

22 October 2020

ASX Announcement

Key Infrastructure Secured to Progress C4 High Grade Iron Ore Development

Highlights

- **GWR alliance partner Pilbara Resource Group Pty Ltd (PRG) secures access to key infrastructure at the well-established Rosslyn Hill Mining Camp and completes a Key Production Milestone.**
- **The Rosslyn Hill Mining Camp is located ~22km north of the C4 deposit and lies just off the T-intersection at the end of the Haulage Road currently being constructed and the Goldfields Highway (Figure 1). It will be pivotal in the development and production of its high-grade C4 Iron ore project.**
- **GWR's production from C4 is on track to commence later this year with first shipment scheduled for early 2021**
- **RC drilling results from the recently completed 1,185 meters of pre-production infill and grade control RC drilling over a strike length of 325 metres within the proposed Stage 1 open pit of the C4 deposit to be mined (Figure 5) are expected in the coming weeks.**
- **Formal documentation setting out agreed terms with mining contractor (PRG) is nearing completion (PRG Agreement). PRG will be required to fund its own capital requirements for the purpose of performing under the PRG Agreement leaving GWR responsible for minimal upfront costs and able to retain a 70% share of the project profit and retain the rights for ore sales, strategy and timing.**
- **The PRG Agreement covers only 1 million tonnes of C4's Mineral Resource estimate of 21.6 million tonnes at 60.7% Fe, an exceptional, DSO iron ore development project, which will produce a high grade, low impurity iron ore¹.**
- **The company will continue to update the market as it reaches Key Production Milestones (Table 2) ahead of production of the High-grade Iron Ore C4 DSO hematite project, including Feasibility Studies, final mine planning and scheduling, Port and Shed access, offtake agreements, commencement of mining and first sales/shipment of ore.**

¹ 2004 JORC Code compliant Resource is 131.1 Mt at 60.0% Fe, comprising of 10.1 Mt at 62.5% Fe Measured, 72.0 Mt at 59.9% Fe Indicated and 48.8 Mt @ 59.4% Fe Inferred. (refer ASX announcement dated 12th November 2019 and 8th July 2011 and 11th April 2013).

GWR Group Limited (**ASX:GWR**) (“**GWR**” or “the **Company**”) is pleased to announce the satisfaction of another Key Production Milestone

GWR alliance partner Pilbara Resource Group Pty Ltd (PRG) has secured access to key infrastructure at the well-established Rosslyn Hill Mining Camp. PRG has entered into an agreement with Rosslyn Hill to access the Mining Camp which will be pivotal in the development and production of its high-grade C4 Iron ore project.

The Rosslyn Hill Mining Camp is located ~22km north of the C4 deposit and lies just off the T-intersection at the end of the Haulage Road currently being constructed (nearing completion) and the Goldfields Highway (Figure 1).

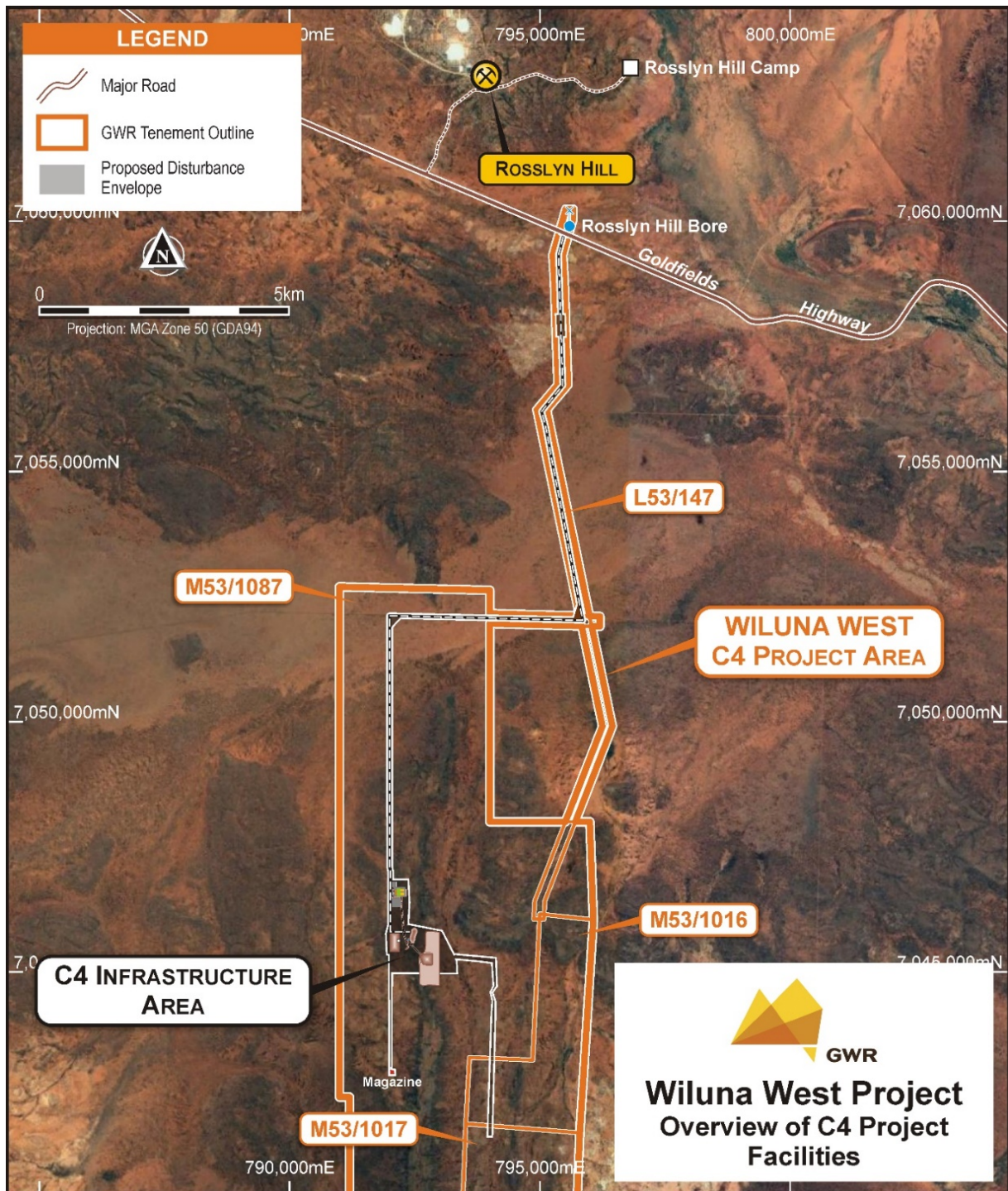


Figure 1: Overview of C4 Project Facilities



Figure 2: Rosslyn Hill Mining Camp Entrance



Figure 3: Rosslyn Hill Accommodation

Formal documentation setting out agreed terms with mining contractor (PRG) is nearing completion (PRG Agreement).

PRG will be required to fund its own capital requirements for the purpose of performing under the PRG Agreement leaving GWR responsible for minimal upfront costs and able to retain a 70% share of the project profit and retain the rights for ore sales, strategy and timing.

PRG will carry out agreed works for development, mining and transport of Stage 1 of the C4 Iron Deposit. Stage 1 covers just 1 million tonnes of C4's Mineral Resource estimate of 21.6 million tonnes at 60.7% Fe an exceptional, DSO iron ore development project, which will produce a high grade, low impurity iron ore.

As highlighted in GWR's ASX Announcement on 7 October 2020 the company is awaiting assay results from the recent 1,185 metre drill program that consisted of 43 Infill RC drill holes which means the Stage 1 pit is now drilled-out on an approximate 25m x 10m spacing. Assay results from the Nagrom Laboratory in Perth are expected in the coming weeks.

GWR has engaged a consultant to assist with the establishment of offtake agreements for sale of product and is advancing discussions with the Mid West Ports Authority and current users for port and shed access.

Table 1: Key Project Milestones for the development of the C4 Iron Deposit

<u>MILESTONE</u>	<u>PROGRESS</u>
<i>**The Company will keep shareholder informed of operational milestones as they progress**</i>	
Infill / grade control drilling program	Completed (awaiting results)
Engaged consultant to assist with the establishment of offtake agreements for sale of product	Completed
Engaged project manager and team to assist with the establishment of offtake agreements for sale of product	Completed
Completion of service agreement with nearby mine for access to site services such as village, workshops and water.	Completed
Finalisation of contract rates for major services; mining, crushing and screening	Commenced
Northern Haul Road construction and site setup (workshops, lay down area's, internal access roads and services such as water, power and communication)	Commenced
Works Approval (required for crushing and screening operations)	Progressing
Completion of approvals and designs for Wiluna/Meekatharra Road and C4 Access road intersection	Progressing
Road user agreement for the gravel sections and low standard tar sealed sections of the C4 turn to Meekatharra portion of the Gold Fields highway	Progressing
Completion of agreements with Port of Geraldton for services and third party for shed access	Progressing
Completion of establishment offtake agreements for sale of product	Progressing
Geological modelling, mine planning and scheduling	
First shipment of Iron Ore Mined and Transported	
First Sales of High-grade DSO Iron Ore	

About C4 High-grade DSO Deposit

The C4 deposit is 1.4 km long and contains a combined DSO hematite, JORC 2004 Mineral Resource estimate of 21.6 million tonnes at 60.7% Fe, comprising 18.5 million tonnes at 61.2% Fe Indicated and 3.1 million tonnes at 58.0% Fe Inferred (refer to ASX announcement 8th July 2011).

The C4 deposit has widths of DSO hematite mineralisation of up to 120 m with close spaced RC drilling having previously been undertaken on a 25 m by 10 m spacing over a strike length of 200m (Figure 4).

The deposit lies upon a granted mining lease where mining approvals and a Mining Agreement with the Wiluna Martu Native title holders are in place.

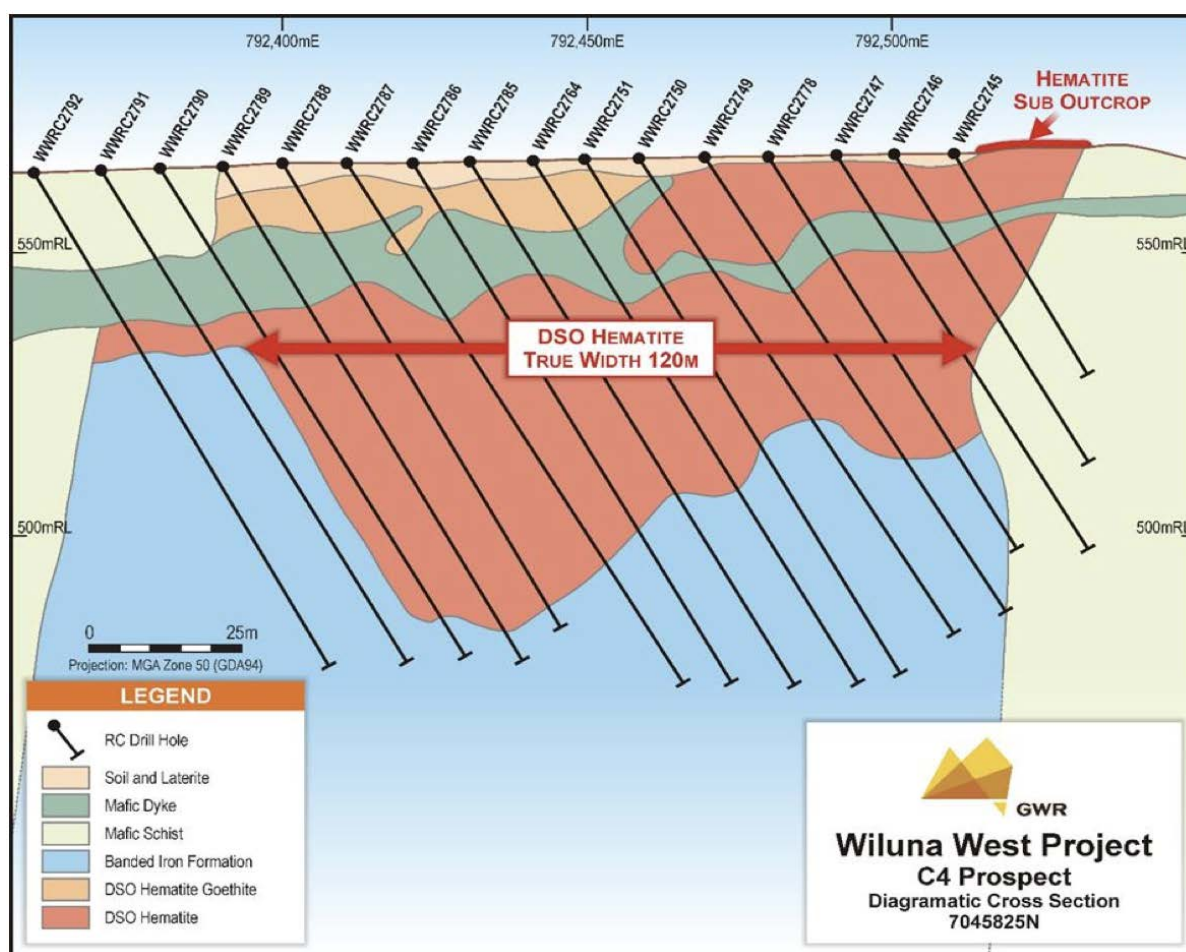


Figure 4: Outcropping C4 Iron Deposit to be Mined

GWR Chairman Gary Lyons commented:

“Our contractors and workers will have full access to the accommodation village, workshops water and other facilities at the Rosslyn Hill mining camp which is situated at the end of our Haulage Road.

Securing access to the mining camp is a key milestone in the development and production process of the C4 deposit.

We will continue to update the market as we achieve Key Project Milestones ahead of production for the High-grade Iron Ore C4 DSO hematite project, including Feasibility Studies, final mine planning and scheduling, Port and Shed access, offtake agreements, commencement of mining and first sales/shipment of ore.”

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Competent Person's Statement

The information in this report which relates to Exploration Targets, Exploration Results and Mineral Resources or Ore Reserves is based on information compiled by Mr Allen Maynard, who is a Member of the Australian Institute of Geosciences ("AIG") 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.

The Mineral Resource Estimate was prepared and first disclosed under the JORC Code 2004. It has not been updated since to comply with the JORC Code 2012 on the basis that the information has not materially changed since it was last reported.

Table 2. Wiluna West Iron Ore Project Mineral Resources by Deposit.

GWR Group Limited Wiluna West Global Fe Resources									
Classification	Deposit	Calc	Cut Off	Tonnes (Mt)	Fe %	SiO ₂ %	Al ₂ O ₃ %	LOI %	P %
Measured	JWD	Optiro 2013	55	6.40	64.07	2.63	1.51	3.07	0.034
	BOWERBIRD CENTRAL	Optiro 2011	50	1.20	62.27	6.25	2.74	1.60	0.038
	C3	Optiro 2011	50	2.50	58.38	8.46	2.39	5.14	0.107
	TOTAL			10.10	62.45	4.50	1.87	3.41	0.053
Indicated	BOWERBIRD CENTRAL	Optiro 2011	50	5.90	59.86	7.76	3.44	2.65	0.054
	BOWERBIRD SOUTH	Optiro 2011	50	13.00	60.50	7.18	2.91	2.89	0.048
	JWD	Optiro 2013	55	0.90	63.61	2.76	1.33	3.57	0.030
	JINDALEE JOYNNERS	Optiro 2010	50	3.30	63.61	4.27	2.05	1.83	0.036
	C3	Optiro 2011	50	30.40	58.47	8.35	2.39	5.22	0.076
	C4	Optiro 2010	50	18.53	61.17	8.08	1.97	2.22	0.034
TOTAL			72.03	59.94	7.76	2.43	3.64	0.056	
Inferred	BOWERBIRD NTH NTH	GWR 2009	50	2.58	60.84	5.19	2.19	3.64	0.050
	BOWERBIRD NTH	Snowden 2008	50	3.90	59.70	6.50	3.80	2.60	0.040
	BOWERBIRD CENTRAL	Optiro 2011	50	0.80	58.15	9.48	3.83	2.86	0.045
	BOWERBIRD SOUTH	Optiro 2011	50	5.20	60.03	8.33	2.42	2.36	0.038
	JWD	Optiro 2013	55	3.40	63.13	3.23	1.58	3.38	0.029
	JINDALEE JOYNNERS	Optiro 2010	50	3.90	62.47	4.81	2.12	2.16	0.057
	C1	Snowden 2007	50	4.20	58.50	7.20	3.30	5.20	0.088
	C2	GWR 2009	50	6.76	58.52	6.89	2.86	6.25	0.036
	C3	Optiro 2011	50	4.40	56.70	8.97	3.25	6.13	0.069
	C4	Optiro 2010	50	3.08	58.00	10.30	2.85	3.60	0.035
	C5	Snowden 2007	50	4.40	59.10	8.90	2.10	3.80	0.118
	CR	Snowden 2007	50	4.00	60.60	9.30	1.40	1.70	0.030
	South 2	Snowden 2008	50	2.20	56.20	9.10	2.03	7.80	0.077
TOTAL			48.82	59.45	7.45	2.57	4.03	0.055	
Deposit Totals	BOWERBIRD NTH NTH	GWR 2009	50	2.58	60.84	5.19	2.19	3.64	0.050
	BOWERBIRD NTH	Snowden 2008	50	3.90	59.70	6.50	3.80	2.60	0.040
	BOWERBIRD CENTRAL	Optiro 2011	50	8.00	60.06	7.70	3.38	2.51	0.051
	BOWERBIRD SOUTH	Optiro 2011	50	18.20	60.37	7.51	2.77	2.74	0.045
	JWD	Optiro 2013	55	10.70	63.74	2.83	1.52	3.21	0.032
	JINDALEE JOYNNERS	Optiro 2010	50	7.20	62.99	4.57	2.09	2.01	0.047
	C1	Snowden 2007	50	4.20	58.50	7.20	3.30	5.20	0.088
	C2	GWR 2009	50	6.76	58.52	6.89	2.86	6.25	0.036
	C3	Optiro 2011	50	37.30	58.26	8.43	2.49	5.32	0.077
	C4	Optiro 2010	50	21.62	60.72	8.39	2.09	2.42	0.034
	C5	Snowden 2007	50	4.40	59.10	8.90	2.10	3.80	0.118
	CR	Snowden 2007	50	4.00	60.60	9.30	1.40	1.70	0.030
	South 2	Snowden 2008	50	2.20	56.20	9.10	2.03	7.80	0.077
Grand Total			131.10	60.00	7.40	2.40	3.80	0.060	

Note: Differences may occur due to rounding. Refer ASX Announcements 12th November 2019, 8th July 2011 and 11 April 2013.