



**GRANGE**  
RESOURCES LIMITED  
ABN 80 009 132 405

**STOCK EXCHANGE ANNOUNCEMENT**

**NOTICE OF ANNUAL GENERAL MEETING**

27 October 2006

Grange Resources Limited is pleased to advise the following documents have been dispatched to shareholders:

- The Company's Annual Report for the year ended 30 June 2006; and
- Notice of its Annual General Meeting to be held at the Level 11, QBE House, 200 St George's Terrace, Perth, on Tuesday, 28 November 2005 at 9.00 am (WST).

The Notice of Annual General Meeting, accompanying Explanatory Memorandum and Proxy Form are attached.

The Annual Report will be released under a second announcement.

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

**NEIL MARSTON**  
Company Secretary

# GRANGE RESOURCES LIMITED

ABN 80 009 132 405

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## NOTICE OF ANNUAL GENERAL MEETING

and

## EXPLANATORY MEMORANDUM

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Date of Meeting: Tuesday, 28 November 2006  
Time of Meeting: 9.00am (WST)  
Place of Meeting: Level 11  
QBE House  
200 St George's Terrace  
Perth, Western Australia

***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.***

# GRANGE RESOURCES LIMITED

ABN 80 009 132 405

## NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the Annual General Meeting of the Shareholders of Grange Resources Limited ("**Company**") will be held at Level 11, QBE House, 200 St George's Terrace, Perth, Western Australia at 9.00am (WST) on Tuesday, 28 November 2006 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.

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 of Terms as contained in the Explanatory Memorandum.

## AGENDA

### ORDINARY BUSINESS

#### ITEM 1 - CHAIRMAN'S ADDRESS - MR ANTHONY BOHNENN

#### ITEM 2 - ANNUAL FINANCIAL REPORTS AND ACCOUNTS FOR THE YEAR ENDED 30 JUNE 2006

To receive and consider the annual financial report of the Company for the financial year ended 30 June 2006 comprising the financial statements together with the Directors' Declaration and Report in relation to that financial year and the Auditor's Report on those financial statements.

#### ITEM 3 - RESOLUTION 1 – REMUNERATION REPORT

To consider and, if thought fit to pass, the following resolution as an **advisory resolution**:

*" To approve the Remuneration Report for the year ended 30 June 2006."*

#### ITEM 4 - RESOLUTION 2 - RE-ELECTION OF A DIRECTOR, MR HANS RUDOLF MOSER

To consider and, if thought fit to pass, the following resolution as an **ordinary resolution**:

*"That Mr Hans Rudolf Moser, who retires in accordance with article 10.3 of the Company's Constitution and, being eligible, offers himself for re-election, be re-elected as a Director."*

#### ITEM 5 - RESOLUTION 3 – RATIFICATION OF SHARE PLACEMENT

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

*"That for the purposes of ASX Listing Rule 7.4 and for all other purposes, the Shareholders hereby approve and ratify the allotment and issue of 9,500,000 Shares at an issue price of \$1.30 per Share to the Placement Investors pursuant to the Placement on such terms and conditions referred to in the Explanatory Memorandum."*

In accordance with Listing Rule 14.11, the Company will disregard any votes cast on this Resolution by a Placement Investor and any of their Associates. However, the Company need not disregard a vote if it is cast by a Placement Investor as a proxy for a person who is entitled to vote, in accordance with the directions on the proxy form, or it is cast by a representative of a Placement Investor chairing the meeting as a proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

## ITEM 6 - RESOLUTION 4 –RATIFICATION OF SHARE ISSUE TO PIPELINE LANDOWNERS

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

*"That for the purposes of ASX Listing Rule 7.4 and for all other purposes, the Shareholders hereby approve and ratify the allotment and issue a total of 126,625 Shares to the Pipeline Landowners at an issue price of \$1.60 per Share for no consideration on such terms and conditions referred to in the Explanatory Memorandum."*

In accordance with Listing Rule 14.11, the Company will disregard any votes cast on this Resolution by a Pipeline Landowner and any of their Associates. However, the Company need not disregard a vote if it is cast by a Pipeline Landowner as a proxy for a person who is entitled to vote, in accordance with the directions on the proxy form, or it is cast by a representative of a Pipeline Landowner chairing the meeting as a proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

## SPECIAL BUSINESS

### ITEM 7 - RESOLUTION 5 - AMENDMENT TO THE COMPANY'S CONSTITUTION

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

*"That, for the purposes of Listing Rule 15.11.1 and section 136(2) of the Corporations Act and all other purposes, the Constitution tabled at the meeting (and signed by the Chairman for the purpose of identification) be amended by:*

- (1) *removing the existing definition of "Listing Rules" from clause 1.1 and replacing it with the following wording:*

***"Listing Rules"** means the Listing Rules of ASX and any other rules of ASX which are applicable while the Company is admitted to the official list of ASX, each as amended or replaced from time to time, except to the extent of any express written waiver by ASX.*

- (2) *inserting the following wording as Article 1.8:*

***"Appendix 15A of the Listing Rules***

*In accordance with Listing Rule 15.11.1, if the Company is admitted to the official list of ASX, the following clauses apply:*

- (1) *Notwithstanding anything contained in this Constitution, if the Listing Rules prohibit an act being done, the act shall not be done.*
- (2) *Nothing contained in this Constitution prevents an act being done that the Listing Rules require to be done.*
- (3) *If the Listing Rules require an act to be done or not to be done, authority is given for that act to be done or not to be done (as the case may be).*

- (4) *If the Listing Rules require this Constitution to contain a provision and it does not contain such a provision, this Constitution is deemed to contain that provision.*
- (5) *If the Listing Rules require this Constitution not to contain a provision and it contains such a provision, this Constitution is deemed not to contain that provision.*
- (6) *If any provision of this Constitution is or becomes inconsistent with the Listing Rules, this Constitution is deemed not to contain that provision to the extent of the inconsistency."*

**DATED 23<sup>rd</sup> DAY OF OCTOBER 2006**  
**BY ORDER OF THE BOARD**

A handwritten signature in black ink, appearing to read 'Neil Marston', with a horizontal line extending to the right.

**NEIL MARSTON**  
**COMPANY SECRETARY**

**GRANGE RESOURCES LIMITED**  
**ABN 80 009 132 405**

**EXPLANATORY MEMORANDUM**

This Explanatory Memorandum has been prepared for the information of Shareholders of Grange Resources Limited ("**Company**") in connection with the business to be conducted at the Annual General Meeting of Shareholders to be held at Level 11, QBE House, 200 St George's Terrace, Perth, Western Australia at 9.00am (WST) on Tuesday, 28 November 2006.

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

**1. CHAIRMAN'S ADDRESS**

The Chairman, Mr Anthony Bohnenn, will make an address to Shareholders. No resolution is required in respect of this agenda item.

**2. ANNUAL FINANCIAL REPORTS AND ACCOUNTS FOR THE YEAR ENDED 30 JUNE 2006**

The second item of the Notice is to receive and consider the annual financial report and accounts of the Company for the year ended 30 June 2006 comprising the financial statements together with the Directors' Declaration and Report in relation to that financial year and the Auditor's Report. No resolution is required in respect of this agenda item. However, it provides Shareholders with the opportunity to ask questions of the Company's management and auditors in relation to the Company's results and operations for the financial year. Please refer to the section 'Questions from Shareholders' at page 11.

**3. RESOLUTION 1 – REMUNERATION REPORT**

The Annual Report for the year ended 30 June 2006 contains a Remuneration Report which sets out the remuneration policy for the Company and reports the remuneration arrangements in place for the executive Directors, specified executives and non-executive Directors. A copy of the Remuneration Report is set out on pages 35 to 40 of the Annual Report which can be found on the Company website at [www.grangeresources.com.au](http://www.grangeresources.com.au).

Pursuant to section 250R(3) of the Corporations Act, the Shareholder vote is advisory only and will not require the Company to alter any arrangements detailed in the Remuneration Report, should Resolution 1 not be passed. Notwithstanding the legislative effect of this requirement, the Board has determined that it will take the outcome of the vote into consideration when considering the remuneration policy.

**4. RESOLUTION 2 – RE-ELECTION OF A DIRECTOR, MR HANS RUDOLF MOSER**

Mr Hans Rudolf Moser retires by rotation in accordance with article 10.3 of the Company's Constitution. It is a requirement of the Company's Constitution that 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.

Mr Moser, being eligible, offers himself for re-election as a Director. The remaining Directors recommend to Shareholders that Mr Moser be re-elected as a Director.

Mr Moser has more than 20 years experience in the Swiss banking industry. He has a Bachelor of Commerce from the University of Basel in Switzerland. Mr Moser manages a large European investment fund and has been an active investor in Australian companies for many years.

## 5. RESOLUTION 3 – RATIFICATION OF SHARE PLACEMENT

### 5.1 Background

On 17 October 2006, the Company completed the allotment and issue of 9,500,000 Shares at \$1.30 per Share to the Placement Investors. The Placement Investors are excluded investors for the purposes of section 708 of the Corporations Act.

#### Listing Rule 7.4

Listing Rule 7.4 permits a company to subsequently approve an issue of securities made without approval under Listing Rule 7.1. Resolution 3 has been included in this Notice to preserve the Company's ability to issue further securities (if necessary) under Listing Rule 7.1. The outcome of Resolution 3 will have no effect on the issue of Shares to the Placement Investors as they have already been issued. However, if Resolution 3 is not approved by Shareholders, it will restrict the ability of the Company to issue securities without Shareholder approval until the Company's 15% capacity is replenished, in accordance with Listing Rule 7.1.

Listing Rule 7.1 provides, in summary, that a listed company may not issue equity securities in any 12 month period which exceed 15% of the number of issued securities of the company held at the beginning of the 12 month period, except with the prior approval of Shareholders of the company in general meeting of the precise terms and conditions of the proposed issue.

Listing Rule 7.4 states that an issue of securities made without approval under Listing Rule 7.1 is treated as having been made with approval for the purpose of Listing Rule 7.1 if the issue did not breach Listing Rule 7.1 and Shareholders subsequently approve it.

### 5.2 Details of the issue

In accordance with Listing Rule 7.5, Shareholders are advised as follows:

- (a) 9,500,000 Shares were issued to the Placement Investors through the Placement on 17 October 2006;
- (b) all the Placement Investors were selected and approved by the Board on the basis that they were excluded investors for the purposes of section 708 of the Corporations Act;
- (c) none of the Placement Investors are Directors or Associates of Directors and none of the Placement Investors are a related party of the Company;
- (d) \$11,979,500 in funds was raised from the issue of the Shares after expenses of the Placement;
- (e) the issue price of the Shares was \$1.30 per Share;
- (f) the funds raised from the issue of the Shares as announced to ASX on 2 October 2006 were to provide funding for the following activities:
  - the commencement of mining operations at the Bukit Ibam Iron Ore mine located 80 km southwest of Kuantan in Pahang, Malaysia;
  - pre-development activities for the Southdown Magnetite Project including the design of seawall, new berth and shiploader at Albany Port;
  - increasing the Company's land holdings at the Southdown Magnetite project;
  - investigation costs for the re-opening of the Horseshoe Copper Mine located 170km north of Meekatharra in Western Australia;
  - acquisition of easements for infrastructure for the Southdown Magnetite project;
  - evaluation and development of potential new projects, and
  - provision of additional working capital for the Company.

- (g) the 9,500,000 Shares issued through the Placement rank equally in all respects with all other Shares in the Company on issue and are listed on ASX.

### **5.3 Voting Exclusion**

In accordance with Listing Rule 14.11, the Company will disregard any votes cast on Resolution 3 by a Placement Investor and by an Associate of a Placement Investor. However, the Company need not disregard a vote if it is cast by a Placement Investor as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or it is cast by a representative of a Placement Investor chairing the Meeting as a proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

Accordingly, a Placement Investor and Associates of a Placement Investor may not vote on Resolution 3.

## **6. RESOLUTION 4 –RATIFICATION OF SHARE ISSUE TO PIPELINE LANDOWNERS**

### **6.1 Background**

As part of its conduct of the Southdown Magnetite project, the Company proposes to transport the magnetite concentrate in slurry form by buried pipeline from the Southdown site into the Albany port area where it will be dewatered and filtered prior to stockpiling for shipping to Kemaman, Malaysia.

The proposed pipeline alignment is to be secured via registered easements which affect 47 freehold or leasehold landowners. As part of the process of securing the grant of easements which the Company intends to register, the Company has issued a total of 126,625 Shares. Resolution 4 seeks Shareholder ratification to the issue of these Shares.

#### **Listing Rule 7.4**

Listing Rule 7.4 permits a company to subsequently approve an issue of securities made without approval under Listing Rule 7.1. Resolution 4 has been included in this Notice to preserve the Company's ability to issue further securities (if necessary) under Listing Rule 7.1. The outcome of Resolution 4 will have no effect on the issue of Shares to the Pipeline Landowners as they have already been issued. However, if Resolution 4 is not approved by Shareholders, it will restrict the ability of the Company to issue securities without Shareholder approval until the Company's 15% capacity is replenished, in accordance with Listing Rule 7.1.

Listing Rule 7.1 provides, in summary, that a listed company may not issue equity securities in any 12 month period which exceed 15% of the number of issued securities of the company held at the beginning of the 12 month period, except with the prior approval of Shareholders of the company in general meeting of the precise terms and conditions of the proposed issue.

Listing Rule 7.4 states that an issue of securities made without approval under Listing Rule 7.1 is treated as having been made with approval for the purpose of Listing Rule 7.1 if the issue did not breach Listing Rule 7.1 and Shareholders subsequently approve it.

### **6.2 Details of the issue**

In accordance with Listing Rule 7.5, Shareholders are advised as follows:

- (a) a total of 126,625 Shares were issued to the Pipeline Landowners on 20 October 2006;
- (b) the Shares were issued at an issue price of \$1.60 per Share for no consideration;
- (c) the Shares issued pursuant to this Resolution 4 rank equally in all respects with all other Shares in the Company and are listed on ASX;
- (e) all the Pipeline Landowners were selected on the basis that they had agreed to grant to the Company the right, via easements which the Company intends to register, to construct the slurry pipeline on land that is owned or leased by the Pipeline Landowners and, as such, no funds were raised from the issue of such Shares; and

- (f) none of the Pipeline Landowners are Directors or Associates of Directors and none of the Pipeline Landowners are a related party of the Company.

### **6.3 Voting Exclusion Statement**

In accordance with Listing Rule 14.11, the Company will disregard any votes cast on Resolution 4 by a Pipeline Landowner and by an Associate of a Pipeline Landowner. However, the Company need not disregard a vote if it is cast by a Pipeline Landowner as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or it is cast by a representative of a Pipeline Landowner chairing the Meeting as a proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

Accordingly, a Pipeline Landowner and Associates of a Pipeline Landowner may not vote on Resolution 4.

## **7. RESOLUTION 5 – AMENDMENT TO THE COMPANY'S CONSTITUTION**

### **7.1 Background**

Pursuant to LR 15.11.1, ASX has requested that the Company amend the Constitution by including the provisions of Appendix 15A of the Listing Rules. The proposed amendments clarify that where there is a conflict or inconsistency between the Constitution and the Listing Rules, the Listing Rules will prevail.

Resolution 5 seeks Shareholder approval to the Company making these amendments.

A copy of the proposed amended Constitution will be sent to any Shareholder upon request. It will also be available for inspection at the Company's registered office during normal business hours prior to the Annual General Meeting and will be tabled at and available for inspection at the Annual General Meeting.

The proposed amended Constitution document available for inspection at the Annual General Meeting will have the proposed changes underlined.

Resolution 5 is a special resolution and therefore requires the approval of 75% of the votes cast by Shareholders. If the special resolution is passed, the amendments to the Constitution will take effect immediately. If the special resolution is not passed, the existing Constitution will remain in place and, the Company will not be in compliance with the Listing Rules.

## **8. RECOMMENDATION OF DIRECTORS**

The Directors, having considered all of the matters outlined in this Explanatory Memorandum unanimously recommend that the non-associated Shareholders vote in favour of all the Resolutions.

Each of the Directors who holds Shares intends to vote in favour of all the Resolutions in respect of the Shares they hold or control in their capacity as Shareholders.

Please also note as disclosed in the proxy form that the Chairman intends to vote all undirected proxies in favour of all the Resolutions.

## 9. GLOSSARY OF TERMS

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

<b>"Annual General Meeting"</b>	means the annual general meeting of Shareholders of the Company or any adjournment thereof, convened by the Notice.
<b>"Associate"</b>	has the meaning given to it by Division 2 of Part 1.2 of the Corporations Act.
<b>"ASX"</b>	means Australian Stock Exchange Limited.
<b>"Board"</b>	means the Board of Directors from time to time.
<b>"Chairman"</b>	means the Chairman of the Company.
<b>"Corporations Act"</b>	means the Corporations Act 2001 (Cth).
<b>"Constitution"</b>	means the constitution of the Company from time to time.
<b>"Directors"</b>	means the directors of the Company from time to time.
<b>"Explanatory Memorandum"</b>	means this explanatory memorandum.
<b>"Grange Resources" or "Company"</b>	means Grange Resources Limited ABN 80 009 132 405.
<b>"Listing Rules"</b>	mean the listing rules of ASX and any other rules of ASX which are applicable while the Company is admitted to the official list, each as amended or replaced from time to time, except to the extent of any express written waiver by ASX.
<b>"Meeting"</b>	means the Annual General Meeting.
<b>"Notice" or "Notice of Annual General Meeting"</b>	means the notice of annual general meeting which accompanies this Explanatory Memorandum.
<b>"Pipeline Landowners"</b>	means the freehold or leasehold landowners who agreed to grant easements in favour of the Company as more particularly described in section 6 of the Explanatory Memorandum.
<b>"Placement"</b>	means the placement of a total of 9,500,000 Shares on 17 October 2006 at an issue price of \$1.30 each to investors as described in section 5 of the Explanatory Memorandum.
<b>"Placement Investors"</b>	means the clients of Citigroup and other investors that were selected by the Board on the basis of being professional, sophisticated investors and other excluded offerees for the purposes of section 708 of the Corporations Act who received Shares through the Placement.
<b>"Resolution"</b>	means a resolution referred to in the Notice.
<b>"Share"</b>	means a fully paid ordinary share in the capital of the Company.
<b>"Shareholder"</b>	means a holder of shares in the Company.
<b>"WST"</b>	means western standard time.

## PROXY AND VOTING ENTITLEMENT 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 deposited at or sent by facsimile transmission to the registered office of **Grange Resources Limited at Level 11, QBE House, 200 St George's Terrace, Perth Western Australia 6000, facsimile number (+618) 9321 1523** and marked for the attention of the Company Secretary, 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.

## 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, Computershare Investor Services, before the Meeting or at the registration desk on the day of the Meeting. Certificates of appointment of corporate representative are available at [www.computershare.com](http://www.computershare.com) or on request by contacting Computershare Investor Services on telephone number +61 1300 557 010.

## VOTING ENTITLEMENT

For the purposes of determining voting entitlements at the Annual General Meeting, Shares will be taken to be held by the persons who are registered as holding the Shares at 9.00am (WST) on Sunday, 26 November 2006. Accordingly, transactions registered after that time will be disregarded in determining entitlements to attend and vote at the Meeting.

## QUESTIONS FROM SHAREHOLDERS

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

Vern Tidy of Ernst and Young, as the lead audit partner responsible for the audit of the financial statements of the Company for the year ended 30 June 2006 (or his representative) will attend the Annual General Meeting. The Chairman will also allow a reasonable opportunity for Shareholders as a whole 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 financial statements; and
- the independence of the auditor in relation to the conduct of the audit.

To assist the Board and the auditor of the Company in responding to your questions please submit any questions you may have using the enclosed Questions from Shareholders Form and returning it in person or by mail to **Grange Resources Limited at Level 11, QBE House, 200 St George's Terrace, Perth Western Australia 6000**

or by fax to + **(+618) 9321 1523** and marked for the attention of **the Company Secretary** so that it is received by Monday, 20 November 2006.

As required under section 250PA of the Corporations Act, at the Annual General Meeting, the Company will distribute a list setting out the questions directed to the auditor received in writing by Monday, 20 November 2006, being questions which the auditor considers relevant to the content of the auditor's report or the conduct of the audit of the financial report for the year ended 30 June 2006. The Chairman will allow a reasonable opportunity to respond to the questions set out on this list.

This form is provided with the Notice of Annual General Meeting of Grange Resources Limited ABN 80 009 132 405 ("**Company**") to be held at **Level 11, QBE House, 200 St George's Terrace, Perth, Western Australia at 9:00am (WST) on Tuesday, 28 November 2006** to assist Shareholders in asking questions of:

- the Directors of the Company in relation to the management of the Company; and
- Vern Tidy of Ernst and Young, as the lead audit partner responsible for the audit of the financial statements of the Company for the year ended 30 June 2006, in relation to 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.

The Board of Directors and the Auditor will endeavour to respond to the questions received by Shareholders to the extent that the Chairman of the meeting determines is reasonable given the time available at the Annual General Meeting.

**Name of Shareholder/s:**

\_\_\_\_\_

**Questions (please place an "X" in the box next to the question if your question is directed at the auditor)**

1

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

2

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\_\_\_\_\_  
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3

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\_\_\_\_\_  
\_\_\_\_\_

**Lodging this form**

If you wish to ask questions using this form, you should submit this form by fax or to one of the addresses below by no later than 5.00 pm (WST) on Monday, 20 November 2006.

**In person or by mail:** Registered Office - Level 11, QBE House, 200 St George's Terrace, Perth, Western Australia 6000 (marked for the attention of Mr Neil Marston, Company Secretary)

**By facsimile:** (+618) 9321 1523 (marked for the attention of Mr Neil Marston, Company Secretary)

# Grange Resources Limited

ABN 80 009 132 405

# Proxy Form

### All correspondence to:

Computershare Investor Services Pty Limited  
GPO Box D182 Perth  
WA 6840 Australia  
Enquiries (within Australia) 1300 557 010  
(outside Australia) 61 3 9415 4000  
Facsimile 61 8 9323 2033  
www.computershare.com

Mark this box with an 'X' if you have made any changes to your address details (see reverse)



000001  
000  
GRR  
MR JOHN SMITH 1  
FLAT 123  
123 SAMPLE STREET  
THE SAMPLE HILL  
SAMPLE ESTATE  
SAMPLEVILLE VIC 3030

Securityholder Reference Number (SRN)



I 1234567890 I ND

## Appointment of Proxy

I/We being a member/s of Grange Resources Limited and entitled to attend and vote hereby appoint



the Chairman  
of the Meeting  
(mark with an 'X')

OR

If you are not appointing the Chairman of the Meeting as your proxy please write here the full name of the individual or body corporate (excluding the registered Securityholder) you are appointing as your proxy.

or failing the individual or body corporate named, or if no individual or body corporate is named, the Chairman of the Meeting, as my/our proxy to act generally at the meeting on my/our behalf and to vote in accordance with the following directions (or if no directions have been given, as the proxy sees fit) at the Annual General Meeting of Grange Resources Limited to be held at Level 11, QBE House, 200 St George's Terrace, Perth, Western Australia on Tuesday, 28 November 2006 at 9.00am (WST) and at any adjournment of that meeting.

### IMPORTANT: FOR ITEMS 3 AND 4 BELOW



If the Chairman of the Meeting is your nominated proxy, or may be appointed by default, and you have not directed your proxy how to vote on Items 3 and 4 below, please place a mark in this box. By marking this box you acknowledge that the Chairman of the Meeting may exercise your proxy even if he has an interest in the outcome of those items and that votes cast by him, other than as proxy holder, would be disregarded because of that interest. If you do not mark this box, and you have not directed your proxy how to vote, the Chairman of the Meeting will not cast your votes on Items 3 and 4 and your votes will not be counted in computing the required majority if a poll is called on these items. The Chairman of the Meeting intends to vote undirected proxies in favour of each of these items.

## Voting directions to your proxy - please mark to indicate your directions

	For	Against	Abstain*		For	Against	Abstain*
Item 1 Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Item 5 Amendment to the Company's Constitution	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Item 2 Re-Election of a Director - Mr Hans Rudolf Moser	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>				
Item 3 Ratification of Share Placement	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>				
Item 4 Ratification of Share Issue to Pipeline Landowners	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>				

In addition to the intention advised above, the Chairman of the Meeting intends to vote undirected proxies in favour of each of the other items of business.

\* If you mark the Abstain box for a particular item, you are directing your proxy not to vote on your behalf on a show of hands or on a poll and your votes will not be counted in computing the required majority on a poll.

## Appointing a second Proxy

I/We wish to appoint a second proxy



Mark with an 'X' if you wish to appoint a second proxy.

AND

%

OR

State the percentage of your voting rights or the number of securities for this Proxy Form.

## PLEASE SIGN HERE

This section *must* be signed in accordance with the instructions overleaf to enable your directions to be implemented.

Individual or Securityholder 1

Individual/Sole Director and Sole Company Secretary

Securityholder 2

Director

Securityholder 3

Director/Company Secretary

In addition to signing the Proxy form in the above box(es) please provide the information below in case we need to contact you.

Contact Name

Contact Daytime Telephone

Date

/ /

GRR

7 P R



# How to complete the Proxy Form

## 1 Your Address

This is your address as it appears on the company's share register. If this information is incorrect, please mark the box and make the correction on the form. Securityholders sponsored by a broker (in which case your reference number overleaf will commence with an 'x') should advise your broker of any changes. **Please note, you cannot change ownership of your securities using this form.**

## 2 Appointment of a Proxy

If you wish to appoint the Chairman of the Meeting as your proxy, mark the box. If the individual or body corporate you wish to appoint as your proxy is someone other than the Chairman of the Meeting please write the full name of that individual or body corporate in the space provided. If you leave this section blank, or your named proxy does not attend the meeting, the Chairman of the Meeting will be your proxy. A proxy need not be a securityholder of the company. Do not write the name of the issuer company or the registered securityholder in the space.

## 3 Votes on Items of Business

You may direct your proxy how to vote by placing a mark in one of the three boxes opposite each item of business. All your securities will be voted in accordance with such a direction unless you indicate only a portion of voting rights are to be voted on any item by inserting the percentage or number of securities you wish to vote in the appropriate box or boxes. If you do not mark any of the boxes on a given item, your proxy may vote as he or she chooses. If you mark more than one box on an item your vote on that item will be invalid.

## 4 Appointment of a Second Proxy

You are entitled to appoint up to two proxies to attend the meeting and vote on a poll. If you wish to appoint a second proxy, an additional Proxy Form may be obtained by telephoning the company's share registry or you may copy this form.

To appoint a second proxy you must:

- (a) indicate that you wish to appoint a second proxy by marking the box.
- (b) on each of the first Proxy Form and the second Proxy Form state the percentage of your voting rights or number of securities applicable to that form. If the appointments do not specify the percentage or number of votes that each proxy may exercise, each proxy may exercise half your votes. Fractions of votes will be disregarded.
- (c) return both forms together in the same envelope.

## 5 Signing Instructions

You must sign this form as follows in the spaces provided:

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

If a representative of a corporate Securityholder or proxy is to attend the meeting the appropriate "Certificate of Appointment of Corporate Representative" should be produced prior to admission. A form of the certificate may be obtained from the company's share registry or at [www.computershare.com](http://www.computershare.com).

## Lodgement of a Proxy

This Proxy Form (and any Power of Attorney under which it is signed) must be received at an address given below no later than 48 hours before the commencement of the meeting at 9.00am (WST) on Tuesday, 28 November 2006. Any Proxy Form received after that time will not be valid for the scheduled meeting.

### Documents may be lodged using the reply paid envelope or:

- IN PERSON Registered Office - Level 11, QBE House, 200 St George's Terrace, PERTH WA 6000  
Share Registry - Computershare Investor Services Pty Limited, Level 2, 45 St Georges Terrace, Perth WA 6000 Australia
- BY MAIL Registered Office - Level 11, QBE House, 200 St George's Terrace, PERTH WA 6000  
Share Registry - Computershare Investor Services Pty Limited, GPO Box D182, Perth WA 6840 Australia
- BY FAX 61 8 9323 2033