

4 December 2020

ASX Announcement

C4 Iron Production Mining Commences- Significant Milestone

HIGHLIGHTS

- **GWR achieves a significant and historic milestone with production mining operations officially commencing on 3rd December 2020**, now a significant step closer to becoming the next iron ore producer on the ASX.
- **Formal Mining Works Approval (required to commence crushing and screening operations) was granted** by the Department of Water and Environmental Regulation on 2nd December 2020.
- **The first Production blast occurred on 2nd December 2020 undertaken by experienced operator Dynamic Drill and Blast (ASX: DDB) (Figure 2)**
- Alliance Partner, Pilbara Resources Group Pty Ltd (PRG) is 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 ore¹.
- Other Production and Site Works activities include:
 - 3 x 777 G dump trucks mobilised and ready to commence haulage from the pit
 - Jaw Crusher has arrived on site (Figure 3)
 - **Run of Mine (ROM) Pad is now complete** and ready to receive Ore (Figure 1)
- The northern haulage road more than 65% complete and is proceeding on schedule (Figure 8) with approval to enter Main Road reserve now in place. **Construction of the Intersection from the haul road with the Goldfields Highway has also commenced and will be complete in mid December ready for haulage operations to commence.**
- Discussions to finalise an **Offtake agreement and Shipping and Haulage contracts are well advanced**. GWR is pleased with the level of competition between potential partners and suppliers.

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 update shareholders with this significant milestone. On Thursday 3rd December 2020 the Company and its contract partners commenced mining operations at 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.**

The Company is on track to meet its project production milestones (refer Table 1)



Figure 1: C4 Iron Deposit Site Operations including ROM Pads and other facilities

GWR Chairman Mr Gary Lyons commented:

“I am excited to inform shareholders that as of 3rd December 2020, your company officially commenced production mining operations at our C4 Iron Ore deposit in Wiluna, WA.

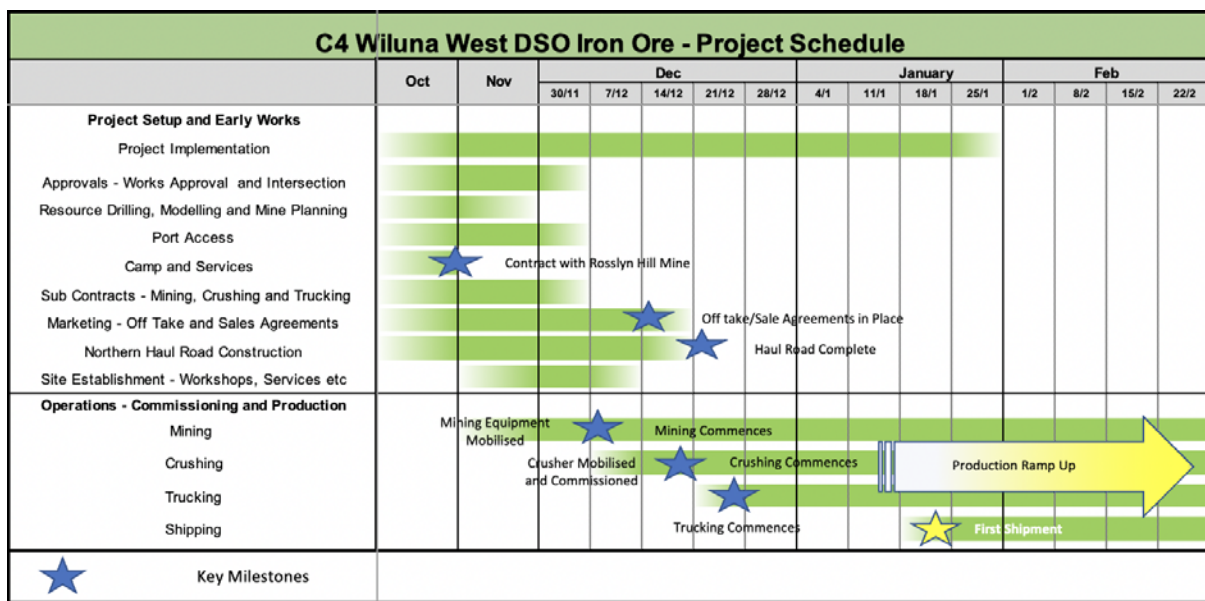
The first Production drill blasting commenced on 3rd December 2020 undertaken by experienced operator Dynamic Drill and Blast (ASX: DDB) (Figure XX)

This is a significant and historic milestone for the company moving GWR on step closer to becoming the next iron ore producer on the ASX. Formal Mining Works Approval (required for crushing and screening operations) is now in place from the Department of Water and Environmental Regulation with the finalising the requirements associated with the granting.

With production mining operations having commenced and with the current buoyant Iron ore price we are eager to meet our target of first ore shipment in early 2021 and exploit this strong commodity cycle.”

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

| MILESTONE | PROGRESS |
|--|--------------------|
| <i>**The Company will keep shareholders informed of operational milestones as they progress**</i> | |
| Shipping and Haulage contracts | Progressing |
| 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 | Completed |
| Northern Haul Road construction and site setup (workshops, lay down area's, internal access roads and services such as water, power and communication) | On schedule |
| Works Approval (required for crushing and screening operations) | Received |
| 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 | Completed |
| Commencement of Production Mining Operations | Commenced |
| Geological modelling, mine planning and scheduling | Progressing |
| Offtake Agreements of High-grade DSO Iron Ore | Late 4Q2020 |
| First shipment of Iron Ore Mined and Transported | Jan 2021 |



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, offtake agreements and first sales/shipment of ore.”

Production Update – Mining has officially commenced

The first production drill blasting commenced on 3rd December 2020 undertaken by experienced operator Dynamic Drill and Blast (ASX: DDB) (Figure 2)



Figure 2: Production Drill Blasting Commenced

Formal Mining Works Approval (required for crushing and screening operations) is in place from the Department of Water and Environmental Regulation with the finalising the requirements associated with the granting.



Figure 3: Jaw Crusher arrived on Site

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

Site Works Update

Pilbara Resource Group Pty Ltd (PRG) was formally engaged (refer ASX announcement 13th 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 100% of the rights for ore sales, strategy and timing.

Significant progress has been achieved to date since development activities commenced on 7th October 2020 on with the ROM Pad having been cleared and earthworks completed. (Figure 1)

Road Access & Haulage Update

The northern haulage road is more than 65% complete and is proceeding on schedule with Road reserve approval in place.

Approval from the Main Roads Department ("MRD") to enter the road reserve with the Wiluna to Meekatharra Road section of the Gold Fields Highway has been received and has now been cleared and construction of the intersection has commenced.

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

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, as it makes its way to first sales/shipment of ore expected in January 2021.

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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 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 JOYNER'S | 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 JOYNER'S | 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 JOYNER'S | 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 |

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