



25 October 2021
ASX: GRR

REPORT FOR THE QUARTER ENDED 30 September 2021

HIGHLIGHTS

- The operation achieved over 1650 days Lost Time Injury Free.
- COVID-19 controls remain with travelling monitored closely. The Company continued to prioritise the health, safety and well-being of our workforce.
- Diesel / Electric Truck Trial commenced to seek reduction in carbon emissions from the mining fleet.
- Concentrate production increased for the quarter with 687kt produced compared to 677kt for the June quarter.
- Pellet sales decreased for the quarter to 651kt compared with 653kt for the June quarter.
- Decrease in average received prices for the quarter to US\$153.09/t (A\$206.80/t) (FOB Port Latta) compared with US\$287.15/t (A\$373.72/t) for the June quarter.
- Unit cash operating cost increased for the quarter to A\$95.01/t compared with A\$90.16/t for the June quarter.
- Cash and liquid investments of A\$554.60 million and trade receivables of A\$21.45 million compared with cash and liquid investments of A\$416.4 million and trade receivables of A\$83.16 million for the June quarter.
- Outlays of approximately A\$5.0 million have been made in the quarter on capital projects including Furnace Energy Efficiency Improvement and infrastructure upgrades.



“The third quarter of 2021 saw a significant correction in the iron ore prices from the record levels seen in the second quarter. Despite the sharp drop in the 62% Iron and 65% Iron indices, the pellet premiums have remained strong supporting the strong demand for our high-grade, low-impurity iron ore pellets.” said CEO Mr. Honglin Zhao.

“Our team continued to focus on the optimisation of our life-of-mine plan at Savage River and completion of the prefeasibility study on the Southdown project in Western Australia. We will provide additional information on these two projects when the studies are completed.”

SAVAGE RIVER OPERATIONS

PRODUCTION

| | September Quarter 2021 | June Quarter 2021 | March Quarter 2021 |
|----------------------------------|------------------------------|-------------------------|--------------------------|
| Total BCM Mined | 3,530,463 | 3,415,367 | 3,409,957 |
| Total Ore BCM | 857,740 | 577,222 | 297,591 |
| Concentrate Produced (t) | 687,058 | 677,607 | 529,114 |
| Weight Recovery (%) | 46.3 | 43.9 | 38.6 |
| Pellets Produced (t) | 676,382 | 655,063 | 616,040 |
| Pellet Stockpile (t) | 207,007 | 181,260 | 179,632 |
| Concentrate Stockpile (t) | 12,233 | 25,134 | 22,577 |

The health, safety and well-being of our workforce has remained a key focus with attainment of over 1650 days Lost Time Injury free. COVID-19 controls remain in place and the operation has been sustained without impact through this period. Tasmanian border controls continue to be maintained effectively and Grange Resources continue to monitor the changing situations in other states to ensure the business proceeds unaffected. Grange Resources will ensure our COVID-19 controls are appropriate for the potential reopening of borders towards the end of the year as we see the positive uptake of vaccinations locally.

Mining activities in North Pit have progressed well with mining in the Main Ore Zone at the bottom of North Pit. Mining has also progressed well in Centre Pit, with some delays experienced due to weather events.

Concentrate and Pellet production rates improved further from the previous quarter with a higher head grade being presented to the mill from the delivered high-grade ore. Target production rates have been achieved delivering a strong result for the quarter.



SHIPPING AND SALES

| | September Quarter 2021 | June Quarter 2021 | March Quarter 2021 |
|---|------------------------------|-------------------------|--------------------------|
| Iron Ore Pellet Sales (dmt) | 650,635 | 653,435 | 556,374 |
| Iron Ore Concentrate Sales (dmt) | 0 | 0 | 22 |
| Iron Ore Chip Sales (dmt) | 28,591 | 40,277 | 19,897 |
| TOTAL Iron Ore Product Sales (dmt) | 679,226 | 693,712 | 576,293 |
| Average Realised Product Price (US\$/t FOB Port Latta) | 153.09 | 287.15 | 228.52 |
| Average Realised Exchange Rate (AUD:USD) | 0.7403 | 0.7684 | 0.7677 |
| Average Realised Product Price (A\$/t FOB Port Latta) | 206.80 | 373.72 | 297.66 |

The average A\$ price received during the quarter of A\$206.80/t (US\$153.09/t) (FOB Port Latta), decreased by 44.66% from A\$373.72/t (US\$287.15/t) for the June quarter.

Grange Resources continued to deliver into secured term offtake agreements, with pellets sales during the quarter 651kt decreased by 0.3% from 653kt for the June quarter.

MINE DEVELOPMENT PROJECTS

North Pit Underground

The Prefeasibility study is nearing completion with the final documentation and optimization work being completed. Study cases and schedules from the PFS are now being assessed through the Enterprise Optimization study to determine the most effective mining sequence and the potential transition for the integration Open Pit and Underground mining.

Process Improvement Projects

A trial of four diesel / electric trucks has commenced as Grange Resources seeks to examine the application of different technologies and determine their effectiveness as a potential step towards reducing carbon emissions from the mining fleet.

Design work on Furnace Line 4 has been completed and the rebuilding continues with refractory installation in progress. Long lead items including new main blowers are on track for implementation at the end of the year.



SOUTHDOWN MAGNETITE PROJECT

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

The Company is carrying out an updated prefeasibility study on a 5 Mtpa development case with new technology and additional testwork which is expected to be completed near the end of 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 September 2021 there were approximately 6,500 shareholders.

-ENDS-

This announcement was authorised by the Board.

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



Mining ore zone in North Pit, Savage River

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