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18 August 2014

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CHANGE OF MANAGING DIRECTOR

The Chairman of Grange Resources Limited (“Grange” or the “Company”), Dr Michelle Li, announced today that Mr Wayne Bould, the Managing Director of the Company will leave with effect from today.

The Company has commenced a search for a replacement for Mr Bould. In the interim, the Board has established an Executive Committee (**ExCo**) comprising Dr Michelle Li, Mr Honglin Zhao and Mr Dan Tenardi to manage the Company on an interim basis until a replacement has been appointed. Grange management will continue with operational responsibilities and will report to ExCo.

Other than undertaking additional duties, the remuneration arrangements currently in place between the Company and Dr Michelle Li, Mr Honglin Zhao and Mr Dan Tenardi remain unchanged from those noted in the 2013 Annual Report, announced on 21 March 2014. Pursuant to Listing Rule 3.16.4, attached is a summary of the material terms of Mr Honglin Zhao's employment agreement with the Company (refer Annexure A)

The Board will keep shareholders updated in relation to the search for a replacement.

-ENDS-

For further information, please contact:

Info@grangeresources.com.au

ANNEXURE A

Summary of material terms of existing agreement with Mr Honglin Zhao

Term

Mr Zhao is engaged as an employee under a contract of employment.

Remuneration & Benefits

Mr Zhao's current total fixed remuneration (including statutory superannuation entitlements) is \$200,462 per annum.

Mr Zhao is provided with company paid fully serviced furnished accommodation in Burnie, Tasmania. In addition the Company also reimburses Mr Zhao up to a maximum of A\$20,000 each financial year for personal travel costs upon presentation of receipts. The Company also pays for Mr Zhao's health insurance.

Incentives

Mr Zhao currently participates in the Company's Short Term Incentive ("STI") Plan. Subject to the attainment of Board approved corporate and personal objectives Mr Zhao may earn a maximum of 10% per annum of his total fixed remuneration (ie \$20,000). The STI is paid in cash.

The Board has approved Mr Zhao's participation in the Company's Long Term Incentive ("LTI") Plan. The Board is in the process of determining the quantum of Mr Zhao's participation in the LTI Plan. This will be released to the market once this has been finalised.

Mr Zhao is not entitled any other bonuses.

Termination

This may be effected with four weeks' written notice by either party. The Company may make payments in lieu of part or all of the applicable notice period.
