



27 October 2023  
ASX: GRR

## REPORT FOR THE QUARTER ENDED 30 September 2023

### HIGHLIGHTS

- Achieved Lost Time Injury free in the quarter.
- High Efficiency Mixer Commissioned at Pellet Plant improving full plant operation.
- Concentrate production down slightly for the quarter with 647kt produced compared to 665kt for the June quarter.
- Pellet production decreased for the quarter with 536kt produced compared to 664kt for the June quarter mainly due to plant maintenance and improvement projects.
- Pellet sales increased for the quarter to 645kt compared with 496kt for the June quarter.
- Increase in average received prices for the quarter to US\$137.82/t (A\$210.03/t)\* (FOB Port Latta) compared with US\$108.12/t (A\$160.62/t)\* for the June quarter.
- Unit cash operating cost increased for the quarter to A\$139.44/t compared with A\$133.53/t for the June quarter due to lower concentrate production.
- Cash and liquid investments of A\$261.44 million and trade receivables of A\$28.46\* million compared with cash and liquid investments of A\$242.34 million and trade payables of A\$43.20\* million for the June quarter.
- Outlay of approximately A\$19.9 million has been made in the quarter on capital projects including the purchase of two new Drilltech Tower Drill Rigs, Furnace Line 5 reline Refractory, Townsite Accommodation Upgrade, and continuation of the Caterpillar 789 Truck rebuild program.

*\* adjusted for the costs of freight and final pricing settlements on provisional settlements as per sales agreements. Pricing is typically finalised in one to three months after shipment month.*



“The quarter was marked by several positive developments and innovations which have now been embedded into the business. The team has safely delivered strong operational performance with no lost time injuries and the successful implementation of the High Efficiency Mixer and stabilisation of Furnace 4 have taken much of our focus. While these projects are in the implementation stage and have impacted Pellet Production for the quarter, they will serve to improve our pellet quality and reduce carbon emissions in the long term” said Acting CEO Mr. Ben Maynard.

“Iron ore prices have improved over the quarter, although we continue to see cost pressures on many fronts. We are actively seeking to mitigate these through our planning process for 2024.

It is pleasing to note that we have resolved our new Enterprise Agreement for 2023 which will run to the end of 2025. The Company will continue to engage with all our employees to operate safely and productively.

## SAVAGE RIVER OPERATIONS

### PRODUCTION

	September Quarter 2023	June Quarter 2023	March Quarter 2023
<b>Total BCM Mined</b>	3,941,474	4,486,415	4,868,822
<b>Total Ore BCM*</b>	251,655	197,703	144,328
<b>Concentrate Produced (t)</b>	646,734	664,901	593,995
<b>Weight Recovery (%)</b>	45.1	45.3	45.1
<b>Pellets Produced (t)</b>	535,736	664,367	525,102
<b>Pellet Stockpile (t)</b>	168,615	278,089	109,898
<b>Concentrate Stockpile (t)</b>	84,469	22,229	59,024

Safety focus for the quarter has been on ensuring clear communication and support of contractors on site through the implementation of major projects.

Delivery of ore from Centre Pit increased over the quarter as we progress the pit and face up to the main ore zone. Initial input of this blended ore into the concentrator has supported high concentrate production rates and improved pellet quality.

The cutback on the east wall of North Pit continued with the implementation of the refined pit design.



## SHIPPING AND SALES

	September Quarter 2023	June Quarter 2023	March Quarter 2023
Iron Ore Pellet Sales (dmt)	645,210	496,176	713,929
Iron Ore Concentrate Sales (dmt)	-	-	24
Iron Ore Chip Sales (dmt)	34,568	70,307	3
<b>TOTAL Iron Ore Product Sales (dmt)</b>	<b>679,778</b>	<b>566,483</b>	<b>713,956</b>
Average Realised Product Price (US\$/t FOB Port Latta) *	137.82	108.12	156.21
Average Realised Exchange Rate (AUD:USD)	0.6562	0.6732	0.6853
Average Realised Product Price (A\$/t FOB Port Latta)	210.03	160.62	227.93

\*adjusted for the costs of freight and final pricing settlements on provisional settlements as per sales agreements. Pricing is typically finalised in one to three months after shipment month.

The average A\$ price received during the quarter of A\$210.03/t (US\$137.82t) (FOB Port Latta), increased by 30.8% from A\$160.62/t (US\$108.12t) for the June quarter.

Grange continued to deliver into secured term offtake agreements, with pellets sales during the quarter of 645kt increased by 30.0% from 496kt for the June quarter.

## MINE DEVELOPMENT PROJECTS

### *North Pit Underground*

A letter of intent has been provided to PYBAR Mining Services for the provision of underground exploration and continued development of the Exploration Decline. These activities are associated with the ongoing exploration and studies regarding the potential to transition from an open pit to an underground block cave mine in North Pit. This project will serve to deliver more detailed information at depth and particularly around the extraction level for potential future development.

The current phase of Definitive Feasibility Study is nearing completion with final documentation and independent peer review in progress. Drafting of the Environment Impact Statement continues, with submission pending.

### *Process Improvement Projects*

The High Efficiency Mixer was safely and successfully commissioned through the quarter in the Pellet Plant at Port Latta. This installation is now delivering more homogeneous blending of bentonite and concentrate equally across all furnace lines.



Optimisation of the Intermediate Air System continued during the quarter, balancing air from the intermediate air and the main blower system. Furnace stability has significantly improved, and Furnace 4 is now running consistently delivering high rates and quality. Work continues on embedding system changes and undertaking the engineering study to apply modifications to the other furnace lines.

## SOUTHDOWN MAGNETITE PROJECT

The Southdown Magnetite Project definitive feasibility study on a 5 Mtpa development case is in progress and the results will be released when completed this year.

All tenements, permits and project assets continue to be maintained in good order.

## CORPORATE

### *Director's movements*

Managing Director and Chief Executive Officer, Mr Honglin Zhao notified the Board that he intends to retire from the company on 31 December 2023. Prior to his retirement, Mr Zhao will be taking intermittent leave and has delegated the duties of CEO to Chief Operating Officer, Mr Ben Maynard who will serve as Acting CEO. The Company has commenced a process to appoint Mr Zhao's replacement.

Ms Yan Jia has resigned from the Board on the 6<sup>th</sup> of September.

Nominees have been put forward to the Board by the major shareholder, Jiangsu Shagang, to fill the vacancy

### *Shareholders*

As at 30 September 2023 there were approximately 11,000 shareholders.

-ENDS-

This announcement was authorised by the Board.

For further information, please contact: [managingdirector@grangeresources.com.au](mailto:managingdirector@grangeresources.com.au)