

22 December 2023

ASX Announcement

\$3 million deposit received from binding \$30 million plus \$2 per tonne royalty from Iron Ore Asset sale

HIGHLIGHTS

- GWR confirms receipt of non-refundable \$3 million deposit pursuant to the legally binding agreement to sell the Wiluna West Iron Ore Project to Gold Valley West Wiluna Pty Ltd.
- In addition to the \$30 million cash payment, a \$2 DMT royalty is payable for iron ore produced from the Wiluna West project, representing potential additional revenue that will further strengthen the cash position of GWR over life of mine operations.
- GWR intends to explore the significant potential upfront value of its Iron Ore royalty with Royalty Streaming Funds.
- GWR is actively assessing new opportunities in the resources sector and is also considering capital management initiatives such as a capital return to shareholders.
- Following the deposit GWR cash and equivalent total ~\$20 million, with a GWR cash balance ~ \$13 million and tradeable listed securities to the approximate value of \$7 million (Tungsten Mining NL (ASX:TGN) ~\$5m and E Metals Ltd (ASX:EMT) ~\$2m (as at 20 December 2023).

GWR Group Limited (ASX:GWR) (“GWR” or the “Company”) is pleased to announce it has received the non-refundable \$3 million deposit pursuant to the legally binding agreement to sell the Wiluna West Iron Ore Project to Gold Valley West Wiluna Pty Ltd (GV) (Transaction) (*Refer ASX Release dated 21 December 2023*), that is part of a \$30 million plus \$2 per DMT royalty transaction.

GWR’s Chairman Gary Lyons said:

“Following execution of the binding agreement, we are extremely pleased to confirm receipt of the \$3 million deposit from GV, which sees GWR trading with around \$20.5 million of cash and equivalents.

This highlights the significance of the agreement to the Company and the value it will generate from the sale consideration, that is a legally binding transaction.

The \$2.00 DMT royalty demonstrates the significant potential cashflow to GWR from mining operations at the Wiluna West Iron Ore Project and we will explore the potential to work with royalty stream groups that may generate upfront cash injection to our company.

We look forward to providing further updates on the progress of the divestment and our fully funded exploration plan for 2024.”

Details of the Transaction

A summary of the material terms of the Agreement is contained in the ASX release dated 21 December 2023:

GV will acquire the Assets on an “as is, where is” basis for consideration comprising:

- \$30 million in cash, payable as follows:
 - a \$3 million non-refundable deposit payable within 7 days of execution of the Agreement (**Received**); and
 - the balance payable on completion.
- a royalty in respect of all iron ore won from the West Wiluna Iron Ore Project (excluding M53/1018) and exported or otherwise sold (including in respect of the processing or reprocessing of tailings) on or after 1 December 2023 at the rate of \$2.00 per dry metric tonne (**Royalty**).

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

-ENDS-

For further information

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Forward looking statements

This announcement contains forward-looking statements which are identified by words such as ‘may’, ‘could’, ‘believes’, ‘estimates’, ‘targets’, ‘expects’, or ‘intends’ and other similar words that involve risks and uncertainties. These statements are based on an assessment of present economic and operating conditions, and on a number of assumptions regarding future events and actions that, as at the date of this announcement, are expected to take place. Such forward-looking statements does not guarantee future performance and involve known and unknown risks, uncertainties, assumptions and other important factors, many of which are beyond the control of the Company, the directors and our management. We cannot and do not give any assurance that the results, performance or achievements expressed or implied by the forward-looking statements contained in this prospectus will actually occur and investors are cautioned not to place undue reliance on these forward-looking statements. We have no intention to update or revise forward-looking statements, or to publish prospective financial information in the future, regardless of whether new information, future events or any other factors affect the information contained in this announcement, except where required by law. These forward-looking statements are subject to various risk factors that could cause our actual results to differ materially from the results expressed or anticipated in these statements.