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2012 Highlights

- Exceptional safety record continues
  - No Lost Time Injuries recorded since July 2010

- Solid operating performance and results
  - Successfully addressed operational challenges from July 2012 rock slide

- Disciplined cash management has preserved balance sheet strength

- Final dividend of 1.0 cents per share (unfranked) declared (total of 2.0 cents for the 2012 year)

- Timely reassessment of Southdown Project expenditure
Exceptional Safety Performance

Last LTI: July 2010

Our focus on safety will continue to be unrelenting
2012 Results Overview

- **Revenues** from mining operations of **$331.3 million** (down 19% from $410.4m)
  - Sales volumes up 34% to 2.4 million tonnes of iron ore products
  - Average realised price down 31% to US$144.84 per tonne

- **Net profit after tax** of **$35.9 million** (down 83% from $216.6m)

- **Net cash inflows** from operating activities of **$131.9 million** (down 37% from 210.4m)

- **Cash and term deposits** of **$174.9 million** as at 31 December 2012

- No net debt and reduced gearing levels with **borrowings of $22.9 million**

- **Final dividend** of **1.0 cents** per share (unfranked) declared
## Key Production Statistics

<table>
<thead>
<tr>
<th></th>
<th>2012</th>
<th>2011</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Mined ('000 BCM)</td>
<td>14,638</td>
<td>15,628</td>
</tr>
<tr>
<td>Total Ore ('000 BCM)</td>
<td>1,774</td>
<td>1,693</td>
</tr>
<tr>
<td>Concentrate Produced (t)</td>
<td>2,123</td>
<td>2,019</td>
</tr>
<tr>
<td>Weight Recovery (%)</td>
<td>35.9%</td>
<td>36.4%</td>
</tr>
<tr>
<td>Pellets Produced ('000 t)</td>
<td>2,005</td>
<td>1,978</td>
</tr>
<tr>
<td>C1 Cost (A$/t Product Produced)</td>
<td>$106.08</td>
<td>$109.43</td>
</tr>
</tbody>
</table>

### 2013 Priorities
- Focus on accessing high grade ore
- Continued investment in mine development

*We have managed through a difficult year with discipline, focus and efficiency*
## Key Operating Statistics

<table>
<thead>
<tr>
<th></th>
<th>2012</th>
<th>2011</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Tonnes Sold (‘000)</strong></td>
<td>2,369</td>
<td>1,773</td>
</tr>
<tr>
<td><strong>Realised Selling Price (US$/t)</strong>(^1)</td>
<td>$144.84</td>
<td>$210.21</td>
</tr>
<tr>
<td><strong>Average Exchange Rate (A$:US$1)</strong></td>
<td>1.036</td>
<td>1.040</td>
</tr>
<tr>
<td><strong>Realised Selling Price (A$/t)</strong>(^1)</td>
<td>$139.86</td>
<td>$202.17</td>
</tr>
<tr>
<td><strong>C1 Cost (A$/t Product Produced)</strong></td>
<td>$106.08</td>
<td>$109.43</td>
</tr>
<tr>
<td><strong>Operating Margin (A$/t)</strong></td>
<td>$33.78</td>
<td>$92.74</td>
</tr>
<tr>
<td><strong>Dividend per share (cents per share)</strong></td>
<td>2.0</td>
<td>5.0</td>
</tr>
</tbody>
</table>

\(^1\) Excludes the impact of non-recurring revenues recognised in 2011 arising from the settlement of interim pricing arrangements

### 2013 Priorities
- Take advantage of improving iron ore prices
- Drive C1 cost lower
- Improve operating margin
- Maintain regular dividend
Southdown Project - Achievements

- **Completed a definitive feasibility study** in April 2012 which improved the project's level of accuracy to +/- 15%.

- Progressed 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).

- **Operating costs** estimated at **A$58.5 per tonne** of premium quality concentrate (68.6% fe) containing low contaminants (excl. royalties).

- Submission by **EPC contract tenders for major construction** works by interested parties.
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)

- Maintain all tenements, permits and project assets in good order

*Timely decisions have been made in relation to the Southdown Project*
2013 Priorities – Recapped

- **Broaden customer base** to take advantage of improving market opportunities
- 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 tailings storage for the balance of the mine life at Savage River

- Focus on capital management
  - **Maintain regular dividend** policy
  - **Target growth opportunities** to complement existing business
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