



Australia's most experienced magnetite producer



Financial Results Presentation
31 December 2012

27 February 2013

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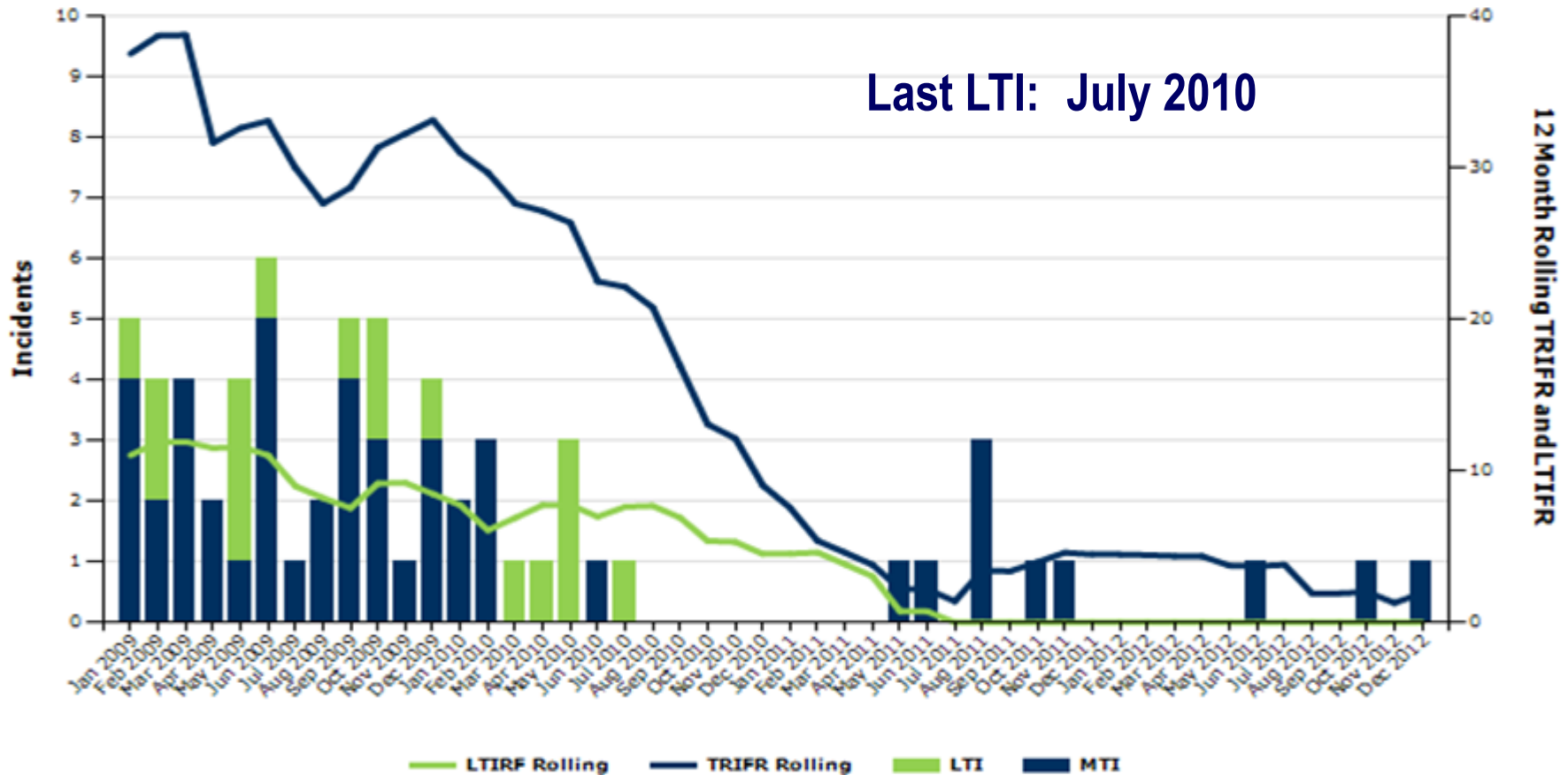
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2012 Highlights

- Exceptional safety record continues
 - No Lost Time Injuries recorded since July 2010
- Solid operating performance and results
 - Successfully addressed operational challenges from July 2012 rock slide
- Disciplined cash management has preserved balance sheet strength
- Final dividend of 1.0 cents per share (unfranked) declared (total of 2.0 cents for the 2012 year)
- Timely reassessment of Southdown Project expenditure



Exceptional Safety Performance



Our focus on safety will continue to be unrelenting

2012 Results Overview

- **Revenues** from mining operations of **\$331.3 million** (down 19% from \$410.4m)
 - Sales volumes up 34% to 2.4 million tonnes of iron ore products
 - Average realised price down 31% to US\$144.84 per tonne
- **Net profit after tax** of **\$35.9 million** (down 83% from \$216.6m)
- **Net cash inflows** from operating activities of **\$131.9 million** (down 37% from 210.4m)
- **Cash and term deposits** of **\$174.9 million** as at 31 December 2012
- No net debt and reduced gearing levels with **borrowings of \$22.9 million**
- **Final dividend** of **1.0 cents** per share (unfranked) declared

Key Production Statistics

	2012	2011
Total Mined ('000 BCM)	14,638	15,628
Total Ore ('000 BCM)	1,774	1,693
Concentrate Produced (t)	2,123	2,019
Weight Recovery (%)	35.9%	36.4%
Pellets Produced ('000 t)	2,005	1,978
C1 Cost (A\$/t Product Produced)	\$106.08	\$109.43

2013 Priorities

- Focus on accessing high grade ore
- Continued investment in mine development

We have managed through a difficult year with discipline, focus and efficiency

Key Operating Statistics

	2012	2011
Tonnes Sold ('000)	2,369	1,773
Realised Selling Price (US\$/t) ¹	\$144.84	\$210.21
Average Exchange Rate (A\$:US\$1)	1.036	1.040
Realised Selling Price (A\$/t) ¹	\$139.86	\$202.17
C1 Cost (A\$/t Product Produced)	\$106.08	\$109.43
Operating Margin (A\$/t)	\$33.78	\$92.74
Dividend per share (cents per share)	2.0	5.0

2013 Priorities

- Take advantage of improving iron ore prices
- Drive C1 cost lower
- Improve operating margin
- Maintain regular dividend

(1) Excludes the impact of non-recurring revenues recognised in 2011 arising from the settlement of interim pricing arrangements

Southdown Project - Achievements

- **Completed a definitive feasibility study** in April 2012 which improved the projects level of accuracy to +/- 15%
- Progressed 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)
- **Operating costs** estimated at **A\$58.5 per tonne** of premium quality concentrate (68.6% fe) containing low contaminants (excl. royalties)
- Submission by **EPC contract tenders for major construction** works by interested parties

Southdown Project – Priorities

- **Continue search for new equity partner** to take a strategic share of the Company's interest
- **Significantly reduce expenditure for 2013** to approx. \$2.5 million (GRR Share)
- Maintain all tenements, permits and project assets in good order

Timely decisions have been made in relation to the Southdown Project

2013 Priorities – Recapped

- **Broaden customer base** to take advantage of improving market opportunities
- Drive **operating costs down further** and regain 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 tailings storage for the balance of the mine life at Savage River
- Focus on capital management
 - **Maintain regular dividend** policy
 - **Target growth opportunities** to complement existing business

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