

## March Quarter Highlights

- **Exceptional results from 1,739m Reverse Circulation (RC) drilling program at Hatches Creek;**
- **4,700m RC drilling program planned for Hatches Creek to follow up on recent results and to test an additional 5 targets;**
- **Memorandum of Understanding (MoU) executed with Blackham Resources ("BLK") (ASX:BLK) for mining and milling Wiluna West gold deposits;**
- **Dual focus program implemented at the Wiluna West gold project:**
  - **exploration targeting potential "company making" gold deposits; and**
  - **exploration targeted at defining deposits for mining and milling at the nearby Wiluna gold mill.**
- **A trial parcel of approximately 800 tonnes of Golden Monarch ore was run through BLK's Wiluna mill and the results indicate that blending the more competent Golden Monarch ore with BLK's Matilda ore should improve plant performance;**
- **Extensive fieldwork undertaken including detailed geological mapping, rock chip sampling and geochemical soil sampling at Wiluna West Gold Project;**
- **3,500m of RC drilling planned at the Eagle, Emu and Golden Monarch targets at Wiluna West Gold Project;**
- **Field visit undertaken to the Lake MacLeod gypsum deposit; confirming presence of previously identified significant high grade gypsum**
- **Strong balance sheet with \$6.7m cash, no debt and \$5.1m in listed securities & other material financial assets.**

### Hatches Creek Polymetallic Tungsten Project

- **Exceptional results received from Pioneer, Copper Show, Hit or Miss and Treasure drilling in late 2016.**
- **Intersections included:**
  - **HCRC013, 44m at 0.21% WO<sub>3</sub> and 0.12% Cu, from 55m**
  - **HCRC014, 53m at 0.26% WO<sub>3</sub> and 0.13% Cu, from 63m**
  - **HCRC016, 7m @ 0.73% WO<sub>3</sub>, and 0.01% Cu, from 81m**
  - **HCRC010, 2m @ 3.05% WO<sub>3</sub> and 0.02% Cu, from 3m**
  - **HCRC004, 1m @ 2.85% WO<sub>3</sub>, 1.76g/t Au and 0.29% Cu, from 43m**
  - **HCRC004, 1m @ 1.96% WO<sub>3</sub>, 1.58g/t Au and 0.28% Cu, from 80m**
- **A 4,700m RC drilling program following up on the recent results and testing an additional 5 targets has been planned and approvals from the NT government and Traditional Owners have been sought.**
- **Metallurgical test work undertaken as part of the original dumps project in 2015 produced a concentrate of 66% WO<sub>3</sub>. In addition, a sulphide pre-float produced a concentrate assaying 16.4% Cu and 7.9g/t Au, demonstrating the ability to recover both tungsten and other valuable by-products.**

## About GWR

GWR Group Limited ("GWR") is an independent, Australian resource house, focused on creating shareholder wealth through the development of high quality mineral exploration and development projects.

The Company has a portfolio of mineral commodity projects that includes projects held in its own right, in joint venture and indirectly through investment in other listed entities. 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:	245.6 million
Issued Options:	27.7 million
Cash on hand:	\$6.7 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

**Craig Ferrier**  
Chief Executive Officer

**Mark Pitts**  
Joint Company Secretary

**Simon Borck**  
Joint Company Secretary

- Recent test work undertaken on dump samples from Pioneer showed that 97% of the WO<sub>3</sub> could be recovered, with 34% mass reduction by simply crushing. At Hit or Miss, a combination of screening and X-ray ore sorting test work has resulted in a 98% WO<sub>3</sub> yield and a mass rejection of 24%.

### **Wiluna Gold Project**

- In late January 2017, GWR and Blackham Resources (ASX: BLK) executed an MoU for the potential mining and milling of the Wiluna West deposits. GWR is working with Blackham to prioritise economic viability studies.
- Ongoing review which has clearly identified the Golden Monarch, Eagle and Emu deposits as high priority targets for early cash flow via the MOU executed with BLK.
- A trial parcel of 805 dry tonnes at an estimated grade of 1.9 g/t Au of Golden Monarch ore was put through the BLK Wiluna mill as a trial parcel and the results indicate that blending the more competent Golden Monarch ore with BLK's Matilda ore should improve plant performance.
- New wireframe created for Golden Monarch deposit.
- 3,500m RC drilling program planned for the Golden Monarch, Eagle and Emu deposits, with a POW lodged with DMP and Aboriginal Heritage surveys having been completed subsequent to the end of the Quarter.
- Interpretation of an orientation geochemical soil sampling program clearly showed that the -2.8mm to +0.5mm sized soil fraction yielded the best results.
- Completion of a 100m by 25m soil sampling program for a total of 1602 soil samples over a strike length of 4.5km upon the Joyners Find shear zone. Assays for 529 samples are presently outstanding.
- Completion of detailed 1:1000 scale geological mapping over a strike length of 4.5km along the Joyners Find shear zone.
- Collection of 253 rock chip samples, assay results for 74 samples are currently outstanding.
- Survey of historical drill hole collars, where 300 historical collars were located from an approximately 1000 collars.
- Ongoing validation of the gold drilling database.

### **Investment in Tungsten Mining NL (ASX: TGN)**

- Mt Mulgine Strategic Development Plan remains on track with completion of metallurgical test work and mining study along with environmental referral submissions to State and Commonwealth regulatory authorities.

### **Corporate**

- GWR remains well funded with cash reserves of \$6.7 million and no debt. In addition, GWR has listed securities with a market value of \$2.90m as at 31 March 2017 and other material financial assets of \$2.25m at cost.

## Hatches Creek Tungsten Project

### RC Drill Program

Exceptional results were achieved in the maiden RC drilling program undertaken at the Hatches Creek project located in the Northern Territory (see ASX announcement 15 March 2017). The 18 hole 1,739 metre RC drill program, focused on the Pioneer, Copper Show, Hit or Miss and Treasure prospects, while an additional 11 prospects remain to be drilled. The RC holes were targeted based on previous dump sampling results, mapping and accessibility.

The drilling has intersected significant tungsten and copper mineralisation in all four areas targeted and at Treasure and Hit or Miss over much larger widths than expected. At Pioneer, the tungsten and copper mineralisation is also accompanied by gold mineralisation confirming the polymetallic nature of the mineralised structures.

A follow up 4,700m RC drilling program has been planned to follow up on the recent significant results and to test an additional 5 targets. Statutory approvals from the NT government and Traditional Owners are being sought.

At **Treasure**, broad zones of tungsten and copper mineralisation were intersected. Where the initial target was narrow high grade zones, the drilling returned 53m at 0.26% WO<sub>3</sub> and 0.13% Cu, from 63m in HCRC014 and 44m at 0.21% WO<sub>3</sub> and 0.12% Cu, from 55m in HCRC013.

Intersections at **Hit or Miss** included wide zones such as 36m at 0.18% WO<sub>3</sub> and 0.24% Cu in HCRC011 from 52m and narrow high grade intersections including 2m at 3.05% WO<sub>3</sub> from 3m in HCRC010.

At **Pioneer**, the Company intersected multiple stacked zones of mineralisation that correspond with historical mining zones. Several of the holes intersected at least three stacked mineralised zones. Better results included 2m at 1.60% WO<sub>3</sub>, 0.96g/t Au and 0.36% Cu from 43m in HCRC004, also in HCRC004, 1m @ 1.96% WO<sub>3</sub>, 1.58g/t Au and 0.28% Cu, from 80m and 3m at 0.63% WO<sub>3</sub> from 81m in HCRC002. Eight of the mineralised tungsten zones also had coincident gold grades of greater than 0.8g/t Au.

At **Copper Show**, tungsten and copper mineralisation were of a similar tenor in the intersected holes. Results included 1m at 0.58% WO<sub>3</sub> and 0.54% Cu from 3m and 1m at 0.49% WO<sub>3</sub> and 0.12% Cu, both in HCRC006.

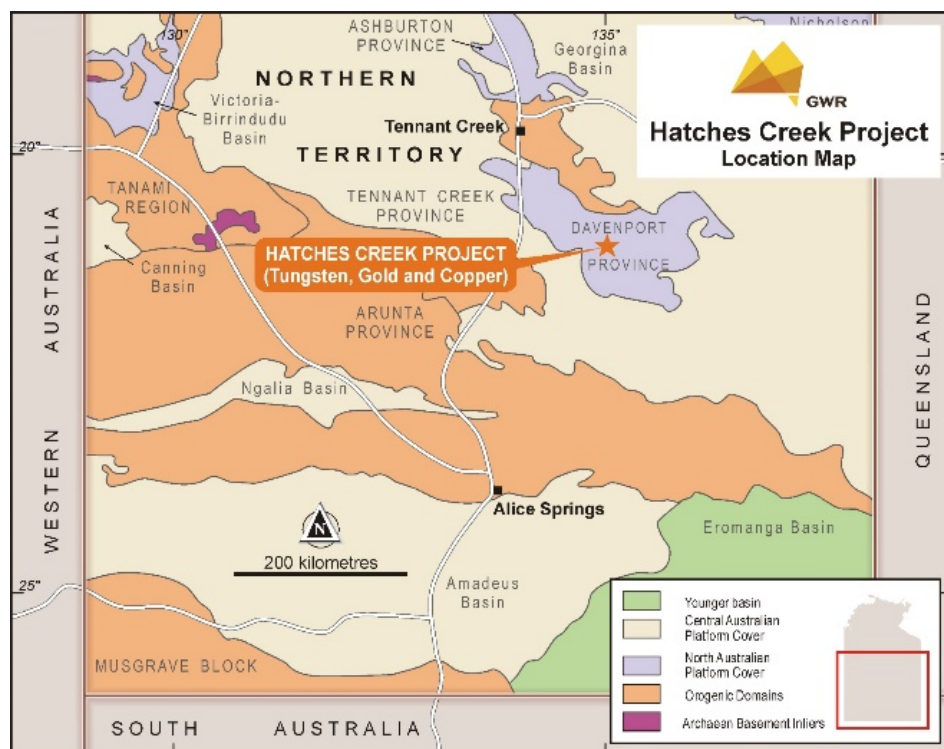


Figure 1: Hatches Creek Project Location



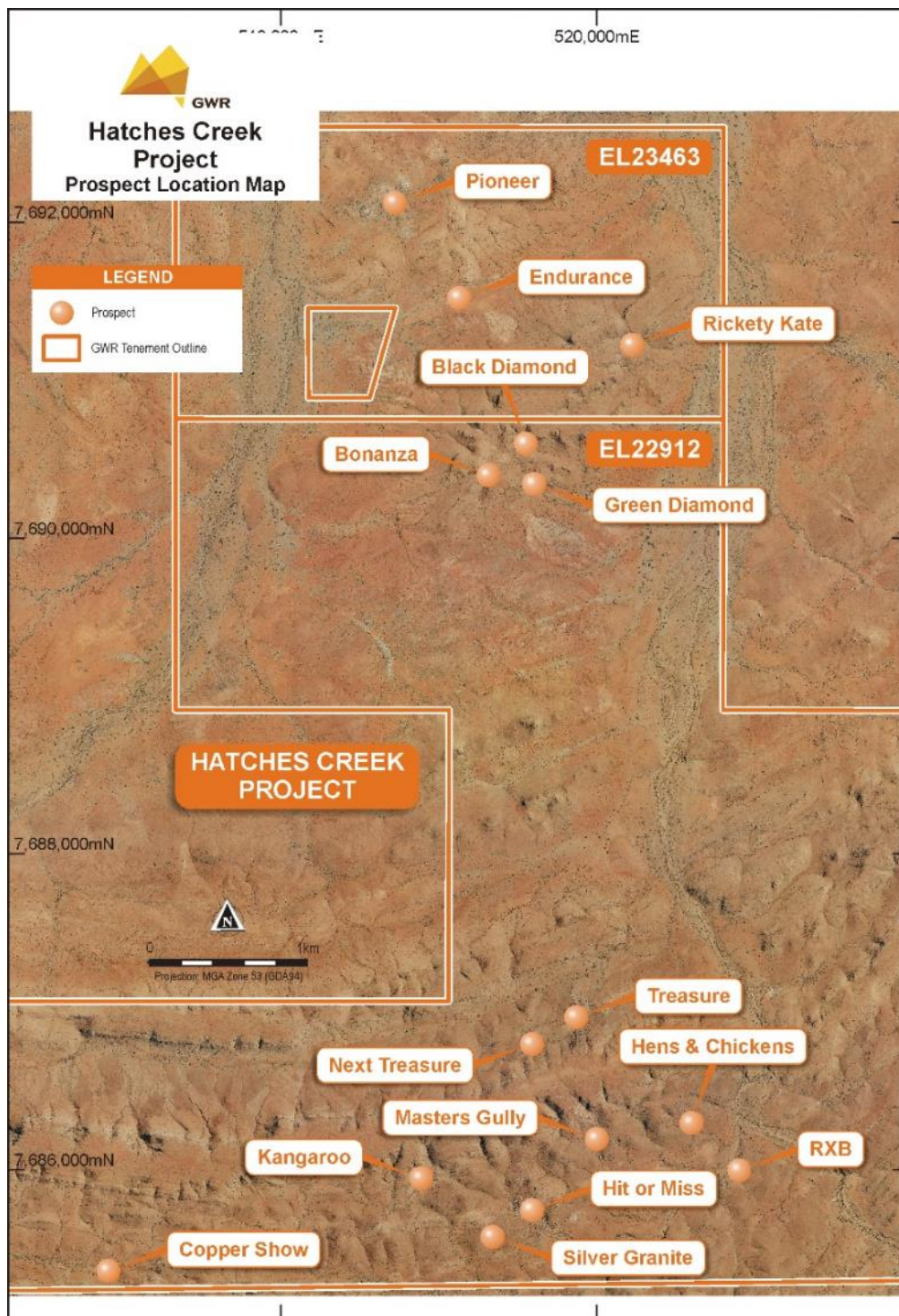


Figure 2: Hatches Creek Prospect Location

## Pioneer

The Pioneer mine is the largest historical mine in the Hatches Creek region. Records show that the mine was developed to a vertical depth of 63m (206') and consisted of up to 5 parallel lodes. The dumps and historical tailings contain a total Inferred Resource of 85,600 tonnes @ 0.66% WO<sub>3</sub> (upper cut of 1.5% WO<sub>3</sub> applied), refer to Arunta Resources Limited ASX release 23rd September 2014. Recent dump sampling by GWR also showed that the historical dumps contained anomalous to significant Au and Cu mineralisation (ASX release dated 27th October 2016).



*Figure 3: Pioneer Mine*

A total of 5 RC holes (HCRC001 to HCRC005) were drilled on two east-west orientated lines (Figure 4), with historical mine plans used to assist with targeting the previously recognised lodes.

HCRC001 to HCRC003 (Figure 5) were drilled on a line adjacent to the Macarthur Shaft (headframe in Figure 3) and HCRC004 and HCRC005 (Figure 6) were drilled adjacent to Campbells shaft.

Significant intercepts included:

- **HCRC002, 1m @ 1.31% WO<sub>3</sub>, 0.26g/t Au and 0.04% Cu, from 81m**
- **HCRC003, 1m @ 1.20% WO<sub>3</sub>, 0.81g/t Au and 0.93% Cu, from 121m**
- **HCRC004, 1m @ 2.85% WO<sub>3</sub>, 1.76g/t Au and 0.29% Cu, from 44m**

The drilling results confirm the polymetallic nature of the mineralisation with significant and at times co-incident WO<sub>3</sub>, Au and Cu intercepts having been achieved.

As Figure 5 shows (518745E Cross Section), the drilling intersected four mineralised structures, which correspond to the previously recognised, #1, #2 and #12 lodes, plus an additional unnamed possibly unknown structure. Interestingly, the significant / anomalous Au and Cu mineralisation appears to be confined to the Pedlar Gabbro and absent in the quartzite. Importantly, all the targeted lodes contained significant WO<sub>3</sub> mineralisation.

Cross Section 518630E (Figure 6), shows that five mineralised structures were intersected, which appear to correspond with the previously recognised; #1 Lode, #5 Lode, Della Lode, #12 Lode and possibly Pink Lode. All significant WO<sub>3</sub> intercepts also contained anomalous or significant Au mineralisation. On this section, all of the targeted lodes contained significant WO<sub>3</sub> mineralisation.



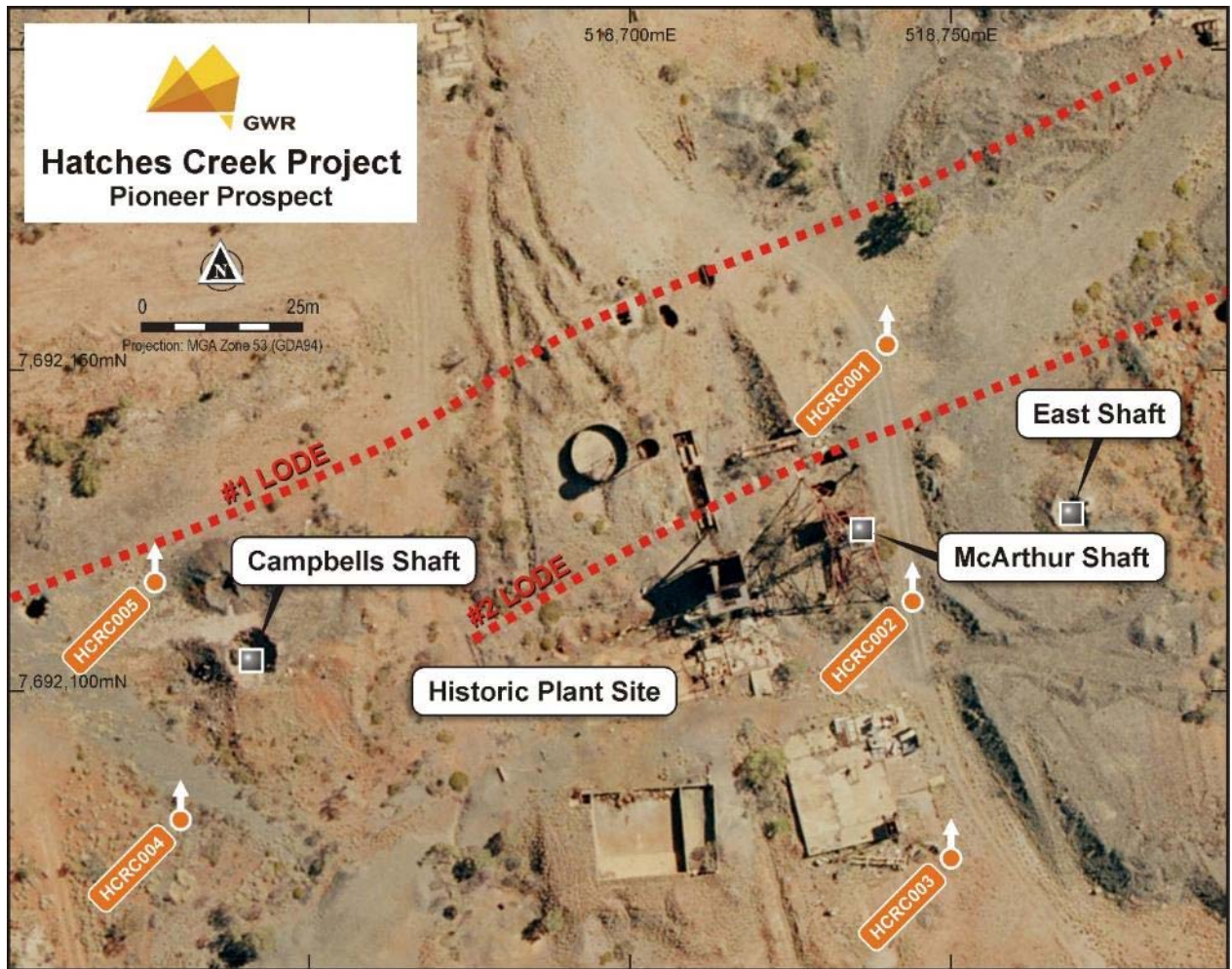


Figure 4: Pioneer Mine Drill Hole Collars

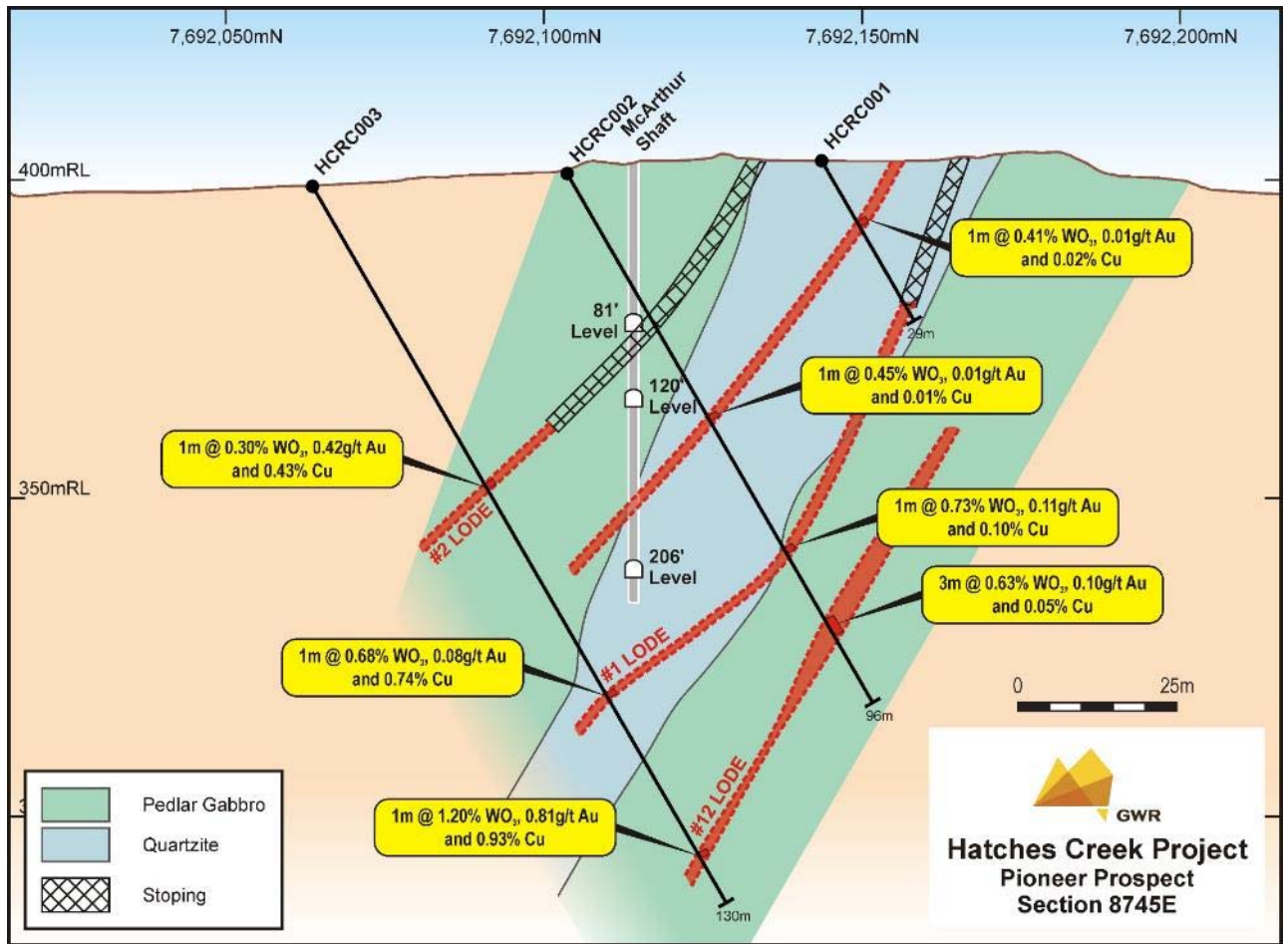


Figure 5: Pioneer Cross Section 518745E

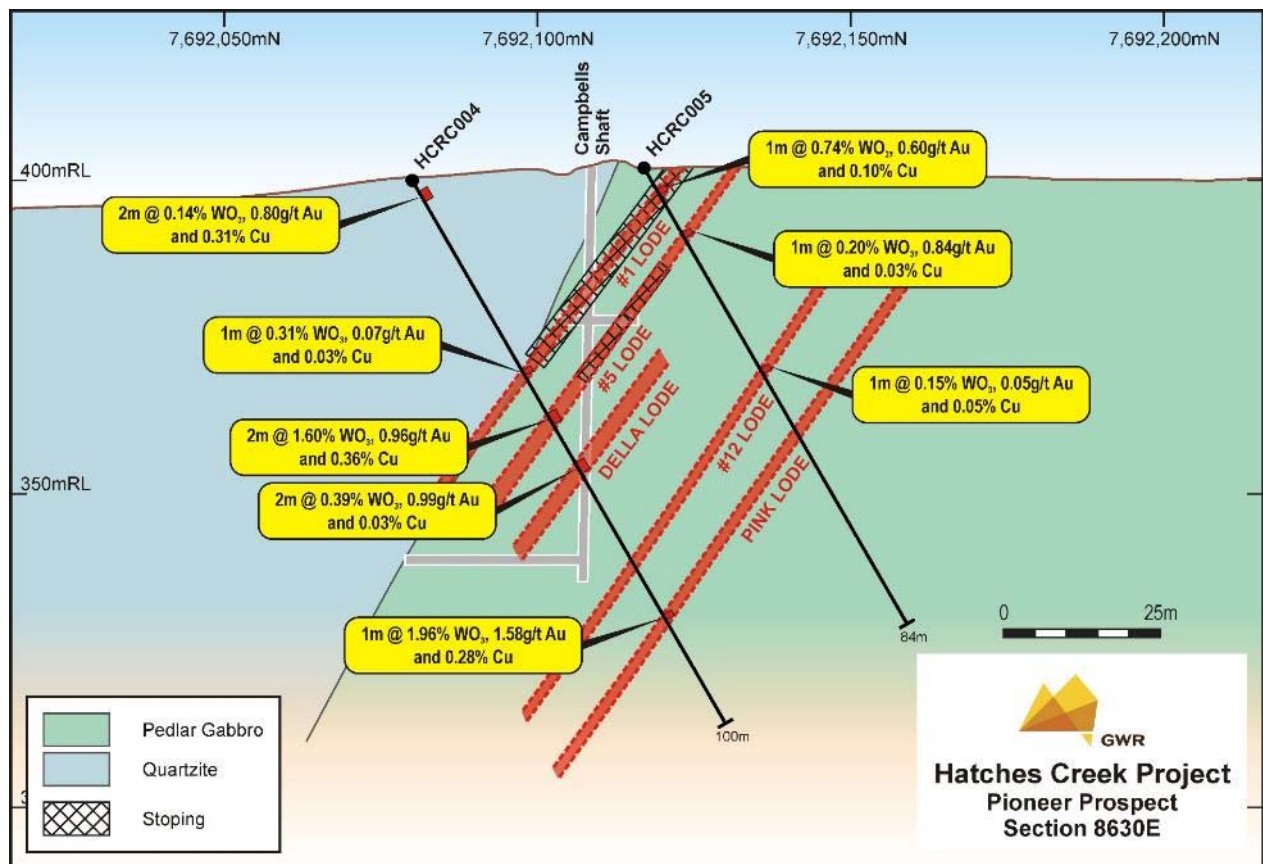


Figure 6: Pioneer Cross Section 518630E

## Hit or Miss

The Hit or Miss Group historically contains the largest and most complex concentration of tungsten bearing veins at Hatches Creek. Historical mining activities have exposed multiple mineralised structures of varying orientations but dominantly north striking over an area of approximately 10 ha (Figure 7). More than 30 individual mineralised structures have been identified by previous mining activities, which dominantly strike in a north to north-north east direction. However, there several east trending mineralised structures, suggesting significant potential for a quartz stockwork or sheeted vein style of mineralisation.

A total of 6 RC holes were completed on a single east-west orientated line with holes generally spaced at 40m intervals. The area drilled was selected because of topography and the presence of an existing track and not because of the density of potential mineralisation. The drilling was highly successful and identified 14 individual mineralised structures containing significant WO<sub>3</sub> mineralisation. Anomalous and significant Cu mineralisation was also identified and interestingly, this was sometimes independent of the WO<sub>3</sub> mineralisation. Lithology in this area strikes in an easterly direction and is subparallel to the drill traverse and all holes were dominantly within quartzites and some with minor shale. Historical accounts suggest that mineralisation is stronger within the felsic volcanics and these are the preferred host.

Significant intercepts included:

- **HCRC010, 1m @ 8.68% WO<sub>3</sub> and 0.04% Cu, from 4m**
- **HCRC011, 36m @ 0.18% WO<sub>3</sub> and 0.24% Cu, from 52m**
- **HCRC012, 4m @ 0.06% WO<sub>3</sub> and 1.65% Cu, from 43m**
- **HCRC012, 5m @ 0.17% WO<sub>3</sub> and 0.76% Cu, from 71m**



As Figure 8 shows (Cross Section 70685740N), the RC drilling intersected 14 mineralised structures containing greater than 1m @ 0.1% WO<sub>3</sub>. Importantly, five of these were nestled between the previously recognised # 1 Lode and # 2 Lode over an estimated true width of 20m. As shown in Figure 7, there is evidence to the north of the drill traverse that this mineralised zone between #1 and 2 Lodes persists along strike. The significant and anomalous Cu mineralisation intersected in most holes, sometimes independent of the WO<sub>3</sub>, was unexpected and suggests that a powerful mineralising event has occurred. As Figure 7 also shows, the drilling to date has only tested approximately 50% of the potential width of the mineralised area.

The RC drilling program has demonstrated significant potential for a substantial WO<sub>3</sub> / Cu deposit and further drilling is planned to evaluate the 10 ha area of potential mineralisation, especially within the felsic volcanic rocks that are considered even more prospective.

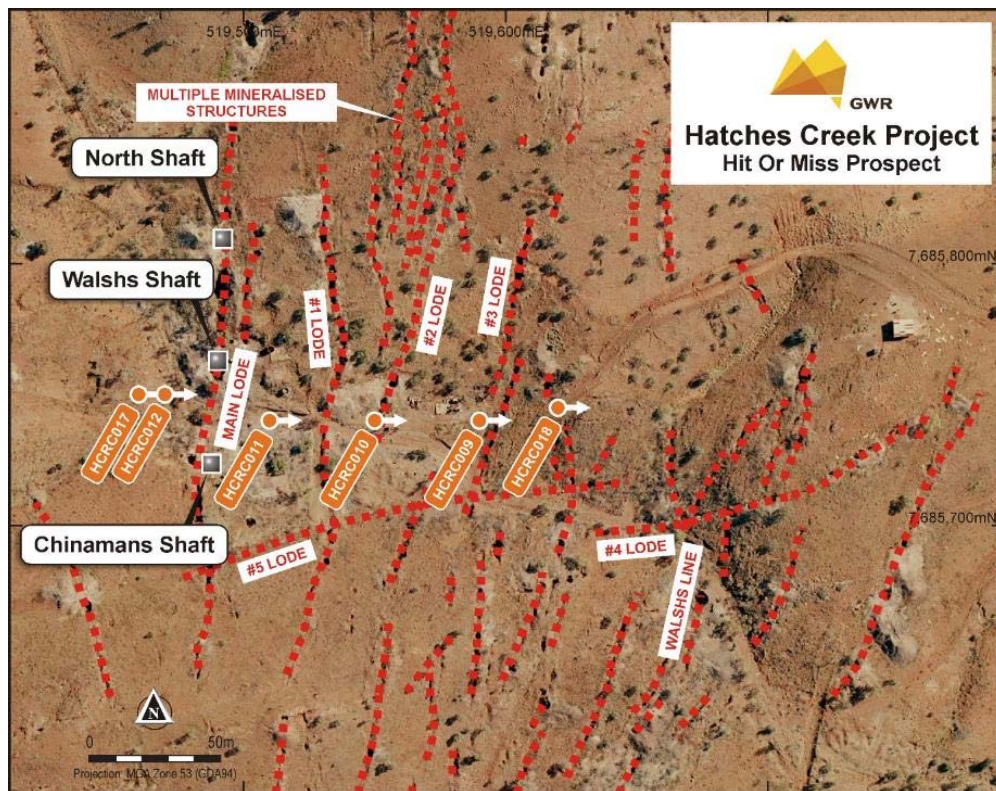


Figure 7: Hit or Miss Drill Hole Collars

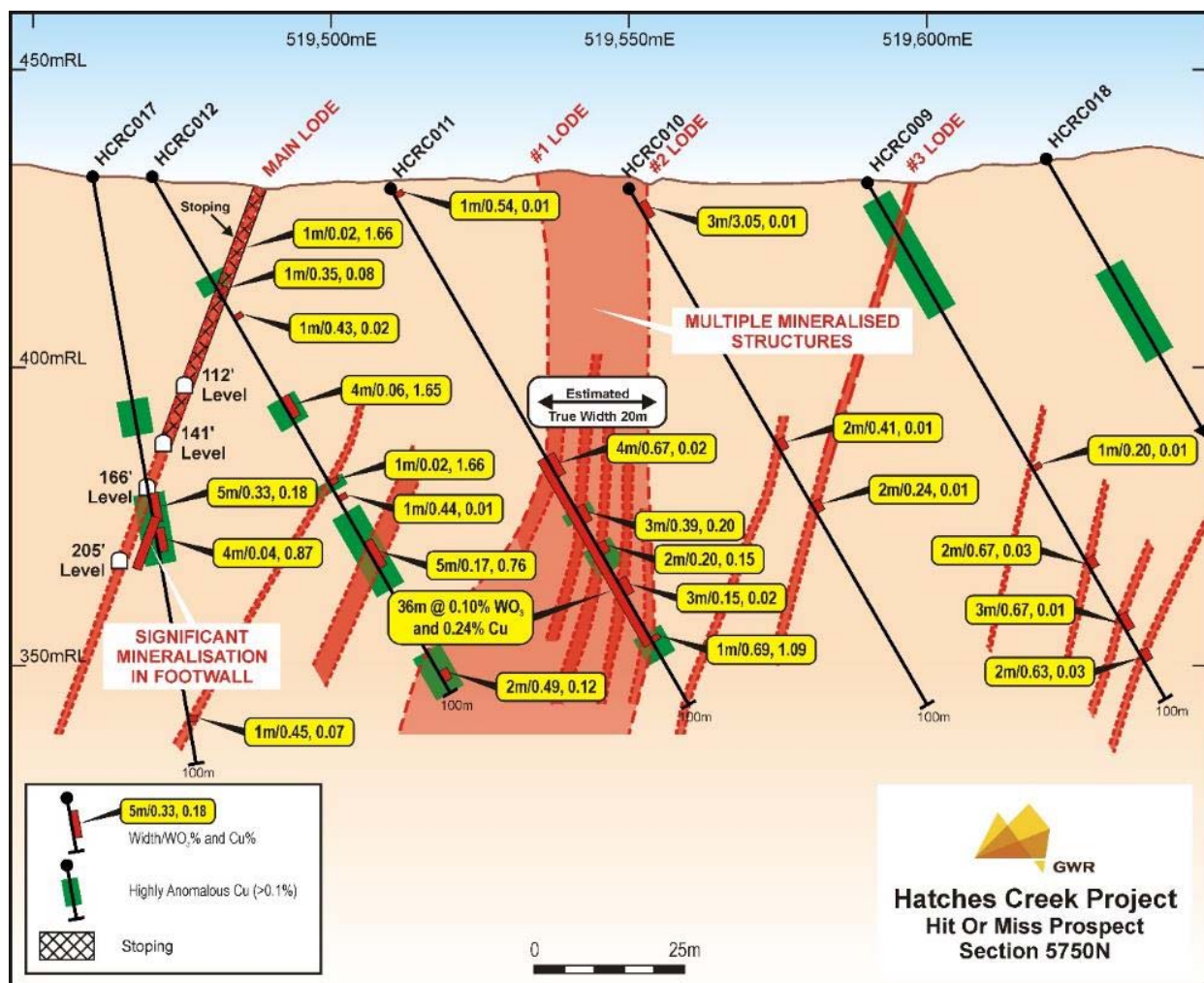


Figure 8: Hit or Miss Cross Section 7,685,750N

## Treasure

The Treasure area contains substantial underground workings that rival the Pioneer in their length but not in depth. Treasure was the 3rd largest producer at Hatches Creek behind Pioneer and Hit or Miss (Figure 9).

A total of four RC holes were completed on two east-west orientated lines (768650N and 7687060N) as shown in Figure 9. As with Hit or Miss, the drill sites were selected partly because of accessibility and not necessarily prospectivity. The drilling was however highly successful and intersected broad zones of significant  $\text{WO}_3$  mineralisation, which was often accompanied by significant to anomalous Cu mineralisation. All holes were within felsic volcanics and the mineralisation, based upon historical data, suggests that this is the preferred host in this location.

Significant intercepts included:

- HCRC013, 44m @ 0.21%  $\text{WO}_3$  and 0.12% Cu, from 55m
- HCRC013, 2m @ 1.27%  $\text{WO}_3$  and 0.58% Cu, from 114m
- HCRC014, 53m @ 0.26%  $\text{WO}_3$  and 0.13% Cu, from 63m
- HCRC014, 2m @ 1.72%  $\text{WO}_3$  and 0.07% Cu, from 112m
- HCRC015, 11m @ 0.30%  $\text{WO}_3$  and 0.02% Cu, from 21m
- HCRC016, 7m @ 0.73%  $\text{WO}_3$  and 0.01% Cu, from 81m
- HCRC016, 3m @ 1.22%  $\text{WO}_3$  and 0.05% Cu, from 126m

On Cross Section 7686850N (Figure 10), multiple mineralised structures were intersected in HCRC013 and HCRC014, between the previously identified #2 and #3 lodes, containing unexpected significant and anomalous Cu mineralisation. The estimated true width of the mineralised zone is 25m, which is markedly different to the expected narrow high grade mineralisation. Outside of the above zone, two other mineralised structures were identified, meaning a total of six structures were intersected containing significant  $\text{WO}_3$  mineralisation with grades of up to 2.87%  $\text{WO}_3$  and up to 0.90% Cu.

On Cross Section 7687060N, HCRC015 and HCRC 016 intersected the targeted Main and #2 Lodes, with a combined estimated true width of 5 to 7m and grades of up to 3.54%  $\text{WO}_3$ , plus an additional three mineralised structures. Interestingly, the mineralisation contained no anomalous Cu.

The RC drilling at Treasure, especially on line 7686850, has intersected broad widths of significant mineralisation over estimated true widths of up to 25m. Based upon historical records and mine workings, the potential strike length is 400 to 500m. As such, the potential for this area to host a significant  $\text{WO}_3$  / Cu deposit is considered to be high.



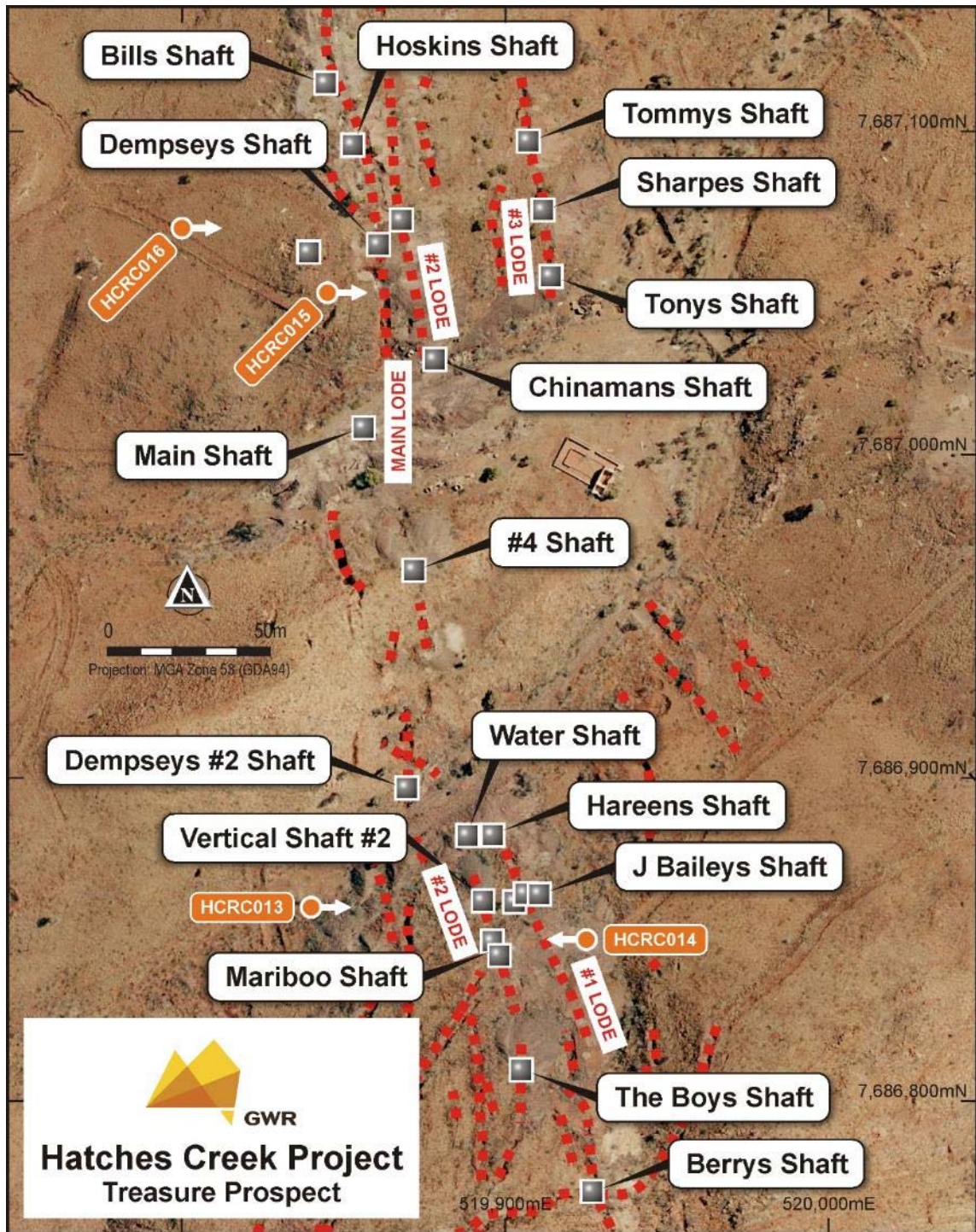


Figure 9: Treasure Drill Hole Collars

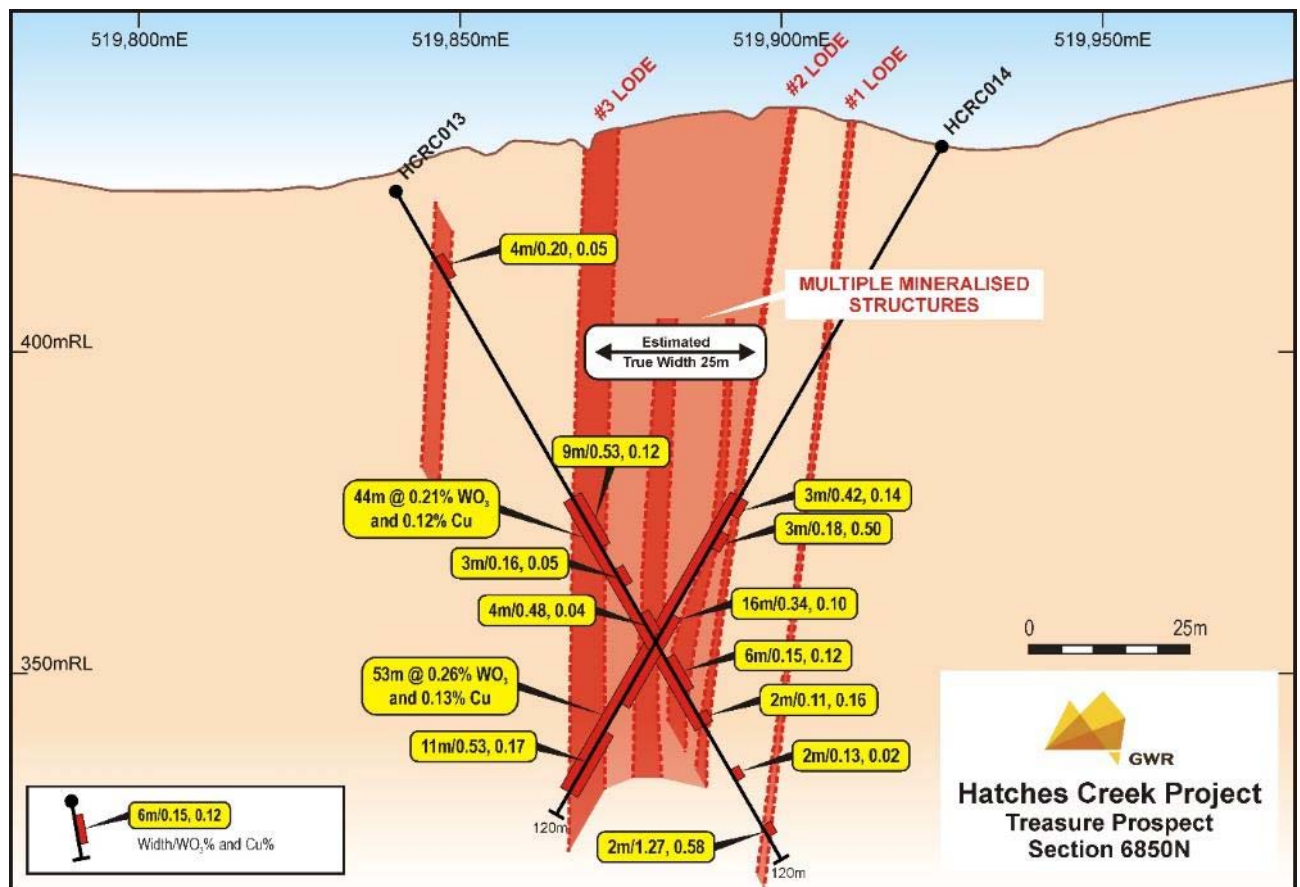


Figure 10: Treasure Cross Section 7,686,850N

## Copper Show

Copper Show is located in the south west corner of the project area approximately 2.6km west south west of Hit or Miss (Figure 2). Historical mine workings exist over a strike length of approximately 120m and strike in an east-north east direction. According to historical records, the ore in this location is complex and contains wolframite, scheelite, and as the name suggests, substantial copper. Recent dump sampling by GWR (ASX release 27th October 2016) confirms  $WO_3$  grades of between 1% and 3.5% with Cu ranging from 1 to 3.7%.

A total of three RC holes (HCRC006 to 8) were drilled on a single north–south orientated line on 516950E. The results compared to the other areas were disappointing, with only 4 significant intercepts achieved, the best being HCRC006, 1m at 0.58%  $WO_3$  and 0.54% Cu. Based upon the substantial mineralisation evident from the historical mine workings and dumps, it is possible that the recent drilling has missed the target. Further work is planned to investigate this.

## Metallurgical Test work and Recent Crushing and Ore Sorting Testwork

Substantial metallurgical test work as part of the dumps project has already been undertaken over the project area with positive results (refer to announcement 19th January 2015, March 2015 Quarterly Report and June 2015 Quarterly Report).

Crushing and ore sorting testwork was recently undertaken on bulk samples previously collected from Pioneer and Hit or Miss. A 203kg sample of Hit or Miss (0.3%  $WO_3$ ) and 213kg sample of Pioneer (0.4%  $WO_3$ ) were chosen, crushed to p100 -40mm and screened at 20mm. The -40mm+20mm material was bagged and shipped to Tomra Ore Sorting Technology in NSW and the -20mm material remained at Nagrom.



For the Pioneer waste dump composite, 52% of the mass deported to the +20mm portion and for the Hit or Miss dump composite, 44% of the mass deported to the +20mm portion. In both samples, there is a significant %WO<sub>3</sub> grade differential between the +20 and -20mm fraction, in particular for the Pioneer dump where the +20mm size fraction assayed 0.04% WO<sub>3</sub> vs the -20mm size fraction that assayed 0.60% WO<sub>3</sub>.

For the Pioneer sample, 97% of the contained WO<sub>3</sub> and 66% of the feed mass departs to the -20mm size fraction. The grade of the -20mm fraction has increased from 0.41 to 0.60% WO<sub>3</sub>. Although only 3% of the contained WO<sub>3</sub> departed to the ore sorter feed, the ore sorter was effective in increasing the grade from 0.04% in the feed to 0.11% WO<sub>3</sub> in the "accepts" portion whilst recovering 95% of the WO<sub>3</sub>. Overall WO<sub>3</sub> recovery in the circuit was 99.9% with 22% of the mass removed as waste.

For the Hit or Miss sample, 81% of the contained WO<sub>3</sub> and 69% of the feed mass departs to the -20mm size fraction and 19% of the contained WO<sub>3</sub> has departed to the ore sorter feed. The ore sorter has been effective in increasing the WO<sub>3</sub> grade from 0.17% in the feed to 0.68% in the "accepts" portion whilst recovering 89% of the WO<sub>3</sub>. Overall WO<sub>3</sub> recovery in the circuit was 98% with 24% of the mass removed as waste.

## Hatches Creek Future Program

The recent RC program tested four target areas and a further 11 targets remain. GWR has an approved Exploration Mining Management Plan (EMMP) from both the NT Mines Department and Work Program from Central Land Council (CLC) to also drill at the Black Diamond, Copper Show, Bonanza, Hens and Chicken, Masters Gully and Kangaroo Group target areas. Based upon the highly successful results to date, testing these targets is more than justified and GWR plans to undertake this as soon as practicably possible.

An additional RC program of 37 holes for 3,870m is planned to follow up and test extensions to the significant mineralisation at Pioneer, Hit or Miss and Treasure on the and statutory approvals are being sought from the NT government and Traditional Owners to undertake this work.

## Wiluna West Gold Project

GWR continues to review opportunities to achieve positive cash flow by mining portions of its JORC Code 2004 Mineral Resource of 3,478,000 tonnes at 2.3 g/t Au for an estimated 258,000oz Au (estimated at a 1 g/t lower cut off). This includes an Indicated Resource estimate of 46,000 tonnes at 3.5 g/t Au for 5,200 oz and an Inferred Resource estimate of 3,432,000 tonnes at 2.3 g/t Au for 253,000 oz. This information was prepared and first disclosed under the JORC Code 2004. It has not been updated since to comply with the JORC Code 2012 on the basis that the information has not materially changed since it was last reported.

On 31 January 2017, GWR announced that it had entered into a non-binding Memorandum of Understanding ("MoU") in relation to the mining and processing of ore from the Wiluna West Gold Project at the nearby Wiluna Gold processing plant, owned and operated by Blackham Resources Limited ("BLK"). GWR's Chief Executive Officer, Craig Ferrier, said *"The MoU with Blackham is an important step in potentially monetising the Wiluna West Gold Project. The commencement of operations by Blackham and their willingness to enter into the MoU provides a significant opportunity for GWR. The current size of the Wiluna West gold deposits does not justify the construction of a standalone processing plant, however access to the Wiluna Gold Plant provides GWR with a low capital option for development and the opportunity to realise value for shareholders."*

GWR continued with an aggressive work program that commenced during the December 2016 quarter. The program has a dual focus;

- To identify potential "company making" gold deposits
- To define potential deposits that can be mined and treated at the nearby Wiluna gold mill.

March quarter activities included;

- Interpretation of an orientation geochemical soil sampling program, which clearly showed that the -2.8mm to +0.5mm sized soil fraction yielded the best results
- Completion of a 100m by 25m soil sampling program for a total of 1602 soil samples over a strike length of 4.5km upon the Joyners Find shear zone. Assays for 529 samples are presently outstanding



- Completion of detailed 1:1000 scale geological mapping over a strike length of 4.5km upon the Joyner's Find shear zone
- Collection of 253 rock chip samples, assay results for 74 samples are currently outstanding
- Survey of historical drill hole collars, where 300 historical collars were located from an approximately 1000 collars
- Ongoing validation of the gold drilling database
- Ongoing review which has clearly identified the Golden Monarch, Eagle and Emu deposits as high priority targets for early cash flow via the MOU executed with BLK
- A trial parcel of 805 dry tonnes at an estimated grade of 1.9 g/t Au of Golden Monarch ore was put through the BLK Wiluna mill as a trial parcel and the results indicate that blending the more competent Golden Monarch ore with the Matilda ore should improve plant performance;
- New wireframe created for Golden Monarch deposit
- 3,500m RC drilling program planned for the Golden Monarch, Eagle and Emu deposits, with a POW lodged with DMP and Aboriginal Heritage surveys having been completed subsequent to the end of the Quarter

It is planned to compile the results for the above program once all soil sampling and rock chip sampling results have been received which are expected early in the June Quarter 2017.

## Wiluna West Iron Ore Project

The Wiluna West Iron Ore Project (WWIOP) is an exceptional DSO iron ore resource, which metallurgical tests have demonstrated will produce a high grade, low impurity iron ore. Details of Mineral Resources and Ore Reserves for the WWIOP are set out in the Company's 2016 Annual Report, available at [www.gwrgroup.com.au](http://www.gwrgroup.com.au). Mining approvals are in place for large scale mining operations (up to 7Mtpa) over an initial mine life of 10 years. GWR has no immediate plans to commence development of the WWIOP, however these approvals position the Company to derive maximum value from the project through the commodity price cycle.

During the quarter, only care and maintenance activities were undertaken, with expenditure exemptions under the Mining Act currently in place.

## Investment in Tungsten Mining NL (ASX: TGN)

GWR holds a 13.3% equity interest in ASX-listed company Tungsten Mining NL ("Tungsten Mining") (ASX:TGN), an Australian based resources company whose prime focus is the exploration and development of tungsten projects in Australia. Since August 2014, GWR has been responsible for the provision of management and technical services to Tungsten Mining.

Tungsten Mining has three advanced tungsten projects in Australia - the Mt Mulgine Project in the Murchison region, the Big Hill Project in the Pilbara region and the Kilba Project in the Ashburton region of Western Australia. Together these projects contain a tungsten mineral resource of 88.6 Mt at 0.18% WO<sub>3</sub> and 186ppm Mo, representing more than 15.5 million MTU (metric tonne units) of WO<sub>3</sub> and 16,482 tonnes of molybdenum at a 0.10% WO<sub>3</sub> cut-off grade, making it one of the largest tungsten mineral resources held by an ASX-listed company. (Refer ASX Release for TGN dated 23 June 2016 "*Mineral Resource Update and Core Sampling Results*" for a detailed JORC-2012 breakdown).

Tungsten Mining is currently identifying opportunities for near term tungsten production, particularly from the Mulgine Hill and Mulgine Trench deposits within the Mt Mulgine Project.

During the March quarter, Tungsten Mining reported the following activities:

- Completion of fully underwritten Entitlement Offer in early January raising \$5.27m. The equity raising has enabled the retirement of debt and provided funding to advance the Mt Mulgine Strategic Development Plan.
- A combination of x-ray ore sorting, gravity concentration and flotation has produced a +50% WO<sub>3</sub> concentrate from a simple metallurgical test work program.
- Simple lab scale leaching tests on two of the six oxide samples tested to date has leached 80-90% of the non-scheelite/wolframite tungsten bearing minerals into solution and/or solid precipitate.

- Pit shells generated from a mining study using a matrix of costs/revenue assumptions, different cut off grades and mining rates have identified several designs which support future mine planning activities.
- Environmental referrals for the development of the Mulgine Hill Project submitted to State Environmental Protection Authority (EPA) and Federal Department of Environment and Energy (EPBC).
- Initial meetings held in China in January with Chinese tungsten companies and research institutions. Discussions concerning technical cooperation are continuing.
- Tungsten Mining's cash position as at 31 March 2017 was \$3.6m.

Full details of these programs can be found in the Tungsten Mining – March Quarterly Report.

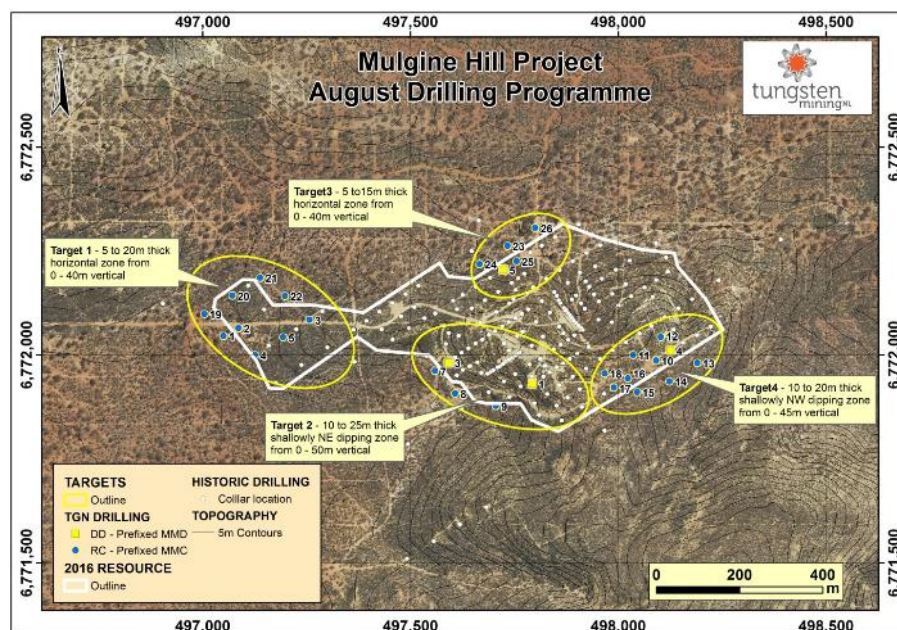


Figure 11: Plan displaying hole location, shallow targets and 2016 Mineral Resource outline at Mulgine Hill.

## Investment in Corizon Limited (ASX: CIZ)

GWR holds a 10.16% interest in ASX-listed company Corizon Limited (formerly named West Peak Iron Limited) (ASX:CIZ).

CIZ reported a cash balance of \$1.77m as at 31 December 2016. CIZ have advised that it continues to review and appraise new commercial opportunities both within and outside the mining sector.

## Excelsior Gold Funding Agreement

In June 2016, GWR entered into an agreement with Excelsior Gold Limited ("Excelsior Gold") (ASX: EXG) to provide interim funding to Excelsior Gold to advance mining and exploration activities at its Kalgoorlie North Gold Project.

Excelsior Gold is a gold production company focussed on the mining and development of the Kalgoorlie North Gold Project. Mining commenced in November 2015, with ore processed through the nearby Paddington processing plant operated by Zijin subsidiary, Norton Gold Fields.

Pursuant to a binding term sheet ("Term Sheet") GWR provided interim financing of \$2.25 million by subscribing to approximately 17.2 million convertible notes ("Convertible Notes") at an issue price of \$0.0387 per Convertible Note and lending Excelsior a further \$1.59 million ("Loan"). Both the Convertible Notes and the Loan are repayable in June 2017 and accrue interest at the rate of 12% per annum quarterly in arrears.

GWR director, Mr Jimmy Lee, is a nominee of GWR on the Excelsior Gold Board.

GWR received an interest payment of \$66,575 during the quarter.

## RWG Minerals – Tenement Acquisitions

GWR's 100% owned subsidiary, RWG Minerals Pty Ltd ("RWG"), has a mandate to seek opportunities throughout Western Australia, which are currently not held and can be acquired by applying for tenements. RWG has established four projects as follows:

### ***Nardoo Well (tungsten, lithium, tantalum, beryllium) - E09/2114***

The 131 km<sup>2</sup> Nardoo Well exploration licence is located 250 km east of Carnarvon in the Gascoyne region of Western Australia. Access is gained via the sealed Carnarvon- Mullewa road to the east of Gascoyne Junction and then 90 km north on local gravel roads.

Prospecting and small scale mining for tantalum, beryl, bismuth and mica has been carried out in the area since the 1920s. Based upon DMP databases, there are widespread occurrences of tungsten, tantalite and beryl within E09/2114. The Mindex database shows more than 20 tungsten occurrences which are concentrated in the northeast portion of the tenement. Here skarn style tungsten (scheelite) and copper occurs within the Morrissey Metamorphics.

Mapping and sampling during 2016 identified a zone of pegmatite over a strike length of 2 km which is open along strike to the north east, which contains anomalous LiO<sub>2</sub> of up to 320 ppm. Significant tungsten mineralisation of 3.4% WO<sub>3</sub> in a rock chip sample was also achieved in an area previously explored for tungsten.

No work was undertaken during March quarter.

### ***Twin Hills (gold) – E29/950***

The Twin Hills exploration licence (E29/950) is located approximately 30 km north east of the township of Menzies in the North Eastern Goldfields of WA. E29/950 is approximately 30 km<sup>2</sup> in size and covers approximately 10 km of strike over the Greenstone Belt that hosts the excised historical Twin Hills gold mine.

### ***Ted Well (tungsten) – E09/2141***

The Ted Well exploration licence (E09/2141) is located approximately 250 km east of the township of Carnarvon in the Gascoyne region of Western Australia. It is some 360 km<sup>2</sup> in size and has 52 km of prospective strike. It is also 40 km south of the Nardoo Well exploration licence applied for by RWG in August 2014. The DMP Mindex database shows that there are a number of mineral occurrences within E09/2141 including 32 tungsten occurrences. The Ted Well project complements that of the Nardoo Well project and RWG plans to compile and review previous exploration data.

### ***Lake MacLeod (gypsum) - E08/2684***

The 157 km<sup>2</sup> Lake MacLeod exploration licence E08/2684 is located in the Gascoyne region of Western Australia some 15 km from the Western Australian coast. It is 140 km south of Exmouth and 95 km northeast of a deep water port at Cape Cuvier.

Previous explorers have identified substantial deposits of high grade gypsum (>90% gypsum) within the tenement area. Previous exploration activities have included test pitting, auger drilling and metallurgical testwork. From this work tonnage and grade estimates, which pre-date the JORC Code, were made for the Lake MacLeod 1 and 2 deposits.

A field visit was undertaken to the project in March 2017 and the high-grade gypsum identified by previous explorers was found to be well exposed in a small road quarry, where large crystals of pure gypsum were exposed.

## Corporate

### **Cash Position and financial assets**

GWR remains well funded with cash reserves of \$6.7 million and no debt. In addition, GWR holds the following material listed securities and financial assets:



Entity	Details	Listed Securities 31 March 2017 (Market Value) \$A	Other Financial Assets (at cost) A\$
Corizon Limited	Equity interest – 32,000,000 ordinary shares	640,000*	-
Tungsten Mining NL	Equity interest – 52,500,000 ordinary shares	2,257,500	-
Excelsior Gold Ltd	Convertible Notes – 17,193,878 June 2017 (12% interest and converting at \$0.0387)	-	665,403
	Loan bearing 12% interest – June 2017	-	1,584,597
<b>Total</b>		<b>2,897,500</b>	<b>2,250,000</b>

\* Corizon shares last traded at \$0.02 prior to suspension on 1/8/16 pending either compliance with Chapter 12 of the Listing Rules or re-compliance with Chapters 1 and 2 of the Rules.

During the quarter the Company issued 7,750,000 unlisted options to acquire ordinary shares to employees and consultants as part of an incentive program approved by shareholders at the 2016 AGM. The Options vest in three tranches with 20% or 1,550,000 options vesting on grant and the balance of 1,550,000 and 4,650,000 options (tranche 2 and 3) subject to certain key performance indicators established by the Board. The Options expire on 6 February 2021 and are subject to exercise price hurdles of 4 cents, 5 cents and 6 cents respectively. (Refer ASX release 15 February 2017). The allotment follows the grant in the previous quarter of 20 million Director Options on similar terms, which were also approved at the 2016 AGM.

## Tenement Interests

A schedule of the Company's interest in mining tenements as at 31 March 2017 for the purposes of ASX Listing Rule 5.3.3 is appended at Appendix 1.

### For further information:

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[arowell@canningspurple.com.au](mailto:arowell@canningspurple.com.au)

## Competent Person's Statement

*The information in this report which relates to Exploration Targets, Exploration Results and 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 continuous 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 12: GWR Project Locations

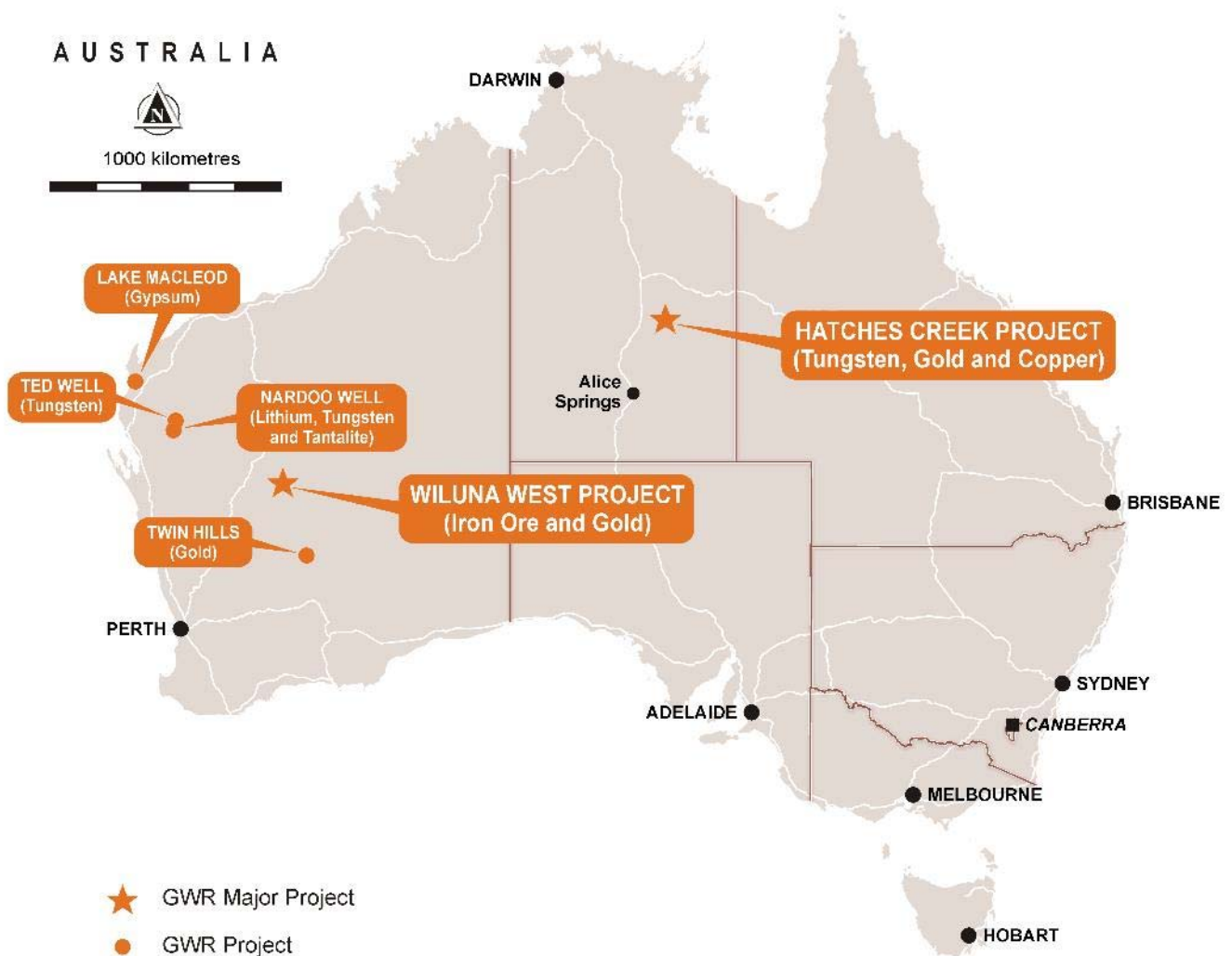


Figure 13: Wiluna West Gold Project Location

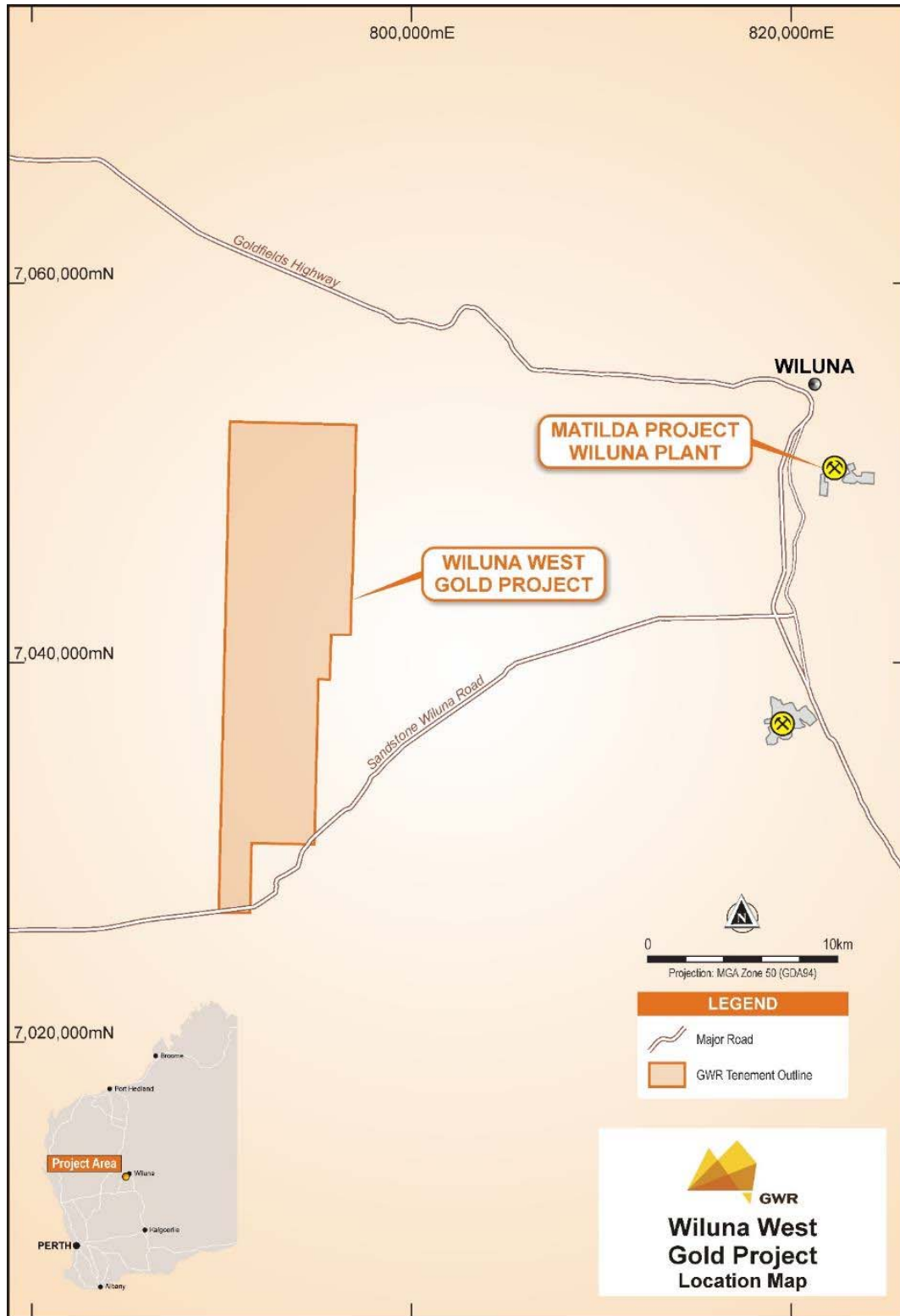
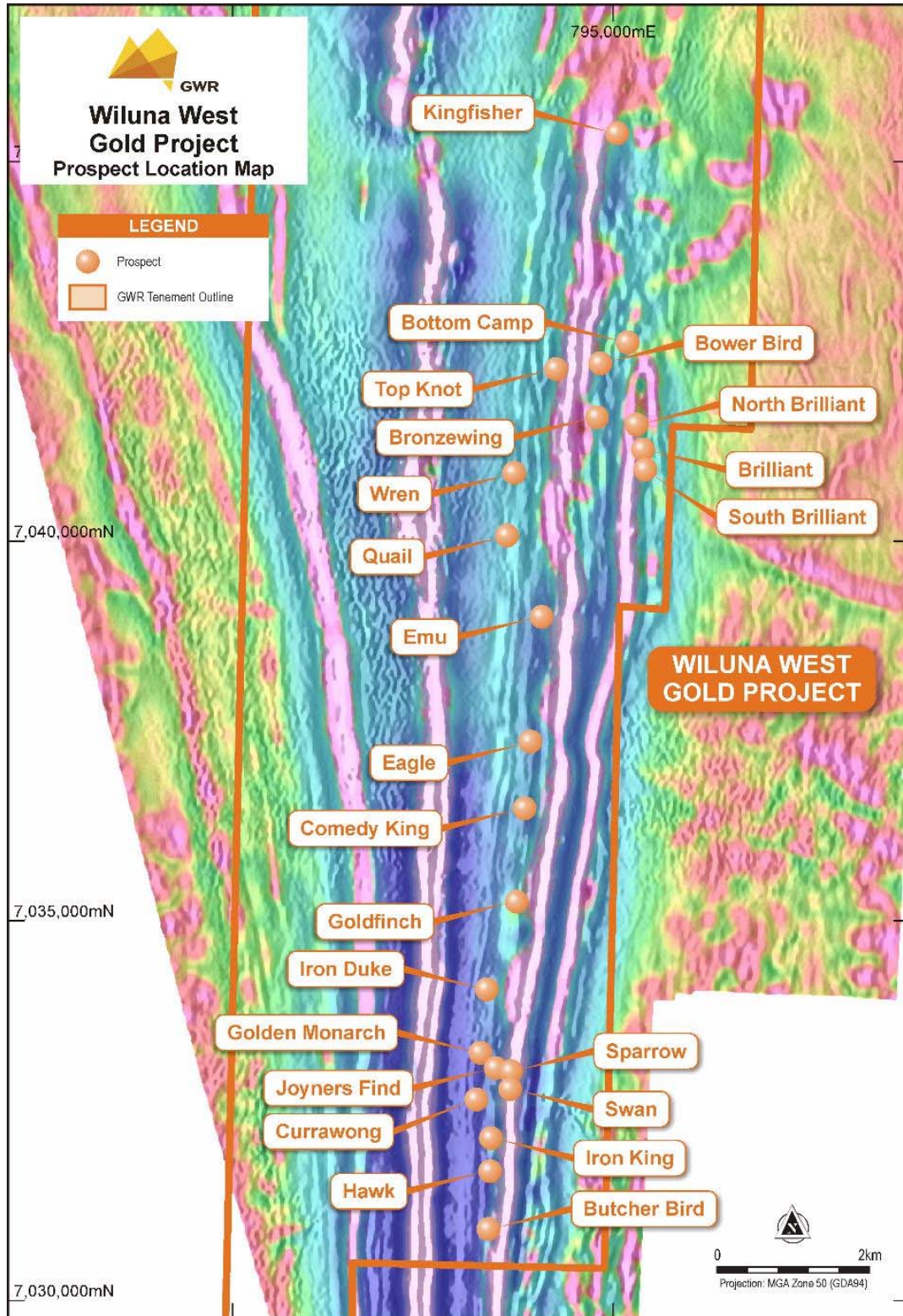




Figure 14: Wiluna West Gold Prospect Location



## Appendix 1 - Schedule of interests in mining tenements

### (a) Interests in mining tenements as at 31 March 2017

Location	Tenement	Percentage held	Notes
<b>Western Australia</b>			
<b>Wiluna</b>			
Wiluna West	L53/115	100%	
Wiluna West	L53/146	100%	
Wiluna West	L53/147	100%	
Wiluna West	L53/148	100%	
Wiluna West	L53/177	100%	
Wiluna West	L53/178	100%	
Wiluna West	L53/179	100%	
Wiluna West	L53/190	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%	
Wiluna West	M53/1096-I	100%	
<b>RWG Minerals</b>			
Nardoo Well	E69/2114	100%	
Twin Hills	E29/950	100%	
Lake McLeod	E08/2684	100%	
Ted Well	E09/2141	100%	
<b>Northern Territory</b>			
<b>Hatches Creek</b>			
Hatches Creek	EL22912	100%	
Hatches Creek	EL23463	100%	

\* Excludes tenement applications.

**(b) Tenements acquired and disposed of during the quarter**

There was no tenements surrendered during the quarter:

There were no other tenements acquired or disposed during the quarter.

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

None applicable.

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

None applicable.



## Appendix 5B

# Mining exploration entity and oil and gas 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, 01/05/13, 01/09/16

### Name of entity

GWR Group Limited

### ABN

54 102 622 051

### Quarter ended ("current quarter")

31 March 2017

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (9 months) \$A'000
<b>1.</b>	<b>Cash flows from operating activities</b>		
1.1	Receipts from customers	-	-
1.2	Payments for		
	(a) exploration & evaluation	(379)	(1,422)
	(b) development	-	-
	(c) production	-	-
	(d) staff costs	(50)	(207)
	(e) administration and corporate costs	(138)	(647)
1.3	Dividends received (see note 3)	-	-
1.4	Interest received	108	395
1.5	Interest and other costs of finance paid	-	-
1.6	Income taxes paid	-	-
1.7	Research and development refunds	-	-
1.8	Other (provide details if material)	-	-
<b>1.9</b>	<b>Net cash from / (used in) operating activities</b>	<b>(459)</b>	<b>(1,881)</b>

<b>2.</b>	<b>Cash flows from investing activities</b>		
2.1	Payments to acquire:		
	(a) property, plant and equipment	(4)	(4)
	(b) tenements (see note 4)	-	(524)
	(c) investments (see note 5)	-	(700)
	(d) other non-current assets	-	-

<b>Consolidated statement of cash flows</b>		<b>Current quarter \$A'000</b>	<b>Year to date (9 months) \$A'000</b>
2.2	Proceeds from the disposal of:		
	(a) property, plant and equipment	-	-
	(b) tenements (see item 10)	-	-
	(c) investments	-	-
	(d) other non-current assets	-	-
2.3	Cash flows from loans to other entities (see note 5)	-	1,000
2.4	Dividends received (see note 3)	-	-
2.5	Other (security deposit)	-	(22)
<b>2.6</b>	<b>Net cash from / (used in) investing activities</b>	<b>(4)</b>	<b>(250)</b>

<b>3.</b>	<b>Cash flows from financing activities</b>		
3.1	Proceeds from issues of shares	-	-
3.2	Proceeds from issue of convertible notes	-	-
3.3	Proceeds from exercise of share options	-	-
3.4	Transaction costs related to issues of shares, convertible notes or options	-	-
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	-	-
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	-	-
<b>3.10</b>	<b>Net cash from / (used in) financing activities</b>	<b>-</b>	<b>-</b>

<b>4.</b>	<b>Net increase / (decrease) in cash and cash equivalents for the period</b>		
4.1	Cash and cash equivalents at beginning of period	7,206	8,874
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(459)	(1,881)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(4)	(250)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	-	-
4.5	Effect of movement in exchange rates on cash held	-	-
<b>4.6</b>	<b>Cash and cash equivalents at end of period</b>	<b>6,743</b>	<b>6,743</b>

<b>5. Reconciliation of cash and cash equivalents</b> at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	<b>Current quarter \$A'000</b>	<b>Previous quarter \$A'000</b>
5.1 Bank balances	612	592
5.2 Call deposits	6,131	6,614
5.3 Bank overdrafts	-	-
5.4 Other (provide details)	-	-
<b>5.5 Cash and cash equivalents at end of quarter (should equal item 4.6 above)</b>	<b>6,743</b>	<b>7,206</b>

**6. Payments to directors of the entity and their associates**

- 6.1 Aggregate amount of payments to these parties included in item 1.2
- 6.2 Aggregate amount of cash flow from loans to these parties included in item 2.3
- 6.3 Include below any explanation necessary to understand the transactions included in items 6.1 and 6.2

<b>Current quarter \$A'000</b>
161
-

Payments to Directors for fees, consulting and rental expenses.

**7. Payments to related entities of the entity and their associates**

- 7.1 Aggregate amount of payments to these parties included in item 1.2
- 7.2 Aggregate amount of cash flow from loans to these parties included in item 2.3
- 7.3 Include below any explanation necessary to understand the transactions included in items 7.1 and 7.2

<b>Current quarter \$A'000</b>
-
-



## Mining exploration entity and oil and gas exploration entity quarterly report

<b>8. Financing facilities available</b> <i>Add notes as necessary for an understanding of the position</i>	<b>Total facility amount at quarter end \$A'000</b>	<b>Amount drawn at quarter end \$A'000</b>
8.1 Loan facilities	-	-
8.2 Credit standby arrangements	-	-
8.3 Other (please specify)	-	-
8.4 Include below a description of each facility above, including the lender, interest rate and whether it is secured or unsecured. If any additional facilities have been entered into or are proposed to be entered into after quarter end, include details of those facilities as well.		

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<b>9. Estimated cash outflows for next quarter</b>	<b>\$A'000</b>
9.1 Exploration and evaluation	350
9.2 Development	
9.3 Production	
9.4 Staff costs	100
9.5 Administration and corporate costs	200
9.6 Other (provide details if material)	
<b>9.7 Total estimated cash outflows</b>	<b>650</b>

<b>10. Changes in tenements (items 2.1(b) and 2.2(b) above)</b>	<b>Tenement reference and location</b>	<b>Nature of interest</b>	<b>Interest at beginning of quarter</b>	<b>Interest at end of quarter</b>
10.1 Interests in mining tenements and petroleum tenements lapsed, relinquished or reduced				
10.2 Interests in mining tenements and petroleum tenements acquired or increased				

### **Compliance statement**

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.



Sign here: .....  
(Chief Executive Officer)

Date: 28 April 2017

Print name: Craig Ferrier

### **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 that wishes to disclose additional information is encouraged to do so, in a note or notes included in or attached to this report.
2. If this quarterly report has been prepared in accordance with Australian Accounting Standards, 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. If this quarterly report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.
4. On 12 May 2016 the Company announced the signing of the Hatches Creek Sale Agreement that provided for the acquisition of two exploration tenements in the Northern Territory (EL22912 & EL23463). Settlement of the Sale Agreement occurred in August with payment of the cash consideration of \$500,000, stamp duty and associated transaction costs and the registration of the tenements by the Northern Territory Department of Mines and Energy on 18 August 2016.
5. Pursuant to an entitlement offer, the Company subscribed for 17,500,000 fully paid shares and 8,750,000 free attaching options (exercisable at 4 cents per share on or before 31 December 2019) in associate entity Tungsten Mining NL. The amount subscribed of \$700,000 was paid in the previous quarter.

During the previous quarter, the Company was paid the amount \$1,000,000 by Tungsten Mining NL upon maturity of the term loan established in December 2015.