

7 March 2022

## ASX Announcement

### Record Production Month Underpins Forward Iron Ore Sales

- C4 Mining production for February 2022 was a monthly record having moved ~330,000 tonnes of material (~112,000 BCM).
- Stage 2 of the C4 project now well advanced with the cutback of the C4 ore body is taking shape (Figure 1), waste material being stripped from the upper benches and high grade ore now presenting for blending with the remainder of Stage 1 stockpiled ore.
- The ramp at the south end of the Stage 2 pit of was successfully blasted to uncover further high grade ore with the blast hole rig now operating in the north end of Stage 1.
- The vessel MV Saldhana departed the Port of Geraldton on Sunday 27<sup>th</sup> February with approx. 55,000 tonnes of high grade Iron Ore lump and fines onboard. The C4 ore body is performing to expectations with the preliminary grade of the lump ore recently shipped at 63.3% Fe.
- This is the 15<sup>th</sup> successful Iron Ore Cargo despatched by GWR from the C4 project, and monthly sales are now locked in up to and including October 2022 at fixed prices, leaving supply chain capacity to take advantage of alternative markets such as Malaysia and Indonesia as well as China if prices rise.
- The August shipment has been fixed at US\$129/t (FOB basis), September has been secured at US\$121/t (FOB basis) and October has been secured at US\$131/t (FOB basis).
- Haulage volumes from site to Port are now ramping up again to 2,500 tonnes per day with further increases planned in order to introduce a second (2<sup>nd</sup>) vessel per alternative month.
- GWR continues to investigate supplementary alternative export options that will enable an increase in volumes with an additional 20 million tonnes available in the C4 precinct.

GWR Group Limited (ASX:GWR) (“**GWR**” or “**the Company**”) is pleased to provide an update on operations at its 100% owned high-grade C4 Iron Ore mine in Wiluna, Western Australia, which achieved a **record production monthly in February having moved ~330,000 tonnes (~112,000 BCM)**



**Figure 1: Aerial view of the high-grade C4 iron ore pit as of the 1<sup>st</sup> March 2022 showing the Stage 2 cut back taking shape**

### **Sales Contracts and Shipments**

Operations are back in full swing following the restart of mining in January, GWR has now recorded its 15<sup>th</sup> successful Iron Ore Cargo despatched from the C4 project.

GWR now has a steady sales book in place with fixed price contracts of one vessel per month through to and including October 2022 and is well placed to increase volumes in future months should long term contracts be secured or should iron ore prices rise further.

These FOB sales contracts remove the element of shipping cost being incurred by GWR, providing certainty with the net price received per shipment.

With an additional 20 million tonnes available at the C4 project, GWR has the opportunity to tap into alternative Asian markets (Malaysia and Indonesia as well as

China) and whilst the Company has pursued fixed priced contracts if there is capacity in the supply chain GWR will look to take advantage of iron ore price rises.

Fixed price FOB sales (GWR does not pay for shipping costs) contracts are now in place up to and including October 2022 and are as follows:

- March lump shipment at a fixed price of US\$110 (FOB Basis)
- April, May and June lump shipments at a fixed price of US\$111 (FOB Basis)
- July lump shipment at a fixed price of US\$114 (FOB Basis) with additional
- The August shipment has been fixed at US\$129/t (FOB basis), September has been secured at US\$121/t (FOB basis) and October has been secured at US\$131/t (FOB basis).

## **Operations**

A strong focus is being placed on rebuilding the haulage fleet delivering ore to the GWR storage shed in Geraldton for shipping, haulage volumes from site to Port are now ramping up again to 2,500 tonnes per day with further increases planned in order to introduce a second (2nd) vessel per alternative month.

The strong production performance achieved in February together with fixed price forward sales contracts provide the opportunity to pursue long term haulage options with contractors.

February achieved a record ~330,000 tonnes of material (~112,000 BCM) moved, with Stage 2 of the C4 project now well advanced with waste material being stripped from the upper benches and high grade ore now presenting for blending with the remainder of Stage 1 stockpiled ore.

The Stage 2 cutback of the C4 ore body is taking shape (Figure 1) with drill and blast being successfully completed on the Stage 2 ramp at the south end of the pit to uncover further high grade ore, the blast hole rig is now operating in the north end of Stage 1.

The Ore body is continuing to perform to expectations with the February shipment recording a preliminary shipping grade for the lump ore of 63.3% Fe.

GWR Chairman Mr Gary Lyons commented:

*“Following the recommencement of full production at the flagship C4 Iron Ore mine in January I am pleased to report GWR has successfully exported its 15<sup>th</sup> shipment of high grade iron ore within a 12 month period.*

*The GWR team is targeting over 2 million tonnes of high-grade iron ore at low strip ratios during Stage 2 and is highly motivated as evident with the record production levels achieved in February, moving approximately 330,000 tonnes of material.*

*With fixed priced contract shipments now secured through to and including October 2022, GWR will continue to ramp up its haulage fleet. GWR aims to take advantage of alternative markets for our high-grade iron ore such as Malaysia and Indonesia as well as China.”*

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

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**Competent Person's Statement**

**Wiluna West Iron Ore Mineral Resources**

*The information in this report which relates to 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 Member of the Australasian Institute of Mining and Metallurgy (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 1. 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 <sub>2</sub> %	Al <sub>2</sub> O <sub>3</sub> %	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
	<b>TOTAL</b>			<b>10.10</b>	<b>62.45</b>	<b>4.50</b>	<b>1.87</b>	<b>3.41</b>	<b>0.053</b>
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 JOYNEERS	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
<b>TOTAL</b>			<b>72.03</b>	<b>59.94</b>	<b>7.76</b>	<b>2.43</b>	<b>3.64</b>	<b>0.056</b>	
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 JOYNEERS	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
<b>TOTAL</b>			<b>48.82</b>	<b>59.45</b>	<b>7.45</b>	<b>2.57</b>	<b>4.03</b>	<b>0.055</b>	
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 JOYNEERS	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
	<b>Grand Total</b>			<b>131.10</b>	<b>60.00</b>	<b>7.40</b>	<b>2.40</b>	<b>3.80</b>	<b>0.060</b>

Note: Differences may occur due to rounding. Refer ASX Announcements 12<sup>th</sup> November 2019, 8<sup>th</sup> July 2011 and 11 April 2013.