

2 June 2021

ASX Announcement

C4 Iron Ore Deposit – Production Update & Stage 2 Progress

HIGHLIGHTS

- Fourth shipment with 52,990 wet metric tonnes (wmt) of iron ore, consisting of 38,300 wmt of lump and 13,990 wmt of fines successfully departed Geraldton Port on 16th May 2021. A total of 208,360 tonnes has now been exported.
- GWR confirms it has secured the “MV Yarrawonga” and this ship is due to commence loading at the Port of Geraldton between the 8th and 12th June 2021.
- Recent improvement in haulage volume will enable confirmation of a second vessel for the month of June to deliver 6 shipments in the half year, loading at the Port of Geraldton will likely commence between the 22nd and 26th June 2021.
- GWR expects to ship at least twice per month from that point on which will see it on track to complete its 1MT Stage 1 production target by December 2021.
- GWR has executed an agreement with a large privately owned haulage and logistics group to partner with it and to enable GWR to underpin its haulage operations to the Port of Geraldton.
- Haulage volumes are now exceeding the company’s daily haulage tonnage target of 2,700 tonnes per day to the Port of Geraldton.
- Secured additional crushing capacity, which has mobilised to site and has had an immediate effect with increased production and an improvement in fines grade by selective scalping.
- Mining at the C4 pit has to date only been undertaken on day shift and expanding the mining to 24 hour operation is being reviewed.

Stage 2

- GWR has finalised a pit design and mine schedule for an expanded Stage 2, C4 pit. Combined Stage 1 and Stage 2 pits will extract approximately 3.2 million tonnes of iron ore at a low stripping ratio of just 1.2:1.
- Substantial widths up to 130m of high grade mineralisation will be exposed in Stage 2 - C4 pit (Figure 1).
- GWR with its Alliance Partner Pilbara Resource Group (“PRG”) are currently negotiating the terms for Stage 2 and expect to update the market on this shortly.

GWR Group Limited (ASX:**GWR**) ("**GWR Group**" or "**the Company**") is pleased to provide this significant production update to shareholders for the GWR's 100% owned flagship C4 Iron Ore deposit in Wiluna, involving both Stage 1 and Stage 2 operations.

The Company's fourth shipment of iron ore departed Geraldton Port upon MV Banasol on the 16th May 2021. The ship contained 52,990 wmt of iron ore consisting of 38,300 wmt of lump and 13,990 wmt of fines. A total of 208,360 tonnes has now been exported pursuant to GWR's offtake agreement with Hong Kong Trader, Pacific Minerals. A fifth ship is scheduled to dock at the Port of Geraldton between the 8th and 12th of June.

GWR has been focused on improving the haulage component of its operations and has seen significant recent improvements, for the first time since production commenced. GWR will today book a second vessel for the month of June to deliver 6 shipments in the half year, loading is anticipated to commence at the Port of Geraldton between the 22nd and 26th June 2021.

GWR expects to ship at least twice per month for the remainder of the calendar year which will see it on track to complete its 1MT Stage 1 production target by December 2021.

Key and significant recent improvements include:

- **The Alliance partners having been able to secure additional crushing capacity, which has mobilised to site and has had an immediate effect with increased production and an improvement in fines grade by selective scalping.**
- **With drilling, crushing and haulage operating 24 hours per day, mining at the C4 pit has to date only been undertaken on day shift and expanding the mining to 24 hour operation is being reviewed and has the potential to significantly increase production and reduce fixed cost.**
- **The addition of a large haulage contractor to the existing fleet provides critical additional logistics support.**
- **The daily haulage tonnage to Geraldton continues to increase and extra capacity continues to be secured with volumes now approaching 3,000 tonnes per day which exceeds the company's target of approximately 2,700 tonnes per day.**

Stage 2

GWR has now received a pit design and mine schedule for the expanded Stage 2, C4 pit. The combined Stage 1 and Stage 2 pits will extract approximately 3.2 million tonnes of iron ore at a stripping ratio of only 1.2:1.

As Figure 1 shows substantial widths up to 130m of high grade mineralisation of will shortly be exposed in the Stage 2 pit at depths of approximately 5 to 10 m below the C4 pit floor as of 30th April 2021.

With the addition of a large haulage contractor as mentioned above to the existing fleet, GWR is confident it can continue to take advantage of the buoyant iron ore prices.

GWR with its Alliance Partner Pilbara Resource Group ("PRG") are now planning to significantly expand production activities, including mining, crushing and haulage and are **negotiating the terms for Stage 2.**

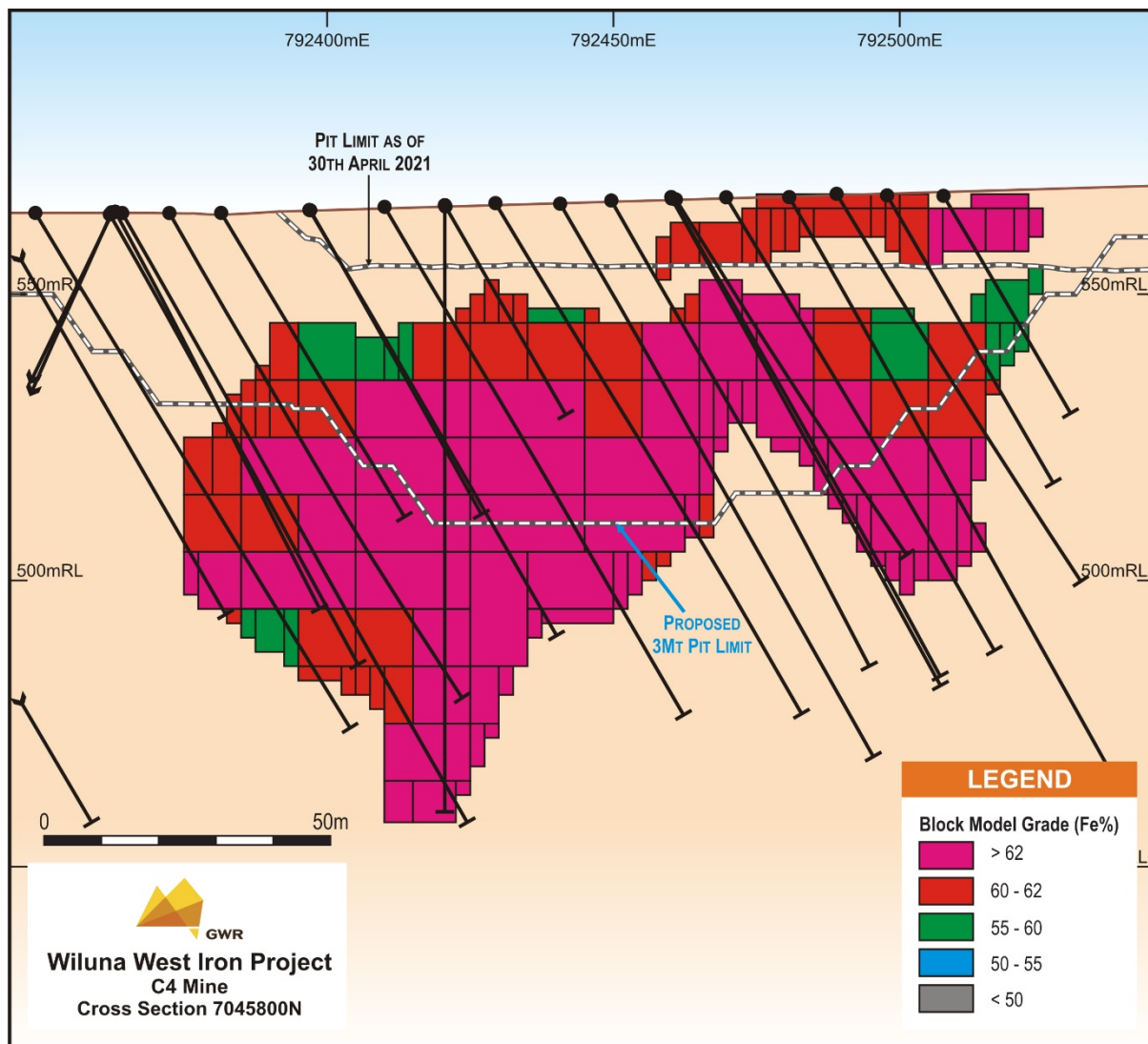


Figure 1: C4 Deposit showing the outline of the proposed Stage 2 Pit

GWR Chairman Mr Gary Lyons commented *"I am delighted to inform shareholders of the significant improvements achieved in Stage 1 operations and with our Alliance Partner Pilbara Resource Group we have and will continue to remain committed to increasing production, haulage and export of our high grade Iron Ore."*

Following a significant review process for Stage 2, it became evident with mining and processing efficiencies in particular, it was economically logical to expand Stage 1 and combine it with Stage 2."

I am pleased that we are able to build on the success we have seen for Stage 1 with Pilbara Resource Group continuing to deliver mining crushing and haulage services, and now the recent addition to our haulage capacity will underpin our Stage 2 expansion with the support we were seeking in that critical area."

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

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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.