GWR GROUP LIMITED

HALF YEAR REPORT
DECEMBER 2022

ABN 54 102 622 051

Contents

Corporate Directory

Board of Directors:

Gary Lyons (Non-executive Chairman)
Michael Wilson (Executive Director)
Teck Siong Wong (Non-executive Director)
Wai Ho Law (Alternate for Mr Wong)

Company Secretary:

Sonu Cheema

Principal and registered office:

Level 4, 46 Colin Street
West Perth WA 6005

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West Perth WA 6872
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Facsimile: +61 8 9312 2370
Email: admin@gwrgroup.com.au
Website: www.gwrgroup.com.au

Issued capital as at 31 December 2022:

Fully paid ordinary shares: 321,216,655

Auditors:

Stantons
Level 2, 40 Kings Park Road
West Perth, WA 6005
Telephone: +61 8 9481 3188
Facsimile: +61 8 9321 1204

Bankers:

National Australia Bank Limited
Level 1, 1238 Hay Street
West Perth, WA 6005

Share registry:

Automic Group
Level 5
191 St Georges Terrance
Perth WA 6000
Telephone: +61 2 8072 1400

Solicitors:

Bennett + Co
Ground Floor BGC Centre
28 The Esplanade
Perth WA 6000
Telephone: +61 8 6316 2200
Facsimile: +61 8 6316 2211

Stock exchange:

Australian Securities Exchange Limited
Company code: GWR

Directors' Report

Your Directors submit their report for the half-year ended 31 December 2022.

Directors

The following persons were Directors of the Company during the half-year and up to the date of this report. Directors were in office for this entire period unless otherwise stated.

Gary Lyons	Non-executive Chairman
Michael Wilson	Executive Director
Teck Siong Wong	Non-executive Director (appointed 3 February 2023, previously alternate director for Tan Sri Dato' Tien Seng Law)
Wai Ho Law	Alternate Director for Teck Siong Wong (appointed 3 February 2023)
Datuk Chin An Lau	Non-executive Director (resigned 31 December 2022)
Kong Leng (Jimmy) Lee	Non-executive Director (resigned 31 December 2022)
Tan Sri Dato' Tien Seng Law	Non-executive Deputy Chairman (resigned 3 February 2023)

Company Secretaries

Sonu Cheema (appointed 3 February 2023)
Mark Pitts (resigned 3 February 2023)

Dividends

No amounts have been paid or declared by way of dividend by the Company during the half-year or in the period to the date of this report.

Principal activities

The principal activities of the Company and its subsidiaries during the course of the half-year continued to be the C4 iron ore mining project prior to its sale to Gold Valley Iron Ore Pty Ltd, and the continued exploration on the Group's tenement portfolio.

Operating results

The consolidated profit after income tax for the period was $57,256,150 (2021: loss of $369,115). The result for the period included a gain of $61,912,000 from the sale of mining rights at C4.

During the period, net cash provided used in operating activities was $16,242,726 (2021: $17,759,306), which included $15,416,057 in net operating cash outflows from discontinued operations (2021: $16,691.234). Net cash inflows from investing activities for the period were $16,428,438 (2021: outflows of $107,123).

At period end, the Group held $7,317,276 (June 2022: $8,392,696) in cash and cash equivalents.

Review of Operations

Wiluna West Iron Ore Project

On 20 July 2022 GWR announced the execution of a Binding Term Sheet (Term Sheet) to grant the Mining Rights for its C4 Iron Deposit and to transfer its residual rights in relation to the JWD Iron deposit for, at the time of signing, a total consideration of $30,000,000 plus potential royalties to Gold Valley Iron Pty Ltd ("GV"). The agreement included an additional $5,000,000 to be paid to GWR for the acquisition by GV of sundry plant, stores and stockpiles.

Directors' Report

GWR retains both legal and beneficial ownership to all tenements and all other iron ore deposits at Wiluna West Iron Ore Project. The funds received under the Term Sheet are proposed to be used by the Group as follows:

- re-evaluate the development models for both the C3 and Bowerbird deposits;
- bring forward planned field work and development studies on the groups Prospect Ridge Magnesite project in Tasmania; and
- continue the review and evaluation of other business opportunities.

The initial agreement, as signed, provided for the consideration to be paid in three instalments; the first $5,000,000 was paid upon signing the term sheet, along with the $5,000,000 payable for the acquisition of sundry plant, stores and stockpiles within 21 days of signing. The remaining amount was due as follows:

- $10,000,000 within 45 days of signing the term sheet; and
- $15,000,000 upon the earlier of:
    - 18 months after signing the term sheet; and
    - the date immediately after GV had shipped or otherwise sold an aggregate of 1,000,000 tonnes of iron ore from the C4 Deposit.

An additional royalty, based on the Platts index for 62% Fe and payable across all shipments (lump and fines) was to be paid on the following basis:

- <US$135/t – US$1 per tonne payable to GWR
- >US$135/t – US$2 per tonne payable to GWR

On 27 September 2022 the Company announced that the Term Sheet had been subject to a variation, allowing the second tranche of the consideration (being $10,000,000 within 45 days of signing the term sheet) to be split into two tranches;

- $5,000,000 within 45 days of signing the term sheet, which was received; and
- $5,000,000 due on 19 March 2023, together with interest at a rate of 8% p.a.

The second tranche above also included a requirement for payment within 30 days if the Platts Index for 62% Fe reached a 20-day trading average of US$120 prior to 15 February 2023.

Finally, on 11 of January 2023 the Company announced that it had entered into a further variation to the Binding Term Sheet. The agreed variation substitutes the obligations for GV to pay the sum of $5,000,000 on 19 March 2023 (together with interest) and to pay $15,000,000 upon the earlier of 19 January 2024 or the date immediately after GV has shipped or otherwise sold an aggregate of 1,000,000 tonnes of iron ore from the C4 deposit with the following payment obligations:

A minimum monthly payment (inclusive of any royalty payments made for that month) of:

- $756,000 per month up until the earlier of such time as GV has shipped or otherwise sold 3,000,000 tonnes of iron ore from the C4 deposit on or after 3 January 2023 or a total of 36 such monthly payments have been made;
- thereafter $336,000 per month up until the earlier of such time as GV has shipped or otherwise sold 6,500,000 tonnes of iron ore from the C4 deposit on or after 3 January 2023 or a total of 42 such monthly payments have been made; and
- thereafter $252,000 per month up until the earlier of such time as GV has shipped or otherwise sold 10,000,000 tonnes of iron ore from the C4 deposit on or after 3 January 2023 or a total of 42 such monthly payments have been made.

Additionally an increased royalty per tonne of iron ore shipped or otherwise sold by GV from the C4 deposit as follows:

- $9.00 per tonne in relation to the first 3,000,000 tonnes shipped or otherwise sold;
- $4.00 per tonne in relation to the next 3,500,000 tonnes shipped or otherwise sold;
- $3.00 per tonne in relation to the next 3,500,000 tonnes shipped or otherwise sold; and
- $1.00 per tonne for any additional tonnes shipped or otherwise sold.

The minimum monthly payments commence from the month of January 2023 and the new royalty rates apply to ore shipped or otherwise sold on or after 2 January 2023.

The effect of the variation means that GWR will receive a minimum $51,912,000 from GV over the next 10 years compared to the minimum of approximately $20,000,000 GWR was entitled to receive from GV under the initial arrangement.

Directors' Report

GWR retains both legal and beneficial ownership to all tenements and all other iron ore deposits at Wiluna West Iron Ore Project.

On 10 March 2023, the Group announced that the first two payments of $756,000 had been received, bring total funds received to date to $11,512,000 from the sale of the mining rights and $5,000,000 from the sale of sundry plant, equipment and stockpiles.

Prospect Ridge Magnesite Project

GWR holds a 70% interest in the advanced Prospect Ridge Magnesite project located in northwest Tasmania with Jindalee Resources Limited (Jindalee) holding 30%. The Project is an advanced asset where a substantial amount of work has previously been undertaken, including diamond drilling, metallurgical test work, hydrological test work, resource modelling and feasibility studies. During the half-year, a draft report was prepared by CM Group with important findings that suggest that Prospect Ridge has the potential to be one of the lowest carbon emission sources of magnesium metal in the world.

The project is on a granted Exploration Licence (EL5/2016), which is 51km2 in size and located approximately 55km west southwest of the Port of Burnie, one of the States key deep-water Ports and the largest general cargo port in Tasmania. The project, which was previously held as Mining Lease, contains a JORC 2012 Inferred Mineral Resource estimate of 25 million tonnes of fresh magnesite grading 42.4% MgO, to an average depth of 100m below the surface at a cut-off of 40% MgO (Table 1).

GWR is an Industry Partner with the University of Tasmania (UTAS & CODES) who have been awarded $3.5 million in Federal Government funding for a study titled "Environmentally Sustainable Production of Critical Minerals". The focus of this study is the West Coast of Tasmania. UTAS will be appointing a PhD candidate to a project entitled "Pathways to production: Magnesite deposits at Prospect Ridge, north western Tasmania", of which work is due to commence in early 2023.

During the half-year, GWR was granted drilling approval for up to 31 drill holes for 4650m, meaning that statutory approvals are now in place to upgrade the Arthur River deposit from Inferred to Indicated status. One condition of the drilling approvals was the completion of a fauna survey (targeting Tasmanian Devils, Quoll and Eagles), which was completed in early January with positive results. Importantly the recent survey showed that the project is currently easily accessible via the Tiger Bend Ford.

Investments

The Group continues to hold 70,000,000 shares (approximately 8.9%) in Tungsten Mining NL and 30,788,460 shares (approximately 3.6%) in eMetals Limited. The Group has continued to account for this investment in Tungsten Mining NL as an associate.

Events subsequent to balance date

On 11 January the Company announced the variation to the C4 Mining Rights Agreement as set out above.

Other than the above, there has been no matter or circumstances that has arisen since the balance sheet date to the date of this report, which has significantly affected, or may significantly affect the operations of the Group, the results of those operations or the state of affairs of the Group subsequent to the reporting date.

This report is signed in accordance with a resolution of the Directors.

Gary Lyons
Chairman

Dated at Perth this 16th day of March 2023

Consolidated statement of profit or loss and other comprehensive income

For the half year ended 31 December 2022

	Note	Consolidated December 2022	December 2021
			Restated
		$	$
Continuing Operations			
Other Revenue	4	385,131	2,000,377
Total Revenue		**385,131**	**2,000,377**
Employee expenses	5(a)	(107,304)	(280,081)
Exploration and evaluation expenditure		(545,133)	(381,272)
Other expenses	5(b)	(314,426)	(449,594)
Depreciation		(7,222)	(9,896)
Finance Costs	5(c)	(62,326)	151,862
(Loss)/profit from continuing operations before income tax		**(651,280)**	**1,031,396**
Discontinued Operations			
Discontinued Operation – C4 Iron Ore Project ("C4")			
Ore Sales	18	9,205,717	75,507,370
Gain on disposal of C4 mining rights	18	61,912,000	-
Total revenue		**71,117,717**	**75,507,370**
Cost of sales	18	(13,210,287)	(83,572,113)
Gross profit/(loss)		**57,907,430**	**(8,064,743)**
Profit share with production alliance partner	18	-	(271,815)
Profit/(loss) before tax from discontinued operation – *C4*		**57,907,430**	**(8,336,558)**
Income tax expense - *C4*	18	-	-
Profit/(loss) after tax from discontinued operation – *C4*		**57,907,430**	**(8,336,558)**
Discontinued Operation – C4 Iron Ore Project ("C4")			
Gain on disposal of Western Gold Resources Limited	17	-	6,936,047
Profit before tax from discontinued operation – *WGR*		**-**	**6,936,047**
Income tax expense - *WGR*	17	-	-
Profit after tax from discontinued operation – *WGR*		**-**	**6,936,047**
Total profit / (loss) after tax from discontinued operations		**57,907,430**	**(1,400,511)**
Profit/(loss) before income tax		**57,256,150**	**(369,115)**
Income tax expense from continuing operations		-	-
Profit/(loss) for the period		**57,256,150**	**(369,115)**

Consolidated statement of profit or loss and other comprehensive income

For the half year ended 31 December 2022

Other comprehensive income		
Items that will not be reclassified subsequently to profit or loss	-	-
Items that may be reclassified subsequently to profit or loss	-	-
Other comprehensive income for the period	**-**	**-**
Total comprehensive profit/(loss) for the period	**57,256,150**	**(369,115)**
Total comprehensive profit/(loss) attributable to Parent	**57,256,150**	**(369,115)**
Basic earnings/(loss) per share in cents		
From continuing operations	(0.20)	0.34
From discontinued operations	18.03	(0.46)
From continuing and discontinued operations	17.83	(0.12)

Diluted loss per share is not disclosed as all potential securities are considered anti-dilutive.

The above statement should be read in conjunction with the accompanying notes.

Consolidated statement of financial position

As at 31 December 2022

	Note	Consolidated December 2022	June 2022
		$	$
Current assets			
Cash and cash equivalents		7,317,276	8,392,696
Trade and other receivables	6	11,296,988	2,785,765
Inventories	8	-	6,775,053
Financial assets	7	307,885	277,096
Other assets	9	1,455,009	-
Assets held for sale		-	5,000,000
Total current assets		**20,377,158**	**23,230,610**
Non-current assets			
Trade and other receivables	6	28,289,910	-
Plant and equipment		49,476	54,671
Exploration and evaluation expenditure	10	7,627,058	7,627,058
Financial assets	7	1,560,495	5,257,680
Other assets	9	13,095,081	-
Total non-current assets		**50,622,020**	**12,939,409**
Total assets		**70,999,178**	**36,170,019**
Current liabilities			
Trade and other payables	11	4,221,407	25,491,411
Lease liabilities	12	240,000	186,895
Provisions	13	408,822	467,003
Other financial liabilities		-	1,078,806
Total current liabilities		**4,870,229**	**27,224,115**
Non-current liabilities			
Lease Liabilities	12	451,625	624,730
Provisions	13	3,699,592	3,599,592
Total non-current liabilities		**4,151,217**	**4,224,322**
Total liabilities		**9,021,446**	**31,448,437**
Net assets		**61,977,732**	**4,721,582**
Equity			
Contributed equity	14	154,951,396	154,951,396
Reserves	15	27,552,378	27,552,378
Accumulated losses		(120,526,042)	(177,782,192)
Total equity		**61,977,732**	**4,721,582**

The above statement should be read in conjunction with the accompanying notes.

Consolidated statement of changes in equity

For the half-year ended 31 December 2022

	Contributed equity	Option reserve	Accumulated losses	Total Equity
	$	$	$	$
Balance as at 1 July 2021	**158,966,934**	**28,512,378**	**(165,041,571)**	**22,437,741**
Loss for the period	-	-	(369,115)	**(369,115)**
Other comprehensive income	-	-	-	**-**
Total comprehensive loss for the period	**-**	**-**	**(369,115)**	**(369,115)**
Shares issued in lieu of fees	191,250	-	-	**191,250**
Deconsolidation of subsidiary - WGR	-	-	34,688	**34,688**
In specie distribution of– WGR	(7,032,759)	-	-	**(7,032,759)**
Options disposed of – WGR	-	(1,000,000)	1,000,000	**-**
Share issue costs	(1,764)	-	-	**(1,764)**
Balance as at 31 December 2021	**152,123,661**	**27,512,378**	**(164,375,998)**	**15,260,041**
Balance as at 1 July 2022	**154,951,396**	**27,552,378**	**(177,782,192)**	**4,721,582**
Profit for the period	-	-	57,256,150	**57,256,150**
Other comprehensive income	-	-	-	**-**
Total comprehensive loss for the period	**-**	**-**	**57,256,150**	**57,256,150**
Balance as at 31 December 2022	**154,951,396**	**27,552,378**	**(120,526,042)**	**61,977,732**

The above statement should be read in conjunction with the accompanying notes.

Consolidated statement of cash flows

For the half-year ended 31 December 2022

	Note	Consolidated December 2022 $	Consolidated December 2021 *Restated* $
Cash flows from operating activities			
Payments to suppliers and employees		(415,068)	(417,035)
Cash flows (used in) discontinued operation – C4	18	(15,416,057)	(16,961,234)
Payments for exploration and evaluation		(456,274)	(381,272)
Interest received		16,453	143
Other proceeds		28,220	92
Net cash provided by / (used in) operating activities		**(16,242,726)**	**(17,759,306)**
Cash flows from investing activities			
Payments for plant & equipment		(2,027)	(2,877)
Cash flows from discontinued operation – WGR	17	-	426,945
Cash flows from discontinued operation – C4	18	16,430,465	110,000
Net cash provided by / (used in) investing activities		**16,428,438**	**534,068**
Cash flows from financing activities			
Cash flows from discontinued operation – C4	18	(1,261,132)	31,862
Net cash provided by / (used in) financing activities		**(1,261,132)**	**31,862**
Net increase / (decrease) in cash and cash equivalents		(1,075,420)	(17,193,376)
Cash and cash equivalents at beginning of the period		8,392,696	23,713,605
Cash and cash equivalents at the end of the period		**7,317,276**	**6,520,229**

The above statement should be read in conjunction with the accompanying notes.

Condensed notes to the financial statements

For the half-year ended 31 December 2022

Note 1: Corporate information

The financial report of GWR Group Limited and its subsidiaries ('the consolidated entity' or 'the Group') for the half-year ended 31 December 2022 was authorised for issue in accordance with a resolution of the directors on 16th March 2023.

GWR Group Limited is a company limited by shares, incorporated in Australia, whose shares are publicly traded on the Australian Securities Exchange.

Note 2: Basis of preparation and accounting policies

a. Basis of Preparation

These general purpose interim financial statements for the half-year reporting period ended 31 December 2022 have been prepared in accordance with requirements of the *Corporations Act 2001* and Australian Accounting Standard AASB 134: *Interim Financial Reporting.* The Group is a for-profit entity for financial reporting purposes under Australian Accounting Standards.

This interim financial report is intended to provide users with an update on the latest annual financial statements of the Group. As such, it does not contain information that represents relatively insignificant changes occurring during the half-year within the Group. It is therefore recommended that this financial report be read in conjunction with the annual financial statements of the Group for the year ended 30 June 2022, together with any public announcements made during the following half-year.

b. Accounting Policies

The same accounting policies and methods of computation have been followed in this interim financial report as were applied in the most recent annual financial statements, except in relation to some of the matters discussed at Notes 2(c)

c. Adoption of new and revised standards

The Group has considered the implications of new and revised Accounting Standards and Interpretations but determined that their application to the financial statements is either not relevant or not material.

d. Basis of Consolidation

The consolidated financial statements incorporate all of the assets, liabilities and results of the parent (GWR Group Limited) and all of the subsidiaries. Subsidiaries are entities the parent controls. The parent controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.

The assets, liabilities and results of all subsidiaries are fully consolidated into the financial statements of the Group from the date on which control is obtained by the Group. The consolidation of a subsidiary is discontinued from the date that control ceases. Intercompany transactions, balances and unrealised gains or losses on transactions between Group entities are fully eliminated on consolidation. Accounting policies of subsidiaries have been changed and adjustments made where necessary to ensure uniformity of the accounting policies adopted by the Group.

Equity interests in a subsidiary not attributable, directly or indirectly, to the Group are presented as "non-controlling interests". The Group initially recognises non-controlling interests that are present ownership interests in subsidiaries and are entitled to a proportionate share of the subsidiary's net assets on liquidation at either fair value or at the non-controlling interests' proportionate share of the subsidiary's net assets. Subsequent to initial recognition, non-controlling interests are attributed their share of profit or loss and each component of other comprehensive income. Non-controlling interests are shown separately within the equity section of the consolidated statement of financial position and consolidated statement of comprehensive income.

e. Going Concern

The financial report has been prepared on a going concern basis, which contemplates the continuity of normal business activity and the realisation of assets and the settlement of liabilities in the normal course of business.

Condensed notes to the financial statements

For the half-year ended 31 December 2022

Note 3: Segment information

Determination and identification of reportable segment

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components, whose operating results are regularly reviewed by the entity's chief operating decision maker to make decisions about resources to be allocated to the segment and assess its performance and for which discrete financial information is available.

The Group identifies its operating segments based on the internal reports that are reviewed and used by the executive management team (chief operating decision makers) in assessing performance and determining the allocation of resources.

The operations and assets of GWR Group Limited and its controlled entities are primarily employed in extraction of minerals in Australia, with minor operating segments consisting of exploration and corporate overheads. The decision to allocate the resources to individual projects is predominantly based on available cash reserve, technical data and the expectation of future metal price.

Segment information

The following tables present revenue and profit information and certain asset and liability information regarding geographical segments:

		Continuing Operations		Discontinued Operations		
	As at	Exploration	Corporate Overheads & Other	Mining – C4 (Note 18)	Exploration – WGR (Note 17)	Total
		$	$	$	$	$
Segment assets	31 Dec 2022	7,627,058	61,484,767	1,887,353	-	70,999,178
	30 Jun 2022	7,627,058	11,510,229	17,032,732	-	36,170,019
Segment liabilities	31 Dec 2022	-	9,021,446	-	-	9,021,446
	30 Jun 2022	-	4,059,367	27,389,070	-	31,448,437
	For the half-year ended					
Segment income	31 Dec 2022	-	385,131	71,117,717	-	71,502,848
	31 Dec 2021	-	2,000,377	75,507,370	426,945	77,934,692
Segment profit / (loss) before income tax	31 Dec 2022	(545,133)	(106,147)	57,907,430	-	57,256,150
	31 Dec 2021	(381,272)	(312,391)	(6,184,554)	6,509,102	(369,115)

Note: Results for the half-year ended 31 December 2021 have been restated to reflect the impact of the discontinued operations as outlined in Notes 17 and 18.

Note 4: Other revenue

	Consolidated	
	December 2022	December 2021
	$	$
Interest received	16,453	143
Sundry Income	-	92
Fair value loss on financial assets classified as FVTPL (Note 5(d))	30,788	-
Iron ore mining rights revenue (a)	337,890	2,000,142
	385,131	2,000,377

(a) Iron ore mining rights revenue

Relates to revenue from rights to mine the JWD & C4 Iron Ore Deposits. During the period and on 11 January 2023 the Company announced the execution of a Binding Term Sheet and certain variation agreements to grant the Mining Rights for its C4 Iron Deposit and to transfer its residual rights in relation to the JWD Iron deposit to Gold Valley Pty Ltd. Refer to note 18 for further details.

Note 5: Expenses

	Consolidated	
	December 2022	December 2021
	$	$
(a) Employee expenses		
Salary and wages	119,701	154,568
Superannuation	29,774	5,359
Reversal of employee leave liabilities	(114,208)	-
Other employee expenses	72,037	120,154
	107,304	280,081
(b) Other expenses		
Administration costs	51,121	27,806
Corporate costs	129,074	160,489
Consulting fees	74,153	83,829
Occupancy costs	60,078	54,316
Fair value loss on financial assets classified as FVTPL (d)	-	123,154
	314,426	449,594
(c) Finance Costs		
Foreign currency hedging gain/loss	62,326	151,862
	62,326	151,862

(d) Fair value loss on financial assets classified as FVTPL

The Group has an investment in an ASX-listed entity, eMetals Limited, as described in Note 7(a), that is recognised as at Fair Value Through Profit or Loss. During the half-year ended 31 December 2022, a gain of $30,788 was recorded (2021: loss of $123,154).

Condensed notes to the financial statements

For the half-year ended 31 December 2022

Note 6: Trade and other receivables

	Consolidated	
	December 2022	June 2022
	$	$
Current		
Trade receivables	1,844,959	842,235
Amounts due from sale of C4 Mining Operations (Note 18)	9,072,000	-
Goods and services tax	83,886	1,357,098
Prepayments	168,270	417,784
Other receivables	127,873	168,648
	11,296,988	2,785,765
Non-current		
Amounts due from sale of C4 Mining Operations (Note 18)	28,289,910	-
	28,289,910	-

Note 7: Financial Assets

	Consolidated	
	December 2022	June 2022
	$	$
Current		
Investments held at fair value through profit or loss		
Shares in ASX listed company – eMetals Limited – (a)	307,885	277,096
	307,885	277,096
Non-current		
Investments held at amortised cost		
Security Bonds	760,495	3,027,215
Funds held under trust (b)	800,000	2,230,465
	1,560,495	5,257,680

(a) eMetals Limited

There was no change in the number of shares held in eMetals during the period. The movement of $30,788 is due to the increase in fair value and is included in Other Revenue, refer Note 4 (2021: decrease included in Other Revenue, refer Note 5(b)).

(b) Funds held under trust

As at 31 December 2022, the Group held $800,000 (30 June 2022: $2,230,465) in a trust account in accordance with the Mining Rights Agreement with FE Limited (ASX:FEL). The balance is made up of government and other royalties, and rehabilitation costs on the JWD Deposit.

Note 8: Inventories

	Consolidated	
	December 2022	**June 2022**
	$	**$**
Consumable fuel – at cost	-	280,958
Ore stockpiles – at cost	-	18,197,042
Less: Provision for impairment (Note 18)	-	(6,758,423)
Less: Transfer to assets held for sale (Note 18)	-	(4,944,524)
Balance at the end of the period	-	6,775,053

The value of inventories at 30 June 2022 represents ore stockpiles of 425,758 tonnes of iron ore product in various stages of production. No inventories were carried by the Group at 31 December 2022 as they were sold as part of the sale of the C4 mining operations as documented in Note 18.

Note 9: Other Assets

	Consolidated	
	December 2022	**June 2022**
	$	**$**
Current		
Unexpired Interest – C4 Mining Operations Sale Proceeds Receivable (Note 18)	1,455,009	-
	1,455,009	-
Non-current		
Unexpired Interest – C4 Mining Operations Sale Proceeds Receivable (Note 18)	13,095,081	-
	13,095,081	-

Other assets comprise the unexpired interest portion of the long-term receivable due from Gold Valley Iron Ore Pty Ltd for the sale of the C4 Mining Rights as set out in Note 18.

Condensed notes to the financial statements

For the half-year ended 31 December 2022

Note 10: Exploration and evaluation expenditure

	Consolidated	
	December 2022	June 2022
	$	$
Balance at the beginning of the period	7,627,058	6,329,379
Acquired during the period (a)	-	1,297,679
Balance at the end of the period	7,627,058	7,627,058

Carrying value

The ultimate recoupment of exploration and evaluation expenditure relating to the Group's projects carried forward is dependent on the successful development for commercial exploitation or sale of the respective mining projects.

(a) Acquisition of Prospect Ridge Magnesite Deposit

On 3 March 2022 the Group acquired a 70% interest in the Prospect Ridge Magnesite Deposit in Tasmania. The consideration for the acquisition was a total of $1,000,000, to be satisfied through the payment of cash of $250,000 and the issue of 4,411,765 ordinary shares valued at $750,000 to the vendors. Additionally, the Group issued 1,470,588 ordinary shares to a corporate advisor associated with the acquisition and incurred additional acquisition costs as detailed below.

	Consolidated	
	December 2022	June 2022
	$	$
Cash consideration paid to vendors	-	250,000
Issue of 4,411,765 shares at $0.17 each to vendors	-	750,000
Issue of 1,470,588 shares at $0.17 each to corporate advisor	-	250,000
Other acquisition costs incurred	-	47,679
Total acquisition consideration	-	1,297,679

Note 11: Trade and Other Payables

	Consolidated	
	December 2022	June 2022
	$	$
Trade payables	1,287,478	12,626,609
Other payables	184,945	153,131
Other accruals	2,748,984	12,711,671
	4,221,407	25,491,411

Note 12: Lease Labilities

	Consolidated	
	December 2022	June 2022
	$	$
Current		
Lease liabilities - transfer shed	240,000	186,895
	240,000	186,895
Non-current		
Lease liabilities - transfer shed	451,625	624,730
	451,625	624,730

Note 13: Provisions

	Consolidated	
	December 2022	June 2022
	$	$
Current		
Employee entitlements	408,822	467,003
	408,822	467,003
Non-current		
Rehabilitation	3,699,592	3,599,592
	3,699,592	3,599,592

Note 14: Contributed equity

	Consolidated	
	December 2022	June 2022
	$	$
Issued capital		
321,216,655 (June 2022: 321,216,655) Ordinary fully paid shares	154,951,396	154,951,396

	December 2022	
	Number	$
Movement in ordinary shares on issue		
Balance at beginning of the period	321,216,655	154,951,396
No movements during the period	-	-
Balance at end of the period	321,216,655	154,951,396

Note 15: Reserves

	Consolidated	
	December 2022	**June 2022**
	$	**$**
Options Reserve		
Listed option reserve	27,552,378	27,552,378
	27,552,378	27,552,378

	December 2022	
	Number	**$**
Movement in listed options on issue		
Balance at beginning of the period	17,774,509	27,552,378
Expiry of quoted options during the period	(17,774,509)	-
Balance at end of the period	-	27,552,378

Note 16: Share-based payments

Details of the number and terms of shares issued is included in Note 14 above.

During the half-year ended 31 December 2022, the Group had no share-based payment transactions (30 June 2022: the Group issued 783,153 shares in lieu of fees totalling $191,250 to directors and employees).

The fair value of shares issued in lieu of fees to directors and employees during the previous financial year was determined by reference to the services rendered, and the number of shares to be issued was calculated using a volume-weighted average share price pertaining to each period that the fees were incurred (monthly).

Note 17: Disposal of subsidiary and Assets held for sale

At the Company's AGM on 5 May 2021, the Company's shareholders approved an in-specie distribution of wholly owned subsidiary, Western Gold Resources Limited ("WGR"). WGR is an Australian registered public company which holds 100% of the Wiluna West Gold Project located approximately 35km from Wiluna in Western Australia. As at 30 June 2021, the net assets of WGR were considered held for sale in accordance with AASB 5. The 'disposal group' comprised Western Gold Resources Limited and its wholly-owned subsidiary, Wiluna West Gold Pty Ltd. The disposal of WGR was completed on 13 July 2021 via the in-specie distribution of the 36,125,000 WGR shares held by GWR on the disposal date. These shares were distributed to GWR shareholders on the basis of 1 WGR share for every 8.38 GWR shares held on the record date. The in-specie distribution of the shares in WGR has been recognised as a Capital Reduction pending a ruling from the Australian Taxation Office ("ATO").

Condensed notes to the financial statements

For the half-year ended 31 December 2022

Note 17: Disposal of subsidiary and Assets held for sale (continued)

The carrying value of assets and liabilities as at the date of disposal were:

	13 July 2021
	$
Assets	
Cash and cash equivalents	31,253
Prepayments	254,022
Property, plant & equipment	4,471
Exploration & evaluation expenditure	549,000
Total assets	**838,746**
Liabilities	
Trade and other payables	(813,402)
Total liabilities	**(813,402)**
Net assets of disposal group	**25,344**
Carrying value of investment in WGR at disposal date	**549,001**
Fair value of net assets disposed	**523,657**

The fair value of the investment disposed on 13 July 2021 is as follows:

	13 July 2021
	$
Carrying value of investment in WGR at disposal date	**549,001**
Net assets disposed	**(25,344)**
Fair value of net assets disposed	**523,657**

The fair value of the gain on demerger at the disposal date of 13 July 2021 is as follows:

	13 July 2021
	$
Notional value of shares received on demerger of WGR – (a)	7,225,000
Less:	
Difference to the fair value of in-specie distribution to Company shareholders - (b)	(192,241)
Fair value of in-specie distribution attributed to issued capital	**7,032,759**
Less:	
Fair value of net assets disposed	(523,657)
Gain recognised on demerger	**6,509,102**

Condensed notes to the financial statements

For the half-year ended 31 December 2022

Note 17: Disposal of subsidiary and Assets held for sale (continued)

(a) Notional value of shares received on demerger

The notional value of the shares received on demerger has been calculated as 36,125,000 shares at the initial public offering ("IPO") price of $0.20 per share, being $7,225,000

(b) Difference in fair value of in-specie distribution

The fair value of the WGR shares distributed to GWR shareholders has been determined by reference to the 5-day VWAP of WGR shares for the first 5 trading days after the admission of WGR to the official list of the ASX (23 July 2021), being $0.1947 per share. The difference between this amount (36,125,000 shares at $0.1947 per share, or $7,032,759) and the notional value is $192,241.

The net gain from this discontinued operation after income tax expense for the half-year ended 31 December 2021 has been calculated as follows:

	December 2021 **$**
Gain on disposal of Western Gold Resources Limited	6,509,102
Gain on recovery of loan to discontinued operation	426,945
Profit/(loss) before tax from discontinued operation – *WGR*	**6,936,047**
Income tax expense - *WGR*	-
Profit/(loss) after tax from discontinued operation – *WGR*	**6,936,047**

The cash flows from this discontinued operation are as follows:

	December 2021 **$**
Cash flows from investing activities	
Receipt of loan funds from WGR	426,945
Net investing cash flows from discontinued operations - WGR	426,945
Net cash flows from discontinued operations - WGR	426,945

For the half-year ended 31 December 2022

Note 18: Disposal of C4 Mining Operations

On 20 July 2022 GWR announced the execution of a Binding Term Sheet (Term Sheet) to grant the Mining Rights for its C4 Iron Deposit and to transfer its residual rights in relation to the JWD Iron deposit for, at the time of signing, a total consideration of $30,000,000 plus potential royalties to Gold Valley Iron Pty Ltd ("GV"). The agreement included an additional $5,000,000 to be paid to GWR for the acquisition by GV of sundry plant, stores and stockpiles.

GWR retains both legal and beneficial ownership to all tenements and all other iron ore deposits at Wiluna West Iron Ore Project. The funds received under the Term Sheet are proposed to be used by the Group as follows:

- re-evaluate the development models for both the C3 and Bowerbird deposits;
- bring forward planned field work and development studies on the groups Prospect Ridge Magnesite project in Tasmania; and
- continue the review and evaluation of other business opportunities.

The initial agreement, as signed, provided for the consideration to be paid in three instalments; the first $5,000,000 was paid upon signing the term sheet, along with the $5,000,000 payable for the acquisition of sundry plant, stores and stockpiles within 21 days of signing. The remaining amount was due as follows:

- $10,000,000 within 45 days of signing the term sheet; and
- $15,000,000 upon the earlier of:
    - 18 months after signing the term sheet; and
    - the date immediately after GV had shipped or otherwise sold an aggregate of 1,000,000 tonnes of iron ore from the C4 Deposit.

An additional royalty, based on the Platts index for 62% Fe and payable across all shipments (lump and fines) was to be paid on the following basis:

- <US$135/t – US$1 per tonne payable to GWR
- >US$135/t – US$2 per tonne payable to GWR

On 27 September 2022 the Company announced that the Term Sheet had been subject to a variation, allowing the second tranche of the consideration (being $10,000,000 within 45 days of signing the term sheet) to be split into two tranches;

- $5,000,000 within 45 days of signing the term sheet, which was received; and
- $5,000,000 due on 19 March 2023, together with interest at a rate of 8% p.a.

The second tranche above also included a requirement for payment within 30 days if the Platts Index for 62% Fe reached a 20-day trading average of US$120 prior to 15 February 2023.

Finally, on 11 of January 2023 the Company announced that it had entered into a further variation to the Binding Term Sheet. The agreed variation substitutes the obligations for GV to pay the sum of $5,000,000 on 19 March 2023 (together with interest) and to pay $15,000,000 upon the earlier of 19 January 2024 or the date immediately after GV has shipped or otherwise sold an aggregate of 1,000,000 tonnes of iron ore from the C4 deposit with the following payment obligations:

A minimum monthly payment (inclusive of any royalty payments made for that month) of:

- $756,000 per month up until the earlier of such time as GV has shipped or otherwise sold 3,000,000 tonnes of iron ore from the C4 deposit on or after 3 January 2023 or a total of 36 such monthly payments have been made;
- thereafter $336,000 per month up until the earlier of such time as GV has shipped or otherwise sold 6,500,000 tonnes of iron ore from the C4 deposit on or after 3 January 2023 or a total of 42 such monthly payments have been made; and
- thereafter $252,000 per month up until the earlier of such time as GV has shipped or otherwise sold 10,000,000 tonnes of iron ore from the C4 deposit on or after 3 January 2023 or a total of 42 such monthly payments have been made.

Note 18: Disposal of C4 Mining Operations (continued)

Additionally an increased royalty per tonne of iron ore shipped or otherwise sold by GV from the C4 deposit as follows:

- $9.00 per tonne in relation to the first 3,000,000 tonnes shipped or otherwise sold;
- $4.00 per tonne in relation to the next 3,500,000 tonnes shipped or otherwise sold;
- $3.00 per tonne in relation to the next 3,500,000 tonnes shipped or otherwise sold; and
- $1.00 per tonne for any additional tonnes shipped or otherwise sold.

The minimum monthly payments commence from the month of January 2023 and the new royalty rates apply to ore shipped or otherwise sold on or after 2 January 2023.

The effect of the variation means that GWR will receive a minimum of approximately $52,000,000 from GV over the next 10 years compared to the minimum of approximately $20,000,000 GWR was entitled to receive from GV under the initial arrangement.

GWR retains both legal and beneficial ownership to all tenements and all other iron ore deposits at Wiluna West Iron Ore Project.

On 10 March 2023, the Group announced that the first two payments of $756,000 had been received, bring total funds received to date to $11,512,000 from the sale of the mining rights and $5,000,000 from the sale of sundry plant, equipment and stockpiles.

Restatement of comparative financial information as a result of classification as discontinued operations

As a result of the disposal of the C4 Iron Ore Project (as noted above), the assets and liabilities related to the C4 Iron Ore Project were classified as *held for sale* at 30 June 2022. The income, expenditure and cash flows associated with the C4 Iron Ore Project in the statement of profit or loss and other comprehensive income and statement of cash flows, respectively, for the half-year ended 31 December 2022 have been included in the discontinued operation. Due to this re-classification, the corresponding amounts in the statement of profit or loss and other comprehensive income and statement of cash flows for the half-year ended 31 December 2021 have been restated.

The carrying value and net realisable value of assets and liabilities as at 30 June 2022:

	Carrying Value	Adjustment	Net Realisable Value
	$	$	$
Net assets at 30 June 2022			
Assets			
Inventories	4,944,524[1]	-	4,944,524
Property, plant & equipment	55,476	-	55,476
Total assets	5,000,000	-	5,000,000
Net assets of disposal group	5,000,000	-	5,000,000

1 – an impairment of inventories was performed at Group-level before any transfer to held for sale, refer to Note 8.

For the half-year ended 31 December 2022

Note 18: Disposal of C4 Mining Operations (continued)

The net profit or loss from discontinued operations relating to the disposal of C4 is as follows:

	December 2022	December 2021
	$	$
Ore Sales		
Sales of iron ore from C4 project (a)	9,205,717	75,507,370
Total Ore Sales	9,205,717	75,507,370
Gain on disposal of C4 mining rights (b)	61,912,000	-
Total Revenue	61,912,000	75,507,370
Costs of sales		
Production costs	(12,427,094)	(75,052,523)
Royalties	(749,324)	(5,031,212)
Direct marketing and administration costs	(33,869)	(151,966)
Movement in inventories	-	(3,336,412)
Total Costs of Sales	(13,210,287)	(83,572,113)
Gross Profit / (loss) from discontinued operation	57,907,430	(8,064,743)
Other Expenses		
Profit share with production alliance partner	-	(271,815)
Total Other Expenses	-	(271,815)
Profit / (loss) before tax from discontinued operation	**57,907,430**	**(8,336,558)**
Income tax expense	-	-
Profit / (loss) after tax from discontinued operation	**57,907,430**	**(8,336,558)**

(a) Ore Sales

During the period, the Group continued with mining operations at the C4 Project near Wiluna, Western Australia. 58,000 wet metric tonnes were shipped to customers (2021: 447,932), realising revenue of $9,205,717 (2021: $75,507,370).

Condensed notes to the financial statements

For the half-year ended 31 December 2022

Note 18: Disposal of C4 Mining Operations (continued)

(b) Gain on disposal of C4 mining rights

The net gain on disposal at the disposal date of 20 July 2022 has been determined as follows:

	20 July 2022
	$
Cash consideration received for sale of mining rights – initial consideration	5,000,000
Cash consideration received for sale of mining rights – second tranche	5,000,000
Cash consideration receivable for sale of mining rights – deferred consideration (c)	51,912,000
Cash consideration for sale of sundry plant, stores and stockpiles	5,000,000
Total consideration	**66,912,000**
Less: Net assets of disposal Group	(5,000,000)
Gain on disposal	**61,912,000**

(c) Cash consideration receivable for sale of mining rights – deferred consideration

The Term Sheet variation announced on 11 January 2023 includes deferred consideration totalling $51,912,000 to be received over a term of 10 years as set out above. Accordingly, the present value of this long-term receivable as been determined (using an effective interest rate of 10% per annum) as $37,361,910. The current and non-current portion of the present value of the receivable, and the corresponding components of the unexpired interest recognised as "other assets" in the Statement of Financial Position is as follows:

	December 2022
	$
Present Value of Receivable – due within 12 months – current portion (Note 6)	9,072,000
Unexpired interest – current portion (Note 9)	1,455,009
Total current consideration receivable	**10,527,009**
Present Value of Receivable – due in 2-10 years – non-current portion (Note 6)	28,289,910
Unexpired interest – non-current portion (Note 9)	13,095,081
***Less:* Net assets of disposal Group**	**41,384,991**
Total deferred consideration	**51,912,000**

Condensed notes to the financial statements

For the half-year ended 31 December 2022

Note 18: Disposal of C4 Mining Operations (continued)

The Cash Flows from this discontinued operation are as follows:

	December 2022	December 2021
	$	$
Cash flows from operating activities		
Receipts from customers	9,957,952	76,133,205
Payments to suppliers and employees	(25,374,009)	(95,094,581)
Proceeds from Iron Ore Mining Rights Agreement	-	2,004,142
Net operating cash flows (used in) discontinued operations – C4	(15,416,057)	(16,961,234)
Cash flows from investing activities		
Proceeds from sale of C4 Mining Operations	15,000,000	-
Security deposits/bonds received from trust	1,430,465	-
Rehabilitation bond funds received for JWD project from FE Limited	-	110,000
Net investing cash flows from discontinued operations – C4	16,428,438	110,000
Cash flows from financing activities		
(Payments for) / Proceeds from foreign currency hedge	(1,141,132)	151,862
Lease payments made	(120,000)	(120,000)
Net financing cash flows (used in) / from discontinued operations – C4	(1,261,132)	31,862
Net cash (used in) discontinued operations – C4	(246,724)	(16,819,372)

Note 19: Contingent liabilities

The Group is not aware of any significant contingencies arising since the last annual reporting date.

Note 20: Exploration expenditure commitments

In order to maintain current rights of tenure to mining tenements, the Group has discretionary minimum annual tenement expenditure requirements and lease rentals of $482,705 (2021: $1,188,127). This discretionary expenditure is capable of being varied from time to time in order to maintain these rights of tenure to mining tenements.

Note 21: Events subsequent to reporting date

On 11 of January 2023 the Company announced that it had entered into a further variation to the Binding Term Sheet. The agreed variation substitutes the obligations for Gold Valley Iron Ore Pty Ltd to pay the sum of $5,000,000 on 19 March 2023 (together with interest) and to pay $15,000,000 upon the earlier of 19 January 2024 or the date immediately after GV has shipped or otherwise sold an aggregate of 1,000,000 tonnes of iron ore from the C4 deposit with the following payment obligations:

Note 21: Events subsequent to reporting date (continued)

A minimum monthly payment (inclusive of any royalty payments made for that month) of:

- $756,000 per month up until the earlier of such time as GV has shipped or otherwise sold 3,000,000 tonnes of iron ore from the C4 deposit on or after 3 January 2023 or a total of 36 such monthly payments have been made;
- thereafter $336,000 per month up until the earlier of such time as GV has shipped or otherwise sold 6,500,000 tonnes of iron ore from the C4 deposit on or after 3 January 2023 or a total of 42 such monthly payments have been made; and
- thereafter $252,000 per month up until the earlier of such time as GV has shipped or otherwise sold 10,000,000 tonnes of iron ore from the C4 deposit on or after 3 January 2023 or a total of 42 such monthly payments have been made.

Additionally an increased royalty per tonne of iron ore shipped or otherwise sold by GV from the C4 deposit as follows:

- $9.00 per tonne in relation to the first 3,000,000 tonnes shipped or otherwise sold;
- $4.00 per tonne in relation to the next 3,500,000 tonnes shipped or otherwise sold;
- $3.00 per tonne in relation to the next 3,500,000 tonnes shipped or otherwise sold; and
- $1.00 per tonne for any additional tonnes shipped or otherwise sold.

The minimum monthly payments commence from the month of January 2023 and the new royalty rates apply to ore shipped or otherwise sold on or after 2 January 2023.

The effect of the variation means that GWR will receive a minimum of approximately $52,000,000 from GV over the next 10 years compared to the minimum of approximately $20,000,000 GWR was entitled to receive from GV under the initial arrangement.

Other than the above, there has been no matter or circumstances that has arisen since the balance sheet date to the date of this report, which has significantly affected, or may significantly affect the operations of the Group, the results of those operations or the state of affairs of the Group subsequent to the reporting date.

Directors' declaration

In accordance with a resolution of the directors of GWR Group Limited, I state that:

In the opinion of the Directors:

(a) The financial statements and notes of the Group are in accordance with the Corporations Act 2001, including:

   i. Giving a true and fair view of the financial position as at 31 December 2022 and the performance for the half-year ended on that date of the Group; and
   ii. Complying with Accounting Standard AASB 134 Interim Financial Reporting and the Corporations Regulations 2001.

(b) There are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

On behalf of the Board,

Gary Lyons
Chairman

Dated at Perth, this 16th day of March 2023

Auditor's independence declaration

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16 March 2023

Board of Directors
GWR Group Limited
Level 4, 46 Colin Street
West Perth WA 6005

Dear Sirs

RE: GWR GROUP LIMITED

In accordance with section 307C of the *Corporations Act 2001*, I am pleased to provide the following declaration of independence to the directors of GWR Group Limited.

As Audit Director for the review of the financial statements of GWR Group Limited for the half-year ended 31 December 2022, I declare that to the best of my knowledge and belief, there have been no contraventions of:

(i) the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and

(ii) any applicable code of professional conduct in relation to the review.

Yours faithfully

STANTONS INTERNATIONAL AUDIT AND CONSULTING PTY LTD
(An Authorised Audit Company)

Samir Tirodkar
Director

Stantons

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**INDEPENDENT AUDITOR'S REVIEW REPORT
TO THE MEMBERS OF
GWR GROUP LIMITED**

Report on the Half-Year Financial Report

Conclusion

We have reviewed the half-year financial report of GWR Group Limited, which comprises the consolidated statement of financial position as at 31 December 2022, the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the half-year ended on that date, a summary of significant accounting policies and other explanatory information, and the directors' declaration.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the accompanying half-year financial report of GWR Group Limited does not comply with the *Corporations Act 2001* including:

(a) giving a true and fair view of the consolidated entity's financial position as at 31 December 2022 and of its performance for the half-year ended on that date; and

(b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Basis for Conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the Auditor's Responsibilities for the Review of the Financial Report section of our report. We are independent of the Company in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001* has been given to the directors of the Company on 16 March 2022.

Emphasis of Matter – The Recoverability of Other Receivables

We draw attention to Note 6 and 9 of the financial report, which describes $51,912,000 receivable from the sale of C4 mining rights. The recoverability of this receivable is subject to the third party fulfilling its obligation in paying the agreed amounts over a period of 10 years.

Our conclusion is not modified in respect of this matter.

Stantons

Responsibility of the Directors for the Financial Report

The directors of GWR Group Limited are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility for the Review of the Financial Report

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Company's financial position as at 31 December 2022 and its performance for the half-year ended on that date, and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

STANTONS INTERNATIONAL AUDIT AND CONSULTING PTY LTD
(An Authorised Audit Company)

Stantons International Audit and Consulting Pty Ltd

Samir Tirodkar
Director

West Perth, Western Australia
16 March 2023