27 January 2022

ASX Announcement

GWR Goes Green to Acquire Advanced Magnesium Project- Prospect Ridge and Raises $2 Million to Accelerate the Project.

- **GWR initiates a move into the "Green" sector, signing a Binding Term Sheet with Jindalee Resources Limited (ASX: JRL) for the acquisition of a 70% interest in the advanced Prospect Ridge Magnesite project located in north-west Tasmania.**

- **Magnesite is the principal ore for Magnesium (known as the "green metal") which is the lightest structural metal known to man being two thirds lighter than aluminum. Magnesium has been placed on the Critical elements List and is subject to Federal Government previously announced $2 billion fund to finance critical metals production.**

- **The Prospect Ridge Magnesite project area sits on a granted Exploration Licence, (EL5/2016), it is 11km long and 51km2 and contains two deposits, the Arthur River and Lyons River deposits containing the third largest Magnesite inventory in Australia.[1]**

- **Jindalee Resources Limited (ASX:JRL), announced a JORC 2012 Inferred Mineral Resource estimate[2] at the Arthur River Deposit of 25 million tonnes of Magnesite grading 42.4% MgO, 4.8% SiO_2, 1.4% Fe_2O_3 and 2.6% CaO to an average depth of 100m below surface at a cut-off of 40% MgO (Table 1).**

- **The project is located just 55km West South-West from the Port of Burnie, which is one of the States key deep-water Ports and the largest general cargo port in Tasmania, this enables GWR to use its bulk commodity production expertise to explore a low capex opportunity for DSO Magnesite production and export.**

- **GWR has received firm commitments to raise gross proceeds of $2 million via a share placement to assist in fast-tracking GWR's move into the "green" space via advancing the Prospect Ridge Magnesite Project.**

GWR Group Limited (ASX:GWR) ("**GWR**" or "**the Company**") is pleased to announce that it has signed a Binding Term Sheet with Jindalee Resources Limited (**Jindalee**) for the acquisition of a 70% interest in their advanced Prospect Ridge Magnesite project located in northwest Tasmania (**the Project**). Following the agreement of terms GWR resolved to raise $2 million before costs via a Placement to assist with working capital and to fund work programs to advance the Project.

[1] Source Geoscience Australia Website – www.ga.gov.au
[2] (Refer ASX Announcement by Jindalee Resources Limited dated 10 October 2017 titled "Arthur River Magnesite Deposit JORC 2012 Resource Estimate" and to Appendix 1, 2 and 3)

GWR Chairman Mr Gary Lyons commented *"The GWR team has reviewed a number of projects to that will move the company into the "green sector", and we believe the advanced Prospect Ridge Magnesite project provides an excellent opportunity to enter the "green" global magnesium market whilst enabling GWR to apply our experience in bulk commodity mining and tap into our network of offtake partners and end users.*

The Prospect Ridge Magnesite project has had a substantial amount of work undertaken, including diamond drilling, metallurgical test work, environmental and aboriginal heritage surveys and feasibility studies. We believe it may have the potential to be a low capex DSO operation which is close to a significant deep-water Port in Tasmania and the GWR team will be funded to accelerate the project with the aim of adding significant shareholder value.

The project will provide GWR with the opportunity to enter the "green" and EV space with potential for exposure to the high-capacity, fast charging, rechargeable magnesium-ion battery market."

Prospect Ridge Magnesite Project

The Project is an advanced asset where a substantial amount of work has previously been undertaken, including diamond drilling, metallurgical testwork, hydrological testwork, resource modelling and feasibility studies.

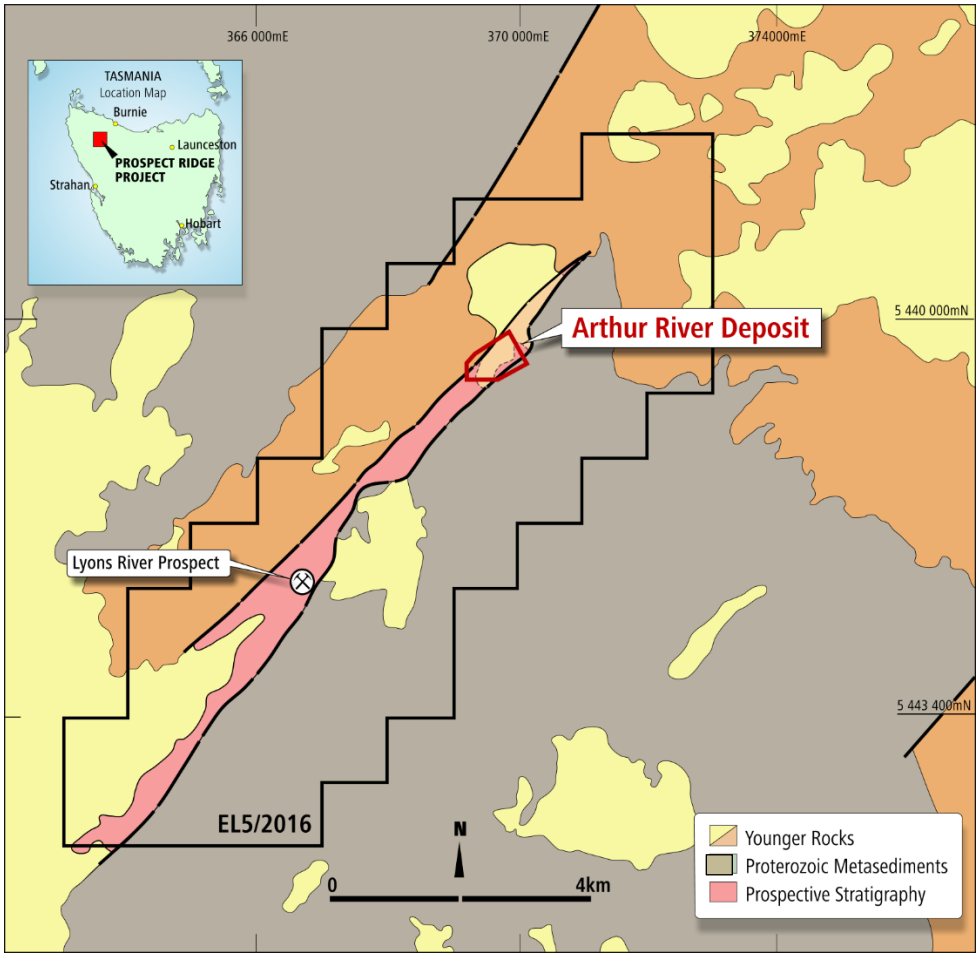

Figure 1: Prospect Ridge Location Plan showing tenure and summary geology

Background

The Prospect Ridge Project (the Project) is located in northwest Tasmania and contains the Arthur River and Lyons River magnesite deposits.

The project is on a granted Exploration Licence (EL5/2016), which is 51km2 in size and located approximately 55km west southwest of the Port of Burnie, which is one of the States key deep water Ports and the largest general cargo port in Tasmania. The project area was previously held as Mining Lease.

Geoscience Australia's website notes that the Arthur-Lyons Rivers area now covered by EL5/2016 contains the third largest inventory of magnesite in Australia (refer www.ga.gov.au).

The deposits are within steeply dipping Proterozoic metasediments of the Arthur Metamorphic Complex along the northeast trending Arthur River Lineament, which extends from the north coast of Tasmania through Prospect Ridge to the Savage River iron deposit located 40km to the south. Mineralisation occurs as massive magnesite ($MgCO_3$), with pure magnesite containing 47.8% MgO.

Previous work was mainly undertaken by CRA (Rio Tinto), Crest Resources and Beacon Hill Plc. GWR there remains significant exploration potential over the 11km of strike held and as extensions to the known deposits. GWR plans to undertake a comprehensive review of all previous exploration data with a view of defining an Exploration Target for areas outside of the Arthur River deposit.

Following on from earlier work by Beacon Hill Plc, Jindalee engaged Mr Stewart Capp from Derwent Geoscience Pty Ltd to prepare a JORC 2012 Mineral Resource estimate for the Arthur River deposit only. On 10 October 2017, Jindalee announced a JORC 2012 Inferred Mineral Resource estimate of 25 million tonnes of fresh magnesite grading 42.4% MgO, 4.8% SiO_2, 1.4% Fe_2O_3 and 2.6% CaO to an average depth of 100m below the surface at a cut-off of 40% MgO (Table 1).

The full Resource Estimation Report is attached to the announcement by Jindalee on 10 October 2017 and can be located on the ASX website.

Table 1
Arthur River Inferred Mineral Resource Estimate
Compiled by Jindalee Resources Limited

Cut-Off (MgO (%))	Tonnes	MgO (%)	SiO2 (%)	Fe2O3 (%)	CaO (%)
36	36,820,000	41.1	5.9	1.7	2.9
38	32,090,000	41.7	5.4	1.6	2.8
40	**25,120,000**	**42.4**	**4.8**	**1.4**	**2.6**
42	15,280,000	43.3	4.2	1.3	2.2
44	3,040,000	44.5	3.0	1.0	1.9

(Refer: ASX Announcement by Jindalee Resources Limited dated 10 October 2017 titled "Arthur River Magnesite Deposit JORC (2012) Resource Estimate" and Appendix 1, 2 and 3).

About Magnesium and its Market

Magnesite is the principal ore for Magnesium which is the lightest structural metal known to man being two thirds lighter than aluminum. The Australian government has classified Magnesium as a critical mineral as are lithium and nickel. The principal uses for Magnesium is as follows:

- Magnesium metal and its alloys are used extensively in automotive and aerospace industries in light weight bodies, engines and other parts indispensable in modern vehicles (including EV's).
- Magnesium oxides are used in production of refractory linings necessary for production of steel, cement and glass.
- Magnesium-ion batteries have the potential to improve on lithium-ion batteries in every phase of the lifecycle. In addition to increased energy capacities, magnesium-ion batteries have numerous other advantages. Magnesium does not tend to form dendrites, resolving the safety issues associated with lithium-ion batteries. As such, a magnesium-ion battery can last substantially longer than a lithium-ion battery. Additionally, magnesium-ion batteries can be charged faster since lithium-ion batteries charge times are constrained to avoid dendrite formation. Magnesium is also reported to be the eighth most abundant element on earth's crust alleviating depletion risk and potentially providing a cheaper product. (Source - journals.sagepub.com/doi/full/10.1177/16878140211003398)

During 2021 the price of magnesium increased by 285% with a peak of 460% in September 2021, refer to Figure 2

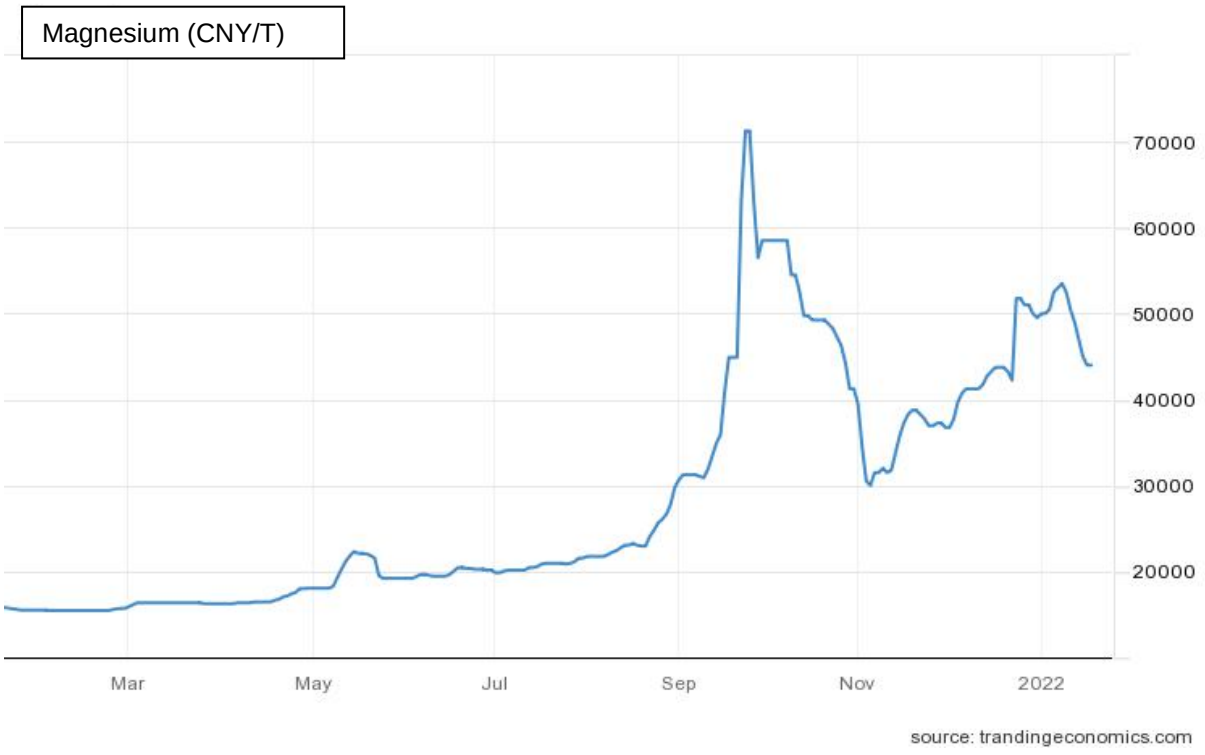

Figure 2: Magnesium Price in Chinese Yuan

In September 2021, the Australian Federal Government announced that it will establish a $2 billion fund to finance critical minerals production in Australia, it was stated that "Critical minerals include resources that are used in technologies such as mobile phones, computer monitors, electric cars and solar panels, such as lithium, **magnesium** and nickel."

Transaction Terms

GWR via its 100% owned subsidiary Tasmanian Magnesium Pty Ltd ("TM") has signed a Binding Term Sheet for the purchase of a 70% interest in the Project from HiTec Minerals Pty Ltd ("HiTec") a 100% owned subsidiary of Jindalee Resources Limited, key transaction terms are as follows:

- Payment of total consideration of $1,000,000 comprised as follows:
    - $250,000 in cash for the Mining Information; and
    - $750,000 to be satisfied by the issue of ordinary shares in GWR for the Tenement Interest at an issue price of $0.17 per share being the VWAP of GWR shares traded on ASX in the 30 days prior to the date of the Binding Term Sheet.
- HiTec shall retain its 30% interest in the Tenement on a free carry basis until a decision to mine has been made at which point a joint venture will be established with TM as manager pursuant to which each party will be required to contribute its percentage share of joint venture expenditure or have its interest diluted in accordance with a standard industry dilution formula.
- If either party's interest in the Tenement dilutes to 5% or less, this interest will then revert to a 1% FOB gross royalty.
- TM is required to spend a minimum of $2,000,000 on the Project within 5 years of Settlement which shall include preparation of an ASX and JORC-compliant scoping study and in the event that TM does not meet this expenditure (other than due to force majeure) TM's Tenement Interest will revert back to HiTec.
- Settlement will take place within 7 days of the following conditions precedent being satisfied:
    - the parties entering into a formal Sale and Purchase Agreement;
    - the receipt of all necessary statutory approvals for the transfer of the Tenement interest.
- The Parties have agreed on a best endeavours completion date of 30 days from the signing the Binding Term Sheet.
- GWR has agreed to issue 1,470,588 ordinary shares at an issue price of $0.17 per share to GTT Ventures Pty Ltd in lieu of fees in relation to the acquisition.

Placement to Raise $2 million

The Company has received firm commitments from sophisticated and professional investors to raise $2 million (before costs) through the issue of 11,764,706 fully paid ordinary shares at an issue price of $0.17 per share (**Placement**). In addition, placees will receive 1 free carried option for every 4 Placement shares allotted (**Placement Options**), the Company will make application for the quotation of the Placement Options and they will be issued on the same terms as those quoted options already on issue. The existing quoted options are exercisable by payment of 37.62c on or before 1 October 2022.

GTT Ventures Pty Ltd was appointed as Lead Manager for the Placement and assisted with the Project acquisition. GTT Ventures Pty Ltd will be issued 2,000,000 Lead Manager Options on the same terms as the Placement Options and receive brokerage of 6% on Placement funds.

Settlement of the Placement is anticipated to occur on 1 February 2022 but will be confirmed in due course.

All security issues in respect to both the Project acquisition and the Placement will be made pursuant to the Company's capacity under Listing Rule 7.1.

An Appendix 3B follows this announcement for immediate release.

Next Steps

The proposed acquisition does not alter GWR's recommencement of mining at its high grade C4 Iron Ore Project however it will potentially provide an opportunity for GWR to diversify its commodity exposure and use its bulk commodity experience and network of offtake partners and end users.

With increasing demand for Magnesium, together with the current concentration of supply from China, GWR intends to advance this project via exploration, infrastructure studies, statutory approvals and commence discussions with offtake partners and users of Magnesium metal, alloys, oxides and compounds.

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

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Competent Person's Statements

Note: Information in this release relating to the Prospect Ridge Mineral Resource Estimate was first prepared by Mr Stewart Capp from Derwent Geoscience Pty Ltd and disclosed by Jindalee Resources Limited under JORC Code 2012. For further details refer to Jindalee's ASX announcement on 10 October 2017.

GWR Group Limited is in the process of acquiring a 70% interest in the Prospect Ridge Project and has reviewed the available reports, information and data in relation to this project and has no reason to question the accuracy or reliability of the reported information. The Company confirms that it is not aware of any new information or data that materially affects the information in the original reports, and that the form and context in which the Competent Person's findings are presented have not been materially modified from the original reports.

The information in this report which relates to Exploration Results and Mineral Resources 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.

Where the Company refers to the Mineral Resources in this report (referencing previous releases made to the ASX), it confirms that it is not aware of any new information or data that materially affects the information in those announcements and reports, and all material assumptions and technical parameters underpinning the Mineral Resource estimate continue to apply and have not materially changed.

Appendix 1

Prospect Ridge – Supporting Information

Geology and Geological Interpretation

The Prospect Ridge magnesite deposits (Arthur River and Lyons River) are located within the Arthur Lineament, which is a NNW- striking belt of highly deformed metamorphic Pre-Cambrian rocks extending from just north of Granville Harbor on the west coast, to Wynyard on the north coast.

Outcrops of fresh unweathered material in the Arthur River area are rare. The bulk of the magnesite outcrops are found to the north of the Arthur River in the Main Creek and Victory Springs area. The deposits comprise massive Magnesite bodies overlain by up to 20m of Holocene glacial sediments.

Historic Workings

The Arthur River magnesite deposit was first discovered in 1925 by the geologist B. P. Nye. In 1970, Mineral Holdings Australia Pty Ltd (MHA) was granted a large exploration license (EL43/70) over the area and carried out exploration in association with a number of joint venture partners.

Between 1982 and 1988 MHA, in joint venture with CRAE, carried out geological mapping gravity surveys, diamond drilling, metallurgical testing and feasibility and marketing studies. CRAE completed 7 diamond drill holes on the Project (AR001 to AR007) totalling 1,610m of drilling.

This work delineated the magnesite body at the Arthur River.

In 1997, Tasmania Magnesite N.L. (TMNL) entered into an option agreement to purchase the Arthur River Project from MHA. Check and exploratory diamond drilling at Arthur River comprised seven holes totalling 1,254.3 meters (AR002C, AR007C and AR008 to AR012).

Crest Magnesium/TMNL went on to complete a further 16 diamond drill holes, one test pumping bore and 5 monitoring bores totalling 4,226.1m of drilling. They initiated feasibility work, hydrogeological studies, and resource estimation. Resource estimates generated and publicly reported by Crest are comparable in tonnage, MGO grades and contaminant grades to the estimate prepared by Derwent Geoscience in October 2017.

Beacon Hill PLC, through its wholly owned subsidiary TMNL, completed a further 1,118m of drilling, environmental studies, hydrogeological studies, metallurgical test work, resource estimation and marketing studies which culminated in a scoping study.

Drilling Techniques

A total of 81 Diamond drill holes were completed for over 10,000 meters. Previous drilling carried out was either PQ, HQ or NQ. All holes were cored from surface.

Sampling and Sub sampling Techniques

Sampling is based upon diamond drilling in PQ, HQ and NQ sizes carried out between 1983 to 2011 by various companies.

HQ and PQ core was sampled as quarter core and NQ as half core, with all core cut with a diamond saw, Diamond core sample lengths ranged from 0.1 m to 18 meters and varied considerably with different sampling phases, Although TMNL’s sampling

was commonly conducted over 1 m intervals the older CRAE drilling was generally sampled over longer intervals and was dominated by 5 m sample intervals and Crest Magnesium drilling was generally sampled over intervals around 1.5 to 3.0 m. The average sample width collected for the entire project is 2.2 m

All sampled core from the interval was submitted to the laboratory for sample preparation no sub-sampling was performed on site.

Samples were only generally collected from fresh magnesite and sample intervals were modified to match geological boundaries.

Sample Analysis Method
All samples were submitted to NATA accredited laboratories and used industry accredited analytical methods. The assaying techniques used are total analyses.

No geophysical or field analytical equipment was used.

Laboratory QA/QC data is available for recent drilling however unavailable for earlier drilling undertaken by CRAE.

At Arthur River, verification of historical drill hole intercepts was undertaken by collecting bulk metallurgical samples. The samples were submitted by Derwent Geoscience personnel. Crest Magnesium sent a number of duplicate samples to umpire laboratories

No twined holes were drilled, all drilling information was recorded then subsequently entered into excel spreadsheets which were checked for irregularities.

Criteria Used for Resource Estimation
The Mineral Resource estimate was entirely classified as an Inferred Resource under the 2012 JORC Guidelines.

In order for confidence in the estimate to be upgraded further infill drilling to a density of approximately 50 x 50m is recommended.

The classification reflects the Competent Persons view of the deposit.

Estimation Methodology
The estimate was undertaken using Vulcan® software and an Inverse Distance Squared (IDS) estimation methodology. Wireframes were generated for geological zones, based on the current geological interpretation. Assay data was composited to 3m, and an 80m x 80m x 10m search ellipse was used for grade interpolation. No uppercuts were applied to the estimate.

The modelled mineralisation is based on the geological interpretation and the current resource estimate correlates well with historical, including unpublished and non JORC compliant, estimates.

Potentially deleterious elements including SiO_2, Fe_2O_3 and CaO were estimated into the model. Each element was estimated separately, using the same parameters.

No cut was applied as a probability plot of the grade data was generated and no outliers were observed.

Cut off Grades
A cut-off grade of +40% MgO was selected as metallurgical test work indicated that it was possible to produce a marketable calcined product from material above this grade.

In addition maximum levels of contaminants should fall below 6% SiO2, 2% Fe2O3 and 5% CaO.

Mining and Metallurgical Parameters
The Mineral Resource model was constructed on the assumption that mining of the magnesite would be via open pit methods. In addition it is assumed that grade control will be used to selectively mine higher grade parcels of magnesite, and to determine the distribution of contaminants on a local scale.

A primary metallurgical assumption is that the weathered clay zones contained within the fresh Magnesite will be upgraded in the first stage of processing by crushing and wet screening the ROM material to remove the unconsolidated weathered material.

As a result the block model has been constructed in such a manner that an economic assessment can be made by looking directly at the grades of the fresh magnesite without considering dilution by weathered zones.

A significant amount of historical metallurgical test work on the project suggests that it is possible to produce a marketable calcined product.

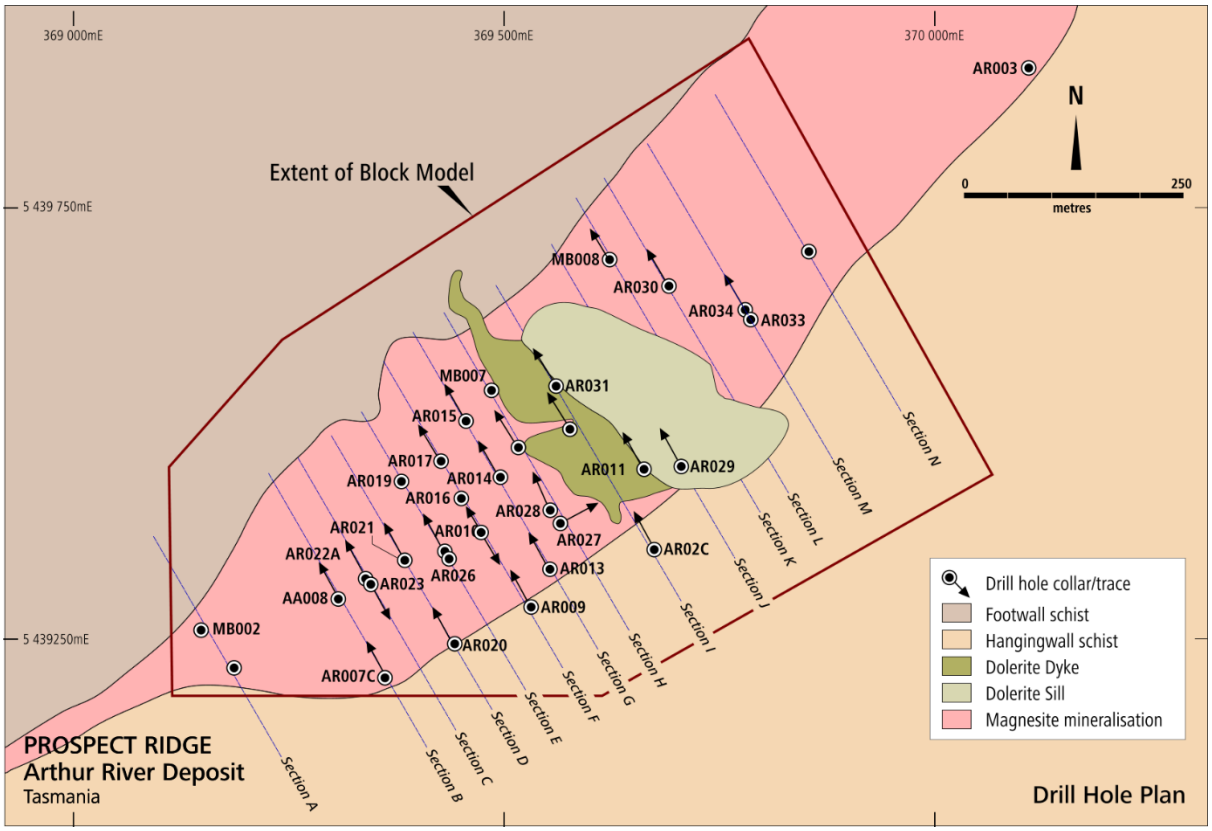

Figure 3: Block Model Outline and Drill Sections

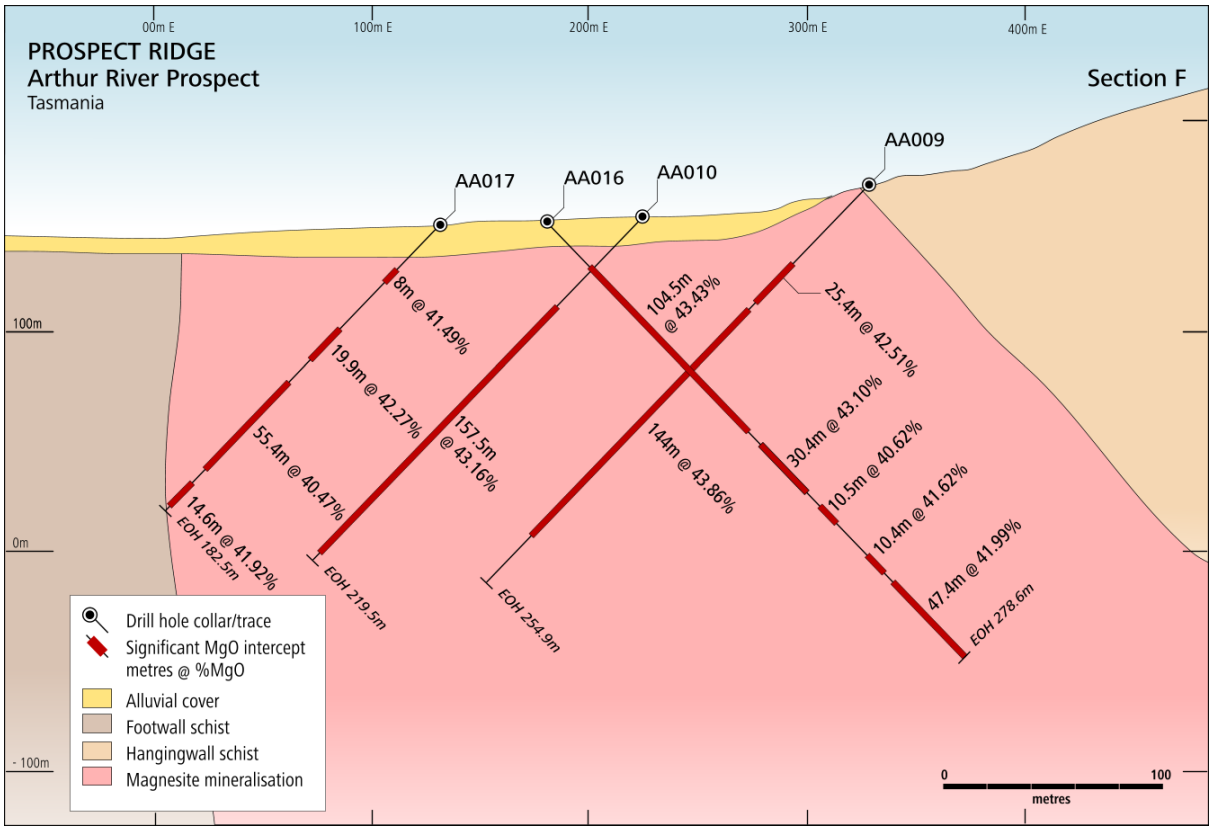

Figure 4: Section F illustrative sectional diagram. (Refer Jindalee Resources Limited ASX announcement 10 October 2017 and Appendix 2)

Appendix 2

Table 2: Collars of all drill holes utilised in Resource Estimate.

HOLE NUMBER	North (GDA)	East (GDA)	COLLAR RL (m)	TOTAL DEPTH (m)	DRILLED BY	DIP	AZIMUTH (GDA)
AR001	5440859	370563.4	200	138	CRAE	-46	310
AR002C	5439354	369674	172.5	233.5	Crest	-46	330.5
AR003	5439912	370106.4	183	408	CRAE	-46	301.5
AR004	5440283	370298.4	180	32	CRAE	-45	300
AR005	5440349	370184.4	167	156.2	CRAE	-46	300
AR007C	5439205	369361.5	148.3	222	Crest	-46	330
AR008	5439297	369307.6	146	169.6	Crest	-46	330
AR009	5439287	369530.6	169.9	254.9	Crest	-46	330
AR010	5439374	369473.1	154.9	219.5	Crest	-46	330
AR011	5439447	369662.5	189.9	99	Crest	-46	330
AR012	5439510	369781	202.2	65	Crest	-46	330
AR013	5439330	369551.9	164.5	204.3	Crest	-46	330
AR014	5439437	369494.4	156.4	124.1	Crest	-46	330
AR015	5439502	369455.4	151	107.6	Crest	-46	330
AR016*	5439413	369449.8	152.9	278.6	Crest	-46	150
AR017	5439454	369424.9	150.6	182.5	Crest	-46	330
AR018	5439350	369431.3	151.3	244.5	Crest	-46	330
AR019	5439433	369380.9	148.8	120.4	Crest	-46	330
AR020	5439243	369440.4	156	256	Crest	-46	330
AR021	5439341	369385.3	149.2	214.2	Crest	-46	330
AR022A	5439316	369342.1	146.4	51	Crest	-46	330
AR022B	5439316	369342.1	146.4	225.3	Crest	-46	330
AR023*	5439313	369345.1	146.4	349	Crest	-46	150
AR024	5439472	369514.6	157	67.7	Crest	-46	330
AR025	5439369	369593.1	166.5	77	Crest	-46	330
AR026*	5439347	369434.4	151.3	260.6	Crest	-46	150
AR027#	5439383	369565.4	164.8	150	TMNL	-55	60.1
AR028	5439399	369553	163.6	71.1	TMNL	-55	335.1
AR029	5439449	369706.4	198.8	89.1	TMNL	-60	330.1
AR030	5439660	369690.7	180.2	143.2	TMNL	-60	330.1
AR031	5439541	369559.3	168.5	150	TMNL	-60	330.1
AR032	5439493	369575.7	167.3	150	TMNL	-60	330.1
AR033	5439620	369786.5	195.2	73	TMNL	-60	330.1
AR034	5439631	369779.8	194.2	150	TMNL	-60	330.1
MB002	5439260	369148	143.5	25.6	Crest	-90	0
MB003	5439215	369186.2	143.8	31.4	Crest	-90	0
MB004	5439434	369551	161.4	41.8	Crest	-90	0
MB005	5439698	369853.6	176.8	50	Crest	-90	0
MB006	5439284	369538.4	170.6	51	Crest	-90	0
MB007	5439538	369485.6	151.5	43.3	TMNL	-90	0
MB008	5439689	369621.9	171.9	50.3	TMNL	-90	0
MB009	5439687	369789.4	188.4	48	TMNL	-90	0

Note: These holes were drilled down dip.
#Note: AR027 was drilled along strike to test the width of a dolerite dyke.

Table 3: All significant drill intercepts >40% MgO and >8m down hole from drilling utilised in the resource estimate.

Hole	From (m)	To (m)	Length (m)	MgO %	CaO %	Fe_2O_3 %	SiO_2 %	LOI %
AR002C	102.5	165	62.5	42.08	2.49	0.88	9.13	NA
AR002C	168.4	211.5	43.1	42.79	1.41	0.47	8.56	NA
AR002C	213	229.5	16.5	42.56	2.17	0.24	8.74	NA
AR003	78	90	12	41.68	0.37	3.62	8.47	45.59
AR003	184	225	41	42.90	2.28	2.36	3.19	49.08
AR003	243	256	13	39.65	2.64	1.67	9.20	44.15
AR005	32.95	43	10.05	43.94	1.55	1.13	4.02	48.50
AR007C	11.33	39	27.67	40.61	1.32	1.29	7.93	NA
AR007C	57	157.5	100.5	42.53	1.25	2.36	6.20	NA
AR007C	187.6	214.6	27	42.01	1.28	1.93	7.87	NA
AR008	36	45.7	9.7	42.20	1.61	2.97	4.34	NA
AR008	63.7	93	29.3	43.40	2.78	0.64	4.22	NA
AR008	99	108	9	42.30	3.73	0.82	6.28	NA
AR008	118.6	159	40.4	43.74	4.15	0.61	0.26	NA
AR009	51	76.4	25.4	42.51	4.63	0.82	1.92	NA
AR009	80.8	224.	144	43.86	2.98	0.45	3.06	NA
AR010	57.6	215.	157.5	43.16	2.42	0.78	4.30	NA
AR013	55.92	158.	102.68	43.53	3.23	0.50	1.83	49.
AR014	18.7	99.3	80.6	43.30	2.88	0.44	4.66	48.
AR015	31.5	41.1	9.6	41.50	0.13	4.22	6.01	47.
AR016	30.1	134.	104.5	43.43	2.56	0.98	3.75	48.
AR016	143.2	173.	30.4	43.10	2.49	0.57	5.11	48.
AR016	182.6	193.	10.5	40.62	1.82	0.64	11.04	45.
AR016	214.1	224.	10.4	41.62	1.93	0.56	9.00	46.
AR016	231.2	278.	47.4	41.99	1.00	0.48	10.08	46.
AR017	28.6	36.6	8	41.49	0.64	3.31	6.95	47.
AR017	66.1	86	19.9	42.27	1.31	4.13	3.11	48.
AR017	100.2	155.	55.4	40.47	5.62	1.36	3.12	49.
AR017	164.6	179.	14.6	41.92	4.81	1.46	1.16	50.
AR018	12	22	10	43.26	0.13	3.25	3.85	49.
AR018	32	186.	154.9	43.55	1.32	2.29	3.67	48.
AR018	196.2	240	43.8	42.44	3.65	1.73	2.18	49.
AR019	18.9	54	35.1	42.87	0.29	3.83	4.81	47.
AR019	71.5	90.8	19.3	44.18	0.37	3.38	1.68	49.
AR020	74	222	148	42.86	1.60	2.04	4.99	48.
AR020	237.3	250	12.7	43.42	0.59	1.52	5.67	48.
AR021	14.5	60.8	46.3	42.79	0.66	1.74	6.64	47.
AR021	66.8	175	108.2	43.83	1.49	1.62	3.61	49.
AR021	187	199	12	41.50	5.93	1.68	0.69	50.
AR022A	28.7	51	22.3	43.61	1.60	0.90	4.60	49.
AR022B	37	73	36	44.78	1.07	0.83	3.34	49.
AR022B	82	121	39	44.89	1.92	0.52	2.50	49.
AR022B	127	145	18	42.08	5.60	0.87	1.09	50.
AR022B	157	171.	14.7	45.42	1.98	1.10	0.38	50.
AR022B	178	190	12	41.39	5.18	2.25	0.98	48.
AR022B	196	205	9	42.03	4.58	0.90	2.94	49.
AR023	33.7	70	36.3	41.66	1.19	3.50	6.51	46.
AR023	76	88	12	38.42	3.62	0.66	12.26	44.
AR023	97	163	66	40.42	2.09	2.75	8.13	45.
AR023	193	217	24	40.89	1.85	0.25	11.49	44.
AR023	229	244	15	42.49	1.36	0.37	8.46	46.
AR023	256	286	30	40.75	3.16	0.92	10.53	44.
AR023	325	349	24	44.56	0.93	0.78	4.17	48.
AR026	16	83.6	67.6	42.03	2.07	1.26	6.60	47.
AR026	90.2	160.	69.9	42.66	3.21	0.60	4.68	48.

AR026	164.6	211.	46.5	40.83	1.64	0.38	11.26	45.
AR026	217.1	260.	43.5	40.86	3.13	1.17	8.52	45.
AR027	102.5	117	14.5	43.18	1.46	0.66	8.71	45.
AR028	39.5	58	18.5	43.60	2.92	0.59	3.33	49.
AR030	49	64	15	44.43	1.52	1.79	1.34	50.
AR031	60	79	19	44.36	1.67	1.54	2.44	49.
AR031	116.5	131	14.5	45.29	0.73	1.13	2.24	50.
AR031	142	150	8	41.06	0.47	2.18	9.73	46.
AR032	90	125	35	34.06	4.15	1.08	3.15	40.
AR032	131	146	15	41.09	4.38	0.81	8.17	45.45
AR034	129	137	8	40.86	0.91	2.01	9.89	46.11
MB002	4.7	25	20.3	41.37	3.47	1.36	5.03	48.32
MB003	19.4	31.4	12	43.96	1.66	0.79	3.38	49.70
MB005	29.7	48.5	18.8	41.52	2.51	1.89	5.51	48.15
MB007	35	43.3	8.3	43.60	3.66	0.87	0.93	50.78
MB008	6.9	28.3	21.4	44.28	0.79	1.95	2.68	50.04
MB008	33.9	49.7	15.8	43.79	1.58	1.96	2.36	50.05

Notes:

- Significant intercepts comprise a minimum down hole intercept of >40%Mgo at least 8m in length of magnesite.
- Significant intercepts may include up to four continuous meters of magnesite grading less than 40%.
- NA - Not analysed

Appendix 3

JORC Code 2012 - Table 1 Report

SECTION 1 SAMPLING TECHNIQUES AND DATA

Criteria	JORC Code explanation	Commentary
Sampling techniques	*Nature and quality of sampling (e.g. cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc). These examples should not be taken as limiting the broad meaning of sampling.*	Sampling is based upon diamond drilling in PQ, HQ and NQ sizes carried out between 1983 to 2011 by various companies including CRAE, Crest Magnesium, Tasmania Magnesite NL ("TMNL") and Beacon Hill Resources Plc. A total of 81 diamond drill holes for 10,492 m have been completed and sampling carried out under the direct supervision of a qualified geologists
	Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used	Half core or quarter core samples were collected using a diamond saw to cut the core whilst respecting geological boundaries
	Aspects of the determination of mineralisation that are Material to the Public Report. In cases where 'industry standard' work has been done this would be relatively simple (e.g. 'reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30 g charge for fire assay'). In other cases more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (e.g. submarine nodules) may warrant disclosure of detailed information	Diamond core sample lengths ranged from 0.1 m to 18 meters and varied considerably with different sampling phases, Although TMNL's sampling was commonly conducted over 1 m intervals the older CRAE drilling was generally sampled over longer intervals and was dominated by 5 m sample intervals and Crest Magnesium drilling was generally sampled over intervals around 1.5 to 3.0 m. The average sample width collected for the entire project is 2.2 m All sampled core from the interval was submitted to the laboratory for sample preparation no sub-sampling was performed on site. Samples were only generally collected from fresh magnesite and sample intervals were modified to match geological boundaries.
Drilling techniques	*Drill type (e.g. core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc) and details (e.g. core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc).*	All drilling was diamond drilling in PQ, HQ or NQ core sizes.
Drill sample recovery	*Method of recording and assessing core and chip sample recoveries and results assessed*	The Modern drilling sample recovery was visually assessed and recorded on drill logs and is considered to be acceptable. Sample recoveries for the Historic drilling are unknown.
	Measures taken to maximise sample recovery and ensure representative nature of the samples	At Arthur River, core recovery was measured and recorded for each sample and the information stored in an analytical database. Average core recovery was 86%, with most core loss being from silt filled zones within the magnesite At Lyons River, core was measured and core recovery noted and poor recovery was noted in weathered and karst carbonates elsewhere excellent recovery of 95 to 100% was achieved
	Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material.	No relationship between core recovery and grade recovery was noted.
Logging	*Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies.*	All drilling was logged by a qualified by a qualified geologist, All historical logs were loaded into Excel spreadsheets and subsequently into an Access database .
	Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography.	The drill sample logging was qualitative.

Criteria	JORC Code explanation	Commentary
	The total length and percentage of the relevant intersections logged	Each drill hole sample was logged, with the exception of percussion precollars which were generally not logged.
Sub-sampling techniques and sample preparation	*If core, whether cut or sawn and whether quarter, half or all core taken.*	Half and quarter core samples were cut with a diamond saw.
	If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry.	Only diamond core samples were collected.
	For all sample types, the nature, quality and appropriateness of the sample preparation technique.	At Arthur River samples were submitted to either Analabs or ALS where they were dried crushed and pulverised to 90% passing -80# prior to being sub-sampled for a variety of analytical work. The process is considered appropriate given the coarse grained nature of the mineralisation. This work was conducted to generally accepted industry standards. At Lyons River no record of sample preparation has been located however this is assumed to be as per normal industry standards
	Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.	At Arthur River, field QC procedures required that analytical standards were submitted at a rate of 1:25. Standard reference material was prepared from historical core. At Lyons River there is no record of QC procedures
	Measures taken to ensure that the sampling is representative of the in situ material collected, including for instance results for field duplicate/second-half sampling.	Re-splitting and re-assaying of sub samples and field duplicates had not been undertaken due to the early stages of the project. However, bulk metallurgical samples were collected and the results reconciled with analytical data.
	Whether sample sizes are appropriate to the grain size of the material being sampled.	The sample size is considered appropriate to the grain size of the material being sampled.
Quality of assay data and laboratory tests	*The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.*	All samples were submitted to NATA accredited laboratories and used industry accredited analytical methods. The assaying techniques used are total analyses.
	For geophysical tools, spectrometers, handheld XRF instruments, etc, the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc.	No geophysical or field analytical equipment was used.
	Nature of quality control procedures adopted (e.g. standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (i.e. lack of bias) and precision have been established.	Laboratory QA/QC data is available for recent drilling however unavailable for earlier drilling undertaken by CRAE. As work was undertaken by NATA accredited laboratories they are considered acceptable
Verification of sampling and assaying	*The verification of significant intersections by either independent or alternative company personnel.*	At Arthur River, verification of historical drill hole intercepts was undertaken by collecting bulk metallurgical samples. The samples were submitted by Derwent Geoscience personnel. Crest Magnesium sent a number of duplicate samples to umpire laboratories At Lyons River, no direct verification of sampling has been completed although metallurgical samples were similar to original results
	The use of twinned holes.	No twined holes were drilled
	Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.	All drilling information was recorded on paper then subsequently entered into excel spreadsheets which were checked for irregularities. All hard copy data was checked and verified
	Discuss any adjustment to assay data.	No adjustments were made to the assay data.

Criteria	JORC Code explanation	Commentary
Location of data points	*Accuracy and quality of surveys used to locate drillholes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation.*	At Arthur River, all drill hole collars were located by a licenced surveyor and are considered accurate to +/- 0.1 cm. Single shot downhole survey data was collected at 30 m intervals by TMNL drilling and this showed minimal deviation. No downhole survey data is available for the remaining drill holes but in view of the minimal deviation in the TMNL holes this is considered acceptable At Lyons River no hole collar surveys are available. All coordinates were digitised into GDA94 datum from hardcopy plans. Downhole surveys were undertaken using an Eastman single shot camera. A Topographic dtm was created from 10 m contours
	Specification of the grid system used.	GDA94 Zone 55.
	Quality and adequacy of topographic control.	At Arthur River, the topographic model was generated from LiDAR data and is considered accurate to +/- 1 cm. At Lyons River a Topographic dtm was created from 10 m contours
Data spacing and distribution	*Data spacing for reporting of Exploration Results.*	At Arthur River, drill holes are on a section spacing of approximately 50 m with holes at variable spacings on each section, averaging 100 m. Drill spacing was impacted by topographic features and to minimise vegetation clearing; it is common to collar pairs of drill holes from a single pad At Lyons River, drill hole spacing is mostly 500 m X 500 m, with minor 100 m X 100 m spacing in the north .
	Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied.	At Arthur River, data density is considered sufficient for estimation of an Inferred resource, but not sufficient for Ore Reserve estimation At Lyons River, the drill hole spacing is not considered appropriate for the estimation of a Resource
	Whether sample compositing has been applied.	At Arthur River, sample compositing of 3 m has been applied for use in the Resource estimation.
Orientation of data in relation to geological structure	*Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.*	At Arthur River, the mineralisation is interpreted to dip 35 degrees to the east; drilling at angles between vertical and 60 degrees is considered to be appropriate to achieve unbiased sampling of this style of mineralisation. At Lyons River, the majority of the drilling has been sub-perpendicular to the steeply dipping mineralisation and drill hole orientation is not considered to have introduced any material bias
	If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material.	Considering the massive nature of the mineralisation no drill orientation bias has been introduced.
Sample security	*The measures taken to ensure sample security.*	At Arthur River, the chain of custody for the TMNL drilling was managed by Derwent Geoscience, with drill core secured in a locked shed. For remaining drilling, at both Arthur River and Lyons River it is unknown what sample security procedures were utilised, however results are consistent with what would be expected
Audits or reviews	*The results of any audits or reviews of sampling techniques and data.*	At Arthur River a review of work was undertaken by Coffey Mining in November 2011, on behalf of Beacon Hill Resources Plc, who concluded that work in 2010/ 2011 complied with analytical best practice and that earlier work was good. At Lyons River, no audits or reviews of sampling data and techniques were completed

SECTION 2 REPORTING OF EXPLORATION RESULTS

Criteria	JORC Code explanation	Commentary
Mineral tenement and land tenure status	Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings.	The Prospect Ridge project is located upon EL5/2016 where Jindalee Resources Limited hold a 100% beneficial interest through its subsidiary HiTec Minerals Pty Ltd. GWR Group Limited via its 100% owned subsidiary, Tasmanian Magnesium Pty Ltd is seeking to acquire a 70% interest in EL5/2016, which is valid until 27th November 2023, at which time it may be renewed. The Project has attaching a 1% gross royalty capped at $500,000 in cash or shares
	The security of the tenure held at the time of reporting along with any known impediments to obtaining a licence to operate in the area.	The tenement is in good standing and valid until 27th November 2023, at which time it may be renewed.
Exploration done by other parties	Acknowledgment and appraisal of exploration by other parties.	The Arthur River magnesite deposit was first discovered in 1925 by the geologist B. P. Nye. In 1970, Mineral Holdings Australia Pty Ltd (MHA) was granted a large exploration license (EL43/70) over the area and carried out exploration in association with a number of joint venture partners. Between 1982 and 1988 MHA, in joint venture with CRAE, carried out geological mapping gravity surveys, diamond drilling, metallurgical testing and feasibility and marketing studies. CRAE completed 7 diamond drill holes on the Arthur River Project (AR001 to AR007) totalling 1,610m of drilling. This work delineated the magnesite body at the Arthur River, over 3,500 meters of strike length In 1997, Tasmania Magnesite N.L. (TMNL) entered into an option agreement to purchase the Arthur River Project from MHA. Check and exploratory diamond drilling at Arthur River comprised seven holes totalling 1,254.3 meters (AR002C, AR007C and AR008 to AR012). Crest Magnesium/TMNL went on to complete a further 16 diamond drill holes, one test pumping bore and 5 monitoring bores totalling 4,226.1m of drilling. They initiated feasibility work, hydrogeological studies, and resource estimation. Resource estimates generated and publicly reported by Crest are comparable in tonnage, MGO grades and contaminant grades to the estimate prepared by Derwent Geoscience in October 2017. Beacon Hill PLC, through its wholly owned subsidiary TMNL, completed a further 1,118m of drilling, environmental studies, hydrogeological studies, metallurgical test work, resource estimation and marketing studies which culminated in a scoping study.
Geology	Deposit type, geological setting and style of mineralisation.	The Prospect Ridge magnesite deposits are located within the Arthur Lineament, which is a NNW- striking belt of highly deformed metamorphic Pre-Cambrian rocks extending from just north of Granville Harbor on the west coast, to Wynyard on the north coast. The deposits comprise a massive Magnesite bodies overlain by up to 20m of Holocene glacial sediments.

Criteria	JORC Code explanation	Commentary
Drill hole Information	A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill holes: • easting and northing of the drill hole collar • elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar • dip and azimuth of the hole • down hole length and interception depth • hole length.	Material drilling information has previously been publicly reported in ASX announcements made by Jindalee Resources Limited in particular "Arthur River Magnesite Deposit JORC (2012) Resource Estimate", dated 9th October 2017 and "Prospect Ridge Exploration Target for Lyons River Deposit", dated 22nd January 2021. Drill hole details including locations and significant assay intervals are included as Appendix 2 to this announcement.
Data aggregation methods	In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (e.g. cutting of high grades) and cut-off grades are usually Material and should be stated.	No upper cuts were applied to the data.
	Where aggregate intercepts incorporate short lengths of high grade results and longer lengths of low grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail.	No aggregate intercepts are reported.
	The assumptions used for any reporting of metal equivalent values should be clearly stated.	Metal equivalents have not been used.
Relationship between mineralisation widths and intercept lengths	These relationships are particularly important in the reporting of Exploration Results. If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported. If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (e.g. 'down hole length, true width not known').	Most holes have been drilled to intercept the deposits at high angles to best represent the true widths of the mineralisation. Down hole lengths are reported.
Diagrams	Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported These should include, but not be limited to a plan view of drill hole collar locations and appropriate sectional views.	See body of announcement.
Balanced reporting	Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results.	Refer to Appendix 2 Table 3 and to the Jindalee Resources Limited ASX announcement 10 October 2017.
Other substantive exploration data	Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples – size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances.	Material information has previously been reported by Jindalee Resources Limited refer to the following ASX announcement - "Arthur River Magnesite Deposit JORC (2012) Resource Estimate" (10 October 2017)
Further work	The nature and scale of planned further work (e.g. tests for lateral extensions or depth extensions or large-scale step-out drilling). Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive	A comprehensive review of all previous work is planned by GWR to determine immediate next steps.

SECTION 3 ESTIMATION AND REPORTING OF MINERAL RESOURCES

Criteria	JORC Code explanation	Commentary
Database integrity	Measures taken to ensure that data has not been corrupted by, for example, transcription or keying errors, between its initial collection and its use for Mineral Resource estimation purposes.	See above Section 1 Verification of sampling and assaying. Historical analytical data was entered into the database from the original laboratory reports in the case of the Crest data and from the handwritten drill logs in the case of the CRAE data. All data entry was checked at a rate of at least 1 in 20 entries against the original hardcopy. All TMNL data was merged from digital analytical files into the database
	Data validation procedures used.	See above Section 1 Verification of sampling and assaying Data validation was undertaken by checking sampled intervals of historical core against that in the database during the course of re-logging it and confirming that this matched publicly reported data in technical reports submitted to the Tasmanian Department of Mines. Some Crest historical core was sampled for metallurgical work by TMNL, the analytical data from these samples was compatible with the historical assay data.
Site visits	*Comment on any site visits undertaken by the Competent Person and the outcome of those visits.* *If no site visits have been undertaken indicate why this is the case.*	No site visits have been undertaken due to COVID 19 restrictions
Geological interpretation	*Confidence in (or conversely, the uncertainty of) the geological interpretation of the mineral deposit.*	The geological interpretation is based on drilling and surface mapping and believed to be sufficiently robust for this report. As more data is collected the geological interpretation will be updated.
	Nature of the data used and of any assumptions made.	Logging and mapping were the basis of geological interpretation.
	The effect, if any, of alternative interpretations on Mineral Resource estimation.	An alternative interpretation will have an impact on the resource estimate, however at this point in time all historical and current interpretations are similar.
	The use of geology in guiding and controlling Mineral Resource estimation.	The geological interpretation was developed first, and then a model of the resource was constructed.
	The factors affecting continuity both of grade and geology.	These are poorly understood due to the wide spacing of the current drilling, hence classification of the entire resource estimate as inferred.
Dimensions	*The extent and variability of the Mineral Resource expressed as length (along strike or otherwise), plan width, and depth below surface to the upper and lower limits of the Mineral Resource*	The Arthur River resource extends for approximately 1 km along strike and 300 m wide. Drilling has tested the resource to a vertical depth of approximately 200 m. The mineralised horizon shows excellent continuity however a barren dolerite intrusion near its centre has interrupted the continuity.
Estimation and modelling techniques	*The nature and appropriateness of the estimation technique(s) applied and key assumptions, including treatment of extreme grade values, domaining, interpolation parameters and maximum distance of extrapolation from data points. If a computer assisted estimation method was chosen include a description of computer software and parameters used.*	The estimate was undertaken using Vulcan® software and an Inverse Distance Squared (IDS) estimation methodology. Wireframes were generated for geological zones, based on the current geological interpretation. Assay data was composited to 3m, and an 80m x 80m x 10m search ellipse was used for grade interpolation. No uppercuts were applied to the estimate.
	The availability of check estimates, previous estimates and/or mine production records and whether the Mineral Resource estimate takes appropriate account of such data.	The current resource estimate correlates well with historical, including unpublished and non JORC compliant, estimates.
	The assumptions made regarding recovery of by-products.	No assumptions have been made at this stage.

Criteria	JORC Code explanation	Commentary
	Estimation of deleterious elements or other non-grade variables of economic significance (e.g. sulphur for acid mine drainage characterisation).	Potentially deleterious elements including SiO2, Fe2O3 and CaO were estimated into the model.
	In the case of block model interpolation, the block size in relation to the average sample spacing and the search employed.	Maximum block size is 20mX x 40mY x 10mRL with sub-blocking down to 5mX x 10MY x 5mRL. A primary search ellipse of 80m x 80m x 10m was followed by a secondary search of 160 x 160 x 20m. Average drill hole spacing is 50 x 100m.
	Any assumptions behind modelling of selective mining units.	None made for this estimate.
	Any assumptions about correlation between variables.	Each element was estimated separately, using the same parameters.
	Description of how the geological interpretation was used to control the resource estimates.	The modelled mineralisation is based on the geological interpretation
	Discussion of basis for using or not using grade cutting or capping.	A probability plot of the grade data was generated and no outliers were observed
	The process of validation, the checking process used, the comparison of model data to drillhole data, and use of reconciliation data if available.	The block model grades were visually checked to conform with the drill hole grades. No reconciliation data from historical mining is available
Moisture	*Whether the tonnages are estimated on a dry basis or with natural moisture, and the method of determination of the moisture content.*	The tonnages are estimated on a dry basis the moisture content has not been measured.
Cut-off parameters	*The basis of the adopted cut-off grade(s) or quality parameters applied*	A cut-off grade of +40% MgO was selected as metallurgical test work indicated that it was possible to produce a marketable calcined product from material above this grade. In addition maximum levels of contaminants should fall below 6% SiO2, 2% Fe2O3 and 5% CaO.
Mining factors or assumptions	*Assumptions made regarding possible mining methods, minimum mining dimensions and internal (or, if applicable, external) mining dilution. It is always necessary as part of the process of determining reasonable prospects for eventual economic extraction to consider potential mining methods, but the assumptions made regarding mining methods and parameters when estimating Mineral Resources may not always be rigorous. Where this is the case, this should be reported with an explanation of the basis of the mining assumptions made.*	The resource model was constructed on the assumption that mining of the magnesite would be via open pit methods. In addition it is assumed that grade control will be used to selectively mine higher grade parcels of magnesite, and to determine the distribution of contaminants on a local scale.
Metallurgical factors or assumptions	*The basis for assumptions or predictions regarding metallurgical amenability. It is always necessary as part of the process of determining reasonable prospects for eventual economic extraction to consider potential metallurgical methods, but the assumptions regarding metallurgical treatment processes and parameters made when reporting Mineral Resources may not always be rigorous. Where this is the case, this should be reported with an explanation of the basis of the metallurgical assumptions made.*	A primary metallurgical assumption is that the weathered clay zones contained within the fresh Magnesite will be upgraded in the first stage of processing by crushing and wet screening the ROM material to remove the unconsolidated weathered material. Hence the block model has been constructed in such a manner that an economic assessment can be made by looking directly at the grades of the fresh magnesite without considering dilution by weathered zones. A significant amount of historical metallurgical test work on the project suggests that it is possible to produce a marketable calcined product

Criteria	JORC Code explanation	Commentary
Environmental factors or assumptions	*Assumptions made regarding possible waste and process residue disposal options. It is always necessary as part of the process of determining reasonable prospects for eventual economic extraction to consider the potential environmental impacts of the mining and processing operation. While at this stage the determination of potential environmental impacts, particularly for a greenfields project, may not always be well advanced, the status of early consideration of these potential environmental impacts should be reported. Where these aspects have not been considered this should be reported with an explanation of the environmental assumptions made*	Environmental impacts have not been considered in detail, however studies completed by TMNL and Crest Magnesium suggested that it is reasonable to assume that the environmental impacts of an open pit mining operation will be manageable.
Bulk density	*Whether assumed or determined. If assumed, the basis for the assumptions. If determined, the method used, whether wet or dry, the frequency of the measurements, the nature, size and representativeness of the samples.*	Density data was collected from the core from samples selected on 3m intervals from the TMNL and historical drill core. The densities were measure using a simple buoyancy method. They should be considered to be wet densities.
	The bulk density for bulk material must have been measured by methods that adequately account for void spaces (vugs, porosity, etc), moisture and differences between rock and alteration zones within the deposit,	The methodology required the wet sample to be weighed and compared to the dry weight. From this data it can be shown that the material is not porous.
	Discuss assumptions for bulk density estimates used in the evaluation process of the different materials.	No assumptions were made.
Classification	*The basis for the classification of the Mineral Resources into varying confidence categories*	The estimate has been entirely classified as an Inferred Resource under the 2012 JORC Guidelines. In order for confidence in the estimate to be upgraded further infill drilling to a density of approximately 50 x 50m is recommended
	Whether appropriate account has been taken of all relevant factors (i.e. relative confidence in tonnage/grade estimations, reliability of input data, confidence in continuity of geology and metal values, quality, quantity and distribution of the data).	All relevant factors have been appropriately reflected in the applied classification.
	Whether the result appropriately reflects the Competent Person's view of the deposit.	The classification reflects the Competent Persons view of the deposit.
Audits or reviews	*The results of any audits or reviews of Mineral Resource estimates.*	No audits or reviews of the Mineral Resource estimate has been carried out

Criteria	JORC Code explanation	Commentary
Discussion of relative accuracy/confidence	*Where appropriate a statement of the relative accuracy and confidence level in the Mineral Resource estimate using an approach or procedure deemed appropriate by the Competent Person. For example, the application of statistical or geostatistical procedures to quantify the relative accuracy of the resource within stated confidence limits, or, if such an approach is not deemed appropriate, a qualitative discussion of the factors that could affect the relative accuracy and confidence of the estimate*	The estimate has been classified entirely as an Inferred Resource. This classification appropriately reflects the confidence level in the mineral resource
	The statement should specify whether it relates to global or local estimates, and, if local, state the relevant tonnages, which should be relevant to technical and economic evaluation. Documentation should include assumptions made and the procedures used	The resource estimate represents the entire resource covered by the drilling completed to date.
	These statements of relative accuracy and confidence of the estimate should be compared with production data, where available	No production data is available.