



GRANGE
RESOURCES

Australia's
leading
magnetite
producer

**Notice of
Annual General Meeting**
and
Explanatory Statement
and
Proxy Form

Date of Meeting: Tuesday 10 May 2011

Time of Meeting: 10.00 am (WST)

Place of Meeting: QV1 Conference Centre
Level 2
QV1 Building
250 St Georges Terrace
Perth 6000
Western Australia

This Notice of Annual General Meeting and accompanying Explanatory Memorandum and Proxy Form 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. Should you wish to discuss any matters referred to in this document, please contact the Company Secretary by telephone on +61 8 9327 7901.

GRANGE RESOURCES LIMITED
ACN 009 132 405

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the Annual General Meeting of Grange Resources Limited (**Grange** or **Company**) will be held at QV1 Conference Centre Level 2, QV1 Building, 250 St Georges Terrace, Perth WA 6000 at 10.00 am (WST) on Tuesday, 10 May 2011 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 at the Meeting.

The Directors have determined pursuant to regulation 7.11.37 of the Corporations Regulations 2001 (Cth) that the persons eligible to vote at the Meeting are those who are registered as Shareholders on 6 May 2011 at 10.00 am (WST).

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 as contained in the Explanatory Memorandum.

AGENDA

ITEM 1 – ANNUAL REPORT

To receive and consider the financial report, the Directors' Report and the Auditor's Report of the Company and its controlled entities for the year ended 31 December 2010.

ITEM 2 – RESOLUTION 1

– Remuneration Report

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

“That the Remuneration Report of the Company for the year ended 31 December 2010 be adopted.”

ITEM 3 – RESOLUTION 2

– Re-election of Mr Neil Chatfield as Director

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

“That Mr Neil Chatfield, 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 Mr Clement Ko as Director

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

“That Mr Clement Ko 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 5 – RESOLUTION 4

– Approval of Grant of Performance Rights to the Managing Director, Mr Russell Clark

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 10.14 and for all other purposes, Shareholders approve and authorise the Directors to grant 579,218 rights (each to acquire one Share in the capital of the Company) for nil consideration to Mr Russell Clark, and to allot and issue Shares on the vesting of those rights, in accordance with the Grange Resources Limited Long Term Incentive Plan and otherwise on the terms and conditions set out in the Explanatory Memorandum.”

Voting Exclusion:

In accordance with Listing Rules 10.13 and 14.11, the Company will disregard any votes cast on this resolution by any Director (except one who is ineligible to participate in any Employee Incentive Scheme in relation to the Company) or any of his Associates.

However, the Company need not disregard a vote if it is cast by any Director as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form, or it is cast by any Director chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

PROXY INSTRUCTIONS

ITEM 6 – RESOLUTION 5

– Issue of securities under the Grange Resources Limited Long Term Incentive Plan

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

“That, for the purposes of Listing Rule 7.2 Exception 9(b) and for all other purposes, Shareholders approve and authorise the Directors of the Company to:

- (a) grant options and rights to acquire shares in the capital of the Company; and*
- (b) issue shares in the capital of the Company pursuant to those options and rights,*

from time to time, under the Grange Resources Limited Long Term Incentive Plan, on the terms and conditions summarised in Schedule 1 of the Explanatory Memorandum, as an exception to Listing Rule 7.1.”

Voting Exclusion:

In accordance with Listing Rules 7.2 exception 9(b) and 14.11, the Company will disregard any votes cast on this resolution by the Directors of the Company (except those who are ineligible to participate in any Employee Incentive Scheme in relation to the entity and any of their Associates.

However, the Company need not disregard a vote if it is cast by a person 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 the person 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 the 8th day of April 2011

BY ORDER OF THE BOARD



Pauline Carr
Company Secretary

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 completed and posted to Computershare Investor Services Pty Limited GPO Box 242 Melbourne Victoria 3001 Australia. Alternatively you can fax your form to (within Australia) 1800 783 447 or (outside Australia) +61 3 9473 2555 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 of Annual General Meeting.

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 Pty Ltd, 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 or on request by contacting Computershare Investor Services Pty Ltd on telephone number on 1300 850 505 (within Australia) or +61 3 9415 4000 (outside Australia).

EXPLANATORY MEMORANDUM

This Explanatory Memorandum has been prepared for the information of Shareholders of Grange Resources Limited (**Grange or Company**) in connection with the business to be conducted at the Meeting to be held at the QV1 Conference Centre Level 2, QV1 Building, 250 St Georges Terrace, Perth WA 6000 at 10.00 am (WST) on Tuesday 10 May 2011.

The purpose of this Explanatory Memorandum is to provide information which the Directors believe to be material to Shareholders in deciding whether or not to pass the resolutions accompanying the Notice of Annual General Meeting.

This Explanatory Memorandum should be read in conjunction with the accompanying Notice of Annual General Meeting.

1. ANNUAL REPORT

The Corporations Act requires the financial report, directors' report and auditor's report to be laid before the Company's Annual General Meeting. There is no requirement in either the Corporations Act or the Constitution for Shareholders to vote on, approve or adopt these reports.

Shareholders will be offered the following opportunities:

- (a) to discuss these reports and ask questions or make comment on these reports and on the business, operations and management of the Company; and
- (b) 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 the financial statements, and the independence of the auditor in relation to the conduct of the audit.

In addition to taking questions at the Annual General Meeting, written questions to the Chairman of the Annual General Meeting, or to the Company's auditor on the above matters may be submitted no later than five business days before the Annual General Meeting to the Company Secretary at the Company's registered office.

2. RESOLUTION 1

– Remuneration Report

The Annual Report for the year ended 31 December 2010 contains the 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 30 to 36 of the Company's Annual Report, which is on the Company's website at www.grangeresources.com.au

Section 250R(2) of the Corporations Act requires the Remuneration Report to be adopted at the Meeting by a resolution. Whilst there is a requirement for a formal resolution, the resolution is advisory only and does not bind the Company. Therefore, of itself, a failure of Shareholders

to pass Resolution 1 will not require the Directors to alter any of the arrangements in the Remuneration Report however the Board will take the outcome of the vote into consideration when considering the Company's remuneration policy.

The Chairman of the Annual General Meeting will allow a reasonable opportunity for Shareholders as a whole to ask about, or make comments on, the Remuneration Report.

3. RESOLUTION 2

– Re-election of Mr Neil Chatfield as a Director

Mr Chatfield is required to resign under the Director rotation provisions of article 10.3 of the Company's Constitution. Under these provisions one third of the Directors retire from office at each Annual General Meeting. The retiring Director however, if eligible, may offer himself for re election.

Therefore, in accordance with the Constitution of the Company, Mr Chatfield retires and, being eligible, offers himself for re-election.

Mr Chatfield is an experienced executive and non-executive Director and has over 30 years experience in the resources and transport sectors. He has extensive experience in financial management, capital markets, mergers and acquisitions and risk management. Mr Chatfield is currently a non-executive Director of Seek Limited (since 2005), non-executive Director of Whitehaven Coal (since 2007), Transurban Group (since 2009) and non-executive chairman of Virgin Blue Holdings Limited (since June 2007) Mr Chatfield was previously a Director of Toll Holdings Limited from 1998 to September 2008.

Mr Chatfield is Deputy Chairman of the Company and is a member of the Audit Committee and Chairman of the Remuneration and Nomination Committee.

Directors' Recommendation

The Board, other than Mr Chatfield, recommends that Shareholders vote in favour of Resolution 2.

4. RESOLUTION 3

– Re-election of Mr Clement Ko as a Director

Mr Ko is required to resign under the Director rotation provisions of article 10.3 of the Company's Constitution. Under these provisions one third of the Directors retire from office at each Annual General Meeting. The retiring Director however, if eligible, may offer himself for re election

Therefore, in accordance with the Constitution of the Company Mr Ko retires and, being eligible, offers himself for re-election.

Mr Ko is the Chairman and sole shareholder of Pacific Minerals Limited, the sole member of Pacific International Co Pty Ltd (one of the current shareholders of Grange). Prior to founding Pacific Minerals Limited, Mr Ko worked for BHP Billiton (China) Ltd as a senior regional marketing manager. Mr Ko has more than 18 years of experience in the mining sector with extensive experience in marketing and sales

Directors' Recommendation

The Board, other than Mr Ko, recommends that Shareholders vote in favour of Resolution 3.

5. RESOLUTION 4

– Approval of grant of Performance Rights to the Managing Director, Mr Russell Clark

Resolution 4 seeks Shareholder approval to the grant of up to 579,218 Performance Rights to Mr Clark, on the terms and conditions set out in this Explanatory Memorandum.

5.1 Background to the Grant of Performance Rights

The purpose of the proposed grant of the Performance Rights to Mr Clark is to provide an appropriate remuneration strategy and incentive for Mr Clark to assist the Company to achieve prescribed performance milestones and to assist the Company to retain the services of Mr Clark.

Mr Clark will only benefit from the grant of the Performance Rights if the relevant performance conditions attaching to the Performance Rights are fulfilled and he is issued with Shares on vesting of the Performance Rights.

The Performance Rights proposed to be granted Mr Clark reflect the level of commitment to be provided by Mr Clark to the Company in assisting the Company to achieve certain specified performance objectives, taking into account the responsibilities of Mr Clark and the time commitment required from him. The Performance Rights to be granted to Mr Clark also reflect the value the Board believes Mr Clark brings to the enhancement of the Company and the relative importance of the performance objectives set by the Company.

The Board considers it appropriate for part of Mr Clark's remuneration package to comprise non-cash, incentive based remuneration. If Shareholders approve Resolution 4 the Performance Rights will be granted no later than three months after the date of the Meeting, however, the Performance Rights will only vest if the performance conditions attaching to the Performance Rights are met.

The proposed grant of 579,218 performance rights to Mr Clark pertains to the 12 month period from 1 January 2011 to 31 December 2011 and is aligned with the Company's new financial year.

5.2 Key Details of the Performance Rights

It is proposed that Mr Clark is to be granted 579,218 Performance Rights by the Company on the following key terms:

Tranche	Number of Performance Rights	Vesting Date	Performance Conditions	Expiry Date
1	193,072	on or around February 2012	the vesting of up to 50% of the Performance Rights for each tranche will be dependent on the Board's assessment of Mr Clark's performance against his personal performance goals for the relevant financial year; and, the vesting of up to 50% of the Performance Rights for each tranche will be dependent on the Board's assessment of the Company's performance against its goals for the relevant financial year.	31 December 2013
2	193,073	on or around February 2013		31 December 2014
3	193,073	on or around February 2014		31 December 2015

The precise vesting date for each tranche of Performance Rights will be determined once the Board has assessed Mr Clark's performance against his personal performance goals and the Company's performance against its goals, following the end of each financial year.

The precise number of Performance Rights that will vest in each tranche will be dependent on the Board's assessment of Mr Clark's performance against his personal performance goals and the performance of the Company. Mr Clark's personal performance goals and the criteria for assessing the performance of the Company will be determined by the Board at the start of each financial year. The other terms and conditions of the Performance Rights are summarised in Schedule 1 to this Explanatory Memorandum.

5.3 Listing Rule 10.14

Listing Rule 10.14 provides, in essence, that the approval of Shareholders by ordinary resolution is required before any of the following persons can acquire securities under an employee incentive scheme:

- (a) a director;
- (b) an associate of a director; or
- (c) a person whose relationship with the Company or a person referred to in paragraph (a) or (b) above is, in ASX's opinion, such that approval should be obtained.

Mr Clark is a Director of the Company for the purpose of Listing Rule 10.14. Accordingly, in order for Mr Clark to acquire the Performance Rights and Shares on the vesting of the Performance Rights under the LTIP, the Company must obtain Shareholder approval pursuant to Listing Rule 10.14.

5.4 Disclosure Requirements

Listing Rule 10.15 sets out a number of matters which must be included in a notice of meeting seeking Shareholder approval under Listing Rule 10.14.

In accordance with Listing Rule 10.15, the following information is disclosed to Shareholders in relation to Resolution 4:

- (a) Mr Clark is a Director of the Company;
- (b) the maximum number of Performance Rights that may be granted to Mr Clark for whom approval is required is 579,218 Performance Rights. If all 579,218 Performance Rights vest, Mr Clark will be entitled to 579,218 Shares;
- (c) the Performance Rights will be granted to Mr Clark as an incentive, for no cash consideration. Any Shares issued on exercise of the Performance Rights will be issued for no cash consideration. Accordingly, no funds will be raised by the grant of the Performance Rights or any subsequent issue of Shares to Mr Clark on exercise of those Performance Rights;
- (d) no Director or Associate of a Director of the Company has received securities under the LTIP since the Company last obtained Shareholder approval;
- (e) as at the date of lodgement of this Notice, Mr Clark is the only Director who is entitled to participate in the LTIP;
- (f) the Performance Rights will be granted no later than 3 months after the date of the Meeting and it is anticipated that the allotment will be on one date;
- (g) the Performance Rights to be granted to Mr Clark will not be quoted on ASX. Any Shares issued to Mr Clark on exercise of those Performance Rights will rank equally in all respects with all other Shares in the Company and the Company will apply for the Shares to be quoted on ASX;
- (h) the proposed grant of Performance Rights to Mr Clark will be made pursuant to the terms and conditions set out in section 5.2 of this Explanatory Memorandum and the terms and conditions of the LTIP as summarised in Schedule 1 to this Explanatory Memorandum;
- (i) details of any securities issued under the LTIP will be published in each annual report of the Company relating to the period in which the securities were issued; and
- (j) a voting exclusion statement in respect of Resolution 4 is in both the Notice and section 5.6 of this Explanatory Memorandum.

5.5 Directors' Recommendation

Mr Clark declines to make a recommendation to Shareholders in relation to Resolution 4 due to his material personal interest in the outcome of the Resolution. The other Directors, who do not have a material interest in the outcome of Resolution 4, recommend that Shareholders vote in favour of Resolution 4 for the reasons set out in section 5.1 of this Explanatory Memorandum.

5.6 Voting Exclusion Statement

In accordance with Listing Rules 10.13 and 14.11, the Company will disregard any votes cast on this Resolution by any Director (except one who is ineligible to participate in any employee incentive scheme in relation to the Company) or any of his Associates.

However, the Company need not disregard a vote if it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form, or it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

6. RESOLUTION 5

– Issue of Securities Under the Grange Resources Limited Long Term Incentive Plan

(a) Background

Resolution 5 seeks refreshment of a previous Shareholder approval, last granted by Shareholders at the Company's Annual General Meeting on 28 November 2008, authorising the Directors to:

- (i) grant Options and Rights to acquire Shares; and
- (ii) issue Shares pursuant to those Options and Rights,

under the Grange Resources Limited Long Term Incentive Plan (**LTIP**) so that they are excluded from Listing Rule 7.1 (see section 6(b) below).

The objective of the LTIP is to assist in the recruitment, reward, retention and motivation of employees and officers of the Company and any subsidiary.

(b) Listing Rule 7.1

Rule 7.1 of the ASX Listing Rules prohibits (subject to specified exceptions) a listed company from issuing or agreeing to issue equity securities equal to more than 15% of its ordinary capital in any 12 month period without the approval of holders of ordinary shares (the **15% Limit**).

Rule 7.2 exception 9 of the ASX Listing Rules permits securities issued under an employee incentive scheme to be excluded from the 15% Limit where the issue of securities under the scheme is approved by Shareholders within 3 years before their date of issue.

The effect of the approval sought by Resolution 5 will be that Options and Rights granted (and Shares issued pursuant to those Options and Rights) under the LTIP during the 3 years after the date of the Meeting will not be counted as reducing the number of securities which the Company can issue without Shareholder approval under the 15% Limit.

Shareholders should note that 6,990,000 Options and 1,748,572 Rights have been granted under the LTIP as at the date of this Explanatory Memorandum. Any grant to Directors of Options or Rights to acquire Shares will require separate Shareholder approval.

A summary of the terms of the rules of the LTIP are set out in Schedule 1 of this Explanatory Memorandum.

The full terms of the LTIP rules may be inspected during normal business hours at the Company's registered office.

(c) Voting Exclusion Statement

In accordance with Listing Rules 7.2 exception 9(b) and 14.11, the Company will disregard any votes cast on this resolution by the Directors of the Company (except those who are ineligible to participate in any Employee Incentive Scheme in relation to the entity) and any of their Associates.

However, the Company need not disregard a vote if it is cast by a person 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 the person 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.

(d) Directors' Recommendation

The Board, with the exception of executive Directors who are participants in the LTIP, recommend that Shareholders vote in favour of Resolution 5.

SCHEDULE 1 - SUMMARY OF THE TERMS OF THE LTIP

1. Participants

The rules of the LTIP enable participation by Eligible Employees as determined by the Board. Such Eligible Employees will be offered the opportunity to acquire Rights and/or Options.

2. Rights and Options

The Rights and Options enable Participants to acquire ordinary Shares in the Company. The Board has the discretion to determine the terms and conditions of an offer of Rights and Options under the LTIP, including any Vesting Conditions, disposal restrictions and exercise price. A Participant does not have a legal or beneficial interest in any Shares by virtue of acquiring or holding Rights or Options.

3. Vesting Conditions

Rights and Options offered under the LTIP may be subject to Vesting Conditions as determined by the Board and specified in the relevant offer documents that are provided to Eligible Employees. The Board has discretion to waive Vesting Conditions.

4. Renouncing of offer

Subject to the approval of the Board, Eligible Employees may renounce an offer under the LTIP in favour of certain associated persons including their spouse and the trustee of a superannuation fund in which they are a member or such other person as the Board in its discretion determines. Rights and Options cannot be transferred without the prior approval of the Board.

5. Vested Rights and Options

Rights and Options automatically become vested if the Vesting Conditions set out in the offer have been satisfied. The Company will give Participants a notice for those Rights and Options in respect of which the Vesting Conditions have been satisfied, noting the number of vested Options or, in respect of Rights, Shares to be transferred to the Participant. The Board will determine whether those vested Options or Shares will be transferred or issued to the Participant directly, or acquired or retained on the Participant's behalf by a trustee of a trust set up by the Board. The Board may at any time set up a trust for the purposes of the LTIP, including to acquire and hold Shares.

6. Change of control

If a change of control transaction occurs, the Board has certain discretions under the LTIP rules in determining how unvested Rights and Options will be dealt with.

7. Forfeiture of Rights and Options

When granting Rights or Options, the Board may determine that the Rights or Options are subject to the forfeiture rules in the LTIP for up to 7 years from the date the Rights or Options are granted. Rights, Options, Shares and other entitlements under the LTIP will be forfeited if the Board determines that the Participant has committed any act of fraud, defalcation or gross misconduct in relation to the Company's or a related body corporate's affairs. The Board has discretion to sell, transfer or dispose of forfeited Shares, and may determine how any proceeds from such disposals are to be applied. The Board may also determine that the Options, Rights or Shares are no longer subject to these forfeiture rules.

8. 5% cap

The number of Shares which may be issued under the LTIP in any 5 year period is subject to a cap of 5% of the Company's issued share capital, calculated in accordance with the LTIP rules.

9. Adjustments

The Rights and Options are subject to adjustments as to the number of Shares the subject of each Right or Option in the event of capital reorganisations, bonus issues or rights issues. Any exercise price of Options or Rights is also subject to adjustments in the event of rights issues.

10. Attorney

Each Participant appoints the Company and other specified persons as his/her attorney to give effect to the LTIP rules.

11. Adjustment and amendment of rules

Subject to certain limitations, the Board has the ability to amend the LTIP rules at any time.

GLOSSARY

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

\$	means Australian dollars.
WST	means Western Australian Standard time.
Associate	means An 'associate' as defined in section 9 of the Corporations Act, except that a reference to "Associate" in relation to a Listing Rule has the meaning given to it in Listing Rule 14.11.
ASX	means ASX Limited ACN 008 624 691.
Board	means the Board of Directors from time to time.
Company or Grange	means Grange Resources Limited ACN 009 132 405.
Corporations Act	means the Corporations Act 2001 (Cth).
Director	means a Director of the Company from time to time.
Eligible Employee	means an employee of the Company or a related body corporate (as defined in the Corporations Act) of the Company, including executive Directors, or such other person as the Board, in its discretion, determines.
Explanatory Memorandum	means this explanatory memorandum.
Listing Rules	means the listing rules of the ASX and any other rules of ASX which are applicable while the Company is admitted to the official list, each as amended from time to time, except to the extent of any express written waiver by ASX.
LTIP	means the Grange Resources Limited Long Term Incentive Plan.
Meeting and General Meeting	means the general meeting of Shareholders convened by the Notice of General Meeting.
Notice and Notice of Annual General Meeting	means the notice of annual general meeting which accompanies this Explanatory Memorandum.
Option	means an option to acquire a Share granted pursuant to the LTIP.
Participant	means an Eligible Employee or nominee to whom a Right or an Option has been granted under the LTIP
Performance Right	means an entitlement to one Share, subject to vesting and satisfaction of any performance conditions, granted in accordance with the LTIP.
Related Party	means a related party as defined in section 228 of the Corporations Act.
Resolution	means a resolution contained in the Notice.
Right	means a right to acquire a Share granted pursuant to the LTIP.
Share	means a fully paid ordinary share in the capital of the Company.
Shareholder	means a holder of a Share.
Vesting Conditions	means one or more conditions, including time or performance conditions, as determined by the Board in its discretion and advised to a Participant at the time the Rights or Options are granted.

Lodge your vote:

 **Online:**
www.investorvote.com.au

 **By Mail:**
Computershare Investor Services Pty Limited
GPO Box 242 Melbourne
Victoria 3001 Australia

Alternatively you can fax your form to
(within Australia) 1800 783 447
(outside Australia) +61 3 9473 2555

For Intermediary Online subscribers only
(custodians) www.intermediaryonline.com

For all enquiries call:
(within Australia) 1300 850 505
(outside Australia) +61 3 9415 4000

000001 000 GRR
MR SAM SAMPLE
FLAT 123
123 SAMPLE STREET
THE SAMPLE HILL
SAMPLE ESTATE
SAMPLEVILLE VIC 3030

Proxy Form



Vote online or view the annual report, 24 hours a day, 7 days a week:

www.investorvote.com.au

- Cast your proxy vote**
- Access the annual report**
- Review and update your securityholding**

Your secure access information is:

Control Number: 999999

SRN/HIN: 1999999999

PIN: 99999



PLEASE NOTE: For security reasons it is important that you keep your SRN/HIN confidential.

 **For your vote to be effective it must be received by 10.00am (WST) Sunday 8 May 2011**

How to Vote on Items of Business

All your securities will be voted in accordance with your directions.

Appointment of Proxy

Voting 100% of your holding: Direct your proxy how to vote by marking one of the boxes opposite each item of business. If you do not mark a box your proxy may vote as they choose. If you mark more than one box on an item your vote will be invalid on that item.

Voting a portion of your holding: Indicate a portion of your voting rights by inserting the percentage or number of securities you wish to vote in the For, Against or Abstain box or boxes. The sum of the votes cast must not exceed your voting entitlement or 100%.

Appointing 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 percentage of votes or number of securities for each proxy, otherwise each proxy may exercise half of the votes. When appointing a second proxy write both names and the percentage of votes or number of securities for each in Step 1 overleaf.

A proxy need not be a securityholder of the Company.

Signing Instructions for Postal Forms

Individual: Where the holding is in one name, the securityholder must sign.

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

Power of Attorney: If you have not already lodged the Power of Attorney with the registry, 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 sign in the appropriate place to indicate the office held. Delete titles as applicable.

Attending the Meeting

Bring this form to assist registration. If a representative of a corporate securityholder or proxy is to attend the meeting you will need to provide the appropriate "Certificate of Appointment of Corporate Representative" prior to admission. A form of the certificate may be obtained from Computershare or online at www.investorcentre.com under the information tab, "Downloadable Forms".

Comments & Questions: If you have any comments or questions for the company, please write them on a separate sheet of paper and return with this form.

**GO ONLINE TO VOTE,
or turn over to complete the form** →

MR SAM SAMPLE
 FLAT 123
 123 SAMPLE STREET
 THE SAMPLE HILL
 SAMPLE ESTATE
 SAMPLEVILLE VIC 3030

Change of address. If incorrect, mark this box and make the correction in the space to the left. Securityholders sponsored by a broker (reference number commences with 'X') should advise your broker of any changes.



I 9999999999

I ND

Proxy Form

Please mark to indicate your directions

STEP 1 Appoint a Proxy to Vote on Your Behalf

XX

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

the Chairman of the Meeting **OR**



PLEASE NOTE: 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 the QV1 Conference Centre, Level 2 QV1 Building, 250 St Georges Terrace, Perth WA 6000 on Tuesday, 10 May 2011 at 10.00am (WST) and at any adjournment of that meeting.

Important for Resolutions 4 and 5: If the Chairman of the Meeting is your proxy and you have not directed him/her how to vote on Resolutions 4 and 5 below, please mark the box in this section. If you do not mark this box and you have not directed your proxy how to vote, the Chairman of the Meeting will not cast your votes on Resolutions 4 and 5 and your votes will not be counted in computing the required majority if a poll is called on these Resolutions. The Chairman of the Meeting intends to vote undirected proxies in favour of Resolutions 4 and 5.

I/We acknowledge that the Chairman of the Meeting may exercise my proxy even if he/she has an interest in the outcome of that Item and that votes cast by him/her, other than as proxy holder, would be disregarded because of that interest.

STEP 2 Items of Business



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

	For	Against	Abstain
Resolution 1 Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 2 Re-election of Mr Neil Chatfield as Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 3 Re-election of Mr Clement Ko as Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 4 Approval of Grant of Performance Rights to the Managing Director, Mr Russell Clark	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 5 Issue of securities under the Grange Resources Limited Long Term Incentive Plan	<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

Contact Name _____

Contact Daytime Telephone _____

Date ____/____/____