



22 December 2023

MARKET UPDATE

Savage River, Port Latta - Production & Projects

Highlights

- Ore delivered from the main ore zone at Centre Pit supporting approximately 2.6 million tonnes of Concentrate production during the year.
- Sales have remained strong this year with total sales of approximately 2.6 million tonnes of iron ore products forecast and an average realised price of US\$140 FOB achieved.
- Savage River North Pit Underground Feasibility Study in finalisation, confirming the technical and economic viability of transitioning to underground mining and progressing to the next phase in 2024.
- Commitment to extend the existing exploration decline by 1,500 metres during 2024 with mining contractor PYBAR Mining Services, commencing development in January.
- Completed the High Efficiency Mixer installation at Port Latta Pellet Plant to enable the improvement of binder addition and pellet quality.
- Optimisation of the Intermediate Air System to Furnace 4 continues. Furnace 4 has run without coal throughout 2023, resulting in a reduction of CO₂-e emissions from the combustion of coal.

Production

Ore from the main ore zone in Centre Pit has been delivered throughout the year. This has been blended with existing stockpiles to sustain production and yield high quality pellets. The cutback on the east wall of North Pit continues with the implementation of the refined pit design. The current mining of ore in Centre Pit and waste removal in North Pit will progress further in 2024.

Production of quality pellets has been sustained throughout the year and we are forecast to ship approximately 2.6 million tonnes of iron ore products in CY2023. Grange has continued to sell its high-grade iron pellets into the market, despite a decline in index prices through the middle of the year.



Savage River North Pit Underground Definitive Feasibility Study progresses to next phase

The Definitive Feasibility Study into underground mining in North Pit has been reviewed and is currently being finalised and integrated into the operational life-of-mine plan. The study confirms the technical and economic viability of underground block cave mining at Savage River and improves on the detail and accuracy of the Pre-Feasibility Study completed in 2021 (see market release dated 23 December 2021).

The study includes a detailed assessment of risk and the level of accuracy. The study has provided the Board with confidence to proceed to the next phase of detailed integration of the underground project with the current open pit operations at Savage River.

The integration will likely see the current North Pit open pit mining transition to an underground block cave mine over the next five years. The feasibility study forecasts production of approximately 64 million tonnes of ore, producing 28 million tonnes of concentrate at an iron grade of more than 66 per cent supporting the mine life at Savage River for 15 years to 2037.

The feasibility study confirms a reduction in the long-term unit operating costs of more than 30 per cent in line with the PFS findings. The study also confirmed a significant (80 per cent) reduction in carbon emissions at the Savage River Mine can be achieved in accordance with Grange's decarbonisation plan.

Work is currently being done to optimise the integration and transition from the current open pit mine to an underground block cave mine with particular focus on production requirements and the optimal allocation of capital. This work will progress through Q1, 2024 for completion in H1, 2024.

Based on the progression of the study, Grange has entered into a contract to extend the current exploration decline by 1,500 metres in 2024. The underground development has been awarded to mining contractor PYBAR Mining Services who have already commenced mobilisation to site. The extension to the decline will provide access to the extraction level horizon and provide essential data to finalise mine designs to a construction ready stage. The extension will also provide new underground drill platforms that Grange plans to utilise for further underground exploration with a view to enhance the long-term underground mining opportunities.



Port Latta Improvement Projects

The High Efficiency Mixer was safely and successfully commissioned in the pellet plant at Port Latta. This installation will enable the delivery of more homogeneous blending of bentonite and concentrate equally across all furnace lines. This in turn will serve to improve our control and final pellet consistency.

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

Furnace 4 has been operating without the addition of anthracite. This has seen a reduction in our coal use at Port Latta and consequently a reduction in CO₂-e emissions associated with the combustion of coal. This is an excellent result and is in accord with Grange's decarbonisation plan to phase out the use of coal over the next three years as other furnaces are upgraded.

- ENDS -

This announcement has been authorised by the Board of Directors of the Company



About Grange Resources

Grange Resources Limited (Grange or the Company), ASX Code: GRR, is Australia's most experienced magnetite producer with more than 55 years of mining and production from its Savage River mine and has a projected mine life beyond 2035. Grange produces a high-quality iron ore pellet with low levels of impurities that support reduced environmental impacts for end users.

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 more than two million tonnes of premium quality iron ore pellets annually.

Grange has a combination of spot and contracted sales arrangements in place to deliver its pellets to customers throughout the Asia Pacific region. In addition, Grange owns 100% of the magnetite development project at Southdown, near Albany in Western Australia.

Contacts

Investors:

Michelle Li
Grange Resources Limited
Email: info@grangeresources.com.au

Nicolas Turner
Cor Comms
Tel: 0418 538 865

Website: www.grangeresources.com.au