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GWR GROUP LIMITED

**HALF YEAR REPORT
DECEMBER 2023**

ABN 54 102 622 051

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Corporate Directory

Board of Directors:

Gary Lyons (Non-executive Chairman)
Michael Wilson (Executive Director)
Teck Siong Wong (Non-executive Director)
Wai Ho Law (Non-executive Director)

Company Secretary:

Sonu Cheema

Principal and registered office:

Level 4, 46 Colin Street
West Perth WA 6005

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

Issued capital as at 31 December 2023:

Fully paid ordinary shares: 321,216,655

Auditors:

Stantons
Level 2, 40 Kings Park Road
West Perth, WA 6005
Telephone: +61 8 9481 3188
Facsimile: +61 8 9321 1204

Bankers:

National Australia Bank Limited
Level 1, 1238 Hay Street
West Perth, WA 6005

Share registry:

Automatic Group
Level 5
191 St Georges Terrace
Perth WA 6000
Telephone: +61 2 8072 1400

Solicitors:

DLA Piper Australia
Level 21
240 St Georges Terrace
Perth WA 6000
Telephone: +61 8 6467 6000
Facsimile: +61 8 6467 6001

Stock exchange:

Australian Securities Exchange Limited
Company code: GWR

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Directors' Report

Your Directors submit their report for the half-year ended 31 December 2023.

Directors

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

Gary Lyons	Non-executive Chairman
Michael Wilson	Executive Director
Teck Siong Wong	Non-executive Director
Wai Ho Law	Non-executive Director (appointed 18 October 2023, previously alternate director for Teck Siong Wong)

Company Secretary

Sonu Cheema

Dividends

No amounts have been paid or declared by way of dividend by the Company during the half-year or in the period to the date of this report.

Principal activities

The principal activities of the Company and its subsidiaries during the course of the half-year continued to be the Wiluna West Iron Ore Project prior to its sale to Gold Valley Wiluna West Pty Ltd, and the continued exploration on the Group's tenement portfolio.

Operating results

The consolidated loss after income tax for the period was \$13,746,648 (2022: net profit of \$57,256,150). The result for the period included a provision for loss on sale of Wiluna Project of \$12,659,667 (2022: net profit included a gain of \$61,912,000 from the sale of mining rights at C4).

During the period, net cash used in operating activities was \$3,148,750 (2022: \$16,242,726), which included \$2,336,787 in net operating cash outflows from discontinuing and discontinued operations (2022: \$15,725,081). Net cash inflows from investing activities for the period were \$4,424,084 (2022: outflows of \$16,428,438).

At period end, the Group held \$10,492,351 (June 2023: \$7,217,017) in cash and cash equivalents.

Review of Operations

Wiluna West Iron Ore Project

On 21 December 2023 GWR Group Ltd ("GWR") announced the execution of a Binding Term Sheet (Term Sheet) to sell the Wiluna West Iron Ore Project ("Wiluna Project") to Gold Valley Wiluna West Pty Ltd ("GV").

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Directors' Report

Review of Operations (continued)

A summary of the material terms of the Term Sheet is as follows:

GWR will sell or assign various assets (including tenements, mining information and contracts) comprising the Wiluna West Iron Ore Project to sell or assign its rights and interests in the following assets to GV (the "Sale"):

- 1) L53/115; L53/146; L53/147; L53/148; L53/177; L53/178; L53/179; L53/190; L53/248; L53/258; L53/259; L53/260; L53/261; M53/971; M53/972; M53/1016; M53/1017; M53/1018; M53/1078; M53/1087 and M53/1096 (Tenements);
- 2) The following contracts:
 - The existing C4 Agreements between Gold Valley Iron Ore Pty Ltd and GWR for the grant of mining rights;
 - The Narngulu lease agreement for the shed between GWR and Marsden's Beckenham Transport Pty Ltd;
 - The Jindalee Farm-in Agreement between GWR and Dynamic Metals Limited;
 - Option Deed between GWR and Wiluna West Gold Pty Ltd to explore and mine gold;
 - The Agreement for the Mining of Iron Ore and Gold at Wiluna West Project between GWR and Tarlpa People (Native Title Agreement).

The Consideration for the Sale comprises:

- \$30,000,000 in cash (including \$3,000,000 as a non-refundable deposit payable within 7 days of execution of the Sale Agreement). The \$3,000,000 deposit was received on 21 December 2023 and the \$27,000,000 was received on 6 March 2024.
- a royalty in respect of all iron ore won from the Tenements (excluding the JWD Deposit) and exported or otherwise sold (including in respect of the processing or reprocessing of tailings) on or after 1 December 2023 at the rate of \$2.00 per dry metric tonne (Royalty).

The Completion of the Sale is conditional upon:

- GWR obtaining shareholder approval for the Sale. On 12 February 2024, the shareholders unanimously approved the asset disposal at an Extraordinary General Meeting.
- The counterparties to the contracts being assigned under the Agreement consenting in writing to the assignment or novation of the relevant contract from GWR to GV (to the extent required).
- the consent of the Minister for Mines and Petroleum being obtained under the Mining Act 1978 (WA) for the transfer of all the rights and obligations in respect of the tenements being acquired; and
- certain other customary third party counterparty consents.

At Completion, GV must:

- Pay \$27,000,000 in cash. The \$27,000,000 was received on 6 March 2024.
- Settle with GWR all outstanding unpaid royalties, state royalties, native heritage dues and lease payments in connection with the Narngulu Lease.

Gold Valley Iron Ore Pty Ltd's obligation to pay royalties to GWR in respect of the C4 deposit is suspended from the date of the Term Sheet being 1 December 2023. If completion occurs, GWR must release Gold Valley Iron Ore Pty Ltd from all claims it has in relation to the payment of royalties to GWR in relation to the C4 deposit. If completion does not occur, the suspension of royalty payments will be revoked and all royalty amounts not paid will be due and payable by Gold Valley Iron Ore Pty Ltd.

On 12 February 2024, the shareholders unanimously approved the Wiluna Project asset disposal at an Extraordinary General Meeting.

On 7 March 2024, the Company announced it has completed settlement of the sale of Wiluna West Iron Ore Project to Gold Valley Wiluna West Pty Ltd.

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Directors' Report

Review of Operations (continued)

Prospect Ridge Magnesite Project

GWR holds a 70% interest in the advanced Prospect Ridge Magnesite project located in northwest Tasmania with Jindalee Resources Limited (Jindalee) holding 30%. The Project is an advanced asset where a substantial amount of work has previously been undertaken, including diamond drilling, metallurgical test work, hydrological test work, resource modelling and feasibility studies.

The project is on a granted Exploration Licence (EL5/2016), which is 51km² in size and located approximately 55km west southwest of the Port of Burnie, one of the States key deep-water Ports and the largest general cargo port in Tasmania. The project, which was previously held as Mining Lease, contains a JORC 2012 Inferred Mineral Resource estimate of 25 million tonnes of fresh magnesite grading 42.4% MgO, to an average depth of 100m below the surface at a cut-off of 40% MgO.

During the half-year, assay results were received for the Phase 1 drill holes completed earlier in the year and these are being compiled. Sample preparation undertaken by the laboratory included the collection of samples for potential metallurgical testwork.

GWR is an Industry Partner with the University of Tasmania (UTAS & CODES) who, in the past, has been awarded \$3.5 million in Federal Government funding for a study titled "Environmentally Sustainable Production of Critical Minerals". The focus of this study is the West Coast of Tasmania.

Progress was made in the period on the RRC project in conjunction with CODES (UTAS) and this included:

- Submission of diamond core from the Phase 1 program for Half-Year Logging at the Mineral Resources Tasmania "MRT" core library in Hobart. This should provide important mineralogical data and assist with metallurgical and ore characterisation studies
- Delegates visiting Perth and included interaction with a leading metallurgical laboratory.
- Preliminary ore characterisation studies and review of previous metallurgical testwork
- Selection of samples and preparation of a master composite for testwork.

Investments

The Group continues to hold 70,000,000 shares (approximately 8.9%) in Tungsten Mining NL and 30,788,460 shares (approximately 3.6%) in eMetals Limited. The Group has continued to account for this investment in Tungsten Mining NL as an associate.

Events subsequent to balance date

On 12 February 2024, the shareholders unanimously approved the Wiluna Project asset disposal at an Extraordinary General Meeting.

On 6 March 2024, the Company received \$27,000,000 from Gold Valley Iron Ore Pty Ltd as the settlement for the sale of Wiluna West Iron Ore Project.

Other than the above, there has been no matter or circumstances that has arisen since the balance sheet date to the date of this report, which has significantly affected, or may significantly affect the operations of the Group, the results of those operations or the state of affairs of the Group subsequent to the reporting date.

This report is signed in accordance with a resolution of the Directors.



Gary Lyons
Chairman

Dated at Perth this 14th day of March 2024

Consolidated statement of profit or loss and other comprehensive income

For the half year ended 31 December 2023

		Consolidated	
	Note	December 2023	Restated December 2022
		\$	\$
Continuing Operations			
Other revenue	4	63,155	47,241
Total Revenue		63,155	47,241
Exploration and evaluation expenditure		(22,295)	(119,029)
Employee expenses	5(a)	(228,136)	(107,304)
Other expenses	5(b)	(451,793)	(314,426)
Depreciation		(35,157)	(7,222)
Finance costs	5(c)	-	(62,326)
(Loss) from continuing operations before income tax		(674,226)	(563,066)
Discontinuing Operation – Wiluna Iron Ore Project (“Wiluna”)			
Other revenue	16	120,000	337,890
Exploration and evaluation expenditure	16	(532,755)	(426,104)
Provision for loss on sale of Wiluna Project	16	(12,659,667)	-
(Loss) before tax for discontinuing operation		(13,072,422)	(88,214)
Income tax expense	16	-	-
(Loss) after tax for discontinuing - Wiluna		(13,072,422)	(88,214)
Discontinued Operations			
<i>Discontinued Operation – C4</i>			
Ore Sales	15	-	9,205,717
Gain on disposal of C4 mining rights	15	-	61,912,000
Total revenue		-	71,117,717
Cost of sales	15	-	(13,210,287)
Gross profit		-	57,907,430
Profit before tax from discontinued operation		-	57,907,430
Income tax expense	15	-	-
Profit after tax from discontinued operation – C4		-	57,907,430

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Consolidated statement of profit or loss and other comprehensive income

For the half year ended 31 December 2023

		Consolidated	Restated
	Note	December 2023	December 2022
		\$	\$
(Loss)/Profit before income tax		(13,746,648)	57,256,150
Income tax expense from continuing operations		-	-
(Loss)/Profit for the period		(13,746,648)	57,256,150
Other comprehensive income			
Items that will not be reclassified subsequently to profit or loss		-	-
Items that may be reclassified subsequently to profit or loss		-	-
Other comprehensive income for the period		-	-
Total comprehensive (loss)/profit for the period		(13,746,648)	57,256,150
Total comprehensive (loss)/profit attributable to Parent		(13,746,648)	57,256,150
Basic (loss)/earnings per share in cents			
From continuing operations		(0.21)	(0.18)
From discontinuing and discontinued operations		(4.07)	18.01
From continuing, discontinuing and discontinued operations		(4.28)	17.83

Diluted loss per share is not disclosed as all potential securities are considered anti-dilutive.

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

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Consolidated statement of financial position

As at 31 December 2023

		Consolidated	
	Note	December 2023	June 2023
		\$	\$
Current assets			
Cash and cash equivalents		10,492,351	7,217,017
Trade and other receivables	6	245,617	14,527,092
Financial assets	7	215,519	2,277,096
Assets held for sale	16	49,102,625	-
Total current assets		60,056,112	24,021,205
Non-current assets			
Trade and other receivables	6	-	38,746,455
Plant and equipment		11,660	43,667
Exploration and evaluation expenditure	8	1,716,822	7,627,058
Financial assets	7	40,000	1,570,495
Total non-current assets		1,768,482	47,987,675
Total assets		61,824,594	72,008,880
Current liabilities			
Trade and other payables	9	722,721	4,030,396
Lease liabilities	10	-	240,000
Provisions	11	428,879	421,348
Liabilities held for sale	16	14,035,946	-
Total current liabilities		15,187,546	4,691,744
Non-current liabilities			
Lease Liabilities	10	-	331,625
Provisions	11	3,273	6,636,560
Total non-current liabilities		3,273	6,968,185
Total liabilities		15,190,819	11,659,929
Net assets		46,633,775	60,348,951
Equity			
Contributed equity	12	154,951,396	154,951,396
Reserves	13	27,583,850	27,552,378
Accumulated losses		(135,901,471)	(122,154,823)
Total equity		46,633,775	60,348,951

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

Consolidated statement of changes in equity

For the half-year ended 31 December 2023

	Contributed equity	Option reserve	Accumulated losses	Total Equity
	\$	\$	\$	\$
Balance as at 1 July 2022	154,951,396	27,552,378	(177,782,192)	4,721,582
Profit for the period	-	-	57,256,150	57,256,150
Other comprehensive income	-	-	-	-
Total comprehensive loss for the period	-	-	57,256,150	57,256,150
Balance as at 31 December 2022	154,951,396	27,552,378	(120,526,042)	61,977,732
Balance as at 1 July 2023	154,951,396	27,552,378	(122,154,823)	60,348,951
Loss for the period	-	-	(13,746,648)	(13,746,648)
Other comprehensive income	-	-	-	-
Total comprehensive loss for the period	-	-	(13,746,648)	(13,746,648)
Issue of Performance Rights	-	31,472	-	31,472
Balance as at 31 December 2023	154,951,396	27,583,850	(135,901,471)	46,633,775

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

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Consolidated statement of cash flows

For the half-year ended 31 December 2023

	Note	Consolidated	
		December 2023	December 2022
		\$	\$
Cash flows from operating activities			
Payments to suppliers and employees		(845,773)	(415,068)
Cash flows (used in) discontinued operation – C4	15	(571,509)	(15,416,057)
Cash flows (used in) discontinued operation – Wiluna	16	(1,765,278)	(309,025)
Payments for exploration and evaluation		(42,434)	(119,029)
Interest received		76,244	16,453
Net cash (used in) operating activities		(3,148,750)	(16,242,726)
Cash flows from investing activities			
Payments for plant & equipment		(3,150)	(2,027)
Transfer from term deposit		2,000,000	-
Cash flows from discontinued operation – C4	15	1,427,234	16,430,465
Cash flows from discontinuing operation – Wiluna	16	3,000,000	-
Net cash provided by investing activities		6,424,084	16,428,438
Cash flows from financing activities			
Cash flows from discontinued operation – C4	15	-	(1,261,132)
Net cash provided by financing activities		-	(1,261,132)
Net increase / (decrease) in cash and cash equivalents		3,275,334	(1,075,420)
Cash and cash equivalents at beginning of the period		7,217,017	8,392,696
Cash and cash equivalents at the end of the period		10,492,351	7,317,276

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

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Condensed notes to the financial statements

For the half-year ended 31 December 2023

Note 1: Corporate information

The financial report of GWR Group Limited and its subsidiaries ('the consolidated entity' or 'the Group') for the half-year ended 31 December 2023 was authorised for issue in accordance with a resolution of the directors on 14th March 2024.

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

Note 2: Basis of preparation and accounting policies

a. Basis of Preparation

These general purpose interim financial statements for the half-year reporting period ended 31 December 2023 have been prepared in accordance with requirements of the *Corporations Act 2001* and Australian Accounting Standard AASB 134: *Interim Financial Reporting*. The Group is a for-profit entity for financial reporting purposes under Australian Accounting Standards.

This interim financial report is intended to provide users with an update on the latest annual financial statements of the Group. As such, it does not contain information that represents relatively insignificant changes occurring during the half-year within the Group. It is therefore recommended that this financial report be read in conjunction with the annual financial statements of the Group for the year ended 30 June 2023, together with any public announcements made during the following half-year.

b. Accounting Policies

The same accounting policies and methods of computation have been followed in this interim financial report as were applied in annual financial statements of the Group for the year ended 30 June 2023.

c. Adoption of new and revised standards

The Group has considered the implications of new and amended Accounting Standards effective for annual reporting periods beginning on or after 1 July 2023 but determined that their application to the financial statements is either not relevant or not material.

d. Basis of Consolidation

The consolidated financial statements incorporate all of the assets, liabilities and results of the parent (GWR Group Limited) and all of the subsidiaries. Subsidiaries are entities the parent controls. The parent controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.

The assets, liabilities and results of all subsidiaries are fully consolidated into the financial statements of the Group from the date on which control is obtained by the Group. The consolidation of a subsidiary is discontinued from the date that control ceases. Intercompany transactions, balances and unrealised gains or losses on transactions between Group entities are fully eliminated on consolidation. Accounting policies of subsidiaries have been changed and adjustments made where necessary to ensure uniformity of the accounting policies adopted by the Group.

Equity interests in a subsidiary not attributable, directly or indirectly, to the Group are presented as "non-controlling interests". The Group initially recognises non-controlling interests that are present ownership interests in subsidiaries and are entitled to a proportionate share of the subsidiary's net assets on liquidation at either fair value or at the non-controlling interests' proportionate share of the subsidiary's net assets. Subsequent to initial recognition, non-controlling interests are attributed their share of profit or loss and each component of other comprehensive income. Non-controlling interests are shown separately within the equity section of the consolidated statement of financial position and consolidated statement of comprehensive income.

e. Going Concern

The financial report has been prepared on a going concern basis, which contemplates the continuity of normal business activity and the realisation of assets and the settlement of liabilities in the normal course of business.

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Condensed notes to the financial statements

For the half-year ended 31 December 2023

Note 3: Segment information

Determination and identification of reportable segment

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components, whose operating results are regularly reviewed by the entity's chief operating decision maker to make decisions about resources to be allocated to the segment and assess its performance and for which discrete financial information is available.

The Group identifies its operating segments based on the internal reports that are reviewed and used by the executive management team (chief operating decision makers) in assessing performance and determining the allocation of resources.

The operations and assets of GWR Group Limited and its controlled entities are primarily employed in extraction of minerals in Australia, with minor operating segments consisting of exploration and corporate overheads. The decision to allocate the resources to individual projects is predominantly based on available cash reserve, technical data and the expectation of future metal price.

Segment information

The following tables present revenue and (loss)/profit information and certain asset and liability information regarding geographical segments:

	As at	Continuing Operations		Discontinuing Operations	Total
		Exploration	Corporate Overheads & Other	Wiluna Project and C4 (Note 15 and Note 16)	
		\$	\$	\$	\$
Segment assets	31 Dec 2023	1,716,822	11,005,147	49,102,625	61,824,594
	30 Jun 2023	7,627,058	64,381,822	-	72,008,880
Segment liabilities	31 Dec 2023	-	1,154,873	14,035,946	15,190,819
	30 Jun 2023	-	5,025,377	6,634,552	11,659,929
	For the half-year ended	\$	\$	\$	\$
Segment income	31 Dec 2023	-	63,155	-	63,155
	31 Dec 2022 (restated)	-	47,241	71,455,607	71,502,848
Segment loss before income tax	31 Dec 2023	(22,295)	(651,931)	(13,072,422)	(13,746,648)
	31 Dec 2022 (restated)	(119,029)	(444,037)	57,819,216	57,256,150

Condensed notes to the financial statements

For the half-year ended 31 December 2023

Note 4: Other revenue

	Consolidated	
	December 2023	Restated December 2022
	\$	\$
Interest received	62,129	16,453
Sundry Income	1,026	-
Fair value loss on financial assets classified as FVTPL (Note 5(d))	-	30,788
	63,155	47,241

Note 5: Expenses

	Consolidated	
	December 2023	Restated December 2022
	\$	\$
(a) Employee expenses		
Salary and wages	142,748	119,701
Superannuation	13,349	29,774
Reversal of employee leave liabilities	8,797	(114,208)
Share-based payments (Note 14)	31,472	-
Other employee expenses	31,770	72,037
	228,136	107,304
(b) Other expenses		
Administration costs	56,276	51,121
Corporate costs	117,682	129,074
Consulting fees	176,774	74,153
Occupancy costs	31,034	60,078
Fair value loss on financial assets classified as FVTPL (d)	61,577	-
Unrealised foreign exchange loss	8,450	-
	451,793	314,426
(c) Finance costs		
Foreign currency hedging loss	-	62,326
	-	62,326

(d) Fair value loss on financial assets classified as FVTPL

The Group has an investment in an ASX-listed entity, eMetals Limited, as described in Note 7, that is recognised as at Fair Value Through Profit or Loss. During the half-year ended 31 December 2023, a loss of \$61,577 was recorded (2022: gain of \$30,788).

Condensed notes to the financial statements

For the half-year ended 31 December 2023

Note 6: Trade and other receivables

	Consolidated	
	December 2023	June 2023
	\$	\$
Current		
Trade receivables ^{1 2}	6,160	3,520,097
Goods and services tax refund	7,477	32,177
Amounts due from sale of C4 Mining Operations (Note 15) ²	-	9,072,000
Unexpired interest - C4 Mining Operations Sale Proceeds Receivable (Note 15) ²	-	1,455,009
Prepayments	99,573	278,290
Other receivables	132,407	169,519
	245,617	14,527,092
Non-current		
Amounts due from sale of C4 Mining Operations (Note 15) ²	-	23,753,910
Unexpired interest - C4 Mining Operations Sale Proceeds Receivable (Note 15) ²	-	12,367,577
Rehabilitation receivable	-	2,624,968
	-	38,746,455

¹ Included in amount \$3,520,097 as at 30 June 2023, there was \$1,427,234 receivable relating to the consideration pertaining to mineral rights of C4 and JWD mining rights disposed to Gold Valley Iron Ore Pty Ltd. The \$1,427,234 receivable from the sale of C4 was past due but not impaired as at 30 June 2023. The full amount was received in the current period.

² The amount relating to the sale of Wiluna Project at 31 December 2023 has been transferred to assets held for sale (refer Note 16).

Note 7: Financial Assets

	Consolidated	
	December 2023	June 2023
	\$	\$
Current		
Shares in eMetals Limited – at fair value through profit or loss – (a)	215,519	277,096
Term deposit matured on 1 November 2023	-	2,000,000
	215,519	2,277,096
Non-current		
Security deposits – amortised cost	40,000	520,495
Funds held under trust (b)	-	1,050,000
	40,000	1,570,495

(a) eMetals Limited

There was no change in the number of shares held in eMetals during the period. The movement of \$61,577 is due to the change in fair value and is included in Other Expenses (refer Note 5(d)).

(b) Funds held under trust

As at 30 June 2023, the Group held \$1,050,000 in trust accounts in accordance with the Mining Rights Agreement with Gold Valley Iron Pty Ltd and CuFe Limited (ASX:CUF). The balance is made up of rehabilitation costs on the C4 and JWD Deposits. The amount at 31 December 2023 has been transferred to assets held for sale (refer Note 16).

Condensed notes to the financial statements

For the half-year ended 31 December 2023

Note 8: Exploration and evaluation expenditure

	Consolidated	
	December 2023	June 2023
	\$	\$
Balance at the beginning of the period	7,627,058	7,627,058
Transfer to assets held for sale ¹	(5,910,236)	-
Balance at the end of the period	1,716,822	7,627,058

¹ The exploration and evaluation asset in relation to Wiluna Project at 31 December 2023 has been transferred to assets held for sale (refer Note 16).

The Group capitalises the acquisition costs in accordance with its accounting policy for exploration and evaluation expenditure. The ultimate recoupment of exploration and evaluation expenditure relating to the Group's iron ore and gold projects carried forward is dependent on the successful development for commercial exploitation or sale of the respective mining projects.

Note 9: Trade and Other Payables

	Consolidated	
	December 2023	June 2023
	\$	\$
Trade payables	199,816	129,805
Other payables	425,242	256,411
Accrual of royalties and TMPAC payable ¹	-	3,575,680
Other accruals	97,663	68,500
	722,721	4,030,396

¹ The amount \$6,949,769 relating to Wiluna Project at 31 December 2023 has been transferred to liabilities held for sale (refer Note 16).

Note 10: Lease Liabilities

	Consolidated	
	December 2023	June 2023
	\$	\$
Current		
Lease liabilities - transfer shed ¹	-	240,000
	-	240,000
Non-current		
Lease liabilities - transfer shed ¹	-	331,625
	-	331,625

¹ The amount \$451,625 relating to Wiluna Project at 31 December 2023 has been transferred to liabilities held for sale (refer Note 16).

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Condensed notes to the financial statements

For the half-year ended 31 December 2023

Note 11: Provisions

	Consolidated	
	December 2023	June 2023
	\$	\$
Current		
Employee entitlements	428,879	421,348
	428,879	421,348
Non-current		
Employee entitlements	3,273	2,008
Rehabilitation ¹	-	6,634,552
	3,273	6,636,560

¹ The amount relating to Wiluna Project at 31 December 2023 has been transferred to liabilities held for sale (refer Note 16).

Note 12: Contributed equity

	Consolidated	
	December 2023	June 2023
	\$	\$
Issued capital		
321,216,655 (June 2023: 321,216,655) Ordinary fully paid shares	154,951,396	154,951,396
	December 2023	
	Number	\$
Movement in ordinary shares on issue		
Balance at beginning of the period	321,216,655	154,951,396
<i>No movements during the period</i>	-	-
Balance at end of the period	321,216,655	154,951,396

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Condensed notes to the financial statements

For the half-year ended 31 December 2023

Note 13: Reserves

	Consolidated	
	December 2023 \$	June 2023 \$
Listed option reserve	27,552,378	27,552,378
Performance rights reserve (a)	31,472	-
	<u>27,583,850</u>	<u>27,552,378</u>

	December 2023	
	Number	\$
(a) Movement in Performance rights reserve		
Balance at beginning of the period	-	-
Performance rights granted during the period (Note 14)	10,500,000	31,472
Balance at end of the period	<u>10,500,000</u>	<u>31,472</u>

Note 14: Share-based payments

Share-based payments granted during the half year:

On 29 November 2023, the shareholders approved the grant of 10,500,000 Performance Rights to the Directors under the Employee Incentive Plan as detailed below:

Director	Number of Performance Rights
Gary Lyons	3,000,000
Teck Siong Wong	2,500,000
Michael Wilson	2,500,000
Wai Ho Law	2,500,000
	<u>10,500,000</u>

The Performance Rights vest equally over 5 years:

- 1) 2,100,000 vest one year from 29 November 2023
- 2) 2,100,000 vest two years from 29 November 2023
- 3) 2,100,000 vest three years from 29 November 2023
- 4) 2,100,000 vest four years from 29 November 2023
- 5) 2,100,000 vest five years from 29 November 2023

The Performance Rights were valued using the share price at grant of \$0.075 per Performance Right. The total fair value of Performance Rights of \$787,500 is expensed over the vesting period. Share-based payment expense of \$31,472 has been recognised in the current period in the Consolidated Statement of Profit or Loss and Other Comprehensive Income.

The above Performance Rights were granted to the above Board of Directors at the Annual General Meeting held on 29 November 2023 but are yet to be issued.

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Condensed notes to the financial statements

For the half-year ended 31 December 2023

Note 15: Discontinued Operations

Disposal of C4 Iron Ore Project Mining Operations and Associated Royalties ("C4")

On 20 July 2022 GWR announced the execution of a Binding Term Sheet (Term Sheet) to grant the Mining Rights for its C4 Iron Deposit and to transfer its residual rights in relation to the JWD Iron deposit for, at the time of signing, a total consideration of \$30,000,000 plus potential royalties to Gold Valley Iron Pty Ltd ("GV"). The agreement included an additional \$5,000,000 to be paid to GWR for the acquisition by GV of sundry plant, stores and stockpiles.

GWR retains both legal and beneficial ownership to all tenements and all other iron ore deposits at Wiluna West Iron Ore Project. The funds received under the Term Sheet are proposed to be used by the Group as follows:

- re-evaluate the development models for both the C3 and Bowerbird deposits;
- bring forward planned field work and development studies on the groups Prospect Ridge Magnesite project in Tasmania; and
- continue the review and evaluation of other business opportunities.

The initial agreement, as signed, provided for the consideration to be paid in three instalments; the first \$5,000,000 was paid upon signing the Term Sheet, along with the \$5,000,000 payable for the acquisition of sundry plant, stores and stockpiles within 21 days of signing. The remaining amount was due as follows:

- \$10,000,000 within 45 days of signing the Term Sheet; and
- \$15,000,000 upon the earlier of:
 - 18 months after signing the Term Sheet; and
 - the date immediately after GV had shipped or otherwise sold an aggregate of 1,000,000 tonnes of iron ore from the C4 Deposit.

An additional royalty, based on the Platts index for 62% Fe and payable across all shipments (lump and fines) was to be paid on the following basis:

- <US\$135/t – US\$1 per tonne payable to GWR
- >US\$135/t – US\$2 per tonne payable to GWR

On 27 September 2022 the Company announced that the Term Sheet had been subject to a variation, allowing the second tranche of the consideration (being \$10,000,000 within 45 days of signing the Term Sheet) to be split into two tranches:

- \$5,000,000 within 45 days of signing the Term Sheet, which was received; and
- \$5,000,000 due on 19 March 2023, together with interest at a rate of 8% p.a.

The second tranche above also included a requirement for payment within 30 days if the Platts Index for 62% Fe reached a 20-day trading average of US\$120 prior to 15 February 2023.

On 11 January 2023 the Company announced that it had entered into a further variation to the Binding Term Sheet. The agreed variation substitutes the obligations for GV to pay the sum of \$5,000,000 on 19 March 2023 (together with interest) and to pay \$15,000,000 upon the earlier of 18 months after signing the Term Sheet or the date immediately after GV has shipped or otherwise sold an aggregate of 1,000,000 tonnes of iron ore from the C4 deposit with the following payment obligations:

- A royalty is payable to GWR across all tonnes (lump and fines) removed from the C4 Deposit and shipped by GV or otherwise sold by GV on or after 3 January 2023 as follows:
 - i. \$9.00 per tonne in relation to the first 3,000,000 tonnes shipped or otherwise sold;
 - ii. \$4.00 per tonne in relation to the next 3,500,000 tonnes shipped or otherwise sold;
 - iii. \$3.00 per tonne in relation to the next 3,500,000 tonnes shipped or otherwise sold; and
 - iv. \$1.00 per tonne for any additional tonnes shipped or otherwise sold.

Condensed notes to the financial statements

For the half-year ended 31 December 2023

Note 15: Discontinued Operations (continued)

Disposal of C4 Iron Ore Project Mining Operations and Associated Royalties ("C4") (continued)

- Based on the above, GV is required to make the following monthly repayments:
 - i. \$756,000 per month up until the earlier of such time as GV has shipped or otherwise sold 3,000,000 tonnes of iron ore from the C4 deposit on or after 3 January 2023 or a total of 36 such monthly payments have been made;
 - ii. thereafter \$336,000 per month up until the earlier of such time as GV has shipped or otherwise sold 6,500,000 tonnes of iron ore from the C4 deposit on or after 3 January 2023 or a total of 42 such monthly payments have been made; and
 - iii. thereafter \$252,000 per month up until the earlier of such time as GV has shipped or otherwise sold 10,000,000 tonnes of iron ore from the C4 deposit on or after 3 January 2023 or a total of 42 such monthly payments have been made.
- The above minimum payments are based dry metric tonnes shipment of 84,000 tonnes of iron ore from C4 deposit and the payments are payable within 15 days of each shipment by GV or if otherwise sold by GV within the earlier of 15 days of shipment by the purchaser.
- In the event that GV has made monthly payments pursuant to the above minimum monthly payments and in any subsequent month GV ships in excess of 84,000 tonnes of iron ore from the C4 deposit, GV shall be entitled to a credit on the royalty otherwise payable to GWR on the amount shipped in excess of 84,000 tonnes, with such credit limited to the sum of any prior monthly payments made which have not previously been subject to such credit.
- In addition to payment of the royalty and monthly payments to GWR, GV will be required to pay all state government royalties and all royalties pursuant to the Mining Agreement with Traditional Owners payable upon the extraction of the iron ore from the Wiluna West tenement area and GV must pay those to GWR within 15 days of each shipment by GV or if otherwise sold by GV within the earlier of 15 days of such sale by GV or 15 days of shipment by the purchaser.

If the GV does not make any monthly payment due pursuant to the above, GWR may terminate this Term Sheet or the Mining Rights Agreement as applicable in the event GV does not cure such default within 2 months.

Additionally, GV is required to maintain all the tenements referred as per Term Sheet or the Mining Rights Agreement in good standing including complying with all minimum expenditure requirements and payments of all Mining Rehabilitation Fund (MRF) levies.

GWR retains both legal and beneficial ownership to all tenements and all other iron ore deposits at Wiluna West Iron Ore Project and is responsible for the rehabilitation of Wiluna West (C4 and JWD) as per Mine Closure Plans. GV is required to make payments to GWR to be held in trust to the value of the estimated rehabilitation for both the C4 Deposit and JWD Deposit and to ensure that the monies will be held in trust by GWR reflecting the estimated rehabilitation expenditure as per the relevant Mine Closure Plans. As at 31 December 2023, cash received in respect of C4 and JWD rehabilitation from GV and CuFe is \$1,050,000. As at 31 December 2023, receivable from CuFe and GV for rehabilitation expenditure is \$2,624,968.

The effect of the variation means that GWR will receive a minimum \$51,912,000 from GV over the next 10 years compared to the minimum of approximately \$20,000,000 GWR was entitled to receive from GV under the initial arrangement.

As at 31 December 2023, the Group received the first six payments of \$756,000, bringing the total funds received to 31 December 2023 to \$14,536,000 from the sale of the mining rights and \$5,000,000 from the sale of sundry plant, equipment and stockpiles. On 21 December 2023 GWR announced the execution of a Binding Term Sheet (Term Sheet) to sell the Wiluna West Iron Ore Project including the C4 Project above to Gold Valley Wiluna West Pty Ltd. Refer Note 16 Assets Held for Sale and Discontinuing Operations for further details.

Condensed notes to the financial statements

For the half-year ended 31 December 2023

Note 15: Discontinued Operations (continued)

Disposal of C4 Iron Ore Project Mining Operations and Associated Royalties ("C4") (continued)

The net profit or loss from discontinued operations relating to the disposal is as follows:

	31 December 2023	Restated 31 December 2022
	\$	\$
<i>Ore Sales</i>		
Sales of iron ore from C4 project (a)	-	9,205,717
<i>Total Ore Sales</i>	-	9,205,717
Gain on disposal of C4 mining rights (b)	-	61,912,000
<i>Total Revenue</i>	-	71,117,717
<i>Costs of sales</i>		
Production costs	-	(12,427,094)
Royalties	-	(749,324)
Direct marketing and administration costs	-	(33,869)
<i>Total Costs of Sales</i>	-	(13,210,287)
<i>Gross profit from discontinued operation</i>	-	57,907,430
Profit before tax from discontinued operation	-	57,907,430
Income tax expense	-	-
<i>Profit after tax from discontinued operation</i>	-	57,907,430

(a) Ore Sales

58,000 wet metric tonnes were shipped to customers in the previous financial period, realising revenue of \$9,205,717.

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Condensed notes to the financial statements

For the half-year ended 31 December 2023

Note 15: Discontinued Operations (continued)

Disposal of C4 Iron Ore Project Mining Operations and Associated Royalties ("C4") (continued)

(b) Gain on disposal of C4 mining rights

The net gain on disposal at the disposal date of 20 July 2022 has been determined as follows:

	20 July 2022
	\$
Cash consideration received for sale of mining rights – initial consideration	5,000,000
Cash consideration received for sale of mining rights – second tranche	5,000,000
Cash consideration receivable for sale of mining rights – deferred consideration (c)	51,912,000
Cash consideration for sale of sundry plant, stores and stockpiles	5,000,000
Total consideration	66,912,000
Less: Net assets of disposal Group	(5,000,000)
Gain on disposal	61,912,000

(c) Cash consideration receivable for sale of mining rights – deferred consideration

The Term Sheet variation signed on 11 January 2023 includes deferred consideration totalling \$51,912,000 to be received over a term of 10 years as set out above. Accordingly, the present value of this long-term receivable as been determined (using an effective interest rate of 10% per annum) as \$37,361,910. The current and non-current portion of the present value of the receivable, and the corresponding components of the unexpired interest recognised as "other assets" in the Consolidated Statement of Financial Position is as follows:

	31 December 2023	30 June 2023
	\$	\$
Present Value of Receivable – due within 12 months – current portion	-	9,072,000
Unexpired interest – current portion	-	1,455,009
Total current consideration receivable	-	10,527,009
Present Value of Receivable – due in 2-10 years – non-current portion	-	23,753,910
Unexpired interest – non-current portion	-	12,367,577
Total non-current consideration receivable	-	36,121,487
Total receivable / deferred consideration	-	46,648,496

Amounts are nil in the current financial period as the Company executed of a Binding Term Sheet (Term Sheet) to sell the Wiluna West Iron Ore Project including the C4 Project above to Gold Valley Wiluna West Pty Ltd. Refer Note 16 Assets Held for Sale and Discontinuing Operations for further details.

Condensed notes to the financial statements

For the half-year ended 31 December 2023

Note 15: Discontinued Operations (continued)

Disposal of C4 Iron Ore Project Mining Operations and Associated Royalties ("C4") (continued)

The Cash Flows from this discontinued operation are as follows:

	December 2023	December 2022
	\$	\$
<i>Cash flows from operating activities</i>		
Receipts from customers	-	9,957,952
Payments to suppliers and employees	-	(25,374,009)
Net royalties received	(571,509)	-
<i>Net operating cash flows (used in) discontinued operations – C4</i>	<i>(571,509)</i>	<i>(15,416,057)</i>
<i>Cash flows from investing activities</i>		
Proceeds from sale of C4 Mining Operations (i)	1,427,234	15,000,000
Security deposits/bonds received from Gold Valley Iron Ore Pty Ltd	-	1,430,465
<i>Net investing cash flows from discontinued operations – C4</i>	<i>1,427,234</i>	<i>16,430,465</i>
<i>Cash flows from financing activities</i>		
Payments for foreign currency hedge	-	(1,141,132)
Lease payments made	-	(120,000)
<i>Net financing cash flows (used in) / from discontinued operations – C4</i>	<i>-</i>	<i>(1,261,132)</i>
<i>Net cash provided by / (used in) discontinued operations – C4</i>	<i>855,725</i>	<i>(246,724)</i>

(i) This relates to outstanding payments for May 23 and June 23 amounting to \$1,427,234 which was past due but not impaired, received during the current period.

Condensed notes to the financial statements

For the half-year ended 31 December 2023

Note 16: Assets/Liabilities Held for Sale and Discontinuing Operations

On 21 December 2023 GWR announced the execution of a Binding Term Sheet (Term Sheet) to sell the Wiluna West Iron Ore Project ("Wiluna Project") to Gold Valley Wiluna West Pty Ltd ("GV").

A summary of the material terms of the Term Sheet is as follows:

GWR will sell or assign various assets (including tenements, mining information and contracts) comprising the Wiluna West Iron Ore Project to sell or assign its rights and interests in the following assets to GV (the "Sale"):

- 1) L53/115; L53/146; L53/147; L53/148; L53/177; L53/178; L53/179; L53/190; L53/248; L53/258; L53/259; L53/260; L53/261; M53/971; M53/972; M53/1016; M53/1017; M53/1018; M53/1078; M53/1087 and M53/1096 (Tenements);
- 2) The following contracts:
 - The existing C4 Agreements between Gold Valley Iron Ore Pty Ltd and GWR for the grant of mining rights;
 - The Narngulu lease agreement for the shed between GWR and Marsden's Beckenham Transport Pty Ltd;
 - The Jindalee Farm-in Agreement between GWR and Dynamic Metals Limited;
 - Option Deed between GWR and Wiluna West Gold Pty Ltd to explore and mine gold;
 - The Agreement for the Mining of Iron Ore and Gold at Wiluna West Project between GWR and Tarlpa People (Native Title Agreement).

The Consideration for the Sale comprises:

- \$30,000,000 in cash (including \$3,000,000 as a non-refundable deposit payable within 7 days of execution of the Sale Agreement). The \$3,000,000 deposit was received on 21 December 2023 and the \$27,000,000 was received on 6 March 2024.
- a royalty in respect of all iron ore won from the Tenements (excluding the JWD Deposit) and exported or otherwise sold (including in respect of the processing or reprocessing of tailings) on or after 1 December 2023 at the rate of \$2.00 per dry metric tonne (Royalty).

The Completion of the Sale is conditional upon:

- GWR obtaining shareholder approval for the Sale. On 12 February 2024, the shareholders unanimously approved the asset disposal at an Extraordinary General Meeting.
- The counterparties to the contracts being assigned under the Agreement consenting in writing to the assignment or novation of the relevant contract from GWR to GV (to the extent required).
- the consent of the Minister for Mines and Petroleum being obtained under the Mining Act 1978 (WA) for the transfer of all the rights and obligations in respect of the tenements being acquired; and
- certain other customary third party counterparty consents.

At Completion, GV must:

- Pay \$27,000,000 in cash. The \$27 million was received on 6 March 2024.
- Settle with GWR all outstanding unpaid royalties, state royalties, native heritage dues and lease payments in connection with the Narngulu Lease.

Gold Valley Iron Ore Pty Ltd's obligation to pay royalties to GWR in respect of the C4 deposit is suspended from the date of the Term Sheet being 1 December 2023. If completion occurs, GWR must release Gold Valley Iron Ore Pty Ltd from all claims it has in relation to the payment of royalties to GWR in relation to the C4 deposit. If completion does not occur, the suspension of royalty payments will be revoked and all royalty amounts not paid will be due and payable by Gold Valley Iron Ore Pty Ltd.

On 7 March 2024, the Company announced it has completed settlement of the sale of Wiluna West Iron Ore Project to Gold Valley Wiluna West Pty Ltd.

Condensed notes to the financial statements

For the half-year ended 31 December 2023

Note 16: Assets/Liabilities Held for Sale and Discontinuing Operations (continued)

Restatement of comparative financial information as a result of classification as discontinued operations

As a result of the disposal of the Wiluna West Iron Ore Project, the assets and liabilities related to the Wiluna West Iron Ore Project were classified as *held for sale* at 31 December 2023. The income, expenditure and cash flows associated with the Wiluna West Iron Ore Project in the statement of profit or loss and other comprehensive income and statement of cash flows, respectively, for the half-year ended 31 December 2023 have been included in the discontinuing operation. Due to this re-classification, the corresponding amounts in the statement of profit or loss and other comprehensive income and statement of cash flows for the half-year ended 31 December 2022 have been restated.

At 31 December 2023, the assets and liabilities of Wiluna Project held for sale were stated at fair value less costs to sell and comprised the following assets and liabilities.

	31 December 2023
	\$
<i>Assets held for sale</i>	
Exploration and evaluation	5,910,236
Receivable from Gold Valley Wiluna West Pty Ltd	27,000,000
Trust accounts	2,924,124
Trade and other receivables (i)	10,523,297
Rehabilitation receivable	2,624,968
Prepaid lease	120,000
<i>Total assets held for sale</i>	<u>49,102,625</u>
<i>Liabilities held for sale</i>	
Accrual of State Royalties and TMPAC payable (ii)	6,949,769
Lease liabilities	451,625
Rehabilitation provisions	6,634,552
<i>Total liabilities held for sale</i>	<u>14,035,946</u>

(i) Out of \$10,523,297, \$5,569,652 was received from the mining partners Gold Valley Iron Ore Pty Ltd (\$4,084,362) and CuFe Limited (\$1,485,290) subsequent to the period ended 31 December 2023. The balance outstanding yet to be received \$4,953,645 is receivable from Gold Valley Iron Ore Pty Ltd, past due but not impaired.

(ii) Out of \$6,949,769, \$5,999,096 was paid subsequent to the period ended 31 December 2023. The balance outstanding is yet to be paid.

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Condensed notes to the financial statements

For the half-year ended 31 December 2023

Note 16: Assets Held for Sale and Discontinuing Operations (continued)

The net loss from discontinuing operations relating to the disposal of Wiluna West Iron Ore Project is as follows:

	December 2023	December 2022
	\$	\$
Rental income	120,000	-
Iron ore mining rights revenue	-	337,890
<i>Total Revenue</i>	120,000	337,890
Exploration expenditure - C4 (a)	(81,106)	-
Exploration expenditure excluding C4	(451,649)	(426,104)
Provision for (loss) on sale of Wiluna (b)	(12,659,667)	-
(Loss) before tax from discontinuing operation	(13,072,422)	(88,214)
Income tax expense	-	-
(Loss) after tax from discontinuing operation	(13,072,422)	(88,214)

(a) Additional expenses were incurred during the period in relation to C4 area of interests.

(b) The write-downs of assets held for sale to fair value less costs to sell has been determined as follows:

	31 December 2023
	\$
Cash consideration	30,000,000
Less: Deposit received on 21 December 2023	(3,000,000)
Cash consideration receivable for sale of Wiluna Project – deferred consideration	27,000,000
Less: C4 receivable at 31 December 2023	(39,659,667)
Provision for (loss) on sale of Wiluna	(12,659,667)

Condensed notes to the financial statements

For the half-year ended 31 December 2023

Note 16: Assets Held for Sale and Discontinuing Operations (continued)

The Cash Flows from this discontinuing operation are as follows:

	December 2023	December 2022
	\$	\$
<i>Cash flows from operating activities</i>		
Payments for exploration expenditure	(451,649)	(337,244)
Funds held in trust	(1,393,629)	-
Other income received	80,000	28,220
<i>Net operating cash flows (used in) discontinuing operations – Wiluna</i>	<i>(1,765,278)</i>	<i>(309,024)</i>
<i>Cash flows from investing activities</i>		
Deposit on sale of Wiluna Project	3,000,000	-
<i>Net investing cash flows from discontinuing operations – Wiluna</i>	<i>3,000,000</i>	<i>-</i>
<i>Net cash provided by / (used in) discontinuing operations – Wiluna</i>	<i>1,234,722</i>	<i>(309,024)</i>

Note 17: Commitments for exploration 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 of \$315,000 on Prospect Ridge project. This discretionary expenditure is capable of being varied from time to time in order to maintain these rights of tenure to mining tenements.

Note 18: Contingencies

The Group has the following contingencies as at 31 December 2023:

- 1) The Group is party to two agreements with Mainroads Western Australia ("MRWA") for the use of highways for the haulage of ore from the C4 mining project to the port of Geraldton. Under this agreement, certain tariffs and charges are payable to MWPA based on their prevailing commercial rates. The Group may be liable to these tariffs and charges.
- 2) The Group is storing iron ore in the large shed located at 443 Edward Road Narngulu. In recent years, the shed has been damaged by front-end loaders and trucks operating in the shed. The budgeted cost estimated to repair the identified damaged structural steel and concrete components is \$391,400 (GST excluding) (+/-20%).
- 3) The Group may be liable to a portion of the rehabilitation and closure costs for Wiluna West Project. GWR Group Ltd is in discussion with Gold Valley Wiluna West Pty Ltd in respect of the portion liable by GWR Group Ltd.
- 4) The Group estimates a contingency for asset management / native title and on-going support services to Gold Valley Wiluna West Pty Ltd post sale of Wiluna Project of \$200,000.

Condensed notes to the financial statements

For the half-year ended 31 December 2023

Note 19: Events subsequent to reporting date

On 12 February 2024, the shareholders unanimously approved the Wiluna Project asset disposal at an Extraordinary General Meeting.

On 6 March 2024, the Company received \$27,000,000 from Gold Valley Iron Ore Pty Ltd as the settlement for the sale of Wiluna West Iron Ore Project.

Other than the above, there has been no matter or circumstances that has arisen since the balance sheet date to the date of this report, which has significantly affected, or may significantly affect the operations of the Group, the results of those operations or the state of affairs of the Group subsequent to the reporting date.

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Directors' declaration

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

In the opinion of the Directors:

- (a) The financial statements and notes of the Group are in accordance with the Corporations Act 2001, including:
 - i. Giving a true and fair view of the financial position as at 31 December 2023 and the performance for the half-year ended on that date of the Group; and
 - ii. Complying with Accounting Standard AASB 134 Interim Financial Reporting and the Corporations Regulations 2001.
- (b) There are reasonable grounds to believe that the Group will be able to pay its debts as and when they become due and payable.

On behalf of the Board,



Gary Lyons
Chairman

Dated at Perth, this 14th day of March 2024

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14 March 2024

Board of Directors
GWR Group Limited
Level 4, 46 Colin Street
West Perth WA 6005

Dear Sirs

RE: GWR GROUP LIMITED

In accordance with section 307C of the *Corporations Act 2001*, I am pleased to provide the following declaration of independence to the directors of GWR Group Limited.

As Audit Director for the review of the financial statements of GWR Group Limited for the half-year ended 31 December 2023, I declare that to the best of my knowledge and belief, there have been no contraventions of:

- (i) the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
- (ii) any applicable code of professional conduct in relation to the review.

Yours faithfully

STANTONS INTERNATIONAL AUDIT AND CONSULTING PTY LTD
(An Authorised Audit Company)

Samir Tirodkar
Director

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

Report on the Half-Year Financial Report

Conclusion

We have reviewed the half-year financial report of GWR Group Limited, which comprises the consolidated statement of financial position as at 31 December 2023, the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the half-year ended on that date, a summary of significant accounting policies and other explanatory information, and the directors' declaration.

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

- (a) giving a true and fair view of the consolidated entity's financial position as at 31 December 2023 and of its performance for the half-year ended on that date; and
- (b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Basis for Conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the Auditor's Responsibilities for the Review of the Financial Report section of our report. We are independent of the Company in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001* has been given to the directors of the Company on 14 March 2024.

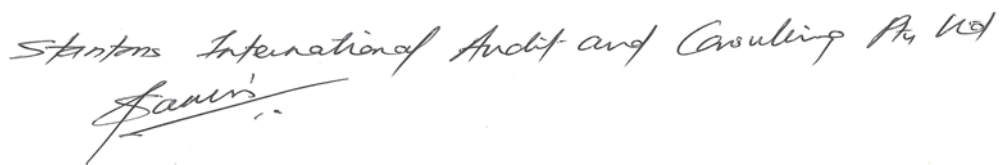
Responsibility of the Directors for the Financial Report

The directors of GWR Group Limited are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility for the Review of the Financial Report

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Company's financial position as at 31 December 2023 and its performance for the half-year ended on that date, and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

STANTONS INTERNATIONAL AUDIT AND CONSULTING PTY LTD**(An Authorised Audit Company)**
Stantons International Audit and Consulting Pty Ltd

Samir Tirodkar
Director

West Perth, Western Australia
14 March 2024