



Australia's leading magnetite producer

Russell Clark

Managing Director and Chief Executive

AJM Global Iron Ore & Steel Forecast

20-21 March 2012

Pan Pacific Perth, WA

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.

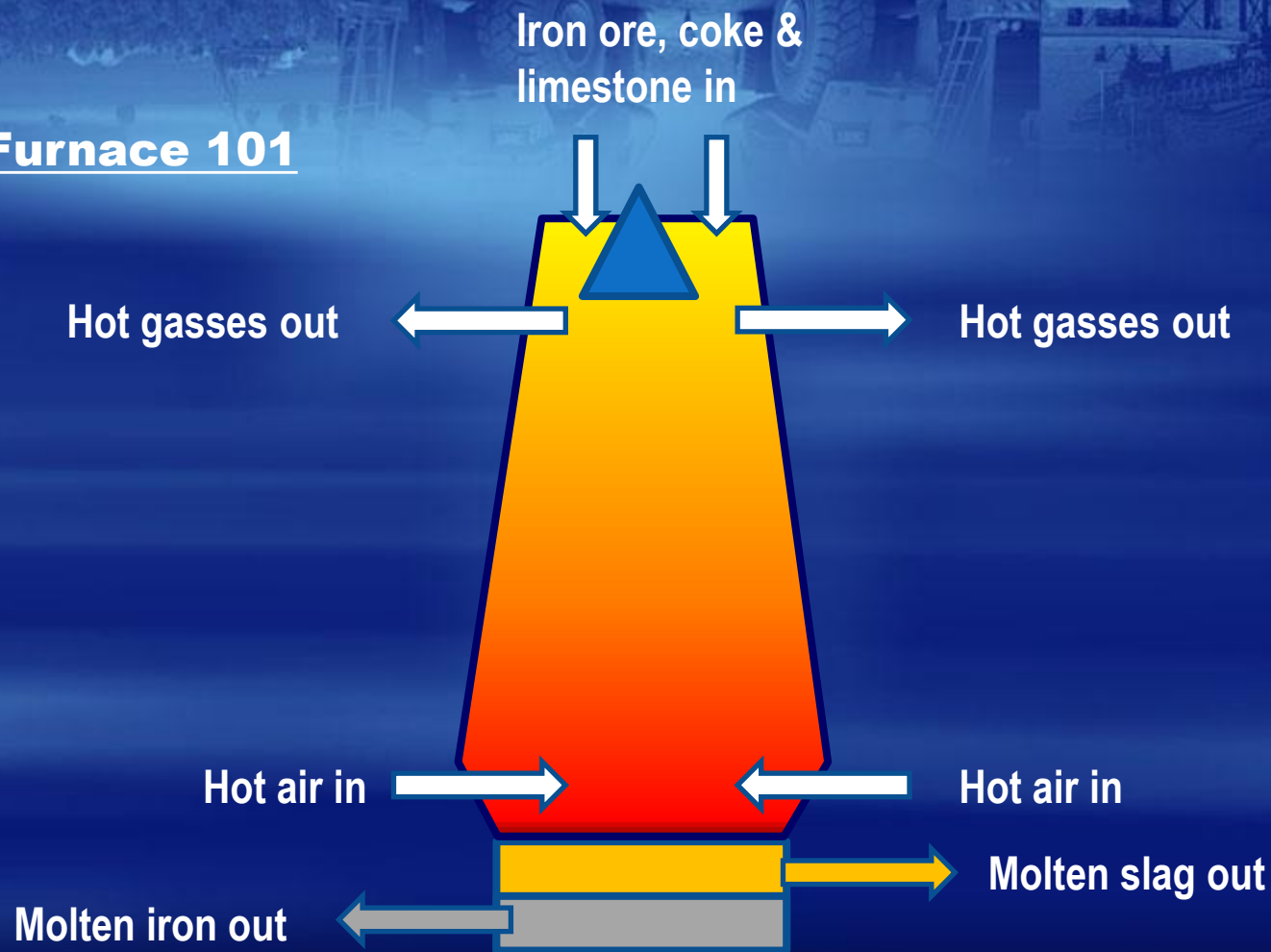
Statements contained in this material, particularly those regarding possible or assumed future performance, costs, dividends, production levels or rates, prices, resources, reserves or potential growth of GRR or, industry growth or other trend projections are, or may be, forward looking statements. Such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

20% - 50% Lump and Pellets

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

Fines Grades are falling

Contaminants are rising
Costs are rising

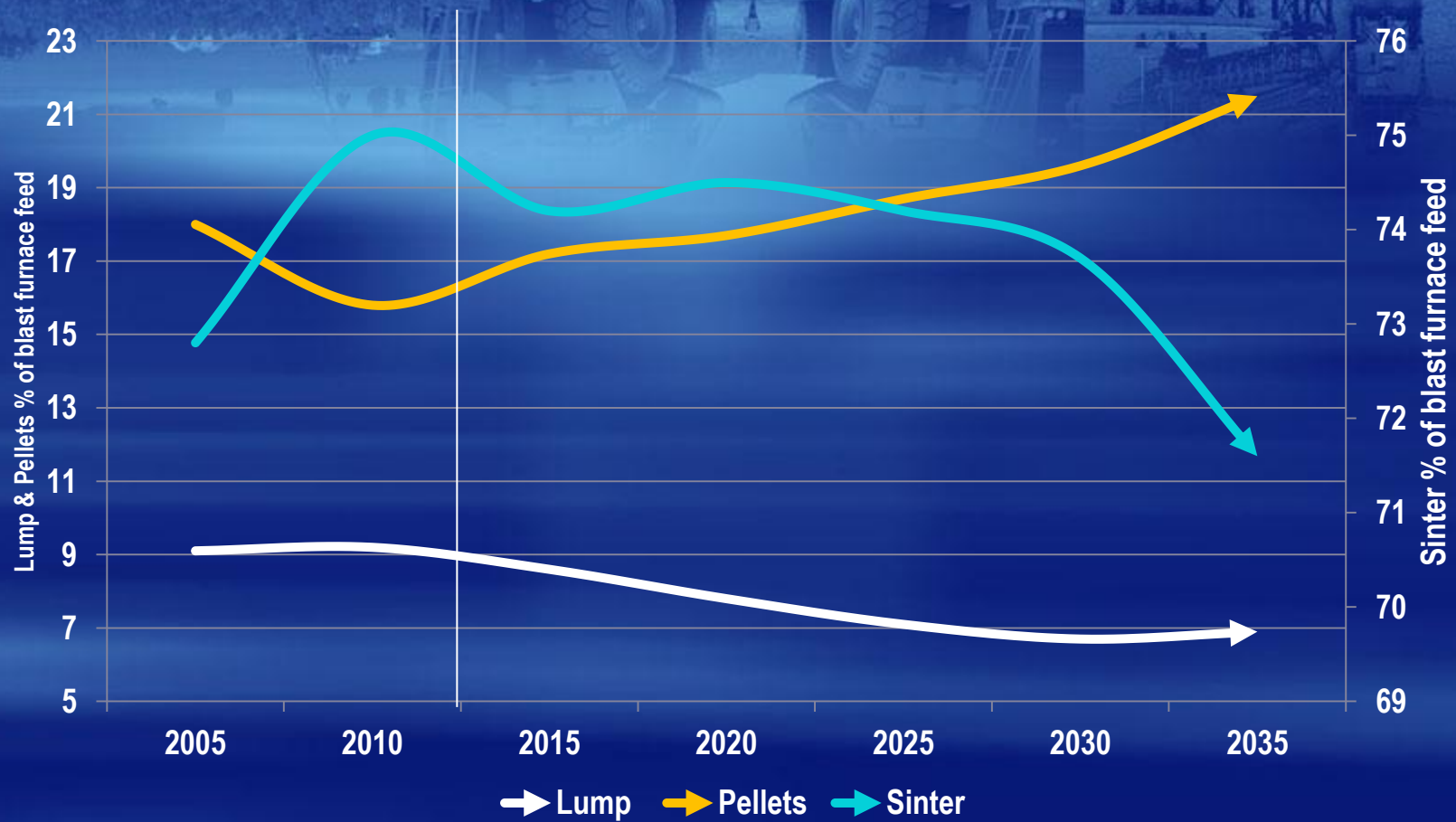
Molten iron out

Questions?

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

Molten slag out

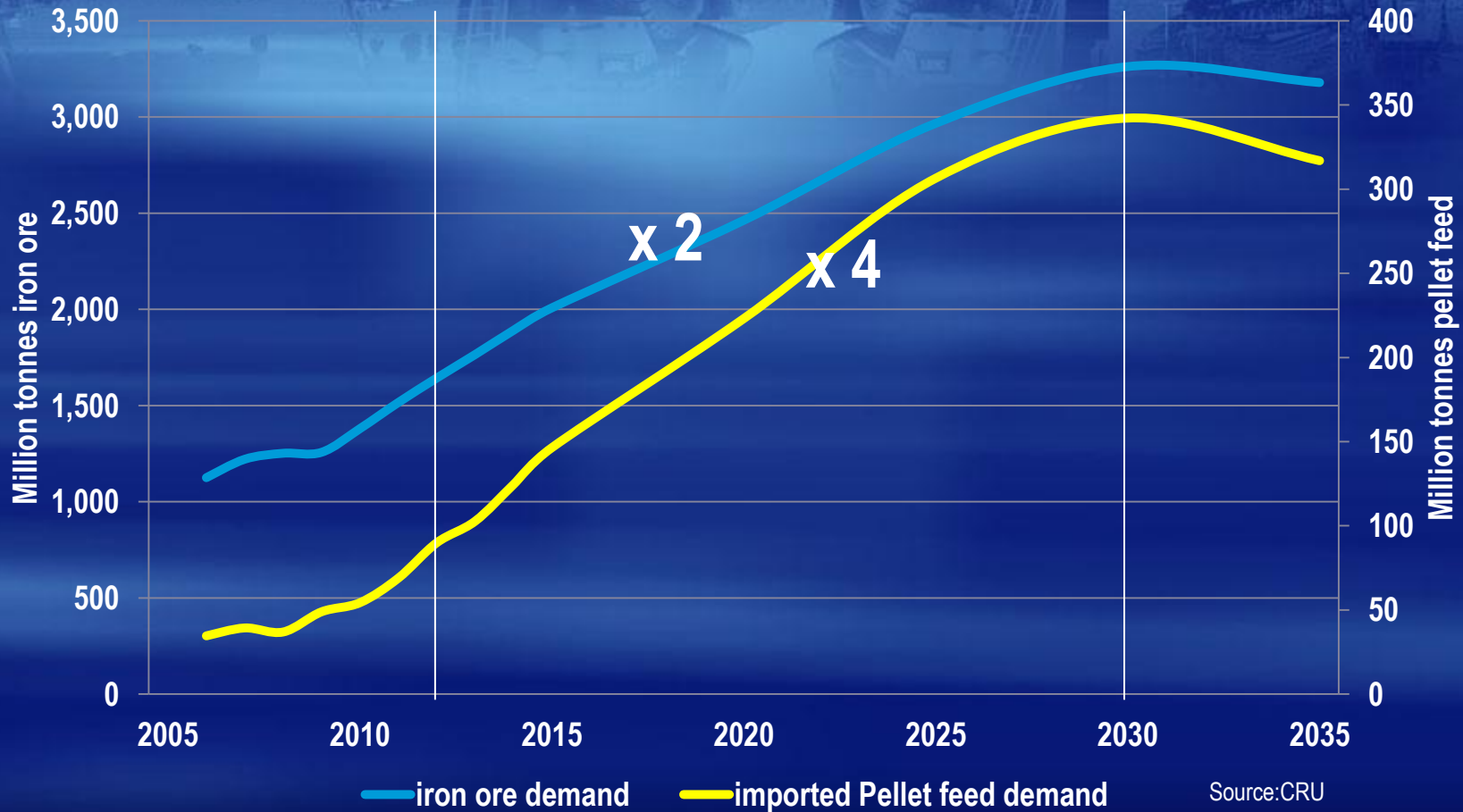
Sinter, Lump and Pellet mix over time



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

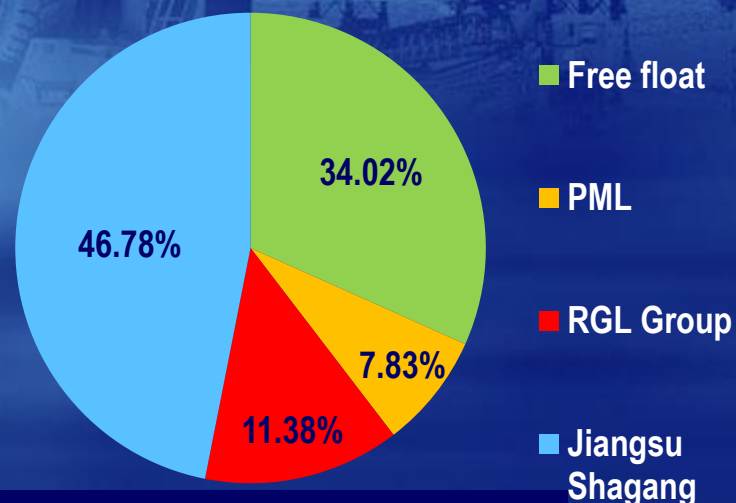


Company Snapshot

Current key statistics (A\$)

Ordinary shares on issue	1 March 2012	1,154m
Last share price	1 March 2012	\$0.67
Market capitalization	1 March 2012	\$773m
Cash & Receivables	31 December 2011	\$226.7m

Current Ownership Structure



Research

Bell Potter	(target \$1.01)	Patersons	(target \$0.69)
Citi	(target \$0.80)	Petra Capital	(target \$1.06)
JP Morgan	(target \$0.95)	RBS	(target \$0.68)
Macquarie	(target \$1.00)	RBS Morgans	(target \$0.82)
Merrill Lynch	(target \$0.75)	UBS	(target \$0.82)

JP Morgan and UBS commenced research coverage during the quarter

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)
- East wall recovery
- Southdown project DFS completed
- Southdown Mineral Resources increased

The business is now set for a great 2012!

December 2011 Quarter Summary

	Production and Costs December Quarter 2011	Production and Costs September Quarter 2011
Total BCM Mined	4,240,390	3,184,680
Total Ore BCM	531,189	402,846
Weight Recovery (% DTR)	41.70	34.5
Concentrate Produced (t)	612,189	556,122
Pellets Produced (t)	632,143	506,143
Direct Operating Cost A\$/tonne Pellet Produced	89.65	127.72

East wall failure – June 2010



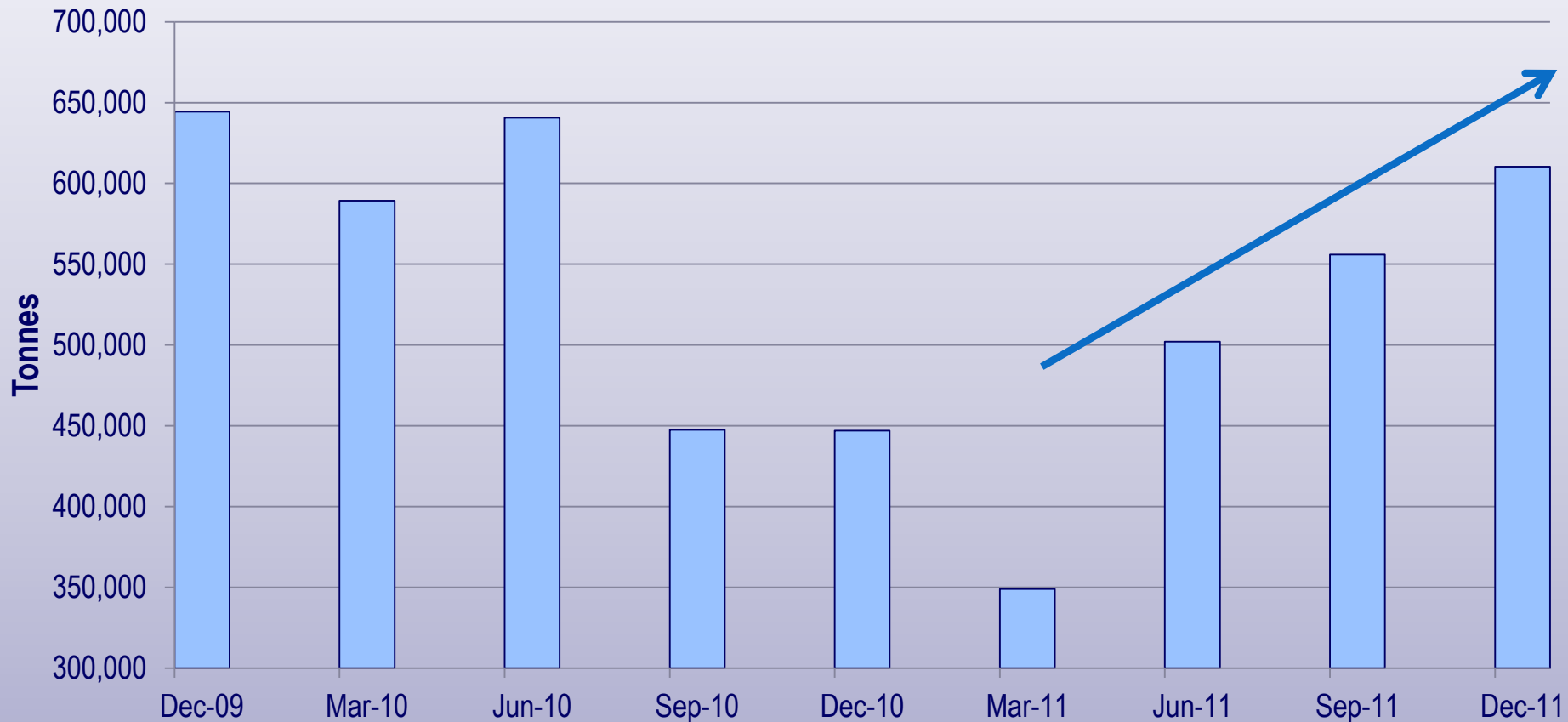
As a result of the wall failure,
access to the high grade North
Pit was cut off

East wall failure – January 2012



The East Wall has undergone a cut back and access to the North Pit has been re-established

Savage River Concentrate Production Quarter on Quarter



As planned, production has increased as the east wall remediation has been completed, allowing access back to the North Pit. Concentrate production in December quarter highest for 15 months.

Savage River C1 Unit costs of pellets Quarter on Quarter



Increased production rates in the December quarter have resulted in a reduction in unit costs to sustainable levels.

The Southdown Project

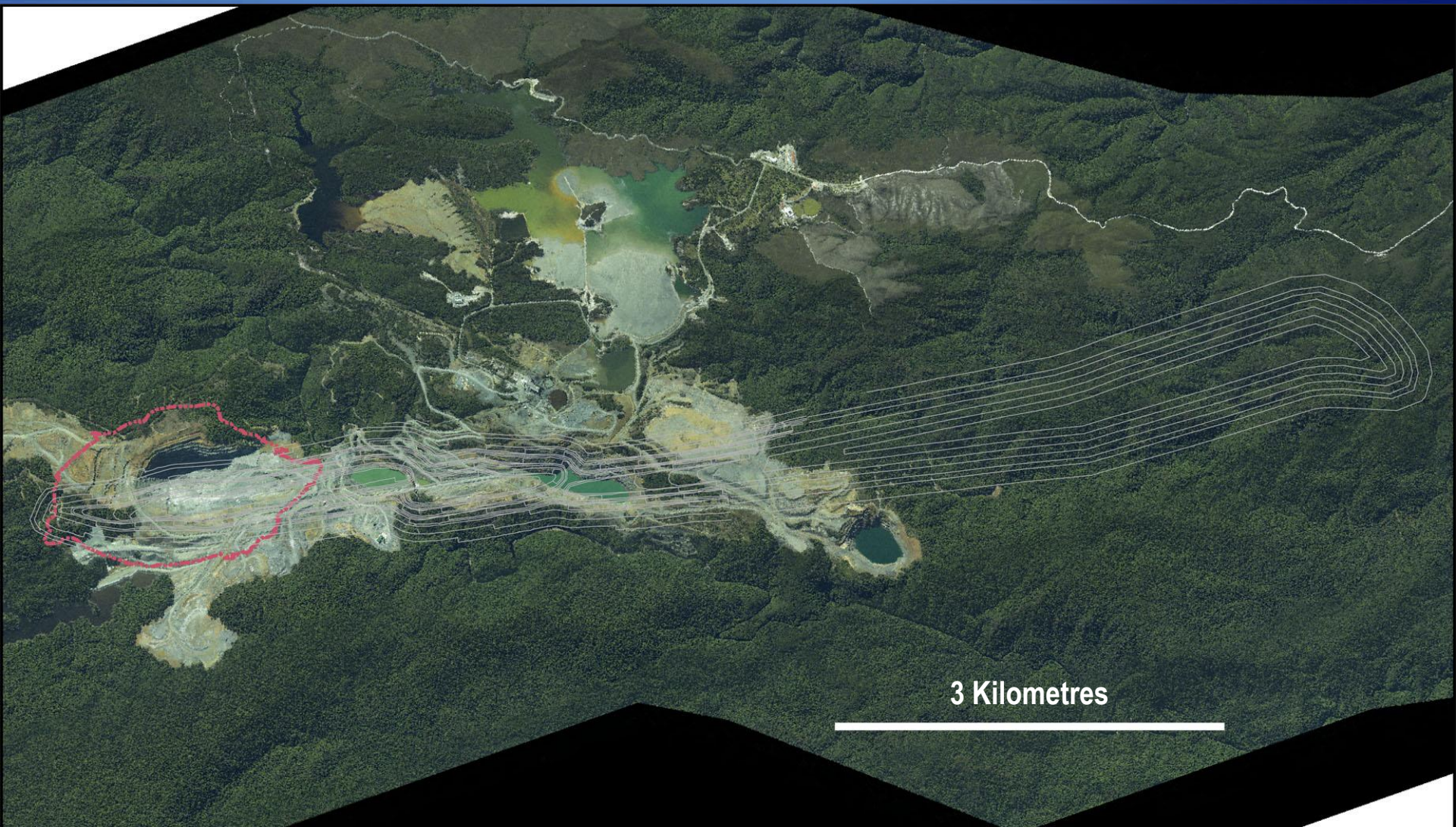
4x

bigger than Savage River

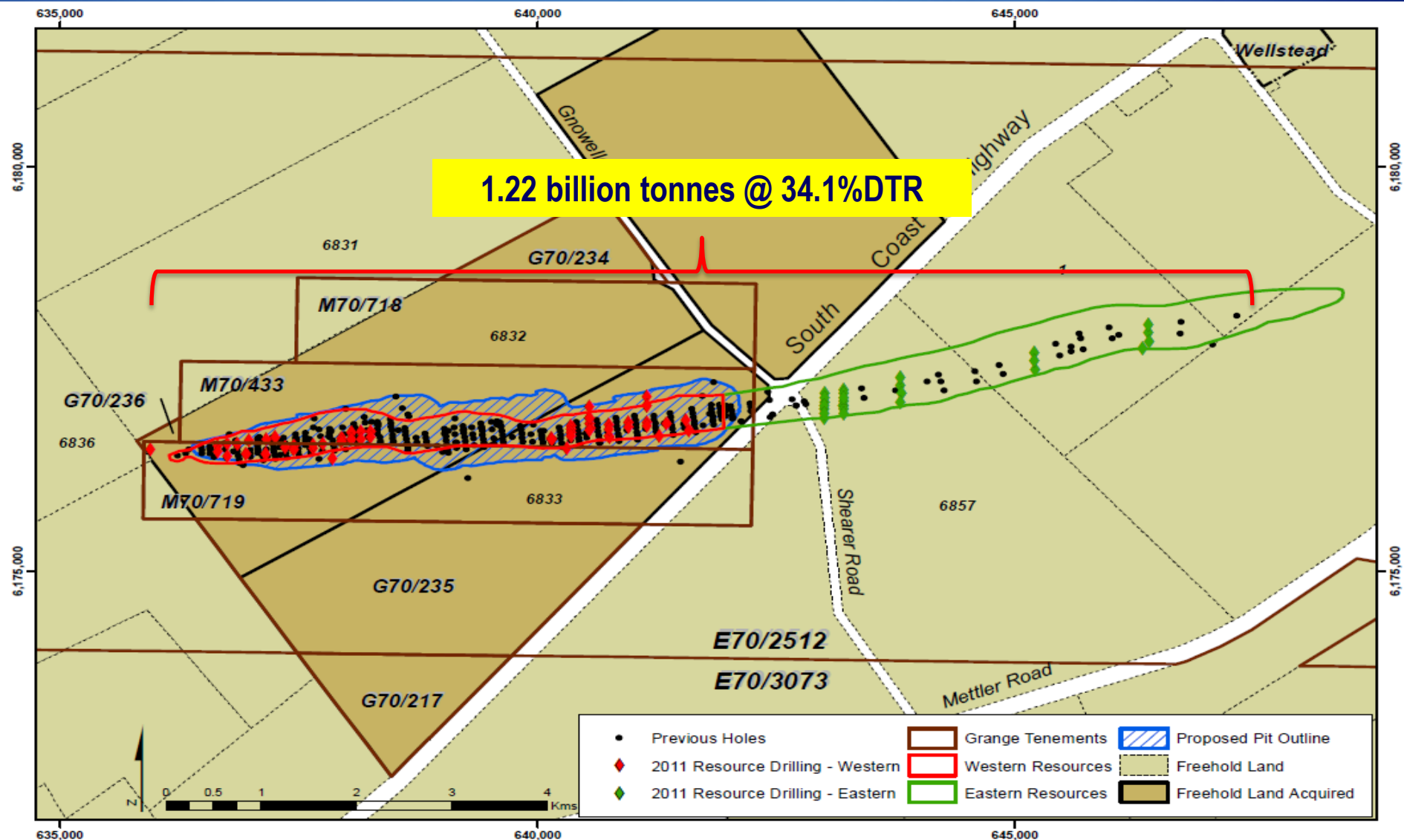




12 Kilometre Monster Pit



The Resource



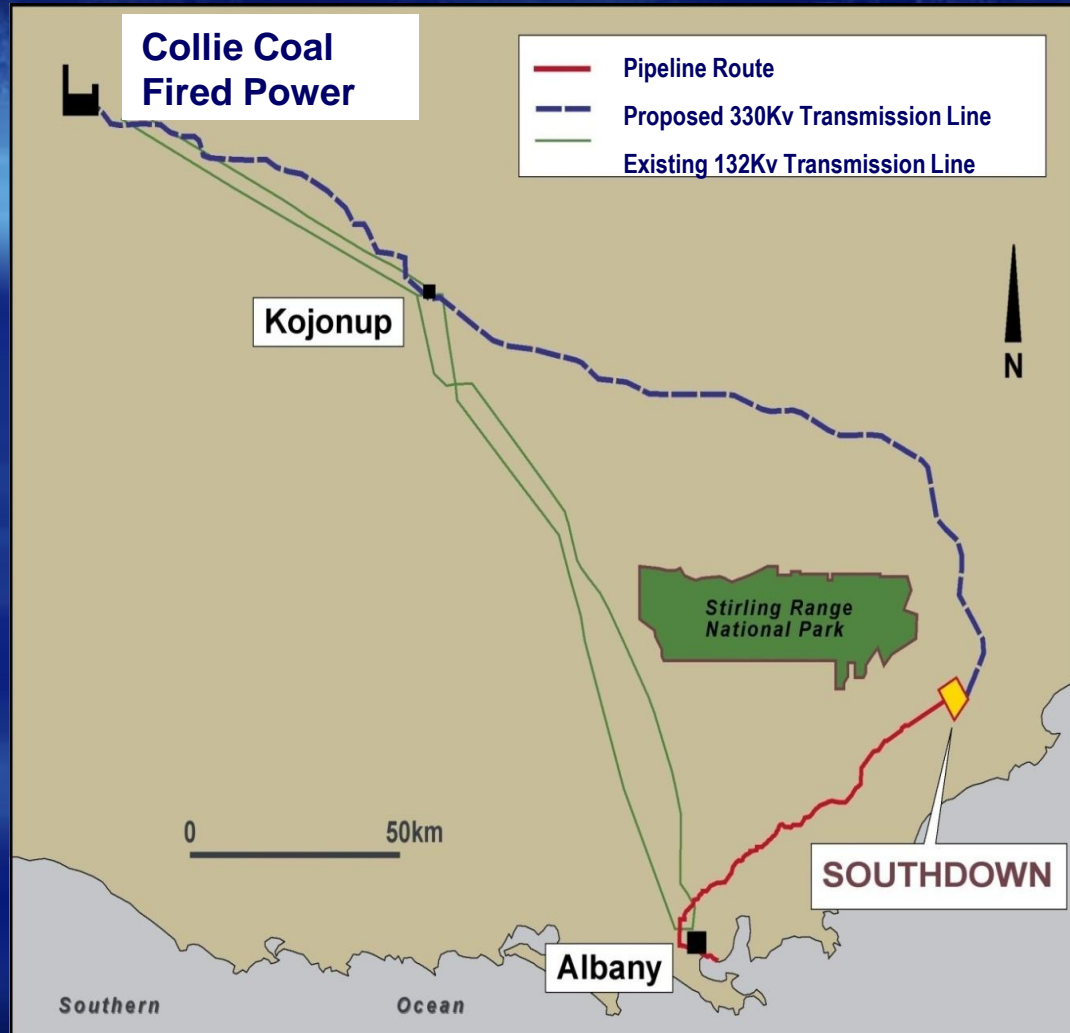
Southdown Mineral Resources

Quantity and Confidence improved

	As at December 2011		As at February 2012	
	Tonnes (Mt)	Grade wt% DTR	Tonnes (Mt)	Grade wt% DTR
Measured	407	37.1	423	37.6
Indicated	40.2	40.7	87.4	38.4
Inferred	250.8	32.5	710.6	31.5
Total	698	35.7	1,221	34.1

An \$8.3 million drilling program during 2011 resulted in increased tonnage and confidence of the Southdown mineral resource.

Power & Pipelines



Water



Port Infrastructure



Permitting – well advanced



Mine environmental permit

Granted November 2009, amendment required in 2011 for 10mtpa



Port permits

Granted November 2010








Water permit

Desalination permit targeted Q2 2012



Timetable

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

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

“LastSay.” Communications

+61 6102 7295 or 0438 906 643

tarryn@lastsay.net.au

Competent Person Statement

Southdown Project

- The information in this statement which relates to the Mineral Resources 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). Geological interpretations and resource estimation was completed by Ben Pollard of BMGS Perth Pty Ltd and BMGS geologists.