

*Not for release to US wire services or distribution in the United States*

15 May 2024

Dear Shareholder

## **ACCELERATED NON-RENOUNCEABLE PRO-RATA ENTITLEMENT OFFER – NOTIFICATION TO INELIGIBLE SHAREHOLDERS**

On Wednesday, 8 May 2024, De Grey Mining Limited (ABN 65 094 206 292) (the **Company** or **De Grey**) announced that it was conducting a fully underwritten institutional placement (**Institutional Placement**) to raise approximately A\$344 million (before costs), and a fully underwritten 1 for 7.95 pro-rata accelerated non-renounceable entitlement offer (**Entitlement Offer**) to raise approximately A\$256 million (before costs), via the issue of new fully paid ordinary shares in the Company (**New Shares**) at a price of A\$1.10 per New Share (**Offer Price**), to raise in aggregate approximately A\$600 million (before costs).

The Institutional Placement and the Entitlement Offer are together the **Offer**.

The proceeds of the Offer, together with existing cash, are expected to fully fund the equity component of the Hemi Gold Project financing, including ordering of long lead items, early works (including engineering, where approvals allow), initial project infrastructure costs, initial project construction costs, commissioning working capital, exploration and studies, corporate costs and general working capital and Offer costs.<sup>1</sup> Please refer to De Grey's announcement and investor presentation lodged with the Australian Securities Exchange (**ASX**) on Wednesday, 8 May 2024 for further details.

This notice is to inform you about the Entitlement Offer and to explain why you will not be able to subscribe for New Shares under the Entitlement Offer. This letter is not an offer to issue entitlements or New Shares to you, nor an invitation for you to apply for entitlements or New Shares. **You are not required to do anything in response to this letter but there may be financial implications for you as a result of the Entitlement Offer that you should be aware of.**

### **Details of the Entitlement Offer**

The Entitlement Offer comprises an institutional entitlement offer (**Institutional Entitlement Offer**) and an offer to Eligible Retail Shareholders (as defined below) to participate on the same terms (**Retail Entitlement Offer**). The Institutional Entitlement Offer has already closed and the results were announced to the ASX on Friday, 10 May 2024.

The Entitlement Offer is fully underwritten. Canaccord Genuity (Australia) Limited (ABN 19 075 071 466) is acting as global coordinator, joint lead manager, joint underwriter and joint bookrunner to the Offer. Argonaut PCF Limited (ACN 099 761 547) is acting as joint underwriter, and Argonaut Securities Pty Limited (ACN 108 330 650) is acting as joint lead manager and joint bookrunner, to the Offer.

The Entitlement Offer is being made by the Company without a prospectus or other disclosure document in accordance with section 708AA of the *Corporations Act 2001* (Cth) (the **Corporations Act**) (as modified by ASIC Corporations (Non-

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<sup>1</sup> Based on current information, estimates and assumptions, including as to time and cost.

Traditional Rights Issues) Instrument 2016/84 and ASIC Corporations (Disregarding Technical Relief) Instrument 2016/73) (together, the **ASIC Instruments**).

De Grey has today lodged a retail offer booklet with the ASX, which sets out further details in respect of the Retail Entitlement Offer (**Retail Offer Booklet**).

Terms capitalised but otherwise not defined in this letter have the meaning given in the Retail Offer Booklet.

### **Eligibility criteria**

De Grey has determined, pursuant to section 9A(3) of the Corporations Act and ASX Listing Rule 7.7.1(a), that it would be unreasonable to make offers to De Grey shareholders outside of Australia and New Zealand in connection with the Retail Entitlement Offer.

The restrictions upon eligibility are due to a number of factors, including the small number of De Grey shareholders in each of those countries, the number and value of fully paid ordinary shares in De Grey (**Shares**) those De Grey shareholders hold and the cost of complying with the applicable laws and regulations and the requirements of any regulatory authority in jurisdictions outside Australia and New Zealand.

Accordingly, in compliance with section 9A(3) of the Corporations Act and ASX Listing Rule 7.7.1(b), De Grey wishes to inform you that it will not be extending the Retail Entitlement Offer to you, De Grey will not be sending a copy of the Retail Offer Booklet to you, and you will not be able to subscribe for New Shares under the Retail Entitlement Offer.

**Eligible Retail Shareholders** are those persons who:

1. are registered as a holder of one or more existing Share(s) as at 7:00pm (AEST) on Friday, 10 May 2024 (**Record Date**);
2. as at the Record Date, have a registered address on the De Grey share register in Australia or New Zealand or are a person that De Grey has determined in its discretion is an Eligible Retail Shareholder;
3. are not in the United States and are not acting for the account or benefit of a person in the United States (to the extent that such shareholders hold Shares for the account or benefit of such person in the United States);
4. if an International Institutional Investor, did not receive an offer to participate (other than as nominee) or were otherwise ineligible to participate in the Institutional Entitlement Offer; and
5. are eligible under all applicable securities laws to receive an offer under the Retail Entitlement Offer without a prospectus or other disclosure document or any lodgement, filing, registration or qualification.

Shareholders who are not Eligible Retail Shareholders are ineligible retail shareholders and are consequently unable to participate in the Retail Entitlement Offer.

Notwithstanding the above, De Grey may (in its absolute discretion) agree to extend the Retail Entitlement Offer to certain institutional shareholders in foreign jurisdictions who did not participate in the Institutional Entitlement Offer, subject to compliance with applicable laws.

### **Non-renounceable offer**

As with the Institutional Entitlement Offer, the Retail Entitlement Offer is non-renounceable. Entitlements in respect of New Shares you would have been entitled to if you were an Eligible Retail Shareholder will lapse. No amount will be

payable by you and you will not otherwise receive any payment or value for entitlements in respect of any New Shares that would have been offered to you if you were an Eligible Retail Shareholder.

Further details in respect of the Entitlement Offer (including details of eligibility) can be found on the ASX market announcements platform ([www.asx.com.au](http://www.asx.com.au)).

### **Further information**

If you have any queries regarding the Retail Entitlement Offer, please contact your professional adviser or please call the De Grey Offer Information Line on 1300 126 515 (within Australia) or +61 2 8072 1451 (outside Australia) between 8:30am and 6:00pm (AEST) on Monday to Friday during the Retail Entitlement Offer period.

For other questions, you should consult your broker, solicitor, accountant, financial adviser or other professional adviser.

Thank you for your continued support of De Grey and I trust you understand De Grey's position on this matter.

Yours faithfully



Simon Lill  
Non-Executive Chairman

### **IMPORTANT NOTICES**

*The Entitlement Offer is being made by De Grey in accordance with section 708AA of the Corporations Act as modified by the ASIC Instruments, meaning that no prospectus or other disclosure document needs to be prepared.*

*Determination of eligibility of investors for the purposes of the institutional or retail components of the Entitlement Offer is determined by reference to a number of matters, including legal and regulatory requirements, logistical and registry constraints and the discretion of De Grey and the JLM Group. Each of De Grey and the JLM Group and each of their respective related bodies corporate (as defined in the Corporations Act) and affiliates and each of their respective directors, officers, employees, partners, consultants, contractors, agents and advisers disclaim any duty or liability (including, without limitation, any liability arising from fault, negligence or negligent misstatement) in respect of that determination and the exercise or otherwise of that discretion, to the maximum extent permitted by law.*

*This letter is not a prospectus or offering document under Australian law or under any other law. No action has been or will be taken to register, qualify or otherwise permit an offering of the New Shares in any jurisdiction outside Australia and New Zealand. This letter is for information purposes only and does not constitute or form part of an offer, invitation, solicitation, advice or recommendation with respect to the issue, purchase or sale of any New Shares in De Grey.*

*The provision of this letter is not, and should not be considered as, financial product advice. The information in this document is general information only and does not take into account your individual objectives, taxation position, financial situation or needs. If you are unsure of your position, please contact your accountant, tax advisor, stockbroker or other professional adviser.*

### **Not for release or distribution in the United States**

*This letter has been prepared for publication in Australia and may not be released to U.S. wire services or distributed in the United States. This letter does not constitute an offer to sell, or a solicitation of an offer to buy, securities in the United States or to any person who is acting for the account or benefit of any person in the United States. Any securities described in this letter have not been, and will not be, registered under the US Securities Act of 1933, as amended (**US Securities Act**), or under the securities laws of any state or other jurisdiction of the United States. Accordingly, the entitlements may not be taken up by, and the New Shares may not be offered or sold, directly or indirectly, to persons in the United States, except in transactions exempt from, or not subject to, the registration of the US Securities Act and any other applicable securities laws of any state or other jurisdiction of the United States.*

## **Forward-Looking Statements**

*This letter as prepared by De Grey 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 dates, 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.*

*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.*

## **Important Notice to Nominees**

*Because of legal restrictions, you must not send copies of this letter nor any material relating to the Retail Entitlement Offer to any of your clients (or any other person) in the United States or any other person acting for the account or benefit of persons in the United States or to any person in any other jurisdiction outside of Australia and New Zealand. Failure to comply with these restrictions may result in violations of applicable securities laws. The provision of this document is not, and should not be considered as, financial product advice. The information in this document is general information only, and does not take into account your individual objectives, taxation position, financial situation or needs. If you are unsure of your position, please contact your accountant, tax advisor, stockbroker or other professional advisor.*

