

Dale Allen
ASX Listings Compliance

By email: Dale.allen@asx.com.au

9th May 2016

Dear Dale

Great Western Exploration Limited – Appendix 5B 31 March 2016

We refer to your letter dated 4 May 2016, and advise the following:

1. *Query: Does the Entity expect that it will continue to have negative operating cash flow for the time being, and if not, why not?*

Response: Great Western Exploration Limited (“GTE”) is a mineral exploration company and as such, we expect to continue to have negative operating cash flow in future quarters.

2. *Query: Has the Entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe they will be successful?*

Response: As detailed in our announcement on 26 April 2016, GTE has made an all script offer for unlisted public company Vanguard Exploration Limited, with prospective interests in gold, with one of the conditions precedent that GTE raise a minimum of \$1 million and issue no more than 100 million shares.

GTE is currently in advanced discussions regarding fund raising activities and hope to announce further details soon regarding these initiatives.

GTE is confident of raising \$1 million in funding, as required under the offer agreement, for working capital due to its:

- Strong and supportive shareholder base that have continued to support numerous substantial fund raising activities in the last 2 years;
- A dedicated and financially supportive Board of Directors;
- The positive response by the market to the recent offer agreement to Vanguard Exploration Limited; and
- An increasingly positive gold market.

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3. *Query: Does the Entity expect to continue its operations and to meet its business objectives and, if so, on what basis?*

Response: GTE expects to have negative operating cash flows in future quarters due to its status as a mineral explorer. The points outlined above will ensure that GTE is fully funded to continue its operations.

4. *Query: Can the Entity confirm that it is in compliance with Listing Rule 3.1 and that there is no information that should be given to ASX about its financial condition in accordance with that Rule that has not already been released to the market?*

Response: GTE is in compliance with the ASX Listing Rules, in particular Listing Rule 3.1 and confirm that there is no information that should be given to the ASX that has not already been released to the market.

Based on the information above, GTE believes that it is in compliance with Listing Rule 12.2.

Should you require any further information, please do not hesitate to contact us.

Yours sincerely



Justin Barton
Company Secretary



4 May 2016

Mr Justin Barton
Great Western Exploration Limited
Level 2, 35 Outram Street
West Perth WA 6005

By Email

Dear Mr Barton,

Great Western Exploration Limited (the “Entity”) – Appendix 5B Query

I refer to the Entity’s quarterly report in the form of Appendix 5B for the period ended 31 March 2016, lodged with ASX Market Announcements Platform on 29 April 2016 (“Appendix 5B”).

ASX notes that the Entity has reported:

- negative net operating cash flows for the quarter of \$199,000;
- cash at the end of the quarter of \$68,000; and
- estimated cash outflows for the next quarter of \$150,000.

It is possible to conclude on the basis of the information provided in the Appendix 5B that if the Entity were to continue to expend cash at the rate for the quarter (and at the rate estimated for the next quarter) indicated by the Appendix 5B, the Entity may not have sufficient cash to continue funding its operations. In view of that, please respond to each of the following questions:

1. Does the Entity expect that it will continue to have negative operating cash flows for the time being and, if not, why not?
2. Has the Entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?
3. Does the Entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?
4. Can the Entity confirm that it is in compliance with Listing Rule 3.1 and that there is no information that should be given to ASX about its financial condition in accordance with that Rule that has not already been released to the market?

Please also provide any other information that the Entity considers may be relevant to ASX forming an opinion on whether the Entity is in compliance with Listing Rule 12.2.

When and where to send your response

This request is made under, and in accordance with Listing Rule 18.7. Your response is required as soon as reasonably possible and, in any event, by not later than **(3:00 pm WST) on Thursday, 12 May 2016**. If we do not have your response by then, ASX will have no choice but to consider suspending trading in the Entity's securities under Listing Rule 17.3.

You should note that if the information requested by this letter is information required to be given to ASX under Listing Rule 3.1 and it does not fall within the exceptions mentioned in Listing Rule 3.1A, the Entity's obligation is to disclose the information "immediately". This may require the information to be disclosed before the deadline set out in the previous paragraph.

ASX reserves the right to release a copy of this letter and your response on the ASX Market Announcements Platform under Listing Rule 18.7A. Accordingly, your response should be in a form suitable for release to the market.

Your response should be sent to me by e-mail at dale.allen@asx.com.au. It should not be sent directly to the ASX Market Announcements Office. This is to allow me to review your response to confirm that it is in a form appropriate for release to the market, before it is published on the ASX Market Announcements Platform.

Listing Rule 3.1

Listing Rule 3.1 requires a listed entity to give ASX immediately any information concerning it that a reasonable person would expect to have a material effect on the price or value of the entity's securities. Exceptions to this requirement are set out in Listing Rule 3.1A.

The obligation of the Entity to disclose information under Listing Rules 3.1 and 3.1A is not confined to, nor is it necessarily satisfied by, answering the questions set out in this letter.

In responding to this letter, you should have regard to the Entity's obligations under Listing Rules 3.1 and 3.1A and also to Guidance Note 8 *Continuous Disclosure: Listing Rules 3.1 – 3.1B*.

Trading halt

If you are unable to respond to this letter by the time specified above, you should discuss with us whether it is appropriate to request a trading halt in the Entity's securities under Listing Rule 17.1.

If you wish to request a trading halt, you must tell us:

- the reasons for the trading halt;
- how long you want the trading halt to last;

- the event you expect to happen that will end the trading halt;
- that you are not aware of any reason why the trading halt should not be granted; and
- any other information necessary to inform the market about the trading halt, or that we ask for.

We may require the request for a trading halt to be in writing. The trading halt cannot extend past the commencement of normal trading on the second day after the day on which it is granted.

You can find further information about trading halts in Guidance Note 16 *Trading Halts & Voluntary Suspensions*.

If you have any queries or concerns about any of the above, please contact me immediately.

Please feel free to contact me if you have any enquiries on the above.

Yours sincerely,

[sent electronically without signature]

Dale Allen

Senior Adviser, Listings Compliance (Perth)