

6 August 2024

ASX Announcement

GWR agrees to sell its 80% interest in the Hatches Creek Tungsten Project

HIGHLIGHTS

- GWR Group Limited ("GWR") has executed an agreement with its joint venture partner, Tungsten Mining NL ("TGN") to sell GWR Group's remaining 80% interest in the Hatches Creek Tungsten Project ("Hatches Creek Project").
- Following completion of the acquisition, the GWR group will focus on its operations at its Prospect Ridge Magnesium Project ("Prospect Ridge Project") and continue to seek investment opportunities.
- As consideration the GWR group will receive 107.5m fully paid ordinary shares in TGN each at a deemed issue price of \$0.08 per share. The issue will result in GWR's voting power in TGN increasing to approximately 19.86%.
- Completion of the agreement is subject to Ministerial consent under the *Mineral Titles Act 2010* (NT).

GWR Group Limited (**ASX:GWR**) ("GWR" or the "Company"), is pleased to announce that it has entered into an agreement ("**Agreement**") to sell its remaining 80% interest in the Hatches Creek Tungsten Project ("**Hatches Creek Project**") to its joint venture partner, Tungsten Mining Limited ("**TGN**").

Background to the Agreement

GWR, through its wholly owned subsidiary NT Tungsten Pty Ltd ("**NTT**"), disposed of an initial 20% interest in the Hatches Creek Project to Territory Tungsten Pty Ltd ("**TTPL**"), a wholly owned subsidiary of TGN in 2019. At that time, GWR provided TTPL with the right to acquire further interests in the Hatches Creek Project pursuant to a farm-in agreement and a right to acquire a 100% interest pursuant to an option agreement both dated 31 May 2019 (Refer to GWR's ASX announcement dated 3 June 2019 titled "Joint Venture and Farm-in Agreement Executed for Hatches Creek Tungsten Project").

GWR has agreed to accelerate the sale of the Hatches Creek Project pursuant to the Agreement on the basis that project does not align with the strategic and commodity focus of the Company.

Details of the Agreement

A summary of the material terms of the Agreement is as follows:

- GWR's wholly owned subsidiary NTT will sell its right, title and 80% interest in the assets including tenements, mining information and contracts comprising the Hatches Creek Project to TTPL ("**Assets**").
- TTPL, will acquire the Assets on an "as is, where is" basis for consideration of 107.5m fully paid ordinary shares in TGN at an issue price per share equal to \$0.08 resulting in GWR's voting power in TGN increasing to approximately 19.86%.

- The Agreement is conditional upon the consent of the Minister for Mining being obtained under the *Minerals Act 2010* (NT) for the transfer of all the rights and obligations in respect of the Tenements.
- Subject to confirmation by the ASX, the parties do not anticipate any shareholder approvals will be required.
- The parties have obtained confirmation from the Central Land Council that their consent provided in connection with the parties entry into the farm-in agreement and option agreement each dated 31 May 2019 remains valid and no further consents or approvals are required for the purposes of the Agreement.
- The farm-in agreement is terminated.
- Title to, and risk in, the Assets passes from NTT to TTPL at completion.

The Agreement otherwise contains terms (including representations and warranties) usual for an agreement of this nature including obligations on GWR to maintain the Assets in good standing pending completion.

Completion will occur three business days after satisfaction of the conditions precedent. The parties will use all reasonable endeavours to satisfy the conditions precedent as soon as practicable after execution and in any event prior to the sunset date, being the date that is three months after execution. If the conditions are not satisfied by the sunset date, either party may terminate the agreement.

The Agreement allows the Company to rationalise its project portfolio and ensure resources are directed to the strategic commodity focus of GWR. Concurrently the Agreement provides value for GWR shareholders in realising the consideration obtained from the sale process. Further by virtue of GWR's shareholding in TGN, GWR shareholders will retain an economic exposure to the Hatches Creek Project.

Prospect Ridge Project and Strategic Initiatives

GWR continues to focus on the exploration and development of its Prospect Ridge Project. Further, GWR is continuing to appraise and undertake due diligence on potential acquisitions to complement its Prospect Ridge Project.

The Company will update shareholders on any developments in this regard in accordance with its continuous disclosure obligations.

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

-ENDS-

For further information

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Forward looking statements

This announcement contains forward-looking statements which are identified by words such as 'may', 'could', 'believes', 'estimates', 'targets', 'expects', or 'intends' and other similar words that involve risks and uncertainties. These statements are based on an assessment of present economic and operating conditions, and on a number of assumptions regarding future events and actions that, as at the date of this announcement, are expected to take place. Such forward-looking statements does not guarantee future performance and involve known and unknown risks, uncertainties, assumptions and other important factors, many of which are beyond the control of the Company, the directors and our management. We cannot and do not give any assurance that the results, performance or achievements expressed or implied by the forward-looking statements contained in this prospectus will actually occur and investors are cautioned not to place undue reliance on these forward-looking statements. We have no intention to update or revise forward-looking statements, or to publish prospective financial information in the future, regardless of whether new information, future events or any other factors affect the information contained in this announcement, except where required by law. These forward-looking statements are subject to various risk factors that could cause our actual results to differ materially from the results expressed or anticipated in these statements.