

Grange Resources

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Level 11, 200 St Georges Terrace
Perth Western Australia 6000

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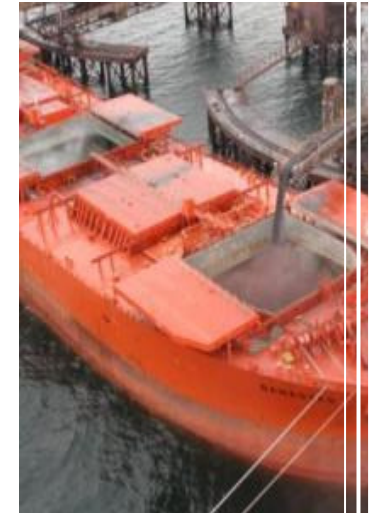
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Grange Highlights



Grange is Australia's largest magnetite producer, formed by a merger between Grange and Australian Bulk Minerals (ABM) in 2009.

- ✓ Australia's leading exporter of iron ore pellets, producing 2.2Mtpa from the Savage River operations in Tasmania in CY2009
- ✓ Recently completed capital restructure raising \$153m
- ✓ NPAT of \$50m, EBITDA of \$5m for the first half 2009/10
- ✓ Cost and productivity improved during the downturn, highly leveraged to the global economic recovery
- ✓ Producer of high quality pellets that receive higher prices than fines or lumps and have guaranteed off take
- ✓ Modern mining facility with \$100m invested in new equipment in CY2008
- ✓ Second major project in the development pipeline – Southdown Project
- ✓ Large reserve base – long life projects (~970Mt resources and 512Mt reserves)
- ✓ Long term off take agreements with a solid customer base
- ✓ A strong management team with extensive operating expertise in magnetite
- ✓ Low sovereign risk
- ✓ Demonstrated support from the largest shareholder Shagang, China's largest private steel mill and a major customer
- ✓ Attractively valued compared to (mostly non-producing) peers



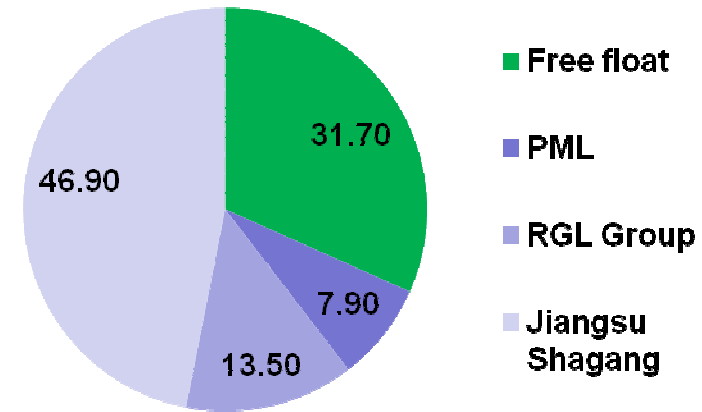
Company snapshot



Board of Directors

Mr Xi Zhiqiang	Chairman
Mr Neil Chatfield	Deputy Chairman
Mr Russell Clark	Managing Director, CEO
Mr Wei Guo	Non Executive Director
Mr Clement Ko	Non Executive Director
Mr Peter Stephens	Non Executive Director

Current ownership Structure



Current key statistics (A\$)

Ordinary shares on issue	5 March 10	1,150m
Last share price	11 March 10	\$0.49
Market capitalization	5 March 10	\$494m
Net debt	31 Dec 09	nil

Research

- Patersons
- Petra Capital
- Fosters Stockbroking

Jiangsu Shagang

A strong partnership



Shagang Overview

- Grange's largest shareholder
- Demonstrated continuing support for Grange with an attractive LOM offtake agreement at Savage River at benchmark prices and agreement to negotiate at fair market price for Grange's share of offtake from Southdown
- Shagang's investment in Grange represents a significant direct iron ore investment in Australia
- Current offtake contracts have been honoured in spite of economic downturn
- Potential for Grange to leverage off Shagang's strong balance sheet for Southdown development in the future

Being backed by China's largest privately owned steel producer provides a large degree of stability and is a positive for both Grange's prospects and its shareholders



Assets	<ul style="list-style-type: none"> • In excess of A\$17 billion
Location	<ul style="list-style-type: none"> • Jiangsu Province, China
Product Range	<ul style="list-style-type: none"> • Heavy plate, hot strip coil, stainless hot rolled plate, cold rolled plate, high-speed wire rod, rebar coil and special steel bar
Production Capacity	<ul style="list-style-type: none"> • Over 25Mtpa pig iron • 27Mtpa other steel products
Employees	<ul style="list-style-type: none"> • 26,500

Grange Board



Grange has a strong board with a diverse range of experience.



Xi Zhiqiang: Chairman

- Extensive experience in the Chinese steel industry
- Baosteel employee for 30 years, including 5 years as Managing Director of Baosteel Australia



Neil Chatfield: Deputy Chairman

- Recently Executive Director and CFO of Toll Holdings, a position held for over 10 years
- 30 years experience in resources, logistics and transportation sectors
- Currently Independent Chairman of Virgin Blue, Non-executive Director of Seek Limited, Whitehaven Coal Limited, TransUrban



Russell Clark: Managing Director and CEO

- Appointed Managing Director of Grange in March 2008
- 30 years of mining experience in technical, project management, general management and executive positions
- Prior to joining Grange, he worked for Renison Goldfields for over 18 years and Newmont Mining Corporation for 8 years



Peter Stephens: Non-executive Director

- Recently CFO of Noank Media Inc
- CFO of National Grid Australia prior to Noank
- An MBA with over 28 years experience in the telecommunications, banking/corporate treasury, manufacturing and distribution industries in Australia and across the Asia-Pacific region



Wei Guo: Non-executive Director

- Joined Shagang Group in 1988
- Currently Vice-Director of the Investment Department of the Board of Jiangsu Shagang Group Limited



Clement Cheung Ko: Non-executive Director

- Chairman and CEO of Pacific Minerals Limited (PI)
- More than 18 years experience in mining sector, with extensive expertise in marketing and sales
- Prior to founding PI, he worked for BHP Billiton (China) Ltd as a senior regional marketing manager

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Key Information 2009

Profitable even during economically hard times



CY09 Operational Statistics

Savage River	Jan - Jun 2009	Jul - Dec 2009
Total volume mined ('000 bcm)	9,372	9,763
Total ore mined ('000 bcm)	701	978
Concentrate produced ('000 tonnes)	1,036	1,195
Pellets produced ('000 tonnes)	1,019	1,155
Pellets shipped ('000 tonnes)	1,031	1,072
Concentrate shipped ('000 tonnes)	13	0

FY10 Financial Statistics – 1st Half

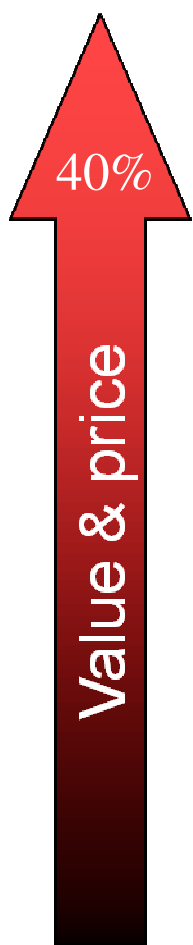
	Jul - Dec 2009
Revenue (A\$m)	111
EBITDA (A\$m)	5
NPAT (A\$m)	50




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Iron Ore Value



-  **GRANGE** RESOURCES
• Iron Ore Pellet ~65-69% Fe
- Direct Shipping Lump ~63% Fe
- Magnetite Concentrate ~ 67% Fe
- Direct Shipping Fines ~58% Fe



Pellet Price

Rising rapidly with economic recovery



- Since the iron ore price settlement in June 2009, **Grange has had offers to buy pellets into the spot market at a significant premium to current benchmark**
- Pellets are highly leveraged to the world's economic recovery – when blast furnaces approach full capacity pellets are the most desirable form of iron ore as they contribute most to productivity and efficiency
- Forecasters are predicting a rising price for next year:

UBS: “contract prices for iron ore are 40% higher y/y (+20% previously)” February 2010

Citi: “Citi's global commodity team has raised iron ore forecasts to +40%/+10% for JFY2010/11. This is in-line with investor consensus based on our recent meetings.” –January 2010

Standard Chartered: “We forecast that Australian contract prices (FOB) will rise by 45% for the 2010-2011 contract season” - January 2010

Grange is highly leveraged to any increase in pellet price

Leading Magnetite Producer



Grange's position as Australia's leading magnetite producer is supported by quality assets in Tasmania and Western Australia.

Southdown Project (70%)

- 90km northeast of the Port of Albany
- 650million tonnes of premium quality magnetite resource in southern Western Australia
- Targeting 6.6Mtpa concentrate, to produce 6.8Mtpa of high quality pellets for 30 years
- Infrastructure solutions in place (power, ports, water)
- Advanced permitting
- Potential to increase output and reserves



Savage River (100%)

- Northwest Tasmania
- Annualised production rate of 2.6Mtpa blast furnace pellets and concentrate
- Mine life to 2023
- 124Mt reserves at 49% DTR
- Owner-operated open pit mine, 83km slurry pipeline, coastal pellet plant and port
- Dedicated infrastructure – no third party charges
- Extensive operating experience applicable to Southdown development

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Savage River Overview



Ownership	<ul style="list-style-type: none"> Grange 100%
Resources and Reserves	<ul style="list-style-type: none"> Mineral Resource of 316Mt magnetite at 50.7% DTR Ore Reserve of 124Mt magnetite at 49.2% DTR
Production	<ul style="list-style-type: none"> 2.6Mtpa blast furnace pellets and concentrate (annualised basis) Potential to expand to 2.9Mtpa
LOM Operating Costs	<ul style="list-style-type: none"> US\$60/t pellets
Mine Life	<ul style="list-style-type: none"> Current mine plan has a 14 year life with the potential to extend an additional 10 years
Customers	<ul style="list-style-type: none"> Shagang, BlueScope Steel and Stemcor
Operational Update	<ul style="list-style-type: none"> Mine re-capitalised in 2008 with new fleet Mining production has increased 17% (2009 CY compared to 2008 CY) Currently in the process of finalising study to increase concentrate production, which will require some minor plant upgrades



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Large Scale Operations



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Own Downstream Infrastructure



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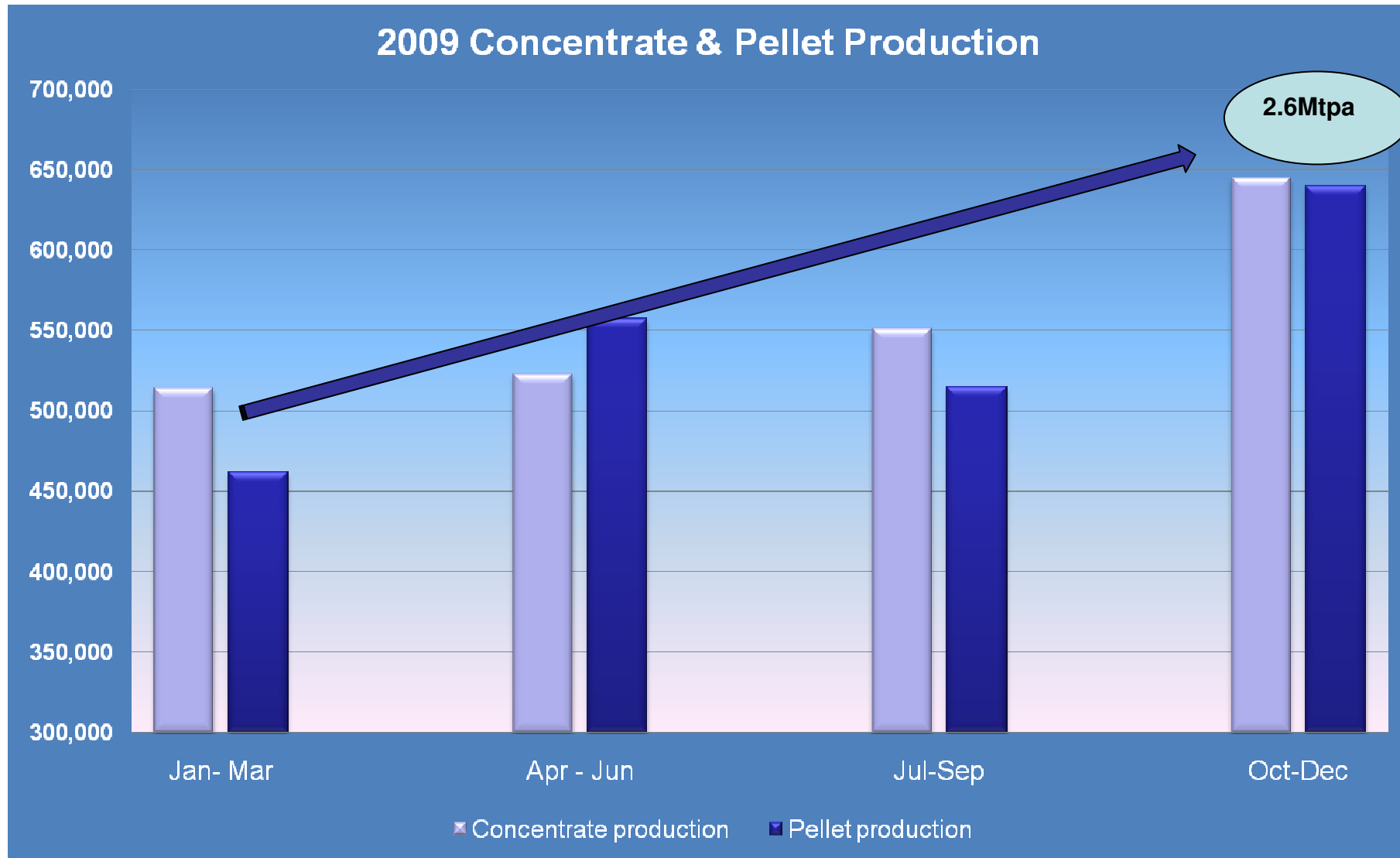
Own Port and Shiploading Infrastructure



Increased Production



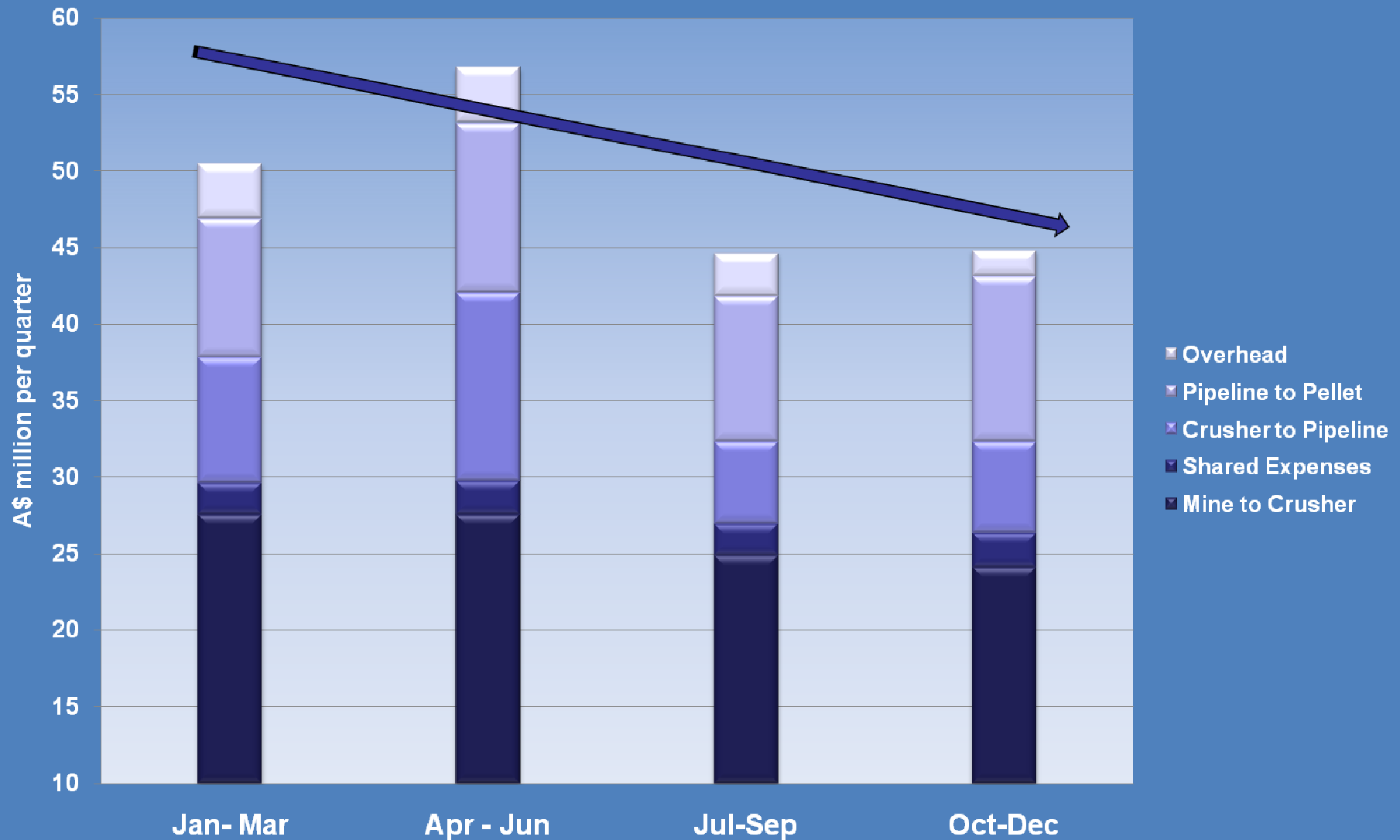
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Reducing costs

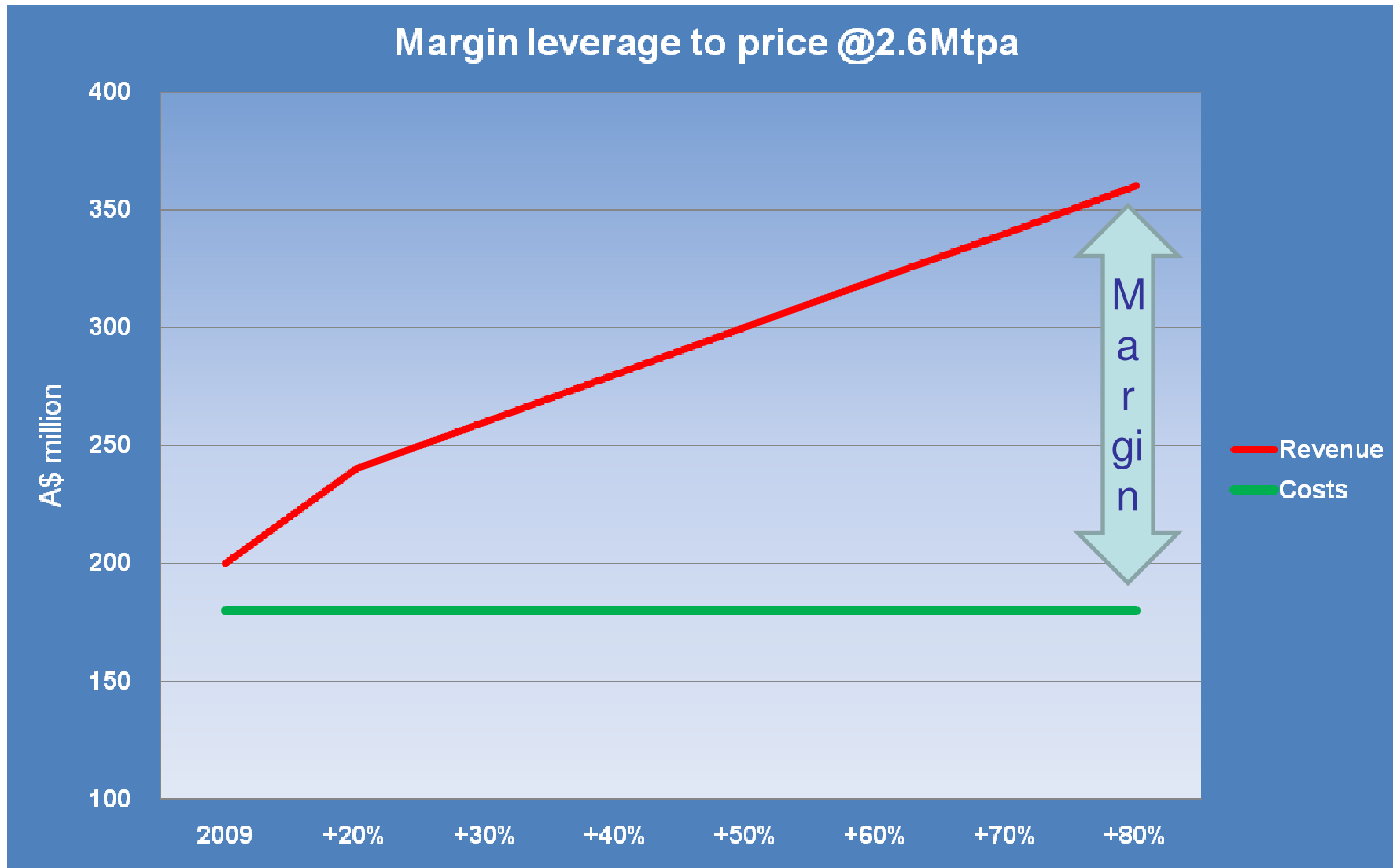


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Leveraged to price



Solid Customer Base

Long term offtake agreements – providing revenue stability



Agreements are in place for both Savage River and Southdown production at market prices or better.

Shagang	<ul style="list-style-type: none"> • China's largest private steel mill, producing 22 Mtpa of pig iron • Grange's largest shareholder • Demonstrated ongoing support for the Company • Savage River LOM contracts in place: <ul style="list-style-type: none"> • 1.3 Mtpa pellets until 2012, then increasing to... • 2.1 Mtpa pellets until 2023 • LOM contracts at market prices • Southdown intent to negotiate a fair market price: <ul style="list-style-type: none"> • 56% of all production (80% of Grange's 70% share of the JV)
BlueScope	<ul style="list-style-type: none"> • Savage River: 0.8 Mtpa until 2012
Stemcor	<ul style="list-style-type: none"> • Grange shareholder • Savage River: an option to take 80,000 tpa concentrate




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Southdown Project

High grade magnetite project with advanced infrastructure



Ownership	<ul style="list-style-type: none"> Grange 70%, Sojitz Corporation 30% 	
Resources and Reserves¹	<ul style="list-style-type: none"> Mineral Resource of 654Mt magnetite at 36.5% DTR^{1,2} Ore Reserve of 388Mt magnetite at 35.5% DTR^{1,3} 	
Production¹	<ul style="list-style-type: none"> 6.6Mtpa magnetite concentrate 6.8Mtpa direct reduction and blast furnace pellets 	
Capital Costs¹	<ul style="list-style-type: none"> US\$1.6bn (2008 estimate) 	
Operating Costs	<ul style="list-style-type: none"> US\$55/t pellets (2008 estimate) 	
Mine Life	<ul style="list-style-type: none"> >20 years 	
Infrastructure	<ul style="list-style-type: none"> Established port, pipeline route, power easements, Albany waste water, pellet plant site and deep water port in Malaysia 	
Project Status	<ul style="list-style-type: none"> Outcropping ore body located on freehold land Mining Permit issues, Port permit as received EPA approval Option agreement signed with Water Corporation for the supply of treated waste water to Southdown Currently undergoing a Stage Gate Review covering mining and concentrator, pipeline and port, pellet plant, financing and project execution methodology Considering larger scale concepts Pellet plant site in Malaysia, 15 year tax free holiday, deep water port and land under option agreement 	

Notes:

1. All figures presented on a 100% project basis
2. Southdown Magnetite Project Resource Upgrade (ASX 3 July 09)
3. July 2008 Southdown reserve estimate

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Resources and Reserves

Supporting Long Mine Lives



Grange has 774Mt of attributable Mineral Resources and 396Mt of attributable Ore Reserves.

Mineral Resources (inclusive of reserves)		
	Tonnes (Mt)	Grade (%DTR)
Savage River⁴		
Measured	88	52.7
Indicated	136	51.7
Inferred	92	47.2
Total	316	50.7
Southdown¹		
Measured	220	37.4
Indicated	210	38.9
Inferred	224	33.4
Total	654	36.5
PROJECTS TOTAL	970	41.1
ATTRIBUTABLE RESOURCES³	774	41.1

Ore Reserves		
	Tonnes (Mt)	Grade (%DTR)
Savage River		
Proved	52	49.6
Probable	72	48.9
Total	124	49.2
Southdown²		
Probable	388	35.5
Total	388	35.5
PROJECTS TOTAL	512	38.8
ATTRIBUTABLE RESERVES³	396	38.8

- **Additional growth potential through exploration assets**
- E70/2512 – eastern 6km extension of Southdown Deposit not yet fully drilled
- Long Plains – magnetite deposit located near Savage River

Notes:

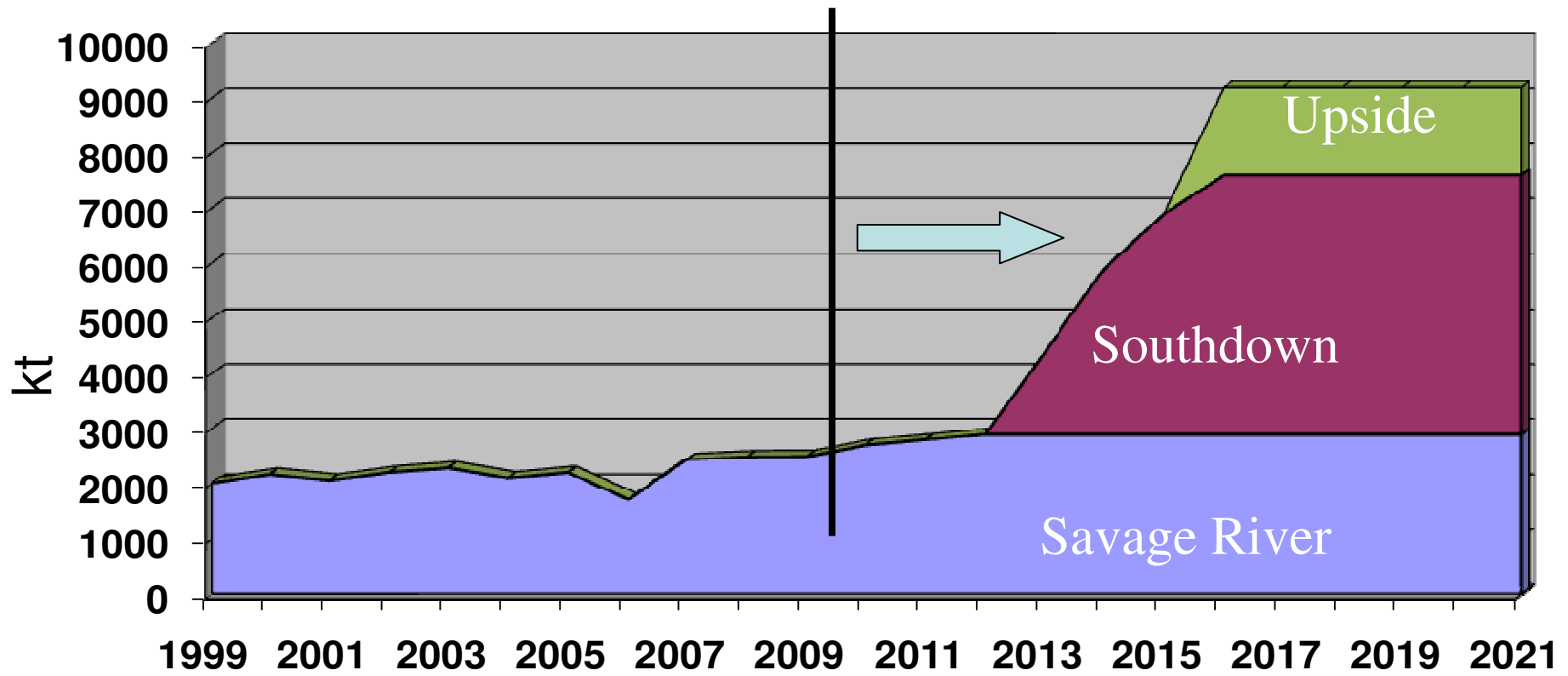
1. Southdown Magnetite Project Resource Upgrade (ASX 3 July 09) – Refer to Appendix A
2. July 2008 Southdown reserve estimate – Refer to Appendix A
3. Adjusted for 70% ownership of Southdown
4. Refer to Appendix B

Grange Resources

– production growth prospects



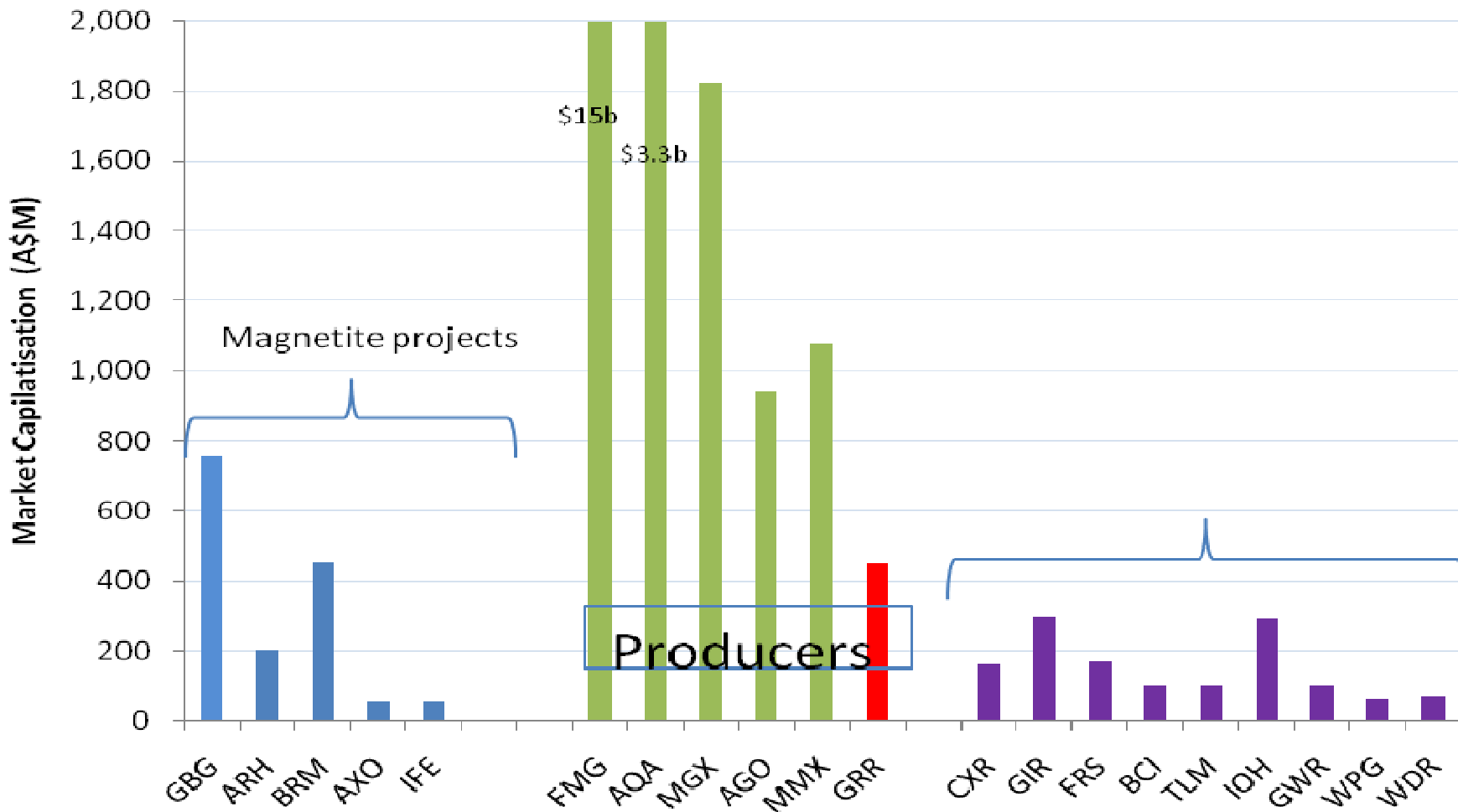
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The largest producing magnetite company



Out of the numerous junior companies with magnetite assets, Grange is the only one in production.



Current Focus and Future Milestones



2010

- Operational improvements at Savage River being implemented
 - Management Operating System being installed
 - New equipment to replace old less productive units
 - Inventory and cost reductions
- Drilling and model new resources at Savage River
- Reviewing Savage River production expansion potential
- Finalising plans for optimum method to develop Southdown
- Port permit will be finalised this year
- JFY11 – significant pellet price increase expected by analysts

In March 2010, with new iron ore prices, Grange will have no legacy issues and will be totally exposed to forecast increase in iron ore price.

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Grange Resources – Summary



- **Australia's leading magnetite producer**
- **Australia's largest iron ore pellet producer**
- **High grade quality products**
- **Solid customer and revenue base**
- **Long life assets**
- **Low sovereign risk**
- **Extensive magnetite technical and operational expertise**
- **New investment opportunity – Producer and Projects**
- **Profitable, trading on low multiples and attractively priced**
- **Valued at \$0.67 per share by Patersons (Jan 2010)**



Key Contacts



Primary contacts:

Russell Clark

Managing Director & Chief Executive Officer

+61 8 9321 1118

managingdirector@grangeresources.com.au