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ADDITIONAL ORE AT SAVAGE RIVER

Grange Resources Limited (Grange) is pleased to announce the discovery of two additional magnetite lenses at its Savage River mine in an area of pre-stripping. They were identified using ground magnetics, and a preliminary exploration drilling program has confirmed the potential for two additional high grade lenses. These lenses are contained within Grange's existing mining lease (2M/2001) and have already been mined at surface.

The lenses are located at the northern end of the Savage River magnetite deposit which lies within and near the eastern margin of the Proterozoic Arthur Metamorphic Complex in north western Tasmania. The deposits are part of a series of discontinuous lenses that extend in a narrow belt for some 25 kilometres.

A summary of the Mineral Resource ⁽¹⁾ estimated for the first lens to date is as follows:

Mineral Resource	Tonnes (Mt)	Grade (DTR%)
Indicated	2.3	64
Inferred	1.2	61
Total	3.5	63

An in-fill drilling program is currently in progress to test the extent of the mineralisation of the first lens and determine the relationship with the Main Ore Zone.

The target of the second lens is characterised as mineralisation that is exposed at surface and is approximately 125 to 150 metres along strike, 10 to 25 metres wide, and 50 to 75 metres deep. This has been conceptually defined from 5 reverse circulation drill holes and 2 diamond drill holes for a total of 810 metres of drilling information. Estimation work for the second lens is underway, pending the return of assay results.

Managing Director, Mr Russell Clark said *"These discoveries, in a shallow area of the mine, have the potential to increase mine life and reduce operating costs in the next couple of years. These small high grade lenses will also allow access to a greater part of the Main Ore Zone at depth. Design and scheduling work is now focussed on an updated plan to fully realise the opportunities that this additional ore presents. This plan will form the basis of the 2010/11 Budget."*

Grange is Australia's leading magnetite producer and recently announced that it had received its final environmental permit for its development project at Southdown in Western Australia.

-ENDS-

For further information, please contact:

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(1) *Qualifying Statement*

The resource estimate for the first lens was classified in accordance with the guidelines provided in the JORC Code, 2004. The classification of Mineral Resources was considered appropriate on the basis of drill hole spacing, sample interval, geological interpretation and representativeness of assay data and was based on a number of factors:

- The first lens was modelled in three dimensions based on structure and DTR assay data
- The estimation was constrained within the interpreted geological domain.
- The Ordinary Kriging interpolation method was carried out on drilling data composited to 2 metres.
- Estimation methods for the lens were consistent with the methods applied to the mineralisation in the northern part of the Savage River deposit.
- A lower cut-off grade of 15% DTR (Davis Tube Recovery) was used in the estimation of the Mineral Resources.
- Oxidised material was not included in this statement of Mineral Resources.
- Tonnages were estimated on a dry basis.
- Bulk density for samples taken from diamond drill core has been physically determined by the weight-in-air/weight-in-water method. Samples are unsealed during this process as most material is competent and/or of low porosity.

Competent Person Statement

The information in this release that relates to Exploration Results or Mineral Resources 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 Limited. 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 release of the matters based on his information in the form and context in which it appears.