



July 8, 2010

Dear Shareholders

Over the course of the past four months, since the last Shareholder Update, my colleagues and I have been furthering the Company's development interests in Peru and also in Canada.

Grandview's Chairman, Dr. Michael Hitch and I traveled to Peru several times to meet and work with local and regional authorities with respect to the sustainable development of our Giulianita gold-producing property in Piura, and to explore other small-scale mining opportunities in Peru. We have a four-person team in the field in Piura, working with local authorities and community groups, strengthening relationships and common purpose, and evolving environmental and geological assessment protocols.

It remains our intention to work together with the community and informal local miners to create a sustainable and mutually beneficial development and production model, and, while we are making progress working within the guidelines and timelines established by the Ministerio de Energia y Minas (Ministry of Mines and Energy) and local authorities, we still have work to do.

As a company, we are committed for the long term in Peru. We are committed to securing the greatest possible return for our shareholders while still creating a viable development and production model that benefits all stakeholders and improves the local GDP and quality of life in the areas in which we operate. On that note, we have identified and continue to evaluate a number of other small-scale operating mines in other regions of Peru that, like Giulianita, fit within our parameters for profitable small-scale mines.

What we have learned during these past few months in particular has re-doubled our commitment to sustainable small-scale mine development. The time is right to introduce our particular model and move toward a cash-flow positive position for the company. It is our goal and obligation to find ways to work together with local and regional communities in and around Giulianita and indeed in every district in which Grandview operates in the future.

As we evolve our business plan and implement mineral processing facilities to service our properties, we will create sustainable programs that satisfy both our obligation to create shareholder appreciation, and to satisfy the needs of host communities - to protect existing jobs, create new employment, respect traditions and customs, and improve the overall quality of life. This, we believe, is the way of the future, and this is what we have been working on these past many months, and not just in Peru.

Canada too, presents sustainable small-scale mine opportunities worth exploring, and we have been doing just that. While we negotiate the processes of approvals and relationship building in Peru, Grandview geologists have been on the ground in Canada, evaluating high-potential small-scale mine opportunities here at home.

The North American small-scale mining formula is different to be sure, but outstanding opportunities exist none-the-less. Unlike most junior gold companies, we have the on-board small-scale mining and mineral processing expertise to help us evaluate these opportunities wherever they exist, and we continue to do so.

Recently, on the exploration front, we consolidated our Sanshaw-Bonanza property in Red Lake and reduced the NSR to just 0.375%, so we now hold 100% interest in this historic gold producing property whose northeast border is contiguous with the Goldcorp-Premier Gold JV, Rahill-Bonanza project. Together with 100% interest in Loisan, and 64% interest in Dixie Lake, our Red Lake portfolio stands out among juniors, and comfortably in the company of producing and past-producing neighbours. See our Red Lake Discoveries and Activity map for an expanded view of Grandview's Red Lake neighbourhood.

In Rice Lake too, we are in very good company. Our Bissett property, located very close to San Gold's 1.7M oz Au Rice Lake Mine (formerly Bissett Mine) is still a grassroots project, but is located in a highly-prospective neighborhood. Our Banksian-GVG Group boasts more than 20 historic gold showings between the past-producing Diana and Gunnar Mines. Grandview holds 100% interest in all three Rice Lake projects, and, as San Gold continues to release impressive results, Rice Lake proponents are watching closely.

We have been making progress, albeit quietly, since closing the \$2M financing six months ago. We have a healthy treasury, and our development and explorations plans are on track. While it is true that our share price in no way reflects the value of the cumulative indicated resources of Grandview properties, for some that represents an opportunity.

With gold prices high, holding their own and no downside in the forecast, the time is right for us to stay focused on our new business plan. To accelerate our small-mines plans, and move toward cash-flow independence to help fund exploration at our Red Lake and Rice Lake gold district properties, and to acquire additional small mines properties at home and abroad.

I thank you for your continued patience as we stay the course, and give you my assurance that we will bring you meaningful news, not speculation, just as soon as it becomes available.

The resumption of news should help return the company's share price to levels that reflect our indicated and actual assets, our business plan, and our future.

Yours most sincerely,

Paul Sarjeant, B.Sc., P.Geol.
President & CEO, Grandview Gold Inc.

