



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

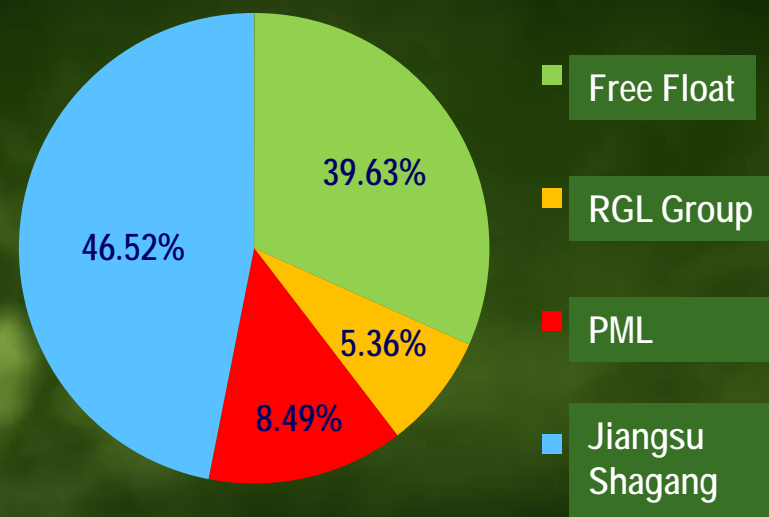
FOCUSED on delivering 2013 priorities

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

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