



GRANGE
RESOURCES LIMITED
ABN 80 009 132 405

25 November 2008

Dear Shareholder

As Chairman of Grange Resources Limited, I would like to take this opportunity to emphasise the importance of your vote on our proposal to merge with Australian Bulk Minerals (ABM).

As you are be aware, the proposal will be put before Grange shareholders at a **general meeting in Perth on 12 December 2008.**

This merger is a company-transforming event that will catapult Grange into the ranks of Australia's profitable iron ore producers as well as crown it Australia's largest producer of magnetite and iron ore pellets.

Amid the volatility and turmoil on world markets, it is also a transaction that delivers greater financial capacity to Grange for the development of Grange's Southdown iron ore project.

We encourage you to exercise your right to have your say on the future of Grange.

If you are unable to attend the shareholder meeting in person, **proxy forms must be received by 10am (WDT) on Wednesday 10 December 2008.**

If you have misplaced your proxy form, a replacement can be obtained by emailing companysec@grangeresources.com.au or calling Grange on +618 9321 1118.

Your board believes this is an outstanding opportunity for Grange shareholders, especially when viewed against the backdrop of recent market uncertainty.

Under the terms of the merger, Grange shareholders will own 23.3% of a much larger, more robust and more attractive company. The Independent Expert believes this proportion of the expanded entity is worth substantially more than Grange as a standalone company.

We believe the enlarged Grange, with its enhanced scale of operations and market size, will be a more attractive target for investors.

The merger also reduces many of the perceived risks with the development of Southdown – including funding – making Grange more attractive to prospective investors.

The Board of Grange is unanimous in its support for the merger. Aside from being Chairman of Grange, I am also the Company's largest shareholder and I urge you to join me in voting in favour of the merger proposal, and all other resolutions on the meeting agenda.

P.O. Box 7025, Cloisters Square, Perth 6850

Level 11, 200 St Georges Tce, Perth, Western Australia 6000

Telephone +61 8 9321 1118 Facsimile +61 8 9321 1523 Email info@grnl.com.au www.grangeresources.com.au

For more information on the merger please read the Explanatory Memorandum or visit our website at www.grangeresources.com.au. An updated video presentation on the vote from our Managing Director Russell Clark will be available shortly on the website – please take a few minutes to log on and watch. Proxy forms are attached to both the Explanatory Memorandum and Notice of Meeting which were mailed to you recently.

Thank you for reading this letter and I look forward to your support in this transformational step in the development of Grange Resources.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Bohenn', with a horizontal line underneath it.

ANTHONY BOHNENN