



GWR Group Limited

Half Year Report
December 2018

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Corporate Directory

Board of Directors:

Gary Lyons (Non-executive Chairman)
Tan Sri Dato' Tien Seng Law (Non-executive Deputy Chairman)
Michael Wilson (Executive Director)
Datuk Chin An Lau (Non-executive Director)
Kong Leng (Jimmy) Lee (Non-executive Director)
Teck Siong Wong (Alternate for Mr Law)

General Manager:

Adrian Costello

Company Secretaries:

Mark Pitts
Simon Borck

Principal and registered office:

97 Outram Street
West Perth, WA 6005

PO Box 517
West Perth, WA 6872
Telephone: +61 8 9322 6666
Facsimile: +61 8 9312 2370
Email: admin@gwrgroup.com.au
Website: www.gwrgroup.com.au

Issued capital as at 31 December 2018:

Fully paid ordinary shares: 253,517,438
Unlisted Options: 27,750,000

Auditors:

Stantons International
Level 2, 1 Walker Avenue
West Perth, WA 6005
Telephone: +61 8 9481 3188
Facsimile: +61 8 9321 1204

Bankers:

National Australia Bank Limited
Level 1, 1238 Hay Street
West Perth, WA 6005

Share registry:

Security Transfer Australia
770 Canning Highway
Applecross, WA 6153
Telephone: +61 8 9315 2333
Facsimile: +61 8 9315 2233

Solicitors:

Bennett + Co
Ground Floor, BGC Centre
28 The Esplanade
Perth, WA 6000
Telephone: +61 8 6316 2200
Facsimile: +61 8 6316 2211

Stock exchange:

Australian Securities Exchange Limited
Company code: GWR

Directors' Report

Your Directors submit their report for the half-year ended 31 December 2018.

Directors

The following persons were Directors of the Company during the half-year and up to the date of this report. Directors were in office for this entire period unless otherwise stated.

Gary Lyons	- Non executive Chairman
Tan Sri Dato' Tien Seng Law	- Non executive Deputy Chairman
Michael Wilson	- Executive Director
Datuk Chin An Lau	- Non executive Director
Kong Leng (Jimmy) Lee	- Non executive Director
Teck Siong Wong	- Alternate for Mr Law

Company Secretaries

Mark Pitts
Simon Borck

Dividends

No amounts have been paid or declared by way of dividend by the Company during the half-year or in the period to the date of this report.

Principal activities

The principal activities of the Company and its subsidiaries during the course of the half-year continued to be the exploration and evaluation of its mining projects in Australia.

Operating results

With exploration and evaluation expenditure of \$1,206,793 (Dec 2017: \$1,506,217) the consolidated loss after income tax for the period was \$3,065,095 (Dec 2017: \$2,571,430 loss).

During the period, net cash used in operating activities was \$1,657,722 (Dec 2017: \$2,087,695), which included \$1,054,324 of exploration and evaluation expenditure. Net cash flow used in investing activities for the period was \$40,760 (Dec 2017: \$1,750,575).

At period end, the Group held \$2,580,195 (June 2018: \$4,278,677) in cash and cash equivalents.

Review of Operations

During the period, the Company substantially progressed its Wiluna West Gold Project by:

- Executing a binding Heads of Agreement for a Joint Venture with Blackham Resources;
- Advancing the statutory approvals required for key prospects; and
- Achieving outstanding results from RC drilling with high grade intercepts at Golden Monarch, Emu and Eagle.

In September 2018, GWR Group Limited announced that it had agreed terms for the sale of the Hatches Creek project to Tungsten Mining NL for \$8.68 million, however was advised by the ASX that the transaction as it was structured cannot proceed. The Company is renegotiating the terms of the transaction.

The Group holds 70,000,000 shares in Tungsten Mining NL.

Directors' Report

After balance date events

There is no other matter or circumstance that has arisen since the balance sheet date to the date of this report, which has significantly affected, or may significantly affect the operations of the Group, the results of those operations or the state of affairs of the Group subsequent to the reporting date.

This report is signed in accordance with a resolution of the Directors.



Gary Lyons
Chairman

Dated at Perth this 8th day of March 2019

Consolidated statement of profit or loss and other comprehensive income

For the half year ended 31 December 2018

	Note	Consolidated	
		December 2018	December 2017
		\$	\$
Revenue	4	244,129	276,810
Employee expenses	5(a)	(745,295)	(786,525)
Exploration and evaluation expenditure		(1,206,793)	(1,506,217)
Depreciation expense		(16,404)	(15,152)
Other expenses	5(b)	(265,701)	(326,772)
Share of loss of an associate	7	(1,075,031)	(201,301)
Loss on sale of investment		-	(12,273)
Loss before income tax		(3,065,095)	(2,571,430)
Income tax expense		-	-
Loss for the period		(3,065,095)	(2,571,430)
Loss attributable to members of the Parent		(3,065,095)	(2,571,430)
Other comprehensive income			
<i>Items that will not be reclassified subsequently to profit or loss</i>		-	-
<i>Items that may be reclassified subsequently to profit or loss</i>		-	-
Other comprehensive income for the period		-	-
Total comprehensive loss for the period		(3,065,095)	(2,571,430)
Total comprehensive loss attributable to Parent		(3,065,095)	(2,571,430)
Basic loss per share in cents		(1.21)	(1.05)

Diluted loss per share is not disclosed as it would not reflect an inferior position.

The above statement should be read in conjunction with the accompanying notes.

Consolidated statement of financial position

As at 31 December 2018

	Note	Consolidated	
		December 2018	June 2018
		\$	\$
Current assets			
Cash and cash equivalents		2,580,195	4,278,677
Trade and other receivables		70,358	69,533
Prepayments		57,597	21,186
Total current assets		2,708,150	4,369,396
Non-current assets			
Plant and equipment		98,770	114,905
Exploration and evaluation expenditure	6	8,155,061	8,155,061
Investments in associates	7	1,181,130	2,256,161
Other financial assets		121,009	87,630
Total non-current assets		9,555,970	10,613,757
Total assets		12,264,120	14,983,153
Current liabilities			
Trade and other payables		402,079	296,932
Provisions		428,010	342,084
Total current liabilities		830,089	639,016
Non-current liabilities			
Provisions		180,936	217,417
Total non-current liabilities		180,936	217,417
Total liabilities		1,011,025	856,433
Net assets		11,253,095	14,126,720
Equity			
Contributed equity	8	154,610,483	154,485,219
Reserves	9	26,949,728	26,883,522
Accumulated losses		(170,307,116)	(167,242,021)
Total equity		11,253,095	14,126,720

The above statement should be read in conjunction with the accompanying notes.

Consolidated statement of changes in equity

For the half-year ended 31 December 2018

	Contributed equity	Accumulated losses	Option reserve	Total Equity
	\$	\$	\$	\$
Balance at 1/7/2018	154,485,219	(167,242,021)	26,883,522	14,126,720
Loss for the period	-	(3,065,095)	-	(3,065,095)
Other comprehensive income	-	-	-	-
Total comprehensive loss for the period	-	(3,065,095)	-	(3,065,095)
Shares issued	127,500	-	-	127,500
Share issue costs	(2,236)	-	-	(2,236)
Share-based payments	-	-	66,206	66,206
Balance at 31/12/2018	154,610,483	(170,307,116)	26,949,728	11,253,095
Balance at 1/7/2017	154,024,916	(163,364,077)	26,591,329	17,252,168
Loss for the period	-	(2,571,430)	-	(2,571,430)
Other comprehensive income	-	-	-	-
Total comprehensive loss for the period	-	(2,571,430)	-	(2,571,430)
Shares issued	489,500	-	-	489,500
Share issue costs	(29,197)	-	-	(29,197)
Share-based payments	-	-	222,952	222,952
Balance at 31/12/2017	154,485,219	(165,935,507)	26,814,281	15,363,993

The above statement should be read in conjunction with the accompanying notes.

Consolidated statement of cash flows

For the half-year ended 31 December 2018

	Consolidated	
	December 2018	December 2017
	\$	\$
Cash flows from operating activities		
Payments to suppliers and employees	(843,487)	(820,780)
Payments for exploration and evaluation	(1,054,324)	(1,586,430)
Interest received	36,089	78,115
Other income	204,000	241,400
Net cash used in operating activities	(1,657,722)	(2,087,695)
Cash flows from investing activities		
Payments for shares in associate	-	(1,750,000)
Proceeds from sale of plant and equipment	4,000	900
Payments for plant and equipment	(11,605)	(37,055)
Proceeds from sale of held for sale assets	-	35,804
Payments for security deposits/bonds	(33,155)	(224)
Net cash used in investing activities	(40,760)	(1,750,575)
Cash flows from financing activities		
Proceeds from the issue of shares	-	362,000
Net cash from financing activities	-	362,000
Net decrease in cash and cash equivalents	(1,698,482)	(3,476,270)
Cash and cash equivalents at beginning of the period	4,278,677	8,541,955
Cash and cash equivalents at the end of the period	2,580,195	5,065,685

The above statement should be read in conjunction with the accompanying notes.

Condensed notes to the financial statements

For the half-year ended 31 December 2018

Note 1: Corporate information

The financial report of GWR Group Limited and its subsidiaries ('the consolidated entity' or 'the Group') for the half-year ended 31 December 2018 was authorized for issue in accordance with a resolution of the directors on 7th March 2019.

GWR Group Limited is a company limited by shares, incorporated in Australia, whose shares are publicly traded on the Australian Securities Exchange.

Note 2: Basis of preparation and accounting policies

a. Basis of Preparation

These general purpose interim financial statements for the half-year reporting period ended 31 December 2018 have been prepared in accordance with requirements of the *Corporations Act 2001* and Australian Accounting Standard AASB 134: *Interim Financial Reporting*. The Group is a for-profit entity for financial reporting purposes under Australian Accounting Standards.

This interim financial report is intended to provide users with an update on the latest annual financial statements of the Group. As such, it does not contain information that represents relatively insignificant changes occurring during the half-year within the Group. It is therefore recommended that this financial report be read in conjunction with the annual financial statements of the Group for the year ended 30 June 2018, together with any public announcements made during the following half-year.

b. Accounting Policies

The same accounting policies and methods of computation have been followed in this interim financial report as were applied in the most recent annual financial statements, except in relation to some of the matters discussed at Note 2(c) below.

c. New & Revised Accounting Standards Applicable to the Current Half-year Reporting Period

AASB 15 Revenue from Contracts with Customers and AASB 9 Financial Instruments (2014) became mandatorily effective on 1 January 2018. Accordingly, the Group has adopted all the mandatory standards for the current reporting period as these standards apply for the first time to this set of financial statements. Any other new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted. The Group has considered the implications of these new and amended Accounting Standards and have determined that their application and changes to the Group's accounting policies arising from these standards are summarised below:

AASB 15 Revenue from Contracts with Customers

AASB 15 replaces AASB 118 Revenue, AASB 111 Construction Contracts and several revenue-related Interpretations. Based on its assessment, the Group does not believe that application of the new standard will have any material impact on its accounting for revenue as of the period end.

AASB 9 Financial Instruments

Recognition and Derecognition

Financial assets and financial liabilities are recognised when the Group becomes a party to the contractual provisions of the financial instrument. Financial assets are derecognised when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and substantially all the risks and rewards are transferred. A financial liability is derecognised when it is extinguished, discharged, cancelled or expires.

Classification and Measurement of Financial Assets

Financial assets are classified according to their business model and the characteristics of their contractual cash flows. Except for those trade receivables that do not contain a significant financing component and are measured at the transaction price in accordance with AASB 15, all financial assets are initially measured at fair value adjusted for transaction costs (where applicable).

Condensed notes to the financial statements

For the half-year ended 31 December 2018

Note 2: Basis of preparation and accounting policies (continued)

For the purpose of subsequent measurement, financial assets, other than those designated and effective as hedging instruments, are classified into the following four categories: financial assets at amortised cost; financial assets at fair value through profit or loss (FVTPL); debt instruments at fair value through other comprehensive income (FVTOCI); and equity instruments at FVTOCI. All income and expenses relating to financial assets that are recognised in profit or loss are presented within finance costs, finance income or other financial items, except for impairment of trade receivables which is presented within other expenses.

Financial Assets at Amortised Cost

Financial assets with contractual cash flows representing solely payments of principal and interest and held within a business model of 'hold to collect' contractual cash flows are accounted for at amortised cost using the effective interest method. The Group's trade and most other receivables fall into this category of financial instruments as well as bonds that were previously classified as held-to-maturity under AASB 139.

Impairment of Financial Assets

AASB 9 new forward-looking impairment model applies to Group's investments at amortised cost and debt instruments at FVTOCI. The application of the new impairment model depends on whether there has been a significant increase in credit risk.

The Group makes use of a simplified approach in accounting for trade and other receivables as well as contract assets and records the loss allowance at the amount equal to the expected lifetime credit losses. In using this practical expedient, the Group uses its historical experience, external indicators and forward-looking information to calculate the expected credit losses using a provision matrix. The Group allows 1% for amounts that are 30 to 60 days past due, 1.5% for amounts that are between 60 and 90 days past due and writes off fully any amounts that are more than 90 days past due.

Reconciliation of Financial Instruments on Adoption of AASB 9

Based on its assessment, the Group does not believe that the new classification requirements will have any material impact on its accounting for financial instruments.

d. Basis of Consolidation

The consolidated financial statements incorporate all of the assets, liabilities and results of the parent (GWR Group Limited) and all of the subsidiaries. Subsidiaries are entities the parent controls. The parent controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.

The assets, liabilities and results of all subsidiaries are fully consolidated into the financial statements of the Group from the date on which control is obtained by the Group. The consolidation of a subsidiary is discontinued from the date that control ceases. Intercompany transactions, balances and unrealised gains or losses on transactions between Group entities are fully eliminated on consolidation. Accounting policies of subsidiaries have been changed and adjustments made where necessary to ensure uniformity of the accounting policies adopted by the Group.

Equity interests in a subsidiary not attributable, directly or indirectly, to the Group are presented as "non-controlling interests". The Group initially recognises non-controlling interests that are present ownership interests in subsidiaries and are entitled to a proportionate share of the subsidiary's net assets on liquidation at either fair value or at the non-controlling interests' proportionate share of the subsidiary's net assets. Subsequent to initial recognition, non-controlling interests are attributed their share of profit or loss and each component of other comprehensive income. Non-controlling interests are shown separately within the equity section of the statement of financial position and statement of comprehensive income.

Condensed notes to the financial statements

For the half-year ended 31 December 2018

Note 3: Segment information

Determination and identification of reportable segment

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components, whose operating results are regularly reviewed by the entity's chief operating decision maker to make decisions about resources to be allocated to the segment and assess its performance and for which discrete financial information is available.

The Group identifies its operating segments based on the internal reports that are reviewed and used by the executive management team (chief operating decision makers) in assessing performance and determining the allocation of resources.

The operations and assets of GWR Group Limited and its controlled entities are primarily employed in exploration and evaluation activities relating to minerals in Australia. The decision to allocate the resources to individual projects is predominantly based on available cash reserve, technical data and the expectation of future metal price. Accordingly, the Group has identified only one reportable segment, being mineral exploration activities undertaken in Australia. The financial information presented in the consolidated statement of profit or loss and other comprehensive income and consolidated statement of financial position is the same as that presented to the chief operating decision maker.

Note 4: Revenue

	Consolidated	
	December 2018	December 2017
	\$	\$
Interest received	32,699	71,933
Sundry Income	211,430	204,877
	<u>244,129</u>	<u>276,810</u>

Note 5: Expenses

	Consolidated	
	December 2018	December 2017
	\$	\$
(a) Employee expenses		
Salary and wages	619,712	492,420
Share-based payments (Note 9)	66,206	222,952
Superannuation	41,115	31,269
Other employee expenses	18,262	39,884
	<u>745,295</u>	<u>786,525</u>

Condensed notes to the financial statements

For the half-year ended 31 December 2018

Note 5: Expenses (continued)

	Consolidated	
	December 2018	December 2017
	\$	\$
(b) Other expenses		
Administration costs	61,522	92,209
Corporate costs	86,294	77,538
Consulting fees	14,120	54,750
Legal costs	12,920	10,611
Occupancy costs	90,845	91,664
	<u>265,701</u>	<u>326,772</u>

Note 6: Exploration and evaluation expenditure

	Consolidated	
	December 2018	June 2018
	\$	\$
Exploration & evaluation expenditure	<u>8,155,061</u>	<u>8,155,061</u>

Carrying value

The ultimate recoupment of exploration and evaluation expenditure relating to the Group's projects carried forward is dependent on the successful development for commercial exploitation or sale of the respective mining projects.

Note 7: Investments in associates

Tungsten Mining NL

On 31 December 2018, the Group held a 9.60% interest in Tungsten Mining NL which is a listed company on the ASX. Tungsten Mining NL is focused on the development and exploitation of Australian tungsten deposits.

At period end, the Group held 70,000,000 (June 2018 70,000,000) shares in Tungsten Mining NL with a market value of \$19.6 million. The Group also holds 8,750,000 (June 2018: 8,750,000) unlisted options in Tungsten Mining NL, that are exercisable at \$0.03 on or before 31 December 2019.

Condensed notes to the financial statements

For the half-year ended 31 December 2018

Note 7: Investments in associates (continued)

The following table illustrates the summarised financial information of the Group's investment in Tungsten Mining:

	Consolidated	
	December 2018	June 2018
	\$	\$
Percent of interest held	9.60%	11.14%
Current assets	3,666,554	5,867,793
Non-current assets	2,039,408	360,964
Current liabilities	(90,832)	(75,048)
Non-current liabilities	(102,201)	-
Equity	5,512,929	6,153,709

	6 months ended December 2018	12 months ended June 2018
	\$	\$

(a) Reconciliation of Investment in Tungsten Mining NL

Carrying amount at beginning of period	2,256,161	989,610
Additional investment – Rights Issue	-	1,750,000
Carrying amount before share of the associate's loss	2,256,161	2,739,610
<i>Share of the associate's loss</i>		
Revenue	36,734	59,583
Expenses	(1,111,765)	(543,032)
Loss for the period	(1,075,031)	(483,449)
Share of the associate's other comprehensive income	-	-
Total comprehensive loss	(1,075,031)	(483,449)
Carrying amount at end of period	1,181,130	2,256,161

Condensed notes to the financial statements

For the half-year ended 31 December 2018

Note 8: Contributed equity

	Consolidated	
	December 2018	June 2018
Issued capital	\$	\$
253,517,438 (June 2018: 252,494,410) Ordinary fully paid shares	154,610,483	154,485,219
	Number	\$
Movement in ordinary shares on issue		
Balance at beginning of the period	252,494,410	154,485,219
Shares issued to Directors in lieu of fees (a)	1,023,028	127,500
Cost of issuing shares	-	(2,236)
Balance at end of the period	253,517,438	154,610,483

(a) Shares issued to Directors in lieu of fees

During the period, following shareholder approval at the Annual General Meeting held on 23 November 2018, 1,023,028 fully paid shares were issued to Directors in lieu of accrued directors fees for the period 1 October 2017 to 30 September 2018.

Note 9: Reserves

	Consolidated	
	December 2018	June 2018
	\$	\$
Options reserve	26,949,728	26,883,522

	Consolidated	
	6 months ended December 2018	12 months ended June 2018
	\$	\$
(a) Movement in the Options reserve		
Balance at beginning of the period	26,883,522	26,591,329
Share-based payments (note 5)	66,206	292,193
Balance at end of the period	26,949,728	26,883,522

Condensed notes to the financial statements

For the half-year ended 31 December 2018

Note 9: Reserves (continued)

	Weighted Average Exercise Price \$	Number unlisted options
(b) Movement in unlisted options on issue		
Balance at beginning of the period	\$0.054	27,750,000
Issued and expired options during the period	-	-
Balance at end of the period	\$0.054	27,750,000

(c) Unlisted options that have vested and are exercisable at period end:

	Number outstanding	Number vested and exercisable	Exercise price	Expiry date	Remaining contractual life
Director options					
<i>Granted on 23 Dec 2016</i>					
Tranche 1	4,000,000	4,000,000	\$0.04	23 Dec 2020	1.98 years
Tranche 2	4,000,000	4,000,000	\$0.05	23 Dec 2020	1.98 years
Tranche 3	12,000,000	12,000,000	\$0.06	23 Dec 2020	1.98 years
Employee options					
<i>Granted on 6 Feb 2017</i>					
Tranche 1	1,550,000	1,550,000	\$0.04	6 Feb 2021	2.10 years
Tranche 2	1,550,000	1,550,000	\$0.05	6 Feb 2021	2.10 years
Tranche 3	4,650,000	4,650,000	\$0.06	6 Feb 2021	2.10 years
Outstanding at end of period	27,750,000	27,750,000	\$0.054		

Note 10: Contingent liabilities

The Group is not aware of any significant contingencies arising since the last annual reporting date.

Note 11: Events subsequent to reporting date

There is no matter or circumstance that has arisen since the balance sheet date to the date of this report, which has significantly affected, or may significantly affect the operations of the consolidated entity, the results of those operations or the state of affairs of the Group subsequent to the reporting date.

Directors' declaration

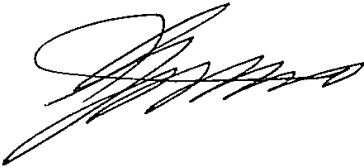
In accordance with a resolution of the directors of GWR Group Limited, I state that:

In the opinion of the Directors:

- (a) The financial statements and notes of the Group are in accordance with the Corporations Act 2001, including:
 - i. Giving a true and fair view of the financial position as at 31 December 2018 and the performance for the half-year ended on that date of the Group; and
 - ii. Complying with Accounting Standard AASB 134 Interim Financial Reporting and the Corporations Regulations 2001.

- (b) There are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

On behalf of the Board,

A handwritten signature in black ink, appearing to read 'Gary Lyons', written in a cursive style.

Gary Lyons
Chairman

Dated at Perth, this 8th day of March, 2019

Auditor's independence declaration

Stantons International Audit and Consulting Pty Ltd
trading as

Stantons International
Chartered Accountants and Consultants

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West Perth WA 6872
Australia

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West Perth WA 6005
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8 March 2019

Board of Directors
GWR Group Limited
97 Outram Street
West Perth WA 6005

Dear Sirs

RE: GWR GROUP LIMITED

In accordance with section 307C of the Corporations Act 2001, I am pleased to provide the following declaration of independence to the directors of GWR Group Limited.

As Audit Director for the review of the financial statements of GWR Group Limited for the half year ended 31 December 2018, I declare that to the best of my knowledge and belief, there have been no contraventions of:

- (i) the auditor independence requirements of the Corporations Act 2001 in relation to the review; and
- (ii) any applicable code of professional conduct in relation to the review.

Yours faithfully,
STANTONS INTERNATIONAL AUDIT AND CONSULTING PTY LTD
(Trading as Stantons International)
(An Authorised Audit Company)



Martin Michalik
Director

Independent auditor's review report

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trading as

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INDEPENDENT AUDITOR'S REVIEW REPORT TO THE MEMBERS OF GWR GROUP LIMITED

Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial report of GWR Group Limited, which comprises the consolidated statement of financial position as at 31 December 2018, the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity, and consolidated statement of cash flows for the half-year ended on that date, condensed notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration for GWR Group Limited (the consolidated entity). The consolidated entity comprises both GWR Group Limited (the Company) and the entities it controlled during the half year.

Directors' Responsibility for the Half-Year Financial Report

The directors of GWR Group Limited are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half year financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the consolidated entity's financial position as at 31 December 2018 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of GWR Group Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Whilst we considered the effectiveness of management's internal controls over financial reporting when determining the nature and extent of our procedures, our review was not designed to provide assurance on internal controls.

Our review did not involve an analysis of the prudence of business decisions made by the directors or management.

Independent auditor's review report

Stantons International

Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations Act 2001*, has been provided to the directors of GWR Group Limited on 8 March 2019.

Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of GWR Group Limited is not in accordance with the *Corporations Act 2001* including:

- (a) giving a true and fair view of the consolidated entity's financial position as at 31 December 2018 and of its performance for the half-year ended on that date; and
- (b) complying with Accounting Standards AASB 134 Interim Financial Reporting and Corporations Regulations 2001.

STANTONS INTERNATIONAL AUDIT AND CONSULTING PTY LTD
(Trading as Stantons International)
(An Authorised Audit Company)

Stantons International Audit & Consulting Pty Ltd



Martin Michalik
Director

West Perth, Western Australia
8 March 2019