ASX Announcement
6 July 2017

Encouraging drill results bolster Mallina's open pit potential

Highlights

RC drilling confirms the presence of a large gold system at Mallina with wide zones of shallow gold mineralisation intersected in a series of subparallel lodes within a 3.2km long structural corridor.

Significant new composite drilling results include:

- **48m @ 1.00g/t Au** from 8m
  including **4m @ 5.19g/t Au** from 24m
- **40m @ 1.51g/t Au** from 32m
  including **12m @ 3.18g/t Au** from 52m
- **36m @ 1.43g/t Au** from 76m
  including **12m @ 2.97g/t Au** from 88m
- **4m @ 3.96g/t Au** from 96m
- **12m @ 2.67g/t Au** from 4m
- **16m @ 1.06g/t Au** from 0m
- **20m @ 3.11g/t Au** from 80m
  including **8m @ 6.79g/t Au** from 88m
- **4m @ 4.54g/t Au** from 36m
- **8m @ 6.76g/t Au** from 108m

Note: Down hole widths do not necessarily reflect true widths. 4m composite results with 1m resampling pending

Mallina remains open along strike and at depth with the positive initial results from the Central area further evaluated in a Phase 2 program. 4m composite samples from the Phase 2 program and all 1m resample assay results from both phases are pending.

The encouraging drill results to date strengthen the open pit resource potential at Mallina and provide support to the previously reported Exploration Target of:

1.4 - 2.6Mt @ 1.2 - 1.5g/t Au for 53,000 - 125,000 oz #

 # Refer to previous ASX release *"Acquisition of Indee Gold - Scale and Development Momentum" dated 9 Feb 2017. No material change has occurred to the exploration target parameters since this statement.*

Cautionary Statement: Mallina Exploration Target
The potential quantity and grade of the exploration target is conceptual in nature. There has been insufficient exploration to determine a mineral resource and there is no certainty that further exploration work will result in the determination of mineral resources will be realised.

ASX Code DEG

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Summary

De Grey Mining Ltd (ASX: DEG, “De Grey” “Company”) is pleased to report that assay results from 4m composite samples have been received from the Phase 1 RC drilling program at the Mallina prospect (Figure 1). Mallina is located approximately 15km from the proposed processing plant at De Grey’s Pilbara Gold Project, located near Port Hedland Western Australia, where the Company is currently progressing a Scoping Study for the recommencement of open pit mining.

Mallina is considered a high priority target with potential to define additional shallow open pit gold resources. Previous, wide-spaced drilling intersected significant zones of gold mineralisation along the 3.2km east-trending Mallina structural corridor.

De Grey recently completed a 90 hole RC drilling program at Mallina for 7,588m in two phases (Figure 2). The drilling tested specific zones of mineralisation to a nominal 100m vertical depth on 50m spaced lines. It is anticipated that this new drilling will provide sufficient density of drilling to enable a maiden resource estimate to be reported for Mallina in the near future.

The two phases of RC drilling comprised:

Phase 1 **Initial 74 RC holes for a total of 6,100m.**
Preliminary 4m composite sample results have been received and are reported herein. All 1m resample results are pending.

Phase 2 **16 follow-up RC holes for a total of 1,488m.**
All preliminary 4m composite and 1m resample results are pending.

Composite results from the Phase 1 program outlined highly encouraging, broad zones of shallow gold mineralisation typically defined by 8 - 40m downhole widths of potentially mineable gold grades (1 - 2g/t Au), hosting narrow, higher-grade zones of gold mineralisation (3 - 7g/t Au). Additional follow-up RC drilling (Phase 2) was undertaken based on encouraging geology observed in drilling and limited preliminary 4m composite results. The majority of this extra drilling was undertaken in the Central area (Figures 2 and 3).

The gold mineralisation and associated alteration zones occur as linear lodes of up to 600m in strike length (which remain open) hosted within metasediments. The gold is intimately associated with quartz veining, carbonate and sulphide alteration, generally along the margins of 2 - 30m wide porphyry intrusions within the east-west trending, 200m-wide structural corridor. The lodes are currently partially drill tested over a 3.2km strike length, with the presence of small historic workings to the immediate south providing further scope for additional discoveries. The mineralisation and alteration style, structural controls, association with quartz veining and porphyry intrusions in metasediments are similar to the gold lodes found at the Mt Berghaus deposit.

The strongest gold results were returned from Lode 4 in the Central area (Figure 3), comprising robust and continuous broad intercepts over a 500m strike length which remain opens in all directions.

Further significant results were also received from several other areas, including beneath the historic Alfred Argyle workings, Lode 5 and Lode 8 (Figures 2 and 3). Significant downhole gold intersections from each area are summarised below with a complete list provided in Table 2.

Central Lode 4

48m @ 1.00g/t Au from 8m in MLRC118
(including **4m @ 5.19g/t Au** from 24m)
40m @ 1.51g/t Au from 32m in MLRC121
(including **12m @ 3.18g/t Au** from 52m)
36m @ 1.43g/t Au from 76m in MLRC123
(including **12m @ 2.97g/t Au** from 88m)
32m @ 0.83g/t Au from 116m in MLRC124
(including **8m @ 1.45g/t Au** from 140m)
4m @ 3.96g/t Au from 96m in MLRC115
12m @ 1.58g/t Au from 112m in MLRC115
16m @ 1.06g/t Au from 0m in MLRC116
16m @ 1.00g/t Au from 32m in MLRC116

Alfred Argyle

12m @ 1.40g/t Au from 24m in MLRC082
20m @ 3.11g/t Au from 80m in MLRC090
(including **8m @ 6.79g/t Au** from 88m)
4m @ 4.54g/t Au from 36m in MLRC091

Mallina Lode 5

8m @ 6.76g/t Au from 108m in MLRC126

Mallina Lode 8

36m @ 0.59g/t Au from 84m in MLRC150
(including 4m @ 1.64g/t Au from 112m)

Note: Down hole widths do not necessarily reflect true widths. 4m composite results with 1m resampling pending.

Andy Beckwith, Geology Manager, commented;

"We can see Mallina rapidly advancing towards another significant shallow resource and dovetailing into our open pit development strategy within the overall Pilbara Gold Project.

The continuity of gold mineralisation at Mallina is highly encouraging and our confidence in defining additional open pit resources within a short trucking distance of the proposed processing facility is growing by the day.

Mallina is yet another example of a large gold system in this grossly under-explored region. Our improved geological understanding of this large system indicates that good potential remains for significant extensions to Mallina.

We look forward to reporting further assay results in the coming weeks."

For further information:

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*The information in this report that relates to **Exploration Results** is based on, and fairly represents information and supporting documentation prepared by Mr. Philip Tornatora, a Competent Person who is a member of The Australasian Institute of Mining and Metallurgy. Mr. Tornatora is a consultant to 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.*

*The information in this report that relates to the **Mallina Exploration Target** is based on, and fairly represents information and supporting documentation compiled by Mr. Andrew Beckwith, a Competent Person who is a member of The Australasian Institute of Mining and Metallurgy. Mr. Beckwith is a consultant to De Grey Mining Limited. Mr. Beckwith 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. Beckwith consents to the inclusion in this report of the matters based on his information in the form and context in which it appears.*

Figure 1 Pilbara Gold Project location plan

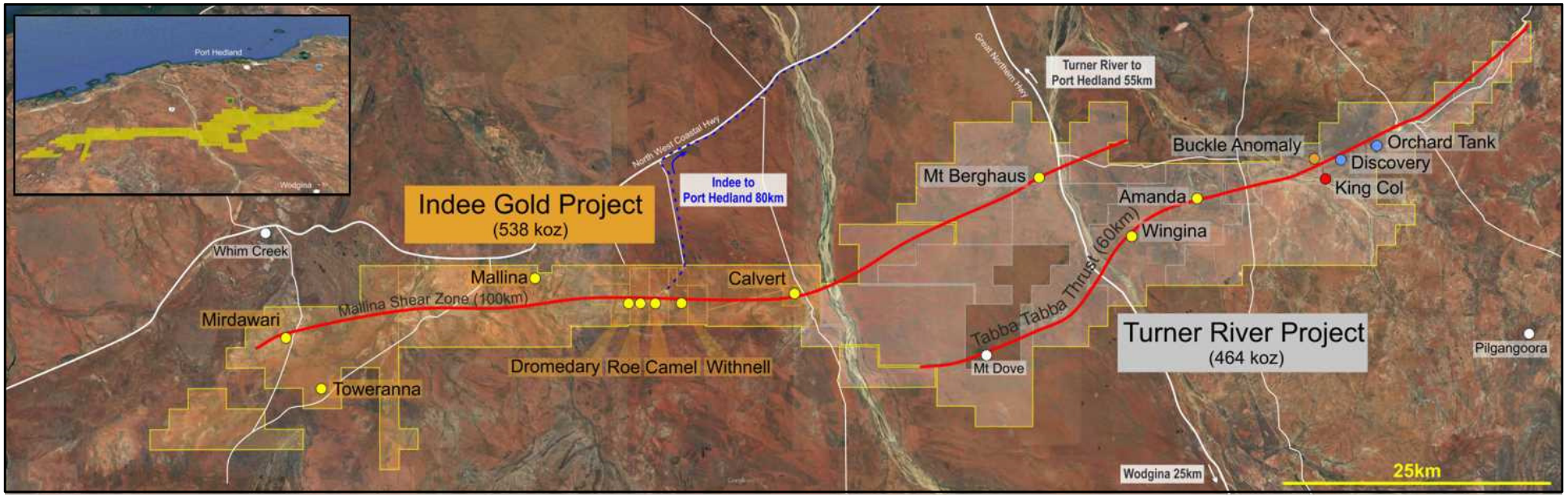

Figure 2 Mallina collar plan

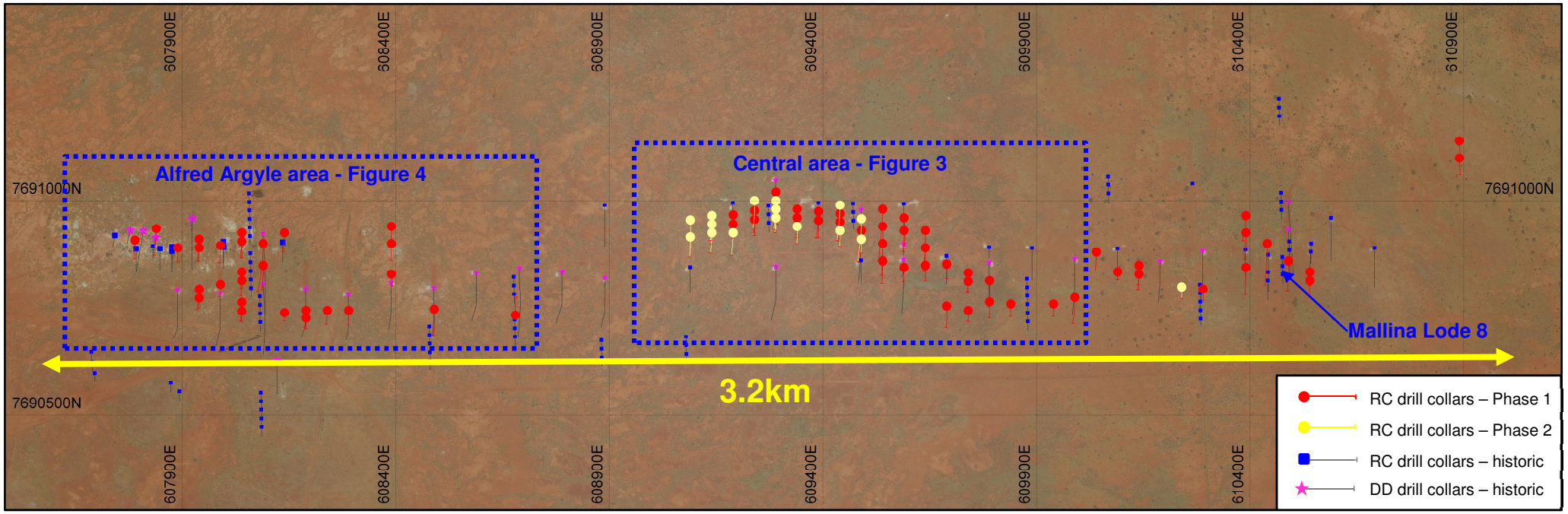

Figure 3 Mallina – Central area collar plan with intercepts >10gm

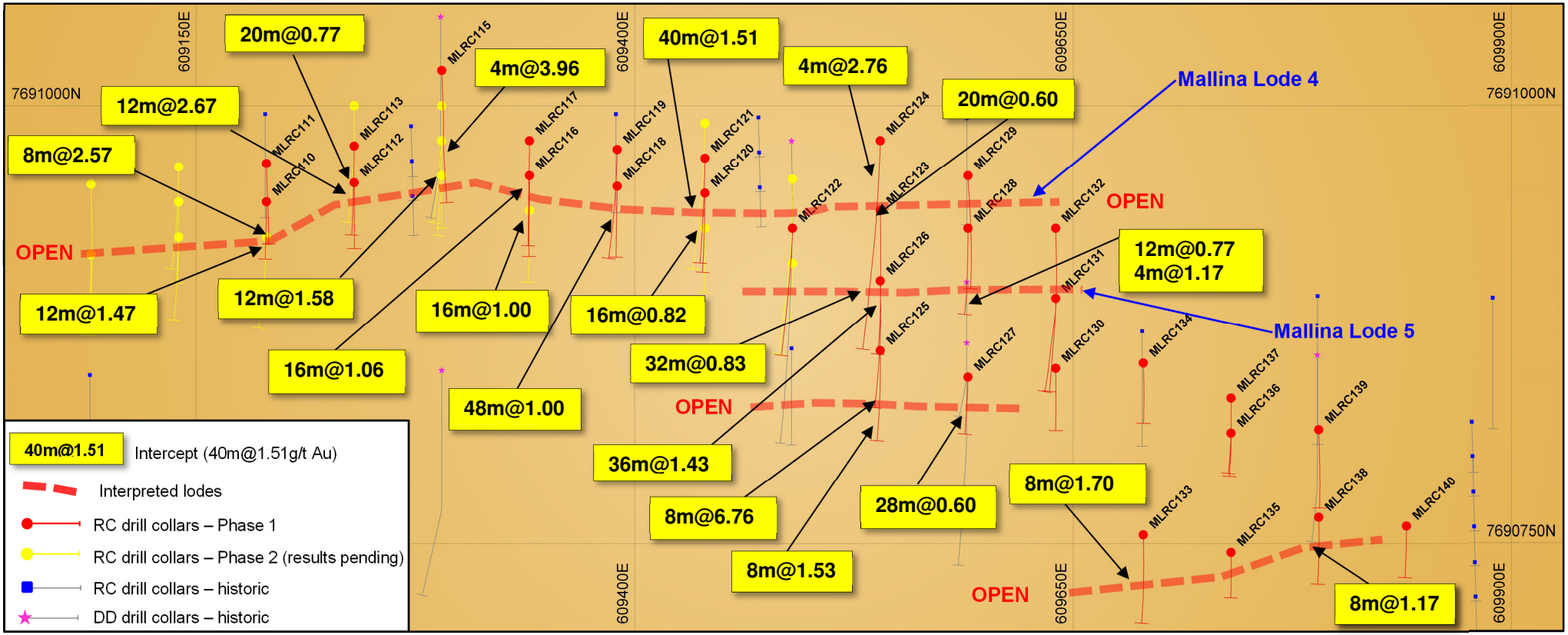

Figure 4 Mallina – Alfred Argyle area collar plan with intercepts >10gm

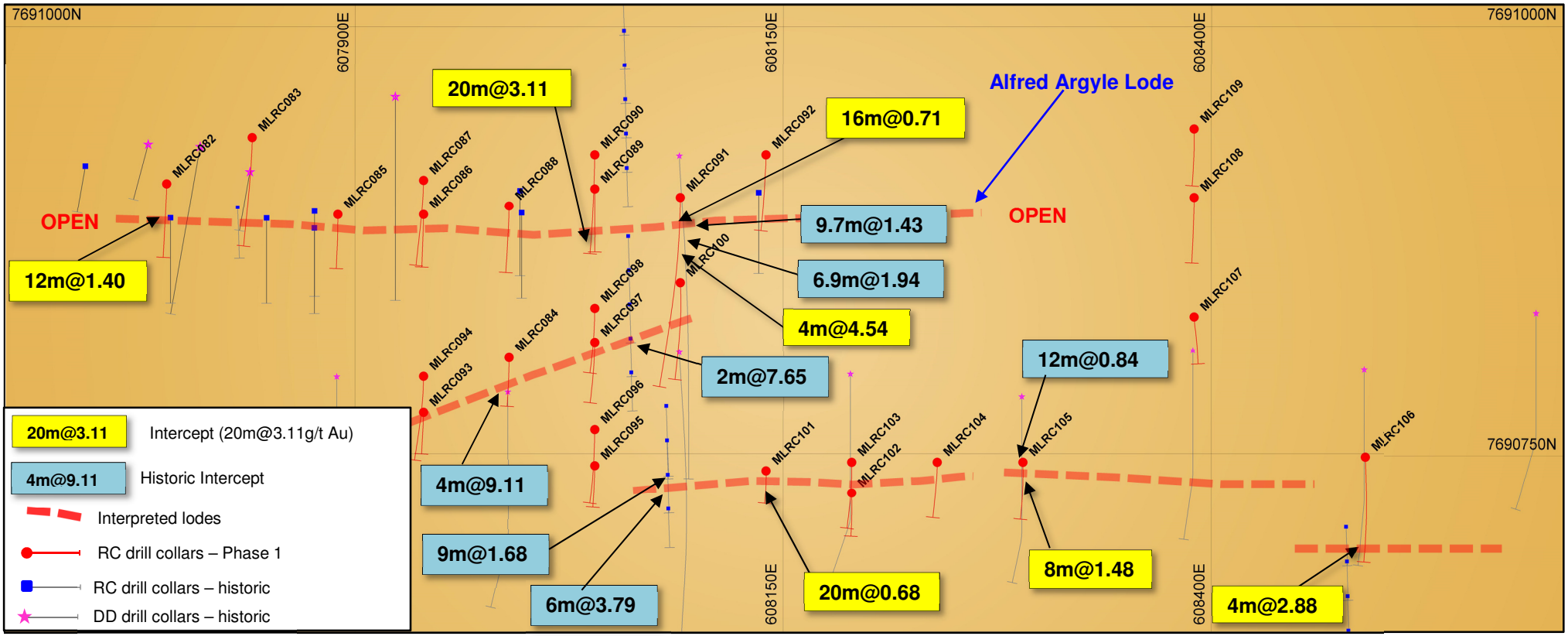

Table 1 Drill hole location data (Phase 1)

HoleID	EAST_GDA94	NORTH_GDA94	RL_GDA94	Depth	Dip	Az_GDA94
MLRC082	607790	7690908	50.00	72	-55	180
MLRC083	607840	7690935	50.00	110	-60	180
MLRC084	607990	7690806	49.94	54	-60	180
MLRC085	607890	7690890	50.05	54	-55	180
MLRC086	607940	7690890	50.08	54	-55	180
MLRC087	607940	7690910	50.00	84	-55	180
MLRC088	607990	7690895	50.08	66	-55	180
MLRC089	608040	7690905	50.05	66	-55	180
MLRC090	608040	7690925	50.00	102	-55	180
MLRC091	608090	7690900	49.17	162	-55	180
MLRC092	608140	7690925	49.21	90	-60	180
MLRC093	607940	7690774	50.11	48	-55	180
MLRC094	607940	7690795	50.19	72	-55	180
MLRC095	608040	7690743	49.91	42	-55	180
MLRC096	608040	7690764	49.90	72	-55	180
MLRC097	608040	7690815	49.94	54	-55	180
MLRC098	608040	7690835	49.94	60	-55	180
MLRC099	608680	7690734	50.00	72	-55	360
MLRC100	608090	7690850	49.30	84	-55	180
MLRC101	608140	7690740	50.00	36	-60	180
MLRC102	608190	7690727	49.96	42	-55	180
MLRC103	608190	7690745	49.96	60	-55	180
MLRC104	608240	7690745	49.93	54	-55	180
MLRC105	608290	7690745	49.92	54	-55	180
MLRC106	608490	7690748	50.01	102	-55	180
MLRC107	608390	7690830	49.81	54	-60	180
MLRC108	608390	7690900	49.79	66	-55	180
MLRC109	608390	7690940	49.78	60	-58	180
MLRC110	609190	7690945	49.61	72	-62	180
MLRC111	609190	7690967	49.52	96	-62	180
MLRC112	609240	7690956	49.81	66	-60	180
MLRC113	609240	7690977	49.76	84	-60	180
MLRC114	610290	7690795	50.00	54	-60	180
MLRC115	609290	7691020	49.65	162	-60	180
MLRC116	609340	7690960	49.60	78	-55	180
MLRC117	609340	7690980	49.74	102	-55	180
MLRC118	609390	7690954	49.77	78	-58	180
MLRC119	609390	7690975	49.69	114	-60	180
MLRC120	609440	7690950	49.92	78	-55	180
MLRC121	609440	7690970	49.85	96	-55	180
MLRC122	609490	7690930	49.94	110	-55	180
MLRC123	609540	7690940	49.68	142	-58	180
MLRC124	609540	7690980	49.64	174	-55	180
MLRC125	609540	7690860	49.79	90	-58	180
MLRC126	609540	7690900	49.85	120	-58	180
MLRC127	609590	7690845	49.81	54	-58	180
MLRC128	609590	7690930	49.80	104	-63	180
MLRC129	609590	7690960	49.77	138	-63	180
MLRC130	609640	7690850	49.88	66	-58	180
MLRC131	609640	7690890	49.89	102	-58	180
MLRC132	609640	7690930	49.90	156	-58	180
MLRC133	609690	7690755	49.98	96	-58	180
MLRC134	609690	7690853	49.96	72	-63	180
MLRC135	609740	7690745	50.00	48	-58	180
MLRC136	609740	7690813	49.95	42	-55	180
MLRC137	609740	7690833	49.95	72	-55	180
MLRC138	609790	7690765	50.00	66	-55	180
MLRC139	609790	7690815	49.94	78	-55	180
MLRC140	609840	7690760	50.00	60	-60	180
MLRC141	609940	7690760	50.00	60	-60	180
MLRC142	609990	7690775	49.99	108	-55	180
MLRC143	610040	7690880	49.78	78	-55	180
MLRC144	610090	7690835	50.00	36	-60	180
MLRC145	610140	7690830	49.93	60	-55	180
MLRC146	610140	7690850	49.91	78	-58	180
MLRC147	610390	7690845	49.83	102	-58	180
MLRC148	610390	7690925	49.96	102	-58	180
MLRC149	610390	7690965	50.15	102	-58	180
MLRC150	610440	7690900	49.91	150	-58	180
MLRC151	610490	7690860	49.86	120	-63	180
MLRC152	610540	7690815	50.00	78	-63	180
MLRC153	610540	7690835	50.00	66	-63	180
MLRC154	610890	7691100	50.00	72	-58	180
MLRC155	610890	7691140	50.00	72	-58	180

Table 2 Significant Intersections (>4m @ 0.5g/t Au)

HoleID	DepthFrom	DepthTo	Width	Au (g/t)	Sample Type	Lode
MLRC082	24	36	12	1.40	RC_4mComp	Mall_AA
MLRC083	0	4	4	0.79	RC_4mComp	Mall_AA
MLRC083	32	36	4	0.65	RC_4mComp	Mall_AA
MLRC084	12	28	16	0.58	RC_4mComp	Mall_01
incl	12	16	4	1.01	RC_4mComp	Mall_01
MLRC085	24	28	4	0.54	RC_4mComp	Mall_AA
MLRC085	52	54	2	0.50	RC_2mComp	Mall_AA
MLRC087	48	60	12	0.69	RC_4mComp	Mall_AA
incl	48	52	4	1.25	RC_4mComp	Mall_AA
MLRC088	52	60	8	0.63	RC_4mComp	Mall_AA
MLRC089	44	56	12	0.73	RC_4mComp	Mall_AA
incl	44	48	4	1.18	RC_4mComp	Mall_AA
MLRC090	0	4	4	0.77	RC_4mComp	Mall_AA
MLRC090	28	32	4	0.64	RC_4mComp	Mall_AA
MLRC090	80	100	20	3.11	RC_4mComp	Mall_AA
incl	88	96	8	6.79	RC_4mComp	Mall_AA
MLRC091	12	28	16	0.71	RC_4mComp	Mall_AA
incl	12	16	4	1.34	RC_4mComp	Mall_AA
MLRC091	36	40	4	4.54	RC_4mComp	Mall_AA
MLRC092	88	90	2	0.56	RC_2mComp	Mall_AA
MLRC094	56	64	8	0.88	RC_4mComp	Mall_01
MLRC096	36	40	4	2.09	RC_4mComp	Mall_02
MLRC101	0	20	20	0.68	RC_4mComp	Mall_02
incl	4	8	4	1.08	RC_4mComp	Mall_02
MLRC103	16	24	8	0.53	RC_4mComp	Mall_02
MLRC105	8	16	8	1.48	RC_4mComp	Mall_02
MLRC106	36	44	8	0.55	RC_4mComp	Mall_02
MLRC106	80	84	4	2.88	RC_4mComp	Mall_02
MLRC106	96	100	4	0.98	RC_4mComp	Mall_02
MLRC110	48	60	12	1.47	RC_4mComp	Mall_04
MLRC111	76	84	8	2.57	RC_4mComp	Mall_04
MLRC112	4	16	12	2.67	RC_4mComp	Mall_04
MLRC112	32	44	12	0.53	RC_4mComp	Mall_04
incl	32	36	4	1.05	RC_4mComp	Mall_04
MLRC113	24	44	20	0.77	RC_4mComp	Mall_04
incl	32	40	8	1.25	RC_4mComp	Mall_04
MLRC114	4	12	8	0.68	RC_4mComp	Mall_07
MLRC115	96	100	4	3.96	RC_4mComp	Mall_04
MLRC115	112	124	12	1.58	RC_4mComp	Mall_04
MLRC116	0	16	16	1.06	RC_4mComp	Mall_04
MLRC116	32	48	16	1.00	RC_4mComp	Mall_04
MLRC116	56	72	16	0.57	RC_4mComp	Mall_04
MLRC117	8	12	4	0.50	RC_4mComp	Mall_04
MLRC117	56	68	12	0.74	RC_4mComp	Mall_04
incl	56	60	4	1.26	RC_4mComp	Mall_04
MLRC118	8	56	48	1.00	RC_4mComp	Mall_04
incl	24	28	4	5.19	RC_4mComp	Mall_04
MLRC119	32	40	8	0.75	RC_4mComp	Mall_04
MLRC119	76	80	4	0.73	RC_4mComp	Mall_04
MLRC120	28	44	16	0.82	RC_4mComp	Mall_04
MLRC121	32	72	40	1.51	RC_4mComp	Mall_04
incl	52	64	12	3.18	RC_4mComp	Mall_04
MLRC121	84	88	4	1.44	RC_4mComp	Mall_04
MLRC122	40	48	8	0.69	RC_4mComp	Mall_04
MLRC123	24	32	8	0.75	RC_4mComp	Mall_04
MLRC123	76	112	36	1.43	RC_4mComp	Mall_04
incl	88	100	12	2.97	RC_4mComp	Mall_04

Table 2 Significant Intersections (continued)

HoleID	DepthFrom	DepthTo	Width	Au (g/t)	Sample Type	Lode
MLRC124	20	24	4	0.66	RC_4mComp	Mall_04
MLRC124	32	36	4	2.76	RC_4mComp	Mall_04
MLRC124	56	76	20	0.60	RC_4mComp	Mall_04
incl	68	72	4	1.27	RC_4mComp	Mall_04
MLRC124	116	148	32	0.83	RC_4mComp	Mall_04
incl	140	148	8	1.45	RC_4mComp	Mall_04
MLRC125	48	56	8	0.51	RC_4mComp	Mall_05
MLRC125	72	80	8	1.53	RC_4mComp	Mall_05
incl	72	76	4	2.74	RC_4mComp	Mall_05
MLRC126	108	116	8	6.76	RC_4mComp	Mall_05
MLRC127	20	48	28	0.60	RC_4mComp	Mall_05
MLRC128	24	28	4	0.57	RC_4mComp	Mall_04
MLRC128	60	64	4	1.00	RC_4mComp	Mall_04
MLRC128	100	104	4	1.17	RC_4mComp	Mall_04
MLRC129	28	32	4	0.93	RC_4mComp	Mall_04
MLRC129	100	104	4	0.54	RC_4mComp	Mall_04
MLRC129	116	128	12	0.77	RC_4mComp	Mall_04
MLRC129	136	138	2	0.51	RC_2mComp	Mall_04
MLRC132	84	88	4	0.72	RC_4mComp	Mall_04
MLRC133	60	68	8	1.70	RC_4mComp	Mall_06
MLRC133	84	92	8	0.95	RC_4mComp	Mall_06
MLRC136	12	16	4	0.53	RC_4mComp	Mall_05
MLRC138	20	28	8	1.17	RC_4mComp	Mall_06
MLRC149	68	72	4	2.03	RC_4mComp	Mall_08
MLRC150	72	76	4	1.87	RC_4mComp	Mall_08
MLRC150	84	120	36	0.59	RC_4mComp	Mall_08
incl	112	116	4	1.64	RC_4mComp	Mall_08
MLRC151	0	24	24	0.64	RC_4mComp	Mall_08
incl	0	4	4	1.43	RC_4mComp	Mall_08
MLRC151	112	120	8	0.92	RC_4mComp	Mall_08
MLRC153	0	4	4	0.63	RC_4mComp	Mall_08
MLRC154	28	32	4	1.18	RC_4mComp	Mall_09

Table JORC Code, 2012 Edition

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 • All holes sampled on both a 1m and nominal 4m composite basis over the entire length of the hole. 4m composite samples were submitted for analysis for all intervals. Where assays over 0.2g/t Au were received for 4m composite sample results, 1m samples were then submitted for these zones. • Both the 4m and 1m samples were taken from a cone splitter mounted on the drill rig cyclone. The cyclone was calibrated to provide a continuous sample volume accordingly to sample length • Each 4m and 1m sample ranges from a typical 2.5-3.5kg • The independent laboratory then takes the sample and pulverises the entire sample for analysis as described below
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.).*	• All drill holes are Reverse Circulation(RC) 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.*	• All samples were visually assessed for recovery. • Samples are considered representative with good recoveries. Only a small percentage of samples were considered low recovery primarily due to change of rods when a small amount of wet sample occurred. • 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*	• Consultant geologists logged each hole and supervised all sampling. • The sample results are appropriate for a resource estimation. The 1m sample results are considered

Criteria	JORC Code explanation	Commentary
	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 preferred sample to use in the resource estimation for more accurate definition of lodes
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.*	• The sampling of the RC sample was carried out by a cone splitter on the rig cyclone and drill cuttings were sampled on a 1m and 4m composite basis. • Independent standard reference material was inserted approximately every 20 samples • Duplicate samples were taken approximately every 60 samples for 1m resplits • The samples are considered representative and appropriate for this type of drilling and for use in a future 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. • Each sample was dried, crushed and pulverised. • Au was analysed by a 50gm charge Fire assay fusion technique with a AAS finish • The techniques are considered quantitative in nature. • As discussed previously standards and duplicates samples 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 entered and then checked by a second company geologist • 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*	• Drill hole collar locations are located by hand held GPS to an accuracy of +/-3m. • Locations are given in GDA94 zone 50 projection • Diagrams and location table are provided in the

Criteria	JORC Code explanation	Commentary
	Mineral Resource estimation. • *Specification of the grid system used.* • *Quality and adequacy of topographic control.*	report
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.*	• The RC drilling is on a nominal 50m x 20m up to 100m x 40m grid. • All holes have been geologically logged and provide a strong basis for geological control and continuity of mineralisation • Sample result and logging will provide strong support for the results to be used in a resource estimate
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 approximately perpendicular to the strike of mineralisation 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 will be allowed for in resource estimates 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 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.*	• The drilling is on E47/3504 which is located approximately 80km south of Port Hedland. The tenement is held by Indee Gold Pty Ltd, which De Grey mining has an option to purchase 100%. De Grey has the right to acquire Indee Gold for payment of $15M by July 2018.
Exploration done by other parties	• *Acknowledgment and appraisal of exploration by other parties.*	• The Mallina prospect includes small scale historic mining and has had previous drilling undertaken over a period of many years. Most previous work was completed by Resolute and NWAM. Historic drill intercepts were previously reported in ASX release "Acquisition of Indee Gold provides scale and development momentum" dated 9 February 2017.
Geology	• *Deposit type, geological setting and style of mineralisation.*	• The mineralisation targeted is hydrothermally emplaced and sediment/quartz hosted gold mineralisation within a shear zone and is similar in

Criteria	JORC Code explanation	Commentary
		style to many other Western Australian gold deposits.
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 does not detract from the understanding of the report, the Competent Person should clearly explain why this is the case.*	• Drill hole location and directional information provide in the report.
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 0.3g/t gold with an internal dilution of 4m maximum. Intervals over 0.5g/t Au are reported. • Intercepts are length weighted averaged. • No maximum cuts have been made.
Relationship between mineralisa-tion 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 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 are provided in the report. Appropriate sections will be provided in upcoming reports when all results have been received and interpretations finalised.
Balanced reporting	• *Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low*	• This report provides the 4m composite assay results for the first 74 holes of a 90 hole program. Further updates will be provided when additional

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	and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results.	assay results have been received. • 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.*	• Limited test work on metallurgical and geotechnical characteristics has been completed.
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.*	• The company plans to complete detailed wireframes of geology and mineralisation prior to updating the resource estimation. • Metallurgical testwork to determine possible recoveries will be carried out at an appropriate stage • Further drilling will be assessed on receipt of all results and completion of geological wireframing and interpretation.