



Australia's most experienced magnetite producer



Investor Presentation

9 May 2019

Company Highlights

- ✓ **Most EXPERIENCED magnetite producer**
Over 50 years of operational experience at Savage River
- ✓ **STRONG Safety Culture**
Achieved over 2 years LTI free at the end of March 2019
- ✓ **Shipped over 2.3m tonnes of Iron Ore Products**
2.37 million tonnes of pellets and chips sold through the port.
- ✓ **LONG LIFE producer of PREMIUM iron ore pellets**
High quality ore reserves (~ 50% DTR) producing ~65%+ Fe BF pellets
- ✓ **STRONG balance sheet**
\$224 million cash, cash equivalents and liquid investments at end of 2018
- ✓ **PRESERVED balance sheet strength with disciplined cost control**
Deferred capital and maintenance projects to preserve free cashflow with targeted investment to ensure sustainability.
- ✓ **Advanced GROWTH Project**
Search for a quality equity partner in the Southdown Project continues



Vision & Values



We will produce high quality steel making raw materials economically and effectively.

Our operations will be efficient, flexible, and stakeholder focused.

At Grange we ALL will...

- ✓ Work safely.
- ✓ Lead & act with fairness, integrity, trust and respect.
- ✓ Be responsible & accountable for our actions.
- ✓ Utilise our resources efficiently and effectively.
- ✓ Engage with stakeholders and proactively manage our impact on their environment.
- ✓ Work together openly and transparently.
- ✓ Promote an environment in which our people can develop and prosper.

Grange's Process

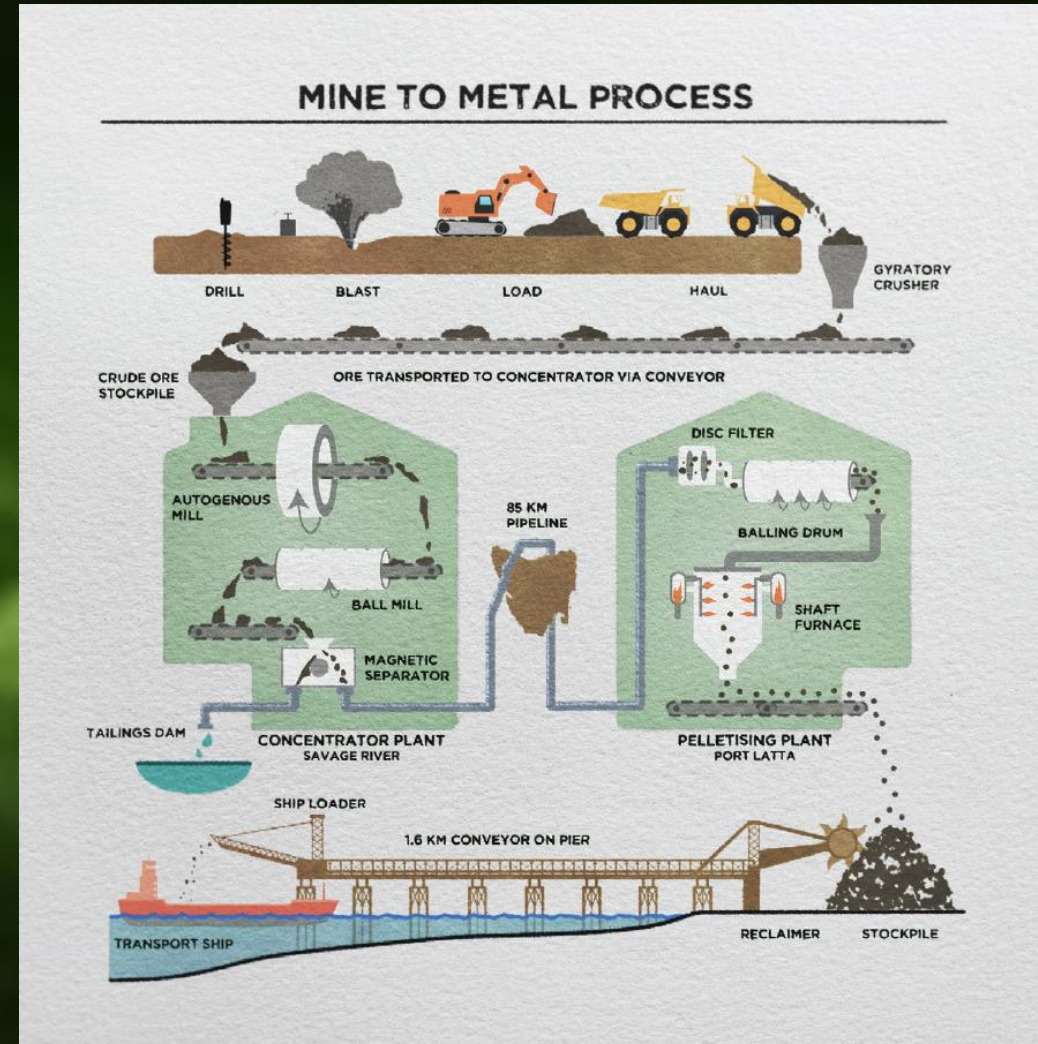
Savage River

- Magnetite iron ore is extracted from the open cut pit by conventional drilling, blasting, loading and hauling.
- Ore is then crushed to approximately 200mm and transported via a 1.6km overland conveyor belt to a stockpile.
- At the concentrator plant, the ore is processed through stages of autogenous mill grinding, ball mill grinding and magnetic separation.

The resulting concentrate is mixed with water to form a slurry which is pumped 85km through a pipeline to Port Latta. Transportation time is around 13 hours.

Port Latta

- The concentrate is de-watered and formed into small marble-sized balls then heated to over 1000 degrees Celsius for around four and a half hours in a furnace.
- The pellets are screened to remove excess material and are conveyed to a finished product stockpile to cool.
- They are transported along the 1.6km-long pier to be loaded on ships.
- Exported to steel-making operations at Port Kembla, NSW and the Asia-Pacific region.





✓ Pellets have favourable physical and chemical properties.



✓ Reduction in waste - slag

✓ Higher yield of metallic iron due to higher Fe content



✓ Lower maintenance costs in the Blast Furnace



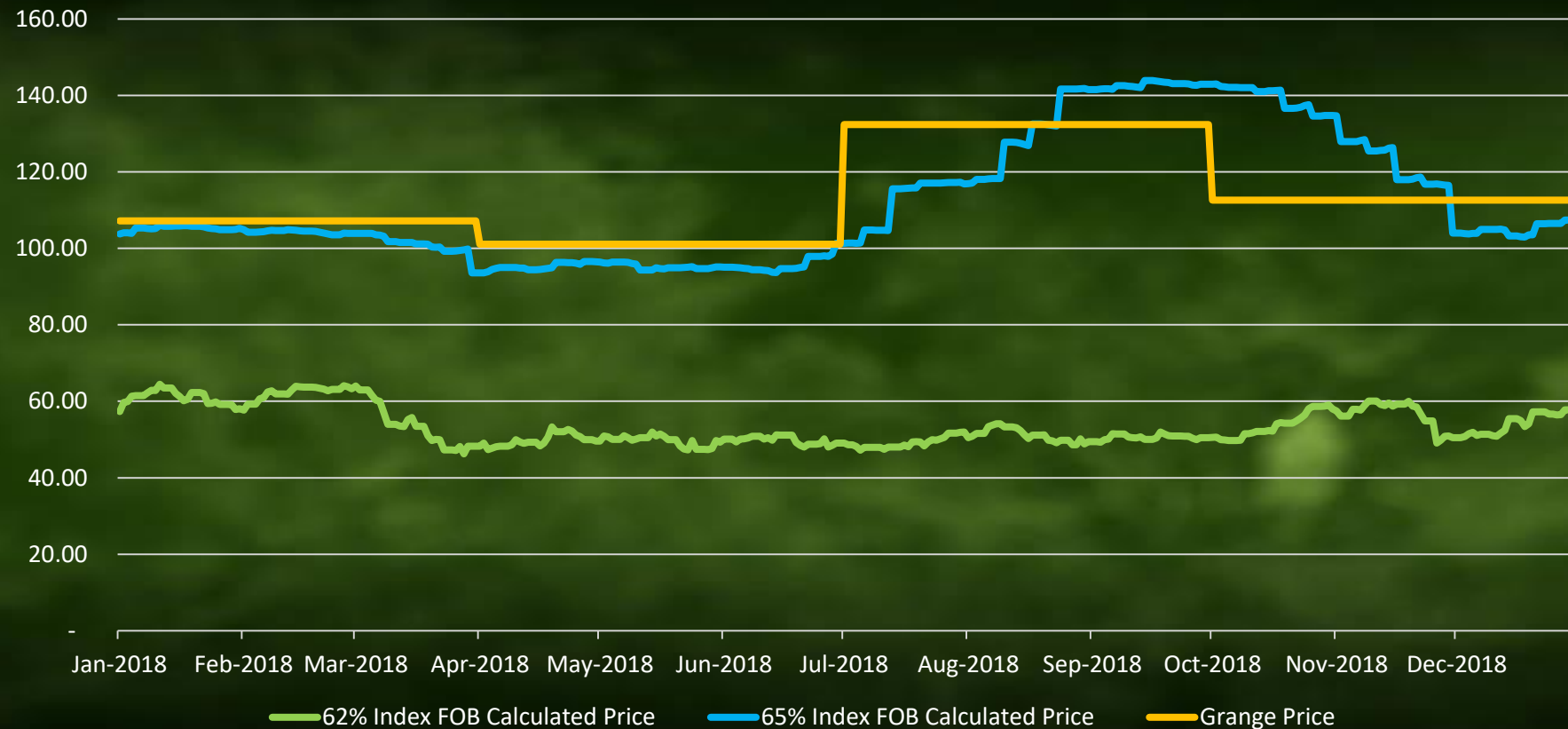
✓ Reduced environmental impact with decrease in air emissions



✓ Reduction in energy consumption

Pellet Premium

Pellet Premium Received (FOB USD)



Sustained Pellet Premium

- ✓ High Fe Content
- ✓ Low Impurities
- ✓ Attracting Premium
- ✓ Delivering into term offtake agreements

Company Overview

Grange Strategy

Maximise Mineral Asset Value



- ✓ Invest in mine development
- ✓ Complete the exploration decline below North Pit
- ✓ Complete the pre-feasibility study into the potential for underground mining
- ✓ Complete Centre Pit feasibility study
- ✓ Optimise the Life of Mine Plan

Strategic Partnership Southdown Project



- ✓ Secure new strategic partner(s) to develop the project
- ✓ Continue to investigate alternate development models to develop the project
- ✓ Maintain project in good standing

Optimise Capital Allocation Plan



- ✓ Conserve cash & build up reserves for future mine investment and working capital needs.
- ✓ Invest in process infrastructure
- ✓ Actively manage our reserve of cash to enhance returns
- ✓ Support our joint venture in Grange ROC Property

Company Assets

Australia's Most Experienced Magnetite Producer

Savage River (100%)



Focusing on the
fundamentals

Southdown Project (70%)



Searching for an
equity partner

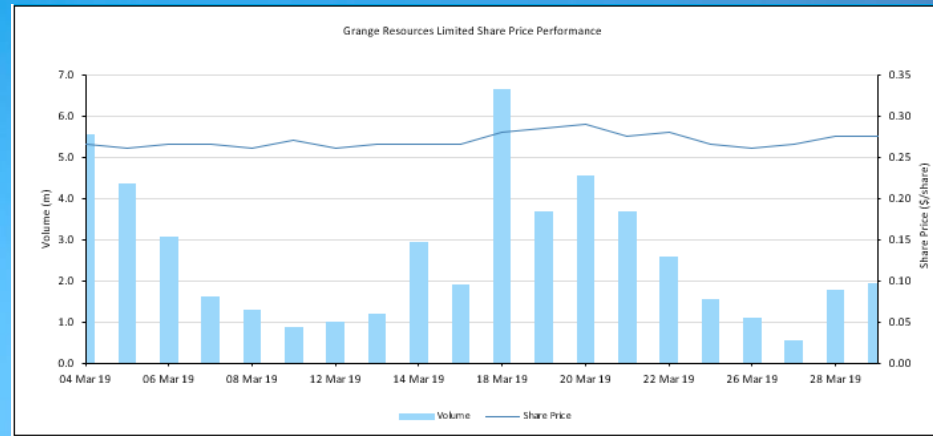
Quality assets in Tasmania and Western Australia.

GRR Company Snapshot

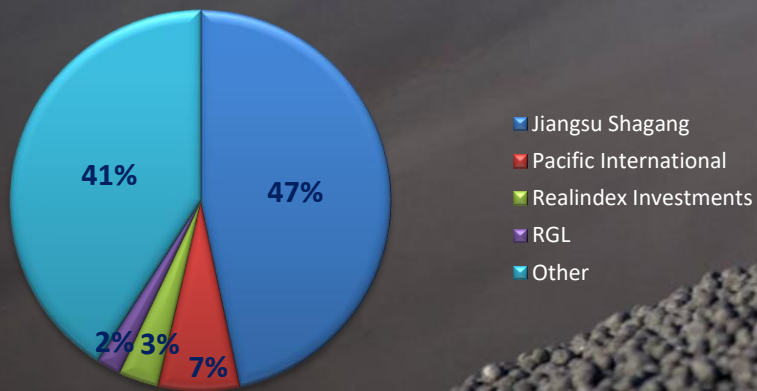
Capital Structure (A\$)

| | | |
|---|-------------|---------|
| Ordinary Shares on issue | 31 Mar 2019 | 1,157m |
| Share Price | 31 Mar 2019 | \$0.275 |
| Market Capitalization | 31 Mar 2019 | \$318m |
| Cash, cash equivalents and liquid investments | 31 Mar 2019 | \$207m |

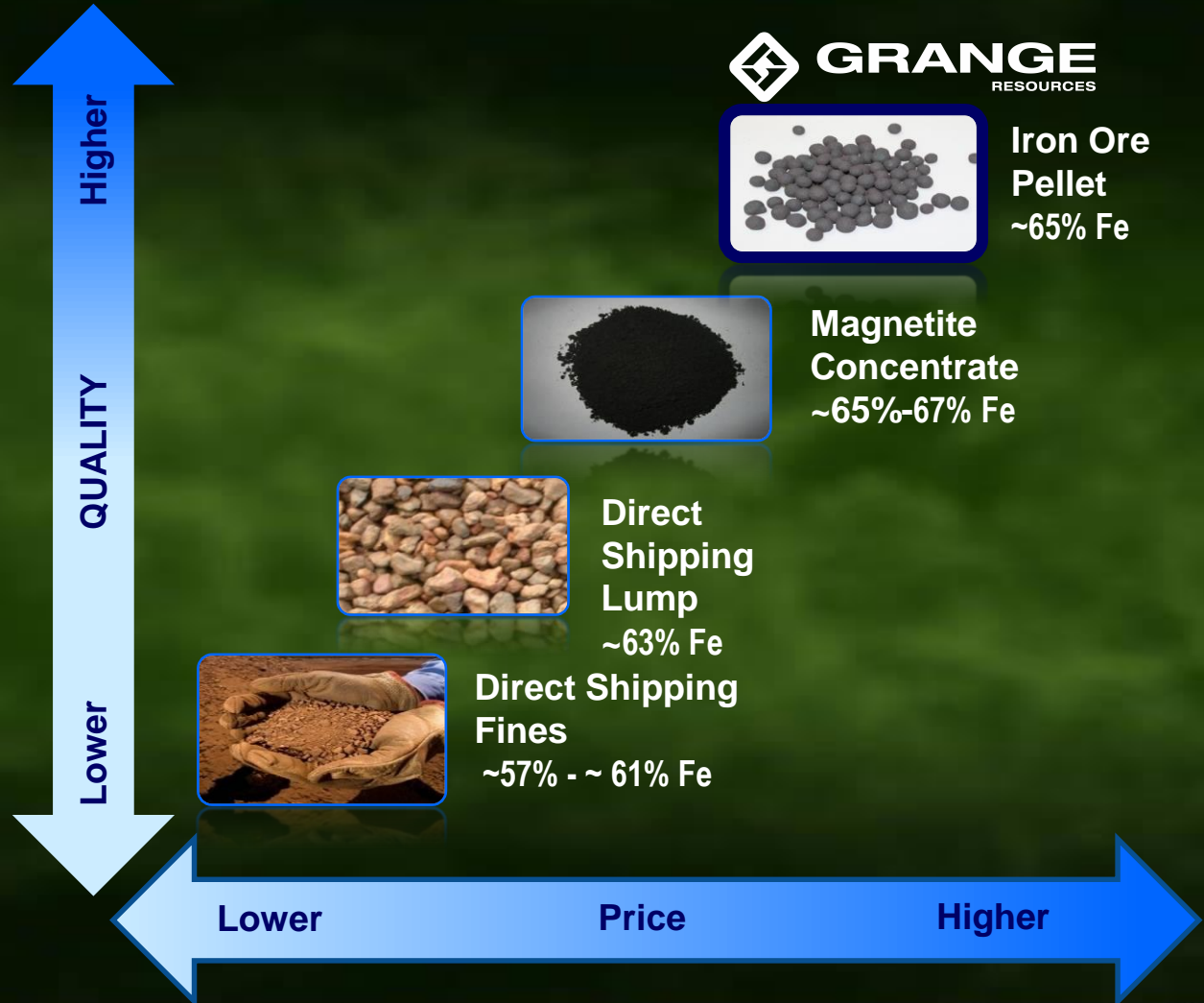
Share Price and Volume



Ownership Structure as at 31 Mar 2019



Iron Ore Products



Magnetite is a naturally occurring mineral, commonly refined into an iron ore concentrate and used for steel production.

Smelting magnetite to iron involves agglomeration or 'clumping together' of the magnetite concentrate, and thermal treatment to produce spherical shaped balls – pellets.

Magnetite concentrate has internal thermal energy meaning less energy is required, compared to haematite, in the pelletising process which in turn results in less carbon dioxide emissions.

Our magnetite concentrate is a refined product, and has high iron content and low impurities.

This has beneficial quality, productivity, efficiency and environmental outcomes for the steel maker.

The Benefit of Pellets

Pellets are often preferred over iron ore fines, sinter and lump due to their favourable physical and chemical properties supporting increased Blast Furnace productivity and efficiency.

Pellets are an enriched form of iron ore and provide significant benefits for the steel maker:

- ✓ ***Reduction in energy consumption***
 - Less energy required for pellet reduction.
 - Provides good porosity, promoting good air flow in the Blast Furnace
- ✓ ***Lower maintenance costs in the Blast Furnace***
 - Less accretion and fused lump formation reducing Blast Furnace refractory repair
- ✓ ***Reduction in waste - slag***
 - Low levels of Silica, Sulphur and very low Phosphorous
 - Supports the production of high quality steel products
- ✓ ***Higher yield of metallic iron due to higher Fe content***
 - More cost effective utilisation of the Blast Furnace
- ✓ ***Reduced environmental impact with decrease in air emissions***



Tasmanian Operations Performance & Focus

Highlights for 2018 — Tasmania

- ✓ **Celebrated over 50 years of operation**
Savage River Mine, Concentrator, Pipeline, Port Latta Pellet Plant
- ✓ **Maintained ore production from Main Ore Zone**
Supported full year production despite high rainfall and flooding
Mining movements increased in Q4 after successful dewatering
- ✓ **Continued investment in Mine Development**
The next stage of North Pit cutback continues on the west wall
- ✓ **South Deposit Tailings Storage Facility (SDTSF) completed.**
SDTSF successfully commissioned in Nov 2018.
- ✓ **Pellet production of ~2.19m tonnes**
Increased from the previous year 1.9m tonnes
- ✓ **Completed over 11,000m of diamond drilling**
Program confirmed the continuation of mineralization at depth as part of underground prefeasibility study.
- ✓ **Significant increase to Mineral Resources at Savage River**
Mineral Resources now over 540Mt



Dec 2018 Financial Position - Consolidated

| Indicator | 2018 AUD'000 | 2017 AUD'000 | Difference AUD'000 | Variance% | Comments |
|-------------------------|-----------------|-----------------|-----------------------|-----------|--|
| Current Assets | 316,676 | 261,339 | 55,337 | 21% | ↑ Cash, ↑Short Term Managed Funds ↓ Shipping receivables, ↓ Inventories |
| Non-current Assets | 291,939 | 228,622 | 63,317 | 28% | ↓ PP&E ↑ Mine Properties & Dev ↑ Deferred Tax Assets |
| Total Assets | 608,615 | 489,961 | 118,654 | 24% | |
| Current Liabilities | 72,410 | 41,176 | 31,234 | 76% | ↑ Creditors , ↑ Borrowings, ↑Provisions |
| Non-current Liabilities | 58,375 | 61,206 | (2,831) | (5%) | ↓ Provisions, ↑ Borrowings |
| Total Liabilities | 130,785 | 102,382 | 28,403 | 28% | |
| Net Assets | 477,830 | 387,579 | 90,251 | 23% | ↑ Increase in Cash and Short Term Managed Funds, Increase in MP&D |

2018 Performance – Indicators

| Indicator | Unit | 2018 Actual | 2017 Actual | Difference | Variance % | Comments |
|--|-------------|-------------|-------------|------------|------------|--|
| Concentrate | Tonnes '000 | 2,276 | 1,960 | 316 | 16% | ↑ Full year production supported despite high rainfall hampering mining activity |
| Pellet | Tonnes '000 | 2,186 | 1,895 | 291 | 15% | ↑ Pellet production line balanced with concentrate production |
| C1 Cash Operating Costs | AUD/t | 98.10 | 99.17 | (1.07) | (1%) | Continued cost control disciplines |
| Iron Ore Sales | Tonnes '000 | 2,374 | 1,896 | 478 | 25% | ↑ Sales line balanced with production |
| Average Realized Price of Iron Ore Products* | AUD/t | 149.76 | 127.20 | 22.56 | 18% | ↑ Strengthening iron ore prices, in particular pellet premium |
| Average Realized Exchange Rate | AUD:USD | 0.7473 | 0.7692 | (0.0219) | (3%) | ↓ AU Dollar weakening |
| Sales Revenue (Consolidated)* | AUD '000 | 355,473 | 241,175 | 114,298 | 47% | ↑ Increased sales volume ↑ Increase in iron ore prices |

* FOB Price - includes freight costs on CFR shipments

LOM Strategies — Maximising Mineral Assets

North Pit

- Increased high quality, long life resources
- ~294MT @ 50%DTR
- Supporting long life operations

Centre Pit

- Modelling in progress to further develop ore
- ~122MT @ 48%DTR

South Deposit

- ~18MT @ 41%DTR
- Supporting LOM tailings infrastructure construction

Long Plains

- Developing resources of ~107MT @ 35%DTR
- Potential addition to mine life



North Pit Development

North Pit Mine Development

- West wall cut-back continues

North Pit East Wall Remediation

- Supporting continued ore production

Main Ore Zone

Key Projects

Exploration Decline

- ✓ Board approved \$15m expenditure
- ✓ Commenced decline in March 2019
- ✓ Over 150m developed
- ✓ Will provide access for further drilling in the deeper parts of the ore body.



Truck rebuild program

- ✓ Rebuild of 789 truck fleet continues in 2019.
- ✓ \$22m total project cost to complete in Q4



Diamond Drilling

- ✓ Phase 1 & 2 complete
- ✓ Final assays being collected for resource modelling
- ✓ Further \$8m approved for drilling from underground

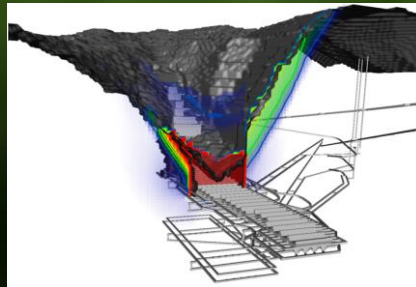


Furnace Refurbishment

- ✓ \$11m will be invested to restore the 5th furnace line
- ✓ Technology improvements being explored to improve pellet quality

Prefeasibility Study

- ✓ Assessing potential for underground mining methods
- ✓ \$3.5m to be invested in prefeasibility study.



Roll Screens

- ✓ \$3m in project plan to upgrade screens at Pellet Plant in 2019
- ✓ Will reduce energy use and improve pellet quality



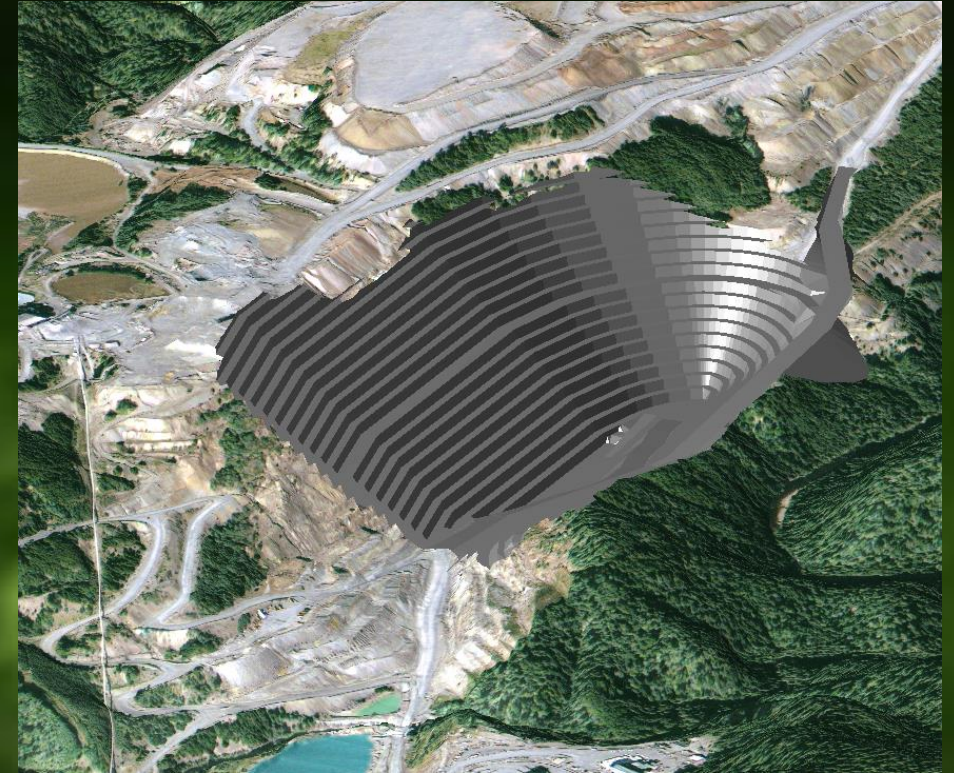
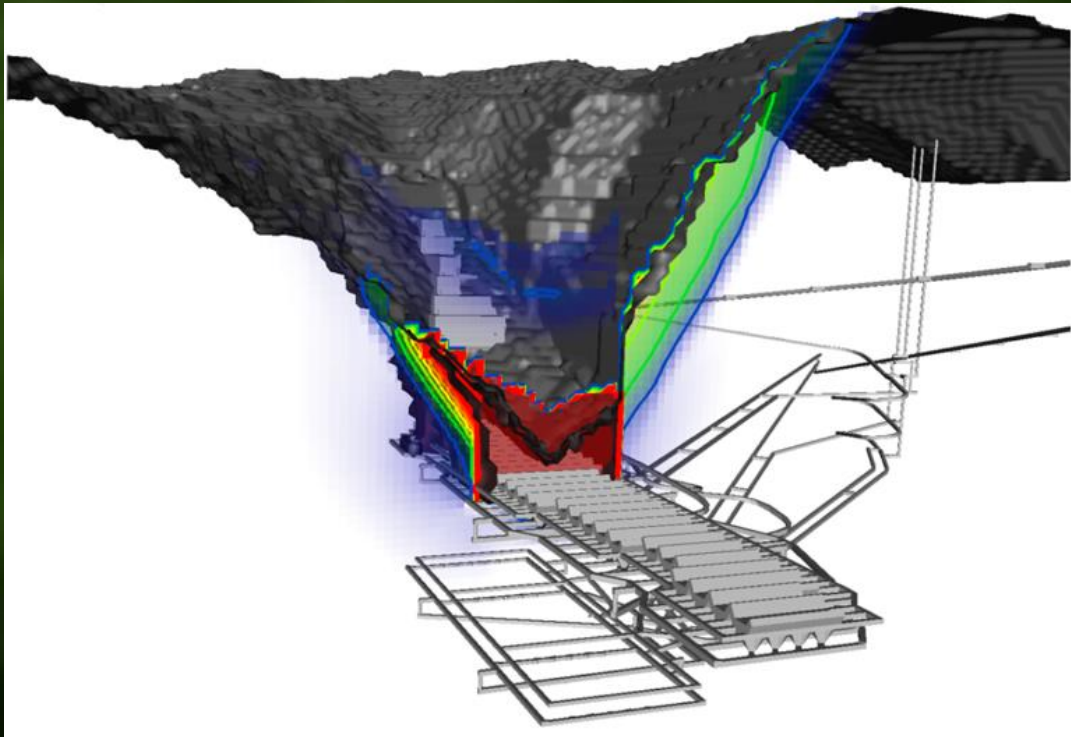
LOM Strategies— Optimising Mining Operations



LOM Strategies— Optimising Mining Operations

North Pit Underground

- Exploration program in progress to define ore at depth
- Studies proceeding for potential block cave



Centre Pit

- Exploration program in progress
- Feasibility study focused on future ore development

Southdown Project Achievements & Strategies

2018 Project Overview – Southdown

- ✓ *The Project continues on **reduced expenditure** while Grange seeks an equity partner for a strategic share in the Project*
- ✓ ***Existing tenure and approvals have been maintained** .*
- ✓ ***Project security has been enhanced** by continuing to build land tenure and access, including:*
 - *Negotiations concluded on accessing Main Roads WA land for the proposed slurry and seawater desalination plant pipeline and related infrastructure alignments.*
 - *Progressing negotiations with the State and landowners for access to key infrastructure areas.*
- ✓ ***Progressed studies relating to project engineering and further environmental permitting, including:***
 - *Progression of the federal commonwealth environmental approval for mine, desalination and pipelines.*
 - *Groundwater exploration which identified deep water-bearing palaeo channels with potential to contribute to construction water supply, with modelling underway to assess potential.*
 - *Ongoing hydrogeological baseline studies.*



Grange ROC Property

Joint Venture Established

Grange ROC Property

■ **Joint Venture with ROC Built**

- Grange ROC Property (GRP) established in early 2018
- Part of strategy to provide diversify risk and return on capital
- Ownership 51% Grange Resources; 49% ROC Built
- Investment in smaller scale, high-end residential property development in Melbourne inner eastern suburbs.

■ **JV Board and Management**

- GRP Board chaired by Honglin Zhao
- CEO - Will Slade. Licensed builder - experienced and successful in inner eastern Melbourne projects.
- Development Manager - Subert Kiing – 30+ years experience in Asia and Australia, successfully managing property development projects.
- Director – Paul McDonald – 35+ years experience. Former CEO MAB. Highly successful Melbourne based property developer.
- Director – Mike Dontschuk – Grange director with 35+ years' experience in investment, finance, treasury and financial risk management.



GRANGE
ROC
PROPERTY

Grange ROC Property

■ **Project 1 – Lumley Park, Prahran**

- Construction is progressing according to plan and within budget
- Pre-sold 2 out of 5 apartments at budgeted sale price
- Expected completion end of 2019

■ **Project 2 – Carter, Toorak**

- Construction is progressing according to plan and within budget
- Pre-sold 3 out of 8 apartments at budgeted or higher sale price
- Expected completion end of 2019

■ **Project 3 – Brookville Road, Toorak**

- Land contracts settled
- Development approval application submitted and expected to be approved within 2019.



Grange Core Strategies

Maximising Mineral Asset Value

- Provide high quality ore from North Pit
- Continue investment in mine development
- Progress North Pit development on the west wall
- Progress feasibility study for Centre Pit
- Investigating the potential to access ore at depth in North Pit via underground mining method
- Applying technology to enhance and improve production performance
- Maintain key mining equipment
- Continue to develop projects to improve mining efficiency

Securing Strategic Partner for Southdown

- Secure partner to develop project
- Continue investigation of alternate models
- Maintain good standing

Optimising Capital Allocation Plan

- Target growth opportunities to complement existing business
- Innovative Projects
- Invest in improvements at Port Latta Plant
- Support Grange ROC property joint venture



Ongoing Strategies

Our fundamentals remain firm:

- Experienced magnetite producer with a long life project close to the Asian market
- Producer of a high quality iron ore product (65%+ Fe) that receives a premium price
- Strong balance sheet
- Stable work force with minimal turnover
- Our people understand the intricacies of the business and are adding value

We continue to:

- Develop and optimise LOM
- Seek feasible investments within the strategy undertaken by the Board
- Optimise capital allocation plan
- Diversify the sales markets outside of China
- Improve communications/relations with all shareholders



Primary Contact

Primary Contact:

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Notes:

- A lower cut-off grade of 15% DTR was used in the calculation of both the Mineral Resources and Ore Reserves
- For details of Resources and Reserves, refer ASX announcement 8-Apr-2019

