Annual Report

Title: Exploration Activities for the period over License 26423

Reporting Period: 16/04/2009 – 15/04/2010

Name of Operator: Great Western Exploration Ltd

Name of Title Holder: Michael Morawa

Due Date: 15/04/2010

Submitted by: Vivien Daniel
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Executive Summary


During the reporting period Great Western Exploration Ltd (GTE) entered into an Option Agreement to acquire the Pine Creek project in mid October 2009. The project area is located 220km SSE of Darwin and 90km north of Katherine, centred on the township of Pine Creek. The project is comprised of 8 granted Exploration Licenses (EL) and 2 Exploration Licence Applications (ELA) covering approximately 900km² within the highly prospective Pine Creek Oregon including exploration licence 26423.

Work completed during the period included office studies, prospect mapping and 100 line kms of ground magnetic survey.
1.0 Introduction

During the reporting period Great Western Exploration Ltd (GTE) entered into an Option Agreement to acquire the Pine Creek project in mid October 2009 with the title holder. Work carried out included office studies and data processing and field work limited to 100km line km of ground magnetic surveys due to the onset of the wet season.

2.0 Location

The Pine Creek Project area is located 220km SSE of Darwin and 90km north of Katherine, centred on the township of Pine Creek. The project is comprised of 8 granted Exploration Licenses (EL) and 2 Exploration Licence Applications (ELA) covering approximately 900km² within the highly prospective Pine Creek Oregon including exploration licence 26423.

Figure 1. Pine Creek Project Location.
Figure 2: Location of EL26423

3.0 TENEMENT SCHEDULE

Table 1
Tenement Schedule – EL26423

<table>
<thead>
<tr>
<th>Ten Name</th>
<th>Ten No.</th>
<th>Ten Type</th>
<th>Blocks</th>
<th>Area $km^2$</th>
<th>Rent (A$)</th>
<th>Min. Expenditure (A$)</th>
<th>Grant Date</th>
<th>Application Date</th>
<th>Term (Years)</th>
<th>Company/ Individual</th>
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</thead>
<tbody>
<tr>
<td>EL26423</td>
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<td>EL</td>
<td>2</td>
<td>6.7</td>
<td>22</td>
<td>11,650</td>
<td>22/04/2008</td>
<td>4/09/2007</td>
<td>6</td>
<td>M Morawa</td>
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</table>
4.0 REGIONAL GEOLOGY

4.1 Geological Setting

The tenements lie in the Katherine-Darwin geological province within the Cullen Mineral Field of the Pine Creek Inlier.

The oldest rocks in the Pine Creek Inlier are the Archaean Rum Jungle and Waterhouse Granite Complexes, dated at 2500my. These granites are not exposed in the tenements though crop out in the north and west Rum Jungle and Alligator River areas of the Inlier. These are likely the source rocks for proximal arkosic sediments in the west and the shallow transgressional shelf deposits to the southeast. Unconformably overlying the Archaean basement is the poorly exposed though extensive Early Proterozoic sediments of the Pine Creek Geosyncline (2200-1879my). These units have been periodically deposited with periods of erosion forming unconformities at most boundaries. This sequence is a package of low to medium metamorphic grade sediments deposited in a shallow intra-cratic geosyncline.

The lower sequence is comprised of the Namoona Group of pyritic carbonaceous shale and siltstones, calcareous in places, with tuff agglomerates and arkose, sandstone and massive dolomite in the west pertaining to the Masson Formation.

The Cahill formation rests unconformably above the Namoona group and is a supratidal and fluviatile deposit.

Unconformably overlying this is the Mount Partridge Group, a fluviatile to nearshore, chemical and supratidal deposit with interbedded volcanics recognized by the Wildman Siltstones but also includes sandstone, arkose, shale, conglomerate, quartzite, carbonaceous siltstone and shale, dolomite and magnesite.

The South Alligator Group (1884my) sits unconformably above the Mount Partridge Group and consists of shallow marine sediments of pyritic black shales and siltstone, cherts and tuffs represented by the Koolpin, Gerowie Tuff and Mt Bonnie Formation (1880my).

The Burrell Formation forms a conformable layer above the South Alligator Group as part of The Finniss River Group and is represented by feldspathic greywackes, shale, slate, phyllite and siltstone, minor conglomerates and volcanic lenses. The top member of the geosynclinal sequence is the Zamu Dolerite, a chloritised quartz, amphibolite forming a disconformity with the Group below.

The Early Proterozoic is marked by a period of Granite emplacement represented by the Cullen Batholiths (1730-1850my). A number of emplacements were recognised from coarse to medium to fine grained and porphyritic granites. There are I and S –type granites within the Batholiths.
Immediately overlying is an angular to disconformable contact to The Middle Proterozoic Katherine Group (1670 my) of braided alluvial fan sediments. This comprise mainly of coarse to medium arenites and rudites with intercalated volcanics of the Komobolgie Formation (1650 my).

Mesozoic deposits exist in the south west and comprise of ferruginous sandstones, conglomerates quartz sandstones with residual sand that onlap the Katherine Group of sandstones.

Tertiary sands and Holocene estuarine muds cover most of the region masking bedrock effectively. Though cover in the southeast is provided by the sandstones of Katherine River Group that have remained reasonably undisturbed to the present.

4.2 Mineralisation.

Significant mines and mineral occurrences, currently in the order of a thousand, are hosted by the Pine Creek Inlier. It is a world class province for Uranium deposits and has recently increased potential for (associated) gold and Platinium Group of Elements (PGE) and lead-zinc-silver and copper and lesser extents in other commodities.

EL 26423 is bounded within the southern end of the Pine Creek Shear zone with exposures of the South Alligator Group that hosts most of the Inlier gold mineralization though some mineralisation has been found in the Upper Mt Partridge and the lower member Cahill Formation.

Gold mineralisation is economical in quartz vein and stockworks’ typical of the Enterprise Mine ~5km along strike from EL 26423 Figure 3.

Strata-bound and quartz vein stockworks deposits are located on or near major anticlinal axes in zones of stratigraphic thickening hosted by iron formations and carbonaceous mudstones (Koolpin Formation, South Alligator Group).

Possible source rocks are the Archaean granite about the Alligator Rivers and Rum Jungle areas.
Figure 3: Anomalous gold rockchips from open file data overlying geology

5.0 WORK COMPLETED 16/04/2009 – 15/04/2010

Exploration activity included data review and data compilation and data processing of open file and geophysical data sets respectively over the amalgamation of Pine Creek tenements.

Due to the onset of the wet season prevalent in the region during November – April field work on EL26423 was limited too reconnaissance and prospect mapping to confirm the historical exploration carried out on the project.

During the reporting period the company was further restricted due to the long delays in getting Heritage Clearances which had still not been received at the end of the reporting period.

No geochemical activities were carried out.
6.0 EXPENDITURE FOR PERIOD 16/04/2009 – 15/04/2010

Expenditures on EL26423 for the reporting period was $24,000.

The breakdown of expenditure is given below

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
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<tbody>
<tr>
<td>Office studies</td>
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<tr>
<td>Regional mapping</td>
<td>$1,500</td>
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<tr>
<td>Reconnaissance</td>
<td>$7,500</td>
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<tr>
<td>Prospect mapping</td>
<td>$5,000</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$24,000</strong></td>
</tr>
</tbody>
</table>

7.0 PROPOSED ACTIVITIES FOR PERIOD 16/04/2010 – 15/04/2011

Great Western Exploration proposed work program for the following period will include further geological mapping, rock chip sampling and drilling.