ASX Announcement

11 July 2019

Withnell drilling continues to delineate high grade gold lodes

- **High grade plunging shoots (>10g*m Au) defined within the various lodes at relatively shallow depths. Mineralisation remains open at depth and along strike**
- **Main Lode (Lode 1) shows a continuous mineralised structure over 1.2km strike length and remains open.**
- **Multiple new subparallel lodes continue to be discovered as the density of drilling increases**
- **Results to be included in a new resource update expected this month.**
- **Significant results at depth include:**

Lode 1	**5.19m @ 4.39g/t Au** from 250.14m in NDD125B
	8.7m @ 2.91g/t Au from 434m in NDD139
	3m @ 39.21g/t Au from 169m in NRC112 (1m resplits)
	(incl **2m @ 57.95g/t Au** from 169m)
	2m @ 14.6g/t Au from 189m in NRC114 (1m resplits)
	(incl **1m @ 27.5g/t Au** from 190m)
Lode 4	**6m @ 4.03g/t Au** from 100m in NRC102 (1m resplits)
	4m @ 6g/t Au from 163m in NRC103 (1m resplits)
	(incl **1m @ 15.4g/t Au** from 166m)
	1m @ 23.7g/t Au from 139m in NRC104 (1m resplits)
Other	**4m @ 5.11g/t Au** from 215m in NRC104 (1m resplits)
	8m @ 2.89g/t Au from 237m in NRC104 (1m resplits)
	0.56m @ 49.8g/t Au from 275.67m in NDD134

Andy Beckwith, Technical Director commented:

*"**Withnell is a large 6km long brownfields gold system** with a number of shallow deposits already discovered along this trend. Deeper drilling below the existing Withnell Main shallow open pit shows the mineralisation extends over 1.2km of strike and continues at depth to greater than 400m. The shallow resources at Camel, Roe and Dromedary along the 6kms of Withnell shear are interpreted to have similar plunging shoots, however other than under the Withnell Main zone there is very little drilling below 100m depth under these deposits!*

Over the next twelve months we will continue to test for high grade plunging shoots beneath the Withnell open pit and along the 6km strike below the other deposits."

De Grey Mining Limited (ASX: DEG, "De Grey", "Company") is pleased to announce new RC and diamond drilling results at the Withnell gold deposit, an integral part of the 1.4Moz Pilbara Gold Project, located near Port Hedland in the Pilbara region of Western Australia. (ASX release "2018 Total Gold Mineral Resource increases to 1.4Moz", 3 October 2018)

Withnell is currently the largest deposit (6.37Mt @ 1.8 g/t for 377,300 oz) within the project area and is located on the Withnell Shear (formerly named the Mallina Shear). A shallow oxide resource has been previously mined to 45m depth by a previous owner. In the De Grey 2017 Scoping Study, an open pit cutback was proposed to approximately 120m depth. De Grey continues to expand the resource at depth and is targeting the higher grade plunging shoots below the shallower proposed open pit mineralisation. Further potential occurs along strike including the known mineralised 6km trend that hosts the Camel, Roe and Dromedary deposits. The remaining 60km of the Withnell Shear to the east and west remains essentially untested with only very limited drilling testing under the thin veneer of sand cover.

The following drill results reported in this release covers an on-going RC and diamond drilling program during 2019 targeting the high-grade lodes beneath the proposed Withnell Open Pit. The gold mineralisation occurs as multiple vertical lodes (Figure 1) associated with quartz-sulphide (pyrite) veining and alteration. The results continue to build on previous drilling and highlight multiple lodes with a series of high-grade plunging shoots that remain open at depth. Several significant but isolated intercepts (such as 4m @ 5.11g/t Au in NRC104 and 0.56m @ 49.8g/t Au in NDD134 may develop into additional lodes with follow up drilling.

The results cover 11 RC holes which were previously reported as 4m composite samples and have been upgraded to 1m sample intervals, as well as new results from8 diamond holes. The deeper drilling has targeted dominantly lode 1 and lode 4 (Figure 1) and Table 2 provides a summary of the new intersections by lode.

All of the drilling results are considered to represent gold mineralisation that would be beneath the proposed 2017 Scoping Study open pit and will be included in a maiden Withnell underground resource model, expected to be completed during the quarter.

Figure 1 Withnell Plan view showing proposed open pit cutback and interpreted underground lodes.

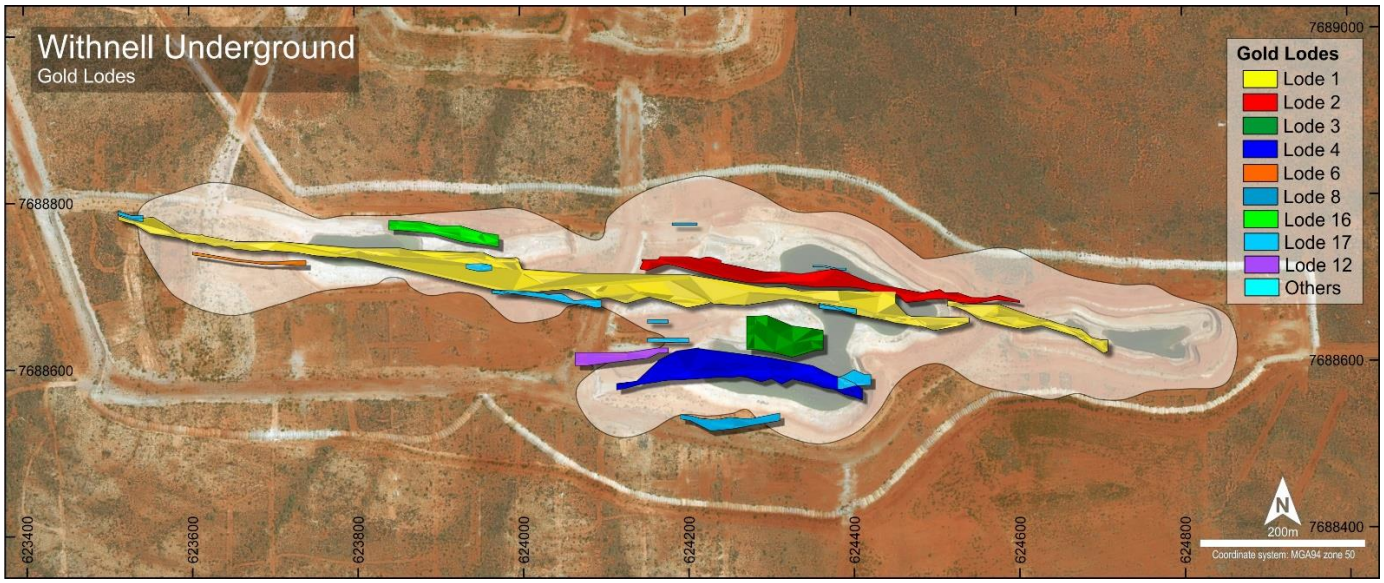

Figure 2 **Withnell Lode 1 long-section showing new drill hole intercepts and 1.2km mineralised shear zone. Mineralisation remains open at depth**

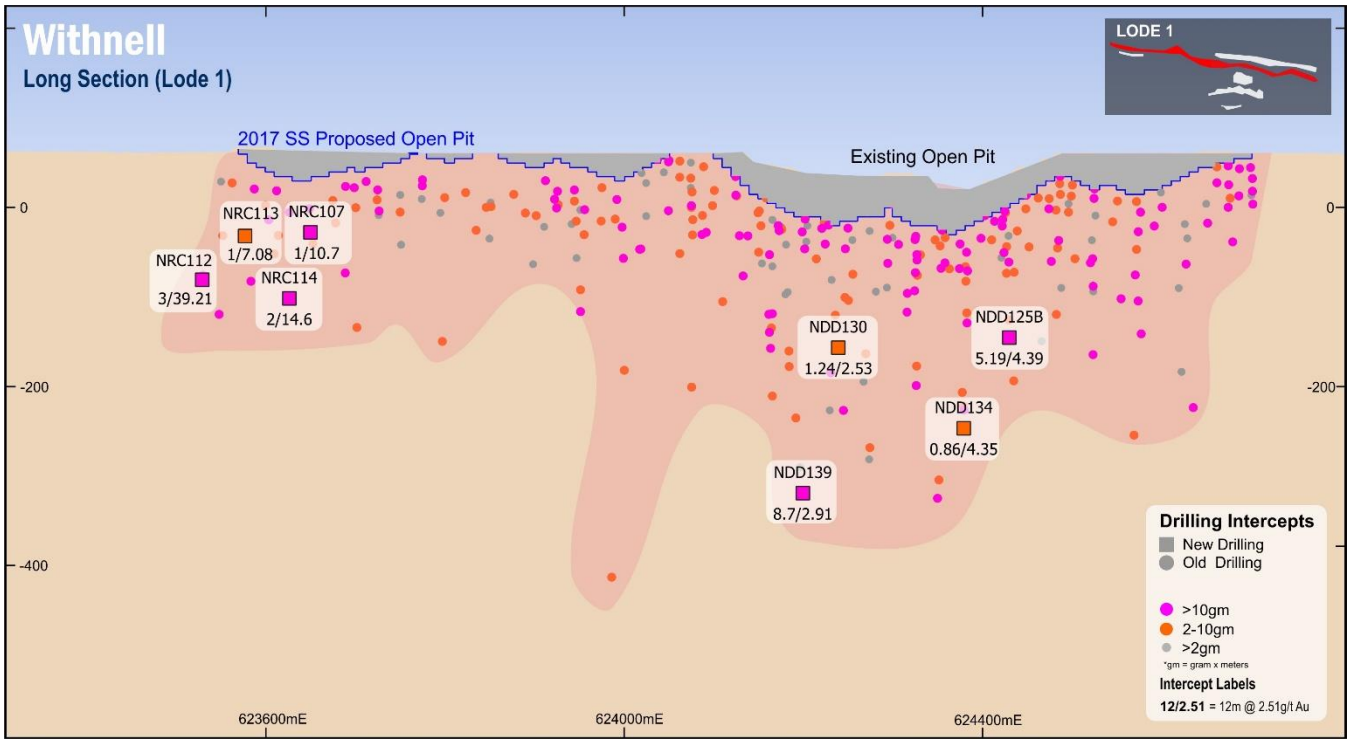

Figure 3 **Withnell Lode 4 long-section showing new 1 m resplit hole intercepts. Mineralisation remains open at depth**

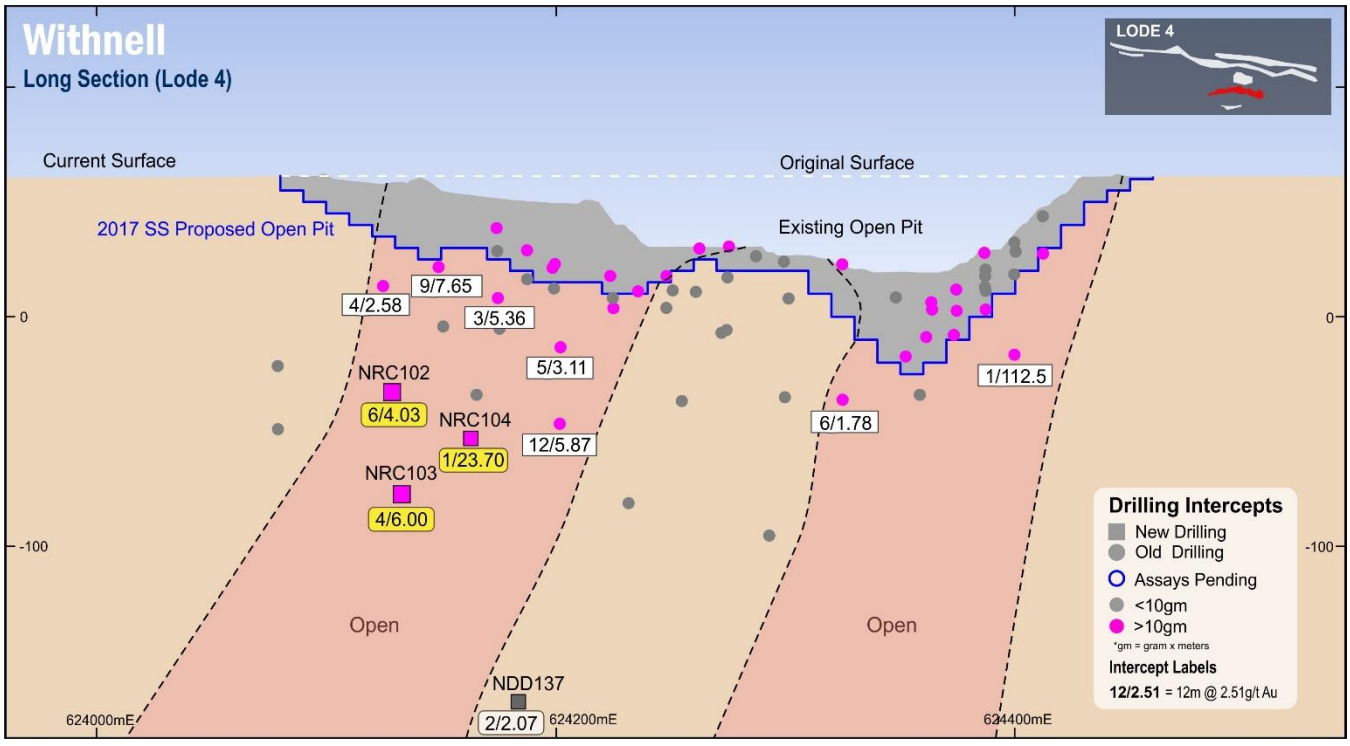

Table 1 **Drill Hole Location Data**

HoleID	Collar East (GDA94)	Collar North (GDA94)	Collar RL (GDA94)	Dip (degrees)	Azimuth (GDA94)	Hole Depth	Drill Type
NDD125B	624419	7688831	59	-64	168	381	DD
NDD129	624266	7688864	59	-65	164	510	DD
NDD130	624218	7688849	59	-64	165	346	DD
NDD133	624615	7688824	59	-64	160	378	DD
NDD134	624366	7688938	59	-65	164	534	DD
NDD135	624268	7688924	59	-68	161	548	DD
NDD137	624169	7688787	59	-64	161	370	DD
NDD139	624177	7688922	59	-68	175	552	DD
NRC100	624075	7688634	61	-57	177	120	RC
NRC101	624074	7688660	61	-62	173	174	RC
NRC102	624128	7688627	61	-65	177	120	RC
NRC103	624125	7688490	62	-55	358	180	RC
NRC104	624175	7688506	62	-54	347	252	RC
NRC105	624400	7688492	62	-51	353	210	RC
NRC106	624450	7688528	62	-55	357	132	RC
NRC107	623650	7688720	62	-76	354	144	RC
NRC112	623525	7688870	60	-61	163	252	RC
NRC113	623575	7688819	60	-60	174	150	RC
NRC114	623626	7688844	60	-63	164	240	RC

Table 2 **Significant Drill Intersections (>2g x m)**

HoleID	Lode	Depth From (m)	Depth To (m)	Downhole Width (m)	Au (g/t)
NDD125B	WD02	226.40	227.06	0.66	2.15
NDD125B	WD01	250.14	255.33	**5.19**	**4.39**
NDD125B	including	250.14	250.88	**0.74**	**11.95**
NDD125B		261.00	262.00	**1.00**	**7.92**
NDD127		288.68	289.24	**0.56**	**10.60**
NDD129		225.60	226.00	0.40	2.98
NDD129		254.52	254.84	0.32	2.97
NDD129	WD02	274.50	276.05	1.55	2.48
NDD130	WD02	226.00	227.00	1.00	2.28
NDD130		244.00	245.00	1.00	4.34
NDD130	WD01	276.44	277.68	1.24	2.53
NDD133		201.90	202.92	1.02	3.43
NDD133	WD01	294.00	294.57	0.57	2.75
NDD134		275.67	276.23	**0.56**	**49.80**
NDD134		320.30	320.79	0.49	5.69
NDD134	WD02	357.00	359.00	2.00	2.27
NDD134	WD01	394.14	395.00	0.86	4.35
NDD135		258.00	258.66	**0.66**	**15.66**
NDD135	including	258.36	258.66	**0.30**	**27.50**
NDD135		379.80	380.10	0.30	6.33
NDD137	WD13	268.65	270.20	1.55	3.24
NDD137	WD04	291.00	293.00	2.00	2.07
NDD139		331.35	333.70	2.35	3.61
NDD139	WD01	434.00	442.70	**8.70**	**2.91**
NRC100		41.00	42.00	1.00	2.20
NRC100	WD12	52.00	53.00	1.00	4.18

HoleID	Lode	Depth From (m)	Depth To (m)	Downhole Width (m)	Au (g/t)
NRC101		56.00	58.00	2.00	2.14
NRC102	WD04	100.00	106.00	**6.00**	**4.03**
NRC103		69.00	73.00	4.00	2.40
NRC103	WD04	163.00	167.00	**4.00**	**6.00**
NRC103	including	166.00	167.00	**1.00**	**15.40**
NRC104		2.00	5.00	**3.00**	**4.25**
NRC104	WD04	139.00	140.00	**1.00**	**23.70**
NRC104	WD12	215.00	219.00	**4.00**	**5.11**
NRC104	WD13	237.00	245.00	**8.00**	**2.89**
NRC105	WD04	124.00	126.00	**2.00**	**5.23**
NRC106		51.00	52.00	1.00	3.15
NRC107	WD01	92.00	93.00	**1.00**	**10.70**
NRC112	WD11	163.00	164.00	**1.00**	**10.70**
NRC112	WD01	169.00	172.00	**3.00**	**39.21**
NRC112	including	169.00	171.00	**2.00**	**57.95**
NRC113	WD01	109.00	110.00	1.00	7.08
NRC114	WD01	189.00	191.00	**2.00**	**14.60**
NRC114	including	190.00	191.00	**1.00**	**27.50**
NRC114		204.00	205.00	1.00	2.16

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.

JORC 2012 TABLE

Section 1 Sampling Techniques and Data

(Criteria in this section apply to all succeeding sections.)

Criteria	JORC Code explanation	Commentary
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 NQ2 diameter core. After logging and photographing, NQ2 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. • RC samples were collected with a cone splitter on the rig cyclone and drill cuttings were sampled on a 1m and 4m 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. • Au was analysed by a 50gm charge Fire assay fusion technique with an AAS finish. 33 multi-elements were analysed 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	• *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 • 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	• *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 • Topographic control is by detailed mine survey pickups and Differential GPS data.
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.*	• Drilling is on a nominal 50-100m x 50m 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.

Criteria	JORC Code explanation	Commentary
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. • In some cases, drilling is not at right angles to the dip of mineralised structures and as such true widths are less than downhole widths. This will be allowed for in resource estimates when geological interpretations are completed.
Sample security	• *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 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	• *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.*	• Withnell drilling is on tenement M47/476 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 SSA, 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	• *Acknowledgment and appraisal of exploration by other parties.*	• Extensive drilling of the Indee orebodies leading to the definition of Ore Reserves and the development of a mining and processing operation was carried out mainly by Range River between 2003 and 2008.
Geology	• *Deposit type, geological setting and style of mineralisation.*	• The mineralisation targeted is hydrothermally emplaced and sediment/quartz hosted gold mineralisation within a shear zone and is similar in style to many other Western Australian gold deposits
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 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*	• Drill hole location and directional information are provided in this report.

Criteria	JORC Code explanation	Commentary
	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.*	• Results are reported to a minimum cutoff grade of 1.0g/t gold with a nominal internal dilution of 3m maximum. Some lower grade intercepts are included where Lodes 1 and 2 were intersected but did not return grades above the lower cut. • Intercepts are length weighted averaged. • No maximum cuts have been made.
Relationship between mineralisation 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 drill holes are interpreted to be approximately perpendicular to the strike of mineralisation. • Drilling is not always perpendicular to the dip of mineralisation and true widths are less than downhole widths. Estimates of true widths will only be possible when all results are received, and final geological interpretations have been completed.
Diagrams	• *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 sections 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 significant results are provided in this report. • The report is considered balanced and provided in context.
Other substantive exploration data	• *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.*	• The Withnell Gold deposit has an existing 2012 JORC gold resource (377,000oz) previously reported by De Grey
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.*	• The company plans to continue drilling to test depth extents and along strike during 2019. • A resource update is expected to be completed during the current September 2019 quarter.