

12 November 2021

ASX Announcement

JWD Iron Ore – Mining Agreement Variation

Highlights

- **The Company has agreed to a variation to the terms of the Mining Rights Agreement between Wiluna FE Pty Ltd (the representative of Fe Limited and JV partner Gold Valley Iron Ore Pty Ltd) and GWR Group Limited.**
- **The variation provides flexibility to the parties and accounts for the current volatility in the iron ore market as follows:**
 - **The existing option to mine up to 3,000,000 tonnes of Iron Ore from the JWD deposit has been divided into stages.**
 - **Wiluna FE may elect to mine up to 1.2Mt of ore from the JWD Deposit (inclusive of tonnes already mined) by first paying an option fee of A\$1m to GWR on or before 15 November 2021 and then a further A\$0.8m on or before 15 December 2021.**
 - **Wiluna FE shall have the right to mine two further tranches of 900,000 tonnes of Iron ore each by payment of further sums of \$2,225,000 and \$2,700,000 respectively.**
 - **Other terms of the mining agreement as previously announced on 14th May 2021 remain in place and remain positive for GWR shareholders.**
 - **GWR notes the recent confirmation by Fe Limited (ASX:FEL) of a second shipment of high grade Iron Ore from the JWD deposit with a Vessel booked for departure from Geraldton port on 21 November 2021.**

GWR Group Limited (**ASX:GWR**) (“**GWR Group**” or “the **Company**”) is pleased to announce an amendment to its Mining Rights Agreement (MRA) with Wiluna Fe Pty Ltd being (Fe Limited (ASX:FEL) and their JV partner Gold Valley Iron Ore Pty Ltd) in respect of the JWD Iron Ore deposit.

On 13 May 2021 GWR and Wiluna Fe entered into a Deed of Variation to amend the MRA and Fe Limited entered into a Guarantee and Indemnity Deed in favour of GWR to guarantee the obligations of Wiluna Fe.

GWR and Fe Limited have agreed to further amend the MRA outlined in a Deed of Variation as follows:

Wiluna Fe has the option to mine up to 3,000,000 tonnes of Iron Ore from the JWD Deposit which is exercisable in stages as follows:

- Wiluna Fe has the exclusive right to mine up to 1,200,000 tonnes of Iron Ore from the JWD Deposit (inclusive of tonnes already mined) by paying the sum of A\$1,800,000 to GWR in two tranches;
 - A\$1,000,000 on or before 15 November 2021; and

- A\$800,000 on or before 15 December 2021
- Wiluna Fe has the exclusive right to mine a further 900,000 tonnes of Iron Ore from the JWD Deposit by paying the further sum of \$2,225,000 to GWR on or before 30 June 2024.
- Wiluna Fe has the exclusive right to mine a further 900,000 tonnes of Iron Ore from the JWD Deposit by paying the further sum of \$2,700,000 to GWR on or before 30 June 2026.

Current terms of the mining agreement remain including:

- For all tonnes mined and trucked greater than 3 Mt a flat Rate Royalty of A\$3.50 per tonne is payable.
- 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.
- 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.

GWR Chairman Mr Gary Lyons commented,

"We are pleased to continue our strong relationship with Fe Limited who remain committed to developing the high quality JWD Deposit and the variation to the mining agreement is the best possible outcome for shareholders in this current volatile iron ore market".

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 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") 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.

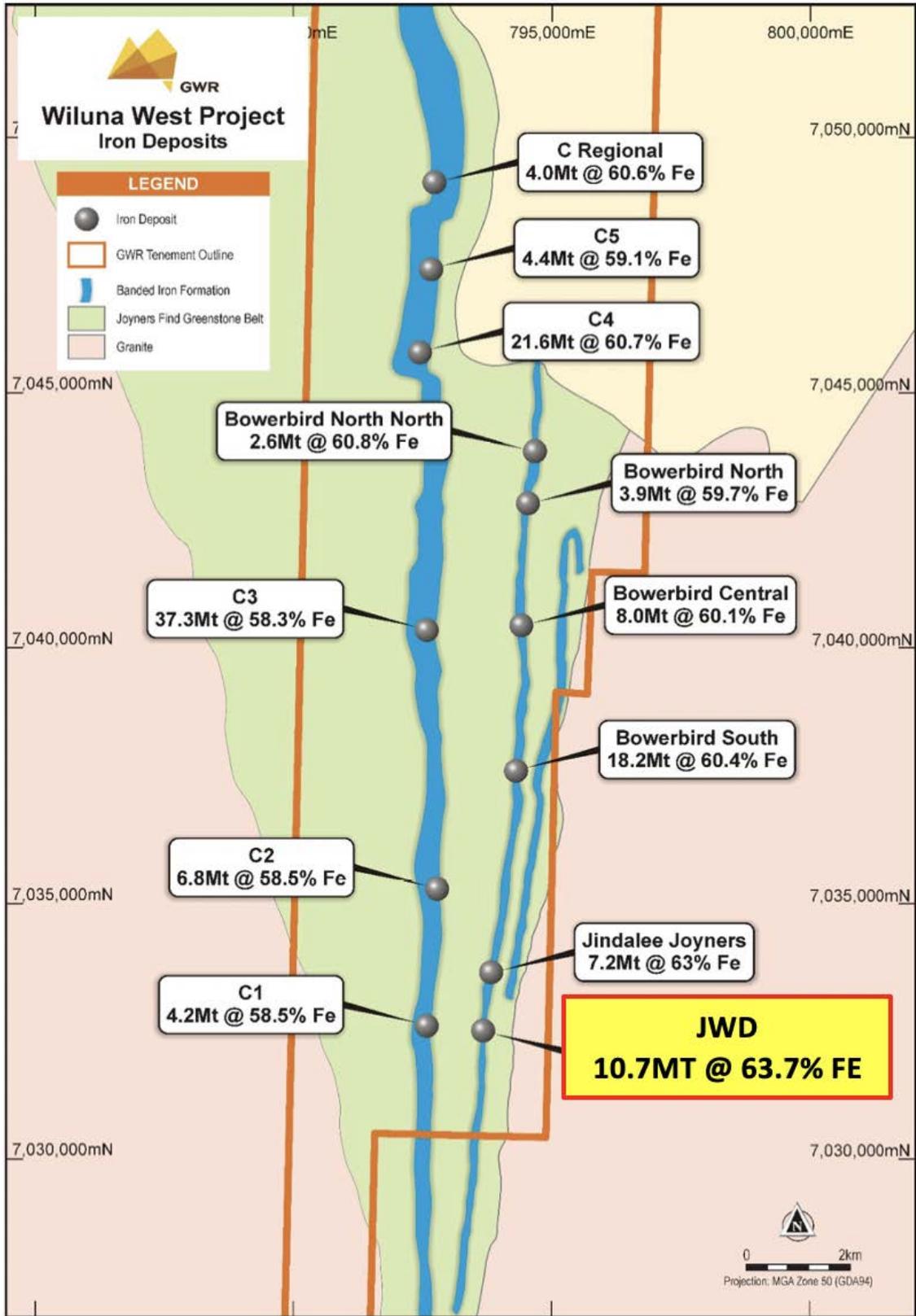


Figure 2 - JWD Project Location Plan

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 JOYNNERS	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 JOYNNERS	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 JOYNNERS	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.