GRANGE
RESOURCES LIMITED
ABN 80 009 132 405

REPORT FOR THE QUARTER ENDED 30 JUNE 2008

HIGHLIGHTS

Southdown Magnetite & Kemaman Pellet Project

- The Environmental Protection Authority Bulletin for the Southdown mine and pipeline was published on 30 June 2008. The EPA has recommended approval of the Project to the Minister for the Environment. The release of the Bulletin was the culmination of extensive studies and submissions to the EPA and is a major milestone and a significant step forward in the development of the Southdown Project.

- Standard Chartered Bank was appointed by Grange and Sojitz to act as Financial Advisor to the Project.

- Grange continued negotiations with a number of significant international companies about participation in the Project.

- 388 million tonnes of Magnetite ore converted from previously announced Minerals Resources to Ore Reserves.

- Latest metallurgical testwork continues to support the fact that the magnetite ore is suitable for Direct Reduction (DR) grade iron ore pellet production.

Bukit Ibam Project

- Grange approved capital expenditure for construction of the processing plant at Bukit Ibam Mine.

- Development activity at the Bukit Ibam Mine has commenced. Construction of the processing plant to produce 100,000 tonne of Magnetite concentrate per annum is well advanced and will be completed before the end of 2008.

- Grange received approval from the Department of Forestry in Pahang to extract and process up to 60 hectares of iron ore tailings which are located in a Forest Reserve Area and to rehabilitate the forest area in the process. The acquisition of the tailings is the second addition to the original Mining Concession over the former Bukit Ibam mine secured in 2006 and follows the acquisition of a low grade iron ore stockpile in October 2007

Durack Project

- Montezuma Mining Company Ltd has agreed to expend $500,000 on exploration of the Durack Project over 4 years to earn an 85% interest in the project.

SOUTHDOWN MAGNETITE & KEMAMAN PELLET PROJECT
(Grange 70%; Sojitz Resources & Technology Pty Ltd 30% - M70/433, 718 & 719)
(Grange 100% - E70/2512)

The following summary report is an update on progress achieved with the Southdown Magnetite Project to date.

Overview

Located approximately 90 kilometres northeast of the Port of Albany on the south coast of Western Australia (Figure 1), the Southdown Magnetite deposit is approximately 12 km in length and represents the largest known premium quality magnetite deposit of its kind in the southern portion of Western Australia.

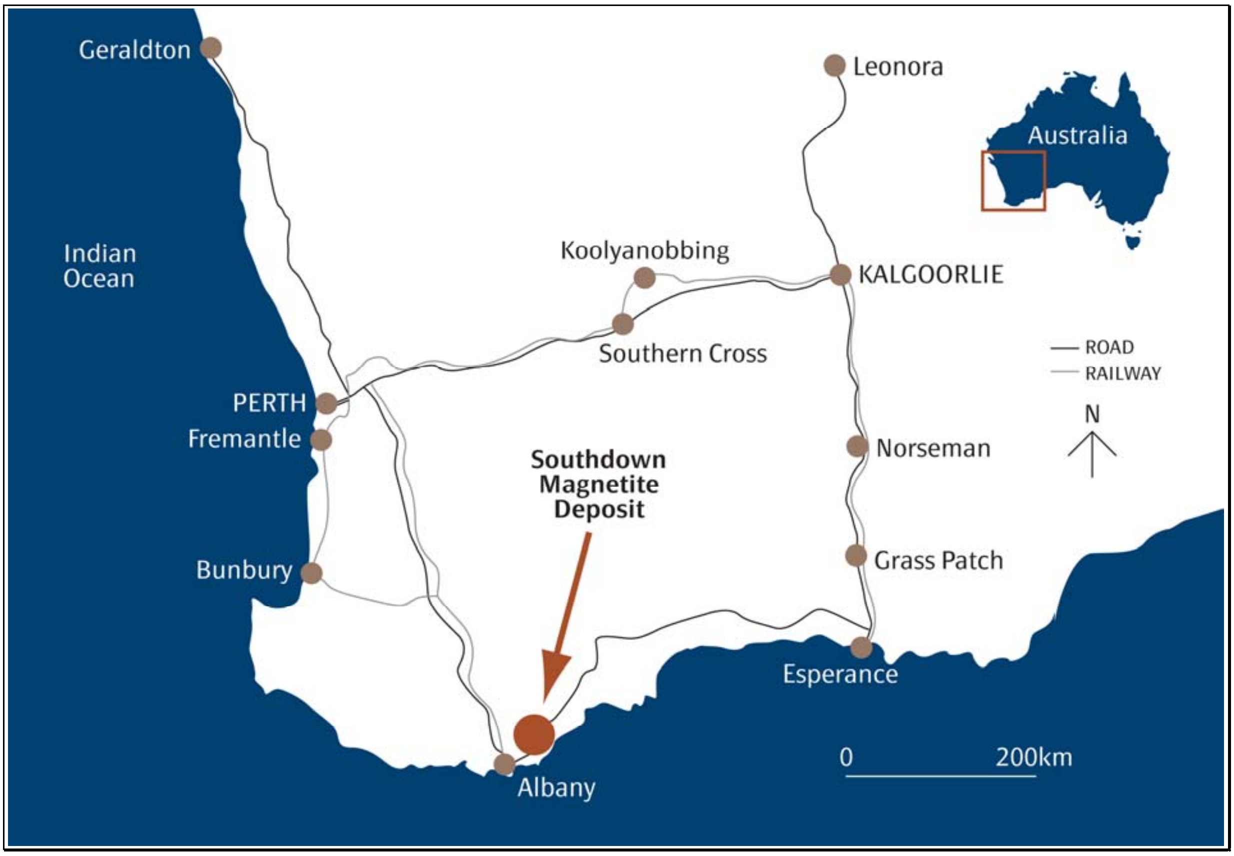

Figure 1: Location of Southdown Magnetite Project, Albany WA

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 magnetite concentrate at a planned production rate of up to 7 Mtpa.

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 capesize vessels and shipped to an iron ore pellet plant to be located in Kemaman, Malaysia. Filtered water recovered from the slurry will be pumped back to the mine site for re-use in the concentrator via a return water pipeline buried beside the slurry pipeline.

At Albany Port, the construction of a new berth will be required and the Albany Port Authority will provide up to 9 hectares of land to accommodate a concentrate storage facility and ship loading infrastructure. Widening of the existing shipping channel into the Princess Royal Harbour and extending the channel into King George Sound is also proposed to facilitate the use of capesize vessels.

Grange has a Heads of Agreement with subsidiaries of Malaysian company IJM Corporation Bhd to secure the future use of infrastructure at Kemaman on the east coast of peninsular Malaysia, comprising an existing deep water wharf and 60 hectares of land for the pellet plant. The design capacity of the pellet plant is 6.8 Mtpa.

Resources and Reserves

Grange has previously reported (quarterly report for September 2006) a resource base of 479.1 million tonnes containing 37.3% magnetite grading 69.2% Fe within the western 6km section of the Southdown deposit, which is held under three granted mining leases. The resource estimate was classified in accordance with the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (JORC Code 2004). Of the total resource 427.3 million tonnes grading 38.2% magnetite are classified as an Indicated Resource and 51.8 million tonnes grading 30.1% magnetite are classified as an Inferred Resource (Table 1).

TABLE 1
SOUTHDOWN MAGNETITE PROJECT
IN SITU MINERAL RESOURCES (Cut-off 10% DTR)

Resource Classification	Tonnes (Mt)	DTR%	Conc. Fe%	Conc. SiO_2%	Conc. Al_2O_3%	Conc. TiO_2%	Conc. S%	Conc. P%
Indicated	427.3	38.2	69.2	1.9	1.40	0.37	0.42	0.002
Inferred	51.8	30.1	69.0	2.0	1.30	0.44	0.63	0.003
Subtotal	479.1	37.3	69.2	1.9	1.30	0.37	0.44	0.002

The information in Table 1 is based on information compiled by Mr Richard Gaze who is a Member of the Australasian Institute of Mining and Metallurgy. Mr Gaze is employed by Golder Associates Pty Ltd. Mr Gaze has sufficient experience which is relevant to the style of mineralisation and type of deposit 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' (The JORC Code). Mr Gaze consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

During the June quarter Golder Associates updated the pit optimisation for the Southdown Project based on revised mining and processing costs and developed an Ore Reserve within the designed pit (Table 2). Run of Mine (ROM) tonnes are the estimated tonnes that would be delivered to the plant. The concentrate tonnes and grade are the estimated tonnes and concentrate grades produced by the plant based on the DTR analysis protocol.

TABLE 2
SOUTHDOWN MAGNETITE PROJECT
ORE RESERVES WITHIN DESIGNED PIT (Cut-off 10% DTR)

Reserve Classification	ROM (Mt)	DTR%	Conc. (Mt)	Conc. Fe%	Conc. SiO_2%	Conc. Al_2O_3%	Conc. TiO_2%	Conc. S%	Conc. P%
Probable	388	35.5	131	68.8	2.06	1.41	0.45	0.55	0.003

The information in Table 2 is based on information compiled by Mr Ross Bertinshaw who is a Fellow of the Australasian Institute of Mining and Metallurgy. Mr Bertinshaw is employed by Golder Associates Pty Ltd. Mr Bertinshaw has sufficient experience in Ore Reserve estimation relevant to the style of mineralisation and type of deposit under consideration 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' (The JORC Code). Mr Bertinshaw consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

Notes relating to Ore Reserves:

1. Mineral Resource Estimate for Conversion to Ore Reserves
   The Mineral Resource model for Southdown Deposit has been developed by Golder Associates as part of an on-going Feasibility Study for Grange Resources Limited. The stated Mineral Resource (Table 1) is inclusive of the Ore Reserve (Table 2).
2. Cut-off Parameters
   A cut-off grade of 10% Davis Tube Concentrate Mass Recovery (DTR) has been used for reporting which is above the marginal cut-off of 7% DTR.
3. Mining Factors or Assumptions
   The mining block model includes an allowance for likely mining dilution based on a regularisation of the geological model. The dilution has added approximately 8% tonnage at a grade of 5.8% DTR. A mining loss of 5% has been allowed for.

The Ore Reserves are reported within a detailed pit design which is based on open pit optimisation. The optimisation was carried out on the Indicated Mineral Resource using a gross FOB pellet price at Kemaman of US$104/t.

The overall pit slopes used for the design and optimisation are based on detailed geotechnical studies by Golder.

4. Metallurgical Factors or Assumptions

   The metallurgical recoveries are based on DTR assay results with a 0.95 factor applied to adjust laboratory recovery and a 3% increase in tonnes for conversion of concentrate to pellets due to pelletising additives.

5. Cost and Revenue Factors

   Costs include allowances for royalties, concentrate production, transport to Albany, shipping to Kemaman, pellet conversion, loading of pellets onto ships for onward transportation plus administration in Australia and Malaysia.

6. Market Assessment

   A production rate of 6.6 Mtpa concentrate at the mine site has been assumed giving a potential pellet production of 6.8 Mtpa. Pricing assumptions are based on an estimated price in 2010 and compared to a possible CVRD pellet price in SE Asia at that time.

7. Classification

   There are no Measured Resources. All Indicated Resources have been converted to Probable Ore Reserves contained within the pit design.

It should be noted that the quality of the DTR concentrate is related to the grind size used in the DTR test procedure undertaken at the laboratory. The DTR test work protocol originally established in 2004 for the Southdown mineralisation was a target grind size of 38 microns to produce a blast furnace (BF) grade product with a silica content of approximately 2%. Subsequent metallurgical test work established that at a grind size of 34 microns the silica content of the concentrate could be reduced to less than 1% to produce material suitable for the production of direct reduction (DR) grade iron ore pellets. Metallurgical work undertaken since 2006 has been directed to the production of DR grade concentrate from the Southdown deposit.

Consequently the quality of the DTR concentrate reported in the Ore Reserves above is based on a DTR test work protocol (38 micron grind) established for a BF grade concentrate.

In September 2007 Grange completed a transaction with Rio Tinto Exploration Pty Ltd to acquire a 100% interest in Exploration Licence E70/2512 which contains the eastern 6km extension of the Southdown magnetite 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. Grange is planning a drill programme to better define the extent of the mineral resource within the eastern portion of the deposit. The drilling is expected to commence during the latter part of 2008.

Metallurgical Test Work

In January 2008 Grange announced the signing of a Memorandum of Understanding ("MOU") between the company and its joint venture partner Sojitz Resources and Technology Pty Limited ("Sojitz") with Metso Minerals (Australia) Limited ("Metso") for the Southdown Magnetite Project.

Under the terms of the MOU Metso has been undertaking further extensive metallurgical test work on a 30 tonne bulk sample from the Southdown deposit in Australia, the United States and Europe to determine the optimum processing circuit for the project. This test work was largely completed during the period and has identified the preferred processing circuit.

The test work culminated in the production of approximately 4 tonnes of concentrate in July 2008 from a pilot plant facility in Perth. Prior to the pilot plant run final grind size test work was undertaken to determine the optimal grind size for the concentrate and confirmed that at a grind size of 34 microns the silica content of the concentrate could be reduced to less than 1%. Concentrate from the pilot plant is to be used in pelletising test work in the USA during the next quarter. Complete analyses from the pilot plant work are not yet available however preliminary assays show the silica content to be approximately 0.8%.

Metallurgical test work commenced on samples of the Southdown magnetite mineralisation in 2005 and resulted in approximately 7 tonnes of magnetite concentrate being produced from a bulk sample prepared from approximately 25 tonnes of core material from 82 diamond drill holes from the Southdown deposit. Pelletising test work has been undertaken on this concentrate in both Japan and Germany and high quality pellets suitable for both DR and BF markets have been produced. This work culminated in a successful series of basket tests through a Midrex DRI plant in March this year.

The test work being undertaken by Metso is on a second bulk sample prepared from approximately 30 tonnes of core material from 83 diamond drill holes from the Southdown deposit. The extensive metallurgical work undertaken over the past three years has lead to improvements to the process design flow sheet which has resulted in significant improvements to the quality of the concentrate being produced from the pilot scale plant.

Environmental Approvals

Australia The Public Environmental Review (PER) for the Southdown mine and pipeline made substantial progress with the Environmental Protection Authority (EPA) publishing its Bulletin on 30 June 2008. The release of the Bulletin was the culmination of extensive studies and submissions to the EPA and is a major milestone and a significant step forward in the development of the Southdown Project.

The Bulletin provides advice and recommendations from the EPA on the proposed development of the Southdown mine, the pipeline to the Port of Albany and the infrastructure required at the Albany Port for magnetite concentrate storage. The EPA has concluded that it is unlikely that its objectives would be compromised provided there is satisfactory implementation of its recommended conditions and procedures. The EPA has recommended approval of the project to the Minister for the Environment with those conditions and procedures.

The Albany Port PER was released in September 2007 for its 8-week public comment phase. The response document to public comments received was lodged by Albany Port Authority (APA) in March 2008. Additional queries from the EPA have since been raised and these are being addressed. A second peer review of the hydrodynamic modelling was completed by the CSIRO during the quarter. The peer review reports together with the final responses to the EPA are being prepared for lodgement by the APA in the near future.

Malaysia Environmental Approval for the Kemaman pellet plant has already been received from the Ministry of Natural Resources and Environment in late 2006.

Project Structuring

In May 2007 Grange entered into a Joint Venture with Sojitz Corporation whereby Sojitz could earn a 30% interest in the three Southdown Project mining leases. Sojitz has now earned its 30% equity in the Joint Venture and under the terms of the agreement will pay Grange a royalty on its 30% share of future pellet production from the project.

Azure Capital, a Perth-based merchant banking firm, continues to assist Grange in the process of determining the most appropriate partners to participate with Grange and Sojitz in the development of the project. Several significant international companies have been conducting due diligence on the project during this quarter as well as fresh interest being received from a number of other substantial international businesses.

Project Finance

In June 2008 Grange, together with its Joint Venture partner Sojitz Resources and Technology Pty Ltd, appointed Standard Chartered Bank to act as Financial Advisor in relation to Project Finance. The appointment of Standard Chartered Bank ("SCB") followed a rigorous selection process which attracted quality submissions from a number of international banks.

Power and Water

Grange continued to work closely with Western Power during the quarter. The preferred solution is to supply power to the mine using a single circuit 220 kV transmission line from Muja to Southdown via Kojonup and Gnowangerup. Design work on the sector from Southdown to Kojonup is progressing whilst detailed alignment survey work on the Muja to Kojonup sector has commenced. Commercial negotiations with Western Power on the Interconnected Works Agreement which will facilitate line construction will commence in the next quarter.

In November 2007 Grange announced it has signed an Option Agreement with the Western Australian Water Corporation to supply treated waste water to the project. The agreement provides the project with access to a minimum of 5,000 kilolitres per day of water for the project. Negotiations with the Water Corporation on the Commercial Water Supply Agreement commenced during the quarter.

BUKIT IBAM PROJECT
(Grange Minerals Sdn Bhd - 51%)

The Bukit Ibam Project is located at the former Bukit Ibam iron ore mine, in Pahang State, Malaysia (see Figure 2). 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.

Figure 2. Location of Bukit Ibam project

Following successful resource drilling, metallurgical test work and viability studies Grange Resources announced Joint Venture capital expenditure approval to develop the Bukit Ibam magnetite mine in June. It is planned to commence production at a rate of 100,000 tonnes per year magnetite concentrate for sale on the spot market and shipping out of Kuantan Port.

All statutory approvals for the project are in place and work has commenced on procurement and construction (see Figures 3 & 4). The pit has been prepared for mining which is scheduled to recommence in September 2008. The new processing plant is forecast to be commissioned before the end of 2008.

The plant is designed to allow for future expansion to treat other potential resources located on nearby Joint Venture mining concessions and other areas.

Figure 3: Steelwork being delivered to the Bukit Ibam plant site

Figure 4: Installation of the Reclaim Tunnel at the Bukit Ibam plant site

In June 2008, Grange Minerals received approval from the Department of Forestry in Pahang to extract and process iron ore tailings located in a Forest Reserve Area (see Figure 5) and to rehabilitate the area in the process. The tailings were generated during mining operations between the years 1962 to 1970 and are contained in a storage dam located 1.5kms east of the plant being constructed at Bukit Ibam. This is an important step in establishing a 'tailings re-treatment' project which has the potential to significantly increase the production capacity of the current project at minimal cost.

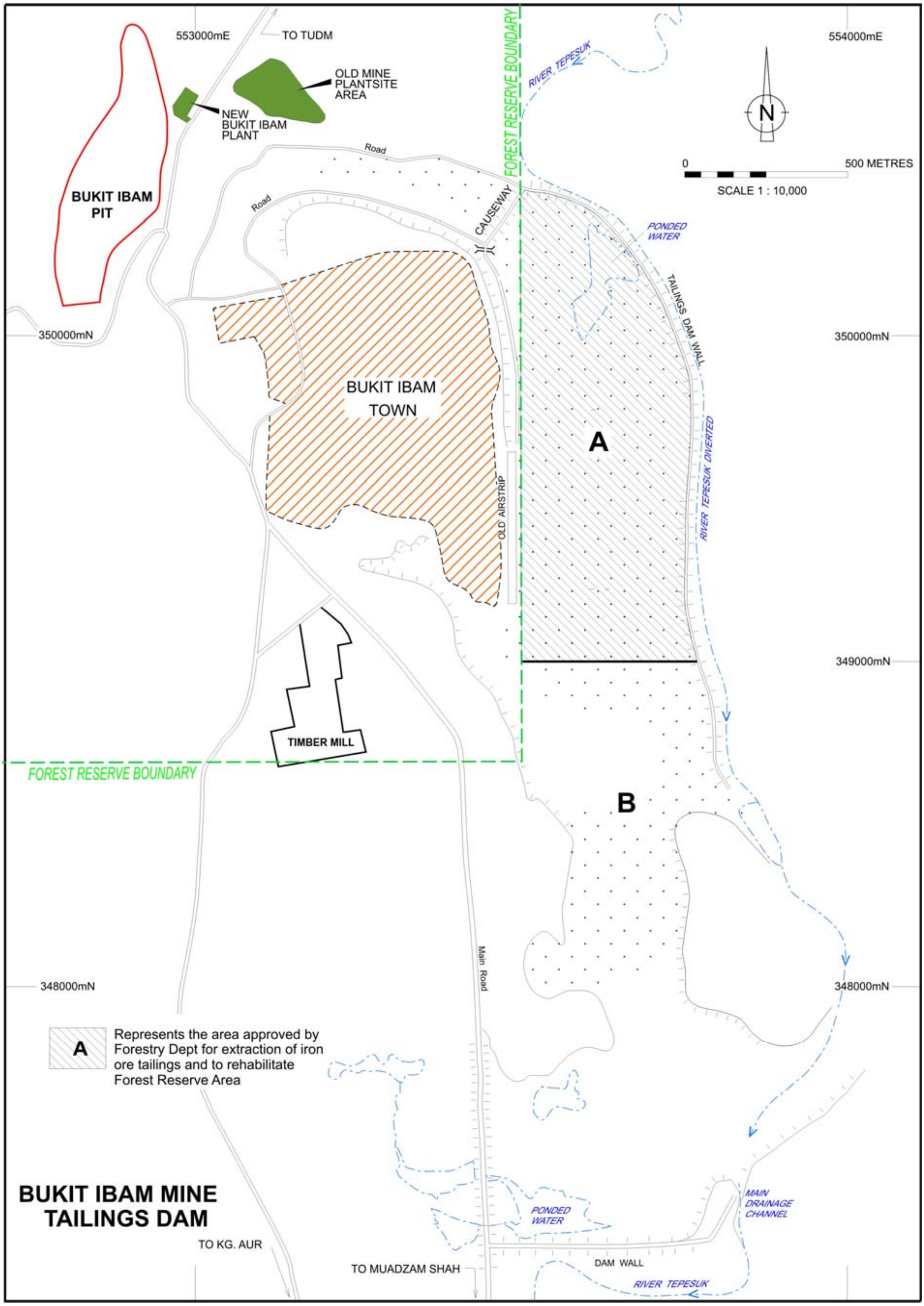

Figure 5: Location of Bukit Ibam Mine Tailings Dam

The surface area of the tailings is approximately 60 hectares and the tailings are estimated to be on average 4 metres deep giving a volume of 2.5 million cubic metres which will convert into approximately 4 to 5 million tonnes of tailings within the approved area.

There has been insufficient sampling conducted to date to identify the likely grade of iron ore in the tailings however other parts of the tailings dam outside of the Forest Reserve Area are currently being processed by other parties using a simple magnetic separator to produce a marketable iron ore concentrate.

However it must be noted that the quantity of tailings stated above is conceptual in nature. There has been insufficient evaluation work completed to date to define a Mineral Resource and it is uncertain if further evaluation work will result in the determination of a Mineral Resource.

The acquisition of the tailings is the second addition to the original Mining Concession over the former Bukit Ibam mine secured in 2006 and follows the acquisition of a low grade iron ore stockpile in October 2007

FRESHWATER PROJECT
(Barrick Gold of Australia Limited ("Barrick") 100%; Grange - Production Royalty)

Barrick has advised that no processing of ore from the Freshwater section of the Plutonic East underground mine was undertaken during the June 2008 quarter.

DURACK PROJECT
(Grange – 100%)

In May 2008 Grange reached an agreement with Montezuma Mining Company Ltd for Montezuma to acquire an 85% interest in granted mining lease M52/801 which contains the Durack gold deposit. Montezuma has agreed to spend $500,000 on exploration and development over the next four years to earn an 85% interest in the lease which is located 12km from Montezuma's Peak Hill Gold Project.

HORSESHOE LIGHTS PROJECT
(Grange – 79.2%)

The Horseshoe Lights Project is 100% beneficially owned by unlisted Murchison Copper Mines Pty Limited, a 79.2% owned subsidiary of Grange Resources. The project assets include the closed Horseshoe Lights Copper mine which is located about 150 km north of Meekatharra in Western Australia. The Horseshoe Lights Project contains both in-situ resources of copper mineralisation and remnant stockpiles, dumps and tailings which are known to contain copper mineralisation.

During the quarter Murchison Copper Mines was approached by a number of parties interested in participating with Murchison Copper Mines in the project.

Unless otherwise stated, the information in this report that relates to Exploration Results, Mineral Resources or Ore Reserves is based on information compiled by Mr Alex Nutter who is a member of The Australasian Institute of Mining and Metallurgy and the Australian Institute of Geoscientists. Mr Nutter is a full-time employee of the company. Mr Nutter 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 Nutter consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

RUSSELL CLARK
Managing Director

CORPORATE MATTERS

Share Issues

On 20 May 2008 a General Meeting of the company approved the issue of 6,300,000 options with various exercise prices and expiring on 6 March 2012 to Directors of the company.

Cash Reserves

The cash and cash assets balance of Grange at 30 June 2008 was $7.660 million.

Shareholder Information

As at 30 June 2008 Grange had 1,663 shareholders and 115,201,099 shares on issue with the Top 20 shareholders holding 87.86% of the total issued capital.

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

NEIL MARSTON
Company Secretary

Rule 5.3

Appendix 5B

Mining exploration entity quarterly report

Introduced 1/7/96. Origin: Appendix 8. Amended 1/7/97, 1/7/98, 30/9/2001.

Name of entity

Grange Resources Limited

ABN	Quarter ended ("current quarter")
80 009 132 405	30 June 2008

Consolidated statement of cash flows

Cash flows related to operating activities			Current quarter $A'000	Year to date (9 months) $A'000
1.1	Receipts from product sales and related debtors		9	6,025
1.2	Payments for	(a) exploration and evaluation	-	-
		(b) development	-	-
		(c) production	-	-
		(d) administration		-
1.3	Dividends received		-	-
1.4	Interest and other items of a similar nature received		180	768
1.5	Interest and other costs of finance paid		-	-
1.6	Income taxes paid		-	-
1.7	Other (provide details if material)		-	-
1.7(i)	Payment to directors and employees		(671)	(2,112)
1.7(ii)	Payment for all other working capital		(665)	(7,912)
	Net Operating Cash Flows		(1,147)	(3,231)
Cash flows related to investing activities				
1.8	Payment for purchases of:	(a)prospects	-	-
		(b)equity investments	-	-
		(c)other fixed assets	(3)	(87)
1.9	Proceeds from sale of:	(a)prospects	-	-
		(b)equity investments	-	-
		(c)other fixed assets	-	-
1.10	Loans to other entities		-	-
1.11	Loans repaid by other entities		-	-
1.12	Other (provide details if material)		-	(272)
1.12(i)	Payment for security deposit		-	(300)
1.12(ii)	Proceeds from release of security deposit		-	-
1.12(iii)	Payment for exploration, development and production		(2,901)	(8,951)
1.12(iv)	Payment for Exploration Licence E70/2512		-	(3,306)
1.12(v)	Proceeds from Sojitz Corporation for Southdown project		1,062	16,159
1.12(vi)	Payment for purchase of Southdown tenement land		-	(5,912)
	Net investing cash flows		(1,842)	(2,668)
1.13	Total operating and investing cash flows (carried forward)		(2,989)	(5,899)

+ See chapter 19 for defined terms.

1.13	Total operating and investing cash flows (brought forward)	(2,989)	(5,899)
	Cash flows related to financing activities		
1.14	Proceeds from issues of shares, options, etc.	-	-
1.15	Proceeds from sale of forfeited shares	-	-
1.16	Proceeds from borrowings	-	-
1.17	Repayment of borrowings	-	-
1.18	Dividends paid	-	-
1.19	Other (provide details if material)	-	-
1.19(i)	Payment for buy back of shares	-	-
1.19 (ii)	Payment for share issue	-	(30)
	Net financing cash flows	-	(30)
	Net increase (decrease) in cash held	(2,989)	(5,929)
1.20	Cash at beginning of quarter/year to date	10,838	13,479
1.21	Exchange rate adjustments to item 1.20	(190)	110
1.22	Cash at end of quarter	7,660	7,660

Payments to directors of the entity and associates of the directors
Payments to related entities of the entity and associates of the related entities

		Current quarter $A'000
1.23	Aggregate amount of payments to the parties included in item 1.2	197
1.24	Aggregate amount of loans to the parties included in item 1.10	-

1.25 Explanation necessary for an understanding of the transactions

Refer to attachment 1

Non-cash financing and investing activities

2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

Not applicable

2.2 Details of outlays made by other entities to establish or increase their share in projects in which the reporting entity has an interest

Not applicable

+ See chapter 19 for defined terms.

Financing facilities available

Add notes as necessary for an understanding of the position.

		Amount available $A'000	Amount used $A'000
3.1	Loan facilities	Nil	Nil
3.2	Credit standby arrangements	Nil	Nil

Estimated cash outflows for next quarter

		$A'000
4.1	Exploration and evaluation	6,327
4.2	Development	-
	Total	6,327

Reconciliation of cash

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.		Current quarter $A'000	Previous quarter $A'000
5.1	Cash on hand and at bank	7,260	2,628
5.2	Deposits at call	0	8,000
5.3	Bank overdraft	Nil	Nil
5.4	Other (Cash held with Joint Ventures)	400	210
	Total: cash at end of quarter (item 1.22)	7,660	10,838

Changes in interests in mining tenements

		Tenement reference	Nature of interest (note (2))	Interest at beginning of quarter	Interest at end of quarter
6.1	Interests in mining tenements relinquished, reduced or lapsed				
6.2	Interests in mining tenements acquired or increased				

+ See chapter 19 for defined terms.

Issued and quoted securities at end of current quarter

Description includes rate of interest and any redemption or conversion rights together with prices and dates.

		Total number	Number quoted	Issue price per security (see note 3) (cents)	Amount paid up per security (see note 3) (cents)
7.1	Preference +securities *(description)*				
7.2	Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions				
7.3	+Ordinary securities	115,201,099	115,201,099		
7.4	Changes during quarter (a) Increases through exercise of options (b) Increases through issues	- -	- -		
7.5	+Convertible debt securities *(description)*				
7.6	Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted				
7.7	Options *(description and conversion factor)*	8,500,000 9,000,000	- -	*Exercise price* 195 cents 150 cents	*Expiry date* 28 Sept 2008 28 Sept 2010
7.8	Issued during quarter [1]	-	-		
7.9	Exercised during quarter	-	-		
7.10	Cancelled during quarter	-	-		
7.11	Debentures *(totals only)*				
7.12	Unsecured notes *(totals only)*				

Compliance statement

1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act or other standards acceptable to ASX (see note 4).

2 This statement does give a true and fair view of the matters disclosed.

Sign here: Date: 28 July 2008

Neil Marston
(Company Secretary)

Notes

1 The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.

2 The "Nature of interest" (items 6.1 and 6.2) includes options in respect of interests in mining tenements acquired, exercised or lapsed during the reporting period. If the entity is involved in a joint venture agreement and there are conditions precedent which will change its percentage interest in a mining tenement, it should disclose the change of percentage interest and conditions precedent in the list required for items 6.1 and 6.2.

3 Issued and quoted securities. The issue price and amount paid up is not required in items 7.1 and 7.3 for fully paid securities.

4 The definitions in, and provisions of, *AASB 1022: Accounting for Extractive Industries* and *AASB 1026: Statement of Cash Flows* applies to this report.

5 Accounting Standards ASX will accept, for example, the use of International Accounting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.

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ATTACHMENT 1 TO APPENDIX 5B
PAYMENTS/LOANS TO DIRECTORS AND RELATED PARTIES AND ASSOCIATES OF DIRECTORS AND RELATED PARTIES OF GRANGE RESOURCES LIMITED

Payments and loans during the quarter to directors and related parties, and associates of directors and related parties, of Grange Resources Limited total $197,093 and include:-

- Directors' fees (inclusive of superannuation) of $63,462 paid to non-executive directors of the Consolidated Entity.

- Fees of $15,000 paid to Hendygwyn Holdings and Beheer b.v., of which a Grange non-executive director is a director and shareholder, under a marketing and public relations services agreement

- Executive directors' salaries (inclusive of superannuation) of $118,631

+ See chapter 19 for defined terms.