



STOCK EXCHANGE ANNOUNCEMENT

CONVERSION OF OPTIONS AND APPENDIX 3B

18 January 2006

Please find attached an Appendix 3B relating to the conversion of unlisted options to fully paid ordinary shares.

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

MARK SMITH
Company Secretary

Appendix 3B

New issue announcement, application for quotation of additional securities and agreement

Information or documents not available now must be given to ASX as soon as available. Information and documents given to ASX become ASX's property and may be made public.

Introduced 1/7/96. Origin: Appendix 5. Amended 1/7/98, 1/9/99, 1/7/2000, 30/9/2001, 11/3/2002.

NAME OF ENTITY

Grange Resources Limited

ABN

80 009 132 405

We (the entity) give ASX the following information.

Part 1 - All issues

You must complete the relevant sections (attach sheets if there is not enough space).

- | | | |
|---|--|----------------------------|
| 1 | +Class of +securities issued or to be issued | Ordinary Fully Paid Shares |
| 2 | Number of +securities issued or to be issued (if known) or maximum number which may be issued | 1,000,000 |
| 3 | Principal terms of the +securities (eg, if options, exercise price and expiry date; if partly paid +securities, the amount outstanding and due dates for payment; if +convertible securities, the conversion price and dates for conversion) | Not Applicable |

+ See chapter 19 for defined terms.

4	Do the +securities rank equally in all respects from the date of allotment with an existing +class of quoted +securities?	Yes					
	<p>If the additional securities do not rank equally, please state:</p> <ul style="list-style-type: none"> • the date from which they do • the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment • the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment 						
5	Issue price or consideration	\$0.50					
6	Purpose of the issue (If issued as consideration for the acquisition of assets, clearly identify those assets)	Conversion of unlisted options (GRRAK)					
7	Dates of entering +securities into uncertificated holdings or despatch of certificates	18 January 2006					
8	Number and +class of all +securities quoted on ASX (<i>including</i> the securities in clause 2 if applicable)	<table border="1"> <thead> <tr> <th data-bbox="707 1144 911 1178">Number</th> <th data-bbox="911 1144 1283 1178">+Class</th> </tr> </thead> <tbody> <tr> <td data-bbox="707 1178 911 1279">93,749,259</td> <td data-bbox="911 1178 1283 1279">Ordinary Fully Paid Shares</td> </tr> </tbody> </table>	Number	+Class	93,749,259	Ordinary Fully Paid Shares	
Number	+Class						
93,749,259	Ordinary Fully Paid Shares						

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	Number	+Class
9	1,285,715	Options exercisable at 50 cents and expiring 28 November 2006 (GRRAK)
	1,500,000	Options exercisable at 50 cents and expiring 30 June 2007 (GRRAM)
	1,500,000	Options exercisable at \$1.25 and expiring on 30 June 2007 (GRRAO)
	1,500,000	Options exercisable at \$1.50 and expiring on 30 June 2008 (GRRAO)
	1,000,000	Options exercisable at \$2.50 and expiring on 30 June 2011 (GRRAS)
10	Dividend policy (in the case of a trust, distribution policy) on the increased capital (interests)	
	Not Applicable	

Part 2 - Bonus issue or pro rata issue

11	Is security holder approval required?	Not applicable
12	Is the issue renounceable or non-renounceable?	
13	Ratio in which the +securities will be offered	
14	+Class of +securities to which the offer relates	
15	+Record date to determine entitlements	
16	Will holdings on different registers (or subregisters) be aggregated for calculating entitlements?	
17	Policy for deciding entitlements in relation to fractions	

+ See chapter 19 for defined terms.

- 18 Names of countries in which the entity has +security holders who will not be sent new issue documents
 Note: Security holders must be told how their entitlements are to be dealt with.
 Cross reference: rule 7.7.
- 19 Closing date for receipt of acceptances or renunciations
- 20 Names of any underwriters
- 21 Amount of any underwriting fee or commission
- 22 Names of any brokers to the issue
- 23 Fee or commission payable to the broker to the issue
- 24 Amount of any handling fee payable to brokers who lodge acceptances or renunciations on behalf of +security holders
- 25 If the issue is contingent on +security holders' approval, the date of the meeting
- 26 Date entitlement and acceptance form and prospectus or Product Disclosure Statement will be sent to persons entitled
- 27 If the entity has issued options, and the terms entitle option holders to participate on exercise, the date on which notices will be sent to option holders
- 28 Date rights trading will begin (if applicable)
- 29 Date rights trading will end (if applicable)
- 30 How do +security holders sell their entitlements *in full* through a broker?
- 31 How do +security holders sell *part* of their entitlements through a broker and

+ See chapter 19 for defined terms.

accept for the balance?

32 How do +security holders dispose of their entitlements (except by sale through a broker)?

33 +Despatch date

Part 3 - Quotation of securities

You need only complete this section if you are applying for quotation of securities

34 Type of securities
(tick one)

(a) Securities described in Part 1

(b) All other securities

Example: restricted securities at the end of the escrowed period, partly paid securities that become fully paid, employee incentive share securities when restriction ends, securities issued on expiry or conversion of convertible securities

Entities that have ticked box 34(a)

Additional securities forming a new class of securities

(If the additional securities do not form a new class, go to 43)

Tick to indicate you are providing the information or documents

35 If the +securities are +equity securities, the names of the 20 largest holders of the additional +securities, and the number and percentage of additional +securities held by those holders

36 If the +securities are +equity securities, a distribution schedule of the additional +securities setting out the number of holders in the categories
1 - 1,000
1,001 - 5,000
5,001 - 10,000
10,001 - 100,000
100,001 and over

37 A copy of any trust deed for the additional +securities

(now go to 43)

+ See chapter 19 for defined terms.

Entities that have ticked box 34(b)

38	Number of securities for which +quotation is sought	Not Applicable					
39	Class of +securities for which quotation is sought						
40	<p>Do the +securities rank equally in all respects from the date of allotment with an existing +class of quoted +securities?</p> <p>If the additional securities do not rank equally, please state:</p> <ul style="list-style-type: none"> • the date from which they do • the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment • the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment 						
41	<p>Reason for request for quotation now</p> <p>Example: In the case of restricted securities, end of restriction period</p> <p>(if issued upon conversion of another security, clearly identify that other security)</p>						
42	Number and +class of all +securities quoted on ASX (<i>including</i> the securities in clause 38)	<table border="1"> <thead> <tr> <th data-bbox="715 1328 1013 1361">Number</th> <th data-bbox="1018 1328 1300 1361">+Class</th> </tr> </thead> <tbody> <tr> <td data-bbox="715 1361 1013 1541"></td> <td data-bbox="1018 1361 1300 1541"></td> </tr> </tbody> </table>	Number	+Class			
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