CHAIRMAN'S ADDRESS

ANNUAL GENERAL MEETING
30 NOVEMBER 2007

30 November 2007

As with the previous year the primary focus of Grange this year has been on the development of the Southdown Magnetite and Kemaman Pellet Project. The process for the selection of a joint venture partner or partners to assist Grange develop the project culminated in May 2007 with the execution of an agreement with Sojitz Corporation of Japan whereby one of its subsidiary companies will acquire a 30% interest in the Southdown Magnetite and Kemaman Pellet Project. The involvement of Sojitz Corporation, a recognised leader in the iron ore pellet sector is expected to provide a significant boost to the Project as it enters the implementation stage.

The acquisition by Grange of the eastern extension to the Southdown deposit from Rio Tinto Exploration is another significant milestone. The purchase will substantially increase the total Southdown magnetite resource available for development and potentially extends the life of mining operations to over 35 years. The Company is targeting magnetite mineralisation within the eastern extension of the Southdown deposit in the order of 500 million tonnes of similar grade and quality to that within the western portion of the deposit, in other words in excess of 1 billion tonnes of mineralisation within the whole deposit.

Diamond drilling undertaken within the eastern portion of the deposit has shown that the quality of the magnetite is the same as that in the western portion of the deposit. More drilling will be done to define the Mineral Resource in that zone.

Several propositions and offers have been made to the company during the last year regarding the Southdown Project. The company is of the opinion that these proposals, given the long term positive outlook for iron ore and the long term life of the mine, especially since the agreement to acquire the Rio Tinto tenement, do not sufficiently recognise the long term value of the Project.

Whilst negotiations with interested parties are ongoing, the Company is actively progressing the necessary approvals and pre-commitment activities in preparation for the start of the Project.

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Recent progress in these activities includes the selection of the final power line route, and the securing of necessary water supplies for the mine.

Environmental approvals in both Australia and Malaysia are progressing well, and we expect the entire process to be concluded in mid 2008, at which time we will be able to embark on construction activities in conjunction with our partners.

The outlook for demand for iron ore and other minerals from the growth regions of China and India remains very positive. The markets wherein the company is operating are very promising and the future outlook for the Company is very exciting.

On a sadder note, we have regretfully accepted the resignation of our Managing Director, Mr Geoff Wedlock. Geoff has played an enormous role in taking our project to such an advanced stage. His efforts were particularly instrumental in securing the eastern half of the Southdown ore body. On behalf of the board, we would like to wish Geoff every success in his future endeavours.

On behalf of the Board of Directors, I would like to take this opportunity to thank Geoff, the management team and all employees at Grange Resources for their efforts, dedication and successes during the past year.

Geoff is staying on until January to ensure an orderly progression, and I can report that the recruitment process for his successor is proceeding well.

To our long term loyal shareholders we extend our gratitude for their continued support and to our newest shareholders we extend a warm welcome. I look forward to reporting the continuing successes of the Company in the exciting years ahead.

ANTHONY BOHNENN
Chairman

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