

Grange Resources

– Australia's leading magnetite producer



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Diggers & Dealers

4 August 2009

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Managing Director & CEO

Disclaimer



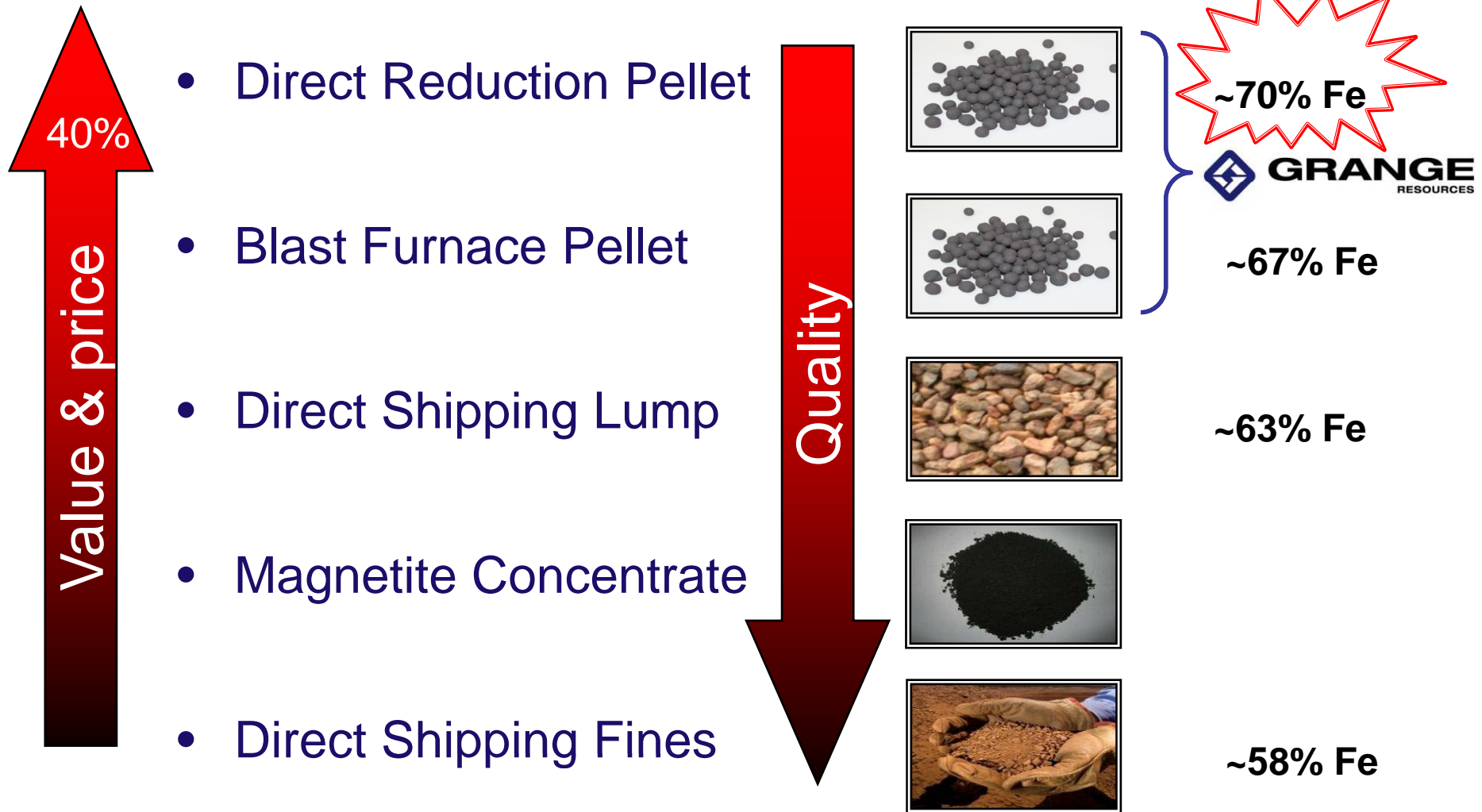
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Grange Savage River Operations - 2009

Iron Ore Value





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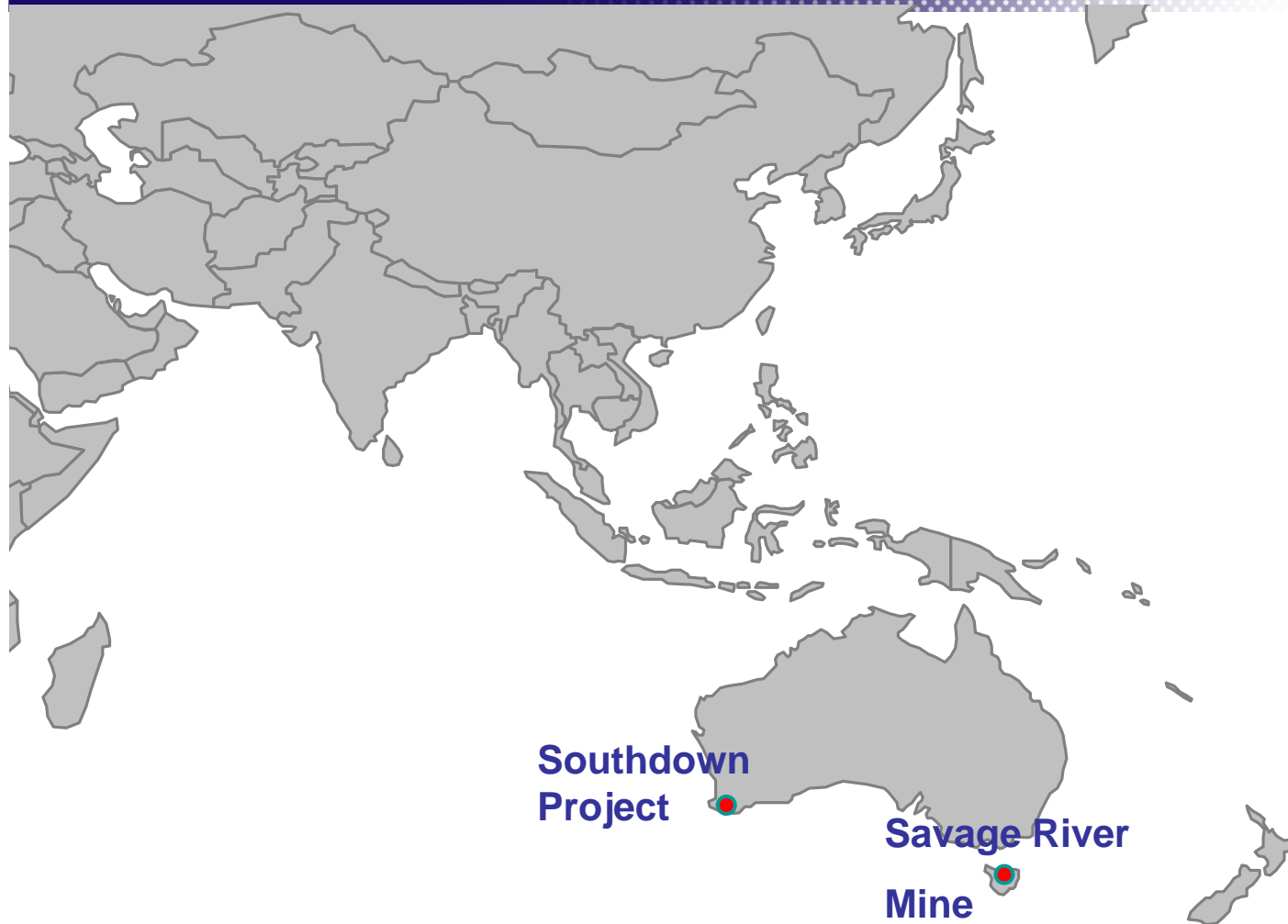
Grange – Australia's leading magnetite producer



- Australia's largest iron ore pellet producer
- Solid customer base
- Long life assets
- Producer and projects
- Low sovereign risk
- Extensive magnetite technical and operational expertise



Australia's leading magnetite producer



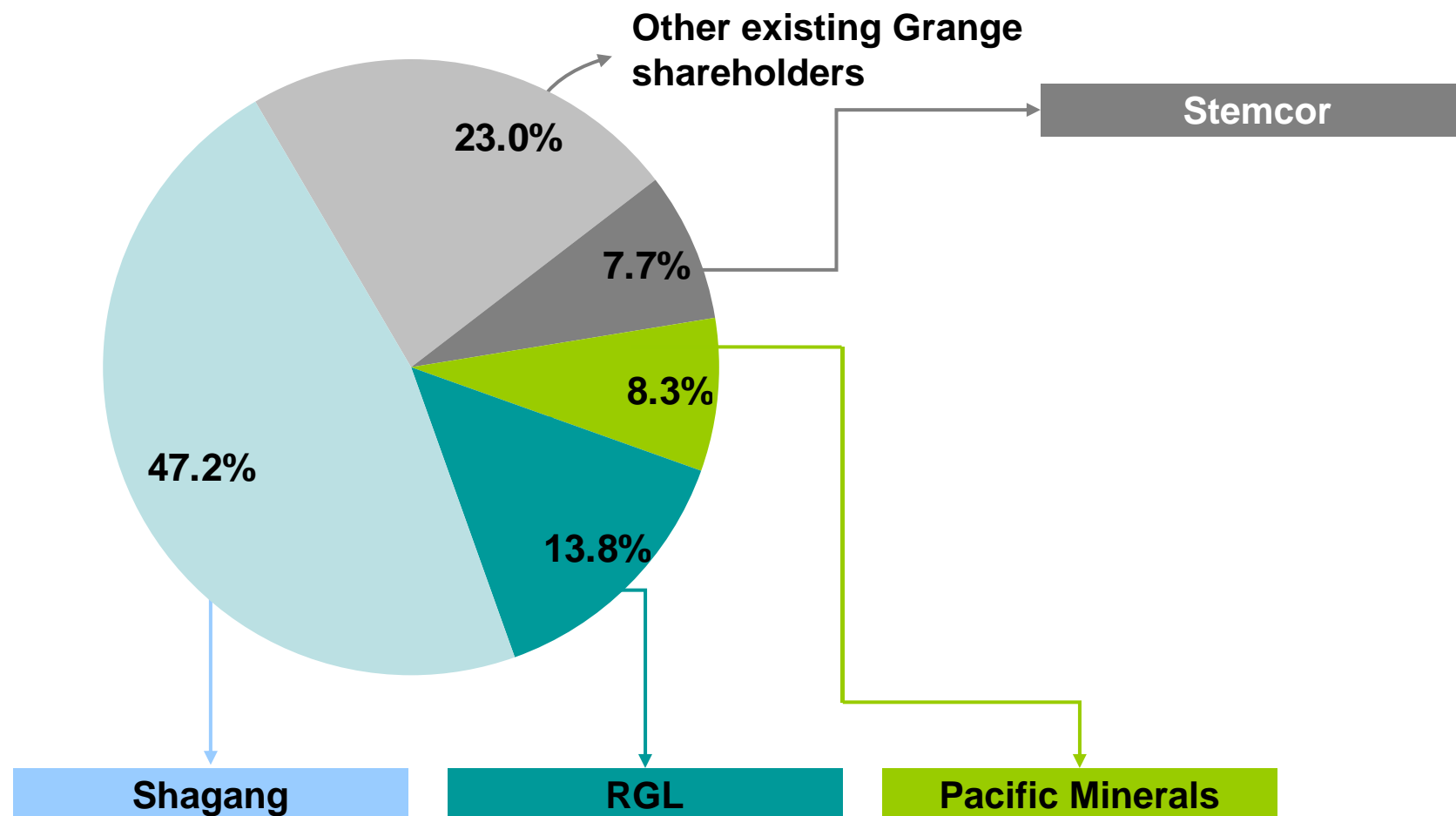
Ownership

Operations

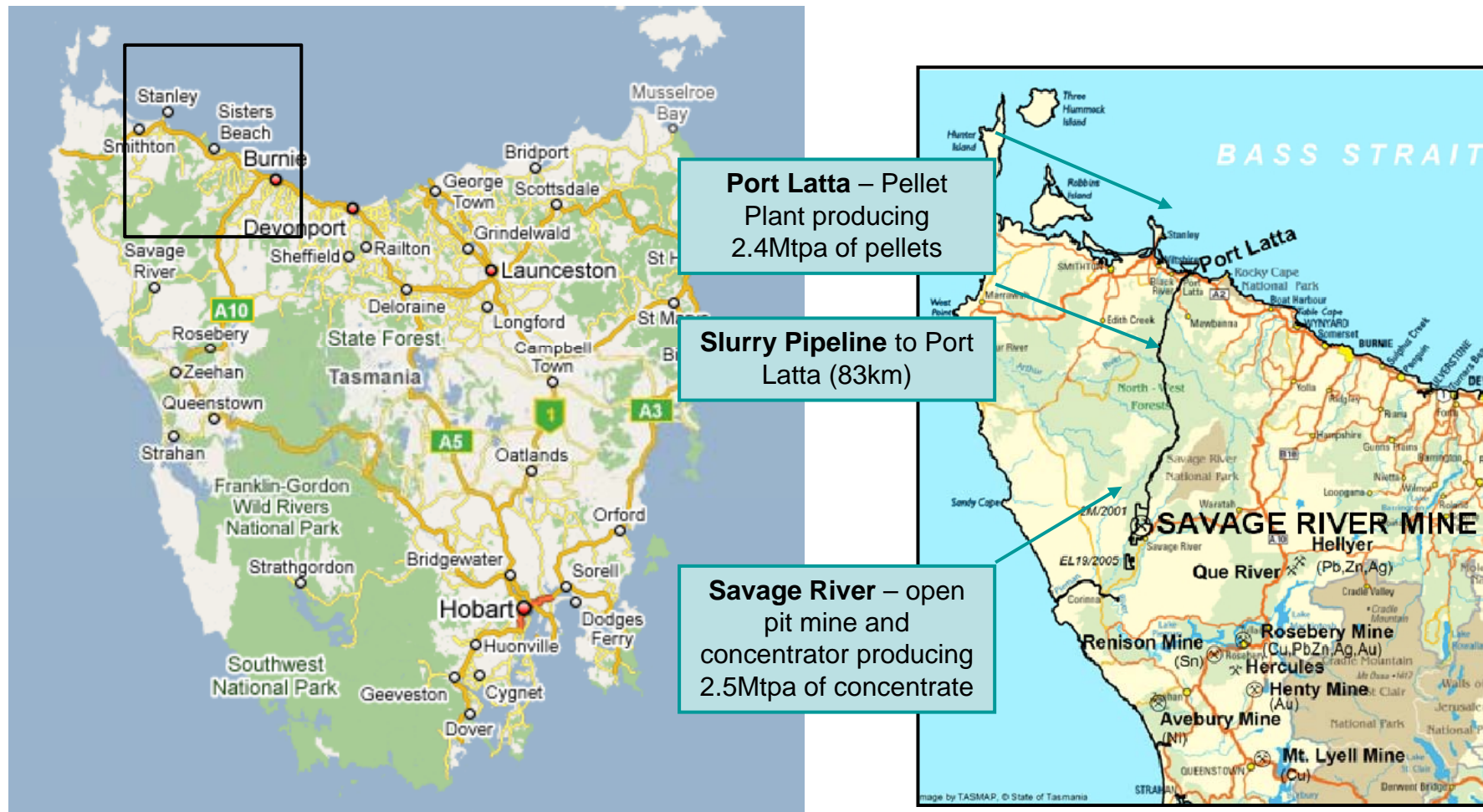
Customers

Production
Profile

Grange Resources - Ownership



Savage River Mine & Pellet Plant









Customers – Solid and long term



Agreements are in place for both Savage River and Southdown production at benchmark prices or better.

Shagang

- China's largest **private** steel mill, 22 Mtpa of pig iron
- Grange's largest shareholder
- Savage River LOM contracts in place:
 - 1.3 Mtpa pellets until 2012, then
 - 2.1 Mtpa pellets until 2023
- Southdown LOM contract in place:
 - 56% of all production
- LOM contracts at benchmark prices



Bluescope

- Savage River: 0.8 Mtpa until 2012



Stemcor

- Grange shareholder
- Savage River: 80,000 tpa concentrate



Key Performance Indicators

Profitable even during economically hard times



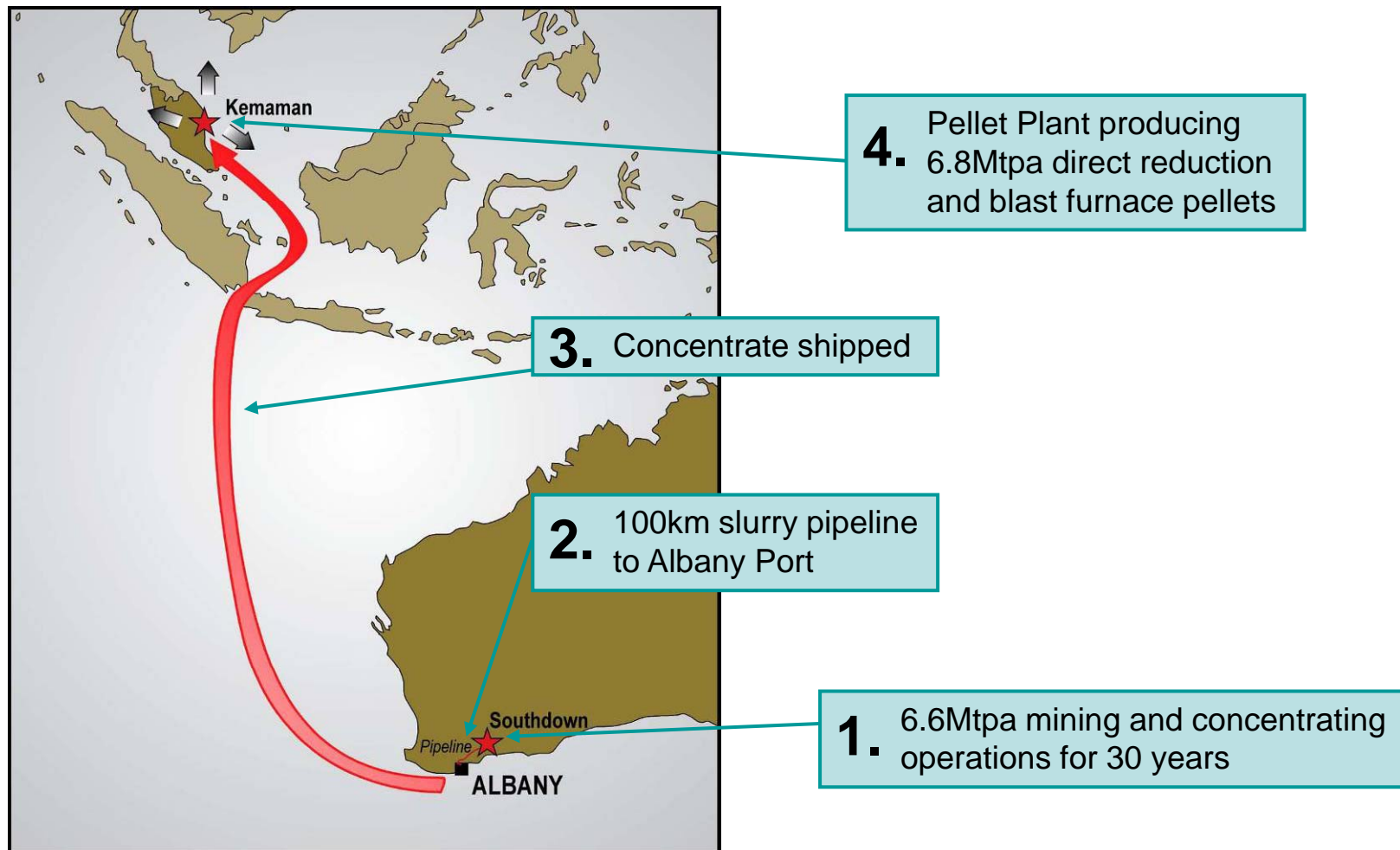
FY09 – Guidance

	FY09 <i>Est.</i>
Total volume mined ('000 bcm)	17,700
Total ore mined ('000 bcm)	980
Concentrate produced ('000 tonnes)	2,290
Pellets produced ('000 tonnes)	2,160
Pellets shipped ('000 tonnes)	2,180
Cash Cost (US\$/t pellet produced)	~\$49
Revenue (A\$m)	350 – 360
EBITDA (A\$m)	100 -125



Note: Numbers have been rounded

Growth - Southdown





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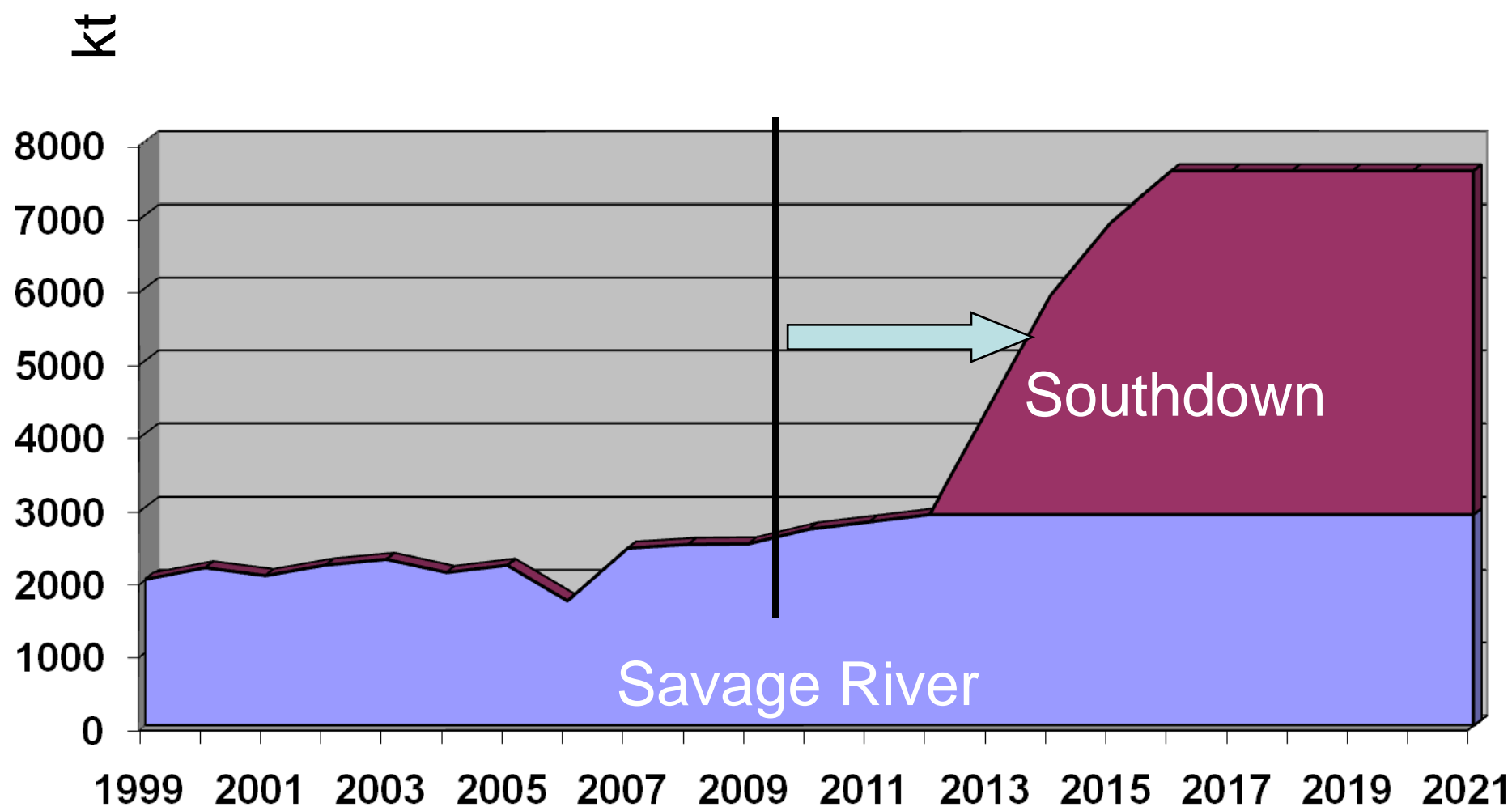


Southdown Infrastructure – Port of Albany



NEW BERTH LOCATION

Grange Resources – production growth prospects



Resources and Reserves

Supporting Long Mine Lives



Grange has 774Mt of attributable Mineral Resources and 396Mt of attributable Ore Reserves.

Mineral Resources (inclusive of reserves)		
	Tonnes (Mt)	Grade (%DTR)
Savage River ⁴		
Measured	88	52.7
Indicated	136	51.7
Inferred	92	47.2
Total	316	50.7
Southdown¹		
Measured	220	37.4
Indicated	210	38.9
Inferred	224	33.4
Total	654	36.5
PROJECTS TOTAL	970	41.1
ATTRIBUTABLE RESOURCES³	774	41.1

Ore Reserves		
	Tonnes (Mt)	Grade (%DTR)
Savage River		
Proved	52	49.6
Probable	72	48.9
Total	124	49.2
Southdown²		
Probable	388	35.5
Total	388	35.5
PROJECTS TOTAL	512	38.8
ATTRIBUTABLE RESERVES³	396	38.8

- **Additional growth potential through exploration assets**
- E70/2512 – eastern 6km extension of Southdown Deposit not yet fully drilled
- Long Plains – magnetite deposit located near Savage River

Notes:

1. Southdown Magnetite Project Resource Upgrade (ASX 3 Jul 09) – Refer to Appendix A
2. July 2008 Southdown reserve estimate – Refer to Appendix A
3. Adjusted for 70% ownership of Southdown
4. Refer to Appendix B

Grange Resources - Summary



- **Australia's leading magnetite producer**
- **Australians largest iron ore pellet producer**
- **High grade quality products**
- **Consistent cash margins**
- **Solid customer and revenue base**
- **Long life assets**
- **Low sovereign risk**
- **Extensive magnetite technical and operational expertise**
- **New Investment opportunity- producer and projects**

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Australia's leading magnetite producer

Competent Person Statement



- **Southdown Project**

- *The information in this presentation which relates to the Mineral Resources of the Southdown Project is based on information compiled by James Farrell who is a full-time employee of Golder Associates Pty Ltd and a Member of the Australasian Institute of Mining and Metallurgy. James Farrell 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). James Farrell consents to the inclusion of this information in this presentation in the form and context in which it appears.*
- *The information in this presentation which relates to the Ore Reserves of the Southdown Project is based on information compiled by Mr Ross Bertinshaw who is a full-time employee of Golder Associates Pty Ltd and a Fellow of the Australasian Institute of Mining and Metallurgy. Mr Bertinshaw has sufficient experience in Ore Reserve estimation 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). Mr Bertinshaw consents to the inclusion in this presentation of the matters based on his information in the form and context in which it appears.*

- **Savage River Project**

- *The information in this presentation that relates to Mineral Resources or Ore Reserves in relation to the Savage River Project is based on information compiled by Mr Ben Maynard, who is a Member of The Australasian Institute of Mining and is a full time employee of Grange Resources. Mr Maynard has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Maynard consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.*

Appendix A – Southdown Project



In situ Mineral Resource Estimate

Classification	Measured Resources	Indicated Resources	Inferred Resources	Total Resources
Tonnes (Mt)	219.7	210.3	224.4	654.4
DTC wt%	37.4	38.9	33.4	36.5
DTC Fe%	69.2	69.3	69.1	69.2
DTC SiO ₂ %	1.72	1.94	2.07	1.91
DTC Al ₂ O ₃ %	1.43	1.27	1.29	1.33
DTC S%	0.46	0.40	0.54	0.46
DTC LOI%	-3.04	-3.06	-2.96	-3.02

This Mineral Resource has been defined using geological boundaries and a cut-off grade of 10 wt% DTC and includes minor internal dilution. All reported concentrate grades were weighted by DTC.

Ore Reserves within Designed Pit (Cut-off 10% DTR)

Reserve Classification	ROM (Mt)	DTR%	Conc. (Mt)	Fe%	SiO ₂ %	Al ₂ O ₃ %	TiO ₂ %	S%	P%
Probable	388	35.5	131	68.8	2.06	1.41	0.45	0.55	0.003

Appendix B – Savage River



Mineral Resource and Ore Reserve Estimates

Mineral Resource	Tonnes (Mt)	Grade (%DTR)	Ore Reserve	Tonnes (Mt)	Grade (%DTR)
Measured	88.01	52.7	Proved	52.39	49.6
Indicated	135.96	51.7	Probable	72.00	48.9
Inferred	92.22	47.2	Total	124.40	49.2
Total	316.20	50.7			

Mineral Resources and Ore Reserves have been estimated for Grange Resources Tasmania Savage River magnetite deposit at the end of May 2009.

Qualifying Statements

The Measured and Indicated Mineral Resources are inclusive of those Mineral Resources modified to produce the Ore Reserves. The Inferred Mineral Resources are, by definition, additional to the Ore Reserves.

A lower cut-off grade of 15% DTR was used in the calculation of both the Mineral Resources and Ore Reserves.

The Ore Reserve was calculated using a 1.087 dilution factor and a mining recovery factor of 0.939. These factors are based on periodic reconciliation specific to mining areas.