

March 2024 Quarter Highlights

30 April 2024

Summary

Wiluna West Project

- During the quarter ended 31 March 24, the Company received \$6.15 million in royalty funds from Gold Valley Iron Pty Ltd (“GV”) and JV operator CuFe Ltd (ASX: CUF). The Company paid \$6 million to DMIRS on behalf of GV and CUF for state royalty.
- On 7 March 2024, GWR announced the settlement for the sale of Wiluna West Iron Ore Project to Gold Valley. A total of \$30 million cash payment was received along with the 2 DMT royalty payable for iron ore produced.

Prospect Ridge Magnesium Project North-West Tasmania GWR 70% Dynamic Metals 30%

- Magnesite core samples currently being analysed by a leading manufacturer of refractories in Europe.
- Significant progress has been made on the Federal Government funded : Regional Research Collaboration Grant (RRC), being undertaken by the Centre for Ore Deposit and Earth Sciences at University of Tasmania (“CODES”).
 - Appointment of a PHD student now working on project full time, supported by team from CODES.
 - 143 kg master composite sample prepared by Nagrom in Perth from the diamond drill core obtained in the 2023 diamond drilling program
 - 69.9 kg of the master composite forwarded to CODES in Hobart as part of the RRC project.
 - Current work is focusing on ways to reduce contaminants in particular silica and optimising the flow sheet.
 - GWR will update the market as results become available.
- Domaning of Magnesite mineralisation types for both the Arthur River and Lyons River deposits is being undertaken using geochemistry and historical diamond drill core stored at the Mineral Resources Core Library in Hobart.
- An application has been made to refresh drilling approvals with Mineral Resources Tasmania (“MRT”) for the drilling of 27 holes for an aggregate of 4,050m including six (6) Priority 1 holes for 450m located at the Arthur River deposit. This infill drilling will and the above domaining will support an updated Mineral Resource estimate for the Arthur River deposit.
- GWR actively assessing opportunities for a “green processing opportunity” with potential industrial hub planned by the Tasmanian Government at Hampshire located < 40 km from the project, where a combination of hydro (already available) and wind power sources are planned. In addition, Porsche backed HIF Global has lodged plans with Tasmania's Environment Protection Authority to build Australia's first commercial-scale e-fuel facility in the area.
- The company plans to investigate historical gold, copper and iron ore occurrences identified within the project as it is believed they may exhibit IOCG synergies. The company notes the recent exploration for copper conducted by others in the region.

New Project Opportunities

- The Company plans to use the cash flow generated from royalties received to investigate and fund new acquisitions.
- The Company is currently reviewing several opportunities.

About GWR Group

GWR Group Limited (“GWR”) is an independent, Australian resource house, focused on creating shareholder wealth through the development of high-quality mineral exploration and development projects.

GWR Group has a portfolio of mineral commodity projects that includes projects held in its own right, in joint ventures and indirectly through investment in other listed entities. We aim to create value through operational excellence and innovation in exploration and project development. We will collaborate with our stakeholders to build a sustainable mining business and the respect of our peers.

Corporate Summary

ASX code: **GWR**

Issued Capital: **321.2 million**
Cash on hand: **\$38.12 million**

Board & Management

Gary Lyons
Non-executive Chairman

Mick Wilson
Executive Director

Teck Siong Wong
Non-executive Director

Wai Ho Law
Non-executive Director

Phil Robinson
Project Manager

Sonu Cheema
Joint Company Secretary

Rhys Davies
Joint Company Secretary

GWR Group Limited – Overview of Assets

The Group has a portfolio of resources projects that includes projects held directly, in its own right, or indirectly through investment in other listed entities. These include:

- Prospect Ridge Project - 25 million tonne magnesite Resource at 42.4% MgO
- Tungsten - Investments in Tungsten Mining NL (ASX:TGN) and Hatches Creek JV
- Cornerstone and Equity Investments - eMetals Ltd (ASX:EMT)

Wiluna West Iron Ore Project

On 10 February the Company received shareholder approval for the Disposal of Main Undertaking of the West Wiluna Iron Ore Project to Gold Valley Wiluna West Pty Ltd.

On 7 March 2024 it was announced that the Company confirmed receipt of \$27 million following the completion and settlement of the legally binding agreement for the sale of the Company's interest in the Wiluna West Iron Project to Gold Valley West Wiluna Pty Ltd ("GV").

GV acquired the project on an as is, where is basis for the consideration comprising:

- \$30 million in cash
- A royalty in respect of all iron ore won from West Wiluna Iron Project (excluding M53/1018) and exported or otherwise sold on or after 1 December 2023 at a rate of \$2 per dry metric tonne.

Prospect Ridge Magnesite Project

GWR holds a 70% interest in the advanced Prospect Ridge Magnesite project located in northwest Tasmania with Dynamic Metals Limited (ASX: DYM) 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.

The project sits upon granted Exploration Licence (EL5/2016), it is 11km long and 52km² in area and contains two magnesite deposits, the Arthur River and Lyons River deposits containing the third largest Magnesite inventory in Australia.

The Prospect Ridge Magnesite project area is located in northwest Tasmania, 40 km southwest of the Port of Burnie. It sits upon a granted Exploration Licence (EL5/2016), it is 11 km long and 51 km² in area and contains two magnesite deposits, the Arthur River and Lyons River deposits containing the third largest Magnesite inventory in Australia.

The Arthur River prospect is a large high grade magnesium deposit where previous exploration has identified an Inferred Mineral Resource estimate of 25.1Mt @ 42.4% MgO (refer to ASX announcement dated 27th January 2022) and Prospect Ridge Magnesite Project with GWR as an industry partner are part of Federal government funded Regional Research Collaboration Grant (RRC), being undertaken at the University Centre for Ore Deposit and Earth Sciences University of Tasmania ("CODES").

The RRC project focuses on North West Tasmania and aims to enhance Australia's Economy through research, training, and environmentally sustainable production of critical metals.

The team dedicated to the Prospect Ridge Magnesite project includes a highly motivated PHD student working on the project full time, supported by a team from CODES.

Metallurgical Test Work & Offtake Testing

GWR is pleased to inform the market, at the request of one of Europe's leading manufacturers of refractories in Europe, magnesite core samples were sent to them and are currently being analysed for offtake suitability.

- A 143kg master composite sample prepared from the diamond drill core obtained in the 2023 drilling program for Metallurgical test work
- 69.9kg of the master composite forwarded to CODES as part of the RRC project
- Current work is focusing on determining which end-use magnesium sectors it can derive an economic product and this includes development of a flow sheet focused around ways to reduce contaminants in particular silica

GWR is reviewing the most effective and low-cost, low carbon downstream processing for a high-quality low waste Magnesium product.

Exploration of Magnesite and Other Commodities (such as Copper and IOCG)

Domaining of magnesite mineralisation types is being undertaken for both the Arthur River and Lyons River deposits using geochemistry and diamond drill core stored at the Mineral Resources ("MRT") Core library in Hobart

An application has been made to refresh approvals with Mineral Resources Tasmania for the drilling of 27 holes for an aggregate of 4,050m including six (6) Priority 1 holes for 450m located at the Arthur River deposit. This infill drilling combined with the domaining will be used to support an updated Mineral Resource estimate

Rehabilitation of all holes drilled in 2023 completed plus historical holes.

The Company plans to investigate historical gold, copper and iron ore occurrences identified within the project as it is believed they may exhibit IOCG synergies.

This will include review of the historical drilling where sulfides and Cu have been identified and the company notes the recent exploration for copper conducted by others in the region.

Government Engagement and Local Infrastructure

Management believes the key to advancing this highly prospective project is via government engagement and the company is working hard to lobby with parties that understand the true potential both economically and socially that this project can bring.

Opportunities for a “green processing opportunity” with potential industrial hub planned by the Tasmanian Government at Hampshire located < 40 km from the project, where a combination of hydro (already available) and wind power sources are planned. In addition, Porsche backed HIF Global has lodged plans with Tasmania’s Environment Protection Authority to build Australia’s first commercial-scale e-fuel facility in the area.

The Company continues to investigate:

- Which end-use Magnesium sectors it will target (building a portfolio or end use to products to reduce pricing risk and maximise returns) and is assessing metallurgical tests with potential off takers
- Review of effective and low-cost, low carbon downstream processing for a high quality low waste Magnesium product
- Opportunities for a “green processing opportunity” with potential industrial hubs with nearby renewable energy sources

Figure 1: Prospect Ridge Location Plan showing tenure and summary geology

**Table 1
Arthur River Inferred Mineral Resource Estimate**

Cut-Off (MgO (%))	Tonnes	MgO (%)	SiO2 (%)	Fe2O3 (%)	CaO (%)
36	36,820,000	41.1	5.9	1.7	2.9
38	32,090,000	41.7	5.4	1.6	2.8
40	25,120,000	42.4	4.8	1.4	2.6
42	15,280,000	43.3	4.2	1.3	2.2
44	3,040,000	44.5	3.0	1.0	1.9

(Refer ASX Announcement 27 January 2022).

About Magnesium and Its Market

Magnesite is the principal ore for Magnesium which is the lightest structural metal known to man being two thirds lighter than aluminium. The Australian government has classified Magnesium as a critical mineral as are lithium and nickel.

The principal uses for Magnesium are as follows:

- Magnesium metal and its alloys are used extensively in automotive and aerospace industries in light weight bodies, engines, and other parts indispensable in modern vehicles (including EV’s).
- Magnesium oxides are used in production of refractory linings necessary for production of steel, cement, and glass.
- Magnesium-ion batteries have the potential to improve on lithium-ion batteries in every phase of the lifecycle. In addition to increased energy capacities, magnesium-ion batteries have numerous other advantages. Magnesium does not tend to form dendrites, resolving the safety issues associated with lithium-ion batteries. As such, a magnesium-ion battery can last substantially longer than a lithium-ion battery. Additionally, magnesium-ion batteries can be charged faster since lithium-ion batteries charge times are constrained to avoid dendrite formation. Magnesium is also reported to be the eighth most abundant element on earth’s crust alleviating depletion risk and potentially providing a cheaper product.
(Source - journals.sagepub.com/doi/full/10.1177/16878140211003398)

In September 2021, the Australian Federal Government announced that it will establish a \$2 billion fund to finance critical minerals production in Australia, it was stated that “Critical minerals include resources that are used in technologies such as mobile phones, computer monitors, electric cars and solar panels, such as lithium, **magnesium** and nickel.”

Hatches Creek Tungsten Copper Gold Project

The Hatches Creek Tungsten, Gold and Copper Project is located 375km north-east of Alice Springs in the Northern Territory (Figure 2). Successful RC drilling programs completed in 2016, 2017 and 2019 confirmed multiple high-grade, polymetallic tungsten prospects and demonstrated potential for a large, high-grade polymetallic tungsten deposit.

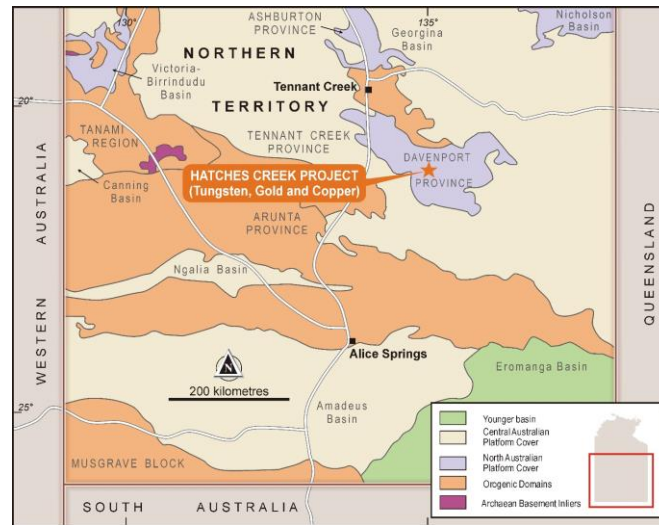


Figure 2: Hatches Creek Project Location

Historical production mainly between 1915 and 1960, reported production of approximately 284,000 MTU (metric tonne units) of 65% WO₃ concentrate at an average head grade of 2.5% WO₃, with gold, copper and bismuth also produced. In 2014 an Inferred Resource estimate of 225,000 tonnes at 0.58% WO₃ for the historical mine dumps and stockpiles was defined (refer to Arunta Resources Limited ASX release 23 September 2014).

Corporate

Board Changes

During the period there have been no changes to the Board.

Cash Position and Investments

At the end of the quarter GWR held cash reserves of \$38.12 million, \$7.1 million in ASX listed securities and no debt.

The ASX listed securities comprised of following equity interests:

- Tungsten Mining NL of 70 million ordinary shares at \$0.099 per share with a market value \$6.9 million.
- EMetals Limited of 30.8 million shares at \$0.005 per share with a market value \$154,000.

Other

Listing Rule 5.3 disclosures

In accordance with the reporting requirements of ASX Listing Rule 5.3 the Company advises the following expenditure incurred during the quarter. Expenditure spent on exploration and evaluation activities of \$124k during the quarter predominantly related to:

- Exploration work program and drilling;
- Desktop study; and
- Attributable administration costs associated with the Company's exploration activities.

There were no mining development or production activities conducted during the quarter.

During the quarter GWR made payments to related parties of \$135k and this comprised of \$99k Directors Remuneration and \$36k to Tungsten Mining NL for property lease and admin expenses.

Tenement Interests

A schedule of the Company's interest in mining tenements as at 31 March 2024 is appended at Appendix 1.

ENDS

This announcement was authorised for release by Gary Lyons, Chairman of GWR Group Limited.

For further information

Gary Lyons Chairman	David Utting David Utting Corporate Ph: +61 416187462	Sonu Cheema Company Secretary	Rhys Davies Company Secretary
Email: garylions@heiniger.com.au	Email: david@davidutting.com	Email: sonu.cheema@nexiaperth.com.au	Email: rhys@metriccs.com.au

Competent Person's Statement

The information in this report which relates to Exploration Targets, Exploration Results and Mineral Resources or Ore Reserves is based on information compiled by Mr Allen Maynard, who is a Member of the Australian Institute of Geosciences ("AIG") and independent consultant to the Company. Mr Maynard is the Director and principal geologist of Al Maynard & Associates Pty Ltd and has over 40 continuous years of exploration and mining experience in a variety of mineral deposit styles. Mr Maynard has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2012 Edition of the "Australasian Code for reporting of Exploration Results, Exploration Targets, Mineral Resources and Ore Reserves" (JORC Code). Mr Maynard consents to inclusion in the report of the matters based on this information in the form and context in which it appears.

Where the Company refers to previous announcements of Exploration Results and Mineral Resources it confirms that it is not aware of any new information or data that materially affects the information included in previous announcements and all material assumptions and technical parameters disclosed in those announcements continue to apply and have not materially changed.

Appendix 1 - Schedule of interests in mining tenements

(a) 31 March 2024

Location	Tenement	Percentage held	Notes
Western Australia			
Wiluna			
Refer ASX Release dated 21 Dec 2023, 22 Dec 2023, 11 January 2024 and 7 March 2024.			
Northern Territory			
Hatches Creek			
Hatches Creek	EL22912	80%	Pursuant to farm-in agreement with Tungsten Mining NL
Hatches Creek	EL23463	80%	
Tasmania			
Prospect Ridge			
Prospect Ridge	EL5/2016	70%	

* Excludes tenement applications.

(b) Tenements acquired and disposed of during the quarter

None

(c) The beneficial percentage interests held in farm-in or farm-out agreements as the end of the quarter

The Company holds an 80% beneficial interest in the Hatches Creek tenements being EL22912 and EL23463, pursuant to a farm-in agreement to Tungsten Mining NL. The Company remains the 100% registered holder pending transfer documentation and registration by the Department of Primary Industry and Resources in the Northern Territory. The Company also holds a 70% interest in the Prospect Ridge project, containing a granted exploration licence (EL5/2016) in Tasmania.

(d) The beneficial percentage interests in farm-in or farm-out agreements acquired or disposed of during the quarter

None

Appendix 5B

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Name of entity

GWR Group Limited

ABN

54 102 622 051

Quarter ended ("current quarter")

31 March 2024

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (9 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	-	-
1.2 Payments for		
(a) exploration & evaluation	(124)	(618)
(b) development	-	-
(c) production	-	-
(d) staff costs	(114)	(343)
(e) administration and corporate costs	(373)	(990)
1.3 Dividends received (see note 3)		
1.4 Interest received	90	166
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	-	-
1.8 Other (provide details if material)		
- Royalty funds received from Mining Partners	6,152	14,196
- Royalty payments made on behalf of Mining Partners	(6,000)	(14,615)
- Miscellaneous	80	160
1.9 Net cash from / (used in) operating activities	(289)	(2,044)

2. Cash flows from investing activities		
2.1 Payments to acquire or for:		
(a) entities	-	-
(b) tenements	-	-
(c) property, plant and equipment	-	(3)

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (9 months) \$A'000
(d) exploration & evaluation	-	-
(e) investments	-	-
(f) other non-current assets	-	-
2.2 Proceeds from the disposal of:		
(a) entities	-	-
(b) tenements	-	-
(c) property, plant and equipment	-	-
(d) Wiluna West Project	27,000	30,000
(e) C4 and JWD mining rights	324	1,751
2.3 Cash flows from loans to other entities	-	-
2.4 Dividends received (see note 3)	-	-
2.5 Other (provide details if material)		-
- Payments for royalty interest	(800)	(800)
- Restricted cash reclassified as cash and cash equivalents during the period*	-	163
2.6 Net cash from / (used in) investing activities	26,524	31,111

* Represents movement in restricted cash to reconcile to the closing balance of the Company's Trust Account as at 30 June 23.

3. Cash flows from financing activities		
3.1 Proceeds from issues of equity securities (excluding convertible debt securities)	-	-
3.2 Proceeds from issue of convertible debt securities	-	-
3.3 Proceeds from exercise of options	-	-
3.4 Transaction costs related to issues of equity securities or convertible debt securities	-	-
3.5 Proceeds from borrowings	-	-
3.6 Repayment of borrowings	-	-
3.7 Transaction costs related to loans and borrowings	-	-
3.8 Dividends paid	-	-
3.9 Other	-	-
3.10 Net cash from / (used in) financing activities	-	-

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (9 months) \$A'000
4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	11,886	9,054
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(289)	(2,044)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	26,524	31,111
4.4	Net cash from / (used in) financing activities (item 3.10 above)	-	-
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of period	38,121	38,121

5. Reconciliation of cash and cash equivalents	Current quarter \$A'000	Previous quarter \$A'000
at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts		
5.1 Bank balances	2,121	2,386
5.2 Call deposits	-	-
5.3 Bank overdrafts	-	-
5.4 Term deposits	36,000	9,500
5.5 Cash and cash equivalents at end of quarter (should equal item 4.6 above)	38,121	11,886

6. Payments to related parties of the entity and their associates	Current quarter \$A'000
6.1 Aggregate amount of payments to related parties and their associates included in item 1	135
6.2 Aggregate amount of payments to related parties and their associates included in item 2	-
<i>Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments.</i>	

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

7. Financing facilities	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
<i>Note: the term "facility" includes all forms of financing arrangements available to the entity.</i>		
<i>Add notes as necessary for an understanding of the sources of finance available to the entity.</i>		
7.1 Loan facilities	-	-
7.2 Credit standby arrangements	-	-
7.3 Other (please specify)	-	-
7.4 Total financing facilities	-	-
7.5 Unused financing facilities available at quarter end		-
7.6 Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.	Not applicable	

8. Estimated cash available for future operating activities	\$A'000
8.1 Net cash from / (used in) operating activities (item 1.9)	(289)
8.2 (Payments for exploration & evaluation classified as investing activities) (item 2.1(d))	-
8.3 Total relevant outgoings (item 8.1 + item 8.2)	(289)
8.4 Cash and cash equivalents at quarter end (item 4.6)	38,121
8.5 Unused finance facilities available at quarter end (item 7.5)	-
8.6 Total available funding (item 8.4 + item 8.5)	38,121
8.7 Estimated quarters of funding available (item 8.6 divided by item 8.3)	131.9
<i>Note: if the entity has reported positive relevant outgoings (ie a net cash inflow) in item 8.3, answer item 8.7 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.7.</i>	
8.8 If item 8.7 is less than 2 quarters, please provide answers to the following questions:	
8.8.1 Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?	
Answer: N/A	
8.8.2 Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?	
Answer: N/A	

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

8.8.3 Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?

Answer:

N/A

Note: where item 8.7 is less than 2 quarters, all of questions 8.8.1, 8.8.2 and 8.8.3 above must be answered.

Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

30 April 24

Date:

The Board

Authorised by:
(Name of body or officer authorising release – see note 4)

Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 6: Exploration for and Evaluation of Mineral Resources* and *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.
4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [name of board committee – eg Audit and Risk Committee]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.