



Australia's most experienced magnetite producer



Annual General Meeting

13 May 2015

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Company Highlights

- ✓ **Most EXPERIENCED magnetite producer**
48 years of operational experience at Savage River
- ✓ **STRONG Safety Culture**
Over 1,700 days LTI free as at 31 March 2015
- ✓ **LONG LIFE producer of PREMIUM iron ore pellets**
*High quality ore reserves (~ 51% DTR) producing ~65%+ Fe BF pellets
Supporting operations at Savage River beyond 2030*
- ✓ **STRONG balance sheet**
\$144.2m cash and equivalents at Mar 2015, 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 continued in 2014
Annual dividend yield of ~10% at current share prices*



1. Company Overview

1.3 Company Assets

Australia's Most Experienced Magnetite Producer

Savage River (100%)



Southdown Project (70%)



Quality assets in Tasmania and Western Australia.

1.5 2014 Financial Position - Consolidated

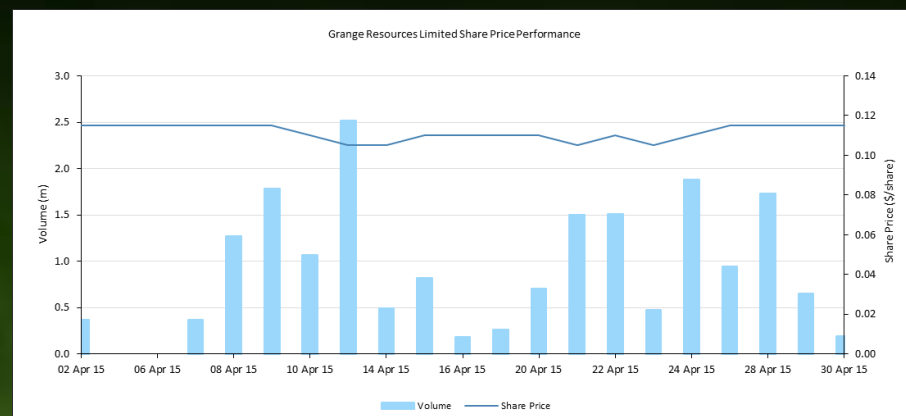
Indicator	Dec 2014 AUD'000	Dec 2013 AUD'000	Difference AUD'000	Variance%	Comments
Current Assets	231,233	252,194	-20,961	-8%	Decrease of Cash, Receivables and Inventory
Non-current Assets	397,016	541,933	-144,917	-27%	Impairment and capex increase
Total Assets	628,249	794,127	-165,878	-21%	
Current Liabilities	47,180	55,388	-8,208	-15%	Settlement of deferred consideration (current portion)
Non-current Liabilities	45,868	70,264	-24,396	-35%	Settlement of deferred consideration (non-current portion) and increase of Decommissioning Provision
Total Liabilities	93,048	125,652	-32,604	-26%	
Net Assets	535,201	668,475	-133,274	-20%	Impairment and dividends

1.6 Company Snapshot

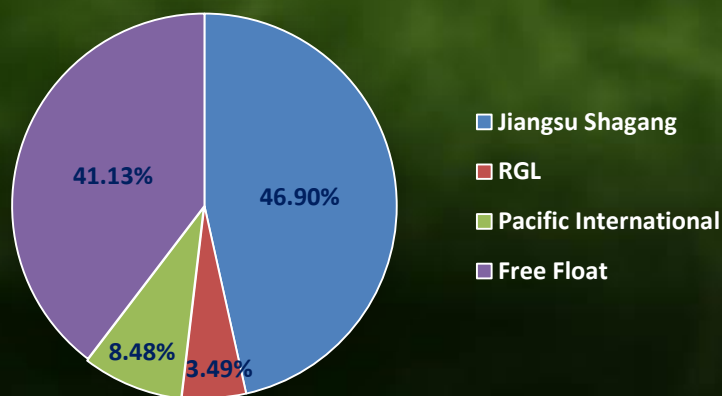
Capital Structure (A\$)

Ordinary Shares on issue	30 Apr 2015	1,157m
Share Price	30 Apr 2015	\$0.115
Market Capitalisation	30 Apr 2015	\$133m
Cash and Term Deposits	30 Apr 2015	\$144m
Loan	30 Apr 2015	-

Share Price and Volume



Ownership Structure as at 27 January 2015



Research Coverage

- JP Morgan
- UBS
- Macquarie

1.7 Products at Tasmanian Operations



2. Performance at Tasmanian operations

2.1 2014 Performance Highlights – Tasmania

- ✓ **Strong focus on safety**
Continued Lost Time Injury Free in 2014
- ✓ **Ore supply and head grade sustained despite major rockfall**
Successfully executed complex mine plans despite the major east wall failure in July 2014 and maintained high grade ore supply to deliver strong production.
- ✓ **Produced over 2.6 million tonnes of concentrate during 2014**
~14% above the budget tonnes and more than 0.7 million tonnes higher than 2013.
- ✓ **Sold in excess of 2.5 million tonnes of iron ore products at a fair market value**
Remained focused on building relationships with strategic customers rather than selling product to opportunistic buyers at a fair market price in a volatile market
- ✓ **Strong focus on cost control continues with C1 unit costs of under \$87 for 2014**
Costs controlled month on month to deliver reduced C1 unit costs.
- ✓ **Continue to progressively invest in key capital projects**
Maintained focus on condition monitoring and preventative maintenance and only committing to critical value adding projects.



2.2 2014 Performance

- Tasmanian Lead Indicators

Indicator	Unit	2014	2013	Difference	Variance%	Comments
Lost Time Injuries	Case	0	0			No LTIs since June 2010
Iron Ore Sales	Tonne	2,501,996	1,899,286	602,710	31.7%	Higher production and sales
Average Price of Iron Ore Products	AUD/t	118.77	147.99	-29.22	-19.7%	FOB Port Latta; Pellet sales price of AUD119.7/t, down 20% from 2013
Sales Revenue	AUD '000	297,155	281,072	16,083	5.7%	
Statutory Profit/(Loss) (Consolidated)	AUD '000	(110,164)	21,830	-131,994		Including AUD (207.3m) impairment and profit from deferred consideration AUD 20.8m
Operating Profit before Other Income/Expense	AUD '000	105,441	24,292	81,149	334%	46% increase in Weight Recovery Better strip ratio Cost reduction initiatives
Cash Operating Costs	AUD/t	86.51	119.94	-33.43	-27.9%	

3. Southdown Project Achievements

3.1 2014 Project Overview - Southdown

- ✓ *The Project continued on **reduced expenditure** while Grange seeks an equity partner for a strategic share in the Project*
- ✓ ***Existing tenure and approvals have been maintained** with notable achievements including:*
 - *Securing a 5 year extension of term to 2019 for Ministerial Statement 816;*
 - *Completing a 5 year research program and closing out environmental approval conditions.*
- ✓ ***Project security has been enhanced** by continuing to build land tenure and access, including:*
 - *The Community Participation Agreement with the local aboriginal groups being finalised;*
 - *Negotiations concluding on accessing land for the proposed seawater desalination plant and related infrastructure.*
- ✓ ***Progressed studies relating to project engineering** and further environmental permitting, including:*
 - *Groundwater exploration which identified palaeo channels with potential to contribute to construction water supply;*
 - *Extensive botanical surveys;*
 - *Ongoing hydrogeological baseline studies.*



4. 2015 Work Objectives

4.1 Focus for 2015 — Tasmania

- ✓ **Continued Safety Focus**
The release of the new 3 year strategic plan will continue to focus our people on safe work
- ✓ **Ore Supply from NP Stage 3A & blending with SD ore**
HG ore sources well developed to allow blending from North Pit and South Deposit
- ✓ **Autogenous Mill Shells replaced in 2015 and 2016**
Strategic replacement allows a planned approach to upgrading concentrator output in order to produce up to 2.7MTPA run rate
- ✓ **Produce over 2.4 million tonnes of concentrate & pellets during 2015**
Sustain high production run rate, despite down time for Mill Shell Changeout
- ✓ **Continued investment in Mine Development**
The next stage of North Pit cutback continues to prepare for ore supply in 2017
- ✓ **Strong focus on cost control required to achieve C1 unit costs**
Costs to be held at low rates despite Mill Shell replacements.
- ✓ **Continue to progressively invest in key capital projects**
Further development on condition monitoring and predictive maintenance and only committing to critical value adding projects.



4.2 2015 Indicators – Quarter 1

	Result 2014	Result 2015 Q1	Result 2014 Q4	Result 2014 Q1
Production				
Concentrate (t '000)	2,626	710	706	558
Pellet (t '000)	2,341	645	595	504
C1 Operational Cost (AUD/ t)	87	71	78	105
Shipping and Sales				
Total Iron Ore Product Sales (dmt)	2,501,996	595,674	650,093	362,402
Avg Realised Product Price (US\$/t FOB)	107.34	78.73	91.34	138.82
Avg Realised Exchange Rate (AUD:USD)	0.9038	0.7930	0.8508	0.8913
Avg Realised Product Price (A\$/t FOB)	118.77	99.28	107.36	155.75

- Concentrate production reduction during the 70 day mill shell change out
- Sufficient concentrate stockpiles for sustained pellet production

4.3 LOM Strategies — Grow Reserves & Develop Multiple Mining Locations

North Pit

- High quality, long life resources
- Supporting operations beyond 2030

Centre Pit South

- Alternative reserve
- Modelling in progress to further develop reserve

South Deposit

- Defined reserve
- Supporting LOM tailings infrastructure construction

Long Plains

- Developing resources of ~107MT
- Potential addition to mine life



Total resources exceeding 390MT which support operations to beyond 2030

4.4 LOM Strategies

— Developing Multiple Mining Locations



→ North Pit Production Stripping

- Ore supply for 2015

North Pit Mine Development

- East wall cut-back



South Deposit Mine Development

- Ore supply for 2015/16
- Provides ore and material for construction of South Deposit Tailings Storage Facility



Reducing risk associated with a single pit operation

4.5 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

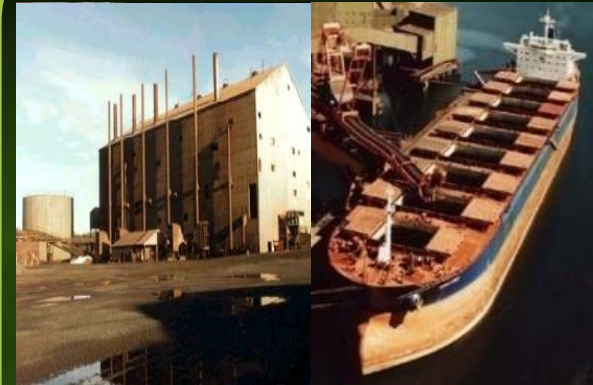
- Continuous improvement in product quality (via TQM processes)
- Construction of South Deposit Tailings Storage Facility

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)

4.6 Focusing on the fundamentals — Marketing & Pricing 2015

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

■ Secured 3 x 12 month agency agreements

- Up to 1.2 million tonnes of iron ore pellet

Iron Ore Prices – (CFR China)



Our customers recognise the value of our premium product

4.7 Southdown Project Strategies 2015

We will continue the approaches adopted in 2014 into 2015, as we:

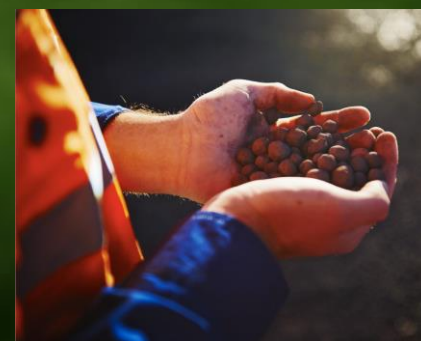
- Formulate valid alternate development model and seek to secure equity
- Seek partners for a strategic share of the Company's interest in the project



5. Recap

5.1 Grange — LOM Strategies Recapped

- Drive **operating costs down further** and sustain access to high grade ore
 - Provide high quality ore for blending from South Deposit
 - Continue investment in mine development - progress next phase of North Pit development
- **Continue to invest** in process infrastructure
 - Complete works for installation of new autogeneous mills at Savage River
 - Progress implementation of South Deposit Tailings Storage Facility which is sufficient storage for the balance of life of mine
 - Complete the truck fleet rebuild
 - Seek partner for Southdown project
- Focus on capital management
 - **Target growth opportunities** to complement existing business



5.2 Focusing on the fundamentals

- ***Our fundamentals are solid***

- 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 taking action:***

- Cost reduction initiatives in progress to achieve our priority goal of driving C1 costs lower
- Optimizing team structures and reduction in contractor levels
- Timing of capital projects continue to be rescheduled to align with effective condition monitoring and preventative maintenance management processes
- Application of technology to enhance and improve production performance

Primary Contact

Primary Contact:

Honglin Zhao

Managing Director

+61 3 6430 0222

managingdirector@grangeresources.com.au

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 26-Feb-2015