

ASX RELEASE

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Sandfire Resources to Farm-In to North Yerrida Project

Highlights:

- Sandfire Resources NL ("**Sandfire**"; **ASX:SFR**) to explore Great Western's northern Yerrida tenements through a Farm-In Agreement.
- The Farm-In is a strong endorsement of the Project's VMS potential.
- Sandfire may initially earn 70% by delineating at least 50,000 tonnes in-ground copper Mineral Resource.
- Sandfire commits to a minimum exploration spend of \$1.7 million over three years.
- In addition, Great Western will receive \$500,000 of Sandfire shares upon the agreement becoming unconditional.
- Exploration to be carried out by Sandfire, which has one of Australia's most successful exploration teams having discovered the nearby Degruusa and Monty VMS deposits.
- Sandfire have significant infrastructure including a treatment plant at Degruusa, located approximately 25 km north, which is within trucking distance of the project.
- The Farm-In Agreement provides a clear pathway from discovery to production for the Project.
- The Company has retained 965 km² of the southern area of the Yerrida which the company considers to be equally prospective for VMS and sedimentary hosted copper – cobalt.
- The Farm-In Agreement frees up resources and funds for the Company, enabling a greater focus and expenditure commitment on its other copper- cobalt, VMS and gold projects.

Great Western Exploration Limited ("**the Company**"; "**Great Western**") is pleased to announce that it has signed a Farm-In Letter Agreement ("**Agreement**") with Sandfire Resources NL ("**Sandfire**; **ASX: SFR**") to explore the Company's northern Yerrida tenements ("**the Project**"; "**tenements**").

Under the Agreement, Sandfire has been granted the right to earn an initial 70% interest in the Company's northern Yerrida tenements by paying \$500,000 in Sandfire shares, committing to a minimum exploration

spend of \$1.7 million and sole funding exploration until the delineation of 50,000 t or more of in-ground copper resources.

Managing Director, Jordan Luckett said, “*The Company is delighted that Sandfire has recognised the quality of our tenements and believes the Farm-In Agreement provides an excellent opportunity for both companies. Sandfire obtain access to what we believe is some of the best exploration areas in the emerging Yerrida copper province and in return we get one of the best exploration teams in Australia exploring our tenements. The Agreement also offers a clear pathway to production if a discovery is made.*”

Key Terms of the Farm-In Agreement

Great Western and Sandfire have entered into a Farm-In Letter Agreement which grants the right for Sandfire to farm into 11 (1,560 km²) of the Company’s Exploration Licenses (“**Tenements**”) located in the Northern Yerrida basin, Western Australia. The Key commercial terms are as follows:

Minimum Commitment

- a) Sandfire will pay the equivalent of \$500,000 in Sandfire shares based on the volume weighted average price (“**VWAP**”) 5 trading days before the Farm-In Agreement goes unconditional;
- b) Sandfire must incur a minimum of \$1.7 million in exploration expenditure over 3 years. If Sandfire wishes to withdraw prior to meeting the minimum expenditure it is obligated to pay a cash consideration equal to the minimum expenditure amount less the actual expenditure made on the tenements.

First- Earn-In – 70%

Sandfire to sole fund exploration expenditure on the tenements to define a mineral resource of 50,000 tonnes of contained copper or copper equivalent under the JORC 2012 code to earn 70% interest in the tenements.

Second Earn-In – 80%

Sandfire can elect to earn a further 10% by sole funding the completion of a Feasibility Study.

Pre-Emptive Rights

Both companies have pre-emptive rights to the other party’s interest where an interest has been offered for sale to a third party.

Area of Influence

An area of influence (fig 1) has been defined whereby any tenements acquired by either company inside of this area must be offered for inclusion in the Farm-In.

Conditions Precedent

The Agreement is conditional upon:

- a) Any consent or approval required under the Mining Act.
- b) Sandfire completing a due diligence review in respect of the tenements within 30 days of the date of the Agreement executed on 11th April 2017.

Great Western’s Managing Director, Jordan Luckett, went on to say “the Farm-In Agreement is enabling one of Australia’s most successful exploration teams to explore our northern Yerrida area with the considerable knowledge, understanding and experience gained through the nearby discoveries of Degruessa and Monty. The opportunity to develop a long term partnership with Sandfire may also prove invaluable if we make a discovery on our 100% owned southern Yerrida areas, which the company considers to be equally prospective for VMS and sedimentary hosted copper – cobalt. The agreement with Sandfire provides the

company with greater resources to focus on this and its other core projects including the Yandal West Gold project”.

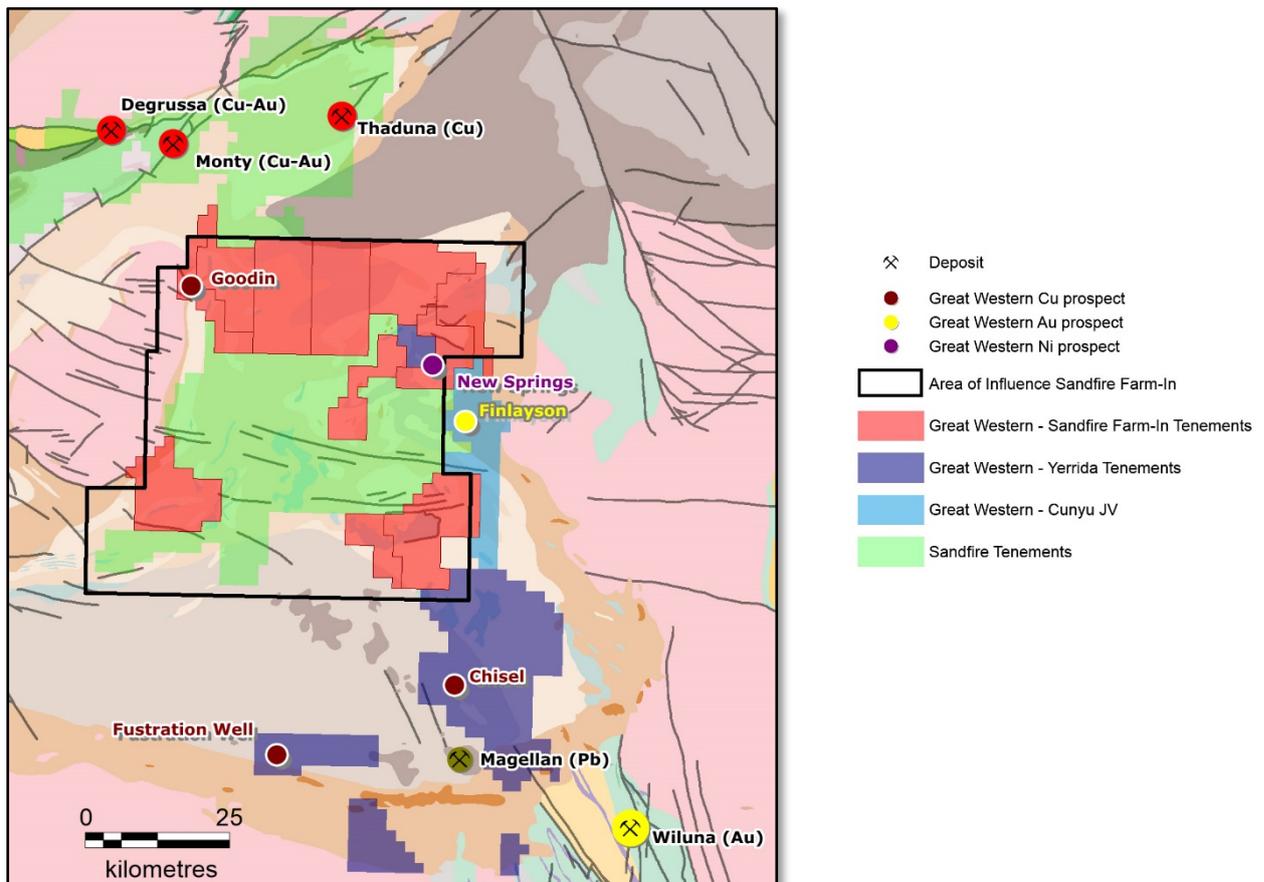


Figure 1. Location of Sandfire Farm-In tenements and Area of Influence

Acquisition of Tenements forming part of the Farm-In package

Coincident with the transaction, the Company acquired 100% of five exploration licences, which are included in the Sandfire Farm-In Agreement, through the issue of 2 million Great Western Ordinary Shares. The Company also agreed to reimburse the vendor’s direct costs in the tenements in the order of \$66,000.

The vendor (Graz Pty Ltd) is a top 10 Great Western shareholder and the company appreciates the opportunity to acquire these tenements in order to package a project with sufficient scale to secure the Sandfire agreement.

Shares issued as consideration for this acquisition are being issued pursuant to ASX listing rule 7.1.

The Yandal West Gold Project (100% Ives Find; 80% Harris Find)

The Company recently announced (10 April 2017) that it has identified a 6 km long gold trend at its Yandal West Gold Project, located on the western side of the world class Yandal gold belt. The Farm-In Agreement will allow the Company to maintain focus on this area in the coming months and pursue a more effective works programme.

Fairbairn (100%)

Great Western also has the Fairbairn project located approximately 80 km NE of the Degrussa VMS deposit along strike of the Goodin fault. The Company believes this project has the potential for world class sedimentary hosted copper – cobalt mineralisation. The Company is currently considering its strategy on this project in light of the recent spike in the price of Cobalt and will provide a specific update once this review is completed.

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Competent Person Statement

The information in this report that relates to Exploration Results, Mineral Resources or Ore Reserves is based on information compiled by Mr Jordan Luckett who is a member of the Australian Institute of Mining and Metallurgy. Mr Luckett is an employee of Great Western Exploration Limited and has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Luckett consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.