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ASX: GRR



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ROCK SLIDE AT SAVAGE RIVER MINE

Grange Resources Limited ("Grange") advises that a rock slide occurred yesterday on the eastern wall of the North Pit at the Savage River mine site. An estimated 140,000 banks cubic metres of material has fallen onto the pit floor. As a result of the geotechnical controls and standard operating procedures in place, the area had been cleared of personnel and no one was directly exposed to the slide. No injuries were sustained. Some mining equipment and a contractor's light vehicle in the area incurred minor damage.

Workplace Standards Tasmania was notified and has released the site back to Grange management. There are restrictions on working in the immediate vicinity, but mining continues in all other areas.

Mine schedules are being adjusted to remove the slip material and ore stockpiles will ensure continuing pellet production at this stage. Managing Director, Mr Russell Clark said "The geotechnical environment at Savage River is challenging but is well understood. Slips will occur and we have the necessary procedures in place to manage them. The material that fell was due to be mined in the next 12 months and we will reschedule the mining as a result. Whilst those schedules are being finalised ore is available in other areas of the mine and our primary aim is to ensure that pellet sales contracts are met as we go forward. At this stage we don't expect the slip to have a material adverse effect on the operation and will keep the market informed if there is a change to that view. Profit figures for this financial year (2009/10) will be unaffected."

Grange Resources Limited is Australia's leading magnetite producer, producing approximately 2.3 million tonnes per annum of premium iron ore pellets.

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