



24 July 2017  
ASX: GRR

## REPORT FOR THE QUARTER ENDED 30 June 2017

### HIGHLIGHTS

- Average price received for the quarter of US\$75.47/t (A\$99.95/t) (FOB Port Latta) compared with US\$95.89/t (A\$126.95/t) for March 2017 quarter, although the market price had strengthened subsequent the quarter end date.
- Cash operating costs for the quarter of A\$252.44/t compared with A\$91.02/t for March 2017 quarter. Unit cash operating costs increased due to significantly lower concentrate production as a result of delayed access to ore feed.
- Cash position of A\$153.65 million and trade receivables of A\$7.02 million compared to A\$170.45 million cash position and A\$22.16 million trade receivables as at 31 March 2017.
- Pellets produced in the quarter of 184kt compared with 486kt in the March 2017 quarter.
- Pellets sold in the quarter of 318kt compared with 473kt in the March 2017 quarter.
- Second Autogenous Mill Shell replaced ahead of plan and successfully commissioned.
- South Deposit Tailings Storage Facility (SDTSF) in a near completion stage, final approval being sought.



“Regaining ore production in our North Pit continued to be our key focus in this past quarter, as production rates and unit costs have seen a negative impact due to delayed access to ore feed. The mining team is working through the challenges and we expect to see improvements in the second half of this year” said CEO Mr. Honglin Zhao.

“The iron ore prices were under significant pressure this past quarter. Although they have strengthened subsequent to the quarter end date, we would expect some volatility in upcoming months.

We will continue to seek innovation in improving the productivity and the quality of our products.”

## SAVAGE RIVER OPERATIONS

### PRODUCTION

	June Quarter 2017	March Quarter 2017	December Quarter 2016
<b>Total BCM Mined</b>	2,830,825	2,501,748	1,976,867
<b>Total Ore BCM</b>	144,905	207,439	357,913
<b>Concentrate Produced (t)</b>	181,499	497,800	604,608
<b>Weight Recovery (%)</b>	36.5	44.8	44.8
<b>Pellets Produced (t)</b>	184,389	486,553	586,107
<b>Pellet Stockpile (t)</b>	49,615	184,097	171,140
<b>Concentrate Stockpile (t)</b>	25,267	72,260	83,623

The cutback continues in North Pit as we develop access to the main ore zone. Since the incident in March we have redesigned sections of the wall to provide additional catch capacity under areas of the wall that couldn't be remediated during the scaling program. This has required an update of designs and the schedule to access the ore zone. There have been some delays encountered as we have dealt with some complex structures and faults on the east wall. This has required additional wall support and cleanup. These works have progressed well and we are on track to deliver sustainable high grade mill feed in Q3. Movement rates have been improved further and pre-stripping on the west wall of North Pit continues ahead of plan.

South Deposit was completed during the quarter with the successful delivery of planned high grade ore and the material required to construct the South Deposit Tails Storage Facility. Approvals are currently being sought for the operation of the SDTSF later in the year.

Our common equipment shutdown and maintenance program continued through the quarter. This included the successful installation of the second Autogenous Mill Shell. This was completed ahead of schedule and under budget. This concludes the major refurbishment works in the Concentrator with the second mill being replaced after 49 years of operation.



## SHIPPING AND SALES

	June Quarter 2017	March Quarter 2017	December Quarter 2016
Iron Ore Pellet Sales (dmt)	318,871	473,596	636,700
Iron Ore Concentrate Sales (dmt)	44	43	33
Iron Ore Chip Sales (dmt)	10,395	20,789	29,927
<b>TOTAL Iron Ore Product Sales (dmt)</b>	<b>329,310</b>	<b>494,428</b>	<b>666,660</b>
Average Realised Product Price (US\$/t FOB Port Latta)	75.47	95.89	88.45
Average Realised Exchange Rate (AUD:USD)	0.7551	0.7553	0.7435
Average Realised Product Price (A\$/t FOB Port Latta)	99.95	126.95	118.96

The average price received during the quarter was US\$75.47/t (A\$99.95/t) (FOB Port Latta), down approximately 21.3% (21.3%) from US\$95.89/t (A\$126.95/t) in the March 2017 quarter.

Whilst there is uncertainty to the future direction of the iron ore prices, 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 June 2017 there were approximately 4,300 shareholders.

-ENDS-

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