

**ASX ANNOUNCEMENT****9<sup>th</sup> November, 2011**

- **Great Western Exploration enters into Heads of Agreement with Tau-ken Samruk to develop the 12,500km<sup>2</sup> Spasskaya Copper Field in Kazakhstan.**
- **Project exploration target of between 750,000 to 2 million tonnes with grades between 0.6% to 1.68% of contained copper metal based on historical inventories<sup>1</sup>**
- **Project has substantial exploration upside**

Great Western Exploration Limited (ASX:GTE) (“**the Company**”) is pleased to announce that it has entered into a Heads of Agreement (“**HoA**”) with Kazakhstan’s National Mining Company Tau-ken Samruk (“**TKS**”) to develop the Spasskaya Copper Project.

### Spasskaya Copper Project

The Spasskaya Copper Project is located in central Kazakhstan near the major regional centre of Karaganda, a two hour drive southeast of the capital city Astana (see fig 1). The project comprises a 12,500km<sup>2</sup> area covering the majority of the historical Spasskaya Copper Field.



Figure 1: Location of the 12,500km<sup>2</sup> area that comprises the Spasskaya Project, Kazakhstan

<sup>1</sup> The estimated exploration target ranges mentioned above for the Spasskaya Copper Project should not be misunderstood or misconstrued as an estimate of Mineral Resources or Ore Reserves. The potential quality and grade of exploration 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.

Soviet-era exploration reports describe a number of significant copper, silver, zinc, molybdenum, tin and bismuth occurrences within the Spasskaya Project (occurrences generally not assayed for gold). In total, 350 copper occurrences were indicated from surface sampling within the project area of which 150 recommended for further work.

The styles of mineralisation reported include:

- \* Vein hosted and disseminated copper related to epithermal mineralisation.
- \* Breccia related mineralisation.
- \* Sediment hosted mineralisation.
- \* Stockwork and associated disseminated mineralisation within bi-modal rhyolite and andesite lava sequences.
- \* Granodiorite, diorite and monzodiorite porphyry related copper-silver-gold mineralisation.

The Company is aware of at least eight prospects within the Spasskaya Project that were drill-tested prior to 1991. The approximate locations of drill-tested, copper prospects are shown in Figure 2.

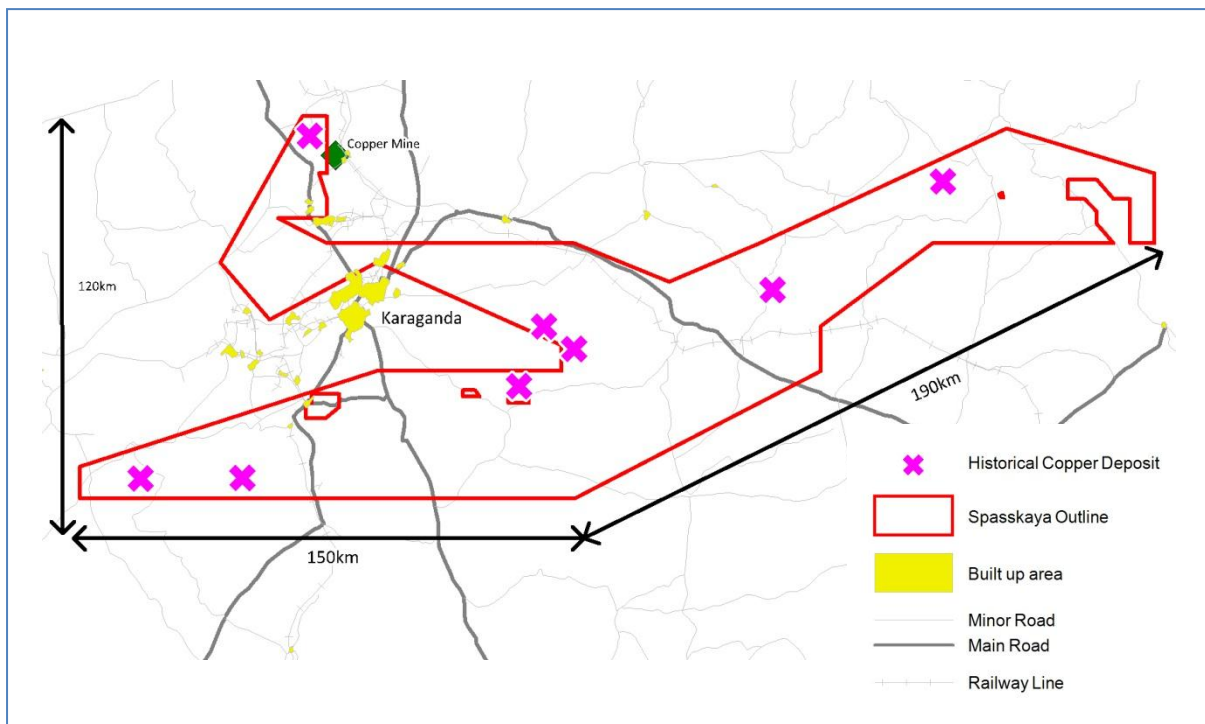


Figure 2: Location of historical copper Prospects and Spasskaya lease boundaries

The eight copper prospects contained within the Spasskaya Project are of various sizes and grades and involve different levels of exploration work resulting in various levels of confidence assigned under the Russian Federation Inventory categories ("RF").

The Company has assumed that any historical drilling results cannot be used to determine JORC-compliant resources as it appears unlikely that collar locations, assay results and down-hole surveys can be directly verified.

The Company anticipates a requirement to repeat the majority of exploration drilling at each prospect to further advance to the prospect evaluation stage. With the benefit of past drilling, further exploration can be minimised along with the long lead times often associated with large-scale base metal exploration projects.

Historic drilling also intersected significant silver grades but silver was never included in any historical inventory calculations. There are no assays for gold contained in historical reports.

While the Company is using the historical copper inventories as guidance for the exploration potential of the project it would also like to make the point that it is as equally excited about the exploration upside and just how prospective this geological setting is for new discoveries of metals that include copper, gold, silver, and zinc. The Company is also highly encouraged by the fact that several nearby copper occurrences within the Spasskaya Copper Field have already been placed into production.

### Terms of the HoA

The Company has agreed to form a Joint Venture (JV) with TKS for the exploration and production of copper, gold and by-products at the Spasskaya Copper Field.

The following is a high level summary of the terms of the HoA:

- The Company has agreed to fund the project through to Bankable Feasibility Study (“BFS”) to earn its 50% JV interest.
- The Company will act as the Operating Managers of the JV and the project. As such the Company will be responsible for all budgets, exploration planning and execution and all the other technical and financial responsibilities.
- TKS will act to ensure that the JV carries out exploration according to the rules, regulations and accounting methods of Kazakhstan and will assist in gaining the appropriate work approvals and local community liaison.
- There is a deferred payment calculated using a formula based on the Measured and Indicated resources, copper price and recovery as defined in the BFS. The Deferred Payment is amortized over the estimated life of the mine and can only be paid out of the Company’s portion of cash flow and only when the project is cash flow positive. By way of example, the formula yields a deferred payment of \$225,000,000 based upon 2 million tonnes of contained copper metal in JORC Measured and Indicated Category at a copper price of USD\$8,500 per tonne and 80% recovery.
- The Company will loan at no interest (if necessary) the TKS portion of equity to fund the development of the project.
- 100% cash flow of the project will be retained until all loans are repaid
- The Company will fund the project annually and can withdraw without penalty prior to committing to the following year’s expenditure.

The operating terms remain subject to the execution of final contracts relating to the JV and any shareholder and regulatory authority approvals required. The parties have agreed to have this process completed and the subsoil rights transferred to the JV entity within the next three months.

## Infrastructure

The project is well supported by infrastructure that includes two railway lines, scheme power, sealed roads including the main road connecting the major cities Astana and Almaty, scheme water and a copper refinery.

The city of Karaganda is a major regional centre of approximately 1 million people that supports a number of large coal and copper mines in the district. Kazakhmys, one of the world's largest copper producers listed in both London and Hong Kong, operates one of its largest copper mines adjacent to the project and also operates the nearby copper refinery.

The topography is generally flat to rolling hills with sparse vegetation and annual temperatures which range from -40°C in winter to +35°C in the summer. There are many tracks and access to most areas is good.

The Spasskaya Project represents a rare opportunity because of not only the existing resource base but the exploration upside of the project given that the project has not been subject to modern exploration techniques which have proven in recent years to be highly effective, particularly in these types of terrain.

The Company believes the project is highly prospective for copper, silver and gold with several types of mineralisation including porphyry, epithermal, massive sulphide, breccia and skarn that has the potential to move the Company into production in a shorter time frame and sustain a long life operation.

Managing Director, Jordan Lockett, had the following to say about this opportunity:

“Although Kazakhstan has a long history in mining it still remains one of the most underexplored countries for minerals in the world, quite remarkable considering that it's the world largest uranium producer and a top 10 copper, oil & gas producer as well”.

“The Board is very pleased to be working with the National Mining Company, Tau-Ken Samruk, on developing the Spasskaya copper Project. The Project has significant potential and presents a fantastic opportunity for both parties to create a world class copper mining asset.”

For further information, please contact:

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**Notes:**

**Competent Person's Statement**

The information in this announcement 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 Australasian 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 deposits under consideration and to the activity which they are undertaking to qualify as a Competent Person as defined in the 2004 Edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. Mr Lockett consents to the inclusion in this announcement of the matters based on the 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.