

1 April 2025

ASX Announcement

Wiluna Royalty Terms Amended

Project royalty terms amended

GWR Group Limited (**ASX:GWR**) (**GWR** or the **Company**) refers to its announcement on 21 December 2023 regarding the sale of the Wiluna West Iron Ore Project (**Project**) to Gold Valley West Wiluna Pty Ltd (**Gold Valley**) pursuant to a binding sale agreement (**Transaction Agreement**).

Under the Transaction Agreement, Gold Valley granted GWR a royalty in respect of all iron ore won from the Project (excluding M53/1018) and exported or otherwise sold (including in respect of the processing or reprocessing of tailings) at the rate of \$2.00 per dry metric tonne (**Royalty**).

Gold Valley has been selling iron ore from the Project since completion of the Transaction Agreement. As a result of those activities to the end of February 2025 **GWR has earned a Royalty of \$2.53 million, with all amounts received.**

In recognition of the lower prices in the market for iron ore since the Transaction Agreement was executed, on 31 March 2025 GWR and Gold Valley agreed to amend the Transaction Agreement (**Variation**). The key terms of the Variation are as follows:

- **Revised Royalty:** With effect from 1 April 2025 and ending on 31 March 2027 (unless extended at GWR's sole discretion) (**Revised Royalty Period**), a revised royalty will be payable by Gold Valley in respect of all iron ore won from the Project (excluding M53/1018) and exported or otherwise sold (including in respect of the processing or reprocessing of tailings) at a rate of (**Revised Royalty**):
 - if the IODEX (Iron Ore Platts 62%) is at or below USD99.99, no amount is payable;
 - if the IODEX (Iron Ore Platts 62%) is between USD100 and USD109.99, A\$1.00 per dry metric tonne;
 - if the IODEX (Iron Ore Platts 62%) is between USD110 and USD114.99, A\$1.50 per dry metric tonne; and
 - if the IODEX (Iron Ore Platts 62%) is above USD115, A\$2.00 per dry metric tonne,

The Revised Royalty will be payable until the end of the Revised Royalty Period, subject to Gold Valley's continued compliance with certain key terms of the Transaction Agreement, including Gold Valley paying the Revised Royalty in accordance with applicable payment terms.

- **Royalty:** at the end of the Revised Royalty Period the royalty payable will revert back to the original Royalty.

Status of the Project tenements

GWR also notes that the registration of the transfer of the Project tenements from GWR to Gold Valley has yet to be processed by the Department of Energy, Mines, Industry Regulation and Safety. Gold Valley has advised GWR that registration has yet to occur due to RevenueWA having requested Gold Valley provide a valuation in relation to the Transaction Agreement to assist RevenueWA making their assessment of the dutiable value of the transaction. Gold Valley has advised GWR that it has taken steps to procure that valuation and GWR has requested (but has yet to receive) evidence that it has done so.

Whilst GWR remains the registered holder of those tenements, as a matter of law GWR is liable to the State of Western Australia for the payment of State royalties. However, under the Transaction Agreement, Gold Valley assumed liability and is responsible for payment of these State royalties. Since the Transaction Agreement completed in March 2024, Gold Valley has paid all State royalty amounts due and payable.

GWR will keep the market updated on the status of the Project tenements and the progress of its discussions with Gold Valley in this respect.

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

-ENDS-

For further information

Gary Lyons
Chairman
Email: gary@garylyons.com.au
Telephone: (08) 9322 6666

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.