



Australia's leading magnetite producer

Russell Clark

Managing Director and CEO

Standard Chartered
Earth's Resources Conference
20 June 2012

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.

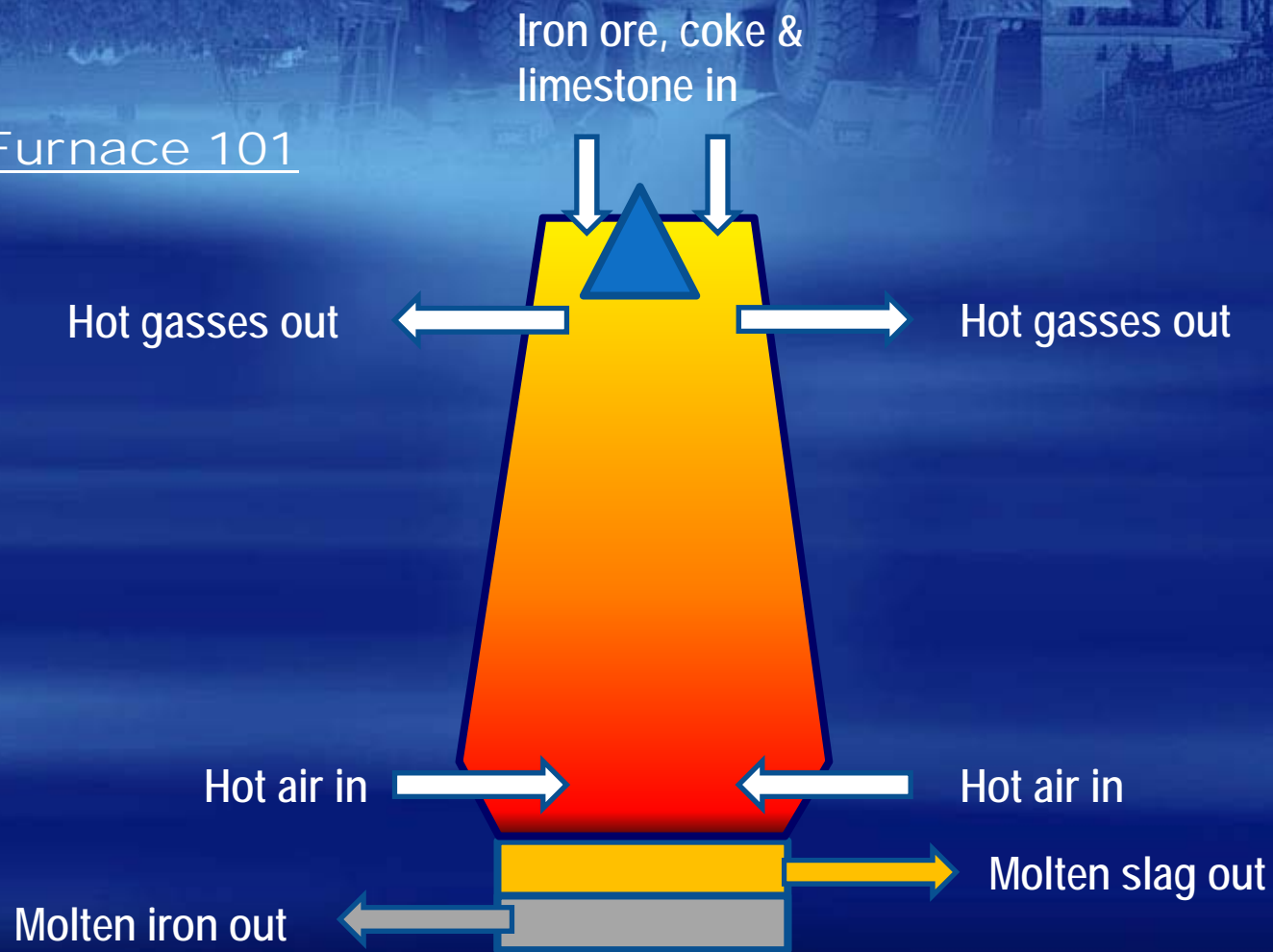
Statements contained in this material, particularly those regarding possible or assumed future performance, costs, dividends, production levels or rates, prices, resources, reserves or potential growth of GRR or, industry growth or other trend projections are, or may be, forward looking statements. Such 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.

Company Overview

Grange remains Australia's leading magnetite producer. An ASX 300 company, with a large well managed long term cash producing mining operation, a strong balance sheet, no net debt, and paying dividends - and a larger magnetite project at DFS offering even more value in the future.

The future for iron ore

Blast Furnace 101



Iron units in = Iron units out

Blast Furnace 101

50% - 80% Sinter

- Sinter is made from "fines"
- "Pilbara fines" 62% Fe (reducing)
- New products from new producers:
 - Special fines 58% Fe
 - Value fines 57.5% Fe

Fines Grades are falling

Contaminants are rising
Costs are rising

20% - 50% Lump and Pellets

- Lump 63% Fe,
- Pellets up to 67% Fe (low contaminants)
- Availability of lump is falling

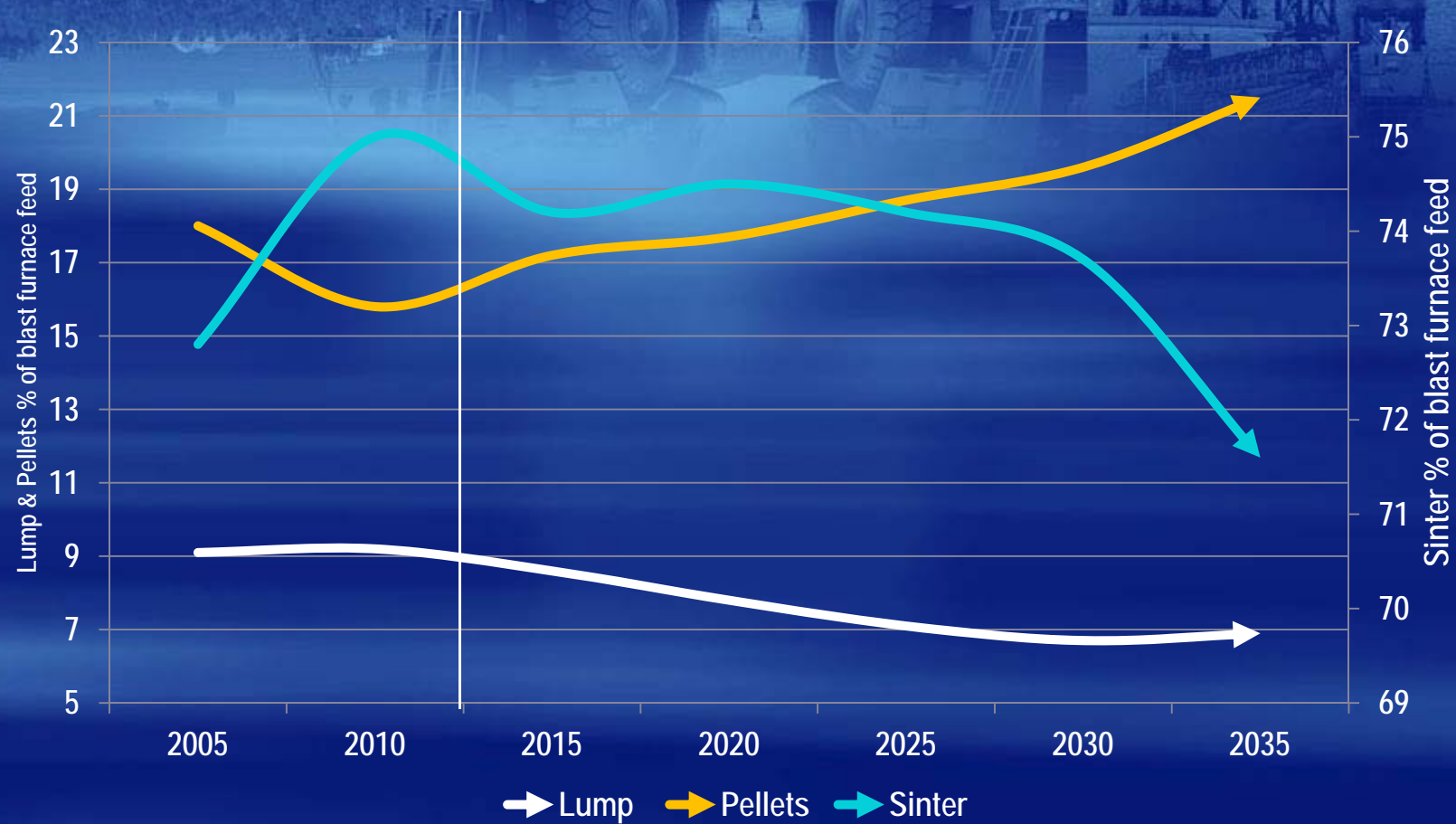
Questions?

- How will productivity be maintained as fines grades drop and contaminants increase?
- What will replace lump as it becomes more scarce?

Molten iron out

Molten slag out

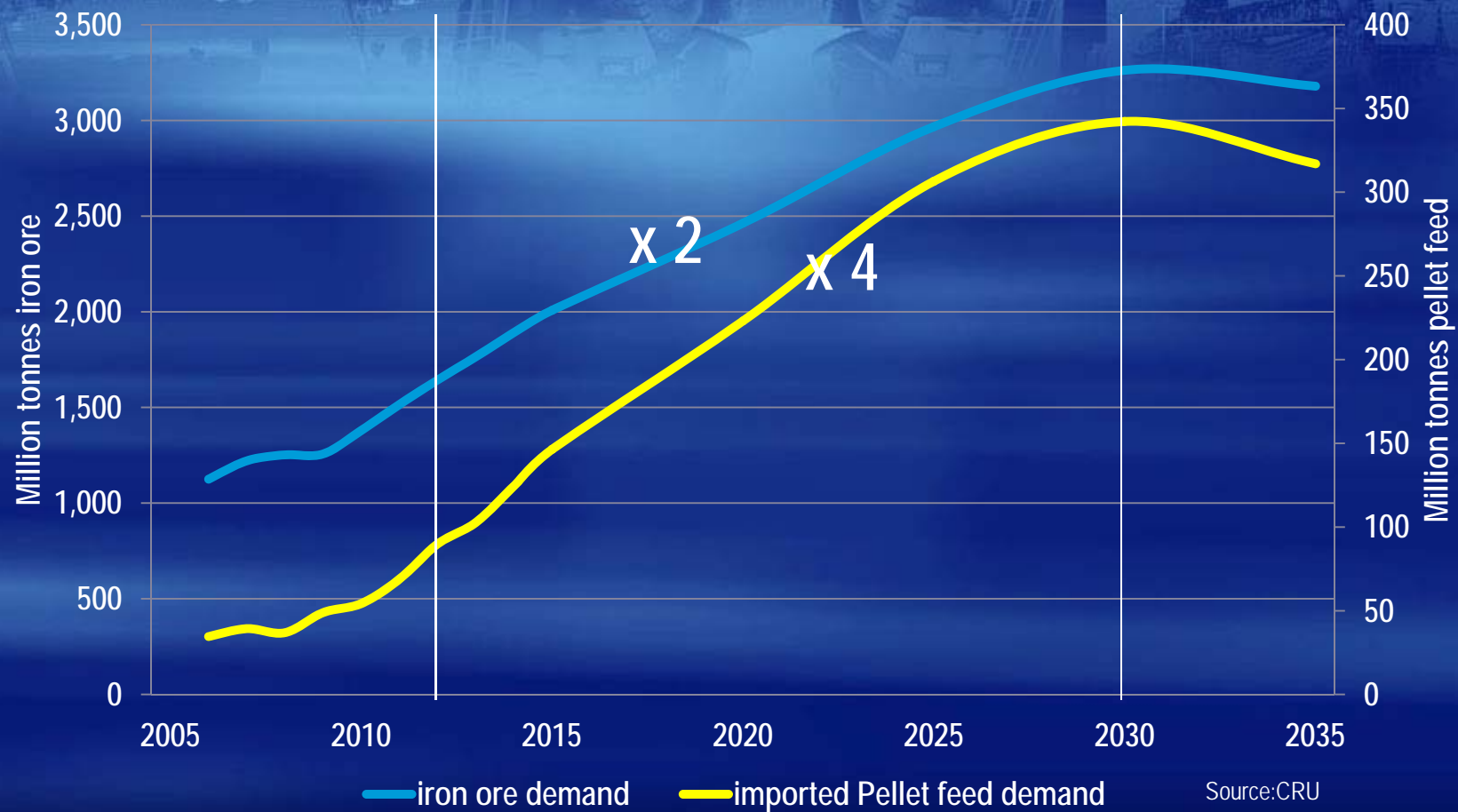
Sinter, Lump and Pellet mix over time



Source:CRU

In 18 years iron ore demand doubles and
pellet feed demand grows almost four fold

Iron ore and Pellet feed demand



Magnetite – The premium iron ore

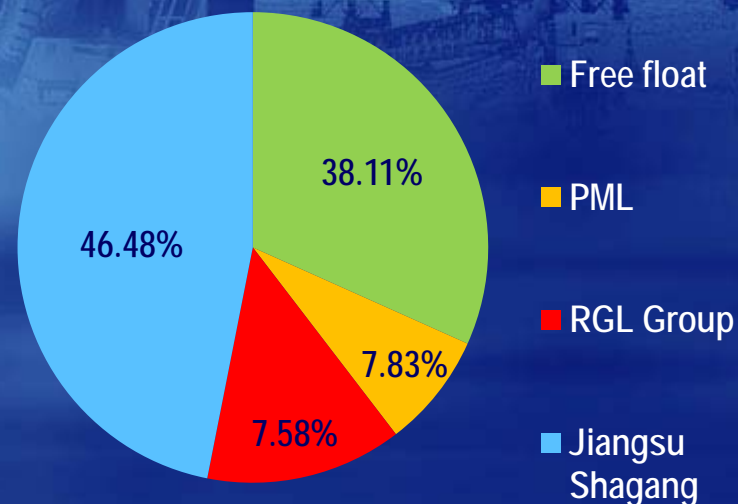


Company Snapshot

Current key statistics (A\$)

Ordinary shares on issue	15 June 2012	1,155m
Last share price	15 June 2012	\$0.5
Market capitalization	15 June 2012	\$577m
Cash & Receivables	31 March 2012	\$274.2m

Current Ownership Structure



Research

Bell Potter	Patersons
Citi	Petra Capital
JP Morgan	RBS
Macquarie	RBS Morgans
Merrill Lynch	UBS

Grange Assets

Australia's Leading Magnetite Producer

Savage River (100%)



Southdown Project (70%)



Quality assets in Tasmania and Western Australia.

Grange 2011 Highlights

- Record safety achievement – zero LTI
- Record cashflow - \$210.4m
- Record profit - \$216.6m
- Record dividends – 5c/share (8% yield)
- Southdown project DFS completed
- Southdown Mineral Resources increased

The business is now set for a sustainable future!

The Southdown Project

4x

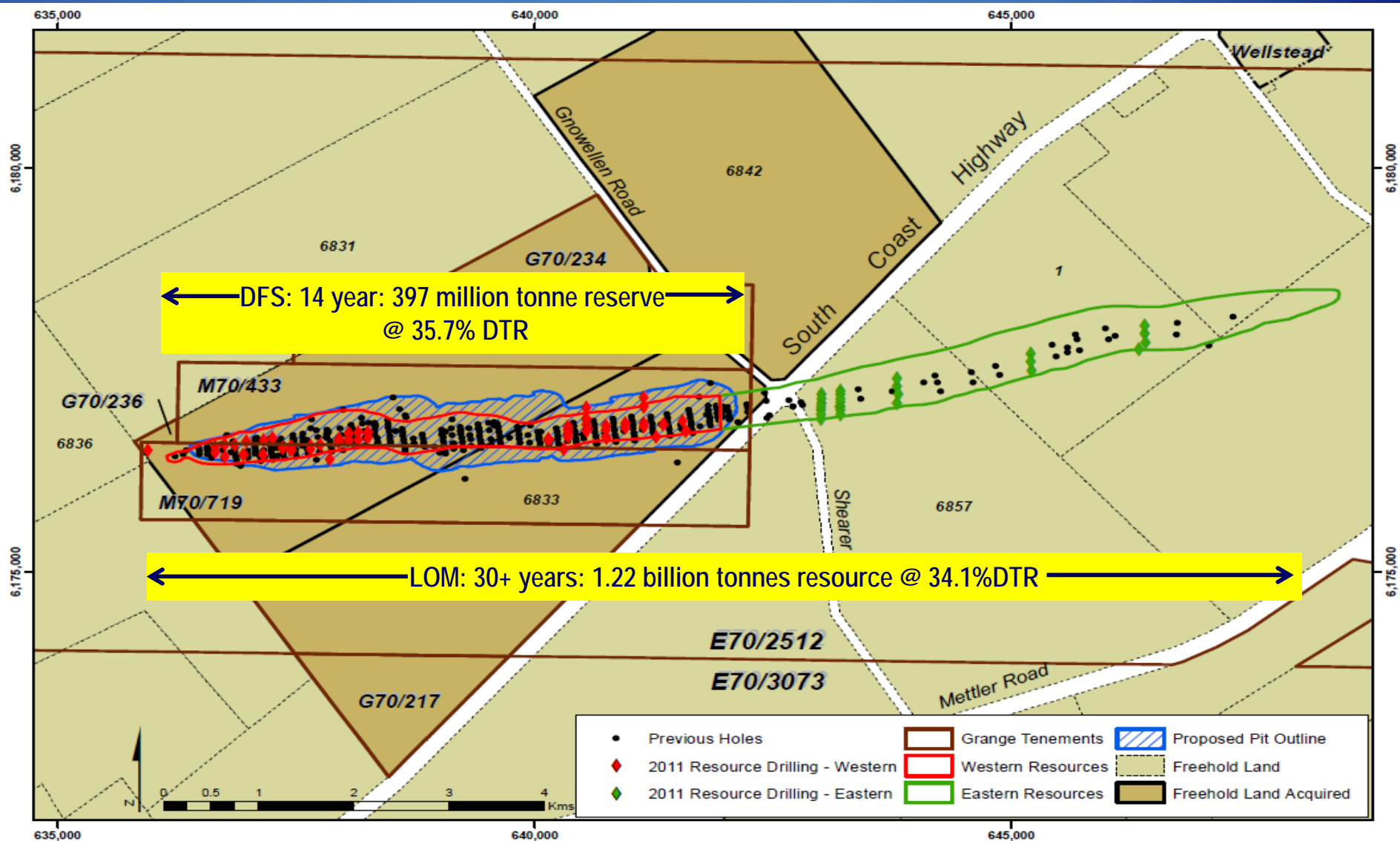
bigger than Savage River



The Southdown Project *DFS Highlights*

- \$150 million spent to date - an advanced project!!
- JORC mineral resources >1.2 billion tonnes at 34.1% DTR
- Ore reserves of 397 million tonnes at 35.69% DTR.
- DFS mine life of 14 years within the current permitted area and total resource indicates a potential mine life >30 years.
- NPV10% of A\$1,008 million and IRR of 16.6%.
- Capex estimate A\$2.885 billion including EPCM, owners' costs and contingency of A\$0.535 billion.
- Operating costs estimate of A\$58.5 per tonne of concentrate
- Initial production forecast for 2015;

The Southdown Project *The Resource*

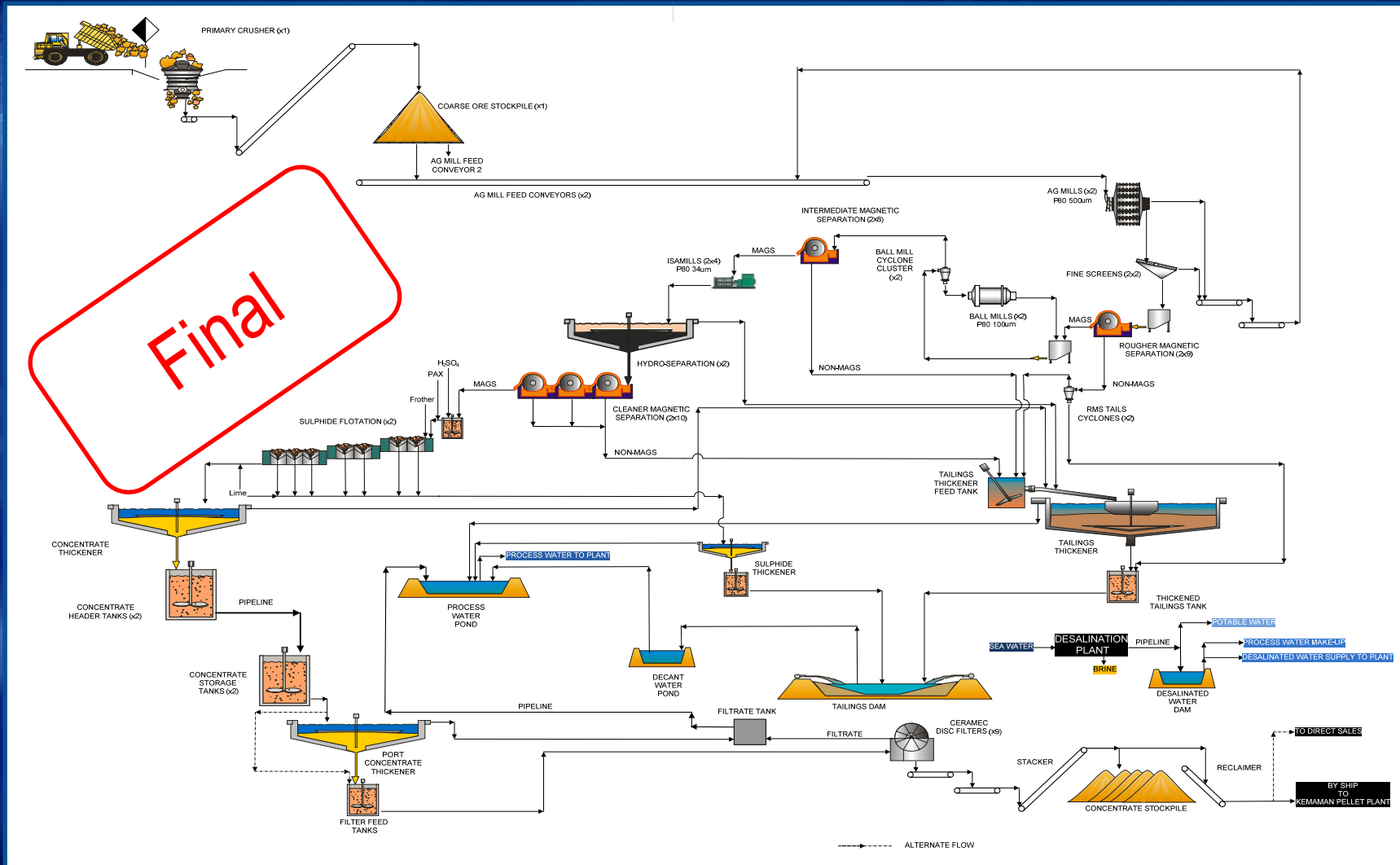




June 2012

Slide 15

Southdown Magnetite Project *Concentrator Flow Sheet*



June 2012

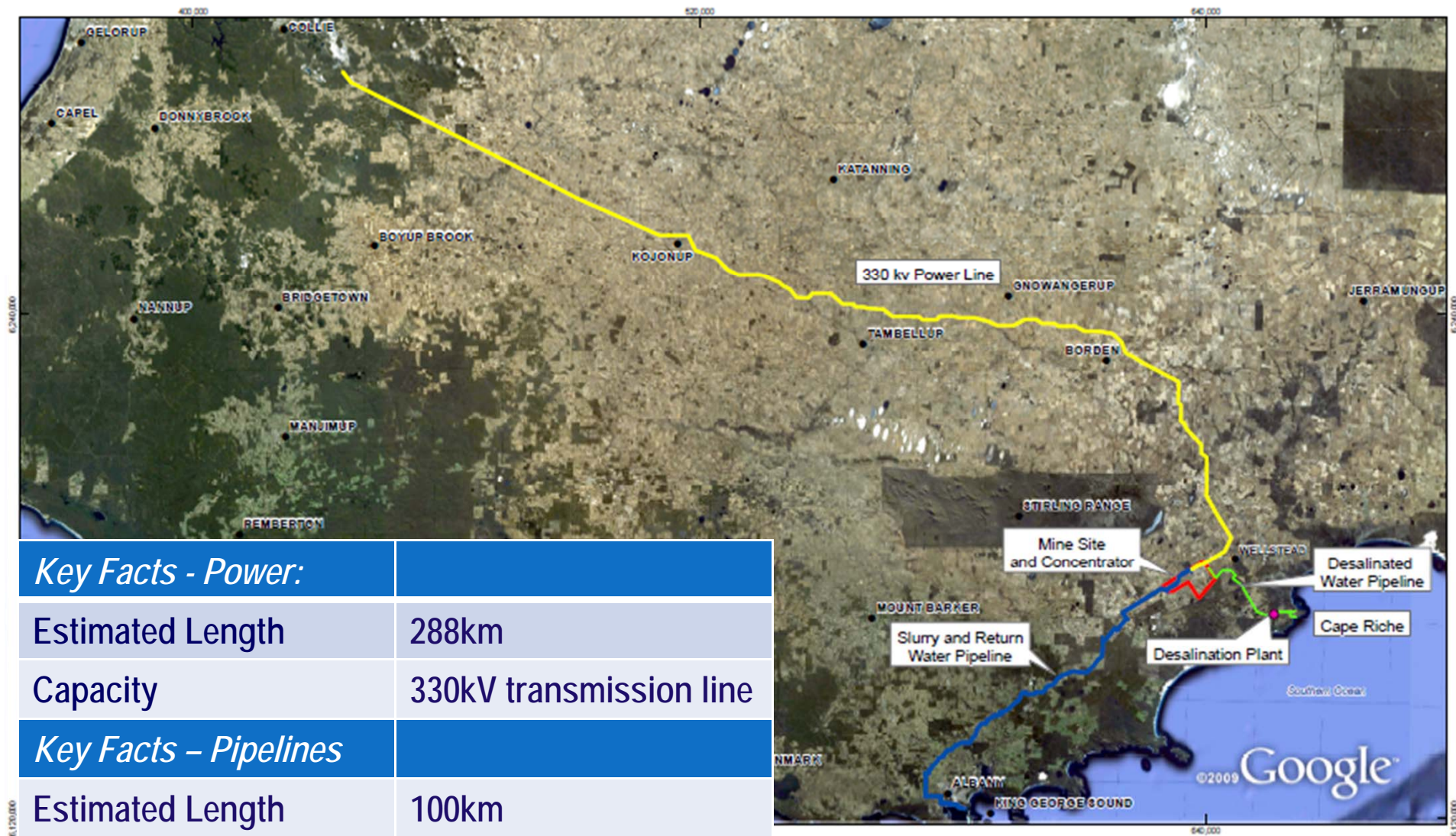
Slide 16

Southdown Magnetite Project *Product Quality Expectations*

Following recent additional test work, the expected concentrate quality has improved, with lower SiO₂ and Al₂O₃.

Southdown Magnetite Concentrate	%
Total Fe	69.4
SiO ₂	1.28
Al ₂ O ₃	1.36
TiO ₂	0.46
P	0.002
S	0.08
LOI (Loss of ignition)	-2.91

Southdown Magnetite Project *Power and Pipelines*



Southdown Magnetite Project **Water Supply**

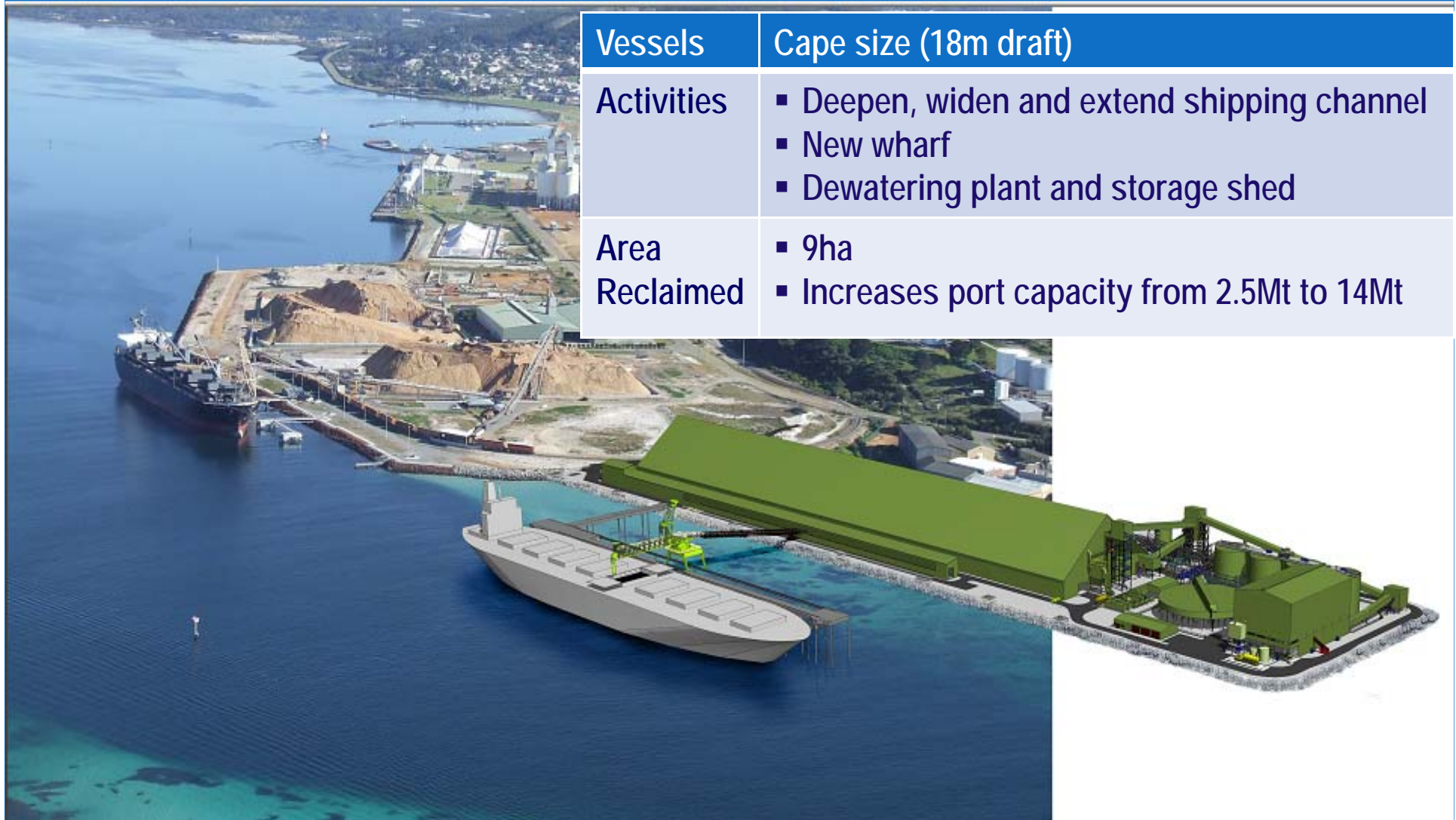


Source	Seawater reverse osmosis desalination plant
Capacity	11 GL/a
Location	Coastal location 25km from mine

June 2012

Slide 19

Southdown Magnetite Project *Port Infrastructure*



Vessels

Cape size (18m draft)

Activities

- Deepen, widen and extend shipping channel
- New wharf
- Dewatering plant and storage shed

Area

Reclaimed

- 9ha
- Increases port capacity from 2.5Mt to 14Mt

Southdown Magnetite Project *Permitting*



Mine environmental permit



Granted November 2009, amendment required in 2011 for 10mtpa



Port permits



Granted November 2010



Water permit



Desalination permit targeted Q2 2012








Southdown Project *DFS Capital Expenditure*

Description	Total Cost (A\$ M)
Mine & Concentrator	1,330
Desalination Plant, Pipelines and Transmission Line	640
Albany Port Works, Berth, Storage Facilities	380
Sub-total	2,350
Owners Costs, EPCM and Contingency	535
Total Estimate Project Costs	2,885

Southdown Project *DFS Operating Cost Summary*

Operating Costs	A\$/t Concentrate
Mining	24.4
Concentrator	24.6
Pipeline, Filtration and Port	5.7
Overheads	3.8
Total Operating Costs	58.5

Southdown Magnetite Project *Target Time Line*

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

Page Layout References Mailings Review View

Draft

☒ Ruler
☐ Gridlines
☐ Navigation Pane Show

Zoom 100%
Zoom

One Page
Two Pages
Page Width

New Window
Arrange All
Split


View Side by Side
Synchronous Scrolling
Reset Window Position Window

Switch Windows

Macros
Macros

19 June 2012

ASX:GRR


GRANGE
RESOURCES

Grange Resources Limited
ABN 80 009 132 405
Level 11, 200 St Georges Terrace
Perth Western Australia 6000
PO Box 7025, Cloisters Square
Perth Western Australia 6850
T +61 8 9327 7901
F +61 8 9327 7932
info@grangeresources.com.au
www.grangeresources.com.au

Grange Resources Limited
Australia's leading magnetite producer

Grange Appoints Corporate Advisor for Southdown Project Funding

Grange Resources Limited ("Grange") is pleased to announce the appointment of Deutsche Bank as Corporate advisor to assist Grange develop its Southdown Magnetite Project ("Southdown") equity strategy.

Southdown is a joint venture (JV) between Grange (70%) and Japan's Sojitz Resources & Technology Australia Pty Ltd (SRT) (30%). SRT is jointly owned by Sojitz Corporation a

Why Grange?

- Very attractively priced
- Existing cashflow and great margins
- Dividend payer, strong yield
- Strong Balance Sheet, strong cash position,
- No net debt
- World class projects
- Proven performer with 40 years magnetite experience

Key Contacts

Primary contacts:

Russell Clark

Managing Director & Chief Executive Officer

+61 8 9327 7901

managingdirector@grangeresources.com.au

Media:

Tarryn Truscott

Consultant, "LastSay." Communications

08 6102 7295 or 0438 906 643

tarryn@lastsay.net.au

Competent Person Statement

Southdown Project

- *The information in this report which relates to the Mineral Resources of the Southdown Project- Western Tenements is based on information compiled by Michael Everitt who is a full-time employee of Grange Resources Limited and a Member of the Australasian Institute of Mining and Metallurgy. Michael Everitt 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). Michael Everitt consents to the inclusion of this information in this statement of Mineral Resources in the form and context in which it appears.*
- *The information in this report which relates to the Ore Reserves of the Southdown Project is based on information compiled by Mr Ross Carpenter who is a full-time employee of Grange Resources Limited and a Member of the Australasian Institute of Mining and Metallurgy. Ross Carpenter 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). Ross Carpenter consents to the inclusion of this information in this statement of Ore Reserves in the form and context in which it appears.*