

17 December 2020

## ASX Announcement

### Crusher Commissioned & First Ore Processed – C4 Iron Ore Deposit

#### HIGHLIGHTS

- Following the commencement of mining at Stage 1 of the 100% owned C4 Iron Deposit<sup>1</sup>, GWR continues to meet its key production milestones with a successful commissioning of the Crusher to process the Iron Ore.
- Having now commenced drill and blast and load and haul operations, High Grade ore is being stockpiled on the ROM and crushing has now commenced.
- This high grade material will be the first haulage to Port, with the haulage contract nearing completion, GWR looks forward to updating the market shortly in that regard.
- Stage 1 comprises of 1MT of high grade low impurity ore at a low waste:ore strip ratio.
- Alliance Partner Pilbara resource Group (PRG) is engaged for Stage 1 of the C4 mining operations which covers the first 1 million tonnes of C4's Mineral Resource estimate of 21.6 million tonnes at 60.7% Fe<sup>2</sup> with assessment and modelling currently underway to increase production tonnage on Stage 1 (Figure 3).
- Under the Joint Venture with PRG, GWR is required to provide minimal capex and opex, will retain 70% share in the project profit as well as retaining the rights for ore sales, strategy and timing.
- GWR is currently undertaking a review of C4 to assess what portion of the remaining ~20 million tonnes<sup>2</sup> will be optimised in Stage 2 mining of the C4 deposit and begin to engage with interested parties.
- Following the execution of the sales contract ore vessel charters will commence in January through the Port of Geraldton.

GWR Group Limited (ASX:GWR) (“GWR Group” or “the Company”) is pleased to announce another significant production milestone with the successful commissioning of crushing equipment essential in the production process.

<sup>1</sup> Refer ASX Announcement 4<sup>th</sup> December 2020 (Production Works Commence at C4 Iron Deposit)

<sup>2</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).

On Thursday 3<sup>rd</sup> December 2020 the Company and its contract partners Pilbara Resource Group Pty Ltd (PRG) 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.**

With the crusher fully operational, run of mine (ROM) ore stocks are being built for crushing (Figure 1). Operations have now progressed with high grade material being crushed ready for haulage.



**Figure 1: Crusher commissioned and the waste has been mined out of the pit and the Mineralised Waste stocks shown in the centre of the ROM.**

Alliance Partner Pilbara resource Group (PRG) is engaged for Stage 1 of the C4 mining operations which covers the first 1 million tonnes of C4's Mineral Resource estimate of 21.6 million tonnes at 60.7% Fe with assessment and modelling currently underway to increase production tonnage on Stage 1.

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**Figure 2: Drill blasting continues and material moved to the ROM pad.**



**Figure 3: C4 Mining Operations On-site Facilities**

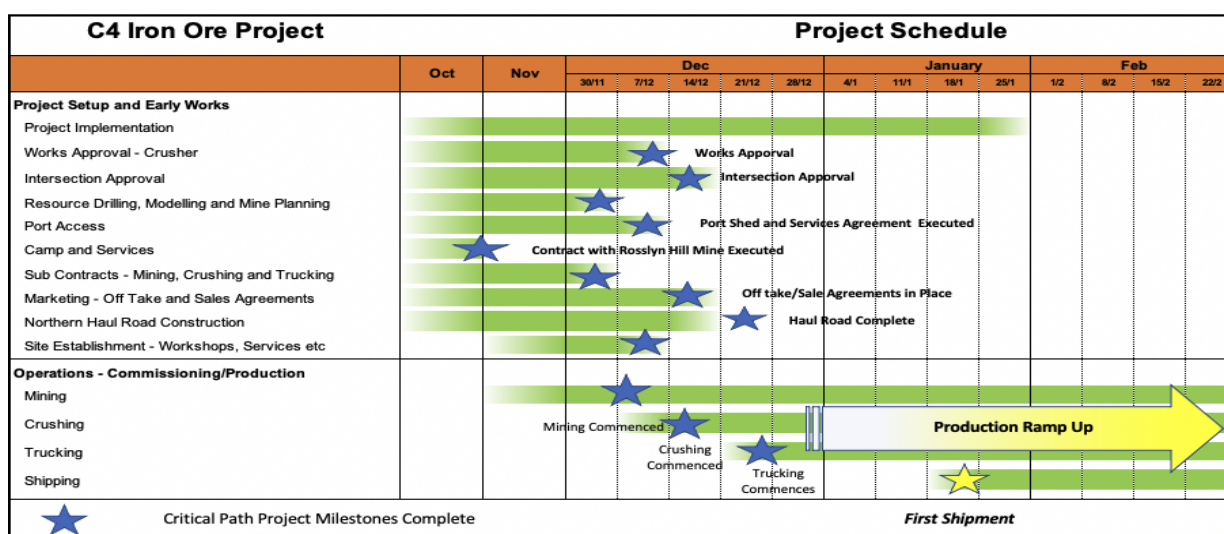
GWR Chairman Mr Gary Lyons commented:

"I am pleased to advise shareholders of another production milestone the GWR and PRG team have achieved, with the commissioning of the crusher and crushing activities commenced, GWR remains on track to deliver on this accelerated project execution schedule

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 January 2021 and exploit this strong commodity cycle."

**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>	
Haulage contracts	<b>Progressing</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 areas, internal access roads and services such as water, power and communication)	<b>On schedule</b>
Works Approval (required for crushing and screening operations)	<b>Completed</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>Completed</b>
Commencement of Production Mining Operations	<b>Commenced</b>
Commencement of first Iron Ore Haulage	<b>Expected Shortly</b>
Offtake Agreements of High-grade DSO Iron Ore	<b>Completed</b>
First Ore at Geraldton Port of Iron Ore Mined and Transported	<b>Jan 2021</b>



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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 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 <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 JOYNSERS	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 JOYNSERS	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 JOYNSERS	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.