



Australia's most experienced magnetite producer



Investor Presentation – Amsterdam
Wayne Bould, Managing Director

6 February 2014

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Company Highlights

- ✓ **Most EXPERIENCED magnetite producer**
Over 45 years of operational experience at Savage River
- ✓ **STRONG Safety Culture**
Over 1,260 days LTI free
- ✓ **LONG LIFE producer of PREMIUM iron ore pellets**
*High quality ore reserves (52% DTR) producing 65.5% Fe BF pellets
Supporting operations at Savage River to 2030 and beyond*
- ✓ **STRONG balance sheet**
\$160m cash and equivalents at 31 December 2013
- ✓ **Advanced GROWTH Project**
Search for a quality equity partner in the Southdown Project continues
- ✓ **Established STRONG DIVIDEND pay-out**
*Commenced in 2011 and continues in 2013
Annual dividend yield of ~10% at current share prices*



Company Snapshot

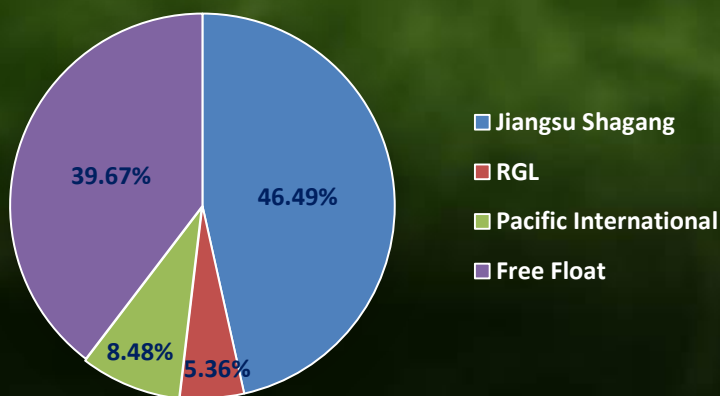
Capital Structure (A\$)

Ordinary Shares on issue	31 Jan 2014	1,157m
Share Price	31 Jan 2014	\$0.27
Market Capitalisation	31 Jan 2014	\$312m
Cash and Term Deposits	31 Dec 2013	\$160m

Share Price and Volume



Current Ownership Structure



Research Coverage

- JP Morgan
- UBS
- Macquarie

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.

Focusing on the fundamentals

- ***Our fundamentals are very sound***

- Experienced magnetite producer with a long life project close to the Asian market
- Producer of a high quality iron ore product (65.5% Fe) that receives a premium price
- Strong balance sheet
- Stable work force with minimal turnover who know the intricacies of the business and are adding value

- ***We are taking action:***

- Focusing on day to day operational planning and execution to drive productivity
- Cutting costs wherever we can to achieve our priority goal of driving C1 costs lower
- Timing of capital projects continue to be rescheduled so that they are aligned with effective condition monitoring and preventative maintenance management processes
- Ensuring short term decisions align with long term strategic priorities

Focusing on the fundamentals – 2014

1. Maintain access to high grade ore through continued investment in mine development

- Regained access to North pit high grade ore in September 2013 and delivered strong quarterly results in December 2013
 - Commenced replenishment of run of mine stockpiles
 - Weight recovery averaged 46% during the quarter, an increase of approximately 50% from the September quarter
 - Pellet production of 619,414 for the quarter, an increase of 39% from the September quarter
 - Improved production and continued cost control disciplines have delivered competitive unit costs
- Progressing South Deposit mine development and tailings storage facility approval

Focusing on the fundamentals – 2014

2. Take advantage of iron ore market prices

- December 2013 quarter average product price of US\$149.39 per tonne (FOB Port Latta)
- Quality premiums have returned for premium grade (lower impurity) iron ore – Grange is well positioned to capitalise on this market opportunity
- Strong market interest in available spot cargoes and longer term contracts delivering upside and diversifying customer and geographic risk

3. Drive C1 costs lower

- Maintain cost control disciplines
- Sustain higher weight recoveries (> 45%) and concentrate production to drive unit operating costs to levels which will remain competitive in the long term

2013 Quarterly Results – Production

	December Quarter 2013	September Quarter 2013	June Quarter 2013	March Quarter 2013
Production				
Total BCM Mined	4,528,208	4,031,266	4,248,393	4,859,868
Total Ore BCM	619,180	489,814	520,750	349,046
Weight Recovery (%)	46.0	31.5	25.4	31.9
Concentrate Produced (t)	632,906	472,108	397,075	453,410
Pellets Produced (t)	619,414	446,937	406,719	442,896

2014 Priorities:

- Maintain focus on mining movements to rebalance our ROM stockpiles and progress North Pit and South Deposit mine development strategies
- Sustain current production rates to achieve planned production of approximately 2.3 million tonnes of iron ore products in 2014 – delivered concentrate production of 222,253 tonnes in January 2014

Focusing on the fundamentals

Marketing & Pricing

Referenced on Metal Bulletin Iron Ore Pellet Index

■ Shagang Commitment

- Long term FOB (Port Latta) contract to 2023
- 1 million tonnes (+/- 10%) of iron ore pellets per year

■ Un-contracted “Spot Market” Tonnage

- > 1 million tonnes of iron ore pellets per year, sold “@ Spot” on an FOB basis (Port Latta)
- Diversifying customer and geographic risk

■ Negotiating to secure medium term off-take agreements with new quality customers

Iron Ore Prices (CFR China)



Our customers recognise the value of our premium product

2013 Quarterly Results – Shipping and Sales

	December Quarter 2013	September Quarter 2013	June Quarter 2013	March Quarter 2013
Shipping and Sales				
Total Iron Ore Product Sales (dmt)	594,291	536,503	380,290	388,202
Avg Realised Product Price (US\$/t FOB)	149.39	133.85	136.34	144.71
Avg Realised Exchange Rate (AUD:USD)	0.9255	0.9176	0.9847	1.0359
Avg Realised Product Price (A\$/t FOB)	161.42	145.87	138.45	139.70

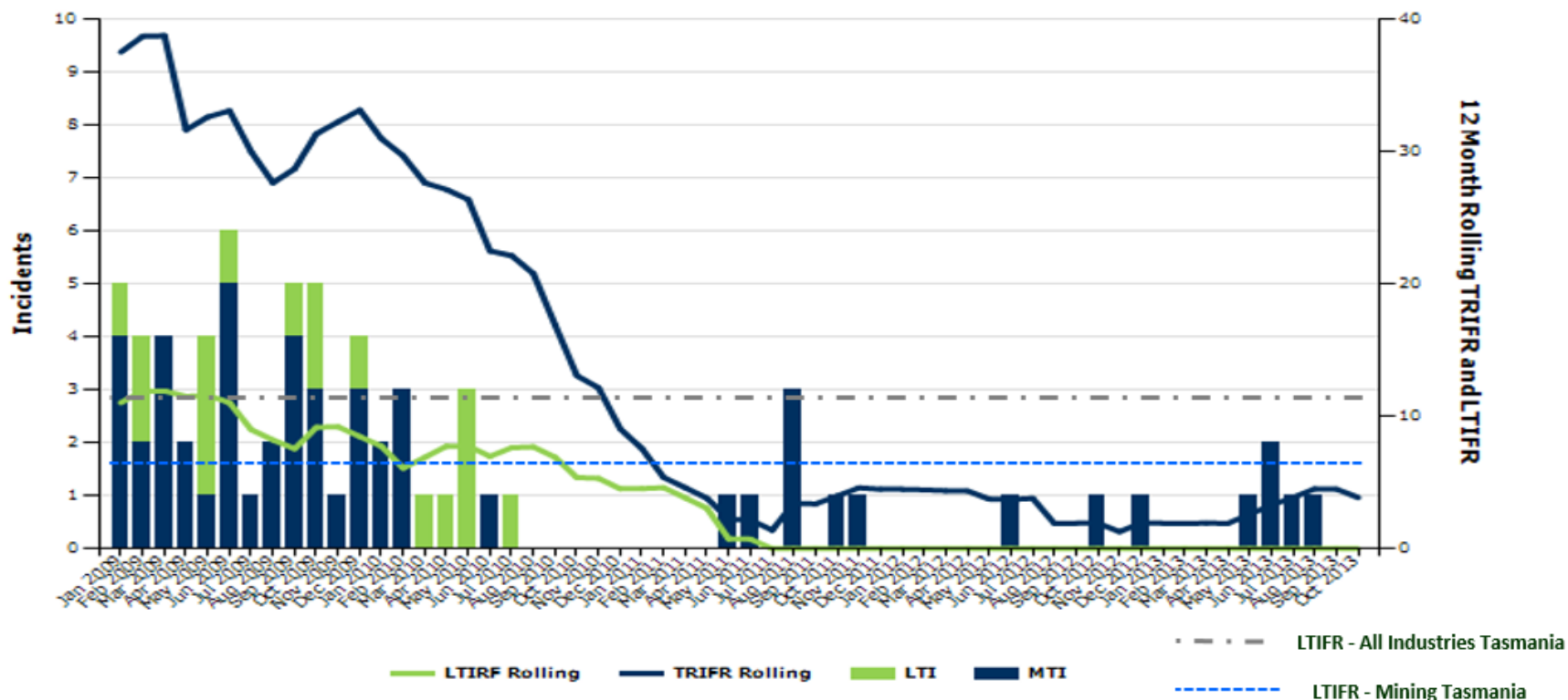
2014 Priorities:

- Quality premiums have returned for premium grade (lower impurity) iron ore – there is strong sentiment in the market that this is likely to prevail in 2014
- Improving production to approximately 2.3 million tonnes in 2014 will allow for an increase in iron ore product sales

2013 - Exceptional Safety Performance



Safety Incidents Rolling Average Trends



Our focus on safety will continue to be unrelenting

LOM Strategies

Grow Reserves & Develop Multiple Mining Locations

North Pit

- High quality, long life resources
- Supporting operations to 2030 and beyond

Centre Pit South

- Alternative reserve
- Drilling in progress to further develop reserve

South Deposit

- Defined reserve
- Supporting LOM tailings infrastructure development

Long Plains

- Developing resources of ~107m tonnes
- Potential addition to mine life



Total resources exceeding 340m tonnes which support s operations to 2030 and beyond

LOM Strategies

Developing Multiple Mining Locations



→ North Pit Production Stripping

- Ore supply for 2013/14

North Pit Mine Development

- East wall cut-back



Reducing risk associated with a single pit operation



South Deposit Mine Development

- Ore supply for 2014/15
- Provides ore and material for construction of a South Deposit Tailings Storage Facility

LOM Strategies

Value Adding Downstream Infrastructure

Concentrator



- Autogenous milling and magnetic separation process
- Progressing the phased upgrade of the original autogenous mills and associated infrastructure

Strategic Production Priorities

- Continuous improvement in product quality (via TQM processes)
- Approval of South Deposit Tailings Storage Facility

Pipeline



- 85km pipeline connecting Savage River to Port Latta
- Low cost mode of transportation using pipeline pumps and gravity fed technologies
- Naturally occurring properties of the slurry protect the pipeline and reduce sustaining capital and maintenance costs

Pellet Plant & Port



- Four furnace lines capable of producing 2.4mtpa of iron ore pellets
- Dedicated port facility providing access to Panamax vessels (80k tonnes)

Strategic Production Priorities

- Develop market driven bulk production output capabilities (concentrate & pellets offering)
- Re-commission fifth furnace (ore availability)

LOM Strategies

Iron Ore Pellet or Magnetite Concentrate



Southdown Project

Southdown Project (GRR Share: 70%)

5x

bigger than Savage River



Southdown Project Achievements

- **Completed a definitive feasibility study** in April 2012 which improved the projects level of accuracy to +/- 15%
- **Advanced project** in terms of project engineering, land acquisition, permitting, drilling and test work
- **Initial capital expenditure** estimated at **A\$2.885 billion** (including EPCM; owners' costs and contingency of \$0.535 billion) – April 2012
- **Operating costs** estimated at **A\$58.5 per tonne** of premium quality concentrate (69.6% Fe) containing low contaminants (excl. royalties) – April 2012
- Received submissions for **EPC contract tenders for major construction** works

Southdown Project Strategy

- **Continue the search for a new equity partner** to take a strategic share of the Company's interest
- **Significantly reduce project expenditure for 2013** to approx. \$2.5 million (GRR Share) during a period of difficult market conditions for new capital projects
- Maintain all tenements, permits and project assets in good order
- **Conduct internal review of definitive feasibility study operating model** to determine if changes in the following parameters could reduce initial capital or operating costs
 - Market outlook
 - Project construction conditions (incl. regional infrastructure development)
 - Methodologies learned from our operations at Savage River

Grange – LOM Strategies Recapped

- **Broaden customer base** to take advantage of market opportunities **and to diversify geographic customer risk**
- Drive **operating costs down further** and maintain access to high grade ore
 - Continue investment in mine development - progress next phase of North Pit development and unlock South Deposit to provide an alternative source of ore
- **Continue to invest** in process infrastructure
 - Complete preparatory works for installation of new autogeneous mills at Savage River
 - Progress approval for South Deposit tailings storage facility which is sufficient for the balance of life of mine
- Focus on capital management
 - Maintain **regular dividend**
 - **Target growth opportunities** to complement existing business

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, see 2012 Annual Report