

DE GREY MINING LIMITED

ACN 094 206 292

OFFER DOCUMENT

For a pro rata renounceable entitlement offer to Eligible Shareholders on the basis of 1 New Share for every 1.28 existing Shares held by Eligible Shareholders on the Record Date at an issue price of \$0.05 per New Share to raise approximately \$19,059,921 (before costs) (Offer).

The Offer opens on 29 July 2019 and closes at 5:00pm (AEST) on 7 August 2019 (unless it is lawfully extended). Valid acceptances must be received before that time.

The Offer is fully underwritten by Bell Potter Securities Limited (ACN 006 390 772) (Australian Financial Services Licence No 243480). Refer to Section 7 for details regarding the terms of the Underwriting Agreement.

Applications for New Shares by Eligible Shareholders can only be made by using or following the instructions on an Entitlement and Acceptance Form, as sent with this Offer Document. The Entitlement and Acceptance Form sets out the Eligible Shareholders' Entitlement to participate in the Offer.

Please read the instructions in this Offer Document and on the accompanying Entitlement and Acceptance Form.

This document is not a prospectus and does not contain all of the information that an investor may require in order to make an informed investment decision regarding the New Shares offered by this document.

The New Shares offered by this Offer Document should be considered as speculative.

This Offer Document is not for release to US wire services.

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1. IMPORTANT INFORMATION

No person is authorised to give any information or to make any representation in connection with the Offer which is not contained in this Offer Document. Any information or representation not so contained may not be relied on as having been authorised by the Company in connection with the Offer.

1.1 This document is not a prospectus

This Offer Document is dated 18 July 2019, has been prepared by De Grey Mining Limited and is for a rights issue of continuously quoted securities (as defined in the Corporations Act) of the Company. This Offer Document is not a prospectus under the Corporations Act and has not been lodged with the ASIC. It does not contain all of the information that an investor would find in a prospectus or which may be required in order to make an informed investment decision regarding, or about the rights attaching to, the Shares offered by this document.

This Offer Document including each of the documents attached to it and which form part of this Offer Document are important and should be read in their entirety prior to making an investment decision. In particular, Shareholders should refer to the risk factors set out in Section 6. If you do not fully understand this Offer Document or are in any doubt as to how to deal with it, you should consult your professional adviser.

1.2 Section 708AA of the Corporations Act

This Offer Document has been prepared in accordance with section 708AA of the Corporations Act as modified by ASIC Corporations (Non-Traditional Rights Issue) Instrument 2016/84. In general terms, section 708AA permits certain companies to undertake rights issues without being required to use or provide to shareholders a prospectus or other disclosure document. Accordingly, the level of disclosure in this Offer Document is significantly less than the level of disclosure required in, and what you would expect in, a prospectus. Eligible Shareholders should rely on their own knowledge of the Company, refer to disclosures made by the Company to ASX and consult their professional advisers before deciding to accept the Offer.

1.3 Eligibility

Applications for Shares by Eligible Shareholders can only be made on an original Entitlement and Acceptance Form, as sent with this Offer Document. The Entitlement and Acceptance Form sets out an Eligible Shareholder's Entitlement to participate in the Offer.

1.4 Overseas Shareholders

This Offer Document does not, and is not intended to, constitute an offer in any place or jurisdiction in which, or to any person to whom, it would not be lawful to make such an offer or to issue this Offer Document.

Subject to the below, the Offer is not being extended and Shares will not be issued to Shareholders with a registered address which is outside Australia, New Zealand, Canada (British Columbia, Ontario and Quebec only), Hong Kong and the Netherlands, except to Eligible US Fund Managers in the United States. It is not practicable for the Company to comply with the securities laws of overseas jurisdictions (other than those mentioned above) having regard to the number of overseas Shareholders, the number and value of Shares these Shareholders would be offered and the cost of complying with regulatory requirements in each relevant jurisdiction.

New Zealand

The Entitlements and the New Shares are not being offered to the public within New Zealand other than to existing shareholders of the Company with registered addresses in New Zealand to whom the offer of these securities is being made in reliance on the Financial Markets Conduct Act 2013 and the Financial Markets Conduct (Incidental Offers) Exemption Notice 2016. The offer of New Shares is renounceable in favour of members of the public.

This document has been prepared in compliance with Australian law and has not been registered, filed with or approved by any New Zealand regulatory authority. This document is not a product disclosure statement under New Zealand law and is not required to, and may not, contain all the information that a product disclosure statement under New Zealand law is required to contain.

Canada (British Columbia, Ontario and Quebec)

This document constitutes an offering of Shares only in British Columbia, Ontario and Quebec (the **Provinces**) and to those persons to whom they may be lawfully distributed in the Provinces, and only by persons permitted to sell such Shares. This document is not, and under no circumstances is to be construed as, an advertisement or a public offering of securities in the Provinces. This document may only be distributed in the Provinces to persons that are 'accredited investors' within the meaning of NI 45-106 – Prospectus and Registration Exemptions, of the Canadian Securities Administrators.

No securities commission or similar authority in the Provinces has reviewed or in any way passed upon this document, the merits of the Shares or the offering of the Shares and any representation to the contrary is an offence.

No prospectus has been, or will be, filed in the Provinces with respect to the offering of the New Shares or the resale of such securities. Any person in the Provinces lawfully participating in the offer will not receive the information, legal rights or protections that would be afforded had a prospectus been filed and receipted by the securities regulator in the applicable Provinces. Furthermore, any resale of the New Shares in the Provinces must be made in accordance with applicable Canadian securities laws which may require resales to be made in accordance with exemptions from dealer registration and prospectus requirements. These resale restrictions may in some circumstances apply to resales of the New Shares outside Canada and, as a result, Canadian purchasers should seek legal advice prior to any resale of the New Shares.

The Company, and the directors and officers of the Company, may be located outside Canada, and as a result, it may not be possible for Canadian purchasers to effect service of process within Canada upon the Company or its directors or officers. All or a substantial portion of the assets of the Company and such persons may be located outside Canada, and as a result, it may not be possible to satisfy a judgement against the Company or such persons in Canada or to enforce a judgement obtained in Canadian courts against the Company or such persons outside Canada.

Any financial information contained in this document has been prepared in accordance with Australian Accounting Standards and also comply with International Financial Reporting Standards and interpretations issued by the International Accounting Standards Board. Unless stated otherwise, all dollar amounts contained in this document are in Australian dollars.

Statutory rights of action for damages or rescission

Securities legislation in the Provinces may provide purchasers with, in addition to any other rights they may have at law, rights of rescission or to damages, or both, when an offering memorandum that is delivered to purchasers contains a misrepresentation. These rights and remedies must be exercised within prescribed time limits and are subject to the defences contained in applicable securities legislation. Prospective purchasers should refer to the applicable provisions of the securities legislation of the Provinces for the particulars of these rights or consult with a legal adviser.

The following is a summary of the statutory rights of rescission or to damages, or both, available to purchasers in Ontario. In Ontario, every purchaser of the New Shares purchased pursuant to this document (other than (a) a "Canadian financial institution" or a "Schedule III bank" (each as defined in NI 45-106), (b) the Business Development Bank of Canada or (c) a subsidiary of any person referred to in (a) or (b) above, if the person owns all the voting securities of the subsidiary, except the voting securities required by law to be owned by the directors of that subsidiary) shall have a statutory right of action for damages and/or rescission against the Company if this document or any amendment thereto contains a misrepresentation. If a purchaser elects to exercise the right of action for rescission, the purchaser will have no right of action for damages against the Company. This right of action for rescission or damages is in addition to and without derogation from any other right the purchaser may have at law. In particular, Section 130.1 of the Securities Act (Ontario) provides that, if this document contains a misrepresentation, a purchaser who purchases the New Shares during the period of distribution shall be deemed to have relied on the misrepresentation if it was a misrepresentation at the time of purchase and has a right of action for damages or, alternatively, may elect to exercise a right of rescission against the Company, provided that (a) the Company will not be liable if it proves that the purchaser purchased the New Shares with knowledge of the misrepresentation; (b) in an action for damages, the Company is not liable for all or any portion of the damages that the Company proves does not represent the depreciation in value of the New Shares as a result of the misrepresentation relied upon; and (c) in no case shall the amount recoverable exceed the price at which the New Shares were offered.

Section 138 of the *Securities Act* (Ontario) provides that no action shall be commenced to enforce these rights more than (a) in the case of any action for rescission, 180 days after the date of the transaction that gave rise to the cause of action or (b) in the case of any action, other than an action for rescission, the earlier of (i) 180 days after the purchaser first had knowledge of the fact giving rise to the cause of action or (ii) three years after the date of the transaction that gave rise to the cause of action. These rights are in addition to and not in derogation from any other right the purchaser may have.

Certain Canadian income tax considerations

Prospective purchasers of the New Shares and Options should consult their own tax adviser with respect to any taxes payable in connection with the acquisition, holding or disposition of the New Shares as any discussion of taxation related matters in this document is not a comprehensive description and there are a number of substantive Canadian tax compliance requirements for investors in the Provinces.

Language of documents in Canada

Upon receipt of this document, each investor in Canada hereby confirms that it has expressly requested that all documents evidencing or relating in any way to the sale of the Shares and Options (including for greater certainty any purchase confirmation or any notice) be drawn up in the English language only. Par la réception de ce document, chaque investisseur canadien confirme par les présentes qu'il a expressément exigé que tous les documents faisant foi ou se rapportant de quelque manière que ce soit à la vente des valeurs mobilières décrites aux présentes (incluant, pour plus de certitude, toute confirmation d'achat ou tout avis) soient rédigés en anglais seulement.

Hong Kong

WARNING: This document has not been, and will not be, registered as a prospectus under the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32) of Hong Kong, nor has it been authorised by the Securities and Futures Commission in Hong Kong pursuant to the Securities and Futures Ordinance (Cap. 571) of the Laws of Hong Kong (the "SFO"). No action has been taken in Hong Kong to authorise or register this document or to permit the distribution of this document or any documents issued in connection with it. Accordingly, the New Shares have not been and will not be offered or sold in Hong Kong other than to "professional investors" (as defined in the SFO and any rules made under that ordinance).

No advertisement, invitation or document relating to the New Shares has been or will be issued, or has been or will be in the possession of any person for the purpose of issue, in Hong Kong or elsewhere that is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to New Shares that are or are intended to be disposed of only to persons outside Hong Kong or only to professional investors. No person allotted New Shares may sell, or offer to sell, such securities in circumstances that amount to an offer to the public in Hong Kong within six months following the date of issue of such securities.

The contents of this document have not been reviewed by any Hong Kong regulatory authority. You are advised to exercise caution in relation to the offer. If you are in doubt about any contents of this document, you should obtain independent professional advice

The Netherlands

This document has been prepared on the basis that all offers of New Shares will be made pursuant to an exemption under the Directive 2003/71/EC (**Prospectus Directive**), as amended and implemented in the Netherlands, from the requirement to publish a prospectus for offers of securities.

An offer to the public of New Shares has not been made, and may not be made, in the Netherlands except pursuant to one of the following exemptions under the Prospectus Directive as implemented in the Netherlands:

- (a) to any legal entity that is authorized or regulated to operate in the financial markets or whose main business is to invest in financial instruments unless such entity has requested to be treated as a non-professional client in accordance with the EU Markets in Financial Instruments Directive (Directive 2014/65/EC, "MiFID II") and the MiFID II Delegated Regulation (EU) 2017/565;

- (b) to any legal entity that satisfies two of the following three criteria: (i) balance sheet total of at least €20,000,000; (ii) annual net turnover of at least €40,000,000 and (iii) own funds of at least €2,000,000 (as shown on its last annual unconsolidated or consolidated financial statements) unless such entity has requested to be treated as a non-professional client in accordance with MiFID II and the MiFID II Delegated Regulation (EU) 2017/565;
- (c) to any person or entity who has requested to be treated as a professional client in accordance with MiFID II; or
- (d) to any person or entity who is recognised as an eligible counterparty in accordance with Article 30 of the MiFID II unless such entity has requested to be treated as a non-professional client in accordance with the MiFID II Delegated Regulation (EU) 2017/565.

United States

The New Shares have not been, and will not be, registered under the US Securities Act 1933 (the "US Securities Act") and may not be offered or sold in the United States, except in transactions exempt from, or not subject to the registration requirements under the US Securities Act. The New Shares are being offered only in "offshore transactions", as defined and in compliance with Regulation S under the US Securities Act.

This Offer Document may not be released to US wire services or distributed in the United States except by the Company to its shareholders who are Eligible US Fund Managers in an "offshore transaction" in compliance with Regulation S.

Appointment of Nominee

Pursuant to ASX Listing Rule 7.7, the Company has appointed a nominee, Bell Potter, to sell the Entitlements to which Ineligible Shareholders are entitled. The nominee will have the absolute and sole discretion to determine the timing and price at which the Entitlements may be sold and the manner of any such sale.

Any interest earned on the proceeds of the sale of these Entitlements will firstly be applied against expenses of such sale, including brokerage, and any balance will accrue to the relevant Ineligible Shareholders as described below.

The net proceeds of the sale of these Entitlements will then be forwarded by the Company as soon as practicable to the Ineligible Shareholders, in proportion to their share of such Entitlements (after deducting brokerage commission and other expenses). If any such net proceeds of sale are less than the reasonable costs that would be incurred by the Company for distributing those proceeds, such proceeds may be retained by the Company.

Notwithstanding that the nominee may sell Entitlements, Ineligible Shareholders may nevertheless receive no net proceeds if the costs of the sale are greater than the sale proceeds. In this regard, Bell Potter will not be required to sell Ineligible Shareholders' Entitlement at a particular price. Neither the Company nor Bell Potter will be subject to any liability for failure to sell the Entitlements at a particular price. If, in the reasonable opinion of Bell Potter, there is no viable market for the Entitlements of the Ineligible Shareholders, or a surplus over the expenses of the sale cannot be obtained the Entitlements that would have been offered to the Ineligible Shareholders, then those Entitlements will be allowed to lapse.

1.5 Notice to nominees and custodians

Due to legal restrictions, nominees and custodians may not send copies of this Offer Document or accept the Offer on behalf of any person in the United States or other jurisdiction outside Australia or New Zealand, except to beneficial shareholders who are institutional or professional investors in certain foreign countries to the extent contemplated in the Investor Presentation under the section titled "International Offer Restrictions" or as the Company may otherwise permit in compliance with applicable law.

1.6 Forward-looking statements

This Offer Document contains forward-looking statements which are identified by words such as 'may', 'could', 'believes', 'estimates', 'targets', 'expects', or 'intends' and other similar words that involve risks and uncertainties.

These statements are based on an assessment of present economic and operating conditions, and on a number of assumptions regarding future events and actions that, as at the date of this Offer Document, are expected to take place.

Such forward-looking statements are not guarantees of future performance and involve known and unknown risks, uncertainties, assumptions and other important factors, many of which are beyond the control of our Company, the Directors and our management.

We cannot and do not give any assurance that the results, performance or achievements expressed or implied by the forward-looking statements contained in this Offer Document will actually occur and investors are cautioned not to place undue reliance on these forward-looking statements.

We have no intention to update or revise forward-looking statements, or to publish prospective financial information in the future, regardless of whether new information, future events or any other factors affect the information contained in this Offer Document, except where required by law.

These forward looking statements are subject to various risk factors that could cause our actual results to differ materially from the results expressed or anticipated in these statements. These risk factors are set out in Section 6.

1.7 Privacy Act

If you complete an Entitlement and Acceptance Form, you will be providing personal information to the Company (directly or by the Company's share registry). The Company collects, holds and uses that information to assess your application, service your needs as a Shareholder, facilitate distribution payments and corporate communications to you as a Shareholder and carry out administration.

The information may also be used from time to time and disclosed to persons inspecting the register, bidders for your securities in the context of takeovers, regulatory bodies, including the Australian Taxation Office, authorised securities brokers, print service providers, mail houses and the Company's share registry.

You can access, correct and update the personal information that we hold about you. Please contact the Company or its share registry if you wish to do so at the relevant contact numbers set out in this Offer Document.

Collection, maintenance and disclosure of certain personal information is governed by legislation including the Privacy Act 1988 (Cth) (as amended), the Corporations Act and certain rules such as the ASX Settlement Operating Rules. You should note that if you do not provide the information required on the Entitlement and Acceptance Form, the Company may not be able to accept or process your application.

2. CORPORATE DIRECTORY

Directors

Simon Lill (Executive Chairman)
Andrew Beckwith (Technical Director)
Brett Lambert (Non-executive Director)
Peter Hood (Non-executive Director)
Steven Morris (Non-executive Director)**

Share Registry*

Automatic Registry Services
Level 2
267 St Georges Terrace
PERTH WA 6000
Telephone: 1300 288 664

Proposed Directors

Ed Eshuys**
Bruce Parncutt**

Joint Company Secretaries

Craig Nelmes
Patrick Holywell

Legal Advisers

Steinepreis Paganin
Level 4, The Read Buildings
16 Milligan Street
Perth WA 6000

Registered Office

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SUBIACO WA 6008
Telephone: +61 8 6117 9328
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Email: admin@degreymining.com.au
Website: www.degreymining.com.au

Underwriter and Lead Manager

Bell Potter Securities Limited
Level 38, Aurora Place
Sydney NSW 2000
AFSL 243480

ASX Code

DEG

Auditor*

Butler Settineri (Audit) Pty Ltd
Unit 16, First Floor Spectrum Offices
100 Railway Road
SUBIACO WA 6008

*These parties have been included for information purposes only. They have not been involved in the preparation of this Offer Document.

**As announced by the Company on 18 July 2019, following completion of the Placement, Mr Eshuys and Mr Parncutt will be appointed as Non-Executive Directors (as nominees of substantial shareholder DGO Gold Limited) and Mr Morris and one other current Director (to be confirmed) will resign. The Company will announce full details of all Board changes prior to completion of the Offer.

3. CHAIRMAN'S LETTER

Dear Shareholder,

On behalf of the Board of De Grey Mining Limited (**Company**), I am pleased to invite you to participate in a renounceable pro-rata entitlement offer on the basis of 1 New Share for every 1.28 existing Shares held by Eligible Shareholders on the Record Date at an issue price of \$0.05 per New Share to raise approximately \$19 million (before costs) (**Offer**).

The Offer will only be made to Eligible Shareholders registered at the Record Date who will be sent an Entitlement and Acceptance Form which will be accompanied by this Offer Document. To accept your Entitlement under the Offer, you will need to complete the Entitlement and Acceptance Form in accordance with the instructions on the form and as outlined in this Offer Document.

The Directors who are Shareholders intend to participate in the Entitlement Offer.

As announced by the Company on 18 July 2019, in conjunction with the Offer, the Company will be undertaking the Placement to raise approximately \$3.1 million. Please refer to Section 4.1 for further details with respect to the Placement.

The Placement and Offer is lead managed and underwritten by Bell Potter Securities Limited.

As announced on 18 July 2019, the end date by which settlement of the Indee Gold Acquisition must occur has been extended to 24 August 2019. Upon completion, De Grey will control both the Turner River Project and adjacent Indee Gold Project near Port Hedland, Western Australia. Refer to the Company's ASX announcements on 9 February 2017, 12 February 2018, 21 December 2018 and 18 July 2019 for further information with respect to Indee Gold and the Indee Gold Project.

On 16 July 2019, the Company announced a 21% increase in the Total Gold Mineral Resource (JORC 2012), up to 29.65Mt @ 1.8g/t Au (1,679,700oz), at its Pilbara Gold Project and which has been based upon drilling results completed at each deposit up to the end of June 2019 (refer to the announcement for full details). Further exploration and economic studies at the Pilbara Gold Project remain ongoing however, as at the date of this Offer Document, results and interpretations are incomplete.

Funds raised pursuant to the Placement and Offer will be applied towards the cash consideration payable for the Indee Gold Acquisition, ongoing exploration across the Pilbara Gold Project, as well as for general working capital and the costs of the Offer. For further details on the proposed use of funds please see Section 4.2 of this Offer Document.

The Offer Document includes further details of the Offer, including the effect of the Offer on the Company and a statement of the risks associated with investing in the Company.

This is an important document and should be read in its entirety. If you have any doubts or questions in relation to the Offer Document you should consult your stockbroker, accountant, solicitor or other independent professional advisor to evaluate whether or not to participate in the Offer.

On behalf of the Board, I encourage you to consider this investment opportunity and thank you for your ongoing support.

Yours faithfully



Simon Lill

Executive Chairman

4. DETAILS OF THE OFFER

4.1 The Offer

The Offer is being made as a renounceable entitlement offer of 1 New Share for every 1.28 held by Eligible Shareholders registered at the Record Date at an issue price of \$0.05 per Share. Fractional entitlements will be rounded up to the nearest whole number.

Based on the capital structure of the Company as set out in Section 4.8, a maximum of approximately 381,198,414 New Shares will be issued pursuant to this Offer to raise up to approximately \$19,059,921 (before costs).

As at the date of this Offer Document, the Company has 77,333,333 Options and 6,700,000 Performance Rights on issue all of which may be exercised or, in the case of Performance Rights, converted, subject to achievement of the relevant vesting conditions, prior to the Record Date in order to participate in the Offer. Please refer to Section 4.8 for further information with respect to these securities.

All of the New Shares offered under this Offer Document will rank equally with the Shares on issue at the date of this Offer Document. Full details of the rights and liabilities attaching to Shares are set out in the Company's Constitution, a copy of which is available for inspection at the Company's registered office during normal business hours.

The Directors may at any time decide to withdraw this Offer Document and the offer of Shares made under this Offer Document in which case the Company will return all Application Monies (without interest) within 28 days of giving such notice of withdrawal.

Placement

As announced on 18 July 2019, the Company has received firm commitments with respect to a placement of 60,343,600 Shares to sophisticated and professional investors at an issue price of \$0.05 per Share, to raise approximately \$3.1 million (**Placement**).

All Shares under the Placement are expected to be issued prior to the Record Date for the Offer, meaning participants in the Placement (who are not Ineligible Shareholders) will be eligible to participate in the Offer.

4.2 Use of Funds

Completion of the Offer and the Placement will result in an increase in cash in hand of up to approximately \$22,077,101 (before the payment of costs associated with the Offer).

The Company intends to apply the funds raised under the Offer and Placement as follows:

Equity Funding Sources	\$	%
Funds raised under the Placement	3,017,180	13.67
Funds raised under the Offer	19,059,921	86.33
Total	22,077,101	100
Items of Expenditure	\$	%
Cash consideration payable for the Indee Gold Acquisition	9,700,000	43.94
Exploration costs ¹	7,700,000	34.88
Working capital ²	3,277,101	14.84
Expenses of the Offer ³	1,400,000	6.34
Total²	22,077,101	100

Note:

1. Comprising aircore drilling of priority targets (\$2.7 million), RC/DDH drilling of known resource areas to inferred category (\$4.7 million) and economic studies (\$0.3 million).
2. Funds allocated to working capital will be used for future administration expenses of the Company, including administration fees, Director's remuneration and other administration and obligatory overheads.
3. Includes fees payable to Bell Potter as Lead Manager and Underwriter to the Offer. Refer to Section 7 for full details.

The above table is a statement of the Board's current intentions as at the date of this Offer Document. However, Shareholders should note that, as with any budget, the allocation of funds set out in the above table may change depending on a number of factors, including the outcome of operational and development activities, regulatory developments, market and general economic conditions and environmental factors. In light of this, the Board reserves the right to alter the way the funds are applied.

4.3 Indicative Timetable

Event	Date**
Announcement of Offer (pre-market open)	18 July 2019
Release of Offer Document, Cleansing Notice and Appendix 3B with ASX	18 July 2019
Notice sent to security holders	19 July 2019
Ex date	23 July 2019
Entitlement trading begins	23 July 2019
Issue of Shares under Placement and release of Cleansing Notice for Placement shares	24 July 2019
Record Date (date for determining Entitlements of Eligible Shareholder to participate in the Offer)	24 July 2019 (5:00 pm AEST)
Offer Opening Date Offer Document and personalised Entitlement and Acceptance Forms sent to Shareholders	29 July 2019

Event	Date**
Entitlement trading ends	31 July 2019
Last day to extend the Offer Closing Date*	2 August 2019
Closing Date (Offer closes)	7 August 2019 (5:00 pm AEST)
Notification to ASX of Shortfall	12 August 2019
Issue date/New Shares entered into Shareholders' holdings	14 August 2019
Quotation of New Shares under the Offer	15 August 2019

*Subject to the ASX Listing Rules, the Directors reserve the right to extend the Closing Date for the Offer at their discretion. Should this occur, the extension will have a consequential effect on the anticipated date of issue for the New Shares.

** These dates are indicative only and are subject to change.

4.4 Underwriting

The Offer is fully underwritten by Bell Potter. Refer to Section 7 for full details of the terms of the underwriting.

DGO Gold Limited (**DGO**) (a substantial shareholder of the Company, refer to Section 4.11) has entered into an agreement with Bell Potter to sub-underwrite the Offer up to \$3,500,000 (70,000,000 Shares).

4.5 Minimum subscription

On the basis that the Offer is fully underwritten, the minimum subscription is also the full subscription under the Offer.

4.6 Entitlements and acceptance

Details of how to apply under the Offer are set out in Section 5.

The Entitlement of Eligible Shareholders to participate in the Offer will be determined on the Record Date. Your Entitlement is shown on the Entitlement and Acceptance Form accompanying this Offer Document.

You can also apply for Additional Shares under the Shortfall Offer in addition to your Entitlement by following the instructions set out in Section 5. The Shortfall Offer is described in Section 4.12 below.

4.7 Renounceable offer – dealing with your Entitlement

The Offer is renounceable. This means that Eligible Shareholders may offer to sell some or all of their Entitlement on ASX or transfer it to another person.

Details of how to apply under the Offer are set out in Section 5 of this Offer Document.

4.8 Capital structure

The effect of the Offer on the capital structure of the Company, assuming all Entitlements are accepted, is set out below.

Shares	Number
Shares currently on issue	427,590,370
Shares to be issues pursuant to the Placement	60,343,600
New Shares offered pursuant to the Offer ¹	381,198,414
Total Shares on issue after completion of the Offer^{1,2,3}	869,132,384

Notes:

1. This number may vary due to rounding of Entitlements and may increase as a result of the rounding up of New Shares offered under the Offer.
2. As announced by the Company on 30 January 2018, the Company proposes to undertake the Indee Gold Acquisition. As part consideration for the Indee Gold Acquisition, the Company has agreed, at settlement, to issue the Vendor that number of Shares which is equal to \$3 million divided by 90% of the 20 day volume weighted average price of the Company's Shares, as traded on the ASX (**20 Day VWAP**). Based on the 20 Day VWAP for the 20 trading days prior to the date of this Offer Document (\$0.08419), the number of Shares to be issued would be 39,593,507.
3. The Company has entered into an agreement with Top Drill Pty Ltd (**TDPL**), pursuant to which the parties have agreed that for the month of June 2019, 100% of TDPL's invoice for drilling services (being an amount of \$247,178) would either be settled in cash or equity in the Company. The number of Shares to be issued will be calculated by a deemed issue price based on a 10% discount to the 5 day volume weighted average price for the 5 trading days preceding the date of the invoice (being 7.2113 cents and representing ~3,427,653 Shares). Upon issue, the Shares will be subject to a 6 month voluntary escrow period from the date of the invoice. The Shares are expected to be issued upon completion of the Offer, under the Company's existing Listing Rule 7.1 placement capacity.

Options	Number
Options currently on issue:	
Unquoted exercisable at \$0.10 on or before 31 October 2020	14,250,000
Unquoted exercisable at \$0.20 on or before 30 November 2019	33,333,333
Unquoted exercisable at \$0.25 on or before 30 November 2019	12,500,000
Unquoted exercisable at \$0.30 on or before 30 May 2021	17,250,000
Options to be issued pursuant to the Offer	Nil
Total Options on issue on completion of the Offer	77,333,333

Performance Rights¹

Performance Rights	Number
Performance Rights currently on issue	6,700,000
Performance Rights to be issued under the Offer	Nil
Total	6,700,000

Notes:

1. The vesting conditions (specific performance hurdles) for the Performance Rights on issue are set out in the Company's 2017 notice of annual general meeting dated 30 October 2017.
2. As at the date of this Offer Document, 2,500,000 Performance Rights (namely Tranches 1 and 5 have vested, effective 16 July 2019) and on the exercise of those Performance Rights they are able will be converted into Shares. It is expected that on or before 24 August 2019 that a further 1,450,000 Performance Rights (namely Tranche 3) will also vest (that being

settlement of the Indee Gold Acquisition) and on the exercise of those Performance Rights they may then be converted into Shares.

The capital structure on a fully diluted basis as at the date of this Offer Document would be 511,623,703 Shares and on completion of the Offer and Placement (assuming all Entitlements are accepted and no Options are exercised or Performance Rights converted prior to the Record Date) would be 953,165,717 Shares.

No Shares, Options or Performance Rights on issue are subject to escrow restrictions, either voluntary or ASX imposed.

4.9 Dilution

Shareholders should note that if they do not participate in the Offer, their holdings are likely to be diluted by approximately 43.85% (as compared to their holdings and number of Shares on issue as at the date of this Offer Document). Examples of how the dilution may impact Shareholders are set out in the table below:

Holder	Holding as at Record Date	Approximate % at Record Date ¹	Entitlements under the Offer	Holdings if Offer not taken Up	Approximate % post Offer
Shareholder 1	50,000,000	11.69%	39,062,500	50,000,000	6.18%
Shareholder 2	25,000,000	5.85%	19,531,250	25,000,000	3.09%
Shareholder 3	10,000,000	2.34%	7,812,500	10,000,000	1.24%
Shareholder 4	1,000,000	0.23%	781,250	1,000,000	0.12%
Shareholder 5	100,000	0.02%	78,125	100,000	0.01%

Notes:

1. This is based on a share capital of 427,590,370 Shares at the date of this Offer Document.

4.10 Directors Interests and Participation

Each Director's relevant interest in the securities of the Company at the date of this Offer Document and their Entitlement is set out in the table below.

Director	Shares	Voting Power (%)	Entitlement	\$
Simon Lill	6,983,333	1.63%	5,455,729	272,786
Andy Beckwith	6,091,668	1.42%	4,759,116	237,956
Brett Lambert	Nil	N/A	N/A	N/A
Peter Hood	1,000,000	0.23%	781,250	39,063
Steven Morris	2,333,334	0.55%	1,822,917	91,146
Ed Eshuys (Proposed Director) ²	Nil	Nil	Nil	Nil

Bruce Parncutt (Proposed Director) ²	Nil	Nil	Nil	Nil
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Notes:

1. Refer to the Appendix 3Y for each Director (available from the Company's ASX platform) for further details with respect to the relevant interest of each Director in the securities of the Company.
2. Each of Messrs Eshuys and Parncutt are directors of DGO Gold Limited, who have agreed to sub-underwrite the Offer up to \$3.5 million. Messers Eshuys and Parncutt are also substantial shareholders in DGO Gold Limited, with a voting power of approximately 8.38% and 13.05% respectively.

Those Directors who are Shareholders intend to participate in the Offer. The Directors reserves the right to buy and/or sell Entitlements during the Entitlements trading period.

4.11 Substantial Shareholders and effect on control of the Company

Based on publicly available information as at the date of this Offer Document, the Company's substantial holders and their Entitlement prior to the Offer are set out in the table below.

Substantial Holder	Shares	Voting Power (%)	Entitlement	\$
Kirkland Lake Gold Limited ¹	33,333,333	7.80	26,041,666	1,302,083
DGO Gold Limited ²	25,000,000	5.85	19,531,250	976,563

Notes:

1. As at the date of this Offer Document, the Company is not aware of Kirkland Lake Gold Limited's intentions with respect to its Entitlement.
2. DGO Gold Limited has agreed to sub-underwrite the Offer up to \$3,500,000 (70,000,000 Shares), which includes a firm commitment to take up its full Entitlement under the Offer. DGO Gold Limited has also agreed to subscribe for 6,000,000 Shares under the Placement.
3. The voting power in the table is prior to settlement of the Offer.

The potential effect that the issue of the Shares under the Offer will have on the control of the Company is as follows:

- (a) if all Eligible Shareholders take up their Entitlements, the issue of Shares under the Offer will have no effect on the control of the Company and all Shareholders will hold the same percentage interest in the Company, subject only to changes resulting from Ineligible Shareholders being unable to participate in the Offer;
- (b) in the more likely event that there is a shortfall, Eligible Shareholders who do not subscribe for their full Entitlement and ineligible shareholders unable to participate in the Offer will be diluted relative to those Shareholders who subscribe for some or all of their Entitlement as shown by the table in Section 4.9; and
- (c) in respect of any shortfall, Eligible Shareholders may apply for additional Shares under the Shortfall Offer, as detailed in Section 4.12.

The extent to which Shares are issued pursuant to the underwriting will increase Bell Potter's voting power in the Company. Bell Potter's present relevant interest and changes under several scenarios are set out in the table below:

Event	Shares held by Bell Potter	Voting power of Bell Potter
Date of Prospectus	Nil	Nil
Completion of Entitlement Issue:		
Fully subscribed	Nil	Nil
75% subscribed	95,299,604	10.96%
50% subscribed	190,599,207	21.93%
25% subscribed	285,898,811	32.89%
0% subscribed	381,198,414	43.86%

The number of Shares held by Bell Potter and its voting power in the table above show the potential effect of the underwriting of the Offer. However, it is unlikely that no Shareholders will take up entitlements under the Offer. The underwriting obligation and therefore voting power of Bell Potter will reduce by a corresponding amount for the amount of Entitlements under the Offer taken up by Shareholders. Furthermore, the voting power of Bell Potter will also be reduced to the extent that sub-underwriters take up any Shortfall.

The Company notes that no Shares will be issued to an applicant under this Offer Document or via the Shortfall Offer if the issue of Shares would contravene the takeover prohibition in section 606 of the Corporations Act. Similarly, no Shares will be issued via the Shortfall Offer to any related parties of the Company.

4.12 Shortfall Offer

Any Entitlement not taken up pursuant to the Offer will form the Shortfall Offer. The Shortfall Offer is a separate offer pursuant to this Offer Document and will remain open for up to two months following the Opening Date.

Eligible Shareholders may apply for Shares under the Shortfall Offer (**Shortfall Shares**) subject to such applications being received by the Closing Date. The issue price for each Shortfall Share shall be \$0.05, being the price at which Shares have been offered under the Offer.

Allocation of the Shortfall Shares will be at the discretion of Bell Potter, after consultation with the Board, and will otherwise be subject to the terms of the Underwriting Agreement, as detailed in Section 7.

The Company and Bell Potter cannot guarantee that an Applicant will receive the number of Shortfall Shares they apply for under the Shortfall Offer. If an Applicant does not receive any or all of the Shortfall Shares which they applied for under the Shortfall Offer, the excess Application Monies will be returned to that Applicant without interest.

The Company notes that no Shares will be issued to an applicant under this Offer Document or via the Shortfall Offer if the issue of Shares would contravene the

takeover prohibition in section 606 of the Corporations Act. Similarly, no Shares will be issued via the Shortfall Offer to any related parties of the Company.

If Eligible Shareholders wish to apply for any Shortfall they should complete the relevant section of the Entitlement and Acceptance Form.

4.13 Market Price of Shares

The Company is a disclosing entity for the purposes of the Corporations Act and its Shares are enhanced disclosure securities quoted on ASX.

The highest, lowest and last market sale prices of the Shares on ASX during the three months immediately preceding the date of release of this Offer Document and the respective dates of those sales were:

	(\$)	Date
Highest	0.115	15 April 2019
Lowest	0.077	27 June 2019
Last	0.094	15 July 2019

4.14 Opening and Closing Dates

The Offer opens on the Opening Date, being 29 July 2019, and closes on the Closing Date, being 5:00pm (AEST) on 7 August 2019 (or such other dates as the Directors in their discretion shall determine subject to the ASX Listing Rules). The Company will accept Entitlement and Acceptance Forms until the Closing Date or such other date as the Directors in their absolute discretion shall determine, subject to the ASX Listing Rules.

4.15 Issue of Shares

Shares issued pursuant to the Offer and Shortfall Offer will be issued in accordance with the ASX Listing Rules and the indicative timetable set out in Section 4.3.

Pending the issue of the Shares or payment of refunds pursuant to this Offer Document, all Application Monies will be held by the Registry in trust for the Applicants in a separate bank account as required by the Corporations Act. The Company, however, will be entitled to retain all interest that accrues on the bank account and each Applicant waives the right to claim interest by completing and returning the Entitlement and Acceptance Form.

The expected dates for issue of New Shares offered by this Offer Document and dispatch of holding statements is expected to occur on the dates specified in the Timetable set out in Section 4.3.

It is the responsibility of Applicants to determine the allocation prior to trading in the New Shares. Applicants who sell New Shares before they receive their holding statements will do so at their own risk.

4.16 ASX listing

Application for official quotation by ASX of the New Shares offered pursuant to this Offer Document will be made.

The fact that ASX may grant official quotation to the New Shares is not to be taken in any way as an indication of the merits of the Company or the New Shares now offered for subscription.

4.17 CHESS

The Company is a participant in CHESS, for those investors who have, or wish to have, a sponsoring stockbroker. Investors who do not wish to participate through CHESS will be issuer sponsored by the Company. Because the sub-registers are electronic, ownership of securities can be transferred without having to rely upon paper documentation.

Electronic registers mean that the Company will not be issuing certificates to investors. Instead, investors will be provided with a statement (similar to a bank account statement) that sets out the number of New Shares allotted to them under this Offer Document. The notice will also advise holders of their Holder Identification Number or Security Holder Reference Number and explain, for future reference, the sale and purchase procedures under CHESS and issuer sponsorship.

Further monthly statements will be provided to holders if there have been any changes in their security holding in the Company during the preceding month.

4.18 Risk Factors

An investment in New Shares should be regarded as speculative. In addition to the general risks applicable to all investments in listed securities, there are specific risks associated with an investment in the Company which are non-exhaustive. Please refer to Section 6 for further details.

4.19 Taxation implications

The Directors do not consider it appropriate to give Shareholders advice regarding the taxation consequences of subscribing for New Shares under this Offer Document. The Company, its advisers and its officers do not accept any responsibility or liability for any such taxation consequences to Shareholders.

Shareholders should consult their professional tax adviser in connection with subscribing for New Shares under this Offer Document.

4.20 Continuous disclosure obligations

The Company is a “disclosing entity” (as defined in section 111AC of the Corporations Act) for the purposes of the Corporations Act and its Shares are enhanced disclosure securities quoted on ASX and, as such, the Company is subject to regular reporting and disclosure obligations under the Corporations Act and the ASX Listing Rules.

Specifically, the Company is required to notify ASX of information about specific events and matters as they arise for the purposes of the ASX making that information available to the securities markets conducted by the ASX. In particular, the Company has an obligation under the ASX Listing Rules (subject to certain exceptions) to notify the ASX immediately of any information of which it is or becomes aware which a reasonable person would expect to have a material effect on the price of value of its securities.

This Offer Document is intended to be read in conjunction with the publicly available information in relation to the Company which has been notified to ASX and does not include information that would be included in a disclosure

document or which investors ought to have regard to in deciding whether to subscribe for Shares under the Offer. Investors should therefore have regard to the other publicly available information in relation to the Company before making a decision whether or not to invest.

All announcements made by the Company are available from its website www.degreymining.com.au or the ASX www.asx.com.au.

Additionally, the Company is also required to prepare and lodge with ASIC yearly and half-yearly financial statements accompanied by a directors' statement and report, and an audit report or review. These reports are released to ASX and published on the Company's and the ASX websites.

This Offer Document (including the Entitlement & Acceptance Form) and the contracts that arise from acceptance of the Applications are governed by the laws applicable in Western Australia and each Applicant submits to the non-exclusive jurisdiction of the courts of Western Australia.

4.21 Enquiries concerning Offer Document

Enquiries relating to this Offer Document should be directed to the Company on +61 8 6117 9328 or admin@degreymining.com.au.

5. ACTION REQUIRED BY ELIGIBLE SHAREHOLDERS

5.1 What Eligible Shareholders may do

The number of Shares to which Eligible Shareholders are entitled is shown on the accompanying personalised Entitlement and Acceptance Form. Eligible Shareholders may:

- (a) take up all of their Entitlement (refer to Section 5.2);
- (b) take up all of their Entitlement and apply for Shares under the Shortfall Offer (refer to Section 5.3);
- (c) sell all of their Entitlement on ASX (refer to Section 5.4);
- (d) take up a proportion of their Entitlement and sell the balance on ASX (refer to Section 5.5);
- (e) take up a proportion of their Entitlement and allow the balance to lapse (refer to Section 5.6);
- (f) sell all or a proportion of their Entitlement other than on ASX (refer to Section 5.7); or
- (g) allow all or part of their Entitlement lapse (refer to Section 5.8).

5.2 Taking up all of your Entitlement

Should you wish to accept all of your Entitlement, then applications for Shares under this Offer Document must be made by either:

BPAY®

Completing a BPAY® payment then please do so in accordance with the instructions referred to in this Offer Document and on the Entitlement and Acceptance Form. Please read the instructions carefully on the Entitlement and Acceptance Form which accompanies this Offer Document or.

If you wish to pay via BPAY® you must follow the personalised instructions in your Entitlement and Acceptance Form. Make sure that you use the specific Biller Code and unique Customer Reference Number (**CRN**) on your personalised Entitlement and Acceptance Form. You do not need to return a completed Entitlement and Acceptance Form but are taken to have made the declarations in the Entitlement and Acceptance Form and the representations outlined below in Section 5.9.

You should be aware that your own financial institution may implement earlier cut-off times with regard to electronic payment, and you should therefore take this into consideration when making payment. It is your responsibility to ensure that funds submitted through BPAY® are received by 4:00 pm (AEST) on the Closing Date. The Company shall not be responsible for any delay in the receipt of the BPAY® payment

Cheque (in Australian Dollars)

Should you wish to pay by cheque, then please complete the Personalised Entitlement and Acceptance Form by filling in the details in the spaces provided

and attach a cheque for the Application Monies indicated on the Entitlement and Acceptance Form.

Completed Entitlement and Acceptance Forms must be accompanied by a cheque in Australian dollars, that is crossed "Not Negotiable" and made payable to "De Grey Mining Limited" and lodged and received at any time after the issue of this Offer Document and on or before the Closing Date at the Share Registry (by delivery or by post) at the address specified in the Entitlement and Acceptance Form. The Company shall not be responsible for any postal or delivery delays.

Guidance where you have More than one CRN (Shareholding of Shares)

If you have more than one shareholding of Shares and consequently receive more than one Entitlement and Acceptance Form, when taking up your Entitlement in respect of one of those Shareholdings only use the CRN specific to that Shareholding as set out in the applicable Entitlement and Acceptance Form. **Do not use the same CRN for more than one of your Shareholdings.** This can result in your Application Monies being applied to your Entitlement in respect of only one of your Shareholdings (with the result that any Application in respect of your remaining Shareholdings will not be valid).

Taking up all of your Entitlement and applying for Shares under the Shortfall Offer

Should you wish to accept all of your Entitlement and apply for Shares under the Shortfall Offer, then applications for Shares under this Offer Document must be made on the Entitlement and Acceptance Form which accompanies this Offer Document or by completing a BPAY® payment, in accordance with the instructions referred to in this Offer Document and on the Entitlement and Acceptance Form. Please read the instructions carefully.

5.3 Taking up all of your Entitlement and applying for Shares under the Shortfall Offer

Should you wish to accept all of your Entitlement and apply for Shares under the Shortfall Offer, then applications for Shares under this Offer Document must be made on the Entitlement and Acceptance Form which accompanies this Offer Document or by completing a BPAY® payment, in accordance with the instructions referred to in this Offer Document and on the Entitlement and Acceptance Form. Please read the instructions carefully.

5.4 Selling all your Entitlement on ASX

The Entitlements under the Offer are renounceable which means that all or part of an Eligible Shareholder's rights to subscribe for Shares under the Offer may be traded on ASX. If you wish to sell all of your Entitlement on ASX, provide instructions to your stockbroker regarding the Entitlement you wish to sell on ASX. Trading of Entitlements will commence on ASX on 23 July 2019 and will cease on 31 July 2019.

There is no guarantee that an Eligible Shareholder will be able to sell all or any part of their Entitlement on ASX or that any particular price will be paid for the Entitlements sold on ASX.

5.5 Taking up a proportion of your Entitlement and selling the balance on ASX

If you wish to take up only part of your Entitlement, complete the accompanying personalised Entitlement and Acceptance Form for the number of Shares you wish to take up and follow the steps in Section 5.2, or make a payment by BPAY in accordance with Section 5.11.

Subsequently, provide instructions to your stockbroker regarding the proportion of your Entitlement you wish to sell on ASX.

5.6 Taking up a proportion of your Entitlement and allowing the balance to lapse

If you wish to take up only part of your Entitlement and allow the balance to lapse, complete the accompanying personalised Entitlement and Acceptance Form for the number of Shares you wish to take up and follow the steps in Section 5.2. If you take no further action, the balance of your Entitlement will lapse and you will have forfeited any potential benefit to be gained from taking up or selling that part of your Entitlement.

5.7 Selling all or a proportion of your Entitlement other than on ASX

You may elect to transfer all or a proportion of your Entitlement to another person other than on ASX. If the purchaser of your Entitlement is an Ineligible Shareholder or a person that would be an Ineligible Shareholder if they were a registered holder of Shares, that purchaser will not be able to take up the Entitlement they have purchased.

If you are a Shareholder on the issuer sponsored sub-register and you wish to transfer all or a proportion of your Entitlement to another person other than on ASX, forward a completed standard renunciation and transfer form (obtainable from the Share Registry) and the applicable transferee's cheque for the Shares they wish to subscribe for payable to "De Grey Mining Limited" and crossed "Not Negotiable" to the Share Registry (by delivery or by post at any time after the issue of this Offer Document and on or before the Closing Date) at the address specified in the Entitlement and Acceptance Form.

If you wish to transfer all or a proportion of your Entitlement to or from another person on the CHESS sub-register you must engage your CHESS controlling participant (usually your stockbroker). If the transferee wants to exercise some or all of the Entitlement, you should follow your stockbroker's instructions as to the most appropriate way to take up the Entitlement on their behalf. The Application Monies for Shares the transferee of the Entitlement wants to acquire must be received by Share Registry in accordance with Section 5.2.

5.8 Allow all or part of your Entitlement to lapse

Shareholders should be aware that their Entitlement may have value. Entitlement are renounceable, which enable Eligible Shareholders who do not wish to take up part or all of their Entitlement to seek to sell or trade all or some of their Entitlement on ASX.

If you do not wish to accept or trade any part of your Entitlement, you are not obliged to do anything. If you do not take up your Entitlement or dispose of your Entitlement by the Closing Date, the Offer to you will lapse.

5.9 Implications of an acceptance

Paying any Application Monies by BPAY® or returning a completed Entitlement and Acceptance Form will be taken to constitute a representation by you that:

- (a) you have received a copy of this Offer Document and the accompanying Entitlement and Acceptance Form, and read them both in their entirety;

- (b) you acknowledge that once the Entitlement and Acceptance Form is returned, or a BPAY® payment instruction is given in relation to any Application Monies, the Application may not be varied or withdrawn except as required by law.

5.10 Payment by cheque/bank draft

All cheques must be drawn on an Australian bank or bank draft made payable in Australian currency to "De Grey Mining Limited" and crossed "Not Negotiable".

Your completed Entitlement and Acceptance Form and cheque must reach the Share Registry no later than 5:00 pm AEST on the Closing Date.

5.11 Payment by BPAY®

For payment by BPAY®, please follow the instructions on the Entitlement and Acceptance Form. You can only make a payment via BPAY® if you are the holder of an account with an Australian financial institution that supports BPAY® transactions. Please note that should you choose to pay by BPAY®:

- (a) you do not need to submit the Entitlement and Acceptance Form but are taken to have made the declarations on that Entitlement and Acceptance Form; and
- (b) if you do not pay for your Entitlement in full, you are deemed to have taken up your Entitlement in respect of such whole number of Shares which is covered in full by your application monies.

It is your responsibility to ensure that your BPAY® payment is received by the Share Registry by no later than 4:00 pm (AEST) on the Closing Date. You should be aware that your financial institution may implement either cut-off times with regards to electronic payment and you should therefore take this into consideration when making payment. Any Application Monies received for more than your final allocation of Shares (only where the amount is \$1.00 or greater) will be refunded. No interest will be paid on any Application Monies received or refunded.

6. RISK FACTORS

6.1 Introduction

The Shares offered under this Offer Document should be considered speculative because of the nature of the Company's business.

There are numerous risk factors involved with the Company's business. Some of these risks can be mitigated by the use of safeguards and appropriate systems and controls, but some are outside the control of the Company and cannot be mitigated. Accordingly, an investment in the Company carries no guarantee with respect to the payment of dividends, return of capital or price at which securities will trade.

The following is a summary of the more material matters to be considered. However, this summary is not exhaustive and potential investors should examine the contents of this Offer Document in its entirety and consult their professional advisors before deciding whether to apply for the New Shares.

6.2 Company Specific

(a) Going concern risk

The Company's half year financial report for the six months ended 31 December 2018 (**Half Year Report**) includes an emphasis of matter with respect to the existence of a material uncertainty about the Company's ability to continue as a going concern.

Notwithstanding the 'going concern' paragraph included in the Half Year Report, the Directors believe that upon the successful completion of the Offer, the Company will have sufficient funds to adequately meet the Company's current expenditure commitments and short-term working capital requirements.

(b) Exploration

The Company's tenements (including those for which they have an option to acquire) include a number of prospects which have had significant exploration works undertaken and are considered to be at an advanced stage.

The exploration costs of the Company are based on certain assumptions with respect to the method and timing of exploration. By their nature, these estimates and assumptions are subject to significant uncertainties and, accordingly, the actual costs may materially differ from these estimates and assumptions. Accordingly, no assurance can be given that the cost estimates and the underlying assumptions will be realised in practice, which may materially and adversely affect the Company's viability.

There is no assurance that, exploration and development of the mineral interests currently held by the Company, those projects for which it has a current option to acquire or any other projects that may be acquired by the Company in the future, will result in the discovery of an economic deposit. Even if an apparently viable deposit is identified, there is no guarantee that these can be profitably exploited.

Potential investors should understand these are high-risk undertakings.

(c) **Operational**

The ultimate success and financial viability of the Company depends on the discovery and delineation of economically recoverable ore reserves, design and construction of efficient mining and processing facilities, and competent operational and managerial performance.

Development of a commercial mining operation is also dependent on the Company's ability to obtain necessary titles and governmental and other regulatory approvals.

(d) **Resource Estimations**

Resources estimates are expressions of judgment based on knowledge, experience and resource modelling. As such, resource estimates are inherently imprecise and rely to some extent on interpretations made.

Additionally, resource estimates may change over time as new information becomes available. Should the Company encounter mineralisation or geological formations different from those predicted by past drilling, sampling and interpretations, resource estimates may need to be altered in a way that could adversely affect the Company's operations.

(e) **Reliance on key personnel**

The responsibility of overseeing the day-to-day operations and the strategic management of the Company depends substantially on its senior management and its key personnel. There can be no assurance given that there will be no detrimental impact on the Company if one or more of these employees cease their employment.

(f) **Future funding requirements**

The Company may be required to raise additional funds (whether by way of debt and/or equity), so as to:

- (i) carry out additional exploration activities at both the Pillbra Gold projects;
- (ii) complete scoping and feasibility studies on the projects; and
- (iii) fund corporate, administrative and working capital needs.

The ability of the Company to meet these future funding requirements, should it arise, will be dependent upon its continued capacity to access capital market funding sources and/or financing facilities via credit markets.

Funding via additional equity issues may be dilutive to the Company's existing Shareholders and, if available, debt financing may be subject to the Company agreeing to certain debt covenants.

If the Company is unable to obtain additional financing as needed, it may be required to reduce the scope of its operations, delay, suspend

and/or scale back its exploration programmes and business strategies, as the case may be.

There is however no guarantee that the Company will be able to secure any additional funding as and when required or be able to secure funding on terms favourable to the Company. The failure of which would thus have a material adverse effect on the Company's activities and its solvency.

(g) **Counterparty and joint venture risks**

The Company is and may in the future become a party to further joint venture agreements governing the exploration and development of its projects. There is a risk that one of the Company's joint venture partners may default in their joint venture obligations or not act in the best interests of the joint venture. There is a risk of insolvency or managerial failure by any of the contractors or other suppliers used by the Company in any of its activities, or that any of those agreements are terminated in accordance with their terms. There is also a risk of legal or other disputes between the Company and co-venturers or contractors or other suppliers. This may have an adverse effect on the interests and prospects of the Company.

(h) **Completion risk**

Part of the funds raised pursuant to the Offer are to be applied to the Company's cash consideration obligations under the Indee Gold Acquisition. Whilst the Company is confident that that Indee Gold Acquisition will complete, any failure to complete (due to unforeseen circumstances) may have a material impact on the Company. In such circumstances, funds raised under the Offer would be applied to the ongoing exploration at the Company's 100% owned tenements within the Pilbara Gold Project (also referred to as the Turner River tenements) as well as general working capital.

(i) **Access and infrastructure risks**

It is also possible that, in relation to tenements which the Company has an interest in or will in the future acquire such an interest, there may be areas over which legitimate rights of Indigenous owners or surface rights holders exist. In this case, the ability of the Company to gain access to tenements (through obtaining consent of any relevant Indigenous owner, body, group or landowner), or to progress from the exploration phase to the development and mining phases of operations may be adversely affected. The Company's mineral titles may also be subject to access by third parties including, but not limited to, the areas' indigenous people. This access could potentially impact the Company's activities and/or may involve payment of compensation to parties whose existing access to the land may be affected by the Company's activities.

(j) **Aboriginal Heritage and Native Title**

The Company is a party to a number of heritage agreements in relation to the Company's tenements. The agreements set out the Company's obligations in respect of the management and preservation of Aboriginal Sites within the tenements which the Company considers to be on standard terms for an agreement of this type. In relation to tenements which the Company has an interest in or will in the future acquire such an

interest, there may be other areas or objects of Aboriginal heritage. If further Aboriginal heritage sites or objects exist, the Company may need to enter into agreements with the traditional owners of the sites. The ability of the Company to implement its work programme may be adversely affected in both time and cost.

In addition, there may be areas over which legitimate common law native title rights of Aboriginal Australians exist. If native title rights do exist, the ability of the Company to gain access to tenements (through obtaining consent of any relevant land owner), or to progress from the exploration phase to the development and mining phases of operations may be adversely affected.

6.3 Mining Industry Specific

(a) Metals Market Conditions

The Company's ability to benefit from any future mining operations will depend on market factors, some of which may be beyond its control. The world market for minerals is subject to many variables and may fluctuate markedly.

If the Company successfully defines a resource or reserve and subsequently achieves success leading to mineral production, the revenue it will derive through the sale of commodities exposes the potential income of the Company to commodity price risks. Commodity prices fluctuate and are affected by many factors beyond the control of the Company. Such factors include supply and demand fluctuations for precious and base metals, technological advancements, forward selling activities and other macro-economic factors.

(b) Exchange Rates

International prices of various commodities are denominated in United States dollars and exposes the potential income of the Company to exchange rate risks, as it is expected that the income and expenditure of the Company are and will be taken into account in Australian currency, this exposes the Company to the fluctuations and volatility of the rate of exchange between the United States dollar and the Australian dollar as determined in international markets.

(c) Environmental Risks

The operations and proposed activities of the Company are subject to State and Federal laws and regulations concerning the environment. As with most exploration projects and mining operations, the Company's activities are expected to have an impact on the environment, particularly if advanced exploration or mine development proceed. It is the Company's intention to conduct its activities to the highest standard of environmental obligation, including compliance with all environmental laws.

Mining operations have inherent risks and liabilities associated with safety and damage to the environment and the disposal of waste products occurring as a result of mineral exploration and production. The occurrence of any such safety or environmental incident could delay production or increase production costs. Events, such as unpredictable

rainfall or bushfires may impact on the Company's ongoing compliance with environmental legislation, regulations and licences. Significant liabilities could be imposed on the Company for damages, clean-up costs or penalties in the event of certain discharges into the environment, environmental damage caused by previous operations or non-compliance with environmental laws or regulations.

The disposal of mining and process waste and mine water discharge are under constant legislative scrutiny and regulation. There is a risk that environmental laws and regulations become more onerous making the Company's operations more expensive.

Approvals are required for land clearing and for ground disturbing activities. Delays in obtaining such approvals can result in the delay to anticipated exploration programmes or mining activities.

(d) **Tenement tenure and regulatory requirements**

The Company's interests in tenements are governed by the Mining Act 1978 (WA) and regulations that are current in Western Australia and are evidenced by the granting of licences or leases.

Each licence or lease is for a specific term and carries with it annual expenditure and reporting commitments, as well as other conditions requiring compliance. Consequently, the Company could lose title to or its interest in the tenements if licence conditions are not met or if insufficient funds are available to meet expenditure commitments.

6.4 General risks

(a) **Economic**

General economic conditions, movements in interest and inflation rates and currency exchange rates may have an adverse effect on the Company's exploration, development and production activities, as well as on its ability to fund those activities.

(b) **Market conditions**

Share market conditions may affect the value of the Company's quoted securities regardless of the Company's operating performance. Share market conditions are affected by many factors such as:

- (i) general economic outlook;
- (ii) introduction of tax reform or other new legislation;
- (iii) interest rates and inflation rates;
- (iv) changes in investor sentiment toward specific market sectors;
- (v) the demand for, and supply of, capital; and
- (vi) terrorism or other hostilities.

The market price of securities can fall as well as rise and may be subject to varied and unpredictable influences on the market for equities in general and resource exploration stocks, in particular. Neither the

Company nor the Directors warrant the future performance of the Company or any return on an investment in the Company.

(c) **Dividends**

Any future determination as to the payment of dividends by the Company will be at the discretion of the Directors and will depend on the financial condition of the Company, future capital requirements and general business and other factors considered relevant by the Directors. No assurance in relation to the payment of dividends or franking credits attaching to dividends can be given by the Company.

(d) **Taxation**

The acquisition and disposal of Shares will have tax consequences, which will differ depending on the individual financial affairs of each investor. All potential investors in the Company are urged to obtain independent financial advice about the consequences of acquiring Shares from a taxation viewpoint and generally.

To the maximum extent permitted by law, the Company, its officers and each of their respective advisors accept no liability and responsibility with respect to the taxation consequences of subscribing for Shares under this Offer Document.

6.5 Investment Speculative

The above list of risk factors ought not to be taken as exhaustive of the risks faced by the Company or by investors in the Company. The above factors, and others not specifically referred to above, may in the future materially affect the financial performance of the Company and the value of the securities offered under this Offer Document. Therefore, the securities to be issued pursuant to this Offer Document carry no guarantee with respect to the payment of dividends, returns of capital or the market value of those securities.

Potential investors should consider that the investment in the Company is speculative and should consult their professional advisers before deciding whether to apply for securities pursuant to this Offer Document.

7. UNDERWRITING AGREEMENT

Pursuant to an underwriting agreement between the Company and Bell Potter (**Underwriting Agreement**), Bell Potter has agreed to fully underwrite the Offer and Placement, being:

- (a) an amount of approximately \$3,017,180 (60,343,600 Shares) under the Placement; and
- (b) an amount of approximately \$19,059,921 (381,198,414 Shares) under the Offer.

Pursuant to the Underwriting Agreement, the Company has agreed to pay Bell Potter a:

- (a) management fee of 2% of the gross amount raised under the Placement and Offer; and
- (b) an underwriting fee of 4% of the gross amount raised under the Placement and Offer.

The Company will also pay Bell Potter its reasonable costs and out of pocket expenses incurred by Bell Potter in respect of the Offer.

Bell Potter may procure sub-underwriters to sub-underwrite the Placement and/or Offer. Bell Potter is responsible for paying all fees or commissions due to such sub-underwriters.

The obligation of Bell Potter to underwrite the Offer and Placement is subject to certain events of termination. Bell Potter may terminate its obligations under the Underwriting Agreement if:

- (a) **change to Share terms and constituent documents:** the terms of the Shares or any other securities of the Company, any of its Related Bodies Corporate or the Constitution of the Company or any of its Related Bodies Corporate are modified or repealed or the Company proposes any such modification or repeal;
- (b) **misleading statement in the Offer Materials:** a statement in the offer materials pertaining to the Placement and/or Offer (**Offer Materials**) is untrue, misleading or deceptive or there is an omission from the Offer Materials of information required by the Corporations Act or the ASX Listing Rules;
- (c) **breach of constitution:** the Company or a subsidiary breaches its constitution which would, in Bell Potter's reasonable opinion, have a Material Adverse Effect;
- (d) **results of investigation:** any of the results of investigations of the Company or any subsidiary conducted pursuant to the Company's due diligence program and verification material is or becomes false or misleading and which in the reasonable opinion of the Underwriter has or is likely to either:
 - (i) have a Material Adverse Effect; or
 - (ii) materially and adversely change, or result in a material and adverse change to, the operations of the Company or a subsidiary;

- (e) **default:** the Company breaches this agreement or any warranty or representation by the Company under this agreement is or becomes untrue and which in either case in the reasonable opinion of the Underwriter has or is likely to either:
 - (i) have a Material Adverse Effect; or
 - (ii) materially and adversely change, or result in a material and adverse change to, the operations of the Company or a Subsidiary;
- (f) **Timetable not met:** except with the agreement of the parties (not to be unreasonably withheld or delayed), any event specified in the timetable for the Offer does not occur on the date specified for that event;
- (g) **Offer and Offer Materials withdrawn:** at any time after the date of the Underwriting Agreement, the Company withdraws the Placement, Offer or any of the Offer Materials;
- (h) **no quotation:** approval for the quotation of all of the New Shares on the ASX is refused, not granted or granted subject to any condition which is unacceptable to Bell Potter (acting reasonably) or is subsequently withdrawn;
- (i) **Officers:** any officer of the Company or a subsidiary is charged with or convicted of any criminal offence involving fraudulent or dishonest conduct or becomes a bankrupt or resigns or is removed, or steps are taken to achieve such an outcome;
- (j) **unapproved alteration of capital:** the Company alters, or announces an intention to alter, its capital structure or its Constitution without the prior consent of Bell Potter (such consent not to be unreasonably withheld) which would, in Bell Potter's reasonable opinion, materially and adversely affect the Company, Placement or Offer;
- (k) **unapproved Encumbrances:** the Company or a subsidiary gives security in favour of any person who is not a security holder at the date of this agreement which would, in Bell Potter's reasonable opinion, materially and adversely affect the Company, the Placement or the Offer;
- (l) **false or misleading information given to the Underwriter:** any information that is, in Bell Potter's reasonable opinion, material that was supplied at any time by or on behalf of the Company to Bell Potter in respect of any aspect of the Company or a subsidiary or the Placement or Offer is or becomes materially misleading or deceptive or contains a material omission;
- (m) **Company offers Shareholders refund:** any circumstance arises after the Offer Materials are issued that results in the Company doing any of the following: repaying, or offering to repay, any application monies or offering one or more Applicants an opportunity to withdraw their Entitlement and Acceptance Forms;
- (n) **material change:** a change occurs after the date of the Underwriting Agreement affecting or relating to the Company or a subsidiary which in the reasonable opinion of Bell Potter has or is likely to either:
 - (i) have a Material Adverse Effect; or

- (ii) materially and adversely change, or result in a material and adverse change to, the operations of the Company or a subsidiary;
- (o) **acquisition:** the Company or any of its subsidiaries makes, or agrees to make a major acquisition or enters into any major expenditure other than in accordance with any disclosure in the Offer Materials or any announcement released to the ASX prior to the date of the Underwriting Agreement;
- (p) **contravention:** any contravention by the Company or a subsidiary, whether before or after the date of the Underwriting Agreement, of:
 - (i) any law, regulation, authorisation, ruling, consent, judgment, order or decree of any Government agency;
 - (ii) its constitution or another constituent document;
 - (iii) the ASX Listing Rules; or
 - (iv) an encumbrance or document which is binding on:
 - (A) the Company or a subsidiary; or
 - (B) an asset of the Company or a subsidiary;

which in the reasonable opinion of Bell Potter has or is likely to have a Material Adverse Effect;

- (q) **Insolvency Event:** an insolvency event occurs in relation to the Company or a subsidiary (other than to the extent the subsidiaries are being wound up);
- (r) **Prescribed Event:** a Prescribed Event occurs in relation to the Company or a Subsidiary which in the reasonable opinion of the Underwriter has or is likely to either:
 - (i) have a Material Adverse Effect; or
 - (ii) materially and adversely change, or result in a material and adverse change to, the operations of the Company or a Subsidiary;
- (s) **market movement:** either the All Ordinaries Index or the Small Ordinaries Index is for three consecutive days at any time after the date of the Underwriting Agreement 10% or more below its respective level as at the close of business on the business day prior to the date of the Underwriting Agreement;
- (t) **market movement:** either the All Ordinaries Index or the Small Ordinaries Index is at the close of business on the business day before the Placement settlement date 10% or more below its respective level as at the close of business on the business day prior to the date of the Underwriting Agreement;
- (u) **market movement:** either the All Ordinaries Index or the Small Ordinaries Index is at the close of business on the Offer shortfall notification date 10% or more below its respective level as at the close of business on the business day prior to the date of the Underwriting Agreement;

- (v) **war:** an outbreak of new hostilities or a state of war, whether declared or not, arises after the date of this agreement, or an escalation of hostilities already in existence occurs, involving, or a terrorist act is carried out after the date of this agreement in or against any diplomatic, military, commercial or political institution, establishment, body or personnel of certain specified jurisdictions and, as a result, has a Material Adverse Effect and results in a materially and adversely change to the operations of the Company or a subsidiary ;
- (w) **changes of law:** any Government agency adopts or announces any change in law or policy or makes a policy determination which in the reasonable opinion of Bell Potter has or is likely to have a Material Adverse Effect;
- (x) **certificates:** the Company fails to deliver a closing certificate to Bell Potter, as specified in the Underwriting Agreement;
- (y) **Shares:** any securities that have been issued by the Company which at the date of this agreement are officially quoted on the ASX:
 - (i) are suspended from quotation whether temporarily or otherwise; or
 - (ii) are the subject of an ASX statement to the effect that the securities will be suspended or cease to be quoted;
- (z) **quotation on the ASX:** 20 business days elapse after the date of the Underwriting Agreement without the ASX granting quotation of the New Shares on the securities market operated by the ASX;
- (aa) **statement of ASX:** the ASX makes a statement to any person that official quotation of the New Shares will not be granted;
- (bb) **significant change to management or board:** there is a significant change to the composition of the senior executives of the Company or of its board of directors without the approval of Bell Potter (which approval may not be unreasonably withheld);
- (cc) **Correction of defective Notice required but not issued:** Bell Potter reasonably forms the view that a notice under section 708AA(10)(c) of the Corporations Act is required and the Company fails to provide such notice to the ASX;
- (dd) **judgment:** a judgment in an amount exceeding \$250,000 is obtained against the Company or any Related Body Corporate of the Company and is not appealed or satisfied within the time required;
- (ee) **ASIC hearing and investigation:** ASIC gives notice of intention to hold a hearing examination, inspection, investigation, or it requires information to be disclosed, in connection with the Company, the Offer Materials or the Offer (which, for the avoidance of doubt, shall not include the case where ASIC has informally asked the Company to answer questions in relation to the Offer Materials or the Offer;
- (ff) **court order:** an order is made in connection with the Offer Materials or the Offer, under section 1324 or section 1325 of the Corporations Act; or

- (gg) **consent withdrawal:** if any person, other than Bell Potter, who has previously consented to the inclusion of a statement made by them or based on a statement made by them in the Offer Materials, withdraws that consent whether publicly or not.

Although Bell Potter may procure other subscribers for any underwritten Shares which it is required to subscribe for under the Underwriting Agreement, Bell Potter must not itself (or through its affiliates) take up such number of underwritten Shares (**Relevant Securities**) to the extent that doing so would result in Bell Potter and/or its affiliates breaching section 606 of the Corporations Act. To the extent that an issue of Relevant Securities would otherwise breach section 606 of the Corporations Act, Bell Potter must still comply with its obligations to pay or procure payment of the full underwritten amount but is not required to subscribe for the equivalent Relevant Securities. Instead, Bell Potter must, within three months after the close of the Offer, procure subscribers who are exempt investors (under section 708 of the Corporations Act) for such Relevant Securities as agent for the Company.

The Underwriting Agreement also contains a number of indemnities, representations and warranties from the Company to Bell Potter that are considered standard for an agreement of this type.

8. DEFINED TERMS

\$ means an Australian dollar.

AEST means Australian Eastern Standard Time.

Additional Shares means those New Shares not issued under the Offer.

Applicant refers to a person who submits an Entitlement and Acceptance Form or submits a payment of subscription monies in respect of the Offer.

Application refers to (i) with respect to Shareholders in Australia and New Zealand, the submission of an Entitlement and Acceptance Form or Shortfall Application Form (as the case may be), and (ii) with respect to other Eligible Shareholders, an Investor Certificate for Shareholders outside Australia and New Zealand, in the form attached as Annexure A.

Application Monies means money submitted by Applicants in respect of Applications.

ASX means ASX Limited (ACN 008 624 691) or, where the context permits, the Australian Securities Exchange operated by ASX Limited.

ASX Listing Rules means the Listing Rules of the ASX.

Bell Potter means Bell Potter Securities Limited (ACN 006 390 772) (Australian Financial Services Licence No 243480).

Closing Date means the closing date set out in Section 4.3 or such other date as may be determined by the Directors.

Company means De Grey Mining Limited (ACN 094 206 292).

Corporations Act means the *Corporations Act 2001* (Cth).

Directors mean the directors of the Company.

Eligible Shareholder means, subject to the qualifications in Section 1.4, a Shareholder whose details appear on the Company's register of Shareholders as at the Record Date whose registered address is in Australia or New Zealand, and in

- Canada, a Shareholder who is an "accredited investor" as defined in National Instrument 45-106 – Prospectus Exemptions ("NI 45-106") and, if relying on subsection (m) of the definition of that term, not a person created or being used solely to acquire or hold securities as an accredited investor;
- Hong Kong, a Shareholder who is a "professional investor" as defined under the Securities and Futures Ordinance of Hong Kong, Chapter 571 of the Laws of Hong Kong;
- the Netherlands, a "qualified investor" within the meaning of the Prospectus Directive (Directive 2003/71/EC) as amended and implemented in the Netherlands; and
- the United States, to Eligible US Fund Managers.

Eligible US Fund Manager means a dealer or other professional fiduciary organised, incorporated or (if an individual) resident in the United States that is acting for a discretionary or similar account (other than an estate or trust) held for the benefit or account of persons that are not US persons for which it has and is exercising investment discretion, within the meaning of Rule 902(k)(2)(i) of Regulation S under the US Securities Act of 1933.

Entitlement means the entitlement to subscribe for 1 New Share for every 1.28 Shares held by an Eligible Shareholder on the Record Date.

Entitlement and Acceptance Form means the Entitlement and Acceptance Form accompanying this Offer Document.

Indee Gold Acquisition means the proposed acquisition of 100% of the issued share capital of Indee Gold Pty Ltd by the Company, as described in the Company's announcements dated 9 February 2017 and 30 January 2018.

Ineligible Shareholder means a Shareholder as at the Record Date who is not an Eligible Shareholder.

Lead Manager means Bell Potter Securities Limited (ACN 006 390 772) (Australian Financial Services Licence No 243480).

Material Adverse Effect means a material adverse effect on:

- (a) a decision of one or more investor(s) to invest in Shares or a decision of one or more sub-underwriter(s) to sub-underwrite the Shares;
- (b) the outcome of the Offer or the Placement or the subsequent market for the Shares; or
- (c) the assets and liabilities, financial position and performance, profits and losses, prospects, business or operations of the Company and its subsidiaries taken as a whole.

New Share means a new Share proposed to be issued pursuant to this Offer.

Offer means the pro rata renounceable offer of New Shares at an issue price of \$0.05 each on the basis of 1 New Share for every 1.28 Shares held on the Record Date subscribed for pursuant to this Offer Document.

Offer Document means this Offer Document.

Opening Date means the opening date set out in Section 4.3.

Option means an option to acquire a Share.

Performance Right means a performance right issued on the terms and conditions approved by Shareholders at the Company's 2017 annual general meeting.

Placement has the meaning given in Section 4.1.

Prescribed Even means, subject to specified carve outs in the Underwriting Agreement, that with respect to a body corporate:

- (a) the body corporate converts all or any of its shares into a larger or smaller number of shares;

- (b) the body corporate resolves to reduce its share capital in any way;
- (c) the body corporate:
 - (i) enters into a buy-back agreement; or
 - (ii) resolves to approve the terms of a buy-back agreement under sections 257C(1) or 257D(1) of the Corporations Act;
- (d) the body corporate issues shares, or grants an option over its shares, or agrees to make such an issue or grant such an option;
- (e) the body corporate issues, or agrees to issue, convertible notes;
- (f) the body corporate disposes, or agrees to dispose, of the whole, or a substantial part, of its business or property;
- (g) the body corporate charges, or agrees to charge, the whole, or a substantial part, of its business or property; or
- (h) the body corporate resolves to be wound up.

Record Date means the record date set out in Section 4.3.

Related Body Corporate has the same meaning given to that term in the Corporations Act.

Section means a section of this Offer Document.

Share means an ordinary fully paid share in the capital of the Company.

Shareholder means a holder of Shares.

Shortfall means those Shares under the Offer not applied for by Eligible Shareholders under their Entitlement.

Shortfall Application Form means the shortfall application form either attached to or accompanying this Offer Document.

Shortfall Offer means the offer of the Shortfall on the terms and conditions set out in section 4.12 of this Offer Document.

Underwriting Agreement has the meaning given in Section 7.

ANNEXURE A

De Grey Mining Limited

Investor Certificate for Shareholders outside Australia and New Zealand

The undersigned resides outside Australia and New Zealand and makes this certificate in connection with a subscription of ordinary shares (the "New Shares") of De Grey Mining Limited, an Australian corporation (the "Company").

The undersigned certifies that it:

1. if it is in Canada, it is an "accredited investor" as defined in National Instrument 45-106 - Prospectus Exemptions;
2. if it is in Hong Kong, it is a "professional investor" as defined under the Securities and Futures Ordinance of Hong Kong, Chapter 571 of the Laws of Hong Kong;
3. if it is in the Netherlands, it is a "qualified investor" within the meaning of the Prospectus Directive (Directive 2003/71/EC), as amended and implemented in the Netherlands;
4. if it is in the United States, it is a dealer or other professional fiduciary organised, incorporated or (if an individual) resident in the United States that is acting for a discretionary or similar account (other than an estate or trust) held for the benefit or account of persons that are not US persons for which it has and is exercising investment discretion, within the meaning of Rule 902(k)(2)(i) of Regulation S under the US Securities Act of 1933 ("Securities Act");
5. understands that the New Shares have not been registered under the Securities Act and New Shares cannot be transferred or resold unless they are (i) registered under the Securities Act; (ii) sold or transferred in a transaction exempt from registration under the Securities Act and applicable state securities laws; or (iii) sold outside the United States in compliance with Regulation S under the Securities Act, including in regular way transactions on the Australian Securities Exchange if neither it nor any person acting on its behalf knows, or has reason to know, that the sale has been prearranged with a person in the United States;
6. confirms that it:
 - (a) is knowledgeable in relation to the business of the Company and capable of evaluating the merits and risks of its investment in the New Shares, including income tax consequences of acquiring, owning and disposing of the New Shares;
 - (b) has been afforded access to information about the New Shares, the Company's financial condition, results of operations, business, property, management and prospects sufficient to enable it to invest in the New Shares (including reviewing any offer document prepared by the Company and documents it has filed with ASX); and
 - (c) understands that the purchase of the New Shares involves risks;
7. agrees not to forward any offer document prepared by the Company to any person.

Name of investor: _____

By: _____

Name:

Title:

Date: _____