

Appendix 5B

Mining exploration entity quarterly report

Introduced 1/7/96. Origin: Appendix 8. Amended 1/7/97, 1/7/98, 30/9/2001.

Name of entity

Grange Resources Limited

ABN

80 009 132 405

Quarter ended ("current quarter")

31 March 2009

Consolidated statement of cash flows

Cash flows related to operating activities		Current quarter \$A'000	Year to date (9 months) \$A'000
1.1	Receipts from product sales and related debtors	103,045	104,986
1.2	Payments for (a) exploration and evaluation	-	-
	(b) development	-	-
	(c) production	(79,233)	(79,233)
	(d) administration	(5,715)	(7,291)
1.3	Dividends received	-	-
1.4	Interest and other items of a similar nature received	331	626
1.5	Interest and other costs of finance paid	(1,706)	(1,706)
1.6	Income taxes paid	6,699	7,056
1.7	Other (provide details if material)	-	-
Net Operating Cash Flows		23,421	24,438
Cash flows related to investing activities			
1.8	Payment for purchases of: (a)prospects	-	-
	(b)equity investments	-	-
	(c)other fixed assets	(1,042)	(1,049)
1.9	Proceeds from sale of: (a)prospects	-	-
	(b)equity investments	-	-
	(c)other fixed assets	-	-
1.10	Loans to other entities	-	-
1.11	Loans repaid by other entities	-	-
1.12	Other (provide details if material)	-	-
1.12(i)	Payment for security deposit	-	(300)
1.12(ii)	Proceeds from release of security deposit	-	-
1.12(iii)	Payment for exploration and evaluation	(1,856)	(7,871)
1.12(iv)	Payment for transaction costs associated with merger with ABM	(906)	(3,051)
1.12(v)	Deposit from Sojitz Corporation related to sale of Exploration Licence	-	13,397
1.12(vi)	Cash acquired through merger with ABM	34,844	34,844
Net investing cash flows		31,040	35,970
1.13	Total operating and investing cash flows (carried forward)	54,461	60,409

+ See chapter 19 for defined terms.

Appendix 5B
Mining exploration entity quarterly report

1.13	Total operating and investing cash flows (brought forward)	54,461	60,409
	Cash flows related to financing activities		
1.14	Proceeds from issues of shares, options, etc.	-	-
1.15	Proceeds from sale of forfeited shares	-	-
1.16	Proceeds from borrowings	7,991	7,991
1.17	Repayment of borrowings	(2,972)	(2,972)
1.18	Dividends paid	-	-
1.19	Other (provide details if material)	-	-
1.19(i)	Payment for share issue	(54)	(54)
	Net financing cash flows	4,965	4,965
	Net increase (decrease) in cash held	59,426	65,374
1.20	Cash at beginning of quarter/year to date	12,790	7,660
1.21	Exchange rate adjustments to item 1.20	2,664	1,846
1.22	Cash at end of quarter	74,880	74,880

Payments to directors of the entity and associates of the directors

Payments to related entities of the entity and associates of the related entities

	Current quarter \$A'000
1.23 Aggregate amount of payments to the parties included in item 1.2	264
1.24 Aggregate amount of loans to the parties included in item 1.10	-

1.25 Explanation necessary for an understanding of the transactions

Payments for executive director remuneration and non-executive directors fees.

Non-cash financing and investing activities

2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

Refer to Attachment 1

2.2 Details of outlays made by other entities to establish or increase their share in projects in which the reporting entity has an interest

Not Applicable

+ See chapter 19 for defined terms.

Financing facilities available

Add notes as necessary for an understanding of the position.

	Amount available \$A'000	Amount used \$A'000
3.1 Loan facilities	56,425	56,125
3.2 Credit standby arrangements	Nil	Nil

Estimated cash outflows for next quarter

	\$A'000
4.1 Exploration and evaluation	1,761
4.2 Development	-
Total	1,761

Reconciliation of cash

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.	Current quarter \$A'000	Previous quarter \$A'000
5.1 Cash on hand and at bank	69,667	5,445
5.2 Deposits at call	0	0
5.3 Bank overdraft	0	0
5.4 Other (Cash held with Joint Ventures)	5,213	7,345
Total: cash at end of quarter (item 1.22)	74,880	12,790

Changes in interests in mining tenements

	Tenement reference	Nature of interest (note (2))	Interest at beginning of quarter	Interest at end of quarter
6.1 Interests in mining tenements relinquished, reduced or lapsed	P52/1189-1193	Granted	0	100%
	L70/122	Application	0	0%
	2M/2001	Acquired	0	100%
	14M2007	Acquired	0	100%
	11M/2008	Application	0	0%
	EL30/2003	Acquired	0	100%
	EL19/2005	Acquired	0	100%
	EL46/2007	Acquired	0	100%
6.2 Interests in mining tenements acquired or increased				

+ See chapter 19 for defined terms.

Appendix 5B
Mining exploration entity quarterly report

Issued and quoted securities at end of current quarter

Description includes rate of interest and any redemption or conversion rights together with prices and dates.

	Total number	Number quoted	Issue price per security (see note 3) (cents)	Amount paid up per security (see note 3) (cents)
7.1 Preference securities <i>(description)</i>				
7.2 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions				
7.3 +Ordinary securities	495,343,653	495,343,653		
7.4 Changes during quarter (a) Increases through exercise of options (b) Increases through issues	- 380,025,554	- 380,025,554	Pursuant to Share Sale Agreement	Pursuant to Share Sale Agreement
7.5 +Convertible debt securities <i>(description)</i>				
7.6 Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted				
7.7 Options <i>(description and conversion factor)</i>	9,000,000 2,100,000 2,100,000 2,100,000 150,000 150,000 150,000 175,000	- - - - - - - -	Exercise price 150 cents 205 cents 300 cents 350 cents 205 cents 300 cents 350 cents 205 cents	Expiry date 28 Sept 2010 6 March 2012 6 March 2012 6 March 2012 2 May 2012 2 May 2012 2 May 2012 30 June 2012
7.8 Issued during quarter ¹	2,100,000 2,100,000 2,100,000	- - -	205 cents 300 cents 350 cents	6 March 2012 6 March 2012 6 March 2012
7.9 Exercised during quarter	-	-	-	-
7.10 Cancelled during quarter	150,000 150,000 150,000	- - -	205 cents 300 cents 305 cents	2 May 2012 2 May 2012 2 May 2012
7.11 Debentures <i>(totals only)</i>				
7.12 Unsecured notes <i>(totals only)</i>				

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Compliance statement

- 1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act [or](#) other standards acceptable to ASX (see note 4).
- 2 This statement does give a true and fair view of the matters disclosed.

Sign here: Date: 30 April 2009
Stacey Apostolou
(Company Secretary)

Notes

- 1 The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.
- 2 The "Nature of interest" (items 6.1 and 6.2) includes options in respect of interests in mining tenements acquired, exercised or lapsed during the reporting period. If the entity is involved in a joint venture agreement and there are conditions precedent which will change its percentage interest in a mining tenement, it should disclose the change of percentage interest and conditions precedent in the list required for items 6.1 and 6.2.
- 3 **Issued and quoted securities.** The issue price and amount paid up is not required in items 7.1 and 7.3 for fully paid securities.
- 4 The definitions in, and provisions of, *AASB 1022: Accounting for Extractive Industries* and *AASB 1026: Statement of Cash Flows* applies to this report.
- 5 **Accounting Standards** ASX will accept, for example, the use of International Accounting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.

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ATTACHMENT 1 TO APPENDIX 5B

COMPLETION OF MERGER ON 2 JANUARY 2009

On the 2 January 2009 the merger with ABM completed. The merger was effected through Grange acquiring 100% of the holding companies of ABM from Shagang International Holdings Limited ("SI") , RGL Holdings Co. Ltd ("RH") , Pacific International Co., Pty Ltd ("PI") and Stemcor Pellets Ltd ("Stemcor") by issuing 380,025,554 Grange shares. SI is a wholly-owned subsidiary of Jiangsu Shagang Group Co., Ltd ("Shagang"), the largest private steel producer and the third largest steel producer in China in 2007. The key asset of ABM is 100% of the Savage River magnetite mining and pellet operation in Tasmania.

Cash flows associated with Australian Bulk Minerals ("ABM") have been incorporated for the period subsequent to completion of the merger on 2 January 2009.

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