

8 March 2021

ASX Announcement

Iron Ore Production and Operations Update – C4 Deposit

HIGHLIGHTS

- **GWR confirms the successful completion and delivery of the first iron ore shipment in accordance with GWR's offtake agreement with Hong Kong Trader, Pacific Minerals.**
- **The company is pleased to advise its second vessel has been secured with the Cargo Ship "MV Marinicki" expected to be loaded with premium high-grade lump and fines and expected to depart in late March 2021.**
- **Alliance Partner Pilbara Resource Group (PRG) is engaged for Stage 1 of the C4 mining operations which covers the first 1 million tonnes of C4's Mineral Resource estimate of 21.6 million tonnes at 60.7% Fe¹.**
- **In accordance with the Works Contract executed with PRG, they have provided the capital for initial mine development (including facilities and infrastructure) and haulage, revenue from the first and subsequent shipments will largely be used to reimburse expenditure incurred by PRG with any remaining funds to be distributed each quarter in accordance with the 70% (GWR) / 30% (PRG) profit share agreement.**

Stage 1 – C4 deposit

- **C4 production has progressed well with a 30% increase in ore tonnes mined from January to February 21. Crushing has also increased since commencement in December and is now at 90% of full production.**
- **Haulage has been impacted by issues such as unplanned maintenance, road closures due to weather, and storm damage to the haulage transfer station. GWR is taking steps to address a number of haulage concerns and is planning on this vital component being more settled by early April.**

Stage 2 – C4 deposit

- **With the primary focus over recent weeks being to execute all steps required to optimise Stage 1, the discussions for Stage 2 (~20 million tonnes of the C4 deposit remaining) have advanced with a shortlisted number of interested contracting partners to develop the larger Stage 2 project for C4.**
- **Stage 2 has now progressed to the point where drafting of staged expanded pit designs are underway, and the planning to increase mining, crushing and haulage is well advanced.**

¹ 2004 JORC Code compliant Resource is 131.1 Mt at 60.0% Fe, comprising of 10.1 Mt at 62.5% Fe Measured, 72.0 Mt at 59.9% Fe Indicated and 48.8 Mt @ 59.4% Fe Inferred. (refer ASX announcement dated 12th November 2019 and 8th July 2011 and 11th April 2013).

GWR Chairman Mr Gary Lyons commented:

"With our first historic shipment of 52,425 tonnes of premium high-grade lump iron ore being delivered in accordance with GWR's offtake agreement with Hong Kong Trader, Pacific Minerals, I am pleased to confirm that having secured the vessel "MV Marinicki", our second shipment will be loaded and shipped on or about 22 March 2021.

Despite a number of challenges, we are confident we can capitalise on the current buoyant Iron Ore price, with ore crushing now at 90% of full production and challenges with our haulage fleet expected to be addressed through the latter part of March and early April."

GWR Group Limited (ASX:GWR) ("GWR Group" or "the Company") is pleased to provide this production and operations update to shareholders for the GWR's 100% owned flagship C4 Iron Ore deposit in Wiluna.

Following the successful staging of its first shipment of 52,425 tonnes of premium high-grade lump on the PANAFRICAN and receipt from its Hong Kong based offtake broker Pacific Minerals, GWR is looking forward to getting into a operational rhythm.

C4 Stage 1 mining activities continue on site with High-Grade lump and fines product being stockpiled at the Port of Geraldton Site 88 location, and shipments will now continue each regularly in accordance with GWR's offtake agreement with Hong Kong Trader, Pacific Minerals.

Stage 1 – C4 deposit

C4 production has progressed well with a 30% increase in ore tonnes mined from January to February 21. Crushing has also increased since commencement in December and is now at 90% of full production.

Haulage has been impacted by issues such as unplanned maintenance, road closures due to weather, and storm damage to the haulage transfer station. GWR is taking steps to address a number of haulage concerns and is planning on this vital component being more settled by early April.

Stage 2 – C4 deposit

With the primary focus over recent weeks being to execute all steps required to optimise Stage 1, the discussions for Stage 2 (~20 million tonnes of the C4 deposit remaining) have advanced with a shortlisted number of interested contracting partners to develop the larger Stage 2 project for C4.

Stage 2 has now progressed to the point where drafting of staged expanded pit designs are underway, and the planning to increase mining, crushing and haulage is well advanced.

Profit Sharing Agreement

In accordance with the Works Contract executed with Alliance Partner PRG, GWR will receive a project profit distribution of 70% which is derived following the deduction of capital (capex) and operational expenditure (opex) incurred by PRG in the lead up to the first shipment setting sail. These expenses include in part, haulage road construction and maintenance, major services, mining, crushing and screening, haulage, port and shipping charges, royalties, on-site and off site facilities and site services such as village, workshops and water.

These preliminary mine development and haulage costs will be largely reimbursed from the first and subsequent shipments of iron ore. GWR is looking forward to PRG ramping up operations, accelerating future shipments and increasing profitability.

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 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 Corporate Member of the AusIMM 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.

Table 2. 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.