

GWR Group Limited

ACN 102 622 051

NOTICE OF ANNUAL GENERAL MEETING AND EXPLANATORY MEMORANDUM

Date of General Meeting: Tuesday, 29 November 2016
Time of General Meeting: 9:00am (WST)
Place of General Meeting: BGC Centre Conference Centre
BGC Centre 28 The Esplanade
Perth WA 6000

GWR Group Limited

ACN 102 622 051

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Annual General Meeting of the Shareholders of GWR Group Limited will be held at the BGC Conference Centre, BGC Centre, 28 The Esplanade Perth, Western Australia on Tuesday, 29 November 2016 at 9.00am (WST).

An Explanatory Memorandum containing information in relation to each of the following matters to be considered at the meeting accompanies and forms part of this Notice.

AGENDA

FINANCIAL, DIRECTORS' AND AUDITOR'S REPORT

To receive and consider the Financial Report, Directors' Report and Auditor's Report of the Company and its controlled entities for the financial year ended 30 June 2016.

1. RESOLUTION 1 - ADOPTION OF REMUNERATION REPORT

To consider and if thought fit, pass the following resolution as an ordinary resolution:

"That for the purposes of section 250R(2) of the Corporations Act, the Remuneration Report for the financial year ended 30 June 2016 be adopted."

2. RESOLUTION 2 - RE-ELECTION OF DIRECTOR – MR GARY LYONS

To consider and if thought fit, pass the following resolution as an ordinary resolution:

"That for the purposes of section 7.3(a) of the Company's Constitution, Gary Lyons, who retires and offers himself for re-election is re-elected as a director."

3. RESOLUTION 3 - GRANT OF SHARES IN LIEU OF FEES TO MR GARY LYONS

To consider and, if thought fit, to pass the following resolution as an ordinary resolution:

"That for the purposes of Listing Rule 10.11 and for all other purposes, Shareholders approve the grant of up to 1,155,940 Shares to Mr Gary Lyons or his nominee in lieu of his accrued director fees on the terms and conditions set out in the Explanatory Memorandum accompanying the Notice of Meeting."

A voting exclusion statement for Resolution 3 is set out below Resolution 6.

4. RESOLUTION 4 - GRANT OF SHARES IN LIEU OF FEES TO TAN SRI DATO' TIEN SENG LAW

To consider and, if thought fit, to pass the following resolution as an ordinary resolution:

"That for the purposes of Listing Rule 10.11 and for all other purposes, Shareholders approve the grant of up to 706,407 Shares to Tan Sri Dato' Tien Seng Law or his nominee in lieu of accrued director fees on the terms and conditions set out in the Explanatory Memorandum accompanying the Notice of Meeting."

A voting exclusion statement for Resolution 4 is set out below Resolution 6.

5. **RESOLUTION 5 - GRANT OF SHARES IN LIEU OF FEES TO MR KONG LENG LEE**

To consider and, if thought fit, to pass the following resolution as an ordinary resolution:

"That for the purposes of Listing Rule 10.11 and for all other purposes, Shareholders approve the grant of up to 706,407 Shares to Mr Kong Leng Lee or his nominee in lieu of accrued director fees on the terms and conditions set out in the Explanatory Memorandum accompanying the Notice of Meeting."

A voting exclusion statement for Resolution 5 is set out below Resolution 6.

6. **RESOLUTION 6 - GRANT OF SHARES IN LIEU OF FEES TO DATUK CHIN AN LAU**

To consider and, if thought fit, to pass the following resolution as an ordinary resolution:

"That for the purposes of Listing Rule 10.11 and for all other purposes, Shareholders approve the grant of up to 706,407 Shares to Datuk Chin An Lau or his nominee in lieu of accrued director fees on the terms and conditions set out in the Explanatory Memorandum accompanying the Notice of Meeting."

Voting Exclusion for Resolutions 3 to 6 (inclusive)

The Company will disregard any votes cast on Resolutions 3, 4, 5 or 6 respectively by:

- a) the relevant Director and any person who is to receive the securities the subject of the relevant Resolution;
- b) any person who might obtain a benefit if the relevant Resolution is passed, except a benefit solely in the capacity of a holder of ordinary securities; and
- c) any associates of the persons excluded from voting pursuant to paragraphs (a) and (b) above.

Notwithstanding the above, the Company will not disregard a vote on Resolution 3, 4, 5 or 6 respectively if it is cast by:

- a) a person as proxy for a person who is entitled to vote in accordance with the directions on the proxy form; or
- b) the person chairing the meeting as a proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

Further, a Restricted Voter who is appointed as a proxy will not vote on Resolution 3, 4, 5 or 6 respectively if the appointment does not specify the way the proxy is to vote on the Resolution, unless the proxy is the Chair of the Meeting and the appointment expressly authorises the Chair to exercise the proxy even though the Resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel.

Shareholders should note that the Chair intends to vote any undirected proxies in favour of Resolutions 3 to 6 (inclusive). Shareholders may also choose to direct the Chair to vote against any of Resolutions 3 to 6 (inclusive) or to abstain from voting.

7. **RESOLUTION 7 - APPROVAL OF OPTION ISSUE TO EMPLOYEES**

To consider, and if thought fit, to pass with or without amendment, the following resolution as an ordinary resolution:

"That, pursuant to and in accordance with Listing Rule 7.1 and for all other purposes, Shareholders approve the issue of up to 10,000,000 unlisted Options to Employees of the Company, on the terms and conditions set out in the Explanatory Memorandum."

Voting Exclusion: The Company will disregard any votes cast on Resolution 7 by the relevant employees and any person who is to receive the securities the subject of the relevant Resolution; any person who might obtain a benefit if the relevant Resolution is passed, except a benefit solely in the capacity of a holder of ordinary securities, and any associates of those persons respectively.

Notwithstanding the above, the Company will not disregard a vote if it is cast by a person as proxy for a person who is entitled to vote in accordance with the directions on the proxy form, or the person chairing the meeting as a proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

Shareholders should note that the Chair intends to vote any undirected proxies in favour of Resolution 7. Shareholders may also choose to direct the Chair to vote against Resolution 7 or to abstain from voting.

8. RESOLUTION 8 - APPROVAL OF GRANT OF OPTIONS TO GARY LYONS

To consider and if thought fit, pass the following resolution as an ordinary resolution:

“That in accordance with ASX Listing Rule 10.11 and Chapter 2E of the Corporations Act, Shareholders approve the grant of 4,000,000 options to Gary Lyons or his nominee on the terms and conditions in the Explanatory Memorandum.”

A voting exclusion statement for Resolution 8 is set out below Resolution 12.

9. RESOLUTION 9 - APPROVAL OF GRANT OF OPTIONS TO TAN SRI DATO TIEN SENG LAW

To consider and if thought fit, pass the following resolution as an ordinary resolution:

“That in accordance with ASX Listing Rule 10.11 and Chapter 2E of the Corporations Act, Shareholders approve the grant of 4,000,000 options to Tan Sri Dato Tien Seng Law or his nominee on the terms and conditions in the Explanatory Memorandum.”

A voting exclusion statement for Resolution 9 is set out below Resolution 12.

10. RESOLUTION 10 - APPROVAL OF GRANT OF OPTIONS TO DATUK CHIN AN LAU

To consider and if thought fit, pass the following resolution as an ordinary resolution:

“That in accordance with ASX Listing Rule 10.11 and Chapter 2E of the Corporations Act, Shareholders approve the grant of 4,000,000 options to Datuk Chin An Lau or his nominee on the terms and conditions in the Explanatory Memorandum.”

A voting exclusion statement for Resolution 10 is set out below Resolution 12.

11. RESOLUTION 11 - APPROVAL OF GRANT OF OPTIONS TO MICHAEL WILSON

To consider and if thought fit, pass the following resolution as an ordinary resolution:

“That in accordance with ASX Listing Rule 10.11 and Chapter 2E of the Corporations Act, Shareholders approve the grant of 4,000,000 options to Michael Wilson or his nominee on the terms and conditions in the Explanatory Memorandum.”

A voting exclusion statement for Resolution 11 is set out below Resolution 12.

12. RESOLUTION 12 - APPROVAL OF GRANT OF OPTIONS TO KONG LENG LEE

To consider and if thought fit, pass the following resolution as an ordinary resolution:

“That in accordance with ASX Listing Rule 10.11 and Chapter 2E of the Corporations Act, Shareholders approve the grant of 4,000,000 options to Kong Leng Lee or his nominee on the terms and conditions in the Explanatory Memorandum.”

Voting Exclusion for Resolutions 8 to 12 (inclusive)

The Company will disregard any votes cast on Resolutions 8, 9, 10,11 or 12 respectively by:

- a) the relevant Director and any person who is to receive the securities the subject of the relevant Resolution;
- b) any person who might obtain a benefit if the relevant Resolution is passed, except a benefit solely in the capacity of a holder of ordinary securities; and
- c) any associates of the persons excluded from voting pursuant to paragraphs (a) and (b) above.

Notwithstanding the above, the Company will not disregard a vote on Resolution 8, 9, 10, 11 or 12 respectively if it is cast by:

- c) a person as proxy for a person who is entitled to vote in accordance with the directions on the proxy form; or
- d) the person chairing the meeting as a proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

Further, a Restricted Voter who is appointed as a proxy will not vote on Resolution 8, 9, 10, 11 or 12 respectively if the appointment does not specify the way the proxy is to vote on the Resolution, unless the proxy is the Chair of the Meeting and the appointment expressly authorises the Chair to exercise the proxy even though the Resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel.

Shareholders should note that the Chair intends to vote any undirected proxies in favour of Resolutions 8 to 12 (inclusive). Shareholders may also choose to direct the Chair to vote against any of Resolutions 8 to 12 (inclusive) or to abstain from voting.

Dated this 10th day of October 2016

BY ORDER OF THE BOARD



Mark Pitts
Company Secretary

GWR Group Limited

ACN 102 622 051

NOTICE OF ANNUAL GENERAL MEETING

GENERAL NOTES

1. With respect to Agenda Item 1, the vote on this item is advisory only and does not bind the Directors of the Company. However, the Board will take the outcome of the vote into consideration when reviewing the remuneration practices and policies of the Company.

The Chairman of the meeting intends to vote undirected proxies that are able to be voted, in favour of the adoption of the remuneration report.

2. **Voting Prohibition Statement:** A vote on Agenda Item 1 must not be cast (in any capacity) by or on behalf of any Key Management Personnel (which includes the Directors of the Company), details of whose remuneration are included in the Remuneration Report, or any Closely Related Party of such Key Management Personnel.

However, a person described above may vote on Agenda Item 1 if the person does so as a proxy appointed by writing, that specifies how the proxy is to vote on the Resolution, or where no voting directions have been given and the proxy is the Chairman of the meeting and votes consistent with the stated intention to vote valid undirected proxies, and the vote is not cast on behalf of a member of the Key Management Personnel details of whose remuneration are included in the Remuneration Report or any Closely Related Party of such Key Management Personnel.

3. The Explanatory Statement to Shareholders attached to this Notice of General Meeting is hereby incorporated into and forms part of this Notice of General Meeting.
4. The Directors have determined in accordance with Regulation 7.11.37 of the Corporations Regulations that, for the purposes of voting at the meeting, shares will be taken to be held by the registered holders at 5.00pm (WST) on 27th November 2016.
5. The Chairman will allow a reasonable opportunity for shareholders at the meeting to ask questions about or make comments on the management of the Company.
6. A Proxy Form accompanies this Notice of Meeting and to be effective must be received at the Company's registered office by no later than 9.00am on 27 November 2016 refer to the Proxy Form for details.

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DEFINITIONS

For assistance in considering the Notice and accompanying Explanatory Memorandum, the following words are defined here:

AGM or Annual General Meeting means the 2016 annual general meeting of the Company.

ASX means ASX Limited ACN 008 624 691.

Auditor's Report means the auditor's report on the Financial Report.

Board means the board of Directors of the Company.

Chairman means the chairman of the Annual General Meeting.

Closely Related Party means, in relation to a member of Key Management Personnel: (a) a spouse or child of the member, (b) a child of the member's spouse; (c) a dependent of the member or the member's spouse; (d) anyone else who is one of the member's family and may be expected to influence the member, or be influenced by the member, in the member's dealing with the entity; (e) a company the member controls; or (f) a person prescribed by the regulations, as defined in the Corporations Act.

Company means GWR Group Limited ABN 54102 622 051.

Constitution means the constitution of the Company.

Corporations Act means the *Corporations Act 2001* (Commonwealth).

Director means a director of the Company.

Directors' Report means the annual directors' report prepared under chapter 2M of the Corporations Act for the Company and its controlled entities.

Employees means full time and part time employees, contractors and consultants to the Company

Explanatory Memorandum means the explanatory memorandum enclosed with and comprising part of this notice of annual general meeting.

Financial Report means the 2016 annual financial report prepared under chapter 2M of the Corporations Act for the Company and its controlled entities.

Key Management Personnel means those persons details of whose remuneration are included in the Remuneration Report having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly, including any Director (whether executive or otherwise), as defined in the Corporations Act.

Notice means this notice of annual general meeting.

Option means an option to acquire a Share.

Proxy Form means the proxy form enclosed with the Notice.

Remuneration Report means the remuneration report of the Company contained in the Directors' Report.

Resolutions means the resolutions proposed in the Notice.

Restricted Voter means someone defined as Key Management Personnel or a Closely Related Party.

Share means a fully paid ordinary share in the capital of the Company.

Shareholder means a shareholder of the Company.

WST means Australian Western Standard Time.

GWR Group Limited

ACN 102 622 051

EXPLANATORY MEMORANDUM

This Explanatory Memorandum is intended to provide Shareholders with information to assess the merits of the resolutions contained in the accompanying Notice.

The Directors recommend Shareholders read this Explanatory Memorandum in full before making any decision in relation to the resolutions.

The following information should be noted in respect of the various matters contained in the accompanying Notice.

Financial, Directors' and Auditors Report

The Financial Report, Director's Report and Auditor's Report for the Company for the year ending 30 June 2016 will be laid before the AGM.

There is no requirement for the Shareholders to approve these reports. However, the Chairman will allow a reasonable opportunity for Shareholders to ask questions or make comments about those reports. Shareholders will also be given a reasonable opportunity to ask the auditor questions about the conduct of the audit and the preparation and content of the Auditor's report.

In addition to taking questions at the AGM, written questions to the Company's auditors about:

- the preparation and content of the Auditor's report;
- the conduct of the audit;
- accounting policies adopted by the Company in relation to the preparation of the financial statements; and
- the independence of the auditor in relation to the conduct of the audit,

may be submitted no later than 5 business days before the AGM date to the Company Secretary at the Company's registered office at 97 Outram Street, West Perth, WA 6005 or sent by facsimile to the registered office on (08) 9322 2370.

Resolution 1: Adoption of Remuneration Report

The Corporations Act requires that at a listed company's annual general meeting, a resolution that the remuneration report be adopted must be put to the shareholders. However, such a resolution is advisory only and does not bind the Directors or the Company.

The Remuneration Report sets out the Company's remuneration arrangements for the Directors and senior management of the Company. The Remuneration Report is part of the Directors' report contained in the annual financial report of the Company for the financial year ending 30 June 2016.

A reasonable opportunity will be provided for discussion of the Remuneration Report at the Annual General Meeting.

The Board considers that its current practices of setting executive and non-executive remuneration are within normal industry expectations, and provides an effective balance between the need to attract and retain the services of the highly skilled key management personnel that the Company requires.

EXPLANATORY MEMORANDUM

Resolution 1: Adoption of Remuneration Report (continued)

If at least 25% of the votes cast in relation to the Remuneration Report are voted against adoption of the Remuneration Report at two consecutive Annual General Meetings, the Company is required to put to Shareholders a resolution proposing the calling of general meeting to consider the appointment of directors of the Company. If more than 50% of Shareholders vote in favour of that resolution, the Company must convene another general meeting within 90 days. All of the Directors who were in office when the Company's Directors' report was approved, other than the Managing Director of the Company, will cease to hold office immediately before the end of the meeting but may stand for re-election.

If you choose to appoint a proxy you are encouraged **to direct your proxy how to vote** on Resolution 1 by marking either **For, Against or Abstain** on the voting form.

If you appoint the Chairman as your proxy, and you do not direct your proxy how to vote on Resolution 1 on the proxy form **you acknowledge that the Chairman will exercise your proxy, in line with his stated intention, even if he has an interest in the outcome of the resolution.**

Please note if you appoint the Chair of the Meeting as your proxy, the appointment expressly authorises the Chair to exercise the proxy even though the resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel.

The Chairman of the meeting intends to vote undirected proxies that are able to be voted in favour of the adoption of the remuneration report.

The Remuneration Report has been approved by Shareholders at every AGM of the Company and at the most recent AGM in 2015 the Remuneration Report was approved unanimously on a show of hands.

Resolution 2: Re-election of Director – GARY LYONS

Mr Lyons is a successful and well respected Perth based businessman; being a shareholder and the Managing Director of the Heiniger Groups 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 of the Group.

Resolutions 3 to 6: Grant of Shares to Directors in lieu of Fees

The Company is actively trying to conserve its cash reserves so as to allow it to maximise exploration of its existing projects as well as capitalise on new opportunities as they arise.

The Directors have agreed that, subject to obtaining the required Shareholder approval, a proportion (50%) of their accrued fees for the period from 1 October 2015 to 30 September 2016 will be satisfied by the issue of Shares.

The table below sets out the fees or remuneration per annum each Director was entitled to for the period from 1 October 2015 to 30 September 2016:

Director	Fees or remuneration applicable for the period from 1 October 2015 to 30 September 2016 including superannuation	
	Per annum	Per month
Gary Lyons	\$90,000	\$7,500.00
Tien Seng Law	\$55,000	\$4,583.33
Kong Leng Lee	\$55,000	\$4,583.33
Chin An Lau	\$55,000	\$4,583.33

Resolutions 3 to 6 (inclusive) seek Shareholder approval for the purposes of Listing Rule 10.11 to allow the outstanding proportion (50%) of the Directors' remuneration or fees that have accrued for the period 1 October 2015 to 30 September 2016, as set out in the table below (**Accrued Remuneration**) to be satisfied by the issue of the number of Shares set out in the table below (**Remuneration Shares**).

Director	Outstanding fees accrued for the period 1 Oct 2015 to 30 Sept 2016 Per Month (50%)	Total Accrued Remuneration for the period	Number of Remuneration Shares to be issued to satisfy Total Accrued Remuneration¹
Gary Lyons	\$3,750.00	\$45,000.00	1,155,940
Tien Seng Law	\$2,292.00	\$27,500.00	706,407
Kong Leng Lee	\$2,292.00	\$27,500.00	706,407
Chin An Lau	\$2,292.00	\$27,500.00	706,407
Total		\$ 127,500.00	3,275,161

If Resolutions 3 to 6 (inclusive) are not approved, then the Company will need to pay the Directors a total of \$127,500.00 for the outstanding accrued fees for the period from 1 October 2015 to 30 September 2016 (inclusive).

Chapter 2E of the Corporations Act

The grant of Shares to Directors will constitute the giving of a financial benefit to a related party of the Company, for which member approval is usually required pursuant to section 208 of the Corporations Act.

There are various exceptions to the requirement for member approval, including, in accordance with section 211 of the Corporations Act, where the benefit is remuneration to a related party as an officer or employee of the Company, and to give the remuneration would be reasonable given:

- the circumstances of the Company; and
- the related party's circumstances (including the responsibilities involved in the office or employment).

The Board is of the view that the exception in section 211 of the Corporations Act is relevant to the financial benefits to be granted to the Directors. Each Director is of the view that the proposed Share issue in relation to each of the other Directors is part of a reasonable remuneration package for that Director, given that the Share issue is in lieu of the payment of cash director's fees.

Accordingly, the Company is not seeking the approval of members under section 208 of the Corporations Act.

Listing Rule disclosures

As the issue of the Remuneration Shares comprises the issue of securities to a related party of the Company, Shareholder approval pursuant to ASX Listing Rule 10.11 is required unless an exception applies. It is the view of the Directors that the exceptions set out in ASX Listing Rule 10.12 do not apply in the current circumstances. Accordingly, Shareholder approval is sought for the issue of the Remuneration Shares under ASX Listing Rule 10.11.

¹ The number of Remuneration Shares has been calculated on a monthly basis, using the amount of the Accrued Remuneration for the relevant month and the VWAP of trading in the Shares for that month and then in total for the period 1 October 2015 to 30 September 2016 (inclusive). Details of the relevant monthly VWAPs are set out below.

Listing Rule 10.13 requires the following further information to be provided in relation to the Remuneration Shares which may be granted pursuant to Resolutions 3 to 6:

- * The Remuneration Shares will be allotted and issued to the Directors (or their nominee), in accordance with the table above.
- * The maximum total number of Remuneration Shares to be issued to each Director or the nominee is set out in the table above (and the total maximum is 3,165,552).
- * The Remuneration Shares will be issued no later than 1 month after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the ASX Listing Rules).
- * The issue price of the Remuneration Shares was calculated on a monthly basis using the VWAP for each month for the period 1 October 2015 to 30 September 2016 as follows:

October	VWAP - \$0.052
November	VWAP - \$0.041
December	VWAP - \$0.040
January	VWAP - \$0.035
February	VWAP - \$0.034
March	VWAP - \$0.042
April	VWAP - \$0.035
May	VWAP - \$0.046
June	VWAP - \$0.043
July	VWAP - \$0.039
August	VWAP - \$0.041
September	VWAP - \$0.029

- * The Remuneration Shares will be fully paid and will rank equally in all respects with existing Shares.
- * A voting exclusion statement for Resolutions 3 to 6 (inclusive) is included in the Notice. The Chairman will vote undirected proxies in favour of each Resolution.
- * No funds will be raised from the issue of the Remuneration Shares, which will be issued in lieu of director's fees but the Company's liability in relation to the Accrued Remuneration will be fully satisfied.

In respect of Resolutions 3 to 6 inclusive, if the Resolution is passed (and approval is therefore obtained for the purposes of ASX Listing Rule 10.11), further shareholder approval is not required under ASX Listing Rule 7.1, and the securities issued pursuant to the Resolution will not be included in the calculation of the Company's 15% annual placement capacity pursuant to ASX Listing Rule 7.1.

Resolution 7 – Grant of Options to Employees

The Company is actively trying to conserve its cash reserves and to provide an adequate incentive to its Employees (incorporating contractors and consultants) to retain them and to ensure their goals are aligned to those of our shareholders. The Directors' seek approval to issue up to 10,000,000 unlisted options to acquire ordinary shares.

The Company proposes to issue the Options to Employees including the senior executives to provide an incentive aligned to the performance of the Company. The Options will vest in three tranches, with the second and third tranches subject to certain Key Performance Indicators (KPI's) to be determined by the Board. The terms are set out in Appendix A, but the key terms are as follows:

- a) 20% of the Options will vest on grant (tranche 1), they will be exercisable by payment of 4 cents on or before 48 months from the date of issue;
- b) 20% of the Options will vest on the achievement of certain KPI's relevant to the option recipients (tranche 2), they will be exercisable by payment of 5 cents on or before 48 months from the date of issue;
- c) 60% of the Options will vest on the achievement of certain KPI's relevant to the option recipients (tranche 3), they will be exercisable by payment of 6 cents on or before 48 months from the date of issue.

The Company is able to issue the Options the subject of Resolution 7 without prior Shareholder approval out of its 15% annual placement capacity under ASX listing Rule 7.1. However, the Shareholder approval sought under Resolution 7 for the Option issue means that the Company's 15% placement capacity under listing Rule 7.1 will not be reduced and the Company will retain the flexibility to issue equity securities in the future in accordance with Listing Rule 7.1 without the requirement to obtain prior Shareholder approval.

Listing Rule disclosures

Listing Rule 7.1 requires that the following information be provided to shareholders for the purpose of obtaining shareholder approval for Resolution 5 pursuant to Listing Rule 7.3:

- d) the maximum number of Employee Options to be issued is 10,000,000;
- e) the Employee Options will be issued to Company employees, contractors and consultants or their nominees;
- f) the unlisted Options will be issued for nil cash consideration and are exercisable in three tranches by payment of 4, 5 and 6 cents respectively on or before 48 months from the date of issue. The first tranche will vest on grant, the second and third tranches will vest subject to the certain KPI's to be determined;
- g) the Employees are not related parties of the Company;
- h) the Employee Options are to be allotted either progressively or in one amount as an incentive, but in any event will be issued within three months of the date of this meeting. No funds will be raised from the issue as the Options are to be issued for nil cash consideration;
- i) a voting exclusion statement is included in the resolution.

The Chairman intends to vote all available proxies in favour of Resolution 7.

Resolution 8 to 12 – Grant of Options to Directors

Resolutions 8 to 12 seek Shareholder approval in accordance with Listing Rule 10.11 and Chapter 2E of the Corporations Act for the grant of a total of 20,000,000 Director Options (Options) to the Directors (or their nominees) as follows:

The Options are unlisted but are transferable. No application for quotation of the Options will be made by the Company.

The Board considers the issue of Options pursuant to Resolutions 8 to 12 to be reasonable in the circumstances given the Company's size, stage of development, and the need to attract and retain directors of high calibre, whilst still maintaining cash reserves. Given the speculative nature of the Company's activities and the small management team responsible for its running, it is considered the performance of the Directors and the performance and value of the Company are closely related. As such, the Director Options proposed to be granted will generally only be of benefit if the Directors perform to the level whereby the value of the Company increases sufficiently to warrant exercising those Director Options.

Reason approval required

Shareholder approval is required under Listing Rule 10.11 and section 208 of the Corporations Act because the Directors are related parties of the Company.

If Shareholder approval is given under Listing Rule 10.11, approval is not required under Listing Rule 7.1.

Furthermore, Shareholder approval of the issue of Options means that the grant will not reduce the Company's 15% placement capacity under Listing Rule 7.1.

Specific information required by Listing Rule 10.13 and section 219 of the Corporations Act

Listing Rule 10.13 and section 219 of the Corporations Act require that the following information be provided to Shareholders for the purpose of obtaining Shareholder approval for the grant:

- a) 4,000,000 Options will be offered to each of the Directors (or their nominees), equating to 20,000,000 in total.
- b) the unlisted Options will issued for nil cash consideration and are exercisable in three tranches by payment of 4, 5 and 6 cents respectively on or before 48 months from the date of vesting. The first tranche (20%) will vest on grant; the second tranche (20%) will vest 12 months from the date of issue and the third tranche (60%) will vest 24 months from the date of issue;
- c) the Options will be unlisted and transferable only with the consent of the Company. No application for quotation of the Options will be made by the Company.
- d) The full terms and conditions of the Options are set out in Appendix B.
- e) The Company will issue the Options no later than one month after the date of the Meeting or such longer period of time as ASX may in its discretion allow.
- f) the dilutive effect if all of the Options granted are exercised is as follows:

Current number of Shares on issue	¹ 242,282,737
Number of Options to be granted under Resolution 6	20,000,000
Dilution effect if all Options granted are exercised	8.25%

¹. Shares on issue does not incorporate the shares to be issued to non-executive directors in lieu of fees the subject of resolutions 3, 4, 5 and 6.

- g) the current relevant interests in security holdings of the Directors are set out below.

	Current Shareholding ¹	Current Option Holding
Gary Lyons	1,061,121	-
Tan Sri Dato Tien Seng Law	27,315,342	-
Datuk Chin An Lau	648,950	-
Kong Leng Lee	453,950	-
Michael Wilson	2,645,548	-

¹. Shares shown in this table do not incorporate the shares to be issued to non-executive directors in lieu of fees the subject of resolutions 3, 4, 5 and 6.

- h) a voting exclusion statement is included in the Notice.
- i) no funds will be raised by the grant of the Options as they are being issued for nil consideration.
- j) remuneration of the Directors in the twelve months to 30 June 2016 was as follows:

	Salary / Director Fees	Non-monetary Benefit	Super	Share based Payments	Long Service Leave	Termination Benefits	Consulting Fees	Total
	\$		\$	\$	\$	\$	\$	\$
Gary Lyons	82,193	-	8,995	-	-	-	10,663	101,851
Tan Sri D TS Law	55,000	-	-	-	-	-	-	55,000
Datuk Chin An Lau	50,229	-	5,030	-	-	-	2,722	57,981
Kong Leng Lee	50,229	-	4,772	-	-	-	39,500	94,501
Michael Wilson	271,215	-	25,765	-	17,950	4,759	-	319,689

- k) On the basis of the assumptions below the Company has determined the economic value of one Option for each tranche is approximately as follows; Tranche 1 A\$0.0139; Tranche 2 A\$0.0122; and Tranche 3 A\$0.0109. This valuation imputes a total value of A\$235,200 to the Options.

The value may go up or down after that date as it will depend on the future price of a Share. Black & Scholes methodology has been used, together with the following assumptions:

- interest rate set at 1.59% which is based on indicative rate of the capital market bonds by the Reserve bank of Australia for a similar term;
 - the date of valuation for the purposes of settling the current market value of a Share is 3 October 2016;
 - at this date the Share price was A\$0.03 which is the price used in the valuation;
 - the exercise price of \$0.04; \$0.05; and \$0.06 respectively for each tranche;
 - volatility of 70%; and
 - the Options will be exercisable in accordance with their terms.
- l) The market price of Shares would normally determine whether the Directors will exercise the Options or not. If the Options are exercised at a price that is lower than the price at which Shares are trading on ASX, there may be a perceived cost to the Company.
- m) Historical share price information for the last twelve months is as follows:

	Price	Date
Highest	\$0.057	26/10/2015
Lowest	\$0.015	22/09/2016
Last	\$0.03	7/10/2016

- n) Other than the information above and otherwise in this Explanatory Memorandum, the Company believes that there is no other information that would be reasonably required by Shareholders to consider Resolutions 8 to 12.

Directors' recommendation and basis of recommendation

All of the Directors will benefit from the issuance of options as outlined above and in Resolutions 8 to 12 and so they decline to make a recommendation to Shareholders.

The Chairman intends to vote all available proxies in favour of Resolutions 8 to 12.

Questions and Comments

The Chairman will allow a reasonable opportunity for Shareholders to ask questions about or make comments on the management of the Company.

Appendix A – Terms and Conditions of Employee Options

(a) Entitlement

The Options entitle the holder to subscribe for one (1) Share upon the exercise of each Option.

(b) Tranche Vesting Conditions and Exercise Price

The Options will be issued in three Tranches each with different vesting and exercise conditions, Options are able to vest whilst the recipient remains an employed by or contracted to the Company, unvested Options will lapse if an employee or contractor is terminated, subject to the discretion of the Board.

Tranche 1 (20% of allotment) – will vest on grant and will have an exercise price of \$0.04.

Tranche 2 (20% of allotment) – will vest on achievement of certain Key Performance Indicators to be determined by the Board and will have an exercise price of \$0.05.

Tranche 3 (60% of allotment) – will vest on achievement of certain Key Performance Indicators to be determined by the Board and will have an exercise price of \$0.06.

(c) Expiry Date

Four years after the date of issue.

(d) Exercise Period

The Options are exercisable at any time on or prior to the Expiry Date, subject to clause (b)

(e) Notice of Exercise

The Options may be exercised by notice in writing to the Company and payment of the Exercise Price for each Option being exercised. Any notice of exercise of an Option received by the Company will be deemed to be a notice of the exercise of that Option as at the date of receipt.

(f) Shares Issued on Exercise

Shares issued on exercise of the Options rank equally with the Shares of the Company.

(g) Quotation of Shares on Exercise

Application will be made by the Company to ASX for official quotation of the Shares issued upon the exercise of the Options.

(h) Timing of issue of Shares

After an Option is validly exercised, the Company must as soon as possible:

(i) issue the Share; and

(ii) do all such acts matters and things to obtain

(A) the grant of quotation for the Share on ASX no later than 5 days from the date of exercise of the Option; and

(B) receipt of cleared funds equal to the sum payable on the exercise of the Options.

(i) Participation in New Issues

There are no participation rights or entitlements inherent in the Options and holder will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Options.

However, the Company will ensure that for the purposes of determining entitlements to any such issue, the record date will be at least ten business days after the issue is announced. This will give the holder of Options the opportunity to exercise their Options prior to the date for determining entitlements to participate in any such issue.

(j) Adjustment for Bonus Issues of Shares

If the Company makes a bonus issue of Shares or other securities to existing Shareholders (other than an issue in lieu or in satisfaction, of dividends or by way of dividend reinvestment):

- (i) the number of Shares which must be issued on the exercise of an Option will be increased by the number of Shares which the Option holder would have received if the Option holder had exercised the Option before the record date for the bonus issue; and
- (ii) no change will be made to the Exercise Price.

(k) Adjustment for Rights Issue

If the Company makes an issue of Shares pro rata to existing Shareholders (other than an issue in lieu of or in satisfaction of dividends or by way of dividend reinvestment) the Exercise Price of an Option will be reduced according to the following formula:

$$\text{New exercise price} = O - \frac{E [P - (S+D)]}{N+1}$$

O = the old Exercise Price of the Option.

E = the number of underlying Shares into which one (1) Option is exercisable.

P = average market price per Share weighted by reference to volume of the underlying Shares during the 5 trading days ending on the day before the ex rights date or ex entitlements date.

S = the subscription price of a Share under the pro rata issue.

D = the dividend due but not yet paid on the existing underlying Shares (except those to be issued under the pro rata issue).

N = the number of Shares with rights or entitlements that must be held to receive a right to one (1) new share.

(l) Adjustments for Reorganisation

If there is any reconstruction of the issued share capital of the Company, the rights of the Option holder may be varied to comply with the Listing Rules which apply to the reconstruction at the time of the reconstruction.

(m) Quotation of Options

The Options will be unlisted Options. No application for quotation of the Options will be made by the Company.

(n) Options transferable

The Options are transferable with the consent of the Company.

(o) Lodgement Instructions

Cheques shall be in Australian currency made payable to the Company and crossed "Not Negotiable". The application for shares on exercise of the Options with the appropriate remittance should be lodged at the Company's share registry.

Appendix B – Terms and Conditions of Director Options

- (a) Entitlement
The Options entitle the holder to subscribe for one (1) Share upon the exercise of each Option.
- (b) Tranche Vesting Conditions and Exercise Price
The Options will be issued in three Tranches each with different vesting and exercise conditions, Options are able to vest whilst the recipient remains employed by the Company, unvested Options will lapse if the recipient is terminated, subject to the discretion of the Board.
- Tranche 1 (20% of allotment) – will vest on grant and will have an exercise price of \$0.04.
- Tranche 2 (20% of allotment) – will vest 12 months from the date of issue and will have an exercise price of \$0.05.
- Tranche 3 (60% of allotment) – will vest 24 months from the date of issue and will have an exercise price of \$0.06.
- (c) Expiry Date
Four years after the date of issue.
- (d) Exercise Period
The Options are exercisable at any time on or prior to the Expiry Date, subject to clause (b)
- (e) Notice of Exercise
The Options may be exercised by notice in writing to the Company and payment of the Exercise Price for each Option being exercised. Any notice of exercise of an Option received by the Company will be deemed to be a notice of the exercise of that Option as at the date of receipt.
- (f) Shares Issued on Exercise
Shares issued on exercise of the Options rank equally with the Shares of the Company.
- (g) Quotation of Shares on Exercise
Application will be made by the Company to ASX for official quotation of the Shares issued upon the exercise of the Options.
- (h) Timing of issue of Shares
After an Option is validly exercised, the Company must as soon as possible:
- (i) issue the Share; and
- (ii) do all such acts matters and things to obtain
- (A) the grant of quotation for the Share on ASX no later than 5 days from the date of exercise of the Option; and
- (B) receipt of cleared funds equal to the sum payable on the exercise of the Options.
- (i) Participation in New Issues
There are no participation rights or entitlements inherent in the Options and holder will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Options.
- However, the Company will ensure that for the purposes of determining entitlements to any such issue, the record date will be at least ten business days after the issue is announced. This will give the holder of Options the opportunity to exercise their Options prior to the date for determining entitlements to participate in any such issue.

(j) Adjustment for Bonus Issues of Shares

If the Company makes a bonus issue of Shares or other securities to existing Shareholders (other than an issue in lieu or in satisfaction, of dividends or by way of dividend reinvestment):

(iii) the number of Shares which must be issued on the exercise of an Option will be increased by the number of Shares which the Option holder would have received if the Option holder had exercised the Option before the record date for the bonus issue; and

(iv) no change will be made to the Exercise Price.

(k) Adjustment for Rights Issue

If the Company makes an issue of Shares pro rata to existing Shareholders (other than an issue in lieu of or in satisfaction of dividends or by way of dividend reinvestment) the Exercise Price of an Option will be reduced according to the following formula:

$$\text{New exercise price} = O - \frac{E [P - (S+D)]}{N+1}$$

O = the old Exercise Price of the Option.

E = the number of underlying Shares into which one (1) Option is exercisable.

P = average market price per Share weighted by reference to volume of the underlying Shares during the 5 trading days ending on the day before the ex rights date or ex entitlements date.

S = the subscription price of a Share under the pro rata issue.

D = the dividend due but not yet paid on the existing underlying Shares (except those to be issued under the pro rata issue).

N = the number of Shares with rights or entitlements that must be held to receive a right to one (1) new share.

(l) Adjustments for Reorganisation

If there is any reconstruction of the issued share capital of the Company, the rights of the Option holder may be varied to comply with the Listing Rules which apply to the reconstruction at the time of the reconstruction.

(m) Quotation of Options

The Options will be unlisted Options. No application for quotation of the Options will be made by the Company..

(n) Options transferable

The Options are transferable with the consent of the Company.

(o) Lodgement Instructions

Cheques shall be in Australian currency made payable to the Company and crossed "Not Negotiable". The application for shares on exercise of the Options with the appropriate remittance should be lodged at the Company's share registry.



ANNUAL GENERAL MEETING

I/We

of

being a member of GWR Group Limited entitled to attend and vote at the Annual General Meeting, hereby Appoint

Name of proxy

OR the Chair of the Annual General Meeting as your proxy

or failing the person so named or, if no person is named, the Chair of the Annual General Meeting, or the Chair's nominee, to vote in accordance with the following directions, or, if no directions have been given, as the proxy sees fit, at the Annual General Meeting to be held at the BGC Conference Centre, Ground Floor 28 The Esplanade, Perth 6000, Western Australia at 9:00am WST on Tuesday, 29 November 2016, and at any adjournment thereof.

AUTHORITY FOR CHAIR TO VOTE UNDIRECTED PROXIES ON REMUNERATION RELATED RESOLUTIONS

Where I/we have appointed the Chair as my/our proxy (or where the Chair becomes my/our proxy by default), I/we expressly authorise the Chair to exercise my/our proxy on Resolutions 1 and 3 to 12 even though Resolutions 1 and 3 to 12 are connected directly or indirectly with the remuneration of a member of the Key Management Personnel, which includes the Chair.

CHAIR'S VOTING INTENTION IN RELATION TO UNDIRECTED PROXIES

The Chair intends to vote undirected proxies in favour of all Resolutions. In exceptional circumstances the Chair may change his/her voting intention on any Resolution. In the event this occurs an ASX announcement will be made immediately disclosing the reasons for the change.

Voting on Business of the Annual General Meeting

		FOR	AGAINST	ABSTAIN
Resolution 1	Adoption of Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 2	Re-election of Director – Gary Lyons	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 3	Grant of Shares to Mr Gary Lyons in Lieu of fees	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 4	Grant of Shares to Tan Sri Dato' Tien Seng Law in Lieu of fees	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 5	Grant of Shares to Mr Kong Leng Lee in Lieu of fees	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 6	Grant of Shares to Datuk Chin An Lau in Lieu of fees	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 7	Grant of Options to Employees	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 8	Grant of Options to Mr Gary Lyons	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 9	Grant of Options to Tan Sri Dato Tien Seng Law	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 10	Grant of Options to Datuk Chin An Lau	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 11	Grant of Options Michael Wilson	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 12	Grant of Options Kong Leng Lee	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Please note: If you mark the abstain box for a particular Resolution, you are directing your proxy not to vote on that Resolution on a show of hands or on a poll and your votes will not to be counted in computing the required majority on a poll.

If two proxies are being appointed, the proportion of voting rights this proxy represents is _____%

Signature of Member(s): _____ Date: _____

Individual or Member 1

 Sole Director/Company Secretary

Member 2

 Director

Member 3

 Director/Company Secretary

Contact Name: _____ Contact Ph (daytime): _____

E-mail Address: _____ Consent for contact by e-mail YES NO



Instructions for Completing 'Appointment of Proxy' Form

1. A Shareholder entitled to attend and vote at a meeting is entitled to appoint not more than two proxies to attend and vote on their behalf. Where more than one proxy is appointed, such proxy must be allocated a proportion of the shareholder's voting rights. If the Shareholder appoints two proxies and the appointment does not specify this proportion, each proxy may exercise half the votes.
2. A duly appointed proxy need not be a Shareholder of the Company. In the case of joint holders, all must sign.
3. Corporate Shareholders should comply with the execution requirements set out on the proxy form or otherwise with the provisions of Section 127 of the Corporations Act. Section 127 of the Corporations Act provides that a company may execute a document without using its common seal if the document is signed by:
 - Directors of the Company;
 - a Director and a company secretary of the Company; or
 - for a proprietary company that has a sole Director who is also the sole company secretary – that Director.

For the Company to rely on the assumptions set out in Section 129(5) and (6) of the Corporations Act, a document must appear to have been executed in accordance with Section 127(1) or (2). This effectively means that the status of the persons signing the document or witnessing the affixing of the seal must be set out and conform to the requirements of Section 127(1) or (2) as applicable. In particular, a person who witnesses the affixing of a common seal and who is the sole Director and sole company secretary of the company must state that next to his or her signature.

4. Completion of a proxy form will not prevent individual shareholders from attending the meeting in person if they wish. Where a shareholder completes and lodges a valid proxy form and attends the meeting in person, then the proxy's authority to speak and vote for that shareholder is suspended while the shareholder is present at the meeting.
5. Where a proxy form or form of appointment of corporate representative is lodged and is executed under power of attorney, the power of attorney must be lodged in like manner as this proxy.
6. To vote by proxy, please complete and sign the Proxy Form enclosed and either send the Proxy Form :
 - (a) by post, to GWR Group Limited, PO Box 517, West Perth WA 6872; or
 - (b) by facsimile, to the Company on facsimile number (08) 9322 2370,so that it is received not later than **9:00am WST on Sunday, 27 November 2016.**

Proxy forms received later than this time will be invalid.