



21 January 2016

ASX: GRR

## REPORT FOR THE QUARTER ENDED 31 December 2015

# STRONG PRODUCTION CONTINUES FOR QUARTER

### HIGHLIGHTS

- Concentrate Production of 670kt and pellet production of 625kt achieved during the quarter to set a record year for pellet production.
- Average price received for the Quarter of US\$54.62/t (A\$75.97) (FOB Port Latta) compared with US\$63.08 (A\$86.72) in September Quarter, 2015.
- Cash operating costs (C1) managed to A\$73/t compared with A\$79/t in September 2015 Quarter.
- Strong cash position of A\$138.4 million as at 31 December 2015.
- South Deposit Tailings Storage Facility (SDTSF) construction continues on plan.



“The production performance in the last quarter has been very pleasing and we have achieved our targets,” Mr. Honglin Zhao, the CEO said.

“There remains demand for our product, however as similar to other commodities, the uncertainty remains in the iron ore market as we move into 2016.

“The management team continue to demonstrate their commitment to safely and efficiently running the operations through this difficult time and we will continue our disciplined approach to cost reduction into this new year.”

## SAVAGE RIVER OPERATIONS

### PRODUCTION

	December Quarter 2015	September Quarter 2015	December Quarter 2014
<b>Total BCM Mined</b>	3,789,897	3,714,555	4,391,525
<b>Total Ore BCM</b>	325,980	255,127	520,616
<b>Concentrate Produced (t)</b>	670,474	637,927	705,965
<b>Weight Recovery (%)</b>	42.3	46.4	47.2
<b>Pellets Produced (t)</b>	625,093	650,052	595,429
<b>Pellet Stockpile (t)</b>	430,261	408,380	151,431
<b>Concentrate Stockpile (t)</b>	169,895	128,831	176,530

Grange operations have not incurred any lost time injuries in the last 266 days.

Mine operations continue in South Deposit and North Pit, with movement rates increasing from the last quarter as we move out of the winter period. South Deposit Tails Storage Facility (SDTSF) development continues and the implementation is on plan and progressing to schedule.

Concentrator throughput also improved with the new Autogenous mill performing well, rounding out an excellent quarter for production. A new record has been set for pellet production for the full year with over 2.5MT produced in 2015. This was achieved operating 4 furnaces while the previous record set in 1973 was on 5 furnaces. This is an outstanding achievement of improved quality and efficiency in running the 48 year old plant.



## SHIPPING AND SALES

	December Quarter 2015	September Quarter 2015	December Quarter 2014
Iron Ore Pellet Sales (dmt)	603,212	458,559	640,623
Iron Ore Concentrate Sales (dmt)	40	41	50
Iron Ore Chip Sales (dmt)	20,766	20,849	9,420
<b>TOTAL Iron Ore Product Sales (dmt)</b>	<b>624,018</b>	<b>479,449</b>	<b>650,093</b>
Average Realised Product Price (US\$/t FOB Port Latta)	54.62	63.08	91.34
Average Realised Exchange Rate (AUD:USD)	0.7190	0.7274	0.8508
Average Realised Product Price (A\$/t FOB Port Latta)	75.97	86.72	107.36

The average price received during the quarter was US\$54.62 (A\$75.97) per tonne of product sold (FOB Port Latta), down approximately 13.4% (12.4%) from the September 2015 quarter of US\$63.08 (A\$86.72).

This downward movement is consistent with the reduction in benchmark 62% fe iron ore prices (CFR China) which was driven by the slower than expected Chinese economy development and smaller iron ore demand.

Grange's high quality, low impurity products continue to attract a premium price in comparison to benchmark 62% Fe iron ore products.

## 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 is such that the project can be fully recommenced 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 31 December 2015 there were approximately 4,500 shareholders.

-ENDS-

For further information, please contact:  
[info@grangeresources.com.au](mailto:info@grangeresources.com.au)



## ANNEXURE 1

### PRODUCTION

	Quarter Ended				Full Year	
	Mar 15	Jun 15	Sep 15	Dec 15	Dec 15	Dec 14
<b>Total BCM Mined</b>	3,872,777	3,921,851	3,714,555	3,789,897	15,299,080	17,050,888
<b>Total Ore BCM</b>	702,091	425,158	255,127	325,980	1,708,356	1,480,126
<b>Concentrate Produced (t)</b>	709,646	588,186	637,927	670,474	2,606,233	2,626,096
<b>Weight Recovery (%)</b>	47.8	48.4	46.4	42.3	46.1	48.8
<b>Pellets Produced (t)</b>	645,287	607,803	650,052	625,093	2,528,235	2,341,121
<b>Pellet Stockpile (t)</b>	249,663	216,887	408,380	430,261	430,261	151,431
<b>Concentrate Stockpile (t)</b>	222,918	167,675	128,831	169,895	169,895	176,530

### SHIPPING AND SALES

	Quarter Ended				Full Year	
	Mar 15	Jun 15	Sep 15	Dec 15	Dec 15	Dec 14
<b>Iron Ore Pellet Sales (dmt)</b>	547,055	640,579	458,559	603,212	2,249,405	2,422,093
<b>Iron Ore Concentrate Sales (dmt)</b>	41	40	41	40	162	171
<b>Iron Ore Chip Sales (dmt)</b>	48,578	16,897	20,849	20,766	107,090	79,702
<b>TOTAL Iron Ore Product Sales (dmt)</b>	595,674	657,516	479,449	624,018	2,356,657	2,501,966
<b>Average Realised Product Price (US\$/t FOB Port Latta)</b>	78.73	68.23	63.08	54.62	66.23	107.34
<b>Average Realised Exchange Rate (AUD:USD)</b>	0.7930	0.7810	0.7274	0.7190	0.7593	0.9038
<b>Average Realised Product Price (A\$/t FOB Port Latta)</b>	99.28	87.36	86.72	75.97	87.23	118.77