

# GRANGE RESOURCES LIMITED

ABN 80 009 132 405

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## NOTICE OF ANNUAL GENERAL MEETING

and

## EXPLANATORY MEMORANDUM

and

## PROXY FORM

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Date of Meeting: Friday, 30 November 2007  
Time of Meeting: 10.00am (WST)  
Place of Meeting: QBE 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, QBE House, 200 St George's Terrace, Perth, Western Australia at 10.00am (WST) on Friday, 30 November 2007 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 2007

To receive and consider the annual financial report of the Company for the financial year ended 30 June 2007 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 pass, with or without amendment, the following resolution as an **advisory resolution**:

*"To approve the Remuneration Report for the year ended 30 June 2007."*

##### ITEM 3 - RESOLUTION 2 - RE-ELECTION OF A DIRECTOR, MR ANTHONY BOHNENN

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

*"That Mr Anthony Bohnenn, 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 DOUGLAS STEWART

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

*"That Mr Douglas Stewart, 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."*

DATED 24<sup>TH</sup> DAY OF OCTOBER 2007  
BY ORDER OF THE BOARD



NEIL MARSTON  
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, OBE House, 200 St George's Terrace, Perth, Western Australia at 10.00am (WST) on Friday, 30 November 2007.

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 2007**

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 2007 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. Please refer to the section 'Questions from Shareholders' at page 8.

**2. RESOLUTION 1 – REMUNERATION REPORT**

The Annual Report for the year ended 30 June 2007 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 25 to 30 of the Annual Financial Report which is on the Company website at [www.grangeresources.com.au](http://www.grangeresources.com.au).

Pursuant to section 250R(3) 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 Resolution 1 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 ANTHONY BOHNENN**

Mr Bohnenn is required to resign under the Director rotation provisions of article 10.3 of the Company's Constitution. It is a requirement of the Company's Constitution that one-third of the Directors retire from office at each Annual General Meeting. The retiring director however, if eligible, may offer themselves for re-election.

Mr Bohnenn, being eligible, offers himself for re-election as a Director. The remaining Directors recommend to Shareholders that Mr Bohnenn be re-elected as a Director.

Mr Bohnenn has more than 25 years experience in the investment banking and financial services industries, with an emphasis in research and funds management. Mr Bohnenn is based in the Netherlands and his main focus has been identifying investment opportunities in Australia, China and Asia. Mr Bohnenn is chairman of the Audit and Compliance Committee and Remuneration Committee

**4. RESOLUTION 3 – RE-ELECTION OF A DIRECTOR, MR DOUGLAS STEWART**

Mr Stewart 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 Stewart, being eligible, offers himself for re-election as a Director. The remaining Directors recommend to Shareholders that Mr Stewart be re-elected as a Director.

Mr Stewart, BSc, FAusIMM, FAIG was appointed as a Director on 23rd October 2007. He has over 37 years experience in the mining industry in a variety of geological and engineering roles. Mr Stewart was most recently the Managing Director of Territory Resources Limited until July 2007.

## 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.
"Board"	means the Board of Directors from time to time.
"Business Day"	means a day, other than a Saturday or Sunday on which banks are generally open for business in Perth, Western Australia.
"Chairman"	means the Chairman of the Company.
"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.
"Meeting"	means the Annual General Meeting.
"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 deposited at or sent by facsimile transmission to the registered office of **Grange Resources Limited at Level 11, QBE House, 200 St George's Terrace, Perth, Western Australia 6000, facsimile number (+618) 9321 1523** and marked for the attention of the Company Secretary, 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.

## CORPORATE REPRESENTATIVE

A corporation may elect to appoint an individual to act as its representative in accordance with section 250D of the Corporations Act, in which case the Company will require a certificate of appointment of the corporate representative executed in accordance with the Corporations Act. The certificate of appointment must be lodged with the Company and / or the Company's share registry, Computershare Investor Services, before the Meeting or at the registration desk on the day of the Meeting. Certificates of appointment of corporate representative are available at [www.computershare.com](http://www.computershare.com) or on request by contacting Computershare Investor Services on telephone number (08) 9323 2000.

## 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 (WST) on Tuesday, 27 November 2007. Accordingly, transactions registered after that time will be disregarded in determining entitlements to attend and vote at the Meeting.

## QUESTIONS FROM SHAREHOLDERS

The Chairman of the Annual General Meeting will allow a reasonable opportunity for Shareholders to ask questions or make comments on the management of the Company at the Annual General Meeting. Peter McIver, of Ernst and Young, as the lead audit partner responsible for the audit of the financial statements of the Company for the year ended 30 June 2007 (or his representative) will attend the Annual General Meeting. The Chairman will also allow a reasonable opportunity for Shareholders as a whole to ask the auditor questions about:

- the conduct of the audit;
- the preparation and content of the auditor's report;
- the accounting policies adopted by the Company in relation to the preparation of financial statements; and
- the independence of the auditor in relation to the conduct of the audit.

To assist the Board and the auditor of the Company in responding to your questions please submit any questions

you may have using the enclosed Questions from Shareholders Form and returning it in person or by mail to **Grange Resources Limited at Level 11, QBE House, 200 St George's Terrace, Perth, Western Australia 6000** or by fax to **(+618) 9321 1523** and marked for the attention of **the Company Secretary** so that it is received by Thursday, 22<sup>nd</sup> November 2007.

As required under section 250PA of the Corporations Act, at the Annual General Meeting, the Company will distribute a list setting out the questions directed to the auditor received in writing by Thursday, 22<sup>nd</sup> November 2007, being questions which the auditor considers relevant to the content of the auditor's report or the conduct of the audit of the financial report for the year ended 30 June 2007. The Chairman will allow a reasonable opportunity to respond to the questions set out on this list.

This form is provided with the Notice of Annual General Meeting of Grange Resources Limited ABN 80 009 132 405 ("Company") to be held at **Level 11, QBE House, 200 St George's Terrace, Perth, Western Australia at 10:00am (WST) on Friday, 30 November 2007** to assist Shareholders in asking questions of:

- the Directors of the Company in relation to the management of the Company; and
- Peter McIver of Ernst and Young, as the lead audit partner responsible for the audit of the financial statements of the Company for the year ended 30 June 2007, in relation to the conduct of the audit, the preparation and content of the Auditor's Report, the accounting policies adopted by the Company in relation to the preparation of the financial statements and the independence of the Auditor in relation to the conduct of the audit.

The Board of Directors and the Auditor will endeavour to respond to the questions received by Shareholders to the extent that the Chairman of the meeting determines is reasonable given the time available at the Annual General Meeting.

**Name of Shareholder/s:**

\_\_\_\_\_

**Questions (please place an "X" in the box next to the question if your question is directed at the auditor)**

1		
		<input type="checkbox"/>
2		
		<input type="checkbox"/>
3		
		<input type="checkbox"/>

**Lodging this form**

If you wish to ask questions using this form, you should submit this form by fax or to one of the addresses below by no later than 5.00 pm (WST) on Thursday, 22<sup>nd</sup> November 2007.

**In person or by mail:** Registered Office - Level 11, QBE House, 200 St George's Terrace, Perth, Western Australia 6000 (marked for the attention of Mr Neil Marston, Company Secretary)

**By facsimile:** (+618) 9321 1523 (marked for the attention of Mr Neil Marston, Company Secretary)

**TO LODGE A PROXY FORM:**  
Computershare Investor Services Pty Limited  
GPO Box 242 Melbourne  
VIC 3001 Australia  
Facsimile 61 8 9323 2033

**FOR ALL ENQUIRIES CALL:**  
(within Australia) 1300 557 010  
(outside Australia) 61 3 9415 4000

000001 000 GRR  
MR JOHN SMITH 1  
FLAT 123  
123 SAMPLE STREET  
THE SAMPLE HILL  
SAMPLE ESTATE  
SAMPLEVILLE VIC 3030

 **FOR YOUR VOTE TO BE EFFECTIVE IT MUST BE RECEIVED BY 10.00AM WEDNESDAY 28 NOVEMBER 2007**



YOUR ANNUAL REPORT IS AVAILABLE ONLINE, SIMPLY VISIT:  
**[www.grangeresources.com.au](http://www.grangeresources.com.au)**

- Access your annual report
- Review and update your securityholding

**YOUR SECURE ONLINE ACCESS INFORMATION**

**SRN/HIN:** I1234567890

**POST CODE:** 3030

**!** FOR SECURITY REASONS IT IS  
IMPORTANT THAT YOU KEEP  
YOUR SRN/HIN CONFIDENTIAL.

**HOW TO COMPLETE THIS PROXY FORM** *Please read these notes prior to completion of the voting form.*

**VOTES ON ITEMS OF BUSINESS**

**Voting 100% of your holding.** You may direct your proxy how to vote by placing a mark in one of the boxes opposite each item of business. All your securities will be voted in accordance with such a direction. If you do not mark any of the boxes on a given item, your proxy may vote as he or she chooses. If you mark more than one box on an item your vote on that item will be invalid.

**Voting a portion of your holding.** You may indicate only a portion of voting rights are to be voted on any item by inserting the percentage or number of securities you wish to vote in the appropriate box or boxes. The sum of the votes cast on each item or the percentages for and against an item must not exceed your voting entitlement or 100%.

**A proxy need not be a securityholder of the Company.**

**APPOINTMENT OF A SECOND PROXY**

You are entitled to appoint up to two proxies to attend the meeting and vote on a poll. If you appoint two proxies you must specify the proportion or number of votes each proxy may exercise, otherwise each proxy may exercise half of the votes. Fractions of votes will be disregarded. A separate Proxy Form should be used for each proxy. You can obtain additional forms by telephoning the company's share registry or you may copy this form. If you lodge two proxies please lodge both forms together.

**SIGNING INSTRUCTIONS**

**Individual:** where the holding is in one name, the holder must sign.

**Joint Holding:** where the holding is in more than one name, all of the securityholders should sign.

**Power of Attorney:** to sign under Power of Attorney, you must have already lodged this document with the registry. If you have not previously lodged this document for notation, please attach a certified photocopy of the Power of Attorney to this form when you return it.

**Companies:** Where the company has a Sole Director who is also the Sole Company Secretary, this form must be signed by that person. If the company (pursuant to section 204A of the Corporations Act 2001) does not have a Company Secretary, a Sole Director can also sign alone. Otherwise this form must be signed by a Director jointly with either another Director or a Company Secretary. Please indicate the office held by signing in the appropriate place.

If a representative of a corporate securityholder or proxy is to attend the meeting the appropriate "Certificate of Appointment of Corporate Representative" should be produced prior to admission. A form of the certificate may be obtained by telephoning the company's share registry or at [www.computershare.com](http://www.computershare.com).

**LODGEMENT OF A PROXY FORM.** This Form (and any Power of Attorney under which it is signed) must be received at an address given above no later than 48 hours before the commencement of the meeting at 10.00am (WST), Friday, 30 November 2007. Any Proxy Form received after that time will not be valid for the scheduled meeting.

## STEP 1 APPOINT A PROXY TO VOTE ON YOUR BEHALF

I/We being a member/s of Grange Resources Limited hereby appoint

the Chairman of the Meeting OR

 Please leave this box blank if you have selected the Chairman of the Meeting. Do not insert your own name(s).

or failing the individual or body corporate named, or if no individual or body corporate is named, the Chairman of the Meeting, as my/our proxy to act generally at the meeting on my/our behalf and to vote in accordance with the following directions (or if no directions have been given, as the proxy sees fit) at the Annual General Meeting of Grange Resources Limited to be held at QBE House, Level 11 200 St Georges Terrace, Perth, Western Australia on Friday, 30 November 2007 at 10.00am (WST) and at any adjournment of that meeting.

## STEP 2 ITEMS OF BUSINESS

**PLEASE NOTE:** If you mark the **Abstain** box for a particular item, you are directing your proxy not to vote on your behalf on a show of hands or on a poll and your votes will not be counted in computing the required majority on a poll.

	For	Against	Abstain
Item 1 Adoption of Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Item 2 Re-election of a Director - Mr Anthony Bohnenn	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Item 3 Re-election of a Director - Mr Douglas Stewart	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

The Chairman of the Meeting intends to vote undirected proxies in favour of each item of business.

## SIGN SIGNATURE OF SECURITYHOLDER(S) *This section must be completed.*

Individual or Securityholder 1

Sole Director and Sole Company Secretary

Securityholder 2

Director

Securityholder 3

Director/Company Secretary



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IND

00001 000 GRR  
MR JOHN SMITH 1  
FLAT 123  
123 SAMPLE STREET  
THE SAMPLE HILL  
SAMPLE ESTATE  
SAMPLEVILLE VIC 3030

**Change of name and/or address.** If your name and/or address is incorrect, please mark this box and make the correction on this form. Securityholders sponsored by a broker (reference number commences with 'X') should advise your broker of any changes. *Please note, you cannot change ownership of your securities using this form.*

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<input checked="" type="checkbox"/> Access your annual report  <input checked="" type="checkbox"/> Review and update your securityholding	<p><b>YOUR SECURE ONLINE ACCESS INFORMATION</b></p> <p><b>SRN/HIN:</b> _____</p> <p><b>POST CODE:</b> _____</p> <p><b>! FOR SECURITY REASONS IT IS IMPORTANT THAT YOU KEEP YOUR SRN/HIN CONFIDENTIAL.</b></p>

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**Voting a portion of your holding.** You may indicate only a portion of voting rights are to be voted on any item by inserting the percentage or number of securities you wish to vote in the appropriate box or boxes. The sum of the votes cast on each item or the percentages for and against an item must not exceed your voting entitlement or 100%.

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If a representative of a corporate securityholder or proxy is to attend the meeting the appropriate "Certificate of Appointment of Corporate Representative" should be produced prior to admission. A form of the certificate may be obtained by telephoning the company's share registry or at [www.computershare.com](http://www.computershare.com).

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## STEP 1 APPOINT A PROXY TO VOTE ON YOUR BEHALF

I/We being a member/s of Grange Resources Limited hereby appoint

the Chairman of the Meeting OR

 Please leave this box blank if you have selected the Chairman of the Meeting. Do not insert your own name(s).

or failing the individual or body corporate named, or if no individual or body corporate is named, the Chairman of the Meeting, as my/our proxy to act generally at the meeting on my/our behalf and to vote in accordance with the following directions (or if no directions have been given, as the proxy sees fit) at the Annual General Meeting of Grange Resources Limited to be held at QBE House, Level 11 200 St Georges Terrace, Perth, Western Australia on Friday, 30 November 2007 at 10.00am (WST) and at any adjournment of that meeting.

## STEP 2 ITEMS OF BUSINESS

**PLEASE NOTE:** If you mark the **Abstain** box for a particular item, you are directing your proxy not to vote on your behalf on a show of hands or on a poll and your votes will not be counted in computing the required majority on a poll.

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Item 2 Re-election of a Director - Mr Anthony Bohnenn	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Item 3 Re-election of a Director - Mr Douglas Stewart	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

The Chairman of the Meeting intends to vote undirected proxies in favour of each item of business.

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Sole Director and Sole Company Secretary

Securityholder 2

Director

Securityholder 3

Director/Company Secretary



IND

00002 000 GRRR  
MR JOHN SMITH 1  
FLAT 123  
123 SAMPLE STREET  
THE SAMPLE HILL  
SAMPLE ESTATE  
SAMPLEVILLE VIC 3030

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