



20 April 2015
ASX: GRR

REPORT FOR THE QUARTER ENDED 31 MARCH 2015

RECORD PRODUCTION AND STRONG MARGINS MARK OUTSTANDING QUARTER FOR GRANGE RESOURCES

HIGHLIGHTS

- Strong ongoing demand for Grange's magnetite pellets despite weaker underlying iron ore price.
- Average price received for the Quarter of US\$78.73/t (A\$99.28) (FOB Port Latta) compared with US\$91.34 (A\$107.36) in December Quarter, 2014.
- Cash operating costs (C1) reduced further to A\$71/t compared with A\$78/t in December 2014 Quarter.
- Record pellet production of 645,287t compared with 595,429t in Dec Quarter, 2014.
- Secured Sales Agency agreements to sell up to 1.2Mt product, with no agency fee.
- Together with the long-term offtake agreement with Shagang, Grange has secured sales of up to 2.2Mt of product for 2015.
- Strong cash position of A\$144.2 million as at 31 March 2015.
- Safety focus has been maintained with no Lost Time Injuries recorded during the quarter. Grange's operations are now over 1,710 days Lost Time Injury free.
- South Deposit Tailings Storage Facility (SDTSF) construction continues on plan.
- Preparation is on schedule for mid-year Mill Shell upgrade.
- Final dividend of A\$1c per share (unfranked) paid on 2 April 2015.



“Grange Resources continues to benefit from the high-quality, low-impurity nature of its flagship pellet product,” Mr. Honglin Zhao, the CEO said.

“Despite the falls in the iron ore price, we have continued to receive relatively strong prices for our product. This reflects the quality of our pellets, which leaves us well placed to benefit from the expanding pollution controls being imposed in China and the scrutiny being placed on Chinese steel mills.”

“Our margins have also been underpinned by our ongoing cost-cutting program while record production has helped protect our bottom line, leaving the Company with \$144.2 million cash at the end of March.”

“We have successfully secured sales agency agreements and with our long-term offtake arrangements, have agreements covering most of our production for 2015. Again, this highlights the strong demand for our quality product”.

SAVAGE RIVER OPERATIONS

PRODUCTION

	March Quarter 2015	December Quarter 2014	March Quarter 2014
Total BCM Mined	3,872,777	4,391,525	4,716,881
Total Ore BCM	702,091	520,616	269,973
Concentrate Produced (t)	709,646	705,965	558,337
Weight Recovery (%)	47.8	47.2	49.8
Pellets Produced (t)	645,287	595,429	504,170
Pellet Stockpile (t)	249,663	151,431	400,810
Concentrate Stockpile (t)	222,918	176,530	40,998

Mining operations continued in the North Pit main ore zone. Despite exceptionally high rainfall and difficult conditions in the quarter. Production has been sustained as we work towards the completion of this stage of North Pit. South Deposit production is on plan. Quality ore delivered from the mine and sustained focus on efficient operation has seen another record for concentrate and pellet production for this quarter.

Development continues on the first phase of construction of the South Deposit Tails Storage Facility (SDTSF). High rainfall has hampered some progress of the base areas of wall construction, however this was overcome and the project remains on schedule. This is a significant project for operations at Savage River as the SDTSF will provide sufficient tailings storage capacity for the remaining life of the mine and facilitate the treatment of legacy environmental issues resulting from previous operations at Savage River.

Planning continues in readiness to change out the first of the 48 year old Autogenous Mills in mid- 2015. This investment will position the concentrator for sustained higher throughput going forward.



SHIPPING AND SALES

	March Quarter 2015	December Quarter 2014	March Quarter 2014
Iron Ore Pellet Sales (dmt)	547,055	640,623	335,758
Iron Ore Concentrate Sales (dmt)	41	50	40
Iron Ore Chip Sales (dmt)	48,578	9,420	26,604
TOTAL Iron Ore Product Sales (dmt)	595,674	650,093	362,402
Average Realised Product Price (US\$/t FOB Port Latta)	78.73	91.34	138.82
Average Realised Exchange Rate (AUD:USD)	0.7930	0.8508	0.8913
Average Realised Product Price (A\$/t FOB Port Latta)	99.28	107.36	155.75

The average price received during the quarter was US\$78.73 (A\$99.28) per tonne of product sold (FOB Port Latta), down approximately 13.8% (7.5%) from the December 2014 quarter of US\$91.34 (A\$107.36).

Grange's high quality, low impurity products continue to attract a premium price in comparison to benchmark 62% Fe iron ore products.

We have secured Sales Agency agreements to sell up to 1.2 million tonnes of product, with no agency fee. Together with the long-term offtake agreements, Grange has secured up to 2.2 million tonnes of product for 2015.

SOUTHDOWN MAGNETITE PROJECT

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

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 to ensure that the current status of the feasibility studies is such that the project can be fully recommenced once Grange is able to secure an equity partner for a strategic share of the Company's interest in the project.



CORPORATE

Executives

Mr. Honglin Zhao was appointed as CEO of the Company with effect from Friday 6 March, 2015. Mr Zhao has been a member of the Board of Directors since 2010 and remains an Executive Director of the Company. Mr Zhao has over 39 years' experience in the steel industry and was the manager of Shagang's iron-making and steel-making plants for many years. Mr Zhao was previously the Vice-president of Shagang Group and Chief Commander of Project Development Headquarters with Shagang.

With Mr Zhao's thorough understanding of the Company's operations coupled with his extensive project management and implementation experience, The Board sees his appointment leading to a seamless transition and will provide great assistance in our major implementation projects over the coming 2 years.

Shareholders

As at 31 March 2015 there were approximately 4,800 shareholders.

-ENDS-

For further information, please contact:
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