ASX: DEG

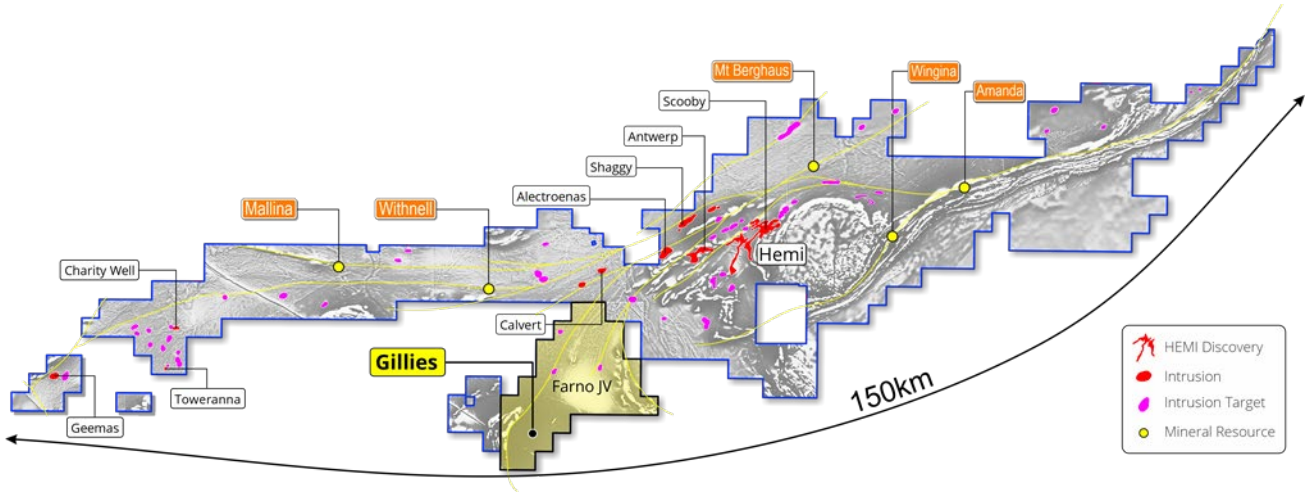
ASX ANNOUNCEMENT

30 March 2021

New shear hosted gold discovery at Gillies on Farno JV

- **Intersection returns 52m @ 0.7g/t Au from 53m in GLRC016 including:**
  - **15m @ 1.8g/t Au** from 90m in GLRC016
- New shear hosted gold target identified in broad spaced RC drilling at the Gillies prospect within the Farno Joint Venture ("Farno JV"), located 30 km southwest of the Hemi gold discovery.
- De Grey undertook the drilling to increase its equity from 30% to a 75% interest in the Farno JV which consists of tenement E47/2502. De Grey is the JV manager with TSX listed Novo Resources Inc (TSX: NVO) its 25% partner.
- A +2000m follow-up RC drilling program is planned for Q2 2021. Additional aircore drilling is planned to test numerous bedrock gold anomalies, including a number of Hemi style intrusion targets within the Farno JV.

Figure 1: Location diagram of Gillies, within De Grey's tenement holdings, Pilbara WA



De Grey Managing Director, Glenn Jardine, commented:

"Gillies is shear zone hosted, similar to Withnell, Wingina, Mallina and Mt Berghaus, which make up a significant portion of the Company's regional 2.2M ounce existing endowment. Exploration within the Farno JV area is at a very early stage however this new gold system provides strong evidence on the potential of the region.

De Grey has formed a dedicated regional exploration team which is preparing for the Company to restart exploration outside of the Greater Hemi area, in parallel with extensional and exploration work within the Greater Hemi area. We anticipate following up the Gillies discovery hole in the next quarter."

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De Grey Mining Limited (ASX: DEG, "De Grey", "Company") is pleased to provide the following drill results at the Gillies prospect located within the Farno McMahon Joint Venture ("Farno JV") and which consists of E47/2502.

Gillies is located 30 km southwest of the Hemi gold discovery and has seen only early stage exploration aimed at target generation and early stage delineation of bedrock gold systems. The new gold system is shear-hosted and intersected over a broad 50m thick zone downhole.

The initial phase of RC drilling saw the completion of 21 RC holes for 4,400m undertaken to follow up encouraging aircore and soil sampling completed in late 2019 and to ensure De Grey met its expenditure commitments.

Exploration activities at the Farno JV is in line with De Grey's broader strategic objective to advance the numerous shear zone and intrusion related targets within the Company's extensive tenement portfolio. The Company has been actively recruiting and building our geological team that will increase our efforts for new discoveries and build resources across our portfolio, in parallel to our on-going drilling at Greater Hemi.

De Grey has increased its equity from 30% to 75% of the Farno JV and is the JV manager with TSX listed Novo Resources Inc (TSX: NVO) its 25% partner.

All significant results are presented in Table 1 and Figures 2 and 3.

Gillies RC drilling

Gillies is an immature target that was identified and briefly explored prior to the discovery of Hemi. Previous work had highlighted widespread anomalous multi-element zones and sporadic gold intercepts from a 2019 phase of aircore drilling together with evidence of past prospecting.

The prospect area shows variably exposed sandstones and siltstone units occurring as low hills over approximately 3.0km long by 0.6km wide. Of particular interest was the northern half of the prospect area which saw shallow and spatially coherent gold results from the 2019 aircore program, with intercepts of 1m @ 1.2g/t Au in GLAC013 and 1m @ 0.9g/t Au in GLAC012. Additionally, there is local evidence of substantial surficial workings from prospectors and an anomalous zone identified in hyperspectral imagery.

The northern-most RC drilling section, comprising of four RC holes was drilled to test this zone the hyperspectral anomaly and has confirmed the gold mineralisation is associated with an altered sandstone unit.

The drilling has intersected strong gold mineralisation **15m @ 1.8g/t Au** within a broad +50m wide shear zone enriched in sulfide bearing quartz veining, including both pyrite and arsenopyrite and a halo of sericite alteration (Figure 2). The mineralised shear zone is open down-dip and up-dip on section and along strike. The zone of previously completed anomalous surface soil sampling defines a northeast and southwest trending surface expression over ~700m.

Significant drill results include:

- **15m @ 1.8g/t Au** from 90m in GLRC016 within a broader 52m @ 0.7g/t Au from 53m

Geological mapping is currently underway to better understand the geologic controls and surface extents of the system. Anomalous gold in previously drilled shallow widespaced aircore drilling along drill-lines north and south (Figure 3) provides further encouragement to conduct follow up RC drilling along strike.

Extensional drilling and ongoing work

Significant potential exists to extend mineralisation at Gillies both along strike to the northeast and southwest and down dip with further drilling. At present, drilling is wide-spaced and limited to 320m spaced lines, with collar spacing at 80m apart.

GLRC016 has successfully intersected the controlling shear zone within fresh bedrock and further drilling will aim to define and test this structural contact. A program of +2000m of RC drilling is planned to be undertaken during Q2, 2021.

Figure 2: Plan of Gillies showing anomalous gold in drilling

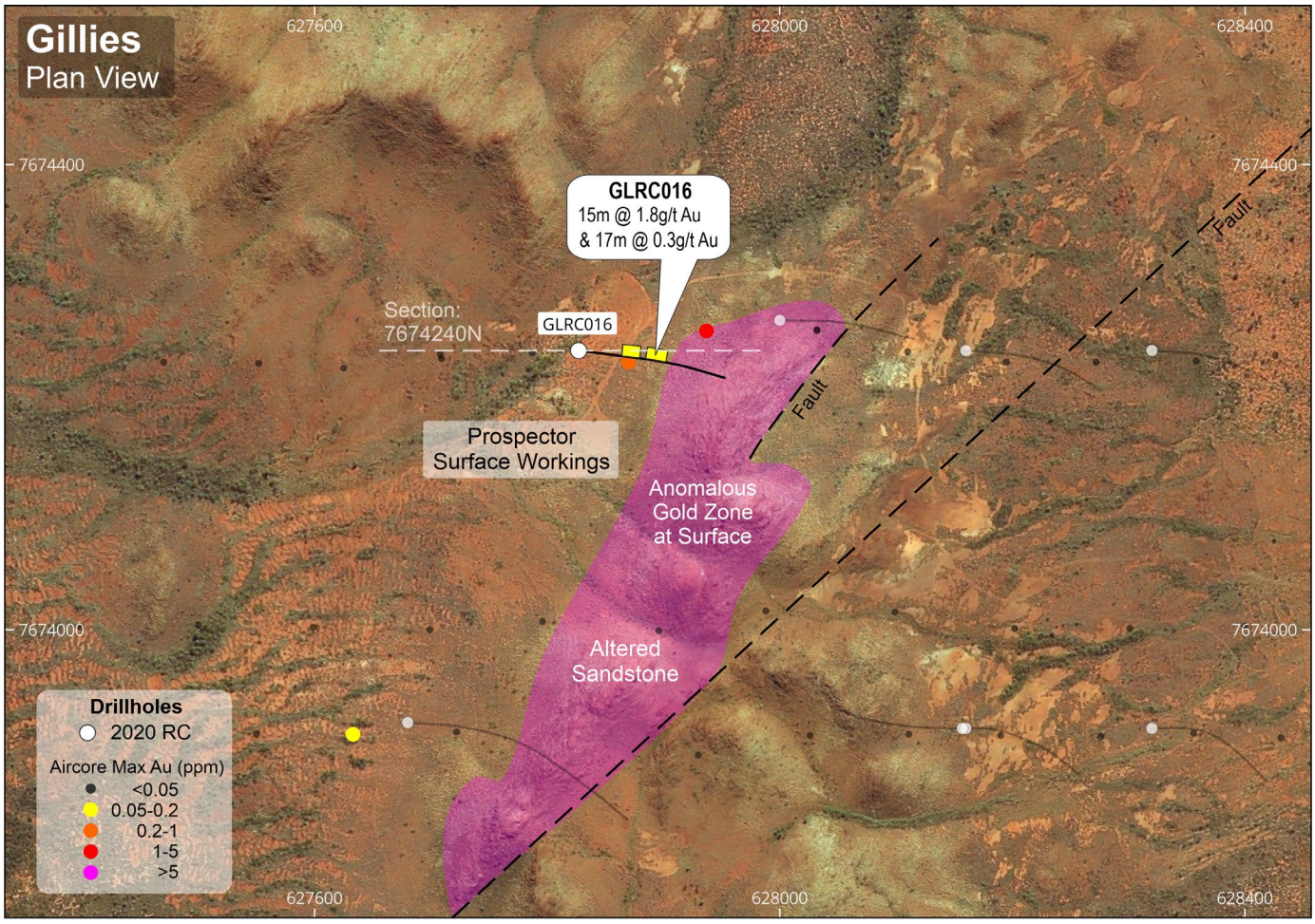
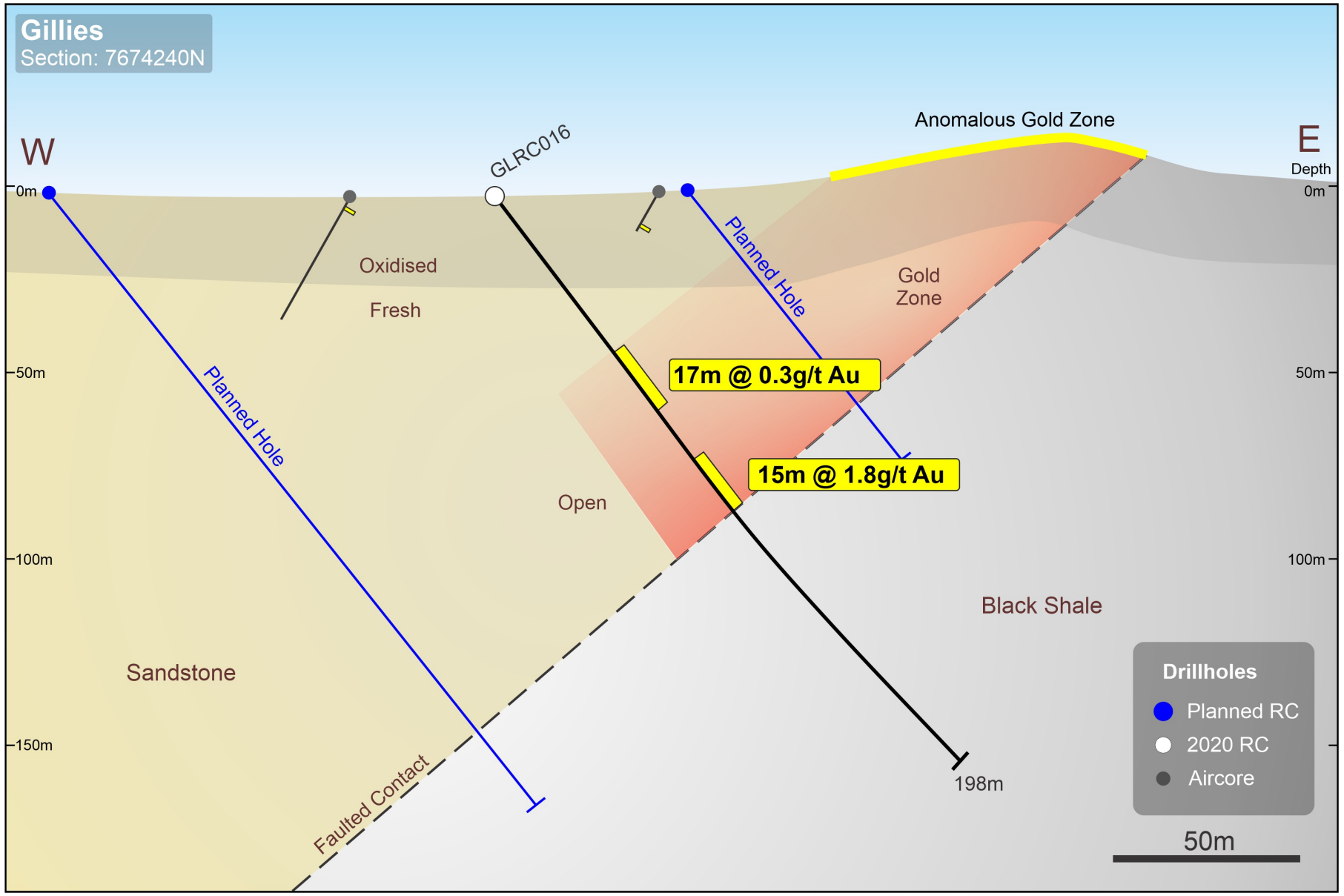


Figure 3: Section 7674640N through Gillies, highlighting 2019 aircore results, new intercept from GLRC016 and planned holes (along section)



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

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Competent Person's Statement

The information in this report that relates to exploration results is based on, and fairly represents information and supporting documentation prepared by Mr. Phil Tornatora, a Competent Person who is a member of The Australasian Institute of Mining and Metallurgy. Mr. Tornatora is an employee of De Grey Mining Limited. Mr. Tornatora has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity being undertaken to qualify as a Competent Person as defined in the 2012 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resource and Ore Reserves". Mr. Tornatora consents to the inclusion in this report of the matters based on his information in the form and context in which it appears.

Previously released ASX Material References *that relates to Farno JV includes:*

- *2019 Encouraging reconnaissance drilling results at Farno JV*

Table 1: Significant new results

Selected Intercepts - 0.3g/t Au lower cut, 4m maximum internal waste

HoleID	Depth From (m)	Depth To (m)	Downhole Width (m)	Au (g/t)	Collar East (GDA94)	Collar North (GDA94)	Collar RL (GDA94)	Dip (degrees)	Azimuth (GDA94)	Hole Depth (m)	Hole Type
GLRC001	102	104	2	0.85	628000	7672960	103.6	-55.2	91.8	198	RC
GLRC006	130	132	2	1.42	627797	7673280	106.7	-55.1	89.8	198	RC
GLRC007	192	194	2	3.88	627680	7673280	101	-55.3	87.6	210	RC
GLRC016	53	55	2	0.56	627827	7674240	104.5	-55	94.1	198	RC
GLRC016	57	65	8	0.41							
GLRC016	90	105	15	1.78							
GLRC017	140	144	4	0.44	627680	7673920	102.85	-55.1	92.5	300	RC
GLRC017	159	161	2	0.41							
GLRC018	63	66	3	0.50	627520	7673600	102.85	-55.4	94.4	300	RC

JORC Code, 2012 Edition – Table 1

Section 1 Sampling Techniques and Data

(Criteria in this section apply to all succeeding sections.)

Criteria	JORC Code explanation	Commentary
Sampling techniques	• *Nature and quality of sampling (e.g. cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc.). These examples should not be taken as limiting the broad meaning of sampling.* • *Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.* • *Aspects of the determination of mineralisation that are Material to the Public Report.* • *In cases where 'industry standard' work has been done this would be relatively simple (e.g. 'reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30 g charge for fire assay'). In other cases, more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (e.g. submarine nodules) may warrant disclosure of detailed information.*	• All drilling and sampling was undertaken in an industry standard manner • RC holes were sampled on a 1m basis with samples collected from a cone splitter mounted on the drill rig cyclone. 1m sample ranges from a typical 2.5-3.5kg • The independent laboratory pulverises the entire sample for analysis as described below. • Industry prepared independent standards are inserted approximately 1 in 20 samples. • The independent laboratory then takes the samples which are dried, split, crushed and pulverized prior to analysis as described below. • Sample sizes are considered appropriate for the material sampled. • The samples are considered representative and appropriate for this type of drilling. Diamond core and RC samples are appropriate for use in a resource estimate.
Drilling techniques	• *Drill type (e.g. core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc.) and details (e.g. core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc.).*	• Reverse Circulation (RC) holes were drilled with a 5 1/2-inch bit and face sampling hammer.
Drill sample recovery	• *Method of recording and assessing core and chip sample recoveries and results assessed.* • *Measures taken to maximise sample recovery and ensure representative nature of the samples.* • *Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material.*	• RC samples were visually assessed for recovery. • Samples are considered representative with generally good recovery. • No sample bias is observed.
Logging	• *Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies.* • *Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc.) photography.* • *The total length and percentage of the relevant intersections logged.*	• The entire hole has been geologically logged by Company geologists, with systematic sampling undertaken • RC sample results are appropriate for use in a resource estimation.

Criteria	JORC Code explanation	Commentary
Sub-sampling techniques and sample preparation	• *If core, whether cut or sawn and whether quarter, half or all core taken.* • *If non-core, whether riffled, tube sampled, rotary split, etc. and whether sampled wet or dry.* • *For all sample types, the nature, quality and appropriateness of the sample preparation technique.* • *Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.* • *Measures taken to ensure that the sampling is representative of the in-situ material collected, including for instance results for field duplicate/second-half sampling.* • *Whether sample sizes are appropriate to the grain size of the material being sampled.*	• RC sampling was carried out by a cone splitter on the rig cyclone and drill cuttings were sampled on a 1m basis in bedrock. • Industry prepared independent standards are inserted approximately 1 in 20 samples. • Each sample was dried, split, crushed and pulverised. • Sample sizes are considered appropriate for the material sampled. • The samples are considered representative and appropriate for this type of drilling • RC samples are appropriate for use in a resource estimate.
Quality of assay data and laboratory tests	• *The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.* • *For geophysical tools, spectrometers, handheld XRF instruments, etc., the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc.* • *Nature of quality control procedures adopted (e.g. standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (i.e. lack of bias) and precision have been established.*	• The samples were submitted to a commercial independent laboratory in Perth, Australia. • RC samples, Au was analysed by a 50g charge Fire assay fusion technique with an AAS finish and multi-elements by ICPAES and ICPMS • The techniques are considered quantitative in nature. • As discussed previously certified reference standards were inserted by the Company and the laboratory also carries out internal standards in individual batches • The standards and duplicates were considered satisfactory
Verification of sampling and assaying	• *The verification of significant intersections by either independent or alternative company personnel.* • *The use of twinned holes.* • *Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.* • *Discuss any adjustment to assay data.*	• Sample results have been merged by the company's database consultants. • Results have been uploaded into the company database, checked and verified. • No adjustments have been made to the assay data. • Results are reported on a length weighted basis.
Location of data points	• *Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation.* • *Specification of the grid system used.* • *Quality and adequacy of topographic control.*	• RC drill hole collar locations are located by DGPS to an accuracy of +/-10cm. • Locations are given in GDA94 zone 50 projection • Diagrams and location table are provided in the report • Topographic control is by detailed airphoto and Differential GPS data.
Data spacing and distribution	• *Data spacing for reporting of Exploration Results.* • *Whether the data spacing, and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied.* • *Whether sample compositing has been applied.*	• Drill spacing is 80m x 320m. • All holes have been geologically logged and provide a strong basis for geological control and continuity of mineralisation. • It has not yet been determined if data spacing and distribution of RC is sufficient to provide support for the results to be used in a resource estimate. • Sample compositing has not been applied except in reporting of drill intercepts, as

Criteria	JORC Code explanation	Commentary
		described in this Table
Orientation of data in relation to geological structure	• *Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.* • *If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material.*	• The drilling is believed to be approximately perpendicular to the strike of mineralisation where known and therefore the sampling is considered representative of the mineralised zone. • In some cases, drilling is not at right angles to the dip of mineralised structures and as such true widths are less than downhole widths. This is allowed for when geological interpretations are completed.
Sample security	• *The measures taken to ensure sample security.*	• Samples were collected by company personnel and delivered direct to the laboratory via a transport contractor.
Audits or reviews	• *The results of any audits or reviews of sampling techniques and data.*	• No audits have been completed. Review of QAQC data has been carried out by database consultants and company geologists.

Section 2 Reporting of Exploration Results

(Criteria listed in the preceding section also apply to this section.)

Criteria	JORC Code explanation	Commentary
Mineral tenement and land tenure status	• *Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings.* • *The security of the tenure held at the time of reporting along with any known impediments to obtaining a license to operate in the area.*	• Drilling occurs on the Farno McMahon Joint Venture tenement (E47/2502). De Grey has earned 75% of the joint venture with partner Novo Resources owning 25%. • The Gillies prospect is approximately 90km SSW of Port Hedland.
Exploration done by other parties	• *Acknowledgment and appraisal of exploration by other parties.*	• The tenements has had various levels of previous surface geochemical sampling and wide spaced aircore and RAB drilling by De Grey Mining. No previous RC drilling has been undertaken at the gillies prospect.
Geology	• *Deposit type, geological setting and style of mineralisation.*	• The mineralisation style is not well understood to date but is thought to be hydrothermally emplaced gold mineralisation within a shear zone. Host rocks comprise altered sandstone and adjacent siltstones of the Mallina Basin.
Drill hole Information	• *A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill holes:* • *easting and northing of the drill hole collar* • *elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar* • *dip and azimuth of the hole* • *down hole length and interception depth* • *hole length.* • *If the exclusion of this information is justified on the basis that the information is not Material and this exclusion*	• Drill hole location and directional information provide in the report.

Criteria	JORC Code explanation	Commentary
	does not detract from the understanding of the report, the Competent Person should clearly explain why this is the case.	
Data aggregation methods	• *In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (e.g. cutting of high grades) and cut-off grades are usually Material and should be stated.* • *Where aggregate intercepts incorporate short lengths of high grade results and longer lengths of low grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail.* • *The assumptions used for any reporting of metal equivalent values should be clearly stated.*	• Results are reported to a minimum cutoff grade of 0.5g/t gold with an internal dilution of 4m maximum. • Wider intervals are aggregated using a 0.3g/t Au lower cut with an internal dilution of 10m maximum. Results over 20 gram x metres are reported using this method. • Intercepts are length weighted averaged. • No maximum cuts have been made.
Relationship between mineralisation widths and intercept lengths	• *These relationships are particularly important in the reporting of Exploration Results.* • *If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.* • *If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (e.g. 'down hole length, true width not known').*	• The drill holes are interpreted to be approximately perpendicular to the strike of mineralisation. • Drilling is not always perpendicular to the dip of mineralisation and true widths are less than downhole widths. Estimates of true widths will only be possible when all results are received, and final geological interpretations have been completed.
Diagrams	• *Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported These should include, but not be limited to a plan view of drill hole collar locations and appropriate sectional views.*	• Plans and sections are provided in the report.
Balanced reporting	• *Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results.*	• All drill collar locations are shown in figures and all significant results are provided in this report. • The report is considered balanced and provided in context.
Other substantive exploration data	• *Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples – size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances.*	• Drilling is currently widely spaced and further details will be reported in future releases when data is available.
Further work	• *The nature and scale of planned further work (e.g. tests for lateral extensions or depth extensions or large-scale step-out drilling).* • *Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.*	• Follow up aircore drilling will be undertaken to test for strike extensions to mineralisation. • Programs of follow up RC and diamond drilling aimed at extending resources at depth and laterally are underway.