Grange Resources Limited (GRR)
Level 11, 200 St Georges Terrace
Perth, WA 6000, Australia
Phone + 61 8 9327 7901
Fax + 61 8 9327 7932
www.grangeresources.com.au

Australia Day Seminar - London

29th November 2010

Russell Clark
Managing Director & CEO
Disclaimer

The material in this presentation ("material") is not and does not constitute an offer, invitation or recommendation to subscribe for, or purchase, any security in Grange Resources Limited ("GRR") nor does it form the basis of any contract or commitment. GRR makes no representation or warranty, express or implied, as to the accuracy, reliability or completeness of this material. GRR, its directors, employees, agents and consultants, shall have no liability, including liability to any person by reason of negligence or negligent misstatement, for any statements, opinions, information or matters, express or implied, arising out of, contained in or derived from, or for any omissions from this material except liability under statute that cannot be excluded.

Statements contained in this material, particularly those regarding possible or assumed future performance, costs, dividends, production levels or rates, prices, resources, reserves or potential growth of GRR or, industry growth or other trend projections are, or may be, forward looking statements. Such statements relate to future events and expectations and, as such, involve known and unknown risks and uncertainties. Actual results and developments may differ materially from those expressed or implied by these forward looking statements depending on a variety of factors.
Snapshot 2009

- High Debt
- Major pre-existing liabilities
- Prices below costs
- Unhelpful banks
- Share register issues
- Market Cap ~$200m
- Cash constrained
Snapshot 2010

- No net debt, no hedging
- $97m cash at bank
- $49m leasing and State liabilities
- Market pricing for all product

- Institutional investment
- Greater liquidity
- Investors tripled, ASX 300
- Market cap ~$800m
- Southdown development
- Strong margins
Magnetite – the premium iron ore

- Iron Ore Pellet ~65-69% Fe
- Direct Shipping Lump ~63% Fe
- Magnetite Concentrate ~67% Fe
- Direct Shipping Fines ~58% Fe

~US$150

~US$100
Company Snapshot

Board of Directors

<table>
<thead>
<tr>
<th>Name</th>
<th>Role</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mr Xi Zhiqiang</td>
<td>Chairman</td>
</tr>
<tr>
<td>Mr Neil Chatfield</td>
<td>Deputy Chairman</td>
</tr>
<tr>
<td>Mr Russell Clark</td>
<td>Managing Director, CEO</td>
</tr>
<tr>
<td>Mr Zhao Hong Lin</td>
<td>Non Executive Director</td>
</tr>
<tr>
<td>Mr Clement Ko</td>
<td>Non Executive Director</td>
</tr>
<tr>
<td>Mr John Hoon</td>
<td>Non Executive Director</td>
</tr>
</tbody>
</table>

Currently sourcing an additional independent director

Current Ownership Structure

- Free float: 46.90
- PML: 32.70
- RGL Group: 7.90
- Jiangsu Shagang: 12.50

Current key statistics (A$)

<table>
<thead>
<tr>
<th>Category</th>
<th>Date</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ordinary shares on issue</td>
<td>25 November 10</td>
<td>1,152m</td>
</tr>
<tr>
<td>Last share price</td>
<td>25 November 10</td>
<td>$0.755</td>
</tr>
<tr>
<td>Market capitalization</td>
<td>25 November 10</td>
<td>$870m</td>
</tr>
<tr>
<td>Cash</td>
<td>30 September 10</td>
<td>$97m</td>
</tr>
</tbody>
</table>

Grange joined the ASX 300 in September 2010

Research

- Citi
- Macquarie
- Patersons
- Petra Capital
- Southern Cross Equities

NOT FOR DISTRIBUTION IN THE US
Grange has a board with a diverse range of relevant experience.

**Grange Board**

**Xi Zhiqiang: Chairman**
- Extensive experience in the Chinese steel industry
- Baosteel employee for 30 years, including 5 years as Managing Director of Baosteel Australia

**Neil Chatfield: Deputy Chairman (Independent)**
- Recently Executive Director and CFO of Toll Holdings, a position held for over 10 years
- 30 years experience in resources, logistics and transportation sectors
- Currently Independent Chairman of Virgin Blue, Non-executive Director of Seek Limited, Whitehaven Coal Limited, TransUrban

**Russell Clark: Managing Director and CEO**
- Appointed Managing Director of Grange in March 2008
- 31 years of mining experience in technical, project management, general management and executive positions
- Prior to joining Grange, he worked for Renison Goldfields for over 18 years and Newmont Mining Corporation for 8 years

**Clement Cheung Ko: Non-executive Director**
- Chairman and CEO of Pacific Minerals Limited (PI)
- More than 18 years experience in mining sector, with extensive expertise in marketing and sales
- Prior to founding PI, he worked for BHP Billiton (China) Ltd as a senior regional marketing manager

**Zhao Hong Lin: Non-Executive Director**
- Joined Shagang Group in 1976
- Executive Director of Jiangsu Shagang Group
- Vice President of Jiangsu Shagang Group
- Commander of Project Development for Shagang Group

**John Hoon: Non-executive Director (Independent)**
- Chairman of the Company’s Audit Committee and member of the Remuneration Committee
- Strong background in financial and audit matters
- Previously a Director of Bao Australia Pty Ltd a subsidiary of China Shanghai Baosteel Corporation

**Pauline Carr: Company Secretary**
- Appointed Company Secretary in January 2010
- 25 years of management and commercial experience in the resources industry both Australian and International companies

**Grange is currently sourcing an additional Independent director**
Jiangsu Shagang - Cornerstone Shareholder
A strong partnership

- Grange’s largest shareholder
- Demonstrated continuing support for Grange with an attractive LOM offtake agreement at Savage River at market prices.
- Agreement to negotiate at fair market price for Grange’s share of offtake from Southdown
- Shagang’s investment in Grange represents a significant direct iron ore investment in Australia
- Potential for Grange to leverage off Shagang’s strong balance sheet for Southdown development in the future

Being backed by China’s largest privately owned steel producer provides a large degree of stability and is a positive for both Grange’s prospects and its shareholders

<table>
<thead>
<tr>
<th>Assets</th>
<th>In excess of A$17 billion</th>
</tr>
</thead>
<tbody>
<tr>
<td>Location</td>
<td>Jiangsu Province, China</td>
</tr>
<tr>
<td>Product Range</td>
<td>Heavy plate, hot strip coil, stainless hot rolled plate, cold rolled plate, high-speed wire rod, rebar coil and special steel bar</td>
</tr>
<tr>
<td>Production Capacity</td>
<td>Over 25Mtpa pig iron</td>
</tr>
<tr>
<td>Employees</td>
<td>26,500</td>
</tr>
</tbody>
</table>
Best performing ASX stock, Q1 2010

Number of Grange Shareholders

NOT FOR DISTRIBUTION IN THE US
Best performing ASX stock, Q1 2010

Market Capitalisation $Am

ASX 300
September 2010

NOT FOR DISTRIBUTION IN THE US
Grange Resources – Australia’s Leading Magnetite Producer

Grange’s position is supported by quality assets in Tasmania and Western Australia.

Southdown Project (70%)
- 90km northeast of the Port of Albany
- 650 million tonnes of premium quality magnetite resource in southern Western Australia
- Targeting 10Mtpa concentrate, to produce high quality pellets for over 25 years
- Infrastructure solutions in place (power, ports, water)
- Advanced permitting
- Potential to increase resources and reserves

Savage River (100%)
- Northwest Tasmania
- Annualised production rate of 2.3Mtpa premium blast furnace pellets and concentrate
- Mine life to 2024
- 118Mt reserves at 51% DTR
- Owner-operated open pit mine, 83km slurry pipeline, coastal pellet plant and port
- Dedicated infrastructure – no third party charges
- Extensive operating experience applicable to Southdown development

NOT FOR DISTRIBUTION IN THE US
Grange Highlights

- Modern mining facility with $100m invested in new equipment in CY2008
- Completed capital restructure in November 2009, raising $153m
- Legacy contracts and financial liabilities restructured/removed
- A$97m cash September 30, 2010 & no net debt
- ASX 300 listed, increased market capitalisation, liquidity and investor base
- Cost and productivity improved during the downturn, highly leveraged to the global economic recovery
- Producer of high quality pellets that receive higher prices than fines or lumps
- Australia’s leading exporter of iron ore pellets, producing 2.4Mt from the Savage River operations in Tasmania in FY2009/10
- Second major project in the development pipeline – Southdown Project
- Large reserve base – long life projects (~960Mt resources and 507Mt reserves)
- Long term off take agreements with a solid customer base
- A strong management team with extensive operating expertise in magnetite
- Demonstrated support from the largest shareholder Shagang, China’s largest private steel mill and a major customer
### Savage River Overview

<table>
<thead>
<tr>
<th>Category</th>
<th>Details</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Ownership</strong></td>
<td>• Grange 100%</td>
</tr>
<tr>
<td><strong>Resources and Reserves</strong></td>
<td>• Mineral Resource of 306Mt magnetite at 52.3% DTR</td>
</tr>
<tr>
<td></td>
<td>• Ore Reserve of 119Mt magnetite at 51.2% DTR</td>
</tr>
<tr>
<td><strong>Production</strong></td>
<td>• 2.3Mtpa blast furnace pellets and concentrate (annualised basis)</td>
</tr>
<tr>
<td></td>
<td>• Potential to expand to 2.9Mtpa</td>
</tr>
<tr>
<td><strong>LOM Operating Costs</strong></td>
<td>• US$60/t pellets</td>
</tr>
<tr>
<td><strong>Mine Life</strong></td>
<td>• Current mine plan has a 14 year life with the potential to extend an additional 10 years</td>
</tr>
<tr>
<td><strong>Customers</strong></td>
<td>• Shagang, BlueScope Steel and Stemcor</td>
</tr>
<tr>
<td><strong>Operational Update</strong></td>
<td>• Mine re-capitalised in 2008 with new fleet</td>
</tr>
<tr>
<td></td>
<td>• Record tonnes treated 2009/10</td>
</tr>
<tr>
<td></td>
<td>• Safety incidents halved (LTI) 2009/10</td>
</tr>
</tbody>
</table>
### Key Information
#### September Quarter, FY 2010/11

<table>
<thead>
<tr>
<th></th>
<th>Production and Costs Sept Qtr 2010</th>
<th>Production and Costs Sept Qtr 2009</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Total Mined ('000 BCM)</strong></td>
<td>4,055</td>
<td>4,350</td>
</tr>
<tr>
<td><strong>Total Ore ('000 BCM)</strong></td>
<td>217</td>
<td>516</td>
</tr>
<tr>
<td><strong>Pellets Produced ('000 t)</strong></td>
<td>558</td>
<td>515</td>
</tr>
<tr>
<td><strong>Direct Operating Costs A$/tonne Pellet Produced</strong></td>
<td>78.80</td>
<td>80.26</td>
</tr>
</tbody>
</table>

**Notes:** Direct operating costs includes all costs associated with producing iron ore pellets, but excludes capital expenditure, capitalized waste, financing costs, tax, royalties and corporate costs.
Revenue surge

<table>
<thead>
<tr>
<th></th>
<th>January-March 2010</th>
<th>April-June 2010</th>
<th>July-September 2010</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pellets Sold ‘000t</td>
<td>588</td>
<td>581</td>
<td>582</td>
</tr>
<tr>
<td>Average Price US$/t</td>
<td>55</td>
<td>118</td>
<td>150</td>
</tr>
<tr>
<td>Average Price A$/t</td>
<td>61</td>
<td>134</td>
<td>167</td>
</tr>
<tr>
<td>Revenue</td>
<td>A$35.7m</td>
<td>A$77.6m</td>
<td>A$97.0m</td>
</tr>
</tbody>
</table>

Since July 2010, all product has been sold at index based market prices, rather than at Benchmark, or set priced contracts as in the past.
Large Scale Operations
Own Downstream Infrastructure
Own Port & Shiploading Infrastructure
Solid Customer Base
*Long term offtake agreements – providing revenue stability*

Agreements are in place for both Savage River and Southdown production at index based market prices. (Current interim price – US$150/t)

| Shagang | • China’s largest private steel mill, producing 22 Mtpa of pig iron  
|         | • Grange’s largest shareholder  
|         | • Savage River LOM contracts in place:  
|         | • 1.3 Mtpa pellets until 2012, then increasing to 2.1 Mtpa pellets until 2023  
|         | • LOM contracts at market prices  
|         | • Southdown intent to negotiate a fair market price:  
|         | • 56% of all production (80% of Grange’s 70% share of the JV) |

| BlueScope | • Savage River: 0.8 Mtpa until 2012 |

| Stemcor | • Savage River: option to take 80,000 tpa concentrate |
Savage River - Leveraged to price

Margin leverage to price @2.3Mtpa

<table>
<thead>
<tr>
<th>Revenue</th>
<th>Costs</th>
</tr>
</thead>
<tbody>
<tr>
<td>350</td>
<td>200</td>
</tr>
<tr>
<td>400</td>
<td>250</td>
</tr>
</tbody>
</table>

A$ million

MARGIN

NOT FOR DISTRIBUTION IN THE US
Southdown Project
High grade magnetite project with advanced infrastructure

Ownership
- Grange 70%, Sojitz Corporation 30%

Resources and Reserves
- Mineral Resource of 654Mt magnetite at 36.5% DTR\(^1,2\)
- Ore Reserve of 388Mt magnetite at 35.5% DTR\(^1,3\)

Production
- Targeting 10Mtpa magnetite concentrate for premium blast furnace pellets

Capital Costs
- Being updated

Operating Costs
- US$55/t pellets (2008 estimate)

Mine Life
- >25 years

Infrastructure
- Established port, pipeline route, power easements, Albany waste water, pellet plant site and deep water port in Malaysia

Project Status
- Outcropping ore body located on freehold land
- Mining Permit issued, Port permit has received Commonwealth approval. State approval pending
- Option agreement signed with Water Corporation for the supply of treated waste water to Southdown
- Currently undertaking engineering (Amec Minproc) GRD to complete feasibility to +/-20% by December 2010
- Pellet plant site in Malaysia, 15 year tax free holiday, deep water port and land under option agreement

1. All figures presented on a 100% project basis
2. Southdown Magnetite Project Resource Upgrade (ASX 3 July 09)
3. July 2008 Southdown reserve estimate

NOT FOR DISTRIBUTION IN THE US
Growth
- The Southdown Magnetite Project

1. Targeting 10Mtpa mining and concentrating operations for over 25 years
2. 100km slurry pipeline to Albany Port
3. Concentrate shipped
4. Pellet Plant

NOT FOR DISTRIBUTION IN THE US
Southdown Resource

654 MT at 36.5% magnetite
Southdown Super Pit
Superimposed on Savage River photography
Southdown Project
Southdown Project
**Power**
- Western Power Networks 220kv line from Muja (150MW capacity).
- EPA Assessed
- Interconnected to SWIS\(^1\)
- Transmission line easement established

**Slurry Pipeline**
- Optimal transport method
- Finalising easements with landowners

---

\(^{1}\) South West Interconnected System (Western Australia)
## Southdown Magnetite Project
### Project Schedule

<table>
<thead>
<tr>
<th>Activity</th>
<th>2010</th>
<th>2011</th>
<th>2012</th>
<th>2013</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Prefeasibility</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>DFS and Detailed Design</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Power</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Dredge Port Albany</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Sourcing Funding</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Commitment Long lead Items (Mill, Transformer)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Business Readiness &amp; Project Execution</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Pre-Strip and Mine Establishment (Tails etc)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Construction</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Construction-Port Albany</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Production</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Project Infrastructure
Southdown & Albany

All key infrastructure in place or well advanced

- **Water**: Recycling Albany town waste water supplemented by pit dewatering & site rainwater harvesting.
- **Power**: Base load power supply available
- **Power Transmission**: 220kV transmission line
- **Concentrate Transport**: Slurry Pipeline (easements on freehold rural land)
- **Workforce**: Local communities can provide workforce
- **Deep Water Port**: Existing Albany Port to be dredged to take Capesize vessels
### Project Permits – well advanced

<table>
<thead>
<tr>
<th>Permit Type</th>
<th>Status</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mine Environmental Permit</td>
<td>Granted November 2009</td>
</tr>
<tr>
<td>Commonwealth Port Permit</td>
<td>Granted June 2010</td>
</tr>
<tr>
<td>State Port Permit</td>
<td>EPA recommendation January 2010&lt;br&gt;Conditions finalised August 2010</td>
</tr>
</tbody>
</table>
Grange has 764Mt of attributable Mineral Resources and 391Mt of attributable Ore Reserves.

<table>
<thead>
<tr>
<th>Mineral Resources (inclusive of reserves)</th>
<th>Ore Reserves</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Tonnes (Mt)</strong></td>
<td><strong>Grade (%DTR)</strong></td>
</tr>
<tr>
<td><strong>Savage River</strong></td>
<td></td>
</tr>
<tr>
<td>Measured</td>
<td>86</td>
</tr>
<tr>
<td>Indicated</td>
<td>132</td>
</tr>
<tr>
<td>Inferred</td>
<td>88</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>306</td>
</tr>
<tr>
<td><strong>Southdown</strong></td>
<td></td>
</tr>
<tr>
<td>Measured</td>
<td>220</td>
</tr>
<tr>
<td>Indicated</td>
<td>210</td>
</tr>
<tr>
<td>Inferred</td>
<td>224</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>654</td>
</tr>
</tbody>
</table>

**PROJECTS TOTAL** | 960 | 41.5

**ATTRIBUTABLE RESOURCES** | 764 | 42.8

**Notes:**
1. Southdown Magnetite Project Resource Upgrade (ASX 3 July 09) – Refer to Appendix A
2. July 2008 Southdown reserve estimate – Refer to Appendix A
3. Adjusted for 70% ownership of Southdown
4. Refer to Appendix B
Production growth prospects

(Production shown is attributable to Grange)
<table>
<thead>
<tr>
<th>2008, 2009 snapshot</th>
<th>2010 snapshot</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Junior development company</td>
<td>• Producing company</td>
</tr>
<tr>
<td>• Large, unknown, Chinese ownership</td>
<td>• Profitable with positive cash flow</td>
</tr>
<tr>
<td>• Low free float (~20%)</td>
<td>• Major development project</td>
</tr>
<tr>
<td>• Low trading volumes &lt;0.5m/day</td>
<td>• Strong Chinese support</td>
</tr>
<tr>
<td>• Retail Investors (1600)</td>
<td>• Increased free float (&gt;30%)</td>
</tr>
<tr>
<td>• FX Hedging</td>
<td>• Approximately 4000 investors</td>
</tr>
<tr>
<td>• High debt levels</td>
<td>• Trading volumes 2-5m/day</td>
</tr>
<tr>
<td>• Fixed Consideration payments</td>
<td>• Institutional Investors, ASX 300</td>
</tr>
<tr>
<td>• Deferred Consideration payments</td>
<td>• No net debt, no hedging</td>
</tr>
<tr>
<td>• Head Agreement payments</td>
<td>• Strong cash position (A$97m)</td>
</tr>
<tr>
<td>• Legacy, low $ contracts</td>
<td>• Full exposure to iron ore price</td>
</tr>
<tr>
<td>• Small operating margin</td>
<td>• Strong operating margins</td>
</tr>
</tbody>
</table>
Out of the numerous junior companies with magnetite assets, Grange is the only one in production.

As at 25th November 2010
Current Focus and Future Milestones

- Operational improvements at Savage River being implemented
  - Management Operating System continues to be installed
  - New equipment replacing old less productive units
  - Inventory and cost reductions
- Generation of cash at Savage for Southdown development
- Fast tracking Southdown
  - Finalise optimum plan for Southdown development
  - Port permit will be finalised this year
  - Southdown feasibility +/- 20% will be completed in 2010

Today, Grange has no legacy issues and is totally exposed to the strong iron ore price.
Summary

- Australia's leading magnetite & iron ore pellet producer
- Solid investor, customer and revenue base
- Extensive magnetite technical and operational expertise
- Strengthened balance sheet with strong cashflow forecasts
- Mix of Cornerstone, Institutional and Retail investors
- Increased shareholders, liquidity & market capitalisation
- ASX 300
- Southdown project being accelerated

Point of difference:
Grange is an existing magnetite producer with the expertise in place to develop its major project
Key Contacts

Primary contacts:

Russell Clark
Managing Director & Chief Executive Officer
+61 8 9327 7901
managingdirector@grangeresources.com.au
Competent Person Statement

Southdown Project

The information in this presentation which relates to the Mineral Resources of the Southdown Project is based on information compiled by James Farrell who is a full-time employee of Golder Associates Pty Ltd and a Member of the Australasian Institute of Mining and Metallurgy. James Farrell 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). James Farrell consents to the inclusion of this information in this presentation in the form and context in which it appears.

The information in this presentation which relates to the Ore Reserves of the Southdown Project is based on information compiled by Mr Ross Bertinshaw who is a full-time employee of Golder Associates Pty Ltd and a Fellow of the Australasian Institute of Mining and Metallurgy. Mr Bertinshaw has sufficient experience in Ore Reserve estimation 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). Mr Bertinshaw consents to the inclusion in this presentation of the matters based on his information in the form and context in which it appears.

Savage River Project

The information in this presentation that relates to Mineral Resources or Ore Reserves in relation to the Savage River Project is based on information compiled by Mr Ben Maynard, who is a Member of The Australasian Institute of Mining and is a full time employee of Grange Resources. Mr Maynard has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the ‘Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves’. Mr Maynard consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.
### Appendix A – Southdown Project

## Mineral Resource Estimate

<table>
<thead>
<tr>
<th>Classification</th>
<th>Measured Resources</th>
<th>Indicated Resources</th>
<th>Inferred Resources</th>
<th>Total Resources</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tonnes (Mt)</td>
<td>219.7</td>
<td>210.3</td>
<td>224.4</td>
<td>654.4</td>
</tr>
<tr>
<td>DTC wt%</td>
<td>37.4</td>
<td>38.9</td>
<td>33.4</td>
<td>36.5</td>
</tr>
<tr>
<td>DTC Fe%</td>
<td>69.2</td>
<td>69.3</td>
<td>69.1</td>
<td>69.2</td>
</tr>
<tr>
<td>DTC SiO₂%</td>
<td>1.72</td>
<td>1.94</td>
<td>2.07</td>
<td>1.91</td>
</tr>
<tr>
<td>DTC Al₂O₃%</td>
<td>1.43</td>
<td>1.27</td>
<td>1.29</td>
<td>1.33</td>
</tr>
<tr>
<td>DTC S%</td>
<td>0.46</td>
<td>0.40</td>
<td>0.54</td>
<td>0.46</td>
</tr>
<tr>
<td>DTC LOI%</td>
<td>-3.04</td>
<td>-3.06</td>
<td>-2.96</td>
<td>-3.02</td>
</tr>
</tbody>
</table>

This Mineral Resource has been defined using geological boundaries and a cut-off grade of 10 wt% DTC and includes minor internal dilution. All reported concentrate grades were weighted by DTC.

## Ore Reserves within Designed Pit (Cut-off 10% DTR)

<table>
<thead>
<tr>
<th>Reserve Classification</th>
<th>ROM (Mt)</th>
<th>DTR%</th>
<th>Conc. (Mt)</th>
<th>Fe%</th>
<th>SiO2%</th>
<th>Al₂O₃%</th>
<th>TiO2%</th>
<th>S%</th>
<th>P%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Probable</td>
<td>388</td>
<td>35.5</td>
<td>131</td>
<td>68.8</td>
<td>2.06</td>
<td>1.41</td>
<td>0.45</td>
<td>0.55</td>
<td>0.003</td>
</tr>
</tbody>
</table>

NOT FOR DISTRIBUTION IN THE US
### Mineral Resource and Ore Reserve Estimates

<table>
<thead>
<tr>
<th>Mineral Resource</th>
<th>Tonnes (Mt)</th>
<th>Grade (%DTR)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Savage-River Total</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Measured</td>
<td>86.4</td>
<td>54</td>
</tr>
<tr>
<td>Indicated</td>
<td>131.9</td>
<td>53</td>
</tr>
<tr>
<td>Inferred</td>
<td>87.8</td>
<td>49</td>
</tr>
<tr>
<td>Total</td>
<td>306.0</td>
<td>52</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Ore Reserve</th>
<th>Tonnes (Mt)</th>
<th>Grade (%DTR)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Savage-River Total</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Proved</td>
<td>50.6</td>
<td>51</td>
</tr>
<tr>
<td>Probable</td>
<td>67.9</td>
<td>51</td>
</tr>
<tr>
<td>Total</td>
<td>118.5</td>
<td>51</td>
</tr>
</tbody>
</table>

Mineral Resources and Ore Reserves have been estimated for Grange Resources Tasmania Savage River magnetite deposit at the end of May 2010.

### Qualifying Statements

The Measured and Indicated Mineral Resources are inclusive of those Mineral Resources modified to produce the Ore Reserves. The Inferred Mineral Resources are, by definition, additional to the Ore Reserves.

A lower cut-off grade of 15% DTR was used in the calculation of both the Mineral Resources and Ore Reserves.

The Ore Reserve was calculated using a 1.087 dilution factor and a mining recovery factor of 0.939. These factors are based on periodic reconciliation specific to mining areas.