25 November 2019 ASX Release

Positive drill results extend Withnell potential

- **Prioritised sampling of Lode 1 has returned significant drilling results:**
  - **3m @ 17.1g/t Au** from 91m in NRC116

    incl 1m @ 43.6g/t Au from 92m
  - **5.1m @ 9.9g/t Au** from 338.9m in NDD147

    incl 0.5m @ 56.9g/t Au from 341.75m
  - **6.13m @ 5.2g/t Au** from 368.53m in NDD146
  - **6m @ 3.3g/t Au** from 239m in NRC118
- **Withnell Lode1 has been extended 100m deeper along the entire 1.2km strike length with three higher grade and west plunging shoots developing.**
- **Shallow high grade, 3m @ 17.1g/t, intersected at the western end of the deposit provides added scope to extend the westernmost plunging shoot laterally and at depth.**
- **Assays for most parallel lodes remain pending - significant drill results to date include:**
  - **7m @ 2.2g/t Au** from 85m in NDD145 in Lode 2
  - **0.67m @ 16.1g.t Au** from 476.60 in NDD148 in Lode 12
- **Drilling continues to target resource extensions on a 100m x 100m basis.**

Andy Beckwith, Technical Director commented:

"Scale and grade are the two most important aspects of the Withnell deposit.

Withnell is a large 1.2km long and highly mineralised gold system that remains open both along strike and at depth. The average grade of the underground resource is 4.1g/t which compares favourably to existing Western Australian operating underground mines.

This latest round of drilling demonstrates the dominant Lode 1 now extends a further 100m below the current resource along the entire 1.2km strike length and down to 350m below surface. Importantly, within this 1.2km strike length, Lode 1 appears to be developing into three west plunging higher grade shoots.

De Grey plans to continue systematic 100m x 100m step out drilling to extend and outline the mineralisation to a nominal 500m depth."

De Grey Mining Limited (ASX: DEG, "De Grey", "Company") is pleased to announce the latest assay results from the ongoing resource extension drilling program at the Withnell deposit, within the Mallina Gold project located near Port Hedland in Western Australia.

Withnell Underground Drilling

The recent drilling program comprised 4 RC holes totalling 846m, and 14 diamond holes totalling 4911m of diamond core and 1824m of RC precollars. Progressive results reported here include 3 RC holes and priority Lode 1 intervals for the majority of the diamond holes. Sampling and assays remain pending for four remaining diamond holes and most of the parallel lodes. Diamond drilling continues to target depth extensions with a deeper hole (NDD151) currently underway targeting a further 100m step out down plunge of the high grade intercepts of **5.1m @ 9.9g/t Au** in NDD147 and **6.13m @ 5.23g/t Au** NDD146 (Figure 1).

Table 1 provides a listing of all results (>2gm*m) and Figure 1 provides a summary of the new drilling results in long section. Results for diamond holes NRC109D, NDD136, NDD143 and NDD150 remain pending while drilling is underway on NDD151.

Withnell Lode 1

Overall, Lode 1 is the dominant lode within the Withnell deposit and there are also several sub-parallel lodes that have been partially drill tested. The overall open pit and underground resource averages around 1200 ounces of gold per vertical metre to approximately 250m below surface. This large +1.2km long gold system remains open along strike and at depth. The on- going drill program has targeted 100m step outs below and along strike of the existing resource, with all holes intersecting Lode 1 with variable widths and grade, as expected.

Importantly, the new results demonstrate gold mineralisation extends a further 100m below the entire strike length of the existing resource and three higher grade and west plunging shoots are interpreted to be developing (Figure 1). On-going drilling is planned to test these plunging shoots with hole NDD151 currently underway.

Significant Lode 1 intercepts (>10gm*m) include:

3.0m @ 17.1g/t Au from 91m in NRC116
incl **1m @ 43.6g/t Au** from 92m
5.1m @ 9.9g/t Au from 338.9m in NDD147
incl 0.81m @ 15.3g/t Au from 338.9m
incl 0.5m @ 56.9g/t Au from 341.75m
6.13m @ 5.2g/t Au from 368.53m in NDD146
6.0m @ 3.3g/t Au from 239m in NRC118
5.72m @ 2.4g/t Au from 466.35m in NDD141
7m @ 2.2g/t Au from 85m in NDD145
0.67m @ 16.1g/t Au from 476.6m in NDD148

The shallow high grade intersection of **3.0m @ 17.1g/t** in NRC116 is encouraging as it provides scope to further extend the westernmost shoot in Lode 1 and remains open both along strike and at depth.

Sampling of the additional subparallel lodes in most diamond holes remains to be completed and assayed. Notable subparallel lode intercepts received to date show several higher grade intercepts (>3g/t) including:

North of Lode 1

1.7m @ 3.9g/t Au from 459m in NDD141
1.94m @ 3.1g/t Au from 379.86m in NDD141
0.5m @ 11.6g/t Au from 294.5m in NDD147
1m @ 6.5g/t Au from 174m in NRC117

South of Lode 1

0.41m @ 20.2g/t Au from 434.68m in NDD140
0.83m @ 11.4g/t Au from 387.72m in NDD147
1.49m @ 4.1g/t Au from 297.11m in NDD149

Once full sampling is completed, and assays are received an assessment of the additional parallel lodes will be provided in greater context.

Drilling Plans

Diamond drilling continues at Withnell with hole NDD151 currently underway and is expected to take 2-3 weeks to complete. This hole is targeting Lode 1 from the south whilst aiming to assess the southern parallel lodes in greater detail. Upon completion of NDD151 logging and full sampling of all the holes will be finalised. Once all assays are received during January an update of the resource model will be undertaken on all drilling completed during 2019. Planning of new priority holes will also be undertaken.

The second diamond rig has mobilised to Mallina to complete a program of core extensions to early RC drill holes. This drilling is expected to continue for approximately 2-3 weeks. 2 RC drill rigs are expected to arrive in the coming few days to undertake approximately 8,000-10,000m of resource extension drilling at Mallina prior to the Christmas break. Results of this drilling will be expected during January and will be included in a resource update on the Mallina deposit.

At Toweranna, the final assay results of previously drilled diamond core are expected to be finalised shortly. Upon finalisation the Toweranna resource model will also be updated.

Withnell Background

Withnell has an established combined open pit and underground resource of 4.65Mt @ 2.9g/t for 429,300oz*. The underground resource 2.22Mt @ 4.1g/t for 291,900oz* is based on a lower cut of grade of 2g/t. The resource extension drilling is targeting extensions on a 100m x 100m step out basis both along the 1.2km strike and beneath the existing resource model, initially targeting systematic testing to a nominal 500m below surface. *(*ASX release "2019 Total Gold Mineral Resource – 21% increase to 1.7Moz", 16 July 2019).*

Withnell, is the largest gold resource within the Mallina Gold Project. The mineralisation is hosted by vertical lodes within the large regional scale Withnell Shear Zone. The potential to mine the underground resource is currently being evaluated on the basis of a conceptual and conventional longhole open stoping mining method accessed by a decline off the proposed open pit cutback. Additional resources at depth are considered likely to improve the evaluation and provide potential to extend the overall mine life.

For further information:

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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. Philip Tornatora, a Competent Person who is a member of The Australasian Institute of Mining and Metallurgy. 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.

Figure 1 Withnell Underground Resource extension drilling, showing recent results received. Further results pending

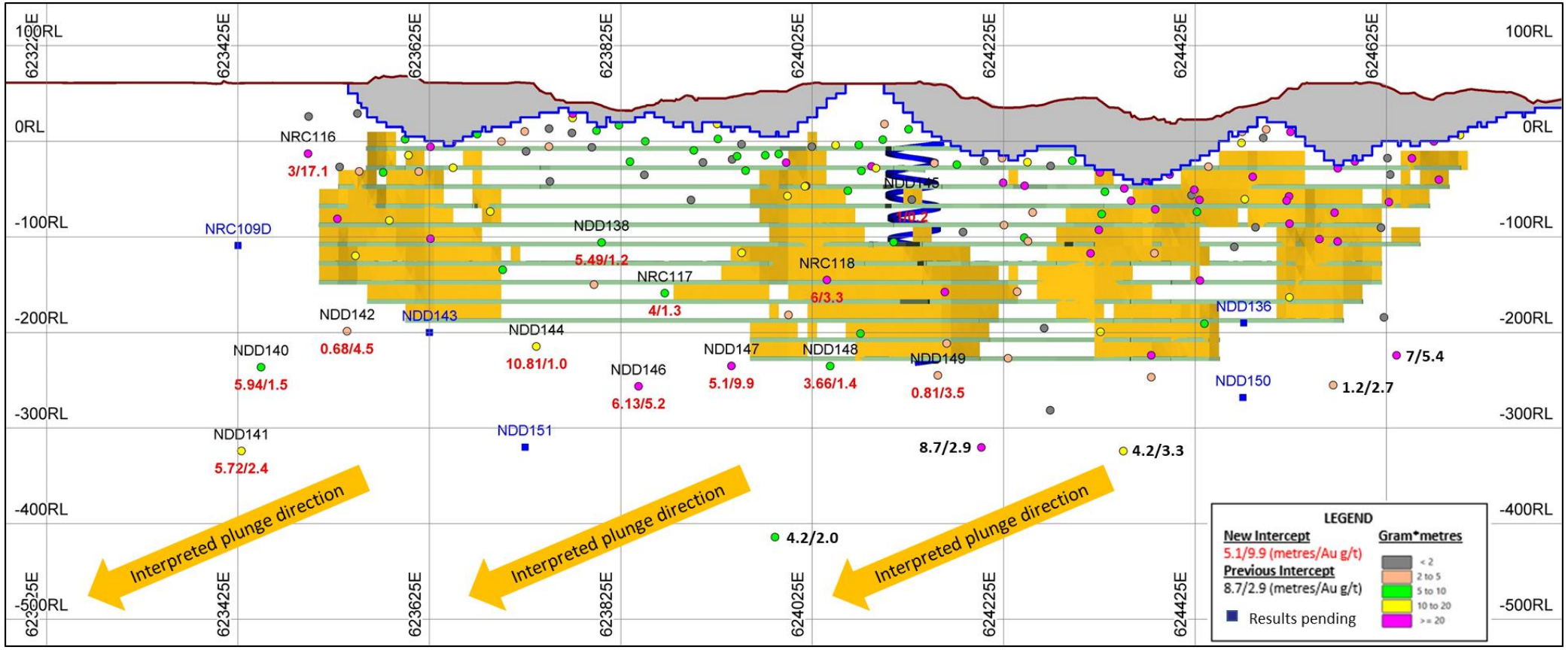

Table 1 Significant Drill Intersections (>2 gram x m)

HoleID	Lode	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)	Hole Depth	Drill Type
NDD138	WD01	190.00	195.49	5.49	1.2	623799	7688840	59	-64	163	308	DD
NDD138	S	223.55	223.95	0.40	2.4	623799	7688840	59	-64	163	308	DD
NDD140	N	320.07	321.07	1.00	2.7	623426	7688961	59	-63	169	462	DD
NDD140	WD01	357.06	363.00	5.94	1.5	623426	7688961	59	-63	169	462	DD
NDD140	S	434.68	435.09	0.41	20.2	623426	7688961	59	-63	169	462	DD
NDD140	S	447.51	448.31	0.80	2.2	623426	7688961	59	-63	169	462	DD
NDD141	N	379.86	381.80	1.94	3.1	623425	7689034	59	-66	173	573	DD
NDD141	N	383.80	384.50	0.70	2.6	623425	7689034	59	-66	173	573	DD
NDD141	N	459.00	460.70	1.70	3.9	623425	7689034	59	-66	173	573	DD
NDD141	WD01	466.35	472.07	5.72	2.4	623425	7689034	59	-66	173	573	DD
incl	WD01	468.50	468.85	0.35	11.1	623425	7689034	59	-66	173	573	DD
NDD142	WD01	317.69	318.37	0.68	4.5	623525	7688961	60	-64	173	414	DD
NDD142	S	371.00	371.30	0.30	3.0	623525	7688961	60	-64	173	414	DD
NDD144	WD01	321.19	332.00	10.81	1.0	623720	7688928	59	-64	166	456	DD
NDD145	WD02	85.00	92.00	7.00	2.2	624115	7688784	60	-61	166	492	RC
NDD146	WD01	368.53	374.66	6.13	5.2	623820	7688929	59	-69	167	474	DD
incl	WD01	374.33	374.66	0.33	19.0	623820	7688929	59	-69	167	474	DD
NDD147	N	294.50	295.00	0.50	11.6	623920	7688930	59	-68	167	538	DD
NDD147	WD01	338.90	344.00	5.10	9.9	623920	7688930	59	-68	167	538	DD
incl	WD01	338.90	339.71	0.81	15.3	623920	7688930	59	-68	167	538	DD
incl	WD01	341.75	342.25	0.50	56.9	623920	7688930	59	-68	167	538	DD
NDD147	S	387.72	388.55	0.83	11.4	623920	7688930	59	-68	167	538	DD
NDD148	WD01	358.39	362.05	3.66	1.4	624021	7688923	59	-67	166	692	DD
NDD148	WD12 (S)	476.60	477.27	0.67	16.1	624021	7688923	59	-67	166	692	DD
NDD148	S	492.10	494.42	2.32	2.2	624021	7688923	59	-67	166	692	DD
NDD149	S	297.11	298.60	1.49	4.1	624113	7688915	59	-66	167	648	DD
NDD149	S	324.00	325.00	1.00	2.2	624113	7688915	59	-66	167	648	DD
NDD149	WD02	356.87	359.09	2.22	2.6	624113	7688915	59	-66	167	648	DD
NDD149	N	364.39	364.69	0.30	2.1	624113	7688915	59	-66	167	648	DD
NDD149	WD01	366.72	367.53	0.81	3.5	624113	7688915	59	-66	167	648	DD
NRC116	WD01	91.00	94.00	3.00	17.1	623501	7688745	60	-54	355	156	RC
incl	WD01	92.00	93.00	1.00	43.6	623501	7688745	60	-54	355	156	RC
NRC117	N	174.00	175.00	1.00	6.5	623869	7688878	60	-66	166	300	RC
NRC117	WD01	261.00	265.00	4.00	1.3	623869	7688878	60	-66	166	300	RC
NRC118	WD01	239.00	245.00	6.00	3.3	624020	7688835	60	-65	166	276	RC

JORC Code, 2012 Edition – Table 1

Section 1 Sampling Techniques and Data

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

Criteria	JORC Code explanation	Commentary
Sampling techniques	• *Nature and quality of sampling (e.g. cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc.). These examples should not be taken as limiting the broad meaning of sampling.* • *Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.* • *Aspects of the determination of mineralisation that are Material to the Public Report.* • *In cases where 'industry standard' work has been done this would be relatively simple (e.g. 'reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30 g charge for fire assay'). In other cases, more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (e.g. submarine nodules) may warrant disclosure of detailed information.*	• All drilling and sampling was undertaken in an industry standard manner • Core 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 holes were sampled on a 1m basis with samples collected from a cone splitter mounted on the drill rig cyclone. 1m sample ranges from a typical 2.5-3.5kg. Precollars are generally sampled as 4m composites, together with 1m samples from a cone splitter. 1m samples have been sent for assay from anomalous intersections. • Sample weights ranged from 2-4kg • The independent laboratory then takes the sample and pulverises the entire sample for analysis as described below.
Drilling techniques	• *Drill type (e.g. core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc.) and details (e.g. core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc.).*	• The drill holes comprised NQ2 core of a diameter of 51mm. • Reverse Circulation(RC) precollars were drilled with a 5 1/2-inch bit and face sampling hammer.
Drill sample recovery	• *Method of recording and assessing core and chip sample recoveries and results assessed.* • *Measures taken to maximise sample recovery and ensure representative nature of the samples.* • *Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material.*	• Core recovery is measured for each drilling run by the driller and then checked by the Company geological team during the mark up and logging process. • Samples are considered representative with generally 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	• *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.)*	• All core has been geologically and geotechnically logged and photographed by Company geologists, with systematic sampling undertaken on the prospective parts of the stratigraphy based on rock type and alteration observed • All RC samples were geologically logged • The sample results are appropriate for a resource estimation

Criteria	JORC Code explanation	Commentary
	photography. • *The total length and percentage of the relevant intersections logged.*	
Sub-sampling techniques and sample preparation	• *If core, whether cut or sawn and whether quarter, half or all core taken.* • *If non-core, whether riffled, tube sampled, rotary split, etc. and whether sampled wet or dry.* • *For all sample types, the nature, quality and appropriateness of the sample preparation technique.* • *Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.* • *Measures taken to ensure that the sampling is representative of the in situ material collected, including for instance results for field duplicate/second-half sampling.* • *Whether sample sizes are appropriate to the grain size of the material being sampled.*	• Samples were collected with a diamond drill rig drilling 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. • 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.

Criteria	JORC Code explanation	Commentary
Data spacing and distribution	• *Data spacing for reporting of Exploration Results.* • *Whether the data spacing, and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied.* • *Whether sample compositing has been applied.*	• Drilling is on a nominal 100m x 100m 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 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 by Indee Gold Pty Ltd, which is a 100% subsidiary of De Grey Mining Ltd.
Exploration done by other parties	• *Acknowledgment and appraisal of exploration by other parties.*	• The Withnell orebodies were discovered and drilled by Resolute in the late 1990s. Extensive drilling leading to the definition of Ore Reserves and the development of a mining and processing operation was carried out 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*	• Drill hole location and directional information are provided in this report.

Criteria	JORC Code explanation	Commentary
	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 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*	• The Withnell Gold deposit has an existing 2012 JORC gold resource (429,300oz) previously reported by De Grey

Criteria	JORC Code explanation	Commentary
	results; bulk samples – size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances.	
Further work	• *The nature and scale of planned further work (e.g. tests for lateral extensions or depth extensions or large-scale step-out drilling).* • *Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.*	• The company plans to continue drilling to test depth and strike extensions. • A resource update will be completed after the current phase of drilling.