

DE GREY MINING LIMITED
ABN 65 094 206 292

NOTICE OF ANNUAL GENERAL MEETING

AND

EXPLANATORY STATEMENT

AND

PROXY FORM

Date of Meeting

22 November 2013

Time of Meeting

11:00 am

Place of Meeting

QV1 Conference Centre
Level 2, 250 St Georges Terrace
Perth WA 6000

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 2013 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 the QV1 Conference Centre, Level 2, 250 St Georges Terrace, Perth Western Australia 6000 on the 22nd November 2013 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 are part of this Notice of Meeting.

2013 Financial Statements

To receive and consider the financial statements of the Company for the year ended 30 June 2013, consisting of the annual financial report, the Directors' Report and the Auditor's Report.

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 2013 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 Darren Townsend as a Director

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

"That Mr Darren Townsend, having retired in accordance with Clause 22 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 Simon Lill as a Director

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

"That Mr Simon Lill having been appointed a director of the Company since the last annual general meeting, retires in accordance with ASX Listing Rule 14.4 and, being eligible, offers himself for re-election, and is hereby re-elected as a Director of the Company."

Resolution 4 – Ratification of Prior Issue of Shares

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 60,608,562 ordinary fully paid shares at an issue price of \$0.008 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

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 16,870,000 ordinary fully paid shares (Tranche 1) at an issue price of \$0.0025 on the terms and conditions set out in the Explanatory Statement."

Voting Exclusion applies and is described below

Resolution 6 – Placement Issue of Shares

To consider and, if thought fit, to pass 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 200,000,000 ordinary fully paid shares (Tranche 2) at an issue price of \$0.0025 on the terms and conditions set out in the Explanatory Statement.”

Voting Exclusion applies and is described below

Resolution 7 – Approval of Issue of Shares to Acorn Corporate

To consider and, if thought fit, to pass 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 50,000,000 ordinary fully paid shares (Facilitation Allocation) at an issue price of \$0.0001 on the terms and conditions set out in the Explanatory Statement.”

Voting Exclusion applies and is described below

Resolution 8 – Approval of Issue of Shares to Mr. Peter Batten

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

“That, for the purposes of ASX Listing Rule 10.11 and for all other purposes, approval is given for the Company to issue up to 21,520,800 ordinary fully paid shares at an issue price of \$0.0025 on the terms and conditions set out in the Explanatory Statement.”

Voting Exclusion applies and is described below

Resolution 9 – Approval of Issue of Shares to Mr. Darren Townsend

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

“That, for the purposes of ASX Listing Rule 10.11 and for all other purposes, approval is given for the Company to issue up to 6,902,400 ordinary fully paid shares at an issue price of \$0.0025 on the terms and conditions set out in the Explanatory Statement.”

Voting Exclusion applies and is described below

Resolution 10 – Approval for Issue of Options to Consultant

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

“That, for the purposes of Listing Rule 7.1 and for all other purposes, approval is given for the Company to issue 5,000,000 options to Mr van Tienhoven on the terms and conditions set out in the Explanatory Statement.”

Voting Exclusion applies and is described below

Resolution 11 – 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

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 Exclusion

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.

Resolution 4 and 5 Voting Exclusion: The Company will disregard any votes cast on this Resolution by any person who participated in the issues and any of their associates. 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.

Resolution 6 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 solely in the capacity of a holder of ordinary securities, and any associates 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.

Resolution 7 Voting Exclusion: The Company will disregard any votes cast on this Resolution by Acorn Corporate and any of their associates and any person who might obtain a benefit solely in the capacity of a holder of ordinary securities. 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.

Resolution 8 and 9 Voting Exclusion: The Company will disregard any votes cast on these Resolutions by Mr Batten (in the case of Resolution 8) and Mr Townsend (in the case of Resolution 9) and any of their associates and any other person who might obtain a benefit, except a benefit solely in the capacity of the holder of Shares, if the Resolutions are passed.

However, the Company will not disregard a vote if:

- (a) 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
- (b) 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.

Resolution 10 Voting Exclusion: The Company will disregard any votes cast on this Resolution by Mr van Tienhoven and any of his associates and any other person who might obtain a benefit, except a benefit solely in the capacity of the holder of Shares, if the Resolution is passed.

However, the Company will not disregard a vote if:

- (a) 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
- (b) 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.

Resolution 11 Voting Exclusion: The Company will disregard any votes cast on this Resolution by any person who may participate in the 10% Placement Facility and a person who might obtain a benefit if this Resolution is passed, except a benefit solely in the capacity of a holder of Shares and any associate of that person (or those persons).

However, the Company will not disregard a vote if:

- (a) 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
- (b) it is cast by the person chairing the meeting as a proxy for a person who is entitled to vote, in accordance with the directions on the proxy form to vote as the proxy decides.

DE GREY MINING LIMITEDNotice of Annual General Meeting 22 November 2013

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 11:00 am WST on 20 November 2013 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) 93806761.

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 5.00 pm WST on 20 November 2013 will be entitled to attend and vote at the AGM.

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.

REVOCATION 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 Nemes

Company Secretary

Date: 22 October 2013

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 the QV1 Conference Centre, Level 2, 250 St Georges Terrace, Perth Western Australia 6000, on the 22nd November 2013 commencing at 11:00 am WST and any adjournment thereof.

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

2. 2013 FINANCIAL STATEMENTS

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 June 2013, 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 Settinieri, 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 2013 (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:

- (a) explains the Company’s remuneration policy and the process for determining the remuneration of its Directors and executive officers;
- (b) addresses the relationship between the Company’s remuneration policy and the Company’s performance; and
- (c) sets out the remuneration details for each director and executive officer named in the Remuneration Report for the financial year ended 30 June 2013.

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 2014 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 2014 annual general meeting. All of the directors who are in office when the Company’s 2014 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.

RESOLUTION 2 and 3 - Re-election of Directors

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 Darren Townsend who will retire at the Meeting and Mr Simon Lill who was appointed since the last annual general meeting offer themselves for re-election.

3.1 Mr. Darren Townsend Biography

Mr Townsend’s details of qualifications and experience are available in the 2013 Annual Report.

3.2 Mr Simon Lill Biography

Mr. Lill has a BSc (Pharmacol.) and a Masters of Business Administration, both from The University of Western Australia and has been a corporate adviser with Trident Capital Pty Ltd for the last 5 years. He has over 25 years’ experience in stockbroking, capital raising, management, business development and analysis for a range of small and start-up companies, both in the manufacturing and resources industries, and has specialised in that time in company restructuring activities.

4. RESOLUTION 4 – Ratification of Issue of Shares

4.1 Background

On 8 April 2013, the Company issued 60,608,562 Shares to institutional and sophisticated clients of Paterson’s Securities Limited (**Paterson’s**) pursuant to a share placement announced to ASX on 4 April 2013 (**Placement**). The subscribers to the Placement were not related parties or associates of related parties of the Company.

Resolution 4 seeks ratification from Shareholders pursuant to Listing Rule 7.4 for the issue of those Shares. Resolution 4 is an ordinary resolution.

4.2 Listing Rule 7.4

Listing Rule 7.1 provides that a company must not, subject to specified exceptions, issue or agree to issue 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 (**15% Limit**).

Listing Rule 7.4 permits the ratification of previous issues of securities made without prior shareholder approval provided the issue did not breach the 15% Limit.

If Shareholders approve the issue of the 60,608,562 Shares, then the 15% Limit will be refreshed to the extent of the Shares issued under this Placement. If Shareholders do not approve the issue, then those Shares will be counted towards the 15% Limit for a period of 12 months from their date of issue.

4.3 Information required for subsequent approval under Listing Rule 7.4

Listing Rule 7.5 requires the following information be provided to Shareholders for the purpose of obtaining Shareholder approval pursuant to Listing Rule 7.4:

- (a) 60,608,562 Shares were issued;
- (b) the issue price for the Shares was \$0.008 per Share;
- (c) the Shares issued were fully paid ordinary shares in the capital of the Company and rank equally in all respects with the Company's existing Shares on issue;
- (d) the Shares were allotted and issued to institutional and sophisticated investors of Patersons, none of whom were related parties of the Company;
- (e) the funds raised from the issue were applied towards exploration costs at the Company's Argentinian and New Zealand projects, general working capital and costs of the Placement; and
- (f) a voting exclusion statement is included in the Notice.

4.4 Directors' Resolution

The Directors unanimously recommend that eligible Shareholders vote in favour of this Resolution.

5. RESOLUTION 5 – Ratification of Issue of Shares

5.1 Background

On 7 October 2013, the Company issued 68,500,000 Shares (**1st Tranche**) to institutional and sophisticated clients of DJ Carmichael Pty Limited (**DJC**) pursuant to a share placement announced to ASX on 30 September 2013 (**Placement**), and of which 51,625,000 Shares were issued with shareholder approval under Listing Rule 7.1A and the remaining 16,875,000 Shares under Listing Rule 7.1 and for which we are now seeking shareholder approval. The subscribers to the Placement were not related parties or associates of related parties of the Company.

Resolution 5 is an ordinary resolution and seeks ratification from Shareholders pursuant to Listing Rule 7.4 for the issue of those 16,875,000 Shares.

5.2 Listing Rule 7.4

Listing Rule 7.1 provides that a company must not, subject to specified exceptions, issue or agree to issue 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 (**15% Limit**).

Listing Rule 7.4 permits the ratification of previous issues of securities made without prior shareholder approval provided the issue did not breach the 15% Limit.

If Shareholders approve the issue of the 16,875,000 Shares, then the 15% Limit will be refreshed to the extent of the Shares issued under this Placement. If Shareholders do not approve the issue, then those Shares will be counted towards the 15% Limit for a period of 12 months from their date of issue.

5.3 Information required for subsequent approval under Listing Rule 7.4

Listing Rule 7.5 requires the following information be provided to Shareholders for the purpose of obtaining Shareholder approval pursuant to Listing Rule 7.4:

- (a) 16,875,000 Shares were issued;
- (b) the issue price for the Shares was \$0.0025 per Share;
- (c) the Shares issued were fully paid ordinary shares in the capital of the Company and rank equally in all respects with the Company's existing Shares on issue;
- (d) the Shares were allotted and issued to institutional and sophisticated investors of DJC, none of whom were related parties of the Company;
- (e) the funds raised from the issue were applied toward ongoing project exploration, corporate, general working capital and costs of the Placement; and
- (f) a voting exclusion statement is included in the Notice.

5.4 Directors' Resolution

The Directors unanimously recommend that eligible Shareholders vote in favour of this Resolution.

6. RESOLUTION 6 - Placement Issue of Shares

6.1 Background

In its announcement made on 30 September 2013, the Company also foreshadowed a private placement of securities to raise a further \$400,000 after the completion of the Placement. The Company has revised its plans slightly and is now seeking placement approval for the issue of up to 200 million shares (**2nd Tranche**) to raise up to \$500,000 to institutional and sophisticated clients of DJC and for which we are now seeking shareholder approval. The subscribers to the Placement will not be related parties or associates of related parties of the Company.

Resolution 6 is an ordinary resolution and seeks approval from Shareholders pursuant to Listing Rule 7.3.

6.2 Information required for approval under Listing Rule 7.3

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

- (a) Up to 200,000,000 Shares will be issued;
- (b) The securities will be issued on a progressive basis soon after the Meeting but, in any event, no later than 3 months after the date of the Meeting;
- (c) The Shares will be issued at 0.25 cents each
- (d) The names of the allottees are not known. It is intended that the securities will be allotted to sophisticated, professional and other investors who are exempt from the disclosure requirements under Chapter 6D of the Corporations Act;
- (e) The Shares issued will rank equally with the existing ordinary shares and will be quoted on the ASX.
- (f) The funds raised from the issue will assist with ongoing project exploration, corporate and general working capital

7. RESOLUTION 7 – Placement Issue of Shares to Acorn Corporate

7.1 Background

In its announcement made on 30 September 2013, De Grey Mining Ltd advised it will place up to 228.5 million fully paid shares in two tranches (which are the subject of **Resolutions 5 and 6** respectively) to raise up to \$571,250.

The Company also agreed to the issue 50 million Shares at a price of \$0.0001 to Acorn Corporate or its nominees as Facilitator of the above capital raising and for which we are now seeking shareholder approval. The subscribers to the Placement will not be related parties or associates of related parties of the Company.

Resolution 7 is an ordinary resolution and seeks approval from Shareholders pursuant to Listing Rule 7.3.

7.2 Information required for approval under Listing Rule 7.3

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

- (a) 50,000,000 Shares will be issued;
- (b) The securities will be issued soon after the Meeting but, in any event, no later than 3 months after the date of the Meeting;
- (c) The Shares will be issued at \$0.0001 each to raise \$5,000.
- (d) The Shares will be issued to Acorn Corporate or its nominees;
- (e) The Shares issued will rank equally with the existing ordinary shares and will be quoted on the ASX.
- (f) The funds raised from the issue will assist ongoing project exploration, corporate and general working capital.

8. RESOLUTIONS 8 and 9 – Approval to Issue Shares to Directors

8.1 Background

In its announcement made on 30 September 2013, De Grey Mining Ltd advised it will seek Shareholder approval to issue up to 28,423,200 ordinary fully paid shares in settlement of unsecured loans from two of the Company's directors.

The loans were provided to the Company whilst it was in discussions with various groups so as to secure additional funding, the subject of Resolutions 5, 6 and 7.

The loan balances and terms are as follows;

- (i) Mr. Peter Batten – loan balance of \$53,802, interest rate of 12% p.a. and accruing monthly.
- (ii) Mr. Darren Townsend – loan balance of \$17,256, interest rate of 12% p.a. and accruing monthly.

The settlement through the issue of securities is considered to be in the best interests of shareholders as it preserves its existing cash reserves. The quantum of Shares proposed in settlement of the loans has been calculated by using a deemed issue price of 0.0025 cents per Share. This is the same price at which the Company completed its last capital raising (subject of Resolution 5) and the same price at which the Company will complete the Share Placement, the subject of Resolution 6. The non-associated Director of the Company, being Mr Simon Lill considers this a fair price for settlement purposes, also notes that the last traded price of Shares on ASX was 0.002 cents and recommends Shareholders vote in favour of Resolutions 8 and 9.

Shareholder approval is required under Listing Rule 10.11 for the issue of ordinary fully paid shares to Messrs Batten and Townsend as they are Directors and therefore a related party of the Company.

8.2 Information required for approval under Listing Rule 10.13

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) Up to 28,000,000 Shares will be issued to Mr. Peter Batten or his nominee and up to 8,000,000 Shares will be issued to Mr. Darren Townsend or his nominee
- (b) The securities will be issued soon after the Meeting but, in any event, no later than 1 month after the date of the Meeting;
- (c) Mr Batten and Mr Townsend are Directors and related parties of the Company;
- (d) The Shares will be issued at a deemed issue price of 0.0025 cents each, in settlement of outstanding unsecured loans of \$70,000 and \$20,000 to Mr Batten and Mr Townsend respectively.
- (e) The loan funds were used for corporate and general working capital purposes/
- (f) A voting exclusion statement in respect of the Resolutions is included in the Notice.

9. RESOLUTION 10 – Placement Issue of Options to Mr. Christopher van Tienhoven

9.1 Background

On 1 February 2013 Mr Christopher van Tienhoven was appointed in a consulting capacity as Country Manager – Argentina pursuant to a service contract with the Company's Argentinian subsidiary De Grey Argentina S.A. (Service Contract). Mr van Tienhoven's role includes providing services sufficient to undertake the company's mineral exploration activities in Argentina as directed from time to time by directors and management of the company.

Under the terms of the Service Contract, the Company has agreed to grant 5,000,000 unlisted Options to Mr van Tienhoven, subject to the prior approval of Shareholders at the AGM as part consideration for the services provided by Mr van Tienhoven under the Service Contract. The terms and conditions of the Options are set out below and in the Annexure to this Notice.

Resolution 10 is an ordinary resolution and seeks approval from Shareholders pursuant to Listing Rule 7.3.

9.2 Information required for approval under Listing Rule 7.3

Pursuant to and in accordance with ASX Listing Rule 7.3, the following information is provided in relation to issue of securities under Resolution 10:

- (a) A maximum of 5,000,000 Options will be issued;
- (b) It is anticipated that subject to Shareholder approval, that the Options will be allotted as one allotment immediately after the meeting but in any case not later than 3 months after the date of the meeting.
- (c) The Options will be issued for nil consideration, will have an exercise price of \$0.01 each and expire on the third anniversary of the issue date.
- (d) The Options will be issued to Mr van Tienhoven or his nominee, who is not a related party of the Company;
- (e) The Options will be issued on the terms and conditions summarised in Annexure 1 to this Notice. The Company will not apply to ASX for official quotation of the Options;
- (f) No funds will be raised from the issue of the Options and any funds raised from the exercise of the Options will be allocated towards ongoing project exploration, as well as corporate and general working capital purposes.

10. RESOLUTION 11 – Approval of 10% Placement Facility

10.1 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.

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 10.2(c) below).

The Directors believe that Resolution 11 is in the best interests of the Company and unanimously recommend that Shareholders vote in favour of this Resolution.

10.2 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 four classes of Equity Securities, being listed Shares and three 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),
- or such longer period if allowed by ASX (**10% Placement Period**).

10.3 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 11 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 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		
		\$0.0015 50% decrease in Issue Price	\$0.0030 Issue Price	\$0.0060 100% increase in Issue Price
Current Variable A 645,665,646 Shares	10% voting dilution	64,566,565 Shares	64,566,565 Shares	64,566,565 Shares
	Funds raised	\$96,850	\$193,700	\$387,399
50% increase in current Variable A 968,498,469 Shares	10% voting dilution	96,849,847 Shares	96,849,847 Shares	96,849,847 Shares
	Funds raised	\$145,275	\$290,550	\$581,099
100% increase in current Variable A 1,291,331,292 Shares	10% voting dilution	129,133,129 Shares	129,133,129 Shares	129,133,129 Shares
	Funds raised	\$193,700	\$387,399	\$774,799

The table has been prepared on the following assumptions:

- (i) The Company issues the maximum number of Equity Securities available under the 10% Placement Facility.
 - (ii) 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.
 - (iii) 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%.
 - (iv) 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.
 - (v) 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.
 - (vi) The issue of Equity Securities under the 10% Placement Facility consists only of Shares.
 - (vii) The issue price is \$0.003, being the closing price of Shares on the ASX on 15 October 2013.
- (c) The Company will only issue and allot the Equity Securities during the 10% Placement Period. The approval under Resolution 11 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.

- (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 2012 annual general meeting on 21 November 2012.

The Company issued a total of 241,608,562 equity securities in the 12 months preceding the date of this notice of meeting which represents 59.8% 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 provided in Annexure 2.

- (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.

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 10.1 of the Explanatory Statement;

"**10% Placement Period**" has the meaning given in Section 10.2(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 2013;

"**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 spouse or child of the member;
- a child of the member's spouse;
- a dependent of the member or the member's spouse;
- 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;
- a company the member controls; or
- a person prescribed by the Corporations Regulations 2001 (Cth);

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

"**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;

"**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.

ANNEXURE 1

TERMS AND CONDITIONS OF UNLISTED OPTIONS

The Options are to be issued on the following terms:

- (a) Each Option will entitle the holder to subscribe for one Share upon payment of the exercise price of \$0.01.
- (b) The Options are exercisable wholly or in part by no later than 5.00pm (WST) on the third anniversary of the issue date (**Expiry Date**).
- (c) The Options may be exercised by completing an option exercise form and delivering it together with the payment for the number of Shares in respect of which the Options are exercised to the registered office of the Company. Options not exercised by the Expiry Date shall automatically lapse.
- (d) The holder may exercise part of the Options only without prejudice to the holder's ability to subsequently exercise any remaining Options.
- (e) Application will not be made to the ASX for official quotation of the Options. Application will be made to the ASX for official quotation of all Shares pursuant to the exercise of the Options no later than 10 Business Days after the date of allotment.
- (f) Subject to the Corporations Act, the Listing Rules and the Constitution, the Options are not transferable without the prior written consent of the Board.
- (g) The Shares allotted pursuant to the exercise of Options shall rank, from the date of allotment, equally with the existing ordinary shares of the Company in all respects.
- (h) There are no participating rights or entitlements inherent in the Options and holders of the Options will not be entitled to participate in new issues of securities that may be offered to Shareholders during the currency of the Options.
- (i) Holders of Options may only participate in new issues of securities as holders of Shares if Options are exercised and Shares have been allotted pursuant to those Options before the record date for determining entitlements to the issue. The Company must give at least 6 business days' notice to holders of Options before the record date for determining entitlements to the issue in accordance with the Listing Rules.
- (j) In the event the Company proceeds with a pro rata issue (except a bonus issue) of securities to existing Shareholders after the date of issue of the Options, the exercise price of the Options will be adjusted in accordance with the formula set out in Listing Rule 6.22.2.
- (k) In the event of any re-organisation (including reconstruction, consolidation, subdivision, reduction or return of capital) of the issued capital of the Company, all rights of the Option holder are to be changed to comply with the Listing Rules applying to a re-organisation of capital at the time of the re-organisation.
- (l) If there is a bonus issue to Shareholders, the number of Shares over which an Option is exercisable will be increased by the number of Shares which the holder of the Option would have received if the Option had been exercised before the record date for the bonus issue. 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 relation to the bonus issue and upon issue will rank equally in all respects with the other Shares of that class at the date of issue of the bonus shares.
- (m) The Company shall as soon as practicable, and no later than 10 business days of exercise of the Options:
 - (i) take steps so that any offer of Shares for sale within 12 months of their issue will not require disclosure under section 707(3) of the Corporations Act 2001 (Cth);allot the resultant Shares and deliver a statement of shareholding with a holders' identification number.

ANNEXURE 2

EQUITY SECURITIES ISSUED IN THE 12 MONTHS
PRECEDING THIS AGM NOTICE OF MEETING

Date of Issue	14 Jan 13	8-Apr-13	15-May-13	22-May-13	10-Jul-13	7-Oct-13
Number issued	2,500,000	60,608,562	103,125,000	3,125,000	6,250,000	68,500,000
Class	Unlisted options	Ordinary shares	Ordinary shares	Ordinary shares	Ordinary shares	Ordinary shares
Summary of terms	Exercise price of \$0.03 and Expiry Date of 10-Jan-16	Placement	Entitlement issue and partial shortfall	Partial shortfall of entitlement issue	Partial shortfall of entitlement issue	Placement – 1 st tranche (Resolution 5) including under Listing Rules 7.1A
Names of persons who received securities or basis on which those persons was determined	Employees under the Company Employee Share and Option Plan	Placement to sophisticated and professional investor being clients of Paterson's Securities Limited	1 for 2 partially underwritten renounceable entitlement issue to all shareholders and clients of underwriter – Paterson's Securities Limited	Placed to clients of underwriter – Paterson's Securities Limited	Placed to clients of underwriter – Paterson's Securities Limited	Placement to sophisticated and professional investors, being clients of D J Carmichael Pty Ltd.
Price	Nil	\$0.008	\$0.008	\$0.008	\$0.008	\$0.0025
Discount to Market (if any)	N/A	29%	N/A	N/A	N/A	17%
Total cash consideration received	Nil	\$484,868	\$825,000	\$25,000	\$50,000	\$171,250
Amount of cash consideration spent	N/A	100%	100%	100%	100%	10%
Use of cash consideration (%)	N/A	Exploration - Argentinian drilling program (78%) Corporate & Admin (16%) Underwriter • Underwriting fee (6%)	Exploration - Argentinian drilling program (68.2%) Corporate & Admin (14%) Underwriter • Corporate advisory (7.3%) • Underwriting fee (6%) Other entitlement offer costs (4.5%)	Exploration - Argentinian drilling program (78%) Corporate & Admin (16%) Underwriter • Underwriting fee (6%)	Exploration - Argentinian drilling program (78%) Corporate & Admin (16%) Underwriter • Underwriting fee (6%)	Corporate & Admin (10%)
Intended use for remaining amount of cash (if any)	N/A	As above	As above	As above	As above	Exploration desktop project review (45%) Rental payments (25%) Corporate & Admin (20%)

STEP 1**APPOINTMENT OF PROXY**

I/we being a member/s of De Grey Mining Limited and entitled to attend and vote hereby appoint

The Chairman
of the Meeting
(mark with an "X")

OR

If you are not appointing the Chairman of the Meeting as your proxy please write here the full name of the individual or body corporate (excluding your own name) you are appointing as your proxy.

Or failing the individual or body corporate named, or if no individual or body corporate is named, the Chairman 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 De Grey Mining Limited to be held on 22 November 2013 and at any adjournment of that meeting.

Chairman authorised to exercise undirected proxies on remuneration related resolutions: Where I/we have appointed the Chairman of the Meeting as my/our proxy (or the Chairman becomes my/our proxy by default), I/we expressly authorise the Chairman to exercise my/our proxy on All Resolutions (except where I/we have indicated a different voting intention below) even though Resolution 1 is connected directly or indirectly with the remuneration of a member of key management personnel, which includes the Chairman.

Important Note: If the Chairman of the Meeting is (or becomes) your proxy you can direct the Chairman to vote for or against or abstain from voting on All Resolutions by marking the appropriate box below under **VOTING DIRECTIONS (STEP 2)**.

Important for Resolution 8 If the Chairman of the Meeting is your proxy and you have not directed the Chairman how to vote on Resolution 8 below, please mark the box in this section. If you do not mark this box and you have not otherwise directed your proxy how to vote on Resolution 8 the Chairman of the Meeting will not cast your votes on Resolution 8 and your votes will not be counted in computing the required majority if a poll is called on this resolution. The Chairman of the Meeting intends to vote undirected proxies in favour of Resolution 8.

I/we acknowledge that the Chairman of the Meeting may exercise my/our proxy even if the Chairman has an interest in the outcome of Resolution 8 and that votes cast by the Chairman, other than as proxy holder, would be disregarded because of that interest.

Important for Resolution 8 [the resolution subject to ASX vote exclusion]: If the Chairman of the Meeting is your proxy and you have not directed the

STEP 2**VOTING DIRECTIONS TO YOUR PROXY****PLEASE MARK ☒ TO INDICATE YOUR DIRECTIONS**

	For	Against	Abstain*
Resolution 1 – Adoption of Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 2 – Re-Election of Mr Darren Townsend as a Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 3 – Re-Election of Mr Simon Lill as a Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 4 – Ratification of Prior Issue of Shares	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 5 – Ratification of Prior Issue of Shares	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 6 – Placement Issue of Shares	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 7 – Approval of Issue of Shares to Acorn Corporate	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 8 – Approval of Issue of Shares to Mr. Peter Batten	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 9 – Approval of Issue of Shares to Mr. Darren Townsend	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 10 – Approval of Issue of Options to Consultant	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 11 – Approval of 10% Placement Facility	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

The Chairman of the Meeting intends to vote all available proxies in favour of each item of business

* 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.

SIGN

This section *must* be signed in accordance with the instructions overleaf to enable your directions to be implemented.

Individual or Securityholder 1

Sole Director and
Sole Company Secretary
Dated: __/__/2013

Securityholder 2

Director

Securityholder 3

Director/Company Secretary

Completed Proxy can be lodged:

BY MAIL: **Level 1, Suite 5, The Business Centre,
55 Salvado Road, Subiaco,
Western Australia 6008**

Or

**P O Box 131
Subiaco, Western Australia 6904**

BY FAX: **(61 8) 9380 6761**

For your vote to be effective, the completed proxy form must be received by 11.00am (Perth time),
20th November 2013

How to complete the Proxy Form**1 Appointment of a Proxy**

If you wish to appoint the Chairman of the Meeting as your proxy, mark the box. If the individual or body corporate you wish to appoint as your proxy is someone other than the Chairman of the Meeting please write the full name of that individual or body corporate in the space provided. If you leave this section blank, or your named proxy does not attend the meeting, the Chairman of the Meeting will be your proxy. A proxy need not be a securityholder of the company. Do not write the name of the issuer company or the registered securityholder in the space.

2 Votes on Items of Business

You may direct your proxy how to vote by placing a mark in one of the three boxes opposite each item of business. All your securities will be voted in accordance with such a direction unless you indicate only a portion of voting rights are to be voted on any item by inserting the percentage or number of securities you wish to vote in the appropriate box or boxes. If you do not mark any of the boxes on a given item, your proxy may vote as he or she chooses. If you mark more than one box on an item your vote on that item will be invalid.

3 Appointment of a Second Proxy

You are entitled to appoint up to two 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 telephoning the company's share registry or you may copy this form.

To appoint a second proxy you must:

(a) on each of the first Proxy Form and the second Proxy Form 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 your votes.

Fractions of votes will be disregarded.

(b) return both forms together.

4 Signing Instructions

You must sign this form as follows in the spaces provided:

Individual: where the holding is in one name, the holder must sign.

Joint Holding: where the holding is in more than one name, all of the security holders should sign.

Power of Attorney: to sign under Power of Attorney, you must have already lodged this document with the 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 can also sign alone. Otherwise this form must be signed by a Director jointly with either another Director or a Company Secretary. Please indicate the office held by signing in the appropriate place.

If a representative of a corporate Securityholder or proxy is to attend the meeting the appropriate "Certificate of Appointment of Corporate Representative" should be produced prior to admission. A form of the certificate may be obtained from the company's share registry.

Lodgement of a Proxy

This Proxy Form (and any Power of Attorney under which it is signed) must be received at an address given above no later than 48 hours before the time of the Annual General Meeting. Any Proxy Form received after that time will not be valid for the scheduled meeting.