



## STOCK EXCHANGE ANNOUNCEMENT

### COMPLETION OF SALE OF 30% STAKE IN EASTERN EXTENSION OF SOUTHDOWN TO SOJITZ

14 November 2008

Grange Resources Limited (ASX: GRR) is pleased to announce that the sale of a 30% stake in Exploration Licence E70/2512 to Sojitz Resources and Technology Pty Ltd ("Sojitz") has been completed. As a result, Sojitz now have a 30% joint venture interest in the whole of the Southdown Magnetite Project ("Southdown").

In accordance with the agreement entered into between the parties, Sojitz has paid to Grange a cash payment of \$13.4 million, of which \$10.7 million will be used to continue the funding of Grange's share of the feasibility study being undertaken for Southdown. In addition, a revenue based royalty of 0.3% will be payable from Sojitz's share of production from the three adjoining mining leases M70/433, M70/718 and M70/719.

Completion of the sale to Sojitz, which results in them having a 30% interest in the whole of Southdown, confirms Sojitz's commitment to Southdown at a time of turmoil in the global financial markets and highlights the good working relationship between the parties. Standard Chartered Bank has been appointed as financial advisor to assist in securing project finance for the joint venture partners, which is expected next year.

This transaction follows the previously announced merger between Grange and Australian Bulk Minerals, to form Australia's leading iron ore pellet producer. The Explanatory Memorandum and Notice of General Meeting have been lodged with the Australian Stock Exchange Limited and sent to shareholders. The General Meeting for shareholders to consider and vote on the merger is to be held on 12 December.

The merger is unaffected by this sale arrangement with Sojitz, with Grange's share of the production profile from Southdown unaffected for the first 20 to 25 years, other than an increased royalty payment from Sojitz's 30% share of production. Grange's 2012/13 production target is 7.7Mtpa of BF and DR pellets and 0.08Mtpa concentrate, which includes a 70% share of Southdown production, as well as a 100% share of the Savage River project in Tasmania.

For further information please visit the Grange website at [www.grangeresources.com.au](http://www.grangeresources.com.au) or alternatively contact Neil Marston on +61 (8) 9321 1118,

**Neil Marston**  
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