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De Grey executes Indee Gold Share Sale Agreement

Highlights

- **De Grey advances its Pilbara Gold Project Development plans by signing a detailed Share Sale Agreement to acquire Indee Gold**
- **Key commercial terms:**
 - Settlement deadline extended to 24 January 2019;
 - \$1.5M deposit paid on Sale Agreement execution;
 - \$13.4M remains payable on settlement, which includes a \$3M equity commitment; and
 - Ability to extend settlement a further 6 months (to 24 July 2019) by paying a further \$700,000 deposit (deductable from Settlement payment).
- **Acquisition of Indee Gold provides *the Pilbara Gold project* with:**
 - An additional 746,200oz in resource (total +1.2Moz)
 - Over 385km² of highly prospective tenure
 - Mining related infrastructure including a 20-man camp (expandable)
 - Loudens Patch, Steel Well and Jarret Well conglomerate targets
- **Pre-Feasibility activities to escalate over the coming months**

De Grey Chairman, Simon Lill, commented that:

“In early 2017, De Grey secured the right to evaluate the development potential in combining the Turner River and Indee Gold assets. Now just 12 months later after significant and successful exploration activities and scoping studies, the Company has committed to acquiring the Indee Gold Project.

The next 12-month goal is to advance detailed feasibility studies and commence approvals to establish the Pilbara’s next gold mining operation.”

De Grey Mining Limited (“De Grey”, “DEG”, “the Company”) is pleased to announce that it has executed a detailed Share Sale Agreement (“SSA”) on 9 February 2018 to acquire all the shares in Indee Gold Pty Ltd (“Indee Gold”) from current owner Northwest Non-Ferrous Australian Mining Limited (“NNAM”).

The execution confirms De Grey’s decision to acquire Indee Gold, which is integral to the consolidation of the overall Pilbara Gold Project ownership. On settlement, De Grey will own 100% of the growing +1.2Moz of established gold resources.

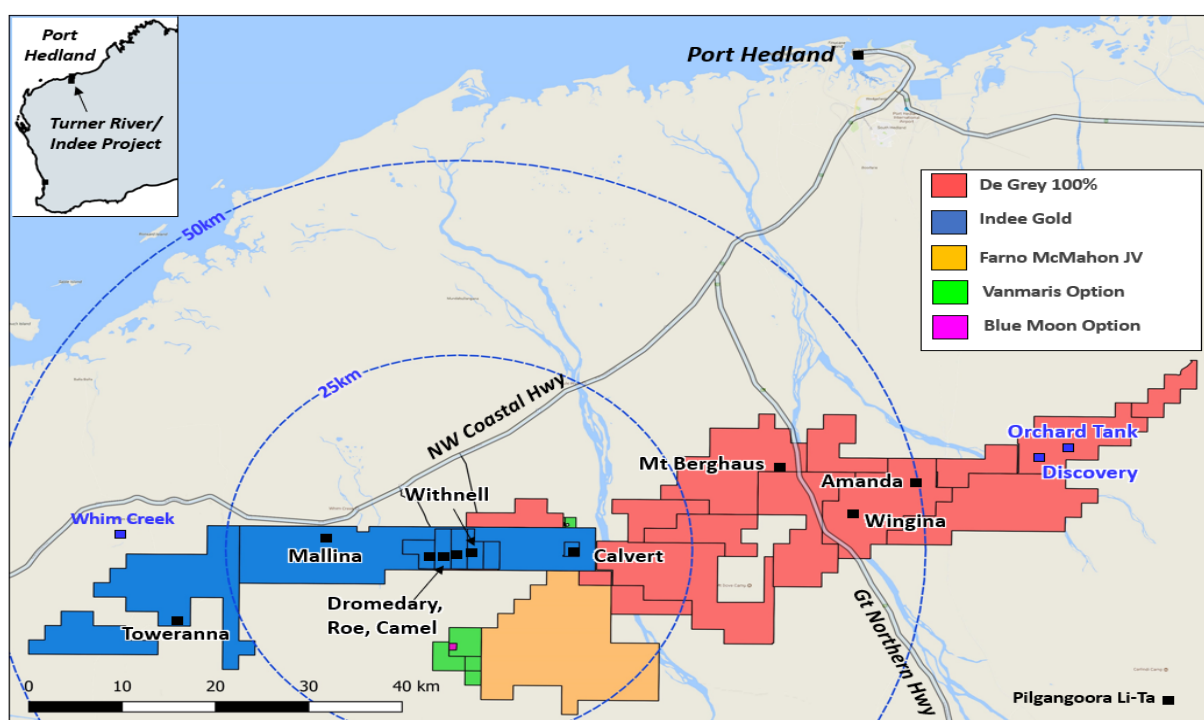
Share Sale Agreement – Acquisition Price

Under the executed Share Sale Agreement, the total acquisition price of A\$15 Million remains as per the initial Heads of Agreement, dated 24 January 2017 and ASX announced on 9 February 2017. It consists of payments made to date or payables as follows:

- Initial Exclusivity Fee of \$100,000 (paid in Jan 2017);
- Initial Deposit of \$1.5 Million (paid on SSA execution - 9 February 2018);
- \$10.4 Million to be paid on Settlement scheduled for 24 January 2019;
- \$3 Million of Consideration Shares (new *De Grey fully paid ordinary shares*) to be issued on Settlement (*The Company will seek shareholder approval for the issue of shares to NNAM*); and
- De Grey has the right to extend Settlement by 6 months to 24 July 2019 by payment of an Extension Deposit of \$700,000, before 24 January 2019, which would reduce the cash payable at Settlement to \$9.7 Million.

For more details on the SSA terms see ASX release of 30 January 2018 (*and includes settlement being conditional upon De Grey obtaining shareholder approval under listing rule 11.1.2*).

Figure 1 Pilbara Gold Project, showing the Indee Gold tenement areas in blue and the current De Grey 100% owned tenement areas in red.



Pilbara Gold Project

- the 100% De Grey owned Turner River Project gold assets and the Indee Gold project assets (De Grey to acquire), together with joint venture ground to the south of the Indee tenements. The acquisition of the Indee Gold Project forms a key pillar of De Grey’s overall development plan and provides the added resources and critical mass to advance towards future gold production.
- Over 1,300km² of highly prospective tenure, including granted mining leases, significant exploration upside along the 160km of mineralised regional shear zones and the recently identified conglomerate gold potential.
- Mining related infrastructure including a 20-man camp (expandable to 50 rooms) at the Indee Gold Project
- Defined JORC 2012 resources of +1.2Moz, with a large proportion of the shallow resources being well drilled and reporting to the measured and indicated categories with the deeper resources generally in the inferred category, as below:

Total Resource (JORC 2012)	23.88Mt @ 1.6g/t Au (1,210,000oz)
M & I (49%)	11.61Mt @ 1.6g/t Au (590,500oz)
Oxide (38%)	9.51Mt @ 1.5g/t Au (459,600oz)
Fresh (62%)	14.37Mt @ 1.6g/t Au (750,400oz)

(refer ASX release, “Pilbara Gold Project increases gold resources by >20% to over 1.2Moz” dated 28 September 2017, and the Company confirms that it is not aware of any new information or data that materially affects the information included in the market announcements, and there has been no material change)

- Since De Grey’s involvement from January 2017, the Indee Gold resource inventory has more than doubled to JORC 2012 compliant resources of 746,200oz, through inclusion of all previous Indee Gold drilling and additional drilling completed by De Grey. Current resources for both sub-projects are listed below and importantly all deposits remain open at depth and many remain open along strike.

Turner River Project	9.69Mt @ 1.5g/t Au (463,900oz)
Indee Gold Project	14.19Mt @ 1.6g/t Au (746,200oz)

- Positive scoping study results and the addition of a further 200,000oz in resources since the release of the scoping study results supports advancing to detailed PFS studies.
- Potential to discover new resources within the extensive tenement package (>1,300km²) is considered high and includes the new conglomerate gold style of mineralisation which has only recently been recognised within the Indee Gold project area.

For further information:

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