



26 March 2019

## MEDIA RELEASE

### Grange commences Exploration Decline

#### Highlights

- Exploration Decline has commenced at Savage River Mine
- Surface drilling programs nearing completion with resource estimation in progress
- \$15 million to be invested in Exploration Decline
- \$3.5 million to be invested in prefeasibility study
- \$8 million to be invested in diamond drilling from underground

Grange Resources Ltd (ASX: GRR) is pleased to announce the commencement of an Exploration Decline at the Savage River Mine, to undertake data collection of geological and geotechnical information. The decline will allow diamond drilling of the resource below North Pit as part of the prefeasibility study due for completion in 2019. The Exploration Decline will be 5.5-metres-wide by 5.8-metres-high, and approximately 1300-metres-long at an estimated cost of more than \$15 million. The completion of this work will provide crucial information to assist in design, construction and associated works for the potential underground operation. This expenditure is in addition to \$3.5 million for the prefeasibility study and engineering assessments that are progressing.

#### Exploration Decline

The decline will be constructed by RUC Mining, an experienced underground mining contractor.

RUC mobilised equipment and crews to site and has completed the ground support required to allow the development of the portal and the decline, that will extend parallel to the orebody in North Pit. The decline development is on schedule to be completed by the end of the year (2019).

“The commencement of the Exploration Decline represents a significant milestone in the development of the substantial mineral resource at Savage River.” said CEO Mr. Honglin Zhao.

“Our hope is this will provide adequate information to allow us to form a view on the potential of future underground mining below the open pit.

“While still in the feasibility study stage, these works provide exciting opportunities for the workforce and our community as we look to secure the long-term future of the Savage River operation.”



### Underground Prefeasibility Drilling

Surface diamond drilling for the prefeasibility is nearing completion. The program comprised 19 holes, drilled by up to six drill rigs over the last 12 months. The final two holes are in progress. Data is being collated and modelled with the first round of resource estimations to be complete this quarter. The Board has approved expenditure of up to \$8 million for the next phase of drilling which includes 19 holes for a planned advance of around 8,800-metres. This program will commence from the Exploration Decline when sufficiently progressed in Q2, 2019.



**Figure 1** – CEO Honglin Zhao (3<sup>rd</sup> from left) with Dean Wang, Andrew Middleton, Uday Singh, Matthew Anderson and Ben Maynard, reviewing preparations for the Exploration Decline.

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**Figure 2** CEO, Mr Honglin Zhao



**Figure 3** Exploration Decline at the south end of North Pit



### About Grange Resources

Grange Resources Limited (Grange or the Company), ASX Code: GRR, is Australia's most experienced magnetite producer with 50 years of mining and production from its Savage River mine and has a projected mine life beyond 2030. Grange produces a high-quality iron ore pellet with low levels of impurities that support reduced environmental impacts for end users.

Grange's operations consist principally of owning and operating the Savage River integrated iron ore mining and pellet production business located in the north-west region of Tasmania. The Savage River magnetite iron ore mine is a long-life mining asset. At Port Latta, on the north-west coast of Tasmania, Grange owns a downstream pellet plant and port facility producing more than two million tonnes of premium quality iron ore pellets annually.

Grange has a combination of spot and contracted sales arrangements in place to deliver its pellets to customers throughout the Asia Pacific region. In addition, Grange is a majority joint venture partner in a major magnetite development project at Southdown, near Albany in Western Australia.

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