



27 January 2023

ASX: GRR

REPORT FOR THE QUARTER ENDED 31 DECEMBER 2022

HIGHLIGHTS

- Achieved significant safety milestone with over 2,110 days Lost Time Injury Free.
- Concentrate production was on plan and increased for the quarter with 668kt produced compared to 655kt for the September quarter.
- Pellet sales increased for the quarter to 699kt compared with 547kt for the September quarter.
- Increase in average received prices for the quarter to US\$122.87/t (A\$189.61/t)* (FOB Port Latta) compared with US\$95.17/t (A\$140.84/t)* for the September quarter.
- Unit cash operating cost decreased for the quarter to A\$124.39/t compared with A\$130.69/t for the September quarter due to lower energy costs and increased concentrate production.
- Cash and liquid investments of A\$298.61 million and trade receivables of A\$48.73* million compared with cash and liquid investments of A\$326.74 million and trade payables of A\$15.56* million for the September quarter.
- Outlay of approximately A\$43.26 million has been made in the quarter on capital projects including the purchase of a new Caterpillar 6040 face shovel and four second-hand Caterpillar 789 trucks, as well as mechanical overhauls on a further three trucks.

** 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.*



“Our Team achieved a strong fourth quarter to wrap up a very challenging year. During the quarter, mining movements have improved as well as the demand for iron ore pellets. We have also started to see energy costs coming down from historic highs. Despite the many challenges that presented over the past year, the Company continued to operate in a disciplined manner with a strong focus on productivity and cost control” said CEO Mr. Honglin Zhao.

“We are continuing to complete the optimisation and definitive feasibility studies on the Southdown Magnetite Project and the Underground transition at the Savage River North Pit mine. These two significant projects are planned to be completed and the results released in the upcoming months”.

SAVAGE RIVER OPERATIONS

PRODUCTION

| | December Quarter 2022 | September Quarter 2022 | June Quarter 2022 |
|----------------------------------|-----------------------------|------------------------------|-------------------------|
| Total BCM Mined | 4,399,549 | 3,617,993 | 3,719,095 |
| Total Ore BCM* | 99,626 | 23,947 | 173,744 |
| Concentrate Produced (t) | 667,645 | 655,316 | 663,567 |
| Weight Recovery (%) | 45.3 | 44.6 | 45.2 |
| Pellets Produced (t) | 606,963 | 639,713 | 654,783 |
| Pellet Stockpile (t) | 298,725 | 390,348 | 298,021 |
| Concentrate Stockpile (t) | 45,672 | 18,357 | 27,847 |

* Q4 ore for downstream production was sourced from extensive stockpiles and supplemented with ore from Centre Pit. This will continue through H1, 2023.

A significant milestone was achieved for the operations with over 2,110 days lost time injury free. Mining movement improved significantly over the last quarter with the completion of some repairs to the truck fleet and the implementation of modifications to the haul network. The new Caterpillar 6040 face shovel is working well and four second-hand Caterpillar 789 trucks have been introduced to the fleet to support production. The rebuild of the current fleet also continues with mechanical overhauls on three trucks completed in the quarter. Additional replacement equipment is scheduled for delivery in Q1, 2023.

Mining progress continues on the east wall of North Pit and pre-stripping in Centre Pit. Some ore lenses have been encountered on the eastern side of Centre Pit with much development still required to access the main ore zone.

Concentrate and Pellet production rates were consistent throughout the quarter with full production rates.



SHIPPING AND SALES

| | December Quarter 2022 | September Quarter 2022 | June Quarter 2022 |
|--|-----------------------------|------------------------------|-------------------------|
| Iron Ore Pellet Sales (dmt) | 698,586 | 547,386 | 704,862 |
| Iron Ore Concentrate Sales (dmt) | 0 | 1,853 | 0 |
| Iron Ore Chip Sales (dmt) | 68,433 | 34,142 | (125)* |
| TOTAL Iron Ore Product Sales (dmt) | 767,019 | 583,381 | 704,737 |
| Average Realised Product Price (US\$/t FOB Port Latta) ** | 122.87 | 95.17 | 139.04 |
| Average Realised Exchange Rate (AUD:USD) | 0.6480 | 0.6757 | 0.7187 |
| Average Realised Product Price (A\$/t FOB Port Latta) | 189.61 | 140.84 | 193.44 |

*negative adjustment on chip shipment in the June quarter.

**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\$189.61/t (US\$122.87/t) (FOB Port Latta), increased by 34.63% from A\$140.84/t (US\$95.17/t) for the September quarter.

Grange continues to deliver into secured term offtake agreements, with pellet sales increasing to 699kt during the quarter, up 27.6% from September quarters 547kt. Contracted shipments deferred from the September quarter were delivered in the December quarter with the exception of 1 shipment which arrived in late December and was unable to complete loading due to adverse weather conditions.

MINE DEVELOPMENT PROJECTS

North Pit Underground

Updates to geotechnical and resource models were completed during the quarter, providing key information to support the detailed modeling and design of the underground operation. Work continues on mine design, extraction level layouts and production schedules. Plans are being developed for the continuation of work in the exploration decline.

Process Improvement Projects

Work continues on the installation of ducting and the new blower to provide additional airflow through Furnace 4. Production is tracking well, and this project is on target to be commissioned in Q1, 2023.

The structural steelwork and tower construction for the High Efficiency Mixer was completed in 2022. Electrical installation works are progressing with some delays experienced due to the



delivery of components. Project schedules are being revised to accommodate completion and commissioning in 2023.

SOUTHDOWN MAGNETITE PROJECT

In December, the Company entered into a binding agreement with its joint venture partner, SRT Australia Pty Ltd to reacquire SRT's 30 per cent interest in the Southdown Magnetite Project. The transaction is expected to be completed in Q1, 2023. Upon completion, Grange will hold 100 per cent ownership in the Project.

The Southdown Magnetite Project definitive feasibility study on a 5 Mtpa development case is progressing as planned and the results will be released when completed at the end of March.

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

CORPORATE

Shareholders

As at 31 December 2022 there were 10,976 shareholders.

-ENDS-

This announcement was authorised by the Board.

For further information, please contact: managingdirector@grangeresources.com.au



ANNEXURE

PRODUCTION

| | Quarter Ended | | | | Full Year | |
|---------------------------|---------------|-----------|-----------|-----------|------------|------------|
| | Mar 22 | Jun 22 | Sep 22 | Dec 22 | Dec 22 | Dec 21 |
| Total BCM Mined | 3,729,897 | 3,719,095 | 3,617,993 | 4,399,549 | 15,466,534 | 13,667,044 |
| Total Ore BCM | 983,184 | 173,744 | 23,947 | 99,626 | 1,280,501 | 2,804,234 |
| Concentrate Produced (t) | 638,337 | 663,567 | 655,316 | 667,645 | 2,624,865 | 2,559,987 |
| Weight Recovery (%) | 45.9 | 45.2 | 44.6 | 45.3 | 45.2 | 44.4 |
| Pellets Produced (t) | 616,773 | 654,783 | 639,713 | 606,963 | 2,518,232 | 2,597,428 |
| Pellet Stockpile (t) | 348,100 | 298,021 | 390,348 | 298,725 | 298,725 | 210,193 |
| Concentrate Stockpile (t) | 36,175 | 27,847 | 18,357 | 45,672 | 45,672 | 14,285 |

SHIPPING AND SALES

| | Quarter Ended | | | | Full Year | |
|--|---------------|---------|---------|---------|-----------|-----------|
| | Mar 22 | Jun 22 | Sep 22 | Dec 22 | Dec 22 | Dec 21 |
| Iron Ore Pellet Sales (dmt) | 478,866 | 704,862 | 547,386 | 698,586 | 2,429,700 | 2,507,201 |
| Iron Ore Concentrate Sales (dmt) | - | - | 1,853 | - | 1,853 | 42 |
| Iron Ore Chip Sales (dmt) | 34,310 | (125) | 34,142 | 68,433 | 136,760 | 108,130 |
| TOTAL Iron Ore Product Sales (dmt) | 513,176 | 704,737 | 583,381 | 767,019 | 2,568,313 | 2,615,373 |
| Average Realised Product Price (US\$/t FOB Port Latta) | 224.30 | 139.04 | 95.17 | 122.87 | 141.28 | 208.08 |
| Average Realised Exchange Rate (AUD:USD) | 0.7289 | 0.7187 | 0.6757 | 0.6480 | 0.6953 | 0.7535 |
| Average Realised Product Price (A\$/t FOB Port Latta) | 307.72 | 193.44 | 140.84 | 189.61 | 203.18 | 276.17 |