



28 January 2022

ASX: GRR

REPORT FOR THE QUARTER ENDED 31 December 2021

HIGHLIGHTS

- The operation achieved over 1750 days Lost Time Injury Free.
- COVID-19 response have been raised in line with the changes in Tasmania as the Company continued to prioritise the health, safety and well-being of our workforce.
- Special dividend of 10 cents per share declared and paid in the quarter in recognition of excellent financial performance in 2021.
- Grange has adopted an Environmental, Social, and Governance (ESG) framework with 21 core metrics and disclosures as created by the World Economic Forum.
- Concentrate production decreased for the quarter with 666kt produced compared to 687kt for the September quarter.
- Pellet sales decreased for the quarter to 647kt compared with 651kt for the September quarter.
- Increase in average received prices for the quarter to US\$164.14/t (A\$226.71/t) (FOB Port Latta) compared with US\$153.09/t (A\$206.80/t) for the September quarter.
- Unit cash operating cost increased for the quarter to A\$103.69/t compared with A\$95.01/t for the September quarter.
- Outlays of approximately A\$20.7 million have been made in the quarter on capital projects including the purchase of 2 new Caterpillar 789C dump trucks, a new Caterpillar 777G dump truck, furnace 4 upgrade and improved depth of the Port Latta berth area.
- Cash and liquid investments of A\$463.48 million and trade receivables of A\$18.82 million compared with cash and liquid investments of A\$554.6 million and trade receivables of A\$21.45 million for the September quarter.



“Despite the short term drop in the iron ore prices seen in the fourth quarter of 2021, we are happy to report a very strong operating quarter where our costs have been on budget and further capital being spent on the mine. This has enabled us to report a strong operating finish for the financial year and the company declaring a fully-franked special dividend of 10 cents per share in the quarter. We continue to see strong demand for our high-grade, low-impurity iron ore pellets.” said CEO Mr. Honglin Zhao.

“Our team continued to focus on the optimisation of our life-of-mine plan at Savage River and completion of the prefeasibility study on the Southdown project in Western Australia. We will provide additional information on these two projects when the studies are completed.”

SAVAGE RIVER OPERATIONS

PRODUCTION

	December Quarter 2021	September Quarter 2021	June Quarter 2021
Total BCM Mined	3,311,257	3,530,463	3,415,367
Total Ore BCM	1,071,681	857,740	577,222
Concentrate Produced (t)	666,208	687,058	677,607
Weight Recovery (%)	48.6	46.3	43.9
Pellets Produced (t)	649,943	676,382	655,063
Pellet Stockpile (t)	210,193	207,007	181,260
Concentrate Stockpile (t)	14,285	12,233	25,134

The health, safety and well-being of our workforce has remained a key focus with attainment of over 1750 days Lost Time Injury free. COVID-19 controls remain in place and the operation has been sustained without impact through the period. Tasmanian borders opened in December and case numbers have grown in the state and within the community. The state has been well positioned with high levels of vaccination and there have been lower hospitalization rates than anticipated. Grange have updated controls and responses in line with the escalating case numbers in the state and continue to closely manage the situation to ensure the safety and wellbeing of the workforce.

Mining activities in North Pit continue as we deliver high grade ore from the Main Ore Zone at the bottom of North Pit. Mining has also progressed well in Centre Pit, with some delays experienced due to weather and fog periods.

Concentrate and Pellet production rates have been sustained through the quarter with high rates achieved.



SHIPPING AND SALES

	December Quarter 2021	September Quarter 2021	June Quarter 2021
Iron Ore Pellet Sales (dmt)	646,757	650,635	653,435
Iron Ore Concentrate Sales (dmt)	20	0	0
Iron Ore Chip Sales (dmt)	19,365	28,591	40,277
TOTAL Iron Ore Product Sales (dmt)	666,142	679,226	693,712
Average Realised Product Price (US\$/t FOB Port Latta) *	164.14	153.09	287.15
Average Realised Exchange Rate (AUD:USD)	0.7240	0.7403	0.7684
Average Realised Product Price (A\$/t FOB Port Latta)	226.71	206.80	373.72

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

The average A\$ price received during the quarter of A\$226.71/t (US\$164.14/t) (FOB Port Latta), increased by 9.63% from A\$206.80/t (US\$153.09/t) for the September quarter.

Grange continued to deliver into secured term offtake agreements, with pellets sales during the quarter 647kt decreased by 0.6% from 651kt for the September quarter.

MINE DEVELOPMENT PROJECTS

North Pit Underground

Finalised schedules are being analysed as part of the Enterprise Optimisation to determine the most effective mining sequence and the potential transition for the integration Open Pit and Underground mining. The scope for the Definitive Feasibility Study is being prepared.

Process Improvement Projects

Furnace Line 4 construction and commissioning is on plan as we continue with the rebuilding and refractory installation. Long lead items including new main blowers are on track for installation in the common equipment shut planned for Q1 2022.

SOUTHDOWN MAGNETITE PROJECT (Grange 70%, SRT Australia Pty Ltd 30%)

The Company is continuing to carry out an updated prefeasibility study on a 5 Mtpa development case with new technology and additional testwork which is expected to be completed in coming months.



All tenements, permits and project assets continue to be maintained in good order. Budgeting and cost control over expenditure on this project continues to secure the investment.

The Joint Venture Partners continue to monitor all ongoing project requirements.

ADOPTING AN ESG FRAMEWORK

Grange is pleased to announce that the Company has adopted an Environmental, Social, and Governance (ESG) framework with 21 core metrics and disclosures as created by the World Economic Forum (WEF).

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 Board has resolved to adopt the WEF ESG framework and instructed management to set up 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.

To ensure that Grange can measure, monitor, and report on its ESG disclosure progress, the Company has engaged impact monitoring technology platform Socialsuite to streamline the disclosure and ongoing ESG reporting process. The Company's goal is to demonstrate commitment and progress on making ESG disclosures, but more broadly, aims to progress a range of ESG benchmarks as set out by the WEF's ESG White Paper.

CORPORATE

Special Dividend

A fully-franked special dividend of 10 cents per share was declared in paid in the quarter.

Jobkeeper

The Jobkeeper payments received by a subsidiary of a JV Company has been voluntarily repaid to the Australian Tax Office in full amount.

Shareholders

As at 31 December 2021 there were approximately 7,100 shareholders.

-ENDS-

This announcement was authorised by the Board.

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



ANNEXURE 1

PRODUCTION

	Quarter Ended				Full Year	
	Mar 21	Jun 21	Sep 21	Dec 21	Dec 21	Dec 20
Total BCM Mined	3,409,957	3,415,367	3,530,463	3,311,257	13,667,044	14,567,158
Total Ore BCM	297,591	577,222	857,740	1,071,681	2,804,234	1,384,744
Concentrate Produced (t)	529,114	677,607	687,058	666,208	2,559,987	2,531,759
Weight Recovery (%)	38.6	43.9	46.3	48.6	44.4	46.1
Pellets Produced (t)	616,040	655,063	676,382	649,943	2,597,428	2,348,274
Pellet Stockpile (t)	179,632	181,260	207,007	210,193	210,193	119,966
Concentrate Stockpile (t)	22,577	25,134	12,233	14,285	14,285	137,580

SHIPPING AND SALES

	Quarter Ended				Full Year	
	Mar 21	Jun 21	Sep 21	Dec 21	Dec 21	Dec 20
Iron Ore Pellet Sales (dmt)	556,374	653,435	650,635	646,757	2,507,201	2,376,029
Iron Ore Concentrate Sales (dmt)	22	0	0	20	42	0
Iron Ore Chip Sales (dmt)	19,897	40,277	28,591	19,365	108,130	113,611
TOTAL Iron Ore Product Sales (dmt)	576,293	693,712	679,226	666,142	2,615,373	2,489,640
Average Realised Product Price (US\$/t FOB Port Latta)	228.52	287.15	153.09	164.14	208.08	136.85
Average Realised Exchange Rate (AUD:USD)	0.7677	0.7684	0.7403	0.7240	0.7535	0.6955
Average Realised Product Price (A\$/t FOB Port Latta)	297.66	373.72	206.80	226.71	276.17	196.77