



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

STOCK EXCHANGE ANNOUNCEMENT

NOTICE OF ANNUAL GENERAL MEETING

21 October 2005

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

- The Company's Annual Report for the year ended 30 June 2005; and
- Notice of its Annual General Meeting to be held at the Level 11, Mt Newman House, 200 St George's Terrace, Perth, on Monday, 21 November 2005 at 10.00 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 Mark Smith on + 61 (8) 9321 1118.

MARK SMITH

Company Secretary

# GRANGE RESOURCES LIMITED

ABN 80 009 132 405

---

## NOTICE OF ANNUAL GENERAL MEETING

and

## EXPLANATORY MEMORANDUM

and

## PROXY FORM

---

Date of Meeting: 21 November 2005

Time of Meeting: 10.00am (WST)

Place of Meeting: Mt Newman House

Level 11, 200 St George's Terrace  
Perth, Western Australia

*This Notice of Annual General Meeting and Explanatory Memorandum 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 Grange Resources Limited ABN 80 009 132 405 ("**Company**") will be held at Level 11, Mt Newman House, 200 St George's Terrace, Perth, Western Australia at 10.00am (WST) on Monday, 21 November 2005 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 - ANNUAL FINANCIAL REPORTS AND ACCOUNTS FOR THE YEAR ENDED 30 JUNE 2005**

To receive and consider the annual financial report of the Company for the financial year ended 30 June 2005 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 2 - RESOLUTION 1 – REMUNERATION REPORT**

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

*"To approve the Remuneration Report for the year ended 30 June 2005."*

**ITEM 3 - RESOLUTION 2 - RE-ELECTION OF A DIRECTOR, MR ALEXANDER HENRY NUTTER**

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

*"That Mr Alexander Henry Nutter, 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 4 - RESOLUTION 3 - RE-ELECTION OF A DIRECTOR, MR RICHARD KRASNOFF**

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

*"That Mr Richard Krasnoff, who retires in accordance with article 10.10 of the Company's Constitution and, being eligible, offers himself for re-election, be re-elected as a Director."*

**ITEM 5 - RESOLUTION 4 – 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 5,000,000 Shares at an issue price of \$1.00 per Share to RAB Special Situations Master Fund Limited 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 RAB Special Situations Master Fund Limited or any of their Associates. However, the Company need not disregard a vote if it is cast by RAB Special Situations Master Fund Limited 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 RAB Special Situations Master Fund Limited 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.

DATED 21st DAY OF OCTOBER 2005  
BY ORDER OF THE BOARD

MARK SMITH  
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, Mt Newman House, 200 St George's Terrace, Perth, Western Australia at 10.00am (WST) on Monday, 21 November 2005. This Explanatory Memorandum should be read in conjunction with the accompanying Notice of Annual General Meeting.

### 1. ANNUAL FINANCIAL REPORTS AND ACCOUNTS FOR THE YEAR ENDED 30 JUNE 2005

The first item of the Notice is to receive and consider the annual financial report and accounts of the Company for the year ended 30 June 2005 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.

### 2. RESOLUTION 1 – REMUNERATION REPORT

The Annual Report for the year ended 30 June 2005 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 report is set out on pages 31 to 35 of the Annual Financial Report which can be found on the Company website at [www.grangeresources.com.au](http://www.grangeresources.com.au).

Under the new provisions 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 the resolution 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.

### 3. RESOLUTION 2 – RE-ELECTION OF A DIRECTOR, MR ALEXANDER HENRY NUTTER

Mr Nutter is required to resign under the Director rotation provisions of article 10.3 of the Company's Constitution. Mr Nutter, being eligible, offers himself for re-election as a Director. The remaining Directors recommend to Shareholders that Mr Nutter be re-elected as a Director.

Mr Nutter is a geologist and holds degrees from Southampton, Leeds and London universities. He has over 30 years experience in mineral exploration, resource evaluation and mining geology in Australia, West Africa and the Asia-Pacific region. He has held senior positions in the mining industry and has been responsible for the discovery and/or acquisition of several mineral resources for both international and Australian public companies.

### 4. RESOLUTION 3 – RE-ELECTION OF A DIRECTOR, MR RICHARD KRASNOFF

Mr Krasnoff is required to resign under the Casual Vacancy provisions of article 10.10 of the Company's Constitution which stipulate that at the annual general meeting, any Director appointed in the period since the previous annual general meeting shall retire from office. Mr Krasnoff, being eligible, offers himself for re-election as a Director. The remaining Directors recommend to Shareholders that Mr Krasnoff be re-elected as a Director.

Mr Krasnoff's previous roles have included an executive position with Wesfarmers Limited and a management consultant with McKinsey & Company for a period of ten years. Mr Krasnoff is a graduate of the Australian Institute of Company Directors and has completed a Master of Business Administration from the Harvard Business School.

### 5. RESOLUTION 4 – RATIFICATION OF SHARE PLACEMENT

#### 5.1 Background

On 14 June 2005, the Company completed the allotment and issue of 5,000,000 Shares at \$1.00 per Share to RAB Special Situations Master Fund Limited [which is an Australian subsidiary of a London based institution RAB Capital plc. Following the placement, RAB Capital plc became a substantial shareholder of Grange. As at<sup>2</sup>

the date of this Notice, RAB Capital has a substantial shareholding of 11.78% in the total number of Shares on issue in Grange at the date of this Notice.

RAB Special Situations Master Fund Limited is a sophisticated investor 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 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 RAB Special Situations Master Fund Limited 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.

#### **5.2 Details of the issue**

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

- (a) 5,000,000 Shares were issued to RAB Special Situations Master Fund Limited on 14 June 2005;
- (b) RAB Special Situations Master Fund Limited is a sophisticated investor for the purposes of section 708 of the Corporations Act;
- (c) \$5,000,000 in funds were raised from the issue of the Shares before costs of the issue;
- (d) the issue price of the Shares was \$1.00 per Share;
- (e) the funds raised from the issue of the Shares as announced to ASX on 14 June 2005 were to provide funding for the following activities:
  - contribution to the proposed acquisition of the farming property covering an areas of approximately 2,200 hectares that contains the three mining leases which comprise the Southdown Magnetite Project in accordance with the terms of an option agreement;
  - option payments in accordance with a Heads of Agreement with Pilihan Alam Jaya Sdn Bhd and Sukma Samudera Sdn Bhd, wholly owned subsidiaries of Road Builder (M) Holdings Bhd and proposed acquisition of up to a maximum of 60 hectares of land in the Malaysian port of Kemaman as the site for a pellet plant to process magnetite concentrate from the Southdown Magnetite Project;
  - bank guarantee for the purchase of land in the Malaysian port of Kemaman;
  - 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;
  - the evaluation of a number of potential new projects identified by the Company; and
  - the provision of additional working capital for the Company.
- (f) the 5,000,000 Shares issued to RAB Special Situations Master Fund Limited 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 4 by RAB Special Situations Master Fund Limited and by an Associate of RAB Special Situations Master Fund Limited. However, the Company need not disregard a vote if it is cast by AC Moncrieff & Sons Pty Ltd 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 RAB Special Situations Master Fund Limited 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, RAB Special Situations Master Fund Limited and Associates of RAB Special Situations Master Fund Limited may not vote on Resolution 4.

## 5. GLOSSARY OF TERMS

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

|  |  |
|--|--|
| "Annual General Meeting"                       | means the annual general meeting of Shareholders of the Company or any adjournment thereof, convened by the Notice.      |
| "Business Day"                                 | means a day, other than a Saturday or Sunday on which banks are generally open for business in Perth, Western Australia. |
| "Corporations Act"                             | means the Corporations Act 2001 (Cth).   |
| "Constitution"                                 | means the constitution of the Company from time to time.   |
| "Directors"                                    | means the directors of the Company from time to time.  |
| "Explanatory Memorandum"                       | means this explanatory memorandum.   |
| "Grange Resources" or "Company"                | means Grange Resources Limited ABN 80 009 132 405.   |
| "Notice" or "Notice of Annual General Meeting" | means the notice of annual general meeting which accompanies this Explanatory Memorandum.                                |
| "Resolution"                                   | means a resolution referred to in this Notice of Meeting.  |
| "Share"  | means a fully paid ordinary share in the capital of the Company.   |
| "Shareholder"                                  | means a holder of shares in the Company.   |
| "WST"  | means western standard time.   |



## **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 returned to our share registry in the Reply Paid envelope supplied or by facsimile on (08) 9323 2033, 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.

## **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 7.00pm (EST) on 18 November 2005. Accordingly, transactions registered after that time will be disregarded in determining entitlements to attend and vote at the Meeting.

# GRANGE RESOURCES LIMITED

ABN 80 009 132 405

## PROXY FORM

The Company Secretary  
Grange Resources Limited  
Level 11, Mt Newman House  
200 St George's Terrace  
PERTH WA 6000

Fax Number: +61 (8) 9321 1523

I/We \_\_\_\_\_

of \_\_\_\_\_

being a shareholder(s) of Grange Resources Limited ("Company") and entitled to \_\_\_\_\_ shares

in the Company hereby appoint \_\_\_\_\_

of \_\_\_\_\_

or failing him/her \_\_\_\_\_

of \_\_\_\_\_

or failing him/her the Chairman as my/our proxy to vote for me/us and on my/our behalf at the Annual General Meeting of the Company to be held at Level 11, Mt Newman House, 200 St George's Terrace, Perth, Western Australia at 10.00am (WST) on 21 November 2005, and at any adjournment thereof in respect of \_\_\_\_\_ of my / our shares or, failing any number being specified, **ALL** of my/our shares in the Company.

If two proxies are appointed, the proportion of voting rights this proxy is authorised to exercise is [ ]%. (An additional proxy form will be supplied by the Company on request.)

If you wish to indicate how your proxy is to vote, please tick the appropriate places below. If no indication is given on a Resolution, the proxy may abstain or vote at his or her discretion.

I/we direct my/our proxy to vote as indicated below:

|   | FOR                      | AGAINST                  | ABSTAIN                  |
|---|--------------------------|--------------------------|--------------------------|
| Resolution 1 - Adoption of Remuneration Report                      | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Resolution 2 - Re-election of a Director, Mr Alexander Henry Nutter | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Resolution 3 - Re-election of a Director, Mr Richard Krasnoff       | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Resolution 4 - Ratification of Share Placement                      | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |

Proxies given by a natural person must be signed by each appointing shareholder or the shareholder's attorney duly authorised in writing. Proxies given by companies must be executed in accordance with section 127 of the Corporations Act or signed by the appointor's attorney duly authorised in writing. The Chairman intends to vote all undirected proxies in favour of each Resolution.

If you do not wish to direct your proxy how to vote, please place a mark in the box.

By marking this box, you acknowledge that the Chairman may exercise your proxy even if he has an interest in the outcome of the Resolution and votes cast by him other than as proxy holder will be disregarded because of that interest.

