



**GREAT WESTERN
Exploration Limited**

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6 September 2012

Ms Kerrie Papamihail
ASX Compliance Pty Limited
Level 8, Exchange Plaza
Perth WA 6000

Facsimile 9221 2020

Dear Kerrie

I refer to your aware letter dated 4 September 2012 and provide the following responses:

1. Does the Company consider the Information to be material to the Company pursuant to listing rule 3.1?

No, for the following reasons:

- (a) The Information consisted of field XRF analysis of trench samples collected from historical trenches on the Company's Spasskaya project in Kazakhstan.

XRF analysis is conducted using a handheld Niton XRF XL3t GOLDD analysis unit. This portable device provides instant feedback on modal mineralogy include base metal content within a small 8mm x 8mm scanning aperture.

The Company uses XRF analysis to provide instant feedback to its field crew primarily for the following reasons:

- Provides additional information to allow the Company's geologists to confidently identify the various ore minerals and the different types of mineralogy.
- Allows selective sampling of mineralized rock reducing transportation and assay costs.
- When used in drilling, XRF analysis substantially decreases the risk of terminating a hole while in mineralisation, and allows selection of core for assay, again reducing transportation and assay costs.
- Results can be used as a guide for planning exploration while waiting for final assay results.
- Results from laboratories are cross checked against XRF results to detect any possible chemical analysis errors.
- Carrying out soil programmes for base metal where anomalies are defined in 100s of ppm.
- Rapid assessment of prospects for determining drill priority.

Because the unit only samples an 8mm x 8mm area the Company procedure is to take readings every 10cm along the sample channel and average the readings over a 2m interval. This process then defines the start and finish of the mineralized zone, and rock samples are collected over the same 2m intervals for chemical assay.

Whilst the Company believes these procedures give a good estimate of the potential average grade of mineralisation, it is definitely not a statistically representative sample and the accuracy is heavily dependent on many variables. Therefore results from the XRF unit are considered as preliminary and are used as a guide only.

All of the Company's XRF results are confirmed by geochemical analysis of homogenized samples and it is the Company's normal practice to await the results of such analysis before announcing exploration results to ASX.

The Company may from time to time include XRF results in project updates (or Quarterly Reports) that are usually released after a period of field work when the results have been assessed and have some meaning and context.

- (b) The Information is equivalent to soil or rock chip sampling of outcrop areas, and is not material because it can only indicate at best if an area of outcrop is prospective when used in context with collaborating information like geological mapping, geophysical data, sample medium etc.

Reporting of results is done after the program has been completed and results assessed against other information which often need to be collected independent of the samples. Surface sampling results without context are meaningless and immaterial. It is rare that a company would call a trading halt to release such results.

- (c) The Company has previously described the extent and the nature of the significant copper mineralisation at the Burnak prospects, including photographs of the mineralisation. The Information confirmed mineralisation in line with the expectations of the Company and information already released to the market.
- (d) The Information provides details on prospects existing in a relatively small area in which known mineralisation occurs. The results have been derived from shallow surface workings and rock sampling and do not significantly expand on the size of the previously confirmed abundant outcropping copper oxide mineralisation occurring in Spasskaya.

Given the Information when considered in conjunction with its other activities, the Company believes that a reasonable person would not expect the Information to materially affect the price of the Company's securities.

The Company is currently concentrating field work on systematically assessing and prioritising the 120 known prospects within the Spasskaya Project where historical reports have indicated outcropping copper mineralisation.

The Company will update the market regularly on the progress of this assessment as part of its continuous disclosure obligations. The inclusion of XRF results in these updates is more to inform the market about the identification of further prospects and potential drill targets and to quantify the high grade nature of the mineralisation. In doing so, the Company clearly states the immaterial nature of XRF results in bold in the disclaimer on the very front page of any announcement where such results are quoted, and the disclaimer is given equal emphasis as the results themselves. Further disclaimers are included on most pages and where the disclaimer is not included on a page, there is a comment referring the reader to the disclaimer at the end of the next page. Furthermore the Company does not use superlative language to describe such results as to suggest that they are material and clearly states the quantifiable information related to those results.

Notwithstanding that the Company considered the Information to be immaterial; the Company noted the 15% fall and subsequent 35% increase in the closing price of its shares on increased volume of trading on 29 and 30 August 2012. The Company was not aware of the reason for the price and volume changes and, for the reasons set out above, did not believe a reasonable person would expect the changes to have been caused by the Information. Erring on the side of caution it decided to call a trading halt whilst it prepared the Announcement. In doing so, it took care to disclose the deficiencies with XRF analysis.

2. **When did the Company become aware of the Information? Please include details of the relevant time and circumstances of the Company becoming aware of the Information.**

The Company first became aware of the average and maximum copper grades reported in the Announcement early on 27 August 2012 (WST) when they were emailed by the Company's in-country exploration team to the Company's Exploration Manager as part of routine weekly reporting on field activities.

At the time of receipt the Company did not consider this information to be material, for the reasons set out in the answer to question 1.

The initial information lacked the necessary detail, such as location data and sampling method used, and the Company requested these details from the in-country exploration team. For the following reasons, the necessary information requested from the Company's field operations was not finalized until approximately 1pm (WST) on 30 August 2012:

- (a) The results were of a routine nature and consistent with what the Company has regularly received since it commenced field activities at Spasskaya.

- (b) The Company is, whenever there is field work underway, aware of such results because of the instant nature of the XRF analysis.
- (c) There was no operational reason to give these results priority over other exploration tasks being completed by the field team.

3. If the answer to any part of question 1 is "yes" and the Company became aware of the Information (or any part of it) prior to the release of the Announcement, please advise the following:

3.1. Please advise why the Company did not make an announcement at an earlier time or request a trading halt at an earlier time?

Not applicable.

3.2. Why was the Information not released to the market at that earlier time? Please comment specifically on the application of listing rule 3.1.

Not applicable.

4. If the answer to any part of question 1 is "no", please advise the basis on which the Company does not consider the Information to be material.

See the response to question 1 above.

5. Please confirm that the Company is in compliance with listing rule 3.1.

The Company confirms that it is in compliance with listing rule 3.1.

Yours sincerely



Kel Edwards
 Company Secretary
 Great Western Exploration Limited



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4 September 2012

Mr Kelvin Edwards
Company Secretary
Great Western Exploration Limited
185 Hay Street
West Perth WA 6005

By Email: kel.edwards@greatwesternexploration.com.au

Dear Kelvin

Great Western Exploration Limited (the "Company")

We refer to:

- the recent change in the price of the Company's securities from a closing price of 17 cents on 29 August 2012 to an opening price of 29.5 cents today;
- the high volume of shares traded on 30 August 2012 and intraday high of 25 cents that day;
- the trading halt requested by the Company on 31 August 2012; and
- the Company's announcement lodged with ASX before market open today titled, "More High Grade Copper Outcropping at Spasskaya" (the "Information") (the "Announcement").

We wish to draw your attention to the definition of "aware" in chapter 19 of the listing rules which states that:

"an entity becomes aware of information if a director or executive officer (in the case of a trust, director or executive officer of the responsible entity or management company) has, or ought reasonably to have, come into possession of the information in the course of the performance of their duties as a director or executive officer of that entity"

Further, we wish to draw your attention to listing rule 3.1 which requires an entity to give ASX immediately any information concerning it that a reasonable person would expect to have a material effect on the price or value of the entity's securities. The exceptions to this requirement are set out in listing rule 3.1A.

Paragraph 18 of Guidance Note 8 states:

"Once a director or executive officer becomes aware of information, he or she must immediately consider whether that information should be given to ASX. An entity cannot delay giving information to ASX pending formal sign-off or adoption by the board, for example."

Please note that for disclosure not to be required under listing rule 3.1, all of the exceptions under listing rule 3.1A must apply:

- 3.1A.1 *A reasonable person would not expect the information to be disclosed.*
- 3.1A.2 *The information is confidential and ASX has not formed the view that the information has ceased to be confidential.*
- 3.1A.3 *One or more of the following applies.*
- *It would be a breach of a law to disclose the information.*
 - *The information concerns an incomplete proposal or negotiation.*
 - *The information comprises matters of supposition or is insufficiently definite to warrant disclosure.*
 - *The information is generated for the internal management purposes of the entity.*
 - *The information is a trade secret."*

Finally, we would like to draw your attention to ASX's policy position on the concept of "confidentiality" which is detailed in paragraphs 34 to 40 of Guidance Note 8. In particular, paragraphs 34 and 35 of the Guidance Note state that:

"Confidential" in this context has the sense of 'secret'.

Loss of confidentiality may be indicated by otherwise unexplained changes to the price of the entity's securities, or by reference to the information in the media or analysts' reports".

Having regard to the above definitions, listing rule 3.1 and Guidance Note 8 - Continuous Disclosure, we ask that you answer the following questions in a format suitable for release to the market in accordance with listing rule 18.7A:

1. Does the Company consider the Information to be material to the Company pursuant to listing rule 3.1?
2. When did the Company become aware of the Information? Please include details of the relevant time and circumstances of the Company becoming aware of the Information.
3. If the answer to any part of question 1 is "yes" and the Company became aware of the Information (or any part of it) prior to the release of the Announcement, please advise the following:
 - 3.1. Please advise why the Company did not make an announcement at an earlier time or request a trading halt at an earlier time?
 - 3.2. Why was the Information not released to the market at that earlier time? Please comment specifically on the application of listing rule 3.1.

4. If the answer to any part of question 1 is "no", please advise the basis on which the Company does not consider the Information to be material.
5. Please confirm that the Company is in compliance with listing rule 3.1.

Your responsibility under listing rule 3.1 is not confined to, or necessarily satisfied by, answering the questions set out in this letter.

Please note the ASX reserves its right under listing rule 18.7 to release this letter and the Company's response to the market. Accordingly the Company's response should address each question separately and be in a format suitable for release to the market.

If the information requested by this letter is information required to be given to ASX under listing rule 3.1 your obligation is to disclose the information immediately. Unless the information is required immediately under listing rule 3.1, a response is requested as soon as possible and, in any event, not later than **4:00pm (WST) Thursday, 6 September 2012**.

Your response should be sent to me by email to kerrie.papamihail@asx.com.au or on **facsimile number (08) 9221 2020**. It should not be sent to the Company Announcements Office.

If you have any queries regarding any of the above, please contact me on +61 8 9224 0032.

Yours sincerely

[sent electronically without signature]

Kerrie Papamihail
Assistant Manager, Listings (Perth)