

29 July 2020

ASX Announcement

Update to COVID Response and Overhead Reduction

GWR Group Limited (“GWR” or the “Company”) is pleased to provide an update to shareholders on its response to COVID-19 and on recent steps taken to reduce corporate overheads.

As previously advised the Company has taken proactive steps to minimise the risk of transmission of COVID-19 and continues to diligently abide by all government requirements and follow WA Health Department advice.

Significant work has continued where possible and management have advanced discussions with our partners and the relevant regulatory authorities which has meant that GWR is in a good position to advance both its Wiluna West Iron Project and its Wiluna West Gold Project.

In conjunction with ongoing work and in response to the volatility and uncertainty across global markets GWR has completed a review of its fixed and holding costs and developed a cash expenditure reduction program which will result in annual cash savings of between \$550,000 and \$650,000. This program comprises of the following:

- Corporate Overheads: a program to reduce corporate overheads was implemented with effect from 1 July 2020 which consisted of the following:
 - Directors and Executive Employees Remuneration: 75% of non-executive directors' fees to be paid in share based payments, subject to shareholder approval. Executives to receive 25% of their salary in the form of a share based payment.
 - Restructuring of financial services: GWR have contracted Endeavour Corporate to undertake all financial services previously provided by Tungsten Mining NL.
 - Reduction in various other general and administrative expenditures.
- Tenement Holding Costs: a partial surrender was completed upon M53/1087 this related to area that was excess to requirements for potential infrastructure and also was low in prospectivity for exploration. This partial surrender reduced the tenement in size from 10,827 hectares to 6,302 hectares and resulted in annual savings of approximately \$180,000, from reduced tenement rents and local shire rates.

GWR will always act in the best interest of its stakeholders, and these steps were necessary to allow the allocation of the required capital towards advancing exploration activities at both our Gold and Iron projects in the mid-west.

All proposed shares issues in lieu of fees and salary deferred will be subject to obtaining shareholder approval under Listing Rule 7.1. An Appendix 3b follows in respect to the proposed share issue.

ENDS

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