

REPORT FOR THE QUARTER ENDED 31 MARCH 2002

MINING & EXPLORATION ACTIVITIES

MT WINDSOR JOINT VENTURE

Highway Project

Grange Resources Limited (“Grange”) 30%

Thalanga Copper Mines Pty Ltd (“TCM”) 70%

Mining of Stage 3 of the Highway open pit copper mine was completed during February 2002 and milling of all stockpiled ore was completed on 26 March 2002. During the two and a half year life of the operation over 1.7 million tonnes of ore grading 5.5% copper were mined and processed through the Thalanga mill for the production of 317,500 tonnes of copper concentrate containing over 86,000 tonnes of copper. This represents over 25% more copper metal in concentrate than anticipated in the 1998 feasibility study. Final reconciliations will be undertaken after all concentrate has been exported.

The Thalanga mill continued to perform at a high level during the quarter. Ore grade, tonnes treated, concentrate production and copper metal in concentrate were all above budget for the quarter. Copper recovery and concentrate grade were maintained in line with budget.

The Thalanga mill was closed at the end of March following the exhaustion of stockpiled ore. The mill is expected to be restarted during the fourth quarter of 2002 when sufficient stocks of ore become available from the Reward Deeps underground project. During the period of closure essential plant maintenance is being undertaken.

During the quarter 213,104 tonnes of ore grading 6.0% copper and 1g/t gold were processed through the Thalanga plant for the production of 43,548 tonnes of copper concentrate containing 27.49% copper and 1 g/t gold.

A summary of production statistics for the Highway Project for the March 2002 quarter and project to 31 March 2002 is presented in Table 1.

Sales revenue of \$5.9 million from the sale of 9,032 tonnes of 27% copper concentrate was recorded during the period.

The project generated an operating profit before depreciation and amortisation of \$2.3 million and a net profit of \$0.3 million for the quarter.

TABLE 1
MT WINDSOR JOINT VENTURE
HIGHWAY PROJECT – PRODUCTION STATISTICS FOR COPPER

	June 01 Quarter	Sept 01 Quarter	Dec 01 Quarter	March 02 Quarter	Project to 31 Mar 02
COPPER ORE					
Ore Mined (tonnes)	268,594	187,391	226,028	71,326	1,726,127
Ore Milled (tonnes)	213,097	219,318	212,873	213,104	1,715,220
Head grade - Copper %	7.37	5.66	5.78	6.04	5.46
- Gold (g/t)	0.99	0.98	0.92	1.09	1.09
- Silver (g/t)	10.9	10.3	9.5	10.3	10.3
Metal Recovery - Copper %	94.63	92.54	93.67	93.07	91.84
- Gold %	23.3	19.0	19.0	17.7	17.7
- Silver %	36.9	29.4	33.1	30.9	30.9
Concentrates Produced (tonnes)	53,498	41,673	41,594	43,548	317,500
Concentrate Grade - Copper %	27.79	27.57	27.71	27.49	27.10
- Gold (g/t)	0.92	1.00	0.87	1.02	1.02
- Silver (g/t)	16.0	16.3	16.4	17.0	17.0

Reward Deeps and Conviction Project
(Grange 30%, TCM 70%)

During the quarter underground infill drilling of the Reward Deeps and Conviction deposits was completed and resource models updated. The drilling has essentially confirmed the previous resource estimates for both deposits and has increased the confidence from indicated status to measured status.

Work is continuing on final mine design and preliminary estimates show the project will be based on mining an ore reserve of approximately 880,000 tonnes grading 4.8% copper over a seventeen month period commencing during the second quarter of 2002. The project is expected to produce 142,000 tonnes of copper concentrate grading 27.4% copper. Processing is scheduled to be completed within thirteen months of plant start up.

Additional mineral resources have been identified in the lower Reward Deeps and North Reward areas and these will be evaluated progressively during the year as closer access becomes available through mine development.

Exploration
(Grange 30%, TCM 70%)

Exploration drilling is scheduled to commence during the next quarter on the Truncheon prospect with the aim of finding additional ore for the joint venture operation. Prioritisation and evaluation of other exploration targets within the joint venture property is also being carried out.

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

Barrick (formerly Homestake Gold of Australia) has provided the following information on activities relating to the Freshwater project during the March 2002 quarter.

Operations

During the March quarter mining of the Dogfish and North Perch deposits was completed.

Development of the Plutonic East underground mine is progressing on schedule and production from the Freshwater leases is expected during the June 2002 quarter. A small amount of medium grade development ore was produced from Plutonic East during the March quarter.

Production statistics for the March 2002 quarter (excluding ore produced from the Plutonic east underground mine) are summarised in Table 2.

TABLE 2				
FRESHWATER PROJECT - OPERATING STATISTICS				
	June 2001 Quarter	September 2001 Quarter	December 2001 Quarter	March 2002 Quarter
MINING				
Ore Mined (bcm)	33,098	48,211	49,960	30,462
Total Material (bcm)	1,132,885	651,384	726,333	186,261
Ore mined (tonnes)	66,197	96,422	56,937	54,832
TREATMENT				
Ore Milled (tonnes)	66,197	96,197	56,937	54,832
Head Grade (g/t)	1.74	2.07	2.23	2.44
Recovery (%)	93.1	95.2	96.0	93.2
Gold Produced (oz)	3,447	6,095	4,087	4,009
Royalty payable to Grange (\$)	41,475	110,887	73,971	91,118
Cash Operating Cost (\$/oz)	435	480	644	443

Exploration

Four 300m deep holes, spaced 400 metres apart, have been planned to investigate the sequence between the Callop and Salmon deposits to test the concealed mafic unit under a mineralised metasediment unit. The line of holes is positioned 200-400m north of the MMR fault, a general deep-seated WSW-ENE structure proximal to which the majority of deposits are located in the Plutonic area.

The first hole (FRC1653) was completed during the quarter to a depth of 262m and encountered a sequence of metasediments overlying amphibolite. No significant results were returned.

RED HILL (Mining Lease M27/57) (AurionGold Limited (“AurionGold”) 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 AurionGold. AurionGold has provided the following information on activities relating to the Red Hill project during the March 2002 quarter.

The Feasibility Study on the Red Hill Project commenced in the September 2001 quarter and is now scheduled for completion during the June 2002 quarter. The Feasibility Study is evaluating the most appropriate method of exploiting and processing ore from the Red Hill resource. Initially the Feasibility Study had a strong focus on the development of a stand-alone heap leach operation, however with the merger between Delta Gold and Goldfields, and the subsequent formation of AurionGold, the option of processing through the existing Paddington mill is in full consideration. Based on current results the Red Hill Project may be developed as a large, low-grade, open pit mining operation.

The current quoted total Resource for the Red Hill Project is:

Category	Tonnes (,000's)	Grade g/t Au	Contained Ounces (,000's)
Measured	2,160	1.7	120
Indicated	12,680	1.6	660
Inferred	4,290	1.6	220
Total	19,130	1.6	1,000

* Based on a 0.8g/t Au lower cut-off

The quantity of this total Resource that lies on mining tenement M27/57 is summarised below:

Category	Tonnes (,000's)	Grade g/t Au	Contained Ounces (,000's)
Measured	1,500	1.9	90
Indicated	7,600	1.7	430
Inferred	1,830	1.6	100
Total	10,930	1.7	620

* Based on a 0.8g/t Au lower cut-off

(The resource information in the above tables has been compiled by Mr G Fahey of AurionGold Limited who is a competent person as defined in Appendix 5A to the ASX listing rules. AurionGold Limited has consented in writing to the information being included in the form and context in which it appears.)

During 2001 Delta Gold Limited undertook the mining of a trial pit at Red Hill to gain a greater understanding of the mining and processing characteristics of the resource. The trial pit lies totally on M27/57. Ore from the trial pit was processed at the Goldfields Limited Paddington mill, and the Barmingo Pty Limited Greenfields mill. A 10,000 tonne parcel was used to construct two 5,000 tonne heap leach trials. Details of the trial pit physicals are as follows:

Total Material Mined – tonnes	461,186
Total Ore Processed – tonnes	381,015
Grade – g/t Au	1.62
Metallurgical Recovery - %	95%
Recovered Ounces – oz	18,736
Strip Ratio	0.12:1

**ABERCROMBY WELL (Mining Lease M53/336)
(Outokumpu Mining Australia Pty Ltd (“Outokumpu”) 90%, Grange 10% free carried)**

The Abercromby Well mining lease is located approximately 30km south of Wiluna in the Wiluna-Leonora greenstone belt. Outokumpu own a 90% interest in the tenement with Grange holding a 10% free carried interest up to a decision to mine or a total expenditure of \$2 million, whichever occurs first.

During April Outokumpu entered into a joint venture agreement with Perilya Limited to explore for gold on Outokumpu’s Honeymoon Well project in the Eastern Goldfields of Western Australia. The project comprises seven granted mining tenements, including the Abercromby Well mining lease M53/336 and three applications covering an area of 58 square kilometres.

Previous exploration by Outokumpu in the tenements adjacent to M53/336 has been successful in discovering significant gold mineralisation in sheared basalts and identified several gold prospects, which will be the subject of further exploration by Perilya.

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

As previously announced, the Company relocated its corporate and registered offices to Perth during the quarter.

The Company's primary focus is to maximise the potential return from its existing mining operations and identify new investment opportunities in the resources sector, whilst reducing the operating costs of the Company.

CASH POSITION

During the quarter there was a significant positive cash flow generated from operating activities. Cash flow from operating activities during the quarter was \$6.09 million resulting in a cash balance at 31 March 2002 of \$9.18 million.

ALEC PISMIRIS

Company Secretary