

DE GREY MINING LIMITED
ABN 65 094 206 292

NOTICE OF ANNUAL GENERAL MEETING

AND

EXPLANATORY STATEMENT

AND

PROXY FORM

Date of Meeting

Monday 30th November 2016

Time of Meeting

11:00 am

Place of Meeting

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

This Notice of Annual 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.

The 2016 Annual Report may be viewed on the Company's website at www.degreymining.com.au

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

Notice is hereby given that the Annual 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 30th November 2016 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 Annual General Meeting. The Explanatory Statement and the Proxy Form forms part of this Notice. Terms and abbreviations used in this Notice are defined in the Glossary in the Explanatory Statement.

AGENDA

ORDINARY BUSINESS

2015 Financial Report

To receive and consider the financial report of the Company for the year ended 30th June 2015, together with the reports by the directors and auditors thereon.

Resolution 1 – Adoption of Remuneration Report

To consider and, if thought fit, to pass the following **advisory only resolution**:

"That, for the purpose of section 250R(2) of the Corporations Act, and for all other purposes, the Remuneration Report forming part of the Company's 2015 Annual Report be adopted."

Please note that the vote on this Resolution is advisory only and does not bind the Directors or the Company.

Voting Exclusion applies and is described below

Resolution 2 – Re-election of Mr Steve Morris as a Director

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

"That Mr Steve Morris, having retired in accordance with Clause 63.5 of the Constitution of the Company and, being eligible, offers himself for re-election, be and is hereby re-elected as a director of the Company".

Resolution 3 – Re-election of Mr Davide Bosio as a Director

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

"That Mr Davide Bosio, having retired in accordance with Clause 61.2 of the Constitution of the Company and, being eligible, offers himself for re-election, be and is hereby re-elected as a director of the Company".

Resolution 4 – Ratification of Prior Issue of Shares – 14 April 2016

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 20,000,000 Shares (Pre-Consolidation) on the terms and conditions set out in the Explanatory Statement."

Voting Exclusion applies and is described below

Resolution 5 – Ratification of Prior Issue of Shares – 8 July 2016

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 10,000,000 Shares (Pre-Consolidation) on the terms and conditions set out in the Explanatory Statement."

Voting Exclusion applies and is described below

Resolution 6 – Ratification of Prior Issue of Options – 18 December 2015

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 250,000,000 Options (Pre-Consolidation) on the terms and conditions set out in the Explanatory Statement.”

Voting Exclusion applies – and is described below.

Resolution 7 – Ratification of Prior Issue of Shares – 21 October 2016

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 434,663,155 Shares (Pre-Consolidation) on the terms and conditions set out in the Explanatory Statement.”

Voting Exclusion applies – and is described below.

Resolution 8 – Placement Issue of Options

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 144,887,720 (Pre-Consolidation) Options on the terms and conditions set out in the Explanatory Statement.”

Voting Exclusion applies – and is described below.

Resolution 9 – Placement Issue Share Purchase Plan (“SPP”) Options

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 201,149,425 (Pre-Consolidation) Options on the terms and conditions set out in the Explanatory Statement.”

Voting Exclusion applies – and is described below.

Resolution 10 – Consolidation of Capital

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

“That, pursuant to section 254H of the Corporations Act and for all other purposes, the issued capital of the Company be consolidated on the basis that:

- (a) every twenty (20) Shares be consolidated into one (1) Share; and*
- (b) every twenty (20) Options be consolidated into one (1) Option,*

and, where this Consolidation results in a fraction of a Share or an Option being held, the Company be authorised to round that fraction up to the nearest whole Share or Option (as the case may be)”

Resolution 11 – Approval of Issue of Options to Mr. Simon Lill

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 10.11 and section 208 of the Corporations Act, the Shareholders approve the issue of up to 30,000,000 Director Options (Pre-Consolidation) to Mr Lill, a director of the Company, or his nominee(s), for nil consideration and on the terms and conditions as set out in the Explanatory Statement.”

Voting Exclusion applies and is described below

Resolution 12 – Approval of Issue of Options to Mr. Davide Bosio

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 10.11 and section 208 of the Corporations Act, the Shareholders approve the issue of up to 20,000,000 Director Options (Pre-Consolidation) to Mr Bosio, a director of the Company, or his nominee(s), for nil consideration and on the terms and conditions as set out in the Explanatory Statement.”

Voting Exclusion applies and is described below

Resolution 13 – Approval of Issue of Options to Mr. Steve Morris

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 10.11 and section 208 of the Corporations Act, the Shareholders approve the issue of up to 20,000,000 Director Options (Pre-Consolidation) to Mr Morris, a director of the Company, or his nominee(s), for nil consideration and on the terms and conditions as set out in the Explanatory Statement.”

Voting Exclusion applies and is described below

Resolution 14 – Approval of 10% Placement Facility

To consider and, if thought fit, to pass the following resolution as a **special resolution**:

“That pursuant to and in accordance with Listing Rule 7.1A and for all other purposes, Shareholders approve the issue of Equity Securities up to 10% of the issued capital of the Company (at the time of the issue) calculated in accordance with the formula prescribed in Listing Rule 7.1A.2 and on the terms and conditions in the Explanatory Statement.”

Voting Exclusion applies and is described below

Resolution 15 – Placement of Options to Haoma Mining NL

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 100,000,000 Options (Pre-Consolidation) on the terms and conditions set out in the Explanatory Statement.”

Voting Exclusion applies and is described below.

OTHER BUSINESS

To deal with any other business that may be brought forward in accordance with the Constitution and the Corporations Act.

VOTING EXCLUSIONS

Resolution 1 - Key Management Personnel (KMP) Remuneration related Voting Prohibition: Voting restrictions apply to Resolution 1 under the Corporations Act. A vote on this Resolution must not be cast (in any capacity) by or on behalf of either of the following persons:

- (a) a member of the Key Management Personnel, details of whose remuneration are included in the Remuneration Report; or
- (b) a Closely Related Party of such a member.

However, a person (**the voter**) described above may cast a vote on this Resolution as a proxy if the vote is not cast on behalf of a person described above and either:

- (a) the voter is appointed as a proxy by writing that specifies the way the proxy is to vote on this Resolution; or
- (b) the voter is the Chair and the appointment of the Chair as proxy:
 - (i) does not specify the way the proxy is to vote on the resolution; and
 - (ii) expressly authorises the Chair to exercise the proxy even if the resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel for the Company or, if the Company is part of a consolidated entity, for the entity.

Resolutions 4, 5, 6 and 7 Voting Exclusion: The Company will disregard any votes cast on these Resolutions by any person who participated in the Share 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 8, 9 and 15 Voting Exclusion: The Company will disregard any votes cast on this Resolution by any person who may participate in the proposed 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.

Resolutions 11, 12 and 13 Voting Exclusion: The Company will disregard any votes cast on Resolution 11, 12 or 13 by the director of the Company who is to receive securities under the relevant resolution, or his nominee, and any associate of such a person. However, the Company need not disregard a vote if it is cast by the 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., and:

The Company will also, in accordance with the Corporations Act, disregard any votes cast by a member of the Key Management Personnel or a Closely Related Party of such a member. However, the Company will not disregard a vote if it is cast by such a person if:

- (a) the person is acting as proxy and the proxy form specifies how the proxy is to vote, and the vote is not cast on behalf of a person who is otherwise excluded from voting on this Resolution as described above; or
- (b) the person is the Chair voting an undirected proxy which expressly authorises the Chair to vote the proxy on a resolution connected with the remuneration of a member of the key management.

Resolution 14 Voting Exclusion: The Company will disregard any votes cast on this Resolution by any person who may participate in the issue of Equity Securities under this Resolution 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 will 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 11am WST on 23rd November 2015 by:

1. Post to De Grey Mining Limited, C/- PO Box 131, Subiaco, Western Australia 6904; or
2. 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.

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 23rd November 2015 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: 28 October 2016

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 Annual General Meeting to be held at Level 2, Suite 9, 389 Oxford Street Mt. Hawthorn WA 6016 on Monday 30th November 2016 at 11:00 am commencing at 11am WST and any adjournment thereof.

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

2. 2016 ANNUAL REPORT

In accordance with the requirements of the Company’s Constitution and the Corporations Act, the Company’s audited financial statements for the financial year ended 30 June 2016, together with the report of the auditor thereon will be tabled at the Meeting, and shareholders will have the opportunity of discussing the Annual Report and making comments and raising queries in relation to the Report.

Representatives from the Company’s auditors, Butler Settineri, will be present to take shareholders’ questions and comments about the conduct of the audit and the preparation and content of the audit report.

The Annual Report is available on the Company’s website at www.degreymining.com.au for you to download or read online. Alternatively you can obtain a hard copy by contacting the Company.

3. RESOLUTION 1 – Adoption of Remuneration Report

Pursuant to section 250R(2) of the Corporations Act, the Company submits to Shareholders for consideration and adoption, by way of a non-binding resolution, its remuneration report for the year ended 30 June 2016 (the “Remuneration Report”). The Remuneration Report is a distinct section of the Annual Report which deals with the Remuneration of Directors and Executives of the Company.

By way of summary, the Remuneration Report:

1. explains the Company’s remuneration policy and the process for determining the remuneration of its Directors and executive officers;
2. addresses the relationship between the Company’s remuneration policy and the Company’s performance; and
3. sets out the remuneration details for each director and executive officer named in the Remuneration Report for the financial year ended 30 June 2016.

The Directors recommend that Shareholders vote in favour of the adoption of the Remuneration Report. As previously stated, this resolution is advisory only and does not bind the Company. However, the Board will take the outcome of the vote on this resolution into consideration when reviewing the remuneration practices and policies of the Company in the future.

The Chairman of the Meeting will provide Shareholders with reasonable opportunity at the Meeting to ask questions about, or to make comments on, the Remuneration Report.

If at least 25% of the votes cast on Resolution 1 are voted against adoption of the Remuneration Report at the Meeting, and then again at the Company’s 2016 annual general meeting, the Company will be required to put to Shareholders a resolution proposing the calling of a general meeting to consider the appointment of new directors of the Company (“**Spill Resolution**”).

If more than 50% of Shareholders vote in favour of the Spill Resolution, the Company must convene a general meeting (“**Spill Meeting**”) within 90 days of the Company’s 2017 annual general meeting. All of the directors who are in office when the Company’s 2016 Directors’ Report is approved, other than the managing director of the Company, will cease to hold office immediately before the end of the Spill Meeting but may stand for re-election at the Spill Meeting.

Chairman authorised to exercise undirected proxies on remuneration related resolutions: Where Shareholders have appointed the Chair of the Meeting as their proxy, the Chair will vote in favour of Resolution 1 “Adoption of Remuneration Report” unless the Shareholder has expressly indicated a different voting intention. This is so notwithstanding that the resolution is connected directly or indirectly with the remuneration of a member of Key Management Personnel, which includes the Chair.

4. RESOLUTIONS 2 AND 3- Re-election of Directors, Steve Morris and Davide Bosio

In accordance with the requirements of the Company's Constitution, ASX Listing Rules and the Corporations Act, directors appointed by the Board since the last annual general meeting as well as one-third of the directors of the Company (other than the Managing Director) and those who were last re-elected more than three years ago retire from office at this annual general meeting of the Company and, being eligible, offer themselves for re-election.

On that basis Mr. Steve Morris and Mr. Davide Bosio will retire at the Meeting and, being eligible, offer themselves for re-election.

4.1 Mr. Steve Morris

Mr. Morris was appointed to the board on 29 October 2014.

He has over 20 years of experience at the most senior executive level in a range of industries including the last 15 years in Financial Markets. During that time, he has held positions such as Head of Private Clients Australia for Patersons Securities Ltd and Managing Director of Intersuisse Ltd. He is the Founder of Peloton Shareholder Services offering management of shareholder based capital raising and investor relations advice to numerous ASX listed companies. He is also General Manager of Agentplus, a provider of software solutions to the property management industry and a Director of the Melbourne Football Club.

The Board considers Mr. Morris an Independent Director. The Directors (other than Mr. Morris, who makes no recommendation) recommend the re-election of Mr. Morris as a Director. Based on enquiries made by the Company, it is not aware of any criminal record and bankruptcy proceedings involving Mr Morris.

4.2 Mr. Davide Bosio

Mr. Davide Bosio was appointed to the board on 18 December 2015, since the date of the last annual general meeting.

He has over 10 years of experience in the finance industry as an Investment Advisor providing financial product advice and dealing to wholesale and retail clients. He currently holds the position of managing director of DJ Carmichael, a Perth based broking business. Mr. Bosio is a Fellow Member of the Financial Services Institute of Australia (Finsia) and a Graduate Member of Australian Institute of Company Directors (GAICD). He holds a Bachelor of Commerce (Marketing) degree and a Graduate Diploma in Applied Finance and Investment Director on 29 October 2014. He serves as a non-executive Director and has over 20 years of experience at the most senior executive level in a range of industries including the last 15 years in Financial Markets.

The Board considers Mr Bosio an Independent Director. The Directors (other than Mr Bosio, who makes no recommendation) recommend the re-election of Mr Bosio as a Director. Based on enquiries made by the Company, it is not aware of any criminal record and bankruptcy proceedings involving Mr Bosio.

5. RESOLUTIONS 4 and 5 – Ratification of Prior Issue of Shares

5.1 Background

On 14 April 2016, the Company announced that it had issued 20,000,000 Shares at an issue price of \$0.002 per Share, and on 8 July 2016 the Company announced that it had issued 10,000,000 Shares at an issue price of \$0.002 per Share, to raise \$20,000 ("Capital Raisings").

All monies raised provided funding for the Company's ongoing exploration activities at its Turner River Base Metals Project and for ongoing working capital requirements.

The Capital Raisings were completed:

- (a) On 14 April 2016 and under the ASX Listing Rule 7.1 15% discretionary limit for new issues of securities, to the extent of 7,500,000 Shares, at a price of \$0.002, in settlement of supplier invoices to the value of \$15,000;
- (b) On 14 April 2016 and under ASX Listing Rule 7.1A 10% discretionary limit for new issues of securities, to the extent of 12,500,000 Shares, at a price of \$0.002, to raise \$25,000; and
- (c) On 8 July 2016 and under the ASX Listing Rule 7.1 15% discretionary limit for new issues of securities, to the extent of 10,000,000 Shares, at a price of \$0.002, in settlement of supplier invoices to the value of \$20,000.

Resolution 4 seeks Shareholder ratification pursuant to ASX Listing Rule 7.4 for 20,000,000 Shares issued on 4 April 2016 as part of the Capital Raisings.

Resolution 5 seeks Shareholder ratification pursuant to ASX Listing Rule 7.4 for 10,000,000 Shares issued on 8 July 2016 as part of the Capital Raisings.

By ratifying the issues, the subject of Resolutions 4 and 5, the Company will retain the flexibility to issue equity securities in the future (i) up to the 15% annual placement capacity set out in ASX Listing Rule 7.1; and (ii) subject to Resolution 14 being approved at the Meeting, up to the 10% annual placement capacity set out in ASX Listing Rule 7.1A, without the requirement to obtain prior Shareholder approval.

5.2 Information required by ASX Listing Rule 7.5

Pursuant to and in accordance with ASX Listing Rule 7.5, the following information is provided in relation to Resolutions 4 and 5:

- (a) 30,000,000 Shares were issued on the following basis;
 - (i) 7,500,000 Shares issued (14 April 2016) pursuant to ASX Listing Rule 7.1;
 - (ii) 12,500,000 Shares issued (14 April 2016) pursuant to ASX Listing Rule 7.1A and
 - (iii) 10,000,000 Shares issued pursuant to ASX Listing Rule 7.1;
- (b) the issue price for the Shares was \$0.002 per Share under both the issue of Shares pursuant to ASX Listing Rule 7.1 and ASX Listing Rule 7.1A;
- (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; and
- (e) the funds raised from the Capital Raisings are being used to fund the Company's ongoing exploration activities at its Turner River Project and for ongoing working capital requirements.

A voting exclusion statement is included in the Notice.

6. RESOLUTION 6 – Ratification of Prior Issue of Options

6.1 Background

On 18 December 2015, the Company announced it had completed a 3 for 2 rights issue at \$0.001 per share as underwritten by DJ Carmichael Pty Limited ("DJC") and which raised \$1,715,192 (before costs).

The Company agreed to pay to DJC the following fees pursuant to the underwriting agreement with DJC;

- (a) an underwriting fee of 6% of the total value of the underwritten securities;
- (b) a lead management fee of \$20,000 for its services in managing the offer; and
- (c) issue DJC and/or its nominees 250,000,000 unlisted Options, exercisable at \$0.002 per Option with an expiry date of 10 June 2019.

The purpose of this resolution is to seek Shareholder approval for the ratification of the issue of 250,000,000 Options referred to above.

On 18 December 2015, the Company issued 250,000,000 Options to DJC as part consideration for the services provided pursuant to the underwriting agreement.

Resolution 6 seeks Shareholder ratification pursuant to ASX Listing Rule 7.4 for the issue of those Options.

Resolution 6 is an ordinary resolution and seeks approval from Shareholders pursuant to Listing Rule 7.4.

6.2 Information required for approval under Listing Rule 7.5

Pursuant to and in accordance with ASX Listing Rule 7.5, the following information is provided in relation to the securities in the Placement issue:

- (a) 250,000,000 Options were issued;
- (b) The Options were issued for nil cash consideration in satisfaction of underwriting services provided by DJC;
- (c) the Options were issued on 18 December 2015;

- (d) The Options have an exercise price of \$0.002, an expiry date of 10 June 2019 and otherwise on the terms and conditions set out in Schedule 1;
- (e) The Options were issued in favour of DJ Carmichael Pty Ltd;
- (f) No funds were raised from the issue of the Options as they were issued as part consideration (non-cash) of the aggregate fees payable for the underwriting of a 3 for 2 rights issue.

7. RESOLUTIONS 7 and 8 – Ratification of Prior Issue of Shares and Approval for Issue of Options.

7.1 Background

On 18 October 2016, the Company completed a share placement to clients of Beer & Co and DJ Carmichael Pty Ltd at an issue price of \$0.0029 per Share, to raise \$1.26 Million before costs of issue (“Capital Raisings”). In addition, the Company will issue free attaching Options on a 1 for 3 basis, and being the subject of shareholder approval under Resolution 8 (Free Options).

All monies raised provided funding for the Company’s ongoing exploration activities at its Turner River Project and for ongoing working capital requirements.

The Capital Raisings (the subject of Resolution 7) were completed as follows;

- (a) Under the ASX Listing Rule 7.1 15% discretionary limit for new issues of securities, to the extent of 161,297,897 Shares, at a price of \$0.0029, to raise \$467,764; and
- (b) Under ASX Listing Rule 7.1A 10% discretionary limit for new issues of securities, to the extent of 273,365,258 Shares, at a price of \$0.0029, to raise \$792,759 and

The issue of 144,887,720 Free Options (Resolution 8) (Pre-Consolidation) requires prior approval under Listing Rule 7.1 as the Company’s existing placement capacity will be utilised by the issue of the 434,663,155 Shares as referred to above (and the subject of Resolution 8).

The effect of the Consolidation (if approved) on the terms and conditions of the Options is set out in section 9.6 of this Notice.

Resolution 7 is seeking Shareholder ratification pursuant to ASX Listing Rule 7.4 for all 434,663,155 Shares the subject of the Capital Raising.

By ratifying the issue, the subject of Resolution 7 and approval of the issue, the subject of Resolution 8, the Company will retain the flexibility to issue equity securities in the future (i) up to the 15% annual placement capacity set out in ASX Listing Rule 7.1; and (ii) subject to Resolution 14 being approved at the Meeting, up to the 10% annual placement capacity set out in ASX Listing Rule 7.1A, without the requirement to obtain prior Shareholder approval.

7.2 Technical information required by ASX Listing Rule 7.5 (Ratification of Shares)

Pursuant to and in accordance with ASX Listing Rule 7.5, the following information is provided in relation to Resolution 7:

- (a) 434,663,155 Shares were issued on 21 October 2016 on the following basis:
 - (i) 161,297,897 Shares issued pursuant to ASX Listing Rule 7.1; and
 - (ii) 273,365,258 Shares issued pursuant to ASX Listing Rule 7.1A;
- (b) the issue price for the Shares was \$0.0029 per Share under both the issue of Shares pursuant to ASX Listing Rule 7.1 and ASX Listing Rule 7.1A.
- (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 clients of Beer & Co Pty Ltd and DJ Carmichael Pty Ltd, none of whom are related parties of the Company; and
- (e) the funds raised from the Capital Raising are being used to fund the Company’s ongoing exploration activities at its Turner River Project and for ongoing working capital requirements.

A voting exclusion statement is included in the Notice.

7.3 Technical information required by ASX Listing Rule 7.3 (Issue of Options)

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 Options to be issued is 144,887,720 (Pre-Consolidation);
- (b) the 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 ASX Listing Rules) and it is intended that issue of the Options will occur on the same date;
- (c) Options are being issued for nil consideration, as they will be issued free attaching with the Shares on a 1:3 basis, accordingly no funds will be raised.
- (d) Options are being issued on a 1 for 3 basis to clients of Beer & Co Pty Ltd and DJ Carmichael Pty Ltd whom were allotted shares under Resolution 7.
- (e) the terms and conditions of the Options (Pre-Consolidation) are set out in Schedule 2. The effect of the Consolidation (if approved) on the terms and conditions of the Options is set out in section 9.6 of this Notice.

A voting exclusion statement is included in the Notice.

8. RESOLUTION 9 - Approval for Placement of SPP Options

8.1 Background

On 17 October 2016, the Company announced that it would be undertaking a Share Purchase Plan (“SPP”) on the same terms as the placement completed to clients of Beer & Co and DJ Carmichael Pty Ltd, the subject of Resolutions 7 and 8.

In order to comply with the *Corporations Act 2001* (Cth) that the Company must issue a prospectus so as to enable it to offer the free attaching option on a 1 for 3 basis to shareholders taking up an entitlement under the SPP. As at the date of preparing this notice that prospectus had not been issued but would be before the SPP closing date.

Resolution 9 is seeking Shareholder approval pursuant to ASX Listing Rule 7.1 for the issue of up to 201,149,425 Options (Pre-Consolidation), to be issued as free-attaching options on a 1 for 3 basis to the 603,448,275 Shares issued under the SPP, and assumes the maximum allotment completed under the SPP pursuant to the ASX Listing Rules.

The effect of the Consolidation (if approved) on the terms and conditions of the Options is set out in section 9.6 of this Notice. By ratifying the issue, the subject of Resolution 9 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.

The effect of Resolution 9 will be to allow the Company to issue the Options pursuant to the SPP offer 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.

The offer of the SPP Options will also be subject to the lodgement of a transaction specific prospectus due to be lodged shortly after the General Meeting the subject of this Notice.

A voting exclusion statement is included in the Notice.

8.2 Technical information required by ASX Listing Rule 7.3 (Issue of Options)

Pursuant to and in accordance with ASX Listing Rule 7.3, the following information is provided in relation to Resolution 9:

- (a) the maximum number of Options to be issued is 201,149,425 (Pre-Consolidation);

- (b) the 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 ASX Listing Rules) and it is intended that issue of the Options will occur on the same date;
- (c) Options are being issued for nil consideration, as they will be issued free attaching with the Shares on a 1:3 basis, accordingly no funds will be raised;
- (d) Options are being issued on a 1 for 3 basis to those shareholders whom participate in the SPP;
- (e) the terms and conditions of the Options (Pre-Consolidation) are set out in Schedule 2. The effect of the Consolidation (if approved) on the terms and conditions of the Options is set out in section 9.6 of this Notice.

A voting exclusion statement is included in the Notice.

9. RESOLUTION 10 – Consolidation of Capital

9.1 Background

Excluding any Securities issued after the date of this Notice or pursuant to the other Resolutions, the number of Shares on issue will be reduced from 3,323,315,800 to 166,165,790 (subject to rounding). The number of Options on issue will be reduced from 521,192,212 to 26,059,610 (subject to rounding).

9.2 Legal requirements

Section 254H of the Corporations Act provides that a company may, by resolution passed in a general meeting, convert all or any of its shares into a larger or smaller number.

9.3 Fractional entitlements

Not all Security Holders will hold that number of Shares or Options (as the case may be) which can be evenly divided by 20. Where a fractional entitlement occurs, the Company will round that fraction up to the nearest whole Security.

9.4 Taxation

It is not considered that any taxation implications will exist for Security holders arising from the Consolidation. However, Security holders are advised to seek their own tax advice on the effect of the Consolidation, and the Company does not accept any responsibility for the individual taxation implications arising from the Consolidation.

9.5 Holding Statements

From the date two Business Days after the Consolidation is approved by Shareholders, all holding statements for Securities will cease to have any effect, except as evidence of entitlement to a certain number of Securities on a post-Consolidation basis.

After the Consolidation becomes effective, the Company will arrange for new holding statements for Securities to be issued to holders of those Securities.

It is the responsibility of each Security Holder to check the number of Securities held prior to disposal or exercise (as the case may be).

9.6 Effect on Capital Structure

The effect which the Consolidation will have on the Company's capital structure is set out as follows:

Capital Structure	Shares	Options
Current (pre-Consolidation)	3,323,315,800	521,192,212
Current (post-Consolidation) (Resolution 10)	166,165,790	26,059,611
Unlisted options issue (post-Consolidation) (Resolution 8)	nil	7,244,386
Unlisted options issue (post-Consolidation) (Resolution 9)	nil	10,057,471

Unlisted Director options (post-Consolidation) (Resolutions 11-13)	nil	3,500,000
Unlisted options issue (post-Consolidation) (Resolution 15)	nil	5,000,000
TOTAL	166,165,790	51,861,468

Notes:

- 1 Assumes that full entitlements taken up under the Share Purchase Plan with respect to Listing Rule 7.2 (Exception 15).
- 2 The terms of these Options are set out in the table below.

The effect the Consolidation will have on the terms (specifically the number and their exercise price) of the Options is as set out in the tables below:

Options – Pre Consolidation

Terms	Number
Unlisted Options exercisable at \$0.004 by 25/11/2017	42,500,000
Unlisted Options exercisable at \$0.002 by 10/06/2019	478,692,212
Total	521,192,212

Options – Post Consolidation

Terms	Number
Unlisted Options exercisable at \$0.08 by 25/11/2017	2,125,000
Unlisted Options exercisable at \$0.04 by 10/06/2019	23,934,610
Unlisted Options issued under Resolutions 8, 9, 11, 12 and 13, exercisable at \$0.10 by 30/11/2018	20,801,857
Unlisted Options exercisable at \$0.058, expiring nine months from the date of issue (Resolution 15)	5,000,000
Total	51,861,468

9.7 Indicative Timetable

If Resolution 10 is passed, the reduction of capital will take effect in accordance with the following timetable (as set out in Appendix 7A (paragraph 8) of the ASX Listing Rules):

Action	Date
Company announces Consolidation.	27 October 2016
Company sends out Notice of Meeting.	28 October 2016
Company tells ASX that Shareholders have approved the Consolidation.	30 November 2016
Last day for pre-Consolidation trading.	1 December 2016
Post-Consolidation trading starts on a deferred settlement basis.	2 December 2016
Last day for Company to register transfers on a pre-Consolidation basis.	5 December 2016
First day for Company to send notice to each holder of the change in their details of holdings.	6 December 2016

Action	Date
First day for the Company to register Securities on a post-Consolidation basis and first day for issue of holding statements.	
Change of details of holdings date. Deferred settlement market ends.	12 December 2016
Last day for Securities to be entered into holders' Security holdings.	
Last day for the Company to send notice to each holder of the change in their details of holdings.	

10. RESOLUTIONS 11, 12 and 13 - Approval to Issue Options to Directors

10.1 Background

Resolutions 11, 12 and 13 seek Shareholder approval for the issue of Director Options to Directors pursuant to section 208 of the Corporations Act and Listing Rule 10.11.

The Director Options are to be issued (if Resolutions 11, 12 and 13 are passed) to ensure an ongoing incentive to the Directors to maximise the performance of the Company and add value for Shareholders. It is proposed to issue 70,000,000 Options (Pre-Consolidation) to the Directors, being 3,500,000 Options to the Directors on a post consolidation basis (the subject of Resolution 10), for nil consideration as outlined in Table 1 which follows.

Options form an important part of the incentive based remuneration for Directors and are a means of rewarding Directors without taking cash from the Company. The Board feels that Director Options are the most appropriate means under the current circumstances to reward performance. The Directors face considerable ongoing responsibilities and challenges in their roles within the Company. The granting of these Director Options will provide a long term incentive for outstanding performance and promote their opportunities for Share ownership in the Company.

The Company acknowledges that the issue of Director Options to Messrs Bosio and Morris as non-executive director may be contrary to guidelines for non-executive remuneration in recommendation 8.2 of the ASX Corporate Governance Principles and Recommendations. However, the Board considers the grant of Options to be reasonable in the circumstances given the Company's size and stage of development and the importance of maintaining the Company's cash reserves.

10.2 Related Party Transactions

Chapter 2E of the *Corporations Act* prohibits a public company from giving a financial benefit to a related party of the public company unless either:

- (a) the giving of the financial benefit falls within one of the nominated exceptions to the provision; or
- (b) prior shareholder approval is obtained to the giving of the financial benefit.

For the purposes of Chapter 2E, Directors are considered to be a related party of the Company.

In addition, ASX Listing Rule 10.11 also 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.

Resolutions 11, 12 and 13 provide for the grant of Director Options to related parties, which is a financial benefit which requires Shareholder approval. For the purpose of Chapter 2E of the *Corporations Act* and ASX Listing Rule 10.11 the following information is provided.

10.3 The related party to whom the proposed resolution would permit the financial benefit to be given

The following number of Director Options (on a pre-Consolidation basis) will be issued to the following Directors or their nominees:

Table 1: Details of Director Options to be issued to Directors

Name	Total Director Options
Simon Lill	30,000,000
Davide Bosio	20,000,000
Steve Morris	20,000,000
Total	70,000,000

The effect of the Consolidation (if approved) on the terms and conditions of the Options is set out in section 9.6 of this Notice.

10.4 Nature of the financial benefit

The proposed financial benefit to be given is the allotment of a total of 70,000,000 Director Options (on a pre-Consolidation basis). Each Director Option has an exercise price of 0.5 cents (pre-Consolidation), being 10 cents (post-Consolidation). The rights attaching to the Director Options and terms of issue of the Director Options are set out in Schedule 2. The valuation of the Director Options is set out under the heading “Valuation of Director Options”.

10.5 The reasons for the financial benefit and Directors’ recommendation

The Company entered into agreements with each Director in their capacity as a Director of the Company. The Directors have, and continue to be paid, what the Directors consider is less than their industry peers in order to direct the maximum funds towards creating value for all Shareholders. This is in line with the Company’s general policy of non-cash based incentives in lieu of reduced wages.

None of the Directors of the Company wish to make a recommendation about the proposed resolution as the resolution seeks the issue of Director Options to other Directors.

10.6 Requirements for the notice under Listing Rule 10.11 and any other information that is reasonably required by members to make a decision and that is known to the Company or any of its officers

Pursuant to and in accordance with ASX Listing Rule 10.13, the following information is provided in relation to the securities in the Placement issue:

- (a) The proposed Resolutions would have the effect of giving power to the Directors to grant a total of up to 70,000,000 Director Options (Pre-Consolidation) to the Directors or their respective nominees, as follows:
 - (i) 30,000,000 Director Options to Simon Lill or his nominee;
 - (ii) 20,000,000 Director Options to Davide Bosio or his nominee; and
 - (iii) 20,000,000 Director Options to Steve Morris or his nominee;
- (b) The exercise of the Director Options by each Director is subject to the terms and conditions outlined in Schedule (**Pre-Consolidation**). The effect of the Consolidation (if approved) on the terms and conditions of the Options is set out in section 9.6 of this Notice.
- (c) The Director Options will vest immediately upon their issue to Directors;
- (d) The Director Options will be issued within one month of the date of the Meeting (or such other date as permitted by any ASX waiver or modification of the ASX Listing Rules) and it is anticipated that the Director Options will all be issued on one date;
- (e) The Director Options will be issued for nil consideration and as such no funds will be raised from the issue;
- (f) Each Director’s current interest in securities of the Company is detailed in Table 2 as follows;

Table 2a: Details of Director’s current holdings of securities in the Company (on a pre-consolidation 1:20 basis)

Name	Shareholding	Option Holdings
Simon Lill	60,000,000	15,000,000 ¹
Davide Bosio	Nil	Nil
Steve Morris	15,000,000	Nil

¹ 15,000,000 options exercisable at 0.4 cents and expiring 25 November 2017.

Table 2b: Details of Director’s current holdings of securities in the Company (on a post-consolidation 1:20 basis)

Name	Shareholding	Option Holdings
Simon Lill	3,000,000	750,000 ¹
Davide Bosio	Nil	Nil
Steve Morris	750,000	Nil

¹ 750,000 options exercisable at 0.8 cents and expiring 25 November 2017.

- (g) If Director Options granted to the Directors or their nominee(s) are exercised, the effect would be to dilute the Shareholdings of the existing Shareholders. The key terms and total value of the Director Options (on a Pre-Consolidation basis) to be issued is outlined in Table 3 as follows;

Table 3: Details of Director Options to be issued to related Parties

Name	Number of Options	Vesting Date	Exercise Price	Expiry Date	Value as determined by Black Scholes valuation
Simon Lill	30,000,000	30 Nov 2016	\$0.005	30 Nov 2018	\$24,000
Davide Bosio	20,000,000	30 Nov 2016	\$0.005	30 Nov 2018	\$16,000
Steve Morris	20,000,000	30 Nov 2016	\$0.005	30 Nov 2018	\$16,000

- (h) The Directors, in conjunction with the Company's advisers have valued the Director Options by reference to the Black-Scholes valuation method, based upon the assumptions outlined in Table 4 below, on a pre-Consolidation basis;

Table 4: Director Option valuation details

Details	Input
Share price	\$0.003
Exercise price	\$0.005
Risk free Rate (RBA Cash Rate)	1.50%
Volatility (Annualised)	75%
Start Date	30-Nov-2016
Expiry Date	30-Nov-2018
Value per Option	\$0.0008

- (i) As at 21 October 2016, the issued capital of the Company comprised of 3,323,315,800 shares and 867,229,357 options on a pre consolidation basis. (and assuming that options to be issued and subject to Resolutions 8 and 9 are approved by shareholders). The issue of Director Options would have the effect of diluting the existing Shareholders by an aggregate of approximately 2.06% based upon the current number of shares on issue;
- (j) The market price of the Company's Shares during the term of the Director Options will normally determine whether or not the option holder exercises the Director Options. At the time any Director Options are exercised and Shares issued pursuant to the exercise of the Director Options, the Company's Shares may be trading on ASX at a price which is higher than the exercise price of the Director Option;
- (k) The Director Options will not be quoted on ASX and as such have no actual market value. The Shares of the Company have been traded on ASX since 3 July 2002. In the previous 12 months the Shares have traded in the range of 0.4 cents and 0.1 cents on a pre-consolidation basis (being 8 cents and 2 cents on a post consolidation basis). The most recent closing price prior to the date of this Notice was 0.4 cents on 11 October 2016 on a pre-consolidation basis (being an equivalent 8 cents on a post consolidation basis). The Director Options are capable of being converted to Shares by payment of the exercise price and on the terms set out in Schedule 2;
- (l) The total remuneration package of each of the Directors that are to receive Director Options under resolutions 11, 12 and 13 for the financial year ended 30 June 2016 are outlined in Table 4 as follows;

Table 4: Details of Directors 2015-2016 Remuneration

Name	Salary and Fees	Superannuation	Share-based payments	Total
Simon Lill	44,000	-	-	44,000
Davide Bosio	11,675	1,225	-	12,900
Steve Morris	24,000	-	-	24,000

- (m) As the Director Options were agreed to be issued in lieu of foregone fees and salary, forfeiture of future higher fees and salary and to incentivise long term performance, the Directors consider that the Director Options are a reasonable and cost effective reward for the Company as opposed to alternative forms of reward;
- (n) Neither the Directors nor the Company are aware of any other information that would be reasonably required by Shareholders to make a decision in relation to the financial benefits contemplated by Resolutions 11, 12 and 13;
- (o) A voting exclusion statement in respect of the Resolutions is included in the Notice.

Approval pursuant to ASX Listing Rule 7.1 is not required in order to issue the Director Options to the Directors as approval is being obtained under ASX Listing Rule 10.11. Accordingly, the issue of Director Options to the Directors will not be included in the 15% calculation of the Company's annual placement capacity pursuant to ASX Listing Rule 7.1.

11. RESOLUTION 14 – Approval of 10% Placement Facility

11.1 General

Listing Rule 7.1A enables eligible entities to issue Equity Securities up to 10% of its issued share capital through placements over a 12 month period after the AGM (**10% Placement Facility**). The 10% Placement Facility is in addition to the Company's 15% placement capacity under Listing Rule 7.1.

An eligible entity for the purposes of Listing Rule 7.1A is an entity that is not included in the S&P/ASX 300 Index and has a market capitalisation of \$300 million or less. The Company is an eligible entity, given it has a market capitalisation at the date of this Notice of \$1.143 million (1,143,461,058 ordinary fully paid shares @ \$0.001 each).

The Company is now seeking Shareholder approval by way of a special resolution to have the ability to issue Equity Securities under the 10% Placement Facility. The exact number of Equity Securities to be issued under the 10% Placement Facility will be determined in accordance with the formula prescribed in Listing Rule 7.1A.2 (refer to Section 7.2(c) below).

The Directors believe that Resolution 14 is in the best interests of the Company and unanimously recommend that Shareholders vote in favour of this Resolution.

11.2 Description of Listing Rule 7.1A

(a) *Shareholder approval*

The ability to issue Equity Securities under the 10% Placement Facility is subject to shareholder approval by way of a special resolution at an AGM.

(b) *Equity Securities*

Any Equity Securities issued under the 10% Placement Facility must be in the same class as an existing quoted class of Equity Securities of the Company.

The Company, as at the date of the Notice, has on issue three classes of Equity Securities, being listed Shares and two classes of unlisted Options.

(c) *Formula for calculating 10% Placement Facility*

Listing Rule 7.1A.2 provides that eligible entities which have obtained shareholder approval at an AGM may issue or agree to issue, during the 12 month period after the date of the AGM, a number of Equity Securities calculated in accordance with the following formula:

$$(A \times D) - E$$

A is the number of shares on issue 12 months before the date of issue or agreement:

- (i) plus the number of fully paid shares issued in the 12 months under an exception in Listing Rule 7.2;
- (ii) plus the number of partly paid shares that became fully paid in the 12 months;
- (iii) plus the number of fully paid shares issued in the 12 months with Shareholder approval under Listing Rule 7.1 and 7.4. This does not include an issue of fully paid shares under the entity's 15% placement capacity without Shareholder approval;

(iv) less the number of fully paid shares cancelled in the 12 months.

D is 10%;

E is the number of Equity Securities issued or agreed to be issued under Listing Rule 7.1A.2 in the 12 months before the date of the issue or agreement to issue that are not issued with the approval of shareholders under Listing Rule 7.1 or 7.4.

(d) *Minimum Issue Price*

The issue price of Equity Securities issued under Listing Rule 7.1A must be not less than 75% of the VWAP of Equity Securities in the same class calculated over the 15 Trading Days (on which trades in that class were recorded) immediately before:

- (i) the date on which the price at which the Equity Securities are to be issued is agreed; or
- (ii) if the Equity Securities are not issued within 5 Trading Days of the date in paragraph (i) above, the date on which the Equity Securities are issued.

(e) *10% Placement Period*

Shareholder approval of the 10% Placement Facility under Listing Rule 7.1A is valid from the date of the AGM at which the approval is obtained and expires on the earlier to occur of:

- (i) the date that is 12 months after the date of the AGM at which the approval is obtained; or
- (ii) the date of the approval by shareholders of a transaction under Listing Rules 11.1.2 (a significant change to the nature or scale of activities) or 11.2 (disposal of main undertaking).

11.3 Specific information required by Listing Rule 7.3

Pursuant to and in accordance with Listing Rule 7.3A, information is provided in relation to the approval of **the 10% Placement Facility** as follows:

- (a) The Equity Securities will be issued at an issue price of not less than 75% of the VWAP for the Company's Equity Securities over the 15 Trading Days (on which trades in that class were recorded) immediately before:
 - (i) the date on which the price at which the Equity Securities are to be issued is agreed; or
 - (ii) if the Equity Securities are not issued within 5 Trading Days of the date in paragraph (i) above, the date on which the Equity Securities are issued.
- (b) If Resolution 14 is approved by Shareholders and the Company issues Equity Securities under the 10% Placement Facility, the existing Shareholders' voting power in the Company will be diluted as shown in the below table (in the case of Convertible Securities, only if the Convertible Securities are converted into Shares). There is a risk that:
 - (i) the market price for the Company's Equity Securities may be significantly lower on the date of the issue of the Equity Securities than on the date of the Meeting; and
 - (ii) the Equity Securities may be issued at a price that is at a discount to the market price for the Company's Equity Securities on the issue date or the Equity Securities are issued as part of consideration for the acquisition of a new asset,

which may have an effect on the amount of funds raised by the issue of the Equity Securities.

The table below has been prepared on a post consolidation basis and shows the dilution of existing Shareholders on the basis of the current market price of Shares and the current number of ordinary securities for variable "A" calculated in accordance with the formula in Listing Rule 7.1A.2 as at the date of this Notice.

The table also shows:

- (i) two examples where variable "A" has increased by 50% and 100%. Variable "A" is based on the number of ordinary securities the Company has on issue. The number of ordinary securities on issue may increase as a result of issues of ordinary securities that do not require Shareholder approval (for example, a pro rata entitlements issue or scrip issued under a takeover offer), or future specific placements under Listing Rule 7.1 that are approved at a future Shareholders' meeting; and

- (ii) two examples of where the issue price of ordinary securities has decreased by 50% and increased by 100% as against the current market price.

Variable "A" in Listing Rule 7.1A.2		Dilution		
		\$0.04 50% decrease in Issue Price	\$0.08 Issue Price	\$0.16 100% increase in Issue Price
Current Variable A 166,165,790 Shares	10% voting dilution	16,616,579	16,616,579	16,616,579
	Funds raised	\$664,663.16	\$1,329,326.32	\$2,658,652.64
50% increase in current Variable A 249,248,685 Shares	10% voting dilution	24,924,869	24,924,869	24,924,869
	Funds raised	\$996,924,869	\$1,993,989.48	\$3,987,978.96
100% increase in current Variable A 332,331,580 Shares	10% voting dilution	33,233,158	33,233,158	33,233,158
	Funds raised	\$1,329,326.32	\$2,658,652.64	\$5,317,305.28

The table has been prepared on the following assumptions:

- (i) That the Consolidation of Capital in Resolution 10 has occurred. As such the calculations above are based upon Post-Consolidation values.
- (ii) The Company issues the maximum number of Equity Securities available under the 10% Placement Facility.
- (iii) No Convertible Securities (including any Convertible Securities issued under the 10% Placement Facility) are converted into Shares before the date of the issue of the Equity Securities.
- (iv) Resolutions 4, 5 and 7 (Ratification of Prior Share Issues) are all passed.
- (v) The 10% voting dilution reflects the aggregate percentage dilution against the issued share capital at the time of issue. This is why the voting dilution is shown in each example as 10%.
- (vi) The table does not show an example of dilution that may be caused to a particular Shareholder by reason of placements under the 10% Placement Facility, based on that Shareholder's holding at the date of this Meeting.
- (vii) The table shows only the effect of issues of Equity Securities under Listing Rule 7.1A, not under the 15% placement capacity under Listing Rule 7.1.
- (viii) The issue of Equity Securities under the 10% Placement Facility consists only of Shares.
- (ix) The issue price is \$0.08, being the closing price of Shares on the ASX at the time of preparing this Notice.
- (c) The Company will only issue and allot the Equity Securities during the 10% Placement Period. The approval under Resolution 14 for the issue of the Equity Securities will cease to be valid in the event that Shareholders approve a transaction under Listing Rule 11.1.2 (a significant change to the nature or scale of activities) or Listing Rule 11.2 (disposal of main undertaking).
- (d) The Company may seek to issue the Equity Securities for the following purposes:
- (i) for cash consideration, in which case the Company may use the funds raised towards making (or to securing the right to make) one or more acquisitions and/or to further its existing projects; and/or general working capital; so that the Company has the necessary working capital and flexibility to consider, and if thought fit, to put it in a stronger position to make (or to secure the right to make) one or more acquisitions and/or to further its existing projects; or
- (ii) non-cash consideration for the acquisition of (or securing the right to make acquisitions of) new projects and investments or to further its existing projects. In such circumstances the Company will provide a valuation of the non-cash consideration as required by Listing Rule 7.1A.3

The Company will comply with the disclosure obligations under Listing Rules 7.1A(4) and 3.10.5A upon issue of any Equity Securities. Accordingly, when the Company issues Equity Securities pursuant to the 10% Placement Capacity, it must give to ASX:

- (i) a list of the recipients of the Equity Securities and the number of Equity Securities issued to each (not for release to the market), in accordance with Listing Rule 7.1A.4; and
 - (ii) the information required by Listing Rule 3.10.5A for release to the market.
- (e) The Company's allocation policy is dependent on the purpose of the proposed issue and prevailing market conditions at the time of any proposed issue pursuant to the 10% Placement Facility.

The identity of the allottees of Equity Securities will be determined on a case-by-case basis having regard to the factors including but not limited to the following:

- (i) the methods of raising funds that are available to the Company, including but not limited to, rights issues or other issues in which existing security holders can participate;
- (ii) the effect of the issue of the Equity Securities on the control of the Company;
- (iii) the financial situation and solvency of the Company; and
- (iv) advice from corporate, financial and broking advisers (if applicable).

The allottees under the 10% Placement Facility have not been determined as at the date of this Notice but may include existing substantial Shareholders and/or new Shareholders who are not a related party or an Associate of a related party of the Company.

Further, if the Company is successful in acquiring new assets or investments, it is possible that the allottees under the 10% Placement Facility will be the vendors of the new assets or investments.

- (f) The Company previously obtained Shareholder approval under Listing Rule 7.1A at the annual general meeting on 25 November 2015. The Company has issued a total of 228,692,212 equity securities in the 12 months preceding the date of this Notice which represents 25% of the Equity Securities on issue at the commencement of the 12 month period. The details of issues of all equity securities (quoted and unquoted) made in the 12 months preceding the date of this Notice are in the table in Schedule 3.
- (g) At the date of the Notice, the Company has not approached any particular existing Shareholder or security holder or an identifiable class of existing security holder to participate in the issue of the Equity Securities. No existing Shareholder's votes will therefore be excluded under the voting exclusion in the Notice.

12. RESOLUTION 15 – Placement – Options for Haoma Mining NL

12.1 Background

Resolution 15 seeks Shareholder approval for the issue of 100,000,000 options (pre-Consolidation) in accordance with a right to purchase agreement entered into between Haoma Mining NL (ABN 12 008 676 177) (HMN) and the Company ("Agreement").

The Agreement grants the Company the right to explore for and to mine and process certain minerals on a tenement held by HMN, with an option to purchase the tenement for consideration of \$290,000.

Pursuant to the Agreement, the Company has also agreed to issue HMN 100,000,000 options (pre-Consolidation) at an exercise price per option of \$0.0029. These options have an expiry date of 9 months from the date of issue.

The effect of the Consolidation (if approved) on the terms and conditions of the Options is set out in section 9.6 of this Notice.

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.

The effect of Resolution 15 will be to allow the Company to issue the options pursuant to 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.

12.2 Technical information required by ASX Listing Rule 7.1

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

- (a) the maximum number of options to be issued is 100,000,000 (pre-Consolidation);

- (b) the 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 ASX Listing Rules) and it is intended that issue of the options will occur progressively;
- (c) the options will be issued for nil cash consideration in accordance with the Agreement, with an exercise price of \$0.0029 per option;
- (d) the Options will be issued to Haoma Mining NL (ABN 12 008 676 177), or its nominees. Haoma Mining NL is not a related party to the Company;
- (f) the terms and conditions of the options are set out in Schedule 3. The effect of the Consolidation (if approved) on the terms and conditions of the Options is set out in section 9.6 of this Notice; and
- (e) no funds will be raised from the issue of the options, as the options will be issued for nil cash consideration under the Agreement. If the options are exercised, the Company intends to use the funds raised from the issue of Shares to HMN on exercise of the options towards its ongoing exploration and development program at the Turner River Project.

13. GLOSSARY

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

"**10% Placement Facility**" has the meaning given in Section 7.1 of the Explanatory Statement;

"**10% Placement Period**" has the meaning given in Section 7.2(e) of the Explanatory Statement;

"**AGM**" means an annual general meeting;

"**Annual Report**" means the Directors' Report, the Financial Report and Auditor's Report, in respect of the financial year ended 30 June 2016;

"**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;

"**Auditor's Report**" means the auditor's report on the Financial Report;

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

"**Closely Related Party**" of a member of the Key Management Personnel means:

- (a) a spouse or child of the member;
- (b) a child of the member's spouse;
- (c) a dependent of the member or the member's spouse;
- (d) anyone else who is one of the member's family and may be expected to influence the member, or be influenced by the member, in the member's dealing with the entity;
- (e) a company the member controls; or
- (f) a person prescribed by the Corporations Regulations 2001 (Cth);

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

"**Consolidation**" means the Consolidation of Capital in Resolution 10; and

- (a) Pre-Consolidation means before the Consolidation; and
- (b) Post-Consolidations mean after the Consolidation;

"**Constitution**" means the Company's constitution, as amended from time to time;

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

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

"**Directors Report**" means the annual directors' report prepared under Chapter 2M of the Corporations Act for the Company and its controlled entities;

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

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

"**Financial Report**" means the annual financial report prepared under Chapter 2M of the Corporations Act for the Company and its controlled entities.

"**Key Management Personnel**" has the same meaning as in the accounting standards issued by the Australian Accounting Standards Board and means those persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly, including any director (whether executive or otherwise) of the Company;

"**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 annual general meeting;

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

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

"**Remuneration Report**" means the remuneration report of the Company contained in the Director's Report;

"**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;

"**Share Purchase Plan**" means the offer to eligible shareholder to subscribe for new Shares, (subject to any scale back at the Board's absolute discretion), without paying any brokerage fees, commissions or other transaction costs

"**SPP**" means Share Purchase Plan;

"**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.

Shareholders are referred to the Explanatory Statement for more information with respect to these matters to be considered at the Meeting.

SCHEDULE 1

TERMS AND CONDITIONS OF OPTIONS (Resolution 6)

- (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 10 June 2019. Options not exercised before the expiry date will automatically lapse.
- (c) The exercise price of each Option is \$0.002.
- (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.

SCHEDULE 2

TERMS AND CONDITIONS OF OPTIONS (Resolutions 8, 9, 11, 12 and 13)

- (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 \$0.005.
- (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.

SCHEDULE 3

TERMS AND CONDITIONS OF OPTIONS (Resolution 15)

- (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 nine months from the date of issue of the Options. Options not exercised before the expiry date will automatically lapse.
- (c) The exercise price of each Option is \$0.0029.
- (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.

SCHEDULE 4

ISSUES OF EQUITY SECURITIES SINCE 25 NOVEMBER 2015

Date of Issue	16 December 2015	18 December 2015	8 July 2016	14 April 2016	18 October 2016
Number issued	228,692,212	250,000,000	10,000,000	1. 12,500,000 2. 7,500,000	434,663,161
	Unquoted Options	Unquoted Options	Ordinary Shares	Ordinary Shares	Ordinary Shares
Summary of terms	Expiry 10 June 2019	Expiry 10 June 2019	Shares rank equally with existing quoted shares (ASX: DEG)	Shares rank equally with existing quoted shares (ASX: DEG)	Shares rank equally with existing shares quoted (ASX: DEG)
Names of persons who received securities or basis on which those persons was determined	Sophisticated and professional investors - free attaching options to the placement of 10 June 2015.	DJ Carmichael Pty Ltd as part of the total consideration with respect to the Underwriting Agreement.	Shares issued for consulting services provided to the Company.	Shares issued for consulting services provided to the Company.	Clients of Beer & Co Pty Ltd and DJ Carmichael Pty Ltd, none of whom are related parties of the Company
Price	Issue Price – Nil, free attaching option Exercise price \$0.002	Issue Price – Nil Exercise price \$0.002	No cash, in lieu of supplier invoice to the value of \$20,000	1. \$0.002 2. No cash, in lieu of supplier invoice to the value of \$15,000.	\$0.0029
Discount to Market (if any)	N/A	N/A	No discount	No discount	16.2%
Total cash consideration received	Nil cash consideration. Had the options been issued at 20 October 2016 then the value would be \$413,933 ⁶ .	Nil cash consideration. Had the options been issued at 20 October 2016 then the value would be \$452,500 ⁶ .	Nil cash consideration Had the shares been issued at 20 October 2016 then the value would be \$30,000 ⁶ .	1. \$25,000 2. Nil cash consideration. Had the shares been issued at 20 October 2016 then the value would be \$22,500 ⁶ .	\$1,250,000
Amount of cash consideration spent	N/A	N/A	N/A	\$25,000	Nil
Use of cash consideration (%)	N/A	N/A	N/A	Exploration – 100%	N/A
Intended use for remaining cash reserves (if any)	N/A	N/A	N/A	Nil	Exploration – 75% Corporate & Working Capital – 25%

Notes:

- Market Price means the closing price on ASX (excluding special crossings, overnight sales and exchange traded option exercises). For the purposes of this table the discount is calculated on the Market Price on the last trading day on which a sale was recorded prior to the date of issue of the relevant Equity Securities.
- Fully paid ordinary shares in the capital of the Company, ASX Code: DEG (terms are set out in the Constitution).
- Unquoted Options, exercisable at \$0.002 each, on or before 10 June 2019. The full terms and conditions were disclosed in the notice of meeting for the shareholder meeting held on 25 November 2015.
- Unquoted Options, exercisable at \$0.002 each, on or before 10 June 2019. The full terms and conditions are disclosed in this notice of meeting (Resolution 6)..
- This is a statement of current intentions as at the date of this Notice. As with any budget, intervening events and new circumstances have the potential to affect the manner in which the funds are ultimately applied. The Board reserves the right to alter the way the funds are applied on this basis.
- In respect of quoted Equity Securities the value is based on the closing price of the Shares (\$0.003) as the context requires on the ASX on 20 October 2016. In respect of unquoted Equity Securities the value of Options is measured using the Black & Scholes option pricing model. Measurement inputs include the Share price on the measurement date, the exercise price, the term of the Option, the impact of dilution, the expected volatility of the underlying Share (based on weighted average historic volatility adjusted for changes expected due to publicly available information), the expected dividend yield and the risk free interest rate for the term of the Option. No account is taken of any performance conditions included in the terms of the Option other than market based performance conditions (i.e. conditions linked to the price of Shares).

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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 131, Subiaco
Western Australia 6904
T: + 08 9381 4108 F: +(61 8) 9380 6761

+

«EFT_REFERENCE_NUMBER»

«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.

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 Annual General Meeting of the Company to be held at 11:00am WST on Wednesday 30 November 2016 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	For	Against	Abstain*	For	Against	Abstain*
1. Adoption of Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	10. Consolidation of Capital	<input type="checkbox"/>	<input type="checkbox"/>
2. Re-election of Mr Steve Morris as a Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	11. Approval of Issue of Options to Mr. Simon Lill	<input type="checkbox"/>	<input type="checkbox"/>
3. Re-election of Mr Davide Bosio as a Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	12. Approval of Issue of Options to Mr. Davide Bosio	<input type="checkbox"/>	<input type="checkbox"/>
4. Ratification of Prior Issue of Shares – 14 April 2016	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	13. Approval of Issue of Options to Mr. Steve Morris	<input type="checkbox"/>	<input type="checkbox"/>
5. Ratification of Prior Issue of Shares – 8 July 2016	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	14. Approval of 10% Placement Facility	<input type="checkbox"/>	<input type="checkbox"/>
6. Ratification of Prior Issue of Options – 18 December 2015	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	15. Placement of Options to Haoma Mining NL	<input type="checkbox"/>	<input type="checkbox"/>
7. Ratification of Prior Issue of Shares – 21 October 2016	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>			
8. Placement Issue of Options	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>			
9. Placement Issue Share Purchase Plan ("SPP") Options	<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 11:00am WST on Monday 28 November 2016.

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DEGPX1301116

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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 131, Subiaco
Western Australia 6904

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

Telephone +08 9381 4108

Facsimile +(61 8) 9380 6761

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.

