

Evans Buchanan CHARTERED ACCOUNTANTS

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FACSIMILE TRANSMISSION**TO:****ORGANISATION:** Australian Stock Exchange**FACSIMILE NO.:** 1900 999 279**DATE:** 22 April 2005**FROM:** John Buchanan**NO. OF PAGES:** (including this page)**SUBJECT:****MESSAGE:**

Dear Sir/Madam

Please find following a Form 603 Notice of initial substantial holder.

Should you have any queries, please do not hesitate to contact Fiona Rietbergen.

Yours sincerely



John A Buchanan
Partner

Form 603Corporations Act 2001
Section 671B**Notice of initial substantial holder**To Company Name/Scheme THE REJECT SHOP LIMITEDACN/ARSN 006 182 676**1. Details of substantial holder (1)**Name GRAHGER CAPITAL INVESTMENT PTY LTD
ACN/ARSN (if applicable) 103 733 473The holder became a substantial holder on 22/4/05**2. Details of voting power**

The total number of votes attached to all the voting shares in the company or voting interests in the scheme that the substantial holder or an associate (2) had a relevant interest (3) in on the date the substantial holder became a substantial holder are as follows:

Class of securities (4)	Number of securities	Person's votes (5)	Voting power (6)
ORDINARY FULLY PAID	1,300,000	1,300,000	5.184%

3. Details of relevant interests

The nature of the relevant interest the substantial holder or an associate had in the following voting securities on the date the substantial holder became a substantial holder are as follows:

Holder of relevant interest	Nature of relevant interest (7)	Class and number of securities
GRAHGER CAPITAL INVESTMENT PTY LTD	ON MARKET TRANSACTION	1,300,000

4. Details of present registered holders

The persons registered as holders of the securities referred to in paragraph 3 above are as follows:

Holder of relevant interest	Registered holder of securities	Person entitled to be registered as holder (8)	Class and number of securities
GRAHGER CAPITAL INVESTMENT PTY LTD	GRAHGER CAPITAL INVESTMENT PTY LTD	GRAHGER CAPITAL INVESTMENT PTY LTD	1,300,000

5. Consideration

The consideration paid for each relevant interest referred to in paragraph 3 above, and acquired in the four months prior to the day that the substantial holder became a substantial holder is as follows:

Holder of relevant interest	Date of acquisition	Consideration (9)		Class and number of securities
		Cash	Non-cash	
REFER				
ANNEXURE 1				

6. Associates

The reasons the persons named in paragraph 3 above are associates of the substantial holder are as follows:

Name and ACN/ARSN (if applicable)	Nature of association

7. Addresses

The addresses of persons named in this form are as follows:

Name	Address
GRAHGER CAPITAL	C/- EVANS BUCHANAN, LEVEL 2
INVESTMENT PTY LTD	306 LITTLE COLLINS ST, MELBOURNE 3000

Signature

print name JOHN ALLAN BUCHANAN capacity SECRETARY
 sign here *John Allan Buchanan* date 22 / 4 / 2005

DIRECTIONS

- (1) If there are a number of substantial holders with similar or related relevant interests (eg. a corporation and its related corporations, or the manager and trustee of an equity trust), the names could be included in an annexure to the form. If the relevant interests of a group of persons are essentially similar, they may be referred to throughout the form as a specifically named group if the membership of each group, with the names and addresses of members is clearly set out in paragraph 7 of the form.
- (2) See the definition of "associate" in section 9 of the Corporations Act 2001.
- (3) See the definition of "relevant interest" in sections 608 and 671B(7) of the Corporations Act 2001.
- (4) The voting shares of a company constitute one class unless divided into separate classes.
- (5) The total number of votes attached to all the voting shares in the company or voting interests in the scheme (if any) that the person or an associate has a relevant interest in.
- (6) The person's votes divided by the total votes in the body corporate or scheme multiplied by 100.
- (7) Include details of:
 - (a) any relevant agreement or other circumstances by which the relevant interest was acquired. If subsection 671B(4) applies, a copy of any document setting out the terms of any relevant agreement, and a statement by the person giving full and accurate details of any contract, scheme or arrangement, must accompany this form, together with a written statement certifying this contract, scheme or arrangement; and
 - (b) any qualification of the power of a person to exercise, control the exercise of, or influence the exercise of, the voting powers or disposal of the securities to which the relevant interest relates (indicating clearly the particular securities to which the qualification applies).
 See the definition of "relevant agreement" in section 9 of the Corporations Act 2001.
- (8) If the substantial holder is unable to determine the identity of the person (eg. if the relevant interest arises because of an option) write "unknown".
- (9) Details of the consideration must include any and all benefits, money and other, that any person from whom a relevant interest was acquired has, or may, become entitled to receive in relation to that acquisition. Details must be included even if the benefit is conditional on the happening or not of a contingency. Details must be included of any benefit paid on behalf of the substantial holder or its associate in relation to the acquisitions, even if they are not paid directly to the person from whom the relevant interest was acquired.

GRAHGER CAPITAL INVESTMENT PTY LTD
 CJ- EVANS BUCHANAN
 LEVEL 2
 306 LITTLE COLLINS STREET
 MELBOURNE VIC 3000

ANNEXURE 1

FULLY PAID ORDINARY SHARES IN THE REJECT SHOP

DATE OF ACQUISITION	CONSIDERATION		NO. OF SHARES	CLASS OF SHARES
	CASH	NON CASH		
16/02/2005	\$ 201,803.85	\$ -	66,000	Ordinary fully paid
17/02/2005	\$ 105,929.43	\$ -	34,000	Ordinary fully paid
17/02/2005	\$ 233,778.75	\$ -	75,000	Ordinary fully paid
21/02/2005	\$ 82,621.58	\$ -	25,000	Ordinary fully paid
22/02/2005	\$ 64,258.18	\$ -	19,000	Ordinary fully paid
23/02/2005	\$ 90,996.22	\$ -	27,591	Ordinary fully paid
24/02/2005	\$ 77,710.07	\$ -	23,780	Ordinary fully paid
25/02/2005	\$ 15,126.99	\$ -	4,629	Ordinary fully paid
3/03/2005	\$ 65,538.49	\$ -	20,500	Ordinary fully paid
7/03/2005	\$ 221,546.47	\$ -	69,551	Ordinary fully paid
7/03/2005	\$ 143,573.82	\$ -	44,949	Ordinary fully paid
8/03/2005	\$ 73,853.98	\$ -	23,000	Ordinary fully paid
9/03/2005	\$ 54,101.93	\$ -	17,000	Ordinary fully paid
10/03/2005	\$ 44,338.53	\$ -	14,160	Ordinary fully paid
11/03/2005	\$ 271,883.18	\$ -	85,840	Ordinary fully paid
14/03/2005	\$ 117,304.53	\$ -	37,054	Ordinary fully paid
15/03/2005	\$ 516,102.94	\$ -	162,946	Ordinary fully paid
18/03/2005	\$ 316,673.88	\$ -	100,000	Ordinary fully paid
23/03/2005	\$ 153,313.62	\$ -	50,000	Ordinary fully paid
29/03/2005	\$ 308,599.52	\$ -	100,000	Ordinary fully paid
30/03/2005	\$ 20,763.58	\$ -	7,000	Ordinary fully paid
31/03/2005	\$ 15,735.83	\$ -	5,305	Ordinary fully paid
5/04/2005	\$ 90,573.73	\$ -	31,027	Ordinary fully paid
6/04/2005	\$ 19,443.56	\$ -	6,668	Ordinary fully paid
8/04/2005	\$ 143,283.75	\$ -	50,000	Ordinary fully paid
13/04/2005	\$ 34,801.87	\$ -	12,586	Ordinary fully paid
14/04/2005	\$ 26,947.40	\$ -	10,000	Ordinary fully paid
15/04/2005	\$ 73,046.66	\$ -	27,414	Ordinary fully paid
18/04/2005	\$ 129,508.40	\$ -	50,000	Ordinary fully paid
19/04/2005	\$ 135,591.68	\$ -	50,000	Ordinary fully paid
22/04/2005	\$ 133,215.47	\$ -	50,000	Ordinary fully paid
	\$ 3,981,967.89	\$ -	1,300,000	

This is Annexure 1 of one page referred to in
 Form 603 Notice of initial substantial holder.

Evans Buchanan

22/4/2005