



REPORT FOR THE QUARTER ENDED 31 MARCH 2003

HIGHLIGHTS

- Stopping production commenced from the Reward Deeps underground mine.
- Several encouraging intersections of copper mineralisation in massive sulphides recorded from underground diamond drilling at Lower Reward Deeps.
- Subsequent to the end of the quarter the Company's first shipment of copper concentrate was exported from Townsville.
- At the end of April 2003, following settlement of the first shipment of copper concentrate, cash assets and receivables of the Company will be approximately \$6.85 million.
- Ore reserves at Freshwater increased by **20% to 457,000 tonnes @ 6.5g/t Au** as at 31 December 2002.
- Mineral resources at Freshwater increased by over **400% to 1,551,000 tonnes @ 6.5g/t Au** as at 31 December 2002.
- Encouraging drilling results recorded from the Salmon North prospect in the Freshwater leases.
- Mining commenced at Red Hill with ore being hauled to Paddington for treatment.



MINING & EXPLORATION ACTIVITIES

MT WINDSOR JOINT VENTURE

**Reward Deeps and Conviction Project
(Grange Resources Limited (“Grange”) 30%
Thalanga Copper Mines Pty Ltd (“TCM”) 70%)**

During the March quarter 97,469 tonnes of ore grading 3.92% copper were processed through the Thalanga plant for the production of 12,524 tonnes of copper concentrate containing 27.96% copper and 0.8 g/t gold. Copper recovery and concentrate grade have steadily increased since start up and by the end of March were close to budget.

Ore production for the quarter was 95,161 tonnes of which approximately half was mined from B Lens with the remainder from development headings and Conviction.

A summary of the production statistics for the Reward Deeps project for the March 2003 quarter and project to 31 March 2003 is presented in Table 1.

TABLE 1 MT WINDSOR JOINT VENTURE REWARD DEEPS PROJECT – PRODUCTION STATISTICS				
	September 2002 Quarter	December 2002 Quarter	March 2003 Quarter	Project to 31 March 2003
Ore Mined (tonnes)	22,785	77,030	95,161	194,976
Ore Milled (tonnes)		96,269	97,469	193,378
Head grade - Copper %		5.58	3.92	4.75
Metal Recovery - Copper %		91.7	91.6	91.6
Concentrates Produced (tonnes)		18,033	12,524	30,557
Concentrate Grade - Copper %		27.32	27.96	27.58
- Gold (g/t)		0.80	0.80	17
- Silver (g/t)		17	17	17

Mine development fell further behind schedule during the quarter but by the end of March 2003 was 95% complete. Ore production is over 2 months behind schedule but by the end of March 2003 three ore bodies, Chimney, Reward Deeps and Conviction were available for production. It is anticipated that full production will be achieved during the next quarter.

Subsequent to the end of the quarter the Company's first shipment of copper concentrate from the Reward Deeps and Conviction underground mine was exported from Townsville on 20 April 2003. Revenue in excess of A\$5.0 million is expected from this shipment of 9,300 tonnes of concentrate.

Highway Project (Grange 30%, TCM 70%)

Rehabilitation of the Highway and Reward waste rock dumps is progressing well. Reshaping of both dumps is close to completion and placing of the oxide layer and compaction is also nearing completion. Placing of topsoil and seeding of part of the Highway dump has commenced. Installation of rock drains is underway and monitoring equipment is being installed.

Exploration (Grange 30%, TCM 70%)

Lower Reward Deeps Diamond Drilling

An underground diamond-drilling programme to further evaluate the Lower Reward Deeps deposit commenced during January 2003. The approved programme comprises 29 holes aggregating 4,280 metres. 23 of the holes are to be drilled into the current block model and 6 deeper holes are planned to test a 100-metre zone vertically below the known resource.

By 6 April 2003 15 resource holes and 3 service holes aggregating 2414 metres had been completed. Several encouraging intersections have been recorded including **3.4m @ 11.23% Cu in UG03_063, 6.7m @ 4.09% Cu in UG03_065 and 7m @ 6.56% Cu in UG03_067**. Two of the planned deeper holes have been completed and have returned encouraging results - UG03_072 & 073 were drilled 20m below the current defined resource and intersected **7.2m @ 3.11%Cu and 4.1m @ 3.46%Cu** respectively. Details of the drilling results are summarised in the attached Table 2

The drill rig has recently been moved to a new site from which a further 14 holes aggregating 1000m will be drilled. The resource-drilling programme should be completed during May 2003.

Exploration EPM's 3380

Down Hole Electro-Magnetic (DHEM) surveys of 5 previously drilled holes were completed during the quarter. No significant responses were recorded from the two holes at the Coronation prospect. At the Truncheon prospect a large but weak conducting horizon was detected in two holes. Further drilling to test this conductor is planned for the June 2003 quarter.

TABLE 2
MT WINDSOR JOINT VENTURE
LOWER REWARD DEEPS DIAMOND DRILLING
SIGNIFICANT INTERSECTIONS (>5m% Cu)

Drill Hole	Section	EOH (m)	Pyrite Intersection		Assay Intersection		Assay	
			From	To	From	Length	Cu %	Au g/t
UGO3_060	10050	58.7	9.6	52.2	9.0	3.0	4.38	0.54
					30.0	3.5	1.89	0.82
UGO3_062	10035	66.8	6.2	66.8	29.0	16.2	3.54	0.91
UGO3_063	10020	120.7	67.3	109.9	66.0	6.4	1.63	0.81
						3.4	11.23	1.13
UGO3_065	10040	169.6	97.2	141.5	104.7	6.7	4.09	0.75
UGO3_066	10040	155.9	107.0	141.0	114.7	9.3	2.84	1.17
UGO3_067	10020	196.4	113.7	183.0	115.0	4.0	1.55	0.66
					144.0	5.0	1.90	0.66
					176.0	7.0	6.56	1.16
UGO3_068	10020	173.2	133.0	156.7	145.0	4.0	2.65	0.34
UGO3_069	10020	186.3	117.7	150.2	117.7	4.3	2.18	0.31
					132.0	1.0	10.50	0.27
					145.0	5.2	2.28	0.36
UGO3_070	10000	190.5	152.7	175.4	169.0	2.4	4.29	0.51
					174.0	1.4	4.91	0.64
UGO3_072	10090	182.2	126.9	147.1	137.8	7.2	3.11	0.51
UGO3_073	10050	161.4	114.3	141.3	115.9	4.1	3.46	0.49
					138.0	3.3	2.52	0.35

FRESHWATER

**(Barrick Gold of Australia Limited (“Barrick”) 100%,
Grange - Production Royalty)**

Barrick has provided the following information on activities relating to the Freshwater project during the March 2003 quarter.

Operations

During the March quarter 984 metres of horizontal advance were achieved in the Plutonic East underground mine. Over 16,000 tonnes of development ore grading 6.78g/t gold were mined. No stoping has been undertaken as the lodes are extremely faulted.

Production details for the Plutonic East mine to the end of March 2003 are summarised in Table 3.

TABLE 3			
FRESHWATER PROJECT – PLUTONIC EAST MINE			
SUMMARY OF ORE PRODUCTION TO 31 MARCH 2003			
(Ore tonnes > 1.5g/t Au)			
Period	Tonnes	Grade (g/t Au)	Royalty (\$)
December 2001 to 30 June 2002	20,865	5.05	25,243
September 2002 Quarter	21,941	7.73	105,626
December 2002 Quarter	12,228	7.54	55,680
March 2003 Quarter	16,729	6.78	59,150
Grand Total	71,763	6.69	245,699

Mining was also carried out during the March Quarter at the Speckled Open Pit, which forms part of the Pigeon project. Production statistics for the Speckled project are summarised in Table 4.

TABLE 4			
FRESHWATER PROJECT – PIGEON AND SPECKLED OPEN PITS			
OPERATING STATISTICS			
	September 2002 Quarter	December 2002 Quarter	March 2003 Quarter
MINING			
Ore Mined (bcm)	23,478	1,493	21,174
Total Material (bcm)	123,469	127,085	699,803
Ore mined (tonnes)	49,298	3,136	38,615
TREATMENT			
Ore milled (tonnes)	49,298	3,136	38,615
Head Grade (g/t)	1.34	1.97	2.51
Recovery (%)	91.0	89.6	92.5
Gold Produced (oz)	1,933	199	2,647
Royalty payable to Grange (\$)	17,936	1,064	27,172

Development Drilling

A total of 38 Reverse Circulation (RC) holes aggregating 4,410 metres were completed at the Salmon North project on the Freshwater leases during the March quarter. A geotechnical diamond core (PQ/HQ) hole was also drilled for 131m.

Significant drill intersections (>5g.m/t) from the programme are summarised in Table 5.

**TABLE 5
FRESHWATER AREA – SALMON NORTH PROJECT
SIGNIFICANT DRILL INTERSECTIONS**

Hole ID	Northing	Easting	RL	Depth From	Intercept (m)	Assay g/t Au
FRC9803	13580	14540	502	32.0	3.0	1.34
FRC9806	13620	14550	502	78.0	4.0	9.11
FRC9807	13620	14590	502	71.0	6.0	2.40
FRC9811	13660	14590	502	78.0	3.0	2.73
FRC9816	13260	14820	502	25.0	3.0	6.10
FRC9817	13260	14860	502	58.0	4.0	8.12
FRC9819	13260	14940	502	126.0	3.0	1.59
FRC9821	13300	14880	502	76.0	11.0	8.81
FRC9826	13200	14880	502	85.0	3.0	1.48
FRC9827	13200	14900	502	99.0	3.0	4.01
FRC9830	13280	14860	502	65.0	3.0	3.69
FRC9831	13280	14880	502	79.0	4.0	2.39
FRC9835	13280	14820	502	30.0	4.0	1.38
FRC9836	13280	14840	502	44.0	4.0	3.47
FRC9837	13200	14840	502	57.0	4.0	2.30
FRC9838	13200	14840	502	53.0	3.0	1.48

Exploration

No exploration activities were carried out within the Freshwater tenements during the March 2003 quarter.

Ore Reserves and Mineral Resources

During the quarter Barrick provided statements of ore reserves and mineral resources as at 31 December 2002 for the Freshwater tenements.

The Plutonic East ore reserves as at 31 December 2002 are summarised in Table 6. The reserves have increased from 385,000 tonnes @ 6.4g/t Au as at 31 December 2001 to **457,000 tonnes @ 6.5g/t Au, which represents a 19% increase in tonnes and a 20% increase in contained gold.**

TABLE 6				
FRESHWATER TENEMENTS - PLUTONIC EAST UNDERGROUND				
ORE RESERVES AS AT 31 DECEMBER 2002				
Reserve Category	Ore Type	Tonnes	Grade g/t Au	Contained Ounces
Probable	Primary	457,000	6.5	95,000
Total Reserve	Primary	457,000	6.5	95,000
Stockpiles	>1.0 g/t Au	339	10.1	110

Assessment Criteria:

- Plutonic East Model 2
- Mining Methods – Mechanised room and pillar, Airleg
- Mining Recovery – Room and Pillar 85%, Long Hole 95%
- Dilution - variable @ 0.1g/t Au
- Metallurgical Recoveries – primary 88%
- Cut off Grades – Lower 3.0g/t Au, Upper 100g/t Au

The Plutonic East mineral resources as at 31 December 2002 are summarised in Table 7. The resources have increased from 298,000 tonnes @ 6.4g/t Au as at 31 December 2001 to **1,551,000 tonnes @ 6.5g/t Au which represents an increase of over 400% in both tonnage and contained gold.**

TABLE 7				
FRESHWATER TENEMENTS - PLUTONIC EAST UNDERGROUND				
MINERAL RESOURCE AS AT 31 DECEMBER 2002				
Resource Category	Ore Type	Tonnes	Grade g/t Au	Contained Ounces
Indicated	Primary	381,000	7.8	95,000
Inferred	Primary	1,170,000	6.1	228,000
Total Resource	Primary	1,551,000	6.5	323,000

Assessment Criteria:

- Resource Method – Sectional Interpretation and ID² grade interpolation constrained inside lodes
- Block Model – Plutonic East Model 2
- Drilling up to 30 October 2002
- Dilution – no edge and contains up to 2 metres internal dilution
- Cut off Grades – Lower 3.0g/t Au, Upper 100g/t Au
- Density – Primary: 2.9
- Search Sphere – Indicated: 40m x 40m x 40m; Inferred: 80m x 80m x 80m
- Drill spacing – partly 10m or 20m x 20m 40m; remainder 80m x 80m

The open pit reserves as at 31 December 2002 are summarised in Table 8.

TABLE 8 FRESHWATER TENEMENTS OPEN PIT ORE RESERVES AS AT 31 DECEMBER 2002				
Reserve Category	Ore Type	Tonnes	Grade g/t Au	Contained Ounces
Speckled Open Pit				
Proved	Laterite	2,000	1.5	100
	Oxide	100,000	2.4	7,600
	Transitional	14,000	2.3	1,000
	Primary	500	2.9	50
Total Speckled Reserves		116,500	2.4	8,750
Perch Stockpiles		24,000	0.7	500
Total Open Pit Reserves		140,500	2.1	9,250

Assessment Criteria:

- Bench Height 3.0 metres
- Mining Method – Open Cut
- Mining Recovery 100%
- Dilution 1m hanging wall and footwall
- Metallurgical recoveries Laterite, Oxide & Transitional 93%, Primary 88%
- Cut off Grades – Lower 0.9g/t Au, Upper 20g/t Au

RED HILL (Mining Lease M27/57)

(Placer Dome Asia Pacific 100%, Grange 4% Gross Revenue Royalty)

Grange holds a 4% gross revenue royalty on all production after the first 85,000 ounces of gold produced from the Red Hill mining lease M27/57, which is located approximately 4 km north east of the Kanowna Belle Gold Mine owned and operated by Placer Dome Asia Pacific.

Placer Dome has advised that mining operations commenced at Red Hill on 15 February 2003 on a single shift basis. The mining rate was increased from 24 March 2003 when mining commenced on a double shift basis. Mining to date has focussed on establishing the pit perimeter and developing the pit to a consistent operational level. The pit has advanced to a depth of 8 metres below surface towards a planned final depth of 153 metres below surface.

Ore production from within M27/57 for the quarter was 109,374 tonnes grading 1.18g/t gold. Ore haulage to the Placer Dome Asia Pacific Paddington processing facility commenced on 17 February 2003. During the March quarter 52,312 tonnes of ore were carted across the weightometer at Paddington.

Unless otherwise stated, technical information in this report on mining activities is based on, and accurately reflects, information compiled by Mr Alex Nutter, a full time employee of Grange Resources Limited who is a member of The Australasian Institute of Mining and Metallurgy and the Australian Institute of Geoscientists with more than 5 years experience in the field of activity in which he is reporting.

ALEX NUTTER
Technical Director

CORPORATE MATTERS

ON-MARKET SHARE BUY-BACK

On 2 December 2002 the Company announced its intention to implement an on-market share buy-back for the purpose of capital management. Under the terms of the on-market share buy-back the maximum number of shares that were to be bought back over a six-month period was 7,361,691. As at 31 March 2003 the total shares bought back by the Company pursuant to the on-market share buy-back was 5,491,547 with the total consideration being \$1,148,655.98.

CASH POSITION

During the March quarter, development of the Reward Deeps and Conviction Project underground mines continued which contributed to a negative cash flow of \$2.50 million from operating activities. A cash flow deficit of \$0.293 million from financing activities was largely attributable to the on-market buy-back of shares during the quarter. The resulting cash balance at 31 March 2003 was \$2.89 million.

At the end of April 2003 and following settlement of the first shipment of copper concentrate from the Reward Deeps and Conviction underground mine, the cash assets and receivables of the Company will be approximately \$6.85 million.

ALEC PISMIRIS

Company Secretary

Appendix 5B

Mining exploration entity quarterly report

Introduced 1/7/96. Origin: Appendix 8. Amended 1/7/97, 1/7/98, 30/9/2001.

Name of entity

Grange Resources Ltd

ABN

80 009 132 405

Quarter ended ("current quarter")

31 March 2003

Consolidated statement of cash flows

Cash flows related to operating activities	Current quarter \$A'000	Year to date (9 months) \$A'000
1.1 Receipts from product sales and related debtors	5	575
1.2 Payments for (a) exploration and evaluation (b) development (c) production (d) administration		
1.3 Dividends received		
1.4 Interest and other items of a similar nature received	87	297
1.5 Interest and other costs of finance paid	(15)	(27)
1.6 Income taxes paid		
1.7 Other (provide details if material)		
1.7(i) Payment to directors and employees	(224)	(669)
1.7(ii) Payment for all other working capital	(2,353)	(5,662)
Net Operating Cash Flows	(2,500)	(5,486)
Cash flows related to investing activities		
1.8 Payment for purchases of: (a)prospects (b)equity investments (c) other fixed assets	(4)	(4)
1.9 Proceeds from sale of: (a)prospects (b)equity investments (c)other fixed assets		
1.10 Loans to other entities		
1.11 Loans repaid by other entities		
1.12 Other (provide details if material)		
1.12(i) Payment for security deposit	(19)	(1,947)
1.12(ii) Proceeds from release of security deposit		117
1.12(iii) Payment for exploration, development and production	(54)	(410)
Net investing cash flows	(77)	(2,244)
1.13 Total operating and investing cash flows (carried forward)	(2,577)	(7,730)

+ See chapter 19 for defined terms.

Appendix 5B
Mining exploration entity quarterly report

1.13	Total operating and investing cash flows (brought forward)	(2,577)	(7,730)
	Cash flows related to financing activities		
1.14	Proceeds from issues of shares, options, etc.		
1.15	Proceeds from sale of forfeited shares		
1.16	Proceeds from borrowings		
1.17	Repayment of borrowings		
1.18	Dividends paid		
1.19	Other (provide details if material)		
1.19(i)	Payment for buy back of shares	(263)	(1,740)
	Net financing cash flows	(263)	(1,740)
	Net increase (decrease) in cash held	(2,840)	(9,470)
1.20	Cash at beginning of quarter/year to date	5,727	12,357
1.21	Exchange rate adjustments to item 1.20		
1.22	Cash at end of quarter	2,887	2,887

Payments to directors of the entity and associates of the directors
Payments to related entities of the entity and associates of the related entities

		Current quarter \$A'000
1.23	Aggregate amount of payments to the parties included in item 1.2	137
1.24	Aggregate amount of loans to the parties included in item 1.10	

1.25 Explanation necessary for an understanding of the transactions

Refer to attachment 1

Non-cash financing and investing activities

2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

N/A

2.2 Details of outlays made by other entities to establish or increase their share in projects in which the reporting entity has an interest

N/A

+ See chapter 19 for defined terms.

Financing facilities available

Add notes as necessary for an understanding of the position.

	Amount available \$A'000	Amount used \$A'000
3.1 Loan facilities	Nil	Nil
3.2 Credit standby arrangements	Nil	Nil

Estimated cash outflows for next quarter

	\$A'000
4.1 Exploration and evaluation	90
4.2 Development	
Total	90

Reconciliation of cash

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.	Current quarter \$A'000	Previous quarter \$A'000
5.1 Cash on hand and at bank	246	261
5.2 Deposits at call	2,403	9,073
5.3 Bank overdraft		
5.4 Other (Cash held with Joint Ventures)	238	279
Total: cash at end of quarter (item 1.22)	2,887	9,613

Changes in interests in mining tenements

	Tenement reference	Nature of interest (note (2))	Interest at beginning of quarter	Interest at end of quarter
6.1	Interests in mining tenements relinquished, reduced or lapsed			
6.2	Interests in mining tenements acquired or increased			

+ See chapter 19 for defined terms.

Appendix 5B
Mining exploration entity quarterly report

Issued and quoted securities at end of current quarter

Description includes rate of interest and any redemption or conversion rights together with prices and dates.

	Total number	Number quoted	Issue price per security (see note 3) (cents)	Amount paid up per security (see note 3) (cents)
7.1 Preference +securities <i>(description)</i>	46,339,663			
7.2 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions				
7.3 +Ordinary securities	68,173,015	68,173,015		
7.4 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs	1,243,716			
7.5 +Convertible debt securities <i>(description)</i>				
7.6 Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted				
7.7 Options <i>(description and conversion factor)</i>	5,825,000		<i>Exercise price</i> 12 cents	<i>Expiry date</i> 30/6/07
7.8 Issued during quarter				
7.9 Exercised during quarter				
7.10 Expired during quarter				
7.11 Debentures <i>(totals only)</i>				
7.12 Unsecured notes <i>(totals only)</i>				

+ See chapter 19 for defined terms.

Compliance statement

- 1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act or other standards acceptable to ASX (see note 4).
- 2 This statement does give a true and fair view of the matters disclosed.

Sign here: Alec Pismiris
 (Company secretary)

Date: 29 April 2003

Notes

- 1 The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.
- 2 The "Nature of interest" (items 6.1 and 6.2) includes options in respect of interests in mining tenements acquired, exercised or lapsed during the reporting period. If the entity is involved in a joint venture agreement and there are conditions precedent which will change its percentage interest in a mining tenement, it should disclose the change of percentage interest and conditions precedent in the list required for items 6.1 and 6.2.
- 3 **Issued and quoted securities** The issue price and amount paid up is not required in items 7.1 and 7.3 for fully paid securities.
- 4 The definitions in, and provisions of, *AASB 1022: Accounting for Extractive Industries* and *AASB 1026: Statement of Cash Flows* apply to this report.
- 5 **Accounting Standards** ASX will accept, for example, the use of International Accounting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.

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ATTACHMENT 1 TO APPENDIX 5B
PAYMENTS/LOANS TO DIRECTORS AND RELATED PARTIES AND ASSOCIATES
OF DIRECTORS AND RELATED PARTIES OF GRANGE RESOURCES
LIMITED

Payments and loans during the quarter to directors and related parties, and associates of directors and related parties, of Grange Resources Limited total \$137,374 and include:-

- Directors' fees (inclusive of superannuation) of \$33,250 paid to non-executive directors of the Consolidated Entity.
- Executive directors' salaries (inclusive of superannuation) of \$104,124