

ASX Release

29 July 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

Quarterly Report

June 2016

Highlights

- The Vanguard Acquisition is progressing positively with the VALMIN reports close to completion.
- 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 Degruusa copper deposit.
- The Company has placed 24.5 million shares at 1.5 cents to raise \$368,000.

During the Quarter, Great Western Exploration Limited (“GTE”; the Company”) continued to progress the Vanguard Exploration Limited (“Vanguard”) acquisition announced on the 26th April 2016. As previously stated this particular transaction requires the completion of an Independent Experts Report (“IER”) to satisfy the requirements of Chapter 10.1 of the ASX listing rules. The IER requires the completion of VALMIN reports for both companies which takes the most time.

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 and is subject to several conditions which are detailed in the original announcement.

The VALMIN report for Vanguard has been completed and the report for GTE is well advanced and expected to be finished shortly. The Company is now finalising the other required documents for the IER including the Short Form Prospectus, Notice of Meeting, Share Sale Agreements and Financial Accounts for both Companies. The Directors of Vanguard have agreed to extend their Exclusivity agreement until after the General Meeting of Shareholders.

Also during the quarter the Company placed 24.5 million shares at 1.5 cents to raise \$368,000 for additional working capital and to facilitate the acquisition of Vanguard.

VANGUARD EXPLORATION LIMITED

Vanguard recently made a 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 Degruessa that the Company believes to be prospective for copper and gold and is an excellent fit with the Company’s current Doolgunna focus (see fig 1).

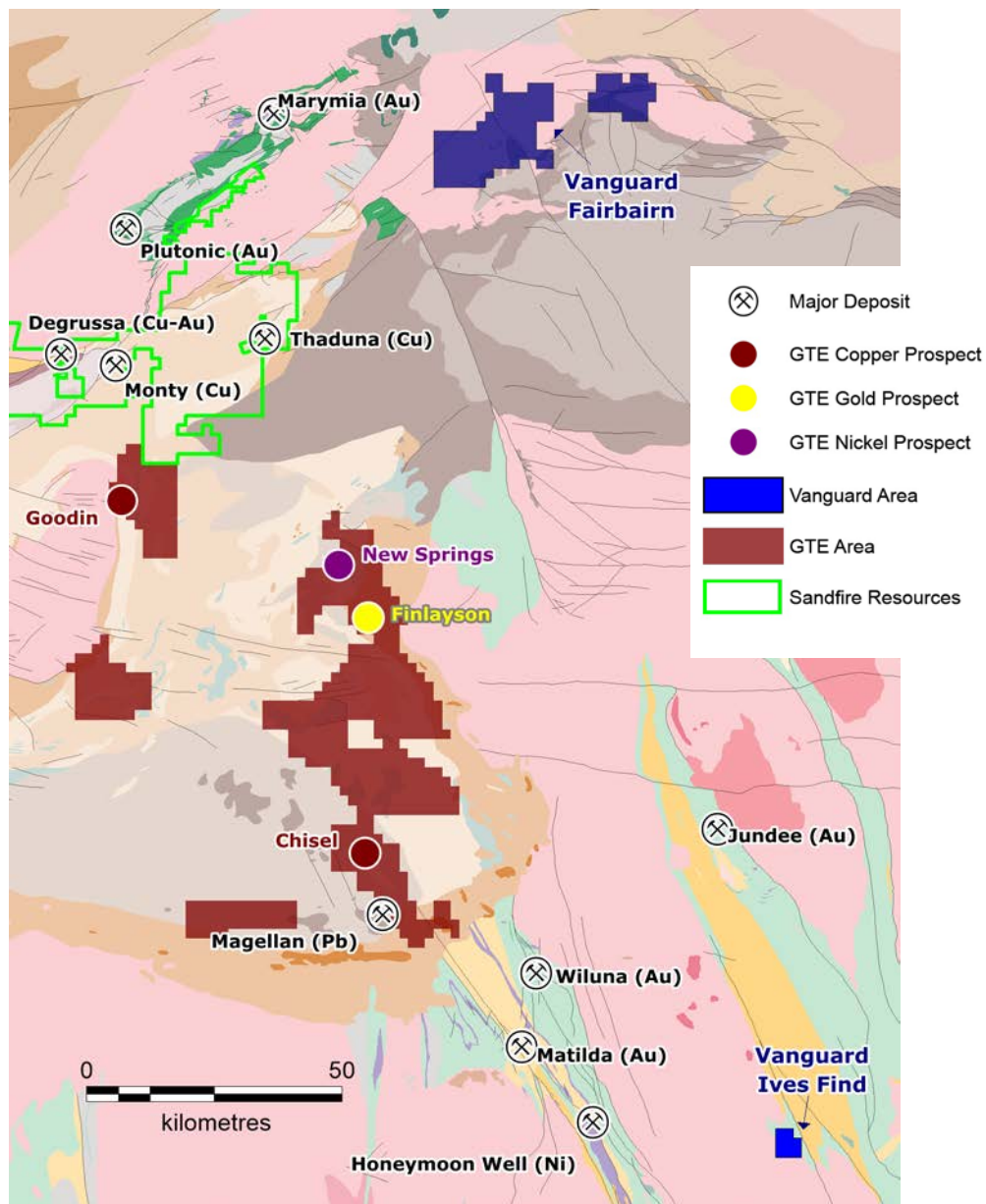


Figure 1. Location of GTE and Vanguards North Yilgarn projects

Ives Find Gold-Lithium Project – Vanguard (100%)

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 well located in terms of infrastructure with two mills within trucking distance, one at Wiluna and the second located Bronzewing located 55km to the south which is currently on care and maintenance.

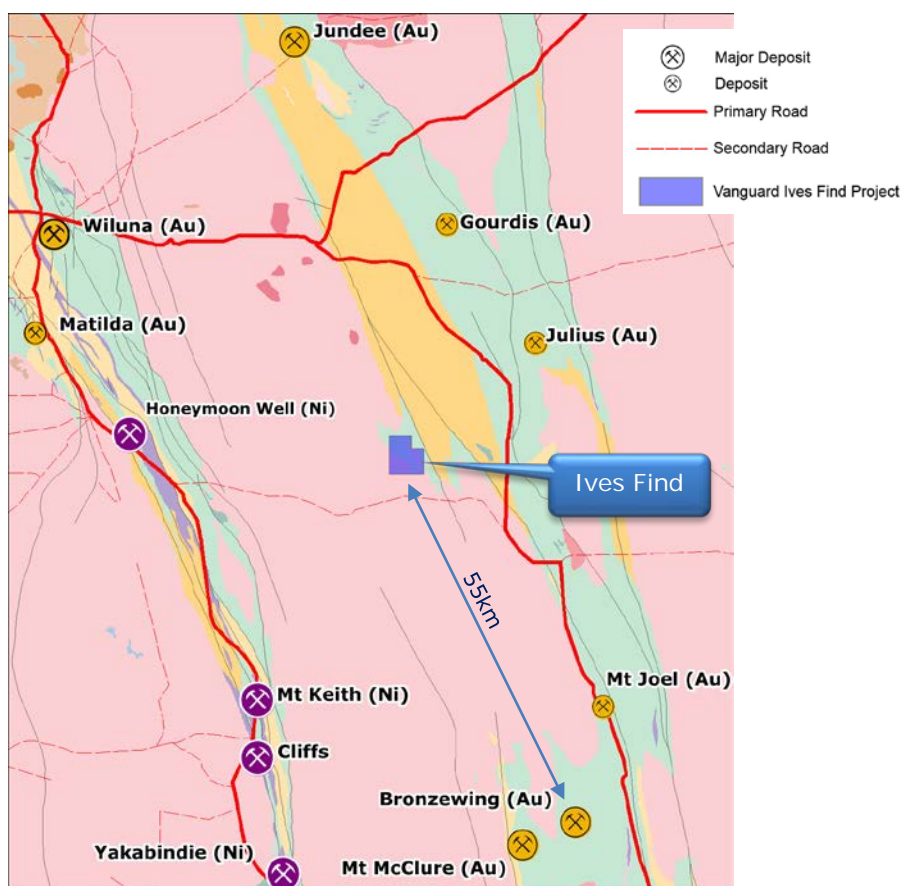


Figure 2. Location of Ives Find in the Yandal belt, Western Australia

Drilling by Vanguard to date has identified three high grade veins; Bell Miner, Duck & Duckling as well as demonstrating gold mineralisation along approximately 1km of strike (fig 3). Further drilling is required at all three prospects. There is also potential for further discoveries of similar high grade veins as there are number of geochemical anomalies that remain untested. By example, the Duckling vein was a new discovery as a result of drill testing surface geochemical anomaly. Also as well as the high grade gold and silver intersected in the Vanguard drilling there is also an end of hole high grade intersection of 1m @ 1.5% tungsten in hole IFRC015 from 46m depth.

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

In addition to the gold potential the prospect is also prospective for lithium as the granite that hosts the gold mineralisation at Ives Find is rich in high field strength elements (“HFSE”). These types of granites are known to produce lithium bearing pegmatites and there are a number of pegmatites within the project area that are spatially related to this granite. There has been no previous exploration for lithium in this area.

The company strategy going forward is:

- Continue exploration for near surface high grade veins
- Assess the potential for a high grade – low tonnage operation where the ore gets tolled treated at the Bronzewing mill which would require low capital for start up
- Carry out greenfield 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

The Company's believes the Ives find project provides an excellent gold opportunity that also has lithium potential

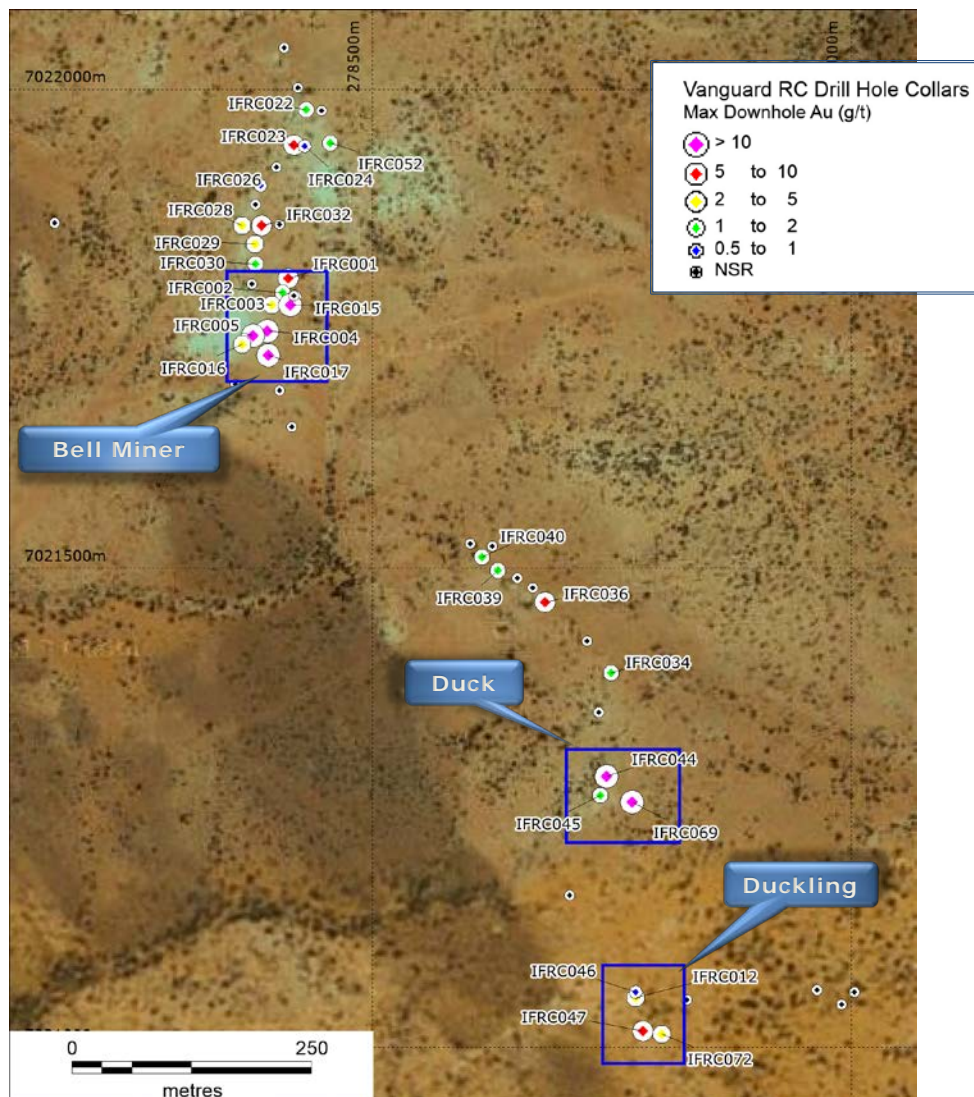


Figure 3: Drill hole collar location map for all Vanguard RC drilling at Ives Find. The collars have been coloured according to maximum downhole gold assay (1m sample; g/t Au) and Hole Nos included where there was maximum assay greater than 0.5 g/t

Fairbairn Copper Project – Vanguard (100%)

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

The company believes this prospect is prospective for Proterozoic copper (porphyry and VHMS) and Archaean lode gold. A number of prospective areas have been identified with one target granted EIS funding.

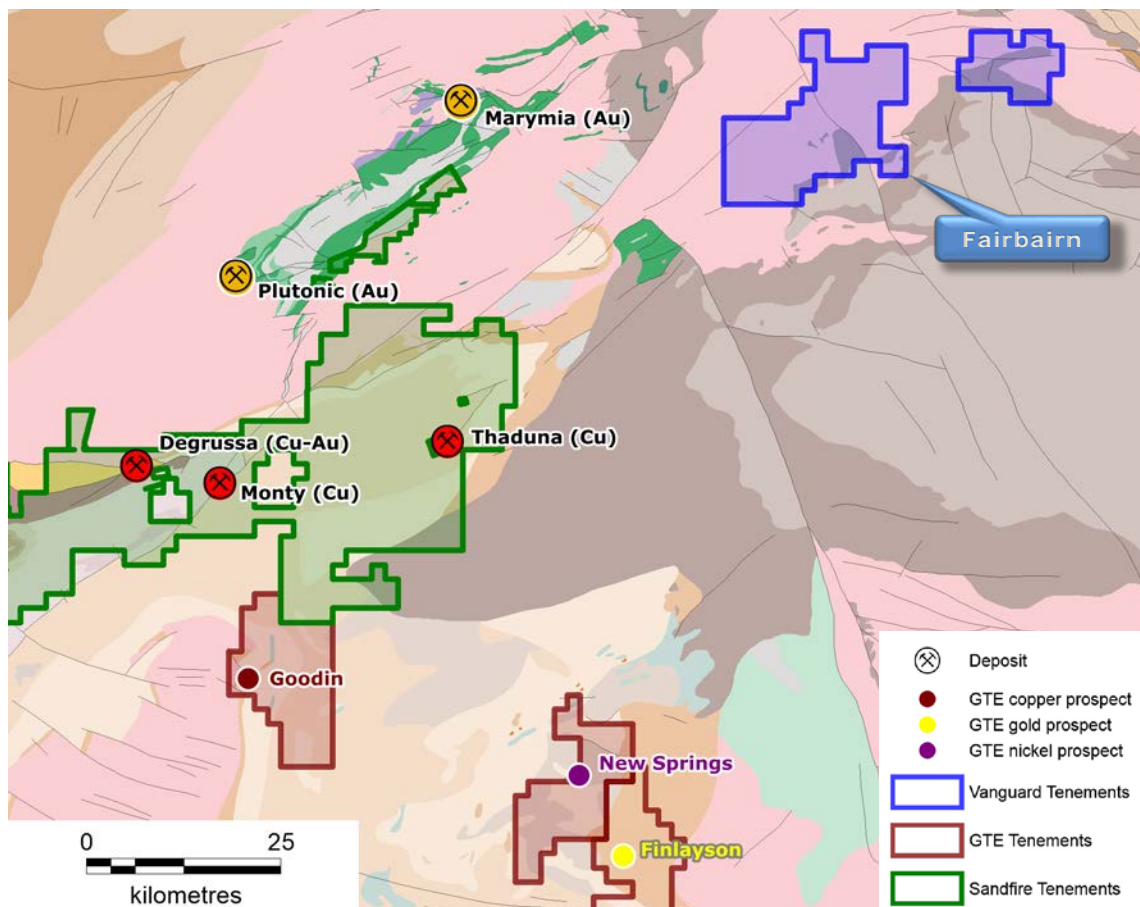


Figure 4: Location of Fairbairn along the Jenkins-Goodin fault

GREAT WESTERN EXPLORATION PROJECTS

Paroo Project (GTE 100%)

The Paroo project is located 20km from Wiluna and adjacent to the Magellan lead mine. The company believes the project is prospective for massive copper sulphide and silver - lead -zinc style mineralisation and has historical base metal anomalies in historic drilling that have not been followed up

Most of the exploration in the region was completed by RSG in the early to mid-1990s that resulted in the discovery of the Magellan lead mine. The high level of base metal anomalism that was encountered led RSG to refer to the region as base metal corner in their reports.

The company believes that the Chisel prospect is prospective for VHMS style copper mineralisation similar to the Degruessa and Monty deposits. The company completed three RC holes this year to determine the nature of the base metal anomalism in an historical intersection of 2m @ 3.2% copper, 8 g/t silver, 0.296 g/t gold and 0.12% zinc from a single diamond hole (DDH7) drilled in 1994. The main interest in the historical diamond drill hole was the juxtaposition of base metal mineralisation and “peperite” which is a diagnostic feature of Degruessa and Monty style massive copper mineralisation

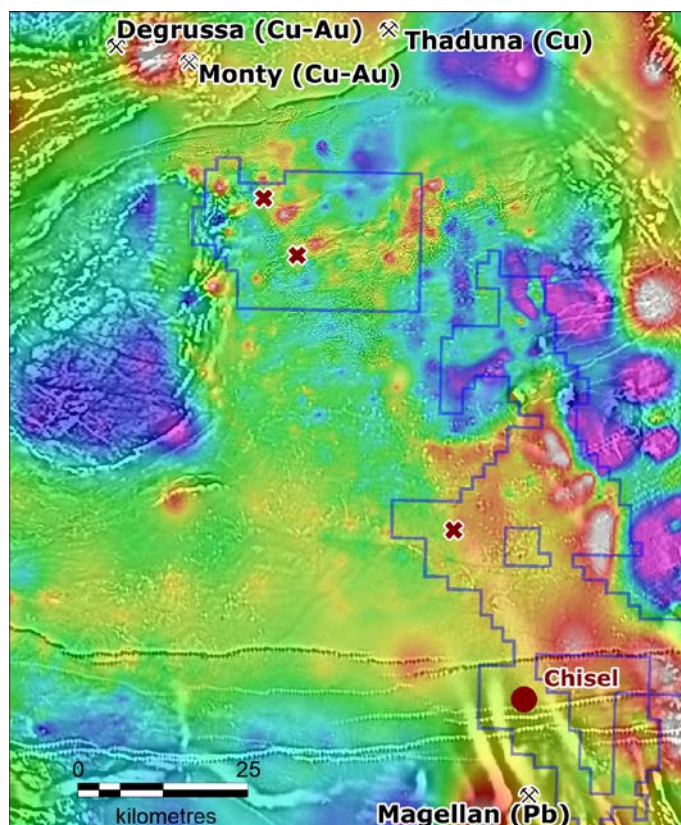


Figure 5: Location of Chisel prospect

The drilling completed by the Company demonstrated a similar geology to Degruessa where mafic volcanics have erupted and/or intruded into a sedimentary sequence forming peperite and hydrothermal alteration. The drilling intersected wide zones (>50m) of strongly altered medium and fine grained basaltic (mafic) volcanic sequences with locally intense carbonate and pyrite alteration which is indicative of a large hydrothermal system.

Four potential VHMS horizons have been identified using path finder geochemistry where there has been a combination of barium, silver, cobalt, copper, manganese, iron, molybdenite and zinc enrichment.

Approximately 6km to the south of Chisel an historical drill hole intersected 2m @ 85 g/t silver from 44m (bottom of hole) that also requires further follow-up work (fig 6).

These positive results allows the company to now proceed with ground EM covering a block 1km wide and 5km long to the southeast to target the area adjacent to the Perseverance fault.

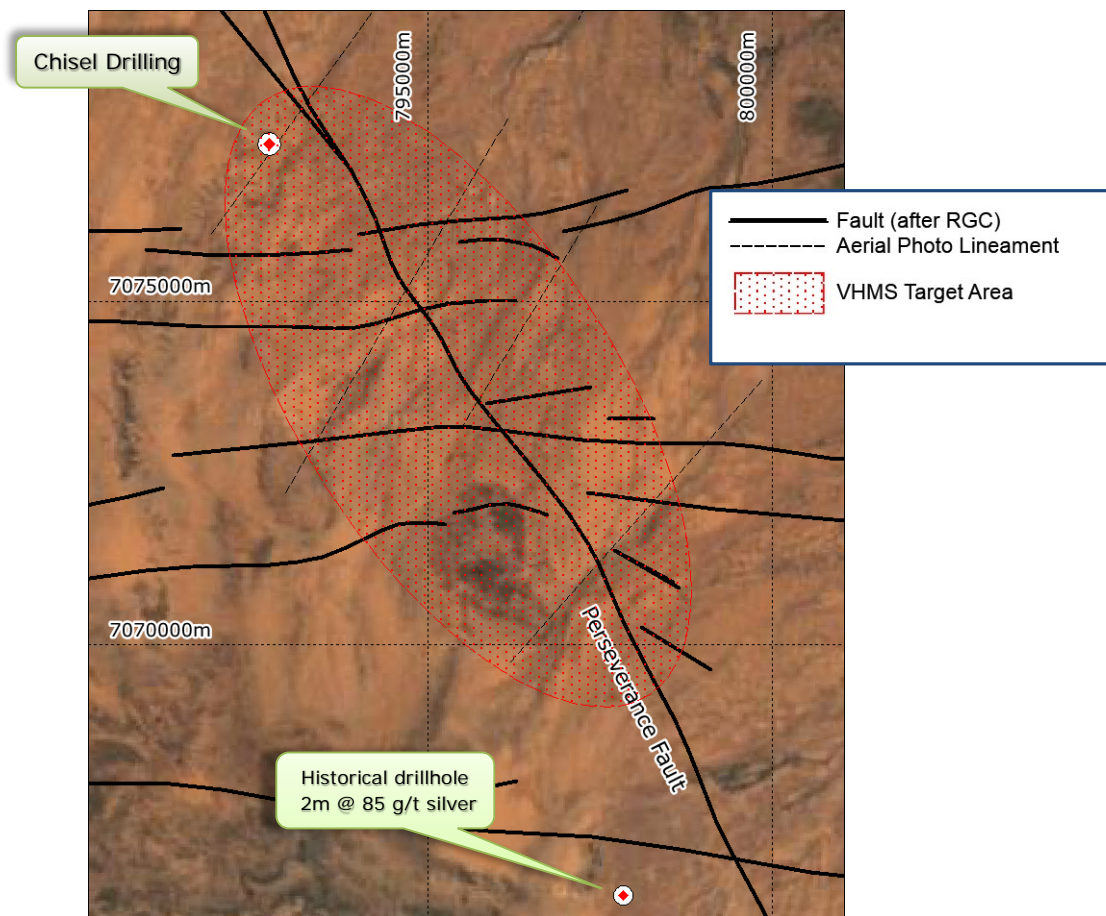


Figure 6: Target Area for VHMS mineralisation at Chisel.

Doolgunna Project (100%)

The Doolgunna project is located just 25km and 17km south east of Degrudda and Monty respectively. The company has 8 remaining untested EM anomalies at the Goodin prospect along the “Degrudda” trend which occur at or near the Johnson Cairn – mafic volcanic contact along the western half of the projects.

The company recently recognized a second Monty trend in both the aeromagnetic and regional soils dataset and has so far identified two high priority structural targets with copper & gold enrichment in soils co-incident with gravity anomalies along this trend (fig 7).

The next phase of exploration will be to carry out EM surveys to cover the Monty trend and then drilling to test the remaining targets at the Goodin prospect and any new targets identified along the Monty trend following the EM survey.

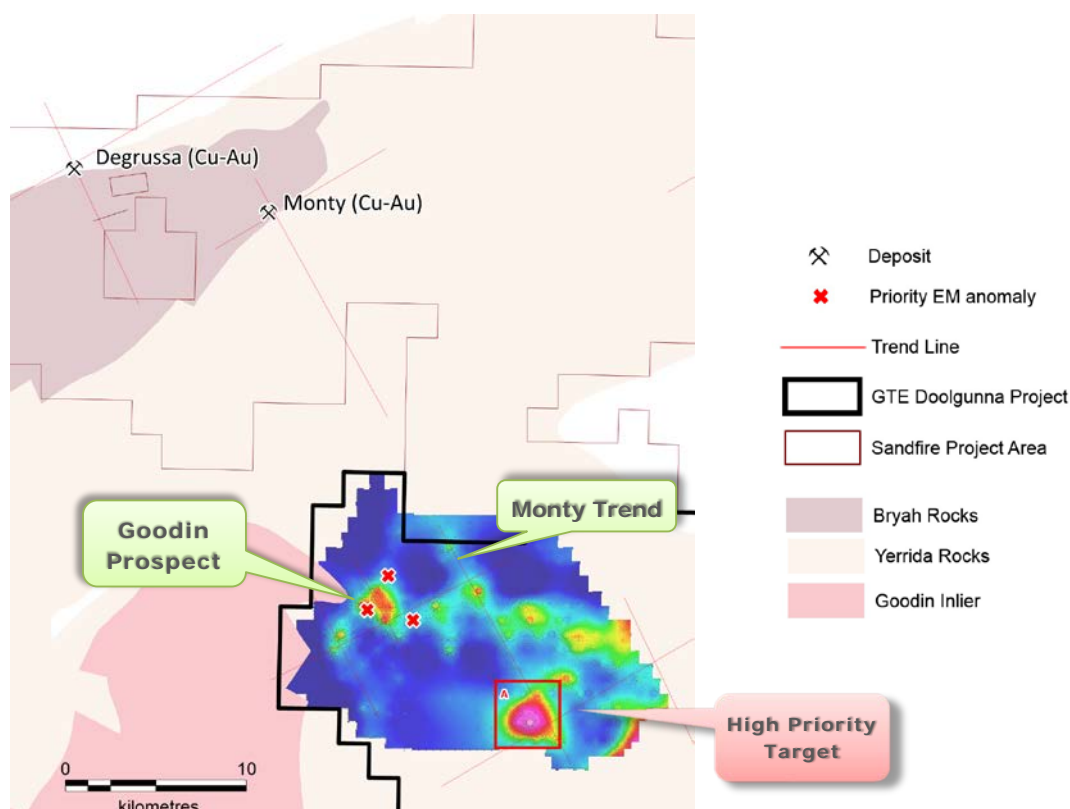


Figure 7. Map showing copper enrichment mapping a fault that is trending towards Monty located 16km along strike to the northwest. . Area A is high priority target structural target co-incident with copper in soil enrichment located 30km along strike from Monty.

New Springs Project (100%)

The Company is exploring the New Springs Project for magmatic nickel sulphide. Both the GSWA and Rio Tinto reported in the late 1990s and 2000s that the prospect area as prospective for Norilsk style massive nickel sulphide mineralisation based on whole rock geochemistry. This was before discovery of either Nova or Nebo nickel deposits in WA.

There was further encouragement about the projects nickel prospectivity after the release of the United States Geological Survey ("USGS") report on this style of mineralisation to determine a deposit model to facilitate the assessment for undiscovered, potentially economic. The USGS concluded the regional geological guide for magmatic nickel mineralisation are as follows:

- Province boundaries, rifts, and deeply penetrating faults that can allow for efficient transport of magma through the crust.
- Small- to medium-sized differentiated mafic and (or) ultramafic dykes and sills,
- Deposits are generally not hosted in thick, large-layered intrusions.
- Sulfur-bearing crustal rocks into which the layered mafic rocks are intruded.

All of these criteria are either directly observed or can be reasonably interpreted to occur at New Springs where the GSWA has interpreted sulphur bearing crustal rocks, province boundaries, rifts within the Yerrida basin

The project is also strongly anomalous (> 20 times background) in nickel, copper, cobalt, gold and PGEs with the peak nickel values of 574 ppm and 221 ppm and maps out a broad area that is enriched in nickel, copper, cobalt, Gold and PGEs co-incident with the layered mafic – ultramafic sequence (Fig 8).

This compares well with the Nova nickel deposit which is also hosted in gabbro-pyroxenite sequence where a similar regional geochemical survey was completed over the Fraser Range that identified a nickel anomaly with a peak value of 271ppm that ultimately led to the discovery of Nova.

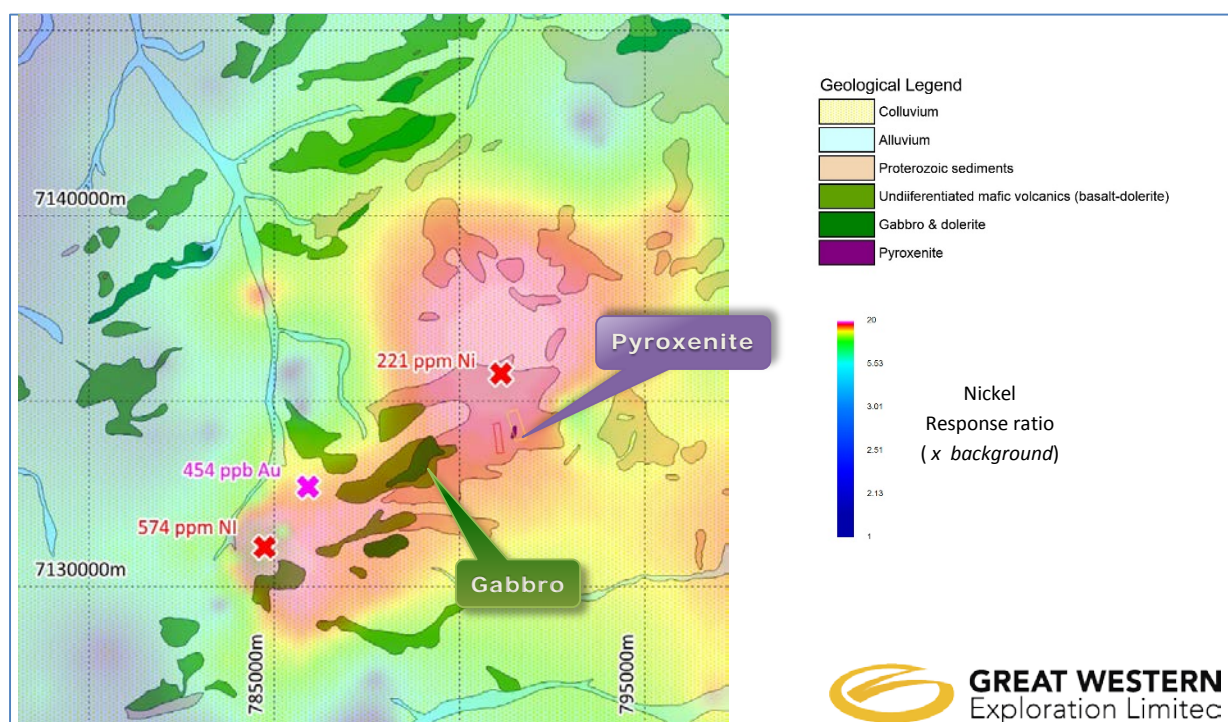


Figure 8. GSWA regional geology overlain by the regional gridded nickel response ratios. Also shown is the location of the two maximum nickel and the maximum gold assay at the New Springs prospect from the regional geochemistry database in relation to the gabbro and pyroxenite outcrops

There are number of EM anomalies where the airborne surveys have covered areas within the dolerite-gabbro-pyroxenite sequences that are of interest to the Company. Three of these anomalies were selected for detailed plate modelling on the basis of the proximity to the pyroxenite outcrop and elevated nickel, copper and gold in the regional soil sampling along strike of these anomalies (fig 9 & Fig 10).

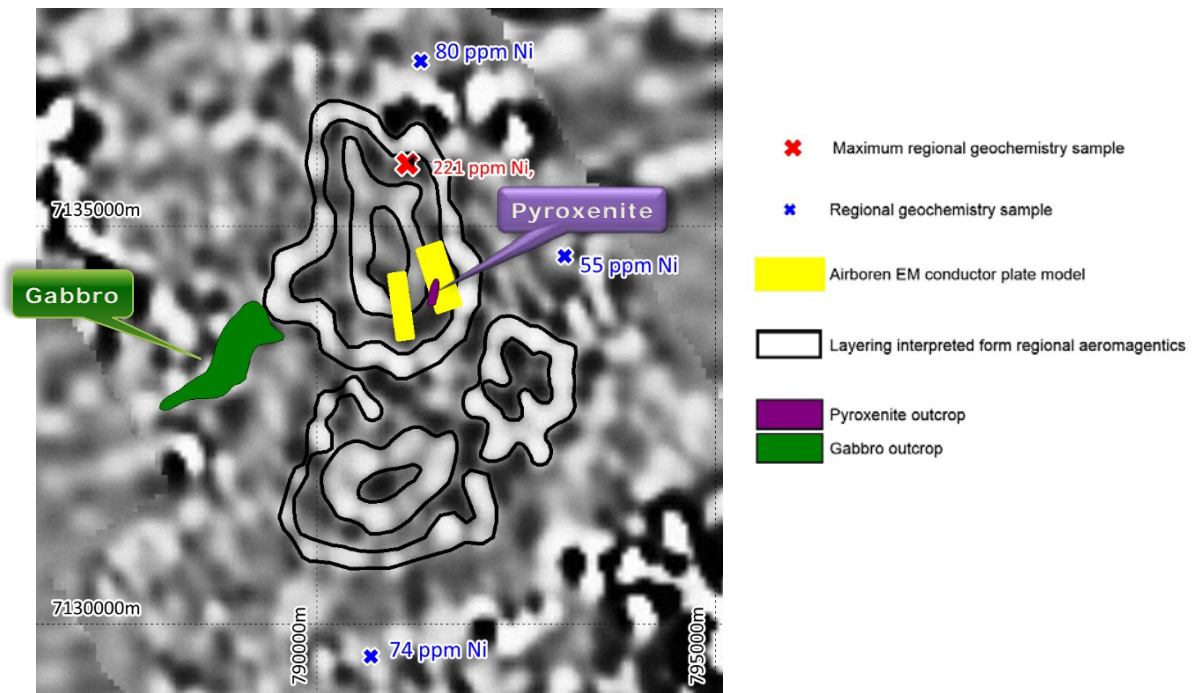


Figure 9. Some features of interest in the regional aeromagnetic data may represent smaller distinct layers or intrusions within a larger intrusive body

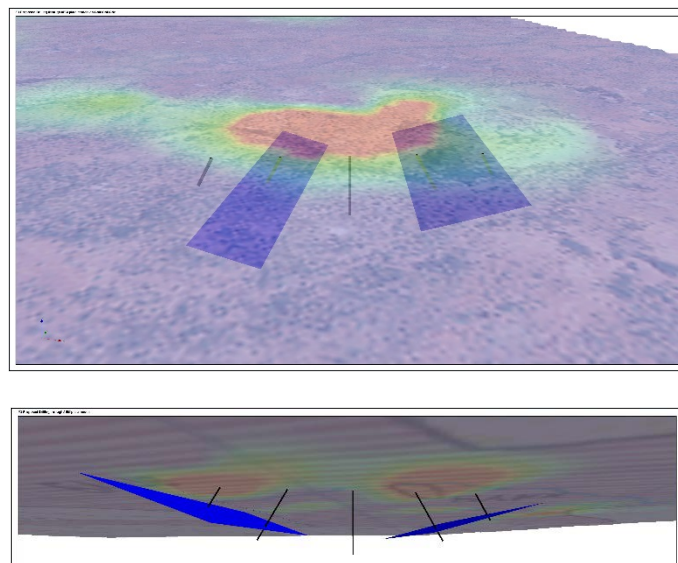


Figure 10. Two of the airborne EM Plate models in 3d (yellow plates in figure 4) with proposed drilling overlain by gold in regional soil sampling (800m line spacing). The plate models are also co-incident with elevated nickel and copper in regional soils.

Cunyu JV (GTE earning 70%)

The Cunyu JV is JV between the Company and Glencore whereby the Company is earning 70%. The project was initially acquired by Jubilee Resources Limited for potential Norilsk style magmatic nickel sulphide mineralisation.

Drilling has confirmed the presence mafic –ultramafic sequences with traces of nickel sulphides along strike to the north west of some of WA's largest nickel deposits near Wiluna. Furthermore a number of regional interpretations show the extension of the Bardoc and/or Perseverance faults through the project area.

Work completed by the company identified the Finlayson gold prospect where drilling intersected a large mineralised shear that likely forms part of the Bardoc/Perseverance shear zone which hosts many major gold mines along strike including the Plutonic gold mine (~5 million ounces) 70km to the north west and the Wiluna gold mine (~5 million ounces) approximately 70km to the south east.

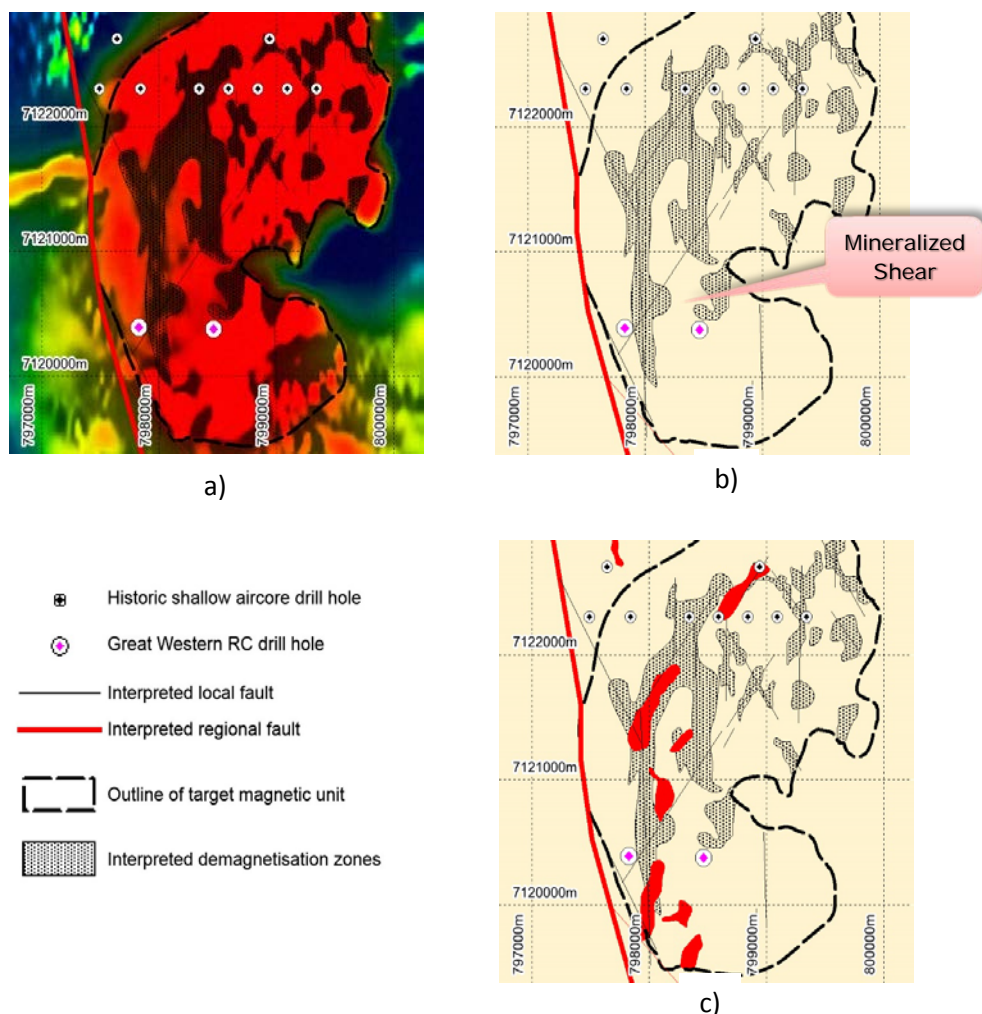


Figure 11. Finlayson gold prospect a) airborne magnetics image b) areas of demagnetisation c) the Wiluna gold pits (red) superimposed for size and geometry comparison

The drilling was successful in demonstrating that the Finlayson prospect is prospective for gold. The Company's interpretation indicates that the gold is occurring within what could be an extensive hydrothermal system within a 2 kilometres wide structural corridor (fig 11). This is similar in size and geological setting as the Wiluna gold deposits located 70km along strike to the southeast.

Corporate

During the quarter the company placed 24.5 million shares at 1.5 cents to raise \$368,000. The funds are for additional working capital and to facilitate the acquisition of Vanguard.

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.

Tenement Schedule

District	Project Name	Tenement No.	Status	Ownership
<u>Yerrida Projects</u>	Neds Creek	E51/1330	Live	100%
	Doolgunna	E51/1324	Live	100%
	Paroo	E53/1712	Live	100%
	Paroo	E53/1713	Live	100%
	Paroo	E51/1540	Relinquished	100%
	Paroo	E51/1560	Live	100%
	Paroo	E53/1730	Live	100%
	Paroo	E53/1740	Live	100%
	Paroo	E51/1727	Application	100%
	Goodin	E51/1728	Application	100%
<u>Cunyu JV</u>	Cunyu JV	E51/1234	Live	GTE earning 70%
	Cunyu JV	E51/1238	Live	GTE earning 70%
	Cunyu JV	E53/1341	Relinquished	GTE earning 70%