GRANGE RESOURCES

29 August 2013
ASX: GRR

GRANGE RESOURCES LIMITED

Australia's most experienced magnetite producer

REPORT FOR THE HALF YEAR ENDED 30 JUNE 2013

HIGHLIGHTS

- **Excellent safety performance at Savage River sustained with over 1,100 days Lost Time Injury free now achieved, an exceptional result.**
- **Interim dividend of 1.0 cent per share (unfranked) declared. The Company has now returned $92.4 million to shareholders since it commenced paying dividends in 2011.**
- **Net profit after tax of $2.5 million, on revenues from mining operations of $106.9 million.**
- **Preserved balance sheet strength with cash and term deposits of A$138.9 million and no debt as at 30 June 2013.**
- **North Pit mine redevelopment continues to run to schedule. As previously advised access to higher grade material in the North Pit is on-track to be re-established early in the fourth quarter of 2013.**
- **Cost control discipline at Savage River with cash operating costs ~ 6% below budget. We mined 1.17 million more BCM and increased the amount processed through the concentrator by 7% from the previous half year for the same cost.**
- **Capital spend minimised to fund mine development.**
- **Planning and approvals work for the South Deposit tailings storage facility is progressing.**
- **Exploration drilling at Long Plains continues. We expect to release an updated resource statement and aligned life of mine plan during the fourth quarter of 2013.**
- **Quality premium for iron ore pellets continues to be realised with product prices averaging US$140.57 per tonne (FOB Port Latta) for the half year.**
- **Successful closure of the Group's Perth office and transfer of the Company's headquarters and all functions to Tasmania.**
- **Search for an equity partner in the Southdown Project continues.**

Commenting on the results for the half year, Grange Resources Managing Director, Mr Wayne Bould said

"Grange is very pleased to announce an interim unfranked dividend of 1.0 cent per share, highlighting our commitment to maintaining a regular dividend and demonstrating our confidence in near term operating results following a period of significant mine development."

"Our main focus during the half year was on North Pit mine development and re-establishing access to higher grade material early in the fourth quarter of 2013. We are pleased to report that this mine development continues to run to schedule and we have very consciously made significant reductions in capital spend in order to redeploy funds to mine development. Year on year capital spend has been reduced by $10.9 million and redeployed to North Pit and South Pit mine development while preserving the underlying financial strength of the Company."

"Whilst we were disappointed with the grade of ore extracted from our alternate mining operations during the half year we were able to maximise our production by mining 1.17 million more BCM and increased the amount processed through the concentrator by 7% from the previous half year for the same cost. This allowed Grange to deliver into our shipping schedules without impacting contract volumes and record revenues from mining operations of $106.9 million and a net profit after tax of $2.5 million for the half-year."

"Re-establishing our access to higher grade material in the North Pit early in the fourth quarter of 2013 will see improved ore grades, provide for greater pellet production and lower unit costs of production in a market where benchmark prices and demand for iron ore products remains strong."

"The next phase of restructuring and cost containment initiatives implemented by the Company during the half resulted in the closure of the Perth Office and the transfer of all corporate activities to our existing office in Burnie, Tasmania. Management is committed to further reductions in operating costs in 2013."

"With a strong cash position and no debt, Grange is well positioned after a period of significant mine development to increase production, improve unit operating costs and deliver stronger cash inflows."

-ENDS-

For further information, please contact:

Investors:
Wayne Bould
Managing Director
Grange Resources Limited
+ 61 3 6430 0222
Or visit www.grangeresources.com.au