



ASX Announcement

15 April 2019

**136m @ 2.0g/t with additional high-grade
drill results at Toweranna**

- Numerous strong gold zones intersected below and east of the existing resource model that are expected to support material resource extensions at Toweranna.
- Best bulk intersection of **136m @ 2.0g/t Au** from 94m in TRC138 includes:
 - 26m @ 3.07g/t and 29m @ 4.38g/t.**
- Strong mineralisation now extends below 200m and remains open laterally and at depth in line with previously stated Exploration Target.
- Analogue of Wallaby (8Moz) and Jupiter (1.6Moz) gold mines
- New high grade gold intersections (>20g x m) below 100m:
 - 29m @ 4.38g/t** from 201m in TRC138 incl **1m @ 41.9g/t** and **2m @ 29.9g/t**
 - 26m @ 3.07g/t** from 94m in TRC138 incl **5m @ 8.36g/t**
 - 6m @ 6.45g/t** from 135m in TRC131 incl **1m @ 20.3g/t**
 - 6m @ 3.5g/t** from 204m in TRC133
 - 3m @ 7.02g/t** from 150m in TRC134
 - 5m @ 5.04g/t** from 218m in TRC134 incl **1m @ 22.9g/t**
- Shallow high grade gold intersections (>20g x m) above 100m:
 - 4m @ 15.26g/t** from 79m in TRC130 incl **1m @ 58.9g/t**
 - 4m @ 11.39g/t** from 94m in TRC134 incl **2m @ 22.15g/t**
 - 7m @ 8.14g/t** from 31m in TRC132 incl **1m @ 51.7g/t**

Andy Beckwith, Technical Director commented: "We are very pleased with these new drill results as they confirm strong gold mineralisation occurs to at least 200metres below surface and material resource extensions are likely with further drilling.

The potential to extend resources from 200 to 400m depth will be our next focus. The bonanza high grade nature of some of the individual veins is also particularly encouraging as it suggests selective or bulk underground mining methods may be possible.

Importantly, the new drilling shows Toweranna has multiple stacked lodes across the entire intrusion, strong mineralisation extending at depth and remains open. This is a new style of mineralisation for the Pilbara and similar style deposits elsewhere around the world validates the potential for large scale and multi-million ounce resources."

De Grey Mining Limited (ASX: DEG, “De Grey”, “Company”) is pleased to announce new RC drilling results from the Toweranna Gold Deposit. The results comprise the first 12 holes for a total of 2,888m (54%) of the planned 5,400m resource extension drilling program. The drilling has been completed on a 40m x 40m basis, targeting lateral and depth extensions to the existing shallow 2018 Toweranna Mineral Resource of 2.01Mt @ 2.2g/t Au for 143,900oz (ASX release “2018 Total Gold Mineral Resource increases to 1.4Moz”, 3 October 2018). Drilling is expected to recommence within two weeks following heavy rains associated with tropical Cyclone Veronica.

Highly positive results have been received and include significant lateral extensions to the existing shallow resource and numerous new lodes at depth, between 100m and 200m below surface. Essentially all new drilling results occur outside of the modelled lodes within the existing resource.

The mineralised zones are defined as a series of generally shallow east dipping lodes with multiple quartz-sulphide veins cross cutting the slightly altered to largely unaltered granite intrusive plug. The granite plug has a circular diameter of approximately 300m and limited historic drilling indicates the plug extends vertically to at least 450m below surface and is expected to continue at depth.

Significant drill intersections (>2g x m) are provided in Table 1, drill locations Figure 1 and drill sections provided in Figures 2-4.

Bonanza Gold Grades

Encouragingly, many of the new lodes show individual veins (1-2m wide) with bonanza gold grades in excess of 20g/t and include individual intercepts of:

**1m @ 58.9g/t, 1m @ 20.3g/t, 1m @ 51.7g/t, 2m @ 22.15g/t, 1m @ 22.9g/t,
1m @ 22.7g/t, 1m @ 21.4g/t, 1m @ 41.9g/t and 2m @ 29.9g/t**

This bonanza high grade mineralisation is also demonstrated by historic small scale underground mining along selected shallow lodes, that partially outcrop along the western contact, where the mine produced 5,000 ounces of gold at an average grade of 40g/t¹. The very high grades provide added support for potential underground mining at depths beyond any open pit mining.

Increased Resource Potential

The existing resource (2.01Mt @ 2.2g/t Au for 143,900oz) occurs mostly along the western and southern portions of the granitoid plug and is constrained by the limit of drilling down to approximately 100m depth. The new drilling has intersected significant shallow lateral lode extensions and new lodes within the upper 100m zone. The deeper drilling, generally to 250m downhole (~200m below surface), has continued to extend existing lodes east of the resource model and also intersected numerous new stacked lodes at depth. The next round of RC drilling is planned to extend and define the lodes down to approximately 200m below surface and subsequent diamond drilling is being planned to test and extend mineralisation to at least 400m.

These new drilling results further supports one of De Grey’s key priorities in seeking to significantly grow the Pilbara Gold Project resource inventory with the stated target of 2M ounces by the end of 2019. In an ASX release “Toweranna - high impact resource extension drilling underway” 13 March 2019, De Grey defined an Exploration Target for Toweranna from 0-400m of 9.6Mt to 11.2Mt at a grade range of 2.1g/t to 2.3g/t for 680,000oz to 800,000oz (includes existing resource of 2.01Mt @ 2.2g/t Au for 143,900oz). De Grey considers the recent results are consistent with, or superior to, previous mineralisation and support mineralisation continuing at depth as proposed in the defined Toweranna Exploration Target.

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

The Toweranna deposit shows a style of gold mineralisation not previously known in the Pilbara, but similar to other granitoid hosted gold deposits around the world, many of which host large gold resources (>1.0Moz). Two Western Australian analogues are both located in the Laverton region of the Eastern Goldfields and include:

- the Wallaby deposit (Goldfields Limited) - >8Moz resource and producing over 250,000oz per year; and
- the nearby Jupiter Deposit² (Dacian Gold Limited) - 1.6Moz resource.

Additionally, the Lamaque and Sigma gold deposits in Quebec, Canada, have both produced over 4.5Moz each for a total production in excess of 9.0Moz³. Mineralisation and mining extends at Sigma to over 1800m depth.

Importantly, these large multi-million ounce gold deposits also tend to occur in clusters, providing longer term upside to discover additional Toweranna style targets within De Grey tenement portfolio. De Grey is assessing a number of early stage exploration targets including to the south west of Mt Berghaus.

Forward Programs

Toweranna is considered to have potential for significant resource growth, and potential for both open pit and underground mining. Work programs have been accelerated to expand resources and test mineralisation down to a depth of at least 400m.

- Completion of the planned 5,400m RC drilling program (2,888m completed) is the highest priority. 5 holes are planned on section 7679970N (Figure 2) and a further 5holes on section 76799930N with additional RC holes currently being assessed based on these new results. This drilling is expected to recommence in the next two weeks, once access tracks dry out and minimal damage is repaired after the recent heavy rainfall (>500mm) caused by Cyclone Veronica.
- Systematic diamond drilling is currently being planned to test and extend mineralisation to at least 400m
- Further deeper scout diamond drilling to between 400-800m is also being assessed.
- Initial ore sorting testwork is currently underway to assess the potential to separate the high grade quartz veins from the non-mineralised waste rock, as this may improve future mining and processing economics.
- Detailed metallurgical testwork is well advanced with results expected during this quarter period.

References

¹ Telford AGGSNA Report WA 53, 1939

² www.daciangold.com.au/site/operations/mt-morgans-gold-project/jupiter-gold-mine

³ Integra Gold N43-101 Report, Lamaque, 2017

Figure 1 Toweranna Plan

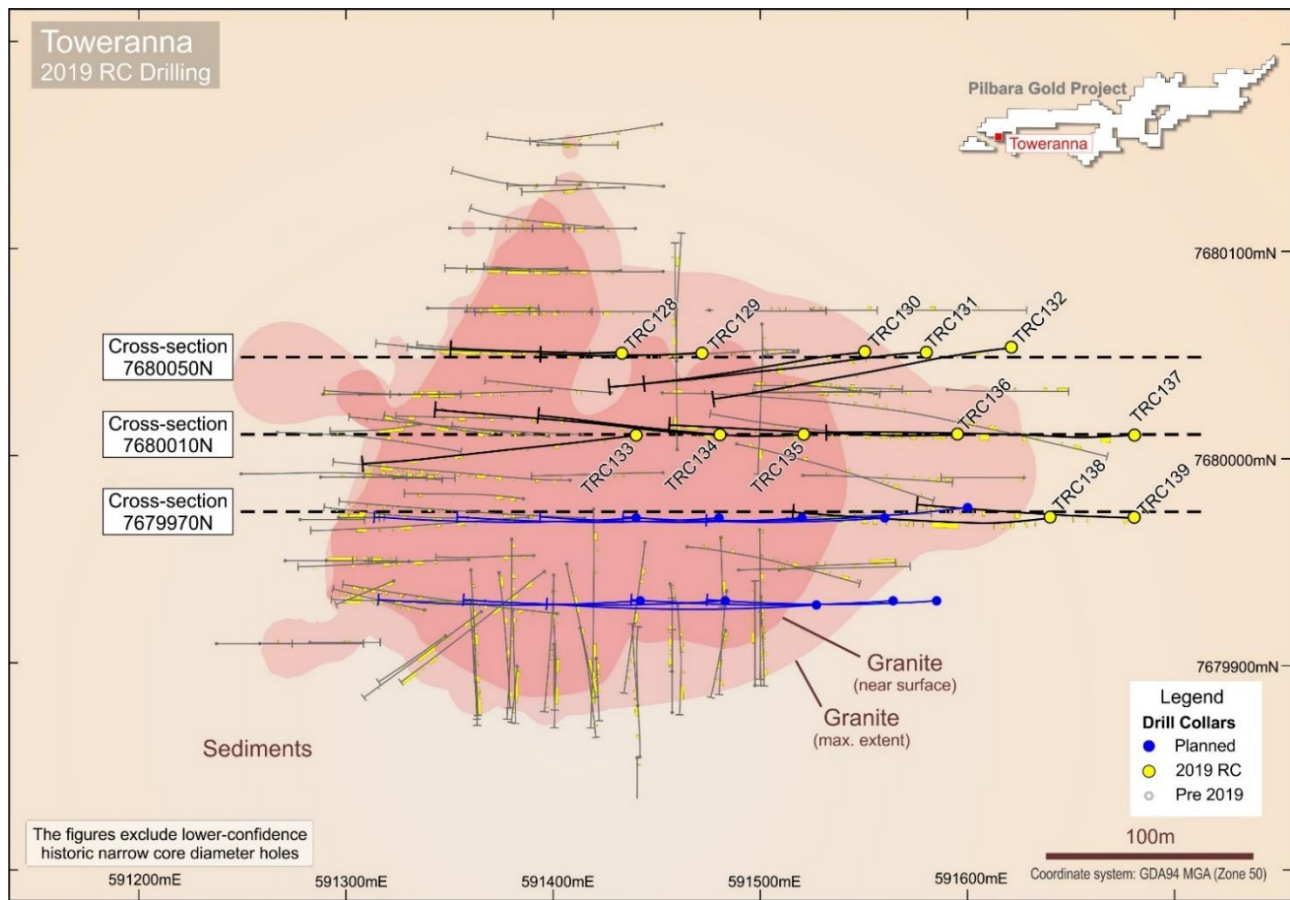


Figure 2 Toweranna Cross Section 7679970N

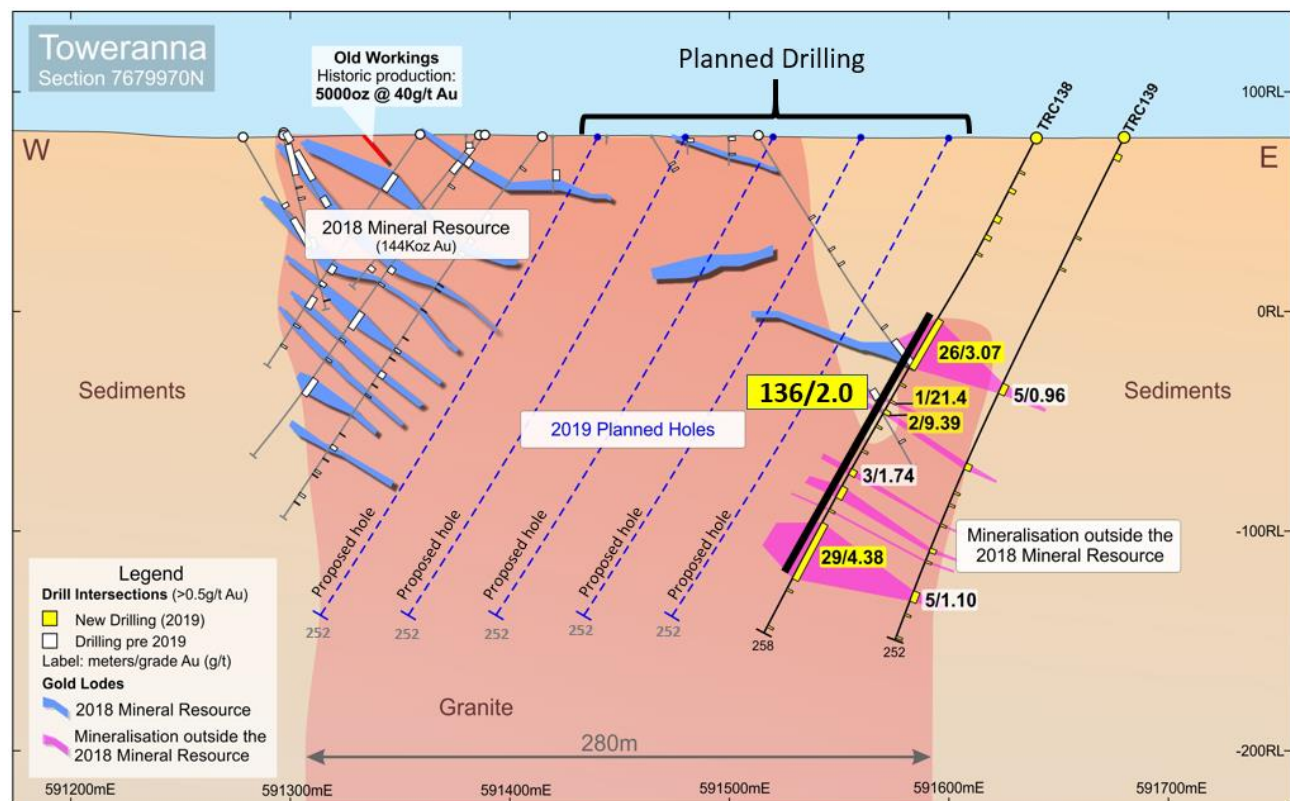


Figure 3 Toweranna Cross Section 7680010N

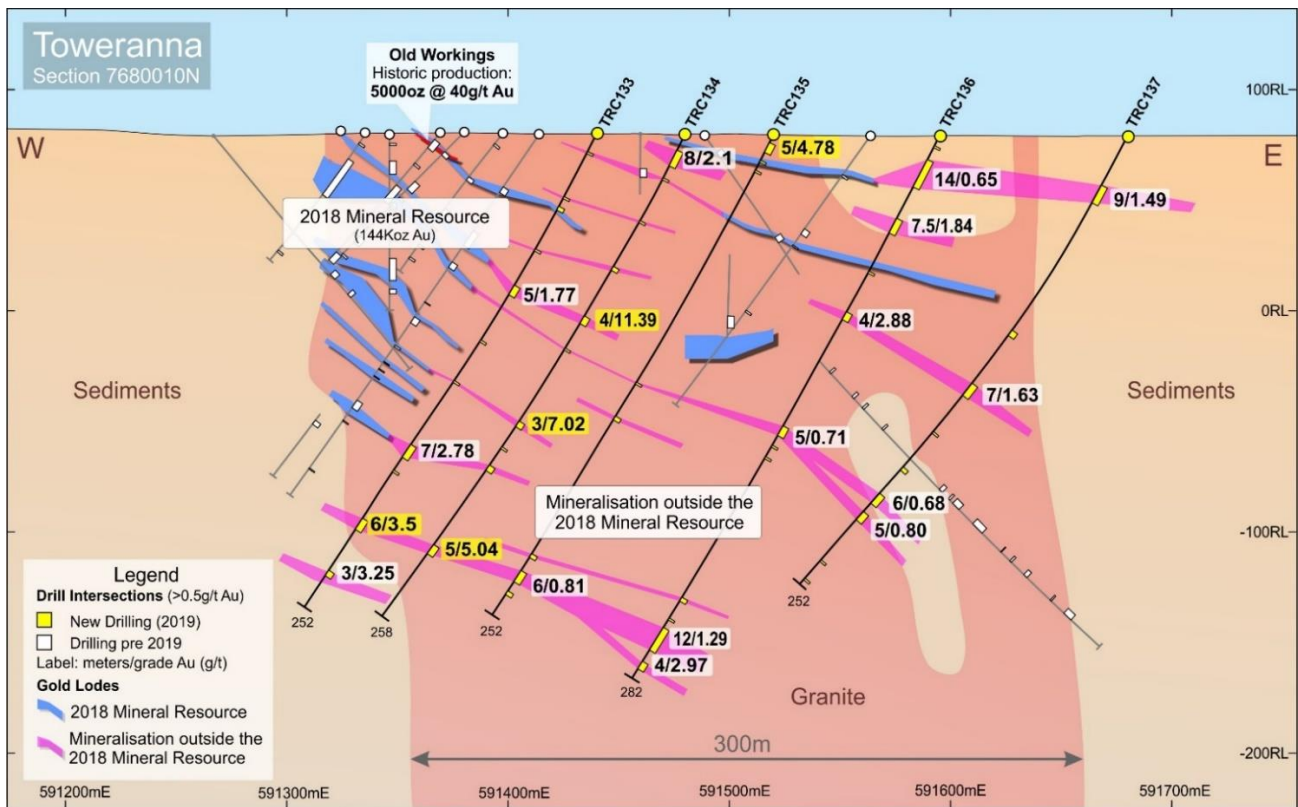
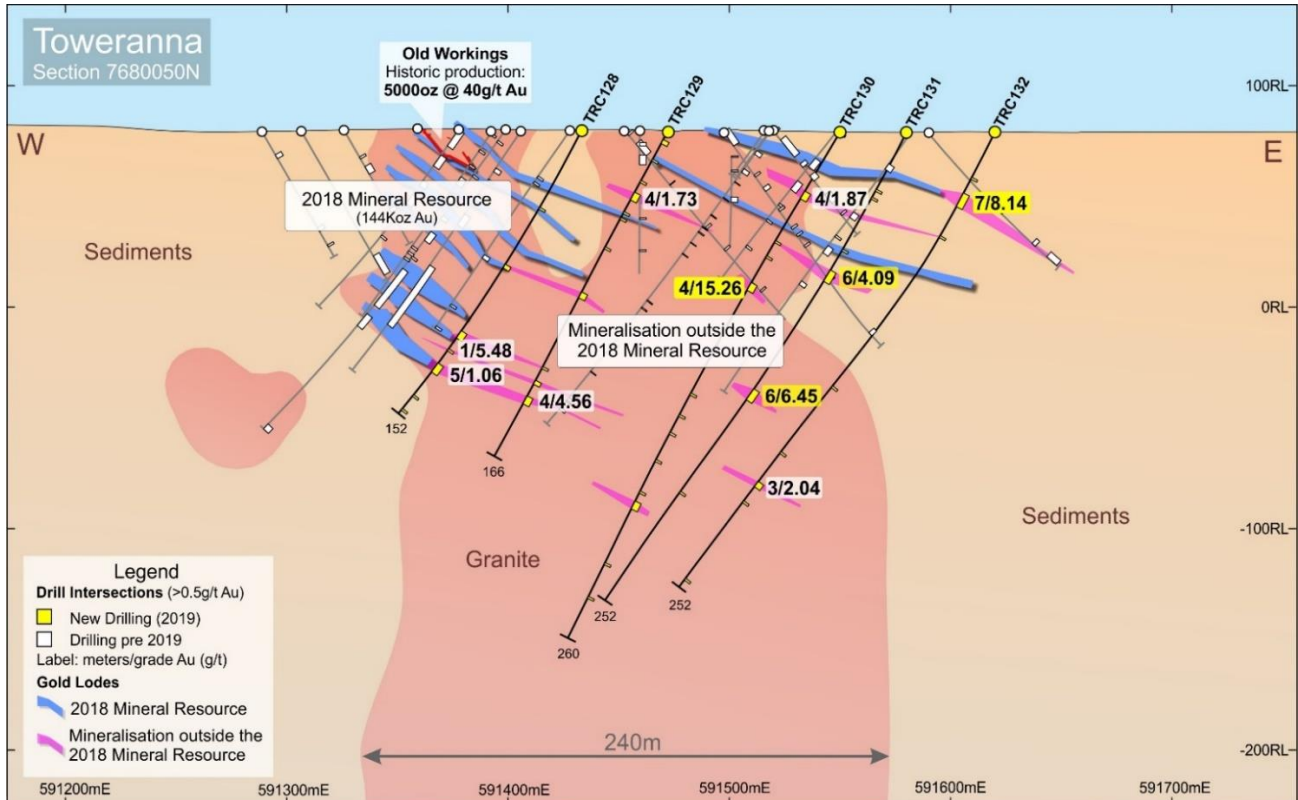


Figure 4 Toweranna Cross Section 7680050N



Background – Toweranna Deposit

The Company has set a corporate goal of increasing overall project resources at Pilbara Gold Project to 2.0Moz by the end of the 2019. Toweranna is considered one of four highest priority targets, including Withnell Underground, Mallina and Mt Berghaus, for significant resource extensions that are likely to positively impact the 2.0Mtpa PFS currently underway.

The Toweranna deposit currently hosts a shallow resource of 2.01Mt @ 2.2g/t Au for 143,900oz (JORC 2012) to approximately 100-120m depth. This new drilling supports our recent assessment that the Toweranna deposit is under drilled, with significant potential to extend both the shallow resources to the east within the granitoid plug and also substantially increase resources at depth. Further resource extension drilling is warranted to enable the final proposed open pit limits to be accurately defined and test for underground resource potential.

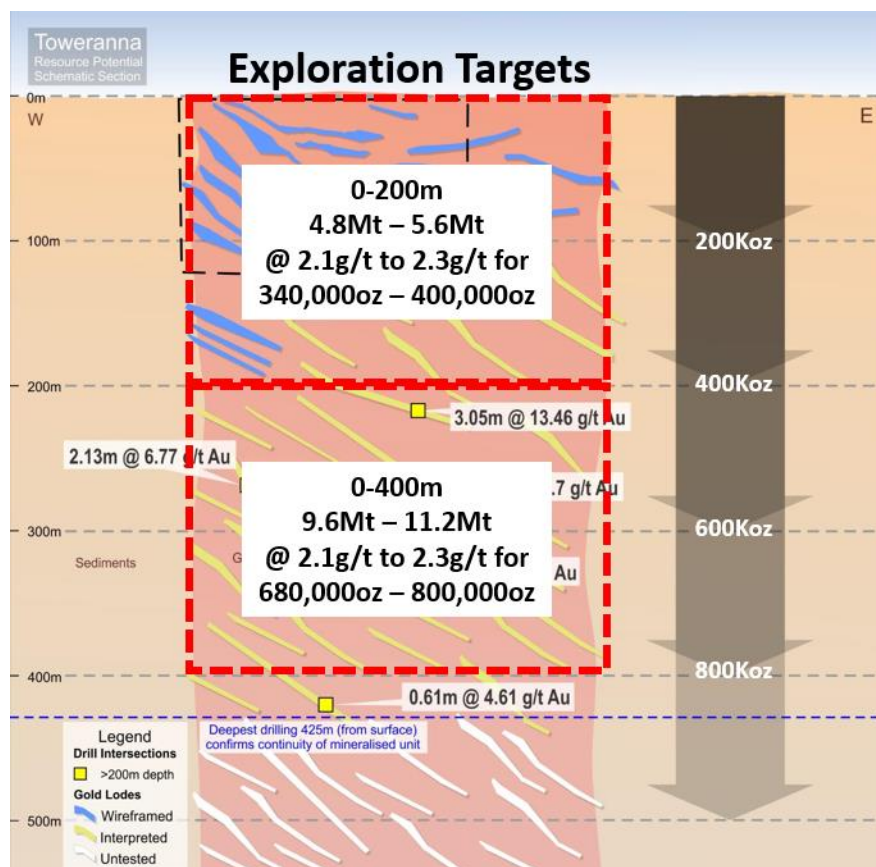
In March 2019, a Toweranna Exploration Target was defined based on increments in depth are defined as follows:

<i>Exploration Target (0-200m)</i>	<i>4.8Mt – 5.6Mt @ 2.1g/t to 2.3g/t for 340,000oz – 400,000oz includes existing resource of 2.01Mt @ 2.2g/t Au for 143,900oz</i>
<i>Exploration Target (200-400m)</i>	<i>4.8Mt – 5.6Mt @ 2.1g/t to 2.3g/t for 340,000oz – 400,000oz supported by limited but positive drilling to 420m depth</i>
Exploration Target (0-400m)	9.6Mt – 11.2Mt @ 2.1g/t to 2.3g/t for 680,000oz – 800,000oz

Exploration Target Cautionary Statement

*Exploration Target - The potential quantity and grade of the exploration target is conceptual in nature. There has been insufficient exploration to determine a mineral resource and there is no certainty that further exploration work will result in the determination of a mineral resource.

Figure 4 Toweranna – Exploration Targets



For further information:

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Andy Beckwith (*Technical Director and Operations Manager*)

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Competent Persons 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 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.

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.

The information in this report that relates to **Toweranna Exploration Targets** is based on, and fairly represents information and supporting documentation compiled by Mr. Andrew Beckwith, a Competent Person who is a member of The Australasian Institute of Mining and Metallurgy. Mr. Beckwith is a consultant to De Grey Mining Limited. Mr. Beckwith has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity being undertaken to qualify as a Competent Person as defined in the 2012 Edition of the “Australasian Code for Reporting of Exploration Results, Mineral Resource and Ore Reserves”. Mr. Beckwith consents to the inclusion in this report of the matters based on his information in the form and context in which it appears.

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 Toweranna – Significant Drill Intersections (>2g x m)

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)	HoleDepth
TRC128	105	109	4	0.99	591433	7680050	79.3	-63	269	152
TRC128	115	116	1	5.48	591433	7680050	79.3	-63	269	152
TRC128	123	128	5	1.06	591433	7680050	79.3	-63	269	152
incl	123	124	1	3.77	591433	7680050	79.3	-63	269	152
TRC128	141	142	1	4.10	591433	7680050	79.3	-63	269	152
TRC129	4	6	2	1.52	591472	7680050	79.1	-62	264	166
TRC129	25	26	1	2.56	591472	7680050	79.1	-62	264	166
TRC129	31	35	4	1.73	591472	7680050	79.1	-62	264	166
incl	31	32	1	5.76	591472	7680050	79.1	-62	264	166
TRC129	82	85	3	1.02	591472	7680050	79.1	-62	264	166
TRC129	127	129	2	2.35	591472	7680050	79.1	-62	264	166
TRC129	135	139	4	4.56	591472	7680050	79.1	-62	264	166
TRC130	31	35	4	1.87	591550	7680050	78.9	-59	264	260
incl	34	35	1	4.36	591550	7680050	78.9	-59	264	260
TRC130	65	66	1	4.84	591550	7680050	78.9	-59	264	260
TRC130	79	83	4	15.26	591550	7680050	78.9	-59	264	260
incl	79	80	1	58.90	591550	7680050	78.9	-59	264	260
TRC130	191	195	4	0.73	591550	7680050	78.9	-59	264	260
TRC131	60	61	1	1.95	591580	7680050	78.8	-63	266	252
TRC131	71	77	6	4.09	591580	7680050	78.8	-63	266	252
incl	75	76	1	20.00	591580	7680050	78.8	-63	266	252
TRC131	135	141	6	6.45	591580	7680050	78.8	-63	266	252
incl	135	136	1	17.10	591580	7680050	78.8	-63	266	252
incl	139	140	1	20.30	591580	7680050	78.8	-63	266	252
TRC132	31	38	7	8.14	591620	7680052	79.0	-63	264	252
incl	31	32	1	51.70	591620	7680052	79.0	-63	264	252
TRC132	192	195	3	2.04	591620	7680052	79.0	-63	264	252
TRC133	9	10	1	8.20	591440	7680010	80.0	-63	262	252
TRC133	37	39	2	2.98	591440	7680010	80.0	-63	262	252
TRC133	59	60	1	4.45	591440	7680010	80.0	-63	262	252
TRC133	78	83	5	1.77	591440	7680010	80.0	-63	262	252
incl	78	79	1	7.96	591440	7680010	80.0	-63	262	252
TRC133	164	171	7	2.78	591440	7680010	80.0	-63	262	252
TRC133	204	210	6	3.50	591440	7680010	80.0	-63	262	252
incl	207	209	2	9.65	591440	7680010	80.0	-63	262	252
TRC133	232	235	3	3.25	591440	7680010	80.0	-63	262	252
incl	232	233	1	8.78	591440	7680010	80.0	-63	262	252
TRC134	8	16	8	2.10	591480	7680010	79.8	-63	273	258
incl	9	10	1	9.03	591480	7680010	79.8	-63	273	258
TRC134	22	23	1	2.59	591480	7680010	79.8	-63	273	258
TRC134	44	45	1	3.41	591480	7680010	79.8	-63	273	258
TRC134	68	70	2	2.35	591480	7680010	79.8	-63	273	258
TRC134	94	98	4	11.39	591480	7680010	79.8	-63	273	258
incl	94	96	2	22.15	591480	7680010	79.8	-63	273	258
TRC134	150	153	3	7.02	591480	7680010	79.8	-63	273	258
incl	151	152	1	18.40	591480	7680010	79.8	-63	273	258
TRC134	174	177	3	1.02	591480	7680010	79.8	-63	273	258
TRC134	218	223	5	5.04	591480	7680010	79.8	-63	273	258
incl	218	219	1	22.90	591480	7680010	79.8	-63	273	258
TRC135	4	9	5	4.78	591520	7680010	79.6	-63	269	252
incl	4	5	1	22.70	591520	7680010	79.6	-63	269	252

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)	HoleDepth
TRC135	146	148	2	3.63	591520	7680010	79.6	-63	269	252
TRC135	219	221	2	1.77	591520	7680010	79.6	-63	269	252
TRC135	228	234	6	0.81	591520	7680010	79.6	-63	269	252
TRC136	12	26	14	0.65	591595	7680010	79.1	-63	268	282
TRC136	42	49.5	7.5	1.84	591595	7680010	79.1	-63	268	282
incl	43	44	1	8.41	591595	7680010	79.1	-63	268	282
TRC136	90	94	4	2.88	591595	7680010	79.1	-63	268	282
TRC136	149	154	5	0.71	591595	7680010	79.1	-63	268	282
TRC136	239	241	2	3.50	591595	7680010	79.1	-63	268	282
TRC136	255	267	12	1.29	591595	7680010	79.1	-63	268	282
incl	259	260	1	6.82	591595	7680010	79.1	-63	268	282
TRC136	273	277	4	2.97	591595	7680010	79.1	-63	268	282
incl	275	276	1	8.56	591595	7680010	79.1	-63	268	282
TRC137	25	34	9	1.49	591680	7680010	79.1	-62	268	252
TRC137	102	105	3	0.67	591680	7680010	79.1	-62	268	252
TRC137	132	139	7	1.63	591680	7680010	79.1	-62	268	252
incl	132	133	1	4.26	591680	7680010	79.1	-62	268	252
TRC137	198	203	5	0.62	591680	7680010	79.1	-62	268	252
TRC137	208	213	5	0.80	591680	7680010	79.1	-62	268	252
TRC138	40	43	3	0.82	591640	7679970	79.5	-63	263	258
TRC138	94	120	26	3.07	591640	7679970	79.5	-63	263	258
incl	109	114	5	8.36	591640	7679970	79.5	-63	263	258
TRC138	137	138	1	21.40	591640	7679970	79.5	-63	263	258
TRC138	142	144	2	9.39	591640	7679970	79.5	-63	263	258
incl	142	143	1	18.25	591640	7679970	79.5	-63	263	258
TRC138	173	176	3	1.74	591640	7679970	79.5	-63	263	258
TRC138	182	188	6	0.66	591640	7679970	79.5	-63	263	258
TRC138	194	195	1	4.11	591640	7679970	79.5	-63	263	258
TRC138	201	230	29	4.38	591640	7679970	79.5	-63	263	258
incl	214	215	1	41.90	591640	7679970	79.5	-63	263	258
incl	225	227	2	29.90	591640	7679970	79.5	-63	263	258
TRC139	125	130	5	0.96	591680	7679970	79.4	-63	272	252
incl	128	129	1	3.34	591680	7679970	79.4	-63	272	252
TRC139	179	180	1	3.56	591680	7679970	79.4	-63	272	252
TRC139	207	209	2	1.67	591680	7679970	79.4	-63	272	252
TRC139	213	214	1	4.58	591680	7679970	79.4	-63	272	252
TRC139	228	233	5	1.10	591680	7679970	79.4	-63	272	252

Intercept parameters: 0.5g/t Au lower cut, maximum 3m internal waste dilution, no upper cut applied, intercepts over 2g x m reported. The bulk intercept of 136m @ 2.0g/t quoted for TRC 138 includes larger zones of internal waste.

JORC 2012 TABLE

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 RC holes were sampled on a 1m basis with samples collected from a cone splitter mounted on the drill rig cyclone. 1m sample size typically ranges from 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"> Reverse Circulation(RC) precollars were drilled 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"> Samples are considered representative with generally 100% recovery. Recovery was visually estimated for RC samples, with the great majority of intervals being logged as good recovery and dry 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 estimation, mining studies and metallurgical studies. Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc.) photography. The total length and percentage of the relevant intersections logged. 	<ul style="list-style-type: none"> All RC samples were geologically logged The sample results are appropriate for a resource estimation

Criteria	JORC Code explanation	Commentary
Sub-sampling techniques and sample preparation	<ul style="list-style-type: none"> • 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. 	<ul style="list-style-type: none"> • Sample weights ranged from 2-4kg • 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 resource estimate
Quality of assay data and laboratory tests	<ul style="list-style-type: none"> • 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. 	<ul style="list-style-type: none"> • The samples were submitted to a commercial independent laboratory in Perth, Australia. • Au was analysed by a 50gm charge Fire assay fusion technique with an AAS finish. Selected intervals were analysed for 33 multi-elements by HF-HNO₃-HClO₄ acid digestion, HCl leach and ICP-AES. • The techniques are considered quantitative in nature. • As discussed previously certified reference standards 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"> • 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. 	<ul style="list-style-type: none"> • Sample results have been merged by the company's database consultants • Results have been uploaded into the company database, checked and verified • No adjustments have been made to the assay data. • Results are reported on a length weighted basis
Location of data points	<ul style="list-style-type: none"> • 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. 	<ul style="list-style-type: none"> • 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 • Topographic control is by detailed mine survey pickups and Differential GPS data
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"> • Current drilling is on a nominal 40m x 40m grid spacing. • All holes have been geologically logged and provide a strong basis for geological control and continuity of mineralisation. • Data spacing and distribution is sufficient to provide support for the results to be used in a resource estimate. • Sample compositing has not been applied except in reporting of drill intercepts, as described in this Table.
Orientation of data in relation to	<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 	<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. • Drilling is believed to be close to right angles to the dip of mineralised structures and as such downhole widths approximate true widths. Any

Criteria	JORC Code explanation	Commentary
geological structure	<i>and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material.</i>	variations to 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 database consultants and 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 E47/2720 which is located approximately 80km south of Port Hedland. The tenement is held 100% by Indee Gold Pty Ltd. On 9 February 2018, De Grey executed a Share Sale Agreement ("SSA") to acquire 100% of the Indee Gold Pty Ltd, holder of all the Indee Gold Project tenements. Under the executed Share Sale Agreement, the total acquisition price is A\$15 Million, inclusive of the following payments made - the Initial Exclusivity Fee of \$100,000 (paid in Jan 2017), the Initial Deposit of \$1.5 Million (paid on SSA execution - 9 February 2018) and a Settlement Extension Deposit of \$700,000 (December 2018). Final settlement cash payable is \$9.7 Million and \$3 Million of Consideration Shares (new De Grey fully paid ordinary shares) on or before 24 July 2019 (the Settlement Date).
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 Toweranna prospect includes small scale historic mining and has had previous exploration programs undertaken by various companies over a period of many years.
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 quartz hosted gold mineralisation along the boundaries and within a granite intrusion within a regional fold structure. This style of mineralisation is similar to 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: <ul style="list-style-type: none"> 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 is provided in this report.

Criteria	JORC Code explanation	Commentary
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 at a minimum cutoff grade of 0.5g/t gold with an internal dilution of 3m maximum. Intervals over 2g x m Au 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 approximately perpendicular to the strike of mineralisation. Drilling is believed to be close to right angles to the dip of mineralised structures and as such, downhole widths approximate true widths. Any variations to this will be allowed for in resource estimates when geological interpretations are 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 are representative cross sections are provided in the report.
Balanced reporting	<ul style="list-style-type: none"> 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. 	<ul style="list-style-type: none"> All intercepts using parameters described above are reported, together with locations of all drill holes reported here. The report is considered balanced and provided in context.
Other substantive exploration data	<ul style="list-style-type: none"> 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. 	<ul style="list-style-type: none"> The Toweranna Gold deposit has an existing 2012 JORC gold resource (143,900oz) previously reported by De Grey. Limited test work on metallurgical and geotechnical characteristics has been completed at this stage. Metallurgical testwork is underway.
Further work	<ul style="list-style-type: none"> 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. 	<ul style="list-style-type: none"> A program of RC and diamond drilling to test the deposit to over 200m depth is underway. Deeper diamond drilling to test below 200m is being planned.