



GRANGE
RESOURCES LIMITED
ABN 80 009 132 405

STOCK EXCHANGE ANNOUNCEMENT

**UPDATE ON JOINT VENTURE TENDER PROCESS –
DUE DILIGENCE COMMENCES**

28 June 2006

**Grange Resources received a variety of
expressions of interest from major international groups**

Grange Resources Limited (ASX: GRR) has commenced the due diligence phase of the tender process for selection of a joint venture partner to develop the US\$1.2 billion Australian-Malaysian iron ore pellet project.

Expressions of interests have been received from a number of international groups.

Grange is seeking one or more joint venture partners to contribute to the development of the project through direct cash funding and provision of services.

Grange is now working with a number of interested parties to conduct due diligence, and work towards the development of firm joint venture proposals.

The tender process is expected to be concluded in the fourth quarter of 2006.

Grange Managing Director, Mr Geoff Wedlock, said the Company was pleased with the range and nature of the expressions of interest.

"The proposals have been innovative and creative, including some fresh perspectives on how the project could be developed."

Mr Wedlock said Grange would examine the full range of project development options and was unconstrained in its approach to achieving the best possible outcomes for shareholders.

Simon Price, a Director of Grange's corporate advisor Azure Capital said that although the process is at a preliminary stage the degree of interest is encouraging.

Under the Grange development proposal, the project is expected to produce 6.8 million tonnes per annum of iron ore pellets for supply to steelmakers using blast furnace or direct reduction production processes.

The mine will be located at Southdown, near Albany in Western Australia. Iron concentrate will be transported by slurry pipeline to Albany Port before being shipped to Kemaman in Malaysia where the pellet plant will be located.

Grange adopted the dual location strategy for the project to maximise efficiency, take advantage of exceptional infrastructure at Kemaman and gain best possible proximity to Asian and Middle East steel producers.

For further information visit the Grange website at www.grangeresources.com.au or alternatively contact Mark Smith on +61 (8) 9321 1118

MARK SMITH

Company Secretary

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