

ASX ANNOUNCEMENT

4 February 2022

Belinda Giles
Advisor, Listings Compliance (Perth)
Australian Stock Exchange Limited
Level 40, Central Park
152-158 St George's Terrace
PERTH WA 6000

Dear Belinda,

Confirmation of Compliance with Listing Rule 12.7

De Grey Mining Ltd ("De Grey", "Company" ASX: DEG) refers to your letter dated 17 December 2021 and provides the following responses with respect to the actions it has taken to be in full compliance with Listing Rule 12.7.

1. On 17 December 2021, the Company made an announcement that it was not in compliance with Listing Rule 12.7 and specifically with respect to Recommendation 4.1 of the Corporate Governance Council recommendations as although the Audit Committee consisted of entirely non-executive directors, it did have a majority of independent directors, nor was it chaired by an independent director.
2. On 28 January 2022, the Company announced the appointment of Ms. Samantha Hogg as an Independent Non-executive director.
3. On 28 January 2022, the Company also announced it had completed a restructure of its Audit & Risk Committee ("Committee") back to a Committee of three members, consisting of:
 - Mr Peter Hood AO, the Company Lead Independent Non-executive Director and appointed as the new Committee Chairman;
 - Ms Samantha Hogg, an Independent Non-executive Director, whom was also appointed to the Committee; and
 - Mr. Simon Lill, the Company Non-executive Chairman remaining on the Committee as its third member.

Both Mr. Bruce Parncutt AO, the Committee's former Chairman, and Mr. Eduard Eshuys retired as members of this Committee.

The combination of the new board appointment and changes to the composition of the Committee ensure that the Company is in compliance with the requirements of LR12.7 and specifically Recommendation 4.1 of the ASX Corporate Governance Council's 'Corporate Governance Principles and Recommendations', with the audit committee now consisting of:

- (a) only non-executive directors;
 - (b) a majority of independent directors;
 - (c) an independent chairperson, who is not chairperson of the board; and
 - (d) at least three members.
4. The Company can also confirm that it has made the necessary actions to mitigate against further Listing Rule breaches.

This announcement has been authorised for release by the Non-executive Chairman.

Yours sincerely,

Craig Nelmes
Company Secretary



17 December 2021

Reference: 43218

Mr Craig Nelmes
Company Secretary
De Grey Mining Limited

By email

Dear Mr Nelmes

De Grey Mining Limited ('DEG'): Audit and remuneration committees' composition - S&P/ASX 300 entity

ASX refers to DEG's:

- A. Annual Report for the year ended 30 June 2021 lodged with ASX on 20 September 2021 ('Annual Report');
- B. Corporate Governance Statement and Appendix 4G lodged with ASX on 20 September 2021; and
- C. inclusion in the S&P/ASX 300 Index on 21 September 2020.

Listing Rule 12.7

Listing Rule 12.7 states:

"If the entity was included in the S&P/ASX 300 Index at the beginning of its financial year it must also comply with the recommendations set by the ASX Corporate Governance Council in relation to composition, operation and responsibility of the audit committee for the whole of that financial year..."

Recommendation 4.1 of the ASX Corporate Governance Council's 'Corporate Governance Principles and Recommendations' is to structure an audit committee so that it consists of:

- only non-executive directors;
- a majority of independent directors;
- an independent chairperson, who is not chairperson of the board; and
- at least three members.

ASX notes that DEG's Audit Committee does not have a majority of independent directors and is not chaired by an independent director.

Action required

In light of the above, ASX requires DEG to:

1. by close of business on Monday 20 December 2021, make an announcement to the effect that DEG has not complied with Listing Rule 12.7 and the steps it will take to comply with the requirements of the Listing Rules;
2. restructure its Audit Committee to comply with Listing Rule 12.7 by no later than 31 January 2022;
3. announce to the market once the structure of its Audit Committee complies with the requirements of the Listing Rules; and
4. confirm in writing that it has made necessary arrangements to mitigate further Listing Rule breaches.

When and where to send your response

Your response confirming completion of the matters referred to in points 1 to 5 above is required by no later than **3.00 PM AWST Friday, 4 February 2022**.

Your response should be sent to me by e-mail at ListingsCompliancePerth@asx.com.au. It should not be sent directly to the ASX Market Announcements Office.

Compliance with the Listing Rules

ASX reminds DEG of its contract to comply with the Listing Rules. Please note that ASX is required to record details of breaches of the Listing Rules by listed entities as part of its reporting obligations.

In the circumstances, ASX considers it appropriate that DEG reviews its compliance arrangements to ensure it does not continue to breach the Listing Rules.

Release of correspondence between ASX and entity

We reserve the right to release a copy of this letter, your reply and any other related correspondence between us to the market under Listing Rule 18.7A and we also reserve the right to take any further action as necessary.

Questions

If you have any questions in relation to the above, please do not hesitate to contact me.

Yours sincerely

Belinda Giles
Adviser, Listings Compliance (Perth)