









26 July 2022 ASX: GRR

REPORT FOR THE QUARTER ENDED 30 June 2022

HIGHLIGHTS

- Sustained safe operation with over 1,930 days Lost Time Injury Free.
- COVID-19 controls remain in place as cases continue to circulate in the local community. The Company continues to prioritise the health, safety and well-being of our workforce.
- Concentrate production increased for the quarter with 664kt produced compared to 638kt for the March quarter due to annual scheduled maintenance in the March quarter.
- Pellet sales increased for the quarter to 705kt compared with 479kt for the March quarter.
- Decrease in average received prices for the quarter to US\$139.04/t (A\$193.44/t) (FOB Port Latta) compared with US\$224.30/t (A\$307.72/t) for the March quarter.
- Unit cash operating cost increased for the quarter to A\$122.72/t compared with A\$104.24/t for the March quarter due to increased energy costs.
- Cash and liquid investments of A\$369.47 million and trade receivables of A\$8.52 million compared with cash and liquid investments of A\$356.93 million and trade receivables of A\$63.39 million for the March quarter. Decrease was due to income tax payment for 2021 fiscal year.
- Outlay of approximately A\$15.2 million have been made in the quarter on capital projects including the purchase of a Atlas Copco D65 Drill Rig, a Caterpillar 789C truck and a deposit for the purchase of 4 further Caterpillar 789C trucks.

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"The past quarter has been challenging. Although the Company have fixed-price contracts for a portion of its energy use, the current inflationary environment with elevated energy costs is resulting in increased cost pressures on the Company. In addition, iron prices along with the prices of many commodities are witnessing a significant decrease throughout the past quarter. Despite these headwinds, our Team continues to focus on cost discipline, safe and effective production as we see through this difficult period." said CEO Mr. Honglin Zhao.

"Our Team is continuing to optimise the Southdown Project as we progress the Project in the definitive feasibility phase. Optimisation of our life-of-mine plan at Savage River is also progressing as planned."

ESG DEVELOPMENT

Grange is developing an Environmental, Social, and Governance (ESG) framework to enable reporting against the 21-core metrics and disclosures as promoted by the World Economic Forum (WEF).

Work continues on developing reporting for our actions pertaining to the 4 pillars of the framework for Governance, Planet, People and Prosperity. Our aim is to release our first full disclosure statement in Q3,2022, highlighting completed areas and progress to date.

SAVAGE RIVER OPERATIONS

PRODUCTION

	June Quarter 2022	March Quarter 2022	December Quarter 2021
Total BCM Mined	3,719,095	3,729,897	3,311,257
Total Ore BCM*	173,744	983,184	1,071,681
Concentrate Produced (t)	663,567	638,337	666,208
Weight Recovery (%)	45.2	45.9	48.6
Pellets Produced (t)	654,783	616,773	649,943
Pellet Stockpile (t)	298,021	348,100	210,193
Concentrate Stockpile (t)	27,847	36,175	14,285

^{*} Following the completion of the North Pit 6C ore stage and the generation of large stockpiles in Q1, the remaining ore to be mined during 2022 will be sourced from Centre Pit stage 1 in smaller volumes. The remainder of 2022 down-stream production will be supplied from the extensive stockpiles and supplemented with ore from CP Stage 1 until it begins to deliver significant volumes of ore in Q4 2023.

Safe operations have been sustained throughout the period, with over 1,930 days lost time injury free being achieved. There has been some impact on mining movement through the quarter due

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to lower mechanical availability of the truck fleet and utilization. While the COVID19 controls remain in place, the impacts have been experienced in the supply of major components and delay in repairs. The community levels of COVID19 have also impacted the availability of operators.

Mining in the bottom of North Pit was completed safely during the quarter, with additional ore delivered from the Stage 6 design. The focus now turns to accelerating the cutback on top of the east wall as the Stage 7 cutback continues. Pre-stripping in Centre Pit also continues as that pit progresses towards the main ore zone.

Concentrate and Pellet production rates exceeded plan and were up from the previous quarter with full production rates sustained throughout the period.

SHIPPING AND SALES

	June Quarter 2022	March Quarter 2022	December Quarter 2021
Iron Ore Pellet Sales (dmt)	704,862	478,866	646,757
Iron Ore Concentrate Sales (dmt)	0	0	20
Iron Ore Chip Sales (dmt)	(125)*	34,310	19,365
TOTAL Iron Ore Product Sales (dmt)	704,737	513,176	666,142
Average Realised Product Price (US\$/t FOB Port Latta) **	139.04	224.30	164.14
Average Realised Exchange Rate (AUD:USD)	0.7187	0.7289	0.7240
Average Realised Product Price (A\$/t FOB Port Latta)	193.44	307.72	226.71

^{*}negative adjustment on chip shipment in the prior quarter.

The average A\$ price received during the quarter of A\$193.44/t (US\$139.04/t) (FOB Port Latta), decreased by 37.14% from of A\$307.72/t (US\$224.30/t) for the March quarter.

Grange continued to deliver into secured term offtake agreements, with pellets sales during the quarter 705kt increased by 47.2% from 479kt for the March quarter. This was due to planned annual maintenance activity in the March quarter.

MINE DEVELOPMENT PROJECTS

North Pit Underground

^{**}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.

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The Feasibility Study commenced at the end of Q2 with the initial focus on the revised footprint that will support transition from the NP Stage 7 open cut. This includes the update of the geotechnical model, the flow and recovery model and the footprint finder. The diamond drilling program continued with both underground and surface holes focused on definition of the northern part of the ore zone.

Process Improvement Projects

Furnace Line 4 rebuild is nearing completion. The mechanical installation has been completed and final electrical work is well progressed. This project is on track to commence commissioning and heat-up early in Q3. The addition of intermediate air injection will be developed in Q4 once the commissioned furnace has completed commission and production testing.

SOUTHDOWN MAGNETITE PROJECT

(Grange 70%, SRT Australia Pty Ltd 30%)

The Southdown Magnetite Project prefeasibility study on a 5 Mtpa development case was completed and the results announced to the market. We look to further optimise the Project as we continue to progress into the definitive feasibility study phase which is planned to be completed later this year.

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.

CORPORATE

Shareholders

As at 30 June 2022 there were approximately 9,700 shareholders.

-ENDS-

This announcement was authorised by the Board.

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