



Australia's most experienced magnetite producer



AGM Presentation

May 2018

Company Highlights

- ✓ **Most EXPERIENCED magnetite producer**
Over 50 years of operational experience at Savage River
- ✓ **STRONG Safety Culture**
Achieved over 1 year LTI free after the end of March 2018
- ✓ **Shipped ~1.9m tonnes of Iron Ore Products**
1.9 million tonnes of pellets and chips sold through the port.
- ✓ **LONG LIFE producer of PREMIUM iron ore pellets**
High quality ore reserves (~ 52% DTR) producing ~65%+ Fe BF pellets
- ✓ **STRONG balance sheet**
\$168m cash and cash equivalents at end of 2017
- ✓ **PRESERVED balance sheet strength with disciplined cost control**
Deferred capital and maintenance projects to preserve free cashflow with targeted investment to ensure sustainability.
- ✓ **Advanced GROWTH Project**
Search for a quality equity partner in the Southdown Project continues



Iron units in = Iron units out

Blast Furnace

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

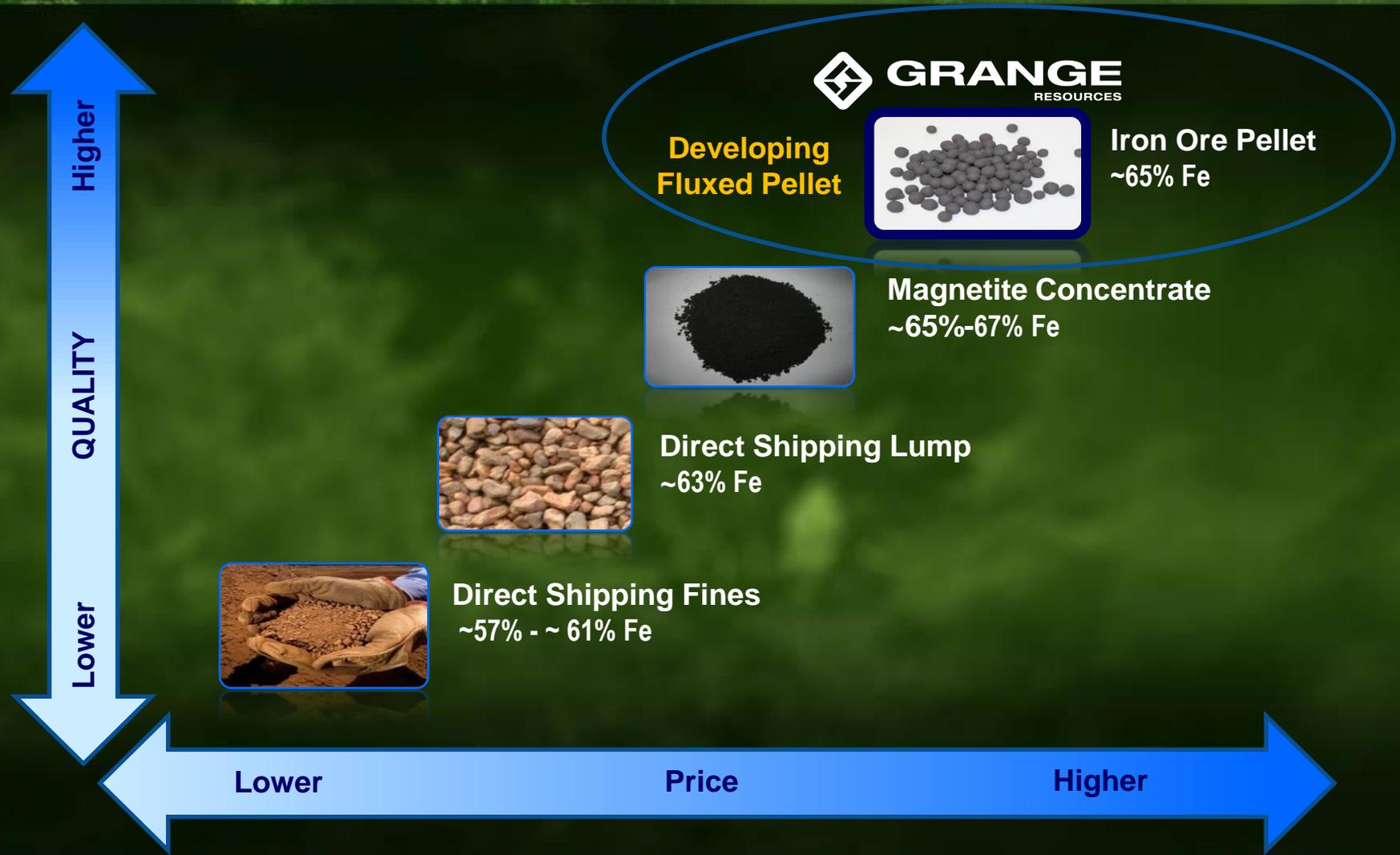
Molten iron out

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

Iron Ore



Magnetite

Magnetite is a naturally occurring mineral, commonly refined into an iron ore concentrate and used for steel production.

Smelting magnetite to iron involves agglomeration or 'clumping together' of the magnetite concentrate, and thermal treatment to produce spherical shaped balls – pellets.

Magnetite concentrate has internal thermal energy meaning less energy is required, compared to haematite, in the pelletising process which in turn results in less carbon dioxide emissions.

Our magnetite concentrate is a refined product, and has high iron content and low impurities.

This has beneficial quality, productivity, efficiency and environmental outcomes for the steel maker.



The Benefit of Pellets

Pellets are often preferred over iron ore fines, sinter and lump due to their favourable physical and chemical properties supporting increased Blast Furnace productivity and efficiency.

Pellets are an enriched form of iron ore and provide significant benefits for the steel maker:

- ✓ **Reduction in energy consumption**
 - Less energy required for pellet reduction.
 - Provides good porosity, promoting good air flow in the Blast Furnace
- ✓ **Lower maintenance costs in the Blast Furnace**
 - Less accretion and fused lump formation reducing Blast Furnace refractory repair
- ✓ **Reduction in waste - slag**
 - Low levels of Silica, Sulphur and very low Phosphorous
 - Supports the production of high quality steel products
- ✓ **Higher yield of metallic iron due to higher Fe content**
 - More cost effective utilisation of the Blast Furnace
- ✓ **Reduced environmental impact with decrease in air emissions**



Pellet Premium

Pellet Premium Received (FOB USD)



Company Overview

Grange Strategy



Stronger Iron Ore Business

Focus on Tasmania Operations

- Improve productivity
- Sustain access to high grade ore

Investment for the long term

- Optimise LOMP
- North Pit underground feasibility study
- Centre Pit feasibility study
- Long Plains



Seek Strategic Partner(s) for Southdown Project

Further progress sales process with our JV partners and advisor

Maintain tenements, permits and project assets and continue to monitor all ongoing project requirements to ensure the current status of the feasibility studies allow the full recommencement of the project



Optimise Capital Allocation Plan

Generate, conserve and actively manage our cash reserve for future mine investment.

Diversify risk & return to create a well-balanced portfolio of investments that can meet our future mine investment needs while achieving enhanced returns within conservative risk parameters.

Company Assets

Australia's Most Experienced Magnetite Producer

Savage River (100%)



**Focusing on the
fundamentals**

Southdown Project (70%)



**Searching for an
equity partner**

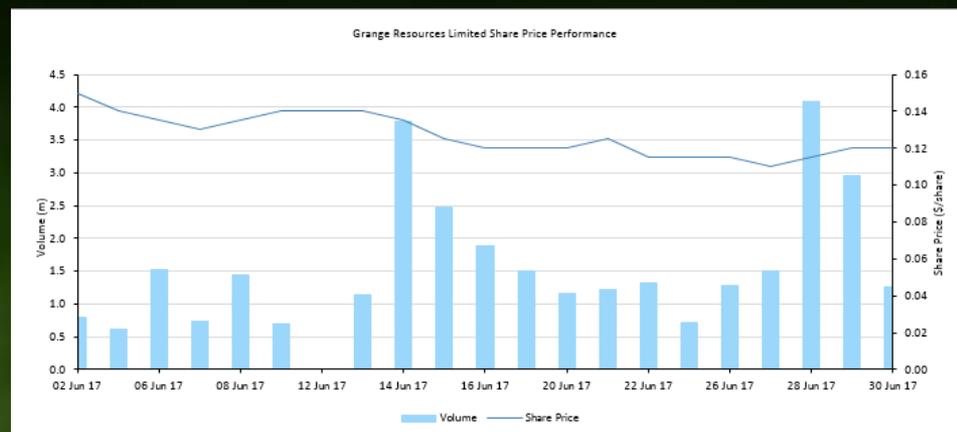
Quality assets in Tasmania and Western Australia.

Company Snapshot

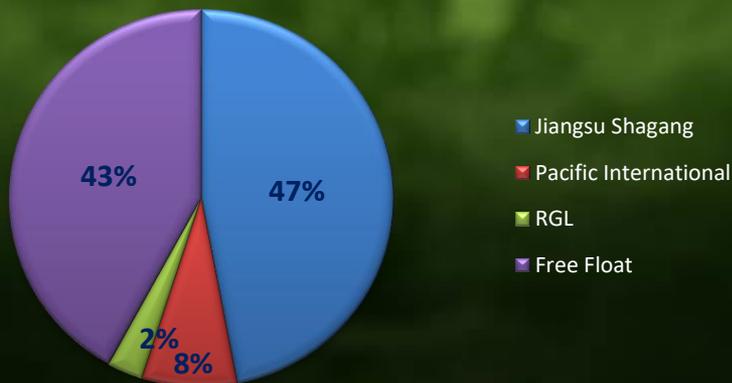
Capital Structure (A\$)

Ordinary Shares on issue	31 Mar 2018	1,157m
Share Price	31 Mar 2018	\$0.17
Market Capitalization	31 Mar 2018	\$197m
Cash and Term Deposits	31 Mar 2018	\$185m
Loan	31 Mar 2018	\$3m

Share Price and Volume



Ownership Structure as at 31 Mar 2018



Tasmanian Operations Performance & Focus

Dec 2017 Financial Position - Consolidated

Indicator	2017 AUD'000	2016 AUD'000	Difference AUD'000	Variance%	Comments
Current Assets	261,339	232,806	28,533	12%	↑ Cash, ↓ Shipping receivables, ↑ Inventories
Non-current Assets	228,622	196,150	32,472	17%	↑ PP&E ↑ Mine Properties & Dev ↓ Deferred Tax Assets
Total Assets	489,961	428,956	61,005	14%	
Current Liabilities	41,176	36,185	4,991	14%	↑ Creditors , ↓ Borrowings
Non-current Liabilities	61,206	60,118	1,088	2%	↑ Provisions
Total Liabilities	102,382	96,303	6,079	6%	
Net Assets	387,579	332,653	54,926	17%	Development in North Pit, construction of SDTSF and increased Ore and Pellet stockpiles

2017 Performance – Indicators

Indicator	Unit	2017 Actual	2016 Actual	Difference	Variance %	Comments
Concentrate	Tonnes '000	1,960	2,397	(437)	(18%)	↓ Mining delays with restricted access to ore has impacted full year production.
Pellet	Tonnes '000	1,895	2,378	(483)	(20%)	↓ Pellet production line balanced with concentrate production
C1 Cash Operating Costs	AUD/t	99.17	79.13	20.04	(25%)	↑ Maintenance works undertaken at pellet and concentrate plant
Iron Ore Sales	Tonnes '000	1,896	2,750	(854)	(31%)	↓ Sales line balanced with production
Average Realized Price of Iron Ore Products*	AUD/t	127.20	98.06	29.14	30%	↑ Strengthening iron ore prices, in particular pellet premium
Average Realized Exchange Rate	AUD:USD	0.7692	0.7438	0.0254	3%	↑ AU Dollar strengthening
Sales Revenue (before freight adjustments)	AUD '000	241,175	269,675	(28,500)	(11%)	↓ Decreased sales volume ↑ Increase in iron ore prices
Profit after tax	AUD '000	60,713	92,903	(32,190)	(35%)	↓ Decreased sales revenue

* FOB Price - includes freight costs on CFR shipments

2018 Quarter 1 Performance – Indicators

Indicator	Unit	Q1 2018 Actual	Q4 2017 Actual	Difference	Variance%	Comments
Concentrate	Tonnes '000	647	696	(49)	(7%)	↓ Q4 2017 record daily and weekly production rates achieved
Pellet	Tonnes '000	623	674	(51)	(8%)	↓ Pellet production line balanced with concentrate production
C1 Cash Operating Costs	AUD/t	82.02	76.89	5.13	7%	↑ Lower production rates
Iron Ore Sales	Tonnes '000	632	693	(61)	(9%)	↓ Sales line balanced with production
Average Realised Price of Iron Ore Products*	AUD/t	136.54	137.08	(0.54)	(0.4%)	↓ Iron ore prices remain strong, in particular pellet premium
Average Realised Exchange Rate	AUD: USD	0.7853	0.7697	0.0156	2%	↑ Strong AU Dollar in Q1 2018
Sales Revenue (before freight adjustments)	AUD '000	86,293	94,956	(8,663)	(9%)	↓ Decrease in iron ore sales volume and strong AU Dollar

* FOB Price - includes freight costs on CFR shipments

Highlights for 2017 — Tasmania

- ✓ **Restored ore production from *Main Ore Zone***
Mining resumed on the east wall with redesigns post the incident in March. While we continue to remediate upper parts of the east wall, delivery from the main ore zone is progressing well.
- ✓ **Second Autogenous *Mill Shell replacement* successfully completed ahead of plan.**
Opportune maintenance and common equipment shuts were undertaken and successfully completed during the production downtime
- ✓ **Continued investment in *Mine Development***
The next stage of North Pit cutback continues on the west wall for 2018
- ✓ **South Deposit Tailings Storage Facility(SDTSF) is near completion**
Final approval being sought with operation expected in 2018.
- **Pellet production of ~1.9m tonnes**
Compared with 2.4 million tonnes in the preceding year.



LOM Strategies — Leveraging Resources

North Pit

- High quality, long life resources
- ~125MT @ 58%DTR
- Supporting long life operations

Centre Pit

- Modelling in progress to further develop ore
- ~120MT @ 49%DTR

South Deposit

- ~18MT @ 41%DTR
- Supporting LOM tailings infrastructure construction

Long Plains

- Developing resources of ~107MT @ 35%DTR
- Potential addition to mine life



Total resources exceeding 374MT which support long life operations

North Pit Development

North Pit Mine Development

- West wall cut-back continues

North Pit East Wall Remediation

- Supporting continued ore production

Ore Supply

- Main Ore Zone production

LOM Strategies— Optimising Mining Operations



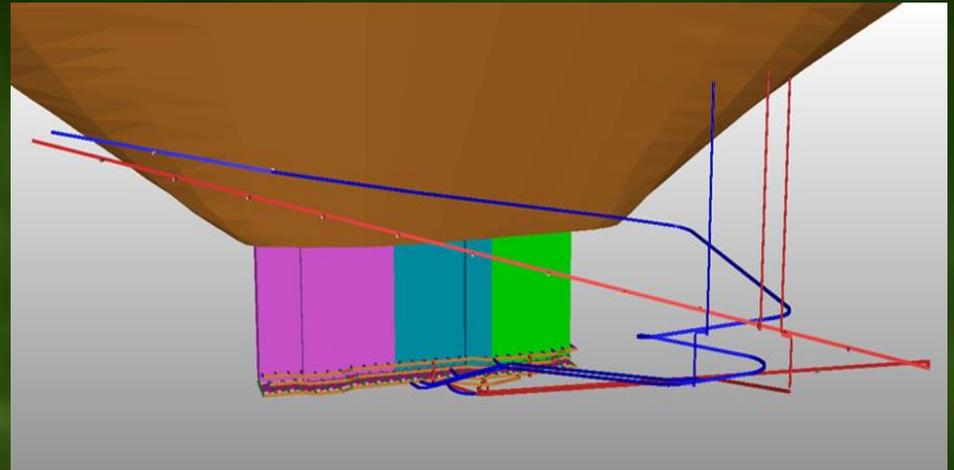
North Pit Mine Development

- West wall cut-back continues



North Pit Underground

- Exploration program in progress to define ore at depth
- Studies proceeding for potential block caving



Centre Pit

- Exploration program in progress
- Feasibility study focused on future ore development

Southdown Project Achievements & Strategies

2017 Project Overview – Southdown

- ✓ *The Project continues on **reduced expenditure** while Grange seeks an equity partner for a strategic share in the Project*
- ✓ ***Existing tenure and approvals have been maintained** .*
- ✓ ***Project security has been enhanced** by continuing to build land tenure and access, including:*
 - *Negotiations concluded on accessing Main Roads WA land for the proposed slurry and seawater desalination plant pipeline and related infrastructure alignments.*
 - *Progressing negotiations with the State and landowners for access to key infrastructure areas.*
- ✓ ***Progressed studies relating to project engineering and further environmental permitting, including:***
 - *Progression of the federal commonwealth environmental approval for mine, desalination and pipelines.*
 - *Groundwater exploration which identified deep water-bearing palaeo channels with potential to contribute to construction water supply, with modelling underway to assess potential.*
 - *Ongoing hydrogeological baseline studies.*



Southdown Project Strategies 2018

The on-going strategy is to **maintain the currency and good standing** of all tenements, permits and project assets, and to:

- Formulate valid alternate development models and seek to secure equity
- Continue to monitor all ongoing project requirements to ensure that the current status of the feasibility studies is such that the project can be fully recommenced as soon as an appropriate opportunity arises.

In February 2018, PCF Capital Group were appointed to assist with seeking a strategic investor(s).

Grange ROC Property

Joint Venture Established

May 2018

Slide 23

Grange ROC Property

■ **Joint Venture with ROC Built**

- Grange ROC Property (GRP) established in early 2018
- Part of strategy to provide diversify risk and return on capital
- Ownership 51% Grange Resources; 49% ROC Built
- Investment in smaller scale, high-end residential property development in Melbourne inner eastern suburbs.

■ **JV Board and Management**

- GRP Board chaired by Honglin Zhao
- CEO - Will Slade. Licensed builder - experienced and successful in inner eastern Melbourne projects.
- Development Manager - Tim Schaefer – 20+ years experience. Multiple successful projects across Melbourne, Sydney, Adelaide.
- Director – Paul McDonald – 35+ years experience. Former CEO MAB. Highly successful Melbourne based property developer.
- Director – Mike Dontschuk – Grange director with 35+ years' experience in investment, finance, treasury and financial risk management.



GRANGE
ROC
PROPERTY

Grange ROC Property

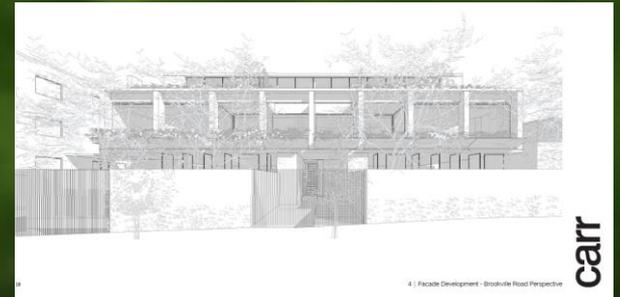
■ **Project 1 – Lumley Court, Prahran**

- Development site purchased and settled March 2018.
- Plans for development of 5 large luxury apartments.
- Expected completion end of 2019.



■ **Project 2 – Brookville Road, Toorak**

- Agreed terms to acquire site, currently 3 houses for \$9.3m. Settlement March 2019.
- 1393 sqm site. Expect to develop 10 – 12 large, high end apartments over basement and 3 levels.
- Carr Design appointed as Architects.
- Expected completion second half of 2020.



Grange — LOM Strategies Recapped

- **Improve productivity** and sustain access to high grade ore
 - Provide high quality ore from North Pit
 - Continue investment in mine development - progress next phase of North Pit development on the west wall
- **Continue to invest** in process infrastructure
 - Completed the installation of the second new autogeneous mill at Savage River
 - Prepare South Deposit Tailings Storage Facility for operation.
 - Maintain key mining equipment
 - Continue to develop projects to improve mining efficiency
 - Seek partner for Southdown project
- Focus on capital management
 - **Target growth opportunities** to complement existing business
 - Innovative Projects



Focusing on the fundamentals

- ***Our fundamentals remain firm***
 - Experienced magnetite producer with a long life project close to the Asian market
 - Producer of a high quality iron ore product (65%+ Fe) that receives a premium price
 - Strong balance sheet
 - Stable work force with minimal turnover
 - Our people understand the intricacies of the business and are adding value
- ***We are proactively:***
 - Maintaining cost control disciplines and increasing efficiencies
 - Strategically investing in capital projects aligned with effective condition monitoring to sustain our key assets
 - Investing in exploration in North Pit and Centre Pit to further develop our resources
 - Investigating the potential to access ore at depth in North Pit via underground block caving
 - Applying technology to enhance and improve production performance
 - Pursuing opportunities to add value to our product such as producing a fluxed pellet

Ongoing Strategies

We continue to:

- Develop and optimise LOM
- Develop Long Plain resources and project
- Seek feasible investments within the strategy undertaken by the Board
- Optimise capital allocation plan
- Diversify the sales markets outside of China
- Improve communications/relations with all shareholders



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, refer ASX announcement 03-04-2018

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