

Expanded drilling program commences at Mallina

- **Resource extension drilling campaign has commenced**
- **Recent drilling and a detailed geological review confirm the potential for near surface (<100m) high grade mineralisation to extend along strike and at depth**
- **Examples of the broad nature of near surface gold mineralisation include:**
 - 56m @ 3.0g/t from 14m in MLRC214D (incl 30m @ 5.3g/t from 34m)
 - 22m @ 4.1g/t Au from 9m in MLAC037 (incl 7m @ 11.6g/t Au from 23m) and
 - 14m @ 4.9g/t Au from 36m in MLAC037 (incl 9m @ 7.0g/t Au from 37m)
 - 16m @ 3.0g.t Au from 32m in MLRC215 (incl 6m @ 4.7g/t Au from 42m)
 - 28m @ 2.3g/t Au from 41m in MLAC052 (incl 2m @ 9.6g/t Au from 63m)
- **Mineralisation is now present over +7km strike length with incomplete, shallow (<100m) drilling to date testing less than 3 km of the system**
- **+10,000m RC and diamond drilling (1 DD rig, 2RC rigs) scheduled to be completed by mid-December.**

De Grey Mining Limited (ASX: DEG, "De Grey", "Company") is pleased to advise that a focused drilling program has commenced at Mallina with 1 diamond rig and 2 RC rigs operating. The drilling program aims to rapidly test for shallow (<100m) resource extensions. A majority (~10,000m) of the overall +15,000m drilling program is expected to be completed during December.

Shallow drilling previously reported over the last 12 months at the Mallina deposit provides numerous encouraging broad and high grade drilling results, as well as an improved geological understanding. Collectively the programs have highlighted the potential to expand resources substantially at Mallina.

Mallina is a large +7km long gold system with relatively shallow (<100m) drilling partially covering less than 3km of the presently identified gold system. The resource potential has progressively grown in stature with each round of drilling completed to date. The recent aircore and RC drill results coupled with other previous and significant drilling results completed since the July 2018 resource estimate (**3.83Mt @ 1.3g/t for 160,700oz**) provide confidence further significant resource increases can be expected.

The expanded RC and diamond drilling program aims to extend drilling along strike and at depth along the three parallel mineralised trends defined to date.

Figure 1 shows drilling intercepts outside of the current resource model. A significant component of the planned drilling campaign will target extensions along the blue interpreted lodes.

De Grey has developed a greater understanding of the geological setting and the overprinting gold mineralising alteration system in recent months. This new understanding provides a strong backdrop to targeting resource extensions.

Figure 2 shows the three main mineralised trends occurring across a 500m wide corridor. A deeper component of the drilling program will test the new geological model and aims to double the coverage with systematic drilling to approximately 200m depth.

The alteration system, ranging from non mineralised to highly mineralised, is shown in **Figure 3** and clearly defines the stronger alteration assemblages associated with the gold mineralisation. The drill chips shown include mineralisation intersected in earlier drilling (*MLRC214D result of 56m @ 3.0g/t Au including 30m @ 5.3 g/t from 34m*) and provides strong support to the potential to define a large tonnage resource within this large gold system.

Further along strike, recent shallow and widespaced aircore drilling, ranging from 1.2km to 320m spaced lines across the interpreted 700m wide corridor is shown in **Figure 4**. Initial and previously reported results demonstrate the gold system now extends to over 7km long with only 3km of this corridor tested by any RC and diamond drilling to date.

The company plans to undertake further step-out and infill aircore drilling during the March Quarter 2020 as heritage clearances are completed.

Figure 1 Mallina East - New RC and Aircore results (yellow highlights) with all previously reported drill intersections outside of the resource model (3.83Mt @ 1.3g/t for 160,700oz).

Extension drilling to focus on testing along the strike of the interpreted Blue lodes which are all outside of the resource model. The yellow lodes are lodes within resource model which will be target with deeper drilling based on the new geological model to approximately 200m depth.

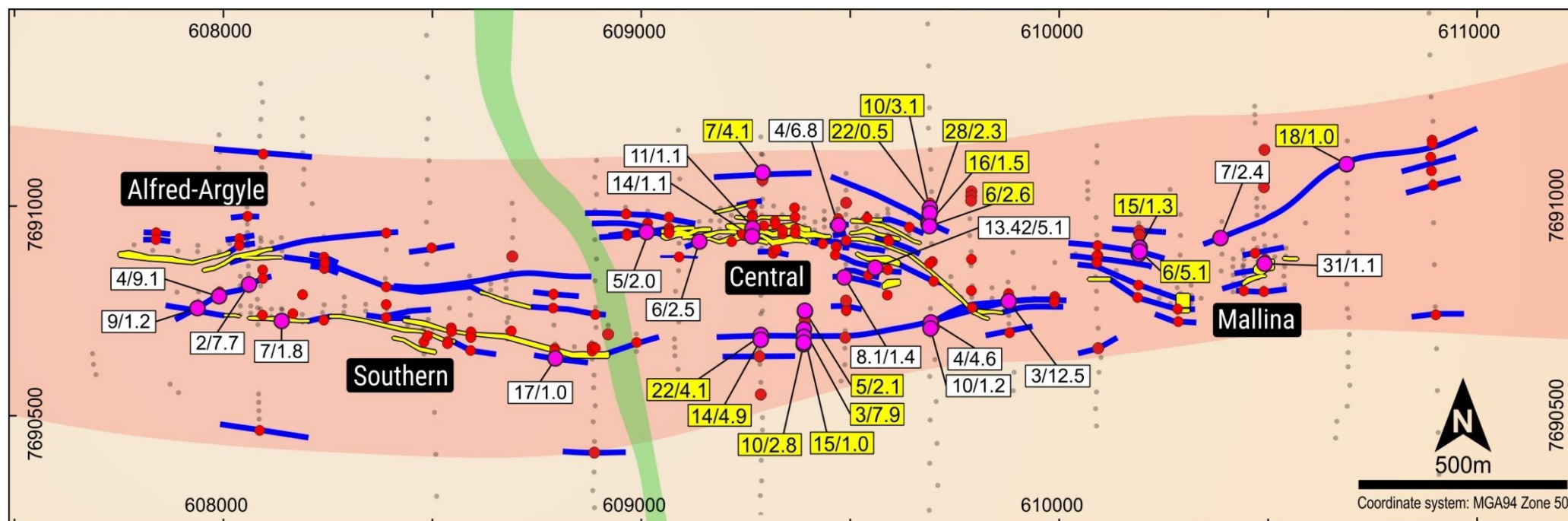


Figure 2 - Section 609290E showing the three main gold trends occurs over a 500m wide corridor. .

The deeper component of the drilling program will test the new geological model below previous drilling for resource extensions to approximately 200m depth.

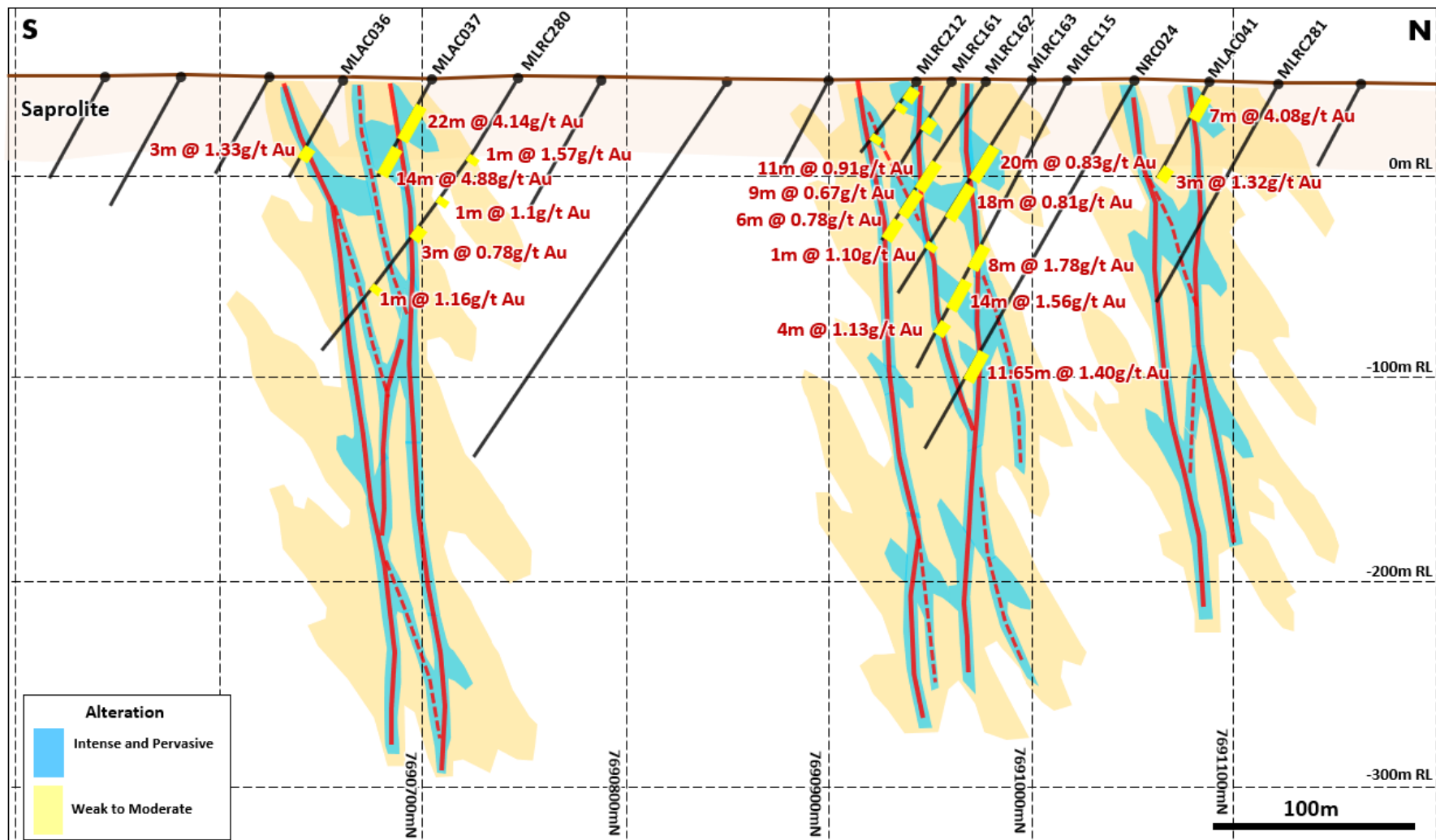


Figure 3 Mallina - Alteration types controlling higher grade gold mineralisation in core (upper diagram) and in drill chips (lower diagram)

Drill chips include mineralisation intersected in MLRC214D (56m @ 3.0g/t Au including 30m @ 5.3 g/t from 34m) and provides strong support to the potential to define a large tonnage resource within this large gold system.

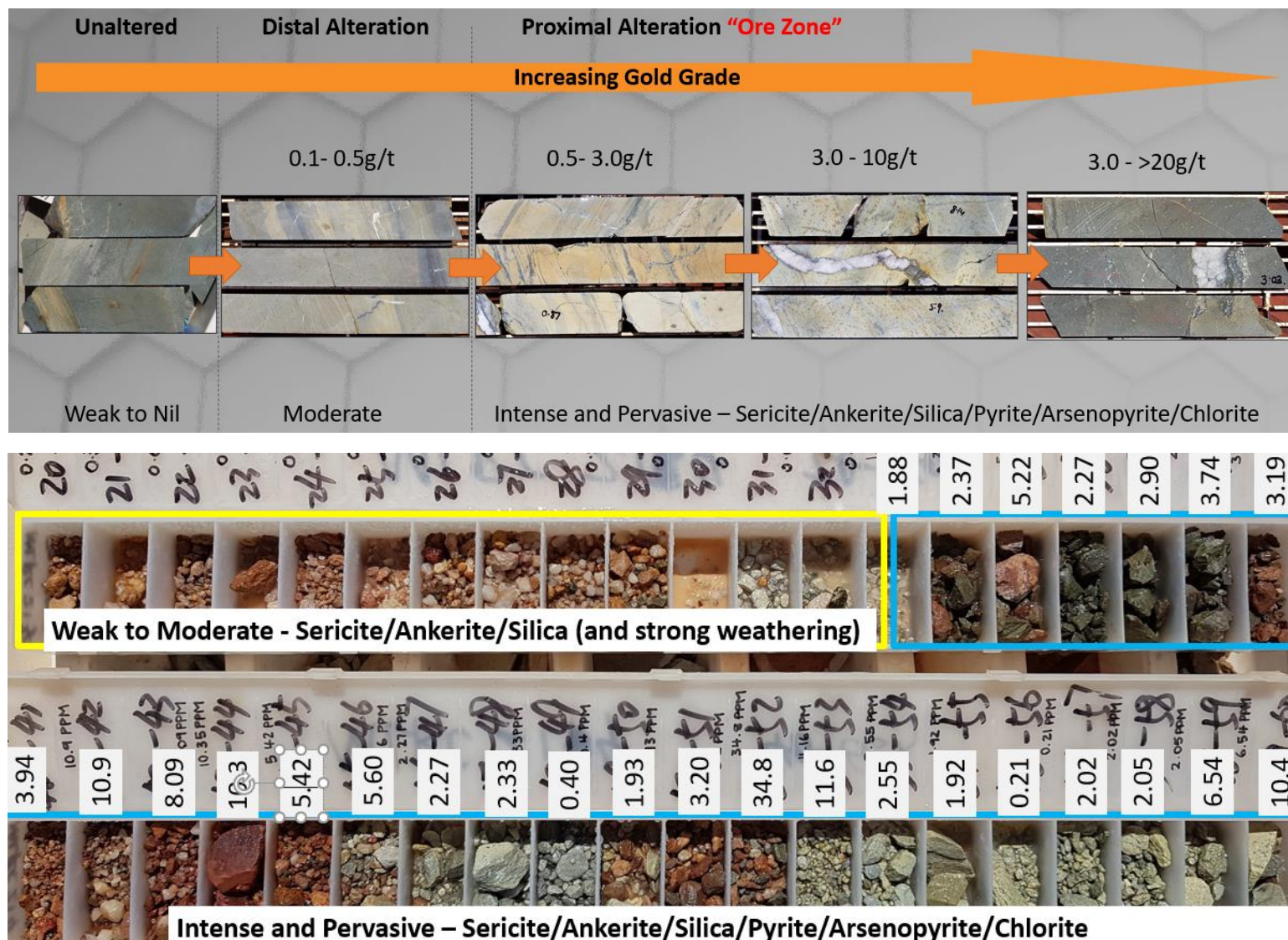
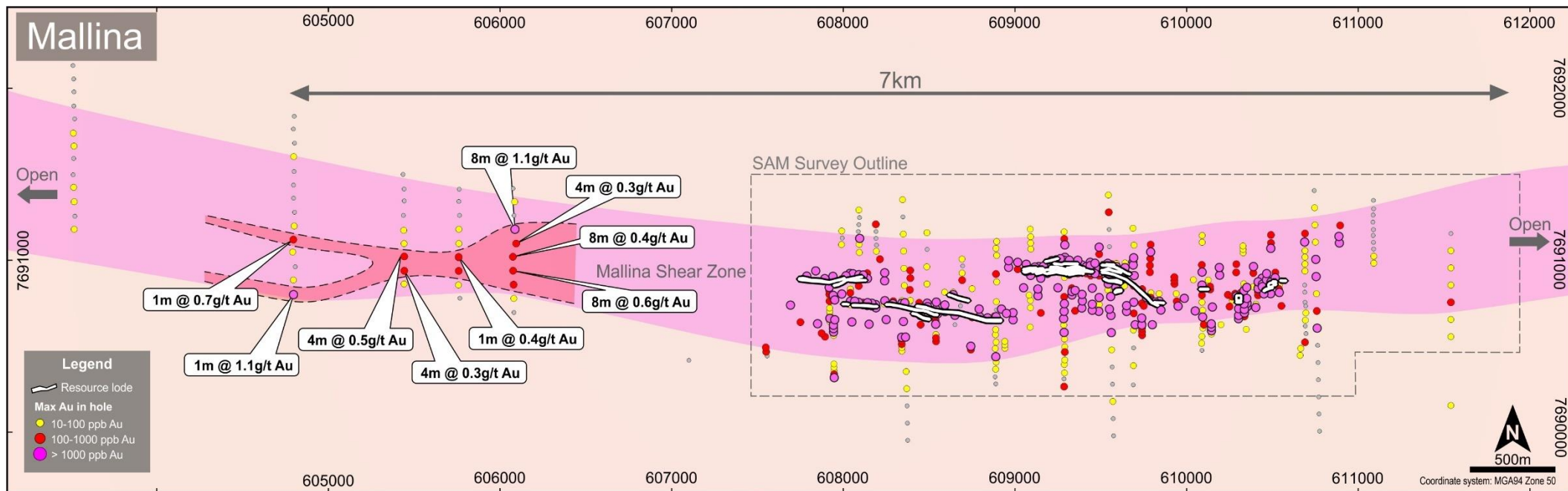


Figure 4 - 7km long corridor showing new aircore results extending mineralisation trends to the west and remain open



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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 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.

Previously Released ASX Material References

The information in this report that relates to Mallina resources and exploration results has been previously released as follows;

Resources:

- *Pilbara Gold Project increases gold resources by >20% to over 1.2Moz, 28 September 2017;*
- *2018 Total Gold Mineral Resource increases to 1.4Moz, 3 October 2018; and*
- *2019 Total Gold Mineral Resource – 21% increase to 1.7Moz, 16 July 2019*

Exploration:

- *Mallina Drilling provides further strong shallow gold intersections, 15 June 2018;*
- *Mallina gold mineralisation continues to deliver, 1 March 2019;*
- *Multiple new targets increase exploration potential, 2 July 2019;*
- *Mallina drilling, new targets and metallurgy update, 15 July 2019;*
- *New high grade gold zones at Mallina, 27 September 2019; and*
- *Mallina continues to deliver, 11 November 2019*