



**STOCK EXCHANGE ANNOUNCEMENT**

**ISSUE OF PLACEMENT SHARES AND APPENDIX 3B**

25 November 2005

On 21 November 2005, Grange Resources Limited ("Grange") announced the successful completion of a share placement which comprised of the issue of 8,000,000 fully paid ordinary shares ("Shares") raising a total amount of \$10.8 million.

The Shares are part of a class of securities quoted on Australian Stock Exchange Limited ("ASX") and may be subject to a subsequent offer for sale.

In accordance with section 708A(5)(e) of the Corporations Act, Grange gives notice that:

- (a) the Shares have been placed with investors pursuant to section 708 of the Corporations Act;
- (b) Grange issued the Shares identified above without disclosure to investors under Part 6D.2 of the Corporations Act;
- (c) this notice is being given under section 708A(5)(e) of the Corporations Act;
- (d) As at the date of this notice, Grange has complied with:
  - (i) the provisions of Chapter 2M of the Corporations Act; and
  - (ii) Section 674 of the Corporations Act;

There is no information to be disclosed which is excluded information, as defined in sections 708A(7) and 708A(8) of the Corporations Act, as at the date of this notice.

An application for quotation of the Shares on ASX is being made and Appendix 3B is attached.

For further information visit the Grange website at [www.grangeresources.com.au](http://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  | 8,000,000                  |
| 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             |

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+ 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				
	If the additional securities do not rank equally, please state:					
	<ul style="list-style-type: none"> <li>• the date from which they do</li> <li>• the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment</li> <li>• the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment</li> </ul>					
5	Issue price or consideration	\$1.35				
6	Purpose of the issue (If issued as consideration for the acquisition of assets, clearly identify those assets)	<p>The purpose of the issue is to provide funding for the following activities:</p> <ul style="list-style-type: none"> <li>- costs associated with identifying and securing funding for the construction phase of the Southdown Magnetite Project which includes the Albany mine and export facilities and the Kemaman pellet project and port facilities.;</li> <li>- the evaluation of a number of potential new projects identified by the Company; and</li> <li>- the provision of additional working capital for the Company.</li> </ul>				
7	Dates of entering +securities into uncertificated holdings or despatch of certificates	25 November 2005				
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="703 1447 911 1480">Number</th> <th data-bbox="911 1447 1283 1480">+Class</th> </tr> </thead> <tbody> <tr> <td data-bbox="703 1480 911 1581">90,749,259</td> <td data-bbox="911 1480 1283 1581">Ordinary Fully Paid Shares</td> </tr> </tbody> </table>	Number	+Class	90,749,259	Ordinary Fully Paid Shares
Number	+Class					
90,749,259	Ordinary Fully Paid Shares					

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	Number	+Class	
9	Number and +class of all +securities not quoted on ASX ( <i>including</i> the securities in clause 2 if applicable)	4,285,715	Options exercisable at 50 cents and expiring 28 November 2007
		1,500,000	Options exercisable at 50 cents and expiring 30 June 2007
		1,500,000	Options exercisable at \$1.25 and expiring on 30 June 2007
		1,500,000	Options exercisable at \$1.50 and expiring on 30 June 2008
		1,000,000	Options exercisable at \$2.50 and expiring on 30 June 2011
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?	
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	
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	

+ See chapter 19 for defined terms.

- 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 accept for the balance?

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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)*

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### 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"> <li>• the date from which they do</li> <li>• the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment</li> <li>• the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment</li> </ul>						
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 1015 1361">Number</th> <th data-bbox="1015 1328 1302 1361">+Class</th> </tr> </thead> <tbody> <tr> <td data-bbox="715 1361 1015 1541"></td> <td data-bbox="1015 1361 1302 1541"></td> </tr> </tbody> </table>	Number	+Class			
Number	+Class						

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## Quotation agreement

- 1 +Quotation of our additional +securities is in ASX's absolute discretion. ASX may quote the +securities on any conditions it decides.
- 2 We warrant the following to ASX.
  - The issue of the +securities to be quoted complies with the law and is not for an illegal purpose.
  - There is no reason why those +securities should not be granted +quotation.
  - An offer of the +securities for sale within 12 months after their issue will not require disclosure under section 707(3) or section 1012C(6) of the Corporations Act.  
Note: An entity may need to obtain appropriate warranties from subscribers for the securities in order to be able to give this warranty
  - Section 724 or section 1016E of the Corporations Act does not apply to any applications received by us in relation to any +securities to be quoted and that no-one has any right to return any +securities to be quoted under sections 737, 738 or 1016F of the Corporations Act at the time that we request that the +securities be quoted.
  - If we are a trust, we warrant that no person has the right to return the +securities to be quoted under section 1019B of the Corporations Act at the time that we request that the +securities be quoted.
- 3 We will indemnify ASX to the fullest extent permitted by law in respect of any claim, action or expense arising from or connected with any breach of the warranties in this agreement.
- 4 We give ASX the information and documents required by this form. If any information or document not available now, will give it to ASX before +quotation of the +securities begins. We acknowledge that ASX is relying on the information and documents. We warrant that they are (will be) true and complete.

Sign here: Mark Smith ..... Date: ....24 November 2005  
(Director / Company Secretary)

Print name: Mark Smith.

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