

ASX Announcement
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Mallina confirms potential with new discovery

Highlights

- **New discovery - Central Zone - confirmed at Mallina**
- **Mineralisation from surface providing open pit potential**
- **Multiple stacked lodes, most remain open**
- **Resource estimate underway**
- **Mineralisation extends over 3km strike length**
- **Strong potential for future resource extensions**

Significant RC drill results include:

Central Zone

15m @ 1.68g/t Au from 45m in MLRC110

13m @ 2.35g/t Au from 3m in MLRC112

(incl **6m @ 4.06g/t Au** from 4m)

14m @ 1.56g/t Au from 112m in MLRC115

37m @ 1.73g/t Au from 33m in MLRC121

(incl **12m @ 3.54g/t Au** from 52m)

19m @ 1.85g/t Au from 84m in MLRC123

(incl **7m @ 3.85g/t Au** from 91m)

12m @ 1.86g/t Au from 2m in MLRC164

10m @ 6.09g/t Au from 107m in MLRC126

10m @ 2.79g/t Au from 20m in MLRC138

(incl **1m @ 18.95g/t Au** from 25m)

Alfred Argyle

18m @ 1.10g/t Au from 21m in MLRC082

21m @ 2.44g/t Au from 80m in MLRC090

(incl **8m @ 5.30g/t Au** from 88m)

12m @ 1.16g/t Au from 13m in MLRC091

4m @ 3.84g/t Au from 36 in MLRC091

Mallina Lode 8

7m @ 2.35g/t Au from 69m in MLRC149

6m @ 4.19g/t Au from 16m in MLRC151

8m @ 2.61g/t Au from 112m in MLRC151

Note: Down hole widths do not necessarily reflect true widths.

Mallina RC Drilling Update

De Grey Mining Ltd (ASX: DEG, “De Grey” “Company”) is pleased to report that final assay results from all 1m resplit samples have been received from the 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. The Company is currently progressing a pre-feasibility study on the recommencement of gold mining at the project.

De Grey is targeting a minimum 7 year mine life (base case) for a proposed stand-alone 1Mtpa processing plant. Mallina’s location and initial results confirm it as a high priority resource target with strong potential to add additional shallow open pit gold resources to the project’s existing 1.0Moz resources (JORC 2012). The recent scoping study completed by De Grey has highlighted significant financial gains are to be expected with the addition of further mine life (ASX release “Positive Scoping Study completed at Pilbara Gold Project”, dated 4 August 2017).

Maiden Resource Estimate underway.

De Grey recently completed a 90 hole RC drilling program at Mallina for 7,588m (Figure 2) following-up previously defined wide-spaced gold zones along the 3.2km east-trending Mallina structural corridor. The drilling tested specific zones of mineralisation to a nominal 100m vertical depth on 50m spaced lines. A maiden resource estimate for Mallina is now underway.

Gold mineralisation and associated alteration zones occur as linear multiple stacked lodes hosted within metasediments. The strongest gold results were defined in the Central Area (Lode 4) comprising robust and continuous broad intercepts over a 600m strike length. Lode 4 remains open in all directions, as do many of the other lodes (Figure 2-5).

Broad zones of shallow gold mineralisation were intersected, typically defined by 8 - 40m downhole widths of potentially mineable gold grades (1 - 2g/t Au), hosting narrower and higher-grade zones in the 3 - 7g/t Au range (Table 1).

The gold is intimately associated with quartz veining, carbonate and sulphide alteration, in places 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 many lodes open along strike and at depth, 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, further to the east.

Further significant results were also received from several other areas, including Alfred Argyle, beneath the historic workings and Central Area Lodes 5, 6 and 8 (Figures 2 - 5). Significant downhole gold intersections from each area are summarised below with a complete list provided in Table 2.

Central Lode 4

15m @ 1.68g/t Au from 45m in MLRC110
13m @ 2.35g/t Au from 3m in MLRC112
(incl **6m @ 4.06g/t Au** from 4m)
14m @ 1.56g/t Au from 112m in MLRC115
11m @ 1.09g/t Au from 3m in MLRC116
15m @ 1.28g/t Au from 34m in MLRC116
35m @ 1.01g/t Au from 10m in MLRC118
(incl **3m @ 3.79g/t Au** from 24m)
37m @ 1.73g/t Au from 33m in MLRC121
(incl **12m @ 3.54g/t Au** from 52m)
19m @ 1.85g/t Au from 84m in MLRC123
(incl **7m @ 3.85g/t Au** from 91m)
30m @ 1.06g/t Au from 118m in MLRC124
24m @ 1.06g/t Au from 61m in MLRC160
12m @ 1.86g/t Au from 2m in MLRC164
17m @ 1.15g/t Au from 23m in MLRC164
(incl **3m @ 4.18g/t Au** from 23m)

Central Lode 5

10m @ 6.09g/t Au from 107m in MLRC126

Central Lode 6

10m @ 2.79g/t Au from 20m in MLRC138
(incl **1m @ 18.95g/t Au** from 25m)

Alfred Argyle

18m @ 1.10g/t Au from 21m in MLRC082
21m @ 2.44g/t Au from 80m in MLRC090
(incl **8m @ 5.30g/t Au** from 88m)
12m @ 1.16g/t Au from 13m in MLRC091
4m @ 3.84g/t Au from 36 in MLRC091

Mallina Lode 8

7m @ 2.35g/t Au from 69m in MLRC149
6m @ 4.19g/t Au from 16m in MLRC151
8m @ 2.61g/t Au from 112m in MLRC151

Note: Down hole widths do not necessarily reflect true widths.

Andy Beckwith, Operations Manager, commented;

“The new drilling results at Mallina are very pleasing and highlight the potential of this large system. We expect the maiden resource estimate to be completed in the coming weeks.

Essentially all the lodes remain open with multiple stacked lodes providing substantial upside with future drilling.

Our recent Scoping Study clearly provides an encouraging basis for ongoing feasibility work and we can see Mallina will become an integral part of an expanded mine life as we step through the resource estimation, pit optimisations and metallurgical studies over the coming few months.”

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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.*

Figure 1 Pilbara Gold Project location plan

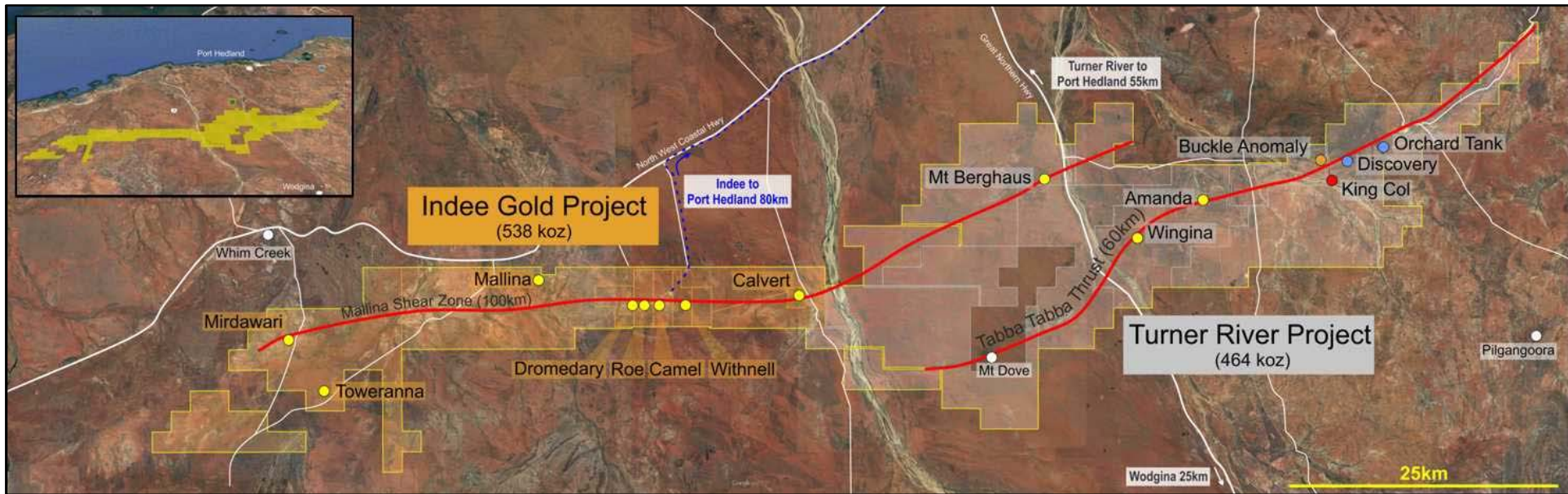


Figure 2 Mallina collar plan

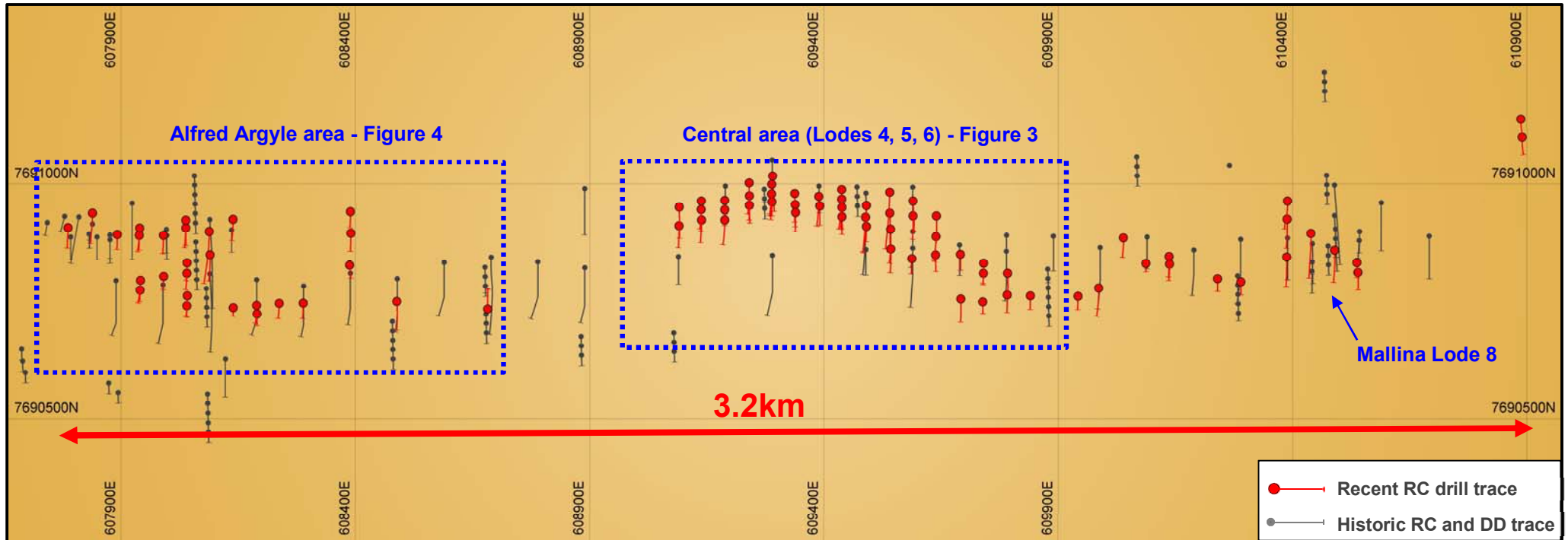


Figure 3 Mallina – Central area collar plan with intercepts >10gm

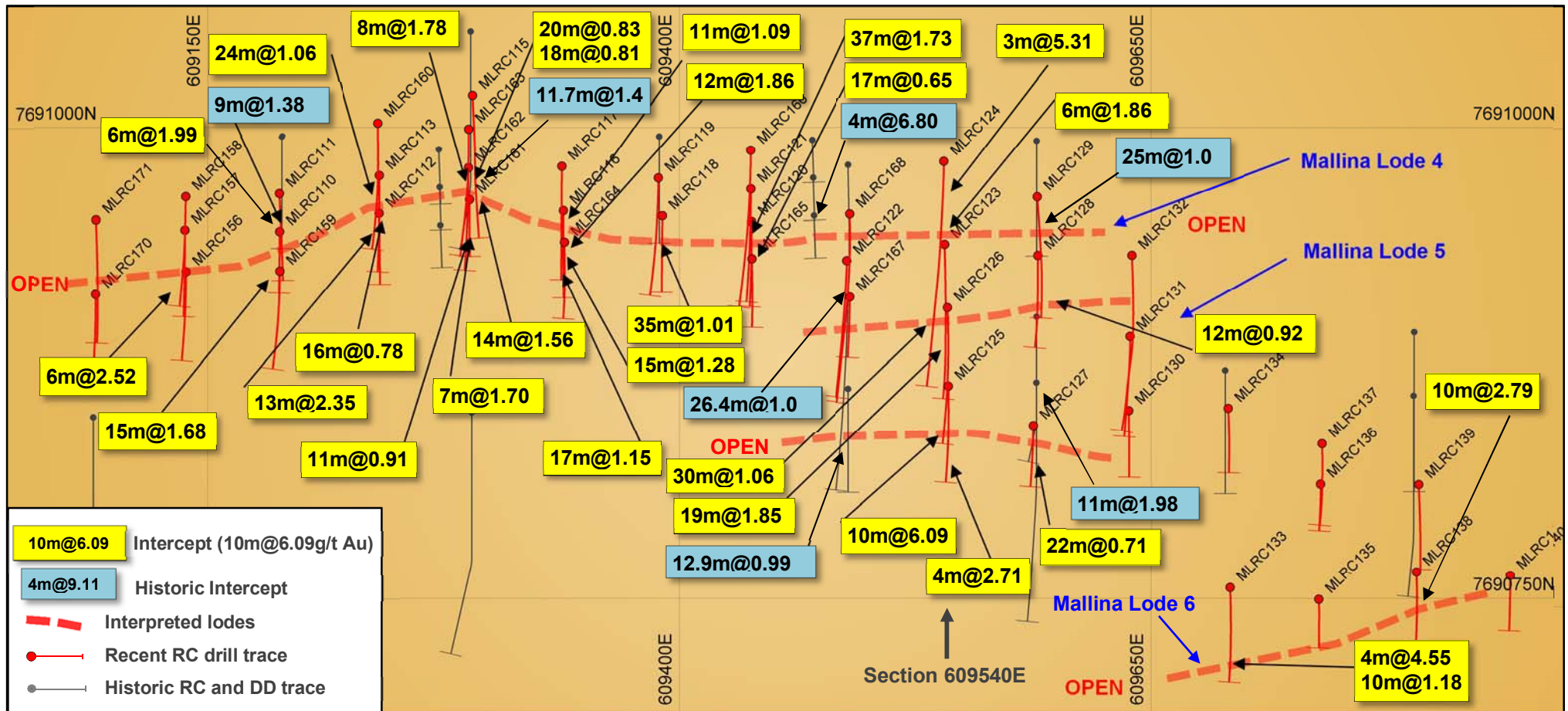


Figure 4 Mallina – Alfred Argyle area collar plan with intercepts >10gm

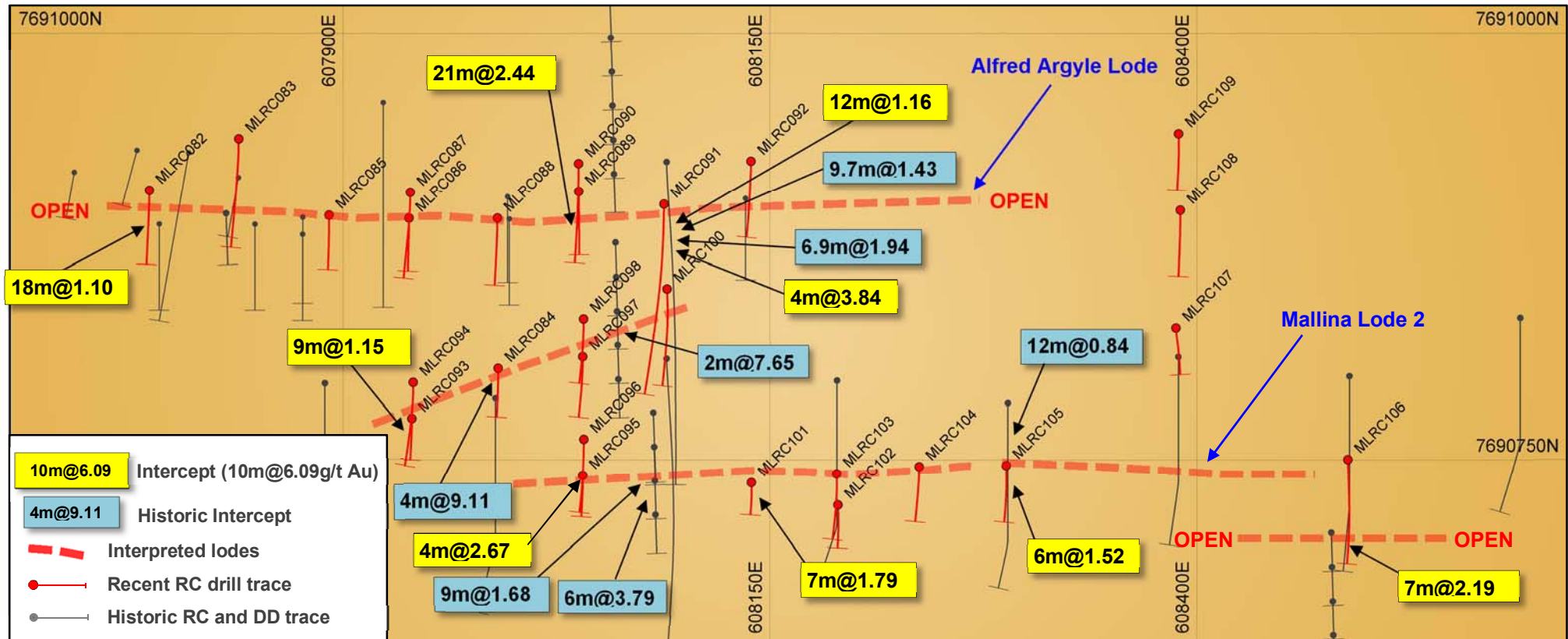


Figure 5 Mallina – Cross Section 609540E

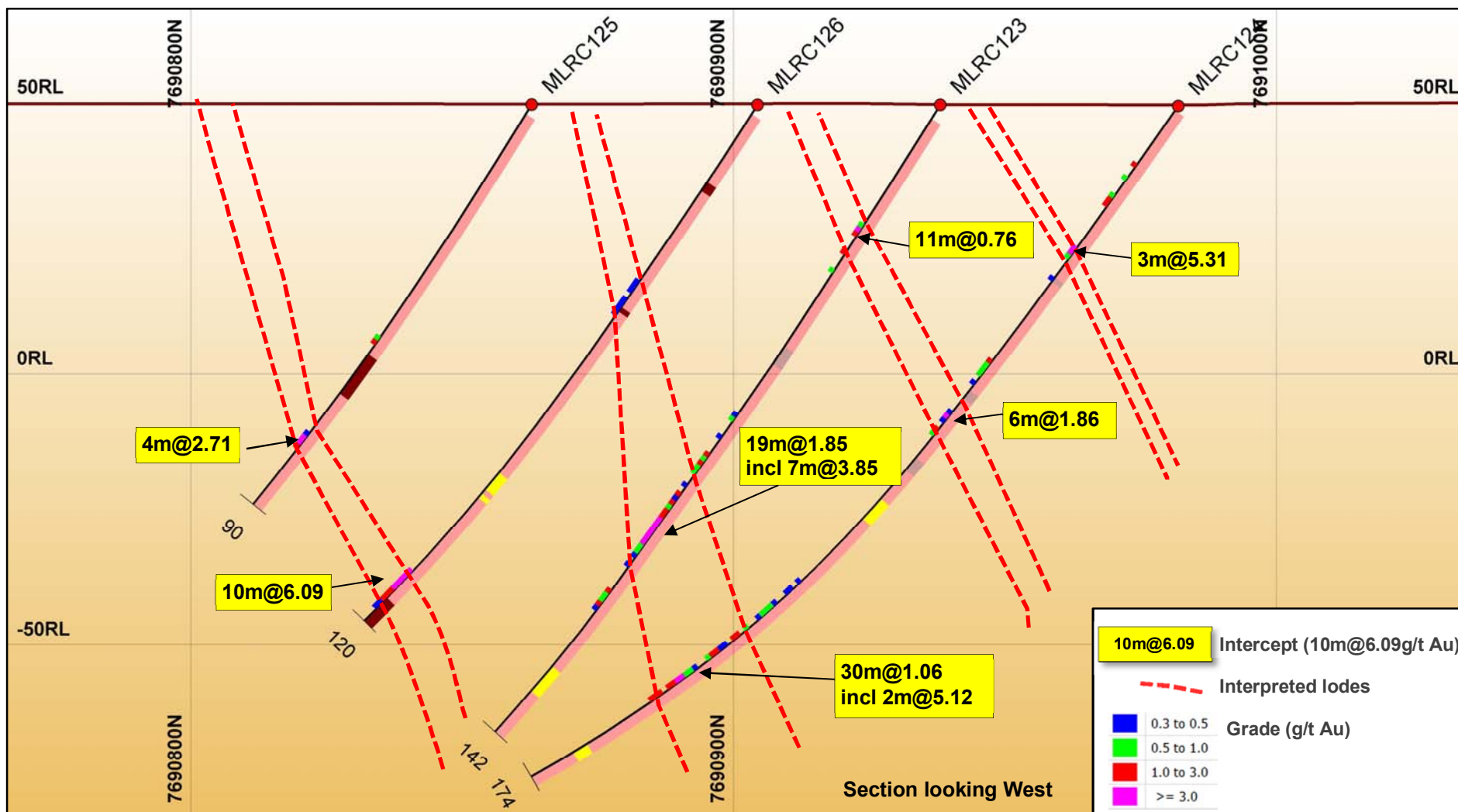


Table 1 Significant Intersections

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)
MLRC082	21	39	18	1.10	607787	7690908	50	-55	180
MLRC083	2	4	2	2.36	607839	7690938	50	-60	180
MLRC083	33	36	3	1.12	607839	7690938	50	-60	180
MLRC084	15	17	2	1.93	607991	7690804	50	-60	180
MLRC085	26	34	8	0.51	607892	7690893	50	-55	180
MLRC087	47	53	6	1.00	607939	7690907	49	-55	180
MLRC088	53	60	7	0.70	607990	7690892	49	-55	180
MLRC089	44	54	10	0.83	608038	7690907	49	-55	180
MLRC090	0	3	3	2.58	608038	7690923	49	-55	180
MLRC090	28	33	5	0.73	608038	7690923	49	-55	180
MLRC090	80	101	21	2.44	608038	7690923	49	-55	180
incl	88	96	8	5.30	608038	7690923	49	-55	180
MLRC091	13	25	12	1.16	608088	7690900	49	-55	180
incl	15	19	4	2.29	608088	7690900	49	-55	180
MLRC091	36	40	4	3.84	608088	7690900	49	-55	180
MLRC094	54	63	9	1.15	607941	7690795	50	-55	180
MLRC096	36	40	4	2.67	608041	7690762	49	-55	180
incl	38	39	1	7.50	608041	7690762	49	-55	180
MLRC101	3	12	9	0.60	608139	7690737	50	-60	178
MLRC101	17	24	7	1.79	608139	7690737	50	-60	178
incl	17	20	3	3.71	608139	7690737	50	-60	178
MLRC103	18	24	6	0.60	608189	7690742	50	-55	178
MLRC105	10	16	6	1.52	608288	7690747	50	-55	178
MLRC106	38	43	5	0.58	608488	7690750	50	-55	178
MLRC106	80	87	7	2.19	608488	7690750	50	-55	178
incl	81	83	2	5.97	608488	7690750	50	-55	178
MLRC106	98	100	2	2.73	608488	7690750	50	-55	178
MLRC109	8	12	4	0.63	608389	7690941	49	-58	180
MLRC110	45	60	15	1.68	609188	7690945	49	-63	178
incl	49	53	4	2.80	609188	7690945	49	-63	178
MLRC111	77	83	6	1.99	609188	7690965	49	-60	178
MLRC112	3	16	13	2.35	609241	7690954	49	-55	178
incl	4	10	6	4.06	609241	7690954	49	-55	178
MLRC112	33	43	10	0.77	609241	7690954	49	-55	178
incl	34	35	1	3.06	609241	7690954	49	-55	178
MLRC113	3	8	5	0.99	609241	7690974	49	-55	180
MLRC113	29	45	16	0.78	609241	7690974	49	-55	180
MLRC114	5	12	7	0.91	610290	7690792	50	-60	178
MLRC115	94	102	8	1.78	609290	7691017	49	-62	178
incl	97	99	2	5.63	609290	7691017	49	-62	178
MLRC115	112	126	14	1.56	609290	7691017	49	-62	178
incl	115	120	5	3.40	609290	7691017	49	-62	178
MLRC115	135	139	4	1.13	609290	7691017	49	-62	178
MLRC116	3	14	11	1.09	609339	7690956	49	-55	180
MLRC116	34	49	15	1.28	609339	7690956	49	-55	180

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)
incl	40	43	3	2.55	609339	7690956	49	-55	180
MLRC116	58	72	14	0.54	609339	7690956	49	-55	180
MLRC117	55	68	13	0.57	609338	7690979	49	-55	180
MLRC118	10	45	35	1.01	609391	7690953	50	-58	180
incl	24	27	3	3.79	609391	7690953	50	-58	180
MLRC119	35	38	3	2.07	609389	7690973	49	-60	180
MLRC119	77	82	5	1.07	609389	7690973	49	-60	180
MLRC120	27	44	17	0.65	609438	7690950	49	-55	180
MLRC121	33	70	37	1.73	609438	7690967	49	-55	180
incl	52	64	12	3.54	609438	7690967	49	-55	180
MLRC121	83	88	5	1.03	609438	7690967	49	-55	180
MLRC122	39	48	9	0.63	609489	7690929	50	-55	180
MLRC123	26	37	11	0.76	609541	7690938	50	-58	178
MLRC123	73	82	9	0.56	609541	7690938	50	-58	178
MLRC123	84	103	19	1.85	609541	7690938	50	-58	178
incl	91	98	7	3.85	609541	7690938	50	-58	178
MLRC123	108	113	5	0.93	609541	7690938	50	-58	178
MLRC124	16	23	7	0.70	609540	7690982	49	-55	180
MLRC124	32	35	3	5.31	609540	7690982	49	-55	180
MLRC124	58	64	6	0.58	609540	7690982	49	-55	180
MLRC124	70	76	6	1.86	609540	7690982	49	-55	180
incl	71	72	1	8.45	609540	7690982	49	-55	180
MLRC124	118	148	30	1.06	609540	7690982	49	-55	180
incl	140	142	2	5.12	609540	7690982	49	-55	180
MLRC125	51	53	2	1.27	609543	7690863	50	-58	179
MLRC125	73	77	4	2.71	609543	7690863	50	-58	179
MLRC126	107	117	10	6.09	609542	7690904	50	-58	179
incl	107	113	6	9.54	609542	7690904	50	-58	179
MLRC127	21	43	22	0.71	609588	7690842	50	-55	180
MLRC128	6	11	5	0.54	609590	7690932	50	-63	180
MLRC128	27	29	2	1.45	609590	7690932	50	-63	180
MLRC128	102	104	2	1.42	609590	7690932	50	-63	180
MLRC129	28	34	6	0.83	609590	7690963	50	-63	178
MLRC129	101	103	2	1.23	609590	7690963	50	-63	178
MLRC129	116	128	12	0.92	609590	7690963	50	-63	178
MLRC132	84	86	2	1.63	609640	7690932	50	-58	178
MLRC133	62	66	4	4.55	609692	7690756	50	-58	178
incl	64	65	1	15.70	609692	7690756	50	-58	178
MLRC133	86	96	10	1.18	609692	7690756	50	-58	178
incl	86	90	4	2.55	609692	7690756	50	-58	178
MLRC136	12	23	11	0.57	609740	7690811	50	-55	178
MLRC138	20	30	10	2.79	609791	7690764	50	-55	178
incl	25	26	1	18.95	609791	7690764	50	-55	178
MLRC149	69	76	7	2.35	610389	7690963	49	-58	178
incl	70	72	2	7.10	610389	7690963	49	-58	178
MLRC150	72	75	3	1.83	610439	7690896	49	-58	178
MLRC150	100	109	9	0.78	610439	7690896	49	-58	178

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)
MLRC150	113	118	5	1.42	610439	7690896	49	-58	178
MLRC151	1	11	10	1.11	610490	7690860	50	-63	178
incl	2	4	2	3.54	610490	7690860	50	-63	178
MLRC151	16	22	6	4.19	610490	7690860	50	-63	178
incl	21	22	1	20.90	610490	7690860	50	-63	178
MLRC151	112	120	8	2.61	610490	7690860	50	-63	178
incl	118	119	1	9.19	610490	7690860	50	-63	178
MLRC152	59	64	5	0.72	610539	7690812	50	-63	178
MLRC154	28	32	4	0.70	610890	7691100	50	-58	179
MLRC156	11	17	6	2.52	609139	7690924	49	-55	180
incl	11	12	1	13.40	609139	7690924	49	-55	180
MLRC157	5	8	3	1.52	609138	7690946	49	-58	180
MLRC157	26	29	3	2.01	609138	7690946	49	-58	180
MLRC157	33	39	6	0.87	609138	7690946	49	-58	180
MLRC159	10	19	9	0.68	609188	7690924	50	-60	180
MLRC160	6	7	1	2.92	609240	7691002	49	-58	180
MLRC160	61	85	24	1.06	609240	7691002	49	-58	180
MLRC161	23	30	7	1.70	609289	7690962	50	-55	180
MLRC162	60	71	11	0.91	609288	7690979	49	-58	180
MLRC162	75	84	9	0.67	609288	7690979	49	-58	180
MLRC162	88	94	6	0.78	609288	7690979	49	-58	180
MLRC163	35	55	20	0.83	609288	7690999	49	-60	180
MLRC163	59	77	18	0.81	609288	7690999	49	-60	180
MLRC164	2	14	12	1.86	609339	7690939	50	-57	180
incl	8	10	2	5.80	609339	7690939	50	-57	180
MLRC164	23	40	17	1.15	609339	7690939	50	-57	180
incl	23	26	3	4.18	609339	7690939	50	-57	180
MLRC165	5	9	4	1.54	609438	7690930	49	-57	180
MLRC166	94	100	6	0.60	609438	7690988	49	-57	180
MLRC166	116	118	2	1.44	609438	7690988	49	-57	180
MLRC168	36	40	4	1.16	609490	7690954	50	-58	179
MLRC168	62	66	4	0.79	609490	7690954	50	-58	179
MLRC168	86	98	12	0.63	609490	7690954	50	-58	179
MLRC170	54	58	4	0.84	609091	7690912	49	-57	179
MLRC171	6	17	11	0.58	609091	7690951	49	-58	179
MLRC171	22	23	1	4.22	609091	7690951	49	-58	179

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	<ul style="list-style-type: none"> 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. 	<ul style="list-style-type: none"> 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	<ul style="list-style-type: none"> 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.). 	<ul style="list-style-type: none"> All drill holes are Reverse Circulation(RC) with a 5 1/2-inch bit and face sampling hammer.
Drill sample recovery	<ul style="list-style-type: none"> 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. 	<ul style="list-style-type: none"> 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	<ul style="list-style-type: none"> Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource 	<ul style="list-style-type: none"> 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
	<p><i>estimation, mining studies and metallurgical studies.</i></p> <ul style="list-style-type: none"> • <i>Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc.) photography.</i> • <i>The total length and percentage of the relevant intersections logged.</i> 	<p>the preferred sample to use in the resource estimation for more accurate definition of lodes</p>
Sub-sampling techniques and sample preparation	<ul style="list-style-type: none"> • <i>If core, whether cut or sawn and whether quarter, half or all core taken.</i> • <i>If non-core, whether riffled, tube sampled, rotary split, etc. and whether sampled wet or dry.</i> • <i>For all sample types, the nature, quality and appropriateness of the sample preparation technique.</i> • <i>Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.</i> • <i>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.</i> • <i>Whether sample sizes are appropriate to the grain size of the material being sampled.</i> 	<ul style="list-style-type: none"> • 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	<ul style="list-style-type: none"> • <i>The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.</i> • <i>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.</i> • <i>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.</i> 	<ul style="list-style-type: none"> • 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	<ul style="list-style-type: none"> • <i>The verification of significant intersections by either independent or alternative company personnel.</i> • <i>The use of twinned holes.</i> • <i>Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.</i> • <i>Discuss any adjustment to assay data.</i> 	<ul style="list-style-type: none"> • Sample results have been entered and then checked by a second geologist • Results have been uploaded into the company database (managed by independent consultants), checked and verified • No adjustments have been made to the assay data. • Results are reported on a length weighted basis
Location of data points	<ul style="list-style-type: none"> • <i>Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in</i> 	<ul style="list-style-type: none"> • Drill hole collar locations are located by Differential GPS to an accuracy of +/-20cm. • Locations are given in GDA94 zone 50 projection • Diagrams and location table are provided in the

Criteria	JORC Code explanation	Commentary
	<ul style="list-style-type: none"> Mineral Resource estimation. Specification of the grid system used. Quality and adequacy of topographic control. 	report
Data spacing and distribution	<ul style="list-style-type: none"> 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. 	<ul style="list-style-type: none"> 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	<ul style="list-style-type: none"> 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. 	<ul style="list-style-type: none"> 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	<ul style="list-style-type: none"> The measures taken to ensure sample security. 	<ul style="list-style-type: none"> Samples were collected by company personnel and delivered direct to the laboratory via a transport contractor
Audits or reviews	<ul style="list-style-type: none"> The results of any audits or reviews of sampling techniques and data. 	<ul style="list-style-type: none"> 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	<ul style="list-style-type: none"> 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. 	<ul style="list-style-type: none"> 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	<ul style="list-style-type: none"> Acknowledgment and appraisal of exploration by other parties. 	<ul style="list-style-type: none"> 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	<ul style="list-style-type: none"> Deposit type, geological setting and style of mineralisation. 	<ul style="list-style-type: none"> 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	<ul style="list-style-type: none"> • 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. 	<ul style="list-style-type: none"> • Drill hole location and directional information provide in the report.
Data aggregation methods	<ul style="list-style-type: none"> • 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. 	<ul style="list-style-type: none"> • Results are reported to a minimum cutoff grade of 0.3g/t gold with an internal dilution of 3m maximum. Intervals over 0.5g/t Au and 2gm metal content are reported. • Intercepts are length weighted averaged. • No maximum cuts have been made.
Relationship between mineralisation widths and intercept lengths	<ul style="list-style-type: none"> • 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'). 	<ul style="list-style-type: none"> • 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	<ul style="list-style-type: none"> • 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. 	<ul style="list-style-type: none"> • Plans and a cross section are provided in the report. Appropriate sections will be provided in upcoming reports when geological interpretations are finalised.
Balanced reporting	<ul style="list-style-type: none"> • Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low 	<ul style="list-style-type: none"> • All exploration results above 2gm metal for the recent RC program have been reported. • The report is considered balanced and provided in

Criteria	JORC Code explanation	Commentary
	<p><i>and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results.</i></p>	<p>context.</p>
<p>Other substantive exploration data</p>	<ul style="list-style-type: none"> <i>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.</i> 	<ul style="list-style-type: none"> Limited test work on metallurgical and geotechnical characteristics has been completed at this stage.
<p>Further work</p>	<ul style="list-style-type: none"> <i>The nature and scale of planned further work (e.g. tests for lateral extensions or depth extensions or large-scale step-out drilling).</i> <i>Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.</i> 	<ul style="list-style-type: none"> The company has engaged an independent consultant to complete a maiden resource estimate. Metallurgical testwork to determine possible recoveries will be carried out at an appropriate stage. Preliminary metallurgical testwork has been commenced. Further drilling will be assessed on completion of interpretation, geological wireframing and a resource estimate.