

**Grange Resources Limited**  
**ABN 80 009 132 405**



**Australia's most experienced magnetite producer**

**Half Year Financial Report – 30 June 2024**

**Grange Resources Limited and its Controlled Entities**  
**Directors' report**  
**30 June 2024**

The directors present their report on the consolidated entity (the "Group") consisting of Grange Resources Limited ("Grange" or "the Company") and the entities it controlled at the end of, or during, the half-year ended 30 June 2024.

**Directors**

The following persons were directors of Grange Resources Limited during the whole of the financial half-year and up to the date of this report, unless otherwise stated:

Michelle Li	Chairperson
Tianxiao Shen	Non-Executive Director
Honglin Zhao	Managing Director (retired on 15 July 2024)
Chongtao Xu	Executive Director
Michael Dontschuk	Non-Executive Director (resigned on 20 March 2024)
Ajanth Saverimutto	Non-Executive Director
Fong Hoon	Non-Executive Director (appointed on 17 April 2024)

**Principal activities**

During the six months ended 30 June 2024, the principal activities of the Group were as follows:

- mining, processing and sale of iron ore from its operations in Tasmania; and
- the ongoing exploration and evaluation of mineral resources, principally the Southdown Magnetite Project near Albany, Western Australia.

**Review of operations**

**Key Highlights**

**Mining operations**

- Achieved over 400 days Lost Time Injury free.
- Statutory profit after tax for the six months ended 30 June 2024 of \$26.5 million compared to \$70.4 million for the same period in 2023.
- Pellet production of 1.22 million tonnes compared to 1.19 million tonnes for the same period in the 2023.
- Pellet sales of 1.05 million tonnes compared to 1.21 million tonnes for the same period in 2023.
- Unit cash operating costs for the six months ended 30 June 2024 of \$152.79 per tonne compared to \$137.41 for the same period in 2023 principally due to higher salaries and wages, higher major components and mechanical consumable costs for mid-life servicing of the mining fleet and increased wear and tear.
- Cash, cash equivalents and liquid investments of \$289.6 million compared to \$282.06 million as at 31 December 2023.

**Statement of Comprehensive Income**

Grange achieved a statutory profit after tax of \$26.5 million for the half year ended 30 June 2024 (2023: \$70.4 million profit after tax) on revenues from mining operations of \$234.0 million (2023: \$278.4 million).

Key revenue metrics for the 30 June 2024 half year and preceding 2023 half year were as follows:

	<b>6 months to 30 June 2024</b>	<b>6 months to 30 June 2023</b>
<b>Iron Ore Pellet Sales (dmt)</b>	1,048,391	1,210,105
<b>Iron Ore Concentrate Sales (dmt)</b>	-	24
<b>Iron Ore Chip Sales (dmt)</b>	69,706	70,310
<b>TOTAL Iron Ore Product Sales (dmt)</b>	<b>1,118,097</b>	<b>1,280,439</b>
<b>Average Realised Product Price (US\$/t FOB Port Latta)*</b>	120.43	134.93
<b>Average Realised Exchange Rate (AUD:USD)</b>	0.6523	0.6810

**Grange Resources Limited and its Controlled Entities**  
**Directors' report**  
**30 June 2024**

<b>Average Realised Product Price (A\$/t FOB Port Latta)*</b>	184.60	198.14
---	--------	--------

\* A portion of sales were made on CFR (Cost and Freight) terms whereby the Group incurred shipping expenses to transport the shipments to the discharge ports. The above FOB Port Latta unit prices realised reflect prices net of shipping expenses.

Grange will continue to deliver into secured term offtake agreements for its products for 2024.

	6 months to 30 June 2024	6 months to 30 June 2023
<b>Total BCM Mined</b>	8,779,005	9,355,237
<b>Total Ore BCM</b>	1,183,817	342,031
<b>Concentrate Produced (t)</b>	1,260,557	1,258,896
<b>Pellet Produced (t)</b>	1,215,566	1,189,469
<b>Pellet Stockpile (t)</b>	431,070	278,089
<b>Weight Recovery (%)</b>	41.20	45.20
<b>"C1" Costs (A\$/tonne Product Produced)</b>	152.79	137.41

Note: "C1" costs are the cash costs associated with producing iron ore products without allowance for mine development, deferred stripping and stockpile movements, and does not include royalties, depreciation and amortisation costs.

As at 30 June 2024 Grange operations achieved 400 days lost time injury free.

Concentrate and Pellet production was at high rates for the second quarter after the successful completion of maintenance programs in the first quarter. High availability was sustained, and record mill throughputs were achieved. This was bolstered by the Centre Pit ore that, while slightly lower in head grade, has excellent physical and chemical properties, supporting both high process rates and high-quality pellets.

Waste stripping of the east wall in North Pit continues to develop future access to ore in 2025. The Company is undertaking a program of pre-split drilling to ensure the pit walls are clean and stable to reduce the risks relating to rockfalls. This will enable the best chance to maximise safe ore recovery from the base of the pit.

### **North Pit Underground Development Project**

The Company completed the Definitive Feasibility Study (DFS) for underground mining below North Pit and its integration with the company's current opencut mine. The findings of the DFS have been integrated with the transition from opencut mining to demonstrate the effective implementation of the underground project alongside the current operation (see market release dated 28 February 2024).

The company is now proceeding with engineering planning work, finalisation of the development application and extension of the existing exploration decline. Final board and regulatory approval for construction is expected towards the end of 2024.

The continuation of the Exploration Decline is progressing well with over 1,400m of advance completed. A dewatering system has been successfully implemented from the open pit and is effectively controlling water for the underground activities. Longholes have been drilled in preparation for the implementation of a ventilation raise.

### **Port Latta Improvement Projects**

The optimization of the Intermediate Air System continues with improvements enabling Furnace #4 to operate without the addition of anthracite. This has led to a reduction in our coal usage at Port Latta and consequently a reduction in CO2-e emissions associated with the combustion of coal. This is an excellent result and is in accord with Grange's decarbonization plan to phase out the use of coal over the next three years as other furnaces are upgraded.

### **Statement of Financial Position**

Grange's net assets have not changed significantly of \$1,034.8 million as at 30 June 2024 compared to \$1,031.3 million as at 31 December 2023.

**Grange Resources Limited and its Controlled Entities**  
**Directors' report**  
**30 June 2024**

**Statement of Cash Flows**

*Net cash flows from operating activities*

Net cash inflows from operating activities for the six months ended 30 June 2024 were \$111.03 million (six months ended 30 June 2023: net inflow of \$93.9 million) which is mainly due to receipts from customer and other debtors of \$ 302.0 million (June 2023: \$282.2million) and interest received of \$9.2 million (June 2023: 7.3 million) partially offset by income taxes paid of \$13.4 million (June 2023: \$31.2 million) and payments to supplier and employees of \$186.6 million (June 2023: \$164.2 million)

*Net cash flows from investing activities*

Net cash outflows from investing activities for the six months ended 30 June 2024 were \$79.6 million (six months ended 30 June 2023: net outflow of \$75.1 million), principally related to significant expenditure for mine development of \$48.2 million (June 2023: \$71.0 million), and purchase of property plant equipment of \$34.7 million (June 2023: \$55.9 million) reduced by proceeds from term deposits \$3.2 million (June 2023: \$51.8million).

*Net cash flows from financing activities*

Net cash outflows from financing activities for the six months ended 30 June 2024 were \$24.1 million (six months ended 30 June 2023: net outflow of \$22.4 million) which principally related to payment of dividend of \$23.1million (June 2023: \$23.1 million)

**Rounding of amounts**

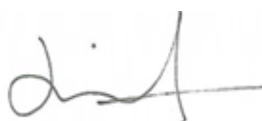
The Group is of a kind referred to in ASIC Legislative Instrument 2016/191 Class, issued by the Australian Securities and Investments Commission, relating to the 'rounding off' of amounts in the directors' report. Amounts in the directors' report have been rounded off in accordance with the instrument to the nearest thousand dollars, or in certain cases, the nearest dollar.

**Auditor's independence declaration**

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out immediately after this directors' report.

This report is made in accordance with a resolution of directors, pursuant to section 306(3)(a) of the Corporations Act 2001.

On behalf of the directors



---

Michelle Li  
Chairperson of the Board of Directors

23 August 2024



## Auditor's Independence Declaration

As lead auditor for the review of Grange Resources Limited for the half-year ended 30 June 2024, I declare that to the best of my knowledge and belief, there have been:

- (a) no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
- (b) no contraventions of any applicable code of professional conduct in relation to the review.

This declaration is in respect of Grange Resources Limited and the entities it controlled during the period.

A handwritten signature in black ink, appearing to read 'Chris Dodd'.

Chris Dodd  
Partner  
PricewaterhouseCoopers

Melbourne  
23 August 2024

**Grange Resources Limited and its Controlled Entities**  
**Contents**  
**30 June 2024**

Condensed consolidated statement of comprehensive income	7
Condensed consolidated statement of financial position	8
Condensed consolidated statement of changes in equity	9
Condensed consolidated statement of cash flows	10
Notes to the condensed consolidated financial statements	11
Directors' declaration	22
Independent auditor's review report to the members of Grange Resources Limited	23

**Grange Resources Limited and its Controlled Entities**  
**Condensed consolidated statement of comprehensive income**  
**For the half-year ended 30 June 2024**

	Note	Six months to 30 June 2024 \$'000	Six months to 30 June 2023 \$'000
Revenue from Operations	3,2	234,046	278,382
Cost of Sales	4	(208,438)	(172,838)
<b>Gross profit from operations</b>		<b>25,608</b>	<b>105,544</b>
Administrative Expenses		(2,736)	(2,868)
Exploration and Evaluation Expenditures		(1,965)	(9,575)
Other Income/(Expenses)		9	(707)
<b>Operating profit before finance costs</b>		<b>20,916</b>	<b>92,394</b>
Finance Income		12,993	10,772
Finance Expenses		(1,503)	(2,188)
<b>Profit before income tax expense</b>		<b>32,406</b>	<b>100,978</b>
Income tax expense	5	(5,874)	(30,579)
<b>Profit after income tax expense for the half-year</b>	16	<b>26,532</b>	<b>70,399</b>
Other comprehensive income for the half-year, net of tax		-	-
<b>Total comprehensive income for the half-year</b>		<b>26,532</b>	<b>70,399</b>
		<b>Cents</b>	<b>Cents</b>
Basic earnings per share		<b>2.29</b>	<b>6.08</b>
Diluted earnings per share		<b>2.29</b>	<b>6.08</b>

*The above Condensed consolidated statement of comprehensive income should be read in conjunction with the accompanying notes*

**Grange Resources Limited and its Controlled Entities**  
**Condensed consolidated statement of financial position**  
**As at 30 June 2024**

	Note	30 June 2024 \$'000	31 December 2023 \$'000
<b>Assets</b>			
<b>Current assets</b>			
Cash and cash equivalents	6	119,851	109,706
Trade and other receivables	7	15,583	74,612
Inventories	9	237,267	179,816
Other financial assets	8,18	173,662	175,030
<b>Total current assets</b>		<b>546,363</b>	<b>539,164</b>
<b>Non-current assets</b>			
Other financial assets	8,18	761	1,363
Property, plant and equipment	10	260,692	248,475
Right-of-use assets		1,240	2,096
Mine properties and development	11	423,341	443,038
Receivables		10,009	10,009
<b>Total non-current assets</b>		<b>696,043</b>	<b>704,981</b>
<b>Total assets</b>		<b>1,242,406</b>	<b>1,244,145</b>
<b>Liabilities</b>			
<b>Current liabilities</b>			
Trade and other payables	13	45,527	50,380
Lease liability		903	1,442
Provisions	14	23,563	25,560
<b>Total current liabilities</b>		<b>69,993</b>	<b>77,382</b>
<b>Non-current liabilities</b>			
Lease liability		403	773
Deferred tax Liabilities	12	55,631	53,938
Provisions	14	81,545	80,726
<b>Total non-current liabilities</b>		<b>137,579</b>	<b>135,437</b>
<b>Total liabilities</b>		<b>207,572</b>	<b>212,819</b>
<b>Net assets</b>		<b>1,034,834</b>	<b>1,031,326</b>
<b>Equity</b>			
Contributed Equity	15	331,513	331,513
Reserves		(1,854)	(1,977)
Retained earnings	16	705,175	701,790
<b>Total equity</b>		<b>1,034,834</b>	<b>1,031,326</b>

*The above Condensed consolidated statement of financial position should be read in conjunction with the accompanying notes*



**Grange Resources Limited and its Controlled Entities**  
**Condensed consolidated statement of changes in equity**  
**For the half-year ended 30 June 2024**

	<b>Contributed Equity \$'000</b>	<b>Reserves \$'000</b>	<b>Retained profits \$'000</b>	<b>Total equity \$'000</b>
Balance at 1 January 2023	<b>331,513</b>	<b>(2,220)</b>	<b>574,833</b>	<b>904,126</b>
Profit after income tax expense for the half-year	-	-	70,399	70,399
Other comprehensive income for the half-year, net of tax	-	-	-	-
Total comprehensive income for the half-year	-	-	70,399	70,399
<i>Transactions with owners in their capacity as owners:</i>				
Share-based payments	-	31	-	31
Dividends paid (note 17)	-	-	(23,147)	(23,147)
Balance at 30 June 2023	<b>331,513</b>	<b>(2,189)</b>	<b>622,085</b>	<b>951,409</b>
	<b>Contributed Equity \$'000</b>	<b>Reserves \$'000</b>	<b>Retained profits \$'000</b>	<b>Total equity \$'000</b>
Balance at 1 January 2024	<b>331,513</b>	<b>(1,977)</b>	<b>701,790</b>	<b>1,031,326</b>
Profit after income tax expense for the half-year	-	-	26,532	26,532
Other comprehensive income for the half-year, net of tax	-	-	-	-
Total comprehensive income for the half-year	-	-	26,532	26,532
<i>Transactions with owners in their capacity as owners:</i>				
Share-based payments	-	123	-	123
Dividends paid (note 17)	-	-	(23,147)	(23,147)
Balance at 30 June 2024	<b>331,513</b>	<b>(1,854)</b>	<b>705,175</b>	<b>1,034,834</b>

*The above Condensed consolidated statement of changes in equity should be read in conjunction with the accompanying notes*

**Grange Resources Limited and its Controlled Entities**  
**Condensed consolidated statement of cash flows**  
**For the half-year ended 30 June 2024**

	Six months to 30 June 2024 \$'000	Six months to 30 June 2023 \$'000
<b>Cash flows from operating activities</b>		
Receipts from customers and other debtors (inclusive of goods and services tax)	301,955	282,182
Payments to suppliers and employees (inclusive of goods and services tax)	(186,615)	(164,198)
	<b>115,340</b>	<b>117,984</b>
Interest received	9,196	7,337
Interest paid	(102)	(151)
Income taxes paid	(13,404)	(31,238)
Net cash inflow from operating activities	<b>111,030</b>	<b>93,932</b>
<b>Cash flows from investing activities</b>		
Payments for mine, properties and development	(48,222)	(71,019)
Payments for property, plant and equipment	(34,683)	(55,913)
Proceeds from security and term deposits	3,200	51,828
Proceeds from sales of property, plant and equipment	102	8
Net cash used in investing activities	<b>(79,603)</b>	<b>(75,096)</b>
<b>Cash flows from financing activities</b>		
Dividends paid to shareholders	(23,147)	(23,147)
Lease payments	(918)	(1,147)
Proceeds from borrowings	-	1,875
Net cash used in financing activities	<b>(24,065)</b>	<b>(22,419)</b>
Net increase/(decrease) in cash and cash equivalents	<b>7,362</b>	<b>(3,583)</b>
Cash and cash equivalents at the beginning of the financial half-year	109,706	108,410
Effects of exchange rate changes on cash and cash equivalents	2,783	3,010
Cash and cash equivalents at the end of the financial half-year	<b>119,851</b>	<b>107,837</b>

*The above Condensed consolidated statement of cash flows should be read in conjunction with the accompanying notes*

**Grange Resources Limited and its Controlled Entities**  
**Notes to the condensed consolidated financial statements**  
**30 June 2024**

**Note 1. Summary of Significant Accounting Policies**

**(a) Basis of preparation for the interim financial report**

This condensed consolidated interim financial report for the half-year reporting period ended 30 June 2024 has been prepared in accordance with Accounting Standard AASB 134 Interim Financial Reporting and the Corporations Act 2001.

The condensed consolidated interim financial report does not include all information and disclosures required in the annual financial statements. Accordingly, this report is to be read in conjunction with the annual report for the year ended 31 December 2023 and any public announcements made by Grange Resources Limited during the interim reporting period in accordance with the continuous disclosure requirements of the Corporations Act 2001.

**(b) Accounting policies**

The accounting policies adopted in the preparation of the interim consolidated financial statements are consistent with those followed in the preparation of the Group's annual consolidated financial statements for the year ended 31 December 2023.

Where required, comparative figures have been adjusted to conform to changes in presentation for the current financial year.

A number of amended standards became applicable for the current reporting period. The group did not have to change its accounting policies or make retrospective adjustments as a result of adopting these amendments.

**(c) Critical accounting estimates and judgements**

The preparation of this interim financial report requires the use of estimates and judgements. The estimates and judgements that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within this interim financial report are consistent with those of the previous financial year as disclosed in the Annual Report for the year ended 31 December 2023.

The accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period, unless otherwise stated.

**(d) Rounding of amounts**

The Group is of a kind referred to in ASIC Legislative Instrument 2016/191 Class, issued by the Australian Securities and Investments Commission, relating to the "rounding off" of amounts in the financial report. Amounts in the financial report have been rounded off in accordance with the instrument to the nearest thousand dollars, or in certain cases, the nearest dollar.

**Note 2. Segment Information**

**(a) Description of segments**

Operating segments are determined based on the reports reviewed by the Chief Executive Officer, who is the Group's chief operating decision maker in terms of allocating resources and assessing performance.

The Group has one reportable segment which is the exploration, evaluation, and development of mineral resources and iron ore mining operations

The Chief Executive Officer allocates resources and assesses performance, in terms of revenues earned, expenses incurred, and assets employed, on a consolidated basis in a manner consistent with that of the measurement and presentation in the financial statements.

Segment assets and capital are allocated based on where the assets are located. The consolidated assets of the Group were predominately located in Australia as at 30 June 2024 and 31 December 2023. The total costs incurred during the current and comparative periods to acquire segment assets also predominately incurred in Australia.

Exploration, evaluation and development projects (including the Southdown project) are not deemed reportable operating segments at this time as the financial performance of these operations is not separately included in the reports provided to the Chief Executive Officer. These projects may become segments in the future.

**Grange Resources Limited and its Controlled Entities**  
**Notes to the condensed consolidated financial statements**  
**30 June 2024**

**Note 2. Segment Information (continued)**

	<b>Ore Mining</b>	
	<b>Six months</b>	<b>Six months</b>
	<b>to 30 June</b>	<b>to 30 June</b>
	<b>2024</b>	<b>2023</b>
	<b>\$'000</b>	<b>\$'000</b>
Revenue from contracts with customers	234,046	278,832
Timing of Revenue Recognition		
At a point in time	206,403	253,720
Over time	27,643	24,662
	<b>234,046</b>	<b>278,382</b>

**Note 3. Revenue from Operations**

	<b>Ore Mining</b>	
	<b>Six months</b>	<b>Six months</b>
	<b>to 30 June</b>	<b>to 30 June</b>
	<b>2024</b>	<b>2023</b>
	<b>\$'000</b>	<b>\$'000</b>
Revenue from contracts with customers	236,321	286,106
Other revenue/loss	(2,275)	(7,724)
	<b>234,046</b>	<b>278,382</b>

Certain of the Group's products may be provisionally priced at the date revenue is recognised. The change in value of the provisionally priced receivables (note 13 – Trade and Other Payables) is based on relevant forward market prices and is included in "Other revenue". Where an estimated forward price is not available, spot prices are applied as management's best estimate of the provisional prices.

Revenue from contracts with provisional pricing is recognised based on the estimated forward prices where available which the Group expects to receive at the end of the quotation period. Where an estimated forward price is not available, spot prices are applied as management's best estimate of the provisional prices. The quotation period exposure is considered to be an embedded derivative and forms part of trade receivables. The subsequent changes in the fair value were recognised in the statement of profit or loss and other comprehensive income as other revenue / (loss). Changes in fair value over, and until the end of the quotation period, are estimated by reference to updated forward market prices.

**Grange Resources Limited and its Controlled Entities**  
**Notes to the condensed consolidated financial statements**  
**30 June 2024**

**Note 4. Cost of Sales**

	Six months to 30 June 2024 \$000	Six months to 30 June 2023 \$000
<b>Cost of sales - mining</b>		
Mining costs	112,336	97,142
Production costs	81,367	77,852
Changes in inventories	(59,562)	(993)
Freight Costs	27,643	24,662
Government Royalties	5,750	9,813
Depreciation and amortisation expense	23,277	17,059
Mine properties and development		
- Amortisation expense	6,168	4,192
Deferred Stripping		
- Amounts capitalised during the period	(47,788)	(71,007)
- Amortisation expense	59,717	16,542
Foreign exchange loss	(470)	(2,424)
<b>Total Cost of Sales</b>	<b>208,438</b>	<b>172,838</b>

**Note 5. Income Tax Expense**

	Six months to 30 June 2024 \$'000	Six months to 30 June 2023 \$'000
<b>(a) Income Tax Expense</b>		
Current Tax	4,158	12,108
Deferred income tax included in income tax expense comprises:		
Decrease in deferred tax assets	1,692	18,431
Previously unrecognised deferred tax assets for temporary differences now recognised	24	40
	<b>1,716</b>	<b>18,471</b>
<b>Total Income Tax Expense</b>	<b>5,874</b>	<b>30,579</b>
<b>(b) Numerical reconciliation of income tax expense (benefit) to prima facie tax payable</b>		
Profit from continuing operations before income tax expense (benefit)	32,406	100,978

**Grange Resources Limited and its Controlled Entities**  
**Notes to the condensed consolidated financial statements**  
**30 June 2024**

**Note 5. Income Tax Expense (continued)**

Tax expense at the Australian tax rate of 30% (June 2023: 30%)	9,722	30,294
<i>Tax effect of amounts which are not deductible (taxable) in calculating taxable income:</i>		
Sundry Items	28	77
	<b>9,750</b>	<b>30,371</b>
Movements in previously unrealised deferred tax assets	(24)	(40)
Adjustment to tax of prior period	(3,852)	248
	<b>5,874</b>	<b>30,579</b>

**(c) Taxation Losses**

Unused taxation losses for which no deferred tax assets has been recognised	5,618	5,618
<b>Potential tax benefit @ 30%</b>	<b>1,685</b>	<b>1,685</b>

Capital losses of \$4.26m was fully utilised against sales of royalty in 2023. Related income tax benefit reported as adjustment to tax of prior period.

**Note 6. Cash and cash equivalents**

	<b>30 June 2024 \$'000</b>	<b>31 December 2023 \$'000</b>
Cash at bank and in hand	3,933	3,303
Short-term deposits	115,918	106,403
	<b>119,851</b>	<b>109,706</b>

**Note 7. Trade and other receivables**

	<b>30 June 2024 \$'000</b>	<b>31 December 2023 \$'000</b>
Trade receivables	39	57,729
Security deposits	323	323
Income tax receivable	2,998	-
Other receivables	9,581	14,895
Prepayments	2,642	1,665
	<b>15,583</b>	<b>74,612</b>

Security deposits comprise of restricted deposits that are used for monetary backing for performance guarantees.

**Grange Resources Limited and its Controlled Entities**  
**Notes to the condensed consolidated financial statements**  
**30 June 2024**

**Note 8. Other financial assets**

	<b>30 June 2024 \$'000</b>	<b>31 December 2023 \$'000</b>
Current Assets		
Derivatives (note 18)	3,962	2,130
Investment in term deposits	169,700	172,900
	<b>173,662</b>	<b>175,030</b>
Non-current Assets		
Derivatives (note 18)	<b>761</b>	<b>1,363</b>

The Group holds investment in AUD term deposits with 91 to 365 day terms and carries an annual interest of 4.00% to 5.51%.

**Note 9. Inventories**

	<b>30 June 2024 \$'000</b>	<b>31 December 2023 \$'000</b>
Stores and spares	57,394	59,504
Ore stockpiles	115,434	84,528
Work in progress	11,441	11,591
Finished goods (at lower of cost and net realisable value)	52,998	24,193
	<b>237,267</b>	<b>179,816</b>

Ore stockpiles, work in progress, finished goods and stores and spares are valued at the lower of weighted average cost and estimated net realisable value. A credit of \$59.6 million in 2024 and \$1.0 million in 2023 were recognised for the movements in inventories (note 4).

**Note 10. Property, plant and equipment**

	<b>Land and Building \$'000</b>	<b>Plant and Equipment \$'000</b>	<b>Computer Equipment \$'000</b>	<b>Assets Under Construction \$'000</b>	<b>Total \$'000</b>
At 1 January 2024					
Cost	68,804	528,880	15,879	46,812	660,375
Accumulated depreciation and impairment	(35,613)	(362,393)	(13,894)	-	(411,900)
<b>Net book amount</b>	<b>33,191</b>	<b>166,487</b>	<b>1,985</b>	<b>46,812</b>	<b>248,475</b>
Half-year ended 30 June 2024					
Opening net book amount	33,191	166,487	1,985	46,812	248,475
Additions	-	-	-	35,375	35,375
Disposals - net book value	-	-	(14)	-	(14)
Depreciation charge	(977)	(21,062)	(412)	-	(22,451)
Transfer from assets under construction	5,691	16,231	164	(22,086)	-
Transfer to MP&D	-	-	-	(434)	(434)
Other transfers	-	-	-	(259)	(259)
<b>Closing net book amount</b>	<b>37,905</b>	<b>161,656</b>	<b>1,723</b>	<b>59,408</b>	<b>260,692</b>
At 30 June 2024					
Cost	74,495	544,595	14,940	59,408	693,438
Accumulated depreciation and Impairment	(36,590)	(382,939)	(13,217)	-	(432,746)
<b>Net book amount</b>	<b>37,905</b>	<b>161,656</b>	<b>1,723</b>	<b>59,408</b>	<b>260,692</b>

**Grange Resources Limited and its Controlled Entities**  
**Notes to the condensed consolidated financial statements**  
**30 June 2024**

**Note 11. Mine properties and development**

	<b>30 June 2024 \$'000</b>	<b>31 December 2023 \$'000</b>
Mine properties and development (at cost)	657,606	659,205
Accumulated amortisation and impairment	(515,071)	(508,902)
Net book amount	<b>142,535</b>	<b>150,303</b>
Deferred Stripping Costs (Net Book Amount)	280,806	292,735
Total mine properties and developments	<b>423,341</b>	<b>443,038</b>

	<b>30 June 2024 \$'000</b>	<b>31 December 2023 \$'000</b>
Movements in mine properties and development are set out below:		
<b>Mine properties and development</b>		
Opening net book amount	150,303	163,108
Current year expenditure capitalised	434	356
Change in rehabilitation estimate	-	39
Change in discount rate	(2,034)	(178)
Amortisation expense	(6,168)	(9,414)
Transfer to PPE	-	(61)
Disposal	-	(3,547)
	<b>142,535</b>	<b>150,303</b>

<b>Deferred stripping costs</b>		
Opening net book amount	292,735	197,844
Current year expenditure capitalised	47,788	152,223
Amortisation expense	(59,717)	(57,332)
Closing net book amount	<b>280,806</b>	<b>292,735</b>

At the end of the reporting period, the Group considered impairment indicators for its mining assets.

The Group assessed no impairment of its mining assets is warranted for the half-year ended. The Group will continue to monitor iron ore and broader market conditions to evaluate their impact on the recoverable amounts of mining assets.

The Group will perform its annual review of the life of mine plans and budgets in H2 2024, along with any sustained reduction in market capitalisation, will underpin the calculation of asset recoverable amounts for the year ending 31 December 2024.



**Grange Resources Limited and its Controlled Entities**  
**Notes to the condensed consolidated financial statements**  
**30 June 2024**

**Note 12. Deferred tax assets (liabilities)**

	<b>30 June 2024 \$'000</b>	<b>31 December 2023 \$'000</b>
<b>The balance comprises temporary differences attributable to:</b>		
<b>Deferred Tax Assets</b>		
Property, plant and equipment	11,851	15,150
Decommissioning and restoration	22,743	22,396
Employee benefits	7,572	7,617
Trade Receivables	56	56
Trade payables	-	14
<b>Total deferred tax assets</b>	<b>42,222</b>	<b>45,233</b>
<b>Deferred Tax Liabilities</b>		
Mine properties and development	(89,228)	(91,013)
Inventory	(6,771)	(6,838)
Derivatives	(1,417)	(1,048)
Trade Payables	(2)	-
Foreign exchange	(435)	(270)
Prepayments	-	(2)
<b>Total net deferred tax assets (liabilities)</b>	<b>(97,853)</b>	<b>(99,171)</b>
<b>Total net deferred tax liabilities</b>	<b>(55,631)</b>	<b>(53,938)</b>

**Note 13. Trade and other payables**

	<b>30 June 2024 \$'000</b>	<b>31 December 2023 \$'000</b>
Trade payables and accruals	33,867	38,249
Provisionally price ore shipments	5,413	-
Contract Liabilities	2,662	2,662
Tax payable	-	6,224
Other payables	3,585	3,245
	<b>45,527</b>	<b>50,380</b>

Trade payables include provisionally priced ore shipments relating to sales contracts where the selling price is determined after delivery to the customers, based on the market price at the relevant quotation point stipulated in the contract (note 3 – Revenue). The quotation period exposure is considered to be an embedded derivative and not separated from the entire balance. The entire balance is accounted for as one instrument and measured at fair value.

**Note 14. Provisions**

	<b>30 June 2024 \$'000</b>	<b>31 December 2023 \$'000</b>
<b>Provisions (Current)</b>		
Leave Obligations	19,886	19,131
Employee benefits	1,868	3,299
Decommissioning and restoration	1,809	3,130
	<b>23,563</b>	<b>25,560</b>

The following amounts reflect leave that is not expected to be taken or paid within the next 12 months.

Current leave obligations expected to be settled after 12 months	10,034	9,581
--	--------	-------

**Grange Resources Limited and its Controlled Entities**  
**Notes to the condensed consolidated financial statements**  
**30 June 2024**

**Note 14. Provisions (continued)**

	<b>30 June 2024</b>	<b>31 December 2023</b>
Movements in provision for decommissioning and restoration are set out below		
Balance at beginning of the year / period	3,130	1,323
Payments	(71)	(342)
Transfers to (from) current provisions	(1,250)	2,149
	<b>1,809</b>	<b>3,130</b>

	<b>30 June 2024 \$'000</b>	<b>31 December 2023 \$'000</b>
<b>Provisions (non-current)</b>		
Leave obligations	3,266	2,864
Employee benefits	219	98
Decommissioning and restorations	78,060	77,764
	<b>81,545</b>	<b>80,726</b>

Movements in provision for decommissioning and restoration are set out below

	<b>30 June 2024 \$'000</b>	<b>31 December 2023 \$'000</b>
Balance at beginning of the year / period	77,764	77,586
Change in estimate	(2,246)	1,068
Rehabilitation work completed	(180)	(1,722)
Unwinding of discount	1,472	2,981
Transfers from (to) current provisions	1,250	(2,149)
Balance at the end of the year / period	<b>78,060</b>	<b>77,764</b>

The change in estimate reflects a change in valuation of the decommissioning and restoration liability due to a change in discount rate.

**Note 15. Contributed equity**

**Ordinary shares**

Ordinary shares entitle the holder to participate in dividends and the proceeds of winding up of the Company in proportion to the number of and amounts paid on the shares held. Ordinary shares entitle their holder to one vote per share, either in person or by proxy, at a meeting of the Company. Ordinary shares have no par value and the Company does not have a limited amount of authorised share capital.

	<b>30 June 2024 No. of Shares</b>	<b>31 December 2023 No. of Shares</b>	<b>30 June 2024 \$'000</b>	<b>31 December 2023 \$'000</b>
<b>Shares</b>	<b>1,157,338,698</b>	<b>1,157,338,698</b>	<b>331,513</b>	<b>331,513</b>

**Grange Resources Limited and its Controlled Entities**  
**Notes to the condensed consolidated financial statements**  
**30 June 2024**

**Note 16. Retained earnings**

Retained earnings attributable to owners of Grange Resources

	<b>30 June 2024 \$'000</b>	<b>31 December 2023 \$'000</b>
<b>Retained profits</b>		
Balance at the beginning of the year	701,790	574,833
Profit for the year	26,532	150,104
Dividends paid (note 17)	(23,147)	(23,147)
<b>Balance at the end of the year</b>	<b>705,175</b>	<b>701,790</b>

**Note 17. Dividends**

	<b>30 June 2024 \$'000</b>	<b>31 December 2023 \$'000</b>
Fully franked final dividend for the year ended 31 December 2023 - 2.0 cents per share	23,147	-
Fully franked final dividend for the year ended 31 December 2022 - 2.0 cents per share	-	23,147
<b>Total dividends paid</b>	<b>23,147</b>	<b>23,147</b>

Since the end of the half-year, the Board of Directors have recommended the payment of a fully franked dividend of 0.50 cents per share or \$5.79 million. The Board's decision takes into consideration and balances the current market conditions, iron ore prices, future development projects, and shareholder returns. The interim dividend was declared NIL conduit foreign income and will be paid on 30 September 2024.

The above amounts are calculated from the balance of the franking account as at the end of the reporting period, adjusted for franking credits and debits that will arise from the settlement of liabilities or receivables for income tax and dividends after the end of the year.

**Note 18. Fair Value Measurement**

*Fair value hierarchy*

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are recognised and measured at fair value in the financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the Group has classified its financial instruments into the three levels prescribed under the accounting standards.

**Level 1:** The fair value of financial instruments traded in active markets (such as publicly traded derivatives and equity securities) is based on quoted market prices at the end of the reporting period. The quoted market price used for financial assets held by the group is the current bid price. These instruments are included in level 1.

**Level 2:** The fair value of financial instruments that are not traded in an active market (for example, over-the-counter derivatives) is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

**Level 3:** If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

Specific valuation techniques used to value the derivative financial instruments mainly include determining the fair value of forward contracts using forward rates at the balance sheet date provided by the dealers.

**Grange Resources Limited and its Controlled Entities**  
**Notes to the condensed consolidated financial statements**  
**30 June 2024**

**Note 18. Fair Value Measurement (continued)**

The following table presents the group's financial assets and financial liabilities measured and recognised at fair value at 30 June 2024 and 31 December 2023 on a recurring basis:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly

Level 3: Unobservable inputs for the asset or liability

<b>30 June 2024</b>	<b>Level 1 \$'000</b>	<b>Level 2 \$'000</b>	<b>Level 3 \$'000</b>	<b>Total \$'000</b>
<b>Assets</b>				
Derivative financial instruments	-	4,723	-	4,723
<b>Total assets</b>	-	<b>4,723</b>	-	<b>4,723</b>
<b>Liabilities</b>				
Trade payables - embedded derivatives on pellet shipments	-	(2,275)	-	(2,275)
<b>Total liabilities</b>	-	<b>(2,275)</b>	-	<b>(2,275)</b>
<b>31 December 2023</b>	<b>Level 1 \$'000</b>	<b>Level 2 \$'000</b>	<b>Level 3 \$'000</b>	<b>Total \$'000</b>
<b>Assets</b>				
Trade receivables - embedded derivatives	-	15,799	-	15,799
Derivative financial instruments	-	3,493	-	3,493
<b>Total assets</b>	-	<b>19,292</b>	-	<b>19,292</b>

Derivatives are only used for economic hedging purposes and not as speculative investments. The Group has the following derivative financial instruments:

	<b>30 June 2024 \$'000</b>	<b>31 December 2023 \$'000</b>
Electricity fixed forward	3,809	3,233
Diesel commodity swap	849	185
Foreign currency options	65	75
	<b>4,723</b>	<b>3,493</b>
Derivatives (current)	3,962	2,130
Derivatives (non-current)	761	1,363
	<b>4,723</b>	<b>3,493</b>

The Company uses forward contracts to manage the price-risk of energy and fuel consumption. This table represents the mark to market revaluation of these forward contracts.

**(i) Classification of derivatives**

Derivatives are classified as financial assets held at fair value through profit or loss (FVTPL). They are presented as current assets or liabilities if they are expected to be settled within 12 months after the end of the reporting period.

**Note 19. Contingent liabilities**

There were no significant changes to the contingent liabilities previously disclosed in the Annual Report for the half year ended 30 June 2024.

**Grange Resources Limited and its Controlled Entities**  
**Notes to the condensed consolidated financial statements**  
**30 June 2024**

**Note 20. Events Occurring After the Reporting Period**

No matter or circumstance has arisen since 30 June 2024 that has significantly affected, or may significantly affect the Group's operations, the results of those operations, or the Group's state of affairs in future financial years.

**Grange Resources Limited and its Controlled Entities**  
**Directors' declaration**  
**30 June 2024**

In the opinion of the Directors:

- (a) The interim financial statements and notes of Grange Resources Limited set out on pages 7 to 21 are in accordance with the Corporations Act 2001, including:
  - (i) giving a true and fair view of the consolidated entity's financial position as at 30 June 2024 and of its performance for the half-year ended on that date;
  - (ii) complying with Accounting Standard AASB 134 Interim Financial Reporting and the Corporations Regulations 2001.
- (b) There are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

This declaration has been made after receiving the declaration made to the directors for the half year ended 30 June 2024 in accordance with the 4th Edition of the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations.

This declaration is made in accordance with a resolution of the directors.



---

Michelle Li  
Chairperson of the Board of Directors

23 August 2024



## ***Independent auditor's review report to the members of Grange Resources Limited***

### **Report on the half-year financial report**

#### ***Conclusion***

We have reviewed the half-year financial report of Grange Resources Limited (the Company) and the entities it controlled during the half-year (together the Group), which comprises the Condensed consolidated statement of financial position as at 30 June 2024, the Condensed consolidated statement of comprehensive income, Condensed consolidated statement of changes in equity and Condensed consolidated statement of cash flows for the half-year ended on that date, selected explanatory notes and the directors' declaration.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the accompanying half-year financial report of Grange Resources Limited does not comply with the *Corporations Act 2001* including:

1. giving a true and fair view of the Group's financial position as at 30 June 2024 and of its performance for the half-year ended on that date
2. complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

#### ***Basis for conclusion***

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity* (ASRE 2410). Our responsibilities are further described in the *Auditor's responsibilities for the review of the half-year financial report* section of our report.

We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional & Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to the audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

#### ***Responsibilities of the directors for the half-year financial report***

The directors of the Company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that gives a true and fair view and is free from material misstatement whether due to fraud or error.



### ***Auditor's responsibilities for the review of the half-year financial report***

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Group's financial position as at 30 June 2024 and of its performance for the half-year ended on that date, and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

A stylized, cursive signature of the PricewaterhouseCoopers firm.

PricewaterhouseCoopers

A stylized, cursive signature of Chris Dodd.

Chris Dodd  
Partner

Melbourne  
23 August 2024