

Quarterly Activities Report for the Period ending 31 December 2018

ASX Announcement

31 January 2019

ASX Code DEG

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DIRECTORS/MANAGEMENT

Executive Chairman

Simon Lill

Technical Director & Operations Manager

Andy Beckwith

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EXPLORATION & DEVELOPMENT

Exploration at the Pilbara Gold Project continues to provide significant advances across the project with encouraging drill results which are expected to support future resource extensions.

- **Positive drill results** reported for Withnell Underground, Toweranna and Mallina. Wingina, Amanda and Farno JV are pending
- **Resource increase to 1.4Moz**, with 53% of resources now in the M&I categories
- **2019 program has commenced with diamond drilling at Withnell**
- **Coarse visible gold** quantified at Loudens Patch conglomerate gold target.
- **Significant high-grade results** support exploration target at Withnell underground
- Pre-feasibility studies underway led by GR Engineering targeting corporate goal of +100,000oz pa and minimum 7 year mine life future development strategy

CORPORATE

- Cash at the end of the quarter of \$5.5M
- Mr. Peter Hood appointed as a Non-executive Director
- A total of \$5.92 Million was received during the quarter on the exercise of 53.1M listed options and a further 6.1 unlisted options (all with a 10 cent exercise price)
- Indee Gold Settlement extended to 24 July 2019 through payment of \$700,000 and reducing the remaining consideration payable at settlement

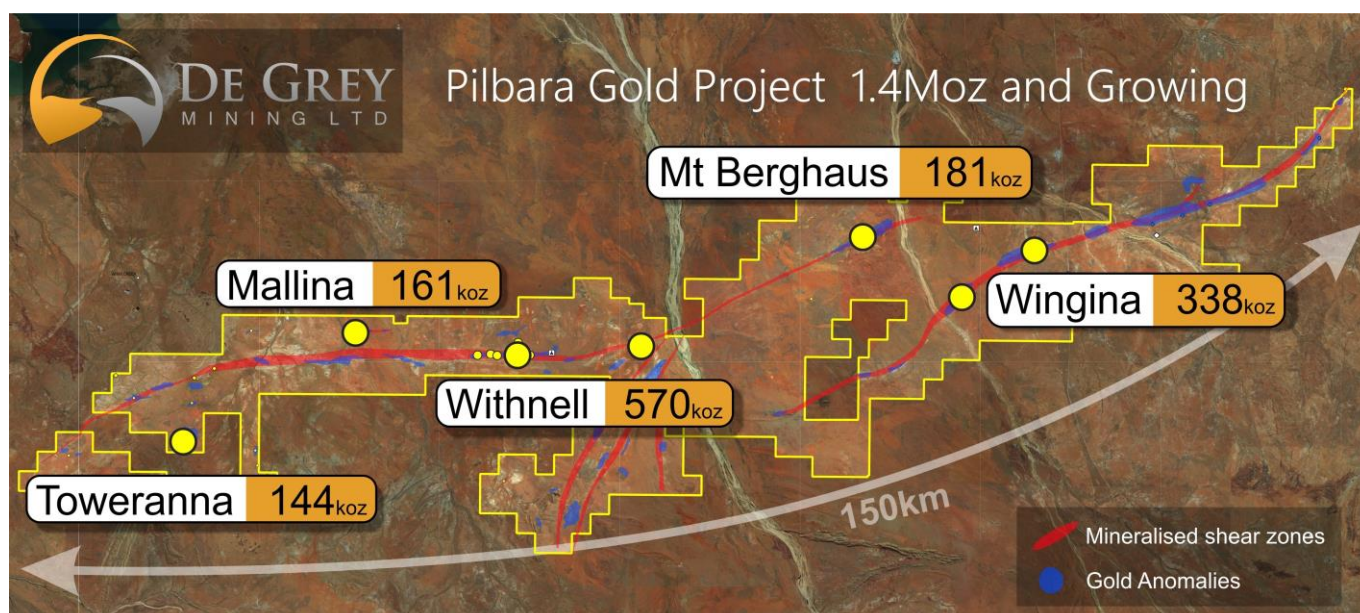
Pilbara Gold Project, Port Hedland in Western Australia

De Grey Mining Limited (ASX: DEG, “De Grey”, “Company”) is pleased to report on activities completed during the December Quarter 2018.

De Grey’s primary focus is on the Pilbara Gold Project (“PGP”), immediately south of Port Hedland in the Pilbara Craton of Western Australia. The Company is undertaking work programs that aim to significantly increase resources to a stated corporate goal of over 3.0M ounces, as well as understanding the economics of a suitably scaled standalone gold operation.

The PGP represents a rare opportunity in the Australian Gold exploration sector. The large “province scale” landholding (>1,500km²) includes over 200km of mineralised shear zones which are under explored by modern standards. Exploration prospectivity is considered very high along the shear zones and throughout the tenements. Success from the generally relatively shallow (<100m) drilling to date has already defined 1.4Moz and exploration drilling programs are underway to rapidly increase resources over the next two years with a target of 2.0M ounces by the end of 2019.

Figure 1 Pilbara Gold Project – Gold Deposits and Resources



Accordingly, the corporate strategy over the next two years at the PGP is to:

- Demonstrate the multi-million ounce gold potential, targeting +3M ounces;
- Seeking to deliver substantial resource increases at less than industry average discovery costs (i.e. less than \$20 per ounce);
- Determine appropriate scale and economics of a future mining operation, targeting a +100,000 ounce per annum production level with a minimum 7 year operating mine life; and
- Provide a substantial return on investment for shareholders initially through exploration discovery and eventually through long life gold production.

De Grey believes the potential scale of the PGP is not recognised, or underestimated, by many investors. The Company, supported by its major shareholders, considers the PGP represents an emerging gold province with minimal, immature and shallow exploration completed to date. Detailed drilling to date is estimated to have only tested less than 10% of the 200km strike of mineralised shear zones, with much of the drilling being resource infill, resulting in an existing resource of 27.5Mt @1.6g/t for 1,393,800 ounces, with 53% of those resources in the measured and indicated categories.

The substantial prospectivity is highlighted when compared to similar well-endowed “world class gold provinces” which have had decades of intense exploration activity:

- Kalgoorlie (Western Australia) 100km long 80Moz gold resources
- Kirkland Lake (Canada) 300km long 70Moz gold resources
- Ashanti (Ghana) 130km long 130Moz gold resources
- Pilbara Gold Project 200km long 1.4Moz gold resources

De Grey’s gold resources have rapidly increased from 6.8Mt @ 1.6g/t for 345,000ounces in 2016 to 27.25Mt @ 1.6g/t for 1,393,800ounces* in 2018, through the combination of acquisitions and increased exploration efforts. (NB: De Grey is currently in the process of acquiring Indee Gold Pty Ltd which owns a significant portion of the total resources - 16.16Mt @ 1.7g/t for 874,300 ounces). During this time of resource increase the company has seen a significant market re-rating from around \$5M market capitalisation to approximately \$50M which currently represents around \$35/oz. Assuming the Indee Gold acquisition payment is made in July 2019, then the average valuation would remain well below industry average valuation at \$55/oz.

Exploration in 2019 will focus on growing existing resources, targeting along strike and depth extensions below the larger gold deposits whilst building on priority reconnaissance targets. The proportion of exploration funds will be approximately allocated to 80% resource growth and 20% new regional discoveries.

De Grey now plans to deliver substantial resource increases at less than industry average discovery costs, i.e. less than \$20 per ounce. The market generally values these resources at an industry average of around \$55/oz which should provide a substantial initial return on investment.

Pre-Feasibility Study Update

De Grey has previously advised that it was undertaking a Pre-Feasibility Study which was anticipated to be concluded by the end of the December quarter. This study has advanced significantly, and the company is currently assessing a larger scale processing throughput with an underground mining component which is anticipated to show high production potential and strong economics. Accordingly, finalisation of the PFS has been deferred until this evaluation is completed.

Results of the economic studies including processing scale, plant design, operating and capital costs, metallurgical results and other key components will be provided during early March quarter by way of an update on these studies.

2018 Gold Resource Increase

During the Quarter and as previously released on 3 October 2018, the PGP gold resource statement was updated to 1.4Moz, based on drilling results to July 2018. Subsequent to the resource drilling cut off date, significant drilling programs have continued with further encouraging results that are likely to provide additional resource increases.

Pilbara Gold Project – 2018 Gold Resources (JORC 2012)

Total Resource	27.25Mt @ 1.6g/t Au (1,393,800oz)
M & I (53%)	14.32Mt @ 1.6g/t Au (739,200oz)
Oxide (38%)	11.02Mt @ 1.5g/t Au (529,900oz)
Fresh (62%)	16.23Mt @ 1.7g/t Au (863,900oz)

(* ASX release “2018 Total Gold Mineral Resources Increases to 1.4Moz”, 3 October 2018)

The resource update provides an overall increase of 183,800oz on the previous resource statement and a 391,000oz increase since the 2017 Scoping study was undertaken. All deposits remain open along strike and at depth. The Indee Gold tenements now have resources of 874,300oz, reducing the total per ounce acquisition price to \$17/ounce, less than the industry average for discovery.

The resource upgrade has been provided with the following resource increases.

Toweranna	254% increase in Total Mineral Resource to 143,900oz Increase in Indicated Resource from nil to 54,400oz
Mt Berghaus	29% increase in Total Mineral Resource to 181,000oz 333% increase in Indicated Resource to 53,300oz
Mallina	9% increase in Total Mineral Resource to 160,700oz 67% increase in Indicated Resource to 50,600oz
Camel	24% increase in M & I Resource to 50,300oz
Amanda	44% increase in Total Mineral Resource to 50,800oz Increase in Indicated Resource from nil to 24,800oz
Roe	31% increase in overall resource to 38,300oz 19% increase in M & I Resource to 17,800oz

The total resources within the top 100m from surface and below 100m depth as shown below and full breakdown by deposit is shown in Table 1.

Resources above 100Vm	19.1Mt @ 1.5g/t (913,800oz)
Resources below 100Vm	8.2Mt @ 1.8g/t (479,900oz)

Table 1 Summary of resource above 100 and below 100Vm

Mineral Resources at 30 September 2018 above and below 100m Depth													
Deposit	Depth	Measured			Indicated			Inferred			Total		
		Mt	Au g/t	Au Oz	Mt	Au g/t	Au Oz	Mt	Au g/t	Au Oz	Mt	Au g/t	Au Oz
Withnell	Above 100	1.02	1.3	44,100	1.96	1.7	106,000	0.40	1.5	19,100	3.39	1.6	169,300
	Below 100				0.82	1.9	50,500	2.16	2.3	157,500	2.98	2.2	208,000
	Total	1.02	1.3	44,100	2.79	1.7	156,600	2.56	2.1	176,600	6.37	1.8	377,300
Mallina	Above 100				1.26	1.2	50,600	2.57	1.3	110,100	3.83	1.3	160,700
	Below 100												
	Total				1.26	1.2	50,600	2.57	1.3	110,100	3.83	1.3	160,700
Toweranna	Above 100				0.71	2.3	53,500	0.95	2.1	63,700	1.66	2.2	117,200
	Below 100				0.01	3.3	900	0.34	2.4	25,800	0.35	2.4	26,700
	Total				0.72	2.3	54,400	1.29	2.2	89,500	2.01	2.2	143,900
Camel	Above 100	0.17	2.9	16,100	0.33	2.6	27,400	0.07	1.0	2,100	0.57	2.5	45,600
	Below 100												
	Total	0.19	2.8	17,000	0.46	2.2	33,300	0.19	1.7	10,100	0.84	2.2	60,400
Roe	Above 100	0.08	2.7	6,500	0.19	1.8	10,700	0.23	1.9	13,800	0.49	2.0	30,900
	Below 100				0.01	1.6	600	0.10	2.2	6,700	0.11	2.1	7,400
	Total	0.08	2.7	6,500	0.20	1.8	11,300	0.33	2.0	20,500	0.60	2.0	38,300
Calvert	Above 100				0.99	1.3	41,700	0.28	1.2	10,600	1.27	1.3	52,400
	Below 100												
	Total				0.99	1.3	41,700	0.28	1.2	10,700	1.27	1.3	52,400
Dromedary	Above 100	0.10	2.2	7,200	0.06	1.6	3,200	0.12	1.7	6,500	0.28	1.9	16,800
	Below 100							0.01	1.4	400	0.01	1.4	400
	Total	0.10	2.2	7,200	0.06	1.6	3,200	0.12	1.7	6,900	0.29	1.9	17,200
Leach Pad	Above 100				0.86	0.7	19,300				0.86	0.7	19,300
	Below 100												
	Total				0.86	0.7	19,300				0.86	0.7	19,300
Hester	Above 100							0.10	1.5	4,800	0.10	1.5	4,800
	Below 100												
	Total							0.10	1.5	4,800	0.10	1.5	4,800
Wingina	Above 100	1.40	1.8	82,000	0.33	1.1	11,700	0.21	1.1	7,400	1.94	1.6	101,100
	Below 100	1.68	1.7	90,600	0.65	1.5	31,600	1.21	1.6	64,400	3.55	1.6	186,600
	Total	3.08	1.7	172,700	0.99	1.4	43,300	1.42	1.6	71,700	5.49	1.6	287,700
Mt Berghaus	Above 100				0.95	1.7	53,300	2.84	1.2	105,100	3.79	1.3	158,400
	Below 100							0.55	1.3	22,600	0.55	1.3	22,600
	Total				0.95	1.7	53,300	3.39	1.2	127,600	4.34	1.3	181,000
Amanda	Above 100				0.53	1.4	23,200	0.38	1.2	14,200	0.91	1.3	37,400
	Below 100				0.04	1.2	1,600	0.31	1.2	11,800	0.35	1.2	13,400
	Total				0.57	1.3	24,800	0.69	1.2	26,000	1.26	1.3	50,800
Total	Above 100	2.78	1.7	155,900	8.17	1.5	400,500	8.13	1.4	357,300	19.08	1.5	913,800
	Below 100	1.70	1.7	91,500	1.67	1.7	91,300	4.80	1.9	297,100	8.17	1.8	479,900
	Total	4.47	1.7	247,400	9.85	1.6	491,800	12.93	1.6	654,500	27.25	1.6	1,393,800

(Rounding errors may occur.)

EXPLORATION PROGRAMS AND RESULTS

During the quarter, significant exploration programs, including RC and diamond drilling, continued to target the resource areas at Withnell, Wingina, Mt Berghaus, Amanda, Mallina and Toweranna with reconnaissance programs initiated on regional targets including Farno JV areas, Steel Star and Jay Springs prospects. Additional trenching was undertaken at Loudens Patch for conglomerate gold style mineralisation.

The drilling has been primarily focused on better defining and extending the existing mineralised systems, with encouraging results showing significant zones of gold mineralisation remaining open at all deposits.

The Company has a series of results that remain outstanding which will be released through early February once results and interpretations are finalised.

Withnell

The Withnell deposit is the largest deposit within the PGP. The deposit has been previously mined to approximately 45m depth, with on-site heap leach processing. Withnell is planned to be mined as an open pit whilst the deeper portions are currently being assessed for potential underground mining.

Earlier drilling has defined a series of at least 4 high grade lodes at depth beneath the existing open pit. A program of 15 diamond holes was completed during the second half year of 2018 with encouraging high-grade results previously reported. Two lodes were targeted in the program over a 400m x 100m panel, to better define controls on mineralisation, grade distribution and continuity of lodes. The results are encouraging with further high-grade gold mineralisation intersected.

Step out drilling re-commenced in December with 17 RC precollars for 1199m and 1 diamond tail for 361m completed in 2018, targeting underground lodes 1 and 2. An additional 5 RC holes for 895m have also been completed along strike to the western end of the pit to test shallower lode extensions. Results are pending and are expected to be reported in the coming weeks.

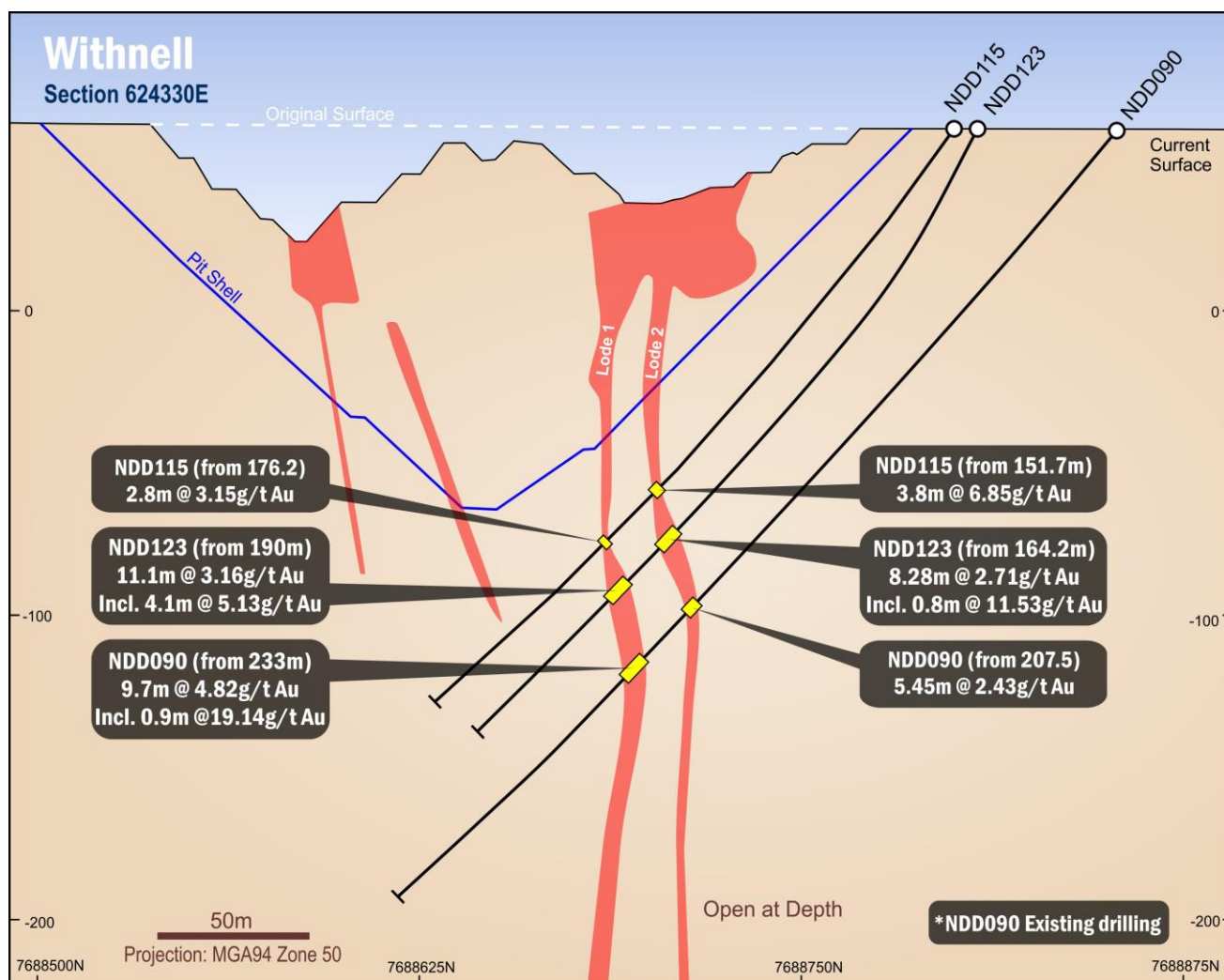
Diamond drilling has recommenced with drilling of Withnell expected to continue during the first half year.

Significant results of the Withnell drilling program are listed below.

- Lode 1** **4.65m @ 7.1g/t Au** from 164.15m in NDD110
 (incl **2.85m @ 10.39g/t Au** from 165.45m)
- 4.13m @ 10.23g/t Au** from 125.47m in NDD121
 (incl **0.35m @ 27.7g/t Au** from 126.35m and **0.5m @ 51.2g/t Au** from
 128.5m)
- 11.1m @ 3.16g/t Au from 190m in NDD123**
 (incl **4.1m @ 5.13g/t Au** from 195.9m)
- 4.85m @ 8.46g/t Au from 158.15m**
 (incl **0.35m @ 70.4g/t Au** from 159.2m)
- 5.6m @ 5.24g/t Au** from 166.3m
 (incl **0.95m @ 21.3g/t Au** from 170.2m)
- 1.4m @ 20.05g/t Au** from 228.7m
- 4.8m @ 6.63g/t Au** from 165m
 (incl **1m @ 22.78g/t Au** from 165.5m)

- Lode 2** **8.28m @ 2.71g/t Au** from 164.2m in NDD123
 (incl **0.8m @ 11.53g/t Au** from 170.35m)
- 3.8m @ 6.85g/t Au from 151.7m**
- 7.97m @ 7.48g/t Au from 137.03m**
 (incl **2.5m @ 14.52g/t Au** from 138.5m)

Figure 2 Withnell Representative cross-section 624330E



The results continue to support the Withnell Underground Exploration Target, which was provided to the ASX on 1 October 2018 (ASX: “High Grade Lodes confirm Withnell Underground Target”)

Wingina

A program of 9 RC pre-collars for 933m and 3 diamond tails for 718m was completed during the period. The diamond drilling targeted the down plunge extensions of gold mineralisation at the eastern end of the deposit. The remaining precollars are planned to be used for further diamond drilling targeting depth extensions as priorities allow during 2019.

Results from this drilling are expected during early February.

Mt Berghaus

Further RC drilling has been completed at Mt Berghaus, targeting along strike extensions to the existing resource lodes. Results of this drilling are expected during early February.

The above drilling targeted a number of structures evident in the recently completed sub-audio magnetic (SAM) survey which covered the entire prospect area (6km x 1km). The targets appear as structures in the SAM data along strike from the known gold lodes. Full reporting on the SAM survey will be provided with the drilling update so the data can be provided in context to drilling results.

Amanda

A program of 25 RC holes totaling 1598m was completed at Amanda and Amanda East prospects. Drilling was completed with a specialised, track mounted RC drill rig capable of drilling shallow angle holes in steep terrain. This work extended and infilled the resource model.

Results are expected to be reported early in February.

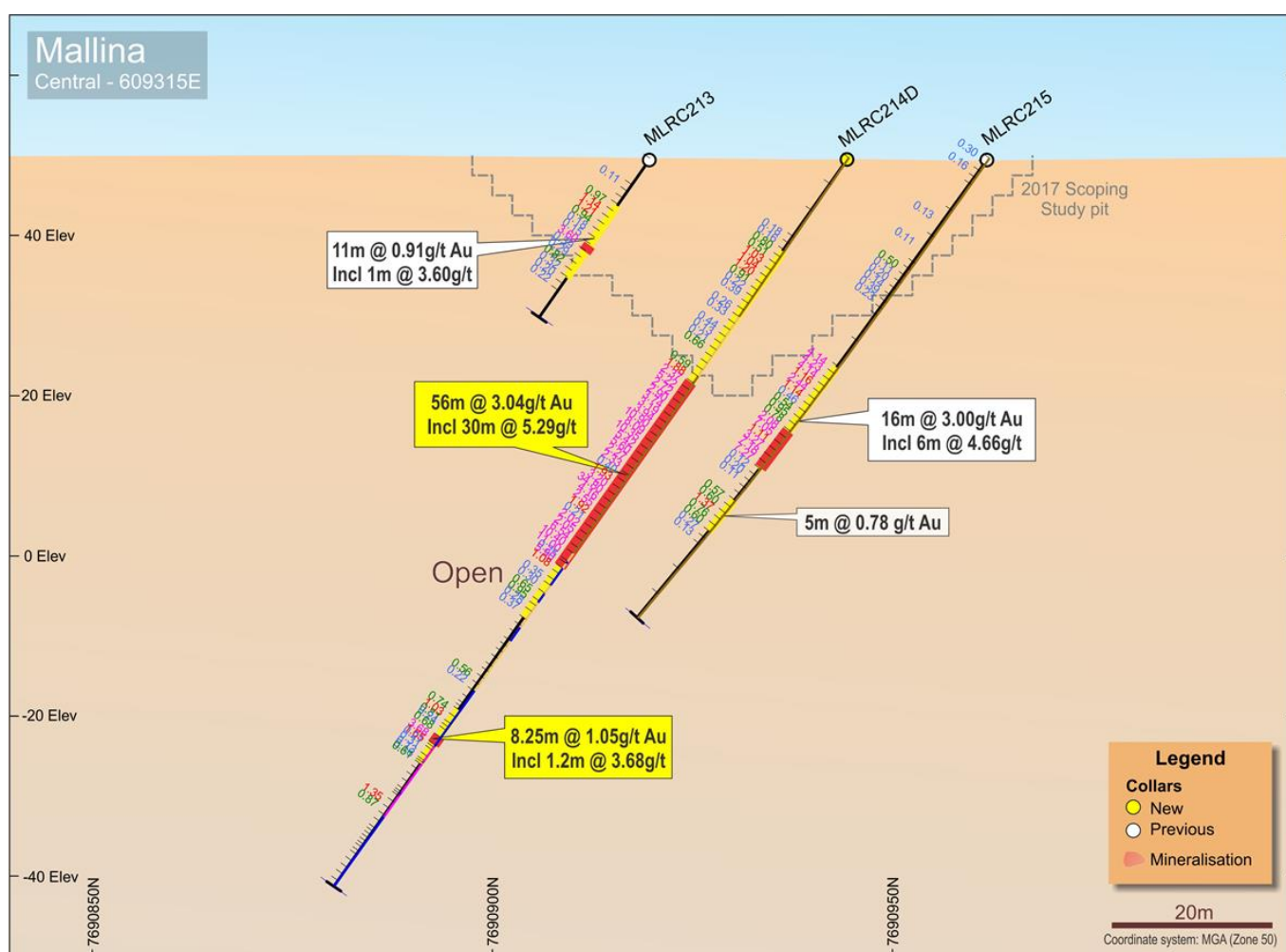
Mallina

Three diamond drill holes were completed at Mallina, to provide additional geological and structural information, in addition to drill core for metallurgical test work. Test work on the two holes drilled for metallurgical purposes is currently in progress, with results pending.

Results for hole MLRC214D, a diamond tail to the previously reported RC hole MLRC214 which ended in significant mineralisation (+46m @ 3.26g/t) has been received that expands the total intercept to 56m @ 3.04g/t Au, with a higher grade core of 30m @ 5.29g/t (Figure 3). A second gold zone, 8.25m @ 1.05g/t, was intersected on the contacts of a felsic porphyry.

These results together with other broad alteration zones demonstrate the potential for expanding resources at Mallina. Step-out diamond drilling and RC drilling has subsequently been completed in December with results pending.

Figure 3 Mallina – Wide intercepts in MLRC214D



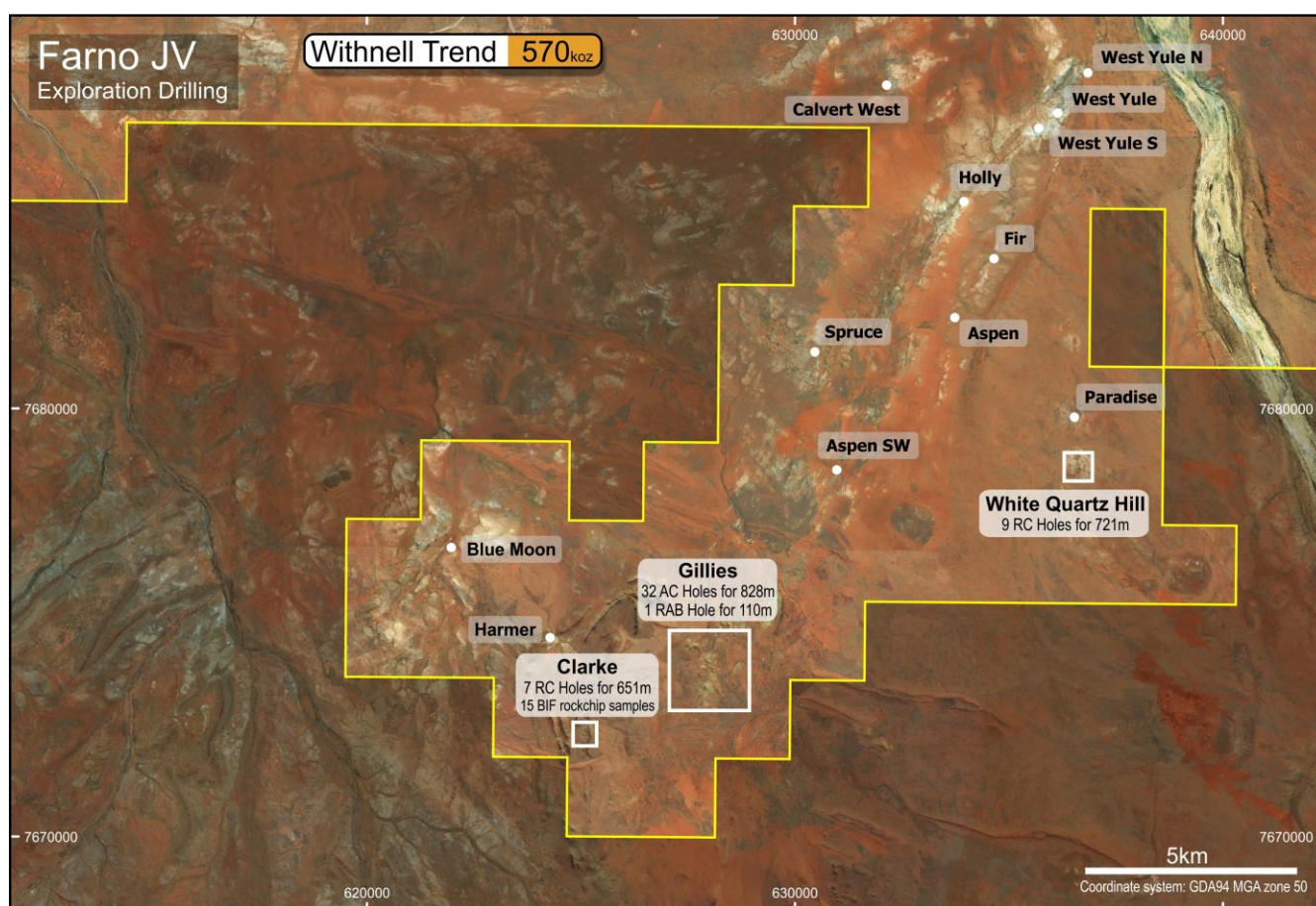
Farno JV (E47/2502)

Following completion of heritage clearances in September 2018, initial RC and RAB/aircore drilling programs were completed at The White Quartz Hill, Clarke and Gillies prospects within the Farno McMahon JV area, south of the Withnell deposit (Figure 4). Drilling totals include:

White Quartz Hill	9 RC holes for 721m
Clarke	7 RC holes for 651m
Gillies	33 RAB/Aircore holes or 938m

These drilling assay results are pending.

Figure 4 Farno JV – Drilling areas



Regional Gold Targets

Small trial drill programs were also completed at Jay Springs, located approximately 15km west of Withnell and Steel Star, located approximately 10km to the west of Mallina deposit.

In total, 16 aircore holes for 795m and 2 RC holes totaling 186m were completed at the Jay Springs area targeting anomalous historic results on the Mallina Shear zone. Low level gold and anomalous antimony was encountered in several holes. Results are currently being evaluated and follow up work programs are to be planned.

At Steel Star, six aircore holes totaling 130m were drilled in December 2018, following up mapping and previous anomalous rock chip samples over outcropping mineralized quartz veins. Results indicate low level anomalous gold results. Follow up work is currently being planned.

Conglomerate Gold

A program of trial trenching and 250kg bulk sampling is nearing completion at Loudens West with two trenches along the same 60m long creek line created. Trench LTR001 has exposed 20m of conglomerate along strike with an initial 6m previously reported (*ASX release: Coarse gold at Loudens Patch in first bulk sampling, 12 November 2018*). Continued bulk sampling has now been completed along the entire 20m trench with additional results to be announced in early February. Sampling has commenced on a second 20m trench, LTR002, located along the same creek line. Results are expected to be reported early in February 2019.

Table 2 Bulk sampling results

(note figures are grams of gold concentrate recovered, not grams per tonne).

SAMPLE LINE ID	From (m)	To (m)	SAMPLE ID	HORIZON	Approximate true thickness (m)	Fine gold concentrate (grams)	Nugget Detected (grams)	Total recovered from 250kg (grams)
LTR001	0	2	LB250_001	B (Conglomerate)	0.5	0.204	0	0.204
			LB250_002	A (Bedrock)	0.5	0.035	0	0.035
	2	4	LB250_003	B (Conglomerate)	1	0.455	0.525	0.98
			LB250_004	A (Bedrock)	0.5	0.135	0	0.135
	4	6	LB250_005	B (Conglomerate)	1.5	1.277	0.703	1.98
			LB250_006	A (Bedrock)	0.5	trace	0	trace

The positive coarse gold results demonstrate De Grey's sampling procedure and recently commissioned custom-built crushing and gravity sampling circuit is an effective tool to rapidly and systematically assess the conglomerate units for coarse gold mineralisation. De Grey defines coarse gold as visible gold to the naked eye or approximately >0.1mm.

King Col – Lithium, Tantalum and Caesium

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

Diamond drilling confirmed the previous RC drilling results, with

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

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

KDD002 returned **27.3m @ 1.14% Li₂O** from 12.7m (including **11.9m @ 2.43% Li₂O**)

twinning RC hole KRC012 (17m @ 2.55% Li₂O from 13m).

High grade tantalum and caesium were also intersected, including:

4.3m @ 675ppm Ta₂O₅ from 34.2m in KDD001

5.9m @ 468ppm Ta₂O₅ from 21.5m in KDD002.

0.9m @ 1.26% Cs₂O from 30.6m in KDD001

1.0m @ 1.63% Cs₂O from 21.5m in KDD002.

Geological logging has identified lithium bearing minerals including petalite, spodumene and lepidolite. 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.

The company is concentrating on the Pilbara Gold Project and consequently is in early stage discussions with several parties on possible future participation in the exploration of the lithium targets.

Future Work Programs on Gold Targets

De Grey focus remains steadfast on increasing gold resources and assessing the economic potential of the PGP. Accelerated exploration activities are planned throughout 2019.

The focus of exploration activities will include:

1. Resource extension drilling at the larger growth deposits
 - Withnell,
 - Toweranna
 - Mallina
 - Mt Berghaus
2. Larger resource step-out drilling to test deeper underground mineralisation at the larger old systems
3. Testing of priority regional targets for new discoveries
 - Farno JV
 - Tappa Tappa Thrust trend
 - Mt Berghaus West
 - Conglomerate Gold

Economic studies will focus on:

1. Finalising processing plant flowsheet design and costings
2. Additional metallurgy test work
3. Open pit optimisations
4. Withnell Underground evaluation
5. Scoping study level economic assessment of larger scale operation

Strong news flow is expected over the coming months:

February

- Exploration drilling updates
- Economic studies update
- Conglomerate gold update
- Processing plant flowsheet, design and costings

March -April

- Ongoing resource extension and step-out drilling updates
- Metallurgical updates
- Economic evaluation updates
- Conglomerate gold update

Beyondie

The magnetite iron ore project at Beyondie is under the management of joint venture partner Fenix (ASX: FEX, "Fenix" formerly Emergent Resources), who have earned an 80% interest in the iron ore mineral rights (iron ore, vanadium and manganese) of the project. Fenix have advised De Grey that there has been no change to their current status on this tenement.

De Grey retains 20% interest in the iron ore, vanadium and manganese rights and continues to hold 100% of rights to gold and all other minerals.

Sands Royalty

De Grey generated royalty revenues of \$4,800 (Dec 2017 Quarter \$3,596) for the December quarter. The royalty represents a 33% increase on the corresponding quarter last year and reflects increasing construction activities in the Pilbara region.

Corporate

- Cash at the end of the quarter of \$5.5M.
- On 19 November 2018, the Company announced the appointment of Mr. Peter Hood to the board as a Non-executive Director. Mr Hood, a Chemical Engineer, has had a distinguished career in the Australian Mining and Chemical Industries. His wealth of Company and board management skills and experiences will be of enormous assistance to the Company as it seeks to continue growing its mineral resources as well as pursuing a development path for the flagship Pilbara Gold Project.
- On 20 November 2018, the Company entered into an agreement with Taylor Collinson Limited (“Taylor Collinson”) to underwrite 37.5M listed class options expiring on 30 November 2018. An aggregate 4% transaction fee was paid to the underwriter.
- A total of \$5.92 Million was received during the quarter on the exercise of 53.1M listed options and a further 6.1 unlisted options (all with a 10 cent exercise price).
- During the December quarter a total of 0.67M shares at an average price of \$0.1784 per share was issued in accordance with the agreement entered into with Top Drill Pty Ltd, that from 1 June 2018, up to 30% of every invoice (up to an aggregate total of \$1M) can be paid in DEG equity, with an equity calculation based on a 10% discount to the 5 days VWAP preceding the invoice. The shares are subject to a 6 month escrow from the date of invoice and allotted from the Company’s existing LR7.1 placement capacity.
- On 21 December 2018, the Company announced it had formally elected to extend the Settlement Date for the 100% acquisition of Indee Gold Pty Ltd (“Indee Gold”) to 24 July 2019. The extension payment of A\$700,000 was made to the owners of Indee Gold, being Northwest Nonferrous Australia Mining Pty Ltd (“NNAM”) and the total consideration remaining reduced to:
 - Payment of \$9.7M in cash; and
 - The issue of \$3.0M of equity in De Grey at a price that is 90% of a 20-day VWAP immediately prior to settlement.

For further information:

Simon Lill (*Executive Chairman*) or

Andy Beckwith (*Technical Director and Operations Manager*)

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Competent Person Statements

The information in this report that relates to exploration results is based on, and fairly represents information and supporting documentation prepared by Mr. Phil Tornatora, a Competent Person who is a member of The Australasian Institute of Mining and Metallurgy. Mr. Tornatora is 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 Mineral Resources is based on information compiled by Mr Paul Payne, a Competent Person who is a Fellow of the Australasian Institute of Mining and Metallurgy. Mr Payne is a full-time employee of Payne Geological Services. Mr Payne 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 Resources and Ore Reserves". Mr Payne consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

Appendix 1: Resources Statement

(* ASX release "2018 Total Gold Mineral Resource increases to 1.4Moz", 3 October 2018)

Total Mineral Resource - Gold, October 2018

All gold deposits are reported at a 0.5g/t Au cut-off grade except Withnell below -100mRL and Wingina below -55mRL where a 1.0g/t Au cut-off was applied. Leach Pad resource reported at zero cut-off grade.

De Grey Mining Limited Total Mineral Resources - Gold

Mining Centre	Type	Measured			Indicated			Inferred			Total		
		Mt	Au g/t	Au Oz	Mt	Au g/t	Au Oz	Mt	Au g/t	Au Oz	Mt	Au g/t	Au Oz
Withnell	Oxide	0.92	1.8	52,300	2.70	1.4	120,400	1.25	1.4	56,700	4.86	1.5	229,400
	Fresh	0.48	1.5	22,500	4.64	1.7	250,000	6.19	1.9	372,500	11.30	1.8	644,900
	Total	1.39	1.7	74,800	7.33	1.6	370,400	7.43	1.8	429,200	16.16	1.7	874,300
Wingina	Oxide	2.68	1.8	152,100	1.83	1.5	86,900	1.64	1.2	61,400	6.16	1.5	300,400
	Fresh	0.40	1.6	20,500	0.68	1.6	34,500	3.85	1.3	163,900	4.93	1.4	219,000
	Total	3.08	1.7	172,700	2.51	1.5	121,500	5.49	1.3	225,300	11.09	1.5	519,400
Total Pilbara Gold Project	Oxide	3.60	1.8	204,400	4.53	1.4	207,400	2.89	1.3	118,100	11.02	1.5	529,900
	Fresh	0.88	1.5	43,000	5.32	1.7	284,500	10.04	1.7	536,400	16.23	1.7	863,900
	Total	4.47	1.7	247,400	9.85	1.6	491,800	12.93	1.6	654,500	27.25	1.6	1,393,800

All gold deposits are reported at a 0.5g/t Au cut-off grade except Withnell below -100mRL and Wingina below -55mRL where a 1.0g/t Au cut-off was applied.

Withnell Mining Centre Mineral Resources - Gold

Deposit	Type	Measured			Indicated			Inferred			Total		
		Mt	Au g/t	Au Oz	Mt	Au g/t	Au Oz	Mt	Au g/t	Au Oz	Mt	Au g/t	Au Oz
Withnell	Oxide	0.57	1.3	23,300	0.22	1.6	11,400	0.15	1.1	5,400	0.94	1.3	40,000
	Fresh	0.45	1.4	20,900	2.57	1.8	145,200	2.41	2.2	171,200	5.43	1.9	337,300
	Total	1.02	1.3	44,100	2.79	1.7	156,600	2.56	2.1	176,600	6.37	1.8	377,300
Mallina	Oxide				0.45	1.3	19,100	0.55	1.2	21,300	1.00	1.3	40,500
	Fresh				0.81	1.2	31,400	2.01	1.4	88,800	2.82	1.3	120,200
	Total				1.26	1.2	50,600	2.57	1.3	110,100	3.83	1.3	160,700
Toweranna	Oxide				0.27	2.2	18,400	0.23	2.1	15,700	0.50	2.1	34,100
	Fresh				0.46	2.5	36,000	1.06	2.2	73,800	1.51	2.3	109,800
	Total				0.72	2.3	54,400	1.29	2.2	89,500	2.01	2.2	143,900
Camel	Oxide	0.18	2.8	16,400	0.32	2.6	26,800	0.04	1.1	1,500	0.54	2.6	44,700
	Fresh	0.01	2.1	600	0.14	1.4	6,500	0.14	1.8	8,600	0.29	1.7	15,700
	Total	0.19	2.8	17,000	0.46	2.2	33,300	0.19	1.7	10,100	0.84	2.2	60,400
Calvert	Oxide				0.43	1.3	17,900	0.05	0.8	1,400	0.48	1.3	19,300
	Fresh				0.56	1.3	23,800	0.23	1.2	9,300	0.79	1.3	33,100
	Total				0.99	1.3	41,700	0.28	1.2	10,700	1.27	1.3	52,400
Roe	Oxide	0.06	2.7	5,500	0.13	1.5	6,000	0.11	1.6	5,700	0.30	1.8	17,200
	Fresh	0.01	2.5	1,000	0.07	2.3	5,300	0.21	2.2	14,800	0.30	2.2	21,100
	Total	0.08	2.7	6,500	0.20	1.8	11,300	0.33	2.0	20,500	0.60	2.0	38,300
Dromedary	Oxide	0.10	2.2	7,200	0.03	1.6	1,400	0.04	1.6	2,200	0.17	1.9	10,800
	Fresh				0.03	1.6	1,700	0.08	1.8	4,700	0.12	1.7	6,400
	Total	0.10	2.2	7,200	0.06	1.6	3,200	0.12	1.7	6,900	0.29	1.9	17,200
Leach Pad	Oxide				0.86	0.7	19,300				0.86	0.7	19,300
	Fresh										0.00	0.0	0
	Total				0.86	0.7	19,300				0.86	0.7	19,300
Hester	Oxide							0.07	1.6	3,500	0.07	1.6	3,500
	Fresh							0.03	1.2	1,300	0.03	1.2	1,300
	Total							0.10	1.5	4,800	0.10	1.5	4,800
Withnell Mining Centre	Oxide	0.92	1.8	52,300	2.70	1.4	120,400	1.25	1.4	56,700	4.86	1.5	229,400
	Fresh	0.48	1.5	22,500	4.64	1.7	250,000	6.19	1.9	372,500	11.30	1.8	644,900
	Total	1.39	1.7	74,800	7.33	1.6	370,400	7.43	1.8	429,200	16.16	1.7	874,300

Wingina Mining Centre Mineral Resources - Gold

Deposit	Type	Measured			Indicated			Inferred			Total		
		Mt	Au g/t	Au Oz	Mt	Au g/t	Au Oz	Mt	Au g/t	Au Oz	Mt	Au g/t	Au Oz
Wingina	Oxide	2.68	1.8	152,100	0.65	1.3	27,000	0.34	1.3	14,400	3.67	1.6	193,500
	Fresh	0.40	1.6	20,500	0.34	1.5	16,300	1.08	1.7	57,400	1.82	1.6	94,200
	Total	3.08	1.7	172,700	0.99	1.4	43,300	1.42	1.6	71,700	5.49	1.6	287,700
Mt Berghaus	Oxide				0.68	1.8	38,900	0.99	1.1	35,800	1.67	1.4	74,700
	Fresh				0.27	1.7	14,400	2.40	1.2	91,800	2.77	1.2	106,300
	Total				0.95	1.7	53,300	3.39	1.2	127,600	4.34	1.3	181,000
Amanda	Oxide				0.50	1.3	21,000	0.32	1.1	11,200	0.82	1.2	32,200
	Fresh				0.07	1.7	3,800	0.37	1.2	14,800	0.44	1.3	18,500
	Total				0.57	1.3	24,800	0.69	1.2	26,000	1.26	1.3	50,800
Wingina Mining Centre	Oxide	2.68	1.8	152,100	1.83	1.5	86,900	1.64	1.2	61,400	6.16	1.5	300,400
	Fresh	0.40	1.6	20,500	0.68	1.6	34,500	3.85	1.3	163,900	4.93	1.4	219,000
	Total	3.08	1.7	172,700	2.51	1.5	121,500	5.49	1.3	225,300	11.09	1.5	519,400

Total Mineral Resource – Base Metals, September 2017

All (Discovery and Orchard Tank) deposits are reported at a 0.5% Zn cut-off grade.

Turner River Project Base Metal Mineral Resources

Deposit	Class	Tonnes Mt	Zn	Pb	Cu	Au	Ag	Zn	Pb	Cu	Au	Ag
			%	%	%	ppm	ppm	Metal Tonnes	Oz	kOz		
Discovery Massive Sulphide	Indicated	0.27	5.2	2.4	0.2	1.9	192	13,900	6,400	600	16,300	1,600
	Inferred	0.35	5.2	2.1	0.2	1.3	196	18,200	7,100	600	14,100	2,200
	Total	0.61	5.2	2.2	0.2	1.5	194	32,100	13,500	1,200	30,400	3,800
Discovery Deposit Halo Mineralisation	Indicated	0.15	0.9	0.5	0.1	0.9	47	1,300	700	100	4,300	200
	Inferred	0.63	1.1	0.5	0.1	0.6	60	6,900	2,900	400	11,700	1,200
	Total	0.78	1.0	0.5	0.1	0.6	57	8,200	3,600	400	16,000	1,400
Discovery Deposit Total	Indicated	0.41	3.7	1.7	0.2	1.6	140	15,200	7,100	700	20,600	1,900
	Inferred	0.98	2.6	1.0	0.1	0.8	108	25,100	10,000	900	25,800	3,400
	Total	1.39	2.9	1.2	0.1	1.0	118	40,300	17,100	1,700	46,400	5,300
Orchard Tank Deposit Total	Indicated											
	Inferred	2.08	3.4	1.4	0.1	0.7	105	70,800	28,900	2,400	45,500	7,000
	Total	2.08	3.4	1.4	0.1	0.7	105	70,800	28,900	2,400	45,500	7,000

Turner River Total Base Metal Mineral Resources

Deposit	Class	Tonnes Mt	Zn	Pb	Cu	Au	Ag	Zn	Pb	Cu	Au	Ag
			%	%	%	ppm	ppm	Metal Tonnes	Oz	kOz		
De Grey Total	Indicated	0.41	3.7	1.7	0.2	1.6	140	15,200	7,100	700	20,600	1,900
	Inferred	3.06	3.1	1.3	0.1	0.7	106	95,800	39,000	3,400	71,300	10,400
	Total	3.47	3.2	1.3	0.1	0.8	110	111,000	46,100	4,100	91,900	12,300

Appendix 2: Tenement Holdings and Movements
Schedule of Mining Tenements and Beneficial Interests
Held as at the end of the December 2018 Quarter

Project/Location	Country	Tenement	Percentage held/earning
Beyondie	Australia	E52/2215	20% ¹
Turner River	Australia	E47/891	100%
Turner River	Australia	E45/2533 ²	100%
Turner River	Australia	E45/2364	100%
Turner River	Australia	E45/2995	100%
Turner River	Australia	E45/3390	100%
Turner River	Australia	E45/3391	100%
Turner River	Australia	E45/3392	100%
Turner River	Australia	P45/4751	100%
Turner River	Australia	E47/3552	100%
Turner River	Australia	E47/3553	100%
Turner River	Australia	E47/3554	100%
Turner River	Australia	P47/3750	100%
Turner River	Australia	P45/3029	100%
Turner River	Australia	P47/1827	100%
Turner River	Australia	P47/1886	100%

- ¹ De Grey retains 100% rights to all non-iron ore related minerals under a Split Commodity Agreement.
- ² Amalgamation of P45/3028 into E45/2533 was granted.

Schedule of Mining Tenements and Beneficial Interests
Acquired during the December 2018 Quarter

Project/Location	Country	Tenement	Granted Date
Turner River	Australia	P45/4751	23 Nov 2018

Schedule of Mining Tenements and Beneficial Interests
Disposed of during the December 2018 Quarter

Project/Location	Country	Tenement	Withdrawal Date
Nil			