



Australia's most experienced magnetite producer



Savage River Investor Trip

18-19 November 2013

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Company Highlights

- ✓ **Most EXPERIENCED magnetite producer**
Over 45 years of operational experience at Savage River
- ✓ **STRONG Safety Culture**
1,195 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**
\$139m cash and equivalents at Sept 2013, no debt
- ✓ **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*

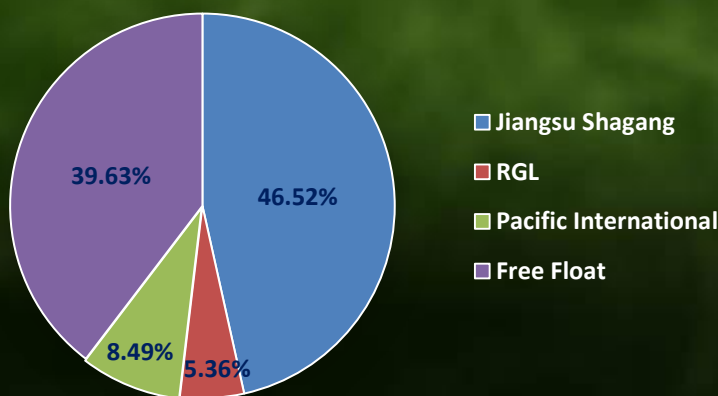


Company Snapshot

Capital Structure (A\$)

Ordinary Shares on issue	15 Nov 2013	1,156m
Share Price	15 Nov 2013	\$0.245
Market Capitalisation	15 Nov 2013	\$283m
Cash and Term Deposits	30 Sept 2013	\$139m
Debt	30 Sept 2013	-

Current Ownership Structure



Share Price and Volume



Research Coverage

- JP Morgan
- UBS
- Bank of America – Merrill Lynch

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 with no debt
- Stable work force with minimal turnover who know the intricacies of the business and are adding value

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

- Timing of capital projects continue to be rescheduled so that they are aligned with effective condition monitoring and preventative maintenance management processes
- Freeze on hiring and reduction in contractor levels
- Cutting costs wherever we can to achieve our priority goal of driving C1 costs lower
- Closed Perth office and relocated Headquarters to Tasmania

Focusing on the fundamentals – 2013

1. Focus on accessing high grade ore through continued investment in mine development

- North pit mining redevelopment and operations running ahead of schedule, regained access to high grade ore in September 2013
- Progressing South Deposit mine development and tailings storage facility approval

2. Take advantage of iron ore market prices

- September 2013 quarter average product price of US\$133.85 per tonne (FOB Port Latta)
- Strong market interest in available spot cargoes and longer term contracts delivering upside and diversifying customer and geographic risk

3. Drive C1 costs lower

- Cost control disciplines continue ~ 3% below budget
- Increased weight recovery and concentrate production will drive unit operating costs lower

2013 Quarterly Results – Production

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

Delivering on our priorities:

- Mining movements remain strong and improved access to North Pit high grade ore is allowing us to rebalance our ROM stockpile feeds
- Weight recovery in October 2013 increased to 41.1%, delivered concentrate production of 198,455 tonnes and is allowing us to deliver on our promises

Focusing on the fundamentals

Marketing & Pricing

Referenced on Metal Bulletin Iron Ore Pellet Index

■ Shagang Commitment

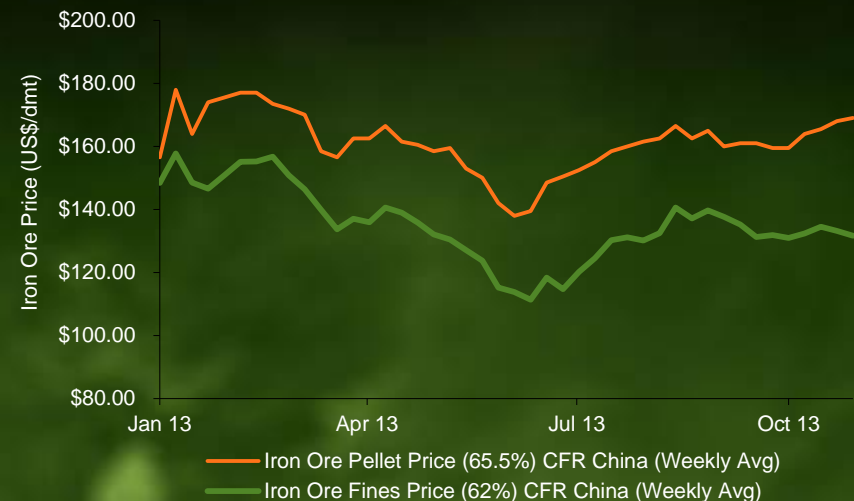
- Long term FOB (Port Latta) contract to 2023
- 1 million tonnes (+/- 10%) of iron ore pellets per year

■ 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 our premium product

2013 Quarterly Results – Shipping and Sales

	September Quarter 2013	June Quarter 2013	March Quarter 2013
Shipping and Sales			
Total Iron Ore Product Sales (dmt)	536,503	380,290	388,203
Avg Realised Product Price (US\$/t FOB)	133.85	136.34	144.71
Avg Realised Exchange Rate (AUD:USD)	0.9176	0.9847	1.0359
Avg Realised Product Price (A\$/t FOB)	145.87	138.46	139.70

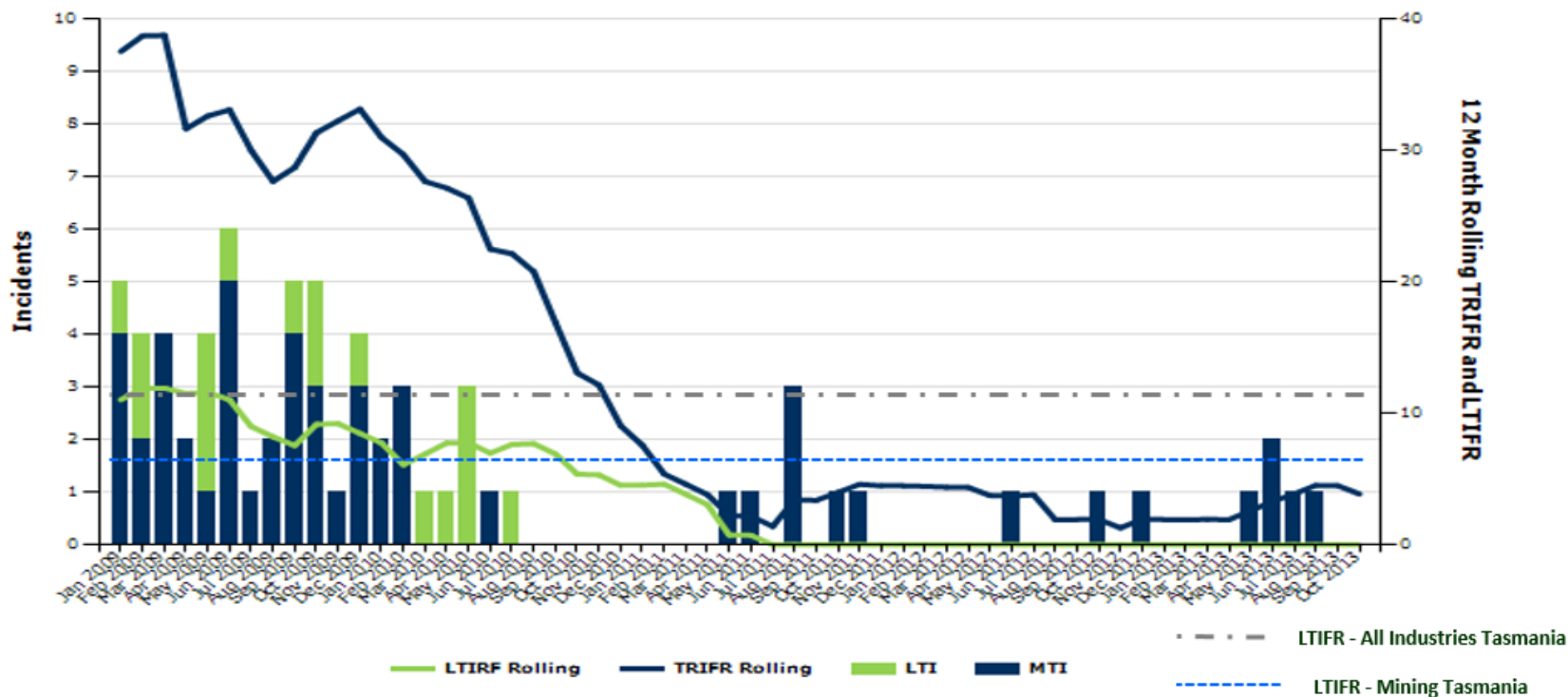
Delivering on our priorities:

- Iron Ore Index prices improved during October 2013 and continue to remain strong. Effective marketing of spot sales continues to deliver upside and diversify risk.
- Improving production will allow for an increase in iron ore product sales during Q4 2013

2013 - Exceptional Safety Performance



Safety Incidents Rolling Average Trends



Our focus on safety will continue to be unrelenting

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 ~47MT
- Potential addition to mine life



Total resources exceeding 340MT which support 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
- Continue to review and revise processing and operational models as new information and technology becomes available

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 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 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*