



5 June 2017

Market Update – reduced production for 2017

Grange has continued to pre-strip the North Pit to provide access to the main ore zone.

Following the serious incident that occurred in March, the design has been modified to include additional wall support to allow mining to continue. We will also install a rock catch fence to further improve the safety of the operation.

We have been mining through previous failure zones and a complex set of faults as we near the ore. The remediation has taken some time, and additional support is required to ensure the stability of this area as we continue to operate.

Access to the main ore zone has been delayed while this remediation is undertaken. This will result in a decrease in production output for 2017 in the order of 400k-500k tonnes of iron ore product.

Management's focus is on the current remediation work and installing the appropriate ground support to ensure safe operation and sustained access to high grade ore.

Progress on the replacement and installation of the second autogenous mill is progressing smoothly and ahead of plan. During the downtime of the processing plants through July, the opportunity will be taken to closeout key maintenance tasks. This will prepare the mill for high production rates for the rest of the year.

ENDS

For further information, please contact:

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