



25 January 2021
ASX: GRR

REPORT FOR THE QUARTER ENDED 31 December 2020

HIGHLIGHTS

- The operation achieved over 1380 days 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.
- Pellet production decreased for the quarter with 479kt compared to 639kt for the September quarter due to the planned major shut for the steel pan conveyor installation.
- Pellet sales increased for the quarter to 754kt compared with 422kt for the September quarter.
- Increase in average received prices for the quarter to US\$174.69/t (A\$236.77/t) (FOB Port Latta) compared with US\$130.22/t (A\$182.49/t) for the September quarter.
- Unit cash operating cost decreased for the quarter to A\$101.13/t compared with A\$101.45/t for the September quarter.
- Cash and liquid investments of A\$202.93 million and trade receivables of A\$79.32 million compared with cash and liquid investments of A\$175.53 million and trade receivables of A\$13.15 million for the September quarter.
- Outlays of approximately A\$16.7 million have been made in the quarter on capital projects including Mine Control, Truck Trays, NP Open Pit drilling program and Pellet Plant improvement projects.



“Grange management are happy with the very strong fourth quarter that completes a strong 2020, particularly delivering exceptional sales volume figures in combination with record sales prices in recent years. This is coupled with the production team’s continued strong performance. The team is to be commended for their efforts and results achieved, especially in the current COVID-19 environment as safety remains our number one priority.” said CEO Mr. Honglin Zhao.

“The great result achieved by our downstream processing and engineering team in successfully installing and commissioning the Steel Pan Conveyer system in a shorter time than planned. This enables higher quality pellets with higher compression strength to be produced, reduced down time and less maintenance and more effective use of energy.”

SAVAGE RIVER OPERATIONS

PRODUCTION

	December Quarter 2020	September Quarter 2020	June Quarter 2020
Total BCM Mined	3,281,599	3,512,985	3,710,712
Total Ore BCM	487,279	541,788	222,163
Concentrate Produced (t)	632,817	649,084	649,377
Weight Recovery (%)	43.5	44.0	46.5
Pellets Produced (t)	479,047	639,420	640,922
Pellet Stockpile (t)	119,966	395,391	178,138
Concentrate Stockpile (t)	137,580	0	1,872

The health, safety and well-being of our workforce has remained a key focus with attainment of over 1,380 days Lost Time Injury free. COVID-19 controls remain in place and the operation has been unhindered as we continue to protect our people at work and at home. Border restrictions have eased but conditions vary as cases develop around the country. Hotspots and travel arrangements have been proactively monitored and 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 some delays encountered contributing to less overall movement for the quarter. Remediation works have been undertaken on the east wall of North Pit, along with additional safety controls installed to reduce the risk of small rockfalls.

Movement from the first stage of Centre Pit continued. The Environmental Impact Statement was submitted to the EPA to seek approvals for subsequent stages of mining in Centre Pit. This is undergoing, with the review process likely to proceed through Q1,2021.

Downstream processing rates were down on the previous quarter due to the scheduled maintenance works and plant shutdown in November. This allowed the installation, commissioning and successful operation of a new Steel Pan Conveyor. This German-engineered conveyor system is 110-metres-long and takes the hot pellets from the furnaces

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discharge out of the plant for stockpiling. It carries hot pellets more than 600 degrees Celsius and allows them to cool more slowly by air, improving their strength. The commission was completed within 23 days, well under half the recommended installation time, through careful planning and well managed execution. The new conveyor is performing well, supporting full production rates and will be monitored continually as part of our commission to full operations strategy. Other projects including the changeout of the Bentonite Baghouse structure, structural repair works on plant infrastructure and the installation of a Sodium Hydroxide system were all completed successfully through the maintenance period.

SHIPPING AND SALES

	December Quarter 2020	September Quarter 2020	June Quarter 2020
Iron Ore Pellet Sales (dmt)	754,472	422,167	642,299
Iron Ore Concentrate Sales (dmt)	0	0	0
Iron Ore Chip Sales (dmt)	31,526	41,704	20,010
TOTAL Iron Ore Product Sales (dmt)	785,998	463,871	662,309
Average Realised Product Price (US\$/t FOB Port Latta)	174.69	130.22	112.72
Average Realised Exchange Rate (AUD:USD)	0.7378	0.7136	0.6596
Average Realised Product Price (A\$/t FOB Port Latta)	236.77	182.49	170.89

The average A\$ price received during the quarter of A\$236.77/t (US\$174.69/t) (FOB Port Latta), increased by 29.74% from A\$182.49/t (US\$130.22/t) for the September Quarter.

Grange continues to deliver into secured term offtake agreements realising higher prices for our lower impurity and high-quality products. Grange has fully allocated all of 2021 production through offtake agreements at an additional premium above the 65% Fe fines and pellet premium indices. This demonstrates the continued strong demand for Grange's high quality and low impurity products.

MINE DEVELOPMENT PROJECTS

North Pit Underground

Prefeasibility study work continues with designs and schedules 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

Work continues to redesign and rebuild the fifth furnace to improve the airflow. If successful, this will improve pellet quality and reduce energy consumption. The concept design was



developed through Q4, with detailed design work and review of the procurement of key components being sought in Q1, 2021.

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 December 2020 there were approximately 5,300 shareholders.

-ENDS-

This announcement was authorised by the Board.

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



ANNEXURE 1 PRODUCTION

	Quarter Ended				Full Year	
	Mar 20	Jun 20	Sep 20	Dec 20	Dec 20	Dec 19
Total BCM Mined	4,061,862	3,710,712	3,512,985	3,281,599	14,567,158	14,462,931
Total Ore BCM	133,514	222,163	541,788	487,279	1,384,744	2,108,370
Concentrate Produced (t)	600,481	649,377	649,084	632,817	2,531,759	2,117,053
Weight Recovery (%)	51.7	46.5	44.0	43.5	46.1	39.7
Pellets Produced (t)	588,885	640,922	639,420	479,047	2,348,274	2,055,043
Pellet Stockpile (t)	179,515	178,138	395,391	119,966	119,966	147,721
Concentrate Stockpile (t)	3,073	1,872	0	137,580	137,580	5,497

SHIPPING AND SALES

	Quarter Ended				Full Year	
	Mar 20	Jun 20	Sep 20	Dec 20	Dec 20	Dec 19
Iron Ore Pellet Sales (dmt)	557,091	642,299	422,167	754,472	2,376,029	2,096,673
Iron Ore Concentrate Sales (dmt)	0	0	0	0	0	122
Iron Ore Chip Sales (dmt)	20,371	20,010	41,704	31,526	113,611	95,291
TOTAL Iron Ore Product Sales (dmt)	577,462	662,309	463,871	785,998	2,489,640	2,192,086
Average Realised Product Price (US\$/t FOB Port Latta)	118.34	112.72	130.22	174.69	136.85	109.95
Average Realised Exchange Rate (AUD:USD)	0.6450	0.6596	0.7136	0.7378	0.6955	0.6944
Average Realised Product Price (A\$/t FOB Port Latta)	183.47	170.89	182.49	236.77	196.77	158.33

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Mining in North Pit, Savage River



Steel Pan Conveyor transporting hot pellets