



Australia's most experienced magnetite producer



AGM Presentation

May 2017

Company Highlights

- ✓ **Most EXPERIENCED magnetite producer**
Over 49 years of operational experience at Savage River
- ✓ **STRONG Safety Culture**
Achieved over 630 days LTI free at the end of Dec 2016
- ✓ **Record Shipping of ~2.7 million tonnes of Iron Ore Products**
Over 2.7mt of pellets and chips sold through the port.
- ✓ **LONG LIFE producer of PREMIUM iron ore pellets**
High quality ore reserves (~ 52% DTR) producing ~65%+ Fe BF pellets
- ✓ **STRONG balance sheet**
\$166m cash and equivalents at 31 Dec 2016
- ✓ **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



1. Company Overview

1.1 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.

1.2 Dec 2016 Financial Position - Consolidated

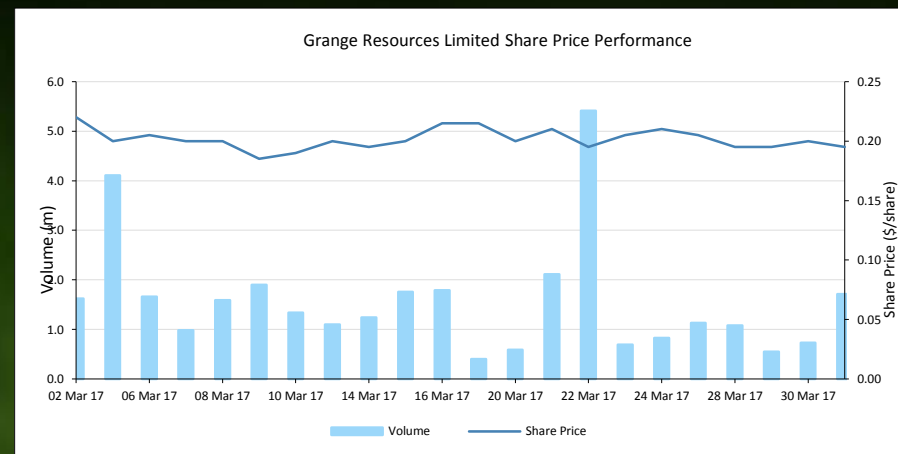
Indicator	Dec 2016 AUD'000	Dec 2015 AUD'000	Difference AUD'000	Variance%	Comments
Current Assets	232,806	229,522	3,284	1%	↑ Cash & Receivables ↓ Inventory
Non-current Assets	196,150	111,772	84,378	75%	↑ PP&E ↑ Mine Properties & Dev
Total Assets	428,956	341,294	87,662	26%	
Current Liabilities	36,185	37,490	-1,305	-3%	↓ Current Tax Liability ↑ Creditors & Borrowings (transfer from non-current)
Non-current Liabilities	60,118	58,267	1,851	3%	↑ of Provisions ↓ Borrowings (transfer current)
Total Liabilities	96,303	95,757	546	1%	
Net Assets	332,653	245,537	87,116	35%	Development in North Pit and construction of SDTSF

1.3 Company Snapshot

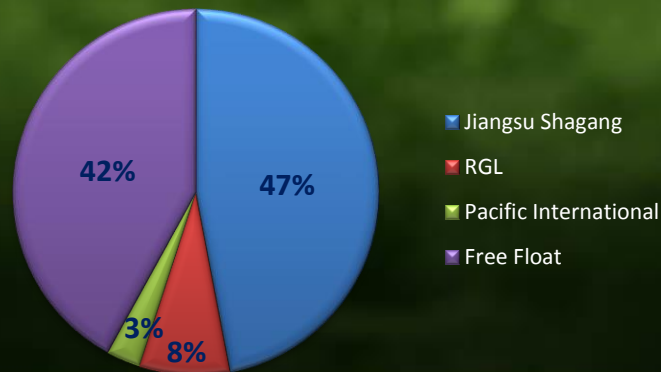
Capital Structure (A\$)

Ordinary Shares on issue	31 Mar 2017	1,157m
Share Price	31 Mar 2017	\$0.195
Market Capitalization	31 Mar 2017	\$226m
Cash and Term Deposits	31 Dec 2016	\$166m
Loan	31 Dec 2016	\$9m

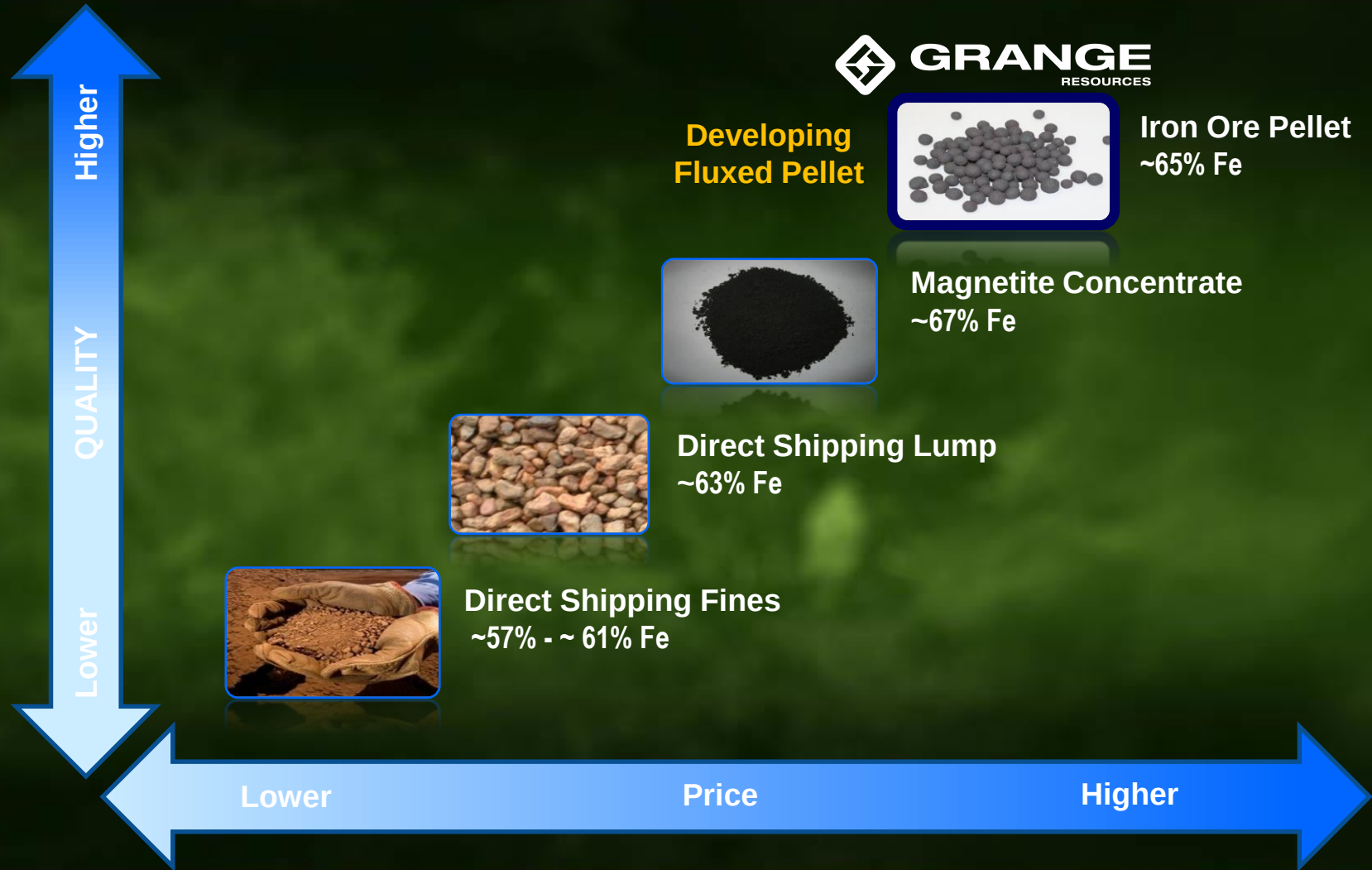
Share Price and Volume



Ownership Structure as at 31 March 2017



1.4 Products from Tasmanian Operations



2. Tasmanian Operations Performance & Focus

2.1 Jan.- Dec. 2016 Performance – Indicators

Indicator	Unit	Dec 2016	Dec 2015	Difference	Variance%	Comments
Concentrate	Tonne '000	2,397	2,606	-209	-8%	↓ Concentrate production in line with planned South Deposit Ore delivery
Pellet	Tonne '000	2,378	2,528	-150	-6%	↓ Pellet production line balanced with concentrate production
C1 Cash Operating Costs	AUD/t	79.13	77.18	1.95	3%	↑ Reduction in production
Iron Ore Sales	Tonne '000	2,750	2,357	393	17%	↗ Improved market conditions
Average Realized Price of Iron Ore Products*	AUD/t	98.06	87.23	10.83	12%	↑ Strengthening iron ore prices ↓ FX rate
Average Realized Exchange Rate	AUD: USD	0.7438	0.7593	-0.0155	-2%	↓ AU Dollar declining
Sales Revenue (Consolidated)	AUD '000	276,345	205,562	70,783	34%	↑ Increase in iron ore prices ↑ Increased sales volume
Profit before Tax excluding impairment (Consolidated)	AUD '000	94,809	72,445	22,364	31%	↑ Revenue increased due to price increase and increased sales volume
Profit after Tax (Consolidated)	AUD '000	92,903	(277,814)	370,717	133%	◦ Nil Impairment in 2016

* FOB Price - includes freight costs on CFR shipments

2.2 2016 Quarter 4 Performance – Indicators

Indicator	Unit	Q4 2016 Actual	Q3 2016 Actual	Difference	Variance %	Comments
Concentrate	Tonne '000	605	567	38	7%	↑ Achieved production target
Pellet	Tonne '000	586	632	(46)	(7%)	↓ Maintenance undertaken at Pellet Plant
C1 Cash Operating Costs	AUD/t	80.13	86.78	(6.65)	(8%)	↓ Cost reductions, slowed down movement and deferred maintenance
Iron Ore Sales	Tonne '000	667	617	50	8%	↑ Increased shipment in Q4 2016
Average Realized Price of Iron Ore Products*	AUD/t	118.96	103.32	15.64	15%	↑ Price increased in Q4 demonstrating strong demand for pellets
Average Realized Exchange Rate	AUD:USD	0.7435	0.7556	(0.0121)	(2%)	↓ Declining Australian Dollar
Sales Revenue (Consolidated)	AUD '000	82,676	63,777	18,899	30%	↑ Increase in Iron Ore Price ↑ Increase in pellet sales volume
Profit before Tax excluding impairment (Consolidated)	AUD '000	38,149	23,284	14,865	64%	↑ Costs reduced to counter adverse market ↑ Revenue increased due to increased sales volume
Profit after Tax (Consolidated)	AUD '000	36,775	23,284	13,491	58%	↑ Costs reduced to counter adverse market ↑ Revenue increased due to increased sales volume

* FOB Price - includes freight costs on CFR shipments

2.3 Highlights for 2016 — Tasmania

- **Continued Safety Focus**

Our focus on safety is the highest priority and we saw significant improvements in performance in 2016. Unfortunately a tragic accident occurred at the mine in March 2017.

The accident occurred when a team of contractors was undertaking scaling in the mine's North Pit.

The safety, health and wellbeing of our people continues to be our number one priority as we work through this incident.



- ✓ **Ore Supply sustained from South Deposit**

Continued safely delivering ore from South Deposit.

Delivered in spite of difficult weather conditions and tight working areas.



- ✓ **Autogenous Mill Shell replacement deferred in 2016**

Sustained concentrate production with old shell.

Preparations advanced for replacement in Q2, 2017.



- ✓ **Record Shipping of Iron Ore Products ~2.7 million tonnes**

- ✓ **Continued investment in Mine Development**

The next stage of North Pit cutback commences on the west wall for 2017

- ✓ **Strong focus on cost control continues to achieve reduced C1 unit costs**

Cost reductions achieved to support low unit operating costs despite reduced production rates.

Delivered total operations costs under budget

2.4 LOM Strategies — Leveraging Resources

North Pit

- High quality, long life resources
- ~128MT @ 58%DTR
- Supporting long life operations

South Deposit

- ~19MT @ 42%DTR
- Supporting LOM tailings infrastructure construction

Centre Pit

- Modelling in progress to further develop ore
- ~120MT @ 49%DTR

Long Plains

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



Total resources exceeding 374MT which support long life operations

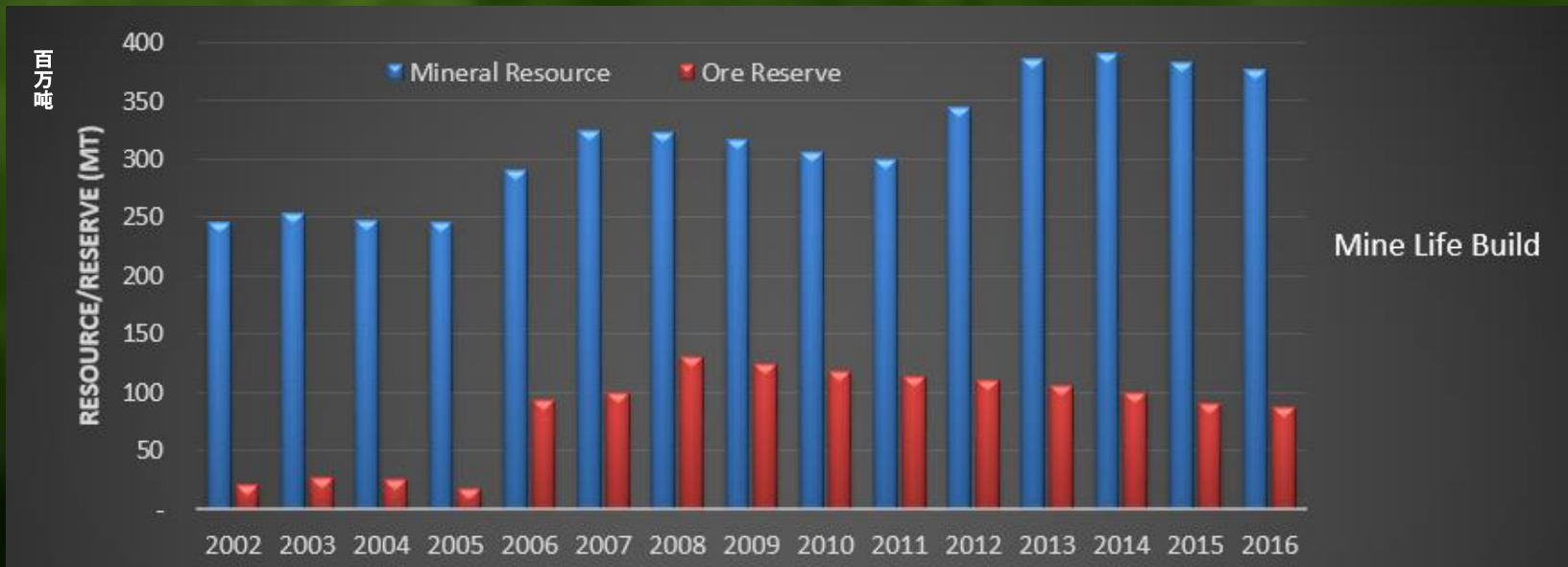
2.5 LOM Strategies — Leveraging Resources

Ore Reserves

- Potential to increase with continued development
- Strong Resource basis for long life

Other Potential

- Long Plains
- Centre Pit
- External opportunities



2.6 LOM Strategies— Optimising Mining Operations



→ North Pit Production Stripping

- Ore supply for 2017

↙ North Pit Mine Development

- West wall cut-back commences



→ South Deposit – reaching completion of current design

- Ore supply for early 2017
- Provides ore and material for construction of South Deposit Tailings Storage Facility

3. Southdown Project

Achievements & Strategies

3.1 2016 Project Overview – Southdown

- ✓ *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 with the public review period planned for mid 2017.*
 - *Groundwater exploration which identified deep water-bearing palaeo channels with potential to contribute to construction water supply, with modelling underway to assess potential.*
 - *Ongoing hydrogeological baseline studies.*



3.2 Southdown Project Strategies 2017

We continue the approaches adopted in 2016 into 2017, as we:

- Formulate valid alternate development model and seek to secure equity
- Seek partners for a strategic share of the Company's interest in the project



4. Recap

4.1 Grange — LOM Strategies Recapped

- **Improve productivity** and sustain access to high grade ore
 - Provide high quality ore from North Pit
 - Continue investment in mine development - progress next phase of North Pit development on the west wall
- **Continue to invest** in process infrastructure
 - Complete the installation of the second new autogeneous mill at Savage River
 - Prepare South Deposit Tailings Storage Facility for operation.
 - Maintain key mining equipment
 - Continue to develop the plan for Pit Rim Crushing & Conveyor System to improve mining efficiency
 - Seek partner for Southdown project
- Focus on capital management
 - **Target growth opportunities** to complement existing business



4.2 Focusing on the fundamentals

- ***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 are proactively:***
 - Maintaining cost control disciplines and increasing efficiencies
 - Strategically investing in capital projects aligned with effective condition monitoring to sustain our key assets
 - Applying technology to enhance and improve production performance
 - Pursuing opportunities to add value to our product such as producing a fluxed pellet

4.3 Ongoing Strategies

- **We continue to:**
 - Develop and optimise LOM
 - Progress with PRCC project
 - Develop Long Plain resources and project
 - Seek feasible investments within the strategy undertaken by the Board, particularly in iron ore projects and other investments by establishing a corporate development function based in Melbourne.
 - Diversify the markets outside of China
 - Improve communications/relations with all shareholders



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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
- For details of Resources and Reserves, refer ASX announcement 30-Mar-2017

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