



27 April 2021
ASX: GRR

REPORT FOR THE QUARTER ENDED 31 March 2021

HIGHLIGHTS

- The operation achieved 1475 days (over 4 years) Lost Time Injury Free.
- COVID-19 controls remain in place with travelling and opening borders monitored closely, as the Company continued to prioritise the health, safety and well-being of our workforce.
- Common Equipment shutdown completed for 2021 with maintenance works across the process sites completed safely ahead of plan.
- Pellet production increased for the quarter with 616kt compared to 479kt for the December quarter due to the planned major shut for the steel pan conveyor installation in the previous quarter.
- Pellet sales decreased for the quarter to 556kt compared with 754kt for the December quarter.
- Increase in average received prices for the quarter to US\$228.52/t (A\$297.66/t) (FOB Port Latta) compared with US\$174.69/t (A\$236.77/t) for the December quarter.
- Unit cash operating cost increased for the quarter to A\$113.11/t compared with A\$101.13/t for the December quarter.
- Cash and liquid investments of A\$258.64 million and trade receivables of A\$73.38 million compared with cash and liquid investments of A\$202.93 million and trade receivables of A\$79.32 million for the December quarter.
- Outlays of approximately A\$11.5 million have been made in the quarter on capital projects including an EX3600 Face Shovel and Pellet Plant improvement projects.

“As this past quarter saw the anniversary of the Covid-19 outbreak globally, I personally would like to thank every member of the Grange Team for the efforts and contributions they have made to the Company over the past year. With each and everyone’s contributions was Grange able to continue to deliver the positive results that we have seen while staying safe in the current Covid-19 environment. Safety remains our number one priority.” said CEO Mr. Honglin Zhao.

“The efforts of the Team have been supported by very strong prices in the market, resulting in a strong first quarter of 2021. The Team continues to focus on optimising the life-of-mine plan at Savage River and assessing the strategic and technical studies of its open pit, underground, and Southdown projects.”



SAVAGE RIVER OPERATIONS

PRODUCTION

	March Quarter 2021	December Quarter 2020	September Quarter 2020
Total BCM Mined	3,409,957	3,281,599	3,512,985
Total Ore BCM	297,591	487,279	541,788
Concentrate Produced (t)	529,114	632,817	649,084
Weight Recovery (%)	38.6	43.5	44.0
Pellets Produced (t)	616,040	479,047	639,420
Pellet Stockpile (t)	179,632	119,966	395,391
Concentrate Stockpile (t)	22,577	137,580	0

The health, safety and well-being of our workforce has remained a key focus with attainment of over 4 years Lost Time Injury free. COVID-19 controls remain in place and the operation has been unhindered as we continue to protect our people. General border restrictions have eased but conditions vary as cases develop around the country. Travel to and from interstate hotspots has been proactively managed to protect the workforce and sustain safe operations.

Mining activities have been focused on mining ore from the Main Ore Zone in North Pit with remediation work and additional safety controls being installed on the east wall of North Pit to reduce the risk of small rockfalls.

Movement from the first stage of Centre Pit continued for the quarter. Final environmental approvals were reviewed by the EPA and provision of the approval conditions are imminent.

Downstream processing rates were down on the previous quarter due to the scheduled maintenance works for the 2021 Common Equipment Shutdown. This comprised general maintenance, mill reline works, structural refurbishment, electrical upgrades, and pipeline and furnace maintenance. These works were completed major injury free and ahead of schedule. Notable project work that was commissioned in the quarter included the installation of a new Particle Size Monitor at the Concentrator to provide real time sizing data to achieve optimised plant throughput and quality data for pipeline and pellet plant operations.

SHIPPING AND SALES

	March Quarter 2021	December Quarter 2020	September Quarter 2020
Iron Ore Pellet Sales (dmt)	556,374	754,472	422,167
Iron Ore Concentrate Sales (dmt)	22	0	0
Iron Ore Chip Sales (dmt)	19,897	31,526	41,704
TOTAL Iron Ore Product Sales (dmt)	576,293	785,998	463,871



Average Realised Product Price (US\$/t FOB Port Latta)	228.52	174.69	130.22
Average Realised Exchange Rate (AUD:USD)	0.7677	0.7378	0.7136
Average Realised Product Price (A\$/t FOB Port Latta)	297.66	236.77	182.49

The average A\$ price received during the quarter of A\$297.66/t (US\$228.52/t) (FOB Port Latta), increased by 25.72% from A\$236.77/t (US\$174.69/t) for the December Quarter.

All sales for the quarter were sold under secured term offtake agreements priced on the 65% Fe fines and pellet premium indices. Record prices received for the quarter reflect continued strong demand for Grange's high quality and low impurity products.

MINE DEVELOPMENT PROJECTS

North Pit Underground

Prefeasibility study work continues with final production schedules being developed for different extraction methods. The PFS is also being assessed by an independent Peer Reviewer. The underground study will be completed in the first half of 2021 and the results will feed into an overall enterprise optimisation to deliver an updated Life of Mine Plan.

Port Latta Improvement Projects

Improvement modelling continues with engineering for additional air capacity for the furnace rebuild. Long lead items are now being secured with a view to implementation in Q4,2021.

New Roll Screens have also been procured and will be implemented with opportune maintenance over the next 12 months.

The new Sodium Hydroxide plant was commissioned during the quarter and is now integrated into the operation. This project is delivering increased pH control on the top gas scrubber system, increasing efficiency and significantly reducing long term maintenance requirements.

SOUTHDOWN MAGNETITE PROJECT (Grange 70%, SRT Australia Pty Ltd 30%)

The Project achieved a significant milestone in June 2020 as the Company was granted approval of the Southdown Magnetite Project (EPBC 2011/6053) under the *Environment Protection and Biodiversity Conservation Act 1999*.

The Company is carrying out a strategic review of the project under the current strong market conditions.

The process of seeking a strategic investor(s) for the project is ongoing.



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.

GRANGE ROC PROPERTY

Carter Toorak

The focus continues on selling the remaining units at Carter Toorak.

Brookville

The focus continues on selling the developed land at Brookville.

CORPORATE

Shareholders

As at 31 March 2021 there were approximately 5,300 shareholders.

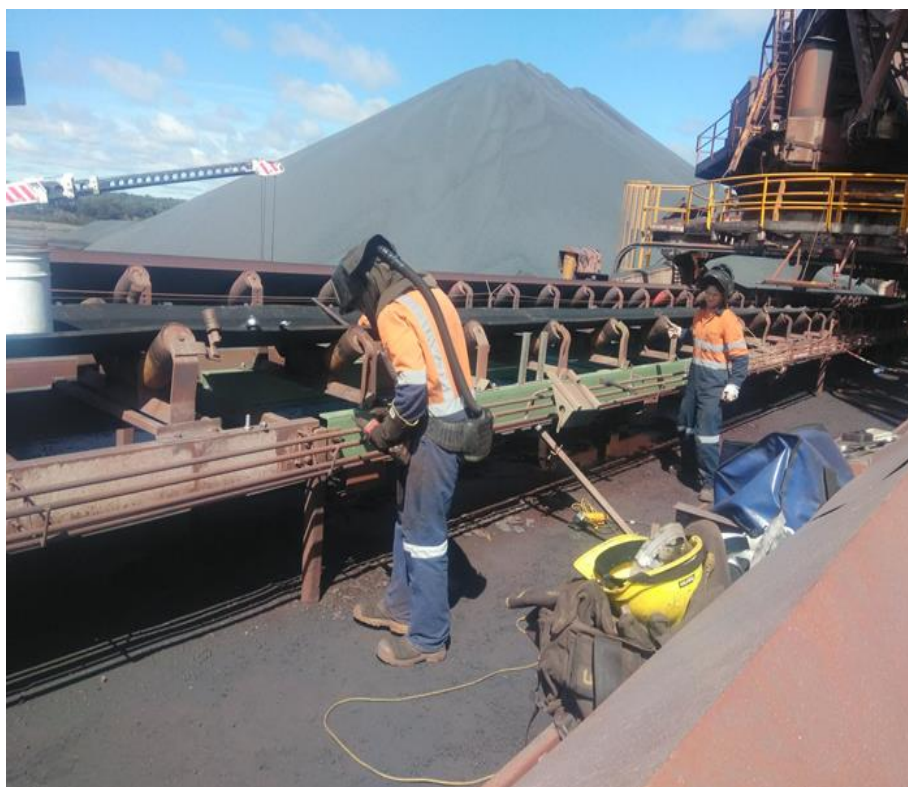
-ENDS-

This announcement was authorised by the Board.

For further information, please contact: managingdirector@grangeresources.com.au



Mining in North Pit, Savage River



Structural and conveyor repairs at Port Latta

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