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FINAL MINISTERIAL APPROVAL RECEIVED FOR SOUTHDOWN IRON ORE MINE

Grange Resources Limited (ASX:GRR, Grange) is pleased to report on the completion of a significant milestone for the Company and the Southdown project near Albany in Western Australia.

Final Ministerial approval has been granted for the Southdown iron ore mine and associated pipeline infrastructure by the Western Australian Minister for the Environment, the Hon. Donna Faragher MLC.

Managing Director Russell Clark said the approval placed the Company in a strong position to capitalise on the improving iron ore pricing environment for the years ahead.

“We now have the Southdown iron ore mine in an approvals ready state, which will greatly enhance any future discussions with potential project financiers.

This is a significant milestone in the development of Southdown and an important step in the development of Grange’s second iron ore export operation.

Together with our joint venture partner Sojitz, we can now look forward to continued progress at Southdown on our own development timetable, without any major foreseeable approval delays.”

Grange is already Australia’s leading magnetite producer, through the Savage River iron ore mine and Port Latta operations in Tasmania. Port Latta is currently Australia’s largest producer of iron ore pellets.

The approval clears the way for Grange to begin construction and development at the Southdown iron ore mine immediately following the completion of a final Definitive Feasibility Study and financing for the project. Subject to joint venture approval, a final DFS is expected to take approximately 18 months to complete, drawing on Grange’s extensive operational knowledge from the Savage River iron ore mine in Tasmania.

The Minister has set several conditions to the approval, which Grange has agreed to meet. The Company regards the conditions as consistent with Grange’s best practice approach to environmental management.

This key state approval for the Southdown mine will allow Grange to implement a number of subsidiary regulatory approvals. Final Commonwealth approval for the project is expected in the near future.

The WA Environmental Protection Authority has advised it expects to release its recommendation on the associated expansion of Albany Port prior to the end of the year. The Albany Port Authority is seeking to install a separate berth capable of handling Cape Size vessels, in order to export Southdown iron ore concentrate for pelletising.

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