Australia’s leading magnetite producer

Wayne Bould
Chief Operating Officer

Mines and Money Conference - HK
21-22 March 2012
HK Conference & Exhibition Centre
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.
Company Overview

Grange remains Australia’s leading magnetite producer. An ASX 300 company, with a large well managed long term cash producing mining operation, a strong balance sheet, no net debt, and paying dividends - and a larger magnetite project at DFS offering even more value in the future.
The future for iron ore

**Blast Furnace 101**

- Iron ore, coke & limestone in
- Hot gasses out
- Hot gasses out
- Hot air in
- Hot air in
- Molten iron out
- Molten slag out
Iron units in = Iron units out

Blast Furnace 101

50% - 80% Sinter

- Sinter is made from “fines”
- “Pilbara fines” 62% Fe (reducing)
- New products from new producers:
  - Special fines 58% Fe
  - Value fines 57.5% Fe

20% - 50% Lump and Pellets

- Lump 63% Fe,
- Pellets up to 67% Fe (low contaminants)
- Availability of lump is falling

Questions?

- How will productivity be maintained as fines grades drop and contaminants increase?
- What will replace lump as it becomes more scarce?

Fines Grades are falling

Contaminants are rising

Costs are rising

Molten iron out

Molten slag out
Sinter, Lump and Pellet mix over time

Source: CRU
In 18 years iron ore demand doubles and pellet feed demand grows almost four fold

Iron ore and Pellet feed demand

Iron ore demand
imported Pellet feed demand

Source: CRU
Magnetite – The premium iron ore

<table>
<thead>
<tr>
<th>Product</th>
<th>Fe Content</th>
<th>Price</th>
</tr>
</thead>
<tbody>
<tr>
<td>Direct Shipping Fines</td>
<td>~57%</td>
<td>~US$122 CFR China</td>
</tr>
<tr>
<td>Direct Shipping Lump</td>
<td>~63%</td>
<td></td>
</tr>
<tr>
<td>Magnetite Concentrate</td>
<td>~67%</td>
<td></td>
</tr>
<tr>
<td>Iron Ore Pellet</td>
<td>~65.5%</td>
<td>~US$199 FOB Tasmania</td>
</tr>
</tbody>
</table>

Note: prices from Dec 11 quarterlies
Company Snapshot

Current key statistics (A$)

<table>
<thead>
<tr>
<th></th>
<th>1 March 2012</th>
<th>1,154m</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ordinary shares on issue</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Last share price</td>
<td>1 March 2012</td>
<td>$0.67</td>
</tr>
<tr>
<td>Market capitalization</td>
<td>1 March 2012</td>
<td>$773m</td>
</tr>
<tr>
<td>Cash &amp; Receivables</td>
<td>31 December 2011</td>
<td>$226.7m</td>
</tr>
</tbody>
</table>

Research

<p>| | | | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Bell Potter</td>
<td>(target $1.01)</td>
<td>Patersons</td>
<td>(target $0.69)</td>
</tr>
<tr>
<td>Citi</td>
<td>(target $0.80)</td>
<td>Petra Capital</td>
<td>(target $1.06)</td>
</tr>
<tr>
<td>JP Morgan</td>
<td>(target $0.95)</td>
<td>RBS</td>
<td>(target $0.68)</td>
</tr>
<tr>
<td>Macquarie</td>
<td>(target $1.00)</td>
<td>RBS Morgans</td>
<td>(target $0.82)</td>
</tr>
<tr>
<td>Merrill Lynch</td>
<td>(target $0.75)</td>
<td>UBS</td>
<td>(target $0.82)</td>
</tr>
</tbody>
</table>

JP Morgan and UBS commenced research coverage during the quarter.
Grange Assets

Australia’s Leading Magnetite Producer

Savage River (100%)  Southdown Project (70%)

Quality assets in Tasmania and Western Australia.
Grange 2011 Highlights

- Record safety achievement – zero LTI
- Record cashflow - $210.4m
- Record profit - $216.6m
- Record dividends – 5c/share (8% yield)
- East wall recovery
- Southdown project DFS completed
- Southdown Mineral Resources increased

The business is now set for a great 2012!
<table>
<thead>
<tr>
<th></th>
<th>Production and Costs December Quarter 2011</th>
<th>Production and Costs September Quarter 2011</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total BCM Mined</td>
<td>4,240,390</td>
<td>3,184,680</td>
</tr>
<tr>
<td>Total Ore BCM</td>
<td>531,189</td>
<td>402,846</td>
</tr>
<tr>
<td>Weight Recovery (% DTR)</td>
<td>41.70</td>
<td>34.5</td>
</tr>
<tr>
<td>Concentrate Produced (t)</td>
<td>612,189</td>
<td>556,122</td>
</tr>
<tr>
<td>Pellets Produced (t)</td>
<td>632,143</td>
<td>506,143</td>
</tr>
<tr>
<td>Direct Operating Cost A$/tonne Pellet Produced</td>
<td>89.65</td>
<td>127.72</td>
</tr>
</tbody>
</table>
East wall failure – June 2010

As a result of the wall failure, access to the high grade North Pit was cut off
The East Wall has undergone a cut back and access to the North Pit has been re-established.
As planned, production has increased as the east wall remediation has been completed, allowing access back to the North Pit. Concentrate production in December quarter highest for 15 months.
Increased production rates in the December quarter have resulted in a reduction in unit costs to sustainable levels.
The Southdown Project

4x bigger than Savage River
12 Kilometre Monster Pit
The Resource

1.22 billion tonnes @ 34.1% DTR
Southdown Mineral Resources
Quantity and Confidence improved

<table>
<thead>
<tr>
<th></th>
<th>As at December 2011</th>
<th>As at February 2012</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Tonnes (Mt)</td>
<td>Grade wt% DTR</td>
</tr>
<tr>
<td>Measured</td>
<td>407</td>
<td>37.1</td>
</tr>
<tr>
<td>Indicated</td>
<td>40.2</td>
<td>40.7</td>
</tr>
<tr>
<td>Inferred</td>
<td>250.8</td>
<td>32.5</td>
</tr>
<tr>
<td>Total</td>
<td>698</td>
<td>35.7</td>
</tr>
</tbody>
</table>

An $8.3 million drilling program during 2011 resulted in increased tonnage and confidence of the Southdown mineral resource.
Power & Pipelines

1. South West Interconnected System (Western Australia)

- Pipeline Route
- Proposed 330Kv Transmission Line
- Existing 132Kv Transmission Line

- Collie Coal Fired Power

- Kojonup
- Stirling Range National Park
- Albany
- Southdown

March 2012
Water
Port Infrastructure
Permitting – well advanced

- Mine environmental permit: Granted November 2009, amendment required in 2011 for 10mtpa
- Port permits: Granted November 2010
- Water permit: Desalination permit targeted Q2 2012
## Timetable

<table>
<thead>
<tr>
<th></th>
<th>2011</th>
<th>2012</th>
<th>2013</th>
<th>2014</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pre-feasibility</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Definitive Feasibility</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Financing</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>Production</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Why Grange?

- Very attractively priced
- Existing cashflow and great margins
- Dividend payer, strong yield
- Strong Balance Sheet, strong cash position,
- No net debt
- World class projects
- Proven performer with 40 years magnetite experience
Key Contacts

Primary contacts:

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

Media:  
**Tarryn Truscott**  
*“LastSay.” Communications*  
+61 6102 7295 or 0438 906 643  
tarryn@lastsay.net.au
The information in this statement which relates to the Mineral Resources is based on information compiled by Michael Everitt who is a full-time employee of Grange Resources Limited and a Member of the Australasian Institute of Mining and Metallurgy. Michael Everitt 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). Geological interpretations and resource estimation was completed by Ben Pollard of BMGS Perth Pty Ltd and BMGS geologists.