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Fully Underwritten A\$300M Two Tranche Placement to Provide Significant Balance Sheet Strength and Flexibility to Maintain Momentum for Project Delivery

Highlights

- De Grey launches fully underwritten two tranche Placement to raise A\$300 million (before costs)
- Placement issue price of \$1.05 per New Share, representing a discount of 5.8% to the last closing share price and a 12.0% discount to the 5-day VWAP
- Proceeds from the Placement¹, together with existing cash, to be applied to:
 - Finalising detailed engineering, updating the Project execution plan, refine the contracting strategy, advance major Project tenders and progress the approvals processes
 - Ordering of long-lead major equipment items ahead of planned construction activities
 - Early works (where approvals allow) undertaken ahead of FID
 - Continued exploration drilling across both the Greater Hemi and regional areas
 - General working capital purposes and costs of the Placement
- Placement¹ will provide significant balance sheet strength and flexibility to progress activities to support the Project execution schedule
- Proceeds from the Placement¹ will enable De Grey to maintain momentum of Project advancement towards production whilst de-risking future development
- Completion of the Project financing process targeted for mid-2024 ahead of FID

De Grey Mining Limited (ASX: DEG, "**De Grey**" or "**Company**") is pleased to announce the launch of a fully underwritten two tranche placement of new fully paid ordinary shares to raise A\$300 million (before costs) ("**Placement**"). The new ordinary shares in the Company ("**New Shares**") are to be issued under the Placement at a price of \$1.05 per New Share.

¹ Subject to shareholder approval for Tranche 2.



Gold Road Resources Limited ("**Gold Road**"), a major shareholder of the Company, has committed to subscribe for:

- 49,438,097 New Shares under Tranche 1 of the Placement; and
- such number of New Shares representing 19.9% of the New Shares offered pursuant to Tranche 2 of the Placement.²

Proceeds from the Placement (subject to shareholder approval for Tranche 2), together with existing cash, will be applied to:

- finalising detailed engineering, updating the Hemi Gold Project ("**Hemi**" or "**Project**") execution plan, refine the contracting strategy, advance major project tenders and progress the approvals processes;
- ordering of long-lead major equipment items ahead of planned construction activities;
- early works (where approvals allow) undertaken ahead of Final Investment Decision ("**FID**");
- continued exploration drilling across both the Greater Hemi and regional areas; and
- general working capital purposes and costs of the Placement.

The Placement will provide the Company with significant balance sheet strength and flexibility to progress activities to support the Project execution schedule. The Company will now fast-track the ordering of long lead items, complete detailed engineering, refine the contracting schedule and advance major Project tenders.

The Placement follows the release of the outcomes of De Grey's Definitive Feasibility Study ("**DFS**") for Hemi today, which outlined attractive financial outcomes and provides a strong platform for De Grey to progress the Project execution schedule. The De Grey Board has endorsed the DFS outcomes with early Project implementation activities to shortly commence.

The DFS outlines average annual gold production and All-in Sustaining Cost³ ("**AISC**") from Hemi deposits alone of:

- 553,000oz @ \$1,229/oz in years 1 to 5
- 530,000oz @ \$1,295/oz in years 1 to 10
- Peak production of 570,000oz in year 2

The Hemi-only JORC Probable Ore Reserve has increased by 0.9Moz to 121Mt @1.6g/t Au for 6.0Moz with high confidence production profile underpinned by 99% Probable Ore Reserves from Hemi over the current 12-year evaluation period. The DFS confirms Hemi's status as a Tier 1 gold project, which,

² Gold Road's commitment is subject to Gold Road not notifying the Joint Lead Managers of a material adverse change in relation to the Company or the Hemi Gold Project as between the draft offer materials provided to them and those released to ASX, by 2:00pm (AEST) on Thursday, 28 September 2023 and in respect of Tranche 2, shareholder approval being received.

³ AISC is based on the World Gold Council 2013 guidance note and includes all onsite costs associated with mining, processing and administration including royalties, certain sustaining and project capital and provision for post-mining rehabilitation.

once in production, is expected to be a top five Australian gold mine⁴ and in the lowest AISC quartile for large Australian gold mines based on FY23 figures.⁴ Hemi is also considered a top three global undeveloped gold project based on targeted average annual gold production.⁴

The Company targets the project financing process to be completed in mid-2024 ahead of a FID. Full construction activities are expected to commence at Hemi in the second half of calendar year 2024 and based on an estimated two-year construction period, first gold pour at Hemi is targeted for the second half of calendar year 2026.

For more information, refer to the ASX announcement and Investor Presentation released today.

De Grey Managing Director, Glenn Jardine, commented:

“Delivery of the Hemi DFS is a major milestone for the Company and sets a solid foundation from which the Company can proceed with confidence to the next stage of development of the Hemi Gold Project.

Physical and financial outcomes of the DFS reaffirm the quality and attractiveness of the Project and confirm its Tier 1 status. Alongside its spectacular gold endowment, the Project is also located in the major mining services centre of the Pilbara, with world class infrastructure at hand. These attributes – along with the quality of studies, testwork and the major milestones achieved – mean the Project has been significantly de-risked over the last three and a half years.

De Grey’s Board has endorsed the outcomes of the DFS and approved the commencement of preliminary Project development activities. These activities include ordering critical path long lead items, continuing detailed engineering and refining the Project execution plan, advancing major tenders and finalising the contracting strategy. This will establish the platform for a Final Investment Decision and full Project financing next year, ahead of the start of construction, targeted for the second half of 2024. This indicative timetable and the DFS construction schedule would result in first production from Hemi in the second half of 2026.

This Placement is instrumental to the Company’s focus on de-risking further the construction through the above activities in support of an updated capital estimate, project funding and FID in mid 2024. It is important to note that in excess of half of the amount targeted to be raised is capital related and will reduce the final capital numbers to be financed.”

Placement Details

De Grey is undertaking a fully underwritten two tranche Placement of 285,714,286 New Shares to raise \$300 million (before costs). New Shares will be issued at an offer price of \$1.05 per New Share, which represents a:

⁴ Refer to the ASX announcement and Investor Presentation released today for supporting details. AISC excludes mines with material copper by-product credits.

- 5.8% discount to the last closing price of \$1.115 on 27 September 2023; and
- 12.0% discount to the 5-day VWAP of \$1.193 on 27 September 2023.

The Placement is fully underwritten and will take place in two tranches:

- Tranche 1 to raise approximately \$246.0 million via the issue of 234,269,778 New Shares utilising the Company's placement capacity under ASX Listing Rule 7.1 ("**Tranche 1**"); and
- Tranche 2 to raise approximately \$54.0 million via the issue of 51,444,508 New Shares, subject to the requisite shareholder approval(s) to be sought at a meeting of the Company expected to be held in or around November 2023 ("**Meeting**") ("**Tranche 2**").

Details of the time and venue for the Meeting will be provided in a notice of meeting to be despatched to shareholders in due course.

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 and Gilbert + Tobin acted as Legal Adviser.

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

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.

Timetable*

Event	Date
Trading halt	Thursday, 28 September 2023
Launch of Placement and Investor Presentation	Thursday, 28 September 2023
Trading halt lifted	Monday, 2 October 2023
Settlement of New Shares under Tranche ¹	Thursday, 5 October 2023
Allotment and expected commencement of trading of New Shares under Tranche ¹	Friday, 6 October 2023
Meeting to approve Tranche ²	November 2023
Settlement of New Shares under Tranche ²	5 Business Days after the Meeting
Allotment and expected commencement of trading of New Shares under Tranche ²	6 Business Days after the Meeting

** All times referenced are to Sydney time, Australia unless denoted otherwise. This timetable is indicative only and the Company reserves the right to withdraw the Placement or vary the timetable for the Placement at any time before the issue of the relevant securities without notice, subject to the ASX Listing Rules and the Corporations Act and other applicable laws. The commencement of trading and quotation of New Shares is subject to ASX confirmation. The Company gives no assurance that such quotation will be granted.*

Additional information

Additional information in relation to the Placement and the Company can be found in the Investor Presentation released to the ASX simultaneously with this announcement, which contains important information, including a breakdown of sources and uses of funds, key risks and foreign selling restrictions with respect to the Placement. Information regarding the required shareholder approval(s) for the issue of New Shares under Tranche 2 will be set out in the notice of meeting to be despatched to shareholders in due course.

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. Further details on the fees payable to the Joint Underwriters are set out in the Appendix 3B.

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

For further information, please contact:

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ADDITIONAL INFORMATION

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**" or "**DEG**") 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 shareholder approval(s), 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.

JORC Code

It is a requirement of the ASX Listing Rules that the reporting of ore reserves and mineral resources in Australia comply with the Joint Ore Reserves Committee's Australasian Code for Reporting of Mineral Resources and Ore Reserves ("**JORC Code**"). Investors outside Australia should note that while ore reserve and mineral resource estimates of DEG in this announcement comply with the JORC Code (such JORC Code-compliant ore reserves and mineral resources being "Ore Reserves" and "Mineral Resources" respectively), they may not comply with the relevant guidelines in other countries and, in particular, do not comply with (i) National Instrument 43-101 (Standards of Disclosure for Mineral Projects) of the Canadian Securities Administrators (the "Canadian NI 43-101 Standards"); or (ii) Item 1300 of Regulation S-K, which governs disclosures of mineral reserves in registration statements filed with the SEC. Information contained in this announcement describing mineral deposits may not

be comparable to similar information made public by companies subject to the reporting and disclosure requirements of Canadian or US securities laws.

Mineral Resources and Ore Reserves

This announcement contains estimates of DEG's Mineral Resources and Ore Reserves. The information in this announcement that relates to DEG's Mineral Resources and Ore Reserves has been extracted from DEG's previous ASX announcements including:

- ASX Announcement "Hemi Gold Project Definitive Feasibility Study" dated 28 September 2023; and
- ASX Announcement "Mallina Gold Project Resource Statement – 2023" dated 15 June 2023.

A copy of these announcements are available at www.asx.com.au or <https://degreymining.com.au/asx-releases/>. DEG confirms that it is not aware of any new information or data that materially affects the information included in those announcements and, in relation to the estimates of DEG's Mineral Resources and Ore Reserves, that all material assumptions and technical parameters underpinning the estimates in the announcements continue to apply and have not materially changed. DEG confirms that the form and context in which the Competent Person's findings are presented have not been materially modified from those announcements.

Production Targets

This announcement contains DEG Production Targets and forecast financial information derived from those. The information in this announcement that related to the Definitive Feasibility Study and its outcomes for the Hemi Gold Project is extracted from the ASX announcement "Hemi Gold Project Definitive Feasibility Study" dated 28 September 2023. The total life of mine production of the Hemi Gold Project schedule is underpinned by 99% Probable Ore Reserves, with the remaining 1% being classified as 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 stated production target is based on the Company's current expectations of future results or events and should not be solely relied upon by investors when making investment decisions. Further evaluation work and appropriate studies are required to establish sufficient confidence that this target will be met. DEG confirms that the financial viability of the Hemi Gold Project is not dependent on the inclusion of Inferred Mineral Resources in the production schedule.

DEG confirms that it is not aware of any new information or data that materially affects the information included in that announcement. All material assumptions and technical parameters underpinning the estimates or production targets or forecast financial information derived from a production target (as applicable) in that ASX announcement continue to apply and have not materially changed. DEG confirms that the form and context in which the Competent Person's findings are presented have not been materially modified from those announcements.

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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.

The obligations of the Joint Lead Managers are subject to the satisfaction of certain conditions precedent documented in the Underwriting Agreement, including in respect of Tranche 2 that the relevant shareholder approval(s) are obtained.

The Company and the Joint Lead Managers have given certain representations, warranties and undertakings in connection with (amongst other things) the Placement.

The Company has agreed, subject to certain carve outs, to indemnify and hold harmless each Joint Lead Manager, their affiliates and related body corporates and each employee, officer, agent and adviser of the Joint Lead Managers (or any of their affiliates or related bodies corporate) from and against any loss, damage or liability of any kind other than loss of profit, all costs (including all legal costs on a full indemnity basis and whether or not the subject of a court order), and all expenses related, directly or indirectly to the Placement.

A Joint Lead Manager (APL and ASPL jointly for Argonaut's 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 a day:
 - between the opening time of the Placement until completion of despatch of the confirmation letters to successful applicants, 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;
 - prior to Tranche 1 settlement date, 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 and remains at that level for two consecutive trading days; or
 - prior to Tranche 2 settlement date, the S&P/ASX 200 Index or the A\$ gold price falls to a level that is 12.5% below the level as at the opening time of the Placement and remains at that level for three consecutive trading 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.

The Underwriting Agreement also contains a number of representations and warranties from the Company and the Joint Lead Managers that are considered standard for an agreement of this type.