

Base and Precious Metal Projects in Kazakhstan & Australia

Great Western Exploration
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 and development of high quality mineral deposits.

ASX Code: *GTE*
Capital Structure
Shares on Issue: *98.3 M*
Options on Issue: *35.35 M*

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Board of Directors

Jordan Luckett – Chairman/Managing Director
Frank Cannavo – Non-Executive Director
Craig Mathieson – Non-Executive Director
Kel Edwards – Company Secretary



Kazakhstan update – 14 March 2013

AGREEMENT OF CO-OPERATION WITH KAZGEOLOGY

Great Western Exploration Limited (“GTE”) is pleased to advise that it has signed a Co-Operation Agreement with Kazgeology of Kazakhstan.

Kazgeology is a Government owned enterprise that was established to increase exploration in KZ. It reports to the Ministry of Industry and Technology (“MINT”) and has complete access to all the historical exploration data and maintains its own exploration equipment including a fleet of modern diamond drill rigs.

Working with Kazgeology, the Company will have the opportunity to:

- review all available historical projects identified during the Soviet era;
- identify prospective projects of interest;
- negotiate JV terms with Kazgeology, to explore and develop these projects;
- use Kazgeology highly experienced personnel and drilling equipment at Spasskaya; and
- build on its work done to date, with Spasskaya, to further establish its presence in Kazakhstan.

Managing Director Jordan Lockett says “This is an incredible opportunity for Great Western Exploration to gain access not only to the historical exploration databases, but to work with highly experienced professionals with intimate knowledge of the geology and exploration history of Kazakhstan, including the known locations of some of the most promising projects that were emerging during the Soviet era.”

“It will also be rewarding that in some small way Great Western has the opportunity to make a contribution to the development of the exploration industry in KZ because as Australians we know too well just how vital exploration has been to the long term prosperity of Australia .”

“I am looking forward to building a close a relationship with Kazgeology, there are many good people working within the organisation which gives me a lot of confidence in the longer term future of our investment in KZ

The profile of the Company has also been significantly boosted within KZ with the Agreement being announced in all the major news outlets. The Chairman of Kazgeology Mr G Nurzhanov was quoted in the press as saying (translated from Russian to English) "I think the pace of the bilateral cooperation between us will develop very rapidly. The joint collaboration will allow for the optimal time to begin exploration activities on promising deposits which will have a positive impact on the overall development of exploration in Kazakhstan”

Background

The Government of Kazakhstan has recognised that the country is not attracting enough exploration investment when considering that it is one of world’s most resource rich countries, on average only US\$17/km² is being spent on exploration compared to Australia and Canada where the expenditure is approximately US\$170/km² and \$210/km² respectively.

Kazgeology is the sister company to Tauken Samruk and was formed by the Government with the purpose to encourage exploration investment into Kazakhstan and it comes under the control of Ministry of Industry and Technology (“MINT”), the Government Department with the mandate to increase exploration expenditure in the country.

In the Soviet era exploration was carried out by the central Government by dividing the former Soviet Union into Geological Divisions where a geological team (known as Expeditions) with associated equipment were assigned an area to explore. Kazgeology is the amalgamation of these Divisions in Kazakhstan into a single Government owned entity based in the capital city, Astana. Kazgeology has access to all the historical work completed and the Government has also invested in upgrading all the equipment including a fleet of modern drill rigs.

The primary purpose of the co-operation is for Great Western Exploration to work with Kazgeology in identifying base & precious metal exploration opportunities that would be of interest to western investors and jointly acquire the sub-soil license. GTE has the opportunity to negotiate with Kazgeology to explore and develop the selected projects or to assist Kazgeology to introduce these opportunities to the Australian Investment community.

Great Western Exploration will also provide advice to Kazgeology on Australian investment criteria along with technical advice on the introduction of modern exploration techniques utilised in Australia.

The company is also in discussions with Kazgeology to utilize their drilling equipment and personnel for the initial and subsequent drilling at the company's Spasskaya project.

Along with several of the major international mining companies, GTE is one of the first to have such an Agreement with Kazgeology. Building on its efforts in KZ involving the Spasskaya JV this agreement recognises GTE as a company with the appropriate credentials and expertise to carry out work in the country.

The company has already commenced reviewing the historical data for two projects.

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 Lockett who is a member of the Australian Institute of Mining and Metallurgy. Mr Lockett 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 2004 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Lockett consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.