



GRANGE
RESOURCES



Australia's leading
magnetite producer

Russell Clark

Managing Director & CEO

May 2011

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Overview

Australia's leading magnetite producer

ASX 300 index company

Strong balance sheet, no net debt

Proven operational performance – tonnes and cashflow

Quality product, high margins – iron ore pellets

Large integrated mine, concentrator, pellet plant and port facilities

Major magnetite development project in Western Australia

Long term off take agreements

Strong management team with extensive operating expertise



Magnetite – The premium iron ore



Company Snapshot

Current key statistics (A\$)

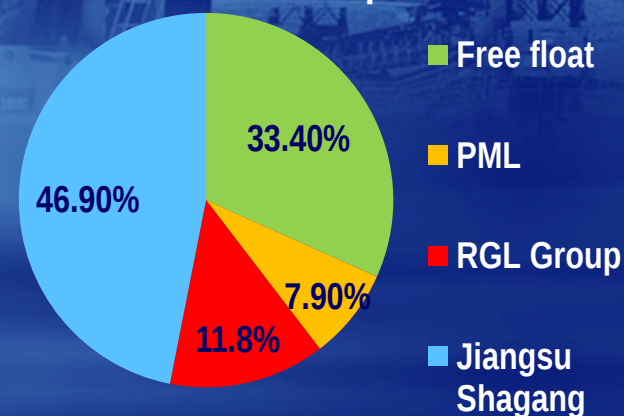
Ordinary shares on issue	13 May 2011	1,153m
Last share price	13 May 2011	\$0.665
Market capitalization	13 May 2011	\$761m
Cash & Receivables	31 March 2011	\$156m

Grange joined the ASX 300 in September 2010

Board of Directors

Mr Xi Zhiqiang	Chairman
Mr Neil Chatfield	Deputy Chairman
Mr Russell Clark	Managing Director, CEO
Mr Zhao Honglin	Executive Director
Mr Clement Ko	Non Executive Director
Mr John Hoon	Non Executive Director

Current Ownership Structure



Research

Citi
Macquarie
Merrill Lynch
Patersons
Petra Capital
Southern Cross Equities
RBS
RBS Morgans

Grange Board

Grange has a board with a diverse range of relevant 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 (Independent)

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
35 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



Clement Cheung Ko: Non-executive Director

Chairman and CEO of Pacific Minerals Limited (PI)
More than 20 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



Zhao Honglin: Executive Director

Joined Shagang Group in 1976
Executive Director & Vice President of Jiangsu Shagang Group
Commander of Project Development for Shagang Group
Joined Grange In December 2010, as MD of Southdown Project



John Hoon: Non-executive Director (Independent)

- Chairman of the Company's Audit Committee and member of the Remuneration Committee
- Strong background in financial and audit matters
- Previously a Director of Bao Australia Pty Ltd a subsidiary of China Shanghai Baosteel Corporation



Pauline Carr: Company Secretary

Appointed Company Secretary in January 2010
25 years of management and commercial experience in the resources industry both Australian and International companies

Jiangsu Shagang – Cornerstone Shareholder

A strong partnership

Grange's largest shareholder

Major customer with a LOM offtake agreement at Savage River at market prices.

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

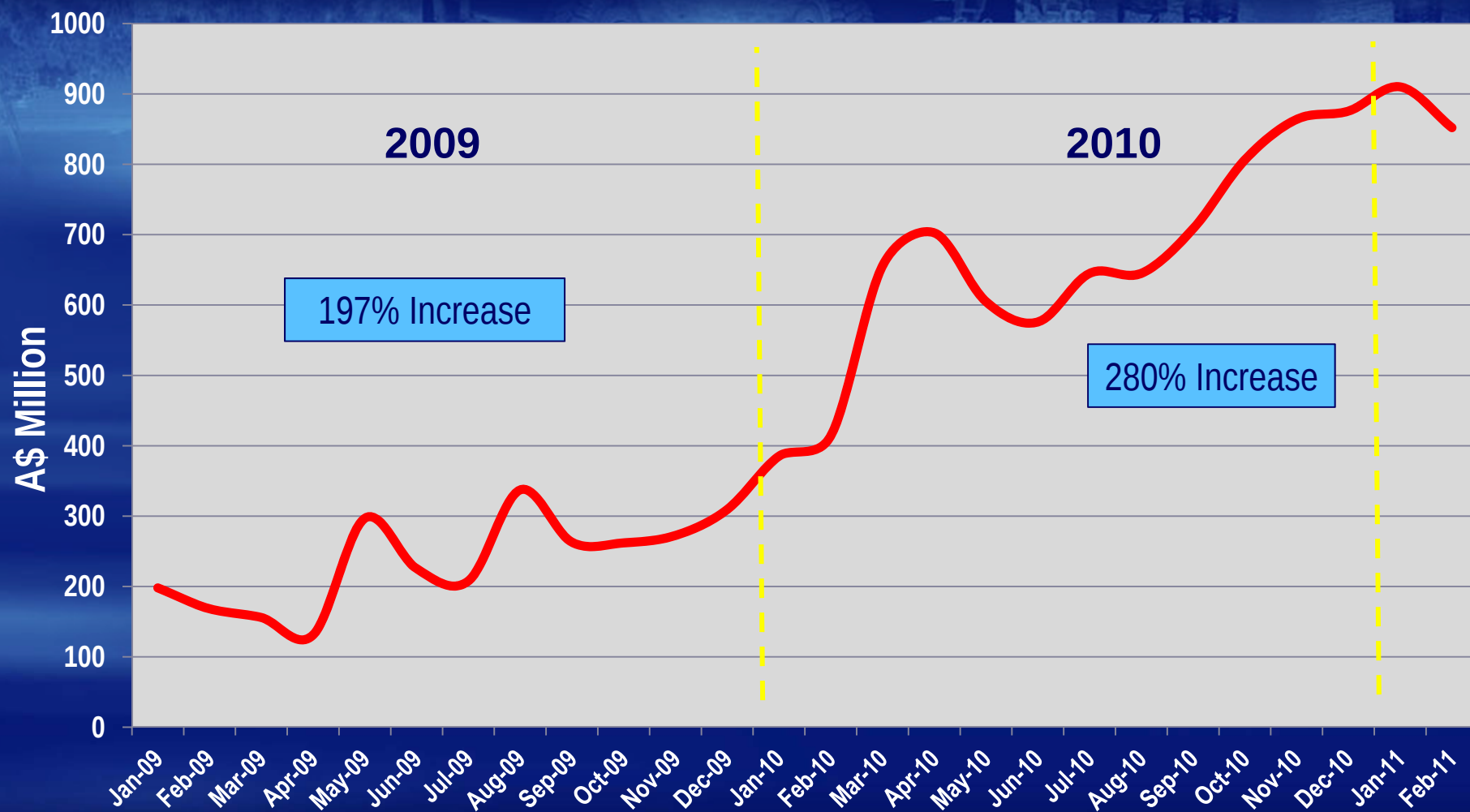
Potential for Grange to leverage off Shagang's strong balance sheet for Southdown development in the future



Assets	• In excess of A\$19 billion
Location	• Jiangsu Province, China
Product Range	• Heavy plate, hot strip coil, stainless hot rolled plate, cold rolled plate, high-speed wire rod, rebar coil and special steel bar
Production Capacity	• Over 29Mtpa pig iron • 35Mtpa steel products
Employees	• 35,000

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

Market Capitalisation – Growth year on year



Grange Resources

Australia's Leading Magnetite Producer

Grange's position is supported by quality assets In Tasmania and Western Australia.

Southdown Project (70%)

90km northeast of the Port of Albany

650 million tonnes of premium quality magnetite resource in southern Western Australia

Targeting 10Mtpa concentrate, to produce high quality pellets for 19-40 years

Infrastructure solutions in place (power, ports, water)

Advanced permitting

Potential to increase resources and reserves



Savage River (100%)

Northwest Tasmania

Annualised production rate of 2.3Mtpa premium blast furnace pellets and concentrate

Mine life to 2026

118Mt reserves at 51% 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



Savage River **Overview**

Ownership	Grange 100%
Resources and Reserves	Mineral Resource of 306Mt magnetite at 52.3% DTR Ore Reserve of 119Mt magnetite at 51.2% DTR
Production	2.0 Mtpa blast furnace pellets (2011 guidance) Potential to expand to 2.6Mtpa
Operating Costs	A\$98/t pellets (Mar 2011 Quarter)
Mine Life	Current mine plan has a 16 year life with the potential to extend an additional 10 years
Customers	Shagang, BlueScope Steel and Stemcor
Operational Update	East Wall cut back continuing Major shut February 2011 successful Additional trucks being rebuilt for the fleet



Savage River *Large Scale Operations*



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Slide 11

Savage River *Downstream Infrastructure*



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Slide 12

Savage River *Port & Shiploading Infrastructure*



May 2011

Slide 13

Savage River ***Solid Customer Base***

Long term offtake agreements – providing revenue stability

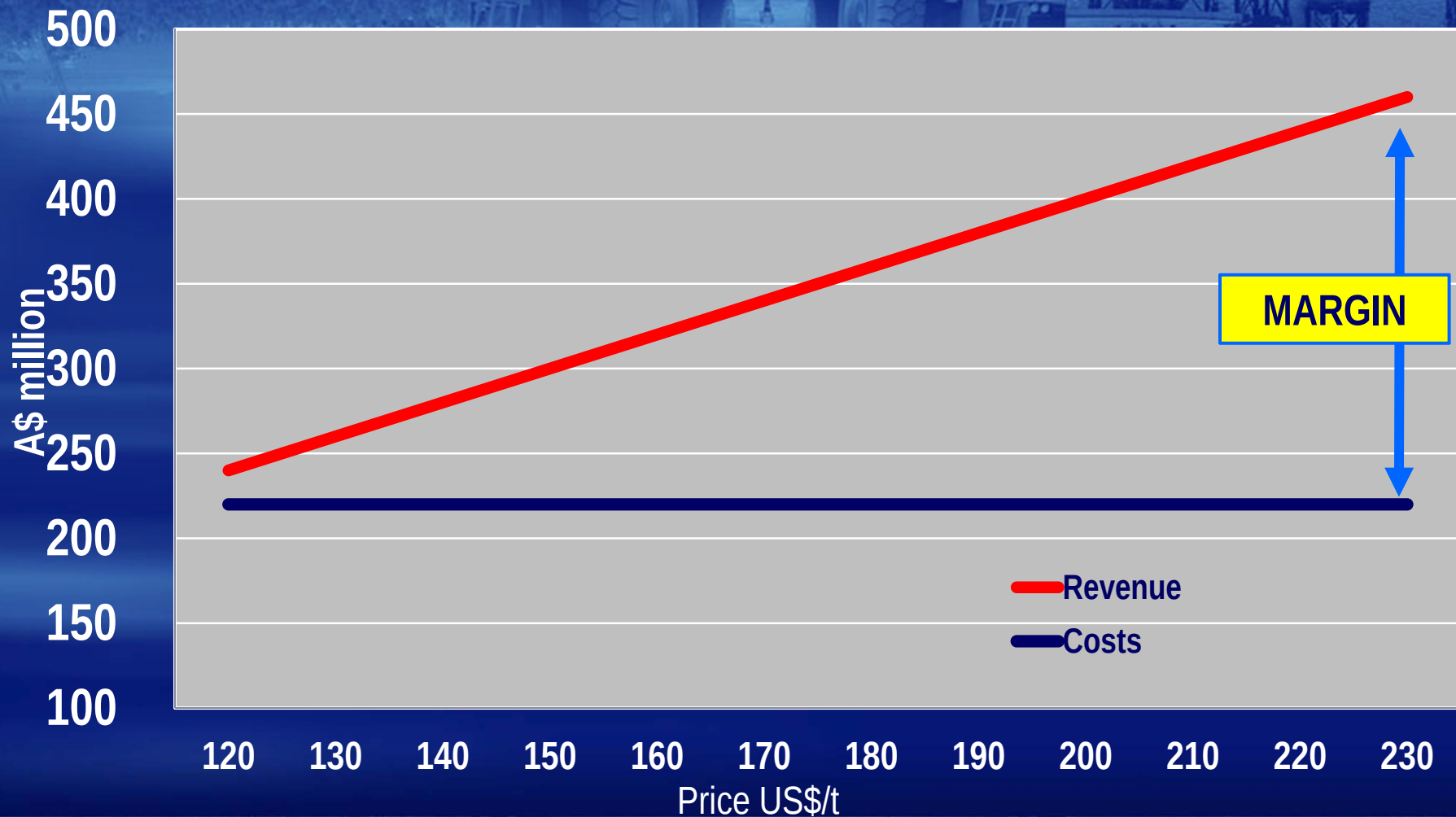
Agreements are in place for both Savage River and Southdown production at index based market prices.

Shagang	China's largest private steel mill, producing 29Mtpa of pig iron Grange's largest shareholder Savage River LOM contracts in place: 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: 56% of all production (80% of Grange's 70% share of the JV)
BlueScope	Savage River: 0.8 Mtpa until 2012
Stemcor	Savage River: option to take 80,000 tpa concentrate



Savage River – *Leveraged to price*

Margin leverage to price @2.0Mtpa



Key Information *December 2010 vs March 2011*

	Production and Costs Dec Qtr 2010	Production and Costs Mar Qtr 2011
Total Mined ('000 BCM)	3,972	4,099
Total Ore ('000 BCM)	362	248
Pellets Produced ('000 t)	442	319
Direct Operating Costs A\$/tonne Pellet Produced	91.37	98.63

Notes: Direct operating costs includes all costs associated with producing iron ore pellets, but excludes capital expenditure, capitalized waste, financing costs, tax, royalties and corporate costs

Savage River *Q1, 2011, not a “normal quarter”*

Jan - March 2011:

- Mine volumes increased as east wall cut back undertaken
East wall cutback on track
Alternative ore sources now producing
- Major scheduled shut in Concentrator and Pellet plant
Ball mill replaced
AG mill repaired and strengthened
Shiploader slew bearing replaced
Concentrator effectively shut for 1 month

Production was down, costs were up, cash and receivables were up.....Don't annualise this result for the year!

Southdown Magnetite Project *Key Facts*

Ownership	Grange 70%, Sojitz Corporation 30%		
Resources and Reserves ¹	Mineral Resource of 654Mt magnetite at 36.5% DTR ^{1,2} Ore Reserve of 388Mt magnetite at 35.5% DTR ^{1,3}		
Production ¹	Targeting 10Mtpa magnetite concentrate for premium blast furnace pellets		
Capital Costs	Southdown Mine – A\$2,575 million (PFS) Kemaman Pellet Plant – A\$941 million (PFS)		
Operating Costs	<A\$60/t of concentrate (PFS) <A\$75/t of pellet (PFS)		
Mine Life	>19 years (Potential for 40 years)		
Infrastructure	Established port, pipeline route, power easements, pellet plant site and deep water port in Malaysia		
Project Status	Pre feasibility study (+/- 20%) completed Metallurgical testwork largely complete Processing flow sheet finalised Mining Permit issued, will be amended during 2011 for 10Mtpa; Port permit issued Water Permit for desalination plant expected during 2011		

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

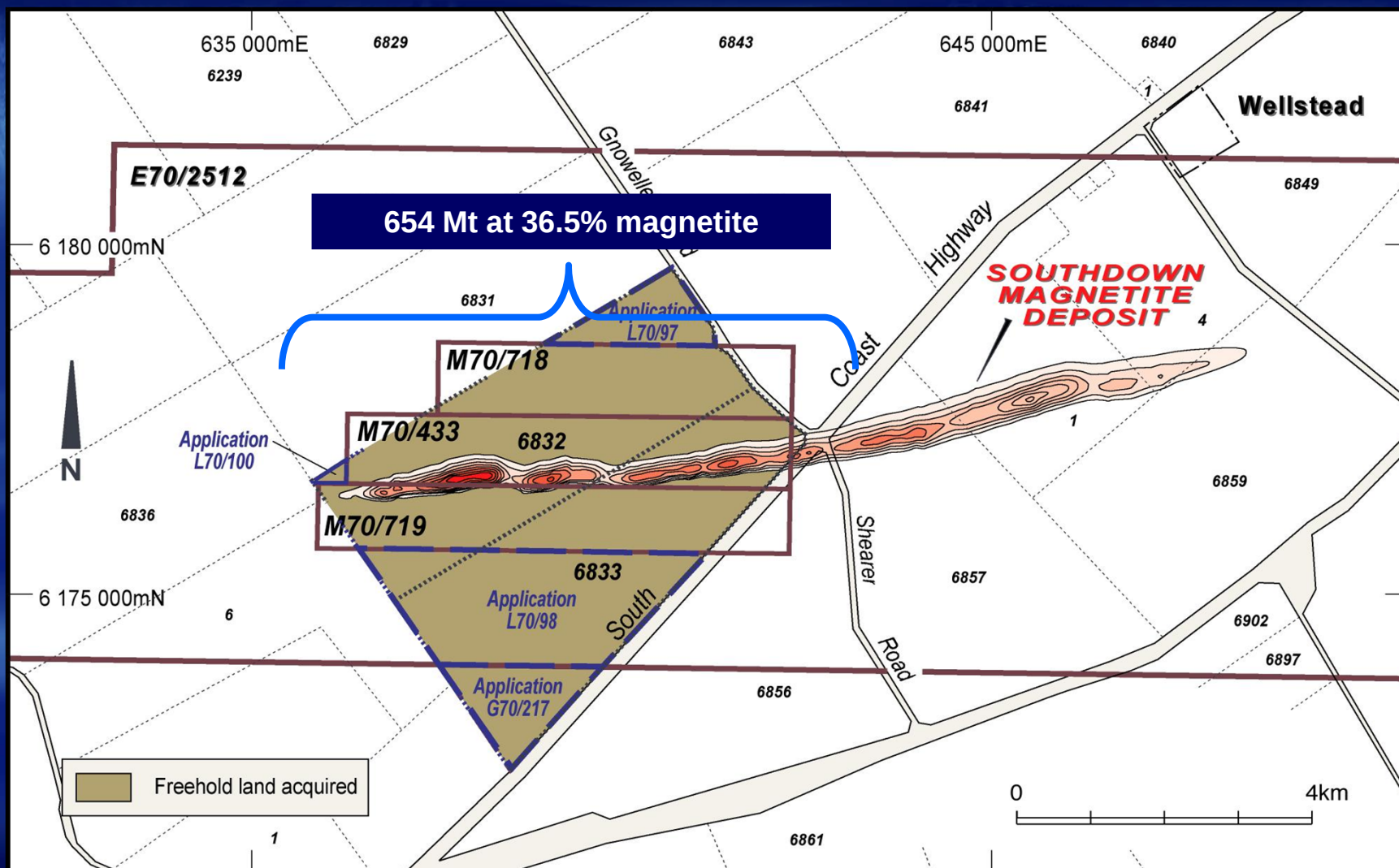
Southdown Magnetite Project *PFS Highlights*

- Mine Capex, including infrastructure A\$2.57 billion;
- Operating costs per tonne of concentrate produced < A\$60 per tonne;
- Positive NPV with favourable IRR;
- Mine life of 19-40 years @10mtpa of concentrate;
- Definitive Feasibility Study (“DFS”) completion forecast for 1st quarter of 2012;
- Initial production forecast for 2014;
- Pellet plant Capex of A\$941 million;
- Pelletising operating costs of < A\$75 per tonne ;

Southdown Magnetite Project *Location Plan*



Southdown Magnetite Project *Orebody*



May 2011

Slide 21

Southdown Magnetite Project *Resources and Reserves*

Mineral Resources

Classification	Measured	Indicated	Inferred	Total Resources
Tonnes (Mt)	219.7	210.3	224.4	654.4
DTC wt%	37.4	38.9	33.4	36.5
DTC Fe%	69.2	69.3	69.1	69.2
DTC SiO ₂ %	1.72	1.94	2.07	1.91
DTC Al ₂ O ₃ %	1.43	1.27	1.29	1.33
DTC S%	0.46	0.40	0.54	0.46
DTC LOI%	-3.04	-3.06	-2.96	-3.02

This Mineral Resource has been defined using geological boundaries and a cut-off grade of 10wt% DTC and includes minor internal dilution. All reported concentrate grades were weighted by DTC.

Reserves

Reserve Classification	ROM (Mt)	DTR%	Conc. (Mt)	Fe%	SiO ₂ %	Al ₂ O ₃ %	TiO ₂ %	S%	P%
Probable	388	35.5	131	68.8	2.06	1.41	0.45	0.55	0.003

Southdown Magnetite Project *Orebody Potential*

Details	PFS Case Western Resource	Short Term Potential Full Western Resource	Long Term Potential Western/Eastern Resource
Mine Life	19 years	21 years	40 years
Ore (million tonnes)	430	~575	~1,200
Ore Grade %DTR	37.7%	36.8%	36.5%
Concentrate (million tonnes)	158	~199	~375

Note

Short Term Potential Full Western Resource assumes that further drilling will move inferred resources to indicated resource and also add tonnage through deeper drilling.

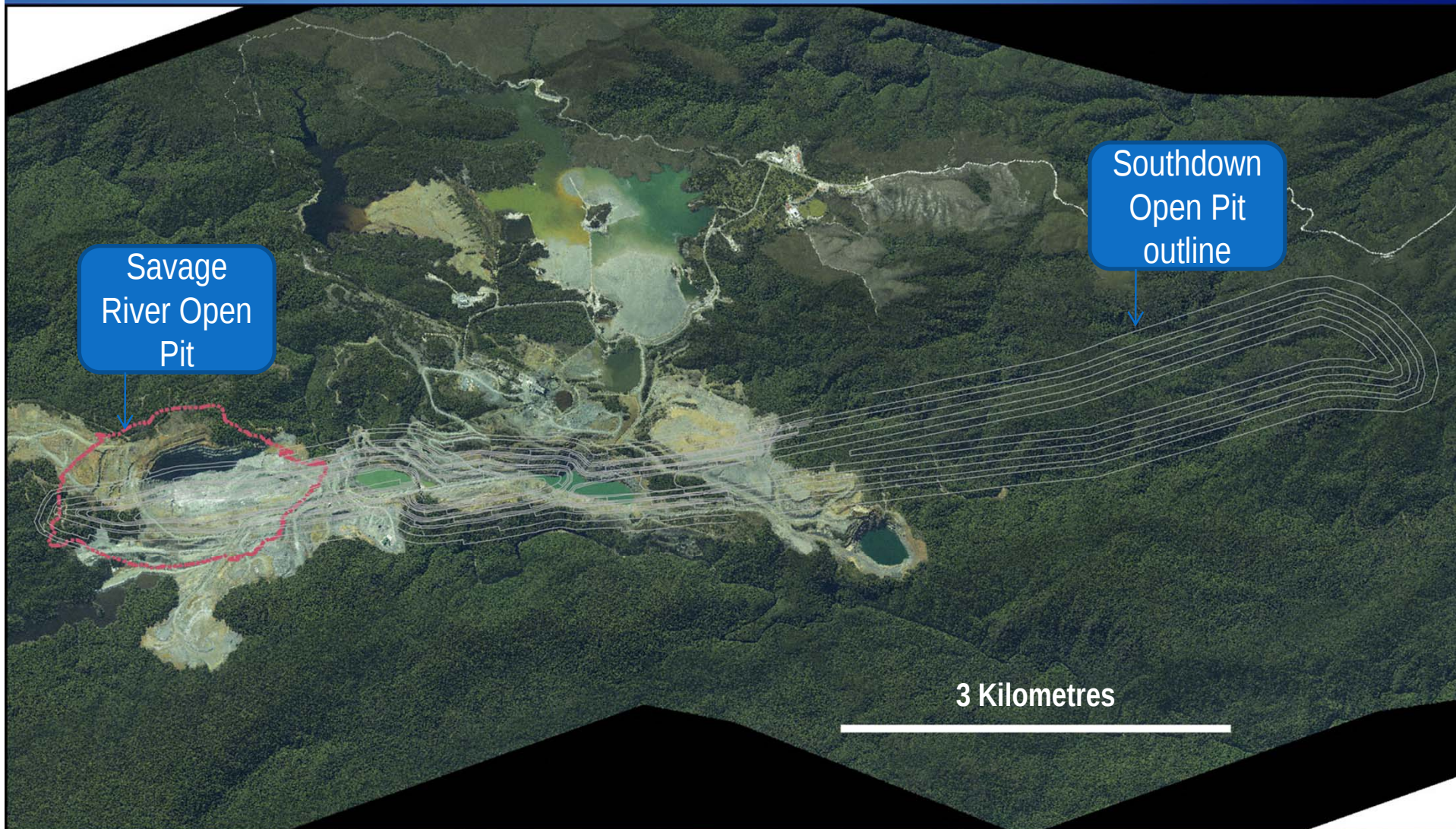
Long Term Potential Western/Eastern Resource assumes that further drilling in the eastern side of the magnetic anomaly will establish inferred resource which, following in fill drilling, will add indicated and measures resource

Southdown Magnetite Project *Mining*

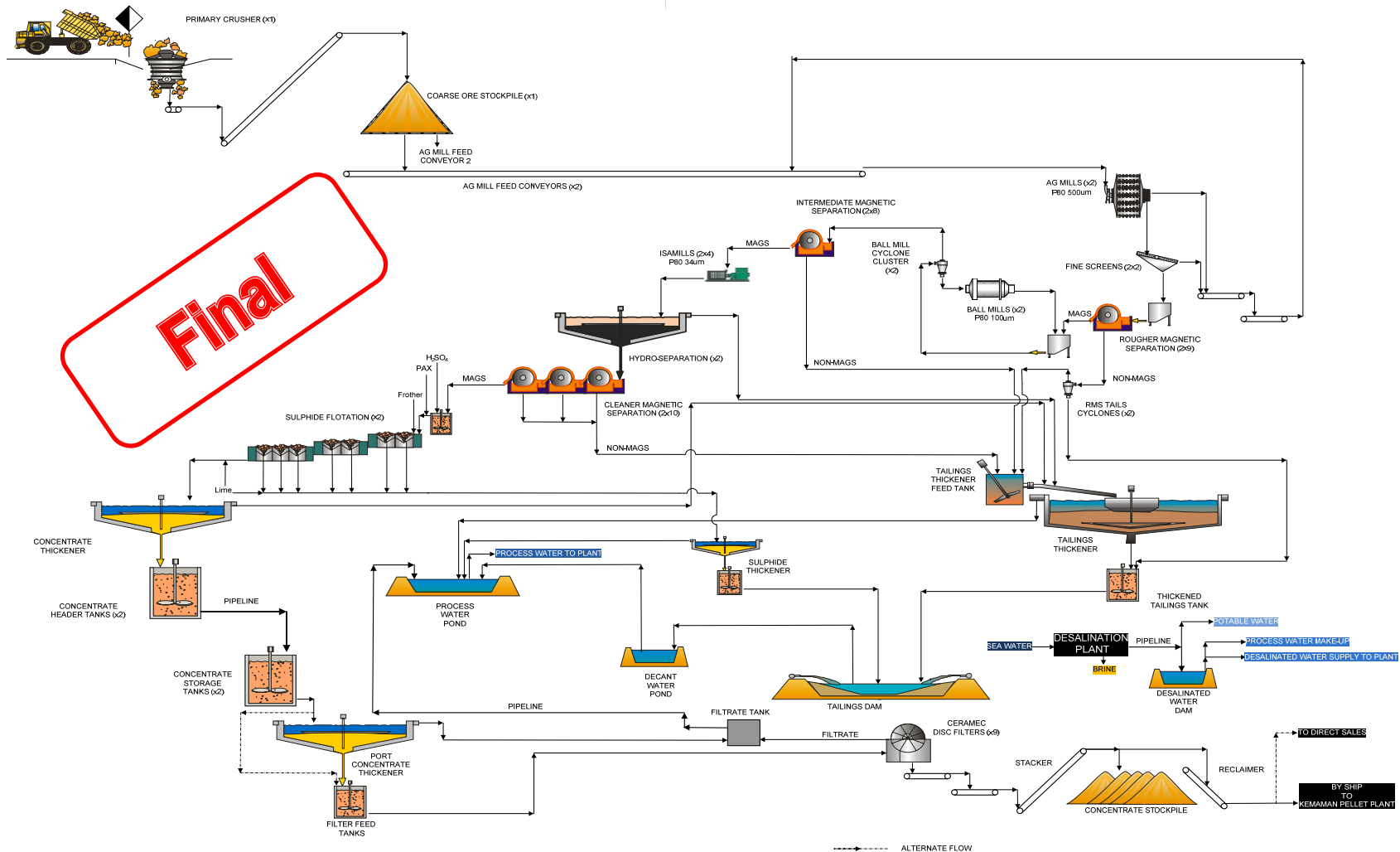
Mining Method	Open pit mining Conventional bulk mining methods utilising hydraulic face shovels, dump trucks and drill and blast coupled to a Run of Mine (ROM) stockpile
Material Movement	~110 Mtpa for first six years
Equipment	Shovel size – 650 tonnes Truck size – 220 tonnes
Production Schedule	Provide 78,000 tonnes per day to the primary crusher
Waste : Ore Ratio	2.3 : 1 (tonnes)
Mine Life	>19 years (potential for 40 years)



Southdown Magnetite Project *12 kilometre Monster Pit*



Southdown Magnetite Project **Concentrator Flow Sheet**



Southdown Magnetite Project *Product Quality*

Southdown Magnetite Concentrate	%
Total Fe	68.9
SiO ₂	1.56
Al ₂ O ₃	1.45
CaO	0.11
MgO	0.16
TiO ₂	0.38
P	0.04
S	0.08
LOI (Loss of ignition)	-3.18

Southdown Iron Ore Pellets	%
Total Fe	67
B2	0.54
SiO ₂ +Al ₂ O ₃ +TiO ₂	3.31
P	<0.01
S	0.01

Southdown Magnetite Project *Power and Pipelines*

Key Facts - Power:

Estimated Length	288km	Capital Cost	A\$272 million
Capacity	330kV transmission line	Status	Ongoing discussions with Western Power

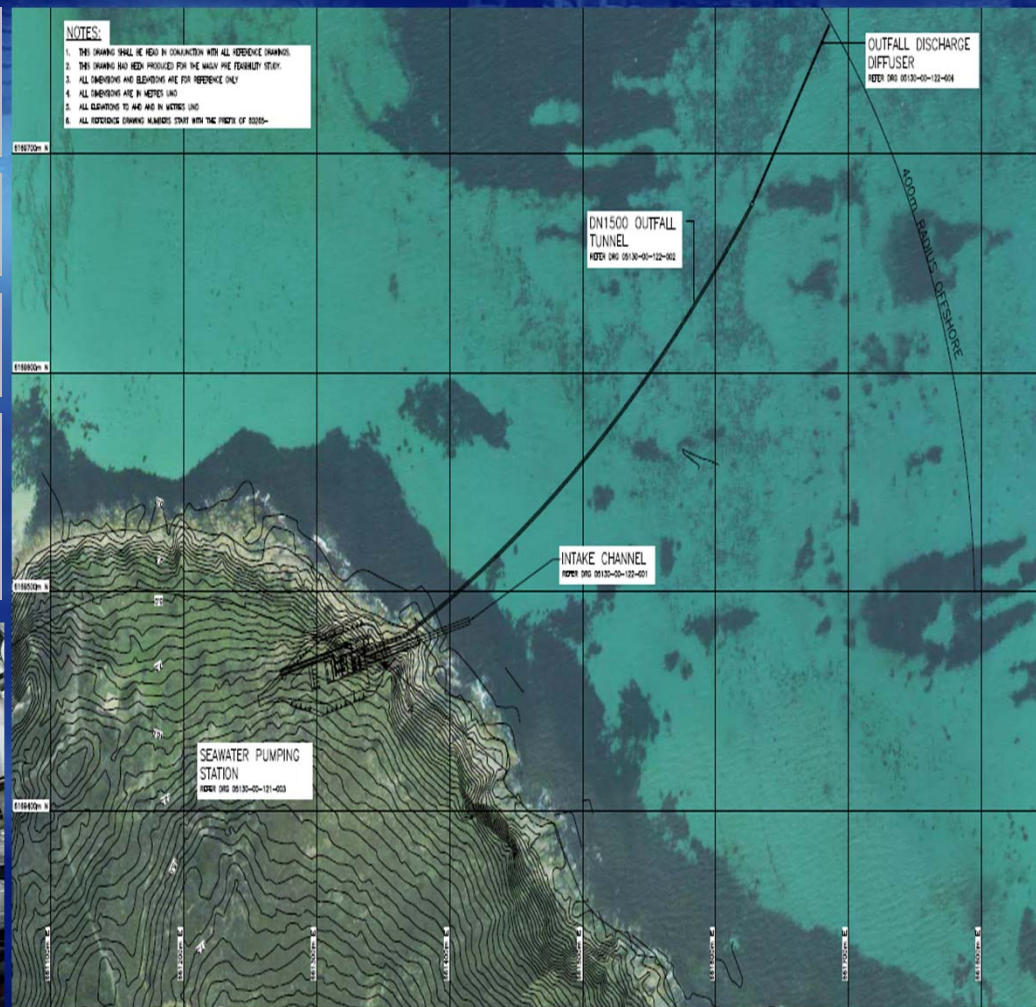
Key Facts – Pipeline:

Estimated Length	100km (1.5 metres deep)
Capacity	Line Volume – 18,000m ³
Transport Time	17 hours
Capital cost	A\$174 million
Other	Return water supply to Southdown Mine



Southdown Magnetite Project *Water Supply*

Source	Seawater reverse osmosis desalination plant
Capacity	10GL/a
Capital cost	A\$170 million
Location	Coastal location 25km from mine and pumped to the mine site after treatment



Southdown Magnetite Project *Albany Port Infrastructure*

Vessels	Cape size (18m draft)
Activities	Deepen; widen and extend existing shipping channel New wharf Filtration plant and storage shed
Area Reclaimed	9ha Increases port capacity from 2.5Mt to 14Mt
Capital cost	A\$350 million



New Berth Location

Southdown Magnetite Project *Environmental Permits*



Mine Environmental permit



Granted November 2009, amendment required in 2011 for 10mtpa



Port permits



Granted November 2010



Water permit



Desalination permit expected in 2011



May 2011

Slide 31

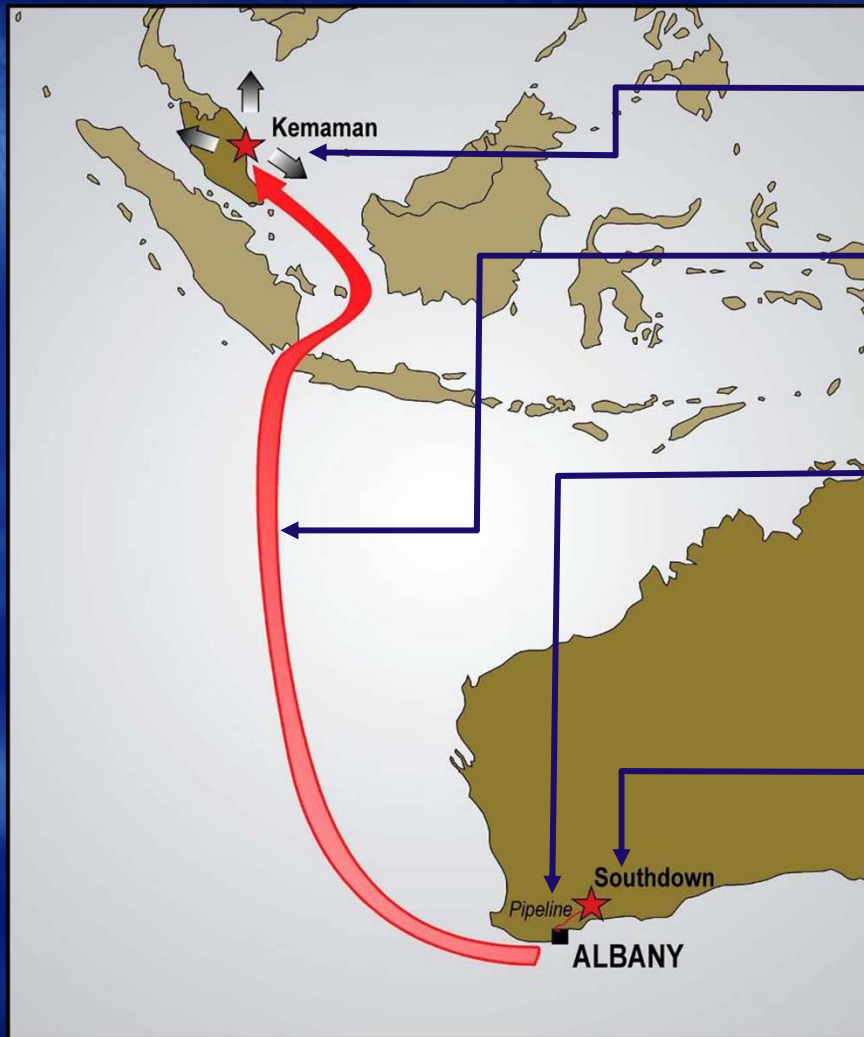


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Southdown Magnetite Project *PFS Capital Expenditure*

SOUTHDOWN CAPITAL EXPENDITURE	A\$m
Mine ⁽¹⁾	560
Concentrator	850
Slurry Pipeline	200
Transmission Line	320
Desalination and Water Supply	200
Albany Concentrate Filtration and Storage	20
Port of Albany	400
Allowances for Provisional Sums	25
Total Costs ⁽²⁾ – Australian Operations	2,575
⁽²⁾ Includes EPCM, Owners Costs, Estimate Accuracy and Project Contingency	

Southdown Project *Australia - Malaysia*



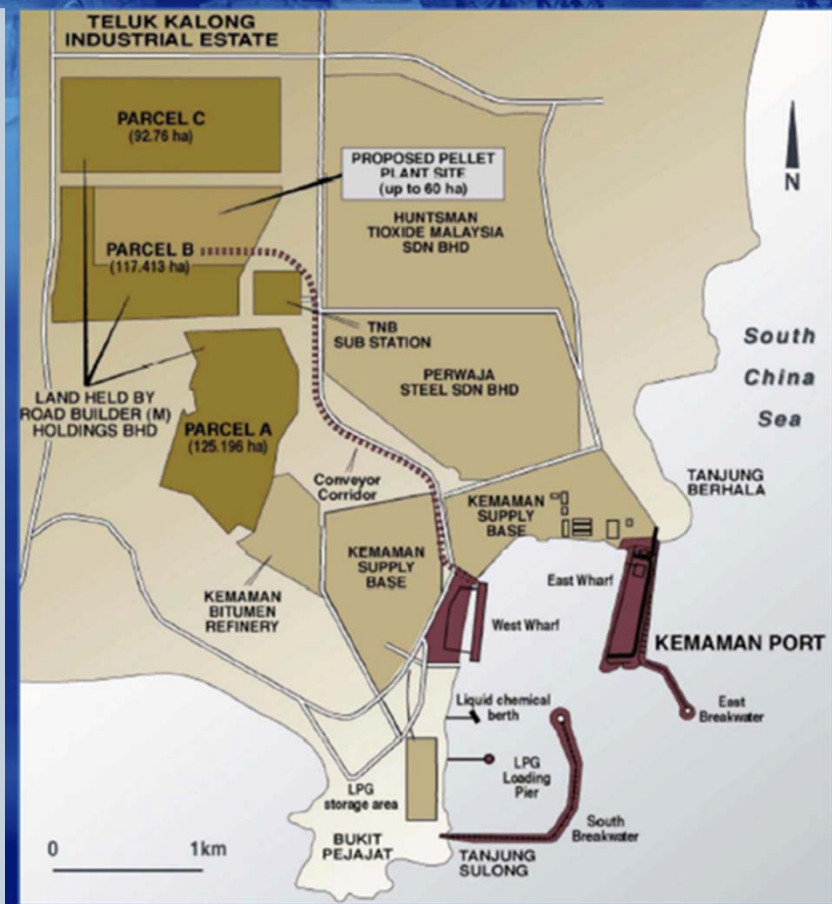
4. Pellet Plant (7Mtpa)

3. Concentrate shipped (10Mtpa)

2. 100km slurry pipeline to Albany Port

1. Mine and concentrator targeting 10Mtpa of concentrate production for over 25 years

The Kemaman Pellet Plant *Location Plan*



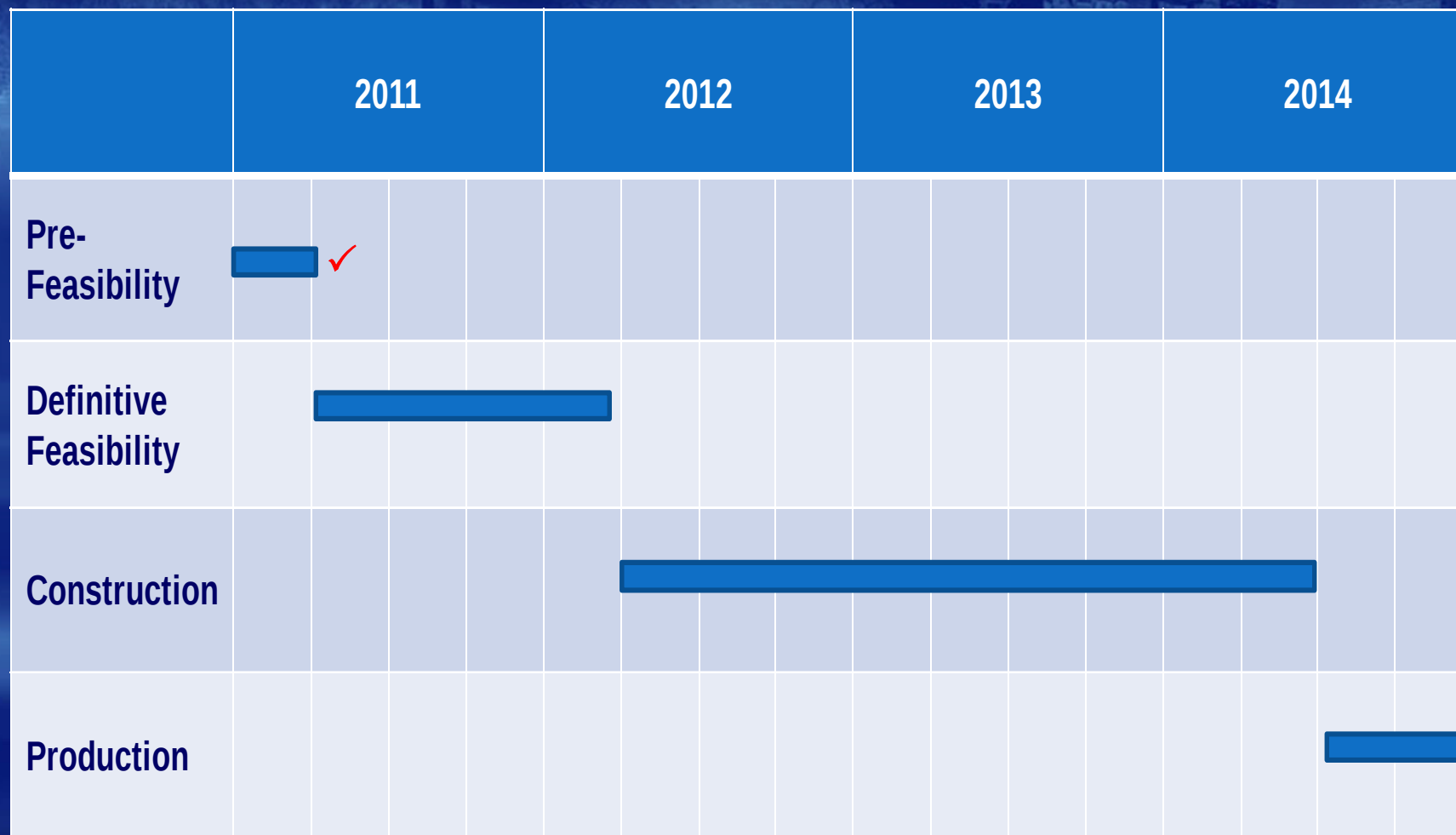
Kemaman Project *PFS Capital Expenditure*

KEMAMAN	A\$m
Pellet Plant	640
Kemaman Port Facilities and Materials Handling	300
Allowances for Provisional Sums	1
Total Costs ⁽²⁾ – Malaysian Operations	941
⁽²⁾ Includes EPCM, Owners Costs, Estimate Accuracy and Project Contingency	

Southdown Project *PFS Operating Cost Summary*

	Unit Rates
Cost per tonne of concentrate produced	<A\$60
Cost per tonne of pellets produced	<A\$75
⁽¹⁾ Excludes WA Mineral Royalty	

Southdown Magnetite Project *Timetable*



Southdown Magnetite Project *PFS Highlights*

Why is this project different to other magnetite projects being built?

- Grange's cashflow, extensive operating experience and existing IP dramatically reduces execution risk,
- The project is well advanced:
 - Major permits for the mine and port are in place;
 - Land tenure is largely secure;
 - Metallurgical test work is well advanced;
 - Power line easements are established and permitted;

Resources and Reserves 2010

Supporting Long Mine Lives

Mineral Resources (inclusive of reserves)

	Tonnes (Mt)	Grade (%DTR)
Savage River ⁴		
Measured	86	53.8
Indicated	132	53.5
Inferred	88	48.9
Total	306	52.3
Southdown ¹		
Measured	220	37.4
Indicated	210	38.9
Inferred	224	33.4
Total	654	36.5
PROJECTS TOTAL	960	41.5
ATTRIBUTABLE RESOURCES ³	764	42.8

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

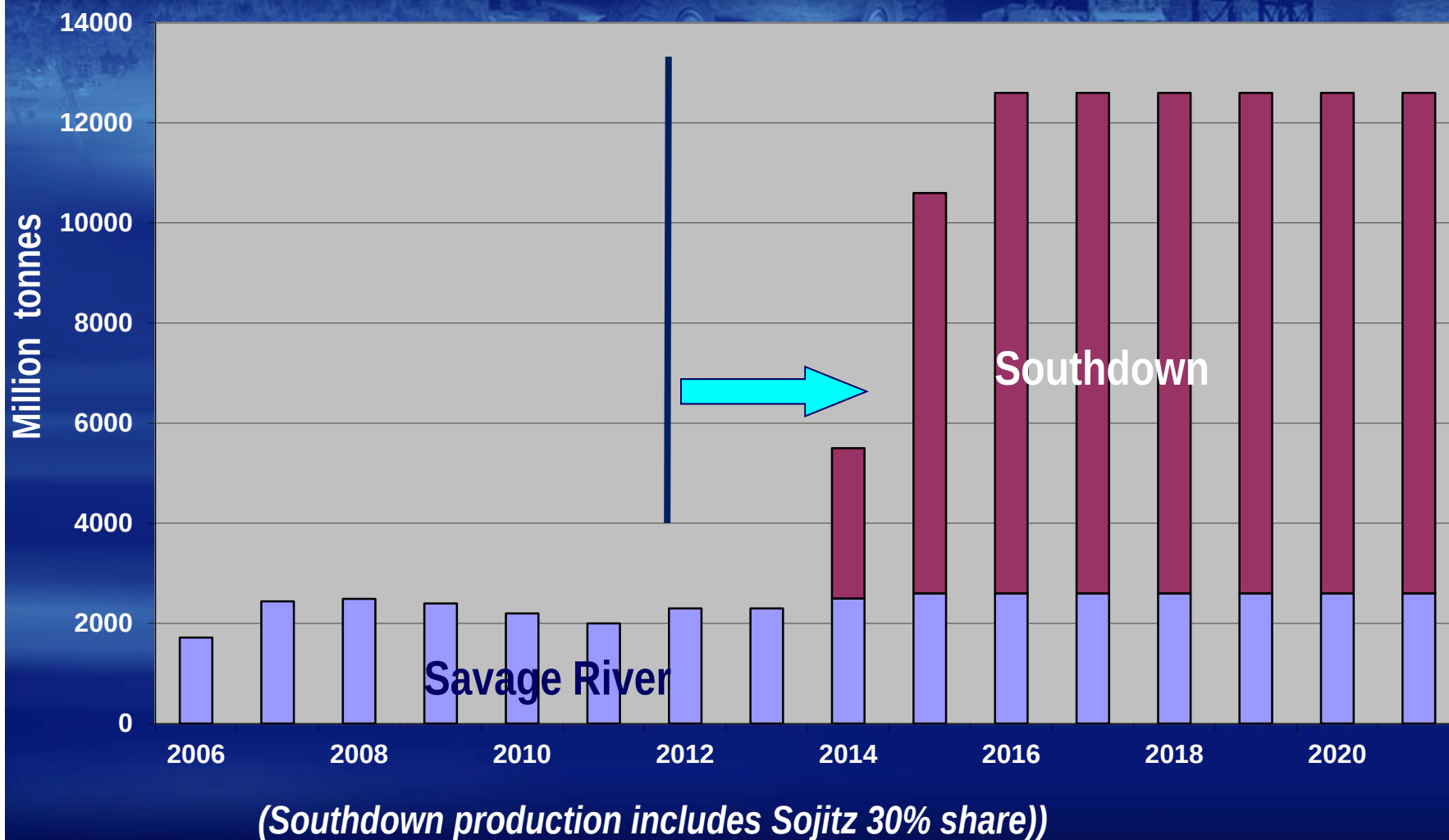
Ore Reserves

	Tonnes (Mt)	Grade (%DTR)
Savage River		
Proved	51	51.1
Probable	68	51.3
Total	119	51.2
Southdown ²		
Probable	388	35.5
Total	388	35.5
PROJECTS TOTAL	507	39.2
ATTRIBUTABLE RESERVES ³	391	40.3

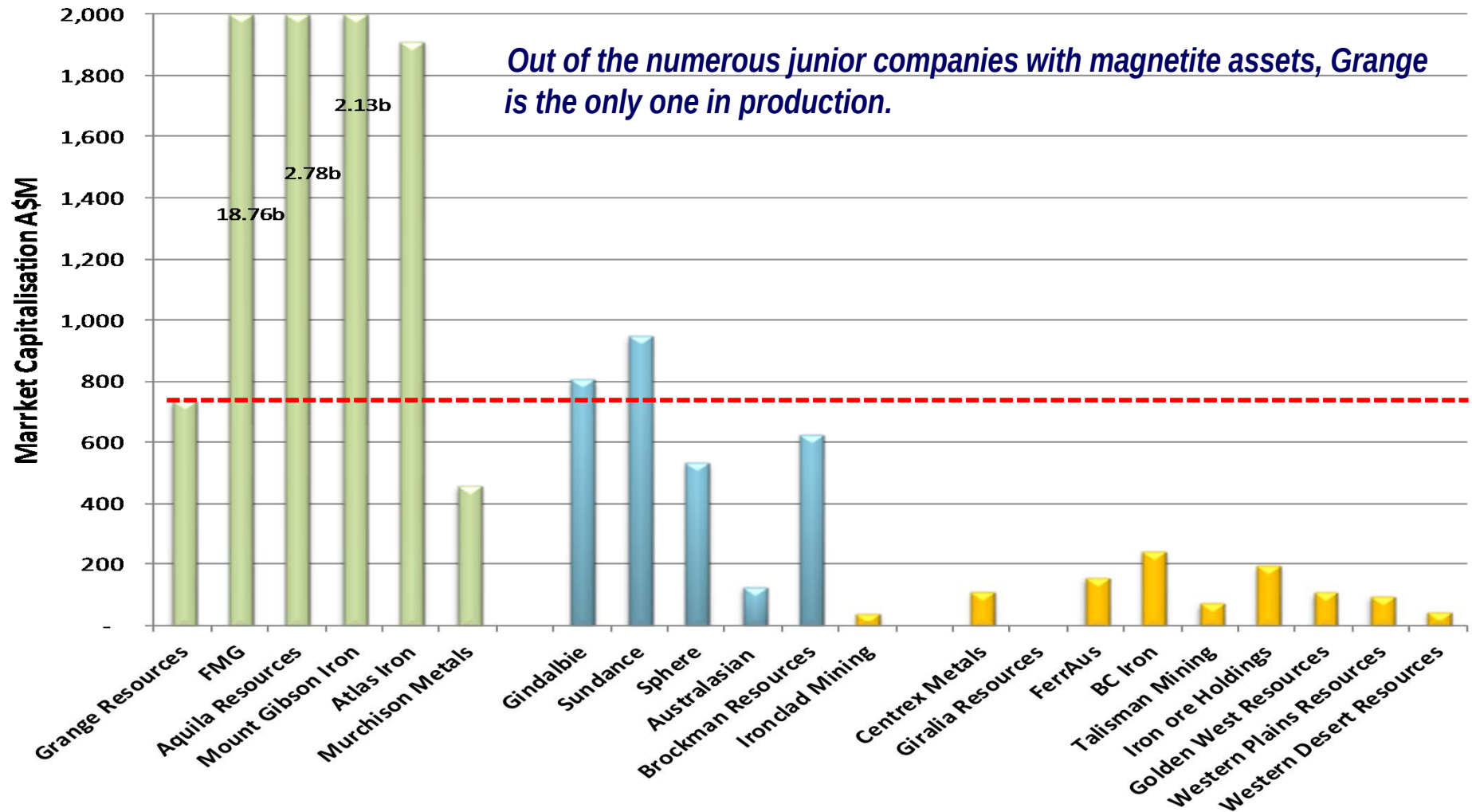
Notes:

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

Production growth prospects



Grange - The largest Producing Magnetite Company



Current Focus *and* Future Milestones

2012

Position Savage River for long term sustainable production:

- Replacement ball mill installed February 2011
- Replacement AG mill purchased
- Trucking fleet re-build underway
- Reviewing options for Port Latta emissions reduction
- Undertaking east wall cut back

Generation of cash at Savage River for local projects and Southdown DFS

Fast Tracking Southdown

- PFS finalised and undertaking DFS in 2011
- Finalise permits – water and mine amendment
- Progress financing negotiations

2011

Today, Grange has no net debt and is totally exposed to the strong iron ore price.

Summary

Australia's leading magnetite & iron ore pellet producer

Solid investor, customer and revenue base

Extensive magnetite technical and operational expertise

Strong balance sheet and strong cashflow forecasts

Healthy mix of Cornerstone, Institutional and Retail investors

Increased shareholders, liquidity & market capitalisation

Broad research coverage

ASX 300

Southdown project being accelerated

Key Contacts

Primary contacts:

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Competent Person Statement

Southdown Project

The information in this presentation which relates to the Mineral Resources of the Southdown Project is based on information compiled by James Farrell who is a full-time employee of Golder Associates Pty Ltd and a Member of the Australasian Institute of Mining and Metallurgy. James Farrell has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity for which he is undertaking to qualify as a Competent Person as defined in the JORC Code (2004). James Farrell consents to the inclusion of this information in this presentation in the form and context in which it appears.

The information in this presentation which relates to the Ore Reserves of the Southdown Project is based on information compiled by Mr Ross Bertinshaw who is a full-time employee of Golder Associates Pty Ltd and a Fellow of the Australasian Institute of Mining and Metallurgy. Mr Bertinshaw has sufficient experience in Ore Reserve estimation relevant to the style of mineralisation and type of deposit under consideration and to the activity for which he is undertaking to qualify as a Competent Person as defined in the JORC Code (2004). Mr Bertinshaw consents to the inclusion in this presentation of the matters based on his information in the form and context in which it appears.

Savage River Project

The information in this presentation that relates to Mineral Resources or Ore Reserves in relation to the Savage River Project is based on information compiled by Mr Ben Maynard, who is a Member of The Australasian Institute of Mining and is a full time employee of Grange Resources. Mr Maynard has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Maynard consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

Appendix A – Southdown Project

Mineral Resource Estimate

Classification	Measured Resources	Indicated Resources	Inferred Resources	Total Resources
Tonnes (Mt)	219.7	210.3	224.4	654.4
DTC wt%	37.4	38.9	33.4	36.5
DTC Fe%	69.2	69.3	69.1	69.2
DTC SiO ₂ %	1.72	1.94	2.07	1.91
DTC Al ₂ O ₃ %	1.43	1.27	1.29	1.33
DTC S%	0.46	0.40	0.54	0.46
DTC LOI%	-3.04	-3.06	-2.96	-3.02

This Mineral Resource has been defined using geological boundaries and a cut-off grade of 10 wt% DTC and includes minor internal dilution. All reported concentrate grades were weighted by DTC.

Ore Reserves within Designed Pit (Cut-off 10% DTR)

Reserve Classification	ROM (Mt)	DTR%	Conc. (Mt)	Fe%	SiO ₂ %	Al ₂ O ₃ %	TiO ₂ %	S%	P%
Probable	388	35.5	131	68.8	2.06	1.41	0.45	0.55	0.003

Appendix B – Savage River

Mineral Resource and Ore Reserve Estimates

Mineral Resource	Tonnes (Mt)	Grade (%DTR)
Savage-River Total		
Measured	86.4	54
Indicated	131.9	53
Inferred	87.8	49
Total	306.0	52

Ore Reserve	Tonnes (Mt)	Grade (%DTR)
Savage-River Total		
Proved	50.6	51
Probable	67.9	51
Total	118.5	51

Mineral Resources and Ore Reserves have been estimated for Grange Resources Tasmania Savage River magnetite deposit at the end of May 2010.

Qualifying Statements

The Measured and Indicated Mineral Resources are inclusive of those Mineral Resources modified to produce the Ore Reserves. The Inferred Mineral Resources are, by definition, additional to the Ore Reserves.

A lower cut-off grade of 15% DTR was used in the calculation of both the Mineral Resources and Ore Reserves.

The Ore Reserve was calculated using a 1.087 dilution factor and a mining recovery factor of 0.939. These factors are based on periodic reconciliation specific to mining areas.