"1.4Moz and Growing"

ASX Announcement
15 November 2018

Diamond drilling confirms high grade Lithium, Caesium and Tantalum at King Col

- King Col diamond core results confirm earlier high grade lithium results:

  KDD002 11.9m @ 2.43% Li_2O

  within 27.3m @ 1.14% Li_2O from 12.7m

  Twin of RC hole KRC012 (17m @ 2.55% Li_2O from 13m).

  KDD001 11.5m @ 0.64% Li2O from 27m,

  Twin of RC hole KRC011 (8m @ 1.00% Li2O from 27m).

- Caesium mineralisation in the form of the very rare and high value pollucite mineral (partially oxidised) that forms in extremely differentiated LCT pegmatites. Results supports the previously reported discovery of 1m @ 8.63% in earlier RC drilling.

  0.9m @ 1.26% Cs_2O from 30.6m in KDD001 and

  1.0m @ 1.63% Cs_2O from 21.5m in KDD002

  Pollucite results occur in 2 holes 60m apart warrants further follow-up

- New high grade Tantalum mineralisation includes:

  4.3m @ 675ppm Ta2O5 from 34.2m in KDD001 and

  5.9m @ 468ppm Ta_2O5 from 21.5m in KDD002.

- Petalite, lepidolite, spodumene and pollucite identified in geological logging with petrology underway to verify.

- Drill core sent to the WA Geological Survey core library for Hylogger spectral scanning to determine mineralogy and distribution as part of the EIS project funding.

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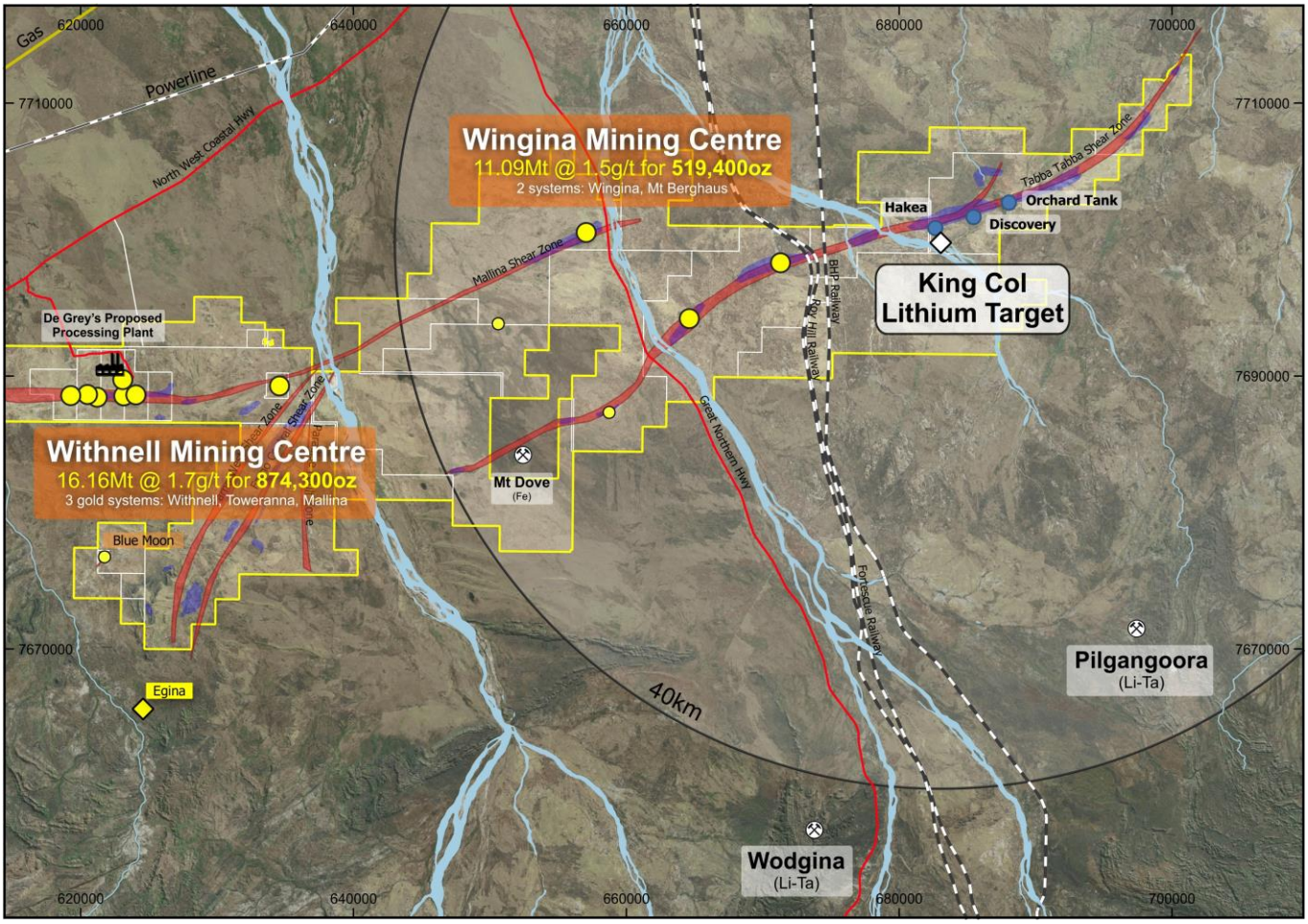
De Grey Mining Ltd (ASX: DEG, "De Grey" "Company") is pleased to announce results from the first two diamond holes drilled at the King Col Pegmatite prospect. This work is partially funded under the WA Government's Exploration Incentive Scheme (EIS) following the Company's successful application for drilling co-funding.

Background

The King Col Pegmatite is located on De Grey's 100% owned E45/2533, located approximately 50km south of Port Hedland, 35km north of the world class Pilgangoora Lithium-Tantalum Mine and 45km from the Wodgina Lithium Mine. The Tabba Tabba Tantalum Mine is located 20km away and within the same greenstone belt that hosts the King Col Pegmatite (*Figure 1*).

In October 2017, a limited scout RC drilling program of 22 shallow holes was undertaken to test portions of the previously defined 2km long lithium-in-soil anomaly. This drilling successfully intersected potentially economic widths of lithium rich mineralisation, including 17m @ 2.55% Li_2O from 13m depth and 8m @ 1.0% Li_2O from 27m depth. Previous petrological studies have confirmed the presence of the lithium-bearing mineral spodumene, in addition to petalite and lepidolite. Caesium rich mineralisation was also noted with 1m @ 8.63% Cs_2O% with pollucite identified in petrological thin section. Soil sampling in early 2018 has extended the overall lithium-related anomaly to over 7km in strike length.

Figure 1 King Col Location Plan



Diamond Drilling Program

Two diamond holes were completed at the south-western end of the 7.5km trend for a total of 132.4m. The holes were designed to twin existing RC holes KRC011 and KRC012 (*Figure 2*) in order to confirm lithium, tantalum and caesium grades and in particular to determine distribution and percentages of lithium bearing minerals.

Diamond drilling confirmed the previous RC drilling results (1m @ 8.63% Cs_2O in KRC011), with

KDD001 returning 11.5m @ 0.64% Li2O from 27m,

twinning RC hole KRC011 (8m @ 1.00% Li_2O from 27m).

KDD002 returned 27.3m @ 1.14% Li_2O from 12.7m (including 11.9m @ 2.43% Li_2O)

twinning RC hole KRC012 (17m @ 2.55% Li_2O from 13m).

Geological logging has identified lithium bearing minerals including petalite, spodumene and lepidolite. Detailed petrological analysis is ongoing to assist understanding of mineralogy and lithium mineral distribution. The drill core has been sent to the WA Geological Survey core library and will undergo Hylogger spectral scanning as part of the EIS project funding.

In addition to lithium, intercepts of anomalous caesium and high grade tantalum were also returned in the recent diamond holes. Recent diamond holes returned **0.9m @ 1.26% Cs_2O** from 30.6m in KDD001 and **1m @ 1.63% Cs_2O** from 21.5m in KDD002. The shallow depth of the pegmatite means it is partly weathered so while pollucite was identified in drill core (to be confirmed by petrology) the partially weathering may have resulted in some depletion of caesium near surface and therefore lower grades than expected in fresh pollucite. The caesium rich mineral Pollucite is very rare and only found in a handful of locations around the world. The main use of pollucite is in the production of high value caesium formate brines for use in the oil and gas industry. Pollucite is associated with highly evolved and complex pegmatites. There are only three commercially sized deposits in the world, Tanco (Canada), Bikita (Zimbabwe) and the Sinclair deposit (Western Australia), currently being developed by Pioneer Resources Limited ("Pioneer"). The Sinclair deposit has a resource of 7110t @ 16.4% Cs_2O (*Pioneer's ASX Release 8 November 2018*).

High grade tantalum was also intersected, including **4.3m @ 675ppm Ta_2O_5** from 34.2m in KDD001 and **5.9m @ 468ppm Ta_2O_5** from 21.5m in KDD002.

As previously noted, the presence of spodumene, petalite, lepidolite, tantalum and pollucite clearly show that the King Col pegmatite system is fertile for Lithium-Caesium-Tantalum bearing minerals. LCT pegmatites are typically zoned in both lateral and vertical orientations and further work is required to better understand this zonation and the potential scale of the LCT pegmatite.

Future Program

Exploration activities at King Col are planned to include:

- Detailed assessment of mineralogy of the pegmatites including petrology is currently underway, with results expected shortly.
- Hylogger spectral scanning of drill core to determine mineralogy and distribution, to be undertaken by the WA Geological Survey as part of EIS funding.
- Follow-up drilling to extend Li-Cs-Ta mineralisation, to be undertaken.

Figure 2 King Col drill collar location plan

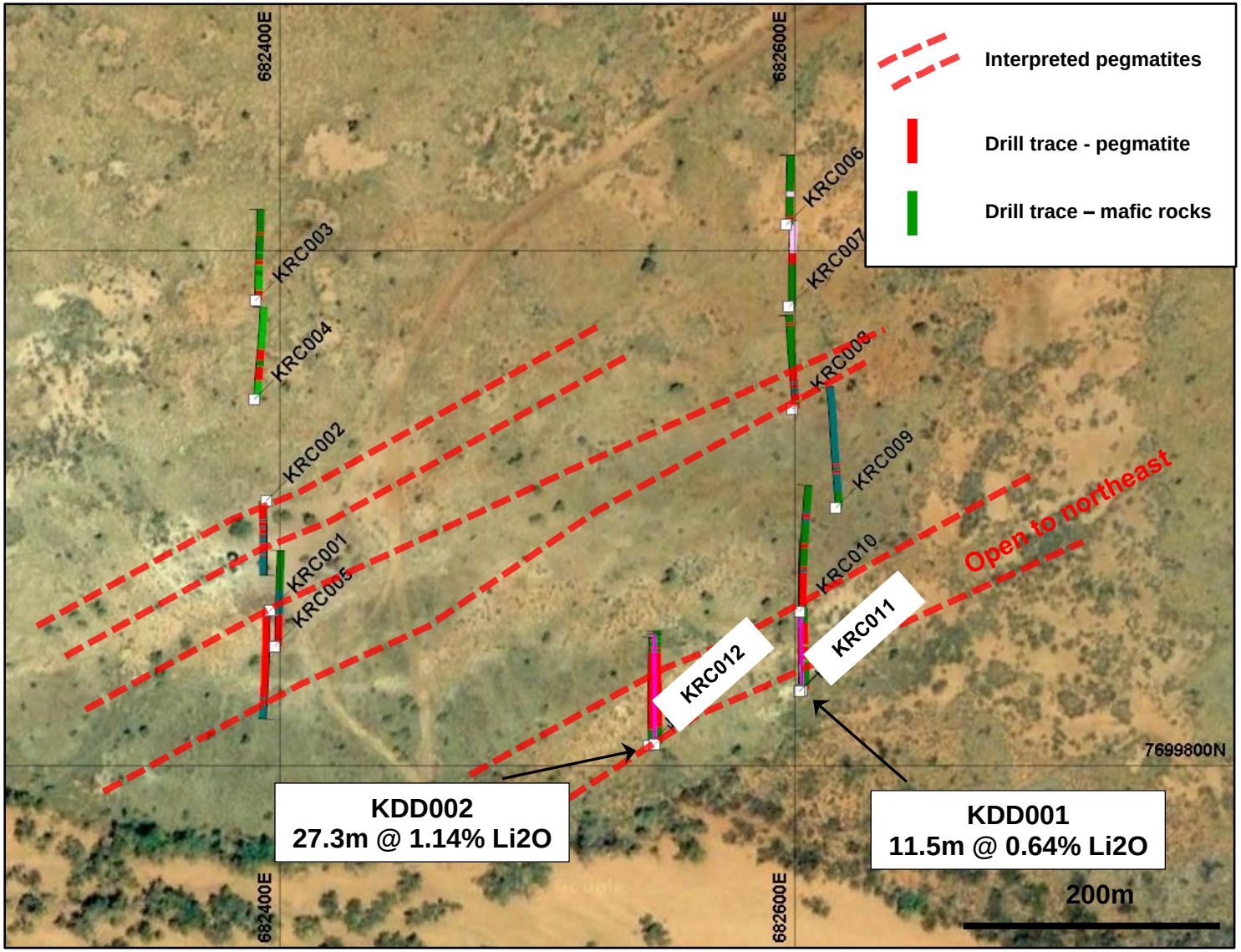


Figure 3 KDD002 14 - 21.1m – Li_2O%

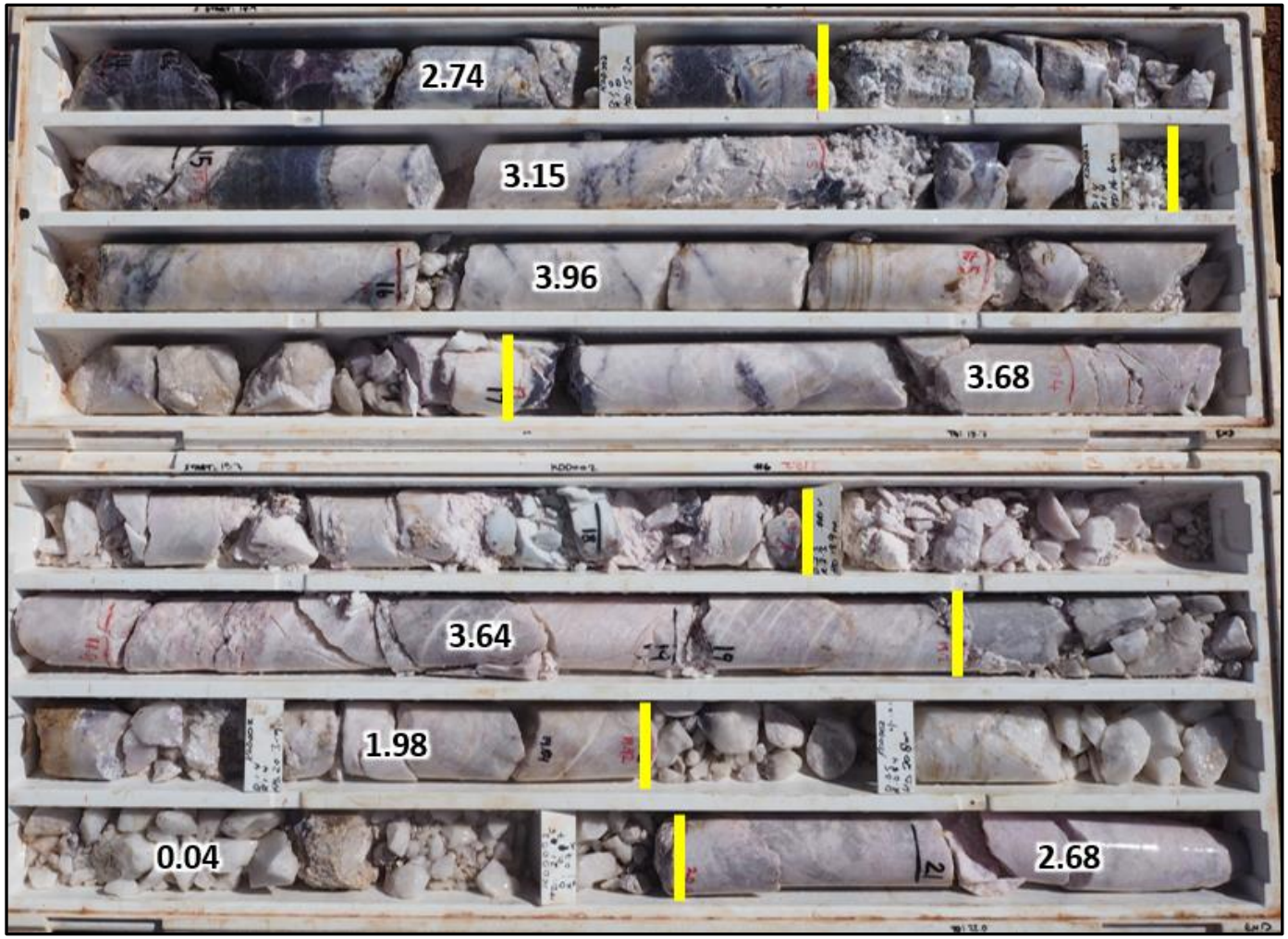
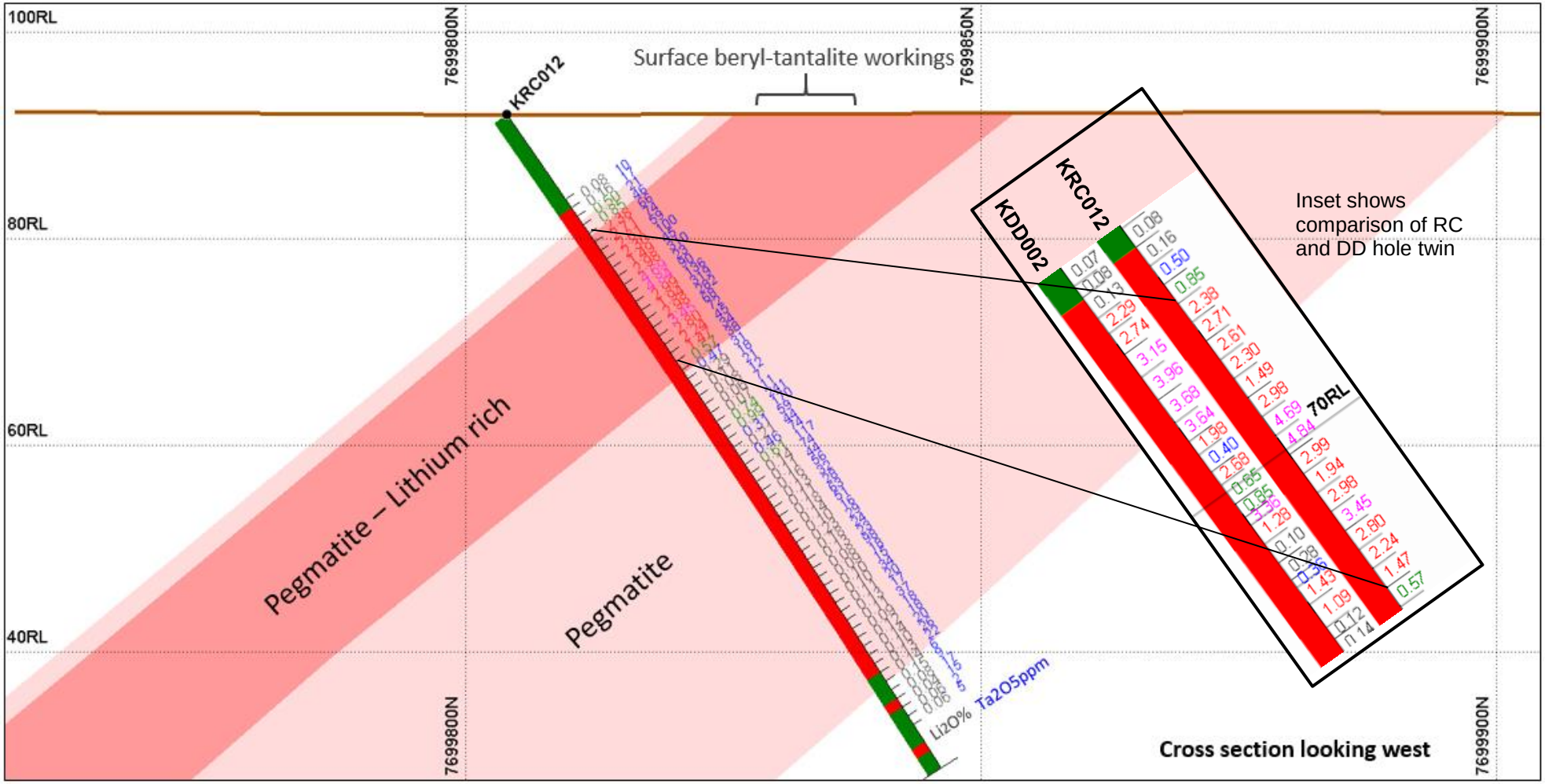


Figure 4 King Col Section 682540E showing comparison between KDD002 and KRC012 results



For further information:

Simon Lill (*Executive Chairman***) or**

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Competent Persons 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 Australian Institute of Geoscientists. 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.

Material ASX releases previously released

The Company has released all material information that relates to Exploration Results, Mineral Resources and Reserves, Economic Studies and Production for the Pilbara Gold Project on a continuous basis to the ASX and in compliance with JORC 2012. The Company confirms that it is not aware of any new information that materially affects the content of this ASX release. Material ASX releases related to the results reported in this report are listed below:

De Grey confirms spodumene and extends strike length at King Col, 1 March 2018
High Grade Lithium - 17m @ 2.55% Li_2O intersected in wide spaced scout drilling, 16 October 2017
Lithium anomaly extended to 2km - remains open for 5 kms to east, 16 January 2017
Soil sampling defines coherent Li_2O anomaly at King Col Pegmatite Trend, 1 December 2016

Forward Looking Statements

Statements regarding De Grey's plans with respect to the mineral properties, resource reviews, programmes, economic studies and future development are forward-looking statements. There can be no assurance that De Grey's plans for development of its mineral properties will proceed any time in the future. There can also be no assurance that De Grey will be able to confirm the presence of additional mineral resources/reserves, that any mineralisation will prove to be economic or that a mine will successfully be developed on any of De Grey's mineral properties.

Table 1 Significant Intersections (reported >0.5% Li_2O, >1% Cs2O and >200ppm Ta2O5)

HoleID	Depth From (m)	Depth To (m)	Downhole Width (m)	Li_2O%	Ta_2O_5ppm	Nb_2O_5ppm	Cs_2O%	Collar East (GDA94)	Collar North (GDA94)	Collar RL (GDA94)	Depth (m)	Dip (degrees)	Azimuth (GDA94)
Lithium Intercepts													
KDD001	27.0	38.5	11.5	**0.64**	321	38	0.21	682603	7699830	88	54.5	-54.9	358.4
KDD002	12.7	40.0	27.3	**1.41**	180	60	0.15	682546	7699808	88	78.2	-56.1	358.6
incl	12.7	24.6	11.9	**2.43**	38	19	0.25	682546	7699808	88	78.2	-56.1	358.6
Cesium Intercepts													
KDD001	30.6	31.5	0.9	0.13	311	21	**1.26**	682603	7699830	88	54.5	-54.9	358.4
KDD002	21.5	22.5	1.0	0.65	1	4	**1.63**	682546	7699808	88	78.2	-56.1	358.6
Tantalum Intercepts													
KDD001	34.2	38.5	4.3	0.50	**675**	70	0.14	682603	7699830	88	54.5	-54.9	358.4
KDD002	25.6	31.5	5.9	0.56	**468**	78	0.07	682546	7699808	88	78.2	-56.1	358.6
KDD002	36.2	41.0	4.8	0.58	**305**	183	0.07	682546	7699808	88	78.2	-56.1	358.6

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 • Samples were collected with a diamond drill rig drilling HQ diameter core. • After logging and photographing, HQ drill core was cut in half, with one half sent to the laboratory for assay and the other half retained. Holes were sampled over mineralised intervals to geological boundaries on a nominal 1m basis. • Sample weights ranged from 2-5kg • 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.).*	• The drill holes comprised HQ core of a diameter of 63.5mm.
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.*	• Core recovery is measured for each drilling run by the driller and then checked by the Company geological team during the mark up and logging process. • Samples are considered representative with generally near 100% recovery, although minor core loss occurred at shallow depths because of the weathered, broken nature of the core near surface. • 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,*	• The entire hole has been geologically and geotechnically logged and photographed by Company geologists, with systematic sampling undertaken on the prospective parts of the stratigraphy based on rock type and alteration observed • The sample results are appropriate for a resource estimation, assuming adequate drill hole density

Criteria	JORC Code explanation	Commentary
	channel, etc.) photography. • *The total length and percentage of the relevant intersections logged.*	
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.*	• Samples were collected with a diamond drill rig drilling HQ diameter core. After logging and photographing, HQ drill core was cut in half, with one half sent to the laboratory for assay and the other half retained. Holes were sampled over mineralised intervals to geological boundaries on a nominal 1m basis. • 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 and 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. • Each sample was dried, crushed and pulverised. • Lithium and other multi elements were analysed by a Peroxide fusion digest with ICP finish.
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 • Analytical results have been uploaded into the company database (managed by independent consultants), checked and verified • The diamond holes twin previous RC holes, with intersections of both reported • 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.*	• 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

Criteria	JORC Code explanation	Commentary
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 2 diamond holes are around 60m apart. Previous RC drilling is on a nominal 40m x 200 to 600m grid. • All holes have been geologically logged and provide a basis for geological control and continuity of mineralisation • Sample results and logging will provide support for the results to be used in a future 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. • Drilling is approximately at right angles to the interpreted dip of the pegmatites, so downhole widths approximate true widths. Any discrepancies will be allowed for in resource estimates when detailed 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 E45/2533 which is located approximately 80km south of Port Hedland. The tenement is held 100% by De Grey Mining Ltd.
Exploration done by other parties	• *Acknowledgment and appraisal of exploration by other parties.*	• The King Col prospect includes very small scale historic diggings for beryl and tantalite. No exploration for lithium prior to De Grey was completed.
Geology	• *Deposit type, geological setting and style of mineralisation.*	• The mineralisation targeted is rare metal pegmatite hosted mineralisation including Lithium and Tantalum, similar to the Tabba Tabba Tantalum Mine located immediately to the north of E45/2364 and the Lithium rich Pilgangoora deposit located approximately 40km to the south.
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*	• Drill hole location and directional information provide in the report.

Criteria	JORC Code explanation	Commentary
	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.*	
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.*	• Significant lithium results are reported above a minimum cutoff grade of 0.5% Li2O, with an internal dilution of 2m maximum. • Significant caesium results are reported above a lower cutoff of 1% Cs2O. • Significant tantalum results are reported above a lower cutoff of 200ppm Ta2O5. • 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 drilling is approximately perpendicular to the strike of mineralisation and therefore the sampling is considered representative of the mineralised zone. • Drilling is approximately at right angles to the interpreted dip of the pegmatites, so downhole widths approximate true widths. Any discrepancies will be allowed for in resource estimates when detailed geological interpretations are 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 a representative cross section 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 exploration results for the recent diamond drilling program have been reported. • The report is considered balanced and provided in context.
Other substantive	• *Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey*	• No test work on metallurgical and geotechnical characteristics has been completed at this stage.

Criteria	JORC Code explanation	Commentary
exploration data	*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.*	
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.*	• Petrological and Hylogger analysis of existing samples is underway. • Further RC and diamond drilling to define extensions to known mineralization is being planned.