



Grange Resources

March 2010

NOT FOR DISTRIBUTION IN THE US



GRANGE
RESOURCES

Level 11, 200 St Georges Terrace
Perth Western Australia 6000

Important Information and Disclaimer



This document has been prepared by Grange Resources Limited (ABN 80 009 132 405) (**Grange** or the **Company**). No party other than Grange has authorised or caused the issue of this document, or takes responsibility for, or makes any statements, representations or undertakings in this document.

Presentation of general background: This document contains general background information about Grange's activities current as at the date of this presentation (October 2009). It is information in a summary form only and does not contain all the information necessary to fully evaluate any transaction or investment. It should be read in conjunction with Grange's other periodic and continuous disclosure announcements to the ASX available at www.asx.com.au.

Not a prospectus: This document is not a prospectus or a product disclosure statement under the Corporations Act 2001 (Cth) and has not been lodged with the Australian Securities and Investment Commission (**ASIC**). The offer of Grange ordinary shares (**New Shares**) to which this presentation relates either complies (in respect of the entitlement offer) with the requirements of section 708AA of the Corporations Act as notionally modified by ASIC Class Order 08/35, and a cleansing notice complying with that section will be lodged with ASX, or will (in respect of the placement) only be made to persons to whom offers can be made without a prospectus in accordance with Chapter 6D.2 of the Corporations Act 2001 (Cth).

Not investment advice: The information provided in this presentation is not intended to be relied upon as advice to investors or potential investors and has been prepared without taking into account the recipient's investment objectives, financial circumstances or particular needs. Any investment decision should be made based solely upon appropriate due diligence and, if applicable, upon receipt and careful review of relevant offering documents. Recipients of this presentation are advised to consult their own professional advisers. An investment in any listed company, including Grange, is subject to significant risks of loss of income and capital. Cooling-off rights do not apply to an investment in any New Shares. The recipient cannot, in most circumstances, withdraw an application once it has been accepted.

Financial data: All dollar values are in Australian dollars (A\$) unless otherwise stated.

Future performance: This presentation contains certain forward-looking statements. The words 'anticipate', 'believe', 'expect', 'project', 'forecast', 'estimate', 'likely', 'intend', 'should', 'could', 'may', 'target', 'plan' and other similar expressions are intended to identify forward-looking statements. Indications of, and guidance on, future earnings and financial position and performance are also forward-looking statements. Such forward-looking statements are not guarantees of future performance and involve known and unknown risks, uncertainties and other factors, many of which are beyond the control of Grange, and its officers, employees, agents and associates, that may cause actual results to differ materially from those expressed or implied in such statements. Actual results, performance or outcomes may differ materially from any projections and forward-looking statements and the assumptions on which those assumptions are based. You should not place undue reliance on forward-looking statements and neither Grange nor any of its directors, employees, servants, advisers or agents assume any obligation to update such information.

Risks: An investment in New Shares is subject to investment and other known and unknown risks, some of which are beyond the control of Grange and Grange's directors, employees, advisers or agents. Grange does not guarantee any particular rate of return or the performance of Grange nor does it guarantee the repayment of capital from Grange or any particular tax treatment. You should have regard to the 'Key Risks' section of this presentation that outlines some of these risks.

Not an offer in other jurisdictions

This presentation is not an offer to sell or a solicitation of an offer to subscribe or purchase or a recommendation of any securities, and may not be distributed in any jurisdiction except in accordance with the legal requirements applicable in such jurisdiction. No action has been taken or will be taken that would permit a public offering of the New Shares in any jurisdiction outside Australia and New Zealand. Recipients of this document should inform themselves of the restrictions that apply in their own jurisdiction. The information in the 'International Selling Restrictions' section of this presentation is provided as a general guide only. Any failure to comply with such restrictions may constitute a violation of applicable securities laws.

Grange Highlights



Grange is Australia's largest magnetite producer, formed by a merger between Grange and Australian Bulk Minerals (ABM) in 2009.

- ✓ Australia's leading exporter of iron ore pellets, producing 2.2Mtpa from the Savage River operations in Tasmania in CY2009
- ✓ Recently completed capital restructure raising \$153m
- ✓ NPAT of \$50m, EBITDA of \$5m for the first half 2009/10
- ✓ Cost and productivity improved during the downturn, highly leveraged to the global economic recovery
- ✓ Producer of high quality pellets that receive higher prices than fines or lumps and have guaranteed off take
- ✓ Modern mining facility with \$100m invested in new equipment in CY2008
- ✓ Second major project in the development pipeline – Southdown Project
- ✓ Large reserve base – long life projects (~970Mt resources and 512Mt reserves)
- ✓ Long term off take agreements with a solid customer base
- ✓ A strong management team with extensive operating expertise in magnetite
- ✓ Low sovereign risk
- ✓ Demonstrated support from the largest shareholder Shagang, China's largest private steel mill and a major customer
- ✓ Attractively valued compared to (mostly non-producing) peers



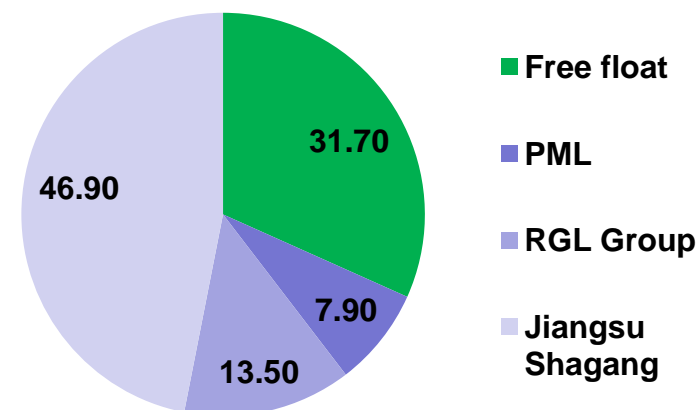
Company snapshot



Board of Directors

Mr Xi Zhiqiang	Chairman
Mr Neil Chatfield	Deputy Chairman
Mr Russell Clark	Managing Director, CEO
Mr Wei Guo	Non Executive Director
Mr Clement Ko	Non Executive Director
Mr Peter Stephens	Non Executive Director

Current ownership Structure



Current key statistics (A\$)

Ordinary shares on issue	12 March 10	1,150m
Last share price	12 March 10	\$0.49
Market capitalization	12 March 10	\$563.5m
Net debt	31 Dec 09	nil

Research

Patersons
Petra Capital
Fosters Stockbroking

Jiangsu Shagang

A strong partnership



Shagang Overview

- Grange's largest shareholder
- Demonstrated continuing support for Grange with an attractive LOM offtake agreement at Savage River at benchmark prices and agreement to negotiate at fair market price for Grange's share of offtake from Southdown
- Shagang's investment in Grange represents a significant direct iron ore investment in Australia
- Current offtake contracts have been honoured in spite of economic downturn
- Potential for Grange to leverage off Shagang's strong balance sheet for Southdown development in the future

Being backed by China's largest privately owned steel producer provides a large degree of stability and is a positive for both Grange's prospects and its shareholders



Assets	<ul style="list-style-type: none">• In excess of A\$17 billion
Location	<ul style="list-style-type: none">• Jiangsu Province, China
Product Range	<ul style="list-style-type: none">• Heavy plate, hot strip coil, stainless hot rolled plate, cold rolled plate, high-speed wire rod, rebar coil and special steel bar
Production Capacity	<ul style="list-style-type: none">• Over 25Mtpa pig iron• 27Mtpa other steel products
Employees	<ul style="list-style-type: none">• 26,500

Grange Board



Grange has a strong board with a diverse range of experience.



Xi Zhiqiang: Chairman

- Extensive experience in the Chinese steel industry
- Baosteel employee for 30 years, including 5 years as Managing Director of Baosteel Australia



Neil Chatfield: Deputy Chairman

- Recently Executive Director and CFO of Toll Holdings, a position held for over 10 years
- 30 years experience in resources, logistics and transportation sectors
- Currently Independent Chairman of Virgin Blue, Non-executive Director of Seek Limited, Whitehaven Coal Limited, TransUrban



Russell Clark: Managing Director and CEO

- Appointed Managing Director of Grange in March 2008
- 30 years of mining experience in technical, project management, general management and executive positions
- Prior to joining Grange, he worked for Renison Goldfields for over 18 years and Newmont Mining Corporation for 8 years



Peter Stephens: Non-executive Director

- Recently CFO of Noank Media Inc
- CFO of National Grid Australia prior to Noank
- An MBA with over 28 years experience in the telecommunications, banking/corporate treasury, manufacturing and distribution industries in Australia and across the Asia-Pacific region



Wei Guo: Non-executive Director

- Joined Shagang Group in 1988
- Currently Vice-Director of the Investment Department of the Board of Jiangsu Shagang Group Limited



Clement Cheung Ko: Non-executive Director

- Chairman and CEO of Pacific Minerals Limited (PI)
- More than 18 years experience in mining sector, with extensive expertise in marketing and sales
- Prior to founding PI, he worked for BHP Billiton (China) Ltd as a senior regional marketing manager

Key Information 2009

Profitable even during economically hard times



CY09 Operational Statistics

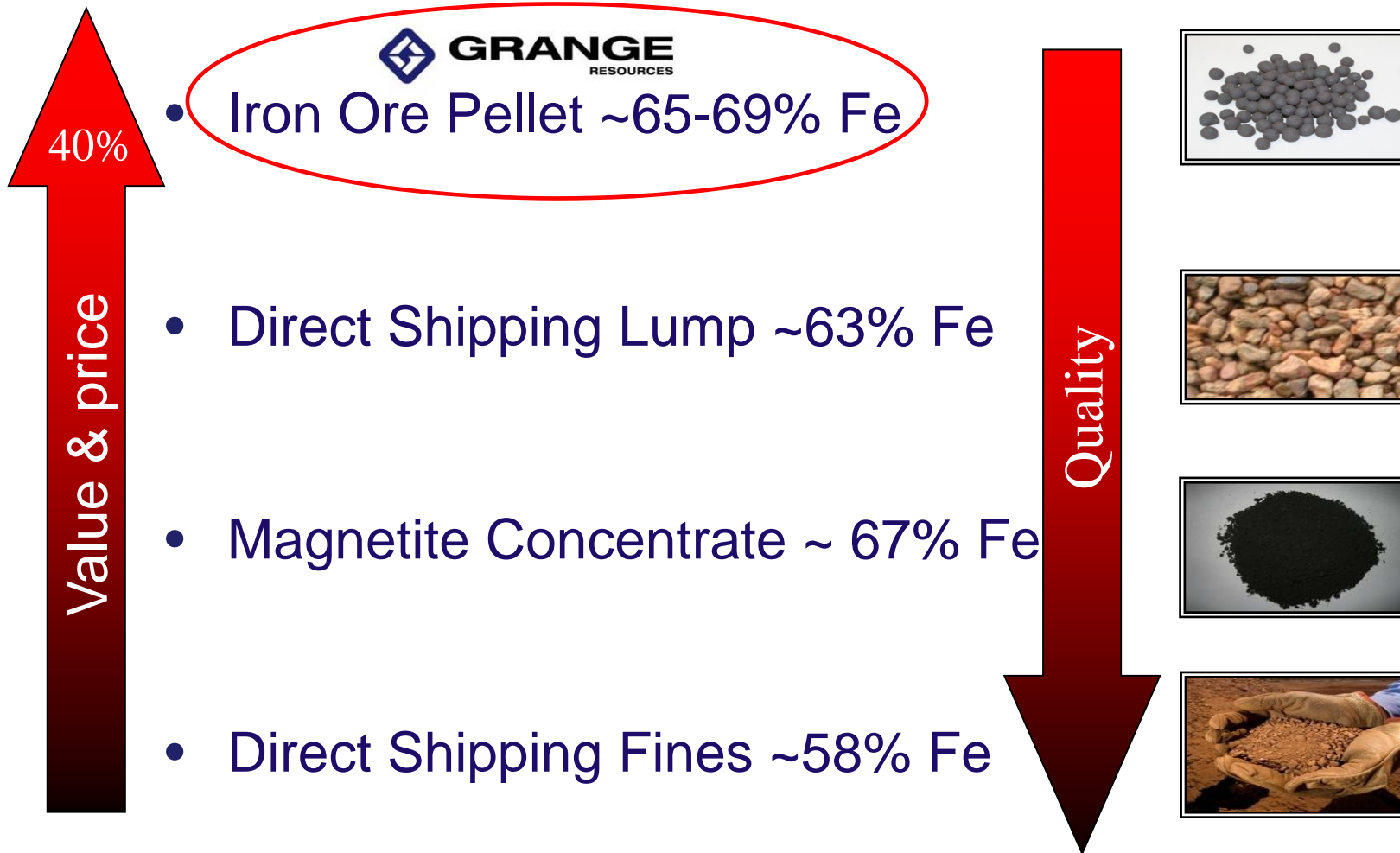
Savage River	Jan - Jun 2009	Jul - Dec 2009
Total volume mined ('000 bcm)	9,372	9,763
Total ore mined ('000 bcm)	701	978
Concentrate produced ('000 tonnes)	1,036	1,195
Pellets produced ('000 tonnes)	1,019	1,155
Pellets shipped ('000 tonnes)	1,031	1,072
Concentrate shipped ('000 tonnes)	13	0

FY10 Financial Statistics – 1st Half

	Jul - Dec 2009
Revenue (A\$m)	111
EBITDA (A\$m)	5
NPAT (A\$m)	50



Iron Ore Value



Pellet Price

Rising rapidly with economic recovery



- Since the iron ore price settlement in June 2009, **Grange has had offers to buy pellets into the spot market at a significant premium to current benchmark**
- Pellets are highly leveraged to the world's economic recovery – when blast furnaces approach full capacity pellets are the most desirable form of iron ore as they contribute most to productivity and efficiency
- Forecasters are predicting a rising price for next year:

UBS: “contract prices for iron ore are 40% higher y/y (+20% previously)” February 2010

Citi: “Citi's global commodity team has raised iron ore forecasts to +40%/+10% for JFY2010/11. This is in-line with investor consensus based on our recent meetings.” –January 2010

Standard Chartered: “We forecast that Australian contract prices (FOB) will rise by 45% for the 2010-2011 contract season” - January 2010

Grange is highly leveraged to any increase in pellet price

Leading Magnetite Producer



Grange's position as Australia's leading magnetite producer is supported by quality assets in Tasmania and Western Australia.

Southdown Project (70%)

- 90km northeast of the Port of Albany
- 650million tonnes of premium quality magnetite resource in southern Western Australia
- Targeting 6.6Mtpa concentrate, to produce 6.8Mtpa of high quality pellets for 30 years
- Infrastructure solutions in place (power, ports, water)
- Advanced permitting
- Potential to increase output and reserves



Savage River (100%)

- Northwest Tasmania
- Annualised production rate of 2.6Mtpa blast furnace pellets and concentrate
- Mine life to 2023
- 124Mt reserves at 49% DTR
- Owner-operated open pit mine, 83km slurry pipeline, coastal pellet plant and port
- Dedicated infrastructure – no third party charges
- Extensive operating experience applicable to Southdown development

Savage River Overview



Ownership	<ul style="list-style-type: none"> Grange 100%
Resources and Reserves	<ul style="list-style-type: none"> Mineral Resource of 316Mt magnetite at 50.7% DTR Ore Reserve of 124Mt magnetite at 49.2% DTR
Production	<ul style="list-style-type: none"> 2.6Mtpa blast furnace pellets and concentrate (annualised basis) Potential to expand to 2.9Mtpa
LOM Operating Costs	<ul style="list-style-type: none"> US\$60/t pellets
Mine Life	<ul style="list-style-type: none"> Current mine plan has a 14 year life with the potential to extend an additional 10 years
Customers	<ul style="list-style-type: none"> Shagang, BlueScope Steel and Stemcor
Operational Update	<ul style="list-style-type: none"> Mine re-capitalised in 2008 with new fleet Mining production has increased 17% (2009 CY compared to 2008 CY) Currently in the process of finalising study to increase concentrate production, which will require some minor plant upgrades



Large Scale Operations



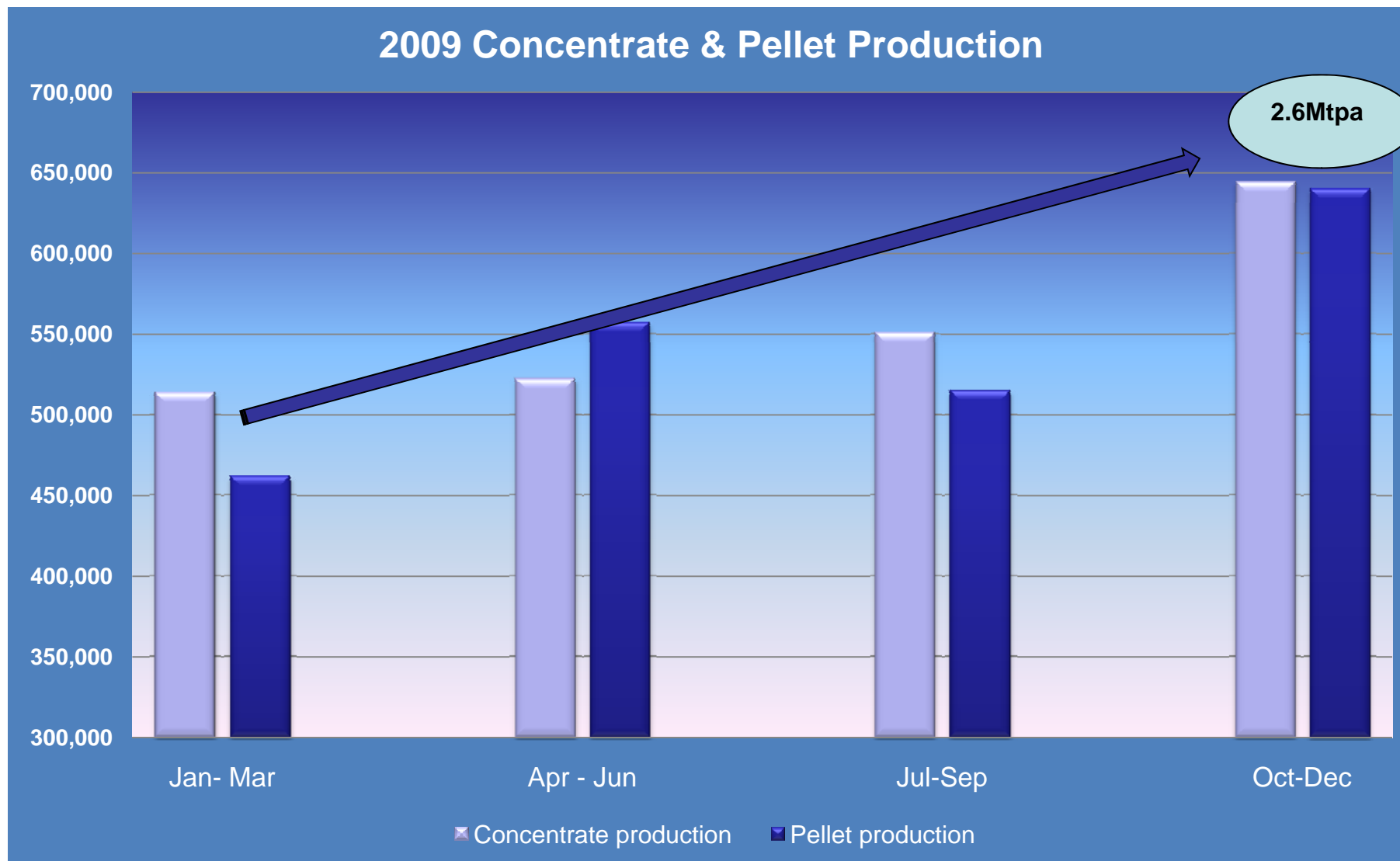
Own Downstream Infrastructure



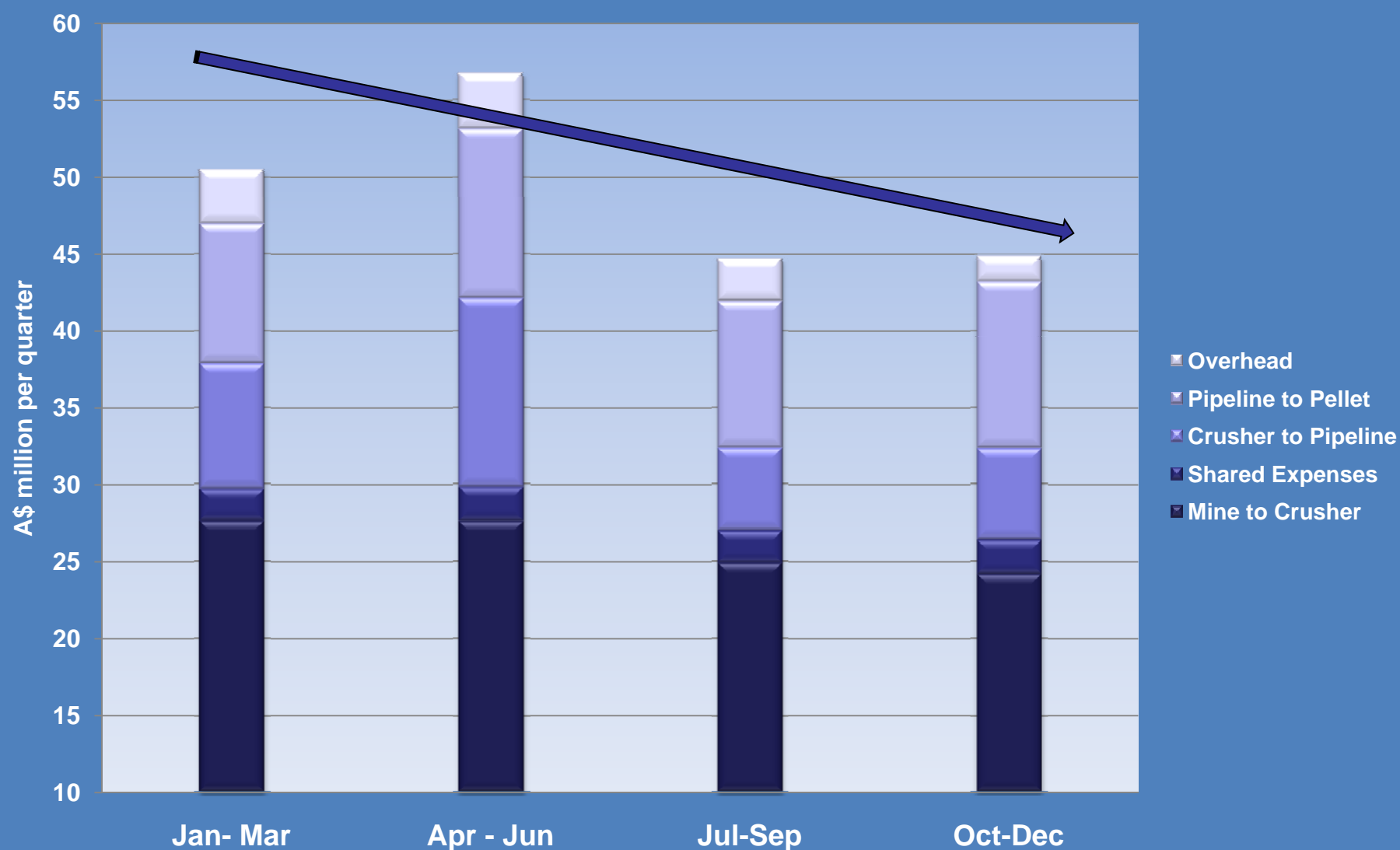
Own Port and Shiploading Infrastructure



Increased Production



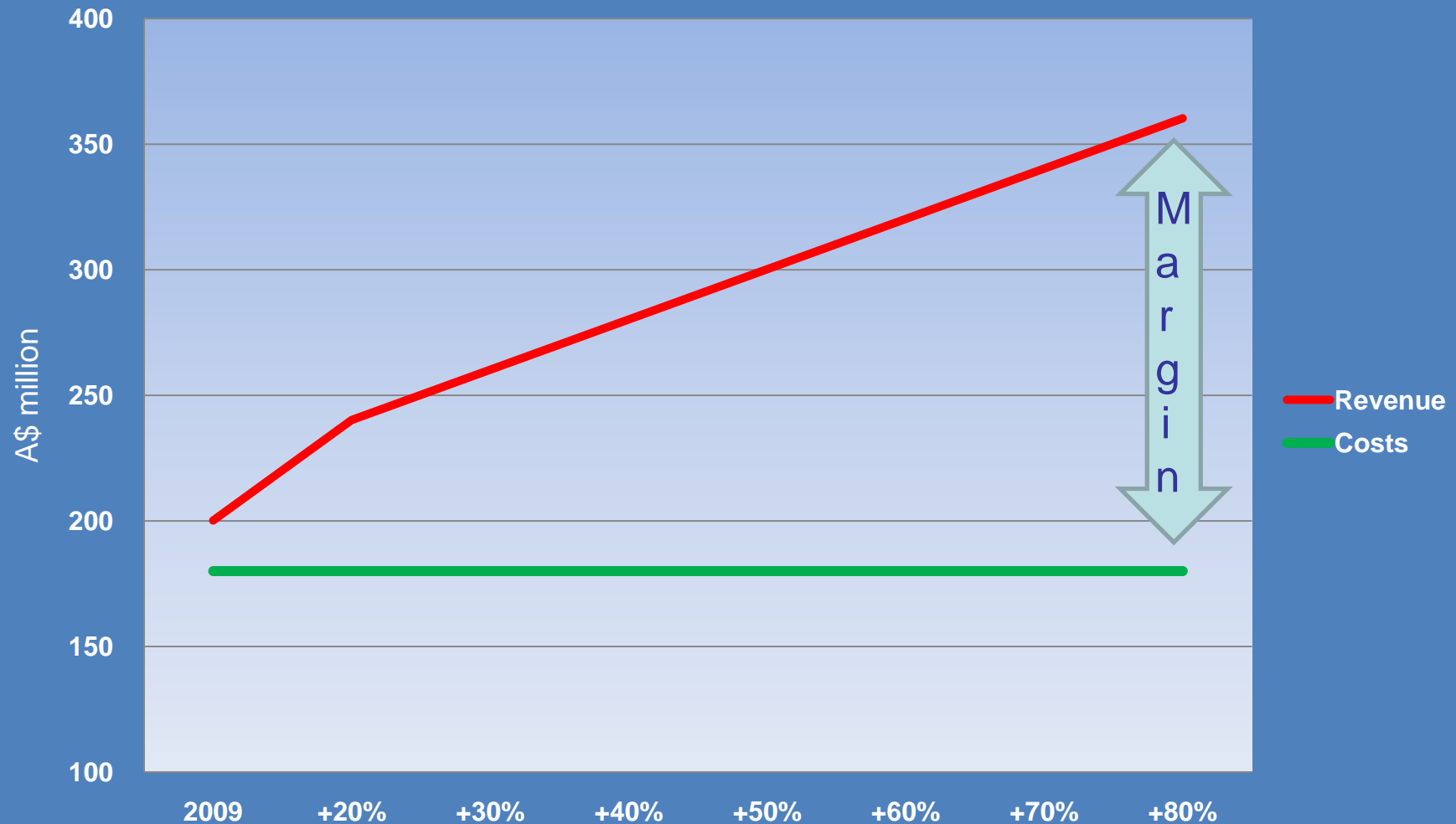
Reducing costs



Leveraged to price



Margin leverage to price @2.6Mtpa



Solid Customer Base

Long term offtake agreements – providing revenue stability



Agreements are in place for both **Savage River** and **Southdown** production at market prices or better.

Shagang	<ul style="list-style-type: none">• China's largest private steel mill, producing 22 Mtpa of pig iron• Grange's largest shareholder• Demonstrated ongoing support for the Company• Savage River LOM contracts in place:<ul style="list-style-type: none">• 1.3 Mtpa pellets until 2012, then increasing to...• 2.1 Mtpa pellets until 2023• LOM contracts at market prices• Southdown intent to negotiate a fair market price:<ul style="list-style-type: none">• 56% of all production (80% of Grange's 70% share of the JV)	
BlueScope	<ul style="list-style-type: none">• Savage River: 0.8 Mtpa until 2012	
Stemcor	<ul style="list-style-type: none">• Grange shareholder• Savage River: an option to take 80,000 tpa concentrate	

Southdown Project

High grade magnetite project with advanced infrastructure



Ownership	<ul style="list-style-type: none"> Grange 70%, Sojitz Corporation 30% 		
Resources and Reserves¹	<ul style="list-style-type: none"> Mineral Resource of 654Mt magnetite at 36.5% DTR^{1,2} Ore Reserve of 388Mt magnetite at 35.5% DTR^{1,3} 		
Production¹	<ul style="list-style-type: none"> 6.6Mtpa magnetite concentrate 6.8Mtpa direct reduction and blast furnace pellets 		
Capital Costs¹	<ul style="list-style-type: none"> US\$1.6bn (2008 estimate) 		
Operating Costs	<ul style="list-style-type: none"> US\$55/t pellets (2008 estimate) 		
Mine Life	<ul style="list-style-type: none"> >20 years 		
Infrastructure	<ul style="list-style-type: none"> Established port, pipeline route, power easements, Albany waste water, pellet plant site and deep water port in Malaysia 		
Project Status	<ul style="list-style-type: none"> Outcropping ore body located on freehold land Mining Permit issues, Port permit as received EPA approval Option agreement signed with Water Corporation for the supply of treated waste water to Southdown Currently undergoing a Stage Gate Review covering mining and concentrator, pipeline and port, pellet plant, financing and project execution methodology Considering larger scale concepts Pellet plant site in Malaysia, 15 year tax free holiday, deep water port and land under option agreement 		

Notes:

1. All figures presented on a 100% project basis
2. Southdown Magnetite Project Resource Upgrade (ASX 3 July 09)
3. July 2008 Southdown reserve estimate

NOT FOR DISTRIBUTION IN THE US

Resources and Reserves

Supporting Long Mine Lives



Grange has 774Mt of attributable Mineral Resources and 396Mt of attributable Ore Reserves.

Mineral Resources (inclusive of reserves)		
	Tonnes (Mt)	Grade (%DTR)
Savage River ⁴		
Measured	88	52.7
Indicated	136	51.7
Inferred	92	47.2
Total	316	50.7
Southdown¹		
Measured	220	37.4
Indicated	210	38.9
Inferred	224	33.4
Total	654	36.5
PROJECTS TOTAL	970	41.1
ATTRIBUTABLE RESOURCES³	774	41.1

Ore Reserves		
	Tonnes (Mt)	Grade (%DTR)
Savage River		
Proved	52	49.6
Probable	72	48.9
Total	124	49.2
Southdown²		
Probable	388	35.5
Total	388	35.5
PROJECTS TOTAL	512	38.8
ATTRIBUTABLE RESERVES³	396	38.8

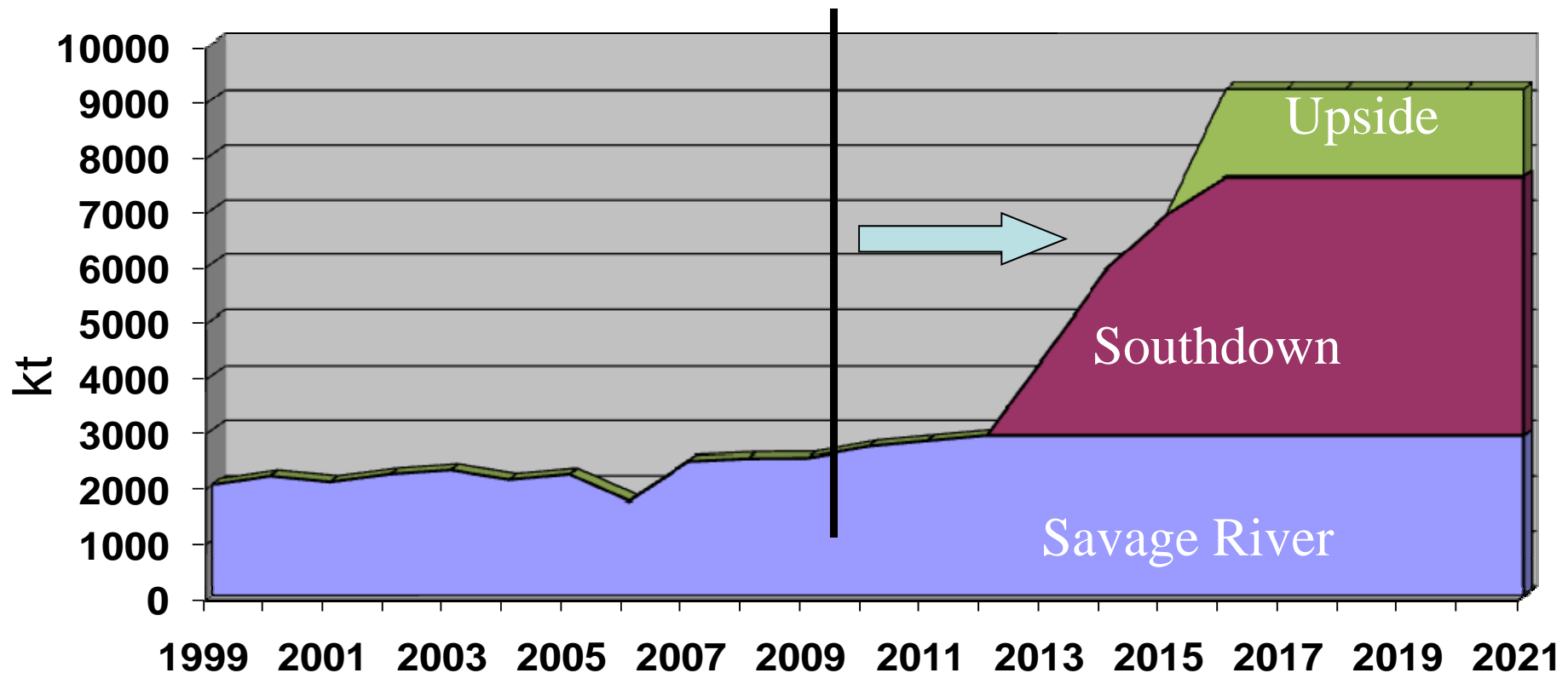
- **Additional growth potential through exploration assets**
- E70/2512 – eastern 6km extension of Southdown Deposit not yet fully drilled
- Long Plains – magnetite deposit located near Savage River

Notes:

1. Southdown Magnetite Project Resource Upgrade (ASX 3 July 09) – Refer to Appendix A
2. July 2008 Southdown reserve estimate – Refer to Appendix A
3. Adjusted for 70% ownership of Southdown
4. Refer to Appendix B

Grange Resources

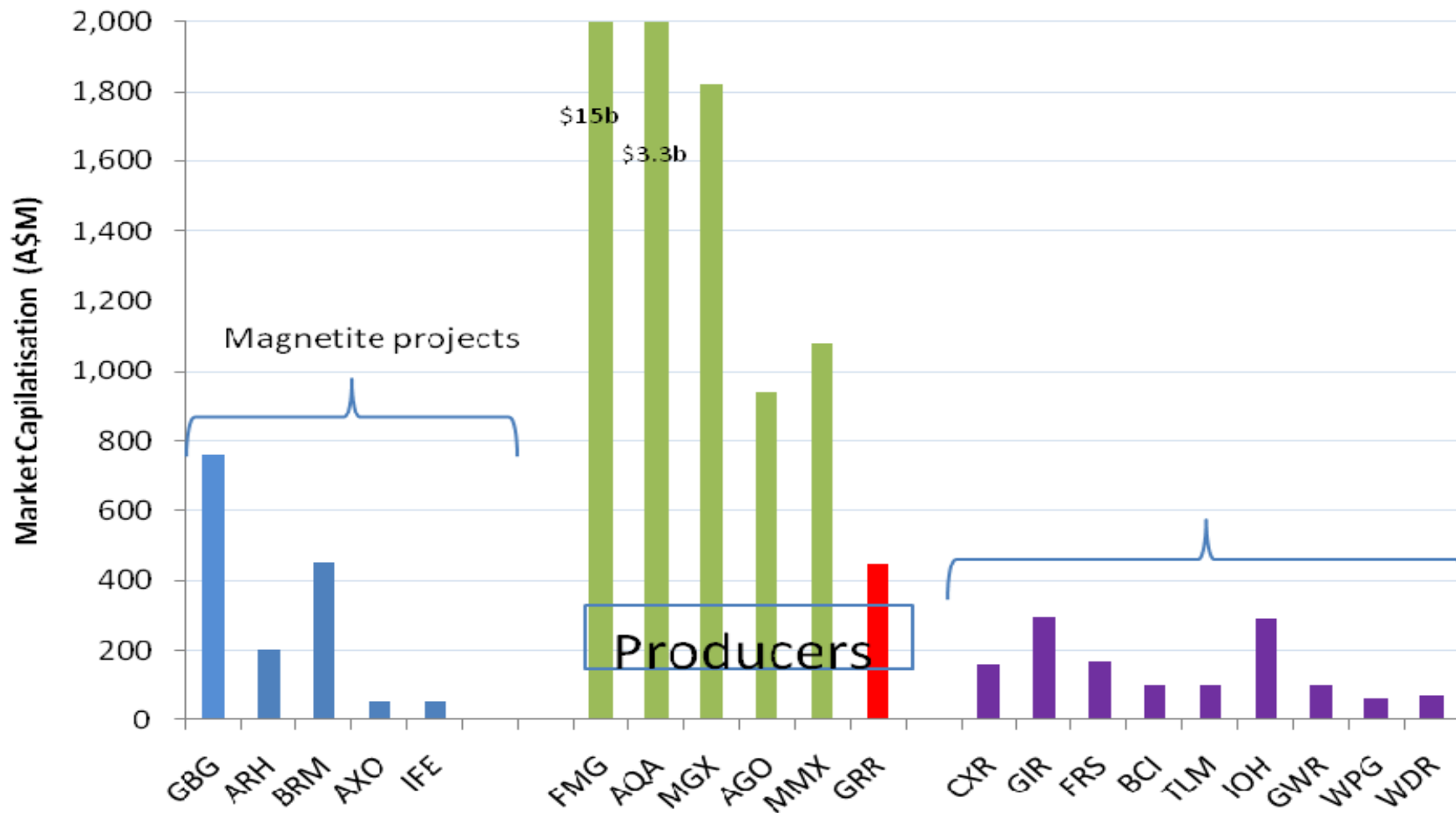
– production growth prospects



The largest producing magnetite company



Out of the numerous junior companies with magnetite assets, Grange is the only one in production.



Current Focus and Future Milestones



2010

- Operational improvements at Savage River being implemented
 - Management Operating System being installed
 - New equipment to replace old less productive units
 - Inventory and cost reductions
- Drilling and model new resources at Savage River
- Reviewing Savage River production expansion potential
- Finalising plans for optimum method to develop Southdown
- Port permit will be finalised this year
- JFY11 – significant pellet price increase expected by analysts

In March 2010, with new iron ore prices, Grange will have no legacy issues and will be totally exposed to forecast increase in iron ore price.

Grange Resources – Summary



- Australia's leading magnetite producer
- Australia's largest iron ore pellet producer
- High grade quality products
- Solid customer and revenue base
- Long life assets
- Low sovereign risk
- Extensive magnetite technical and operational expertise
- New investment opportunity – Producer and Projects
- Profitable, trading on low multiples and attractively priced
- Valued at \$0.67 per share by Patersons (Jan 2010)



Key Contacts



Primary contacts:

Russell Clark

Managing Director & Chief Executive Officer

+61 8 9321 1118

managingdirector@grangeresources.com.au

Competent Person Statement



- **Southdown Project**

- *The information in this presentation which relates to the Mineral Resources of the Southdown Project is based on information compiled by James Farrell who is a full-time employee of Golder Associates Pty Ltd and a Member of the Australasian Institute of Mining and Metallurgy. James Farrell has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity for which he is undertaking to qualify as a Competent Person as defined in the JORC Code (2004). James Farrell consents to the inclusion of this information in this presentation in the form and context in which it appears.*
- *The information in this presentation which relates to the Ore Reserves of the Southdown Project is based on information compiled by Mr Ross Bertinshaw who is a full-time employee of Golder Associates Pty Ltd and a Fellow of the Australasian Institute of Mining and Metallurgy. Mr Bertinshaw has sufficient experience in Ore Reserve estimation relevant to the style of mineralisation and type of deposit under consideration and to the activity for which he is undertaking to qualify as a Competent Person as defined in the JORC Code (2004). Mr Bertinshaw consents to the inclusion in this presentation of the matters based on his information in the form and context in which it appears.*

- **Savage River Project**

- *The information in this presentation that relates to Mineral Resources or Ore Reserves in relation to the Savage River Project is based on information compiled by Mr Ben Maynard, who is a Member of The Australasian Institute of Mining and is a full time employee of Grange Resources. Mr Maynard has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Maynard consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.*

Appendix A – Southdown Project



In situ Mineral Resource Estimate

Classification	Measured Resources	Indicated Resources	Inferred Resources	Total Resources
Tonnes (Mt)	219.7	210.3	224.4	654.4
DTC wt%	37.4	38.9	33.4	36.5
DTC Fe%	69.2	69.3	69.1	69.2
DTC SiO ₂ %	1.72	1.94	2.07	1.91
DTC Al ₂ O ₃ %	1.43	1.27	1.29	1.33
DTC S%	0.46	0.40	0.54	0.46
DTC LOI%	-3.04	-3.06	-2.96	-3.02

This Mineral Resource has been defined using geological boundaries and a cut-off grade of 10 wt% DTC and includes minor internal dilution. All reported concentrate grades were weighted by DTC.

Ore Reserves within Designed Pit (Cut-off 10% DTR)

Reserve Classification	ROM (Mt)	DTR%	Conc. (Mt)	Fe%	SiO ₂ %	Al ₂ O ₃ %	TiO ₂ %	S%	P%
Probable	388	35.5	131	68.8	2.06	1.41	0.45	0.55	0.003

Appendix B – Savage River



Mineral Resource and Ore Reserve Estimates

Mineral Resource	Tonnes (Mt)	Grade (%DTR)	Ore Reserve	Tonnes (Mt)	Grade (%DTR)
Measured	88.01	52.7	Proved	52.39	49.6
Indicated	135.96	51.7	Probable	72.00	48.9
Inferred	92.22	47.2	Total	124.40	49.2
Total	316.20	50.7			

Mineral Resources and Ore Reserves have been estimated for Grange Resources Tasmania Savage River magnetite deposit at the end of May 2009.

Qualifying Statements

The Measured and Indicated Mineral Resources are inclusive of those Mineral Resources modified to produce the Ore Reserves. The Inferred Mineral Resources are, by definition, additional to the Ore Reserves.

A lower cut-off grade of 15% DTR was used in the calculation of both the Mineral Resources and Ore Reserves.

The Ore Reserve was calculated using a 1.087 dilution factor and a mining recovery factor of 0.939. These factors are based on periodic reconciliation specific to mining areas.