

12 January 2022

ASX Announcement

C4 Iron Ore Mine – January Production Update **Mining Operations have Recommenced and** **Reduction in Cash Costs.**

- **Two shipments of High-Grade lump product totaling 115,009 wet metric tonnes (wmt) were sold in October and December being 57,859 tonnes and 57,150 tonnes respectively.**
- **Successfully negotiated fixed price sales contracts on an FOB basis for a total of 145,000 tonnes of product for January, February and March 2022. The FOB contracts will mean that the shipping costs are not borne by GWR.**
 - **30,000 tonnes of high-grade lump in January has been secured on a fixed Price (FOB Basis) at US\$100/t. This shipment will be a part cargo comprising 30,000 tonnes from C4 together with high-grade product from Fe Limited's JWD mine**
 - **60,000 tonnes of high-grade fines and lump has been secured for the February Shipment on a fixed price (FOB Basis) of US\$95/t (Fines) and US\$100/t (Lump)**
 - **55,000 tonnes of high-grade lump has been secured for the March Shipment on a fixed price (FOB Basis) of US\$110/t (Lump).**
- **A comprehensive review of costs has been undertaken and savings have been identified.**
- **Mining operations have recommenced in early January 2022 in order to produce the iron ore required for the above sales volumes, with the C4 Stage 1 pit having significant quantities of high-grade ore available for mining at a low strip ratio of < 1 : 1.**
- **Stage 2 will incorporate a cutback that has been largely blasted prior to scaling back operations in late September 2021 and this material is available for mining as stage 1 ore is supplied to the crusher ROM pad.**
- **The Stage 2 cutback will expose a further ~2,000,000 tonnes of high-grade product and combined with the expected reduced costs and fixed sale pricing, GWR is planning to take advantage of the recent increase in iron ore price and may increase volumes in future months if the iron ore price rises further as widely forecast.**

GWR Group Limited (ASX:GWR) (“**GWR**” or “**the Company**”) is pleased to provide an update to shareholders regarding activities at the 100% owned high-grade C4 Iron Ore mine in Wiluna, Western Australia.

Mining operations at the Company’s C4 Iron Ore Mine were suspended in September 2021 due to the volatility in Iron Ore prices, now following recent price increases the Company is able to confirm that mining has recommenced.

GWR is well placed to increase volumes in future months if the iron ore price rises further as widely forecast.

Although mining operations were suspended, crushing from the ROM pad and hauling to the port did continue between October and December enabling GWR to capitalise on a significant inventory of mined iron ore stockpiles that existed up until mining suspension. The Company successfully negotiated fixed price sales contracts of high-grade lump product in October for 57,859 wmt and December for 57,150 wmt for a total of 115,009 wet metric tonnes.

In addition, GWR has successfully negotiated fixed price sales contracts for a total of 145,000 tonnes of product for January, February and March 2022.

A January shipment of 30,000 tonnes of high-grade lump has been secured on a fixed Price (FOB Basis) at US\$100/t, this shipment will be a part cargo comprising 30,000 tonnes from C4 together with high-grade product from Fe Limited’s JWD mine. Shipments for February and March have been secured on a fixed price (FOB Basis) at US\$95/t (Fines), US\$100/t (Lump) and US\$110/t (Lump) respectively.

A comprehensive review of costs has been undertaken and has identified operational savings. In addition, shipping on an FOB basis will mean that GWR is not liable for shipping costs.

Stage 1 and Stage 2

The 100% owned C4 Iron Ore mine has remained in a production ready state in order to take advantage of a recovery in the iron ore price and GWR always maintained that it had taken an opportunistic approach to its Wiluna mining operations. Beginning when the ore price was high and the AUD relatively weak in trading terms and after negotiating a contract with Pilbara Resources Group (PRG) that mitigated risk and the requirement for capital.

The C4 Stage 1 pit has significant quantities of high-grade ore available for mining, and the company is confident it can control its C1 cash cost and deliver into fixed price sales contracts.

In addition, GWR has made the decision to proceed with the Stage 2 pit cutback that will expose ~2,000,000 tonnes of high-grade product. Although some additional blasting will be required, the cutback had been largely already blasted prior to scaling back operations in late September.

GWR advises that its Alliance Contract partner, Pilbara Resources Group (PRG) entered into Voluntary Administration on 17th December 2021. The Company has been working with the PRG administrators, although to date their situation has had little impact on the C4 project, GWR does not anticipate that the administration process will result in any impact on the C4 project or GWR.

GWR Chairman Mr Gary Lyons commented:

“The GWR team has taken a proactive approach in order to extract value from its flagship C4 Iron Ore mine and has continued to export iron ore from existing stockpiles whilst mining was suspended.

We have worked through many challenges over the past few months and I am proud of what we have achieved in difficult circumstances. The Company has recommenced mining operations in January and will keep shareholders informed of progress.”

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

For further information please contact:

Gary Lyons
Chairman

David Utting
David Utting Corporate
Ph: +61 416187462

Mark Pitts
Company Secretary

E: garylions@heiniger.com.au

E: david@davidutting.com

E: markp@endeavourcorp.com.au

Competent Person’s Statement

Wiluna West Iron Ore Mineral Resources

The information in this report which relates to 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 1. 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.