

28 June 2021

ASX Announcement

Stage 2 - Mining Contract HOA Signed for C4 Iron Deposit

Highlights

- **GWR Group Limited has executed a Heads of Agreement (HOA) with Pilbara Resource Group Pty Ltd (PRG) for the Stage 2 development of the C4 Iron Deposit.**
- **The Stage 2 Alliance Contract encompasses all aspects of the operations ‘from Pit to Port’ on a cost recovery basis and GWR will retain an 82.5% share of the project profit whilst GWR maintain the rights for ore sales, strategy and timing.**
- **The Stage 2 PRG Agreement covers an additional ~2.2 million tonnes of C4’s Mineral Resource estimate of 21.6 million tonnes at 60.7% Fe¹, an exceptional, DSO iron ore development project, which will continue to produce a high-grade, low impurity iron ore and a low strip ratio of 1.2:1.**
- **As previously announced on 24 June 2021:**
 - **The first blast at the Southern end of the Stage 2 Pit occurred exposing high-grade DSO hematite iron ore.**
 - **Finalised pit design and mine schedule for the expanded Stage 2.**
 - **C4 pit highlights substantial widths of up to 120m of high-grade mineralisation that will be exposed in Stage 2 - C4 pit.**
 - **Stage 2 pit cleared to its final limits and stockpiled topsoil with the designed expansion to existing waste dump and the commencement of clearing and stockpiling topsoil.**
- **GWR will update the market shortly regarding its long-term infrastructure strategy and upgrading the remaining JORC 2004 Mineral Resource/Reserves estimates of its Wiluna West Iron Ore project to JORC 2012.**

GWR Group Limited (ASX: GWR) (“**GWR**” or “**the Company**”) is pleased to announce that it has executed a Heads of Agreement for a Mining Contract (HOA) with experienced mining contractor and current Stage 1 Alliance Partner, Pilbara Resource Group Pty Ltd (PRG).

GWR will retain an improved 82.5% share of the project profit and the rights for ore sales, strategy and timing.

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).

As highlighted in GWR's recent ASX Announcements, the pit design and mine schedule for the expanded Stage 2 is already completed. The C4 Project combined Stage 1 and Stage 2 pits will extract approximately 3.2 million tonnes of iron ore at a stripping ratio of only 1.2:1.

With the substantial widths up to 120m of high-grade mineralisation in the Stage 2 pit at depths of approximately 5 to 10m below the C4 pit floor, GWR and its Alliance Partners are looking forward to the continued ramp up of mining and haulage activities.

GWR Chairman Gary Lyons said,

"The execution of the C4 Iron Deposit Stage 2 Mining Contract HOA with PRG allows for a seamless continuation of production and will see PRG continue to provide mining and transport for an additional ~2.2 million tonnes of C4's Mineral Resource estimate of 21.6 million tonnes at 60.7% Fe, an exceptional, DSO high-grade, low impurity iron ore with a strip ratio of only 1.2:1.

We expect a total of at least 3.2 million tonnes of ore will be extracted from the C4 deposit during Stage 1 and 2 and the recent improvements in haulage give GWR confidence it can continue to take advantage of the buoyant iron ore prices."

C4 Iron Deposit

The C4 Iron 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 200 m and the remaining drilling on an approximate 50 m by 20 m spacing.

Classification	Tonnes	Fe %	SiO ₂ %	Al ₂ O ₃ %	LOI %	P %
Indicated	18.5	61.2	8.1	2.0	2.2	0.03
Inferred	3.1	58.0	10.3	2.8	3.6	0.04
Total	21.6	60.7	8.4	2.1	2.4	0.03

Table 1. C4 DSO hematite mineral Resource reported above a 50% Fe cut off

Commercial Terms

Key terms set out in the HOA with PRG are as follows:

- PRG to carry out agreed works incorporating all aspects of operation including but not limited to construction of a larger open pit for Stage 2 to enable mining of an additional 2.2M tonnes and to provide mining, crushing, haulage and accommodation services;
- Stage 2 will commence on completion of the Stage 1 contract for 1M tonnes of iron ore shipped;
- Once commenced Stage 2 services will be charged at cost;
- Stage 2 Project Profit will be apportioned 82.5% to GWR and 17.5% to PRG;
- GWR will undertake mine design, planning and optimisation;
- GWR may suspend contract works if projected profitability falls below \$10/tonne; and
- GWR will be responsible for sales strategy and timing.

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, 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 Member of the Australasian Institute of Mining and Metallurgy (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.

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 JOYNER'S	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 JOYNER'S	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 JOYNER'S	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.