GRANGE
RESOURCES LIMITED
A.C.N. 009 132 405

JOINT STOCK EXCHANGE ANNOUNCEMENT

BY GRANGE RESOURCES LIMITED (ASX: GRR)

AND HILLGROVE GOLD LIMITED (ASX: HGO)

JOINT TAKEOVER BID FOR SELWYN MINES LTD NOT TO PROCEED

10 October 2003

Hillgrove Gold Limited ("Hillgrove") and Grange Resources Limited ("Grange") refer to their joint ASX announcement dated 6 September 2003 ("Announcement") pursuant to which they announced their intention, through an equally and jointly owned nominee, to make an off-market takeover bid ("Proposed Bid") pursuant to Chapter 6 of the Corporations Act 2001 (Cth) for all the fully paid ordinary shares in Selwyn Mines Limited (Receivers and Managers appointed) ("SLN").

The Proposed Bid is conditional on a number of matters including SLN Group's exploration and mining tenements (as noted in the 2002 Annual Report of SLN), all water licences, the Placer Joint Venture Agreement between Placer Pacific (Osborne) Pty Ltd and SLN and all water bore rights, being fully retained by the SLN Group, on terms and conditions identical in all material respects to those that prevailed at 30 June 2003.

Ivanhoe Mines announced on 30 September 2003, that "a newly formed subsidiary of Ivanhoe Australia has purchased all of the SLN copper-gold project's mining and exploration leases in Australia" ("Announcement").

Hillgrove and Grange have considered the consequences of Ivanhoe Mines 30 September announcement and as a result, it is no longer reasonable to expect Hillgrove and Grange to proceed with the Proposed Bid because:

- condition 8 of the Proposed Bid cannot be satisfied; and
- a prescribed occurrence as set out in Condition 10 of the Proposed Bid - namely a disposal referred to in sub-section 652C(1)(f) of the Corporations Act 2001 (Cth) - has occurred.

As a result of the occurrence of the abovementioned change in circumstances, Hillgrove and Grange will not proceed with the Proposed Bid.

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About Hillgrove Gold Limited

HGO is an Australian mineral exploration and development company listed on the Australian Stock Exchange which is focused on identifying resources opportunities that can either be brought into production readily or those where there is a defined value adding route within a clearly understood risk environment. Commodities that are of particular interest include copper, gold and nickel.

About Grange Resources Limited

Grange is a Western Australian based mining and exploration company listed on the Australian Stock Exchange. Projects include a 30% interest in the Reward Deeps underground copper mine in Queensland and gold royalties from the Freshwater and Red Hill projects in Western Australia. Grange's objective is to grow through the acquisition, development and exploration of resource projects.

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