

Highlights

Wiluna West Iron Ore Project

- Commercial discussions concerning port and infrastructure access at the Port of Geraldton continue to be advanced.
- Progress has been made on the proposed haulage route and plans to upgrade the Wiluna to Sandstone road.
- Mine planning activities for the proposed start-up of mining at the high grade JWD deposit, were further advanced.
- A formal decision is pending on the preferred proponent for the proposed development of a new multi-user iron ore export facility at the Port of Esperance.

Wiluna West Gold Project

- GWR continues to assess opportunities related to its gold assets following completion of the purchase of the Wiluna Gold Mine by Blackham Resources Ltd.

Earaheedy Iron & Manganese Project

- Exploration activities have been planned for E69/2126, however, have been delayed due to negotiations with the Wiluna Native Title holders in respect to access.
- Field exploration activities are planned for E69/2936 and awaiting approval from the Birriliburu Native Title Holders.
- Southern Geoscience Consultants have processed and completed an interpretation of public domain aerial magnetics for E69/2936.

Investment in West Peak Iron

- West Peak Iron (WPI) completed a 23 hole diamond drilling program for 1308m at its wholly owned Bomi South project located in Liberia, focusing on the Bong West prospect.
- A scoping study has been commissioned to determine the economic viability of a small scale iron ore mining operation at the Bong West prospect.

Corporate

- GWR remains well funded with cash reserves of \$20.8m and no debt. This strong cash position continues to allow GWR to assess a number of new project opportunities in Australia and Africa.
- During the quarter, the Company received \$1.058m in cash from security deposits released on the retirement of DMP unconditional performance bonds. These security deposits and bonds were released following payment of the 2013 MRF levy of \$553 pursuant to the Mining Rehabilitation Fund (MRF) Act 2012.

About GWR

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

Our project portfolio extends from early stage regional exploration, through to development projects such as the advanced Wiluna West Iron Ore Project. We aim to create value through operational excellence and innovation in exploration and project development. We will collaborate with our stakeholders to build a sustainable mining business and the respect of our peers.

Corporate Summary

ASX code:	GWR
Issued Capital:	240.18 million
Issued Options:	24.6 million
Cash on hand:	\$20.8 million

Board & Management

Gary Lyons

Non-executive Chairman

Mick Wilson

Executive Director

Tan Sri Dato' Tien Seng Law

Non-executive Director

Kong Leng (Jimmy) Lee

Non-executive Director

Datuk Chin An (CA) Lau

Non-executive Director

Mark Pitts

Company Secretary

Craig Ferrier

Chief Executive Officer

Enquiries

David Utting

David Utting Corporate

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Wiluna West Iron Ore Project

Mining Approvals Major Project

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

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

Infrastructure

Geraldton

Progress continues to be made in relation to securing access to infrastructure and export rights at the Port of Geraldton. GWR has identified Geraldton as a viable option to support the commencement of mining activities at the JWD deposit. Opportunities to export iron ore in our own right and/or by way of arrangement with an existing producer are being assessed.

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

Following completion of the work outlined in the December quarter, GWR has continued to engage with the Wiluna and Sandstone Shires in relation to the proposed road upgrade and ore haulage. A community meeting was held in Sandstone during February with good support received for the planned activities. In addition, the following works were completed;

- Delineation of potential sources of gravel for proposed road-works together with test pit program.
- Completion of desk top study, by consulting hydrogeologists Pennington Scott, of water supply for road construction and maintenance purposes.
- Targeted fauna surveys for Malleefowl and Mulgara conducted by local indigenous people and GWR personnel in areas of potential disturbance. A Level 2 targeted Mulgara survey along the proposed Sandstone to Wiluna West haul road and associated gravel pits was undertaken by an environmental consultant in March. Following completion of this work, the Company is confident that the planned upgrade can be undertaken in compliance with State and Commonwealth legislation and in a manner that avoids, or minimises environmental impacts.
- Detailed road polygon constructed from road width survey for Wiluna West to Gidgee road intersection; and
- Gravel pit design and polygons constructed, based upon test pit program.

GWR has had further discussions with interested parties in relation to the export of iron ore via Geraldton either in our own right or via third party sale arrangement. The Company is encouraged by these discussions and continues to assess the options for commencement of mining at Wiluna West.

Esperance

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

The private sector was invited to participate in a Registration of Interest and Pre-qualification (“ROIP”) process. This followed a market sounding exercise conducted for the EPSL in 2012 which indicated that it may be commercially viable to develop a facility for an additional 10 to 12 million tonnes per year. Esperance Port currently has an operating licence to handle 11.5 million tonnes a year.

Two of five consortia that registered an interest in participating in a Request for Proposal (RFP), were short-listed and invited to tender for the project. The two consortia are:

- Qube Bulk Pty Ltd and Brookfield Infrastructure (Australia) Pty Ltd, and
- Yilgarn Esperance Solution (YES) consortium. YES consortium comprises McConnell Dowell Constructors (Aust) Pty Ltd, Asciano and Marubeni Corporation Ltd.

The short-listed consortia have significant experience in infrastructure investment as well as designing, financing and operating major projects related to the movement and handling of large volumes of bulk products. EPSL believe that a key feature of the MUIOF is that it will be designed and developed by the private sector. Accordingly, the scope and capital costs of the project will be identified by the private sector, based on its view of the level of commercially sustainable demand for iron ore export capacity through the Port.

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

The two consortia shortlisted as potential proponents for the MUIOF project - Qube-Brookfield and the Yilgarn Esperance Solution - submitted their Request for Proposal (RFP) tenders by the 22 November 2013 deadline. The RFPs indicate what each consortia believe would be a commercially viable model for the MUIOF Project. An independent panel was established to evaluate the RFPs. The panel’s role is to assess the RFP’s and make recommendations concerning the preferred proponent to the EPSL Board. A recommendation followed by Ministerial approval was expected by the end of March 2014. A decision is pending.

JWD Development

Mining Study

As previously reported, to support the Company’s strategy of commencing operations via the export of approximately 1Mtpa of high grade iron ore through the Port of Geraldton, GWR commissioned mining consultants Optiro to support mine planning activities. Work undertaken covered defining the mining method, equipment sizing and selection and pit

optimisation studies. This body of work was completed during the quarter following the completion of modelling of ore blending, production schedule and mining costs for the JWD deposit. The work is supporting in-house mine planning activity and assessment of the alternative start-up options at JWD which is being used in financial modelling and in support of commercial opportunities.

Wiluna West Gold Project

A comprehensive study of the Wiluna West Gold Project was completed during the September quarter, focusing on the Golden Monarch and Iron King deposits. This work included resource modelling and pit optimisation studies. GWR continues to assess options for treatment of ore from its Wiluna West Gold Project.

During the March quarter, Blackham Resources Ltd announced that they had entered into a conditional Sale and Purchase Agreement with the Receivers and Managers of Apex Minerals NL for the acquisition of the Wiluna Gold Project (located approximately 40 km from the Wiluna West Gold Project). Completion of the sale transaction was announced by the Receivers and Managers on 21 March 2014. GWR had previously agreed arrangements with Apex for a trial to toll process ore from the Wiluna West Gold Project at the Wiluna Gold ore processing plant. GWR and Blackham have held discussions in relation to opportunities for cooperation and the processing of ore in the future.

Earaheedy Iron & Manganese Project

GWR holds tenements securing 1,075 km² and a further 155 km² via its Farm-in Agreement with Dragon Energy Limited ("Dragon") for a total of 1,230 km² within the Earraheedy Basin, located approximately 200 km northeast of Wiluna. This basin is considered highly prospective for both iron and manganese deposits based on former exploration.

Previous exploration, mostly in the 1970s, identified significant hematite-goethite mineralisation associated with the Frere Formation that is evident on air-borne magnetics (Figure 3). Based upon aerial magnetic data interpretation and geological mapping undertaken by the Geological Survey of WA, the GWR tenements and applications are estimated to contain approximately 45 km of prospective strike. The tenements comprising the Lee Steere Farm-in agreement with Dragon are interpreted to contain approximately 38 km of prospective strike. Collectively, prospective strike is now a total of 83 km.

Negotiations with the Birriliburu and Wiluna Native Title holders in respect to access deeds for the newly applied for E69/3192 and E69/3232 continued and are at an advanced stage. Negotiations with Birriliburu and Wiluna Native Title holders in respect to access deeds for the Dragon Farm-in tenements E69/2377 and E69/2126 are also at an advanced stage.

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

Southern Geoscience Consultants have processed and completed an interpretation of public domain aerial magnetics for E69/2936, which has identified seven magnetic targets that will be followed up with field based reconnaissance mapping. This work will be undertaken once approval is gained from the Birriliburu Native Title Holders.

Woodley Iron Project

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

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

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

No exploration was undertaken at the Woodley project during the March Quarter.

Investment in West Peak Iron

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

During the quarter, WPI completed a 23-hole, 1308 m diamond drilling program at its Bomi South project area at the Bong West prospect. The recently completed diamond drilling program will build on the data obtained from the 2,631 m of RC drilling completed early in 2013, and coupled with recent trenching and pitting, will enable the calculation of the Company’s maiden resource estimate.

WPI has also commissioned a scoping study to determine the economic viability of the Bomi South project. Bomi South is located 60 km north east of the Port of Monrovia and is adjacent to the operating Bong Mine, owned by China Union. The Mofe Creek project, held by ASX-listed Tawana Resources NL, is also located to the west of the Bomi South project.

Project Generation

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

Corporate

Cash Position

GWR remains well funded with cash reserves of \$20.8 million and no debt.

During the quarter, the Company received \$1.058m in cash from security deposits released on the retirement of DMP unconditional performance bonds. These security deposits and bonds were released following payment of the 2013 levy of \$553 pursuant to the Mining Rehabilitation Fund (MRF) Act 2012.

Under the MRF scheme, rather than provide bonds as security, holders of tenements are required to pay an annual levy calculated by reference to the amount of rehabilitation required by their mining and exploration activities. The operation of the MRF is compulsory from 1 July 2014 and tenement holders were permitted to “opt in” to the system from 1 July 2013, allowing the retirement of performance bonds held by the Department of Mines and Petroleum. GWR elected to opt in to the MRF with effect from 1 July 2013 which permitted the release of bonds and security deposits established under the previous rules.

Tenement Interests

A schedule of the Company's interest in mining tenements as at 31 March 2014 for the purposes of ASX Listing Rule 5.3.3 is appended at Annexure 1.

Competent Person's Statement

The information in this report which relates to Exploration Targets, Exploration Results, Mineral Resources or Ore Reserves is based on information compiled by Mr Allen Maynard, who is a Member of the Australian Institute of Geosciences ("AIG"), a Corporate Member of the Australasian Institute of Mining & Metallurgy ("AusIMM") and independent consultant to the Company. Mr Maynard is the Director and principal geologist of AI Maynard & Associates Pty Ltd and has over 35 years of exploration and mining experience in a variety of mineral deposit styles. Mr Maynard has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2012 Edition of the "Australasian Code for reporting of Exploration Results, Exploration Targets, Mineral Resources and Ore Reserves". (JORC Code). Mr Maynard consents to inclusion in the report of the matters based on this information in the form and context in which it appears.

Figure 1: GWR Project Location Map



Figure 2 – Woodley Project

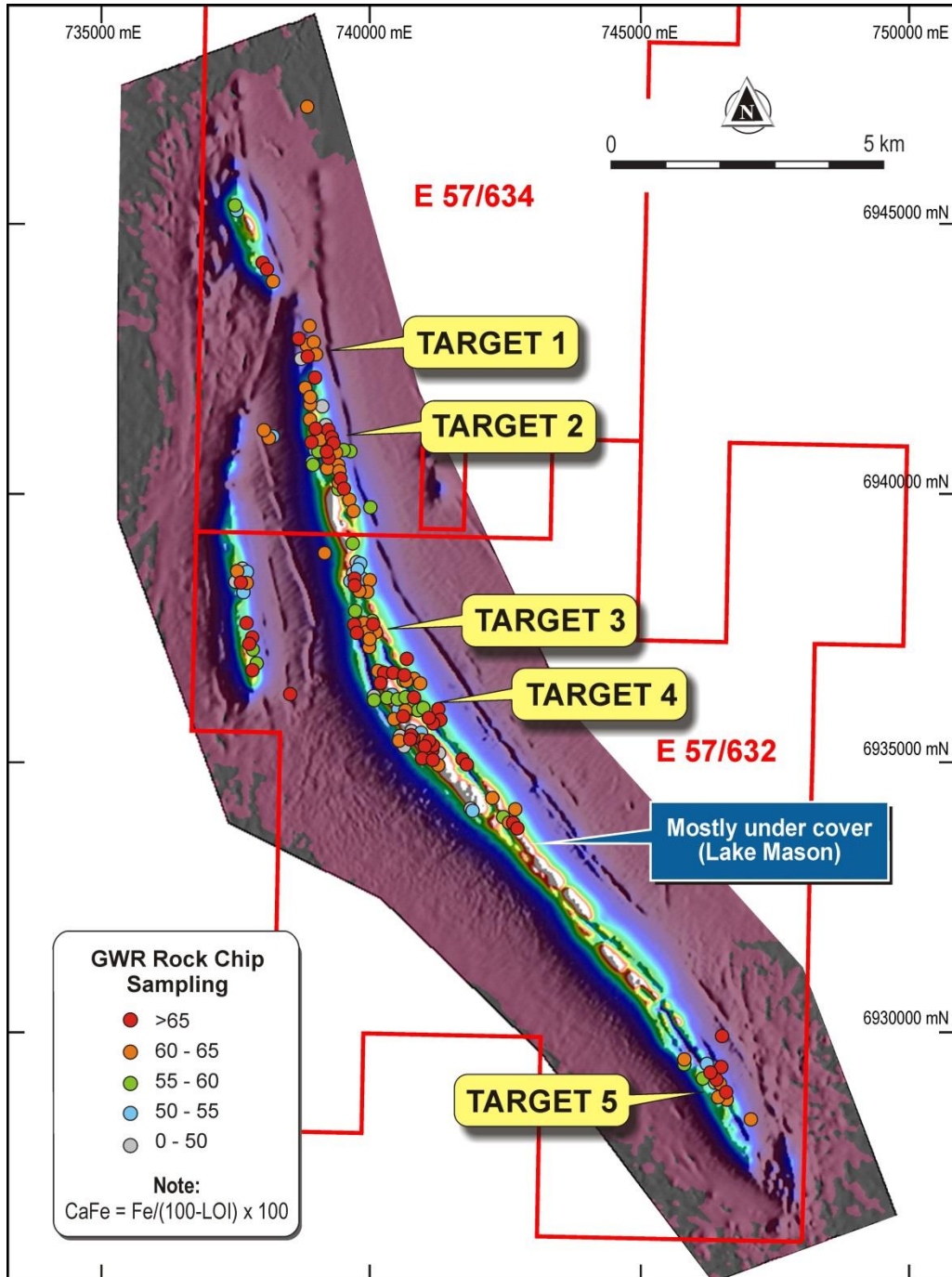
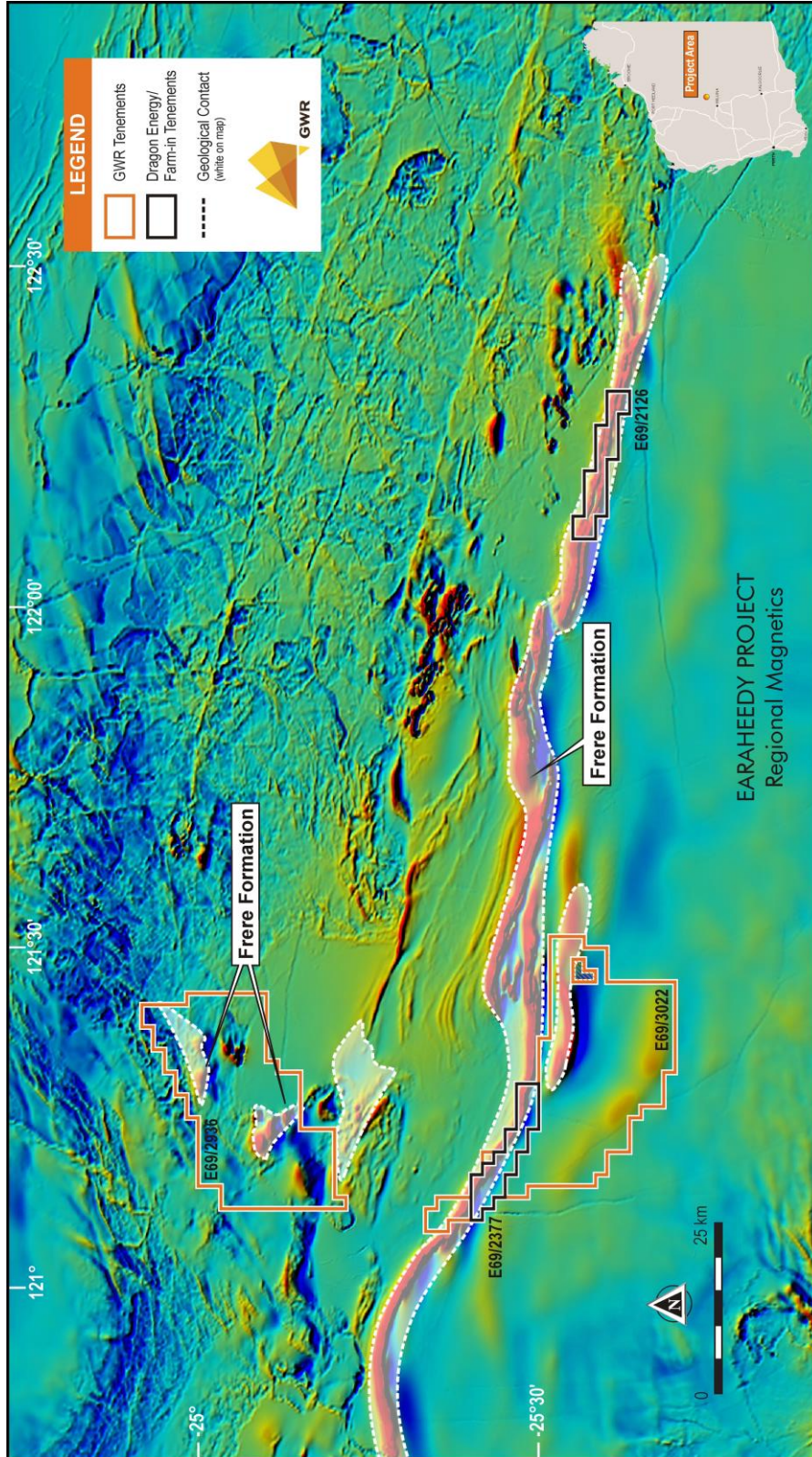


Figure 3: Earahedy Area Regional Magnetics



Annexure 1 - Schedule of interests in mining tenements

(a) Interests in mining tenements as at 31 March 2014

Location	Tenement	Percentage held	Notes
Wiluna			
Wiluna West	E53/1089-I	80%	JV with Jindalee Resources Ltd
Wiluna West	E53/1116-I	100%	
Wiluna West	L53/115	100%	
Wiluna West	L53/146	100%	
Wiluna West	L53/147	100%	
Wiluna West	L53/148	100%	
Wiluna West	L53/154	100%	
Wiluna West	M53/971-I	100%	
Wiluna West	M53/972-I	100%	
Wiluna West	M53/1016-I	100%	
Wiluna West	M53/1017-I	100%	
Wiluna West	M53/1018-I	100%	
Wiluna West	M53/1078-I	80%	JV with Jindalee Resources Ltd
Wiluna West	M53/1087-I	100%	
Wiluna West	L53/178	100%	Granted during the quarter
Wiluna West	L53/179	100%	Granted during the quarter
Earaheedy			
Earaheedy	E69/2936-I	100%	
Earaheedy	E69/3022-I	100%	
Earaheedy	E69/3026	100%	
Earaheedy	E69/3037-I	100%	
Lee Steere Farm-in	E69/2126-I	0%	Farm-in with Dragon Energy Ltd
Lee Steere Farm-in	E69/2377-I	0%	Farm-in with Dragon Energy Ltd
Woodley			
Woodley Farm-in	E57/632-I	0%	Farm-in with Nemex Resources Ltd
Woodley Farm-in	E57/634-I	0%	Farm-in with Nemex Resources Ltd

* Excludes tenement applications.

(b) Tenements acquired and disposed of during the quarter

During the quarter, miscellaneous license applications (for water search) for L53/178 and L53/179 were granted. The applications had been lodged in June 2012 are related to the Wiluna West Iron Project and cover an area of 13,850 hectares.

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

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

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

No change during the quarter.

Appendix 5B

Mining exploration entity quarterly report

Introduced 01/07/96 Origin Appendix 8 Amended 01/07/97, 01/07/98, 30/09/01, 01/06/10, 17/12/10

Name of entity

GWR Group Limited

ABN

54 102 622 051

Quarter ended ("current quarter")

31 March 2014

Consolidated statement of cash flows

		Current quarter (3 month's) \$A'000	Year to date (9 month's) \$A'000
Cash flows related to operating activities			
1.1	Receipts from product sales and related debtors	-	-
1.2	Payments for (a) exploration & evaluation	(816)	(3,027)
	(b) development	-	-
	(c) production	-	-
	(d) administration	(532)	(1,844)
1.3	Dividends received	-	-
1.4	Interest and other items of a similar nature received	74	632
1.5	Interest and other costs of finance paid	-	-
1.6	Income taxes received (GST paid)	-	-
1.7	Other (provide details if material)	10	36
Net Operating Cash Flows		(1,264)	(4,203)
Cash flows related to investing activities			
1.8	Payment for: (a) prospects	-	-
	(b) equity investments	-	-
	(c) other fixed assets	(9)	(11)
1.9	Proceeds from: (a) prospects	-	80
	(b) equity investments	-	-
	(c) other fixed assets	-	-
1.10	Loans to other entities	-	-
1.11	Loans repaid by other entities	-	-
1.12	Other (refund of environmental bonds & security deposits)	1,058	1,044
Net investing cash flows		1,049	1,113
1.13	Total operating and investing cash flows (carried forward)	(215)	(3,090)

1.13	Total operating and investing cash flows (brought forward)	(215)	(3,090)
	Cash flows related to financing activities		
1.14	Proceeds from issues of shares, options, etc.	-	-
1.15	Proceeds from sale of forfeited shares	-	-
1.16	Proceeds from borrowings	-	-
1.17	Repayment of borrowings	-	-
1.18	Dividends paid	-	-
1.19	Other (capital raising costs)	-	(425)
	Net financing cash flows	-	(425)
	Net increase (decrease) in cash held	(215)	(3,515)
1.20	Cash at beginning of quarter/year to date	21,061	24,361
1.21	Exchange rate adjustments to item 1.20	-	-
1.22	Cash at end of quarter	20,846	20,846

Payments to directors of the entity and associates of the directors

Payments to related entities of the entity and associates of the related entities

		Current quarter \$A'000
1.23	Aggregate amount of payments to the parties included in item 1.2	164
1.24	Aggregate amount of loans to the parties included in item 1.10	-
1.25	Explanation necessary for an understanding of the transactions	
	Payment of fees, salaries and superannuation to the directors of the Company during the quarter.	

Non-cash financing and investing activities

2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

2.2 Details of outlays made by other entities to establish or increase their share in projects in which the reporting entity has an interest

Financing facilities available

Add notes necessary for an understanding of the position.

	Amount available \$A'000	Amount used \$A'000
3.1 Loan facilities	-	-
3.2 Credit standby arrangements	-	-

Estimated cash outflows for next quarter

	\$A'000
4.1 Exploration and evaluation	785
4.2 Development	-
4.3 Production	-
4.4 Administration	605
Total	1,390

Reconciliation of cash

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.		Curent quarter \$A'000	Previous quarter \$A'000
5.1	Cash on hand and at bank	837	609
5.2	Deposits at call	20,009	20,452
5.3	Bank overdraft	-	-
5.4	Other (provide details)	-	-
Total: cash at end of quarter (item 1.22)		20,846	21,061

Changes in interests in mining tenements

	Tenement reference	Nature of interest (note (2))	Interest at beginning of quarter	Interest at end of quarter
6.1	Interests in mining tenements relinquished, reduced or lapsed	Nil		
6.2	Interests in mining tenements acquired or increased	L53/178	Nil	100%
		L53/179	Nil	100%

Issued and quoted securities at end of current quarter

Description includes rate of interest and any redemption or conversion rights together with prices and dates.

		Total number	Number quoted	Issue price per security (see note 3) (cents)	Amount paid up per security (see note 3) (cents)
7.1	Preference +securities <i>(description)</i>				
7.2	Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions				
7.3	+Ordinary securities	240,178,059	240,178,059		
7.4	Changes during quarter (a) Increases through issues: (b) Decreases through returns of capital, buy-backs				
7.5	+Convertible debt securities <i>(description)</i>				
7.6	Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted				
7.7	Options <i>(description and conversion factor)</i>	21,500,000		Exercise price \$0.575 [^]	Expiry date 22 Nov 2015
		700,000		\$0.575 [^]	4 Jan 2016
		1,400,000		\$0.575 [^]	22 Feb 2016
		1,000,000		\$0.575 [^]	22 Mar 2016
7.8	Issued during quarter				
7.9	Exercised during quarter				
7.10	Expired during quarter				
7.11	Debentures <i>(totals only)</i>				
7.12	Unsecured notes <i>(totals only)</i>				

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

Compliance statement

- 1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act or other standards acceptable to ASX (see note 5).
- 2 This statement does give a true and fair view of the matters disclosed.

Sign here:



Date:

30 April 2014

Print name:

Mr Craig Ferrier
CEO

Notes

- 1 The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.
- 2 The "Nature of interest" (items 6.1 and 6.2) includes options in respect of interests in mining tenements acquired, exercised or lapsed during the reporting period. If the entity is involved in a joint venture agreement and there are conditions precedent which will change its percentage interest in a mining tenement, it should disclose the change of percentage interest and conditions precedent in the list required for items 6.1 and 6.2.
- 3 **Issued and quoted securities.** The issue price and amount paid up is not required in items 7.1 and 7.3 for fully paid securities.
- 4 The definitions in, and provisions of, *AASB 6: Exploration for and Evaluation of Mineral Resources* and *AASB 107: Statement of Cash Flows* apply to this report.
- 5 **Accounting Standards.** ASX will accept, for example, the use of International Accounting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.

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