



**GRANGE**  
RESOURCES LIMITED  
ABN 80 009 132 405

## STOCK EXCHANGE ANNOUNCEMENT

### APPOINTMENT OF MANAGING DIRECTOR AND CHIEF EXECUTIVE OFFICER

5 February 2008

As announced by Grange Resources Ltd. (ASX code:GRR) today, Mr Russell Clark has been appointed as the Company's new Managing Director and Chief Executive Officer, effective from 6<sup>th</sup> March, 2008.

After a comprehensive executive search, the Board has been very pleased to secure a candidate of the calibre of Mr Clarke. Senior, experienced mining executives such as Mr Clarke are in high demand in the domestic and international resources sectors. In formulating Mr Clark's remuneration package, the Board has kept in mind the following key objectives:

- Formulating a package that strongly aligns bonus and incentive payments with long term shareholder returns
- Including appropriate performance hurdles, linked to operational outcomes
- Provide a base level of remuneration reflective of the current market conditions, and sufficient to attract a candidate of the calibre required

The Board considers these objectives to have been achieved in formulating Mr Clark's package. A base level of remuneration broadly in line with the previous Managing Director and wider marketplace has been agreed.

The Board has agreed a set of incentives that will strongly align Mr Clark's Bonus payments with long term wealth creation for Grange shareholders. Mr Clark's bonus payments are contingent upon the commercial production of concentrate and pellets at the Southdown Magnetite and Kemaman Pellet Plant Project. This is an event to which all shareholders in Grange currently look forward.

Similarly, the strike prices on Mr Clarke's Option package are linked to appreciable increases in Grange's future share price – increases of 4%, 52% and 78% respectively.

A sign on bonus of less than 10% of Mr Clark's annual base salary will be paid, which reflects the very tight employment marketplace for senior mining executives.

The Board looks forward to the role Mr Clark will play in leading Grange through the transition to world class DR pellet producer.

The following is a summary of the key terms of Mr Clark's employment contract.

### Salary and superannuation

Salary \$500,000 per annum

Superannuation \$45,000 per annum

### Bonus payments

One-off payment of \$40,000 (less applicable tax) within 7 days of commencement.

One-off payment of \$1,000,000 (less applicable tax) upon the Board being satisfied that the Company has, as part of the Southdown Magnetite and Kemaman Pellet Plant Project, achieved commercial production of magnetite concentrate (subject to any applicable law or regulatory policy).

One-off payment of \$1,000,000 (less applicable tax) upon the Board being satisfied that the Company has, as part of the Southdown Magnetite and Kemaman Pellet Plant Project, achieved commercial production of iron ore pellets (subject to any applicable law or regulatory policy).

### Options

4,500,000 options, including the following terms:

	Number of Options	Vesting Date	Exercise Price	Expiry Date
Tranche 1	1,500,000	6 March 2009	\$2.05	6 March 2012
Tranche 2	1,500,000	6 March 2010	\$3.00	6 March 2012
Tranche 3	1,500,000	6 March 2011	\$3.50	6 March 2012

The issue of these options is subject to shareholder approval which will be sought at the Company's next general meeting.

### Term and termination

Term of 3 years commencing on 6 March 2008

3 months' notice of termination by either the Company or Mr Clark

For further information visit the Grange website at [www.grangeresources.com.au](http://www.grangeresources.com.au) or alternatively contact Neil Marston on + 61 (8) 9321 1118.



**NEIL MARSTON**  
Company Secretary