



## Highlights

- **Excelsior Gold \$2.25m Financing Agreement executed;**
- **Wiluna West gold ore processing discussions continuing;**
- **Acquisition of Hatches Creek completed, drill planning underway;**
- **Updated tungsten resources for Tungsten Mining (GWR 13.3%);**
- **Nardoo Well project to be evaluated for lithium, and**
- **Strong balance sheet with \$8.9m cash, no debt and \$5.3m in listed securities and other material financial assets.**

### Excelsior Gold Ltd Financing

- GWR entered into a \$2.25m financing arrangement with Excelsior Gold Ltd (ASX: EXG) to advance mining and exploration activities at their Kalgoorlie North Gold Project.
- GWR holds 17.2 million convertible notes in EXG at an issue price of \$0.0387 per convertible note and a loan of \$1.59m, both attracting an interest rate of 12% per annum.
- GWR director Mr Jimmy Lee has been appointed to the board of EXG.

### Wiluna Gold Project – Ore Processing Discussions

- GWR and Blackham Resources (ASX: BLK) remain in discussions concerning the potential for the processing of ore from GWR's Wiluna West Gold Project through the Wiluna Gold mill – currently being refurbished and scheduled to be operational in late August or early September 2016.
- A detailed review of known gold deposits within the Wiluna West project is nearing completion and this will underpin studies in respect to commencing production via a milling agreement with BLK.

### Hatches Creek Tungsten Project

- In May, GWR announced that it had agreed to purchase a 100% interest in the Hatches Creek Tungsten Project in the Northern Territory.
- An RC drilling program has been planned to test for high grade tungsten mineralisation beneath the extensive historical mine workings.
- The proposed RC drilling program will commence once statutory approvals are in place, with an Exploration Mining Management Plan (MMP) submitted to the NT Department of Mines and Energy and a Work Program submitted to the Central Land Council for approval.
- Hatches Creek was previously subject to a joint venture where GWR had the right to earn 50% by spending \$1.5m. The Sale

## 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.

The Company has a portfolio of mineral commodity projects that includes projects held in its own right, in joint venture 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:	242.28 million
Issued Options:	Nil
Cash on hand:	\$8.9 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

Agreement delivers GWR a 100% interest for a consideration of \$0.5m and 1.5% Net Smelter Return.

### **Investment in Tungsten Mining NL (ASX: TGN)**

- TGN released updated Mineral Resource estimates for the Big Hill (Pilbara) and Mulgine Hill (Murchison) tungsten deposits in June 2016, bringing all Mineral Resource estimates to JORC 2012 standard.
- TGN has a JORC 2012 resource inventory of 88.6 Million tonnes at 0.18% WO<sub>3</sub>, containing more than 15.5 million MTU (metric tonne units) of WO<sub>3</sub> at a 0.10% cut-off grade.
- Core sampling program indicates the potential to add to existing intersections plus to identify new zones of mineralisation from historical diamond drilling.
- Work has advanced on the Mt Mulgine Strategic Development Plan, with drilling and metallurgical test work programs approved and commencing this quarter.

### **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.
- It is planned to undertake an evaluation of the Nardoo Well project, which based upon the known pegmatite hosted tantalite and beryl mineralisation may have significant potential for lithium mineralisation

### **Corporate**

- GWR remains well funded with cash reserves of \$8.9 million and no debt. In addition, GWR has listed securities with a market value of \$2.07m at 30 June 2016 and other material financial assets of \$3.25m at cost.

## **Business Strategy**

As described in the March Quarterly report, a revised business strategy has been adopted and is being implemented by the GWR Board with a particular focus on cash generating opportunities. Sector focus is on gold, base and specialty metals and to continue the move away from iron ore and bulk commodities. Substantial changes have been made in the business over recent years as the prospects for development of the Company's Wiluna West Iron Ore Project have diminished with the decline in the selling price for seaborne iron ore.

As reported previously, this has seen the Company place the Wiluna West Iron Ore Project on care and maintenance and take action to strictly limit cash outflows related to its iron ore assets. This has also provided the impetus to increase our exposure to other commodities, either by direct project participation or indirectly through equity investment, which has permitted the retention of capability, recovery of costs and generation of management fees.

As reported, GWR has been actively seeking new project and investment opportunities to create value throughout the commodity cycle. KPMG Corporate Finance were engaged as corporate advisor to accelerate and support this activity.

## Excelsior Gold Funding Agreement

On 20 June 2016, GWR announced that it had executed a funding agreement with Excelsior Gold Limited (“Excelsior Gold”) (ASX: EXG) to provide funding to Excelsior Gold to advance mining and exploration activities at its Kalgoorlie North Gold Project.

Excelsior Gold is a gold production company focussed on the mining and development of the Kalgoorlie North Gold Project. Mining commenced in November 2015, with ore processed through the nearby Paddington processing plant operated by Zijin subsidiary, Norton Gold Fields. Excelsior Gold has defined 22 resource areas with total current Measured, Indicated and Inferred Mineral Resources of 24.53 million tonnes @ 1.76g/t Au for 1,385,100 ounces of gold (see EXG ASX announcement dated 2 May 2016).

Pursuant to the binding term sheet (“Term Sheet”) GWR provided interim financing of \$2.25 million by subscribing to approximately 17.2 million convertible notes (“Convertible Notes”) at an issue price of \$0.0387 per Convertible Note and lending Excelsior a further \$1.59 million (“Loan”).

The Term Sheet also provided that, subject to the satisfactory completion of due diligence by GWR, GWR had the right to elect to subscribe for approximately 27.8 million Shares (“Placement Option”) at an issue price of \$0.057 per share in full satisfaction of Excelsior Gold’s liability pursuant to the Loan. The binding Term Sheet also provided for certain other funding rights and commitments for GWR conditional upon the satisfactory completion of due diligence and the exercise of the Placement Option.

On 11 July GWR announced that it had provided formal notice to Excelsior Gold of its decision not to exercise the Placement Option. GWR advised Excelsior Gold that it had not been able to complete due diligence to its satisfaction, primarily as a consequence of inconsistencies between the block model provided by Excelsior Gold prior to the Term Sheet being signed and the mine reconciliation data (refer EXG ASX Announcements dated 4 July and 12 July 2016).

GWR and Excelsior Gold remain in discussions in relation to the future funding arrangements of Excelsior Gold and the Kalgoorlie North Gold Project and the funding provided pursuant to the Term Sheet to date. GWR director, Mr Jimmy Lee, was nominated by GWR to be appointed to the Excelsior Gold board pursuant to the Term Sheet and remains a director.

In response to GWR’s decision not to take up their full financing rights, Farrah Property Securities Pty Ltd (“Farrah”), who provided a \$0.5m loan contemporaneous with the GWR funding arrangements, reached agreement with Excelsior Gold to immediately convert their convertible loan to 10 million shares (at an issue price of 5 cents with 10m free attaching options) and subscribe to a further 4,000,000 Excelsior Gold shares at \$0.05 each (with free attaching options).

On 13 July, Excelsior Gold lodged a Prospectus for a partially underwritten rights issue to raise \$4.84m at an issue price of \$0.05 per share. Farrah has agreed to underwrite 40 million shares (or \$2 million) under the rights issue.

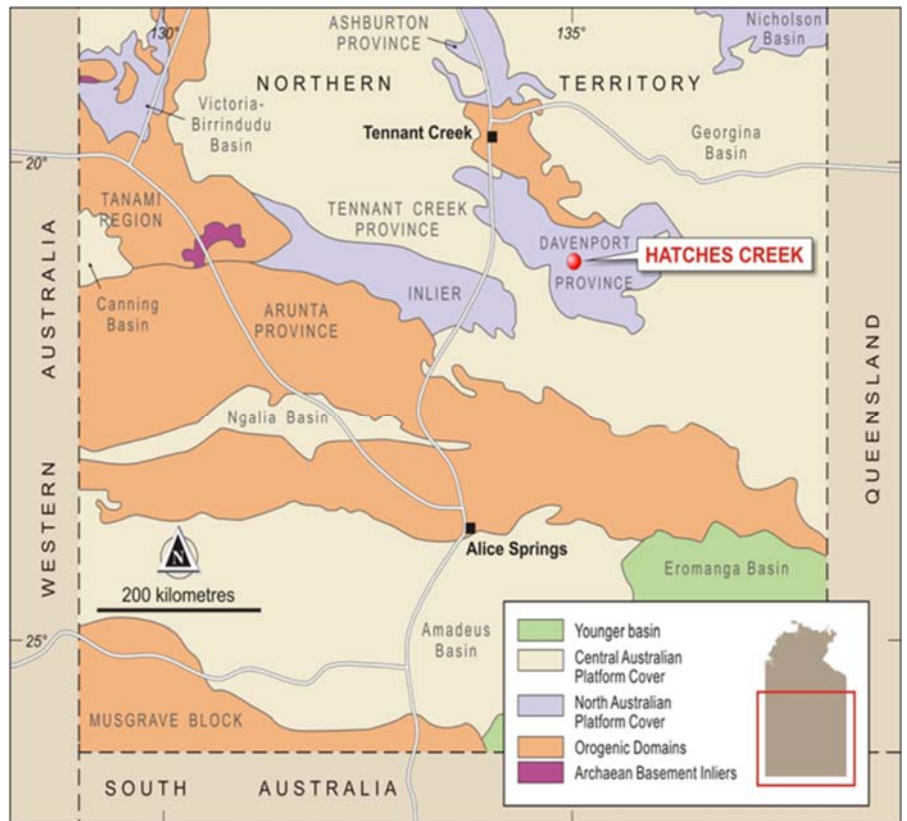
## Hatches Creek Tungsten Project

On 12 May 2016, GWR announced that its wholly-owned subsidiary, NT Tungsten Pty Ltd (“NTT”) had executed a Sale Agreement with Davenport Resources Limited (“Davenport”), for the acquisition of the Hatches Creek Tungsten Project (“Project”) in the Northern Territory.

The Project was the subject of a JV Agreement between NTT and ASX-listed Arunta Resources Limited (“Arunta”). In February 2016, Arunta completed a demerger, with unlisted company Davenport retaining the Hatches Creek Project.

The consideration payable for the 100% interest in the Project was \$500,000 cash plus a 1.5% Net Smelter Return (“NSR”). Settlement of the transaction is currently being completed and the Sale Agreement will terminate the JV arrangements. As previously announced on 19 January 2015, GWR signed a binding Heads of Agreement with Arunta and agreed to sole fund \$1,500,000 of JV Expenditure to earn a 50% JV interest in the Hatches Creek tungsten project in the Northern Territory.

The Sale Agreement allows GWR to accelerate exploration on this high grade tungsten project. The reduced cost allows the Company to assume complete control of the project, to develop it to our timeframe and not be subject to JV pressures.



**Figure 1: Hatches Creek Project Location**

GWR’s Chief Executive Officer, Craig Ferrier, said “With our recently updated vision and approach of targeting quality projects in a counter-cyclical manner, we are confident that detailed and methodical exploration of this high grade historical mining centre will deliver results.”

An RC drilling program has been planned that will test for tungsten mineralisation beneath the historical mine workings, which are known to have produced high grade tungsten. The RC drilling program will commence once statutory approvals are in place. An Exploration Mining Management Plan (“MMP”) has been submitted to the NT Department of Mines and Energy and a Work Program has also been submitted to the Central Land Council for approval.

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

During the June 2016 Quarter, other than preparation for the planned drilling program, there was only limited activity on the Hatches Creek project due to the commercial negotiations with Davenport and pending completion of the settlement process for the tenement Sale Agreement.

## Hatches Creek Tungsten Mining Centre

The Hatches Creek project consists of two granted tenements occupying 31.4 km<sup>2</sup> (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% WO<sub>3</sub>.



**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 km<sup>2</sup>. Historical production was at grades of 1% to 12% WO<sub>3</sub>, averaging 2.5% WO<sub>3</sub>, 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% WO<sub>3</sub> (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% WO<sub>3</sub>, 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 which was accumulated during the project's 42 year mining history (Figure 3).

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.

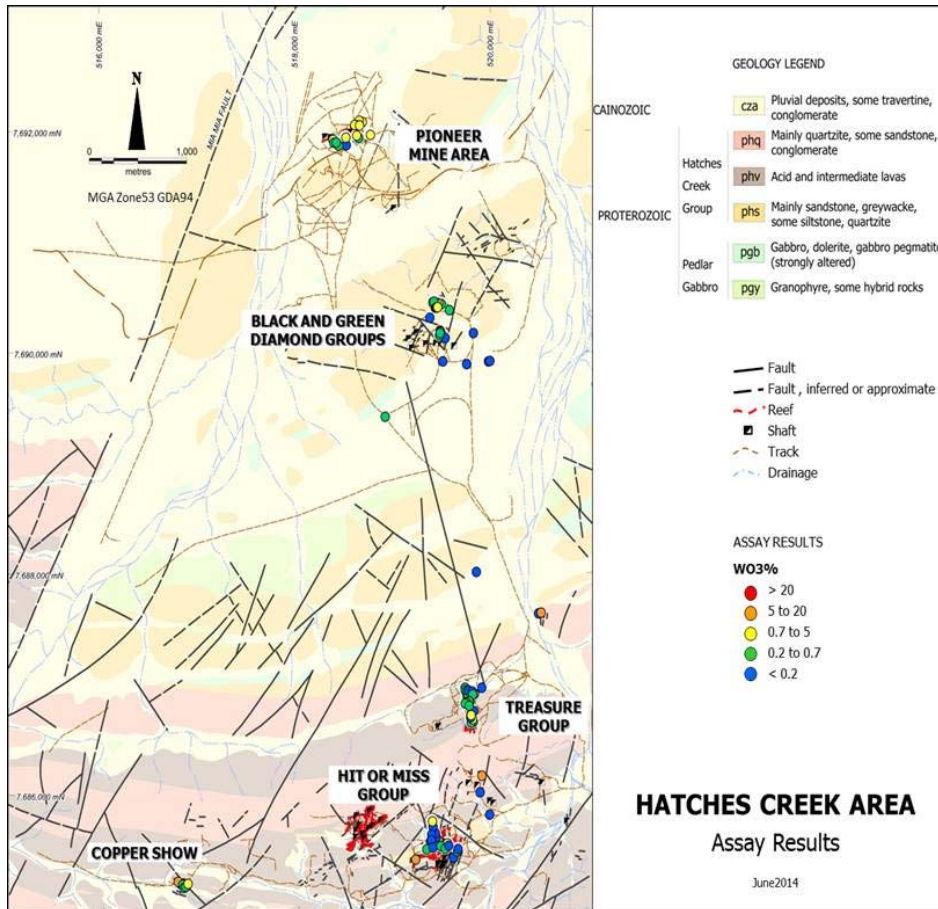


Figure 3: Major mines and dump sampling results Under Assay results WO<sub>3</sub>

## Exploration Potential

There has been no substantial exploration or mining undertaken at Hatches Creek since 1957. Numerous historical underground mines are present that 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 60m. 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% WO<sub>3</sub> 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 <sub>3</sub> Summary	WO <sub>3</sub> %	Circuit yield WO <sub>3</sub> %
Super Concentrate	66.30	27
Concentrate	36.50	39
<b>Concentrate - Total</b>	<b>42.70</b>	<b>66</b>
<b>Middlings</b>	<b>4.30</b>	<b>9</b>
<b>Tailings</b>	<b>0.10</b>	<b>25</b>
<b>Calc. head</b>	<b>0.77</b>	<b>100</b>

**Table 1: WO<sub>3</sub> concentrate grade and recovery**

During 2014, Arunta undertook preliminary metallurgical testwork on ten x 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% WO<sub>3</sub>, recovering 74% of the contained WO<sub>3</sub>. Sample "H" from the Black and Green Diamond Group produced a concentrate grading 38.4% WO<sub>3</sub> recovering 78% of the contained WO<sub>3</sub>.

## Wiluna West Gold Project

In view of the current gold price (circa A\$1700/oz), GWR continues to review opportunities to achieve positive cashflow by mining portions of its JORC Code 2004 gold Resource of 3,478,000 tonnes at 2.3 g/t Au for an estimated 258,000oz Au (estimated at a 1 g/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.

The owners of the nearby (approximately 40 km by existing roads) Wiluna Gold mine, Blackham Resources Limited ("Blackham") (ASX:BLK) is completing the refurbishment of the Wiluna Gold processing plant with gold production planned for Q3 2016. GWR and Blackham are in discussions concerning the potential for the processing of ore from the Wiluna West Gold Project through the Wiluna Gold mill.

These discussions are preliminary in nature and there is no certainty that the discussions will lead to an agreement. Further announcements will be made as and when required.

A detailed review of known Au deposits within the Wiluna West project is nearing completion and this will underpin studies in respect to commencing production via a milling agreement with BLK.

## Wiluna West Iron Ore 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. 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.

On 15 March 2016, GWR announced that the Mining Proposal for the Wiluna West Iron Ore Project ("WWIOP") submitted to DMP in August 2015 had been approved. In association with this and following stakeholder consultation, the Company has also received a Clearing Permit for the WWIOP. The Mining Proposal approval is for a large scale iron ore operation of up to 7Mtpa over an initial mine life of 10 years, subject to the development of a viable transport and infrastructure solution.

GWR has no immediate plans to commence development of the WWIOP, however these approvals position the Company to derive maximum value from the project through the commodity price cycle. No activities other than care and maintenance are envisaged, with expenditure exemptions under the Mining Act currently in place.



## Investment in Corizon Limited (ASX: CIZ)

GWR holds a 10.16% interest in ASX-listed company Corizon Limited (formerly named West Peak Iron Limited) (ASX:CIZ).

CIZ have recapitalised the company during the two prior quarters and reported a cash balance of \$2.02m as at 31 March 2016. CIZ have also advised that it continues to review and appraise new commercial opportunities both within and outside the mining sector. The Company changed its name from West Peak Iron Ltd to Corizon Limited during the March quarter.

## Investment in Tungsten Mining NL (ASX: TGN)

GWR hold a 13.3% equity interest in ASX-listed company Tungsten Mining NL (“Tungsten Mining”) (ASX:TGN), an Australian based resources company whose prime focus is the exploration and development of tungsten projects in Australia. Since August 2014, GWR has been responsible for the provision of management and technical services to Tungsten Mining.

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.

Tungsten Mining has three advanced tungsten projects in Australia - the Mt Mulgine Project in the Murchison region, the Big Hill Project in the Pilbara region and the Kilba Project in the Ashburton region of Western Australia. Together these projects represent a tungsten resource inventory of 88.6 Mt at 0.18% WO<sub>3</sub> and 186ppm Mo, representing more than 15.5 million MTU (metric tonne units) of WO<sub>3</sub> and 16,482 tonnes of molybdenum at a 0.10% WO<sub>3</sub> cut-off grade, making it one of the largest tungsten resource inventories held by an ASX-listed company. (Refer ASX Release for TGN dated 24 June 2016 “*Mineral Resource Update and Core Sampling Results*”).

Tungsten Mining is currently identifying opportunities for near term tungsten production, particularly from the Mulgine Trench and Mulgine Hill deposits within the Mt Mulgine Project.

In December 2015, GWR and Tungsten Mining entered into a Funding Deed by which GWR advanced an amount of \$1,000,000 to enable Tungsten Mining to complete the acquisition of the Mt Mulgine and Big Hill Projects. Details of the terms of the loan, which is interest bearing and provides a right of conversion to equity subject to certain conditions, were set out in the December 2015 Quarterly Report.

Following acquisition of the Mt Mulgine and Big Hill Projects, Tungsten Mining’s exploration and development activities have focused on consolidating geological, metallurgical and associated project information, validating and updating databases and planning future exploration and development activities. During June 2016 Tungsten Mining announced updated Mineral Resource Statements for the Big Hill (Pilbara) and Mulgine Hill (Murchison), both prepared in accordance with JORC-2012 guidelines.

Tungsten Mining has also released encouraging results from a core sampling program (Refer ASX Release for TGN dated 24 June 2016). Inspection of core, from historical drilling by previous operators Minefields and ANZECO, under UV light by Tungsten Mining indicated selective sampling potentially excluded significant tungsten mineralisation. Tungsten Mining

sampled 249.75 metres of previously un-sampled BQ and NQ core and submitted 251 samples to Nagrom Laboratories for tungsten analysis by XRF.

The reported results are considered to provide encouraging indications of the potential to add to existing intersections plus to identify new zones of mineralisation in the Minefields and ANZECO drilling. Sampling of hole DDM195 identified strong mineralisation of 8.6 m at 0.24% WO<sub>3</sub> adjacent to an existing intersection of 4.6 m at 0.63% WO<sub>3</sub>. This makes a combined intersection of 13.2 m at 0.37% WO<sub>3</sub> (Figure 4). Three other holes returned assays that added to existing intersections (DDM120, DDM140 and DDM189) and two holes located new zones of mineralisation.

There exists 1,500 to 2,000 m of core that requires sampling and Tungsten Mining plan to complete this work in the September Quarter.

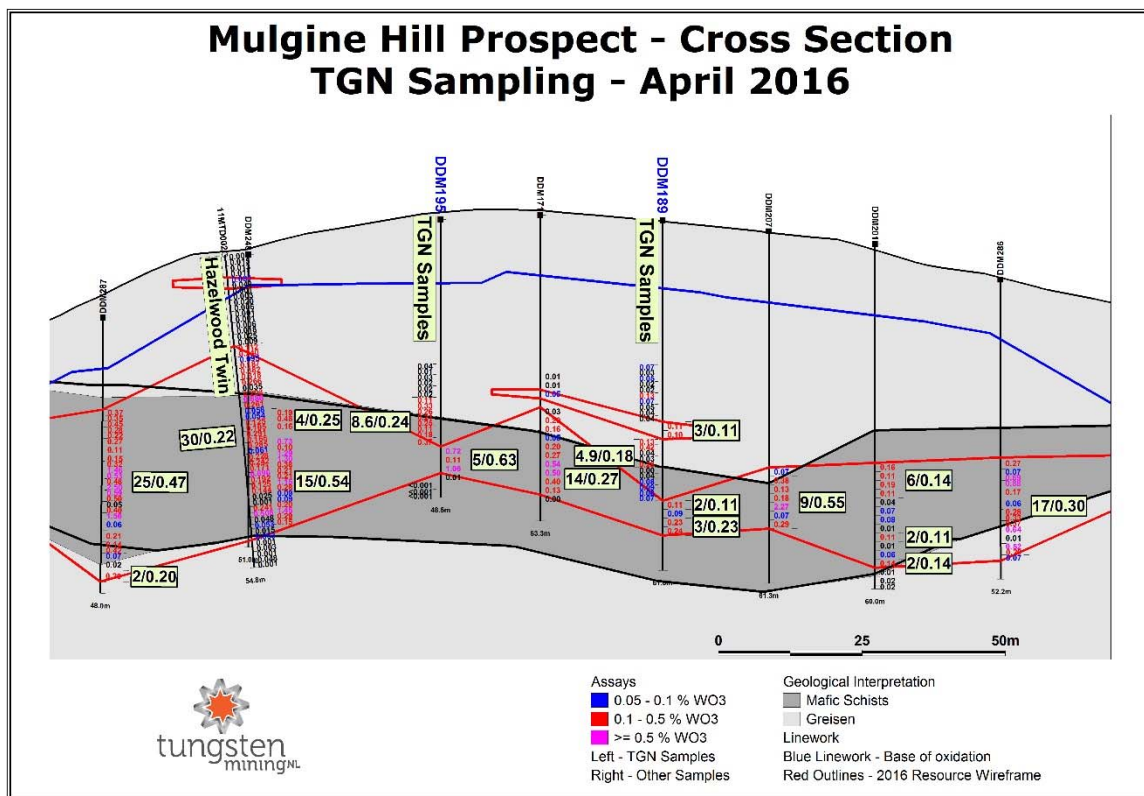


Figure 4: Cross section showing Tungsten Mining sampling of Minefields and ANZECO drilling.

Tungsten Mining has developed a Strategic Development Plan for the Mt Mulgine Project directed towards the production of tungsten concentrate within 2 years. Leveraging off the project’s proximity to existing infrastructure and facilities, a staged development approach will be adopted with the initial focus on the Mulgine Hill deposit while concurrently progressing metallurgical test work and development activities on the significantly larger Mulgine Trench deposit. This strategy aims to produce early cash flow and ensure tungsten production is sustainable long term.

A shallow reverse circulation drilling program targeting significant near surface tungsten mineralisation at the Mulgine Hill deposit is planned for the September quarter. At the same time it is proposed to complete a large diameter diamond drilling program. This will provide material for test work to confirm previous metallurgical studies that indicated simple metallurgical treatment produces a saleable WO<sub>3</sub> concentrate.

## RWG Minerals – Tenement Acquisitions

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”), with a mandate 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 km<sup>2</sup> in size and covers approximately 10 km of strike over the Greenstone Belt that hosts the excised historical Twin Hills gold mine.

### **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 km<sup>2</sup> 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 km<sup>2</sup> 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.

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 WO<sub>3</sub> from surface.

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) - EL08/2684**

The 157 km<sup>2</sup> Lake MacLeod exploration licence EL08/2684 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 6).

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 which pre date the JORC Code, were made for the Lake MacLeod 1 and 2 deposits (Figure 6).

The gypsum deposits within EL08/2684 represent potential high quality, low impurity sources of gypsum that 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 2.9Mt 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 and financial assets

GWR remains well funded with cash reserves of \$8.9 million and no debt.

In addition, GWR holds the following material listed securities and financial assets:

Entity	Details	Listed Securities 30 June 2016 (Market Value) \$A	Other Financial Assets (at cost) A\$
Corizon Limited	Equity interest – 32,000,000 ordinary shares	672,000	-
Tungsten Mining NL	Equity interest – 35,000,000 ordinary shares	1,400,000	-
	Loan bearing 12% interest - December 2016	-	1,000,000
Excelsior Gold Ltd	Convertible Notes –17,193,878 June 2017 (12% interest and converting at \$0.0387)	-	665,403
	Loan bearing 12% interest – June 2017	-	1,584,577
<b>Total</b>		<b>2,072,000</b>	<b>3,249,980</b>

## Tenement Interests

A schedule of the Company's interest in mining tenements as at 30 June 2016 for the purposes of ASX Listing Rule 5.3.3 is appended at Annexure 1.

**For further information:**

Craig Ferrier  
Chief Executive Officer  
Ph: +61 8 9322 6666  
E: [craigf@gwrgroup.com.au](mailto:craigf@gwrgroup.com.au)

**For Broker and Media Enquiries:**

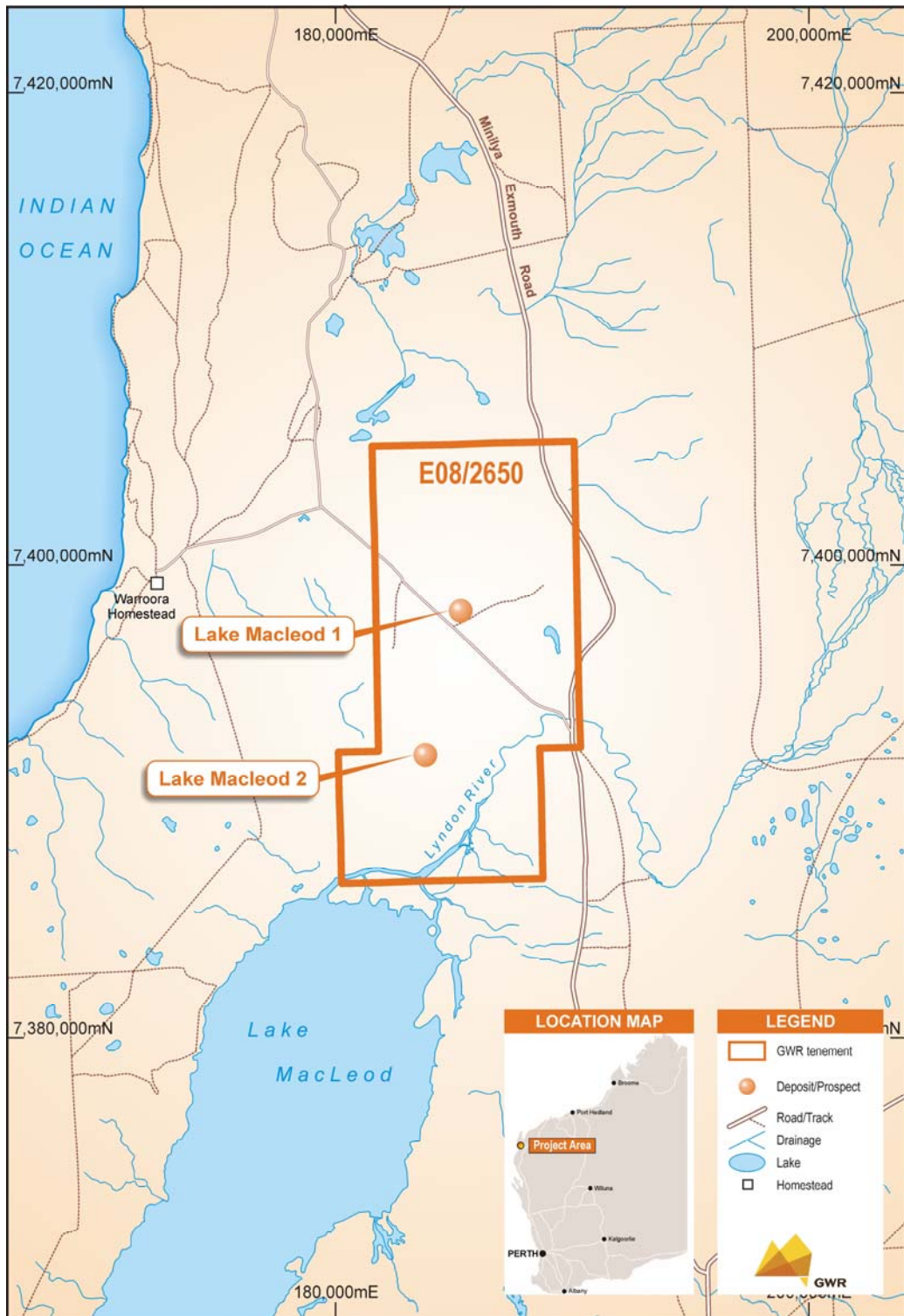
Warrick Hazeldine / Andrew Rowell  
Cannings Purple  
Ph: +61 417 944 616 / +61 400 466 226  
E: [whazeldine@canningspurple.com.au](mailto:whazeldine@canningspurple.com.au) /  
[arowell@canningspurple.com.au](mailto:arowell@canningspurple.com.au)

## 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 Al 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 6: Lake MacLeod



## Annexure 1 - Schedule of interests in mining tenements

### (a) Interests in mining tenements as at 30 June 2016

Location	Tenement	Percentage held	Notes
<b>Western Australia</b>			
<b>Wiluna</b>			
Wiluna West	G57/9	0%	Surrendered
Wiluna West	G57/10	0%	Surrendered
Wiluna West	L53/115	100%	
Wiluna West	L53/146	100%	
Wiluna West	L53/147	100%	
Wiluna West	L53/148	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	M53/1096-I	100%	Granted on 13 April 2016
<b>RWG Minerals</b>			
Nardoo Well	E69/2114	100%	
Twin Hills	E29/950	100%	
Lake McLeod	E08/2684	100%	
<b>Northern Territory</b>			
<b>Hatches Creek</b>			
Hatches Creek Farm-in	EL22912	0%	) Contracted to Purchase 100% -
Hatches Creek Farm-in	EL23463	0%	) tenement registration pending

\* Excludes tenement applications.



**(b) Tenements acquired and disposed of during the quarter**

The Company surrendered its interest in the following tenements during the quarter:

- G57/9
- G57/10

Mining Lease application M53/1096-I (Wiluna West) was granted 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**

None applicable

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

During the June quarter the Company entered into a Sale Agreement to acquire a 100% interest in the Hatches Creek Project by purchasing EL22912 and EL23463. The Hatches Creek Farm-in Agreement between Davenport Resources Ltd and GWR subsidiary, NT Tungsten Pty Ltd terminates at settlement of the Sale Agreement.

# 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")

30 June 2016

### Consolidated statement of cash flows

Cash flows related to operating activities	Current quarter \$A'000	Year to date (12 months) \$A'000
1.1 Receipts from product sales and related debtors	-	-
1.2 Payments for (a) exploration & evaluation	(257)	(1,427)
(b) development	-	-
(c) production	-	-
(d) administration	(339)	(1,411)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	119	480
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 R&D tax offset	-	120
<b>Net Operating Cash Flows</b>	<b>(477)</b>	<b>(2,238)</b>
<b>Cash flows related to investing activities</b>		
1.8 Payment for purchases of: (a) prospects	-	-
(b) equity investments	-	-
(c) other fixed assets	-	(11)
1.9 Proceeds from sale of: (a) prospects	-	-
(b) equity investments	-	2
(c) other fixed assets	-	-
1.10 Loans to other entities	(2,250)	(3,250)
1.11 Loans repaid by other entities	-	-
1.12 Other (provide details if material)	(20)	(20)
<b>Net investing cash flows</b>	<b>(2,270)</b>	<b>(3,279)</b>
1.13 Total operating and investing cash flows (carried forward)	<b>(2,747)</b>	<b>(5,517)</b>

+ 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)	(2,747)	(5,517)
	<b>Cash flows related to financing activities</b>		
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)	-	-
	<b>Net financing cash flows</b>	-	-
	<b>Net increase (decrease) in cash held</b>	(2,747)	(5,517)
1.20	Cash at beginning of quarter/year to date	11,621	14,391
1.21	Exchange rate adjustments to item 1.20	-	-
1.22	<b>Cash at end of quarter</b>	<b>8,874</b>	<b>8,874</b>

**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	195
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

--	--

**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	750
4.2 Development	-
4.3 Production	-
4.4 Administration	450
<b>Total</b>	<b>1,200</b>

**Reconciliation of cash**

	Current quarter \$A'000	Previous quarter \$A'000
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.		
5.1 Cash on hand and at bank	2,305	571
5.2 Deposits at call	6,569	11,050
5.3 Bank overdraft	-	-
5.4 Other (provide details)	-	-
<b>Total: cash at end of quarter</b> (item 1.22)	<b>8,874</b>	<b>11,621</b>

---

+ 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	G57/9 G57/10 Surrendered Surrendered	100% 100%	0% 0%
6.2	Interests in mining tenements and petroleum tenements acquired or increased	M53/1096 Granted 13 April 2016	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	<b>Preference securities</b> <i>(description)</i>			
7.2	Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions			
7.3	<b>*Ordinary securities</b>	242,282,737	242,282,737	
7.4	Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs			
7.5	<b>*Convertible debt securities</b> <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	<b>Options</b> (description and conversion factor)			<i>Exercise price</i>	<i>Expiry date</i>
7.8	Issued during quarter				
7.9	Exercised during quarter				
7.10	Expired during quarter				
7.11	<b>Debentures</b> (totals only)				
7.12	<b>Unsecured notes</b> (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: 26 July 2016

Print name: Mr Craig Ferrier  
CEO

## 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.

== == == == ==