

December 2024 Quarter Highlights

31 December 2024

Summary

Prospect Ridge Magnesium Project

- The Prospect Ridge Magnesite project is located in north west Tasmania (owned 70% GWR Group Limited (ASX:GWR) and 30% Dynamic Metals Ltd (ASX:DYM)).
- GWR continues to focus on the exploration and development of this Project.
- Phase two diamond drilling program at the Arthur River deposit has been completed consisting of six holes for 742m.
- Assay results from the phase two diamond drilling program are pending. We will update the market once results are complete.
- The approval of the third phase of drilling is pending the drilling results review from the phase two program.
- Significant progress has been made in respect to metallurgy work for the removal of deleterious elements such as silica (SiO₂) in conjunction with the University of Tasmania (UTAS) / CODES and it is intended to update the market early in 2025.
- GWR has received expressions of interest from world leading refractory manufacturers in relation to the Prospect Ridge Magnesite Project and will advise the market of any progress.
- An assessment of the Lyons River magnesite deposit is also being undertaken, which is located to the South of the Arthur River deposit.

Hatches Creek

- GWR announced that it had disposed of its remaining 80% interest in Hatches Creek Tungsten Project to Tungsten Mining NL (“TGN”) for a total consideration of 107.5m fully paid ordinary shares at a deemed issue price of \$0.08 per share. This increased GWR’s voting power in TGN to 19.86%.

New Project Opportunities

- GWR is continuing to appraise and undertake due diligence on potential acquisitions including those that complement its Prospect Ridge Project.

Overview of Assets

GWR has a portfolio of resources projects that includes projects held directly, in its own right, or indirectly through investment in other listed entities. These include:

- Magnesite - Prospect Ridge Project with 25 million tonne inferred Mineral Resource Estimate at 42.4% MgO;
- Tungsten – Investments in Tungsten Mining NL (ASX:TGN);
- Cornerstone and Equity Investments - eMetals Ltd (ASX:EMT); and
- A royalty interest in the Wiluna West Iron Ore assets it disposed of to Gold Valley.

About GWR Group

GWR Group Limited (“GWR”) is an independent, Australian resource house, focused on creating shareholder wealth through the development of high-quality mineral exploration and development projects.

GWR Group has a portfolio of mineral commodity projects that includes projects held in its own right, in joint ventures and indirectly through investment in other listed entities. We aim to create value through operational excellence and innovation in exploration and project development. We will collaborate with our stakeholders to build a sustainable mining business and the respect of our peers.

Corporate Summary

ASX code: **GWR**

Issued Capital: **321.2 million**
Cash on hand: **\$37.3 million**

Board & Management

Gary Lyons
Non-executive Chairman

Teck Siong Wong
Non-executive Director

Wai Ho Law
Non-executive Director

Phil Robinson
Project Manager

Simon Borck
CFO and Joint Company Secretary

Rhys Davies
Joint Company Secretary

Prospect Ridge Magnesite Project

GWR holds a 70% interest in the advanced Prospect Ridge Magnesite project located in northwest Tasmania with Dynamic Metals Limited (ASX: DYM) 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 sits upon granted Exploration Licence (EL5/2016), it is 11km long and 52km² in area and contains two magnesite deposits, the Arthur River and Lyons River deposits containing the third largest Magnesite inventory in Australia.

The Prospect Ridge Magnesite project area is located in northwest Tasmania, 40 km southwest of the Port of Burnie. It sits upon a granted Exploration Licence (EL5/2016), it is 11 km long and 51 km² in area and contains two magnesite deposits, the Arthur River and Lyons River deposits containing the third largest Magnesite inventory in Australia.

The Arthur River prospect is a large high grade magnesium deposit where previous exploration has identified an Inferred Mineral Resource estimate of 25.1Mt @ 42.4% MgO (Table 1) (refer to ASX announcement dated 27th January 2022). Prospect Ridge Magnesite Project with GWR as an industry partner are part of Federal government funded Regional Research Collaboration Grant (RRC), being undertaken at the University Centre for Ore Deposit and Earth Sciences University of Tasmania (“CODES”).

Table 1
Arthur River Inferred Mineral Resource Estimate

Cut-Off (MgO (%))	Tonnes	MgO (%)	SiO ₂ (%)	Fe ₂ O ₃ (%)	CaO (%)
36	36,820,000	41.1	5.9	1.7	2.9
38	32,090,000	41.7	5.4	1.6	2.8
40	25,120,000	42.4	4.8	1.4	2.6
42	15,280,000	43.3	4.2	1.3	2.2
44	3,040,000	44.5	3.0	1.0	1.9

(Refer ASX Announcement 27 January 2022).

GWR completed the second phase of a diamond drilling program at the Arthur River deposit consisting of six HQ diamond drill holes for 741.9 m (refer to ASX announcement dated 21st June 2024).

Assay results from the Phase 2 drilling program are pending and will update the market once results are complete. This will provide additional metallurgical samples, assist with Mineral Resource estimation and domaining of mineralisation types.

GWR is investigating the implementation of a third phase (“Phase 3”) drilling program at Arthur River that may include an additional 21 holes for 3,150m and the possibility of undertaking this by RC drilling. The Phase 3 drilling program will assist in increasing the confidence in the current JORC resource at the Arthur River deposit. The Phase 3 drilling program will assist in increasing the confidence in the current JORC resource at the Arthur River deposit. The approval of the third phase of drilling is pending the drilling results review from the phase two program.

Significant progress has been made in respect to the Metallurgy in respect to the removal of deleterious elements such as silica (SiO₂) in conjunction with the University of Tasmania (UTAS) / CODES and it is intended to update the market early in 2025.

An assessment of the Lyons River magnesite deposit is also being undertaken, which is located to the south of the Arthur River deposit.

Strategic initiatives

GWR is actively appraising and undertaking due diligence on potential project acquisitions by utilising its strong balance sheet and to complement its Prospect Ridge Magnesite Project. Whilst the Company is confident that current discussions will lead to a transaction, the Company will adopt a patient approach to the deployment of capital and will only transact if it considers it is in the best interests of the Company. Accordingly, there can be no guarantee that the Company will enter into a transaction for the acquisition of a new project. The commodity focus of GWR for critical minerals particularly those applicable to advanced industrial applications, remains a key factor in assessing the viability of acquisition targets that build on the momentum of the Prospect Ridge Magnesite Project.

GWR is also reviewing its exploration asset portfolio to ensure its asset focus is rationale and resourced adequately to maximise shareholder value. The Company will update shareholders on any developments in this regard in accordance with its continuous disclosure obligations.

About Magnesium and Its Market

Magnesite is the principal ore for Magnesium which is the lightest structural metal known to man being two thirds lighter than aluminium. The Australian government has classified Magnesium as a critical mineral as are lithium and nickel.

The principal uses for Magnesium are as follows:

- Magnesium metal and its alloys are used extensively in automotive and aerospace industries in light weight bodies, engines, and other parts indispensable in modern vehicles (including EV's).
- Magnesium oxides are used in production of refractory linings necessary for production of steel, cement, and glass.
- Magnesium-ion batteries have the potential to improve on lithium-ion batteries in every phase of the lifecycle. In addition to increased energy capacities, magnesium-ion batteries have numerous other advantages. Magnesium does not tend to form dendrites, resolving the safety issues associated with lithium-ion batteries. As such, a magnesium-ion battery can last substantially longer than a lithium-ion battery. Additionally, magnesium-ion batteries can be charged faster since lithium-ion batteries charge times are constrained to avoid dendrite formation. Magnesium is also reported to be the eighth most abundant element on earth's crust alleviating depletion risk and potentially providing a cheaper product.
(Source - journals.sagepub.com/doi/full/10.1177/16878140211003398)

In September 2021, the Australian Federal Government announced that it will establish a \$2 billion fund to finance critical minerals production in Australia, it was stated that "Critical minerals include resources that are used in technologies such as mobile phones, computer monitors, electric cars and solar panels, such as lithium, **magnesium** and nickel."

Hatches Creek Tungsten Copper Gold Project

The Company announced that it had sold the remaining 80% interest in Hatches Creek Tungsten Project to Tungsten Mining NL ("TGN") for total consideration of 107.5m fully paid ordinary shares at a deemed issue price of \$0.08 per share. This increased GWR's voting power in TGN to 19.86%.

Refer to ASX announcement dated 16th December 2024.

Corporate

Board Changes

During the period Mr Michael Wilson resigned as Executive Director of the Company, effective 31 December 2024.

Mr Simon Borck was appointed Chief Financial Officer and Joint Company Secretary effective 16 December 2024. The appointment follows the resignation of Ms Jessamyn Lyons as Company Secretary.

Refer to ASX announcements dated 17th December 2024 and 27th December 2024

Cash Position and Investments

At the end of the quarter GWR held cash reserves of \$37.3 million, \$14.3 million in ASX listed securities and no debt.

The ASX listed securities comprised of following equity interests:

- Tungsten Mining NL of 177.5 million ordinary shares at \$0.08 per share with a market value \$14.2 million.
- EMetals Limited of 30.8 million shares at \$0.004 per share with a market value \$123,200.

Other

On 2 October 2024, the Company issued 10,500,000 Performance Rights to Directors which were approved by the shareholders at the 2023 AGM. On 2 October 2024, the Company also issued 2,000,000 Performance Rights to the employees and consultants under the Employee Incentive Plan.

Listing Rule 5.3 disclosures

In accordance with the reporting requirements of ASX Listing Rule 5.3 the Company advises the following expenditure incurred during the quarter. Expenditure spent on exploration and evaluation activities of \$363k during the quarter predominantly related to:

- Exploration work program and drilling;
- Metallurgical drilling and scoping study; and
- Attributable administration costs associated with the Company's exploration activities.

There were no mining development or production activities conducted during the quarter.

During the quarter GWR made payments to related parties of \$114k and this comprised of \$90k Directors Remuneration and \$23k to Tungsten Mining NL for property lease and admin expenses.

Tenement Interests

A schedule of the Company's interest in mining tenements as at 31 December 2024 is appended at Appendix 1.

ENDS

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

For further information

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Competent Person's Statement

The information in this report which relates to Exploration Targets, Exploration Results and Mineral Resources or Ore Reserves is based on information compiled by Mr Allen Maynard, who is a Member of the Australian Institute of Geosciences ("AIG") and independent consultant to the Company. Mr Maynard is the Director and principal geologist of Al Maynard & Associates Pty Ltd and has over 40 continuous years of exploration and mining experience in a variety of mineral deposit styles. Mr Maynard has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2012 Edition of the "Australasian Code for reporting of Exploration Results, Exploration Targets, Mineral Resources and Ore Reserves" (JORC Code). Mr Maynard consents to inclusion in the report of the matters based on this information in the form and context in which it appears.

Where the Company refers to previous announcements of Exploration Results and Mineral Resources it confirms that it is not aware of any new information or data that materially affects the information included in previous announcements and all material assumptions and technical parameters disclosed in those announcements continue to apply and have not materially changed.

Appendix 1 - Schedule of interests in mining tenements

(a) Tenements held at 31 December 2024

Location	Tenement	Percentage held	Notes
Western Australia			
Wiluna			
Refer ASX Release dated 21 Dec 2023, 22 Dec 2023, 11 January 2024 and 7 March 2024.			
Tasmania			
Prospect Ridge			
Prospect Ridge	EL5/2016	70%	

* Excludes tenement applications.

(b) Tenements acquired and disposed of during the quarter

Disposed of during the quarter			
Location	Tenement	Percentage held	Notes
Northern Territory			
Hatches Creek			
Hatches Creek	EL22912	80%	80% interest were sold to Tungsten Mining NL
Hatches Creek	EL23463	80%	

(c) The beneficial percentage interests held in farm-in or farm-out agreements as the end of the quarter

The Company also holds a 70% interest in the Prospect Ridge project, containing a granted exploration licence (EL5/2016) in Tasmania.

(d) The beneficial percentage interests in farm-in or farm-out agreements acquired or disposed of during the quarter

The Company disposed of its 80% interest in the Hatches Creek Project to Tungsten Mining NL, containing a granted exploration licence EL22912 and EL23463.

Appendix 5B

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Name of entity

GWR Group Limited

ABN

54 102 622 051

Quarter ended ("current quarter")

31 December 2024

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (6 months) \$A'000
1.	Cash flows from operating activities		
1.1	Receipts from customers	-	-
1.2	Payments for		
	(a) exploration & evaluation	(288)	(651)
	(b) development	-	-
	(c) production	-	-
	(d) staff costs	(126)	(240)
	(e) administration and corporate costs	(547)	(1,029)
1.3	Dividends received (see note 3)		
1.4	Interest received	589	1,117
1.5	Interest and other costs of finance paid	-	-
1.6	Income taxes paid	-	-
1.7	R&D tax incentives	-	260
1.8	Other (provide details if material)		
	- Royalty funds received from Mining Partners	6,074	10,150
	- Royalty payments made on behalf of Mining Partners	(6,039)	(10,123)
1.9	Net cash from / (used in) operating activities	(337)	(516)

2.	Cash flows from investing activities		
2.1	Payments to acquire or for:		
	(a) entities	-	-
	(b) tenements	-	-
	(c) property, plant and equipment	-	-
	(d) exploration & evaluation	-	-

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (6 months) \$A'000
	(e) investments	-	-
	(f) other non-current assets	-	-
2.2	Proceeds from the disposal of:		
	(a) entities	-	-
	(b) tenements	-	-
	(c) property, plant and equipment	-	-
	(d) investments	-	-
	(e) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other (provide details if material)	-	-
2.6	Net cash from / (used in) investing activities	-	-
3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	-	-
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	-	-
3.4	Transaction costs related to issues of equity securities or convertible debt securities	-	-
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	-	-
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other	-	-
3.10	Net cash from / (used in) financing activities	-	-
4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	37,637	37,816
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(337)	(516)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	-	-

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (6 months) \$A'000
4.4	Net cash from / (used in) financing activities (item 3.10 above)	-	-
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of period	37,300	37,300

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1	Bank balances	2,900	3,137
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Term deposits	34,400	34,500
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	37,300	37,637

6.	Payments to related parties of the entity and their associates	Current quarter \$A'000
6.1	Aggregate amount of payments to related parties and their associates included in item 1	114
6.2	Aggregate amount of payments to related parties and their associates included in item 2	-
<i>Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments.</i>		

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

7. Financing facilities	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
<i>Note: the term "facility" includes all forms of financing arrangements available to the entity. Add notes as necessary for an understanding of the sources of finance available to the entity.</i>		
7.1 Loan facilities	-	-
7.2 Credit standby arrangements	-	-
7.3 Other (please specify)	-	-
7.4 Total financing facilities	-	-
7.5 Unused financing facilities available at quarter end		-
7.6 Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.	Not applicable	

8. Estimated cash available for future operating activities	\$A'000
8.1 Net cash from / (used in) operating activities (item 1.9)	(337)
8.2 (Payments for exploration & evaluation classified as investing activities) (item 2.1(d))	-
8.3 Total relevant outgoings (item 8.1 + item 8.2)	(337)
8.4 Cash and cash equivalents at quarter end (item 4.6)	37,300
8.5 Unused finance facilities available at quarter end (item 7.5)	-
8.6 Total available funding (item 8.4 + item 8.5)	37,300
8.7 Estimated quarters of funding available (item 8.6 divided by item 8.3)	110.68
<i>Note: if the entity has reported positive relevant outgoings (ie a net cash inflow) in item 8.3, answer item 8.7 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.7.</i>	
8.8 If item 8.7 is less than 2 quarters, please provide answers to the following questions:	
8.8.1 Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?	
Answer: N/A	
8.8.2 Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?	
Answer: N/A	
8.8.3 Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?	
Answer: N/A	
<i>Note: where item 8.7 is less than 2 quarters, all of questions 8.8.1, 8.8.2 and 8.8.3 above must be answered.</i>	

Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

31 January 2025

Date:

By the Board

Authorised by:
(Name of body or officer authorising release – see note 4)

Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 6: Exploration for and Evaluation of Mineral Resources* and *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.
4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [name of board committee – eg Audit and Risk Committee]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.