

ASX ANNOUNCEMENT**5 October 2022***Not for release to US wire services or distribution in the United States*

Fully Underwritten A\$130 million Placement and Non-Underwritten SPP to advance Exploration Initiatives, Project Studies, Project Funding and Pre-Development Activities

Highlights:

- De Grey launches fully underwritten institutional Placement to raise A\$130 million and announces non-underwritten SPP targeting to raise A\$20 million, for total Equity Raising proceeds of A\$150 million (before costs)
- Placement and SPP issue price of \$1.00 per share, representing a discount of 8.3% to the last closing share price and a 3.3% discount to the 5-day VWAP
- 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 Final 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
- Following completion of the Equity Raising, the Company will be fully funded through to completion of a DFS in respect of Hemi (currently scheduled for Q2 2023) and a subsequent Final Investment Decision¹
- De Grey will have balance sheet strength and flexibility to execute its corporate strategy during the project financing phase¹

De Grey Mining Limited (ASX: DEG, “De Grey” or “Company”) is pleased to announce the launch of a fully underwritten institutional placement of new fully paid ordinary shares to raise A\$130 million (before costs) (“**Placement**”), and a non-underwritten Share Purchase Plan targeting to raise A\$20 million (before costs) (“**SPP**”) (the Placement and the SPP together, the “**Equity Raising**”). De Grey is targeting gross proceeds of A\$150 million (before costs) from the Equity Raising, with new ordinary shares in the Company (“**New Shares**”) to be issued at a price of \$1.00 per New Share.

Proceeds from the Equity Raising, together with existing cash, will be applied to:

- completion of the Definitive Feasibility Study (“**DFS**”) in respect of the Mallina Gold Project (“**Mallina**” or the “**Project**”) in preparation for a subsequent Final Investment Decision (“**FID**”);
- 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.

Equity Raising funds 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) and take the Company through to a FID.¹ Furthermore, the Equity Raising funds will provide De Grey with significant balance sheet strength and flexibility during the Company’s Project financing phase.

The Equity Raising follows the release of De Grey’s Preliminary Feasibility Study (“**PFS**”) for Mallina on 8 September 2022, which outlined substantial improvement in project economics compared to the Scoping Study, including increased grade, annual production, mine life, cashflow and NPV. Alongside the PFS, the Company announced a maiden JORC Ore Reserve of 5.1Moz @1.5g/t gold. The PFS has further improved the key metrics of a financially attractive and technically viable Tier 1 global gold development project, outlining a project that when in production, will be in the top five Australian gold mines and is a top three global undeveloped gold development project based on average annual gold production rates.²

De Grey Managing Director, Glenn Jardine, commented:

“The Placement announced along with the accompanying SPP allows the Company to maintain its timing to complete its DFS. The Equity Raising provides funding certainty through to a FID whilst enabling De Grey to continue to undertake value accretive exploration activities. We believe these additional funds will drive long term shareholder value.”

Placement Details

De Grey is undertaking a fully underwritten Placement of 130 million New Shares to raise \$130 million (before costs). New Shares will be issued at an offer price of \$1.00 per New Share, which represents a:

- 8.3% discount to the last closing price of \$1.090 on Tuesday, 4 October 2022; and
- 3.3% discount to the 5-day VWAP of \$1.034 on Tuesday, 4 October 2022.

New Shares will be issued under the Placement pursuant to the Company’s placement capacity under ASX Listing Rule 7.1.

Canaccord Genuity (Australia) Limited is acting as Global Coordinator, Joint Lead Manager, Joint Underwriter and Joint Bookrunner to the Placement. Argonaut Securities Pty Limited is acting as Joint Lead Manager and Joint Bookrunner, and Argonaut PCF Limited is acting as Joint Underwriter to the Placement. Azure Capital Pty Ltd acted as Corporate Adviser to the Placement.

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.

² Refer to the Peer Comparison Reference List set out in the Company’s PFS dated 8 September 2022.

Placement underwriting agreement

The Placement is fully underwritten by Canaccord Genuity (Australia) Limited (ABN 19 075 071 466) and Argonaut PCF Limited (ACN 099 761 547) (together, the “**Joint Underwriters**”) on the terms and conditions of an underwriting agreement with the Company (“**Underwriting Agreement**”). Material terms of the Underwriting Agreement are disclosed in Annexure A of this announcement.

Share Purchase Plan

Following completion of the Placement, De Grey intends to undertake a non-underwritten SPP targeting to raise a further A\$20 million. Under the SPP, eligible existing shareholders on the Company's share register at 5.00pm (AWST) on Tuesday, 4 October 2022 with a registered address in Australia or New Zealand and 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 to subscribe for up to A\$30,000 of New Shares in the Company at an offer price of A\$1.00 per New Share (being the same price as the Placement).

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, 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 Company may also, in its absolute discretion, raise a higher amount.

Further information regarding the SPP (including terms and conditions of the SPP) will be provided to eligible shareholders in the SPP offer booklet, which will be provided following the completion of the Placement. Participation in the SPP is optional.

New Shares issued under the Placement and SPP will rank equally with the Company's existing fully paid ordinary shares.

Timetable*

Event	Date
Record date for eligibility to participate in SPP	5.00pm Tuesday, 4 October 2022
Trading halt	Wednesday, 5 October 2022
Launch of Placement and Investor Presentation	Wednesday, 5 October 2022
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
Allotment of New Shares under Placement	Thursday, 13 October 2022
Dispatch SPP offer booklet and SPP open date	Monday, 17 October 2022
SPP closing date	Friday, 4 November 2022
Announcement of SPP results	Thursday, 10 November 2022
Allotment and 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.*

Additional information

Additional information in relation to the Equity Raising and the Company can be found in the Investor Presentation released to the ASX simultaneously with this announcement, which contains important information, including key risks.

Nothing contained in this announcement constitutes investment, legal, tax or other advice. Investors should seek appropriate professional advice before making any investment decision. All amounts are in Australian dollars unless otherwise indicated.

An Appendix 3B for the proposed issue of New Shares will follow this announcement.

This ASX announcement is authorised for release by the Board.

For further information, please contact:

Glenn Jardine
Managing Director
+61 8 6117 9328

admin@degreymining.com.au

Peter Canterbury
Chief Financial Officer
+61 8 6117 9328

admin@degreymining.com.au

Michael Vaughan
(Media enquiries)
Fivemark Partners
+61 422 602 720

michael.vaughan@fivemark.com.au

Not an offer in the United States

This announcement has been prepared for publication in Australia and may not be released to US wire services or distributed in the United States. This announcement does not constitute an offer to sell, or a solicitation of an offer to buy, securities in the United States or any other jurisdiction. Any securities described in this announcement have not been, and will not be, registered under the US Securities Act of 1933 and may not be offered or sold in the United States except in transactions exempt from, or not subject to, the registration requirements under the US Securities Act and applicable US state securities laws.

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.

Mineral reserves reporting

This announcement contains estimates of the Company's Mineral Reserves. The information in this presentation that relates to the mineral reserves of the Company has been extracted from the Company's ASX Announcement Mallina Gold Project Preliminary Feasibility Study Outcomes dated 8 September 2022.

This announcement is available at www.asx.com.au or <https://degreymining.com.au/asx-releases/>. The Company confirms that it is not aware of any new information or data that materially affects the information included in the announcement and, in relation to the estimates of the Company's mineral reserves, that all material assumptions and technical parameters underpinning the estimates in the announcement continue to apply and have not materially changed. The Company confirms that the form and context in which the Competent Person's findings are presented have not been materially modified from that announcement.

Production Targets

This announcement contains Production Targets and forecast financial information derived from those.

Refer to the Company's ASX announcement Mallina Gold Project Preliminary Feasibility Study Outcomes dated 8 September 2022. The mine plan contains approximately 13% of Inferred Mineral Resources. There is a low level of geological confidence associated with Inferred Mineral Resources and there is no certainty that further exploration work will result in the determination of Indicated Mineral Resources or that the production target itself will be realised. The Company confirms that the financial viability of the Mallina Gold Project is not dependent on the inclusion of Inferred Resources in the production schedule. The Company confirms that all material assumptions underpinning the production target and forecast financial information derived from it continue to apply and have not materially changed.

Annexure A – Underwriting Agreement

De Grey has executed the Underwriting Agreement (“**Underwriting Agreement**”) with Canaccord Genuity (Australia) Limited (ABN 19 075 071 466) (“**Canaccord**”), Argonaut PCF Limited (ACN 099 761 547) (“**APL**”) and Argonaut Securities Pty Ltd (ACN 108 330 650) (“**ASPL**”) (APL and ASPL together, “**Argonaut**”) (together, the “**Joint Lead Managers**”). Pursuant to the Underwriting Agreement, the Company appointed Canaccord and ASPL as joint bookrunners and joint lead managers, and Canaccord and APL have agreed to fully underwrite the Placement.

The Underwriting Agreement is on customary terms for these types of arrangements. A Joint Lead Manager (APL and ASPL jointly for Argonaut purposes) may, by notice to the Company, terminate its obligations under the Underwriting Agreement on the occurrence of certain customary termination events for an agreement of this nature. These include, but are not limited to, if:

- (**ASX Listing**) the Company ceases to be admitted to the official list of ASX or its shares become suspended from official quotation by ASX;
- (**timetable**) any specified event in the timetable which is delayed for 5 or more business days without prior written approval of the Joint Lead Managers and where the event has, or is likely to have, a material adverse effect on the success of, the ability of the Joint Lead Manager to market or sub-underwrite, or the settlement of, the Placement, or the market price of the Company’s shares, or has given or could reasonably be expected to give rise to a contravention by the Joint Lead Manager under any law (“**Material Adverse Effect**”);
- (**index or gold fall**) at market close on the day, the S&P/ASX 200 Index or the A\$ gold price falls to a level that is 10% below the level as at the opening time of the Placement:
 - between the opening time of the Placement until completion of despatch of the confirmation letters to successful applicants; or
 - prior to the settlement date of the New Shares and remains at that level for two consecutive days;
- (**official quotation**) ASX refusing or will not grant (or if granted, is modified in a manner that would have material adverse effect on the success or settlement of the Placement) official quotation of the New Shares on an unconditional basis or is conditional such that it would have material adverse effect on the success or settlement of the Placement;
- (**ASIC application**) ASIC holds or commences a hearing or investigation in relation to the Company, the Placement, any offer documents, or prosecutes or commences proceedings against the Company or any of its officers, employees or agents in relation to the Placement, or gives notice of intention to do any of those;
- (**material adverse change**) material adverse change in the status of the material exploration or mining licences of the Company;
- (**application**) the Takeovers Panel makes a declaration of unacceptable circumstances in connection with the Placement (or any part of it) under section 657A of the *Corporations Act 2001* (Cth) which has a Material Adverse Effect on the success or settlement of the Placement;
- (**hostilities**) hostilities not existing at the date of this agreement commence (whether war has been declared or not) or a major escalation in existing hostilities occurs (whether war has been declared or not) involving any one or more of Australia, New Zealand, the United States of America, Canada (British Columbia, Quebec, Ontario provinces only), United Kingdom, the European Union (Netherlands, Germany, France or Luxembourg), Singapore, Hong Kong, Norway, Switzerland, a member of the North Atlantic Treaty Organisation, Finland or Sweden or a state of emergency is declared by any of those countries or in any part of any of those countries (other than as already declared prior to the date of this agreement), or a major escalation occurs in relation to a previously declared state of emergency by any of those countries (or in respect of part of any of those countries), excluding in relation to the Russo-Ukrainian Hostilities unless either a member of the North Atlantic Treaty Organisation or Australia becomes directly involved in the Russo-Ukrainian Hostilities, or nuclear or chemical weapons are used, activated, mobilised or deployed by Russia or Ukraine anywhere in the world,, or a major terrorist attack is perpetrated anywhere in the world, and in each case, where such event has, or is likely to have, a Material Adverse Effect; and
- (**breach of representation or warranty**) a representation or warranty made or given by the Company under the Underwriting Agreement is breached or proves to be, or has been, or becomes, untrue or incorrect or misleading or deceptive and where that event has, or is likely to have, a Material Adverse Effect it.