



3 June 2019

ASX Announcement

Joint Venture and Farm-in Agreement Executed for Hatches Creek Tungsten Project

GWR Group Limited (ASX: GWR) (“**GWR**” or “**the Company**”) is pleased to announce it has executed a Joint Venture and Farm-in Agreement (“the Agreement”) with Tungsten Mining NL (ASX: TGN) (“**TGN**”) for its 100%-owned Hatches Creek Tungsten Project in the Northern Territory (GWR’s wholly owned subsidiary NT Tungsten Pty Ltd currently owns the project).

The Agreement provides for an initial cash payment of \$1.72 million reimbursing GWR for past exploration expenditure in satisfaction for a 20% interest in the project tenements being transferred to Territory Tungsten Pty Ltd (a wholly owned subsidiary of TGN).

TGN can increase its interest to 51% by further expenditure of \$3,000,000 on exploration, development and mining activities within 5 years of the commencement date (the Sole Funding Stage).

The Agreement provides for TGN to be appointed manager of the Joint Venture and enables GWR to be free carried during the Sole Funding Stage.

Should a decision to mine be made by TGN during the Sole Funding Stage, TGN has been granted an option to attain 100% equity in the project tenements by payment of approximately \$7 million to GWR.

The Hatches Creek Tungsten Project is located 375 km north east of Alice Springs in the Northern Territory of Australia. The Project consists of two granted exploration licences occupying 31.4 km² (EL22912 and EL23462) and an Exploration Licence Application (EL31469), which cover the entire historic Hatches Creek tungsten mining centre.

Following successful RC drilling programs completed in 2016, 2017 and 2019, which confirmed multiple high grade polymetallic tungsten prospects and demonstrated potential for a large high grade polymetallic tungsten deposit the Company prepared an Exploration Target estimate incorporating all previous mapping, drilling, dump and stockpile sampling results. (Refer ASX releases 17 July 2018 and 14 June 2017 for further details).

The Company is delighted to have achieved an outcome which provides funds for exploration at its Wiluna West Gold Project and also sees the Hatches Creek Project explored and developed by a dedicated tungsten company in the form of Tungsten Mining NL.

Importantly, GWR remains a major shareholder of Tungsten Mining enabling it to retain an exposure to the Hatches Creek project.

The Company had undertaken a review of its project portfolio and resolved that having completed the acquisition of the Hatches Creek Project in 2016 and successfully carrying out exploration which encapsulated its potential, it was best monetised to provide GWR shareholders with the funding to pursue its core assets in Wiluna.

The transaction marks another step in GWR's plans to monetise its assets including funding the proposed mining of the Company's Wiluna West Gold project (see Quarterly Report 30 April 2019).

GWR general manager Adrian Costello said: "The transaction marks a significant step in generating revenue from its assets.

This is exemplified by the solid progress towards mining at GWR's Wiluna West Gold Project, where an agreement has been reached with Blackham Resources to potentially mine and process Wiluna West gold ore.

The company is examining further projects with a view to incubate them and move them to a cash generating position."

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