

ASX ANNOUNCEMENT

6 October 2022

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Completion of Bookbuild for Fully Underwritten A\$130 million Placement

Highlights:

- **Firm commitments received for a fully underwritten Placement of 130 million shares at A\$1.00 per share to raise A\$130 million (before costs)**
- **Issue price represents a 8.3% discount to the last closing share price and a 3.3% discount to the 5-day VWAP**
- **Placement bookbuild saw strong demand from both existing and new, domestic and offshore institutions, providing a further endorsement of De Grey's Mallina Gold Project and the Company's strategic plan**
- **De Grey's largest shareholder Gold Road Resources Limited has made a commitment to the Placement and will retain its interest of 19.99% post settlement of the Placement**
- **De Grey's shareholders may subscribe for up to A\$30,000 at \$1.00 per share via a Share Purchase Plan ("SPP"), subject to meeting eligibility criteria**
- **Proceeds from the Placement and SPP, together with existing cash, to be applied to:**
 - **completion of the DFS in respect of the Project in preparation for a subsequent Financial Investment Decision;**
 - **resource definition drilling and appropriate technical studies to increase Project reserves;**
 - **discovery and extension drilling of the Project, targeting new discoveries and increased Project resources;**
 - **structured Project funding process;**
 - **pre-development activities; and**
 - **corporate costs and general working capital**
- **De Grey to have a significantly strengthened balance sheet to execute its 12-month corporate strategy during the project financing phase¹**

De Grey Mining Limited (ASX: DEG, “**De Grey**” or “**Company**”) is pleased to advise that the Company has received firm commitments for a fully underwritten institutional placement of 130 million ordinary shares at a price of A\$1.00 per share to raise A\$130 million (before costs) (“**Placement**”).

The Placement issue price represents a:

- 8.3% discount to the last closing share price of \$1.09 on 4 October 2022; and
- 3.3% discount to the 5-day volume weighted average price (“**VWAP**”) on 4 October 2022.

The Placement was well supported, with strong institutional participation that included existing and new domestic investors and offshore specialist resource funds. The strong investor support extends to Gold Road Resources Limited who has committed to subscribe for their pro-rata interest in the Placement.

Proceeds from the Placement and the SPP, together with existing cash, will be applied to:

- completion of the Definitive Feasibility Study (“**DFS**”) study in respect of the Mallina Gold Project (“**Mallina**” or the “**Project**”) in preparation for a subsequent Final Investment Decision;
- discovery and extension drilling of the Project, targeting new discoveries and increased Project resources;
- resource definition drilling and appropriate technical studies to increase Project reserves;
- structured Project funding process;
- pre-development activities; and
- corporate costs and general working capital.

Funds from the Placement and the SPP will enable the Company to continue to advance its expansive exploration initiatives to grow the resource endowment at the Project and ensure the Company is fully funded to complete its DFS in respect of Hemi (currently scheduled for Q2 2023).¹ Furthermore, the Placement and SPP funds will provide De Grey with significant balance sheet strength and flexibility during the Company’s Project financing phase.

Canaccord Genuity (Australia) Limited acted as Global Coordinator, Joint Lead Manager, Joint Underwriter and Joint Bookrunner to the Placement. Argonaut Securities Pty Ltd acted as Joint Lead Manager and Joint Bookrunner, and Argonaut PCF Limited acted as Joint Underwriter to the Placement. Azure Capital Pty Ltd acted as corporate advisor to De Grey for the placement.

Placement Details

130 million ordinary shares in the Company will be issued under the Placement pursuant to the Company’s available 15% placement capacity under ASX Listing Rule 7.1. Ordinary fully paid shares in the Company issued under the Placement and the SPP (“**New Shares**”) will rank equally with the Company’s existing shares on issue.

The New Shares issued under the Placement are expected to settle on Wednesday, 12 October 2022 and be issued and commence trading on the ASX on a normal basis on Thursday, 13 October 2022.

The Company’s existing shares will resume trading on the ASX from market open today, 6 October 2022.

¹ Subject to the Company raising the targeted amount of A\$20 million under the SPP. The SPP is not underwritten and there is no guarantee that the Company will raise the targeted amount of A\$20 million. In the event the Company receives valid applications under the SPP in excess of the targeted amount, the Company may, in its absolute discretion, raise more than the target or may scale back the number of New Shares issued under the SPP.

Placement Timetable*

| Event | Date |
|---|----------------------------|
| Trading halt lifted and announcement of completion of bookbuild for Placement | Thursday, 6 October 2022 |
| Settlement of New Shares under Placement | Wednesday, 12 October 2022 |
| Issue of New Shares under Placement | Thursday, 13 October 2022 |

* All times referenced are to Perth time, Australia unless denoted otherwise. This timetable is indicative only and the Company may, at its discretion, vary any of the above dates, subject to the ASX Listing Rules, the Corporations Act 2001 (Cth) and other applicable laws.

Director Commitments

In addition to the Placement, De Grey Director Simon Lill and Director Peter Hood have both committed to subscribe for a further investment of A\$50,000 and A\$150,000 respectively. These additional commitments are subject to the approval of shareholders which will be sought at the Company's upcoming Annual General Meeting, expected to be held on 24 November 2022.

The Director commitments are in addition to the Placement and will, subject to shareholder approval being received, result in the issue of a further 200,000 ordinary shares at A\$1.00 per share to raise a further \$200,000.. An Appendix 3B for the proposed issue of shares under the Director commitments will follow this announcement.

SPP Details

As announced on 5 October 2022, the Placement will be supplemented by a non-underwritten Share Purchase Plan ("**SPP**") targeting to raise A\$20 million (before costs). Eligible De Grey shareholders as at the record date of 5.00pm (WST) on Tuesday, 4 October 2022 with a registered address in Australia or New Zealand that are not in the United States and are not acting for the account or benefit of a person in the United States will be offered the opportunity under the SPP to apply for up to A\$30,000 of New Shares at the same price as the New Shares offered under the Placement, being A\$1.00 per New Share.

The SPP is not underwritten and there is no guarantee that the Company will raise the targeted amount. The Company may, in its absolute discretion, raise a higher amount under the SPP than the targeted amount. The Company may, in its absolute discretion, undertake a scale back of applications for New Shares to the extent and in the manner it sees fit (including (but without limiting the Company's discretion) by taking into account, among other factors, the number of eligible shareholders participating, the size of an eligible shareholder's shareholding at the SPP record date or the number of New Shares applied for under the SPP).

The terms and conditions of the SPP will be detailed in a SPP offer booklet to be despatched to eligible shareholders and released to the ASX on or about Monday, 17 October 2022. Eligible shareholders wishing to participate in the SPP will need to apply in accordance with the instructions set out in the SPP offer booklet. Any funds raised from the SPP will be used for purposes consistent with the Placement funds. New Shares issued under the SPP will rank equally with the Company's existing shares then on issue.

SPP Timetable*

| Event | Date |
|--|--------------------------------------|
| SPP record date | 5.00pm (WST) Tuesday, 4 October 2022 |
| SPP offer opens and SPP booklet despatched | Monday, 17 October 2022 |
| SPP closing date | Friday, 4 November 2022 |
| SPP results announcement | Thursday, 10 November 2022 |
| Issue of New Shares under SPP | Thursday, 10 November 2022 |

* All times referenced are to Perth time, Australia unless denoted otherwise. This timetable is indicative only and the Company may, at its discretion, vary any of the above dates, subject to the ASX Listing Rules and the Corporations Act 2001 (Cth) and other applicable laws. The Company reserves the right to close the SPP early or to withdraw the SPP, in its sole and absolute discretion, by lodging an announcement with the ASX. The commencement of trading and quotation of New Shares is subject to ASX confirmation.

Nothing contained in this announcement constitutes investment, legal, tax or other advice. Investors should seek appropriate professional advice before making any investment decision.

This ASX announcement is authorised for release by the Board.

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Forward looking statements disclaimer

This announcement as prepared by De Grey Mining Limited (the “Company”) includes forward looking statements. Often, but not always, forward looking statements can generally be identified by the use of forward looking words such as “may”, “will”, “expect”, “intend”, “plan”, “estimate”, “anticipate”, “continue”, and “guidance”, or other similar words and may include, without limitation, statements regarding plans, strategies and objectives of management, anticipated production or construction commencement dates and expected costs or production outputs.

Forward looking statements inherently involve known and unknown risks, uncertainties and other factors that may cause the Company’s actual results, performance and achievements to differ materially from any future results, performance or achievements. Relevant factors may include, but are not limited to, changes in commodity prices, foreign exchange fluctuations and general economic conditions, increased costs and demand for production inputs, the speculative nature of exploration and project development, including the risks of obtaining necessary licenses and permits and diminishing quantities or grades of reserves, political and social risks, changes to the regulatory framework within which the Company operates or may in the future operate, environmental conditions including extreme weather conditions, recruitment and retention of personnel, industrial relations issues and litigation.

Forward looking statements are based on the Company and its management's good faith assumptions relating to the financial, market, regulatory and other relevant environments that will exist and affect the Company's business and operations in the future. The Company does not give any assurance that the assumptions on which forward looking statements are based will prove to be correct, or that the Company's business or operations will not be affected in any material manner by these or other factors not foreseen or foreseeable by the Company or management or beyond the Company's control.

Although the Company attempts and has attempted to identify factors that would cause actual actions, events or results to differ materially from those disclosed in forward looking statements, there may be other factors that could cause actual results, performance, achievements or events not to be as anticipated, estimated or intended, and many events are beyond the reasonable control of the Company. Accordingly, readers are cautioned not to place undue reliance on forward looking statements. Forward looking statements in these materials speak only at the date of issue. Subject to any continuing obligations under applicable law or any relevant securities exchange listing rules, in providing this information the Company does not undertake any obligation to publicly update or revise any of the forward looking statements or to advise of any change in events, conditions or circumstances on which any such statement is based.