



REPORT FOR THE QUARTER ENDED 30 SEPTEMBER 2004

HIGHLIGHTS

Financial

- Cash and receivables at the end of the quarter totalling \$11.60 million.

Mt Windsor Joint Venture

- 11,748 tonnes of copper concentrate containing 25.72% copper and 0.8 g/t gold produced from the Reward Deeps project.
- **Ore reserves of 267,000 tonnes @ 4.3% copper containing 11,400 tonnes of copper as at 31 August 2004.**
- **Mineral resources of 427,000 tonnes @ 4.4% copper containing 18,700 tonnes of copper as at 31 August 2004.**

Freshwater

- Royalty payments of \$104,213 generated during the quarter.
- Mining undertaken from the Plutonic East underground mine and the Callop and Salmon open pits during the quarter.
- Encouraging drill results (**including 3.6m @ 65.98g/t Au, 6.45m @ 16.73g/t Au, 6.7m @ 10.22g/t, 9.65m @ 6.44g/t Au, 4.65m @ 10.06g/t Au and 3.8m @ 11.36g/t Au**) recorded from the Plutonic East underground mine in the Freshwater leases.

Red Hill

- Royalty payments \$363,948 generated during the quarter.
- 16,460 ounces of gold recovered from the processing of 295,591 tonnes of ore grading 1.82g/t.
- **Ore reserves of 4.3 million tonnes @ 1.96g/t gold containing 272,000 ounces as at 30 June 2004 subject to royalty payments.**
- **Mineral resources within M27/57 as at 30 June 2004 estimated to be 6.3 million tonnes grading 1.8g/t gold containing 365,000 ounces of gold.**

Southdown Magnetite

- Evaluation of the project is continuing.
- Access and option to purchase agreement with private landowner finalised.
- Detailed ground magnetic and gravity surveys completed and confirm the extent and structure of the deposit and identified **extensive strongly magnetic zones untested by previous drilling.**
- **An inferred resource of 83 million tonnes grading 37.5% magnetite present in the western 2km of the 6km long deposit within the Company's tenements.**

MINING & EXPLORATION ACTIVITIES

MT WINDSOR JOINT VENTURE

(Grange Resources Limited (“Grange”) 30%
Thalanga Copper Mines Pty Ltd (“TCM”) 70%)

Reward Deeps Project

During the September 2004 quarter 73,717 tonnes of ore grading 4.52% copper were processed through the Thalanga plant for the production of 11,748 tonnes of copper concentrate containing 25.72% copper and 0.8 g/t gold. Copper recovery of 90.78% was a significant improvement on the previous two quarters primarily due to improvements in plant performance.

Ore production for the quarter was 68,541 tonnes with approximately 75% of the ore being mined from Lower Reward Deeps and 25% of the ore from Conviction. Mining of the Reward Deeps ore body was completed towards the end of the previous quarter and mining of the Conviction ore body was completed during July. Reconciliations of copper production from the mill to the ore body models show that the Reward Deeps and Conviction ore bodies performed close to expectations.

Ore production was severely limited during August and September due to adverse ground conditions causing the premature closure of the 1000m stope in Lower Reward Deeps and slowing development of the ore drive on the 945m level. Due to the lack of ore the Thalanga plant was temporarily closed at the end of August 2004. The mill is scheduled to recommence operations on 1 November 2004 when ore stockpiles will have been replenished.

A summary of the production statistics for the Reward Deeps project for the September 2004 quarter and project to 30 September 2004 is presented in Table 1.

	Dec 2003 Quarter	March 2004 Quarter	June 2004 Quarter	Sept 2004 Quarter	Project to 30.9.04
Ore Mined (tonnes)	228,517	187,604	144,058	68,541	1,221,944
Ore Milled (tonnes)	228,265	203,449	153,923	73,717	1,187,513
Head grade – (Cu %)	4.60	2.81	4.61	4.52	4.24
Copper Recovery (%)	88.94	83.46	88.07	90.78	89.15
Concentrates Produced (t)	34,235	19,522	24,585	11,748	170,235
Concentrate Grade					
- Copper (%)	26.11	24.71	25.43	25.72	26.38
- Gold (g/t)	0.8	0.8	0.8	0.8	0.8
- Silver (g/t)	17	17	17	17	17

Reserves and Resources

During the quarter the resource models for Lower Reward Deeps and Highway South were updated and resource estimations completed. During September mine design work was completed for Highway South and reserve calculations carried out.

Ore reserves as at 31 August 2004 are summarised in Table 2 and are based on mining the Lower Reward Deeps ore body by a combination of uphole bench open stoping and sub level caving and mining the Highway South ore body by uphole bench stoping.

TABLE 2 MT WINDSOR JOINT VENTURE ORE RESERVES AS AT 31 AUGUST 2004						
Resource	Cut-off Grade Cu%	Status	Tonnes	Grade		Contained Cu (t)
				Cu %	Au g/t	
Lower Reward Deeps		Proven	34,000	2.1	0.9	700
		Probable	32,000	3.9	1.0	1,300
	2.0	Total	66,000	3.0	0.9	2,000
Highway South		Probable	201,000	4.7	0.6	9,400
	2.0	Total	201,000	4.7	0.6	9,400
Total Proven			34,000	2.1	0.9	700
Total Probable			233,000	4.6	0.7	10,700
Grand Total			267,000	4.3	0.7	11,400

Notes:

- Reserves rounded to nearest 1,000 tonnes
- Copper Grades rounded to 1 decimal place.
- Contained copper rounded to nearest 100 tonnes.

This reserve information has been compiled by Mr Hamish McLeod of Thalanga Copper Mines Pty Ltd who is a competent person as defined in Appendix 5A to the ASX Listing Rules. Thalanga Copper Mines has consented in writing to the information being included in the form and context in which it appears.

Mineral resources for the Mt Windsor Joint Venture as at 31 August 2004 amount to 427,000 tonnes grading 4.4% copper and are summarised in Table 3. The Measured and Indicated Resources summarised in Table 3 are **inclusive** of those Mineral Resources modified to produce the Ore Reserves in Table 2.

TABLE 3
MT WINDSOR JOINT VENTURE
MINERAL RESOURCES AS AT 31 AUGUST 2004

Resource	Cut-off Grade Cu%	Status	Tonnes	Grade		Contained Cu (t)
				Cu %	Au g/t	
Lower Reward Deeps		Measured	51,000	2.5	0.9	1,300
		Indicated	54,000	4.6	1.0	2,400
	2.0	Total	105,000	3.5	0.9	3,700
Highway South		Measured	89,000	7.7	0.6	6,900
		Indicated	218,000	3.5	0.6	7,600
		Inferred	15,000	3.0	0.6	500
	2.0	Total	322,000	4.7	0.6	15,000
Total Measured			140,000	5.8	0.7	8,100
Total Indicated			272,000	3.7	0.7	10,100
Total Inferred			15,000	3.0	0.6	500
Grand Total			427,000	4.4	0.7	18,700

Notes:

- Resources estimated within wire frames representing interpreted cut-off grades
- Estimation method: Block model, Ordinary Kriging
- Resources rounded to nearest 1,000 tonnes.
- Copper Grades rounded to 1 decimal place.
- Contained copper rounded to nearest 100 tonnes.

This resource information has been compiled by Mr Adrian Shephard of Shephard Contract Services Pty Ltd. Mr Shepherd is a competent person as defined in Appendix 5A to the ASX Listing Rules. Mr Shepherd has consented in writing to the information being included in the form and context in which it appears.

FRESHWATER

**(Barrick Gold of Australia Limited (“Barrick”) 100%,
Grange - Production Royalty)**

Barrick has provided the following information on activities relating to the Freshwater project during the September 2004 quarter.

Operations

During the quarter there was an increase in the tonnes and grade of ore mined from the Freshwater section of the Plutonic East mine due to the commencement of longhole stoping. The stope is the first large-scale longhole stope to be mined on the Freshwater side of the mine and extraction from this stope is scheduled to continue into the next quarter. Production from the Freshwater section of the mine was 37,564 tonnes of ore grading 6.29g/t gold.

Ore development continued from the 15 level down to the 22 level, which is currently the lowest level in the mine. Total advance of 481.8 metres was achieved for the Plutonic East mine during the quarter.

Production details for the Plutonic East mine to the end of September 2004 are summarised in Table 4.

TABLE 4			
FRESHWATER PROJECT – PLUTONIC EAST MINE			
SUMMARY OF ORE PRODUCTION TO 30 SEPTEMBER 2004			
(Ore tonnes > 1.5g/t Au)			
Period	Tonnes	Grade (g/t Au)	Royalty (\$)
December 2001 to 30 June 2002	20,865	5.05	25,243
September 2002 Quarter	21,941	7.73	105,626
December 2002 Quarter	12,228	7.54	55,680
March 2003 Quarter	16,729	6.78	59,150
June 2003 Quarter	6,624	4.04	6,800
September 2003 Quarter	6,057	4.01	12,136
December 2003 Quarter	16,707	6.95	50,558
March 2004 Quarter	11,242	7.65	50,923
June 2004 Quarter	7,383	6.81	30,187
September 2004 Quarter	37,564	6.29	99,292
Grand Total	157,340	6.49	495,595

During the quarter 14,900 tonnes of ore grading 1.96g/t gold were mined and treated from the Callop and Salmon open pits. Open pit production statistics for the past year are summarised in Table 5.

TABLE 5				
FRESHWATER PROJECT – OPEN PIT PRODUCTION				
OPERATING STATISTICS FOR THE YEAR TO 30 SEPTEMBER 2004				
	Dec 2003 Quarter	March 2004 Quarter	June 2004 Quarter	Sept 2004 Quarter
MINING				
Ore Mined (bcm)	14,087	0	19,313	7,438
Total Material (bcm)	152,230	31,019	247,368	1,412,263
Ore mined (tonnes)	30,918	0	38,722	14,900
TREATMENT				
Ore milled (tonnes)	30,918	0	38,722	14,900
Head Grade (g/t)	2.8	0	1.75	1.96
Recovery (%)	92.6	0	87	90.4
Gold Produced (oz)	1,854	0	1,895	850
Royalty payable to Grange (\$)	52,205	0	9,681	4,921

Development Drilling

Underground diamond drilling was undertaken at Plutonic East during the quarter with 16 holes aggregating 510 metres being completed. The drilling was designed to improve stope definition and to assist with economic analyses of stope block models. Significant assays are summarised in Table 6.

TABLE 6 FRESHWATER LEASES - PLUTONIC EAST MINE SIGNIFICANT DRILL INTERSECTIONS (>5g.m/t Au)						
Hole ID	Northing	Easting	RL	Depth From	Intercept (m)	Assay g/t Au
UDE0305	10674.6	8348.58	1333.18	4.50	12.10	2.58
				24.85	4.65	10.06
UDE0306	10683.76	8333.48	1332.23	17.95	4.65	5.89
				23.70	3.60	65.98
				34.00	1.20	4.93
UDE0307	10711.71	8286.53	1330.89	35.30	1.00	4.43
				38.20	2.70	2.86
				43.90	3.80	11.36
UDE0309	10691.27	8298.03	1342.64	14.40	4.25	3.17
UDE0310	10686.99	8309.27	1343.01	18.25	3.30	4.56
UDE0311	10719.3	8415.31	1305.14	14.40	2.60	15.30
				26.90	1.10	4.89
				33.30	1.10	4.89
				40.00	2.70	2.92
UDE0312	10719.3	8415.31	1305.14	20.55	6.45	16.73
UDE0313	10719.3	8415.31	1305.14	5.20	5.70	3.02
				35.70	2.11	2.85
UDE0315	10661.5	8395	1348.7	0.90	1.85	2.70
				4.95	2.10	8.69
				14.50	7.15	2.48
UDE0316	10664.11	8384.9	1347.13	0.80	1.25	6.56
				9.65	6.70	10.22
UDE0317	10667	8372.2	1346.7	0	2.55	4.59
UDE0319	10657.53	8379.06	1336.42	20.00	4.00	5.28
				28.50	1.15	4.55
UDE0320	10668.73	8373.16	1336.17	9.35	9.65	6.44

During the quarter resource definition drilling was also carried out at the Cod prospect with 7 diamond holes aggregating 823 metres being completed. The most significant assay received during the reporting period from this drilling programme was 2m @ 3.0g/t Au from 30m in hole FRC10247.

Exploration

No exploration activities were carried out within the Freshwater tenements during the September 2004 quarter.

RED HILL (Mining Lease M27/57) (Placer Dome Asia Pacific ("PDAP") 100%, Grange 4% Gross Revenue Royalty)

Grange holds a 4% gross revenue royalty on all production after the first 85,000 ounces of gold produced from the Red Hill mining lease M27/57, which is located approximately 4 km north east of the Kanowna Belle Gold Mine owned and operated by PDAP.

PDAP has advised that mining operations continued at Red Hill during the quarter. Mining was temporarily suspended in September and the mining fleet relocated to another PDAP operation following the achievement of production targets at Red Hill. Mining at Red Hill is scheduled to recommence in November 2004. Total mined ore production from within M27/57 for the quarter was 195,818 tonnes @ 1.53 g/t. A total of 253,114 tonnes was hauled to the Paddington processing plant during the quarter.

A total of 295,591 tonnes at a grade of 1.82g/t was processed during the quarter, producing some 16,460 ounces of recovered gold and generating royalty payment to Grange of \$363,948. The total gold recovered from M27/57 at Red Hill as at 30 September 2004 is 105,587 ounces.

Total reconciled mined ore production from commencement of mining (February 2003) until 30 September 2004 is 1,943,089 tonnes @ 1.61g/t gold. Total dry tonnes hauled during this period were 1,719,389 tonnes and ore processed 1,738,243 tonnes @ 1.62g/t.

During the quarter a 200,000 tonne milling trial to examine the grade and production characteristics of the Red Hill ore was completed. The trial lasted several weeks and data from the trial was used in the re-examination of the Red Hill resource and reserves. Milling rates and recoveries were also examined to achieve greater understanding of the Red Hill ore.

Following the completion of the trial PDAP updated the ore reserve model for Red Hill and has advised that as at 30 June 2004 ore reserves within M27/57 amount to 4.3 million tonnes grading 1.96g/t gold (272,000 contained ounces) at a cut-off grade of 1.20g/t gold and a gold price of A\$542/ounce.

Ore reserves and mineral resources within M27/57 are summarised in Tables 7 and 8. The Measured and Indicated Resources summarised in Table 7 are **inclusive** of those Mineral Resources modified to produce the Ore Reserves in Table 6. (The mineral resource statement was presented in the June 2004 quarterly report and is repeated here for completion.)

TABLE 7				
RED HILL PROJECT - MINING LEASE M27/57				
MINING RESERVE AS AT 30 JUNE 2004				
Reserve Classification	Cut-off Grade (g/t)	Tonnes	Grade (g/t)	Ounces
Probable	1.20	4,313,633	1.96	271,828
Total	1.20	4,313,633	1.96	271,828

Notes:

- Estimation method: Block model, Multiple Indicator Kriging (MIK)
- Reserves estimated to a depth of 145 metres
- Gold Price A\$542 / oz

This reserve statement has been compiled by Mr Andrew Law of Placer Dome Asia Pacific who is a competent person as defined in Appendix 5A to the ASX listing rules. Placer Dome has consented in writing to the information being included in the form and context in which it appears.

TABLE 8				
RED HILL PROJECT – MINING LEASE M27/57				
MINERAL RESOURCES AS AT 30 JUNE 2004				
Resource Category	Cut-off Grade (g/t)	Tonnes	Grade (g/t)	Ounces
Inferred	0.90	38,000	1.90	2,345
Indicated	0.90	6,259,000	1.80	362,576
Measured	0.90	-	-	-
Total	0.90	6,298,000	1.80	364,922

Notes:

- Estimation method: Block model, Multiple Indicator Kriging (MIK)
- Resources estimated to a depth of 150 metres
- Resources rounded to nearest 1,000 tonnes

This resource statement has been compiled by Mr Roger Cooper of Placer Dome Asia Pacific, who is a competent person as defined in Appendix 5A to the ASX listing rules. Placer Dome has consented in writing to the information being included in the form and context in which it appears.

SOUTHDOWN MAGNETITE PROJECT
(Grange 100%)

The Southdown Magnetite Project is located approximately 90km northeast of the Port of Albany on the south coast of Western Australia. The project comprises three granted mining leases covering an area of approximately 1700 hectares on freehold farming property.

During 1986 and 1987 drilling programmes were undertaken to appraise the potential of the Southdown resource. The drilling was undertaken over the western 2 km of the deposit and outlined a significant resource of magnetite ore grading 37.4% magnetite. The magnetite mineralisation is contained within a banded quartz-magnetite-gneiss that varies in thickness from 50 to 100m in the portion of the deposit that has been subject to detailed drilling. The deposit dips at 60 to 65 degrees to the south and has been intersected to vertical depths of approximately 230m. The deposit extends for a strike length of approximately 12 km and the Company's mining leases cover the western 6km of the deposit.

Grange has commenced a detailed review of the Southdown project to assess its viability and evaluate development options. Detailed ground magnetic and gravity surveys have been completed and results have confirmed the extent and structure of the deposit and identified extensive strongly magnetic zones untested by previous drilling. Modelling of the geophysical data indicates that the width of the magnetic zones is similar along the 6km strike length and that the average depth of oxidised material to the top of the magnetic zones is approximately 20 to 25 metres.

Drill core from the 1986 and 1987 drilling programmes has been re-logged and a geological model developed. A mineral resource estimate classified in accordance with the Australian Code for the Reporting of Identified Mineral Resources and Ore Reserves (JORC, 1999) has been prepared by Golder Associates for the western portion of the resource. The mineral resource is summarised in Table 9.

TABLE 9
SOUTHDOWN MAGNETITE PROJECT
MINERAL RESOURCE ESTIMATE – WESTERN ZONE

Classification	Tonnes	Magnetic Recovery wt%	Fe%
Inferred	83,300,000	37.5	69.1

Notes:

- Estimation method: Block model, inverse distance squared
- Resources reported below the depth of oxidation (approx 25m) and to a maximum depth of 270m.
- Cut off grade: 15 wt% magnetic recovery.
- Fe values reported represent Davis Tube assays
- In-situ density values interpolated and assigned by geological domain (average 3.3).
- Resources rounded to nearest 100,000 tonnes.
- Recovery and grade rounded to 1 decimal place.

This resource statement has been compiled by Mr James Farrell and Mr Richard Gaze of Golder Associates Pty Ltd. Mr Gaze is a competent person as defined in Appendix 5A to the ASX listing rules. Golder Associates Pty Ltd has consented in writing to the information being included in the form and context in which it appears.

The Company has recently signed an agreement with the private landowner at Southdown, on whose property the resource is located, with respect to access and compensation for exploration activities. The agreement also includes an option to purchase the property in the event that the Company wishes to develop the resource.

Southdown is a relatively high-grade magnetite deposit containing approximately 37.5% magnetite. Preliminary metallurgical test work suggests that the magnetite can be separated at relatively coarse particle sizes, which will minimize fine grinding requirements. The logical development path for this resource is to produce direct reduction and blast furnace pellets utilizing the magnetite energy benefits during pellet induration.

There is continuing strong demand for high-grade pellets in Asia and the Middle East, which is predominantly being met from very distant sources, particularly Brazil and Sweden. This incurs high freight costs compared to production originating in Australia.

Grange is studying the potential for the production of a magnetite concentrate at Southdown, which would be shipped to a new pellet plant to be constructed at a suitable site in Asia. The offshore location would be determined by the availability of competitively priced natural gas and electrical energy and proximity to markets.

Planned next steps in this study are:

- Diamond drilling to determine the size and grade of the resource.
- Metallurgical test work on existing and new core.
- Mine planning and engineering.
- Environmental base line studies.
- Review of export port options.
- Assessment of suitable offshore sites.

The results of the next stages of the study will be used in discussions with potential development partners. Several parties have expressed a preliminary interest in the project.

WEMBLEY

(Grange 100%, Gleneagle Gold Limited (“Gleneagle”) Earning 80%)

The Wembley Gold Project is located approximately 65km south east of Gleneagle’s Fortnum Gold Project and comprises one granted mining lease and a mining lease application. The granted mining lease covers the Durack and Outback mineralised zones, which host a resource of **557,000 tonnes grading 2.18g/t gold** (39,000 contained ounces). Gleneagle is earning an 80% interest in the tenements by spending \$500,000 on exploration.

In the previous quarter Gleneagle completed a program of RC drilling that was successful in confirming the presence of high grade near surface mineralisation and highlighting the potential for the delineation of a series of high grade shoots extending beneath the current resource.

Work in the September 2004 quarter involved geological compilation and verification in the area of the defined resource with the aim of further identifying controls on mineralisation at Durack – Outback to facilitate the estimation of a revised resource for the project. This resource estimation work will be undertaken in the December quarter to enable the assessment of the viability of mining the near surface mineralised zones.

Unless otherwise stated, technical information in this report on mining activities is based on, and accurately reflects, information compiled by Mr Alex Nutter, a full time employee of Grange Resources Limited who is a member of The Australasian Institute of Mining and Metallurgy and the Australian Institute of Geoscientists with more than 5 years experience in the field of activity in which he is reporting.

ALEX NUTTER
Technical Director

CORPORATE MATTERS

ISSUE OF SECURITIES

During the September quarter employees of the Company exercised 60,000 options issued under the Grange Resources Limited Directors' and Officers' Option Plan and were converted to ordinary shares at an exercise price of \$0.12 per share.

CASH POSITION

During the September quarter, mining operations at the Reward Deeps Project continued however ore production from the Reward Deeps Project was severely limited due largely to adverse ground conditions slowing development of the ore drive on the 945m level. There was no shipment of copper concentrate from the Reward Deeps Project during the September quarter, which contributed to cash flow deficit of \$4.78 million from operating activities. The Company recorded a modest cash flow deficit from investment and financing activities. The resulting cash balance at 30 September 2004 was \$11.44 million.

The Company expects the next shipment of copper concentrate from the Reward Deeps Project to be exported from Townsville toward the beginning of the next calendar year.

ALEC PISMIRIS

Company Secretary

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")

30 September 2004

Consolidated statement of cash flows

	Current quarter \$A'000	Year to date (3 months) \$A'000
Cash flows related to operating activities		
1.1 Receipts from product sales and related debtors	122	122
1.2 Payments for		
(a) exploration and evaluation	(253)	(253)
(b) development	-	-
(c) production	-	-
(d) administration	-	-
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	143	143
1.5 Interest and other costs of finance paid	(16)	(16)
1.6 Income taxes paid	-	-
1.7 Other (provide details if material)	-	-
1.7(i) Payment to directors and employees	(286)	(286)
1.7(ii) Payment for all other working capital	(4,486)	(4,486)
Net Operating Cash Flows	(4,776)	(4,776)
Cash flows related to investing activities		
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	-	-
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	(24)	(24)
1.12(ii) Proceeds from release of security deposit	-	-
1.12(iii) Payment for exploration, development and production	-	-
Net investing cash flows	(24)	(24)
1.13 Total operating and investing cash flows (carried forward)	(4,800)	(4,800)

+ See chapter 19 for defined terms.

Appendix 5B
Mining exploration entity quarterly report

1.13	Total operating and investing cash flows (brought forward)	(4,800)	(4,800)
Cash flows related to financing activities			
1.14	Proceeds from issues of shares, options, etc.	7	7
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	-	-
Net financing cash flows		7	7
Net increase (decrease) in cash held		(4,793)	(4,793)
1.20	Cash at beginning of quarter/year to date	16,232	16,232
1.21	Exchange rate adjustments to item 1.20	-	-
1.22	Cash at end of quarter	11,439	11,439

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	184
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	90
4.2 Development	-
Total	90

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	500	425
5.2 Deposits at call	10,685	15,554
5.3 Bank overdraft	Nil	Nil
5.4 Other (Cash held with Joint Ventures)	254	253
Total: cash at end of quarter (item 1.22)	11,439	16,232

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		
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 Preference securities <i>(description)</i>	-	-		
7.2 Changes during quarter				
(a) Increases through issues	-	-		
(b) Decreases through returns of capital, buy-backs, redemptions	-	-		
7.3 *Ordinary securities	69,769,259	69,769,259		
7.4 Changes during quarter				
(a) Increases through exercise of options	60,000	60,000		
(b) Decreases through returns of capital, buy-backs	-	-		
7.5 *Convertible debt securities <i>(description)</i>	-	-		
7.6 Changes during quarter				
(a) Increases through issues	-	-		
(b) Decreases through securities matured, converted	-	-		
7.7 Options <i>(description and conversion factor)</i>	4,980,000 4,285,715 4,500,000	- - -	<i>Exercise price</i> 12 cents 50 cents 50 cents	<i>Expiry date</i> 30 June 2007 28 November 2006 30 June 2007
7.8 Issued during quarter ¹				
7.9 Exercised during quarter	60,000	-	12 cents	30 June 2007
7.10 Cancelled during quarter	-	-	-	-
7.11 Debentures <i>(totals only)</i>	-	-		
7.12 Unsecured notes <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: Alec Pismiris
 (Company secretary)

Date: 29 October 2004

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* apply 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 TO APPENDIX 5B
PAYMENTS/LOANS TO DIRECTORS AND RELATED PARTIES AND ASSOCIATES OF DIRECTORS
AND RELATED PARTIES OF GRANGE RESOURCES LIMITED

Payments and loans during the quarter to directors and related parties, and associates of directors and related parties, of Grange Resources Limited total \$183,563 and include:-

- Directors' fees (inclusive of superannuation) of \$18,250 paid to non-executive directors of the Consolidated Entity.
- Executive directors' salaries (inclusive of superannuation) of \$165,313