

ASX Announcement
2 October 2017

Settlement of Indee Transaction - Extended by up to 12 months

ASX Code DEG
FRA Code WKN 633879

Highlights

- **Acquisition of Indee extended by up to 12 months**
- **Vendor agrees to take \$3M of equity at settlement**

ABN 65 094 206 292

COMPANY DIRECTORS

Simon Lill

Executive Chairman

Davide Bosio

Non-executive Director

Steve Morris

Non-executive Director

MANAGEMENT

Craig Nelmes

Company Secretary/CFO

Andy Beckwith

Operations Manager

Phil Tornatora

Exploration Manager

CONTACT DETAILS

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De Grey Mining Limited (“De Grey”) is pleased to announce that, on 30 September 2017, it has countersigned a formal letter received from Northwest Non Ferrous Australian Mining Limited (“NNAM”) stating their intent to extend settlement of the acquisition of Indee Gold Pty Ltd (“Indee”).

The extension is granted to De Grey under the following terms:

1. Settlement date is to be extended to 24 January 2019, subject to the following:
 - Payment of \$100,000 extension fee on signing the formal Share Sale Agreement by 24 January 2019; and
 - \$2M non-refundable payment on or before 24 July 2018.
2. Settlement can be extended by a further 6 months to 24 July 2019 on De Grey’s election and the payment of an additional \$100,000 before 24 January 2019.
3. NNAM has also agreed to accept \$3M of De Grey shares as part of settlement proceeds. Shares to be issued based on a 10% discount to the Volume Weighted Average Price (“VWAP”) on the 20 days preceding settlement.

All payments contemplated above will reduce the final settlement figure of \$14.9M – for example, if the transaction settles on 24 July 2019, it would be settled at that point through the payment of \$9.7M in cash and the issue of \$3M in shares.

The Parties are working towards execution of the formal Share Sale Agreement which will include the new arrangements as advised above, and plan to execute the SSA before the end of 2017. NNAM have commenced their approval processes with their necessary regulatory authorities to approve the new payment extensions. It is important to note that the existing agreement and payment schedule remain valid and is written between Australian counterparties in Australian law.

De Grey Chairman Simon Lill stated: *“We have developed a great working relationship with our Chinese partners. We do see it as a partnership as reflected by their willingness to receive De Grey shares when we settle. This extension is testimony to the quality of the relationship and we thank our friends and partners. We also look forward to welcoming them as shareholders in the future”.*