

27 September 2022

## ASX Announcement

### VARIATION TO IRON ORE MINING RIGHTS AGREEMENT

GWR Group Ltd (**ASX:GWR**) (“**GWR Group**” or “the **Company**”) is pleased to advise the receipt of a further \$5,000,000 in agreed consideration for the previously announced 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 to Gold Valley Iron Ore Pty Ltd (“GV”) (the Term Sheet).

In addition, GWR confirms agreement to a variation to the Term Sheet. On 20 July 2022 GWR announced the execution of the Term Sheet with GV for a total consideration of \$30,000,000 plus potential royalties together with a further \$5,000,000 (the Additional Payment) for sundry plant and equipment, stores and C4 ore stockpiles.

The Term Sheet provided for the consideration to be remitted as follows:

- \$5,000,000 paid upon signing the Binding Term Sheet;
- \$5,000,000 to be paid within 14 days being the Additional Payment for sundry plant and equipment, stores and C4 ore stockpiles;
- \$10,000,000 to be received within 45 days from execution (the **initial consideration**), of which \$5,000,000 has been **received** and \$5,000,000 is the subject of the variation; and
- A final cash payment of \$15,000,000 is due upon the earlier of:
  - o 19 January 2024; or
  - o 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.

GWR has agreed to vary the terms of the Binding Term Sheet such that GV will pay the balance of the ‘initial consideration’ being \$5,000,000 on 19 March 2023 together with interest at the rate of 8% pa until the date such payment is made. Provided that if the Platts index for 62% Fe achieves a 20 trading day average of USD\$120 prior to 15 February 2023 then GV will be required to make payment of the \$5,000,000 within 30 days of that event occurring.

In addition to the consideration 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 Chairman Mr Gary Lyons commented*

“We are pleased to have received a total of \$15,000,000 to date in agreed consideration following the execution of the Binding Term Sheet and we look forward to finalising a formal mining rights agreement with Gold Valley Iron Ore Pty Ltd.

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 JORC mineral resource.

Importantly 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 remaining deposits.”

GWR will update shareholders once a formal Mining Rights agreement over its C4 Iron and JWD deposits is completed. 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.

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

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