

GRANGE RESOURCES LIMITED

ACN 009 132 405

NOTICE OF ANNUAL GENERAL MEETING

and

EXPLANATORY STATEMENT

and

PROXY FORM

Date of Meeting: Thursday 25 May 2017

Time of Meeting: 10.00 am (AEST)

Place of Meeting: Bayview Conference Centre
Level 1, North Terrace
Burnie, Tasmania 7320

This Notice of Annual General Meeting and accompanying Explanatory Memorandum and Proxy Form should be read in their entirety. If Shareholders are in doubt as to how they should vote, they should seek advice from their accountant, solicitor or other professional adviser prior to voting. Should you wish to discuss any matters referred to in this document, please contact the Company Secretary by telephone on +61 409 374 893.

GRANGE RESOURCES LIMITED

ACN 009 132 405

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the Annual General Meeting of Grange Resources Limited (**Grange** or **Company**) will be held at Bayview Conference Centre, Level 1, North Terrace, Burnie, Tasmania at 10.00 am (AEST) on Thursday 25 May 2017 for the purposes of transacting the following business.

The Explanatory Memorandum that accompanies and forms part of this Notice of Annual General Meeting describes the various matters to be considered at the Meeting.

The Directors have determined pursuant to regulation 7.11.37 of the Corporations Regulations 2001 (Cth) that the persons eligible to vote at the Meeting are those who are registered as Shareholders on Tuesday 23 May 2017 at 7.00 pm (AEST).

Terms used in this Notice of Annual General Meeting will, unless the context otherwise requires, have the same meaning given to them in the glossary as contained in the Explanatory Memorandum.

AGENDA

Item 1 – Financial Statements and Reports

To receive and consider the financial report, the Directors' Report and the Auditor's Report of the Company and its controlled entities for the year ended 31 December 2016.

Item 2 – Resolution 1 – Adoption of Remuneration Report

To consider, and if thought fit, pass, or without amendment, the following resolution as an **advisory ordinary resolution**:

"That the Remuneration Report of the Company for the year ended 31 December 2016 be adopted."

Note: If 25% or more of votes that are cast are voted against the adoption of the Remuneration Report at two consecutive Annual General Meetings, Shareholders will be required to vote at the second of those Annual General Meetings on a resolution (a "spill resolution") that another meeting be held within 90 days at which all of the Company's Directors (other than the Managing Director and CEO) must go up for re-election.

Voting Exclusion: Except to the extent otherwise permitted by law, the Company will disregard any vote cast on Resolution 1 (in any capacity) by or on behalf of any member of Key Management Personnel (as identified in the Remuneration Report) (and Closely Related Parties of such members) (collectively referred to as "Prohibited Voter"). However, the Company will not disregard a vote if:

- the Prohibited Voter does so as proxy appointed in writing which specifies how the proxy is to vote on Resolution 1; and
- the vote is not cast on behalf of a Prohibited Voter.

The Company will also not disregard a vote if you do not direct the person chairing the meeting how to vote and you are not a Prohibited Voter, but you mark the box on, and submit, the Proxy Form. In doing so, you authorise the person chairing the meeting to exercise the proxy even though this resolution is connected directly or indirectly with the remuneration of a Key Management Personnel, and you will be taken to have directed the person chairing the meeting to vote in accordance with his stated intention to vote in favour of this resolution. If you do not want your vote exercised in favour of this resolution you should direct the person chairing the meeting to vote 'against', or abstain from voting on, this resolution.

The Company encourages all Shareholders who submit proxies to direct their proxy how to vote on each resolution.

Item 3 – Resolution 2 – Re-election of Ms Yan Jia as Director

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

"That Ms Yan Jia, who retires in accordance with article 10.3 of the Constitution and, being eligible, offers herself for re-election, be re-elected as a Director."

Item 4 – Resolution 3 – Re-election of Mr Liming Huang as Director

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

"That Mr Liming Huang, who retires in accordance with article 10.3 of the Constitution and, being eligible, offers himself for re-election, be re-elected as a Director."

DATED 24th DAY OF APRIL 2017

BY ORDER OF THE BOARD

**PIERS LEWIS
COMPANY SECRETARY**

Proxy Instructions

Shareholders are entitled to appoint up to two individuals to act as proxies to attend and vote on their behalf. Where more than one proxy is appointed each proxy may be appointed to represent a specific proportion of the Shareholder's voting rights. If the appointment does not specify the proportion or number of votes each proxy may exercise, each proxy may exercise half of the votes.

The proxy form (and the power of attorney or other authority, if any, under which the proxy form is signed) or a copy or facsimile which appears on its face to be an authentic copy of the proxy form (and the power of attorney or other authority) must be completed and posted to Advanced Share Registry Limited, PO Box 1156 Nedlands WA 6909. Alternatively you can fax your form to +61 8 9262 3723 not less than 48 hours before the time for holding the Meeting, or adjourned meeting as the case may be, at which the individual named in the proxy form proposes to vote.

The proxy form must be signed by the Shareholder or his/her attorney duly authorised in writing or, if the Shareholder is a corporation, in a manner permitted by the Corporations Act. The proxy may, but need not, be a Shareholder of the Company.

In the case of Shares jointly held by two or more persons, all joint holders must sign the proxy form.

A proxy form is attached to this Notice of Annual General Meeting.

Corporate Representative

A corporation may elect to appoint an individual to act as its representative in accordance with section 250D of the Corporations Act, in which case the Company will require a certificate of appointment of the corporate representative executed in accordance with the Corporations Act.

The certificate of appointment must be lodged with the Company and / or the Company's share registry, Advanced Share Registry Limited, before the Meeting or at the registration desk on the day of the Meeting.

Online voting is available by accessing the Advanced Share Registry website and logging in using your HIN/SRN and your Postcode/Country at <https://www.advancedshare.com.au/investors/>. Then click on Online Proxy Voting, and follow the prompts.

Certificates of appointment of corporate representative are available at <https://www.advancedshare.com.au/investors/general-forms> or on request by contacting Advanced Share Registry on telephone number on +61 8 9389 8033.

GRANGE RESOURCES LIMITED

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EXPLANATORY MEMORANDUM

This Explanatory Memorandum has been prepared for the information of Shareholders of Grange Resources Limited (**Grange** or **Company**) in connection with the business to be conducted at the Meeting to be held at the Bayview Conference Centre, Level 1 North Terrace, Burnie Tasmania at 10.00 am (AEST) on Thursday 25 May 2017.

The purpose of this Explanatory Memorandum is to provide information which the Directors believe to be material to Shareholders in deciding whether or not to pass the resolutions accompanying the Notice of Annual General Meeting.

This Explanatory Memorandum should be read in conjunction with the accompanying Notice of Annual General Meeting.

1. Financial Statements and Reports

The Corporations Act requires the financial report, directors' report and auditor's report to be laid before the Company's Annual General Meeting. There is no requirement in either the Corporations Act or the Constitution for Shareholders to vote on, approve or adopt these reports.

Shareholders will be offered the following opportunities:

- (a) to discuss these reports and ask questions or make comment on these reports and on the business, operations and management of the Company; and
- (b) to ask the auditor questions about the conduct of the audit, the preparation and content of the auditor's report, the accounting policies adopted by the Company in relation to the preparation of the financial statements, and the independence of the auditor in relation to the conduct of the audit.

In addition to taking questions at the Annual General Meeting, written questions to the Chairman of the Annual General Meeting, or to the Company's auditor on the above matters may be submitted no later than five business days before the Annual General Meeting to the Company Secretary at the Company's registered office.

2. Resolution 1- Adoption of Remuneration Report

The Annual Report for the year ended 31 December 2016 contains the Remuneration Report which sets out the remuneration policy for the Company and reports the remuneration arrangements in place for the key management personnel and each director. A copy of the report is set out on pages 10 to 18 of the Company's Annual Report, which is on the Company's website at www.grangeresources.com.au

Section 250R(2) of the Corporations Act requires that a resolution to adopt the Remuneration Report be put to shareholders at the Annual General Meeting. Whilst there is a requirement for a formal resolution, the resolution is advisory only and does not bind the Company or its directors. However, the Board will take the outcome of the vote into consideration when considering remuneration policy and practices.

Sections 250U to 250Y of the Corporations Act (among others) give shareholders the opportunity to spill a company's board of directors ("Board spill") if the resolution to approve a company's remuneration report receives "no" votes of 25% or more at two successive Annual General Meetings.

Specifically a 25% or higher “no” vote on the remuneration report resolution at an Annual General Meeting triggers a reporting obligation on a listed company to explain in its next Annual Report how shareholders' concerns are being addressed. If a 25% or higher “no” vote on the subsequent remuneration report occurs at the next Annual General Meeting, a resolution must be put to shareholders (a “spill resolution”) that another general meeting be convened to consider the election of certain directors (the “spill meeting”). If the spill resolution is carried by an ordinary majority, the spill meeting must be held within 90 days and all directors that were directors when the 25% “no” vote was passed will cease to hold office immediately before the spill meeting (except for any managing director) and the general meeting will vote on whether those directors should be re-elected.

The Chairman of the Annual General Meeting will allow a reasonable opportunity for Shareholders to ask questions or make comments on the Remuneration Report.

Directors' Recommendation

The Board recommends that Shareholders vote in favour of Resolution 1.

The Corporations Act prohibits certain persons from voting on this item of business. A voting exclusion statement is set out on page 2 of this Notice. The Company encourages all shareholders who submit proxies to direct their proxy how to vote on the resolution.

3. Resolution 2 – Re-election of Ms Yan Jia as a Director

Ms Jia is required to resign under the Director rotation provisions of article 10.3 of the Constitution. Under these provisions one third of the Directors retire from office at each Annual General Meeting. The retiring Director however, if eligible, may offer himself for re-election.

Therefore, in accordance with the Constitution, Ms Jia retires and, being eligible, offers herself for re-election.

Ms Jia is currently the Director of the Administration Department with the Jiangsu Shagang International Trade Co Ltd, a subsidiary of Jiangsu Shagang Group, China’s largest private steel company.

Ms Jia has over ten years’ experience of managerial, human resources, intellectual property and commercial experience in the steel industry and bulk raw material transaction sector.

Directors' Recommendation

The Board, other than Ms Jia, recommends that Shareholders vote in favour of Resolution 2.

4. Resolution 3 – Re-election of Mr Liming Huang as a Director

Mr Huang is required to resign under the Director rotation provisions of article 10.3 of the Constitution. Under these provisions one third of the Directors retire from office at each Annual General Meeting. The retiring Director however, if eligible, may offer herself for re-election.

Therefore, in accordance with the Constitution, Mr Huang retires and, being eligible, offers himself for re-election.

Mr Huang is a corporate and commercial lawyer with 12 years legal experience. He is currently special counsel with Corrs Chambers Westgarth Lawyers. Mr Huang has been extensively involved in a number of iron ore, gold and other resource corporate transactions between Australia and China and provides legal advice to local and international investors and businesses on mergers and acquisitions, joint venture, equity capital market and corporate governance.

In addition, Mr Huang is an associate member of CPA Australia and is the Vice President of Australia China Business Council Victoria Branch.

Directors' Recommendation

The Board, other than Mr Huang, recommends that Shareholders vote in favour of Resolution 3.

Glossary

The following terms and abbreviations used in the Notice of Annual General Meeting and this Explanatory Memorandum have the following meanings:

AEST	means Australian Eastern Standard time.
Board	means the Board of Directors from time to time.
Closely Related Party	has the meaning given to it in section 9 of the Corporations Act.
Constitution	means the constitution of the Company as amended from time to time.
Company or Grange	means Grange Resources Limited ACN 009 132 405.
Corporations Act	means the Corporations Act 2001 (Cth).
Director	means a Director of the Company from time to time.
Explanatory Memorandum	means this explanatory memorandum.
Key Management Personnel	means those persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly, including any Director of the Company.
Meeting and Annual General Meeting	means the annual general meeting of Shareholders convened by this Notice of Annual General Meeting.
Notice and Notice of Annual General Meeting	means the notice of annual general meeting which accompanies this Explanatory Memorandum.
Resolution	means a resolution contained in the Notice.
Share	means a fully paid ordinary share in the capital of the Company.
Shareholder	means a holder of a Share.