



26 April 2024
ASX: GRR

REPORT FOR THE QUARTER ENDED 31 March 2024

HIGHLIGHTS

- Achieved Lost Time Injury free for the quarter.
- Definitive Feasibility Study (DFS) into underground mining below North Pit and its integration with the company's current opencut mine released with robust financial outcomes.
- Concentrate production decreased for the quarter with 586kt produced compared to 684kt for the December quarter due to annual maintenance program.
- Pellet sales decreased for the quarter to 565kt compared with 648kt for the December quarter.
- Average received prices for the quarter dropped to US\$108.11/t (A\$166.03/t)* (FOB Port Latta) compared with US\$159.65/t (A\$243.14/t for the December quarter).
- Unit cash operating cost increased for the quarter to A\$161.70/t compared with A\$132.59/t for the December quarter due to lower concentrate production.
- Cash and liquid investments of A\$271.96 million and trade receivables of A\$30.37* million compared with cash and liquid investments of A\$282.61 million and trade payables of A\$57.73* million for the December quarter. A dividend of \$23.47 million was paid during the March quarter.
- Outlay of approximately A\$13.7 million has been made in the quarter on capital projects including MCTD Stabilisation Berm Stage 1, Pellet Plant Crane and Rail Installation and the continuation of NPUG Decline Phase 3 and Mine Dewatering Pump System.

** 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.*



“Completion of the DFS on underground mining and the optimised integration with the current North Pit opencut mine at Savage River support a new life-of-mine plan which will deliver substantial reductions in operating costs and carbon emissions, robust financial returns and the potential to further extend the mine life. Further updates will be made as we progress through the development program” said CEO Mr. Honglin Zhao.

“Concentrate and pellet productions were lower in the first quarter of this year due to scheduled annual common equipment shutdown for both the concentrator and pellet plant. Our teams ensured the maintenance works were completed safely and in a timely manner.

Progress on the Southdown Magnetite Project definitive feasibility study is under review as part of the Company’s wider assessment on the strategic options and capital allocation for the next phase of significant projects.”

SAVAGE RIVER OPERATIONS

PRODUCTION

	March Quarter 2024	December Quarter 2023	September Quarter 2023
Total BCM Mined	4,514,715	4,233,153	3,941,474
Total Ore BCM*	535,827	440,246	251,655
Concentrate Produced (t)	585,973	683,514	646,734
Weight Recovery (%)	41.8	42.3	45.1
Pellets Produced (t)	555,457	616,449	535,736
Pellet Stockpile (t)	127,104	136,791	168,615
Concentrate Stockpile (t)	115,486	114,316	84,469

* Ore for down-stream production was sourced from extensive stockpiles and supplemented with ore from Centre Pit.

Achieved Lost Time Injury free for the quarter.

Ore from the main ore zone in Centre Pit continues to be the main feed for the process. This has supported high quality pellet production. The annual maintenance program was successfully and safely completed across the concentrator and pellet plant. This accounts for reduced production rates during the quarter.

The cutback on the east wall of North Pit continues with the focus on waste removal.



SHIPPING AND SALES

	March Quarter 2024	December Quarter 2023	September Quarter 2023
Iron Ore Pellet Sales (dmt)	565,144	648,273	645,210
Iron Ore Concentrate Sales (dmt)	-	-	-
Iron Ore Chip Sales (dmt)	34,760	34,132	34,568
TOTAL Iron Ore Product Sales (dmt)	599,904	682,405	679,778
Average Realised Product Price (US\$/t FOB Port Latta) *	108.11	159.65	137.82
Average Realised Exchange Rate (AUD:USD)	0.6511	0.6566	0.6562
Average Realised Product Price (A\$/t FOB Port Latta)	166.03	243.14	210.03

**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 price received during the quarter of A\$166.03/t (US\$108.11/t) (FOB Port Latta), decreased by 31.72% from A\$243.14/t (US\$159.65t) for the December quarter.

Grange continued to deliver into secured term offtake agreements, with pellets sales during the quarter of 565kt decreased by 12.8% from 648kt for the December quarter.

MINE DEVELOPMENT PROJECTS

North Pit Underground

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 robust financial outcomes of the DFS demonstrate that an underground mine is technically and economically viable for the North Pit ore body. 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 500m of advance completed. A dewatering system has been successfully implemented from the open pit and is effectively controlling water for the underground activities.



SOUTHDOWN MAGNETITE PROJECT

Progress on the Southdown Magnetite Project's definitive feasibility study is under review and the search for equity investors continues.

All existing tenements, approvals and project assets continue to be maintained in good order.

CORPORATE

Final dividend

A fully-franked final dividend of 2 cents per share was declared and paid in the quarter.

Director updates

Mr Fong Hoon was appointed as an independent non-executive director to the Board. Mr Hoon is now also acting as Chair of the Audit & Risk Committee (see market release dated 17 April 2024).

Mr Mike Dontschuk resigned from the Board (see market release dated 20 March 2024).

Shareholders

As at 31 March 2024 there were approximately 11,000 shareholders.

-ENDS-

This announcement was authorised by the Board.

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