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Company Highlights

- **Most EXPERIENCED magnetite producer**
  Over 45 years of operational experience at Savage River

- **STRONG Safety Culture**
  Over 1,380 days LTI free

- **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**
  $146m cash and equivalents at 31 March 2014

- **Advanced GROWTH Project**
  Search for a quality equity partner in the Southdown Project continues

- **Established STRONG DIVIDEND pay-out**
  Commenced in 2011 and continues in 2013
  Annual dividend yield of ~10% at current share prices
Company Snapshot

Capital Structure (A$)

<table>
<thead>
<tr>
<th></th>
<th>Date</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ordinary Shares on issue</td>
<td>6 May 2014</td>
<td>1,157m</td>
</tr>
<tr>
<td>Share Price</td>
<td>6 May 2014</td>
<td>$0.245</td>
</tr>
<tr>
<td>Market Capitalisation</td>
<td>6 May 2014</td>
<td>$283m</td>
</tr>
<tr>
<td>Cash and Term Deposits</td>
<td>31 March 2014</td>
<td>$146m</td>
</tr>
</tbody>
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Share Price and Volume

Research Coverage

- JP Morgan
- UBS
- Macquarie
2013 – A Transitional Year

BACK TO THE BASICS

- Exceptional safety record continued
  - No Lost Time Injuries
- Successfully delivered mine re-development strategies
  - Re-established access to higher grade ore ahead of schedule in September 2013
  - Strong focus on reducing operating costs to maintain competitive unit operating costs
  - Announced an upgraded high grade resource at Long Plains
- Market conditions improved in H2 2013
  - Improving premiums for higher quality, lower impurity products
- Focused on good old fashioned TQM disciplines
  - Planning, scheduling, follow up….and follow up AGAIN
  - Cash costs
  - Innovation
- Maintained our focus on the Southdown Project
  - Maintained all project tenements, permits and assets in good standing
  - Commenced an internal review of the definitive feasibility study to identify alternative development models
- Focused on capital management
  - Continued strong dividend pay-out with total unfranked dividends of 3.0 cents per share for the 2013 year
2013 - Results Overview

- **Revenues** from mining operations of **$281.1 million** (down 15% from $331.3 million)
  - Sales volumes down 20% to 1.9 million tonnes of iron ore products
  - Average realised price down 2% to US$141.43 per tonne but offset by an 8% reduction in the average AUD:USD exchange rate.
  - Stronger AUD revenues delivered in 2013 of A$147.99 per tonne (up from A$139.86 per tonne in 2012).

- **Net profit after tax** of **$25.6 million** (down 57% from a restated $59.1 million)

- **Net cash inflows** from operating activities of **$115.8 million** (down 35% from a restated $179.3 million)

- **Cash and term deposits** of **$159.9 million** as at 31 December 2013

- No net debt and reduced gearing levels with **borrowings of $3.5 million** (down 75% from a restated $13.9 million)

- **Final dividend** of 1.0 cent per share (unfranked) **plus** a 1.0 cent per share special dividend (unfranked)
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 over lump and fines
- Strong balance sheet
- Stable work force with minimal turnover who know the intricacies of the business and are adding value

We will continue our disciplined management:

- Focusing on day to day operational planning and execution to drive productivity
- Cutting costs wherever we can to achieve our priority goal of driving C1 costs lower
- Timing of capital projects continue to be rescheduled so that they are aligned with effective condition monitoring and preventative maintenance management processes
- Ensuring short term decisions align with long term strategic priorities
STAYING WITH THE BASICS

- **Exceptional safety record continues**
  - Over 1,380 days Lost Time Injury Free

- **Successfully completed an expanded annual common equipment shutdown**
  - Completed additional preparatory work for AG Mill replacement
  - Minimised production downtime to 12 days

- **Delivered improved quarterly production results**
  - Maintained focus on mine redevelopment in North Pit and South Deposit
  - Delivering production at annualised rates of approximately 2.5 million tonnes
  - Improved production and continued cost control disciplines are delivering competitive unit operating costs

- **Successfully negotiated crystallisation of pre-merger deferred consideration obligation**
  - Immediate cash payment of US$21 million in April 2014 delivering an estimated non-cash gain of approximately A$20 million
2014 - Year To Date Highlights

- **Maintained access to high grade ore through continued investment in mine development**
  - Weight recovery averaged 50% during the March 2014 quarter, an increase of approximately 56% from the March 2013 quarter
  - Pellet production of 504,170 for the March 2014 quarter, an increase of 14% from the March 2013 quarter
  - Improved production and continued cost control disciplines have delivered competitive unit costs

- **Final approval for the South Deposit Tailings Storage Facility**
  - Final approvals granted on 30 April 2014
  - New facility to replace the current tailings storage facility (reaches capacity in 2016)
  - Facilitates the mining of ore from South Deposit and ensures sufficient tailings storage capacity to accommodate operations at Savage River until at least 2030
  - New facility is a key component to our life of mine strategy and construction is expected to commence in Q4 2014
2014 - Year To Date Highlights

- **Taking advantage of iron ore market prices**
  - March 2014 quarter average product price of US$138.82 per tonne (FOB Port Latta)
  - Continue to attract a quality premium for high grade, lower impurity iron ore products
  - Continual downward pressure on prices and premiums as world markets react to economic trends
    - Grange is well positioned to adapt to volatile market conditions
  - Adopted a strategic approach to sell product for value rather than volume in the March 2014 quarter

- **Driving C1 costs lower**
  - Maintaining cost control disciplines
  - Sustaining higher weight recoveries (> 45%) and concentrate production to drive unit operating costs to levels which will remain competitive in the long term
Assets Strategy

Australia’s Most Experienced Magnetite Producer

Savage River (100%)
- Focusing on the fundamentals

Southdown Project (70%)
- Reassessing the project concept

Quality assets in Tasmania and Western Australia.
Savage River LOM Strategies
Grow Reserves & Develop Multiple Mining Locations

**North Pit**
- High quality, long life resources
- Supporting operations to 2030 and beyond

**Centre Pit South**
- Alternative reserve
- Drilling in progress to further develop reserve

**South Deposit**
- Defined reserve
- Supporting LOM tailings infrastructure development

**Long Plains**
- Developing resources of ~107m tonnes
- Potential addition to mine life

Total resources exceeding 340m tonnes which support operations to 2030 and beyond
Savage River LOM Strategies
Developing Multiple Mining Locations

North Pit Production Stripping
- Ore supply for 2014

North Pit Mine Development
- East wall cut-back

Reducing risk associated with a single pit operation

South Deposit Mine Development
- Ore supply for 2014/15
- Provides ore and material for construction of a South Deposit Tailings Storage Facility
Savage River LOM Strategies
Value Adding Downstream Infrastructure

**Concentrator**
- Autogenous milling and magnetic separation process
- Progressing the phased upgrade of the original autogenous mills and associated infrastructure

**Strategic Production Priorities**
- Continuous improvement in product quality (via TQM processes)

**Pipeline**
- 85km pipeline connecting Savage River to Port Latta
- Low cost mode of transportation using pipeline pumps and gravity fed technologies
- Naturally occurring properties of the slurry protect the pipeline and reduce sustaining capital and maintenance costs

**Pellet Plant & Port**
- Four furnace lines capable of producing 2.4mtpa of iron ore pellets
- Dedicated port facility providing access to Panamax vessels (80k tonnes)

**Strategic Production Priorities**
- Develop market driven bulk production output capabilities (concentrate & pellets offering)
- Re-commission fifth furnace (ore availability)
Southdown Project Strategy

- **Continue the search for a new equity partner** to take a strategic share of the Company’s interest

- **Maintain reduced project expenditure** during 2014

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

- **Conduct internal review of definitive feasibility study operating model** to determine if changes in the following parameters could reduce initial capital or operating costs
  - Market outlook
  - Project construction conditions (incl. regional infrastructure development)
  - Methodologies learned from our operations at Savage River
Grange – “Basics” Strategies Recapped

- Broaden customer base to take advantage of market opportunities and to diversify geographic customer risk

- Drive operating costs down further and maintain 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

- Redefine strategies and outcomes to leverage our investment in the Southdown project

- Focus on capital management
  - Maintain regular dividend
  - Target growth opportunities to complement existing business
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Notes:
- A lower cut-off grade of 15% DTR was used in the calculation of both the Mineral Resources and Ore Reserves
- A detailed statement of Mineral Resources and Ore Reserves can be found in an ASX announcement dated 28 February 2014