



16 December 2020

Grange Major Projects Update

Highlights

- Ore delivered from Main Ore Zone supporting 2.5 million tonnes of Concentrate.
- Exploration Decline and Bulk Sample Drive complete.
- Steel Pan Conveyor installed at Port Latta Pellet Plant.
- Furnace number four redesign progressed.
- Southdown environmental approvals achieved; further feasibility work planned.

Grange Resources Ltd (ASX: GRR) is pleased to provide an update on many of the business initiatives and improvements that have been undertaken through 2020.

Mining Production

High grade ore from the Main Ore Zone in North Pit has been delivered throughout the year. The operation has balanced the portion of the ore zone that has a higher level of serpentinite which hinders milling rates, with the high-grade magnetite rich ore. This has been blended to sustain production and yield high quality pellets. Forecast production is expected to exceed 2.5 million tonnes of concentrate in 2020 which is a notable increase from the previous year of 2.1 million tonnes (see announcement dated 28 April 2020).

The pre-stripping of waste material from Centre Pit has continued in preparation for ore supply later in 2021. The environmental impact statement for the ultimate design has been prepared and the approval process is underway with review expected through the first quarter of 2021.

Underground Prefeasibility Progress

The Exploration Decline and Bulk Sample Drive were completed in 2020. More than 2.4 kilometres of underground development and nearly 30,000 metres of diamond drill core has been collected and logged. This program has provided valuable information to support the pre-feasibility study. Designs and schedules are now being developed to assess different methods of mining. 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

Significant investment has been made this year in process improvements at Port Latta. A complete plant shutdown was taken in November to allow the installation, commissioning and successful operation of a new Steel Pan Conveyor. This German-engineered conveyor system is 110-metres-long and carries the hot pellets from the furnaces out of the plant for stockpiling. It carries pellets more than 600 degrees Celsius and allows them to cool more slowly, improving their strength. The guideline for installation was approximately 70 days. It was planned to be undertaken in 1 month and the team completed the commissioning within 23 days through careful planning and well managed execution.



The restoration of Furnace number four is well progressed. A revised design for the current furnace configuration has been developed and detailed engineering designs are in progress. The implementation of the new design is planned for Q4, 2021 with long lead items being procured. This redesign will improve the airflow and ensure ease of maintenance for the lifecycle of the furnace.

Other projects at Port Latta include the changeout of the Bentonite Baghouse structure, structural repair works on plant infrastructure and the installation of a Sodium Hydroxide system that will enhance the performance of the scrubbers.

The Tasmanian Government has established a Renewable Hydrogen Industry Development Funding program to support feasibility studies for large scale renewable hydrogen projects in the state. Grange has been selected to undertake a study to explore the potential to use hydrogen for industrial heating at the pellet plant. This feasibility provides a great opportunity for Grange to examine the potential for alternate and renewable energy inputs. The study will be conducted through 2021.

Southdown

The Southdown Project has been maintained in good standing throughout the year with all the required environmental approvals achieved. Further technical studies will be undertaken in 2021, including the feasibility study of dry processing. This will assist in determining the optimal development options and to explore modifications of the current processing set-up to reduce initial capital expenditures required. Further studies into the sufficiency of ground water sources and port facilities will also be undertaken. The project will also continue to seek a strategic investor for the project.

“The team has delivered on a significant number of projects that will improve the efficiency and productivity of our business,” CEO Mr. Honglin Zhao said.

“This has all been achieved through their diligence and hard work. They have managed issues with COVID-19 ensuring our people were protected and safe throughout the year.”



Figure 1 – North Pit development

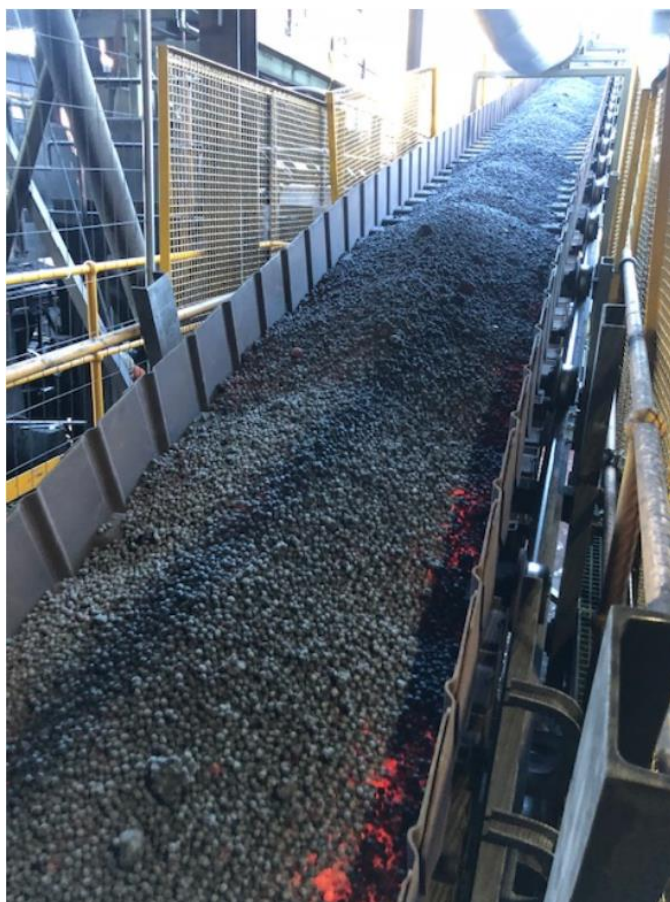


Figure 2 – Steel Pan Conveyor in operation

**About Grange Resources**

Grange Resources Limited (Grange or the Company), ASX Code: GRR, is Australia's most experienced magnetite producer with more than 50 years of mining and production from its Savage River mine and has a projected mine life beyond 2030. Grange produces a high-quality iron ore pellet with low levels of impurities that support reduced environmental impacts for end users.

Grange's operations consist principally of owning and operating the Savage River integrated iron ore mining and pellet production business located in the north-west region of Tasmania. The Savage River magnetite iron ore mine is a long-life mining asset. At Port Latta, on the north-west coast of Tasmania, Grange owns a downstream pellet plant and port facility producing more than two million tonnes of premium quality iron ore pellets annually.

Grange has a combination of spot and contracted sales arrangements in place to deliver its pellets to customers throughout the Asia Pacific region. In addition, Grange is a majority joint venture partner in a major magnetite development project at Southdown, near Albany in Western Australia.

This announcement was authorised by the Board.

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