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ASX Announcement

28 April 2020

A\$31.2 Million Capital Raising

- Commitments received for a placement of 111.43M shares at A\$0.28 per share through clients of Bell Potter Securities Limited and Argonaut Securities Pty Ltd as Joint Lead Managers
- Pricing represents a 12.5% discount to the last closing price, a 9.6% discount to the 10 day VWAP and a 10% premium to the 30 day VWAP
- Proceeds of Offer to fund ongoing exploration, with a priority on the Hemi deposit and associated targets along the Scooby to Antwerp Trend, as well as certain early stage development initiatives

Executive Chairman Mr. Simon Lill said:

"Since announcing the Hemi discovery on 6 February this year the Company been flooded with offers to assist in a capital raising or direct investment. We recognised the opportunity to secure further funding and to build a strong register to assist with funding requirements into the future through the introduction of global blue chip gold only and resource funds. We chose to proceed with the Capital Raising once we were comfortable with the level of interest and are now extremely pleased to advise that many of the world's top funds in this sector have joined our register.

This is an extremely strong validation as to the quality of De Grey's Hemi discovery and the Mallina Gold Project and to that end I would like to congratulate and thank the technical and support staff who have been part of making this possible.

The recent Hemi discovery also highlights the outstanding exploration potential De Grey has across our tenements, with the market also now giving recognition to our existing 2.2M ounces of resources.

We thank the brokers, Bell Potter and Argonaut, for their efforts with this important raising, as well the ongoing support of our major shareholder, DGO Gold Limited. De Grey is now well funded to continue its exploration programs into the foreseeable future."

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De Grey Mining Limited (ASX: DEG, **De Grey** or **Company**) is pleased to advise that the Company has received firm commitments for a placement of ~111.4 million shares at a price of A\$0.28 per share to sophisticated, professional and other exempt investor clients of Bell Potter Securities Limited and Argonaut Securities Pty Ltd (Placement), to raise A\$31.2 million (before costs of raising).

Bell Potter Securities Limited and Argonaut Securities Limited are acting as Joint Lead Managers to the Placement.

Azure Capital Pty Ltd acted as corporate adviser to the Placement. The Placement pricing represents a 12.5% discount to the last closing price, a 9.6% discount to the 10 day VWAP and a 10% premium to the 30 day VWAP

Under the Placement,

- DGO Gold Limited continues to maintain their interest at 16.35% in the Company through the further contribution of ~A\$5.1M which will be subject to De Grey shareholder approval via an extraordinary general meeting (EGM).
- Director Peter Hood will also seek approval for the issue of A\$280,000 worth of stock to entities associated with him.

The Capital Raising has been heavily oversubscribed, with strong institutional interest that included many of the northern hemispheres' gold and resource funds.

Completion of the Placement

The 111.4 Million Placement shares will be placed in accordance with the Company's available 15% placement capacity pursuant to ASX Listing Rule 7.1. The Placement shares will rank equally with existing De Grey ordinary shares quoted on the ASX. As per the timetable (*Table 1*), the issue of the placement shares is expected to occur on Friday 1 May 2020

Table 1 - Placement Timetable

Event	Date*
Placement Commitments Announced	28 April 2020
Settlement of New Shares via DVP	30 April 2020
Allotment and Quotation of New Shares	1 May 2020
Dispatch of Holding Statements	1 May 2020

* These dates are indicative only and are subject to change.

Use of Funds

Completion of the placement will result in an increase in cash on hand of ~A\$31.2 Million (before costs).

Funds raised under the placement will be used to continue exploration activities across the Mallina Gold Project, with a priority of work associated with determining the scale of the Hemi deposit, as well as for ongoing administration and corporate costs (*Table 2*).

The Company currently has 2 diamond rigs and one RC rig in operation at Hemi. The new funds will allow resource drilling to continue at Hemi and also the recommencement of regional drilling programs targeting the other four intrusion targets at *Scooby*, *Antwerp*, *Alectroenas* and *Shaggy*, along the highly prospective structural corridor.

Table 2 – Use of Funds

It is the Company's intention to use the funds raised as follows.

Equity Funding Sources	A\$
Total funds raised under the Placement (before costs)	31,200,000
Items of Expenditure	A\$
Exploration & to further fund an extensive drill programs	22,000,000
Capex – operational camp infrastructure	1,600,000
Corporate & administration	2,500,000
Working capital	3,475,000
Expenses of the Offer ¹	1,625,000
Total	31,200,000

¹¹ Broking commissions, legal, ASX, registry and other costs associated with the raising.

Intervening events and new circumstances have the potential to affect the manner in which the funds are ultimately applied. The Board reserves the right to alter the way the funds are applied.

A table of recent material Company announcements follows in Appendix A. Nothing contained in this announcement constitutes investment, legal, tax or other advice. Investors should seek appropriate professional advice before making any investment decision.

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

This ASX report is authorised for release by the De Grey Board.

For further information:

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APPENDIX A – Recent Material ASX Releases

Resources

- *2020 Mallina Gold Project Resource update, 2 April 2020*

All material assumptions and technical parameters underpinning the Mineral Resource Update in the ASX announcement titled "2020 Mallina Gold Project Resource update ", dated 2 April 2020 continues to apply and have not materially changed since last reported.

The Company confirms that it is not aware of any new information or data that materially affects the information included in the original market announcement and that the form and context in which the Competent Person's findings are presented have not been materially modified from the original market announcement.

2020 Exploration

- *Multiple new targets increase exploration potential, 2 July 2019;*
- *New Gold Discoveries at Hemi and Antwerp, 17 December 2019;*
- *New gold mineralisation defined at Buckle Prospect, 16 January 2020*
- *Hemi confirms potential for major discovery, 6 February 2020;*
- *Further impressive thick and high grade gold at Hemi, 11 February 2020;*
- *Major extension of sulphide mineralisation at Hemi, 26 February 2020;*
- *RC drilling confirms large scale gold system at Hemi, 5 March 2020;*
- *Continuing extensive sulphide mineralisation intersected at Hemi, 10 March 2020;*
- *Hemi continues to grow, 17 March 2020;*
- *Major Gold Extensions defined at BROLGA, 25 March 2020.*
- *Mallina Update, 1 April 2020*
- *Brolga Continues to grow, 9 April 2020*
- *Aircore Drilling defines third large gold zone at Hemi, 17 April 2020*
- *Brolga and Aquila drilling update, 22 April 2020*