

2 July 2024

ASX Announcement **Metallurgical Drilling Commences –** **Prospect Ridge High-Grade Magnesium Project**

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, 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).

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.



Figure 1: Phase 2 Diamond Drilling at Prospect Ridge High-Grade Magnesium Project

Diamond drilling program

The Company had 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 has commenced 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 of 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 drilling undertaken during Phase 2 will be conducted 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).

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

For further information

Gary Lyons
Chairman

Email:
garylions@heiniger.com.au

David Utting
David Utting Corporate
Ph: +61 416187462

Email:
david@davidutting.com

Sonu Cheema
Company Secretary

Email:
sonu.cheema@nexiaperth.com.au

Rhys Davies
Company Secretary

Email:
rhys@metriccs.com.au

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.

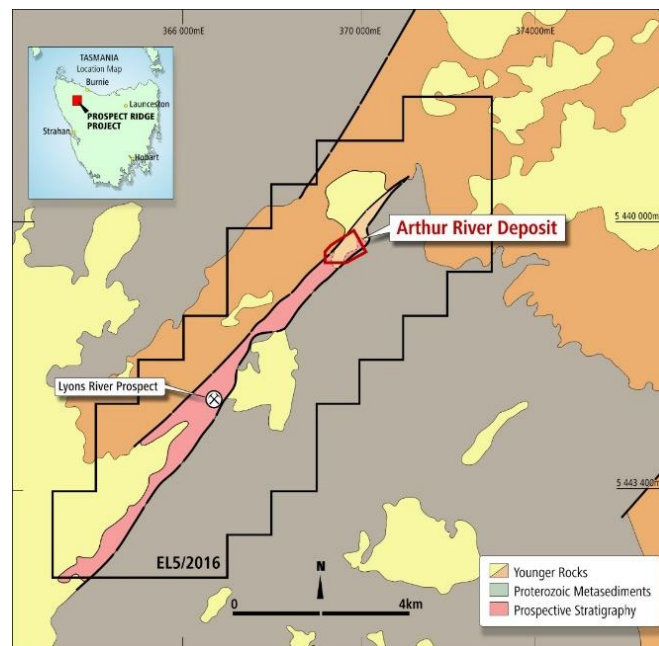
Forward looking statements

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.)



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.