

ASX Announcement

WILUNA WEST HIGH GRADE IRON ORE MINING RIGHTS AGREEMENT UPDATE

Highlights

- Following completion of due diligence a revised Term Sheet for a Mining Rights Agreement has been executed for mining of up to 3 million tonnes of iron ore from JWD Deposit at GWR's 100% owned Wiluna West Iron Ore Project ("WWIOP").
- The revised Mining Rights Agreement to Gold Valley Iron Ore Pty Ltd ("Gold Valley") is in two stages:
 - ✓ Stage 1 - small scale mining operation for the mining and trucking of up to 300,000 tonnes
 - ✓ Stage 2 - option to mine and truck a further 2,700,000 tonnes from the JWD deposit, with the ability to mine and truck additional tonnes from the JWD deposit beyond this at a flat royalty rate.
- GWR will receive staged payments totalling up to \$1 million for Stage 1 and a further \$4.25 million on exercise of the Stage 2 Option. In addition, a production royalty is payable during both stages, which is linked to the iron ore price in the range of \$1 to \$2 per tonne.
- Due Diligence has been completed to Gold Valley's satisfaction and the final JWD Mining Rights Agreement remains subject to the signing of a formal agreement no later than 30 September 2019.
- This transaction aims to provide not only a revenue stream but acts as a potential template for further exploitation of the 130 million tonne high grade Iron Ore deposit for which mining approval for the extraction of 7mtpa is in place (refer to ASX announcement 15 March 2016).
- Continues GWR's success following Hatches Creek Tungsten Farm In agreement (see ASX announcement 3 June 2019).

GWR general manager Adrian Costello said: "The transaction represents a significant milestone for GWR, providing an opportunity to understand the mining and project dynamics for the entire Wiluna West Iron Ore Project (WWIOP) which has 130 million tonnes of high-grade ore."

"The transaction also provides immediate value from the WWIOP capitalising on the iron ore market that has recently shown good signs of growth."

"Following completion of the transaction the company will receive staged cash payments and a royalty from production".

The transaction, which requires the mining and trucking of 300,000 tonnes within 18 months of the Project Management Plan (PMP) being granted by the Department of Mines, Industry Regulation and Safety, includes staged payments as follows:

- Stage 1 – \$250,000 on the execution of the Mining Rights Agreement and staged payments totalling \$750,000, which is paid in six quarterly payments of \$125,000 commencing at the end of the quarter that the PMP being granted by the Department of Mines, Industry Regulation and Safety.
- Stage 2 – Upon Gold Valley exercising the option to mine and trucked a further 2.7 Million tonnes, payment of \$4,250,000 and for all tonnes mined and trucked greater than 3 Million a Flat Rate Royalty of \$3.50/Tonne is payable.

Additionally and for both stages, the transaction provides for a production royalty linked to the iron ore price, which provides cash payments to GWR in the range of \$1.00 to \$2.00 per tonne (depending on the iron ore price).

The transaction is limited to the JWD deposit and represents only a small portion of the total WWIOP Resource of 130 M tonnes (refer to ASX announcement 8 July 2011).

Gold Valley is to undertake mine design, project management, camp operations, crushing and screening, trucking and port logistics and complete rehabilitation as per the approved Mine Closure Plan.

The transaction provides significant benefits to GWR including:

- Cash inflow with no significant outlay from GWR
- Funds for working capital and exploration
- Mining JWD will allow management to understand the potential for the remainder of the WWIOP

About Gold Valley

Gold Valley Iron Ore Pty Ltd is part of the Gold Valley Group, a diversified Australian based company with interests in mining agriculture and energy. Gold Valley is currently developing the Yarram iron ore deposit in the Northern Territory and has the right to mine the Ridges iron ore deposit owned by Kimberly Metals Group in Western Australia. Gold Valley plans to develop small to medium scale iron ore deposits to sell into niche markets. It also holds other mineral interests including Mount Holland Mining lithium (Li and Au in WA) and Mount Hampton Pty Ltd (Au in WA). Gold Valley recently acquired the assets of Territory Resources Limited which includes the Francis Creek Iron Project.

About GWR's Wiluna West Iron Ore Project and JWD

The Wiluna West Iron Ore Project, is an exceptional, DSO iron ore development project, which will produce a high grade, low impurity iron ore as metallurgical tests have demonstrated.

The Wiluna West project has a 2004 JORC Code compliant Resource totalling 130.3 million tonnes at an average iron grade of 60% Fe, including 69.2M tonnes of Probable Reserves at 60.3% Fe (refer Annual Resources and Reserves Statement contained in the 2018 Annual Report and as set out below).

Mining approvals are in place for large scale mining operations (up to 7Mtpa) over an initial mine life of 10 years. In April 2012, GWR was granted mining approval for the JWD high grade deposit (refer to ASX announcement 20 April 2012). This Mining Approval allows for the mining of up to one million tonnes per annum for three years for a total of 3 million tonnes of iron ore. The JWD deposit is within the Wiluna West Iron Ore Project tenements and contains a DSO hematite resource of 10.7Mt at a high grade 63.7% Fe, using a cut-off of 55% Fe (Refer Table 1).

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Competent Persons Statement

The information in this report which relates to Exploration Results, 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 & Metallurgy ("AusIMM") and independent consultant to the Company. Mr Maynard is the principal of AI Maynard & Associates Pty Ltd and has over 40 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, Mineral Resources and Ore Reserves". Mr Maynard consents to inclusion in the report of the matters based on his information in the form and context in which it appears.

The Mineral Resource Estimate for the Wiluna West Iron Ore Project 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.

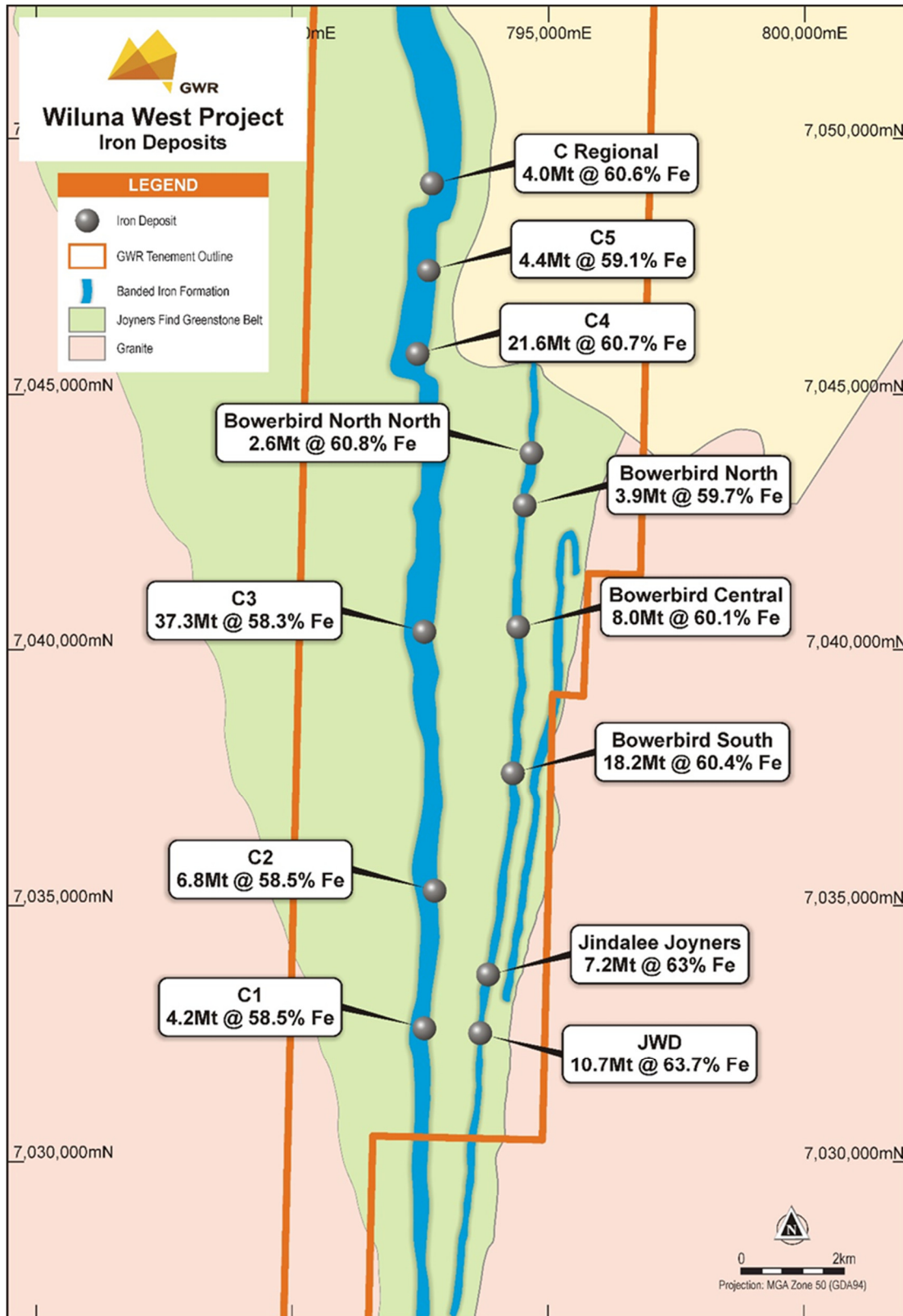


Figure 1 JWD Project Location Plan

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

Table 1 Wiluna West Iron Ore Project JORC 2004 Mineral Resource Estimate