

6 March 2015



Grange Resources Limited
ABN 80 009 132 405

APPOINTMENT OF CHIEF EXECUTIVE OFFICER

34a Alexander Street
Burnie Tasmania 7320

The Board of Grange Resources Limited (“Grange” or “the Company”) are pleased to advise that Mr Honglin Zhao has been appointed Chief Executive Officer of the Company, effective immediately. Mr Zhao has been a member of the Board of Directors since 2010 and remains an Executive Director of the Company.

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Mr Zhao has over 39 years’ experience in the steel industry and was the manager of Shagang’s iron-making and steel-making plants for many years.

Mr Zhao was previously the Vice-president of Shagang Group and Chief Commander of Project Development Headquarters with Shagang.

Mr. Zhao was the Executive Commander for the project of relocating the ThyssenKrupp Dortmund “Phoenix” steel mill to Shagang in 2001. The mill included four parts, sintering, iron-making, steel-making, continuous casting and rolling. He led a team of 1,000 employees from different organisations and many disciplines. ThyssenKrupp Dortmund estimated the project could take three years. Mr Zhao and his team completed the project in one and half years. This project was referred to as the “greatest industrial movement in Europe in the post-war history”.

Mr Zhao was the Chief Commander for Shagang’s 6.5 million tonnes steel plate project and 7 million tonnes emission reduction project. These projects were major milestones for Shagang.

With Mr Zhao’s thorough understanding of the Company’s operations coupled with his extensive project management and implementation experience, The Board sees his appointment leading to a seamless transition and will provide great assistance in our major implementation projects over the coming 2 years. Grange continues to focus on cost reduction measures whilst improving production rates.

The key terms of Mr Zhao’s appointment are contained in Annexure A

ENDS

For further information, please contact:

info@grangeresources.com.au

Annexure A – Key Terms of Employment

1. Term

Mr Zhao is engaged as an employee under a contract of employment. Mr Zhao's role of Chief Executive Officer commences on 9 March 2015.

2. Remuneration & Benefits

Mr Zhao's current total fixed remuneration (including statutory superannuation entitlements is \$383,250 per annum.

Mr Zhao is provided with a company provided fully serviced furnished apartment in Burnie, Tasmania.

Incentives

Mr Zhao participates in the Company's Short Term Incentive ("STI") Plan at 18% of his total fixed remuneration, subject to the attainment of Board approved corporate and personal objectives

Under the STI personal objectives account for 50% of the STI. The maximum which can be awarded for the attainment of Board approved personal objectives is 100%. Corporate objectives account for the remaining 50% of the STI.

The Board has also approved Mr Zhao's participation in the Company's Long Term Incentive ("LTI") Plan at 12% of his total fixed remuneration. The LTI is a two year deferred cash scheme which is linked to the Company satisfying shareholder value related performance hurdles, which include sales volumes, earnings per share and free cash flow, for a given year. Payment is subject to the attainment of the Board approved LTI performance hurdles and Mr Zhao's ongoing employment as an Executive Director of Grange.

Mr Zhao is not entitled any other bonuses.

3. Termination

This may be effected with 3 months written notice by either party. The Company may make payments in lieu of part or all of the applicable notice period.