

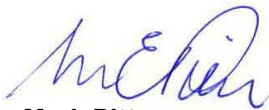
30 September 2020

ASX Announcement

Financial Report – Year Ended 30 June 2020

GWR Group Limited (“GWR” or the “Company”) encloses its financial report for the year ended 30 June 2020.

Yours faithfully



Mark Pitts
Company Secretary

This announcement has been authorised for release by Mr Mark Pitts, Company Secretary, GWR Group Limited.

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GWR GROUP LIMITED
2020 FINANCIAL REPORT

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Directors' Report

Your directors submit their report for GWR Group Limited ('the Company' or 'the Parent') and for the Group, being the Company and its controlled entities, for the financial year ended 30 June 2020.

Directors

The following persons were Directors of the Company during the financial year and up to the date of this report. Directors were in office for this entire period unless otherwise stated.

Names, qualifications, experience and special responsibilities:



Gary Lyons - Non-executive Chairman

Mr Lyons is a successful and well respected Perth based businessman; being a shareholder and the Managing Director of the Heiniger Group's Australasian operations for the last 32 years.

Mr Lyons was appointed a director on 2 June 2010 and elected Chairman on 8 February 2012.

Mr Lyons is also Chairman of the GWR Executive Committee, and is a member of both the GWR Audit & Risk Management Committee and the GWR Remuneration Committee.

Present ASX company directorships: eMetals Limited (formerly Corizon Limited) and Tungsten Mining NL

Previous ASX company directorships (last 3 years): Nil



Tan Sri Dato' Tien Seng Law - Non-executive Deputy Chairman

Mr Law is a highly experienced investor in iron ore companies and was previously the Deputy Chairman and major shareholder of Midwest Corporation Limited. Mr Law also has extensive business interests and investments in China. Mr Law is currently the executive Chairman of T.S. Law Holding Sdn Bhd, an investment holding company in Malaysia, covering a diverse range of industries. These companies include those with activities in steel making and distribution, property investment and development and food and beverage.

Mr Law is the appointed Malaysian Business Advisor of Jinan Group of Companies of the Shandong Province, the People's Republic of China. He has a substantial interest in Ji Kang Dimensi Sdn Bhd, a company within the Jinan Group of Companies operating a steel plates manufacturing plant in Malaysia.

Mr Law is a substantial stakeholder and Deputy Chairman of Hiap Teck Venture Berhad, a Malaysian listed company engaged in distribution and trading of steel related products and as well as manufacturing of steel pipes.

Mr Law through Hiap Teck Venture Bhd, entered into a joint venture with Shougang Group of China (JV company name Eastern Steel Sdn Bhd), to build a 1.5 million MT of production capacity Integrated Steel Mill located on the east coast of Peninsula Malaysia.

Mr Law was appointed a director on 22 July 2010 and elected Deputy Chairman on 8 February 2012.

Present ASX company directorships: Tungsten Mining NL

Previous ASX company directorships (last 3 years): Nil

Directors' Report



Michael Wilson - Executive Director

Mr Wilson is an exploration geologist with more than 25 years' experience in Australia and South East Asia.

Mr Wilson is a foundation Director of GWR and has a long association with the Wiluna West Project. He was instrumental in consolidating the ownership of the tenement package and bringing that tenement package to market.

Mr Wilson is also very well respected by the Aboriginal communities in and around Wiluna and takes a leading role in negotiating and resolving Heritage and Native Title matters.

Present ASX company directorships: Nil

Previous ASX company directorships (last 3 years): Nil



Datuk Chin An Lau - Non-executive Director

Datuk Lau is a qualified lawyer and owner of the legal practice Lau Moghan & Ee. Datuk Lau is also a director of LTS Properties (M) Sdn Bhd and LTS Capital Sdn Bhd which are both property development companies.

Datuk Lau is Chairman of both the GWR Remuneration Committee and the GWR Audit & Risk Management Committee.

Present ASX company directorships: Nil

Previous ASX company directorships (last 3 years): Nil



Kong Leng (Jimmy) Lee - Non-executive Director

Mr Lee is a mining engineer with more than 30 years of industry experience and is a member of AusIMM. He has successfully worked with a number of major Australian mining companies and has held senior positions with Hamersley Iron Ltd, Dominion Mining Ltd, Christmas Island Phosphates, North Ltd and Carey Mining Ltd.

Mr Lee provides mining and corporate advisory services to the mining industry and was formerly a founding director of Terrain Minerals Limited. In addition, he has a successful track record with contract negotiations and company investment strategies.

Mr Lee is a member of the GWR Remuneration Committee and the GWR Audit & Risk Management Committee.

Present ASX company directorships: Tungsten Mining NL and Excelsior Gold Limited

Previous ASX company directorships (last 3 years): Corizon Limited

Directors' Report



Teck Siong Wong - Alternate Director for Mr Law

Mr Wong has considerable international business experience having worked in Hong Kong, the United Kingdom and now in Malaysia and Indonesia after graduating with a Bachelor of Business degree from Swinburne University (Melbourne).

Mr Wong is involved with iron ore mining industry in Indonesia. He was previously involved in the sales and export of steel related products and was a director of a retail chain business in the United Kingdom, previously known as JW Carpenter Ltd. Mr Wong was working in the OEM plastic manufacturing industry in Hong Kong prior to taking up a position in the steel industry in Malaysia.

Present ASX company directorships: eMetals Limited (formerly Corizon Limited) and Tungsten Mining NL

Previous ASX company directorships (last 3 years): Nil

Former directors

No former directors held office during the financial year or up to the date of this report.

Company Secretaries



Mark Pitts

Mr Pitts is a Fellow of the Institute of Chartered Accountants with more than 25 years' experience in statutory reporting and business administration. He has been directly involved with, and consulted to a number of public companies holding senior financial management positions.

He is a Partner in the corporate advisory firm Endeavour Corporate providing company secretarial support; corporate and compliance advice to a number of ASX listed public companies.

Mr Pitts was appointed Company Secretary on 31 August 2012.



Simon Borck (resigned 23 July 2020)

Mr Borck was appointed as joint Company Secretary on 8 November 2016. He is a Chartered Accountant with 15 years experience in statutory, financial and management reporting for companies operating within the resources sector and has held senior financial management positions.

He has a range of experience with mining service providers and has operated with resources companies in all stages of exploration, development and production. Past positions, include Financial Controller of iron ore producer Territory Resources Limited, which was listed on ASX prior to its acquisition by the Noble Group.

Directors' Report

Dividends

No amounts have been paid or declared by way of dividend by the Company since the end of the previous financial period and up until the date of this report. The directors do not recommend the payment of any dividend for the financial year ended 30 June 2020.

Principal activities

The principal activities of the Company and its subsidiaries during the course of the year continued to be the exploration and evaluation of its mining projects in Australia.

Operating and financial overview

Group overview

During the 2020 financial year, the Group's focus has been on the Wiluna West Gold and Iron Projects in Western Australia. The Company divested its interest in the wholly-owned subsidiary, RWG Minerals Pty Ltd to eMetals Limited (ASX:EMT).

The Directors continued to agree to receive director's fees in a combination of cash and equity to preserve cash, this resulted in 1,178,781 (2019: 1,023,028) ordinary shares being issued to Directors to satisfy \$127,500 (2019: \$127,500) in accrued directors fees.

Business strategies and prospects for future financial years

The Board intends to continue to progress a strategy of developing GWR into a resource house with a number of projects across a selection of commodities at different stages of their "life cycle". GWR continues to assess a number of opportunities at both a project and corporate level, with a preference for advanced exploration projects that have the potential to generate cash flow in the short to medium term.

Management and Board changes

On 23 July 2020, Mr Simon Borck resigned as joint company secretary.

Other than noted above, there were no changes to the management and Board during the year and to date of reporting.

Operating results for the year

The consolidated operating result was a loss after income tax of \$2,200,899 (2019: \$3,067,161) for the financial year.

Revenue for the financial year decreased to \$1,830,506 (2019: \$1,901,456), which included \$875,000 profit from the sale of unlisted options in Tungsten Mining Limited (ASX:TGN), \$500,000 in income related to the sale of iron ore mining rights under the agreement with Gold Valley Iron Ore Pty Ltd, and \$325,811 relating to the profit on sale of RWG Minerals Pty Ltd. Expenditure for the financial year included Exploration activities of \$1,651,539 (2019: \$1,897,986), Employee expenses of \$726,056 (2019: \$1,143,481) and an equity accounted investment loss of \$1,006,583 (2019: \$1,249,578).

Net Cash used for the financial year on operating activities was \$2,292,009 (2019: \$3,039,625) and cash inflows from investing activities were \$772,153 (2019: \$1,666,249)

Cash and cash equivalents at 30 June 2020 was \$1,381,137 (2019: \$2,903,066).

Directors' Report

Operating results for the year (continued)

Shareholders returns	2020	2019	2018	2017	2016
Net profit/(loss) (\$000)	(2,201)	(3,067)	(3,878)	(3,181)	(11,810)
Basic EPS (cents)	(0.87)	(1.21)	(1.56)	(1.30)	(4.89)
Return on assets (%)	(21.86)	(25.08)	(25.88)	(17.59)	(55.13)
Return on equity (%)	(23.99)	(27.26)	(27.45)	(18.44)	(58.98)

Review of financial condition

Liquidity and capital resources

The Group's principal source of liquidity as at 30 June 2020 is cash and cash equivalents of \$1,381,137 (2019: \$2,903,066).

Shares issued during the year

As a measure to preserve cash, Directors continued to agree to receive director's fees in a combination of cash and equity. Pursuant to shareholder approval at the Company's 2019 Annual General Meeting, this resulted in 1,178,781 (2019: 1,023,028) ordinary shares with a weighted average fair value of \$0.1082 (2019: \$0.1246) per share being issued to Directors to satisfy \$127,500 (2019: \$127,500) in accrued directors fees. There were no other shares issued during the year.

Risk management

The Board as a whole is ultimately responsible for establishing and reviewing the Company's policies on risk profile, oversight and management and satisfying itself that management has developed and implemented a sound system of risk management and internal control.

The Board has established an Audit and Risk Management Committee pursuant to an Audit and Risk Management Committee Charter whose mandate includes overseeing the implementation of the Company's risk management program and reporting to the Board as to the effectiveness of the Company's management of its material risks.

The Company's risk management program is implemented by its Chief Executive Officer or equivalent under the direction of the Audit and Risk Management Committee as follows:

- ensuring that matters affecting the goals, objectives and performance of the Company and the safety of its stakeholders are identified and assessed by an operational risk management framework in accordance with industry accepted standards;
- obtaining and regularly reviewing insurance for the Company relevant to managing material risks;
- implementing and maintaining internal control systems which will be identified in conjunction with the external auditors;
- monitoring and verifying the Company's compliance with record keeping and operating requirements, including all requirements of law including indigenous and community rights and environmental obligations;
- minimising the potential for loss or damage resulting from risks affecting the Company; and
- the Audit & Risk Management Committee shall report to the Board at least twice a year as to the effectiveness of the Company's management of its material risks.

Impact of COVID-19 Pandemic

The Group reacted promptly to the COVID-19 pandemic and conducted a full review of its activities and expenditures during March 2020. It focused on delaying fieldwork to safeguard the safety of employees, whilst reducing overheads where possible to conserve working capital against the growing uncertainty and volatility.

Management understood the severity of COVID-19 and acted quickly to implement protocols and procedures to ensure the safety and well-being of its personnel.

In response to the pandemic, the Group implemented a review of all expenditures and to that end, the Directors and General Manager agreed to reduced their cash compensation subsequent to balance date as noted below.

Directors' Report

Significant changes in the state of affairs

There were no significant changes in the state of affairs of the Group that occurred during the financial year under review that is not mentioned elsewhere in this report or listed below.

Significant events after the balance date

On 23 July 2020, Mr Simon Borck resigned as joint company secretary.

On 29 July 2020, in response to the COVID-19 pandemic, the Group implemented a review of expenditures which included the reduction in cash compensation paid to the Company's Executive Director and General Manager by 25%, and a further reduction of non-executive director cash remuneration by 50% (to a total reduction of 75%). The reduced amount is expected to be satisfied through the issue of shares, which will require approval at the Company's next general meeting of shareholders.

On 4 August 2020, the Group disposed of 2,711,540 shares in eMetals, for consideration of \$61,748.

On 28 August 2020, the Group announced it had received approvals for its Mining Proposal, Clearing Permits, Mine Closure Plan and Project Management Plan with respect to its C4 Stage 1 Iron Ore Project from the Western Australian State Government Department of Mines, Energy and Safety ("DMIRS"). Additionally, the Federal Government Department of Agriculture, Environment and Water ("AWE") determined that the Group's submission to AWE with respect to mallee fowl under the EPBC Act does not require further assessment under the act.

On 9 September 2020, the Group announced the execution of a Term Sheet with Pilbara Resource Group Pty Ltd ("PRG") setting out key terms for the development of the C4 Iron Ore Project. The Term Sheet sets out key terms for a works contract, including PRG to conduct the development, mining and transport for Stage 1 of the C4 Project. The contract is to include the construction of a haul road, open pit and other required facilities and infrastructure, surveying mining, crushing, screening and transport to a port based on a schedule of rates to be agreed. The Group will remain responsible for Iron Ore sales and will be entitled to 70% of the net profit after deducting PRG's costs, shipping and other related expenses.

Other than the above, there has not arisen in the interval between the end of the financial period and the date of this report any item, transaction or event of a material and unusual nature likely, in the opinion of the directors, to affect significantly the operations of the Group, the results of those operations, or the state of affairs of the Group in the future financial year.

Likely developments and expected results

The Group intends to continue to undertake mineral exploration and investment activities within the exploration and mining sector.

Environmental regulation and performance

The Group's current development, evaluation and exploration activities have been undertaken under approved Programmes of Work on granted mining tenements in accordance with environmental regulations under both Commonwealth and State legislation.

As stated in the Group's Environmental policy, it is committed to environmental sustainability, recognising our obligations to practice good environmental 'stewardship' of the tenements on which we operate. Our activities are conducted in a manner that minimises our environmental 'footprint' as much as possible, and are conducted strictly in accordance with all necessary permits and approvals from regulators.

The Company has employed environmental consultants to ensure it achieves its objectives by monitoring the Group's environmental exposures and compliance with environmental regulations. Results are reported to management and to the Board on a regular basis. There have been no significant known breaches of the Group's environmental regulations to which it is subject to.

Directors' Report

Share options

At the date of this report, there were 27,750,000 (2019: 27,750,000) unissued shares under option. Option holders do not have any right, by virtue of the option, to participate in any share issue of the Company or of any related body corporate.

Indemnification and insurance of directors and officers

The Company has made an agreement indemnifying all the directors and officers against all losses or liabilities incurred by each director and officer in their capacity as directors and officers of the Company to the extent permitted under the Corporations Act 2001.

During the year the Company paid insurance premiums to insure directors and officers against certain liabilities arising out of their conduct while acting as an officer of the Company. Under the terms and conditions of the insurance contract, the nature of the liabilities insured against and the premium paid cannot be disclosed. Therefore, the amounts relating to these premiums paid have not been disclosed in table 1 in the remuneration report.

Directors' meetings

The following table sets out the number of directors' meetings (including meetings of committees of directors) held during the financial year and the number of meetings attended by each director (while they were a director or committee member). During the financial year the Company held 5 board meetings and 1 audit and risk management committee meetings. There were no meetings of the remuneration committee held during the year.

	Board meetings		Committee meetings			
	Number Eligible to attend	Number Attended	Audit		Remuneration	
Number Eligible to attend			Number Attended	Number Eligible to attend	Number Attended	
G Lyons	5	5	1	1	-	-
T S Law ¹	5	5	-	-	-	-
M Wilson	5	5	-	-	-	-
C A Lau	5	5	1	1	-	-
K L Lee	5	5	1	1	-	-

¹ Mr Law's alternate director, Mr Teck Wong attended all Board meetings at which Mr Law was unable to attend.

Committee membership

As at the date of this report, the company had an Audit & Risk Management Committee and a Remuneration Committee. Members acting on the Committees during the year were:

Audit & Risk Management Committee	Remuneration Committee
C A Lau (Chairman)	C A Lau (Chairman)
G Lyons	G Lyons
K L Lee	K L Lee

Proceedings on behalf of the Group

No person has applied to the Court under section 237 of the Corporations Act 2001 for leave to bring proceedings on behalf of the Company, or to intervene in any proceedings to which the Company is a party, for the purpose of taking responsibility on behalf of the Company for all or part of those proceedings. No proceedings have been brought or intervened in on behalf of the Company with leave of the Court under section 237 of the Corporations Act 2001.

Directors' Report

Non Audit Services

The Company did not receive any non-audit services from the auditor, Stantons International, during the year ended 30 June 2020.

Interests in the shares and options of the Company

As at the date of this report, the interests of the key management personnel in the shares and unlisted share options of the Company were:

Directors	Ordinary shares	Share Options
Directors		
G Lyons	4,240,078	4,000,000
T S Law	29,074,192	4,000,000
M Wilson	2,657,313	4,000,000
C A Lau	2,407,800	4,000,000
K L Lee	2,212,800	4,000,000
T S Wong	-	-
Other executives		
Adrian Costello	-	-
S Borck	100,000	1,000,000
M Pitts	100,000	750,000

As at the date of this report unissued ordinary shares of the Company under unlisted options were:

	Exercise price	Expiry date	Unlisted options outstanding	Vested and exercisable
	\$		Number	Number
Director options – tranche 1	0.04	23 Dec 2020	4,000,000	4,000,000
Director options – tranche 2	0.05	23 Dec 2020	4,000,000	4,000,000
Director options – tranche 3	0.06	23 Dec 2020	12,000,000	12,000,000
Employee options – tranche 1	0.04	6 Feb 2021	1,550,000	1,550,000
Employee options – tranche 2	0.05	6 Feb 2021	1,550,000	1,550,000
Employee options – tranche 3	0.06	6 Feb 2021	4,650,000	4,650,000
Total options on issue			27,750,000	27,750,000

During the year ended 30 June 2017, 27,750,000 options were issued pursuant to terms approved by shareholders at the 2016 Annual General Meeting to Directors, Employees and Consultants or their nominees of the Company. No options were issued during the year ended 30 June 2020. During the year ended 30 June 2020, no vested options were converted to ordinary shares (2019: Nil). During the year ended 30 June 2020, no options expired (2019: Nil) and no options were cancelled (2019: Nil). Since the balance date to the date of this report, no options have been issued, exercised, cancelled or have reached expiry.

These unlisted options do not entitle the holder to participate in any share issue of the Company or any other body corporate. The holders of unlisted options are not entitled to any voting rights until the options are exercised into ordinary shares.

Auditor's independence

The directors received the following declaration from the auditor of the Group which is set out on page 10 below.

30 September 2020

Board of Directors
GWR Group Limited
97 Outram Street
West Perth WA 6005

Dear Sirs

RE: GWR GROUP LIMITED

In accordance with section 307C of the Corporations Act 2001, I am pleased to provide the following declaration of independence to the directors of GWR Group Limited.

As Audit Director for the audit of the financial statements of GWR Group Limited for the year ended 30 June 2020, I declare that to the best of my knowledge and belief, there have been no contraventions of:

- (i) the auditor independence requirements of the Corporations Act 2001 in relation to the audit; and
- (ii) any applicable code of professional conduct in relation to the audit.

Yours sincerely,

STANTONS INTERNATIONAL AUDIT AND CONSULTING PTY LIMITED



Martin Michalik
Director

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Directors' Report

Remuneration report (audited)

This remuneration report for the year ended 30 June 2020 outlines the director and executive remuneration arrangements of the Company and the Group in accordance with the requirements of the Corporations Act 2001 (the Act) and its regulations. This information has been audited as required by section 308(3C) of the Act.

The remuneration report details the remuneration arrangements for key management personnel ('KMP') who are defined as those persons having authority and responsibility for planning, directing and controlling the major activities of the Company and the Group, directly or indirectly, including any director (whether executive or otherwise) of the parent company.

For the purposes of this report the term 'executive' encompasses executive directors and senior executives of the Parent and the Group.

Details of key management personnel

Non-executive directors

G Lyons	Chairman
TS Law	Deputy Chairman
CA Lau	Director
KL Lee	Director

Executive directors

M Wilson	Director and Exploration Manager
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Other executives

Adrian Costello	General Manager (appointed on 11 July 2018)
M Pitts	Company Secretary
S Borck	Joint Company Secretary (resigned 23 July 2020)
Craig Ferrier	Chief Executive Officer (resigned as CEO on 1 January 2019)

Remuneration committee

The Remuneration Committee is entrusted by the Board to provide appropriate guidance to the Board in relation to the following responsibilities:

- remuneration packages of senior executives (including executive directors);
- the remuneration framework for non-executive directors;
- employment incentive and equity based plans for senior executives, directors and employees generally including the appropriateness of performance hurdles and equity based incentives in the context of overall remuneration packages;
- remuneration policy generally including but not limited to fixed and performance based remuneration, non-cash remuneration including superannuation, and inclusive remuneration principles consistent with the Company's Diversity Policy; and
- retention and termination policies.

The remuneration committee assesses the appropriateness of the nature and amount of remuneration of senior executives (including executive directors) and non-executive directors on a periodic basis by reference to relevant employment market conditions with the overall objective of ensuring maximum stakeholder benefit by balancing the Company's competing interests of attracting and retaining senior executives and directors and avoiding excessive remuneration.

The remuneration committee comprises three non-executive directors. Further information on the committee's role and responsibilities can be seen at www.gwrgroup.com.au.

Directors' Report

Remuneration philosophy

The performance of the Group depends upon the quality of its key personnel. To prosper, the Group must attract, motivate and retain high skilled directors and executives. Due to the nature of the Group's business activities the overall level of compensation does not focus on the earnings of the Company.

To this end, the Group embodies the following principles in its remuneration framework:

- provide competitive rewards to attract high calibre personnel; and
- link rewards to shareholder value.

Remuneration structure

In accordance with best practice corporate governance, the structure of executive and non-executive director remuneration is separate and distinct.

Non-executive director remuneration

Objective:

The Board seeks to set aggregate remuneration at a level which provides the Company with the ability to attract and retain directors of the highest calibre, whilst incurring a cost which is acceptable to shareholders.

Structure:

The Constitution and the ASX listing rules specify that the aggregate remuneration of non-executive directors shall be determined from time to time by a general meeting of shareholders. The latest determination was at the annual general meeting held on 25 November 2010 when shareholders voted to increase the aggregate remuneration to \$500,000 per year.

Non-executive directors, excluding consulting fees are remunerated by way of fees and statutory superannuation. The fees for non-executive directors were previously set by the board at \$65,000 per annum and \$100,000 per annum for the Chairman. Fees for non-executive directors were reduced to \$55,000 per annum and \$90,000 for the Chairman with effect from 1 July 2014 as a cost saving measure. To further preserve cash, directors have agreed that half of the fees be settled in cash and the other half in equity. Such an arrangement can only be implemented with prior shareholder approval. A resolution was approved by members at the 2019 Annual General Meeting in relation to the portion of fees agreed to be taken as equity. Fees accrued in respect of the 2019/20 financial year will similarly require shareholder approval prior to issue of shares in settlement of amounts outstanding.

The amount of aggregate remuneration sought to be approved by shareholders and the manner in which it is apportioned amongst directors is reviewed annually. The Board considers the fees paid to non-executive directors of comparable companies when undertaking the annual review process.

Non-executive directors are remunerated by way of fees and statutory superannuation but no other retirement benefits. Non-executive directors are also reimbursed for all reasonable travelling, accommodation and other expenses incurred as a consequence of their attendance at meetings of Directors and otherwise in the execution of their duties as Directors.

Non-executive directors are also paid consulting fees related to their participation in Executive Committee meetings and the provision of other services.

Non-executive directors participate in share option plans, as detailed in note 19 of the financial statements contained in this report.

No remuneration consultants were engaged for the reporting years ended 30 June 2020 and 30 June 2019.

The remuneration of non-executive directors for the reporting years ended 30 June 2020 and 30 June 2019 is detailed in Tables 1 and 2 of the Directors' Report.

Directors' Report

Executive remuneration

Objective:

The Company aims to reward executives with a level and mix of remuneration commensurate with their position and responsibilities within the Group so as to:

- align the interests of executives with those of shareholders; and
- ensure total remuneration is competitive by market standards.

Structure:

In determining the level and make up of executive remuneration, the remuneration committee engages external consultants as needed to provide independent advice. No remuneration consultants were engaged during the year.

Remuneration consists of the following key elements:

- Fixed remuneration; and
- Variable remuneration comprising Short ('STI') and Long ('LTI') term incentives.

Directors and executives participate in share option plans, as detailed in note 19 of the financial statements contained in this report

The proportion of fixed remuneration and variable remuneration of Directors and executives for the reporting years ended 30 June 2020 and 30 June 2019 is set out on Tables 1 and 2 of the Directors Report.

Fixed remuneration

Objective:

The level of fixed remuneration is set so as to provide a base level of remuneration which is both appropriate to the position and is competitive in the market.

Fixed remuneration is reviewed annually by the remuneration committee and the process consists of individual performance, relative comparative remuneration in the market and, where appropriate, external advice.

Structure:

Executives are given the opportunity to receive their fixed (primary) remuneration in a variety of forms including cash and fringe benefits such as motor vehicles. It is intended that the manner of payment chosen will be optimal for the recipient without creating undue cost for the Group. Presently, executives fixed remuneration comprises only payment of salary and statutory superannuation.

The fixed remuneration component of Directors and executives for the reporting years ended 30 June 2020 and 30 June 2019 is set out on Tables 1 and 2 of the Directors' Report.

Variable remuneration — short term incentive (STI)

Objective:

The objective of the STI program is to link the achievement of the Group's operational targets with the remuneration received by the executives charged with meeting those targets. The total potential STI available is set at a level so as to provide sufficient incentive to the executive to achieve the operational targets and such that the cost to the Group is reasonable in the circumstances.

Structure:

Actual STI payments granted to each executive depend on the remuneration committee's assessment of the individual's performance and the performance of their business unit. The aggregate of annual STI payments available for executives across the Group is subject to the approval of the remuneration committee.

Other than pursuant to employment agreement with the General Manager, who is entitled to annual \$30,000 bonus, inclusive superannuation contributions, that is subject to the achievement of certain key performance indicators determined at the absolute and sole discretion of the Company there are no other cash bonus or other STI payments made or accrued in the current and prior financial years.

Directors' Report

Variable remuneration — long term incentive (LTI)

Objective:

The objective of the LTI program is to reward executives in a manner that aligns remuneration with the creation of shareholder wealth. As such, LTI grants are made to executives who are able to influence the generation of shareholder wealth and thus have an impact on the Group's performance.

Structure:

LTI grants to executives may be delivered in the form of share options or performance rights.

Details of LTI options granted and exercised during the year are shown in the Option holdings for key management personnel table in this Directors' Report.

Employment contracts

The details of agreements are provided below.

Michael Wilson

Mr Wilson is a Director and the Exploration Manager and his remuneration, excluding share-based payments, annual and long service leave allowances, is \$281,064 (2019: \$281,064), plus superannuation contributions. Pursuant with his employment agreement, either the Company or Mr Wilson may terminate with three months' notice in writing to the other party and payment by the Company to Mr Wilson of one month's salary for every 12 month period of service, up to a maximum of 6 month's salary. The Company may pay Mr Wilson for any or all of the three months' notice period in lieu of notice. Mr Wilson is not entitled to any retirement benefits other than as noted above.

Adrian Costello

Mr Costello is the General Manager and commenced employment with the Company on 11 July 2018. Pursuant to his employment agreement his remuneration is \$230,000 (2019: \$230,000), plus superannuation and a \$30,000 performance bonus, inclusive of superannuation. This bonus is subject to the achievement of key performance indicators that are determined by the Company. His employment agreement may be terminated by the giving of one month's notice in writing.

Mark Pitts

Mr Pitts is the Company Secretary. Pursuant to an agreement with Endeavour Corporate, an entity related to Mr Pitts, Endeavour Corporate is paid a monthly fee of \$3,500.

Simon Borck

Mr Borck was the Group Financial Controller and Joint Company Secretary until his resignation on 23 July 2020. On 1 June 2019 his employment agreement with the Group was mutually agreed to terminate and transferred to an associated entity, Tungsten Mining NL. From 1 June 2019, his remuneration, other than share-based payments, were remunerated by Tungsten Mining NL for the services he provided to the Group. Prior to his transfer to Tungsten Mining NL, his remuneration was \$153,150 per annum, plus statutory superannuation contributions. The termination notice period under the agreement was three months.

Craig Ferrier

Mr Ferrier ceased being the Chief Executive Officer on 1 January 2019 and was seconded to Tungsten Mining from this date. On 1 June 2019 his employment agreement with the Company was terminated by mutual agreement upon commencing full time employment with Tungsten Mining NL. Prior to his termination, his remuneration was \$334,600, plus superannuation contributions. Mr Ferrier was able to terminate his employment by the giving of one month's notice in writing to the Company. The Company was able to terminate the agreement by giving three months' notice in writing. The Company was able to pay Mr Ferrier for any or all of the three months' notice period in lieu of notice.

Directors' Report

Remuneration of key management personnel of the Company and Group

Table 1: Remuneration for the year ended 30 June 2020

	Short-term				Post-employment Super	Long-term benefits Long Service Leave ³	Share-based payments	Termination benefits	Total	Performance related
	Salary & fees ^{1,4}	Cash Bonus	Annual Leave ³	Other ²						
	\$	\$	\$	\$	\$	\$	\$	\$	\$	%
Non-executive directors										
G Lyons	89,097	-	-	3,000	4,189	-	-	-	96,286	-
TS Law	55,001	-	-	-	-	-	-	-	55,001	-
CA Lau	53,365	-	-	750	2,457	-	-	-	56,572	-
KL Lee	52,615	-	-	11,250	2,386	-	-	-	66,251	-
Sub total	250,078	-	-	15,000	9,032	-	-	-	274,110	-
Executive directors										
M Wilson	281,064	-	40,547	-	26,701	17,392	-	-	365,704	-
Other executives										
A Costello ⁵	220,548	30,000	8,531	-	23,802	5,239	-	-	288,120	10%
S Borck ⁶	-	-	-	-	-	-	-	-	-	-
M Pitts	42,000	-	-	-	-	-	-	-	42,000	-
Sub total	543,612	30,000	49,078	-	50,503	22,631	-	-	695,824	-
Total	793,690	30,000	49,078	15,000	59,535	22,631	-	-	969,934	-

¹ Salary and fees paid and accrued during the year, except as shown in 4 below

² Other refers to fees paid and accrued for consultancy work performed for the Company.

³ Remuneration includes movements in his accrued employee entitlements.

⁴ As detailed under Non-executive director remuneration of this report, the Non executive Directors agreed to defer 50% of their remuneration cash payments from 1 July 2014. Pursuant to shareholder approval at the Company's 2019 Annual General Meeting, this resulted in 1,178,781 ordinary shares with a weighted average fair value of \$0.1082 per share being issued to Directors to satisfy \$127,500 in accrued directors fees. As at 30 June 2020, there was \$96,625 in deferred director's fees outstanding.

⁵ Mr Costello was appointed as General Manager on 11 July 2018.

⁶ Mr Borck resigned subsequent to the end of the year on 23 July 2020.

Directors' Report

Remuneration of key management personnel of the Company and Group

Table 1: Remuneration For the year ended 30 June 2019

	Salary & fees ^{1,5}	Short-term		Other ^{2,3}	Post-employment Super	Long-term benefits Long Service Leave ⁴	Share-based payments	Termination benefits	Total	Performance related
		Cash Bonus	Annual Leave ⁴							
	\$	\$	\$	\$	\$	\$	\$	\$	\$	%
Non-executive directors										
G Lyons	82,194	-	-	8,750	8,640	-	13,241	-	112,825	-
TS Law	55,002	-	-	-	-	-	13,241	-	68,243	-
CA Lau	50,230	-	-	1,721	4,935	-	13,241	-	70,127	-
KL Lee	50,230	-	-	15,500	4,772	-	13,241	-	83,743	-
Sub total	237,656	-	-	25,971	18,347	-	52,964	-	334,938	-
Executive directors										
M Wilson	281,064	-	21,615	-	26,701	4,685	13,242	-	347,307	-
Other executives										
A Costello ⁶	223,818	-	16,214	30,000	24,113	-	-	-	294,145	10%
C Ferrier ⁶	306,717	-	16,510	6,221	22,917	8,675	-	-	361,040	0%
S Borck	140,387	-	3,433	-	13,337	-	-	-	157,157	0%
M Pitts	42,000	-	-	-	-	-	-	-	42,000	0%
Sub total	993,986	-	57,772	36,221	87,068	13,360	13,242	-	1,201,649	
Total	1,231,642	-	57,772	62,192	105,415	13,360	66,206	-	1,536,587	

¹ Salary and fees paid and accrued during the year, except as shown in 5 below

² Other refers to fees paid and accrued for consultancy work performed for the Company, except as shown in note 3 below.

³ Mr Ferrier's contract entitled him to superannuation contributions at 9.5%, this amount represents the superannuation contributions which exceed the maximum SGC of \$25,000. Mr Costello contract entitles him to a annual bonus that is subject to the achievement of certain key performance indicators determined at the absolute discretion of the Company, this amount represents an accrual towards this bonus.

⁴ Remuneration includes movements in his accrued employee entitlements.

⁵ As detailed under Non-executive director remuneration of this report, the Non executive Directors agreed to defer 50% of their remuneration cash payments from 1 July 2014. Pursuant to shareholder approval at the Company's 2018 Annual General Meeting, this resulted in 1,023,028 ordinary shares with a weighted average fair value of \$0.1246 per share being issued to Directors to satisfy \$127,500 in accrued directors fees. As at 30 June 2019, there was \$95,625 in deferred director's fees outstanding.

⁶ Mr Costello was as appointed as General Manager on 11 July 2018. Mr Ferrier resigned as CEO on 1 January 2019, however he was employed by the Company until 1 June 2019.

Directors' Report

Equity instruments

Shareholdings of key management personnel

Details of Shares held in the Company at reporting date (number).

	Balance at beginning of year or on appointment	Paid as Remuneration ⁽¹⁾	On exercise of options	Other net changes	Balance at end of year or on ceasing office
Directors					
G Lyons	3,823,200	416,040	-	5,500	4,244,740
TS Law	28,819,945	254,247	-	-	29,074,192
M Wilson	2,657,313	-	-	-	2,657,313
CA Lau	2,153,553	254,247	-	-	2,407,800
KL Lee	1,958,553	254,247	-	-	2,212,800
T S Wong	-	-	-	-	-
Other executives					
A Costello	-	-	-	-	-
S Borck ⁽²⁾	100,000	-	-	-	100,000
M Pitts	100,000	-	-	-	100,000
Total	39,612,564	1,178,781	-	5,500	40,796,845

Option holdings for key management personnel

Details of vesting profiles of the options granted as remuneration to Key Management Personnel of the Company are detailed below (number).

	Balance at beginning of year or on appointment	Granted as compensation during the year	Exercised during the year	Other changes during the year	Balance at end of year	Balance at end of year or on ceasing office
Directors						
G Lyons	4,000,000	-	-	-	4,000,000	4,000,000
TS Law	4,000,000	-	-	-	4,000,000	4,000,000
CA Lau	4,000,000	-	-	-	4,000,000	4,000,000
KL Lee	4,000,000	-	-	-	4,000,000	4,000,000
M Wilson	4,000,000	-	-	-	4,000,000	4,000,000
Other executives						
A Costello	-	-	-	-	-	-
S Borck ⁽²⁾	1,000,000	-	-	-	1,000,000	1,000,000
M Pitts	750,000	-	-	-	750,000	750,000
Total	21,750,000	-	-	-	21,750,000	21,750,000

1) Represents amounts paid by equity to settle accrued directors fees.

2) Mr Borck resigned on 23 July 2020.

Directors' Report

Equity instruments (continued)

Options granted to key management personnel during the year

No options were granted during the year ended 30 June 2019 and 2020.

Details of options over equity instruments granted as compensation

Options granted as compensation held at reporting date by Key Management Personnel of the Company are detailed below.

	Grant date	Number Granted as compensation	Fair value of granted options at grant date	N° of options vested during the year	N° of options vested and exercisable at balance date	Vested during the year %	Vested as of year- end %
Directors							
G Lyons	23 Dec 2016	4,000,000	96,499	-	4,000,000	0%	100%
TS Law	23 Dec 2016	4,000,000	96,499	-	4,000,000	0%	100%
CA Lau	23 Dec 2016	4,000,000	96,499	-	4,000,000	0%	100%
KL Lee	23 Dec 2016	4,000,000	96,499	-	4,000,000	0%	100%
M Wilson	23 Dec 2016	4,000,000	96,499	-	4,000,000	0%	100%
Other executives							
A Costello	-	-	-	-	-	0%	100%
S Borck	6 Feb 2017	1,000,000	20,338	-	1,000,000	0%	100%
M Pitts	6 Feb 2017	750,000	15,254	-	750,000	0%	100%
		21,750,000	518,087	-	21,750,000	0%	100%

The value of granted options is the fair value calculated at grant date. The total value is included in the table above. This amount is allocated to remuneration over the vesting period.

These share options do not carry any voting or dividend rights and can be exercised once the terms and conditions for the exercise of options have been met.

Shares issued on exercise of options

There were no shares issued on the exercise of options by key management personnel for the current or prior year.

Directors' Report

Equity instruments (continued)

Shares paid as remuneration

Pursuant to shareholder approval at the Company's 2019 Annual General Meeting 1,178,781 ordinary shares with a weighted average fair value of \$0.1082 per share were issued to Directors to satisfy \$127,500 in accrued directors fees.

Amounts paid by issuing Company shares in lieu of accrued fees are detailed below.

	Number of shares paid as Remuneration	Fair value per share \$	Total value paid as Remuneration \$
Directors			
G Lyons	416,040	0.1082	45,000
TS Law	254,247	0.1082	27,500
M Wilson	-	-	-
CA Lau	254,247	0.1082	27,500
KL Lee	254,247	0.1082	27,500
T S Wong	-	-	-
Other executives			
A Costello	-	-	-
S Borck	-	-	-
M Pitts	-	-	-
Total	1,178,781	0.1082	127,500

END OF REMUNERATION REPORT

Signed on behalf of directors and in accordance with a resolution of directors.



Gary Lyons
Chairman

Dated at Perth, this 30th day of September 2020

Consolidated statement of profit or loss and other comprehensive income

For the year ended 30 June 2020

	Note	Consolidated	
		2020	2019
		\$	\$
Profit on sale of interest in Hatches Creek Project	6(a)	-	1,616,156
Contract income	6(b)	500,000	-
Profit on sale of financial assets	6(c)	875,000	-
Profit on disposal of subsidiary	30	325,811	-
Fair value gain on financial asset	14	52,000	-
Other Revenue	6(d)	77,695	285,300
Total Revenue		1,830,506	1,901,456
Exploration & evaluation expenditure		(1,651,539)	(1,897,986)
Employee expenses	7(a)	(726,056)	(1,143,481)
Depreciation expense	12	(25,925)	(35,748)
Other expenses	7(b)	(621,302)	(575,618)
Share of losses of associates	15	(1,006,583)	(1,249,578)
Share-based payments		-	(66,206)
Loss for year before tax		(2,200,899)	(3,067,161)
Income tax expense	8	-	-
Loss for the year after tax		(2,200,899)	(3,067,161)
Loss attributable to members of the Parent		(2,200,899)	(3,067,161)
Other comprehensive income			
Items that will not be reclassified subsequently to profit or loss		-	-
Items that may be reclassified subsequently to profit or loss		-	-
Total comprehensive loss after tax		(2,200,899)	(3,067,161)
Total comprehensive loss attributable to members of the Parent		(2,200,899)	(3,067,161)
Basic loss per share in cents	9	(0.87)	(1.21)

Diluted loss per share is not disclosed as it would not reflect an inferior position.

The above statement should be read in conjunction with the accompanying notes.

Consolidated statement of financial position as at 30 June 2020

	Note	Consolidated	
		2020	2019
		\$	\$
Current assets			
Cash and cash equivalents	10	1,381,137	2,903,066
Trade and other receivables	11	29,731	21,759
Financial assets	14	402,000	-
Prepayments		14,686	25,329
Total current assets		1,827,554	2,950,154
Non-current assets			
Plant & Equipment	12	70,910	101,835
Exploration & evaluation expenditure	13	8,050,275	8,050,275
Financial assets	14	121,008	121,008
Investment in an associate	15	-	1,006,583
Total non-current assets		8,242,193	9,279,701
Total assets		10,069,747	12,229,855
Current liabilities			
Trade and other payables	16	311,135	555,765
Provisions	17 (a)	272,209	221,327
Total current liabilities		583,344	777,092
Non-current liabilities			
Provisions	17 (b)	310,846	201,734
Total non-current liabilities		310,846	201,734
Total liabilities		894,190	978,826
Net assets		9,175,557	11,251,029
Equity			
Contributed equity	18	154,735,910	154,610,483
Reserves	19	26,949,728	26,949,728
Accumulated losses	20	(172,510,081)	(170,309,182)
Total equity		9,175,557	11,251,029

The above statement should be read in conjunction with the accompanying notes.

Consolidated statement of changes in equity

For the year ended 30 June 2020

	Contributed Equity	Accumulated losses	Option reserve	Total Equity
	\$	\$	\$	\$
Balance at 1/7/2018	154,485,219	(167,242,021)	26,883,522	14,126,720
Loss for the year	-	(3,067,161)	-	(3,067,161)
Other comprehensive income	-	-	-	-
Total comprehensive (loss)/income for the year	-	(3,067,161)	-	(3,067,161)
Shares issued	127,500	-	-	127,500
Share issue costs	(2,236)	-	-	(2,236)
Share-based payments	-	-	66,206	66,206
Balance at 30/06/2019	154,610,483	(170,309,182)	26,949,728	11,251,029
Balance at 1/7/2019	154,610,483	(170,309,182)	26,949,728	11,251,029
Loss for the year	-	(2,200,899)	-	(2,200,899)
Other comprehensive income	-	-	-	-
Total comprehensive (loss)/income for the year	-	(2,200,899)	-	(2,200,899)
Shares issued	127,500	-	-	127,500
Share issue costs	(2,073)	-	-	(2,073)
Balance at 30/06/2020	154,735,910	(172,510,081)	26,949,728	9,175,557

The above statement should be read in conjunction with the accompanying notes.

Consolidated statement of cash flows

For the year ended 30 June 2020

	Note	Consolidated	
		2020	2019
		\$	\$
Cash flows from operating activities			
Payments to suppliers & employees		(1,208,597)	(1,612,361)
Payments for exploration & evaluation		(1,663,298)	(1,752,041)
Proceeds from iron ore mining rights	6(b)	500,000	-
Interest received		24,686	59,297
Other income		55,200	265,480
Net cash (used in) operating activities	21	(2,292,009)	(3,039,625)
Cash flows from investing activities			
Payments for plant & equipment		-	(25,538)
Proceeds from sale of interest in Hatches Creek Project		-	1,720,942
Proceeds from sale of plant & equipment		5,000	4,000
Net cash proceeds from sale of subsidiary	30	42,153	-
Payments for security deposits/bonds		-	(33,155)
Purchase of financial assets	14(a)	(150,000)	-
Proceeds from sale of other financial assets		875,000	-
Net cash provided by investing activities		772,153	1,666,249
Cash flows from financing activities			
Share issue costs paid		(2,073)	(2,235)
Net cash used in financing activities		(2,073)	(2,235)
Net (decrease) in cash and cash equivalents		(1,521,929)	(1,375,611)
Cash and cash equivalents at the beginning of the financial year		2,903,066	4,278,677
Cash and cash equivalents at the end of the financial year	10	1,381,137	2,903,066

The above statement should be read in conjunction with the accompanying notes.

Notes to the Financial Statements

For the year ended 30 June 2020

Note 1: Corporate information

The financial report of GWR Group Limited ("the Company" or the "the Parent") and of the Group, being the Company and its controlled entities for the financial year ended 30 June 2020 was authorised for issue in accordance with a resolution of the directors on 30 September 2020.

GWR Group Limited is a company limited by shares incorporated in Australia whose shares are publicly traded on the Australian Securities Exchange. The nature of the operations and principal activities of the Group are described in the directors' report.

Separate financial statements for GWR Group Limited as an individual entity are no longer presented as the consequence of a change to the Corporations Act 2001, however, required financial information for GWR Group Limited as an individual entity is included in Note 29.

Note 2: Summary of significant accounting policies

a) Basis of preparation

The financial report is a general purpose financial report, which has been prepared in accordance with the requirements of the Corporations Act 2001, Australian Accounting Standards and other authoritative pronouncements of the Australian Accounting Standards Board. The financial report has also been prepared on a historical cost basis, except for held for sale investments, which have been measured at fair value. The financial report is presented in Australian dollars and all values are rounded to the nearest dollar unless otherwise stated.

b) Compliance with IFRS

The financial report complies with Australian Accounting Standards and International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards board.

c) New accounting standards and interpretations

New and amended standards adopted

The Group has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

The following new Accounting Standards and Interpretations were most relevant to the Group:

AASB 16 Leases

The Group has adopted AASB 16 from 1 July 2019. The standard replaces AASB 117 'Leases' and for lessees eliminates the classifications of operating leases and finance leases. Except for short-term leases and leases of low-value assets, right-of-use assets and corresponding lease liabilities are recognised in the statement of financial position. Straight-line operating lease expense recognition is replaced with a depreciation charge for the right-of-use assets (included in operating costs) and an interest expense on the recognised lease liabilities (included in finance costs). In the earlier periods of the lease, the expenses associated with the lease under AASB 16 will be higher when compared to lease expenses under AASB 117. For classification within the statement of cash flows, the interest portion is disclosed in operating activities and the principal portion of the lease payments are separately disclosed in financing activities. For lessor accounting, the standard does not substantially change how a lessor accounts for leases.

Impact of adoption

As the Group was not party of any existing lease agreements captured within the scope of AASB 16 at 1 July 2019, there was no impact on the comparative financial information reported in these financial statements.

Notes to the Financial Statements

For the year ended 30 June 2020

Note 2: Summary of significant accounting policies (continued)

d) Basis of consolidation

The consolidated financial statements incorporate all of the assets, liabilities and results of the parent (GWR Group Limited) and all of the subsidiaries. Subsidiaries are entities the parent controls. The parent controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. A list of the subsidiaries is provided in note 22 (a).

The assets, liabilities and results of all subsidiaries are fully consolidated into the financial statements of the Group from the date on which control is obtained by the Group. The consolidation of a subsidiary is discontinued from the date that control ceases. Intercompany transactions, balances and unrealised gains or losses on transactions between Group entities are fully eliminated on consolidation. Accounting policies of subsidiaries have been changed and adjustments made where necessary to ensure uniformity of the accounting policies adopted by the Group. Equity interests in a subsidiary not attributable, directly or indirectly, to the Group are presented as "non-controlling interests". The Group initially recognises non-controlling interests that are present ownership interests in subsidiaries and are entitled to a proportionate share of the subsidiary's net assets on liquidation at either fair value or at the non-controlling interests' proportionate share of the subsidiary's net assets. Subsequent to initial recognition, non-controlling interests are attributed their share of profit or loss and each component of other comprehensive income. Non-controlling interests are shown separately within the equity section of the statement of financial position and statement of comprehensive income.

e) Segment reporting

An operating segment is a component of an entity that engages in business activities from which it may earn revenues and incur expenses (including revenues and expenses relating to transactions with other components of the same entity), whose operating results are regularly reviewed by the entity's chief operating decision maker to make decisions about resources to be allocated to the segment and assess its performance and for which discrete financial information is available.

Operating segments have been identified based on the information provided to the chief operating decision makers – being the executive management team. Operating segments that meet the quantitative criteria as prescribed by AASB 8 are reported separately. However, an operating segment that does not meet the quantitative criteria is still reported separately where information about the segment would be useful to users of the financial statements. The Group determines and presents operating segments based on the information internally provided to the executive management team.

f) Revenue

The Group has applied AASB 15 Revenue from Contracts with Customers using the cumulative effective method. Therefore, the comparative information has not been restated and continues to be presented under AASB 118: Revenue and AASB 111: Construction Contracts. The details of accounting policies under AASB 118 and AASB 111 are disclosed separately since they are different from those under AASB 15. The impact of these changes has not had an significant impact on the Group as it currently does not have any revenue from customers.

Interest Income

Revenue is recognised as the interest accrues using the effective interest method. This is the method of calculating the amortised costs of the financial asset and allocating the interest income over the relevant period using the effective interest rate, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.

Government Grants

Government grants are recognised when there is reasonable assurance that (a) the Group will comply with the conditions attaching to them; and (b) the grants will be received; they are then recognised in profit or loss or as a deduction against the carrying value of an underlying asset.

Notes to the Financial Statements

For the year ended 30 June 2020

Note 2: Summary of significant accounting policies (continued)

g) Income tax

Current tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities based on the current period's taxable income. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the balance sheet date.

Deferred income tax is provided on all temporary differences at the balance sheet date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes. Deferred income tax liabilities are recognised for all taxable temporary differences except:

- when the deferred income tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and that, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; or
- when the taxable temporary difference is associated with investments in subsidiaries, associates or interests in joint ventures, and the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred income tax assets are recognised for all deductible temporary differences, carry-forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and the carry-forward of unused tax credits and unused tax losses can be utilised, except:

- when the deferred income tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; or
- when the deductible temporary difference is associated with investments in subsidiaries, associates or interests in joint ventures, in which case a deferred tax asset is only recognised to the extent that it is probable that the temporary difference will reverse in the foreseeable future and taxable profit will be available against which the temporary difference can be utilised.

The carrying amount of deferred income tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilised.

Unrecognised deferred income tax assets are reassessed at each balance sheet date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the balance sheet date. Income taxes relating to items recognised directly in equity are recognised in equity and not in profit or loss. Deferred tax assets and deferred tax liabilities are offset only if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred tax assets and liabilities related to the same taxable entity and the same taxation authority.

h) Other taxes

Revenues, expenses and assets are recognised net of the amount of GST except:

- when the GST incurred on a purchase of goods and services is not recoverable from the taxation authority, in which case the GST is recognised as part of the cost of acquisition of the asset or as part of the expense item; and
- receivables and payables are stated with the amount of GST included.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the balance sheet.

Cash flows are included in the cash flow statement on a gross basis and the GST component of cash flows arising from investing and financing activities, which is recoverable from, or payable to, the taxation authority are classified as operating cash flows. Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the taxation authority.

Notes to the Financial Statements

For the year ended 30 June 2020

Note 2: Summary of significant accounting policies (continued)

i) Cash and cash equivalents

Cash and cash equivalents includes cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within short-term borrowings in current liabilities on the balance sheet.

j) Plant and equipment

All plant and equipment is stated at cost less accumulated depreciation and any accumulated impairment losses. Such cost includes the cost of replacing parts that are eligible for capitalisation when the cost of replacing the parts is incurred. Similarly, when each major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement only if it is eligible for capitalisation. All other repairs and maintenance are recognised in profit or loss as incurred.

Depreciation

Depreciation is calculated using diminishing balance method over the estimated useful life of the assets as follows:

- Leasehold improvements 5 to 10 years
- Motor vehicles 10 years
- Plant and equipment 5 to 20 years

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date.

Derecognition and disposal

An item of plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal.

Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss in the year the item is derecognised.

k) Exploration and evaluation expenditure

Exploration and evaluation costs are expensed in the period they are incurred apart from mineral acquisition costs, which are capitalised and carried forward where right to tenure of the area of interest is current and they are expected to be recouped through sale or successful development and exploitation of the area of interest, or where exploration and evaluation activities in the area of interest have not reached a stage that permits reasonable assessment of the existence of economically recoverable reserves.

Where an area of interest is abandoned or the directors decide that it is not commercial, any accumulated mineral acquisition costs in respect of that area are written off in the financial period the decision is made. Each area of interest is also reviewed at the end of each accounting period and capitalised costs written off to the extent it is deemed that they will not be recoverable in the future.

Amortisation is not charged on costs carried forward in respect of areas of interest in the development phase until production commences.

Notes to the Financial Statements

For the year ended 30 June 2020

Note 2: Summary of significant accounting policies (continued)

l) Investments in an associate

The Group's investment in its associate, an entity in which the Group has significant influence, is accounted for using the equity method.

Under the equity method, the investment in the associate is initially recognised at cost. The carrying amount of the investment is adjusted to recognise changes in the Group's share of net assets of the associate since the acquisition date. Goodwill relating to the associate is included in the carrying amount of the investment and is neither amortised nor individually tested for impairment.

The statement of profit or loss and other comprehensive income reflects the Group's share of the results of operations of the associate. When there has been a change recognised directly in the equity of the associate, the Group recognises its share of any changes, when applicable, in the statement of changes in equity. Unrealised gains and losses resulting from transactions between the Group and the associate are eliminated to the extent of the interest in the associate.

The Group's share of profit or loss of an associate is shown on the face of the statement of profit or loss and other comprehensive income and represents profit or loss after tax and non-controlling interests in the subsidiaries of the associate.

The financial statements of the associate are prepared for the same reporting period as the Group. When necessary, adjustments are made to bring the accounting policies in line with those of the Group.

After application of the equity method, the Group determines whether it is necessary to recognise an impairment loss on its investment in its associate. At each reporting date, the Group determines whether there is objective evidence that the investment in the associate is impaired. If there is such evidence, the associate and its carrying value, then recognises the loss as 'Share of Losses of an associate' in the statement of profit or loss and other comprehensive income.

Upon loss of significant influence over the associate, the Group measures and recognises the retained investment at its fair value. Any difference between the carrying amount of the associate upon loss of significant influence and the fair value of the retained investment and proceeds from disposal is recognised in profit or loss.

m) Financial instruments

Recognition, initial measurement and derecognition

Financial assets and financial liabilities are recognised when the Group becomes a party to the contractual provisions of the financial instrument. Financial instruments (except for trade receivables) are measured initially at fair value adjusted by transactions costs, except for those carried "at fair value through profit or loss", in which case transaction costs are expensed to profit or loss. Where available, quoted prices in an active market are used to determine the fair value. In other circumstances, valuation techniques are adopted. Subsequent measurement of financial assets and financial liabilities are described below.

Trade receivables are initially measured at the transaction price if the receivables do not contain a significant financing component in accordance with AASB 15.

Financial assets are derecognised when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and all substantial risks and rewards are transferred. A financial liability is derecognised when it is extinguished, discharged, cancelled or expires.

Notes to the Financial Statements

For the year ended 30 June 2020

Note 2: Summary of significant accounting policies (continued)

m) Financial instruments (continued)

Classification and subsequent measurement

Financial assets

Except for those trade receivables that do not contain a significant financing component and are measured at the transaction price in accordance with AASB 15, all financial assets are initially measured at fair value adjusted for transaction costs (where applicable).

For the purpose of subsequent measurement, financial assets other than those designated and effective as hedging instruments, are classified into the following categories upon initial recognition:

- amortised cost;
- fair value through other comprehensive income (FVOCI); and
- fair value through profit or loss (FVPL).

Classifications are determined by both:

- The contractual cash flow characteristics of the financial assets; and
- The entities business model for managing the financial asset.

Financial assets at amortised cost

Financial assets are measured at amortised cost if the assets meet the following conditions (and are not designated as FVPL):

- they are held within a business model whose objective is to hold the financial assets and collect its contractual cash flows; and
- the contractual terms of the financial assets give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding.

After initial recognition, these are measured at amortised cost using the effective interest method. Discounting is omitted where the effect of discounting is immaterial. The Group's cash and cash equivalents, trade and most other receivables fall into this category of financial instruments.

Financial assets at fair value through other comprehensive income

The Group measures debt instruments at fair value through OCI if both of the following conditions are met:

- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding; and
- The financial asset is held within a business model with the objective of both holding to collect contractual cash flows and selling the financial asset.

For debt instruments at fair value through OCI, interest income, foreign exchange revaluation and impairment losses or reversals are recognised in the statement of profit or loss and computed in the same manner as for financial assets measured at amortised cost. The remaining fair value changes are recognised in OCI.

Upon initial recognition, the Group can elect to classify irrevocably its equity investments as equity instruments designated at fair value through OCI when they meet the definition of equity under AASB 132 Financial Instruments: Presentation and are not held for trading.

Notes to the Financial Statements

For the year ended 30 June 2020

Note 2: Summary of significant accounting policies (continued)

m) Financial instruments (continued)

Financial assets at fair value through profit or loss (FVPL)

Financial assets at fair value through profit or loss include financial assets held for trading, financial assets designated upon initial recognition at fair value through profit or loss, or financial assets mandatorily required to be measured at fair value. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term.

Financial liabilities

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

Financial liabilities are initially measured at fair value, and, where applicable, adjusted for transaction costs unless the Group designated a financial liability at fair value through profit or loss.

Subsequently, financial liabilities are measured at amortised cost using the effective interest method except for derivatives and financial liabilities designated at FVPL, which are carried subsequently at fair value with gains or losses recognised in profit or loss.

All interest-related charges and, if applicable, gains and losses arising on changes in fair value are recognised in profit or loss.

Impairment

From 1 July 2018, the Group assesses on a forward looking basis the expected credit losses associated with its debt instruments carried at amortised cost and FVOCI. The impairment methodology applied depends on whether there has been a significant increase in credit risk. For trade receivables, the Group applies the simplified approach permitted by AASB, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

n) Trade and other payables

Trade payables and other payables are carried at amortised cost and represent liabilities for goods and services provided to the Group prior to the end of the financial year that are unpaid and arise when the Group becomes obliged to make future payments in respect of the purchase of these goods and services. The amounts are unsecured and are usually paid within 30 days of recognition.

o) Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

When the Group expects some or all of a provision to be reimbursed, for example under an insurance contract, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain. The expense relating to any provision is presented in the income statement net of any reimbursement.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the balance sheet date. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects the time value of money and the risks specific to the liability. The increase in the provision resulting from the passage of time is recognised in finance costs.

Notes to the Financial Statements

For the year ended 30 June 2020

Note 2: Summary of significant accounting policies (continued)

p) Employee benefits

(i) Wages salaries, annual leave and sick leave

Liabilities for wages and salaries, including non-monetary benefits and annual leave expected to be settled within 12 months of the reporting date are recognised in respect of employees' services up to the reporting date. They are measured at the amounts expected to be paid when the liabilities are settled. Liabilities for non-accumulating sick leave are recognised when the leave is taken and are measured at the rates paid or payable.

(ii) Long service leave and other employment entitlements

The liability for long service leave and other employment entitlements is recognised and measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures, and periods of service. Expected future payments are discounted using market yields at the reporting date on national government bonds with terms to maturity and currencies that match, as closely as possible, the estimated future cash outflows.

q) Contributed equity

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

r) Earnings per share

Basic earnings per share is calculated as net profit attributable to members of the parent, adjusted to exclude any costs of servicing equity (other than dividends), divided by the weighted average number of ordinary shares, adjusted for any bonus element.

Diluted earnings per share is calculated as net profit or loss attributable to members of the parent, adjusted for:

- costs of servicing equity (other than dividends);
- the after tax effect of dividends and interest associated with dilutive potential ordinary shares that have been recognised as expenses; and
- other discretionary changes in revenues or expenses during the period that would result from the dilution of potential ordinary shares, divided by the weighted average of ordinary shares and dilutive potential ordinary shares, adjusted for any bonus element.

s) Share-based payment transactions

(i) Equity settled transactions

The Group provides benefits to directors, employees and other parties in the form of share-based payment transactions, whereby directors, employees and other parties render services in exchange for shares or rights over shares ('equity-settled transactions').

There are currently two plans in place to provide these benefits:

- The Employee Option Incentive Scheme, which provides benefits to directors, executives and other parties
- The Employee Share Ownership Plan, which provides benefits to all employees, excluding KMP

The cost of these equity-settled transactions with directors, employees and consultants is measured by reference to the fair value of the equity instrument at the date at which they are granted. The fair value is determined by using the Black-Scholes model, further details where applicable are given in note 24.

Notes to the Financial Statements

For the year ended 30 June 2020

Note 2: Summary of significant accounting policies (continued)

s) Share-based payment transactions (continued)

In valuing equity-settled transactions, no account is taken of any performance conditions, other than conditions linked to the price of the shares of GWR Group Limited ('market conditions') if applicable.

The cost of equity-settled transactions is recognised, together with a corresponding increase in equity, over the period in which the performance conditions are fulfilled, ending on the date on which the relevant employees become fully entitled to the award ('vesting date').

At each subsequent reporting date until vesting, the cumulative charge to the consolidated statement of profit or loss and other comprehensive income is the product of the grant date fair value of the award; (ii) the current best estimate of the number of awards that will vest, taking into account such factors as the likelihood of employee turnover during the vesting period and the likelihood of non-market performance conditions being met; and (iii) the expired portion of the vesting period.

The charge to the income statement for the period is the cumulative amount as calculated above less the amounts already charged in previous periods. There is a corresponding credit to equity.

No expense is recognised for awards that do not ultimately vest, except for awards where vesting is conditional upon a market condition.

If the terms of an equity-settled award are modified, as a minimum an expense is recognised as if the terms had not been modified. An additional expense is recognised for any modification that increases the total fair value of the share based payment arrangement, or is otherwise beneficial to the employee, as measured at the date of modification.

If an equity-settled award is cancelled, it is treated as if it had vested on the date of cancellation, and any expense not yet recognised for the award is recognised immediately. However, if a new award is substituted for the cancelled award, and designated as a replacement award on the date that it is granted, the cancelled and new award are treated as if they were modification of the original award, as described in the previous paragraph. The dilutive effect, if any, of outstanding options is reflected as additional share dilution in the computation of earnings per share.

(ii) Cash settled transactions

The Group also provides benefits to various parties in the form of cash-settled share based payments, whereby the various parties provides goods and services in exchange for cash, the amounts of which are determined by reference to movements in the price of the shares of GWR Group Limited. The ultimate cost of these cash-settled transactions will be equal to the actual cash paid to the various parties, which will be the fair value at settlement date.

The cumulative cost recognised until settlement is a liability and the periodic determination of this liability is as follows:

- At each reporting date between grant and settlement, the fair value of the award is determined
- During the vesting period, the liability recognised at each reporting date is the fair value of the award at that date multiplied by the expired portion of the vesting period
- From the end of the vesting period until settlement, the liability recognised is the full fair value of the liability at the reporting date.
- All changes in the liability are recognised in profit or loss for the period

Notes to the Financial Statements

For the year ended 30 June 2020

Note 2: Summary of significant accounting policies (continued)

(t) Share-based payment transactions (continued)

The fair value of the liability is determined, initially and at each reporting date until it is settled, by applying a Black-Scholes option pricing model, taking into account the terms and conditions on which the award was granted, and the extent to which employees have rendered service to date (see note 24).

u) Comparative figures

When required by Accounting Standards, comparative figures have been adjusted to conform to changes in presentation for the current financial year.

v) Impairment of assets

The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, the Group makes an estimate of the asset's recoverable amount. An asset's recoverable amount is the higher of its fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets of groups of assets and the asset's value in use cannot be estimated to be close to its fair value. In such cases the asset is tested for impairment as part of the cash-generating unit to which it belongs. When the carrying amount of an asset or cash-generating unit exceeds its recoverable amount, the asset or cash-generating unit is considered impaired and is written down to its recoverable amount.

In assessing the value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Impaired losses relating to continuing operations are recognised in those expense categories consistent with the function of the impaired asset unless the asset is carried at a revalued amount (in which case the impairment loss is treated as a revaluation decrease).

An assessment is also made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the recoverable amount is estimated. A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case the carrying amount of the asset is increased to its recoverable amount. That increase amount cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in profit or loss unless the asset is carried at a revalued amount, in which case the reversal is treated as a revaluation increase. After such a reversal the depreciation charge is adjusted in future periods to allocate the asset's revised carrying amount, less any residual value, on a systematic basis over its remaining useful life.

w) Fair value of measurements

The Group measures some of its assets and liabilities at fair value on either a recurring or non-recurring basis, depending on the requirements of the applicable Accounting Standard.

Fair value is the price the Group would receive to sell an asset or would have to pay to transfer a liability in an orderly (ie unforced) transaction between independent, knowledgeable and willing market participants at the measurement date.

As fair value is a market-based measure, the closest equivalent observable market pricing information is used to determine fair value. Adjustments to market values may be made having regard to the characteristics of the specific asset or liability. The fair values of assets and liabilities that are not traded in an active market are determined using one or more valuation techniques. These valuation techniques maximise, to the extent possible, the use of observable market data.

Notes to the Financial Statements

For the year ended 30 June 2020

Note 2: Summary of significant accounting policies (continued)

w) Fair value of measurements (continued)

To the extent possible, market information is extracted from either the principal market for the asset or liability (ie the market with the greatest volume and level of activity for the asset or liability) or, in the absence of such a market, the most advantageous market available to the entity at the end of the reporting period (i.e. the market that maximises the receipts from the sale of the asset or minimises the payments made to transfer the liability, after taking into account transaction costs and transport costs). For non-financial assets, the fair value measurement also takes into account a market participant's ability to use the asset in its highest and best use or to sell it to another market participant that would use the asset in its highest and best use.

The fair value of liabilities and the entity's own equity instruments (excluding those related to share-based payment arrangements) may be valued, where there is no observable market price in relation to the transfer of such financial instruments, by reference to observable market information where such instruments are held as assets. Where this information is not available, other valuation techniques are adopted and, where significant, are detailed in the respective note to the financial statements.

Valuation techniques

In the absence of an active market for an identical asset or liability, the Group selects and uses one or more valuation techniques to measure the fair value of the asset or liability. The Group selects a valuation technique that is appropriate in the circumstances and for which sufficient data is available to measure fair value. The availability of sufficient and relevant data primarily depends on the specific characteristics of the asset or liability being measured. The valuation techniques selected by the Group are consistent with one or more of the following valuation approaches:

- Market approach: valuation techniques that use prices and other relevant information generated by market transactions for identical or similar assets or liabilities;
- Income approach: valuation techniques that convert estimated future cash flows or income and expenses into a single discounted present value; and
- Cost approach: valuation techniques that reflect the current replacement cost of an asset at its current service capacity.

Each valuation technique requires inputs that reflect the assumptions that buyers and sellers would use when pricing the asset or liability, including assumptions about risks. When selecting a valuation technique, the Group gives priority to those techniques that maximise the use of observable inputs and minimise the use of unobservable inputs. Inputs that are developed using market data (such as publicly available information on actual transactions) and reflect the assumptions that buyers and sellers would generally use when pricing the asset or liability are considered observable, whereas inputs for which market data is not available and therefore are developed using the best information available about such assumptions are considered unobservable.

Fair value hierarchy

AASB 13 requires the disclosure of fair value information by level of the fair value hierarchy, which categorises fair value measurements into one of three possible levels based on the lowest level that an input that is significant to the measurement can be categorised into as follows:

Level 1

Measurements based on quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.

Level 2

Measurements based on inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly.

Notes to the Financial Statements

For the year ended 30 June 2020

Note 2: Summary of significant accounting policies (continued)

w) Fair value of measurements (continued)

Level 3

Measurements based on unobservable inputs for the asset or liability.

The fair values of assets and liabilities that are not traded in an active market are determined using one or more valuation techniques. These valuation techniques maximise, to the extent possible, the use of observable market data. If all significant inputs required to measure fair value are observable, the asset or liability is included in Level 2. If one or more significant inputs are not based on observable market data, the asset or liability is included in Level 3.

The Group would change the categorisation within the fair value hierarchy only in the following circumstances:

- (i) if a market that was previously considered active (Level 1) became inactive (Level 2 or Level 3) or vice versa; or
- (ii) if significant inputs that were previously unobservable (Level 3) became observable (Level 2) or vice versa.

When a change in the categorisation occurs, the Group recognises transfers between levels of the fair value hierarchy (i.e. transfers into and out of each level of the fair value hierarchy) on the date the event or change in circumstances occurred.

x) Going concern

The financial report has been prepared on the going concern basis, which contemplates the continuity of normal business activity and the realisation of assets and the settlement of liabilities in the normal course of business.

For the year ended 30 June 2020, the Group has incurred a consolidated loss before tax of \$2,200,899 and net cash outflows from operating and investing activities of \$1,519,856. As at 30 June 2020 the Group had \$1,381,137 in cash and cash equivalents and net current assets of \$1,244,210.

Whilst not immediately required, the Group will need to raise additional funds to meet its ongoing obligations and tenement expenditure commitments and subject to the results of its ongoing exploration activities, expand or accelerate its work programs.

The Group's capacity to raise additional funds will be impacted by the success of the ongoing exploration activities and market conditions. Additional sources of funding available to the Group include a capital raising via preferential issues to existing shareholders, placements to new and existing investors or through divestment of assets. If necessary, the Group can delay exploration expenditure and the directors can also institute cost saving measures to further reduce corporate and administrative costs.

Notes to the Financial Statements

For the year ended 30 June 2020

Note 3: Financial Risk Management Objectives and Policies

The Group's principal financial instruments comprise cash, short term deposits, trade and other receivables, available for sale investments, trade and other payables and interest bearing liabilities.

The Group's activities expose it to a variety of financial risks: market risk (including interest rate risk), credit risk and liquidity risk. The Group's activities, which mainly comprise of exploration and evaluation work that occurs solely within Australia, do not expose it, at this time, to any foreign currency risk or price risk.

The Group's overall risk management program focuses on the unpredictability of financial markets and seeks to minimize the potential adverse effects on the financial performance of the Group. The main risks arising from the Group's financial instruments are market risk (e.g. interest rate risk and price risk), credit risk and liquidity risk.

The Group uses different methods to measure and manage different types of risks to which it is exposed. These include monitoring levels of exposure to interest rate and assessment of market forecasts for interest rates. The Group manages credit risk by only dealing with recognised, creditworthy, third parties and liquidity risk is monitored through the development of future rolling cash flow forecasts.

The Board reviews and agrees procedures for managing each of these risks as summarised below. Primary responsibility for identification and control of financial risks rests with management under the procedures approved by the Board. The Board reviews management's processes for managing each of the risks identified below including future cash flow forecast projections.

Risk exposures and responses

Market risk

Investment price risk

The Group's listed investments are susceptible to market risk arising from uncertainties about its future value. This risk is managed by investing decisions conducted by a committee and the Board.

Interest rate risk

The Group's exposure to market interest rates relates primarily to the Group's interest-bearing cash and cash equivalents and other financial assets. The Group also holds small amounts of cash and cash equivalents in non-interest bearing accounts for immediate use. Trade and other receivables disclosed in note 11 and Trade and other payables disclosed in note 16 are non-interest bearing.

At balance date, the Group had the following mix of financial assets exposed to variable interest rate risk:

	Consolidated	
	2020	2019
	\$	\$
Financial assets		
Cash and cash equivalents	1,381,137	2,903,066
Other financial assets (non-current)	121,008	121,008
	<u>1,502,145</u>	<u>3,024,074</u>

Notes to the Financial Statements

For the year ended 30 June 2020

Note 3: Financial Risk Management Objectives and Policies (continued)

Risk exposures and responses (continued)

The Group's policy is to manage its finance costs using a mix of fixed and variable rate debt. The Group regularly analyses its interest rate exposure. Within this analysis consideration is given to potential renewals of existing positions, alternative financing and the mix of fixed and variable interest rates.

The following sensitivity analysis is based on the interest rate exposures in existence at the balance sheet date after taking into account judgements by management of reasonably possible movements in interest rates after consideration of the views of market commentators over the next twelve months. At 30 June 2020, if interest rates had moved, as illustrated in the table below, with all other variables held constant, post tax loss and equity would have been affected as follows:

	Post tax loss		Equity	
	Higher/(lower)		Higher/(lower)	
	2020	2019	2020	2019
	\$	\$	\$	\$
Consolidated				
+0.50% (50 basis points)	7,511	(7,889)	7,511	(7,899)
-0.25% (25 basis points)	(3,755)	3,949	(3,755)	3,949

Credit risk

Credit risk arises from the financial assets of the Group, which comprise cash and cash equivalents, trade and other receivables and other financial assets. The Group's exposure to credit risk arises from potential default of the counterparty, with a maximum exposure equal to the carrying amount of these instruments. Exposure at balance date is addressed in each applicable note. The Group does not hold any credit derivatives to offset its credit exposure. The Group only trades with recognised, creditworthy third parties, and as such collateral is not requested, nor it is the Group's policy to securitise its trade and other receivables.

Financial instruments held by the Group are spread amongst a number of financial institutions all of which have credit ratings of AA or better, to minimise the risk of counterparty default. At balance date the cash and cash equivalents are held on account with two of the "big four" Australia banks. Financing and investing decisions are conducted by a committee and the Board. This includes an appropriate level of due diligence by the committee and the Board to determine the credit risk of the investment or financing decision prior to the commitment being undertaken by the Group.

Liquidity risk

Liquidity risk arises from the financial liabilities of the Group and the Group's subsequent ability to meet their obligations to repay their financial liabilities as and when they fall due. The Group does not have any significant financial liabilities as its objective has been to ensure continuity of funding through the use of ordinary shares. The Group regularly monitors forecasts and actual cash flows and the maturity profiles of its financial assets and liabilities to manage its liquidity risk. The remaining contract maturities of the Group's financial liabilities are set out as follows:

	Consolidated	
	2020	2019
	\$	\$
1 month or less	126,692	555,765
Over 1 month	184,443	-
	<u>311,135</u>	<u>555,765</u>

At balance date the Group had cash and cash equivalents of \$1,381,137 (2019: \$2,903,066) for its immediate use or within one month.

Notes to the Financial Statements

For the year ended 30 June 2020

Note 3: Financial Risk Management Objectives and Policies (continued)

Risk exposures and responses (continued)

Fair value

The methods for estimating fair value are outlined in the relevant notes to the financial statements. The fair values of financial assets and liabilities are approximately their carrying values.

The fair value of financial instruments as well as the methods used to estimate the fair value are summarised in the tables below.

	Quoted market price (Level 1)	Valuation technique: market observable inputs (Level 2)	Valuation technique: non-market observable inputs (Level 3)	Total
	\$	\$	\$	\$
30 June 2020				
Financial Assets				
Investment in listed securities	402,000	-	-	402,000
Total financial assets	402,000	-	-	402,000
30 June 2019				
Financial Assets				
Investment in listed securities	-	-	-	-
Total financial assets	-	-	-	-

Equity price risk

Price risk arises from investments in equity securities. All significant equity investments held by the Group are publicly traded on the ASX. The price risk for listed securities is material in terms of the possible impact on profit and loss or total equity and as such a sensitivity analysis is completed below. The capacity of the Company to raise capital from time to time may be influenced by either or both market conditions and the price of the Company's quoted shares at that time.

At balance date, the Group is exposed to a securities equity price risk on its investments as noted above. The Group's exposure to share price movement is set out in the following tables:

	Post tax loss Higher/(lower)		Equity Higher/(lower)	
	2020	2019	2020	2019
	\$	\$	\$	\$
Consolidated				
+20%	80,400	-	80,400	-
-20%	(80,400)	-	(80,400)	-

Commodity price risk

Price risk relates to the risk that fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices largely due to demand and supply factors for commodities. The Group is exposed to gold, tungsten and iron ore commodity price risk. These commodity prices can be volatile and influenced by factors beyond the Company's control. As the Group is engaged in exploration and development activities, no sales of commodities are forecast for the next 12 months, and accordingly, no hedging or derivative transactions have been used to manage commodity price risk. Furthermore, as disclosed in Note 6(b) the Company is party to a royalty agreement which is impacted by the prevailing commodity price.

Notes to the Financial Statements

For the year ended 30 June 2020

Note 4: Significant accounting judgements, estimates and assumptions

(a) Significant accounting judgements

In the process of applying the Group's accounting policies management has the following significant accounting judgements apart from those involving estimations, which have the most significant effect on the amounts recognised in the financial statements.

Determination of mineral resources and ore reserves

The Group reports its mineral resources and ore reserves, apart from the Hatches Creek Project, in accordance with the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves, 2004 Edition ('the JORC code') as a minimum standard. The mineral resources for the Hatches Creek Project have been prepared in accordance with JORC 2012. The information on mineral resources and ore reserves were prepared by or under the supervision of Competent Persons as defined in the JORC code.

There are numerous uncertainties inherent in estimating mineral resources and ore reserves and assumptions that are valid at the time of estimation may change significantly when new information becomes available. Changes in the forecast prices of commodities, exchange rates, production costs or recovery rates may change the economic status of reserves and may, ultimately, result in reserves or resources being restated.

(b) Significant accounting estimates and assumptions

The carrying amounts of certain assets and liabilities are often determined based on estimates and assumptions of future events. The key estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of certain assets and liabilities within the next annual reporting period are:

Share-based payment transactions

The Group measures the cost of equity-settled and cash-settled transactions by reference to the fair value of the goods or services received in exchange if it can be reliably measured. If the fair value of the goods or services cannot be reliably measured, the costs is measured by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined by using the Black-Scholes model and the assumptions and carrying amount at the reporting date, if any, is disclosed in note 24.

Impairment of capitalised acquisition costs on exploration and evaluation projects

Acquisition costs incurred in acquiring exploration assets are carried forward where right of tenure of the area of interest is current. These costs are carried forward in respect of an area that has not at balance sheet date reached a stage that permits reasonable assessment of the existence of economically recoverable reserves. The future recoverability of these costs is dependent on a number of factors, including whether the Group decides to exploit the related lease itself or, if not, whether it successfully recovers the related exploration and evaluation asset through sale. Factors that could impact the future recoverability include the level of reserves and resources, future technological changes, which could impact the cost of mining, future legal changes (including changes to environmental restoration obligations) and changes to commodity prices. To the extent these capitalised costs are determined not to be recoverable in the future, profits and net assets will be reduced in the period in which this determination is made.

Deferred taxation

Deferred tax assets are recognised for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, base level of future taxable profits together with future tax planning strategies.

Environmental rehabilitation provisions

A provision has been made for the present value of anticipated costs for future restoration of mineral leases. The provision includes future cost estimates associated with rehabilitating areas of disturbance caused through the exploration activities of the Group. The calculation of this provision requires assumptions such as the timing and cost estimates.

Notes to the Financial Statements

For the year ended 30 June 2020

Note 5: Segment information

Determination and identification of reportable segment

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components, whose operating results are regularly reviewed by the entity's chief operating decision maker to make decisions about resources to be allocated to the segment and assess its performance and for which discrete financial information is available.

The Group identifies its operating segments based on the internal reports that are reviewed and used by the executive management team (chief operating decision makers) in assessing performance and determining the allocation of resources.

The operations and assets of GWR Group Limited and its controlled entities are primarily employed in exploration and evaluation activities relating to minerals in Australia. The decision to allocate the resources to individual projects is predominantly based on available cash reserves, technical data and the expectation of future metal prices. Accordingly, the Group has identified only one reportable segment, being mineral exploration activities undertaken in Australia. The financial information presented in the consolidated statement of profit or loss and other comprehensive income and consolidated statement of financial position is the same as that presented to the chief operating decision maker.

Note 6: Revenue

	Consolidated	
	2020	2019
	\$	\$
(a) Profit on sale of 20% interest in Hatches Creek Project		
Proceeds from sale of interest in tenements to Associate Entity (note 22c)	-	1,720,942
Carrying value of project interest disposed (note 13)	-	(104,786)
	-	1,616,156
(b) Contract income		
Income received under iron ore mining rights agreement	500,000	-
	500,000	-

During the period, a Mining Rights Agreement agreement was executed with Gold Valley Iron Ore Pty Ltd ("Gold Valley") for mining of up to 3 million tonnes of iron ore from the JWD Deposit at the Wiluna West Iron Ore Project. This agreement is in two stages, as follows:

- Stage 1 – Gold Valley has the right to mine and truck of up to 300,000 tonnes; and
- Stage 2 – option held by Gold Valley to mine and truck a further 2.7 million tonnes, with the ability to mine and truck additional tonnes from the JWD deposit beyond this at a flat royalty rate.

If certain conditions precedent are met, the Group will earn payments from Gold Valley, as follows:

- Stage 1 - \$250,000 on the execution of the Mining Rights Agreement and staged payments totalling \$750,000 which are paid in six quarterly payments of \$125,000 commencing at the end of the quarter that the Project Management Plan is approved by the Department of Mines, Industry Regulation and Safety; and
- Stage 2 – upon Gold Valley exercising the option to mine and truck a further 2.7 million tonnes, immediate payment of \$4,250,000, and for all tonnes mined and trucked greater than 3 million tonnes, a flat royalty of \$3.50 per tonne is payable.

Notes to the Financial Statements

For the year ended 30 June 2020

Note 6: Revenue (continued)

Additionally, and for both stages, the agreement provides for a production royalty linked to the iron ore price, which provides cash payments to the Group in the range of \$1.00 to \$2.00 per tonne, depending on the iron ore price.

During the year, the Group received the initial payment of \$250,000 upon execution of the agreement, plus two payments of \$125,000 each with respect to the quarterly payments to be made under Stage 1 above, totalling \$500,000. Subsequent to balance date, Gold Valley sold 51% of their interest in the mining rights agreement to Fe Limited (ASX:FEL).

(c) Profit on sale of financial assets

Tungsten Mining Limited unlisted options sold	875,000	-
	875,000	-

During the year, the Group disposed of 8,750,000 unlisted options in Tungsten Mining NL ("TGN"), that were exercisable at \$0.03 on or before 31 December 2019 for total consideration of \$875,000. This consideration had been received at year-end and no amounts are outstanding at balance date.

(d) Other revenue

Interest income	22,495	49,790
Profit on disposal of Plant & Equipment	-	4,000
Government cash flow boost benefit	50,000	-
Sundry income	5,200	231,510
	77,695	285,300

During the year the Group received \$50,000 from the Federal Government of Australia as a benefit to assist certain businesses deal with the COVID-19 pandemic.

Note 7: Expenses

	Consolidated	
	2020	2019
	\$	\$

(a) Employee expenses

Salary and wages	649,791	1,036,399
Superannuation	37,055	73,969
Other employee expenses	39,210	33,113
	726,056	1,143,481

(b) Other expenses

Administration costs	217,263	147,300
Corporate costs	154,059	139,680
Consulting fees	32,034	52,806
Legal costs	53,516	44,022
Occupancy costs	164,430	191,810
	621,302	575,618

Notes to the Financial Statements

For the year ended 30 June 2020

Note 8: Income tax

	Consolidated	
	2020	2019
	\$	\$

A reconciliation of income tax expense applicable to accounting loss before income tax at the statutory income tax rate to income tax expense at the company's effective income tax rate is as follows:

Accounting loss before income tax	(2,200,899)	(3,067,161)
At the statutory income tax rate of 27.5% (2019: 27.5%)	(605,247)	(843,469)
Non-deductible expenditure	114	18,619
Non-assessable income	(160,624)	-
Impact from change in tax rate of unrecognised deferred tax assets	1,641,854	-
Temporary differences that would have been recognised in equity	(570)	(615)
Tax loss and temporary differences not brought to account as a deferred tax asset	(875,527)	825,465
At the effective income tax rate of 0% (2019: 0%)	-	-

The tax rate used in the above reconciliation is the corporate tax rate of 27.5% payable by Australian corporate entities on taxable profits under Australian tax law. There has been no change in this tax rate since the previous reporting period. The following calculation of unrecognised deferred tax assets and liabilities has been determined using an expected tax rate of 26%, which is the rate that is likely to apply when these assets and liabilities are realised. These unrecognised assets and liabilities were calculated using a tax rate of 27.5% in the previous financial year, resulting in a net reduction of \$1,641,854 as noted above.

	Consolidated	
	2020	2019
	\$	\$

Unrecognised deferred tax assets (liabilities)

Deferred tax assets have not been recognised for the following items:

Trade & other receivables	-	47,858
Provisions	136,993	70,652
Trade and other payables	85,230	55,784
Plant and equipment	-	-
Allowance for impairment loss	4,325,447	4,312,482
Unused tax losses	37,068,990	38,759,553
Other future deductions	3,929	5,546
Deferred tax assets:	41,620,589	43,251,875

Notes to the Financial Statements

For the year ended 30 June 2020

Note 8: Income tax (continued)

	Consolidated	
	2020	2019
	\$	\$
<i>Deferred tax liabilities have not been recognised in respect of the following items</i>		
Trade & other receivables	(525)	(1,158)
Capitalised exploration & evaluation expenditure	(1,984,094)	(2,098,561)
Prepayments	(3,819)	(6,965)
Plant and equipment	(1,856)	(2,887)
Deferred tax liabilities	(1,990,294)	(2,109,571)
Net unrecognised deferred tax asset	39,630,295	41,142,304

Net deferred tax assets have not been recognised because it is not yet probable that future taxable profit will be available against which the Group can utilise the benefits. The Group's carried forward tax losses at balance date are \$142,573,039 (2019: \$140,943,830).

Tax consolidation

The Company and its 100% owned controlled entities have formed a tax consolidated group. Members of the consolidated entity have entered into a tax sharing agreement and a tax funding agreement. The head entity of the tax consolidated group is GWR Group Limited. The tax funding agreement provides for the allocation of current taxes to members of the tax consolidated group. Deferred taxes are allocated to members of the tax consolidated group in accordance with a group allocation approach which is consistent with the principle of AASB 112 Income Taxes.

Note 9: Loss per share

The following reflects the income and data used in the calculations of basic and diluted loss per share:

	Consolidated	
	2020	2019
	\$	\$
Loss used in calculating basic and diluted loss per share	(2,200,899)	(3,067,161)
	No.	No.
Weighted average number of ordinary shares used in calculating basic earnings per share:	254,171,243	253,071,790
Basic loss per share in cents	(0.87)	(1.21)

Diluted loss per share is not disclosed as it would not reflect an inferior position.

Notes to the Financial Statements

For the year ended 30 June 2020

Note 10: Cash and cash equivalents

	Consolidated	
	2020	2019
	\$	\$
Cash on hand	-	368
Cash at bank	881,137	902,698
Term deposits	500,000	2,000,000
	<u>1,381,137</u>	<u>2,903,066</u>

Note 11: Trade and other receivables

Trade receivables	13,408	-
Accrued interest	1,560	4,212
Goods and services tax	6,643	9,487
Other receivables	8,120	8,060
	<u>29,731</u>	<u>21,759</u>

As of 30 June 2020, there were no trade and other receivables that have been determined as impaired or past due.

Note 12: Plant and equipment

	Consolidated	
	2020	2019
	\$	\$
Plant and equipment at cost	1,849,991	1,854,991
Less: accumulated depreciation	(1,799,696)	(1,778,662)
	<u>50,300</u>	<u>76,329</u>
Motor vehicles at cost	192,919	192,919
Less: accumulated depreciation	(177,486)	(173,912)
	<u>15,433</u>	<u>19,007</u>
Leasehold improvements at cost	14,669	14,669
Less: accumulated depreciation	(9,492)	(8,170)
	<u>5,177</u>	<u>6,499</u>
Total plant and equipment	<u>70,910</u>	<u>101,835</u>

Notes to the Financial Statements

For the year ended 30 June 2020

Note 12: Plant and equipment (continued)

	Consolidated	
	2020	2019
	\$	\$
<i>Reconciliation of the carrying amounts is set out below:</i>		
Plant and Equipment		
Carrying amount at beginning of year	76,329	84,968
Additions	-	21,323
Disposals	(5,000)	
Depreciation expense	(21,029)	(29,962)
Carrying amount at end of year	50,300	76,329
Motor vehicles		
Carrying amount at beginning of year	19,007	23,393
Depreciation expense	(3,574)	(4,386)
Carrying amount at end of year	15,433	19,007
Leasehold improvements		
Carrying amount at beginning of year	6,499	6,544
Additions	-	1,355
Depreciation expense	(1,322)	(1,400)
Carrying amount at end of year	5,177	6,499
Total carrying amount at end of year	70,910	101,835

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Notes to the Financial Statements

For the year ended 30 June 2020

Note 13: Exploration and evaluation expenditure

	Consolidated	
	2020	2019
	\$	\$
Exploration and evaluation expenditure	8,050,275	8,050,275
<i>Reconciliation of the carrying amounts is set out below:</i>		
Exploration and evaluation expenditure		
Carrying amount at beginning of year	8,050,275	8,155,061
Sale of interest in Hatches Creek Project (note 6a)	-	(104,786)
Carrying amount at end of year	8,050,275	8,050,275

(a) Carrying value

The Group capitalises the acquisition costs in accordance with its accounting policy for exploration and evaluation expenditure. The ultimate recoupment of exploration and evaluation expenditure relating to the Group's iron ore and gold projects carried forward is dependent on the successful development for commercial exploitation or sale of the respective mining projects.

Note 14: Financial assets

	Consolidated	
	2020	2019
	\$	\$
<i>Current</i>		
Shares held in eMetals Limited – at Fair Value through Profit or Loss (a)	402,000	-
Total Current Financial Assets	402,000	-
<i>Non-Current</i>		
Security Bonds – amortised cost	121,008	121,008
Total Non-Current Financial Assets	121,008	121,008
	523,008	121,008

(a) A reconciliation of the movement in the carrying value of shares held in eMetals Limited during the year is as follows:

Opening balance	-	-
Purchase of eMetals Shares	150,000	-
Received as consideration for the sale of RWG Minerals Pty Ltd (Note 30)	200,000	-
Fair value adjustment	52,000	-
Closing balance	402,000	-

Notes to the Financial Statements

For the year ended 30 June 2020

Note 14: Financial assets (continued)

eMetals Limited (formerly Corizon Limited)

In the prior year the investment of 16,000,000 ordinary shares held in ASX listed eMetals Limited (formerly Corizon Limited) (ASX:EMT) had been carried at nil value, as eMetals had been suspended from the ASX for a significant period of time. During the current financial year, eMetals was reinstated and the Group increased their investment through the purchase of 7,500,000 shares at \$0.02 per share and through 10,000,000 shares at \$0.02 received as consideration for the sale of RWG Minerals Pty Ltd (refer note 30). At balance date, the Group held 33,500,000 shares in eMetals Limited. This investment is carried at fair value through profit or loss.

Subsequent to year end, the Group disposed of 2,711,540 shares in eMetals Limited for consideration of \$61,748.

Note 15: Investment in associate

Tungsten Mining NL

The Group has a 9.10% (2019: 9.60%) interest in Tungsten Mining NL ("TGN"), which is a listed company on the ASX. TGN is focused on the development and exploitation of tungsten deposits, in particular the Mt Mulgine project in Western Australia.

At balance date the Group held 70,000,000 shares in TGN with a market value of \$7,350,000 at a share price of \$0.105 per share.

As the Group's share of the associate's losses exceeds the initial cost of the investment, during the current year the investment was written down to nil value.

The following table illustrates the summarised financial information of the Group's investment in TGN.

	Consolidated	
	2020	2019
	\$	\$
Proportion of the Company's ownership	9.10%	9.60%
<i>Share of the associate's statement of financial position:</i>		
Current assets	2,126,624	3,293,189
Non-current assets	2,117,200	2,248,137
Total liabilities	(191,443)	(203,120)
Equity	4,052,381	5,338,206
Carrying amount of the investment: Opening balance	1,006,583	2,256,161
<i>No additions or disposals during the financial year</i>	-	-
Total	1,006,583	2,256,161

Notes to the Financial Statements

For the year ended 30 June 2020

Note 15: Investment in associate (continued)

	Consolidated	
	2020	2019
	\$	\$
<i>Share of the associate's loss</i>		
Revenue	105,132	95,015
Expenses	(1,224,617)	(1,344,593)
Loss for the year	(1,119,485)	(1,249,578)
Share of the associate's other comprehensive loss	-	-
Total comprehensive loss	(1,119,485)	(1,249,578)
Share of loss not recognised	112,902	-
Carrying amount of the investment: Closing balance	-	1,006,583
Total share of losses of associate	(1,006,583)	(1,249,578)
Total carrying amount of investment in associate	-	1,006,583

Note 16: Trade and other payables

	Consolidated	
	2020	2019
	\$	\$
Trade payables	92,578	85,773
Other payables	34,114	64,262
Other accruals	184,443	405,730
	311,135	555,765

Included in Other Accruals is an amount of \$95,625 (2019: \$95,625) of directors fees to be paid through the issue of shares upon receipt of shareholder approval.

Note 17: Provisions

	Consolidated	
	2020	2019
	\$	\$
(a) Current		
Employee entitlements	272,209	221,327
(b) Non Current		
Employee entitlements	195,429	201,734
Rehabilitation provision	115,417	-
	310,846	201,734

Notes to the Financial Statements

For the year ended 30 June 2020

Note 18: Contributed equity

	2020	2019	2020	2019
			\$	\$
(a) Issued capital				
254,696,219 Ordinary fully paid shares (2019: 253,517,438)			154,735,910	154,610,483
	<i>Number</i>	<i>Number</i>	<i>\$</i>	<i>\$</i>
<i>Movement in ordinary shares on issue</i>				
Opening balance	253,517,438	252,494,410	154,610,483	154,485,219
Shares issued to Directors in lieu of cash payment	1,178,781	1,023,028	127,500	127,500
Share issue costs	-	-	(2,073)	(2,236)
Closing balance	254,696,219	253,517,438	154,735,910	154,610,483

Shares issued to Directors

During the year, in lieu of a cash payment of \$127,500 (2019: \$127,500) for accrued directors fees, shareholders at the 2019 AGM approved the issue of 1,178,781 (2019: 1,023,028) shares to Directors at a weighted average price of \$0.1082 (2019: \$0.1246) per share.

(b) Capital management

When managing capital, management's objective is to ensure the entity continues as a going concern as well as to maintain optimal returns to shareholders and benefits for other stakeholders. Management also aims to maintain a capital structure that ensures the lowest cost of capital available to the entity.

As the equity market is constantly changing, management may issue new shares to provide for future exploration, evaluation and development activity. Management is currently considering a number of options to fund the development of its mining projects which may include the issue of shares and the borrowing of funds. The Group is not subject to any externally imposed capital requirements.

Note 19: Reserves

	Consolidated	
	2020	2019
	\$	\$
Options reserve	26,949,728	26,949,728
Movements:		
Options reserve		
Opening balance	26,949,728	26,883,522
Share-based payment expense (note 24)	-	66,206
Closing balance	26,949,728	26,949,728

Notes to the Financial Statements

For the year ended 30 June 2020

Note 19: Reserves (continued)

	Consolidated	
	2020	2019
	Number	Number
<i>Movement in options on issue</i>		
Opening balance	27,750,000	27,750,000
Issued/(expired) options during the year	-	-
Closing balance	27,750,000	27,750,000

(a) Summary of options

The following table illustrates the number and weighted average exercise prices (WAEP) of, and movements in, share options issued during the year:

	Number	WAEP	Number	WAEP
	2020	2020	2019	2019
Outstanding at beginning of year	27,750,000	\$0.054	27,750,000	\$0.054
Granted during the year	-	-	-	-
Expired during the year	-	-	-	-
Outstanding at end of year	27,750,000	\$0.054	27,750,000	\$0.054
Exercisable at end of year	27,750,000	\$0.054	27,750,000	\$0.054

No options were granted during the financial year (2019: Nil)

The following table illustrates options that have vested and are exercisable at year end:

	Number outstanding	Number vested and exercisable	Exercise price	Expiry date	Remaining contractual life
Director options					
<i>Granted on 23 Dec 2016</i>					
Tranche 1	4,000,000	4,000,000	\$0.04	23 Dec 2020	0.49 years
Tranche 2	4,000,000	4,000,000	\$0.05	23 Dec 2020	0.49 years
Tranche 3	12,000,000	12,000,000	\$0.06	23 Dec 2020	0.49 years
Employee options					
<i>Granted on 6 Feb 2017</i>					
Tranche 1	1,550,000	1,550,000	\$0.04	6 Feb 2021	0.61 years
Tranche 2	1,550,000	1,550,000	\$0.05	6 Feb 2021	0.61 years
Tranche 3	4,650,000	4,650,000	\$0.06	6 Feb 2021	0.61 years
Outstanding at end of year	27,750,000	27,750,000	\$0.054		

Notes to the Financial Statements

For the year ended 30 June 2020

Note 20: Accumulated losses

	Consolidated	
	2020	2019
	\$	\$
Opening balance	(170,309,182)	(167,242,021)
Loss attributable to members of the Parent	(2,200,899)	(3,067,161)
Closing balance	(172,510,081)	(170,309,182)

Note 21: Cash flow statement reconciliation

	Consolidated	
	2020	2019
	\$	\$

Reconciliation of net cash and cash equivalents used in operating activities to loss after income tax:

Loss after income tax	(2,200,899)	(3,067,161)
Depreciation	25,925	35,749
Profit on disposal of plant and equipment	-	(4,000)
Share of loss in associates (note 15)	1,006,583	1,249,578
Profit on sale of financial asset	(875,000)	-
Fair value adjustment on financial assets	(52,000)	-
Profit on sale of RWG Minerals Pty Ltd	(325,811)	-
Profit on sale of interest in Hatches Creek Project	-	(1,616,156)
Directors salary and fees settled in shares	127,500	127,500
Share-based payments expense	-	66,205
<i>Movements in assets and liabilities</i>		
(Increase)/Decrease in trade and other receivables and prepayments	2,671	43,631
Increase/(decrease) in trade and other payables	(160,972)	261,468
Increase/(decrease) in provisions	159,994	(136,439)
Net cash (used in) operating activities	(2,292,010)	(3,039,625)

Notes to the Financial Statements

For the year ended 30 June 2020

Note 22: Related party disclosure

	Country of Incorporation	Equity interest	
		2020	2019
(a) Subsidiaries			
Iron West Resources Pty Ltd	Australia	100%	100%
Western Gold Resources Pty Ltd	Australia	100%	100%
Wiluna West Gold Pty Ltd	Australia	100%	100%
RWG Minerals Pty Ltd	Australia	- (1)	100%
NT Tungsten Pty Ltd	Australia	100%	100%

(1) During the financial year, RWG Minerals Pty Ltd was sold. Refer to details in Note 30.

(b) Ultimate parent

GWR Group Limited is the ultimate parent of the Group.

(c) Associates

Tungsten Mining NL (Tungsten)

Services provided to Tungsten

The Group provided certain management and technical services to Tungsten during the prior year as detailed in the table below.

	Consolidated	
	2020	2019
	\$	\$
<i>Services provided to Tungsten</i>		
Executive management and administration	-	228,081
Corporate salaries recharged	-	200,786
Occupancy and recharges	-	6,580
Exploration and evaluation related activities	39,354	336,101
	39,354	771,548

Services provided to Tungsten during the comparative financial year were provided under a agreement that was terminated prior to 30 June 2019. At balance date \$12,926 (2019: Nil) remains outstanding in receivables from Tungsten.

Notes to the Financial Statements

For the year ended 30 June 2020

Note 22: Related party disclosure (continued)

(c) Associates (continued)

Services received from Tungsten

The Group received certain services from Tungsten as detailed in the table below.

	Consolidated	
	2020	2019
	\$	\$
<i>Services received from Tungsten</i>		
Corporate and financial	120,000	10,000
Administration and recharges	10,324	25,259
<i>Transfer of employee entitlements to Tungsten</i>		
Reimbursement of leave liabilities	-	189,290
	<u>130,324</u>	<u>224,549</u>

Management and Support Services Agreement with Tungsten

During the year, GWR contracted Tungsten to provide management and support services to GWR for a fee of \$10,000 per month.

Transfer of employee entitlements to Tungsten

During the prior year it was mutually agreed with certain employees to transfer their employment to Tungsten and for their employment with the Company to terminate. This agreement was conditional upon Tungsten recognising employee commencement data and past service, which included the calculation of leave and other service-related entitlements. Pursuant to this agreement the Company paid \$189,290 to Tungsten during the prior financial year for the recognition of such employee entitlements.

Hatches Creek Project Farm-in Agreement with Tungsten

During the prior year the Group executed a Joint Venture and Farm-in Agreement ("the Agreement") with Tungsten for the Group-owned Hatches Creek Tungsten Project ("the Project") in the Northern Territory. The Agreement provided for an initial cash payment to the Group of \$1.72 million reimbursing the Group for past exploration expenditure in satisfaction for a 20% interest in the Project tenements being transferred to Territory Tungsten Pty Ltd, which is a wholly owned subsidiary of Tungsten. Refer to note 6(a).

Under this agreement Tungsten can increase its interest to 51% by further expenditure of \$3,000,000 on exploration, development and mining activities within 5 years of the commencement date ("the Sole Funding Stage") and the Agreement further provides for Tungsten Mining NL to be appointed manager of the Joint Venture and enables the Group to be free carried during the Sole Funding Stage. Should a decision to mine be made by Tungsten during the Sole Funding Stage, Tungsten has been granted an option to attain 100% equity in the project tenements by payment of approximately \$7 million to the Group.

At balance date \$11,000 (2019: \$20,603) remains outstanding in payables (inclusive of GST) to Tungsten.

Notes to the Financial Statements

For the year ended 30 June 2020

Note 22: Related party disclosure (continued)

(d) Key management personnel

Other than those disclosed in Note 22(e), no other transactions with key management personnel occurred during the year.

(e) Transactions with related parties

Law Developments Pty Ltd (Law)

Law is controlled by the Company's Non-executive Deputy Chairman Tan Sri Dato' Tien Seng Law. The Company entered into an office lease agreement with Law at normal commercial terms for the period from 22 August 2014 to 21 August 2016. The agreement is currently operating on a month to month rental basis and the Company, in the current financial year, paid and or incurred \$154,751 including GST (2019: \$145,544) in rental and oncost expenses in relation to this rental agreement. There was \$Nil including GST due or outstanding to Law at balance date (2019: \$21,031).

Endeavour Corporate Pty Ltd (Endeavour)

Company Secretary, Mark Pitts is a Partner at corporate advisory firm Endeavour which provided certain accounting services to the Company during the previous financial year. The total of these services paid and or incurred was \$2,024 including GST. There were no amounts paid for such services during the current financial year. There are no amounts due or outstanding to Endeavour in relation to these services at balance date (2019: Nil).

(f) Terms and conditions of transactions with related parties

Any outstanding balances at year-end are interest free and have no fixed repayment terms.

Note 23: Key management personnel disclosures

	Consolidated	
	2020	2019
	\$	\$
Compensation for key management personnel		
Short-term	887,768	1,351,606
Post-employment	59,535	105,415
Long-term	22,631	13,360
Share-based payments	-	66,206
	<u>969,934</u>	<u>1,536,587</u>

Notes to the Financial Statements

For the year ended 30 June 2020

Note 24: Share based payments

	Consolidated	
	2020	2019
	\$	\$
Unlisted options - Directors	-	66,206
Unlisted options - employees and consultants	-	-
	<u>-</u>	<u>66,206</u>

These share-based payments expenses in the prior year represent portion of vested expenses for options granted to Directors, employees, consultants and contractors in the 2017 financial year under the share option plans detailed in note 19 of this financial report.

Note 25: Remuneration of auditors

	Consolidated	
	2020	2019
	\$	\$
Amount paid or due and payable to Stantons International		
Audit services	54,008	44,334
Other services	-	-
	<u>54,008</u>	<u>44,334</u>

The Auditors did not receive any other benefit during the year.

Note 26: Commitments for expenditure

Annual Tenement expenditure commitments

In order to maintain current rights of tenure to mining tenements, the Group has discretionary minimum annual tenement expenditure requirements and lease rentals of \$1,681,636 (2019: \$1,518,000), of which \$892,466 (2019: \$1,083,700) is subject to exemptions, resulting in \$789,170 in annual tenement commitments (2019: \$434,300). This discretionary expenditure is capable of being varied from time to time in order to maintain these rights of tenure to mining tenements.

Mining Agreement with Traditional Owners

Under a certain mining agreement with Traditional Owners the Group has annual pre-production commitments of \$25,000.

Notes to the Financial Statements

For the year ended 30 June 2020

Note 27: Contingencies

On 3 June 2019, the Company announced the execution of a Joint Venture and Farm-in Agreement with Tungsten Mining NL to dispose of a 20% interest in the Hatches Creek Tungsten Project (refer Note 22c for contingent asset).

During the period, a Mining Rights Agreement agreement was executed with Gold Valley Iron Ore Pty Ltd ("Gold Valley") for mining of up to 3 million tonnes of iron ore from the JWD Deposit at the Wiluna West Iron Ore Project. This agreement is in two stages, as follows:

- Stage 1 – Gold Valley has the right to mine and truck of up to 300,000 tonnes; and
- Stage 2 – option held by Gold Valley to mine and truck a further 2.7 million tonnes, with the ability to mine and truck additional tonnes from the JWD deposit beyond this at a flat royalty rate.

If certain conditions precedent are met, the Group will earn payments from Gold Valley, as follows:

- Stage 1 - \$250,000 on the execution of the Mining Rights Agreement and staged payments totalling \$750,000 which are paid in six quarterly payments of \$125,000 commencing at the end of the quarter that the Project Management Plan is approved by the Department of Mines, Industry Regulation and Safety; and
- Stage 2 – upon Gold Valley exercising the option to mine and truck a further 2.7 million tonnes, immediate payment of \$4,250,000, and for all tonnes mined and trucked greater than 3 million tonnes, a flat royalty of \$3.50 per tonne is payable.

The Group is not aware of any other significant contingencies as at the end of the financial year.

Note 28: Events after balance date

On 23 July 2020, Mr Simon Borck resigned as joint company secretary.

On 29 July 2020, in response to the COVID-19 pandemic, the Group implemented a review of expenditures which included the reduction in cash compensation paid to the Company's Executive Director and General Manager by 25%, and a further reduction of non-executive director cash remuneration by 50% (to a total reduction of 75%). The reduced amount is expected to be satisfied through the issue of shares, which will require approval at the Company's next general meeting of shareholders.

On 4 August 2020, the Group disposed of 2,711,540 shares in eMetals, for consideration of \$61,748.

On 28 August 2020, the Group announced it had received approvals for its Mining Proposal, Clearing Permits, Mine Closure Plan and Project Management Plan with respect to its C4 Stage 1 Iron Ore Project from the Western Australian State Government Department of Mines, Energy and Safety ("DMIRS"). Additionally, the Federal Government Department of Agriculture, Environment and Water ("AWE") determined that the Group's submission to AWE with respect to mallee fowl under the EPBC Act does not require further assessment under the act.

On 9 September 2020, the Group announced the execution of a Term Sheet with Pilbara Resource Group Pty Ltd ("PRG") setting out key terms for the development of the C4 Iron Ore Project. The Term Sheet sets out key terms for a works contract, including PRG to conduct the development, mining and transport for Stage 1 of the C4 Project. The contract is to include the construction of a haul road, open pit and other required facilities and infrastructure, surveying mining, crushing, screening and transport to a port based on a schedule of rates to be agreed. The Group will remain responsible for Iron Ore sales and will be entitled to 70% of the net profit after deducting PRG's costs, shipping and other related expenses.

Other than the above, there has not arisen in the interval between the end of the financial period and the date of this report any item, transaction or event of a material and unusual nature likely, in the opinion of the directors, to affect significantly the operations of the Group, the results of those operations, or the state of affairs of the Group in the future financial year.

Notes to the Financial Statements

For the year ended 30 June 2020

Note 29: Parent entity disclosures

	Parent	
	2020	2019
	\$	\$

(a) Financial position

Assets

Current assets	1,819,494	2,942,093
Non-current assets	8,225,867	9,255,632
Total assets	10,045,361	12,197,725

Liabilities

Current liabilities	583,343	601,260
Non-current liabilities	277,157	201,735
Total liabilities	860,500	802,995

Equity

Contributed equity	154,735,910	154,610,483
Accumulated losses	(172,500,777)	(170,165,481)
Reserves	26,949,728	26,949,728
Total equity	9,184,861	11,394,730

(b) Financial performance

Loss for the year	(2,335,296)	(2,922,400)
Other comprehensive income	-	-
Total comprehensive loss	(2,335,296)	(2,922,400)

(c) Contingencies

The contingencies of the Parent entity are the same as those disclosed for the Group in Note 27.

(d) Guarantees

The Company has not entered into any guarantees in relation to the debts of its subsidiaries.

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Notes to the Financial Statements, For the year ended 30 June 2020

Note 29: Parent entity disclosures (continued)

(e) Commitments for expenditure

Annual Tenement expenditure commitments

In order to maintain current rights of tenure to mining tenements, the Company has discretionary minimum annual tenement expenditure requirements and lease rentals of \$1,565,122 (2019: \$1,402,000), of which \$892,466 (2019: \$1,083,700) is subject to exemptions, resulting in \$672,656 in annual tenement commitments (2019: \$316,300). This discretionary expenditure is capable of being varied from time to time in order to maintain these rights of tenure to mining tenements.

Mining Agreement with Traditional Owners

Under a certain mining agreement with Traditional Owners the Group has annual pre-production commitments of \$25,000.

Note 30: Disposal of subsidiary

On 15 January 2020, the Group completed the sale of its wholly-owned subsidiary RWG Minerals Pty Ltd to eMetals Limited (ASX:EMT, "eMetals"). As consideration for the sale, the Group received \$42,153 in cash payments and 10,000,000 shares in eMetals, valued at the prevailing price on the date of issue (\$0.02) at \$200,000.

	15 January 2020
	\$
Details of the sale of the subsidiary	
Cash consideration received	42,153
Share consideration received	200,000
Total sale consideration	<u>242,153</u>
Carrying amount of net liability sold	<u>(83,658)</u>
Gain on sale before income tax	<u>325,811</u>
Income tax expense	<u>-</u>
Gain on sale after income tax	<u><u>325,811</u></u>
Net liabilities at date of sale	
<i>Liabilities</i>	
Trade and other payables	<u>(83,658)</u>
Total liabilities	<u>(83,658)</u>
Net liabilities on date of sale	<u><u>(83,658)</u></u>

Directors' Declaration

In accordance with a resolution of the directors of GWR Group Limited, I state that:

1. In the opinion of the directors:
 - (a) The financial statements and notes of GWR Group Limited for the financial year ended 30 June 2020 are in accordance with the Corporations Act 2001, including:
 - (i) Giving a true and fair view of the Group's financial position as at 30 June 2020 and of its performance for the year then ended; and
 - (ii) Complying with Accounting Standards (including the Australian Accounting Interpretations) and Corporations Regulations 2001.
 - (b) The financial statements and notes also comply with International Financial Reporting Standards as disclosed in note 2(b).
 - (c) There are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.
2. This declaration has been made after receiving the declarations required to be made to the Directors in accordance with section 295A of the Corporations Act 2001 for the financial year ended 30 June 2020.

On behalf of the Directors,



Gary Lyons
Chairman

Dated at Perth, this 30th day of September 2020

**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF
GWR GROUP LIMITED**

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of GWR Group Limited, the Company and its subsidiaries, ("the Group"), which comprises the consolidated statement of financial position as at 30 June 2020, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

In our opinion, the accompanying financial report of the Group is in accordance with the Corporations Act 2001, including:

- (i) giving a true and fair view of the Group's financial position as at 30 June 2020 and of its financial performance for the year then ended; and
- (ii) complying with Australian Accounting Standards and the Corporations Regulations 2001.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Report section of our report. We are independent of the Group in accordance with the auditor independence requirements of the Corporations Act 2001 and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

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Key Audit Matters

How the matter was addressed in the audit

Carrying Value of Exploration and Evaluation Expenditure (Note 2(k), Note 13)

As at 30 June 2020, Capitalised Exploration and Evaluation expenditure totalled \$8,050,275 (refer to Note 13 of the financial report).

The carrying value of Capitalised Exploration and Evaluation expenditure is a key audit matter due to:

- The significance of the total balance (80% of total assets);
- The necessity to assess management's application of the requirements of the accounting standard Exploration for and Evaluation of Mineral Resources (AASB 6), in light of any indicators of impairment that may be present; and
- The assessment of significant judgements made by management in relation to the Capitalised Exploration and Evaluation Expenditure.

Inter alia, our audit procedures included the following:

- i. Assessing the Group's right to tenure and percentage holdings over exploration assets by corroborating the ownership of the relevant licences for mineral resources to government registries and relevant third-party documentation;
- ii. Assessing the directors' assessment of the carrying value of the exploration and evaluation expenditure, ensured the veracity of the data presented and that management has considered the effect of potential impairment indicators, commodity prices and the stage of the Group's projects against the requirements of AASB 6;
- iii. Evaluation of Group documents for consistency with the intentions for the continuing of exploration and evaluation activities in certain areas of interest, and corroborated with enquiries of management. Inter alia, the documents we evaluated included:
 - Minutes of meetings of the board and management;
 - Announcements made by the Group to the Australian Securities Exchange; and
 - Cash forecasts; and
- iv. Consideration of the requirements of accounting standard AASB 6. We assessed the financial statements in relation to the requirements of AASB 6 to ensure appropriate disclosures are made.

Other Information

The directors are responsible for the other information. The other information comprises the information included in the Group's annual report for the year ended 30 June 2020, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated. If,

based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Report

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the Corporations Act 2001 and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report.

The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the financial report that gives a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control.

The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Directors, as well as evaluating the overall presentation of the financial report.

We conclude on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

We evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

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We obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial report. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in Internal control that we identify during our audit.

The Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements. We also provide the Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the Directors, we determine those matters that were of most significance in the audit of the consolidated financial report of the current period and are therefore key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on the Remuneration Report

We have audited the Remuneration Report included in pages 11 to 19 of the directors' report for the year ended 30 June 2020. The directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

Opinion on the Remuneration Report

In our opinion the Remuneration Report of GWR Group Limited for the year ended 30 June 2020 complies with section 300A of the Corporations Act 2001.

STANTONS INTERNATIONAL AUDIT AND CONSULTING PTY LTD
(Trading as Stantons International)
(An Authorised Audit Company)

Stantons International Audit & Consulting Pty Ltd



Martin Michalik
Director

West Perth, Western Australia
30 September 2020

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