



GWR GROUP LIMITED

**HALF YEAR REPORT
DECEMBER 2019**

Contents

Corporate Directory	2
Directors' Report	3
Consolidated statement of profit or loss and other comprehensive income	5
Consolidated statement of financial position	6
Consolidated statement of changes in equity	7
Consolidated statement of cash flows	8
Condensed notes to the financial statements	9
Directors' declaration	17
Auditor's independence declaration	18
Independent auditor's review report	19

Corporate Directory

Board of Directors:

Gary Lyons (Non-executive Chairman)
Tan Sri Dato' Tien Seng Law (Non-executive Deputy Chairman)
Michael Wilson (Executive Director)
Datuk Chin An Lau (Non-executive Director)
Kong Leng (Jimmy) Lee (Non-executive Director)
Teck Siong Wong (Alternate for Mr Law)

Company Secretaries:

Mark Pitts
Simon Borck

General Manager:

Adrian Costello

Principal and registered office:

97 Outram Street
West Perth WA 6005

PO Box 517
West Perth WA 6872
Telephone: +61 8 9322 6666
Facsimile: +61 8 9312 2370
Email: admin@gwrgroup.com.au
Website: www.gwrgroup.com.au

Issued capital as at 31 December 2019:

Fully paid ordinary shares: 254,696,219
Unlisted Options: 27,750,000

Auditors:

Stantons International
Level 2, 1 Walker Avenue
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 2
267 St Georges Terrace
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 2019.

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
Tan Sri Dato' Tien Seng Law	Non executive Deputy Chairman
Michael Wilson	Executive Director
Datuk Chin An Lau	Non executive Director
Kong Leng (Jimmy) Lee	Non executive Director
Teck Siong Wong	Alternate for Mr Law

Company Secretaries

Mark Pitts
Simon Borck

General Manager:

Adrian Costello

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 exploration and evaluation of its mining projects in Australia.

Operating results

During the period, revenue earned was \$1,141,285 (Dec 18: \$244,129), the increase from the prior period was principally \$875,000 from the sale of unlisted options and a \$250,000 execution payment from a Mining Rights Agreement, further details of these transactions are contained within this half year report.

With exploration and evaluation expenditure of \$1,080,348 (Dec 2018: \$1,206,793) the consolidated loss after income tax for the period was \$1,348,186 (Dec 2018: \$3,065,095 loss).

During the period, net cash used in operating activities was \$1,477,129 (Dec 2018: \$1,657,722), which included \$1,055,591 of exploration and evaluation expenditure and cash inflows of \$250,000 from the Mining Rights Agreement. Net cash inflows from investing activities for the period were \$725,000, which benefited favourable, from the sale of unlisted options (Dec 2018: \$40,760 outflow).

At period end, the Group held \$2,148,864 (June 2019: \$2,903,066) in cash and cash equivalents.

Directors' Report

Review of Operations

The Group continued to progress from explorer to producer by initiating potential mining operations at the Wiluna West Gold Project and from the Wiluna West Iron Ore Project at the JWD deposit. This progress included:

- Joint Venture Agreement executed with Blackham Resources Limited (ASX: BLK) for mining and milling of Wiluna West gold deposits at BLK's Matilda Gold project located only 40 km to north east.
- Mining Rights Agreement was executed for mining of up to 3 million tonnes of iron ore from the JWD deposit at the Wiluna West Iron Ore Project.

Subsequent to the period end, subsidiary RWG Minerals Pty was sold to eMetals Limited (ASX: EMT) and EMT relisted on the ASX. The Group is currently EMT's largest shareholder with 33.5 million shares.

The Group continues to hold 70,000,000 shares in Tungsten Mining NL.

After balance date events

Other than the matters disclosed in note 14 of the financial statements, 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 6th day of March 2020

Consolidated statement of profit or loss and other comprehensive income

For the half year ended 31 December 2019

	Note	Consolidated	
		December 2019	December 2018
		\$	\$
Revenue	4	1,141,285	244,129
Employee expenses	5(a)	(346,358)	(745,295)
Exploration and evaluation expenditure		(1,080,348)	(1,206,793)
Depreciation expense		(15,545)	(16,404)
Other expenses	5(b)	(329,848)	(265,701)
Share of loss of an associate	7	(717,372)	(1,075,031)
Loss before income tax		(1,348,186)	(3,065,095)
Income tax expense		-	-
Loss for the period		(1,348,186)	(3,065,095)
Loss attributable to members of the Parent		(1,348,186)	(3,065,095)
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 loss for the period		(1,348,186)	(3,065,095)
Total comprehensive loss attributable to Parent		(1,348,186)	(3,065,095)
Basic loss per share in cents		(0.53)	(1.21)

Diluted loss per share is not disclosed as it would not reflect an inferior position.

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

Consolidated statement of financial position

As at 31 December 2019

	Note	Consolidated	
		December 2019	June 2019
		\$	\$
Current assets			
Cash and cash equivalents		2,148,864	2,903,066
Trade and other receivables		29,989	21,759
Prepayments		42,102	25,329
Application for shares	12	150,000	-
Total current assets		2,370,955	2,950,154
Non-current assets			
Plant and equipment		86,291	101,835
Exploration and evaluation expenditure	6	8,050,275	8,050,275
Investments in associate	7	289,211	1,006,583
Other financial assets		121,008	121,008
Total non-current assets		8,546,785	9,279,701
Total assets		10,917,740	12,229,855
Current liabilities			
Trade and other payables		283,559	468,541
Provisions	8	319,047	308,551
Liability held for sale	9	83,660	-
Total current liabilities		686,266	777,092
Non-current liabilities			
Provisions	8	203,204	201,734
Total non-current liabilities		203,204	201,734
Total liabilities		889,470	978,826
Net assets		10,028,270	11,251,029
Equity			
Contributed equity	10	154,735,910	154,610,483
Reserves	11	26,949,728	26,949,728
Accumulated losses		(171,657,368)	(170,309,182)
Total equity		10,028,270	11,251,029

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 2019

	Contributed equity	Accumulated losses	Option reserve	Total Equity
	\$	\$	\$	\$
Balance at 1 July 2019	154,610,483	(170,309,182)	26,949,728	11,251,029
Loss for the period	-	(1,348,186)	-	(1,348,186)
Other comprehensive income	-	-	-	-
Total comprehensive loss for the period	-	(1,348,186)	-	(1,348,186)
Shares issued	127,500	-	-	127,500
Share issue costs	(2,073)	-	-	(2,073)
Balance at 31 December 2019	154,735,910	(171,657,368)	26,949,728	10,028,270
Balance at 1 July 2018	154,485,219	(167,242,021)	26,883,522	14,126,720
Loss for the period	-	(3,065,095)	-	(3,065,095)
Other comprehensive income	-	-	-	-
Total comprehensive loss for the period	-	(3,065,095)	-	(3,065,095)
Shares issued	127,500	-	-	127,500
Share issue costs	(2,236)	-	-	(2,236)
Share-based payments	-	-	66,206	66,206
Balance at 31 December 2018	154,610,483	(170,307,116)	26,949,728	11,253,095

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

Consolidated statement of cash flows

For the half-year ended 31 December 2019

	Note	Consolidated	
		December 2019	December 2018
		\$	\$
Cash flows from operating activities			
Proceeds from iron ore mining rights	4(b)	250,000	-
Payments to suppliers and employees		(690,014)	(843,487)
Payments for exploration and evaluation		(1,055,591)	(1,054,324)
Interest received		15,276	36,089
Other proceeds		3,200	204,000
Net cash used in operating activities		(1,477,129)	(1,657,722)
Cash flows from investing activities			
Payment for application of shares	12	(150,000)	-
Proceeds from sale of unlisted investment	4(a)	875,000	-
Proceeds from sale of plant and equipment		-	4,000
Payments for plant and equipment		-	(11,605)
Payments for security deposits/bonds		-	(33,155)
Net cash from / (used in) investing activities		725,000	(40,760)
Cash flows from financing activities			
Share issue costs paid		(2,073)	-
Net cash used in financing activities		(2,073)	-
Net decrease in cash and cash equivalents		(754,202)	(1,698,482)
Cash and cash equivalents at beginning of the period		2,903,066	4,278,677
Cash and cash equivalents at the end of the period		2,148,864	2,580,195

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 2019

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 2019 was authorized for issue in accordance with a resolution of the directors on 6th March 2020.

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 2019 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 2019, 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 Note 2(c) below.

c. Changes in Accounting Standards

The Group has considered the implications of new and amended Accounting Standards which have become applicable for the current financial reporting period, as a result the Group changed its accounting policies for the following Standard:

AASB 16: Leases

The impact of the adoption of this Standard and the respective accounting policies is disclosed in Note 1 (d) below.

d. Changes in Accounting Policies

This note describes the nature and effect of the adoption of AASB 16: Leases on the Group's financial statements and discloses the new accounting policies that have been applied from 1 July 2019, where they are different to those applied in prior periods.

Initial impact AASB 16: Leases

The Group is contracted to short-term leases, which are exempt from the new impacts of AASB 16: - Leases and these continue to be recognised as operating leases. As such, there was no retrospective effect and the prior year financial statements were not required to be restated due to the Group's adoption of this new standard.

Leases

The Group as lessee

At inception of a contract the Group assesses if the contract contains or is a lease. If there is a lease present, a right-of-use asset and a corresponding liability are recognised by the Group where the Group is a lessee. However, all contracts that are classified as short-term leases (i.e. leases with a remaining lease term of 12 months or less) and leases of low-value assets are recognised as an operating expense on a straight-line basis over the term of the lease.

Condensed notes to the financial statements

For the half-year ended 31 December 2019

Note 2: Basis of preparation and accounting policies (continued)

d. Changes in Accounting Policies (continued)

Initially, the lease liability is measured at the present value of the lease payments still to be paid at the commencement date. The lease payments are discounted at the interest rate implicit in the lease. If this rate cannot be readily determined, the Group uses incremental borrowing rate.

Lease payments included in the measurement of the lease liability are as follows;

- fixed lease payments less any lease incentives;
- variable lease payments that depend on index or rate, initially measured using the index or rate at the commencement date;
- the amount expected to be payable by the lessee under residual value guarantees;
- the exercise price of purchase options if the lessee is reasonably certain to exercise the options;
- lease payments under extension options, if the lessee is reasonably certain to exercise the options; and
- payments of penalties for terminating the lease, if the lease term reflects the exercise of options to terminate the lease.

The right-of-use assets comprise the initial measurement of the corresponding lease liability, any lease payments made at or before the commencement date and any initial direct costs. The subsequent measurement of the right-of-use assets is at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated over the lease term or useful life of the underlying asset, whichever is the shortest.

Where a lease transfers ownership of the underlying asset or the costs of the right-of-use asset reflects that the Group anticipates to exercise a purchase option, the specific asset is depreciated over the useful life of the underlying asset.

e. 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.

Condensed notes to the financial statements

For the half-year ended 31 December 2019

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 exploration and evaluation activities relating to minerals in Australia. 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. Accordingly, the Group has identified only one reportable segment, being mineral exploration activities undertaken in Australia. The financial information presented in the consolidated statement of profit or loss and other comprehensive income and consolidated statement of financial position is the same as that presented to the chief operating decision maker.

Note 4: Revenue

	Consolidated	
	December 2019	December 2018
	\$	\$
Interest received	13,085	32,699
Sundry Income	3,200	211,430
Sale of unlisted investment (a)	875,000	-
Iron ore mining rights revenue (b)	250,000	-
	<u>1,141,285</u>	<u>244,129</u>

(a) Sale of unlisted investment

During the period, the Group disposed of 8,750,000 unlisted options in Tungsten Mining NL, that were exercisable at \$0.03 on or before 31 December 2019 for total consideration of \$875,000. This consideration had been received during the period and no amounts are outstanding at balance date.

(b) Iron ore mining rights revenue

During the period, a Mining Rights Agreement was executed with Gold Valley Iron Ore Pty Ltd ("Gold Valley") for mining of up to 3 million tonnes of iron ore from the JWD Deposit at the Wiluna West Iron Ore Project. This agreement is in two stages, as follows:

- Stage 1 – Gold Valley has the right to mine and truck of up to 300,000 tonnes, and
- Stage 2 – option held by Gold Valley to mine and truck a further 2.7 million tonnes, with the ability to mine and truck additional tonnes from the JWD deposit beyond this at a flat royalty rate.

If certain condition precedents are met the Group will earn payments from Gold Valley, as follows:

- Stage 1 – \$250,000 on the execution of this Mining Rights Agreement and staged payments totalling \$750,000, which are paid in six quarterly payments of \$125,000 commencing at the end of the quarter that the Project Management Plan is approved by the Department of Mines, Industry Regulation and Safety, and
- Stage 2 – upon Gold Valley exercising the option to mine and trucked a further 2.7 million tonnes, payment of \$4,250,000 and for all tonnes mined and trucked greater than 3 million a flat rate royalty of \$3.50/tonne is payable.

Condensed notes to the financial statements

For the half-year ended 31 December 2019

Note 4: Revenue (continued)

(b) Iron ore mining rights revenue (continued)

Additionally, and for both stages, the agreement provides for a production royalty linked to the iron ore price, which provides cash payments to the Group in the range of \$1.00 to \$2.00 per tonne (depending on the iron ore price).

During the period, the Group had earned and received the \$250,000 execution payment. At balance date, there were no other amounts due or payable under this agreement.

Note 5: Expenses

	Consolidated	
	December 2019	December 2018
	\$	\$
(a) Employee expenses		
Salary and wages	306,484	619,712
Share-based payments	-	66,206
Superannuation	20,326	41,115
Other employee expenses	19,548	18,262
	<u>346,358</u>	<u>745,295</u>
(b) Other expenses		
Administration costs	98,221	61,522
Corporate costs	96,835	86,294
Consulting fees	24,809	14,120
Legal costs	29,427	12,920
Occupancy costs	80,556	90,845
	<u>329,848</u>	<u>265,701</u>

Note 6: Exploration and evaluation expenditure

	Consolidated	
	December 2019	June 2019
	\$	\$
Exploration & evaluation expenditure	<u>8,050,275</u>	<u>8,050,275</u>

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.

Condensed notes to the financial statements

For the half-year ended 31 December 2019

Note 7: Investments in associates

Tungsten Mining NL

The Group holds a 9.10% (June 2019: 9.60%) interest in Tungsten Mining NL which is a listed company on the ASX. Tungsten Mining NL is focused on the development and exploitation of Australian tungsten deposits. At balance date, the Group held 70,000,000 (June 2019: 70,000,000) shares in Tungsten Mining NL with a market value of \$12.95 million at a share price of \$0.185 per share.

The following table illustrates the summarised financial information of the Group's investment in Tungsten Mining.

	Consolidated	
	December 2019	June 2019
	\$	\$
Percent of interest held in associate	9.10%	9.60%
<i>Share of associate's statement of financial position:</i>		
Current assets	2,567,659	3,293,189
Non-current assets	2,120,364	2,248,137
Total liabilities	233,530	203,120
Equity	4,454,493	5,338,206
	6 months ended	12 months ended
	December 2019	June 2019
	\$	\$
Carrying amount in associate at beginning of period	1,006,583	2,256,161
<i>Share of the associate's loss:</i>		
Revenue	29,522	95,015
Expenses	(746,894)	(1,344,593)
Loss for the period	(717,372)	(1,249,578)
Share of the associate's other comprehensive income	-	-
Total comprehensive loss	(717,372)	(1,249,578)
Carrying amount at end of period	289,211	1,006,583
Total share of losses in associate for the period	(717,372)	(1,249,578)
Total carrying amount of investment in associate	289,211	1,006,583

Condensed notes to the financial statements

For the half-year ended 31 December 2019

Note 8: Provisions

	Consolidated	
	December 2019	June 2019
	\$	\$
Current		
Employee entitlements	231,823	221,327
Rehabilitation (a)	87,224	87,224
	<u>319,047</u>	<u>308,551</u>
Non-current		
Employee entitlements	<u>203,204</u>	<u>201,734</u>

(a) Rehabilitation

This provision for rehabilitation of \$87,224 was included in the trade and other payables balance of \$555,765 in the prior year financial report.

Note 9: Liability held for sale

	Consolidated	
	December 2019	June 2019
	\$	\$
Current liabilities held for sale		
Trade and other payables	<u>83,660</u>	-
Movement in the liabilities held for sale		
Balance at beginning of the period	-	-
Transfer from Trade and other payables	<u>83,660</u>	-
Balance at end of the period	<u><u>83,660</u></u>	-

Sale of RWG Minerals Pty Ltd

The Group entered into a binding term sheet with eMetals Limited (formerly Corizon Limited) for the sale a subsidiary, RWG Minerals Pty Ltd to eMetals Limited.

Pursuant to this term sheet, which was subject to certain conditions precedent, the Group agreed to sell 100% of the issued capital of RWG Minerals Pty Ltd to eMetals Limited for consideration of \$242,153. This consideration consists of \$42,153 cash and 10 million eMetals Limited shares at an issue price of \$0.02 per share for total share consideration of \$200,000.

The sale of RWG Minerals Pty Limited to eMetals Limited was completed subsequent to the end of the period, on 15 January 2020 (see note 14).

Condensed notes to the financial statements

For the half-year ended 31 December 2019

Note 10: Contributed equity

	Consolidated	
	December 2019	June 2019
	\$	\$
Issued capital		
254,696,219 (June 2019: 253,517,438) Ordinary fully paid shares	154,735,910	154,610,483
	Number	\$
Movement in ordinary shares on issue		
Balance at beginning of the period	253,517,438	154,610,483
Shares issued to Directors in lieu of fees (a)	1,178,781	127,500
Cost of issuing shares	-	(2,073)
Balance at end of the period	254,696,219	154,735,910

(a) Shares issued to Directors in lieu of fees

During the period, following shareholder approval at the Annual General Meeting held on 22 November 2019, 1,178,781 fully paid shares were issued to Directors in lieu of accrued directors fees for the period 1 October 2018 to 30 September 2019.

Note 11: Reserves

	Consolidated	
	December 2019	June 2019
	\$	\$
Options reserve	26,949,728	26,949,728
	WAEP	Unlisted options
	\$	Number
Movement in unlisted options on issue		
Balance at beginning of the period	\$0.054	27,750,000
Issued and expired options during the period	-	-
Balance at end of the period	\$0.054	27,750,000

Condensed notes to the financial statements

For the half-year ended 31 December 2019

Note 11: Reserves (continued)

Vested and exercisable unlisted options on issue at period end

	Number outstanding	Number vested and exercisable	Exercise price	Expiry date	Remaining contractual life
Director options					
<i>Granted on 23 Dec 2016</i>					
Tranche 1	4,000,000	4,000,000	\$0.040	23 Dec 2020	0.98 years
Tranche 2	4,000,000	4,000,000	\$0.050	23 Dec 2020	0.98 years
Tranche 3	12,000,000	12,000,000	\$0.060	23 Dec 2020	0.98 years
Employee options					
<i>Granted on 6 Feb 2017</i>					
Tranche 1	1,550,000	1,550,000	\$0.040	6 Feb 2021	1.10 years
Tranche 2	1,550,000	1,550,000	\$0.050	6 Feb 2021	1.10 years
Tranche 3	4,650,000	4,650,000	\$0.060	6 Feb 2021	1.10 years
Outstanding at end of period	27,750,000	27,750,000	\$0.054		

Note 12: Application for shares

During the period, the Group applied and paid for 7,500,000 shares in eMetals Limited (formerly Corizon Limited) at \$0.02 per share for total payment consideration of \$150,000. At balance date, these shares had not yet been allotted to the Group.

These 7,500,000 shares were allotted to the Group subsequent to the balance date (see note 14).

Note 13: Contingent liabilities

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

Note 14: Events subsequent to reporting date

On 15 January 2020, the sale of the subsidiary RWG Minerals Pty Ltd to eMetals Limited was completed. The Company has received the cash consideration of \$42,153 and has been issued 10 million eMetals Limited shares at an issue price of \$0.02 per share for total share consideration of \$200,000 (see note 9).

On 15 January 2020, the Company was allotted 7,500,000 shares in eMetals Limited, that had been applied for at \$0.02 per share for total payment consideration of \$150,000 (see note 12).

On 24 January 2020, the suspension of trading in the securities of eMetals Limited was lifted by the ASX and was reinstated to official ASX quotation. At the reporting date, the Company held 33.5 million shares in eMetals Limited.

Other than the above, there were no matters or circumstances that have arisen since the balance sheet date to the date of this report, which have significantly affected, or may significantly affect the operations of the consolidated entity, 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 2019 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 6th day of March 2020

Auditor's independence declaration

Stantons International Audit and Consulting Pty Ltd
trading as

Stantons International
Chartered Accountants and Consultants

PO Box 1908
West Perth WA 6872
Australia

Level 2, 1 Walker Avenue
West Perth WA 6005
Australia

Tel: +61 8 9481 3188
Fax: +61 8 9321 1204

ABN: 84 144 581 519
www.stantons.com.au

6 March 2020

Board of Directors
GWR Group Limited
97 Outram 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 2019, 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
(Trading as Stantons International)
(An Authorised Audit Company)



Martin Michalik
Director

Liability limited by a scheme approved
under Professional Standards Legislation

Member of Russell Bedford International



Independent auditor's review report

Stantons International Audit and Consulting Pty Ltd
trading as

Stantons International
Chartered Accountants and Consultants

PO Box 1908
West Perth WA 6872
Australia

Level 2, 1 Walker Avenue
West Perth WA 6005
Australia

Tel: +61 8 9481 3188
Fax: +61 8 9321 1204

ABN: 84 144 581 519
www.stantons.com.au

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

Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial report of GWR Group Limited, which comprises the consolidated statement of financial position as at 31 December 2019, 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, condensed notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration for GWR Group Limited (the consolidated entity). The consolidated entity comprises both GWR Group Limited (the Company) and the entities it controlled during the half year.

Directors' Responsibility for the Half-Year 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 (including the Australian Accounting Interpretations) 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 is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, 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 consolidated entity's financial position as at 31 December 2019 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*. As the auditor of GWR Group Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

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.

Whilst we considered the effectiveness of management's internal controls over financial reporting when determining the nature and extent of our procedures, our review was not designed to provide assurance on internal controls.

Our review did not involve an analysis of the prudence of business decisions made by the directors or management.

Liability limited by a scheme approved
under Professional Standards Legislation

Member of Russell Bedford International



Independent auditor's review report

Stantons International

Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations Act 2001*, has been provided to the directors of GWR Group Limited on 6 March 2020.

Conclusion

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

- (a) giving a true and fair view of the consolidated entity's financial position as at 31 December 2019 and of its performance for the half-year ended on that date; and
- (b) complying with Accounting Standards AASB 134 Interim Financial Reporting and Corporations Regulations 2001.

STANTONS INTERNATIONAL AUDIT AND CONSULTING PTY LTD
(Trading as Stantons International)
(An Authorised Audit Company)

Stantons International Audit & Consulting Pty Ltd



Martin Michalik
Director

West Perth, Western Australia
6 March 2020