

23 November 2020

## ASX Announcement

### Development & Site Works Update - C4 High-Grade DSO Iron Ore Deposit

#### HIGHLIGHTS

- GWR one step closer to becoming the next iron ore producer on the ASX with significant site works having been completed by mining contractor Pilbara Resource Group Pty Ltd (PRG) since development operations began on 7<sup>th</sup> October 2020 at the Wiluna West High-grade C4 Iron Ore deposit that is being readied for first production.
- Mining operations are due to commence in the first week of December 2020 with PRG engaged for Stage 1 of the C4 mining operations which 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 ore<sup>1</sup>.
- Secured access to the Rosslyn Hill Mining Camp which is located ~22km north of the C4 deposit and lies just off the T-intersection at the end of the Haulage Road currently being constructed and the Goldfields Highway.
- The northern haulage road is well advanced with clearing completed and road construction proceeding on schedule (Figure 8) and approvals required from MRD at the intersection located on the Wiluna to Meekatharra Road section of the Gold Fields Highway, are well advanced.
- Draft Works Approval (required for crushing and screening operations) was received on the 18th of November 2020 from the Department of Water and Environmental Regulation with formal approval expected by the end of November 2020.
- Other C4 deposit site works commenced or completed include:
  - ROM Pad, crusher, and stockyard areas have all been cleared and earthworks are well advanced (Figure 2 & 5),
  - Site Office established, workshop pad completed, and Fuel Farm commissioned (Figure 3, 6 & 7)
  - C4 pit area cleared
  - Water bore drilling completed with high yielding bore established.
  - Borrow pit established with high quality gravel identified
- 150 tonne excavator has mobilised to site and been commissioned (Figure 1)
- Dynamic Drill and Blast (ASX: DDB) have mobilised to site and will commence drilling blast holes on Sunday 22nd of November.
- 777 G dump trucks will commence mobilising to site on Monday 23rd of November
- GWR is nearing completion of a potential agreement with Mid West Ports Authority for port and shed access.
- The Company will continue to update the market as it reaches Key Production Milestones ahead of production of the High-grade Iron Ore C4 DSO hematite project, including Port and Shed access, offtake agreements, commencement of mining and first sales/shipment of ore (Table 1).

<sup>1</sup> 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 provide an update regarding the progress of site works and development operations ahead of production activities from 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.**

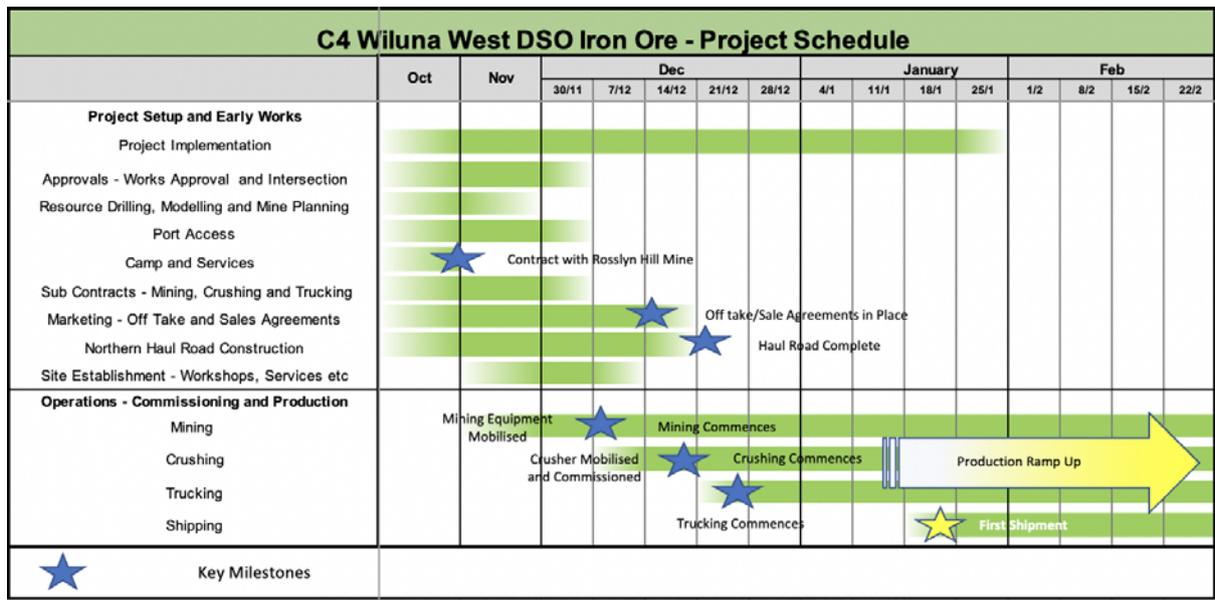
GWR Chairman Mr Gary Lyons commented:

*“We have made significant progress since development operations began in early October and with the current buoyant Iron ore price we are eager to meet our target of first ore shipment in January 2021 and exploit this strong commodity cycle.*

*With the C4 site works being handled by our partners PRG, GWR continues to meet Key Production Milestones ahead of production of the High-grade Iron Ore C4 DSO hematite project and will be in a position shortly to update the market regarding Port and Shed access, offtake agreements, commencement of mining and first sales/shipment of ore.”*

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

<b>MILESTONE</b>	<b>PROGRESS</b>
<i>**The Company will keep shareholders informed of operational milestones as they progress**</i>	
Engaged project manager and team to assist with the establishment of offtake agreements for sale of product	<b>Completed</b>
Completion of service agreement with nearby mine for access to site services such as village, workshops and water.	<b>Completed</b>
Finalisation of contract rates for major services; mining, crushing and screening	<b>Completed</b>
Northern Haul Road construction and site setup (workshops, lay down area's, internal access roads and services such as water, power and communication)	<b>On schedule</b>
Works Approval (required for crushing and screening operations)	<b>Imminent</b>
Completion of approvals and designs for Wiluna/Meekatharra Road and C4 Access road intersection	<b>Progressing</b>
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	<b>Progressing</b>
Completion of agreements with Port of Geraldton for services and third party for shed access	<b>Progressing</b>
Completion of establishment offtake agreements for sale of product	<b>Progressing</b>
Commencement of Mining Operations	<b>1st Week of Dec 2020</b>
Geological modelling, mine planning and scheduling	<b>Progressing</b>
Offtake Agreements of High-grade DSO Iron Ore	<b>Late 4Q2020</b>
First shipment of Iron Ore Mined and Transported	<b>Early Jan 2021</b>



**Site Works Update**

Pilbara Resource Group Pty Ltd (PRG) was formally engaged (refer ASX announcement 13<sup>th</sup> November 2020) 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.**

**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.**

Significant progress has been achieved since development activities commenced on 7<sup>th</sup> October 2020 at the C4 deposit site including the commissioning of the 150T Digger (Figure 1) and clearing of the ROM Pad. Earthworks should be completed shortly (Figure 2).



**Figure 1 - 150T Digger Commissioned on site.**



**Figure 2 – Start of Cut and Fill for the ROM Pad.**

The site office, crib room and drill and workshop pad facilities have all been established as has the fuel farm. The ROM pad crusher and stockyard areas have all been cleared and earthworks are well advanced. (Figures 3, 4, 5, 6 and 7).

Furthermore, three water bores have been completed adjacent to the proposed pit area with pump testing on the first bore demonstrating that it is high yielding running at > 10 litres / second. This water supply will be used for the haul road construction and in mine operations.

A borrow pit has also been established adjacent to the haul road and high quality gravel identified. This will be used as sheeting on the haul road.



**Figure 3 – Workshop Pad**



**Figure 4 – Drill & Blast Laydown Area**



**Figure 5 – Crusher Pad Earthworks**



**Figure 6 – Fuel Farm**



**Figure 7 – Site Offices**

## **Road Access & Haulage Update**

**GWR is now one step closer to becoming the next Iron Ore producer on the ASX** with access road now cleared and the northern haulage road construction on schedule (Figure 8).

Additionally, the approvals required from the Main Roads Department (“MRD”) for the haul road intersection with the Wiluna to Meekatharra Road section of the Goldfields Highway are progressing.

Establishment of a road user agreement with the MRD for the Goldfields Highway (Wiluna – Meekatharra Road) to Meekatharra, which includes gravel sections and tar seal is in progress.



**Figure 8 – The Northern Haulage Road under construction**

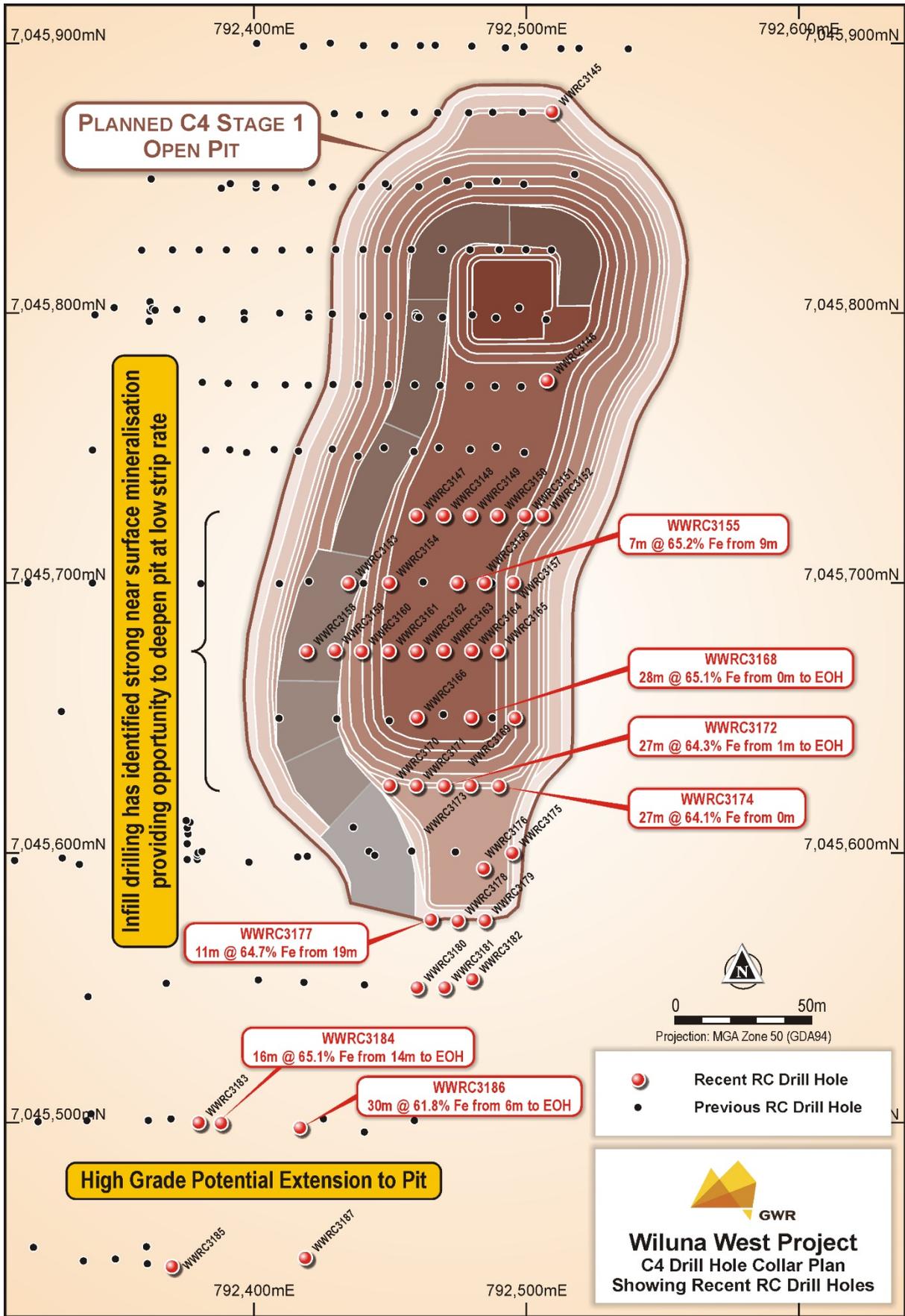
## **Production Update**

Draft Works Approval (required for crushing and screening operations) was received on the 18<sup>th</sup> of November 2020 from the Department of Water and Environmental Regulation with formal approval expected by the end of November.

Following the recent completion of a 1,815 m of RC drill campaign within and south of the Stage 1 pit, GWR engaged Dynamic Drill and Blast Holdings Ltd (DDB: ASX) to provide drill and blast services, these operations are due to commence on Sunday 22<sup>nd</sup> of November.

The successful drill campaign of pre-production, step-out and grade control drilling was undertaken over a strike length of 425 m at the proposed Stage 1 open pit of the C4 deposit where mining is due to commence in the first week of December 2020 (Figure 9).

GWR is now updating the Resource model to a mining model, undertaking new pit optimisations, preparing final pit designs and scheduling.



**Figure 9 – Recent RC Drilling Results (Wiluna West Iron Ore Project)**

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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 AusIMM 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.*

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 <sub>2</sub> %	Al <sub>2</sub> O <sub>3</sub> %	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
	<b>TOTAL</b>			<b>10.10</b>	<b>62.45</b>	<b>4.50</b>	<b>1.87</b>	<b>3.41</b>	<b>0.053</b>
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 JOYNER	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
	<b>TOTAL</b>			<b>72.03</b>	<b>59.94</b>	<b>7.76</b>	<b>2.43</b>	<b>3.64</b>	<b>0.056</b>
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 JOYNER	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
<b>TOTAL</b>			<b>48.82</b>	<b>59.45</b>	<b>7.45</b>	<b>2.57</b>	<b>4.03</b>	<b>0.055</b>	
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 JOYNER	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
	<b>Grand Total</b>			<b>131.10</b>	<b>60.00</b>	<b>7.40</b>	<b>2.40</b>	<b>3.80</b>	<b>0.060</b>

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