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2014 ANNUAL GENERAL MEETING – CHAIRMAN'S REMARKS

Good morning ladies and gentlemen. My name is Michelle Li and this is my first AGM as Chairman of Grange Resource Limited. On behalf of the Company's Board, It is my great pleasure to welcome you to Grange Resources Limited's 2014 annual general meeting. Thank you for joining us today.

Before we commence formal proceedings I would like to start by introducing the Company's Directors and Officers.

As Chairman, I am pleased to be able to report to you that the Board renewal continues, supported by a principled and effective nominations process, and diversity is now an important part of our considerations in the search for suitable talent and experience. The annual Board performance review will be done in coming months. I would now like to introduce my fellow Directors. Most of our Directors are present at today's meeting.

Ms Pauline Carr is our Company Secretary. Ms Carr is a qualified chartered secretary and experienced executive. Next is Managing Director Mr Wayne Bould, who was appointed Managing Director on 4 June 2013, Wayne is a member of the Health, Safety and Environment Committee and a member of the Committee of Independent Directors. He joined Grange in May 2008 and was integrally involved in the completion of the merger with Australian Bulk Minerals.

Next I would like to introduce Mr John Hoon, Non-executive Director. John sits on a number of committees including, the Audit Committee of which he is Chairman, the Remuneration and Nomination Committee, the Health, Safety and Environment Committee and the Committee of Independent Directors. John joined the Board in June 2010 and will be offering himself for re-election later in the meeting.

Mr Honglin Zhao is an executive Director who has been a Board member since July 2010, Mr Zhao has over 38 years' experience in the industry and was previously the Commander of Project Development Headquarters with Shagang. Mr Zhao has extensive project management and implementation experience and expertise.

And can I introduce our newest Board member, Mr Dan Tenardi, who was appointed as a non-executive independent Director on 31 March 2014. Dan brings an impressive track record to the Board as an executive with over 40 years' experience in the resources sector across a range of commodities including iron ore, gold, bauxite, and copper. He has a wealth of knowledge in managing bulk ore operations and has extensive international networks. He will be also offering himself for election later in the meeting.

We also have another non-executive director, Clement Ko, who due to circumstances could not attend today's meeting. I would also like to take this opportunity to thank Neil Chatfield for his significant contribution on the Grange Board over the past five years, and wish him well. Neil retired from the Board last month.

Also in the audience today are the CFO, David Corr and General Manager Operations, Ben Maynard. I welcome them and thank them for their efforts during the year. David and Ben will be happy to answer questions you may have for

them once the formal part of the meeting is over. Also present today representing our auditors is Mr John O'Donoghue, lead audit partner from PricewaterhouseCoopers.

The proceedings today will consist of the formal shareholders meeting where the matters as set out in the Notice of Meeting will be considered and voted upon followed by an operational update. Before we discuss the resolutions on today's formal agenda, I would like to say a few words about the year that has passed and about the future of your company.

At Grange we take the safety and welfare of all of our employees very seriously. We focus on safety in everything we do. I believe we have a very solid safety culture in Grange. Grange's Tasmanian operations team continued to maintain an impressive safety performance having achieved a total of 1345 days LTI free at the end of March 2014, through implementation of the OHS & ESR strategic business plans. I want to thank and congratulate all Grange employees who have been part of that magnificent effort.

Grange's operations faced some significant issues in the mining area at Savage River in regaining access of high grade ore after the wall slips in the main ore zone of the North pit in 2012. This resulted in the need to remove significant volumes of waste and had an upward impact on the unit cost of production for the year. Other factors challenged the management team, not the least of which was severe winter conditions. It is a credit to management that high grade ore was recovered during the 3rd quarter of 2013 ahead of schedule.

The operations has added long term value to the business with completing an extensive drilling program at Long Plains identifying 107 million tonnes to potentially increase the mine life at Savage River. The South Deposit Tails Storage Facility and expansion of mining operations will provide alternative ore sources, improve productivity and unit cost reductions.

Grange recorded a consolidated profit after tax of \$25.6 million with sales of 1.9 million tonnes of product (down from 2.4 million tonnes) for the year. Grange was pleased to announce an interim dividend of 1 cent per share and 1 cent of per share final dividend and a further 1 cent special dividend following the announcement of 2013 full year results, taking the full-year dividend to 3 cents per share, an increase of 33 per cent on the previous year.

The reduction of expenditure on Southdown project was implemented during the year. Grange is continuing to actively seek an investor to diversify its equity interest and work is continuing with approvals and tenements in good order. An internal review of the project operation model is underway. The review is to reduce initial capital requirements and overall life of mine operating costs. The review is expected to be completed by the middle of 2014.

Over the past 4 years we have experienced market volatility. It is very hard to navigate a business through this volatility. A clear and consistent strategy is needed to steady the course. Financial markets continued to be volatile in 2013, we believe that volatility will remain in the short to medium term. This continued market uncertainty makes it even more important that we continue to review our strategy and execute our strategy well, continue the improvements we have made, and making them sustainable over the long term.

Given the current interest and evolving best practice in executive remuneration we continue to review and adapt our policy. Our aim is to strike an appropriate balance between executive attraction, motivation and retention and the overall performance.

On behalf of the Board, I would like to thank you, our shareholders, for your continued support. And that, ladies and gentlemen, concludes my remarks

-ENDS-

For further information, please contact:

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