



27 April 2023
ASX: GRR

REPORT FOR THE QUARTER ENDED 31 March 2023

HIGHLIGHTS

- Record safety milestone of over 6 years Lost Time Injury Free.
- Record material movement was achieved with 4.9 million BCM being the highest recorded materials moved in a quarter on record.
- Concentrate production was above plan and decreased for the quarter with 594kt produced compared to 668kt for the December quarter due to scheduled maintenance.
- Pellet sales increased for the quarter to 714kt compared with 699kt for the December quarter.
- Increase in average received prices for the quarter to US\$156.21/t (A\$227.93/t)* (FOB Port Latta) compared with US\$122.87/t (A\$189.61/t)* for the December quarter.
- Unit cash operating cost increased for the quarter to A\$141.75/t compared with A\$124.39/t for the December quarter due to lower concentrate production aligned to planned annual common equipment shutdowns.
- Cash and liquid investments of A\$279.29 million and trade receivables of A\$66.69* million compared with cash and liquid investments of A\$298.61 million and trade payables of A\$48.73* million for the December quarter.
- Outlay of approximately A\$24.4 million has been made in the quarter on capital projects including the purchase of two new Caterpillar 789 trucks, purchase of three second-hand Caterpillar 789 trucks and a new D10T2 Dozer.

** 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 Company has achieved a strong start to the year with the mining team delivering record materials movement in a quarter. Iron ore price is relatively stable and the cost of energy, although down from the prior year’s historic highs, continues to be at elevated levels.” said CEO Mr. Honglin Zhao.

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

SAVAGE RIVER OPERATIONS

PRODUCTION

	March Quarter 2023	December Quarter 2022	September Quarter 2022
Total BCM Mined	4,868,822	4,399,549	3,617,993
Total Ore BCM*	144,328	99,626	23,947
Concentrate Produced (t)	593,995	667,645	655,316
Weight Recovery (%)	45.1	45.3	44.6
Pellets Produced (t)	525,102	606,963	639,713
Pellet Stockpile (t)	109,898	298,725	390,348
Concentrate Stockpile (t)	59,024	45,672	18,357

* Ore for down-stream production was sourced from extensive stockpiles and supplemented with ore from Centre Pit. This will continue through H1,2023.

Quarter 1, 2023 has been a strong period for safety and production with the achievement of over 6 years Lost time injury free in conjunction with the highest mining movement on record. Mining continues to improve with haul network optimization and additions to the truck fleet.

Mining progress continues on the east wall of North Pit. Pre-stripping in Centre Pit also continues as we progress down the east and western sides of the pit towards the main ore zone.

Concentrate and Pellet production rates were on plan through the quarter with common equipment shutdowns occurring at both plants for scheduled maintenance.



SHIPPING AND SALES

	March Quarter 2023	December Quarter 2022	September Quarter 2022
Iron Ore Pellet Sales (dmt)	713,929	698,586	547,386
Iron Ore Concentrate Sales (dmt)	24	0	1,853
Iron Ore Chip Sales (dmt)	3	68,433	34,142
TOTAL Iron Ore Product Sales (dmt)	713,956	767,019	583,381
Average Realised Product Price (US\$/t FOB Port Latta) *	156.21	122.87	95.17
Average Realised Exchange Rate (AUD:USD)	0.6853	0.6480	0.6757
Average Realised Product Price (A\$/t FOB Port Latta)	227.93	189.61	140.84

**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\$227.93/t (US\$156.21/t) (FOB Port Latta), increased by 20.21% from A\$189.61/t (US\$122.87/t) for the December quarter.

Grange continued to deliver into secured term offtake agreements, with pellets sales during the quarter of 714kt increased by 2.2% from 699kt for the December quarter.

MINE DEVELOPMENT PROJECTS

North Pit Underground

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

Process Improvement Projects

Work continued on the installation of the Furnace Intermediate Air system with the new blower to provide additional airflow through Furnace 4. Preparation works are almost complete in readiness for final commissioning.

The High-Efficiency Mixer project continued with work on the electrical installation. The supply of key components has been resolved and the planned commissioning will occur in Q3.



SOUTHDOWN MAGNETITE PROJECT

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

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

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

CORPORATE

Shareholders

As at 31 March 2023 there were approximately 11,300 shareholders.

-ENDS-

This announcement was authorised by the Board.

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