copper and molybdenite associated with the gold-silver mineralisation. In addition to the high grade gold there is also an end of hole high grade intersection of 1 m @ 1.5% tungsten in hole IFRC015 from 46 m depth.

Drilling to date has identified three high grade veins; Bell Miner, Duck & Duckling as well as demonstrating gold mineralisation along approximately 1km of strike (fig 4). Further drilling is required at all three veins. There is also potential for further discoveries of similar high grade veins as there are

a number of geochemical anomalies that remain untested. By example, the Duckling vein was a new discovery that was a geochemical anomaly.

In terms of greenfield exploration the Company believes there is also potential for much wider zones of mineralisation along the granite – greenstone contact where surface mapping indicates is sheared in places but has not yet been drilled

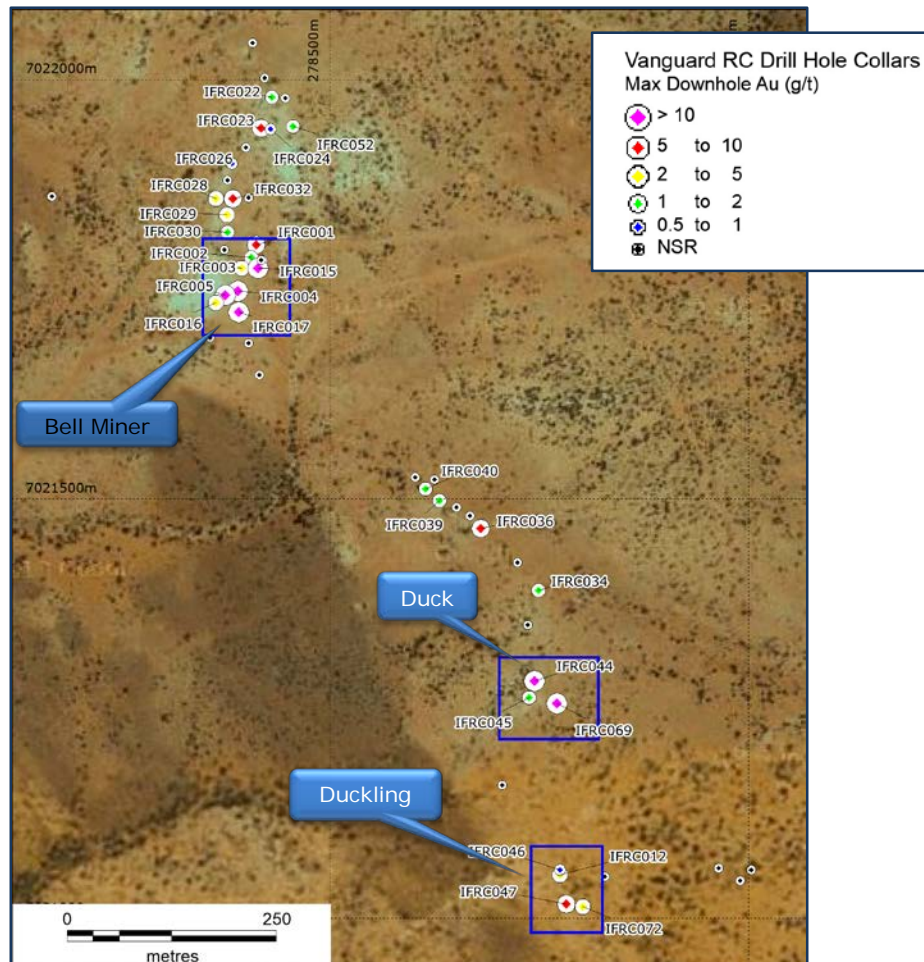


Figure 4: Drill hole collar location map for all Vanguard RC drilling at Ives Find. The collars have been coloured according to maximum downhole gold assay (1m sample; g/t Au) and Hole Nos included where there was maximum assay greater than 0.5 g/t

Lithium, Tantalum and Tungsten

The granite type that occurs at Ives Find are known economic sources of tin and tungsten as well as rare – element pegmatites. Rare-element pegmatites are important economic sources of lithium and tantalum (also known as LCT pegmatites).

There is a large area of pegmatite outcrop mapped by the GSWA within the project area. Furthermore pegmatites have been observed in number of locations over strike length of approximately 6km in some areas over 300 m in width. Minerals that have been observed in hand specimen include spessartine (Mn rich garnet), green muscovite, white k-feldspar. There are additional minerals that are either tourmaline and/or tantalite as well as fluorite and/or spodumene. In WA there are Pegmatites with similar mineral

assemblages which contain economic amounts of lithium. There is also abundant manganese oxide coating of the host basalts adjacent to the pegmatite intrusions.

The following guidelines have been published by the United States Geological Survey (“USGS”) for the discovery of economic lithium – tantalum pegmatites (LCT pegmatites):

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

All these are observed at Ives Find and therefore the project is considered prospective for lithium and/or tantalum bearing LCT pegmatites.



Figure 1: One example of Pegmatite Outcrop at Ives Find.

The company strategy at Ives Find going forward is:

- Continue exploration for near surface high grade veins
- Assess the potential for a high grade – low tonnage operation and trucking the ore to the Bronzewing mill which would require low capital for start up
- Carry out greenfields exploration including targeting the granite – greenstone contact and other geochemical and/or geophysical targets identified.
- Assess the lithium potential of the pegmatites within the project area.
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The Company's believes the Ives find project provides an excellent opportunity that limits downside risk but also has significant upside potential.

Fairbairn Copper project

The Fairbairn project area is located approximately 170 km north of Wiluna and is situated on the Jenkins-Goodin Fault Zone along strike from the Degruessa copper deposit (fig 1). Historical documents reported chalcopyrite within the project including 4 m @ 2.43% Cu in drilling.

The company believes this prospect is prospective for Proterozoic copper (porphyry and VHMS) and Archaean lode gold

Yerrida Projects

The Company has noted that Sandfire Resources Limited ("Sandfire") has significantly increased its land holding in the Yerrida basin over the last 6 months, acquiring approximately 1,300 km² directly around the company's projects (fig 1). Sandfire is the region's most successful explorer having discovered both the Degruessa and Monty copper-gold deposits and it is highly encouraging that it is now targeting the Yerrida basin near the Company's prospects.

The Company interprets this as Sandfire believes that the mineralisation seen at Degruessa and Monty is not just confined to the Bryah basin and can also occur in the larger Yerrida basin as well. This is what the Company interpreted when it started to acquire tenements in the region in 2010 and now believes it has benefited from first mover advantage identifying the more prospective areas.

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.