



Australia's most experienced magnetite producer



**Mines & Money – Melbourne, Australia**

**30-31 October 2013**

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# Company Highlights

## **STRONG** Safety Culture

*Over 1,100 days LTI free*

## Most **EXPERIENCED** magnetite producer

*Over 45 years of operational 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

*\$139m cash and equivalents at Sept 2013*

*No debt*

## Advanced **GROWTH** Project

*Search for an equity partner in the Southdown Project continues*

## Established **STRONG DIVIDEND** pay-out

*Commenced in 2011 and continued into 2013*

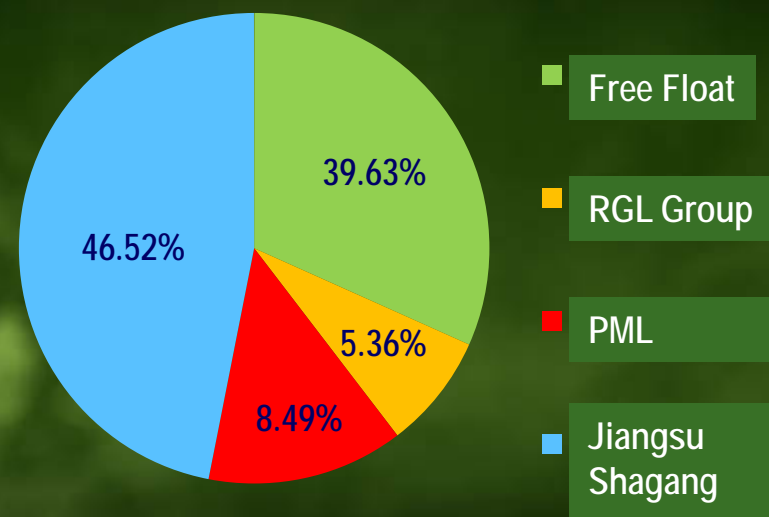
**FOCUSED** on delivering 2013 priorities

# Company Snapshot

## Current Key Statistics (A\$)

Ordinary shares on issue	29 Oct 2013	1,156m
Share Price	29 Oct 2013	\$0.215
Market Capitalization	29 Oct 2013	\$249m
Cash and Term Deposits	30 Sept 2013	\$138.6m

## 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.*

# Large Scale Long Life Operations



October 2013

Slide 7



# Reliable and Sole Use Downstream Infrastructure



October 2013

Slide 8



# Delivering 2013 Priorities

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

- North pit mining operations running ahead of schedule, regained access to high grade ore in September 2013
- Progressing South Deposit mine development and tailings storage facility approval

## *2. Take advantage of iron ore market prices*

- September 2013 quarter average product price of US\$133.85 per tonne (FOB Port Latta)
- Strong market interest in available spot cargoes delivering upside and diversifying customer and geographic risk

## *3. Drive C1 costs lower*

- Cost control disciplines continue ~ 3% below budget
- Increased weight recovery and concentrate production will drive unit operating costs lower

# 2013 Quarterly Results

	September Quarter 2013	June Quarter 2013	March Quarter 2013
Shipping and Sales			
Total Iron Ore Product Sales (dmt)	536,503	380,290	388,203
Avg Realised Product Price (US\$/t FOB)	133.85	136.34	144.71
Avg Realised Exchange Rate (AUD:USD)	0.9176	0.9847	1.0359
Avg Realised Product Price (A\$/t FOB)	145.87	138.46	139.70
Production			
Total BCM Mined	4,031,266	4,248,393	4,859,868
Total Ore BCM	489,814	520,750	349,046
Weight Recovery (%)	31.5	25.4	31.9
Concentrate Produced (t)	472,108	397,075	453,410
Pellets Produced (t)	446,937	406,719	442,896



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# 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
- ❖ Stable work force with minimal turnover who know the intricacies of the business and are adding value

- *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
- ❖ Closed Perth office and relocated Headquarters to Tasmania



# Southdown Project

Southdown Project (GRR Share: 70%)

5x

bigger than Savage River



# Southdown Project Achievements

- **Completed a definitive feasibility study** in April 2012 which improved the projects level of accuracy to +/- 15%
- **Advanced project** in terms of 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) – April 2012
- **Operating costs** estimated at **A\$58.5 per tonne** of premium quality concentrate (69.6% Fe) containing low contaminants (excl. royalties) – April 2012
- Received submissions for **EPC contract tenders for major construction** works



# Southdown Project – 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) during the period of difficult market conditions for new capital projects
- Maintain all tenements, permits and project assets in good order

# 2013 Priorities – Recapped

- **Broaden customer base** to take advantage of market opportunities **and to diversify geographic customer risk**
- 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



# Primary Contact

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