

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

Date of Meeting: Wednesday 7 May 2014

Time of Meeting: 10.00 am (EST)

Place of Meeting: Bayviews Function Centre  
Level 1  
2 North Terrace  
Burnie 7320  
Tasmania

*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 have any questions about this document please contact Computershare on 1300 850 505 (within Australia) or outside Australia +61 3 9415 4000.*

# 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 the Bayviews Function Centre, Level 1, 2 North Terrace, Burnie, Tasmania 7320 at 10.00 am (EST) on Wednesday 7 May 2014 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 Monday 5 May 2014 as at 7pm (EST).

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 – FINANCIAL STATEMENTS AND REPORTS

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 2013.

### ITEM 2 – RESOLUTION 1 – Adoption of Remuneration Report

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

*“That the Remuneration Report of the Company for the year ended 31 December 2013 be adopted.”*

**Note:** If 25% or more of votes that are cast are voted against the adoption of the Remuneration Report at two consecutive Annual General Meetings, Shareholders will be required to vote at the second of those Annual General Meetings on a resolution (a “spill resolution”) that another meeting be held within 90 days at which all of the Company's Directors (other than the Managing Director and CEO) must go up for re-election.

**Voting Exclusion:** Except to the extent otherwise permitted by law, the Company will disregard any vote cast on Resolution 1 (in any capacity) by or on behalf of any member of Key Management Personnel (as identified in the Remuneration Report) (and Closely Related Parties of such members) (collectively referred to as “Prohibited Voter”). However, the Company will not disregard a vote if:

- the Prohibited Voter does so as proxy appointed in writing which specifies how the proxy is to vote on Resolution 1; and
- the vote is not cast on behalf of a Prohibited Voter.

The Company will also not disregard a vote if you do not direct the person chairing the meeting how to vote and you are not a Prohibited Voter. In doing so, you authorise the person chairing the meeting to exercise the proxy even though this resolution is connected directly or indirectly with the remuneration of a Key Management Personnel, and you will be taken to have directed the person chairing the meeting to vote in accordance with his stated intention to vote in favour of this resolution. If you do not want your vote exercised in favour of this resolution you should direct the person chairing the meeting to vote ‘against’, or abstain from voting on, this resolution.

The Company encourages all Shareholders who submit proxies to direct their proxy how to vote on each resolution.

### ITEM 3 – RESOLUTION 2 – Re-election of Mr John Hoon as Director

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

*“That Mr John Hoon, 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 – Election of Ms Michelle Li as Director

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

*“That Ms Michelle Li having been appointed to fill a casual vacancy retires in accordance with article 10.10 of the Company's Constitution and, being eligible, offers herself for re-election, be re-elected as a Director.”*

## ITEM 5 – RESOLUTION 4

### – Election of Mr Dan Tenardi as Director

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

*“That Mr Daniel Tenardi having been appointed to fill a casual vacancy 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.”*

## ITEM 6 – Election of Any Other Director Appointed Prior to the AGM

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

*“That any person appointed as a Director on or after the date of this Notice and prior to the Annual General Meeting, who retires in accordance with article 10.10 of the Company’s Constitution and, being eligible, offers themselves for re-election, be re-elected as a Director.”*

**Note:** Although item 6 is presented in this Notice as a single item of business, if there is more than one Director appointed on or after the date of this Notice and before the AGM, each Director will stand for re-election pursuant to a separate resolution.

**DATED** 4th DAY OF APRIL 2014

**BY ORDER OF THE BOARD**



**Pauline Carr**

Company Secretary

## 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 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.

In addition to voting by fax and post, shareholders may also vote online at [www.investorvote.com.au](http://www.investorvote.com.au)

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](http://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).

### Custodians and Nominees

Intermediary online subscribers only (custodians and nominees) please visit [www.intermediaryonline.com](http://www.intermediaryonline.com) to submit your voting intentions.

# 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 Bayviews Function Centre, Level 1, 2 North Terrace, Burnie, Tasmania 7320 at 10.00 am (EST) on Wednesday 7 May 2014.

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. FINANCIAL STATEMENTS AND REPORTS

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

### – Adoption of Remuneration Report

The Annual Report for the year ended 31 December 2013 contains the Remuneration Report which sets out the remuneration policy for the Company and reports the remuneration arrangements in place for the key management personnel and each director. A copy of the report is set out on pages 35 to 41 of the Company's Annual Report, which is on the Company's website at [www.grangeresources.com.au](http://www.grangeresources.com.au)

Section 250R(2) of the Corporations Act requires that a resolution to adopt the Remuneration Report be put to shareholders at the Annual General Meeting. Whilst there is a requirement for a formal resolution, the resolution is advisory only and does not bind the Company or its directors. However, the Board will take the outcome of the vote into consideration when considering remuneration policy and practices.

The Corporations Amendment (Improving Accountability on Director and Executive Remuneration) Act 2011 (Cth) ("Act") which came into effect on 1 July 2011, incorporates provisions relating to directors' appointment and remuneration matters and proxy voting. Sections 250U to 250Y (among others) give shareholders the opportunity to spill a company's board of directors ("Board spill") if the resolution to approve a company's remuneration report receives "no" votes of 25% or more at two successive Annual General Meetings.

Specifically a 25% or higher "no" vote on the remuneration report resolution at an Annual General Meeting triggers a reporting obligation on a listed company to explain in its next Annual Report how Shareholders' concerns are being addressed. If a 25% or higher "no" vote on the subsequent remuneration report occurs at the next Annual General Meeting, a resolution must be put to Shareholders (a "spill resolution") that another general meeting be convened to consider the election of certain directors (the "spill meeting"). If the spill resolution is carried by an ordinary majority, the spill meeting must be held within 90 days and all Directors that were Directors when the 25% "no" vote was passed will cease to hold office immediately before the spill meeting (except for the Managing Director) and the general meeting will vote on whether those Directors should be re-elected.

The Company does not have any strikes recorded against it.

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

### ***Directors' Recommendation***

The Board recommends that Shareholders vote in favour of Resolution 1.

The Corporations Act prohibits certain persons from voting on this item of business. A voting exclusion statement is set out on page 2 of this Notice. The Company encourages all shareholders who submit proxies to direct their proxy how to vote on the resolution.

### **3. RESOLUTION 2**

#### **– Re-election of Mr John Hoon as a Director**

Mr Hoon 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 Hoon retires and, being eligible, offers himself for re-election.

Mr Hoon has a strong background in financial and audit matters and has an extensive Australian and South East Asian business network across a wide range of sectors. He was previously a Director of Bao Australia Pty Ltd, a subsidiary of China Shanghai Baosteel Corporation which is one of the largest listed companies in China and which has numerous joint ventures with Australian mining companies. In addition Mr Hoon, together with his associates, successfully founded and established Navitas Limited, an Australian listed company providing private business and English language education. Mr Hoon was previously a non-executive Director of Drake Resources Limited from 2011 until 2013.

Mr Hoon is the Chairman of the Audit Committee and a member the Remuneration and Nomination Committee as well as the Health, Safety and Environment Committee. He is also a member of the Committee of Independent Directors.

### ***Directors' Recommendation***

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

### **4. RESOLUTION 3**

#### **– Election of Ms Michelle Li as a Director**

Ms Li was appointed to fill a casual vacancy on to the Board on 29 October 2013. Ms Li is required to resign under the Director retirement provisions of article 10.10 of the Company's Constitution.

Article 10.10 of the Constitution of the Company requires that a Director appointed by the other Directors of the Company retires at the next Annual General Meeting following their initial appointment as a Director. Therefore, in accordance with the Constitution of the Company Ms Li retires and, being eligible, offers herself for re-election.

Ms Li is a mineral processing engineer and metallurgist with over 20 years' experience in the Australian mining sector. Her experience includes senior roles at CITIC Pacific, Rio Tinto and Iluka Resources, as well as a senior project role at the Grange Resources' Southdown project. She has a PhD from the University of Queensland and was previously a non-executive Director of Sherwin Iron Limited from 2012 until 2013.

Ms Li is the Chairman of the Company and is a member of the Audit Committee, the Remuneration and Nomination Committee as well as the Health, Safety and Environment Committee.

### ***Directors' Recommendation***

The Board, other than Ms Li, recommends that Shareholders vote in favour of Resolution 3.

## EXPLANATORY MEMORANDUM *(cont.)*

### 5. RESOLUTION 4

#### – Election of Mr Daniel Tenardi

Mr Tenardi was appointed to fill a casual vacancy on to the Board on 31 March 2014. Mr Tenardi is required to resign under the Director retirement provisions of article 10.10 of the Company's Constitution.

Article 10.10 of the Constitution of the Company requires that a Director appointed by the other Directors of the Company retires at the next Annual General Meeting following their initial appointment as a Director. Therefore, in accordance with the Constitution of the Company Mr Tenardi retires and, being eligible, offers himself for re-election.

Mr Tenardi is an experienced mining executive with over 40 years' experience in the resources sector across a range of commodities including iron ore, gold, bauxite, and copper. He has a wealth of knowledge in managing bulk ore operations and has extensive international networks. Most recently Mr Tenardi was the former CEO of Ngarda Civil & Mining, a contracting company, providing earthmoving, civil engineering and contract mining services to the resource and construction sectors.

Mr Tenardi has also held senior executive and operational roles at CITIC Pacific where he helped develop the largest magnetite iron ore mine in Australia. He was the Managing Director of Bauxite Resources and led the organisation from its initial exploration phase through to the commencement of trial shipments and the securing of strategic partnerships with key Chinese partners. Mr Tenardi has also held senior operational roles at Alcoa, Roche Mining and Rio Tinto.

Mr Tenardi is a non-executive Director of Australia Minerals & Mining Group Ltd, a listed company.

#### **Directors' Recommendation**

The Board, other than Mr Tenardi, recommends that Shareholders vote in favour of Resolution 4.

### 6. – Election of Any Other Director Appointed Prior to the AGM

In the event that the Board appoints any Directors to fill one or more casual vacancies to the Board after the date of this Notice and prior to the 7 May 2014 Annual General Meeting, such Directors will retire under article 10.10 of the Company's Constitution.

Article 10.10 of the Constitution of the Company requires that a Director appointed by the other Directors of the Company will hold office until the conclusion of the next Annual General Meeting following their initial appointment as a Director. Such Directors may offer themselves for re-election at the 7 May 2014 Annual General Meeting.

In the event that such appointments are made, the Company will provide shareholders with information about the Director(s) qualifications, expertise, other directorships and other information so as to enable shareholders to make an informed decision as to their election.

In the event that no such appointments are made, this resolution will not be put to shareholders.

**Note:** Although item 6 is presented in this Notice as a single item of business, if there is more than one Director appointed on or after the date of this Notice and before the AGM, each Director will stand for re-election pursuant to a separate resolution.

#### **Directors' Recommendation**

The Board, as it is comprised as at the date of this Notice, recommends that Shareholders vote in favour of any resolution proposed under this item of business, in the event that a resolution is put to shareholders.

# 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.

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## **EST**

means Eastern Australian Standard time.

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## **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.

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## **ASX**

means ASX Limited ACN 008 624 691.

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## **Board**

means the Board of Directors from time to time.

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## **Closely Related Party**

has the meaning given to it in section 9 of the Corporations Act.

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## **Constitution**

means the Constitution of the Company as amended from time to time.

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## **Company or Grange**

means Grange Resources Limited ACN 009 132 405.

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## **Corporations Act**

means the Corporations Act 2001 (Cth).

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## **Director**

means a Director of the Company from time to time.

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## **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.

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## **Explanatory Memorandum**

means this explanatory memorandum.

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## **Key Management Personnel**

means those persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly, including any Director of the Company.

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## **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.

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## **Meeting and General Meeting**

means the general meeting of Shareholders convened by the Notice of General Meeting.

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## **Notice and Notice of Annual General Meeting**

means the notice of Annual General Meeting which accompanies this Explanatory Memorandum.

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## **Related Party**

means a related party as defined in section 228 of the Corporations Act.

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## **Resolution**

means a resolution contained in the Notice.

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## **Share**


means a fully paid ordinary share in the capital of the Company.

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## **Shareholder**

means a holder of a Share.

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**Lodge your vote:**

**Online:**  
[www.investorvote.com.au](http://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](http://www.intermediaryonline.com)
**For all enquiries call:**  
 (within Australia) 1300 850 505  
 (outside Australia) +61 3 9415 4000

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

## Proxy Form



### Vote and view the annual report online

 Go to [www.investorvote.com.au](http://www.investorvote.com.au) or scan the QR Code with your mobile device.  
 Follow the instructions on the secure website to vote.


### Your access information that you will need to vote:

**Control Number: 999999**
**SRN/HIN: I9999999999 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 (EST) Monday 5 May 2014**

### 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](http://www.investorcentre.com) under the help tab, "Printable 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.



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IND

## 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, and to the extent permitted by law, as the proxy sees fit) at the Annual General Meeting of Grange Resources Limited to be held at Bayviews Function Centre, Level 1, 2 North Terrace, Burnie, TAS on Wednesday 7 May 2014 at 10:00am and at any adjournment or postponement of that Meeting.

**Chairman authorised to exercise undirected proxies on remuneration related resolutions:** Where I/we have appointed the Chairman of the Meeting as my/our proxy (or the Chairman becomes my/our proxy by default), I/we expressly authorise the Chairman to exercise my/our proxy on Item 1 (except where I/we have indicated a different voting intention below) even though Item 1 is connected directly or indirectly with the remuneration of a member of key management personnel, which includes the Chairman.

**Important Note:** If the Chairman of the Meeting is (or becomes) your proxy you can direct the Chairman to vote for or against or abstain from voting on Item 1 by marking the appropriate box in step 2 below.

### 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	Adoption of Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 2	Re-election of Mr John Hoon as Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 3	Election of Ms Michelle Li as Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 4	Election of Mr Daniel Tenardi as Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

The Chairman of the Meeting intends to vote all available 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 \_\_\_\_ / \_\_\_\_ / \_\_\_\_

GRR

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