

19 July 2021

ASX Announcement

Infrastructure for Long Term Production – Desktop Study

HIGHLIGHTS

- Approvals remain in place that permit GWR to mine iron ore at a rate of 7Mtpa for a period of 10 years.
- GWR is committed as founding chair to the WA Midwest Yilgarn Infrastructure Group Inc (WAMYIG Inc) which is working to enhance Western Australian regional infrastructure and provide fair and open access for junior and mid-tier miners and other businesses (www.myig.com.au).
- Desktop studies have commenced to assess the long term project delivery components such as infrastructure, logistics and port options for exporting DSO product on a sustained long-term basis.
- Mr Paul Leidich a highly experienced Study Manager specialising in logistics and materials handling has been engaged to undertake these studies that could provide GWR with the opportunity to exploit a larger portion of its 131.1 Mt at 60.0% DSO Iron Resource at the Wiluna West Iron Ore Project (WWIOP) (Table 1).
- Exports through the Port of Geraldton will continue as planned, however the infrastructure solutions are being evaluated to extract maximum value from the WWIOP. A pathway and access through the Port of Esperance would be considered attractive:
 - Linked by an existing standard guage railroad from Leonora
 - Ability to accept Capesize vessels of ~150,000t capacity.
- Initial scope will include the possibilities to build a railroad or private a multi user haul road potentially adjacent to and alongside the current Goldfields Highway to Leonora as well as a rail upgrade between Leonora and Kalgoorlie which previous studies suggest represents a potential bottleneck.
- Stage 2 of the study will include rail wagon unloading, port storage and ship loading solutions.
- GWR has mining approvals in place for the C4, C3, Bowerbird and JWD deposits and is currently assessing additional mining and clearing applications over other unmined high-grade Iron Ore deposits within the project area that will provide an increased approved mining tonnage.

GWR Group Limited (ASX:**GWR**) (“**GWR Group**” or “**the Company**”) is pleased to announce it has engaged highly experienced Study Manager specialising in logistics and materials handling, Mr Paul Leidich as a consultant to undertake desktop studies to assess the long term project delivery components such as infrastructure, logistics and port options for exporting DSO product on a sustained long-term basis from the 100% owned Wiluna West Iron Ore Project (WWIOP).

GWR has a significant opportunity to capitalise on the hard work its Board of Directors and employees have put into the Company over the past 15 years, not only having defined a resource of 131.1 Mt at 60.0% Fe, but putting in place approvals that permit GWR to mine iron ore at a rate of 7Mtpa for a period of 10 years.

In order to capitalise on this, Mr Leidich’s initial scope of works will include the possibilities to build a railroad or a private multi user haulroad to Leonora as well as a rail upgrade between Leonora and Kalgoorlie which previous studies have identified as a potential bottleneck. Additionally, Stage 2 of the desktop study will include rail wagon unloading, port storage and ship loading solutions.

It should be noted, the Port of Geraldton continues to remain a valuable part of the production and export chain for GWR and will continue as planned, however given the size of the GWR mineral resource, the current price and demand for Iron ore presents an opportunity to increase production and infrastructure solutions should be investigated that will provide a pathway and access through the Port of Esperance.

The Port of Esperance has always offered a desirable solution for GWR to exploit its Iron Ore resource, however access to the port and associated infrastructure has been effectively closed to the junior and mid-tier miners, GWR’s membership with the WA Midwest Yilgarn Infrastructure Group Inc (WAMYIG Inc) is considered very important.

GWR Chairman Mr Gary Lyons is the founding chairperson of the Western Australian based WAMYIG Inc, which works with a number of ASX listed and private miners, infrastructure providers, small and medium businesses, local communities, Government (Federal, State and Local) and agencies to deliver fair and open access to ports, rail, roads, pipelines, energy and telecommunications in the Midwest, Goldfields, Yilgarn and Pilbara regions.

The infrastructure study underway has the potential to provide a pathway and access through the Port of Esperance which is considered attractive given it is linked by an existing standard gauge railroad from Leonora and has the ability to accept Capesize vessels of ~150,000t capacity, compared to the Port of Geraldton which is up to ~60,000t.

GWR will consider reinvesting a portion of surplus cashflow from existing operations into infrastructure that has the potential to reduce costs and generate strong financial returns on a long-term basis.

GWR Chairman Mr Gary Lyons commented:

“With Stage 1 operations from the C4 pit now generating significant regular cashflow for the company combined with the recently announced Stage 2 that will see the company focus on mining more than 3.2 million tonnes of high grade iron ore, the time is right to look to reinvest current and future surplus cashflow into infrastructure for future increased production.”

GWR has approvals to mine 7Mtpa over a period of 10 years, has approvals in place for the C4, C3, Bowerbird and JWD deposits and is currently assessing lodging additional mining and clearing applications over other unmined high-grade Iron Ore deposits within the project area that will provide an increasing approved mining tonnage and will look to update the market.

We are pleased to have engaged the services of highly experienced Study manager, Mr Paul Leidich who has been tasked with assessing haulage road and rail options, rail wagon unloading, port storage and ship loading solutions in order to assist GWR with increasing its export tonnage on a long term sustained basis.

We believe defining new or improving upon existing infrastructure and port solutions is a positive move and a reflection of the confidence the board has in being able to define a long term route-to-market even through lower iron ore prices. Given the high grade nature of our lump product we feel the market will continue to demand a premium for this product and will allow GWR to benefit on a sustained long-term basis.”

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

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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 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 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 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	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	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	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.