



Australia's most experienced magnetite producer



Annual General Meeting

8 May 2013

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Company Highlights

STRONG Safety Culture

1,000 days LTI free

Most **EXPERIENCED** magnetite producer

45 years of experience at Savage River

LONG LIFE producer of **PREMIUM** iron ore pellets

High quality ore reserves (52% DTR) producing 65.5% Fe BF pellets

Supporting operations at Savage River to 2030 and beyond

STRONG balance sheet

\$164m cash and equivalents at March 2013

No debt, repaid lease facility in April 2013

Advanced **GROWTH** Project

Timely reassessment of Southdown Project expenditure

Established **STRONG DIVIDEND** pay-out

Commenced in 2011 and continued in 2012

FOCUSED on delivering 2013 priorities
*We expect continued underlying profitability**

* - Based on current iron ore prices and market conditions

Delivering 2013 Priorities

March 2013 Quarterly Update

1. Focus on accessing high grade ore through continued investment in mine development

- ➔ North pit mining operations running ahead of schedule
- ➔ Progressing South Deposit mine development and tailings storage facility approval

2. Take advantage of iron ore market prices

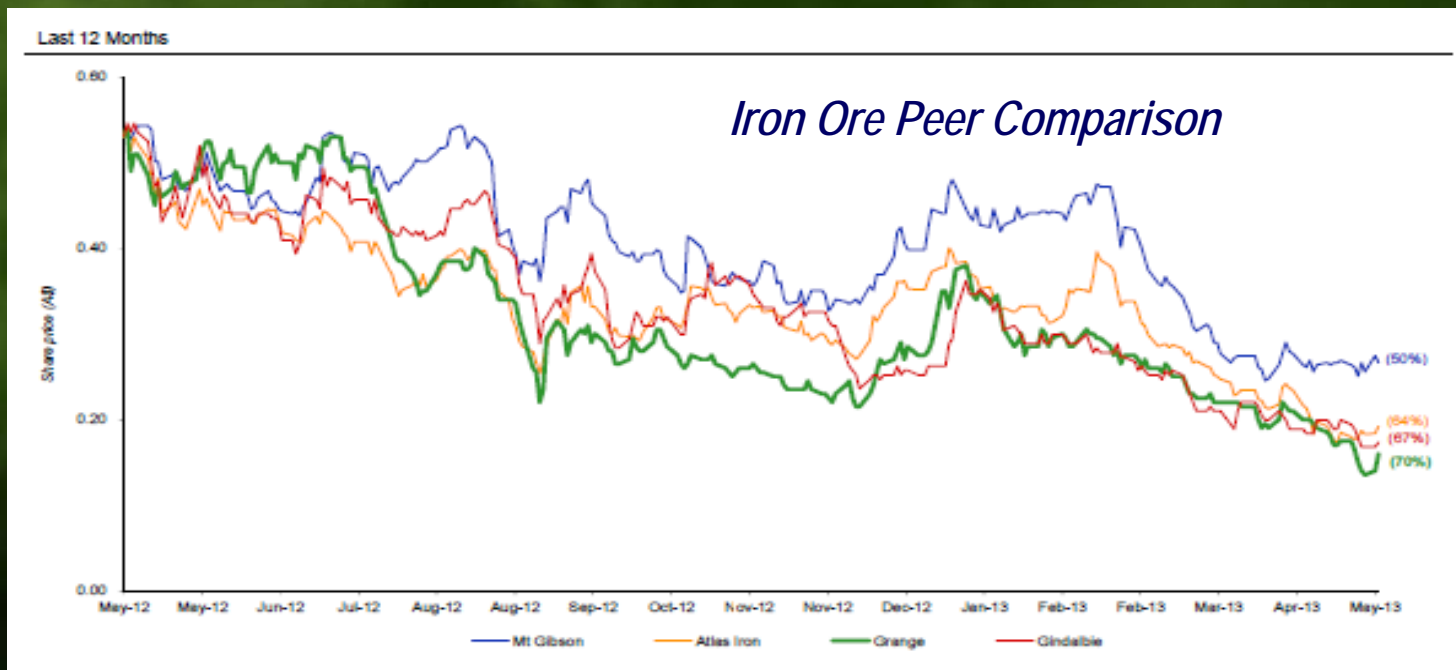
- ➔ March quarter average product price of US\$144.71 per tonne (FOB Port Latta) – 17% improvement from the December 2012 quarter
- ➔ Strong market interest in available spot cargoes and opportunities for long term contracts being progressed

3. Drive C1 costs lower

- ➔ March quarter C1 unit costs ~ 6% below budget
- ➔ March quarter cash operating costs ~ 10% below budget

Recent Share Price Movements

- *Negative sentiment on bulk resources*
 - Short term concerns regarding Chinese economy and performance of the steel industry
- *Small and mid cap miners hit very hard*
 - Recent Grange share price movements are trending in line with iron ore industry peers



Strategic Direction On-Track

- *Our fundamentals are very sound*
 - Experienced magnetite producer with a long life project close to the Asian market
 - Producer of a high quality iron ore product (65.5% Fe) that receives a premium price
 - Strong balance sheet with no debt

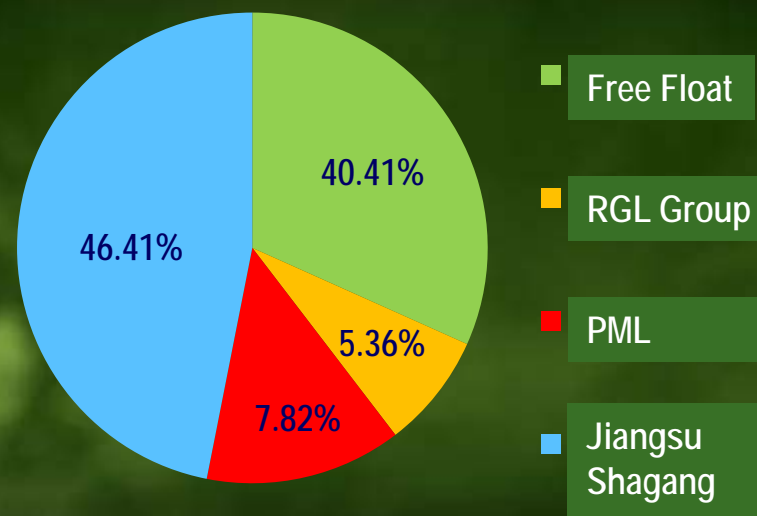
- *We are taking action:*
 - Timing of capital projects continue to be rescheduled so that they are aligned with effective condition monitoring and preventative maintenance management processes
 - Freeze on hiring and reduction in contractor levels
 - Cutting costs wherever we can to achieve our priority goal of driving C1 costs lower

Company Snapshot

Current Key Statistics (A\$)

Ordinary shares on issue	7 May 2013	1,156m
Share Price	7 May 2013	\$0.16
Market Capitalization	7 May 2013	\$185.0m
Cash, Term Deposits & Trade Receivables	31 March 2013	\$164.3m

Current Ownership Structure



Magnetite – The Premium Iron Ore



Grange Assets

Australia's Most Experienced Magnetite Producer

Savage River (100%)



Southdown Project (70%)



Quality assets in Tasmania and Western Australia.

2012 Highlights

- Exceptional safety record continues
 - No Lost Time Injuries
- Solid operating performance and results
 - Successfully addressed operational challenges from July 2012 rock slide
- Announced a 15% increase in total mineral resources at Savage River
- Disciplined cash management has preserved balance sheet strength
- Final dividend of 1.0 cents per share (unfranked) declared (total of 2.0 cents for the 2012 year)
- Timely reassessment of Southdown Project expenditure

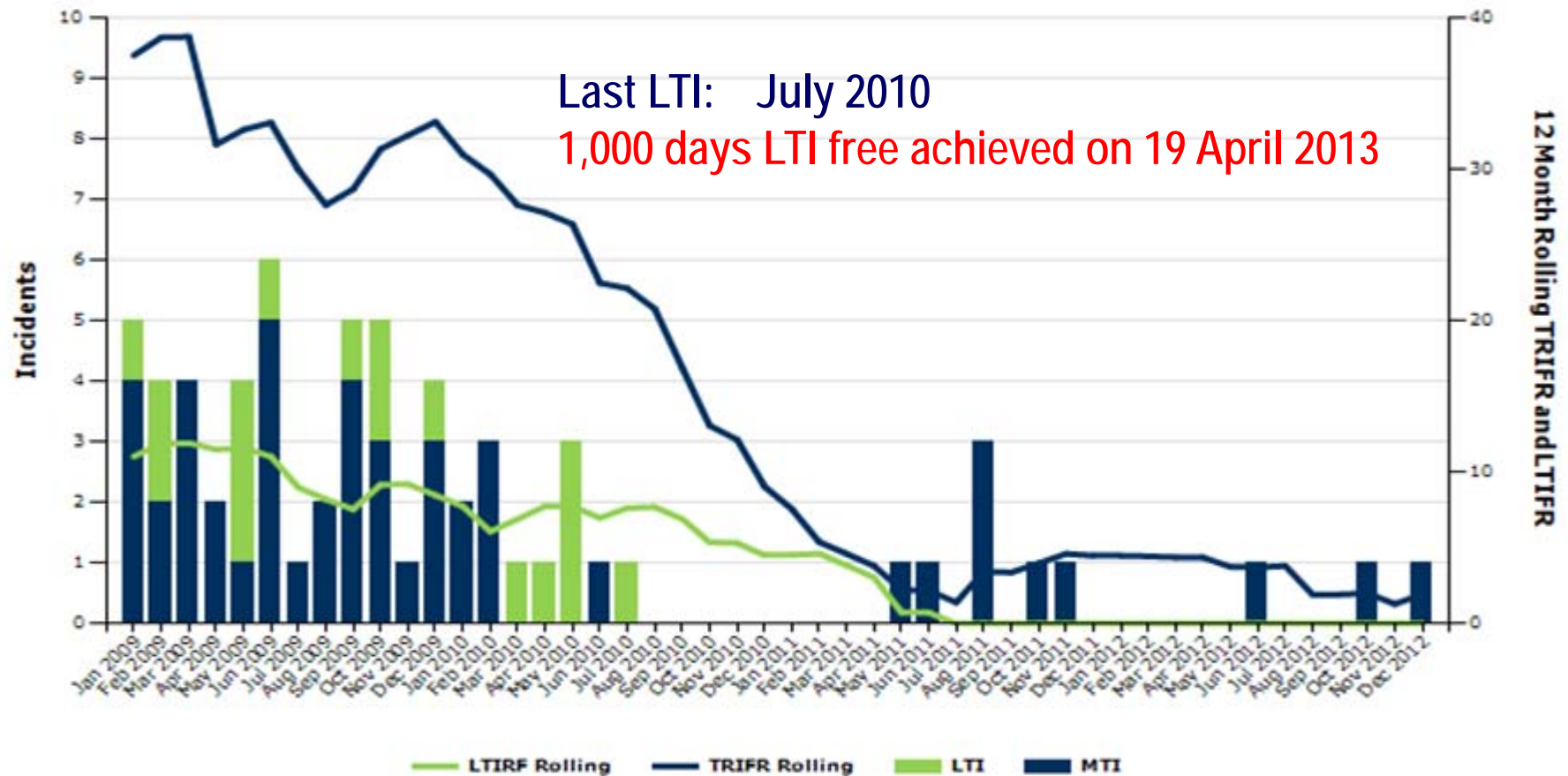


Q1 2013 Highlights

- Achieved 1,000 days LTI free
- North Pit mining operations ahead of schedule
- Focus on driving operating costs lower delivering results with quarterly C1 unit costs ~ 6% below budget and cash operating costs ~10% below budget
- Strengthening product prices, averaging US\$144.71 per tonne (FOB Port Latta) for the quarter – an increase of \$17% from the December 2012 quarter
- Cash, term deposits and trade receivables of \$164.3 million. No net debt
- Southdown Project team down-sizing complete. Search for equity partner continues



Exceptional Safety Performance



Our focus on safety will continue to be unrelenting

2012 Results Overview

- **Revenues** from mining operations of **\$331.3 million** (down 19% from \$410.4m)
 - Sales volumes up 34% to 2.4 million tonnes of iron ore products
 - Average realised price down 32% to US\$145.71 per tonne
- **Net profit after tax** of **\$35.9 million** (down 83% from \$216.6m)
- **Net cash inflows** from operating activities of **\$131.9 million** (down 37% from 210.4m)
- **Cash and term deposits** of **\$174.9 million** as at 31 December 2012
- No net debt and reduced gearing levels with **borrowings of \$22.9 million**
- **Final dividend** of **1.0 cents** per share (unfranked) declared

Key Production Statistics

	Q1 2013	2012	2011
Total Mined ('000 BCM)	4,860	14,638	15,628
Total Ore ('000 BCM)	349	1,774	1,693
Concentrate Produced ('000 t)	453	2,123	2,019
Weight Recovery (%)	31.9%	35.9%	36.4%
Pellets Produced ('000 t)	443	2,005	1,978

2013 Priorities

- Focus on accessing high grade ore
- Continued investment in mine development

We have managed through a difficult 2012 with discipline, focus and efficiency

Key Operating Statistics

2013 Priorities

	Q1 2013	2012	2011
Tonnes Sold ('000)	388	2,369	1,773
Realised Selling Price (US\$/t)	\$144.71	\$145.71	\$214.28
Average Exchange Rate (A\$:US\$1)	1.036	1.036	1.038
Realised Selling Price (A\$/t)	\$139.70	\$139.86	\$202.17
Dividend per share (cents per share)		2.0	5.0

- Take advantage of iron ore market prices
- Drive C1 cost lower
- Improve operating margin
- Maintain regular dividend

Southdown Project – 2012 Achievements

- **Completed a definitive feasibility study** in April 2012 which improved the projects level of accuracy to +/- 15%
- Progressed project engineering, land acquisition, permitting, drilling and test work
- **Initial capital expenditure** estimated at **A\$2.885 billion** (including EPCM; owners' costs and contingency of \$0.535 billion)
- **Operating costs** estimated at **A\$58.5 per tonne** of premium quality concentrate (69.6% Fe) containing low contaminants (excl. royalties)
- Submission by **EPC contract tenders for major construction** works by interested parties

Southdown Project – 2013 Priorities

- **Continue search for new equity partner** to take a strategic share of the Company's interest
- **Significantly reduce expenditure for 2013** to approx. \$2.5 million (GRR Share)
- Maintain all tenements, permits and project assets in good order

Timely decisions have been made in relation to the Southdown Project

2013 Priorities – Recapped

- **Broaden customer base** to take advantage of market opportunities
- Drive **operating costs down further** and regain access to high grade ore
 - Continue investment in mine development - progress next phase of North Pit development and unlock South Deposit to provide an alternative source of ore
- **Continue to invest** in process infrastructure
 - Complete preparatory works for installation of new autogeneous mills at Savage River
 - Progress approval for South Deposit tailings storage facility which is sufficient for the balance of life of mine
- Focus on capital management
 - Maintain **regular dividend**
 - **Target growth opportunities** to complement existing business

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