

ASX: GRR



9 August 2013

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AN IMPORTANT CHANGE TO OUR DIVIDEND PAYMENT METHOD

ACTION REQUIRED

Dear Shareholder,

In line with advances in technology and the need to be ever-vigilant with respect to costs, Grange Resources Limited ("Grange" or the "Company") wishes to advise that all future dividends to Australian shareholders will be paid by direct credit to your nominated bank account.

You have received this letter because we do not currently have a direct credit instruction for you. It is important that you provide us with this information so that we are able to credit any future dividends directly into your nominated bank account.

Payment by direct credit provides a number of benefits for shareholders:

- There is no delay in waiting for a cheque to be delivered by mail;
- Your funds will be deposited into your account on the date the dividend is paid and will be cleared and available for your immediate use;
- Provides added convenience to you as you will not need to make a trip to the bank to deposit the cheque; and
- The potential for fraud is minimised.

It is important to note that whilst payments will be made by direct credit, the Company will continue to send to shareholders a dividend statement which will confirm your number of shares, the amount of the dividend, the date of payment and details of the bank account into which your payment has been made.

Both Grange and our share registry, Computershare Investor Services Pty Limited ("Computershare"), take our obligations very seriously in relation to the privacy and security of confidential bank accounts and other personal information provided by shareholders.

In order to receive all future dividends, it is important that you go online at www.investorcentre.com/au and click on "Bank Detail Update" on the right, or complete and return the enclosed direct credit instruction form to Computershare.

Attached to this letter is a list of frequently asked questions in relation to the payment of dividends by direct credit. We trust this is of assistance, but if you have any queries regarding the above or your shareholding in general, please contact our share registry:

Computershare Investor Services Pty Limited:

Phone: Australia: 1300 263 865 International: (+61 3) 9946 4436
Facsimile: Australia: (03) 9473 2500 International: (+61 3) 9473 2500
Mail: GPO Box 2975
MELBOURNE VIC 3001
Email: web.queries@computershare.com.au

If you haven't already done so, you may also elect to provide us with your e-mail address so that you can receive information about your shareholding electronically. Simply follow the instructions on the attached form or complete the attached form and post it using the pre-paid envelope.

Yours sincerely,



Pauline F Carr
Company Secretary

FREQUENTLY ASKED QUESTIONS

Why has Grange Resources moved to direct credit for the payment of dividends?

This change will provide a number of benefits. There will be no delay in waiting for a cheque to be delivered in the mail - your funds will be deposited on the date of payment of the dividend and will be cleared and available for your immediate use. As well as enhanced convenience for shareholders, direct credit dividend payments also minimize the potential for fraud.

Payment by direct credit will also eliminate missing or lost cheques which are not presented for payment. Funds represented by unpresented cheques are ultimately paid to the Government under the unclaimed monies legislation.

What type of account can I nominate?

We will deposit payments to any Australian financial institution account such as a bank account, building society, credit union or cash management trust account, but we cannot pay by direct credit to credit cards. Overseas holders who do not have an Australian financial institution account will receive payment by cheque.

If I don't get a cheque in the mail, how will I know that the payment has been made?

We will continue to send to shareholders a dividend statement which will confirm the number of shares, the amount of the dividend, the date of payment, and details of the nominated account into which the payment has been made. You can also access your dividend payment history online at www.investorcentre.com/au by clicking on "Payment Enquiry".

What happens if I change my account details?

Your dividends will be paid according to the payment information held by Computershare at the dividend record date. Shareholders can change their payment instructions at any time, either by calling Computershare or going online at www.investorcentre.com/au and clicking on "Bank Instructions Update".

If a dividend payment is made and your financial institution advises us that your nominated account has been closed, Computershare will write to you and ask you to update your payment instructions. Once your new details have been received and recorded, the payment will be deposited into your account.

What if I don't have a bank account? Can I have my dividends paid to a third party?

Grange Resources accepts payment instructions to a third party account. This means that you can nominate any financial institution account, not just an account in your name. We will then pay your dividends into the nominated account and will continue to do so unless you provide different payment instructions.

What will happen to my payment if I do not give my banking instruction details?

Your payment will be withheld until such time as you have provided Computershare with your direct credit instructions. You will still receive your dividend statement, which will confirm the number of shares, the amount of the dividend and the date of payment.

What about the privacy of my payment information?

Your payment information will be held by Computershare and will only be used for the purposes of paying dividends or other payments relating to your shareholding. Payment information will only be disclosed to contractors, such as a printing house, for the purposes of making these payments. Computershare has stringent security measures in place to prevent unauthorized disclosure of your details and these procedures are regularly and independently audited.

Enquiries:

 (within Australia) 1300 850 505
 (international) +61 3 9415 4000

Securityholder Reference Number (SRN)

 000001 000 GRR
 MR SAM SAMPLE
 FLAT 123
 123 SAMPLE STREET
 THE SAMPLE HILL
 SAMPLE ESTATE
 SAMPLEVILLE VIC 3030

SRN WITHHELD DEC

 For your security keep your SRN/HIN confidential.

Direct Credit

 Use a black pen.
 Print in CAPITAL letters
 inside the grey areas.

A B C

1 2 3

A Request for Direct Crediting of Payments

BSB number (eg. 063000)

Account number

Name in which account is held (eg. JOHN SMITH)

Name of Australian bank or financial institution

Name of branch or suburb or town

Type of account (eg. cheque, savings, etc.)


DO NOT USE YOUR CREDIT CARD NUMBER

If you are unsure of your BSB number or account number, please check with your bank, building society or credit union.

B Sign Here - This section must be signed for your instructions to be executed.

I/We authorise you to act in accordance with my/our instructions set out above. I/We acknowledge that these instructions supersede and have priority over all previous instructions relating to payments to which I/we am/are entitled to be paid in cash.

Individual or Securityholder 1

Director

Securityholder 2

Director/Company Secretary

Securityholder 3

Sole Director and Sole Company Secretary

Date - Day

Month

Year

Note: When signed under Power of Attorney, the attorney states that they have not received a notice of revocation. Computershare Investor Services Pty Limited needs to sight a certified copy of the Power of Attorney.

How to complete this form

A

Request for Direct Crediting of Payments

Complete this section if you want your cash payments paid directly into your nominated Australian bank, credit union or building society account. Until you advise otherwise, all future cash payments will be paid into the nominated account.

IMPORTANT: DO NOT USE THE NUMBER QUOTED ON YOUR CREDIT CARD

If you do not complete this section or this form is incomplete, unsigned or invalid in any other way, you will continue to receive your payments by cheque.

Neither the company nor the registry will be responsible for any delays in crediting payments to your nominated account as a result of transaction procedures or errors by any financial institution.

This instruction only applies to the specific holding identified by the SRN/HIN and the name appearing on the front of this form.

B

Signature(s)

If you have chosen to have your cash payments paid directly into your nominated Australian bank, credit union or building society account and you have completed Section A, you must sign this form as follows in the spaces provided:-

Joint Holding: where the holding is in more than one name, all of the securityholders must sign.

Power of Attorney: to sign under Power of Attorney, you must have already lodged this document with the registry. If you have not previously lodged this document for notation, please attach a certified photocopy of the Power of Attorney to this form when you return it.

Companies: where the company has a Sole Director who is also the Sole Company Secretary, this form must be signed by that person. If the Company (pursuant to section 204A of the Corporations Act 2001) does not have a Company Secretary, a Sole Director can also sign alone. Otherwise this form must be signed by a Director jointly with either another Director or a Company Secretary. Please indicate the office held by signing in the appropriate place.

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Please return the completed form to:

Computershare Investor Services Pty Limited
GPO Box 2975
Melbourne VIC 3001
Australia



