

ASX Announcement
12 July 2018

ASX Code DEG
FRA Code WKN 633879

ABN 65 094 206 292

DIRECTORS/MANAGEMENT

Executive Chairman
Simon Lill

**Technical Director &
Operations Manager**
Andy Beckwith

Non-executive Directors
Steve Morris
Brett Lambert

Company Secretary
Patrick Holywell
Craig Nelmes

Exploration Manager
Phil Tornatora

CONTACT DETAILS

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**Appendix 3B, Cleansing Statement &
Notice under Listing Rule 3.10.5A**

De Grey Mining Limited (ASX: DEG, “Company”) advises that it has issued 28,259,300 fully paid ordinary shares and 25,000,000 unlisted options.

An Appendix 3B is attached herewith with respect to the new securities issued and the Company hereby notifies ASX under section 708A(5)(e) of the Act that:

- (a) the Shares were issued without disclosure to investors under Part 6D.2 of the Act;
- (b) as at 11 July 2018, the Company has complied with the provisions of Chapter 2M of the Act as they apply to the Company;
- (c) as at 11 July 2018, the Company has complied with Section 674 of the Act; and
- (d) as at 11 July 2018, there is no information to be disclosed which is excluded information (as defined in section 708A(7) of the Act) that is reasonable for investors and their professional advisers to expect to find in a disclosure document.

In addition and as required under ASX Listing Rule 3.10.5A, the Company provides the following information with respect to the 25,000,000 shares issued to DGO Gold Limited under its Listing Rule 7.1A placement capacity:

- (a) The dilutive effect of the Placement on existing shareholders of the Company is as follows:

	Shares	Dilution
Shares on issue prior to Placement ¹	337,728,100	
Shares issued under LR7.1 capacity	Nil	0%
Shares issued under LR7.1A capacity	25,000,000	7.4%
Total shares on issue post Placement	362,728,100	
Total dilution effect		7.4%

¹This is after the issue of shares on exercise of options (this Appendix 3B notice)

- (b) The percentage of the post Placement issued capital held (in aggregate) relating to shares issued under Placement is as follows:

Pre-Placement shareholders who did not participate in Placement	100%
Pre-Placement shareholders who did participate in Placement	0%
Participants in Placement who were not previously shareholders	100%

- (c) The shares were issued for cash consideration. The Company issued the shares as a Placement under LR 7.1A in order to expand the current drilling program across the over 200 km of mineralised shear zones, and for ongoing prefeasibility studies at the Pilbara Gold Project. The Company considers this was the most efficient and low-cost mechanism for raising funds at this time.
- (d) There was no underwriting for this Placement.
- (e) No fees were incurred in connection with the issue.

For further information:

Simon Lill (Executive Chairman) or

Andy Beckwith (Technical Director and Operations Manager)

De Grey Mining Ltd

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Appendix 3B

New issue announcement, application for quotation of additional securities and agreement

Information or documents not available now must be given to ASX as soon as available. Information and documents given to ASX become ASX's property and may be made public.

Introduced 01/07/96 Origin: Appendix 5 Amended 01/07/98, 01/09/99, 01/07/00, 30/09/01, 11/03/02, 01/01/03, 24/10/05, 01/08/12, 04/03/13

Name of entity

DE GREY MINING LIMITED

ABN

65 094 206 292

We (the entity) give ASX the following information.

Part 1 - All issues

You must complete the relevant sections (attach sheets if there is not enough space).

- | | | |
|---|---|--|
| 1 | +Class of +securities issued or to be issued | <ol style="list-style-type: none">1. Listed ordinary shares2. Listed ordinary shares3. Listed ordinary shares4. Listed ordinary shares5. Unlisted options6. Unlisted options |
| 2 | Number of +securities issued or to be issued (if known) or maximum number which may be issued | <ol style="list-style-type: none">1. 25,000,0002. 300,0003. 1,009,3004. 1,950,0005. 12,500,0006. 12,500,000 |
| 3 | Principal terms of the +securities (e.g. if options, exercise price and expiry date; if partly paid +securities, the amount outstanding and due dates for payment; if +convertible securities, the conversion price and dates for conversion) | <ol style="list-style-type: none">1. Fully paid ordinary shares2. Fully paid ordinary shares3. Fully paid ordinary shares4. Fully paid ordinary shares5. Unlisted options exercisable at \$0.25 each and expiring 30 November 20196. Unlisted options exercisable at \$0.30 each and expiring 30 May 2021 |

+ See chapter 19 for defined terms.

Appendix 3B
New issue announcement

<p>4 Do the ⁺securities rank equally in all respects from the ⁺issue date with an existing ⁺class of quoted ⁺securities?</p> <p>If the additional ⁺securities do not rank equally, please state:</p> <ul style="list-style-type: none"> • the date from which they do • the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment • the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment 	<ol style="list-style-type: none"> 1. Yes 2. Yes 3. Yes 4. Yes 5. No. When options are exercised they convert into ordinary shares at which point they will be ranked equally with other fully paid ordinary shares on issue. 6. No. When options are exercised they convert into ordinary shares at which point they will be ranked equally with other fully paid ordinary shares on issue.
<p>5 Issue price or consideration</p>	<ol style="list-style-type: none"> 1. Issued at \$0.20 per share 2. Issued at \$0.10 per share on option conversion 3. Issued at \$0.169 per share 4. Issued at \$0.04 per share on option conversion 5. Nil 6. Nil
<p>6 Purpose of the issue (If issued as consideration for the acquisition of assets, clearly identify those assets)</p>	<ol style="list-style-type: none"> 1. Placement to DGO Gold Limited as announced 22 May 2018. 2. Conversion of 300,000 listed options 3. Part-settlement of supplier invoices (Top Drill Pty Ltd) 4. Conversion of 1,950,000 unlisted options 5. Placement to DGO Gold Limited as announced 22 May 2018. 6. Placement to DGO Gold Limited as announced 22 May 2018.
<p>6a Is the entity an ⁺eligible entity that has obtained security holder approval under rule 7.1A?</p> <p>If Yes, complete sections 6b – 6h in relation to the ⁺securities the subject of this Appendix 3B, and comply with section 6i</p>	<p>Yes</p>
<p>6b The date the security holder resolution under rule 7.1A was passed</p>	<p>30 November 2017</p>
<p>6c Number of ⁺securities issued without security holder approval under rule 7.1</p>	<ol style="list-style-type: none"> 3. 1,009,300 fully paid ordinary shares 5. 12,500,000 unlisted options 6. 12,500,000 unlisted options
<p>6d Number of ⁺securities issued with security holder approval under rule 7.1A</p>	<p>N/A</p>

+ See chapter 19 for defined terms.

6e	Number of ⁺ securities issued with security holder approval under rule 7.3, or another specific security holder approval (specify date of meeting)	N/A						
6f	Number of ⁺ securities issued under an exception in rule 7.2	2. 300,000 ordinary fully paid shares on conversion of previously issued options. 4. 1,950,000 ordinary fully paid shares on conversion of previously issued options						
6g	If ⁺ securities issued under rule 7.1A, was issue price at least 75% of 15 day VWAP as calculated under rule 7.1A.3? Include the ⁺ issue date and both values. Include the source of the VWAP calculation.	<ul style="list-style-type: none"> • Yes • 15-day VWAP of \$0.2037 <i>as at 10 July 2018</i>. • Issue price of \$0.20, being 98% of the 15-day VWAP • Source - IRESS 						
6h	If ⁺ securities were issued under rule 7.1A for non-cash consideration, state date on which valuation of consideration was released to ASX Market Announcements	N/A						
6i	Calculate the entity's remaining issue capacity under rule 7.1 and rule 7.1A – complete Annexure 1 and release to ASX Market Announcements	Refer Annexure 1						
7	⁺ Issue dates <small>Note: The issue date may be prescribed by ASX (refer to the definition of issue date in rule 19.12). For example, the issue date for a pro rata entitlement issue must comply with the applicable timetable in Appendix 7A. Cross reference: item 33 of Appendix 3B.</small>	11 July 2018						
8	Number and ⁺ class of all ⁺ securities quoted on ASX (<i>including</i> the ⁺ securities in section 2 if applicable)	<table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 50%;">Number</th> <th style="width: 50%;">⁺Class</th> </tr> </thead> <tbody> <tr> <td>362,728,100</td> <td>Ordinary Shares</td> </tr> <tr> <td>53,227,200</td> <td>Options, exercise price \$0.10 expiry 30/11/2018</td> </tr> </tbody> </table>	Number	⁺ Class	362,728,100	Ordinary Shares	53,227,200	Options, exercise price \$0.10 expiry 30/11/2018
Number	⁺ Class							
362,728,100	Ordinary Shares							
53,227,200	Options, exercise price \$0.10 expiry 30/11/2018							

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	Number	+Class
9 Number and +class of all +securities not quoted on ASX (including the +securities in section 2 if applicable) *	1,134,611	Unlisted options, exercise price \$0.04 expiry 10/06/2019
	6,100,000	Unlisted options, exercise price \$0.10 expiry 30/11/2018
	2,250,000	Unlisted options, exercise price \$0.10 expiry 31/10/2020
	12,000,000	Unlisted options, exercise price \$0.10 expiry 31/10/2020
	33,333,333	Unlisted options, exercise price \$0.20 expiry 30/11/2019
	12,500,000	Unlisted options, exercise price \$0.25 expiry 30/11/2019
	12,500,000	Unlisted options, exercise price \$0.30 expiry 30/05/2021
	6,700,000	Performance rights

10 Dividend policy (in the case of a trust, distribution policy) on the increased capital (interests)

Part 2 -Pro rata issue

11 Is security holder approval required?

12 Is the issue renounceable or non-renounceable?

13 Ratio in which the +securities will be offered

14 +Class of +securities to which the offer relates

15 +Record date to determine entitlements

16 Will holdings on different registers (or subregisters) be aggregated for calculating entitlements?

17 Policy for deciding entitlements in relation to fractions

18 Names of countries in which the entity has security holders who will not be sent new offer documents

Note: Security holders must be told how their entitlements are to be dealt with. Cross reference: rule 7.7.

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19	Closing date for receipt of acceptances or renunciations	N/A
20	Names of any underwriters	N/A
21	Amount of any underwriting fee or commission	N/A
22	Names of any brokers to the issue	N/A
23	Fee or commission payable to the broker to the issue	N/A
24	Amount of any handling fee payable to brokers who lodge acceptances or renunciations on behalf of security holders	N/A
25	If the issue is contingent on security holders' approval, the date of the meeting	N/A
26	Date entitlement and acceptance form and offer documents will be sent to persons entitled	N/A
27	If the entity has issued options, and the terms entitle option holders to participate on exercise, the date on which notices will be sent to option holders	N/A
28	Date rights trading will begin (if applicable)	N/A
29	Date rights trading will end (if applicable)	N/A
30	How do security holders sell their entitlements <i>in full</i> through a broker?	N/A
31	How do security holders sell <i>part</i> of their entitlements through a broker and accept for the balance?	N/A
32	How do security holders dispose of their entitlements (except by sale through a broker)?	N/A
33	⁺ Issue date	N/A

+ See chapter 19 for defined terms.

Appendix 3B
New issue announcement

Part 3 - Quotation of securities

You need only complete this section if you are applying for quotation of securities

34 Type of ⁺securities
(tick one)

(a) ⁺Securities described in Part 1 (*Fully paid ordinary shares items 1,2,3 and 4*)

(b) All other ⁺securities

Example: restricted securities at the end of the escrowed period, partly paid securities that become fully paid, employee incentive share securities when restriction ends, securities issued on expiry or conversion of convertible securities

Entities that have ticked box 34(a)

Additional securities forming a new class of securities

Tick to indicate you are providing the information or documents

35 If the ⁺securities are ⁺equity securities, the names of the 20 largest holders of the additional ⁺securities, and the number and percentage of additional ⁺securities held by those holders

36 If the ⁺securities are ⁺equity securities, a distribution schedule of the additional ⁺securities setting out the number of holders in the categories
1 - 1,000
1,001 - 5,000
5,001 - 10,000
10,001 - 100,000
100,001 and over

37 A copy of any trust deed for the additional ⁺securities

+ See chapter 19 for defined terms.

Quotation agreement

- 1 +Quotation of our additional +securities is in ASX's absolute discretion. ASX may quote the +securities on any conditions it decides.

- 2 We warrant the following to ASX.
 - The issue of the +securities to be quoted complies with the law and is not for an illegal purpose.

 - There is no reason why those +securities should not be granted +quotation.

 - An offer of the +securities for sale within 12 months after their issue will not require disclosure under section 707(3) or section 1012C(6) of the Corporations Act.
Note: An entity may need to obtain appropriate warranties from subscribers for the securities in order to be able to give this warranty

 - Section 724 or section 1016E of the Corporations Act does not apply to any applications received by us in relation to any +securities to be quoted and that no-one has any right to return any +securities to be quoted under sections 737, 738 or 1016F of the Corporations Act at the time that we request that the +securities be quoted.

 - If we are a trust, we warrant that no person has the right to return the +securities to be quoted under section 1019B of the Corporations Act at the time that we request that the +securities be quoted.

- 3 We will indemnify ASX to the fullest extent permitted by law in respect of any claim, action or expense arising from or connected with any breach of the warranties in this agreement.

- 4 We give ASX the information and documents required by this form. If any information or document is not available now, we will give it to ASX before +quotation of the +securities begins. We acknowledge that ASX is relying on the information and documents. We warrant that they are (will be) true and complete.



Sign here:

Date: 12 July 2018

Print name: Craig Nelmes
Company Secretary

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Appendix 3B – Annexure 1

Calculation of placement capacity under rule 7.1 and rule 7.1A for eligible entities

Introduced 01/08/12 Amended 04/03/13

Part 1

Rule 7.1 – Issues exceeding 15% of capital	
<i>Step 1: Calculate “A”, the base figure from which the placement capacity is calculated</i>	
<i>Insert</i> number of fully paid +ordinary securities on issue 12 months before the +issue date or date of agreement to issue	201,296,240 fully paid ordinary shares
<p><i>Add</i> the following:</p> <ul style="list-style-type: none"> • Number of fully paid +ordinary securities issued in that 12 month period under an exception in rule 7.2 • Number of fully paid +ordinary securities issued in that 12 month period with shareholder approval • Number of partly paid +ordinary securities that became fully paid in that 12 month period <p><i>Note:</i></p> <ul style="list-style-type: none"> • <i>Include only ordinary securities here – other classes of equity securities cannot be added</i> • <i>Include here (if applicable) the securities the subject of the Appendix 3B to which this form is annexed</i> • <i>It may be useful to set out issues of securities on different dates as separate line items</i> 	<p>52,210,000 fully paid ordinary shares, issued on 6 September 2017 (& approved by shareholders at GM held on 26 October 2017)</p> <p>7,595,324 fully paid ordinary shares issued with shareholder approval (obtained at a GM held on 26 June 2017) on 6 September 2017</p> <p>5,000,000 fully paid ordinary shares issued on 7 September 2017 upon conversion of previously issued options</p> <p>3,900,000 fully paid ordinary shares issued on 2 October 2017 upon conversion of previously issued options</p> <p>150,000 fully paid ordinary shares, issued on 2 October 2017 (& approved by shareholders at AGM held on 30 November 2017)</p> <p>1,029,169 fully paid ordinary shares issued on 12 October 2017 upon conversion of previously issued options</p> <p>2,023,334 fully paid ordinary shares issued on 19 October 2017 upon conversion of previously issued options</p> <p>5,834 fully paid ordinary shares issued on 7 November 2017 upon conversion of previously issued options</p> <p>8,000,000 fully ordinary shares issued with shareholder approval (obtained at a GM held on 26 October 2017) on 7 November 2017</p> <p>2,112,232 fully paid ordinary shares issued on 24 November 2017 upon conversion of previously issued options</p> <p>33,333,333 fully paid ordinary shares, issued on 7 December 2017 (& approved by shareholders at AGM held on 30 November 2017)</p> <p>2,500,000 fully paid ordinary shares issued on 24 November 2017 upon conversion of previously issued options</p> <p>5,000,000 fully paid ordinary shares issued on 29 December 2017 upon conversion of previously issued options.</p> <p>1,000,000 fully paid ordinary shares issued on 31 January 2018 upon conversion of previously issued options.</p> <p>5,000,000 fully paid ordinary shares issued on 19 March 2018 upon conversion of previously issued options.</p>

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	1,973,334 fully paid ordinary shares issued on 17 April 2018 upon conversion of previously issued options. 2,250,000 fully paid ordinary shares issued on 11 July 2018 upon conversion of previously issued options (this notice).
Subtract the number of fully paid ⁺ ordinary securities cancelled during that 12 month period	Nil
“A”	334,378,800

Step 2: Calculate 15% of “A”	
“B”	0.15 <i>[Note: this value cannot be changed]</i>
Multiply “A” by 0.15	50,156,820
Step 3: Calculate “C”, the amount of placement capacity under rule 7.1 that has already been used	
Insert number of ⁺ equity securities issued or agreed to be issued in that 12-month period <i>not counting</i> those issued: <ul style="list-style-type: none"> • Under an exception in rule 7.2 • Under rule 7.1A • With security holder approval under rule 7.1 or rule 7.4 Note: <ul style="list-style-type: none"> • <i>This applies to equity securities, unless specifically excluded – not just ordinary securities</i> • <i>Include here (if applicable) the securities the subject of the Appendix 3B to which this form is annexed</i> • <i>It may be useful to set out issues of securities on different dates as separate line items</i> 	600,000 Ordinary fully paid shares, issued on 19 October 2017 240,000 Ordinary fully paid shares, issued on 7 November 2017 120,000 listed options, issued on 7 November 2017 1,500,000 unlisted options, issued on 10 November 2017 1,009,300 Ordinary fully paid shares (this notice) 25,000,000 unlisted options issued on 11 July 2018 (this notice)
“C”	28,469,300
Step 4: Subtract “C” from [“A” x “B”] to calculate remaining placement capacity under rule 7.1	
“A” x 0.15 <i>Note: number must be same as shown in Step 2</i>	50,156,820
Subtract “C” <i>Note: number must be same as shown in Step 3</i>	28,469,300
Total [“A” x 0.15] – “C”	21,687,520 <i>Note: this is the remaining placement capacity under rule 7.1]</i>

+ See chapter 19 for defined terms.

Part 2

Rule 7.1A – Additional placement capacity for eligible entities	
Step 1: Calculate “A”, the base figure from which the placement capacity is calculated	
“A” <i>Note: number must be same as shown in Step 1 of Part 1</i>	334,378,800
Step 2: Calculate 10% of “A”	
“D” <i>Note: this value cannot be changed</i>	0.10
Multiply “A” by 0.10	33,437,880
Step 3: Calculate “E”, the amount of placement capacity under rule 7.1A that has already been used	
<i>Insert</i> number of ⁺ equity securities issued or agreed to be issued in that 12 month period under rule 7.1A <i>Notes:</i> <ul style="list-style-type: none"> • <i>This applies to equity securities – not just ordinary securities</i> • <i>Include here – if applicable – the securities the subject of the Appendix 3B to which this form is annexed</i> • <i>Do not include equity securities issued under rule 7.1 (they must be dealt with in Part 1), or for which specific security holder approval has been obtained</i> • <i>It may be useful to set out issues of securities on different dates as separate line items</i> 	25,000,000 Ordinary fully paid shares (this notice)
“E”	25,000,000
Step 4: Subtract “E” from [“A” x “D”] to calculate remaining placement capacity under rule 7.1A	
“A” x 0.10 <i>Note: number must be same as shown in Step 2</i>	33,437,880
Subtract “E” <i>Note: number must be same as shown in Step 3</i>	25,000,000
Total [“A” x 0.10] – “E”	8,437,880 <i>Note: this is the remaining placement capacity under rule 7.1A</i>

+ See chapter 19 for defined terms.