



21 June 2024

ASX Announcement

GWR Commits to Advancing Prospect Ridge Magnesium Project with Drilling Program and Scoping Study Commencement and Actively Pursuing Project Acquisition

Prospect Ridge Magnesite Project

- The Prospect Ridge Magnesite project is located in north west Tasmania (owned 70% GWR Group Limited (ASX:GWR) and 30% Dynamic Metals Ltd (ASX:DYM)).
- Phase 2 diamond drilling program at the Arthur River deposit consisting of six holes for 900m to commence in June 2024, with a third phase drilling program comprising of an additional 21 holes proposed to be undertaken.
- Once completed, the proposed drilling is expected to increase confidence in the 2012 Mineral Resource estimate of 25.1Mt @ 42.4% MgO (refer to ASX announcement dated 27 January 2022).
- A total of 97 sample pulps have been submitted to Nagrom in Perth for Au, Ag, Cu, Pb, Zn and Ni analysis following up on anomalous sulphur and iron intercepts from the 2023 program and investigate IOCG potential (refer to ASX announcement dated 8 May 2024).
- GWR anticipates interest from, and expects to work with, world leading refractory manufacturers in relation to the Prospect Ridge Magnesite Project. In addition, the Company plans to engage a leading industrial minerals expert to assist with product definition and market research. Highly respected consultants *pitt&sherry* have been engaged to commence the environmental investigations and approvals process for the Prospect Ridge Magnesite Project.
- A scoping study has been initiated using inputs from previous feasibility studies, recent drilling and from the Federal government funded Regional Research Collaboration Grant.
- GWR successfully completed and submitted its research and development submission for FY23 in relation to the Prospect Ridge Magnesite Project with AusIndustry.

Strategic Initiatives

- The Company is actively appraising and undertaking due diligence on potential project acquisitions by utilising its strong balance sheet and to complement its Prospect Ridge Magnesite Project. While the Company is confident that current discussions will lead to a transaction, the Company will adopt a patient approach to the deployment of capital and will only transact if it considers it is in the best interests of the Company. Accordingly, there can be no guarantee that the Company will enter into a transaction for the acquisition of a new project.
- The Company is also reviewing its exploration asset portfolio to ensure its asset focus is rationale and resourced adequately to maximise shareholder value.

GWR Group Limited (ASX:GWR) (“GWR” or “the Company”) is pleased to provide an update on the operations at the Prospect Ridge Magnesite project located in northwest Tasmania, 40 km southwest of the Port of Burnie (“Prospect Ridge Magnesite Project”). The Company holds a 70% interest in the Prospect Ridge Magnesite project, with Dynamic Metals Ltd (ASX:DYM) holding the remaining 30% interest. The Prospect Ridge Magnesite Project area sits on a granted Exploration Licence (EL5/2016), it is 11 km long and 51 km² in area and contains two magnesite targets, the Arthur River and Lyons River.



The Arthur River prospect is a large high grade magnesium deposit where previous exploration has identified an Inferred Mineral Resource estimate of 25.1Mt @ 42.4% MgO (refer to ASX announcement dated 27 January 2022) and Prospect Ridge Magnesite Project with GWR as an industry partner are part of Federal government funded Regional Research Collaboration Grant (“RRC”), being undertaken at the University Centre for Ore Deposit and Earth Sciences University of Tasmania (“CODES”). The RRC project focuses on Northwest Tasmania and aims to enhance Australia’s Economy through research, training, and environmentally sustainable production of critical metals. The Company successfully completed and submitted its research and development submission for FY23 in relation to the Prospect Ridge Magnesite Project with AusIndustry.

Proposed diamond drilling program

The Company has completed the first phase of the diamond drilling program at the Arthur River deposit (refer to ASX announcement dated 8 May 2024). The Company is pleased to advise shareholders it proposes to commence the second phase (“Phase 2”) diamond drilling program comprising of six drill holes for 900m at the Arthur River deposit, with drill rigs mobilised to site on 17 June 2024. The Phase 2 drilling program will be used to provide additional metallurgical samples, assist with mineral Resource estimation and domaining of mineralisation types.

The Company also intends to undertake a third phase (“Phase 3”) of the diamond drilling program and will include an additional 21 holes for 3,150m and the possibility of undertaking this by RC drilling is being investigated. The Phase 3 drilling program will assist in increasing the confidence in the current JORC resource at the Arthur River deposit.

The proposed diamond drilling program and budgeted expenditure for the period between July 2024 and March 2025 is set out below:

Exploration Program	Budget	JUL	AUG	SEP	OCT	NOV	DEC	JAN	FEB	MAR
Domaining	\$40,000	Commenced and ongoing								
Drilling Techniques Assessment	\$50,000	Commenced mobilisation								
Deposit Review Process	\$15,000									
Drilling and Resource Update	\$200,000									
Lyons River data	\$15,000									
RRC CODES	\$100,000	Commenced and ongoing								
Marketing	\$10,000									

**Phase 3 Drilling: Dependant on results of Phase 2 and weather conditions as site is inaccessible after significant rain.*

The drilling to be undertaken during Phase 2 and Phase 3 will be undertaken by Metallo Pty Ltd using an Atlas Copco Mustang track mounted diamond drill rig (refer to Figure 1 and ASX announcement dated 8 May 2024). The Company anticipates interest from, and expects to work with, world leading refractory manufacturers in relation to the Prospect Ridge Magnesite Project. The Company has also engaged highly respected environmental and logistic consultants *pitt&sherry* to provide advice and commence the environment and planning approvals process for the Prospect Ridge Magnesite Project. Furthermore, the Company plans to engage a leading industrial minerals expert to assist with product definition and market research.

The Company has initiated a scoping study on the Prospect Ridge Magnesite Project metrics using inputs from previous feasibility studies, recent drilling and from the RRC project. This will also include the potential to use the proposed Hampshire Green Energy hub as a means to produce magnesium products with a low CO₂ footprint, especially if new technology kilns can be used to collect and sell CO₂ can be applied. The potential industrial hub planned by the Tasmanian Government at Hampshire is located < 40 km from the Prospect Ridge Magnesite Project, where a combination of potential hydro and wind power sources are planned. In addition, Porsche backed



HIF Global has lodged plans with Tasmania's Environment Protection Authority to build Australia's first commercial-scale e-fuel facility in the area.

Through the Company's investigation of historical gold, copper and iron ore occurrences identified within the Prospect Ridge Magnesite Project as it is believed they may exhibit IOCG potential. As a result, a total of 97 sample pulps have been submitted to Nagrom in Perth for Au, Ag, Cu, Pb, Zn and Ni analysis (refer to ASX announcement dated 8 May 2024).

Strategic initiatives

The Company is actively appraising and undertaking due diligence on potential project acquisitions by utilising its strong balance sheet and to complement its Prospect Ridge Magnesite Project. Whilst the Company is confident that current discussions will lead to a transaction, the Company will adopt a patient approach to the deployment of capital and will only transact if it considers it is in the best interests of the Company. Accordingly, there can be no guarantee that the Company will enter into a transaction for the acquisition of a new project. The commodity focus of GWR for critical minerals particularly those applicable to advanced industrial applications, remains a key factor in assessing the viability of acquisition targets that build on the momentum of the Prospect Ridge Magnesium Project.

GWR is also reviewing its exploration asset portfolio to ensure its asset focus is rationale and resourced adequately to maximise shareholder value. The Company will update shareholders on any developments in this regard in accordance with its continuous disclosure obligations.

GWR's Chairman Gary Lyons said:

"We are eager to push ahead with the Prospect Ridge Magnesium Project and commence Phase 2 drilling for 900 metres whilst also discussing plans to follow up with an aggressive 3,150 metres, 21-hole program.

The drilling program will be used to provide additional metallurgical samples, assist with mineral Resource estimation and domaining of mineralisation types, all valuable information that will assist in completing a detailed scoping study on the project.

The potential infrastructure in place to advance this project through to production is a significant benefit to the economics of the Prospect Ridge Magnesium Project and the Company will continue on its green focus with the potential industrial hub planned by the Tasmanian Government at Hampshire located <40 km from the Prospect Ridge Magnesium Project, where a combination of potential hydro and wind power sources are planned."

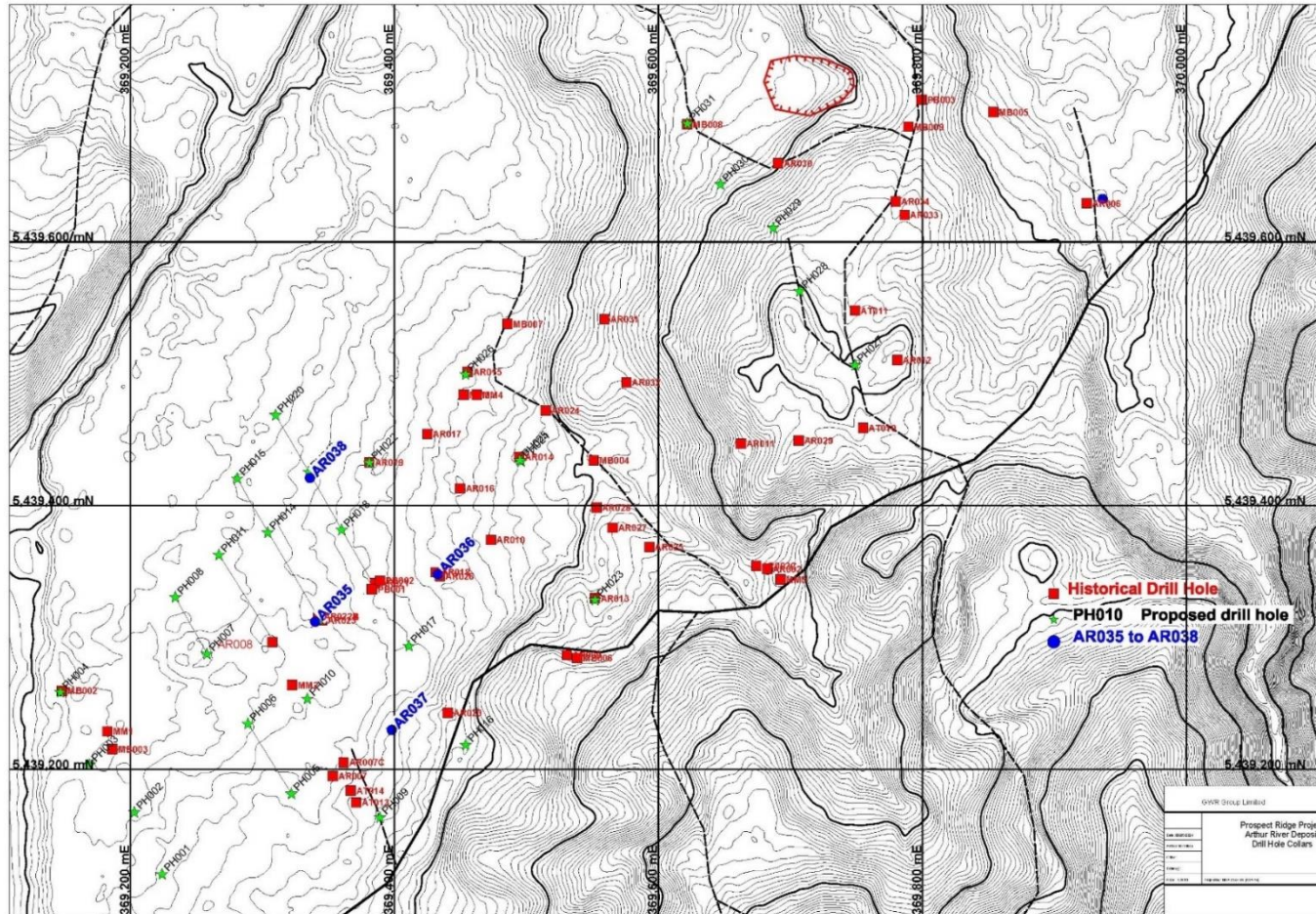


Figure 1 Drill Hole Collars

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

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Compliance statement

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.

Forward looking statements

This announcement contains forward-looking statements which are identified by words such as 'may', 'could', 'believes', 'estimates', 'targets', 'expects', or 'intends' and other similar words that involve risks and uncertainties. These statements are based on an assessment of present economic and operating conditions, and on a number of assumptions regarding future events and actions that, as at the date of this announcement, are expected to take place. Such forward-looking statements does not guarantee future performance and involve known and unknown risks, uncertainties, assumptions and other important factors, many of which are beyond the control of the Company, the directors and our management. We cannot and do not give any assurance that the results, performance or achievements expressed or implied by the forward-looking statements contained in this prospectus will actually occur and investors are cautioned not to place undue reliance on these forward-looking statements. We have no intention to update or revise forward-looking statements, or to publish prospective financial information in the future, regardless of whether new information, future events or any other factors affect the information contained in this announcement, except where required by law. These forward-looking statements are subject to various risk factors that could cause our actual results to differ materially from the results expressed or anticipated in these statements.

About Prospect Ridge

On 27 January 2022 GWR announced that it had executed a Sale and Purchase Agreement (SPA) with HiTec Minerals Pty Ltd (HiTec) for the acquisition of a 70% interest in the advanced Prospect Ridge Magnesite project located in north-west Tasmania. HiTec is a wholly owned subsidiary of Dynamic Metals Ltd (ASX:DYM).

The Prospect Ridge Magnesite Project is located in northwest Tasmania, 40km southwest of the Port of Burnie. It sits on a granted Exploration Licence, (EL5/2016), it is 11km long and 51km² and contains two magnesite deposits, the Arthur River and Lyons River deposits containing the third largest Magnesite inventory in Australia (Source Geoscience Australia Website – www.ga.gov.au.)

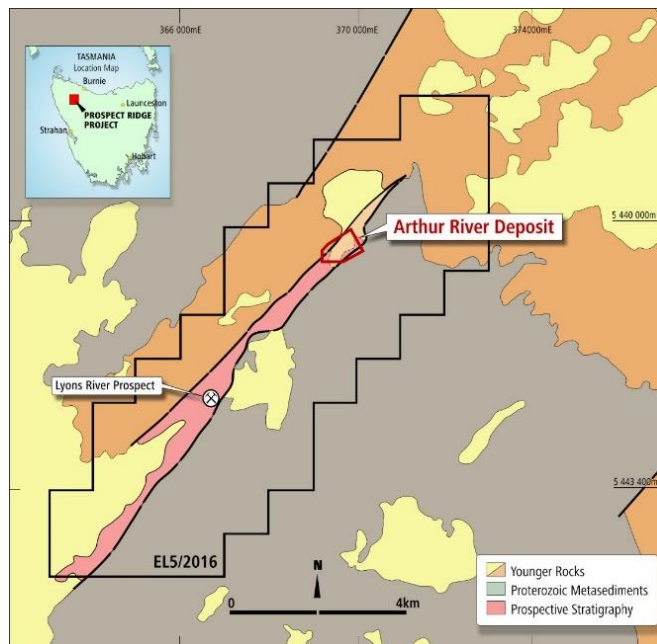


Figure 2: Prospect Ridge Location Plan showing tenure and summary geology

Previous exploration at the Arthur River magnesite deposit has identified a JORC 2012 Inferred Mineral Resource estimate of 25 million tonnes at 42.4% MgO. This is based on previous diamond drilling over a strike length of approximately 800 m, where a total of 44 holes was completed for 6.939 m on lines approximately 150 m to 50 m apart.

Table: 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.