

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



**Australia's most experienced magnetite producer**

**Financial Report - 31 December 2025**

**Grange Resources Limited**  
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**31 December 2025**

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**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 is 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 26 February 2026. The directors have the power to amend and reissue the financial statements.

**Grange Resources Limited**  
**Directors' report**  
**31 December 2025**

The directors present their report, together with the consolidated financial statements, on the consolidated entity (the 'Group') consisting of Grange Resources Limited ('Grange', 'Grange Resources' or 'Company') and the entities it controlled at the end of, or during, the year ended 31 December 2025.

**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
Fong Hoon	Non-Executive Director
Ajanth Saverimutto	Non-Executive Director
Tianxiao Shen	Non-Executive Director (resigned on 30 December 2025)
Jiajia Jiang	Non-Executive Director
Chongtao Xu	Executive Director (resigned on 10 April 2025)

**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.

**Chongtao Xu**

Executive Director

Mr Xu is a former head of the 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 a marketable value of over four billion Australian dollars. Mr Xu holds a Master of Science (Hons) from University College London.

Mr Xu resigned as a director of the Company on 10 April 2025

**Fong Hoon, MBus, CA, FCPA, FGIA, GAICD**

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

Mr Hoon, a chartered accountant with a master's degree in business, has a strong background in commercial, financial and audit matters and has extensive Australian and South East Asian business network across a wide range of sectors.

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**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.

**Tianxiao Shen**

Non-independent Non-executive Director

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 resigned on 30 December 2025.

**Jiajia Jiang**

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

Mr Jiang currently holds the position of investment Management Director in Shagang Group Investment Holding Co Ltd, being responsible for venture capital investment and project post investment management. Prior to this appointment Mr. Jiang joined Shagang group in 2013 as an Assistant Director of the investment Department of Shagang Group.

Mr Jiang holds a Bachelor of Law degree majoring in economic law.

**Company Secretary**

**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) and 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 year, 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.

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**Dividends**

Dividends paid during the financial year were as follows:

	<b>2025</b>	<b>2024</b>
	<b>\$'000</b>	<b>\$'000</b>
Fully franked interim dividend for the half year ended 30 June 2024 - 0.5 cents per share	-	5,787
Fully franked final dividend for the year ended 31 December 2023 - 2.0 cents per share	-	23,147
	-	<b>28,934</b>

**Operating and Financial Review**

*Key Highlights*

**Mining operations**

- Pellet production of 2.21 million tonnes for the year compared to 2.47 million tonnes for the prior year.
- Total iron ore product sales of 2.30 million tonnes for the year compared to 2.53 million tonnes for the prior year.
- Profit after tax of \$46.6 million for the year compared to \$58.5 million for the prior year, on revenues from operations of \$477.9 million compared to \$520.08 million for the prior year.
- Average realised product price (FOB Port Latta) of A\$189.44 per tonne for the year compared to A\$182.94 per tonne for the prior year.
- Unit "C1" cash operating costs of \$164.69 per tonne for the year compared to \$146.14 for the prior year.
- Cash and liquid investments of \$275.15 million at the end of year compared to \$298.05 million at the end of the prior year (refer to the consolidated statement of cash flows)

*Safety performance*

A focus on safety has been maintained across the business with over 900 days Lost Time Injury Free achieved.

*Key Metrics*

Key revenue metrics for the year ended 31 December 2025 and the preceding 2024 year were as follows:

	<b>2025</b>	<b>2024</b>
Iron Ore Pellet Sales (dmt)	2,159,771	2,363,528
Iron Ore Concentrate Sales (dmt)	20	20
Iron Ore Chip Sales (dmt)	140,880	169,321
<b>Total Iron Ore Product Sales (dmt)</b>	<b>2,300,671</b>	<b>2,532,869</b>
Average Realised Product Price (US\$/t FOB Port Latta)*	122.57	120.31
Average Realised Exchange Rate (AUD:USD)	0.6470	0.6577
Average Realised Product Price (A\$/t FOB Port Latta)	189.44	182.94

*\*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.*

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Key operating metrics for the year ended 31 December 2025 and the preceding 2024 year were as follows:

	<b>2025</b>	<b>2024</b>
Total BCM Mined	14,279,898	16,249,582
Total Ore BCM	1,916,847	2,274,113
Concentrate Produced (t)	2,221,357	2,611,876
Weight Recovery (%)	39.6	41.0
Pellets Produced (t)	2,210,227	2,469,650
Pellets Stockpile (t)	293,369	242,913
"C1" Operating Cost (A\$/t Concentrate Produced)	164.69	146.14

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 during 2025 focused on continued cut back in North Pit and ore delivery from Centre Pit, with stripping accelerated safely and total material movement completed ahead of budget. Centre Pit remained the primary ore source, delivering additional ore than planned, which supported higher processing grades and stronger concentrate production.

Ore from Centre Pit was blended with North Pit ore and existing stockpiles to sustain production and maintain pellet quality. As mining progressed deeper into Centre Pit, additional progressive movement of the East Wall was identified, most notably in the southern end of Centre Pit. The risk has been actively managed through enhanced monitoring, modelling, and mine planning controls. Backfilling was identified late 2025 as the most effective stabilisation measure to reduce movement and mitigate the risk of a larger slope failure. Preparatory work was completed to define the scope and schedule of this work. Mining of Centre Pit current stage is planned to be completed in early 2026 followed by progressive backfilling.

North Pit operations focused on waste stripping to support future ore access and the transition to underground mining.

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

During 2025 the North Pit Underground Development Project (NPUG) progressed toward Final Investment Decision (FID). Activities completed during the year included limited decline development, installation of ventilation and pumping infrastructure, completion of a ventilation raise, and establishment of critical services. Underground mine design was updated to address Independent Technical Expert (ITE) requirements, and technical due diligence with lenders and advisers is in progressed.

Pre-FID commitments were progressed to preserve the project schedule, including tender preparation, crusher and conveyor studies, and identification of opportunities to minimise sustaining cost exposure. Updated schedules target commencement of underground development in 2028, subject to FID approval.

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## **Downstream Processing**

### ***Concentrator***

During 2025 concentrate production exceeded budget, providing a stable feed source for pelletising operations.

Capital investments continued with the continued safe closure of Main Creek Tailing Dam & replacement of Ball Mill Shell #1 after 57 years of operation.

### ***Pellet Plant and Port Operations***

Pelletising operations performed well overall, with pellet production exceeding budget.

Furnace 4 operated throughout the year without the addition of anthracite, supported by refractory repairs and operational improvements. Further progress was made towards rolling the Furnace 4 design out across remaining operating furnaces for sustained reduction in coal consumption and associated CO<sub>2</sub>-e emissions, while maintaining stable furnace performance. Capital maintenance and reliability programs progressed in line with plan, including the Furnace 4 works, pellet plant structural repairs, and ship loading upgrades, improving downstream processing reliability and shipping performance.

## **Financial Position**

Grange's net assets increased during the year to \$1,108.2 million (31 December 2024: \$1,061.3 million). The key movements in net assets during the year are a result of the following:

- An increase in cash and cash equivalents by \$23.1 million
- An increase in inventories of \$21.9 million
- An increase in mine properties and development of \$113.5 million
- An increase in trade and other receivables \$35.4 million
- A decrease in trade and other payables \$4.8 million
- A decrease in financial assets \$44.6 million
- A decrease in property plant and equipment \$54.9 million, largely due a transfer to mine properties and development
- An increase in deferred tax liability by \$29.0 million
- An increase in provisions by \$24.9 million

## **Statement of Cash Flows**

### ***Net cash flows from operating activities***

Net cash inflows from operating activities for the year were \$132.5 million (2024: inflows \$239.9 million), decreased compared to prior year mainly due to lower quantities sold and higher operating costs compared to the previous year. These impacts were partially offset by an income tax refund, compared to a tax payment in the previous year.

### ***Net cash flows from investing activities***

Net cash outflows from investing activities for the period were \$109.5 million (2024: outflows \$253.4 million), principally related to expenditures for mine properties and development (\$110.2 million), property, plant and equipment of (\$44.2 million), partially offset by proceeds for term deposits (\$45.4 million).

### ***Net cash flows from financing activities***

Net cash outflows from financing activities for the period were \$1.8 million (2024 outflow: \$30.7 million), related to repayment of lease liabilities.

## **Southdown Magnetite Project**

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

During the year, the review of the Definitive Feasibility Study for the Southdown Magnetite Project continued along with the search for equity investors.

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**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**

No matter or circumstance has arisen since 31 December 2025 that has significantly affected, or may significantly affect the Group's operations, the results of those operations, or the Group's state of affairs in future financial years.

**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. Once the appropriate partners have joined the major iron ore development project at Southdown, a bridging study phase will be undertaken, and a final project description and scope will be produced.

*Savage River and Port Latta Operations*

- Optimising the integration and transition of the Life of Mine Plan from open-cut to underground
- The underground financing is anticipated to materialise in the second quarter of 2026
- Completion of the independent technical expert's assessment
- Commencement of the underground contract mining in July 2026
- 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*

- Ensuring that all tenements, permits and project assets remain in good standing and securing joint venture partners.

*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 including securing project funding

Risk mitigation strategies include the following:

- Optimise timing of sales to the fluctuations in iron ore prices and demands from different markets
- Focussed 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

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## **Environmental regulation**

The mining and exploration tenements held by the Group contain environmental requirements and conditions that the Group must comply with. 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 mine site rehabilitation, etc.

The Group is subject to significant environmental legislation and regulation in respect of its mining, processing and exploration activities which include but are not limited to:

### *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* (LUPAA) 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*. The original land use permit conditions for Savage River and Port Latta are contained in Environmental Protection Notices 248/2 and 302/2 respectively. Environmental Management Plans were submitted for Savage River and Port Latta on 21 December 2010 with the most recent iteration submitted to EPA on 18 December 2024. 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 Pty Ltd (Agreement) Act 1996* and the environmental permits, sets the legal basis for the management of all environmental aspects of the mining leases. The Group has been materially relieved of legal and financial environmental obligation in relation to legacy contamination, pollutants or pollution caused by operations prior to Royal Assent of the *Goldamere Pty Ltd (Agreement) Act* on 16 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 Permit Conditions-Environmental No. 8808, as well as federal approval under the *Environment Protection and Biodiversity Conservation Act 1999* in April 2014 under EPBC approval 2012/6393. 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. On 6th August 2024 the Group also received approval for North Pit Underground as an operational underground mine under Permit Conditions-Environmental No. 12021 and on 14<sup>th</sup> August 2024 from DA 54/2024 issued by Waratah Wynyard Council.

### *Southdown Magnetite Project*

There have been no activities on the Southdown Magnetite Project 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. In June 2025, the Joint Venture entered into an Option Agreement with Highway Copper Gold Pty Ltd ("HCG") in which HCG may exercise a call option to purchase the Joint Venture's assets and liabilities within a 12-month option period for total consideration payments of \$250,000.

During the financial year there were no breaches of licence conditions relevant to the Mt Windsor project.

### *National Greenhouse and Energy Reporting Act 2007*

The National Greenhouse and Energy Reporting (NGER) Act 2007 requires the Group to report its financial year 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.

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*National Greenhouse and Energy Reporting (Safeguard Mechanism) Rule 2015*

The Safeguard Mechanism applies to designated large facilities and is triggered when the facility exceeds 100,000 t CO<sub>2</sub>-e as per Division 8 of NGER (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.

In 2024 Grange successfully applied for an emissions intensity determination for the Savage River facility and the Best Practice Emissions Intensity value for the Port Latta facility in accordance with Section 17 of the Safeguard Rule. The Savage River Mine facility successfully received confirmation of our application for a Five-Year Multi Year Monitoring Period.

*National Environment Protection (National Pollutant Inventory) Measure 1998*

The Group is required to report its emissions of specific pollutants each year in line with National Pollutant Inventory (NPI) reporting requirements. The reporting period is a standard financial year and is due by 30 September each year. Both Savage River Mine and Port Latta Pelletising Plant are subject to NPI statutory reporting each year, and the total emissions reported are publicly available.

*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 applies for and has received exemption certificates annually under this scheme.

**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 2025, 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	9	9	6	6	6	6
F Hoon	9	9	6	6	6	6
A Saverimutto	9	9	-	-	6	6
J Jiang <sup>(1)</sup>	9	9	5	6	-	-
T Shen	9	9	-	-	-	-
C Xu <sup>(2)</sup>	3	3	-	-	-	-

Held: represents the number of meetings held during the time the director held office or was a member of the relevant committee.

<sup>1</sup> Apologies from Mr Jiang on 5 March 2025

<sup>2</sup> Mr Xu resigned as a director of the Company on 10 April 2025

**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.

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**(i) Key management personnel disclosed in this report** (please refer to pages 3 to 5 for details about each director)

**Non-executive directors**

Michelle Li  
Fong Hoon  
Ajanth Saverimutto  
Tianxiao Shen (resigned on 30 December 2025)  
Jiajia Jiang

**Key management personnel**

Weidong Wang  
Chongtao Xu (resigned on 10 April 2025)  
Steven Phan  
Ben Maynard  
Grant Bramich

**Position**

Chief Executive Officer  
Investment Director  
Chief Financial Officer  
Chief Operating Officer  
General Manager Operations

**(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 Fong Hoon (Independent Non-executive Director and Committee Chairperson), Dr Michelle Li (Independent Non-executive Chairperson) and Mr Jiajia Jiang (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 Executive Director, Investment Director, Chief Executive Officer, Chief Financial Officer, and the General Manager Operations;
- Periodically assessing the skills required by the Board;
- Recommend processes to evaluate the performance of the Board, its 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.

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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 is 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 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 and G Bramich with the final tranche to be paid in 2026.

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 2023, 2024, and 2025 in three tranches to be settled by issuance of shares to key management personnel. Each right is entitled to one equity share with a vesting date of 31 December 2025 for performance rights granted in 2023, vesting date of 31 December 2026 for performance right granted in 2024 and vesting date of 31 December 2027 for performance right granted in 2025.

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.

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**(iv) Relationship between remuneration and Grange Resources performance**

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

		2021	2022	2023	2024	2025
Revenue from Operations	\$ million	781.70	594.60	614.70	520.80	477.85
Profit after tax	\$ million	321.60	171.70	150.10	58.50	46.60
Basic earnings per share	Cents	27.84	14.84	12.97	5.06	4.03
Dividend payments	\$ million	162.00	138.90	23.10	28.90	-
Share price (last trade day of financial year)	Cents	75.50	84.50	46.50	22.00	28.50

**(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 <sup>(1)</sup>	\$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

<sup>(1)</sup> The Chairperson is not paid any additional amounts for Committee membership.

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**(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 2025**

	Fixed Remunerations					Variable Remunerations			Total	Performance Related	
	Salary & Fees	Non-Monetary Benefits	Annual Leave	Long Service Leave	Super-annuation	STI	LTI Cash	LTI Rights		Total	%
	*	*	^	**	***	*	**	****			
\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	%	
<b>Non-Executive Directors</b>											
M Li	210,000	-	-	-	-	-	-	-	<b>210,000</b>	-	
F Hoon	100,671	-	-	-	11,828	-	-	-	<b>112,499</b>	-	
A Saverimutto	91,500	-	-	-	-	-	-	-	<b>91,500</b>	-	
T Shen <sup>(1)</sup>	81,000	-	-	-	-	-	-	-	<b>81,000</b>	-	
J Jiang	88,500	-	-	-	-	-	-	-	<b>88,500</b>	-	
<b>Sub-total Non-Executive Directors</b>	<b>571,671</b>	-	-	-	<b>11,828</b>	-	-	-	<b>583,499</b>		
<b>Key Management Personnel</b>											
W Wang	386,897	42,538	8,835	2,958	45,460	97,637	-	71,765	<b>656,090</b>	26%	
C Xu <sup>(2)</sup>	210,124	31,184	6,131	2,661	24,690	39,537	3,448	29,655	<b>347,430</b>	21%	
S Phan	403,096	-	12,358	26,752	47,364	96,320	-	75,033	<b>660,923</b>	26%	
B Maynard	456,126	14,183	(2,548)	104	53,595	109,835	-	85,735	<b>717,030</b>	27%	
G Bramich	289,008	13,941	(13,945)	12,789	33,958	52,231	7,953	40,788	<b>436,723</b>	23%	
<b>Sub-total Key Management Personnel</b>	<b>1,745,251</b>	<b>101,846</b>	<b>10,831</b>	<b>45,264</b>	<b>205,067</b>	<b>395,560</b>	<b>11,401</b>	<b>302,976</b>	<b>2,818,196</b>	<b>25%</b>	
<b>TOTAL</b>	<b>2,316,922</b>	<b>101,846</b>	<b>10,831</b>	<b>45,264</b>	<b>216,895</b>	<b>395,560</b>	<b>11,401</b>	<b>302,976</b>	<b>3,401,695</b>	<b>21%</b>	

<sup>(1)</sup> T Shen resigned as non-executive director on 30 December 2025

<sup>(2)</sup> C Xu resigned as executive director on 10 April 2025. Mr Xu remains as a senior executive of the company.

\* 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.

H Zhao (retired as Chief Executive Officer on 15 July 2024) has LTI rights adjustment of (\$9,090) relating to the 2023 forfeiture percentage change.

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**Table 2: Remuneration for the year ended 31 December 2024**

	Fixed Remunerations					Variable Remunerations				Total	Performance Related
	Salary and Fees *	Non-monetary Benefits *	Annual Leave *A	Long Service Leave **	Super-annuation ***	STI *	LTI Cash **	LTI Rights ****			
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	%
<b>Non-Executive Directors</b>											
M Li	210,000	-	-	-	-	-	-	-	-	<b>210,000</b>	-
M Dontschuk <sup>(1)</sup>	25,338	-	-	-	2,787	-	-	-	-	<b>28,125</b>	-
F Hoon <sup>(2)</sup>	70,272	-	-	-	7,972	-	-	-	-	<b>78,244</b>	-
A Saverimutto	91,500	-	-	-	-	-	-	-	-	<b>91,500</b>	-
T Shen	87,604	-	-	-	-	-	-	-	-	<b>87,604</b>	-
J Jiang <sup>(3)</sup>	30,509	-	-	-	-	-	-	-	-	<b>30,509</b>	-
<b>Sub-total Non-Executive Directors</b>	<b>515,223</b>	-	-	-	<b>10,759</b>	-	-	-	-	<b>525,982</b>	
<b>Executive Directors</b>											
H Zhao <sup>(4)</sup>	487,695	68,253	(64,623)	(101,810)	35,386	66,986	11,053	67,253		<b>570,193</b>	25%
C Xu	205,000	25,062	5,078	2,749	23,062	30,649	6,403	13,909		<b>311,912</b>	16%
<b>Key Management Personnel</b>											
W Wang <sup>(5)</sup>	176,969	20,375	12,804	1,367	20,351	36,032	-	17,287		<b>285,185</b>	19%
B Maynard	445,000	21,274	8,993	30,301	50,113	85,645	6,354	106,809		<b>754,489</b>	26%
S Phan	382,080	-	3,410	17,848	42,984	73,109	5,716	95,698		<b>620,845</b>	28%
G Bramich <sup>(6)</sup>	281,960	21,028	13,244	(9,748)	31,720	40,464	17,752	19,130		<b>415,550</b>	19%
<b>Sub-total Key Management Personnel</b>	<b>1,978,704</b>	<b>155,992</b>	<b>(21,094)</b>	<b>(59,293)</b>	<b>203,616</b>	<b>332,885</b>	<b>47,278</b>	<b>320,086</b>		<b>2,958,174</b>	<b>24%</b>
<b>TOTAL</b>	<b>2,493,927</b>	<b>155,992</b>	<b>(21,094)</b>	<b>(59,293)</b>	<b>214,375</b>	<b>332,885</b>	<b>47,278</b>	<b>320,086</b>		<b>3,484,156</b>	<b>20%</b>

<sup>(1)</sup> M Dontschuk resigned as independent non-executive director on 20 March 2024

<sup>(2)</sup> F Hoon was appointed as independent non-executive director on 17 April 2024

<sup>(3)</sup> J Jiang was appointed as independent non-executive director on 25 September 2024

<sup>(4)</sup> H Zhao retired as chief executive officer on 15 July 2024. His 2024 LTI rights granted to be settled in cash rather than shares when they vest in 2027.

<sup>(5)</sup> W Wang was appointed as chief executive officer on 15 July 2024.

<sup>(6)</sup> G Bramich appointed to KMP effective 1 January 2024.

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**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:

Name	Fixed Remuneration		At Risk - STI		At Risk - LTI	
	Dec-25	Dec-24	Dec-25	Dec-24	Dec-25	Dec-24
<b>Key Management Personnel</b>						
W Wang	74%	81%	15%	13%	11%	6%
C Xu	79%	84%	11%	10%	10%	7%
S Phan	74%	72%	15%	12%	11%	16%
B Maynard	73%	74%	15%	11%	12%	15%
G Bramich	77%	81%	12%	10%	11%	9%

**(vii) Contractual arrangements with executive KMPs**

Components	CEO description	Senior executive description
Fixed remuneration	\$413,280	Range between \$235,340 and \$510,860
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.

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**(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) Maximum Opportunity	% of Target STI Awarded	% of Maximum STI Awarded	% Maximum STI Forfeited	Total STI Awarded
	\$	%	%	%	\$
2025					
W Wang	123,984	95%	79%	21%	97,637
C Xu	45,185	105%	88%	12%	39,537
S Phan	108,352	107%	89%	11%	96,320
B Maynard	122,606	108%	90%	10%	109,835
G Bramich	58,264	108%	90%	10%	52,231
	-	-	-	-	-
	<b>458,391</b>				<b>395,560</b>

STI amounts are inclusive of superannuation.

Long Term Incentive	Maximum Opportunity	Total LTI Bonus (Cash)		Share-based Payment Rights	
		Awarded	Awarded	Value Granted	Awarded
2025	\$	%	\$	\$	\$
W Wang	-	-	-	127,571	-
C Xu	-	-	-	58,116	-
S Phan	-	-	-	111,487	59,497
B Maynard	-	-	-	126,154	66,143
G Bramich	-	-	-	79,933	-
H Zhao (retired on 15 July 2024)	-	-	-	-	57,402
	-		-	<b>503,261</b>	<b>183,042</b>

**Share-based compensation**

Grange Resources Limited (Parent Company) granted performance rights in three tranches to be settled by issuance of shares to key management personnel. Each right is entitled to one equity share with a vesting date of 31 December 2025 for those granted in December 2023, vesting date of 31 December 2026 for those granted in June and July 2024 and vesting date of 31 December 2027 for those granted in May 2025.

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). 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.

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<b>Feature</b>	<b>Description</b>
<b>Opportunity/Allocation</b>	CEO - 50% of Fixed Remuneration; Other Key Management Personnel - 40% of Fixed Remuneration.
<b>Performance Hurdles</b>	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.
<b>Exercise Price</b>	\$ Nil
<b>Forfeiture and Termination</b>	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.
<b>Measurement Period</b>	Performance rights granted in November 2023 - 1 January 2023 to 30 December 2025 Performance rights granted in June and July 2024 - 1 January 2024 (June) and 15 July 2024 (July) to 31 December 2026 Performance rights granted in May 2025 - 1 January 2025 to 30 December 2027
<b>Fair value Measurement at Grant Date</b>	Tranche 1 is estimated using a Monte Carlo Model and Tranche 2 and 3 using Black-Scholes option pricing

*Performance conditions for each tranche are as follows:*

<b><u>Tranche 1 (2023, 2024 and 2025) 35% Weighting</u></b> <b>Performance Level</b>	<b>Annualised Grange TSR Compared to TSR of the ASX 300 Metals and Mining TR Index</b>	<b>% of Tranche Vesting</b>
<b>Stretch</b>	$\geq$ 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 (2023, 2024 and 2025) 35% Weighting**

<b>Performance conditions</b>	<b>Return on Equity</b>	<b>% of Tranche Vesting</b>
<b>Stretch</b>	$\geq$ 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-rata
Threshold	= 6% ROE	25%
Below Threshold	< 6% ROE	0%

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**Tranche 3 (2025) 30% Weighting**

Strategic Area	Milestone	% of Tranche Vesting
Deliver Sustainable LOMP	Complete funding requirements of UG transition	30%
Deliver Sustainable LOMP	Reduce the cost down by 10% from DFS estimates	25%
Deliver Sustainable LOMP	Access UG extraction level to key infrastructure and implementing key infrastructure	25%
Develop Strategic Initiatives	Advance Southdown Project by securing a joint venture partner or securing to sell the project at Board approved price.	20%

**Tranche 3 (2024) 30% Weighting**

Strategic Area	Milestone	% of Tranche Vesting
Deliver Sustainable LOMP	Complete NPUG Infrastructure Construction	30%
Deliver Sustainable LOMP	Complete NPUG Material Handling System and meet its commissioning conditions	30%
Develop Strategic Initiatives	Secure at least one JV partner for Southdown Project (signed binding agreement)	10%
Develop Strategic Initiatives	Deliver goals on Grange Carbon emission roadmap	15%
Future Development	Provide 3 major projects for board review for potential purchase	15%

**Tranche 3 (2023) 30% Weighting**

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 conditions 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
<b><u>Tranche 1</u></b> 29 May 2025	31 December 2027	None	Nil	\$130,475	To be determined
<b><u>Tranche 2</u></b> 29 May 2025	31 December 2027	None	Nil	\$260,950	To be determined
<b><u>Tranche 3</u></b> 29 May 2025	31 December 2027	None	Nil	\$111,836	To be determined

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Grant Date	Vesting and Exercise Date	Expiry Date	Exercise Price	Value per Rights at Grant Date	Performance Achieved
<b>Tranche 1</b>					
11 June 2024	31 December 2026	None	Nil	\$91,497	To be determined
15 July 2024	31 December 2026	None	Nil	\$31,237	To be determined
<b>Tranche 2</b>					
11 June 2024	31 December 2026	None	Nil	\$164,805	To be determined
15 July 2024	31 December 2026	None	Nil	\$56,263	To be determined
<b>Tranche 3</b>					
11 June 2024	31 December 2026	None	Nil	\$70,631	To be determined
15 July 2024	31 December 2026	None	Nil	\$24,113	To be determined

Performance Rights Vested in 2025

Grant Date	Vesting and Exercise Date	Expiry Date	Exercise Price	Value per Rights at Grant Date	Performance Achieved	Vested %
<b>Tranche 1</b>						
19 December 2023	31 December 2025	24 May 2037	Nil	\$64,988	-61.36%	-
<b>Tranche 2</b>						
19 December 2023	31 December 2025	24 May 2037	Nil	\$259,950	19.87%	-
<b>Tranche 3</b>						
19 December 2023	31 December 2025	24 May 2037	Nil	\$111,407	25.00%	-

Reconciliation of performance rights held by each key management personnel

2025 Name and Grant Date	Balance at Performance			Vested Number	Vested %	Exercised Number	Other changes	Unattained (forfeited)	Balance at	Balance at
	the Start of the year Unvested	rights granted in 2025	the end of the year Unvested						the end of the year Vested	
H Zhao (retired in July 2024)	414,050	-	(157,697)	19.04%	-	-	(256,353)	-	218,414	
B Maynard	934,045	892,473	(181,712)	38.09%	-	-	(295,390)	1,349,416	223,597	
S Phan	816,787	788,715	(163,452)	38.09%	-	-	(265,708)	1,176,342	202,908	
W Wang	456,989	902,503	-	-	-	-	-	1,359,492	-	
C Xu	207,976	411,140	-	-	-	-	-	619,116	-	
G Bramich	286,052	565,488	-	-	-	-	-	851,540	-	

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:

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31 December 2025	Balance 1 January 2025	On vesting rights	On market purchases	On market disposals	Other	Balance 31 December 2025
<b>Director of Grange Resources Limited</b>						
M Li	13,507	-	-	-	-	13,507
F Hoon	-	-	-	-	-	-
A Saverimutto	-	-	-	-	-	-
C Xu	-	-	-	-	-	-
T Shen	-	-	-	-	-	-
J Jiang	-	-	-	-	-	-
<b>Key Management Personnel</b>						
B Maynard	68,122	-	-	-	-	68,122
S Phan	-	-	-	-	-	-
W Wang	-	-	-	-	-	-
G Bramich	61,084	-	-	-	-	61,084
C Xu	-	-	-	-	-	-
	<b>142,713</b>	-	-	-	-	<b>142,713</b>

**(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**

T Shen is an employee of Shagang International (Singapore) Pte. Ltd. and J Jiang is an employee of Shagang Investment Holding Co. 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 of Shagang, or approved by the Grange independent directors.

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

	2025 \$	2024 \$
<b>Sales of Iron Ore Products</b>		
Pellets	145,695,350	145,130,239

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

	2025 \$	2024 \$
Trade receivables (payables) (sales of iron ore products)		
Pellets	4,352,172	(414,256)

**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.

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**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:

	<b>2025</b>	<b>2024</b>
	\$	\$
<b>Assurance Services</b>		
<b>PwC Australia</b>		
Audit and review of financial reports	315,950	294,450
Other statutory assurance services	103,105	96,500
<b>Total assurance services</b>	<b>419,055</b>	<b>390,950</b>
<b>Total remuneration paid</b>	<b>419,055</b>	<b>390,950</b>

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.

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**31 December 2025**

**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 2025 corporate governance statement was approved by the Board on 23 February 2026.

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](http://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 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 2025. 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.

"Recommendation" Ref ("Principle No" Ref followed by Recommendation Ref)		
2.4	A majority of the Directors are not independent directors.	The Board is currently comprised of five non-executive Directors and one executive Director, three are independent.
7.3(a)	A separate internal audit function has not been formed.	<p>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.</p> <p>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. The company has also appointed Deloitte Australia to periodically conduct internal review of the Company's financial system.</p>

**Grange Resources Limited**  
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This report is made in accordance with a resolution of directors, pursuant to section 298(2)(a) of the Corporations Act 2001.

On behalf of the directors



---

Michelle Li  
Chairperson of the Board of Directors

26 February 2026



## Auditor's Independence Declaration

As lead auditor of Grange Resources Limited's financial report for the year ended 31 December 2025 and lead auditor of Grange Resources Limited's sustainability report for the year ended 31 December 2025, 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 of the financial report or the review of the sustainability report; and
- b) no contraventions of any applicable code of professional conduct in relation to the audit of the financial report or the review of the sustainability report.

A handwritten signature in black ink, appearing to read 'Chris Dodd', is written over a light blue circular stamp.

Chris Dodd  
Lead auditor (financial report and sustainability report)  
Partner  
PricewaterhouseCoopers

Melbourne  
26 February 2026

PricewaterhouseCoopers, ABN 52 780 433 757  
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**Grange Resources Limited**  
**Consolidated statement of comprehensive income**  
**For the year ended 31 December 2025**

	Note	2025 \$'000	2024 \$'000
<b>Consolidated</b>			
Revenue from Operations	5,6	477,854	520,805
Cost of Sales	7	(413,073)	(450,419)
<b>Gross profit from operations</b>		<b>64,781</b>	<b>70,386</b>
Administrative Expenses	8	(7,313)	(5,675)
Exploration and Evaluation Expenditures		(3,385)	(3,809)
Other (Expense)/Income	9	(290)	157
<b>Operating profit before finance costs</b>		<b>53,793</b>	<b>61,059</b>
Finance Income	10	16,460	23,263
Finance Expenses	11	(3,116)	(3,318)
<b>Profit before income tax expense</b>		<b>67,137</b>	<b>81,004</b>
Income tax expense	12	(20,537)	(22,455)
<b>Profit after income tax expense for the year</b>	26	<b>46,600</b>	<b>58,549</b>
Other comprehensive income for the year, net of tax		-	-
<b>Total comprehensive income for the year</b>		<b>46,600</b>	<b>58,549</b>
		<b>Cents</b>	<b>Cents</b>
Basic earnings per share	35	4.03	5.06
Diluted earnings per share	35	4.01	5.04

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

**Grange Resources Limited**  
**Consolidated statement of financial position**  
**As at 31 December 2025**

	Note	2025 \$'000	2024 \$'000
<b>Assets</b>			
<b>Current assets</b>			
Cash and cash equivalents	13,3	94,549	71,449
Trade and other receivables	14	49,596	14,232
Inventories	15	247,597	225,718
Other financial assets	3	184,478	228,527
<b>Total current assets</b>		<b>576,220</b>	<b>539,926</b>
<b>Non-current assets</b>			
Other financial assets	3	828	1,404
Property, plant and equipment	17	232,611	287,543
Right-of-use assets	18	171	1,263
Mine properties and development	19	574,549	461,031
Receivables	16	11,108	10,153
<b>Total non-current assets</b>		<b>819,267</b>	<b>761,394</b>
<b>Total assets</b>		<b>1,395,487</b>	<b>1,301,320</b>
<b>Liabilities</b>			
<b>Current liabilities</b>			
Trade and other payables	20,3	37,793	42,598
Lease liability	18	91	1,266
Provisions	21	26,991	24,280
<b>Total current liabilities</b>		<b>64,875</b>	<b>68,144</b>
<b>Non-current liabilities</b>			
Government grants	23	1,550	1,550
Lease liability	18	85	57
Deferred tax liabilities	22	98,444	69,402
Provisions	21	122,378	100,906
<b>Total non-current liabilities</b>		<b>222,457</b>	<b>171,915</b>
<b>Total liabilities</b>		<b>287,332</b>	<b>240,059</b>
<b>Net assets</b>		<b>1,108,155</b>	<b>1,061,261</b>
<b>Equity</b>			
Contributed Equity	25	331,513	331,513
Reserves		(1,363)	(1,657)
Retained earnings	26	778,005	731,405
<b>Total equity</b>		<b>1,108,155</b>	<b>1,061,261</b>

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

**Grange Resources Limited**  
**Consolidated statement of changes in equity**  
**For the year ended 31 December 2025**

	Issued capital \$'000	Reserves \$'000	Retained earnings \$'000	Total equity \$'000
<b>Balance at 1 January 2024</b>	<b>331,513</b>	<b>(1,977)</b>	<b>701,790</b>	<b>1,031,326</b>
Profit after income tax expense for the year	-	-	58,549	58,549
Other comprehensive income for the year, net of tax	-	-	-	-
Total comprehensive income for the year	-	-	58,549	58,549
<i>Transactions with owners in their capacity as owners:</i>				
Share-based payments (note 24)	-	320	-	320
Dividends paid (note 28)	-	-	(28,934)	(28,934)
<b>Balance at 31 December 2024</b>	<b>331,513</b>	<b>(1,657)</b>	<b>731,405</b>	<b>1,061,261</b>

	Issued capital \$'000	Reserves \$'000	Retained earnings \$'000	Total equity \$'000
<b>Balance at 1 January 2025</b>	<b>331,513</b>	<b>(1,657)</b>	<b>731,405</b>	<b>1,061,261</b>
Profit after income tax expense for the year	-	-	46,600	46,600
Other comprehensive income for the year, net of tax	-	-	-	-
Total comprehensive income for the year	-	-	46,600	46,600
<i>Transactions with owners in their capacity as owners:</i>				
Share-based payments (note 24)	-	294	-	294
<b>Balance at 31 December 2025</b>	<b>331,513</b>	<b>(1,363)</b>	<b>778,005</b>	<b>1,108,155</b>

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

**Grange Resources Limited**  
**Consolidated statement of cash flows**  
**For the year ended 31 December 2025**

	Note	2025 \$'000	2024 \$'000
<b>Cash flows from operating activities</b>			
Receipts from customers and other debtors (inclusive of goods and services tax)		437,795	580,665
Payments to suppliers and employees (inclusive of goods and services tax)		(329,531)	(344,351)
		<b>108,264</b>	<b>236,314</b>
Interest received		15,369	17,622
Interest and other finance costs paid		(116)	(171)
Income taxes received/(paid)		8,997	(13,845)
<b>Net cash inflow from operating activities</b>	34	<b>132,514</b>	<b>239,920</b>
<b>Cash flows from investing activities</b>			
Payments for property, plant and equipment	17	(44,186)	(86,087)
Payments for mine properties and development	19	(110,243)	(113,700)
Proceeds from sale of property, plant and equipment		-	112
Proceeds/(payments) for term and security deposits		45,422	(53,844)
Proceeds from commodity options		(510)	143
<b>Net cash outflow from investing activities</b>		<b>(109,517)</b>	<b>(253,376)</b>
<b>Cash flows from financing activities</b>			
Dividends paid to shareholders	28	-	(28,934)
Repayment of lease liabilities		(1,792)	(1,795)
<b>Net cash outflow from financing activities</b>		<b>(1,792)</b>	<b>(30,729)</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>		<b>21,205</b>	<b>(44,185)</b>
Cash and cash equivalents at the beginning of the financial year		71,449	109,706
Effects of exchange rate changes on cash and cash equivalents		1,895	5,928
<b>Cash and cash equivalents at the end of the financial year</b>	13	<b>94,549</b>	<b>71,449</b>

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

**Grange Resources Limited**  
**Notes to the consolidated financial statements**  
**31 December 2025**

**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 2025:

- AASB 2023-5 Amendments to Australian Accounting Standards – Lack of Exchangeability [AASB 1, AASB 121 & AASB 1060] (effective for annual periods beginning on or after 1 January 2025)

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 2025 reporting periods and have not been early adopted by the Group. Management is currently assessing the detailed implications of applying the new standard on the Group's consolidated financial statements.

*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 4.

**Grange Resources Limited**  
**Notes to the consolidated financial statements**  
**31 December 2025**

**Note 1. Summary of Material Accounting Policies (continued)**

**(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 2025 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 32.

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 33.

**(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 5 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.

**Grange Resources Limited**  
**Notes to the consolidated financial statements**  
**31 December 2025**

**Note 1. Summary of Material Accounting Policies (continued)**

*(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 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

**Grange Resources Limited**  
**Notes to the consolidated financial statements**  
**31 December 2025**

**Note 1. Summary of Material Accounting Policies (continued)**

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 acquiree 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 transaction 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 are 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.

**Grange Resources Limited**  
**Notes to the consolidated financial statements**  
**31 December 2025**

**Note 1. Summary of Material Accounting Policies (continued)**

**(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 11. 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

The Group has elected to not recognise right-of-use assets and lease liabilities for short-term leases that have lease terms of 12 months or less and leases of low value leases such as office equipment. Lease payments relating to these leases are recognised as expense on a straight-line basis over the lease term.

**(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

**Grange Resources Limited**  
**Notes to the consolidated financial statements**  
**31 December 2025**

**Note 1. Summary of Material Accounting Policies (continued)**

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 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

**Grange Resources Limited**  
**Notes to the consolidated financial statements**  
**31 December 2025**

**Note 1. Summary of Material Accounting Policies (continued)**

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.

Cash flows are included in the consolidated 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.

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

**(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

**Grange Resources Limited**  
**Notes to the consolidated financial statements**  
**31 December 2025**

**Note 1. Summary of Material Accounting Policies (continued)**

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.

**Grange Resources Limited**  
**Notes to the consolidated financial statements**  
**31 December 2025**

**Note 1. Summary of Material Accounting Policies (continued)**

**(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*

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.

*Term deposits*

Term deposits held with financial institutions with maturities of more than three months are presented separately on the statement of financial position. Term deposits with a maturity date of more than 12 months after the reporting date are classified as non-current.

**Grange Resources Limited**  
**Notes to the consolidated financial statements**  
**31 December 2025**

**Note 1. Summary of Material Accounting Policies (continued)**

**(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.

*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 in the period which they are incurred.

**(v) Government grants**

Government grants are recognised where there is reasonable assurance that the grant will be received and all attached conditions will be complied with. When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed. When the grant relates to an asset, it is recognised as income in equal amounts over the expected useful life of the related asset.

When the Group receives grants of non-monetary assets, the asset and the grant are recorded at nominal amounts and released to profit or loss over the expected useful life of the asset, based on the pattern of consumption of the benefits of the underlying asset by equal annual instalments.

**(w) Government Royalties**

The government royalties are recognised in accordance with the Mineral Resources Development Act 1995 and Section 16(1)(a) of the Mineral Resources Regulations 2016 which are the primary Tasmanian legislation governing the exploration and mining of minerals, regulating licensing, royalties and land access for mining activities. The royalty expense reflects the applicable rate and calculation methodology prescribed by the legislation and presented as part of cost of sales in the income statement.

**Grange Resources Limited**  
**Notes to the consolidated financial statements**  
**31 December 2025**

**Note 1. Summary of Material Accounting Policies (continued)**

**(x) 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 is 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.

**Grange Resources Limited**  
**Notes to the consolidated financial statements**  
**31 December 2025**

**Note 1. Summary of Material Accounting Policies (continued)**

**(y) 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 35).

**Grange Resources Limited**  
**Notes to the consolidated financial statements**  
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**Note 1. Summary of Material Accounting Policies (continued)**

**(z) 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.

**(aa) 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.

**(ab) Earnings per share (EPS)**

*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.

*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.

**(ac) Parent entity financial information**

The financial information for the parent entity, Grange Resources Limited, disclosed in note 36 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.

**(ad) 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.

**Grange Resources Limited**  
**Notes to the consolidated financial statements**  
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**Note 2. Climate-related matters**

The Group considers climate-related matters in estimates and assumptions, where appropriate. This assessment includes a wide range of possible impacts on the Group due to both physical and transition risks. The Group is closely monitoring relevant changes and development such as new climate-related legislation although climate-related risks might not currently have a significant impact on measurement of items in the financial statements. The items and considerations that might mostly directly to be impacted by climate-related matters are:

- Useful life of property, plant and equipment. When reviewing the residual values and expected useful lives of assets, the Group considers climate-related matters, such as climate-related legislation and regulations that may restrict the use of assets or require significant capital expenditures
- Decommissioning Liability. The impact of climate-related legislation and regulations is considered in estimating the timing and future costs of decommissioning,
- The Group constantly monitors climate-related risks, including physical risks and transition risks when measuring the recoverable amount. While the Group does not believe its operation is currently significantly exposed to physical risks, the value in use may be impacted in several different ways by transition risk, such as climate-related legislation, climate-related regulations and changes in demand for the Group's product.

**Note 3. 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:

	<b>2025</b>	<b>2024</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Financial Assets</b>		
Cash and Cash Equivalent	94,549	71,449
Trade and other receivables	60,074	24,271
Other financial assets	185,306	229,931
	<b>339,929</b>	<b>325,651</b>
<b>Financial Liabilities</b>		
Trade and other payables	37,793	42,598
	<b>37,793</b>	<b>42,598</b>
	<b>2025</b>	<b>2024</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Other financial assets (current)</b>		
Term deposits	180,600	226,600
Derivatives	3,878	1,927
	<b>184,478</b>	<b>228,527</b>
<b>Other financial assets (non-current)</b>		
Derivatives	828	1,404

**Grange Resources Limited**  
**Notes to the consolidated financial statements**  
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**Note 3. Financial Risk Management (continued)**

**Net debt reconciliation**

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

	<b>2025</b>	<b>2024</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Net debt reconciliation</b>		
Cash and cash equivalents	94,549	71,449
Liquid investments	180,600	226,600
Lease liability	(176)	(1,323)
<b>Net cash, cash equivalent and liquid investments</b>	<b>274,973</b>	<b>296,726</b>

**Financial assets at fair value through profit or loss (FVTPL)**

The Group classifies the following financial assets at fair value through profit or loss (FVTPL)

	<b>2025</b>	<b>2024</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Derivative Financial Instruments</b>		
Current	3,878	1,927
Non-current	828	1,404
	<b>4,706</b>	<b>3,331</b>

**Amounts recognised in profit or loss**

During the year, the following losses were recognised in profit or loss:

	<b>2025</b>	<b>2024</b>
	<b>\$'000</b>	<b>\$'000</b>
Fair value loss on derivative financial instrument at FVTPL	277	(19)

**(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:

	<b>2025</b>	<b>2024</b>
	<b>\$'000</b>	<b>\$'000</b>
Cash and cash equivalents	67,094	37,026
Trade and other receivables	38,413	731
Trade and other payables	(883)	(730)
<b>Net US dollar surplus</b>	<b>104,624</b>	<b>37,027</b>

**Grange Resources Limited**  
**Notes to the consolidated financial statements**  
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**Note 3. Financial Risk Management (continued)**

*Group sensitivity*

Based on the financial instruments held at 31 December 2025, 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 \$6.7 million higher / \$8.1 million lower (2024: \$2.4 million higher / \$2.9 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.

(i) 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.

(ii) 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 2025, there are \$Nil in trade receivables (2024: \$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.

**Grange Resources Limited**  
**Notes to the consolidated financial statements**  
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**Note 3. Financial Risk Management (continued)**

*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.

<b>2025</b>	<b>Less than 6 months \$'000</b>	<b>6-12 months \$'000</b>	<b>Between 1 and 2 years \$'000</b>	<b>Between 2 and 5 years \$'000</b>	<b>Over 5 years \$'000</b>	<b>Total contractual cash flows \$'000</b>	<b>Carrying amount liabilities \$'000</b>
Trade and other payables	37,793	-	-	-	-	37,793	37,793
Lease liabilities	81	15	30	63	-	189	176
	<b>37,874</b>	<b>15</b>	<b>30</b>	<b>63</b>	<b>-</b>	<b>37,982</b>	<b>37,969</b>
<b>2024</b>	<b>Less than 6 months \$'000</b>	<b>6-12 months \$'000</b>	<b>Between 1 and 2 years \$'000</b>	<b>Between 2 and 5 years \$'000</b>	<b>Over 5 years \$'000</b>	<b>Total contractual cash flows \$'000</b>	<b>Carrying amount liabilities \$'000</b>
Trade and other payables	42,598	-	-	-	-	42,598	42,598
Lease liabilities	862	431	57	-	-	1,350	1,323
	<b>43,460</b>	<b>431</b>	<b>57</b>	<b>-</b>	<b>-</b>	<b>43,948</b>	<b>43,921</b>

**(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.

*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.

**Grange Resources Limited**  
**Notes to the consolidated financial statements**  
**31 December 2025**

**Note 3. Financial Risk Management (continued)**

The Group has the following derivative financial instruments:

	<b>2025</b>	<b>2024</b>
	<b>\$'000</b>	<b>\$'000</b>
Electricity fixed forward	3,650	2,716
Diesel commodity swap	(127)	613
Foreign currency options	38	2
Foreign currency forward	2,048	-
Commodity Option	(903)	-
	<b>4,706</b>	<b>3,331</b>
Derivatives (current)	3,878	1,927
Derivatives (non-current)	828	1,404
	<b>4,706</b>	<b>3,331</b>

**(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 2025 and 31 December 2024.

	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
<b>2025</b>				
<b>Financial Assets</b>				
Derivative financial Instruments	-	4,706	-	4,706
Trade receivables - embedded derivatives	-	9,125	-	9,125
	-	13,831	-	13,831
<b>2024</b>				
<b>Financial Assets</b>				
Derivative financial instruments	-	3,331	-	3,331
Trade receivables - embedded derivatives	-	3,224	-	3,224
	-	6,555	-	6,555

**Grange Resources Limited**  
**Notes to the consolidated financial statements**  
**31 December 2025**

**Note 4. 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 2025 the net realisable value exceeded cost for all significant inventory balances.

**(b) Assessment of Cash-Generating Unit (CGU) recoverable value**

**Methodology**

The recoverable amount of the 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.

**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 is expected to transition to the current North Pit open-cut 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 open-cut mining operations. Total capital investment in the underground mine is expected to be approximately \$890 million over several years with the majority of the investment expected to be made between 2026 to 2030. 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 environment, 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 the 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.

**Grange Resources Limited**  
**Notes to the consolidated financial statements**  
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**Note 4. Critical Accounting Estimates and Judgements (continued)**

**(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), the estimated future level of inflation, and the discount rates applied 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 5. 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.

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**Note 5. Segment Information (continued)**

	<b>Ore Mining</b>	
	<b>2025</b>	<b>2024</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Revenue from external customers</b>	<b>477,854</b>	<b>520,805</b>
<b>Timing of Revenue Recognition</b>		
At a point in time - pellets	435,836	463,363
Over time - freight	42,018	57,442

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**

	<b>2025</b>	<b>2024</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Ore Mining</b>		
Australia	48,614	47,360
China	161,471	141,582
South Korea	201,943	264,611
Indonesia	65,837	67,234
New Zealand	(11)	18
<b>Total Revenue</b>	<b>477,854</b>	<b>520,805</b>

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 (shipment to China) amounted to \$145.70 million / 30.49% of mining revenue (2024: \$145.13 million / 27.87%).

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 2025 and 31 December 2024. The total costs incurred during the current and comparative periods to acquire segment assets were also predominately incurred in Australia.

**Note 6. Revenue from Operations**

	<b>2025</b>			<b>2024</b>		
	<b>Revenue from Contracts with Customers</b>	<b>Other Revenue/ (Loss)</b>	<b>Total Revenues</b>	<b>Revenue from Contracts with Customers</b>	<b>Other Revenue/ (Loss)</b>	<b>Total Revenues</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
<b>From mining operations</b>						
Sales of iron ore	469,400	8,454	477,854	522,521	(1,716)	520,805

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.

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**Note 7. Cost of Sales**

	<b>2025</b>	<b>2024</b>
	<b>\$'000</b>	<b>\$'000</b>
Mining Costs	212,241	223,562
Production costs	157,382	162,654
Changes in Inventories	(15,963)	(47,788)
Freight costs	42,018	57,442
Government royalties	10,030	10,551
Depreciation and amortisation expense	46,827	48,557
Mine properties and development		
- Amortisation expense	7,463	11,318
Deferred Stripping		
- Amounts capitalised during the year	(110,243)	(113,266)
- Amortisation expense	61,578	99,511
Foreign exchange loss/(gain)	1,740	(2,122)
	<b>413,073</b>	<b>450,419</b>
<hr/>		
<b>Depreciation and amortisation expense</b>		
Land and buildings	2,369	1,978
Plant and equipment (including right of use of assets)	42,772	45,783
Computer equipment	1,686	795
	<b>46,827</b>	<b>48,556</b>

**Note 8. Administrative Expenses**

	<b>2025</b>	<b>2024</b>
	<b>\$'000</b>	<b>\$'000</b>
Salaries	3,122	3,055
Consultancy Fee	3,566	1,669
Others	625	951
	<b>7,313</b>	<b>5,675</b>

**Note 9. Other (Expense)/Income**

	<b>2025</b>	<b>2024</b>
	<b>\$'000</b>	<b>\$'000</b>
Rent Income	243	235
Other income/(expense)	213	(196)
(Loss)/gain on the disposal of property, plant and equipment	(1)	40
Provision for rehabilitation - change in estimate	(745)	78
	<b>(290)</b>	<b>157</b>

**Note 10. Finance Income**

	<b>2025</b>	<b>2024</b>
	<b>\$'000</b>	<b>\$'000</b>
Interest income received or receivable	14,288	17,335
Gain on financial instruments	277	-
Exchange gains on foreign currency deposit	1,895	5,928
	<b>16,460</b>	<b>23,263</b>

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**Note 11. Finance Expenses**

	2025 \$'000	2024 \$'000
Provisions: unwinding of discounts		
- Decommissioning and Restorations	2,916	3,088
Interest charges on lease liabilities	34	72
Other interest charges	166	139
Loss on financial instruments	-	19
	<b>3,116</b>	<b>3,318</b>

**Note 12. Income Tax Expense**

	2025 \$'000	2024 \$'000
<b>(a) Income tax expense</b>		
Current tax	-	14,239
Tax refund on prior years tax return amendments	-	(3,464)
Adjustment to tax of prior period	(701)	(3,756)
<b>Total current tax expense</b>	<b>(701)</b>	<b>7,019</b>
<b>Deferred income tax</b>		
Increase in net deferred tax liability	29,042	15,464
North Pit Underground Decline Claim in Prior Year Income Tax Return	(8,176)	-
Other adjustments	372	-
Movements in unrecognised deferred tax	-	(28)
<b>Total deferred tax expense</b>	<b>21,238</b>	<b>15,436</b>
<b>Total income tax expense</b>	<b>20,537</b>	<b>22,455</b>

**(b) Numerical reconciliation of income tax expense to prima facie tax payable**

Profit from continuing operations before income tax expense	67,137	81,044
Tax expense at the Australian tax rate of 30% (2024: 30%)	20,141	24,301
<i>Tax effect of amounts which are not deductible (taxable) in calculating taxable income:</i>		
Sundry Items	116	(57)
Capital Projects claimed in prior years	981	1,995
	<b>21,238</b>	<b>26,239</b>

Movement in unrecognised deferred tax assets relating to temporary differences	-	(28)
Adjustment to tax of prior period	(701)	(3,756)
	<b>(701)</b>	<b>(3,784)</b>

<b>Total income tax expense</b>	<b>20,537</b>	<b>22,455</b>
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**(c) Taxation Losses**

Unused taxation losses for which no deferred tax asset has been recognised	1,085	1,069
<b>Potential tax benefit @ 30%</b>	<b>326</b>	<b>321</b>

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**Note 13. Cash and cash equivalents**

	<b>2025</b>	<b>2024</b>
	<b>\$'000</b>	<b>\$'000</b>
Cash at bank and in hand	9,584	22,221
Short-term deposits	84,965	49,228
<b>Cash and Cash Equivalents</b>	<b>94,549</b>	<b>71,449</b>
<b>Cash and cash equivalents as per consolidated statement of cash flows</b>	<b>94,549</b>	<b>71,449</b>

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 2025 the weighted average interest rate on the Australian dollar accounts was 5.21% (31 December 2024: 5.22%) and the weighted average interest rate on the United States dollar accounts was 6.37% (31 December 2024: 6.70%).

**(a) Risk exposure**

The Group's exposure to interest rate risk is discussed in note 3. 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 14. Trade and other receivables**

	<b>2025</b>	<b>2024</b>
	<b>\$'000</b>	<b>\$'000</b>
Trade receivables	38,623	752
Security deposits	304	323
Other receivables	10,040	12,529
Prepayments	629	628
	<b>49,596</b>	<b>14,232</b>

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 6 – Revenue from Operations). 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 3)

Security deposits comprise 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 3.

**(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 3.

**(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 3 for more information on the credit quality of the Group's trade and other receivables.

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**Note 15. Inventories**

	<b>2025</b>	<b>2024</b>
	<b>\$'000</b>	<b>\$'000</b>
Stores and spares	60,702	57,617
Ore stockpiles	142,643	118,473
Work in progress	1,714	11,483
Finished goods (at lower of cost and net realisable value)	42,538	38,145
	<b>247,597</b>	<b>225,718</b>

Ore stockpiles, work in progress, finished goods and stores and spares are valued at the lower of weighted average cost and estimated net realisable value. A credit of \$15.96 million in 2025 and \$47.79 million in 2024 were recognised for the movements in stockpiles (note 7).

**Note 16. Receivables**

	<b>2025</b>	<b>2024</b>
	<b>\$'000</b>	<b>\$'000</b>
Security deposits	10,751	10,153
Other receivables	357	-
	<b>11,108</b>	<b>10,153</b>

Non-current security deposits consist 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 3. The maximum exposure to credit risk at the reporting date is the carrying amount of each class of receivables mentioned above.

**Note 17. Property, plant and equipment**

	<b>Land and Building</b>	<b>Plant and Equipment</b>	<b>Computer Equipment</b>	<b>Assets Under Construction</b>	<b>Total</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
<b>At 1 January 2025</b>					
Cost	74,690	568,195	14,883	83,228	740,996
Accumulated depreciation and impairment	(37,640)	(402,325)	(13,488)	-	(453,453)
<b>Net book amount</b>	<b>37,050</b>	<b>165,870</b>	<b>1,395</b>	<b>83,228</b>	<b>287,543</b>
<b>Year ended 31 December 2025</b>					
Opening net book amount	37,050	165,870	1,395	83,228	287,543
Additions	-	-	-	44,666	44,666
Disposal - net book value	-	(1)	(4)	-	(5)
Depreciation charge	(2,373)	(41,094)	(1,687)	-	(45,154)
Transfer from assets under construction	5,841	23,346	5,499	(34,686)	-
Transfer to MP&D	-	-	-	(53,959)	(53,959)
Other transfers	-	-	-	(480)	(480)
<b>Closing net book amount</b>	<b>40,518</b>	<b>148,121</b>	<b>5,203</b>	<b>38,769</b>	<b>232,611</b>
<b>At 31 December 2025</b>					
Cost	88,026	641,222	20,245	38,769	788,262
Accumulated depreciation and Impairment	(47,508)	(493,102)	(15,041)	-	(555,651)
<b>Net book amount</b>	<b>40,518</b>	<b>148,120</b>	<b>5,204</b>	<b>38,769</b>	<b>232,611</b>

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**Note 17. Property, plant and equipment (continued)**

	Land and Buildings \$'000	Plant and equipment \$'000	Computer Equipment \$'000	Assets Under Construction \$'000	Total \$'000
<b>At 1 January 2024</b>					
Cost	68,804	528,880	15,879	46,812	660,375
Accumulated depreciation and impairment	(35,613)	(362,393)	(13,894)	-	(411,900)
<b>Net book amount</b>	<b>33,191</b>	<b>166,487</b>	<b>1,985</b>	<b>46,812</b>	<b>248,475</b>
<b>Year ended 31 December 2024</b>					
Opening net book amount	33,191	166,487	1,985	46,812	248,475
Additions	-	-	-	86,827	86,827
Disposal - net book value	(41)	(15)	(16)	-	(72)
Depreciation charge	(2,029)	(44,120)	(797)	-	(46,946)
Transfer from assets under construction	5,929	43,518	223	(49,670)	-
Transfer to MP&D	-	-	-	(434)	(434)
Other transfers	-	-	-	(307)	(307)
<b>Closing net book amount</b>	<b>37,050</b>	<b>165,870</b>	<b>1,395</b>	<b>83,228</b>	<b>287,543</b>
<b>At 31 December 2024</b>					
Cost	74,690	568,195	14,883	83,228	740,996
Accumulated depreciation and impairment	(37,640)	(402,325)	(13,488)	-	(453,453)
<b>Net book amount</b>	<b>37,050</b>	<b>165,870</b>	<b>1,395</b>	<b>83,228</b>	<b>287,543</b>

**Note 18. Right-of-use assets**

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

**(i) Amounts recognised in the balance sheet**

	2025 \$'000	2024 \$'000
The balance sheet shows the following amounts relating to leases:		
Right-of-use assets		
Land and buildings	-	44
Plant and equipment	171	1,219
<b>Total right-of-use asset</b>	<b>171</b>	<b>1,263</b>
<b>Lease liabilities</b>		
Current	91	1,266
Non-current	85	57
<b>Total lease liabilities</b>	<b>176</b>	<b>1,323</b>

Additions to the right-of-use assets during the 2025 were \$.64 million (2024 - \$.90 million)

The total cash outflow from repayment of leases in 2025 excluding interest repayment was \$1.80 million (2024 - \$1.80 million).

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**Note 18. Right-of-use assets (continued)**

**(ii) Amounts recognised in the statement of profit or loss**

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

	<b>2025</b>	<b>2024</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Depreciation charge of right of use assets</b>		
Land and buildings	(44)	(73)
Plant and equipment	(1,691)	(1,663)
	<b>(1,735)</b>	<b>(1,736)</b>
Interest expense (included in finance cost)	34	72
Expense relating to short-term leases (included in cost of sales)	310	294

**Note 19. Mine properties and development**

	<b>2025</b>	<b>2024</b>
	<b>\$'000</b>	<b>\$'000</b>
Mine properties and development (at cost)	747,077	674,761
Accumulated amortisation and impairment	(527,683)	(520,220)
Net book amount	<b>219,394</b>	<b>154,541</b>
Deferred stripping costs (net book amount)	355,155	306,490
Total mine properties and developments	<b>574,549</b>	<b>461,031</b>

Movements in mine properties and development are set out below:

	<b>2025</b>	<b>2024</b>
	<b>\$'000</b>	<b>\$'000</b>

**Mine properties and development**

Opening net book amount	154,541	150,303
Current year expenditure capitalised	53,959	434
Change in rehabilitation estimate	18,357	15,122
Amortisation Expense	(7,463)	(11,318)
<b>Closing net book amount</b>	<b>219,394</b>	<b>154,541</b>

**Deferred stripping costs**

Opening net book amount	306,490	292,735
Current year expenditure capitalised	110,243	113,266
Amortisation expense	(61,578)	(99,511)
<b>Closing net book amount</b>	<b>355,155</b>	<b>306,490</b>

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**Note 20. Trade and other payables**

	<b>2025</b>	<b>2024</b>
	<b>\$'000</b>	<b>\$'000</b>
Trade payables	32,962	38,027
Contract Liabilities	2,988	2,662
Other payables	1,843	1,909
	<b>37,793</b>	<b>42,598</b>

**(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 3.

**Note 21. Provisions**

	<b>2025</b>	<b>2024</b>
<b>Provisions (Current)</b>	<b>\$'000</b>	<b>\$'000</b>
Leave Obligations	22,416	20,472
Employee benefits	3,583	2,783
Decommissioning and restoration	992	1,025
	<b>26,991</b>	<b>24,280</b>

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 \$22.4 million (2024: \$20.5 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.

	<b>2025</b>	<b>2024</b>
	<b>\$'000</b>	<b>\$'000</b>
Current leave obligations expected to be settled after 12 months	11,156	10,703

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

	<b>2025</b>	<b>2024</b>
	<b>\$'000</b>	<b>\$'000</b>
Balance at beginning of year	1,025	3,130
Payments	(336)	(152)
Transfers from non-current provisions	303	(1,953)
<b>Balance at the end of the year</b>	<b>992</b>	<b>1,025</b>

	<b>2025</b>	<b>2024</b>
<b>Provisions (Non-Current)</b>	<b>\$'000</b>	<b>\$'000</b>
Leave obligations	3,870	3,335
Employee benefits	-	141
Decommissioning and restoration	118,508	97,430
	<b>122,378</b>	<b>100,906</b>

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**Note 21. Provisions (continued)**

Movements in provision for decommissioning and restoration are set out below

	<b>2025</b>	<b>2024</b>
	<b>\$'000</b>	<b>\$'000</b>
Balance at beginning of the year	97,430	77,764
Change in estimate	19,185	15,119
Unwinding of discount	2,916	3,088
Transfers to current provisions	(303)	1,953
Rehabilitation work completed	(720)	(494)
	<b>118,508</b>	<b>97,430</b>

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 22. Deferred tax assets (liabilities)**

The balance comprises temporary differences attributable to:

	<b>2025</b>	<b>2024</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Deferred Tax Assets</b>		
Property, plant and equipment	3,581	7,010
Decommissioning and restoration	33,857	27,671
Employee benefits	8,961	8,019
Tax losses	1,272	-
Trade receivables	-	53
Trade payable	1	18
Foreign exchange	96	-
<b>Total deferred tax assets</b>	<b>47,768</b>	<b>42,771</b>
<b>Deferred tax liabilities</b>		
Mine properties and development	(137,166)	(103,064)
Foreign exchange	-	(992)
Inventory	(7,627)	(7,116)
Derivatives	(1,412)	(999)
Prepayments	(7)	(2)
<b>Total deferred tax liabilities</b>	<b>(146,212)</b>	<b>(112,173)</b>
<b>Total net deferred tax liabilities</b>	<b>(98,444)</b>	<b>(69,402)</b>

**Note 23. Government grants**

The Group received government grants of \$1.55m in 2024 for the underground mining and decarbonisation projects and there are no unfulfilled conditions or contingencies attached to these grants.

These grants will be recognised as an income in equal amounts over the expected useful life of the related assets. During the year, no amount was released to the consolidated statement of comprehensive income.

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**Note 24. Share-based payment**

Grange Resources Limited (Parent Company) granted performance rights in three tranches and to be settled by issuance of shares to key management personnel. Each right is entitled to one equity share with a vesting date of 31 December 2024, 31 December 2025 and 31 December 2026.

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 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:

	<b>2025</b>	<b>2024</b>
<b>Movements of share-based payments rights during the year:</b>		
As at 1 January	3,115,899	2,030,090
Granted during the year	3,560,319	1,795,587
Forfeited during the year	(817,450)	(567,721)
Vested during the year	(502,861)	(142,057)
<u>Balance end of the year (Unvested)</u>	<u>5,355,907</u>	<u>3,115,899</u>
Balance end of the year (Vested)	644,918	142,057
<b>Total share-based payment rights at 31 December</b>	<b>6,000,825</b>	<b>3,257,956</b>

	<b>Tranche 1</b>	<b>Tranche 2</b>	<b>Tranche 3</b>
2025 Performance Rights			
Grant Date	29 May 2025	29 May 2025	29 May 2025
The life of performance rights (years)	2.6	2.6	2.6
Share price at grant dates	\$0.190	\$0.190	\$0.190
Expected volatility	55%	55%	55%
Dividend yield	2.6%	2.6%	2.6%
Risk free interest rates	3.4%	3.4%	3.4%
TSR at measurement dates (tranche 1 only relative to index)	-13.6%	N/A	N/A
The assessed fair value at grant date of options granted in 2025	\$0.089	\$0.178	\$0.178

	<b>Tranche 1</b>	<b>Tranche 2</b>	<b>Tranche 3</b>
2024 Performance Rights			
Grant Date	11 June 2024 / 15 July 2024	11 June 2024 / 15 July 2024	11 June 2024 / 15 July 2024
The life of performance rights (years)	2.6	2.6	2.6
Share price at grant dates	\$0.345	\$0.345	\$0.345
Expected volatility	60%	60%	60%
Dividend yield	5.8%	5.8%	5.8%
Risk free interest rates	4%	4%	4%
TSR at measurement dates (tranche 1 only relative to index)	-21.5%	N/A	N/A
The assessed fair value at grant date of options granted in 2024	\$0.166	\$0.299	\$0.299

	<b>Tranche 1</b>	<b>Tranche 2</b>	<b>Tranche 3</b>
2023 Performance Rights			
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

**Grange Resources Limited**  
**Notes to the consolidated financial statements**  
**31 December 2025**

**Note 24. Share-based payment (continued)**

The fair values of the performance rights at grant date are expensed over the vesting period taking into account the vesting probability. The Group has recognised employee benefits expense of \$.29 million (2024: \$.32 million).

**Note 25. Contributed equity**

**Ordinary shares**

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

	<b>Number of Shares</b>	<b>\$'000</b>
<b>Balance at 1 Jan 2025 / 31 Dec 2025</b>	1,157,338,698	331,513

**Note 26. Retained earnings**

Retained earnings attributable to owners of Grange Resources

	<b>2025 \$'000</b>	<b>2024 \$'000</b>
<b>Movements in retained earnings were as follows</b>		
Balance at the beginning of the year	731,405	701,790
Profit for the year	46,600	58,549
Dividends paid (note 28)	-	(28,934)
<b>Balance at the end of the year</b>	<b>778,005</b>	<b>731,405</b>

**Note 27. Impairment of non-current assets**

At each reporting date, the Group assesses whether there is any indication that an asset should be impaired. The Group considers the relationship between its market capitalisation and its book value, among other factors, when reviewing for indicators of impairment. As at 31 December 2025, the market capitalisation of the Group was below the book value of its net assets indicating a potential trigger for impairment of assets.

***Impairment Testing***

***(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.

Estimates of future commodity prices are based on the Group's best estimate of market conditions, informed by external analysts' forecasts. In the current year, management has adopted a single pricing forecast from an independent external expert for 65% Fe Fines and Pellet Premiums, whereas in the prior year a blended average of two external experts' forecasts was used, reflecting the broader range of reasonable market outlooks at that time.

**Grange Resources Limited**  
**Notes to the consolidated financial statements**  
**31 December 2025**

**Note 27. Impairment of non-current assets (continued)**

The rationale for pricing forecasts has changed year on year, from an average of two forecasts to using one forecast as the valuation source.

The independent external expert is an internationally credible and trusted cross-commodity price reporting agency in the metals and mining markets with more than 150 years in commodity price, news and market analysis. The Group has analysed the independent external expert's past ten years of forecasts and concluded its past forecasts have more accurately reflected the past ten years actual market prices, compared to other independent external experts' forecasts.

The independent external expert has worked with Grange and provided bespoke price forecasts based on Grange's product specification and existing markets recognising the relevant premium.

There are no major discrepancies between the two external experts' forecasts in the short term. Beyond 2030, the forward price curve reflects the increased demand for higher quality products supporting decarbonisation in the steelmaking industry that is better aligned to Granges high quality pellets.

On this basis, management believe that the forward price curve forecast by the independent external expert is better aligned to the Grange product.

**(ii) Key assumptions**

The impairment model has been developed based on the assumption that NPUG project investment will commence mid-2026, with the initial extraction of underground ore anticipated between 2028 and mid-2029.

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:

Assumptions	as at 31 December 2025		
	2026	2027 - 2031	Long Term 2032+
Iron ore pellets (FOB Port Latta) (US\$ per DMT)	US\$117	US\$117 - US\$142	US\$149 - US\$165
AUD:USD exchange rate	\$0.6732	\$0.6667 - \$.6867	\$0.6867
Capital expenditures	\$190.40 million	\$1,146.80 million	\$269.00 million
Post-tax nominal discount rate		10.6%	
Proven ore reserves in accordance with JORC 2012		31.8 million tonnes	
Probable ore reserves in accordance with JORC 2012		68.3 million tonnes	

Management has determined each of the above key assumptions as follows:

**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.

**Grange Resources Limited**  
**Notes to the consolidated financial statements**  
**31 December 2025**

**Note 27. Impairment of non-current assets (continued)**

**Operating performance (production, operating costs and capital costs)**

The Company completed the Definitive Feasibility Study (DFS) for underground mining below North Pit and its integration with the Company's current open-cut mine in 2024. The findings of the DFS were integrated with the transition from open-cut mining to demonstrate the effective implementation of the underground project alongside the current operation.

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 open-cut 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 open-cut mining operations.

While the Group acknowledges that future changes to the regulatory framework in response to climate change could affect the recoverability of assets, these potential impacts have not been incorporated into our current assumptions. Although the Group recognises the global transition toward a low-carbon future and the need to assess the risks and opportunities associated with climate change, no immediate financial impacts have been identified in the short term.

**External Financing Requirements**

The North Pit Underground Development Project (NPUG) advanced during 2025 toward Final Investment Decision (FID). The underground mine design was updated to address Independent Technical Expert (ITE) adjustment requirements. Technical due diligence is progressing with lenders and advisers with key risks identified expected to be addressed in the second quarter. Pre-FID commitments were progressed to preserve the project schedule, including tender preparation, crusher and conveyor studies, and identification of opportunities to minimise sustaining cost exposure. Updated schedules target commencement of underground development in 2028, subject to FID approval.

External financing arrangements are anticipated to materialise within the second quarter, providing sufficient funding certainty to support the continuation of planned works and aligning with the assumptions applied in the impairment assessment. The external financing is expected to be secured through a debt facility comprising a mix of both private and government lenders. Lenders engaged continue to support funding the project, pending finalisation of the technical due diligence.

It is anticipated that the major shareholder will also provide financial support should a short fall arise in the underground development financing.

**Climate-related matters**

The Group constantly monitors the latest government legislation in relation to climate-related matters. At the current time, no legislation has been passed that will impact the Group. The Group will adjust the key assumptions used in fair value calculations and sensitivity to changes in assumptions should a change be required.

**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 conducted a carrying value analysis and has not identified impairment to its net assets carrying value as at 31 December 2025. The Group is satisfied that FVLCD approximates the carrying value of the CGU.

**Grange Resources Limited**  
**Notes to the consolidated financial statements**  
**31 December 2025**

**Note 27. Impairment of non-current assets (continued)**

**(iv) Sensitivity Analysis**

Increase in discount rates or changes in other key assumptions, such decrease iron ore pellet price, increase AUD:USD exchange rate or increase the operating costs may cause the recoverable amount to fall below carrying value.

The following movements in key assumptions would result in the recoverable value amount of the CGU to be equal to its carrying amount:

- A decrease in iron ore pellet price by US\$3.17 per dmt across the life of mine (2024: US\$0.6 per dmt decrease)
- The exchange rate (USD/AUD) increased by \$0.0135 (2024: \$0.0030 decrease)
- The operating costs increase by 3.73% (2024: 0.7% increase)
- 76 basis points increase in discount rate (2024: 13 basis points increase)
- A decrease in iron ore pellet price by US\$9.61 per dmt from 2026 to 2028
- A decrease in iron ore pellet price by US\$4.71 per dmt from 2029 to the end of the life of mine
- A 10.90% increase in the underground capital expenditure
- A 17.50% increase in underground operating expenses

Majority of the recommended adjustments from ITE have been incorporated into the impairment financial model. The substantive issue still in discussion with the ITE relates to ground management and it is expected to be resolved in the coming months.

Due to the interrelated nature of the assumptions, movements in any one variable can have an indirect impact on others and individual variables rarely change in isolation. Additionally, management can be expected to respond to some movements to mitigate downsides and take advantage of upsides, as circumstances allow.

**Note 28. Dividends**

	<b>2025</b>	<b>2024</b>
	<b>\$'000</b>	<b>\$'000</b>
Fully franked interim dividend for half year ended 30 June 2024 - 5.0 cents per share	-	5,787
Fully franked final dividend for the year ended 31 December 2023 - 2.0 cents per share	-	23,147
	-	<b>28,934</b>
	<b>31 December</b>	<b>31 December</b>
	<b>2025</b>	<b>2024</b>
	<b>\$'000</b>	<b>\$'000</b>
Franking credits available for subsequent reporting periods		
Based on a tax rate of 30% (2024 - 30%)	<b>99,515</b>	<b>102,481</b>

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.

**Grange Resources Limited**  
**Notes to the consolidated financial statements**  
**31 December 2025**

**Note 29. 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.

	<b>2025</b>	<b>2024</b>
	\$	\$
<b>Assurance Services</b>		
<b>PwC Australia</b>		
Audit and review of financial reports	315,950	294,450
Other statutory assurance services	103,105	96,500
	<b>419,055</b>	<b>390,950</b>
<b>Total remuneration paid</b>	<b>419,055</b>	<b>390,950</b>

**Note 30. 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:

	<b>2025</b>	<b>2024</b>
	\$'000	\$'000
Within one year	405	459
After one year but not later than 5 years	1,670	1,646
Later than 5 years	845	1,287
	<b>2,920</b>	<b>3,392</b>

**(b) Capital expenditure commitments**

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

	<b>2025</b>	<b>2024</b>
	\$'000	\$'000
Within one year	5,272	8,367

**(c) 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 \$2,462,465 (2024: \$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 National Australia Bank, as required under the Goldamere Agreement and applicable Deeds of Variation, for the amount of \$2,800,000 (2024: \$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 (2024: \$1,000,000).

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

**Grange Resources Limited**  
**Notes to the consolidated financial statements**  
**31 December 2025**

**Note 30. Commitments and Contingencies (continued)**

**(d) Environmental Bond**

An Environmental Bond 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 \$3,560,119 (2024: \$3,412,151).

**(e) Contingent Assets and Liabilities**

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

**Note 31. 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 32.

**(c) Key management personnel compensation**

	2025	2024
	\$	\$
Short term employee benefits	2,253,488	2,446,487
Post-employment benefits	205,067	203,616
Long-term benefits	45,264	(59,293)
Long-term incentives	11,401	47,278
Share-based payments	302,976	320,086
	<b>2,818,196</b>	<b>2,958,174</b>

**(d) Transactions with related parties**

During the year the following transactions occurred with related parties:

	2025	2024
	\$	\$
Sales of iron ore products	145,695,350	145,130,239

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, 703,457 (2024: 700,783) dry metric tonnes of iron ore products were sold to Shagang in accordance with the terms of the long term off-take agreements. Contract Year (1 April 2024 to 31 March 2025): 625,118) Contract Year (1 April 2023 to 31 March 2024): 951,821).

**Grange Resources Limited**  
**Notes to the consolidated financial statements**  
**31 December 2025**

**Note 31. Related party transactions (continued)**

**(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:

	<b>2025</b>	<b>2024</b>
	\$	\$
<b>Trade receivables (payables) (sales of iron ore products)</b>		
Pellets	4,352,172	(414,256)

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 (2024: 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 2026, holds 48.02% (28 February 2025: 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<sup>1</sup>
- (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.

<sup>1</sup>The contract was amended to 0.6 million tonnes with the remaining 0.4 million tonnes assigned to another buyer for a period of 3 years commencing 1 April 2024.

**Grange Resources Limited**  
**Notes to the consolidated financial statements**  
**31 December 2025**

**Note 32. 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.

<b>Name</b>	<b>Percentage of equity interest held by the Group</b>	
	<b>2025</b>	<b>2024</b>
	%	%
Ever Green Resources Co., Limited <sup>(1)</sup>	-	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

<sup>(1)</sup> Ever Green Resources Co., Limited is incorporated in Hong Kong, registered as a foreign company under the Corporations Act 2001, was deregistered on 1 August 2025.

**Note 33. Interest in Joint Operations**

<b>Name of Joint Operation</b>	<b>% Interest</b>	
	<b>2025</b>	<b>2024</b>
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.

**Grange Resources Limited**  
**Notes to the consolidated financial statements**  
**31 December 2025**

**Note 34. Reconciliation of profit after income tax to net cash inflow from operating activities**

	<b>2025</b>	<b>2024</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Profit for the year</b>	<b>46,600</b>	<b>58,549</b>
Unwinding of discount	2,916	3,088
Depreciation and amortisation	46,889	48,683
Mine properties and development amortisation	69,041	110,829
Other non-cash income	(16)	(404)
Interest expense	83	75
Proceeds from sale of property, plant and equipment	-	(112)
Loss on disposal of property plant and equipment	2	72
Loss on financial instruments	(865)	19
Net unrealised foreign exchange gain	(1,895)	(5,928)
<b>Change in operating assets and liabilities</b>		
(Increase) decrease in trade and other receivables	(32,766)	61,009
Increase in inventories	(21,879)	(45,902)
Increase in deferred tax liability	29,042	15,464
Decrease in trade and other payables (excluding tax payable)	(4,803)	(1,558)
Increase in other provisions	3,138	1,339
Decrease in provision for income tax payable	(2,973)	(6,853)
Increase in deferred grants	-	1,550
<b>Net cash inflow from operating activities</b>	<b>132,514</b>	<b>239,920</b>

**Note 35. Earnings per share**

	<b>2025</b>	<b>2024</b>
	<b>Cents</b>	<b>Cents</b>
<b>Basic earnings per share</b>		
From continuing operations attributable to the ordinary equity holders of the Company	4.03	5.06
<b>Diluted earnings per share</b>		
From continuing operations attributable to the ordinary equity holders of the Company	4.01	5.04

**(a) Reconciliations of earnings used in calculating earnings per share**

	<b>2025</b>	<b>2024</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Basic earnings per share</b>		
Profit attributable to the ordinary equity holders of the Company used in calculating basic earnings per share from continuing operations	46,600	58,549
<b>Diluted earnings per share</b>		
Profit attributable to the ordinary equity holders of the Company used in calculating diluted earnings per share from continuing operations	46,600	58,549

**Grange Resources Limited**  
**Notes to the consolidated financial statements**  
**31 December 2025**

**Note 35. Earnings per share (continued)**

**(b) Weighted average number of shares used as the denominator**

	<b>2025</b>	<b>2024</b>
	<b>Number</b>	<b>Number</b>
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	1,163,339,523	1,160,596,654

Weighted average number of ordinary shares in calculating diluted earnings per shares includes options of 6,000,825 (2024:3,257,956 ) over ordinary shares.

**Note 36. Parent entity information**

**(a) Summary financial information**

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

	<b>2025</b>	<b>2024</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Balance Sheet</b>		
Current Assets	4,620	7,377
Total Assets	811,661	818,606
Current liabilities	1,020	1,010
Total liabilities	31,810	32,362
Shareholders' equity		
Contributed equity	392,475	392,475
Reserves	32,100	31,807
Retained profits	355,276	361,962
<b>Total Equity</b>	<b>779,851</b>	<b>786,244</b>
Loss for the year	(6,686)	(6,810)
<b>Total comprehensive loss for the year</b>	<b>(6,686)</b>	<b>(6,810)</b>

**(b) Contingent liabilities of the parent entity**

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 37. Events Occurring After the Reporting Period**

No matter or circumstance has arisen since 31 December 2025 that has significantly affected, or may significantly affect the Group's operations, the results of those operations, or the Group's state of affairs in future financial years.

**Grange Resources Limited**  
**Consolidated entity disclosure statement**  
**As at 31 December 2025**

<b>Name of entity</b>	<b>Type of entity</b>	<b>Trustee, partner or participant in JV</b>	<b>Country of Incorporation</b>	<b>% of share capital</b>	<b>Australian resident or foreign resident</b>	<b>Foreign resident Jurisdiction</b>
Grange Resources Limited	Body corporate		Australia	-	Australian	n/a
Grange Resources (Tasmania) Pty Ltd	Body corporate		Australia	100.00%	Australian	n/a
Grange Capital Pty Ltd	Body corporate		Australia	100.00%	Australian	n/a
Grange Administrative Services Pty Ltd	Body corporate		Australia	100.00%	Australian	n/a
Barrack Mines Pty Ltd	Body corporate		Australia	100.00%	Australian	n/a
Bamine Pty Ltd	Body corporate		Australia	100.00%	Australian	n/a
BML Holdings Pty Ltd	Body corporate	JV Partner	Australia	100.00%	Australian	n/a
Horseshoe Gold Mine Pty Ltd	Body corporate		Australia	100.00%	Australian	n/a
Grange Resources (Southdown) Pty Ltd	Body corporate		Australia	100.00%	Australian	n/a
Southdown Project Management Pty Ltd	Body corporate		Australia	100.00%	Australian	n/a
Grange Resources Investments Pty Ltd	Body corporate		Australia	100.00%	Australian	n/a

**Grange Resources Limited**  
**Directors' declaration**  
**31 December 2025**

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 2025 and of its performance for the financial year ended on that date;
- there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable; and
- the information disclosed on page 70 consolidated entity disclosure statement is true and correct.

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



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Michelle Li  
Chairperson of the Board of Directors

26 February 2026



## 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 2025 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 financial report comprises:

- the consolidated statement of financial position as at 31 December 2025;
- 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 consolidated entity disclosure statement as at 31 December 2025;
- the directors' declaration.

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## **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 audits of the financial report of public interest entities 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 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**

Our audit focused on where the Group made subjective judgements; for example, significant accounting estimates involving assumptions and inherently uncertain future events.

- In establishing the overall approach to the group audit, we determined the type of work that needed to be performed by us, as the group auditor.



## 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. We communicated the key audit matters to the Audit and Risk Committee.

Key audit matter	How our audit addressed the key audit matter
<p><b>Carrying value assessment for the Savage River cash generating unit (CGU)</b> (Refer to note 27)</p> <p>At each reporting date, the Group assesses the recoverability of the Savage River CGU. The Group determined the recoverable amount of the CGU on a fair value less costs of disposal basis.</p> <p>There were a number of factors in the assessment requiring judgement by the Group including:</p> <ul style="list-style-type: none"> <li>• Iron ore pellet prices</li> <li>• AUD/USD exchange rates</li> <li>• post-tax nominal discount rate</li> <li>• Capital expenditure</li> <li>• proven and probable ore reserves prepared in accordance with the JORC 2012</li> </ul> <p>The impairment assessment reflects management's expectation that the conclusions of the Independent Technical Expert (ITE) will support the project schedule of the underground project, that sufficient funding will be secured to enable development within the required timeframe, and that the Board will approve the underground mining project based on the updated life-of-mine plan and supporting assessments.</p> <p>The recoverability assessment was a key audit matter due to: the magnitude of the CGU balance relative to the Group's total assets; the existence of impairment indicators; and the significant judgements and estimation uncertainty involved in determining the recoverable amount.</p>	<p>We performed the following procedures, amongst others:</p> <ul style="list-style-type: none"> <li>• We obtained an understanding of the process used to prepare the impairment assessment, tested the mathematical accuracy of the discounted cash flow model, and assessed the appropriateness of the methodology and key assumptions applied in determining the recoverable amount in accordance with Australian Accounting Standards.</li> <li>• We assessed: <ul style="list-style-type: none"> <li>◦ the appropriateness of the discounted cash flow methodology applied in determining the recoverable amount, including testing the mathematical accuracy of the model.</li> <li>◦ the consistency of the forecast production profile, operating costs and capital expenditure with the Board approved life of mine plan.</li> <li>◦ management's assumptions regarding the planned transition to underground mining, including consideration of the Independent Technical Expert (ITE) conclusions and development timing.</li> <li>◦ the reasonableness of funding assumptions underpinning the underground development.</li> <li>◦ the iron ore pellet price assumptions and AUD/USD exchange rate assumptions by comparing them to external market data and industry forecasts.</li> <li>◦ the post-tax nominal discount rate, with the assistance of our valuation specialists, by comparing key inputs to observable market information.</li> <li>◦ the ore reserve assumptions by comparing them to the most recent Annual Resource and Reserve</li> </ul> </li> </ul>

	Statement prepared in accordance with the JORC 2012.
<p><b>Accounting for the cost of rehabilitation</b> (Refer to note 21)</p> <p>The Group recognises a provision for decommissioning and restoration costs in respect of its obligation to rehabilitate the Savage River and Port Latta sites for the disturbance caused by its operations. The provision also includes an obligation under the Tasmanian Goldamere Pty Ltd Act 1996 to repay the Tasmanian Government for part of the mine purchase price through expenditure on remediation activities.</p> <p>The rehabilitation provision was a key audit matter as it is financially significant and involves considerable judgement and estimation uncertainty.</p>	<p>To assess the accounting for the cost of rehabilitation, we performed the following procedures, amongst others:</p> <ul style="list-style-type: none"> <li>• Obtaining the Group’s calculation of the rehabilitation provision and assessing the mathematical accuracy of selected calculations. We also assessed whether the timing of forecast cash flows in the rehabilitation models was consistent with the latest approved life of mine plan.</li> <li>• Assessed whether the discount rates used in the rehabilitation models were reasonable by comparing them to market data.</li> <li>• Where the Group engaged internal and external experts to estimate remediation costs, assessing the competence, capability and objectivity of those experts, and assessing whether the scope of work performed was appropriate for the purposes of the estimate.</li> <li>• Compared the Group’s significant assumptions on rehabilitation costs to other similar costs in the business or external data where appropriate.</li> </ul>

**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 2025, 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 and 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 and a limited assurance conclusion on the specified Sustainability Disclosures of the Sustainability 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 in accordance with Australian Accounting Standards and the *Corporations Act 2001*, including giving a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of the financial report that 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://auasb.gov.au/media/bwvjcgre/ar1\\_2024.pdf](https://auasb.gov.au/media/bwvjcgre/ar1_2024.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 2025.

In our opinion, the remuneration report of Grange Resources Limited for the year ended 31 December 2025 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.

A handwritten signature in cursive script that reads 'PricewaterhouseCoopers'.

PricewaterhouseCoopers

A handwritten signature in cursive script that reads 'Chris Dodd'.

Chris Dodd  
Partner

Melbourne  
26 February 2026