



GRANGE
RESOURCES LIMITED

February 2005

Grange Resources Limited, Level 13, 221 St Georges Terrace, Perth, WA 6000, Australia
Phone: +61 8 9321 1118 Fax: +61 8 9321 1523 Website: www.grangeresources.com.au

CORPORATE PROFILE



Grange Resources Limited is a Western Australian based publicly listed mining company. It holds equity positions and royalty interests in mining, development and exploration projects throughout Australia. The Company's principal objective is to grow through the acquisition, development and exploration of resource projects.

BOARD OF DIRECTORS

Anthony Bohnenn	-	Non Executive Chairman
Adam Rankine-Wilson	-	Managing Director
Geoff Wedlock	-	Executive Director
Alex Nutter	-	Technical Director
Hans-Rudolf Moser	-	Non Executive Director


SHARE CAPITAL AT 3rd FEBRUARY 2005



Issued Securities	Number
Ordinary Fully Paid Shares	73,249,259
Options 50 cent expiring 28 Nov 2006	4,285,715
Options 12 cent expiring 30 Jun 2007	1,500,000
Options 50 cent expiring 30 Jun 2007	4,500,000

FINANCIAL INFORMATION



 Market Capitalisation (\$1.40 per share)	\$102.5 million
 Cash Assets & Receivables at 31 Dec 2004	\$9.3 million
 Debt at 31 December 2004	Nil
 Forecast Gross Revenue to 31 Dec 2005	\$11.36 million
 Forecast Cash at Bank 30 June 2005	\$13.0 million

MAJOR SHAREHOLDERS AT 31 DECEMBER 2004

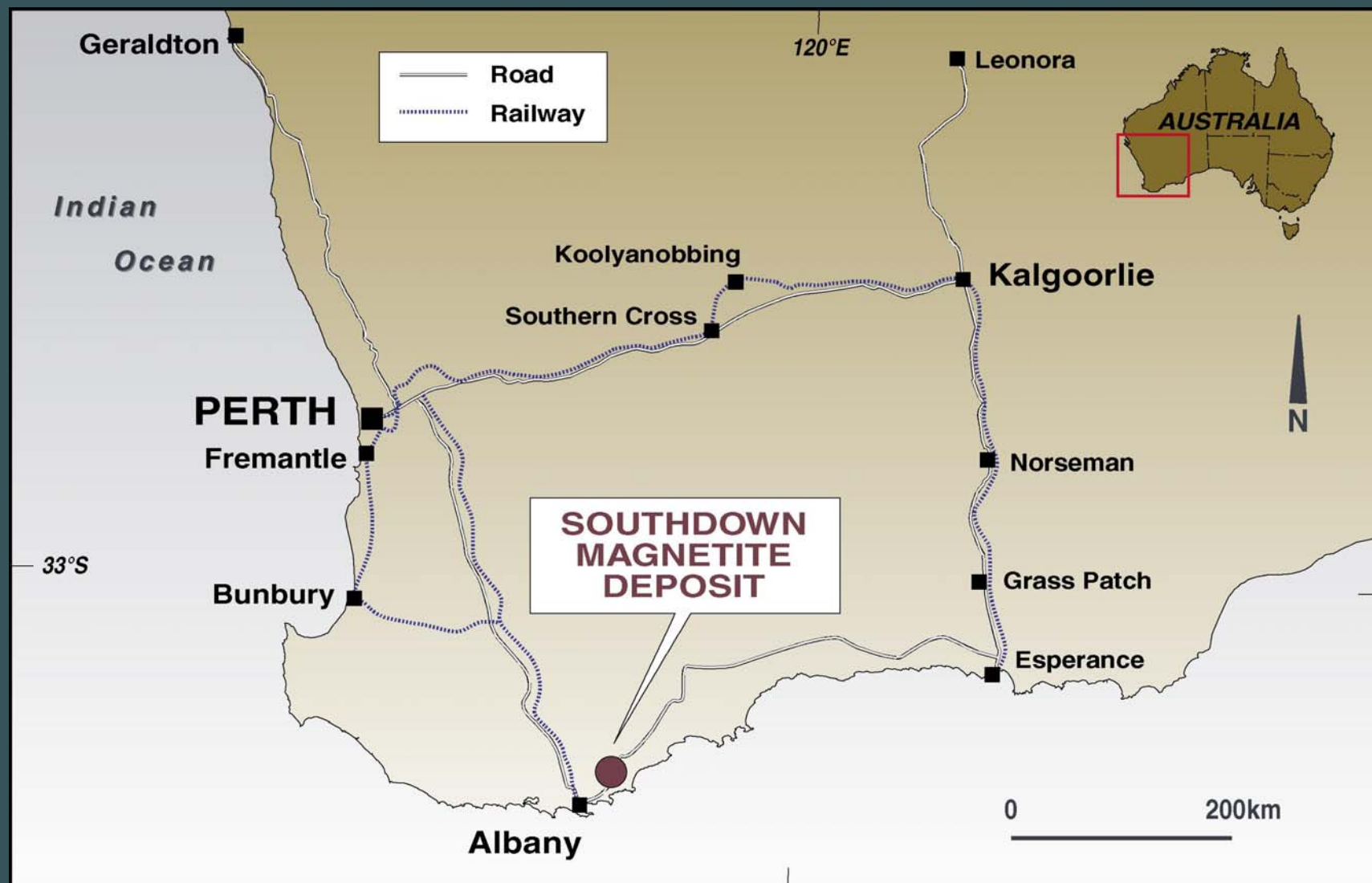


ANZ Nominees Limited	24,651,226
National Nominees Limited	13,042,444
RBC Global Services Aust Nominees Pty Ltd	4,285,715
Dr Salim Cassim	2,675,712
HSBC Custody Nominees (Aust) Limited	2,043,349
Equitas Finance Pty Ltd	2,025,293
Zero Nominees Pty Ltd	1,850,000
Blackmort Nominees Pty Ltd	1,300,000
Westpac Custodian Nominees Limited	1,072,421
King Chong Chai	1,067,650
Dr Salim Cassim	1,000,000
Alexander Henry Nutter	849,999
Hans Rudolf Moser	760,450
Bayonet Investments Pty Ltd	700,000
Nefco Nominees Pty Ltd	653,684
First Distribution Services Limited	600,000
Mr James Ng	574,500
Bayonet Investments Pty Ltd	523,606
Colvic Pty Ltd	432,593
Citicorp Nominees Pty Ltd	408,767

Australia PROJECT LOCATIONS



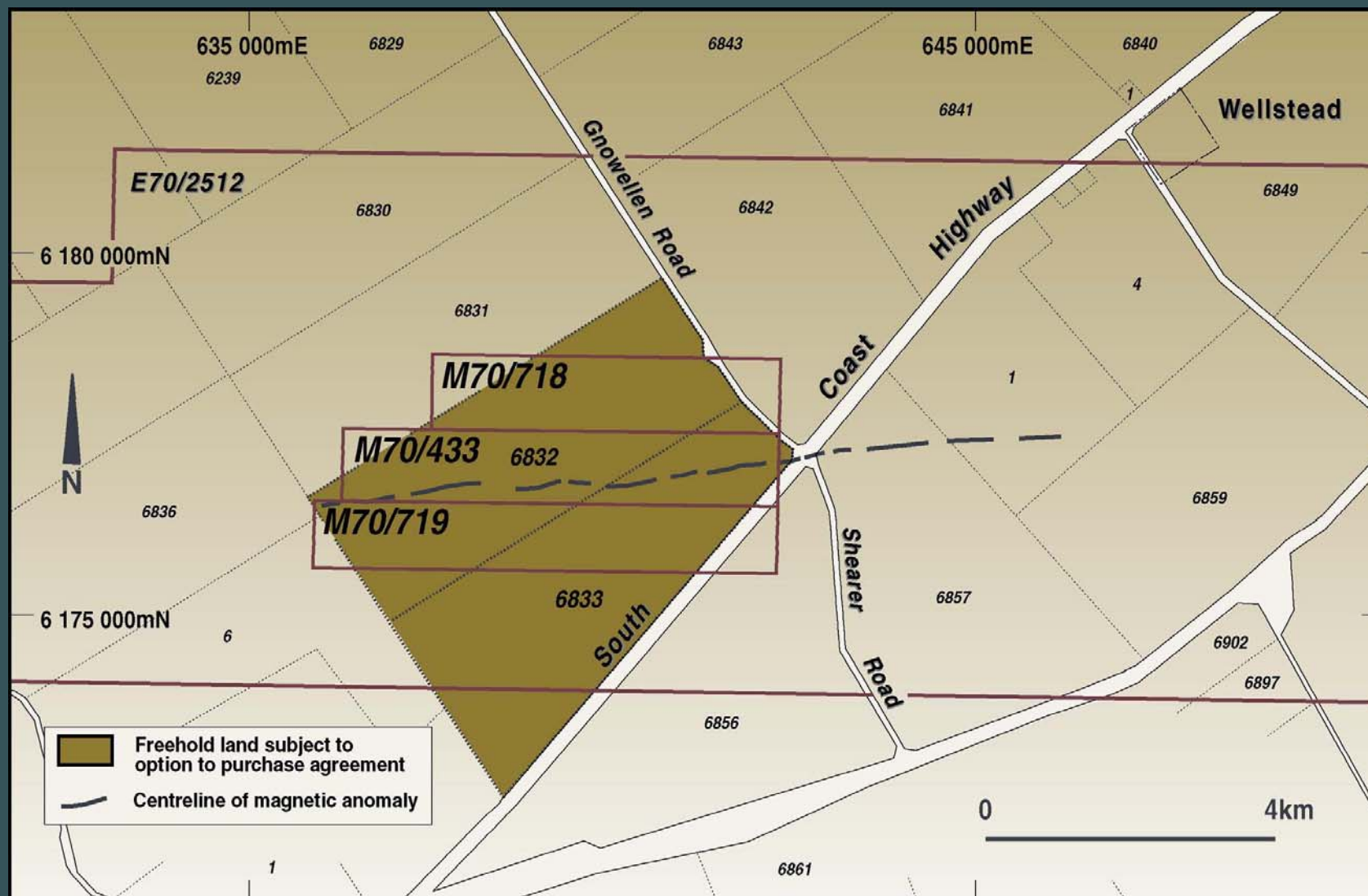
Southdown Magnetite Project PROJECT LOCATION



Southdown Magnetite Project PROJECT LOCATION



Southdown Magnetite Project TENEMENT LOCATION



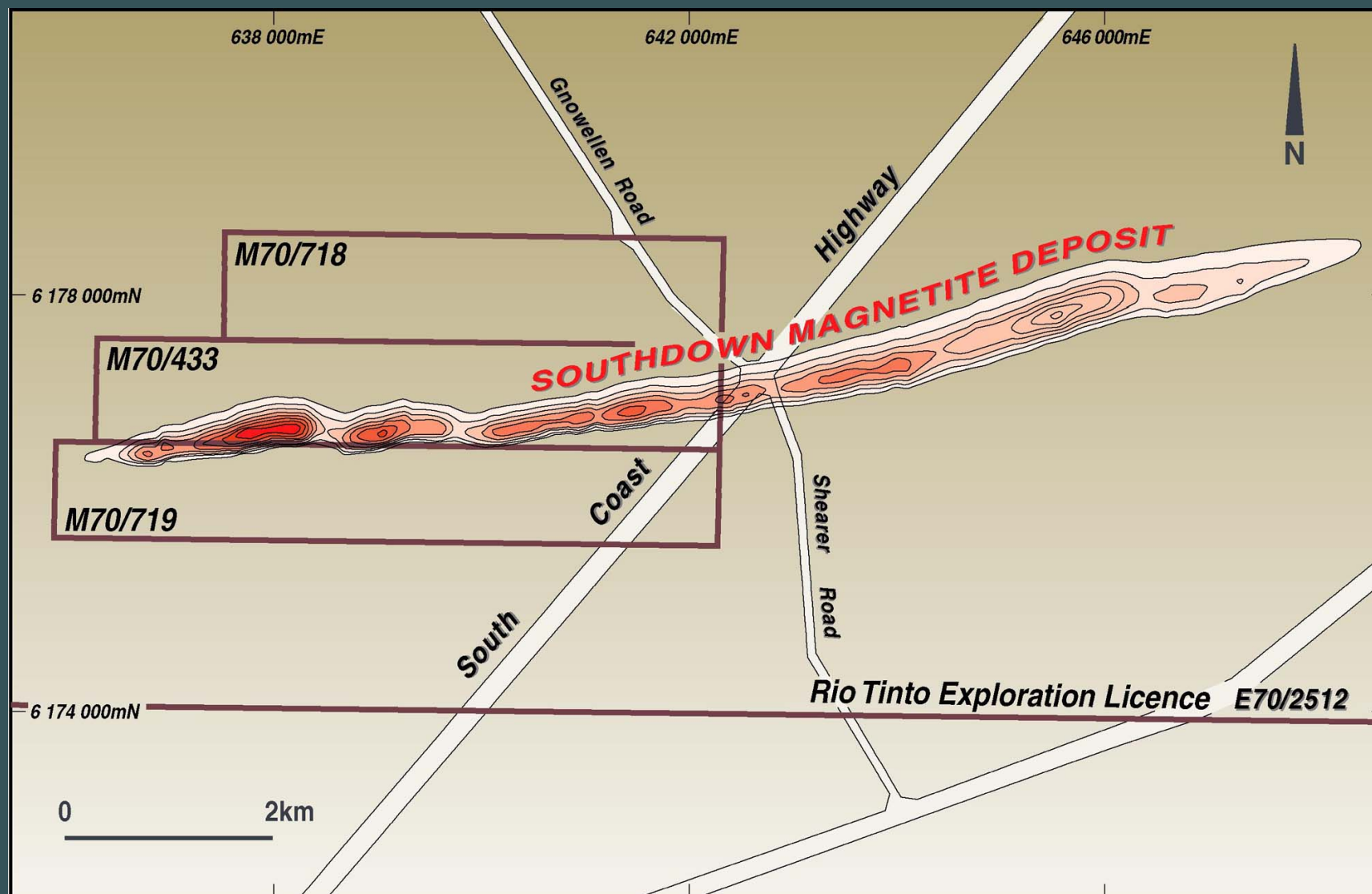
Southdown Magnetite Project

PROJECT SUMMARY



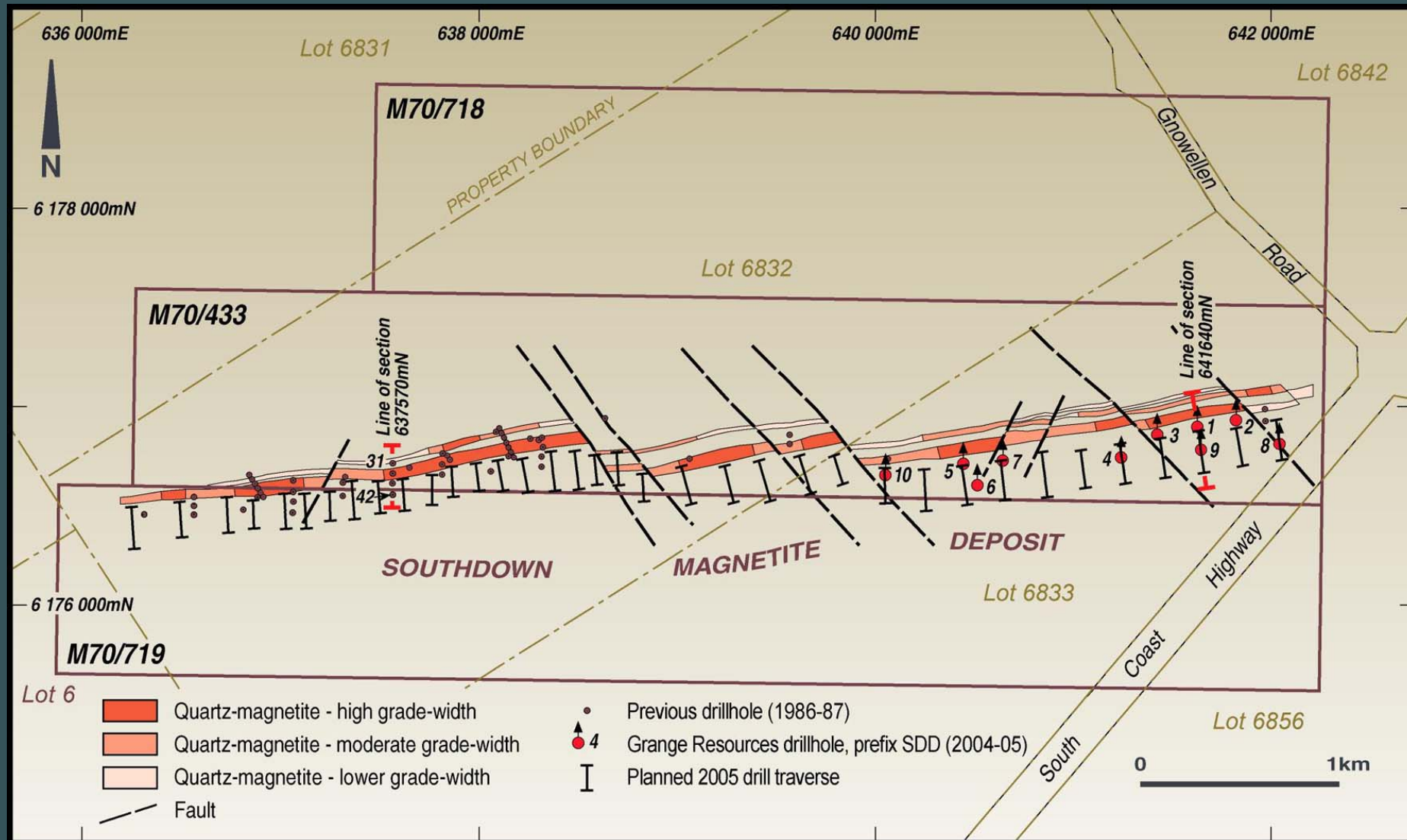
- ❖ Located 90km north east of Port of Albany on south coast of WA
- ❖ 3 granted mining leases, 1700 hectares, freehold farming property
- ❖ Mineralisation occurs within a banded quartz magnetite gneiss
 - ◆ Thickness 50-100m, dipping 60 degrees south
 - ◆ Weathered surface zone 20 – 40m thick
- ❖ Drilling and evaluation during 1986/1987 reported a resource of 83 mt at a magnetite cut-off grade of 15% to a depth of 150 – 170 metres in the western 2Km of the mining leases.
- ❖ Deposit is sparsely drilled and potential exists to significantly increase resources both at depth and along strike.
- ❖ A new drilling programme by Grange commenced in November 2004 to evaluate resources at depth and along strike.
- ❖ Metallurgical evaluation in 1987 showed:
 - ◆ A coarse concentrate grade of 64.6%Fe could be achieved by grinding ore to 0.15mm and using magnetic separation
 - ◆ At a 15% magnetite cut-off grade, magnetite recovery to concentrate at 69.3%Fe estimated at 37.4%

Southdown Magnetite Project BMR AEROMAGNETIC SURVEY - 1980



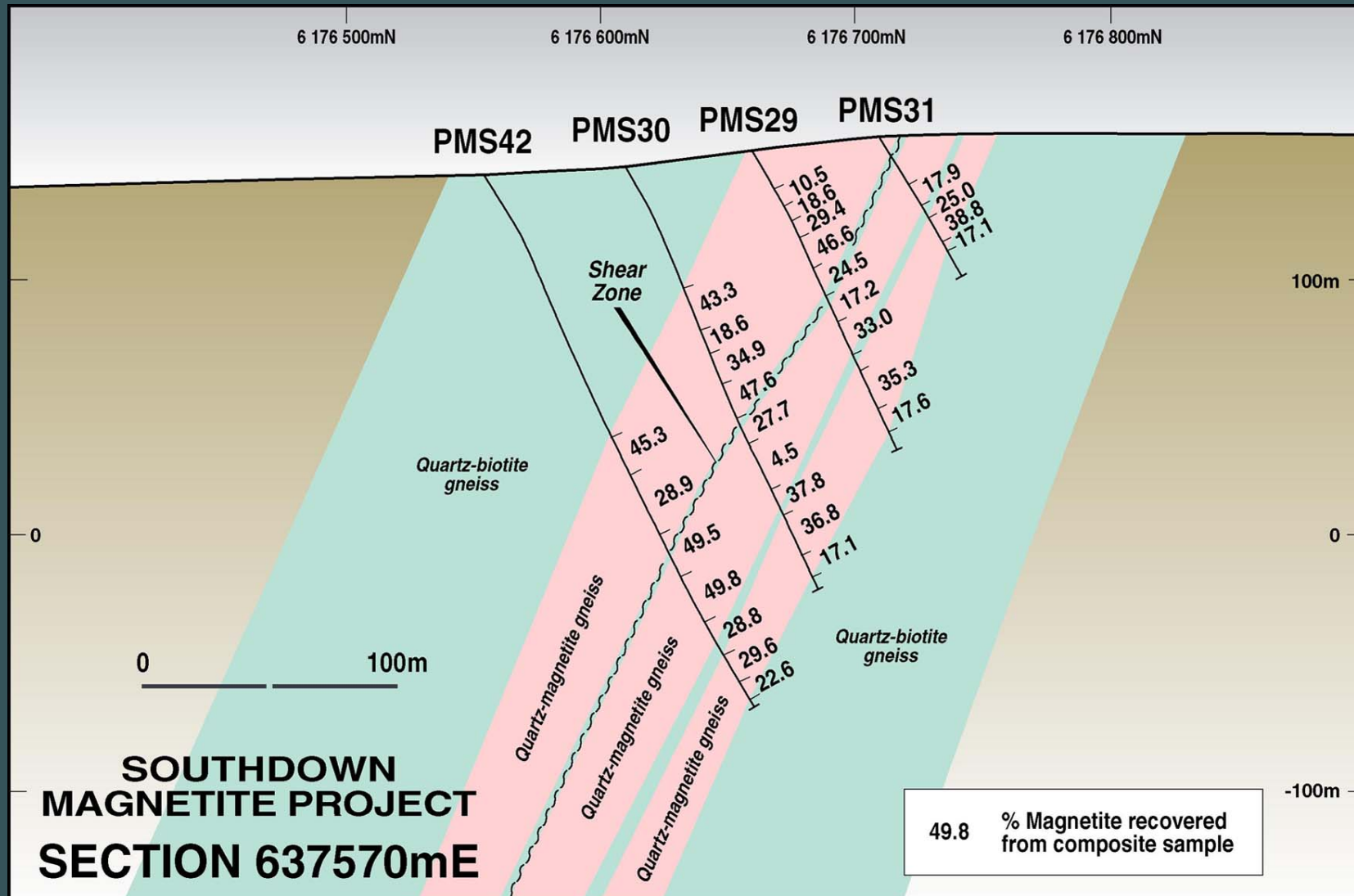
Southdown Magnetite Project

GROUND MAGNETICS & GRAVITY SURVEY – 2004

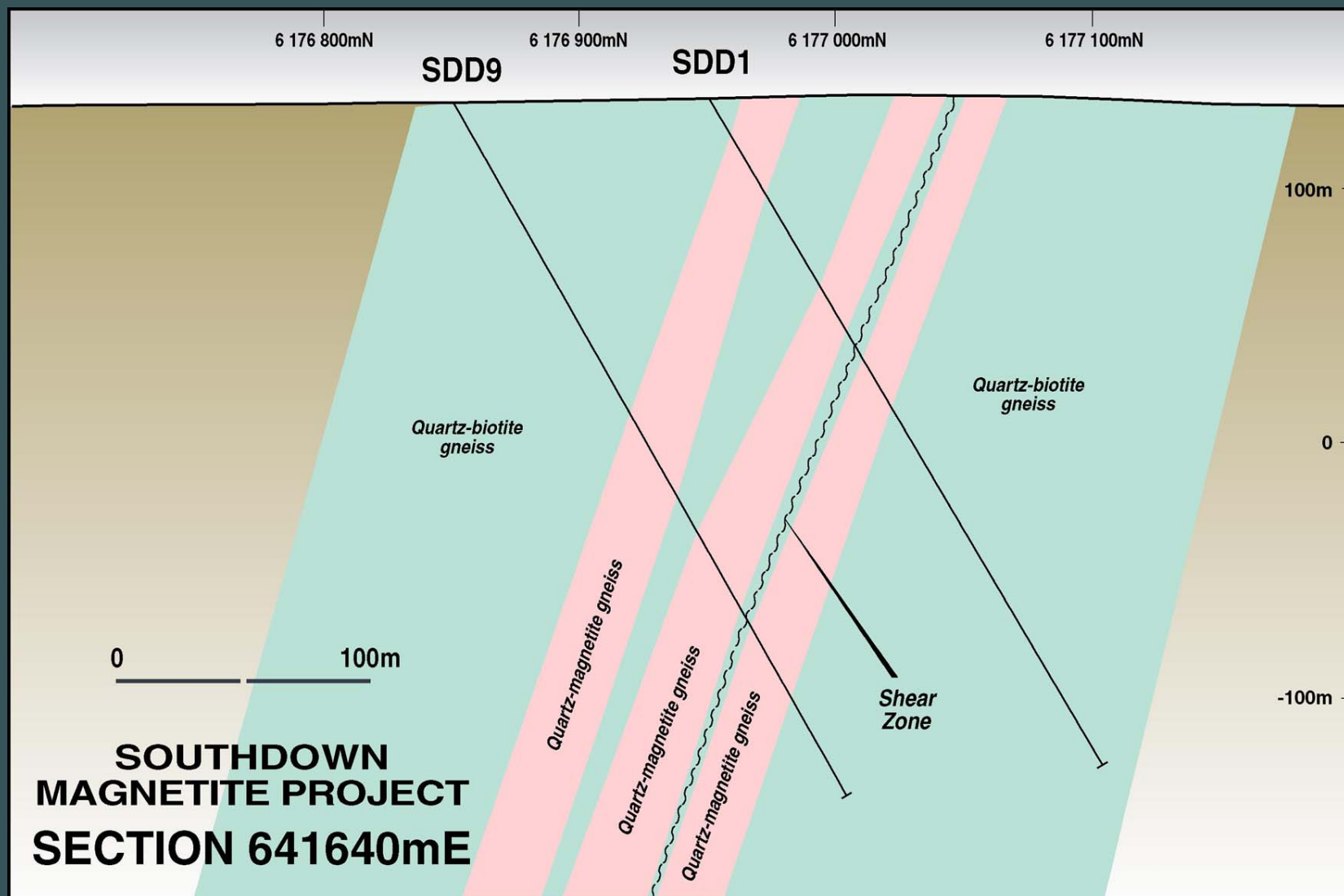


Southdown Magnetite Project

DRILLING CROSS SECTIONS



Southdown Magnetite Project DRILLING CROSS SECTIONS



Southdown Magnetite Project

OPEN PIT OPTIMISATION AND PROJECTION



GOLDER ASSOCIATES UNDERTOOK AN OPEN PIT OPTIMISATION BASED ON THE 2 KM OF DRILLED RESOURCES AT SOUTHDOWN, EXTENDED TO A DEPTH OF 300 METRES.

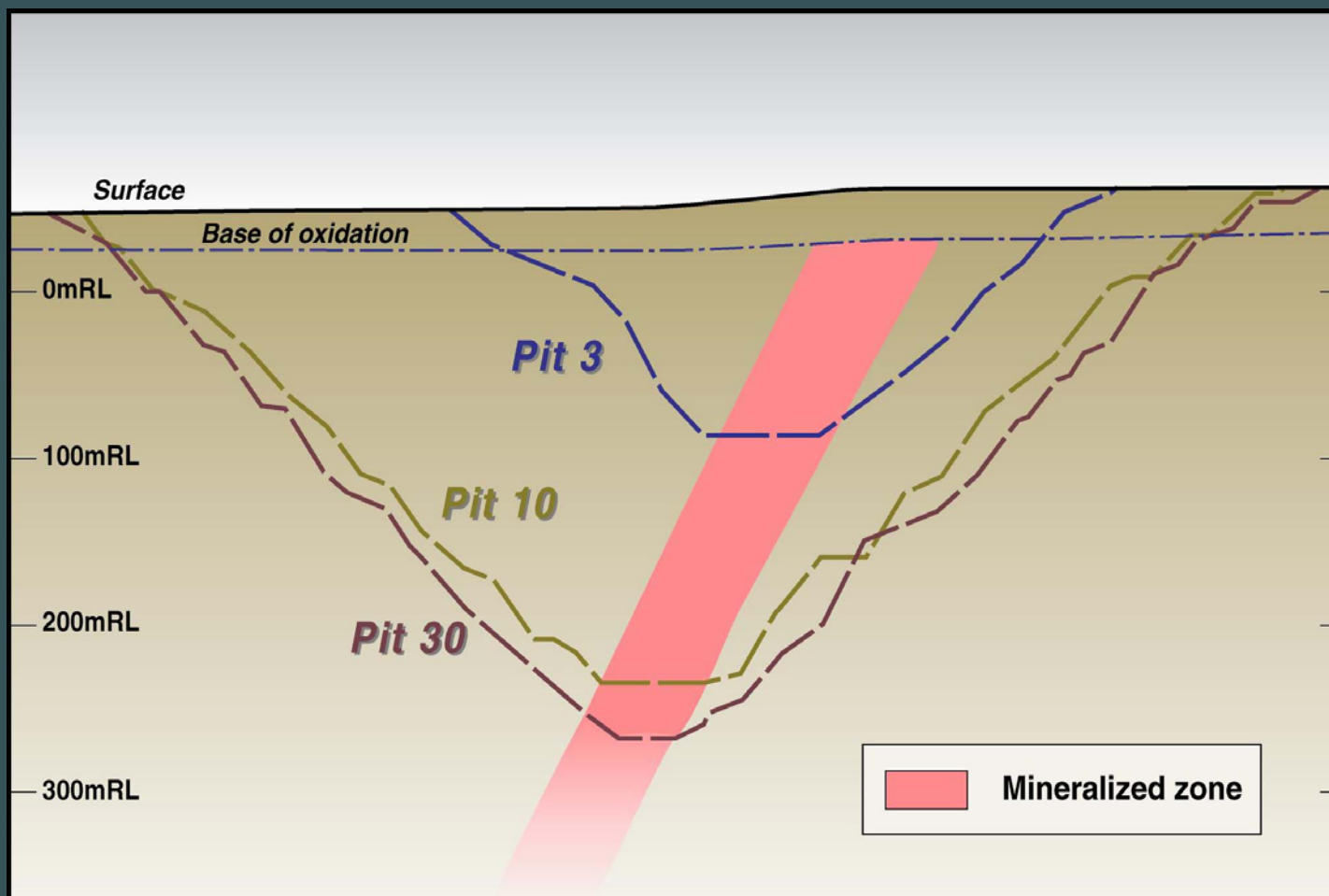
RESULTS

CASE	WASTE (Mt)	ORE (Mt)	STRIP (t/t)	DEPTH (m RL)	DTR (%)
BASE	112.0	66.8	1.68	-120	36.12
BASE	413.1	133.6	3.09	-260	36.59
BASE	531.7	145.8	3.65	-270	36.54
WIDE	118.0	69.7	1.69	-130	36.19
WIDE	477.4	157.1	3.04	-270	36.74
WIDE	573.1	167.6	3.42	-280	36.44

OPTIMISATION INDICATES THAT 157.1 Mt OF MAGNETITE ORE AT A MAGNETITE CUT OFF COULD BE ACHIEVED AT A STRIP RATIO OF 3.04 [WASTE(t) : ORE(t)]

Southdown Magnetite Project

OPEN PIT OPTIMISATION AND PROJECTION



PROJECTION TO THE ADDITIONAL 4KM OF MINERALISATION ON GRANGE'S MINING LEASES INDICATES THAT 400 MT OF MAGNETITE RESOURCE IS A SUITABLE TARGET FOR THE NEXT STAGE OF DRILLING PROGRAMME

Southdown Magnetite Project DEVELOPMENT PLAN - DRILLING



DRILLING OVER THE UNTESTED 4 KM ZONE COMMENCED IN NOVEMBER 2004. DURING 2005 GRANGE WILL HAVE 4 DRILL RIGS ON SITE.



Southdown Magnetite Project DEVELOPMENT PLAN



MINING AND CONCENTRATION

Production of 6.6 Mtpa of Magnetite Concentrate at 69%Fe



TRANSPORT AND SHIPLOADING

Concentrates transported by slurry pipeline to Port of Albany (90kms), dewatered, stockpiled and loaded onto Capesize vessels for transport to Southeast Asia.



PELLETIZATION

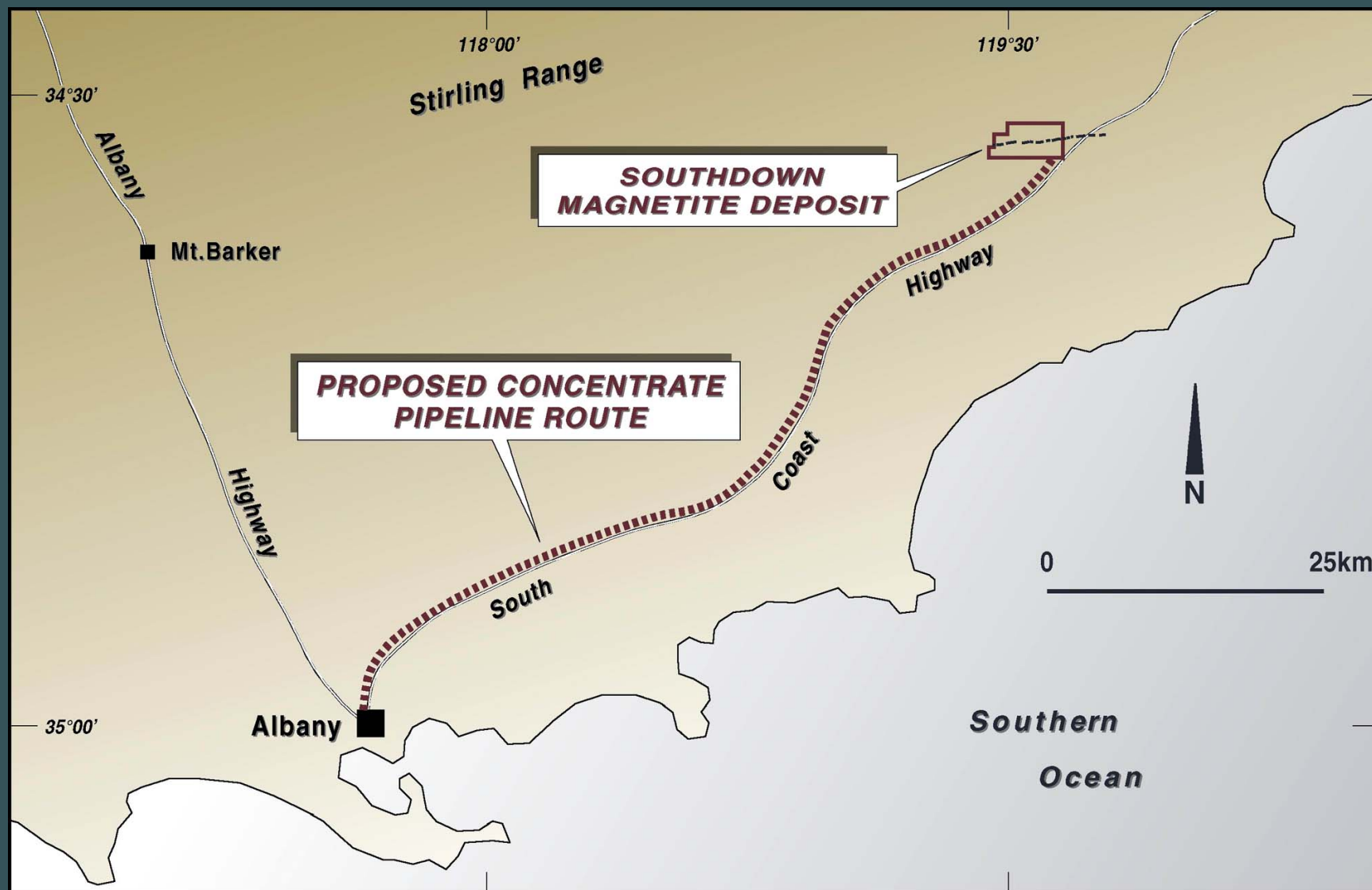
Concentrates to be made into Direct Reduction (DR) and Blast Furnace (BF) pellets at a new plant to be constructed in Southeast Asia.



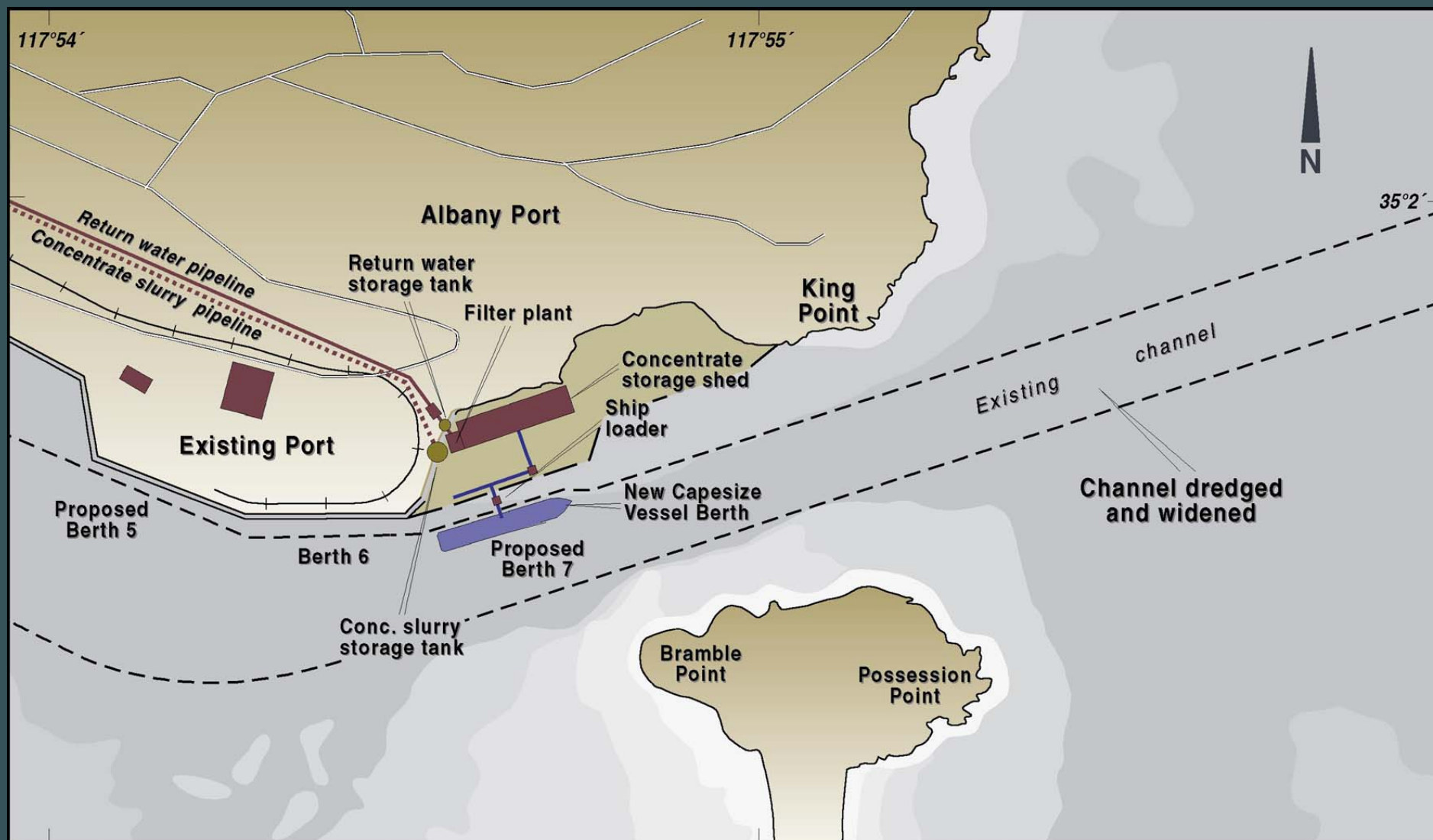
MARKETS

Pellets to be sold to Direct Reduction market (Malaysia, Indonesia, Middle East) and to steel producers in China, Japan, South Korea and Taiwan.

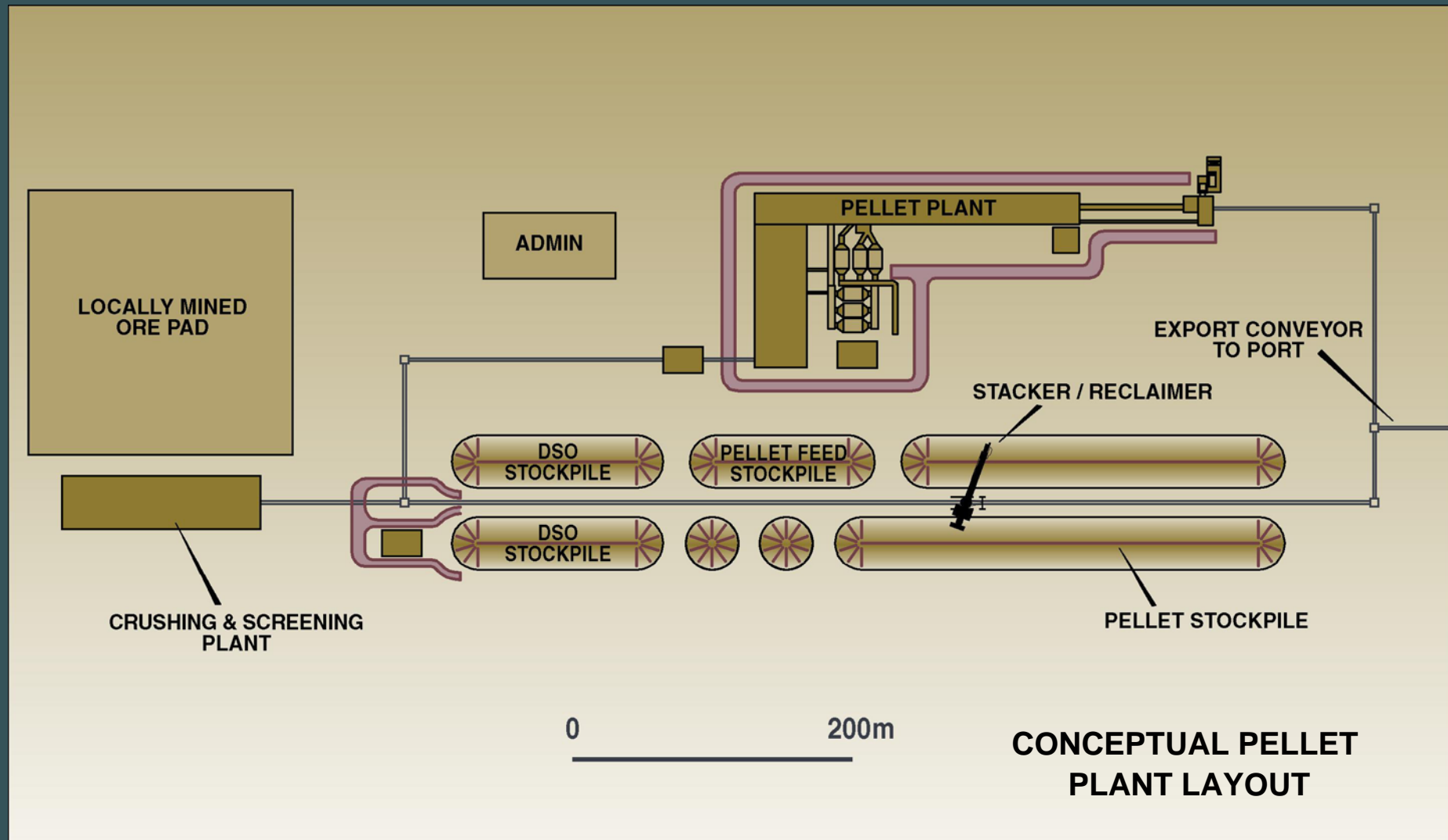
Southdown Magnetite Project INFRASTRUCTURE – SLURRY PIPELINE



Southdown Magnetite Project INFRASTRUCTURE – ALBANY PORT



Southdown Magnetite Project INFRASTRUCTURE – PELLET PLANT



Southdown Magnetite Project INFRASTRUCTURE – PELLET PLANT



Modern 6.2 Mtpa Pellet Plant at Sao Luis - Brazil



Southdown Magnetite Project COST ESTIMATES



SOUTHDOWN 6.6 Mtpa IRON ORE CONCENTRATE

ESTIMATED CAPITAL COSTS

A\$M

Bankable Feasibility Study	13.0
Infrastructure (Land, Pipeline, Power Supply, Port facilities and dredging)	217.0
Concentrator Plant	<u>185.0</u>
	<u>415.0</u>

Southdown Magnetite Project COST ESTIMATES



SOUTHEAST ASIA 6.9 Mtpa PELLET PLANT

ESTIMATED CAPITAL COSTS

US\$M

Land	10.0
Port, shiploader, stockyards	43.0
Pellet Plant	<u>260.5</u>
	<u>313.5</u>

Southdown Magnetite Project PROJECT SUMMARY



SOUTHDOWN PLANT INPUTS

Magnetite Ore	17.3 Mtpa
Water	2.0 Glitres pa
Electricity	263 Gwh
Power Generation Requirement	42 Mwatts
Slurry Pipeline Diameter	150-200mm
Operational Workforce	200
Life of Mine	+25 years

SOUTHDOWN PLANT OUTPUTS

Iron Ore Concentrate (at 37% magnetic recovery)	6.6 Mtpa
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Southdown Magnetite Project PROJECT SUMMARY



SOUTHEAST ASIA PELLET PLANT INPUTS

Iron Ore Concentrate Feed	6.6 Mtpa
Water	0.21 Glitres pa
Limestone	0.07 Mtpa
Electricity	275 Gwh
Natural Gas	2.75 Pj

Operating Workforce (excluding Maintenance and Port services)	60-100
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OUTPUTS

Iron Ore Pellets Produced	6.9 Mtpa
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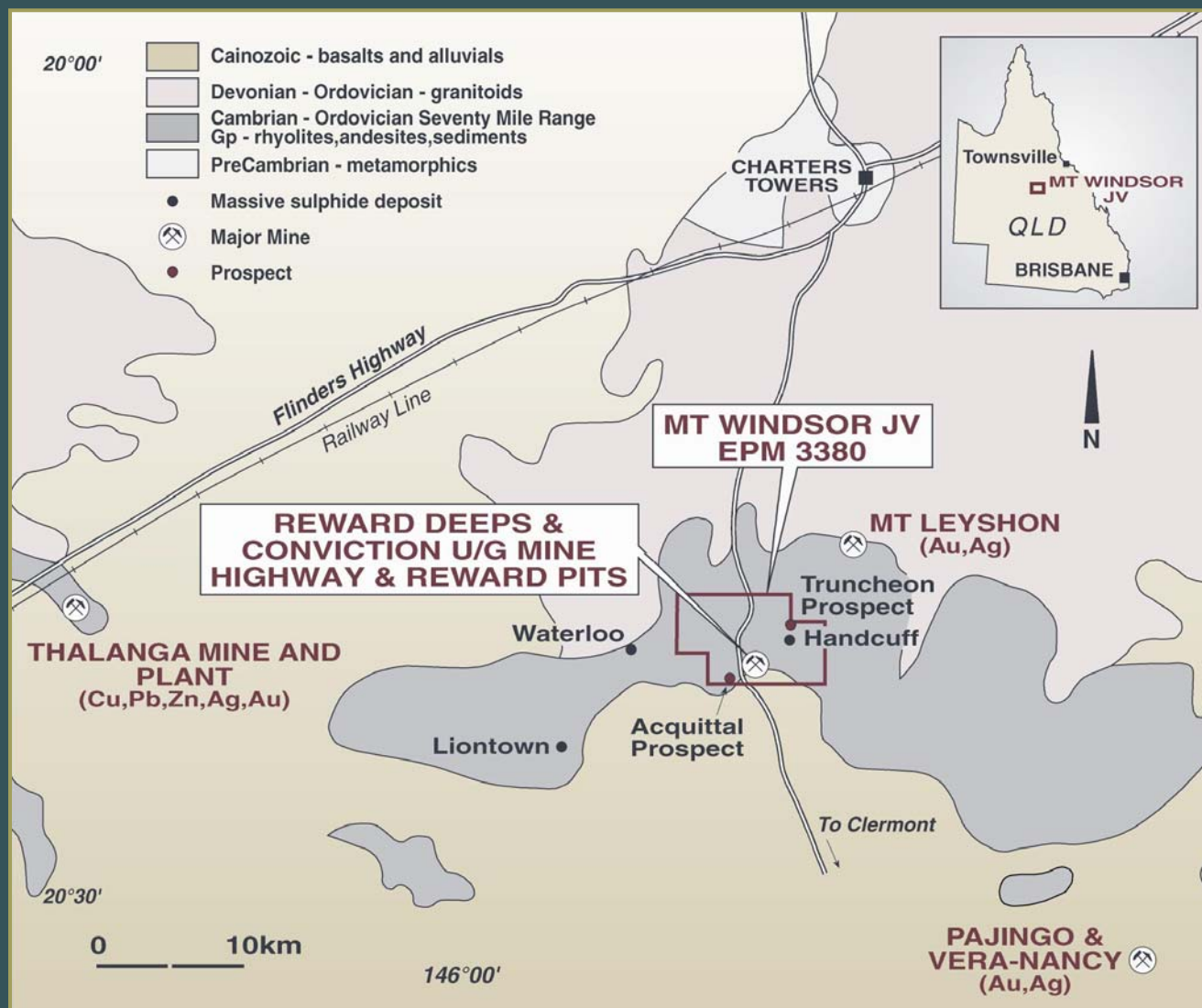
Southdown Magnetite Project PROJECT TIMETABLE



INDICATIVE TIMETABLE

Re-commence Diamond Drilling	Jan 05
Commence Bankable Feasibility Study	Feb 05
Complete Bankable Feasibility Study	Dec 05
Southeast Asian Plant Approvals	Mar 06
Southdown Mining Approvals	Jun 06
Project Construction Commences	Jul 06
Pellet Plant Commissioned	Dec 08

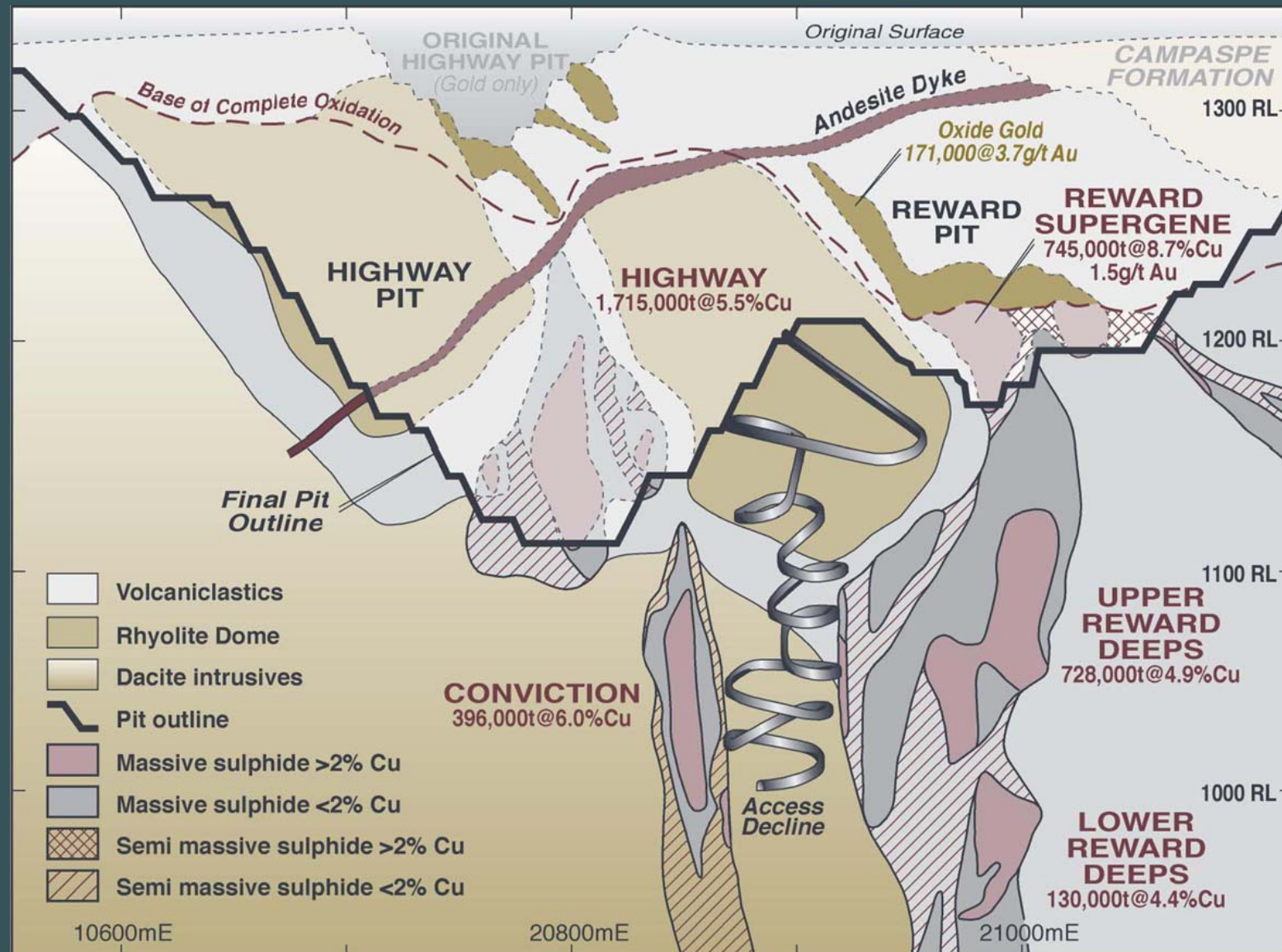
Mt Windsor Joint Venture LOCATION AND GEOLOGY



Highway Open Pit Mine PANORAMIC OVERVIEW

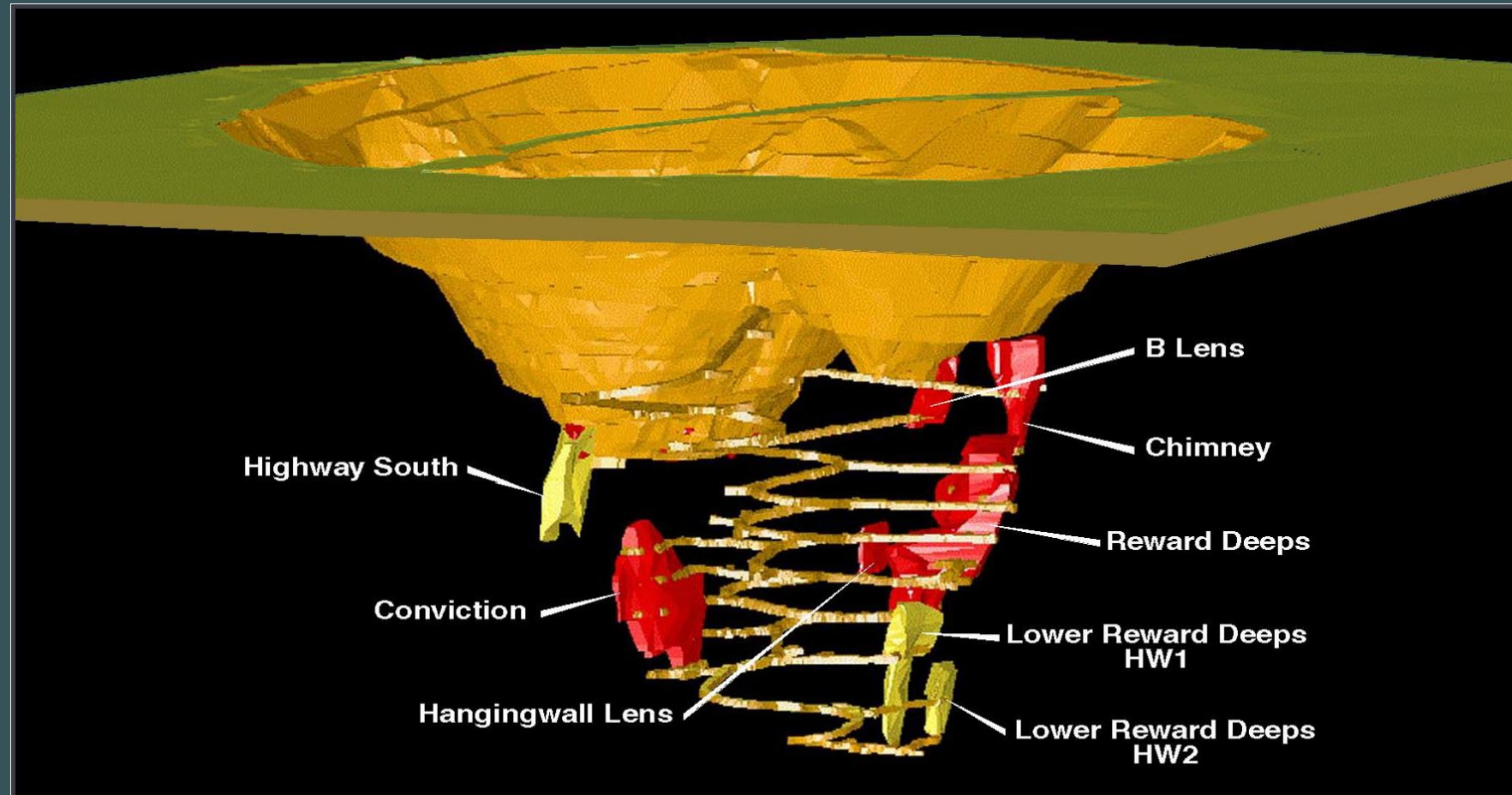


Highway and Reward Open Pit CROSS SECTION



Reward Deeps Project

LOCATION OF ORE BODIES



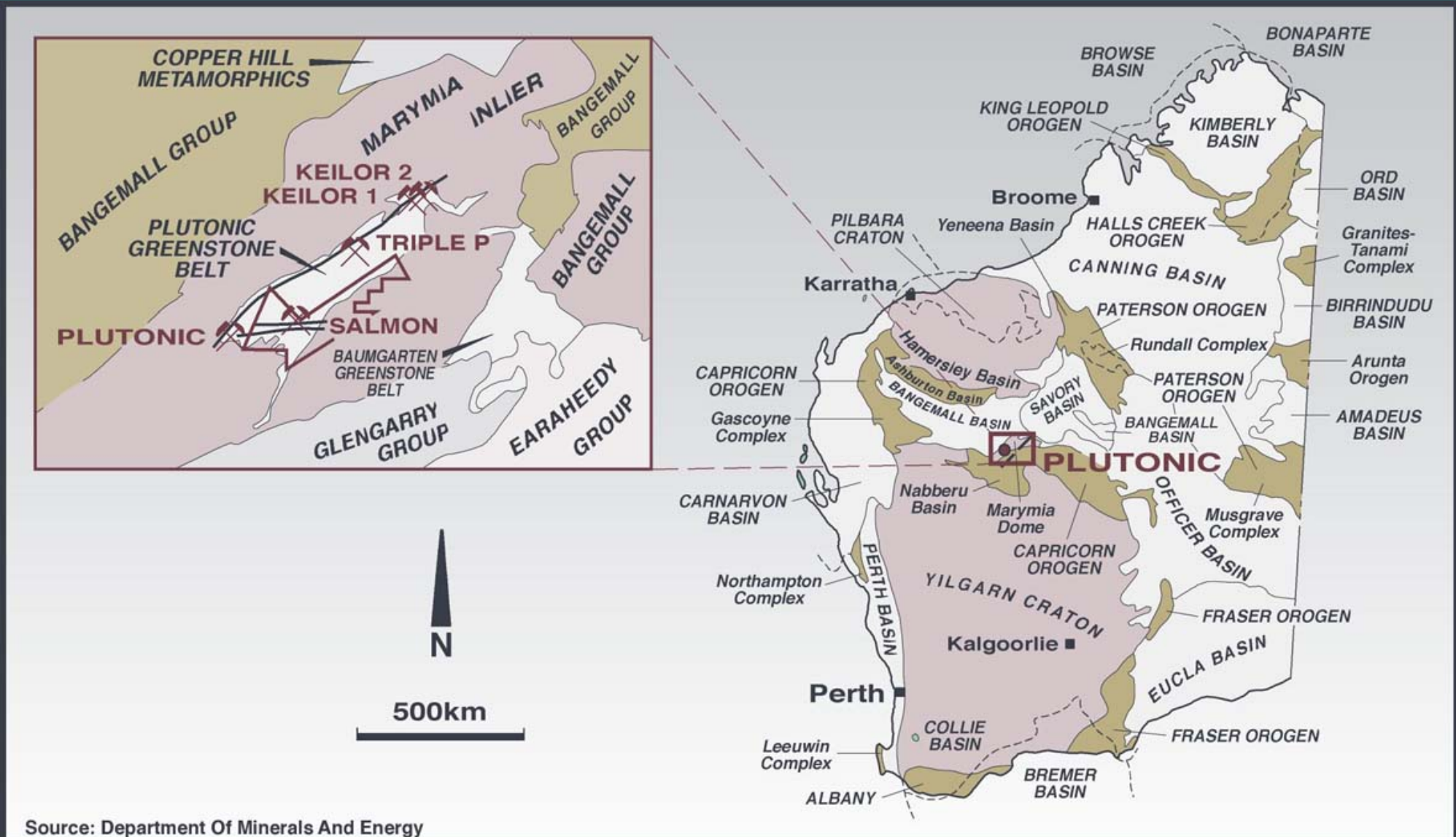
Mt Windsor Joint Venture SUMMARY



- ❖ **Underground Mining at Highway South**
- ❖ **Mining Scheduled to finish in May 2005**
- ❖ **214,000t @ 4.1% copper to be produced in 2005**
- ❖ **Grange share of production +12,000t concentrate**
- ❖ **Final Shipment of Copper concentrate - June 2005**
- ❖ **Projected net cash surplus to Grange A\$3.0 million
(assuming Cu @ US\$3000/t, A\$:US\$ 0.76)**

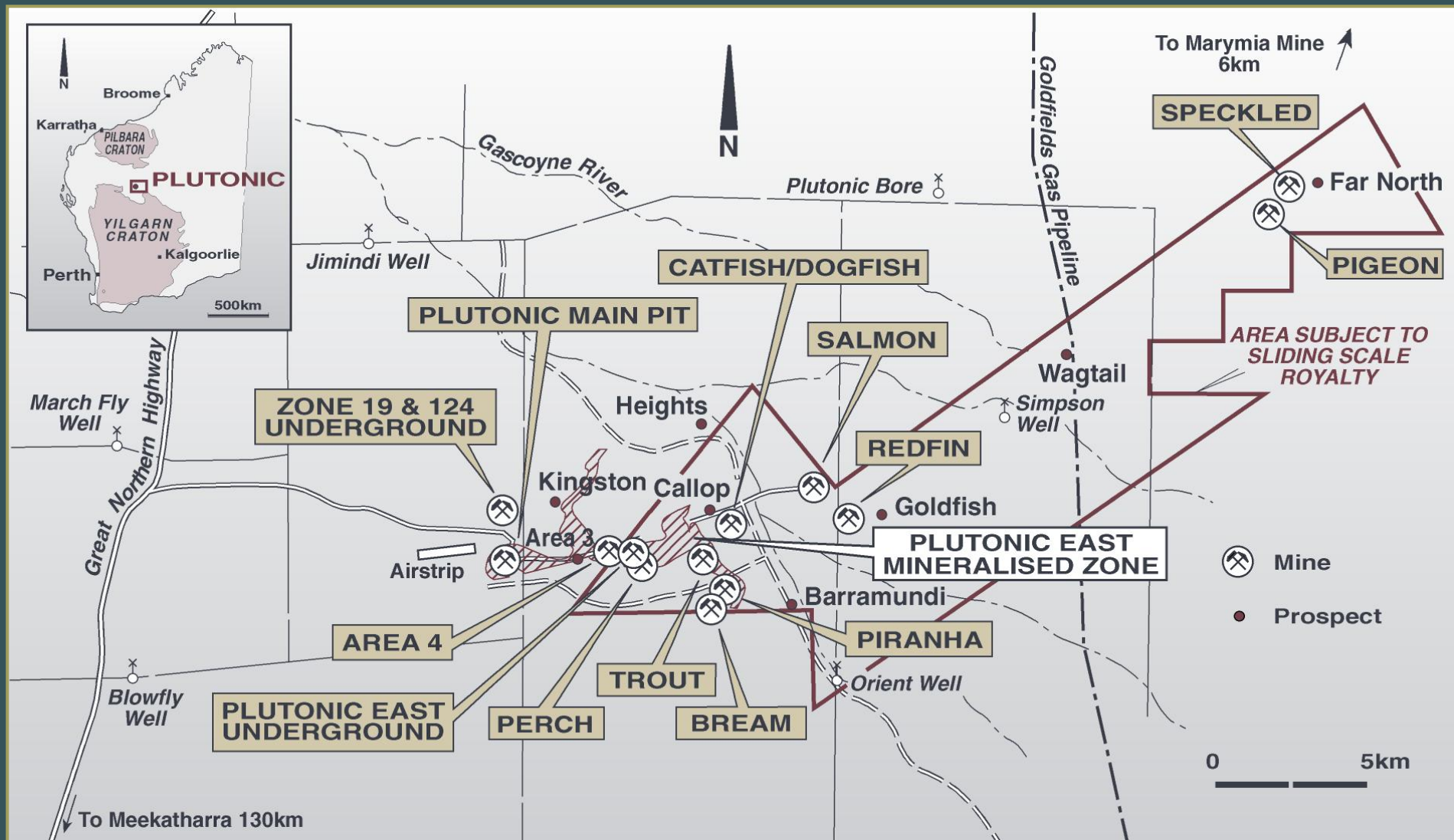
Freshwater Project – Plutonic/Marymia District

REGIONAL GEOLOGY



Source: Department Of Minerals And Energy

Freshwater Gold Project LOCATION PLAN



Freshwater Gold Project SUMMARY



- ❖ Owned and Operated by **Barrick Gold of Australia Limited**
- ❖ Sliding Scale Royalty on gold production from underground and open pit operations
- ❖ Over \$3 million in royalties paid since 1996 on production of 276,000 ozs
- ❖ Over 600,000 ozs of gold in indicated and inferred resources

Freshwater Project

PRODUCTION & ROYALTY RECEIPTS - OPEN PIT ORE



Year	Tonnes	Grade g/t Au	Payment \$	Gold oz's	Royalty \$/oz
1996	132,669	2.03	54,699	8,171	6.69
1997	1,185,591	2.04	476,456	72,509	6.57
1998	763,398	1.93	454,780	45,145	10.07
1999	942,121	1.84	587,569	53,086	11.07
2000	242,227	2.78	430,139	18,971	22.67
2001	257,758	2.10	290,025	17,129	16.93
2002	104,893	1.92	110,117	6,141	17.93
2003	117,342	2.54	125,923	6,995	18.00
2004	212,862	1.53	76,184	10,155	7.50
TOTAL	3,823,443	1.95	2,605,891	240,068	10.85

Freshwater Project

PRODUCTION & ROYALTY RECEIPTS - UNDERGROUND ORE



Year	Tonnes	Grade g/t Au	Payment \$	Gold oz's	Royalty \$/oz
2001	800	5.00	960	120	8.02
2002	54,235	6.70	185,590	10,863	17.08
2003	46,117	6.08	128,645	8,388	15.34
2004	78,080	6.74	268,736	16,940	15.86
TOTAL	179,231	6.30	583,931	36,311	16.08

Freshwater Project

ORE RESERVES AS AT 31 DECEMBER 2003



Location	Category	Tonnes	Grade Au g/t	Contained Ounces
Underground				
Plutonic East	Probable	328,000	6.6	69,600
Open Pit				
Salmon	Probable	419,000	3.0	40,200
Callop	Probable	73,000	1.8	4,400
TOTAL RESERVES		820,000	4.3	114,200

Freshwater Project

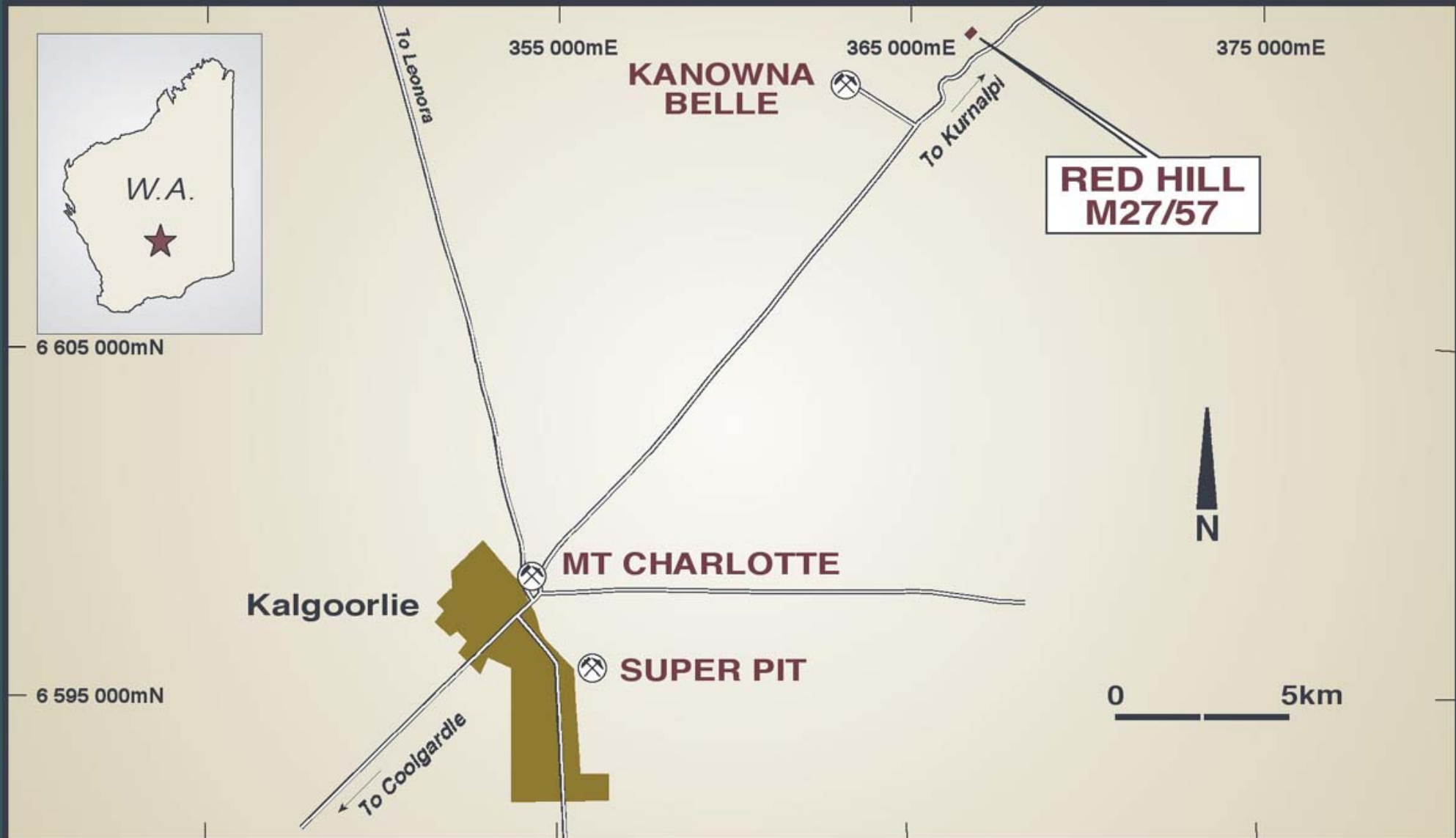
MINERAL RESOURCES AS AT 31 DECEMBER 2003



Location	Category	Tonnes	Grade Au g/t	Contained Ounces
Underground				
Plutonic East	Indicated	578,000	5.3	98,000
	Inferred	3,068,000	5.3	523,000
TOTAL U/GROUND		3,646,000	5.3	621,000
Open Pit				
Salmon	Indicated	304,000	2.4	23,000
	Inferred	5,000	3.0	500
Callop	Indicated	18,000	1.6	900
	Inferred	23,000	1.6	1,200
Barramundi	Indicated	35,000	3.4	3,700
	Inferred	6,000	2.6	500
Goldfish	Indicated	64,000	2.3	4,600
TOTAL OPEN PIT		455,000	2.4	34,400
TOTAL RESOURCES		4,101,000	5.0	655,400

Note: Measured and Indicated Resources are **exclusive** of those Mineral Resources modified to produce the Ore Reserves

Red Hill Project – TENEMENT LOCATION PLAN

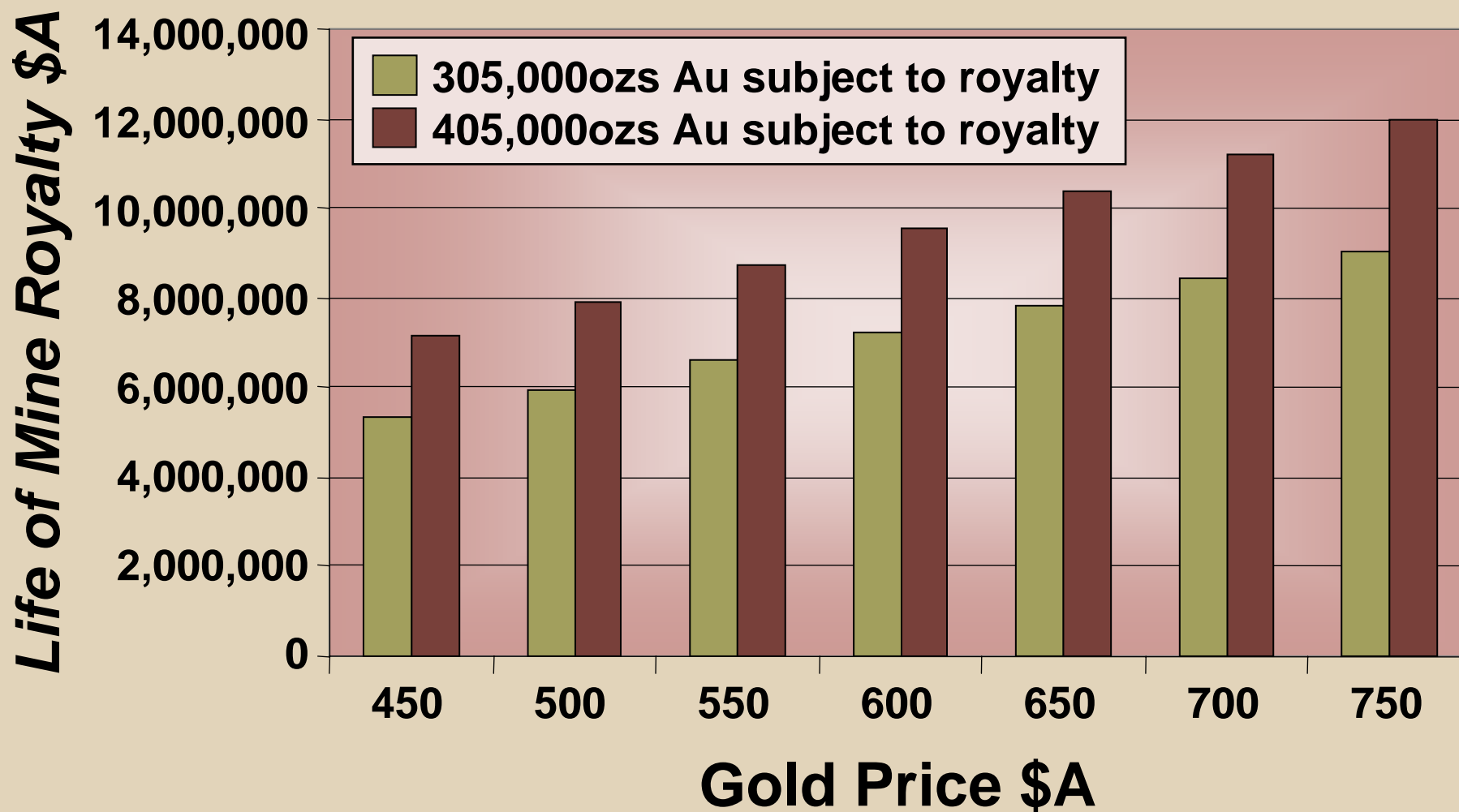


Red Hill Project SUMMARY



- ❖ Grange has 4% Gross Revenue Royalty after first 85,000oz's of gold production from M27/57
- ❖ Owned and operated by **PLACER DOME ASIA PACIFIC**
- ❖ 4km NE of Kanowna Belle Gold Mine, 20km NE of Kalgoorlie
- ❖ Continuous gold mineralisation from surface within porphyry
- ❖ Large tonnage low grade gold resource (6.3mt @ 1.80g/t Au) containing 365,000ozs within M27/57 to 150 metres depth
- ❖ Mining commenced February 2003
- ❖ 122,898 ozs gold produced from M27/57 to 31 Dec 2004
- ❖ Royalty payments of \$847,504 received up to 31 Dec 2004

Red Hill Project ESTIMATED ROYALTY INCOME

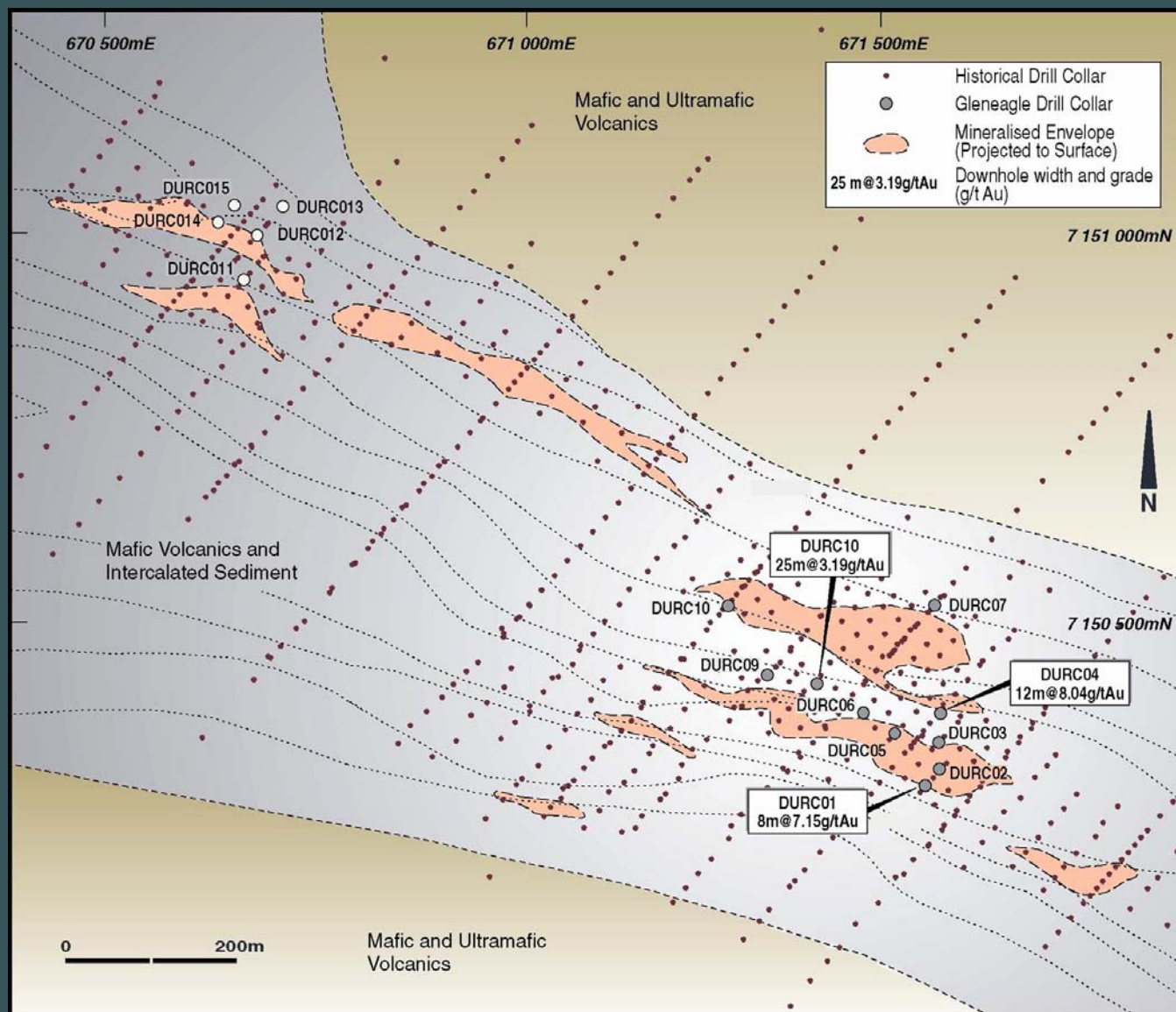


Wembley Gold Project SUMMARY



- ❖ Located 14 km south of the Peak Hill Gold Mine, 120 km NNE of Meekatharra in the Peak Hill Mineral Field in WA
- ❖ Granted Mining Lease contains the Durack gold resource of 557,000 tonnes @ 2.18g/t gold (39,000 contained ounces gold)
- ❖ Potential to extend known resource and locate additional deposits
- ❖ Mineralisation occurs as steeply dipping lodes within altered volcanics
- ❖ 100% owned by Grange Resources with Gleneagle Gold Limited farming in by expending \$500,000 to earn 80%
- ❖ Grange free carried to decision to mine at which stage Grange can elect to contribute, sell or convert to a 3% gross revenue royalty
- ❖ Durack deposit located 50 km from Fortnum treatment plant owned by Gleneagle

Wembley Gold Project DURACK PROSPECT DRILL HOLE LOCATIONS

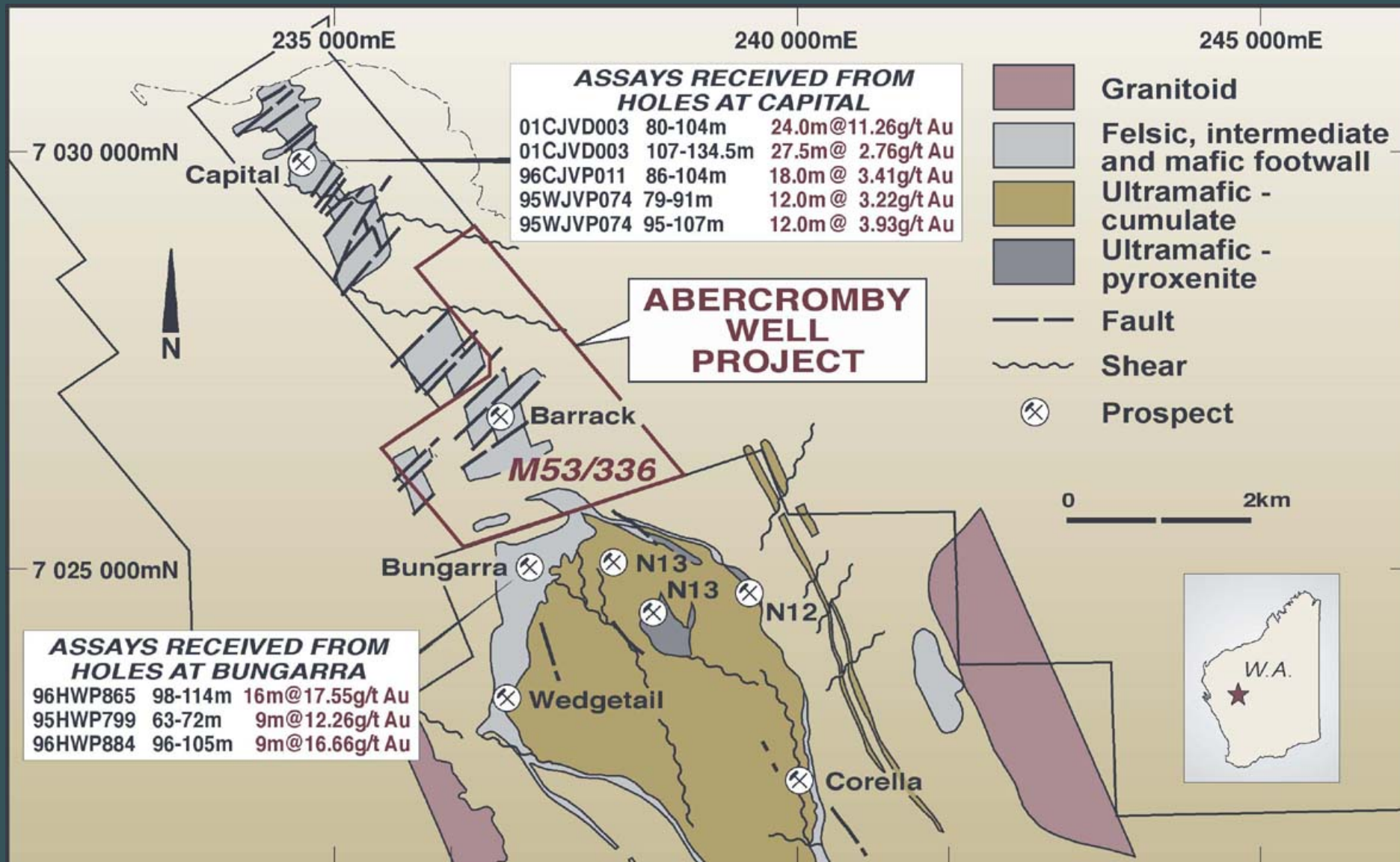


Abercromby Well Project SUMMARY

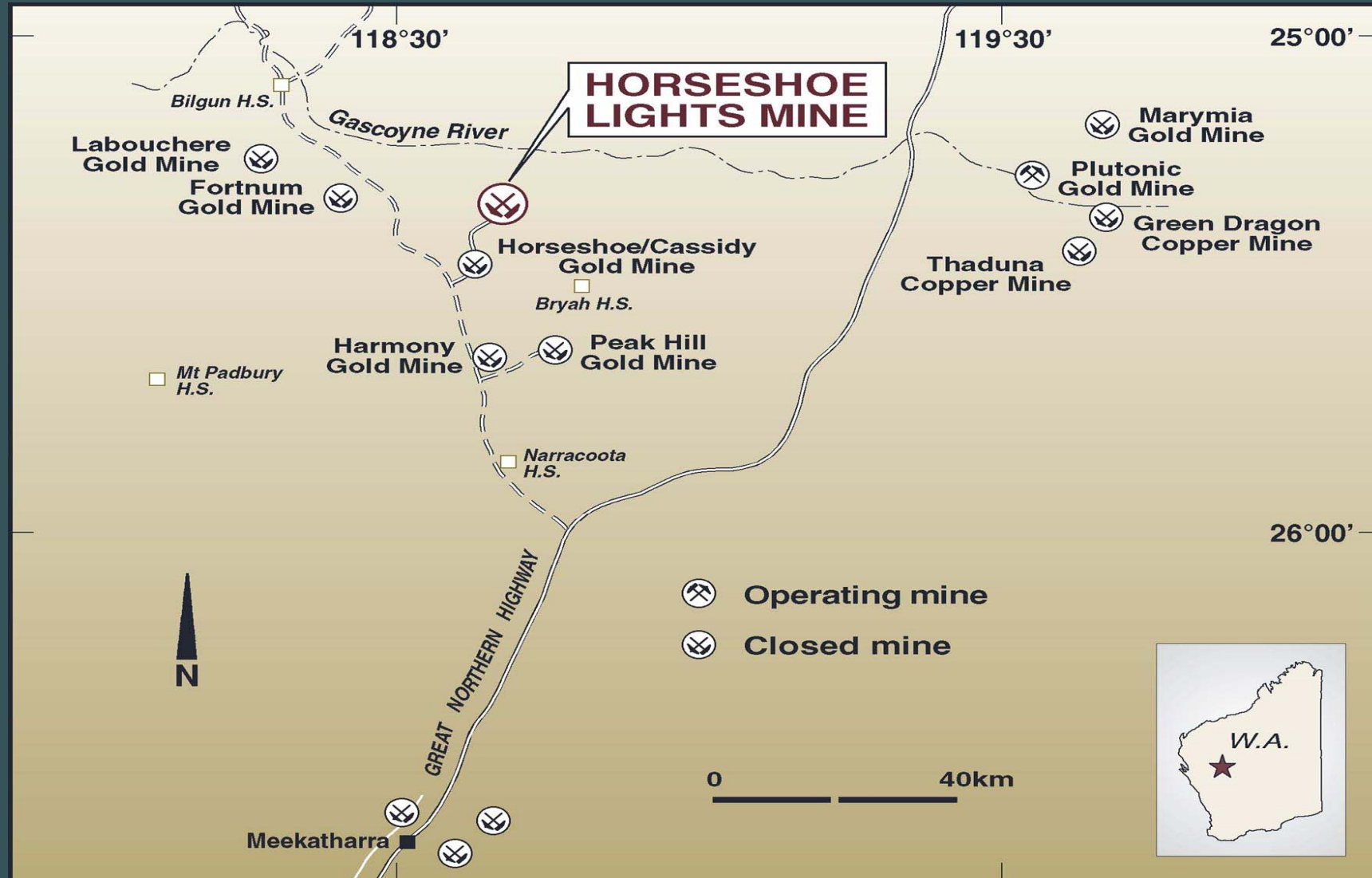


- ❖ Located approximately 30 km SE of Wiluna in the Agnew-Wiluna Greenstone Belt
- ❖ Grange holds a 10% free carried interest in M53/336 to a decision to mine or expenditure of \$2 million
- ❖ The tenement forms part of the Honeymoon Well gold project being explored by Perilya Limited in joint venture with MPI Pty Ltd
- ❖ Tenement is prospective for gold mineralisation and significant intersections recorded from the Capital and Bungarra prospects located along strike including:
16m @ 17.6g/t Au, 24m @ 11.3g/t Au, 9m @ 16.7g/t Au
- ❖ M53/336 covered by Lake Way alluvials and calcrete which has hampered exploration

Abercromby Well Project LOCATION AND GEOLOGY



Horseshoe Lights Project LOCALITY PLAN



Horseshoe Lights Project

MINERAL RESOURCES AS AT 31 DECEMBER 2004



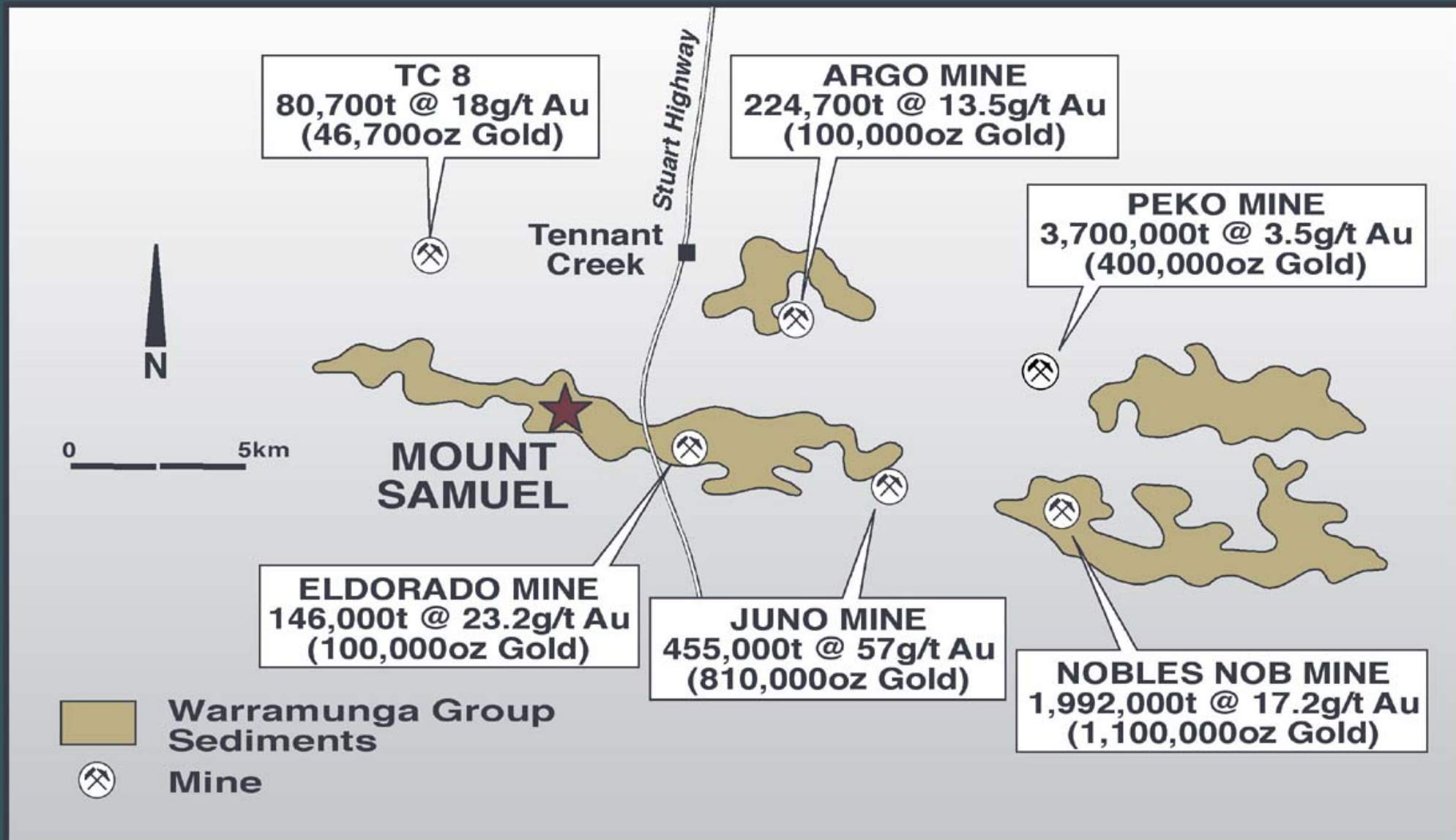
Location	Category	Tonnes	Grade % Cu	Contained Copper (t)
NW Stringer Ore	Indicated	1,606,000	0.86	13,800
	Inferred	1,606,000	0.78	12,500
Main Zone	Indicated	949,000	1.29	12,200
	Inferred	233,000	1.08	2,500
Motters Zone	Indicated	169,000	0.80	1,300
	Inferred	61,000	0.80	500
M-15	Indicated	250,000	0.80	2,000
	Indicated	40,000	0.80	300
Flotation Tailings	Measured	1,420,000	0.55	7,800
Barrack Waste Dump	Inferred	250,000	0.80	2,000
TOTAL RESOURCES		6,584,000	0.84	54,900

Mount Samuel Project SUMMARY



- ❖ Grange 85%, Prospectors 15%
- ❖ 6km south of Tennant Creek
- ❖ Located along same structural trend as previous producing mines **Juno** (810,000oz Au), **Nobles Nob** (1,100,000oz Au) and **Eldorado** (100,000oz Au)
- ❖ Potential for high grade gold, copper, bismuth deposit
- ❖ Last drilling programme in 1987/88 recorded significant intersections including **17m @ 108g/t Au** from 28 metres depth
- ❖ Access currently not available due to Aboriginal Sacred Site

Mount Samuel Project LOCATION PLAN



Mount Samuel Project GEOLOGICAL CROSS SECTION

