

Amended 10 May 2011

1. Purpose

The purpose of this Policy is to:

- (a) provide a brief summary of the law on insider trading and other relevant laws;
- (b) set out the restrictions on dealing in securities by people who work for or are associated with Grange; and
- (c) assist in maintaining market confidence in the integrity of dealings in Grange's securities.

If you do not understand any part of this Policy or how it applies to you, you should discuss the matter with the Company Secretary before dealing in any Grange securities.

2. Statement of Policy

Whenever you have inside information which may affect the value of securities, you must not:

- (a) deal in those securities; or
- (b) communicate the information to anyone else.

This prohibition applies regardless of how you learned the inside information. It applies not only to Grange securities, but also to securities of other companies. Definitions of "inside information", "securities" and "dealing" are set out below.

3. Who is Covered by this Policy?

This Policy applies to all:

- (a) executive and non-executive Directors;
- (b) full-time, part-time and casual employees; and
- (c) contractors, consultants and advisers, of Grange and Grange Group companies.

The restrictions on dealings by an employee or Director are equally applicable to any dealings:

- (a) by their spouses or de facto spouses;
- (b) by or on behalf of a dependant under 18 years of age; and
- (c) any other dealings in which, for the purposes of the Corporations Act, the Director or employee is to be treated as interested. For example, if an employee or Director is a

trustee of a trust and is also a beneficiary of the trust, the employee or Director must not purchase or procure the purchase of Grange securities on behalf of the trust.

4. What Securities are Covered by this Policy?

This policy applies to the following securities:

- (a) Grange shares;
- (b) any other securities which may be issued by Grange, such as options;
- (c) derivatives (such as exchange-traded options and warrants) and other financial products issued by third parties in relation to Grange shares, debentures and options; and
- (d) securities of any other company or entity that may be affected by inside information (such as another party involved in a joint venture or corporate transaction with Grange or a Grange contractor or shareholder).

5. What is Dealing?

For the purposes of this Policy, dealing in securities includes:

- (a) trading in securities (i.e. subscribing for, buying, selling or entering into an agreement to do any of those things); and
- (b) advising, procuring or encouraging any other person (including a family member, friend, associate, colleague, broker, financial planner, investment adviser, family company or family trust) to trade in securities.

Communicating information includes passing it on to any other person including a family member, friend, associate, colleague, broker, financial planner, investment adviser, family company or family trust.

6. What is Insider Trading?

In broad terms, you will commit insider trading if you:

- (a) deal in Grange securities or securities of another entity while you have inside information; or
- (b) communicate inside information to another person knowing (or where you should reasonably have known) that the other person would, or would be likely to use that information to deal in, or procure someone else to deal in, securities. This is commonly known as “tipping”.

Individuals who contravene the insider trading provisions of the Corporations Act are liable to prosecution or to civil penalty action by the Australian Securities and Investments Commission (ASIC). Separately, someone who engages in insider trading may be sued by another party or Grange in a civil action for any loss suffered as a result of the insider trading.

7. What is Inside Information?

Inside information is information that:

- (a) is not generally available to people who commonly invest in securities; and
- (b) if it was generally available, would (or would be likely to) influence experienced investors in deciding whether or not to subscribe for, purchase or sell Grange securities or securities of another entity.

It does not matter how you come to have the inside information – for example whether you learn it in the course of carrying out your responsibilities, in passing in the corridor, in the lift or at a dinner party.

The financial impact of the information is important, but strategic and other implications can be equally important in determining what amounts to inside information. The definition of “information” is broad enough to include rumours, matters of supposition, intentions of a person (including Grange) and information that is not definite enough to warrant public disclosure.

8. What are some examples of inside information?

The following list is illustrative only. Inside information about Grange could include:

- a material variance in the financial performance of Grange against its budget;
- the entry into or termination of a major joint venture;
- a proposed or actual takeover or amalgamation;
- an unexpected liability or possible claim against Grange;
- material drill results;
- the likely discovery of a major ore body;
- a significant change in senior management;
- a proposed new share issue;
- a proposed dividend or change in dividend policy; and /or
- results of project studies / investigations.

9. Securities of Other Companies

In the course of your duties as an employee, Director, adviser, consultant or contractor of Grange or a Grange Group company you may obtain inside information in relation to another company. For example:

- (a) in the course of negotiating a transaction with Grange, another company might provide confidential information about itself.
- (b) in the course of negotiating a transaction with Grange, another company might provide confidential information about a third party; or

- (c) information concerning a proposed transaction or other action by Grange might have a material effect on a third party.

The prohibition on insider trading is not restricted to information affecting Grange securities. Accordingly if you possess inside information in relation to securities of another company or entity you must not deal in those securities.

10. What Else is Prohibited?

Directors and employees must not engage in short term or speculative dealing in Grange securities.

11. When is Dealing Permitted?

Subject to the rules of any Grange employee or executive share or option plans, you can deal in Grange securities at any time:

- (a) other than during a prescribed “blackout period”;
- (b) provided you do not have inside information; and
- (c) provided you are not involved in short term or speculative dealing.

12. What are the “Blackout Periods”?

Directors, employees and contractors, consultants and advisers, of Grange and Grange Group companies are not permitted to deal in Grange securities during the following “blackout periods”:

- (a) One month immediately prior to the release of Grange’s half yearly and full year results until the close of business on the second working day after its release;
- (b) 14 days immediately prior to the release of each of Grange’s quarterly activities reports until the close of business on the second working day after its release. In the case of the quarter ending on the last day of Grange’s financial year, the blackout period ceases on the close of business on the second business day after which Grange releases its annual results or preliminary annual results, as the case maybe;
- (c) 14 days immediately prior to Grange’s Annual General Meeting; and
- (d) any other period determined by the Directors to be a blackout period.

Notice of commencement and closure of the blackout periods can be confirmed with the Company Secretary.

A “blackout period” may be extended or shortened or another blackout period introduced at any time by direction of the Managing Director or the Chairman. Notice of such changes will be specified to employees by email. Changes to “blackout periods” are effective immediately.

13. Special Approval to Trade

If there are exceptional circumstances, for example a pressing financial commitment, then approval for trading during a “blackout period” may be given by:

- (a) the Managing Director, or if absent, the Company Secretary in their discretion to an employee;
- (b) the Chairman, or if absent, the Chairman of the Audit Committee, in their discretion to a Director;
- (c) the Chairman and the Chairman of the Audit Committee, in their discretion to the Managing Director; and
- (d) the Managing Director and the Chairman of the Audit Committee, in their discretion to the Chairman.

Any such approval must be obtained in advance. It cannot be given after the event.

A dealing for which special approval is given remains subject to insider trading rules and the prohibition on speculative trading. The discretion will be applied taking into account the exceptional circumstances of the employee or Director and weighing this against any perceived detriment to Grange’s reputation.

14. If I Deal or Intend to Deal in Grange Securities, What Must I Do?

If you are not a Director or a senior executive of Grange, then unless you are required to do so under the rules of a Grange employee share or option plan you are not required to notify Grange if you intend to deal in Grange securities or after you have dealt in such securities.

If you are a Director, the following rules apply:

- (a) If you intend to deal in Grange securities you must first notify the Company Secretary in writing of your intention to deal and seek and obtain approval from the Chairman prior to undertaking any trade..
- (b) Following the granting of permission to trade from the Chairman if you subsequently deal in those securities you must confirm the dealing in writing to the Company Secretary within two business days after the dealing.. The confirmation must include:
 - your name;
 - the name of any person who dealt on your behalf e.g. family trust or company, spouse, etc;
 - details of your interest in the Grange securities the subject of the dealing;
 - the date of the dealing;
 - the number of Grange securities bought or sold;
 - the amount paid or received for those securities; and
 - the number of Grange securities held by you (directly or indirectly) before and after the dealing.

If you are an executive reporting to the Managing Director, the following rules apply:

- (a) If you intend to deal in Grange securities you must first notify the Company Secretary in writing of your intention to deal and seek and obtain approval from the Managing Director prior to undertaking any trade.
- (b) Following the granting of permission to trade from the Managing Director if you subsequently deal in those securities you must confirm the dealing in writing to the Company Secretary within two business days after the dealing. If you are the Company Secretary you must provide confirmation to the Managing Director and vice versa. The confirmation must include:
 - your name;
 - the name of any person who dealt on your behalf e.g. family trust or company, spouse, etc;
 - details of your interest in the Grange securities the subject of the dealing;
 - the date of the dealing;
 - the number of Grange securities bought or sold;
 - the amount paid or received for those securities; and
 - the number of Grange securities held by you (directly or indirectly) before and after the dealing.

15. Are There Any ASX Disclosure Obligations if I Trade in Grange Securities?

The acquisition or sale of Grange securities by Directors of Grange must be disclosed to ASX under Listing Rule 3.19A within 5 business days of the transaction taking place.

The information described under 14 above must be provided to the Company Secretary within two business days of the transaction to allow the Company Secretary adequate time for any follow up, completion and release of the notification to ASX on the Director's behalf.

Details of any changes in Directors' interests in Grange securities are required to be recorded in the Register of Directors' Interests and noted in the minutes of the next Board meeting.

Directors or employees with a substantial shareholding in Grange securities (i.e. more than 5% of issued capital) are also required to comply with the substantial shareholding notification provisions of section 671B of the Corporations Act when there is a change in their holding. In this instance a notice must be provided to ASX and to Grange using the prescribed form within 2 business days of the change.

16. Do I Have Any Other Obligations to Grange?

In addition to the insider trading and other restrictions in this policy, you also owe a duty of confidentiality to Grange and the Grange Group of companies. You must not reveal any confidential information concerning Grange or any Grange Group company, use that information in any way that may injure or cause loss to Grange or any Grange Group

company or use that information to gain an advantage for yourself. Under the Corporations Act, a breach of these duties may result in:

- (a) liability for a civil penalty;
- (b) criminal liability if recklessness or dishonesty is involved; and/or
- (c) liability to compensate Grange for any damage it suffers as a result of the disclosure.

17. What if I Breach this Policy?

Strict compliance with this Policy is mandatory for all Grange and associated personnel covered by this Policy.

Contravention of the Corporations Law is a serious matter which may result in criminal or civil liability.

In addition, breaches of this Policy may damage Grange's reputation in the investment community and undermine confidence in the market for Grange securities. Accordingly, breaches will be taken very seriously by Grange and will be subject to disciplinary action, including possible termination of a person's employment or appointment.

Reports of any breaches of this Policy will be forwarded to the Audit Committee.

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