



# De Grey Mining Ltd

A.B.N. 65 094 206 292

20 November 2015

Dear Shareholder

## De Grey Mining Limited – pro-rata renounceable rights issue

De Grey Mining Limited (ACN (094 206 292)) (**DEG** or the **Company**) is undertaking a 3:2 pro rata renounceable rights issue (**Rights Issue** or **Offer**) of approximately 1,715,191,587 fully paid ordinary shares (**New Share**) to raise approximately \$1,715,192. The price of New Shares under the Offer is \$0.001 each (**Issue Price**). The Company lodged a prospectus for the Offer (**Prospectus**) with ASIC and ASX on 18 November 2015.

The Offer is fully underwritten by DJ Carmichael Pty Limited (**Underwriter**). The Company must pay the Underwriter an underwriting fee of 6% of the total amount raised pursuant to the Offer. The Company must also pay the Underwriter a lead management fee of \$20,000 and issue the Underwriter (or its nominee) 250,000,000 options exercisable at \$0.002 per option with an expiry date of 10 June 2019.

The capital raised is, in part, to be utilised on De Grey's Turner River Base Metals Project as well as the continued sourcing and evaluation of new potential opportunities suited for DEG and its shareholders. Exploration expenditure on the project will, in the first instance, include drilling and geophysical work as follows.;

1. Tabba Tabba, where further drilling is designed to test:
  - extensions of the known mineralization at both depth and on strike; and
  - anomalies identified in the original induced polarization (**IP**) survey and further delineated by core.
2. Discovery where further drilling is designed to test the depth extension of existing mineralization beneath hole WARC024.
3. Tabba Tabba and Clay Pan Well where the Company intends to undertake geophysical surveys to improve knowledge of anomalies at Tabba Tabba and identify areas for exploration focus at Claypan Well.

The above program is under planning and expected to commence in the first quarter of 2016. Consequently results are anticipated to be available by the end of the second quarter of 2016.

The Offer is being made to all shareholders of the Company (**Shareholders**) named on its register of members at 5:00pm (WST) on 25 November 2015, whose registered address is in Australia or New Zealand.

New Shares will rank equally with all fully paid ordinary shares in the capital of the Company (**Shares**) already on issue.

Following completion of the Offer, the Company will have issued approximately 1,715,191,587 New Shares resulting in total Shares on issue of approximately 2,858,652,645.

A copy of the Prospectus is available on the Company's ASX platform and DEG's website, at [www.degreymining.com.au](http://www.degreymining.com.au). Eligible Shareholders will be mailed a Prospectus together with an Entitlement and Acceptance Form no later than 30 November 2015. Your entitlement will be set out on the personalised Entitlement and Acceptance Form accompanying the Prospectus.

For the purposes of calculating each Eligible Shareholders' entitlement, fractions of entitlements have been rounded up to the nearest whole number of New Shares.

### **Actions required of Eligible Shareholders**

There are a number of actions Eligible Shareholders may take:

- You may take up all or some of your rights to subscribe for New Shares pursuant to the Prospectus (**Entitlements**). To take up all or some of your Entitlements you will need to ensure your application money for the Entitlements you wish to take up is received by Security Transfer Registrars Pty Ltd (**Share Registry**) by no later than 5:00pm (WST) on 9 December 2015, by either completing and returning your Entitlement and Acceptance Form together with your application money or making a payment by BPAY in accordance with the instructions on your Entitlement and Acceptance Form. All payments submitted through BPAY must be received by 4:00pm (WST) on 9 December 2015.
- Eligible Shareholders who will hold less than \$2,000 worth of Shares following the acceptance of their full Entitlement, are encouraged to apply for excess of their full Entitlement in order to increase their relevant Shareholding to above \$2,000. Those Eligible Shareholders will have priority under the Shortfall Offer up to a total maximum allocation of 10% of the Shortfall and subject to the Underwriters' discretion. For the avoidance of doubt, based on the issue price under the Offer the number of Shares that equates to \$2,000 is 2,000,000 Shares.
- You may seek to sell all or some of your Entitlements on ASX. You can seek to sell your Entitlements on ASX from 23 November 2015 until the close of market on 2 December 2015. To sell any of your Entitlements you need to contact your broker as soon as possible.
- You may transfer all or some of your Entitlements to another person other than on ASX. To transfer all or some of your Entitlements you will either need to contact your CHES Controling Participant (usually your broker) and follow their instructions or complete a renunciation and transfer form (which can be obtained from Share Registry) and return it, together with the purchaser's cheque for the Entitlements they wish to take up so that it is received by the Share Registry by no later than 5:00pm (WST) on 9 December 2015.

- You may do nothing. If you choose to do nothing with your Entitlements, while you will continue to hold the same number of Shares, your interest in the Company will be diluted and you will receive no value for your Entitlement.

### Key dates for the Offer

Event	Proposed Date
Prospectus and Appendix 3B lodged with ASX	18 November 2015
Notice of Rights Issue sent to security holders	20 November 2015
Existing shares quoted on an 'ex' basis Rights start trading	23 November 2015
Record date	25 November 2015
Rights Issue Documents sent to Eligible Shareholders Offer Period Opens	30 November 2015
Rights stop trading	2 December 2015
Shares quoted on a deferred settlement basis	3 December 2015
Offer Period Closes	9 December 2015
Notification of under-subscriptions to ASX (if any)	14 December 2015
Shortfall Settlement date	16 December 2015
Shares Issued Holding statements sent to Eligible Shareholders	17 December 2015

If you have any queries concerning the Rights Issue, or the action you are required to take to subscribe for New Shares, please contact your financial adviser or Craig Nelmes, DEG's Company Secretary, on +61 8 9381 4108.

Yours sincerely



**Craig Nelmes**  
Company secretary