

DE GREY MINING LIMITED
ABN 65 094 206 292

NOTICE OF GENERAL MEETING

AND

EXPLANATORY STATEMENT

AND

PROXY FORM

Date of Meeting

Monday 26th June 2017

Time of Meeting

10:00 am

Place of Meeting

Level 2, Suite 9
389 Oxford Street
Mt. Hawthorn WA 6016

This Notice of General Meeting should be read in its entirety. If Shareholders are in doubt as to how they should vote, they should seek advice from their accountant, solicitor or other professional adviser prior to voting.

DE GREY MINING LIMITED
ABN 65 094 206 292
NOTICE OF GENERAL MEETING

Notice is hereby given that a General Meeting of Shareholders of De Grey Mining Limited (**Company**) will be held at Level 2, Suite 9, 389 Oxford Street Mt. Hawthorn WA 6016 on Monday 26th June 2017 at 10:00 am (**Meeting**) for the purpose of transacting the following business.

The Explanatory Statement to this Notice of Meeting provides additional information on matters to be considered at the Meeting. The Explanatory Statement and the Proxy Form form part of this Notice. Terms and abbreviations used in this Notice are defined in the Glossary in the Explanatory Statement.

AGENDA

ORDINARY BUSINESS

Resolution 1 – Ratification of Prior Issue of Shares

To consider and, if thought fit, to pass the following resolution as an **ordinary resolution**:

“That, for the purposes of ASX Listing Rule 7.4 and for all other purposes, this meeting ratifies the issue of 10,670,376 Shares on the terms and conditions set out in the Explanatory Statement.”

Voting Exclusion applies and is described below

Resolution 2 – Ratification of Prior Issue of Shares

To consider and, if thought fit, to pass the following resolution as an **ordinary resolution**:

“That, for the purposes of ASX Listing Rule 7.4 and for all other purposes, this meeting ratifies the issue of 17,329,624 Shares on the terms and conditions set out in the Explanatory Statement.”

Voting Exclusion applies and is described below

Resolution 3 – Ratification of Prior Issue of Options

To consider and, if thought fit, to pass the following resolution as an **ordinary resolution**:

“That, for the purposes of ASX Listing Rule 7.4 and for all other purposes, this meeting ratifies the issue of 14,000,000 Options on the terms and conditions set out in the Explanatory Statement.”

Voting Exclusion applies – and is described below.

Resolution 4 – Placement Issue of Shares

To consider and, if thought fit, to pass the following resolution as an ordinary resolution:

“That, for the purposes of ASX Listing Rule 7.1 and for all other purposes, approval is given for the Company to issue ordinary fully paid shares up to a value of \$500,000 at a Volume Weighted Average Price (“VWAP”) calculated in accordance with the terms and conditions set out in the Explanatory Statement.”

Voting Exclusion applies and is described below

VOTING EXCLUSIONS

Resolutions 1, 2 and 3 - Voting Exclusion: The Company will disregard any votes cast on these Resolutions by any person who participated in the securities issue and any associate of those persons. However, the Company will not disregard a vote if it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form; or it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

Resolution 4 Voting Exclusion: The Company will disregard any votes cast on this Resolution by any person who may participate in the proposed securities issue and a person who might obtain a benefit, except a benefit solely in the capacity of a holder of ordinary securities, if the Resolution is passed and any associates of those persons. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

PROXIES

A Proxy Form is attached to the Notice. This is to be used by Shareholders if they wish to appoint a representative (a “proxy”) to vote in their place. All Shareholders are invited and encouraged to attend the Meeting or, if they are unable to attend in person, sign and return the Proxy Form to the Company in accordance with the instructions on the form. Lodgement of a Proxy Form will not preclude a Shareholder from attending and voting at the Meeting in person.

Please note that:

- a member of the Company entitled to attend and vote at the Meeting is entitled to appoint a proxy;
- a proxy need not be a member of the Company; and
- a member of the Company entitled to cast two or more votes may appoint two proxies and may specify the proportion or number of votes each proxy is appointed to exercise, but where the proportion or number is not specified, each proxy may exercise half of the votes.

If you are a registered Shareholder of the Company and are unable to attend the Meeting in person, please date and execute the accompanying Proxy Form in accordance with its instructions prior to 10am WST on 24th June 2017 by:

1. Email to De Grey Mining Limited, admin@degreymining.com.au
2. Post to De Grey Mining Limited, C/- PO Box 281, Mt. Hawthorn, Western Australia 6915; or
3. Facsimile to De Grey Mining Limited at (61 8) 9380 6761.

If you are a beneficial Shareholder and receive these materials through your broker or through another intermediary, please complete and return the form of proxy or voting instruction form in accordance with the instructions provided to you by your broker or by the other intermediary.

HOW THE CHAIR WILL VOTE AVAILABLE PROXIES

The Chair of the Meeting intends to vote all available proxies in favour of all of the resolutions set out in the Notice.

Shareholders are encouraged to direct their proxies how to vote (as opposed to issuing an open proxy).

DEFAULT TO THE CHAIR

Any directed proxies that are not voted on a poll at the Meeting will automatically default to the Chair of the Meeting, who is required to vote those proxies as directed.

ENTITLEMENT TO VOTE

For the purposes of regulation 7.11.37 of the Corporations Regulations 2001, the Company determines that members holding Shares at 7pm (Australian Eastern Standard Time) on 24th June 2017 will be entitled to attend and vote at the Meeting.

CORPORATIONS

A corporation may elect to appoint a representative in accordance with the Corporations Act, in which case the Company will require written proof of the representative's appointment, which must be lodged with, or presented to the Company, before the Meeting.

REVOCAION OF PROXIES

A Shareholder executing and delivering a proxy has the power to revoke it in accordance with the provisions of the Corporations Act, which provides that every proxy may be revoked by an instrument in writing executed by the Shareholder or by his or her attorney authorised in writing and delivered either to the registered office of the Company at any time up to and including the last business day preceding the day of the Meeting, or any adjournment thereof at which the proxy is to be used, or to the Chairman of the Meeting on the day of the Meeting or any adjournment thereof, or in any other manner permitted by law.

By Order of the Board of Directors



Craig Nelmes
Company Secretary
Date: 25 May 2017

EXPLANATORY STATEMENT

1. INTRODUCTION

This Explanatory Statement has been prepared for the Shareholders of De Grey Mining Limited (“**De Grey**” or the “**Company**”) in connection with the business to be conducted at the Company’s General Meeting to be held at Level 2, Suite 9, 389 Oxford Street Mt. Hawthorn WA 6016 on Monday 26th June 2017 commencing at 10am WST and any adjournment thereof.

This Explanatory Statement should be read in conjunction with the accompanying Notice of Meeting.

2. RESOLUTIONS 1, 2 and 3 – Ratification of Prior Issue of Shares and Options

2.1 Background

On 21 April 2017, the Company announced that it had issued 28,000,000 Ordinary fully paid Shares at an issue price of \$0.065 per Share, with a free attaching option (exercisable at \$0.10 on or before 30 November 2018) for every two new shares subscribed to raise \$1.82M (before costs).

All monies raised provided funding for the Company’s ongoing exploration and development activities at the Pilbara Gold Project and for ongoing working capital requirements.

Resolutions 1, 2 and 3 seek Shareholder ratification pursuant to ASX Listing Rule 7.4 of the single tranche placement was completed (as below) pursuant to the Company’s capacity under Listing Rules 7.1 and 7.1A:

- 10,670,376 ordinary fully paid shares to be issued under Listing Rule 7.1 (Resolution 1).
- 17,329,624 ordinary fully paid shares to be issued under Listing Rule 7.1A (Resolution 2).
- 14,000,000 listed options to all be issued under Listing Rule 7.1 (Resolution 3).

Resolutions 1, 2 and 3 seek Shareholder ratification pursuant to ASX Listing Rule 7.4 for all the equity securities the subject of the Capital Raising.

ASX Listing Rule 7.1 provides that a company must not, subject to specified exceptions, issue or agree to issue more equity securities during any 12 month period than that amount which represents 15% of the number of fully paid ordinary securities on issue at the commencement of that 12 month period.

ASX Listing Rule 7.4 sets out an exception to ASX Listing Rule 7.1. It provides that where a company in general meeting ratifies the previous issue of securities made pursuant to ASX Listing Rule 7.1 (and provided that then previous issue did not breach ASX Listing Rule 7.1) those securities will be deemed to have been made with shareholder approval for the purpose of ASX Listing Rule 7.1.

By ratifying the issues, the subject of Resolutions 1, 2 and 3, the Company will retain the flexibility to issue equity securities in the future up to the 15% and 10% annual placement capacity set out in ASX Listing Rule 7.1 and 7.1A respectively, without the requirement to obtain prior Shareholder approval.

2.2 Information required by ASX Listing Rule 7.5 (Resolutions 1 and 2)

Pursuant to and in accordance with ASX Listing Rule 7.5, the following information is provided in relation to Resolutions 1 and 2:

- (a) 28,000,000 Shares were issued on the following basis;
 - 10,670,376 issued under Listing Rule 7.1 (Resolution 1) and;
 - 17,329,624 issued under Listing Rule 7.1A. (Resolution 2)
- (b) the issue price for the Shares was \$0.065 per Share;
- (c) the Shares issued were all fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company’s existing Shares;
- (d) the Shares were issued to sophisticated and professional investors, none of whom are related parties of the Company;

2.2 Information required by ASX Listing Rule 7.5 (Resolutions 1 and 2) Continued

- (e) the funds raised from the Capital Raisings are being used to fund the Company's ongoing exploration and development activities at the Pilbara Gold Project and for ongoing working capital requirements.

A voting exclusion statement is included in the Notice.

2.3 Information required by ASX Listing Rule 7.5 (Resolution 3)

Pursuant to and in accordance with ASX Listing Rule 7.5, the following information is provided in relation to Resolution 3:

- (a) 14,000,000 Options were issued under Listing Rule 7.1.
- (b) The Options were issued for free on the basis of one free attaching Option for every two Shares subscribed under Resolutions 1 and 2. The Options, exercisable at \$0.10 each on or before 30 November 2018, are in the same class as the listed Option class, DEGO;
- (c) the Options were issued to sophisticated and professional investors, none of whom are related parties of the Company; and
- (d) No funds were raised from the issue of options.

A voting exclusion statement is included in the Notice.

3. RESOLUTION 4 – Placement Issue of Shares

3.1 Background

On 21 April 2017, the Company announced that it had executed an agreement with drilling company, Top Drill Pty Ltd, for 20,000m of reverse circulation (RC) drilling – or other drilling as agreed with Top Drill (“Drilling Program”).

The agreement, which was based on a competitive quotation process and provides for the issue of Shares up to a value of \$500,000 in part settlement of De Grey's RC drilling costs (being 50% of the drilling costs up to a value of \$1M).

The issue of Shares is subject to shareholder approval and the pricing will be determined as the 5 day volume weighted average price (VWAP) of Shares traded on ASX immediately following the completion of the drilling program. Top Drill has also agreed to a voluntary escrow period of 6 months from the date of issue of the Shares.

Resolution 4 seeks Shareholder approval pursuant to ASX Listing Rule 7.1 for the issue of those shares.

3.2 Information required for approval under Listing Rule 7.5

Pursuant to and in accordance with ASX Listing Rule 7.3, the following information is provided in relation to the securities in the Placement issue:

- (a) Shares to a value of up to \$500,000 will be issued, refer to (c) below for the basis of calculating the actual number of shares and an illustration of that formula;
- (b) The Shares will be issued on completion of the Drilling Program (which commenced mid- May 2017 and expected to be completed in September 2017), but, in any event, no later than 3 months after the date of the Meeting ;
- (c) The deemed issue price of Shares will be determined as the 5 day VWAP of Shares traded on ASX immediately following the completion of the drilling program. Using the market price of \$0.052 at the time of preparing this Notice as being equivalent to the 5 day VWAP for illustration purposes, the total number of Shares required to be issued would be approximately 9,615,385 (\$500,000 divided by \$0.052). The Shares will be subject to a voluntary escrow period of 6 months from the date of their issue.
- (d) The Shares will be issued to Top Drill Pty Ltd or its nominees;
- (e) The Shares issued will rank equally with the existing ordinary shares and will be quoted on the ASX.
- (f) No funds will be raised from the issue of the Shares. The Shares will instead be issued to settle a proportion of drilling costs incurred by the Company.

4. GLOSSARY

In this Explanatory Statement and the Notice, the following terms have the following meanings unless the context otherwise requires:

"**Associate**" has the same meaning as defined in section 11 and section 13 to 17 of the Corporations Act;

"**ASX**" means ASX Limited ABN 98 008 624 691 and, where the context permits, the Australian Securities Exchange operated by ASX Limited;

"**Board**" means the board of Directors;

"**Company**" means De Grey Mining Limited ABN 65 094 206 292;

"**Corporations Act**" means Corporations Act 2001 (Cth);

"**Director**" means a director of the Company;

"**Equity Securities**" has the same meaning as in the Listing Rules;

"**Explanatory Statement**" means the explanatory statement accompanying this Notice;

"**Listing Rules**" means the Listing Rules of the ASX;

"**Meeting**" has the meaning in the introductory paragraph of the Notice;

"**Notice**" means this Notice of General Meeting;

"**Option**" means an option to acquire a Share;

"**Proxy Form**" means the proxy form attached to this Notice;

"**Resolution**" means a resolution contained in this Notice;

"**Share**" means a fully paid ordinary share in the capital of the Company;

"**Shareholder**" means the holder of a Share;

"**Trading Day**" means a day determined by ASX to be a trading day in accordance with the Listing Rules;

"**WST**" means Australian Western Standard Time.

Capitalised terms referred to in this Notice are defined in the Explanatory Statement.

SCHEDULE 1

TERMS AND CONDITIONS OF OPTIONS (Resolution 2)

- (a) Each Option entitles the holder (Option Holder) to subscribe for one Share in the Company.
- (b) The Options may be exercisable at any time prior to the Expiry Date, being 5.00pm WST on 30 November 2018. Options not exercised before the expiry date will automatically lapse.
- (c) The exercise price of each Option is \$0.10.
- (d) The Options may be exercised wholly or in part by completing an application form for Shares (**Notice of Exercise**) delivered to the Company's share registry and received by it any time prior to the Expiry Date.
- (e) All Shares in the Company issued on the exercise of Options will rank equally in all respects with the then existing Shares. The Company will apply to ASX to have the Shares granted Official Quotation.
- (f) The Company must apply for quotation of all Shares in the Company allotted pursuant to the exercise of Options not later than 10 Business Days after the date of issue.
- (g) An Option Holder may only participate in issues of securities to holders of Shares in the Company if the Options have been exercised and Shares allotted in respect of the Options before the record date for determining entitlements to the Issue. The Company must give to the Option Holder at least 7 Business Days notice of any Issue before the record date for determining entitlements to the Issue in accordance with the Listing Rules.
- (h) There will be no change to the exercise price of the Options or the number of Shares over which the Options are exercisable in the event of the Company making a pro-rata issue of Shares or other securities to the holders of Shares in the Company (other than a bonus issue).
- (i) If there is a bonus issue to the holders of Shares in the Company (Bonus Issue), the number of Shares over which the Options are exercisable will be increased by the number of Shares which an Option Holder would have received if the Option had been exercised before the record date for the Bonus Issue (Bonus Shares). The Bonus Shares must be paid up by the Company out of the profits or reserves (as the case may be) in the same manner as was applied in the Bonus Issue and upon issue rank equally in all respects with the other Shares on issue as the date of issue of the Bonus Shares.
- (j) If prior to the expiry date there is a re-organisation of the issued capital of the Company, the Options are to be treated in the manner set out in the Listing Rules.

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DE GREY MINING LTD

ACN: 094 206 292

REGISTERED OFFICE:
LEVEL 2, SUITE 9
389 OXFORD STREET
MT HAWTHORN WA 6016

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«EFT_REFERENCE_NUMBER»



«Post_zone»
«Company_code» «Sequence_number»

«Holder_name»
«Address_line_1»
«Address_line_2»
«Address_line_3»
«Address_line_4»
«Address_line_5»

SHARE REGISTRY:
Security Transfer Australia Pty Ltd
PO BOX 52
Collins Street West VIC 8007
Suite 913, Exchange Tower
530 Little Collins Street
Melbourne VIC 3000
T: 1300 992 916 F: +61 8 9315 2233
E: registrar@securitytransfer.com.au
W: www.securitytransfer.com.au

Code: **DEG**

Holder Number: **«HOLDER_NUM**

PROXY FORM

THIS DOCUMENT IS IMPORTANT. IF YOU ARE IN DOUBT AS TO HOW TO DEAL WITH IT, PLEASE CONTACT YOUR STOCK BROKER OR LICENSED PROFESSIONAL ADVISOR.

SECTION A: Appointment of Proxy

I/We, the above named, being registered holders of the Company and entitled to attend and vote hereby appoint:

The meeting chairperson

OR

or failing the person named, or if no person is named, the Chairperson of the meeting, as my/our Proxy to act generally at the meeting on my/our behalf and to vote in accordance with the following directions (or if no directions have been given, as the Proxy sees fit) at the General Meeting of the Company to be held at 10:00am WST on Monday 26 June 2017 at Level 2, Suite 9, 389 Oxford Street, Mt. Hawthorn WA 6016 and at any adjournment of that meeting.

SECTION B: Voting Directions

Please mark "X" in the box to indicate your voting directions to your Proxy. The Chairperson of the Meeting intends to vote undirected proxies in FAVOUR of all the resolutions. In exceptional circumstances, the Chairperson of the Meeting may change his/her voting intention on any resolution, in which case an ASX announcement will be made.

RESOLUTION

1. Ratification of Prior Issue of Shares
2. Ratification of Prior Issue of Shares
3. Ratification of Prior Issue of Options
4. Placement Issue of Shares

For	Against	Abstain*
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

If no directions are given my proxy may vote as the proxy thinks fit or may abstain. * If you mark the Abstain box for a particular item, you are directing your Proxy not to vote on your behalf on a show of hands or on a poll and your votes will not be counted in computing the required majority on a poll.

SECTION C: Signature of Security Holder(s)

This section must be signed in accordance with the instructions overleaf to enable your directions to be implemented.

Individual or Security Holder

Security Holder 2

Security Holder 3

Sole Director & Sole Company Secretary

Director

Director/Company Secretary

Proxies must be received by De Grey Mining Ltd no later than 10:00am WST on Saturday 24 June 2017.

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My/Our contact details in case of enquiries are:

Name:

Number:

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1. NAME AND ADDRESS

This is the name and address on the Share Register of the Company. If this information is incorrect, please make corrections on this form. Shareholders sponsored by a broker should advise their broker of any changes. Please note that you cannot change ownership of your shares using this form.

2. APPOINTMENT OF A PROXY

If the person you wish to appoint as your Proxy is someone other than the Chairperson of the Meeting please write the name of that person in Section A. If you leave this section blank, or your named Proxy does not attend the meeting, the Chairperson of the Meeting will be your Proxy. A Proxy need not be a shareholder of the Company.

3. DIRECTING YOUR PROXY HOW TO VOTE

To direct the Proxy how to vote place an "X" in the appropriate box against each item in Section B. Where more than one Proxy is to be appointed and the proxies are to vote differently, then two separate forms must be used to indicate voting intentions.

4. APPOINTMENT OF A SECOND PROXY

You are entitled to appoint up to two (2) persons as proxies to attend the meeting and vote on a poll. If you wish to appoint a second Proxy, an additional Proxy form may be obtained by contacting the Company's share registry or you may photocopy this form.

To appoint a second Proxy you must:

- a) On each of the Proxy forms, state the percentage of your voting rights or number of securities applicable to that form. If the appointments do not specify the percentage or number of votes that each Proxy may exercise, each Proxy may exercise half of your votes; and
- b) Return both forms in the same envelope.

5. SIGNING INSTRUCTIONS

Individual: where the holding is in one name, the Shareholder must sign.

Joint Holding: where the holding is in more than one name, all of the Shareholders must sign.

Power of Attorney: to sign under Power of Attorney you must have already lodged this document with the Company's share registry. If you have not previously lodged this document for notation, please attach a certified photocopy of the Power of Attorney to this form when you return it.

Companies: where the Company has a Sole Director who is also the Sole Company Secretary, this form must be signed by that person. If the Company (pursuant to section 204A of the Corporations Act 2001) does not have a Company Secretary, a Sole Director may sign alone. Otherwise this form must be signed by a Director jointly with either another Director or Company Secretary. Please indicate the office held in the appropriate place.

If a representative of the corporation is to attend the meeting the appropriate "Certificate of Appointment of Corporate Representative" should be lodged with the Company before the meeting or at the registration desk on the day of the meeting. A form of the certificate may be obtained from the Company's share registry.

6. LODGEMENT OF PROXY

Proxy forms (and any Power of Attorney under which it is signed) must be received by De Grey Mining Ltd no later than the date and time stated on the form overleaf. Any Proxy form received after that time will not be valid for the scheduled meeting.

De Grey Mining Ltd

Postal Address PO Box 281
Mt. Hawthorn WA 6915

Facsimile +(61 8) 9380 6761

Email admin@degreymining.com.au

PRIVACY STATEMENT

Personal information is collected on this form by Security Transfer Australia Pty Ltd as the registrar for securities issuers for the purpose of maintaining registers of security holders, facilitating distribution payments and other corporate actions and communications. Your personal details may be disclosed to related bodies corporate, to external service providers such as mail and print providers, or as otherwise required or permitted by law. If you would like details of your personal information held by Security Transfer Australia Pty Ltd or you would like to correct information that is inaccurate please contact them on the address on this form.

