



26 April 2019
ASX: GRR

REPORT FOR THE QUARTER ENDED 31 March 2019

HIGHLIGHTS

- Mining movements increased in Q1 with increased activity on the west wall of North Pit
- Cash and liquid investments of A\$207.01 million and trade receivables of A\$17.5 million compared with cash and liquid investments of A\$224.49 million and trade receivables of A\$18.38 million as at December 2018 quarter. Cash balance is expected to decrease in the next quarter as slower production in Q1 is expected to have a negative impact on sales volumes and revenues in Q2.
- Pellet production decreased for the quarter of 453kt compared with 517kt in the December 2018 quarter.
- Unit cash operating cost increased for the quarter at A\$121.48/t compared with A\$101.32/t for December 2018 quarter. This was due to a decrease in concentrate production to 481kt from 524kt in the last quarter and maintenance works in the processing plants.
- Pellet sales increased for the quarter at 488kt compared with 466kt in the December 2018 quarter.
- 3.9% increase in average received prices for the quarter of US\$117.00/t (A\$164.12/t) (FOB Port Latta) compared with US\$112.61/t (A\$156.45/t) for December 2018 quarter.
- Exploration Decline 50-metres in and progressing well.



“As communicated to the market earlier in April, completion of the current pit stage has been delayed as a result of the high rainfall and wall instability that was experienced in Q4 of last year. Although this will have an impact to this year’s production in the first half, the production team is focused on the cutback on the west wall, which will provide the next area of access to the Main Ore Zone. Despite this delay, we plan to minimise the overall impact to achieve full-year production as planned.” said CEO Mr. Honglin Zhao.

“The underground feasibility study is progressing well, with the Exploration Decline development being carried out on schedule. The completion of the portal and decline at 50-metres will allow for 24/7 development and independent blasting from the pit operation.”

SAVAGE RIVER OPERATIONS

PRODUCTION

	March Quarter 2019	December Quarter 2018	September Quarter 2018
Total BCM Mined	3,229,189	3,117,326	2,787,928
Total Ore BCM	468,137	414,442	20,259
Concentrate Produced (t)	480,585	524,413	399,357
Weight Recovery (%)	39.3	44.0	53.4
Pellets Produced (t)	452,640	516,722	437,336
Pellet Stockpile (t)	154,192	189,351	138,464
Concentrate Stockpile (t)	30,642	1,158	5,278

Safe work and risk management processes remain the focus, with an increase in operations and project activity onsite. Over 650 days Lost Time Injury Free achieved.

Mining the Main Ore Zone in lower parts of North Pit was completed in the quarter. Development of the west wall of North Pit is now the main activity to ensure the next stage of ore is delivered. Remediation and mining of the narrow stage on the east wall continues.

The majority of common equipment shutdown works were completed at both the concentrator and pellet plants. Some further maintenance will be undertaken through Q2.



SHIPPING AND SALES

	March Quarter 2019	December Quarter 2018	September Quarter 2018
Iron Ore Pellet Sales (dmt)	487,799	465,834	498,714
Iron Ore Concentrate Sales (dmt)	36	0	0
Iron Ore Chip Sales (dmt)	20,658	31,102	14,961
TOTAL Iron Ore Product Sales (dmt)	508,493	496,936	513,675
Average Realised Product Price (US\$/t FOB Port Latta)	117.00	112.61	132.41
Average Realised Exchange Rate (AUD:USD)	0.7129	0.7198	0.7277
Average Realised Product Price (A\$/t FOB Port Latta)	164.12	156.45	181.96

The average price received during the quarter of US\$117.00/t (A\$164.12/t) (FOB Port Latta), increased by 3.9% from US\$112.61/t (A\$156.45/t) in the December 2018 Quarter.

Grange continued to receive strong pellet prices during the quarter reflecting additional premiums for its higher quality products over the lower quality products in the market. Grange continue to deliver into existing and new secured term off-take agreements (remaining fully committed for 2019) which are linked to a 65% Fe fines index resulting in higher prices over the 62% Fe prices.

MINE DEVELOPMENT PROJECTS

North Pit Underground

The initial phase of geological modelling resulted in a significant increase in the Mineral Resources, as noted in the updated resource statement (see announcement dated 8 April 2019). Phase 2 of the North Pit underground project planned for Q2 2019 will include the drilling of nine deep holes to test resource extensions and collect additional data to further update the resource model. Phase 3 is scheduled to commence in Q2. This includes a drilling program designed to assess the orebody from the Exploration Decline and will focus on acquiring detailed geotechnical information from the Main Ore Zone.

The Exploration Decline is progressing to plan. The decline is now over 50-metres in length, with reasonable ground conditions encountered so far.



Centre Pit

Work continues on the feasibility study for Centre Pit. Additional diamond drill holes were completed in the north eastern area of the potential pit. Modelling work is in progress to further define structural domains. Geotechnical slope analysis will be used to inform the staged designs for the pit.

SOUTHDOWN MAGNETITE PROJECT **(Grange 70%, SRT Australia Pty Ltd 30%)**

The process of seeking a strategic investor(s) for the project is ongoing.

All tenements, permits and project assets continue to be maintained in good order. Budgeting and cost control over expenditure on this project continues to secure the investment.

The Joint Venture Partners continue to monitor all ongoing project requirements. This is to ensure that the current status of the feasibility studies allow the full recommencement of the project once the Joint Venture is able to secure an equity partner for a strategic share of the Company's interest in the project.



GRANGE ROC PROPERTY

Lumley Park (previously Lumley Court)

Construction at Lumley Park is progressing according to plan and within budget. As of the date of this report, two of the five units have been sold. The units sold have achieved the budgeted sale price, further supporting our confidence in the market for the joint venture's business model and quality projects. The project is planned to be fully constructed and sold in 2019.

Carter Toorak (previously Malvern Road)

Construction at Carter Toorak is also progressing according to plan and within budget. As of the date of this report, three of 8 units have been sold and achieved the budgeted or higher sale price. The project is planned to be fully constructed and sold in 2019.

Brookville

The land contracts for Brookville were settled in the quarter for the remaining balance of \$9.0 million. A planning application for a 3-level, 8-unit prestige apartment development has been submitted to the Stonnington City Council.

CORPORATE

Shareholders

As at 31 March 2019 there were approximately 5,300 shareholders.

-ENDS-

For further information, please contact:
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