



GRANGE
RESOURCES LIMITED
ABN 80 009 132 405

STOCK EXCHANGE ANNOUNCEMENT

NOTICE OF GENERAL MEETING

14 June 2006

Grange Resources Limited is pleased to advise the following document is to be dispatched to shareholders today:

- Notice of a General Meeting of shareholders to be held at the Level 11, QBE Insurance House, 200 St George's Terrace, Perth, on Tuesday, 18 July 2006 at 11.00 am (WST).

The Notice of General Meeting, accompanying Explanatory Memorandum and Proxy Form are attached.

For further information visit the Grange website at www.grangeresources.com.au or alternatively contact Mark Smith on + 61 (8) 9321 1118.

MARK SMITH
Company Secretary

GRANGE RESOURCES LIMITED

ABN 80 009 132 405

NOTICE OF EXTRAORDINARY GENERAL MEETING

and

EXPLANATORY MEMORANDUM

and

PROXY FORM

Date of Meeting: 18 July 2006
Time of Meeting: 11.00am (WST)
Place of Meeting: QBE Insurance House
Level 11, 200 St George's Terrace
Perth, Western Australia

This Notice of Extraordinary 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.

GRANGE RESOURCES LIMITED
ABN 80 009 132 405

NOTICE OF EXTRAORDINARY GENERAL MEETING

Notice is hereby given that an Extraordinary General Meeting of Grange Resources Limited ABN 80 009 132 405 ("**Company**") will be held at Level 11, QBE Insurance House, 200 St George's Terrace, Perth, Western Australia at 11.00am (WST) on 18 July 2006 for the purposes of transacting the following business.

The Explanatory Memorandum that accompanies and forms part of this Notice of Extraordinary General Meeting describes the various matters to be considered.

Terms used in this Notice of Extraordinary 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

1. RESOLUTION 1 - AMENDMENT TO THE COMPANY'S CONSTITUTION

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

"That, for the purposes of section 136(2) of the Corporations Act and all other purposes:

- (1) *the Constitution tabled at the meeting (and signed by the Chairman for the purpose of identification) be amended by replacing the wording in Article 12.24 with the following wording:*
- (a) *The Directors may pass a resolution without a meeting of the Directors being held if all the Directors entitled to vote on the resolution assent to a document containing a statement that they are in favour of the resolution set out in the document.*
 - (b) *Separate copies of the document referred to in Article 12.24(a) may be used for assenting to by the Directors if the wording of the resolution and the statement is identical in each copy.*
 - (c) *A Director may signify assent to a document under this Article 12.24 by signing the document or by notifying the Company of the assent of the Director:*
 - (i) *in a manner permitted by Article 18; or*
 - (ii) *by any technology including telephone.*
 - (d) *where a Director signifies assent to a document under Article 12.24(c) other than by signing the document, the Director must by way of confirmation sign the document before or at the next meeting of Directors attended by that Director.*
 - (e) *the resolution the subject of a document under Article 12.24(a) is not invalid if a Director does not comply with Article 12.24(d)."*

2. RESOLUTION 2 – RATIFICATION OF SHARE PLACEMENT

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 7.4 and for all other purposes, the Shareholders hereby approve and ratify the allotment and issue of 8,000,000 Shares at an issue price of \$1.35 per Share to the Placement Investors pursuant to the Placement through Shaw Corporate Finance Pty Ltd and BBY Limited on such terms and conditions referred to in the Explanatory Memorandum."

In accordance with Listing Rule 14.11, the Company will disregard any votes cast on this Resolution by a Placement Investor who received Shares through the Placement with Shaw Corporate Finance Pty Ltd and BBY Limited or any of their Associates. However, the Company need not disregard a vote if it is cast by a Placement Investor who received Shares
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through the Placement with Shaw Corporate Finance Pty Ltd and BBY Limited 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 a representative of a Placement Investor who received Shares through the Placement with Shaw Corporate Finance Pty Ltd and BBY Limited 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 14th DAY OF JUNE 2006
BY ORDER OF THE BOARD

MARK SMITH
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 Extraordinary General Meeting of Shareholders to be held at Level 11, Mt Newman House, 200 St George's Terrace, Perth, Western Australia at 11.00am (WST) on 18 July 2006. This Explanatory Memorandum should be read in conjunction with the accompanying Notice of Extraordinary General Meeting.

1. RESOLUTION 1 – AMENDMENT TO THE COMPANY'S CONSTITUTION

1.1 Background

The Company's current Constitution provides that the Directors may only pass written resolutions if they are signed by all Directors who are in Australia. Given the geographical spread of the current Directors and the increasing necessity for the Directors to undertake overseas travel to progress the development of the Southdown Magnetite Project, there are occasions when a majority of the Directors are not in Australia. In those situations, where it is difficult for Directors to schedule Board meetings it is not appropriate for a minority of the Directors to pass written resolutions that bind the Company.

The proposed amendment requires that the signatures of all Directors are required in order to pass written resolutions, whether those Directors are located in Australia or overseas. This will ensure that all Directors are required to be involved in all Board decisions without having to convene a Board meeting, which is often difficult when the Directors are interstate or overseas. The proposed amendment is consistent with current market practice for ASX listed companies.

A copy of the proposed Constitution will be sent to any Shareholder upon request. It will also be available for inspection at the Company's registered office during normal business hours prior to the Extraordinary General Meeting and will be tabled at and available for inspection at the Extraordinary General Meeting.

The proposed amended Constitution document available for inspection at the Extraordinary General Meeting will have the proposed changes underlined.

This Resolution is a special resolution and therefore requires the approval of 75% of the votes cast by Shareholders. If the special resolution is passed, the amendments to the Constitution will take effect immediately. If the special resolution is not passed, the existing Constitution will remain in place.

2. RESOLUTION 2 – RATIFICATION OF SHARE PLACEMENT

2.1 Background

On 21 November 2005, the Company completed the allotment and issue of 8,000,000 Shares at \$1.35 per Share to investors through a placement with Shaw Corporate Finance Pty Ltd and BBY Limited. The Placement Investors are excluded investors for the purposes of section 708 of the Corporations Act.

Listing Rule 7.4

Listing Rule 7.4 permits a company to subsequently approve an issue of securities made without approval under Listing Rule 7.1. Resolution 2 has been included in this Notice to preserve the Company's ability to issue further securities (if necessary) under Listing Rule 7.1. The outcome of Resolution 2 will have no effect on the issue of Shares to the Placement Investors as they have already been issued. However, if Resolution 2 is not approved by Shareholders, it will restrict the ability of the Company to issue securities without Shareholder approval until the Company's 15% capacity is replenished, in accordance with Listing Rule 7.1.

Listing Rule 7.1 provides, in summary, that a listed company may not issue equity securities in any 12 month period which exceed 15% of the number of issued securities of the company held at the beginning of the 12 month period, except with the prior approval of Shareholders of the company in general meeting of the precise terms and conditions of the proposed issue.

Listing Rule 7.4 states that an issue of securities made without approval under Listing Rule 7.1 is treated as having been made with approval for the purpose of Listing Rule 7.1 if the issue did not breach Listing Rule 7.1 and Shareholders subsequently approve it.

2.2 Details of the issue

In accordance with Listing Rule 7.5, Shareholders are advised as follows:

- (a) 8,000,000 Shares were issued to the Placement Investors through the Placement on 21 November 2005;
- (b) all the Placement Investors were selected and approved by the Board on the basis that they were excluded investors for the purposes of section 708 of the Corporations Act;
- (c) none of the Placement Investors are Directors or Associates of Directors and none of the Placement Investors are a related party of the Company;
- (d) \$10,800,000.00 in funds was raised from the issue of the Shares before costs of the issue;
- (e) the issue price of the Shares was \$1.35 per Share;
- (f) the funds raised from the issue of the Shares as announced to ASX on 21 November 2005 were to provide funding for the following activities:
 - costs associated with identifying and securing funding for the construction phase of the Southdown Magnetite Project which includes the Albany mine and export facilities and the Kemaman pellet project and port facilities;
 - the evaluation of a number of potential new projects identified by the Company; and
 - the provision of additional working capital for the Company;
- (g) the 8,000,000 Shares issued through the Placement rank equally in all respects with all other Shares in the Company on issue and are listed on ASX.

2.3 Voting Exclusion

In accordance with Listing Rule 14.11, the Company will disregard any votes cast on Resolution 2 by a Placement Investor and by an Associate of a Placement Investor. However, the Company need not disregard a vote if it is cast by a Placement Investor 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 a representative of a Placement Investor 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.

Accordingly, a Placement Investor and Associates of a Placement Investor may not vote on Resolution 2.

3. RECOMMENDATION OF DIRECTORS

The Directors unanimously recommend that Shareholders vote in favour of Resolution 1 and those Directors who are Shareholders intend to vote in favour of Resolution 1 in their capacity as Shareholders.

The Directors unanimously recommend that Shareholders vote in favour of Resolution 2 and those Directors who are Shareholders intend to vote in favour of Resolution 2 in their capacity as Shareholders.

Please also note as disclosed in the proxy form that the Chairman intends to vote all undirected proxies in favour of both Resolutions.

4. GLOSSARY OF TERMS

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

"Associate"	has that meaning given to it by Division 2 of Part 1.2 of the Corporations Act.
"ASX"	means Australian Stock Exchange Limited.
"Board"	means the board of directors from time to time.
"Chairman"	means the chairman of the Meeting.
"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.
"Extraordinary General Meeting" "Meeting"	means the extraordinary general meeting of Shareholders of the Company or any adjournment thereof, convened by the Notice.
"Grange Resources" or "Company"	means Grange Resources Limited ABN 80 009 132 405.
"Notice" or "Notice of Extraordinary General Meeting"	means the notice of extraordinary general meeting which accompanies this Explanatory Memorandum.
"Placement"	means the placement through Shaw Corporate Finance Pty Ltd and BBY Limited on 21 November 2005 of a total of 8,000,000 Shares at an issue price of \$1.35 each to investors to raise \$10,800,000.00 as described in section 2 of the Explanatory Memorandum.
"Placement Investors"	means investors who received Shares through the Placement.
"Resolution"	means a resolution referred to in the Notice.
"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, Mt Newman House, 200 St George's Terrace, Perth Western Australia 6000, facsimile number +61 (8) 9321 1523**, 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.

VOTING ENTITLEMENT

For the purposes of determining voting entitlements at the Extraordinary General Meeting, Shares will be taken to be held by the persons who are registered as holding the Shares at 11.00am (WST) on 18 July 2006. Accordingly, transactions registered after that time will be disregarded in determining entitlements to attend and vote at the Meeting.

GRANGE RESOURCES LIMITED

ABN 80 009 132 405

PROXY FORM

The Company Secretary
Grange Resources Limited
Level 11, Mt Newman House
200 St George's Terrace
PERTH WA 6000

Fax Number: +61 (8) 9321 1523

I/We _____

of _____

being a Shareholder/(s) of Grange Resources Limited ("**Company**") and entitled to _____ Shares

in the Company hereby appoint _____

of _____

or failing him/her _____

of _____

or failing him/her the Chairman as my/our proxy to vote for me/us and on my/our behalf at the Extraordinary General Meeting of the Company to be held at Level 11, Mt Newman House, 200 St George's Terrace, Perth, Western Australia at 11.00am (WST) on 18 July 2006, and at any adjournment thereof in respect of _____ of my/our Shares or, failing any number being specified, **ALL** of my/our Shares in the Company.

If two proxies are appointed, the proportion of voting rights this proxy is authorised to exercise is []%. (An additional proxy form will be supplied by the Company on request.)

If you wish to indicate how your proxy is to vote, please tick the appropriate places below. If no indication is given on a Resolution, the proxy may abstain or vote at his or her discretion.

I/we direct my/our proxy to vote as indicated below:

	FOR	AGAINST	ABSTAIN
Resolution 1 - Amendment to the Company's Constitution	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 2 – Ratification of Share Placement	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Proxies given by a natural person must be signed by each appointing Shareholder or the Shareholder's attorney duly authorised in writing. Proxies given by companies must be executed in accordance with section 127 of the Corporations Act or signed by the appointor's attorney duly authorised in writing. The Chairman intends to vote all undirected proxies in favour of each Resolution.

If you do not wish to direct your proxy how to vote, please place a mark in the box.

By marking this box, you acknowledge that the Chairman may exercise your proxy even if he has an interest in the outcome of the Resolution and votes cast by him other than as proxy holder will be disregarded because of that interest.

As witness my/our hand/s this _____ day of _____ 2006

If a natural person:

SIGNED by:

Signature

Signature (if joint holder)

If a company:

Executed in accordance with section 127 of the
Corporations Act

Signature of Director

Signature of Director / Secretary

If by Power of Attorney:

SIGNED for and on behalf of)
by)
under a Power of Attorney dated)
and who declares that he/she has not)
received any revocation of such Power of Attorney)
in the presence of :)

Signature of Attorney

Signature of Witness