

17 February 2025

ASX Announcement

Corporate Update – February 2025

Cash and Investments = \$53,575,700 (as at 31 Dec 2024)

Enterprise Value = -\$25,951,068 (as at 13 February 2025)

HIGHLIGHTS

- **As the company advances its Prospect Ridge Magnesite project, it has evaluated a substantial number of potential transactions that could generate significant value for shareholders.**
- **In its pursuit of a transformative project for shareholders, the GWR Board, in collaboration with its corporate advisors, has assessed opportunities globally, including but not limited to Australia, North America, Africa, and Europe.**
- **The company has submitted non-binding indicative offers for major transactions in Australia and is currently conducting extensive due diligence on one potential transaction. The company remains committed to keeping the market informed on this transaction in accordance with disclosure obligations.**
- **Additionally, the company continues to target advanced projects with established resources and reserves, near-term cash flow potential, and significant exploration upside. The search has focused on various commodities, including gold, copper, silver, antimony, rare earth elements (REE), iron ore, bauxite, niobium, coal, lithium, and tantalum.**
- **At the end of the December 2024 quarter GWR had no debt and total cash reserves of \$37,300,000. Investments as at 13 February 2025 total \$16,275,700 in ASX listed securities with a total cash and investments balance of \$53,575,700:**
 - **Tungsten Mining NL (ASX:TGN) of 177.5 million ordinary shares at \$0.091 per share with a market value \$16.152 million.**
 - **EMetals Limited (ASX:EMT) of 30.8 million shares at \$0.004 per share with a market value \$123,200.**
- **Following shareholder queries about GWR's holding in Tungsten Mining NL, the company maintains a strong view on the tungsten price noting the recently announced Chinese export restrictions on this critical mineral.**

GWR Group Ltd (ASX:GWR) ("GWR Group" or "the Company") is pleased to advise shareholders with a corporate update as it continues to execute its strategy, progressing the Prospect Ridge Magnesite Project while actively pursuing new transformational opportunities that can deliver significant value for shareholders.

Strategic Project Transaction Assessment

GWR has undertaken a rigorous review of numerous potential transactions that could be accretive to shareholder value. The Board, in collaboration with its corporate advisors, has cast a wide net, assessing projects of significance that could be transformational for the company.

The company has evaluated opportunities across multiple global jurisdictions, including Australia, North America, Africa, and Europe and the focus remains on advanced-stage projects with existing resources and reserves, strong cash flow potential, and significant exploration upside.

Commodities of interest include gold, copper, silver, antimony, rare earth elements (REE), iron ore, bauxite, niobium, coal, lithium, and tantalum.

As part of this strategy, GWR has submitted a **non-binding indicative offer for a significant transaction in Western Australia**. Due diligence is currently underway, and GWR will continue to update the market in accordance with its disclosure obligations.

- The potential acquisition aligns with the company's broader objective of securing projects with strong fundamentals, existing infrastructure, and near-term cash flow potential.
- Western Australia remains a premier mining jurisdiction, with established export markets and robust pricing dynamics, GWR has significant experience in this area.

Strong Cash Position Trading at a Significant Negative Enterprise Value

GWR remains committed to executing disciplined transactions that enhance shareholder value while maintaining a **strong financial position with zero debt and total cash and investments of \$53.575 million**. The company remains well-capitalised to execute its growth strategy.

- **Cash Reserves:** \$37.3 million as at 31 Dec 2024.
- **ASX Listed Securities Portfolio:** \$16.275 million in liquid investments as at 13 Feb 2025.
 - Tungsten Mining NL (ASX: TGN) – 177.5 million ordinary shares at \$0.091 per share, with a market value of \$16.152 million.
 - EMetals Limited (ASX: EMT) – 30.8 million shares at \$0.004 per share, with a market value of \$123,200.

This financial stability provides the company with significant flexibility to pursue new opportunities and sustain exploration and development initiatives.

Tungsten Market View and Strategic Holdings in Tungsten Mining ML (ASX:TGN)

In response to shareholder queries regarding GWR's shareholding holding in Tungsten Mining NL (ASX: TGN), the company reiterates its **strong conviction in the tungsten market**. Recent Chinese export restrictions on tungsten have further bolstered the positive outlook for the commodity.

- China accounts for the majority of global tungsten supply, and recent restrictions are expected to tighten the market, leading to potential upward price pressure.
- Tungsten is a critical mineral with strong demand fundamentals, driven by its application in industrial, military, and high-tech industries.
- GWR remains confident in the long-term strategic value of its TGN holding, particularly given the tightening supply-demand balance.

Future Outlook and Strategic Direction

As GWR continues to progress its Prospect Ridge Magnesite Project, the company remains steadfast in identifying and executing strategic transactions that can deliver transformational value to shareholders.

- The company will **keep the market informed** on the progress of its due diligence on the Western Australian transaction.
- Ongoing efforts to **secure advanced-stage projects** across key commodities will remain a core priority.
- Financial strength and capital discipline remain fundamental pillars of GWR's corporate strategy.

With an unwavering commitment to growth and value creation, GWR Group is positioned to capitalise on emerging opportunities in the global resources sector. The company looks forward to updating shareholders as it continues to execute its strategic vision.

Refer to ASX Release dated 31 January 2025 "Quarterly Activities Report/Appendix 5B Cashflow Report" for further information.

GWR Chairman, Mr Gary Lyons commented:

"We are committed to identifying and executing strategic opportunities that enhance shareholder value. Our recent initiatives, including the due diligence on a significant transaction in Western Australia, reflect our proactive approach to growth. With our strong financial position, we remain well-placed to capitalise on market opportunities across multiple commodities. Shareholders can be assured that we are focused on securing assets with strong fundamentals, near-term cash flow potential, and significant exploration upside."

-ENDS-

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

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Forward looking statements

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