8 May 2023

GRANGE RESOURCES

Grange Resources Limited
ABN 80 009 132 405

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GRANGE RESOURCES LIMITED
AMENDED ANNUAL REPORT 2022

Grange Resources Limited is releasing an amended copy of its Annual Report for the year ended December 2022, originally released on 11 April 2023.

Typographical errors contained in Note 29 located on page 68 of the previously released version have been corrected as follows;

Item (C) KEY MANAGEMENT PERSONNEL COMPENSATION table – Column headings have been corrected to whole dollars rather than $’000.

Item (D) TRANSACTIONS WITH RELATED PARTIES table - Column headings have been corrected to whole dollars rather than $’000.

Item (E) OUTSTANDING BALANCES ARISING FROM TRANSACTIONS WITH RELATED PARTIES table - Column headings have been corrected to whole dollars rather than $’000.

An amended 2022 Annual Report is attached to this announcement.

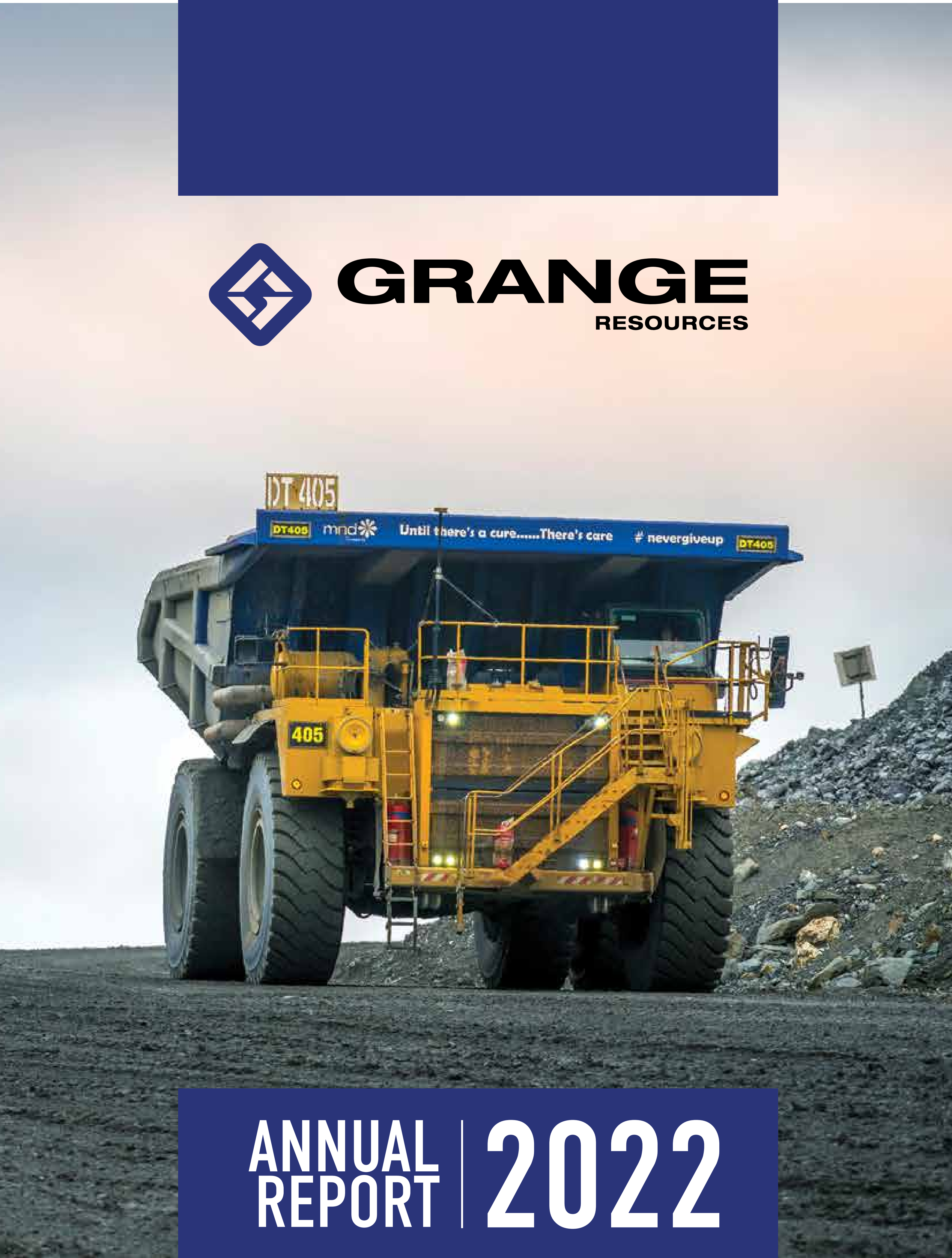
This announcement has been authorised for release to the ASX by the Company's Board of Directors.

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

Yours faithfully
Piers Lewis
Company Secretary

-ENDS-

GRANGE RESOURCES



ANNUAL REPORT 2022

GRANGE RESOURCES LIMITED

BOARD OF DIRECTORS

Michelle Li	Chairperson
Yan Jia	Non-Executive Director, Deputy Chairperson
Michael Dontschuk	Non-Executive Director
Ajanth Saverimutto	Non-Executive Director
Honglin Zhao	Managing Director / Chief Executive Officer
Chongtao Xu	Executive Director (appointed 1 March 2023)

COMPANY SECRETARY

Piers Lewis

REGISTERED OFFICE

Grange Resources Limited ABN 80 009 132 405

34a Alexander Street, BURNIE, TAS 7320

Telephone: + 61 (3) 6430 0222

Email: GRR.Info@grangeresources.com.au

SHARE REGISTRY

Advance Share Registry Services Limited

110 Stirling Highway

Nedlands, WA 6009

AUDITORS

PricewaterhouseCoopers

2 Riverside Quay

SOUTHBANK, VIC 3006

STOCK EXCHANGE

Grange Resources Limited is listed on the ASX Limited (ASX Code: GRR) and the "OTC" Markets in Berlin, Munich, Stuttgart and Frankfurt in Germany (Code: WKN. 917447)

WEBSITE

www.grangeresources.com.au

This report has been printed on recycled paper.

ABOUT GRANGE

OUR BUSINESS

Grange Resources Limited (Grange or the Company),

ASX Code: GRR, is Australia's most experienced magnetite producer with over 55 years of mining and production from its Savage River mine and has a projected mine life beyond 2035.

Grange's operations consist principally of owning and operating the Savage River integrated iron ore mining and pellet production business located in the north-west region of Tasmania. The Savage River magnetite iron ore mine is a long-life mining asset. At Port Latta, on the north-west coast of Tasmania, Grange owns a downstream pellet plant and port facility producing over 2.5 million tonnes of premium quality iron ore pellets annually, with plans to increase annual production. Grange has a combination of spot and contracted sales arrangements in place to deliver its pellets to customers throughout the Asia Pacific region and beyond.

In addition, Grange owns a major magnetite development project at Southdown, near Albany in Western Australia. The Southdown magnetite project, once developed, is expected to have the capacity to supply double the amount of iron ore produced at Savage River, at an initial annual production rate of 5 million tonnes of premium magnetite concentrate. The Company is continuing to evaluate options related to a strategic share of the Company's interest in the project.

OUR PURPOSE

The responsible provision of mineral resources to support sustainable development, growth and prosperity.

OUR VISION

We will produce high quality steel making raw materials economically and effectively. Our operations will be efficient, flexible, and stakeholder focused.

OUR VALUES

We value	At Grange we all will...
Safety	✓ Work safely.
Respect	✓ Lead & act with fairness, integrity, trust and respect.
Accountability	✓ Be responsible & accountable for our actions.
Efficiency	✓ Utilise our resources efficiently and effectively.
Sustainability	✓ Engage with stakeholders and proactively manage our impact on their environment.
Teamwork	✓ Work together openly and transparently.
People	✓ Promote an inclusive and diverse environment in which our people can develop and prosper.

2022 OVERVIEW

OPERATIONAL OVERVIEW

- Achieved a major milestone of over 2,110 days Lost Time Injury free.
- Mining activities have focused on waste stripping in both North Pit and Centre Pit, following the successful completion of North Pit Stage 6.
- Pellet production of 2.52 million tonnes for the year compared to 2.60 million tonnes for the prior year.
- Delivered full year's production profile and managed the safety health and wellbeing of our employees throughout the COVID-19 pandemic.
- Definitive feasibility study for underground mining in North Pit commenced in 2022 with the location of the extraction level being modelled after the completion of the North Pit Stage 7 open pit mining.
- Redesigned Furnace Line 4 was commissioned in 2022 with the initial phase completed and the next phase to implement the intermediate air system scheduled for first half of 2023.

FINANCIAL OVERVIEW

- Total iron ore product sales of 2.57 million tonnes for the year compared to 2.62 million tonnes for the prior year.
- Profit after tax of $171.7 million for the year compared to $321.6 million for the prior year, on revenues from operations of $594.6 million compared to $781.7 million for the prior year.
- Average realised product price (FOB Port Latta) of $203.18 per tonne for the year compared to $276.17 for the prior year.
- Unit C1 cash operating costs of $120.64 per tonne for the year compared to $99.73 for the prior year mainly due to significantly higher energy costs.
- Cash and liquid investments of $298.6 million at the end of year compared to $463.5 million at the end of the prior year.

2023 PRIORITIES

Grange is Australia's proven, safe, reliable, long-life producer of magnetite iron ore and premium quality pellets. Grange is committed to the local community of Northwest Tasmania and makes a significant contribution to the state economy.

The Board has reviewed our five key strategic drives that underpin the development of Grange's business. These focus on: Developing a sustainable Life-of-Mine-Plan; Integrating innovation into all aspects of the business; Building capacity and capability within our workforce; Developing strategic initiatives for future development and Delivering our ESG goals. Grange's business and operational planning is directed to enact these strategies.

DEVELOP SUSTAINABLE LIFE-OF-MINE-PLAN

The Life-of-Mine-Plan is a key to underpin investment decisions and to optimise business execution. Geotechnical instability has historically introduced uncertainty into the production profile. Over the past few years we have reduced the risk to the production profile with the re-commencement of Centre Pit to provide a second ore source; a substantial ore stockpile; investment in our geotechnical model and controls; and progression of the North Pit Underground feasibility study. We will continue to seek to mitigate increasing pressure on OPEX costs; develop contingency for extreme weather events; understand and mitigate risk delays on project development and complete the studies to enable integration and optionality for Open Pit and Underground operation.

Centre Pit and stockpiles provide the main source of ore for 2023 and Grange will continue to invest in stripping Centre Pit and North Pit to deliver future high-grade ore. Focussed condition monitoring and maintenance will enable us to sustain and extend the life of our valuable infrastructure and assets. For longer term asset development, the focus will be on the completion of the Underground feasibility. This will provide a basis for an optimised Life of Mine Plan with a view to maximise the efficient and effective recovery of the mineral resources at Savage River.

INTEGRATE INNOVATION

Innovation is critical to improving safety, efficiency and reducing cost. Innovation tools are integrated into the business through our Management Operating System (MOS) and we are building capability with our people and systems. This will be considered both at the strategic level in the development of the plan and at the transactional level. Application of new technology will support and improve operational outcomes. Our focus is to: determine the potential to introduce automation into the operation; upgrade the equipment tracking system for the mine and optimise the mining cycle to reduce delay and increase efficiency; review the opportunity for sources and supply of energy; and build production capability for potential expansion of the operation.

BUILD CAPACITY & CAPABILITY

We recognise that our people are our most valuable asset. We have a committed workforce with a strong skills and experience base. There is increasing competition for human resources as the resource industry cycles and we note the risk of losing key technical staff and some of our skills and experience.

To mitigate these risks we are implementing strategies to retain employees; attract the required skills into the business; improve the communication of our brand and operation in order to attract talent and build specialised expertise as we gain certainty with respect to our optimised and de-risked Life-of-Mine-Plan.

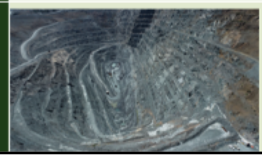
DEVELOP STRATEGIC INITIATIVES

Grange has developed capacity and capability. There are new markets developing to address changes in climate. Grange is well positioned to further develop existing assets and consider additional growth that will leverage opportunities in new areas.

The Southdown feasibility study will be completed in 2023 and will provide guidance on the go-forward options for development of this world class project.

DELIVER ESG GOALS

Grange is committed to supporting the prosperity of the communities in which we operate. The global landscape is changing. Stakeholders are demanding reduction & elimination of Carbon Emissions, with businesses incorporating pricing to achieve net zero targets. We are aligning our business to the sustainable development goals that provide a roadmap to sustainability and resilience.

	Develop Sustainable LOMP	Integrate Innovation	Build Capacity & Capability	Develop Strategic Initiatives	Deliver ESG Goals
Context	• Underdevelopment of the east wall of North Pit has resulted in a large waste hurdle and an ore supply issue in 2025. • Risk of high energy price and lower iron ore prices. • Our process is supported by mature and valuable infrastructure and assets.	• Innovation is critical to improving safety, efficiency and reducing cost. • Innovation tools are integrated into the business through our MOS and we are building capability with our people and systems. • Application of new technology will support and improve operational outcomes.	• We have a committed workforce with strong skills and experience base. Our people are highly valued. • Inflation, cost of living, high demand and low supply is placing significant upward pressure on wages and salaries. • There is increasing competition for human resources as the industry grows.	• We have capacity and capability • There are new markets developing to address changes in climate. • Grange is well positioned to further develop existing assets and consider additional growth.	• Grange is committed to supporting the prosperity of the communities in which we operate. • We are aligning our business to the sustainable development goals that provide a roadmap to sustainability and resilience.
Focus Areas	❑ Develop ore sources ❑ Review integration of underground and open pit mining ❑ Review additional assets	❑ Eliminate non-value adding waste ❑ Investigate & apply new technology ❑ Continuous process improvement ❑ Explore alternative Energy pathways	❑ Attract and retain ❑ Build communication of our brand ❑ Develop future capacity	❑ Complete feasibility study for Southdown ❑ Develop an acceptable funding solution to enable execution of Southdown ❑ Monitor growth opportunities	❑ Reduce emissions through process ❑ Improve energy efficiency ❑ Investigate heat recovery and energy reduction initiatives ❑ Continue to monitor the evolving green steel market
					

ABOUT THE GRANGE BUSINESS

MAGNETITE

Magnetite is a naturally occurring mineral commonly refined into an iron ore concentrate and used for steel production. Iron ore makes up about five per cent of the Earth's crust and most commonly occurs in the form of haematite or magnetite. Most of the magnetite mined is usually used to produce concentrate for pellet feed or pellets which are used to make steel.

The Australian iron ore industry has traditionally been based on the mining, production, and export of haematite ores, also referred to as 'Direct Shipping Ore' (DSO). The majority of Australian iron ore production comes from DSO. While magnetite is an emerging industry in Australia, globally it accounts for approximately 50 per cent of iron ore production.

Smelting magnetite to iron involves agglomeration or 'clumping together' of the magnetite concentrate, and thermal treatment to produce haematite iron ore pellets.

The pellets can be used directly in a blast furnace or at direct reduction iron-making plants.

Magnetite concentrate has internal thermal energy, meaning less energy is required as the magnetite is converted into haematite pellets. This results in lower carbon dioxide emissions. The blast furnace chemically reduces iron oxide into liquid iron called 'hot metal'. The iron ore and reducing agents (coke, coal and limestone) are combined. Pre-heated air is blown at the bottom of the combination for up to eight hours. The final product is a liquid which is drained, and eventually refined to produce steel.

Mining magnetite ore is capital intensive and requires significant downstream processing infrastructure including a beneficiation plant, a pellet plant and port facilities. Magnetite products command a value premium above haematite ore products such as fines and lump. This premium is derived on two fronts, through additional iron content, and a quality premium.

The growth in Chinese demand and its understanding of the use of magnetite-based iron ore products has seen a significant change in the value accrued to both magnetite concentrate and pellets, and the methodology used for determining that value.

As magnetite concentrate is a refined product, it usually has higher iron content and lower impurities. This can have beneficial quality and environmental outcomes for the steel maker.

Grange Resources Limited (Grange) owns and operates Australia's oldest integrated iron ore mining and pellet production business located in the northwest region of Tasmania. The Savage River magnetite iron ore mine, 100km southwest of the city of Burnie, is a long-life mining asset set to continue operation to beyond 2035. At Port Latta, 70kms northwest of Burnie, is Grange's wholly owned pellet plant and port facility producing more than 2.5 million tonnes of premium quality iron ore pellets annually with plans to increase annual production. Grange holds long term supply contracts for 1 million tonnes of its annual production and offers the balance of its production to market via a spot sales tendering and contracting process.

As well as this profitable magnetite operation, Grange has the majority interest in the Southdown magnetite mining project near Albany in Western Australia.

Grange Resources is Australia's most experienced magnetite producer. Grange is a proven and reliable commercial producer combining both mining and pellet production expertise.

CHAIRPERSON'S & CHIEF EXECUTIVE OFFICER'S REVIEW

DEAR SHAREHOLDERS,

The Company achieved outstanding performance in FY2022 as a result of the hard work and commitment made by our people to keep our operations running safely. Your Company delivered another strong set of financial results and paid dividends of 4 cents per share fully-franked. These results were achieved through a focused strategy of capital expenditure with improvements in operational performance and safety, supported by a continued focus on productivity. Our balance sheet remains strong. We have been reviewing our strategy against changes in the external environment by analysing the risks and opportunities we are facing and optimising our operations with a number of long-term improvement projects. We believe that the Board's approach to strategy and risk management positions us to manage and respond to changes and capture opportunities to grow shareholder value over time. We maintain a relentless focus on the health and safety of our people and the communities in which we operate.

2022 REVIEW

The iron ore market was very volatile in 2022. The iron ore price reached its highest level for the year at about US$160 per tonne in March 2022, although the second part of the year had a different story. The price dropped by half to approximately US$80 per tonne in November 2022 due to renewed worries over COVID-19 restrictions in China. There were renewed concerns over the country's property sector and cooling global economic growth. The Chinese market accounts for approximately two-thirds of global seaborne iron ore demand. The Company, like many other in the industry, was challenged by an inflationary environment that saw the cost of energy, labour and many other inputs of production rise significantly over the past year.

In spite of these challenges, the Company achieved a profit after tax of $171.7million (2021: $321.6 million), on revenues from mining operations of $594.6 million (2021: $781.7 million). The year's average product prices realised $203.18 per tonne (2021: $276.17 per tonne) (FOB Port Latta). Total iron ore product sales of 2.57 million tonnes (2021: 2.62 million tonnes) were achieved. Increases in fuel and gas costs were balanced with improved production rates resulting in C1 cash operating costs of $120.64 per tonne (2021: $99.73 per tonne). The increase in costs was largely due to the significant increase in energy costs. A final dividend of 2 cents per share taking total dividends declared for shareholders this year to 4 cents per share or $46.3 million. Cash and liquid investments positioned at $298.6 million (2021: $463.5 million) at the end of the year.

The Company delivered strong results as the world recovers from 3 years of disruption caused by the COVID-19 pandemic. A focus on safety has been maintained across the business. 2022 was still a difficult and challenging year for everyone. We are very proud of the Company's response to COVID-19. Despite all the uncertainties created by the pandemic, we have achieved over 2110 days Lost Time Injury Free. This achievement is made possible by the hard work and dedication of hundreds of employees, contractors, and the support of the local community throughout the year.

Mining activities have focused on the cutbacks in both North Pit and Centre Pit, following the completion of North Pit Stage 6. North Pit Stage 6 yielded large stockpiles to support production in 2022 and 2023. Mining movement was impacted by mining equipment availability and positive COVID cases in the workforce, but improved significantly over the later part of the year. The North Pit Underground PFS demonstrated a technically and economical feasible underground mining operation for North Pit. Ore continuity at depth indicated the potential for 6 million tonne per annum production rate with a mine life of more than 10 years. The Definitive Feasibility Study was commenced in 2022, with an amendment of the extraction level after the completion of North Pit Stage 7 open pit mining. The redesigned pellet plant furnace line 4 was commissioned in 2022. The next phase will be to improve the air distribution through the furnace which is scheduled for Q2, 2023. These design modifications will improve production efficiency and support Grange's decarbonisation initiatives.

During 2022, the Company commenced a definitive feasibility study on a 5 Mtpa development case with new technology and additional test-work for Southdown magnetite project. In December 2022, 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. FIRB approval on the acquisition was received on 3rd March 2023. The transaction is expected to be completed in Q2, 2023. Upon completion, Grange will hold 100 per cent ownership in the Project. All tenements, permits and project assets continue to be maintained in good order.

Climate change is a defining issue the world is currently facing. Grange published its baseline Environmental, Social, and Governance (ESG) report with disclosures on 21 core metrics set by the World Economic Forum (WEF) in its standardised and globally recognised Stakeholder Capitalism Metrics ESG framework. Grange has developed a road map to reduce emissions. This will involve the reduction in energy used per tonne of product; upgrades to furnaces;

recovery of heat in the pellet plant; application of technology and electric vehicles in the mining operation; and alternative fuel sources. The Board has endorsed the pursuit of decarbonisation of Grange's Business with specific targets for CO2-e reduction including:

- The elimination of non-renewable coal sources like anthracite, by 2025.
- CO2-e emission target reduction of 50% by 2030 reducing emissions to 53kg of CO2-e per tonne of iron ore products.
- Target of net zero CO2-e (Scope 1 and 2) emissions by 2035.

OUTLOOK

Looking ahead, the iron ore pellet market remains uncertain and challenging. The iron ore price rallied after China reopened at the end of 2022. On the 17th February, China issued its biggest-ever cash injection of US$121 billion. This prompted increased demand for steel as the manufacturing and construction sectors recommenced normal activity. However, a modest increase in seaborne iron ore supply during 2023, led by Brazil and India, will impact the supply and demand equation and potentially impact the iron ore price. The possible increasing pricing volatility stemming from increasing geopolitical tensions, a growing debate over the future of globalization and the United States' policy of decoupling from China. Risks with respect to energy costs are slightly reduced, although labour markets remained tight.

Despite the uncertain conditions we currently face, the long-term outlook for our sector remains positive. We continue to build our safety culture through initiatives. Our employees are encouraged to come up with new, creative ideas on how to strengthen and improve our business. Our strong balance sheet provides a fundamental base for managing volatile markets and ensuring capital is available for sustaining operations through the cycle. This strength is underpinned by our ongoing generation of solid cash flows from operations. We continue to implement measures to both preserve the balance sheet strength and align our capital allocation framework with the cyclical nature of the industry. Our primary goal is to remain competitive in a frequently changing iron ore market. Our focus will remain on delivering value to our shareholders in the near, medium and long term. We strive to ensure our company remains strong and resilient. Sustainability will remain an important priority and indeed, will play an increasingly important role in our business.

The Board and the management team have a positive outlook for the pellet market and are proactively exploring opportunities for innovation, improvement and productivity growth. De-carbonisation ambitions for the sector provide a unique opportunity for us. We are confident in our competitiveness to supply a high quality, low impurity iron ore pellet product. We strive to deliver value to our loyal employees and shareholders.

The Company's strategic focus is to generate sustained shareholder value by safely producing high quality iron ore products from its Savage River and Port Latta operations in Tasmania whilst continuing to assess the feasibility of a major iron ore development project at Southdown, near Albany in Western Australia, by:

- Optimising the Life of Mine Plan together with cost reduction strategies
- Completing the Definitive Feasibility Study and transition preparation for underground mining in North Pit
- Maintaining access to ore with continuing investment in mine development
- Maintaining critical process infrastructure
- Continuing focus on improving productivity and implementing cost control projects
- Delivering on secured off take agreements
- Strategic review on the completion of the feasibility study on a 5 Mtpa development case with new technology for Southdown magnetite project.

The company continues to assess and manage various business risks which could impact the company's operating and financial performance and its ability to successfully deliver strategic priorities including:

- Health, safety and environment
- Impacts of climate change on our business
- Volatility in iron ore market and movements in foreign exchange rates
- Volatility in the energy prices and availability, and tight labour markets
- Production risks and costs associated with pit wall stability and ageing infrastructure

THANK YOU

On behalf of Grange's Board, we would like to thank all of our employees for their dedication and hard work over the past year. We are proud of our excellent culture, capability and resilience to position us for a prosperous future. Thank you to our Shareholders for your continued support.

Michelle Li
Chairman

Honglin Zhao
Chief Executive Officer

OPERATING & FINANCIAL REVIEW

KEY HIGHLIGHTS

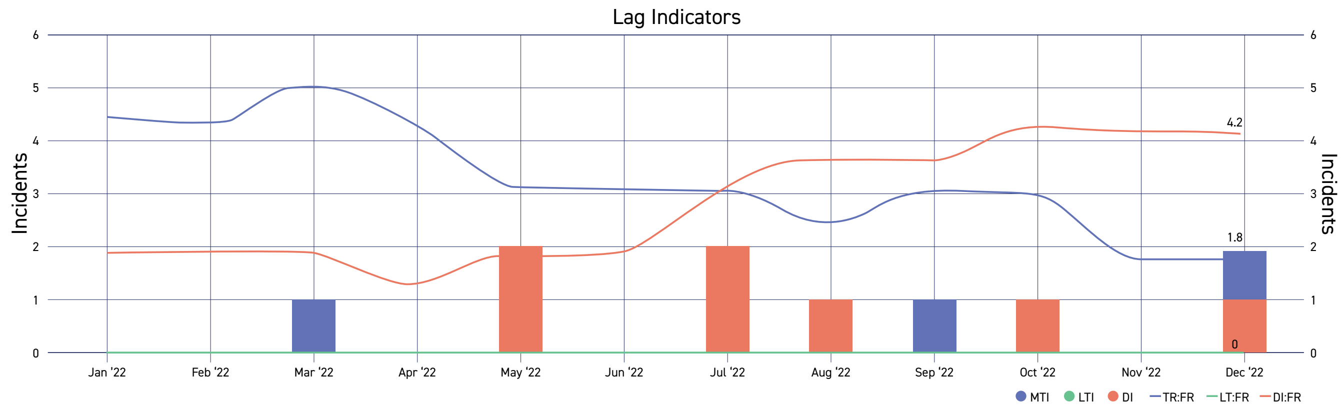
- Achieved over 2,110 days Lost Time Injury Free.
- Mining activities have focused on waste stripping in both North Pit and Centre Pit, following the successful completion of North Pit Stage 6.
- Concentrate production was 2.62 million tonnes an increase from the previous year of 2.56 million tonnes.
- Pellet production of 2.52 million tonnes for the year compared to 2.60 million tonnes for the prior year.
- Grange's high quality, low impurity iron ore products attracted average realised product price (FOB Port Latta) of $203.18 per tonne for the year, a decrease compared to $276.17 for the prior year.
- Unit C1 cash operating costs of $120.64 per tonne for the year compared to $99.73 for the prior year mainly due to significantly higher energy costs.
- Delivered profit after tax of $171.7 million for the year compared to $321.6 million for the prior year.
- Cash and liquid investments of $298.6 million at the end of year compared to $463.5 million at the end of the prior year.

SAFETY PERFORMANCE

Grange operations have achieved over 2,110 consecutive days Lost Time Injury free by year end 2022. The sustained focus on lead indicators, hazard identification and risk management has helped us maintain the current long running lost time injury free period, despite a continued increase in worker hours.

There was a notable decrease in Medical Treatment (MTI) injuries, however disabling injuries in 2022 remained the same as in 2021 (7 cases). During the year, there were 4 disabling injuries caused by mine operations jarring events, 1 similar type of injury in the concentrator and 2 ankle related injuries at Port Latta. All persons involved were given meaningful work for their respective periods of incapacity. They have actively contributed to their return-to-work programs reducing the periods of alternate work so far as reasonably possible.

2022 saw considerable contractor involvement at both operational sites, increasing our worker hours and our level of risk exposures, with new and ongoing projects. These included contractor crews assembling new and repairing the older truck fleet, a crew working on the Pipeline Span to rectify corrosion, teams constructing new buildings at both sites and crews working on the new bentonite mixing system at Port Latta. Our SEMS (Safety, Environment Management System) onsite training and major hazard systems improvements continue to support a compliant, well managed and mature safety culture throughout the year.



FULL YEAR RESULT

Grange recorded a statutory profit after tax of $171.7 million for the year ended 31 December 2022 (2021: $321.6 million).

Key revenue metrics for the year ended 31 December 2022 and the preceding 2021 year were as follows:

	2022	2021
Iron Ore Pellet Sales (dmt)	2,429,700	2,507,201
Iron Ore Concentrate Sales (dmt)	1,853	42
Iron Ore Chip Sales (dmt)	136,760	108,130
Total Iron Ore Product Sales (dmt)	2,568,313	2,615,373
Average Realised Product Price (US$/t FOB Port Latta)*	141.28	208.08
Average Realised Exchange Rate (AUD:USD)	0.6953	0.7535
Average Realised Product Price (A$/t FOB Port Latta)	203.18	276.17

*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.

Total sales for the year ended 31 December 2022 was 2.57 million tonnes of high quality, low impurity iron ore products (2021: 2.62 million tonnes) and reflects sustained production from maintaining access to high grade ore.

The average iron ore product price received during the year was $203.18 per tonne of product sold (FOB Port Latta) (2021: $276.17 per tonne).

Key operating metrics for the year ended 31 December 2022 and the preceding 2021 year were as follows:

	2022	2021
Total BCM Mined	15,466,534	13,667,044
Total Ore BCM	1,280,501	2,804,234
Concentrate Produced (t)	2,624,865	2,559,987
Weight Recovery (%)	45.2	44.4
Pellets Produced (t)	2,518,232	2,597,428
Pellet Stockpile (t)	298,725	210,193
"C1" Operating Cost (A$/t Concentrate Produced)(1)	120.64	99.73

(1) Note: "C1" costs are the cash costs associated with producing iron ore products without allowance for mine development, deferred stripping and stockpile movements, and also excludes royalties, sustaining capital, depreciation and amortisation costs.

Mining activities have focused on the cutbacks in both North Pit and Centre Pit, following the successful completion of North Pit Stage 6. This ore mining stage yielded large stockpiles to support production in 2022 and 2023. Mining movement improved significantly over the later part of the year with 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 six 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 six trucks completed during the year. Additional replacement equipment is scheduled for delivery in Q1, 2023.

NORTH PIT UNDERGROUND DEVELOPMENT PROJECT

The North Pit Underground PFS previously demonstrated a technically and economical feasible underground mining operation for North Pit. Ore continuity was demonstrated at depth and highlights the potential for 6 million tonne per annum production rate with an underground mine life of more than 10 years. The Definitive Feasibility Study was commenced in 2022, with an amendment to the location of the extraction level being modelled after the completion of North Pit Stage 7 open pit mining. Additional drilling to the north, revisions to geotechnical models were completed and further exploration is planned as part of the DFS in 2023.

PORT LATTA IMPROVEMENT PROJECTS

The redesigned Furnace Line 4 was commissioned in 2022. The initial phase involved integration into the operation with completion of the refractory rebuild. The next phase will be to commission the intermediate air system which will allow the improvement of air distribution through the furnace, and is scheduled for Q2, 2023. This will inform future design modifications to the other furnace lines and support Grange's decarbonisation initiatives.

ENERGY ALTERNATIVES

Early in 2020, Grange set out to investigate potential routes for carbon reduction at our Tasmanian operation. It was identified that our two biggest contributors were our diesel usage from the mining fleet at Savage River and natural gas usage from the furnaces at the Port Latta Pellet Plant.

As part of our strategic vision to reduce carbon emissions across the operation, discussions were commenced through the formation of the Heavy Industry Low Carbon Transition CRC (HILT-CRC). In late 2021, the HILT-CRC was finalised, with Grange becoming a founding member and core partner. It is with great excitement that we work with the newly formed HILT-CRC to advance Australian Heavy Industry's Transition to Low Carbon.

In 2021, Grange also set out on a specific Hydrogen Study. This was in line with the Tasmanian Government's ambitions to establish a Hydrogen Hub within Tasmania, to utilise the current Green Electricity supply to generate Green Hydrogen. The study, co-founded by the Tasmanian Government and in collaboration with Hatch, was aimed at investigating the feasibility to convert our Port Latta operations from natural gas to Green Hydrogen. This Prefeasibility Study concluded that it was technically feasible to operate the Port Latta facility on Hydrogen, with no impact on product make or quality. The study also identified the key commercial drivers which would need to be achieved to make the project commercially feasible and will require support from the Tasmanian Government as part of establishing a Tasmanian hydrogen economy. If these fundamentals were achieved, the next step would be to undertake a pilot plant scale trial and thereafter convert one of the 5 Port Latta Furnaces to run on Hydrogen (pending supply and legislative requirements being met).

Grange will continue to work with the Tasmanian Government, external parties, and as part of the HILT CRC, to progress decarbonisation strategies for our operations.

FINANCIAL POSITION

Grange's net assets increased during the year to $904.1 million (31 December 2021: $871.2 million). The key movements in net assets during the year are a result of the following:

- An increase in property plant and equipment and mine properties and development of $60.6 million and $98.6 million respectively.
- An increase in other financial assets of $170.6 million due to investment in term deposits
- An increase in trade receivables by $34.3 million
- A decrease in income tax payable by $62.9 million
- A decrease in cash and cash equivalents of $335.5 million (refer to statement of cashflow) and
- A decrease in net deferred tax assets by $60.9 million.
- The Group's market capitalisation as at 22 March 2023 is $827.5 million.

STATEMENT OF CASH FLOWS

NET CASH FLOWS FROM OPERATING ACTIVITIES

Net cash inflows from operating activities for the year were $196.9 million (2021: inflows $498.2 million) due to lower prices compared to previous year and increase in unit operating costs.

NET CASH FLOWS FROM INVESTING ACTIVITIES

Net cash outflows from investing activities for the period were $396.2 million (2021: outflows $79.6 million) and principally related to funds invested in term deposits of $191.2 million and expenditures for mine properties and development of $136.8 million and property, plant and equipment of $87.7 million.

NET CASH FLOWS FROM FINANCING ACTIVITIES

Net cash outflows from financing activities for the period were $145.6 million (2021 outflow: $165.3 million) and principally related to the payment of 2021 final dividend ($115.7 million) and 2022 interim dividend ($23.1 million).

EXPLORATION AND EVALUATION

In 2022 there were 9,766 metres of diamond drilling completed. 5,524 metres were completed within the Centre pit deposit and 4,242 within the North Pit deposit. The diamond drilling was focused on refinement of the existing Mineral Resources in North Pit and Centre Pit and improvement of the geo-chemical categorisation of waste rock types. The drilling has resulted in maintenance of the existing Mineral Resources despite mining depletion.

The Mineral Resource stands at 485 million tonnes at 44.5% DTR, maintaining our resource from the 2021 annual report, with a small reduction in grade. The decrease in grade is a result of new drilling data and updated statistical estimation of North Pit. The decrease in total Mineral Resource grade is considered minor given the quantum of the total Mineral Resources, annual mine production levels, and the ongoing nature of the underground mining study.

Ore Reserves decreased to 96MT @ 46.7% DTR due primarily to mining depletion from North Pit and Centre Pit during the year. There was an improvement in confidence of Ore Reserves with an increase in Proven Reserves. All Ore Reserves remain based on open pit only mining methods and do not include any underground mineable resources. The North Pit Underground Definitive Feasibility Study (NPUG DFS) is still in progress and estimation of the underground Ore Reserves will be conducted at the conclusion of the NPUG DFS scheduled for 2023.

Further resource definition drilling of North Pit from underground is expected to commence in 2023. The aim is to improve confidence in the quantity and grade of the resource and further de-risk the mineral resource for potential underground mining while also exploring the ore body at greater depth.

MINERAL RESOURCES AND ORE RESERVES STATEMENT SAVAGE RIVER OPERATIONS

The following tables show the Mineral Resources and Ore Reserves for the Savage River operations as at 31 December 2022. The mining of ore throughout the year focussed on high grade supply from North Pit. The Mineral Resource has been depleted since the previous estimate dated 31 December 2021 as a result of mining offset by updates from the drilling program. Ore Reserves have decreased due to mining depletion from North Pit and Centre Pit.

Mineral Resources and Ore Reserves are categorised in accordance with the Australasian Code for Exploration Results, Mineral Resources and Ore Reserves of 2012 (JORC Code, 2012). Estimated Measured and Indicated Mineral Resources include those Mineral Resources modified to produce the estimated Ore Reserves. Mineral Resources which are not included in the Ore Reserves did not meet the required economic viability hurdle at the time of last review.

MINERAL RESOURCES

A summary of the total Mineral Resources for Savage River as at 31 December 2022, above a cut-off grade of 15% DTR is as follows:

	As at December 2022		As at December 2021	
	Tonnes (Mt)	Grade % DTR*	Tonnes (Mt)	Grade % DTR*
Measured	173.0	51.5	167.7	52.7
Indicated	172.6	41.8	176.9	43.0
Inferred	139.4	37.4	141.2	39.7
Total	**485.0**	**44.5**	**485.8**	**45.4**

** Davis Tube Recovery – a measure of recoverable magnetite*

ORE RESERVE

A summary of the Ore Reserve for Savage River as at 31 December 2022, above a cut-off grade of 15% DTR is as follows:

	As at December 2022		As at December 2021	
	Tonnes (Mt)	Grade % DTR*	Tonnes (Mt)	Grade % DTR*
Proved	69.0	49.3	61.6	51.1
Probable	27.7	40.1	41.5	41.4
Total	**96.7**	**46.7**	**103.1**	**47.2**

A detailed statement of the Mineral Resources and Ore Reserves can be found in the ASX announcement dated 31-March-2023. Grange confirms in reproducing the Mineral Resources and Ore Reserves in this subsequent report, that it is not aware of any new information or data that materially affects the information included and all the material assumptions and technical parameters underpinning the estimates in this report continue to apply and have not materially changed.

HEALTH SAFETY AND ENVIRONMENT

OVERVIEW

Grange believes that responsible occupational Health and Safety management with sound environmental and social responsibility (HSE) practices are integral to an efficient and successful company. Grange's integrated OHS & ESR Management Systems form our "Safety and Environment Management System" (SEMS) which supports OHS & ESR policies and defines the required standards to which any Grange facility must operate. Our OHS policy is reviewed annually by our executive team and leads us to continually improve our Safety Systems, reinforcing Psychological Health and Safety at Work

SEMS is an integral part of the Grange Management System (GMS) and is well supported by a management plan for 16 of the major hazards identified in our industry. Of the 16 Major Hazard Standards, 4 are deemed to be Principal Mining Hazards as outlined in the Tasmanian Mining Legislation. The implementation and effective management of SEMS enables compliance with legislation, reduction of risk, increased efficiencies and provides the framework for continuous improvement. SEMS is aligned to ISO 45001 & ISO 45003 Occupational Health & Safety Standards and to ISO 14001 Environmental Management Standards. These are all applicable to any existing and future national or international operation. SEMS is now integrated into our Certificate IV Leadership & Management training competency for our current and aspiring leaders.

During 2022 we recognised the need for SEMS to include an update to the "Supervisor's Handbook" in the MOS toolbox and consultation commenced with key stakeholders. This work will result in a new version of the handbook being released in 2023.

MISSION STATEMENT

To drive a continuous improvement culture involving everyone at Grange. We strive to eliminate injury, loss and waste, and create positive environmental outcomes adding value to the communities in which we operate.

This will be achieved through effective adherence to management systems, integrated risk management practices, risk aware culture, demonstrable leadership, maintaining standards, monitoring performance and looking after our people.

SAFETY PRINCIPLES

- All injuries and loss events are preventable
- All hazards can be identified and their risks managed
- No task is so important that it cannot be done safely and respectfully
- Every person is accountable for their own safety and the safety of those around them
- Safety performance can always be improved

SAFETY PERFORMANCE

The Company remains committed to providing safe systems and a safe place of work for everyone at every site. We take this commitment seriously and expect those working with and for us share the same level of commitment. We want all our workers, employees, contractors and visitors to return home in the same or better condition than when they come to work. The Board has monitored a 3-year HSE Strategic Plan culminating in 2023, during this year the goals of the plan were actively progressed and the plan is on track for a successful 3-year outcome. The effectiveness of our systems and safety management in general is well demonstrated by the consistent measurable improvement in our safety lag indicators. Targeted improvements in our lag indicators continue to be reinforced by a regime of measurable lead indicators to help reduce risk exposures.

During 2022 the company continued safety controls to manage the impact of the global COVID-19 pandemic. The management of our controls prevented any business disruption and ensured the health safety and wellbeing of our employees, contractors and supported our community.

In addition, Grange is committed to ensuring compliance with legislative requirements for each area of its operations including meeting or exceeding requirements within:

- Federal & State Work Health & Safety Legislation
- Anti-Discrimination Legislation
- Fair Work Australia Legislation
- Rehabilitation & Workers Compensation Legislation
- Environmental Legislation
- Codes of Practice nominated in all Federal and State Legislation
- Adopting accepted industry & Australian Standards in areas where legislation is deficient
- Whistleblower legislation
- Mining specific, HSE Legislation as required; and
- Environmental licence conditions for existing and new operations.

Established systems are in place to ensure legislative requirements are tracked, monitored and corrective actions implemented for any instances of non-compliance.

Grange continued the focus on reducing costs without reducing support services:

- Emergency Response Team (ERT) in-house training was further developed, saving considerable costs, while maintaining a high standard of response and continuing to develop our underground rescue capability.
- The underground emergency refuge chambers and associated ventilation and pumping equipment were monitored to maintain compliance with industry standards and WST expectations.
- Emergency response team size was managed while increasing our general first aid training coverage has ensured we have competent people where they are needed.
- Obtained Federal and State government training funds reducing the outlay for training in leadership and continuous improvement and seeking to provide an opportunity for additional young workers to commence apprenticeships.
- The highwall scaling excavator continued development and promises to provide a machine capable of restoring lost berm catch capacity in the mine, cleaning batters and improving mining safety. It continues to generate industry wide interest.
- Participating in the Insurance Underwriters safety audit to provide initiatives to help reduce insurance costs.
- Investment in Mental Health and Wellbeing first aid training for Management and Contact Officers has helped foster an alert and caring worker relationship.
- Focus on gender diversity, respect at work and cultural awareness has promoted the role of women in our workforce and is supporting greater diversity in our teams.
- Strategic focus on "Critical Controls" further strengthens to our risk management system and initiatives.

Grange recognises the importance of our contractors' safety management systems being aligned with WorkSafe Tasmania and mine safety regulations as well as being on par with our own safety standards. To this end we have incorporated and communicated new OHS & ESR requirements for contractors into our SEMS.

The enhancement of our Safety Preventative Maintenance work orders continued through 2022 with lead indicators, dedicated Area Inspections covering all areas on site, formalising Task Observations for management and key personnel as Lead Indicator Key Performance Indicators (KPI's). The lead indicators have been strengthened by the addition of specific "care and maintenance" KPIs for underground workings.

Completion and tracking of lead indicators have moved to the iAuditor system meaning a speedy and more efficient process and allowing more time for task observations. Lead Indicators have helped reduce risk exposures across all areas. This is particularly evident by our continued lost time injury (LTI) free status, seeing us now more than 5 years LTI free.

SHARING AND LEARNING

Grange adopts a philosophy of continuous learning and sharing of safety experiences. In addition to its highly successful on-line induction programs, Grange conducts an extensive range of on-site safety training activities including extensive work permit training, energy isolations, site driving and pit driving permits, simulation training for new operators, fire warden and extinguisher training as well as refreshers on occupational first aid and road accident rescue entrapment release. Grange also continues to offer a very effective online "Isolations" training package allowing our offsite contract workforce to learn our systems before coming to site.

During 2022 Grange have introduced an "ICAM" (Incident Cause Analysis Method) investigation process into the incident reporting system. The change has also helped enhance the daily review of incidents in our pre-shift meetings. This allows an effective view of newly raised incidents, open investigations, recently closed investigations and actions in progress from investigations.

During the year Grange continued to work closely and openly with the Office of the Chief inspector of Mines (OCIM), traditionally our company provide an outlet for GMIRM (Global Mining Industry Risk Management training sponsored by the Chief inspector of Mines and we have asked to recommence this interaction during 2023.

GMIRM has four levels of Risk Management training G1 for workers, G2 for Supervisors, G3 for Management and G4 for Directors and Senior Executives. Grange again ran two, week-long G3 forums during 2022 and will continue GMIRM training in 2023

All G3 seminars were open to other Tasmanian Mines and Mining contractors via the Tasmanian Minerals, Manufacturing and Energy Council (TMEC) to actively promote risk management throughout the industry.

In addition to training delivered at the operational level, the company continued to reinforce many site-wide health and safety programs aimed at improving our employee's wellbeing, including cancer awareness, heart safety awareness, respect at work and mental health awareness/first aid.

During the year the HSE team have continued the deployment of the three-year Strategic Plan for HSE, achieving excellent results across the spectrum. The plan aims to consolidate safety improvements and target areas of lesser performance with a focus on training and safety leadership.

The Company has a fully functional and qualified emergency response team ("ERT") providing expert first aid and first response care to our sites and others in need including road accidents in the Savage River and Port Latta areas. The company is a member of the Tasmanian Mines Emergency Response Committee (TMERC) and commits to providing assistance through Mutual Aid to other member sites as requested.

COMMITMENT TO SOCIAL RESPONSIBILITY

Grange continued with its commitment to social responsibility engaging with our stakeholders and communities to help us understand and respond to their interests and concerns. In addition to regular dialogue with neighbours and communities close to our operations, the Company continues to host and support the education sector through tours, school curriculum information, industry links, a graduate program as well as work opportunities at its operations. During 2022 we managed to allow a number of work experience students to have a week each on site and we hosted smaller size "socially distanced and monitored" school tours despite the threats of the COVID-19 pandemic.

During the year our management and workers have actively participated in WorkSafe Tasmania (WST) workshops, helping to share our Safety Management approach with other industry participants. Our interactions with WST have been positive. The collaboration has been mutually beneficial and the inspectorate has also requested Grange participate in the review the Tasmanian "Mines Work Health & Safety (Supplementary Requirements) Regulations 2012 during 2023.

ENVIRONMENTAL

LEGISLATIVE APPROVAL

Grange obtained environmental and planning approval in 1996 and 1997 allowing it to operate under the Tasmanian Land Use Planning and Approvals Act 1993 (LUPA), the Tasmanian Environmental Management and Pollution Control Act 1994 (EMPCA), the Tasmanian Goldamere Pty Ltd (Agreement) Act 1996 (Goldamere Act) and the Tasmanian Mineral Resources Development Act 1995. This approval covers an expected mine and processing life using open-cut mining at Savage River, gangue removal and concentrating at Savage River and pelletising at Port Latta.

During 2014 Grange received relevant approvals for the South Deposit Tailings Storage Facility. Grange obtained approval to construct an underground exploration drive and a portal to allow exploration of the North Pit ore body at depth in 2019 and continues to progress approval to mine the ore using underground mining through the North Pit Underground project (NPUG). Grange received planning approval from the Waratah Wynyard Council and the Tasmanian Environment Protection Authority for the Centre Pit Expansion and South Deposit Backfill Dump through DA 216/2021 and Permit Conditions-Environmental No. 10995 in 2022.

GOLDAMERE ACT

The Goldamere Act makes provisions for Grange's operation in Tasmanian legislation. The Goldamere Act limits Grange's liability for remediation of contamination, under Tasmanian law, to damage caused by Grange's operations, and indemnifies Grange for certain environmental liabilities arising from past operations. Where pollution is caused or might be caused by previous operations and that pollution may be impacting on Grange's operations or discharges, Grange is indemnified against that pollution. Grange is required to operate to Best Practice Environmental Management (BPEM).

PLANNING APPROVALS

Grange obtained planning approval subject to a series of environmental permit conditions on 29 January 1997. Planning approval was issued by the Waratah Wynyard Council for Savage River and by the Circular Head Council for Port Latta. The approvals were conditional on the provision of an Environmental Management Plan (EMP) incorporating an Environmental Rehabilitation Plan (ERP) prior to the commencement of operations. Various other studies were also required.

Grange received planning approvals from the Waratah Wynyard Council for the South Deposit Tailings Storage Facility (SDTSF) during 2014, construction commenced in July 2014 and operation commenced in Q4 2018.

Full approval of the Centre Pit Expansion and South Deposit Backfill Dump was achieved in 2022.

Grange is actively working with contractors and the Tasmanian EPA on the planning and environmental approvals of the NPUG Project with submission of an Environmental Impact Statement (EIS) planned for 2023.

Grange continued through 2022 to implement approved upgrades to the Port Latta Pelletising Plant including the refurbishment of Furnace Line 4.

ENVIRONMENTAL MANAGEMENT PLANS

The EMP incorporating the ERP and study results were approved by the (then) Department of Environment Parks, Heritage and the Arts and operations commenced in October 1997. The latest revision of the approval documents occurred on 6 October 2000 when Environmental Protection Notices (EPN) 248/2 and 302/2 were issued to replace the environmental permit conditions for Savage River and Port Latta respectively.

Approvals are required from the Tasmanian EPA and relevant Councils for major infrastructure developments and operational expansions and changes. These approvals are in the form of development applications, planning permits, approved EPN's and or amendments and reflect changing operational circumstances, an increasing knowledge base and include approvals designed to extend operations, amend management plans and provide for changes to waste rock dumping plans and any proposed treatment facilities. Such amendments are enacted by the issue of planning permits, EPN's or Permit Conditions Environmental (PCE)'s.

An amendment to the EMP was approved for an extension of mine and pelletising operations In early 2007 to approve the Mine Life Extension Plan.

EMP and ERP reviews are submitted on a 3-yearly basis. Revised EMPs reflect BPEM and current mine planning and focus on closure requirements and rehabilitation. A new EMP was submitted to the EPA in 2022 with the current ERP due for review in 2023.

The Tasmanian EPA issued EPN 10006/1 in November 2018, enabling the construction of the Exploration Decline for the North Pit Underground Project.

GOLDAMERE AGREEMENT

The Goldamere Agreement (which forms part of the Goldamere Act) provides a framework for Grange to repay the Tasmanian Government for the purchase of the mine through remediation works. A significant variation to the Goldamere Agreement was signed on the 19 December 2014 which extends the Agreement until 24 December 2034. This variation also removed a significant number of redundant conditions. The amended Goldamere Agreement provides a framework for Grange to co-manage the Savage River Rehabilitation Project (SRRP) and carry out contracted works in lieu of paying the purchase price of the operation to the Government. The agreement also allows Grange to integrate its rehabilitation obligations with those of the State under the SRRP.

SAVAGE RIVER REHABILITATION PROJECT ("SRRP")

Grange representatives meet with representatives from DPIPWE on a regular basis to develop and implement remediation works at Savage River. Grange has contracted with the SRRP for works including construction, management and development of waste rock dump covers, acid pipelines and other remediation projects. The SRRP objective is to capture and treat 65% of the site's copper load to remove the possibility of an acutely toxic aquatic environment. The scope of works to meet this objective has been completed and costed to feasibility level.

A strategic plan outlining the works required to achieve the objective and repay Grange's purchase price debt has been approved by the Tasmanian Environmental Protection Authority and is being implemented by the SRRP Committee. This plan is updated annually to reflect the long-term risks and Grange's latest mining plan.

Major projects undertaken by the SRRP and Grange during 2022 include final works on the OTD Collection Bund and Transfer Scheme transferring AMD from the OTD around the MCTD, the OTD Cobalt Project, exploring possible Cobalt recovery and Sulphur removal from the OTD and resultant remediation and a stability assessment of the OTD. Planning for an extensive study of the neutralising capacity of South Lens was commenced in 2022.

PRINCIPAL ENVIRONMENTAL ISSUES

WASTE ROCK, TAILINGS AND WATER MANAGEMENT

– SAVAGE RIVER

- Water, tailings and waste rock management at Savage River, including: development of waste rock dumps which exclude oxygen to minimise the formation of acid mine drainage and utilisation of these dumps to form seals on old waste rock dumps; subaqueous tailings deposition and maintenance of saturated tailings; providing a centralised water treatment system using a disused pit to eliminate turbidity from mine runoff. Appropriate management and monitoring systems are in place to ensure regulatory compliance in these areas.
- Grange continued to progress design and construction work for the Main Creek Tails Dam closure during 2022. It is expected that the closure process will take approximately two more years subject to buttress requirements.

AIR EMISSIONS REDUCTION PROGRAM

– PORT LATTA

- Grange continued to work on quality and measurement systems to improve performance of the Port Latta operations especially with regard to air emissions. In particular, the focus is on the stable operation of furnaces.

REHABILITATION PLANS

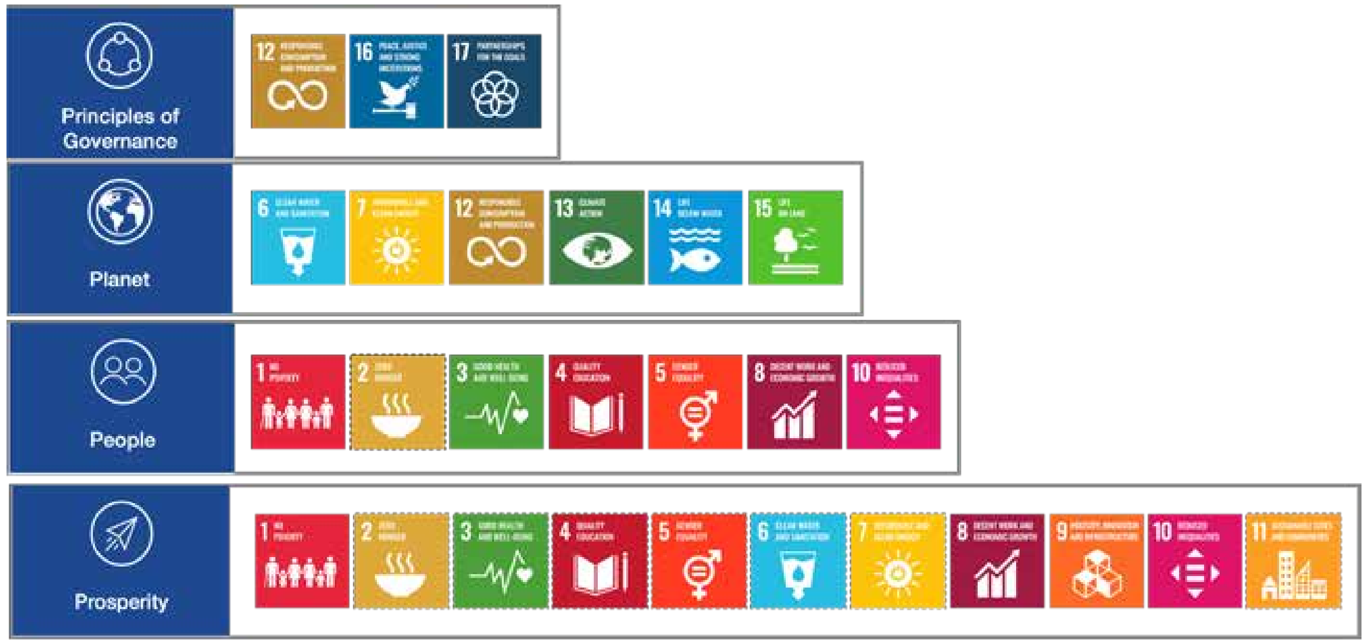
Grange continues to plan for closure and departure on completion of the mining plan. Principal issues in respect of closure include waste rock dump maintenance, tailings management, future use of infrastructure and a five-year monitoring and maintenance plan.

ENVIRONMENTAL, SOCIAL, AND GOVERNANCE (ESG) METRICS

Developments in global markets for directing investment capital have shifted with traditional profit only focus being challenged when assessing companies' performance. Grange is committed to aligning the business, where applicable, to the sustainable development goals that provide a roadmap to sustainability and resilience.

Principles of Governance	Planet	People	Prosperity
The definition of governance is evolving as organizations are increasingly expected to define and embed their purpose at the centre of their business. But the principles of agency, accountability and stewardship continue to be vital for truly "good governance".	An ambition to protect the planet from degradation, including through sustainable consumption and production, sustainably managing its natural resources and taking urgent action on climate change, so that it can support the needs of the present and future generations.	An ambition to end poverty and hunger, in all their forms and dimensions, and to ensure that all human beings can fulfil their potential in dignity and equality and in a healthy environment.	An ambition to ensure that all human beings can enjoy prosperous and fulfilling lives and that economic, social and technological progress occurs in harmony with nature.

Grange has adopted an Environmental, Social, and Governance (ESG) framework with 21 core metrics and disclosures as created by the World Economic Forum (WEF) and is establishing an impact measurement plan for each sustainability area which includes, but is not limited to, governance, anti-corruption practices, ethical behaviour, human rights, carbon emissions, land use, ecological sensitivity, water consumption, diversity and inclusion, pay equality and tax payments.



ESG REPORTING UPDATES

Review across our management systems have occurred through 2022 to map across process and reporting improvements to align to the ESG core metrics. This resulted in Grange publishing the baseline environmental, Social, and Governance (ESG) report in August 2022 and made disclosures on 21 core metrics set by the World Economic Forum (WEF) in its standardised and globally recognised stakeholder Capitalism Metrics ESG framework.

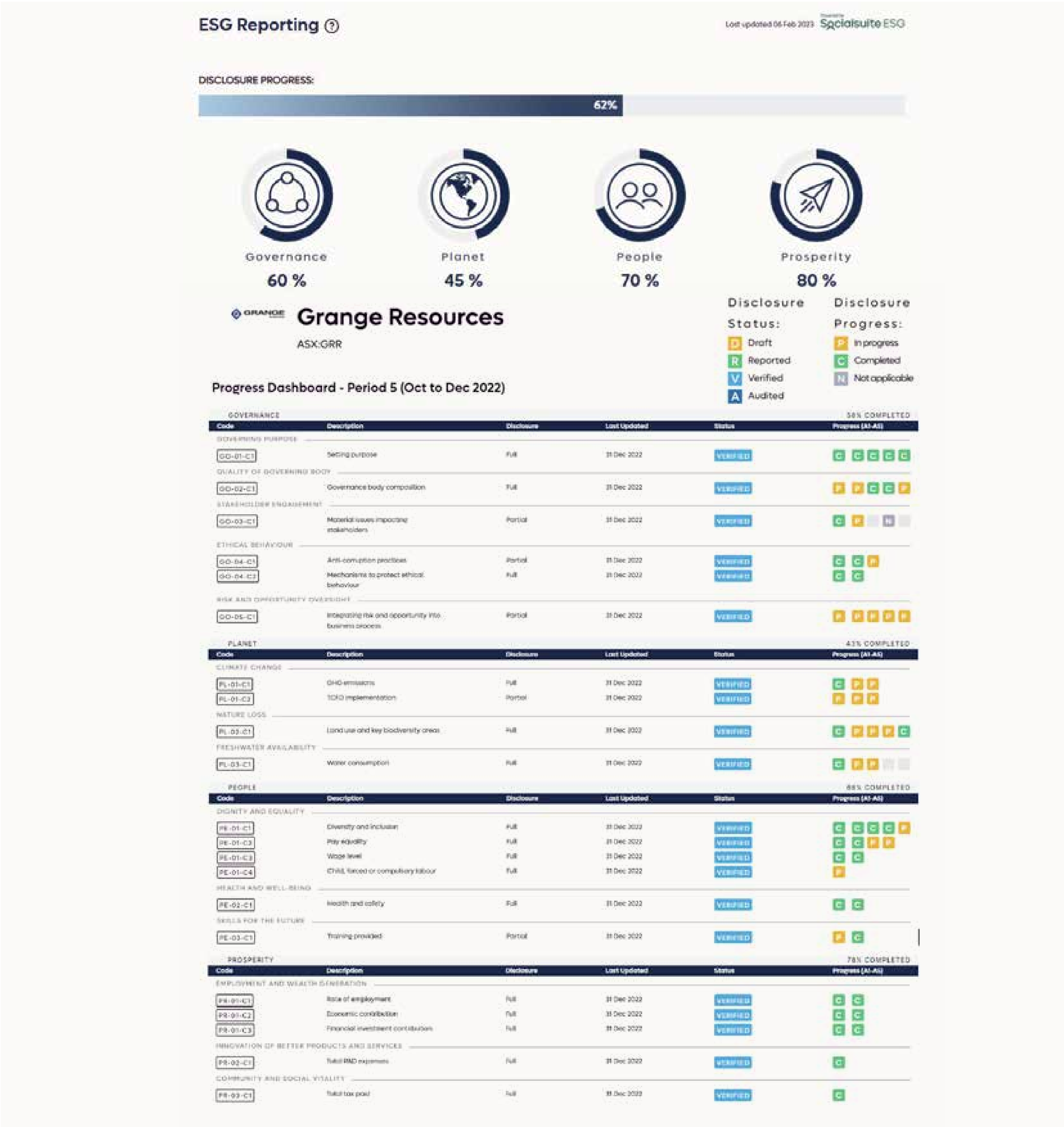
The baseline report demonstrates Grange's commitment to aligning the business, where applicable, to the sustainable development goals provide guidance to sustainability and resilience. The report describes the progress Grange has made against the four pillars of the framework for Governance, Planet, People and Prosperity.

Most notably, Grange has developed a road map to reduce emissions. This will involve the reduction in energy used per tonne of product; upgrades to furnaces; recovery of heat in the pellet plant; application of technology and electric vehicles in the mining operation; and alternative fuel sources.

The Board has endorsed the pursuit of decarbonisation of Grange's Business with specific targets for CO2-e reduction including:

- The elimination of non-renewable coal sources like anthracite, by 2025.
- CO2-e emission target reduction of 50% by 2030 reducing emissions to 53kg of CO2-e per tonne of iron ore products.
- Target of Zero CO2-e (Scope 1 and 2) emissions by 2035.

Grange have also reviewed and updated policies with regard to anti-slavery and anti-bribery and corruption. Grange recognises that our activities can have an impact on human rights locally as well as overseas. We recognise the need to continually assess the Company's effectiveness in identifying, assessing and responding to potential areas of risk regarding modern slavery and unfair practices in its procurement processes. Grange does not tolerate any form of modern slavery, including forced or compulsory labour and is committed to operating in a transparent, responsible and fair manner throughout our procurement and business processes.



Code	Description	Disclosure	Last Updated	Status	Progress (A1-A5)
GOVERNANCE					58% COMPLETED
GOVERNING PURPOSE					
GO-01-C1	Setting purpose	Full	31 Dec 2022	VERIFIED	C C C C C
QUALITY OF GOVERNING BODY					
GO-02-C1	Governance body composition	Full	31 Dec 2022	VERIFIED	P P C C P
STAKEHOLDER ENGAGEMENT					
GO-03-C1	Material issues impacting stakeholders	Partial	31 Dec 2022	VERIFIED	C P N
ETHICAL BEHAVIOUR					
GO-04-C1	Anti-corruption practices	Partial	31 Dec 2022	VERIFIED	C C P
GO-04-C2	Mechanisms to protect ethical behaviour	Full	31 Dec 2022	VERIFIED	C C
RISK AND OPPORTUNITY OVERSIGHT					
GO-05-C1	Integrating risk and opportunity into business process	Partial	31 Dec 2022	VERIFIED	P P P P P
PLANET					43% COMPLETED
CLIMATE CHANGE					
PL-01-C1	GHG emissions	Full	31 Dec 2022	VERIFIED	C P P
PL-01-C2	TCFD implementation	Partial	31 Dec 2022	VERIFIED	P P P
NATURE LOSS					
PL-02-C1	Land use and key biodiversity areas	Full	31 Dec 2022	VERIFIED	C P P P C
FRESHWATER AVAILABILITY					
PL-03-C1	Water consumption	Full	31 Dec 2022	VERIFIED	C P P
PEOPLE					88% COMPLETED
DIGNITY AND EQUALITY					
PE-01-C1	Diversity and inclusion	Full	31 Dec 2022	VERIFIED	C C C C P
PE-01-C2	Pay equality	Full	31 Dec 2022	VERIFIED	C C P P
PE-01-C3	Wage level	Full	31 Dec 2022	VERIFIED	C C
PE-01-C4	Child, forced or compulsory labour	Full	31 Dec 2022	VERIFIED	P
HEALTH AND WELL-BEING					
PE-02-C1	Health and safety	Full	31 Dec 2022	VERIFIED	C C
SKILLS FOR THE FUTURE					
PE-03-C1	Training provided	Partial	31 Dec 2022	VERIFIED	P C
PROSPERITY					78% COMPLETED
EMPLOYMENT AND WEALTH GENERATION					
PR-01-C1	Rate of employment	Full	31 Dec 2022	VERIFIED	C C
PR-01-C2	Economic contribution	Full	31 Dec 2022	VERIFIED	C C
PR-01-C3	Financial investment contribution	Full	31 Dec 2022	VERIFIED	C C
INNOVATION OF BETTER PRODUCTS AND SERVICES					
PR-02-C1	Total R&D expenses	Full	31 Dec 2022	VERIFIED	C
COMMUNITY AND SOCIAL VITALITY					
PR-03-C1	Total tax paid	Full	31 Dec 2022	VERIFIED	C

SOUTHDOWN MAGNETITE PROJECT

The Southdown Magnetite Project ("Southdown" or "the Project"), situated 90km from the city of Albany in Western Australia, is a joint venture between Grange (70%) and SRT Australia Pty Ltd (SRT) (30%). SRT is jointly owned by Sojitz Corporation and Kobe Steel.

In December 2022, the Company entered into a binding agreement with its joint venture partner, SRT to reacquire SRT's 30 per cent interest in the Project. The transaction is expected to complete in Q2, 2023. Upon completion, Grange will hold 100 per cent ownership in the Project.

PROJECT OVERVIEW

Southdown is an advanced project with over 1.2 billion tonnes of high-quality mineral resources, including 388 million tonnes of ore reserves. It has access to established infrastructure and involves the construction and operation of an open pit magnetite mine located approximately 90 kilometres northeast of Albany, and 10 kilometres southwest of Wellstead in the Great Southern region of Western Australia. The Southdown magnetite deposit is approximately 12 kilometres in length with 6 kilometres of this included in the current study. The magnetite ore will be mined, crushed, ground, screened and magnetically separated to produce a magnetite concentrate. With an initial mine life of 28 years, it is anticipated that around 5 Mt of magnetite concentrate will be exported to international markets each year.

PROJECT STATUS

In addition to a Definitive Feasibility Study completed in 2012 on a 10 million tonne per annum (mtpa) case, Grange completed an updated prefeasibility study (PFS) in the first quarter of 2022 (See ASX announced on 22 March 2022). This updated PFS has optimised the project layout and equipment. This involves a smaller 5mtpa concentrate production operation within the constraints of existing mineral resources and ore reserves. During 2022, the Company commenced a Definitive Feasibility Study on the 5 mtpa development case and is further progressing designs for the optimised site layout, mine designs, metallurgical test work and pilot plant trials utilising dry grinding techniques, and port operations and transhipping methodology.

APPROVALS

The optimised project has remained largely within the area that has already obtained environmental approvals for development. Previously, Southdown has been granted primary environmental approvals by the Western Australian government under the Environmental Protection Act 1986 (EP Act) and by the federal government under the Environment Protection and Biodiversity Conservation Act 1999 (EPBC Act). Under the optimised project there are some modifications to the project that require further approvals and work is progressing to obtain environmental approvals for these aspects of the project.

Grange Resources' referral for modifications to the already approved Southdown Magnetite Project was submitted on 30 January 2023 to the Environmental Protection Authority (EPA) for environmental assessment. A new environmental approval will also be sought for the transhipping component of the project by the Southern Ports Authority.

WORKING WITH THE COMMUNITY

Planning and preparation for the Southdown project has spanned several years, during which Grange has established a project office in Albany and has been working closely with key stakeholder organisations and community members.

Grange will continue to engage stakeholders and the community as the project progresses through the Albany Project Office, information sessions, landowner discussions, briefings and presentations and a range of focused communications.

KEY COMPONENTS OF THE PROJECT

The Southdown Magnetite Project is proposed to be a pit to port operation involving:

- The construction and operation of an open cut magnetite mine and concentrator for producing magnetite concentrate at the mine site, near Wellstead.
- A 110km underground slurry pipeline to transport the magnetite concentrate from the mine site to the Port of Albany.
- Once the slurry reaches the Port, it will be dewatered and stored in a storage shed ready for shipping.
- The recycled water from the dewatering process will be pumped back to the mine site in a second pipeline following the same alignment as the slurry pipeline.
- When the concentrate is ready for shipping, it will be loaded on to a smaller transhipping vessel (TSV) via conveyors and a shiploader and transported by the TSV to be loaded onto larger vessels in King George Sound. This process is known as transhipping.
- Water for the construction and operation of the mine is anticipated to be sourced from a mix of recycled wastewater from the Water Corporation's Wastewater Treatment Plant and groundwater from local borefields.
- Electricity supply options for the project continue to focus on maximising access to renewable energy.

PROJECT OVERVIEW

GEOLOGY

The currently defined Resource extends over 11 kilometres of strike, with variable depths ranging from 50 metres below surface in the west to 555 metres below surface in the east. The deposit has been drilled and evaluated since its initial discovery in 1983, including an extensive program of resource drilling during 2011 for the feasibility study.

MINING

Mining will be undertaken as a conventional drill, blast, load and haul cycle. Bulk loading on 12 metre benches will utilise 600-tonne hydraulic face shovels. Ore and some surrounding waste will be selectively mined on multiple flitches with 400-tonne hydraulic excavators. All pit material with be hauled with 220-tonne capacity rear dump trucks. Ore will be trucked directly from the blasted faces to either direct tip into the primary crusher or to the ROM stockpile with waste either sent to WRDs or backfill.

The mining operation will draw heavily on Grange's existing capability as Australia's most experienced commercial producer of magnetite concentrate, to assist with start-up and ongoing operations.

ORE CRUSHING AND CONCENTRATION

Ore processing at the mine site consists of crushing and dry grinding with closed circuit dry magnetic separation, before water is added to facilitate a further series of magnetic separation steps to remove non-magnetic material, and reverse floatation to remove the sulphide mineral Pyrrhotite, which will result in a magnetite concentrate at around 69.5% iron.

Process waste (tailings) will be produced in dry and wet components, with the wet tailings mixed with the dry to form an Agglomerated Tailing and sent to the waste rock dump.

TRANSPORTING THE CONCENTRATE SLURRY 110 KM TO THE PORT

Final magnetite concentrate will be thickened and transported through a 110 km pipeline to the Port of Albany. Once the concentrate reaches the Port, it will be filtered and stored ready for shipping. The excess water will be pumped back to the mine site in a return water pipeline, which runs parallel to the slurry pipeline. Around 85% of water pumped with the slurry will be returned to the mine site for re-use.

The entire length of the pipeline will be buried underground except a small section that may be exposed to accommodate a walkway/cycleway over Pt Melville, on the edge of Princess Royal Harbour.

ALBANY PORT

The study has adopted a transhipping methodology with reduced on-site storage capacity at the Port of Albany. It incorporates the addition of a new wharf at Albany Port's Berth 5, a filtration plant, a concentrate stockpile shed and a ship loading facility. The magnetite concentrate will be loaded onto a Transhipment Vessel (TSV) and barged to the larger Cape sized vessels located at an anchorage point in the King George Sound.

Detailed technical and environmental assessments have been undertaken to assess the potential landside and waterside impacts of transhipping in conjunction with the Southern Ports Authority to identify an appropriate anchorage point, and assess the environmental, community and visual impacts to facilitate new environmental and operational approvals.

WATER

With the introduction of dry grinding and a reduced capacity in the concentrator, the annual make-up water demand has reduced to approximately 4 gigalitres per year. This can be supplied from a combination of recycled water from the Water Corporations Albany waste-water treatment facilities and various potential groundwater sources in the region. Ground water sources are deep in the sequence, below a clay layer which will restrict any significant impact on the surface water table or other users.

Specialised groundwater consultants, Rockwater and GHD, have been engaged to complete thorough technical and environmental investigations to understand the groundwater resources in the region. Each area has been investigated by geological mapping, geophysics, the drilling of monitoring and test production bores, and undertaking test pumping to understand the hydraulic properties of the target aquifer. To date over 150 bores have been drilled for more than 11,000 metres of drilling. This data has been used to develop groundwater models to run predictions of water level change and, together with the environmental baseline studies, provide the basis for environmental impact assessments and approvals. The investigations have indicated up to 3.5GL/a can be obtained from both borefields without adverse effects to native vegetation and other beneficial users.

POWER

In 2011, Western Power had identified and agreed a transmission line route for the Project which is covered in the existing EPBC approval currently in place. Works are ongoing along the transmission line route, including environmental surveys and assessments, and landholder and other stakeholder consultation. Supply and connection options for the project continue to focus on maximising access to renewable energy.

OPERATIONS

The project is committed to working with stakeholders and the community in the planning, implementation and operation of its projects as well as delivering possible future community benefits including employing local people to work and service the mine, supporting local and regional economic development and investing in community initiatives. The Southdown operation will be modelled on Grange's existing Savage River operation in Tasmania operating on a 24/7 basis for 365 days per year.

We acknowledge the Noongar Menang people as traditional custodians of this region and recognise their continuing connection to land, water and culture. We pay our respects to Aboriginal communities and cultures, and to their Elders past, present and emerging.

MINERAL RESOURCES AND ORE RESERVES - SOUTHDOWN MAGNETITE PROJECT

MINERAL RESOURCES

The Mineral Resource estimate for the Southdown Magnetite Project as at 31 December 2022 is as follows:

	As at December 2022	
	Tonnes (Mt)	Grade %DTR*
Measured	423.0	37.8
Indicated	86.8	38.7
Inferred	747.1	30.9
Total	**1,256.9**	**33.7**

** Davis Tube Recovery – a measure of recoverable magnetite*
Mineral Resources are reported above a cut-off of 10% DTR

ORE RESERVES

The current Ore Reserve for the Southdown Magnetite Project as at 31 December 2022 is based on the pit design and mining schedule developed during the Feasibility Study and includes modifying metallurgical factors and plant recovery.

	ROM (Mt)	DTR* (%)
Proven	384.6	35.6
Probable	3.1	41.7
Total	**387.7**	**35.6**

An additional 24.4 Mt of Inferred Resources is included within the designed pit.

A detailed statement of the Mineral Resources and Ore Reserves can be found in the ASX announcement dated 28 February 2014. Grange confirms in reproducing the Mineral Resources and Ore Reserves in this subsequent report, that it is not aware of any new information or data that materially affects the information included, and all the material assumptions and technical parameters underpinning the estimates in this report continue to apply and have not materially changed. Grange confirms that all environmental approvals and tenure have been maintained in compliance and terms extended as required to retain currency.

CORPORATE GOVERNANCE STATEMENT

Grange is committed to creating and building sustainable value for shareholders and protecting stakeholder interests. The Company recognises that high standards of corporate governance are essential to achieving that objective.

The Board has the responsibility for ensuring Grange is properly managed so as to protect and enhance shareholders' interests in a manner that is consistent with the Company's responsibility to meet its obligations to all stakeholders. For this reason, the Board is committed to applying appropriate standards of corporate governance across the organisation.

As part of its commitment to enhancing its corporate governance, and as a listed company, the Board has adopted relevant practices which are consistent with the Australian Securities Exchange ("ASX") Corporate Governance Principles. The 2022 corporate governance statement was approved by the Board in February 2023.

Details of the Company's corporate governance practices are included in the Corporate Governance Statement and Appendix 4G which have been announced on the ASX and can be located on our Company's website www.grangeresources.com.au on the Investors page. This facilitates transparency about Grange's corporate governance practices and assists shareholders and other stakeholders make informed judgments.

Grange considers that its governance practices comply with the majority of the ASX Best Practice Recommendations.

ASX BEST PRACTICE RECOMMENDATIONS

The following table lists the departures from the ASX Best Practice Recommendations applicable to the Company as at the date of its financial year end, being 31 December 2022. Where the Company considers that it is divergent from these recommendations, or that it is not practical to comply, there is an explanation of the Company's reasons set out in the following table.

"Recommendation" Ref ("Principle No" Ref followed by Recommendation Ref)	Departure	Explanation
7.3(a)	A separate internal audit function has not been formed.	An Internal Audit function has not been established as per recommendation 7.3(a), The Board monitors the need for an internal audit function having regard to the size, geographic location and complexity of the Company's operations. The Company's Management periodically undertakes an internal review of financial systems and processes and where systems are considered to require improvement these systems are developed. The Board also considers external reviews of specific areas and monitors the implementation of system improvements.

GRANGE RESOURCES LIMITED
ABN 80 009 132 405
AND CONTROLLED ENTITIES

GRANGE RESOURCES

AUSTRALIA'S MOST EXPERIENCED MAGNETITE PRODUCER

FINANCIAL REPORT

For the Year Ended 31 December 2022

GENERAL INFORMATION

The financial statements cover Grange Resources Limited as a Group consisting of Grange Resources Limited and the entities it controlled at the end of, or during, the year. The financial statements are presented in Australian dollars, which is Grange Resources Limited's functional and presentation currency.

Grange Resources Limited is a listed public company limited by shares, incorporated and domiciled in Australia. Its registered office and principal place of business is:

34a Alexander Street, Burnie, Tasmania

A description of the nature of the Group's operations and its principal activities are included in the directors' report, which is not part of the financial statements.

The financial statements were authorised for issue, in accordance with a resolution of directors, on 24 February 2023. The directors have the power to amend and reissue the financial statements.

DIRECTORS' REPORT

The directors present their report, together with the financial statements, on the consolidated entity (the 'Group') consisting of Grange Resources Limited ('Grange' or 'the Company') and the entities it controlled at the end of, or during, the year ended 31 December 2022.

DIRECTORS

The following persons were directors of Grange Resources Limited during the whole of the financial year and up to the date of this report, unless otherwise stated:

Michelle Li	Chairperson
Yan Jia	Non-Executive Director, Deputy Chairperson
Honglin Zhao	Managing Director, Chief Executive Officer
Chongtao Xu	Executive Director (Appointed 1 March 2023)
Michael Dontschuk	Non-Executive Director
Ajanth Saverimutto	Non-Executive Director

INFORMATION ON DIRECTORS

MICHELLE LI PHD, GAICD

Independent Non-executive Chairperson, Member of the Audit and Risk Committee, Member of the Remuneration and Nomination Committee.

Dr Li has more than 30 years of international mining experience, including senior executive roles with mining companies such as Citic Pacific, Rio Tinto and Iluka Resources.

Dr Li has a PhD from the University of Queensland and was previously a non-executive Director of Ardiden Limited, Orion Metals Limited and Sherwin Iron Limited.

YAN JIA GAICD

Non-executive Deputy Chairperson

Ms Jia is currently the Director of the Administration Department with the Jiangsu Shagang International Trade Co Ltd, a subsidiary of Jiangsu Shagang Group, China's largest private steel company. Ms Jia has over ten years' experience of managerial, human resources, intellectual property and commercial experience in the steel industry and bulk raw material transaction sector.

HONGLIN ZHAO

Managing Director, Chief Executive Officer

Mr Zhao is a former Director of Shagang International (Australia) Pty Ltd, former Director and General Manager of Shagang (Australia) Pty Ltd, and former Director of Jiangsu Shagang Group, ultimate shareholder of Shagang International Holdings Limited and China's largest private steel company.

Mr Zhao has over 40 years' experience in the industry and was previously the Commander of Project Development Headquarters with Shagang. Mr Zhao has extensive project management and implementation experience and expertise.

CHONGTAO XU (APPOINTED 1 MARCH 2023)

Executive Director, Senior Investment Manager

Mr Xu specialises in investment of upstream and downstream processes for steel producers. Mr Xu is a former head of steel merger & acquisition division of Shagang Investment Holding Co Ltd, the investment arm of China's largest private steel company.

Mr Xu has extensive management experience in private equity projects. Mr Xu managed a portfolio with the marketable value of over four billion Australian dollars. Mr Xu holds a Master of Science (Hons) from University College London

MICHAEL DONTSCHUK BSC(HONS), FFTP, GAICD

Independent Non-executive Director, Chairperson of the Audit and Risk Committee, Chairperson of the Remuneration and Nomination Committee

Mr Dontschuk is a finance professional with over 35 years' experience in investment, finance, treasury and financial risk management. He currently is a professional NED and sits on a number of company boards including Eticore, Public Trustee (Tasmania) and Australia Ratings.

Previously Mr Dontschuk has been Group Treasurer of Grange Resources, Group Treasurer of ANZ Bank, Managing Director of Treasury Corporation Victoria, President and Director of the Finance and Treasury Association of Australia and has worked extensively in corporate financial advisory and investment banking including with Oakvale Capital and Bankers Trust.

AJANTH SAVERIMUTTO BENG (MINING) HONS, BBUS (ACCOUNTING)

Independent Non-executive Director and Member of the Audit and Risk Committee

Mr Saverimutto is a Mining Engineer and Accountant with over 25 years' experience in the resources industry. Mr Saverimutto has extensive Corporate and Senior Management experience in a number of ASX-listed and private companies. Currently Mr Saverimutto is President and Director of Black Mountain Metals, a private, natural resources company. Mr Saverimutto's previous positions include Managing Director of ASX listed Venturex Resources, Managing Director and Founder of privately held Australian company Salt Lake Mining.

Mr Saverimutto has held senior operational roles including Mining Manager for leading international copper producer Freeport McMoRan (NYSE: FCX), Chief Operating Officer of ASX listed gold miner Unity Mining and Mining Manager for BHP Billiton – Stainless Steel Materials.

COMPANY SECRETARY

MR PIERS LEWIS BCOMM, CA, AGIA

Mr Lewis has more than 20 years' global corporate experience and is currently the Company Secretary for ASX and TSX listed company Almonty Industries Inc. Mr Lewis also serves as Chairman of Aurumin Limited and is a non-executive Director of OD6 Metals Limited and Noronex Limited.

In 2001 Mr Lewis qualified as a Chartered Accountant with Deloitte (Perth) he has extensive and diverse financial and corporate experience from previous senior management roles with Credit Suisse (London), Mizuho International and NAB Capital. Mr Lewis is also a Chartered Company Secretary.

PRINCIPAL ACTIVITIES

During the period, the principal continuing activities of the Group consisted of the mining, processing and sale of iron ore; and the ongoing exploration, evaluation and development of mineral resources.

DIVIDENDS

Dividends paid during the financial year were as follows:

	2022 $'000	2021 $'000
Fully franked interim dividend for half year ended 30 June 2022 - 2.0 cents per share	23,147	-
Fully franked final dividend for the year ended 31 December 2021 - 10.0 cents per share	115,734	-
Fully franked special dividend for year ended 31 December 2021 - 10.0 cents per share	-	115,734
Fully franked interim dividend for half year ended 30 June 2021 - 2.0 cents per share	-	23,147
Fully franked final dividend for the year ended 31 December 2020 - 2.0 cents per share	-	23,147
Total dividends paid	**138,881**	**162,028**

Since the end of the financial year the directors have recommended the payment of a 2.0 cent per share final dividend of $23.1 million. This represents a total of $46.3 million (4.0 cents per share) fully franked dividend for the year-end 31 December 2022. The final dividend was declared NIL conduit foreign income and will be paid on 28 March 2023.

OPERATING AND FINANCIAL REVIEW

KEY HIGHLIGHTS

MINING OPERATIONS

- Achieved a major milestone of over 2,110 days Lost Time Injury free.
- Pellet production of 2.52 million tonnes for the year compared to 2.60 million tonnes for the prior year.
- Total iron ore product sales of 2.57 million tonnes for the year compared to 2.62 million tonnes for the prior year.
- Profit after tax of $171.7 million for the year compared to $321.6 million for the prior year, on revenues from operations of $594.6 million compared to $781.7 million for the prior year.
- Average realised product price (FOB Port Latta) of A$203.18 per tonne for the year compared to A$276.17 per tonne for the prior year.
- Unit C1 cash operating costs of $120.64 per tonne for the year compared to $99.73 for the prior year.
- Cash and liquid investments of $298.6 million at the end of year compared to $463.5 million at the end of the prior year. Decrease largely due to payment of dividends.

SAFETY PERFORMANCE

A focus on safety has been maintained across the business with over 2,110 days Lost Time Injury Free achieved.

Key revenue metrics for the year ended 31 December 2022 and the preceding 2021 year were as follows:

	2022	2021
Iron Ore Pellet Sales (dmt)	2,429,700	2,507,201
Iron Ore Concentrate Sales (dmt)	1,853	42
Iron Ore Chip Sales (dmt)	136,760	108,130
Total Iron Ore Product Sales (dmt)	2,568,313	2,615,373
Average Realised Product Price (US$/t FOB Port Latta) *	141.28	208.08
Average Realised Exchange Rate (AUD:USD)	0.6953	0.7535
Average Realised Product Price (A$/t FOB Port Latta)	203.18	276.17

**adusted 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.*

Total sales for the year ended 31 December 2022 was 2.57 million tonnes of high quality, low impurity iron ore products (2021: 2.62 million tonnes) and reflects sustained production from maintaining access to high grade ore.

The average iron ore product price received during the year was $203.18 per tonne of product sold (FOB Port Latta) (2021: $276.17 per tonne).

Please refer to Note 4 of the Financial Report for segment information for sales to different geographical markets. The sales from long term off take agreements with Jiangsu Shagang International Trade Co. Ltd represents 36.5% of total sales for 2022 (2021: 27.7%).

Key operating metrics for the year ended 31 December 2022 and the preceding 2021 year were as follows:

	2022	2021
Total BCM Mined	15,466,534	13,667,044
Total Ore BCM*	1,280,501	2,804,234
Concentrate Produced (t)	2,624,865	2,559,987
Weight Recovery (%)	45.2	44.4
Pellets Produced (t)	2,518,232	2,597,428
Pellets Stockpile (t)	298,725	210,193
"C1" Operating Cost (A$/t Concentrate Produced)	120.64	99.73

**Mining activities have focused on waste stripping in both North Pit and Centre Pit in 2022.*

Note: "C1" costs are the cash costs associated with producing iron ore products without allowance for mine development, deferred stripping and stockpile movements, and also excludes royalties, sustaining capital, depreciation and amortisation costs.

Mining activities have focused on the cutbacks in both North Pit and Centre Pit, following the successful completion of North Pit Stage 6. This ore mining stage yielded large stockpiles to support production in 2022 and 2023. Mining movement improved significantly over the later part of the year with 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 six 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 six trucks completed during the year. Additional replacement equipment is scheduled for delivery in Q1, 2023.

NORTH PIT UNDERGROUND DEVELOPMENT PROJECT

The North Pit Underground PFS previously demonstrated a technically and economical feasible underground mining operation for North Pit. Ore continuity was demonstrated at depth and highlights the potential for 6 million tonne per annum production rate with an underground mine life of more than 10 years. The Definitive Feasibility Study was commenced in 2022, with an amendment to the location of the extraction level being modelled after the completion of North Pit Stage 7 open pit mining. Additional drilling to the north, revisions to geotechnical models were completed and further exploration is planned as part of the DFS in 2023.

PORT LATTA IMPROVEMENT PROJECTS

The redesigned Furnace Line 4 was commissioned in 2022. The initial phase involved integration into the operation with completion of the refractory rebuild. The next phase will be to commission the intermediate air system which will allow the improvement of air distribution through the furnace, and is scheduled for Q2, 2023. This will inform future design modifications to the other furnace lines and support Grange's decarbonisation initiatives.

FINANCIAL POSITION

Grange's net assets increased during the year to $904.1 million (31 December 2021: $871.2 million). The key movements in net assets during the year are a result of the following:

- An increase in property plant and equipment and mine properties and development of $60.6 million and $98.6 million respectively.
- An increase in other financial assets of $170.6 million due to investment in term deposits
- An increase in trade receivables by $34.3 million
- A decrease in income tax payable by $62.9 million
- A decrease in cash and cash equivalents of $335.5 million (refer to statement of cashflow) and
- A decrease in net deferred tax assets by $60.9 million.

STATEMENT OF CASH FLOWS

NET CASH FLOWS FROM OPERATING ACTIVITIES

Net cash inflows from operating activities for the year were $196.9 million (2021: inflows $498.2 million) due to lower prices compared to previous year and increase in unit operating costs.

NET CASH FLOWS FROM INVESTING ACTIVITIES

Net cash outflows from investing activities for the period were $396.2 million (2021: outflows $79.6 million) and principally related to funds invested in term deposits of $191.2 million and expenditures for mine properties and development of $136.8 million and property, plant and equipment of $87.7 million.

NET CASH FLOWS FROM FINANCING ACTIVITIES

Net cash outflows from financing activities for the period were $145.6 million (2021 outflow: $165.3 million) and principally related to the payment of 2021 final dividend ($115.7 million) and 2022 interim dividend ($23.1 million).

ESG REPORTING AND INITIATIVES

Grange published its baseline Environmental, Social, and Governance (ESG) report with disclosures on 21 core metrics set by the World Economic Forum (WEF) in its standardised and globally recognised Stakeholder Capitalism Metrics ESG framework.

This new global environment is challenging the traditional expectations of corporations and redirecting investment capital. Grange is committed to aligning the business, where applicable, to the sustainable development goals that provide a roadmap to sustainability and resilience.

The baseline report demonstrates Grange's commitment to aligning the business, where applicable, to the sustainable development goals to provide guidance to sustainability and resilience. The report describes the progress Grange has made against the four pillars of the framework for Governance, Planet, People and Prosperity.

Most notably, Grange has developed a road map to reduce emissions. This will involve the reduction in energy used per tonne of product; upgrades to furnaces; recovery of heat in the pellet plant; application of technology and electric vehicles in the mining operation; and alternative fuel sources.

The Board has endorsed the pursuit of decarbonisation of Grange's Business with specific targets for CO2-e reduction including:

- The elimination of non-renewable coal sources like anthracite, by 2025.
- CO2-e emission target reduction of 50% by 2030 reducing emissions to 53kg of CO2-e per tonne of iron ore products.
- Target of net zero CO2-e (Scope 1 and 2) emissions by 2035

SOUTHDOWN MAGNETITE PROJECT

The Southdown Magnetite Project, situated 90km from the city of Albany in Western Australia, is a joint venture between Grange (70%) and SRT Australia Pty Ltd (SRTA) (30%). SRTA is jointly owned by Sojitz Corporation and Kobe Steel. This advanced project has 1.2 billion tonnes of high quality resource and has access to established infrastructure.

In December 2022, 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.

During 2022, the Company commenced to carry out a definitive feasibility study on a 5 Mtpa development case with new technology and additional testwork. The study 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.

SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

There were no significant changes in the state of affairs of the Group during the financial year.

There was no significant change in the state of affairs of the Group that occurred during the year ended 31 December 2022. Commentary on the overall state of affairs of the Group is set out in the Operating and Financial Review.

There were no other significant changes in the state of affairs of the Group during the financial year.

MATTERS SUBSEQUENT TO THE END OF THE FINANCIAL YEAR

Since the end of the financial year the directors have recommended the payment of a 2.0 cent per share final dividend of $23.1 million.

There were no other matters or circumstances arising since 31 December 2022 that has significantly affected, or may significantly affect:

i) The Group's operations in future years; or

ii) The results of those operations in future financial years; or

iii) The Group's state of affairs in future financial years.

LIKELY DEVELOPMENTS AND EXPECTED RESULTS OF OPERATIONS

Grange's strategic focus is to generate shareholder value by safely producing high quality iron ore products from its Savage River and Port Latta operations in Tasmania and continuing to assess the feasibility of a major iron ore development project at Southdown, near Albany in Western Australia. The Group's current strategic priorities include:

SAVAGE RIVER AND PORT LATTA OPERATIONS

- Optimising the Life of Mine Plan together with cost reduction strategies
- Completing the Definitive Feasibility Study for underground mining in North Pit
- Producing high grade ore from Centre Pit
- Delivering on secured off take agreements
- Maintaining access to ore with continuing investment in mine development
- Maintaining critical process infrastructure
- Continuing focus on improving productivity and implementing cost control projects

SOUTHDOWN PROJECT

- Completing feasibility study on a 5 Mtpa development case with new technology and additional testwork
- Ensuring that all tenements, permits and project assets remain in good standing

RISK MANAGEMENT

The Group continues to assess and manage various business risks that could impact the Group's operating and financial performance and its ability to successfully deliver strategic priorities including:

- Fluctuations in iron ore market and movements in foreign exchange rates
- Volatility in the energy prices and availability
- Geotechnical risks including wall stability
- Production risks and costs associated with aging infrastructure
- Project evaluation and development
- Health, safety and environment
- Impacts of climate change on our business
- Risks associated with underground mining

RISK MITIGATION STRATEGIES INCLUDE THE FOLLOWING:

- Optimise timing of sales to the fluctuations in iron ore prices and demands from different markets
- Focussed program of geotechnical wall monitoring, modelling and redesign work to mitigate potential stability issues
- Continue disciplined and rigorous review process regarding budget development and cost control to ensure investment directed to highest priority areas while reducing overall operating costs
- Hedging strategies for key energy exposures
- A well developed tool kit to ensure projects are adequately planned and peer reviewed prior to commitment and execution
- Outstanding safety record is supported by comprehensive safety system that enables management to develop a resilient safety culture and ensure our stewardship over the environment
- Initiatives to progressively decarbonise the operation

ENVIRONMENTAL REGULATION

The mining and exploration tenements held by the Group contain environmental requirements and conditions that the Group must comply with in the course of normal operations. These conditions and regulations cover the management of the storage of hazardous materials and rehabilitation of mine sites.

The Group is subject to significant environmental legislation and regulation in respect of its mining, processing and exploration activities as set out below:

SAVAGE RIVER AND PORT LATTA OPERATIONS

The Group obtained approvals to operate in 1996 and 1997 under the Land Use Planning and Approvals Act (LUPA) and the Environmental Management and Pollution Control Act (EMPCA) as well as the Goldamere Act and Mineral Resources Development Act. The land use permit conditions for Savage River and Port Latta are contained in Environmental Protection Notices 248/2 and 302/2 respectively. The currently approved Environmental Management Plans were submitted for Savage River and Port Latta on 21 December 2010. The extension of the project's life was approved by the Department of Tourism, Arts and the Environment on 12 March 2007 and together with the Goldamere Act and the Environmental Protection Notices, is the basis for the management of all environmental aspects of the mining leases. The Group has been relieved of any environmental obligation in relation to contamination, pollutants or pollution caused by operations prior to the date of the Goldamere Agreement (December 1996). Grange received planning approval from the Waratah Wynyard Council and the Tasmanian Environment Protection Authority for the Centre Pit Expansion and South Deposit Backfill Dump through DA 216/2021 and Permit Conditions-Environmental No. 10995

During the financial year there were no breaches of licence conditions.

SOUTHDOWN JOINT VENTURE

The Southdown Joint Venture has not been responsible for any activities which would cause a breach of environmental legislation.

MOUNT WINDSOR JOINT VENTURE

Grange is a minority partner (30%) in the Mt Windsor project in North Queensland which is now being rehabilitated for future lease relinquishment. An ongoing Transitional Environment Program has been entered into voluntarily to identify and remediate various sources of pollution on site. A comprehensive plan has been developed and instigated to manage the leases with relinquishment expected in 2045.

During the financial year there were no breaches of licence conditions.

NATIONAL GREENHOUSE AND ENERGY REPORTING ACT 2007

The National Greenhouse and Energy Reporting Act 2007 requires the Group to report its annual greenhouse gas emissions and energy use by 31 October each year. The Group has implemented systems and processes for the collection and calculation of the data required and has submitted its annual reports through the Emissions and Energy Reporting System (EERS) by 31 October each year.

NATIONAL GREENHOUSE AND ENERGY REPORTING (SAFEGUARD MECHANISM) RULE 2015

The Safeguard Mechanism applies to designated large facilities and is triggered when the facility exceeds 100,000 t CO2-e as per Division 8 of NEGR (Safeguard Mechanism) Rule 2015. The entity with operational control of a designated large facility is responsible for meeting safeguard requirements, including that the facility must keep net emissions at or below baseline emission levels. Grange has two facilities which trigger the Safeguard Mechanism. The Port Latta Pelletising Plant has moved to a Production Adjusted Baseline and the Savage River Mine Site has moved to a Transitional Calculated Baseline.

RENEWABLE ENERGY (ELECTRICITY) ACT 2000

In recognition that the Renewable Energy Targets scheme may increase costs to Companies that carry on Emissions Intensive Trade Exposed (EITE) activities, the exemption provisions under the Renewable Energy (Electricity) Act 2000 as amended allow a prescribed person to apply for an exemption certificate in relation to the electricity supplied to an EITE activity carried on at a site. Subject to agreement from the prescribed person an exemption certificate may be traded to the liable entity for the electricity supplied, and provides the liable entity with exemption from liability for a certain amount of megawatt-hours of electricity in the given calendar year. Grange has received exemption certificates under this scheme.

CLIMATE CHANGE RISK AND OPPORTUNITIES

PHYSICAL RISKS

- Concentrated rainfall event causing flooding
- Rising sea levels and reduced rainfall causing groundwater scarcity

RISK RELATED TO TRANSITION TO A LOW CARBON ECONOMY

- Policy and legal risks as a result of government regulation of carbon emissions, resulting in higher energy prices and other production costs or restricted energy availability.
- Technology, market and reputation risk as a result of change in consumer expectations and demand for low carbon goods and services.

The Group identifies and monitors these risks through the enterprise risk assessment process and continues to identify opportunities for improvement. The Group acknowledges that the world is moving to a low-carbon future. The steel market is already starting to value 'green steel' and while our pellets reduce emissions in the production of steels, the Group will continue to explore opportunities to reduce carbon emissions in its production processes.

MEETINGS OF DIRECTORS

The number of meetings of the company's Board of Directors ('the Board') and of each Board committee held during the year ended 31 December 2022, and the number of meetings attended by each director were:

	Full Board		Nomination and Remuneration Committee		Audit and Risk Committee	
	Attended	Held	Attended	Held	Attended	Held
M Li	13	13	6	6	6	6
Y Jia	12	13	6	6	-	-
H Zhao	13	13	-	-	-	-
M Dontschuk	13	13	6	6	6	6
A Saverimutto	13	13	-	-	6	6

Held: represents the number of meetings held during the time the director held office or was a member of the relevant committee.

REMUNERATION REPORT

The remuneration report details the key management personnel remuneration arrangements for the Group, in accordance with the requirements of the Corporations Act 2001 and its Regulations.

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including all directors.

(I) KEY MANAGEMENT PERSONNEL DISCLOSED IN THIS REPORT

Non-executive directors

Michelle Li

Yan Jia

Michael Dontschuk

Ajanth Saverimutto

Executive directors	**Position**
Honglin Zhao	Managing Director
	Chief Executive Officer
Other key management personnel	**Position**
Steven Phan	Chief Financial Officer
Ben Maynard	Chief Operating Officer

(II) REMUNERATION GOVERNANCE

The Board has an established Remuneration and Nomination Committee to assist in overseeing the development of policies and practices which enable the Company to attract and retain capable Directors and employees, reward employees fairly and responsibly and meet the Board's oversight responsibilities in relation to corporate governance practices.

The Remuneration and Nomination Committee is composed of Mr Michael Dontschuk (Independent Non-executive Director and Committee Chairperson)and Dr Michelle Li (Independent Non-executive Chairperson).

The responsibilities and functions for the Remuneration and Nomination Committee include reviewing and making recommendations on the following:

- Equity based executive and employee incentive plans;
- Recruitment, retention, succession planning, performance measurement and termination policies and procedures for Non-executive Directors, Executive Directors and Key Management Personnel;
- The remuneration of the Chief Executive Officer, Chief Financial Officer and the Chief Operating Officer;
- Periodically assessing the skills required by the Board;
- Recommend processes to evaluate the performance of the Board, it's Committees and individual Directors; and
- Reviewing governance arrangements pertaining to remuneration matters.

The Charter is reviewed annually, and remuneration strategies are reviewed regularly.

(III) EXECUTIVE REMUNERATION PHILOSOPHY AND FRAMEWORK

It is the Company's objective to provide maximum stakeholder benefit from the retention of a small high-quality executive team by remunerating Executive Directors and executives fairly and appropriately with reference to relevant market conditions. To assist in achieving this objective, the Board attempts to link the nature and amount of executives' emoluments to the Company's performance. The remuneration framework aims to ensure that remuneration practices are:

- acceptable to shareholders, transparent and easily understood;
- competitive and reasonable, enabling the company to attract and retain key talents who share the same values with Grange Resources; and
- aligned to the Company's strategic and business objectives and the creation of shareholder value.

Using external remuneration sector comparative data, the Group has structured an executive remuneration framework that is market competitive and complementary to the reward strategy of the organisation. The framework is reviewed regularly along with the remuneration strategy review.

During the year, the Committee engaged remuneration consultants Godfrey Remuneration Group to provide advice and market insights in relation to executive remuneration arrangements.

The framework provides a mix of fixed and variable pay, and a blend of short and long term incentives detailed as follows:

FIXED REMUNERATION

Fixed remuneration is reviewed annually by the Remuneration and Nomination Committee. The process consists of a review of Group and individual performance, relevant comparative remuneration externally and internally and, where appropriate, external advice on policies and practices.

Executives are given the opportunity to receive their fixed (primary) remuneration in a variety of forms including cash and fringe benefits. It is intended that the manner of payment chosen is optimal for the recipient without creating any undue cost for the Group.

There are no guaranteed fixed pay increases included in any executives' contracts.

VARIABLE REMUNERATION – SHORT TERM INCENTIVE ("STI")

The objective of the STI is to link the achievement of the Company's annual operational targets (usually reflected in the approved budgets) and an individual's personal targets with the remuneration received by selected executive directors and senior employees responsible for meeting those targets. Payments are made as a cash incentive payable after the financial statements have been audited and released to the Australian Securities Exchange ("ASX"). 50% of the STI relates to the achievement of company performance goals and 50% relates to the attainment of agreed personal performance goals.

VARIABLE REMUNERATION - LONG TERM INCENTIVE ("LTI")

a) Deferred Cash

A 3 year deferred cash long term incentive program commenced in 2019 with the final tranche to be paid in 2024. This long-term incentive program was replaced by a share-based payment scheme in 2022.

The deferred cash scheme is to reward selected executive directors and senior employees with a cash payment which is linked to the Company satisfying performance hurdles and subject to ongoing employment with Grange. The deferred cash component is determined by measuring the Company's progress made on:

- Development of mineral assets (weighting 35%)
- Mine development (weighting 20%)
- Downstream process improvement (weighting 15%)
- Financial returns (weighting 20%)
- Safety and sustainability (weighting 10%)

The deferred cash component is determined based on the Company's performance for the year ended 31 December, with 33.3% payable on 31 December the first following year, 33.3% payable on 31 December the second following year, and the balance payable on the following 31 December (i.e. 3 years after the relevant calculation date). Payment of deferred cash is subject to continuing employment with Grange at the scheduled date of the payment.

b) Rights to Grange Shares

In 2022 the Company granted performance rights in three tranches to be settled by issuance of shares to three key management personnel. Each right is entitled to one equity share with a vesting date of 31 December 2024. Tranche 1 (with a weighting of 35%), has a total shareholder return (TSR) hurdle, tranche 2 (35% weighting) has a return on equity (ROE) hurdle and tranche 3 (30% weighting) has hurdles relating to non-market business objectives.

(IV) RELATIONSHIP BETWEEN REMUNERATION AND GRANGE RESOURCES PERFORMANCE

The table below shows key performance indicators of Company performance over the past five years.

		2018	2019	2020	2021	2022
Revenue from Operations	$ million	368.20	368.60	526.30	781.70	594.60
Net profit after tax	$ million	112.94	77.30	203.19	321.62	171.74
Basic earnings per share	Cents	9.79	6.71	17.64	27.84	14.84
Dividend payments	$ million	23.10	23.10	23.10	162.00	138.90
Share price (last trade day of financial year)	Cents	20.00	25.00	29.50	75.50	84.50

V) NON-EXECUTIVE DIRECTOR REMUNERATION POLICY

Fees and payments to Non-executive Directors reflect the responsibilities and demands made on them. Non-executive Directors' fees and payments are reviewed periodically by the Board. The Board also considers comparative market data and if required the advice of independent remuneration consultants to ensure Non-executive Directors' fees and payments are appropriate and in line with the market. The Chairperson's fees are determined independently to the fees of Non-executive Directors based on comparative roles in the external market.

The current remuneration was last reviewed with effect from 1 November 2014. The Chairperson's remuneration is inclusive of committee fees while other Non-executive Directors who chair a Committee receive additional yearly fees. The Deputy Chairperson is also entitled to receive an additional yearly fee

Non-executive Directors' fees are determined within an aggregate Directors' fee pool limit, which is periodically reviewed for adequacy. Any increase to the aggregate Directors' fee pool is submitted to shareholders for approval. The maximum currently stands at $800,000 per annum and was approved by shareholders at the Annual General Meeting on 26 November 2010. Non-executive Directors do not receive performance-based pay.

Board of Directors	
Chairperson (1)	$210,000
Deputy Chairperson	$92,000
Non-executive Director	$81,000
Audit and Risk Committee	
Chairperson	$15,750
Committee Member	$10,500
Remuneration and Nomination Committee	
Chairperson	$15,750
Committee Member	$7,500

(1) The Chairperson is not paid any additional amounts for Committee membership.

VI) DETAILS OF REMUNERATION

Details of the remuneration of the key management personnel of the Group are set out in the following tables.

Table 1: Remuneration for the year ended 31 December 2022

	FIXED REMUNERATION					VARIABLE REMUNERATION				
	Salary & fees *	Non-monetary benefits *	Annual leave * ^	Long Service Leave **	Super-annuation ***	STI *	LTI Cash **	LTI Rights ****	Total	Perform-ance Related
Non-Executive Directors	**$**	**$**	**$**	**$**	**$**	**$**	**$**	**$**	**$**	**%**
M Li	210,000	-	-	-	-	-	-	-	210,000	-
Y Jia	99,499	-	-	-	-	-	-	-	99,499	-
M Dontschuk	105,291	-	-	-	8,778	-	-	-	114,069	-
A Saverimutto	91,671	-	-	-	-	-	-	-	91,671	-
Sub-total Non-Executive Directors	**506,461**	**-**	**-**	**-**	**8,778**	**-**	**-**	**-**	**515,239**	**-**
Executive Directors										
H Zhao	557,648	53,506	23,208	22,112	57,159	113,923	71,410	21,561	920,527	22%
Key Management Personnel										
S Phan	360,454	-	12,732	12,611	36,947	70,397	36,927	15,490	545,558	23%
B Maynard	400,722	-	(3,865)	17,868	41,074	78,261	41,129	16,353	591,542	23%
Sub-total Key Management Personnel	**1,318,824**	**53,506**	**32,075**	**52,591**	**135,180**	**262,581**	**149,466**	**53,404**	**2,057,627**	**23%**
TOTAL	**1,825,285**	**53,506**	**32,075**	**52,591**	**143,958**	**262,581**	**149,466**	**53,404**	**2,572,866**	**18%**

** Short-term benefits as per Corporation Regulations 2M.3.03 (1) Item 6*
*** Other long-term benefits as per Corporation Regulation 2M.3.03 (1) Item 8*
**** Post-employment benefits*
***** Equity-settled share-based payments as per Corporation Regulations 2M.3.03(1) Item 11*
^ Annual leave liability is expected to be fully settled within one year

Table 2: Remuneration for the year ended 31 December 2021

	FIXED REMUNERATION					VARIABLE REMUNERATION				
	Salary & fees *	Non-monetary benefits *	Annual leave * ^	Long Service Leave **	Super-annuation ***	STI *	LTI Cash **	LTI Rights ****	Total	Perform-ance Related
Non-Executive Directors	**$**	**$**	**$**	**$**	**$**	**$**	**$**	**$**	**$**	**%**
M Li	193,333	-	-	-	-	-	-	-	193,333	-
Y Jia	107,749	-	-	-	-	-	-	-	107,749	-
D Woodall[1]	30,137	-	-	-	2,863	-	-	-	33,000	-
M Dontschuk[2]	96,752	-	-	-	-	-	-	-	96,752	-
A Saverimutto[3]	53,375	-	-	-	-	-	-	-	53,375	-
Sub-total Non-Executive Directors	**481,346**	**-**	**-**	**-**	**2,863**	**-**	**-**	**-**	**484,209**	**-**
Executive Directors										
H Zhao	541,934	72,943	30,068	20,879	52,839	121,443	94,751	-	934,857	23%
Key Management Personnel										
S Phan	350,295	-	8,141	12,192	34,154	72,036	48,996	-	525,814	23%
B Maynard	389,428	-	738	16,919	37,969	80,469	54,651	-	580,174	23%
Sub-total Key Management Personnel	**1,281,657**	**72,943**	**38,947**	**49,990**	**124,962**	**273,948**	**198,398**	**-**	**2,040,845**	**23%**
TOTAL	**1,763,003**	**72,943**	**38,947**	**49,990**	**127,825**	**273,948**	**198,398**	**-**	**2,525,054**	**19%**

[1] Mr Woodall resigned on 30 April 2021, [2] Mr Dontschuk was appointed Chairperson of the Remuneration and Nomination Committee effective 1 December 2021,
[3] Mr Saverimutto was appointed on 1 June 2021
** Short-term benefits as per Corporation Regulations 2M.3.03 (1) Item 6*
*** Other long-term benefits as per Corporation Regulation 2M.3.03 (1) Item 8*
**** Post-employment benefits*
***** Equity-settled share-based payments as per Corporation Regulations 2M.3.03(1) Item 11*
^ Annual leave liability is expected to be fully settled within one year

Table 3: Relative proportions linked to performance

The relative proportions of remuneration that are linked to performance and those that are fixed are as follows:

	Fixed Remuneration		At Risk - STI		At Risk - LTI	
Name	**Dec-22**	**Dec-21**	**Dec-22**	**Dec-21**	**Dec-22**	**Dec-21**
Executive Directors						
H Zhao	78%	77%	12%	13%	10%	10%
Key Management Personnel						
S Phan	77%	77%	13%	14%	10%	9%
B Maynard	77%	77%	13%	14%	10%	9%

(VII) SERVICE AGREEMENTS

On appointment to the Board, all Non-executive Directors sign a letter of appointment with the Company. The document details the term of appointment, the role, duties and obligations of the Directors as well as the likely time commitment and performance expectations and review arrangements and circumstances relating to the vacation of office. In addition, it also summarises the major Board policies and terms, including compensation, relevant to the office of Director.

Remuneration and other terms of employment for the executives are formalised in service agreements. Each of the agreements provides for the provision of fixed pay, performance related variable remuneration and other benefits. The agreements with executives are ongoing and provide for termination of employment at any time by giving three months' notice or by the Company paying an amount equivalent to three months remuneration in lieu of notice.

(VIII) DETAILS OF STI AND LTI (SHARE-BASED PAYMENT) HELD BY KEY MANAGEMENT PERSONNEL

PERFORMANCE BASED REMUNERATION GRANTED AND FORFEITED DURING THE YEAR.

	Total STI Bonus (Cash)	Total STI Bonus (Cash)	Total STI Bonus (Cash)	Share-based Payment rights	Share-based Payment rights
	Total Opportunity	**Awarded**	**Forfeited**	**Value Granted**	**Value Exercised**
2022	**$**	**%**	**%**	**$**	**$**
H Zhao	147,554	77	23	143,834	-
S Phan	85,839	82	18	103,335	-
B Maynard	95,428	82	18	109,094	-
	328,821			**356,263**	**-**

STI amounts are inclusive of superannuation.

SHARE-BASED COMPENSATION

In May 2022 Grange Resources Limited (Parent Company) granted performance rights in three tranches and to be settled by issuance of shares to three key management personnel. Each right is entitled to one equity share with a vesting date of 31 December 2024.

Executive KMP participate, at the board's discretion, in the LTIP comprising performance rights which are subject to TSR hurdles (tranche 1) and series of non-market based business objectives (tranche 2 and 3).

Feature	Description
Opportunity/Allocation	CEO - 25% of Fixed Remuneration; Other Key Management Personnel - 20% of fixed remuneration.
Performance Hurdles	Tranche 1 performance rights is subject to a TSR performance vesting conditions Tranche 2 and 3 performance rights are not subject to a TSR Hurdle and require a series of non-market based business objectives to be met for the rights to be exercised.
Exercise Price	$ Nil
Forfeiture and Termination	In the event of a termination of employment by the Company for cause, all unvested rights will be forfeited unless otherwise determined by the Board. Cessation of employment in other cases will generally result in pro-rate forfeiture of the rights.
Measurement Period	22 February 2022 to 30 December 2024
Fair value Measurement at Grant Date	Tranche 1 is estimated using a Monte Carlo Model and Tranche 2 and 3 using black Scholes Option pricing

PERFORMANCE CONDITIONS FOR EACH TRANCHE

TRANCHE 1

Performance Level	Annualised Grange TSR Compared to TSR of the ASX 300 Metals and Mining TR Index	% of Tranche Vesting
Stretch	≥ Index TSR + 9% TSR CAGR	100%
Between Target and Stretch	> Index TSR + 2% TSR CAGR &<Index TSR + 9% TSR CAGR	Pro-rata
Target	Index TSR + 2% TSR CAGR	50%
Between Threshold and Target	> Index TSR & <Index TSR + 2% TSR CAGR	Pro-rata
Threshold	= Index TSR	25%
Below Threshold	< Index TSR	0%

Note: A Gate TSR being positive applies to this metric (will not pay out if TSR is not >0%)

TRANCHE 2

Performance conditions	Return on Equity	% of Tranche Vesting
Stretch	≥ 15% ROE	100%
Between Target and Stretch	>8% ROE & <15% ROE	Pro-rata
Target	8% ROE (Cost of Equity)	50%
Between Threshold and Target	>6% ROE & <8% ROE	Pro-rate
Threshold	=6% ROE	25%
Below Threshold	=<6% ROE	0%

TRANCHE 3

Strategic Area	Milestone	% of Tranche Vesting
Southdown Project	Complete DFS	16.67%
Southdown Project	Complete Executable Finance Plan	16.67%
Capital Management	Implement the plan to systematically identify the best use of capital with rigorous investment decision framework, including dividend policy.	33.33%
Future Development	Provide 3 major projects for board review for potential purchase	33.33%

THE TERMS AND CONDITION OF EACH GRANT OF PERFORMANCE RIGHTS ARE AS FOLLOWS:

Grant Date	Vesting and Exercise Date	Expiry Date	Exercise Price	Value per Rights at Grant Date	Performance Achieved	Vested %
Tranche 1						
11 May 2022	31 December 2024	24 May 2037	Nil	$51,374	To be determined	-
27 May 2022	31 December 2024	24 May 2037	Nil	$40,231	To be determined	-
30 May 2022	31 December 2024	24 May 2037	Nil	$36,726	To be determined	-
Tranche 2						
11 May 2022	31 December 2024	24 May 2037	Nil	$64,723	To be determined	-
27 May 2022	31 December 2024	24 May 2037	Nil	$48,204	To be determined	-
30 May 2022	31 December 2024	24 May 2037	Nil	$44,406	To be determined	-
Tranche 3						
11 May 2022	31 December 2024	24 May 2037	Nil	$27,738	To be determined	-
27 May 2022	31 December 2024	24 May 2037	Nil	$20,659	To be determined	-
30 May 2022	31 December 2024	24 May 2037	Nil	$22,202	To be determined	-

RECONCILIATION OF PERFORMANCE RIGHTS HELD BE EACH KEY MANAGEMENT PERSONNEL

2022 Name and Grant Date	Balance at the Start of the year Unvested	Granted as Compensation	Vested %	Exercised Number	Balance at the end of the year Vested	Balance at the end of the year Unvested	Maximum value yet to vest $
H Zhao							
11 May 2022	-	140,342	-	-	-	140,342	$122,273
S Phan							
30 May 2022	-	74,707	-	-	-	74,707	$87,845
B Maynard							
27 May 2022	-	80,680	-	-	-	80,680	$92,741

SHARE HOLDINGS

The number of shares in the Company held during the period by each Director of Grange Resources Limited and other key management personnel of the Group, including their personally related parties, are set out below:

31 December 2022	Balance 1 January 2022	On vesting rights	On market purchases	On market disposals	Other	Balance 31 December 2022
Director of Grange Resources Limited						
M Li	13,507	-	-	-	-	13,507
M Dontschuk	13,000	-	-	-	-	13,000
H Zhao	1,727,702	-	-	-	-	1,727,702
Y Jia	-	-	-	-	-	-
A Saverimutto	-	-	-	-	-	-
Key Management Personnel						
B Maynard	68,122	-	-	-	-	68,122
	1,822,331	**-**	**-**	**-**	**-**	**1,822,331**

No directors have relevant options and rights interest at the date of this report.

Y Jia is an employee of Jiangsu Shagang International Trade Co. Ltd which is a subsidiary of the Jiangsu Shagang Group, ultimate shareholder of Shagang International Holdings Limited. Shagang International Holdings Limited and its affiliates hold 554,762,656 ordinary fully paid shares in the Company as at the date of this report.

(IX) LOANS TO KEY MANAGEMENT PERSONNEL

There were no loans to key management personnel during the year.

(X) OTHER TRANSACTIONS WITH DIRECTORS AND KEY MANAGEMENT PERSONNEL

A director, Ms Yan Jia, is an employee of Shagang International Trade Co. Ltd., which is a wholly owned subsidiary of Jiangsu Shagang Group (Shagang) to which sales of iron ore products are made under long-term off-take agreements. Transactions between Shagang and Grange must be approved by non-associated shareholders of Shagang, or approved by the Grange independent directors.

	2022 $	2021 $
Sales of Iron Ore Products		
Pellets	211,922,470	216,292,463

The following balances are outstanding at the end of the reporting period in relation to the above transactions:

	2022 $	2021 $
Trade receivables (sales of iron ore products)		
Pellets	15,241,644	19,095,808
Others	-	(62,961)
	15,241,644	**19,032,847**

(XI) RELIANCE ON EXTERNAL REMUNERATION CONSULTANTS

In February 2022, the remuneration committee engaged Godfrey Remuneration Group to provide recommendations regarding alignment of LTVR approaches with best practices. GRG was paid $5,000 for this service.

The following arrangements were made to ensure that the remuneration recommendations were free from undue influence:

- GRG was engaged by, and reported directly to, the chair of the remuneration committee. The agreement for the provision of remuneration consulting services was executed by the chair of the remuneration committee under delegated authority on behalf of the board.
- The report containing the remuneration recommendations was provided by GRG directly to the chair of the remuneration committee; and
- GRG was permitted to speak to management throughout the engagement to understand company processes, practices and other business issues and obtain management perspectives. However, GRG was not permitted to provide any member of management with a copy of their draft or final report that contained the remuneration recommendations As a consequence, the board is satisfied that the recommendations were made free from undue influence from any members of the key management personnel.

In addition to providing remuneration recommendations, GRG was also engaged to draft the LTVR/Rights documentation and administration services in relation to the offer. For these services GRG was paid a total of $24,750

INDEMNITY AND INSURANCE OF OFFICERS

During the financial period, the Company has paid premiums in respect of Directors' and Officers' Liability Insurance and Company Reimbursement policies, which cover all Directors and Officers of the Group to the extent permitted under the Corporations Act 2001. The policy conditions preclude the Group from any detailed disclosures.

PROCEEDINGS ON BEHALF OF THE COMPANY

No person has applied to the Court under section 237 of the Corporations Act 2001 for leave to bring proceedings on behalf of the company, or to intervene in any proceedings to which the company is a party, for the purpose of taking responsibility on behalf of the company for all or part of those proceedings. No proceedings have been brought or intervened in on behalf of the company with leave of the Court under section 237 of the Corporations Act 2001.

INDEMNITY OF AUDITOR

The Company has entered into an agreement to indemnify its auditor, PwC, against any claims or liabilities (including legal costs) asserted by third parties arising out of their services as auditor of the Company, where the liabilities arise as a direct result of the Company's breach of its obligations to the Auditors, unless prohibited by the Corporations Act 2001.

AUDIT AND NON-AUDIT SERVICES

The Board of Directors has considered the position and, in accordance with advice received from the Company's Audit and Risk Committee, is satisfied that the provision of non-audit services is compatible with the general standard of independence for auditors imposed by the Corporations Act 2001. The Directors are satisfied that the provision of non-audit services by the auditor, as set out below, did not compromise the auditor independence requirements of the Corporations Act 2001 for the following reasons:

- all non-audit services have been reviewed by the Audit and Risk Committee to ensure they do not impact the impartiality and objectivity of the auditor; and
- none of the services undermine the general principles relating to auditor independence as set out in APES 110 Code of Ethics for Professional Accountants.

During the year the following fees were paid or payable for services provided by the auditor of the parent entity, its related practices and non-related audit firms:

	2022 $'000	2021 $'000
Assurance Services PwC Australia		
Audit and review of financial reports	239	313
Other assurance services	27	102
Network firms of PwC Australia	18	17
Total assurance services	**284**	**432**
Non-Assurance Services PwC Australia		
Taxation compliance services	-	8
Total remuneration paid	**284**	**440**

It is the Group's policy to employ PwC on assignments additional to their statutory audit duties where PwC's expertise and experience with the Group are important. These assignments are principally tax consulting and advice or where PwC is awarded assignments on a competitive basis. It is the Group's policy to seek competitive tenders on all major consulting assignments. Group policy also requires the Chairperson of the Audit and Risk Committee to approve all individual assignments performed by PwC with total fees greater than $10,000.

OFFICERS OF THE COMPANY WHO ARE FORMER PARTNERS OF PRICEWATERHOUSECOOPERS

There are no officers of the company who are former partners of PricewaterhouseCoopers.

ROUNDING OF AMOUNTS

The company is of a kind referred to in Corporations Instrument 2016/191, issued by the Australian Securities and Investments Commission, relating to 'rounding-off'. Amounts in this report have been rounded off in accordance with that Corporations Instrument to the nearest thousand dollars, or in certain cases, the nearest dollar.

AUDITOR'S INDEPENDENCE DECLARATION

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out immediately after this directors' report.

Auditor's Independence Declaration

As lead auditor for the audit of Grange Resources Limited for the year ended 31 December 2022, I declare that to the best of my knowledge and belief, there have been:

(a) no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and

(b) no contraventions of any applicable code of professional conduct in relation to the audit.

This declaration is in respect of Grange Resources Limited and the entities it controlled during the period.

Chris Dodd
Partner
PricewaterhouseCoopers

Melbourne
24 February 2023

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CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2022

Consolidated	NOTES	2022 $'000	2021 $'000
Revenues from operations	4, 5	594,555	781,662
Cost of sales	6	(334,027)	(337,269)
Gross profit from operations		**260,528**	**444,393**
Administrative Expenses	7	(4,634)	(3,883)
Exploration and Evaluation Expenditures		(20,930)	(12,611)
Other Income (Expense)	8	(4,480)	11,141
Operating profit before finance costs		**230,484**	**439,040**
Finance Income	9	21,784	23,060
Finance Expenses	10	(3,442)	(1,210)
Profit before income tax expense		**248,826**	**460,890**
Income tax expense	11	(77,091)	(139,275)
Total comprehensive income for the year		**171,735**	**321,615**
Profit for the year is attributable to:			
Non-controlling interest		-	(645)
Owners of Grange Resources Limited	24	171,735	322,260
		171,735	**321,615**
Total comprehensive income (loss) for the year is attributable to:			
Non-controlling interest		-	(645)
Owners of Grange Resources Limited		171,735	321,615
		171,735	**321,615**
		Cents	**Cents**
Basic earnings per share	33	14.84	27.84
Diluted earnings per share	33	14.84	27.84

The above consolidated statement of comprehensive income should be read in conjunction with the accompanying notes

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2022

Assets	NOTES	2022 $'000	2021 $'000
Current assets			
Cash and cash equivalents	12,2	108,411	443,890
Trade and other receivables	13	58,421	24,119
Inventories	14	162,904	162,001
Other financial assets	2	192,177	20,799
Total current assets		**521,913**	**650,809**
Non-current assets			
Other financial assets	2	1,584	-
Property, plant and equipment	16	197,829	137,180
Right-of-use assets	17	6,953	18,540
Mine properties and development	18	360,952	262,377
Deferred tax assets	21	-	43,345
Receivables	15	8,988	7,984
Total non-current assets		**576,306**	**469,426**
Total assets		**1,098,219**	**1,120,235**
Liabilities			
Current liabilities			
Trade and other payables	19,2	67,723	120,836
Lease liability	17	4,284	16,920
Provisions	20	22,007	22,290
Total current liabilities		**94,014**	**160,046**
Non-current liabilities			
Lease liability	17	2,198	535
Deferred tax liabilities	21	17,516	-
Provisions	20	80,365	88,435
Total non-current liabilities		**100,079**	**88,970**
Total liabilities		**194,093**	**249,016**
Net assets		**904,126**	**871,219**
Equity			
Contributed Equity	23	331,513	331,513
Reserves		(2,220)	(2,273)
Retained earnings	24	574,833	541,979
Total equity		**904,126**	**871,219**

The above consolidated statement of financial position should be read in conjunction with the accompanying notes

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2022

	Issued capital $'000	Other reserves $'000	Retained earnings $'000	Non-controlling interest $'000	Total equity $'000
Balance at 1 January 2021	**331,513**	**-**	**381,747**	**(1,169)**	**712,091**
Profit/(loss) after income tax expense for the year	-	-	322,260	(645)	321,615
Total comprehensive income/(loss) for the year	**-**	**-**	**322,260**	**(645)**	**321,615**
Transactions with owners in their capacity as owners:					
Transactions with non-controlling interests	-	(2,273)	-	1,814	(459)
Dividends paid (note 25)	-	-	(162,028)	-	(162,028)
Balance at 31 December 2021	**331,513**	**(2,273)**	**541,979**	**-**	**871,219**

	Issued capital $'000	Other reserves $'000	Retained earnings $'000	Non-controlling interest $'000	Total equity $'000
Balance at 1 January 2022	**331,513**	**(2,273)**	**541,979**	**-**	**871,219**
Profit after income tax expense for the year	-	-	171,735	-	171,735
Total comprehensive income for the year	**-**	**-**	**171,735**	**-**	**171,735**
Transactions with owners in their capacity as owners:					
Transactions with non-controlling interests	-	53	-	-	53
Dividends paid (note 25)	-	-	(138,881)	-	(138,881)
Balance at 31 December 2022	**331,513**	**(2,220)**	**574,833**	**-**	**904,126**

The above consolidated statement of changes in equity should be read in conjunction with the accompanying notes

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2022

	Note	2022 $'000	2021 $'000
Cash flows from operating activities			
Receipts from customers and other debtors (inclusive of goods and services tax)		561,485	841,849
Payments to suppliers and employees (inclusive of goods and services tax)		(291,866)	(305,541)
		269,619	**536,308**
Interest received		7,528	6,442
Interest and other finance costs paid		(1,047)	(304)
Income taxes paid		(101,777)	(44,286)
Tax refund on capitalised mining costs in South Deposit Tailing Storage Facility		22,622	-
Net cash inflow from operating activities	32	**196,945**	**498,160**
Cash flows from investing activities			
Payments for property, plant and equipment	16	(87,733)	(39,996)
Payments for mine properties and development		(136,846)	(40,074)
Proceeds from sale of property, plant and equipment		1	-
Proceeds from managed funds		19,493	-
Proceeds (Payments) for term deposits		(191,159)	504
Net cash outflow from investing activities		**(396,244)**	**(79,566)**
Cash flows from financing activities			
Dividends paid to shareholders	25	(138,881)	(162,028)
Repayment of lease liabilities		(6,670)	(3,222)
Net cash outflow from financing activities		**(145,551)**	**(165,250)**
Net increase/(decrease) in cash and cash equivalents		**(344,850)**	**253,344**
Cash and cash equivalents at the beginning of the financial year		443,890	183,385
Effects of exchange rate changes on cash and cash equivalents		9,371	7,161
Cash and cash equivalents at the end of the financial year	12	**108,411**	**443,890**

The above consolidated statement of cash flows should be read in conjunction with the accompanying notes

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies adopted in the preparation of the consolidated financial statements are set out below. These policies have been consistently applied for all the periods presented, unless otherwise stated.

The financial statements are for the consolidated entity consisting of Grange Resources Limited and its subsidiaries.

(A) BASIS OF PREPARATION

This general purpose financial report has been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board and the Corporations Act 2001. Grange Resources Limited is a for-profit entity for the purpose of preparing the financial statements.

COMPLIANCE WITH IFRS

The consolidated financial statements of the Grange Resources Limited group also comply with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB).

HISTORICAL COST CONVENTION

These financial statements have been prepared under the historical costs convention, except for certain assets which, as noted, are at fair value.

NEW AND AMENDED STANDARDS ADOPTED BY THE GROUP

The group has applied the following standards and amendments for the first time for their annual reporting period commencing 1 January 2022:

AASB 2020-3 Amendments to Australian Accounting Standards – Annual Improvements 2018-2020 and Other Amendments (AASB1, AASB 3, AASB 9, AASB 116, AASB 137 &AASB 141)

The amendments listed above did not have any impact on the amounts recognised in prior periods and are not expected to significantly affect the current or future periods.

NEW STANDARDS AND INTERPRETATIONS NOT YET ADOPTED

Certain new accounting standards and interpretations have been published that are not mandatory for 31 December 2022 reporting periods and have not been early adopted by the group. These standards are not expected to have a material impact on the entity in the current or future reporting periods and on foreseeable future transactions.

COMPARATIVE FIGURES

Where necessary, comparative figures have been adjusted to conform to changes in the presentation in the current period.

CRITICAL ACCOUNTING ESTIMATES

The preparation of financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in Note 3.

(B) PRINCIPLES OF CONSOLIDATION

(I) SUBSIDIARIES

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of Grange Resources Limited as at 31 December 2022 and the results of all subsidiaries for the year then ended. Grange Resources Limited and its subsidiaries together are referred to in this financial report as the Group or the consolidated entity.

Subsidiaries are those entities over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity.

Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date that control ceases. Details of subsidiaries are set out in note 31.

The acquisition method of accounting is used to account for business combinations by the Group (refer to note 1(e)).

Intercompany transactions, balances and unrealised gains on transactions between Group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of the impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

(II) JOINT ARRANGEMENTS

JOINT OPERATIONS

The Group recognises its direct right to the assets, liabilities, revenues and expenses of joint operations and its share of any jointly held or incurred assets, liabilities, revenues and expenses. These have been incorporated in the financial statements under the appropriate headings. Details of the joint operations are set out in note 32.

(C) SEGMENT REPORTING

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Chief Executive Officer.

Refer to note 4 for further information on segment descriptions.

(D) FOREIGN CURRENCY TRANSLATION

(I) FUNCTIONAL AND PRESENTATION CURRENCY

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The consolidated financial statements are presented in Australian dollars, which is Grange Resources Limited's functional and presentation currency.

(II) TRANSACTIONS AND BALANCES

All foreign currency transactions during the financial period are translated into the functional currency using the exchange rate prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at period end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the profit and loss, except when they are deferred in equity as qualifying cash flow hedges and qualifying net investment hedges or are attributable to part of the net investment in a foreign operation.

Note 1. Summary of Significant Accounting Policies (continued)

Non-monetary items that are measured in terms of historical cost in foreign currency are translated using the exchange rate as at the date of the initial transaction. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined.

(III) GROUP COMPANIES

The results and financial position of all the Group entities (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- assets and liabilities for each balance sheet presented are translated at the closing rate at the date of that balance sheet,
- income and expenses for each income statement are translated at average exchange rates (unless this is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transactions), and
- all resulting exchange differences are recognised in other comprehensive income.

On consolidation, exchange differences arising from the translation of any net investment in foreign entities, and of borrowings and other financial instruments designated as hedges of such investments, are recognised in other comprehensive income. When a foreign operation is sold or any borrowings forming part of the net investment are repaid, a proportionate share of such exchange differences are reclassified to the income statement, as part of the gain or loss on sale where applicable. Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entities and translated at the closing rate.

(E) BUSINESS COMBINATIONS

The acquisition method of accounting is used to account for all business combinations, regardless of whether equity instruments or other assets are acquired. The consideration transferred for the acquisition of a subsidiary comprises the

- fair values of the assets transferred
- liabilities incurred to the former owners of the acquired business
- equity interests issued by the Group
- fair value of any asset or liability resulting from a contingent consideration arrangement, and
- fair value of any pre-existing equity interest in subsidiary

Identifiable assets acquired, and liabilities and contingent liabilities assumed in a business combination are, with limited exceptions, measured initially at their fair values at the acquisition date. The Group recognises any non-controlling interest in the acquired entity on an acquisition-by-acquisition basis either at fair value or at the non-controlling interest's proportionate share of the acquired entity's net identifiable assets. Acquisition-related costs are expensed as incurred.

The excess of the

- Consideration transferred,
- amount of any non-controlling interest in the acquired entity, and
- acquisition-date fair value of any previous equity interest in the acquired entity

over the fair value of the net identifiable assets acquired is recorded as goodwill. If those amounts are less than the fair value of the net identifiable assets of the subsidiary acquired, the difference is recognised directly in profit or loss as a bargain purchase. Where settlement of any part of cash consideration is deferred, the amounts payable in the future are discounted to their present value as at the date of exchange. The discount rate used is the entity's incremental borrowing rate, being the rate at which a similar borrowing could be obtained from an independent financier under comparable terms and conditions.

Contingent consideration is classified either as equity or a financial liability. Amounts classified as a financial liability are subsequently remeasured to fair value with changes in fair value recognised in profit or loss.

If the business combination is achieved in stages, the acquisition date carrying value of the acquirer's previously held equity interest in the acquire is remeasured to fair value at the acquisition date. Any gains or losses arising from such remeasurement are recognised in profit or loss.

(F) REVENUE RECOGNITION AND OTHER INCOME

Revenue is recognised for the major business transactions as follows:

SALE OF ORE AND THE RELATED FREIGHT REVENUE

Sales revenue is recognised on individual sales when control transfers to the customer. In most instances, control passes and sales revenue is recognised when the product is delivered to the vessel on which it will be transported. There may be circumstances when judgment is required when recognising revenue based on the five-step model below:

(i) Identify the contract(s) with a customer

(ii) Identify the performance obligations in the contact

(iii) Determine the transaction price

(iv) Allocate the transactions price to the performance of obligations in the contract.

(v) Recognise revenue when (or as) the entity satisfies the performance obligation.

The Group sells a portion of its product on Cost and Freight (CFR). For CFR contracts passes and sales revenue is recognised when the product is delivered to the vessel on which it will be transported. Using the 5-step model above, the Group has determined that freight services is a separate performance obligation. Therefore, the revenue for shipping services is recognised as the Group satisfies the performance obligation over time rather than at point when product is transferred to the vessel on which the product will be shipped.

Typically, the Group has a right to payment at the point that control of the goods passes including a right, where applicable, to payment for provisionally priced products and unperformed freight services. Cash received before control passes is recognised as a contract liability. The amount of consideration does not contain a significant financing component as payment terms are less than one year.

INTEREST INCOME

Interest income is recognised on a time proportion basis using the effective interest method.

SALE OF APARTMENTS

Revenue is recognised when control of a good or service transfers to a customer. In most instances, control passes, and sales revenue is recognised when legal title of the property is transferred to the buyer. There may be circumstances when judgment is required based on the five indicators of control below:

(i) The buyer has the significant risks and rewards of ownership and has the ability to direct the use of, and obtain substantially all of the remaining benefits from the good or service;

(ii) The buyer has a present obligation to pay in accordance with the terms of the sales contract. For property disposed of, this is generally on transfer of legal title, at which time settlement of the remaining contract price occurs;

(iii) The buyer has accepted the asset;

(iv) The buyer has legal title to the asset; and

(v) The buyer has physical possession of the asset

AASB 15 requires the Group to identify deliverables in contracts with customers that qualify as 'performance obligations'. The transaction price receivable from customers must be allocated between the Group's performance obligations under the contracts on a relative stand-alone selling price basis. Revenue will be recognised at a point in time when the performance obligations are met.

DISTRIBUTION INCOME

Distribution income from short term managed funds is recognised when the right to receive the income has been established.

(G) GOVERNMENT GRANTS

Government grants are recognised at their fair value when there is reasonable assurance that the grant will be received, and all attaching conditions will be complied with.

When the grant relates to an expense item, it is recognised as income over the periods necessary to match the grant on a systematic basis to the costs that it is intended to compensate.

When the grant relates to an asset, the fair value is credited to a deferred income account and is released to the income statement over the expected useful life of the relevant asset by equal annual instalments.

(H) LEASES

I. THE GROUP'S LEASING ACTIVITIES AND HOW THESE ARE ACCOUNTED FOR

The group leases office spaces, mobile radars, forklifts, and motor vehicles with lease terms between 1 to 5 years but may have extension options as described below. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions.

Leases are recognised as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the Group. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to profit or loss over the lease period as to produce a constant periodic rate of interest on the remaining balance of the liability for each period – refer to Note 9. The right of use asset is depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis.

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease payments included in the measure of the lease liability comprise:

- fixed payments less any lease incentives
- variable lease payments that are based on an index or rate
- amounts expected to be payable under residual value guarantees
- purchase option exercise price where lessee is reasonably certain to exercise
- lease payments in an optional renewal period if the Group is reasonably certain to exercise an extension option
- penalties for termination of lease

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, the lessee's incremental borrowing rate is used, being the rate that the lessee would have to pay to borrow the funds necessary to obtain an asset of a similar value in a similar economic environmental with similar terms and conditions.

The Group presents lease liabilities in the statement of financial position (note 16).

Right-of-use assets are initially measured at cost comprising of the following:

- the amount of the initial measurement of the lease liability
- any lease payments made at or before the commencement date less any lease incentives received
- any initial direct costs, and an
- restoration costs.

The Group has elected not to recognise right-of-use assets and lease liabilities for short-term leases of less than 12 months and leases of low-value assets. The Group recognises lease payments associated with these types of leases as an expense in the profit or loss.

II. EXTENSION OPTIONS

Options for a new lease are stipulated in the office space and mobile radars lease and are only exercisable by the Group, not the lessor. Exercising the option will contain similar terms as the initial lease. In determining the lease term under AASB 16, management considers all facts and circumstances that create an economic incentive to exercise the extension option or not exercise a termination option. The Group reassesses whether it is reasonably certain to exercise the options if there is a significant event or significant change in the circumstances within its control.

III. VARIABLE LEASE PAYMENTS

The group is exposed to potential future increases in variable lease payments based on an index or rate. When adjustments to lease payments based on an index or rate take effect, the lease liability is reassessed and adjusted against the right of use asset. The forklift hire lease contains variable lease payments that are subject to CPI adjustments, effective on an annual basis.

(I) CASH AND CASH EQUIVALENTS

Cash and cash equivalents comprise cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to amounts of cash and which are subject to an insignificant risk of changes in value. Bank overdrafts are shown within borrowings in current liabilities on the balance sheet.

(J) TRADE AND OTHER RECEIVABLES

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less loss allowance.

As permitted by AASB 9, the Group applies the 'simplified approach' to trade receivable balances and the 'general approach' to all other financial assets. The simplified approach requires expected lifetime credit losses to be recognised from initial recognition of the receivables. The general approach incorporates a review for any significant increase in counterparty credit risk since inception.

The expected credit losses (ECL) review include assumptions about

Note 1. Summary of Significant Accounting Policies (continued)

the risk of default and expected credit loss rates. In determining the recoverability of a trade or other receivable using the ECL model, the Group performs a risk analysis considering the type and age of the outstanding receivables, the creditworthiness of the counterparty, contract provisions, letter of credit and timing of payment.

(K) INVENTORIES

Raw materials and stores, ore stockpiles, work in progress and finished goods are stated at the lower of cost and net realisable value. Cost is determined primarily on the basis of weighted average costs and comprises of the cost of direct materials and the costs of production which include:

- labour costs, materials and contractor expenses which are directly attributable to the extraction and processing of ore;
- depreciation of property, plant and equipment used in the extraction and processing of ore; and
- production overheads directly attributable to the extraction and processing of ore

Stockpiles represent ore that has been extracted and is available for further processing. If there is significant uncertainty as to when the stockpiled ore will be processed it is expensed as incurred. Where the future processing of the ore can be predicted with confidence because it exceeds the mine's cut-off grade, it is valued at the lower of cost and net realisable value. Work in progress inventory includes partly processed material. Quantities are assessed primarily through surveys and assays.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

Development work in progress pertains to development and construction of housing units and comprises expenditures relating to:

- Cost of acquisition

  The cost of acquisition comprises the purchase price of the land along with any direct costs incurred as part of the acquisition including legal, valuation and stamp duty costs

- Development and other costs

  Cost includes variable and fixed costs directly related to specific contracts, costs related to general contract activity which can be allocated to specific projects on a reasonable basis, and other costs specifically chargeable under the contract.

- Interest capitalised

  Financing costs on the purchase and development of housing units are also included in the cost of inventory.

(L) INCOME TAX

The income tax expense or benefit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period in the countries where the Group's subsidiaries operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill. Deferred income tax is also not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised, or the deferred income tax liability is settled.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses, only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses. In assessing the recoverability of deferred tax assets, the Group relies on the same forecast assumptions used elsewhere in the financial statements and in other management reports, which, among other things, reflect the potential impact of climate-related development on the business, such as increased cost of production as a result of measures to reduce carbon emission.

Deferred tax liabilities and assets are not recognised for temporary differences between the carrying amount and the tax bases of investments in foreign operations where the Group is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Grange Resources Limited and its wholly-owned Australian controlled entities have implemented the tax consolidation legislation. As a consequence, Grange Resources Limited and its subsidiaries are taxed as a single entity and the deferred tax assets and liabilities of the Group are set off in the consolidated financial statements.

(M) GOODS AND SERVICES TAX (GST)

Revenues, expenses and assets are recognised net of the amount of GST except:

- when GST incurred on a purchase of goods and services is not recoverable from taxation authority, in which case the GST is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and
- receivables and payables, which are stated with the amount of GST included

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the balance sheet.

Commitments and contingencies are presented net of the amount of GST recoverable from, or payable to, the taxation authority.

Cash flows are included in the Statement of Cash Flows on a gross basis and the GST component of cash flows arising from investing and financing activities, which is recoverable from, or payable to, the taxation authority, are presented as operating cash flows.

(N) PROPERTY, PLANT AND EQUIPMENT

Land and buildings and plant and equipment are measured at cost less, where applicable, any accumulated depreciation, amortisation or impairment in value. Cost includes expenditure that is directly attributable to the acquisition of the item. In the event that all or part of the purchase consideration is deferred, cost is determined by discounting the amounts payable in the future to their present value as at the date of acquisition.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to the income statement during the reporting period in which they are incurred.

Land is not depreciated. Assets under construction are measured at cost and are not depreciated until they are ready and available for use. Depreciation on assets is calculated using either a straight-line or diminishing value method to allocate the cost, net of their residual values, over the estimated useful lives or the life of the mine, whichever is shorter. Leasehold improvements and certain leased plant and equipment are depreciated over the shorter lease term.

Other non-mine plant and equipment typically has the following estimated useful lives:

Buildings	10 years
Plant and Equipment	4 to 8 years
Computer Equipment	3 to 5 years

The assets residual values, useful lives and amortisation methods are reviewed and adjusted if appropriate, at each financial period end.

An item of property, plant and equipment is derecognised upon disposal or when no further economic benefits are expected from its use or disposal.

Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the income statement in the period the asset is derecognised.

The carrying value of property, plant and equipment is assessed annually for impairment in accordance with note 1(r).

(O) EXPLORATION AND EVALUATION

Exploration and evaluation expenditure comprise costs which are directly attributable to:

- research and analysing exploration data
- conducting geological studies, exploratory drilling and sampling
- examining and testing extraction and treatment methods
- compiling pre-feasibility and definitive feasibility studies

Exploration and evaluation expenditure also include the costs incurred in acquiring rights, the entry premiums paid to gain access to areas of interest and amounts payable to third parties to acquire interests in existing projects.

Exploration and evaluation expenditure is charged against profit and loss as incurred; except for expenditure incurred after a decision to proceed to development is made, in which case the expenditure is capitalised as an asset.

(P) MINE PROPERTIES AND DEVELOPMENT

Mine properties and development represent the accumulation of all exploration, evaluation and development expenditure incurred by, not on behalf of, the entity in relation to areas of interest in which mining of a mineral resource has commenced.

Where further development expenditure is incurred in respect of a production property after the commencement of production, such expenditure is carried forward as part of the cost of that production property only when substantial future economic benefits arise, otherwise such expenditure is classified as part of the cost of production.

Costs on production properties in which the Group has an interest are amortised over the life of the area of interest to which such costs relate on the production output basis. Changes to the life of the area of interest are accounted for prospectively.

The carrying value of each mine property and development are assessed annually for impairment in accordance with note 1(r).

(Q) DEFERRED STRIPPING COSTS

Stripping (i.e. overburden and other waste removal) costs incurred in the production phase of a surface mine are capitalised to the extent that they improve access to an identified component of the ore body and are subsequently amortised on a systematic basis over the expected useful life of the identified component of the ore body. Capitalised stripping costs are disclosed as a component of Mine Properties and Development.

Components of an ore body are determined with reference to life of mine plans and take account of factors such as the geographical separation of mining locations and/or the economic status of mine development decisions.

Capitalised stripping costs are initially measured at cost and represent an accumulation of costs directly incurred in performing the stripping activity that improves access to the identified component of the ore body, plus an allocation of directly attributable overhead costs. The amount of stripping costs deferred is based on a relevant production measure which uses a ratio obtained by dividing the tonnage of waste mined by the quantity of ore mined for an identified component of the ore body. Stripping costs incurred in the period for an identified component of the ore body are deferred to the extent that the current period ratio exceeds the expected ratio for the life of the identified component of the ore body. Such deferred costs are then charged against the income statement on a systematic units of production basis over the expected useful life of an identified component of the ore body.

Changes to the life of mine plan, identified components of an ore body, stripping ratios, units of production and expected useful life are accounted for prospectively.

Deferred stripping costs form part of the total investment in a cash generating unit, which is reviewed for impairment if events or changes in circumstances indicate that the carrying value may not be recoverable.

(R) IMPAIRMENT OF ASSETS

At each reporting date, the Group assesses whether there is any indication that an asset, including capitalised development expenditure, may be impaired. Where an indicator of impairment exists, the Group makes a formal estimate of the recoverable amount. Where the carrying amount of an asset exceeds its recoverable amount the asset is considered impaired and is written down to its recoverable amount. Impairment losses are recognised in the income statement.

Note 1. Summary of Significant Accounting Policies (continued)

Recoverable amount is the greater of fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash generating units).

Where there is no binding sale agreement or active market, fair value less costs of disposal is based on the best information available to reflect the amount the Group could receive for the cash generating unit in an arm's length transaction. In assessing fair value, the estimated future cash flows are discounted to their present value using a post-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

An assessment is also made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the recoverable amount is estimated. A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case the carrying amount of the asset is increased to its recoverable amount. That increased amount cannot exceed the pre-impairment value, adjusted for any depreciation that would have been recognised on the asset had the initial impairment loss not occurred. Such reversal is recognised in profit or loss.

After such a reversal the depreciation charge is adjusted in future periods to allocate the asset's revised carrying amount, less any residual value, on a systematic basis over its remaining useful life.

The Group assesses where climate risks could have a significant impact, such as the introduction of emission reduction legislation that may increase mining and production costs. At present, albeit climate-related risks should be factored into the commodity price, this has no direct impact to the Group's asset recoverable value.

(S) INVESTMENTS AND OTHER FINANCIAL ASSETS

(I) CLASSIFICATION

The group classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through other comprehensive income (OCI) or through profit or loss), and
- those to be measured at amortised cost.

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will either be recorded in profit or loss or OCI. For investments in equity instruments that are not held for trading, this will depend on whether the group has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income (FVOCI).

The group reclassifies debt investments when and only when its business model for managing those assets changes.

(II) RECOGNITION

Regular way purchases and sales of financial assets are recognised on trade-date, the date on which the group commits to purchase or sell the asset. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the group has transferred substantially all the risks and rewards of ownership.

(III) MEASUREMENT

At initial recognition, the group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss (FVPL), transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVPL are expensed in profit or loss.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

DEBT INSTRUMENTS

Subsequent measurement of debt instruments depends on the group's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the group classifies its debt instruments:

- Amortised cost: Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Interest income from these financial assets is included in finance income using the effective interest rate method. Any gain or loss arising on derecognition is recognised directly in profit or loss and presented in other gains/(losses) together with foreign exchange gains and losses. Impairment losses are presented as separate line item in the statement of profit or loss.
- FVOCI: Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVOCI. Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest income and foreign exchange gains and losses which are recognised in profit or loss.

  When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and recognised in other gains/(losses). Interest income from these financial assets is included in finance income using the effective interest

  rate method. Foreign exchange gains and losses are presented in other gains/(losses) and impairment expenses are presented as separate line item in the statement of profit or loss.
- FVPL: Assets that do not meet the criteria for amortised cost or FVOCI are measured at FVPL. A gain or loss on a debt investment that is subsequently measured at FVPL is recognised in profit or loss and presented net within other gains/(losses) in the period in which it arises.

EQUITY INSTRUMENTS

The group subsequently measures all equity investments at fair value. Where the group's management has elected to present fair value gains and losses on equity investments in OCI, there is no subsequent reclassification of fair value gains and losses to profit or loss following the derecognition of the investment. Dividends from such investments continue to be recognised in profit or loss as other income when the group's right to receive payments is established.

Changes in the fair value of financial assets at FVPL are recognised in other gains/(losses) in the statement of profit or loss as applicable. Impairment losses (and reversal of impairment losses) on equity investments measured at FVOCI are not reported separately from other changes in fair value.

(IV) IMPAIRMENT

The group assesses on a forward-looking basis, the expected credit losses associated with its debt instruments carried at amortised cost and FVOCI. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

(T) DERIVATIVES

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently remeasured to their fair value at the end of each reporting period. The accounting for subsequent changes in fair value depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged. Changes in the fair value of any derivative instrument that does not qualify for hedge accounting are recognised immediately in profit or loss and are included in other income or other expenses.

The full fair value of a hedging derivative is classified as a non-current asset or liability when the remaining maturity of the hedged item is more than 12 months; it is classified as a current asset or liability when the remaining maturity of the hedged item is less than 12 months.

(U) ORE RESERVES

The Company estimates its mineral resources and ore reserves based on information compiled by Competent Persons as defined in accordance with the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves of December 2012 (the JORC 2012 code). Reserves, and certain mineral resources determined in this way, are used in the calculation of depreciation, amortisation and impairment charges, the assessment of life of mine stripping ratios and for forecasting the timing of the payment of close down and restoration costs.

In assessing the life of a mine for accounting purposes, mineral resources are only taken into account where there is a high degree of confidence of economic extraction.

(V) TRADE AND OTHER PAYABLES

Trade payables and other payables are carried at amortised cost and represent liabilities for goods and services provided to the Group prior to the end of the financial period that are unpaid. Trade payables and other payables arise when the Group becomes obliged to make future payments in respect of the purchase of these goods and services. The amounts are unsecured and are usually paid within 30 days of recognition.

(W) BORROWINGS

All borrowings are initially recognised at the fair value of the consideration received, less transaction costs. After initial recognition, borrowings are subsequently measured at amortised cost. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case the fee is deferred until the draw down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a prepayment for liquidity services and amortised over the period of the facility to which it relates.

Borrowings are removed from the balance sheet when the obligation specified in the contract is discharged, cancelled or expired. Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

BORROWING COSTS

Borrowing costs incurred for the construction of any qualifying asset are capitalised during the period of time that is required to complete and prepare the asset for its intended use or sale. Other borrowing costs are expensed.

(X) PROVISIONS

Provisions are recognised when the Group has a present obligation, it is probable that there will be a future sacrifice of economic benefits and a reliable estimate can be made of the amount of the obligation.

When the Group expects some or all of a provision to be recovered from a third party, for example under an insurance contract, the receivable is recognised as a separate asset but only when the reimbursement is virtually certain, and it can be measured reliably. The expense relating to any provision is presented in the income statement net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a pre-tax rate that reflects the current market assessment of the time value of money. Where this is the case, its carrying amount is the present value of these estimated future cash flows. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

The impact of climate-related matters on remediation of sites is considered when determining the decommissioning liability. The Group also constantly monitors new government legislation in relation to climate-related matters. At the current time, no climate related matters and legislation that expected to have a material impact on the Group's decommissioning liability.

DECOMMISSIONING AND RESTORATION

Decommissioning and restoration provisions include the dismantling and demolition of infrastructure and the removal of residual materials and remediation of disturbed areas. The provision is recognised in the accounting period when the obligation arising from the related disturbance occurs, whether this occurs during the mine development or during the production phase, based on the net present value of estimated future costs. The costs are estimated on the basis of a closure plan. The cost estimates are calculated annually during the life of the operation to reflect known developments and are subject to formal review at regular intervals.

The amortisation or 'unwinding' of the discount applied in establishing the net present value of provisions is charged to the income statement in each accounting period. The amortisation of the discount is shown as a financing cost, rather than as an operating cost. Other movements in the provisions for close down and restoration costs, including those resulting from new disturbance, updated cost estimates, changes to the lives of operations and revisions to discount rates are capitalised within mine properties and development, to the extent that any amount of deduction does not exceed the carrying amount of the asset. Any deduction in excess of the carrying amount is recognised in the income statement immediately. If an adjustment results in an addition to the cost of the related asset, consideration will be given to whether an indication of impairment exists, and the impairment policy will apply. These costs are then depreciated over the life of the area of interest to which they relate.

Note 1. Summary of Significant Accounting Policies (continued)

(Y) EMPLOYEE ENTITLEMENTS

WAGES, SALARIES AND SICK LEAVE

Liabilities for wages and salaries, including non-monetary benefits and accumulating sick leave expected to be settled within 12 months of the reporting date are recognised in other payables in respect of employees' services up to the reporting date and are measured at the amounts expected to be paid when the liabilities are settled.

ANNUAL LEAVE

Liabilities for annual leave expected to be settled within 12 months of the reporting date are recognised in the provision for employee benefits in respect of employees' services up to the reporting date and are measured at the amounts expected to be paid when the liabilities are settled.

LONG SERVICE LEAVE

The liability for long service leave is recognised in the provision for employee benefits and measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date using the projected unit credit method.

Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on corporate bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

DEFINED CONTRIBUTION SUPERANNUATION FUNDS

Contributions to defined contribution funds are recognised as an expense in the income statement as they become payable.

SHARE-BASED PAYMENTS

Senior Executives of the Group receive remuneration in the form of share-based payments, whereby employees render services in exchange for equity instruments (equity-settled transactions).

The fair value of performance rights granted is recognised as an employee benefits expense with a corresponding increase in equity. The total amount to be expensed is determined by reference to the fair value of the options granted.

- including any market performance conditions
- excluding the impact of any service and non-market performance vesting conditions
- Including the impact of any non-vesting conditions

The total expense is recognised over the vesting period, which is the period over which all of the specified vesting conditions are to be satisfied. At the end of each period, the entity revises its estimates of the number of performance rights that are expected to vest based on the non-market vesting and service conditions. It recognises the impact of the revision to original estimates, if any, in profit or loss, with a corresponding adjustment to equity.

The dilutive effect of outstanding performance rights is reflected as additional share dilution in the computation of diluted earnings per share (further details are given in Note 33).

(Z) CONTRIBUTED EQUITY

Ordinary share capital is recognised at the fair value of the consideration received by the Company. Any transaction costs arising on the issue of ordinary shares are recognised directly in equity as a reduction, net of tax, of the share proceeds received.

(AA) DIVIDENDS

Provision is made for the amount of any dividend declared, being appropriately authorised and no longer at the discretion of the entity, on or before the end of the financial period but not distributed at balance date.

(AB) EARNINGS PER SHARE (EPS)

(I) BASIC EARNINGS PER SHARE

Basic earnings per share is calculated by dividing:

- the profit attributable to equity holders of the Company, excluding any costs of servicing equity other than ordinary shares;
- by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the period and excluding treasury shares.

(II) DILUTED EARNINGS PER SHARE

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account:

- the after-income tax effect of interest and other financing costs associated with the dilutive potential ordinary shares; and
- the weighted average number of additional ordinary shares that would have been outstanding assuming the conversion of all dilutive potential ordinary shares.

(AC) PARENT ENTITY FINANCIAL INFORMATION

The financial information for the parent entity, Grange Resources Limited, disclosed in note 34 has been prepared on the same basis as the consolidated financial statements, except as set out below.

INVESTMENTS IN SUBSIDIARIES, ASSOCIATES AND JOINT VENTURE ENTITIES

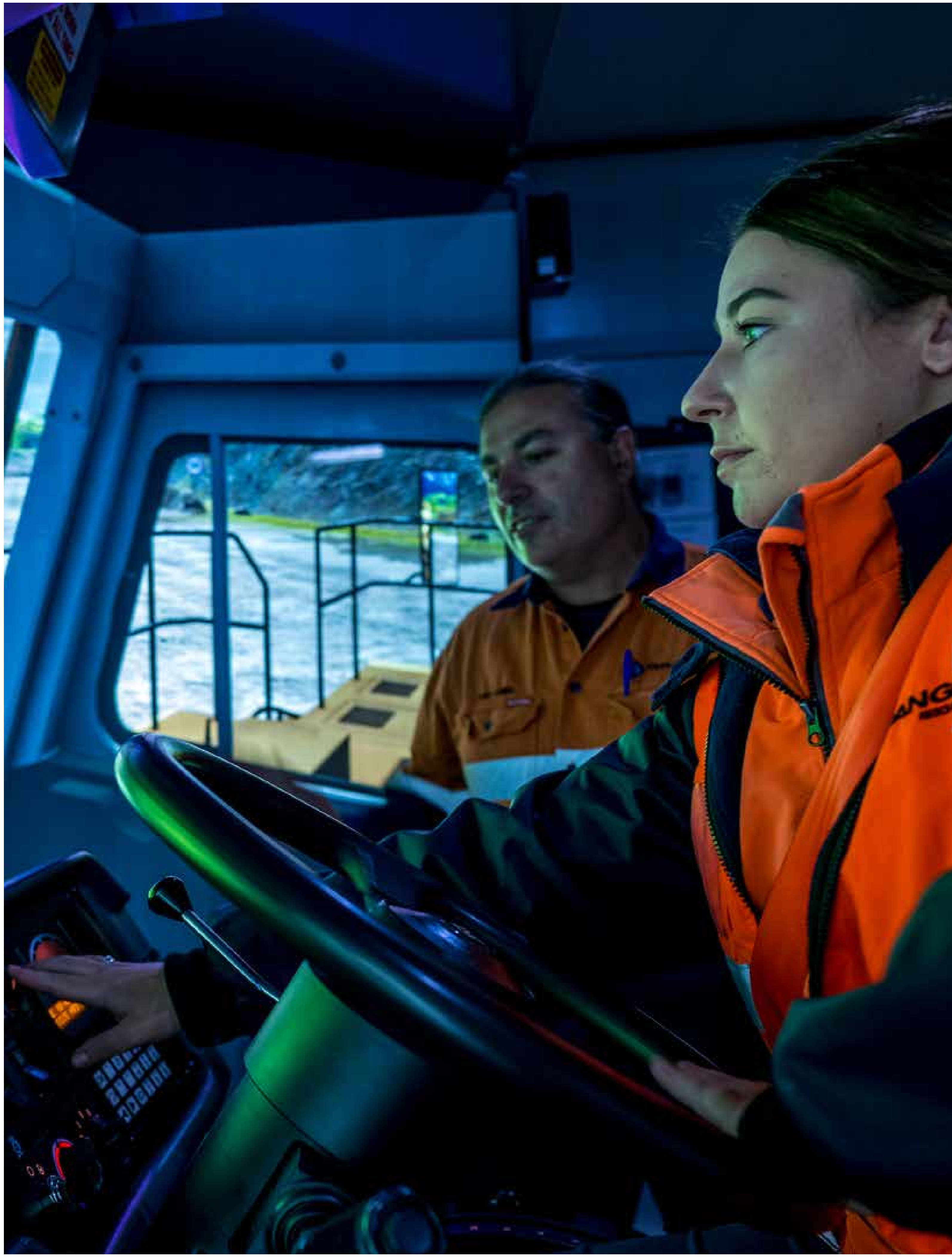
Investments in subsidiaries and joint venture entities are accounted for at cost in the financial statements of Grange Resources Limited. Dividends received from associates are recognised in the parent entity's profit or loss, rather than being deducted from the carrying amount of these investments.

FINANCIAL GUARANTEES

Where the parent entity has provided financial guarantees in relation to loans and payables of subsidiaries for no compensation, the fair values of these guarantees are accounted for as contributions and recognised as part of the cost of the investment.

(AD) ROUNDING OF AMOUNTS

The Group is of a kind referred to in ASIC Legislative Instrument 2016/191 Class, issued by the Australian Securities and Investments Commission, relating to the "rounding off" of amounts in the financial report. Amounts in the financial report have been rounded off in accordance with the instrument to the nearest thousand dollars, or in certain cases, the nearest dollar.



NOTE 2. FINANCIAL RISK MANAGEMENT

FINANCIAL RISK MANAGEMENT OBJECTIVES

The Group's activities expose it to a variety of financial risks: market risk (including currency risk, interest rate risk and price risk), credit risk and liquidity risk. The Group's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the Group. The Group has used derivative financial instruments such as foreign exchange contracts and forward commodity contracts to manage certain risk exposures. Derivatives are exclusively used for hedging purposes, i.e. not as trading or other speculative instruments. The Group uses different methods to measure different types of risks to which it is exposed. These methods include sensitivity analysis in the case of interest rate, foreign exchange and commodity price risks and aging analysis for credit risk.

Risk management is carried out by the management team following guidance received from the Audit and Risk Committee.

No events occurred in the current and prior periods that give rise to material items of income or expense as a result of climate.

The Group holds the following financial instruments:

	2022 $'000	2021 $'000
Financial Assets		
Cash and Cash Equivalent	108,411	443,890
Trade and other receivables	66,159	31,604
Other financial assets	193,761	1,207
Short Term Managed Funds	-	19,592
	368,331	**496,293**
Financial Liabilities		
Trade and other payables	67,723	120,836
	67,723	**120,836**

The carrying amount and movement in Short Term Managed Funds are set out below:

	2022 $'000	2021 $'000
Short Term Managed Funds		
Balance at the beginning of the year	19,592	19,539
Movement in short term managed funds	(19,592)	53
Carrying amount at the end of the year	**-**	**19,592**

NET DEBT RECONCILIATION

This section sets out an analysis of net debt and the movements in net debt for each of the periods presented.

	2022 $'000	2021 $'000
Net debt reconciliation		
Cash and cash equivalents	108,411	443,890
Liquid investments	190,200	19,592
Lease liability	(6,482)	(17,455)
Net cash, cash equivalents and liquid investments / (debt)	**292,129**	**446,027**

FINANCIAL ASSETS/(LIABILITIES) AT FAIR VALUE THROUGH PROFIT OR LOSS (FVPL)

The group classifies the following financial assets at fair value through profit or loss (FVPL)

(i) Short term managed funds

(ii) Derivative financial instruments

	2022 $'000	2021 $'000
Short Term Managed Funds	-	19,539
Derivative Financial Instruments	3,561	53
	3,561	**19,592**

AMOUNTS RECOGNISED IN PROFIT OR LOSS

During the year, the following gains/(losses) were recognised in profit or loss:

	2022 $'000	2021 $'000
Fair value gain(loss) on short term managed funds held at FVPL recognised in gain/(loss) on financial instruments	(98)	53
Fair value gain on derivative financial instrument at FVPL recognised in gain/loss on financial instruments	2,353	9,366
	2,255	**9,419**

(A) MARKET RISK

(I) FOREIGN EXCHANGE RISK

The Group operates internationally and is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to the US dollar.

Foreign exchange risk arises from commercial transactions, given that the Group's sales revenues are denominated in US dollars and the majority of its operating costs are denominated in Australian dollars, and recognised assets and liabilities denominated in a currency that is not the entity's functional currency.

The risk is measured using sensitivity analysis and cash flow forecasting. The Group's exposure to US dollar denominated foreign currency risk at the reporting date, expressed in Australian dollars, was as follows:

	2022 $'000	2021 $'000
Market risk		
Cash and cash equivalents	59,461	131,360
Trade and other receivables	48,293	18,464
Trade and other payables	(773)	56
Net US dollar surplus	**106,981**	**149,880**

GROUP SENSITIVITY

Based on the financial instruments held at 31 December 2022, had the Australian dollar weakened/strengthened by 10% against the US dollar with all other variables held constant, the Group's post tax profit for the financial period would have been $6.8 million higher / $8.3 million lower (2021: $7.5 million higher / $9.21 million lower), mainly as a result of foreign exchange gains/losses on US dollar denominated cash and cash equivalents, term deposits and receivables as detailed in the above table

(II) PRICE RISK

The Group is exposed to commodity price risk. During current and prior years, the price of iron ore pellets is based on a price index used in the market. At this time, the Group does not manage its iron ore price risk with financial instruments.

Going forward, the Group may consider using financial instruments to manage commodity price risk given exposures to market prices arising from the adoption of index based market pricing mechanisms.

Short term managed funds are exposed to price risk arising from investments held by the fund for which the future prices are uncertain. The investment manager moderates this risk through a careful selection of securities within specified limits. The fund actively maintains a high level of diversification in its holdings, thus potentially reducing the amount of risk in the fund.

(III) CASH FLOW AND FAIR VALUE INTEREST RATE RISK

The Group's main interest rate risk arises from cash and cash equivalents, term deposits and short term managed funds.

For short term managed funds, the interest-bearing financial assets in each of the Funds expose it to risks associated with the effects of fluctuations in the prevailing levels of market interest rates on its financial position and cash flows. The main interest rate risk arises from the Fund's investments in bonds.

As at the reporting date, the Group has no variable rate borrowings outstanding. Borrowings issued at variable rates expose the Group to cash flow interest rate risk. Borrowings issued at fixed rates expose the Group to fair value interest rate risk if the borrowings are carried at fair value. The Group's fixed rate borrowings are carried at amortised cost.

The Group analyses its interest rate exposure on a dynamic basis. Various scenarios are simulated taking into consideration refinancing, renewal of existing positions, alternative financing and hedging.

Based on these scenarios, the Group calculates the impact on profit and loss of a defined interest rate shift. No financial instruments are used to manage interest rate risk.

(B) CREDIT RISK

Credit risk is managed on a Group basis. Credit risk arises from cash and cash equivalents and deposits with banks and financial institutions, as well as credit exposures to customers, including outstanding receivables and committed transactions.

The Group is exposed to a concentration of risk with sales of iron ore being made to a limited number of customers. The maximum exposure to credit risk at the reporting date is limited to the carrying value of trade receivables, cash and cash equivalents and deposits with banks and financial institutions. As at 31 December 2022, there are $0.18m in trade receivables (2021 $0.18m) that are past due. The other classes within trade and other receivables do not contain impaired assets and are not past due.

(C) LIQUIDITY RISK

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities, the availability of funding through an adequate amount of committed credit facilities and the ability to close out market positions. The Group manages liquidity risk by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities.

MATURITIES OF FINANCIAL LIABILITIES

The table below analyses the Group's financial liabilities into relevant maturity groupings based on the remaining period as at the reporting date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows.

2022 - Consolidated	Less than 6 months $'000	6-12 months $'000	Between 1 and 2 years $'000	Between 2 and 5 years $'000	Over 5 years $'000	Total contractual cash flows $'000	Carrying amount liabilities $'000
Non-derivatives							
Trade and other payables	67,723	-	-	-	-	-	67,723
Lease liabilities	3,493	940	1,459	814	-	6,706	6,482
Total non-derivatives	**71,216**	**940**	**1,459**	**814**	**-**	**6,706**	**74,205**
Derivatives							
Trading derivatives	766	1,211	1,584	-	-	3,561	1,207
Total derivatives	**766**	**1,211**	**1,584**	**-**	**-**	**3,561**	**1,207**
2021 - Consolidated	**Less than 6 months $'000**	**6-12 months $'000**	**Between 1 and 2 years $'000**	**Between 2 and 5 years $'000**	**Over 5 years $'000**	**Total contractual cash flows $'000**	**Carrying amount liabilities $'000**
Non-derivatives							
Trade and other payables	120,836	-	-	-	-	120,836	120,836
Lease liabilities	16,912	212	261	306	-	17,691	17,455
Total non-derivatives	**137,748**	**212**	**261**	**306**	**-**	**138,527**	**138,291**
Derivatives							
Trading derivatives	995	212	-	-	-	1,207	1,207
Total derivatives	**995**	**212**	**-**	**-**	**-**	**1,207**	**1,207**

Note 2. Financial Risk Management (continued)

(D) CAPITAL RISK MANAGEMENT

When managing capital, the Group's objective is to safeguard the ability to continue as a going concern so that the Group continues to provide returns for shareholders and benefits for other stakeholders, and to maintain an optimal capital structure to reduce the cost of capital.

Management is constantly reviewing and adjusting, where necessary, the capital structure. This involves the use of corporate forecasting models which enable analysis of the Group's financial position including cash flow forecasts to determine future capital management requirements. To ensure sufficient funding, a range of assumptions are modelled.

(E) DERIVATIVES

The Group uses derivative financial instruments, such as foreign currency and commodity options to hedge its foreign currency risks and commodity price risks, respectively. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently remeasured at fair value using valuation techniques which employs the use of market observable inputs. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

CLASSIFICATION OF DERIVATIVES

Derivatives are classified as held for trading and accounted for at fair value through profit or loss. They are presented as current assets or liabilities if they are expected to be settled within 12 months after the end of the reporting period.

The Group has the following derivative financial instruments:

	2022 $'000	2021 $'000
Electricity fixed forward	3,548	500
Diesel commodity swap	-	461
Foreign currency options	13	246
Derivative financial instruments	**3,561**	**1,207**

(F) RECOGNISED FAIR VALUE MEASUREMENTS

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are recognised and measured at fair value in the financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the Group has classified its financial instruments into the three levels prescribed under the accounting standards.

Level 1: The fair value of financial instruments traded in active markets (such as publicly traded derivatives and equity securities) is based on quoted market prices at the end of the reporting period. The quoted market price used for financial assets held by the group is the current bid price. These instruments are included in level 1.

Level 2: The fair value of financial instruments that are not traded in an active market (for example, over-the-counter derivatives) is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. Specific valuation techniques used to value the derivative financial instruments mainly include determining the fair value of forward contracts using forward rates at the balance sheet date provided by the dealers.

The following table presents the group's assets and liabilities measured and recognised at fair value at 31 December 2022 and 31 December 2021.

2022	**Level 1 $'000**	**Level 2 $'000**	**Level 3 $'000**	**Total $'000**
Financial Assets				
Short Term Managed Funds	-	-	-	-
Derivative financial Instruments	-	3,561	-	3,561
Trade receivables – embedded derivative		7,698	-	7,698
	-	**11,259**	**-**	**11,259**
2021	**Level 1 $'000**	**Level 2 $'000**	**Level 3 $'000**	**Total $'000**
Financial Assets				
Short-term managed funds	-	19,592	-	19,592
Trade receivables – embedded derivative	-	5,177		5,177
Financial liabilities				
Derivatives financial instruments	-	1,207	-	1,207
	-	**25,976**	**-**	**25,976**

NOTE 3. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events, management believes to be reasonable under the circumstances. There are no critical accounting judgements, estimates and assumptions that are likely to affect the current or future financial years.

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that may have a financial impact on the entity and that are believed to be reasonable under the circumstances.

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

(A) NET REALISABLE VALUE OF INVENTORIES

The Group reviews the carrying value of its inventories at each reporting date to ensure that the cost does not exceed net realisable value. Estimates of net realisable value include a number of assumptions, including commodity price expectations, foreign exchange rates and costs to complete inventories to a saleable product. As at 31 December 2022 the net realisable value exceeded cost for all significant inventory balances.

(B) IMPAIRMENT OF PROPERTY, PLANT AND EQUIPMENT AND MINE PROPERTIES AND DEVELOPMENT

Where there is an indication of a possible impairment, a formal estimate of the recoverable amount of each Cash Generating Unit (CGU) is made, which is deemed to be the higher of a cash generating unit's fair value less costs of disposal and its value in use.

Significant judgements and assumptions are required in making estimates of Fair Value. The CGU valuations are subject to variability in key assumptions including, but not limited to, long-term iron ore pellet prices, currency exchange rates, and discount rates. An adverse change in one or more of the assumptions used to estimate Fair Value could result in a reduction in a CGU's recoverable value. This could lead to the recognition of impairment losses in the future. At 31 December 2022, the Group determined that there were no indicators of impairment.

To identify any indications of impairment, Management considers both external and internal sources as summarised below:

EXTERNAL SOURCES

(i) The carrying amount of the net assets more than its market capitalisation

(ii) Market interest rate have increased during the period

(iii) Significant changes with an adverse effect on the entity have taken place or will take place in the future

(iv) Observable indications that an asset market value has declined significantly more than that would be expected because of the passage of time and used

INTERNAL SOURCES

(i) Significant changes have taken place or expected to take place in the near future which an asset is used or expected to be used

(ii) Internal reporting suggests that the economic performance of an asset is or will be worse than expected

(iii) Obsolescence or physical damage of an asset

(C) STRIPPING COSTS IN THE PRODUCTION PHASE OF A SURFACE MINE (INTERPRETATION 20)

The application of Interpretation 20 requires management judgement in determining whether a surface mine is in the production phase and whether the benefits of production stripping activities will be realised in the form of inventory produced through improved access to ore.

Judgement is also applied in identifying the component of the ore body and the manner in which stripping costs are capitalised and amortised. There are a number of uncertainties inherent in identifying components of the ore body and the inputs to the relevant production methods for capitalising and amortising stripping costs and these assumptions may change significantly when new information becomes available. Such changes could impact on capitalisation and amortisation rates for capitalised stripping costs and deferred stripping asset values.

(D) DETERMINATION OF MINERAL RESOURCES AND ORE RESERVES

Mineral resources and ore reserves are based on information compiled by a Competent Person as defined in accordance with the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (the JORC 2012 code). There are numerous uncertainties inherent in estimating ore reserves and assumptions that are valid at the time of estimation may change significantly when new information becomes available. Changes in forecast prices of commodities, exchange rates, production costs or recovery rates may change the economic status of ore reserves and may, ultimately, result in the reserves being restated. Such changes in reserves could impact on depreciation and amortisation rates, asset carrying values and provisions for rehabilitation.

(E) TAXATION

The Group's accounting policy for taxation requires management judgment in relation to the application of income tax legislation. There are many transactions and calculations undertaken during the ordinary course of business where the ultimate tax determination is uncertain. The Group recognises liabilities for tax, and if appropriate taxation investigation or audit issues, based on whether tax will be due and payable. Where the taxation outcome of such matters is different from the amount initially recorded, such difference will impact the current and deferred tax positions in the period in which the assessment is made.

The Group merged its multiple tax consolidated groups on 6 January 2011 which has impacted the carrying amount of deferred tax assets and deferred tax liabilities recognised on the balance sheet. Management has used judgment in the application of income tax legislation on accounting for this tax consolidation. These judgments are based on management's interpretation of the income tax legislation applicable at the time of the consolidation.

In addition, certain deferred tax assets for deductible temporary differences have been recognised. In recognising these deferred tax assets assumptions have been made regarding the Group's ability to generate future taxable profits. There is an inherent risk and uncertainty in applying these judgments and a possibility that changes in legislation or forecasts will impact upon the carrying amount of deferred tax assets and deferred tax liabilities recognised on the balance sheet.

(F) PROVISION FOR DECOMMISSIONING AND RESTORATION COSTS

Decommissioning and restoration costs are a normal consequence of mining, and the majority of this expenditure is incurred at the end of a mine's life. In determining an appropriate level of provision, consideration is given to the expected future costs to be incurred, the timing of these expected future costs (largely dependent on the life of the mine), and the estimated future level of inflation, with reference to analysis performed by internal and external experts.

The ultimate cost of decommissioning and restoration is uncertain and costs can vary in response to many factors including changes to the relevant legal requirements, changes to mine plan, and the emergence of new restoration techniques or experience at other mine sites. The expected timing of expenditure can also change, for example in response to changes in reserves or to production rates.

Certain rehabilitation activities are undertaken as part of the mining operations included in the life of mine plan. Should the life of mine plan be amended in the future to exclude these activities, the provision for rehabilitation would increase correspondingly.

Changes to any of the estimates could result in significant changes to the level of provisioning required, which would in turn impact future financial results. These estimates are reviewed annually and adjusted where necessary to ensure that the most up to date data is used.

NOTE 4. SEGMENT INFORMATION

(A) DESCRIPTION OF SEGMENTS

Operating segments are determined based on the reports reviewed by the Chief Executive Officer, who is the Group's chief operating decision maker in terms of allocating resources and assessing performance.

The Group has two reportable segments:

(i) Exploration, evaluation, and development of mineral resources and iron ore mining operations; and

(ii) Development and construction of housing units

The Chief Executive Officer allocates resources and assesses performance, in terms of revenues earned, expenses incurred, and assets employed, on a consolidated basis in a manner consistent with that of the measurement and presentation in the financial statements.

Exploration, evaluation and development projects (including the Southdown project) are not deemed reportable operating segments at this time as the financial performance of these operations is not separately included in the reports provided to the Chief Executive Officer. These projects may become segments in the future.

Segment assets and capital are allocated based on where the assets are located. The consolidated assets of the Group were predominately located in Australia as at 31 December 2022 and 31 December 2021. The total costs incurred during the current and comparative periods to acquire segment assets were also predominately incurred in Australia.

	Ore Mining		Property Development		Total	
	2022 $'000	2021 $'000	2022 $'000	2021 $'000	2022 $'000	2021 $'000
Revenue from external customers	580,294	775,481	14,261	6,181	594,555	781,662
Timing of revenue recognition						
At a point in time	521,839	722,283	14,261	6,181	536,100	728,464
Over time - Freight	58,455	53,198	-	-	58,455	53,198
	2022 $'000	2021 $'000	2022 $'000	2021 $'000	2022 $'000	2021 $'000
Total Assets	1,098,219	1,095,526	-	24,709	1,098,219	1,120,235
Total Liabilities	194,093	247,891	-	1,125	194,093	249,016

The following table presents revenues from sales of iron ore based on the geographical location of the port of discharge.

Segment revenues from sale to external customers

	2022 $'000	2021 $'000
Ore Mining		
Australia	38,520	46,314
China	355,369	551,330
South Korea	167,294	177,837
Malaysia	4,893	-
Turkey	14,218	-
	580,294	**775,481**
Property Development		
Australia	14,261	6,181
Total Revenue	**594,555**	**781,662**

Sales of iron ore products to Jiangsu Shagang International Trade Co., Ltd, a wholly owned subsidiary of Jiangsu Shagang Group, under long-term off-take agreements amounted to $211.9m / 36.5% of mining revenue (2021: $216.3m / 27.7%).

NOTE 5. REVENUE FROM OPERATIONS

	2022			2021		
	Revenue from Contracts with Customers $'000	Other Revenue/ (Loss) $'000	Total Revenues $'000	Revenue from Contracts with Customers $'000	Other Revenue/ (Loss) $'000	Total Revenues $'000
From mining operations						
Sales of iron ore	609,515	(29,221)	580,294	774,293	1,188	775,481
From property development						
Sales of property	14,261	-	14,261	6,181	-	6,181
	623,776	**(29,221)**	**594,555**	**780,474**	**1,188**	**781,662**

Revenue from contracts with provisional pricing is recognised based on the estimated forward prices where available which the Group expects to receive at the end of the quotation period. Where an estimated forward price is not available, spot prices are applied as management's best estimate of the provisional prices. The quotation period exposure is considered to be an embedded derivative and forms part of trade receivables. The subsequent changes in the fair value were recognised in the statement of profit or loss and other comprehensive income as other revenue (loss). Changes in fair value over, and until the end of the quotation period, are estimated by reference to updated forward market prices.

NOTE 6. COST OF SALES

	2022 $'000	2021 $'000
Mining Costs	180,339	137,837
Production costs	141,710	117,370
Changes in Inventories	(448)	(45,485)
Freight costs	58,455	53,199
Government royalties	19,464	24,752
Depreciation and amortisation expense	25,463	18,300
Mine properties and development		
- Amortisation expense	8,982	9,472
Deferred Stripping		
- Amounts capitalised during the year	(136,222)	(38,941)
- Amortisation expense	21,133	54,899
Foreign exchange gain/(loss)	2,535	(1,202)
Property costs	12,616	6,396
Inventory provision	-	672
	334,027	**337,269**
Depreciation and amortisation expense		
Land and buildings	1,481	991
Plant and equipment	23,473	17,010
Computer equipment	509	299
	25,463	**18,300**

NOTE 7. ADMINISTRATIVE EXPENSES

	2022 $'000	2021 $'000
Salaries	2,881	2,629
Consultancy Fee	1,208	930
Others	545	324
	4,634	**3,883**

NOTE 8. OTHER INCOME (EXPENSE)

	2022 $'000	2021 $'000
Rent Income	161	230
Other Income	163	237
Gain (loss) on the disposal of property, plant and equipment	(17)	2,159
Loss on derecognition of right of use of assets	(4,030)	-
Provision for rehabilitation - change in estimate	(757)	5,954
Unwind of net borrowings for the joint venture	-	2,561
	(4,480)	**11,141**

NOTE 9. FINANCE INCOME

	2022 $'000	2021 $'000
Interest income received or receivable	9,729	5,541
Distribution Income	429	940
Gain on financial instruments	2,255	9,418
Exchange gains on foreign currency deposit	9,371	7,161
	21,784	**23,060**

NOTE 10. FINANCE EXPENSES

	2022 $'000	2021 $'000
Provisions: unwinding of discounts		
- Decommissioning and Restorations	1,911	885
Interest charges on lease liabilities	1,047	304
Other interest charges	484	21
	3,442	**1,210**

NOTE 11. INCOME TAX EXPENSE

	2022 $'000	2021 $'000
(a) Income tax expense		
Current tax	38,961	123,329
Tax refund on capitalised mining costs - Tailing Storage Facility	(22,622)	-
Total current tax expense	**16,339**	**123,329**
Deferred income tax		
Decrease in deferred tax assets	60,861	15,946
Movements in unrecognised deferred tax	(109)	-
Total deferred tax expense	**60,752**	**15,946**
Total income tax expense	**77,091**	**139,275**
b) Numerical reconciliation of income tax expense to prima facie tax payable		
Profit from continuing operations before income tax expense	248,826	460,890
Tax expense at the Australian tax rate of 30% (2021: 30%) Tax effect of amounts which are not deductible (taxable) in calculating taxable income:	74,648	138,267
Sundry Items	536	412
	75,184	**138,679**
Movement in current year net deferred tax assets relating to temporary differences	(109)	39
Adjustment to tax of prior period	2,016	557
	1,907	**596**
Total income tax expense	**77,091**	**139,275**
(c) Taxation Losses		
Unused taxation losses for which no deferred tax asset has been recognised	5,246	3,733
Potential tax benefit @ 30%	**1,574**	**1,120**

NOTE 12. CASH AND CASH EQUIVALENTS

	2022 $'000	2021 $'000
Cash at bank and in hand	9,074	5,240
Short-term deposits	99,337	438,650
Cash and cash equivalents	**108,411**	**443,890**
Cash and cash equivalents as per statement of cash flows	**108,411**	**443,890**

Total cash is held in trading accounts or term deposits with major financial institutions under normal terms and conditions appropriate to the operation of the accounts. These deposits earn interest at rates set by these institutions. As at 31 December 2022 the weighted average interest rate on the Australian dollar accounts was 3.39% (31 December 2021: 0.31%) and the weighted average interest rate on the United States dollar accounts was 5.78% (31 December 2021: 1.94%).

(A) RISK EXPOSURE

The Group's exposure to interest rate risk is discussed in note 2. The maximum exposure to credit risk at the reporting date is the carrying amount of each class of cash and cash equivalents mentioned above.

NOTE 13. TRADE AND OTHER RECEIVABLES

	2022 $'000	2021 $'000
Trade receivables	48,727	18,822
Security deposits	325	370
Other receivables	8,120	4,429
Prepayments	1,249	498
	58,421	**24,119**

Trade receivables include provisionally priced receivables relating to sales contracts where the selling price is determined after delivery to the customers, based on the market price at the relevant quotation point stipulated in the contract (note 5 – Revenue). The quotation period exposure is considered to be an embedded derivative and not separated from the entire balance. The entire balance is accounted for as one instrument and measured at fair value.

Trade receivables - embedded derivative due to quotation period exposure is considered as level 2 in fair value hierarchy (note 2).

Security deposits comprises of restricted deposits that are used for monetary backing for performance guarantees.

(A) IMPAIRED TRADE RECEIVABLES

Information regarding the impairment of trade and other receivables is provided in note 2.

(B) FOREIGN EXCHANGE AND INTEREST RATE RISK

Information about the Group's exposure to foreign currency risk and interest rate risk in relation to trade and other receivables is provided in note 2.

(C) FAIR VALUE AND CREDIT RISK

Due to the short-term nature of these receivables, their carrying amount is assumed to be their fair value. The maximum exposure to credit risk at the end of the reporting period is the carrying amount of each class of receivables mentioned above. Refer to note 2 for more information on the credit quality of the Group's trade and other receivables.

NOTE 14. INVENTORIES

	2022 $'000	2021 $'000
Stores and spares	47,656	34,986
Ore stockpiles	83,155	91,667
Work in progress	2,848	970
Finished goods (at lower of cost and net realisable value)	29,245	22,163
Properties developed for sale	-	12,215
	162,904	**162,001**

Ore stockpiles, work in progress, finished goods and stores and spares are valued at the lower of weighted average cost and estimated net realisable value. A credit of $0.4 million in 2022 and a credit of $45.5 million in 2021 were recognised for the movements in inventories (note 6).

NOTE 15. RECEIVABLES

	2022 $'000	2021 $'000
Security deposits	8,988	7,984

Non-current security deposits comprise of restricted deposits that are used for monetary backing for performance guarantees.

(A) RISK EXPOSURE

Information about the Group's exposure to credit risk, foreign exchange risk and interest rate risk in relation to security deposits is provided in note 2. The maximum exposure to credit risk at the reporting date is the carrying amount of each class of receivables mentioned above.

NOTE 16. PROPERTY, PLANT AND EQUIPMENT

	Land and Building $'000	Plant and Equipment $'000	Computer Equipment $'000	Total $'000
At 1 January 2022				
Cost	54,932	492,969	9,754	557,655
Accumulated depreciation and impairment	(40,007)	(371,424)	(9,044)	(420,475)
Net book amount	**14,925**	**121,545**	**710**	**137,180**
Year ended 31 December 2022				
Opening net book amount	14,925	121,545	710	137,180
Additions	3,211	80,194	521	83,926
Disposals - net book value	-	-	(17)	(17)
Depreciation charge	(1,485)	(20,281)	(513)	(22,279)
Transfer to MP&D	(15)	(966)	-	(981)
Closing net book amount	**16,636**	**180,492**	**701**	**197,829**
At 31 December 2022				
Cost	58,128	572,197	10,258	640,583
Accumulated depreciation and Impairment	(41,492)	(391,705)	(9,557)	(442,754)
Net book amount	**16,636**	**180,492**	**701**	**197,829**

	Land and Building $'000	Plant and Equipment $'000	Computer Equipment $'000	Total $'000
At 1 January 2021				
Cost	54,284	454,083	9,741	518,108
Accumulated depreciation and impairment	(39,015)	(356,361)	(8,738)	(404,114)
Net book amount	**15,269**	**97,722**	**1,003**	**113,994**
Year ended 31 December 2021				
Opening net book amount	15,269	97,722	1,003	113,994
Additions	648	39,334	14	39,996
Disposals - net book value	-	(448)	(1)	(449)
Depreciation charge	(992)	(15,063)	(306)	(16,361)
Closing net book amount	**14,925**	**121,545**	**710**	**137,180**
At 31 December 2021				
Cost	54,932	492,969	9,754	557,655
Accumulated depreciation and impairment	(40,007)	(371,424)	(9,044)	(420,475)
Net book amount	**14,925**	**121,545**	**710**	**137,180**

(A) ASSETS UNDER CONSTRUCTION

The carrying amounts of the assets disclosed above includes expenditure of $104.1 million (2021: $68.2 million) recognised in relation to property, plant and equipment which is in the course of construction.

NOTE 17. RIGHT-OF-USE ASSETS

This note provides information for leases where the group is a lessee.

(I) AMOUNTS RECOGNISED IN THE BALANCE SHEET

The balance sheet shows the following amounts relating to leases:

	2022 $'000	2021 $'000
Right-of-use assets		
Land and buildings	189	255
Plant and equipment	6,764	18,285
	6,953	**18,540**
Lease liabilities		
Current	4,284	16,920
Non-current	2,198	535
Total lease liabilities	**6,482**	**17,455**

Additions to the right-of-use assets during the 2022 financial year were $5,904,363 (2021 - $18,268,097)

The total cash outflow from repayment of leases in 2022 excluding interest repayment was $6,670,320 (2021 - $3,221,573)

(II) AMOUNTS RECOGNISED IN THE STATEMENT OF PROFIT OR LOSS

The statement of profit or loss shows the following amounts relating to leases:

	2022 $'000	2021 $'000
Depreciation charge of right of use assets		
Land and buildings	(60)	(75)
Plant and equipment	(3,193)	(1,964)
	(3,253)	**(2,039)**
Interest expense (included in finance cost)	1,047	304
Expense relating to short-term leases (included in cost of sales)	297	315

NOTE 18. MINE PROPERTIES AND DEVELOPMENT

	2022 $'000	2021 $'000
Mine properties and development (at cost)	664,105	670,898
Accumulated amortisation and impairment	(500,997)	(491,276)
Net book amount	**163,108**	**179,622**
Deferred stripping costs (net book amount)	197,844	82,755
Total mine properties and developments	**360,952**	**262,377**

Movements in mine properties and development are set out below:

	2022 $'000	2021 $'000
Mine properties and development		
Opening net book amount	179,622	170,584
Current year expenditure capitalised	623	1,134
Change in rehabilitation estimate	16,994	21,913
Change in discount rate	(26,132)	(4,537)
Amortisation Expense	(8,982)	(9,472)
Transfer from PPE	983	-
Closing net book amount	**163,108**	**179,622**
Deferred stripping costs		
Opening net book amount	82,755	98,713
Current year expenditure capitalised	136,222	38,941
Amortisation expense	(21,133)	(54,899)
Closing net book amount	**197,844**	**82,755**

NOTE 19. TRADE AND OTHER PAYABLES

	2022 $'000	2021 $'000
Trade payables	45,003	36,613
Contract Liabilities	2,662	3,793
Tax payable	16,184	79,110
Other payables	3,874	1,320
	67,723	**120,836**

(A) RISK EXPOSURE

Trade payables are non-interest bearing and are normally settled on repayment terms between 7 and 30 days. Information about the Group's exposure to foreign exchange risk is provided in note 2.

NOTE 20. PROVISIONS

	2022 $'000	2021 $'000
Provisions (Current)		
Leave Obligations	17,793	17,630
Employee benefits	2,891	3,093
Decommissioning and restoration	1,323	1,487
Property settlement related provision	-	80
	22,007	**22,290**

The leave obligations cover the group's liabilities for long service leave and annual leave which are classified as either current or non-current benefits. The current portion of this liability includes all of the accrued annual leave, the unconditional entitlements to long service leave where employees have completed the required period of service and also for those employees that are entitled to pro-rata payments in certain circumstances. The entire amount of the provision of $17.8 million (2021 $17.6 million) is presented as current, since the group does not have an unconditional right to defer settlement for any of these obligations. However, based on past experience, the group does not expect all employees to take the full amount of accrued leave or require payment within the next 12 months.

The following amounts reflect leave that is not expected to be taken or paid within the next 12 months.

	2022 $'000	2021 $'000
Current leave obligations expected to be settled after 12 months	8,894	10,476

Movements in provision for decommissioning and restoration (current) are set out below

	2022 $'000	2021 $'000
Balance at beginning of year	1,487	5,950
Payments	(138)	(177)
Transfers from non-current provisions	(26)	(4,286)
Balance at the end of the year	**1,323**	**1,487**

	2022 $'000	2021 $'000
Provisions (Non-Current)		
Leave obligations	2,598	2,895
Employee benefits	181	305
Decommissioning and restoration	77,586	85,235
	80,365	**88,435**

Movements in provision for decommissioning and restoration (non-current) are set out below

	2022 $'000	2021 $'000
Balance at beginning of the year	85,235	68,671
Change in estimate	(8,630)	11,422
Unwinding of discount	1,911	906
Transfers to current provisions	26	4,236
Rehabilitation work completed	(956)	-
	77,586	**85,235**

The main component of the provision for decommissioning and restoration costs is for the Group's obligation to rehabilitate the Savage River and Port Latta sites for the disturbance caused by its operations. The rehabilitation provision also includes an obligation under the Tasmanian Goldamere Pty Ltd Act 1996 to repay the Tasmanian Government for part of the purchase of the mine through expenditure on remediation.

NOTE 21. DEFERRED TAX ASSETS (LIABILITIES)

	2022 $'000	2021 $'000
The balance comprises temporary differences attributable to:		
Deferred Tax Assets		
Property, plant and equipment	16,572	17,972
Mine properties and development	-	816
Decommissioning and restoration	21,954	24,224
Employee benefits	7,039	7,174
Foreign exchange	353	-
Trade Receivables	56	53
Prepayments	-	1
Total deferred tax assets	**45,974**	**50,240**
Deferred tax liabilities		
Mine properties and development	(55,912)	-
Foreign exchange	-	(1,104)
Inventory	(6,368)	(5,133)
Derivatives	(1,068)	(363)
Trade Payables	(141)	(295)
Prepayments	(1)	-
Total deferred tax liabilities	**(63,490)**	**(6,895)**
Total net deferred tax assets (liabilities)	**(17,516)**	**43,345**

NOTE 22. SHARE-BASED PAYMENT

In May 2022 (various dates) Grange Resources Limited (Parent Company) granted performance rights in three tranches and to be settled by issuance of shares to three key management personnel. Each right is entitled to a one equity share with a vesting date of 31 December 2024.

Tranche 1 requires a total share return (TSR) hurdle while Tranche 2 and Tranche 3 requires a series of non-market-based business objectives.

The performance rights granted were determined to be an equity settled shared-based payment transaction. The fair value at grant date for tranche 1 is estimated using a Monte Carlo model, adjusted to take account of the Shareholder Return ("TSR") target required for the Performance Rights to vest while for tranche 2 and 3 using Black Scholes Option Pricing. The fair value at the grant date was estimated using the following assumptions:

The life of the performance rights (years)	2.6
Share price at grant dates	$1.220, $1.550, $1.585
Expected volatility	55%
Dividend yield	3.3%
Risk free interest rates	2.9%,2.6%
TSR at measurement dates (tranche 1 only and relative to index)	61.6%, 96.7%, 98.8%

The fair values of the performance rights at grant date are tranche 1 ($128,331), tranche 2 ($157,332) and tranche 3 ($70,600) and these are amortised over the life of the performance rights. The Group has recognised employee benefits expense of $53,404.

NOTE 23. CONTRIBUTED EQUITY

ORDINARY SHARES

Ordinary shares entitle the holder to participate in dividends and the proceeds of winding up of the Company in proportion to the number of and amounts paid on the shares held. Ordinary shares entitle their holder to one vote per share, either in person or by proxy, at a meeting of the Company. Ordinary shares have no par value and the Company does not have a limited amount of authorised share capital.

(A) MOVEMENTS IN ORDINARY SHARE CAPITAL

	Number of Shares	$'000
Balance at 1 Jan 2022 / 31 Dec 2022	**1,157,338,698**	**331,513**

NOTE 24. RETAINED EARNINGS

Retained earnings attributable to owners of Grange Resources

	2022 $'000	2021 $'000
Retained earnings		
Movements in retained earnings were as follows		
Balance at the beginning of the year	541,979	381,747
Profit for the year	171,735	322,260
Dividends paid	(138,881)	(162,028)
Balance at the end of the year	**574,833**	**541,979**

NOTE 25. DIVIDENDS

	2022 $'000	2021 $'000
Fully franked interim dividend for half year ended 30 June 2022 - 2.0 cents per share	23,147	-
Fully franked final dividend for the year ended 31 December 2021 - 10.0 cents per share	115,734	-
Fully franked special dividend for year ended 31 December 2021 - 10.0 cents per share	-	115,734
Fully franked interim dividend for half year ended 30 June 2021 - 2.0 cents per share	-	23,147
Fully franked final dividend for the year ended 31 December 2020 - 2.0 cents per share	-	23,147
	138,881	**162,028**

Since the end of the financial year the directors have recommended the payment of a 2.0 cent final dividend of $23.1 million. This represents a total of $46.3 million (4.0 cents per share) fully franked dividend for the year-end 31 December 2022. The final dividend was declared NIL conduit foreign income and will be paid on 28 March 2023.

FRANKED DIVIDENDS

The final dividends recommended after 31 December 2022 will be fully franked out of existing franking credits, or out of franking credits arising from the payment of income tax in the year ending 31 December 2022.

	31 December 2022 $'000	31 December 2021 $'000
Franking credits available for subsequent reporting periods	**87,262**	**126,937**
Based on a tax rate of 30% (2021 - 30%)		

The above amounts are calculated from the balance of the franking account as at the end of the reporting period, adjusted for franking credits and debits that will arise from the settlement of liabilities or receivables for income tax and dividends after the end of the year.

NOTE 26. CARRYING VALUE OF NON-CURRENT ASSETS

At each reporting date, the Group assesses whether there is any indication that an asset may be impaired. The Group considers both internal and external factors when reviewing for indicators of impairment (Note 3(b)).

At 31 December 2022, the Group determined that there were no indicators of impairment for Property Plant and Equipment, Mine Property & Development and Right of Use of Assets due to improved market capitalisation, strong spot and consensus forecast iron ore prices, foreign exchange rates, reserves and resources, and asset performance at 31 December 2022.

In addition to this, the Group is currently undertaking an underground project to extend the life of mine, reduce the operating costs and minimise the future capital expenditures.

NOTE 27. REMUNERATION OF AUDITORS

	2022 $'000	2021 $'000
Assurance Services		
PwC Australia		
Audit and review of financial reports	239	313
Other assurance services	27	102
Network firms of PwC Australia	18	17
	284	**432**
Non-Assurance Services		
PwC Australia		
Taxation compliance services	-	8
Total remuneration paid	**284**	**440**

NOTE 28. COMMITMENTS AND CONTINGENCIES

(A) TENEMENT EXPENDITURE COMMITMENTS

In order to maintain the mining and exploration tenements in which the Group is involved, the Group is committed to meet conditions under which the tenements were granted. If the Group continues to hold those tenements, the minimum expenditure requirements (including interests in joint venture arrangements) will be approximately:

	2022 $'000	2021 $'000
Within one year	386	492
After one year but not later than 5 years	1,584	1,567
Later than 5 years	2,482	2,445
	4,452	**4,504**

(B) CAPITAL EXPENDITURE COMMITMENTS

Capital expenditure obligations at the end of the reporting period but not recognised as liabilities are as follows:

	2022 $'000	2021 $'000
Within one year	46,967	17,739
After one year but not later than 5 years	-	9,218
	46,967	**26,957**

(C) CONTRACTUAL OPERATING EXPENDITURE COMMITMENTS

Obligations to external parties which arise with respect to legal supply contracts made by the company (other than lease agreements).

	2022 $'000	2021 $'000
Within one year	55,353	26,177
After one year but not more than 5 years	15,690	26,909
	71,043	**53,086**

(D) BANK GUARANTEES

Bank guarantees have been provided on the Group's behalf to secure, on demand by the Minister for Mines and Energy for the State of Queensland, any sum to a maximum aggregate amount of $2,012,963 (2021: $2,012,963), in relation to the rehabilitation of the Highway Reward project.

A Bank guarantee has been provided by Grange Resources (Tasmania) Pty Ltd, held by the Tasmanian Government, as required under Environmental Management and Pollution Control Act 1994 (EMPCA) for the amount of $3,174,542 (2021 $3,170,622).

A Bank guarantee has been provided by Grange Resources (Tasmania) Pty Ltd, held by the National Australia Bank, as required under the Goldamere Agreement and applicable Deeds of Variation, for the amount of $2,800,000 (2021: $2,800,000). This amount is a guarantee against the purchase price outstanding with the Tasmanian government as specified in the Goldamere Agreement.

A Bank guarantee has been provided by Grange Resources Limited, held by the National Australia Bank, as required under the Capacity Auction Agreement governed by the Australian Energy Market Operator Limited ("AEMO") for the amount of $1,000,000 (2021: Nil).

No material losses are anticipated in respect to the above bank guarantees and the rehabilitation provisions include these amounts.

(E) CONTINGENT ASSETS AND LIABILITIES

The Group did not have any material contingent assets or liabilities at the Balance Sheet Date.

NOTE 29. RELATED PARTY TRANSACTIONS

(A) ULTIMATE PARENT

Grange Resources Limited (Grange) is the ultimate Australian parent company.

(B) SUBSIDIARIES

Interests in subsidiaries are set out in note 30.

(C) KEY MANAGEMENT PERSONNEL COMPENSATION

	2022 $*	2021 $*
Short term employee benefits	1,666,986	1,667,495
Post-employment benefits	135,180	124,962
Long-term benefits	52,591	49,990
Long-term incentives	202,870	198,398
	2,057,627	**2,040,845**

(D) TRANSACTIONS WITH RELATED PARTIES

During the year the following transactions occurred with related parties:

	2022 $*	2021 $*
Sales of iron ore products	211,922,470	216,292,463

Sales of iron ore products to Jiangsu Shagang International Trade Co., Ltd, a wholly owned subsidiary of Jiangsu Shagang Group, under long-term off-take agreements.

During the year, 867,501 dry metric tonnes of iron ore products were sold to Shagang in accordance with the terms of the long term off-take agreements (2022 Contract Year (1 April 2021 to 31 March 2022): 707,049) (2021 contract year (1 April 2020 to 31 March 2021): 860,542 dmt).

(E) OUTSTANDING BALANCES ARISING FROM TRANSACTIONS WITH RELATED PARTIES

The following balances are outstanding at the end of the reporting period in relation to transactions with related parties:

	2022 $*	2021 $*
Trade receivables (sales of iron ore products)		
Pellets	15,241,644	19,095,808
Other	-	(62,961)
	15,241,644	**19,032,847**

* the version released on the 8th May has been updated for typographical errors, headings previously reported as $'000s rather than whole dollars

Amounts outstanding under the long term off-take agreement with Shagang are unsecured whereas amounts outstanding in respect of spot sales are secured against an irrevocable letter of credit. All outstanding balances will be settled in cash. The credit balance of the receivables in the current year represents the final price adjustments due to the quotation periods and final discharge port results.

There is no allowance account for impaired receivables in relation to any outstanding balances with related parties, and no expense has been recognised during the year in respect of impaired receivables due from related parties (2021: Nil).

LONG TERM OFF-TAKE AGREEMENT

Grange Resources (Tasmania) Pty Ltd (Grange Tasmania) is party to a long term off-take agreement (Pellets and Chips) with Jiangsu Shagang International Trade Co. Ltd (Shagang), a wholly owned subsidiary of Jiangsu Shagang Group Co. Ltd, who, as at 24 February 2023, holds 47.93% (26 February 2022: 47.93%) of the issued ordinary shares of Grange.

PELLETS

The key terms of the agreement with Shagang, as advised to the ASX on 23 April 2021, are as follows:

(i) The sale of 1 million dry metric tonnes of iron ore pellets per annum until 2032.

(ii) The price for the iron ore pellets will be based on a price index used by other market participants as agreed by the parties having regard to:

a) seaborne iron ore supply and demand conditions

b) available published price benchmarks for iron ore; and

c) product quality differentials.

Transactions between Shagang and Grange must be approved by non-associated shareholders of Grange, or approved by the Grange independent directors.

RECEIVABLE FROM AND PAYABLE TO RELATED PARTIES

There were no trade receivables from or trade payables to related parties at the current and previous reporting date.

LOANS TO/FROM RELATED PARTIES

There were no loans to or from related parties at the current and previous reporting date.

NOTE 30. SUBSIDIARIES

The consolidated financial statements incorporate the assets, liabilities and results of the following subsidiaries in accordance with the accounting policy described in note 1.

	Percentage of equity interest held by the Group	
	2022 %	2021 %
Ever Green Resources Co., Limited (1)	100	100
Grange Tasmania Holdings Pty Ltd	100	100
Beviron Pty Ltd	100	100
Grange Resources (Tasmania) Pty Ltd	100	100
Grange Capital Pty Ltd	100	100
Grange Administrative Services Pty Ltd	100	100
Barrack Mines Pty Ltd	100	100
Bamine Pty Ltd	100	100
BML Holdings Pty Ltd	100	100
Horseshoe Gold Mine Pty Ltd	100	100
Grange Resources (Southdown) Pty Ltd	100	100
Southdown Project Management Company Pty Ltd	100	100
Grange Resources Investments Pty Ltd	100	100
Grange ROC Property Pty Ltd (2)	100	100

(1) Ever Green Resources Co., Limited is incorporated in Hong Kong, and registered as a foreign company under the Corporations Act 2001.

(2) On 13 February 2023 Grange ROC Property Pty Ltd was deregistered.

NOTE 31. INTEREST IN JOINT OPERATIONS

	% Interest	
Name of Joint Operation	**2022**	**2021**
Southdown Magnetite and Associated Pellet Project(s) – Iron Ore	70.00	70.00
Reward - Copper / Gold	31.15	31.15
Highway – Copper	30.00	30.00
Reward Deeps / Conviction - Copper	30.00	30.00
Mt Windsor Exploration - Gold / Base Metals	30.00	30.00
Durack / Wembley – Exploration Gold	15.00	15.00

The joint operations are not separate legal entities. They are contractual arrangements between the participants for the sharing of costs and output and do not in themselves generate revenue and profit.

Mt Windsor Exploration is a joint venture between BML Holdings Pty Limited, a subsidiary of Grange Resources Limited, and Thalanga Copper Mines Pty Ltd. The joint venture was engaged in ore mining and is now being rehabilitated for future lease relinquishment. The principal place of business of the joint venture is at 1 Penghana Road, Queenstown, Tasmania, 7326.

Southdown Magnetite and Associated Pellet Project(s) is a joint venture between Grange Resources Limited and SRT Australia Pty Ltd (SRT). The joint venture proposes to mine and export premium iron ore pellets and concentrates. The principal place of business of the joint venture is at 34a Alexander Street, Burnie, Tasmania, 7320.

Note 31. Interest in Joint Operations (continued)

Grange Resources Limited has entered into a binding agreement with its joint venture partner, SRT Australia Pty Ltd ("SRT"), to re-acquire SRT's 30% interest in the Southdown Magnetite Project. Upon completion of the transaction, Grange will hold 100% ownership in the Southdown Project.

Condition precedents includes Australian Foreign Investment Review Board (FIRB) approval, ministerial consent, and no breach of seller warranty.

Either party may terminate the SPA if a condition precedent has not been satisfied or waive by the cut-off date. The cut-off date for satisfaction of conditions precedent is 180 days of the date of agreement. SRT can extend cut-off date for FIRB approval condition by a further 180 days.

The binding agreement also includes:

- Grange to provides SRT with a cash amount, right to future off-take and cancellation of future royalty obligations.
- Grange has also entered into an off-take rights agreement with Sojitz Corporation (Sojitz). This provides Sojitz with rights to acquire up to 30% of future Southdown Project production at market prices for a period of 20 years plus options for additional 20 years.
- Sojitz has agreed to provide confirmation of its intention to purchase products from the Southdown Project to support financing for its development.

NOTE 32. RECONCILIATION OF PROFIT AFTER INCOME TAX TO NET CASH INFLOW FROM OPERATING ACTIVITIES

	2022 $'000	2021 $'000
Profit for the year	171,735	321,615
Unwinding of discount	1,911	885
Depreciation and amortisation	25,532	18,400
Mine properties and development amortisation	30,115	64,370
Other non-cash income	(1,022)	(9,196)
Interest expense	484	21
Inventory provision	-	672
Proceeds from sale of property, plant and equipment	1	-
Loss on disposal of property plant and equipment	18	447
Loss on derecognition of right of use assets	4,030	-
Gain on financial instruments	(2,255)	(9,418)
Net unrealised foreign exchange gain	(9,371)	(7,161)
Change in operating assets and liabilities		
(Increase) decrease in trade and other receivables	(34,347)	58,863
Increase in inventories	(903)	(39,664)
Decrease in deferred tax assets	60,861	15,946
Increase in trade and other payables (excluding tax payable)	13,622	1,914
(Decrease) increase in other provisions	(540)	1,424
(Decrease) increase in provision for income tax payable	(62,926)	79,042
Net cash inflow from operating activities	**196,945**	**498,160**

NOTE 33. EARNINGS PER SHARE

	2022 Cents	2021 Cents
Basic earnings per share		
From continuing operations attributable to the ordinary equity holders of the Company	14.84	27.84
Diluted earnings per share		
From continuing operations attributable to the ordinary equity holders of the Company	14.84	27.84

(A) RECONCILIATIONS OF EARNINGS USED IN CALCULATING EARNINGS PER SHARE

	2022 $'000	2021 $'000
Basic earning per share		
Profit attributable to the ordinary equity holders of the Company used in calculating basic earnings per share from continuing operations	171,735	322,260
Diluted earnings per share		
Profit attributable to the ordinary equity holders of the Company used in calculating diluted earnings per share from continuing operations	171,735	322,260

(B) WEIGHTED AVERAGE NUMBER OF SHARES USED AS THE DENOMINATOR

	2022 Number	2021 Number
Weighted average number of ordinary shares used as the denominator in calculating basic earning per share	1,157,338,698	1,157,338,698
Weighted average number of ordinary shares used as the denominator in calculating diluted earning per share	1,157,486,563	1,157,338,698

Weighted average number of ordinary shares in calculating diluted earnings per shares includes options of 147,865 over ordinary shares.

NOTE 34. PARENT ENTITY INFORMATION

(A) SUMMARY FINANCIAL INFORMATION

The individual financial statements for the parent entity show the following aggregate amounts:

	2022 $'000	2021 $'000
Balance Sheet		
Current Assets	1,514	36,222
Total Assets	1,074,811	489,115
Current liabilities	20,351	82,241
Total liabilities	52,023	113,983
Shareholders' equity		
Contributed equity	392,475	392,475
Reserves	31,244	31,191
Retained profits (losses)	599,069	(48,534)
	1,022,788	**375,132**
Profit for the year	787,207	259,972
Total comprehensive income for the year	**787,207**	**259,972**

(B) CONTINGENT LIABILITIES OF THE PARENT ENTITY

OTHER CONTINGENT LIABILITIES

Pursuant to the terms of an agreement dated 21 November 2003, under which the Company purchased certain tenements comprising the Southdown project, the Company is required to make a further payment of $1,000,000 to MedAire, Inc upon commencement of commercial mining operations from those tenements.

NOTE 35. EVENTS OCCURRING AFTER THE REPORTING PERIOD

Since the end of the financial year the directors have recommended the payment of a 2.0 cent per share, final dividend of $23.1 million.

There were no other matters or circumstances arising since 31 December 2022 that has significantly affected, or may significantly affect:

i) The Group's operations in future years; or

ii) The results of those operations in future financial years; or

iii) The Group's state of affairs in future financial years.

DIRECTORS' DECLARATION

In the directors' opinion:

- the attached financial statements and notes comply with the Corporations Act 2001, the Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements;
- the attached financial statements and notes comply with International Financial Reporting Standards as issued by the International Accounting Standards Board as described in note 1 to the financial statements;
- the attached financial statements and notes give a true and fair view of the Group's financial position as at 31 December 2022 and of its performance for the financial year ended on that date; and
- there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

The directors have been given the declarations required by section 295A of the Corporations Act 2001.

Signed in accordance with a resolution of directors made pursuant to section 295(5)(a) of the Corporations Act 2001.

On behalf of the directors

Michelle Li

Chairperson of the Board of Directors

24 February 2023

Independent auditor's report

To the members of Grange Resources Limited

Report on the audit of the financial report

Our opinion

In our opinion:

The accompanying financial report of Grange Resources Limited (the Company) and its controlled entities (together the Group) is in accordance with the *Corporations Act 2001*, including:

(a) giving a true and fair view of the Group's financial position as at 31 December 2022 and of its financial performance for the year then ended

(b) complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

What we have audited

The Group financial report comprises:

- the consolidated statement of financial position as at 31 December 2022
- the consolidated statement of comprehensive income for the year then ended
- the consolidated statement of changes in equity for the year then ended
- the consolidated statement of cash flows for the year then ended
- the notes to the consolidated financial statements, which include significant accounting policies and other explanatory information
- the directors' declaration.

Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial report* section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional & Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

Our audit approach

An audit is designed to provide reasonable assurance about whether the financial report is free from material misstatement. Misstatements may arise due to fraud or error. They are considered material if individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial report.

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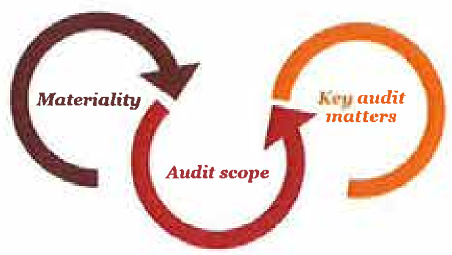
We tailored the scope of our audit to ensure that we performed enough work to be able to give an opinion on the financial report as a whole, taking into account the geographic and management structure of the Group, its accounting processes and controls and the industry in which it operates.



Materiality	Audit scope	Key audit matters
• For the purpose of our audit we used overall Group materiality of $15.3 million, which represents approximately 5% of the Group's average profit before tax over the past 3 years. • We applied this threshold, together with qualitative considerations, to determine the scope of our audit and the nature, timing and extent of our audit procedures and to evaluate the effect of misstatements on the financial report as a whole. • We chose Group average profit before tax because, in our view, it is the benchmark against which the performance of the Group is most commonly measured. Due to fluctuations in profit and loss from year to year, we chose a three year average. • We utilised a 5% threshold based on our professional judgement, noting it is within the range of commonly acceptable thresholds.	• Our audit focused on where the Group made subjective judgements; for example, significant accounting estimates involving assumptions and inherently uncertain future events.	• Amongst other relevant topics, we communicated the following key audit matters to the Audit and Risk Committee: ○ Assessing the carrying value of mining assets ○ Accounting for the cost of rehabilitation • These are further described in the Key audit matters section of our report

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report for the current period. The key audit matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. Further, any commentary on the outcomes of a particular audit procedure is made in that context. We communicated the key audit matters to the Audit and Risk Committee.

pwc

Key audit matter	*How our audit addressed the key audit matter*
Assessing the carrying value of mining assets (Refer to note 16, 17 and 18) At 31 December 2022, the Group had carrying values for property, plant and equipment of $197.8 million, mine properties and development of $361.0 million and right of use assets of $6.9 million (the 'mining assets'). In line with AASB 116 Property Plant and Equipment, the Group is required to assess whether there is any indication that an asset may be impaired at each reporting period. At 31 December 2022, the Group concluded that there were no indicators of impairment in relation to the carrying value of mining assets. The assessment for the carrying value of mining assets was a key audit matter due to the financial significance of the balances.	To assess the carrying value of mining assets we performed the following procedures, amongst others: • Evaluated the Group's assessment of whether there were any indicators of mining asset impairment, including consideration of iron ore prices, foreign exchange rates, reserves and resources and asset performance over the year. • Compared the value of net assets of the Group at year ended 31 December 2022 to the market capitalisation.
Accounting for the cost of rehabilitation (Refer to note 20) The main component of the provision for decommissioning and restoration costs is for the Group's obligation to rehabilitate the Savage River and Port Latta sites for the disturbance caused by its operations. The rehabilitation provision also includes an obligation under the Tasmanian Goldamere Pty Ltd Act 1996 to repay the Tasmanian Government for part of the purchase of the mine through expenditure on remediation. The net present value of the cost of rehabilitation is recorded as a provision of $77.6 million (non-current) and $1.3 million (current), for a total of $78.9 million. Given the financial significance of this balance and the judgments involved in accounting for the cost of rehabilitation, this was a key audit matter.	To assess the accounting for the cost of rehabilitation, we performed the following procedures, amongst others: • Obtained the Group's calculation of the rehabilitation provision. We checked the mathematical accuracy on a sample of calculations and whether the timing of the cash flows in the rehabilitation models was consistent with the life of mine plan. • Assessed whether the discount rates used in the rehabilitation models were reasonable by comparing them to market data. • Where external and internal experts were used by the Group to estimate remediation costs, we assessed our ability to use their estimates, considering their objectivity, competency and capability and assessing that the scope of work they performed was appropriate for the purposes of the estimate. • We compared the Group's significant assumptions on rehabilitation costs to other similar costs in the business or external data where appropriate.

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report for the year ended 31 December 2022, but does not include the financial report and our auditor's report thereon. Prior to the date of this auditor's report, the other information we obtained included the Directors' Report and the Corporate Governance Statement . We expect the remaining other information to be made available to us after the date of this auditor's report.

Our opinion on the financial report does not cover the other information and we do not and will not express an opinion or any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

When we read the other information not yet received, if we conclude that there is a material misstatement therein, we are required to communicate the matter to the directors and use our professional judgement to determine the appropriate action to take.

Responsibilities of the directors for the financial report

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial report.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at: https://www.auasb.gov.au/admin/file/content102/c3/ar1_2020.pdf. This description forms part of our auditor's report.

Report on the remuneration report

Our opinion on the remuneration report

We have audited the remuneration report included in pages 32 to 39 of the directors' report for the year ended 31 December 2022.

In our opinion, the remuneration report of Grange Resources Limited for the year ended 31 December 2022 complies with section 300A of the *Corporations Act 2001*.

Responsibilities

The directors of the Company are responsible for the preparation and presentation of the remuneration report in accordance with section 300A of *the Corporations Act 2001*. Our responsibility is to express an opinion on the remuneration report, based on our audit conducted in accordance with Australian Auditing Standards.

PricewaterhouseCoopers

Chris Dodd
Partner

Melbourne
24 February 2023

TENEMENT SCHEDULE

AS AT 28 FEBRUARY 2023

PROSPECT	TENEMENT	INTEREST
TASMANIA		
Savage River	2M/2001	100% (1)
	14M/2007	100% (1)
	11M/2008	100% (1)
	4M/2019	100% (1)
	EL30/2003	100% (1)
	EL8/2014	100% (1)
WESTERN AUSTRALIA		
Southdown	M70/1309	70% (3) (4)
	G70/217	70% (4)
	R70/61	70% (4)
	L70/185	70% (4)
	L70/186	70% (4)
	L70/188	70% (2) (4)
	L70/201	70% (2) (4)
	L70/225	70% (2) (4)
Wembley	M52/801	15% (5) (6)
Horseshoe Lights	M52/743	0% (7)
Abercromby Well	M53/336	0% (8)
Red Hill	M27/57	0% (9)
Freshwater	M52/278,279,299	0% (10)
	M52/295-296	0% (11)
	M52/300-301	0% (11)
	M52/305-306	0% (10)
	M52/369-370	0% (10)
Pilbara	E47/1846	0% (12)

PROSPECT	TENEMENT	INTEREST
QUEENSLAND		
Mt Windsor JV	ML 1571	30% (13)
	ML 1734	30% (13)
	ML 1739	30% (13)
	ML 10028	30% (13)
	ML 1758	30% (13)
NORTHERN TERRITORY		
Mt Samuel	MLC 49	0% (14)
	MLC 527	0% (15)
	MLC 599	0% (15)
	MLC 617	0% (15)
	MCC 174	0% (15)
	MCC 212	0% (15)
	MCC 287-288	0% (15)
	MCC 308	0% (15)
	MCC 344	0% (15)
True Blue	MCC 342	0% (15)
	MLC 619	0% (15)
Aga Khan	MLC 522	0% (15)
Black Cat	MCC 338-339	0% (15)
	MCC316-317	0% (15)
	MCC 340-341	0% (15)

NOTES:

1. Held by Grange Resources (Tasmania) Pty Ltd.
2. Under application.
3. Subject to conditional purchase agreement with Medaire Inc.
4. Subject to Joint Venture Implementation Agreement with SRT Australia Pty Ltd
5. Subject to 1% Net Smelter Return royalty with Lac Minerals (Australia) NL
6. Subject to joint venture agreement with Aragon Resources Pty Ltd
7. Royalty interest with Horseshoe Metals Limited
8. Royalty interest with Nova Energy Pty Ltd
9. Royalty interest with Kanowna Mines Pty Ltd
10. Royalty interest with Dampier (Plutonic) Pty Ltd
11. Royalty interest with Billabong Gold Pty Ltd
12. Royalty interest with Fortescue Metals Group Ltd
13. Subject to joint venture agreement with Thalanga Copper Mines Pty Limited
14. Royalty interest with Santexco Pty Ltd
15. Royalty interest with Giants Reef Exploration Pty Ltd

LIST OF SIGNIFICANT ASX ANNOUNCEMENTS

FROM 1 JANUARY 2022 THROUGH TO 27 FEBRUARY 2023

Date	Announcement
28 Jan 2022	GRR – Quarterly Report for 3 months ended 31 December 2021
25 Feb2022	Grange Resources Limited Appendix 4E – 31 December 2021
25 Feb2022	Grange Full Yr Statutory Accts 12 Months Ended 31 December 2021
25 Feb2022	Corporate Governance Statement opens new window
25 Feb2022	Appendix 4G opens new window
25 Feb 2022	Dividend/Distribution - GRR opens new window
22 Mar 2022	Southdown Magnetite Project Prefeasibility Study opens new window
23 Mar 2022	Date of AGM opens new window
31 Mar 2022	Update to Savage River Mineral Resources and Ore Reserves opens new window
11 Apr 2022	Annual Report to shareholders opens new window
11 Apr 2022	Notice of Annual General Meeting/Proxy Form opens new window
26 Apr 2022	GRR - Quarterly Report for 3 months ended 31 March 2022 opens new window
11 May 2022	Results of Meeting opens new window
11 May 2022	AGM Presentation opens new window
16 May 2022	Proposed issue of securities - GRR opens new window
1 Jun 2022	Notification regarding unquoted securities - GRR opens new window
7 Jun 2022	Notification of cessation of securities - GRR opens new window
10 Jun 2022	Change in substantial holding opens new window
26 Jul 2022	GRR - Quarterly Report for 3 months ended 30 June 2022 opens new window
29 Aug 2022	Half Yearly Report and Accounts opens new window
29 Aug 2022	Appendix 4D - Half Year Ending 30 June 2022 opens new window
29 Aug 2022	GRR - ESG Baseline Report August 2022 opens new window
31 Aug 2022	GRR - ESG Baseline Report August 2022 opens new window
2 Sep 2022	S&P DJI Announces September 2022 Quarterly Rebalance opens new window
27 Oct 2022	GRR - Quarterly Report for 3 months ended 30 September 2022 opens new window
12 Dec 2022	Grange Re-acquires Interest in Southdown Magnetite Project opens new window
11 Jan 2023	Ceasing to be a substantial holder opens new window
27 Jan 2023	GRR - Quarterly Report for 3 months ended 31 December 2022 opens new window

ASX ADDITIONAL INFORMATION

Additional information required by the Australian Securities Exchange Limited and not shown elsewhere in this report is as follows. The shareholder information set out below was applicable as at 1 February 2023 except where otherwise indicated.

ORDINARY SHARES

TWENTY LARGEST SHAREHOLDERS AS AT 27 JANUARY 2023

The twenty largest holders of ordinary fully paid shares are listed below:

Name	Number	%
Shagang International Holdings Ltd (Hong Kong)	554,762,656	47.9
Pacific International Co (Hong Kong)	35,333,399	3.1
Realindex Investments Pty Ltd. (Australia)	27,785,852	2.4
DFA Australia Ltd. (Australia)	23,538,026	2.0
Acadian Asset Management LLC (United States)	22,137,322	1.9
Macquarie Investment Management Ltd. (Australia)	22,007,307	1.9
Dimensional Fund Advisors LP (United States)	17,661,462	1.5
Vinva Investment Management Ltd. (Australia)	11,834,090	1.0
BlackRock Fund Advisors (United States)	9,273,321	0.8
LSV Asset Management (United States)	8,452,120	0.7
Vanguard Investments Australia Ltd. (Australia)	8,417,027	0.7
Credit Suisse AG (Switzerland)	7,869,069	0.7
Swinnerton, John (Australia)	6,400,000	0.6
Rathvale Pty Limited (Australia)	6,214,400	0.5
Stubbe, E.F.L. (Netherlands)	5,300,000	0.5
Norges Bank Investment Management (Norway)	5,122,245	0.4
State Street Global Advisors, Australia, Ltd. (Australia)	5,110,102	0.4
Interactive Brokers - Private Clients (Various Countries)	4,753,767	0.4
First Sentier Investors Ltd. (Australia)	4,203,524	0.4
AllianceBernstein LP (United States)	4,157,231	0.4
Sub-total	**790,332,920**	**68.3**

DISTRIBUTION OF EQUITY SECURITIES

Analysis of number of shareholders by size and holding:

	Ordinary Shares	Director Options	Employee Options	Other Options
1 - 1,000	2,006	-	-	-
1,001 - 10,000	5,519	-	-	-
10,001 - 100,000	3,140	-	-	-
100,001 - and over	460	-	-	
Total	**11,125**	**-**	**-**	**-**

The number of shareholders holding less than a marketable parcel of Ordinary Shares at 27 January 2023 was 530.

VOTING RIGHTS

All shares carry one vote per share without restriction.

SUBSTANTIAL SHAREHOLDERS

An extract of the Company's Register of Substantial Shareholders as at 27 January 2023 is set out below:

Name	Number of fully paid shares	Voting power
Shagang International Holdings Ltd (Hong Kong)	554,762,656	47.9%

SECURITIES SUBJECT TO VOLUNTARY ESCROW

The following securities are subject to voluntary escrow:

Class of Security	Number of paid Securities	Escrow period ends
Fully Paid Ordinary Shares	Nil	Not applicable

UNQUOTED SECURITIES

Security Code	Security Name	Total Holders	Total Holdings
GRRAU	Performance Rights	3	295,728

DISTRIBUTION OF UNQUOTED SECURITIES

Analysis of number of security holders by size and holding:

	Performance Rights	Director Options	Employee Options	Other Options
1 - 1,000	-	-	-	-
1,001 - 10,000	-	-	-	-
10,001 - 100,000	2	-	-	-
100,001 - and over	1	-	-	
Total	**3**	**-**	**-**	**-**

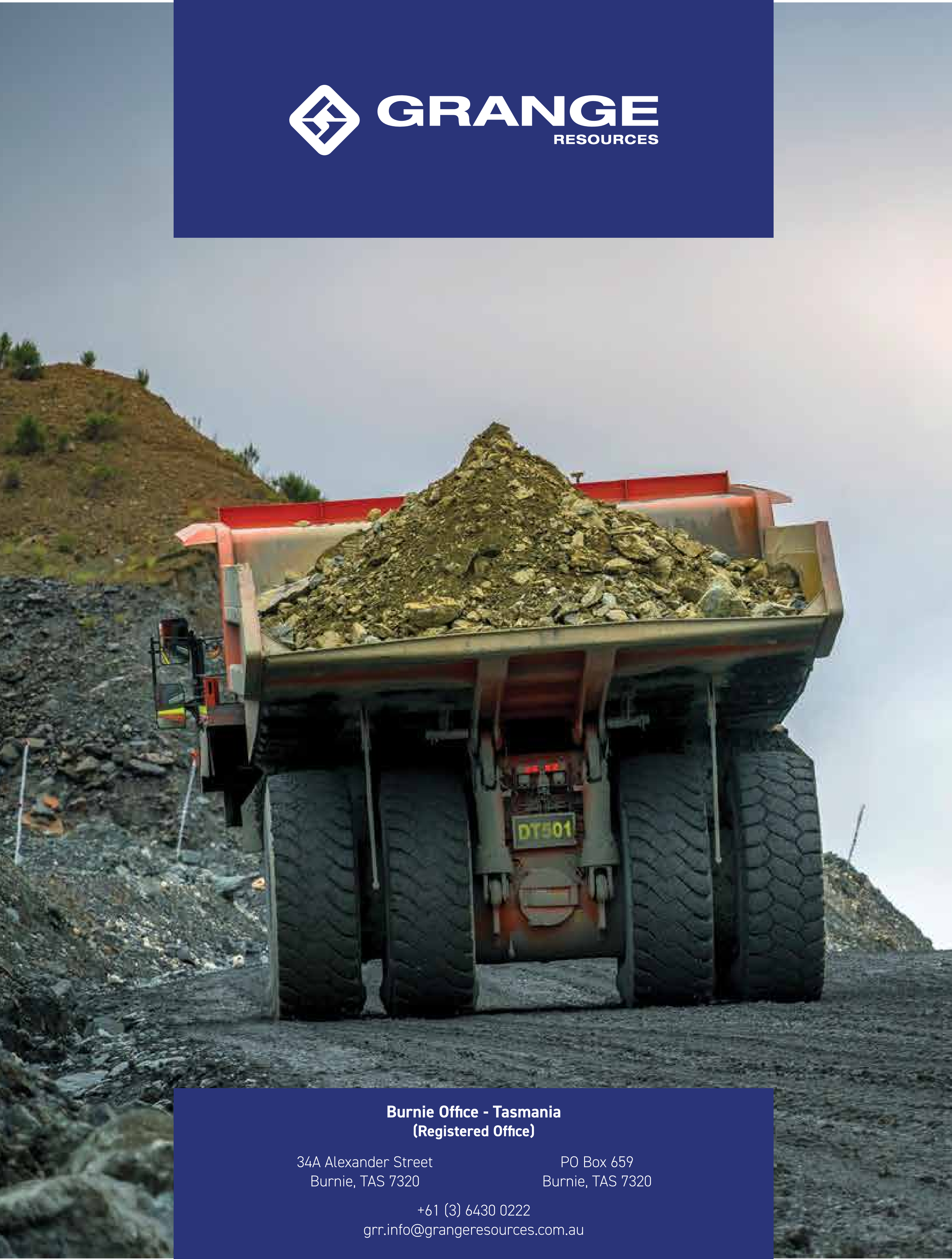
SUBSTANTIAL UNQUOTED SECURITYHOLDERS

An extract of the Company's Register of Substantial Unquoted Securityholders as at 27 January 2023 is set out below:

Name	Number of Performance Rights	Voting Power
Mr Honglin Zhao	140,343	47.46%
Mr Ben Maynard	80,679	27.28%
Mr Thanh Steven Phan	74,706	25.26%

GRANGE RESOURCES

GRANGE RESOURCES



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