



ASX Announcement

Resource Definition Drilling Commences – Prospect Ridge High-Grade Magnesium Project

HIGHLIGHTS

- A diamond drilling program has commenced at the Prospect Ridge project focusing on the Arthur River prospect following the granting of approvals by Mineral Resources Tasmania in late December 2022 for a 31 hole 4,650 m program.
- The Prospect Ridge Magnesite project area is located in northwest Tasmania, 55 km southwest of the Port of Burnie. It sits upon a granted Exploration Licence (EL5/2016), it is 11 km long and 51 km² in area and contains two magnesite deposits, the Arthur River and Lyons River deposits containing the third largest Magnesite inventory in Australia.¹ The project is 70% GWR Group Limited (ASX:GWR), and 30% Dynamic Metals (ASX:DYM).
- It is planned to undertake the above drilling over several phases and the Phase 1 drilling program is designed to test the central portion of the Arthur River deposit to investigate continuity and gain an understanding of drilling conditions and provide additional samples for metallurgical test work and potential offtake partner.
- 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 27th January 2022). This is based upon previous diamond drilling over a strike length of approximately 800m, where a total of 44 holes was completed for 6.939 m on lines approximately 150m to 50m apart.
- Following the completion of the entire program the Company intends to prepare an updated mineral Resource estimate.
- GWR will update the market shortly and continue to investigate:
 - Which end-use Magnesium sectors it will target (building a portfolio or end use to products to reduce pricing risk and maximise returns) and is assessing metallurgical tests with potential off takers
 - Review of effective and low-cost, low carbon downstream processing for a high-quality low waste Magnesium product.
 - Opportunities for a “green processing opportunity” with potential industrial hubs with nearby renewable energy sources.

¹ Source Geoscience Australia Website – www.ga.gov.au

GWR Group Limited (ASX:GWR) (“GWR” or “the Company”) is pleased to advise shareholders that a diamond drilling program has commenced at the Prospect Ridge magnesium project located in north west Tasmania . This follows the granting of drilling approvals from Mineral Resources Tasmania for a 31 hole, 4,650 m program in late December 2022 at the Arthur River Prospect.

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 27th January 2022).

The Phase 1 program will test the central portion of the Arthur River deposit to investigate continuity and gain an understanding of drilling conditions and provide additional samples for metallurgical test work and potential offtake partners.

GWR Chairman Mr Gary Lyons commented:

“We are excited to get on the ground and commence drilling on the Arthur River deposit that will enable the Company to increase classification and the confidence of the existing resource whilst providing additional metallurgical samples for potential offtake partners.

We are taking all the steps required to progress the project towards a “production ready status” and we look forward to updating the market regarding end-product magnesium market. We are assessing the opportunities to supply a low carbon, low waste, potentially “green magnesium” product to the sizeable Aerospace, Military, Automotive and Transportation sectors. GWR is close to narrowing down a processing method along with shortlisting potential nearby industrial hubs with renewable energy sources.”



Figure 1: Diamond Drilling at Arthur River prospect

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

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Competent Person's Statements

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 is located in northwest Tasmania, 55 km 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.)

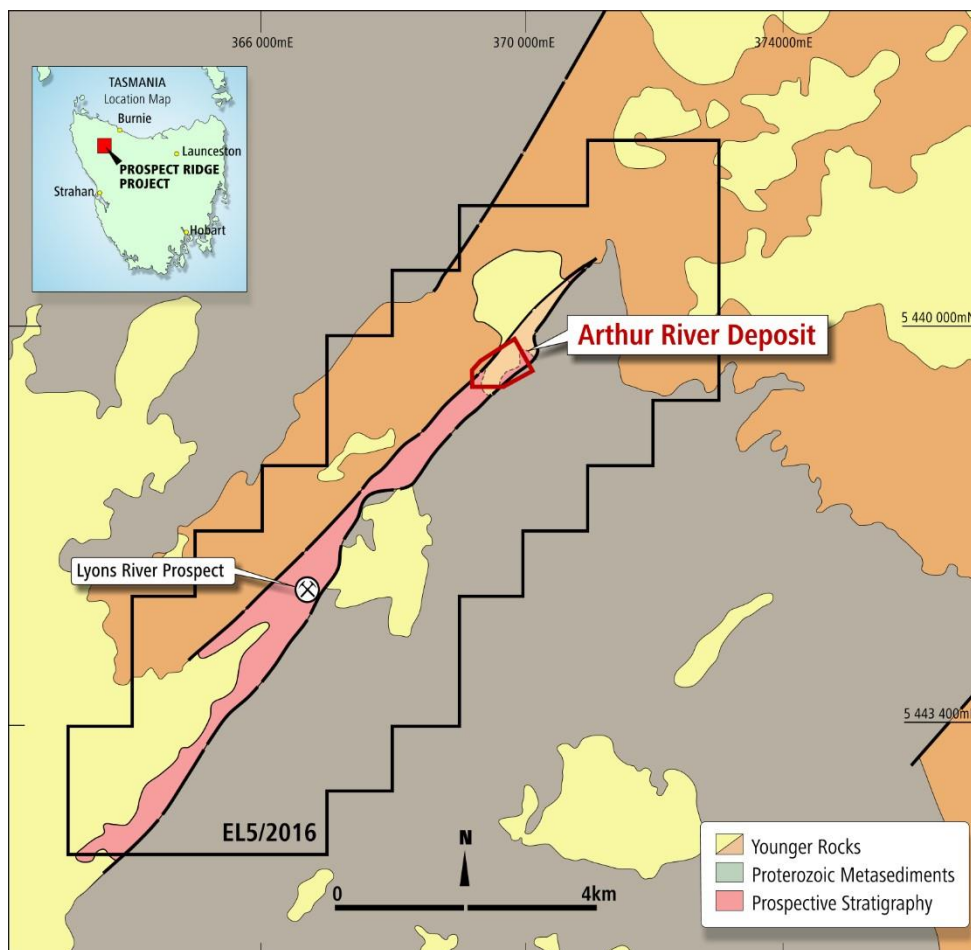


Figure 2: Prospect Ridge Location Plan showing tenure and summary geology

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 upon previous diamond drilling over a strike length of approximately 800m, where a total of 44 holes was completed for 6.939m on lines approximately 150m to 50m 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

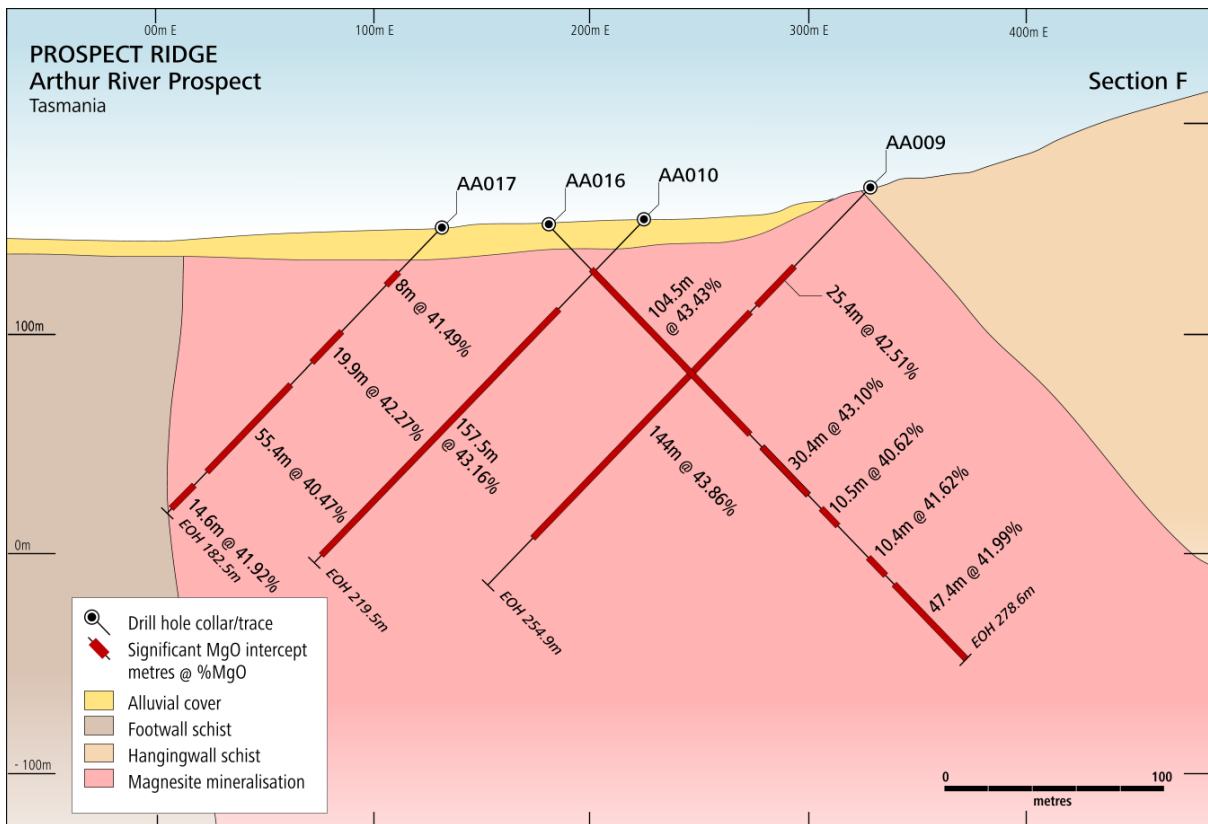


Figure 3: Section F illustrative sectional diagram. (Refer Jindalee Resources Limited ASX announcement 10 October 2017)