

25 August 2022

ASX Announcement

IRON ORE MINING RIGHTS AGREEMENT MOVES AHEAD

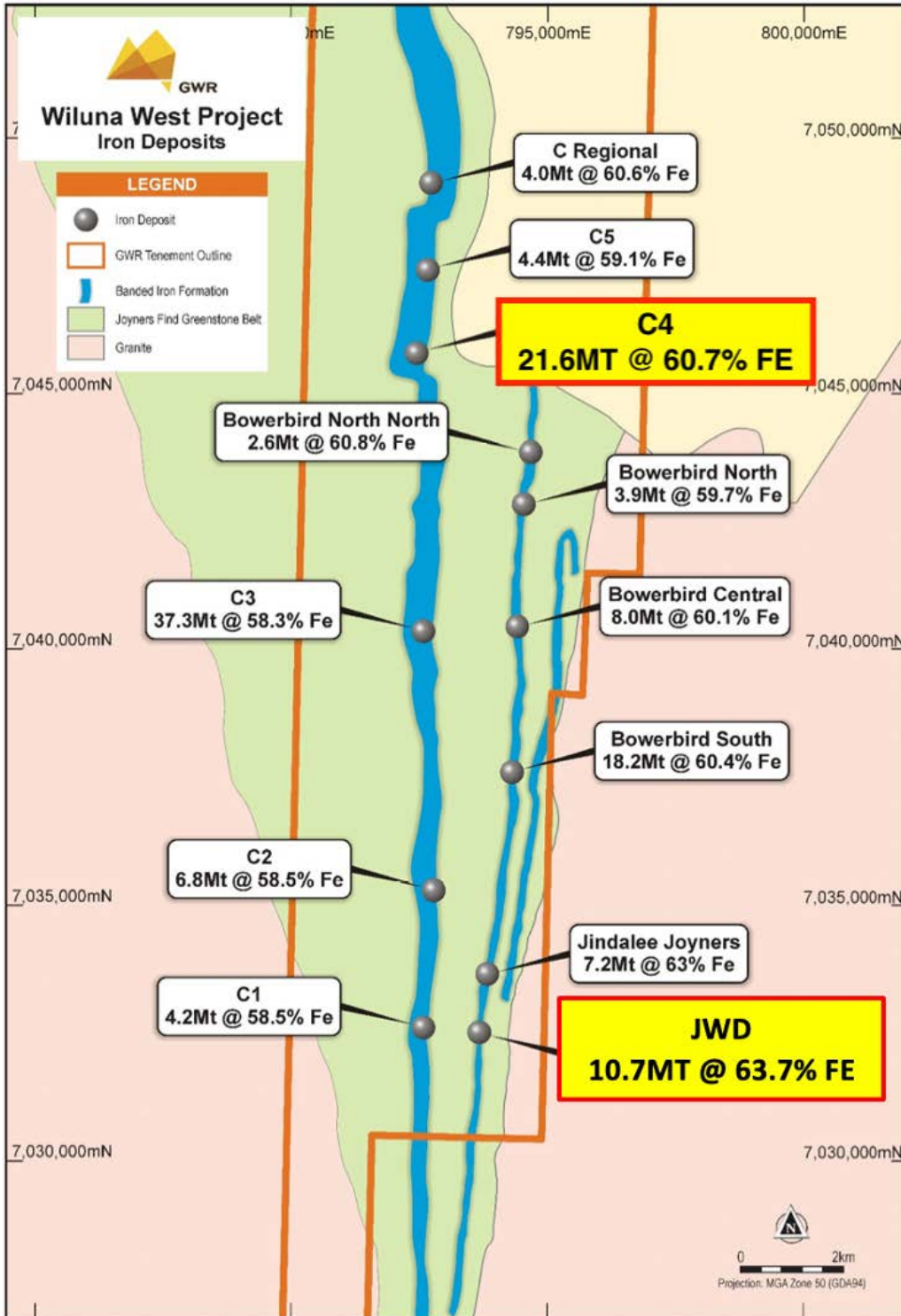
GWR Group Ltd (**ASX:GWR**) (“**GWR Group**” or “the **Company**”) is pleased to provide an update to its announcement on 20 July 2022 relating to the Binding Term Sheet to grant Mining Rights for the C4 Iron deposit and the transfer of its residual rights in relation to the JWD Iron deposit for a total consideration of \$30,000,000 plus potential royalties to Gold Valley Iron Ore Pty Ltd (“**GV**”) together with a further \$5,000,000 (the Additional Payment) for sundry plant and equipment, stores and C4 ore stockpiles.

The grant of mining rights across 2 of GWR’s 13 Iron Ore deposits highlights the potential value to be unlocked across the remaining 11 deposits.

HIGHLIGHTS

- **GWR is moving to finalise the Mining Rights formal agreement following the receipt to date of \$10,000,000, comprising \$5,000,000 paid upon signing the Binding Term Sheet and \$5,000,000 being the Additional Payment for sundry plant and equipment, stores and C4 ore stockpiles.**
- **The Term Sheet provides for the second tranche of consideration, an additional \$10,000,000, to be received within 45 days from execution, being on or before 2 September 2022.**
- **Following receipt of the second tranche GWR expects to have a cash balance of approximately \$14 million together with approximately \$7 million in Tungsten Mining NL (ASX:TGN) shares.**
- **A final cash payment of \$15,000,000 is due upon the earlier of:**
 - **19 January 2024; or**
 - **the date immediately after GV has shipped or otherwise sold an aggregate of 1,000,000 tonnes of iron ore from the C4 Deposit on commencing from 19 July 2022.**
- **A royalty is payable to GWR, based upon the Platts index for 62% Fe and payable across all tonnes (lump and fines) shipped or otherwise sold from the C4 Deposit based on the below pricing index:**
 - **< USD135/t USD \$1.00 per tonne is payable to GWR**
 - **> USD135/t USD \$2.00 per tonne is payable to GWR**
- **GWR retains both legal and beneficial ownership to all tenements and all other deposits that comprise the Wiluna West Iron Ore Project. GWR is re-evaluating development models and assessing the status of mining approvals over the C3 Deposit which contains 37.3Mt @ 58.3% Fe which lies south of the C4 deposit and immediately east of the Bowerbird Central (8Mt @ 60.1% Fe) and Bowerbird South (18.2Mt @ 60.4% Fe) deposits.**

Figure 1: Location of C4 Iron and JWD deposit



GWR is pleased to update shareholders as it progresses towards finalising a formal Mining Rights agreement over its C4 Iron and JWD deposits. The grant of mining rights across just two of GWR's 12 Iron deposits highlights the potential value to be unlocked across the remaining 10 deposits and use the GV agreement as a benchmark for future transactions.

GWR is in discussions with various parties to consider the potential monetisation of other Iron Ore deposits within the project portfolio.

GWR Chairman Mr Gary Lyons commented

“We are pleased to have received the \$5,000,000 Additional Payment for our stockpiles ahead of the anticipated date and we look forward to finalising a formal mining rights agreement with Gold Valley Iron Ore Pty Ltd. The receipt of another \$10,000,000 payment due within 10 days, will further strengthen GWR’s balance sheet resulting in the receipt of \$20,000,000 from this mining rights agreement to date.

The grant of mining rights to 2 of the 13 high grade iron ore deposits within the Wiluna West Iron Ore Project, accounts for approximately 24% of the available 131Mt¹ JORC mineral resource.

The GWR team remains committed to advancing its Wiluna West Iron ore project, finding transport solutions that will lead to improved margins and lower costs as well as continuing discussions with other interested parties.”

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”) 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.

¹ Refer ASX announcements 3 October 2019; 14 May 2021 and 12 November 2021

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.