

7 October 2020

ASX Announcement

Development Commences - C4 High-Grade DSO Iron Ore Project

Highlights

- **Successfully completed 1,185 meters of pre-production infill and grade control RC drilling over a strike length of 325 metres within the proposed Stage 1 open pit of the C4 deposit to be mined (Figure 3).**
- **Drilling was also undertaken immediately south of the Stage 1 pit and this based upon geological logging confirmed continued high-grade hematite mineralisation from surface.**
- **All samples have been submitted to the Nagrom Laboratory in Perth and will be available over the next few weeks where upon receipt an updated Resource model will be prepared with final mine planning and scheduling to be completed.**
- **Binding Agreement nearing final execution with mining contractor Pilbara Resource Group Pty Ltd (PRG).**
- **PRG has now commenced development activities with the initial construction of the northern haulage road and site setup (Figure 1 & 2), moving GWR one step closer to becoming the next iron ore producer on the ASX.**
- **GWR is not required to provide any upfront capex or opex and will retain a 70% share of the project profit and GWR will retain the rights for ore sales, strategy and timing.**
- **The PRG Agreement covers just 1 million tonnes of C4's Mineral Resource estimate of 21.6 million tonnes at 60.7% Fe, an exceptional, DSO iron ore development project, which will produce a high grade, low impurity iron ore¹.**
- **The C4 Stage 1 project targets a 500m strike length of outcropping (Figure 4) high-grade DSO hematite mineralisation within the larger C4 deposit.**
- **The C4 Iron Ore deposit is the second revenue stream GWR expects to derive a benefit from and add potential significant value to shareholders, alongside the JWD deposit.**
- **The company expects to update the market as it reaches Key Production Milestones (Table 1) ahead of production of the High-grade Iron Ore C4 DSO hematite project, including Port and Shed access, access to nearby established mining camp, offtake agreements, commencement of mining and first sales/shipment of ore.**

¹ 2004 JORC Code compliant Resource is 131.1 Mt at 60.0% Fe, comprising of 10.1 Mt at 62.5% Fe Measured, 72.0 Mt at 59.9% Fe Indicated and 48.8 Mt @ 59.4% Fe Inferred. (refer ASX announcement dated 12th November 2019 and 8th July 2011 and 11th April 2013).

GWR Group Limited (**ASX:GWR**) (“**GWR Group**” or “**the Company**”) is pleased to announce the commencement of development activities for its 100% owned flagship C4 Iron Ore deposit in Wiluna, WA, described as **an exceptional, DSO project, which will produce a high grade, low impurity iron ore.**

GWR is now one step closer to becoming the next Iron Ore producer on the ASX with start of construction of the Northern Haulage road running from the C4 deposit earmarking the official commencement of development operations. (Figure 1).



Figure 1: Northern Haulage Road Clearing



Figure 2: PRG workers, Martu Monitors and Earthmoving machinery. Commencement of Development Operations

GWR has engaged specialist contractors in mining and resource development, Pilbara Resource Group Pty Ltd (PRG) (Figure 2) to carry out agreed works for development, mining and transport of Stage 1 of the C4 Iron Deposit. **Stage 1 covers just just 1 million tonnes of C4's Mineral Resource estimate of 21.6 million tonnes at 60.7% Fe.**

Formal contract documentation between the two groups and completion of a project budget is nearing completion and expected to be completed shortly, however **it is important for shareholders to understand GWR is not required to provide any upfront capex or opex and will retain a 70% share of the project profit and GWR will retain the rights for ore sales, strategy and timing.**

For further terms of the (Stage 1) PRG agreement and GWR's obligations under this agreement please refer to the GWR ASX release 9 September 2020 (Term Sheet Executed for a Works Contract for Development of the C4 Iron Deposit).

About C4 High-grade DSO Deposit and Pre-Production Grade Control Drilling

GWR has also successfully completed 1,185 metres of an infill drilling program, designed as pre-production grade control over a strike length of 325 metres within the proposed Stage 1 open pit of the C4 deposit to be mined (Figure 3). GWR will provide full drill hole and associated JORC Table 1 information on receipt of assays.

The program consisted of 43 Infill RC drill holes which means the Stage 1 pit is now drilled-out on an approximate 25 metre by 10 metre spacing. **Drilling was also undertaken immediately south of the Stage 1 pit.**

All samples have been submitted to the Nagrom Laboratory in Perth and will be available over the next few weeks where upon receipt an updated Resource model will be prepared with final mine planning and scheduling to be completed.



Figure 3 - RC drill rig at Wiluna West completing grade control drilling

The C4 deposit is 1.4 km long and contains a combined DSO hematite, JORC 2004 Mineral Resource estimate of 21.6 million tonnes at 60.7% Fe, comprising 18.5 million tonnes at 61.2% Fe Indicated and 3.1 million tonnes at 58.0% Fe Inferred (refer to ASX announcement 8th July 2011).

The C4 deposit has widths of DSO hematite mineralisation of up to 120 m with close spaced RC drilling having previously been undertaken on a 25 m by 10 m spacing over a strike length of 200m (Figure 5).

The deposit lies upon a granted mining lease where mining approvals and a Mining Agreement with the Wiluna Martu Native title holders are in place and the final monitoring activity was completed earlier this week by the Martu Monitors.

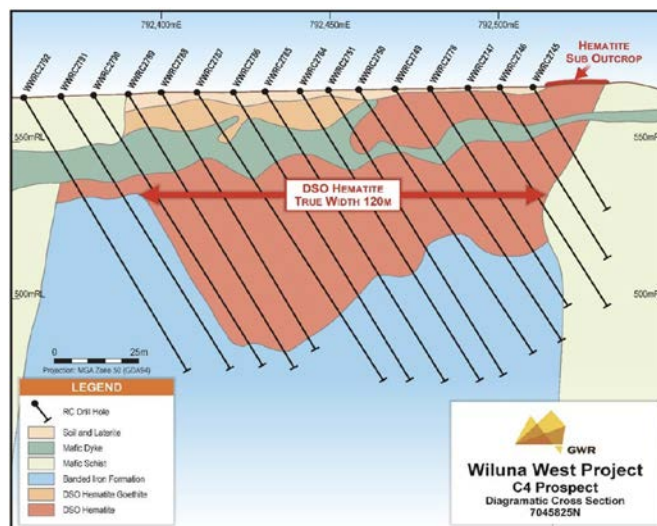


Figure 4: Outcropping C4 Iron Deposit to be Mined

Additional Development Works

Only minor permitting is currently required prior to commencing mining. The Works Approval (required for crushing and screening operations) is currently being assessed by the Department of Water and Environmental Regulation and currently is in the public assessment stage and if no objections are raised this will be approved by the end of October.

The application to Department of Main Roads on the approval for haulage to utilise the intersection located on the Wiluna to Meekatharra Road section of the Gold Fields Highway, is progressing with site visits by both WML consulting design engineer and representatives of

the Main Roads department. Conditional approval is expected shortly and the 15% design phase has commenced. Establishment of a road user agreement for the Goldfields Highway (Wiluna – Meekatharra Road) which includes gravel sections and low standard tar sealed sections of the C4 turn to Meekatharra portion of the Gold Fields highway is in progress.

GWR is advancing discussions with the Mid West Ports Authority and current users for port and shed access and continues to investigate other opportunities.

Discussions are also well advanced with a nearby established mine in the Wiluna area that's is currently on care and maintenance for access to site services such as village, workshops and water.

Table 1: Key project Milestones to be achieved for the development of the C4 Iron Deposit

<u>MILESTONE</u>	<u>PROGRESS</u>
<i>**The Company will keep shareholders informed of operational milestones as they progress**</i>	
Infill / grade control drilling program	Completed (awaiting results)
Engaged consultant to assist with the establishment of offtake agreements for sale of product	Completed
Engaged project manager and team to assist with the establishment of offtake agreements for sale of product	Completed
Completion of service agreement with nearby mine for access to site services such as village, workshops and water.	Completed
Finalisation of contract rates for major services; mining, crushing and screening	Commenced
Northern Haul Road construction and site setup (workshops, lay down area's, internal access roads and services such as water, power and communication)	Commenced
Works Approval (required for crushing and screening operations)	Progressing
Completion of approvals and designs for Wiluna/Meekatharra Road and C4 Access road intersection	Progressing
Road user agreement for the gravel sections and low standard tar sealed sections of the C4 turn to Meekatharra portion of the Gold Fields highway	Progressing
Completion of agreements with Port of Geraldton for services and third party for shed access	Progressing
Completion of establishment offtake agreements for sale of product	Progressing
Geological modelling, mine planning and scheduling	
First shipment of Iron Ore Mined and Transported	
First Sales of High-grade DSO Iron Ore	

GWR Chairman Mr Gary Lyons commented:

*“The Wiluna West Iron Ore Project is an exceptional, DSO iron ore development project, which will produce a high grade, low impurity iron ore and **The C4 Iron Ore deposit is the second revenue stream GWR expects to derive a benefit from and add potential significant value to shareholders, alongside the JWD deposit.**”*

We look forward to updating shareholders as we achieve Key Performance Milestones which will enable GWR to reach our goal of becoming the next ASX Iron Ore producer.

GWR is well positioned to exploit the commodity cycle and has engaged a consultant to assist with the establishment of offtake agreements for sale of product.”

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This ASX announcement was authorised for release by the Adrian Costello, General Manager of GWR Group Ltd

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"), a Corporate Member of the Australian 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.

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.

Table 2. 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 JOYNEERS	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 JOYNEERS	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 JOYNEERS	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

Note: Differences may occur due to rounding. Refer ASX Announcements 12th November 2019, 8th July 2011 and 11 April 2013.