



26 April 2022
ASX: GRR

REPORT FOR THE QUARTER ENDED 31 March 2022

HIGHLIGHTS

- The operation achieved a significant milestone of over 5 years Lost Time Injury Free.
- Stringent COVID-19 controls remain in place as cases escalate in the local community. The Company continues to prioritise the health, safety and well-being of our workforce.
- Final dividend of 10 cents per share declared and paid in the quarter.
- Concentrate production decreased for the quarter with 638kt produced compared to 666kt for the December quarter due to annual scheduled maintenance.
- Pellet sales decreased for the quarter to 479kt compared with 647kt for the December quarter due to annual scheduled maintenance.
- Increase in average received prices for the quarter to US\$224.30/t (A\$307.72/t) (FOB Port Latta) compared with US\$164.14/t (A\$226.71/t) for the December quarter.
- Unit cash operating cost increased for the quarter to A\$104.24/t compared with A\$103.69/t for the December quarter.
- Cash and liquid investments of A\$356.93 million and trade receivables of A\$63.39 million compared with cash and liquid investments of A\$463.48 million and trade receivables of A\$18.82 million for the December quarter. Fully-franked final dividend of \$115.73 million was paid in the quarter.
- Outlay of approximately A\$8.3 million have been made in the quarter on capital projects including the purchase of a new Hitachi EX1200 excavator and deposit on the purchase of 6 second hand Caterpillar 789C trucks.



“The iron ore prices strengthened throughout the first quarter of 2022 from a period of weakness in the last quarter in 2021. This enabled the Company to maintain a strong cash position and the ability to declare a fully-franked final dividend of 10 cents per share. We continue to see strong demand for our high-grade, low-impurity iron ore pellets.” said CEO Mr. Honglin Zhao.

“The Southdown Magnetite Project prefeasibility study was completed and the results announced during the quarter. Our Team will further optimise the Southdown Magnetite Project as we continue to progress the Project in the definitive feasibility phase. Optimisation of our life-of-mine plan at Savage River is also progressing as planned. We will provide additional information on these two projects when the studies are completed.”

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).

Current activities have focussed on the review of planned actions against the 4 pillars of the framework, namely Governance, Planet, People and Prosperity.

In alignment with the Governance pillar, the Board determined the importance of a purpose statement to clearly define why the organisation exists and the value it creates for stakeholders. A series of workshops and consultation has been undertaken with internal stakeholders to finalise the statement

The Board resolved that Grange’s purpose is *for the responsible provision of mineral resources to support sustainable development, growth and prosperity.*

SAVAGE RIVER OPERATIONS

PRODUCTION

	March Quarter 2022	December Quarter 2021	September Quarter 2021
Total BCM Mined	3,729,897	3,311,257	3,530,463
Total Ore BCM	983,184	1,071,681	857,740
Concentrate Produced (t)	638,337	666,208	687,058
Weight Recovery (%)	45.9	48.6	46.3
Pellets Produced (t)	616,773	649,943	676,382
Pellet Stockpile (t)	348,100	210,193	207,007
Concentrate Stockpile (t)	36,175	14,285	12,233

The operation achieved a significant milestone of over 5 years Lost Time Injury free. The health safety and wellbeing of our workforce remains a core focus. Escalation of COVID-19 in the



local community has had an impact on production and maintenance projects with up to 10% of the workforce impacted. COVID-19 controls remain in place to ensure a safe workplace. We will continue to monitor the issue closely to minimize any impact on production and on the safety and well-being of our staff.

Mining activities in North Pit have continued to progress with mining in the Main Ore Zone at the bottom of North Pit and developing the cutback on top of the east wall in North Pit for the next phase of open pit mining. Mining also continued in Centre Pit.

Concentrate and pellet production rates were delivered in line with plan as the annual common equipment shutdown maintenance activities were successfully and safely completed.

SHIPPING AND SALES

	March Quarter 2022	December Quarter 2021	September Quarter 2021
Iron Ore Pellet Sales (dmt)	478,866	646,757	650,635
Iron Ore Concentrate Sales (dmt)	0	20	0
Iron Ore Chip Sales (dmt)	34,310	19,365	28,591
TOTAL Iron Ore Product Sales (dmt)	513,176	666,142	679,226
Average Realised Product Price (US\$/t FOB Port Latta) *	224.30	164.14	153.09
Average Realised Exchange Rate (AUD:USD)	0.7289	0.7240	0.7403
Average Realised Product Price (A\$/t FOB Port Latta)	307.72	226.71	206.80

**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\$307.72/t (US\$224.30/t) (FOB Port Latta), increased by 35.73% from A\$226.71/t (US\$164.14/t) for the December quarter.

Grange continued to deliver into secured term offtake agreements, with pellets sales during the quarter of 479kt which had decreased by 26.0% from 647kt for the December quarter. This was due to planned annual maintenance activity.

MINE DEVELOPMENT PROJECTS

North Pit Underground

Pre-work for the Definitive Feasibility Study (DFS) was progressed with updates to the footprint for the extraction level. This will feed into the scope of the DFS which is scheduled to commence in Q2 of 2022.

Process Improvement Projects



Furnace Line 4 construction and commissioning continues with major structural, mechanical and electrical works being undertaken.

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 were announced to the market on the 22nd of March 2022. Grange looks to further optimise the Project while progressing 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

Final Dividend

A fully-franked final dividend of 10 cents per share was declared and paid in the quarter.

Shareholders

As at 31 March 2022 there were approximately 7,400 shareholders.

-ENDS-

This announcement was authorised by the Board.

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