



GRANGE
RESOURCES LIMITED
ABN 80 009 132 405

STOCK EXCHANGE ANNOUNCEMENT

GRANGE ACQUIRES SOUTHDOWN FREEHOLD LAND

17 September 2007

Grange Resources Limited (ASX:GRR) is pleased to announce that it has acquired the freehold farmland underlying the 3 mining leases which contain the western 6 kilometres of the Southdown magnetite deposit (see attached figure). The freehold land (Lots 6832 and 6833) covers 2317 hectares of mainly grazing and cropping land.

Grange has previously reported a resource base of 479.1 million tonnes containing 37.3% magnetite grading 69.2% Fe within the Southdown mining leases.

This acquisition is a logical step in Grange advancing the Southdown Magnetite Project towards completion and follows Grange's recent agreement with Rio Tinto Exploration Pty Limited to acquire tenement E70/2512 covering the eastern 6 km extension of the Southdown magnetite deposit.

Grange shareholders will be meeting on 28th September 2007 to approve the issue of shares and options to Rio Tinto as part of the tenement acquisition. The directors of Grange are very much in favour of the transaction and recommend that shareholders vote in favour of the acquisition.

Mr Geoff Wedlock, Managing Director said "We are delighted to complete this transaction as it moves us one step closer to project implementation. This land is vital to the project as it will provide sufficient space to develop the mine and all essential project infrastructure."

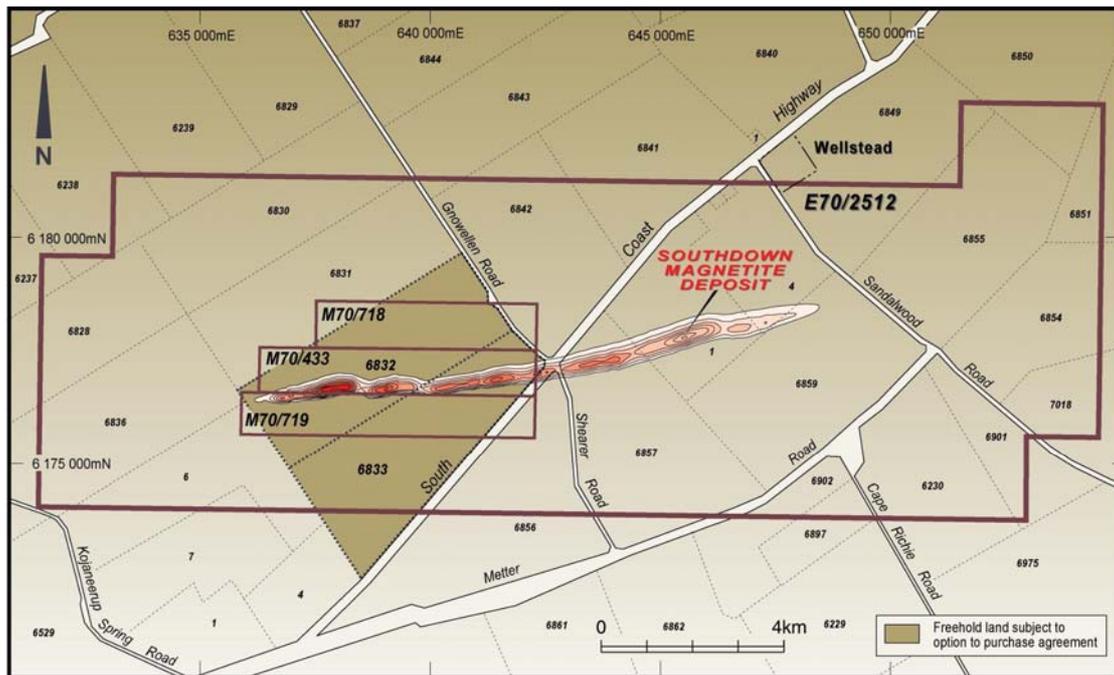
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About Grange Resources Limited

Grange Resources Limited (“Grange”) is a Western Australian based mining and exploration company listed on the Australian Stock Exchange (ASX Code: GRR). Grange’s primary objective is to develop the Southdown Magnetite (Iron Ore) and Kemaman Pellet Plant Project.

Grange acquired the Southdown mining leases in 2003. In 2004 a Scoping Study on the Southdown Magnetite and Kemaman Pellet Plant Project identified the potential for an economic development of the resource. Accordingly in January 2005 Grange commenced a full Bankable Feasibility Study including seeking environmental approval for the project.

The development plan is to mine the Southdown Magnetite deposit using proven open pit mining methods with the magnetite mineralisation being crushed, ground, screened and then magnetically separated to produce a direct reduction (DR) grade magnetite concentrate at a planned production rate of 6.6 Mtpa. The magnetite resource within the Grange mining leases is sufficient to support the planned production rate for a period of approximately 22 years.

The magnetite concentrate will be pumped as slurry, approximately 100 km to a concentrate storage facility at the port of Albany before being loaded on to capsize vessels and shipped to an iron ore pellet plant located in Kemaman, Malaysia. Planned production is 6.8 Mtpa of DR grade iron ore pellets.

In June 2007 Grange entered into a Joint Venture Implementation Agreement with Sojitz Corporation whereby Sojitz has agreed to take a 30% joint venture interest in the Southdown Project.

In August 2007 Grange signed an agreement with Rio Tinto Exploration Pty Ltd to acquire a 100% interest in Rio Tinto's Exploration Licence E70/2512 containing the eastern 6km extension of the Southdown magnetite deposit. E70/2512 will be owned by Grange exclusively and will not form part of the joint venture with Sojitz Corporation.

Grange's other projects include:

- Bukit Ibam Iron Ore Mine (Malaysia) (Grange earning 51%) – Commissioning of processing plant completed.
- Red Hill Mine (WA) - Grange 4% gross revenue gold royalty (managed by Barrick Gold).
- Freshwater Gold Project (WA) - Grange gold royalty (managed by Barrick Gold).
- Murchison Copper Mines – company restructure and copper projects in the Murchison region of WA.



NEIL MARSTON
Company Secretary