

ASX ANNOUNCEMENT

25 September 2020

Notice of General Meeting & Proxy Form

De Grey Mining Limited (ASX: **DEG, De Grey** or **Company**) invites you to attend a General Meeting of shareholders to be held at Vibe Hotel, 9 Alvan Street, Subiaco WA 6008 Perth Australia at 10.00am WST on 23 October 2020. A presentation will not be given at this meeting however there will be a presentation at the AGM to be held in late November 2020.

In accordance with section 5(1)(f) of the Corporations (Coronavirus Economic Response) Determination (No. 1) 2020 made by the Commonwealth Treasurer on 5 May 2020, the Notice of General Meeting, accompanying Explanatory Statement and Schedules (**Meeting Materials**) are being made available to shareholders electronically. You are able to view and download the Meeting Materials online from the Company website, and specifically the announcements page degreymining.com.au/asx-announcements.

If you have nominated an email address and have elected to receive electronic communications with the Company's share registry, Automic Group Pty Ltd, you will receive an email to your nominated email address with a link to an electronic copy of the Meeting Materials.

In order to be able to receive electronic communications from the Company in the future, please update your shareholder details online at investor.automic.com.au/#/signup and log in with your unique shareholder identification number you can find on your Personalised Proxy form.

Once logged in you can complete your proxy vote online investor.automic.com.au/#/loginsah. If you prefer not to vote online, please return the proxy form in accordance with the instructions contained within the Meeting Materials and the Personalised Proxy form.

If you have any difficulties obtaining a copy of the Notice of Meeting please contact the Company's share registry, Automic Group Pty Ltd, on 1300 288 664 (within Australia) or +61 2 9698 5414 (Overseas).

A copy of both the abovementioned Meeting Materials and Proxy Form are attached herewith.

This announcement has been authorised for release by the Chairman of De Grey.

For further information, please contact:

Glenn Jardine
Managing Director
+61 8 6117 9328
admin@degreymining.com.au

Craig Nelmes/Patrick Holywell
Company Secretaries
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admin@degreymining.com.au

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+61 422 602 720
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DE GREY MINING LTD
ACN 094 206 292
NOTICE OF GENERAL MEETING

Notice is given that the Meeting will be held at:

TIME: 10am WST

DATE: Friday, 23 October 2020

PLACE: Vibe Hotel, 9 Alvan Street, Subiaco WA 6008 Perth Australia

The business of the Meeting affects your shareholding and your vote is important.

This Notice of Meeting should be read in its entirety. If Shareholders are in doubt as to how they should vote, they should seek advice from their professional advisers prior to voting.

The Directors have determined pursuant to Regulation 7.11.37 of the Corporations Regulations 2001 (Cth) that the persons eligible to vote at the Meeting are those who are registered Shareholders at 5pm on Wednesday, 21 October 2020.

BUSINESS OF THE MEETING

AGENDA

1. RESOLUTION 1 – APPROVAL TO ISSUE SHARES TO DGO GOLD LIMITED

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

“That, for the purposes of Listing Rule 10.11 and for all other purposes, approval is given for the Company to issue 10,000,000 Shares at an issue price of \$1.20 per Share to DGO Gold Limited (or its nominee) on the terms and conditions set out in the Explanatory Statement.”

Voting Exclusion Statement: The Company will disregard any votes cast in favour of the Resolution by or on behalf of DGO Gold Limited (or its nominee) and any other person who will obtain a material benefit as a result of the issue of the securities (except a benefit solely by reason of being a holder of ordinary securities in the entity) or an associate of that person or those persons.

However, this does not apply to a vote cast in favour of a resolution by:

- (a) a person as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with directions given to the proxy or attorney to vote on the resolution in that way; or
- (b) the chair of the meeting as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with a direction given to the chair to vote on the resolution as the chair decides; or
- (c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - (i) the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the resolution; and
 - (ii) the holder votes on the resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

2. RESOLUTION 2 – ISSUE OF SHARES TO RELATED PARTY - PETER HOOD AO

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

“That, for the purposes of Listing Rule 10.11 and for all other purposes, approval is given for the Company to issue 300,000 Shares to Peter Hood (or his nominee) on the terms and conditions set out in the Explanatory Statement.”

Voting Exclusion Statement: The Company will disregard any votes cast in favour of the Resolution by or on behalf of Peter Hood (or his nominee) and any other person who will obtain a material benefit as a result of the issue of the securities (except a benefit solely by reason of being a holder of ordinary securities in the Company) or an associate of that person or those persons.

However, this does not apply to a vote cast in favour of a resolution by:

- (a) a person as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with directions given to the proxy or attorney to vote on the Resolution in that way; or
- (b) the Chair as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with a direction given to the chair to vote on the Resolution as the Chair decides; or

- (c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
- (i) the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the Resolution; and
 - (ii) the holder votes on the Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.
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Dated: 23 September 2020

By order of the Board



**Simon Lill
Chairman**

Voting by proxy

To vote by proxy, please complete and sign the enclosed Proxy Form and return by the time and in accordance with the instructions set out on the Proxy Form.

In accordance with section 249L of the Corporations Act, Shareholders are advised that:

- each Shareholder has a right to appoint a proxy;
- the proxy need not be a Shareholder of the Company; and
- a Shareholder who is entitled to cast two (2) or more votes may appoint two (2) proxies and may specify the proportion or number of votes each proxy is appointed to exercise. If the member appoints two (2) proxies and the appointment does not specify the proportion or number of the member's votes, then in accordance with section 249X(3) of the Corporations Act, each proxy may exercise one-half of the votes.

Shareholders and their proxies should be aware that:

- if proxy holders vote, they must cast all directed proxies as directed; and
- any directed proxies which are not voted will automatically default to the Chair, who must vote the proxies as directed.

Submit your Proxy Vote Online

Vote online at <https://investor.automic.com.au/#/loginsah>, and simply follow the instructions on the enclosed proxy form.

Or, alternatively;

Submit your Proxy Vote by Paper

To vote in person, Shareholders are able to attend the Meeting at the time, date and place set out above. In light of on the status of the evolving COVID-19 situation and easing of Government

If you do not wish to vote online, then it is necessary to complete in accordance with the detailed instructions set out on the enclosed Proxy Form.

The return of your completed form (ONLY if you do NOT vote online) can be done by one of the following ways;

BY MAIL

Automic
GPO Box 5193
Sydney NSW 2001

IN PERSON

Automic
Level 5, 126 Phillip Street
Sydney NSW 2000

BY EMAIL

meetings@automicgroup.com.au

Voting in person

To vote in person, Shareholders are able to attend the Meeting at the time, date and place set out above. In light of on the status of the evolving COVID-19 situation and easing of Government restrictions on public gatherings in place at the time of the Notice and the number of Shareholders that normally attend Shareholder meetings for the Company the Directors have made a decision that Shareholders will be able to physically attend the Meeting in person and accordingly, have arranged an appropriate meeting venue. If the Government restrictions and corresponding decision of the Director's changes prior to the Meeting the Directors will update Shareholders via the Company's ASX platform.

Should you wish to discuss the matters in this Notice of Meeting please do not hesitate to contact the Company Secretary on +61 8 6117 9328.

EXPLANATORY STATEMENT

This Explanatory Statement has been prepared to provide information which the Directors believe to be material to Shareholders in deciding whether or not to pass the Resolutions.

1. BACKGROUND TO RESOLUTIONS 1 TO 2

As announced on 14 September 2020, the Company received firm commitments for a placement of approximately 73.1 million Shares, at an issue price of \$1.20 per Share, to raise approximately \$88 million (**Placement**). Subject to Shareholders approving Resolutions 1 and 2, the Company will issue as part of the Placement, a further:

- (a) 10,000,000 Shares to DGO Gold Limited (a substantial (10%+) holder, who has nominated two Directors to the Board); and
- (b) 300,000 Shares to Mr Peter Hood, a Director of the Company,

to raise an additional \$12.36 million.

Argonaut Securities Pty Limited and Canaccord Genuity (Australia) Limited (together, the **Joint Lead Managers**) acted as joint lead managers to the Placement.

Funds raised under the Placement will be used for ongoing resource growth and discovery drilling at the Mallina Gold Project as well as for ongoing administration and corporate costs.

Please refer to the Company's announcement on 14 September 2020 for further details with respect to the Placement, specifically the commitment at that time of DGO Gold Limited and Mr Peter Hood to their proposed participation in the placement, subject to shareholder approval.

2. RESOLUTION 1 - APPROVAL TO ISSUE SHARES TO DGO GOLD LIMITED

2.1 General

Resolution 1 seeks Shareholder approval for the issue of 10,000,000 Shares (**DGO Shares**) to DGO Gold Limited (**DGO**) (or its nominee) as part of the Placement.

DGO currently has a relevant interest in 16.15% of the voting shares in the Company.

Two of the Company's Directors, Mr Eduard Eshuys and Mr Bruce Parncutt, are also Directors of DGO.

DGO provided their commitment to invest \$12 million in the Placement at the same time as all other participants, as announced to the ASX on 14 September 2020.

DGO have been ongoing supporters of the Company, participating in every capital raising by the Company since their initial investment of \$5 million on 10 July 2018. DGO are not a related party for the purposes of Chapter 2E of the Corporations Act.

2.2 Listing Rule 10.11

Listing Rule 10.11 provides that unless one of the exceptions in Listing Rule 10.12 applies, a listed company must not issue or agree to issue equity securities to:

- 10.11.1 a related party;
- 10.11.2 a person who is, or was at any time in the 6 months before the issue or agreement, a substantial (30%+) holder in the company;
- 10.11.3 a person who is, or was at any time in the 6 months before the issue or agreement, a substantial (10%+) holder in the company and who has nominated a director to the board of the company pursuant to a relevant agreement which gives them a right or expectation to do so;
- 10.11.4 an associate of a person referred to in Listing Rules 10.11.1 to 10.11.3; or
- 10.11.5 a person whose relationship with the company or a person referred to in Listing Rules 10.11.1 to 10.11.4 is such that, in ASX's opinion, the issue or agreement should be approved by its shareholders,

unless it obtains the approval of its shareholders.

The issue of the DGO Shares falls within Listing Rule 10.11.3 and does not fall within any of the exceptions in Listing Rule 10.12. It therefore requires the approval of Shareholders under Listing Rule 10.11.

2.3 Technical Information required by Listing Rule 14.1A

If Resolution 1 is not passed, the Company will not be able to proceed with the issue of the DGO Shares and will not receive the subscription amount of \$12 million (representing approximately 12% of the total Placement funds). The Company has the capacity to scale back its proposed exploration program and therefore, in the event that Resolution 1 is not passed, the Company does not intend to source alternative funding arrangements.

If Resolution 1 is passed, the Company will be able to issue the DGO Shares during the period of 1 month after the Meeting (or a longer period, if allowed by ASX), without using the Company's 15% annual placement capacity.

2.4 Technical Information required by Listing Rule 10.13

Pursuant to and in accordance with Listing Rule 10.13, the following information is provided in relation to Resolution 1:

- (a) the Shares will be issued to DGO (or its nominee), who fall within the category set out in Listing Rule 10.11.3 as noted above;
- (b) the number of Shares to be issued is 10,000,000;
- (c) the Shares will be issued no later than 1 month after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the Listing Rules) and it is intended that issue of the Shares will occur on the same date;

- (d) the issue price will be \$1.20 per Share. The Company will not receive any other consideration for the issue of the Shares;
- (e) the Shares issued will be fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as Shares currently on issue;
- (f) the funds raised will be used for the same purpose as all other funds raised under the Placement being to fund ongoing resource growth and discovery drilling at the Mallina Gold Project as well as for ongoing administration and corporate costs. Further details for the use of funds are set out in the Company's announcement dated 14 September 2020;
- (g) the Shares are not being issued under an agreement; and
- (h) a voting exclusion statement is included in Resolution 1 of the Notice.

Approval pursuant to Listing Rule 7.1 is not required for the grant of the DGO Shares as approval is being obtained under Listing Rule 10.11. Accordingly, the grant of DGO Shares to DGO (or its nominee) will not be included in the use of the Company's 15% annual placement capacity pursuant to Listing Rule 7.1.

3. RESOLUTION 2 – ISSUE OF SHARES TO RELATED PARTY – PETER HOOD AO

3.1 General

Director Peter Hood wishes to participate in the Placement on the same terms as unrelated participants in the Placement (**Participation**).

Mr. Hood provided his commitment to the Placement at the same time as all other participants, as announced to the ASX on 14 September 2020.

Accordingly, Resolution 2 seeks Shareholder approval for the issue of 300,000 Shares to Peter Hood (or his nominee), as a result of the Participation on the terms set out below.

3.2 Chapter 2E of the Corporations Act

For a public company, or an entity that the public company controls, to give a financial benefit to a related party of the public company, the public company or entity must:

- (a) obtain the approval of the public company's members in the manner set out in sections 217 to 227 of the Corporations Act; and
- (b) give the benefit within 15 months following such approval,

unless the giving of the financial benefit falls within an exception set out in sections 210 to 216 of the Corporations Act.

The Participation will result in the issue of Shares which constitutes giving a financial benefit and Peter Hood is a related party of the Company by virtue of being a Director.

The Directors (other than Peter Hood who has a material personal interest in the Resolution) consider that Shareholder approval pursuant to Chapter 2E of the Corporations Act is not required in respect of the Participation because the Shares will be issued to Peter Hood (or his nominee) on the same terms as Shares

issued to non-related party participants in the Placement and as such the giving of the financial benefit is on arm's length terms.

3.3 Listing Rule 10.11.1

A summary of Listing rule 10.11 is set out in Section 2.2 above.

Listing Rule 10.11.1 provides that unless one of the exceptions in Listing Rule 10.12 applies, a listed company must not issue or agree to issue equity securities to a related party unless it obtains the approval of its shareholders.

The Participation falls within Listing Rule 10.11.1 and does not fall within any of the exceptions in Listing Rule 10.12. It therefore requires the approval of Shareholders under Listing Rule 10.11.

3.4 Technical information required by Listing Rule 14.1A

If Resolution 2 is passed, the Company will be able to proceed with the issue of the Shares under the Participation within one month after the date of the Meeting (or such later date as permitted by any ASX waiver or modification of the Listing Rules) and will raise additional funds which will be used in the manner set out in Section 3.5(f) below. As approval pursuant to Listing Rule 7.1 is not required for the issue of the Shares in respect of the Participation (because approval is being obtained under Listing Rule 10.11), the issue of the Shares will not use up any of the Company's 15% annual placement capacity.

If Resolution 2 is not passed, the Company will not be able to proceed with the issue of the Shares under the Participation and no further funds will be raised in respect of the Placement.

3.5 Technical Information required by Listing Rule 10.13

Pursuant to and in accordance with Listing Rule 10.13, the following information is provided in relation to Resolution 2:

- (a) the Shares will be issued to Peter Hood (or his nominee), who falls within the category set out in Listing Rule 10.11.1, as Peter Hood is a related party of the Company by virtue of being a Director;
- (b) the maximum number of Shares to be issued to Peter Hood (or his nominee) is 300,000;
- (c) the Shares issued will be fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares;
- (d) the Shares will be issued no later than 1 month after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the Listing Rules) and it is anticipated the Shares will be issued on the same date;
- (e) the issue price will be \$1.20 per Share, being the same issue price as Shares issued to other participants in the Placement. The Company will not receive any other consideration for the issue of the Shares;
- (f) the funds raised will be used for the same purpose as all other funds raised under the Placement being to fund ongoing resource growth and discovery drilling at the Mallina Gold Project as well as for ongoing

administration and corporate costs. Further details of for the use of funds are set out in the Company's announcement dated 14 September 2020;

- (g) the Shares to be issued under the Participation are not intended to remunerate or incentivise the Director;
- (h) the Shares are not being issued under an agreement; and
- (i) a voting exclusion statements is included in Resolution 2 of the Notice.

GLOSSARY

\$ means Australian dollars.

ASIC means the Australian Securities & Investments Commission.

ASX means ASX Limited (ACN 008 624 691) or the financial market operated by ASX Limited, as the context requires.

Board means the current board of directors of the Company.

Chair means the chair of the Meeting.

Company means De Grey Mining Ltd (ACN 094 206 292).

Constitution means the Company's constitution.

Corporations Act means the *Corporations Act 2001* (Cth).

Directors means the current directors of the Company.

Explanatory Statement means the explanatory statement accompanying the Notice.

General Meeting or **Meeting** means the meeting convened by the Notice.

Listing Rules means the Listing Rules of ASX.

Notice or **Notice of Meeting** means this notice of meeting including the Explanatory Statement and the Proxy Form.

Proxy Form means the proxy form accompanying the Notice.

Resolutions means the resolutions set out in the Notice, or any one of them, as the context requires.

Section means a section of the Explanatory Statement.

Share means a fully paid ordinary share in the capital of the Company.

Shareholder means a registered holder of a Share.

WST means Western Standard Time as observed in Perth, Western Australia.

If you are attending the meeting
in person, please bring this with you
for Securityholder registration.

Holder Number:

Your proxy voting instruction must be received by **10.00am (WST) on Wednesday 21 October 2020**, being **not later than 48 hours** before the commencement of the Meeting. Any Proxy Voting instructions received after that time will not be valid for the scheduled Meeting.

SUBMIT YOUR PROXY

Complete the form overleaf in accordance with the instructions set out below.

YOUR NAME AND ADDRESS

The name and address shown above is as it appears on the Company's share register. If this information is incorrect, and you have an Issuer Sponsored holding, you can update your address through the investor portal: <https://investor.automic.com.au/#/home> Shareholders sponsored by a broker should advise their broker of any changes.

STEP 1 – APPOINT A PROXY

If you wish to appoint someone other than the Chair of the Meeting as your proxy, please write the name of that Individual or body corporate. A proxy need not be a Shareholder of the Company. Otherwise if you leave this box blank, the Chair of the Meeting will be appointed as your proxy by default.

DEFAULT TO THE CHAIR OF THE MEETING

Any directed proxies that are not voted on a poll at the Meeting will default to the Chair of the Meeting, who is required to vote these proxies as directed. Any undirected proxies that default to the Chair of the Meeting will be voted according to the instructions set out in this Proxy Voting Form, including where the Resolutions are connected directly or indirectly with the remuneration of KMP.

STEP 2 - VOTES ON ITEMS OF BUSINESS

You may direct your proxy how to vote by marking one of the boxes opposite each item of business. All your shares 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, or inserting the percentage or number of shares you wish to vote in the appropriate box or boxes. If you do not mark any of the boxes on the items of business, your proxy will vote as he or she chooses. If you mark more than one box on an item, your vote on that item will be invalid.

APPOINTMENT OF SECOND PROXY

You may appoint up to two proxies. If you appoint two proxies, you should complete two separate Proxy Voting Forms and specify the percentage or number each proxy may exercise. If you do not specify a percentage or number, each proxy may exercise half the votes. You must return both Proxy Voting Forms together. If you require an additional Proxy Voting Form, contact Automic Registry Services.

SIGNING INSTRUCTIONS

Individual: Where the holding is in one name, the Shareholder must sign.

Joint holding: Where the holding is in more than one name, all Shareholders should sign.

Power of attorney: If you have not already lodged the power of attorney with the registry, please attach a certified photocopy of the power of attorney to this Proxy Voting Form when you return it.

Companies: To be signed in accordance with your Constitution. Please sign in the appropriate box which indicates the office held by you.

Email Address: Please provide your email address in the space provided.

By providing your email address, you elect to receive all communications despatched by the Company electronically (where legally permissible) such as a Notice of Meeting, Proxy Voting Form and Annual Report via email.

CORPORATE REPRESENTATIVES

If a representative of the corporation is to attend the Meeting the appropriate 'Appointment of Corporate Representative' should be produced prior to admission. A form may be obtained from the Company's share registry online at <https://automic.com.au>.

Lodging your Proxy Voting Form:

Online:

Use your computer or smartphone to appoint a proxy at <https://investor.automic.com.au/#/loginsah> or scan the QR code below using your smartphone

Login & Click on 'Meetings'. Use the Holder Number as shown at the top of this Proxy Voting Form.



BY MAIL:

Automic
GPO Box 5193
Sydney NSW 2001

IN PERSON:

Automic
Level 5, 126 Phillip Street
Sydney NSW 2000

BY EMAIL:

meetings@automicgroup.com.au

BY FACSIMILE:

+61 2 8583 3040

All enquiries to Automic:

WEBCHAT: <https://automicgroup.com.au/>

PHONE: 1300 288 664 (Within Australia)

+61 2 9698 5414 (Overseas)

