

# Appendix 4B (rule 4.13(b))

## Half yearly/preliminary final report

Introduced 1/7/2000. Amended 30/9/2001.

Name of entity

GRANGE RESOURCES LIMITED

ABN	Half yearly (tick)	Preliminary final (tick)	Half year ended ('current period')
80 009 132 405	<input checked="" type="checkbox"/>	<input type="checkbox"/>	31 DECEMBER 2001

### For announcement to the market

*Extracts from this report for announcement to the market (see note 1).*

\$A'000

Revenues from ordinary activities up <i>(item 1.1)</i>	33%	to	12,328
Profit (loss) from ordinary activities after tax (before amortisation of goodwill) attributable to members <i>(item 1.20)</i>	N/A%	to	536
Profit (loss) from ordinary activities after tax attributable to members <i>(item 1.23)</i>	N/A%	to	536
Profit (loss) from extraordinary items after tax attributable to members <i>(item 2.5(d))</i>	gain (loss) of	nil	-
Net profit (loss) for the period attributable to members <i>(item 1.11)</i>	up	N/A%	to 536
<b>Dividends (distributions)</b>	Amount per security		Franked amount per security
Final dividend <i>(Preliminary final report only - item 15.4)</i>	Nil ¢		Nil ¢
Interim dividend <i>(Half yearly report only - item 15.6)</i>			
Previous corresponding period <i>(Preliminary final report - item 15.5; half yearly report - item 15.7)</i>	Nil ¢		Nil ¢

+ See chapter 19 for defined terms.

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<p>+Record date for determining entitlements to the dividend, (in the case of a trust, distribution) (see item 15.2)</p>	<p>N/A</p>
<p>Brief explanation of omission of directional and percentage changes to profit in accordance with Note 1 and short details of any bonus or cash issue or other item(s) of importance not previously released to the market:</p> <p>No percentage change given where change is from a loss to a profit.</p>	

**Consolidated profit and loss account**

	Current period - \$A'000	Previous corresponding period - \$A'000
1.1 Revenues from ordinary activities	12,328	9,234
1.2 Expenses from ordinary activities (see items 1.24 + 12.5 + 12.6)	(11,702)	(23,750)
1.3 Borrowing costs	(90)	(209)
1.4 Share of net profit (loss) of associates and joint venture entities (see item 16.7)	-	(269)
<b>1.5 Profit (loss) from ordinary activities before tax</b>	<b>536</b>	<b>(14,994)</b>
1.6 Income tax on ordinary activities (see note 4)	-	-
<b>1.7 Profit (loss) from ordinary activities after tax</b>	<b>536</b>	<b>(14,994)</b>
1.8 Profit (loss) from extraordinary items after tax (see item 2.5)	-	-
<b>1.9 Net profit (loss)</b>	<b>536</b>	<b>(14,994)</b>
1.10 Net profit (loss) attributable to outside +equity interests	-	-
<b>1.11 Net profit (loss) for the period attributable to members</b>	<b>536</b>	<b>(14,994)</b>

**Consolidated retained profits**

1.12 Retained profits (accumulated losses) at the beginning of the financial period	(21,226)	(8,339)
1.13 Net profit (loss) attributable to members (item 1.11)	536	(14,994)
1.14 Net transfers to and from reserves	-	-
1.15 Net effect of changes in accounting policies	-	-

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1.16	Dividends and other equity distributions paid or payable	-	-
1.17	<b>Retained profits (accumulated losses) at end of financial period</b>	<b>(20,690)</b>	<b>(23,333)</b>

<b>Profit restated to exclude amortisation of goodwill</b>		Current period \$A'000	Previous corresponding period \$A'000
1.18	Profit (loss) from ordinary activities after tax before outside equity interests ( <i>items 1.7</i> ) and amortisation of goodwill	536	(14,805)
1.19	Less (plus) outside <sup>+</sup> equity interests	-	-
1.20	<b>Profit (loss) from ordinary activities after tax (before amortisation of goodwill) attributable to members</b>	<b>536</b>	<b>(14,805)</b>

**Profit (loss) from ordinary activities attributable to members**

		Current period \$A'000	Previous corresponding period \$A'000
1.21	Profit (loss) from ordinary activities after tax ( <i>item 1.7</i> )	536	(14,994)
1.22	Less (plus) outside <sup>+</sup> equity interests	-	-
1.23	<b>Profit (loss) from ordinary activities after tax, attributable to members</b>	<b>536</b>	<b>(14,994)</b>

+ See chapter 19 for defined terms.

### Revenue and expenses from ordinary activities

AASB 1004 requires disclosure of specific categories of revenue and AASB 1018 requires disclosure of expenses from ordinary activities according to either their nature or function. Entities must report details of revenue and expenses from ordinary activities using the layout employed in their accounts. See also items 12.1 to 12.6.

Current period \$A'000	Previous corresponding period \$A'000
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1.24	Details of revenue and expenses		
	(a) Classification of revenue and expenses by function:		
	Mining Revenue	12,238	5,691
	Cost of Sales	(3,678)	(3,420)
	Gross Profit from Mining Activities	8,560	2,271
	Amortisation & Depreciation	(5,396)	(2,211)
	Net Profit from Mining Activities	3,164	60
	Financial Services Revenue	0	172
	Cost of Sales (incl development costs)	(91)	(5,341)
	Gross Loss from Financial Services Activities	(91)	(5,169)
	Amortisation & Depreciation	(79)	(136)
	Net Loss from Financial Services Activities	(170)	(5,305)
	Revenue from Sale of Investments	-	3,149
	Book Value of Investments Sold	-	(1,870)
	Profit on Sale of Investments	-	1,279
	Other Operating Revenue	89	222
	Administrative Expenses	(1,200)	(754)
	Borrowing Costs Expense	(90)	(209)
	Other Expenses from Operating Activities (b)	(1,257)	(10,287)
	Profit/(loss) from Operating Activities	536	(14,994)
	(b) Other expenses from Operating Activities comprise:		
	Provision for diminution of current investments	-	(206)
	Provision for diminution of non-current investments	-	(1,284)
	Provision for vacant office premises	-	(682)
	Provision for doubtful debts	-	(200)
	Amortisation of intangible assets	-	(1,275)
	Write-off of intangibles	-	(6,365)
	Relocation & redundancy expenses	(228)	-
	Share of associates net loss	-	(269)
	Devaluation of exploration assets	(771)	(6)
	Devaluation of office furniture & equipment	(258)	-
	Total other expenses from operating activities	(1,257)	(10,287)

+ See chapter 19 for defined terms.

## Intangible and extraordinary items

		<i>Consolidated - current period</i>			
		Before tax \$A'000  (a)	Related tax \$A'000  (b)	Related outside +equity interests \$A'000  (c)	Amount (after tax) attributable to members \$A'000  (d)
2.1	Amortisation of goodwill	-	-	-	-
2.2	Amortisation of other intangibles	-	-	-	-
<b>2.3</b>	<b>Total amortisation of intangibles</b>	-	-	-	-
2.4	Extraordinary items (details)	-	-	-	-
<b>2.5</b>	<b>Total extraordinary items</b>	-	-	-	-

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<b>Comparison of half year profits</b> <i>(Preliminary final report only)</i>	Current year - \$A'000	Previous year - \$A'000
3.1 Consolidated profit (loss) from ordinary activities after tax attributable to members reported for the 1st half year (item 1.23 in the half yearly report)	N/A	N/A
3.2 Consolidated profit (loss) from ordinary activities after tax attributable to members for the 2nd half year	N/A	N/A

<b>Consolidated balance sheet</b>	At end of current period \$A'000	As shown in last annual report \$A'000	As in last half yearly report \$A'000
<b>Current assets</b>			
4.1 Cash	7,270	6,704	3,234
4.2 Receivables	1,441	2,210	1,754
4.3 Investments	-	-	60
4.4 Inventories	7,063	2,068	2,509
4.5 Other (provide details if material)	118	46	13
<b>4.6 Total current assets</b>	<b>15,892</b>	<b>11,029</b>	<b>7,570</b>
<b>Non-current assets</b>			
4.7 Receivables	468	465	438
4.8 Investments (equity accounted)	-	-	-
4.9 Other investments	-	-	-
4.10 Inventories	-	-	-
4.11 Exploration and evaluation expenditure capitalised (see para .71 of AASB 1022)	656	1,298	1,424
4.12 Development properties (*mining entities)	5,428	8,884	10,017
4.13 Other property, plant and equipment (net)	738	1,362	3,574
4.14 Intangibles (net)	-	-	-
4.15 Other (provide details if material)	-	-	-
<b>4.16 Total non-current assets</b>	<b>7,290</b>	<b>12,009</b>	<b>15,453</b>
<b>4.17 Total assets</b>	<b>23,182</b>	<b>23,038</b>	<b>23,023</b>
<b>Current liabilities</b>			
4.18 Payables	2,050	2,200	1,986

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4.19	Interest bearing liabilities	-	1,313	3,325
4.20	Provisions	1,602	531	809

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4.21	Other (provide details if material)	-	-	-
<b>4.22</b>	<b>Total current liabilities</b>	<b>3,652</b>	<b>4,044</b>	<b>6,120</b>
	<b>Non-current liabilities</b>			
4.23	Payables	-	-	-
4.24	Interest bearing liabilities	1	1	92
4.25	Provisions	1,329	1,329	1,253
4.26	Other (provide details if material)	-	-	-
<b>4.27</b>	<b>Total non-current liabilities</b>	<b>1,330</b>	<b>1,330</b>	<b>1,345</b>
<b>4.28</b>	<b>Total liabilities</b>	<b>4,982</b>	<b>5,374</b>	<b>7,465</b>
<b>4.29</b>	<b>Net assets</b>	<b>18,200</b>	<b>17,664</b>	<b>15,558</b>

**Consolidated balance sheet continued**

	<b>Equity</b>			
4.30	Capital/contributed equity	33,016	33,016	33,016
4.31	Reserves	5,874	5,874	5,875
4.32	Retained profits (accumulated losses)	(20,690)	(21,226)	(23,333)
<b>4.33</b>	<b>Equity attributable to members of the parent entity</b>	<b>18,200</b>	<b>17,664</b>	<b>15,558</b>
4.34	Outside +equity interests in controlled entities	-	-	-
<b>4.35</b>	<b>Total equity</b>	<b>18,200</b>	<b>17,664</b>	<b>15,558</b>
4.36	Preference capital included as part of 4.33	-	-	-

**Exploration and evaluation expenditure capitalised**

*To be completed only by entities with mining interests if amounts are material. Include all expenditure incurred regardless of whether written off directly against profit.*

	Current period \$A'000	Previous corresponding period \$A'000
5.1	1,298	1,387
5.2	129	43
5.3	(771)	-

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5.4	Acquisitions, disposals, revaluation increments, etc.	-	(6)
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5.5	Expenditure transferred to Development Properties	-	-
5.6	<b>Closing balance as shown in the consolidated balance sheet (item 4.11)</b>	<b>656</b>	<b>1,424</b>

**Development properties**

*(To be completed only by entities with mining interests if amounts are material)*

		Current period \$A'000	Previous corresponding period - \$A'000
6.1	Opening balance	8,884	11,994
6.2	Expenditure incurred during current period	2,589	-
6.3	Expenditure transferred from exploration and evaluation	-	-
6.4	Expenditure written off during current period	-	-
6.5	Acquisitions, disposals, revaluation increments, etc.	-	-
6.6	Expenditure transferred to mine properties as amortisation	(6,045)	(1,977)
6.7	<b>Closing balance as shown in the consolidated balance sheet (item 4.12)</b>	<b>5,428</b>	<b>10,017</b>

**Consolidated statement of cash flows**

		Current period \$A'000	Previous corresponding period - \$A'000
	<b>Cash flows related to operating activities</b>		
7.1	Receipts from customers	12,901	5,531
7.2	Payments to suppliers and employees	(8,397)	(11,871)
7.3	Dividends received from associates	-	-
7.4	Other dividends received	-	-
7.5	Interest and other items of similar nature received	88	222
7.6	Interest and other costs of finance paid	(104)	(200)
7.7	Income taxes paid	-	-
7.8	Other (provide details if material)	-	-

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<b>7.9</b>	<b>Net operating cash flows</b>	<b>4,488</b>	<b>(6,318)</b>
	<b>Cash flows related to investing activities</b>		
7.10	Payment for purchases of property, plant and equipment	(6)	(1,521)
7.11	Proceeds from sale of property, plant and equipment	8	-
7.12	Payment for purchases of equity investments	-	(90)

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7.13	Proceeds from sale of equity investments	-	3,158
7.14	Loans to related entities	-	(13)
7.15	Payment for exploration, evaluation & development	(2,717)	(86)
7.16	Other (refund of security deposit)	106	11
<b>7.17</b>	<b>Net investing cash flows</b>	<b>(2,609)</b>	<b>1,459</b>
<b>Cash flows related to financing activities</b>			
7.18	Proceeds from issues of securities (shares, options, etc.)	-	-
7.19	Proceeds from borrowings	-	-
7.20	Repayment of borrowings	(1,250)	(706)
7.21	Dividends paid	-	-
7.22	Other (Finance lease principal repayments)	(63)	(51)
<b>7.23</b>	<b>Net financing cash flows</b>	<b>(1,313)</b>	<b>(757)</b>
<b>7.24</b>	<b>Net increase (decrease) in cash held</b>	<b>566</b>	<b>(5,616)</b>
7.25	Cash at beginning of period (see Reconciliation of cash)	6,704	8,850
7.26	Exchange rate adjustments to item 7.25.	-	-
<b>7.27</b>	<b>Cash at end of period</b> (see Reconciliation of cash)	<b>7,270</b>	<b>3,234</b>

**Non-cash financing and investing activities**

*Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows are as follows. If an amount is quantified, show comparative amount.*

nil
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**Reconciliation of cash**

Reconciliation of cash at the end of the period (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.	Current period \$A'000	Previous corresponding period \$A'000
8. Cash on hand and at bank 1	232	368
8. Deposits at call 2	6,748	2,582
8. Bank overdraft 3	-	-
8. Cash at bank - Joint Ventures 4	290	284

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8. Total cash at end of period 5 ( <i>item 7.27</i> )	7,270	3,234
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Ratios	Current period	Previous corresponding period
<b>Profit before tax / revenue</b> 9. Consolidated profit (loss) from 1 ordinary activities before tax (item 1.5) as a percentage of revenue (item 1.1)	4.35%	(162.38%)
<b>Profit after tax / +equity interests</b> 9. Consolidated net profit (loss) 2 from ordinary activities after tax attributable to members (item 1.9) as a percentage of equity (similarly attributable) at the end of the period (item 4.33)	2.95%	(96.37%)

Earnings per security (EPS)	Current period	Previous corresponding period
10. Calculation of the following 1 in accordance with AASB 1027: <i>Earnings per Share</i> (a) Basic EPS	0.63c	(17.64c)
(b) Diluted EPS (if materially different from (a))	0.63c	(17.64c)
(c) Weighted average number of ordinary shares outstanding during the period used in the calculation of the Basic EPS	84,976,932	84,976,932

NTA backing (see note 7)	Current period	Previous corresponding period
11. Net tangible asset backing per 1 +ordinary security	N/A	N/A

**Details of specific receipts/outlays, revenues/expenses**

	Current period \$A'000	Previous corresponding period \$A'000
12.1 Interest revenue included in determining item 1.5	88	222
12.2 Interest revenue included in item 12.1 but not yet received (if material)	-	-

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12.3	Interest costs excluded from borrowing costs, capitalised in asset values	-	-
12.4	Outlays (except those arising from the acquisition of an existing business) capitalised in intangibles (if material)	-	-
12.5	Depreciation and amortisation (excluding amortisation of intangibles)	(5,475)	(2,348)
12.6	Other specific relevant items not shown in item 1.24 (see note 15)	-	-

**Control gained over entities having material effect**  
**N/A**

13.1	Name of entity (or group of entities)	
13.2	Consolidated profit (loss) from ordinary activities and extraordinary items after tax of the entity (or group of entities) since the date in the current period on which control was acquired	\$
13.3	Date from which such profit has been calculated	
13.4	Profit (loss) from ordinary activities and extraordinary items after tax of the entity (or group of entities) for the whole of the previous corresponding period	\$

**Loss of control of entities having material effect**  
**N/A**

14.1	Name of entity (or group of entities)	
14.2	Consolidated profit (loss) from ordinary activities and extraordinary items after tax of the entity (or group of entities) for the current period to the date of loss of control	\$
14.3	Date to which the profit (loss) in item 14.2 has been calculated	

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14. Consolidated profit (loss) from ordinary  
4 activities and extraordinary items after  
tax of the entity (or group of entities)  
while controlled during the whole of the  
previous corresponding period

\$

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14. Contribution to consolidated profit  
5 (loss) from ordinary activities and  
extraordinary items from sale of  
interest leading to loss of control

\$
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**Reports for industry and geographical segments  
Refer Appendix A**

*Information on the industry and geographical segments of the entity must be reported for the current period in accordance with AASB 1005: Financial Reporting by Segments. Because of the different structures employed by entities, a pro forma is not provided. Segment information should be completed separately and attached to this report. However, the following is the presentation adopted in the Appendices to AASB 1005 and indicates which amounts should agree with items included elsewhere in this report.*

**Segments**

Operating Revenue

Sales to customers outside the economic entity

Inter-segment sales

Unallocated revenue

Total revenue

Segment result

Unallocated expenses

Consolidated profit (loss) from ordinary activities  
before tax (equal to item 1.5)

Segment assets

)

Unallocated assets )

Total assets (equal to item  
4.17) )

*Comparative data for segment  
assets should be as at the end  
of the previous corresponding  
period.*

**Dividends (in the case of a trust, distributions)  
N/A**

15.1 Date the dividend (distribution) is  
payable

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15.2 +Record date to determine entitlements to  
the dividend (distribution) (ie, on the  
basis of registrable transfers received  
by 5.00 pm if +securities are not +CHESSE  
approved, or security holding balances  
established by 5.00 pm or such later time  
permitted by SCH Business Rules if  
+securities are +CHESSE approved)

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15.3 If it is a final dividend, has it been  
declared?  
(Preliminary final report only)

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**Amount per security**

		Amount per security	Franked amount per security at 36% tax	Amount per security of foreign source dividend

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15. 4	<i>(Preliminary final report only)</i> <b>Final dividend:</b> Current year	¢	¢	¢
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15.5	Previous year	¢	¢	¢
15.6	(Half yearly and preliminary final reports) Interim dividend: Current year	¢	¢	¢
15.7	Previous year	¢	¢	¢

**Total dividend (distribution) per security (interim plus final)**

(Preliminary final report only)

	Current year	Previous year
15.8 +Ordinary securities	¢	¢
15.9 Preference +securities	¢	¢

**Half yearly report - interim dividend (distribution) on all securities or Preliminary final report - final dividend (distribution) on all securities**

	Current period \$A'000	Previous corresponding period - \$A'000
15.10 +Ordinary securities		
15.11 Preference +securities		
15.12 Other equity instruments		
<b>15.13 Total</b>		

The +dividend or distribution plans shown below are in operation.

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The last date(s) for receipt of election notices for the +dividend or distribution plans

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Any other disclosures in relation to dividends (distributions)

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+ See chapter 19 for defined terms.

**Details of aggregate share of profits (losses) of associates and joint venture entities**

	Current period \$A'000	Previous corresponding period - \$A'000
16.1 Profit (loss) from ordinary activities before income tax	-	(269)
16.2 Income tax on ordinary activities	-	-
<b>16.3 Profit (loss) from ordinary activities after income tax</b>	-	(269)
16.4 Extraordinary items net of tax	-	-
<b>16.5 Net profit (loss)</b>	-	(269)
16.6 Outside +equity interests	-	-
<b>16.7 Net profit (loss) attributable to members</b>	-	(269)

**Material interests in entities which are not controlled entities**

*The economic entity has an interest (that is material to it) in the following entities. If the interest was acquired or disposed of during either the current or previous corresponding period, indicate date of acquisition ("from xx/xx/xx") or disposal ("to xx/xx/xx").*

Name of entity	Percentage of ownership interest held at end of period or date of disposal		Contribution to net profit (loss) (item 1.9)	
	Current period	Previous corresponding period	Current period - \$A'000	Previous corresponding period - \$A'000
<b>17.1 Equity accounted associates and joint venture entities</b>				
Resources Trading Systems Pty Ltd (in liquidation)	N/A	59.4%	-	(1,553)
<b>17.2 Total</b>			-	(1,553)
17.3 Other material interests				

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<b>17.4 Total</b>			-	-

**Issued and quoted securities at end of current period**

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

Category of <sup>+</sup> securities	Total number	Number quoted	Issue price per security (see note 14) (cents)	Amount paid up per security (see note 14) (cents)
<b>18.1 Preference <sup>+</sup>securities</b> (description)				
18.2 Changes during current period (a) Increases through issues (b) Decreases through returns of capital, buybacks, redemptions				
<b>18.3 <sup>+</sup>Ordinary securities</b>	84,976,932	72,069,766	N/A	N/A
18.4 Changes during current period (a) Increases through issues (b) Decreases through returns of capital, buybacks	- -	- -		
<b>18.5 <sup>+</sup>Convertible debt securities</b> (Convertible redeemable preference shares)	100,000,000	-	0.001c	0.001c
18.6 Changes during current period (a) Increases through issues (b) Decreases through securities matured, converted	- -	- -		
<b>18.7 Options</b> (description and conversion factor)			Exercise price	Expiry date (if any)

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		7,144,615	-	84c	30/6/02
18.8	Issued during current period	-	-		
18.9	Exercised during current period	3,334	3,334	80c	31/12/01
18.10	Expired during current period	42,514,733	35,192,078	80c	31/12/01
<b>18.11</b>	<b>Debentures (totals only)</b>	-	-		
<b>18.12</b>	<b>Unsecured notes (totals only)</b>	-	-		

**Comments by directors**

*Comments on the following matters are required by ASX or, in relation to the half yearly report, by AASB 1029: Half-Year Accounts and Consolidated Accounts. The comments do not take the place of the directors' report and statement (as required by the Corporations Act) and may be incorporated into the directors' report and statement. For both half yearly and preliminary final reports, if there are no comments in a section, state NIL. If there is insufficient space to comment, attach notes to this report.*

**Basis of accounts preparation**

*If this report is a half yearly report, it is a general purpose financial report prepared in accordance with the listing rules and AASB 1029: Half-Year Accounts and Consolidated Accounts. It should be read in conjunction with the last annual report and any announcements to the market made by the entity during the period. [Delete if preliminary final statement.]*

Material factors affecting the revenues and expenses of the economic entity for the current period

- The Highway Joint Venture generated an EBITDA of \$8.4 million and a NPAT of \$3.4 million for the period.
- Depreciation and amortisation charges for the period totalled \$5.5 million.
- Exploration assets were written-down by \$771,000 during the period.
- Computer and office equipment were written-down by \$258,000 during the period.
- Redundancies totalling \$228,000 were paid to Sydney office staff during the period due to the relocation of the Company's office to Perth.
- The consolidated NPAT excluding the write-off of exploration assets and computer and office equipment and redundancies was \$1.8 million.

A description of each event since the end of the current period which has had a material effect and is not related to matters already reported, with financial effect quantified (if possible)

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+ See chapter 19 for defined terms.

**Appendix 4B (rule 4.13(b))  
Half yearly/preliminary final report**

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nil

Franking credits available and prospects for paying fully or partly franked dividends for at least the next year

nil

Changes in accounting policies since the last annual report are disclosed as follows.

*(Disclose changes in the half yearly report in accordance with AASB 1029: Half-Year Accounts and Consolidated Accounts. Disclose changes in the preliminary final report in accordance with AASB 1001: Accounting Policies-Disclosure.)*

nil

**Additional disclosure for trusts                      N/A**

19. Number of units held by the  
1 management company or  
responsible entity or their  
related parties.

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19. A statement of the fees and  
2 commissions payable to the  
management company or  
responsible entity.

Identify:

- initial service charges
- management fees
- other fees

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**Annual meeting                      N/A**

*(Preliminary final report only)*

The annual meeting will be held as follows:

Place

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Date

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+ See chapter 19 for defined terms.



Time	
Approximate date the annual report will be available	

**Compliance statement**

1 This report 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 12).

Identify other standards used

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2 This report, and the accounts upon which the report is based (if separate), use the same accounting policies.

3 This report does give a true and fair view of the matters disclosed (see note 2).

4 This report is based on accounts to which one of the following applies.

*(Tick one)*

The accounts have been audited.

The accounts have been subject to review.

The accounts are in the process of being audited or subject to review.

The accounts have not yet been audited or reviewed.

5 If the audit report or review by the auditor is not attached, details of any qualifications are attached/will follow immediately they are available\* (*delete one*). (*Half yearly report only - the audit report or review by the auditor must be attached to this report if this report is to satisfy the requirements of the Corporations Act.*)

6 The entity has a formally constituted audit committee.

Sign ..... here:  
..... Date: .....  
(Director/Company Secretary)

Print name: ..JULIE  
MCCORMACK.....  
.....

**Notes**

1. **For announcement to the market** The percentage changes referred to in this section are the percentage changes calculated by comparing the current period's figures with

+ See chapter 19 for defined terms.

those for the previous corresponding period. Do not show percentage changes if the change is from profit to loss or loss to profit, but still show whether the change was up or down. If changes in accounting policies or procedures have had a material effect on reported figures, do not show either directional or percentage changes in profits. Explain the reason for the omissions in the note at the end of the announcement section.

2. **True and fair view** If this report does not give a true and fair view of a matter (for example, because compliance with an Accounting Standard is required) the entity must attach a note providing additional information and explanations to give a true and fair view.

3. **Consolidated profit and loss account**

Item 1.1 The definition of "revenue" and an explanation of "ordinary activities" are set out in AASB 1004: *Revenue*, and AASB 1018: *Statement of financial performance*.

Item 1.6 This item refers to the total tax attributable to the amount shown in item 1.5. Tax includes income tax and capital gains tax (if any) but excludes taxes treated as expenses from ordinary activities (eg, fringe benefits tax).

4. **Income tax** If the amount provided for income tax in this report differs (or would differ but for compensatory items) by more than 15% from the amount of income tax *prima facie* payable on the profit before tax, the entity must explain in a note the major items responsible for the difference and their amounts.

5. **Consolidated balance sheet**

**Format** The format of the consolidated balance sheet should be followed as closely as possible. However, additional items may be added if greater clarity of exposition will be achieved, provided the disclosure still meets the requirements of AASB 1029: *Half-Year Accounts and Consolidated Accounts*, and AASB 1040: *Statement of Financial Position*. Banking institutions, trusts and financial institutions identified in an ASIC Class Order dated 2 September 1997 may substitute a clear liquidity ranking for the Current/Non-Current classification.

**Basis of revaluation** If there has been a material revaluation of non-current assets (including investments) since the last annual report, the entity must describe the basis of revaluation adopted. The description must meet the requirements of AASB 1010: *Accounting for the Revaluation of Non-Current Assets*. If the entity has adopted a procedure of regular revaluation, the basis for which has been disclosed and has not changed, no additional disclosure is required. Trusts should also note paragraph 10 of AASB 1029 and paragraph 11 of AASB 1030: *Application of Accounting Standards etc*.

6. **Consolidated statement of cash flows** For definitions of "cash" and other terms used in this report see AASB 1026: *Statement of Cash Flows*. Entities should follow the form

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+ See chapter 19 for defined terms.

as closely as possible, but variations are permitted if the directors (in the case of a trust, the management company) believe that this presentation is inappropriate. However, the presentation adopted must meet the requirements of AASB 1026. <sup>+</sup>Mining exploration entities may use the form of cash flow statement in Appendix 5B.

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<sup>+</sup> See chapter 19 for defined terms.

7. **Net tangible asset backing** Net tangible assets are determined by deducting from total tangible assets all claims on those assets ranking ahead of the +ordinary securities (ie, all liabilities, preference shares, outside +equity interests etc). +Mining entities are *not* required to state a net tangible asset backing per +ordinary security.
8. **Gain and loss of control over entities** The gain or loss must be disclosed if it has a material effect on the +accounts. Details must include the contribution for each gain or loss that increased or decreased the entity's consolidated profit (loss) from ordinary activities and extraordinary items after tax by more than 5% compared to the previous corresponding period.
9. **Rounding of figures** This report anticipates that the information required is given to the nearest \$1,000. However, an entity may report exact figures, if the \$A'000 headings are amended. If an entity qualifies under ASIC Class Order 98/0100 dated 10 July 1998, it may report to the nearest million dollars, or to the nearest \$100,000, if the \$A'000 headings are amended.
10. **Comparative figures** Comparative figures are the unadjusted figures from the previous corresponding period. However, if there is a lack of comparability, a note explaining the position should be attached.
11. **Additional information** An entity may disclose additional information about any matter, and must do so if the information is material to an understanding of the reports. The information may be an expansion of the material contained in this report, or contained in a note attached to the report. The requirement under the listing rules for an entity to complete this report does not prevent the entity issuing reports more frequently. Additional material lodged with the +ASIC under the Corporations Act must also be given to ASX. For example, a directors' report and declaration, if lodged with the +ASIC, must be given to ASX.
12. **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 one) must be complied with.
13. **Corporations Act financial statements** As at 1/7/96, this report may be able to be used by an entity required to comply with the Corporations Act as part of its half-year financial statements if prepared in accordance with Australian Accounting Standards.
14. **Issued and quoted securities** The issue price and amount paid up is not required in items 18.1 and 18.3 for fully paid securities.
15. **Relevant Items** AASB 1018 requires the separate disclosure of specific revenues and expenses which are not

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+ See chapter 19 for defined terms.

extraordinary but which are of a size, nature or incidence that disclosure is *relevant* in explaining the financial performance of the reporting entity. the term "relevance" is defined in AASB 1018. For foreign entities, there are similar requirements in other accounting standards normally accepted by ASX.

16. **\$ Dollars** If reporting is not in A\$, all references to \$A must be changed to the reporting currency. If reporting is not in thousands of dollars, all references to "000" must be changed to the reporting value.

**GRANGE RESOURCES LIMITED**  
**ABN 80 009 132 405**  
**Attachment to Appendix 4B**  
**Half Yearly Report**  
**31 December 2001**

**Appendix A**

Segment Note

**(a) Geographic Segments**

The Consolidated Entity operates predominantly in one geographic segment, Australia.

**(b) Industry Segments**

The Consolidated Entity operates predominantly in two industries - the mining and exploration industry and the technology and financial services industry.

	<i>Mining &amp; Exploration Activities</i>		<i>Financial Services &amp; Technology Activities</i>		<i>Consolidated</i>	
	Dec 2001	Dec 2 0 0 0	Dec 2001	Dec 2000	Dec 2001	Dec 2000
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Operating revenue	12,238	5,691	-	172	12,238	5,863
Other revenue	-	-	-	3,149	-	3,149
Unallocated revenue	-	-	-	-	90	222
<b>Total Revenue</b>	<b>12,238</b>	<b>5,691</b>	<b>-</b>	<b>3,321</b>	<b>12,328</b>	<b>9,234</b>
<b>Segment Result</b>	<b>2,393</b>	<b>54</b>	<b>(427)</b>	<b>(14,089)</b>	<b>1,966</b>	<b>(14,035)</b>
Unallocated Expenses					(1,520)	(1,181)
Unallocated Revenue					90	222
<b>Consolidated Operating</b>					<b>536</b>	<b>(14,994)</b>

+ See chapter 19 for defined terms.

Appendix 4B (rule 4.13(b))  
 Half yearly/preliminary final report

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	profit/(l						)
	oss)						
Segment assets		15,435	18,512	154	677	15,589	19,189
Unallocated						7,593	3,834
assets							
Total assets						<u>23,182</u>	<u>23,023</u>

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+ See chapter 19 for defined terms.

GRANGE RESOURCES LIMITED  
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Attachment to Appendix 4B  
Half Yearly Report  
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**Appendix B**

*Income Tax Note*

- (a) The prima facie income tax expense/(benefit) on the operating profit/(loss) is reconciled to the income tax provided in the accounts as follows:

	<b>Economic Entity</b>
	<b>2001</b>
	<b>\$'000</b>
The prima facie income tax expense/(benefit) on the operating profit/(loss) at 30%	
161	
Tax effect of permanent differences:-	
Loans recovered	(1)
Non-deductible expenses	76
Timing differences not brought to account	
2,242	
Tax losses of prior years recouped	
(2,478)	
Income tax expense/(benefit) attributable	
\$ 0	
to operating profit/(loss)	

- (b) Potential tax losses carried forward but not brought to account amount to approximately \$10,131,000 (tax benefit @ 30% - \$3,039,000) for the Economic Entity. The benefits will only be obtained if:
- the Economic Entity derives future assessable income of a nature and amount which will enable the benefit from the deductions for the losses to be realised;
  - the Economic Entity continues to comply with the conditions for deductibility imposed by law; and
  - no changes in tax legislation adversely affect the Economic Entity's ability to realise the benefit from the deductions for the losses.

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+ See chapter 19 for defined terms.

GRANGE RESOURCES LIMITED  
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Attachment to Appendix 4B  
Half Yearly Report  
31 December 2001

Appendix C

Other Disclosure Items Required Pursuant to AASB 1029

1. Statement of Financial Performance

	Economic Entity 2001 \$'000
Profit from ordinary activities after income tax	536
Net loss attributable to members of the Company	536
Net increase/(decrease) in asset revaluation reserves	-
Total revenue/expense & valuation adjustments attributable to members of the Company and recognised directly in equity	-
Total changes in equity other than those resulting from transactions with owners as owners.	536

2. Contingent Liabilities

As at 31 December 2001, there has been no material changes to the contingent liabilities reported in the 2001 annual report.

Extract from Contingent Liability note in 2001 annual report:

**Bank Guarantees**

Bank guarantees have been provided on the Consolidated Entity's behalf to secure, on demand by the Minister for Mines and Energy for the State of Queensland, any sum to a maximum aggregate amount of \$329,092 (2000: \$329,092), in relation to the rehabilitation of the Reward project.

Bank guarantees have been provided on the Consolidated Entity's behalf to secure, on demand by the Minister for Mines and Energy for the State of Western Australia, any sum to maximum aggregate amount of \$327,500 (2000: \$327,500), in relation to the rehabilitation of the Horseshoe Lights Mine.

Bank guarantees have been provided on the Consolidated Entity's behalf to secure, on demand by Servcorp ASX Pty Ltd, any sum to a maximum aggregate amount of \$210,750 (2000: \$210,750), in relation to a rental guarantee on an office premises. This

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+ See chapter 19 for defined terms.



guarantee was released subsequent to 30 June 2001 as a consequence of the termination of the relevant office premises lease.

**Claims**

On 4 September 2000 Austin Condell Pty Limited, a company associated with a former director of a subsidiary lodged a claim in the District Court of NSW for commissions for certain contractors. The claim is for \$329,931 excluding costs and interest. The claim has been disputed by the Consolidated Entity on legal advice.

No material losses are anticipated in respect of any of the above contingent liabilities."

**3. Contingent Assets**

The Company has no contingent assets as at 31 December 2001.

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+ See chapter 19 for defined terms.