

16 December 2020

## ASX Announcement

### Wiluna West Projects Update

#### HIGHLIGHTS

➤ **C4 Iron Ore Project – Offtake Agreement**

- GWR signs Offtake Agreement with Pacific Minerals Ltd (PML) for 1,000,000 tonnes of production and sales from the C4 Iron Ore Project.
- PML subsidiary Pacific International Co is the second largest shareholder of ASX listed iron ore producer Grange Resources Ltd<sup>1</sup>.
- PML has significant trading experience in the bulk commodities sector including iron ore and coal, with clients such as Rio Tinto, BHP Billiton, Anglo American, Grange Resources and Peabody Energy.
- **Sales arrangements are now in place for 100% of iron ore production from Stage 1 - C4 Iron project production with GWR negotiating a contract that gives exposure to the current buoyant iron ore price including the increasing premium on iron ore lump product.**
- Given the current iron ore prices, assessment and modelling is currently underway to increase production tonnage on Stage 1 at the C4 mining operations and the company looks forward to updating the market shortly.
- Stage 1 of the C4 mining operations covers only the first 1,000,000 tonnes of C4's Mineral Resource estimate of 21.6MT @ 60.7% Fe (Refer Table 2).
- **Discussions to finalise Haulage contracts are nearing completion and first Haulage is expected shortly.**

➤ **Wiluna West Gold Project - GWR Terminates Toll Milling Discussions and JV Agreement to Pursue other options**

- Following a review of GWR's Wiluna West Gold project the Company has decided to terminate discussions with Wiluna Operations Pty Ltd in relation to tollmilling.
- GWR has also terminated its JV Agreement with Wiluna Operations Pty Ltd due to their planned transition from treatment of oxide ore to sulfide ore.
- GWR will now look to pursue alternative options to develop the project.

<sup>1</sup>Refer ASX Announcement 28 April 2020 - GRR:ASX – Annual Report To Shareholders

GWR Group Limited (**ASX:GWR**) (“**GWR Group**” or “the **Company**”) is pleased to announce it has executed binding offtake agreements with Pacific Minerals Ltd (PML), a HK based regional mineral and metal trader and service provider.

PML subsidiary Pacific International Co is the second largest shareholder of ASX listed iron ore producer Grange Resources Ltd and has significant trading experience in the bulk commodities sector such as iron ore and coal, with clients such as Rio Tinto, BHP Billiton, Anglo American, Grange Resources and Peabody Energy.

Following a competitive bidding process for GWR’s high-quality ore, sales arrangements are now in place for 100% of iron ore production from Stage 1 - C4 Iron project production.

Pricing for the product is described below. **GWR has negotiated a contract that gives exposure to the current buoyant iron ore price including the increasing premium on iron ore lump product.**

- The contracts allow GWR the flexibility to sell lump and fines products or a combined all in fines product depending on the best return available in the market.
- The offtake agreements covers 1,000,000 tonnes of production and sales from the C4 Iron Ore Project which is 100% of the estimated Stage 1 production tonnage.

*GWR Chairman Mr Gary Lyons commented:*

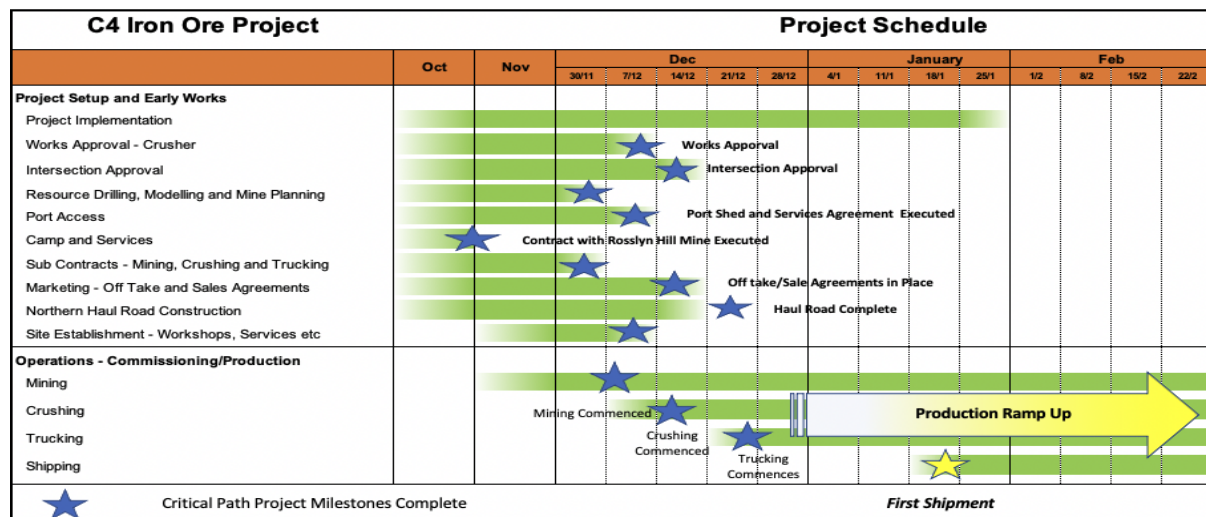
*“I am excited to inform shareholders that following a competitive bidding process for GWR’s offtake from Stage 1 of the C4 Iron Ore mining operations, we are pleased to have partnered with experienced bulk commodities trading experts, Pacific Minerals Ltd.*

*The Hong Kong based firm’s subsidiary Pacific International Co is the second largest shareholder of ASX listed iron ore producer Grange Resources Ltd and deals with such clients as Rio Tinto, BHP Billiton, Anglo American, Grange Resources and Peabody Energy.*

*The competitive nature of the bidding process for GWR’s ore, is testament to the quality of the product. As outlined in recent announcements, we are actively working to increase the tonnage in Stage 1 and are confident of our target of first ore at port in early January 2021.*

*Additionally we are discussing Stage 2 production with interested parties to leverage our position in the current buoyant price environment for Iron ore.”*

The Company is on track to meet its project production milestones (refer below):



**Table 1: Key project Milestones to be achieved for the development of the C4 Iron Deposit**

<b>MILESTONE</b>	<b>PROGRESS</b>
<i>**The Company will keep shareholders informed of operational milestones as they progress**</i>	
Haulage contracts	<b>Progressing</b>
Completion of service agreement with nearby mine for access to site services such as village, workshops and water.	<b>Completed</b>
Finalisation of contract rates for major services; mining, crushing and screening	<b>Completed</b>
Northern Haul Road construction and site setup (workshops, lay down areas, internal access roads and services such as water, power and communication)	<b>On schedule</b>
Works Approval (required for crushing and screening operations)	<b>Completed</b>
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	<b>Progressing</b>
Completion of agreements with Port of Geraldton for services and third party for shed access	<b>Completed</b>
Commencement of Production Mining Operations	<b>Commenced</b>
Commencement of first Iron Ore Haulage	<b>Expected Shortly</b>
Offtake Agreements for High-grade DSO Iron Ore	<b>Completed</b>
First Ore at Geraldton Port	<b>Jan 2021</b>

Following a review of GWR's Wiluna West Gold project which contains a combined JORC-2004 and JORC-2012 Mineral Resource estimate of 4.2 Mt at 2.2 g/t Au for 289,000 oz Au. (Refer Table 3), GWR has advised Wiluna Mining Corp (WMX:ASX) and its subsidiary, Wiluna Operations Pty Ltd (WO), that it will not pursue further the opportunity for toll milling of ore from WWG's Golden Monarch Deposit by WO.

GWR has also terminated its Joint Venture Agreement with WO in relation to the Wiluna West Gold project due to WO's planned transition from treatment of oxide ore to sulfide ore.

GWR will now look to pursue alternative options to develop the project.

**For further information please contact:**

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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") a Corporate Member of the AusIMM and independent consultant to the Company. Mr Maynard is the Director and principal geologist of Al 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 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 <sub>2</sub> %	Al <sub>2</sub> O <sub>3</sub> %	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
	<b>TOTAL</b>			<b>10.10</b>	<b>62.45</b>	<b>4.50</b>	<b>1.87</b>	<b>3.41</b>	<b>0.053</b>
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
	<b>TOTAL</b>			<b>72.03</b>	<b>59.94</b>	<b>7.76</b>	<b>2.43</b>	<b>3.64</b>	<b>0.056</b>
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
<b>TOTAL</b>			<b>48.82</b>	<b>59.45</b>	<b>7.45</b>	<b>2.57</b>	<b>4.03</b>	<b>0.055</b>	
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
	<b>Grand Total</b>			<b>131.10</b>	<b>60.00</b>	<b>7.40</b>	<b>2.40</b>	<b>3.80</b>	<b>0.060</b>

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

**Table 3. JORC 2004 and JORC 2012 Gold Project Mineral Resources by Deposit**

JORC Status	Prospect	Resource Type	Tonnes	Grade (g/t Au)	Ounces
JORC2012 at 0.5 g/t cut off (Optiro August 2019)	Golden Monarch	Measured	30,000	3.0	3,000
		Indicated	380,000	2.1	30,000
		Inferred	390,000	2.1	30,000
		Sub Total	800,000	2.2	55,000
	Eagle	Indicated	110,000	2.8	10,000
		Inferred	680,000	1.6	35,000
		Sub Total	790,000	1.8	45,000
	Emu	Inferred	600,000	2.2	40,000
	Joyner's Find	Inferred	90,000	2.6	10,000
	Total	Measured	30,000	3.0	3,000
		Indicated	490,000	2.3	40,000
		Inferred	1,760,000	1.9	110,000
		Sub Total	2,280,000	2.0	153,000
	JORC2004 at 1.0 g/t cut off (CSA June 2010)	Bottom Camp	Inferred	329,000	2.0
Bowerbird		Inferred	169,000	3.1	17,000
Bronzewing		Inferred	104,000	2.4	8,000
Brilliant		Inferred	342,000	2.5	27,900
Wren		Inferred	61,000	2.5	4,800
Comedy King		Inferred	183,000	1.8	10,800
Goldfinch		Inferred	80,000	1.4	3,600
Iron King		Inferred	481,000	2.3	35,600
Iron Hawk		Inferred	138,000	1.5	6,800
		Sub Total	1,887,000	2.2	135,600
TOTAL JORC 2004 & JORC 2012			<b>4,167,000</b>	<b>2.2</b>	<b>289,000</b>

**Notes**

Differences may occur due to rounding. For the Mineral Resource compiled in accordance with the JORC 2004 Code refer to ASX announcement 14th June 2010. The Mineral Resource Estimates shown as JORC 2004 compliant were first prepared and disclosed under JORC 2004 and have not been updated to comply with JORC 2012 on the basis that the information has not materially changed since they were last reported.