



26 July 2023
ASX: GRR

REPORT FOR THE QUARTER ENDED 30 June 2023

HIGHLIGHTS

- Achieved over 2,235 days Lost Time Injury Free at the end of April 2023 before 1 Lost Time Injury occurred in May.
- Operator Alertness System completed implementation on haulage trucks at Savage River.
- Concentrate production increased for the quarter with 665kt produced compared to 594kt for the March quarter due to scheduled maintenance in the March quarter.
- Pellet sales decreased for the quarter to 496kt compared with 714kt for the March quarter as per the production plan.
- Decrease in average received prices for the quarter to US\$108.12/t (A\$160.62/t)* (FOB Port Latta) compared with US\$156.21/t (A\$227.93/t)* for the March quarter.
- Unit cash operating cost decreased for the quarter to A\$133.53/t compared with A\$141.75/t for the March quarter due to higher concentrate production.
- Cash and liquid investments of A\$242.34 million and trade receivables of A\$43.20* million compared with cash and liquid investments of A\$279.29 million and trade payables of A\$66.69* million for the March quarter. Cash and liquid investments decrease was largely due to negative final settlement adjustments due to decreased iron ore prices in April and income tax instalment paid in June.
- Outlay of approximately A\$31.2 million has been made in the quarter on capital projects including the purchase of three new Caterpillar 789 trucks, two second-hand Caterpillar 789 trucks, Caterpillar 789 Truck rebuild program, Caterpillar 16M Grader and a Caterpillar 6020 Excavator.

* 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 operations continued to deliver another strong quarter of mine material movement and concentrate and pellet production. Although the iron ore prices experienced a drop early in the quarter, they have moderately recovered. Input cost escalation pressures continued to be a challenge as we continue to operate in a cost-disciplined manner.” 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

	June Quarter 2023	March Quarter 2023	December Quarter 2022
Total BCM Mined	4,486,415	4,868,822	4,399,549
Total Ore BCM*	197,703	144,328	99,626
Concentrate Produced (t)	664,901	593,995	667,645
Weight Recovery (%)	45.3	45.1	45.3
Pellets Produced (t)	664,367	525,102	606,963
Pellet Stockpile (t)	278,089	109,898	298,725
Concentrate Stockpile (t)	22,229	59,024	45,672

* Ore for down-stream production was sourced from extensive stockpiles and supplemented with ore from Centre Pit. This will continue in Q3 2023.

A record of over 2,235 days Lost Time Injury Free was achieved at the end of April 2023. Unfortunately, a Lost Time Injury was incurred at the pellet plant. The investigation has highlighted some key learnings and led to the improvement of our systems.

A significant achievement has been the implementation of Hexagon’s Operator Alertness System, which provides real-time monitoring for distraction and fatigue. This safety initiative serves to ensure operators are maintaining the attention required to operate our haul fleet safely.

The cutback on the east wall of the North Pit continues with the implementation of the refined pit design. The changes in wall angles and pre-splitting is delivering clean and stable walls through the upper parts of the 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 and improved from the previous quarter following the previous maintenance works.



SHIPPING AND SALES

	June Quarter 2023	March Quarter 2023	December Quarter 2022
Iron Ore Pellet Sales (dmt)	496,176	713,929	698,586
Iron Ore Concentrate Sales (dmt)	-	24	0
Iron Ore Chip Sales (dmt)	70,307	3	68,433
TOTAL Iron Ore Product Sales (dmt)	566,483	713,956	767,019
Average Realised Product Price (US\$/t FOB Port Latta) *	108.12	156.21	122.87
Average Realised Exchange Rate (AUD:USD)	0.6732	0.6853	0.6480
Average Realised Product Price (A\$/t FOB Port Latta)	160.62	227.93	189.61

**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\$160.62/t (US\$108.12t) (FOB Port Latta), decreased by 29.53% from A\$227.93/t (US\$156.21/t) for the March quarter.

Grange continued to deliver into secured term offtake agreements, with pellets sales during the quarter of 496kt decreased by 30.5% from 714kt for the March quarter. Pellet sales were impacted with 1 shipment arriving in late June that was unable to berth and complete loading due to adverse weather conditions, this shipment completed loading and sailed on 2 July.

MINE DEVELOPMENT PROJECTS

North Pit Underground

Work on the Definitive Feasibility Study continues with the documentation of production schedules and modelling to implement a block cave under North Pit. The Environment Impact Statement is being prepared for submission in Q3. A tender was released to seek contractor interest as we seek to continue the exploration decline and enable the next phase of drilling. This will be focused on the potential extraction level.

Process Improvement Projects

The Intermediate Air System was successfully progressed through the commissioning phase during the quarter. This furnace is now running effectively without the addition of anthracite, reducing CO₂-e emissions. Further optimization work is in progress on the control systems. Following this, the design phase for similar modifications on the remainder of the furnaces will commence.

The components for the High Efficiency Mixer were delivered to site and plans for commissioning finalized for implementation in Q3.



SOUTHDOWN MAGNETITE PROJECT

The reacquisition of SRT's 30 percent interest in the Southdown Magnetite Project had completed and provides Grange 100 percent 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

Enterprise Agreement

The Company has been in discussions with its employees in regards to a new enterprise agreement. The Company has been, and will continue to be, actively engaging directly with all our employees to reach a fair and reasonable outcome that benefits all parties involved.

Shareholders

As at 30 June 2023 there were approximately 11,300 shareholders.

-ENDS-

This announcement was authorised by the Board.

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