



21 April 2017  
ASX: GRR

## REPORT FOR THE QUARTER ENDED 31 March 2017

### HIGHLIGHTS

- Average price received for the quarter of US\$95.89/t (A\$126.95/t) (FOB Port Latta) compared with US\$88.45/t (A\$118.96/t) for December 2016 quarter, although the market price had softened subsequent the quarter end date.
- Cash operating costs for the quarter of A\$91.02/t compared with A\$80.13/t for December 2016 quarter. Unit cash operating costs increased due to lower concentrate production as a result of delayed access to ore feed.
- Cash position of A\$170.45 million and trade receivables of A\$22.16 million compared to A\$165.96 million cash position and A\$25.79 million trade receivables as at 31 December 2016.
- Pellets produced in the quarter of 486kt compared with 586kt in the December 2016 quarter.
- Pellets sold in the quarter of 473kt compared with 637kt in the December 2016 quarter.
- Construction of the South Deposit Tailings Storage Facility (SDTSF) continued as planned and in a near completion stage.



“We are deeply saddened by the fatal incident that occurred at our Savage River Mine’s North Pit on 17 March 2017. Our recovery team worked tirelessly under what were very difficult circumstances. The Company is working with WorkSafe Tasmania in completing the investigation into the incident and has provided support to the contractor’s family, the company’s workers and its extended community. The safety, health and wellbeing of our employees and contractors continues to be our number one priority as we work through this incident.” said CEO Mr. Honglin Zhao.

“Iron ore prices remain volatile and uncertain. Although there were increases in prices early this year, the market is experiencing significant headwinds and prices have softened significantly over the past few weeks.

“Regaining ore production in our North Pit continues to be our key focus as we wind-down mining activities in our South Deposit. With the uncertainty in the iron ore, electricity and gas prices, we will continue to seek methods in controlling our costs.

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

## SAVAGE RIVER OPERATIONS

### PRODUCTION

	March Quarter 2017	December Quarter 2016	September Quarter 2016
<b>Total BCM Mined</b>	2,501,748	1,976,867	2,170,451
<b>Total Ore BCM</b>	207,439	357,913	328,447
<b>Concentrate Produced (t)</b>	497,800	604,608	567,132
<b>Weight Recovery (%)</b>	44.8	44.8	40.6
<b>Pellets Produced (t)</b>	486,553	586,107	632,337
<b>Pellet Stockpile (t)</b>	184,097	171,140	221,733
<b>Concentrate Stockpile (t)</b>	72,260	83,623	85,949

Movement rates have improved over the last quarter as we near completion of South Deposit and focus our resources in North Pit. The cutback on the east wall of North Pit is moving in towards the main ore zone. Mining has also commenced on the cutback of the west wall of North Pit.

Planning and preparation work is now well advanced for the replacement of the second Autogenous Mill and an extended maintenance program is being conducted in the concentrator. Construction of the South Deposit Tails Storage Facility (SDTSF) has now reached a key milestone and we will prepare to seek approval for operation in the coming months.



## SHIPPING AND SALES

	March Quarter 2017	December Quarter 2016	September Quarter 2016
Iron Ore Pellet Sales (dmt)	473,596	636,700	586,357
Iron Ore Concentrate Sales (dmt)	43	33	44
Iron Ore Chip Sales (dmt)	20,789	29,927	30,864
<b>TOTAL Iron Ore Product Sales (dmt)</b>	<b>494,428</b>	<b>666,660</b>	<b>617,265</b>
Average Realised Product Price (US\$/t FOB Port Latta)	95.89	88.45	78.07
Average Realised Exchange Rate (AUD:USD)	0.7553	0.7435	0.7556
Average Realised Product Price (A\$/t FOB Port Latta)	126.95	118.96	103.32

The average price received during the quarter was US\$95.89/t (A\$126.95/t) (FOB Port Latta), up approximately 8.4% (6.8%) from US\$88.45/t (A\$118.86/t) in the December 2016 quarter.

This upward movement in prices from the previous quarter reflects an increased demand for Grange's high quality, low impurity products. 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 all products for 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

The Company declared and paid a final dividend of 0.5 cent per share in the quarter.

### *Shareholders*

As at 31 March 2017 there were approximately 4,050 shareholders.

-ENDS-

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