

Highlights

Wiluna West Iron Ore Project

- Mine planning activities for the proposed start-up of mining at the high grade JWD deposit completed.
- Substantially completed work to support permitting and road agreement on the proposed upgrade of the Wiluna to Sandstone road – Geraldton haulage route.
- Asciano led 'YES' consortium announced as the proponent for the proposed development of a new multi-user iron ore export facility at the Port of Esperance.

Earaheedy Iron & Manganese Project

- Three new tenements applied for (E69/3284 to E69/3286) and E69/2936 was surrendered.
- A total of 684 km² of either granted tenements or tenement applications now held with 102km of strike over the prospective Frere Formation.

Investment in West Peak Iron

- In July, West Peak Iron Limited (WPI) issued its maiden Resource Estimate for the Bong West prospect, at its wholly owned Bomi South project located in Liberia.
- WPI have also completed a preliminary assessment to assess the viability of establishing a small scale iron ore mining operation at the Bong West prospect.

Investment in Tungsten Mining

- In June, GWR acquired a 16.5% interest in ASX listed company Tungsten Mining NL (ASX Code: TGN).
- Tungsten Mining is focused on the development and exploitation of tungsten deposits, in particular the advanced Kilba Project in the Gascoyne region of Western Australia.

Corporate

- GWR remains well funded with cash reserves of \$18.3m and no debt.
- This strong cash position continues to allow GWR to assess a number of new project opportunities in Australia and elsewhere. GWR is actively pursuing new opportunities and intends to expand its portfolio of resource interests.

About GWR

GWR Group Limited ("GWR") is an independent, Australian resources company, focused on creating shareholder wealth through the development of high quality direct shipping ore ("DSO") iron ore and other commodity projects.

Our project portfolio extends from early stage regional exploration, through to development projects such as the advanced Wiluna West Iron Ore Project. 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:	240.18 million
Issued Options:	24.6 million
Cash on hand:	\$18.3 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

Enquiries

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Wiluna West Iron Ore Project

In view of the substantial decline in iron ore prices in the June quarter, GWR has responded by limiting project related activities to those that can be advanced largely utilising in-house resources and directed at securing permits and approvals for the Project, thereby minimising development lead times should market conditions support commencement of operations in the future.

Mining Approvals Major Project

As previously announced, in 2013 the Environmental Protection Authority (“EPA”) determined that GWR’s referral to develop the Wiluna West iron ore mine at a rate of production of up to 10 million tonnes per annum made pursuant to section 38(1) of the Environmental Protection Act (1986) (“EP Act”), did not warrant formal assessment.

This decision permits development of the Wiluna West Iron Ore Project on the basis of large scale mining activity, subject to standard processes including, obtaining clearing permits under Part V of the EP Act and approval of mining proposals under the Mining Act 1978. GWR has already obtained clearing permits and approval under the Mining Act 1978 for mining to commence at its high grade John William Douth (“JWD”) deposit. GWR has continued to progress work on the clearing permit application and mining proposal for the C3, C4 and Bowerbird deposits covering Years 1-10 of the Wiluna West 10Mt project. This work compliments and utilises work previously completed as part of the referral described above with the objective of securing all requisite approvals for future mining activity. It is anticipated that the clearing permit application and mining proposal will be submitted with the Western Australian Department of Mines and Petroleum, in the near future.

Infrastructure

Geraldton

As reported previously, since early 2013 work has been progressing on various aspects of the supply chain from the Wiluna West site to Geraldton. GWR has completed technical and commercial assessments of the alternative haulage routes, identifying a combination of the unsealed Wiluna to Sandstone road and sealed highway from Sandstone to Geraldton as the preferred haulage option. This route represents the shortest distance which will drive lower transport costs, but requires an upgrade of the shire road. To mitigate risks associated with possible transport disruption, it is also proposed to establish a product stockpile and transport yard, west of Sandstone, adjacent to the sealed highway.

During the June quarter, work was substantially completed in relation to the preparation of a clearing permit to be submitted under Part V of the Environmental Protection Act 1986 for the proposed road upgrade. This built on flora and fauna studies completed in the period since late November 2013 by GWR, independent environmental consultants and local indigenous people. In addition, the Company progressed the preparation and negotiation of a formal road agreement with the Shires of Wiluna and Sandstone.

Esperance

In January 2012, the Western Australian State Government announced its decision to increase the Esperance Port capacity by up to 20 million tonnes per annum, in a staged expansion plan. The State Government announced in January 2013 that it had given the go-ahead for the next stage of developing a new iron ore export facility at the Port of Esperance, advising that it had accepted an Esperance Port Authority (“EPSL”) board recommendation to start a procurement process to identify a private sector consortium to design, finance, construct and operate the planned Multi-User Iron Ore Facility (“MUIOF”).

In July 2012, GWR and EPSL entered into a Capacity Reservation Deed concerning the reservation of capacity in relation to facilities to be constructed as part of the proposed increase in export capacity at the Port of Esperance ("New Facilities"). The arrangements reserve capacity for GWR to export 3 million tonnes per annum utilising the New Facilities. GWR's right to access the Port or utilise any reserved capacity is dependent on the Company entering into a New Facilities Agreement on terms that are acceptable to the respective parties (including a future operator of the proposed New Facilities).

In May 2014 Transport Minister, Dean Nalder announced that Yilgarn Esperance Solution (YES) Limited has been named the preferred proponent to develop the Multi-User Iron Ore Export Facility (MUIOF) proposed for Esperance Port.

The YES consortium, led by Asciano, has been chosen to design, build and operate the new Esperance Port Multi-User Iron Ore Export Facility with the proposed expansion set to result in the port's iron ore export capacity almost doubling - from about 11 million to 20 million tonnes per annum. In his media release, Mr Nalder said that "the companies which make up YES have a proven track record in developing and operating ports in Australia and internationally."

The Minister's approval was based on a recommendation from the board of the Esperance Port Authority following an extensive procurement process undertaken by the MUIOF project team, independent expert engineering, commercial and legal advisers and an independent evaluation panel.

JWD Development

Mining Study

As previously reported, to support the Company's strategy of commencing operations via the export of approximately 1Mtpa of high grade iron ore through the Port of Geraldton, GWR had undertaken a detailed mining study and mine planning activities on its high grade JWD deposit work. Work completed in the quarter included ore scheduling for optimised pit shells, financial modelling and risk analysis. Contractor budget estimates were also obtained to conclude this body of work. It is intended to progress in-house studies on updating geological and mining models for "C Ridge" deposits to enable completion of mine planning for all major Wiluna West ore bodies.

Wiluna West Gold Project

A total of 923 soil samples were collected upon E53/1116 and E53/1089, following up on a gold in-soil anomaly that was identified in 2013. Assay results are expected during the next quarter. GWR and Blackham Resources Limited have held discussions in relation to opportunities for cooperation and the processing of ore in the future.

Earaheedy Iron & Manganese Project

GWR holds tenements and tenement applications securing 530 km² and a further 155 km² via its Farm-in agreement with Dragon Energy Limited ("Dragon") for a total of 684 km² within the Earraheedy Basin, located approximately 200km northeast of Wiluna. This basin is considered highly prospective for both iron and manganese deposits.

During the quarter, GWR surrendered E69/2936 and applied for three new exploration licences (E69/3284 to E69 3286). Previous exploration, mostly in the 1970s, identified significant hematite-goethite mineralisation associated with the Frere Formation that is evident on air-borne magnetics (Figure 3). Based upon aerial magnetic data interpretation and geological mapping undertaken by the Geological Survey of WA, the GWR tenements and applications are estimated to contain approximately 64 km of prospective strike. The tenements comprising the Lee Steere Farm-in agreement with Dragon are interpreted to contain approximately 38 km of prospective strike. Collectively, prospective strike is now a total of 102 km.

Negotiations with the Birriliburu Native Title holders for E69/3192 and E69/3232 and the Dragon Energy E69/2377 and E69/2126 have been successfully concluded. Negotiations with the Wiluna Native Title holders in respect to access deeds for applied for E69/3192 and E69/3232 and Dragon Energy Farm-in tenements are ongoing.

Exploration activities have been planned for E69/2126, however, have been delayed due to negotiations with the Wiluna Native Title holders in respect to access.

Woodley Iron Project

GWR, through its 100% owned subsidiary Iron West Resources Pty Ltd, is earning an 85% interest from ASX listed Nemex Resources Limited ("Nemex"). Under the terms of the Woodley Farm-in agreement, GWR is earning an 85% interest by spending \$1m on exploration.

The 256 km² Woodley Project is located 600 km north of Perth and 110 km south-west of the GWR Wiluna West Iron Project in the Midwest region of WA (Figure 1). The project contains a northwest trending banded iron formation ("BIF") with a strike length of 22 km and this is the focus of exploration activities to date (Figure 1).

GWR views the Woodley Project as a potential satellite deposit to the Wiluna West Iron Project located 110 km to the north-east of Woodley, being located in close proximity to the proposed ore haulage route to Geraldton. GWR is currently undertaking detailed studies on this proposed haulage route and is also in advanced discussions concerning port and infrastructure access at the Port of Geraldton.

No exploration was undertaken at the Woodley project during the June quarter.

Investment in West Peak Iron

GWR holds a 19.9% interest in ASX listed company WPI. WPI is focused on iron ore exploration in the West African country of Liberia, where it holds four projects (Bomi South, Grand Bassa, Bobo Creek and Mt Koklun). All projects are prospective for iron ore and are in close proximity to port and rail infrastructure.

During the previous quarter, WPI completed a 23-hole, 1308 m diamond drilling program at its Bomi South project area at the Bong West prospect. The recently completed diamond drilling program built on the data obtained from the 2,631 m of RC drilling completed early in 2013 and programs of trenching and pitting. This work culminated on 1 July 2014 with the release of WPI's maiden Resource estimate in the Inferred category of 11.1 million tonnes at 36.36%.

WPI has also reported that it completed a preliminary assessment to determine the economic viability of the Bomi South project. Bomi South is located 60 km north east of the Port of Monrovia and is adjacent to the operating Bong Mine, owned by China Union. The Mofe Creek project, held by ASX-listed Tawana Resources NL, is also located to the west of the Bomi South project. The results of the preliminary assessment of a small scale mining operation based on crushing and screening of soft, friable itabirite material to produce a high grade concentrate product for sale were positive for options based on either a mine gate sale or via access to third party rail and port facilities. Options assessed which assumed transport of concentrate to port by road haulage were less favourable.

WPI has reported that it intends to seek a strategic partner for the development of the Bong West project and has initiated discussions with a number of potentially interested parties.

Investment in Tungsten Mining

In June the Company announced that it had acquired a 16.5% interest in ASX listed company Tungsten Mining NL (ASX Code: TGN) by participating in the placement of shortfall shares in Tungsten Mining's entitlement issue. GWR subscribed for 35,000,000 shares at a price of 4 cents each equating to an investment of \$1,400,000.

Tungsten Mining is focused on the development and exploitation of tungsten deposits, in particular the advanced Kilba Project in the Gascoyne region of Western Australia. Funds raised from its recent placement and entitlement issue (\$4.64m before costs) will enable Tungsten Mining to progress in-fill drilling, engineering studies and associated works for the Kilba Project.

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 – highlighted by China's export restrictions.

GWR has identified tungsten as a key mineral in terms of market fundamentals and TGN's Kilba Project as sufficiently advanced and prospective to warrant investment.

GWR chairman, Mr Gary Lyons was invited to join the board of Tungsten Mining NL following the end of the quarter and appointed a director on 16 July 2014.

Project Generation

As previously announced, the Company is now actively seeking other iron ore and commodity opportunities within Western Australia and elsewhere. The Company has recently reviewed a number of opportunities at both a project and corporate level.

Corporate

Cash Position

GWR remains well funded with cash reserves of \$18.3 million and no debt.

Tenement Interests

A schedule of the Company's interest in mining tenements as at 30 June 2014 for the purposes of ASX Listing Rule 5.3.3 is appended at Annexure 1.

Competent Person's Statement

The information in this report which relates to Exploration Targets, Exploration Results, 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 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 1: GWR Project Location Map



Figure 2 – Woodley Project

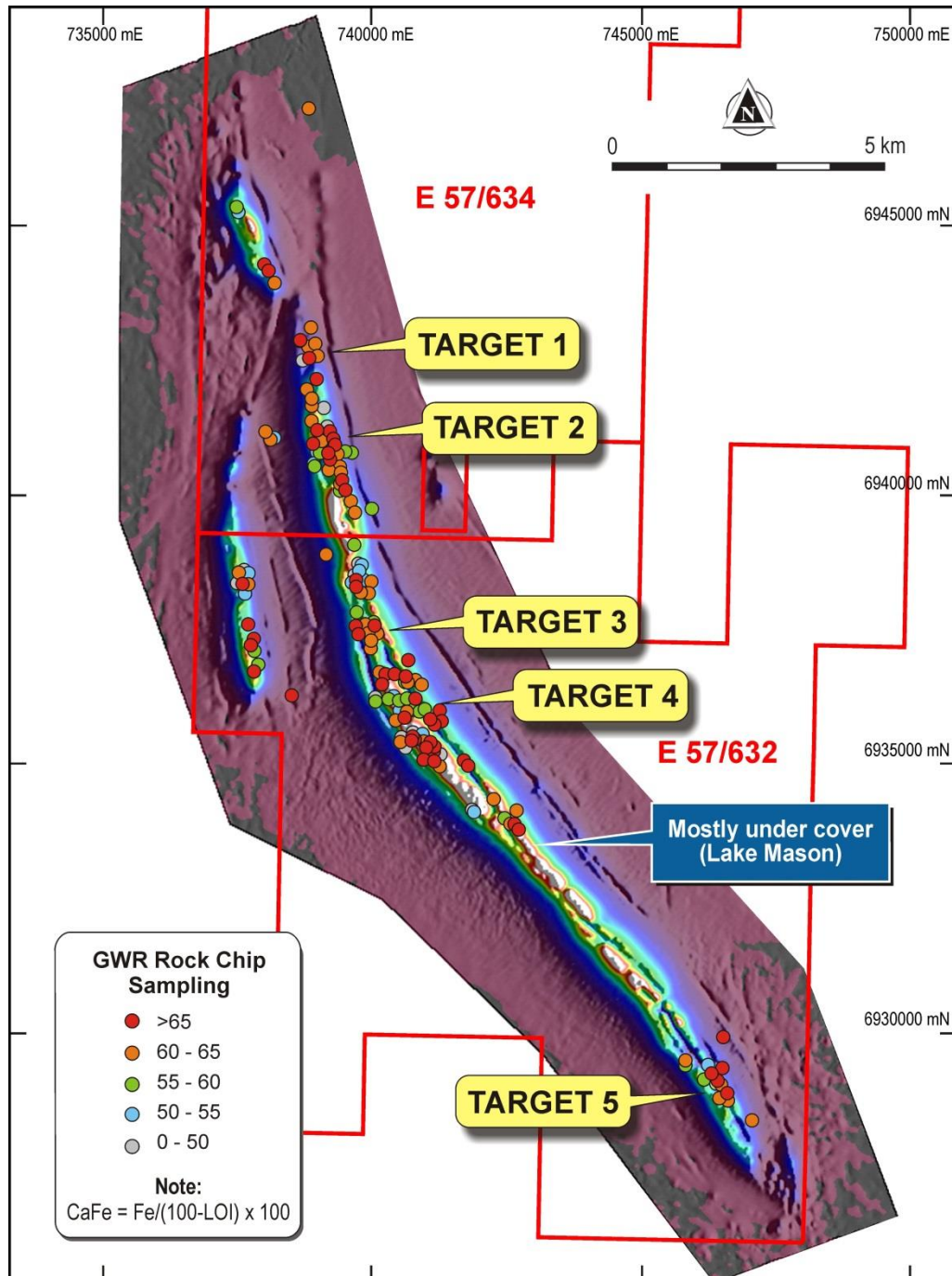
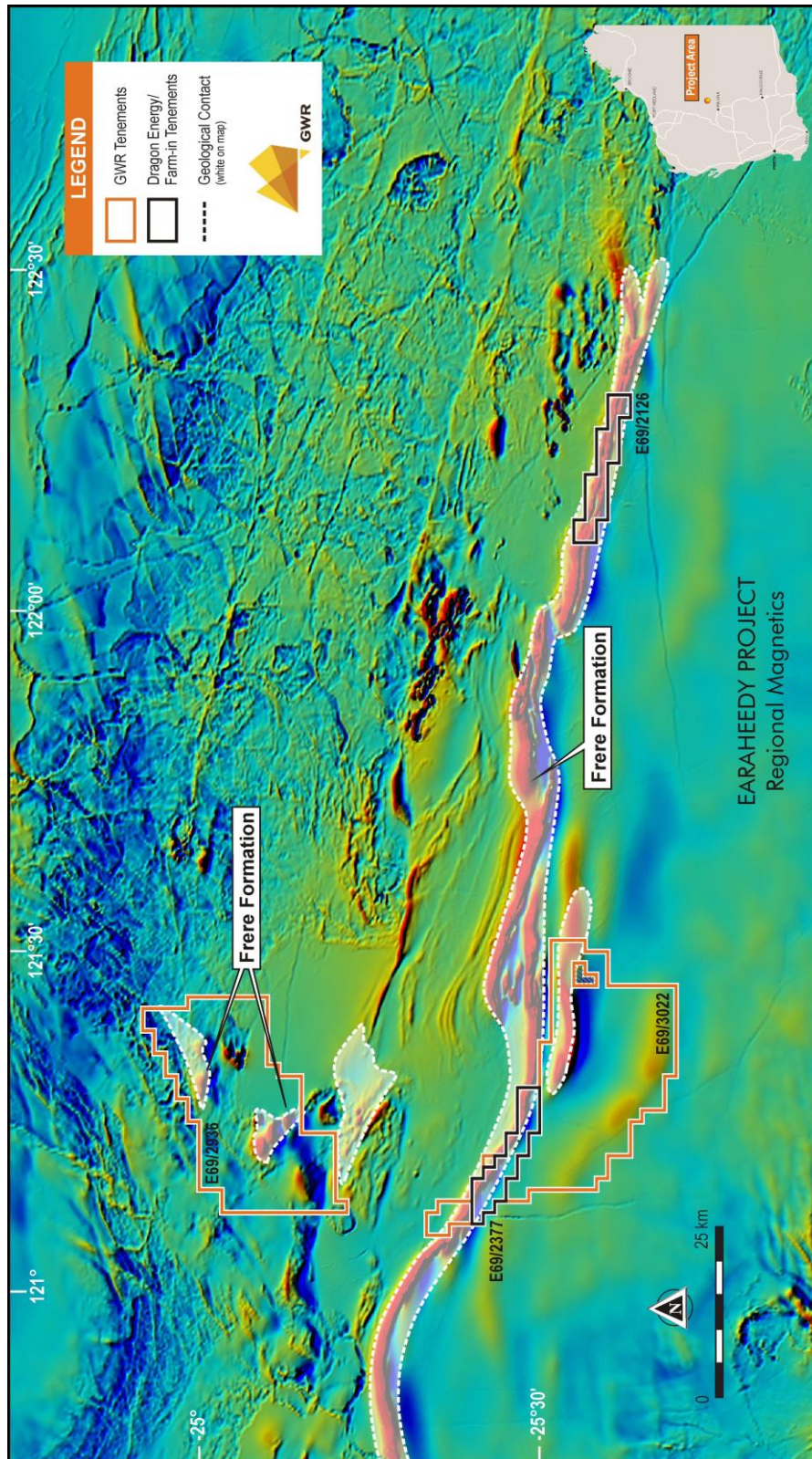


Figure 3: Earraheedy Area Regional Magnetics



Annexure 1 - Schedule of interests in mining tenements

(a) Interests in mining tenements as at 30 June 2014

Location	Tenement	Percentage held	Notes
Wiluna			
Wiluna West	E53/1089-I	80%	JV with Jindalee Resources Ltd
Wiluna West	E53/1116-I	100%	
Wiluna West	G57/9	100%	Granted during the quarter
Wiluna West	G57/10	100%	Granted during the quarter
Wiluna West	L53/115	100%	
Wiluna West	L53/146	100%	
Wiluna West	L53/147	100%	
Wiluna West	L53/148	100%	
Wiluna West	L53/154	100%	
Wiluna West	L53/178	100%	
Wiluna West	L53/179	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%	
Earaheedy			
Earaheedy	E69/3022-I	100%	
Lee Steere Farm-in	E69/2126-I	0%	Farm-in with Dragon Energy Ltd
Lee Steere Farm-in	E69/2377-I	0%	Farm-in with Dragon Energy Ltd
Woodley			
Woodley Farm-in	E57/632-I	0%	Farm-in with Nemex Resources Ltd
Woodley Farm-in	E57/634-I	0%	Farm-in with Nemex Resources Ltd

* Excludes tenement applications.

(b) Tenements acquired and disposed of during the quarter

During the quarter, general purpose lease applications (for infrastructure) G57/9 and G57/10 were granted. The leases are related to the Wiluna West Iron Ore Project and cover an area of 18 hectares. Exploration licences E69/2936-I, E69/3026 and E69/3037-I formerly part of the Earraheedy project were surrendered.

(c) The beneficial percentage interests held in farm-in or farm-out agreements as the end of the quarter

The Company remains in the "earn-in" phase of both the Woodley and Lee Steere farm-in agreements and has no beneficial interest in the respective tenements as set out above.

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

No change during the quarter.

Appendix 5B

Mining 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

Name of entity

GWR Group Limited

ABN

54 102 622 051

Quarter ended ("current quarter")

30 June 2014

Consolidated statement of cash flows

		Current quarter (3 month's) \$A'000	Year to date (12 month's) \$A'000
Cash flows related to operating activities			
1.1	Receipts from product sales and related debtors	-	-
1.2	Payments for (a) exploration & evaluation	(737)	(3,764)
	(b) development	-	-
	(c) production	-	-
	(d) administration	(600)	(2,444)
1.3	Dividends received	-	-
1.4	Interest and other items of a similar nature received	185	817
1.5	Interest and other costs of finance paid	-	-
1.6	Income taxes received (GST paid)	-	-
1.7	Other (provide details if material)	8	44
Net Operating Cash Flows		(1,144)	(5,347)
Cash flows related to investing activities			
1.8	Payment for: (a) prospects	-	-
	(b) equity investments	(1,400)	(1,400)
	(c) other fixed assets	(3)	(14)
1.9	Proceeds from: (a) prospects	-	80
	(b) equity investments	-	-
	(c) other fixed assets	-	-
1.10	Loans to other entities	-	-
1.11	Loans repaid by other entities	-	-
1.12	Other (refund/charges of environmental bonds & security deposits)	(1)	1,043
Net investing cash flows		(1,404)	(291)
1.13	Total operating and investing cash flows (carried forward)	(2,548)	(5,638)

1.13	Total operating and investing cash flows (brought forward)	(2,548)	(5,638)
	Cash flows related to financing activities		
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 (capital raising costs)	-	(425)
	Net financing cash flows	-	(425)
	Net increase (decrease) in cash held	(2,548)	(6,063)
1.20	Cash at beginning of quarter/year to date	20,846	24,361
1.21	Exchange rate adjustments to item 1.20	-	-
1.22	Cash at end of quarter	18,298	18,298

Payments to directors of the entity and associates of the directors

Payments to 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	165
1.24	Aggregate amount of loans to the parties included in item 1.10	-
1.25	Explanation necessary for an understanding of the transactions	
	Payment of fees, salaries and superannuation to the directors of the Company during the quarter.	

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

- 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 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	912
4.2 Development	-
4.3 Production	-
4.4 Administration	486
Total	1,398

Reconciliation of cash

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.	Curent quarter \$A'000	Previous quarter \$A'000
5.1 Cash on hand and at bank	710	837
5.2 Deposits at call	17,588	20,009
5.3 Bank overdraft	-	-
5.4 Other (provide details)	-	-
Total: cash at end of quarter (item 1.22)	18,298	20,846

Changes in interests in mining tenements

	Tenement reference	Nature of interest (note (2))	Interest at beginning of quarter	Interest at end of quarter
6.1 Interests in mining tenements relinquished, reduced or lapsed	E69/2936	Surrendered	100%	Nil
	E69/3026	Surrendered	100%	Nil
	E69/3037	Surrendered	100%	Nil
6.2 Interests in mining tenements acquired or increased	G57/9	Granted	Nil	100%
	G57/10	Granted	Nil	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	Preference ⁺securities (description)				
7.2	Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions				
7.3	⁺Ordinary securities	240,178,059	240,178,059		
7.4	Changes during quarter (a) Increases through issues: (b) Decreases through returns of capital, buy-backs				
7.5	⁺Convertible debt securities (description)				
7.6	Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted				
7.7	Options (description and conversion factor)	21,500,000 700,000 1,400,000 1,000,000		Exercise price \$0.575^ \$0.575^ \$0.575^ \$0.575^	Expiry date 22 Nov 2015 4 Jan 2016 22 Feb 2016 22 Mar 2016
7.8	Issued during quarter				
7.9	Exercised during quarter				
7.10	Expired during quarter				
7.11	Debentures (totals only)				
7.12	Unsecured notes (totals only)				

^ The change of option's exercise price is pursuant to Section 6.22 of the ASX Listing Rules.

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:

31 July 2014

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 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, 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 Accounting 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.

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