



GRANGE
RESOURCES



Australia's leading magnetite producer

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Iron Ore Development and Logistics
Conference

26-27 June 2012

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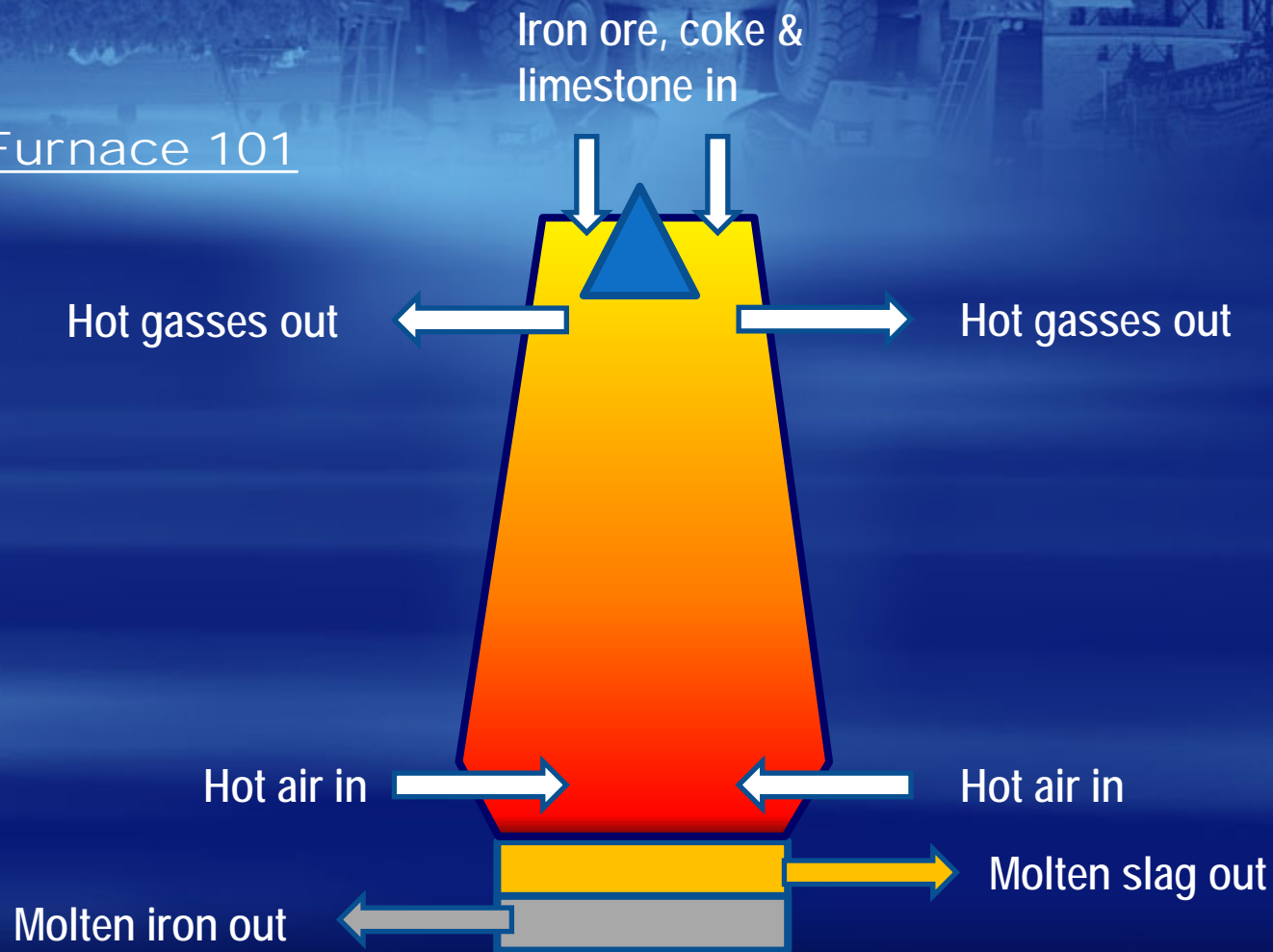
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Company Overview

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

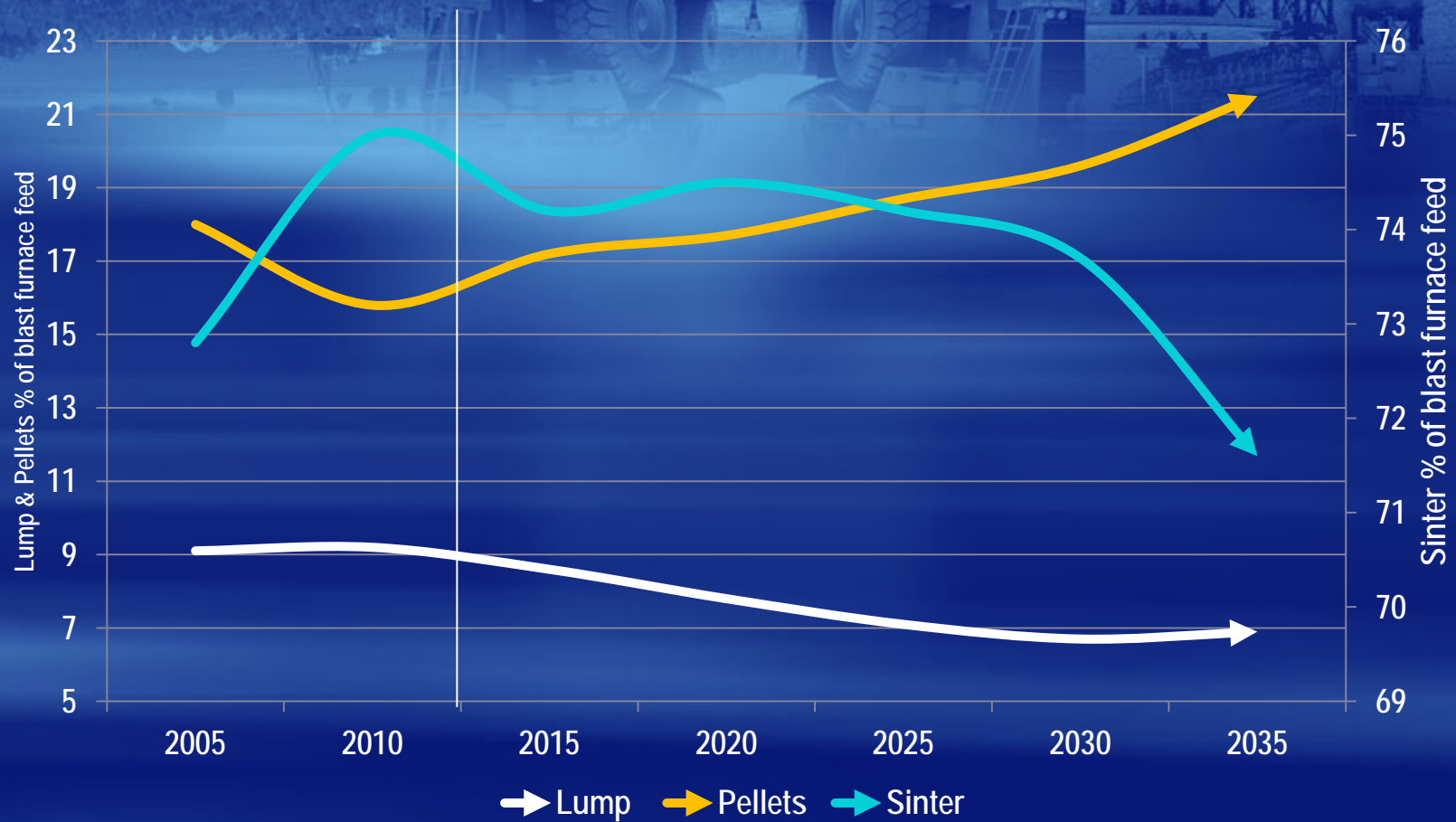
Molten iron out

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

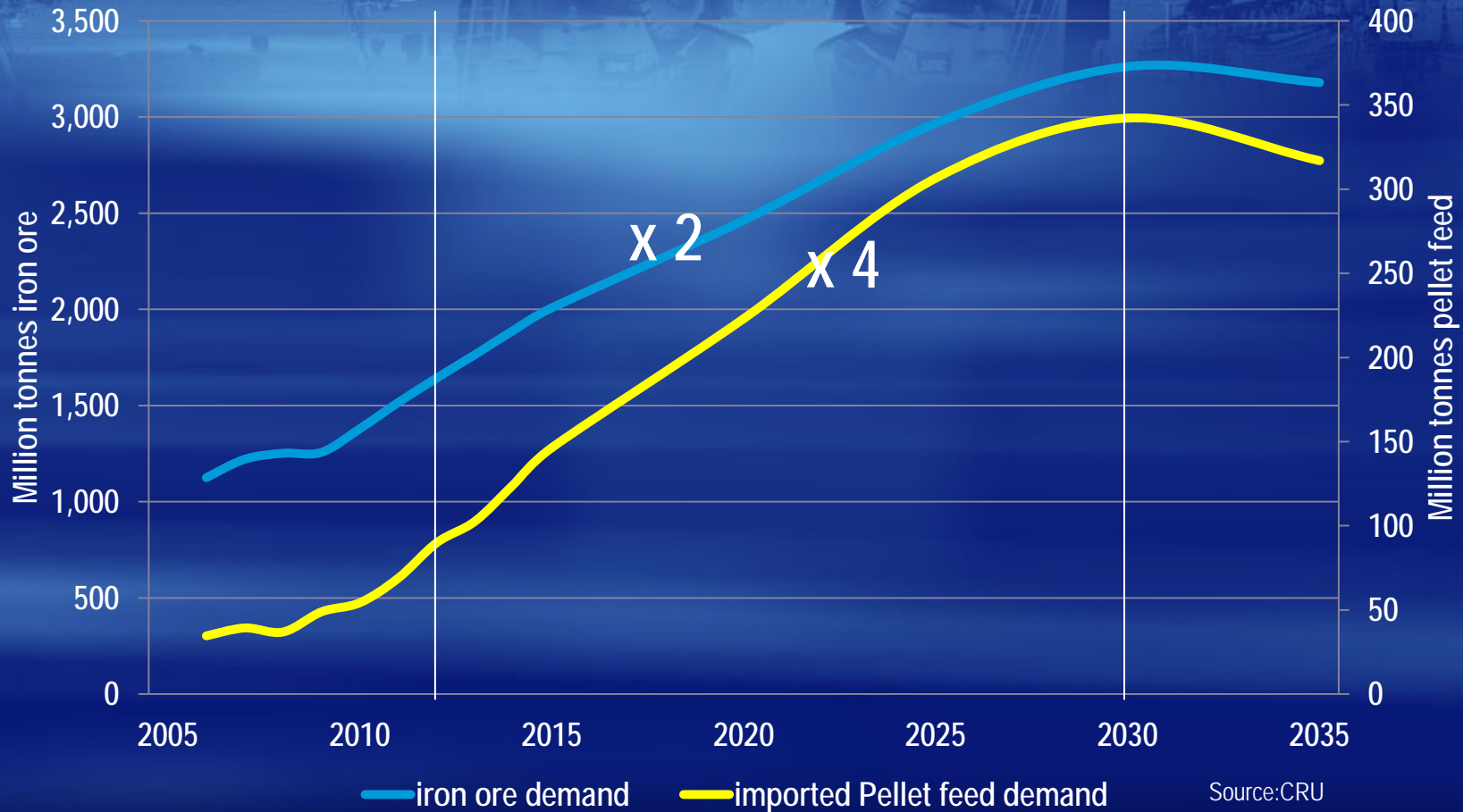
Sinter, Lump and Pellet mix over time



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

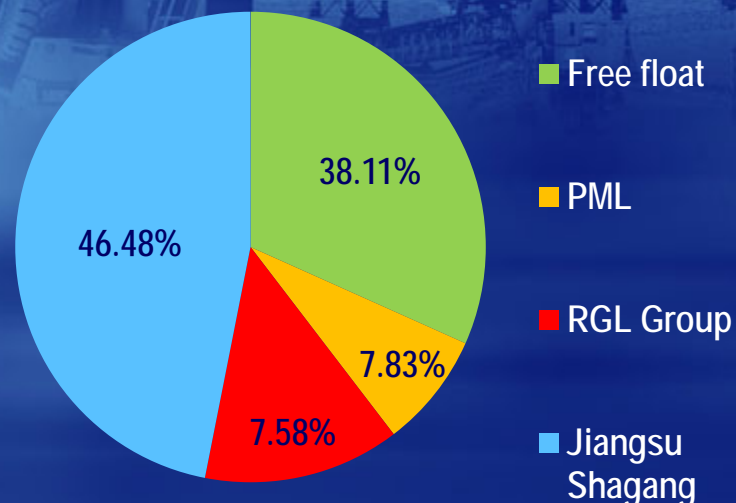


Company Snapshot

Current key statistics (A\$)

Ordinary shares on issue	15 June 2012	1,155m
Last share price	15 June 2012	\$0.5
Market capitalization	15 June 2012	\$577m
Cash & Receivables	31 March 2012	\$274.2m

Current Ownership Structure



Research

Bell Potter	Patersons
Citi	Petra Capital
JP Morgan	RBS
Macquarie	RBS Morgans
Merrill Lynch	UBS

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)
- Southdown project DFS completed
- Southdown Mineral Resources increased

The business is now set for a sustainable future!

The Southdown Project

4x

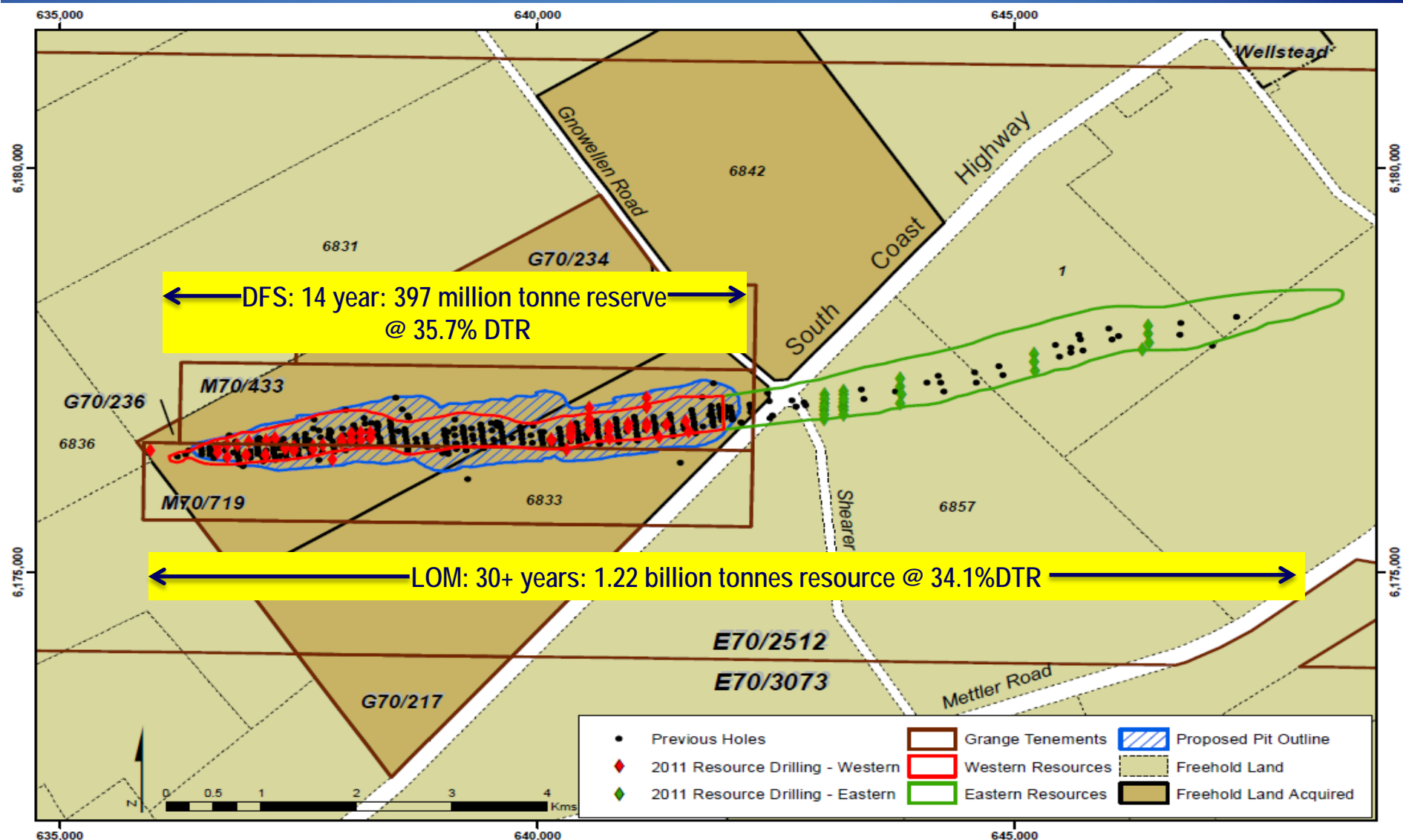
bigger than Savage River



The Southdown Project *DFS Highlights*

- \$150 million spent to date - an advanced project!!
- JORC mineral resources >1.2 billion tonnes at 34.1% DTR
- Ore reserves of 397 million tonnes at 35.69% DTR.
- DFS mine life of 14 years within the current permitted area and total resource indicates a potential mine life >30 years.
- NPV10% of A\$1,008 million and IRR of 16.6%.
- Capex estimate A\$2.885 billion including EPCM, owners' costs and contingency of A\$0.535 billion.
- Operating costs estimate of A\$58.5 per tonne of concentrate
- Initial production forecast for 2015;

The Southdown Project *The Resource*

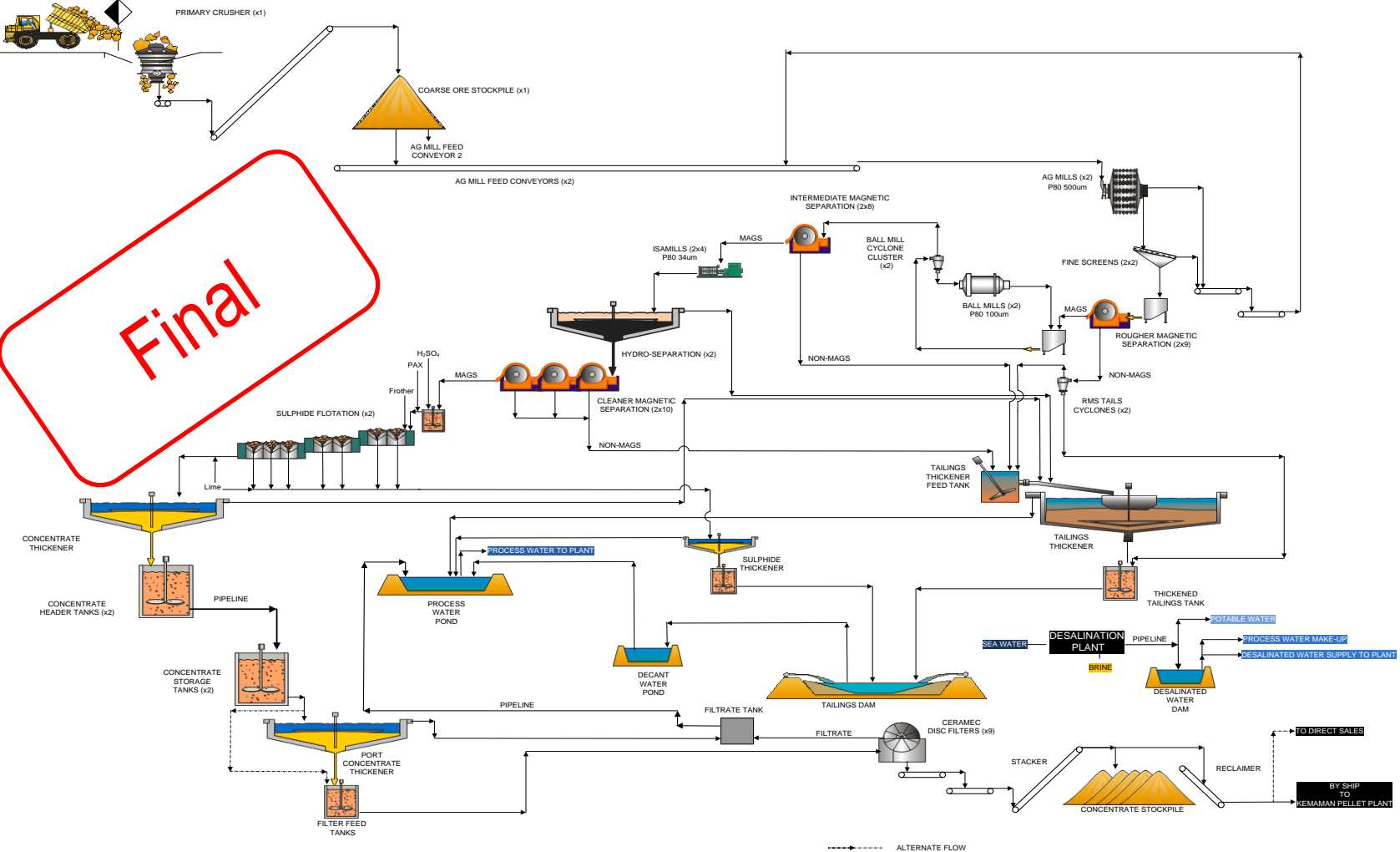




June 2012

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Southdown Magnetite Project **Concentrator Flow Sheet**

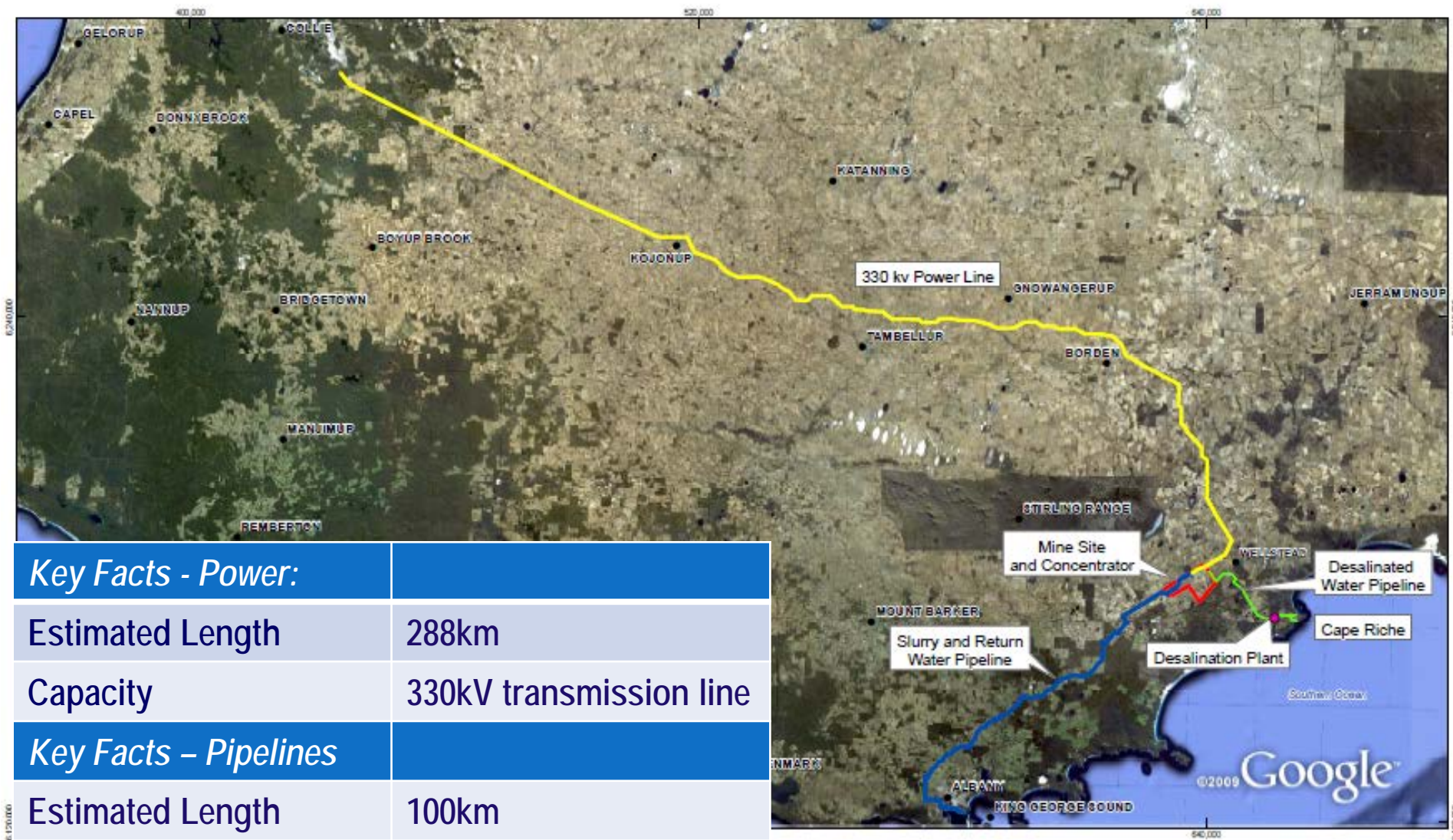


Southdown Magnetite Project *Product Quality Expectations*

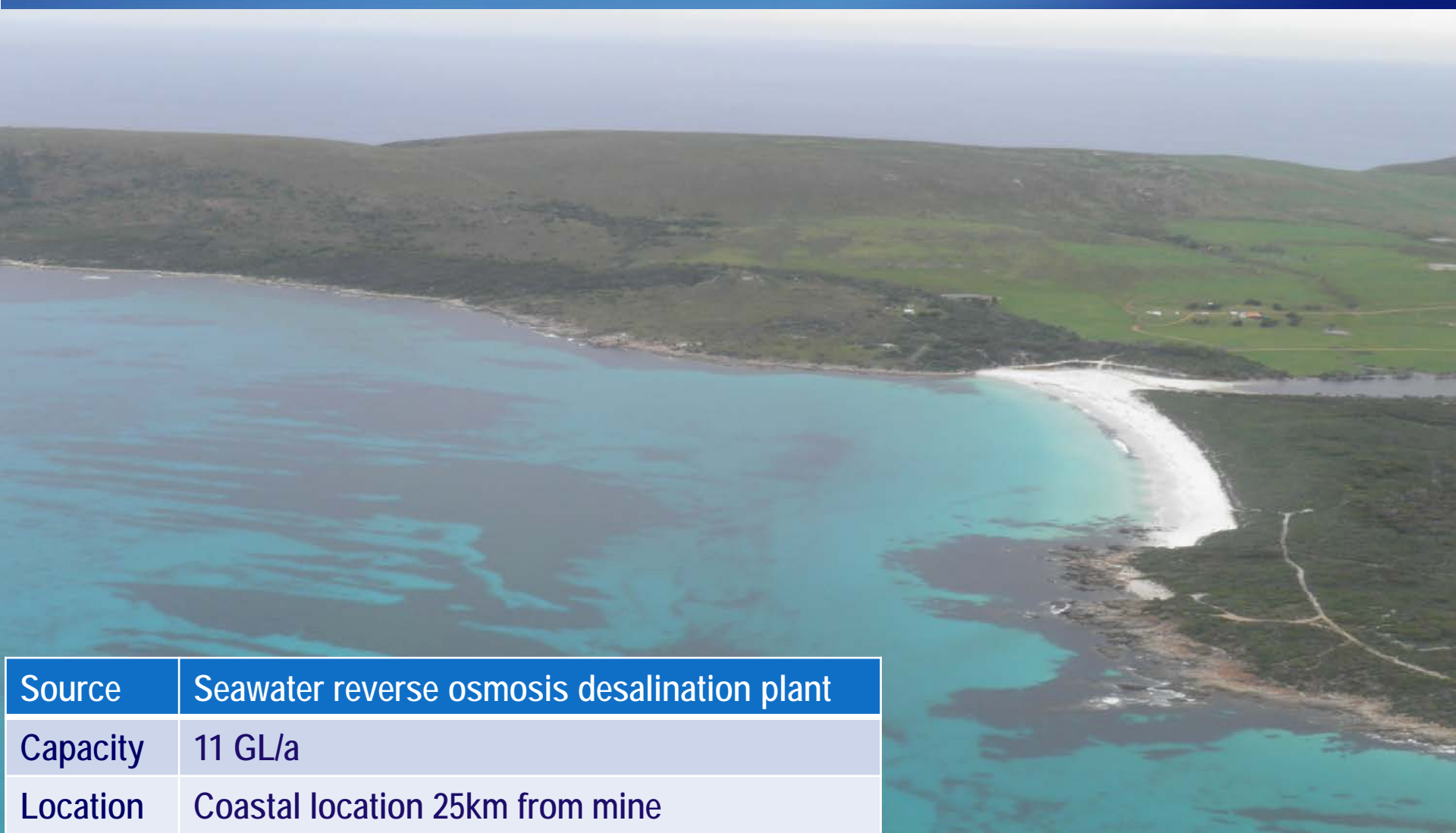
Following recent additional test work, the expected concentrate quality has improved, with lower SiO₂ and Al₂O₃.

Southdown Magnetite Concentrate	%
Total Fe	69.4
SiO ₂	1.28
Al ₂ O ₃	1.36
TiO ₂	0.46
P	0.002
S	0.08
LOI (Loss of ignition)	-2.91

Southdown Magnetite Project *Power and Pipelines*



Southdown Magnetite Project *Water Supply*



Source	Seawater reverse osmosis desalination plant
Capacity	11 GL/a
Location	Coastal location 25km from mine

Southdown Magnetite Project *Port Infrastructure*



Vessels	Cape size (18m draft)
Activities	<input type="checkbox"/> Deepen, widen and extend shipping channel <input type="checkbox"/> New wharf <input type="checkbox"/> Dewatering plant and storage shed
Area Reclaimed	<input type="checkbox"/> 9ha <input type="checkbox"/> Increases port capacity from 2.5Mt to 14Mt



Southdown Magnetite Project *Permitting*



Mine environmental permit



Granted November 2009, amendment required in 2011 for 10mtpa



Port permits



Granted November 2010



Water permit



Desalination permit targeted Q2 2012








Southdown Project *DFS Capital Expenditure*

Description	Total Cost (A\$ M)
Mine & Concentrator	1,330
Desalination Plant, Pipelines and Transmission Line	640
Albany Port Works, Berth, Storage Facilities	380
Sub-total	2,350
Owners Costs, EPCM and Contingency	535
Total Estimate Project Costs	2,885

Southdown Project *DFS Operating Cost Summary*

Operating Costs	A\$/t Concentrate
Mining	24.4
Concentrator	24.6
Pipeline, Filtration and Port	5.7
Overheads	3.8
Total Operating Costs	58.5

Southdown Magnetite Project *Target Time Line*

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

19 June 2012

ASX:GRR



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Grange Resources Limited

Australia's leading magnetite producer

Grange Appoints Corporate Advisor for Southdown Project Funding

Grange Resources Limited ("Grange") is pleased to announce the appointment of Deutsche Bank as Corporate advisor to assist Grange develop its Southdown Magnetite Project ("Southdown") equity strategy.

Southdown is a joint venture (JV) between Grange (70%) and Japan's Sojitz Resources & Technology Australia Pty Ltd (SRT) (30%). SRT is jointly owned by Sojitz Corporation a

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

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Competent Person Statement

Southdown Project

- *The information in this report which relates to the Mineral Resources of the Southdown Project- Western Tenements 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). Michael Everitt consents to the inclusion of this information in this statement of Mineral Resources in the form and context in which it appears.*
- *The information in this report which relates to the Ore Reserves of the Southdown Project is based on information compiled by Mr Ross Carpenter who is a full-time employee of Grange Resources Limited and a Member of the Australasian Institute of Mining and Metallurgy. Ross Carpenter 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). Ross Carpenter consents to the inclusion of this information in this statement of Ore Reserves in the form and context in which it appears.*