

14 May 2021

ASX Announcement

JWD High Grade Iron Deposit Ramps Up & Re-Negotiated Terms

Highlights

- GWR is pleased to see a ramp up of development activities at the fully permitted JWD High Grade Iron Ore Deposit¹ with the experienced mining team at Fe Limited (ASX:FEL) leading the charge.
- Mining contractor Big Yellow commenced earthworks on site last week and expects to complete their component of the first stage of early works in the current week as FEL commences evaluation of high-quality offtake interest.
- FEL strengthened key personnel with senior experience in iron ore, with Richard Kerrison (ex RIO & FMG) joining the team as the Registered Mine Manager JWD and Alan Jepson (ex Cliffs & Atlas Iron) as Commercial Manager.
- Key terms of the re-negotiated Mining Agreement include:

Additional Terms

- FEL to pay \$125,000 to GWR within 3 days of signing the extension agreement.
- FEL to pay GWR an additional royalty of A\$1 per tonne when the headline iron ore price is above a price of US\$145 per tonne.
- FEL has agreed to guarantee its subsidiary company's royalty and payment obligations to GWR as part of these changes.
- FEL agrees to grant GWR an option to buy 50,000 tonnes of high-grade fines from the mine gate at estimated cost plus A\$10.
- Stage 1 of the JV agreement relates to a small-scale mining operation, which requires mining and trucking of 300,000 tonnes by January 2022.

Existing Terms (remain in place)

- Stage 2 is triggered should FEL elect to exercise its option to extract a further 2.7Mt from the JWD deposit, on exercise they must pay GWR A\$4,250,000 and for all tonnes mined and trucked greater than 3 Mt a flat Rate Royalty of A\$3.50 per tonne is payable.
- Stage 1 and 2 attract a production royalty linked to the iron ore price, which provides cash payments to GWR in the range of A\$1.00 to A\$2.00 per tonne.

¹The JWD deposit contains a DSO hematite resource of 10.7Mt at a high grade 63.7% Fe, using a cut-off of 55% Fe (Refer Table 1).

GWR Group Limited (**ASX:GWR**) (“**GWR Group**” or “the **Company**”) is pleased to announce the re-negotiation and extension to its Mining Rights JWD Iron Ore deposit agreement with Fe Ltd (ASX:FEL).

On the 17 September 2020 FEL announced that it had entered into a binding JV Agreement to acquire a 51% interest in the Mining Rights Agreement held by Gold Valley Iron Ore (GWR ASX Announcement 3 October 2019) over the Wiluna West JWD1 deposit 100% owned by GWR Group Limited.

FEL announced to the ASX (22 March 2021) that it **received formal notification from the Department of Water and Environmental Regulation (DWER) that it has granted the Works Approval for the JWD Project**. The Works Approval represents the final primary environmental approval for the project and its grant facilitates the construction of the crushing and screening plant and associated infrastructure on site.

GWR worked together with the experienced management team from FEL to re-negotiate and extend the terms of its Mining Rights agreement with one of the key elements of the changes being to adjust the methodology by which royalty and rehabilitation obligations are funded, thereby assisting FEL's working capital during ramp up.

FEL has also agreed to guarantee its subsidiary company's obligations to GWR as part of these changes. The other key change is to extend the timeframe by which FEL has to extract the first 300,000 tonnes of ore (from October 2021 to January 2022), providing additional operational flexibility to FEL.

As a consideration for GWR agreeing to the changes FEL will make a payment of \$125,000 in cash, increase the royalty it pays by A\$1 per tonne when the headline iron ore price is above US\$145 per tonne and grant GWR an option to purchase up to 50,000 tonnes of JWD fines material from the mine gate at estimated cost plus A\$10. GWR will decide if direct sale of the ore or blending with lower grade fines is the chosen path forward.

GWR is pleased to see FEL strengthen its already strong mining and management team with the appointment of key personnel with senior experience in iron ore, Richard Kerrison joins as the Registered Mine Manager JWD and Alan Jepson as Commercial Manager.

Richard is an experienced mining professional having worked in the mining industry for more than 25 years. He has more than a decade of iron ore experience at Rio Tinto and FMG. Most recently Richard has been based in the Wiluna area with Salt Lake Potash Ltd. He will head the JWD operations team with accountability for delivering safe and efficient production from the site.

Alan has a long history in iron ore, having spent time with both Cliffs and Atlas Iron, and joins the FEL team from BGC. Alan will manage the company's operational commercial and finance activities.

Additionally FEL is working with mining contractor Big Yellow to finalise the next scope of works to keep the project on schedule in advance of commencement of full mining operations, with mobilisation of the remaining mining fleet planned to occur this weekend.

GWR Chairman Mr Gary Lyons commented *“The JWD deposit is a high-quality deposit and we are very pleased to see an experienced FEL team advance operations with early works activities ramping up, earthworks underway and mobilisation of the remaining Big Yellow mining fleet planned to occur this weekend.*

We feel the re-negotiated terms are a positive step for GWR shareholders and will facilitate the expediting of mining operations at JWD”.

This ASX announcement was authorised for release by Gary Lyons, Chairman of GWR Group Limited

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About the Joint Venture partners for mining the JWD deposit

Gold Valley and Fe Limited are members of a joint venture to mine up to 3 Mt of iron ore at the Wiluna West Iron Ore Project's JWD deposit. Gold Valley is part of the Gold Valley Group, a diversified Australian based company with interests in mining agriculture and energy. www.goldvalley.com.au

Fe Limited (ASX:FEL) is a listed, diversified mining development and minerals exploration company with interests in gold, iron ore, base metals and more recently battery metals with project additions targeting lithium and nickel. Fe Limited also holds or has rights or interests, in several projects highly prospective for iron, nickel, copper and gold located in the Bryah Basin region of Western Australia with JV venture partners Auris Minerals Ltd, Alchemy Resources Ltd, Independence Group NL, Westgold Resources Limited, Billabong Gold Pty Ltd and Sandfire Resources NL. www.felimited.com.au.

In April 2012, GWR was granted mining approval for the JWD high grade deposit (refer to ASX announcement 20 April 2012). This Mining Approval allows for the mining of up to one million tonnes per annum for three years for a total of 3 million tonnes of iron ore. The JWD deposit is within the Wiluna West Iron Ore Project tenements and contains a DSO hematite resource of 10.7Mt at a high grade 63.7% Fe, using a cut-off of 55% Fe (Refer Table 1).

GWR is currently assessing strategies in an effort to further exploit and expedite production tonnage across the remaining portion of its total 131.1 Mt at 60.0% Fe (2004 JORC Code compliant Resource) Iron Ore inventory in order to benefit from the buoyant iron ore price and demand for high-grade ore.

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 Member of the Australasian 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.

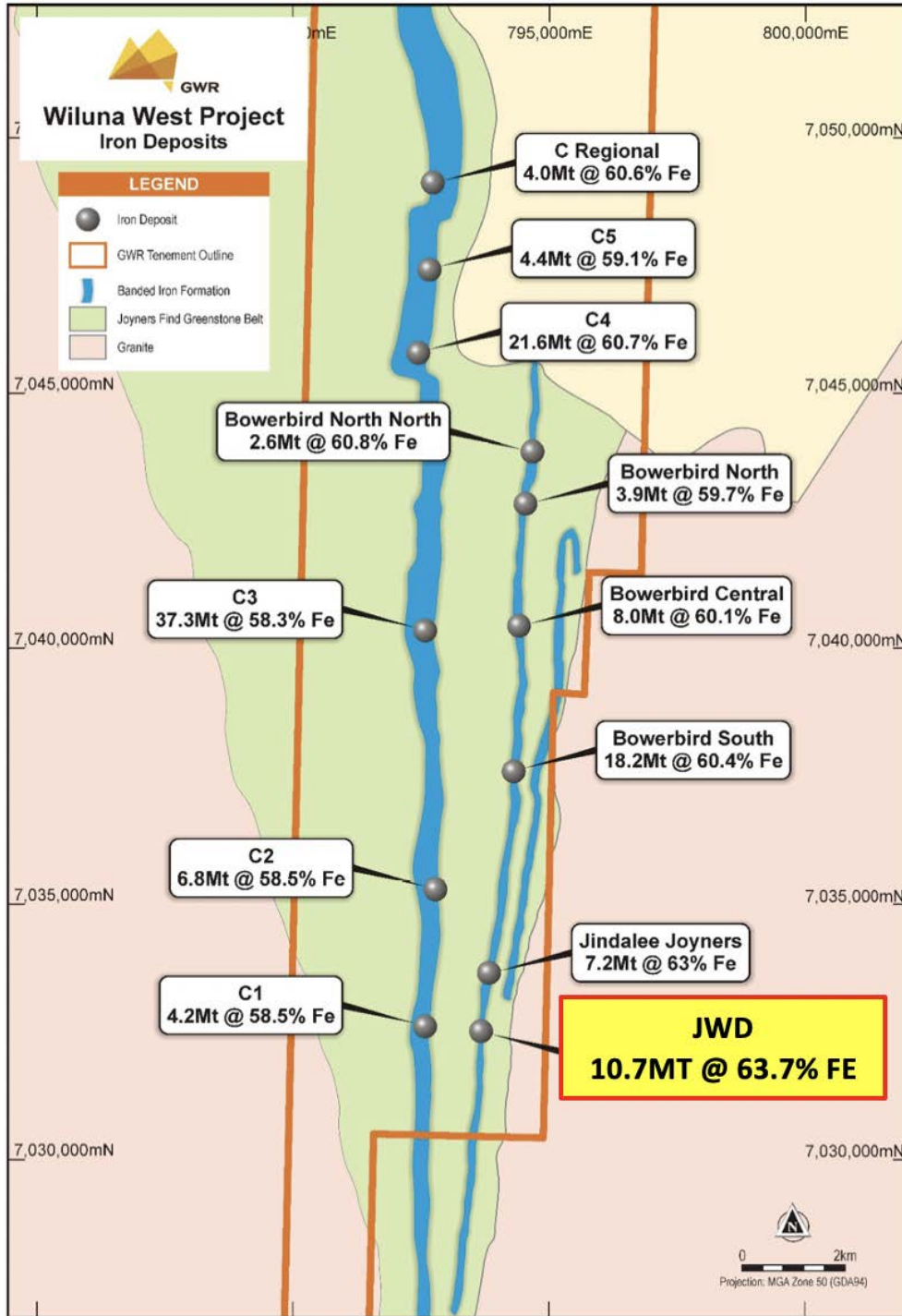


Figure 1 - JWD Project Location Plan

Table 1. 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.