

Highlights

Hatches Creek Tungsten Project

- Size analysis testwork on six bulk samples collected during the previous quarter showed encouraging results suggesting that the plus 100mm fractions on some dumps contain low levels of tungsten that can be removed by low cost screening. Using the data collected from the UAV survey undertaken in the previous quarter modelling of all known dumps has been completed and preliminary mining schedules prepared.
- Fieldwork undertaken in December 2015 included the collection of an additional 138 dump samples and a comprehensive inspection of historical mine workings.

Investment in Tungsten Mining NL (ASX: TGN)

- In October 2015 TGN announced that it had agreed terms for the acquisition of the Australian tungsten exploration assets of Hazelwood Resources Ltd (ASX: HAZ) comprising the Mt Mulgine and Big Hill tungsten assets ("Projects").
- TGN paid \$1,000,000 and issued 5,000,000 fully paid ordinary shares as consideration for the purchase of the Projects upon completion in December 2015. GWR has a substantial shareholding (16.4%) in TGN and assisted with the acquisition by funding the cash component of the consideration pursuant to the terms of a Funding Deed.
- TGN now controls an aggregate tungsten resource inventory of 93 million tonnes at 0.18% WO₃, representing more than 16.5 million MTU (metric tonne units) of WO₃, providing the platform for TGN to become a globally significant player within the primary tungsten market.
- In January 2016, TGN announced the completion of a private placement to sophisticated and institutional investors to raise \$1.92m.

Wiluna West Iron Project

- The Company liaised with DMP in relation to the Mining Proposal and Clearing Permit application submitted in the previous quarter. No other exploration activity was undertaken during the quarter.

About GWR

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.

Our project portfolio extends from early stage regional exploration, through to development projects such as the advanced Wiluna West Iron Ore Project. 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:	242.28 million
Issued Options:	3.1 million
Cash on hand:	\$11.8 million

Board & Management

Gary Lyons

Non-executive Chairman

Mick Wilson

Executive Director

Tan Sri Dato' Tien Seng Law

Non-executive Director

Kong Leng (Jimmy) Lee

Non-executive Director

Datuk Chin An (CA) Lau

Non-executive Director

Mark Pitts

Company Secretary

Craig Ferrier

Chief Executive Officer

Project Generation & Acquisitions RWG Minerals

- As previously announced, GWR established a 100% owned subsidiary, RWG Minerals Pty Ltd, with a mandate to create value through tenement acquisition.
- During the quarter no new applications were made and RWG now has a total of four projects.

Corporate

- GWR and TGN entered into a Funding Deed to facilitate TGN's acquisition of the Western Australian tungsten projects of Hazelwood Resources Ltd. In December 2015 GWR advanced the amount of \$1,000,000 to TGN to enable it to complete settlement of the asset purchase.
- GWR remains well funded with cash reserves of \$11.8 million and no debt.

For further information:

Craig Ferrier
Chief Executive Officer
Ph: +61 8 9322 66 66
E: craigf@gwrgroup.com.au

For Broker and Media Enquiries:

Warrick Hazeldine / Andrew Rowell
Cannings Purple
Ph: +61 417 944 616 / +61 400 466 226
E: whazeldine@canningspurple.com.au /
arowell@canningspurple.com.au

Hatches Creek Tungsten Project

As previously announced on 19 January 2015, GWR signed a binding Heads of Agreement with fellow ASX listed Arunta Resources Limited (ASX:AJR) (Arunta) and agreed to sole fund \$1,500,000 of Joint Venture Expenditure to earn a 50% Joint Venture interest in the Hatches Creek tungsten project in the Northern Territory (Project).

The Project is located 375 km north east of Alice Springs in the Northern Territory of Australia (Figure 1).

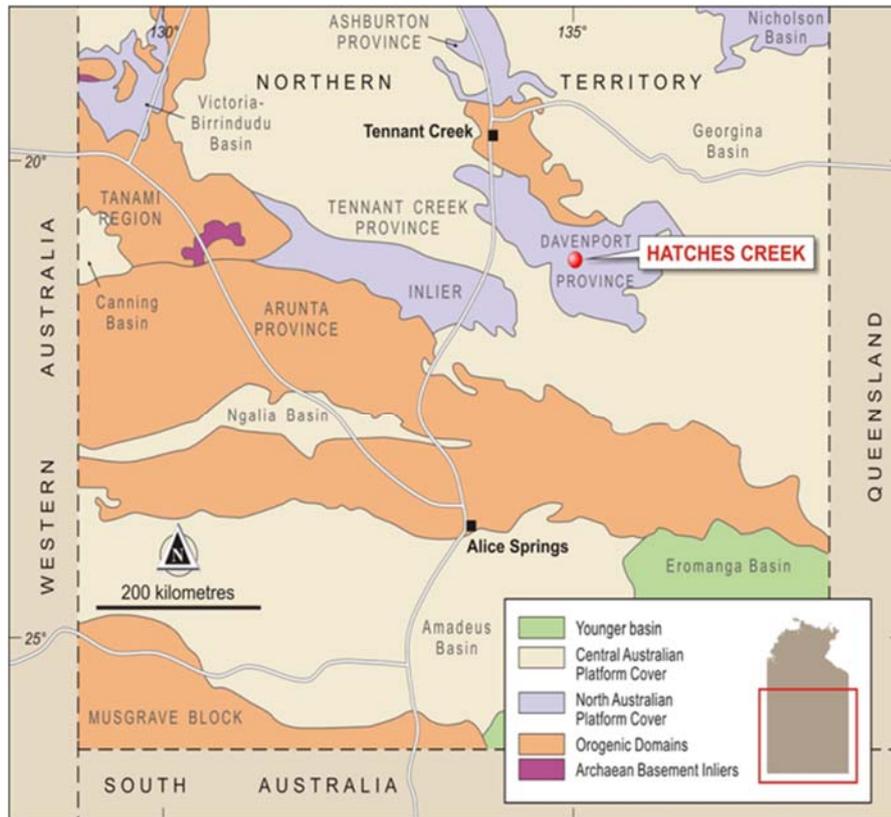


Figure 1, Hatches Creek Project Location

Work Completed in December 2015 Quarter

The scoping study level assessment of the viability of processing the historical mine dumps is ongoing. Exploration undertaken during the December quarter included geological field inspection of most of the historical mining areas, collection of 138 mine dump samples, modelling of mine dump volumes and preliminary mine scheduling. Work also continued on collection and compilation of data for the scoping study assessment of the project.

During the September 2015 Quarter, Ausurv Surveyors Pty Ltd carried out an unmanned aerial vehicle (“UAV”) survey collecting high quality aerial photography over the Hatches Creek project. This data has been used to define accurate volume models for most of the historical mine dumps and conduct preliminary mine scheduling studies.

Field work completed in early December 2015 included;

- Collection of an additional 138 mine dump samples from dumps not previously sampled

- Detailed geological inspection of most of the historical mine areas, which will be used to assist with designing an RC drilling program

Six of the ten bulk samples collected during the September 2015 Quarter were submitted to Nagrom Laboratories for size fraction analysis and bulk density determination. The results were encouraging with the +100mm sized fraction on some dumps containing low levels of tungsten suggesting that the +100mm size fractions of the dumps could be excluded or removed via low cost screening.

Hatches Creek Tungsten Mining Centre

The Hatches Creek project consists of two granted tenements occupying 31.4 km² (EL22912 and EL23462), which cover the entire historic Hatches Creek tungsten mining centre. Hatches Creek is a large historical high grade tungsten mining centre where mining was undertaken between 1915 and 1957. Previous recorded production is approximately 2,840 tonnes of 65% WO₃.



Figure 2, Pioneer Mine

There are a large number of historical mine workings with much of the recorded previous production coming from six groups of historical mine workings spread over an area of 20 km². Historical production was at grades of 1% to 12% WO₃, averaging 2.5% WO₃, with the largest contributor being the Pioneer Group (Figure 2). The mines exploited quartz veins containing wolframite and to a lesser extent scheelite, bismuth and copper.

JORC Code (2012) Mineral Resource

In September, 2014, Arunta announced a maiden Inferred Resource of 225,000 tonnes grading 0.58% WO₃ (0.2% lower cut off and 1.5% upper cut). For comparison purposes the average grade of eight major global tungsten deposits currently being explored / developed by ASX listed companies is 0.34% WO₃, demonstrating that the stockpiled material is relatively high grade. The stockpiled material consists of mineralised waste, tailings and eluvial/alluvial material from the 11 largest historical mines in the Hatches Creek Tungsten Project (Figure 3), which was accumulated during the

project's 42 year mining history.

The known resource could be sufficient to underpin near term production. In addition to the benefit of being a high-grade resource, the material has been previously mined which will be a significant benefit from an operating cost perspective.

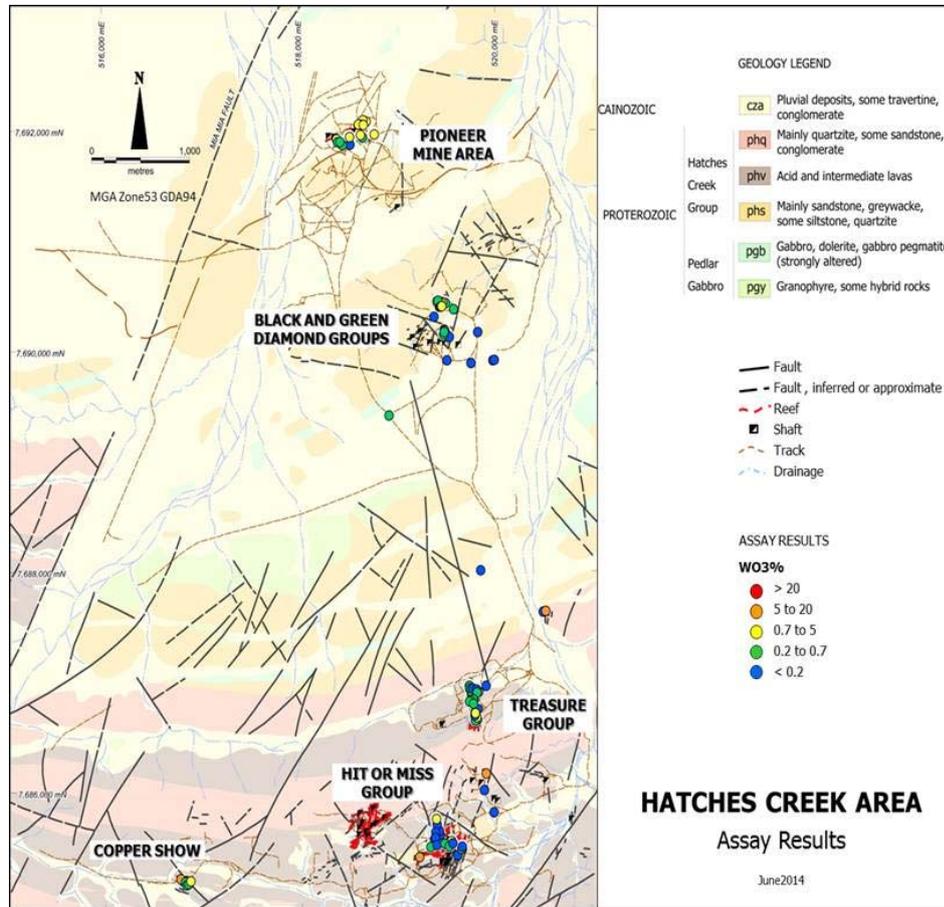


Figure 3: Major mines and dump sampling results Under Assay results WO₃

Exploration Potential

There has been no substantial exploration or mining undertaken at Hatches Creek since 1957. Numerous historical underground mines are present which exploited high grade quartz veins containing wolframite and to a lesser extent scheelite, bismuth and copper. Workings were confined - mostly to above the water table and elsewhere to a maximum depth of only 60 m. A comprehensive review of the Hatches Creek site was undertaken by the Bureau of Mineral Resources Geology and Geophysics (Commonwealth Government) and published in 1961. This included detailed mapping and surveying of most of the mine workings. This work suggests that the mineralisation is open at depth and the previously mined reefs show excellent continuity.

Review of this data suggests that the Hit or Miss Group is a high priority target for potential open pit mining in view of the large number of individual mineralised veins present.

Metallurgical Test Work

Metallurgical testwork on the historical mine dumps is ongoing and, as reported in the June 2015 quarter, investigative metallurgical test work has been completed with encouraging results, on two bulk samples from Pioneer and Treasure.

This has shown that it is possible to produce a 42 % WO₃ concentrate with a recovery of 66% of the contained tungsten, as summarised in Table 1 below. The test work has also produced significant grades of Cu, Mo and Au in the pre-float sulphide concentrate, showing potential for these metals to be recovered as saleable by-products. The concentrates produced also showed high bismuth (Bi) which is deleterious, however high Bi is only present at Pioneer and Green Diamond.

WO ₃ Summary	WO ₃	Circuit yield WO ₃
	%	%
Super Concentrate	66.30	27
Concentrate	36.50	39
Concentrate - Total	42.70	66
Middlings	4.30	9
Tailings	0.10	25
Calc. head	0.77	100

Table 1: WO₃ concentrate grade and recovery

During 2014, Arunta undertook preliminary metallurgical testwork on ten, 10 kg composite samples compiled from the dump sampling program which underpins the above Inferred Resource Estimate. These samples were crushed to -2 mm and subjected to wet gravity separation using a Wilfley table. This testwork yielded encouraging results, suggesting that significant recoveries are possible. The most encouraging results are from the Hit or Miss area, with composite sample "C" producing a concentrate of 47.5% WO₃ recovering 74% of the contained WO₃. Sample "H" from the Black and Green Diamond Group produced a concentrate grading 38.4% WO₃ recovering 78% of the contained WO₃.

Wiluna West Iron Ore Project

GWR's flagship project, the Wiluna West Iron Ore Project, is an exceptional, DSO iron ore development project, which will produce a high grade, low impurity iron ore as metallurgical tests have demonstrated.

The Wiluna West project has a 2004 JORC Code compliant Resource comprising a Measured Resource of 3.7 Mt at 59.6% Fe, Indicated Resource of 77.2 Mt at 60.3% Fe and an Inferred Resource of 49.5 Mt at 59.6% Fe totalling 130.3 Mt at an average iron grade of 60% Fe. This incorporates Proven Reserves of 2.9 Mt at 59.7% Fe and Probable Reserves of 66.4 Mt at 60.3% Fe (refer Annual Resources and Reserves Statement contained in the 2015 Annual Report). This information was prepared and first disclosed under the JORC Code 2004. It has not been updated since to comply with the JORC Code 2012 on the basis that the information has not materially changed since it was last reported.

In April 2013, GWR received notification from the Office of the Environmental Protection Authority that the Company's plans for large scale mining at Wiluna West do not warrant formal assessment under the Environmental Protection Act 1986. This clears the way for development of the Wiluna West Iron Ore Project at a rate of production of up to 10 million tonnes per annum.

GWR has made substantial progress towards mining operations at Wiluna West and is ready to complete development and move in to production. In April 2012, the Western Australian Department of Mines and Petroleum (DMP) approved the mining proposal for the John William Douth (JWD) high grade deposit. This Mining Approval concerns one million tonnes per annum for three years. The JWD deposit is within the Wiluna West Iron Ore Project tenements and contains a

DSO hematite resource (2004 JORC Code compliant) comprising a Measured Resource of 6.4 Mt at 64.1% Fe, Indicated Resource of 0.9 Mt at 63.6% Fe and an Inferred Resource of 3.4 Mt at 63.1% Fe totalling 10.7 Mt at an iron grade 63.7% Fe, using a cut-off of 55% Fe (refer ASX announcement dated 11 April 2013).

The JWD metallurgical characterisation program was carried out on lump ores at the CSIRO laboratories in Brisbane, whilst sinter pot test work on JWD fines was conducted at CISRI's Beijing research facilities. The positive metallurgical test-work results indicate that GWR's iron ore lump and fines products will be viewed by the steel mills as value adding and comparable with premium lump ores produced in the Pilbara region of Western Australia.

In view of the substantial decline in iron ore prices since March 2014, GWR has responded by placing the project on care and maintenance and reducing project related costs to an absolute minimum. No exploration activity was undertaken during the quarter, however work on approvals progressed with further consultation with the DMP in relation to the Mining Proposal, Mine Closure Plan and Clearing Permit application for large scale mining at Wiluna West submitted with the DMP in August 2015. Completion of the review process is expected to occur in the current quarter.

Wiluna West Gold Project

In view of the current gold price (circa A\$1600), GWR is reviewing opportunities to achieve positive cash flow by mining portions of its JORC Code 2004 gold Resource of 3,478,000 tonnes at 2.3 g/t Au for an estimated 258,000 oz Au (estimated at a 1g/t lower cut off). This includes an Indicated Resource estimate of 46,000 tonnes at 3.5 g/t Au for 5,200 oz and an Inferred Resource estimate of 3,432,000 tonnes at 2.3 g/t Au for 253,000 oz. This information was prepared and first disclosed under the JORC Code 2004. It has not been updated since to comply with the JORC Code 2012 on the basis that the information has not materially changed since it was last reported.

Earaheedy Iron & Manganese Project

GWR via its 100% owned subsidiary Iron West Resources Pty Ltd holds one exploration licence application (E69/3405) over an area considered to be one of the most prospective for iron ore deposits. E69/3405 includes the Cecil Rhodes area where previous explorers have obtained significant iron intercepts.

GWR's 100% owned tenements or those comprising the Dragon Energy JV now occupy a total strike length of 57 km within an area of 219 km².

Investment in West Peak Iron Ltd

GWR holds a 10.16% interest in ASX listed company West Peak Iron Limited (ASX Code: WPI).

WPI previously reported during the September quarter that it had relinquished its remaining tenement interests in West Africa, and that its office in Liberia has been closed, any residual assets disposed of and all staff terminated. As such all financial commitments to its operations in Liberia have been settled.

WPI have reported the completion of capital raisings during and since the end of the December quarter and reported that it has a cash balance of \$2.07m as at 25 January 2016. WPI have also advised that it continues to review and appraise new commercial opportunities both within and outside the mining sector.

Investment in Tungsten Mining NL

In June 2014, the Company acquired a 16.4% interest in ASX listed company Tungsten Mining NL (ASX Code: TGN) by participating in the placement of shortfall shares in TGN's entitlement issue. GWR subscribed for 35,000,000 shares at a price of 4 cents each equating to an investment of \$1,400,000. GWR has been engaged to provide management and technical services to Tungsten Mining from 1 August 2014.

Tungsten is a high value industrial metal used in the manufacture of hardened metals (cemented carbides), steel alloys and mill products. Its application in heavy construction machinery, drilling for minerals and oil/gas and in high temperature equipment makes tungsten a mineral of strategic importance.

TGN is focused on the development and exploitation of tungsten deposits. During the late 2014 TGN completed a two phased program of infill drilling at its advanced Kilba Project in the Ashburton region of Western Australia. In January 2015 TGN announced an updated Resource estimate (JORC Code 2012) incorporating the above drilling of 5.0 million tonnes at 0.24% WO₃ at Zones 8, 11 and 12. This resource comprises 4.1 million tonnes at 0.25% WO₃, in the Indicated category and 0.83 million tonnes at 0.20% WO₃ in the Inferred category. TGN has also recently completed metallurgical testwork, mining and infrastructure studies which were reported on in the June 2015 quarter.

On 26 October TGN announced that it had agreed terms for the acquisition of the Australian tungsten exploration assets of Hazelwood Resources Ltd (ASX: HAZ) comprising the Mt Mulgine and Big Hill tungsten assets ("Projects").

The 100%-owned Big Hill project, located in the East Pilbara of Western Australia hosts a Measured & Indicated Mineral Resource. The Mt Mulgine project comprises 100% of the tungsten and molybdenum rights on a group of tenements located 350km NNE of Perth, Western Australia. The Mt Mulgine Project has been subject to significant previous evaluation. Two near surface Mineral Resources have been validated at Mt Mulgine, the Mulgine Hill Deposit and Mulgine Trench Deposit. The Mulgine Trench project continues to grow since the maiden Resource estimate announced in April 2014. The Mt Mulgine and Big Hill Projects together represent a tungsten resource inventory of 88.2 Million tonnes at 0.17% WO₃, representing more than 15 million MTU (metric tonne units) of WO₃ based on a 0.10% WO₃ cut-off grade (refer GWR September 2015 Quarterly Report).

Following completion of the acquisition in December 2015, TGN controls an aggregate tungsten resource inventory of 93 Million tonnes at 0.18% WO₃, representing more than 16.5 million MTU (metric tonne units) of WO₃ (refer GWR September 2015 Quarterly Report), providing the platform for TGN to become a globally significant player within the primary tungsten market.

Consideration paid for the Hazelwood acquisition was the cash sum of \$1,000,000 and the issue of 5,000,000 fully paid ordinary shares in TGN. Settlement took place on 14 December 2015. In view of GWR's substantial shareholding (16.4%) in TGN, the Company agreed to assist by offering to fund the cash component of the consideration. To this end, TGN and GWR entered into a Funding Deed ("Deed") in December 2015. The Deed provided for GWR to advance the Principal amount of \$1,000,000 by way of unsecured loan (Loan). The Loan is repayable:

1. out of proceeds of any future entitlements issue by TGN to the extent of GWR's subscription to the entitlements issue;
2. by GWR subscribing to Convertible Notes in TGN subject to TGN shareholder approval; or
3. in cash for any amount remaining outstanding on the Maturity Date (11 December 2016).

In the event GWR subscribes for Convertible Notes to be issued by TGN, the Convertible Notes will be on the following terms:

- a face value of \$1,000,000 (less any amount of the Loan repaid prior to the issue of the Convertible Notes) ;
- Interest to apply at the rate of 12%pa payable quarterly in arrears (as is the case with the Loan);
- Repayable on the Maturity Date (11 December 2016); and
- Conversion into fully paid ordinary shares in TGN (“Shares”) at the election of GWR at any time prior to the Maturity Date at a share price of the lesser of:
 - 4 cents per Share;
 - the 30 day VWAP for Shares immediately prior to receipt of a Conversion Notice; or
 - the most recent issue price of Shares to raise at least \$1,000,000 prior to receipt of a Conversion Notice.

Under the Deed, if TGN does not obtain the requisite shareholder approval (for ASX Listing Rule and Corporations Act purposes) within 60 days of a request from GWR for TGN to seek shareholder approval the Loan shall become payable on demand.

Since the end of the December quarter, TGN has announced that it has successfully completed a private placement of 48 million shares at 4 cents each to sophisticated and institutional investors to raise \$1.92m.

Project Generation

As previously announced, the Company is now actively seeking other iron ore and commodity opportunities within Western Australia and elsewhere. The Company has recently reviewed a number of opportunities at both a project and corporate level.

RWG Minerals

In view of the depressed market conditions for iron ore, GWR has been investigating a number of other (non-iron ore) commodity opportunities. In August 2014 GWR established a 100% owned subsidiary, RWG Minerals Pty Ltd (“RWG”). RWG’s mandate is to seek opportunities throughout Western Australia, which are currently not held and can be acquired by applying for tenements. RWG has established four projects as follows:

Twin Hills (gold) – E29/950

The Twin Hills exploration licence (E29/950) is located approximately 30 km north east of the township of Menzies in the North Eastern Goldfields of WA. E29/950 is approximately 30 km² in size and covers approximately 10 km of strike over the Greenstone Belt which hosts the excised historical Twin Hills gold mine. The EL application was granted on the 23rd of September 2015.

Ted Well (tungsten) – ELA09/2141

The Ted Well exploration licence application (ELA09/2141) is located approximately 250 km east of the township of Carnarvon in the Gascoyne region of Western Australia. It is some 360 km² in size and has 52 km of prospective strike. It is also 40 km south of the Nardoo Well exploration licence applied for by RWG in August 2014. The DMP Mindex database shows that there are a number of mineral occurrences within ELA09/2141 including 32 tungsten occurrences. The Ted Well project complements that of the Nardoo Well project and RWG plans to compile and review previous exploration data.

Nardoo Well (tungsten, lithium, tantalum, beryllium) - E09/2114

The 131 km² Nardoo Well exploration licence is located 250 km east of Carnarvon in the Gascoyne region of Western Australia. Access is gained via the sealed Carnarvon- Mullewa road to the east of Gascoyne Junction and then 90 km north on local gravel roads. The EL application was granted on the 28th August 2015.

Prospecting and small scale mining for tantalum, beryl, bismuth and mica has been carried out in the area since the 1920s. Based upon DMP databases, there are widespread occurrences of tungsten, tantalite and beryl within E09/2114. The Mindex database shows more than 20 tungsten occurrences which are concentrated in the northeast portion of the tenement. Here skarn style tungsten (scheelite) and copper occurs within the Morrissey Metamorphics.

Previous exploration by Whim Creek Consolidated NL in the early 1980s included percussion drilling with the best intercept being 8 m at 3800 ppm WO₃ from 0 m.

In the southwest portion of the tenement there are widespread occurrences in the form of outcrops and old mine workings for tantalite, columbite, beryl and mica associated with pegmatite intrusives, which are also considered prospective for lithium.

During the coming quarter, GWR plans to compile previous exploration results with a view to guiding future exploration.

Lake MacLeod (gypsum) - ELA08/2684

The 157 km² Lake MacLeod exploration licence application ELA08/2684 is located in the Gascoyne region of Western Australia some 15 km from the Western Australian coast. It is 140 km south of Exmouth and 95 km northeast of a deep water port at Cape Cuvier (Figure 5).

Previous explorers have identified substantial deposits of high grade gypsum (>90% gypsum) within the ground applied for. Previous exploration activities have included test pitting, auger drilling and metallurgical testwork. From this work tonnage and grade estimates, were made for the Lake MacLeod 1 and 2 deposits (Figure 5), which pre date the JORC Code.

The gypsum deposits within ELA08/2650 represent potential high quality, low impurity sources of gypsum which are suitable for use in the building and agricultural industries. Gypsum has previously been exported to Asian markets by Dampier Salt from deposits located approximately 90 km to the south.

The sealed Exmouth road traverses the tenement application and joins the major North West Coastal Highway some 35 km to the south. The deep water port of Cape Cuvier is located approximately 95 km south west, where Dampier Salt are currently exporting salt at a rate of 2.9 Mt per annum.

GWR plans to compile all previous exploration results to confirm the deposits quality and size and to also undertake market research to determine if there is a potential market.

Corporate

Cash Position

GWR remains well funded with cash reserves of \$11.8 million and no debt.

As set out above GWR entered into a Funding Deed with TGN in December 2015 and advanced the amount of \$1,000,000 by way of interest bearing loan to TGN to facilitate the settlement of the Hazelwood acquisition.

Tenement Interests

A schedule of the Company's interest in mining tenements as at 31 December 2015 for the purposes of ASX Listing Rule 5.3.3 is appended at Annexure 1.

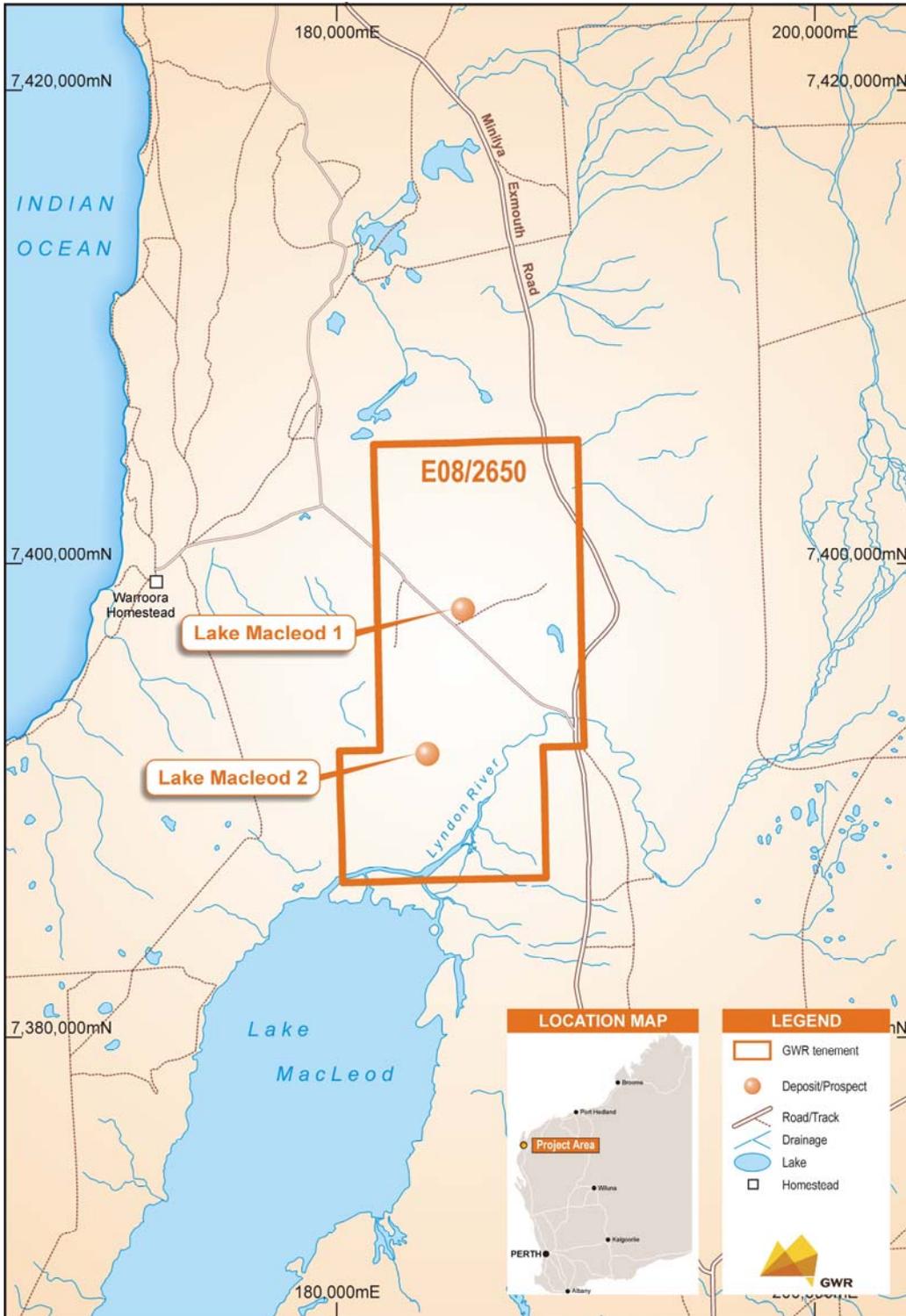
Competent Person's Statement

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"), a Corporate Member of the Australasian Institute of Mining & Metallurgy ("AusIMM") and independent consultant to the Company. Mr Maynard is the Director and principal geologist of AI Maynard & Associates Pty Ltd and has over 35 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.

Figure 4: GWR Project Location Map



Figure 5: Lake MacLeod



Annexure 1 - Schedule of interests in mining tenements

(a) Interests in mining tenements as at 31 December 2015

Location	Tenement	Percentage held	Notes
Western Australia			
Wiluna			
Wiluna West	E53/1089-I	80%	JV with Jindalee Resources Ltd
Wiluna West	E53/1116-I	0%	Surrendered
Wiluna West	G57/9	100%	
Wiluna West	G57/10	100%	
Wiluna West	L53/115	100%	
Wiluna West	L53/146	100%	
Wiluna West	L53/147	100%	
Wiluna West	L53/148	100%	
Wiluna West	L53/154	100%	
Wiluna West	L53/177	100%	
Wiluna West	L53/178	100%	
Wiluna West	L53/179	100%	
Wiluna West	L53/190	100%	
Wiluna West	M53/971-I	100%	
Wiluna West	M53/972-I	100%	
Wiluna West	M53/1016-I	100%	
Wiluna West	M53/1017-I	100%	
Wiluna West	M53/1018-I	100%	
Wiluna West	M53/1078-I	80%	JV with Jindalee Resources Ltd
Wiluna West	M53/1087-I	100%	
Wiluna West	E53/1842-i	100%	Application granted in the quarter
Earaheedy			
Earaheedy	E69/3284-I	100%	
Lee Steere Farm-in	E69/2126-I	0%	Farm-in with Dragon Energy Ltd
Lee Steere Farm-in	E69/2377-I	0%	Farm-in with Dragon Energy Ltd
RWG Minerals			
Nardoo Well	E69/2114	100%	
Twin Hills	E29/950	100%	
Northern Territory			
Hatches Creek			
Hatches Creek Farm-in	EL22912	0%	Farm-in with Arunta Resources Ltd
Hatches Creek Farm-in	EL23463	0%	Farm-in with Arunta Resources Ltd

* Excludes tenement applications.

(b) Tenements acquired and disposed of during the quarter

There were no other tenements acquired or disposed during the quarter.

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

The Company remains in the “earn-in” phase of the Lee Steere and Hatches Creek projects and has no beneficial interest in the respective tenements as set out above.

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

No change during the quarter.

Appendix 5B

Mining exploration entity and oil and gas exploration entity quarterly report

Introduced 01/07/96 Origin Appendix 8 Amended 01/07/97, 01/07/98, 30/09/01, 01/06/10, 17/12/10, 01/05/2013

Name of entity

GWR Group Limited

ABN

54 102 622 051

Quarter ended ("current quarter")

31 December 2015

Consolidated statement of cash flows

	Current quarter \$A'000	Year to date (6 months) \$A'000
Cash flows related to operating activities		
1.1 Receipts from product sales and related debtors	-	-
1.2 Payments for (a) exploration & evaluation	(518)	(1024)
(b) development	-	-
(c) production	-	-
(d) administration	(399)	(781)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	111	259
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Other (provide details if material)	-	-
Net Operating Cash Flows	(806)	(1,546)
Cash flows related to investing activities		
1.8 Payment for purchases of: (a) prospects	-	-
(b) equity investments	-	-
(c) other fixed assets	(8)	(11)
1.9 Proceeds from sale of: (a) prospects	-	-
(b) equity investments	-	2
(c) other fixed assets	-	-
1.10 Loans to other entities	(1,000)	(1,000)
1.11 Loans repaid by other entities	-	-
1.12 Other (provide details if material)	-	-
Net investing cash flows	(1,008)	(1,009)
1.13 Total operating and investing cash flows (carried forward)	(1,814)	(2,555)

+ See chapter 19 for defined terms.

Appendix 5B
Mining exploration entity and oil and gas exploration entity quarterly report

1.13	Total operating and investing cash flows (brought forward)	(1,814)	(2,555)
	Cash flows related to financing activities		
1.14	Proceeds from issues of shares, options, etc.	-	-
1.15	Proceeds from sale of forfeited shares	-	-
1.16	Proceeds from borrowings	-	-
1.17	Repayment of borrowings	-	-
1.18	Dividends paid	-	-
1.19	Other (provide details if material)	-	-
	Net financing cash flows	-	-
	Net increase (decrease) in cash held	(1,814)	(2,555)
1.20	Cash at beginning of quarter/year to date	13,650	14,391
1.21	Exchange rate adjustments to item 1.20	-	-
1.22	Cash at end of quarter	11,836	11,836

Payments to directors of the entity, associates of the directors, related entities of the entity and associates of the related entities

		Current quarter \$A'000
1.23	Aggregate amount of payments to the parties included in item 1.2	148
1.24	Aggregate amount of loans to the parties included in item 1.10	-

1.25 Explanation necessary for an understanding of the transactions

Non-cash financing and investing activities

2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

+ See chapter 19 for defined terms.

Appendix 5B

Mining exploration entity and oil and gas exploration entity quarterly report

- 2.2 Details of outlays made by other entities to establish or increase their share in projects in which the reporting entity has an interest

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Financing facilities available

Add notes as necessary for an understanding of the position.

	Amount available \$A'000	Amount used \$A'000
3.1 Loan facilities	-	-
3.2 Credit standby arrangements	-	-

Estimated cash outflows for next quarter

	\$A'000
4.1 Exploration and evaluation	625
4.2 Development	-
4.3 Production	-
4.4 Administration	330
Total	955

Reconciliation of cash

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.

	Current quarter \$A'000	Previous quarter \$A'000
5.1 Cash on hand and at bank	454	382
5.2 Deposits at call	11,382	13,268
5.3 Bank overdraft	-	-
5.4 Other (provide details)	-	-
Total: cash at end of quarter (item 1.22)	11,836	13,650

+ See chapter 19 for defined terms.

Changes in interests in mining tenements and petroleum tenements

	Tenement reference and location	Nature of interest (note (2))	Interest at beginning of quarter	Interest at end of quarter
6.1	Interests in mining tenements and petroleum tenements relinquished, reduced or lapsed			
6.2	Interests in mining tenements and petroleum tenements acquired or increased	E53/1842 Granted on 21.10.2015	0%	100%

Issued and quoted securities at end of current quarter

Description includes rate of interest and any redemption or conversion rights together with prices and dates.

	Total number	Number quoted	Issue price per security (see note 3) (cents)	Amount paid up per security (see note 3) (cents)
7.1	Preference securities <i>(description)</i>			
7.2	Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions			
7.3	*Ordinary securities	242,282,737	242,282,737	
7.4	Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs	2,104,678	2,104,678	See Note 6
7.5	*Convertible debt securities <i>(description)</i>			

+ See chapter 19 for defined terms.

Mining exploration entity and oil and gas exploration entity quarterly report

7.6	Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted				
7.7	Options (description and conversion factor)	700,000 1,400,000 1,000,000		<i>Exercise price</i> \$0.575 \$0.575 \$0.575	<i>Expiry date</i> 4 Jan 2016 22 Feb 2016 22 Mar 2016
7.8	Issued during quarter				
7.9	Exercised during quarter				
7.10	Expired during quarter	21,500,000		\$0.575	22 Nov 2015
7.11	Debentures (totals only)				
7.12	Unsecured notes (totals only)				

Compliance statement

- 1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act or other standards acceptable to ASX (see note 5).
- 2 This statement does give a true and fair view of the matters disclosed.



Sign here:

Date: 29 January 2016

Print name: Mr Craig Ferrier
CEO

+ See chapter 19 for defined terms.

Notes

- 1 The quarterly report provides a basis for informing the market how the entity’s activities have been financed for the past quarter and the effect on its cash position. An entity wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.

- 2 The “Nature of interest” (items 6.1 and 6.2) includes options in respect of interests in mining tenements and petroleum tenements acquired, exercised or lapsed during the reporting period. If the entity is involved in a joint venture agreement and there are conditions precedent which will change its percentage interest in a mining tenement or petroleum tenement, it should disclose the change of percentage interest and conditions precedent in the list required for items 6.1 and 6.2.

- 3 **Issued and quoted securities** The issue price and amount paid up is not required in items 7.1 and 7.3 for fully paid securities.

- 4 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.

- 5 **Accounting Standards** ASX will accept, for example, the use of International Financial Reporting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.

- 6 Issue of shares to directors in lieu of fees totalling \$95,625 approved by shareholder at the AGM in November 2015. Deemed issue price of 4.54 cents per share.

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+ See chapter 19 for defined terms.