

## 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 Limited

**ABN**

80 009 132 405

**Quarter ended ("current quarter")**

31 December 2008

**Consolidated statement of cash flows**

<b>Cash flows related to operating activities</b>	Current quarter \$A'000	Year to date (6 months) \$A'000
1.1 Receipts from product sales and related debtors	1,086	1,572
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	154	295
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	357	357
1.7 Other (provide details if material)	-	-
1.7(i) Payment to directors and employees	(1,137)	(1,923)
1.7(ii) Payment for all other working capital	451	761
<b>Net Operating Cash Flows</b>	<b>911</b>	<b>1,062</b>
<b>Cash flows related to investing activities</b>		
1.8 Payment for purchases of: (a)prospects (b)equity investments (c)other fixed assets	-	-
1.9 Proceeds from sale of: (a)prospects (b)equity investments (c)other fixed assets	-	(207)
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	(300)	(300)
1.12(ii) Proceeds from release of security deposit	-	-
1.12(iii) Payment for exploration, development and production	(5117)	(7,999)
1.12(iv) Payment for Exploration Licence E70/2512	-	-
1.12(v) Deposit from Sojitz Corporation related to sale of Exploration Licence	11,397	13,397
1.12(vi) Payment for purchase of Southdown tenement land	-	-
<b>Net investing cash flows</b>	<b>5,980</b>	<b>4,891</b>
1.13 Total operating and investing cash flows (carried forward)	6,891	5,953

+ See chapter 19 for defined terms.

**Appendix 5B**  
**Mining exploration entity quarterly report**

1.13	Total operating and investing cash flows (brought forward)	6,891	5,953
<b>Cash flows related to financing activities</b>			
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	-	-
1.19 (ii)	Payment for share issue	-	-
<b>Net financing cash flows</b>		-	-
<b>Net increase (decrease) in cash held</b>		<b>6,891</b>	<b>5,953</b>
1.20	Cash at beginning of quarter/year to date	6,417	7,660
1.21	Exchange rate adjustments to item 1.20	(514)	(819)
1.22	<b>Cash at end of quarter</b>	<b>12,794</b>	<b>12,794</b>

**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	233
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

Not applicable

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

Not Applicable

+ 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	4,246
4.2 Development	-
<b>Total</b>	<b>4,246</b>

### 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	5,450	4,592
5.2 Deposits at call	0	0
5.3 Bank overdraft	0	0
5.4 Other (Cash held with Joint Ventures)	7,344	1,825
<b>Total: cash at end of quarter (item 1.22)</b>	<b>12,794</b>	<b>6,417</b>

### 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	E70/2512	Sale pursuant to agreement	100%	70%
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 <b>Preference +securities</b> <i>(description)</i>				
7.2 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions				
7.3 <b>+Ordinary securities</b>	<b>115,318,099</b>	<b>115,318,099</b>		
7.4 Changes during quarter (a) Increases through exercise of options (b) Increases through issues				
7.5 <b>+Convertible debt securities</b> <i>(description)</i>				
7.6 Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted				
7.7 <b>Options</b> <i>(description and conversion factor)</i>			<i>Exercise price</i>	<i>Expiry date</i>
	9,000,000	-	<b>150 cents</b>	<b>28 Sept 2010</b>
	150,000	-	<b>205 cents</b>	<b>2 May 2012</b>
	150,000	-	<b>300 cents</b>	<b>2 May 2012</b>
	150,000	-	<b>350 cents</b>	<b>2 May 2012</b>
	175,000	-	<b>205 cents</b>	<b>30 June 2012</b>
	2,100,000	-	<b>205 cents</b>	<b>6 March 2012</b>
	2,100,000	-	<b>300 cents</b>	<b>6 March 2012</b>
	2,100,000	-	<b>350 cents</b>	<b>6 March 2012</b>
7.8 Issued during quarter <sup>1</sup>	2,100,000	-	<b>205 cents</b>	<b>6 March 2012</b>
	2,100,000	-	<b>300 cents</b>	<b>6 March 2012</b>
	2,100,000	-	<b>350 cents</b>	<b>6 March 2012</b>
7.9 Exercised during quarter	-	-	-	-
7.10 Cancelled during quarter	150,000	-	<b>205 cents</b>	<b>2 May 2012</b>
	150,000	-	<b>300 cents</b>	<b>2 May 2012</b>
	150,000	-	<b>350 cents</b>	<b>2 May 2012</b>
7.11 <b>Debentures</b> <i>(totals only)</i>				
7.12 <b>Unsecured notes</b> <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:

Date: 30 January 2009

Stacey Apostolou  
(Company Secretary)

## 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* applies 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**  
**PAYMENTS TO DIRECTORS AND RELATED PARTIES AND ASSOCIATES OF DIRECTORS AND**  
**RELATED PARTIES OF GRANGE RESOURCES LIMITED**

Payments during the quarter to directors and related parties, and associates of directors and related parties, of Grange Resources Limited total \$233,270 and include:-

- Directors' fees (inclusive of superannuation) of \$71,538 paid to non-executive directors of the Consolidated Entity.
- Fees of \$15,000 paid to Hendygwyn Holdings and Beheer b.v., of which a Grange non-executive director is a director and shareholder, under a marketing and public relations services agreement
- Executive directors' salaries (inclusive of superannuation and sign on bonus) of \$146,732.