Australia’s leading magnetite producer

Southdown Magnetite Project

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Company Snapshot

Grange Resources is Australia's leading magnetite producer and the only commercial producer of magnetite pellets in Australia, combining both mining and pellet production expertise.

- ASX 300 Company, Market Capitalisation ~$700 million
- A producer of premium iron ore
- Cornerstone shareholder (46%) and major customer:
  - Jiangsu Shagang – China's largest private steel mill
- Southdown JV partner (30%)
  - Sojitz Corporation, a large Japanese trading company

Grange's position is supported by quality assets in Tasmania and Western Australia.

Southdown Project (70%)

Savage River (100%)

- Northwest Tasmania
- Annualised production rate of 2.4Mtpa pellets
- Mine life to 2030
- 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

The Southdown Project

A Joint Venture between Grange Resources (70%), an ASX 300 Australian Public Company, and Sojitz (30%), a global trading company based in Japan.

Note that Grange has 66% Chinese ownership, with the largest shareholder (47%) being Shagang, China's largest private steel mill.

An Opportunity for WA

The Southdown Magnetite Project will deliver
a new long-term industry for Western Australia
and the Great Southern Region.
It will improve local infrastructure,
create regional employment
and further develop the City of Albany
as a regional economic centre.

The Southdown Project

- 90km northeast of Albany
- 698 million tonnes of premium quality magnetite resource (1 b tonne potential)
- Targeting 10Mtpa concentrate for 40 years
- Infrastructure solutions in place (power, ports, water)
- Advanced permitting

Southdown….like Savage, only bigger!

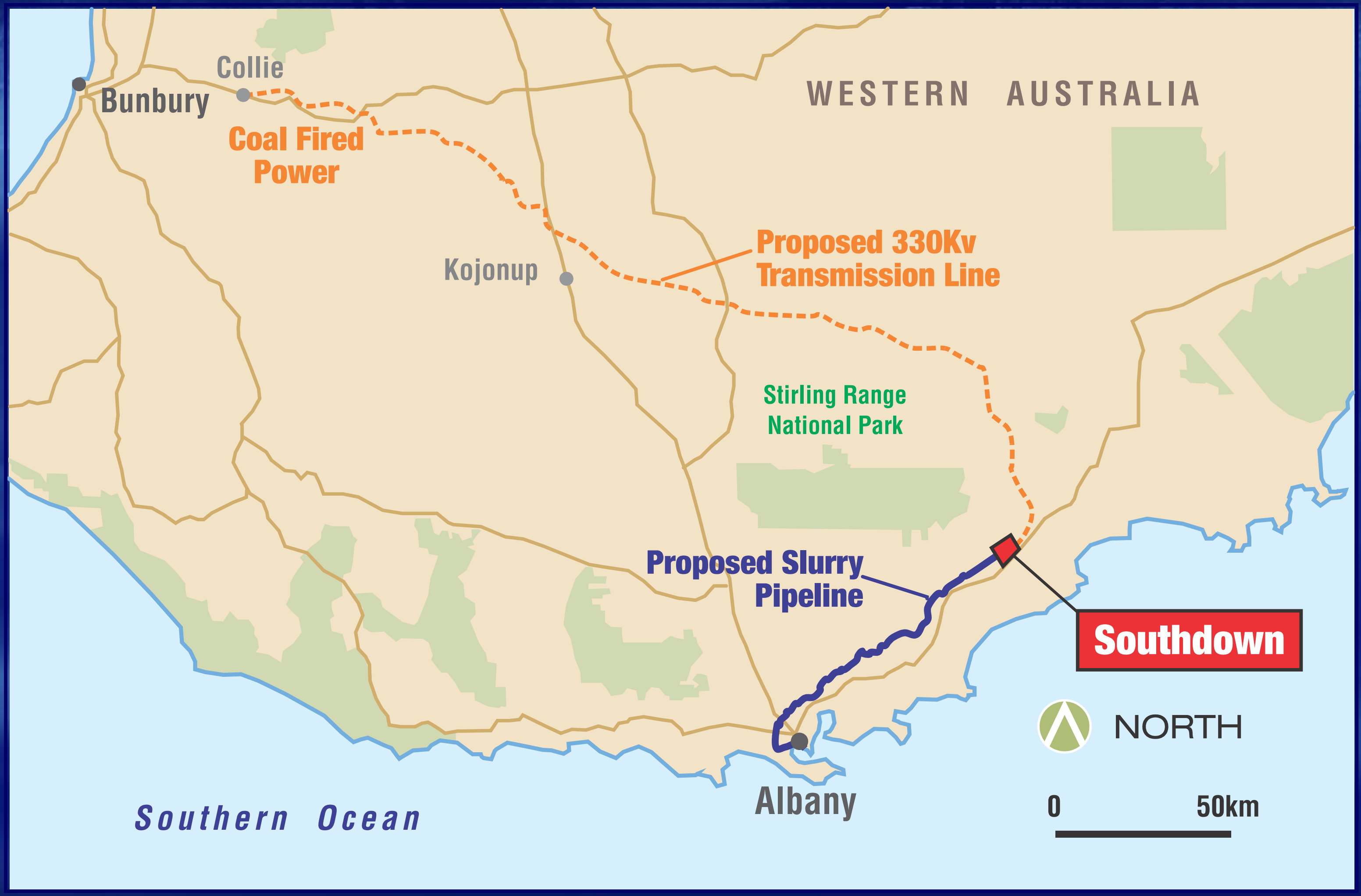
Savage River (100%)

- Northwest Tasmania's largest private employer
- Local workforce of 600
- Comprehensive training provider
- $200m local expenditure
- $50m of wages per annum
- $13m annual royalties
- $3.5m payroll tax
- Extensive operating experience – the difference!

Positive Outcomes for WA and the Great Southern

- A new industry in southern Western Australia
- State Royalties of ~$50M per annum
- State taxes ~ $5M per annum
- Port enhancements secure Albany as a commercial port
- Better infrastructure for water & power
- Partnerships that benefit the State & region
    - training
    - community – non FIFO
    - tourism
    - environmental eg commersonia species

Location Plan

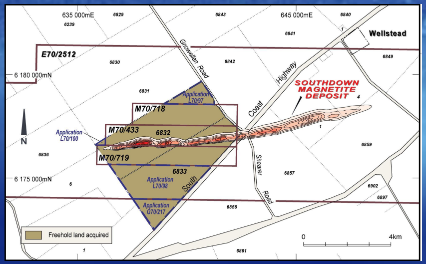


Pre-Feasibility Study Highlights

- Mine Capex, including infrastructure , A$2.57 billion;
- Positive NPV with favourable IRR;
- Mine life of 19-40 years @10mtpa of concentrate;
- Definitive Feasibility Study ("DFS") completion forecast for 1st quarter of 2012;
- Initial production forecast for 2015;

The Project

Mine



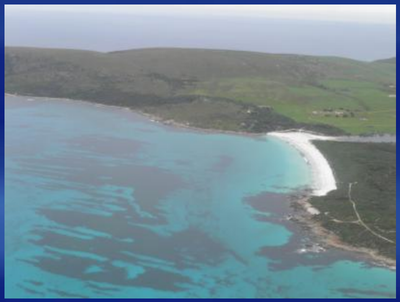
ore

Concentrator

power

Power

Desalination plant



water

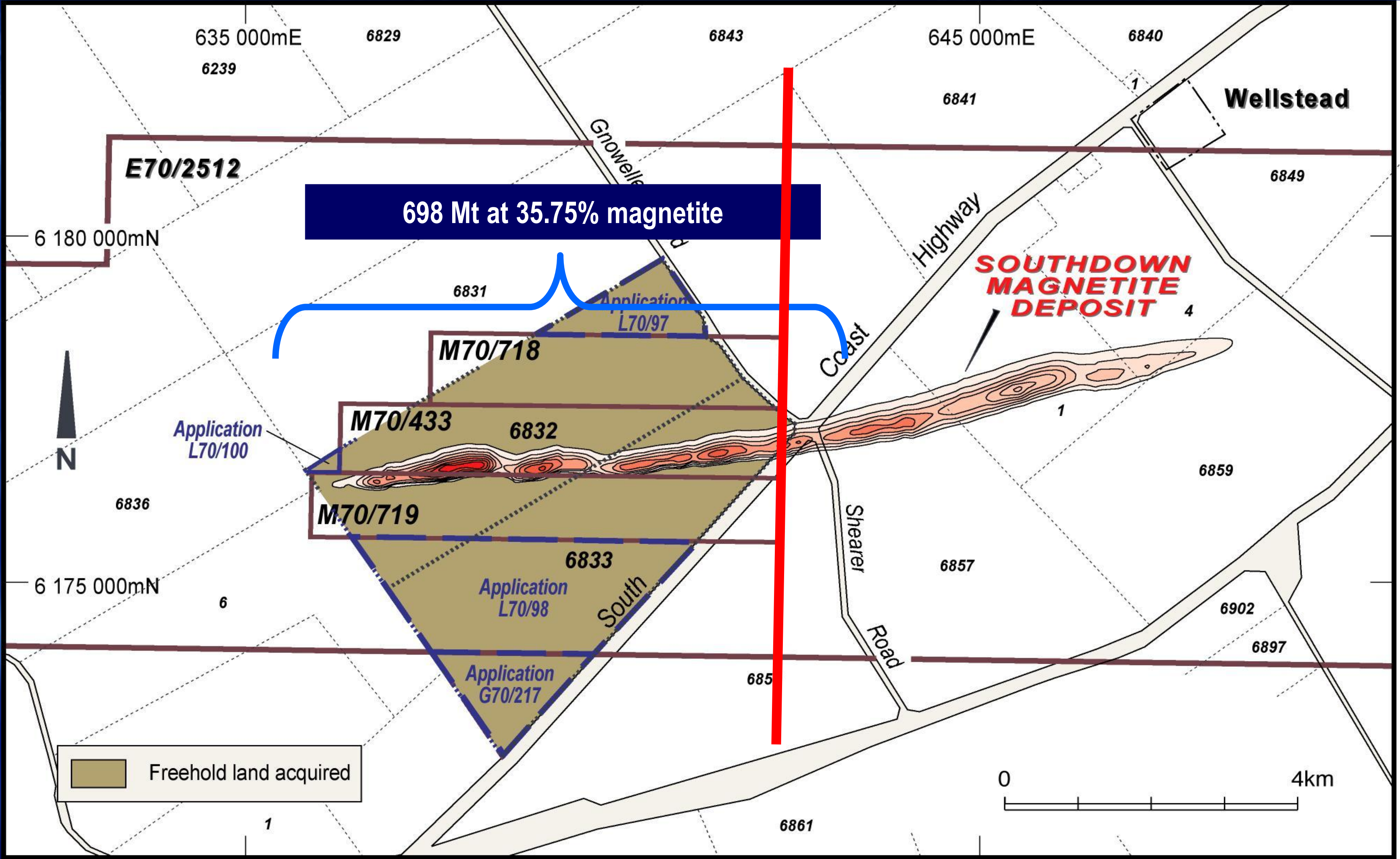
magnetite

Pipelines

concentrate

Albany Port

Orebody



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Orebody Potential

Details	PFS Case Western Resource	Long Term Potential Western/Eastern Resource
Mine Life	19 years	40 years
Ore (million tonnes)	430	~1,200
Concentrate (million tonnes)	158	~375

Mining

Mining Method	- Open pit mining - Conventional bulk mining methods utilising hydraulic face shovels, dump trucks and drill and blast coupled to a Run of Mine (ROM) stockpile
Material Movement	- ~110 Mtpa for first six years
Equipment	- Shovel size – 650 tonnes - Truck size – 220 tonnes
Production Schedule	- Provide 78,000 tonnes per day to the primary crusher
Waste : Ore Ratio	- 2.3 : 1 (tonnes)
Mine Life	- >19 years (potential for 40 years)

Power and Pipelines

Key Facts - Power:

Estimated Length	288km	Capital Cost	~A$320 million
Capacity	330kV transmission line	Status	Ongoing discussions with Western Power

Key Facts – Pipeline:

Estimated Length	100km (1.5 metres deep)
Capacity	Line Volume – 18,000m^3
Transport Time	17 hours
Capital cost	~A$200 million
Other	Return water supply to Southdown Mine

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Water Supply

Source	☐ Seawater reverse osmosis desalination plant
Capacity	☐ 12GL/a
Capital cost	☐ ~A$200 million
Location	☐ Coastal location 25km from mine and pumped to the mine site after treatment

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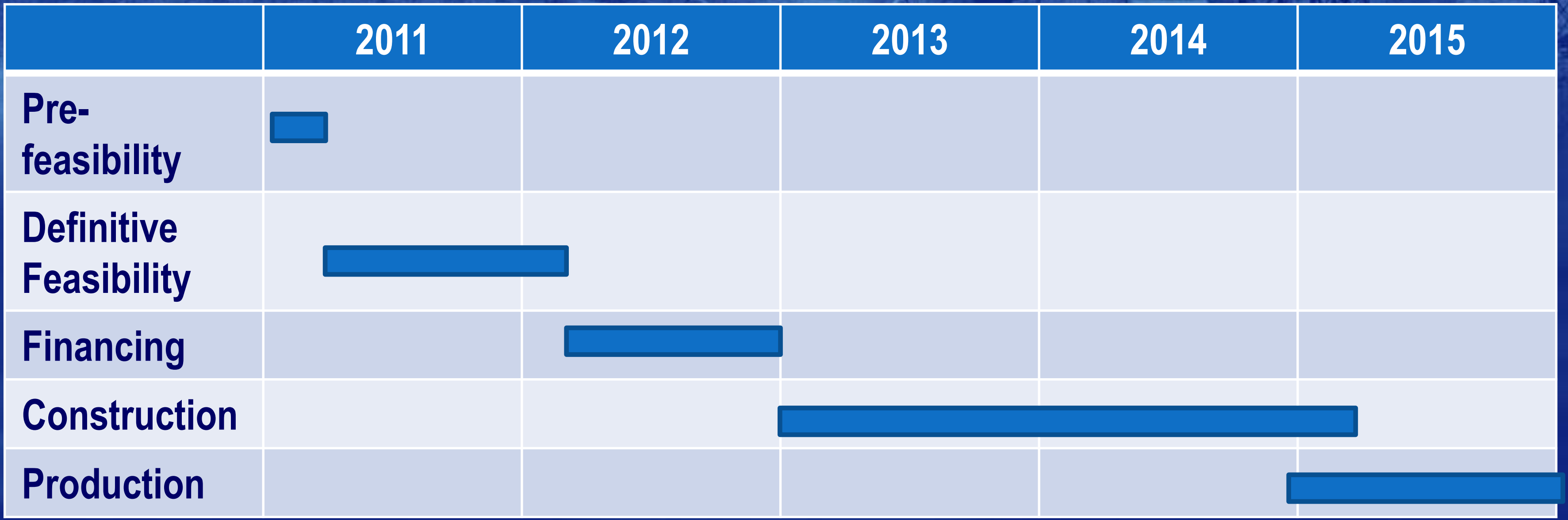
Albany Port Infrastructure

Vessels	Cape size (18m draft)
Activities	Deepen; widen and extend existing shipping channel New wharf Filtration plant and storage shed
Area Reclaimed	9ha Increases port capacity from 4.0Mt to 14Mt
Capital cost	~A$400 million

Environmental Permits

Mine Environmental permit	Granted November 2009, amendment required in 2011 for 10mtpa
Port permits	Granted November 2010
Water permit	Desalination permit expected Q2 2012

Timetable


2011
2012
2013
2014
2015
Pre-feasibility
Definitive Feasibility
Financing
Construction
Production

Summary – Southdown Project

- A new industry for the Southwest and Albany.
- Significant employment and training opportunities.
- Significant public infrastructure upgrades (Port, Power)
- Significant State and Regional economic benefit.
- Approximately $100m spent to date.
- +/- 15% definitive feasibility study completed Q1 2012.
- Permits, Power and Water will need finalising before debt funding can be sourced.

Grange and Sojitz look forward to continue working with the Great Southern community to progress the project expeditiously.

We need your support!