



ASX Announcement

GWR Completes Acquisition of Advanced Magnesium Project

- GWR has executed the Sale and Purchase Agreement (SPA) with Jindalee Resources Limited (ASX: JRL) for the acquisition of a 70% interest in the advanced Prospect Ridge Magnesite project located in north-west Tasmania.
- The acquisition initiates a move into the “Green” sector, with magnesite the principal ore for Magnesium (known as the “green metal”), the lightest structural metal known to man being two thirds lighter than aluminum.
- GWR geological team will conduct a site visit mid-March and will look to engage with local geological and exploration teams, drilling contractors, metallurgists, the Port of Burnie as well as state and federal government.
- Desktop and Transport Studies will commence following the site-visit and initial engagement with potential offtake partners for a DSO product has already commenced.
- The project is located just 55km West South-West from the Port of Burnie, which is one of the States key deep-water Ports and the largest general cargo port in Tasmania, this enables GWR to use its bulk commodity production expertise to explore a low capex opportunity for DSO Magnesite production and export.
- GWR will also focus its studies towards a low-cost, zero waste, high-quality and eco-friendly downstream process that will enable GWR to benefit from a value-add processed product and has commenced identifying the required technology.
- The Prospect Ridge Magnesite project area sits on a granted Exploration Licence, (EL5/2016), it is 11km long and 51km² and contains two deposits, the Arthur River and Lyons River deposits containing the third largest Magnesite inventory in Australia.¹
- Jindalee Resources Limited (ASX:JRL), announced a JORC 2012 Inferred Mineral Resource estimate² at the Arthur River Deposit of 25 million tonnes of Magnesite grading 42.4% MgO, 4.8% SiO₂, 1.4% Fe₂O₃ and 2.6% CaO to an average depth of 100m below surface at a cut-off of 40% MgO (Table 1).

GWR Group Limited (ASX:GWR) (“GWR” or “the Company”) is pleased to announce the execution of a Sale and Purchase Agreement with Jindalee Resources Limited (**Jindalee**) for the acquisition of a 70% interest in their advanced Prospect Ridge Magnesite project in northwest Tasmania (**the Project**).

¹ Source Geoscience Australia Website – www.ga.gov.au

² Refer ASX Announcement 27 January 2022

GWR Chairman Mr Gary Lyons commented “We are pleased to have finalised the SPA for the advanced Prospect Ridge Magnesite project which will propel GWR into the “green sector”. With the opening of the Western Australian borders, the GWR team is excited to conduct a site visit in the coming weeks and begin to engage with a host of services as well as the Port of Bernie and State and Federal governments.

In September 2021, the Australian Federal Government announced that it will establish a \$2 billion fund to finance critical minerals production in Australia, it was stated that Critical minerals include resources that are used in technologies such as mobile phones, computer monitors, electric cars and solar panels, such as lithium, **magnesium** and nickel. Magnesium has also been identified as a Top 50 Critical Mineral by the United States.

I firmly believe that this project provides an excellent opportunity to enter the “green” global magnesium market, we have initiated discussions for European offtake of a DSO product that will enable GWR to apply our experience in bulk commodity mining and in addition we have begun to identify technology partners to provide us with the opportunity of benefiting from downstream processing.

I very much look forward to updating shareholders regarding advancements in the Prospect Ridge project.”

Prospect Ridge Magnesite Project

The Project is an advanced asset where a substantial amount of work has previously been undertaken, including diamond drilling, metallurgical testwork, hydrological testwork, resource modelling and feasibility studies.

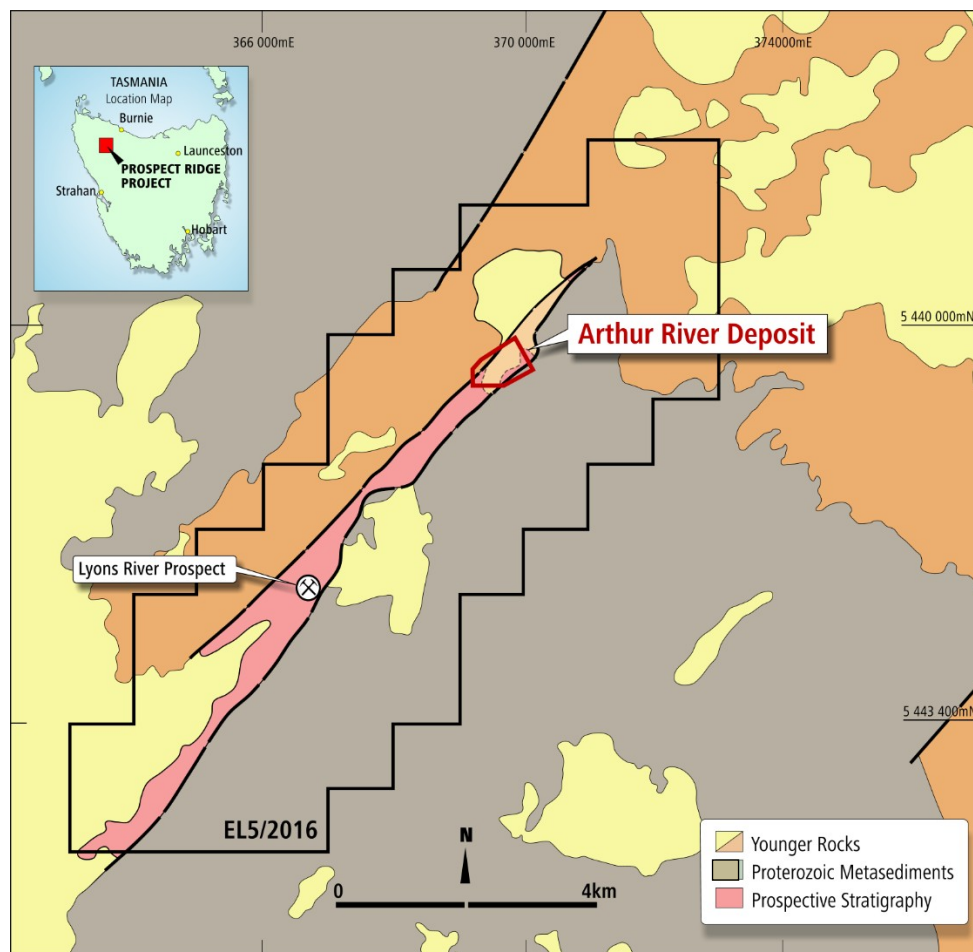


Figure 1: Prospect Ridge Location Plan showing tenure and summary geology

Background

The Prospect Ridge Project (the Project) is located in northwest Tasmania and contains the Arthur River and Lyons River magnesite deposits.

The project is on a granted Exploration Licence (EL5/2016), which is 51km² in size and located approximately 55km west southwest of the Port of Burnie, which is one of the States key deep water Ports and the largest general cargo port in Tasmania. The project area was previously held as Mining Lease.

Geoscience Australia's website notes that the Arthur-Lyons Rivers area now covered by EL5/2016 contains the third largest inventory of magnesite in Australia (refer www.ga.gov.au).

The deposits are within steeply dipping Proterozoic metasediments of the Arthur Metamorphic Complex along the northeast trending Arthur River Lineament, which extends from the north coast of Tasmania through Prospect Ridge to the Savage River iron deposit located 40km to the south. Mineralisation occurs as massive magnesite (MgCO₃), with pure magnesite containing 47.8% MgO.

Previous work was mainly undertaken by CRA (Rio Tinto), Crest Resources and Beacon Hill Plc. GWR believe there remains significant exploration potential over the 11km of strike held and as extensions to the known deposits. GWR plans to undertake a comprehensive review of all previous exploration data with a view to defining an Exploration Target for areas outside of the Arthur River deposit.

The Prospect Ridge Magnesite Project has a JORC 2012 Inferred Mineral Resource estimate of 25 million tonnes of fresh magnesite grading 42.4% MgO, 4.8% SiO₂, 1.4% Fe₂O₃ and 2.6% CaO to an average depth of 100m below the surface at a cut-off of 40% MgO (Table 1).

Table 1
Arthur River Inferred Mineral Resource Estimate

| Cut-Off (MgO (%)) | Tonnes | MgO (%) | SiO₂ (%) | Fe₂O₃ (%) | CaO (%) |
|------------------------------|-------------------|--------------------|--------------------------------|--|--------------------|
| 36 | 36,820,000 | 41.1 | 5.9 | 1.7 | 2.9 |
| 38 | 32,090,000 | 41.7 | 5.4 | 1.6 | 2.8 |
| 40 | 25,120,000 | 42.4 | 4.8 | 1.4 | 2.6 |
| 42 | 15,280,000 | 43.3 | 4.2 | 1.3 | 2.2 |
| 44 | 3,040,000 | 44.5 | 3.0 | 1.0 | 1.9 |

Refer ASX announcement 27 January 2022 and previously by Jindalee Resources Limited dated 10 October 2017

Completed Transaction Terms

GWR via its 100% owned subsidiary Tasmanian Magnesium Pty Ltd ("TM") has completed and executed a Sale and Purchase Agreement (SPA) for the purchase of a 70% interest in the Project from HiTec Minerals Pty Ltd ("HiTec") a 100% owned subsidiary of Jindalee Resources Limited, key terms at settlement were:

- Lodgement of Transfer documentation with Mineral Resources Tasmania (MRT), HiTec will hold the interest on trust for TM until such time as the transfer of tenement interest has been registered, pursuant to the Mining Act.
- Consideration of \$1,000,000 has been remitted as follows:
 - \$250,000 in cash for the Mining Information; and
 - \$750,000 satisfied by the issue of 4,411,765 ordinary shares in GWR for the Tenement Interest at an issue price of \$0.17 per share.

- GWR has issued 1,470,588 ordinary shares in GWR to GTT Ventures and or its nominees at an issue price of \$0.17 in lieu of fees associated with the transaction
- HiTec shall retain its 30% interest in the Tenement on a free carry basis until a decision to mine has been made at which point a joint venture will be established with TM as manager pursuant to which each party will be required to contribute its percentage share of joint venture expenditure or have its interest diluted in accordance with a standard industry dilution formula.
- If either party's interest in the Tenement dilutes to 5% or less, this interest will then revert to a 1% FOB gross royalty.
- TM is required to spend a minimum of \$2,000,000 on the Project within 5 years of Settlement which shall include preparation of an ASX and JORC-compliant scoping study and in the event that TM does not meet this expenditure (other than due to force majeure) TM's Tenement Interest will revert back to HiTec.

The share issuances have been made pursuant to the Company's Listing Rule 7.1 capacity and an Appendix 2A follows for immediate release.

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

For further information please contact:

Gary Lyons
Chairman

David Utting
David Utting Corporate
Ph: +61 416187462

Mark Pitts Company
Secretary

E: garylions@heiniger.com.au

E: david@davidutting.com

E: markp@endeavourcorp.com.au

Competent Person's Statements

Where the Company refers to the Mineral Resource Estimate in this announcement, referencing the previous announcements made to the ASX and specifically that made on 27 January 2022, it confirms that it is not aware of any new information or data that materially affects the information in those announcements, and all material assumptions and technical parameters underpinning the Mineral Resource Estimate continue to apply and have not materially changed.

Appendix 1

About Magnesium and its Market

Magnesite is the principal ore for Magnesium which is the lightest structural metal known to man being two thirds lighter than aluminum. The Australian government has classified Magnesium as a critical mineral as are lithium and nickel. The principal uses for Magnesium is as follows:

- Magnesium metal and its alloys are used extensively in automotive and aerospace industries in light weight bodies, engines and other parts indispensable in modern vehicles (including EV's).
- Magnesium oxides are used in production of refractory linings necessary for production of steel, cement and glass.
- Magnesium-ion batteries have the potential to improve on lithium-ion batteries in every phase of the lifecycle. In addition to increased energy capacities, magnesium-ion batteries have numerous other advantages. Magnesium does not tend to form dendrites, resolving the safety issues associated with lithium-ion batteries. As such, a magnesium-ion battery can last substantially longer than a lithium-ion battery. Additionally, magnesium-ion batteries can be charged faster since lithium-ion batteries charge times are constrained to avoid dendrite formation. Magnesium is also reported to be the eighth most abundant element on earth's crust alleviating depletion risk and potentially providing a cheaper product. (Source - journals.sagepub.com/doi/full/10.1177/16878140211003398)

During 2021 the price of magnesium increased by 285% with a peak of 460% in September 2021, refer to Figure 2

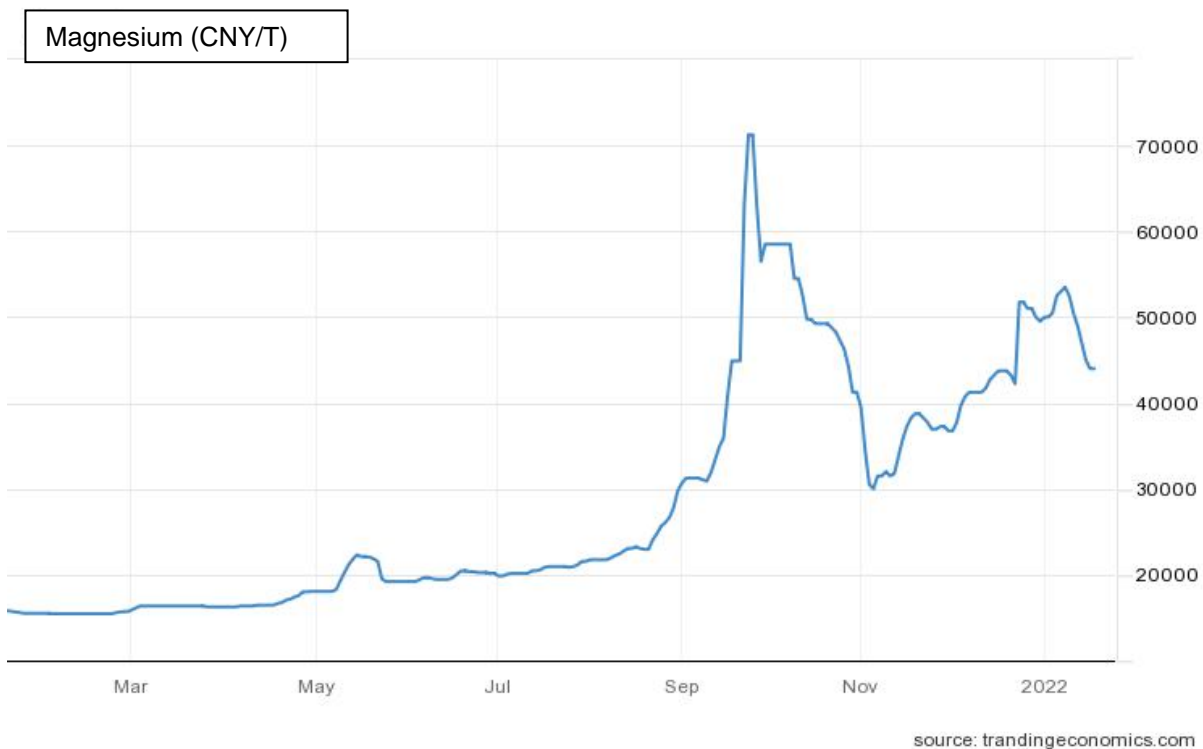


Figure 2: Magnesium Price in Chinese Yuan

In September 2021, the Australian Federal Government announced that it will establish a \$2 billion fund to finance critical minerals production in Australia, it was stated that “Critical minerals include resources that are used in technologies such as mobile phones, computer monitors, electric cars and solar panels, such as lithium, **magnesium** and nickel.”