

Grange FY23 guidance

A\$mil

REVENUE

Shagang shipments - 1 mil tonnes @ US\$117 @ ER 0.64 182.8

(estimated current price being average of Custeel/Metal Bulletin prices)

Bluescope Steel shipments - 120kt pellet chips @ US\$118.3 @ ER 0.64 22.2

(current Custeel 65% pellet price)

Non-Shagang shipments - 1.7mil tonnes @ US\$138.3 @ ER 0.64 367.4

(current Custeel 65% pellet price plus additional US\$20 pellet premium)

GROSS REVENUE(before Freight) 572.4

FREIGHT COST

Freight (Non-Shagang allowances US\$15/t), Shagang/Bluescope (US\$15/t -66.1

direct shipping costs) based on current ship rates of US\$18k/day)2.82MT@ ER 0.64

Engage Marine - annual contract for Tug/Pilot services at Port Latta -26.0

Port Latta operating costs - Port wages(non-processing), wharf/jetty -15.0

maintenance costs, conveyor maintenance,insurance,etc)

NET REVENUE(FOB) 465.3

PRODUCTION & OTHER COSTS

Mining & Production costs A\$130/t on 2.82MT -366.6

(includes wages(mining,pre-stripping,processing),consumerables,maintenance)

Royalty costs - 3.2% on FOB Revenue -14.9

Other cash costs - A\$2/t(admin,explor & eval less net financing income) -5.6

Deprec & amort - estimated to be in line with actual capital expend for replacement

dozers,trucks & other capital items -50.0

NET PROFIT(before tax) 28.2

Income Tax expense -8.2

NET PROFIT(after tax) 20.0

Notes:

Non-Shagang Customer yearly contracts for volumes committed and terms are negotiated on a calendar year basis late in the previous year and include agreed additional pellet premium - it was agreed at US\$30/t for 2022 in late 2021 when the combined Custeel price was around US\$200/t but with the current price at around US\$120/t then it's realistic to expect the additional pellet premium to drop maybe to US\$20/t.