Grange Resources Limited
Australia’s leading magnetite producer

Grange Appoints Corporate Advisor for Southdown Project Funding

Grange Resources Limited ("Grange") is pleased to announce the appointment of Deutsche Bank as corporate advisor to assist Grange develop its Southdown Magnetite Project ("Southdown") equity strategy.

Southdown is a joint venture (JV) between Grange (70%) and Japan’s Sojitz Resources & Technology Australia Pty Ltd (SRT) (30%). SRT is jointly owned by Sojitz Corporation, a Japanese global trading company, and Kobe Steel, the fourth largest Japanese steel maker.

Grange Managing Director, Russell Clark, said the Grange Resources is considering a number of options and believes the appointment of a corporate advisor will assist the Company to secure sufficient equity for its share of the project.

"We are looking to sell at least a 30 per cent stake of the project, providing a terrific opportunity for a suitable strategic investor requiring long term offtake of a premium quality pellet feed," Mr Clark said.

"Southdown is a strong and viable project that could operate for more than 30 years. During the past five years, we have spent more than $150 million developing all major aspects of the project which is well advanced."

The Southdown Definitive Feasibility Study showed the project has robust economics and a clear path to execution. Works completed include land acquisition, major environmental permitting, transmission line design, completed metallurgical test work, a finalised process plant flow sheet, and near complete commercial agreements with Western Power and the Port of Albany.

Extensive drilling of the Southdown resource has confirmed over 1.2 billion tonnes of resources and close to 400 million tonnes of reserves, with the project designed to produce 10Mtpa of premium magnetite concentrate.

The appointment of Deutsche Bank follows the previous appointment of Standard Chartered as debt advisor to the JV. Both Grange and the JV are targeting to have the equity strategy and project debt funding strategy finalised by the end of 2012.
About the Company:

Grange Resources Limited is Australia’s leading magnetite producer and the only commercial producer of magnetite pellets in Australia, combining both mining and pellet production expertise. Development of the Southdown Magnetite Project will see Grange become one of the major suppliers of high grade magnetite in Australia.

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