GRANGE
RESOURCES

ANNUAL REPORT 2023

GRANGE RESOURCES LIMITED

BOARD OF DIRECTORS

Michelle Li	Chairperson
Yan Jia	Non-Executive Director, Deputy Chairperson (resigned on 6 September 2023)
Tianxiao Shen	Non-Executive Director (appointed on 21 December 2023)
Michael Dontschuk	Non-Executive Director (resigned on 20 March 2024)
Ajanth Saverimutto	Non-Executive Director
Honglin Zhao	Chief Executive Officer / Managing Director
Chongtao Xu	Executive Director (appointed on 1 March 2023)

COMPANY SECRETARY

Piers Lewis

REGISTERED OFFICE

Grange Resources Limited ABN 80 009 132 405

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SHARE REGISTRY

Automic Group

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Sydney, NSW 2000

AUDITORS

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Southbank, VIC 3006

STOCK EXCHANGE

Grange Resources Limited is listed on the ASX Limited

(ASX Code: GRR) and the "OTC" Markets in Berlin, Munich,

Stuttgart and Frankfurt in Germany (Code: WKN. 917447)

WEBSITE

www.grangeresources.com.au

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ABOUT GRANGE

OUR BUSINESS

Grange Resources Limited (Grange or the Company).

ASX Code: GRR, is Australia's most experienced magnetite producer with over 55 years of mining and production from its Savage River mine and has a projected mine life beyond 2038.

Grange's operations consist principally of owning and operating the Savage River integrated iron ore mining and pellet production business located in the north-west region of Tasmania. The Savage River magnetite iron ore mine is a long-life mining asset. At Port Latta, on the north-west coast of Tasmania, Grange owns a downstream pellet plant and port facility producing over 2.5 million tonnes of premium quality iron ore pellets annually, with plans to increase annual production. Grange has a combination of spot and term contracted sales arrangements in place to deliver its pellets to customers throughout the Asia Pacific region and beyond.

In addition, Grange owns a major magnetite development project at Southdown, near Albany in Western Australia. The Southdown magnetite project, once developed, is expected to have the capacity to supply double the amount of iron ore produced at Savage River, at an initial annual production rate of 5 million tonnes of premium magnetite concentrate. The Company is continuing to evaluate the strategic options in the project.

OUR PURPOSE

The responsible provision of mineral resources to support sustainable development, growth and prosperity.

OUR VISION

We will produce high quality steel making raw materials economically and effectively. Our operations will be efficient, flexible, and stakeholder focused.

OUR VALUES

We value	At Grange we all will...
Safety	✓ Work safely.
Respect	✓ Lead & act with fairness, integrity, trust and respect.
Accountability	✓ Be responsible & accountable for our actions.
Efficiency	✓ Utilise our resources efficiently and effectively.
Sustainability	✓ Engage with stakeholders and proactively manage our impact on their environment.
Teamwork	✓ Work together openly and transparently.
People	✓ Promote an inclusive and diverse environment in which our people can develop and prosper.

2023 OVERVIEW

OPERATIONAL OVERVIEW

- Achieved over 2,235 days Lost Time Injury Free before 1 Lost Time Injury occurred in Q2. LTI free for the remainder of the year.
- Mining activities have focused on waste stripping on the east wall of North Pit with the implementation of the refined pit design.
- Ore delivered from the main ore zone at Centre Pit supporting approximately 2.59 million tonnes of concentrate production during the year.
- Pellet production of 2.34 million tonnes for the year compared to 2.52 million tonnes for the prior year.
- Definitive feasibility study for underground mining in North Pit and integration into the current life-of-mine plan completed (see market release dated 28 February 2024).
- Completed the High Efficiency Mixer installation at Port Latta Pellet Plant to enable the improvement of binder addition and pellet quality.
- Optimisation of the Intermediate Air System to Furnace 4 continues. Furnace 4 has run without anthracite throughout 2023, resulting in a reduction of C02-e emissions from the combustion of coal.

FINANCIAL OVERVIEW

- Total iron ore product sales of 2.64 million tonnes for the year compared to 2.57 million tonnes for the prior year.
- Profit after tax of $150.1 million for the year compared to $171.7 million for the prior year.
- Average realised product price (FOB Port Latta) of $212.83 per tonne for the year compared to $203.18 for the prior year.
- Unit C1 cash operating costs of $136.65 per tonne for the year compared to $120.64 for the prior year.
- Cash and liquid investments of $282.6 million at the end of year compared to $298.6 million at the end of the prior year.

Grange is Australia's proven, safe, reliable, long-life producer of magnetite iron ore and premium quality pellets. Grange is committed to the local community of Northwest Tasmania and makes a significant contribution to the state economy.

$85M WAGES

$23M ROYALITES

$5.5M PAYROLL TAX

>$150M SPEND WITH LOCAL SUPPLIERS

2024 PRIORITIES

The Board has reviewed our five key strategic drivers that underpin the development of Grange's business. These focus on: Delivering a sustainable Life-of-Mine-Plan; Integrating innovation into all aspects of the business; Building capacity and capability within our workforce; Developing strategic initiatives for future development and Driving shareholder value. Grange's business and operational planning is directed to enact these strategies.

DELIVERING SUSTAINABLE LIFE-OF-MINE-PLAN

The Life-of-Mine-Plan is a key to underpin investment decisions and to optimise business execution.

Early 2024, the Company announced the completion of the Definitive Feasibility Study (DFS) into underground mining below North Pit and its integration with the Company's current opencut mine at Savage River in Tasmania. 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.

Over the past few years, we have reduced the risk to the production profile with the re-commencement of Centre Pit to provide a second ore source; a substantial ore stockpile; and investment in our geotechnical model and controls. We will continue to seek to mitigate increasing pressure on OPEX costs; develop contingency for extreme weather events; understand and mitigate risk delays on project development and complete the studies to enable integration and optionality for Open Pit and Underground operation.

Centre Pit and stockpiles provide the main source of ore for 2024 and Grange will continue to invest in stripping Centre Pit and North Pit to deliver future high-grade ore. Focused condition monitoring and maintenance will enable us to sustain and extend the life of our valuable infrastructure and assets.

INTEGRATE INNOVATION

Innovation is critical to improving safety, efficiency and reducing cost. Innovation tools are integrated into the business through our Management Operating System (MOS), and we are building capability with our people and systems. These are considered both at the strategic level in the development of the plan and at the transactional level. Application of new technology will support and improve operational outcomes. Our focus is to: determine the potential to introduce automation into the operation; upgrade the equipment tracking system for the mine and optimise the mining cycle to reduce delay and increase efficiency; review the opportunity for sources and supply of energy; and build production capability for potential expansion of the operation.

BUILD CAPACITY & CAPABILITY

We recognise that our people are our most valuable asset. We have a committed workforce with a strong skills and experience base. There is increasing competition for human resources as the resource industry cycles and we note the risk of losing key technical staff and some of our skills and experience.

To mitigate these risks we are implementing strategies to retain employees; attract the required skills into the business; improve the communication of our brand and operation in order to attract talent and build specialised expertise as we gain certainty with respect to our optimised and de-risked Life-of-Mine-Plan.

DEVELOP STRATEGIC INITIATIVES

Grange has developed capacity and capability. There are new markets developing to address changes in climate. Grange is well positioned to further develop existing assets and consider additional growth that will leverage opportunities in new areas.

The Company acknowledges that the world is moving to a low-carbon future and has developed a road map to reduce emissions across our operations and the tonnes of CO_2/tonne of pellet produced. This will involve the reduction in energy used per tonne of product; upgrades to furnaces; recovery of heat in the pellet plant; application of technology and electric vehicles in the mining operation; and alternative fuel sources.

With the decarbonisation of the steel industry and evolution of the "Green Steel" market, this will position Grange with an opportunity to obtain a potential "Green Premium" for our low CO_2 high quality products. Whilst this is yet to be confirmed, we expect that the industry will evolve and with the planned reduction of our emissions, Grange will be well positioned to take advantage of any new green premiums as they evolve.

DRIVE SHAREHOLDER VALUE

Grange will continue to demonstrate consistency of financial performance to ensure sustainable long-term growth of the Company. With the completion of the DFS and integration of the underground plan with the current opencut mine at Savage River, Tasmania, the Company will be able to extend its current life-of-mine and reduce its cost profile once the underground mine is in full production. This will position the Company well during cycles of lower iron ore prices. With the world moving to a low-carbon future, the Company's road map to reducing emissions across the operations and the reduction in CO_2-e tonnes per tonne of product will also position the Company well in realising any additional value the market will place on low-carbon iron ore pellets.

The Company will focus on developing a framework that will optimise the allocation of capital. The framework will ensure capital is allocated and managed to maximise sustainable returns.

	Deliver Sustainable LOMP	Integrate Innovation	Build Capacity & Capability	Develop Strategic Initiatives	Drive Shareholder Value
Intent	Maintain fundamental business to support future operation and growth.	Apply innovation to improve safety, efficiency and reduce cost.	Maintain a committed workforce with strong skills and experience base. Build a unified culture & value our people.	Be forward looking and understand the strategic opportunities. Align business to the sustainable development goals.	Maximise sustainable returns. Demonstrate the consistency of returns to ensure sustainable long-term growth in value.
Focus	• Safe opencut completion • Effective underground transition • Transition planning • Environmental approvals • Capital Management • Risk Management Planning	• Continuous process improvement • Investigate & apply new technology • Explore alternative Energy pathways • Eliminate waste	• Retain experience • Attract skills for strategic initiatives • Build our brand • Develop future capacity • Deliver HSE Strategic Plan	• Deliver ESG goals • Decrease carbon emissions • Monitor growth opportunities • Maximise production rates	• Return on Equity • Total Shareholder Return • Promotion of Grange's value case • Dividend consistency • Market Engagement
					

ABOUT THE GRANGE BUSINESS

MAGNETITE

Magnetite is a naturally occurring mineral commonly refined into an iron ore concentrate and used for steel production. Iron ore makes up about five per cent of the Earth's crust and most commonly occurs in the form of haematite or magnetite. Most of the magnetite mined is usually used to produce concentrate for pellet feed or pellets which are used to make steel.

Magnetite concentrate has internal thermal energy, meaning less energy is required as the magnetite is converted into haematite pellets. This results in lower carbon dioxide emissions. The blast furnace chemically reduces iron oxide into liquid iron called 'hot metal'. The iron ore and reducing agents (coke, coal and limestone) are combined. Pre-heated air is blown at the bottom of the combination for up to eight hours. The final product is a liquid which is drained, and eventually refined to produce steel.

Mining magnetite ore is capital intensive and requires significant downstream processing infrastructure including a beneficiation plant, a pellet plant and port facilities. Magnetite products command a value premium above haematite ore products such as fines and lump. This premium is derived on two fronts, through additional iron content, and a quality premium.

As magnetite concentrate is a refined product, it usually has higher iron content and lower impurities. This can have beneficial quality and environmental outcomes for the steel maker.

Grange Resources Limited (Grange) owns and operates Australia's oldest integrated iron ore mining and pellet production business located in the northwest region of Tasmania. The Savage River magnetite iron ore mine, 100km southwest of the city of Burnie, is a long-life mining asset set to continue operation to beyond 2038. At Port Latta, 70kms northwest of Burnie, is Grange's wholly owned pellet plant and port facility producing more than 2.5 million tonnes of premium quality iron ore pellets annually with plans to increase annual production.

As well as this profitable magnetite operation, Grange owns 100% in of the Southdown magnetite mining project near Albany in Western Australia.

CHAIRPERSON'S & CHIEF EXECUTIVE OFFICER'S REVIEW

Dear Shareholders,

Our strong results in FY2023 were achieved through a focused strategy on capital expenditure, supported by a continued focus on productivity and safety. The financial discipline has enabled us to invest in mine development initiatives while at the same time delivering 2 cents per share fully franked. Our balance sheet remains strong. We have been reviewing our strategy against changes in the external environment by analysing the risks and opportunities we are facing and optimising our operations with a number of long-term improvement projects. We believe that the Board's approach to strategy and risk management position us well, managing and responding to changes and capturing opportunities to grow shareholder value over time. We maintain a relentless focus on the health and safety of our people and support the communities in which we operate.

2023 REVIEW

The iron ore market was resilient throughout 2023. The iron ore price dipped in Q2 and Q3 to a low of under US$100 per tonne in May 2023 with concerns over the issues in the property sector in China and cooling global economic growth. The price subsequently rebounded and reached its highest level of approximately US$145 per tonne at the end of 2023.

We have achieved over 2,235 days Lost Time Injury Free before 1 Lost Time Injury occurred in Q2. The Company remained LTI free for the remainder of the year. The Company delivered another strong year of financial results. We achieved a profit after tax of $150.1 million (2022: $171.7million), on revenues from mining operations of $614.7 million (2022: $594.6 million) from improved iron ore prices with average product prices of $212.83 per tonne (2022: $203.18 per tonne) (FOB Port Latta). Total iron ore product sales of 2.64 million tonnes (2022: 2.57 million tonnes) were achieved. Increased in C1 cash operating costs of $136.65 per tonne (2022: $120.64 per tonne). A final dividend of 2 cents per share dividends or $23.2 million declared for shareholders this year. Cash and liquid investments positioned at $282.6 million (2022: $298.6 million) at the end of the year.

Mining activities have continued to focus on the cutbacks in both North Pit and Centre Pit. Ore from the main ore zone in Centre Pit has been delivered throughout the year. This has been blended with existing stockpiles to sustain production and yield high quality pellets. The cutback on the east wall of North Pit continues with the implementation of the refined pit design. The current mining of ore in Centre Pit and waste removal in North Pit will progress further in 2024. We have made strategic and exciting investments into the North Pit Underground development. The Definitive Feasibility Study into underground mining in North Pit has been completed and the results have been integrated into the operational life-of-mine plan. The study confirms the technical and economic viability of underground block cave mining at Savage River. The integration will see the current North Pit open pit mining transition to an underground block cave mine over the next five years. The integrated new life-of-mine plan delivers and sustains a mine life of 15 years with excellent financial returns, a substantial reduction of mining costs of 30% in operation costs. The study also confirmed a significant (80 per cent) reduction in carbon emissions at the Savage River Mine with the application of electric mining equipment and material handling systems underground. This is in line with the Company's Environmental, Social and Governance (ESG) initiatives to develop Green Pellet production. Based on the progression of the study, Grange has entered a contract to extend the current exploration decline by 1,500m in 2024. The extension to the decline will provide access to the extraction level horizon and provide essential data to finalise mine designs to a construction ready stage. The extension will also provide new underground drill platforms that Grange plans to utilise for further underground exploration with a view to enhance the long-term underground mining opportunities. There were also a number of improvement projects in the pellet plant at Port Latta. This installation of High Efficiency Mixer will enable the delivery of more homogeneous blending of bentonite and concentrate equally across all furnace lines. This in turn will serve to improve our control and final pellet quality consistency. Optimisation of the Intermediate Air System continued in 2023, balancing air from the Intermediate Air and the Main Blower System. Furnace stability has significantly improved, and Furnace 4 is now running consistently and delivering high rates and quality. Work continues on embedding system changes and undertaking the engineering study to apply modifications to the other furnace lines. Furnace 4 has been operating without the addition of anthracite. This has seen a reduction in our anthracite use at Port Latta and consequently a reduction in CO_2-e emissions associated with the combustion of coal.

During 2023 the Company completed the reacquisition of SRT's 30% interest in the Southdown Project. Grange now holds 100 per cent ownership in the Project. Progress of the definitive feasibility study on a 5 Mtpa development case is under review.

Climate change is a major issue the world is currently facing. Grange published its baseline Environmental, Social and Governance (ESG) report with disclosures on 21 core metrics set by the World Economic Forum (WEF) in its standardised and globally recognised Stakeholder Capitalism Metrics ESG framework. The baseline report demonstrates Grange's commitment to aligning the business, where appropriate, to the sustainable development goals. The report describes the progress Grange has made against the four pillars of the framework for Governance, Planet, People and Prosperity. Most notably, Grange has developed a road map to reduce emissions. This involves the reduction in energy used per tonne of product; upgrades to furnaces; recovery of heat in the pellet plant; application of technology and electric vehicles in the mining operation; and alternative fuel sources. The Board has endorsed the pursuit of decarbonisation of Grange's Business with specific targets for CO_2-e reduction including:

- The elimination of non-renewable coal sources like anthracite, by 2025.
- CO_2-e emission target reduction of 50% by 2030 reducing emissions to 53kg of CO_2-e per tonne of iron ore products.
- Target of net zero CO_2-e (Scope 1 and 2) emissions by 2035.

Our executive team is driving this change, with the full support of the Board, reinforcing the importance of mindsets and behaviours that ensure everyone, everywhere in our operations feels safe, valued and empowered.

OUTLOOK

There is no doubt we are navigating through turbulent times. The geopolitical landscape has become more complex and volatile, and the economic outlook remains challenging. Global growth is expected to slow with significant uncertainties in 2024. The iron ore pellet market remains uncertain. China, the world's top steel producer lacks confidence in its economy. Deceleration in economic activities in China protracted its property sector's weakness. Steel markets are weak and iron ore prices have fallen by over 15% since January. An escalation in tensions in the Middle East could drive higher energy prices. Weaker than expected global demand and trade pose further downside risks. Geopolitical risks in the region, including an escalation of Russian invasion of Ukraine are elevated.

Despite the uncertain conditions that we currently face, the long-term outlook for our sector remains positive. We continued building our safety culture through initiatives. Our employees are encouraged to come up with new, creative ideas on how to strengthen and improve our business. Our strong balance sheet provides a fundamental base for managing volatile markets and ensuring capital is available for sustaining operations through the cycle. This strength is underpinned by our ongoing generation of solid cash flows from operations. We continue to implement measures to both preserve the balance sheet strength and align our capital allocation framework with the cyclical nature of the industry. Our primary goal is to remain competitive in a frequently changing iron ore market. Our focus will remain on delivering value to our shareholders in the near, medium and long term. We strive to ensure our company remains strong and resilient. Sustainability will remain an important priority and indeed, will play an increasingly important role in our business.

The Board and the management team have a positive outlook for the pellet market and are proactively exploring opportunities for innovation, improvement and productivity growth. Decarbonisation ambitions for the sector provide a unique opportunity for us. Our focus is on growing our business while decarbonising, providing a high quality, low impurity iron ore pellet product to our customers that supports the transition to a low-carbon economy, and delivering attractive returns to our shareholders. We strive to deliver value to our loyal employees and shareholders.

The Company's strategic focus is to generate sustained shareholder value by safely producing high quality iron ore products from its Savage River and Port Latta operations in Tasmania whilst ensuring permits and project assets remain in good standing of the Southdown project in Western Australia in all tenements, by:

- Optimising the integration and transition of the Life-of-Mine Plan from opencut to underground.
- Producing high grade ore from Centre Pit
- Delivering on secured off-take agreements
- Maintaining access to ore with continuing investment in mine development
- Maintaining critical process infrastructure
- Continuing focus on improving productivity and implementing cost control projects

The Company continues to assess and manage various business risks which could impact the Company's operating and financial performance and its ability to successfully deliver strategic priorities including:

- Health, safety and environment
- Impacts of climate change on our business
- Volatility in iron ore market and movements in foreign exchange rates
- Volatility in the energy prices and availability, and tight labour markets
- Production risks and costs associated with pit wall stability and aging infrastructure
- Project evaluation and development costs and delivery
- Management of risks associated with underground mining and the transition

We will continue to explore options along the value chain. We'll continue our focus on our strategy, building an environment of trust where everyone feels safe, respected and empowered to drive our performance and enable us to keep delivering for all our stakeholders in 2024.

THANK YOU

On behalf of Grange's Board, once again, we would like to thank all of our employees for their dedication and hard work over the past year. We are proud of our excellent culture, capability and resilience to best place us for a prosperous future. And to our shareholders, thank you for your continued support.

Michelle Li
Chairman

Honglin Zhao
Chief Executive Officer

KEY OPERATING AND FINANCIAL HIGHLIGHTS

CONCENTRATE PRODUCED
2.59Mt

PELLETS PRODUCED
2.34Mt

C1 CASH OPERATING COST
A$137/t

IRON ORE PRODUCT SALES
2.64Mt

AVERAGE REALISED PRICE (FOB PORT LATTA)
US$142/t

CONSOLIDATED SALES REVENUE (AVERAGE AUD:USD=0.6675)
A$614M

CASH AND LIQUID INVESTMENTS
A$283M

NPAT
A$150M

EPS (DILUTED)
12.96cents

DIVIDEND
A$23M

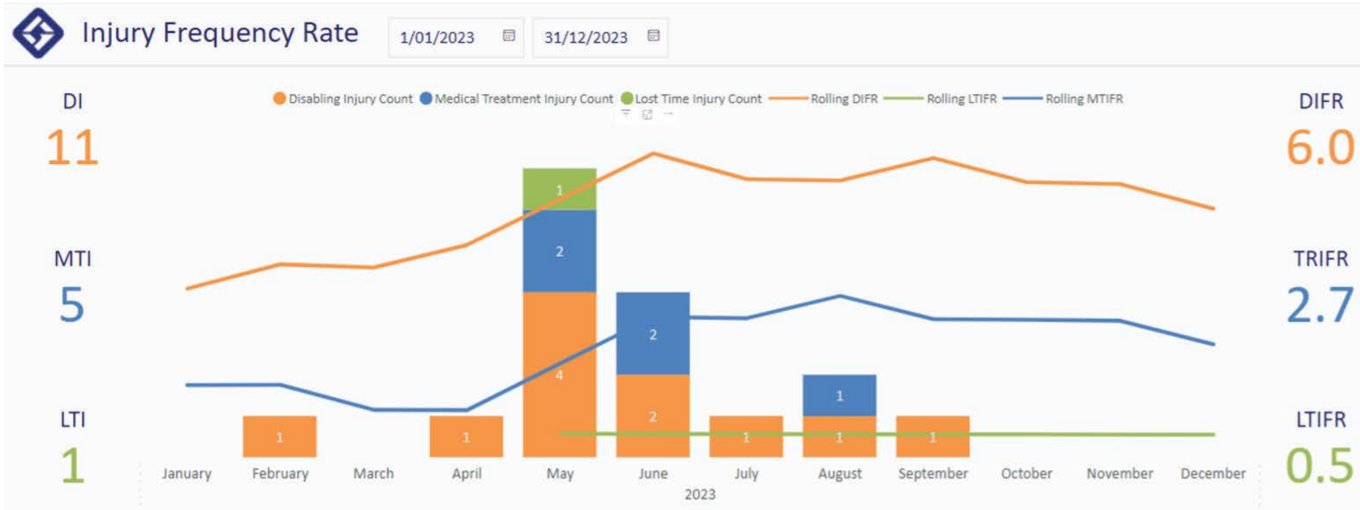
SAFETY PERFORMANCE

Grange operations have achieved over 2,235 days Lost Time Injury Free (LTIFR) before 1 Lost Time Injury in Q2 and maintained LTI free for the remainder of the year. Unfortunately, one injury during the year did require a sterile recovery period for sutures. While it was the first LTI in over six years, the team has embedded key learnings from this incident into continually improving the safety of the workplace.

Management is continuing to maintain a focus on lead indicators, hazard identification and risk management. This has helped Grange manage through a period of major improvement projects and working in multi-stage mining pits and ending with a better than industry standard lag indicators for 2023 and fewer reportable incidents. The workforce is highly commended for these results given the level of new employees and short-term contractors involved during the period.

While there were more Disabling Injuries (DIs) during 2023 than the previous year, the bulk of these were short term injuries where the injured workers all actively contributed to worthwhile tasks, primarily training, while away from normal duties. It is noticeable that contractors make up a large part of these statistics.

2023 saw us introduce the Hexagon HxGN MineProtect Operator Alertness System (OAS) and commence the roll-out of the Hexagon Collision Avoidance System (CAS) for our large mining fleet. OAS in particular has successfully given us an advantage on fatigue management for our operations workforce and is minimizing the risks of this significant hazard. For the first time in the history of the operation management can help tired operators identify fatigue before an incident occurs. This system is industry best practice and promises to reduce injuries from fatigue and reduced awareness, another continuous improvement milestone for Grange.



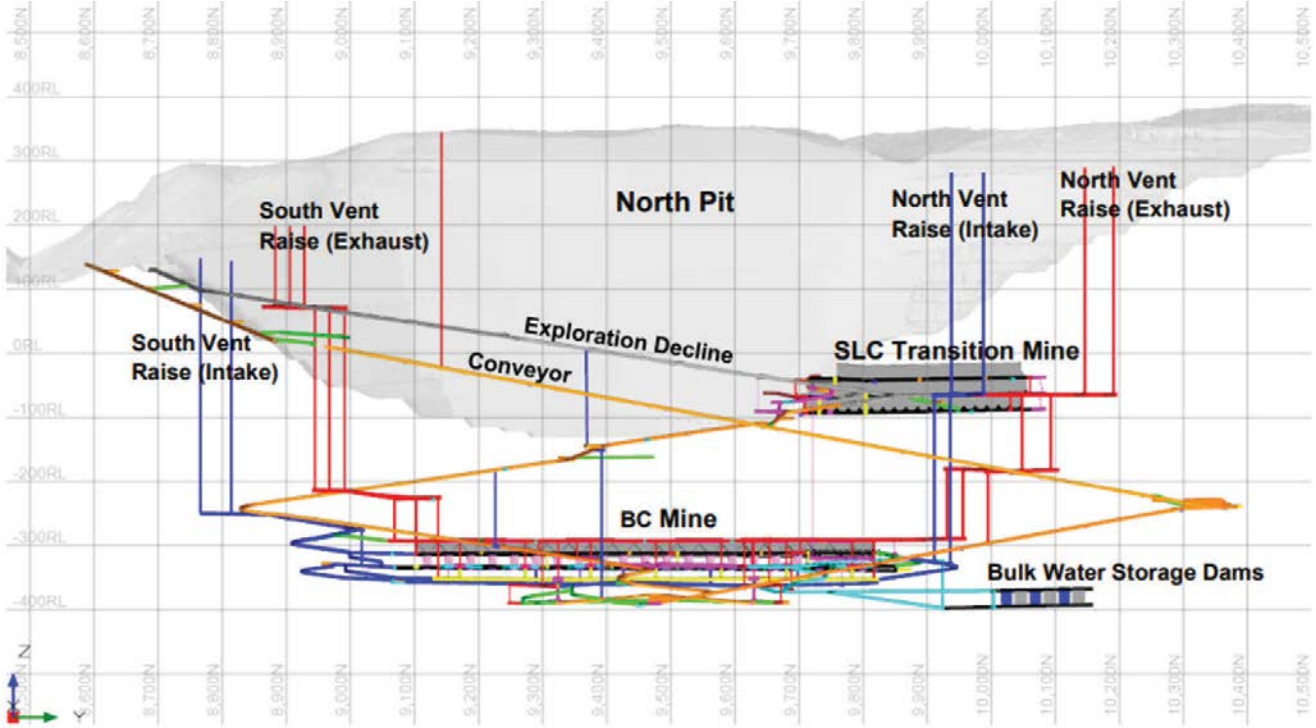
NORTH PIT UNDERGROUND DEVELOPMENT PROJECT

In early 2024, the Company completed the Definitive Feasibility Study (DFS) into the potential for underground mining below North Pit and its integration with the Company's current opencut mine at Savage River Tasmania. 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).

DFS SUMMARY

- Definitive Feasibility Study presents a technically achievable and financially favourable outcome with a 30% average reduction in operating costs compared to current open pit mining costs. The underground mine will transition North Pit from opencut to an underground block cave and sub level cave mine over the next five years.
- Total open pit and underground scheduled ore production of 90.2 million tonnes of ore at approximately 45% DTR, returning a concentrate quality above 65% Fe. Total estimated opencut and underground production of 40.8 million tonnes of magnetite concentrate over 15 years.
- The underground mine will deliver 64 million tonnes of ore and produces 28 million tonnes of concentrate with an iron grade of over 66% over 15 years. Production from underground will ramp up over the five years with forecast sales of 2.9 million tonnes of iron ore products from 2029.
- Integration with the current opencut mining operation delivers excellent projected financial returns with a post-tax NPV of ~A$775 million from the generation of ~A$2,122 million in cash returns over the next 15 years. An internal rate of return of 34% based on an average product price of approximately A$177/tonne and achieves a payback period of 6.4 years from the commencement of development in 2025.
- Capital investment estimate in the underground mine is ~A$891 million with preproduction capital investment of ~A$416 million supported by existing infrastructure. This is to be funded from existing cash reserves and forecast future cash flows.
- Carbon emissions targeted to reduce by 80% at the Savage River Mine, with the application of electric mining equipment and material handling systems underground. This is in line with the Company's Environmental, Social and Governance (ESG) initiatives to develop Green Pellet Production.
- Savage River's total Ore Reserve has increased by 12.5 million tonnes to 109 million tonnes through the integration of the underground operation. The demonstrated ore continuity provides potential for further increases to mine life with the extraction of the high-grade resource at greater depth.
- Over two kilometres of exploration decline has been completed. This reduces the risk for many technical and cost elements of the project, with a further commitment for additional decline development and geotechnical investigation drives in 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.



ENERGY ALTERNATIVES

Early in 2020, Grange set out to investigate potential routes for carbon reduction at our Tasmanian operation. It was identified that our two biggest contributors were our diesel usage from the mining fleet at Savage River and natural gas usage from the furnaces at the Port Latta Pellet Plant. Anthracite was identified as having the highest emissions per joule of energy.

As part of our strategic vision to reduce carbon emissions across the operation we commenced a furnace efficiency upgrade program to remove the requirement for anthracite and reduce total energy requirement at Port Latta. During 2023 we reduced anthracite usage by 1,646 tonnes reducing the emissions produced by the burning of coal by 4,307 tonnes.[1]

In late 2021, Grange become a founding member and core partner of the Heavy Industry Low Carbon Transition Cooperative Research Centre (HILT-CRC). We continue to work with HILT-CRC to investigate decarbonised production of green iron products from magnetite ores. This encompasses consideration of technologies, data and demonstration at sufficient scale to support end-use adoption of products, such as:

- Low-carbon induration routes, including partial to full replacement of natural gas with hydrogen and electrically generated heat.
- Increased domestic pre-processing of magnetite concentrate prior to export.
- Unlocking new ore bodies through low-carbon processing routes using low-carbon heat sources (hydrogen, electrification or solar thermal.
- New methods to lower the energy requirements and CO_2 intensity for beneficiation, calcining and induration for Green Pellets (BF and DRI), spanning blending, use of renewables and hydrogen.

In 2021, Grange completed a study on the use of Hydrogen at Port Latta. This was in line with the Tasmanian Government's ambitions to establish a Hydrogen Hub within Tasmania, to utilise the current Green Electricity supply to generate Green Hydrogen. The study, co-funded by the Tasmanian Government and in collaboration with Hatch, was aimed at investigating the feasibility of the conversion of Port Latta operations from natural gas to Green Hydrogen. This Prefeasibility Study concluded that it was technically feasible to operate the Port Latta facility on Hydrogen, with no impact on product make or quality. The study also identified the key commercial drivers which would need to be achieved to make the project commercially feasible and will require support from the Tasmanian Government as part of establishing a Tasmanian hydrogen economy.

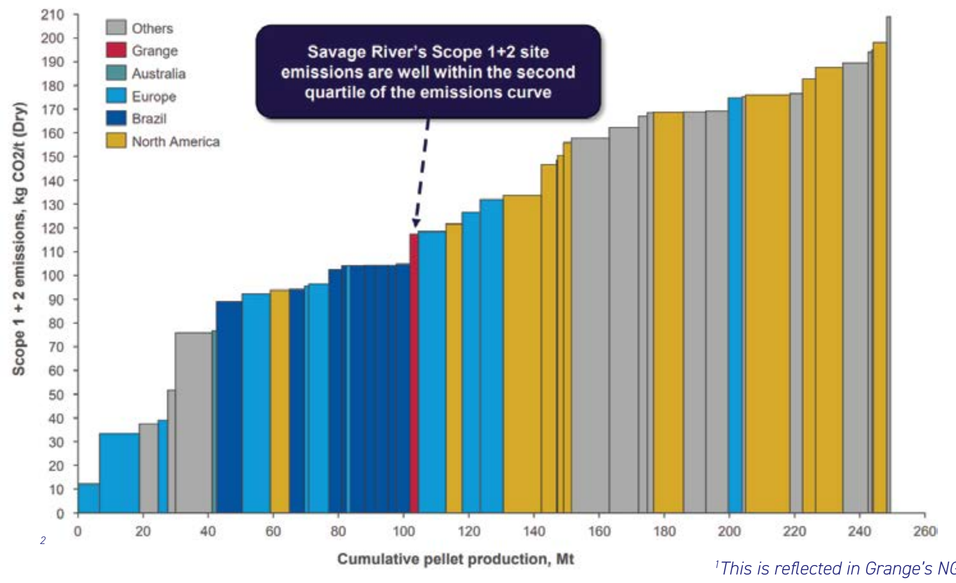
If these fundamentals were achieved, the next step would be to undertake a pilot plant scale trial and thereafter convert one of the 5 Port Latta Furnaces to run on Hydrogen (pending supply and legislative requirements being met). Current program works include energy efficiency studies, aligned with reduced carbon emissions for future energy requirements.

Grange has extended the research into hydrogen as a heat source. It was determined that heat could be recovered from pellets discharging from the furnaces. This, combined with electrical resistance heaters and supplemented by hydrogen could achieve the required heat input for pellet induration. This path significantly improved the financial and commercial outcomes and is the preferred path that Grange is continuing to research and develop.

Grange will continue to work with the Tasmanian Government, external parties, and as part of the HILT-CRC, to progress decarbonisation strategies for our operations, in alignment with our carbon reduction roadmap.

Grange produced emissions in the order of 0.12 t CO_2/Mt of pellet production in 2023. This places the Company in the second quartile of the emissions curve and in 22nd place of pellet producing assets in 2023.

SCOPE 1 & 2 SITE EMISSIONS CURVE - PELLETS, 2023



[2]

[1]This is reflected in Grange's NGERs reporting for FY2023.
[2]Source: CRU

EXPLORATION AND EVALUATION

There was no diamond drilling completed in 2023 on surface or underground for resource definition. Two geotechnical holes were drilled as cover holes to inform potential hazards for a planned vent rise.

The Centre Pit Mineral Resource has been updated since the last annual report with a new geological and statistical estimation utilising the 2022 Centre Pit drilling program. The result for the Centre Pit Resource is an increase in Mineral Resource tonnes with a decrease in DTR grade. The quantum of change is not considered significant to Savage River's total Mineral Resources or Ore Reserves.

The Mineral Resource stands at 472 million tonnes at 44.4% DTR, maintaining our resource from the 2022 annual report, with a small reduction due to mining depletion. The decrease in total Mineral Resource is considered minor given the quantum of the total Mineral Resources, annual mine production levels, and the ongoing nature of exploration activities.

Further resource definition drilling of North Pit from underground is expected to commence in 2024. The aim is to improve confidence in the quantity and grade of the resource and further de-risk the mineral resource for potential underground mining while also exploring the ore body at greater depth.

MINERAL RESOURCES AND ORE RESERVES STATEMENT – SAVAGE RIVER OPERATIONS

The following tables show the Mineral Resources and Ore Reserves for the Savage River operations as at 31 December 2023. The mining of ore throughout the year focused on ore supply from North Pit North Pit in Q1-Q2 and Centre Pit in Q3-Q4. The Mineral Resource has been depleted since the previous estimate dated 31 December 2022 as a result of mining offset by updates from the drilling program. Ore Reserves have increased due to inclusion of underground ore reserves in North Pit with minor offsets by mining depletion from North Pit and Centre Pit.

Mineral Resources and Ore Reserves are categorised in accordance with the Australasian Code for Exploration Results, Mineral Resources and Ore Reserves of 2012 (JORC Code, 2012). Estimated Measured and Indicated Mineral Resources include those Mineral Resources modified to produce the estimated Ore Reserves. Mineral Resources which are not included in the Ore Reserves do not currently meet the required level of technical planning and economic viability hurdle at the time of last review.

MINERAL RESOURCES

A summary of the total Mineral Resources for Savage River as at 31 December 2023

	As at December 2023		As at December 2022	
	Tonnes (Mt)	Grade % DTR[1]	Tonnes (Mt)	Grade % DTR[1]
Measured	169.1	52.0	173.0	51.5
Indicated	161.2	42.6	172.6	41.8
Inferred	141.5	37.5	139.4	37.4
Total	**471.8**	**44.4**	**485.0**	**44.5**

• Mineral resources are reported above a cut-off grade of 15% DTR.

ORE RESERVE

A summary of the Ore Reserve for Savage River as at 31 December 2023

	As at December 2023		As at December 2022	
	Tonnes (Mt)	Grade % DTR[1]	Tonnes (Mt)	Grade % DTR[1]
Proved	34.7	45.7	69.0	49.3
Probable	74.5	44.1	27.7	40.1
Total	**109.2**	**44.6**	**96.7**	**46.7**

• Ore Reserves are reported above a cut-off grade of 15% DTR for Opencut and 28%-30% DTR for Underground.

Ore Reserves have increased by 12.5 million tonnes due to the inclusion of the underground Ore Reserves. Opencut Ore Reserves reduced with a large proportion now transferred and planned to be mined from underground. All underground Ore Reserves have been classified as Probable due to the inherent mixing that occurs in caving operations and lower confidence in the dilution and recovery modifying factors.

A detailed statement of the Mineral Resources and Ore Reserves can be found in the ASX announcement dated 28-February-2024. Grange confirms in reproducing the Mineral Resources and Ore Reserves in this subsequent report, that it is not aware of any new information or data that materially affects the information included and all the material assumptions and technical parameters underpinning the estimates in this report continue to apply and have not materially changed.

[1] DTR (Davis Tube Recovery) is the percentage of material recovered using a laboratory scale version of the ore beneficiation process that separates magnetic from non-magnetic fractions. It is the most appropriate assay technique for determination of magnetite recovery from ore at Savage River

HEALTH SAFETY AND ENVIRONMENT

OVERVIEW

Grange continues to believe that responsible occupational Health and Safety management with sound environmental and social responsibility (HSE) practices are integral to an efficient and successful company. Our "Safety and Environment Management System" (SEMS), which supports OHS & ESR policies and defines the required standards to which any Grange facility must operate, is continually monitored and updated to reflect any changes in the WHS regulations or WHS best practice. The OHS policy is reviewed and signed off annually by our executive team and leads us towards continual improvement of our Safety Systems.

SEMS is an integral part of the Grange Management System (GMS) and is well supported by a management plan for 16 of the major hazards identified in our industry. Of the 16 Major Hazard Standards, 4 are deemed to be Principal Mining Hazards as outlined in the Tasmanian Mining Legislation. The implementation and effective management of SEMS enables compliance with legislation, reduction of risk, increased efficiencies and provides the framework for continuous improvement. SEMS is aligned to ISO 45001 & ISO 45003 Occupational Health & Safety Standards and to ISO 14001 Environmental Management Standards. These are all applicable to any existing and future national or international operation. SEMS is now integrated into our Certificate IV Leadership & Management training competency for our current and aspiring leaders.

With the increased focus towards managing psychosocial hazards at work, and the introduction of a Code of Practice on the topic, Grange's integrated OHS & ESR Management Systems have been bolstered by a review of the risk assessments covering this hazard.

During 2023 we released the revised "Supervisor's Handbook" into the MOS toolbox with consultation and training with key stakeholders. This work is an excellent reference to SEMS, our Mission Statement and our Safety Principles.

MISSION STATEMENT

To drive a continuous improvement culture involving everyone at Grange. We strive to eliminate injury, loss and waste, and create positive environmental outcomes adding value to the communities in which we operate.

This will be achieved through effective adherence to management systems, integrated risk management practices, risk aware culture, demonstrable leadership, maintaining standards, monitoring performance and looking after our people.

SAFETY PRINCIPLES

- All injuries and loss events are preventable
- All hazards can be identified and their risks managed
- No task is so important that it cannot be done safely and respectfully
- Every person is accountable for their own safety and the safety of those around them
- Safety performance can always be improved

SAFETY PERFORMANCE

The Board has been monitoring a 3-year HSE Strategic Plan which culminated in 2023. During this year a new strategic plan will be developed and completed for introduction in 2024. The Company remains committed to providing safe systems and a safe place of work for everyone at every site. We take this commitment seriously and expect those working with and for us share the same level of commitment. We want all our workers, employees, contractors and visitors to return home in the same or better condition than when they come to work.

The effectiveness of our systems and safety management in general is well demonstrated by the consistent and measurable positive record book entries received after each WST inspector visit to our operational sites.

During 2023 the Company continued safety controls to manage the impact of the global COVID-19 pandemic. The management of our controls prevented any business disruption and ensured the health safety and wellbeing of our employees, contractors and supported our community.

Grange is committed to ensuring compliance with legislative requirements for each area of its operations including meeting or exceeding requirements within:

- Federal & State Work Health & Safety Legislation
- Anti-Discrimination Legislation
- Fair Work Australia Legislation
- Rehabilitation & Workers Compensation Legislation
- Environmental Legislation
- Codes of Practice nominated in all Federal and State Legislation
- Adopting accepted industry & Australian Standards in areas where legislation is deficient
- Whistleblower legislation
- Mining specific, HSE Legislation as required; and
- Environmental licence conditions for existing and new operations.

Established systems are in place to ensure legislative requirements are tracked, monitored and corrective actions implemented for any instances of non-compliance.

Grange continued the focus on reducing costs without reducing support services:

- Emergency Response Team (ERT) in-house training continued further development, saving considerable costs, while maintaining a high standard of response and continuing to improve our underground rescue capability.
- The underground emergency refuge chambers and associated ventilation and pumping equipment were monitored to maintain compliance with industry standards and WST expectations.
- Emergency response team size was managed while increasing our general first aid training coverage has ensured we have competent people where they are needed.

- Obtained Federal and State government training funds reducing the outlay for training in leadership and continuous improvement and seeking to provide an opportunity for additional young workers to commence apprenticeships.
- Development continued on the highwall scaling excavator which promises to provide a machine capable of restoring lost berm catch capacity in the mine, cleaning batters and improving mining safety. It continues to generate industry-wide interest.
- Participating in the Insurance Underwriters safety audit to provide initiatives to help reduce insurance costs.
- Investment in Mental Health and Wellbeing first aid training for Management and Contact Officers has helped foster an alert and caring worker relationship.
- Focus on gender diversity, respect at work and cultural awareness has promoted the role of women in our workforce and is supporting greater diversity in our teams.
- Strategic focus on "Critical Controls" further strengthens to our risk management system and initiatives.

Grange recognises the importance of our contractors' safety management systems being aligned with WorkSafe Tasmania and mine safety regulations as well as being on par with our own safety standards. To this end we have incorporated and communicated new OHS & ESR requirements for contractors into our SEMS.

The enhancement of our Safety Preventative Maintenance work orders continued through 2023 with our other lead indicators, dedicated Area Inspections covering all areas on site, formalised Task Observations for management and key personnel comprising our Lead Indicator Key Performance Indicators (KPI's). The lead indicators have been strengthened by the addition of specific "KPIs" for the recommenced underground workings with our underground team and PYBAR.

Completion and tracking of lead indicators utilises the iAuditor system meaning a speedy and more efficient process and allowing more time for task observations. Lead Indicators have helped reduce risk exposures across all areas. This is particularly evident by our continued excellent lost time injury (LTI) free record, seeing us now with only 1 LTI in more than 6 years.

SHARING AND LEARNING

Grange adopts a philosophy of continuous learning and sharing of safety experiences. In addition to its highly successful on-line induction programs, Grange conducts an extensive range of on-site safety training activities including extensive work permit training, energy isolations, site driving and pit driving permits, simulation training for new operators, fire warden and extinguisher training as well as refreshers on occupational first aid and road accident rescue entrapment release. Grange also continues to offer a very effective online "Isolations" training package allowing our offsite contract workforce to learn our systems before coming to site.

During 2023 Grange have continued to train in the "ICAM" (Incident Cause Analysis Method) investigation process and developed a "Safety Dashboard" for collation of information from the incident reporting system. The change has also helped enhance the daily review of incidents in our pre-shift meetings. This allows an effective view of newly raised incidents, open investigations, recently closed investigations and actions in progress from investigations.

During the year Grange continued to work closely and openly with the Office of the Chief inspector of Mines (OCIM). Traditionally our company provides an outlet for GMIRM (Global Mining Industry Risk Management) training sponsored by the Chief inspector of Mines and we will continue this interaction during 2024.

GMIRM has four levels of Risk Management training; G1 for workers, G2 for Supervisors, G3 for Management and G4 for Directors and Senior Executives. Grange again ran two, week-long G3 forums during 2023 and have budgeted to continue GMIRM training in 2024

All GMIRM seminars were, and will be, open to other Tasmanian Mines and Mining contractors via the Tasmanian Minerals, Manufacturing and Energy Council (TMEC) to actively promote risk management throughout the industry.

Internally, Grange has reviewed the HSR "Workgroups" to include an electrical workgroup and HSR/Deputy at Port Latta, and in 2024 will look at similar for the Savage River Concentrator workers.

In addition to training delivered at the operational level, the Company continued to reinforce many site-wide health and safety programs aimed at improving our employee's wellbeing, including cancer awareness, heart safety awareness, respect at work and mental health awareness/first aid.

During the year the HSE team have completed the 2020-2023 three-year Strategic Plan for HSE, and the development of the 2024-2026 three-year Strategic Plan for HSE.

The new plan aims to consolidate safety improvements and target areas of lesser performance with a focus on training and safety leadership while recognising the shift towards underground mining at Savage River.

The Company has a fully functional and qualified emergency response team ("ERT") providing expert first aid and first response care to our sites and others in need including road accidents in the Savage River and Port Latta areas. The Company is a member of the Tasmanian Mines Emergency Response Committee (TMERC) and commits to providing assistance through Mutual Aid to other member sites as requested.

COMMITMENT TO SOCIAL RESPONSIBILITY

Grange continued with its commitment to social responsibility engaging with our stakeholders and communities to help us understand and respond to their interests and concerns. In addition to regular dialogue with neighbours and communities close to our operations, the Company continues to host and support the education sector through tours, school curriculum information, industry links, a graduate program as well as work opportunities at its operations. During 2023 we continued to host several work experience students to have a week each on site and we hosted several school tours.

During the year our management and workers have actively participated in WorkSafe Tasmania (WST) workshops, helping to share our Safety Management approach with other industry participants. Our interactions with WST have been positive. The collaboration has been mutually beneficial, and the inspectorate has also requested Grange participate in the review the Tasmanian "Mines Work Health & Safety (Supplementary Requirements) Regulations 2012 during 2023 and 2024. Additionally, our HSE team has worked as an active member with the Minerals Council Australia "Fatality Prevention Project"

ENVIRONMENTAL

LEGISLATIVE APPROVAL

Grange obtained approvals to operate in 1996 and 1997 under the Land Use Planning and Approvals Act 1993 (LUPA) and the Environmental Management and Pollution Control Act 1994 (EMPCA) as well as the Goldamere Pty Ltd (Agreement) Act 1996 and Mineral Resources Development Act 1995. This approval covers an expected mine and processing life at Savage River, gangue removal and concentrating at Savage River, and pelletising at Port Latta. The original land use permit conditions for Savage River and Port Latta are contained in Environmental Protection Notices 248/2 and 302/2 respectively.

Grange received planning approval from the Waratah Wynyard Council and the Tasmanian Environment Protection Authority for the construction of South Deposit Tailings Storage Facility in March 2014 under PCE 8808, as well as federal approval under the Environment Protection and Biodiversity Conservation Act 1999 in April 2014 under EPBC approval 6393. South Deposit cutback was approved in August 2014 but is now largely regulated under the Centre Pit Expansion and South Deposit Backfill Dump through DA 216/2021 and Permit Conditions-Environmental No. 10995. In January 2020, approval was granted under Environment Protection Notice 10006/2 for the North Pit Underground exploration decline.

GOLDAMERE ACT

The Goldamere Pty Ltd (Agreement) Act 1996 (referred to as the Goldamere Act) makes provisions for Grange's operation under Tasmanian legislation and provides a framework for Grange to repay the Tasmanian Government for the purchase of the mine through remediation works. The Goldamere Act relieves Grange of any environmental liability in relation to legacy contamination, pollutants or pollution caused by operations prior to the date of the Goldamere Agreement (Royal Ascent received 16th) December 1996). Where pollution is caused or might be caused by previous operations and that pollution may be impacting on Grange's operations or discharges, Grange is indemnified against that pollution. Notwithstanding, Grange is required to operate to Best Practice Environmental Management (BPEM). A significant variation to the Goldamere Agreement was signed on the 19 December 2014 which extends the Agreement until 24 December 2034. This variation also removed a significant number of redundant conditions. The amended Goldamere Agreement provides a framework for Grange to co-manage the Savage River Rehabilitation Project (SRRP) and carry out contracted works in lieu of paying the purchase price of the operation to the Government. The agreement also allows Grange to integrate its rehabilitation obligations with those of the State under the SRRP.

PLANNING APPROVALS

Grange obtained planning approval subject to a series of environmental permit conditions in January 1997. Planning approval was issued by the Waratah Wynyard Council for Savage River, and by the Circular Head Council for Port Latta. The approvals were conditional on the provision of an Environmental Management Plan (EMP) incorporating an Environmental Rehabilitation Plan (ERP) prior to the commencement of operations. Various other studies were also required.

Grange received planning approvals from the Waratah Wynyard Council for the South Deposit Tailings Storage Facility (SDTSF) during 2014, construction commenced in July 2014 and operation commenced in Q4 2018.

Full approval of the Centre Pit Expansion and South Deposit Backfill Dump was achieved in 2022.

Grange is actively working with contractors, Waratah Wynyard Council, and the Tasmanian EPA in relation to planning, and environmental approval for the underground project. A development application submission was made to Waratah Wynyard Council on 29 February 2024 for the underground project. A 28-day public advertising period of the Environmental Impact Statement is expected in April 2024.

ENVIRONMENTAL MANAGEMENT PLANS

The EMP was first approved by the (then) Department of Environment Parks, Heritage and the Arts when Savage River and Port Latta operations re-commenced in October 1997. A later revision of the approval documents occurred on 6 October 2000 when Environmental Protection Notices (EPN) 248/2 and 302/2 were issued to replace the environmental permit conditions for Savage River and Port Latta respectively.

Approvals are required from the Tasmanian EPA and relevant Councils for major infrastructure developments and operational expansions and changes. These approvals are in the form of development applications, planning permits, approved EPN's etc. Amendments can also be made to reflect changing operational circumstances and an increasing knowledge base and provide for changes to waste rock dumping plans and any proposed treatment facilities. Such amendments are enacted by the issue of planning permits, EPN's or Permit Conditions Environmental (PCE)'s.

An amendment to the EMP was approved for an extension of mine and pelletising operations in early 2007 to approve the Mine Life Extension Plan.

EMP and ERP reviews are submitted on a 3-yearly basis to EPA. Revised EMPs reflect BPEM, current mine planning, and focus on closure requirements and rehabilitation. A revised EMP was submitted to the EPA in November 2022, and an updated ERP was provided to EPA in October 2023.

The Tasmanian EPA issued EPN 10006/2 in January 2020 enabling the construction of the Exploration Decline for the North Pit Underground Project. The EMP and ERP have been updated to reflect the relevant changes that underground mining methodology will introduce.

SAVAGE RIVER REHABILITATION PROJECT ("SRRP")

The Savage River Rehabilitation Project (SRRP), initiated in 1997 as a collaboration between the government and the mining company, with the objective to mitigate the effects of historical pollution at Savage River. Grange has upheld this partnership model established by the SRRP and has been actively involved in addressing the legacy pollution issues at Savage River and Port Latta.

The Goldamere Act set out the financial provisions for the SRRP and delineated the duties of a collaborative Management Committee. This Committee consists of two members from the EPA, one from Mineral Resources Tasmania (part of the Department of State Growth), and two from Grange Resources Tasmania. Funding

for the SRRP is allocated across two accounts: the Environment Protection Fund, which is an interest-bearing statutory Trust, and the Purchase Price account, which represents the debt owed to the Crown and is gradually settled by Grange over time through remediation works.

Grange representatives meet with representatives from SRRP on a regular basis to develop and implement remediation works at Savage River and Port Latta. Grange has collaboratively contracted with the SRRP for works including construction, management and development of waste rock dump covers, acid drainage pipelines and other remediation projects. The SRRP objective is to capture and treat 65% of the site's copper load to remove the possibility of an acutely toxic aquatic environment. The scope of works to meet this objective has been completed and costed to feasibility level.

A strategic plan outlining the works required to achieve the objective and repay Grange's purchase price debt has been approved by the Tasmanian Environmental Protection Authority and is being implemented by the SRRP Committee. This plan is updated annually to reflect the long-term risks and Grange's latest mining plan. The SRRP Strategic Plan is publicly available via the EPA Tasmania website.

PRINCIPAL ENVIRONMENTAL ISSUES

WASTE ROCK, TAILINGS AND WATER MANAGEMENT – SAVAGE RIVER

- Water, tailings and waste rock management at Savage River are principal environmental issues that entail several key strategies such as:
  - Development of waste rock dumps which exclude oxygen to minimise the formation of acid mine drainage, and utilisation of these dumps to form seals on old waste rock dumps;
  - Subaqueous tailings deposition and maintenance of saturated tailings; providing a centralised water treatment system using a disused pit to eliminate turbidity from mine runoff.
  - Appropriate management and monitoring systems to ensure regulatory compliance in these areas.
- Grange continued to progress design and construction work for the Main Creek Tails Dam closure during 2023. It is expected that the closure process will take approximately one more year subject to buttress requirements.

AIR EMISSIONS REDUCTION PROGRAM – PORT LATTA

- Grange continued to work on quality and measurement systems to improve performance of the Port Latta operations especially in relation to air emissions. In particular, the focus is on the stable operation of furnaces.

REHABILITATION PLANS

Grange continues to plan for closure and departure on completion of the mining plan. Principal issues related to mine closure include waste rock dump maintenance, tailings management, future use of infrastructure and a five-year post life of mine monitoring and maintenance plan. All of these aspects have been addressed in the ERP, which is submitted to EPA on an ongoing 3-yearly basis.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE (ESG) METRICS

Developments in global markets for directing investment capital have shifted with traditional profit only focus being challenged when assessing companies' performance. Grange is committed to aligning the business, where applicable, to the sustainable development goals that provide a roadmap to sustainability and resilience.

Principles of Governance	Planet	People	Prosperity
The definition of governance is evolving as organizations are increasingly expected to define and embed their purpose at the centre of their business. But the principles of agency, accountability and stewardship continue to be vital for truly "good governance".	An ambition to protect the planet from degradation, including through sustainable consumption and production, sustainably managing its natural resources and taking urgent action on climate change, so that it can support the needs of the present and future generations.	An ambition to end poverty and hunger, in all their forms and dimensions, and to ensure that all human beings can fulfil their potential in dignity and equality and in a healthy environment.	An ambition to ensure that all human beings can enjoy prosperous and fulfilling lives and that economic, social and technological progress occurs in harmony with nature.

Grange has adopted an Environmental, Social and Governance (ESG) framework with 21 core metrics and disclosures as created by the World Economic Forum (WEF) and is establishing an impact measurement plan for each sustainability area which includes, but is not limited to, governance, anti-corruption practices, ethical behaviour, human rights, carbon emissions, land use, ecological sensitivity, water consumption, diversity and inclusion, pay equality and tax payments.

ESG REPORTING UPDATES

Review across our management systems have occurred through 2023 to map across process and reporting improvements to align to the ESG core metrics. Grange published its baseline Environmental, Social and Governance (ESG) report in August 2022 and made disclosures on 21 core metrics set by the World Economic Forum (WEF) in its standardised and globally recognised stakeholder Capitalism Metrics ESG framework.

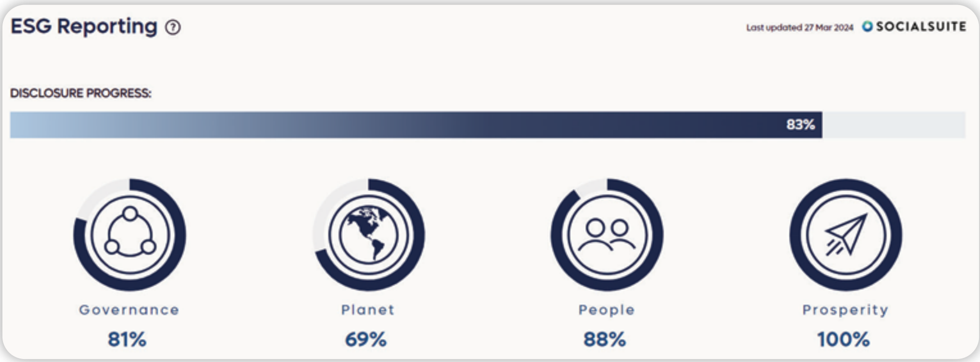
The baseline report demonstrates Grange's commitment to aligning the business, where appropriate, to the sustainable development goals. The report describes the progress Grange has made against the four pillars of the framework for Governance, Planet, People and Prosperity.

Most notably, Grange has developed a road map to reduce emissions. This will involve the reduction in energy used per tonne of product; upgrades to furnaces; recovery of heat in the pellet plant; application of technology and electric vehicles in the mining operation; and alternative fuel sources.

The Board has endorsed the pursuit of decarbonisation of Grange's Business with specific targets for CO_2-e reduction including:

- The elimination of non-renewable coal sources like anthracite, by 2025.
- CO_2-e emission target reduction of 50% by 2030 reducing emissions to 53kg of CO_2-e per tonne of iron ore products.
- Target of Zero CO_2-e (Scope 1 and 2) emissions by 2035.

Grange have also reviewed and updated policies with regard to anti-slavery and anti-bribery and corruption. Grange recognises that our activities can have an impact on human rights locally as well as overseas. We recognise the need to continually assess the Company's effectiveness in identifying, assessing and responding to potential areas of risk regarding modern slavery and unfair practices in its procurement processes. Grange does not tolerate any form of modern slavery, including forced or compulsory labour and is committed to operating in a transparent, responsible and fair manner throughout our procurement and business processes.



Grange Resources
ASX:GRR

Progress Dashboard - Period 10 (Jan to Mar 2024)

Progress: P In progress; G Gap; C Completed; N Not applicable

Code	Description	Disclosure	Last Updated	Status	Progress (A1-A5)
GOVERNANCE					81% COMPLETED
GOVERNING PURPOSE					
GO-01-C1	Setting purpose	Full	13 Feb 2024	VERIFIED	C C C C C
QUALITY OF GOVERNING BODY					
GO-02-C1	Governance body composition	Full	20 Mar 2024	VERIFIED	P P C C C
STAKEHOLDER ENGAGEMENT					
GO-03-C1	Material issues impacting stakeholders	Partial	23 Jan 2023	VERIFIED	C P N
ETHICAL BEHAVIOUR					
GO-04-C1	Anti-corruption practices	Partial	15 Mar 2024	VERIFIED	P P C
GO-04-C2	Mechanisms to protect ethical behaviour	Full	6 Jul 2022	VERIFIED	C C
RISK AND OPPORTUNITY OVERSIGHT					
GO-05-C1	Integrating risk and opportunity into business process	Partial	25 Mar 2024	REPORTED	C P P P P
PLANET					69% COMPLETED
CLIMATE CHANGE					
PL-01-C1	GHG emissions	Full	26 Mar 2024	REPORTED	P P C
PL-01-C2	TCFD implementation	Partial	14 Mar 2024	VERIFIED	P P P
NATURE LOSS					
PL-02-C1	Land use and key biodiversity areas	Full	26 Mar 2024	VERIFIED	C P P P C
FRESHWATER AVAILABILITY					
PL-03-C1	Water consumption	Full	26 Mar 2024	VERIFIED	C P P
PEOPLE					88% COMPLETED
DIGNITY AND EQUALITY					
PE-01-C1	Diversity and inclusion	Full	26 Mar 2024	VERIFIED	C C C C C
PE-01-C2	Pay equality	Full	26 Mar 2024	REPORTED	C C P P
PE-01-C3	Wage level	Full	20 Mar 2024	REPORTED	C C
PE-01-C4	Child, forced or compulsory labour	Full	20 Mar 2024	REPORTED	C
HEALTH AND WELL-BEING					
PE-02-C1	Health and safety	Full	26 Mar 2024	VERIFIED	C C
SKILLS FOR THE FUTURE					
PE-03-C1	Training provided	Partial	26 Mar 2024	REPORTED	P C
PROSPERITY					100% COMPLETED
EMPLOYMENT AND WEALTH GENERATION					
PR-01-C1	Rate of employment	Full	26 Mar 2024	VERIFIED	C C
PR-01-C2	Economic contribution	Full	22 Mar 2024	VERIFIED	C C
PR-01-C3	Financial investment contribution	Full	20 Mar 2024	VERIFIED	C C
INNOVATION OF BETTER PRODUCTS AND SERVICES					
PR-02-C1	Total R&D expenses	Partial	12 Mar 2024	VERIFIED	C
COMMUNITY AND SOCIAL VITALITY					
PR-03-C1	Total tax paid	Full	12 Mar 2024	VERIFIED	C

*N.B.: Metric Status 'Verified' is reviewed on completeness by Socialsuite, not a third-party auditor

ESG Report Data Disclaimer

Grange Resources | ESG Dashboard (Baseline) | Published on 28 Mar 2024

SOCIALSUITE

SOUTHDOWN MAGNETITE PROJECT

The Southdown Magnetite Project ("Southdown" or "the Project"), is situated 90km from the city of Albany in Western Australia. In 2023, the Company completed the agreement with its joint venture partner, SRT to reacquire SRT's 30 per cent interest in the Project. The transaction settled in July 2023. Grange now holds 100 per cent ownership in the Project.

PROJECT OVERVIEW

Southdown is an advanced project with over 1.2 billion tonnes of high-quality mineral resources, including 388 million tonnes of ore reserves. It has access to established infrastructure and involves the construction and operation of an open pit magnetite mine located approximately 90 kilometres northeast of Albany, and 10 kilometres southwest of Wellstead in the Great Southern region of Western Australia. The Southdown magnetite deposit is approximately 12 kilometres in length with 6 kilometres of this included in the current study. The magnetite ore will be mined, crushed, ground, screened and magnetically separated to produce a magnetite concentrate. With an initial mine life of 28 years, the current project base case is to produce 5 Mt of high-grade magnetite concentrate per annum with scalable options to produce up to 10 Mt per annum.

PROJECT STATUS

In addition to a Definitive Feasibility Study completed in 2012 on a 10 million tonne per annum (mtpa) case, Grange completed an updated prefeasibility study (PFS) in the first quarter of 2022 (See ASX announced on 22 March 2022). This updated PFS has optimised the project layout and equipment. This involves a smaller 5mtpa concentrate production operation within the constraints of existing mineral resources and ore reserves. During 2022, the Company commenced a Definitive Feasibility Study on the 5 mtpa development case and is further progressing designs for the optimised site layout, mine designs, metallurgical test work and pilot plant trials utilising dry grinding techniques, and port operations and transhipping methodology. Progress on the DFS is under review.

APPROVALS

The optimised project has remained largely within the area that has already obtained environmental approvals for development. Previously, Southdown has been granted primary environmental approvals by the Western Australian government under the Environmental Protection Act 1986 (EP Act) and by the federal government under the Environment Protection and Biodiversity Conservation Act 1999 (EPBC Act). Under the optimised project there are some modifications to the project that require further approvals and work is progressing to obtain environmental approvals for these aspects of the project.

Grange Resources' referral for modifications to the already approved Southdown Magnetite Project was submitted on 30 January 2023 to the Environmental Protection Authority (EPA) for environmental assessment. A new environmental approval will also be sought for the transhipping component of the project by the Southern Ports Authority.

WORKING WITH THE COMMUNITY

Planning and preparation for the Southdown project has spanned several years, during which Grange has established a project office in Albany and has been working closely with key stakeholder organisations and community members.

Grange will continue to engage stakeholders and the community as the project progresses through the Albany Project Office, information sessions, landowner discussions, briefings and presentations and a range of focused communications.

KEY COMPONENTS OF THE PROJECT

The Southdown Magnetite Project is proposed to be a pit to port operation involving:

- The construction and operation of an opencut magnetite mine and concentrator for producing magnetite concentrate at the mine site, near Wellstead.
- A 110km underground slurry pipeline to transport the magnetite concentrate from the mine site to the Port of Albany.
- Once the slurry reaches the Port, it will be dewatered and stored in a storage shed ready for shipping.
- The recycled water from the dewatering process will be pumped back to the mine site in a second pipeline following the same alignment as the slurry pipeline.
- When the concentrate is ready for shipping, it will be loaded on to a smaller transhipping vessel (TSV) via conveyors and a shiploader and transported by the TSV to be loaded onto larger vessels in King George Sound. This process is known as transhipping.
- Water supply options for the construction and operation of the mine include a mix of recycled wastewater from the Water Corporation's Wastewater Treatment Plant and groundwater from local borefields, or from a seawater desalination plant planned for Cape Riche, which already has environmental approvals. Electricity supply options for the project continue to focus on maximising access to renewable energy.
- Electricity supply options for the project continue to focus on maximising access to renewable energy.

PROJECT OVERVIEW

GEOLOGY

The currently defined Resource extends over 11 kilometres of strike, with variable depths ranging from 50 metres below surface in the west to 555 metres below surface in the east. The deposit has been drilled and evaluated since its initial discovery in 1983, including an extensive program of resource drilling during 2011 for the feasibility study.

MINING

Mining will be undertaken as a conventional drill, blast, load and haul cycle. Bulk loading on 12 metre benches will utilise hydraulic face shovels. Ore and some surrounding waste will be selectively mined on multiple flitches with hydraulic excavators. All pit material with be hauled with rear dump trucks. Ore will be trucked directly from the blasted faces to either direct tip into the primary crusher or to the ROM stockpile with waste either sent to WRDs or backfill.

The mining operation will draw heavily on Grange's existing capability as Australia's most experienced commercial producer of magnetite concentrate, to assist with start-up and ongoing operations.

ORE CRUSHING AND CONCENTRATION

Ore processing at the mine site consists of crushing and dry grinding with closed circuit dry magnetic separation, before water is added to facilitate a further series of magnetic separation steps to remove non-magnetic material, and reverse floatation to remove the sulphide mineral Pyrrhotite, which will result in a magnetite concentrate at around 69.5% iron.

Process waste (tailings) will be produced in dry and wet components, with the wet tailings mixed with the dry to form an Agglomerated Tailing and sent to the waste rock dump.

TRANSPORTING THE CONCENTRATE SLURRY 110 KM TO THE PORT

Final magnetite concentrate will be thickened and transported through a 110 km pipeline to the Port of Albany. Once the concentrate reaches the Port, it will be filtered and stored ready for shipping. The excess water will be pumped back to the mine site in a return water pipeline, which runs parallel to the slurry pipeline. Around 85% of water pumped with the slurry will be returned to the mine site for re-use.

ALBANY PORT

The study has adopted a transhipping methodology with reduced on-site storage capacity at the Port of Albany. It incorporates the addition of a new wharf at Albany Port's Berth 5, a filtration plant, a concentrate stockpile shed and a ship loading facility. The magnetite concentrate will be loaded onto a Transhipment Vessel (TSV) and barged to the larger Cape sized vessels located at an anchorage point in the King George Sound.

Detailed technical and environmental assessments have been undertaken to assess the potential landside and waterside impacts of transhipping in conjunction with the Southern Ports Authority to identify an appropriate anchorage point, and assess the environmental, community and visual impacts to facilitate new environmental and operational approvals.

WATER

The Project has environmental approval to construct and operate a 12GL/a seawater desalination plant at Cape Riche, approximately 25km from the mine site. With the introduction of dry grinding and a reduced capacity in the concentrator, the annual make-up water demand has reduced to approximately 4 gigalitres per year. Alternative water sources have been investigated and it has been identified that the reduced water supply can be supplied from a combination of recycled water from the Water Corporations Albany waste-water treatment facilities and various potential groundwater sources in the region. Ground water sources are deep in the sequence, below a clay layer which will restrict any significant impact on the surface water table or other users.

Specialised groundwater consultants, Rockwater and GHD, have been engaged to complete thorough technical and environmental investigations to understand the groundwater resources in the region. Each area has been investigated by geological mapping, geophysics, the drilling of monitoring and test production bores, and undertaking test pumping to understand the hydraulic properties of the target aquifer. To date over 150 bores have been drilled for more than 11,000 metres of drilling. This data has been used to develop groundwater models to run predictions of water level change and, together with the environmental baseline studies, provide the basis for environmental impact assessments and approvals. The investigations have indicated up to 3.5GL/a can be obtained from both borefields without adverse effects to native vegetation and other beneficial users.

POWER

In 2011, Western Power had identified and agreed a transmission line route for the Project which is covered in the existing EPBC approval currently in place. Supply and connection options for the project continue to focus on maximising access to renewable energy.

OPERATIONS

The project is committed to working with stakeholders and the community in the planning, implementation and operation of its projects as well as delivering possible future community benefits including employing local people to work and service the mine, supporting local and regional economic development and investing in community initiatives. The Southdown operation will be modelled on Grange's existing Savage River operation in Tasmania operating on a 24/7 basis for 365 days per year.

We acknowledge the Noongar Menang people as traditional custodians of this region and recognise their continuing connection to land, water and culture. We pay our respects to Aboriginal communities and cultures, and to their Elders past, present and emerging.

MINERAL RESOURCES AND ORE RESERVES - SOUTHDOWN MAGNETITE PROJECT

MINERAL RESOURCES

The Mineral Resource estimate for the Southdown Magnetite Project as at 31 December 2023 is as follows:

	As at 31 December 2023	
	Tonnes (Mt)	**Grade %DTR***
Measured	423.0	37.8
Indicated	86.8	38.7
Inferred	747.1	30.9
Total	1,256.9	33.7

** Davis Tube Recovery – a measure of recoverable magnetite*
Mineral Resources are reported above a cut-off of 10% DTR

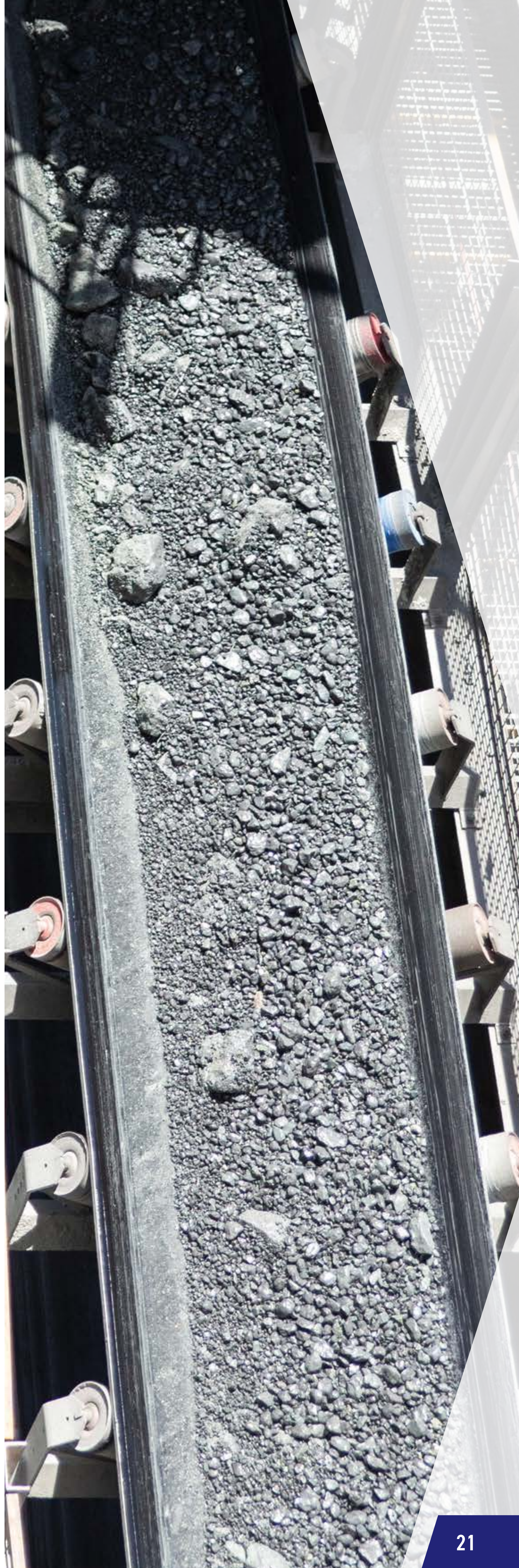
ORE RESERVES

The current Ore Reserve for the Southdown Magnetite Project as at 31 December 2023 is based on the pit design and mining schedule developed during the Feasibility Study and includes modifying metallurgical factors and plant recovery.

	ROM (Mt)	**DTR* (%)**
Proven	384.6	35.6
Probable	3.1	41.7
Total	387.7	35.6

An additional 24.4 Mt of Inferred Resources is included within the designed pit.

A detailed statement of the Mineral Resources and Ore Reserves can be found in the ASX announcement dated 28 February 2014. Grange confirms in reproducing the Mineral Resources and Ore Reserves in this subsequent report, that it is not aware of any new information or data that materially affects the information included, and all the material assumptions and technical parameters underpinning the estimates in this report continue to apply and have not materially changed. Grange confirms that all environmental approvals and tenure have been maintained in compliance and terms extended as required to retain currency.



CORPORATE GOVERNANCE STATEMENT

Grange is committed to creating and building sustainable value for shareholders and protecting stakeholder interests. The Company recognises that high standards of corporate governance are essential to achieving that objective.

The Board has the responsibility for ensuring Grange is properly managed so as to protect and enhance shareholders' interests in a manner that is consistent with the Company's responsibility to meet its obligations to all stakeholders. For this reason, the Board is committed to applying appropriate standards of corporate governance across the organisation.

As part of its commitment to enhancing its corporate governance, and as a listed company, the Board has adopted relevant practices which are consistent with the Australian Securities Exchange ("ASX") Corporate Governance Principles. The 2023 corporate governance statement was approved by the Board on 20 February 2024.

Details of the Company's corporate governance practices are included in the Corporate Governance Statement and Appendix 4G which have been announced on the ASX and can be located on our Company's website www.grangeresources.com.au in the Corporate Governance and Policies section in the About Us area. This facilitates transparency about Grange's corporate governance practices and assists shareholders and other stakeholders to make informed judgments.

ASX BEST PRACTICE RECOMMENDATIONS

The following table lists the departures from the ASX Best Practice Recommendations applicable to the Company as at the date of its financial year end, being 31 December 2023. Where the Company considers that it is divergent from these recommendations, or that it is not practical to comply, there is an explanation of the Company's reasons set out in the following table.

Principles and Recommendations Reference	Departure	Explanation
2.4	A majority of the Directors are not independent directors.	The Board is currently comprised of four non-executive Directors, and two executive Directors, three are independent. Accordingly, a majority of Directors are not independent.
7.3(a)	A separate internal audit function has not been formed	The Board monitors the need for an internal audit function. The Company has not had an internal audit function for the past financial year. Due to the size of the Company, the Board does not consider it necessary to have an internal audit function. The Company is currently reviewing the possibility of an internal audit function. The Company's Management periodically undertakes an internal review of financial systems and processes and where systems are considered to require improvement these systems are developed. The Board also considers external reviews of specific areas and monitors the implementation of system improvements.

GRANGE RESOURCES LIMITED
ABN 80 009 132 405
AND CONTROLLED ENTITIES

GRANGE RESOURCES

AUSTRALIA'S MOST EXPERIENCED MAGNETITE PRODUCER

FINANCIAL REPORT - 31 DECEMBER 2023

GENERAL INFORMATION

The financial statements cover Grange Resources Limited as a Group consisting of Grange Resources Limited and the entities it controlled at the end of, or during, the year. The financial statements are presented in Australian dollars, which is Grange Resources Limited's functional and presentation currency.

Grange Resources Limited is a listed public company limited by shares, incorporated and domiciled in Australia. Its registered office and principal place of business is:

34a Alexander Street, Burnie, Tasmania, 7320

A description of the nature of the Group's operations and its principal activities are included in the directors' report, which is not part of the financial statements.

The financial statements were authorised for issue, in accordance with a resolution of directors, on 28 February 2024. The directors have the power to amend and reissue the financial statements.

DIRECTORS' REPORT

The directors present their report, together with the financial statements, 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 year ended 31 December 2023.

DIRECTORS

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

Michelle Li	Chairperson
Yan Jia	Non-Executive Director, Deputy Chairperson (resigned on 6 September 2023)
Honglin Zhao	Managing Director
Chongtao Xu	Executive Director (appointed on 1 March 2023)
Michael Dontschuk	Non-Executive Director (resigned on 20 March 2024)
Ajanth Saverimutto	Non-Executive Director
Tianxiao Shen	Non-Executive Director (appointed on 21 December 2023)

INFORMATION ON DIRECTORS

MICHELLE LI, PhD, GAICD

Independent Non-executive Chairperson, Member of the Audit and Risk Committee, Member of the Remuneration and Nomination Committee.

Dr Li has more than 30 years of international mining experience, including senior executive roles with mining companies such as Citic Pacific, Rio Tinto and Iluka Resources.

Dr Li has a PhD from the University of Queensland and was previously a non-executive Director of Ardiden Limited, Orion Metals Limited and Sherwin Iron Limited.

YAN JIA, GAICD

Non-executive Deputy Chairperson

Ms Jia is currently employed by Jiangsu Huanyu Data Holdings Co. Ltd.

Ms Jia is a former Director of the Administration Department of Jiangsu Shagang International Trade Co Ltd, a subsidiary of Jiangsu Shagang Group, China's largest private steel company. Ms Jia has over ten years' experience of managerial, human resources, intellectual property and commercial experience in the steel industry and bulk raw material transaction sector.

Ms Jia resigned from the Board on 6 September 2023.

HONGLIN ZHAO

Managing Director, Chief Executive Officer

Mr Zhao is a former Director of Shagang International (Australia) Pty Ltd, former Director and General Manager of Shagang (Australia) Pty Ltd, and former Director of Jiangsu Shagang Group, ultimate shareholder of Shagang International Holdings Limited and China's largest private steel company.

Mr Zhao has over 40 years' experience in the industry and was previously the Commander of Project Development Headquarters with Shagang. Mr Zhao has extensive project management and implementation experience and expertise.

MICHAEL DONTSCHUK BSc (Hons), FFTP, GAICD

Independent Non-executive Director, Chairperson of the Audit and Risk Committee, Chairperson of the Remuneration and Nomination Committee

Mr Dontschuk is a finance professional with over 35 years' experience in investment, finance, treasury and financial risk management. He currently is a professional NED and sits on a number of company boards including Public Trustee (Tasmania) and Australia Ratings.

Previously Mr Dontschuk has been Group Treasurer of Grange Resources, Group Treasurer of ANZ Bank, Managing Director of Treasury Corporation Victoria, President and Director of the Finance and Treasury Association of Australia and has worked extensively in corporate financial advisory and investment banking including with Oakvale Capital and Bankers Trust.

Mr Dontschuk resigned from the Board on 20 March 2024.

AJANTH SAVERIMUTTO, BEng (Mining) Hons, BBus (Accounting)

Independent Non-executive Director and Member of the Audit and Risk Committee

Mr Saverimutto is a Mining Engineer and Accountant with over 25 years' experience in the resources industry. Mr Saverimutto has extensive Corporate and Senior Management experience in a number of ASX-listed and private companies. Currently Mr Saverimutto is Managing Director of ASX listed Wildcat Resources, a mineral exploration company. Mr Saverimutto's previous positions include President and Director of privately held Black Mountain Metals, Managing Director of ASX listed Venturex Resources, Managing Director and Founder of privately held Australian company Salt Lake Mining.

Mr Saverimutto has held senior operational roles including Mining Manager for leading international copper producer Freeport McMoRan (NYSE: FCX), Chief Operating Officer of ASX listed gold miner Unity Mining and Mining Manager for BHP Billiton – Stainless Steel Materials.

CHONGTAO XU

Executive Director

Mr Xu is a former head of steel merger & acquisition division of Shagang Investment Holding Co Ltd, the investment arm of China's largest private steel company. Mr Xu specialises in investment of upstream and downstream processes for steel producers.

Mr Xu has extensive management experience in private equity projects. Mr Xu managed a portfolio with the marketable value of over four billion Australian dollars. Mr Xu holds a Master of Science (Hons) from University College London.

Mr Xu was appointed to the Board on 1 March 2023.

TIANXIAO SHEN

Non-executive Director, Member of the Remuneration and Nomination Committee.

Tianxiao Shen is currently the deputy general manager of Shagang International (Singapore) Pte. Ltd., a subsidiary of Jiangsu Shagang Group, China's largest private-owned steel conglomerate. Ms. Shen has extensive experience in raw material procurement and trade, company management, and supply chain operation management and investment planning.

Ms Shen was appointed to the Board on 21 December 2023.

COMPANY SECRETARY

MR PIERS LEWIS, BComm, CA, AGIA

Mr Lewis has more than 25 years' global corporate experience. Mr Lewis is currently company secretary of Almonty Industries Inc. and serves as chairman of Aurumin Limited and on the Board of Noronex Limited.

In 2001 Mr Lewis qualified as a Chartered Accountant with Deloitte (Perth). He has extensive and diverse financial and corporate experience from previous senior management roles with Credit Suisse (London), Mizuho International and NAB Capital. Mr Lewis is also a Chartered Company Secretary.

PRINCIPAL ACTIVITIES

During the period, the principal continuing activities of the Group consisted of the mining, processing and sale of iron ore; and the ongoing exploration, evaluation and development of mineral resources.

DIVIDENDS

Dividends paid during the financial year were as follows:

	2023 $'000	2022 $'000
Fully franked final dividend for the year ended 31 December 2022 - 2.0 cents per share	23,147	-
Fully franked interim dividend for half year ended 30 June 2022 - 2.0 cents per share	-	23,147
Fully franked final dividend for the year ended 31 December 2021 - 10.0 cents per share	-	115,734
	23,147	**138,881**

Since the end of the financial year the directors have recommended the payment of a 2.0 cent final dividend of $23.1 million. The final dividend was declared NIL conduit foreign income and will be paid on 28 March 2024.

OPERATING AND FINANCIAL REVIEW

KEY HIGHLIGHTS

MINING OPERATIONS

- Pellet production of 2.34 million tonnes for the year compared to 2.52 million tonnes for the prior year.
- Total iron ore product sales of 2.64 million tonnes for the year compared to 2.57 million tonnes for the prior year.
- Profit after tax of $150.1 million for the year compared to $171.7 million for the prior year, on revenues from operations of $614.7 million compared to $594.6 million for the prior year.
- Average realised product price (FOB Port Latta) of A$212.83 per tonne for the year compared to A$203.18 per tonne for the prior year.
- Unit C1 cash operating costs of $136.65 per tonne for the year compared to $120.64 for the prior year.
- Cash and liquid investments of $282.6 million at the end of year compared to $298.6 million at the end of the prior year.

SAFETY PERFORMANCE

A focus on safety has been maintained across the business with over 236 days Lost Time Injury Free achieved.

KEY METRICS

Key revenue metrics for the year ended 31 December 2023 and the preceding 2022 year were as follows:

	2023	2022
Iron Ore Pellet Sales (dmt)	2,503,588	2,429,700
Iron Ore Concentrate Sales (dmt)	24	1,853
Iron Ore Chip Sales (dmt)	139,010	136,760
Total Iron Ore Product Sales (dmt)	**2,642,622**	**2,568,313**
Average Realised Product Price (US$/t FOB Port Latta)*	142.06	141.28
Average Realised Exchange Rate (AUD:USD)	0.6675	0.6953
Average Realised Product Price (A$/t FOB Port Latta)	212.83	203.18

**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.*

Key operating metrics for the year ended 31 December 2023 and the preceding 2022 year were as follows:

	2023	2022
Total BCM Mined	17,529,864	15,466,534
Total Ore BCM	1,033,932	1,280,501
Concentrate Produced (t)	2,589,144	2,624,865
Weight Recovery (%)	44.4	45.2
Pellets Produced (t)	2,341,654	2,518,232
Pellets Stockpile (t)	136,791	298,725
"C1" Operating Cost (A$/t Concentrate Produced)	136.65	120.64

Note: "C1" costs are the cash costs associated with producing iron ore products without allowance for mine development, deferred stripping and stockpile movements, and also excludes royalties, sustaining capital, depreciation and amortisation costs.

Mining activities have continued to focus on the cutbacks in both North Pit and Centre Pit. Ore from the main ore zone in Centre Pit has been delivered throughout the year. This has been blended with existing stockpiles to sustain production and yield high quality pellets. The cutback on the east wall of North Pit continues with the implementation of the refined pit design. The current mining of ore in Centre Pit and waste removal in North Pit will progress further in 2024.

NORTH PIT UNDERGROUND DEVELOPMENT PROJECT

The Definitive Feasibility Study into underground mining in North Pit has been completed and integrated into the operational life of mine plan. The study included a detailed assessment of risk and confirms the technical and economic viability of underground block cave mining at Savage River. In February 2024, the Board approved the plan to transition the current North Pit opencut mine to an underground block cave mine.

The integration will see the current North Pit open pit mining transition to an underground sub-level and block cave mine over the next five years. The feasibility study forecasts production of approximately 64 million tonnes of ore, producing 28 million tonnes of concentrate at iron grade of more than 66 per cent supporting the mine life at Savage River beyond 2037.

The feasibility confirmed a reduction in the long-term unit operating costs of more than 30 per cent in line with the PFS findings. The study also confirmed a significant (80 per cent) reduction in carbon emissions at the Savage River Mine can be achieved in accordance with Grange's decarbonisation plan.

Based on the progression of the study, Grange has entered a contract to extend the current exploration decline by 1,500m in 2024. The underground development has been awarded to mining contractor PYBAR Mining Services who have already commenced mobilisation to site. The extension to the decline will provide access to the extraction level horizon and provide essential data to finalise mine designs to a construction ready stage. The extension will also provide new underground drill platforms that Grange plans to utilise for further underground exploration with a view to enhance the long-term underground mining opportunities.

PORT LATTA IMPROVEMENT PROJECTS

The High Efficiency Mixer was safely and successfully commissioned in the pellet plant at Port Latta. This installation will enable the delivery of more homogeneous blending of bentonite and concentrate equally across all furnace lines. This in turn will serve to improve our control and final pellet consistency.

Optimisation of the Intermediate Air System continued during the quarter, balancing air from the Intermediate Air and the Main Blower System. Furnace stability has significantly improved, and Furnace 4 is now running consistently and delivering high rates and quality. Work continues on embedding system changes and undertaking the engineering study to apply modifications to the other furnace lines.

Furnace 4 has been operating without the addition of anthracite. This has seen a reduction in our coal use at Port Latta and consequently a reduction in CO_2-e emissions associated with the combustion of coal. This is an excellent result and is in accord with Grange's decarbonisation plan to phase out the use of coal over the next three years as other furnaces are upgraded.

FINANCIAL POSITION

Grange's net assets increased during the year to $1,031.3 million (31 December 2022: $904.01 million). The key movements in net assets during the year are a result of the following:

- An increase in property plant and equipment and mine properties and development of $50.6 million and $82.1 million respectively.
- An increase in inventories of $16.9m
- An increase in trade receivables by $16.2 million
- A decrease in trade and other payable $17.3 million
- A decrease in financial assets by $17.4 million
- An increase in deferred tax liability by $36.4 million.

STATEMENT OF CASH FLOWS

NET CASH FLOWS FROM OPERATING ACTIVITIES

Net cash inflows from operating activities for the year were $267.1 million (2022: inflows $196.9 million), increased compared to prior year mainly due to higher quantities sold and higher prices achieved compared to previous year.

NET CASH FLOWS FROM INVESTING ACTIVITIES

Net cash outflows from investing activities for the period were $241.9 million (2022: outflows $396.2 million), principally related to expenditures for mine properties and development ($104.4 million), property, plant and equipment of ($153.8 million) and proceeds from term deposits $16.3 million.

NET CASH FLOWS FROM FINANCING ACTIVITIES

Net cash outflows from financing activities for the period were $25.2 million (2022 outflow: $145.6 million), principally related to the payment of 2023 final dividend ($23.1 million) and repayment of lease liabilities ($2.0 million).

ESG REPORTING AND INITIATIVES

Grange published its baseline Environmental, Social and Governance (ESG) report with disclosures on 21 core metrics set by the World Economic Forum (WEF) in its standardised and globally recognised Stakeholder Capitalism Metrics ESG framework.

This new global environment is challenging the traditional expectations of corporations and redirecting investment capital. Grange is committed to aligning the business, where applicable, to the sustainable development goals that provide a roadmap to sustainability and resilience.

The baseline report demonstrates Grange's commitment to aligning the business, where applicable, to the sustainable development goals provide guidance to sustainability and resilience. The report describes the progress Grange has made against the four pillars of the framework for Governance, Planet, People and Prosperity.

Most notably, Grange has developed a road map to reduce emissions. This will involve the reduction in energy used per tonne of product; upgrades to furnaces; recovery of heat in the pellet plant; application of technology and electric vehicles in the mining operation; and alternative fuel sources.

The Board has endorsed the pursuit of decarbonisation of Grange's Business with specific targets for CO_2-e reduction including:

- The elimination of non-renewable coal sources like anthracite, by 2025.
- CO_2-e emission target reduction of 50% by 2030 reducing emissions to 53kg of CO_2-e per tonne of iron ore products.
- Target of zero CO_2-e (Scope 1 and 2) emissions by 2035.

SOUTHDOWN MAGNETITE PROJECT

The Southdown Magnetite Project, situated 90km from the city of Albany in Western Australia, is an advanced project with over 1.2 billion tonnes of high quality resource and access to established infrastructure.

During the year, the Company completed the reacquisition of SRT's 30% interest in the Project. Grange now holds 100 per cent ownership in the Project.

Progress of the definitive feasibility study on a 5 Mtpa development case is under review.

SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

There were no significant changes in the state of affairs of the Group during the financial year.

MATTERS SUBSEQUENT TO THE END OF THE FINANCIAL YEAR

Since the end of the financial year the directors have recommended the payment of a 2.0 cent per share final dividend of $23.1 million.

On 19 February 2024, the Board approved the plan to transition from North Pit open pit to underground mining over the next five years.

LIKELY DEVELOPMENTS AND EXPECTED RESULTS OF OPERATIONS

Grange's strategic focus is to generate shareholder value by safely producing high quality iron ore products from its Savage River and Port Latta operations in Tasmania and continuing to assess the feasibility of a major iron ore development project at Southdown, near Albany in Western Australia. The Group's current strategic priorities include:

SAVAGE RIVER AND PORT LATTA OPERATIONS

- Optimising the integration and transition of the Life of Mine Plan from opencut to underground
- Producing high grade ore from Centre Pit
- Delivering on secured off take agreements
- Maintaining access to ore with continuing investment in mine development
- Maintaining critical process infrastructure
- Continuing focus on improving productivity and implementing cost control projects

SOUTHDOWN MAGNETITE PROJECT

- Completing feasibility study on a 5 Mtpa development case with new technology and additional testwork
- Ensuring that all tenements, permits and project assets remain in good standing

RISK MANAGEMENT

The Group continues to assess and manage various business risks that could impact the Group's operating and financial performance and its ability to successfully deliver strategic priorities including:

- Fluctuations in iron ore market and movements in foreign exchange rates
- Volatility in the energy prices and availability
- Geotechnical risks including wall stability
- Production risks and costs associated with aging infrastructure
- Project evaluation and development
- Health, safety and environment
- Impacts of climate change on our business
- Risks associated with underground mining

RISK MITIGATION STRATEGIES INCLUDE THE FOLLOWING:

- Optimise timing of sales to the fluctuations in iron ore prices and demands from different markets
- Focused program of geotechnical wall monitoring, modelling and redesign work to mitigate potential stability issues
- Continue disciplined and rigorous review process regarding budget development and cost control to ensure investment directed to highest priority areas while reducing overall operating costs
- Hedging strategies for key energy exposures
- A well developed tool kit to ensure projects are adequately planned and peer reviewed prior to commitment and execution
- Outstanding safety record is supported by comprehensive safety system that enables management to develop a resilient safety culture and ensure our stewardship over the environment
- Initiatives to progressively decarbonise the operation

ENVIRONMENTAL REGULATION

The mining and exploration tenements held by the Group contain environmental requirements and conditions that the Group must comply with in the course of normal operations. These conditions and regulations cover environmental aspects such as acid mine drainage management, river water quality, the management of the storage of hazardous materials and rehabilitation of mine sites, etc.

The Group is subject to significant environmental legislation and regulation in respect of its mining, processing and exploration activities as set out below:

SAVAGE RIVER AND PORT LATTA OPERATIONS

The Group obtained approvals to operate in 1996 and 1997 under the Land Use Planning and Approvals Act 1993 (LUPA) and the Environmental Management and Pollution Control Act 1994 (EMPCA) as well as the Goldamere Agreement Act 1996 and Mineral Resources Development Act 1995. The original land use permit conditions for Savage River and Port Latta are contained in Environmental Protection Notices 248/2 and 302/2 respectively. The currently approved Environmental Management Plans were submitted for Savage River and Port Latta on 21 December 2010. The extension of the project's life was approved by the Department of Tourism, Arts and the Environment on 12 March 2007 and together with the Goldamere Agreement Act 1996 and the Environmental Protection Notices, is the basis for the management of all environmental aspects of the mining leases. The Group has been relieved of any environmental obligation in relation to contamination, pollutants or pollution caused by operations prior to the date of the Goldamere Agreement Act (Royal Ascent received 16th) December 1996). Grange received planning approval from the Waratah Wynyard Council and the Tasmanian Environment Protection Authority for the construction of South Deposit Tailings Storage Facility in March 2014 under PCE 8808, as well as federal approval under the Environment Protection and Biodiversity Conservation Act 1999 in April 2014 under EPBC approval 6393. South Deposit cutback was approved in August 2014 but is now largely regulated under the Centre Pit Expansion and South Deposit Backfill Dump through DA 216/2021 and Permit Conditions-Environmental No. 10995. In January 2020, approval was granted under Environment Protection Notice 10006/2 for the North Pit Underground exploration decline.

SOUTHDOWN MAGNETITE PROJECT

The Southdown Magnetite Project has not been responsible for any activities which would cause a breach of environmental legislation.

MOUNT WINDSOR JOINT VENTURE

Grange is a minority partner (30%) in the Mt Windsor project in North Queensland which is now being rehabilitated for future lease relinquishment. An ongoing Transitional Environment Program has been entered into voluntarily to identify and remediate various sources of pollution on site. A comprehensive plan has been developed and instigated to manage the leases with relinquishment expected in 2045.

During the financial year there were no breaches of licence conditions.

NATIONAL GREENHOUSE AND ENERGY REPORTING ACT 2007

The National Greenhouse and Energy Reporting Act 2007 requires the Group to report its annual greenhouse gas emissions and energy use by 31 October each year. The Group has implemented systems and processes for the collection and calculation of the data required and has submitted its annual reports through the Emissions and Energy Reporting System (EERS) by 31 October each year.

NATIONAL GREENHOUSE AND ENERGY REPORTING (SAFEGUARD MECHANISM) RULE 2015

The Safeguard Mechanism applies to designated large facilities and is triggered when the facility exceeds 100,000t CO_2-e as per Division 8 of NEGR (Safeguard Mechanism) Rule 2015. The entity with operational control of a designated large facility is responsible for meeting safeguard requirements, including that the facility must keep net emissions at or below baseline emission levels. Grange has two facilities which trigger the Safeguard Mechanism. The Port Latta Pelletising Plant has moved to a Production Adjusted Baseline and the Savage River Mine Site has moved to a Transitional Calculated Baseline.

RENEWABLE ENERGY (ELECTRICITY) ACT 2000

In recognition that the Renewable Energy Targets scheme may increase costs to Companies that carry on Emissions Intensive Trade Exposed (EITE) activities, the exemption provisions under the Renewable Energy (Electricity) Act 2000 as amended allow a prescribed person to apply for an exemption certificate in relation to the electricity supplied to an EITE activity carried on at a site. Subject to agreement from the prescribed person an exemption certificate may be traded to the liable entity for the electricity supplied, and provides the liable entity with exemption from liability for a certain amount of megawatt-hours of electricity in the given calendar year. Grange has received exemption certificates under this scheme.

CLIMATE CHANGE RISK AND OPPORTUNITIES

PHYSICAL RISKS

- Concentrated rainfall event causing flooding
- Rising sea levels and reduced rainfall causing groundwater scarcity

RISK RELATED TO TRANSITION TO A LOW CARBON ECONOMY

- Policy and legal risks as a result of government regulation of carbon emissions, resulting in higher energy prices and other production costs or restricted energy availability
- Technology, market and reputation risk as a result of change in consumer expectations and demand for low carbon goods and services

The Group identifies and monitors these risks through the enterprise risk assessment process and continues to identify opportunities for improvement. The Group acknowledges that the world is moving to a low-carbon future. As part of the Group's strategy to reduce carbon emissions across our operations, Grange will reduce the tonnes of CO_2/t of pellet produced. With the decarbonisation of the steel industry and evolution of the "Green Steel" market, this will position Grange with an opportunity to obtain a potential "Green Premium" for our low CO_2 high quality products. Whilst this is yet to be confirmed, we expect that the industry will evolve and with the planned reduction of our emissions, Grange will be well positioned to take advantage of any new "Green" premiums as they evolve. The Group will continue to explore opportunities to reduce carbon emissions in its production processes.

MEETINGS OF DIRECTORS

The number of meetings of the Company's Board of Directors ('the Board') and of each Board committee held during the year ended 31 December 2023, and the number of meetings attended by each director were:

	Full Board		Nomination and Remuneration Committee		Audit and Risk Committee	
	Attended	Held	Attended	Held	Attended	Held
M Li	7	7	5	5	7	7
Y Jia	4	4	-	-	-	-
H Zhao	7	7	-	-	-	-
M Dontschuk	7	7	5	5	7	7
A Saverimutto	7	7	-	-	7	7
C Xu	6	6	-	-	-	-
T Shen	1	1	-	-	-	-

REMUNERATION REPORT

The remuneration report details the key management personnel remuneration arrangements for the Group, in accordance with the requirements of the Corporations Act 2001 and its Regulations.

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including all directors.

(i) Key management personnel disclosed in this report
(please refer to pages 24 to 25 for details about each director)

Non-executive directors

Michelle Li

Yan Jia (resigned on 6 September 2023)

Michael Dontschuk (resigned on 20 March 2024)

Ajanth Saverimutto

Tianxiao Shen (appointed 21 December 2023)

Executive directors	Position
Honglin Zhao	Managing Director
	Chief Executive Officer
Chongtao Xu (appointed 1 March 2023)	Executive Director

Other key management personnel	Position
Steven Phan	Chief Financial Officer
Ben Maynard	Chief Operating Officer

(ii) Remuneration governance

The Board has an established Remuneration and Nomination Committee to assist in overseeing the development of policies and practices which enable the Company to attract and retain capable Directors and employees, reward employees fairly and responsibly and meet the Board's oversight responsibilities in relation to corporate governance practices.

The Remuneration and Nomination Committee is composed of Mr Michael Dontschuk (Independent Non-executive Director and Committee Chairperson), Dr Michelle Li (Independent Non-executive Chairperson) and Ms Tianxiao Shen (Non-executive Director).

The responsibilities and functions for the Remuneration and Nomination Committee include reviewing and making recommendations on the following:

- Equity based executive and employee incentive plans;
- Recruitment, retention, succession planning, performance measurement and termination policies and procedures for Non-executive Directors, Executive Directors and Key Management Personnel;
- The remuneration of the Chief Executive Officer, Chief Financial Officer and the Chief Operating Officer;
- Periodically assessing the skills required by the Board;
- Recommend processes to evaluate the performance of the Board, it's Committees and individual Directors; and
- Reviewing governance arrangements pertaining to remuneration matters.

The Charter is reviewed annually, and remuneration strategies are reviewed regularly.

(iii) Executive remuneration philosophy and framework

It is the Company's objective to provide maximum stakeholder benefit from the retention of a small high-quality executive team by remunerating Executive Directors and executives fairly and appropriately with reference to relevant market conditions. To assist in achieving this objective, the Board attempts to link the nature and amount of executives' emoluments to the Company's performance. The remuneration framework aims to ensure that remuneration practices are:

- acceptable to shareholders, transparent and easily understood;
- competitive and reasonable, enabling the Company to attract and retain key talents who share the same values with Grange Resources; and
- aligned to the Company's strategic and business objectives and the creation of shareholder value.

Using external remuneration sector comparative data, the Group has structured an executive remuneration framework that is market competitive and complementary to the reward strategy of the organisation. The framework is reviewed regularly along with the remuneration strategy review.

The framework provides a mix of fixed and variable pay, and a blend of short and long term incentives detailed as follows:

FIXED REMUNERATION

Fixed remuneration is reviewed annually by the Remuneration and Nomination Committee. The process consists of a review of Group and individual performance, relevant comparative remuneration externally and internally and, where appropriate, external advice on policies and practices.

Executives are given the opportunity to receive their fixed (primary) remuneration in a variety of forms including cash and fringe benefits. It is intended that the manner of payment chosen is optimal for the recipient without creating any undue cost for the Group.

There are no guaranteed fixed pay increases included in any executives' contracts.

VARIABLE REMUNERATION – SHORT TERM INCENTIVE ("STI")

The objective of the STI is to link the achievement of the Company's annual operational targets (usually reflected in the approved budgets) and an individual's personal targets with the remuneration received by selected executive directors and senior employees responsible for meeting those targets. Payments are made as a cash incentive payable after the financial statements have been audited and released to the Australian Securities Exchange ("ASX"). 50% of the STI relates to the achievement of company performance goals and 50% relates to the attainment of agreed personal performance goals.

VARIABLE REMUNERATION
- LONG TERM INCENTIVE ("LTI")

a) Deferred Cash

A 3 year deferred cash long term incentive program applicable to H Zhao, S Phan and B Maynard commenced in 2019 with the final tranche to be paid in 2024. This long-term incentive program was replaced by a share-based payment scheme in 2022.

A 3 year deferred cash long term incentive started in 2023 for C Xu.

The deferred cash scheme is to reward selected executive directors and senior employees with a cash payment which is linked to the Company satisfying performance hurdles and subject to ongoing employment with Grange. The deferred cash component is determined by measuring the Company's progress made on:

- Development of mineral assets (weighting 35%)
- Mine development (weighting 20%)
- Downstream process improvement (weighting 15%)
- Financial returns (weighting 20%)
- Safety and sustainability (weighting 10%)

The deferred cash component is determined based on the Company's performance for the year ended 31 December, with 33.3% payable on 31 December the first following year, 33.3% payable on 31 December the second following year, and the balance payable on the following 31 December (i.e. 3 years after the relevant calculation date). Payment of deferred cash is subject to continuing employment with Grange at the scheduled date of the payment.

b) Rights to Grange Shares

The Company granted performance rights in 2022 and 2023 in three tranches to be settled by issuance of shares to three key management personnel. Each right is entitled to one equity share with a vesting date of 31 December 2024 for performance rights granted in 2022 and vesting date of 31 December 2025 for performance rights granted in 2023.

Tranche 1 (with a weighting of 35%), has a total shareholder return (TSR) hurdle, tranche 2 (35% weighting) has a return on equity (ROE) hurdle and tranche 3 (30% weighting) has hurdles relating to non-market business objectives.

(iv) Relationship between remuneration and Grange Resources performance

The table below shows key performance indicators of Company performance over the past five years.

		2019	2020	2021	2022	2023
Revenue from Operations	$ million	368.6	526.3	781.7	594.6	614.7
Net profit after tax	$ million	77.3	203.2	321.6	171.7	150.1
Basic earnings per share	Cents	6.71	17.64	27.84	14.84	12.97
Dividend payments	$ million	23.1	23.1	162.0	138.9	23.1
Share price (last trade day of financial year)	Cents	25.0	29.5	75.5	84.5	46.5

(v) Non-executive director remuneration policy

Fees and payments to Non-executive Directors reflect the responsibilities and demands made on them. Non-executive Directors' fees and payments are reviewed periodically by the Board. The Board also considers comparative market data and if required the advice of independent remuneration consultants to ensure Non-executive Directors' fees and payments are appropriate and in line with the market. The Chairperson's fees are determined independently to the fees of Non-executive Directors based on comparative roles in the external market.

The Chairperson's remuneration is inclusive of committee fees while other Non-executive Directors who chair a Committee receive additional yearly fees. The Deputy Chairperson is also entitled to receive an additional yearly fee. The current base fees were reviewed with effect from 1 June 2021.

Non-executive Directors' fees are determined within an aggregate Directors' fee pool limit, which is periodically reviewed for adequacy. Any increase to the aggregate Directors' fee pool is submitted to shareholders for approval. The maximum currently stands at $800,000 per annum and was approved by shareholders at the Annual General Meeting on 26 November 2010. Non-executive Directors do not receive performance-based pay.

Board of Directors	
Chairperson (1)	$210,000
Deputy Chairperson	$92,000
Non-executive Director	$81,000

Audit and Risk Committee	
Chairperson	$15,750
Committee Member	$10,500

Remuneration and Nomination Committee	
Chairperson	$15,750
Committee Member	$7,500

(1) The Chairperson is not paid any additional amounts for Committee membership.

(vi) Details of remuneration

Details of the remuneration of the key management personnel of the Group are set out in the following tables.

Table 1: Remuneration for the year ended 31 December 2023

	Fixed Remunerations					Variable Remunerations				
Non-Executive Directors	Salary & Fees *	Non-monetary benefits *	Annual leave ^	Long Service Leave **	Superannuation ***	STI *	LTI Cash **	LTI RIghts ****	Total	Performance Related %
	$	$	$	$	$	$	$	$	$	
M Li	210,000	-	-	-	-	-	-	-	210,000	-
Y Jia(1)	67,864	-	-	-	-	-	-	-	67,864	-
M Dontschuk(5)	101,349	-	-	-	10,895	-	-	-	112,244	-
A Saverimutto	91,500	-	-	-	-	-	-	-	91,500	-
T Shen(2)	2,617	-	-	-	-	-	-	-	2,617	-
Sub-total Non-Executive Directors	**473,330**	**-**	**-**	**-**	**10,895**	**-**	**-**	**-**	**484,225**	
Executive Directors										
H Zhao (4)	591,107	121,927	(19,263)	(94,575)	63,579	111,654	33,072	104,005	911,506	27%
C Xu(3)	193,996	11,767	10,712	1,872	20,893	34,619	6,403	-	280,262	15%
Key Management										
S Phan	382,080	-	11,035	14,416	41,096	72,206	17,101	66,769	604,703	26%
Ben Maynard	424,765	5,538	7,161	20,136	45,687	78,999	19,012	71,428	672,726	25%
Sub-total Key Management Personnel	**1,591,948**	**139,232**	**9,645**	**(58,151)**	**171,255**	**297,478**	**75,588**	**242,202**	**2,469,197**	**25%**
TOTAL	**2,065,278**	**139,232**	**9,645**	**(58,151)**	**182,150**	**297,478**	**75,588**	**242,202**	**2,953,422**	**21%**

(1) Y Jia resigned on 6 September 2023
(2) T Shen was appointed to non-executive director on 21 December 2023
(3) C Xu was appointed to executive director on 1 March 2023. The amounts are inclusive of remuneration earned in the current year prior to this appointment which totalled $32,826
(4) Granting of 2023 performance rights to H Zhao to be approved in the upcoming annual general meeting.
(5) Mr Dontschuk resigned on 20 March 2024

** Short-term benefits as per Corporation Regulations 2M.3.03 (1) Item 6*
*** Other long-term benefits as per Corporation Regulation 2M.3.03 (1) Item 8.*
**** Post-employment benefits*
***** Equity-settled share-based payments as per Corporation Regulations 2M.3.03(1) Item 11.*
^ Annual leave liability is expected to be fully settled within one year.

Table 2: Remuneration for the year ended 31 December 2022

	Fixed Remunerations					Variable Remunerations				
Non-Executive Directors	Salary & Fees *	Non-monetary benefits *	Annual leave ^	Long Service Leave **	Superannuation ***	STI *	LTI Cash **	LTI RIghts ****	Total	Performance Related %
	$	$	$	$	$	$	$	$	$	
M Li	210,000	-	-	-	-	-	-	-	210,000	-
Y Jia	99,499	-	-	-	-	-	-	-	99,499	-
M Dontschuk	105,291	-	-	-	8,778	-	-	-	114,069	-
A Saverimutto	91,671	-	-	-	-	-	-	-	91,671	-
Sub-total Non-Executive Directors	**506,461**	**-**	**-**	**-**	**8,778**	**-**	**-**	**-**	**515,239**	
Executive Directors										
H Zhao	557,648	53,506	23,208	22,112	57,159	113,923	71,410	21,561	920,527	22%
Key Management										
S Phan	360,454	-	12,732	12,611	36,947	70,397	36,927	15,490	545,558	23%
B Maynard (1)	400,722	5,167	(3,865)	17,868	41,074	78,261	41,129	16,353	596,709	23%
Sub-total Key Management Personnel	**1,318,824**	**58,673**	**32,075**	**52,591**	**135,180**	**262,581**	**149,466**	**53,404**	**2,062,794**	**23%**
TOTAL	**1,825,285**	**58,673**	**32,075**	**52,591**	**143,958**	**262,581**	**149,466**	**53,404**	**2,578,033**	**18%**

(1) FY 2022 Remuneration table has been adjusted to include non-monetary benefits for B Maynard
Refer to 2023 remuneration table for other footnote references

Table 3: Relative proportions linked to performance

The relative proportions of remuneration that are linked to performance and those that are fixed are as follows:

	Fixed Remuneration		At Risk - STI		At Risk - LTI	
Name	**Dec-23**	**Dec-22**	**Dec-23**	**Dec-22**	**Dec-23**	**Dec-22**
Executive Directors						
H Zhao	73%	78%	12%	12%	15%	10%
C Xu	85%	-	12%	-	3%	-
Key Management Personnel						
S Phan	74%	77%	12%	13%	14%	10%
B Maynard	75%	77%	12%	13%	13%	10%

(vii) Contractual arrangements with executive KMPs

Components	**CEO description**	**Senior executive description**
Fixed remuneration	$656,000	Range between $227,500 and $472,000
Contract duration	Ongoing contract	Ongoing contract
Notice by the individual/company	3 months	1 to 3 months
Termination of employment (without cause)	Entitlement to pro-rata STI for the year. Unvested LTI will remain on foot subject to achievement of the performance hurdles at the original date of testing. The board has discretion to award a greater or lower amount.	Entitlement to pro-rata STI for the year. Unvested LTI will remain on foot subject to achievement of the performance hurdles at the original date of testing. The board has discretion to award a greater or lower amount.
Termination of employment (with cause) or by the individual	All discretionary incentives not payable and all unvested LTI will lapse. Vested and unexercised LTI can be exercised within a period of 30 days from termination.	All discretionary incentives not payable and all unvested LTI will lapse. Vested and unexercised LTI can be exercised within a period of 30 days from termination.

(viii) Service agreements

On appointment to the Board, all Non-executive Directors sign a letter of appointment with the Company. The document details the term of appointment, the role, duties and obligations of the Directors as well as the likely time commitment and performance expectations and review arrangements and circumstances relating to the vacation of office. In addition, it also summarises the major Board policies and terms, including compensation, relevant to the office of Director.

Remuneration and other terms of employment for the executives are formalised in service agreements. Each of the agreements provides for the provision of fixed pay, performance related variable remuneration and other benefits. The agreements with executives are ongoing and provide for termination of employment at any time by giving three months' notice or by the Company paying an amount equivalent to three months remuneration in lieu of notice.

(ix) Details of STI and LTI (share-based payment) held by key management personnel

Performance based remuneration granted and forfeited during the year.

Short Term Incentive	Total STI Bonus (Cash)	% of Target STI	% of Maximum STI	% Maximum STI	Total STI
2023	**Maximum Opportunity $**	**Awarded %**	**Awarded %**	**Forfeited %**	**Awarded $**
H Zhao	157,471	85%	71%	29%	111,654
C Xu	43,690	95%	79%	21%	34,619
S Phan	91,608	95%	79%	21%	72,206
B Maynard	101,842	93%	78%	22%	78,999
TOTAL	**394,611**				**297,478**

STI amounts are inclusive of superannuation.

Long Term Incentive	Total LTI Bonus (Cash)			Share-based Payment rights	
2023	**Maximum Opportunity $**	**Awarded %**	**Awarded $**	**Value Granted $**	**Awarded $**
H Zhao	-	-	-	208,340	-
C Xu	18,204	97%	17,731	-	-
B Maynard	-	-	-	120,033	-
S Phan	-	-	-	107,972	-
TOTAL	**18,204**		**17,731**	**436,345**	

Share-based compensation

In May 2022 and December 2023 Grange Resources Limited (Parent Company) granted performance rights in three tranches to be settled by issuance of shares to three key management personnel. Each right is entitled to one equity share with a vesting of 31 December 2024 for those granted in May 2022 and vesting date of 31 December 2025 for those granted in November 2023.

Executive KMP participate, at the board's discretion, in the LTIP comprising annual grants of rights which are subject to TSR hurdles (tranche 1) and series of non-market based business objectives (tranche 2 and 3). Executive KMP is required to have continued service at a minimum of one year to become eligible for any performance rights.

Feature	Description
Opportunity/Allocation	CEO - 50% of Fixed Remuneration; Other Key Management Personnel - 40% of fixed remuneration
Performance Hurdles	Tranche 1 performance rights is subject to a TSR performance vesting conditions
	Tranche 2 and 3 performance rights are not subject to a TSR Hurdle and require a series of non-market based business objectives to be met for the rights to be exercised
Exercise Price	$ Nil
Forfeiture and Termination	In the event of a termination of employment by the Company for cause, all unvested rights will be forfeited unless otherwise determined by the Board
	Cessation of employment in other cases will generally result in pro-rate forfeiture of the rights
Measurement Period	Performance rights granted in May 2022 - 22 February 2022 to 30 December 2024
	Performance rights granted in December 2023 - 1 January 2023 to 30 December 2025
Fair value Measurement at Grant Date	Tranche 1 is estimated using a Monte Carlo Model and Tranche 2 and 3 using black Scholes Option pricing

PERFORMANCE CONDITIONS FOR EACH 2022 AND 2023 TRANCHE ARE AS FOLLOWS:

Tranche 1		
Performance Level	**Annualised Grange TSR Compared to TSR of the ASX 300 Metals and Mining TR Index**	**% of Tranche Vesting**
Stretch	> Index TSR + 9% TSR CAGR	100%
Between Target and Stretch	> Index TSR + 2% TSR CAGR & < "Index TSR + 9% TSR CAGR	Pro-rata
Target	Index TSR + 2% TSR CAGR	50%
Between Threshold and Target	> Index TSR & < Index TSR + 2% TSR CAGR	Pro-rata
Threshold	= Index TSR	25%
Below Threshold	< Index TSR	0%

Note: a Gate TSR being positive applies to this metric (will not pay out if TSR is not >0%)

Tranche 2		
Performance conditions	**Return on Equity**	**% of Tranche Vesting**
Stretch	> 15% ROE	100%
Between Target and Stretch	> 8% ROE & < =15% ROE	Pro-rata
Target	8% ROE (Cost of Equity)	50%
Between Threshold and Target	> 6% ROE & < 8% ROE	Pro-rate
Threshold	= 6% ROE	25%
Below Threshold	< 6% ROE	0%

Tranche 3		
Strategic Area	**Milestone**	**% of Tranche Vesting**
Southdown Project	Complete DFS	16.67%
Southdown Project	Complete Executable Finance Plan	16.67%
Capital Management	Implement the plan to systematically identify the best use of capital with rigorous investment decision framework, including dividend policy.	33.33%
Future Development	Provide 3 major projects for board review for potential purchase	33.33%

THE TERMS AND CONDITION OF EACH GRANT OF PERFORMANCE RIGHTS ARE AS FOLLOWS:

Grant Date	Vesting and Exercise Date	Expiry Date	Exercise Price	Value per Rights at Grant Date	Performance Achieved	Vesting %
Tranche 1						
19 December 2023	31 December 2025	15 years from grant	Nil	$64,988	To be determined	-
Tranche 2						-
19 December 2023	31 December 2025	15 years from grant	Nil	$259,950	To be determined	-
Tranche 3						-
19 December 2023	31 December 2025	15 years from grant	Nil	$111,407	To be determined	-

Grant Date	Vesting and Exercise Date	Expiry Date	Exercise Price	Value per Rights at Grant Date	Performance Achieved	Vesting %
Tranche 1						
11 May 2022	31 December 2024	24 May 2037	Nil	$51,374	To be determined	-
27 May 2022	31 December 2024	24 May 2037	Nil	$40,231	To be determined	-
30 May 2022	31 December 2024	24 May 2037	Nil	$36,726	To be determined	-
Tranche 2						
11 May 2022	31 December 2024	24 May 2037	Nil	$64,723	To be determined	-
27 May 2022	31 December 2024	24 May 2037	Nil	$48,204	To be determined	-
30 May 2022	31 December 2024	24 May 2037	Nil	$44,406	To be determined	-
Tranche 3						
11 May 2022	31 December 2024	24 May 2037	Nil	$27,738	To be determined	-
27 May 2022	31 December 2024	24 May 2037	Nil	$20,659	To be determined	-
30 May 2022	31 December 2024	24 May 2037	Nil	$22,202	To be determined	-

RECONCILIATION OF PERFORMANCE RIGHTS HELD BY EACH KEY MANAGEMENT PERSONNEL

2023 Name and Grant Date	Balance at the Start of the year Unvested	Performance rights granted in 2023	Vested Number	Vested %	Exercised Number	Balance at the end of the year Vested	Balance at the end of the year Unvested	Maximum value yet to vest $
H Zhao	140,342	828,099	-	-	-	-	968,441	130,251
B Maynard	80,680	477,102	-	-	-	-	557,782	84,237
S Phan	74,707	429,160	-	-	-	-	503,867	77,596

SHAREHOLDINGS

The number of shares in the Company held during the period by each Director of Grange Resources Limited and other key management personnel of the Group, including their personally related parties, are set out below:

31 December 2023	Balance 1 January 2023	On vesting rights	On market purchases	On market disposals	Other	Balance 31 December 2023
Director of Grange Resources Limited						
M Li	13,507	-	-	-	-	13,507
M Dontschuk	13,000	-	10,000	-	-	23,000
H Zhao	1,727,702	-	-	-	-	1,727,702
Y Jia	-	-	-	-	-	-
A Saverimutto	-	-	-	-	-	-
C Xu	-	-	-	-	-	-
T Shen	-	-	-	-	-	-
Key Management Personnel						
B Maynard	68,122	-	-	-	-	68,122
S Phan	-	-	-	-	-	-
	1,822,331	**-**	**10,000**	**-**	**-**	**1,832,331**

(x) Loans to key management personnel

There were no loans to key management personnel during the year.

(xi) Other transactions with Directors and key management personnel

Y Jia is an employee of Jiangsu Huanyu Data Holdings Co. Ltd and T Shen is an employee of Shagang International (Singapore) Pte. Ltd. These are subsidiaries of Jiangsu Shagang Group (Shagang) to which sales of iron ore products are made under long-term off-take agreements. Transactions between Shagang and Grange must be approved by non-associated shareholders or approved by the Grange independent directors.

Aggregate amounts of each of the above types of other transactions:

	2023 $	2022 $
Sales of Iron Ore Products		
Pellets	220,269,938	211,922,470

The following balances are outstanding at the end of the reporting period in relation to the above transactions:

	2023 $	2022 $
Trade receivables (sales of iron ore products)		
Pellets	7,769,554	15,241,644

INDEMNITY AND INSURANCE OF OFFICERS

During the financial period, the Company has paid premiums in respect of Directors' and Officers' Liability Insurance and Company Reimbursement policies, which cover all Directors and Officers of the Group to the extent permitted under the Corporations Act 2001. The policy conditions preclude the Group from any detailed disclosures.

PROCEEDINGS ON BEHALF OF THE COMPANY

No person has applied to the Court under section 237 of the Corporations Act 2001 for leave to bring proceedings on behalf of the Company, or to intervene in any proceedings to which the Company is a party, for the purpose of taking responsibility on behalf of the Company for all or part of those proceedings. No proceedings have been brought or intervened in on behalf of the Company with leave of the Court under section 237 of the Corporations Act 2001.

INDEMNITY AND INSURANCE OF AUDITOR

The Company has entered into an agreement to indemnify its auditor, PwC, against any claims or liabilities (including legal costs) asserted by third parties arising out of their services as auditor of the Company, where the liabilities arise as a direct result of the Company's breach of its obligations to the Auditors, unless prohibited by the Corporations Act 2001.

AUDIT AND NON-AUDIT SERVICES

The Board of Directors has considered the position and, in accordance with advice received from the Company's Audit and Risk Committee, is satisfied that the provision of non-audit services is compatible with the general standard of independence for auditors imposed by the Corporations Act 2001. The Directors are satisfied that the provision of non-audit services by the auditor, as set out below, did not compromise the auditor independence requirements of the Corporations Act 2001 for the following reasons:

- all non-audit services have been reviewed by the Audit and Risk Committee to ensure they do not impact the impartiality and objectivity of the auditor; and
- none of the services undermine the general principles relating to auditor independence as set out in APES 110 Code of Ethics for Professional Accountants.

During the year the following fees were paid or payable for services provided by the auditor of the parent entity, its related practices and non-related audit firms:

	2023 $	2022 $
Assurance Services		
PwC Australia		
Audit and review of financial reports	267,950	238,750
Other assurance services	11,000	26,650
Network firms of PwC Australia	22,786	18,147
Total assurance services	**301,736**	**283,547**
Non-Assurance Services		
PwC Australia		
Taxation compliance services	18,797	-
Total remuneration paid	**320,533**	**283,547**

It is the Group's policy to employ PwC on assignments additional to their statutory audit duties where PwC's expertise and experience with the Group are important. These assignments are principally tax consulting and advice or where PwC is awarded assignments on a competitive basis. It is the Group's policy to seek competitive tenders on all major consulting assignments.

OFFICERS OF THE COMPANY WHO ARE FORMER PARTNERS OF PRICEWATERHOUSECOOPERS

There are no officers of the Company who are former partners of PricewaterhouseCoopers.

ROUNDING OF AMOUNTS

The Company is of a kind referred to in Corporations Instrument 2016/191, issued by the Australian Securities and Investments Commission, relating to 'rounding-off'. Amounts in this report have been rounded off in accordance with that Corporations 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.

pwc

Auditor's Independence Declaration

As lead auditor for the audit of Grange Resources Limited for the year ended 31 December 2023, 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 audit; and

(b) no contraventions of any applicable code of professional conduct in relation to the audit.

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

Chris Dodd
Partner
PricewaterhouseCoopers

Melbourne
28 February 2024

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CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2023

	Note	2023 $'000	2022 $'000
Consolidated			
Revenue from Operations	4,5	614,744	594,555
Cost of Sales	6	(394,690)	(334,027)
Gross profit from operations		**220,054**	**260,528**
Administrative Expenses	7	(5,053)	(4,634)
Exploration and Evaluation Expenditures		(15,570)	(20,930)
Other Income (Expense)	8	3,870	(4,480)
Operating profit before finance costs		**203,301**	**230,484**
Finance Income	9	15,915	21,784
Finance Expenses	10	(4,121)	(3,442)
Profit before income tax expense		**215,095**	**248,826**
Income tax expense	11	(64,991)	(77,091)
Profit after income tax expense for the year	**24**	**150,104**	**171,735**
Other comprehensive income for the year, net of tax		-	-
Total comprehensive income for the year		**150,104**	**171,735**

		Cents	Cents
Basic earnings per share	32	12.97	14.84
Diluted earnings per share	32	12.96	14.84

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

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2023

	Note	2023 $'000	2022 $'000
Assets			
Current assets			
Cash and cash equivalents	12,2	109,706	108,411
Trade and other receivables	13	74,612	58,421
Inventories	14	179,816	162,904
Other financial assets	2	175,030	192,177
Total current assets		**539,164**	**521,913**
Non-current assets			
Other financial assets	2	1,363	1,584
Property, plant and equipment	16	248,475	197,829
Right-of-use assets	17	2,096	6,953
Mine properties and development	18	443,038	360,952
Receivables	15	10,009	8,988
Total non-current assets		**704,981**	**576,306**
Total assets		**1,244,145**	**1,098,219**
Liabilities			
Current liabilities			
Trade and other payables	19,2	50,380	67,723
Lease liability	17	1,442	4,284
Provisions	20	25,560	22,007
Total current liabilities		**77,382**	**94,014**
Non-current liabilities			
Lease liability	17	773	2,198
Deferred tax liabilities	21	53,938	17,516
Provisions	20	80,726	80,365
Total non-current liabilities		**135,437**	**100,079**
Total liabilities		**212,819**	**194,093**
Net assets		**1,031,326**	**904,126**
Equity			
Contributed Equity	23	331,513	331,513
Reserves		(1,977)	(2,220)
Retained earnings	24	701,790	574,833
Total equity		**1,031,326**	**904,126**

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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2023

	Issued capital $'000	Reserves $'000	Retained earnings $'000	Total equity $'000
Balance at 1 January 2022	**331,513**	**(2,273)**	**541,979**	**871,219**
Profit after income tax expense for the year	-	-	171,735	171,735
Other comprehensive income for the year, net of tax	-	-	-	-
Total comprehensive income for the year	-	-	**171,735**	**171,735**
Transactions with owners in their capacity as owners:				
Share-based payments (note 22)	-	53	-	53
Dividends paid (note 25)	-	-	(138,881)	(138,881)
Balance at 31 December 2022	**331,513**	**(2,220)**	**574,833**	**904,126**

	Issued capital $'000	Reserves $'000	Retained earnings $'000	Total equity $'000
Balance at 1 January 2023	**331,513**	**(2,220)**	**574,833**	**904,126**
Profit after income tax expense for the year	-	-	150,104	150,104
Other comprehensive income for the year, net of tax	-	-	**-**	**-**
Total comprehensive income for the year	-	-	**150,104**	**150,104**
Transactions with owners in their capacity as owners:				
Share-based payments (note 22)	-	243	-	243
Dividends paid (note 25)	-	-	(23,147)	(23,147)
Balance at 31 December 2023	**331,513**	**(1,977)**	**701,790**	**1,031,326**

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

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2023

	Note	2023 $'000	2022 $'000
Cash flows from operating activities			
Receipts from customers and other debtors (inclusive of goods and services tax)		611,719	561,485
Payments to suppliers and employees (inclusive of goods and services tax)		(312,843)	(291,866)
		298,876	**269,619**
Interest received		13,830	7,528
Interest and other finance costs paid		(257)	(1,047)
Income taxes paid		(45,341)	(101,777)
Tax refund on capitalised mining costs in South Deposit Tailing Storage Facility		-	22,622
Net cash inflow from operating activities	31	**267,108**	**196,945**
Cash flows from investing activities			
Payments for property, plant and equipment	16	(104,401)	(87,733)
Payments for mine properties and development	18	(153,791)	(136,846)
Proceeds from sale of property, plant and equipment		11	1
Proceeds from managed funds		-	19,493
Proceeds (payments) for term and security deposits		16,281	(191,159)
Net cash outflow from investing activities		**(241,900)**	**(396,244)**
Cash flows from financing activities			
Dividends paid to shareholders	25	(23,147)	(138,881)
Repayment of lease liabilities		(2,040)	(6,670)
Net cash outflow from financing activities		**(25,187)**	**(145,551)**
Net increase/(decrease) in cash and cash equivalents		**21**	**(344,850)**
Cash and cash equivalents at the beginning of the financial year		108,411	443,890
Effects of exchange rate changes on cash and cash equivalents		1,274	9,371
Cash and cash equivalents at the end of the financial year	**12**	**109,706**	**108,411**

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

NOTE 1. SUMMARY OF MATERIAL ACCOUNTING POLICIES

The accounting policies that are material to the Group are set out below. The accounting policies adopted are consistent with those of the previous financial year, unless otherwise stated.

(A) BASIS OF PREPARATION

This general purpose financial report has been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board and the Corporations Act 2001. Grange Resources Limited is a for-profit entity for the purpose of preparing the financial statements.

COMPLIANCE WITH IFRS

The consolidated financial statements of the Grange Resources Limited group also comply with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB).

HISTORICAL COST CONVENTION

These financial statements have been prepared under the historical costs convention, except for certain assets which, as noted, are at fair value.

NEW AND AMENDED STANDARDS ADOPTED BY THE GROUP

The group has applied the following standards and amendments for the first time for their annual reporting period commencing 1 January 2023:

- AASB 2023-2 Amendments to Australian Accounting Standards – Definition of Accounting Estimates International Tax Reform – Pillar Two Model Rules [AASB 112].
- AASB 2021-5 Amendments to Australian Accounting Standards – Deferred Tax related to Assets and Liabilities arising from a Single Transaction [AASB 112].
- AASB 2021-2 Amendments to Australian Accounting Standards – Disclosure of Accounting Policies Definition of Accounting Estimates [AASB 7, AASB 101, AASB 108, AASB 134 & AASB Practice Statement 2].

The amendments listed above did not have any impact on the amounts recognised in prior periods and are not expected to significantly affect the current or future periods.

NEW STANDARDS AND INTERPRETATIONS NOT YET ADOPTED

Certain new accounting standards and interpretations have been published that are not mandatory for 31 December 2023 reporting periods and have not been early adopted by the group. These standards are not expected to have a material impact on the entity in the current or future reporting periods and on foreseeable future transactions.

COMPARATIVE FIGURES

Where necessary, comparative figures have been adjusted to conform to changes in the presentation in the current period.

CRITICAL ACCOUNTING ESTIMATES

The preparation of financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in Note 3.

(B) PRINCIPLES OF CONSOLIDATION

(I) SUBSIDIARIES

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of Grange Resources Limited as at 31 December 2023 and the results of all subsidiaries for the year then ended. Grange Resources Limited and its subsidiaries together are referred to in this financial report as the Group or the consolidated entity.

Subsidiaries are those entities over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity.

Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date that control ceases. Details of subsidiaries are set out in note 29.

The acquisition method of accounting is used to account for business combinations by the Group (refer to note 1(e)).

Intercompany transactions, balances and unrealised gains on transactions between Group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of the impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

(II) JOINT ARRANGEMENTS

JOINT OPERATIONS

The Group recognises its direct right to the assets, liabilities, revenues and expenses of joint operations and its share of any jointly held or incurred assets, liabilities, revenues and expenses. These have been incorporated in the financial statements under the appropriate headings. Details of the joint operations are set out in note 30.

(C) SEGMENT REPORTING

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Chief Executive Officer.

Refer to note 4 for further information on segment descriptions.

(D) FOREIGN CURRENCY TRANSLATION

(I) FUNCTIONAL AND PRESENTATION CURRENCY

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The consolidated financial statements are presented in Australian dollars, which is Grange Resources Limited's functional and presentation currency.

(II) TRANSACTIONS AND BALANCES

All foreign currency transactions during the financial period are translated into the functional currency using the exchange rate prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at period end exchange rates of monetary assets and liabilities denominated in foreign currencies are

Note 1. Summary of Significant Accounting Policies (continued)

recognised in the profit and loss, except when they are deferred in equity as qualifying cash flow hedges and qualifying net investment hedges or are attributable to part of the net investment in a foreign operation.

Non-monetary items that are measured in terms of historical cost in foreign currency are translated using the exchange rate as at the date of the initial transaction. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined.

(III) GROUP COMPANIES

The results and financial position of all the Group entities (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- assets and liabilities for each balance sheet presented are translated at the closing rate at the date of that balance sheet,
- income and expenses for each income statement are translated at average exchange rates (unless this is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transactions), and
- all resulting exchange differences are recognised in other comprehensive income.

On consolidation, exchange differences arising from the translation of any net investment in foreign entities, and of borrowings and other financial instruments designated as hedges of such investments, are recognised in other comprehensive income. When a foreign operation is sold or any borrowings forming part of the net investment are repaid, a proportionate share of such exchange differences are reclassified to the income statement, as part of the gain or loss on sale where applicable. Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entities and translated at the closing rate.

(E) BUSINESS COMBINATIONS

The acquisition method of accounting is used to account for all business combinations, regardless of whether equity instruments or other assets are acquired. The consideration transferred for the acquisition of a subsidiary comprises the

- fair values of the assets transferred
- liabilities incurred to the former owners of the acquired business
- equity interests issued by the Group
- fair value of any asset or liability resulting from a contingent consideration arrangement, and
- fair value of any pre-existing equity interest in subsidiary

Identifiable assets acquired, and liabilities and contingent liabilities assumed in a business combination are, with limited exceptions, measured initially at their fair values at the acquisition date. The Group recognises any non-controlling interest in the acquired entity on an acquisition-by-acquisition basis either at fair value or at the non-controlling interest's proportionate share of the acquired entity's net identifiable assets. Acquisition-related costs are expensed as incurred.

The excess of the

- consideration transferred,
- amount of any non-controlling interest in the acquired entity, and
- acquisition-date fair value of any previous equity interest in the acquired entity

over the fair value of the net identifiable assets acquired is recorded as goodwill. If those amounts are less than the fair value of the net identifiable assets of the subsidiary acquired, the difference is recognised directly in profit or loss as a bargain purchase. Where settlement of any part of cash consideration is deferred, the amounts payable in the future are discounted to their present value as at the date of exchange. The discount rate used is the entity's incremental borrowing rate, being the rate at which a similar borrowing could be obtained from an independent financier under comparable terms and conditions.

Contingent consideration is classified either as equity or a financial liability. Amounts classified as a financial liability are subsequently remeasured to fair value with changes in fair value recognised in profit or loss.

If the business combination is achieved in stages, the acquisition date carrying value of the acquirer's previously held equity interest in the acquire is remeasured to fair value at the acquisition date. Any gains or losses arising from such remeasurement are recognised in profit or loss.

(F) REVENUE RECOGNITION AND OTHER INCOME

Revenue is recognised for the major business transactions as follows:

SALE OF ORE AND THE RELATED FREIGHT REVENUE

Sales revenue is recognised on individual sales when control transfers to the customer. In most instances, control passes and sales revenue is recognised when the product is delivered to the vessel on which it will be transported. There may be circumstances when judgment is required when recognising revenue based on the five-step model below:

(i) Identify the contract(s) with a customer

(ii) Identify the performance obligations in the contact

(iii) Determine the transaction price

(iv) Allocate the transactions price to the performance of obligations in the contract.

(v) Recognise revenue when (or as) the entity satisfies the performance obligation.

The Group sells a portion of its product on Cost and Freight (CFR). For CFR contracts passes and sales revenue is recognised when the product is delivered to the vessel on which it will be transported. Using the 5-step model above, the Group has determined that freight services is a separate performance obligation. Therefore, the revenue for shipping services is recognised as the Group satisfies the performance obligation over time rather than at point when product is transferred to the vessel on which the product will be shipped.

Typically, the Group has a right to payment at the point that control of the goods passes including a right, where applicable, to payment for provisionally priced products and unperformed freight services. Cash received before control passes is recognised as a contract liability. The amount of consideration does not contain a significant financing component as payment terms are less than one year.

INTEREST INCOME

Interest income is recognised on a time proportion basis using the effective interest method.

DISTRIBUTION INCOME

Distribution income from short term managed funds is recognised when the right to receive the income has been established.

(G) LEASES

The group leases office spaces, mobile radars, forklifts, and motor vehicles with lease terms between 1 to 5 years but may have extension options as described below. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions.

Leases are recognised as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the Group. Each lease payment is discounted using the Group's incremental borrowing rate and is allocated between the liability and finance cost. The finance cost is charged to profit or loss over the lease period as to produce a constant periodic rate of interest on the remaining balance of the liability for each period – refer to Note 10. The right of use asset is depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis.

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease payments included in the measure of the lease liability comprise:

- fixed payments less any lease incentives
- variable lease payments that are based on an index or rate
- amounts expected to be payable under residual value guarantees

(H) CASH AND CASH EQUIVALENTS

Cash and cash equivalents comprise cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to amounts of cash and which are subject to an insignificant risk of changes in value. Bank overdrafts are shown within borrowings in current liabilities on the balance sheet.

(I) TRADE AND OTHER RECEIVABLES

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less loss allowance.

As permitted by AASB 9, the Group applies the 'simplified approach' to trade receivable balances and the 'general approach' to all other financial assets. The simplified approach requires expected lifetime credit losses to be recognised from initial recognition of the receivables. The general approach incorporates a review for any significant increase in counterparty credit risk since inception.

The expected credit losses (ECL) review include assumptions about the risk of default and expected credit loss rates. In determining the recoverability of a trade or other receivable using the ECL model, the Group performs a risk analysis considering the type and age of the outstanding receivables, the creditworthiness of the counterparty, contract provisions, letter of credit and timing of payment.

(J) INVENTORIES

Raw materials and stores, ore stockpiles, work in progress and finished goods are stated at the lower of cost and net realisable value. Cost is determined primarily on the basis of weighted average costs and comprises of the cost of direct materials and the costs of production which include:

- labour costs, materials and contractor expenses which are directly attributable to the extraction and processing of ore;
- depreciation of property, plant and equipment used in the extraction and processing of ore; and
- production overheads directly attributable to the extraction and processing of ore

Stockpiles represent ore that has been extracted and is available for further processing. If there is significant uncertainty as to when the stockpiled ore will be processed it is expensed as incurred. Where the future processing of the ore can be predicted with confidence because it exceeds the mine's cut-off grade, it is valued at the lower of cost and net realisable value. Work in progress inventory includes partly processed material. Quantities are assessed primarily through surveys and assays.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

(K) INCOME TAX

The income tax expense or benefit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period in the countries where the Group's subsidiaries operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill. Deferred income tax is also not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised, or the deferred income tax liability is settled.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses, only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses. In assessing the recoverability of deferred tax assets, the Group relies on the same forecast assumptions used elsewhere in the financial statements and in other management reports, which, among other things, reflect the potential impact of climate-related development on the business, such as increased cost of production as a result of measures to reduce carbon emission.

Deferred tax liabilities and assets are not recognised for temporary differences between the carrying amount and the tax bases of investments in foreign operations where the Group is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Grange Resources Limited and its wholly-owned Australian controlled entities have implemented the tax consolidation

Note 1. Summary of Significant Accounting Policies (continued)

legislation. As a consequence, Grange Resources Limited and its subsidiaries are taxed as a single entity and the deferred tax assets and liabilities of the Group are set off in the consolidated financial statements.

(L) GOODS AND SERVICES TAX (GST)

Revenues, expenses and assets are recognised net of the amount of GST except:

- when GST incurred on a purchase of goods and services is not recoverable from taxation authority, in which case the GST is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and
- receivables and payables, which are stated with the amount of GST included

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the balance sheet.

Commitments and contingencies are presented net of the amount of GST recoverable from, or payable to, the taxation authority.

Cash flows are included in the Statement of Cash Flows on a gross basis and the GST component of cash flows arising from investing and financing activities, which is recoverable from, or payable to, the taxation authority, are presented as operating cash flows.

(M) PROPERTY, PLANT AND EQUIPMENT

Land and buildings and plant and equipment are measured at cost less, where applicable, any accumulated depreciation, amortisation or impairment in value. Cost includes expenditure that is directly attributable to the acquisition of the item. In the event that all or part of the purchase consideration is deferred, cost is determined by discounting the amounts payable in the future to their present value as at the date of acquisition.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to the income statement during the reporting period in which they are incurred.

Land is not depreciated. Assets under construction are measured at cost and are not depreciated until they are ready and available for use. Depreciation on assets is calculated using either a straight-line or diminishing value method to allocate the cost, net of their residual values, over the estimated useful lives or the life of the mine, whichever is shorter. Leasehold improvements and certain leased plant and equipment are depreciated over the shorter lease term.

Other non-mine plant and equipment typically has the following estimated useful lives:

Buildings	10 to 17 years
Plant and Equipment	4 to 17 years
Computer Equipment	3 to 5 years

The assets residual values, useful lives and amortisation methods are reviewed and adjusted if appropriate, at each financial period end.

An item of property, plant and equipment is derecognised upon disposal or when no further economic benefits are expected from its use or disposal.

Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the income statement in the period the asset is derecognised.

The carrying value of property, plant and equipment is assessed annually for impairment in accordance with note 1(q).

(N) EXPLORATION AND EVALUATION

Exploration and evaluation expenditure comprise costs which are directly attributable to:

- research and analysing exploration data
- conducting geological studies, exploratory drilling and sampling
- examining and testing extraction and treatment methods
- compiling pre-feasibility and definitive feasibility studies

Exploration and evaluation expenditure also include the costs incurred in acquiring rights, the entry premiums paid to gain access to areas of interest and amounts payable to third parties to acquire interests in existing projects.

Exploration and evaluation expenditure is charged against profit and loss as incurred; except for expenditure incurred after a decision to proceed to development is made, in which case the expenditure is capitalised as an asset.

(O) MINE PROPERTIES AND DEVELOPMENT

Mine properties and development represent the accumulation of all exploration, evaluation and development expenditure incurred by, not on behalf of, the entity in relation to areas of interest in which mining of a mineral resource has commenced.

Where further development expenditure is incurred in respect of a production property after the commencement of production, such expenditure is carried forward as part of the cost of that production property only when substantial future economic benefits arise, otherwise such expenditure is classified as part of the cost of production.

Costs on production properties in which the Group has an interest are amortised over the life of the area of interest to which such costs relate on the production output basis. Changes to the life of the area of interest are accounted for prospectively.

The carrying value of each mine property and development are assessed annually for impairment in accordance with note 1(q).

(P) DEFERRED STRIPPING COSTS

Stripping (i.e. overburden and other waste removal) costs incurred in the production phase of a surface mine are capitalised to the extent that they improve access to an identified component of the ore body and are subsequently amortised on a systematic basis over the expected useful life of the identified component of the ore body. Capitalised stripping costs are disclosed as a component of Mine Properties and Development.

Components of an ore body are determined with reference to life of mine plans and take account of factors such as the geographical separation of mining locations and/or the economic status of mine development decisions.

Capitalised stripping costs are initially measured at cost and represent an accumulation of costs directly incurred in performing the stripping activity that improves access to the identified component of the ore body, plus an allocation of directly attributable overhead costs. The amount of stripping costs deferred is based on a relevant production measure which uses a ratio obtained by dividing the tonnage of waste mined by the quantity of ore mined for an identified component of the ore body. Stripping costs incurred in the period for an identified component of the ore body are deferred to the extent that the current period ratio exceeds the expected ratio for the life of the identified component of the ore body. Such deferred costs are then charged against the income statement on a systematic units of production basis over the expected useful life of an identified component of the ore body.

Changes to the life of mine plan, identified components of an ore body, stripping ratios, units of production and expected useful life are accounted for prospectively.

Deferred stripping costs form part of the total investment in a cash generating unit, which is reviewed for impairment if events or changes in circumstances indicate that the carrying value may not be recoverable.

(Q) IMPAIRMENT OF ASSETS

At each reporting date, the Group assesses whether there is any indication that an asset, including capitalised development expenditure, may be impaired. Where an indicator of impairment exists, the Group makes a formal estimate of the recoverable amount. Where the carrying amount of an asset exceeds its recoverable amount the asset is considered impaired and is written down to its recoverable amount. Impairment losses are recognised in the income statement.

Recoverable amount is the greater of fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash generating units).

Where there is no binding sale agreement or active market, fair value less costs of disposal is based on the best information available to reflect the amount the Group could receive for the cash generating unit in an arm's length transaction. In assessing fair value, the estimated future cash flows are discounted to their present value using a post-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

An assessment is also made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the recoverable amount is estimated. A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case the carrying amount of the asset is increased to its recoverable amount. That increased amount cannot exceed the pre-impairment value, adjusted for any depreciation that would have been recognised on the asset had the initial impairment loss not occurred. Such reversal is recognised in profit or loss.

After such a reversal the depreciation charge is adjusted in future periods to allocate the asset's revised carrying amount, less any residual value, on a systematic basis over its remaining useful life.

The Group assesses where climate risks could have a significant impact, such as the introduction of emission reduction legislation that may increase mining and production costs. At present, albeit climate-related risks should be factored into the commodity price, this has no direct impact on the Group's asset recoverable value.

(R) INVESTMENTS AND OTHER FINANCIAL ASSETS

The Group's other financial assets consist of:

- Term deposits with maturity of over three months from the date of acquisition.
- Derivatives

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently remeasured to their fair value at the end of each reporting period. The accounting for subsequent changes in fair value depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged. Changes in the fair value of any derivative instrument that does not qualify for hedge accounting are recognised immediately in profit or loss and are included in other income or other expenses.

The full fair value of a hedging derivative is classified as a non-current asset or liability when the remaining maturity of the hedged item is more than 12 months; it is classified as a current asset or liability when the remaining maturity of the hedged item is less than 12 months.

(S) ORE RESERVES

The Company estimates its mineral resources and ore reserves based on information compiled by Competent Persons as defined in accordance with the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves of December 2012 (the JORC 2012 code). Reserves, and certain mineral resources determined in this way, are used in the calculation of depreciation, amortisation and impairment charges, the assessment of life of mine stripping ratios and for forecasting the timing of the payment of close down and restoration costs.

In assessing the life of a mine for accounting purposes, mineral resources are only taken into account where there is a high degree of confidence of economic extraction.

(T) TRADE AND OTHER PAYABLES

Trade payables and other payables are carried at amortised cost and represent liabilities for goods and services provided to the Group prior to the end of the financial period that are unpaid. Trade payables and other payables arise when the Group becomes obliged to make future payments in respect of the purchase of these goods and services. The amounts are unsecured and are usually paid within 30 days of recognition.

(U) BORROWINGS

All borrowings are initially recognised at the fair value of the consideration received, less transaction costs. After initial recognition, borrowings are subsequently measured at amortised cost. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case the fee is deferred until the draw down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a prepayment for liquidity services and amortised over the period of the facility to which it relates.

Borrowings are removed from the balance sheet when the obligation specified in the contract is discharged, cancelled or expired. Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

Note 1. Summary of Significant Accounting Policies (continued)

BORROWING COSTS

Borrowing costs incurred for the construction of any qualifying asset are capitalised during the period of time that is required to complete and prepare the asset for its intended use or sale. Other borrowing costs are expensed.

(V) PROVISIONS

Provisions are recognised when the Group has a present obligation, it is probable that there will be a future sacrifice of economic benefits and a reliable estimate can be made of the amount of the obligation.

When the Group expects some or all of a provision to be recovered from a third party, for example under an insurance contract, the receivable is recognised as a separate asset but only when the reimbursement is virtually certain, and it can be measured reliably. The expense relating to any provision is presented in the income statement net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a pre-tax rate that reflects the current market assessment of the time value of money. Where this is the case, its carrying amount is the present value of these estimated future cash flows. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

The impact of climate-related matters on remediation of sites is considered with determining the decommissioning liability. The Group also constantly monitors new government legislation in relation to climate-related matters. At the current time, no climate related matters and legislation that expected to have a material impact on the Group's decommissioning liability.

DECOMMISSIONING AND RESTORATION

Decommissioning and restoration provisions include the dismantling and demolition of infrastructure and the removal of residual materials and remediation of disturbed areas. The provision is recognised in the accounting period when the obligation arising from the related disturbance occurs, whether this occurs during the mine development or during the production phase, based on the net present value of estimated future costs. The costs are estimated on the basis of a closure plan. The cost estimates are calculated annually during the life of the operation to reflect known developments and are subject to formal review at regular intervals.

The amortisation or 'unwinding' of the discount applied in establishing the net present value of provisions is charged to the income statement in each accounting period. The amortisation of the discount is shown as a financing cost, rather than as an operating cost. Other movements in the provisions for close down and restoration costs, including those resulting from new disturbance, updated cost estimates, changes to the lives of operations and revisions to discount rates are capitalised within mine properties and development, to the extent that any amount of deduction does not exceed the carrying amount of the asset. Any deduction in excess of the carrying amount is recognised in the income statement immediately. If an adjustment results in an addition to the cost of the related asset, consideration will be given to whether an indication of impairment exists, and the impairment policy will apply. These costs are then depreciated over the life of the area of interest to which they relate.

(W) EMPLOYEE ENTITLEMENTS

WAGES, SALARIES AND SICK LEAVE

Liabilities for wages and salaries, including non-monetary benefits and accumulating sick leave expected to be settled within 12 months of the reporting date are recognised in other payables in respect of employees' services up to the reporting date and are measured at the amounts expected to be paid when the liabilities are settled.

ANNUAL LEAVE

Liabilities for annual leave expected to be settled within 12 months of the reporting date are recognised in the provision for employee benefits in respect of employees' services up to the reporting date and are measured at the amounts expected to be paid when the liabilities are settled.

LONG SERVICE LEAVE

The liability for long service leave is recognised in the provision for employee benefits and measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date using the projected unit credit method.

Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on corporate bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

DEFINED CONTRIBUTION SUPERANNUATION FUNDS

Contributions to defined contribution funds are recognised as an expense in the income statement as they become payable.

SHARE-BASED PAYMENTS

Senior Executives of the Group receive remuneration in the form of share-based payments, whereby employees render services in exchange for equity instruments (equity-settled transactions).

The fair value of performance rights granted is recognised as an employee benefits expense with a corresponding increase in equity. The total amount to be expensed is determined by reference to the fair value of the options granted.

- including any market performance conditions
- excluding the impact of any service and non-market performance vesting conditions
- Including the impact of any non-vesting conditions

The total expense is recognised over the vesting period, which is the period over which all of the specified vesting conditions are to be satisfied. At the end of each period, the entity revises its estimates of the number of performance rights that are expected to vest based on the non-market vesting and service conditions. It recognises the impact of the revision to original estimates, if any, in profit or loss, with a corresponding adjustment to equity.

The dilutive effect of outstanding performance rights is reflected as additional share dilution in the computation of diluted earnings per share (further details are given in Note (32).

(X) CONTRIBUTED EQUITY

Ordinary share capital is recognised at the fair value of the consideration received by the Company. Any transaction costs arising on the issue of ordinary shares are recognised directly in equity as a reduction, net of tax, of the share proceeds received.

(Y) DIVIDENDS

Provision is made for the amount of any dividend declared, being appropriately authorised and no longer at the discretion of the entity, on or before the end of the financial period but not distributed at balance date.

(Z) EARNINGS PER SHARE (EPS)

(I) BASIC EARNINGS PER SHARE

Basic earnings per share is calculated by dividing:

- the profit attributable to equity holders of the Company, excluding any costs of servicing equity other than ordinary shares;
- by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the period and excluding treasury shares.

(II) DILUTED EARNINGS PER SHARE

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account:

- the after-income tax effect of interest and other financing costs associated with the dilutive potential ordinary shares; and
- the weighted average number of additional ordinary shares that would have been outstanding assuming the conversion of all dilutive potential ordinary shares.

(AA) PARENT ENTITY FINANCIAL INFORMATION

The financial information for the parent entity, Grange Resources Limited, disclosed in note 33 has been prepared on the same basis as the consolidated financial statements, except as set out below.

INVESTMENTS IN SUBSIDIARIES, ASSOCIATES AND JOINT VENTURE ENTITIES

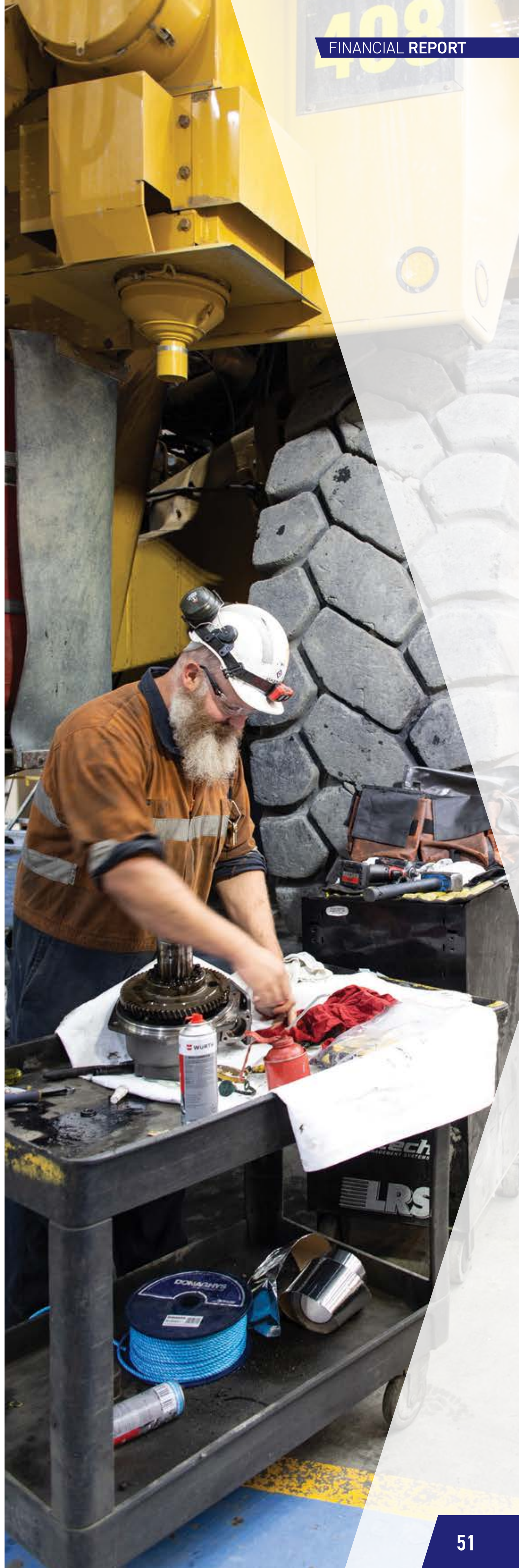
Investments in subsidiaries and joint venture entities are accounted for at cost in the financial statements of Grange Resources Limited. Dividends received from associates are recognised in the parent entity's profit or loss, rather than being deducted from the carrying amount of these investments.

FINANCIAL GUARANTEES

Where the parent entity has provided financial guarantees in relation to loans and payables of subsidiaries for no compensation, the fair values of these guarantees are accounted for as contributions and recognised as part of the cost of the investment.

(AB) 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. FINANCIAL RISK MANAGEMENT

FINANCIAL RISK MANAGEMENT OBJECTIVES

The Group's activities expose it to a variety of financial risks: market risk (including currency risk, interest rate risk and price risk), credit risk and liquidity risk. The Group's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the Group. The Group has used derivative financial instruments such as foreign exchange contracts and forward commodity contracts to manage certain risk exposures. Derivatives are exclusively used for hedging purposes, i.e. not as trading or other speculative instruments. The Group uses different methods to measure different types of risks to which it is exposed. These methods include sensitivity analysis in the case of interest rate, foreign exchange and commodity price risks and aging analysis for credit risk.

Risk management is carried out by the management team following guidance received from the Audit and Risk Committee.

No events occurred in the current and prior periods that give rise to material items of income or expense as a result of climate.

The Group holds the following financial instruments

	2023 $'000	2022 $'000
Financial Assets		
Cash and Cash Equivalent	109,706	108,411
Trade and other receivables	82,956	66,159
Other financial assets	176,393	193,761
	369,055	**368,331**
Financial Liabilities		
Trade and other payables	50,380	67,723
	50,380	**67,723**

	2023 $'000	2022 $'000
Other financial assets (current)		
Term deposits	172,900	190,200
Derivatives	2,130	1,977
	175,030	**192,177**
Other financial assets (non-current)		
Derivatives	1,363	1,584

NET DEBT RECONCILIATION

This section sets out an analysis of net debt and the movements in net debt for each of the periods presented.

	2023 $'000	2022 $'000
Net debt reconciliation		
Cash and cash equivalents	109,706	108,411
Liquid investments	172,900	190,200
Lease liability	(2,215)	(6,482)
Net cash, cash equivalent and liquid investments/ (debt)	**280,391**	**292,129**

FINANCIAL ASSETS/(LIABILITIES) AT FAIR VALUE THROUGH PROFIT OR LOSS (FVPL)

The group classifies the following financial assets at fair value through profit or loss (FVPL)

AMOUNTS RECOGNISED IN PROFIT OR LOSS

During the year, the following gains/(losses) were recognised in profit or loss:

	2023 $'000	2022 $'000
Fair value loss on short term managed funds held at FVPL recognised in gain/(loss) on financial instruments	-	(98)
Fair value gain on derivative financial instrument at FVPL recognised in gain/(loss) on financial instruments	(68)	2,353
	(68)	**2,255**

(A) MARKET RISK

(I) FOREIGN EXCHANGE RISK

The Group operates internationally and is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to the US dollar.

Foreign exchange risk arises from commercial transactions, given that the Group's sales revenues are denominated in US dollars and the majority of its operating costs are denominated in Australian dollars, and recognised assets and liabilities denominated in a currency that is not the entity's functional currency.

The risk is measured using sensitivity analysis and cash flow forecasting. The Group's exposure to US dollar denominated foreign currency risk at the reporting date, expressed in Australian dollars, was as follows:

	2023 $'000	2022 $'000
Cash and cash equivalents	85,078	59,461
Trade and other receivables	57,728	48,293
Trade and other payables	(119)	(773)
Net US dollar surplus	**142,687**	**106,981**

GROUP SENSITIVITY

Based on the financial instruments held at 31 December 2023, had the Australian dollar weakened/strengthened by 10% against the US dollar with all other variables held constant, the Group's post tax profit for the financial period would have been $9.1 million higher / $11.1 million lower (2022: $6.8 million higher / $8.3 million lower), mainly as a result of foreign exchange gains/losses on US dollar denominated cash and cash equivalents, term deposits and receivables as detailed in the above table

(II) PRICE RISK

The Group is exposed to commodity price risk. During current and prior years, the price of iron ore pellets is based on a price index used in the market. At this time, the Group does not manage its iron ore price risk with financial instruments.

Going forward, the Group may consider using financial instruments to manage commodity price risk given exposures to market prices arising from the adoption of index based market pricing mechanisms.

Short term managed funds are exposed to price risk arising from investments held by the fund for which the future prices are uncertain. The investment manager moderates this risk through a careful selection of securities within specified limits. The fund actively maintains a high level of diversification in its holdings, thus potentially reducing the amount of risk in the fund.

(III) CASH FLOW AND FAIR VALUE INTEREST RATE RISK

The Group's main interest rate risk arises from cash and cash equivalents, term deposits and short term managed funds.

For short term managed funds, the interest-bearing financial assets in each of the Funds expose it to risks associated with the effects of fluctuations in the prevailing levels of market interest rates on its financial position and cash flows. The main interest rate risk arises from the Fund's investments in bonds.

The Group analyses its interest rate exposure on a dynamic basis. Various scenarios are simulated taking into consideration refinancing, renewal of existing positions, alternative financing and hedging.

Based on these scenarios, the Group calculates the impact on profit and loss of a defined interest rate shift. No financial instruments are used to manage interest rate risk.

(B) CREDIT RISK

Credit risk is managed on a Group basis. Credit risk arises from cash and cash equivalents and deposits with banks and financial institutions, as well as credit exposures to customers, including outstanding receivables and committed transactions.

The Group is exposed to a concentration of risk with sales of iron ore being made to a limited number of customers. The maximum exposure to credit risk at the reporting date is limited to the carrying value of trade receivables, cash and cash equivalents and deposits with banks and financial institutions. As at 31 December 2023, there are $0.18 million in trade receivables (2022 $0.18 million) that are past due. The other classes within trade and other receivables do not contain impaired assets and are not past due.

(C) LIQUIDITY RISK

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities, the availability of funding through an adequate amount of committed credit facilities and the ability to close out market positions. The Group manages liquidity risk by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities.

MATURITIES OF FINANCIAL LIABILITIES

The table below analyses the Group's financial liabilities into relevant maturity groupings based on the remaining period as at the reporting date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows.

2023 - Consolidated	Less than 6 months $'000	6-12 months $'000	Between 1 and 2 years $'000	Between 2 and 5 years $'000	Over 5 years $'000	Total contractual cash flows $'000	Carrying amount liabilities $'000
Trade and other payables	50,380	-	-	-	-	50,380	50,380
Lease liabilities	951	525	714	100	-	2,290	2,215
	51,331	**525**	**714**	**100**	**-**	**52,670**	**52,595**

2022 - Consolidated	Less than 6 months $'000	6-12 months $'000	Between 1 and 2 years $'000	Between 2 and 5 years $'000	Over 5 years $'000	Total contractual cash flows $'000	Carrying amount liabilities $'000
Trade and other payables	67,723	-	-	-	-	67,723	67,723
Lease liabilities	3,493	940	1,459	814	-	6,706	6,482
	71,216	**940**	**1,459**	**814**	**-**	**74,429**	**74,205**

(D) CAPITAL RISK MANAGEMENT

When managing capital, the Group's objective is to safeguard the ability to continue as a going concern so that the Group continues to provide returns for shareholders and benefits for other stakeholders, and to maintain an optimal capital structure to reduce the cost of capital.

Management is constantly reviewing and adjusting, where necessary, the capital structure. This involves the use of corporate forecasting models which enable analysis of the Group's financial position including cash flow forecasts to determine future capital management requirements. To ensure sufficient funding, a range of assumptions are modelled.

(E) DERIVATIVES

The Group uses derivative financial instruments, such as foreign currency and commodity options to hedge its foreign currency risks and commodity price risks, respectively. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently remeasured at fair value using valuation techniques which employs the use of market observable inputs. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

Note 2. Financial Risk Management (continued)

CLASSIFICATION OF DERIVATIVES

Derivatives are classified as held for trading and accounted for at fair value through profit or loss. 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.

The Group has the following derivative financial instruments:

	2023 $'000	2022 $'000
Electricity fixed forward	3,233	3,548
Diesel commodity swap	185	-
Foreign currency options	75	13
	3,493	**3,561**
Derivatives (current)	2,130	1,977
Derivatives (non-current)	1,363	1,584
	3,493	**3,561**

(F) RECOGNISED FAIR VALUE MEASUREMENTS

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.

The following table presents the group's assets and liabilities measured and recognised at fair value at 31 December 2023 and 31 December 2022.

2023	Level 1 $'000	Level 2 $'000	Level 3 $'000	Total $'000
Financial Assets				
Derivative financial Instruments	-	3,493	-	3,493
Trade receivables - embedded derivatives	-	15,799	-	15,799
	-	**19,292**	**-**	**19,292**

2022	Level 1 $'000	Level 2 $'000	Level 3 $'000	Total $'000
Financial Assets				
Derivative financial Instruments	-	3,561	-	3,561
Trade receivables - embedded derivatives	-	7,698	-	7,698
	-	**11,259**	**-**	**11,259**

NOTE 3. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events, management believes to be reasonable under the circumstances. There are no critical accounting judgements, estimates and assumptions that are likely to affect the current or future financial years.

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that may have a financial impact on the entity and that are believed to be reasonable under the circumstances.

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

(A) NET REALISABLE VALUE OF INVENTORIES

The Group reviews the carrying value of its inventories at each reporting date to ensure that the cost does not exceed net realisable value. Estimates of net realisable value include a number of assumptions, including commodity price expectations, foreign exchange rates and costs to complete inventories to a saleable product. As at 31 December 2023 the net realisable value exceeded cost for all significant inventory balances.

(B) TRANSITION TO UNDERGROUND MINING

With the approved plan to transition from open pit to underground mining in 2027, the Group has completed a formal estimate of the recoverable amount of the Group's Savage River cash generating unit (CGU).

Significant judgements and assumptions are required in making estimates of fair value. The CGU valuations are subject to variability in key assumptions including, but not limited to, long-term iron ore pellet prices, currency exchange rates, and discount rates and capital expenditures. An adverse change in one or more of the assumptions used to estimate fair value could result in a reduction in a CGU's recoverable value. This could lead to the recognition of impairment losses in the future.

ASSESSMENT OF CGU RECOVERABLE VALUE

(I) METHODOLOGY

The recoverable amount of each CGU has been estimated using a fair value less costs of disposal basis. The costs of disposal have been estimated by management based on prevailing market conditions. The fair value assessment is categorised within level 3 in the fair value hierarchy. An impairment loss is recognised for a CGU when the recoverable amount is less than the carrying amount.

Fair value is estimated based on the net present value of estimated future cash flows for a CGU. Future cash flows are based on a number of assumptions, including commodity price expectations, foreign exchange rates, reserves and resources and expectations regarding future operating performance and capital requirements which are subject to risk and uncertainty. An adverse change in one or more of the assumptions used to estimate fair value could result in a reduction of the CGU's fair value.

(II) KEY ASSUMPTIONS

The key assumptions which are used by the Directors in determining the recoverable amount for the Group's Savage River CGU were in the following ranges at 31 December 2023:

Assumptions	2024	as at 31 December 2023 2025 - 2029	Long Term 2030+
Iron ore pellets (FOB Port Latta) (US$ per DMT)	US$147.54	US$110.12 -US$143.57	US$116.41 -US$123.86
AUD:USD exchange rate	$0.6819	$0.7038	$0.6950
Post-tax real discount rate		8.29%	

COMMODITY PRICES AND FOREIGN EXCHANGE RATES

Commodity prices and foreign exchange rates are estimated with reference to analysis performed by an external party and are updated at least once every six months, in-line with the Group's reporting dates. The iron ore pellet price assumptions are based market indices adjusted for premiums supported by sales arrangements achieved by the Group, net of freight.

OPERATING PERFORMANCE (PRODUCTION, OPERATING COSTS AND CAPITAL COSTS)

Life of mine production, operating cost and capital cost assumptions are based on the Group's most recent life of mine plan approved by the Board. The underground mine will transition the current North Pit opencut mining to an underground block cave and sub-level cave mine over the next 5 years. The transition to underground mining has been integrated with the current opencut mining operations. Total capital investment in the underground mine is expected to be approximately $891 million over several years with the majority of the investment expected to be made between 2025 to 2029. The underground mine is expected to deliver a substantial reduction in life-of-mine operating costs of 30%. Once in production, the underground mine will reduce carbon emissions by 80% at the Savage River Mine in line with the Company's Environmental, Social and Governance (ESG) initiatives to develop Green Pellet Production. Mineral resources and ore reserves not in the most recent life of mine plan are not included in the determination of recoverable amount.

While the Group acknowledges that factors such as future changes to the regulatory framework in response to climate change could impact future recoverability, these factors have not been included in our assumptions. While the Group acknowledges that the world is moving to a low-carbon future and it must address the risks and opportunities that climate change may bring, the Group has not identified any immediate financial impacts of climate change risk in the short term.

DISCOUNT RATE

To determine the recoverable amount, the estimated future cash flows have been discounted to their present value using a post-tax real discount rate that reflects a current market assessment of the time value of money and risks specific to the asset.

(III) IMPACTS

The Group has not identified any impairment to its net assets carrying value as at 31 December 2023.

(IV) SENSITIVITY ANALYSIS

It is estimated that changes in the following key assumptions would have the following approximate impact on the fair value of the Savage River CGU as at 31 December 2023:

Decrease in fair value resulting from:	
US$1 per dmt decrease in iron ore pellet prices (FOB Port Latta)	$20.68 million
$0.01 increase in the AUD:USD exchange rate	$42.10 million
1% increase in estimated operating costs	$15.71 million
25 bps increase in the discount rate	$17.96 million

(C) STRIPPING COSTS IN THE PRODUCTION PHASE OF A SURFACE MINE (INTERPRETATION 20)

The application of Interpretation 20 requires management judgement in determining whether a surface mine is in the production phase and whether the benefits of production stripping activities will be realised in the form of inventory produced through improved access to ore.

Judgement is also applied in identifying the component of the ore body and the manner in which stripping costs are capitalised and amortised. There are a number of uncertainties inherent in identifying components of the ore body and the inputs to the relevant production methods for capitalising and amortising stripping costs and these assumptions may change significantly when new information becomes available. Such changes could impact on capitalisation and amortisation rates for capitalised stripping costs and deferred stripping asset values.

(D) DETERMINATION OF MINERAL RESOURCES AND ORE RESERVES

Mineral resources and ore reserves are based on information compiled by a Competent Person as defined in accordance with the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (the JORC 2012 code). There are numerous uncertainties inherent in estimating ore reserves and assumptions that are valid at the time of estimation may change significantly when new information becomes available. Changes in forecast prices of commodities, exchange rates, production costs or recovery rates may change the economic status of ore reserves and may, ultimately, result in the reserves being restated. Such changes in reserves could impact on depreciation and amortisation rates, asset carrying values and provisions for rehabilitation.

(E) PROVISION FOR DECOMMISSIONING AND RESTORATION COSTS

Decommissioning and restoration costs are a normal consequence of mining, and the majority of this expenditure is incurred at the end of a mine's life. In determining an appropriate level of provision, consideration is given to the expected future costs to be incurred, the timing of these expected future costs (largely dependent on the life of the mine), and the estimated future level of inflation, with reference to analysis performed by internal and external experts.

The ultimate cost of decommissioning and restoration is uncertain and costs can vary in response to many factors including changes to the relevant legal requirements, changes to mine plan, and the emergence of new restoration techniques or experience at other mine sites. The expected timing of expenditure can also change, for example in response to changes in reserves or to production rates.

Certain rehabilitation activities are undertaken as part of the mining operations included in the life of mine plan. Should the life of mine plan be amended in the future to exclude these activities, the provision for rehabilitation would increase correspondingly.

Changes to any of the estimates could result in significant changes to the level of provisioning required, which would in turn impact future financial results. These estimates are reviewed annually and adjusted where necessary to ensure that the most up to date data is used.

NOTE 4. 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, being 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.

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.

	Ore Mining		Property Development		Total	
	2023 $'000	2022 $'000	2023 $'000	2022 $'000	2023 $'000	2022 $'000
Revenue from external customers	**614,744**	**580,294**	**-**	**14,261**	**614,744**	**594,555**
Timing of Revenue Recognition						
At a point in time - pellets	562,416	521,839	-	14,261	562,416	536,100
Over time - freight	52,328	58,455	-	-	52,328	58,455

The following table presents revenues from sales of iron ore based on the geographical location of the port of discharge.

Segment revenues from sale to external customers

	2023 $'000	2022 $'000
Ore Mining		
Australia	36,078	38,520
China	261,251	355,369
South Korea	257,940	167,294
Indonesia	59,695	-
Malaysia	1,199	4,893
Turkey	(1,419)	14,218
	614,744	**580,294**
Property Development		
Australia	-	14,261
Total Revenue	**614,744**	**594,555**

Sales of iron ore products to Jiangsu Shagang International Trade Co., Ltd, a wholly owned subsidiary of Jiangsu Shagang Group, under long-term off-take agreements amounted to $220.3 million / 35.8% of mining revenue (2022: $211.9 million / 36.5%).

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 31 December 2023 and 31 December 2022. The total costs incurred during the current and comparative periods to acquire segment assets were also predominately incurred in Australia.

NOTE 5. REVENUE FROM OPERATIONS

	2023			2022		
	Revenue from Contracts with Customers	Other Revenue / (Loss)	Total Revenues	Revenue from Contracts with Customers	Other Revenue / (Loss)	Total Revenues
From mining operations						
Sales of iron ore	603,759	10,985	614,744	609,515	(29,221)	580,294
From property development						
Sales of property	-	-	-	14,261	-	14,261
	603,759	**10,985**	**614,744**	**623,776**	**(29,221)**	**594,555**

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.

NOTE 6. COST OF SALES

	2023 $'000	2022 $'000
Mining Costs	204,807	180,339
Production costs	150,989	141,710
Changes in Inventories	(5,064)	(448)
Freight costs	52,328	58,455
Government royalties	23,150	19,464
Depreciation and amortisation expense	55,474	25,463
Mine properties and development		
- Amortisation expense	9,414	8,982
Deferred Stripping		
- Amounts capitalised during the year	(152,223)	(136,222)
- Amortisation expense	57,332	21,133
Foreign exchange gain/(loss)	(1,517)	2,535
Property costs	-	12,616
	394,690	**334,027**
Depreciation and amortisation expense		
Land and buildings	1,655	1,481
Plant and equipment (including right of use of assets)	48,815	23,473
Computer equipment	5,004	509
	55,474	**25,463**

NOTE 7. ADMINISTRATIVE EXPENSES

	2023 $'000	2022 $'000
Salaries	3,600	2,881
Consultancy Fee	1,444	1,208
Others	9	545
	5,053	**4,634**

NOTE 8. OTHER INCOME (EXPENSE)

	2023 $'000	2022 $'000
Income from sale of royalty tenements	8,000	-
Rent Income	191	161
Other income	440	163
Loss on the disposal of property, plant and equipment and mine properties and development	(3,558)	(17)
Loss on derecognition of right of use of assets	(810)	(4,030)
Provision for rehabilitation - change in estimate	(393)	(757)
	3,870	**(4,480)**

On 28 July 2023, several royalties on tenements in Grange Resources Limited, Barrack Mines Pty Ltd, Horseshoe Gold Pty Ltd and Grange Administrative Services Pty Ltd were sold for cash consideration of $8,000,000.

NOTE 9. FINANCE INCOME

	2023 $'000	2022 $'000
Interest income received or receivable	14,638	9,729
Exchange gains on foreign currency deposit	1,277	9,371
Gain on financial instruments	-	2,255
Distribution income	-	429
	15,915	**21,784**

NOTE 10. FINANCE EXPENSES

	2023 $'000	2022 $'000
Provisions: unwinding of discounts		
- Decommissioning and Restorations	2,981	1,911
Interest charges on lease liabilities	160	1,047
Other interest charges	912	484
Loss on financial instruments	68	-
	4,121	**3,442**

NOTE 11. INCOME TAX EXPENSE

	2023 $'000	2022 $'000
(a) Income tax expense		
Current tax	35,478	38,961
Tax refund on capitalised mining costs - Tailing Storage Facility	-	(22,622)
Tax refund receivable on North Pit Underground Decline	(6,812)	-
Total current tax expense	**28,666**	**16,339**
Deferred income tax		
Increase in net deferred tax liability	36,422	60,861
Movements in unrecognised deferred tax	(97)	(109)
Total deferred tax expense	**36,325**	**60,752**
Total income tax expense	**64,991**	**77,091**
(b) Numerical reconciliation of income tax expense to prima facie tax payable		
Profit from continuing operations before income tax expense	215,095	248,826
Tax expense at the Australian tax rate of 30% (2022: 30%)	64,528	74,648
Tax effect of amounts which are not deductible (taxable) in calculating taxable income:		
Sundry Items	312	536
	64,840	**75,184**
Movement in unrecognised deferred tax assets relating to temporary differences	(97)	(109)
Adjustment to tax of prior period	248	2,016
	151	**1,907**
Total income tax expense	**64,991**	**77,091**
(c) Taxation Losses		
Unused taxation losses for which no deferred tax asset has been recognised	5,429	5,246
Potential tax benefit @ 30%	**1,629**	**1,574**

NOTE 12. CASH AND CASH EQUIVALENTS

	2023 $'000	2022 $'000
Cash at bank and in hand	3,303	9,074
Short-term deposits	106,403	99,337
Cash and Cash Equivalents	**109,706**	**108,411**
Cash and cash equivalents as per statement of cash flows	**109,706**	**108,411**

Total cash is held in trading accounts or term deposits with major financial institutions under normal terms and conditions appropriate to the operation of the accounts. These deposits earn interest at rates set by these institutions. As at 31 December 2023 the weighted average interest rate on the Australian dollar accounts was 5.17% (31 December 2022: 3.39%) and the weighted average interest rate on the United States dollar accounts was 8.15% (31 December 2022: 5.78%).

(A) RISK EXPOSURE

The Group's exposure to interest rate risk is discussed in note 2. The maximum exposure to credit risk at the reporting date is the carrying amount of each class of cash and cash equivalents mentioned above.

NOTE 13. TRADE AND OTHER RECEIVABLES

	2023 $'000	2022 $'000
Trade receivables	57,729	48,727
Security deposits	323	325
Other receivables	14,895	8,120
Prepayments	1,665	1,249
	74,612	**58,421**

Trade receivables include provisionally priced receivables 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 5 – 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.

Trade receivables - embedded derivative due to quotation period exposure is considered as level 2 in fair value hierarchy (note 2)

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

(A) IMPAIRED TRADE RECEIVABLES

Information regarding the impairment of trade and other receivables is provided in note 2.

(B) FOREIGN EXCHANGE AND INTEREST RATE RISK

Information about the Group's exposure to foreign currency risk and interest rate risk in relation to trade and other receivables is provided in note 2.

(C) FAIR VALUE AND CREDIT RISK

Due to the short-term nature of these receivables, their carrying amount is assumed to be their fair value. The maximum exposure to credit risk at the end of the reporting period is the carrying amount of each class of receivables mentioned above. Refer to note 2 for more information on the credit quality of the Group's trade and other receivables.

NOTE 14. INVENTORIES

	2023 $'000	2022 $'000
Stores and spares	59,504	47,656
Ore stockpiles	84,528	83,155
Work in progress	11,591	2,848
Finished goods (at lower of cost and net realisable value)	24,193	29,245
	179,816	**162,904**

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 $5.06 million in 2023 and a credit of $0.4 million in 2022 were recognised for the movements in inventories (note 6).

NOTE 15. RECEIVABLES

	2023 $'000	2022 $'000
Security deposits	10,009	8,988

Non-current security deposits comprise of restricted deposits that are used for monetary backing for performance guarantees.

(A) RISK EXPOSURE

Information about the Group's exposure to credit risk, foreign exchange risk and interest rate risk in relation to security deposits is provided in note 2. The maximum exposure to credit risk at the reporting date is the carrying amount of each class of receivables mentioned above.

NOTE 16. PROPERTY, PLANT AND EQUIPMENT

	Land and Building $'000	Plant and Equipment $'000	Computer Equipment $'000	Assets Under Construction $'000	Total $'000
At 1 January 2023					
Cost	50,584	406,836	10,056	104,081	571,557
Accumulated depreciation and impairment	(33,948)	(330,425)	(9,355)	-	(373,728)
Net book amount	**16,636**	**76,411**	**701**	**104,081**	**197,829**
Year ended 31 December 2023					
Opening net book amount	16,636	76,411	701	104,081	197,829
Additions	-	-	-	91,510	91,510
Acquisition of remaining interest in Southdown (note 30)	15,737	2	1	-	15,740
Disposal- net book value	-	(12)	-	-	(12)
Depreciation charge	(1,656)	(47,080)	(5,007)	-	(53,743)
Transfer from assets under construction	2,474	137,166	6,290	(145,930)	-
Transfer to mine properties and development	-	-	-	(356)	(356)
Other transfers	-	-	-	(2,493)	(2,493)
Closing net book amount	**33,191**	**166,487**	**1,985**	**46,812**	**248,475**
At 31 December 2023					
Cost	68,804	528,880	15,879	46,812	660,375
Accumulated depreciation and Impairment	(35,613)	(362,393)	(13,894)	-	(411,900)
Net book amount	**33,191**	**166,487**	**1,985**	**46,812**	**248,475**

	Land and Building $'000	Plant and Equipment $'000	Computer Equipment $'000	Assets Under Construction $'000	Total $'000
At 1 January 2022					
Cost	54,929	364,749	9,702	68,194	497,574
Accumulated depreciation and impairment	(40,004)	(311,398)	(8,992)	-	(360,394)
Net book amount	**14,925**	**53,351**	**710**	**68,194**	**137,180**
Year ended 31 December 2022					
Opening net book amount	14,925	53,351	710	68,194	137,180
Additions	-	-	-	85,588	85,588
Disposals - net book value	-	-	(17)	-	(17)
Depreciation charge	(1,485)	(20,281)	(513)	-	(22,279)
Transfer from assets under construction	3,211	44,307	521	(48,039)	-
Transfer to MP&D	(15)	(966)	-	(623)	(1,604)
Other transfers	-	-	-	(1,039)	(1,039)
Closing net book amount	**16,636**	**76,411**	**701**	**104,081**	**197,829**
At 31 December 2022					
Cost	50,584	406,836	10,056	104,081	571,557
Accumulated depreciation and impairment	(33,948)	(330,425)	(9,355)	-	(373,728)
Net book amount	**16,636**	**76,411**	**701**	**104,081**	**197,829**

Prior year costs and accumulated depreciation were amended to reflect the impact of assets disposal at gross and movements of assets under construction account. No impact on the net book value.

NOTE 17. RIGHT-OF-USE ASSETS

This note provides information for leases where the group is a lessee.

(I) AMOUNTS RECOGNISED IN THE BALANCE SHEET

The balance sheet shows the following amounts relating to leases:

	2023 $'000	2022 $'000
Right-of-use assets		
Land and buildings	117	189
Plant and equipment	1,979	6,764
	2,096	**6,953**
Lease liabilities		
Current	1,442	4,284
Non-current	773	2,198
Total lease liabilities	**2,215**	**6,482**

Additions to the right-of-use assets during the 2023 financial year were Nil (2022 - $5.90 million).

The total cash outflow from repayment of leases in 2023 excluding interest repayment was $2.04 million (2022 - $6.67 million).

(II) AMOUNTS RECOGNISED IN THE STATEMENT OF PROFIT OR LOSS

The statement of profit or loss shows the following amounts relating to leases:

	2023 $'000	2022 $'000
Depreciation charge of right of use assets		
Land and buildings	(73)	(60)
Plant and equipment	(1,736)	(3,193)
	(1,809)	**(3,253)**
Interest expense (included in finance cost)	160	1,047
Expense relating to short-term leases (included in cost of sales)	302	297

NOTE 18. MINE PROPERTIES AND DEVELOPMENT

	2023 $'000	2022 $'000
Mine properties and development (at cost)	659,205	664,105
Accumulated amortisation and impairment	(508,902)	(500,997)
Net book amount	**150,303**	**163,108**
Deferred stripping costs (net book amount)	292,735	197,844
Total mine properties and developments	**443,038**	**360,952**

Movements in mine properties and development are set out below:

	2023 $'000	2022 $'000
Mine properties and development		
Opening net book amount	163,108	179,622
Current year expenditure capitalised	356	623
Change in rehabilitation estimate	39	16,994
Change in discount rate	(178)	(26,132)
Amortisation Expense	(9,414)	(8,982)
Transfer to PPE	(61)	983
Disposal	(3,547)	-
Closing net book amount	**150,303**	**163,108**
Deferred stripping costs		
Opening net book amount	197,844	82,755
Current year expenditure capitalised	152,223	136,222
Amortisation expense	(57,332)	(21,133)
Closing net book amount	**292,735**	**197,844**

NOTE 19. TRADE AND OTHER PAYABLES

	2023 $'000	2022 $'000
Trade payables	38,249	45,003
Contract Liabilities	2,662	2,662
Tax payable	6,224	16,184
Other payables	3,245	3,874
	50,380	**67,723**

(A) RISK EXPOSURE

Trade payables are non-interest bearing and are normally settled on repayment terms between 7 and 30 days. Information about the Group's exposure to foreign exchange risk is provided in note 2.

NOTE 20. PROVISIONS

	2023 $'000	2022 $'000
Provisions (Current)		
Leave Obligations	19,131	17,793
Employee benefits	3,299	2,891
Decommissioning and restoration	3,130	1,323
	25,560	**22,007**

The leave obligations cover the group's liabilities for long service leave and annual leave which are classified as either current or non-current benefits. The current portion of this liability includes all of the accrued annual leave, the unconditional entitlements to long service leave where employees have completed the required period of service and also for those employees that are entitled to pro-rata payments in certain circumstances. The entire amount of the provision of $19.1 million (2022 $17.8 million) is presented as current, since the group does not have an unconditional right to defer settlement for any of these obligations. However, based on past experience, the group does not expect all employees to take the full amount of accrued leave or require payment within the next 12 months.

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

	2023 $'000	2022 $'000
Current leave obligations expected to be settled after 12 months	9,581	8,894

Movements in provision for decommissioning and restoration (current) are set out below

	2023 $'000	2022 $'000
Balance at beginning of year	1,323	1,487
Payments	(342)	(138)
Transfers from non-current provisions	2,149	(26)
Balance at the end of the year	**3,130**	**1,323**

	2023 $'000	2022 $'000
Provisions (Non-Current)		
Leave obligations	2,864	2,598
Employee benefits	98	181
Decommissioning and restoration	77,764	77,586
	80,726	**80,365**

Movements in provision for decommissioning and restoration are set out below

	2023 $'000	2022 $'000
Balance at beginning of the year	77,586	85,235
Change in estimate	1,068	(8,630)
Unwinding of discount	2,981	1,911
Transfers to current provisions	(2,149)	26
Rehabilitation work completed	(1,722)	(956)
	77,764	**77,586**

The main component of the provision for decommissioning and restoration costs is for the Group's obligation to rehabilitate the Savage River and Port Latta sites for the disturbance caused by its operations. The rehabilitation provision also includes an obligation under the Tasmanian Goldamere Pty Ltd Act 1996 to repay the Tasmanian Government for part of the purchase of the mine through expenditure on remediation.

NOTE 21. DEFERRED TAX ASSETS (LIABILITIES)

The balance comprises temporary differences attributable to:

	2023 $'000	2022 $'000
Deferred Tax Assets		
Property, plant and equipment	15,150	16,572
Decommissioning and restoration	22,396	21,954
Employee benefits	7,617	7,039
Foreign exchange	-	353
Trade Receivables	56	56
Trade payable	14	-
Total deferred tax assets	**45,233**	**45,974**
Deferred tax liabilities		
Mine properties and development	(91,013)	(55,912)
Foreign exchange	(270)	-
Inventory	(6,838)	(6,368)
Derivatives	(1,048)	(1,068)
Trade Payables	-	(141)
Prepayments	(2)	(1)
Total deferred tax liabilities	**(99,171)**	**(63,490)**
Total net deferred tax assets (liabilities)	**(53,938)**	**(17,516)**

NOTE 22. SHARE-BASED PAYMENT

In May 2022 and December 2023, Grange Resources Limited (Parent Company) granted performance rights in three tranches and to be settled by issuance of shares to three key management personnel. Each right is entitled to one equity share with a vesting date of 31 December 2024 and 31 December 2025.

Tranche 1 requires a total share return (TSR) hurdle while Tranche 2 and Tranche 3 requires a series of non-market-based business objectives.

The performance rights granted were determined to be an equity settled shared-based payment transaction. The fair value at grant date for tranche 1 is estimated using a Monte Carlo model, adjusted to take account of the Shareholder Return ("TSR") target required for the Performance Rights to vest while for tranche 2 and 3 using a Black Scholes Option Pricing. The fair value at the grant date was estimated using the following assumptions:

2023 Performance Rights	Tranche 1	Tranche 2	Tranche 3
Grant Date	19 December 2023	19 December 2023	19 December 2023
The life of performance rights (years)	2	2	2
Share price at grant dates	$0.435	$0.435	$0.435
Expected volatility	60%	60%	60%
Dividend yield	9.2%	9.2%	9.2%
Risk free interest rates	3.8%	3.8%	3.8%
TSR at measurement dates (tranche 1 only relative to index)	-46.2	N/A	N/A
The assessed fair value at grant date of options granted in 2023	$0.091	$0.364	$0.364

2022 Performance Rights	Tranche 1A	Tranche 2A	Tranche 1B	Tranche 2 B	Tranche 1C	Tranche 2C
Grant Date	10 May 2022	10 May 2022	27 May 2022	27 May 2022	30 May 2022	30 May 2022
The life of performance rights (years)	2.6	2.6	2.6	2.6	2.6	2.6
Share price at grant dates	$1.220	$1.220	$1.550	$1.550	1.585	1.585
Expected volatility	55%	55%	55%	55%	55%	55%
Dividend yield	3.3%	3.3%	3.3%	3.3%	3.3%	3.3%
Risk free interest rates	2.9%	2.9%	2.9%	2.9%	2.9%	2.9%
TSR at measurement dates (tranche 1 only relative to index)	61.6%	N/A	96.7%	N/A	98.8%	N/A
The assessed fair value at grant date of options granted in 2022	$0.889	$1.120	$1.211	$1.451	$1.229	$1.486

NOTE 23. 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.

(a) Movements in ordinary share capital	**Number of Shares**	**$'000**
Balance at 1 Jan 2023 / 31 Dec 2023	**1,157,338,698**	**331,513**

NOTE 24. RETAINED EARNINGS

Retained earnings attributable to owners of Grange Resources

	2023 $'000	**2022 $'000**
Movements in retained earnings were as follows		
Balance at the beginning of the year	574,833	541,979
Profit for the year	150,104	171,735
Dividends paid	(23,147)	(138,881)
Balance at the end of the year	**701,790**	**574,833**

NOTE 25. DIVIDENDS

	2023 $'000	**2022 $'000**
Fully franked final dividend for the year ended 31 December 2022 - 2.0 cents per share	23,147	-
Fully franked interim dividend for half year ended 30 June 2022 - 2.0 cents per share	-	23,147
Fully franked final dividend for the year ended 31 December 2021 - 10.0 cents per share	-	115,734
	23,147	**138,881**

Since the end of the financial year the directors have recommended the payment of a 2.0 cent final dividend of $23.1 million. The final dividend was declared NIL conduit foreign income and will be paid on 28 March 2024.

FRANKED DIVIDENDS

The final dividends recommended after 31 December 2023 will be fully franked out of existing franking credits, or out of franking credits arising from the payment of income tax in the year ending 31 December 2023.

	31 December 2023 $'000	**31 December 2022 $'000**
Franking credits available for subsequent reporting periods Based on a tax rate of 30% (2022 - 30%)	103,818	87,262

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 26. REMUNERATION OF AUDITORS

During the period the following fees were paid or payable for services provided by the auditor of the parent entity, its related practices and non-related audit firms.

	2023 $	**2022 $**
Assurance Services PwC Australia		
Audit and review of financial reports	267,950	238,750
Other assurance services	11,000	26,650
Network firms of PwC Australia	22,786	18,147
	301,736	**283,547**
Non-Assurance Services PwC Australia		
Taxation compliance services	18,797	-
Total remuneration paid	**320,533**	**283,547**

NOTE 27. COMMITMENTS AND CONTINGENCIES

(A) TENEMENT EXPENDITURE COMMITMENTS

In order to maintain the mining and exploration tenements in which the Group is involved, the Group is committed to meet conditions under which the tenements were granted. If the Group continues to hold those tenements, the minimum expenditure requirements (including interests in joint venture arrangements) will be approximately:

	2023 $'000	**2022 $'000**
Within one year	514	386
Greater than one year but not later than 5 years	1,671	1,584
Later than 5 years	1,696	2,482
	3,881	**4,452**

(B) CAPITAL EXPENDITURE COMMITMENTS

Capital expenditure obligations at the end of the reporting period but not recognised as liabilities are as follows:

	2023 $'000	**2022 $'000**
Within one year	9,642	46,967

(C) CONTRACTUAL OPERATING EXPENDITURE COMMITMENTS

Obligations to external parties which arise with respect to legal supply contracts made by the Company (other than lease agreements).

	2023 $'000	**2022 $'000**
Within one year	26,897	55,353
After one year but not more than 5 years	6,936	15,690
	33,833	**71,043**

(D) BANK GUARANTEES

Bank guarantees have been provided on the Group's behalf to secure, on demand by the Minister for Mines and Energy for the State of Queensland, any sum to a maximum aggregate amount of $2,012,963 (2022: $2,012,963), in relation to the rehabilitation of the Highway Reward project.

A Bank guarantee has been provided by Grange Resources (Tasmania) Pty Ltd, held by the Tasmanian Government, as required under Environmental Management and Pollution Control Act 1994 (EMPCA) for the amount of $3,268,311 (2022: $3,174,542).

A Bank guarantee has been provided by Grange Resources (Tasmania) Pty Ltd, held by the National Australia Bank, as required under the Goldamere Agreement and applicable Deeds of Variation, for the amount of $2,800,000 (2022: $2,800,000). This amount is a guarantee against the purchase price outstanding with the Tasmanian government as specified in the Goldamere Agreement.

A Bank guarantee has been provided by Grange Resources Limited, held by the National Australia Bank, as required under the Capacity Auction Agreement governed by the Australian Energy Market Operator Limited (AEMO) for the amount of $1,000,000 (2022: $1,000,000).

Note 27. Commitments and Contingencies (continued)

A Bank guarantee has been provided by Grange Resources Limited for the lease of office in Perth, Western Australia for $39,182 (2022: $39,182).

No material losses are anticipated in respect to the above bank guarantees and the rehabilitation provisions include these amounts.

(E) CONTINGENT ASSETS AND LIABILITIES

The Group did not have any material contingent assets or liabilities at the Balance Sheet Date.

NOTE 28. RELATED PARTY TRANSACTIONS

(A) ULTIMATE PARENT

Grange Resources Limited (Grange) is the ultimate Australian parent company.

(B) SUBSIDIARIES

Interests in subsidiaries are set out in note 29.

(C) KEY MANAGEMENT PERSONNEL COMPENSATION

	2023 $	2022 $
Short term employee benefits	2,038,303	1,672,153
Post-employment benefits	171,255	135,180
Long-term benefits	(58,151)	52,591
Long-term incentives	317,790	202,870
	2,469,197	**2,062,794**

FY2022 key management compensation has been adjusted to include non-monetary benefits for B Maynard.

(D) TRANSACTIONS WITH RELATED PARTIES

During the year the following transactions occurred with related parties:

	2023 $	2022 $
Sales of iron ore products	220,269,938	211,922,470

Sales of iron ore products to Jiangsu Shagang International Trade Co., Ltd, a wholly owned subsidiary of Jiangsu Shagang Group, under long-term off-take agreements.

During the year, 1,033,515 dry metric tonnes of iron ore products were sold to Shagang in accordance with the terms of the long term off-take agreements (2023 Contract Year (1 April 2022 to 31 March 2023): 1,027,521) (2022 contract year (1 April 2021 to 31 March 2022): 707,049 dmt).

(E) OUTSTANDING BALANCES ARISING FROM TRANSACTIONS WITH RELATED PARTIES

The following balances are outstanding at the end of the reporting period in relation to transactions with related parties:

	2023 $	2022 $
Trade receivables (sales of iron ore products)		
Pellets	**7,769,554**	**15,241,644**

Amounts outstanding under the long term off-take agreement with Shagang are unsecured whereas amounts outstanding in respect of spot sales are secured against an irrevocable letter of credit. All outstanding balances will be settled in cash. The credit balance of the receivables in the current year represents the final price adjustments due to the quotation periods and final discharge port results.

There is no allowance account for impaired receivables in relation to any outstanding balances with related parties, and no expense has been recognised during the year in respect of impaired receivables due from related parties (2022: Nil).

LONG TERM OFF-TAKE AGREEMENT

Grange Resources (Tasmania) Pty Ltd (Grange Tasmania) is party to a long term off-take agreement (Pellets and Chips) with Jiangsu Shagang International Trade Co. Ltd (Shagang), a wholly owned subsidiary of Jiangsu Shagang Group Co. Ltd, who, as at 28 February 2024, holds 47.93% (24 February 2023: 47.93%) of the issued ordinary shares of Grange.

Pellets

The key terms of the agreement with Shagang, as advised to the ASX on 23 April 2021, are as follows:

(i) The sale of 1 million dry metric tonnes of iron ore pellets per annum until 2032.

(ii) The price for the iron ore pellets will be based on a price index used by other market participants as agreed by the parties having regard to:

a) seaborne iron ore supply and demand conditions

b) available published price benchmarks for iron ore; and

c) product quality differentials.

Transactions between Shagang and Grange must be approved by non-associated shareholders of Grange, or approved by the Grange independent directors.

RECEIVABLE FROM AND PAYABLE TO RELATED PARTIES

There were no trade receivables from or trade payables to related parties at the current and previous reporting date.

LOANS TO/FROM RELATED PARTIES

There were no loans to or from related parties at the current and previous reporting date.

NOTE 29. SUBSIDIARIES

The consolidated financial statements incorporate the assets, liabilities and results of the following subsidiaries in accordance with the accounting policy described in note 1.

	Percentage of equity interest held by the Group	
Name	**2023 %**	**2022 %**
Ever Green Resources Co., Limited [1]	100	100
Grange Tasmania Holdings Pty Ltd[2]	100	100
Beviron Pty Ltd[2]	100	100
Grange Resources (Tasmania) Pty Ltd	100	100
Grange Capital Pty Ltd	100	100
Grange Administrative Services Pty Ltd	100	100
Barrack Mines Pty Ltd	100	100
Bamine Pty Ltd	100	100
BML Holdings Pty Ltd	100	100
Horseshoe Gold Mine Pty Ltd	100	100
Grange Resources (Southdown) Pty Ltd	100	100
Southdown Project Management Pty Ltd	100	100
Grange Resources Investments Pty Ltd	100	100

[1] Ever Green Resources Co., Limited is incorporated in Hong Kong, and registered as a foreign company under the Corporations Act 2001.
[2] Deregistration applications for Beviron Pty Ltd and Grange Tasmania Holding Pty Ltd were lodged with Australian Securities Investment Commission.

Grange Resources is in the process of simplifying its organisational structure by deregistration of three entities which are:

- Ever Green Resources Co. Limited (EVG) – a Hong Kong incorporated holding entity which is a 100% subsidiary of Grange Resources Limited (GRL)
- Grange Tasmania Holdings Pty Ltd (GTH) - a company incorporated in Australia. 90% of the issued ordinary shares in GTH are held by Ever Green with the remaining 10% held by GRL;
- Beviron Pty Ltd (Beviron) – a company incorporated in Australia which is a 100% subsidiary of GTH.

The organisational restructuring involved the transfer of ordinary issued shares in Grange Resources (Tasmania) Pty Ltd to Grange Resources Limited and the deregistration of Ever Green Resources Co. Limited, Grange Tasmania Holdings Pty Limited and Beviron Pty Ltd.

NOTE 30. INTEREST IN JOINT OPERATIONS

	% Interest	
Name of Joint Operation	**2023**	**2022**
Southdown Magnetite and Associated Pellet Project(s) – Iron Ore	100.00	70.00
Reward - Copper / Gold	31.15	31.15
Highway – Copper	30.00	30.00
Reward Deeps / Conviction - Copper	30.00	30.00
Mt Windsor Exploration - Gold / Base Metals	30.00	30.00
Durack / Wembley – Exploration Gold	15.00	15.00

The joint operations are not separate legal entities. They are contractual arrangements between the participants for the sharing of costs and output and do not in themselves generate revenue and profit.

Mt Windsor Exploration is a joint venture between BML Holdings Pty Limited, a subsidiary of Grange Resources Limited, and Thalanga Copper Mines Pty Ltd. The joint venture was engaged in ore mining and is now being rehabilitated for future lease relinquishment. The principal place of business of the joint venture is at Norton Rose Fullbright, Level 6, 60 Martin Place, Sydney, New South Wales, 2000.

The Southdown Magnetite Project, situated 90km from the city of Albany in Western Australia, is an advanced project with over 1.2 billion tonnes of high quality resource and access to established infrastructure. Progress of the definitive feasibility study on a 5 Mtpa development case is under review.

During the year, the Company completed the reacquisition of 30% interest in the Project. Grange Resources Limited now holds 100 per cent ownership in the Project. The reacquisition was as an acquisition of asset and the consideration paid of $15.1 million and transfer duty $0.8 million of were allocated to identifiable assets and liabilities as follows:

	2023 $'000
Property, plant and equipment	15,740
Other assets	139
Liabilities	(16)
Total acquisition costs	**15,863**

NOTE 31. RECONCILIATION OF PROFIT AFTER INCOME TAX TO NET CASH INFLOW FROM OPERATING ACTIVITIES

	2023 $'000	2022 $'000
Profit for the year	150,104	171,735
Unwinding of discount	2,981	1,911
Depreciation and amortisation	55,552	25,532
Mine properties and development amortisation	66,746	30,115
Other non-cash income	(145)	(1,022)
Interest expense	815	484
Proceeds from sale of property, plant and equipment	(11)	1
Loss on disposal of property plant and equipment	3,558	18
Loss on derecognition of right of use assets	810	4,030
Loss (gain) on financial instruments	68	(2,255)
Net unrealised foreign exchange gain	(1,274)	(9,371)
Change in operating assets and liabilities		
Increase in trade and other receivables	(16,191)	(34,347)
Increase in inventories	(16,912)	(903)
Decrease in deferred tax assets	36,422	60,861
Increase in trade and other payables (excluding tax payable)	(7,383)	13,622
(Decrease) increase in other provisions	1,928	(540)
Decrease in provision for income tax payable	(9,960)	(62,926)
Net cash inflow from operating activities	**267,108**	**196,945**

NOTE 32. EARNINGS PER SHARE

	2023 Cents	2022 Cents
Basic earnings per share		
From continuing operations attributable to the ordinary equity holders of the Company	12.97	14.84
Diluted earnings per share		
From continuing operations attributable to the ordinary equity holders of the Company	12.96	14.84

(A) RECONCILIATIONS OF EARNINGS USED IN CALCULATING EARNINGS PER SHARE

	2023 $'000	2022 $'000
Basic earnings per share		
Profit attributable to the ordinary equity holders of the Company used in calculating basic earnings per share from continuing operations	150,104	171,735
Diluted earnings per share		
Profit attributable to the ordinary equity holders of the Company used in calculating diluted earnings per share from continuing operations	150,104	171,735

(B) WEIGHTED AVERAGE NUMBER OF SHARES USED AS THE DENOMINATOR

	2023 Number	2022 Number
Weighted average number of ordinary shares used as the denominator in calculating basic earnings per share	1,157,338,698	1,157,338,698
Weighted average number of ordinary shares used as the denominator in calculating diluted earnings per share	1,158,380,716	1,157,486,563

Weighted average number of ordinary shares in calculating diluted earnings per shares includes options of 1,042,018 over ordinary shares.

NOTE 33. PARENT ENTITY INFORMATION

(A) SUMMARY FINANCIAL INFORMATION

The individual financial statements for the parent entity show the following aggregate amounts:

	2023 $'000	2022 $'000
Balance Sheet		
Current assets	8,090	1,514
Total assets	860,602	1,074,811
Current liabilities	7,588	20,351
Total liabilities	38,988	52,023
Shareholders' equity		
Contributed equity	392,475	392,475
Reserves	31,434	31,244
Retained profits	397,705	599,069
	821,614	**1,022,788**
Profit (loss) for the year	(178,650)	787,207
Total comprehensive income for the year	**(178,650)**	**787,207**

(B) CONTINGENT LIABILITIES OF THE PARENT ENTITY

OTHER CONTINGENT LIABILITIES

Pursuant to the terms of an agreement dated 21 November 2003, under which the Company purchased certain tenements comprising the Southdown project, the Company is required to make a further payment of $1,000,000 to MedAire, Inc upon commencement of commercial mining operations from those tenements.

NOTE 34. EVENTS OCCURRING AFTER THE REPORTING PERIOD

On 19 February 2024, the Board approved the plan to transition from North Pit open pit to underground mining over the next five years.

DIRECTORS' DECLARATION

In the directors' opinion:

- the attached financial statements and notes comply with the Corporations Act 2001, the Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements;
- the attached financial statements and notes comply with International Financial Reporting Standards as issued by the International Accounting Standards Board as described in note 1 to the financial statements;
- the attached financial statements and notes give a true and fair view of the Group's financial position as at 31 December 2023 and of its performance for the financial year ended on that date; and
- there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

The directors have been given the declarations required by section 295A of the Corporations Act 2001.

Signed in accordance with a resolution of directors made pursuant to section 295(5)(a) of the Corporations Act 2001.

On behalf of the directors

Michelle Li

Chairperson of the Board of Directors

28 February 2024

Independent auditor's report

To the members of Grange Resources Limited

Report on the audit of the financial report

Our opinion

In our opinion:

The accompanying financial report of Grange Resources Limited (the Company) and its controlled entities (together the Group) is in accordance with the *Corporations Act 2001*, including:

(a) giving a true and fair view of the Group's financial position as at 31 December 2023 and of its financial performance for the year then ended

(b) complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

What we have audited

The Group financial report comprises:

- the consolidated statement of financial position as at 31 December 2023
- the consolidated statement of comprehensive income for the year then ended
- the consolidated statement of changes in equity for the year then ended
- the consolidated statement of cash flows for the year then ended
- the notes to the consolidated financial statements, including material accounting policy information and other explanatory information
- the directors' declaration.

Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial report* section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

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 our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

Our audit approach

An audit is designed to provide reasonable assurance about whether the financial report is free from material misstatement. Misstatements may arise due to fraud or error. They are considered material if

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individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial report.

We tailored the scope of our audit to ensure that we performed enough work to be able to give an opinion on the financial report as a whole, taking into account the geographic and management structure of the Group, its accounting processes and controls and the industry in which it operates.

Audit scope	Key audit matters
• Our audit focused on where the Group made subjective judgements; for example, significant accounting estimates involving assumptions and inherently uncertain future events.	• Amongst other relevant topics, we communicated the following key audit matters to the Audit and Risk Committee: – Carrying value assessment for the Savage River cash generating unit (CGU) – Accounting for the cost of rehabilitation • These are further described in the *Key audit matters* section of our report.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report for the current period. The key audit matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. Further, any commentary on the outcomes of a particular audit procedure is made in that context.

Key audit matter	How our audit addressed the key audit matter
Carrying value assessment for the Savage River cash generating unit (CGU) *(Refer to note 3(b))* The carrying value assessment of the Savage River CGU, which consists of the mine and pelletising plant, was a key audit matter given the significance of the carrying amount to the consolidated statement of financial position and the significant judgements and assumptions required in estimating the fair value associated with the approved plan to transition from open pit to underground mining in 2027. There were a number of factors in the assessment requiring judgement by the Group including: • the pellet (final product) price and the AUD/USD exchange rates • the discount rate • estimation uncertainty associated with forecast of	We developed our understanding of the process by which the cash flow forecasts were prepared, tested the mathematical accuracy of the discounted cash flow model, and assessed that the methodology utilised to determine the recoverable amount was consistent with Australian Accounting Standards. We satisfied ourselves that the operating and capital expenditure forecasts were consistent with the board approved life of mine plan We assessed: • the long term pellet price and AUD/USD exchange rate assumptions by agreeing them to analysis performed by external parties and comparing them to economic and industry forecasts • the discount rate by assessing the cost of capital for the Group, assisted by PwC valuation experts, and comparing the rate to market data

Key audit matter	How our audit addressed the key audit matter
operating and capital expenditure The Group prepared a discounted cash flow model ('the model') to determine the recoverable amount of the Savage River CGU balance, which requires a number of assumptions as described in Note 3b.	• the reasonableness of disclosures made in the financial report in line with requirements of Australian Accounting Standards
Accounting for the cost of rehabilitation *(Refer to note 20)* The main component of the provision for decommissioning and restoration costs is for the Group's obligation to rehabilitate the Savage River and Port Latta sites for the disturbance caused by its operations. The rehabilitation provision also includes an obligation under the Tasmanian Goldamere Pty Ltd Act 1996 to repay the Tasmanian Government for part of the purchase of the mine through expenditure on remediation. The net present value of the cost of rehabilitation is recorded as a provision of $77.8 million (non-current) and $3.1 million (current), for a total of $80.9 million. Given the financial significance of this balance and the judgments involved in accounting for the cost of rehabilitation, this was a key audit matter.	To assess the accounting for the cost of rehabilitation, we performed the following procedures, amongst others: • Obtained the Group's calculation of the rehabilitation provision. We checked the mathematical accuracy on a sample of calculations and whether the timing of the cash flows in the rehabilitation models was consistent with the latest life of mine plan. • Assessed whether the discount rates used in the rehabilitation models were reasonable by comparing them to market data. • Where external and internal experts were used by the Group to estimate remediation costs, we assessed our ability to use their estimates, considering their objectivity, competency and capability and assessing that the scope of work they performed was appropriate for the purposes of the estimate. • We compared the Group's significant assumptions on rehabilitation costs to other similar costs in the business or external data where appropriate.

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report for the year ended 31 December 2023, but does not include the financial report and our auditor's report thereon. Prior to the date of this auditor's report, the other information we obtained included the Directors' Report, Corporate Governance Statement. We expect the remaining other information to be made available to us after the date of this auditor's report.

Our opinion on the financial report does not cover the other information and we do not and will not express an opinion or any form of assurance conclusion thereon through our opinion on the financial report. We have issued a separate opinion on the remuneration report.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

When we read the other information not yet received, if we conclude that there is a material misstatement therein, we are required to communicate the matter to the directors and use our professional judgement to determine the appropriate action to take.

Responsibilities of the directors for the financial report

The directors of the Company are responsible for the preparation of the 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 financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial report.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at: https://www.auasb.gov.au/admin/file/content102/c3/ar1_2020.pdf. This description forms part of our auditor's report.

Report on the remuneration report

Our opinion on the remuneration report

We have audited the remuneration report included in the directors' report for the year ended 31 December 2023.

In our opinion, the remuneration report of Grange Resources Limited for the year ended 31 December 2023 complies with section 300A of the *Corporations Act 2001*.

Responsibilities

The directors of the Company are responsible for the preparation and presentation of the remuneration report in accordance with section 300A of *the Corporations Act 2001*. Our responsibility is to express an opinion on the remuneration report, based on our audit conducted in accordance with Australian Auditing Standards.

PricewaterhouseCoopers

PricewaterhouseCoopers

C Dodd

Chris Dodd
Partner

Melbourne
28 February 2024

TENEMENT SCHEDULE

As at 28 February 2024

PROSPECT	TENEMENT	INTEREST
TASMANIA		
Savage River	2M/2001	100% (1)
	14M/2007	100% (1)
	11M/2008	100% (1)
	4M/2019	100% (1)
	EL30/2003	100% (1)
	EL8/2014	100% (1)
WESTERN AUSTRALIA		
Southdown	M70/1309	100% (3)
	G70/217	100%
	R70/61	100%
	L70/185	100%
	L70/186	100%
	L70/188	100$ (2)
	L70/201	100$ (2)
	L70/225	100$ (2)
Wembley	M52/801	15% (4) (5)
QUEENSLAND		
Mt Windsor JV	ML 1571	30% (6)
	ML 1734	30% (6)
	ML 1739	30% (6)
	ML 10028	30% (6)
	ML 1758	30% (6)

Notes:

1. Held by Grange Resources (Tasmania) Pty Ltd.
2. Under application.
3. Subject to conditional purchase agreement with Medaire Inc.
4. Subject to 1% Net Smelter Return royalty with Lac Minerals (Australia) NL.
5. Subject to joint venture agreement with Aragon Resources Pty Ltd.
6. Subject to joint venture agreement with Thalanga Copper Mines Pty Limited.

LIST OF SIGNIFICANT ASX ANNOUNCEMENTS

From 1 January 2023 through to 30 January 2024

Date	Announcement
25-Jan-24	GRR - Quarterly Report for 3 months ended 31 December 2023
02-Jan-24	Board Update
22-Dec-23	Company Update
21-Dec-23	Initial Director's Interest Notice
21-Dec-23	Director Appointment
27-Oct-23	GRR - Quarterly Report for 3 months ended 30 September 2023
06-Sep-23	Final Director's Interest Notice
06-Sep-23	Board Update
25-Aug-23	Half Yearly Report and Accounts
25-Aug-23	Appendix 4D - Half Year Ending 30 June 2023
24-Aug-23	Board Update
26-Jul-23	GRR - Quarterly Report for 3 months ended 30 June 2023
23-May-23	Change of Director's Interest Notice
09-May-23	Constitution
09-May-23	Results of Meeting
09-May-23	AGM Presentation
08-May-23	Amended Annual Report
27-Apr-23	GRR - Quarterly Report for 3 months ended 31 March 2023
11-Apr-23	Annual Report to Shareholders
11-Apr-23	Notice of Annual General Meeting/Proxy Form
31-Mar-23	Savage River Mineral Resources and Ore Reserves Update
28-Mar-23	Date of AGM
01-Mar-23	Initial Director's Interest Notice
01-Mar-23	Director Appointment
24-Feb-23	Corporate Governance Statement
24-Feb-23	Appendix 4G
24-Feb-23	Dividend/Distribution - GRR
24-Feb-23	Grange Full Yr Statutory Accts 12 Months Ended 31 Dec 2022
24-Feb-23	Grange Resources Limited Appendix 4E - 31 December 2022
27-Jan-23	GRR - Quarterly Report for 3 months ended 31 December 2022
11-Jan-23	Ceasing to be a substantial holder

ASX ADDITIONAL INFORMATION

Additional information required by the Australian Securities Exchange Limited and not shown elsewhere in this report is as follows. The shareholder information set out below was applicable as at 30 January 2024 except where otherwise indicated.

ORDINARY SHARES

Twenty Largest Shareholders as at 30 January 2024

The twenty largest holders of ordinary fully paid shares are listed below:

Name	Number	%
Shagang International Holdings Ltd (Hong Kong)	554,762,656	47.9
Pacific International Co (Hong Kong)	31,234,348	2.7
Acadian Asset Management LLC (United States)	26,041,764	2.3
DFA Australia Ltd. (Australia)	22,030,176	1.9
Dimensional Fund Advisors LP (United States)	19,473,676	1.7
Realindex Investments Pty Ltd. (Australia)	15,807,859	1.4
Macquarie Investment Management Ltd. (Australia)	15,086,095	1.3
Vinva Investment Management Ltd. (Australia)	9,206,998	0.8
Rathvale Pty Ltd (Australia)	8,795,750	0.8
Vanguard Investments Australia Ltd. (Australia)	8,740,249	0.8
LSV Asset Management (United States)	8,291,000	0.7
Credit Suisse AG (Switzerland)	7,200,936	0.6
Swinnerton, John (Australia)	5,600,000	0.5
ABN AMRO Bank NV (Netherlands)	5,489,704	0.5
Stubbe, E.F.L. (Netherlands)	5,300,000	0.5
State Street Global Advisors, Australia, Ltd. (Australia)	4,871,110	0.4
American Century Investment Management, Inc. (United States)	4,444,410	0.4
Goldman Sachs International (Collateral Account) (United Kingdom)	4,353,379	0.4
Saxo Bank A/S (Denmark)	4,198,938	0.4
Interactive Brokers - Private Clients (Various Countries)	4,128,020	0.4
Sub-total	**765,057,068**	**66.1**

DISTRIBUTION OF EQUITY SECURITIES

Analysis of number of shareholders by size and holding:

	Ordinary Shares	Director Options	Employee Options	Other Options
1 - 1,000	1,705	-	-	-
1,001 - 10,000	5,464	-	-	-
10,001 - 100,000	3,480	-	-	-
100,001 - and over	554	-	-	-
Total	**11,203**	**0**	**0**	**0**

The number of shareholders holding less than a marketable parcel of Ordinary Shares at 30 January 2024 was 1,767.

VOTING RIGHTS

All shares carry one vote per share without restriction.

SUBSTANTIAL SHAREHOLDERS

An extract of the Company's Register of Substantial Shareholders as at 30 January 2024 is set out below:

Name	Number of Fully Paid Ordinary Shares	Voting Power
Shagang International Holdings Ltd (Hong Kong)	554,762,656	47.9%

SECURITIES SUBJECT TO VOLUNTARY ESCROW

The following securities are subject to voluntary escrow:

Class of Security	Number of Securities	Escrow period ends
Fully Paid Ordinary Shares	Nil	Not applicable

UNQUOTED SECURITIES

Security Code	Security Name	Total Holders	Total Holdings
GRRAU	Performance Rights	3	295,728

DISTRIBUTION OF UNQUOTED SECURITIES

Analysis of number of security holders by size and holding:

	Ordinary Shares	Director Options	Employee Options	Other Options
1 - 1,000	-	-	-	-
1,001 - 10,000	-	-	-	-
10,001 - 100,000	2	-	-	-
100,001 - and over	1	-	-	-
Total	**3**	**0**	**0**	**0**

SUBSTANTIAL UNQUOTED SECURITY HOLDERS

An extract of the Company's Register of Substantial Unquoted Securityholders as at 30 January 2024 is set out below:

Name	Number of Performance Rights
Mr Honglin Zhao	140,343
Mr Ben Maynard	80,679
Mr Thanh Steven Phan	74,706

GRANGE RESOURCES

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