

ASX Announcement
2 October 2017

De Grey accepts strategic investor Kirkland Lake to its Register

ASX Code DEG
FRA Code WKN 633879

ABN 65 094 206 292

COMPANY DIRECTORS

Simon Lill
Executive Chairman

Davide Bosio
Non-executive Director

Steve Morris
Non-executive Director

MANAGEMENT

Craig Nelmes
Company Secretary/CFO

Andy Beckwith
Operations Manager

Phil Tornatora
Exploration Manager

CONTACT DETAILS

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De Grey Mining Limited (“De Grey”) is pleased to announce that Kirkland Lake Gold Ltd. (“Kirkland Lake”) has agreed to subscribe for up to 33,333,333 shares in De Grey at a price of \$0.15 per share to raise \$5M. Each share will have a free attaching option, with the options exercisable at \$0.20 per share at any time before 30 November 2019.

Kirkland Lake is a Canadian listed mid-tier gold producer with a market capitalization of US\$2.7Bn and forecast production for 2017 of 570,000 – 590,000 oz’s of gold. They have interests in Australia through the high grade, low cost Fosterville mine in Victoria and have recently invested \$58M in De Grey’s Pilbara counterpart, Novo Resources Corp.

The share placement is subject to shareholder approval which the Company will seek at its Annual General Meeting (“AGM”) to be held before the end of November 2017 and Kirkland Lake staying below 19.9% on a partially diluted basis post De Grey’s AGM. An anti-dilution clause exists that allows Kirkland Lake to retain their equity position through future capital raisings. The anti-dilution clause is subject to ASX waiver of Listing Rule 6.18.

The funds will be used for ongoing exploration and development activities at the Pilbara Gold Project.

De Grey Chairman Simon Lill said:

“The investment by Kirkland Lake is clearly a game changer for De Grey. Together with our recent August capital raising of \$3M, we have now raised \$8M, which confirms funding for our exploration programs through until the end of 2018.

Kirkland Lake’s interest is in the potential of the conglomerate gold within De Grey’s project area located near Port Hedland in the Pilbara region. We welcome this investment and look forward to added assistance in technical, financing, construction, commissioning and operational skills to complement our already strong geological team.

The potential of the conglomerate gold opportunity adds to our already exciting +1.2M oz. Pilbara Gold Project”