



ASX Announcement

28 February 2017

Ms. Elizabeth Harris
ASX Compliance Pty Ltd
Level 40, Central Park
152-158 St Georges Terrace
Perth, WA 6000

De Grey Mining Limited - Price and Volume Query

We refer to your enquiry letter dated 28 February 2017 in relation to an increase in the De Grey Mining Limited (DEG) share price from an opening price of \$0.052 on Thursday 23 February 2017 to an intra-day price today of \$0.077, as well as an increase in the volume of trading in the Company's securities over this period and respond in the same order.

1. Is the Entity aware of any information concerning it that has not been announced to the market which, if known by some in the market, could explain the recent trading in its securities?

The Company is not aware of any information concerning it, that has not been announced and which, if known, may reasonably be regarded as an explanation for recent trading in the Company's securities.

2. Can an announcement be made immediately?

Not applicable.

3. If the answer to question 1 is "no", is there any other explanation that the Entity may have for the recent trading in its securities?

The Company reiterates the following significant ASX announcements made since it went into voluntary suspension on 25 January 2017;

On 25 January 2017, the Company made an announcement, titled "Mt Berghaus Gold Resource Trebles - Increases by 98,000oz to 141,000oz";

On 9 February 2017, the Company made an announcement, titled "Acquisition of Indee Gold provides Scale and Development Momentum", as well as an updated Investor Presentation titled "Acquisition of Indee Gold provides Scale and Development Momentum"; after which the Company was reinstated to Official Quotation;

On 22 February 2017, the Company made an announcement that financial services firm Beer & Co Pty Ltd had published a commissioned research report and valuation on De Grey; and

On 28 February 2017, the Company made an announcement that DJ Carmichael Pty Ltd had published a research report on the Company.

4. The Company has also received wide media coverage since the announcement of 9 February 2017. Please confirm that the Entity is in compliance with the Listing Rules and, in particular, Listing Rule 3.1.

Yes, the Company confirms that it is in compliance with ASX Listing Rules and, in particular, Listing Rule 3.1.

5. Please confirm that DEG's responses to the questions above have been authorised and approved in accordance with its published continuous disclosure policy or otherwise by its board or an officer of DEG with delegated authority from the board to respond to ASX on disclosure matters.

Yes.

Yours faithfully



Simon Lill (Executive Chairman)

De Grey Mining Ltd

Phone +61 8 9381 4108

admin@degreymining.com.au



28 February 2017

Mr Craig Nelmes
Company secretary
De Grey Mining Limited
Level 2, Suite 9
389 Oxford Street
Mount Hawthorn WA 6016

By Email: cnelmes@crcpl.com.au

Dear Mr Nelmes

De Grey Mining Limited (“DEG”): Price Query

We note a change in the price of DEG’s securities from an opening price of \$0.052 on Thursday 23 February 2017 to an intra-day price today of \$0.077.

We also note an increase in the trading volume of DEG’s securities today to a level that is significantly above the average trading volume on days when DEG’s securities are traded.

In light of this, ASX asks DEG to respond separately to each of the following questions and requests for information:

1. Is DEG aware of any information concerning it that has not been announced to the market which, if known by some in the market, could explain the recent trading in its securities?
2. If the answer to question 1 is “yes”:
 - a) Is DEG relying on Listing Rule 3.1A not to announce that information under Listing Rule 3.1?

Please note that the recent trading in DEG’s securities would suggest to ASX that such information may have ceased to be confidential and therefore DEG may no longer be able to rely on Listing Rule 3.1A. Accordingly, if the answer to this question is “yes”, you need to contact us immediately to discuss the situation.
 - b) Can an announcement be made immediately?

Please note, if the answer to this question is “no”, you need to contact us immediately to discuss requesting a trading halt (see below).
 - c) If an announcement cannot be made immediately, why not and when is it expected that an announcement will be made?
3. If the answer to question 1 is “no”, is there any other explanation that DEG may have for the recent trading in its securities?
4. Please confirm that DEG is in compliance with the Listing Rules and, in particular, Listing Rule 3.1.

5. Please confirm that DEG's responses to the questions above have been authorised and approved in accordance with its published continuous disclosure policy or otherwise by its board or an officer of DEG with delegated authority from the board to respond to ASX on disclosure matters.

When and where to send your response

This request is made under, and in accordance with, Listing Rule 18.7. Your response is required as soon as reasonably possible and, in any event, by not later than **4:00 pm AWST** today **Tuesday 28 February 2017**. If we do not have your response by then, ASX will have no choice but to consider suspending trading in DEG's securities under Listing Rule 17.3.

You should note that if the information requested by this letter is information required to be given to ASX under Listing Rule 3.1 and it does not fall within the exceptions mentioned in Listing Rule 3.1A, DEG's obligation is to disclose the information "immediately". This may require the information to be disclosed before the deadline set out in the previous paragraph.

ASX reserves the right to release a copy of this letter and your response on the ASX Market Announcements Platform under Listing Rule 18.7A. Accordingly, your response should be in a form suitable for release to the market.

Your response should be sent to me at Elizabeth.Harris@ASX.com.au copying in TradingHaltsPerth@asx.com.au. It should not be sent directly to the ASX Market Announcements Office. This is to allow me to review your response to confirm that it is in a form appropriate for release to the market, before it is published on the ASX Market Announcements Platform.

Listing Rules 3.1 and 3.1A

Listing Rule 3.1 requires a listed entity to give ASX immediately any information concerning it that a reasonable person would expect to have a material effect on the price or value of the entity's securities. Exceptions to this requirement are set out in Listing Rule 3.1A.

In responding to this letter, you should have regard to DEG's obligations under Listing Rules 3.1 and 3.1A and also to Guidance Note 8 *Continuous Disclosure: Listing Rules 3.1 – 3.1B*.

It should be noted that DEG's obligation to disclose information under Listing Rule 3.1 is not confined to, nor is it necessarily satisfied by, answering the questions set out in this letter.

Trading halt

If you are unable to respond to this letter by the time specified above, or if the answer to question 1 is "yes" and an announcement cannot be made immediately, you should discuss with us whether it is appropriate to request a trading halt in DEG's securities under Listing Rule 17.1.

If you wish a trading halt, you must tell us:

- the reasons for the trading halt;
- how long you want the trading halt to last;
- the event you expect to happen that will end the trading halt;
- that you are not aware of any reason why the trading halt should not be granted; and
- any other information necessary to inform the market about the trading halt, or that we ask for.



We may require the request for a trading halt to be in writing. The trading halt cannot extend past the commencement of normal trading on the second day after the day on which it is granted.

You can find further information about trading halts in Guidance Note 16 *Trading Halts & Voluntary Suspensions*.

If you have any queries or concerns about any of the above, please contact me immediately.

Yours sincerely

[Sent electronically without signature]

Elizabeth Harris

Principal Adviser, Listings Compliance (Perth)