



**GWR  
ANNUAL  
REPORT  
2015**

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## Corporate Governance

The Company has adopted the 3rd Edition of the ASX Corporate Governance Recommendations. A summary statement which has been approved by the Board together with current policies and charters is available on the Company website at the following address [www.gwrgroup.com.au/about/corporate-governance](http://www.gwrgroup.com.au/about/corporate-governance).

## Competent Person’s Statement

The information in this report which relates to Exploration Targets, Exploration Results, 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”), a Corporate Member of the Australasian Institute of Mining & Metallurgy (“AusIMM”) and independent consultant to the Company. Mr Maynard is the Director and principal geologist of Al Maynard & Associates Pty Ltd and has over 35 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.

## Chairman's Letter

In last year's Annual Report I described the challenges that GWR confronted as a business focused on the development of a large scale iron ore project and the action we had taken to respond and meet those challenges head on.

Whilst the market for iron ore in particular and mineral commodities in general have deteriorated further, I can report that our action to substantially reduce costs and place our Wiluna West project on care and maintenance was both appropriate and timely. As described more fully in the accompanying financial report, since 2013 the Company has actively sought to limit exploration expenditures at Wiluna West. Changes made to our organisation and cost structure has reduced expenditure and will continue to deliver greater savings in the year ahead. Board and management have taken voluntary pay reductions, ensuring the burden is shared by all stakeholders.

Last year I also outlined an ambition to develop GWR Group Ltd into a resources house, with a number of projects across a selection of commodities at different stages of their life cycle. We have taken measured steps in advancing this objective with our investment in Tungsten Mining NL in June 2014, the agreement to farm into the brownfields Hatches Creek Tungsten Project in the Northern Territory in January 2015 and the acquisition of tenement interests through our project generation vehicle RWG Minerals Pty Ltd. Details about our project and equity interests are set out in the following Review of Operations.

To ensure greater relevance and transparency in our financial reporting, the board has adopted a revised accounting policy in respect to exploration and evaluation expenditure. The new exploration and evaluation expenditure policy is to expense expenditure as incurred other than for the capitalisation of acquisition costs. This policy was adopted with effect from 1 July 2014 and is more fully described and reflected in the accompanying financial statements and notes.

During the past year we have also assumed management responsibility for our associate, Tungsten Mining NL, which has allowed us to utilise our experienced personnel in delivering management, exploration and technical services on a cost recovery basis, the benefit of which is evident in a reduction in net cash outflows.

We remain well funded with cash reserves of \$14.4m at balance date. Notwithstanding the reduction in staff numbers over the past year, I am confident that we have the human and financial resources available to us to successfully implement a strategy of commodity diversification and growth to generate value for shareholders.

Finally, I would like to thank all shareholders for the continued support and patience. We are committed to ensuring that the Company delivers on its promise and shareholder loyalty is rewarded by our future success.

Yours sincerely



Gary Lyons  
Chairman

# Review of Operations

## Overview

GWR Group Ltd (“GWR”) is a well-funded resource house, developing a portfolio of mineral commodity projects that includes projects held in its own right, in joint venture and indirectly through investment in other listed entities.

GWR is focused on the discovery and development of mineral commodities. GWR has made substantial progress towards mining operations at its Wiluna West Iron Ore Project and, subject to market conditions, is ready to complete development and move into production.

Elsewhere in Western Australia GWR is exploring for DSO iron ore at its Earraheedy Iron Project and acquiring a suite of diverse tenement interests through its project acquisition arm, RWG Minerals Pty Ltd. In the Northern Territory, GWR has recently agreed to farm into the brownfields Hatches Creek Tungsten Project.

GWR also has indirect project interests through equity investments in other mineral companies, specifically a 16% holding in West Peak Iron Limited, and a 16.5% interest in Tungsten Mining NL.

## Hatches Creek Tungsten Project

On 19 January 2015 GWR announced that it had signed a binding Heads of Agreement with fellow ASX listed entity Arunta Resources Limited (ASX:AJR) (Arunta) and agreed to sole fund \$1,500,000 of Joint Venture Expenditure to earn a 50% Joint Venture interest in the Hatches Creek tungsten project in the Northern Territory (Project).

The Project is located 375 km north east of Alice Springs in the Northern Territory of Australia (Figure 1).

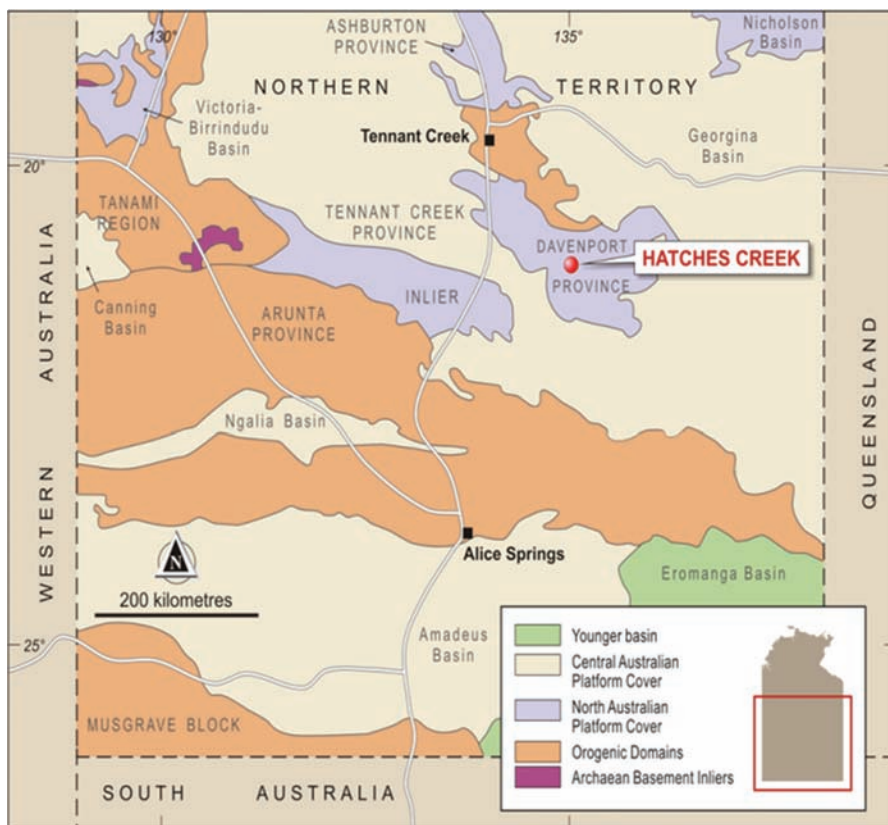


Figure 1, Hatches Creek Project Location

## Review of Operations

### Terms of the Heads of Agreement

Pursuant to the terms of the binding Heads of Agreement (HoA) GWR has agreed to sole fund \$1,500,000 of Joint Venture Expenditure from the execution date to earn a 50% Joint Venture Interest. It is proposed that GWR's Joint Venture Expenditure will be applied towards a bulk sample work program including:

- Completion of definitive metallurgical test work (commenced by Arunta in late 2014);
- Preparation of a Scoping Study to assess the technical and economic viability of the recovery of tungsten ( $WO_3$ ) from surface mineralisation found in waste dumps, stockpiles and tailings material contained within the Project area;
- Obtaining environmental and governmental approval for the Project;
- Negotiation with traditional owners of the land covered by the Project Tenements;
- Plant design and engineering studies for site infrastructure; and
- Contributing towards funding initial mine development requirements, including (but not limited to) roads, tailings storage facility, camp and water supply.

If GWR fails to spend \$1,500,000 of Joint Venture Expenditure in a period of two years from the date the HoA was signed (which may be extended in certain circumstances), it will be deemed to have withdrawn from the HoA without acquiring a Joint Venture Interest. There is no minimum tenement expenditure obligation, however GWR has agreed to meet the cost of certain committed expenditure for metallurgical testwork and to maintain the tenements in good standing.

GWR will be the Manager of the Joint Venture. GWR and Arunta will each have the right to appoint two persons to a Management Committee that will be responsible for oversight of Joint Venture operations.

GWR has been granted a first right of refusal to provide debt finance to the Joint Venture for 100% of the Project on normal commercial terms to progress the development of a processing plant at the Project, supported by off-take arrangements with a major trading house or end user of tungsten concentrates.

As the primary objective of the Joint Venture is to develop a commercial operation producing tungsten concentrates from surface mineralisation, the parties have agreed that further exploration shall be undertaken by the Joint Venture once the project is in production and producing free cash flow and as otherwise determined by the Management Committee.

GWR and Arunta have agreed to negotiate in good faith and execute a detailed Joint Venture Agreement embodying the principles contained in the HoA. In the meantime the HoA is legally binding upon the parties.

## Review of Operations

### Hatches Creek Tungsten Mining Centre

The Hatches Creek project consists of two granted tenements occupying 31.4 km<sup>2</sup> (EL22912 and EL23462), which cover the entire historic Hatches Creek tungsten mining centre. Hatches Creek is a large historical high grade tungsten mining centre where mining was undertaken between 1915 and 1957. Previous recorded production is approximately 2,840 tonnes of 65% WO<sub>3</sub>.



**Figure 2, Pioneer Mine**

There are a large number of historical mine workings with much of the recorded previous production coming from six groups of historical mine workings spread over an area of 20 km<sup>2</sup>. Historical production was at grades of 1% to 12% WO<sub>3</sub>, averaging 2.5% WO<sub>3</sub>, with the largest being the Pioneer Group (Figure 2). The mines exploited quartz veins containing wolframite and to a lesser extent scheelite, bismuth and copper.

### JORC Code (2012) Mineral Resource

Recent work by Arunta has focused on the historical mine stockpiles and in September, 2014, Arunta announced a maiden Inferred Resource of 225,000 tonnes grading 0.58% WO<sub>3</sub> (0.2% lower cut off and 1.5% upper cut). For comparison purposes the average grade of eight major global tungsten deposits currently being explored / developed by ASX listed companies is 0.34% WO<sub>3</sub>, demonstrating that the stockpiled material is relatively high grade. The stockpiled material consists of mineralised waste, tailings and eluvial/alluvial material from the 11 largest historical mines in the Hatches Creek Tungsten Project, which was accumulated in the project's 42 year mining history.

The known resource could be sufficient to underpin near term production. In addition to the benefit of being a high-grade resource, the material has been previously mined which will be a significant benefit from an operating cost perspective.

### Exploration Potential

There has been no substantial exploration or mining undertaken at Hatches Creek since 1957. Numerous historical underground mines are present which exploited high-grade quartz veins containing wolframite and to a lesser extent scheelite, bismuth and copper. Workings were confined - mostly to the water table and to a maximum depth of only 60 m. A comprehensive review of the Hatches Creek site was undertaken by the Bureau of Mineral Resources Geology and Geophysics (Commonwealth Government) and published in 1961. This included detailed mapping and surveying of most of the mine workings. This work suggests that the mineralisation is open at depth

## Review of Operations

and the previously mined reefs show excellent continuity.

Review of this data indicates that the Hit or Miss Group is a high priority target for potential open pit mining in view of the large number of individual mineralised veins present.

### Metallurgical Test Work

A comprehensive metallurgical test work program on two bulk samples of Hatches Creek Pioneer and Treasure material was completed during the year by Nagrom at its Perth facilities. The aim of the program was to determine the amenability of the samples to upgrade WO<sub>3</sub> using gravity, magnetic characterisation and flotation test work.

The test work has upgraded WO<sub>3</sub> from a calculated combined Pioneer/Treasure head grade of 0.77% WO<sub>3</sub> to 42.7% WO<sub>3</sub> concentrate with an overall circuit recovery rate of 66%. A super-concentrate grading 66.3% WO<sub>3</sub> and 27% circuit recovery resulted from preliminary flotation test work.

In summary, Table 1 shows the test work has produced the following WO<sub>3</sub> concentrate grade and recovery.

WO <sub>3</sub> Summary	WO <sub>3</sub> %	Circuit yield WO <sub>3</sub> %
Super Concentrate	66.30	27
Concentrate	36.50	39
<b>Concentrate - Total</b>	<b>42.70</b>	<b>66</b>
<b>Middlings</b>	<b>4.30</b>	<b>9</b>
<b>Tailings</b>	<b>0.10</b>	<b>25</b>
<b>Calc. head</b>	<b>0.77</b>	<b>100</b>

Table 1: WO<sub>3</sub> concentrate grade and recovery

The test work has also produced significant grades of copper (Cu), molybdenum (Mo) and gold (Au) in the pre-float sulphide concentrate, having potential to be recovered as saleable by-products.

Bismuth (Bi) levels in the concentrate (1.5%) are above the industry standard for ammonium paratungstate (APT) production of 0.15%. The upper limits on Bi for WO<sub>3</sub> concentrates for APT production is 0.5%. Due to sample mass constraints, the number of tests, including flotation were inadequate to investigate the best way to reduce Bi to industry standard levels.

No flotation test work was conducted on the tailings despite it containing 25% of the overall circuit WO<sub>3</sub>. This means that the overall result of the test work program is indicative only, with massive upside potential. The test work results have however provided enough information to have confidence that there is sufficient WO<sub>3</sub> grade and recovery to progress to a scoping level study at Hatches Creek

It has been recommended that future metallurgical test work required should include;

1. Establishing a full set of physical characteristics of the ore (including hardness, crushability and abrasion indices) that will feed into a process design;
2. Seeking to increase the recovery of WO<sub>3</sub> from the middlings and tailings;
3. Cleaning of the final concentrate to a standard specification grade for a WO<sub>3</sub> concentrate (~65%);
4. Reduction of Bi in the intermediate and/or final concentrate to an APT production specification; and
5. Recovery of potentially valuable by-products present in the ore including Au, Cu and Mo.

### Further Work Underway

Work progressed since the end of the year and planned for the period ahead consists of;

- Detailed unmanned aerial vehicle (UAV) and specific gravity testwork survey to accurately determine volume and tonnages.

## Review of Operations

- Recovery of an additional ten bulk samples that will enable further metallurgical testwork to be undertaken.
- Preparation of a Scoping Study on the dumps project.

### Western Australian Project Interests



Figure 3 – Western Australian Project Interests

### Wiluna West Iron Ore Project

GWR's flagship project, the Wiluna West Iron Ore Project, is an exceptional, DSO iron ore development project, which will produce a high grade, low impurity iron ore as metallurgical tests have demonstrated.

The Wiluna West project has a 2004 JORC Code compliant Resource totalling 130.3 million tonnes at an average iron grade of 60% Fe, including 69.2 M tonnes of Probable Reserves at 60.3% Fe (refer Annual Resources and Reserves Statement on page 71). This information was prepared and first disclosed under the JORC Code 2004. It has not been updated since to comply with the JORC Code 2012 on the basis that the information has not materially changed since it was last reported.



## Review of Operations

In April 2013, GWR received notification from the Office of the Environmental Protection Authority that the Company's plans for large scale mining at Wiluna West do not warrant formal assessment under the Environmental Protection Act 1986. This clears the way for development of the Wiluna West Iron Ore Project at a rate of production of up to 10 million tonnes per annum.

GWR has made substantial progress towards mining operations at Wiluna West and is ready to complete development and move in to production. In April 2012, the Western Australian Department of Mines and Petroleum (DMP) approved the mining proposal for the John William Douth (JWD) high-grade deposit. This Mining Approval concerns one million tonnes per annum for three years. The JWD deposit is within the Wiluna West Iron Ore Project tenements and contains a DSO hematite resource of 10.7 Mt at a high grade 63.7% Fe, using a cut-off of 55% Fe (refer ASX announcement dated 11 April 2013).

The JWD metallurgical characterisation program was carried out on lump ores at the CSIRO laboratories in Brisbane, whilst sinter pot test work on JWD fines was conducted at CISRI's Beijing research facilities. The positive metallurgical test-work results indicate that GWR's iron ore lump and fines products will be viewed by the steel mills as value adding and comparable with premium lump ores produced in the Pilbara region of Western Australia.

In view of the substantial decline in iron ore prices since March 2014, GWR has responded by placing the project on care and maintenance and reducing project related costs to a minimum. Work on approvals for large scale mining at Wiluna West were progressed during the year with the Mining Proposal, Mine Closure Plan and Clearing Permit application for the development of the Bowerbird, C3 and C4 deposits completed and formally submitted to the DMP in August 2015.

### Wiluna West Gold Project

GWR continues to review opportunities to achieve positive cash flow by mining portions of its JORC Code 2004 gold Resource of 3,478,000 tonnes at 2.3 g/t Au for an estimated 258,000 oz Au (estimated at a 1g/t lower cut off). This includes an Indicated Resource estimate of 46,000 tonnes at 3.5g/t Au for 5,200 oz and an Inferred Resource estimate of 3,432,000 tonnes at 2.3g/t Au for 253,000 oz (refer Annual Resources and Reserves Statement on page 71). This information was prepared and first disclosed under the JORC Code 2004. It has not been updated since to comply with the JORC Code 2012 on the basis that the information has not materially changed since it was last reported.

The Company held preliminary discussions during the year with parties interested in processing gold-bearing ore.

### Earaheedy Iron & Manganese Project

GWR's Earraheedy project is located on the northern portion of the Earraheedy Basin which is prospective for both iron and manganese deposits. GWR has recently undertaken a tenement rationalisation and holds one exploration licence application (E69/3405) and is earning its interest via a farmin agreement on two granted exploration licences (E69/2377 and E69/2126) with Dragon Energy Limited representing a total combined area of 220 km<sup>2</sup>.

Previous exploration, mostly in the 1970s, identified significant hematite-goethite mineralisation associated with the Frere Formation that is evident on air-borne magnetics.

Negotiations with the Birriliburu Native Title holders for the Dragon Energy tenements E69/2377 and E69/2126 have been successfully concluded. Negotiations with the Wiluna Native Title holders in respect to access deeds the Dragon Energy Farm-in tenements are well advanced.

# Review of Operations

## RWG Minerals Pty Ltd

In view of the depressed market conditions for iron ore, GWR has been investigating a number of other (non-iron ore) commodity opportunities. In August 2014 GWR established a 100% owned subsidiary, RWG Minerals Pty Ltd ("RWG"). RWG's mandate is to seek opportunities throughout Western Australia, which are currently not held and can be acquired by applying for tenements. RWG has established four projects as follows:

### **Twin Hills (gold) – EL29/950**

The Twin Hills exploration licence (EL29/950) is located approximately 30 km north east of the township of Menzies in the North Eastern Goldfields of WA. EL29/950 is approximately 30 km<sup>2</sup> in size and occupies approximately 10 km of strike over the greenstone belt which hosts the excised historical Twin Hills gold mine

### **Ted Well (tungsten) – ELA09/2141**

The Ted Well exploration licence application (ELA09/2141) is located approximately 250 km east of the township of Carnarvon in the Gascoyne region of Western Australia. It is some 360 km<sup>2</sup> in size and has 52 km of prospective strike length. It is also 40 km south of the Nardoo Well exploration licence held by RWG. The DMP Mindex database shows that there are a number of mineral occurrences within EL09/2141 including 32 tungsten occurrences. The Ted Well project complements that of the Nardoo Well project and RWG plans to compile and review previous exploration data.

### **Nardoo Well (tungsten, tantalum, beryllium) - EL09/2114**

The 131 km<sup>2</sup> Nardoo Well exploration licence is located 250 km east of Carnarvon in the Gascoyne region of Western Australia. Access is gained via the sealed Carnarvon - Mullewa road to the east of Gascoyne Junction and then 90 km north on local gravel roads.

Prospecting and small scale mining for tantalum, beryl, bismuth and mica has been carried out in the area since the 1920s. Based upon DMP databases, there are widespread occurrences of tungsten, tantalite and beryl within EL09/2114. The Mindex database shows more than 20 tungsten occurrences which are concentrated in the northeast portion of the tenement. Here skarn style tungsten (scheelite) and copper occurs within the Morrissey Metamorphics.

Previous exploration by Whim Creek Consolidated NL in the early 1980s included percussion drilling with the best intercept being 8 m at 0.37% WO<sub>3</sub>.

In the southwest portion of the tenement there are widespread occurrences in the form of outcrops and old mine workings of tantalite, columbite, beryl and mica associated with pegmatite intrusives.

GWR plans to compile previous exploration results in the current year.

### **Lake MacLeod (gypsum) - ELA08/2650**

The 157 km<sup>2</sup> Lake MacLeod exploration licence application ELA08/2650 is located in the Gascoyne region of Western Australia, some 15 km from the Western Australian coast. It is 140 km south of Exmouth and 95 km northeast of a deep water port at Cape Cuvier (Figure 5).

Previous explorers have identified substantial deposits of high grade gypsum (>90% gypsum) within the application area. Previous exploration activities have included test pitting, auger drilling and metallurgical testwork. From this work tonnage and grade estimates, were made for the Lake MacLeod 1 and 2 deposits, which pre date the JORC Code.

The gypsum deposits within ELA08/2650 represent potential high quality, low impurity sources of gypsum which are suitable for use in the building and agricultural industries. Gypsum has previously been exported to Asian markets by Dampier Salt from deposits located approximately 90 km to the south.

The sealed Exmouth road traverses the tenement application and joins the major North West Coastal Highway some 35 km to the south. The deep water port of Cape Cuvier is located approximately 95 km south west, where Dampier Salt is currently exporting salt at a rate of 2.9 Mt per annum.

GWR plans to compile all previous exploration results to confirm the deposits quality and size and to also undertake market research to establish and validate market potential.

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### Investment in West Peak Iron Ltd

GWR holds a 16% interest in ASX listed company West Peak Iron Limited (“WPI”) which is focused on iron ore exploration in the West African country of Liberia.

Exploration activities in Liberia were largely suspended by WPI following the Ebola crisis in the region.

During June 2015, WPI successfully completed a fully underwritten entitlements issue to raise approximately \$1 million before issue costs. The monies raised were used to pay outstanding creditors, all accrued directors fees and settle an outstanding loan facility and accrued interest. The cash balance of WPI at the end of June was \$0.283m. GWR took up its entitlement of 16 million shares (a subscription amount of \$160,000) pursuant to the offer and now holds 32 million ordinary shares.

WPI have reported that they continue to review and appraise new commercial opportunities both within and outside the mining sector.

### Investment in Tungsten Mining NL

In June 2014, the Company acquired a 16.5% interest in ASX listed company Tungsten Mining NL (ASX Code: TGN) by participating in the placement of shortfall shares in TGN’s entitlement issue. GWR subscribed for 35,000,000 shares at a price of 4 cents each equating to an investment of \$1,400,000. GWR has been engaged to provide management and technical services to Tungsten Mining from 1 August 2014.

Tungsten is a high value industrial metal used in the manufacture of hardened metals (cemented carbides), steel alloys and mill products. Its application in heavy construction machinery, drilling for minerals and oil/gas and in high temperature equipment makes tungsten a mineral of strategic importance.

Tungsten Mining is focused on the development and exploitation of tungsten deposits, in particular the advanced Kilba Project in the Ashburton region of Western Australia. During the September and December quarters Tungsten Mining completed a two phased program of infill drilling at Kilba.

TGN announced to ASX on 30 January 2015 an updated Resource estimate (JORC Code 2012) incorporating drilling from the aforementioned program of 5.0 million tonnes at 0.24% WO<sub>3</sub> at Zones 8, 11 and 12. This comprising 4.1 million tonnes at 0.25% WO<sub>3</sub>, in the Indicated category and 0.83 million tonnes at 0.20% WO<sub>3</sub> in the Inferred category.

The infill drilling program that was completed significantly increased the confidence level in the Resource with 86% of the contained metal now falling within the Indicated category.

A program of Metallurgical test work was completed by Nagrom in June 2015.

The continuous DMS (dense media separation) test circuit has been successful in removing 19% of the feed mass for a loss of only 1% WO<sub>3</sub>.

Subsequent beneficiation test work has upgraded the WO<sub>3</sub> from a calculated head grade of 0.3% to 70.6%, with an overall circuit recovery of 37%. Magnetic separation has shown to be an effective method for cleaning this gravity concentrate, with high intensity magnetic separation increasing the gravity concentrate grade from 58.9% to 76.6% WO<sub>3</sub> at a recovery rate of 96.5%.

Middlings flotation test work produced a WO<sub>3</sub> recovery in excess of 90%, however the grade was well below expectations. It is suspected that insufficient WO<sub>3</sub> liberation is the cause of the lower than anticipated grade and further work is warranted. Future metallurgical test work programs will incorporate mineralogical analysis of the middlings and tailings streams to better understand the minerals present and particle liberation size.

## Directors' Report

Your directors submit their report for GWR Group Limited ('the Company' or 'the Parent') and for the Group, being the Company and its controlled entities, for the financial year ended 30 June 2015.

### Directors

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

#### Names, qualifications, experience and special responsibilities:



#### **Gary Lyons - Non-executive Chairman**

Mr Lyons is a successful and well respected Perth based businessman; being a shareholder and the Managing Director of the Heiniger Group's Australasian operations for the last 25 years.

Mr Lyons was appointed a director on 2 June 2010 and elected Chairman on 8 February 2012.

Mr Lyons is also Chairman of the GWR Executive Committee, and is a member of both the GWR Audit & Risk Management Committee and the GWR Remuneration Committee.

*Present ASX company directorships: West Peak Iron Limited and Tungsten Mining NL  
Previous ASX company directorships (last 3 years): Nil*



#### **Tan Sri Dato' Tien Seng Law - Non-executive Deputy Chairman**

Mr Law is a highly experienced investor in iron ore companies and was previously the Deputy Chairman and major shareholder of Midwest Corporation Limited. Mr Law also has extensive business interests and investments in China. Mr Law is currently the executive Chairman of T.S. Law Holding Sdn Bhd, an investment holding company in Malaysia, covering a diverse range of industries. These companies include those with activities in steel making and distribution, property investment and development and food and beverage.

Mr Law is the appointed Malaysian Business Advisor of Jinan Group of Companies of the Shandong Province, the People's Republic of China. He has a substantial interest in Ji Kang Dimensi Sdn Bhd, a company within the Jinan Group of Companies operating a steel plates manufacturing plant in Malaysia.

Mr Law is a substantial stakeholder and Deputy Chairman of Hiap Teck Venture Berhad, a Malaysian listed company engaged in distribution and trading of steel related products and as well as manufacturing of steel pipes.

Mr Law through Hiap Teck Venture Bhd, entered into a joint venture with Shougang Group of China (JV company name Eastern Steel Sdn Bhd), to build an AUD600 million 1.5 million MT of production capacity Integrated Steel Mill located on the east coast of Peninsula Malaysia.

Mr Law was appointed a director on 22 July 2010 and elected Deputy Chairman on 8 February 2012.

*Present ASX company directorships: Nil  
Previous ASX company directorships (last 3 years): Nil*

## Directors' Report



### **Michael Wilson - Executive Director**

Mr Wilson is an exploration geologist with more than 25 years' experience in Australia and South East Asia.

Mr Wilson is a foundation Director of GWR and has a long association with the Wiluna West Project. He was instrumental in consolidating the ownership of the tenement package and bringing that tenement package to market.

Mr Wilson is also very well respected by the Aboriginal communities in and around Wiluna and takes a leading role in negotiating and resolving Heritage and Native Title matters.

*Present ASX company directorships: Nil*

*Previous ASX company directorships (last 3 years): Nil*



### **Datuk Chin An Lau - Non-executive Director**

Datuk Lau is a qualified lawyer and owner of the legal practice Lau Moghan & Ee. Datuk Lau is also a director of LTS Properties (M) Sdn Bhd and LTS Capital Sdn Bhd which are both property development companies.

Datuk Lau is Chairman of both the GWR Remuneration Committee and the GWR Audit & Risk Management Committee.

*Present ASX company directorships: Nil*

*Previous ASX company directorships (last 3 years): Nil*



### **Kong Leng (Jimmy) Lee - Non-executive Director**

Mr Lee is a mining engineer with more than 30 years of industry experience and is a member of AusIMM. He has successfully worked with a number of major Australian mining companies and has held senior positions with Hamersley Iron Ltd, Dominion Mining Ltd, Christmas Island Phosphates, North Ltd and Carey Mining Ltd.

Mr Lee provides mining and corporate advisory services to the mining industry and was formerly a founding director of Terrain Minerals Limited. In addition, he has a successful track record with contract negotiations and company investment strategies.

Mr Lee is a member of the GWR Remuneration Committee and the GWR Audit & Risk Management Committee.

*Present ASX company directorships: Tungsten Mining NL*

*Previous ASX company directorships (last 3 years): West Peak Iron Limited*

## Directors' Report



### Teck Siong Wong - Alternate Director for Mr Law

Mr Wong has considerable international business experience having worked in Hong Kong, the United Kingdom and now in Malaysia and Indonesia after graduating with a Bachelor of Business degree from Swinburne University (Melbourne).

Mr Wong is involved with iron ore mining industry in Indonesia. He was previously involved in the sales and export of steel related products and was a director of a retail chain business in the United Kingdom, previously known as JW Carpenter Ltd. Mr Wong was working in the OEM plastic manufacturing industry in Hong Kong prior to taking up a position in the steel industry in Malaysia.

*Present ASX company directorships: West Peak Iron Limited  
Previous ASX company directorships (last 3 years): Nil*

### Former directors

No former directors held office during the financial year or up to the date of this report.

### Interests in the shares and options of the Company and related bodies corporate

As at the date of this report, the interests of the directors in the shares and options of the Company were:

Directors	Ordinary shares	Options (unlisted)
G Lyons <sup>3</sup>	145,293	4,000,000
T S Law <sup>2</sup>	26,861,392	4,000,000
M Wilson	2,645,548	4,000,000
C A Lau <sup>1</sup>	195,000	4,000,000
K L Lee	-	4,000,000
T S Wong	-	-

<sup>1</sup> Ordinary shares held via indirect interest through Mr C A Lau's spouse.

<sup>2</sup> Ordinary shares held via indirect interest through HSBC Custody Nominees Australia (as registered holder) on behalf of Wynnes Investment Holding Ltd (as beneficial holder), of which Mr Tien Seng Law and his wife have control.

<sup>3</sup> Ordinary shares held via indirect interest through Lyons Super Fund.

### Company Secretary



### Mark Pitts - Company Secretary

Mr Pitts is a Fellow of the Institute of Chartered Accountants with more than 25 years' experience in statutory reporting and business administration. He has been directly involved with, and consulted to a number of public companies holding senior financial management positions.

He is a Partner in the corporate advisory firm Endeavour Corporate providing company secretarial support; corporate and compliance advice to a number of ASX listed public companies.

Mr Pitts was appointed Company Secretary on 31 August 2012.

## Directors' Report

### Dividends

No amounts have been paid or declared by way of dividend by the Company since the end of the previous financial period and up until the date of this report. The directors do not recommend the payment of any dividend for the financial year ended 30 June 2015.

### Principal activities

The principal activities of the Company and its subsidiaries during the course of the year continued to be the exploration and evaluation of its mining projects in Australia.

### Operating and financial overview

#### Group overview

With the substantial deterioration in the iron ore market over the course of the 2014 calendar year and continuing into 2015, the Company has taken a number of measures to limit the outgoings related to maintaining its iron ore assets. This has included reducing costs through restructuring its activities and organisation and tenement rationalisation. To reduce the holding costs of its principal asset, the Wiluna West Iron Ore project, since 2013 the Company has progressively sought exemption from Department of Mines and Petroleum ("DMP") expenditure covenants on its major mining leases in accordance with the provisions of the Mining Act 1978, materially reducing the amount required to maintain those tenements.

The Company implemented an organisational restructure during the year to reduce ongoing personnel cash costs through a combination of natural attrition and redundancy, resulting in a head count reduction in both exploration and Perth based personnel. This resulted in the recognition of non-recurrent termination costs of \$177,445.

During the period the Company withdrew from the Woodley Iron Project prior to earning an interest and with no further financial obligation. Limited exploration was undertaken at its Earraheedy project with activities largely devoted to consolidation of tenement holdings and negotiation with Native Title holders. Tenements (or tenement applications) held by GWR in its own right or those comprising the Dragon Energy Joint Venture cover a significant strike length over the prospective Frere Formation, within the Earraheedy Basin.

In August 2014, GWR was engaged by its associated entity, Tungsten Mining NL ("TGN") to provide management and technical services on a fee for service basis. In the 11 month period to 30 June 2015 this resulted in management fee income related to executive management, accounting, administration and occupancy services of \$280,000 and cost recoveries from exploration, field support and technical services amounting to a further \$267,584.

In January 2015, NT Tungsten Pty Ltd, a wholly owned subsidiary of GWR, entered into a binding Heads of Agreement with Arunta Resources Ltd to sole fund \$1,500,000 of Joint Venture Expenditure to earn a 50% joint venture interest in the Hatches Creek tungsten project in the Northern Territory. A comprehensive metallurgical test work program on two bulk samples of Hatches Creek Pioneer and Treasure material was completed during the period. The test work program has demonstrated the amenability of the Pioneer and Treasure material to the recovery of tungsten (WO<sub>3</sub>) concentrate at a saleable WO<sub>3</sub> grade.

In support of its strategy of building GWR into an Australian resource house, RWG Minerals Pty Ltd (RWG) was formed in August 2014 with a mandate to seek tenement acquisition opportunities throughout Western Australia. RWG has tenement applications covering a total of four project areas.

The Group loss includes an equity accounted share of loss attributable to the activities of its associates of \$560,462 (2014: \$459,048) (refer note 15).

## Directors' Report

### Business strategies and prospects for future financial years

The board intends to continue to progress a strategy of developing GWR into a resource house with a number of projects across a selection of commodities at different stages of their "life cycle". GWR continues to assess a number of opportunities at both a project and corporate level, with a preference for advanced exploration projects that have the potential to generate cash flow in the short to medium term.

### Management and Board changes

There were no changes to the management and board during the year and to date of reporting.

### Operating results for the year

The consolidated operating result was a loss after income tax of \$4,528,569 (2014 Restated: \$5,783,103).

Exploration and evaluation expenditure expensed as incurred totalled \$2,407,336 (2014 Restated: \$3,659,124). Interest income of \$550,836 (2014: 841,197) fell during the year due to reduced cash balance and lower interest rates prevailing over the period. Sundry income for the year amounted to \$355,373 (2014: \$43,612).

Shareholders returns	2015	2014 Restated*	2013	2012	2011
Net profit/(loss) (\$000)	(4,528)	(5,783)	(2,428)	(4,576)	(3,857)
Basic EPS (cents)	(1.89)	(2.41)	(1.24)	(2.4)	(2.2)
Return on assets (%)	(13.97)	(15.70)	(2.12)	(4.2)	(3.4)
Return on equity (%)	(14.29)	(16.00)	(2.15)	(4.2)	(3.5)
Net debt/(cash) to equity ratio (%)	(44.36)	(49.86)	(20.80)	(22.31)	(27.75)

\* Refer note 13 to the accompanying financial statements. The Company adopted a revised exploration and evaluation expenditure accounting policy with effect from 1 July 2014. The comparative information for the year ended 30 June 2014 has been restated. The information for the financial years ending 30 June 2011 to 2013 has not been restated.

### Review of financial condition

#### Liquidity and capital resources

The group's principal source of liquidity as at 30 June 2015 is cash and cash equivalents of \$14,391,450 (2014: \$18,297,792) of which \$14,196,369 has been placed on short term deposit.

### Shares issued during the year

No shares issued.



# Directors' Report

## Risk management

The Board as a whole is ultimately responsible for establishing and reviewing the Company's policies on risk profile, oversight and management and satisfying itself that management has developed and implemented a sound system of risk management and internal control.

The Board has established an Audit and Risk Management Committee pursuant to an Audit and Risk Management Committee Charter whose mandate includes overseeing the implementation of the Company's risk management program and reporting to the Board as to the effectiveness of the Company's management of its material risks.

The Company's risk management program is implemented by Chief Executive Officer or equivalent under the direction of the Audit and Risk Management Committee as follows:

- ensuring that matters affecting the goals, objectives and performance of the Company and the safety of its stakeholders are identified and assessed by an operational risk management framework in accordance with industry accepted standards;
- obtaining and regularly reviewing insurance for the Company relevant to managing material risks;
- implementing and maintaining internal control systems which will be identified in conjunction with the external auditors;
- monitoring and verifying the Company's compliance with record keeping and operating requirements, including all requirements of law including indigenous and community rights and environmental obligations;
- minimising the potential for loss or damage resulting from risks affecting the Company; and
- the Audit & Risk Management Committee shall report to the Board at least twice a year as to the effectiveness of the Company's management of its material risks.

## Significant changes in the state of affairs

There were no significant changes in the state of affairs of the Group that occurred during the financial year under review that is not mentioned elsewhere in this report or listed below.

## Significant events after the balance date

There has been no significant events since balance date.

## Likely developments and expected results

As described more fully in the Operating and Financial Review, in view of the current price setting for iron ore, the Company intends to minimise the cost associated with the retention of its iron ore assets in Western Australia. In addition, the Company will continue to pursue its strategy of developing GWR into a resource house with a number of projects across a selection of commodities at different stages of their "life cycle".

## Environmental regulation and performance

The Group's current development, evaluation and exploration activities have been undertaken under approved Programmes of Work on granted mining tenements in accordance with environmental regulations under both Commonwealth and State legislation.

As stated in the Group's Environmental policy it is committed to environmental sustainability, recognising our obligations to practice good environmental 'stewardship' of the tenements on which we operate. Our activities are conducted in a manner that minimises our environmental 'footprint' as much as possible, and are conducted strictly in accordance with all necessary permits and approvals from regulators.

The Company has employed environmental consultants to ensure it achieves its objectives by monitoring the Group's environmental exposures and compliance with environmental regulations. Results are reported to management and to the Board on a regular basis. There have been no significant known breaches of the Group's environmental regulations to which it is subject to.

## Directors' Report

### Share options

At the date of this report, there were 24,600,000 unissued shares under option (note 26).

Option holders do not have any right, by virtue of the option, to participate in any share issue of the Company or of any related body corporate.

### Indemnification and insurance of directors and officers

The Company has made an agreement indemnifying all the directors and officers against all losses or liabilities incurred by each director and officer in their capacity as directors and officers of the Company to the extent permitted under the Corporations Act 2001.

During the year the Company paid insurance premiums to insure directors and officers against certain liabilities arising out of their conduct while acting as an officer of the Company. Under the terms and conditions of the insurance contract, the nature of the liabilities insured against and the premium paid cannot be disclosed.

Therefore, the amounts relating to these premiums paid have not been disclosed in table 1 set out on page 23 in the remuneration report.

### Directors' meetings

The following table sets out the number of directors' meetings (including meetings of committees of directors) held during the financial year and the number of meetings attended by each director (while they were a director or committee member). During the financial year the Company held 7 board meetings (including business conducted by circular resolution) and 2 audit and risk management committee meetings. No remuneration committee meetings were held.

	Board meetings		Committee meetings			
	Number Eligible to attend	Number Attended	Number Eligible to attend	Number Attended	Number Eligible to attend	Number Attended
G Lyons	7	7	2	2	0	0
T S Law	7	0 <sup>1</sup>	0	0	0	0
M Wilson	7	7	0	0	0	0
C A Lau	7	7	2	2	0	0
K L Lee	7	7	2	2	0	0

<sup>1</sup> Mr Law's alternate director, Mr Teck Wong attended all Board meetings at which Mr Law was unable to attend.

### Committee membership

As at the date of this report, the company had an Audit & Risk Management Committee and a Remuneration Committee. Members acting on the Committees during the year were:

#### Audit & Risk Management Committee

C A Lau (Chairman)  
G Lyons  
K L Lee

#### Remuneration Committee

C A Lau (Chairman)  
G Lyons  
K L Lee

## Directors' Report

### **Proceedings on behalf of the Group**

No person has applied to the Court under section 237 of the Corporations Act 2001 for leave to bring proceedings on behalf of the Company, or to intervene in any proceedings to which the Company is a party, for the purpose of taking responsibility on behalf of the Company for all or part of those proceedings. No proceedings have been brought or intervened in on behalf of the Company with leave of the Court under section 237 of the Corporations Act 2001.

### **Non Audit Services**

The Company did not receive any non-audit services from the auditor, Stantons International, during the year ended 30 June 2015.

# Directors' Report

## Auditor's independence and non-audit services

The directors received the following declaration from the auditor of the Group which is set out below.

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

25 September 2015

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 audit of the financial statements of GWR Group Limited for the year ended 30 June 2015, 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 audit, and
- (ii) any applicable code of professional conduct in relation to the audit.

Yours faithfully

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



**Martin Michalik**  
Director

# Directors' Report

## Remuneration report (audited)

This remuneration report for the year ended 30 June 2015 outlines the director and executive remuneration arrangements of the Company and the Group in accordance with the requirements of the Corporations Act 2001 (the Act) and its regulations. This information has been audited as required by section 308(3C) of the Act.

The remuneration report details the remuneration arrangements for key management personnel ('KMP') who are defined as those persons having authority and responsibility for planning, directing and controlling the major activities of the Company and the Group, directly or indirectly, including any director (whether executive or otherwise) of the parent company.

For the purposes of this report the term 'executive' encompasses executive directors and senior executives of the Parent and the Group.

## Details of key management personnel

### Non-executive directors

G Lyons	Chairman
TS Law	Deputy Chairman
CA Lau	Director
KL Lee	Director

### Executive directors

M Wilson	Director and Exploration Manager
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### Other executives

C Ferrier	Chief Executive Officer
M Pitts	Company Secretary

## Remuneration committee

The Remuneration Committee is entrusted by the Board to provide appropriate guidance to the Board in relation to the following responsibilities:

- remuneration packages of senior executives (including executive directors);
- the remuneration framework for non-executive directors;
- employment incentive and equity based plans for senior executives, directors and employees generally including the appropriateness of performance hurdles and equity based incentives in the context of overall remuneration packages;
- remuneration policy generally including but not limited to fixed and performance based remuneration, non-cash remuneration including superannuation, and inclusive remuneration principles consistent with the Company's Diversity Policy; and
- retention and termination policies.

The remuneration committee assesses the appropriateness of the nature and amount of remuneration of senior executives (including executive directors) and non-executive directors on a periodic basis by reference to relevant employment market conditions with the overall objective of ensuring maximum stakeholder benefit by balancing the Company's competing interests of attracting and retaining senior executives and directors and avoiding excessive remuneration.

The remuneration committee comprises three non-executive directors. Further information on the committee's role and responsibilities can be seen at [www.gwrgroup.com.au](http://www.gwrgroup.com.au).

# Directors' Report

## Remuneration philosophy

The performance of the group depends upon the quality of its key personnel. To prosper, the group must attract, motivate and retain high skilled directors and executives. Due to the nature of the Group's business activities the overall level of compensation does not focus on the earnings of the Company.

To this end, the Group embodies the following principles in its remuneration framework:

- provide competitive rewards to attract high calibre personnel; and
- link rewards to shareholder value.

## Remuneration structure

In accordance with best practice corporate governance, the structure of executive and non-executive director remuneration is separate and distinct.

### Non-executive director remuneration

#### *Objective:*

The Board seeks to set aggregate remuneration at a level which provides the Company with the ability to attract and retain directors of the highest calibre, whilst incurring a cost which is acceptable to shareholders.

#### *Structure:*

The Constitution and the ASX listing rules specify that the aggregate remuneration of non-executive directors shall be determined from time to time by a general meeting of shareholders. The latest determination was at the annual general meeting held on 25 November 2010 when shareholders voted to increase the aggregate remuneration to \$500,000 per year.

Non-executive directors are remunerated by way of fees and statutory superannuation. The fees for non-executive directors were previously set by the board at \$65,000 per annum and \$100,000 per annum for the Chairman. Fees for non-executive directors were reduced to \$55,000 per annum and \$90,000 for the Chairman with effect from 1 July 2014 as a cost saving measure. To further preserve cash, directors have proposed that half of the fees be settled in cash and the other half in equity. Such an approval can only be implemented with prior shareholder approval and, as such, a resolution will be proposed for consideration by members at the forthcoming annual general meeting.

The amount of aggregate remuneration sought to be approved by shareholders and the manner in which it is apportioned amongst directors is reviewed annually. The Board considers the fees paid to non-executive directors of comparable companies when undertaking the annual review process.

Non-executive directors are remunerated by way of fees and statutory superannuation but no other retirement benefits. Non-executive directors are also reimbursed for all reasonable travelling, accommodation and other expenses incurred as a consequence of their attendance at meetings of Directors and otherwise in the execution of their duties as Directors.

Non-executive directors are also paid consulting fees related to their participation in Executive Committee meetings and the provision of other services.

The remuneration of non-executive directors for the reporting years ended 30 June 2015 and 30 June 2014 is detailed in Tables 1 and 2 on page 23.

# Directors' Report

## Executive remuneration

### *Objective:*

The Company aims to reward executives with a level and mix of remuneration commensurate with their position and responsibilities within the Group so as to:

- align the interests of executives with those of shareholders; and
- ensure total remuneration is competitive by market standards.

### *Structure:*

In determining the level and make up of executive remuneration, the remuneration committee engages external consultants as needed to provide independent advice.

Remuneration consists of the following key elements:

- Fixed remuneration; and
- Variable remuneration comprising Short ('STI') and Long ('LTI') term incentives.

The proportion of fixed remuneration and variable remuneration for executives is set out in Table 1 on page 23

## Fixed remuneration

### *Objective:*

The level of fixed remuneration is set so as to provide a base level of remuneration which is both appropriate to the position and is competitive in the market.

Fixed remuneration is reviewed annually by the remuneration committee and the process consists of individual performance, relative comparative remuneration in the market and, where appropriate, external advice.

### *Structure:*

Executives are given the opportunity to receive their fixed (primary) remuneration in a variety of forms including cash and fringe benefits such as motor vehicles. It is intended that the manner of payment chosen will be optimal for the recipient without creating undue cost for the Group. Presently, executives fixed remuneration comprises only payment of salary and statutory superannuation.

The fixed remuneration component of executives is detailed in Table 1 on page 23

## Variable remuneration — short term incentive (STI)

### *Objective:*

The objective of the STI program is to link the achievement of the Group's operational targets with the remuneration received by the executives charged with meeting those targets. The total potential STI available is set at a level so as to provide sufficient incentive to the executive to achieve the operational targets and such that the cost to the Group is reasonable in the circumstances.

### *Structure:*

Actual STI payments granted to each executive depend on the remuneration committee's assessment of the individual's performance and the performance of their business unit. The aggregate of annual STI payments available for executives across the Group is subject to the approval of the remuneration committee.

There were no cash bonus payments made in the current and prior financial years.

## Directors' Report

### Variable remuneration — long term incentive (LTI)

#### *Objective:*

The objective of the LTI program is to reward executives in a manner that aligns remuneration with the creation of shareholder wealth. As such, LTI grants are made to executives who are able to influence the generation of shareholder wealth and thus have an impact on the Group's performance.

#### *Structure:*

LTI grants to executives may be delivered in the form of share options or performance rights.

Table 3 on page 25 provides details of LTI options granted and exercised during the year. There were no LTI options granted during the current or prior financial years.

### Employment contracts

The Board has entered into contracts and agreements with executives, the details of which are provided below.

#### **Craig Ferrier**

Mr Ferrier was appointed as Chief Executive Officer on 12 March 2013. Prior to this position he was employed by the company as Executive General Manager from 5 December 2011, in accordance with the terms of an employment agreement. There was no change, other than noted below, to Mr Ferrier's remuneration following his appointment as Chief Executive Officer or otherwise during the year.

From 1 July 2014 Mr Ferrier's base salary was set at \$358,750 (plus statutory superannuation contributions). Mr Ferrier has agreed to a voluntary pay reduction of 10%, subject to the preservation of the value of accrued entitlements. From 1 June 2015 his revised salary is \$322,875 plus statutory superannuation.

Mr Ferrier may terminate his employment by the giving of one months' notice in writing to the Company. The Company may terminate the agreement by giving three months' notice in writing. The Company may pay Mr Ferrier for any or all of the three months' notice period in lieu of notice.

#### **Mark Pitts**

Mr Pitts was appointed Company Secretary on 31 August 2012. Pursuant to an agreement with Endeavour Corporate, an entity related to Mr Pitts, Endeavour Corporate was paid a monthly fee of \$4,000. This has been reduced to \$3,500 per month from 1 July 2014.

#### **Michael Wilson**

Mr Wilson was engaged by the Company as Exploration Manager with effect from 24 December 2004.

From 1 July 2014 Mr Wilson's base salary was set at \$301,350 (plus statutory superannuation contributions). Mr Wilson has agreed to a voluntary pay reduction of 10%, subject to the preservation of the value of accrued entitlements. From 1 June 2015 his revised salary is \$271,215 plus statutory superannuation.

In accordance with the agreement, either the Company or Mr Wilson may terminate the agreement with three months' notice in writing to the other party and payment by the Company to Mr Wilson of one month's salary for every 12 month period of service, up to a maximum of 6 month's salary. The Company may pay Mr Wilson for any or all of the three months' notice period in lieu of notice. Mr Wilson is not entitled to any retirement benefits pursuant to his agreement other than as noted above.



Remuneration of key management personnel of the Company and Group

Table 1: Remuneration for the year ended 30 June 2015

30 June 2015	Short-term			Post-employment			Share-based payments Options	Termination benefits	Total	Performance related <sup>3</sup>
	Salary & fees <sup>1,7</sup>	Cash bonus	Non-Monetary Benefit	Other <sup>2</sup>	Super	Long Service Leave				
	\$	\$	\$	\$	\$	\$	\$	\$	\$	%
<b>Non-executive directors</b>										
G Lyons	82,193	-	-	15,977	9,371	-	-	-	107,541	-
TS Law	53,624	-	-	-	1,376	-	-	-	55,000	-
CA Lau	50,229	-	-	4,353	4,773	-	-	-	59,355	-
KL Lee	50,229	-	-	-	4,773	-	-	-	55,002	-
<b>Sub total</b>	<b>236,275</b>	-	-	<b>20,330</b>	<b>20,293</b>	-	-	-	<b>276,898</b>	-
<b>Executive directors</b>										
M Wilson <sup>4</sup>	298,839	-	-	-	28,390	6,689	-	-	333,918	-
<b>Other executives</b>										
C Ferrer	355,760	-	-	-	33,797	-	-	-	389,557	-
M Pitts	42,720	-	-	-	-	-	-	-	42,720	-
<b>Sub total</b>	<b>697,319</b>	-	-	-	<b>62,187</b>	<b>6,689</b>	-	-	<b>766,195</b>	-
<b>Total</b>	<b>933,594</b>	-	-	<b>20,330</b>	<b>82,480</b>	<b>6,689</b>	-	-	<b>1,043,093</b>	-

<sup>1</sup> Salary and fees paid and accrued during the year.

<sup>2</sup> Other refers to fees paid and accrued for consultancy work performed for the Company.

<sup>3</sup> Performance related refers to the percentage of total remuneration that is performance related.

<sup>4</sup> Mr Wilson's remuneration includes movements in his long service leave and termination benefits provision in accordance with his employment contract.

<sup>7</sup> As detailed on page 20, the Directors agreed to defer 50% of their remuneration cash payments from 1 July 2014.

Remuneration of key management personnel of the Company and Group

Table 2: Remuneration for the year ended 30 June 2014

30 June 2014	Short-term			Post-employment			Share-based payments Options	Termination benefits	Total	Performance related <sup>3</sup>
	Salary & fees <sup>1</sup>	Cash bonus	Non-Monetary Benefit	Other <sup>2</sup>	Super	Long Service Leave				
<b>Non-executive directors</b>										
G Lyons	91,533	-	-	33,066	11,525	-	-	-	136,124	-
TS Law	63,659	-	-	-	1,341	-	-	-	65,000	-
CA Lau	59,497	-	-	5,898	5,503	-	-	-	70,898	-
KL Lee <sup>5</sup>	59,497	-	-	72,000	5,503	-	-	-	137,000	-
<b>Sub total</b>	<b>274,186</b>	-	-	<b>110,964</b>	<b>23,872</b>	-	-	-	<b>409,022</b>	-
<b>Executive directors</b>										
M Wilson <sup>4</sup>	294,000	-	-	-	27,195	5,781	-	-	326,976	-
<b>Other executives</b>										
C Ferrier <sup>6</sup>	359,733	-	-	-	22,642	-	-	-	382,375	-
M Pitts	48,000	-	-	-	-	-	-	-	48,000	-
<b>Sub total</b>	<b>701,733</b>	-	-	-	<b>49,837</b>	<b>5,781</b>	-	-	<b>757,351</b>	-
<b>Total</b>	<b>975,919</b>	-	-	<b>110,964</b>	<b>73,709</b>	<b>5,781</b>	-	-	<b>1,166,373</b>	-

<sup>1</sup> Salary and fees paid and accrued during the year.

<sup>2</sup> Other refers to fees paid and accrued for consultancy work performed for the Company.

<sup>3</sup> Performance related refers to the percentage of total remuneration that is performance related.

<sup>4</sup> Mr Wilson's remuneration includes movements in his long service leave and termination benefits provision in accordance with his employment contract.

<sup>5</sup> Mr Lee earned \$72,000 for consulting fees related to his participating in Executive Committee meetings and other corporate matters.

<sup>6</sup> Mr Ferrier elected to take a proportion of his remuneration as salary as opposed to superannuation during the year.

## Directors' Report

### Equity instruments (consolidated)

#### Options granted to key management personnel

Share options do not carry any voting or dividend rights and can be exercised once the terms and conditions for the exercise of options have been met.

There were no share options granted to directors and key management personnel (KMP) during the current and prior year. No share options were exercised or lapsed during the current or prior year.

**Table 3: Option holdings for key management personnel**

*Options for shares in GWR Group Limited (number)*

<i>Unlisted options</i>	<b>Balance 01/07/14</b>	<b>Granted as remuneration</b>	<b>Options exercised</b>	<b>Net change Other</b>	<b>Balance 30/06/15</b>	<b>Vested &amp; exercisable</b>	<b>Unvested</b>
<b><i>Non-executive directors</i></b>							
G Lyons	4,000,000	-	-	-	4,000,000	4,000,000	-
TS Law	4,000,000	-	-	-	4,000,000	4,000,000	-
CA Lau	4,000,000	-	-	-	4,000,000	4,000,000	-
KL Lee	4,000,000	-	-	-	4,000,000	4,000,000	-
<b><i>Executive directors</i></b>							
M Wilson	4,000,000	-	-	-	4,000,000	4,000,000	-
<b><i>Other executives</i></b>							
C Ferrier	1,000,000	-	-	-	1,000,000	1,000,000	-
M Pitts	-	-	-	-	-	-	-
<b>Total</b>	<b>21,000,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>21,000,000</b>	<b>21,000,000</b>	<b>-</b>

**Table 4: Shareholdings of key management personnel**

*Shares held in GWR Group Limited (number)*

<i>Listed shares</i>	<b>Balance 01/07/14</b>	<b>Granted as remuneration</b>	<b>On exercise of options</b>	<b>Net change Other</b>	<b>Balance 30/06/15</b>
<b><i>Non-executive directors</i></b>					
G Lyons	19,900	-	-	125,393	145,293
TS Law	26,861,392	-	-	-	26,861,392
CA Lau	195,000	-	-	-	195,000
KL Lee	-	-	-	-	-
<b><i>Executive directors</i></b>					
M Wilson	2,605,548	-	-	40,000	2,645,548
<b><i>Other executives</i></b>					
C Ferrier	-	-	-	-	-
M Pitts	100,000	-	-	-	100,000
<b>Total</b>	<b>29,781,840</b>	<b>-</b>	<b>-</b>	<b>165,393</b>	<b>29,947,233</b>

## Directors' Report

### Shares issued on exercise of options

There were no shares issued on the exercise of options to key management personnel for the current or prior year

### END OF REMUNERATION REPORT

Signed on behalf of directors and in accordance with a resolution of directors.



Gary Lyons  
Chairman

Dated at Perth this 25<sup>th</sup> day of September 2015

## Consolidated statement of profit or loss and other comprehensive income

For the year ended 30 June 2015

	Note	2015 \$	Consolidated 2014 \$ (Restated)
Revenue	6	906,209	884,809
Employee expenses	7(a)	(1,380,197)	(1,357,579)
Depreciation expense		(101,044)	(160,278)
Other expenses	7(b)	(3,393,075)	(4,691,007)
Share of loss of an associate	15	(560,462)	(459,048)
<b>Loss before tax</b>		<b>(4,528,569)</b>	<b>(5,783,103)</b>
Income tax expense	8	-	-
<b>Loss for the year</b>		<b>(4,528,569)</b>	<b>(5,783,103)</b>
Loss attributable to members of the Parent	22	<b>(4,528,569)</b>	<b>(5,783,103)</b>
<b>Other comprehensive income/(loss)</b>			
<i>Items that will not be reclassified subsequently to profit or loss</i>			
-			
<i>Items that may be reclassified subsequently to profit or loss</i>			
Reclassification of available-for-sale asset		35,000	-
Impairment loss transferred to profit and loss		83,483	-
Net fair value loss on available-for-sale financial assets		(41,625)	(110,453)
Share of other comprehensive income of an associate		-	(31,705)
Other comprehensive income/(loss) after tax		76,858	(142,158)
<b>Total comprehensive loss after tax</b>		<b>(4,451,711)</b>	<b>(5,925,261)</b>
Total comprehensive loss attributable to members of the Parent		<b>(4,451,711)</b>	<b>(5,925,261)</b>
<b>Basic loss per share in cents</b>	9	(1.89)	(2.41)

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 30 June 2015

	Note	30 June 2015	Consolidated 30 June 2014 (Restated)	1 July 2013 (Restated)
		\$	\$	\$
<b>Current assets</b>				
Cash and cash equivalents	10	14,391,450	18,297,792	24,361,191
Trade and other receivables	11	374,785	293,412	285,039
Prepayments		42,250	27,910	33,733
Available-for-sale financial assets	14	70,859	112,484	136,637
Other current financial assets		-	67,882	-
<b>Total current assets</b>		<b>14,879,344</b>	<b>18,799,480</b>	<b>24,816,600</b>
<b>Non-current assets</b>				
Plant & Equipment	12	319,633	450,431	645,052
Exploration & evaluation expenditure	13	16,210,000	16,210,000	16,210,000
Available-for-sale financial assets	14	-	1,365,000	-
Investment in an associate	15	999,538	-	490,753
Other financial assets	16	17,200	17,200	1,126,735
<b>Total non-current assets</b>		<b>17,546,371</b>	<b>18,042,631</b>	<b>18,472,540</b>
<b>Total assets</b>		<b>32,425,715</b>	<b>36,842,111</b>	<b>43,289,140</b>
<b>Current liabilities</b>				
Trade and other payables	17	333,269	280,067	845,945
Interest bearing liabilities	18	-	127	516
Provisions	19(a)	150,006	116,813	91,374
<b>Total current liabilities</b>		<b>483,275</b>	<b>397,007</b>	<b>937,835</b>
<b>Non-current liabilities</b>				
Provisions	19(b)	254,824	305,777	286,717
<b>Total non-current liabilities</b>		<b>254,824</b>	<b>305,777</b>	<b>286,717</b>
<b>Total liabilities</b>		<b>738,099</b>	<b>702,784</b>	<b>1,224,552</b>
<b>Net assets</b>		<b>31,687,616</b>	<b>36,139,327</b>	<b>42,064,588</b>
<b>Equity</b>				
Contributed equity	20	153,801,791	153,801,791	153,801,791
Reserves	21	26,258,565	26,181,707	26,323,865
Accumulated losses	22	(148,372,740)	(143,844,171)	(138,061,068)
<b>Total equity</b>		<b>31,687,616</b>	<b>36,139,327</b>	<b>42,064,588</b>

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

## Consolidated statement of changes in equity

### For the year ended 30 June 2015

	Ordinary share capital	Accumulated losses	Option reserve	Investments revaluation reserve	Translation reserve	Total Equity
	\$	\$	\$	\$	\$	\$
Balance at 1/7/2014	153,801,791	(88,507,556)	26,309,612	(125,308)	(2,597)	91,475,942
Retrospective adjustment from change in accounting policy	-	(55,336,615)	-	-	-	(55,336,615)
<b>Balance at 1/7/2014 (restated)</b>	<b>153,801,791</b>	<b>(143,844,171)</b>	<b>26,309,612</b>	<b>(125,308)</b>	<b>(2,597)</b>	<b>36,139,327</b>
Loss for the year	-	(4,528,569)	-	-	-	(4,528,569)
Other comprehensive income	-	-	-	76,858	-	76,858
Total comprehensive (loss)/income for the year	-	(4,528,569)	-	76,858	-	(4,451,711)
<b>Balance at 30/06/2015</b>	<b>153,801,791</b>	<b>(148,372,740)</b>	<b>26,309,612</b>	<b>(48,450)</b>	<b>(2,597)</b>	<b>31,687,616</b>
Balance at 1/7/2013	153,801,791	(67,049,058)	26,309,612	(14,855)	29,108	113,076,598
Retrospective adjustment from change in accounting policy	-	(71,012,010)	-	-	-	(71,012,010)
<b>Balance at 1/7/2013 (restated)</b>	<b>153,801,791</b>	<b>(138,061,068)</b>	<b>26,309,612</b>	<b>(14,855)</b>	<b>29,108</b>	<b>42,064,568</b>
Loss for the year (restated)	-	(5,783,103)	-	-	-	(5,783,103)
Other comprehensive loss	-	-	-	(110,453)	(31,705)	(142,158)
Total comprehensive loss for the year	-	(5,783,103)	-	(110,453)	(31,705)	(5,925,261)
<b>Balance at 30/06/2014</b>	<b>153,801,791</b>	<b>(143,844,171)</b>	<b>26,309,612</b>	<b>(125,308)</b>	<b>(2,597)</b>	<b>36,139,327</b>

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

## Consolidated statement of cash flows

For the year ended 30 June 2015

		Consolidated	
	Note	2015	2014
		\$	\$
			(Restated)
<b>Cash flows from operating activities</b>			
Payments to suppliers & employees		(2,158,873)	(2,443,560)
Payments for exploration & evaluation		(2,535,570)	(3,763,614)
Interest received		690,981	817,175
Other income		207,236	43,612
		<hr/>	<hr/>
<b>Net cash used in operating activities</b>	23	<b>(3,796,226)</b>	<b>(5,346,387)</b>
<b>Cash flows from investing activities</b>			
Payments for plant & equipment		(25,049)	(13,613)
Proceeds from sale of plant & equipment		7,051	-
Proceeds from sale of Doherty's project		-	80,000
Payments for security deposits/bonds		-	(15,909)
Proceeds from security deposits/bonds		67,882	1,057,562
Acquisition of shares		(160,000)	(1,400,000)
		<hr/>	<hr/>
<b>Net cash used in investing activities</b>		<b>(110,116)</b>	<b>(291,960)</b>
<b>Cash flows from financing activities</b>			
Proceeds from issue of shares		-	-
Costs on issue of shares		-	(425,052)
		<hr/>	<hr/>
<b>Net cash (used in) financing activities</b>		<b>-</b>	<b>(425,052)</b>
Net decrease in cash and cash equivalents		(3,906,342)	(6,063,399)
Cash and cash equivalents at the beginning of the financial year		18,297,792	24,361,191
		<hr/>	<hr/>
<b>Cash and cash equivalents at the end of the financial year</b>	10	<b>14,391,450</b>	<b>18,297,792</b>

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



# Notes to the Consolidated Financial Statements

## For the year ended 30 June 2015

### Note 1: Corporate information

The financial report of GWR Group Limited ('the Company' or the 'Parent') and of the Group, being the Company and its controlled entities for the financial year ended 30 June 2015 was authorised for issue in accordance with a resolution of the directors on 24 September 2015.

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

The nature of the operations and principal activities of the Group are described in the directors' report.

Separate financial statements for GWR Group Limited as an individual entity are no longer presented as the consequence of a change to the Corporations Act 2001, however, required financial information for GWR Group Limited as an individual entity is included in Note 31.

### Note 2: Summary of significant accounting policies

#### a) Basis of preparation

The financial report is a general purpose financial report, which has been prepared in accordance with the requirements of the Corporations Act 2001, Australian Accounting Standards and other authoritative pronouncements of the Australian Accounting Standards board. The financial report has also been prepared on a historical cost basis, except for available-for-sale investments, which have been measured at fair value.

The financial report is presented in Australian dollars and all values are rounded to the nearest dollar unless otherwise stated.

#### b) Compliance with IFRS

The financial report complies with Australian Accounting Standards and International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards board.

#### c) Change in accounting policy

The Group has made a voluntary change to its accounting policy for exploration and evaluation expenditure. Refer to note 2(l) and 13 for further details.

#### d) New accounting standards and interpretations

##### *New and amended standards adopted*

None of the new standards and amendments to standards that are mandatory for the first time for the financial year beginning 1 July 2014 affected any of the amounts recognised in the current period or any prior period, although it caused minor changes to the Group's disclosures.

##### *Other standards not yet applicable*

A number of new standards, amendments to standards and interpretations issued by the AASB which are not yet mandatorily applicable to the Group have not been applied in preparing these consolidated financial statements. Those which may be relevant to the Group are set out below. The Group does not plan to adopt these standards early.

- **AASB 9 Financial Instruments and associated Amending Standards (applicable for annual reporting period commencing 1 January 2018)**

The Standard will be applicable retrospectively (subject to the comment on hedge accounting below) and includes revised requirements for the classification and measurement of financial instruments, revised recognition and derecognition requirements for financial instruments and simplified requirements for hedge accounting.

Key changes made to this standard that may affect the Group on initial application include certain simplifications to the classification of financial assets, simplifications to the accounting of embedded derivatives, and the

# Notes to the Consolidated Financial Statements

## For the year ended 30 June 2015

irrevocable election to recognise gains and losses on investments in equity instruments that are not held for trading in other comprehensive income.

Although the directors anticipate that the adoption of AASB 9 may have an impact on the Group's financial instruments it is impractical at this stage to provide a reasonable estimate of such impact.

### 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. A list of the subsidiaries is provided in Note 24 (a).

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 statement of financial position and statement of comprehensive income.

### f) Segment reporting

An operating segment is a component of an entity that engages in business activities from which it may earn revenues and incur expenses (including revenues and expenses relating to transactions with other components of the same entity), 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.

Operating segments have been identified based on the information provided to the chief operating decision makers – being the executive management team. Operating segments that meet the quantitative criteria as prescribed by AASB 8 are reported separately. However, an operating segment that does not meet the quantitative criteria is still reported separately where information about the segment would be useful to users of the financial statements.

The Group determines and presents operating segments based on the information internally provided to the executive management team.

### g) Revenue

Revenue is recognised as income to the extent that it is probable that the economic benefits will flow to the entity and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognised:

#### *Interest Income*

Revenue is recognised as the interest accrues using the effective interest method. This is the method of calculating the amortised costs of the financial asset and allocating the interest income over the relevant period using the effective interest rate, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.

# Notes to the Consolidated Financial Statements

## For the year ended 30 June 2015

### h) Income tax

Current tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities based on the current period's taxable income. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the balance sheet date.

Deferred income tax is provided on all temporary differences at the balance sheet date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred income tax liabilities are recognised for all taxable temporary differences except:

- when the deferred income tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and that, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; or
- when the taxable temporary difference is associated with investments in subsidiaries, associates or interests in joint ventures, and the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred income tax assets are recognised for all deductible temporary differences, carry-forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and the carry-forward of unused tax credits and unused tax losses can be utilised, except:

- when the deferred income tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; or
- when the deductible temporary difference is associated with investments in subsidiaries, associates or interests in joint ventures, in which case a deferred tax asset is only recognised to the extent that it is probable that the temporary difference will reverse in the foreseeable future and taxable profit will be available against which the temporary difference can be utilised.

The carrying amount of deferred income tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilised.

Unrecognised deferred income tax assets are reassessed at each balance sheet date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the balance sheet date.

Income taxes relating to items recognised directly in equity are recognised in equity and not in profit or loss.

Deferred tax assets and deferred tax liabilities are offset only if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred tax assets and liabilities related to the same taxable entity and the same taxation authority.

### i) Other taxes

Revenues, expenses and assets are recognised net of the amount of GST except:

- when the GST incurred on a purchase of goods and services is not recoverable from the taxation authority, in which case the GST is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and
- receivables and payables are stated with the amount of GST included.

# Notes to the Consolidated Financial Statements

## For the year ended 30 June 2015

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the balance sheet.

Cash flows are included in the cash flow statement on a gross basis and the GST component of cash flows arising from investing and financing activities, which is recoverable from, or payable to, the taxation authority are classified as operating cash flows.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the taxation authority.

### **j) Cash and cash equivalents**

Cash and cash equivalents includes cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within short-term borrowings in current liabilities on the balance sheet.

### **k) Plant and equipment**

All plant and equipment is stated at cost less accumulated depreciation and any accumulated impairment losses. Such cost includes the cost of replacing parts that are eligible for capitalisation when the cost of replacing the parts is incurred. Similarly, when each major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement only if it is eligible for capitalisation. All other repairs and maintenance are recognised in profit or loss as incurred.

#### *Depreciation*

Depreciation is calculated using diminishing balance method over the estimated useful life of the assets as follows:

Leasehold improvements	5 to 10 years
Motor vehicles	10 years
Plant and equipment	5 to 20 years

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date.

#### *Derecognition and disposal*

An item of plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal.

Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss in the year the item is derecognised.

### **l) Exploration and evaluation expenditure**

#### *Change in accounting policy*

The Group has made a voluntary change to its accounting policy to exploration and evaluation expenditure. The new accounting policy was adopted for the year ended 30 June 2015 with effect from 1 July 2014 and has been applied retrospectively.

The new exploration and evaluation expenditure accounting policy is to expense expenditure as incurred other than for the capitalisation of acquisition costs.

The previous accounting policy was to capitalise and carry forward exploration and evaluation expenditure as an asset when rights to tenure of the area of interest were current and in respect of which:

- Such costs are expected to be recouped through successful development and exploitation or from sale of the area: or
- Exploration and evaluation activities in the area have not, at balance date, reached a stage which permits a reasonable assessment of the existence or other wise of economically recoverable reserves, and active operations in, or relating to, the area are continuing.

# Notes to the Consolidated Financial Statements

## For the year ended 30 June 2015

Management judges that the change in accounting policy will result in the financial report providing no less relevant or reliable information and will provide a higher degree of confidence as to the probability that future economic benefits will flow to the group upon capitalisation of expenditure incurred in an area of interest.

AASB 6 Exploration for and evaluation of mineral resources allows both the previous and new accounting policies of the group.

### **m) Investments in an associate**

The Group's investment in its associate, an entity in which the Group has significant influence, is accounted for using the equity method.

Under the equity method, the investment in the associate is initially recognised at cost. The carrying amount of the investment is adjusted to recognise changes in the Group's share of net assets of the associate since the acquisition date. Goodwill relating to the associate is included in the carrying amount of the investment and is neither amortised nor individually tested for impairment.

The statement of profit or loss and other comprehensive income reflects the Group's share of the results of operations of the associate. When there has been a change recognised directly in the equity of the associate, the Group recognises its share of any changes, when applicable, in the statement of changes in equity. Unrealised gains and losses resulting from transactions between the Group and the associate are eliminated to the extent of the interest in the associate.

The Group's share of profit or loss of an associate is shown on the face of the statement of profit or loss and other comprehensive income and represents profit or loss after tax and non-controlling interests in the subsidiaries of the associate.

The financial statements of the associate are prepared for the same reporting period as the Group. When necessary, adjustments are made to bring the accounting policies in line with those of the Group.

After application of the equity method, the Group determines whether it is necessary to recognise an impairment loss on its investment in its associate. At each reporting date, the Group determines whether there is objective evidence that the investment in the associate is impaired. If there is such evidence, the associate and its carrying value, then recognises the loss as 'Share of Losses of an associate' in the statement of profit or loss and other comprehensive income.

Upon loss of significant influence over the associate, the Group measures and recognises the retained investment at its fair value. Any difference between the carrying amount of the associate upon loss of significant influence and the fair value of the retained investment and proceeds from disposal is recognised in profit or loss.

### **n) Financial assets**

Financial assets within the scope of AASB 139 Financial Instruments: Recognition and Measurement are categorised as either financial assets at fair value through profit or loss, loans and receivables, held-to-maturity investments, or available-for-sale financial assets. The classification depends on the purpose for which the investments were acquired. Designation is re-evaluated at each financial year end, but there are restrictions on reclassifying to other categories.

When financial assets are recognised initially, they are measured at fair value, plus, in the case of assets not at fair value through profit or loss, directly attributable transaction costs.

#### *Recognition and derecognition*

All regular way purchases and sales of financial assets are recognised on the trade date i.e., the date that the Group commits to purchase the asset. Regular way purchases or sales are purchases or sales of financial assets under contracts that require delivery of the assets within the period established generally by regulation or convention in the market place. Financial assets are derecognised when the right to receive cash flows from the financial assets have expired or been transferred.

# Notes to the Consolidated Financial Statements

## For the year ended 30 June 2015

### *(i) Financial assets at fair value through profit or loss*

Financial assets classified as held for trading are included in the category financial assets at fair value through profit or loss. Financial assets are classified as held for trading if they are acquired for the purpose of selling in the near term with the intention of making a profit. Derivatives are also classified as held for trading unless they are designated as effective hedging instruments. Gains or losses on financial assets held for trading are recognised in profit or loss and the related assets are classified as current assets in the balance sheet.

### *(ii) Held-to-maturity investments*

Non-derivative financial assets with fixed or determinable payments and fixed maturity are classified as held-to-maturity when the Group has the positive intention and ability to hold to maturity. Investments intended to be held for an undefined period are not included in this classification. Investments that are intended to be held-to-maturity, such as bonds, are subsequently measured at amortised cost. This cost is computed as the amount initially recognised minus principal repayments, plus or minus the cumulative amortisation using the effective interest method of any difference between the initially recognised amount and the maturity amount. This calculation includes all fees and points paid or received between parties to the contract that are an integral part of the effective interest rate, transaction costs and all other premiums and discounts. For investments carried at amortised cost, gains and losses are recognised in profit or loss when the investments are derecognised or impaired, as well as through the amortisation process.

### *(iii) Loans and receivables*

Loans and receivables including loan notes and loans to key management personnel are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are carried at amortised cost using the effective interest method. Gains and losses are recognised in profit or loss when the loans and receivables are derecognised or impaired. These are included in current assets, except for those with maturities greater than 12 months after balance date, which are classified as non-current.

### *(iv) Available-for-sale securities*

Available-for-sale investments are those non-derivative financial assets, principally equity securities, which are designated as available-for-sale or are not classified as any of the three preceding categories. After initial recognition available-for-sale securities are measured at fair value with gains or losses being recognised as a separate component of equity until the investment is derecognised or until the investment is determined to be impaired, at which time the cumulative gain or loss previously reported in equity is recognised in profit or loss.

The fair values of investments that are actively traded in organised financial markets are determined by reference to quoted market bid prices at the close of business on the balance sheet date. For investments with no active market, fair values are determined using valuation techniques. Such techniques include:

- using recent arm's length market transactions;
- reference to the current market value of another instrument that is substantially the same; and
- discounted cash flow analysis and option pricing models making as much use of available and supportable market data as possible and keeping judgemental inputs to a minimum.

### **o) Trade and other payables**

Trade payables and other payables are carried at amortised cost and represent liabilities for goods and services provided to the Group prior to the end of the financial year that are unpaid and arise when the Group becomes obliged to make future payments in respect of the purchase of these goods and services. The amounts are unsecured and are usually paid within 30 days of recognition.

### **p) Provisions**

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

When the Group expects some or all of a provision to be reimbursed, for example under an insurance contract, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain. The expense relating to any provision is presented in the income statement net of any reimbursement.

# Notes to the Consolidated Financial Statements

## For the year ended 30 June 2015

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the balance sheet date. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects the time value of money and the risks specific to the liability. The increase in the provision resulting from the passage of time is recognised in finance costs.

### q) Employee benefits

#### (i) Wages salaries, annual leave and sick leave

Liabilities for wages and salaries, including non-monetary benefits and annual leave expected to be settled within 12 months of the reporting date are recognised in respect of employees' services up to the reporting date. They are measured at the amounts expected to be paid when the liabilities are settled. Liabilities for non-accumulating sick leave are recognised when the leave is taken and are measured at the rates paid or payable.

#### (ii) Long service leave and other employment entitlements

The liability for long service leave and other employment entitlements is recognised and measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures, and periods of service. Expected future payments are discounted using market yields at the reporting date on national government bonds with terms to maturity and currencies that match, as closely as possible, the estimated future cash outflows.

### r) Contributed equity

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

### s) Earnings per share

Basic earnings per share is calculated as net profit attributable to members of the parent, adjusted to exclude any costs of servicing equity (other than dividends), divided by the weighted average number of ordinary shares, adjusted for any bonus element.

Diluted earnings per share is calculated as net profit or loss attributable to members of the parent, adjusted for:

- costs of servicing equity (other than dividends);
- the after tax effect of dividends and interest associated with dilutive potential ordinary shares that have been recognised as expenses; and
- other discretionary changes in revenues or expenses during the period that would result from the dilution of potential ordinary shares, divided by the weighted average of ordinary shares and dilutive potential ordinary shares, adjusted for any bonus element.

### t) Leases

Leases are classified at the inception as either operating or finance leases, based on the economic substance of the agreement so as to reflect the risks and benefits incidental to ownership.

#### (i) Group as a lessee

Leases where the lessor retains substantially all the risks and benefits of ownership of the asset are classified as operating leases.

Operating lease payments are recognised as an expense in the income statement on a straight line basis over the lease term. Lease incentives are recognised in the income statement as an integral part of the total lease expense.

#### (ii) Group as a lessor

Leases in which the group retains substantially all the risks and benefits and benefits of ownership of the leased asset are classified as operating leases. Initial direct costs incurred in negotiating an operating lease are added to the carrying amount of the leased asset and recognised as an expense over the lease term on the same basis as rental income.

# Notes to the Consolidated Financial Statements

## For the year ended 30 June 2015

### u) Share-based payment transactions

#### *(i) Equity settled transactions*

The Group provides benefits to directors, employees and other parties in the form of share-based payment transactions, whereby directors, employees and other parties render services in exchange for shares or rights over shares ('equity-settled transactions').

There are currently two plans in place to provide these benefits:

- The Employee Option Incentive Scheme, which provides benefits to directors, executives and other parties
- The Employee Share Ownership Plan, which provides benefits to all employees, excluding KMP

The cost of these equity-settled transactions with directors, employees and consultants is measured by reference to the fair value of the equity instrument at the date at which they are granted. The fair value is determined by using the Black-Scholes model, further details of which are given in Note 26.

In valuing equity-settled transactions, no account is taken of any performance conditions, other than conditions linked to the price of the shares of GWR Group Limited ('market conditions') if applicable.

The cost of equity-settled transactions is recognised, together with a corresponding increase in equity, over the period in which the performance conditions are fulfilled, ending on the date on which the relevant employees become fully entitled to the award ('vesting date').

At each subsequent reporting date until vesting, the cumulative charge to the income statement is the product of the grant date fair value of the award; (ii) the current best estimate of the number of awards that will vest, taking into account such factors as the likelihood of employee turnover during the vesting period and the likelihood of non-market performance conditions being met; and (iii) the expired portion of the vesting period.

The charge to the income statement for the period is the cumulative amount as calculated above less the amounts already charged in previous periods. There is a corresponding credit to equity.

No expense is recognised for awards that do not ultimately vest, except for awards where vesting is conditional upon a market condition.

If the terms of an equity-settled award are modified, as a minimum an expense is recognised as if the terms had not been modified. An additional expense is recognised for any modification that increases the total fair value of the share based payment arrangement, or is otherwise beneficial to the employee, as measured at the date of modification.

If an equity-settled award is cancelled, it is treated as if it had vested on the date of cancellation, and any expense not yet recognised for the award is recognised immediately. However, if a new award is substituted for the cancelled award, and designated as a replacement award on the date that it is granted, the cancelled and new award are treated as if they were modification of the original award, as described in the previous paragraph.

The dilutive effect, if any, of outstanding options is reflected as additional share dilution in the computation of earnings per share.

#### *(ii) Cash settled transactions*

The Group also provides benefits to various parties in the form of cash-settled share based payments, whereby the various parties provides goods and services in exchange for cash, the amounts of which are determined by reference to movements in the price of the shares of GWR Group Limited.

The ultimate cost of these cash-settled transactions will be equal to the actual cash paid to the various parties, which will be the fair value at settlement date.



# Notes to the Consolidated Financial Statements

## For the year ended 30 June 2015

The cumulative cost recognised until settlement is a liability and the periodic determination of this liability is as follows:

- At each reporting date between grant and settlement, the fair value of the award is determined
- During the vesting period, the liability recognised at each reporting date is the fair value of the award at that date multiplied by the expired portion of the vesting period
- From the end of the vesting period until settlement, the liability recognised is the full fair value of the liability at the reporting date.
- All changes in the liability are recognised in profit or loss for the period

The fair value of the liability is determined, initially and at each reporting date until it is settled, by applying a Black-Scholes option pricing model, taking into account the terms and conditions on which the award was granted, and the extent to which employees have rendered service to date (see Note 26).

### v) Comparative figures

When required by Accounting Standards, comparative figures have been adjusted to conform to changes in presentation for the current financial year.

### w) Impairment of assets

The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, the Group makes an estimate of the asset's recoverable amount. An asset's recoverable amount is the higher of its fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets of groups of assets and the asset's value in use cannot be estimated to be close to its fair value. In such cases the asset is tested for impairment as part of the cash-generating unit to which it belongs. When the carrying amount of an asset or cash-generating unit exceeds its recoverable amount, the asset or cash-generating unit is considered impaired and is written down to its recoverable amount.

In assessing the value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Impaired losses relating to continuing operations are recognised in those expense categories consistent with the function of the impaired asset unless the asset is carried at a revalued amount (in which case the impairment loss is treated as a revaluation decrease).

An assessment is also made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the recoverable amount is estimated. A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case the carrying amount of the asset is increased to its recoverable amount. That increase amount cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in profit or loss unless the asset is carried at a revalued amount, in which case the reversal is treated as a revaluation increase. After such a reversal the depreciation charge is adjusted in future periods to allocate the asset's revised carrying amount, less any residual value, on a systematic basis over its remaining useful life.

### x) Fair value of measurements

The Group measures some of its assets and liabilities at fair value on either a recurring or non-recurring basis, depending on the requirements of the applicable Accounting Standard.

Fair value is the price the Group would receive to sell an asset or would have to pay to transfer a liability in an orderly (ie unforced) transaction between independent, knowledgeable and willing market participants at the measurement date.

As fair value is a market-based measure, the closest equivalent observable market pricing information is used to determine fair value. Adjustments to market values may be made having regard to the characteristics of the specific asset or liability. The fair values of assets and liabilities that are not traded in an active market are determined using one or more valuation techniques. These valuation techniques maximise, to the extent possible, the use of observable market data.

# Notes to the Consolidated Financial Statements

## For the year ended 30 June 2015

To the extent possible, market information is extracted from either the principal market for the asset or liability (ie the market with the greatest volume and level of activity for the asset or liability) or, in the absence of such a market, the most advantageous market available to the entity at the end of the reporting period (i.e. the market that maximises the receipts from the sale of the asset or minimises the payments made to transfer the liability, after taking into account transaction costs and transport costs).

For non-financial assets, the fair value measurement also takes into account a market participant's ability to use the asset in its highest and best use or to sell it to another market participant that would use the asset in its highest and best use.

The fair value of liabilities and the entity's own equity instruments (excluding those related to share-based payment arrangements) may be valued, where there is no observable market price in relation to the transfer of such financial instruments, by reference to observable market information where such instruments are held as assets. Where this information is not available, other valuation techniques are adopted and, where significant, are detailed in the respective note to the financial statements.

### *Valuation techniques*

In the absence of an active market for an identical asset or liability, the Group selects and uses one or more valuation techniques to measure the fair value of the asset or liability. The Group selects a valuation technique that is appropriate in the circumstances and for which sufficient data is available to measure fair value. The availability of sufficient and relevant data primarily depends on the specific characteristics of the asset or liability being measured. The valuation techniques selected by the Group are consistent with one or more of the following valuation approaches:

- Market approach: valuation techniques that use prices and other relevant information generated by market transactions for identical or similar assets or liabilities.
- Income approach: valuation techniques that convert estimated future cash flows or income and expenses into a single discounted present value.
- Cost approach: valuation techniques that reflect the current replacement cost of an asset at its current service capacity.

Each valuation technique requires inputs that reflect the assumptions that buyers and sellers would use when pricing the asset or liability, including assumptions about risks. When selecting a valuation technique, the Group gives priority to those techniques that maximise the use of observable inputs and minimise the use of unobservable inputs. Inputs that are developed using market data (such as publicly available information on actual transactions) and reflect the assumptions that buyers and sellers would generally use when pricing the asset or liability are considered observable, whereas inputs for which market data is not available and therefore are developed using the best information available about such assumptions are considered unobservable.

### *Fair value hierarchy*

AASB 13 requires the disclosure of fair value information by level of the fair value hierarchy, which categorises fair value measurements into one of three possible levels based on the lowest level that an input that is significant to the measurement can be categorised into as follows:

#### *Level 1*

Measurements based on quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.

Measurements based on inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly.

#### *Level 2*

Measurements based on inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly.

#### *Level 3*

Measurements based on unobservable inputs for the asset or liability.

# Notes to the Consolidated Financial Statements

## For the year ended 30 June 2015

The fair values of assets and liabilities that are not traded in an active market are determined using one or more valuation techniques. These valuation techniques maximise, to the extent possible, the use of observable market data. If all significant inputs required to measure fair value are observable, the asset or liability is included in Level 2. If one or more significant inputs are not based on observable market data, the asset or liability is included in Level 3.

The Group would change the categorisation within the fair value hierarchy only in the following circumstances:

- (i) if a market that was previously considered active (Level 1) became inactive (Level 2 or Level 3) or vice versa; or
- (ii) if significant inputs that were previously unobservable (Level 3) became observable (Level 2) or vice versa.

When a change in the categorisation occurs, the Group recognises transfers between levels of the fair value hierarchy (i.e. transfers into and out of each level of the fair value hierarchy) on the date the event or change in circumstances occurred.

### Note 3: Financial Risk Management Objectives and Policies

The Group's principal financial instruments comprise cash, short term deposits, trade and other receivables, available for sale investments, trade and other payables and interest bearing liabilities.

The Group's activities expose it to a variety of financial risks: market risk (including interest rate risk), credit risk and liquidity risk. The Group's activities, which mainly comprise of exploration and evaluation work that occurs solely within Australia, do not expose it, at this time, to any foreign currency risk or price risk.

The Group's overall risk management program focuses on the unpredictability of financial markets and seeks to minimize the potential adverse effects on the financial performance of the Group. The main risks arising from the Group's financial instruments are market risk (e.g. interest rate risk), credit risk and liquidity risk.

The Group uses different methods to measure and manage different types of risks to which it is exposed. These include monitoring levels of exposure to interest rate and assessment of market forecasts for interest rates. The Group manages credit risk by only dealing with recognised, creditworthy, third parties and liquidity risk is monitored through the development of future rolling cash flow forecasts.

The Board reviews and agrees procedures for managing each of these risks as summarised below. Primary responsibility for identification and control of financial risks rests with management under the procedures approved by the Board. The Board reviews management's processes for managing each of the risks identified below including future cash flow forecast projections.

#### Risk exposures and responses

##### Market risk

###### *Interest rate risk*

The Group's exposure to market interest rates relates primarily to the Group's cash and cash equivalents, other financial assets and interest bearing liabilities. The Group has provided loans to third parties, which are disclosed under other financial assets (current), at fixed rates of interest and as such does not expose the Group to interest rate risk. Trade and other receivables disclosed in note 11 and Trade and other payables disclosed in note 17 are non-interest bearing.

## Notes to the Consolidated Financial Statements

### For the year ended 30 June 2015

At balance date, the Group had the following mix of financial assets and liabilities exposed to variable interest rate risk:

	Consolidated	
	2015	2014
	\$	\$
<b>Financial assets</b>		
Cash and cash equivalents	14,391,450	18,297,792
Other financial assets (current)	-	67,882
Other financial assets (non-current)	12,000	12,000
	<u>14,403,450</u>	<u>18,377,674</u>
<b>Financial liabilities</b>		
Interest bearing liabilities	-	(127)
<b>Net exposure</b>	<u>14,403,450</u>	<u>18,377,547</u>

The Group's policy is to manage its finance costs using a mix of fixed and variable rate debt. The Group regularly analyses its interest rate exposure. Within this analysis consideration is given to potential renewals of existing positions, alternative financing and the mix of fixed and variable interest rates.

The following sensitivity analysis is based on the interest rate exposures in existence at the balance sheet date after taking into account judgements by management of reasonably possible movements in interest rates after consideration of the views of market commentators over the next twelve months.

At 30 June 2015, if interest rates had moved, as illustrated in the table below, with all other variables held constant, post tax profit and equity would have been affected as follows:

	Post tax profit		Equity	
	Higher/(lower)		Higher/(lower)	
	2015	2014	2015	2014
	\$	\$	\$	\$
<b>Consolidated</b>				
+0.50% (50 basis points)	49,689	91,888	49,689	91,888
-0.25% (25 basis points)	(24,845)	(45,944)	(24,845)	(45,944)

The sensitivity is lower in 2015 than in 2014 for the Group due to a decrease in cash and term deposits.

#### Credit risk

Credit risk arises from the financial assets of the Group, which comprise cash and cash equivalents, trade and other receivables and other financial assets. The Group's exposure to credit risk arises from potential default of the counterparty, with a maximum exposure equal to the carrying amount of these instruments. Exposure at balance date is addressed in each applicable note.

The Group does not hold any credit derivatives to offset its credit exposure. The Group only trades with recognised, creditworthy third parties, and as such collateral is not requested, nor it is the Group's policy to securitise its trade and other receivables.

Financial instruments held by the Group are spread amongst a number of financial institutions all of which have credit ratings of AA or better, to minimise the risk of counterparty default. At balance date the cash and cash equivalents are held by four big financial institutions.

# Notes to the Consolidated Financial Statements

## For the year ended 30 June 2015

### Liquidity risk

Liquidity risk arises from the financial liabilities of the Group and the Group's subsequent ability to meet their obligations to repay their financial liabilities as and when they fall due.

The Group does not have any significant financial liabilities as its objective has been to ensure continuity of funding through the use of ordinary shares. The Group regularly monitors forecasts and actual cash flows and the maturity profiles of its financial assets and liabilities to manage its liquidity risk.

*The remaining contractual maturities of the Group's financial liabilities are:*

	Consolidated	
	2015	2014
	\$	\$
1 month or less	333,269	280,194
1 – 3 months	-	-
Over 3 months	-	-
	<hr/>	<hr/>
	333,269	280,194

At balance date the Group had cash and cash equivalents of \$14,391,450 for its immediate use.

### Fair value

The methods for estimating fair value are outlined in the relevant notes to the financial statements. The fair values of financial assets and liabilities are approximately their carrying values.

### Price risk

Price risk relates to the risk that fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices largely due to demand and supply factors for commodities.

The Group is exposed to gold, tungsten and iron ore commodity price risk. These commodity prices can be volatile and influenced by factors beyond the Company's control. As the Group is engaged in exploration and development activities, no sales of commodities are forecast for the next 12 months, and accordingly, no hedging or derivative transactions have been used to manage commodity price risk.

## Note 4: Significant accounting judgements, estimates and assumptions

### (a) Significant accounting judgements

In the process of applying the Group's accounting policies management has the following significant accounting judgements apart from those involving estimations, which have the most significant effect on the amounts recognised in the financial statements.

#### *Determination of mineral resources and ore reserves*

The Group reports its mineral resources and ore reserves in accordance with the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves, 2004 Edition ('the JORC code') as a minimum standard. The information on mineral resources and ore reserves were prepared by or under the supervision of Competent Persons as defined in the JORC code.

There are numerous uncertainties inherent in estimating mineral resources and ore reserves and assumptions that are valid at the time of estimation may change significantly when new information becomes available.

Changes in the forecast prices of commodities, exchange rates, production costs or recovery rates may change the economic status of reserves and may, ultimately, result in reserves or resources being restated.

# Notes to the Consolidated Financial Statements

## For the year ended 30 June 2015

### (b) Significant accounting estimates and assumptions

The carrying amounts of certain assets and liabilities are often determined based on estimates and assumptions of future events. The key estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of certain assets and liabilities within the next annual reporting period are:

#### *Share-based payment transactions*

The Group measures the cost of equity-settled and cash-settled transactions by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined by using the Black-Scholes model and the assumptions and carrying amount at the reporting date is disclosed in note 26.

#### *Impairment of capitalised acquisition costs on exploration and evaluation projects*

Acquisition costs incurred in acquiring exploration assets are carried forward where right of tenure of the area of interest is current. These costs are carried forward in respect of an area that has not at balance sheet date reached a stage that permits reasonable assessment of the existence of economically recoverable reserves.

The future recoverability of these costs is dependent on a number of factors, including whether the Group decides to exploit the related lease itself or, if not, whether it successfully recovers the related exploration and evaluation asset through sale.

Factors that could impact the future recoverability include the level of reserves and resources, future technological changes, which could impact the cost of mining, future legal changes (including changes to environmental restoration obligations) and changes to commodity prices.

To the extent these capitalised costs are determined not to be recoverable in the future, profits and net assets will be reduced in the period in which this determination is made.

#### *Deferred taxation*

Deferred tax assets are recognised for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, base level of future taxable profits together with future tax planning strategies.

## Note 5: 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 Western Australia. The decision to allocate the resources to individual projects is predominantly based on available cash reserves, technical data and the expectation of future metal price. Accordingly, the Group has identified only one reportable segment, being mineral exploration activities undertaken in Western 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.

# Notes to the Consolidated Financial Statements

For the year ended 30 June 2015

## Note 6: Revenue

Revenue	Consolidated	
	2015	2014
	\$	\$
		(Restated)
Interest received	550,836	841,197
Sundry income	355,373	43,612
	<u>906,209</u>	<u>884,809</u>

## Note 7: Expenses

### (a) Employee expenses

Salary and wages	1,219,765	1,103,597
Superannuation	89,134	82,035
Other employee expenses	71,298	171,947
	<u>1,380,197</u>	<u>1,357,579</u>

### (b) Other expenses

Administration costs	377,323	417,822
Corporate costs	128,966	183,159
Consulting fees	119,223	50,400
Legal costs	52,453	82,668
Occupancy costs	176,539	249,878
Exploration & evaluation expenditure	2,407,336	3,659,124
Impairment – Available-for-sale financial asset (note 21)	83,483	-
Loss on disposal of plant and equipment	47,752	47,956
	<u>3,393,075</u>	<u>4,691,007</u>

# Notes to the Consolidated Financial Statements

For the year ended 30 June 2015

## Note 8: Income tax

	Consolidated	
	2015	2014
	\$	\$
		(Restated)

A reconciliation of income tax expense applicable to accounting profit before income tax at the statutory income tax rate to income tax expense at the company's effective income tax rate is as follows:

Accounting loss before income tax	(4,528,569)	(5,783,103)
At the statutory income tax rate of 30% (2014: 30%)	(1,358,571)	(1,734,930)
Non-deductible expenditure	842	2,849
Tax loss and temporary differences not brought to account as a deferred tax asset	1,474,023	1,848,375
Capital raising costs	(116,294)	(116,294)
At the effective income tax rate of 0% (2014: 0%)	-	-

### Unrecognised deferred tax assets (liabilities)

Deferred tax assets have not been recognised in respect of the following items:

Employee entitlements	159,276	126,777
Trade and other payables	10,844	15,825
Business related expenses	81,483	210,515
Allowance for impairment loss	4,174,092	4,003,966
Tax losses	39,224,458	38,001,829
Deferred tax assets:	43,650,153	42,358,912

Deferred tax liabilities have not been recognised in respect of the following items:

Accrued interest receivable	(31,346)	(73,730)
Plant and equipment	(10,880)	(11,926)
Capitalised exploration & evaluation expenditure	(4,863,000)	(4,863,000)
	(4,905,226)	(4,948,656)

### Net unrecognised deferred tax asset

38,744,927	37,410,256
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Net deferred tax assets have not been recognised because it is not probable that future taxable profit will be available against which the Company can utilise the benefits.



# Notes to the Consolidated Financial Statements

## For the year ended 30 June 2015

### Tax consolidation

The Company and its 100% owned controlled entities have formed a tax consolidated group. Members of the consolidated entity have entered into a tax sharing agreement and a tax funding agreement. The head entity of the tax consolidated group is GWR Group Limited. The tax funding agreement provides for the allocation of current taxes to members of the tax consolidated group. Deferred taxes are allocated to members of the tax consolidated group in accordance with a group allocation approach which is consistent with the principle of AASB 112 Income Taxes.

The consolidated entity's carried forward tax losses at balance date are \$130,748,194 (2014: \$126,672,763).

### Note 9: Loss per share

The following reflects the income and data used in the calculations of basic and diluted loss per share:

	Consolidated	
	2015	2014
	\$	\$
		(Restated)
Loss used in calculating basic and diluted loss per share	(4,528,569)	(5,783,103)
	<b>No. of shares</b>	<b>No. of shares</b>
Weighted average number of ordinary shares used in calculating basic earnings per share:	240,178,059	240,178,059
Basic loss per share in cents	(1.89)	(2.41)
Diluted loss per share is not disclosed as it would not reflect an inferior position.		

### Note 10: Cash and Cash equivalents

	2015	2014
	\$	\$
Cash on hand	1,000	1,000
Cash at bank	194,081	708,765
Term deposits	14,196,369	17,588,027
	<u>14,391,450</u>	<u>18,297,792</u>

### Note 11: Trade and other receivables

Trade receivables	252,204	1,056
Accrued interest	104,487	244,632
Goods and services tax	9,717	12,911
Other receivables	8,377	34,813
	<u>374,785</u>	<u>293,412</u>

As of 30 June 2015 there were no trade and other receivables that have determined impaired or past due.

# Notes to the Consolidated Financial Statements

For the year ended 30 June 2015

## Note 12: Plant and equipment

	Consolidated	
	2015	2014
	\$	\$
Plant and equipment at cost	1,783,582	1,769,851
Less: accumulated depreciation	(1,584,183)	(1,512,429)
	199,399	257,422
Motor vehicles at cost	451,190	451,190
Less: accumulated depreciation	(340,805)	(315,331)
	110,385	135,859
Leasehold improvements at cost	11,317	180,343
Less: accumulated depreciation	(1,468)	(123,193)
	9,849	57,150
Total plant and equipment	319,633	450,431

Reconciliation of the carrying amount for plant and equipment, motor vehicles and leasehold improvements is set out below:

### Plant and Equipment

Carrying amount at beginning of year	257,422	348,337
Additions	13,731	13,613
Disposals	-	-
Depreciation expense	(71,754)	(104,528)
Carrying amount at end of year	199,399	257,422

### Motor vehicles

Carrying amount at beginning of year	135,859	167,211
Additions	-	-
Disposals	-	-
Depreciation expense	(25,474)	(31,352)
Carrying amount at end of year	110,385	135,859

### Leasehold improvements

Carrying amount at beginning of year	57,150	129,504
Additions	11,318	-
Disposals (note 7(b))	(54,803)	(47,956)
Depreciation expense	(3,816)	(24,398)
Carrying amount at end of year	9,849	57,150
Total carrying amount at end of year	319,633	450,431

# Notes to the Consolidated Financial Statements

For the year ended 30 June 2015

## Note 13: Exploration and evaluation expenditure

	Consolidated	
	2015	2014 (Restated)
	\$	\$
Exploration and evaluation expenditure	16,210,000	16,210,000

### (a) Impacts arising from change in accounting policy and the reclassification of comparative financial information

#### (i) Statement of financial position – 1 July 2013 (extract)

	Consolidated		
	1 July 2013	Increase/ (Decrease)	1 July 2013 (Restated)
	\$	\$	\$
<b>Non-current assets</b>			
Exploration & evaluation expenditure	87,222,010	(71,012,010)	16,210,000
<b>Total Non-current assets</b>	89,484,550	(71,012,010)	18,472,540
<b>Net Assets</b>	113,076,598	(71,012,010)	42,064,588
Accumulated Losses	(67,049,058)	(71,012,010)	(138,061,068)
<b>Total Equity</b>	113,076,598	(71,012,010)	42,064,588

#### (ii) Statement of financial position – 30 June 2014 (extract)

	Consolidated		
	30 June 2014	Increase/ (Decrease)	30 June 2014 (Restated)
	\$	\$	\$
<b>Non-current assets</b>			
Exploration & evaluation expenditure	71,546,615	(55,336,615)	16,210,000
<b>Total Non-current assets</b>	73,379,246	(55,336,615)	18,042,631
<b>Net Assets</b>	91,475,942	(55,336,615)	36,139,327
Accumulated Losses	(88,507,556)	(55,336,615)	(143,844,171)
<b>Total Equity</b>	91,475,942	(55,336,615)	36,139,327

# Notes to the Consolidated Financial Statements

## For the year ended 30 June 2015

### (iii) Statement of profit or loss and other comprehensive income – 30 June 2014 (extract)

	30 June 2014	Consolidated (Increase)/ Decrease	30 June 2014 (Restated)
	\$	\$	\$
Revenue	884,809	-	884,809
Employee expenses	(1,357,579)	-	(1,357,579)
Depreciation expense	(160,278)	-	(160,278)
Other expenses	(1,103,056)	(3,587,951)	(4,691,007)
Impairment loss – exploration & evaluation expenditure	(19,263,346)	19,263,346	-
Share of loss of an associate	(459,048)	-	(459,048)
<b>Loss for the year</b>	<b>(21,458,498)</b>	<b>15,675,395</b>	<b>(5,783,103)</b>
Income tax expense	-	-	-
<b>Loss attributable to members of the Parent</b>	<b>(21,458,498)</b>	<b>15,675,395</b>	<b>(5,783,103)</b>
Other comprehensive loss	(142,158)	-	(142,158)
<b>Total comprehensive (loss)/income attributable to owners</b>	<b>(21,600,656)</b>	<b>15,675,395</b>	<b>(5,925,261)</b>

### Note 14: Available-for-sale financial assets current & non-current

	Consolidated	
	2015	2014
	\$	\$
<i>At fair value</i>		
Current: Shares – UK listed <sup>1</sup>	68,009	92,534
Current: Shares – Australian listed <sup>2</sup>	2,850	19,950
<b>Total current</b>	<b>70,859</b>	<b>112,484</b>
Non-current: Shares – Australian listed <sup>3</sup>	-	1,365,000
Non-current: Shares – Australian unlisted <sup>3</sup>	-	-
<b>Total non-current</b>	<b>-</b>	<b>1,365,000</b>
<b>Total Available-for-sale financial assets</b>	<b>70,859</b>	<b>1,477,484</b>

<sup>1</sup> Western Gold Resources Limited wholly owned by GWR Group Limited, holds 1,795,803 ordinary shares in Stratex International Limited ('Stratex') as at 30 June 2015. Stratex is listed on the London Stock Exchange.

# Notes to the Consolidated Financial Statements

## For the year ended 30 June 2015

<sup>2</sup> The Company sold a 100% interest in its Doherty's Project (M57/619) to Classic Minerals Ltd (ASX code: CLZ) on 31 July 2013 for a consideration of \$80,000 cash and the issue of 570,000 fully paid ordinary shares at \$0.09 per share in Classic Minerals Ltd. The Company still holds 570,000 ordinary shares in CLZ as at 30 June 2015.

<sup>3</sup> In the prior year GWR Group Limited acquired a 16.5% interest in ASX listed company Tungsten Mining NL (ASX Code: TGN), the Company held 35 million ordinary shares in TGN. With effect from 1 July 2014, TGN has been accounted for as an associated company as it was deemed that the Company exercised significant influence over TGN from this date (refer note 15).

Available-for-sale investments consist of investments in ordinary shares, and therefore have no fixed maturity date or coupon rate.

### (a) Listed shares

The fair value of listed available-for-sale investments, which are classified as Level 1 financial assets, has been determined directly by reference to published price quotations in an active market.

The Group assesses at each reporting date whether there is objective evidence that an investment or a group of investments is impaired. In the case of share investments classified as available-for-sale, objective evidence would include a significant or prolonged decline in the fair value of the investment below its cost. The determination of what is "significant" or "prolonged" requires judgement. The Group evaluates, among other factors, historical share price movements and the duration or extent to which the fair value of an investment is less than its cost.

A reconciliation of the movement during the year is as follows:

	Consolidated	
	2015	2014
	\$	\$
<b>Cost:</b> Opening balance	1,477,484	136,637
Movements	-	1,451,300
Closing balance	1,477,484	1,587,937
Reclassified as investment in Associate	(1,365,000)	-
Net loss on revaluation of available-for-sale financial assets (note 21)	(41,625)	(110,453)
Fair value at balance date	70,859	1,477,484

### (b) Unlisted shares

The fair value of the unlisted available-for-sale investments, which are classified as Level 3 financial assets, has been estimated using valuation techniques based on assumptions, which are outlined in note 2, that are not supported by observable market prices or rates. Management believes the estimated fair value resulting from the valuation techniques and recorded in the balance sheet and the related impairment charge recorded in the profit and loss account are reasonable and the most appropriate at the balance sheet date.

A reconciliation of the movement during the year is as follows:

	Consolidated	
	2015	2014
	\$	\$
<b>Cost:</b> Opening balance	11,760,000	11,760,000
Movements	-	-
Closing balance	11,760,000	11,760,000
<b>Less:</b> Allowance for impairment loss	(11,760,000)	(11,760,000)
Fair value at balance date	-	-

## Notes to the Consolidated Financial Statements

### For the year ended 30 June 2015

#### Note 15: Investment in an associate

The Company has a 16.03% (June 2014: 19.9%) interest in West Peak Iron Limited ("WPI"), which is an exploration company with a focus on exploration for iron ore in West Africa and Western Australian. WPI is a listed company on the Australian Securities Exchange. During the year the Group took up its entitlement of 16 million shares (a subscription amount of \$160,000) pursuant to a fully underwritten entitlements issue by WPI. These shares were issued on 30 June 2015.

The following table illustrates the summarised financial information of the Company's investment in WPI:

	Consolidated	
	2015	2014
	\$	\$
<i>Share of the associate's statement of financial position:</i>		
Current assets	100,738	9,885
Non-current assets	189	69,137
Current liabilities	(15,603)	(95,344)
Non-current liabilities	-	-
<b>Equity/(deficiency)</b>	<b>85,323</b>	<b>(16,322)</b>
Proportion of the Company's ownership	16.03%	19.9%
<b>Carrying amount of the investment: Opening balance</b>	<b>-</b>	<b>490,753</b>
<i>Share of the associate's loss</i>		
Revenue	20	2,126
Expenses	(95,315)	(461,174)
Loss for the year <sup>1</sup>	(95,295)	(459,048)
Share of the associate's other comprehensive loss		
Exchange difference on translation of foreign operations <sup>1</sup>	13,145	(86,293)
Other comprehensive loss	13,145	(86,293)
<b>Total comprehensive loss</b>	<b>(82,150)</b>	<b>(545,341)</b>
<b>Less: comprehensive loss not recognised</b>	<b>82,150</b>	<b>54,588</b>
	-	-
<b>Additional investment</b>	<b>160,000</b>	-
<b>Carrying amount of the investment: Closing balance <sup>2</sup></b>	<b>160,000</b>	-

1. The share of losses for the year in WPI were unrecognised due to the carrying amount of the investment being reduced to nil prior to the share entitlement issue on the balance date. The share of unrecognised losses to date amount to \$136,738 (2014: \$54,588).
2. At 30 June 2015 the Group held 32,000,000 shares in WPI with a market value of \$448,000.

## Notes to the Consolidated Financial Statements

### For the year ended 30 June 2015

The company has a 16.5% interest in Tungsten Mining NL ("TGN"), which is a listed company on the ASX. With effect from 1 July 2014, TGN has been accounted for as an associated company as it was deemed that the Company exercised significant influence over TGN from this date. TGN is focused on the development and exploitation of tungsten deposits, in particular the advanced Kilba Project in the Ashburton region of Western Australia. The following table illustrates the summarised financial information of the Company's investment in TGN.

	Consolidated	
	2015	2014
	\$	\$
<i>Share of the associate's statement of financial position:</i>		
Current assets	134,730	-
Non-current assets	289,489	-
Current liabilities	(45,948)	-
Non-current liabilities	-	-
<b>Equity</b>	<b>378,271</b>	<b>-</b>
Proportion of the Company's ownership	16.5%	
<b>Carrying amount of the investment: Opening balance</b>	<b>-</b>	<b>-</b>
Reclassification of investment from available for sale	1,365,000	-
Revaluation to original cost	35,000	-
Total cost	1,400,000	-
<i>Share of the associate's loss</i>		
Revenue	25,820	-
Expenses	(586,282)	-
Loss for the year	(560,462)	-
Share of the associate's other comprehensive loss	-	-
<b>Total comprehensive income loss</b>	<b>(560,462)</b>	<b>-</b>
<b>Carrying amount of the investment: Closing balance <sup>1</sup></b>	<b>839,538</b>	<b>-</b>
<b>Total share of loss in associates</b>	<b>(560,462)</b>	<b>(459,048)</b>
<b>Total carrying amount of investments in associates</b>	<b>999,538</b>	<b>-</b>

1. At 30 June 2015 the Group held 35,000,000 shares in TGN with a market value of \$1,400,000.

# Notes to the Consolidated Financial Statements

For the year ended 30 June 2015

## Note 16: Other financial assets

	Consolidated	
	2015	2014
	\$	\$
<b>Non-Current</b>		
Security deposits/bonds	17,200	17,200

## Note 17: Trade and other payables

Trade payables	81,511	93,423
Other payables	51,594	72,573
Accruals	200,164	114,071
	<u>333,269</u>	<u>280,067</u>

## Note 18: Current liabilities

### Interest bearing liabilities

Corporate credit cards <sup>1</sup>	-	127
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<sup>1</sup> Details regarding interest rate risk are disclosed in Note 3

## Note 19: Provisions

### (a) Current

Employee entitlements	150,006	116,813
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### (b) Non Current

Employee entitlements	254,824	305,777
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# Notes to the Consolidated Financial Statements

For the year ended 30 June 2015

## Note 20: Contributed equity

	Consolidated	
	2015	2014
(a) Issued capital	\$	\$
240,178,059 Ordinary fully paid shares (2014: 240,178,059)	153,801,791	153,801,791
	Number	\$
<i>Movement in ordinary shares on issue</i>		
At 1 July 2014	240,178,059	153,801,791
At 30 June 2015	240,178,059	153,801,791

No shares or other equity rights were issued for the period ended 30 June 2015.

## (b) Capital management

When managing capital, management's objective is to ensure the entity continues as a going concern as well as to maintain optimal returns to shareholders and benefits for other stakeholders. Management also aims to maintain a capital structure that ensures the lowest cost of capital available to the entity.

As the equity market is constantly changing, management may issue new shares to provide for future exploration, evaluation and development activity. Management is currently considering a number of options to fund the development of its mining projects which may include the issue of shares and the borrowing of funds. The Group is not subject to any externally imposed capital requirements.

## Note 21: Reserves

	Consolidated	
	2015	2014
	\$	\$
Options reserve	26,309,612	26,309,612
Investments revaluation reserve	(48,450)	(125,308)
Foreign currency translation reserve	(2,597)	(2,597)
	26,258,565	26,181,707

# Notes to the Consolidated Financial Statements

## For the year ended 30 June 2015

<i>Movements:</i>	Consolidated	
	2015	2014
	\$	\$
<b>Options reserve</b>		
Balance at beginning of financial year	26,309,612	26,309,612
Share-based payment expense	-	-
Balance at end of financial year	26,309,612	26,309,612

<i>Movement in options on issue</i>	Number listed	Number unlisted
At 30 June 2013	-	24,600,000
Issue of options	-	-
Options lapsed/expired	-	-
At 30 June 2014	-	24,600,000
Issue of options	-	-
Options lapsed/expired	-	-
At 30 June 2015 <sup>1</sup>	-	24,600,000

Under the company's Employee Option Incentive Scheme

<sup>1</sup> 21,500,000 unlisted options were granted to directors on 21 November 2011; 450,000 unlisted options granted to employees and 250,000 unlisted options granted to a consultant on 21 November 2011; 1,400,000 unlisted options were granted to another consultant on 11 January 2012; 1,000,000 unlisted options granted to an employee on 12 March 2012.

### Investments revaluation reserve

Balance at beginning of financial year	(125,308)	(14,855)
Impairment – Available-for-sale financial asset (note 7)	83,483	-
Reclassification of available-for-sale asset	35,000	-
Net fair value loss on available-for-sale financial assets	(41,625)	(110,453)
Balance at end of financial year	(48,450)	(125,308)

### Foreign currency translation reserve

Balance at beginning of financial year	(2,597)	29,108
Share of the associate's other comprehensive loss	-	(31,705)
Balance at end of financial year	(2,597)	(2,597)

### Note 22: Accumulated losses

Balance at beginning of year	(143,844,171)	(138,061,068)
Loss attributable to members of the Parent	(4,528,569)	(5,783,103)
Balance at end of year	(148,372,740)	(143,844,171)

# Notes to the Consolidated Financial Statements

For the year ended 30 June 2015

## Note 23: Cash flow statement reconciliation

	Consolidated	
	2015 \$	2014 \$ (Restated)
<b>Reconciliation of net cash and cash equivalents used in operating activities to loss after income tax:</b>		
Loss after income tax	(4,528,569)	(5,783,103)
Depreciation	101,044	160,278
Loss on disposal of plant and equipment	47,752	47,956
Share of loss in an associate	560,462	459,048
Impairment – Available-for-sale financial asset	83,483	-
<i>Movements in assets and liabilities</i>		
(Increase) in trade and other receivables and prepayments	(95,713)	(82,550)
Increase/(decrease) in trade and other payables and interest bearing liabilities	53,075	(192,515)
(Decrease)/increase in provisions	(17,760)	44,499
Net cash used in operating activities	<u>(3,796,226)</u>	<u>(5,346,387)</u>

## Note 24: Related party disclosure

### (a) Subsidiaries

	Country of Incorporation	Equity interest	
		2015	2014
Iron West Resources Pty Ltd	Australia	100%	100%
Western Gold Resources Limited	Australia	100%	100%
Wiluna West Gold Pty Ltd	Australia	100%	100%
RWG Minerals Pty Ltd	Australia	100%	0%
NT Tungsten Pty Ltd	Australia	100%	0%

### (b) Ultimate parent

GWR Group Limited is the ultimate parent of the Group.

# Notes to the Consolidated Financial Statements

## For the year ended 30 June 2015

### (c) Associates

#### *Western Peak Iron Limited (WPI)*

In the prior year the Group paid exploration expenditures of \$45,000 (ex. GST) on behalf of WPI, of which \$29,851 (GST inclusive) remains outstanding in Trade Receivables at 30 June 2015 (2014: \$27,000 ex GST).

During the year Group took up its entitlement of 16 million shares (a subscription amount of \$160,000) pursuant to a fully underwritten entitlements issue by WPI (refer note 15).

#### *Tungsten Mining Limited (TGN)*

The Group provides certain management and technical services to TGN as detailed in the table below.

	Consolidated	
	2015	2014
	\$	\$
<i>Services provided to TGN</i>		
Executive management and administration	240,000	-
Occupancy	40,000	-
Exploration and evaluation related activities	267,584	-
	<u>547,584</u>	<u>-</u>

At balance date \$213,608 (GST inclusive) remains outstanding in Trade Receivables from TGN.

### (d) Joint venture/farm-in agreements

#### *Woodley Iron Project*

The Group through its 100% owned subsidiary Iron West Resources Pty Ltd ("Iron West") has withdrawn from this farm-in agreement with no interest in the project earned or obligation remaining.

#### *Earaheedy Lee Steere Project*

In the prior year, the Group via its subsidiary Iron West entered into an agreement with ASX listed Company Dragon Energy Ltd ('Dragon') to farm in to the Lee Steere Project in Earraheedy Basin. Dragon is the tenement holder and holds the iron rights for the tenements being subject to a joint venture with Polaris Metals Pty Ltd a wholly owned subsidiary of Mineral Resources Limited. Under the Farm-in Agreement, the Group is required to undertake a minimum spend of \$350,000 by 21 December 2015 and can earn a 55% interest in the tenements and iron ore rights by spending \$845,000 on exploration, development and mining costs.

In the current year, a deed of variation was entered into with Dragon extending completion date to 21 December 2015 or such later date as varied by agreement. This project has incurred \$291,970 in costs with further commitments of explorations costs of \$58,030 required by 21 December 2015.

#### *Hatches Creek Project*

On 16 January 2015 the Group via its 100% owned subsidiary NT Tungsten Pty Ltd entered into a binding Heads of Agreement to farm into the Hatches Creek Tungsten Project in the Northern Territory held by ASX listed Arunta Resources Ltd. GWR will earn a 50% interest in the Project by spending \$1.5m on development and exploration within two years from the execution date unless extended due to the occurrence of a force majeure event.

# Notes to the Consolidated Financial Statements

## For the year ended 30 June 2015

### (e) Key management personnel

Other than those disclosed in Note 25, no other transactions with key management personnel occurred during the year.

### (f) Transactions with related parties

#### *Law Developments Pty Ltd (Law)*

Law is controlled by the Company's Non-executive Deputy Chairman Tan Sri Dato' Tien Seng Law. The Company has entered into an office lease agreement with Law at normal commercial terms for the period from 22 August 2014 to 21 August 2016. The agreement includes a two year extension option at the Company's discretion.

For year ended 30 June 2015 the Company incurred \$163,879 in expenses in relation to this agreement, with no amounts due or outstanding to Law at balance date.

#### *Endeavour Corporate Pty Ltd (Endeavour)*

Company Secretary, Mark Pitts is a Partner at corporate advisory firm Endeavour. The Company engaged Endeavour to provide accounting services during the year amounting to \$6,075. This amount remained payable at balance date.

### (g) Terms and conditions of transactions with related parties

Outstanding balances at year-end are interest free and have no fixed repayment terms.

## Note 25: Key management personnel disclosures

	Consolidated	
	2015	2014
<b>Compensation for key management personnel</b>	<b>\$</b>	<b>\$</b>
Compensation by category:		
Short-term	953,924	1,086,883
Post employment	82,480	73,709
Long-term	6,689	5,781
Termination	-	-
	<u>1,043,093</u>	<u>1,166,373</u>

## Note 26: Share based payments

### Equity-settled share based payment transactions

#### (a) Options

##### *Types of share-based payment plans*

The Company has a formal Employee Option Incentive Scheme ('the Scheme') for employees and directors. The purpose of the scheme is designed to align participant's interests with those of shareholders by increasing the value in the Company's shares and well as reward, incentivise and retain employees and directors.

Under the Scheme, options will only be issued to an Eligible Person who is also a Related Party of the Company after the members of the Company have approved by resolution the proposed issue, if such approval is required by the Listing Rules of the *Corporations Act* or both. The exercise price for options is determined with reference to the market value of the Company's shares at the time of resolving to make the offer. The options will be issued with no vesting conditions. On exercise, each option is convertible to one ordinary share within 10 business days of the receipt of the exercise notice and payment of the exercise price in Australian dollars. Options are to be for a term not exceeding five years from the date of issue, or such longer term as the members in general meeting approve. If an eligible person ceases to be an eligible person, any options held by them will automatically lapse except if the person ceases to be an eligible person by reason of retirement at age 55 or over after not less than five years' service as an employee, permanent disability, or death, in which case options may be exercised within three months of that event happening

## Notes to the Consolidated Financial Statements

### For the year ended 30 June 2015

and if not exercised in that period options shall lapse. The options issued under the scheme carry no dividend or voting rights.

The Board decides which employee or director is eligible to receive the options and the number of options. The Board may, subject to applicable laws, impose any conditions on the exercise of options such as vesting conditions and performance conditions.

Under the Scheme, the exercise price must be at least the weighted average market price of a Share on the ASX over the last five trading days preceding the date of the relevant offer. The contractual life of each option is five years or such other time as shareholders approve in a general meeting.

#### *Summaries of options granted*

The following table illustrates the number (No.) and weighted average exercise prices (WAEP) of, and movements in, share options issued during the year:

	2015 No.	2015 WAEP	2014 No.	2014 WAEP
Outstanding at beginning of year	24,600,000	\$0.575	24,600,000	\$0.575
Granted during the year <sup>1</sup>	-	-	-	-
Lapsed during the year	-	-	-	-
Exercised during the year <sup>2</sup>	-	-	-	-
Outstanding at end of year	24,600,000	\$0.575	24,600,000	\$0.575
Exercisable at end of year	24,600,000	\$0.575	24,600,000	\$0.575

1. No options were issued for both financial years.

2. No options were exercised in both financial years.

The outstanding balances as at 30 June 2015 are represented by:

Grant date	Exercise date	Expiry date	Exercise price	Number
21 November 2011	21 November 2011	22 November 2015	\$0.575	21,500,000
21 November 2011	21 November 2011	04 January 2016	\$0.575	700,000
11 January 2012	11 January 2012	22 February 2016	\$0.575	1,400,000
12 March 2012	12 March 2012	22 March 2016	\$0.575	1,000,000
<b>Total</b>				<b>24,600,000</b>

#### *Weighted average remaining contractual life*

The weighted average remaining contractual life for the share options outstanding as at 30 June 2015 is 0.43 years (2015: 1.43 years).

#### *Range of exercise price*

The exercise prices for options outstanding at the end of the year was \$0.575 (2014: \$0.575).

#### *Weighted average fair value*

The weighted average fair value of options granted during the year was \$Nil (2014: \$Nil).

# Notes to the Consolidated Financial Statements

## For the year ended 30 June 2015

### (b) Shares

#### *Types of share-based payment plans*

##### *Tax Discount Employee Share Ownership Plan (ESOP)*

Shares are granted to employees with more than 12 months' service, and or pro-rata to employees with more than 3 months' services. The ESOP was designed to recognise the efforts all employees' contribution to the Company's success and enhance the loyalty and relationships already formed between the Company and its employees.

The value of Shares offered to each employee under the ESOP is limited to \$1,000 per annum and the share price is based on the market price at the time when the shares are issued. No shares were granted to employees under ESOP during the years ended 30 June 2015 and 30 June 2014.

### Note 27: Remuneration of auditors

	Consolidated	
	2015	2014
	\$	\$
Amount paid or due and payable to Stantons International for:		
Audit services	39,634	34,684
Other services	-	-
	<u>39,634</u>	<u>34,684</u>

The Auditors did not receive any other benefit during the year.

### Note 28: Commitments for expenditure

#### **Annual Tenement 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. Assuming the Group wish to maintain the rights to tenure for these tenements in accordance with the terms of the agreements as at balance date the obligations, which are not provided for in the accounts, are as follows:

	Consolidated	
	2015	2014
	\$	\$
Less than one year	534,250	816,067
Between one and five years	5,557,100	5,083,825
More than five years	15,298,000	15,385,800
	<u>21,389,350</u>	<u>21,285,692</u>

# Notes to the Consolidated Financial Statements

For the year ended 30 June 2015

	Consolidated	
	2015	2014
	\$	\$
<b>Office rental commitments</b>		
Less than one year	142,000	155,756
Between one and five years	20,736	498,397
More than five years	-	-
	<hr/>	<hr/>
	162,736	654,153
	<hr/>	<hr/>
<b>Key management personnel contract commitments</b>		
Less than one year	-	-
Between one and five years	-	-
More than five years	-	-
	<hr/>	<hr/>
	-	-
	<hr/>	<hr/>

## Commitments relating to joint venture project

The Company via its subsidiary Iron West Resources Pty Ltd has commitments of solely spending minimum exploration costs of \$58,030 (2014: \$156,000) by 21 December 2015.

## Note 29: Contingencies

The Group is not aware of any significant contingencies as at the end of the financial year.

## Note 30: Events after balance date

There has not arisen in the interval between the end of the financial period and the date of this report any item, transaction or event of a material and unusual nature likely, in the opinion of the directors, to affect significantly the operations of the Group, the results of those operations, or the state of affairs of the Group in the future financial year.



# Notes to the Consolidated Financial Statements

For the year ended 30 June 2015

## Note 31: Parent entity disclosures

### (a) Financial position

	Parent	
	2015	2014
	\$	\$
		(Restated)
<b>Assets</b>		
Current assets	14,868,341	20,349,110
Non-current assets	17,548,183	18,259,039
Total assets	<u>32,416,524</u>	<u>38,608,149</u>
<b>Liabilities</b>		
Current liabilities	470,684	389,751
Non-current liabilities	254,823	305,777
Total liabilities	<u>725,507</u>	<u>695,528</u>
<b>Equity</b>		
Contributed equity	153,801,791	153,801,791
Accumulated losses	(148,369,339)	(142,129,835)
<b>Reserves</b>		
Reserves	26,258,565	26,240,665
Total equity	<u>31,691,017</u>	<u>37,912,621</u>
<b>(b) Financial performance</b>		
Profit/(loss) for the year	(6,239,505)	(31,623,534)
Other comprehensive income/(loss)	17,900	(98,055)
Total comprehensive income	<u>(6,221,605)</u>	<u>(31,721,589)</u>

### c) Contingencies

The Company is not aware of any significant contingencies as at the end of the financial year.

# Notes to the Consolidated Financial Statements

## For the year ended 30 June 2015

### d) Commitments for expenditure

#### Annual Tenement expenditure commitments

In order to maintain current rights of tenure to mining tenements, the Parent has discretionary minimum tenement expenditure requirements and lease rentals. Assuming the Parent wish to maintain the rights to tenure for these tenements in accordance with the terms of the agreements as at balance date the obligations, which are not provided for in the accounts, are as follows:

	Parent	
	2015	2014
	\$	\$
Less than one year	254,000	816,067
Between one and five years	5,217,100	5,083,825
More than five years	15,298,000	15,385,800
	<u>20,769,100</u>	<u>21,285,692</u>
<b>Office rental commitments</b>		
Less than one year	142,000	155,756
Between one and five years	20,736	498,397
More than five years	-	-
	<u>162,736</u>	<u>654,153</u>

## Directors' Declaration

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

1. In the opinion of the directors:
  - (a) The financial statements and notes of GWR Group Limited for the financial year ended 30 June 2015 are in accordance with the Corporations Act 2001, including:
    - (i) Giving a true and fair view of the Group's financial position as at 30 June 2015 and of its performance for the year then ended; and
    - (ii) Complying with Accounting Standards (including the Australian Accounting Interpretations) and Corporations Regulations 2001.
  - (b) The financial statements and notes also comply with International Financial Reporting Standards as disclosed in note 2(b).
  - (c) There are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.
  
2. This declaration has been made after receiving the declarations required to be made to the Directors in accordance with section 295A of the Corporations Act 2001 for the financial year ended 30 June 2015.

On behalf of the Directors,



Gary Lyons  
**Director**

Dated at Perth, this 25<sup>h</sup> day of September, 2015

# Independent Audit Report

Stantons International Audit and Consulting Pty Ltd  
trading as

**Stantons International**  
Chartered Accountants and Consultants

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

### Report on the Financial Report

We have audited the accompanying financial report of GWR Group Limited, which comprises the consolidated statement of financial position as at 30 June 2015, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the year's end or from time to time during the financial year.

#### *Directors' responsibility for the Financial Report*

The directors of the Company are responsible for the preparation of the 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 financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error. In note 2(b), the directors also state, in accordance with Australian Accounting Standard AASB 101 Presentation of Financial Statements, that the financial statements comply with International Financial Reporting Standards.

#### *Auditor's responsibility*

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the company's preparation of the financial report that gives a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

#### *Independence*

In conducting our audit, we have complied with the independence requirements of the *Corporations Act 2001*.

Liability limited by a scheme approved  
under Professional Standards Legislation

Member of Russell Bedford International



# Independent Audit Report

## Stantons International

### *Opinion*

In our opinion:

- (a) the financial report of GWR Group Limited is in accordance with the *Corporations Act 2001*, including:
  - (i) giving a true and fair view of the consolidated entity's financial position as at 30 June 2015 and of its performance for the year ended on that date; and
  - (ii) complying with Australian Accounting Standards and the Corporations Regulations 2001.
- (b) the consolidated financial report also complies with International Financial Reporting Standards as disclosed in note 2(b).

### **Report on the Remuneration Report**

We have audited the remuneration report included in pages 11 to 18 of the directors' report for the year ended 30 June 2015. The directors of the Company are responsible for the preparation and presentation of the remuneration report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the remuneration report, based on our audit conducted in accordance with Australian Auditing Standards.

### *Opinion*

In our opinion the remuneration report of GWR Group Limited for the year ended 30 June 2015 complies with section 300A of the *Corporations Act 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  
25 September 2015

## Additional Information

### Security holder information as at 25 September 2015

#### Distribution schedule and number of holders of equity securities

Category	1-1,000	1,001 – 5,000	5,001 – 10,000	10,001 – 100,000	100,001 +	Total
Listed shares	502	578	206	392	95	1,773
Director options	-	-	-	-	7	7
Staff options	-	-	-	-	5	5
Consultant options	-	-	-	-	1	1

Number of holders holding less than a marketable parcel of fully paid ordinary shares is 1348.

#### 20 largest holders of quoted equity securities

Ordinary shares (GWR)

	Name	No. of ordinary fully paid shares held	Percentage of issued shares held
1	NEFCO NOM PL	43,980,907	18.31
2	CITICORP NOM PL	40,087,180	16.69
3	HSBC CUSTODY NOM AUST LTD	36,238,931	15.09
4	BNP PARIBAS NOMS PL	19,360,761	8.06
5	HUNAN VALIN STEEL CO LTD	14,400,000	6.00
6	MAXIM GROWTH CAP LTD	11,900,000	4.95
7	AUST CONGLIN INTNL INV GR	7,213,099	3.00
8	CALAIS GRP LTD	5,000,000	2.08
9	RUBICON NOM PL	4,646,849	1.93
10	J P MORGAN NOM AUST LTD	4,644,978	1.93
11	NATIONAL NOM LTD	4,126,125	1.72
12	UOB KAY HIAN PRIVATE LTD	3,631,161	1.51
13	WILSON MICHAEL REGINALD	2,645,548	1.10
14	BONACCORSO GARRY	1,685,000	0.70
15	YIJIAN INV CO LTD	1,600,000	0.67
16	RUDD ALAN PAUL	1,292,014	0.54
17	RHB SEC SINGAPORE PTE LTD	1,215,963	0.51
18	BRETNALL DENE	1,000,000	0.42
19	JOSEPH NEVILLE	845,504	0.35
20	BRAN NEW PL	804,570	0.33

The registered holding HSBC Custody Nominees Aust Ltd includes 27,012,450 shares beneficially owned by Wynnes Investment Holding Ltd (and associates) related entities of Tan Sri Data' Tien Seng Law. Refer to the Substantial Shareholders information on the following page.

#### Voting rights

Article 15 of the Constitution specifies that on a show of hands, every member present in person, by attorney or by proxy, shall have:

- For every fully paid share held by them, one vote
- For every share which is not fully paid, a fraction of the vote equal to the amount paid up on the share over the nominal value of the shares.

## Additional Information

### Security holder information as at 25 September 2015

#### Substantial shareholders

The following substantial shareholders are recorded with the most recent notifications lodged:

Name	Ordinary shares no.	%
Wynnes Investment Holding Ltd	27,012,450	11.25%
Joyful Winner Holding Ltd	20,696,660	8.62%
Hunan Valin Steel Co Ltd	14,400,000	6.00%

#### On-market buy back

There is no current on-market buy back.

#### Restricted securities

The Company has no restricted securities on issue.

#### Options exercisable

The Company has no listed options exercisable.

#### Unquoted securities on issue

Unquoted securities	Number on issue	Exercise price	Expiry date
Director options	21,500,000	\$0.58	22/11/2015
Staff options	1,700,000	\$0.58	04/01/2016 – 22/03/2016
Consultant options	1,400,000	\$0.58	22/02/2016

#### Securities

Securities	Name	Number of Securities
Consultant options	Septimus Investments Pty Ltd	1,400,000

#### Voting rights

Holders of options are not entitled to vote at a General Meeting of Members in person, by proxy, or upon a poll, in respect of their option holding.

## Additional Information

### Tenement Interests as at 25 September 2015

Location	Tenement	Percentage held
<b>Western Australia</b>		
Wiluna West	E53/1089-I	80%
Wiluna West	ELA53/1842	100%
Wiluna West	G57/9	100%
Wiluna West	G57/10	100%
Wiluna West	L53/115	100%
Wiluna West	L53/146	100%
Wiluna West	L53/147	100%
Wiluna West	L53/148	100%
Wiluna West	L53/154	100%
Wiluna West	L53/177	100%
Wiluna West	L53/178	100%
Wiluna West	L53/179	100%
Wiluna West	L53/190	100%
Wiluna West	M53/971-I	100%
Wiluna West	M53/972-I	100%
Wiluna West	M53/1016-I	100%
Wiluna West	M53/1017-I	100%
Wiluna West	M53/1018-I	100%
Wiluna West	M53/1078-I	80%
Wiluna West	M53/1087-I	100%
Wiluna West	MLA53/1096	100%
Earaheedy	E69/3284	100%
Earaheedy	ELA69/3405	100%
Lee Steere Farm-in	E69/2126-I	0%
Lee Steere Farm-in	E69/2377-I	0%
Nardoo Well	E09/2114	100%
Lake MacLeod	ELA08/2684	100%
Twin Hills	E29/950	100%
Ted Well	ELA09/2141	100%
<b>Northern Territory</b>		
Hatches Creek	EL22912	0%
Hatches Creek	EL23463	0%



# Annual Mineral Resources and Reserves Statement

As at 30 June 2015

## Annual Review

The Company has conducted a review of its mineral resources and ore reserves. As set out below, this review did not reveal any material change to the mineral resource and ore reserve information previously announced and since the Company's 2014 Annual Report.

The Wiluna West Project is located approximately 35 kilometres south west of Wiluna. The project area hosts both iron ore and gold deposits.

## Wiluna West Iron Project

### Resources

As at 30 June 2015, total JORC (2004) measured, indicated and inferred mineral resources were as follows:

#### Wiluna West Iron Ore Project - Mineral Resource Reported above a 50% cut-off

Classification	Tonnes (Mt)	Fe %	SiO <sub>2</sub> %	Al <sub>2</sub> O <sub>3</sub> %	P %	LOI %
Measured	3.7	59.6	7.8	2.5	0.09	4.0
Indicated	77.2	60.3	7.4	2.4	0.05	3.6
Inferred	49.5	59.6	7.3	2.5	0.05	3.9
<b>Total</b>	<b>130.3</b>	<b>60.0</b>	<b>7.4</b>	<b>2.4</b>	<b>0.06</b>	<b>3.6</b>

### Reserves

As at 30 June 2015, total JORC (2004) proven and probable ore reserves were:

#### Wiluna West Iron Ore Project - Reserve Estimate Reported Above a 50% cut-off

Classification	Tonnes (Mt)	Fe %	SiO <sub>2</sub> %	Al <sub>2</sub> O <sub>3</sub> %	P %	LOI %
Proven	2.9	59.7	7.6	2.6	0.07	4.0
Probable	66.4	60.3	7.2	2.5	0.05	3.6
<b>Total</b>	<b>69.2</b>	<b>60.3</b>	<b>7.2</b>	<b>2.5</b>	<b>0.05</b>	<b>3.6</b>

The Mineral Resource and Reserve Statements for the Wiluna West Iron Project were published pursuant to ASX announcements dated 8 July 2011 and 1 August 2011 respectively and are prepared in accordance with the 2004 edition of the JORC Code.

# Annual Mineral Resources and Reserves Statement

As at 30 June 2015

## Wiluna West Gold Project

### Resources

As at 30 June 2015, total JORC (2004) indicated and inferred mineral resources were as follows:

#### Wiluna West Gold Project - Mineral Resource Reported above a 1.0g/t cut-off

Classification	Tonnes	Au g/t	Ounces
Indicated	46,000	3.5	5,200
Inferred	3,432,000	2.3	253,000
<b>Total</b>	<b>3,478,000</b>	<b>2.3</b>	<b>258,200</b>

The Mineral Resource Statement for the Wiluna West Gold Project was published pursuant to ASX announcement dated 14 June 2010 and is prepared in accordance with the 2004 edition of the JORC Code.

### Governance and Internal Controls - Reserve and Resource Calculations

The Company used third party resource consultants to estimate its ore reserves and resources at Wiluna West according to the 2004 CORC Code, as have previously been reported.

No further mineral resource estimations or upgrading work has been undertaken on any of the Company's projects since the mandatory introduction of the 2012 JORC Code on 1 December 2013, and the Company is not aware of any additional information that would have a material effect on the estimates as reported.

Due to the nature, stage and size of the Company's existing operations, the Board believes there would be no efficiencies gained by establishing a separate mineral reserves and resources committee responsible for reviewing and monitoring the Company's processes for calculating mineral reserves and resources and for ensuring that the appropriate internal controls are applied to such calculations.

The Company will report any future mineral reserves and resources estimates in accordance with the 2012 JORC Code.

### Competent Person's Statement

*The information in this Annual Mineral Resources and Ore Reserves Statement is based on, and fairly represents information and supporting documentation reviewed by Mr Allen Maynard, a Competent Person who is a Member of the Australian Institute of Geosciences ("AIG"), a Corporate Member of the Australasian Institute of Mining & Metallurgy ("AusIMM") and independent consultant to the Company. Mr Maynard is the Director and principal geologist of Al Maynard & Associates Pty Ltd and has over 35 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 2004 Edition of the "Australasian Code for reporting of Exploration Results, Exploration Targets, Mineral Resources and Ore Reserves (2004 JORC Code) and the 2012 Edition of the "Australasian Code for reporting of Exploration Results, Exploration Targets, Mineral Resources and Ore Reserves" (2012 JORC Code). Mr Maynard consents to the inclusion in the report of the matters based on this information in the form and context in which it appears.*

# CORPORATE DIRECTORY

## Board of directors:

Gary Lyons (Non-executive chairman)  
Tan Sri Dato' Tien Seng Law (Non-executive deputy chairman)  
Mick Wilson (Executive director)  
Datuk Chin An Lau (Non-executive director)  
Kong Leng (Jimmy) Lee (Non-executive director)  
Teck Siong Wong (Alternate for Mr Law)

## Chief Executive Officer

Craig Ferrier

## Company Secretary:

Mark Pitts

## Principal and registered office:

97 Outram Street  
WEST PERTH, WESTERN AUSTRALIA 6005

PO Box 517  
WEST PERTH, WESTERN AUSTRALIA 6872  
Telephone: +61 8 9322 6666  
Facsimile: +61 8 9322 2370  
Email: [admin@gwrgroup.com.au](mailto:admin@gwrgroup.com.au)  
Website: [www.gwrgroup.com.au](http://www.gwrgroup.com.au)

## Issued capital as at 30 June 2015:

Fully paid ordinary shares: 240,178,059  
Options: 24,600,000

## Auditors:

Stantons International  
Level 2, 1 Walker Avenue  
WEST PERTH, WESTERN AUSTRALIA 6005  
Telephone: +61 8 9481 3188  
Facsimile: +61 8 9321 1204

## Bankers:

National Australia Bank Limited  
6/259 Bannister Road  
CANNING VALE, WESTERN AUSTRALIA 6155

## Share registry:

Security Transfer Registrars Pty Ltd  
770 Canning Highway  
APPLECROSS, WESTERN AUSTRALIA 6153  
Telephone: +61 8 9315 2333  
Facsimile: +61 8 9315 2233

## Solicitors:

Bennett & Co  
Ground Floor, BGC Centre  
28 The Esplanade  
PERTH, WESTERN AUSTRALIA 6000  
Telephone: +61 8 6316 2200  
Facsimile: +61 8 6316 2211

## Stock exchange:

Australian Securities Exchange Limited

## Company code:

GWR

## Definitions:

'GWR' and 'the Company' means GWR Group Limited  
ABN 54 102 622 051



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GWR Group Limited  
ABN 54 102 622 051