

REPORT FOR THE QUARTER ENDED 30 SEPTEMBER 2002

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 September quarter alternative designs for mining the Conviction ore body were evaluated to find a method that that extracts more of the deposit. High lift stoping, top down mining using cemented rock fill has been identified as the most appropriate mining method for Conviction as this allows safe extraction of the majority of the ore. This has resulted in the Conviction ore reserve being increased from 278,000 tonnes @ 6.1% copper to 372,000 tonnes @ 5.6% copper. The Reward Deeps ore reserve remains at 576,000 tonnes @ 4.2% copper containing 24,000 tonnes of copper.

The revised mining reserves for the project are summarised in Table 1 and are based on extracting the Reward Deeps deposit by sub level caving and the Conviction deposit by high lift stoping.

Drilling undertaken during July and August 2002 to investigate two mineralised zones within the northern portion of the Reward massive sulphide body, was successful in delineating indicated resources of 95,000 tonnes @ 4.2% copper in B Lens and 77,000 tonnes @ 4.3% copper in the Chimney Zone. During the quarter a new portal was established in the northeast wall of the Highway pit and a short decline, 140 metres in length, developed to allow access for mining these deposits. Grade control drilling for final mine design is scheduled for November 2002.

The mining schedule has been amended to include B Lens and Chimney Zone and due to their location they will be extracted prior to establishing the Reward Deeps sub level cave. Stopping of the Chimney Zone is scheduled to commence in November 2002 and B Lens and Conviction in December 2002. Extraction from the Reward Deeps sub level cave is scheduled to commence in April 2003.

TABLE 1				
MT WINDSOR JOINT VENTURE				
MINING RESERVE - REWARD DEEPS & CONVICTION DEPOSITS				
Reserve	Status	Tonnes	Grade Cu %	Contained Cu Tonnes
Reward Deeps	Proven	324,000	4.6	15,000
(Sub Level Caving)	Probable	220,000	3.8	8,200
	Other	32,000	3.1	1,000
Total		576,000	4.2	24,200
Conviction	Proven	293,000	6.1	18,000
(High Lift Stoping)	Probable	69,000	3.8	2,600
	Other	10,000	1.8	200
Total		372,000	5.6	20,800
Total Proven		617,000	5.3	33,000
Total Probable		289,000	3.8	11,000
Total Other		42,000	2.7	1,000
Grand Total		948,000	4.7	45,000

NOTES:

- Reserves rounded to nearest 1,000 tonnes.
- Copper Grades rounded to 1 decimal place.
- Contained copper rounded to nearest 1,000 tonnes.
- "Other" is mineralisation within the resource model that will be mined as part of the stoping blocks.

This reserve information has been compiled by Mr Simon Wulff of Thalanga Copper Mines Pty Ltd who is a competent person as defined in Appendix 5A to the ASX Listing Rules. Thalanga Copper Mines Pty Ltd has consented in writing to the information being included in the form and context in which it appears.

The project is now based on mining the ore reserve of 948,000 tonnes @ 4.7% copper and the mineral resources contained in the Chimney Zone (77,000 tonnes @ 4.3% Cu) and B Lens (95,000 tonnes @ 4.2% Cu) with mining estimated to be completed by January 2004. Processing of ore at the Thalanga mill is scheduled to commence at the end of October 2002 and be completed by February 2004. The project is expected to produce 176,000 tonnes of copper concentrate grading 27.6% copper with a copper recovery of 93%. The Company's share of production is estimated to be approximately 52,000 tonnes of concentrate over the life of the project.

Highway Project
(Grange 30%, TCM 70%)

Engineering design for the capping of the Highway waste rock dump has been finalised and preparatory earthworks have commenced. Capping, topsoiling and seeding are to be undertaken during the year.

Exploration
(Grange 30%, TCM 70%)

Exploration drilling on the Truncheon prospect commenced towards the end of October 2002.

During the quarter mineral resource estimates were updated following the completion of the drilling programmes to evaluate the Chimney Zone and B Lens. A summary of mineral resources within the Mt Windsor project area as at the end of September 2002 is presented in Table 2, which also includes updated resource estimates for the Reward Deeps and Conviction projects. It should be noted that the resources modified to produce the reserve figures for Reward Deeps and Conviction presented in Table 1 are **included** in the resource figures in Table 2.

TABLE 2					
MT WINDSOR JOINT VENTURE					
MINERAL RESOURCES AS AT 30 SEPTEMBER 2002					
Resource	Status	Tonnes	Grade Cu%	Au g/t	Contained Cu Tonnes
Reward Deeps	Measured	323,000	5.9	0.8	19,000
	Indicated	274,000	4.3	0.9	11,700
	Inferred	105,000	3.7	1.0	3,900
	Total	702,000	4.9	0.9	34,600
Conviction	Measured	322,000	6.3	0.8	20,300
	Indicated	68,000	4.7	0.8	3,200
	Inferred	6,000	3.2	0.6	200
	Total	396,000	6.0	0.8	23,700
Lower Reward Deeps	Measured	40,000	4.8	0.8	1,900
	Indicated	90,000	4.2	0.8	3,800
	Inferred	10,000	4.6	0.5	500
	Total	140,000	4.4	0.8	6,200
Highway South	Indicated	76,000	4.0	0.9	3,000
	Inferred	6,000	3.1	0.6	200
	Total	82,000	3.9	0.9	3,200
Chimney Zone	Indicated	77,000	4.3	0.7	3,300
	Total	77,000	4.3	0.7	3,300
B Lens	Indicated	95,000	4.2	0.7	4,000
	Total	95,000	4.2	0.7	4,000

North Reward	Inferred	245,000	3.8	0.7	9,400
	Total	245,000	3.8	0.7	9,400
Total Measured		685,000	6.0	0.8	41,100
Total Indicated		680,000	4.3	0.8	29,200
Total Inferred		372,000	3.8	0.8	14,100
Grand Total		1,737,000	4.9	0.8	84,400

NOTES:

- Estimation method for all resources except North Reward - Block model, Ordinary Kriging.
- North Reward estimation method – block model, inverse distance squared.
- Resources rounded to nearest 1,000 tonnes.
- Copper Grades rounded to 1 decimal place.
- Cut off grade 3% Cu.

This resource information has been compiled by Mr Andrew Beaton of Thalanga Copper Mines Pty Ltd who is a competent person as defined in Appendix 5A to the ASX Listing Rules. Thalanga Copper Mines Pty Ltd has consented in writing to the information being included in the form and context in which it appears.

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 September 2002 quarter.

Operations

During the September quarter development of the Plutonic East underground mine continued with a small tonnage of development ore being mined. Production details for the Plutonic East project to the end of September 2002 are summarised in Table 3. Full stoping production from Plutonic East is not expected to commence until early 2003.

TABLE 3 FRESHWATER PROJECT – PLUTONIC EASTMINE SUMMARY OF ORE PRODUCTION TO 30 SEPTEMBER 2002 (Ore tonnes > 1.5g/t Au)		
Period	Tonnes	Grade g/t Au
December 2001 to 30 June 2002	20,865	5.05
September 2002 Quarter	21,941	7.73
Grand Total	42,806	6.43

Mining and processing of ore from the Pigeon open pit project also commenced during the quarter. Production statistics for Pigeon are summarised in Table 4.

TABLE 4 FRESHWATER PROJECT – PIGEON MINE OPERATING STATISTICS		
	June 2002 Quarter	September 2002 Quarter
MINING		
Ore Mined (bcm)	00	23,478
Total Material (bcm)	00	123,469
Ore mined (tonnes)	00	49,298
TREATMENT		
Ore Milled (tonnes)	00	49,298
Head Grade (g/t)	00	1.34
Recovery (%)	n/a	91.0
Gold Produced (oz)	n/a	1,933
Royalty payable to Grange (\$)	00	17,936
Cash Operating Cost (\$/oz)	00	361

Development Drilling

During the September quarter a second drilling programme was initiated at Plutonic East with the aim of investigating areas that had not been drilled from earlier development. The drilling has shown encouraging results for deeper lodes and confirmed local dimensions of lodes currently included in the mine design. Significant drilling intersections (> 10g.m/t) from the programme are summarised in Table 5

TABLE 5 FRESHWATER PROJECT – PLUTONIC EAST MINE SEPTEMBER 2002 QUARTER SIGNIFICANT DEVELOPMENT DRILLING RESULTS (>10g.m/t)						
Hole	Northing	Easting	RL	Final Depth	Intersection (m)	g/t Au
UDE0046	10841	8133	1328	35.9	2.2	7.90
UDE0052	10823	8157	1328	56.25	4	5.37
UDE0053	10823	8157	1330	72.4	6.6	7.95
UDE0078	10600	8302	1376	105.70	1.7	10.82
					1.8	7.46
					1.7	4.46
UDE0082	10584	8328	1379	55.2	3.2	7.82
UDE0108	10815	8206	1326	59.9	3.3	4.77
UDE0112	10690	8314	1319	50.3	15.6	3.69

Development drilling was also undertaken on the Pigeon and Barramundi deposits during the quarter. Ninety two holes aggregating 5369 metres were completed at Pigeon and fifty seven holes aggregating 5134 metres were completed at Barramundi. Significant intersections (> 10g.m/t)) from the Pigeon drilling programme are summarised in Table 6 and from the Barramundi programme in Table 7.

TABLE 6 FRESHWATER PROJECT – PIGEON PROJECT SEPTEMBER 2002 QUARTER SIGNIFICANT DEVELOPMENT DRILLING RESULTS (>10g.m/t)						
Hole	Northing	Easting	RL	Depth From	Intersection (m)	g/t Au
FRC9619	5138	20060	530	20	2	6.64
FRC9620	5159	20060	531	33	2	3.27
				36	5	4.63
FRC9621	5180	20060	532	10	5	5.14
				37	1	1.03
				39	1	14.50
				43	1	5.34
FRC9640	5181	20080	532	45	1	11.30
				47	1	1.57
FRC9646	5221	20120	532	33	7	4.92
FRC9702	5120	20020	529	17	2	11.4
FRC9709	5259	20118	532	38	1	1.76
				60	3	7.25
				66	1	3.21
FRC9712	5239	20120	532	47	8	3.18
FRC9716	5291	20281	533	25	3	4.62
				32	3	3.32
FRC9736	5120	19980	529	30	1	1.07
				32	3	11.19
FRC9743	5119	20000	529	24	2	8.94
FRC9744	5139	20000	530	39	2	5.57

TABLE 7
FRESHWATER PROJECT – BARRAMUNDI PROJECT
SEPTEMBER 2002 QUARTER
SIGNIFICANT DEVELOPMENT DRILLING RESULTS (>10g.m/t)

Hole	Northing	Easting	RL	Depth From	Intersection (m)	g/t Au
FRC9654	10017	12974	502	32	2	6.69
				91	1	2.51
				113	1	1.49
FRC9657	10126	12977	502	59	1	1.25
				62	1	14.3
				72	3	4.09
				80	1	2.87
				82	1	4.57
				84	1	1.02
FRC9658	10112	12991	502	31	1	2.21
				45	1	3.38
				60	3	4.97
				85	1	2.67
FRC9670	10286	12988	503	32	1	1.26
				85	3	2.46
				93	4	2.69
FRC9671	10229	13101	503	60	5	3.07
				70	1	2.20
				73	2	1.48
FRC9676	10353	13118	502	29	2	3.14
				34	3	3.99
				38	1	1.00
				56	1	1.88
				59	1	1.49
FRC9677	10071	13514	503	43	2	4.96
FRC9680	10173	13468	502	7	5	2.77
				74	1	1.37
FRC9683	10587	13507	502	53	4	4.30
FRC9692	10368	13108	502	37	1	1.06
				77	4	15.10
				80	1	2.78
FRC9777	10403	13384	501	45	1	3.00
				47	1	1.51
				49	2	18.46
				52	1	1.86

Exploration

Exploration activity during the September quarter on the Freshwater project was focussed on reconnaissance drilling on four prospects.

Seven RC holes were drilled in the structural corridor bounded by the MMR and South Perch faults, which is host to several gold deposits including Salmon, Perch, Trout and Callop. Three holes recorded narrow intersections of gold mineralisation, the most significant being 2m @ 2.71g/t Au from 289m in hole FRC1663 located south of the Callop deposit.

One deep diamond hole was drilled to 1087 metres targeting Plutonic style stratigraphy and mineralisation on the south side of the Area 3 fault. Elevated gold and arsenic values were recorded from an altered zone but no significant assays were returned.

One diamond hole was drilled to 853 metres to test for mineralisation beneath the Salmon deposit. No significant zones of mineralisation were recorded but assays are yet to be received.

Two RC holes were commenced at the Hawke prospect to investigate a Au-Bi-Te-W geochemical anomaly. Drilling was continuing at the end of the quarter and no assays had been received.

RED HILL (Mining Lease M27/57) (AurionGold Limited (“AurionGold”) 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 AurionGold.

AurionGold has advised that work is progressing on schedule for the commencement of mining at Red Hill during the March 2003 quarter.

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 23 October 2002 the Company announced it had entered into a conditional Selective Share Buy-Back Agreement with Callanish Interests Pty Ltd to acquire 5,681,683 fully paid ordinary shares at a price of \$0.11 (amounting to a total price of \$624,985) and 26,830,168 preference shares for a total price of \$1.00. The Selective Share Buy-Back Agreement is conditional on receipt of shareholder and other regulatory approvals. Shareholders will vote on the resolution to approve the Selective Buy-Back Agreement at the Company's annual general meeting scheduled for 25 November 2002.

CASH POSITION

During the September quarter, development of the Reward Deeps and Conviction Project underground mines continued which contributed to a negative cash flow of \$959,000 from operating activities. A cash flow deficit of \$1.78 from investing activities was largely attributable to the Company renegotiating security deposits in relation to its rehabilitation obligations. The resulting cash balance at 30 September 2002 was \$9.61 million.

ALEC PISMIRIS
Company Secretary