

ASX Announcement
26 October 2017

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Board Changes & Sprott Capital Advisor Appointment

HIGHLIGHTS

DIRECTORS & MGMT

Simon Lill
Executive Chairman

Andy Beckwith
**Technical Director &
Operations Manager**

Davide Bosio
Non-executive Director

Steve Morris
Non-executive Director

Brett Lambert
Non-executive Director

Craig Nelmes
Company Secretary/CFO

Phil Tornatora
Exploration Manager

- **Mr. Andy Beckwith (Geologist) to be appointed as Technical Director & continues in the executive role of Operations Manager**
- **Mr. Brett Lambert (Engineer) to be appointed as a Non-Executive Director**
- **Mr. Davide Bosio to step down from the Board**
- **Sprott Capital Limited of Ontario Canada engaged to assist with North American capital markets activities**

De Grey Executive Chairman, Simon Lill, stated: *“The Board has long recognised the need to present a more resource orientated Board to the market. We look forward to our ongoing and now more formal relationship with Mr. Beckwith and a new relationship with Mr Brett Lambert, who has come highly recommended.*

I also thank Davide Bosio for his significant contribution to the Company. We look forward to an ongoing relationship with he and his firm.”

CONTACT DETAILS

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Board Changes

De Grey Mining Limited (De Grey, Company, ASX: DEG) advises that effective from the close of today’s General Meeting of Shareholders, 2017, Mr. Davide Bosio will be stepping down from the Board and Messrs. Andy Beckwith and Brett Lambert agreeing to appointments to the Board.

The board changes reflect the progress made by De Grey in advancing the Pilbara Gold Project towards production and equips the company with additional skills and experience to guide it through feasibility study, project financing, development and construction.

As part of this transformation, Mr. Davide Bosio will step down from the Board to concentrate on his activities at stockbrokers DJ Carmichael Pty Limited. Mr. Bosio first approached the Company to underwrite a rights issue at a time when funds were scarce for junior resource companies, and consequently joined the Board on 18 December 2015. He has contributed strongly throughout that time, and was instrumental in the negotiations associated with the option to acquire Indee Gold Pty Ltd. He has been a key part in advancing the Pilbara Gold Project and we thank him for his efforts.

Shortly after that capital raising De grey regained control of the Turner River tenements. The Board requested Mr. Andy Beckwith to review the project and to recommend options as to sale, joint venture or ongoing development. Mr. Beckwith recommended that De Grey continue with the project, and has driven the exploration and acquisition programs since March of 2016. He is a well-recognised exploration geologist with a focus dominantly on gold. He also has significant management experience in the ASX resource sector and has been a key contributor of De Grey for some time.

Mr. Beckwith will take on the role of Technical Director and remain as Operations Manager.

The Pilbara Gold Project is a multiple pit development to be processed through a new centralised processing plant, as outlined in the scoping study completed earlier this year (ASX: *“Positive Scoping Study completed at Pilbara Gold Project” 4 August 2017*). This study outlined a base case five year mine life and a throughput of 1million tonnes per annum averaging around 60,000 ounces per year. Significant potential remains to increase projected ore recovery from the now 23.9M tonne resource base through expanded open pit mining and underground development, such that the Board recognized the need for a Mining Engineer to be part of the development team. De Grey has been fortunate that Mr Brett Lambert has agreed to join the Board.

Mr. Lambert is a professional mining engineer and experienced company director with over 30 years involvement in the resource industry encompassing operations, project development, business development and corporate administration. He has previously worked on both open pit and underground operations and has a strong track record in resource project development and is therefore well placed to assist the Company to move forward with its planned Pilbara Gold Project development.

Sprott Capital Partners (“SCP”) Mandate

The Company has appointed SCP as advisors to assist the Company with its North American awareness and marketing arrangements, including providing strategic capital advice to the Company.

This will commence with a roadshow being undertaken by the Company during November/December.

For further information:

Simon Lill (Executive Chairman) or Andy Beckwith (Operations Manager)

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Appendix A

Mr. Andy Beckwith – Summary of Experience

Bachelor of Applied Science (Geology)
University of South Australia
Member, Australian Institute of Mining and Metallurgy

Mr Beckwith is a successful explorer whose past experience includes senior technical roles with AngloGold Ashanti, Acacia Resources, Helix Resources, Normandy NFM, North Flinders Mines, BP Minerals Australia and at Westgold Resources, where he led the team initially as exploration manager and then as Managing Director.

During his time with Westgold, he was intimately involved in the Explorer 108 Pb-Zn-Ag and the Au-Cu Rover 1 (1.2Moz) discoveries, both in the Northern Territory. Westgold was awarded the “2008 Explorer of the Year” for the Rover 1 discovery and also went on to acquire the Central Murchison Gold Project, in Western Australia. Westgold has advanced to become one of Australia’s major gold producers.

During the past three years he has also served as a director of the following listed companies:

Carnavale Resources Limited (29 July 2014 – continuing)

Mr. Brett Lambert – Summary of Experience

Bachelor of Applied Science (Mining Engineering)
Curtin University (WA School of Mines) 1982
Member, Australian Institute of Mining and Metallurgy
WA First Class Mine Managers Certificate

A professional mining engineer and experienced company director with over 30 years experience in the Australian and international resource industry covering precious metals, base metals and uranium. Mr Lambert has held senior management positions in a range of junior, mid-tier and major mining companies. He has been responsible for several feasibility studies and greenfield mine developments, with a track record of on time and on budget project delivery.

Mr Lambert has served as a director of companies listed on the Australian Securities Exchange, London’s AIM market, the Toronto Stock Exchange and the Stock Exchange of Thailand and has worked at Managing Director/CEO level for more than 10 years.

Mr Lambert is currently a Non-executive Director of Mincor Resources NL and Australian Potash Limited and within the last three years has also served as a director of ABM Resources NL.

Appendix B

Summary of Material Terms of Executive Employment Agreement between Mr. A Beckwith and De Grey Mining Limited

Position - Technical Director/Operations Manager

Commencement Date - 26 October 2017

Term - No fixed term. The appointment is ongoing until terminated by either party in accordance with the Employment Agreement as outlined in item 5 below.

Total Fixed Remuneration - \$250,000 per annum (inclusive of statutory superannuation), reviewed annually

Short Term and Long Term Incentives

Mr. Beckwith will be eligible to participate in the Company's incentive programs as determined by the Board. This includes a Performance Rights Plan to be voted on by shareholders at the Company's AGM, and/or any other employee incentive arrangements adopted by the Board and approved by shareholders.

Termination

3 months' written notice by either party, with the option by De Grey to require Mr. Beckwith to serve out the notice period or elect to pay in lieu of notice. Mr. Beckwith will receive a 12 month payout in the event that the Company is the subject of a full successful take over, in which circumstances and incentives granted or issued but not yet vested will become vested in accordance with the terms of the relevant incentive arrangements.

De Grey has the right to terminate Mr. Beckwith's employment without notice or payment in lieu of notice in certain circumstances (including serious misconduct).