



20 July 2021

ASX: GRR

REPORT FOR THE QUARTER ENDED 30 June 2021

HIGHLIGHTS

- The operation achieved 1560 days Lost Time Injury Free.
- COVID-19 controls remain with travelling monitored closely. The Company continued to prioritise the health, safety and well-being of our workforce.
- Rougher magnetic separators in the concentrator upgraded after 53 years in operation, improving plant recovery.
- Concentrate production increased for the quarter with 677kt produced compared to 529kt for the March quarter after previous maintenance and increased head grade.
- Pellet sales increased for the quarter to 653kt compared with 556kt for the March quarter.
- Increase in average received prices for the quarter to US\$287.15/t (A\$373.72/t) (FOB Port Latta) compared with US\$228.52/t (A\$297.66/t) for the March quarter.
- Unit cash operating cost decreased for the quarter to A\$90.16/t compared with A\$113.11/t for the March quarter.
- Cash and liquid investments of A\$416.40 million and trade receivables of A\$83.16 million compared with cash and liquid investments of A\$258.64 million and trade receivables of A\$73.38 million for the March quarter.
- Outlays of approximately A\$10.1 million have been made in the quarter on capital projects including a 992K Wheel Loader, a D10T Track Dozer and a 16M Grader.



“The second quarter of 2021 continued to see very strong iron ore prices. Grange continued to witness strong demand for our high-grade, low-impurity iron ore pellets. Our team continued to focus on optimising our life-of-mine plan at Savage River and operating in a disciplined manner in control of our costs. The COVID-19 pandemic situation remained volatile and our workforce will continue to monitor the situation as it evolves. Safety remains our number one priority.” said CEO Mr. Honglin Zhao.

“As the market for high-grade iron ore products is expected to remain strong, we are carrying out a prefeasibility study on a 5 million tonne per annum (mtpa) development case for our Southdown deposit in WA, building on the work performed from previous studies. We expect to complete the findings near the end of this year.”

SAVAGE RIVER OPERATIONS

PRODUCTION

	June Quarter 2021	March Quarter 2021	December Quarter 2020
Total BCM Mined	3,415,367	3,409,957	3,281,599
Total Ore BCM	577,222	297,591	487,279
Concentrate Produced (t)	677,607	529,114	632,817
Weight Recovery (%)	43.9	38.6	43.5
Pellets Produced (t)	655,063	616,040	479,047
Pellet Stockpile (t)	181,260	179,632	119,966
Concentrate Stockpile (t)	25,134	22,577	137,580

The health, safety and well-being of our workforce has remained a key focus with attainment of over 1560 days Lost Time Injury free. COVID-19 controls remain in place and the operation has been unhindered as we continue to protect our people. Tasmanian border controls continue to be maintained effectively and Grange continue to monitor the changing situations in other states to ensure the business proceeds unaffected.

Mining activities in North Pit have focused on wall remediation and sustained access to the Main Ore Zone. The successful installation of additional safety controls on the east wall to reduce the risk of small rockfalls was completed. This was attained with the installation of a rock fence on a catchment berm to improve the retention of any fallen material. The installation was undertaken utilizing remote equipment and innovations to allow the placement of fencing and structure via remote excavator.

Environmental approval for the mining of remaining stages of Centre Pit was received. Mining movement from the first stage of Centre Pit continued for the quarter.

Concentrate and Pellet production rates improved from the previous quarter with higher head grade being presented to the mill. Target production rates have been achieved delivering a strong result for the quarter.



SHIPPING AND SALES

	June Quarter 2021	March Quarter 2021	December Quarter 2020
Iron Ore Pellet Sales (dmt)	653,435	556,374	754,472
Iron Ore Concentrate Sales (dmt)	0	22	0
Iron Ore Chip Sales (dmt)	40,277	19,897	31,526
TOTAL Iron Ore Product Sales (dmt)	693,712	576,293	785,998
Average Realised Product Price (US\$/t FOB Port Latta)	287.15	228.52	174.69
Average Realised Exchange Rate (AUD:USD)	0.7684	0.7677	0.7378
Average Realised Product Price (A\$/t FOB Port Latta)	373.72	297.66	236.77

The average A\$ price received during the quarter of A\$373.72/t (US\$287.15/t) (FOB Port Latta), increased by 25.55% from A\$297.66/t (US\$228.52/t) for the March quarter.

Record prices were achieved for the second quarter in a row as the market demand continued to value high quality low impurity products. Grange continued to deliver into secured term offtake agreements, with pellets sales during the quarter 653kt increased by 17.5% from 556kt for the March quarter.

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 write up is in the final stages and the results will feed into an overall enterprise optimisation to deliver an updated Life of Mine Plan.

Process 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.

A project at the Concentrator was completed in the quarter to replace the Rougher Magnetic Separators. This involved design improvements and new technology to replace the 53-year-old magnetic separators that extracts the magnetite from the ore feed. Eight units have now been successfully implemented, with the upgrades improving plant recovery and efficiency.



SOUTHDOWN MAGNETITE PROJECT

(Grange 70%, SRT Australia Pty Ltd 30%)

The Company is carrying out an updated prefeasibility study on a 5 Mtpa development case with new technology and additional testwork which is expected to be completed near the end of this year.

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.

CORPORATE

Shareholders

As at 30 June 2021 there were approximately 6,200 shareholders.

-ENDS-

This announcement was authorised by the Board.

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



Rock Fence implementation North Pit, Savage River



Completion of Rougher Magnetic Separator installation