



GREAT WESTERN
Exploration Limited

ABN 53 123 631 470

2nd Floor , 35 Outram St
West Perth . WA. 6005

**GREAT WESTERN EXPLORATION LIMITED
AND CONTROLLED ENTITIES**

ABN 53 123 631 470

ANNUAL REPORT

30 JUNE 2015

GREAT WESTERN EXPLORATION LIMITED

ABN 53 123 631 470

CORPORATE DIRECTORY

Directors

Kevin Clarence Somes (Chairman)
Jordan Ashton Lockett (Managing Director)
Craig Donald Mathieson (Non-executive Director)
Terrence Ronald Grammer (Non-executive Director)

Company Secretary

Justin Barton

Registered and Principal Office

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Website:

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Auditor

Bentleys
Level 1, 12 Kings Park Road
West Perth
Western Australia 6005

Solicitors

Kings Park Corporate Lawyers
Level 12
45 Richardson Street
West Perth
Western Australia 6005

Stock Exchange

The Company's shares are listed by the Australian Securities Exchange Limited

The home exchange is Perth

ASX Code - Fully paid shares GTE

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Great Western Exploration Limited

Review of Exploration Activities

Executive Summary

During the year the Great Western Exploration Limited (“the Company”; “GTE”) continued to explore its Yerrida Basin projects in the Doolgunna region of Western Australia focusing on copper massive sulphide, magmatic nickel sulphide and lode gold styles of mineralisation.

The Doolgunna region is once again become an area of interest as one of Australia’s most exciting emerging copper-gold districts following the Sandfire Resource’s discovery of massive copper sulphide mineralisation at Monty which is located 10km from Degruusa and only 17km from the Company’s project area.

The work carried out during the year identified three new exciting prospects as follows:

New Springs: Targeting magmatic nickel sulphides within a layered mafic intrusion in a setting that the company believes is similar to the Nova nickel deposit.

Finlayson: Targeting lode gold along strike of the 5 million ounce Wiluna deposit

Goodin: Targeting copper massive sulphide 25km southeast of Degruusa and 17km southeast of Monty.

The Monty discovery further demonstrates the prospectivity of the Doolgunna region and the company is looking forward to an exciting 12 months ahead as it continues to exploration and progressing these prospects.

Also during the year Western Areas NL continued exploration at the Company’s Forrestania projects and have now completed their Earn-In. Great Western now retains a 10% free carried interest until the completion of a Bankable Feasibility Study.

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Yerrida Basin Projects

The Company has three contiguous projects in the Doolgunna region which is one of Australia's most exciting emerging copper-gold districts. The Doolgunna, Paroo and Cunyu JV cover a total area of 2,365 km² which makes the Company one of the largest landholders in the district. The company owns 100% of the Doolgunna and Paroo projects and is earning 70% of Glencore owned Cunyu project.

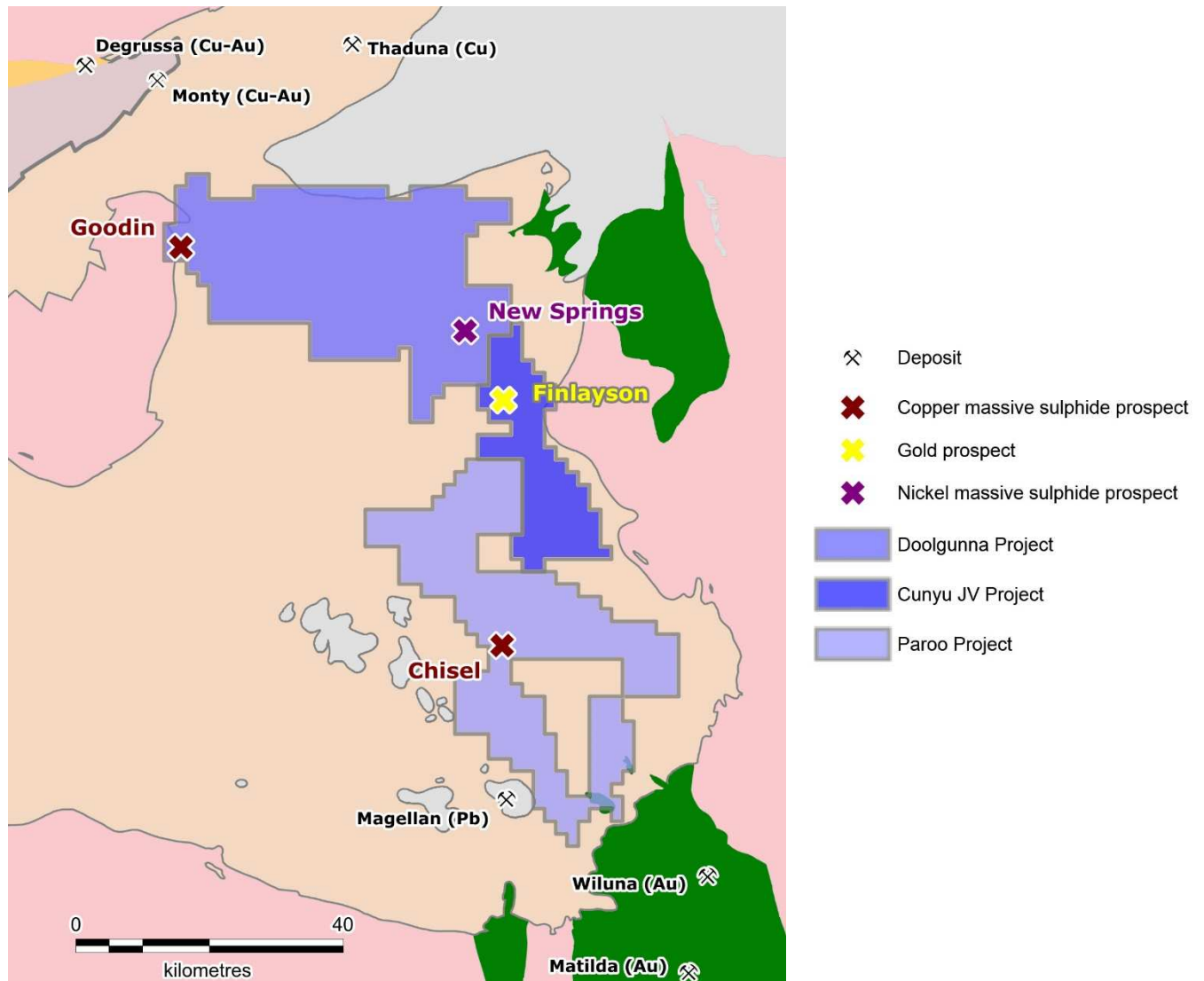


Figure 1. Location of Yerrida Basin projects and Prospects

The company believes there are several major structural corridors that extend north-northwest (“NNW”) from Wiluna that are the first order controls for the mineralisation on the eastern side of the Capricorn orogeny that includes the Degrussa, Plutonic, Thaduna, Magellan and Monty deposits.

The company interprets this as the Wiluna greenstone belt being rifted (pulled apart) during the formation of the Bryah and Yerrida basins which were subsequently formed over the top. The NNW structural corridors represent growth faults that facilitated the rifting and are re-

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activated Archaean basement fault zones that include the Warronga-Ida, Bardoc and Perseverance faults. These are major regional faults that can be traced 100kms and represent major pathways for ore fluids, heat and intrusions and are known to host some of Western Australia largest nickel and gold deposits to the south.

The Company is targeting Proterozoic base metal mineralisation (copper, gold, silver, zinc and lead) within these corridors, particularly at the intersection of north east (“NE”) trending faults which are likely to be the conjugate faults formed at the same time of rifting. It is a well-established fact that the intersection of basin forming faults are highly prospective for many types of deposits.

The recent Monty discovery further

In addition to base metals the project is also highly prospective for magmatic nickel sulphides within the Cunyu layered mafic intrusion which has been intruded up along the regional Perseverance fault.

During the year the Company identified three new exciting prospects; New Springs, Finlayson and Goodin.

New Springs Prospect (Doolgunna Project GTE 100%)

The New Springs nickel prospect is located within the Proterozoic Yerrida basin approximately 85km northwest of Wiluna and approximately 10 km northwest of the Company’s Finlayson Gold Prospect (fig 1).

The company believes that the New Springs prospect has similar characteristics to known mafic-ultramafic sequences that host significant magmatic nickel sulphide deposits elsewhere in the world. Furthermore the company also believes there are some significant similarities between the geological setting, geochemistry and timing of New Springs when compared to the Nova nickel deposit. The key indicators are as follows:

- Proterozoic layered mafic-ultramafic (dolerite- gabbro-pyroxenite) intruded along the margin of the Yilgarn Craton during the Proterozoic.
- Geological Survey of Western Australia (“GSWA”) analysis of whole rock geochemistry of samples taken from the Killara volcanics is consistent with sulphur saturation, which is a key geological process that can lead to the formation and segregation of a nickel – copper bearing sulphide mineralisation essential for the formation of nickel sulphide deposits.
- Regional geochemistry indicates there is a significant localised enrichment of nickel, copper, cobalt, gold and PGEs which indicative of magmatic nickel sulphide mineralisation.
- Three high priority Airborne EM anomalies near the known pyroxenite outcrop.

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- Regional geological setting meets the criteria set out by the USGS for magmatic nickel sulphide mineralisation.

The prospect is located within a mafic – ultramafic (gabbro-pyroxenite) sequence that forms a part of the Killara volcanic unit within the Yerrida basin that has been emplaced along the margin of the Yilgarn Craton during the Proterozoic (fig 2).

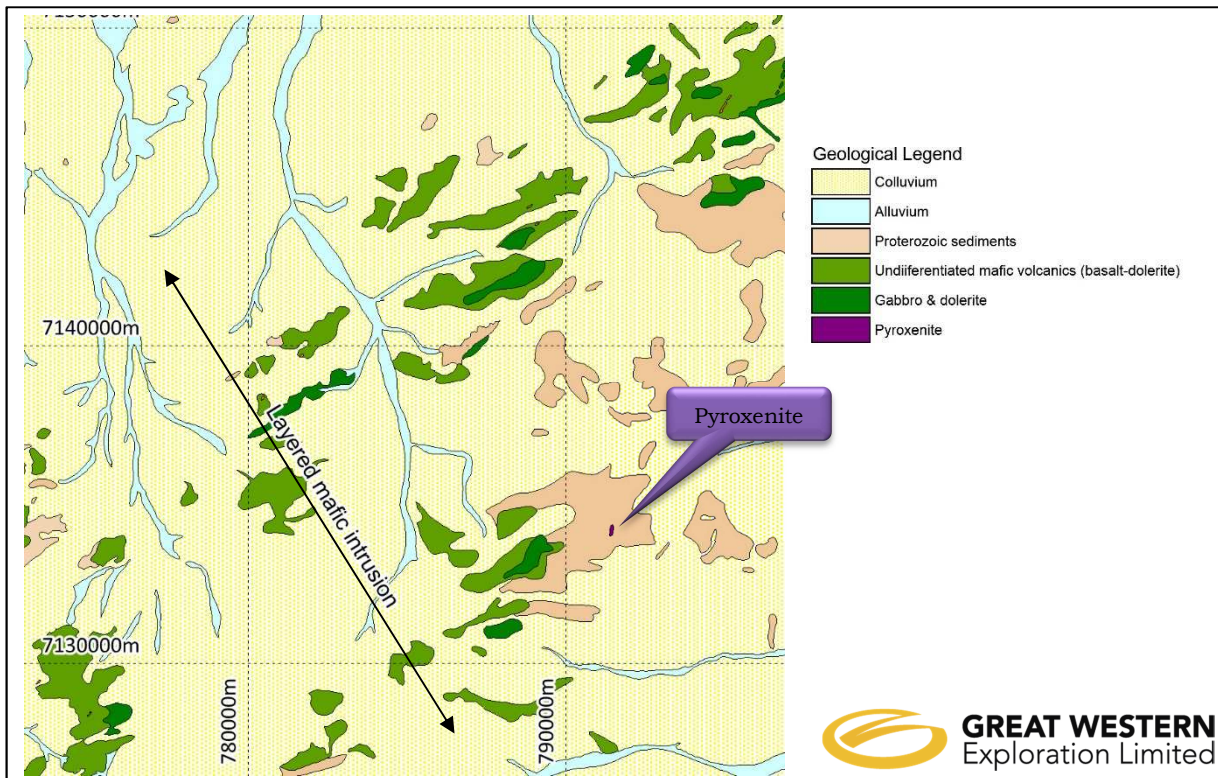


Figure 2. Simplified GSWA regional geology map showing the layered dolerite-gabbro-pyroxenite (mafic - ultramafic) target stratigraphy

Magmatic nickel sulphide deposits hosted in similar mafic – ultramafic sequences account for approximately 60 percent of the world's Ni production and are also a major source of chromium, cobalt, copper and PGEs. These terrains are active exploration targets globally and host some of the world's largest nickel deposits including Voisey's Bay (Canada), Norilsk (Russia) and Jinchuan (China). In addition there are similarities with the Nova deposit which is also hosted in a gabbro-pyroxenite sequence emplaced along the margin of the Yilgarn Craton also during the Proterozoic.

Whole rock geochemical analysis completed by the GSWA on the Killara volcanics is consistent with sulphur saturation that is a key geological process that can lead to the formation and segregation of a nickel – copper bearing sulphide mineralisation from the parent magma which is essential for the formation of nickel sulphide deposits.

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Furthermore the whole rock geochemical signature of the Killara volcanics is similar to the mafic – ultramafic sequences that host the Norilsk nickel deposits and also exhibits lower than average copper concentrations similar to the host rocks at Nova.

Because of the global importance of magmatic nickel sulphides deposits the United States Geological Survey (“USGS”) completed a worldwide review in 2010 on this style of mineralisation to determine a preliminary deposit model to facilitate the assessment for undiscovered, potentially economic magmatic Ni-Cu±PGE sulfide deposits. They conclude the regional geological guide for magmatic nickel mineralisation are as follows:

- Large volume of mafic volcanic sequences with evidence of primitive Mg-rich melts and large volumes of tholeiitic magmatic rocks occurring on or near the edges of ancient cratons.
- 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 company can see a number of important similarities between New Springs and Nova (table 1) and believes the geological setting is equivalent prior to the metamorphic overprinting at Nova that is a characteristic of the Fraser Range Complex.

Table 1. Comparisons with of New Springs with Nova nickel deposit

Description	Nova	New Springs
Similar rocks (layered gabbro-pyroxenite intrusion)	✓	✓
Proterozoic age	✓	✓
Located on margin of Yilgarn craton	✓	✓
Regional geochemical Ni anomaly	✓ (271 ppm Ni)	✓ (221 ppm Ni)
Similar sized “eye” setting (~2.5km)	✓	✓
Similar size EM plate model (~800m)	✓	✓
Metamorphic grade	High	Low

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As magmatic nickel sulphides mineralisation forms prior to any regional metamorphism the USGS study concluded no obvious correlation between the metamorphic grade of the host rocks and the formation of magmatic nickel sulphides deposits.

Regional Geochemistry

The New Springs prospect is 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 3).

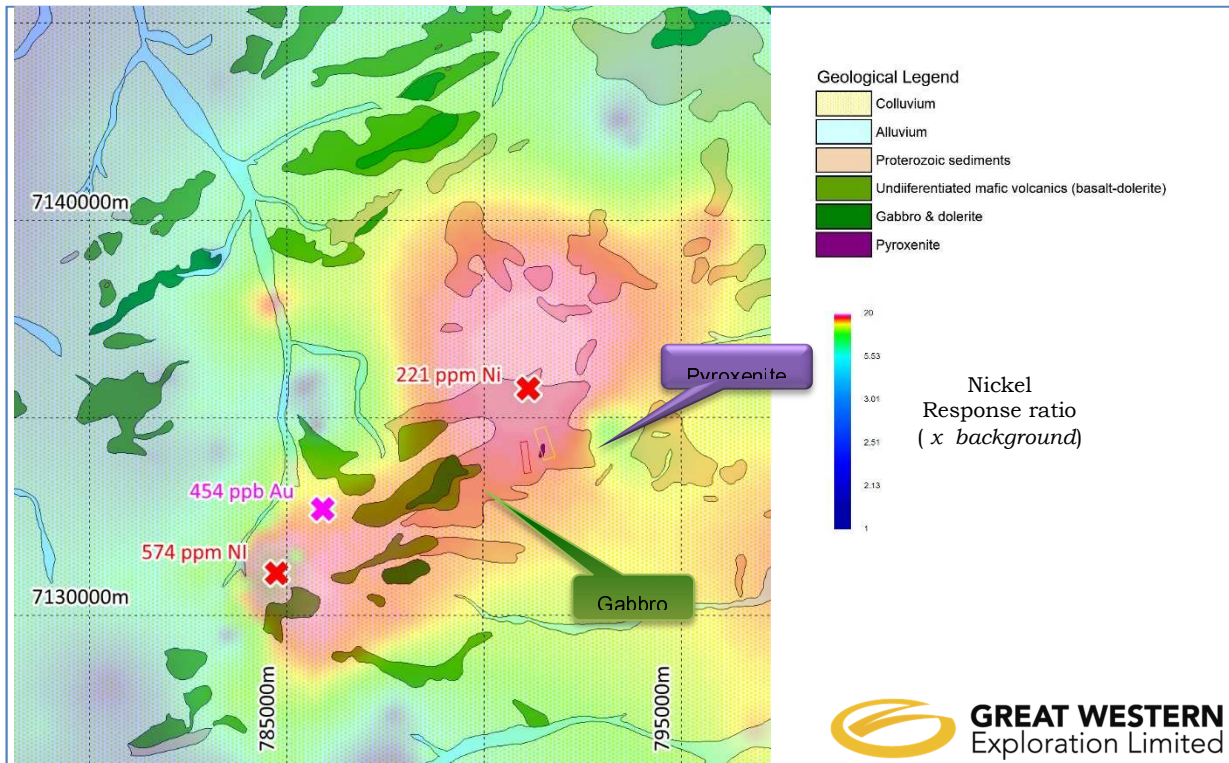


Figure 3. GSWA regional geology overlain by the regional gridded nickel response ratios. Also shown is the location of the two maximum nickel and the maximum gold assay at the New Springs prospect from the regional geochemistry database in relation to the gabbro and pyroxenite outcrops

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.

The company also has broad spaced 800m x 800m regional soil samples over most of the region that mapped elevated nickel, copper and gold in the vicinity of the pyroxenite outcrop. This survey was initially optimised for VMS style mineralisation so some of the pathfinder elements used for magmatic nickel sulphide mineralisation were not assayed. However analysis of the

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trace elements that were assayed is consistent with nickel and copper enrichment from a magmatic source.

Finlayson Prospect (Cunyu Project GTE earning 70%)

During the year the company completed maiden drilling at the Finlayson prospect comprising of nine reverse circulation holes ("RC") for 1,529m. The results from this drilling have greatly enhanced the gold prospectively and is an exciting development in an area where there has been no previous gold exploration or drilling along strike of a major gold district.

The drilling intersected a shear zone with altered mafic volcanics, anomalous gold mineralisation and associated pathfinder elements including bismuth, silver and tellurium. The shear zone has a downhole width of 15 metres with peak gold anomalism that includes 1 metre intervals of 157ppb (0.16g/t Au) and 155ppb (0.16g/t Au) from 144 and 150 metres depth respectively (fig 4).

The gold anomalism along with the important pathfinder elements is strong evidence of a gold bearing hydrothermal system. The discovery of a mineralised shear zone within a mafic volcanic sequence is a significant and important development at this early stage of drilling as it provides a step change in the advancement of the Project.



Figure 4. CNRC005 mineralised shear zone

The primary objective of the drilling was to test the Company's initial conceptual model that there is unexplored mafic sequences and structures under shallow cover along the eastern margin of the Yerrida basin that could be traced back in the geophysical datasets to the Wiluna gold centre ("Wiluna"). To test this model the company designed a very broad spaced regional drill programme to determine the depth and nature of the basement rocks to open up a sizeable area for further exploration.

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The drilling was successful in demonstrating that the critical elements required for gold mineralisation and furthermore the Company's structural interpretation based on the drilling and regional aeromagnetic data indicates that the gold is occurring within what could be an extensive hydrothermal system.

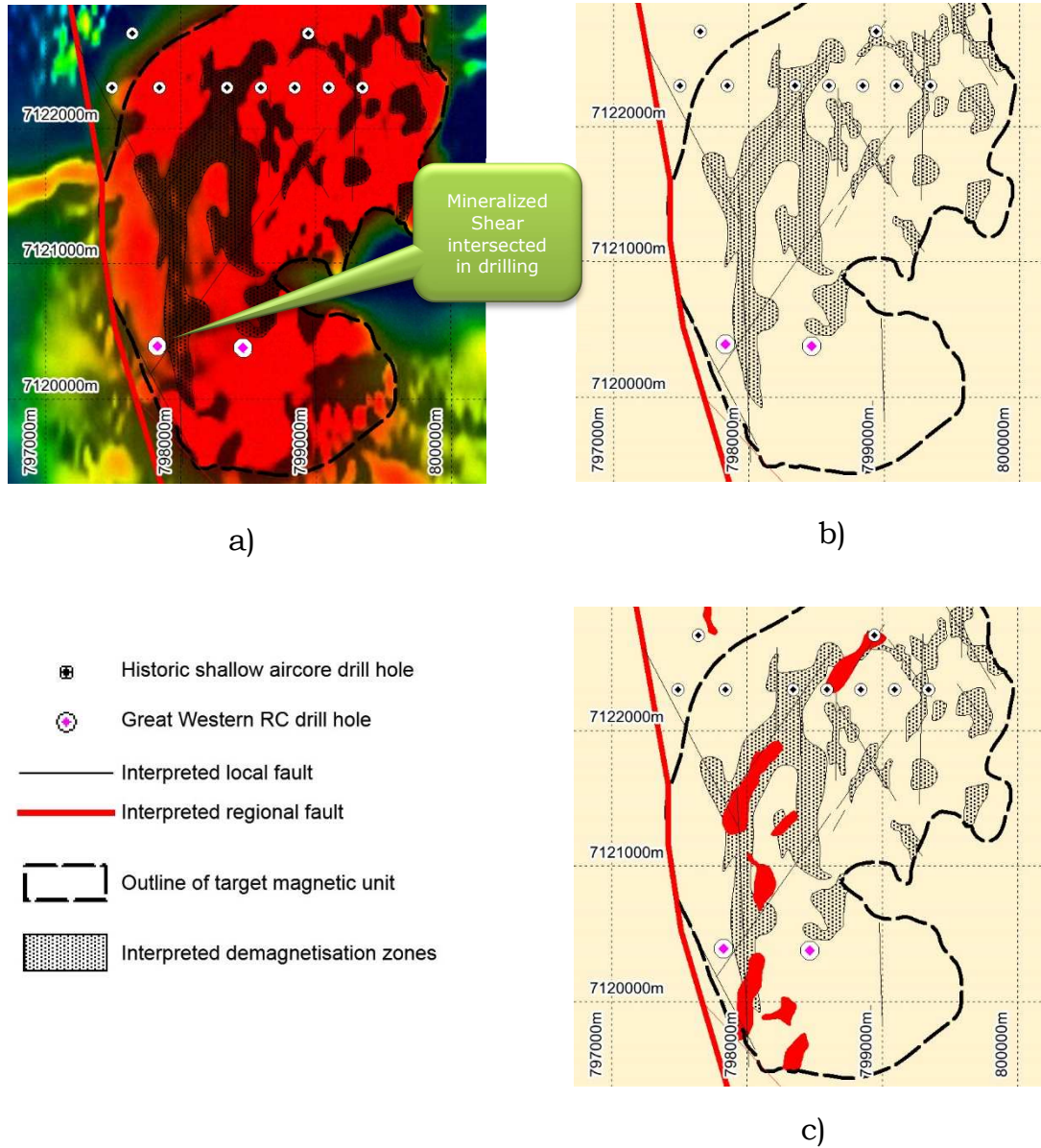


Figure 5. *Finlayson gold prospect a) airborne magnetic image b) areas of magnetite destruction c) the Wiluna gold pits (red) superimposed for size and geometry comparison*

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A simplified illustration of the structural interpretation at the Finlayson prospect is shown in figure 5. The interpretation shows a strong magnetic unit, which drilling confirmed to be a mafic volcanic sequence, within a 2 kilometres wide structural corridor comprising of primary north trending structures and secondary northwest and northeast trending structures. There are significant areas of demagnetisation coincident with these structures which could be explained as hydrothermal alteration occurring within dilation zones related to these structures and are therefore potential sites for the formation of gold deposits.

It is well known that gold mineralisation can occur in areas of magnetite destruction as the chemical interaction of magnetite with gold bearing fluids is the mechanism in which gold is precipitated.

Wiluna is a major gold centre with historical production of approximately 5 million ounces and is located 55 kilometres to the southeast of the Finlayson prospect. The gold mineralisation at Wiluna is hosted in a sequence of mafic volcanic rocks within a corridor 2 kilometres wide and 5 kilometres long that is bounded by two major north trending structures. Between these major structures are secondary brittle-ductile linking structures orientated to the north and northeast that host the gold in the form of quartz reef deposits with associated sulphides. There is also demagnetisation of the host rocks associated with the gold mineralisation within this corridor.

At this early stage the geological associations and dimension of the Finlayson prospect compares well to Wiluna.

Basement depths determined by the drilling combined with the geophysical data and field mapping of the basal Finlayson Member has identified extensive areas of interest that are likely to be prospective for gold under shallow cover. Whilst the newly discovered shear zone will be the immediate focus of future exploration these other areas of interest will be included into the overall exploration strategy.

The Finlayson prospect is a high priority with the potential for a major gold discovery. The Company is planning further work including geochemical & geophysical surveys and further drilling to be completed as soon as possible.

Goodin Prospect

The Goodin prospect is located 25km southeast of the Degruusa mine and only 17km from the new Monty discovery. The company believes both Monty and Degruusa are located within a NNW trending Waroonga – Ida fault zone (“WFZ”) which extends into the Goodin prospect. These trends are clear in both regional geophysical and geochemical datasets (fig 6).

The WFZ is a very large crustal fault that is believed to be the first order control for many world class nickel and gold deposits to the south. The company believes this fault zone was re-activated during the formation of the Yerrida Basin and because it penetrates deep into the crust is major conduit for heat transfer, ore forming fluids, intrusions and volcanic activity.

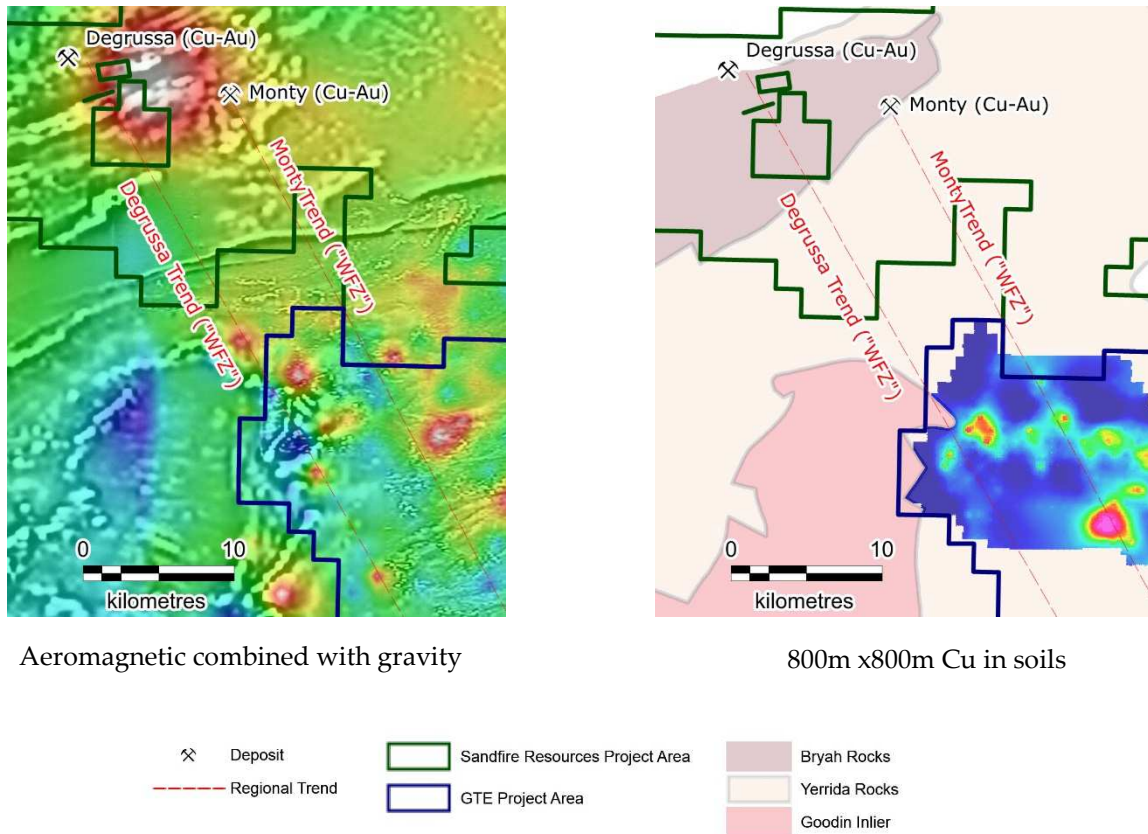


Figure 6. Regional “Monty” and “Degrussa” trends in the regional geophysics and geochemistry associated with the Waroonga – Ida Fault Zone (“WFZ”)

The company believes metal bearing hot fluids are focussed into areas where the WFZ intersects north east (“NE”) trending structures forming replacement style massive sulphide deposits and/or venting onto the sea floor to form VMS deposits during the formation of the Yerrida Basin.

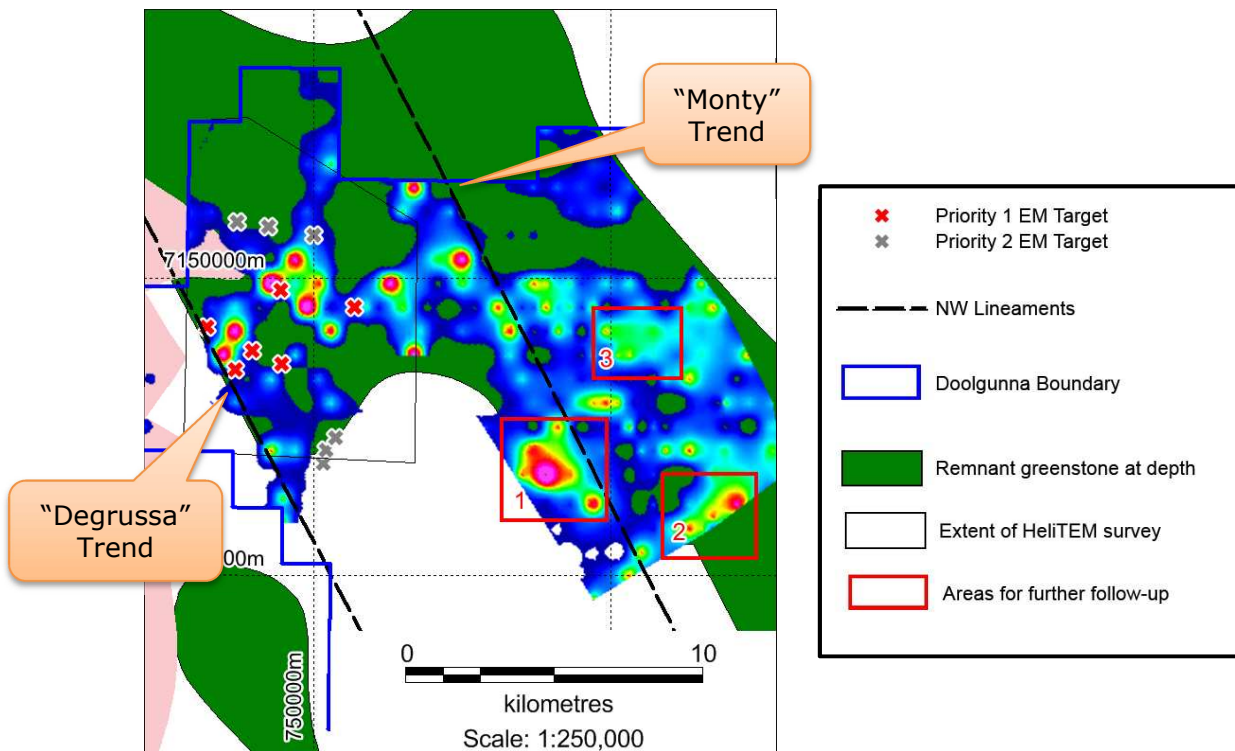
Furthermore the regional geological maps published by Sandfire Resources indicate a possible stratigraphic relationship between the Degrussa deposit and the Johnson Cairn sequence where Degrussa is located within or along the contact of this unit. The significance of this is that the Johnson Cairn can be used as a marker horizon as it has been mapped extensively throughout the region and indicates relative timing of the formation of rocks located above (younger) and below (older).

At Goodin the company has previously identified 12 late time conductors that fulfil the above criteria of which 6 are a high priority and during the year the company drilled two of these targets. The drilling did intersect interbedded shale-siltstone sequence hosting up to 10% disseminated pyrite and a sandstone sequence the company believes to be the target horizon.

The current airborne EM survey does not cover the “Monty” trend where there are several soil geochemical and geophysical anomalies (fig 7). The company is planning to extend the survey to cover this area along with follow-up ground surveys (both along the Degrussa and Monty trends) and further drill testing.

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The Goodin prospect is an exciting opportunity for the discovery of massive copper sulphide mineralisation similar to Degrussa or Monty.



Further follow-up areas require EM surveys:

Area 1: Enrichment of copper along NW fault along strike of Monty coincident with a density anomaly.

Area 2: Unexplained enrichment of copper along possible NE trending fault

Area 3: Unexplained moderate copper enrichment co-incident with strong gold enrichment along a possible NE trending fault.

Figure 7. Shows areas of copper enrichment or depletion within a particular rock type compared to the average background of that rock type. Useful for identifying fluid pathways at the surface that may feed mineralisation at depth or along strike. Note the strong correlation of enrichment along the "Monty:" trend.

Millrose (GTE 100%)

Millrose project is located 100km northeast of Wiluna and initially comprises of 3 Exploration Licenses for a total area of 350km² (fig 1).

The project was initially acquired because of an area of regional magnetic anomalism which GTE had identified as one of the few remaining, unexplored Archaean greenstone belts within Australia. The Company now controls 100% of the greenstone belt which extends for 35km of strike.

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Work completed on the project to date includes detailed magnetic and radiometric surveying, geological mapping and soil sampling which has confirmed the presence of Archaean BIF and volcanics with associated gold and arsenic anomalism.

Initial soil sampling have delineated gold anomalism over a 10 km strike distance and subsequent infill has identified a 1.5km gold-copper-nickel geochemical anomaly similar to what was reported at the recently discovered Camelwood and Mt Fisher prospects located in the same district.

During the year the company relinquished two of the three exploration tenements and is in the process of reviewing the results to determine whether to continue with the final tenement, however it is likely that the company will relinquish this tenement as well to concentrate on the Company's main Yerrida Projects.

Mt Gibb (GTE 10% free carried)

The Mt Gibb Nickel Project comprises of a 7 Exploration Licenses for total area of 170km² surrounding Western Areas NL (ASX:WSA) nickel operations at Flying Fox - Spotted Quoll - Diggers Rocks (fig 8).



Figure 8. Location of Mt Gibb JV

In October 2009, the company entered the Mt Gibb Joint Venture Agreement with Western Areas NL to explore GTE's tenements. Western Areas holds an impressive discovery record since they commenced nickel exploration in the Forrestania region including the Spotted Quoll and Diggers South nickel deposits. By January 2012, WSA had completed the first stage of its earn-in (51%) and can earn up to 70% interest in the Project by spending a total of \$2.5 million.

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During this year WSA completed the JV Earn In and as per the JV Agreement the Company elected to dilute to a 10% free carried interest through to Bankable Feasibility Study. WSA have indicated they are continuing to explore the area.

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 2012 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.

Exploration Targets

It is common practice for a company to comment on and discuss its exploration in terms of target size and type. The information in this announcement relating to exploration targets should not be misunderstood or misconstrued as an estimate of Mineral Resources or Ore Reserves. Hence the terms Resource(s) or Reserve(s) have not been used in this context in this announcement. The potential quantity and grade of resource targets are conceptual in nature since there has been insufficient work completed to define them beyond exploration targets and that it is uncertain if further exploration will result in the determination of a Mineral Resource or Ore Reserve.

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Tenement Schedule

District	Project Name	Tenement No.	Status	Ownership
<u>Mt Gibb JV Project</u>	Mt Gibb South	E74/305	Live	10% free carried
	Hatters Hill	E74/368	Live	10% free carried
	Hatters Hill	E74/428	Live	10% free carried
	North Iron Cap	E74/446	Live	10% free carried
	North Iron Cap	E77/1545	Live	10% free carried
	North Iron Cap	E77/1546	Live	10% free carried
<u>Doolgunna Project</u>	Neds Creek	E51/1333	Surrendered	
	Neds Creek	E51/1320	Live	100%
	Neds Creek	E51/1321	Live	100%
	Neds Creek	E51/1330	Live	100%
	Neds Creek	E51/1355	Live	90%
	Doolgunna	E51/1322	Live	100%
	Doolgunna	E51/1323	Live	100%
	Doolgunna	E51/1324	Live	100%
	Paroo	E53/1712	Live	100%
	Paroo	E53/1728	Surrendered	100%
	Paroo	E51/1540	Live	100%
	Paroo	E51/1560	Live	100%
	Paroo	E53/1722	Surrendered	100%
	Paroo	E53/1713	Pending	100%
	Paroo	E53/1730	Live	100%
	Paroo	E53/1740	Live	100%
	Paroo	E53/1774	Live	100%
	Paroo	E53/1775	Live	100%
	Paroo	E53/1776	Live	100%
	Cunyu JV	E51/1234	Live	GTE earning 70%
Cunyu JV	E51/1238	Live	GTE earning 70%	
Cunyu JV	E53/1341	Live	GTE earning 70%	
<u>Millrose Project</u>	Millrose	E53/1619	Surrendered	100%
	Millrose	E53/1620	Surrendered	100%
	Millrose	E53/1666	Live	100%

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Directors' Report

The Directors of Great Western Exploration Limited submit herewith the annual report of Great Western Exploration Limited and subsidiaries ("the Group") for the financial year ended 30 June 2015.

Information on Directors:

The names and details of the Company's directors in office during the financial year and up to the date of this report are as follows. Directors were in office for the entire year unless otherwise stated.

K C Somes
J A Lockett
C D Mathieson
T R Grammer (Appointed 25 July 2014)

Mr Kevin Clarence Somes FCA Non-executive Chairman

Experience and expertise

Mr Somes is a fellow of the Institute of Chartered Accountants and has been a partner of Somes & Cooke Chartered Accountants for over 25 years. The firm specialises in tax and accounting services and auditing.

Mr Somes has extensive experience in the management of exploration companies, with Somes & Cooke being the auditors of a number of ASX listed mining companies.

Other current directorships

None.

Former directorships in last three years

None.

Mr Jordan Ashton Lockett Managing Director

Experience and expertise

During his career, Mr Lockett has been a member of a number of successful exploration teams that have made discoveries in Western Australia, Queensland, Canada and Africa. For the previous twelve years he has held senior management positions in both mining and exploration companies.

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Directors' Report (continued)

Mr Lockett has a Bachelor of Science degree and is a member of the Australasian Institute of Mining and Metallurgy.

Mr Lockett has 24 years' of experience in both exploration and mining geology, having worked throughout Australia, North America and Africa. He has a broad experience that includes grass roots exploration, project generation, resource definition, underground mining and geological management.

Other current directorships

None.

Former directorships in last three years

None.

Mr Craig Douglas Mathieson Non-executive

Experience and expertise

After completing a Bachelor of Business (Banking & Finance), Mr Mathieson spent 10 years in commercial banking, principally in commercial property finance. In 2001, he returned to the family business, DMS Glass, as Managing Director until its sale to CSR Ltd in 2007. Mr Mathieson is currently CEO of the Mathieson Group, a large family group with diverse investments, including property, business and rural interests.

Mr Mathieson has extensive commercial experience and he is currently a Non-executive Director of Funtastic Ltd.

Other current directorships

Funtastic Ltd (August 2009 – current)

World Oil Resources Limited (June 2013 – current)

Former directorships in last three years

IPB Petroleum Ltd (August 2012 – March 2014)

Mr Terrence Ronald Grammer – Appointed 25 July 2014 Non-executive

Experience and expertise

Mr Grammer is one of Australia's most successful exploration geologist's with a career spanning more than 40 years in Australia, Africa, Asia and New Zealand.

Mr Grammer has been based in Western Australia since 1988 and has extensive professional experience in the exploration of gold, base metals & industrial minerals and has an enviable record over a long period of time that includes being directly

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Directors' Report (continued)

involved in three highly successful exploration companies that made the transition from junior explorer to an ASX200 Company.

He was a founder and promoter in 1999 of Western Areas NL, and was exploration manager of the company from 2000 until retiring in 2004.

In 2000 he was joint winner of the AMEC Prospector of the Year Award for his role in the discovery of the highly profitable Cosmos nickel deposit in 1997 that subsequently resulted Jubilee Mines NL becoming a leading mid-tier Australian mining company prior to its takeover by Xstrata.

In June 2010 Mr Grammer joined the Board of Sirius Limited that subsequently went on to make the Nova discovery that has transformed that company and will likely become a significant nickel producer in the near future.

Mr Grammer was also Chairman of South Boulder Mines Limited from May 08 through to August 2013 where he helped guide the company through the discovery, development and funding of the Colluli potash deposit in Eritrea.

Mr Grammer is currently Non-Executive Director of Sirius Resources Limited and Non-Executive Chairman of Kin Mining NL.

Other current directorships

Kin Mining NL (August 2011 - current)

Former directorships in last three years

Sirius Limited (June 2010 – September 2015)

South Boulder Mines Limited (October 2007 – July 2013)

Fortis Mining Limited (December 2010 – November 2011)

COMPANY SECRETARY

The interim Company Secretary is Mr Justin Barton. Mr Barton was appointed interim company secretary on 24 August 2015, following the resignation of Mr Kel Edwards, whom had served as Company Secretary for Great Western Exploration Limited for the previous 8 years.

Mr Barton is a Chartered Accountant, with over 18 years' experience in accounting, international finance and mining and has held a board and Chief Financial Officer position with another ASX listed mining company.

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Directors' Report (continued)

PRINCIPAL ACTIVITIES

The principal activity during the year to 30 June 2015 was mineral exploration for copper, gold and nickel.

During the year the group continued its strategy of reviewing and exploring its mineral exploration projects.

OPERATING AND FINANCIAL REVIEW

Review

The principal activity of the Company is mineral exploration. The objective of the Group, in the event of the discovery of a mineral resource, would be the successful exploration and development of the resource.

Details of the Company's exploration projects are included in the Review of Exploration Activities on page 1.

Financial position

At the end of the financial year the Group had cash reserves of \$131,139 (2014: \$311,457). The Company incurred expenditure on exploration and evaluation of \$559,753 (2014: \$3,468,418) before write offs.

Results of Operations

The operating loss for the year, after providing for income tax was \$1,624,590 (2014: \$4,427,594).

RISKS AND RISK MANAGEMENT

The Company attempts to mitigate risks that may affect its future performance through a systematic process of identifying, assessing, reporting and managing risks of corporate significance. Key operational risks and their management are recurring items for discussion at Board meetings.

The following discusses the Company's most significant business risks.

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Directors' Report (continued)

a) Exploration

Whilst considered highly prospective, the Company's tenements are early stage exploration tenements with limited exploration undertaken on them to date.

Exploration is a high risk undertaking. The Company's joint venture projects for copper, nickel and gold prospects in Australia are in the preliminary stages of exploration and no assurance is given that exploration of its current projects or any future projects will result in the delineation or discovery

of a significant mineral resource. Even if a significant mineral resource is identified, there can be no guarantee that it can be economically exploited.

b) Overseas Investments

Investing in an emerging market carries inherent risks, including but not limited to economic, social or political instability, uncertainty, or change, extreme fluctuations in currency exchange rates, high rates of inflation, labour unrest, expropriation and nationalisation, renegotiation or nullification of existing concessions, licences, permits and contracts, illegal mining, changes in taxation policies, restrictions on foreign exchange and repatriation hyperinflation, currency non-convertibility or instability and changes of law affecting foreign ownership.

c) Commodity prices

As an explorer for copper, gold, nickel and potentially other minerals, any successes of the Company are expected to be closely related to the price of those and other commodities. Fluctuating prices in those commodities make market prices for securities in the Company more volatile than for other investments.

Commodities prices are affected by numerous factors beyond the control of the Company. These factors include worldwide and regional supply and demand for commodities, general world economic conditions and the outlook for interest rates, inflation and other economic factors on both a regional and global basis. These factors may have a positive or negative effect on the Company's exploration, project development and production plans and activities, together with the ability to fund those plans and activities.

Great Western Exploration Limited

Directors' Report (continued)

d) Environmental

The Company's projects are subject to rules and regulations regarding environmental matters and the discharge of hazardous wastes and materials. As with all mineral projects, the Company's projects are expected to have a variety of environmental impacts should development proceed. Development of any of the Company's projects will be dependent on the Company satisfying environmental guidelines and, where required, being approved by government authorities.

The Company intends to conduct its activities in an environmentally responsible manner and in accordance with all applicable laws, but may still be subject to accidents or other unforeseen events which may compromise its environmental performance and which may have adverse financial implications.

e) Future capital needs.

The Company's ability to raise further capital (equity or debt) within an acceptable time of a sufficient amount and on terms acceptable to the Company will vary according to a number of factors, including prospectivity of projects (existing and future), the results of exploration, subsequent feasibility studies, development and mining, stock market and industry conditions and the price of relevant commodities and exchange rates.

No assurance can be given that future funding will be available to the Company on favourable terms (or at all). If adequate funds are not available on acceptable terms, the Company may not be able to further develop its projects and it may impact on the Company's ability to continue as a going concern.

Great Western Exploration Limited

Directors' Report (continued)

SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

There has been no significant change in the state of affairs of the Company during the financial year other than:

- In October 2014, the placement of 8,601,000 ordinary fully paid shares at an issue price of \$0.04 each to raise \$322,770 after issue costs.
- In January 2015, the completion of a 1:3 non-renounceable rights issue to shareholders for the issue of 12,447,760 ordinary fully paid shares at an issue price of \$0.03 each, to raise \$343,060 after issue costs.
- In June 2015, the placement of 10,600,000 ordinary fully paid shares, each with a free attaching option exercisable at \$0.03 and expiring 30 June 2016 at an issue price of \$0.01 each to raise \$103,314 after issue costs.

DIVIDENDS

No dividends have been recommended by the Directors.

MATTERS SUBSEQUENT TO THE END OF THE FINANCIAL YEAR

The Directors are not aware of any matter or circumstance that has arisen since 30 2015 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 September 2015, Great Western Exploration Limited held a General Meeting where the shareholders approved the following 7 resolutions:

Resolution 1 - Approval to Issue Shares Pursuant to Share Placement

Approval for the Directors to issue up to 70,000,000 Shares at an issue price of \$0.01 per share.

Resolution 2 - Approval for Mr Kevin Somes to participate in Share Placement

Approval for Mr Kevin Somes to participate in the Share Placement up to 10,000,000 Shares.

Great Western Exploration Limited

Directors' Report (continued)

Resolution 3 - Approval for Mr Craig Mathieson to participate in Share Placement

Approval for Mr Craig Mathieson to participate in the Share Placement up to 10,000,000 Shares.

Resolution 4 - Ratification of prior placement of Shares and Options

Ratified the prior issue of 10,600,000 Shares together with 10,600,000 free attaching Options expiring 30 June 2016 exercisable at \$0.05.

Resolution 5 - Proposed issue of Shares to Mr Kevin Somes in lieu of Director Fees

Approval for the issue of 6,022,600 Shares at an issue price of \$0.01 per Share to Mr Kevin Somes in full satisfaction of the accrued and outstanding Director's fees as at 30 June 2015 being \$60,226.

Resolution 6 - Proposed issue of Shares to Mr Jordan Luckett in lieu of Salary and Director Fees

Approval for the issue of 15,589,200 Shares at an issue price of \$0.01 per Share to Mr Jordan Luckett in full satisfaction of accrued and outstanding Salary and Director's fees as at 30 June 2015 being \$155,982.

Resolution 7 - Proposed issue of Shares to Mr Craig Mathieson in lieu of Director Fees

Approval for the issue of 3,285,000 Shares at an issue price of \$0.01 per Share to Mr Craig Mathieson in full satisfaction of the accrued and outstanding Director's fees as at 30 June 2015 being \$32,850.

LIKELY DEVELOPMENTS AND EXPECTED RESULTS OF OPERATIONS

The Directors are not aware of any developments that might have a significant effect on the operations of the Company in subsequent financial years not already disclosed in this report.

ENVIRONMENTAL REGULATIONS

Great Western Exploration Limited conducts its exploration activities in an environmentally sensitive manner, and believes it has adequate systems in place for the management of environmental requirements. The Company is not aware of any breach of statutory conditions or obligations.

The Directors have considered the enacted National Greenhouse and Energy Reporting Act 2007 (the NGER Act) which introduces a single national reporting framework for the reporting and dissemination of information about the greenhouse gas emissions,

Great Western Exploration Limited

Directors' Report (continued)

greenhouse gas projects, and energy use and production of corporations. At the current stage of development, the Directors have determined that the NGER Act will have no effect on the Company for the current, nor subsequent, financial year. The Directors will reassess this position as and when the need arises.

SHARE OPTIONS

The details of unissued ordinary shares under option at the date of this report are as follows:

	Grant Date	Number Under Option	Exercise Price	Expiry Date
Unlisted	9 August 2011	4,000,000	60 cents	30 May 2016
Unlisted	12 December 2012	4,000,000	60 cents	30 June 2016
Unlisted	25 July 2014	2,000,000	10 cents	30 June 2016

Option holders do not have any right, by virtue of the option, to participate in any share issue of the Company or any related body corporate.

DIRECTORS' INTERESTS IN THE SHARES AND OPTIONS OF THE COMPANY

The particulars of Directors' interest in shares and options are as at the date of this report.

	Ordinary Shares	Options Expiring 30 June 2016
K C Somes	8,366,972	-
J A Lockett	8,582,546	3,000,000
C D Mathieson	14,958,045	1,000,000
T R Grammer	-	2,000,000

DIRECTORS AND OFFICERS INSURANCE

The Company has made an agreement to indemnify all the Directors and Officers against all indemnifiable losses or liabilities incurred by each Director and Officer in their capacities as Directors and Officers of the Company to the extent permitted by the Corporations Act 2001.

The Company has taken out an insurance policy at a premium of \$18,260 in relation to Directors and Officers indemnity.

PROCEEDINGS ON BEHALF OF COMPANY

No person has applied for leave of Court to bring proceedings on behalf of the company or intervene in any proceedings to which the company is a party for the

Great Western Exploration Limited

Directors' Report (continued)

purpose of taking responsibility on behalf of the company for all or any part of those proceedings.

The company was not a party to any such proceedings during the year.

NON-AUDIT SERVICES

Bentleys did not receive fees for non-audit services during the financial year. The Directors are satisfied that the provision of non-audit services is compatible with the general standard of independence for auditors imposed by the Corporations Act 2001.

Details of the amounts paid or payable to the auditor for audit and other services paid during the year are set out in Note 26.

AUDITOR'S INDEPENDENCE DECLARATION

A copy of the Auditor's Independence Declaration, as required under section 307C of the Corporations Act 2001, is set out on page 98.

Great Western Exploration Limited

REMUNERATION REPORT (AUDITED)

Remuneration Policy

This Remuneration Report outlines the director and executive remuneration arrangements of the Company in accordance with the requirements of the *Corporations Act 2001* and its Regulations. For the purposes of this report Key Management Personnel (KMP) of the Company are defined as those persons having authority and responsibility for planning, directing and controlling the major activities of the Company and the Company, directly or indirectly, including any director (whether executive or otherwise) of the Company.

For the purposes of this report, the term “executive” encompasses the Chief Executive and senior executives.

i) Directors

K C Somes	Director (Non-executive)
J A Luckett	Director (Executive)
C D Mathieson	Director (Non-executive)
T R Grammer	Director (non-executive)(Appointed 25 July 2014)

There were no other changes of key management personnel after reporting date and before the financial report was authorised for issue.

The Company has not established a Remuneration Committee, the role of the Committee is assumed by the Board, as a whole, which is responsible for determining and reviewing the remuneration arrangements of the directors and executives.

The Board assesses the appropriateness of the nature and amount of emoluments of such Directors and executives on an annual basis by reference to market and industry conditions.

In order for the Company to prosper, thereby creating shareholder value, the Company must be able to attract and retain the highest calibre executives.

Executive and non-executive directors, other key management personnel and other senior employees have been granted options over ordinary shares under the Company’s Employee Share Option Plan. The recipients of options are responsible for growing the Company and increasing shareholder value. If they achieve this goal the value of the options granted to them will also increase. Therefore the options provide an incentive to the recipients to remain with the Company and to continue to work to enhance the Company’s value.

Due to the nature of the Company’s operations the current remuneration policy is not linked to the performance of the Company.

Great Western Exploration Limited

REMUNERATION REPORT (AUDITED)

Remuneration Policy (continued)

Non-executive Directors remuneration

The Board seeks to set remuneration levels that provide the Company with the ability to attract and retain the highest calibre professionals.

Fees and payments to non-executive Directors reflect the demands that are made on and the responsibilities of the Directors from time to time.

Directors' fees are determined by the Board within the aggregate Directors fee limit approved by shareholders. The maximum currently approved by the Constitution stands at \$250,000.

Remuneration in the form of share options issued under the Company's Employee Share Option Plan is designed to reward Directors and executives in a manner aligned to the creation of shareholder wealth. Subject to shareholders' approval non-executive directors may participate in the Company's Employee Share Option Plan. The Board considers the grant of options to be reasonable given the necessity to attract and retain the highest calibre professionals to the Company.

Non-executive Directors receive superannuation benefits in accordance with the Superannuation Guarantee Legislation. Non-executive directors are permitted to salary sacrifice all or part of their fees.

Due to the nature of the Company's operation i.e. mineral exploration and development, the remuneration of directors and executives, at present, does not include performance-based incentives.

Executive Remuneration (including executive directors)

The Board aims to reward executives with a level and mix of remuneration commensurate with their position and responsibilities to align the interests of executives with those of shareholders and to ensure that remuneration is market competitive.

Remuneration consists of:

- Fixed Remuneration.
Being base salary, non-monetary benefits and superannuation. Fixed remuneration is reviewed annually.

Great Western Exploration Limited

REMUNERATION REPORT (AUDITED)

Remuneration Policy (continued)

- Variable remuneration – Long term incentives.
Being share options issued under the Company's Employee Share Option Plan.
The options do not have any vesting conditions other than service conditions.

Remuneration issued in the form of share options issued under the Company's Employee Share Option Plan is designed to reward directors and executives in a manner aligned to the creation of shareholder wealth.

Due to the nature of the Company's operation i.e. mineral exploration and development, the remuneration of directors and executives, at present, does not include performance-based incentives.

The Company has entered into contracts of employment with the Managing Director, and standard contracts with other executives, the details of which are set out below.

Name	Position	Contract Details
J A Luckett	Managing Director	<p>Daily rate of \$650 a day (Base on a nominalised annual salary \$120,000), plus superannuation, reviewed annually. In addition, will receive \$30,000 for Director Fees annually.</p> <p>The Company may terminate, other than for gross misconduct, with 1 month's notice or payment in lieu of an amount of \$12,500 on the grounds of inadequate performance or prolonged illness, or 3 month's notice or payment in lieu of an amount of \$37,500 for redundancy or the Company being taken over.</p> <p>Termination payments are not payable on resignation or under circumstances of unsatisfactory performance.</p>

Great Western Exploration Limited

REMUNERATION REPORT (AUDITED) (continued)

Remuneration of Key Management Personnel

	Short Term			Post Employment		Long Term	Share based	Payment	Options	Total	% Performance related
	Salary & Fees	Cash Bonus	Non-monetary Benefits	Other	Superannuation	Retirement Benefits	Incentive Plans	Long service leave			
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
30 June 2015											
Non-executive directors											
K C Somes	55,000	-	-	-	5,225	-	-	-	-	60,225	-
C D Mathieson	30,000	-	-	-	2,850	-	-	-	-	32,850	-
T R Grammer	32,603	-	-	-	3,097	-	-	-	31,018	66,718	-
	117,603	-	-	-	11,172	-	-	-	31,018	159,793	-
Executive directors											
J A Lockett	150,000 ¹	-	-	-	11,400	-	-	-	-	161,400	-
Total	267,603	-	-	-	22,572	-	-	-	31,018	321,193	-
30 June 2014											
Non-executive directors											
K C Somes	41,250	-	-	-	3,884	-	-	-	-	45,134	-
C D Mathieson	30,000	-	-	-	2,813	-	-	-	-	32,813	-
F Cannavo	7,500	-	-	-	694	-	-	-	-	8,194	-
	78,750	-	-	-	7,391	-	-	-	-	86,141	-
Executive directors											
J A Lockett	311,252 ¹	-	-	-	28,984	-	-	-	-	340,236	-
Total	390,002	-	-	-	36,375	-	-	-	-	426,377	-

¹Includes Directors fees of \$30,000 in 2015 and \$61,252 in 2014.

Great Western Exploration Limited

REMUNERATION REPORT (AUDITED) (continued)

Compensation Options: Granted and Vested during the year

30 June 2015

Details of Share based payments granted as compensation to Key Management Personnel during the current financial year.

Directors

		No. of Options
T R Grammer		
Grant Date	25 July 2014	2,000,000
Fair Value per Option	\$0.0155	
Exercise Price per Option	\$0.10	
Expiry Date	30 June 2016	
First Exercise Date	25 July 2014	
Last Exercise Date	30 June 2016	
Vested No.	2,000,000	
Vested %	100	
		<u>2,000,000</u>

30 June 2014

No Compensation options were granted or vested during the year ended 30 June 2014.

Options granted as part of remuneration

30 June 2015

	Value of Options Granted During the Year	Value of Options Exercised During the Year	Value of Options Lapsed During the Year	% Remuneration consisting of Options for the Year
Directors	\$	\$	\$	
T R Grammer	31,018	-	-	45.13
	<u>31,018</u>	<u>-</u>	<u>-</u>	

Great Western Exploration Limited

REMUNERATION REPORT (AUDITED) (continued)

For details on the valuation of options, including models and assumptions used, refer to Note 21.

There were no alterations to the terms and conditions of options granted as remuneration since their grant date.

30 June 2014

No options were granted as part of remuneration for the year ended 30 June 2014.

Shares issued on Exercise of Compensation Options

	Share Issue No.	Paid Per Share	Unpaid Per Share
30 June 2015			
Directors	-	-	-
Executives	-	-	-
30 June 2014			
Directors	-	-	-
Executives	-	-	-

Great Western Exploration Limited

REMUNERATION REPORT (AUDITED) (continued)

Option Holding of Key Management Personnel

	Balance	Granted as	Options	Net Change	Balance		Not
30 June 2015	1 July 2014	Remunerati	Exercised/	Other	30 June 2015	Exercisable	Exercisable
		on	Cancelled				
Directors							
J A Lockett	3,000,000	-	-	-	3,000,000	3,000,000	-
T R Grammer	-	2,000,000	-	-	2,000,000	2,000,000	-
C D Mathieson	1,000,000	-	-	-	1,000,000	1,000,000	-
K C Somes	-	-	-	-	-	-	-
	<u>4,000,000</u>	<u>2,000,000</u>	<u>-</u>	<u>-</u>	<u>6,000,000</u>	<u>6,000,000</u>	<u>-</u>

	Balance	Granted as	Options	Net Change	Balance		Not
30 June 2014	1 July 2013	Remunerati	Exercised/	Other	30 June 2014	Exercisable	Exercisable
		on	Cancelled				
Directors							
K C Somes	-	-	-	-	-	-	-
J A Lockett	3,000,000	-	-	-	3,000,000	3,000,000	-
C D Mathieson	1,000,000	-	-	-	1,000,000	1,000,000	-
F Cannavo	1,000,000	-	-	-	1,000,000	1,000,000	-
	<u>5,000,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>5,000,000</u>	<u>5,000,000</u>	<u>-</u>

Great Western Exploration Limited

REMUNERATION REPORT (AUDITED) (continued)

Shareholdings of Key Management Personnel

30 June 2015	Balance 1 July 2014	Granted as Remuneration	On exercise of Options	Net Change Other	Balance 30 June 2015
Directors					
K C Somes	4,671,273	-	-	3,695,699	8,366,972
J A Lockett	7,838,333	-	-	700,000	8,538,333
C D Mathieson	8,266,830	-	-	6,666,666	14,933,496
T R Grammer	-	-	-	-	-
	<u>20,776,436</u>	<u>-</u>	<u>-</u>	<u>11,062,365</u>	<u>31,838,801</u>

30 June 2014	Balance 1 July 2013	Granted as Remuneration	On exercise of Options	Net Change Other	Balance 30 June 2014
Directors					
K C Somes*	-	-	-	4,671,273	4,671,273
J A Lockett	3,675,000	-	-	4,163,333	7,838,333
C D Mathieson	3,700,123	-	-	4,566,707	8,266,830
F Cannavo*	3,900,000	-	-	375,000	4,275,000
	<u>11,275,123</u>	<u>-</u>	<u>-</u>	<u>13,776,313</u>	<u>25,051,436</u>

*Mr Somes was appointed a Director on 11 October 2013 and Mr Cannavo resigned as a Director on 11 October 2013

END OF REMUNERATION REPORT (AUDITED)

Great Western Exploration Limited

Directors' Report (continued)

This Report of Directors, incorporating the Remuneration Report, is signed in accordance with a resolution of the Directors.

Dated this 30 day of September 2015

A handwritten signature in black ink, appearing to read 'K C Somes', written in a cursive style.

K C Somes
Chairman

Great Western Exploration Limited

Corporate Governance Statement

For the year ended 30 June 2015

The Board of Directors of Great Western Exploration Limited is responsible for Corporate Governance of the company. The Board guides and monitors the business and affairs of the Company on behalf of the shareholders by whom they are elected and to whom they are accountable.

Due to the size and nature of the Company's activities, the Board as a whole is involved in matters where larger Boards would ordinarily operate through sub-committees. Some of the best practices recommended are not cost effective for adoption in a small company environment.

The Board is committed to the standards of Corporate Governance as set out in the ASX Corporate Governance Council's *Principles and Recommendations*.

STRUCTURE OF THE BOARD

The skills, experience and expertise relevant to the position of Director held by each director in office at the date of the Annual Report is set out in the Directors' Report.

Directors of Great Western Exploration Limited are considered to be independent when they are independent of management and free from any business or other relationship that could materially interfere with or could reasonably be perceived to materially interfere with the exercise of their unfettered and independent judgement.

The following directors were considered to be independent during the year:

Mr K C Somes
Mr C D Mathieson
MR T R Grammer

There are procedures in place to enable Directors to seek independent professional advice, at the expense of the Company, on issues arising in the course of their duties as Directors.

Set out below is the term in office held by each Director at the date of this report:

Mr K C Somes	Non-executive Director	Appointed 11 October 2013
Mr J A Lockett	Managing Director	Appointed 22 January 2008
Mr C D Mathieson	Non-executive Director	Appointed 9 December 2011
Mr T R Grammer	Non-executive Director	Appointed 25 July 2014

Nomination Committee

The function of establishing the criteria for Board membership, nomination of Directors and review of Board membership, is performed by the Board as a whole, until such time as the Company is of a sufficient size to warrant the establishment of a separate Nomination Committee.

The composition of the Board is determined ensuring that there is an appropriate combination of corporate and operational expertise and qualifications.

Great Western Exploration Limited

Corporate Governance Statement (continued) For the year ended 30 June 2015

Performance

An evaluation of Directors is conducted by the Board on an annual basis. The Managing Director is responsible for the review of key executives.

Remuneration

The Board as a whole is responsible for determining and reviewing the arrangements for Directors and Executive management. The Board assesses the appropriateness of the nature and amount of emoluments of such Officers on an annual basis by reference to market and industry conditions and taking into account the Company's operational and financial performance.

Details of remuneration received by Directors and executives are included in the Remuneration Report contained within the Directors' Report.

CODE OF CONDUCT

The Company has established its Code of Conduct to ensure that directors and senior executives are provided with clear principles setting out the expectations of their conduct.

It is expected that directors and senior executives will actively promote the highest standards of ethics, honesty and integrity in carrying out their roles and responsibilities for the Company.

In dealings with the Company's suppliers, competitors, customers and other organisations with which they have contact, they will exercise fairness and integrity, and will observe the form and substance of the regulatory environment in which the Company operates.

Directors and senior executives must, at all times, act in the interests of the Company and will ensure compliance with the laws and regulations in relation to the jurisdictions in which the Company operates.

Directors and senior executives have a role in ensuring compliance with this code of conduct, and therefore should be vigilant and report any breach of this code of conduct.

For further information on the Company's Code of Conduct refer to our website.

DIVERSITY POLICY

Diversity includes, but is not limited to, gender, age, ethnicity and cultural background. The Company is committed to workplace diversity and recognises the benefits arising from employee and board diversity including a broader pool of high quality employees, improving employee retention, accessing different perspectives and ideas and benefiting from all available talent.

The Board is responsible for developing measurable objectives and strategies to meet the objectives and the monitoring of the progress of the objectives.

Great Western Exploration Limited

Due to the present scale of operations and number of staff the Company has not yet set measurable objectives for achieving gender diversity. The Board will review progress against any objectives identified on an annual basis.

Details of women employed within the Company are as follows:

	No.	%
Women on the Board	-	-
Women in senior management roles	-	-
Women employees in the Company	-	-

TRADING POLICY

Under the Company's Securities Trading Policy Directors and Key Management Personnel must not trade in any securities of the Company at any time when they are in possession of information which is not generally available to the market and, if it were generally available to the market, would be likely to have a material effect on the price or value of the Company's securities.

Directors and Key Management Personnel are permitted to deal in the securities of the Company throughout the year except during the following periods:

In the two weeks prior to, and 24 hours after the release of the Company's Annual Financial Report;

In the two weeks prior to, and 24 hours after the release of the Interim Financial Report of the Company;

In the two weeks prior to, and 24 hours after the release of the Company's Quarterly Reports (together the Block out Period)

Any Director wishing to deal in the Company's securities must obtain the prior written approval of the Chairman or the Board before doing so.

If the Chairman wishes to deal in the Company's securities the Chairman must obtain the prior approval of the Board before doing so.

Any Key Management Personnel wishing to deal in the Company's securities must obtain the prior written approval of the Managing Director before doing so.

ASX Listing Rules require the Company to notify ASX within 5 business days after any dealing in the securities of the Company

The Securities Trading Policy can be found on the company's website.

AUDIT COMMITTEE

The Board has not established an Audit Committee.

The role of the Audit Committee in the establishment of effective internal control framework to safeguard the Company's assets, maintain proper accounting records and ensure the reliability of financial information was performed by the Board as a whole during the financial year.

Great Western Exploration Limited

Corporate Governance Statement (continued) For the year ended 30 June 2015

The Board as a whole deals directly with and receives reports from the Company's external auditors in relation to the Annual financial reports and other statutory requirements.

RISK MANAGEMENT

The Board as a whole carries out the role of Risk Management. The Board evaluates and monitors areas of operational and financial risk.

The Board determines the Company's risk profile and is responsible for overseeing and approving risk management strategy and policies, internal compliance and internal control. The effectiveness of controls is monitored and reviewed regularly.

The Chief Executive Officer and Chief Financial Officer, or equivalent, have provided a written statement to the Board that in their view the Company's financial report is founded on a sound system of risk management and internal compliance and control which implements the financial policies adopted by the Board and that the company's risk management and internal compliance and control system is operating effectively in all material respects.

COMPLIANCE WITH DISCLOSURE REQUIREMENTS

The Company is committed to meeting its disclosure obligations and to the promotion of investor confidence in its securities. It has in place written policies and procedures to ensure compliance with ASX Listing Rule 3.1.

The Company will immediately notify the market by announcement to the ASX of any information concerning the business of Great Western Exploration Limited that a reasonable person would expect to have a material effect on the price or value of the Company's securities.

SHAREHOLDERS

The Board endeavours to ensure that shareholders are fully informed of all activities affecting the Company. Information is conveyed to shareholders via the Annual Report, Quarterly Reports and other announcements.

This information is available on the Company's website, www.greatwesternexploration.com.au, and in hard copy upon request.

The Board encourages attendance and participation of shareholders at the Annual General and other General Meetings of the Company.

The Company's external auditor is requested to attend the Annual General Meeting and be available to take questions about the conduct of the audit and the content of the Auditors' Report.

Great Western Exploration Limited

Corporate Governance Statement (continued) For the year ended 30 June 2015

COMPLIANCE WITH BEST PRACTICE RECOMMENDATIONS

The Board sets out below its “if not why not” report in relation to those matters of corporate governance where the Company’s practices depart from the Recommendations.

Recommendation	Great Western Exploration Limited Current Practice
1.1 Companies should establish the functions reserved for the board and those delegated to senior executives and disclose those functions.	Satisfied. Board Charter is available at www.greatwesternexploration.com.au in the Corporate Governance Statement.
1.2 Companies should disclose the process for evaluating the performance of senior executives.	Satisfied. Performance Evaluation Policy is available at www.greatwesternexploration.com.au in the Corporate Governance Statement.
2.1 A majority of the board should be independent directors.	Not satisfied. At present, due to the size and nature of the Company’s operations, the Directors believe the current structure and makeup of the Board which provides an appropriate combination of corporate and operational expertise to be in the best interests of shareholders. This position is to be reviewed annually.
2.2 The chair should be an independent director.	Not satisfied. During the year the Role of Chairman

Great Western Exploration Limited

Recommendation	Great Western Exploration Limited Current Practice
	and Managing Director was held by the same person until 11 October 2013 when Mr K C Somes an independent director was appointed chair.
2.3 The roles of chair and Chief Executive Officer should not be exercised by the same individual.	Not Satisfied. Refer 2.2 above the role of Chair and CEO were exercised by the same person for the period 1 July 2013 to 11 October 2013.
2.4 The board should establish a nomination committee.	Not satisfied. The Board has not established a Nomination Committee. The Board considers that given the current size, this function is efficiently achieved with full Board participation, until such time as the Company is of sufficient size to warrant the establishment of the Committee.
2.5 Companies should disclose the process for evaluating the performance of the board, its committees and individual directors.	Satisfied. Performance Evaluation Policy is available at www.greatwesternexploration.com.au in the Corporate Governance Statement.
3.1 Companies should disclose a code of	Satisfied.

Great Western Exploration Limited

Recommendation	Great Western Exploration Limited Current Practice
<p>conduct and disclose the code or a summary of the code as to:</p> <p>The practices necessary to maintain confidence in the company's integrity</p> <p>The practices necessary to take into account their legal obligations and the reasonable expectations of their stakeholders</p> <p>The responsibility and accountability of individuals for reporting and investigating reports of unethical practices.</p>	<p>The Code of conduct is available at www.greatwesternexploration.com.au in the Corporate Governance Statement.</p>
<p>3.2 Companies should establish a policy concerning diversity and disclose the policy or a summary of that policy. The policy should include requirements for the board to establish measurable objectives for achieving gender diversity for the board to assess annually both the objectives and progress in achieving them.</p>	<p>Satisfied.</p> <p>The Diversity Policy is available at www.greatwesternexploration.com.au in the Corporate Governance Statement</p>
<p>3.3 Companies should disclose in each annual report the measurable objectives for achieving gender diversity set by the board in accordance with the diversity policy and progress towards them.</p>	<p>Not satisfied.</p> <p>At present due to the Company's present scale of operations and number of staff it has not yet set measurable objectives for achieving gender diversity. The Board will review on an annual basis progress against any objectives identified.</p>
<p>3.4 Companies should disclose in each</p>	<p>Satisfied</p>

Great Western Exploration Limited

Recommendation	Great Western Exploration Limited Current Practice
<p>annual report the proportion of women employees in the whole organisation, women in senior management and women on the board.</p>	
<p>4.1 The board should establish an audit committee.</p>	<p>Not satisfied.</p> <p>The Board has not established an Audit Committee. The Board as a whole carries out the role of the Audit Committee due to the current size and nature of the Company's operations and size of the Board.</p>
<p>4.2 The audit committee should be structured so that it:</p> <p>Consists only of non-executive directors</p> <p>Consists of a majority of independent directors</p> <p>Is chaired by an independent chair, who is not chair of the board. Has at least three members.</p>	<p>Not satisfied.</p> <p>Refer to comment 4.1.</p>
<p>4.3 The audit committee should have a formal charter.</p>	<p>Not satisfied.</p> <p>Refer to comment 4.1.</p>
<p>5.1 Companies should establish written policies designed to ensure compliance with ASX Listing Rule disclosure requirements and to ensure accountability at senior executive level for that compliance and disclose those policies or a summary of those policies.</p>	<p>Satisfied.</p> <p>Continuous disclosure policy is available at www.greatwesternexploration.com.au in the Corporate Governance statement.</p>

Recommendation	Great Western Exploration Limited Current Practice
<p>6.1 Companies should design a communications policy for promoting effective communication with shareholders and encouraging their participation at general meetings and disclose their policy or a summary of their policy.</p>	<p>Satisfied.</p> <p>Shareholders communication policy is available at www.greatwesternexploration.com.au in the Corporate Governance statement.</p>
<p>7.1 Companies should establish policies for the oversight and management of material business risks and disclose a summary of those policies.</p>	<p>Satisfied.</p> <p>Risk management program is available at www.greatwesternexploration.com.au in the Corporate Governance statement.</p>
<p>7.2 The board should require management to design and implement the risk management and internal control system to manage the company's material business risks and report to it on whether those risks are being managed effectively. The board should disclose that management has reported to it as to the effectiveness of the company's management of its material business risks.</p>	<p>Satisfied.</p> <p>The management and implementation of risk management and internal control systems to manage the Company's material business risks is routinely considered by the Board.</p>
<p>7.3 The board should disclose whether it has received assurance from the chief executive officer (or equivalent) and the chief financial officer (or equivalent) that the declaration provided in accordance with section 295A of the corporations</p>	<p>Satisfied.</p> <p>The Board has received a section 295A declaration pursuant to the 2014 financial year.</p>

Great Western Exploration Limited

Recommendation	Great Western Exploration Limited Current Practice
<p>Act is founded on a sound system of risk management and internal control and that the system is operating effectively in all material respects in relation to financial reporting risks.</p>	
<p>8.1 The board should establish a remuneration committee.</p>	<p>Not Satisfied.</p> <p>The Board has not established a remuneration committee. The Board considers that given the current size this function is efficiently achieved with full Board participation, until such time as the Company is of sufficient size to warrant the establishment of the committee.</p>
<p>8.2 Companies should clearly distinguish the structure of non-executive directors' remuneration from that of executive directors and senior executives.</p>	<p>The structure of Directors' remuneration is disclosed in the remuneration report of the annual report.</p>

For further information on the corporate governance policies adopted by Great Western Exploration Limited refer to our website:
www.greatwesternexploration.com.au

Great Western Exploration Limited

Consolidated Statement of Financial Position

As at 30 June 2015

	Note	2015 \$	2014 \$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	8	131,139	311,457
Trade and other receivables	9	12,611	24,133
Other financial assets	10	400	1,000
Other assets	11	-	5,483
TOTAL CURRENT ASSETS		<u>144,150</u>	<u>342,073</u>
NON CURRENT ASSETS			
Property, plant and equipment	12	17,880	85,358
Mineral exploration expenditure	13	5,522,609	5,541,853
Other financial assets	10	-	59,616
TOTAL NON CURRENT ASSETS		<u>5,540,489</u>	<u>5,686,827</u>
TOTAL ASSETS		<u>5,684,639</u>	<u>6,028,900</u>
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	14	503,244	240,883
Provisions	15	-	24,039
TOTAL CURRENT LIABILITIES		<u>503,244</u>	<u>264,922</u>
TOTAL LIABILITIES		<u>503,244</u>	<u>264,922</u>
NET ASSETS		<u>5,181,395</u>	<u>5,763,978</u>
EQUITY			
Issued capital	16	19,496,573	18,441,819
Reserves	17	1,682,618	1,828,623
Accumulated losses		(15,997,796)	(14,506,464)
TOTAL EQUITY		<u>5,181,395</u>	<u>5,763,978</u>

The above statement of financial position should be read in conjunction with the accompanying notes.

Great Western Exploration Limited

Consolidated Statement of Profit or Loss and Other Comprehensive Income For The Year Ended 30 June 2015

	Note	2015 \$	2014 \$
Interest received		4,178	35,586
Net (loss) / gain on revaluation of financial assets		(600)	(2,400)
Other income		-	14,321
Gain on foreign exchange		39,148	-
Employee benefit expense	5	(476,965)	(598,873)
Administration expenses		(350,690)	(607,569)
Directors' fees		(119,435)	(140,000)
Depreciation		(19,906)	(29,320)
Compliance and regulatory expenses		(75,033)	(81,277)
Mineral exploration written off	13	(578,997)	(3,018,062)
Impairment on property, plant and equipment		(46,290)	-
Loss before income tax		(1,624,590)	(4,427,594)
Income tax expense	6	-	-
Loss for the year		(1,624,590)	(4,427,594)
Other comprehensive income			
Items that may be reclassified subsequently to profit or loss:			
Exchange differences on translating foreign controlled entities		(43,765)	18,061
Total comprehensive income for the year		(1,668,355)	(4,409,533)
Basic loss per share (cents per share)	7	(0.965)	(3.42)

The above statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes.

Great Western Exploration Limited

Consolidated Statement of Changes in Equity For The Year Ended 30 June 2015

	Issued Capital	Share Option Reserve	Foreign Currency Translation Reserve	Accumulated Losses	Total Equity
30 June 2015	\$	\$	\$	\$	\$
Balance At 1 July 2014	18,441,819	1,784,858	43,765	(14,506,464)	5,763,978
Loss for the year	-	-	-	(1,624,590)	(1,624,590)
Foreign exchange differences	-	-	(43,765)	-	(43,765)
Total comprehensive income for the year	-	-	(43,765)	(1,624,590)	(1,668,355)
Transfer of expired options	-	(133,258)	-	133,258	-
Share based payments	-	31,018	-	-	31,018
Shares issued during the year	1,109,262	-	-	-	1,109,262
Transaction costs	(54,508)	-	-	-	(54,508)
Balance at 30 June 2015	19,496,573	1,682,618	-	(15,997,796)	5,181,395

	Issued Capital	Share Option Reserve	Foreign Currency Translation Reserve	Accumulated Losses	Total Equity
30 June 2014	\$	\$	\$	\$	\$
Balance At 1 July 2013	14,190,666	1,823,325	25,704	(10,126,870)	5,912,825
Loss for the year	-	-	-	(4,427,594)	(4,427,594)
Other comprehensive income	-	-	18,061	-	18,061
Total comprehensive income for the year	-	-	18,061	(4,427,594)	(4,409,533)
Transfer of expired options	-	(48,000)	-	48,000	-
Share based payments	-	9,533	-	-	9,533
Shares issued during the year net of transaction costs	4,251,153	-	-	-	4,251,153
Balance at 30 June 2014	18,441,819	1,784,858	43,765	(14,506,464)	5,763,978

The above statement of changes in equity should be read in conjunction with the accompanying notes.

Great Western Exploration Limited

Consolidated Statement of Cash Flows For The Year Ended 30 June 2015

	Note	2015 \$	2014 \$
Cash flows from operating activities			
Cash payments to suppliers and employees		(500,136)	(1,296,460)
Payments for exploration and evaluation expenditure		(735,778)	(3,313,746)
Interest received		4,178	35,586
Net cash used in operating activities	18	<u>(1,231,736)</u>	<u>(4,574,620)</u>
Cash flows from investing activities			
Payments for acquisition of mineral tenements		-	(230,745)
Payments for property, plant and equipment		(3,336)	(17,585)
Refund of security deposits		-	11,258
Net cash used in investing activities		<u>(3,336)</u>	<u>(237,072)</u>
Cash flows from financing activities			
Proceeds from issue of shares and options		1,109,262	4,431,798
Share issue costs		(54,508)	(176,280)
Net cash provided by financing activities		<u>1,054,754</u>	<u>4,255,518</u>
Net increase in cash held		(180,318)	(556,174)
Cash at the beginning of the financial year		311,457	867,631
Cash at the end of the financial year	8	<u>131,139</u>	<u>311,457</u>

The above statement of cash flows should be read in conjunction with the accompanying notes.

Great Western Exploration Limited

Notes To The Consolidated Financial Statements For The Year Ended 30 June 2015

These financial statements and notes represent those of Great Western Exploration Limited ('the Company') and its controlled entities ('the Group').

The financial statements were authorised for issue on 30 September 2015 by the Directors of the Company.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Preparation

The financial statements are general purpose financial statements that have been prepared in accordance with Australian Accounting Standards, Australian Accounting Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board (AASB) and the Corporations Act 2001. The Group is a for-profit entity for financial reporting purposes under Australian Accounting Standards.

Australian Accounting Standards set out accounting policies that the AASB has concluded would result in financial statements containing relevant and reliable information about transactions, events and conditions. Compliance with Australian Accounting Standards ensures that the financial statements and notes also comply with International Financial Reporting Standards as issued by the IASB. Material accounting policies adopted in the preparation of these financial statements are presented below and have been consistently applied unless stated otherwise.

Except for cash flow information, the financial statements have been prepared on an accruals basis and are based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities.

a) Going Concern

The 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 year of \$1,624,590 (2014: \$4,427,594). During the year the company raised \$1,054,754 after issue costs, by the way of rights issues to shareholders in July 2014 and January 2015 and placements in October 2014 and June 2016. The Group has a working capital deficit of \$359,094 at 30 June 2015 (30 June 2014: Surplus \$77,151). The Group has ongoing expenditures in respect of administration costs and exploration and evaluation expenditure on its Australian exploration projects.

Great Western Exploration Limited

Notes To The Consolidated Financial Statements For The Year Ended 30 June 2015 (Continued)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

The directors have prepared a cash flow forecast, which indicates that the Group will have sufficient cash flows to meet all commitments (including those at Note 24) and working capital requirements for the 12 month period from the date of signing this financial report.

The Directors believe that at the date of signing of the financial statements there are reasonable grounds to believe that, having regard to the matters set out above, the Group will be able to raise sufficient additional 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.

On the 29th of September 2015 at the general meeting, shareholders approved to raise up to \$700k through a share placement.

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.

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.

b) Principles of Consolidation

The consolidated financial statements incorporate the assets, liabilities and results of entities controlled by Great Western Exploration Limited at the end of the reporting period. A controlled entity is any entity over which Great Western Exploration Limited has the ability and right to govern the financial and operating policies so as to obtain benefits from the entity's activities.

Where controlled entities have entered or left the Group during the year, the financial performance of those entities is included only for the period of the year that they were controlled. A list of controlled entities is contained in Note 23 to the financial statements.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

In preparing the consolidated financial statements, all intragroup balances and transactions between entities in the consolidated group have been eliminated in full on consolidation.

Non-controlling interests, being the equity in a subsidiary not attributable, directly or indirectly, to a parent, are reported separately within the equity section of the consolidated statement of financial position and statement of comprehensive income. The non-controlling interests in the net assets comprise their interests at the date of the original business combination and their share of changes in equity since that date.

Business combinations

Business combinations occur where an acquirer obtains control over one or more businesses.

A business combination is accounted for by applying the acquisition method, unless it is a combination involving entities or businesses under common control. The business combination will be accounted for from the date that control is attained, whereby the fair value of the identifiable assets acquired and liabilities (including contingent liabilities) assumed is recognised (subject to certain limited exemptions).

When measuring the consideration transferred in the business combination, any asset or liability resulting from a contingent consideration arrangement is also included. Subsequent to initial recognition, contingent consideration classified as equity is not remeasured and its subsequent settlement is accounted for within equity. Contingent consideration classified as an asset or liability is remeasured in each reporting period to fair value, recognising any change to fair value in profit or loss, unless the change in value can be identified as existing at acquisition date.

All transaction costs incurred in relation to business combinations are expensed to the Statement of Profit or Loss and Other Comprehensive income.

The acquisition of a business may result in the recognition of goodwill or a gain from a bargain purchase.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Goodwill

- (i) The consideration transferred;
- (ii) Any non-controlling interest, and
- (iii) The acquisition date fair value of any previously held equity interest over the acquisition date fair value of net identifiable assets acquired.

The acquisition date fair value of the consideration transferred for a business combination plus the acquisition date fair value of any previously held equity interest shall form the cost of the investment in the separate financial statements.

Fair value uplifts in the value of pre-existing equity holdings are taken to the statement of comprehensive income. Where changes in the value of such equity holdings had previously been recognised in other comprehensive income, such amounts are recycled to profit or loss.

The amount of goodwill recognised on acquisition of each subsidiary in which the Company holds less than a 100% interest will depend on the method adopted in measuring the non-controlling interest. The Company can elect in most circumstances to measure the non-controlling interest in the acquire either at fair value (full goodwill method) or at the non-controlling interest's proportionate share of the subsidiary's identifiable net assets (proportionate interest method). In such circumstances, the Company determines which method to adopt for each acquisition and this is stated in the respective notes to these financial statements disclosing the business combination.

Under the full goodwill method, the fair value of the non-controlling interests is determined using valuation techniques which make the maximum use of market information where available. Under this method, goodwill attributable to the non-controlling interests is recognised in the consolidated financial statements.

Goodwill on acquisition of subsidiaries is included in intangible assets. Goodwill on acquisition of associates is included in investments in associates.

Goodwill is tested for impairment annually and is allocated to the Company's cash-generating units or groups of cash-generating units, representing the lowest level at which goodwill is monitored not larger than an operating segment. Gains and losses on the disposal of an entity include the carrying amount of goodwill related to the entity disposed of.

Great Western Exploration Limited

Notes To The Consolidated Financial Statements For The Year Ended 30 June 2015 (Continued)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

c) Application of New and Revised Accounting Standards

Amendments to AASBs and the new Interpretation that are mandatorily effective for the current year

In the current year, the Group has applied a number of amendments to AASBs and a new interpretation issued by the Australian Accounting Standards Board (AASB) that is mandatorily effective from an accounting period on or after 1 July 2014.

The application of these amendments and interpretation does not have any material impact on the Group's consolidated financial statements.

Standards and Interpretations in issue not yet adopted

At the date of authorisation of the financial statements, the Standards and Interpretations that were issued but not yet effective are listed below.

Standard/Interpretation	Effective for annual reporting periods beginning on or after	Expected to be initially applied in the financial year ending
AASB 9 'Financial Instruments', and the relevant amending standards	1 January 2018	30 June 2019
AASB 15 'Revenue from Contracts with Customers' and AASB 2014-5 'Amendments to Australian Accounting Standards arising from AASB 15'	1 January 2017	30 June 2018
AASB 2014-3 'Amendments to Australian Accounting Standards – Accounting for Acquisitions of Interests in Joint Operations'	1 January 2016	30 June 2017
AASB 2014-4 'Amendments to Australian Accounting Standards – Clarification of Acceptable Methods of Depreciation and Amortisation'	1 January 2016	30 June 2017
AASB 2014-6 'Amendments to Australian Accounting Standards – Agriculture: Bearer Plants'	1 January 2016	30 June 2017
AASB 2014-9 'Amendments to Australian Accounting Standards – Equity Method in Separate Financial Statements'	1 January 2016	30 June 2017
AASB 2014-10 'Amendments to Australian Accounting Standards – Sale or Contribution of	1 January 2016	30 June 2017

Great Western Exploration Limited**Notes To The Consolidated Financial Statements For The Year Ended 30 June 2015 (Continued)**

Assets between an Investor and its Associate or Joint Venture'		
AASB 2015-1 'Amendments to Australian Accounting Standards – Annual Improvements to Australian Accounting Standards 2012-2014 Cycle'	1 January 2016	30 June 2017
AASB 2015-2 'Amendments to Australian Accounting Standards – Disclosure Initiative: Amendments to AASB 101'	1 January 2016	30 June 2017
AASB 2015-3 'Amendments to Australian Accounting Standards arising from the Withdrawal of AASB 1031 Materiality'	1 July 2015	30 June 2016
AASB 2015-4 'Amendments to Australian Accounting Standards – Financial Reporting Requirements for Australian Groups with a Foreign Parent'	1 July 2015	30 June 2016
AASB 2015-5 'Amendments to Australian Accounting Standards – Investment Entities: Applying the Consolidation Exception'	1 January 2016	30 June 2017

d) Cash and Cash Equivalents

Cash and cash equivalents in the statement of financial position comprise cash at bank and in hand and short-term deposits with an original maturity of six months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

e) Trade and Other Receivables

Trade receivables, which generally have 30 day terms, are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less an allowance for impairment. Collectability of trade receivables is reviewed on an ongoing basis. Debts that are known to be uncollectible are written off when identified. An impairment provision is recognised when there is objective evidence that the Company will not be able to collect the receivable.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

f) Investments and Other Financial Assets

Investments and financial assets in the scope of AASB 139 *Financial Instruments: Recognition and Measurement* are categorised as either financial assets at fair value through profit or loss, loans and receivables, held-to-maturity investments, or available-for-sale financial assets.

When financial assets are recognised initially, they are measured at fair value, plus, in the case of assets not at fair value through profit or loss, directly attributable transaction costs.

All regular way purchases and sales of financial assets are recognised on the trade date i.e. the date that the Company commits to purchase the asset. Regular way purchases or sales are purchases or sales of financial assets under contracts that require delivery of the assets within the year established generally by regulation or convention in the market place. Financial assets are derecognised when the right to receive cash flows from the financial assets have expired or been transferred.

(i) Financial assets at fair value through profit or loss

Financial assets classified as held for trading are included in the category 'financial assets at fair value through profit or loss'. Financial assets are classified as held for trading if they are acquired for the purpose of selling in the near term with the intention of making a profit. Derivatives are also classified as held for trading unless they are designated as effective hedging instruments. Gains or losses on investments held for trading are recognised in the profit or loss and the related assets are classified as current assets in the Statement of Financial Position.

(ii) Loans and receivables

Loans and receivables including loan notes and loans to key management personnel are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are carried at amortised cost using the effective interest method. Gains and losses are recognised in profit or loss when the loans and receivables are derecognised or impaired. These are included in current assets except for those maturities greater than 12 months after balance date, which are classified as non-current.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(iii) Held-to-maturity investments

Held-to-maturity investments are non-derivative financial assets that have fixed maturities and fixed or determinable payments, and it is the Group's intention to hold these investments to maturity. They are subsequently measured at amortised cost.

Held-to-maturity investments are included in non-current assets, except for those which are expected to mature within 12 months after the end of the reporting period. All other investments are classified as current assets.

(iv) Available-for-Sale Investments

Available-for-sale investments are those non-derivative financial assets that are designated as available-for-sale or are not classified as any of the three preceding categories. After initial recognition available-for sale investments are measured at fair value with gains or losses being recognised as a separate component of equity until the investment is derecognised or until the investment is determined to be impaired, at which time the cumulative gain or loss previously reported in equity is recognised in profit or loss.

The fair values of investments that are actively traded in organised financial markets are determined by reference to quoted market bid prices at the close of business on the balance sheet date. Investments with no active market, and whose fair values cannot be reliably measured, shall be measured at cost.

At each reporting date, the Company assesses whether there is objective evidence that a financial instrument has been impaired. In the case of available-for-sale financial instruments, a prolonged decline in the value of the instrument is considered to determine whether an impairment has arisen. Impairment losses are recognised in the Statement of Comprehensive Income.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

g) Property, Plant and Equipment

Plant and equipment is stated at historical cost less accumulated depreciation and any accumulated impairment losses.

Depreciation is calculated on a straight-line basis over the estimated useful life of the assets as follows:

Plant and Equipment – over 6 to 15 years

Motor Vehicles – over 4 years

Computer Equipment – over 3 years

The assets' residual values, useful lives and amortisation methods are reviewed, and adjusted if appropriate, at each financial year end.

An item of property, plant and equipment is derecognised upon disposal or when no further future economic benefits are expected from its use or disposal.

Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss in the year the asset is derecognised.

h) Exploration and Evaluation Expenditure

Exploration and evaluation costs are capitalised as exploration and evaluation assets on a project by project basis pending determination of the technical feasibility and commercial viability of the project. The capitalised costs are presented as either tangible or intangible exploration and evaluation assets according to the nature of the assets acquired.

When a licence is relinquished or a project abandoned, the related costs are recognised in the Statement of Comprehensive Income immediately.

Exploration and evaluation assets shall be assessed for impairment when facts and circumstances suggest that the carrying amount of an exploration and evaluation asset may exceed its recoverable amount. When facts and circumstances suggest that the carrying amount exceeds the recoverable amount an impairment loss is recognised in the Statement of Comprehensive Income.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

i) Interests in Joint Ventures

The Company's shares of the assets, liabilities, revenue and expenses of jointly controlled operations have been included in the appropriate line items of the consolidated financial statements.

j) Impairment of Assets

Assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount exceeds its recoverable amount. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. Recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are Group at the lowest levels for which there are separately identifiable cash inflows that are largely independent of the cash inflows from other assets or Group of assets (cash –generating units). Non-financial assets other than goodwill that suffered an impairment are tested for possible reversal of the impairment whenever events or changes in circumstances indicate that the impairment may have reversed.

k) Trade and other Payables

Trade and other payables are carried at amortised cost; due to their short term nature they are not discounted. They represent liabilities for goods and services provided to the Company prior to the end of the financial year that are unpaid and arise when the Company becomes obliged to make future payments in respect of the purchase of these goods and services. The amounts are unsecured and are usually paid within 30 days of recognition.

l) Provisions and Employee Leave Benefits

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

When the Company expects some or all of the provision to be reimbursed, for example under an insurance contract, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain. The expense relating to any provision is presented in the Statement of Comprehensive Income net of any reimbursement.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the balance sheet date. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects the time value of money and the risks specific to the liability. The increase in the provision resulting from the passage of time is recognised in finance costs.

Employee Leave Benefits

(i) Wages, salaries, annual leave and sick leave

Liabilities for wages and salaries, including non-monetary benefits, annual leave and accumulating sick leave expected to be settled within 12 months of the reporting date are recognised in respect of employees' services up to the reporting date. They are measured at the amounts expected to be paid when the liabilities are settled. Expenses for non-accumulating sick leave are recognised when the leave is taken and are measured at the rates paid or payable.

(ii) Long service leave

The liability for long service leave is recognised and measured as the present level of expected future payments to be made in respect of services provided by employees up to the reporting date using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures, and periods of service. Expected future payments are discounted using market yields at the reporting date on national government bonds with terms to maturity and currencies that match, as closely as possible, the estimated future cash outflows.

m) Share Based Payment Transactions

(i) Equity settled transaction:

The Company provides benefits to its employees (including key management personnel) in the form of share-based payments, whereby employees render services in exchange for shares or rights over shares (equity-settled transactions).

The Company has in place the Great Western Exploration Limited Employee Share Option Plan to provide benefits to directors and senior executives.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

The cost of these equity-settled transactions with employees is measured by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined by an external valuer using a binomial model.

In valuing equity-settled transactions, no account is taken of any vesting conditions other than conditions linked to price of the shares of the Company (market conditions) if applicable.

The cost of equity-settled transactions is recognised, together with a corresponding increase in equity, over the period in which the performance and/or service conditions are fulfilled (the vesting period), ending on the date on which the relevant employees become fully entitled to the award (the vesting date).

At each subsequent reporting date until vesting the cumulative charge to the Statement of Comprehensive Income is the produce of:

- (i) the grant date fair value of the award;
- (ii) the current best estimate of the number of awards that will vest, taking into account such factors as the likelihood of employee turnover during the vesting period and the likelihood of non-market performance conditions being met; and
- (iii) the expired portion of the vesting period.

The charge to the Statement of Comprehensive Income for the year is the cumulative amount as calculated above less the amounts already charged in previous years. There is a corresponding credit to equity.

Until an award has vested, any amounts recorded are contingent and will be adjusted if more or fewer awards vest than were originally anticipated to do so. Any award subject to a market condition is considered to vest irrespective of whether or not that market condition is fulfilled, provided that all other conditions are satisfied.

If the terms of an equity-settled award are modified, as a minimum an expense is recognised as if the terms had not been modified. An additional expense is recognised for any modification that increases the total fair value of the share based payment arrangement, or is otherwise beneficial to the employee, as measured at the date of modification.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

If an equity-settled award is cancelled, it is treated as if it had vested on the date of cancellation, and any expense not yet recognised for the award is recognised immediately. However, if a new award is substituted for the cancelled award and designated as a replacement award on the date that it is granted, the cancelled and new award are treated as if they were a modification of the original award, as described in the previous paragraph.

The dilutive effect, if any, of outstanding options is reflected as additional share dilution in the computation of diluted earnings per share.

n) Issued Capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

o) Revenue Recognition

Revenue is recognised and measured at the fair value of the consideration received or receivable to the extent it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognised.

(i) Interest Income

Revenue is recognised as interest accrues using the effective interest method. This is a method of calculating the amortised cost of a financial asset and allocating the interest income over the relevant year using the effective interest rate, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.

p) Income Tax and other Taxes

Current tax assets and liabilities for the current and prior years are measured at the amount expected to be recovered from or paid to the taxation authorities based on the current year's taxable income. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the balance sheet date.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Deferred income tax is provided on all temporary differences at the balance sheet date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred income tax liabilities are recognised for all taxable temporary differences except:

- When the deferred income tax liability arises from the initial recognition of goodwill or of an asset or liability in the transaction that is not a business combination and that, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; or
- when the taxable temporary difference is associated with investments in subsidiaries, associates or interests in joint ventures, and the timing of the reversal of the temporary difference can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred income tax assets are recognised for all deductible temporary differences, carry-forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and the carry-forward of unused tax credits and unused tax losses can be utilised, except:

- when the deferred income tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not
- a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; or
- when the deductible temporary difference is associated with investments in subsidiaries, associates or interests in joint ventures, in which case a deferred tax asset is only recognised to the extent that it is probable that the temporary difference will reverse in the foreseeable future and taxable profit will be available against which the temporary difference can be utilised.

The carrying amount of deferred income tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilised.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Unrecognised deferred income tax assets are reassessed at each balance sheet date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the balance sheet date.

Deferred tax assets and deferred tax liabilities are offset only if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred tax assets and liabilities relate to the same taxable entity and the same taxation authority.

Other Taxes

Revenues, expenses and assets are recognised net of the amount of GST except:

- when the GST incurred on a purchase of goods and services is not recoverable from the taxation authority, in which case the GST is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and
- receivables and payables, which are stated with the amount of GST included.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the Statement of Financial Position.

Cash flows are included in the Statement of Cash Flows on a gross basis and the GST component of cash flows arising from investing and financing activities, which is recoverable from, or payable to, the taxation authority is classified as part of operating cash flows.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the taxation authority.

q) Earnings per share

Basic earnings per share is calculated as net profit attributable to members of the parent, adjusted to exclude any costs of servicing equity (other than dividends), divided by the weighted average number of ordinary shares, adjusted for any bonus element.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Diluted earnings per share is calculated as net profit attributable to members of the parent, adjusted for:

- costs of servicing equity (other than dividends);
- the after tax effect of dividends and interest associated with dilutive potential ordinary shares; and
- other non-discretionary changes in revenues or expenses during the year that would result from the dilution of potential ordinary shares;

Divided by the weighted average number of ordinary shares and dilutive potential ordinary shares, adjusted for any bonus element.

r) Fair Value of Assets and Liabilities

The Company measures some of its assets and liabilities at fair value on either a recurring or non-recurring basis, depending on the requirements of the applicable Accounting Standard.

Fair value is the price the Company would receive to sell an asset or would have to pay to transfer a liability in an orderly (i.e. unforced) transaction between independent, knowledgeable and willing market participants at the measurement date.

As fair value is a market-based measure, the closest equivalent observable market pricing information is used to determine fair value. Adjustments to market values may be made having regard to the characteristics of the specific asset or liability. The fair values of assets and liabilities that are not traded in an active market are determined using one or more valuation techniques. These valuation techniques maximise, to the extent possible, the use of observable market data.

To the extent possible, market information is extracted from either the principal market for the asset or liability (i.e. the market with the greatest volume and level of activity for the asset or liability) or, in the absence of such a market, the most advantageous market available to the entity at the end of the reporting period (i.e. the market that maximises the receipts from the sale of the asset or minimises the payments made to transfer the liability, after taking into account transaction costs and transport costs).

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

For non-financial assets, the fair value measurement also takes into account a market participant's ability to use the asset in its highest and best use or to sell it to another market participant that would use the asset in its highest and best use.

The fair value of liabilities and the entity's own equity instruments (excluding those related to share-based payment arrangements) may be valued, where there is no observable market price in relation to the transfer of such financial instruments, by reference to observable market information where such instruments are held as assets. Where this information is not available, other valuation techniques are adopted and, where significant, are detailed in the respective note to the financial statements.

Valuation techniques

In the absence of an active market for an identical asset or liability, the Company selects and uses one or more valuation techniques to measure the fair value of the asset or liability. The Company selects a valuation technique that is appropriate in the circumstances and for which sufficient data is available to measure fair value. The availability of sufficient and relevant data primarily depends on the specific characteristics of the asset or liability being measured. The valuation techniques selected by the Company are consistent with one or more of the following valuation approaches:

Market approach: valuation techniques that use prices and other relevant information generated by market transactions for identical or similar assets or liabilities.

Income approach: valuation techniques that convert estimated future cash flows or income and expenses into a single discounted present value.

Cost approach: valuation techniques that reflect the current replacement cost of an asset at its current service capacity.

Each valuation technique requires inputs that reflect the assumptions that buyers and sellers would use when pricing the asset or liability, including assumptions about risks. When selecting a valuation technique, the Company gives priority to those techniques that maximise the use of observable inputs and minimise the use of unobservable inputs. Inputs that are developed using market data (such as publicly available information on actual transactions) and reflect the assumptions that buyers and sellers would generally use when

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

pricing the asset or liability are considered observable, whereas inputs for which market data is not available and therefore are developed using the best information available about such assumptions are considered unobservable.

Fair value hierarchy

AASB 13 requires the disclosure of fair value information by level of the fair value hierarchy, which categorises fair value measurements into one of three possible levels based on the lowest level that an input that is significant to the measurement can be categorised into as follows:

Level 1

Measurements based on quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.

Measurements based on inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 2

Measurements based on inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly

Level 3

Measurements based on unobservable inputs for the asset or liability.

The fair values of assets and liabilities that are not traded in an active market are determined using one or more valuation techniques. These valuation techniques maximise, to the extent possible, the use of observable market data. If all significant inputs required to measure fair value are observable, the asset or liability is included in Level 2. If one or more significant inputs are not based on observable market data, the asset or liability is included in Level 3.

The Company would change the categorisation within the fair value hierarchy only in the following circumstances:

(i) if a market that was previously considered active (Level 1) became inactive (Level 2 or Level 3) or vice versa; or

(ii) if significant inputs that were previously unobservable (Level 3) became observable (Level 2) or vice versa.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

When a change in the categorisation occurs, the Company recognises transfers between levels of the fair value hierarchy (i.e. transfers into and out of each level of the fair value hierarchy) on the date the event or change in circumstances occurred.

2. CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

Estimates and assumptions are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Equally, the Company continually employs judgement in the application of its accounting policies.

Management has identified the following critical accounting policies for which significant judgements, estimates and assumptions are made. Actual results may differ from these estimates under different assumptions and conditions. Those which may materially affect the carrying amounts of assets and liabilities reported in future years are discussed below.

(a) Significant accounting estimates and judgements

(i) Impairment of non-financial assets

The Company assesses impairment on all assets at each reporting date by evaluating conditions specific to the Company and to the particular asset that may lead to impairment. These include technology and economic environments. If an impairment trigger exists, the recoverable amount of the asset is determined. This involves value-in-use calculations, which incorporate a number of key estimates and assumptions.

(ii) Share-based payment transactions

The Company measures the cost of equity settled transactions with directors and employees by reference to the fair value of the equity instruments at the date at which they are granted. Equity settled transactions comprise only options. Their fair value is determined using the Binomial Options Pricing model. The accounting estimates and assumptions relating to equity settled share-based payments would have no impact on the carrying amounts of assets and liabilities within the next annual reporting year but may impact expenses and equity.

2. CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS (continued)

(iii) Estimation of useful lives of assets

The estimation of useful lives of assets has been based on historical experience. Adjustments to useful lives are made when considered necessary. Depreciation and amortisation charges as well as estimated useful lives are included in Note 1(g).

(iv) Exploration and evaluation costs

Acquisition, exploration and evaluation expenditure incurred is accumulated in respect of each identifiable area of interest. These costs are carried forward in respect of an area that has not at balance sheet date reached a stage which permits a reasonable assessment of the existence or otherwise of economically recoverable reserves, and active and significant operations in or relating to, the area of interest are continuing.

(v) Environmental issues

Balances disclosed in the financial statements and notes thereto are not adjusted for any pending or enacted environmental legislation, and the Directors understanding thereof. At the current stage of the Company's development and its current environmental impact, the Directors believe such treatment is reasonable and appropriate.

(vi) Taxation

Balances disclosed in the financial statements and the notes thereto, related to taxation, and are based on the best estimates of Directors. These estimates take into account both the financial performance and position of the Company as they pertain to current income taxation legislation, and the Directors understanding thereof. No adjustment has been made for pending or future taxation legislation. The current income tax position represents that Directors best estimate, pending an assessment by the Australian Taxation Office.

3. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Company's financial instruments consist mainly of deposits with banks, accounts receivable and payable.

The totals for each category of financial instruments, measured in accordance with AASB 139 as detailed in the accounting policies to these financial statements, are as follows:

Great Western Exploration Limited

Notes To The Consolidated Financial Statements For The Year Ended 30 June 2015 (Continued)

3. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

	Note	2015 \$	2014 \$
Financial Assets			
Cash and cash equivalents	8	131,139	311,457
Receivables	9	12,611	24,133
Other financial assets- Cash on deposit	10	-	59,616
Financial assets at fair value through profit or loss			
- Held for trading	10	400	1,000
		<u>144,150</u>	<u>396,206</u>
Financial Liabilities			
Trade and payables	14	503,244	240,883
		<u>503,244</u>	<u>240,883</u>

Financial Risk Management Policies

The Company attempts to mitigate risks that may affect its future performance through a systematic process of identifying, assessing, reporting and managing risks of corporate significance.

The management and the Board discuss the principal risks of our businesses, particularly during the strategic planning and budgeting processes. The board sets policies for the implementation of systems to manage and monitor identifiable risks. The Board Risk Committee is responsible for the oversight of risk management.

The Company's principal financial instruments comprise cash and short term deposits. The Company has various other financial assets and liabilities such as trade receivables and trade payables, which arise directly from its operations.

The main purpose of these financial assets and liabilities is to raise finance for the Company's operations. It is, and has been throughout the entire year under review, the Company's policy that no trading in financial instruments shall be undertaken.

The main risks arising from the Group's financial instruments are cash flow interest rate risk. Other minor risks are either summarised below or disclosed in Note 9 in the case of credit risk and Note 16 in the case of capital risk management. The Board reviews and agrees policies for managing each of these risks.

3. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

(a) Credit Risk

The Company minimises credit risk by undertaking a review of its potential customers' financial position and the viability of the underlying project prior to entering into material contracts.

Financial instruments other than receivables that potentially subject the Company to concentrations of credit risk consist principally of cash deposits. The Company places its cash deposits with high credit-quality financial institutions, being in Australia only the major Australian (big four) banks. Cash holdings in other countries are generally not significant. The Company's cash deposits all mature within twelve months and attract a rate of interest at normal short-term money market rates.

The maximum amount of credit risk the Company considers it would be exposed to would be \$144,150 (2014: \$396,206) being the total of its cash and cash equivalents and financial assets.

(b) Cash Flow Interest Rate Risk

The Company's exposure to the risks of changes in market interest rates relates primarily to the Company's short term deposits with a floating interest rate. All other financial assets and liabilities in the form of receivables and payables are non-interest bearing. The Company does not engage in any hedging or derivative transactions to manage interest rate risk.

Great Western Exploration Limited

Notes To The Consolidated Financial Statements For The Year Ended 30 June 2015 (Continued)

3. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

The following table sets out the Company's exposure to interest rate risk and the effective weighted average interest rate for each class of these financial instruments.

	Note	Floating Interest Rate		Non-Interest Bearing		Total Carrying Amount	
		2015 \$	2014 \$	2015 \$	2014 \$	2015 \$	2014 \$
Financial Assets							
Cash and cash equivalents	8	131,139	311,457	-	-	131,139	311,457
Trade and other Receivables	9	-	-	12,611	24,133	12,611	24,133
Other Financial assets		-	-	400	1,000	400	1,000
Weighted average interest rate		2.45	2.40				

The effect on profit and equity, after tax, if interest rates at that date had been 10% higher or 10% lower with all other variables held constant as a sensitivity analysis. Would be a +/- change to profit and equity of \$13,114 (2014: \$31,145).

A sensitivity of 10% has been selected as this is considered by management to be reasonable in the current environment.

The Company constantly analyses its interest rate exposure to ensure the appropriate mix of fixed and variable rates.

The Company has not entered into any hedging activities to cover interest rate risk. In regard to its interest rate risk, the Company continuously analyses its exposure. Within this analysis consideration is given to potential renewals of existing positions, alternative investments and the mix of fixed and variable interest rates.

Great Western Exploration Limited

Notes To The Consolidated Financial Statements For The Year Ended 30 June 2015 (Continued)

3. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

(c) Price Risk

The Company is not exposed to equity securities price risk. There is no active market for available for sale investments.

(d) Liquidity Risk

The Company's objective is to match the terms of its funding sources to the terms of the assets or operations being financed. The Company uses a combination of trade payables and operating leases to provide its necessary debt funding.

The Company aims to hold sufficient reserves of cash or cash equivalents to help manage the fluctuations in working capital requirements and provide the flexibility for investment into long-term assets without the need to raise debt.

Contracted maturities of payables at balance date	2015	2014
	\$	\$
Payable		
- Less than 6 months	503,244	240,883
- 6 to 12 months	-	-
- 1 to 5 years	-	-
	<u>503,244</u>	<u>240,883</u>

(e) Commodity Price Risk

Due to the early stage of the Company's operations its exposure is considered minimal. Risk arises as its operations are involved in exploration and development of mineral commodities, changes in the price of commodities for which the Group is exploring and developing may result in changes to the Company's market price. The Company entity does not hedge any of its exposures.

(f) Foreign currency exchange rate

A risk arises when future commercial transactions and recognised assets and liabilities are denominated in a currency other than the Company's functional currency. At present, the Company is not considered to be exposed to any significant foreign currency risk.

Great Western Exploration Limited

Notes To The Consolidated Financial Statements For The Year Ended 30 June 2015 (Continued)

3. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

(g) Net fair values

The Company has no financial assets or liabilities where the carrying value amount exceeds fair value at balance date. The directors consider that the carrying amounts of financial assets and financial liabilities recognised in the consolidated financial statements approximate their fair value.

The Company's financial assets at fair value through profit or loss are listed investments (Note 10) and are categorised as Level 1, meaning fair value is determined from quoted prices in active markets for identical assets.

4. OPERATING SEGMENTS

Segment Information

Identification of reportable segments

The Company 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 Company's principal activities are mineral exploration and are 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 Company's exploration projects consist of:

- Nickel and 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 Company.

Great Western Exploration Limited

Notes To The Consolidated Financial Statements For The Year Ended 30 June 2015 (Continued)

4. OPERATING SEGMENTS (Continued)

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.

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.

Great Western Exploration Limited

Notes To The Consolidated Financial Statements For The Year Ended 30 June 2015 (Continued)

4. OPERATING SEGMENTS (Continued)

(i) Segment performance

	Doolgunna Base Metals	Kazakhstan Copper	Forrestania Nickel & Gold	Millrose Nickel & Gold	Other	Total
	\$	\$	\$	\$	\$	\$
30 June 2015						
External sales	-	-	-	-	-	-
Total segment revenue	-	-	-	-	-	-
Segment net profit/(loss) before tax	(218,568)	(101,765)	(9,130)	(294,036)	(57,263)	(680,762)
Reconciliation of segment result to net profit/(loss) before tax:						
(i) Amount not included in segment result but reviewed by the Board:						
• Interest received						4,178
• Gain on foreign exchange						39,148
• Net loss on revaluation of financial asset						(600)
• Directors fees						(119,435)
• Compliance						(75,033)
• Depreciation						(14,817)
• Other expenses						(777,269)
Net profit/(loss) before tax from continuing operations						<u>(1,624,590)</u>

Great Western Exploration Limited

Notes To The Consolidated Financial Statements For The Year Ended 30 June 2015 (Continued)

4. OPERATING SEGMENTS (Continued)

	Doolgunna Base Metals \$	Kazakhstan Copper \$	Forrestania Nickel & Gold \$	Millrose Nickel & Gold \$	Other \$	Total \$
30 June 2014						
External sales	-	-	-	-	-	-
Total segment revenue	-	-	-	-	-	-
Segment net profit/(loss) before tax	(11,624)	(2,712,309)	(102,171)	-	(191,958)	(3,018,062)
Reconciliation of segment result to net profit/(loss) before tax:						
(i) Amount not included in segment result but reviewed by the Board:						
• Interest received						35,586
• Other income						14,321
• Net loss on revaluation of financial asset						(2,400)
• Directors fees						(140,000)
• Compliance						(81,277)
• Depreciation						(29,320)
• Other expenses						(1,206,442)
Net profit/(loss) before tax from continuing operations						(4,427,594)

Great Western Exploration Limited

Notes To The Consolidated Financial Statements For The Year Ended 30 June 2015 (Continued)

4. OPERATING SEGMENTS (Continued)

(ii) Segment assets

	Doolgunna Base Metals \$	Kazakhstan Copper \$	Forrestania Nickel & Gold \$	Xstrata Base Metals \$	Millrose Gold \$	Other \$	Total \$
30 June 2015							
Segment assets	2,598,440	-	2,314,201	609,968	-	-	5,522,609
Segment asset increases for the year:							
• Capital expenditure	192,914	-	-	287,083	25,914	53,842	559,753
	192,914	-	-	287,083	25,914	53,842	559,753
Reconciliation of segment assets to total assets:							
Unallocated assets:							
• Cash and cash equivalents							131,139
• Receivables							12,611
• Other assets							-
• Property plant and equipment							17,880
• Other financial assets							400
Total assets from continuing operations							5,684,639

Great Western Exploration Limited

Notes To The Consolidated Financial Statements For The Year Ended 30 June 2015 (Continued)

4. OPERATING SEGMENTS (Continued)

	Doolgunna Base Metals \$	Kazakhstan Copper \$	Forrestania Nickel & Gold \$	Xstrata Base Metals \$	Millrose Nickel & Gold \$	Other \$	Total \$
30 June 2014							
Segment assets	2,931,801	-	2,338,488	-	271,564		5,541,853
Segment asset increases for the year:							
• 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
• Other assets							6,483
• Property plant and equipment							85,358
• Other financial assets							59,616
Total assets from continuing operations							<u>6,028,900</u>

Great Western Exploration Limited

Notes To The Consolidated Financial Statements For The Year Ended 30 June 2015 (Continued)

4. OPERATING SEGMENTS (Continued)

(ii)	(iii)	Segment liabilities						Total
		Doolgunna Base Metals \$	Kazakhstan Copper \$	Forrestania Nickel & Gold \$	Xstrata Base Metals \$	Millrose Gold \$	Other \$	
30 June 2015								
	Segment liabilities	-	-	-	-	-	-	-
Reconciliation of segment liabilities to total liabilities:								
Unallocated liabilities:								
	• Other liabilities							<u>503,244</u>
Total liabilities from continuing operations								<u><u>503,244</u></u>
(ii)	(iii)	Segment liabilities						Total
		Doolgunna Base Metals	Kazakhstan Copper	Forrestania Nickel & Gold	Xstrata Base Metals	Bullseye Millrose Gold	Other	
30 June 2014								
	Segment liabilities	-	-	-	-	-	-	-
Reconciliation of segment liabilities to total liabilities:								
Unallocated liabilities:								
	• Other liabilities							<u>264,922</u>
Total liabilities from continuing operations								<u><u>264,922</u></u>

Great Western Exploration Limited

Notes To The Consolidated Financial Statements For The Year Ended 30 June 2015 (Continued)

5. OPERATING SEGMENTS (Continued)

Revenue by geographical region

The Company's revenue is received from sources within Australia.

(vi) Assets by geographical region

The location of segment assets is disclosed below by geographical location of the assets:

	Balance as at 30.6.2015	Balance as at 30.6.2014
	\$	\$
Australia	5,522,609	5,541,853
	<hr/>	<hr/>
	5,522,609	5,541,853

(vii) Major customers

Due to the nature of its current operations, the Company does not provide products and services.

5. EXPENSES

	2015	2014
	\$	\$
Employee benefits		
Salaries	397,337	538,857
Superannuation	48,610	50,483
Share-based payments	31,018	9,533
	<hr/>	<hr/>
	476,965	598,873

Great Western Exploration Limited**Notes To The Consolidated Financial Statements For The Year Ended 30 June 2015 (Continued)****6. INCOME TAX**

	2015	2014
	\$	\$
a) The prima facie tax on profit/(loss) from ordinary activities before income tax is reconciled to the income tax expense as follows:		
Accounting loss before income tax	(1,624,590)	(4,427,594)
Income tax benefit at the statutory income tax rate of 30% (2014: 30%)	(487,377)	(1,328,278)
Expenditure not allowable for income tax purposes	216,627	916,698
Capitalised mineral exploration expenditure	(167,326)	(1,040,525)
Capital raising costs	(16,352)	(43,355)
Benefit of tax losses not brought to account as an asset	454,428	1,495,460
Income Tax expense reported in the Statement of Profit or Loss and Other Comprehensive Income	<u>-</u>	<u>-</u>
b) As at 30 June 2015, the Company has estimated tax losses of approximately \$17,800,000 (2014: \$17,600,000), which may be available to be offset against deferred tax liabilities and taxable income in future years. The availability of these losses is subject to satisfying Australian taxation legislative requirements. The deferred tax asset attributable to tax losses has not been brought to account in these financial statements as the Directors believe it is not presently appropriate to regard realisation of the future income tax benefits as probable.		
c) Deferred Tax Liability		
With regard to Mineral Exploration Expenditure of \$5,522,609 (2014: \$5,541,853) the tax liability in respect of the book value has not been brought to account as it is offset by the tax losses set out in 6(b) above.		

Great Western Exploration Limited

Notes To The Consolidated Financial Statements For The Year Ended 30 June 2015 (Continued)

7. EARNINGS PER SHARE

	2015	2014
	\$	\$
Loss used in the calculation of basic EPS	<u>(1,624,590)</u>	<u>(4,427,594)</u>
Weighted average number of ordinary shares used in calculation of basic earnings per share	<u>168,344,559</u>	<u>129,413,312</u>

8. CASH AND CASH EQUIVALENTS

	2015	2014
	\$	\$
Cash at bank	99,523	21,454
Cash on deposit	<u>31,616</u>	<u>290,003</u>
	<u>131,139</u>	<u>311,457</u>

The effective interest rate on short term bank deposits on average was 2.45% (2014 2.4%), with an average maturity of 6 months.

Great Western Exploration Limited

Notes To The Consolidated Financial Statements For The Year Ended 30 June 2015 (Continued)

9. TRADE AND OTHER RECEIVABLES

	2015	2014
	\$	\$
Current		
GST receivable	12,611	23,970
Other	-	163
	<u>12,611</u>	<u>24,133</u>

Sundry debtors are non-interest bearing and receivable within 30 days.

Allowance for impairment loss

Trade and other receivables do not contain impaired assets and are not past due. It is expected that these other balances will be received when due.

Fair value and credit risk

Due to the short term nature of the receivables, their carrying value is assumed to approximate their fair value.

Given the nature of the receivables the Company's exposure to risk is not considered material.

10. OTHER FINANCIAL ASSETS

	2015	2014
	\$	\$
Current		
Financial assets at fair value through profit or loss		
Held for trading Australian listed shares (Level 1 fair value hierarchy)	400	1,000
	<u>400</u>	<u>1,000</u>

Changes in fair value are included in the statement of comprehensive income.

Non-current	-	59,616
Cash on deposit		
Cash on deposit as security for bank guarantees in respect of rental premises and mineral exploration tenements.		
	<u>-</u>	<u>59,616</u>

Great Western Exploration Limited

Notes To The Consolidated Financial Statements For The Year Ended 30 June 2015 (Continued)

11. OTHER ASSETS

	2015	2014
	\$	\$
Current		
Prepayments	-	5,483

12. PROPERTY, PLANT AND EQUIPMENT

	2015	2014
	\$	\$
Plant and Equipment – at cost	92,863	145,526
Less: accumulated depreciation	(74,983)	(60,168)
	<u>17,880</u>	<u>85,358</u>
Reconciliation of the carrying amount of property, plant and equipment	2015	2014
	\$	\$
Carrying amount at beginning of year	85,358	102,973
Additions	2,674	11,705
Disposals	(3,956)	-
Depreciation for the year	(19,906)	(29,320)
Written Off	(46,290)	-
Carrying amount at end of financial year	<u>17,880</u>	<u>85,358</u>

13. MINERAL EXPLORATION EXPENDITURE

	2015	2014
	\$	\$
Balance at beginning of the year	5,541,853	5,091,496
Deferred exploration expenditure	559,753	3,468,419
Exploration expenditure refund	-	-
Mineral expenditure written off (i)	(578,997)	(3,018,062)
Balance at end of financial year	<u>5,522,609</u>	<u>5,541,853</u>

- (i) Mineral expenditure written off for the year was \$578,997. The main area written off in 2015 was the Millrose project and previously capitalised expenditure on various tenements relinquished during the financial year.

Great Western Exploration Limited

Notes To The Consolidated Financial Statements For The Year Ended 30 June 2015 (Continued)

13. MINERAL EXPLORATION EXPENDITURE (continued)

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

- the continuance of the Company'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.

14. TRADE AND OTHER PAYABLES

	2015	2014
	\$	\$
Current		
Trade payables	54,381	55,821
Sundry payables and accruals	448,863	185,062
	<u>503,244</u>	<u>240,883</u>

Due to the short-term nature of these payables, their carrying value is assumed to approximate fair value.

Trade payables are non-interest bearing and are generally settled within 30 days.

15. PROVISIONS

	2015	2014
	\$	\$
Current		
Employee benefits	-	24,039
	<u>-</u>	<u>24,039</u>

Great Western Exploration Limited

Notes To The Consolidated Financial Statements For The Year Ended 30 June 2015 (Continued)

16. ISSUED CAPITAL

			2015	2014
			\$	\$
Ordinary Shares			19,496,573	18,441,819
Movements	2015	2014	2015	2014
	Number	Number	\$	\$
Ordinary Shares				
Balance 1 July	147,873,163	98,375,087	18,441,819	14,190,666
Transfer from Option Premium Reserve	-	-	-	-
Rights Issue				
- July 2014	9,526,303	-	285,789	-
- Jan 2015	12,447,760	-	373,433	-
- July 2013	-	32,791,330	-	3,934,961
- May 2014	-	16,706,746	-	501,202
Placement				
- Oct 2014	8,601,000	-	344,040	-
- June 2015	10,600,000	-	106,000	-
	189,048,226	147,873,163	19,551,081	18,626,829
Issue costs	-	-	(54,508)	(185,010)
At 30 June	189,048,226	147,873,163	19,496,573	18,441,819

The Company at 30 June 2015 has issued share capital amounting to 189,048,226 (2014: 147,873,163) ordinary shares with no par value.

Ordinary shares participate in dividends and the proceeds on winding up of the parent entity in proportion to the number of shares held.

At the shareholders' meetings each ordinary share is entitled to one vote when a poll is called, otherwise each shareholder has one vote on a show of hands.

Capital Risk Management

The Company's objectives when managing capital are to safeguard their ability to continue as a going concern, so that they may continue to provide returns for shareholders and benefits for other stakeholders.

Great Western Exploration Limited

Notes To The Consolidated Financial Statements For The Year Ended 30 June 2015 (Continued)

16. ISSUED CAPITAL (continued)

Due to the nature of the Company's activities, being mineral exploration, the Company does not have ready access to credit facilities, with the primary source of funding being equity raisings. Therefore, the focus of the Company's capital risk management is the current working capital position against the requirements of the Company to meet exploration programmes and corporate overheads.

The Company's strategy is to ensure appropriate liquidity is maintained to meet anticipated operating requirements, with a view to initiating appropriate capital raisings as required. The working capital position of the Company is as follows:

	2015	2014
	\$	\$
Cash and cash equivalents	131,139	311,457
Trade and other receivables	12,611	24,133
Trade and other payables	(503,244)	(264,922)
Working capital position	<u>(359,494)</u>	<u>70,668</u>

Great Western Exploration Limited

Notes To The Consolidated Financial Statements For The Year Ended 30 June 2015 (Continued)

17. RESERVES

	2015	2014
	\$	\$
Share Option Reserve	1,682,618	1,784,858
Foreign Currency Translation Reserve	-	43,765
	<u>1,682,618</u>	<u>1,828,623</u>

(a) Share Option Reserve

Movements

	2015	2014	2015	2014
	No.	No.	\$	\$

Options

Unlisted

- Expiring 30 May 2016

Exercisable at \$0.60

At 1 July	4,000,000	4,000,000	1,371,600	1,371,600
Issues during the year	-	-	-	-
Exercised during the year	-	-	-	-
At 30 June	<u>4,000,000</u>	<u>4,000,000</u>	<u>1,371,600</u>	<u>1,371,600</u>

Unlisted

- Expiring 30 June 2015

Exercisable at \$0.40

At 1 July	350,000	350,000	123,725	123,725
Expired during the year	(350,000)	-	-	-
Transferred to Accumulated Losses	-	-	(123,725)	-
At 30 June	<u>-</u>	<u>350,000</u>	<u>-</u>	<u>123,725</u>

Great Western Exploration Limited
Notes To The Consolidated Financial Statements For The Year Ended 30 June 2015 (Continued)
17. RESERVES (Continued)

	2015	2014	2015	2014
	No.	No.	\$	\$
Unlisted				
- Expiring 30 June 2014				
Exercisable at \$0.40				
At 1 July	-	1,000,000	-	48,000
Issued during the year	-	-	-	-
Exercised during the year	-	-	-	-
Expired during the year	-	(1,000,000)	-	-
Transfer to Accumulated losses	-	-	-	(48,000)
At 30 June	-	-	-	-
Unlisted				
- Expiring 30 June 2015				
Exercisable at \$0.40				
At 1 July	1,000,000	-	9,553	-
Issued during the year	-	1,000,000	-	9,553
Expired during the year	(1,000,000)	-	-	-
Transferred to Accumulated Losses	-	-	(9,553)	-
At 30 June	-	1,000,000	-	9,553
Unlisted				
- Expiring 30 June 2016				
Exercisable at \$0.60				
At 1 July	4,000,000	4,000,000	280,000	280,000
Issues during the year	-	-	-	-
Exercised during the year	-	-	-	-
At 30 June	4,000,000	4,000,000	280,000	280,000
Unlisted				
-Expiring 30 June 2016	-	-	-	-
At 1 July				
Issued during the year	2,000,000	-	31,018	-
Exercised during the year	-	-	-	-
At 30 June	2,000,000	-	31,018	-

Great Western Exploration Limited

Notes To The Consolidated Financial Statements For The Year Ended 30 June 2015 (Continued)

17. RESERVES (Continued)

Unlisted	-	-	-	-
-Expiring 30 June 2016				
At 1 July				
Issued during the year	10,600,000	-	-	-
Exercised during the year	-	-	-	-
At 30 June	<u>10,600,000</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total	<u>20,600,000</u>	<u>9,350,000</u>	<u>1,682,618</u>	<u>1,784,878</u>

The share based payments reserve is used to record the value of share based payments provided to employees, including key management personnel, as part of their remuneration. Refer to Note 21 for further details of these plans.

The Group operates an Employee Share Option Plan under which Options to subscribe for the Company's shares have been granted to directors, senior executives and employees.

18. CASH FLOW STATEMENT RECONCILIATION

	2015	2014
	\$	\$
a) Reconciliation of net loss after tax to net cash flows from operations		
Loss for the year	(1,624,590)	(4,427,594)
Depreciation	19,906	29,320
Share based payments	31,018	9,533
Mineral exploration expenditure written off	578,997	3,018,062
Impairment on property, plant and equipment	46,290	-
Revaluation of financial assets	600	-
Gain on foreign exchange	(39,148)	-
Changes in assets and liabilities		
(Increase)/Decrease in trade and other receivables	11,521	14,735
(Increase)/Decrease in other assets	65,100	21,178
Increase/(Decrease) in trade and other payables	262,362	50,952
(Increase)/Decrease in exploration expenditure	(559,753)	(3,313,716)
Increase /(Decrease) in provisions	(24,039)	22,910
	<u>(1,231,736)</u>	<u>(4,574,620)</u>

Great Western Exploration Limited

Notes To The Consolidated Financial Statements For The Year Ended 30 June 2015 (Continued)

19. RELATED PARTY DISCLOSURE

a) Transactions with Directors and Directors Related Entities

During the year the group paid \$3,975 (2014: \$4,000) to Somes Cooke, an accounting practice of which Mr K C Somes a director, is a partner, for taxation and accounting services. The above transactions were entered into on normal terms and conditions.

20. KEY MANAGEMENT PERSONNEL

(a) Compensation for Key Management Personnel

	2015	2014
	\$	\$
Short term employee benefits	267,603	390,002
Post employment benefits	22,572	36,375
Other long term benefits	-	-
Termination benefits	-	-
Share based payments	31,018	-
	<u>321,193</u>	<u>426,377</u>

21. SHARE BASED PAYMENTS

(a) Recognised share based payment expenses.

The share based payment expense recognised for employee services received during the year is shown in the table below:

	2015	2014
	\$	\$
Expense arising from equity settled share-based payment transactions	31,018	9,533
Expense arising from cash settled share-based payment transactions	<u>-</u>	<u>-</u>
Total expense arising from share-based payment transactions	<u>31,018</u>	<u>9,533</u>

The share-based payment plans are described below. There have been no cancellations or modifications to any of the plans during 2015 and 2014.

Great Western Exploration Limited

Notes To The Consolidated Financial Statements For The Year Ended 30 June 2015 (Continued)

21. SHARE BASED PAYMENTS (Continued)

b) Types of Share based payment plans

Great Western Exploration Limited, Employee Share Option Plan

Share options are granted to senior executives and designed to provide executives an incentive and participate along with shareholders by increasing the value of the Company's shares. The options are issued by the Board having regard, in each case to:

- (i) the contribution to the Company which has been made by the Participant;
- (ii) the period of employment of the Participant with the Company, including (but not limited to) the years of service by that Participant;
- (iii) the potential contribution of the Participant to the Company; and
- (iv) any other matters which the Board considers in its absolute discretion, to be relevant.

The options are issued to participants at a price the Board considers appropriate, but in any event, no more than nominal consideration.

Details of options expiry date and exercise price are set out in Note 21(c) below.

c) Summary of Options granted under Employee Share Option Plan

	2015		2014	
	No.	Exercise Price	No.	Exercise Price
Outstanding at beginning of financial year	9,350,000		9,350,000	
Granted during the year				
- expiring 30 June 2015	-	-	1,000,000	40 cents
- expiring 30 June 2016	2,000,000	10 cents	-	-
Forfeited during the year				
Expired during the year	(1,350,000)	-	(1,000,000)	40 cents
Exercised during the year	-	-	-	-
Outstanding at end of financial year	10,000,000		9,350,000	

Great Western Exploration Limited

Notes To The Consolidated Financial Statements For The Year Ended 30 June 2015 (Continued)

21. SHARE BASED PAYMENTS (Continued)

The following share-based payment arrangements were in existence during the current and prior reporting periods:

Grant Date	No of Options	Grant Date Fair Value	Exercise Price	Expiry Date	Vesting Date
9 August 2011	4,000,000	\$0.342	\$0.60	30 May 2016	9 August 2011
2 September 2011	350,000	\$0.353	\$0.40	30 June 2015	2 September 2011
12 December 2012	4,000,000	\$0.07	\$0.60	30 June 2016	12 December 2012
31 January 2014	1,000,000	\$0.0095	\$0.40	30 June 2015	31 January 2014
25 July 2014	2,000,000	\$0.0155	\$0.10	30 June 2016	25 July 2014

The total number of options exercisable at year end was 10,000,000.

No options were exercised during the year.

d) Option pricing model

Equity-settled transactions

The fair value of the equity-settled share options granted under the Employee Share Option Plan is estimated as at the date of the grant using a Binomial Model Pricing Model taking into account the terms and conditions upon which the options were granted.

	25 July 2014
Dividend yield (%)	0
Expected volatility (%)	88.33
Risk free interest rate (%)	2.55
Expected life of options (yrs)	0.91
Option exercise price (\$)	10
Weighted average share price at measurement date (\$)	0.052

Great Western Exploration Limited

Notes To The Consolidated Financial Statements For The Year Ended 30 June 2015 (Continued)

22. PARENT INFORMATION

	2015	2014
	\$	\$

The following information has been extracted from the books and records of the parent and has been prepared in accordance with Australian Accounting Standards.

STATEMENT OF FINANCIAL POSITION**ASSETS**

Current Assets	144,151	335,469
Non-current assets	5,540,489	5,675,147

TOTAL ASSETS	5,684,640	6,010,616
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LIABILITIES

Current liabilities	503,244	257,329
Non-current liabilities	-	-

TOTAL LIABILITIES	503,244	257,329
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EQUITY

Issued capital	19,496,573	18,441,819
Reserves	1,682,618	1,784,858
Accumulated losses	(15,997,794)	(14,473,390)

TOTAL EQUITY	5,181,396	5,753,287
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STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

Total loss	(1,657,663)	(4,420,225)
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Total comprehensive income	(1,657,663)	(4,420,225)
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Great Western Exploration Limited

Notes To The Consolidated Financial Statements For The Year Ended 30 June 2015 (Continued)

22. PARENT INFORMATION (Continued)

Guarantees

Great Western Exploration Limited has not entered into any guarantees, in the current or previous financial year, in relation to the debts of its subsidiaries.

Contingent Liabilities

At 30 June 2015, there were no contingent liabilities in relation to the subsidiaries.

Contractual commitments

At 30 June 2015, Great Western Exploration Limited had not entered into any contractual commitments for the acquisition of property, plant and equipment (2014: Nil).

23. CONTROLLED ENTITIES

Interests are held in the following:

Name	Principal Activities	Country of Incorporation	Shares	Ownership Interest		Carrying Amount of Investment	
				2015 %	2014 %	2015 \$	2014 \$
GTE Holdings Pte Ltd	Investment	Singapore	Ordinary	100	100	1	1
GTE KZ LLP	Mineral Exploration	Kazakhstan	Ordinary	100	100	1	1

24. COMMITMENTS AND CONTINGENCIES

COMMITMENTS

a) Exploration Tenement Leases

In order to maintain current rights of tenure to exploration tenements, the Group is required to outlay lease rentals and to meet the minimum expenditure requirements of the Western Australian Department of Mines & Petroleum.

Within one year	1,285,000	1,542,325
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Great Western Exploration Limited

Notes To The Consolidated Financial Statements For The Year Ended 30 June 2015 (Continued)

24. COMMITMENTS AND CONTINGENCIES (Continued)

b) Operating Lease Commitments

Non-cancellable operating leases contracted for but not capitalised in the financial statements

Payable – minimum lease payments

• not later than 12 months	-	32,605
• between 12 months and 5 years	-	-
• greater than 5 years	-	-

The property lease is a non-cancellable lease with a one-year term, with rent payable monthly in advance.

CONTINGENCIES

There were no contingencies at the end of the financial year.

25. EVENTS AFTER BALANCE DATE

The Directors are not aware of any matter or circumstance that has arisen since 30 September 2015 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 September 2015, Great Western Exploration Limited held a General Meeting where the shareholders approved the following 7 resolutions:

Resolution 1 - Approval to Issue Shares Pursuant to Share Placement

Approval for the Directors to issue up to 70,000,000 Shares at an issue price of \$0.01 per share.

Resolution 2 - Approval for Mr Kevin Somes to participate in Share Placement

Approval for Mr Kevin Somes to participate in the Share Placement up to 10,000,000 Shares.

Resolution 3 - Approval for Mr Craig Mathieson to participate in Share Placement

Approval for Mr Craig Mathieson to participate in the Share Placement up to 10,000,000 Shares.

Great Western Exploration Limited

Notes To The Consolidated Financial Statements For The Year Ended 30 June 2015 (Continued)

25. EVENTS AFTER BALANCE DATE (Continued)

Resolution 4 - Ratification of prior placement of Shares and Options

Ratified the prior issue of 10,600,000 Shares together with 10,600,000 free attaching Options expiring 30 June 2016 exercisable at \$0.05.

Resolution 5 - Proposed issue of Shares to Mr Kevin Somes in lieu of Director Fees

Approval for the issue of 6,022,600 Shares at an issue price of \$0.01 per Share to Mr Kevin Somes in full satisfaction of the accrued and outstanding Director's fees as at 30 June 2015 being \$60,226.

Resolution 6 - Proposed issue of Shares to Mr Jordan Lockett in lieu of Salary and Director Fees

Approval for the issue of 15,589,200 Shares at an issue price of \$0.01 per Share to Mr Jordan Lockett in full satisfaction of accrued and outstanding Salary and Director's fees as at 30 June 2015 being \$155,982.

Resolution 7 - Proposed issue of Shares to Mr Craig Mathieson in lieu of Director Fees

Approval for the issue of 3,285,000 Shares at an issue price of \$0.01 per Share to Mr Craig Mathieson in full satisfaction of the accrued and outstanding Director's fees as at 30 June 2015 being \$32,850.

26. AUDITORS REMUNERATION

	2015	2014
	\$	\$
The Auditor of Great Western Exploration Limited is Bentleys		
Amounts received or due and receivable for		
• an audit or review of the financial report of the Group	31,000	28,500
• other services in relation to the Group – other services	-	-
	<u>31,000</u>	<u>28,500</u>

Great Western Exploration Limited

Directors' Declaration

In accordance with a resolution of the directors of Great Western Exploration Limited, the Directors of the Company declare that:

1. the financial statements and notes, as set out on pages 44 to 96, are in accordance with the Corporations Act 2001 and:
 - a. comply with Australian Accounting Standards, which, as stated in accounting policy Note 1 to the financial statements, constitutes compliance with International Financial Reporting Standards (IFRS); and
 - b. give a true and fair view of the financial position as at 30 June 2015 and of the performance for the year ended on that date of the Company;
2. in the Directors' opinion, subject to the matters mentioned in Note 1(a) to the financial statements, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable; and
3. the Directors have been given the declarations required by s 295A of the Corporations Act 2001 for the financial year ended 30 June 2015.

Dated this 30 day of September 2015



K C Somes
Chairman

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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 audit of the financial statements of Great Western Exploration Limited for the financial year ended 30 June 2015, 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 audit; and
- any applicable code of professional conduct in relation to the audit.

Yours faithfully



BENTLEYS
Chartered Accountants



MARK DELAURENTIS CA
Director

Dated at Perth this 30th day of September 2015

Independent Auditor's Report

To the Members of Great Western Exploration Limited

We have audited the accompanying financial report of Great Western Exploration Limited ("the Company") and Controlled Entities ("the Consolidated Entity"), which comprises the statement of financial position as at 30 June 2015, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration of the Consolidated Entity, comprising the Company and the entities it controlled at the year's end or from time to time during the financial year.

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Directors Responsibility for the Financial Report

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error. In Note 1, the directors also state, in accordance with Accounting Standards AASB 101: *Presentation of Financial Statements*, that the financial statements comply with *International Financial Reporting Standards*.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. These Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the financial report that gives a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Independent Auditor's Report

To the Members of Great Western Exploration Limited (*Continued*)



Independence

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

Opinion

In our opinion:

- a. The financial report of Great Western Exploration Limited is in accordance with the *Corporations Act 2001*, including:
 - i. giving a true and fair view of the Consolidated Entity's financial position as at 30 June 2015 and of its performance for the year ended on that date; and
 - ii. complying with Australian Accounting Standards and the *Corporations Regulations 2001*;
- b. The financial statements also comply with *International Financial Reporting Standards* as disclosed in Note 1.

Emphasis of matter

Without qualifying our opinion, we draw attention to Note 1(a) in the financial report which indicates that the Consolidated Entity incurred a net loss of \$1,624,590 during the year ended 30 June 2015. This condition, along with other matters as set forth in Note 1(a), indicate the existence of a material uncertainty which may cast significant doubt about the ability of the Consolidated Entity to continue as a going concern and whether it will realise its assets and extinguish its liabilities in the normal course of business and at the amounts stated in the financial report.

Report on the Remuneration Report

We have audited the Remuneration Report included in the directors' report for the year ended 30 June 2015. The directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

Opinion

In our opinion, the Remuneration Report of Great Western Exploration Limited for the year ended 30 June 2015, complies with section 300A of the *Corporations Act 2001*.

BENTLEYS
Chartered Accountants

MARK DELAURENTIS CA
Director

Dated at Perth this 30th day of September 2015

Great Western Exploration Limited

ADDITIONAL INFORMATION

1. SHAREHOLDER INFORMATION

1.1 VOTING RIGHTS

In accordance with the Company's constitution, on a show of hands every member present in person or by proxy or attorney or duly authorised representative has one vote. On a poll every member present in person or by proxy or attorney or duly authorised representative has one vote for every fully paid ordinary share held.

1.2 SUBSTANTIAL SHAREHOLDERS AS AT 29 September 2015

<u>Shareholder</u>	<u>No of Shares</u>
Holdrey Pty Ltd ATF The Don Mathieson Family Trust	14,933,496

1.3 DISTRIBUTION OF HOLDERS AS AT 29 September 2015

	<u>Fully Paid Ordinary Shares</u>
Number of Holders	<u>1,323</u>
Distribution is:	
1 – 1000	222
1001 – 5,000	179
5001 – 10,000	153
10,001 – 100,000	551
100,001 – and over	<u>218</u>
	<u>1,323</u>

Great Western Exploration Limited

ADDITIONAL INFORMATION

1.4 TOP TWENTY HOLDERS:

(a) Ordinary Shares

The names of the twenty largest ordinary fully paid shareholders as at 29 September 2015 are as follows:

	Name	%	No. of Shares
1	Holdrey Pty Ltd	7.91	14,958,045
2	The Lockett Family Trust	4.43	8,382,546
3	UOB Kay Hian Private Limited (Clients A/C)	4.41	8,355,000
4	BAM NR 1 Pty Ltd	3.89	7,362,724
5	Mrs J E Somes & Ms A J Somes (Jane Somes Pension Fund)	3.88	7,339,032
6	Rogue Investments Pty Ltd	3.70	7,000,000
7	Frank Cannavo Investments Pty Ltd	3.65	6,900,000
8	Sunden Pty Ltd	3.26	6,166,667
9	Soria Nominees Pty Ltd	3.17	6,000,000
10	Citicorp Nominees Pty Ltd	2.35	4,442,206
11	Hallco No42 Pty Ltd	2.35	4,440,000
12	Ancan Investments Pty Ltd	1.84	3,473,121
13	Minsk Pty Ltd	1.47	2,774,278
14	Canna Investments Pty Ltd	1.34	2,535,660
15	Mr N L Blakesley	1.25	2,363,740
16	John Moran	0.99	1,874,539
17	Blade Skate Pty Ltd	0.98	1,860,000
18	Sayers Investments (ACT) Pty Limited	0.80	1,511,334
19	Eric James Godfrey	0.79	1,500,000
20	Magaurite Pty Ltd (Peter Nelson Super Fund)	0.79	1,500,000
		53.25	100,738,892

1.5 UNQUOTED SECURITIES

	Employee Share Option Plan	Options Other
On issue	10,000,000	-
No of holders	7	-

Great Western Exploration Limited

2. SCHEDULE OF MINERAL TENEMENTS

Details of Mineral Tenements are disclosed in the Review of Exploration Activities.