

GRANGE RESOURCES

Australia's leading magnetite producer



Grange Resources Limited (GRR)
Level 11, 200 St Georges Terrace
Perth, WA 6000, Australia
Phone + 61 8 9327 7901
Fax + 61 8 9327 7932
www.grangeresources.com.au

Grange Annual General Meeting
26th November 2010

Russell Clark
Managing Director & CEO

Disclaimer



The material in this presentation (“material”) is not and does not constitute an offer, invitation or recommendation to subscribe for, or purchase, any security in Grange Resources Limited (“GRR”) nor does it form the basis of any contract or commitment. GRR makes no representation or warranty, express or implied, as to the accuracy, reliability or completeness of this material. GRR, its directors, employees, agents and consultants, shall have no liability, including liability to any person by reason of negligence or negligent misstatement, for any statements, opinions, information or matters, express or implied, arising out of, contained in or derived from, or for any omissions from this material except liability under statute that cannot be excluded.

Statements contained in this material, particularly those regarding possible or assumed future performance, costs, dividends, production levels or rates, prices, resources, reserves or potential growth of GRR or, industry growth or other trend projections are, or may be, forward looking statements. Such statements relate to future events and expectations and, as such, involve known and unknown risks and uncertainties. Actual results and developments may differ materially from those expressed or implied by these forward looking statements depending on a variety of factors.

Snapshot 2009



- **High Debt**
- **Major pre-existing liabilities**
- **Prices below costs**

- **Unhelpful banks**
- **Share register issues**
- **Market Cap ~\$200m**
- **Cash constrained**

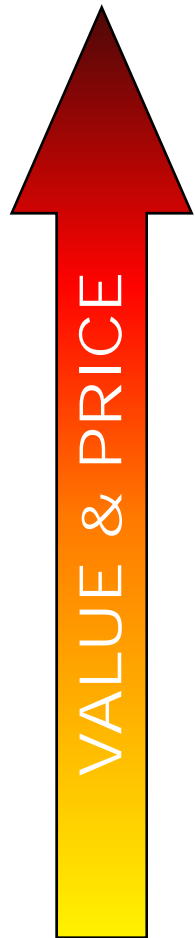
Snapshot 2010



- **No net debt, no hedging**
- **\$97m cash at bank**
- **\$49m leasing and State liabilities**
- **Market pricing for all product**

- **Institutional investment**
- **Greater liquidity**
- **Investors tripled, ASX 300**
- **Market cap ~\$900m**
- **Southdown development**
- **Strong margins**

Magnetite – The premium iron ore



 **GRANGE**
RESOURCES

- **Iron Ore Pellet ~65-69% Fe**

- **Direct Shipping Lump ~63% Fe**

- **Magnetite Concentrate ~67% Fe**

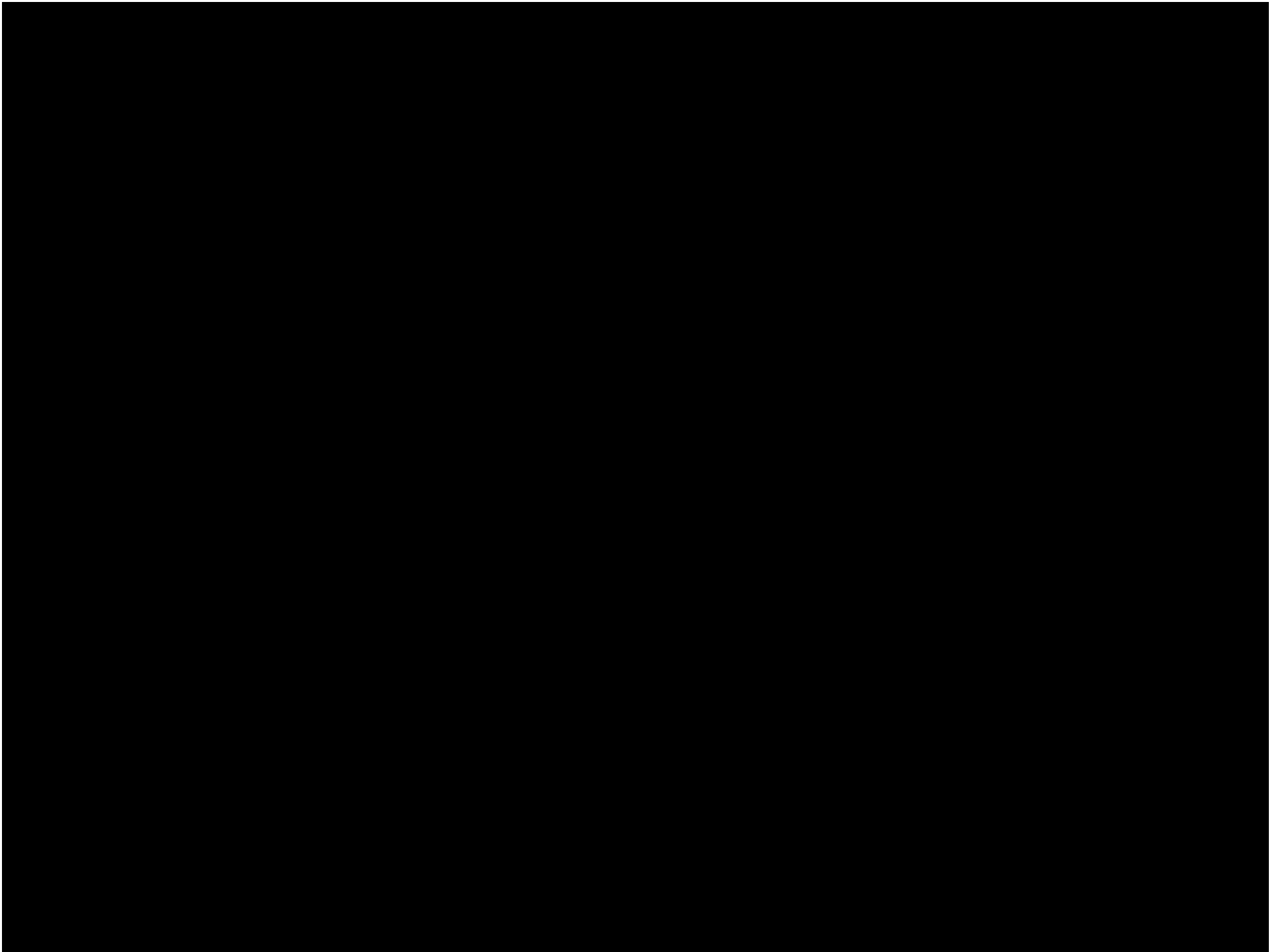
- **Direct Shipping Fines ~58% Fe**



~US\$150



~US\$100

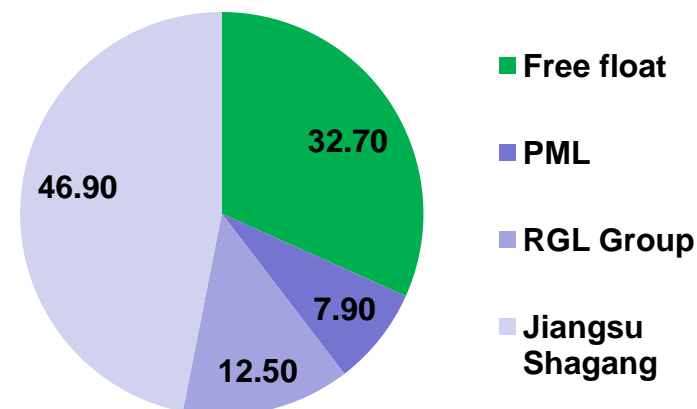


Company Snapshot



Board of Directors	
Mr Xi Zhiqiang	Chairman
Mr Neil Chatfield	Deputy Chairman
Mr Russell Clark	Managing Director, CEO
Mr Zhao Honglin	Non Executive Director
Mr Clement Ko	Non Executive Director
Mr John Hoon	Non Executive Director
Currently sourcing an additional independent director	

Current Ownership Structure



Current key statistics (A\$)

Ordinary shares on issue	25 November 10	1,152m
Last share price	25 November 10	\$0.
Market capitalization	25 November 10	\$m
Cash	30 September 10	\$97m

Grange joined the ASX 300 in September 2010

NOT FOR DISTRIBUTION IN THE US

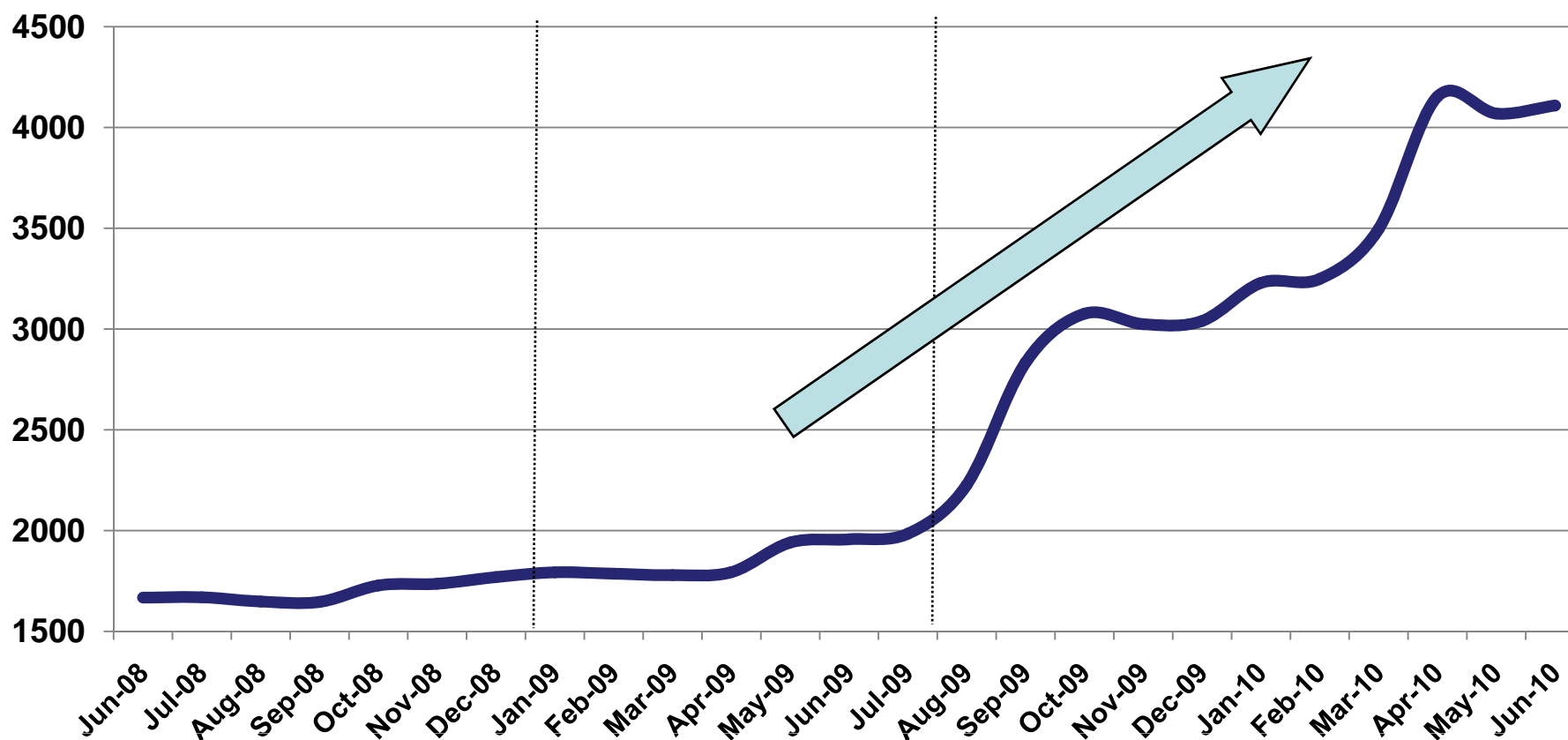
Research
Citi
Macquarie
Patersons
Petra Capital
Southern Cross Equities

Best performing ASX stock, Q1 2010



GRANGE
RESOURCES

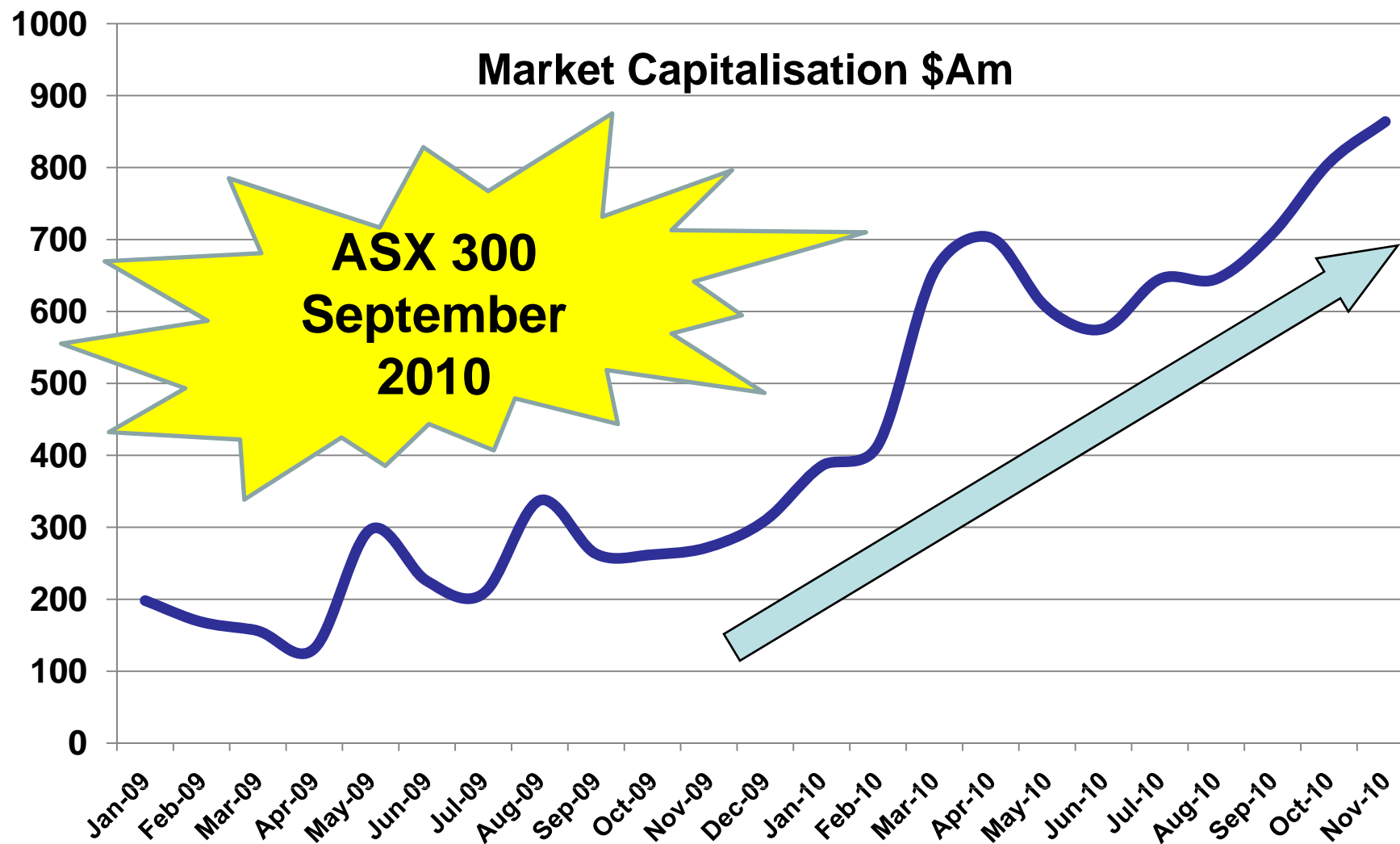
Number of Grange Shareholders



Best performing ASX stock, Q1 2010



GRANGE
RESOURCES



Key Information

September Quarter, FY 2010/11



	Production and Costs Sept Qtr 2010	Production and Costs Sept Qtr 2009
Total Mined ('000 BCM)	4,055	4,350
Total Ore ('000 BCM)	217	516
Pellets Produced ('000 t)	558	515
Direct Operating Costs A\$/tonne Pellet Produced	78.80	80.26

Notes: Direct operating costs includes all costs associated with producing iron ore pellets, but excludes capital expenditure, capitalized waste, financing costs, tax, royalties and corporate costs

Revenue surge



	January- March 2010	April-June 2010	July- September 2010
Pellets Sold '000t	588	581	582
Average Price US\$/t	55	118	150
Average Price A\$/t	61	134	167
Revenue A\$m	35.7	77.6	97.0

Since July 2010, all product has been sold at index based market prices, rather than at Benchmark, or set priced contracts as in the past.

Large Scale Operations



Own Downstream Infrastructure



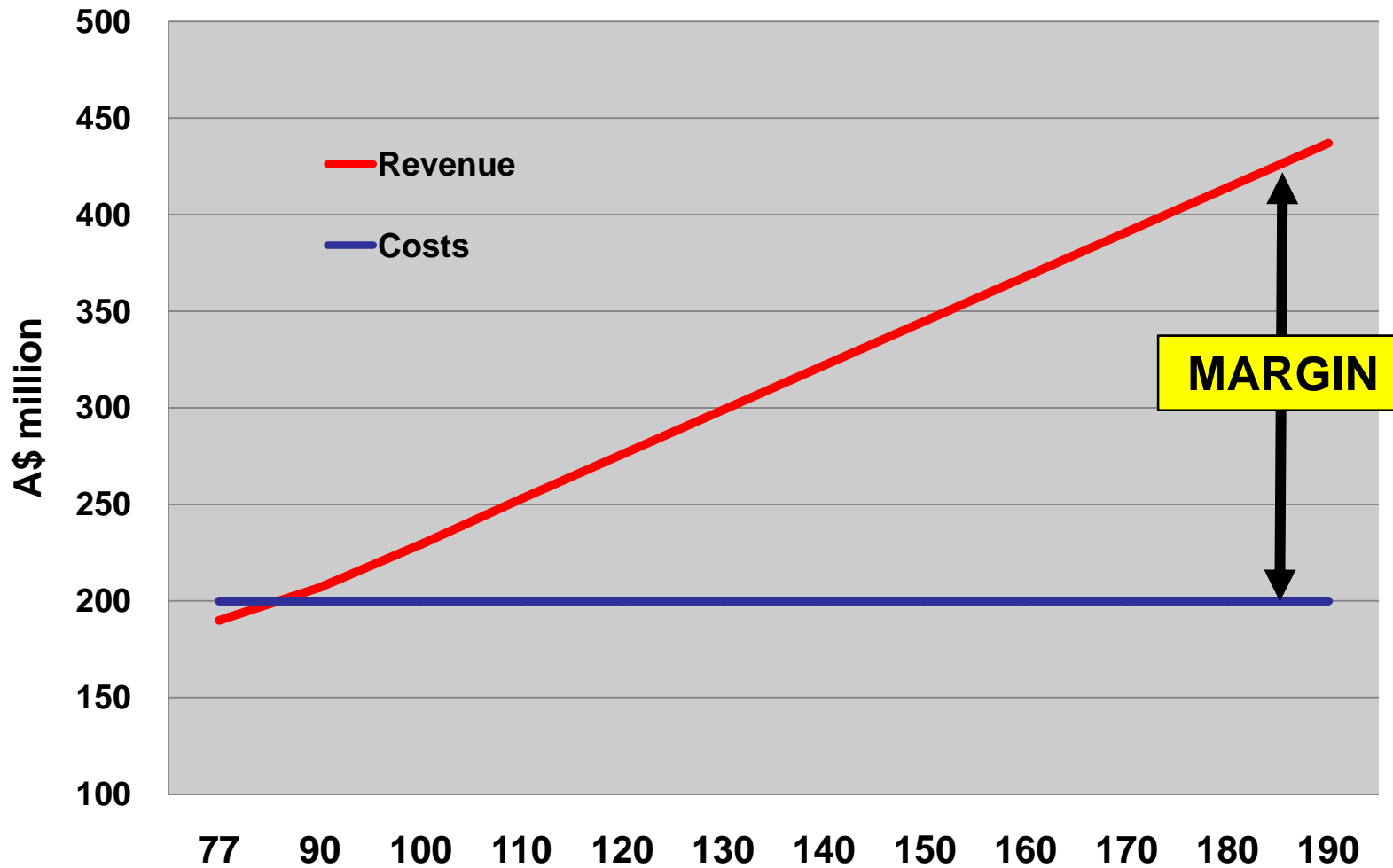
Own Port & Shiploading Infrastructure



Savage River - Leveraged to price

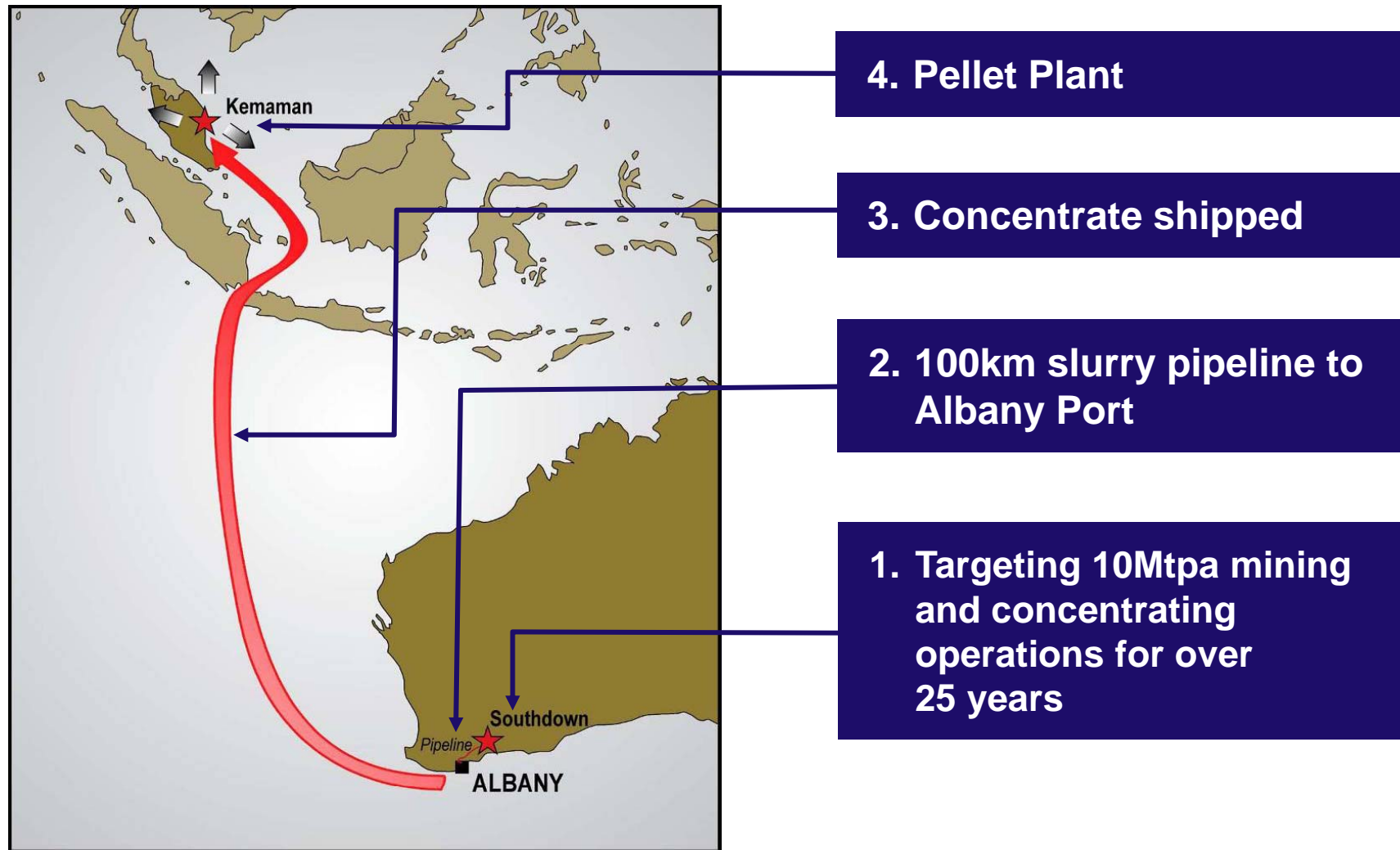


Margin leverage to price @2.3Mtpa

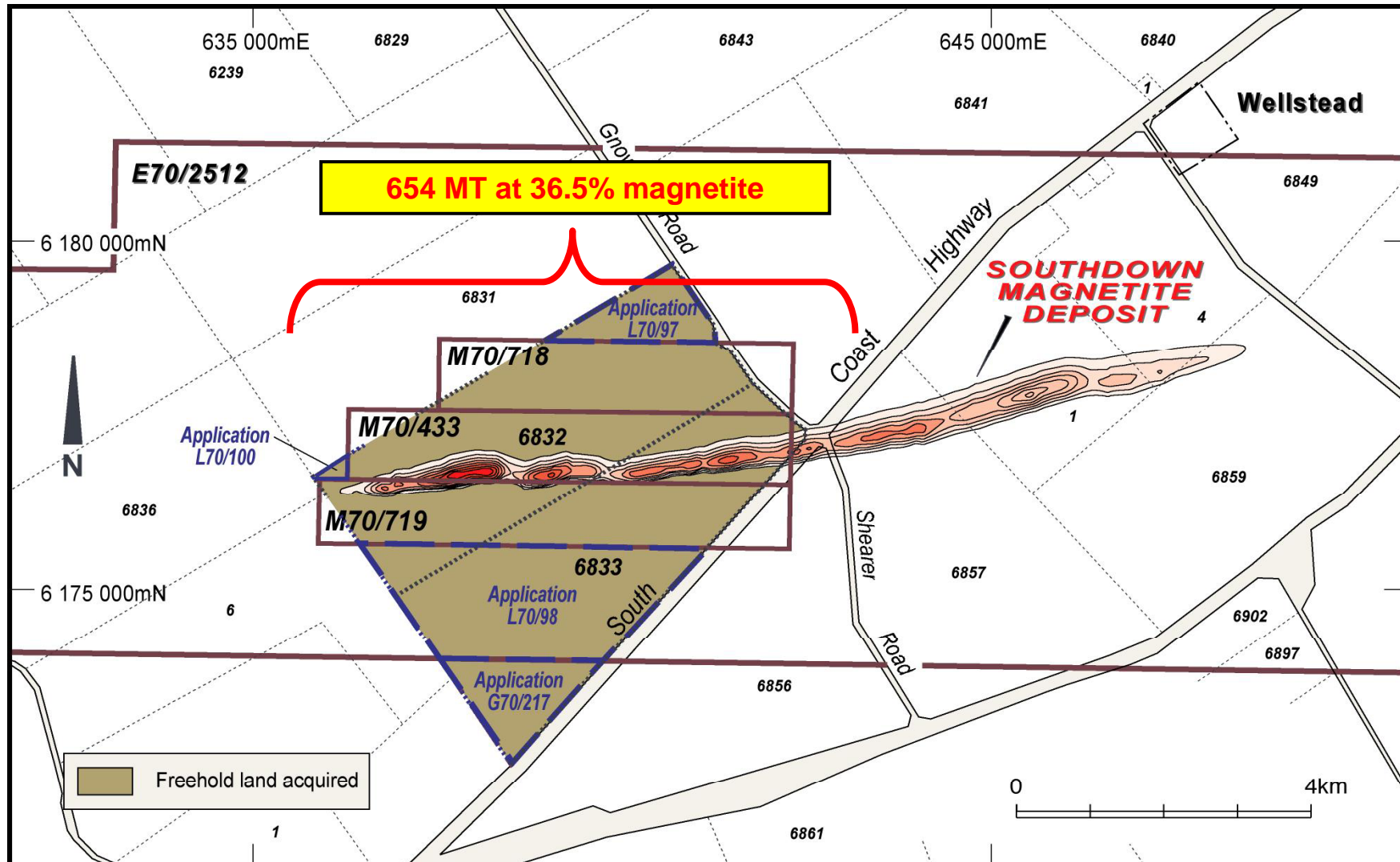


Growth

- *The Southdown Magnetite Project*

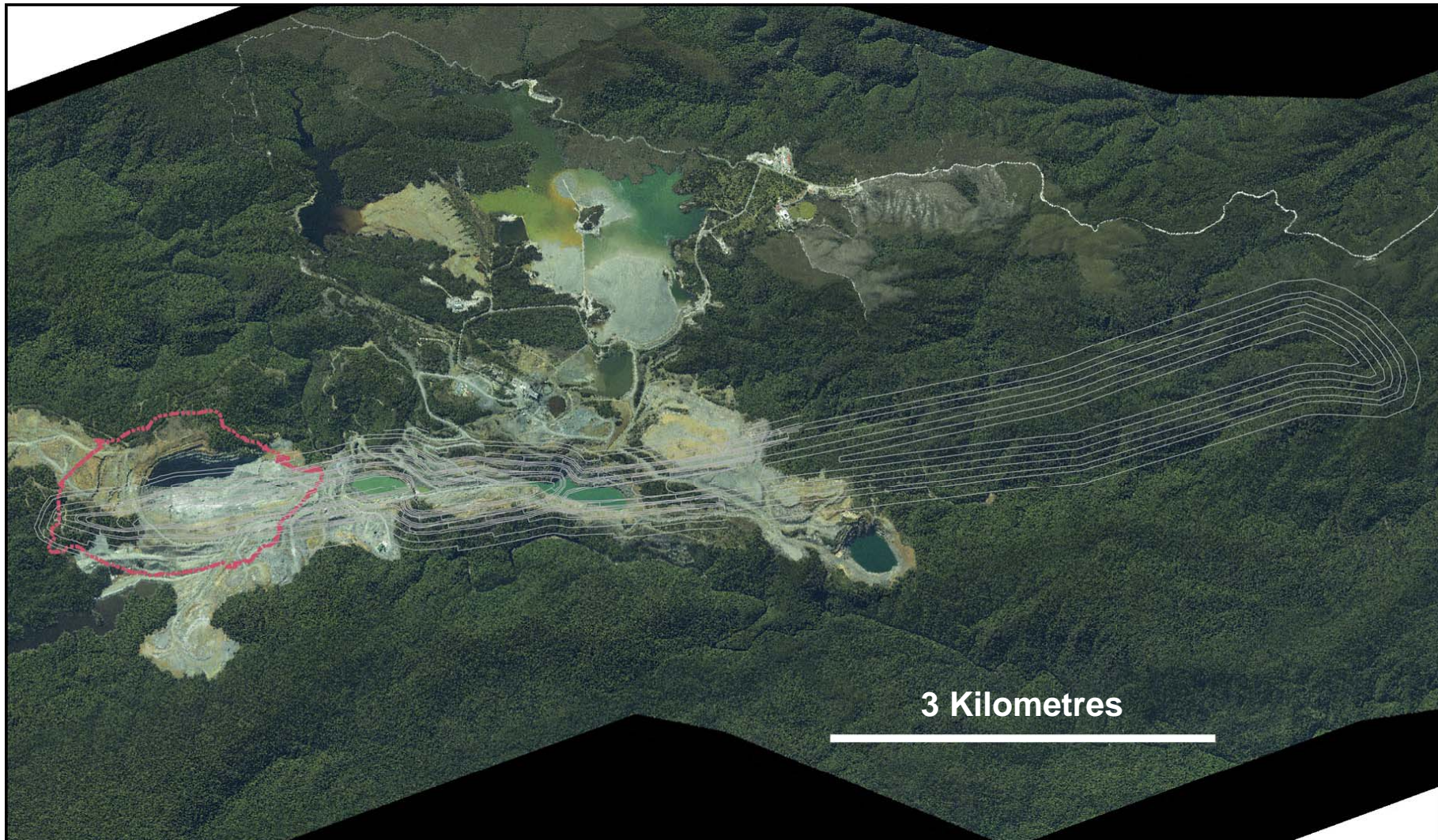


Southdown Resource



Southdown Super Pit

Superimposed on Savage River photography



Southdown Project



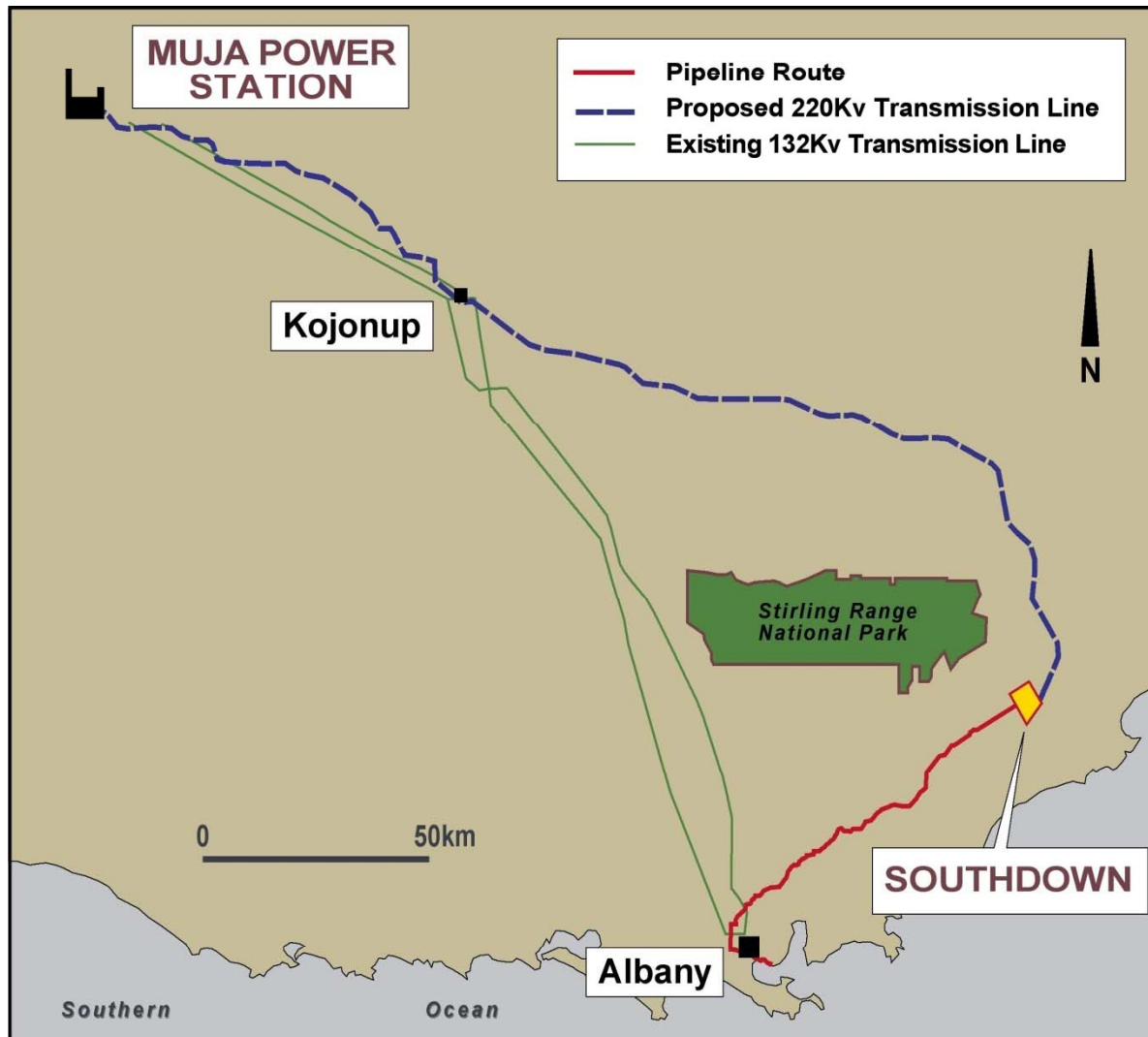
Southdown Project



Southdown Project



Project Infrastructure Power & Pipelines



Power

- **Western Power Networks 220kv line from Muja (150MW capacity).**
- **EPA Assessed**
- **Interconnected to SWIS¹**
- **Transmission line easements established**

Slurry Pipeline

- **Optimal transport method**
- **Finalising easements with landowners**

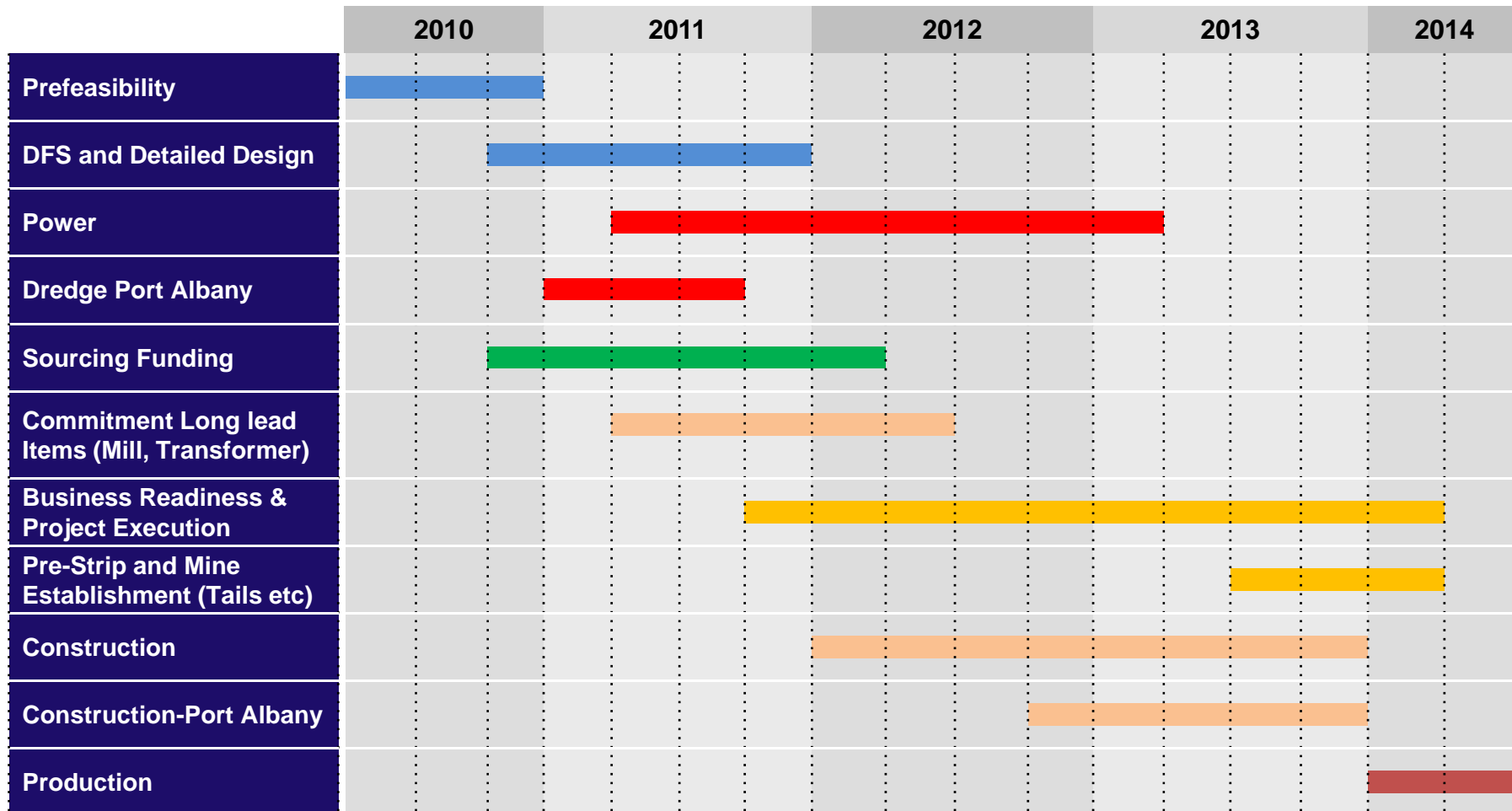
¹ South West Interconnected System (Western Australia)

Southdown Infrastructure Port of Albany



New Berth Location

Southdown Magnetite Project Project Schedule



Resources and Reserves 2010

Supporting Long Mine Lives



Grange has 764Mt of attributable Mineral Resources and 391Mt of attributable Ore Reserves.

Mineral Resources (inclusive of reserves)		
	Tonnes (Mt)	Grade (%DTR)
Savage River ⁴		
Measured	86	53.8
Indicated	132	53.5
Inferred	88	48.9
Total	306	52.3
Southdown ¹		
Measured	220	37.4
Indicated	210	38.9
Inferred	224	33.4
Total	654	36.5
PROJECTS TOTAL	960	41.5
ATTRIBUTABLE RESOURCES ³	764	42.8

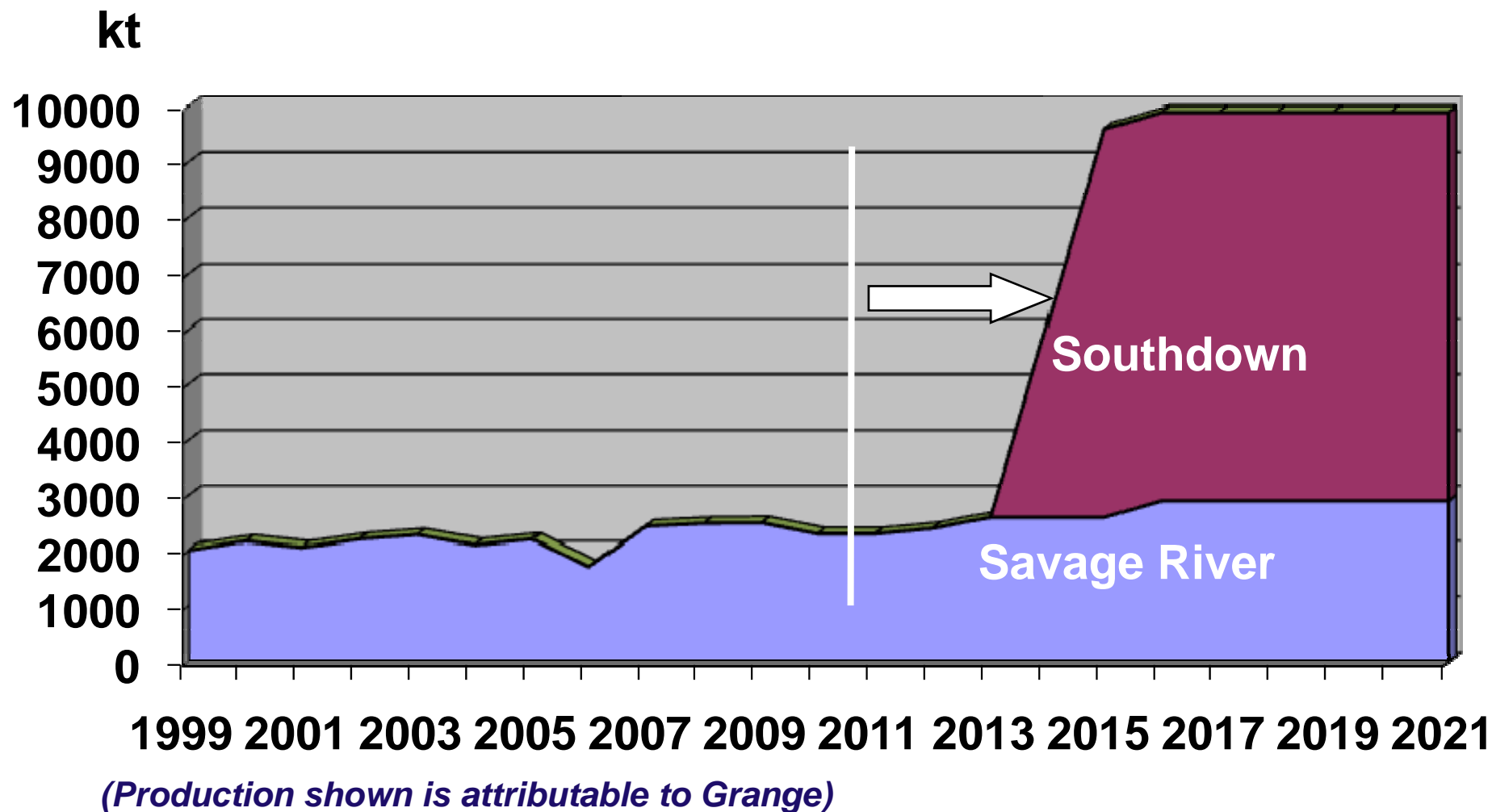
- Additional growth potential through exploration assets
- E70/2512 – eastern 6km extension of Southdown Deposit not yet fully drilled
- Long Plains – magnetite deposit located near Savage River

Ore Reserves		
	Tonnes (Mt)	Grade (%DTR)
Savage River		
Proved	51	51.1
Probable	68	51.3
Total	119	51.2
Southdown ²		
Probable	388	35.5
Total	388	35.5
PROJECTS TOTAL	507	39.2
ATTRIBUTABLE RESERVES ³	391	40.3

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

Production growth prospects



Summary



- **Australia's leading magnetite & iron ore pellet producer**
- **Solid investor, customer and revenue base**
- **Extensive magnetite technical and operational expertise**

- **Strengthened balance sheet with strong cashflow forecasts**
- **Mix of Cornerstone, Institutional and Retail investors**
- **Increased shareholder base, liquidity & market capitalisation**
- **ASX 300**

- **Southdown project being accelerated**

Point of difference:

Grange is an existing magnetite producer with cashflow and the expertise in place to develop its major project

Key Contacts



Primary contacts:

Russell Clark

Managing Director & Chief Executive Officer

+61 8 9327 7901

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



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)
Savage-River Total			Savage-River Total		
Measured	86.4	54	Proved	50.6	51
Indicated	131.9	53	Probable	67.9	51
Inferred	87.8	49	Total	118.5	51
Total	306.0	52			

Mineral Resources and Ore Reserves have been estimated for Grange Resources Tasmania Savage River magnetite deposit at the end of May 2010.

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.