



28 February 2014
ASX: GRR

GRANGE RESOURCES LIMITED

Australia's most experienced magnetite producer

FINANCIAL REPORT FOR THE YEAR ENDED 31 DECEMBER 2013

HIGHLIGHTS

- Outstanding safety record at both our Savage River and Port Latta operations continues with no Lost Time Injuries recorded since July 2010
- Delivered on our 2013 promises by successfully navigating the business through a challenging transitional year which finished strongly
 - Revenues from mining operations of \$281.1 million
 - Net profit after tax of \$25.6 million
- Disciplined operational planning and execution has allowed the business to fund critical mine re-development and preserve balance sheet strength
 - Cash and term deposits of \$159.9 million
 - Net cash inflows from operating activities of \$115.8 million
 - Low gearing levels with borrowings of \$3.5 million
 - Continued cost control disciplines have seen unit operating costs return to long term target levels
 - Maintained focus on the protection and progressive refurbishment of critical core process infrastructure
 - Paid \$23.1 million of dividends to shareholders during 2013 with a further \$23.1 million to be paid in April 2014
- Declared an ordinary final dividend of 1.0 cent per share (unfranked) for the year ended 31 December 2013 and an additional special dividend of 1.0 cent per share (unfranked) for the same period. The combined 2.0 cent dividend will be paid on 4 April 2014



- Pellet prices remained strong with improving premiums for Grange's higher quality, lower impurity products
 - Realised product prices averaged US\$141.43 (A\$147.99) per tonne (FOB Port Latta)
 - Lower realised AUD:USD exchange rates (\$0.9557) have delivered stronger AUD revenues
 - Strong market sentiment that current prices are likely to continue to prevail in 2014
- Successfully delivered mine re-development strategies
 - Re-established access to higher grade ore ahead of schedule in September 2013 which significantly improved production and delivered competitive unit operating costs during Q4 2013
 - The strong emphasis on reducing operating costs and maintaining competitive unit operating costs will continue during 2014
 - Successfully completed an extensive drilling program at Long Plains and announced an upgraded high grade magnetite resource of 107 million tonnes, potentially increasing the life of mine at Savage River (*refer ASX announcement dated 19 December 2013*)
- Maintained our focus on the Southdown Project
 - Continued our search for an equity partner in the Southdown Project
 - Ensured that all Southdown tenements, permits and project assets remained in good standing
 - Maintained the currency of all the elements of the Southdown definitive feasibility study
 - Commenced an internal review of the Southdown definitive feasibility study to identify the potential for alternative development models

"I am very pleased to report that Grange has successfully regained its focus on the business and met the challenges which confronted the operations during 2013. Grange has delivered on its promises to regain access to higher grade ore, improve production and return unit operating costs to long term target levels", Grange Managing Director, Mr Wayne Bould said.

"This was achieved without any loss of focus on the safe management of the workplace and the overall safety of our people."



"I commend Grange's experienced team for their ongoing loyalty and significant contribution in 2013. This has established a good basis for the success of the business in 2014 and beyond."

"I would also like to thank Grange's long standing shareholders for their trust in the team and their patience during a period of transition and development."

-ENDS-

For further information, please contact:

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