

20 April 2021

## ASX Announcement

### GWR to Demerge and IPO Wiluna West Gold Project

Demerger to create new ASX listed gold focussed Western Gold Resources, creating substantial value for GWR shareholders

- **GWR confirms its intention, subject to shareholder approval, to demerge and launch an initial public offering (“IPO”) of its wholly owned subsidiary, Western Gold Resources Limited, which holds the Wiluna West Gold Project.**
- **Following a recent upgrade, the combined Wiluna West Gold Project’s JORC-2012 Mineral Resource estimate is 4,570,000 tonnes at 2.0 g/t Au for 293,000 oz Au (refer Table 1).**
- **Based on a vend consideration of \$7,225,000 for the Wiluna West Gold Project, the Company proposes to in-specie distribute 36,125,000 Western Gold Resources shares to eligible GWR shareholders.**
- **GTT Ventures Pty Ltd and Lazarus Corporate Finance Pty Ltd will act as Joint Lead Managers for the proposed IPO to raise a minimum \$5,000,000 and up to a maximum of \$7,000,000 at an offer price of \$0.20 per share.**

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GWR Group Limited (ASX:GWR) (“GWR Group” or “the Company”) is pleased to announce that following a review of its Wiluna West Gold Project it is the Company’s intention to seek shareholder approval for the demerger and IPO of its wholly owned subsidiary, Western Gold Resources Limited, which holds the Wiluna West Gold Project.

**GWR Chairman Mr Gary Lyons commented** *“With GWR’s Wiluna West Iron Ore now delivering revenue, we believe the time is right to take advantage of the buoyant Gold price and spin-out our highly prospective gold assets whilst rewarding our loyal shareholders with an in-specie distribution.*

*We believe the Wiluna West Gold assets will attract better investor attention and valuation in a standalone entity, while GWR can focus on the development of its remaining assets.*

*Given the quality of the Wiluna West Gold Project and the minimal work undertaken in recent years, we expect that Western Gold Resources Limited will attract the level of capital required to aggressively and systematically explore the (relatively under-explored) 22km of Joyner’s Find Greenstone Belt whilst also advancing the brownfields resource.*

*We look forward to realising the true potential of our gold portfolio and will continue to update the market with the progress of the proposed Western Gold Resources Limited IPO and GWR’s Strategic Investments.”*

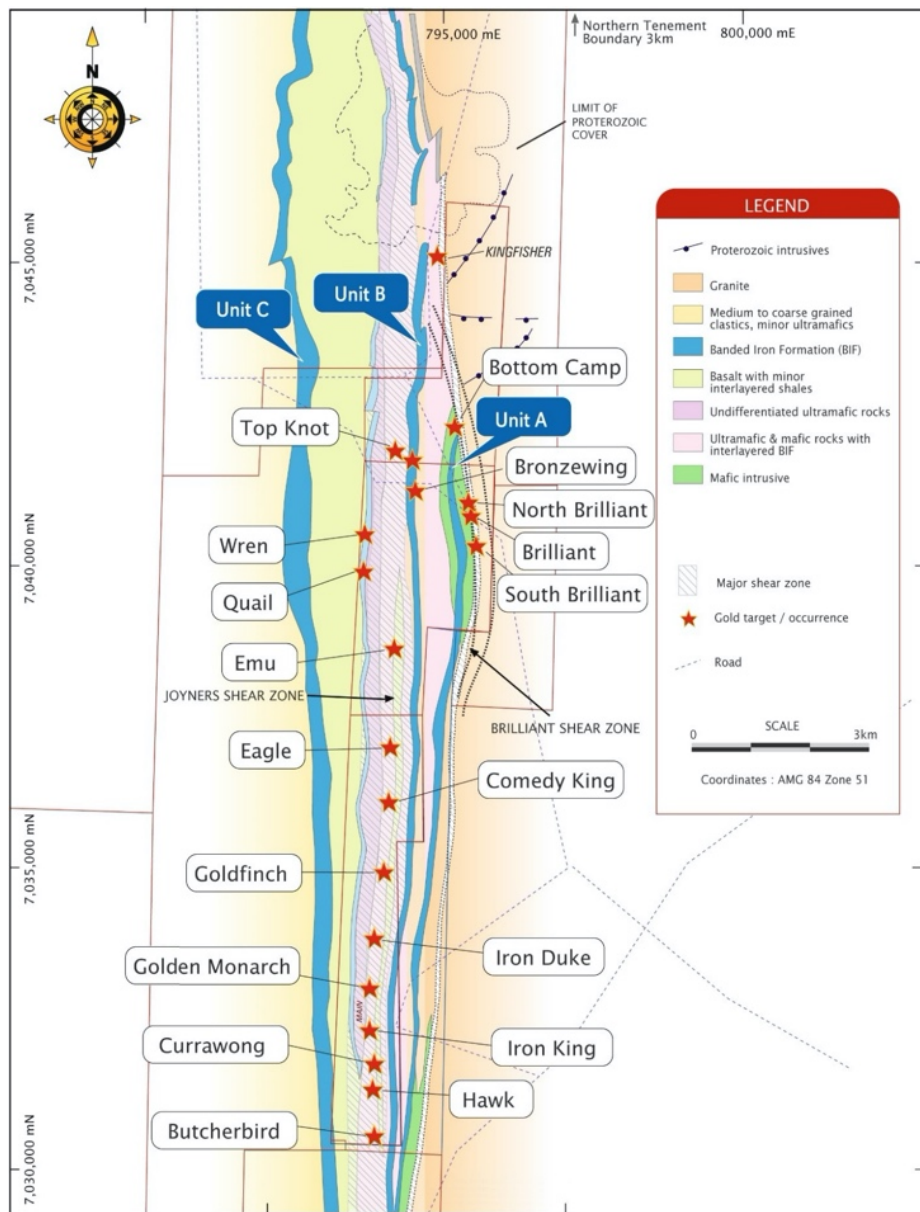


Figure 1 – Wiluna West Prospect Locations

The Company will shortly convene a General Meeting of shareholders to seek approval for a reduction in the Company's issued capital by making a pro-rata in-specie distribution of all the shares currently on issue in Western Gold Resources Limited to eligible GWR shareholders. The in-specie distribution will also be subject to Western Gold Resources Limited receiving approval for admission to the official list of ASX.

A successful IPO would allow GWR to continue to focus its efforts on its **Wiluna West Iron Ore project which continues to deliver revenue from its C4 Iron Ore deposit.**

The Company believes that significant exploration upside exists along GWR's relatively under-explored 22km of the Joyner's Find Greenstone belt which sits adjacent to the prolific Norseman- Wiluna Greenstone belt (Figure 1).

GWR has recently updated the Mineral Resource estimate for the Wiluna West Gold Project (WWGP) upgrading the remaining JORC 2004 Mineral Resource estimates to JORC 2012. (refer to ASX announcement 12<sup>th</sup> April 2021). The combined Wiluna West Gold Project's JORC-2012 Mineral Resource estimate is now 4,570,000 tonnes at 2.0 g/t Au for 293,000 oz Au (refer Table 1). This represents an increase of 403,000 tonnes on the previous estimate, which was partly reported under the JORC 2004 code (refer to ASX announcement 15<sup>th</sup> August 2019).

The Company has recently completed a drilling program on the Eagle and Emu prospects comprising 55 RC holes for an aggregate of 2145m for the purpose of following up previous high-grade intercepts to investigate continuity and infill drilling to increase confidence in the current JORC 2012 Resource.

In addition to the development of the C4 Iron Ore Project and the proposed IPO of the Wiluna West Gold Project, GWR holds a number of other strategic investments.

- GWR holds a 8.9% equity interest in Tungsten Mining Ltd (TGN:ASX) valued at ~\$10.50m (as at 16/04/21)
- GWR holds a 7.4% equity interest in eMetals Ltd (EMT:ASX) valued at ~\$1.14m (as at 16/04/21)
- TGN has a 20% JV and Farm-in Agreement into GWR's Hatches Creek Tungsten Project

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

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**Competent Person's Statement**

*The information in this report which relates to Exploration Targets and Exploration Results is based on information compiled by Mr Allen Maynard, who is a Member of the Australian Institute of Geosciences ("AIG"), A Corporate Member of the AusIMM and independent consultant to the Company. Mr Maynard is the Director and principal geologist of AI Maynard & Associates Pty Ltd and has over 40 continuous years of exploration and mining experience in a variety of mineral deposit styles. Mr Maynard has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2012 Edition of the "Australasian Code for reporting of Exploration Results, Exploration Targets, Mineral Resources and Ore Reserves" (JORC Code). Mr Maynard consents to inclusion in the report of the matters based on this information in the form and context in which it appears.*

*Where the Company refers to the Mineral Resource estimate recently updated and released on 12 April 2021 it confirms that it is not aware of any new information or data that materially affects the information included in that announcement and all material assumptions and technical parameters underpinning the resource estimate within that announcement continue to apply and have not materially changed.*

**Table 1**  
**Wiluna West Gold Project- JORC 2012 Mineral Resource Estimate**

| JORC Status                  | Year            | Prospect         | Classification   | Tonnes         | Grade<br>(g/t Au) | Ounces           |                |            |               |
|------------------------------|-----------------|------------------|------------------|----------------|-------------------|------------------|----------------|------------|---------------|
| JORC 2012 at 0.5 g/t cut-off | 2019            | Golden Monarch   | Measured         | 30,000         | 3.0               | 3,000            |                |            |               |
|                              |                 |                  | Indicated        | 380,000        | 2.1               | 26,000           |                |            |               |
|                              |                 |                  | Inferred         | 390,000        | 2.1               | 26,000           |                |            |               |
|                              |                 |                  | <b>Subtotal</b>  | <b>800,000</b> | <b>2.2</b>        | <b>55,000</b>    |                |            |               |
|                              |                 | Eagle            | Indicated        | 110,000        | 2.8               | 10,000           |                |            |               |
|                              |                 |                  | Inferred         | 680,000        | 1.6               | 35,000           |                |            |               |
|                              |                 |                  | <b>Subtotal</b>  | <b>790,000</b> | <b>1.8</b>        | <b>45,000</b>    |                |            |               |
|                              |                 | Emu              | Inferred         | 600,000        | 2.2               | 42,000           |                |            |               |
|                              |                 |                  | Joyners Find     | Inferred       | 90,000            | 2.6              | 7,000          |            |               |
|                              |                 | 2021             |                  | Bottom Camp    | Inferred          | 640,000          | 1.6            | 33,000     |               |
|                              | Bowerbird       |                  |                  | Inferred       | 230,000           | 2.4              | 17,000         |            |               |
|                              | Brilliant       |                  |                  | Inferred       | 210,000           | 3.1              | 21,000         |            |               |
|                              | Bronzewing      |                  |                  | Inferred       | 110,000           | 2.7              | 9,000          |            |               |
|                              | Comedy King     |                  |                  | Inferred       | 260,000           | 1.5              | 12,000         |            |               |
|                              | Gold Hawk       |                  |                  | Inferred       | 150,000           | 1.5              | 7,000          |            |               |
|                              | Gold King       |                  |                  | Inferred       | 580,000           | 1.9              | 36,000         |            |               |
|                              | Wren            |                  |                  | Inferred       | 110,000           | 2.4              | 8,000          |            |               |
|                              | Total JORC 2012 |                  |                  |                |                   | <b>Measured</b>  | <b>30,000</b>  | <b>3.0</b> | <b>3,000</b>  |
|                              |                 |                  |                  |                |                   | <b>Indicated</b> | <b>490,000</b> | <b>2.3</b> | <b>36,000</b> |
|                              |                 | <b>Inferred</b>  | <b>4,050,000</b> |                |                   | <b>2.0</b>       | <b>254,000</b> |            |               |
| <b>Combined</b>              |                 | <b>4,570,000</b> | <b>2.0</b>       |                |                   | <b>293,000</b>   |                |            |               |

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