



GRANGE
RESOURCES LIMITED
ABN 80 009 132 405

STOCK EXCHANGE ANNOUNCEMENT
DEVELOPMENT OF THE BUKIT IBAM MAGNETITE MINE

26 June 2008

Following successful resource drilling, metallurgical test work and viability studies Grange Resources Limited (ASX code: GRR) is pleased to announce Joint Venture approval to develop the Bukit Ibam magnetite mine in Malaysia. The initial production rate will be 100,000 tonnes per year of magnetite concentrate and production will commence by the end of 2008. The concentrate will have a grade of ~60% Fe and will be sold on the spot market and shipped out of Kuantan Port.

All statutory approvals for the project are in place and work has commenced on procurement and construction. The pit has been prepared for mining which is scheduled to recommence in September and the concentrator is forecast to be commissioned by the end of 2008.

The Bukit Ibam Project is located at the former Bukit Ibam iron ore mine, in Pahang State, Malaysia. The mine operated from 1962 and produced approximately 22 million tonnes of haematite and magnetite ore before closure in 1970. Grange Minerals Sdn Bhd, a wholly owned Malaysian subsidiary, holds 51% project equity in a joint venture with a privately owned Malaysian mining company, Esperance Mining Sdn. Bhd.

A measured, indicated and inferred resource of 831,000 tonnes grading 36.7% Fe as previously reported will provide a mine life of approximately 3 years, with potential expansion and mine life extension opportunities available from existing low grade stockpiles and tailings dams nearby. These will be fully investigated as the initial mining takes place. Grange continues to look for other iron ore opportunities in the area.

Capital expenditure for Grange will be A\$1m and operating costs per tonne of concentrate produced will be ~A\$50/tonne.

Russell Clark, Managing Director of Grange Resources, said "this development makes Grange an Operator and a Producer in Malaysia. The payback on capital is rapid and we look forward to capitalising on the current high iron ore prices to generate quick positive cashflow. The opportunity to expand in the near future is very real and we will be looking very hard at this with our joint venture partners. Bukit Ibam is a key part of the Grange strategy to generate funds and develop an increasing mining and exploration presence in Malaysia."

As part of the much larger Southdown project Grange proposes to construct and operate an iron ore pellet plant at Kemaman in the neighbouring state of Terengganu. An operational presence at Bukit Ibam and in Kuantan will provide some synergies and help facilitate early development work at Kemaman.

For further information visit the Grange website at www.grangeresources.com.au.

NEIL MARSTON
Company Secretary

The information in this report that relates to Exploration Results and Mineral Resources for Bukit Ibam is based on information compiled by Mr Stuart Hall who is a Fellow of the Australasian Institute of Mining and Metallurgy. Mr Hall is a full time employee of the company. Mr Hall has sufficient experience which is relevant to the style of mineralisation and type of deposits under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves' ('JORC Code'). Mr Hall consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.



Location of Bukit Ibam project



Recent pouring of concrete for the base of the reclaim tunnel at Bukit Ibam