



24 January 2018
ASX: GRR

REPORT FOR THE QUARTER ENDED 31 December 2017

HIGHLIGHTS

- Mining movements lift in fourth quarter with successful remediation, and development of North Pit west wall.
- High production rates achieved for Concentrate and Pellet deliver a strong result.
- Strong demand for pellets continues. Price remains stable with average price received for the quarter of US\$105.51/t (A\$137.08/t) (FOB Port Latta) compared with US\$105.77/t (A\$133.11/t) for September 2017 quarter.
- Decrease in unit cash operating cost, with costs for the quarter of A\$76.89/t compared with A\$85.04/t for September 2017 quarter, underpinned by increased concentrate production.
- Improved cash position of A\$167.99 million and trade receivables of A\$25.17 million compared to A\$120.34 million cash position and A\$34.51 million trade receivables as at 30 September 2017.
- Increase in Pellet production with 674kt compared with 550kt in the September 2017 quarter.
- Significant increase in sales of 653kt Pellets sold, exceeding previous quarter of 359kt in the September 2017 quarter.

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“In line with our plans and expectations, I’m happy to report back to our shareholders the strong production and sales levels achieved over the past quarter. This enabled us to benefit from the continued strong prices for our pellets” said CEO Mr. Honglin Zhao.

“The iron ore prices, in particular the pellet price, have remained strong over the past quarter due to sustained environmental guidelines and supply side restrictions in China. This further reinforces the quality and strong demand for our products.”

SAVAGE RIVER OPERATIONS

PRODUCTION

	December Quarter 2017	September Quarter 2017	June Quarter 2017
Total BCM Mined	4,046,998	3,081,944	2,830,825
Total Ore BCM	422,929	418,548	144,905
Concentrate Produced (t)	696,483	583,822	181,499
Weight Recovery (%)	55.6	53.2	36.5
Pellets Produced (t)	674,447	549,791	184,389
Pellet Stockpile (t)	262,212	240,342	49,615
Concentrate Stockpile (t)	11,656	25,503	25,267

Safety focus maintained across operations with over 280 days Lost Time Injury Free achieved.

Mining activity steadily increased and continued to deliver high grade ore from the main ore zone in North Pit. Remediation efforts on the East Wall continued safely, providing a good foundation for production into the next quarter. Movement rates have also increased as the pre-stripping on the west wall is opening up larger and productive working areas.

Concentrate and Pellet plants ran at record run rates through the quarter with both plants achieving record daily and weekly production rates. A significant achievement from the 50-year-old production plants.

Approval to operate the South Deposit Tails Storage Facility is still being assessed and we expect this approval to be received in Q1, 2018. Planning for the close out of the Main Creek Tailings Dam is in progress and we will look to transition to the new facility during 2018.



SHIPPING AND SALES

	December Quarter 2017	September Quarter 2017	June Quarter 2017
Iron Ore Pellet Sales (dmt)	652,577	359,064	318,871
Iron Ore Concentrate Sales (dmt)	45	2	44
Iron Ore Chip Sales (dmt)	40,063	20,594	10,395
TOTAL Iron Ore Product Sales (dmt)	692,685	379,660	329,310
Average Realised Product Price (US\$/t FOB Port Latta)	105.51	105.77	75.47
Average Realised Exchange Rate (AUD:USD)	0.7697	0.7946	0.7551
Average Realised Product Price (A\$/t FOB Port Latta)	137.08	133.11	99.95

The average price received during the quarter was US\$105.51/t (A\$137.08/t) (FOB Port Latta), decreased slightly by 0.25% (increased by 2.98%) from US\$105.77/t (A\$133.11/t) in the September 2017 quarter.

Whilst the iron ore prices remained strong, there remains uncertainty as to their future direction. 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 has secured term off-take agreements to sell all products for 2018.

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

Shareholders

As at 31 December 2017 there were approximately 4,300 shareholders.

-ENDS-

For further information, please contact:
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ANNEXURE 1 PRODUCTION

	Quarter Ended				Full Year	
	Mar 17	Jun 17	Sep 17	Dec 17	Dec 17	Dec 16
Total BCM Mined	2,501,748	2,830,825	3,081,944	4,046,998	12,461,515	9,514,884
Total Ore BCM	207,439	144,905	418,548	422,929	1,193,821	1,218,363
Concentrate Produced (t)	497,800	181,499	583,822	696,483	1,959,604	2,397,318
Weight Recovery (%)	44.8	36.5	53.2	55.6	49.5	41.6
Pellets Produced (t)	486,553	184,389	549,791	674,447	1,895,180	2,378,486
Pellet Stockpile (t)	184,097	49,615	240,342	262,212	262,212	171,140
Concentrate Stockpile (t)	72,260	25,267	25,503	11,656	11,656	83,623

SHIPPING AND SALES

	Quarter Ended				Full Year	
	Mar 17	Jun 17	Sep 17	Dec 17	Dec 17	Dec 16
Iron Ore Pellet Sales (dmt)	473,596	318,871	359,064	652,577	1,804,108	2,637,607
Iron Ore Concentrate Sales (dmt)	43	44	2	45	134	118
Iron Ore Chip Sales (dmt)	20,789	10,395	20,594	40,063	91,841	112,378
TOTAL Iron Ore Product Sales (dmt)	494,428	329,310	379,660	692,685	1,896,083	2,750,103
Average Realised Product Price (US\$/t FOB Port Latta)	95.89	75.47	105.77	105.51	97.84	72.94
Average Realised Exchange Rate (AUD:USD)	0.7553	0.7551	0.7946	0.7697	0.7692	0.7438
Average Realised Product Price (A\$/t FOB Port Latta)	126.95	99.95	133.11	137.08	127.2	98.06