

ASX Announcement

WILUNA WEST GOLD PROJECT MINING AND MILLING JOINT VENTURE AGREEMENT WITH BLACKHAM RESOURCES

Highlights

- **Joint Venture Agreement (JVA) signed for the development, mining and processing of gold deposits from GWR Group Limited (ASX: GWR) 100% owned Wiluna West Gold Project at Blackham Resources Limited (ASX: BLK) nearby Matilda Gold Processing Plant.**
- **The JVA represents an exciting opportunity for the commercial development of the Wiluna West Gold project.**
- **GWR now has an opportunity to commence gold production by exploiting its combined JORC 2004 and JORC 2012 Mineral Resource estimate of 4.2 million tonnes at 2.2 g/t Au (289,000 oz) with minimal capex (see Table 1).**
- **Under the JVA, GWR is responsible for drilling deposits to JORC 2012 Indicated category and Blackham will conduct Feasibility Studies, and if positive, undertake mining, transport and processing of the gold deposits.**
- **The respective Joint Venture Interests are 65% (BLK) and 35% (GWR) on both mining and processing costs and on the gold produced.**
- **Initial focus will be on Golden Monarch, then Emu and Eagle deposits where mining approvals are well advanced.**
- **This JVA aims to provide not only an immediate processing solution at the Wiluna West Gold Project, but also the impetus for further investment in exploration at the highly prospective Wiluna West Gold project tenements.**

GWR Group Limited (ASX: GWR) (“GWR” or “the Company”) is pleased to announce that it has signed a Joint Venture Agreement (JVA) with Blackham Resources Limited (“Blackham”) (ASX: BLK) to mine the Wiluna West Gold Project.

Blackham is the owner and operator of the Matilda/Wiluna Gold Operation, which includes the 2.1 million tonne per annum processing and treatment plant (“Matilda Operation”), located 40 km from GWR’s Wiluna West Gold Project (“Wiluna West”).

The Wiluna West Gold Project contains a combined JORC 2004 and JORC 2012 Mineral Resource estimate of 4,167,000 tonnes at 2.2 g/t Au for an estimated 289,000 oz Au (refer Table 1).

The JVA provides for Blackham and GWR to delineate and mine gold deposits at Wiluna West and for processing to take place at the Matilda Operation.

Key elements of the Joint Venture

The JVA provides for each party to contribute to mining and processing costs and take delivery of gold in proportion to their Joint Venture Interests.

GWR will be responsible for drilling the gold deposits out to JORC 2012 compliant level with a minimum of 75% in the Indicated category, within an optimised pit shell. GWR will also be responsible for sighter metallurgical testwork and gaining statutory mining approvals.

Following mineral resource definition and initial metallurgical testwork, GWR may introduce gold deposits to Blackham as proposed Qualifying Deposits. Blackham will then undertake a Feasibility Study to determine the economic potential of the deposits.

Upon completion of a positive Feasibility Study for a Qualifying Deposit, the deposit will be included in the Joint Venture.

Blackham will be the manager of the Joint Venture, which includes pre-development/mine setup, mining operations and processing Qualifying Deposits from the Wiluna West Gold Project and refining of Dore gold.

The JVA contains various conditions for third party approvals to be obtained within 30 days.

Initial forward work plan

Initial focus will be on Golden Monarch and then the Emu and Eagle deposits.

The Golden Monarch deposit will be submitted to Blackham as a proposed Qualifying Deposit to commence operations. Golden Monarch currently has a JORC 2012 Mineral Resource Estimate of 800,000 tonnes at 2.2 g/t Au for 55,000 oz (refer to ASX announcement 15th August 2019 and Table 1).

GWR is already well advanced with permitting, design and study works for Golden Monarch. The following activities have been undertaken or are in progress for the Golden Monarch deposit.

- A Mining Agreement with Wiluna Traditional Owners is already in place;
- Heritage surveys have been completed and clearing permits are approved;
- A Mining Proposal has been approved by DMIRS;
- Project Management Plan is well advanced; and
- A road access application has been submitted for access to the Ullalla Road and is awaiting approval from the Shire of Wiluna and Department of Main Roads.

The Eagle / Emu gold deposits have a combined JORC 2012 Inferred and Indicated Mineral Resource estimate of 1,390,000 tonnes at 1.9 g/t Au for 85,000 oz (refer to ASX announcement 15th August 2019 and Table 1). Infill RC drilling is planned to be undertaken in next few months designed to increase confidence in the Resource models with the objective of upgrading Inferred Resources to Indicated within an optimised pit shell as required under the JVA.

Work has commenced on fauna and flora surveys and waste rock characterisation to underpin the submission of clearing permits, a mining proposal and project management plan. Sighter metallurgical testwork and preliminary pit optimisations and design are also planned.

Table 1 - Wiluna West Gold Project

JORC 2004 and JORC 2012 Gold Resources

JORC Status	Prospect	Resource Type	Tonnes	Grade (g/t Au)	Ounces
JORC 2012 at 0.5 g/t cut off (Optiro August 2019)	Golden Monarch	Measured	30,000	3.0	3,000
		Indicated	380,000	2.1	30,000
		Inferred	390,000	2.1	30,000
		Sub Total	800,000	2.2	55,000
	Eagle	Indicated	110,000	2.8	10,000
		Inferred	680,000	1.6	35,000
		Sub Total	790,000	1.8	45,000
	Emu	Inferred	600,000	2.2	40,000
	Joyners Find	Inferred	90,000	2.6	10,000
	Total	Measured	30,000	3.0	3,000
		Indicated	490,000	2.3	40,000
		Inferred	1,760,000	1.9	110,000
		Sub Total	2,280,000	2.0	153,000
JORC 2004 at 1.0 g/t cut off (CSA June 2010)	Bottom Camp	Inferred	329,000	2.0	21,100
	Bowerbird	Inferred	169,000	3.1	17,000
	Bronzewing	Inferred	104,000	2.4	8,000
	Brilliant	Inferred	342,000	2.5	27,900
	Wren	Inferred	61,000	2.5	4,800
	Comedy King	Inferred	183,000	1.8	10,800
	Goldfinch	Inferred	80,000	1.4	3,600
	Iron King	Inferred	481,000	2.3	35,600
	Iron Hawk	Inferred	138,000	1.5	6,800
		Sub Total	1,887,000	2.2	135,600
TOTAL JORC 2004 & JORC 2012			4,167,000	2.2	289,000

Notes

Differences may occur due to rounding. For the Mineral Resource compiled in accordance with the JORC 2004 Code refer to ASX announcement 14th June 2010. The Mineral Resource Estimates shown as JORC 2004 compliant were first prepared and disclosed under JORC 2004 and have not been updated to comply with JORC 2012 on the basis that the information has not materially changed since they were last reported.

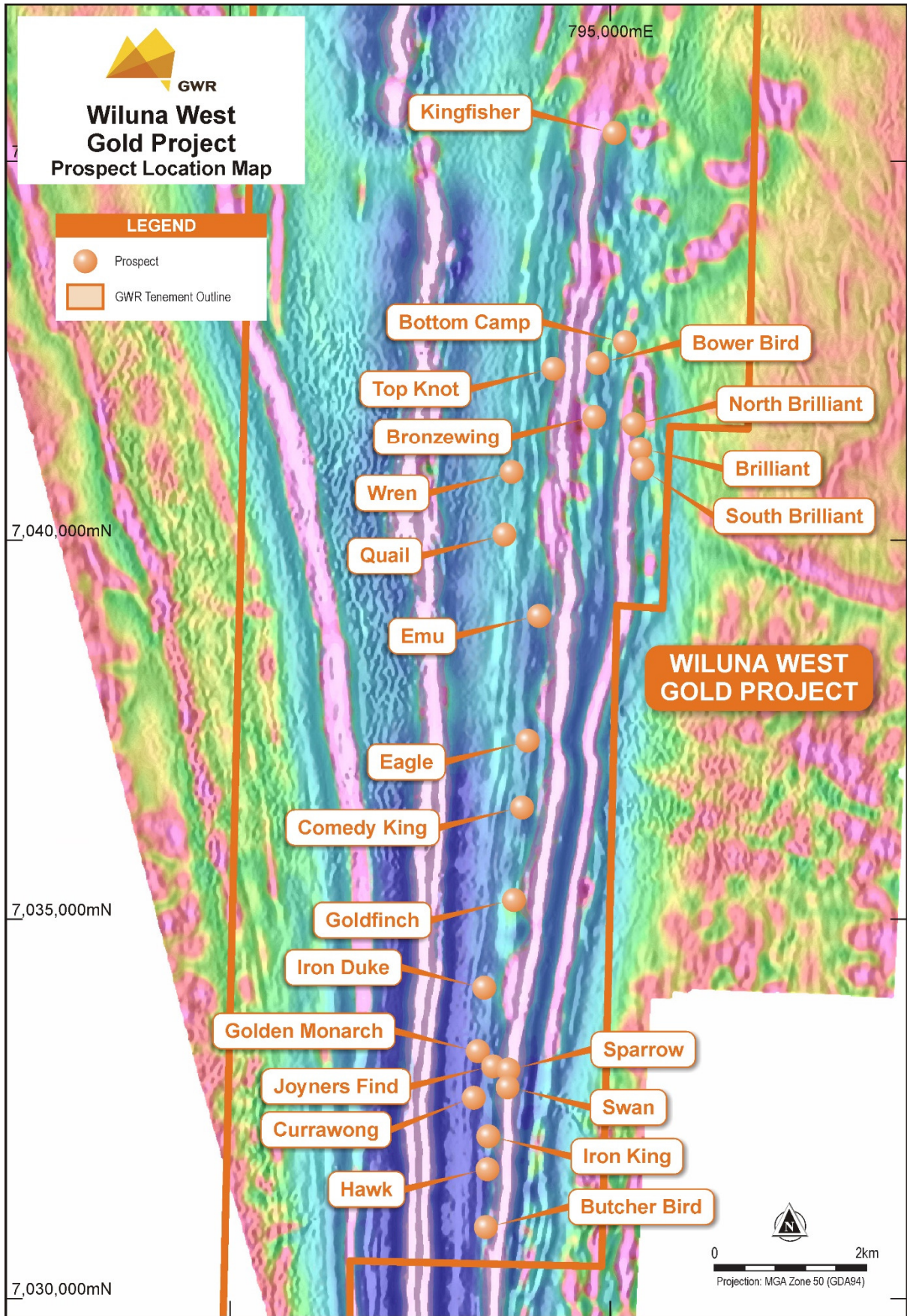


Figure 1: Wiluna West Gold Project prospect location plan

The Joint Venture

The JVA with Blackham is an important step in monetising the Wiluna West Gold Project and provides a significant opportunity for GWR. The current size of the Wiluna West gold deposits do not justify the construction of a stand-alone processing plant, however access to Blackham’s Gold Plant provides GWR with a low capital expenditure option for development and the opportunity to realise value for shareholders.

GWR’s General Manager Adrian Costello said: “This landmark agreement is a significant milestone for the company, transitioning us from developer to miner and producer”.

“This agreement follows the previously announced Joint Venture and Farm-in Agreement for GWR’s tungsten deposits at its Hatches Creek polymetallic project and the JWD Mining Rights Agreement for GWR’s JWD iron deposit”.

“GWR is aiming to successfully transition from an explorer to a miner and is focused on monetising its assets”.

Blackham Managing Director, Milan Jerkovich said “This Agreement represents an opportunity to partner with an emerging junior in the Wiluna District for the benefit of both parties and is consistent with Blackham’s strategy of strengthening and lengthening its free milling reserves within trucking distance of its Wiluna Gold Plant”.

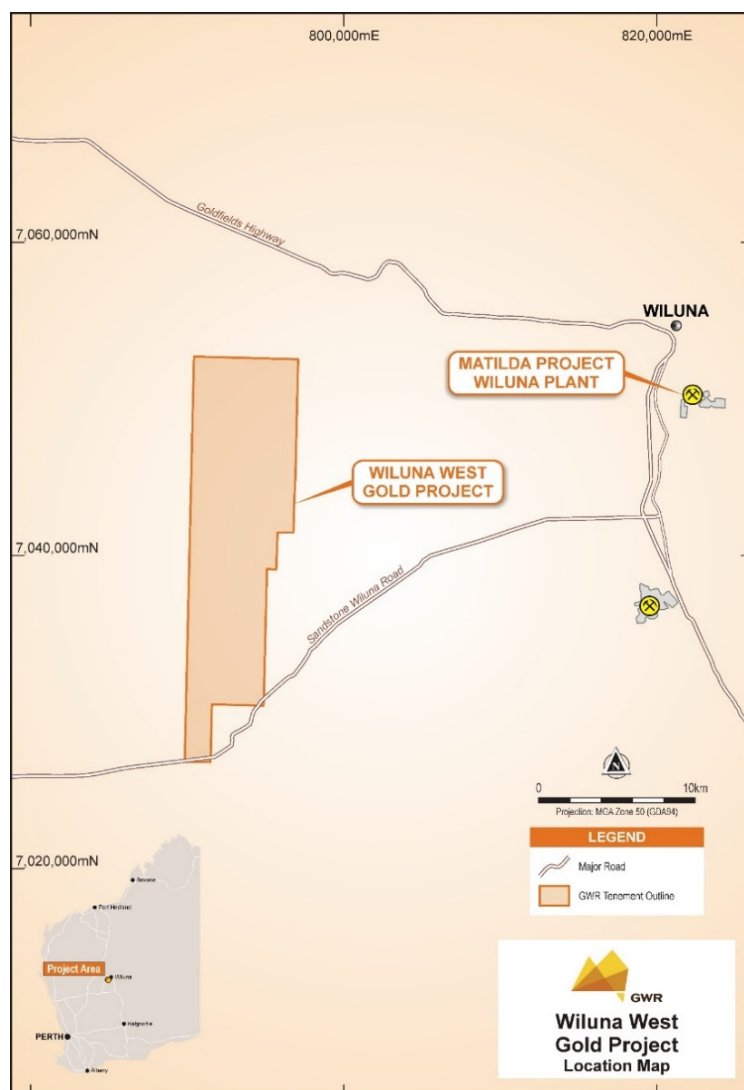


Figure 2: Wiluna West Gold Project Location Plan.

For further information:

Adrian Costello
General Manager
Ph: +61 8 9322 6666
E: adrianc@gwrgroup.com.au

David Utting
David Utting Corporate
Ph: +61 416187462
E: david@davidutting.com

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.