Australia’s most experienced magnetite producer
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 Snapshot

### Current Key Statistics (A$)

<table>
<thead>
<tr>
<th>Category</th>
<th>Date</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ordinary shares on issue</td>
<td>1 March 2013</td>
<td>1,156m</td>
</tr>
<tr>
<td>Last Share Price</td>
<td>1 March 2013</td>
<td>$0.26</td>
</tr>
<tr>
<td>Market Capitalization</td>
<td>1 March 2013</td>
<td>$300.6m</td>
</tr>
<tr>
<td>Cash &amp; Term Deposits</td>
<td>31 Dec 2012</td>
<td>$174.9m</td>
</tr>
</tbody>
</table>

### Current Ownership Structure

- **Free Float**: 46.43%
- **RGL Group**: 40.39%
- **PML**: 5.36%
- **Jiangsu Shagang**: 7.82%

### Research

- JP Morgan
- UBS
- Macquarie
- Merrill Lynch
- Petra Capital
Magnetite – The Premium Iron Ore

- **Iron Ore Pellet**: ~65.5% Fe, ~US$145/t\(^1\) FOB Tasmania
- **Magnetite Concentrate**: ~67% Fe
- **Direct Shipping Lump**: ~63% Fe
- **Direct Shipping Fines**: ~57% - ~61% Fe

**Note:**  
\(^1\)Price from 2012 Annual Financial Report
Grange Assets

Australia’s Most Experienced Magnetite Producer

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

Quality assets in Tasmania and Western Australia.
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
TRIFR: 1.99 per million hours worked

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 32% to US$145.71 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><strong>Total Mined (’000 BCM)</strong></td>
<td>14,638</td>
<td>15,628</td>
</tr>
<tr>
<td><strong>Total Ore (’000 BCM)</strong></td>
<td>1,774</td>
<td>1,693</td>
</tr>
<tr>
<td><strong>Concentrate Produced (t)</strong></td>
<td>2,123</td>
<td>2,019</td>
</tr>
<tr>
<td><strong>Weight Recovery (%)</strong></td>
<td>35.9%</td>
<td>36.4%</td>
</tr>
<tr>
<td><strong>Pellets Produced (’000 t)</strong></td>
<td>2,005</td>
<td>1,978</td>
</tr>
<tr>
<td><strong>C1 Cost (A$/t Product Produced)</strong></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>Tonnes Sold (‘000)</td>
<td>2,369</td>
<td>1,773</td>
</tr>
<tr>
<td>Realised Selling Price (US$/t)</td>
<td>$145.71</td>
<td>$214.28</td>
</tr>
<tr>
<td>Average Exchange Rate (A$:US$1)</td>
<td>1.036</td>
<td>1.038</td>
</tr>
<tr>
<td>Realised Selling Price (A$/t)</td>
<td>$139.86</td>
<td>$202.17</td>
</tr>
<tr>
<td>C1 Cost (A$/t Product Produced)</td>
<td>$106.08</td>
<td>$109.43</td>
</tr>
<tr>
<td>Operating Margin (A$/t)</td>
<td>$33.78</td>
<td>$92.74</td>
</tr>
<tr>
<td>Dividend per share (cents per share)</td>
<td>2.0</td>
<td>5.0</td>
</tr>
</tbody>
</table>

#### 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 for the balance of life of mine

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

Richard Mehan
Managing Director
+61 8 9327 7901
managingdirector@grangerresources.com.au