

DE GREY MINING LIMITED
ABN 65 094 206 292

NOTICE OF GENERAL MEETING

AND

EXPLANATORY STATEMENT

AND

PROXY FORM

Date of Meeting

Thursday 26th October 2017

Time of Meeting

11:00 am

Place of Meeting

The George - "London Room"
216 St. Georges Terrace
Perth WA 6000

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.

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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 The George - “London Room”, 216 St. Georges Terrace, Perth WA 6000, on Thursday 26th October 2017 at 11:00 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 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 Pursuant to Tranche 1 of Placement

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 30,820,844 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 Pursuant to Tranche 1 of Placement

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 21,389,156 Shares on the terms and conditions set out in the Explanatory Statement.”

Voting Exclusion applies and is described below

Resolution 3 – Issue of Free Attaching Options to Participants in Tranche 1 of Placement

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

“That, for the purposes of ASX Listing Rule 7.1 and for all other purposes, approval is given for the Company to issue up to 26,105,000 Free Attaching Options on the terms and conditions set out in the Explanatory Statement.”

Voting Exclusion applies and is described below.

Resolution 4 – Issue of Shares and Free Attaching Options Pursuant to Tranche 2 of Placement

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

“That, for the purposes of ASX Listing Rule 7.1 and for all other purposes, approval is given for the Company to issue up to 5,500,000 Shares at an issue price of \$0.05 per Share and up to 2,750,000 Free Attaching Options on the terms and conditions set out in the Explanatory Statement.”

Voting Exclusion applies – and is described below.

Resolution 5 – Participation by Director, Simon Lill, in Issue of Shares and Free Attaching Options Pursuant to Tranche 2 of Placement

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

“That, for the purposes of section 195(4) of the Corporations Act, ASX Listing Rule 10.11, and for all other purposes, approval is given for the Company to issue up to 1,000,000 Shares and up to 500,000 Free Attaching

Options to Mr. S Lill, a Director of the Company (or his nominee) on the terms and conditions set out in the Explanatory Statement”.

Voting Exclusion applies – and is described below.

Resolution 6 – Participation by Director, Steve Morris, in Issue of Shares and Free Attaching Options Pursuant to Tranche 2 of Placement

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

“That, for the purposes of section 195(4) of the Corporations Act, ASX Listing Rule 10.11, and for all other purposes, approval is given for the Company to issue up to 500,000 Shares and up to 250,000 Free Attaching Options to Mr. S Morris, a Director of the Company (or his nominee) on the terms and conditions set out in the Explanatory Statement”.

Voting Exclusion applies – and is described below.

Resolution 7 – Participation by Director, Davide Bosio, in Issue of Shares and Free Attaching Options Pursuant to Tranche 2 of Placement

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

“That, for the purposes of section 195(4) of the Corporations Act, ASX Listing Rule 10.11, and for all other purposes, approval is given for the Company to issue up to 1,000,000 Shares and up to 500,000 Free Attaching Options to Mr. D Bosio, a Director of the Company (or his nominee) on the terms and conditions set out in the Explanatory Statement.”

Voting Exclusion applies – and is described below.

Resolution 8 – Approval to Issue Unquoted Options to Corporate Resource Consultants Pty Ltd

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

“That, for the purposes of ASX Listing Rule 7.1 and for all other purposes, approval is given for the Company to issue up to 12,000,000 Unquoted Options to Corporate Resource Consultants Pty Ltd (or its nominees) on the terms and conditions set out in the Explanatory Statement.”

Voting Exclusion applies – and is described below.

VOTING EXCLUSIONS

Resolutions 1 and 2 - 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.

Resolutions 3, 4 and 8 - 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.

Resolution 5 Voting Exclusion: - The Company will disregard any votes cast on this Resolution by Mr S Lill (and his nominee) and any of their associates. 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.

Resolution 6 Voting Exclusion: - The Company will disregard any votes cast on this Resolution by Mr S Morris (and his nominee) and any of their associates. 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.

Resolution 7 Voting Exclusion: - The Company will disregard any votes cast on this Resolution by Mr D Bosio (and his nominee) and any of their associates. 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 follow the Proxy instructions and complete your voting online @ www.securitytransfer.com.au, prior to 11am WST on 24th October 2017:

Alternatively, please date and execute the accompanying Proxy Form in accordance with its instructions prior to 11am WST on 24th October 2017 by:

1. Email to De Grey Mining Limited, registrar@securitytransfer.com.au
2. Post to De Grey Mining Limited, C/- PO BOX 52, Collins Street West VIC 8007; or
3. Facsimile to De Grey Mining Limited at +61 8 9315 2233.

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 October 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: 26 September 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 The George - “London Room”, 216 St. Georges Terrace, Perth WA 6000, on Thursday 26th October 2017 at 11:00 am and any adjournment thereof.

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

2. RESOLUTIONS 1 AND 2 – RATIFICATION OF PRIOR ISSUE OF SHARES PURSUANT TO TRANCHE 1 OF PLACEMENT

2.1 Background

On 30 August 2017, the Company announced its plan to undertake a placement to sophisticated and professional investors to raise up to \$2,920,500 (**Placement**) in two tranches:

- (a) **Tranche 1:** the issue of 52,210,000 Shares at an issue price of \$0.05 per Share to sophisticated and professional investors to raise \$2,610,500; and
- (b) **Tranche 2:** the issue of an additional 6,200,000 Shares at an issue price of \$0.05 to Directors and key management personnel of the Company to raise a further \$310,000, subject to Shareholder approval which is being sought at this meeting (refer to Resolutions 4 to 7).

Participants in the Placement will also be issued one Free Attaching Option for every two Shares subscribed for and issued under the Placement, subject to Shareholder approval (refer to Resolution 3).

The Board have since agreed to increase Tranche 2 of the Placement to include employees and some key consultants/suppliers. Consequently, the Company is now seeking approval for the issue of up to 8,000,000 Shares (with a one for two Free Attaching Option) at an issue price of \$0.05 to raise \$400,000 pursuant to Tranche 2 of the Placement. If approved, this would bring the total quantum raised under the Two Tranche Placement to \$3,010,500.

All monies raised will be used to provide funding for the Company’s ongoing exploration and development activities at the Pilbara Gold Project, exploration activities at the King Col Lithium prospect and for ongoing working capital requirements.

2.2 General

On 6 September 2017, the Company issued Tranche 1 of the Placement, being 52,210,000 Shares at an issue price of \$0.05 per Share. The Shares were issued without Shareholder approval as follows:

- (a) 30,820,844 Shares under the Company’s existing placement capacity pursuant to ASX Listing Rule 7.1 (Resolution 1); and
- (b) 21,389,156 Shares under the Company’s existing placement capacity pursuant to ASX Listing Rule 7.1A (Resolution 2).

Resolutions 1 and 2 seek Shareholder ratification pursuant to ASX Listing Rule 7.4 for the issue of the Shares the subject of Tranche 1 of the Placement.

2.3 Resolution 1 – ASX Listing Rule 7.1

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 Resolution 1, the Company will retain the flexibility to issue equity securities in the future up to the 15% annual placement capacity set out in ASX Listing Rule 7.1, without the requirement to obtain prior Shareholder approval.

2.4 Resolution 2 – ASX Listing Rule 7.1A

ASX Listing Rule 7.1A provides that in addition to issues permitted without prior shareholder approval under ASX Listing Rule 7.1, an entity that is eligible and obtains shareholder approval under ASX Listing Rule 7.1A may issue or agree to issue during the period for which the approval is valid a number of quoted equity securities which represents 10% of the number of fully paid ordinary securities on issue at the commencement of that 12 month period as adjusted in accordance with the formula in ASX Listing Rule 7.1.

Where an eligible entity obtains shareholder approval to increase its placement capacity under ASX Listing Rule 7.1A then any ordinary securities issued under that additional placement capacity:

- (a) will not be counted in variable “A” in the formula in ASX Listing Rule 7.1A; and
- (b) are counted in variable “E”,

until their issue has been ratified under ASX Listing Rule 7.4 (and provided that the previous issue did not breach ASX Listing Rule 7.1A) or 12 months has passed since their issue.

By ratifying the issue the subject of Resolution 2, the base figure (i.e. variable “A”) in which the Company’s 15% and 10% annual placement capacities are calculated will be a higher number which in turn will allow a proportionately higher number of securities to be issued without prior Shareholder approval.

2.5 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) 52,210,000 Shares were issued on the following basis;
 - (i) 30,820,844 issued under Listing Rule 7.1 (Resolution 1) and;
 - (ii) 21,389,156 issued under Listing Rule 7.1A. (Resolution 2);
- (b) the issue price for the Shares was \$0.05 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;
- (e) the funds raised from the issues are being used to fund the Company’s ongoing exploration and development activities at the Pilbara Gold Project, exploration activities at the King Col Lithium prospect and for ongoing working capital requirements; and
- (f) a voting exclusion statement is included in the Notice.

3. RESOLUTION 3 – ISSUE OF FREE ATTACHING OPTIONS TO PARTICIPANTS IN TRANCHE 1 OF PLACEMENT

3.1 General

Resolution 3 seeks Shareholder approval for the issue of up to 26,105,000 Free Attaching Options to participants in Tranche 1 of the Placement, on the basis of one Free Attaching Option for every two Shares subscribed for and issued under Tranche 1 of the Placement.

A summary of Listing Rules 7.1 and 7.4 is set out in sections 2.3 and 2.4 above respectively.

The effect of Resolution 3 will be to allow the Company to issue the Free Attaching Options to subscribers in Tranche 1 of the Placement during the period of 3 months after the Meeting (or a longer period, if allowed by ASX), without using the Company’s 15% annual placement capacity.

3.2 Information required by ASX Listing Rule 7.3

Pursuant to and in accordance with ASX Listing Rule 7.3, the following information is provided in relation to Resolution 3:

- (a) the maximum number of Free Attaching Options to be issued is 26,105,000;

- (b) the Free Attaching Options will be issued no later than 3 months after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the Listing Rules) and it is intended that issue of the Shares and Free Attaching Options will occur on the same date;
- (c) the issue price will be nil as the Free Attaching Options will be issued free attaching to participants in Tranche 1 of the Placement, on the basis of one Free Attaching Option for every two Shares subscribed for and issued under Tranche 1 of the Placement;
- (d) the Free Attaching Options will be issued to sophisticated and professional investors who were issued Shares under Tranche 1 of the Placement. None of these subscribers are related parties of the Company;
- (e) the Free Attaching Options will be issued on the terms and conditions set out in Schedule 1;
- (f) no funds will be raised from the issue of the Free Attaching Options; and
- (g) a voting exclusion statement is included in the Notice.

4. RESOLUTION 4 – ISSUE OF SHARES AND FREE ATTACHING OPTIONS PURSUANT TO TRANCHE 2 OF THE PLACEMENT

4.1 General

As detailed in section 2.1 above, the Board has agreed to increase Tranche Two of the Placement by 1,800,000 Shares and 900,000 Free Attaching Options to include employees and certain key consultants/suppliers of the Company. Hence the Total Tranche 2 Placement will consist of 8 million shares and 4 million Free Attaching Options.

The Board advises that the increase to the size of the raising under Tranche 2 of the Placement did not affect any of the proposed Director allocations. Director's committed to their allocations during the placement period.

The issue of Shares and Free Attaching Options pursuant to Tranche 2 of the Placement remains subject to Shareholder approval.

Resolution 4 seeks Shareholder approval pursuant to ASX Listing Rule 7.1 for the issue of 5,500,000 Shares and 2,750,000 Free Attaching Options to key management, employees and certain key consultants/suppliers of the Company (**Non-Director Parties**), with Resolutions 5, 6 and 7 seeking Shareholder approval for the issue of the balance of the Shares and Options to Directors, pursuant to Tranche 2 of the Placement.

4.2 Resolution 4 – ASX Listing Rule 7.1

A summary of Listing Rules 7.1 and 7.4 is set out in sections 2.3 and 2.4 above respectively.

The effect of Resolution 4 will be to allow the Company to issue the Tranche 2 Shares and Options during the period of 3 months after the Meeting (or a longer period, if allowed by ASX), without using the Company's 15% annual placement capacity.

4.3 Information required by ASX Listing Rule 7.3 (Resolution 4)

Pursuant to and in accordance with ASX Listing Rule 7.3, the following information is provided in relation to Resolution 4:

- (a) the maximum number of Shares to be issued is 5,500,000 and the maximum number of Free Attaching Options to be issued is 2,750,000;
- (b) the Shares and Free Attaching Options will be issued no later than 3 months after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the Listing Rules) and it is intended that issue of the Shares and Options will occur on the same date;
- (c) the issue price will be \$0.05 per Share and nil per Free Attaching Option as the Free Attaching Options will be issued free attaching with the Shares on a one for two basis;
- (d) the Shares and Free Attaching Options will be issued to key management, employees and certain key consultants/suppliers (all being Non-Director Parties). None of these subscribers are related parties of the Company;
- (e) the Shares issued will be fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares;
- (f) the Free Attaching Options will be issued on the terms and conditions set out in Schedule 1;

- (g) the funds raised from the issues are being used to fund the Company's ongoing exploration and development activities at the Pilbara Gold Project, exploration activities at the King Col Lithium prospect and for ongoing working capital requirements; and
- (h) a voting exclusion statement is included in the Notice.

5. RESOLUTIONS 5, 6 and 7 – ISSUE OF SHARES AND FREE ATTACHING OPTIONS TO THE DIRECTORS PURSUANT TO TRANCHE 2 OF THE PLACEMENT

5.1 General

Resolutions 5, 6 and 7 seek Shareholder approval pursuant to ASX Listing Rule 10.11 for the issue of a total of 2,500,000 Shares and 1,250,000 Free Attaching Options to the Directors, pursuant to Tranche 2 of the Placement comprising:

- (a) 1,000,000 Shares and 500,000 Free Attaching Options to Mr. Simon Lill (Resolution 5);
- (b) 500,000 Shares and 250,000 Free Attaching Options to Mr. Steve Morris (Resolution 6); and
- (c) 1,000,000 Shares and 500,000 Free Attaching Options to Mr. David Bosio (Resolution 7).

5.2 ASX Listing Rule 10.11

ASX Listing Rule 10.11 requires shareholder approval to be obtained where an entity issues, or agrees to issue, securities to a related party, or a person whose relationship with the entity or a related party is, in ASX's opinion, such that approval should be obtained unless an exception in ASX Listing Rule 10.12 applies.

As the Participation involves the issue of Shares to related parties of the Company, Shareholder approval pursuant to ASX Listing Rule 10.11 is required unless an exception applies. It is the view of the Directors that the exceptions set out in ASX Listing Rule 10.12 do not apply in the current circumstances.

5.3 Information required by ASX Listing Rule 10.13 (Resolutions 5, 6 and 7)

Pursuant to and in accordance with ASX Listing Rule 10.13, the following information is provided in relation to Resolutions 5, 6 and 7:

- (a) the maximum number of Shares to be issued is 2,500,000 and the maximum number of Free Attaching Options to be issued is 1,250,000 comprising:
 - (i) 1,000,000 Shares and 500,000 Free Attaching Options to Mr. Simon Lill (Resolution 5);
 - (ii) 500,000 Shares and 250,000 Free Attaching Options to Mr. Steve Morris (Resolution 6); and
 - (iii) 1,000,000 Shares and 500,000 Free Attaching Options to Mr. David Bosio (Resolution 7).
- (b) the Shares and Free Attaching Options will be issued no later than 1 month after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the Listing Rules);
- (c) the issue price will be \$0.05 per Share and nil per Free Attaching Option as the Free Attaching Options will be issued free attaching with the Shares on a one for two basis;
- (d) the Shares issued will be fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares;
- (e) the Free Attaching Options will be issued on the terms and conditions set out in Schedule 1;
- (f) the funds raised from the issues are being used to fund the Company's ongoing exploration and development activities at the Pilbara Gold Project and for ongoing working capital requirements; and
- (g) a voting exclusion statement is included in the Notice.

5.4 Chapter 2E of the Corporations Act

For a public company, or an entity that the public company controls, to give a financial benefit to a related party of the public company, the public company or entity must:

- (a) obtain the approval of the public company's members in the manner set out in sections 217 to 227 of the Corporations Act; and

(b) give the benefit within 15 months following such approval, unless the giving of the financial benefit falls within an exception set out in sections 210 to 216 of the Corporations Act.

The participation of Messrs Lill, Morris and Bosio in Tranche 2 of the Placement (Participation) will result in the issue of Shares which constitutes giving a financial benefit and Messrs Lill, Morris and Bosio are each a related party of the Company by virtue of being a Director.

The Directors (other than Mr. Lill with respect to Resolution 5, Mr. Morris with respect to Resolution 6 and Mr. Bosio with respect to Resolution 7, who have a material personal interest in the respective Resolutions) consider that Shareholder approval pursuant to Chapter 2E of the Corporations Act is not required in respect of the Participation because the Shares will be issued to the Directors on the same terms as Shares issued to non-related party participants in Tranche 2 of the Placement and as such the giving of the financial benefit is on arm's length terms.

6. RESOLUTION 8 – ISSUE OF UNQUOTED OPTIONS TO CORPORATE RESOURCE CONSULTANTS

6.1 General

As part of the announcement in respect of the Placement, the Company advised the ASX that it had appointed Corporate Resource Consultants Pty Ltd (**CRC**) of Mt Hawthorn to provide it with independent advice as to development options, future funding and strategies, with such advisory to conclude on 30 June 2018.

In consideration for these services, the Company has agreed to issue CRC 12 million Unquoted Options exercisable at \$0.10 within 3 years from the issue date, proposed to be sometime in October 2020. Resolution 8 seeks Shareholder approval pursuant to ASX Listing Rule 7.1 for this issue.

The Board believes that CRC will become a useful component to guide the Board's overall development strategy in the next critical 12 months.

A summary of Listing Rules 7.1 and 7.4 is set out in sections 2.3 and 2.4 above respectively.

6.2 Information required by ASX Listing Rule 7.3 (Resolution 8)

Pursuant to and in accordance with ASX Listing Rule 7.3, the following information is provided in relation to Resolution 8.

- (a) the maximum number of Unquoted Options to be issued to CRC is 12,000,000.
- (b) the Unquoted Options will be issued no later than 3 months after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the Listing Rules) and it is intended that issue of the Unquoted Options will occur on the same date;
- (c) the Unquoted Options will be issued for nil cash consideration in satisfaction of advisory services provided to the Company;
- (d) the Unquoted Options will be issued to CRC, who is not a related party of the Company;
- (e) the Unquoted Options will be issued on the terms and conditions set out in Schedule 2;
- (f) no funds will be raised from the issue as the Unquoted Options are being issued in consideration for advisory services provided to the Company; and
- (g) a voting exclusion statement is included in the Notice.

7. 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.

"**Free Attaching Option**" means a listed Option, exercisable at \$0.10 on or before 30 November 2018, and otherwise on the terms and conditions set out in Schedule 1.

"**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;

"**Unquoted Options**" means a new series of Options, exercisable at \$0.10 within three years of the date of issue, and otherwise on the terms and conditions set out in Schedule 2.

"**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 FREE ATTACHING OPTIONS

- (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 Company will apply to have the Options quoted on the ASX.
- (e) 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.
- (f) 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.
- (g) 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.
- (h) 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.
- (i) 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).
- (j) 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.
- (k) 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.

SCHEDULE 2

TERMS AND CONDITIONS OF UNQUOTED

- (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 the date which is three years from the date of issue. 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 Day's 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

SHARE REGISTRY:
Security Transfer Australia Pty Ltd
All Correspondence to:
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

«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»

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.

VOTE ONLINE	Lodge your proxy vote securely at www.securitytransfer.com.au 1. Log into the Investor Centre using your holding details. 2. Click on "Proxy Voting" and provide your Online Proxy ID to access the voting area. 3. Update Reporting Preferences to Electronic Communication	«ONLINE
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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 11:00am WST on Thursday 26 October 2017 at The George – "London Room", 216 St. Georges Terrace, Perth WA 6000 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	For	Against	Abstain*
1. Ratification of Prior Issue of Shares Pursuant to Tranche 1 of Placement	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2. Ratification of Prior Issue of Shares Pursuant to Tranche 1 of Placement	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3. Issue of Free Attaching Options to Participants in Tranche 1 of Placement	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4. Issue of Shares and Free Attaching Options Pursuant to Tranche 2 of Placement	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5. Participation by Director, Simon Lill, in Issue of Shares and Free Attaching Options Pursuant to Tranche 2 of Placement	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
6. Participation by Director, Steve Morris, in Issue of Shares and Free Attaching Options Pursuant to Tranche 2 of Placement	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
7. Participation by Director, Davide Bosio, in Issue of Shares and Free Attaching Options Pursuant to Tranche 2 of Placement	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
8. Approval to Issue Unlisted Options to Corporate Resource Consultants Pty Ltd	<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
<div style="border: 1px solid black; width: 100%; height: 20px;"></div>	<div style="border: 1px solid black; width: 100%; height: 20px;"></div>	<div style="border: 1px solid black; width: 100%; height: 20px;"></div>
Sole Director & Sole Company Secretary	Director	Director/Company Secretary

Proxies must be received by Security Transfer Australia Pty Ltd no later than 11:00am WST on Tuesday 24 October 2017.

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My/Our contact details in case of enquiries are:

Name:

Number:

()

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:

- 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
- 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 Security Transfer Australia Pty 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.

The proxy form does not need to be returned to the share registry if the votes have been lodged online.

Security Transfer Australia Pty Ltd

Online www.securitytransfer.com.au

Postal Address PO BOX 52
Collins Street West VIC 8007

Street Address Suite 913, Exchange Tower
530 Little Collins Street
Melbourne VIC 3000

Telephone 1300 992 916

Facsimile +61 8 9315 2233

Email registrar@securitytransfer.com.au

7. ELECTRONIC COMMUNICATIONS

As a valued member of DE GREY MINING LTD ("the Company"), we understand the importance of communicating with you about our activities. By providing your email address the Company will be able to notify you of important communications including, Annual, Half Year and Quarterly Reports, Notices of Shareholder Meetings and news on the progress of your Company.

To record your email address online and update your reporting option:

Visit the Share Registry's website at www.securitytransfer.com.au and follow the steps below:

- Click on **INVESTOR LOGON**
- Investment Name - select DE GREY MINING LTD
- Select Holder Type; insert your HIN /SRN number, Holder Name (first surname on the holding or the first word of the Company Name) and your postcode.
- Click on **SUBMIT**
- Click on **REPORTING OPTIONS**
- Insert your reporting options and insert your email address/s

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.