

ASX Announcement

1 March 2019

Mallina gold mineralisation continues to deliver.

- Step-out resource drilling continues to expand the resource potential at Mallina with results extending mineralisation along strike beyond the existing resources (160,700oz).
- 4 additional diamond holes have been completed, stepping out below known thicker zones of gold mineralisation.
- Core from 2 additional diamond holes undergoing metallurgical test work.
- Diamond drill hole MLRC 259D (results pending) has intersected a 50-70m wide zone of alteration including sulphides and limited quartz veining. This zone is geologically similar to:

MLRC214D (56m @ 3.04g/t including 30m @ 5.29g/t) - 80m immediately above; and

MLRC 215 (16m @ 3.00g/t including 6m @ 4.66g/t) - 50m immediately above.

- New 5km x 1km detailed Sub-Audio Magnetic ("SAM") geophysical survey commenced and expected to be completed during March.
- SAM survey is expected to provide greater ability to target further along strike extensions and gain a greater understanding of controlling structures.
- Significant new drill results (>5 gram x metres) include:

4.93m @ 1.23g/t Au from 106.32m in MLRC253D incl 1.19m @ 3.73g/t Au from 109.17m

5m @ 2.04g/t Au from 81m in MLRC255

6m @ 1.29g/t Au from 70m in MLRC257 incl 1m @ 5.66g/t Au from 70m

11m @ 1.05g/t Au from 101m in MLRC257 incl 2m @ 2.66g/t Au from 106m

14m @ 1.05g/t Au from 130m in MLRC257

4m @ 1.52g/t Au from 44m in MLRC258

7m @ 1.33g/t Au from 89m in MLRC258 incl 2m @ 2.85g/t Au from 92m

5m @ 1.87g/t Au from 151m in MLRC260

8m @ 1.23g/t Au from 62m in MLRC261 incl 2m @ 3.08g/t Au from 65m

14m @ 1.59g/t Au from 75m in MLRC261 incl 4m @ 3.17g/t Au from 77m

5m @ 1.51g/t Au from 66m in MLRC269

De Grey Mining Limited (ASX: DEG, "De Grey", "Company") is pleased to announce an update on drilling results from the Mallina deposit that forms 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)

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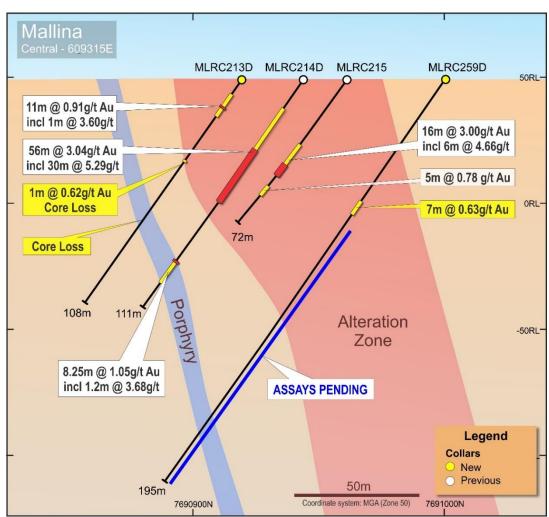
At Mallina, a drill program comprising four diamond tails (total 464m) and 15 RC holes (total 1673m), has been completed, with further encouraging results showing along strike extensions outside of the existing resource model (Figure 2). An additional two diamond holes drilled last year for metallurgical purposes have been partially assayed, and are currently undergoing metallurgical test work with final results pending.

Results for the RC drilling, one of the diamond holes and the precollars of the three other diamond holes have been received. Significant intersections greater than 5 gram x metres are provided in Table 1 and pending results of the three diamond holes are expected during March.

The RC drilling targeted a number of selected lodes with step out extensions both along strike and down dip. The Central Zone has been extended 50m to the west and remains open (Figure 1). An intersection of 5m @ 2.03g/t was intersected in MLRC255, a 50m step out to the west of the current resource in the Mallina Central Zone. Together with intercepts such as 5m @ 1.51g/t Au in lodes to the southeast of the Alfred-Argyle workings, these holes and planned follow up drilling is expected to add to the current Mallina resource base.

The step out diamond drill holes targeted both deeper down dip extensions of the previously intersected wide alteration and gold zones on section 609315E and known mineralised lodes for metallurgy test work. MLRC259D is an 80m step-out below the broad 50-70m wide alteration zone previously intersected (and reported) in MLRC214D (56m @ 3.04g/t including 30m @ 5.29g/t) and 50m below MLRC215 (16m @ 3.00g/t including 6m @ 4.66g/t). Logging of this new hole shows a similarly wide 50-70m alteration zone, including sulphides and limited quartz veining (Figure 1). Assay results are pending for this hole.

Figure 1 Mallina Central Section 603915E





MLRC213D was drilled on the same section as MLRC214D, and results suggest the gold mineralisation has been intersected in weathered portion of the precollar with 11m @ 0.91g/t reported. In general, at the Mallina deposit, the upper weathered portion to approximately 30m depth is interpreted to be partially depleted of gold. This result is consistent with this interpretation. Mineralisation associated with the deeper porphyry in this hole was unfortunately in an area of poor core recovery and does not effectively test this zone. The tail end of MLRC259D has intersected the visibly altered porphyry with results pending.

Two additional diamond holes drilled for metallurgy purposes have been submitted to ALS Metallurgy for test work, including gold assay. Results are pending and are expected during March.

As part of ongoing activities, a Sub-Audio Magnetic (SAM) survey has commenced and is expected to finish in approximately 1-2 weeks. This survey is designed to provide greater ability to target along strike extensions by providing more confidence in the lateral extents of the controlling mineralised structures and allow for larger drill programs to be designed going forward. These larger drill programs are expected to enable larger and more rapid resource extensions to be defined.

Further resource extension drill programs are to be planned based on the results of the SAM survey and the pending diamond core.

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Competent Person Statements

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



Figure 2 Mallina hole collar locations and new significant results (>5gram x metres)

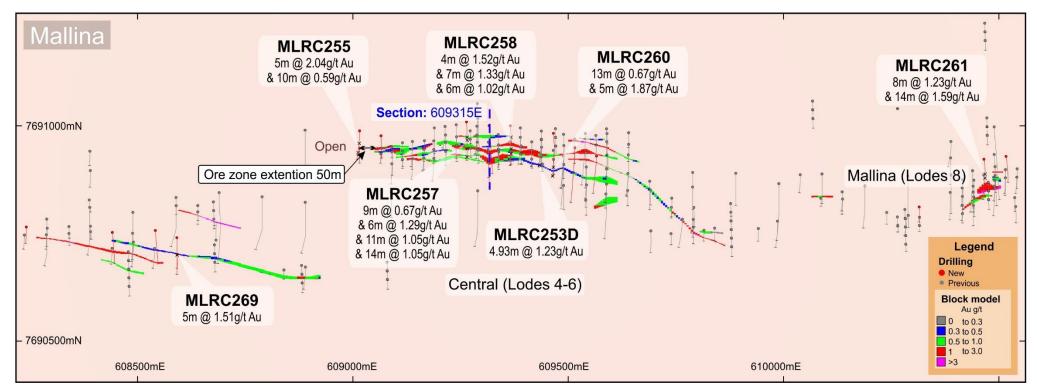




Table 1 Mallina – Significant Drill Intersections (>2 gram x m)

Area	HoleID	Depth	Depth To	Downhole	Au (g/t)	Collar East	Collar North	Collar RL	Dip	Azimuth	Hole
		From (m)	(m)	Width (m)		(GDA94)	(GDA94)	(GDA94)	(degrees)	(GDA94)	Depth (m)
Central	MLDD001	51	57	6	0.60	609338	7690946	50	-54	181	70
Central	MLRC253D	106.32	111.25	4.93	1.23	609438	7690969	49	-56	183	113
Central	incl	109.17	110.36	1.19	3.73	609438	7690969	49	-56	183	113
Central	MLRC255	44	54	10	0.59	609016	7690988	49	-55	179	108
Central	MLRC255	81	86	5	2.04	609016	7690988	49	-55	179	108
Central	MLRC256	2	8	6	0.60	609065	7690977	49	-55	180	108
Central	MLRC256	49	52	3	1.56	609065	7690977	49	-55	180	108
Central	incl	49	50	1	3.42	609065	7690977	49	-55	180	108
Central	MLRC256	59	65	6	0.74	609065	7690977	49	-55	180	108
Central	MLRC256	70	75	5	0.67	609065	7690977	49	-55	180	108
Central	incl	71	72	1	2.50	609065	7690977	49	-55	180	108
Central	MLRC257	8	10	2	1.41	609264	7691009	49	-56	174	149
Central	MLRC257	52	53	1	2.26	609264	7691009	49	-56	174	149
Central	MLRC257	57	66	9	0.67	609264	7691009	49	-56	174	149
Central	MLRC257	70	76	6	1.29	609264	7691009	49	-56	174	149
Central	incl	70	71	1	5.66	609264	7691009	49	-56	174	149
Central	MLRC257	101	112	11	1.05	609264	7691009	49	-56	174	149
Central	incl	106	108	2	2.66	609264	7691009	49	-56	174	149
Central	MLRC257	130	144	14	1.05	609264	7691009	49	-56	174	149
Central	MLRC258	44	48	4	1.52	609366	7691000	49	-55	177	150
Central	incl	47	48	1	3.82	609366	7691000	49	-55	177	150
Central	MLRC258	89	96	7	1.33	609366	7691000	49	-55	177	150
Central	incl	92	94	2	2.85	609366	7691000	49	-55	177	150
Central	MLRC258	106	112	6	1.02	609366	7691000	49	-55	177	150
Central	MLRC259D	59	66	7	0.63	609317	7691000	49	-56	171	195
Central	MLRC260	107	115	8	0.64	609466	7690983	50	-56	177	156
Central	MLRC260	120	133	13	0.67	609466	7690983	50	-56	177	156
Central	incl	127	128	1	2.48	609466	7690983	50	-56	177	156
Central	MLRC260	151	156	5	1.87	609466	7690983	50	-56	177	156
East	MLRC261	62	70	8	1.23	610466	7690922	49	-60	170	138
East	incl	65	67	2	3.08	610466	7690922	49	-60	170	138
East	MLRC261	75	89	14	1.59	610466	7690922	49	-60	170	138
East	incl	77	81	4	3.17	610466	7690922	49	-60	170	138
South	MLRC265	63	65	2	1.19	608242	7690765	50	-56	178	66
South	MLRC266	1	4	3	0.66	608441	7690752	50	-55	173	120
South	MLRC267	83	85	2	1.16	608541	7690757	50	-56	176	138
South	MLRC267	96	103	7	0.60	608541	7690757	50	-56	176	138
South	MLRC268	15	18	3	1.35	608592	7690701	50	-55	179	78
South	incl	16	17	1	3.02	608592	7690701	50	-55	179	78
South	MLRC268	77	78	1	2.39	608592	7690701	50	-55	179	78
South	MLRC269	66	71	5	1.51	608591	7690740	50	-55	176	120
South	MLRC269	90	92	2	1.36	608591	7690740	50	-55	176	120



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 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 Samples were collected with a diamond drill rig drilling NQ2 or PQ 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. PQ core was quartered, with one quarter sent for assay. Holes were sampled over mineralised intervals to geological boundaries on a nominal 1m basis. 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.). 	 Reverse Circulation(RC) precollars were drilled with a 5 1/2-inch bit and face sampling hammer. NQ2 diamond drill holes comprised NQ2 core of a diameter of 51mm. PQ diamond drill holes comprised PQ core of a diameter of 85mm.
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. 	 RC samples were visually assessed for recovery. 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 good recovery. 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.) photography. The total length and percentage of the relevant intersections logged. 	 The entire hole has been geologically logged and core was photographed by Company geologists, with systematic sampling undertaken based on rock type and alteration observed The sample results are appropriate for a resource estimation



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 subsampling 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. 	 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. Samples were collected with a diamond drill rig drilling NQ2 or PQ 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. PQ holes were quarter cored. Holes were sampled over mineralised intervals to geological boundaries on a nominal 1m 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 a AAS finish. 33 multi-elements were analysed by HF-HNO3-HCIO4 acid digestion, HCI 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 airphoto 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 20m x 20m 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 	 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



Criteria	JORC Code explanation	Commentary			
	considered to have introduced a sampling bias, this should be assessed and reported if material.	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. 	 Mallina is on E47/3504 and is located approximately 80km south of Port Hedland. The tenements are held by Indee Gold Pty Ltd, which De Grey Mining has an option to purchase 100%. De Grey has the right to acquire Indee Gold for payment of approximately \$13M in cash and shares by July 2019.
Exploration done by other parties	 Acknowledgment and appraisal of exploration by other parties. 	 The Mallina prospect includes small scale historic mining and has had previous drilling undertaken over a period of many years. Most previous work was completed by Resolute and NNMA.
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 not detract from the understanding of the report, the Competent Person should clearly explain why this is the case. 	Drill hole location and directional information provide in the report.
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. 	 Results are reported to a minimum cutoff grade of 0.3g/t gold for Mallina with an internal dilution of 3m maximum. Intervals over 0.5g/t Au and 2gm metal content are reported. Intercepts are length weighted averaged.



Criteria	JORC Code explanation	Commentary
	 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. 	No maximum cuts have been made.
Relationship between mineralisa-tion 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 Mallina Gold deposit has an existing 2012 JORC gold resource of 160,700oz recently 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. 	 A SAM geophysical survey to assist in targeting mineralised structures is in progress Follow up drilling aimed at extending mineralisation at depth and laterally is being planned subject to results of the SAM survey and drilling results .