

7 March 2024

ASX Announcement

GWR completes settlement for the sale of Wiluna West Iron Ore Project to Gold Valley

HIGHLIGHTS

- GWR confirms receipt of \$27 million following completion and settlement of the legally binding agreement for the sale of the Wiluna West Iron Ore Project to Gold Valley West Wiluna Pty Ltd.
- In addition to the combined \$30 million cash payment, a \$2 DMT royalty payable for iron ore produced from the Wiluna West project, representing potential additional revenue that will further strengthen the cash position of GWR over life of mine operations.
- GWR intends to explore the significant potential upfront value of its Iron Ore royalty with Royalty Streaming Funds.
- GWR is actively assessing new opportunities in the resources sector and is also considering capital management initiatives such as a capital return to shareholders.
- GWR has acquired a gold royalty payable on certain Wiluna West tenements.

GWR Group Limited (ASX:GWR) (“GWR” or the “Company”), refers to its announcement on 21 December 2023 and is pleased to announce it has completed settlement of the sale of the Wiluna West Iron Ore Project (**Project**) to Gold Valley West Wiluna Pty Ltd (**GV**) and has received \$27 million (in addition to the \$3 million deposit announced on 22 December 2023) pursuant to the legally binding agreement (**Transaction**). In connection with completion of the Transaction, the Company also acquired a gold royalty from George Francis Lee and David Jones Roberts.

GWR’s Chairman Gary Lyons said:

“I would like to thank the GWR team and congratulate Gold Valley on the purchase of the Wiluna West Iron Ore Project. The Company is in a remarkable position of strength with approximately \$43 million in cash and cash equivalents representing a strong position to advance exploration activities whilst investigating numerous project generation opportunities.

The \$2.00 DMT royalty demonstrates the significant potential cashflow to GWR from mining operations at the Wiluna West Iron Ore Project and we will explore the potential to work with royalty stream groups that may generate upfront cash injection to our Company. We look forward to adding further shareholder value with our impressive cash backed and momentum driven balance sheet in 2024.”

Gold Valley Chairman Yuzheng Xie said:

“Acquisition of Wiluna West is a win win for GWR and GV. Hugely derisks GWR with strong cash upfront, helping GV reduce cash cost to ensure this high logistic cost project can be sustainable in current market environment.”

Details of the Transaction

A summary of the material terms of the Agreement is contained in the ASX release dated 21 December 2023.

GV acquired the Assets on an “as is, where is” basis for consideration comprising:

- \$30 million in cash paid as follows:
 - a \$3 million non-refundable deposit paid on 22 December 2023 following execution of the Agreement (**Received**); and
 - the balance of \$27 million paid on completion (**Received**).
- a royalty in respect of all iron ore won from the West Wiluna Iron Ore Project (excluding M53/1018) 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**).

Details of the Gold Royalty

In May 2011, pursuant to a Deed Poll, Wiluna West Gold assumed all the obligations of the Company under the Gold Royalty Deed in relation to a royalty on gold recovered from the land the subject of M 53/1016-1, M 53/1017-1 and M 53/1018-1, payable to George Francis Lee (**Lee**) and David Jones Roberts (**Roberts**), the original vendors of these tenements to GWR. The royalty was payable to Lee and Roberts in equal shares as follows:

- \$10 per troy ounce of gold until a total of 50,000 troy ounces of gold have been recovered; and
- thereafter \$5 per troy ounce of gold,

(**Gold Royalty**).

The Company has entered into a Royalty Sale Agreement with Lee and Roberts under which the Company has acquired and been assigned the Gold Royalty for total consideration of \$800,000 payable to Lee and Roberts. Accordingly, the Gold Royalty is now payable to the Company in addition to the Royalty payable under the Transaction.

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

-ENDS-

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Forward looking statements

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