



GRANGE
RESOURCES LIMITED
ABN 80 009 132 405

STOCK EXCHANGE ANNOUNCEMENT

PROGRESS REPORT SUMMARY - SOUTHDOWN MAGNETITE PROJECT

13 September 2005

The Directors of Grange Resources are pleased to announce an updated summary report on progress with the Bankable Feasibility Study on the Southdown Magnetite Project and the Malaysian Pellet Project both of which are progressing to plan.

Resource drilling is progressing well and as at 7 September 2005, 137 diamond drill holes (aggregating 37,510m) out of a planned total of 156 holes (aggregating 40,800m) had been completed. Drilling continues to confirm the consistent nature of the mineralisation, which averages 85 metres in thickness and extends to depths in excess of 400 metres over the 6 km strike length of the deposit located within the Company's mining leases. It is expected that the resource drilling programme will be completed in early October 2005.

Analytical results received to date from approximately 90 drill holes indicate that the mineralisation is consistent in quality throughout the deposit and that a high-grade concentrate can be produced with a magnetite recovery of approximately 37%.

The drilling and analytical results received to date indicate that a target global resource for the project in excess of 400 million tonnes should be achievable. The Company expects to release an updated mineral resource statement towards the end of September 2005 based on drilling and assay data available as at 5 September 2005.

A representative bulk sample of approximately 24 tonnes of the Southdown mineralisation is currently being processed at a laboratory in Perth to produce approximately 9 tonnes of magnetite concentrate. Samples of this concentrate are to be air freighted to Kobelco (Kobe Steel) in Japan and Outokumpo-Lurgi in Germany for pilot plant pellet production.

For the Malaysian Pellet Plant, engineering consultants have been appointed and a Terms of Reference Report has been submitted to the Department of Environment in Malaysia as part of the Malaysian environmental approval process.

Grange is targeting the completion of the technical aspects of the BFS by the end of 2005 with environmental and project approvals expected by mid 2006.

Grange has engaged Burnvoir Corporate Finance to provide advice on structuring and financing of the Southdown Magnetite Project and Malaysian Pellet Project. Grange anticipates new participants will be introduced into the projects in due course.

The Preliminary Final Results for the financial year ended 30 June 2005 and a comprehensive progress report on the Southdown Magnetite Project will follow this announcement.

For further information visit the Grange website at www.grangeresources.com.au or alternatively contact Geoff Wedlock or Alec Pismiris on (+618) 9321 1118.

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