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Company Highlights

**STRONG Safety Culture**
1,000 days LTI free

**Most EXPERIENCED magnetite producer**
45 years of 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**
$164m cash and equivalents at March 2013
No debt, repaid lease facility in April 2013

**Advanced GROWTH Project**
Timely reassessment of Southdown Project expenditure

**Established STRONG DIVIDEND pay-out**
Commenced in 2011 and continued in 2012

**FOCUSED on delivering 2013 priorities**
We expect continued underlying profitability*

* - Based on current iron ore prices and market conditions
Delivering 2013 Priorities
March 2013 Quarterly Update

1. **Focus on accessing high grade ore through continued investment in mine development**
   - North pit mining operations running ahead of schedule
   - Progressing South Deposit mine development and tailings storage facility approval

2. **Take advantage of iron ore market prices**
   - March quarter average product price of US$144.71 per tonne (FOB Port Latta) – 17% improvement from the December 2012 quarter
   - Strong market interest in available spot cargoes and opportunities for long term contracts being progressed

3. **Drive C1 costs lower**
   - March quarter C1 unit costs ~ 6% below budget
   - March quarter cash operating costs ~ 10% below budget
Recent Share Price Movements

- **Negative sentiment on bulk resources**
  - Short term concerns regarding Chinese economy and performance of the steel industry

- **Small and mid cap miners hit very hard**
  - Recent Grange share price movements are trending in line with iron ore industry peers

![Iron Ore Peer Comparison](image)
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

- **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
## Company Snapshot

### 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>7 May 2013</td>
<td>1,156m</td>
</tr>
<tr>
<td>Share Price</td>
<td>7 May 2013</td>
<td>$0.16</td>
</tr>
<tr>
<td>Market Capitalization</td>
<td>7 May 2013</td>
<td>$185.0m</td>
</tr>
<tr>
<td>Cash, Term Deposits &amp; Trade Receivables</td>
<td>31 March 2013</td>
<td>$164.3m</td>
</tr>
</tbody>
</table>

### Current Ownership Structure

- **Free Float**: 46.41%
- **RGL Group**: 40.41%
- **PML**: 5.36%
- **Jiangsu Shagang**: 7.82%
Magnetite – The Premium Iron Ore

Quality:
- Direct Shipping Fines: ~57% - ~61% Fe
- Magnetite Concentrate: ~67% Fe
- Direct Shipping Lump: ~63% Fe

Price:
- Iron Ore Pellet: ~65.5% Fe, ~US$145/t FOB Tasmania

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

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

- Announced a 15% increase in total mineral resources at Savage River

- 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
Q1 2013 Highlights

- Achieved 1,000 days LTI free

- North Pit mining operations ahead of schedule

- Focus on driving operating costs lower delivering results with quarterly C1 unit costs ~6% below budget and cash operating costs ~10% below budget

- Strengthening product prices, averaging US$144.71 per tonne (FOB Port Latta) for the quarter – an increase of $17% from the December 2012 quarter

- Cash, term deposits and trade receivables of $164.3 million. No net debt

- Southdown Project team down-sizing complete. Search for equity partner continues
Exceptional Safety Performance

- Last LTI: July 2010
- 1,000 days LTI free achieved on 19 April 2013

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>Q1 2013</th>
<th>2012</th>
<th>2011</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Total Mined (’000 BCM)</strong></td>
<td>4,860</td>
<td>14,638</td>
<td>15,628</td>
</tr>
<tr>
<td><strong>Total Ore (’000 BCM)</strong></td>
<td>349</td>
<td>1,774</td>
<td>1,693</td>
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<tr>
<td><strong>Concentrate Produced (’000 t)</strong></td>
<td>453</td>
<td>2,123</td>
<td>2,019</td>
</tr>
<tr>
<td><strong>Weight Recovery (%)</strong></td>
<td>31.9%</td>
<td>35.9%</td>
<td>36.4%</td>
</tr>
<tr>
<td><strong>Pellets Produced (’000 t)</strong></td>
<td>443</td>
<td>2,005</td>
<td>1,978</td>
</tr>
</tbody>
</table>

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

*We have managed through a difficult 2012 with discipline, focus and efficiency*
### Key Operating Statistics

<table>
<thead>
<tr>
<th></th>
<th>Q1 2013</th>
<th>2012</th>
<th>2011</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Tonnes Sold ('000)</strong></td>
<td>388</td>
<td>2,369</td>
<td>1,773</td>
</tr>
<tr>
<td><strong>Realised Selling Price (US$/t)</strong></td>
<td>$144.71</td>
<td>$145.71</td>
<td>$214.28</td>
</tr>
<tr>
<td><strong>Average Exchange Rate (A$:US$1)</strong></td>
<td>1.036</td>
<td>1.036</td>
<td>1.038</td>
</tr>
<tr>
<td><strong>Realised Selling Price (A$/t)</strong></td>
<td>$139.70</td>
<td>$139.86</td>
<td>$202.17</td>
</tr>
<tr>
<td><strong>Dividend per share (cents per share)</strong></td>
<td>2.0</td>
<td>5.0</td>
<td></td>
</tr>
</tbody>
</table>

#### 2013 Priorities

- Take advantage of iron ore market prices
- Drive C1 cost lower
- Improve operating margin
- Maintain regular dividend
Southdown Project – 2012 Achievements

- **Completed a definitive feasibility study** in April 2012 which improved the projects 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 (69.6% Fe) containing low contaminants (excl. royalties)
- Submission by **EPC contract tenders for major construction** works by interested parties
Southdown Project – 2013 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 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**
  - **Target growth opportunities** to complement existing business
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