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FOR IMMEDIATE RELEASE

## Great Western Minerals Reports Third Quarter 2014 Results

SASKATOON, SK, Canada, November 13, 2014 – Great Western Minerals Group Ltd. (“GWMG” or the “Company”) (TSX.V: GWG / OTCQX: GWMGF), a leader in the manufacture and supply of rare earth element-based metal alloys and developer of a low cost, high-grade critical rare earth element mineral property in the Western Cape province of South Africa (“Steenkampskraal” or “SKK”), today reported its financial results for the third quarter ended September 30, 2014, and provided an update on the Company’s activities. All amounts are presented in Canadian dollars unless indicated otherwise.

### Highlights and Results:

- Third quarter revenue increased 53% to \$6.1 million over the prior-year period on strong alloy sales. Growth was driven by the Company’s enhanced production capabilities at its production subsidiary Less Common Metals Limited (“LCM”) and increased customer demand.
- Regulatory filings are progressing and site preparation and site establishment planning has commenced at the SKK project.
- Confidential discussions with the Company’s bondholders regarding the potential restructuring of the convertible bonds and financing for the SKK project are continuing.
- Cash balance improved to \$13.5 million as of September 30, 2014, which reflects a significantly lower burn rate and favorable exchange rates.

Marc LeVier, Company President and CEO, commented, “We have curtailed all non-essential activities and are only advancing initiatives that are required or will reduce capital and operating costs for the Steenkampskraal project. We believe our current financial position is sufficient to meet our near-term objectives and by the end of 2014 we expect to have approximately \$6 million to \$7 million in cash. Discussions with our bondholders surrounding the potential restructuring of our convertible bonds are continuing, but the possible outcome and timing for completion of these discussions is not currently known.”

Mr. LeVier added, “We believe we have an extremely viable rare earth project and we are focused on advancing and derisking the project within the limitations of our current cash position. We expect that we can be in a solid position to move forward when financing is secured and the rare earth market solidifies.”

### Manufacturing Services

Manufacturing services revenue increased \$2.1 million, or 53%, to \$6.1 million in the third quarter of 2014, over the same period of the prior year on higher volumes and favorable exchange rates. The Company sold 95 metric tonnes of alloys in the third quarter of 2014 compared with 75 metric tonnes of alloys in the third quarter of 2013, driven by strong customer demand. Future growth will continue to be dependent on the Company’s ability to obtain the necessary rare earth materials at competitive pricing. The Company is working with its customers to identify sources of raw material to meet its short-term demands until the SKK project is developed and production is achieved. On a year-to-date basis, manufacturing services revenue was up 62% to \$18.8 million as the Company sold 293 metric tonnes of alloys compared with 199 metric tonnes of alloys in the comparable period of 2013.

Gross margin of \$1.2 million was up slightly over the 2013 three-month period; however, as a percent of revenue, gross margin declined to 19.8% from 26.9%. The margin contraction primarily reflects a change in product mix as a greater portion of the 2014 sales were from higher volume, lower margin products. Additionally, sales of specialty alloys, which traditionally is a higher margin business, decreased year-over-year. For the first nine-months of 2014, gross margin was \$3.6 million, or 19.1% of sales, compared with \$3.2 million, or 27.6% of sales, in the comparable 2013 period. Similar to the quarter, the change in margin reflects product mix.

The manufacturing services business reduced its loss from continuing operations in the third quarter of 2014 to \$0.2 million compared with a loss of \$0.5 million in the same 2013 period. On a year-to-date basis, the manufacturing services loss from continuing operations increased \$0.7 million to \$1.6 million primarily due to a change in the provision for a property lease.

During the 2014 second quarter, the Company completed a sale of certain assets of its Great Western Technologies Inc. ("GWTI") operation. Accordingly, the results of GWTI and cash flows of GWTI's operations have been separately presented as discontinued operations in the Company's condensed consolidated interim statements of comprehensive loss and condensed consolidated interim statements of cash flows.

### **Steenkampskraal Project**

During the 2014 third quarter, the Company expended \$0.2 million in expenses primarily related to final billings surrounding the SKK Feasibility Study and various compliance matters in South Africa compared with \$1.4 million for various exploration and evaluation investigations during the third quarter of 2013. The significant decrease in expenses was a result of the Company's focus on progressing only those activities that are either regulatory and compliance required or will help de-risk the project.

Site preparation and site establishment planning has commenced and the Company continued to progress regulatory filings with the Department of Energy's National Nuclear Regulator, Department of Mineral Resources and on the Department of Water Affairs integrated water use permit. In addition, the Company is reviewing capital expenditure improvement opportunities and optimization testing in the lab on several aspects of the process flow sheet, as well as post feasibility planning.

During the first nine months of 2014, the Company expended \$2.3 million on various technical and engineering studies and mine planning activities to assist in the completion of the Feasibility Study as well as continued regulatory and compliance requirements. Comparatively, in the first nine months of 2013, the Company expended \$6.1 million on similar various technical studies, mine site exploration and evaluation investigations.

### **Liquidity**

The Company continues to take a prudent approach to expense management and has significantly reduced its monthly cash outlays following various operational efficiency initiatives and the completion of the SKK Feasibility Study. The cash and cash equivalent position at September 30, 2014 was \$13.5 million compared with \$13.1 million at June 30, 2014 and \$23.6 million at the end of 2013. The increase from the sequential second quarter reflects improved working capital management and favorable exchange rates on foreign currency cash balances.

Subsequent to the end of the third quarter, on October 6, 2014, the Company made its semi-annual interest payment of US\$3.6 million to service its convertible bonds.

## Qualified Persons

Victor-Mark Fitzmaurice, Pr. Eng. M. Engineering (Mining), Managing Director of Rare Earth Extraction Co. Limited and Steenkampskraal Monazite Mine (Pty) Ltd., is the Qualified Person (as defined in NI 43-101) responsible for supervising the preparation of the technical content of this news release.

## About GWMG

Great Western Minerals Group Ltd. is a leader in the manufacture and supply of rare earth element-based metal alloys. Its specialty alloys are used in the battery, magnet and aerospace industries. Produced at the Company's wholly-owned subsidiary, Less Common Metals Limited in Ellesmere Port, U.K., these alloys contain transition metals, including nickel, cobalt, iron and rare earth elements. As part of the Company's vertical integration strategy, GWMG also holds 100% equity ownership in Rare Earth Extraction Co. Limited, which controls the Steenkampskraal monazite mine in South Africa. The Company also holds interests in three rare earth exploration properties in North America that are not active.

The Company routinely posts news and other information on its website at [www.gwmq.ca](http://www.gwmq.ca).

## For more information, contact:

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## Cautionary Statements

Certain information set out in this News Release constitutes forward-looking information. Forward-looking statements (often, but not always, identified by the use of words such as "expect", "may", "could", "anticipate" or "will" and similar expressions (including negative and grammatical variations)) may describe expectations, opinions or guidance that are not statements of fact and which may be based upon information provided by third parties. Forward-looking statements include, but are not limited to, information or statements with respect to: the Company's year-end cash position; the ability of the Company to move forward with its plans and achieve its objectives; the Company's ability to obtain financing; the results of capital expenditure improvement opportunities, optimization and post-feasibility planning; the outcome and timing of discussions with bondholders; the ability to receive required permits and approvals; and the ability to obtain rare earth materials at competitive pricing. Forward-looking statements are based upon the opinions, expectations and estimates of management of GWMG as at the date the statements are made and are subject to a variety of known and unknown risks and uncertainties and other factors that could cause actual events or outcomes to differ materially from those anticipated or implied by such forward-looking statements. Those factors include, but are not limited to; the assumptions and estimates in the Feasibility Study of the Steenkampskraal project proving to be accurate over time; the construction, commissioning and operation of the proposed monazite processing facility within estimated parameters; mine refurbishment activities; reliance on third parties to meet projected timelines and commencement of production at Steenkampskraal; reliance on successful negotiations with third parties to enter into a tolling arrangement to separate mixed rare earth materials; risks related to the receipt of all required approvals including those relating to the commencement of production at the Steenkampskraal mine; delays in obtaining permits, licenses and operating authorities in Canada, South Africa and the United Kingdom; environmental matters; water and land use risks; risks associated with the industry in general; commodity prices and exchange rate changes; operational risks associated with exploration, development and production operations; delays or changes in plans, including those

estimated in the Feasibility Study of the Steenkampskraal project; risks associated with the uncertainty of resource and reserve estimates; health and safety risks; uncertainty of estimates and projections of production, costs and expenses; risks that future Steenkampskraal and region exploration results may not meet exploration or corporate objectives; the adequacy of the Company's financial resources, including in connection with any possible restructuring of the Company's convertible bonds and/or the availability of additional cash from operations or from financing on reasonable terms or at all; political risks inherent in South Africa; risks associated with the relationship between GWMG and/or its subsidiaries and communities and governments in Canada and South Africa; radioactivity and related issues; dependence on one mineral project; loss of, and the inability to attract, key personnel; the factors discussed in the Company's public disclosure record; and other factors that could cause actions, events or results not to be as anticipated. In light of the risks and uncertainties associated with forward-looking statements, readers are cautioned not to place undue reliance upon forward-looking information. Although GWMG believes that the expectations reflected in the forward-looking statements set out in this press release or incorporated herein by reference are reasonable, it can give no assurance that such expectations will prove to have been correct. Except as required by law, GWMG does not assume any obligation to update forward looking statements as set out in this news release. The forward-looking statements of GWMG contained in this News Release, or incorporated herein by reference, are expressly qualified, in their entirety, by this cautionary statement and the risk factors contained in GWMG's Annual Information Form available under the Company's profile at [www.sedar.com](http://www.sedar.com).

**TABLES FOLLOW.**

**GREAT WESTERN MINERALS GROUP LTD.**  
**CONDENSED CONSOLIDATED INTERIM STATEMENTS OF FINANCIAL POSITION**  
**(Unaudited)**  
(\$ in CAD)

|   | As at                       |                             |
|---|-----------------------------|-----------------------------|
|   | September 30<br>2014        | December 31<br>2013         |
| <b>Assets</b>                                     |                             |                             |
| Cash and cash equivalents                         | \$ 13,495,795               | \$ 23,573,586               |
| Accounts receivable                               | 2,370,023                   | 3,855,444                   |
| Inventories                                       | 3,538,497                   | 4,121,182                   |
| Deposits and prepaid expenses                     | 998,461                     | 1,991,582                   |
| <b>Current assets</b>                             | <b><u>20,402,776</u></b>    | <b><u>33,541,794</u></b>    |
| Property, plant and equipment                     | 19,353,963                  | 20,677,727                  |
| Exploration and evaluation assets                 | 14,905,138                  | 15,233,227                  |
| Intangible assets                                 | 574,438                     | 668,431                     |
| Goodwill  | 2,396,054                   | 2,323,426                   |
| <b>Non-current assets</b>                         | <b><u>37,229,593</u></b>    | <b><u>38,902,811</u></b>    |
| <b>Total assets</b>                               | <b><u>57,632,369</u></b>    | <b><u>72,444,605</u></b>    |
| <b>Liabilities</b>                                |                             |                             |
| Accounts payable and accrued liabilities          | 9,045,821                   | 7,398,668                   |
| Current portion of provisions                     | 653,798                     | 2,188,963                   |
| <b>Current liabilities</b>                        | <b><u>9,699,619</u></b>     | <b><u>9,587,631</u></b>     |
| Provisions  | 2,266,026                   | 1,971,899                   |
| Convertible bonds – debt                          | 74,937,125                  | 65,824,047                  |
| <b>Non-current liabilities</b>                    | <b><u>77,203,151</u></b>    | <b><u>67,795,946</u></b>    |
| <b>Total liabilities</b>                          | <b><u>86,902,770</u></b>    | <b><u>77,383,577</u></b>    |
| <b>Shareholders' Equity</b>                       |                             |                             |
| Share capital                                     | 111,747,305                 | 111,747,305                 |
| Warrants  | 11,702,153                  | 11,702,153                  |
| Share based payments reserve                      | 10,976,031                  | 10,908,496                  |
| Accumulated other comprehensive income (loss)     | (5,601,227)                 | (6,192,722)                 |
| Deficit   | (158,094,663)               | (133,104,204)               |
| <b>Total shareholders' deficiency</b>             | <b><u>(29,270,401)</u></b>  | <b><u>(4,938,972)</u></b>   |
| <b>Total liabilities and shareholders' equity</b> | <b><u>\$ 57,632,369</u></b> | <b><u>\$ 72,444,605</u></b> |

**GREAT WESTERN MINERALS GROUP LTD.**  
**CONDENSED CONSOLIDATED INTERIM STATEMENTS OF COMPREHENSIVE LOSS**  
**(Unaudited)**  
(\$ in CAD)

|  | For the three months ended<br>September 30, |                            | For the nine months ended<br>September 30, |                             |
|--|---|----------------------------|--|-----------------------------|
|  | 2014  | 2013<br><i>Revised</i>     | 2014                                       | 2013<br><i>Revised</i>      |
| Sales  | \$ 6,116,876                                | \$ 3,967,856               | \$ 18,836,983                              | \$ 11,602,716               |
| Cost of materials  | <u>4,907,420</u>                            | <u>2,901,013</u>           | <u>15,261,105</u>                          | <u>8,391,814</u>            |
| <b>Gross margin</b>  | <b><u>1,209,456</u></b>                     | <b><u>1,066,843</u></b>    | <b><u>3,575,878</u></b>                    | <b><u>3,210,902</u></b>     |
| <b>Operating expenses</b>  |   |                            |  |                             |
| General and administration   | 555,796                                     | 814,805                    | 1,805,091                                  | 3,430,734                   |
| Wages and benefits   | 1,299,674                                   | 2,078,190                  | 4,462,350                                  | 5,335,341                   |
| Stock based compensation   | 394   | 169,969                    | 67,535                                     | 741,224                     |
| Professional fees  | 906,132                                     | 499,449                    | 1,609,121                                  | 1,676,866                   |
| Investor relations   | 29,622                                      | 53,052                     | 104,173                                    | 175,127                     |
| Occupancy  | 388,911                                     | 516,604                    | 1,841,737                                  | 1,408,764                   |
| Depreciation and amortization  | 414,884                                     | 287,471                    | 1,315,335                                  | 1,008,404                   |
| Exploration and evaluation   | 243,820                                     | 1,397,386                  | 2,294,913                                  | 6,178,854                   |
| Impairment of property, plant and equipment  | -   | -                          | 425,288                                    | 153,487                     |
| Exchange (gain) loss   | <u>3,118,983</u>                            | <u>(511,315)</u>           | <u>3,007,156</u>                           | <u>501,398</u>              |
| Total expenses   | 6,958,216                                   | 5,305,611                  | 16,932,699                                 | 20,610,199                  |
| <b>Other</b>   |   |                            |  |                             |
| Interest expense and finance costs   | (3,865,288)                                 | (3,256,342)                | (11,450,386)                               | (9,194,025)                 |
| Interest income  | 3,613                                       | 62,449                     | 30,615                                     | 138,263                     |
| Gain on conversion option  | 29,418                                      | 174,331                    | -  | 6,917,840                   |
| Other income (expense)   | <u>7,943</u>                                | <u>5,610</u>               | <u>(52,294)</u>                            | <u>15,984</u>               |
| <b>Loss before income taxes</b>  | <b><u>9,573,074</u></b>                     | <b><u>7,252,720</u></b>    | <b><u>24,828,886</u></b>                   | <b><u>19,521,235</u></b>    |
| Income tax recovery  | -   | -                          | -  | 115,155                     |
| <b>Net loss from continuing operations</b>   | <b><u>9,573,074</u></b>                     | <b><u>7,252,720</u></b>    | <b><u>24,828,886</u></b>                   | <b><u>19,406,080</u></b>    |
| <b>Discontinued operation</b>  |   |                            |  |                             |
| Loss from discontinued operation, net of tax                                       | <u>3,352</u>                                | <u>184,950</u>             | <u>161,573</u>                             | <u>503,451</u>              |
| <b>Net loss</b>  | <b><u>9,576,426</u></b>                     | <b><u>7,437,670</u></b>    | <b><u>24,990,459</u></b>                   | <b><u>19,909,531</u></b>    |
| <b>Other comprehensive income (loss):</b>  |   |                            |  |                             |
| <b>Items that may be reclassified to profit and loss:</b>                          |   |                            |  |                             |
| Translation adjustment   | (392,337)                                   | (48,641)                   | 256,836                                    | (2,186,691)                 |
| Discontinued operation cumulative translation adjustment loss reclassified to loss | -   | -                          | 334,659                                    | -                           |
| <b>Other comprehensive income (loss)</b>   | <b><u>(392,337)</u></b>                     | <b><u>(48,641)</u></b>     | <b><u>591,495</u></b>                      | <b><u>(2,186,691)</u></b>   |
| <b>Total comprehensive loss</b>  | <b><u>\$ 9,968,763</u></b>                  | <b><u>\$ 7,486,311</u></b> | <b><u>\$ 24,398,964</u></b>                | <b><u>\$ 22,096,222</u></b> |
| <b>Per share amounts</b>   |   |                            |  |                             |
| Basic and fully diluted loss per share from continuing operations                  | \$ 0.023                                    | \$ 0.018                   | \$ 0.059                                   | \$ 0.047                    |
| Basic and fully diluted loss per share from discontinued operation                 | <u>0.000</u>                                | <u>0.000</u>               | <u>0.000</u>                               | <u>0.001</u>                |
| <b>Basic and fully diluted loss per share</b>                                      | <b><u>\$ 0.023</u></b>                      | <b><u>\$ 0.018</u></b>     | <b><u>\$ 0.059</u></b>                     | <b><u>\$ 0.048</u></b>      |
| <b>Weighted average number of shares outstanding</b>                               | <b><u>418,738,174</u></b>                   | <b><u>418,738,174</u></b>  | <b><u>418,738,174</u></b>                  | <b><u>418,738,174</u></b>   |

**GREAT WESTERN MINERALS GROUP LTD.**  
**CONDENSED CONSOLIDATED INTERIM STATEMENTS OF CASH FLOWS**  
**(Unaudited)**  
*(\$ in CAD)*

|  | For the nine months ended<br>September 30, |                             |
|--|--|-----------------------------|
|  | 2014                                       | 2013<br><i>Revised</i>      |
| <b>Cash provided by (used in)</b>                                  |  |                             |
| <b>Operating activities</b>  |  |                             |
| Net loss for the period from continuing operations                 | \$ (24,828,886)                            | \$ (19,406,080)             |
| Adjustment for:  |  |                             |
| Depreciation and amortization                                      | 1,315,335                                  | 1,008,404                   |
| Stock based compensation   | 67,535                                     | 741,224                     |
| Finance costs  | 11,450,386                                 | 9,195,239                   |
| Impairment of inventory  | -  | 123,144                     |
| Impairment of property, plant and equipment                        | 425,288                                    | 153,487                     |
| Gain on conversion option  | -  | (6,917,840)                 |
| Loss on disposal of assets   | 82,273                                     | -                           |
| Income tax recovery  | -  | (115,155)                   |
| Income tax received  | -  | 122,273                     |
| Other operating items  | <u>5,641,132</u>                           | <u>(3,996,329)</u>          |
| <b>Cash flows used in continuing operating activities</b>          | <b><u>(5,846,937)</u></b>                  | <b><u>(19,091,633)</u></b>  |
| Cash flows used in discontinued operation                          | <u>(1,203,846)</u>                         | <u>(383,346)</u>            |
| <b>Cash flows used in operating activities</b>                     | <b><u>(7,050,783)</u></b>                  | <b><u>(19,474,979)</u></b>  |
| <b>Investing activities</b>  |  |                             |
| Property, plant and equipment                                      | (505,685)                                  | (4,989,288)                 |
| Proceeds from sale of property, plant and equipment                | 194,643                                    | -                           |
| Interest received  | <u>30,615</u>                              | <u>136,770</u>              |
| <b>Cash flows used in continuing investing activities</b>          | <b><u>(280,427)</u></b>                    | <b><u>(4,852,518)</u></b>   |
| Cash flows used in discontinued operation                          | <u>326,391</u>                             | <u>-</u>                    |
| <b>Cash flows provided by (used in) investing activities</b>       | <b><u>45,964</u></b>                       | <b><u>(4,852,518)</u></b>   |
| <b>Financing activities</b>  |  |                             |
| Interest paid  | (3,976,344)                                | (3,718,128)                 |
| Net change in amounts in escrow                                    | -  | 3,659,040                   |
| Short-term borrowings  | <u>-</u>                                   | <u>(699,916)</u>            |
| <b>Cash flows used in financing activities</b>                     | <b><u>(3,976,344)</u></b>                  | <b><u>(759,044)</u></b>     |
| <b>Net decrease in cash and cash equivalents during the period</b> | <b>(10,981,163)</b>                        | <b>(25,086,501)</b>         |
| Exchange rate changes on foreign currency cash balances            | 903,372                                    | 1,314,948                   |
| Cash and cash equivalents, beginning of period                     | <u>23,573,586</u>                          | <u>52,095,448</u>           |
| <b>Cash and cash equivalents, end of period</b>                    | <b><u>\$ 13,495,795</u></b>                | <b><u>\$ 28,323,895</u></b> |

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