

16 August 2010

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MAJOR STEP FORWARD FOR GRANGE'S SOUTHDOWN PROJECT

Minister's decision will allow Albany Port to undertake an expansion to accommodate cape sized vessels required for the Southdown Project.

Grange Resources Limited ("Grange" or the "Company") is pleased to report that the last remaining major permit required for the Southdown iron ore project to proceed has now entered the final stage of the approval process.

The remaining permit relates to State approval for the Albany Port Expansion project, which will allow cape size bulk carriers to dock at the port, and off take magnetite concentrate from Grange's Southdown iron project, 90km from Albany.

In January, 2010, the Environmental Protection Agency ("EPA") recommended approval of the Port Expansion project to the West Australian Minister for the Environment, the Hon Donna Faragher, subject to a number of conditions. As is standard in the permit approval process, a period for appeals on the recommendations has been undertaken and the Appeals Convenor has considered these and reported back to the Minister.

In a letter from the Minister to the Albany Port Authority on 12 August, 2010 the Minister advised that determination of the appeals to the EPA report have been concluded by her and that some additional conditions have been included as a result. The final wording of the conditions will be finalised in conjunction with the decision making authorities and the office of the EPA.

The permit's proponent, the Albany Port Authority, has advised that "the decision by the Minister will allow the Albany Port to undertake dredging for larger iron ore ships as part of the Grange Southdown Iron ore Project".

Grange Resources Managing Director, Mr Russell Clark said that he is very pleased with the outcome. "Grange has been working with the Port Authority for a number of years and has funded extensive studies in the Port area to ensure that the effect of an expansion program is well understood. The Appeals convener has supported the science undertaken and the conditions that have been set are well understood and not unreasonable. The permit will remove the last major environmental hurdle for the Southdown project and moves us significantly forward in making this project a reality. This is terrific news and we congratulate the Port Authority on its professionalism and tenacity with the permit application," said Mr Clark.

Project Background

Grange, Australia's leading magnetite producer, is developing the Southdown magnetite project near Albany in Western Australia. This project is targeting to produce 10 million tonnes per annum of high grade magnetite concentrate to be shipped from the Albany Port. A feasibility study is currently being undertaken with Amec Minproc and GHD and will be concluded at the end of 2010.

The Southdown Project is relatively advanced and its operation will mirror the Company's current large scale operations at Savage River in Tasmania. As a result, much of the in-house expertise at Savage River is being used in the development of the Southdown Project.

In November, 2009 the mine received its Environmental permit. In June, 2010 another major hurdle was overcome when the Commonwealth approved the spoil site to be used for material removed from the Albany harbour as part of the port expansion project.

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