



20 October 2017  
ASX: GRR

## REPORT FOR THE QUARTER ENDED 30 September 2017

### HIGHLIGHTS

- Gained access to main ore zone in North Pit to deliver high grade ore.
- Concentrate and Pellet plants back to full operations to meet the production target released in June 2017.
- Strong demand for pellets, demonstrated by average price received for the quarter of US\$105.77/t (A\$133.11/t) (FOB Port Latta) compared with US\$75.47/t (A\$99.95/t) for June 2017 quarter.
- Significant increase in concentrate production as a result of improved access to ore. Resulted in a unit cash operating cost decrease with cash operating costs for the quarter of A\$85.04/t compared with A\$252.44/t for June 2017 quarter.
- Cash position of A\$120.34 million and trade receivables of A\$34.51 million compared to A\$153.65 million cash position and A\$7.02 million trade receivables as at 30 June 2017.
- Pellets production increased in the quarter with 550kt compared with 184kt in the June 2017 quarter.
- Pellets sold in the quarter of 359kt compared with 318kt in the June 2017 quarter.



“As noted in last quarter’s report, a priority for Grange was to regain ore production in our North Pit. I’m happy to report that our Team has done a great job in this area which has enabled us to return to full operation for our Concentrate and Pellet plants in Q3. We expect this to continue as we progress towards year-end” said CEO Mr. Honglin Zhao.

“The iron ore prices, in particular the pellet price, have seen significant improvements over the past quarter due to stricter environmental guidelines in China. This further re-enforces the quality and strong demand for our products.”

## SAVAGE RIVER OPERATIONS

### PRODUCTION

	September Quarter 2017	June Quarter 2017	March Quarter 2017
<b>Total BCM Mined</b>	3,081,944	2,830,825	2,501,748
<b>Total Ore BCM</b>	418,548	144,905	207,439
<b>Concentrate Produced (t)</b>	583,822	181,499	497,800
<b>Weight Recovery (%)</b>	53.2	36.5	44.8
<b>Pellets Produced (t)</b>	549,791	184,389	486,553
<b>Pellet Stockpile (t)</b>	240,342	49,615	184,097
<b>Concentrate Stockpile (t)</b>	25,503	25,267	72,260

Mining activities continued safely with over 200 days Lost Time Injury Free achieved after the quarter end. Material movement has been focused on the east wall of North Pit. This area is delivering high grade ore from the lower parts of the pit which has supported a significant increase in our quality production. While we continue to remediate upper parts of the east wall, progress on the main ore zone is progressing well. Pre-stripping on the west wall is also developing larger work areas to improve mining rates over the next quarter.

Concentrate and Pellet plants have returned to full production levels through the quarter, having benefited from proactive maintenance. This will sustain our production through the next quarter.

We continue to work through reporting requirements for the approval to operate the SDTSF. Planning for the close out of the Main Creek Tailings Dam is in progress and we expect to move across to the new facility in the new year.



## SHIPPING AND SALES

	September Quarter 2017	June Quarter 2017	March Quarter 2017
Iron Ore Pellet Sales (dmt)	359,064	318,871	473,596
Iron Ore Concentrate Sales (dmt)	2	44	43
Iron Ore Chip Sales (dmt)	20,594	10,395	20,789
<b>TOTAL Iron Ore Product Sales (dmt)</b>	<b>379,660</b>	<b>329,310</b>	<b>494,428</b>
Average Realised Product Price (US\$/t FOB Port Latta)	105.77	75.47	95.89
Average Realised Exchange Rate (AUD:USD)	0.7946	0.7551	0.7553
Average Realised Product Price (A\$/t FOB Port Latta)	133.11	99.95	126.95

The average price received during the quarter was US\$105.77/t (A\$133.11/t) (FOB Port Latta), up approximately 40.1% (33.2%) from US\$75.47/t (A\$99.95/t) in the June 2017 quarter.

Whilst the iron ore prices have improved, there remains uncertainty to their future direction. Grange is confident that the market will continue to recognise a premium for higher quality pellets in comparison to benchmark 62% Fe iron ore products.

Grange will continue to deliver into secured term offtake agreements for the remainder of 2017.

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

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 to ensure that the current status of the feasibility studies allow the full recommencement of the project once Grange is able to secure an equity partner for a strategic share of the Company's interest in the project.



## CORPORATE

### *Shareholders*

As at 30 September 2017 there were approximately 4,300 shareholders.

-ENDS-

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