



GRANGE
RESOURCES LIMITED
ABN 80 009 132 405

STOCK EXCHANGE ANNOUNCEMENT

28 November 2007

RECYCLED WATER SUPPLY SECURED FOR SOUTHDOWN MINE

Grange Resources Limited (ASX: GRR), is pleased to announce it has signed an Option Agreement with the West Australian Water Corporation to supply treated waste water to the proposed Southdown Magnetite (Iron Ore) Mine. Southdown is located near Wellstead 90 km north-east of the city of Albany in Western Australia.

The agreement provides Grange with access to a minimum of 5,000 kilolitres per day of water, which represents over two thirds of the total water requirements for the project. It is expected that the volume of waste water available will increase over time as the town of Albany grows.

Grange will construct a water treatment plant as part of the project to upgrade the waste water quality to the appropriate level for use as industrial process water. The treated water will be pumped to the mine via the project's return water pipeline from Albany.

Commenting on the project, Grange Managing Director Geoff Wedlock said that this is a major breakthrough for Southdown's project sustainability and environmental impact.

"We need about 2.7 Gigalitres per annum of water for the project and to have most of that need met with no environmental impact is a great achievement. We expect to be able to supply the remaining water requirements from pit dewatering and on-site rainfall harvesting" he said.

"Southdown is progressing favourably, and in line with our commitment to modern sustainable mining practices. This achievement also fits well with the potential development of wind generated power capacity near Southdown, in addition to the available grid power."

Water Corporation spokesman said "the option agreement represents an excellent opportunity for the Water Corporation to support new industry and increase the use of recycled water in Western Australia"

The Water Corporation is the State Government established business enterprise for the supply and management of water resources in Western Australia.

Environmental approvals for the mine and the Albany port development are expected from around the middle of 2008 with development activities to commence soon after.

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For further information, please visit the Grange website at www.grangeresources.com.au or alternatively contact Geoff Wedlock or Neil Marston on +61 8 9321 1118.

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