Australia’s most experienced magnetite producer

Investor Presentation

28 May 2020
Company Highlights

✓ **Most EXPERIENCED magnetite producer**
   Over 50 years of operational experience at Savage River

✓ **STRONG Safety Culture**
   Achieved over 3 years LTI free at the end of March 2020

✓ **Shipped 2.2m tonnes of Iron Ore Products in 2019**
   2.2 million tonnes of pellets and chips sold through the port.

✓ **LONG LIFE producer of PREMIUM iron ore pellets**
   High quality ore reserves (~ 50% DTR) producing ~65%+ Fe BF pellets

✓ **STRONG balance sheet**
   $142 million cash, cash equivalents and liquid investments at end of 2019

✓ **PRESERVED balance sheet strength with disciplined cost control**
   Deferred capital and maintenance projects to preserve free cashflow with targeted investment to ensure sustainability.

✓ **Advanced GROWTH Project**
   Search for a quality equity partner in the Southdown Project continues
Vision & Values

We will produce high quality steel making raw materials economically and effectively.

Our operations will be efficient, flexible, and stakeholder focused.

At Grange we ALL will…

✓ Work safely.
✓ Lead & act with fairness, integrity, trust and respect.
✓ Be responsible & accountable for our actions.
✓ Utilise our resources efficiently and effectively.
✓ Engage with stakeholders and proactively manage our impact on their environment.
✓ Work together openly and transparently.
✓ Promote an environment in which our people can develop and prosper.
COVID-19 Status in Tasmania

COVID-19 in Tasmania
- 226 cases have been confirmed in Tasmania
- 205 have recovered | 8 cases active | no new cases in the last 11 days.
- Outbreak in the NW has been controlled – State Premier has provided outstanding direction and communication throughout the crisis in Tasmania
- Testing regime continues.
- Situation locally greatly improved

Grange’s response
- Our primary concern continues to be for the health and wellbeing of our people.
- We have escalated our response to help protect our employees as we remain alert, not alarmed.
- A balanced approach has been maintained to ensure the appropriate response rather than a presumptive or panicked reaction.
- Communication has been cascading through the business daily and weekly to keep people informed of the situation and provide comfort and stability in the midst of the crisis.
- Grange have continued to operate at full production and complete schedules of maintenance and project work with our new controls in place.

Next Steps
- Government is outlining roadmap to remediate social and economic impacts, while dealing with the health crisis.
- Tasmania will assess and make its own moves due to vulnerable population.
- Grange has well developed work plans and controls in-place to support our continued operation.
- These have been well tested through the period of local outbreak, and we have had much positive feedback from the workforce into our management through this crisis.
Pandemic Management Plan
- Team has developed appropriate and comprehensive plans and supporting resources to supplement our Crisis Management framework
- These encompass oversight of the crisis, response to any potential active cases onsite, management of remote work and audits and risk assessments tailored to suit pandemic specific situations.

Response Control Framework
- Our 4 Simple Steps have been implemented, communicated, and audited to ensure adequate controls are in place and maintained.
- In addition to safe work they support the mental good health and wellbeing of our people.

Implementation
- We have changed the way we: meet together; transport people to work areas; travel to sites; enter sites; queue; greet each other; eat meals at the mess; have crib / lunch at work; do pre-shifts.
- Hot spots and interaction areas have been identified and additional controls implemented to reduce Close Contacts
- Continued to safely deliver on mining, concentrate and pellet production. Aside from some impact to mining movement through the local outbreak, all maintenance and project work has continued to plan.

Stop the Spread - 4 Simple Steps

<table>
<thead>
<tr>
<th>Sanitise</th>
<th>Separate</th>
<th>Self-care</th>
<th>Support</th>
</tr>
</thead>
<tbody>
<tr>
<td>- Wash hands thoroughly with soap</td>
<td>- Keep your distance</td>
<td>- Monitor your health</td>
<td>- Look out for each other</td>
</tr>
<tr>
<td>- Use hand sanitiser</td>
<td>- Stay 1.5m away</td>
<td>- If you feel unwell at work, tell your supervisor immediately</td>
<td>- Talk and communicate</td>
</tr>
<tr>
<td>- Wash before eating, after using the bathroom</td>
<td>- 1 person per 4m² indoors</td>
<td>- If you feel unwell at home, don’t come to work, tell your supervisor</td>
<td>- Be patient and kind</td>
</tr>
<tr>
<td>- Wash frequently</td>
<td>- Don’t sit at marked spots</td>
<td>- Exercise and eat well – stay healthy</td>
<td>- Be an example to your family and friends at home</td>
</tr>
<tr>
<td>- Wipe down common surface areas</td>
<td>- Obey room occupancy limits</td>
<td>- Pre-screen before you travel to site</td>
<td>- If you are concerned about anything, talk to your supervisor, contact officer or EAP</td>
</tr>
<tr>
<td>- Clean and disinfect touched surfaces frequently</td>
<td>- Apply social distancing, not social dislocation</td>
<td>- On your break – Stay Home, Save Lives</td>
<td>- Use the Helpline 64 300 333</td>
</tr>
<tr>
<td>- Cover your cough with your arm</td>
<td>- Communicate regularly using technology</td>
<td>- Don’t get together in groups</td>
<td>- What else do you think we could do?</td>
</tr>
</tbody>
</table>

Together, we will Stop the Spread
Grange’s Process

Savage River

- Magnetite iron ore is extracted from the open cut pit by conventional drilling, blasting, loading and hauling.
- Ore is then crushed to approximately 200mm and transported via a 1.6km overland conveyor belt to a stockpile.
- At the concentrator plant, the ore is processed through stages of autogenous mill grinding, ball mill grinding and magnetic separation.

The resulting concentrate is mixed with water to form a slurry which is pumped 85km through a pipeline to Port Latta. Transportation time is around 13 hours.

Port Latta

- The concentrate is de-watered and formed into small marble-sized balls then heated to over 1000 degrees Celsius for around four and a half hours in a furnace.
- The pellets are screened to remove excess material and are conveyed to a finished product stockpile to cool.
- They are transported along the 1.6km-long pier to be loaded on ships.
- Exported to steel-making operations at Port Kembla, NSW and the Asia-Pacific region.
✓ Pellets have favourable physical and chemical properties.

✓ Higher yield of metallic iron due to higher Fe content

✓ Reduced environmental impact with decrease in air emissions

✓ Reduction in waste - slag

✓ Lower maintenance costs in the Blast Furnace

✓ Reduction in energy consumption
Pellet Premium

- High Fe Content
- Low Impurities
- Attracting Premium
- Delivering into term offtake agreements

Pellet Prices (FOB USD)

- 62% Index FOB Calculated Price
- 65% Index FOB Calculated Price
Company Overview
## Strategic Plan 2020

<table>
<thead>
<tr>
<th>Drivers</th>
<th>Integrate Innovation</th>
<th>Sustain Ageing Infrastructure</th>
<th>Build Capacity &amp; Capability</th>
</tr>
</thead>
</table>
| • Uncertainty in the Life-of-Mine Plan is the foundation that underpins investment decisions to optimise business execution.  
• Potential failure on the East Wall and instability in the mine introduces uncertainty into the production profile.  
• A single source of ore supply and low stockpiles provides no capacity to absorb any delays in the mine.  
• Extreme weather events have the potential to interrupt production. | • Innovation is critical to improving safety, efficiency and reducing cost.  
• Innovation tools are integrated into the business through our MOS and we are building capability with our people and systems.  
• This needs to be considered at the transactional level and in the development of the plan.  
• Application of new technology will support and improve operational outcomes. | • Our process is supported by mature and valuable infrastructure and assets.  
• Maintenance has been deferred over periods of downturn.  
• Assets require investment to restore or replace where appropriate.  
• Cost Benefit Analysis will be used to support repair vs replacement decision. | • People are our most valuable asset  
• We have a committed workforce with strong skills and experience base.  
• There is increasing competition for human resources as the industry cycles.  
• We are losing key technical staff and are at risk of losing our skills and experience base. |
| Focus Areas | | | |
| • Seek to mitigate increasing pressure on OPEX costs.  
• Analyse Price and Exchange Rate sensitivity  
• Develop contingency for extreme weather events.  
• Understand and mitigate risk of Environmental approval delays on project development.  
• Complete the studies to enable integration and optionality for Open Pit and Underground operation. | • Determine the potential to introduce automation into the operation.  
• Upgrade the equipment tracking system and optimise the mining cycle to reduce delay and increase efficiency.  
• Review the opportunity for sources and supply of energy.  
• Build production capability for potential expansion | • Manage and maintain mobile plant in the mine.  
• Manage and maintain fixed plant.  
• Continue offshore structural refurbishment.  
• Sustain the light vehicle fleet to support safe and productive operation.  
• Determine the ongoing maintenance requirements to sustain the Pipeline. | • Implement retention strategies to retain employees.  
• Develop strategies to attract the required skills into the business.  
• Improve the communication of our brand and operation in order to attract talent.  
• Build specialised expertise when certainty around LOMP and NPUG direction is confirmed. |
Strategic Areas of Focus

Maximising Mineral Asset Value
- Provide high quality ore from North Pit
- Continue investment in mine development
- Progress North Pit development on the west wall
- Obtain environmental approvals for Centre Pit
- Investigating the potential to access ore at depth in North Pit via underground mining method
- Applying technology to enhance and improve production performance
- Maintain key mining equipment
- Continue to develop projects to improve mining efficiency

Securing Strategic Partner for Southdown
- Secure partner to develop project
- Continue investigation of alternate models
- Maintain good standing

Optimising Capital Allocation Plan
- Target growth opportunities to complement existing business
- Innovative Projects
- Invest in improvements at Port Latta Plant
Company Assets

Australia’s Most Experienced Magnetite Producer

Savage River (100%)

Focusing on the fundamentals

Southdown Project (70%)

Searching for an equity partner

Quality assets in Tasmania and Western Australia.
GRR Company Snapshot

Capital Structure (A$)

<table>
<thead>
<tr>
<th>Description</th>
<th>Date</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ordinary Shares on issue</td>
<td>31 Mar 2020</td>
<td>1,157m</td>
</tr>
<tr>
<td>Share Price</td>
<td>31 Mar 2020</td>
<td>$0.175</td>
</tr>
<tr>
<td>Market Capitalization</td>
<td>31 Mar 2020</td>
<td>$203m</td>
</tr>
<tr>
<td>Cash, cash equivalents and liquid investments</td>
<td>31 Mar 2020</td>
<td>$169m</td>
</tr>
</tbody>
</table>

Ownership Structure as at 3 Feb 2020

- Jiangsu Shagang: 48%
- Pacific International: 7%
- Realindex Investments: 4%
- RGL: 1%
- Other: 40%
Iron Ore Products

Magnetite is a naturally occurring mineral, commonly refined into an iron ore concentrate and used for steel production.

Smelting magnetite to iron involves agglomeration or 'clumping together' of the magnetite concentrate, and thermal treatment to produce spherical shaped balls – pellets.

Magnetite concentrate has internal thermal energy meaning less energy is required, compared to haematite, in the pelletising process which in turn results in less carbon dioxide emissions.

Our magnetite concentrate is a refined product, and has high iron content and low impurities.

This has beneficial quality, productivity, efficiency and environmental outcomes for the steel maker.
The Benefit of Pellets

Pellets are often preferred over iron ore fines, sinter and lump due to their favourable physical and chemical properties supporting increased Blast Furnace productivity and efficiency.

Pellets are an enriched form of iron ore and provide significant benefits for the steel maker:

- **Reduction in energy consumption**
  - Less energy required for pellet reduction.
  - Provides good porosity, promoting good air flow in the Blast Furnace

- **Lower maintenance costs in the Blast Furnace**
  - Less accretion and fused lump formation reducing Blast Furnace refractory repair

- **Reduction in waste - slag**
  - Low levels of Silica, Sulphur and very low Phosphorous
  - Supports the production of high quality steel products

- **Higher yield of metallic iron due to higher Fe content**
  - More cost effective utilisation of the Blast Furnace

- **Reduced environmental impact with decrease in air emissions**
Tasmanian Operations
Performance & Focus
Highlights for 2019 — Tasmania

✓ **Surpassed 1,000 consecutive days Lost Time Injury Free**  
  By year end 2019.

✓ **Achieved revised full year production target**  
  Despite the high rainfall and flooding hampering mining activity from previous year.

✓ **Continued investment in Mine Development**  
  The next stage of North Pit cutback continued on the west wall

✓ **Centre Pit Feasibility Study completed.**  
  Providing additional ore reserve for extended mine life

✓ **Pellet production of ~2.1m tonnes**  
  Sustained quality output

✓ **Progressed Prefeasibility into potential for underground mining**  
  Exploration Decline completed to 1.5km  
  Further drilling in progress, and Bulk Sample Drive planned for 2020

✓ **Total Ore Reserves have increased to 113.2MT at Savage River**  
  Mineral Resources now at 489.9MT
## Dec 2019 Financial Position - Consolidated

<table>
<thead>
<tr>
<th>Indicator</th>
<th>2019 AUD’000</th>
<th>2018 AUD’000</th>
<th>Difference AUD’000</th>
<th>Variance%</th>
<th>Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>Current Assets</td>
<td>339,592</td>
<td>316,676</td>
<td>22,916</td>
<td>7%</td>
<td>↓ Cash, ↑ Shipping receivables, ↑ Inventories</td>
</tr>
<tr>
<td>Total Assets</td>
<td>687,877</td>
<td>608,615</td>
<td>79,262</td>
<td>13%</td>
<td></td>
</tr>
<tr>
<td>Current Liabilities</td>
<td>91,706</td>
<td>72,410</td>
<td>19,296</td>
<td>27%</td>
<td>↑ Creditors, ↑ Borrowings, ↑ Provisions</td>
</tr>
<tr>
<td>Non-current Liabilities</td>
<td>64,118</td>
<td>58,375</td>
<td>5,743</td>
<td>10%</td>
<td>↑ Provisions, ↓ Borrowings</td>
</tr>
<tr>
<td>Total Liabilities</td>
<td>155,824</td>
<td>130,785</td>
<td>25,039</td>
<td>19%</td>
<td></td>
</tr>
<tr>
<td>Net Assets</td>
<td>532,053</td>
<td>477,830</td>
<td>54,223</td>
<td>11%</td>
<td>↑ Increase in Inventories, ↑ PP&amp;E, ↑ MP&amp;D, ↑ Deferred Tax Asset</td>
</tr>
</tbody>
</table>
### 2019 Performance – Indicators

<table>
<thead>
<tr>
<th>Indicator</th>
<th>Unit</th>
<th>2019 Actual</th>
<th>2018 Actual</th>
<th>Difference</th>
<th>Variance %</th>
<th>Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>Concentrate</td>
<td>Tonnes '000</td>
<td>2,117</td>
<td>2,276</td>
<td>(159)</td>
<td>(7%)</td>
<td>Revised full year production target achieved despite high rainfall and wall instability during the latter part of the prior year impacting mine production</td>
</tr>
<tr>
<td>Pellet</td>
<td>Tonnes '000</td>
<td>2,055</td>
<td>2,186</td>
<td>(131)</td>
<td>(6%)</td>
<td>Pellet production line balanced with concentrate production</td>
</tr>
<tr>
<td>C1 Cash Operating Costs</td>
<td>AUD/t</td>
<td>114.26</td>
<td>98.10</td>
<td>(16.16)</td>
<td>(16%)</td>
<td>Decreased concentrate production</td>
</tr>
<tr>
<td>Iron Ore Sales</td>
<td>Tonnes '000</td>
<td>2,192</td>
<td>2,374</td>
<td>(182)</td>
<td>(8%)</td>
<td>Sales line balanced with production</td>
</tr>
<tr>
<td>Average Realized Price of Iron Ore Products*</td>
<td>AUD/t</td>
<td>158.33</td>
<td>149.76</td>
<td>8.57</td>
<td>6%</td>
<td>Strengthening iron ore prices, in particular pellet premium</td>
</tr>
<tr>
<td>Average Realized Exchange Rate</td>
<td>AUD:USD</td>
<td>0.6944</td>
<td>0.7473</td>
<td>(0.0529)</td>
<td>(7%)</td>
<td>AU Dollar weakening</td>
</tr>
<tr>
<td>Sales Revenue (Consolidated)*</td>
<td>AUD '000</td>
<td>347,068</td>
<td>355,473</td>
<td>(8,405)</td>
<td>(2%)</td>
<td>Decreased sales volume Increase in iron ore prices</td>
</tr>
</tbody>
</table>

* FOB Price - includes freight costs on CFR shipments
LOM Strategies — Maximising Mineral Assets

North Pit
- High quality, long life resources
- ~237MT @ 49%DTR
- Supporting long life operations

Centre Pit
- Modelling in progress to further develop ore
- ~122MT @ 48%DTR

South Deposit
- ~18MT @ 41%DTR
- Supporting LOM tailings infrastructure construction

Long Plains
- Developing resources of ~107MT @ 35%DTR
- Potential addition to mine life

Total resources of 490MT support long life operations
North Pit Development

North Pit Mine Development
- West wall cut-back continues

North Pit East Wall Remediation
- Supporting continued ore production

Main Ore Zone
Key Projects

Exploration Decline
✓ Commenced decline in March 2019
✓ Over 1.50km developed
✓ Drilling program continues in 2020
✓ Bulk Sample Drive to develop through ore zone in 2020

Diamond Drilling
✓ Phase 1 & 2 complete
✓ Phase 3 in progress
✓ Resource and geotechnical models to be improved in 2020

Prefeasibility Study
✓ Assessing potential for underground mining methods
✓ Study to continue until 2021

Steel Pan Conveyor
✓ Installation at Pellet Plant
✓ Planned for Q4, 2020
✓ Reduces maintenance costs and improves pellet quality

Furnace Refurbishment
✓ Investment continues in the restoration of the 5th furnace line
✓ Technology improvements being explored to improve pellet quality

Roll Screens
✓ $3m in project plan to upgrade screens at Pellet Plant in 2020
✓ Will reduce energy use and improve pellet quality
Southdown Project
Achievements & Strategies
The Project continues on reduced expenditure while Grange seeks an equity partner for a strategic share in the Project.

Existing tenure and approvals have been maintained.

Project security has been enhanced by continuing to build land tenure and access, including:

- Negotiations concluded on accessing Main Roads WA land for the proposed slurry and seawater desalination plant pipeline and related infrastructure alignments.
- Progressing negotiations with the State and landowners for access to key infrastructure areas.

Progressed studies relating to project engineering and further environmental permitting, including:

- Progression of the federal commonwealth environmental approval for mine, desalination and pipelines.
- Groundwater exploration which identified deep water-bearing palaeo channels with potential to contribute to construction water supply, with modelling underway to assess potential.
- Ongoing review of alternative development strategies.
Grange ROC Property

Project Status & Focus
▪ **Project 1 – Lumley Park, Prahran**
  ▪ All 5 units at Lumley Park were successfully sold and settled.

▪ **Project 2 – Carter, Toorak**
  ▪ Construction at Carter Toorak is completed. Statement of Compliance was issued.
  ▪ The focus now is to sell the remaining units. Three of 8 units have been sold and achieved the budgeted or higher sale price.

▪ **Project 3 – Brookville Road, Toorak**
  ▪ Development approval was achieved late last year and the focus is to sell the developed land at Brookville.
Ongoing Strategies

Our fundamentals remain firm:

- Experienced magnetite producer with a long-life project close to the Asian market
- Producer of a high-quality iron ore product (65%+ Fe) that receives a premium price
- Strong balance sheet
- Stable work force with minimal turnover
- Our people understand the intricacies of the business and are adding value

We continue to:

- Develop and optimise LOM
- Seek feasible investments within the strategy undertaken by the Board
- Optimise capital allocation plan
- Diversify the sales markets outside of China
- Improve communications/relations with all shareholders
Primary Contact:

Honglin Zhao
Managing Director
+61 3 6430 0222
ManagingDirector@grangerresources.com.au

Notes:
- A lower cut-off grade of 15% DTR was used in the calculation of both the Mineral Resources and Ore Reserves.
- For details of Resources and Reserves, refer ASX announcement 27-Apr-2020.