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**Drilling Update - High grade gold lodes
confirmed in 1m resampling at Toweranna**

Highlights

Toweranna

Multiple stacked high-grade lodes confirmed in 1m resampling

- Significant potential to extend shallow resources along the Southern granite contact.
- Eastern and Northern granite contacts remain untested
- Significant open pit mining target; and
- Added scope for longer term underground potential based on new drill results and historic holes intersecting high grade mineralisation to over 300m vertical depth.

Additional RC and diamond drilling planned to commence in late February 2018 with resource upgrade to follow.

Western Zone (infill and extensions to current resource)

5m @ 8.38g/t Au (incl. 2m @ 19.43g/t Au),

3m @ 18.43g/t Au,

18m @ 3.86g/t Au (incl. 2m @ 18.12g/t Au)

4m @ 19.14g/t Au,

9m @ 5.19g/t Au (incl. 2m @ 19.94g/t Au)

Southern Zone (not included in current resource)

16m @ 3.82g/t Au (incl. 2m @ 20.99g/t Au),

11m @ 7.07g/t Au, 4m @ 5.10g/t Au

14m @ 3.96g/t Au, 4m @ 6.46g/t Au

Eastern Zone (not included in current resource)

5m @ 12.87g/t Au (incl. 3m @ 20.62g/t Au)

Blue Moon

Initial scout RC drilling returns only limited anomalous intersections associated with narrow quartz veins with minor alteration. Best results (4m sampling) include:

4m @ 0.17g/t Au, 4m @ 0.14g/t Au and 4m @ 0.11g/t Au.

De Grey, whilst disappointed with the initial results, remains confident the source of the numerous surface nuggets at Blue Moon and other zones will be discovered with ongoing programs. Detailed programs into the current half year will include mapping, geophysical surveys and further drilling in conjunction with larger programs across the “Southern Areas” (Farno JV, Blue Moon and Vanmaris areas).

Pilbara Gold Project – 1.2Moz and Growing

De Grey Mining Limited (ASX: DEG, “De Grey”, “Company”) is pleased to report on drilling programs at the Toweranna and Blue Moon prospects within the Pilbara Gold Project, located approximately 100km from Port Hedland, Western Australia. The Company is undertaking continued exploration for additional resources and progressing detailed feasibility studies as it plans to establish a new processing plant and future gold production based on an initial open pit mining strategy.

This report covers:

- 1m resampling at Toweranna, updating information previously provided as 4m samples (*ASX release “Significant High-Grade Gold Mineralisation intersected at Toweranna Prospect, 19 December 2017”*); and
- initial 4m composite results on scout drilling at Blue Moon.

Toweranna Drilling Results (Indee Gold Option to acquire 100%)

The existing gold resources at the Pilbara Gold Project currently stands at > 1.2Moz across a series of deposits. Specifically, the Toweranna prospect has a defined resource (JORC 2012) of **0.43Mt @ 2.9g/t Au for 40,700oz** (*ASX release “Pilbara Gold Project increases gold resources by >20% to over 1.2Moz, 28 September 2017”*). This existing resource is currently confined to only the lodes intersected along the Western Contact between the granite intrusion and sediments.

An RC drilling program was undertaken in November/December 2017, with initial four metre composite drill results previously reported in December 2017. Resampling on a 1m basis confirms the earlier four metre composite intersections, with some variation evident most likely due to the nuggetty gold nature of mineralisation and issues with homogenising representative four metre RC composite samples.

Importantly, the new 1m resampling results confirm **strong mineralisation extends further along strike and at depth outside of the existing resource** and also provides strong indications of further high-grade lodes along the Southern Contact. Further infill and extensional drilling is required to allow the update of the resource particularly along the Southern Contact. The Eastern and Northern Contacts remain essentially untested and scout drilling will aim to test these two zones further.

Historic shallow underground mining produced over 5000oz of gold, at an average grade of 40.9 g/t from moderately dipping quartz veins in the granite (*reported by the Western Australian Mines Department*). Importantly the mining has been limited to only a small number of dipping quartz veins internal to the granite (red areas in Fig 1). This previous small-scale mining does not appear to occur within any of the larger and previously unrecognised sub-vertical lodes on either the Western or Southern Contact.

Summary of highest grade intersections returned from one metre resplits include:

Western Zone

Vertical lodes - **5m @ 8.38g/t Au (incl. 2m @ 19.43g/t Au), 3m @ 18.43g/t Au, 18m @ 3.86g/t Au (incl. 2m @ 18.12g/t Au)**

Dipping lodes - **4m @ 19.14g/t Au, 9m @ 5.19g/t Au (incl. 2m @ 19.94g/t Au)**

Southern Zone (not included in current resource)

Vertical lodes - **16m @ 3.82g/t Au (incl. 2m @ 20.99g/t Au), 11m @ 7.07g/t Au, 4m @ 5.10g/t Au**

Dipping lode - **14m @ 3.96g/t Au, 4m @ 6.46g/t Au**

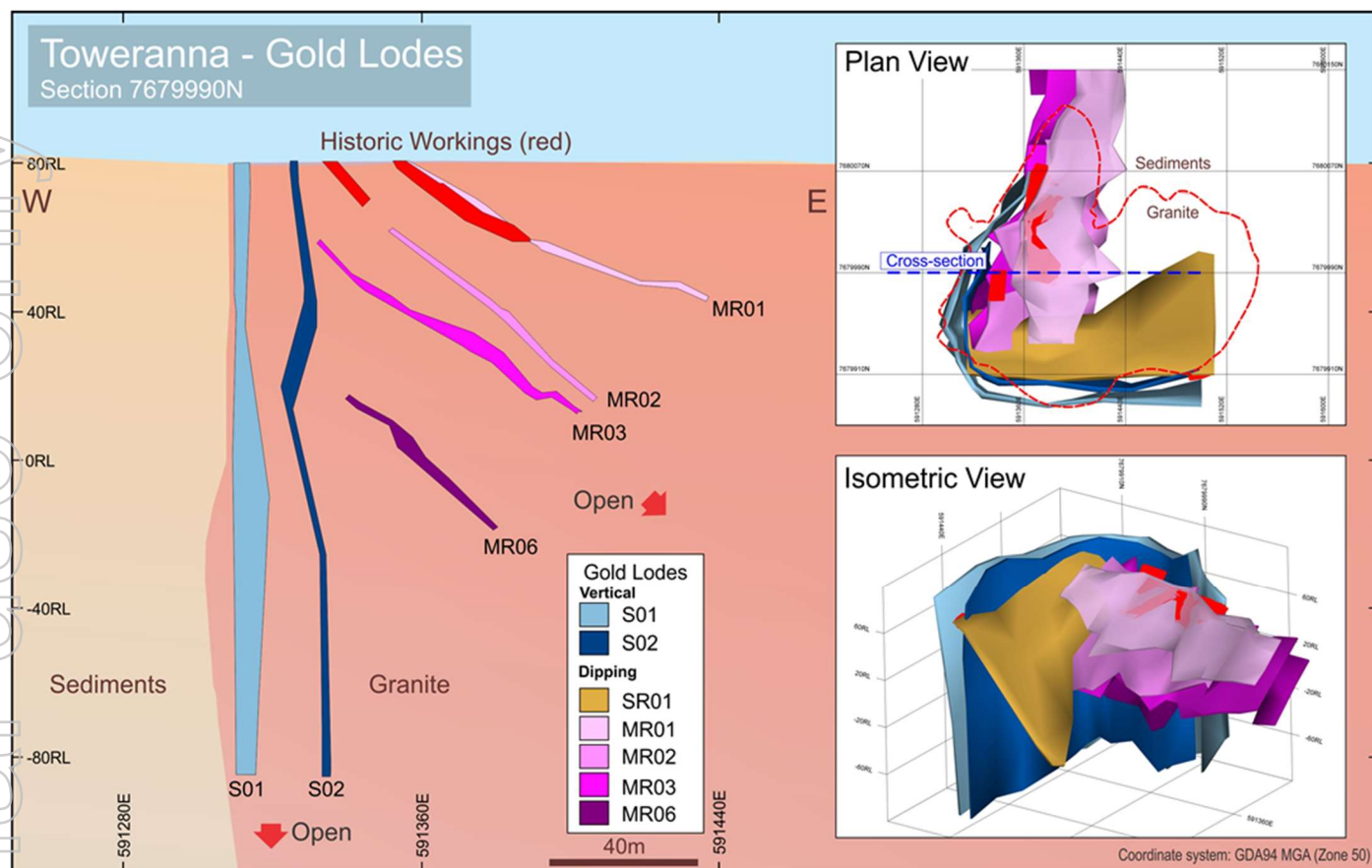
Eastern Zone

Dipping lode - **5m @ 12.87g/t Au (incl. 3m @ 20.62g/t Au)**

Table 1 Toweranna – Drilling intersections >20gm*m (1m sampling)

HoleID	Depth From (m)	Depth To (m)	Downhole Width (m)	Au (g/t)	gm*m
TRC050	37.0	45.0	8.0	3.11	24.9
TRC050	64.0	69.0	5.0	8.38	41.9
incl	66.0	68.0	2.0	19.43	38.9
TRC051	37.0	47.0	10.0	2.41	24.1
TRC052	50.0	66.0	16.0	3.82	61.1
incl	51.0	53.0	2.0	20.99	42.0
TRC053	29.0	49.0	20.0	1.60	32.0
TRC053	106.0	113.0	7.0	3.24	22.7
TRC054	3.0	6.0	3.0	11.34	34.0
incl	3.0	5.0	2.0	16.70	33.4
TRC055	111.0	114.0	3.0	18.43	55.3
TRC055	136.0	142.0	6.0	5.37	32.2
incl	136.0	138.0	2.0	14.93	29.9
TRC057	16.0	34.0	18.0	3.86	69.5
incl	18.0	20.0	2.0	11.30	22.6
incl	24.0	26.0	2.0	18.12	36.2
TRC058	51.0	55.0	4.0	19.14	76.6
TRC059	73.0	76.0	3.0	10.34	31.0
incl	73.0	74.0	1.0	29.10	29.1
TRC060	26.0	40.0	14.0	3.96	55.4
incl	35.0	36.0	1.0	26.10	26.1
TRC063	78.0	99.0	21.0	3.11	65.3
incl	90.0	95.0	5.0	8.74	43.7
TRC065	95.0	106.0	11.0	2.18	24.0
TRC066	32.0	37.0	5.0	4.67	23.4
TRC067	86.0	96.0	10.0	2.95	29.5
TRC069	41.0	50.0	9.0	5.19	46.7
incl	42.0	44.0	2.0	19.94	39.9
TRC072	35.0	39.0	4.0	6.46	25.8
TRC072	77.0	83.0	6.0	3.60	21.6
TRC073	105.0	116.0	11.0	7.07	77.8
incl	107.0	114.0	7.0	10.82	75.7
TRC076	15.0	19.0	4.0	5.10	20.4
TRC080	28.0	33.0	5.0	12.87	64.4
incl	28.0	31.0	3.0	20.62	61.9

Figure 1 Toweranna Section (looking north) - Western Zone Lodes showing main sub-vertical lodes (Blue lodes) and moderate east dipping lodes (Pink to Purple lodes) and the limited historical mining (Red zones)



The geological model has been updated, with at least two sub-vertical lodes interpreted adjacent to the granite contact, in addition to a series of lodes dipping moderately into the granite around the western and southern contacts. Figure 2 is a plan showing location of drilling and results relative to the granite contact. Figures 3 and 4 are representative cross sections from the western and southern zones highlighting recent 1m drilling results.

In detail the gold mineralisation generally occurs in high-grade quartz veins surrounded by a lower grade alteration halo. At the larger scale the gold mineralisation occurs near the margins of a cylindrical granitic intrusion approximately 250m in diameter, orientated sub-vertically. The gold lodes occur within the granite in sub-vertical structures subparallel to the granite margin, in addition to a series of stacked, moderately dipping structures within the granite body.

Toweranna is growing in dimension with the new drilling now defining high grade lodes (**6m @ 5.37g/t Au**) to a vertical depth of 110m, which is also supported by historic drilling intersecting high grade mineralisation (**2.44m @ 5.77g/t Au, 3.05m @ 13.47g/t Au and 0.92m @ 25.77g/t Au**) to a maximum vertical depth of 310m. Deeper diamond drilling will look to better define this deeper potential. (*Historic drilling previously reported in ASX release "Toweranna – A High Grade Gold System, 31 August 2017*).

Toweranna - Proposed follow up work

To date the bulk of the previous drilling has focussed on the Western Contact with limited drilling along the Southern Contact. The existing JORC 2012 resource only includes drilling along the Western Contact to approximately 80m depth. These new drilling results provide strong encouragement for additional shallow resources and potential upside for deeper lodes along the Western and Southern Contact Zones.

Follow-up infill and step-out RC and diamond drilling is planned to begin in late February 2018 to test along strike extensions and further infill areas particularly along the southern margin for resource estimation

purposes. An updated resource estimate is planned to be completed during 2Q 2018 following this drilling program. Scout RC drilling will also be planned to test the Eastern and Northern contact zones.

The diamond drilling is planned to extend lodes at depth, confirm gold previous RC drilling intersections and provide further information on the orientation of interpreted lodes and the nuggetty nature of gold mineralisation. Detailed metallurgical testwork is also planned to be completed on the fresh and oxide mineralisation for feasibility purposes.

Blue Moon Prospect (DEG Option to acquire 70%)

The Blue Moon prospect remains a highly prospective target even though results to date have not defined the anticipated high-grade lodes. The current tenement owner continues to discover specimen gold and gold nuggets at surface. To date the owner has reported over 1,500 ounces of gold nuggets discovered across the tenement. De Grey has a two year option to acquire 70% of this tenement below 6m depth with the tenement owner retaining 100% of the mineral rights above 6m. (ASX release "Bonanza Gold Target Secured Blue Moon Prospect", 18 October 2017).

De Grey recently completed a short first pass scout RC drilling program of 24 holes for 2074m at Blue Moon during December 2017, targeting the greatest concentration of reported nuggets by the tenement owner. The northeast trend of nuggets is just one of many areas of nuggets found in the prospective Blue Moon/Vanmaris/Farno JV areas.

The results of 4m composite sampling have been received. Collection of 1m resamples has been delayed due to restricted vehicle access related to recent rain. Overall the 4m composite results show only three anomalous intercepts of **4m @ 0.17g/t Au, 4m @ 0.14g/t Au and 4m @ 0.11g/t Au**. The drilling encountered only minor quartz veining with limited surrounding alteration. Resampling on a 1 m basis is planned to be completed shortly.

Although this initial drilling campaign has not intersected the gold nugget source, the Company remains confident the source is reasonably close due to the quantity, size and fragile nature of gold crystals associated with quartz veining at surface. The source is most likely covered by a thin veneer (1-5m) of windblown sands and may be further along strike, or subparallel to the nugget area strike length. One immediate target is beneath cover below a small drainage area between the two nugget areas that were initially drill tested (see Target area in Figure 5).

Additional detailed mapping and geophysical surveys are planned in 1Q 2018 to help define the most prospective structures prior to further drill testing. This work will be incorporated into larger programs covering much of the Southern Areas (includes Blue Moon, Vanmaris and Farno JV areas) during the coming months.

For further information:

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*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 2 Toweranna Prospect 1m RC drilling intercepts > 20-gram metres.

***Note relatively untested areas along the eastern and northern granite contact**

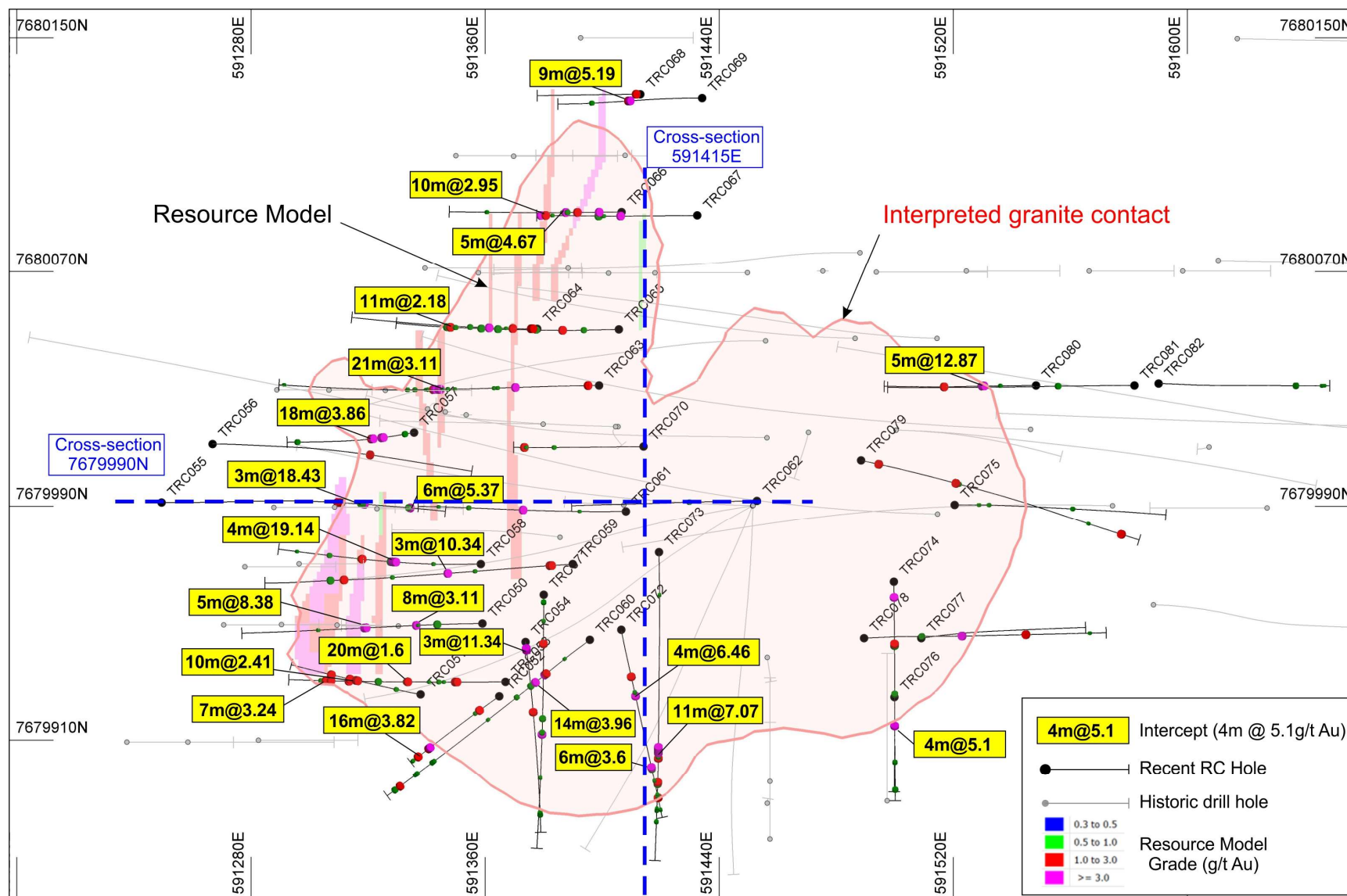


Figure 3 Toweranna Section 7679990N – Western Contact Zone (looking north) showing drilling results

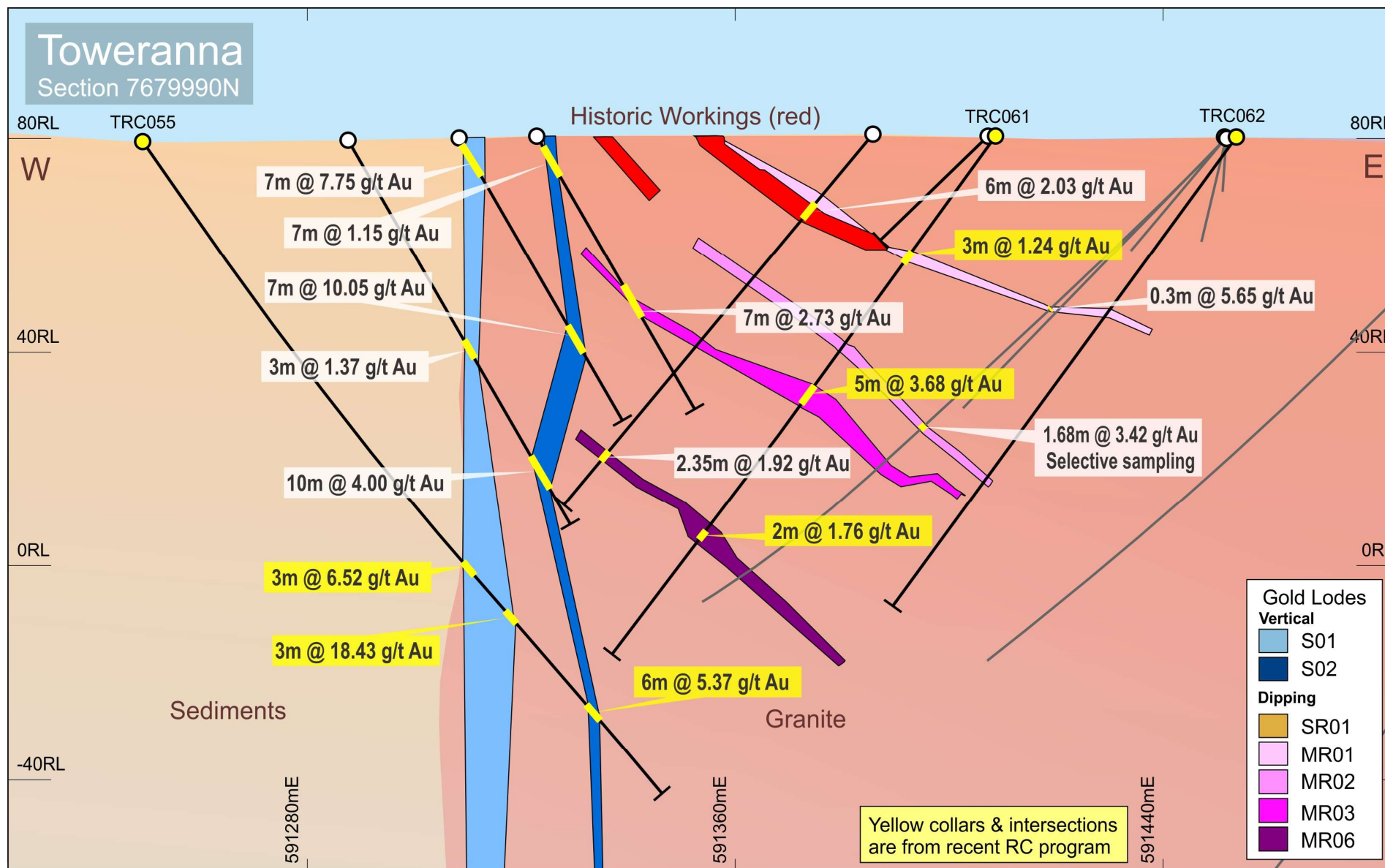


Figure 4 Toweranna Section 591415E – Southern Contact Zone (looking west) showing drilling results

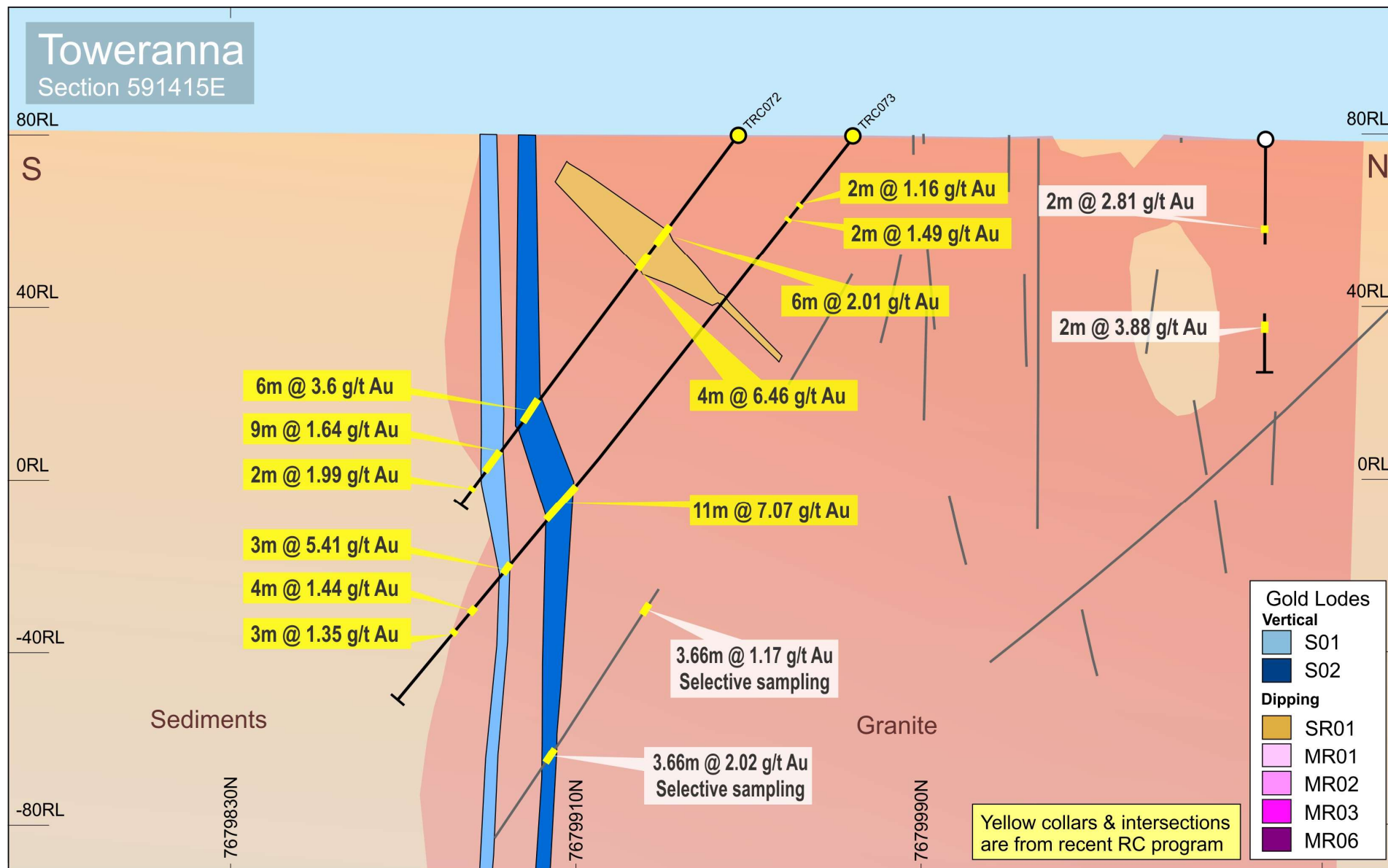


Figure 5 Blue Moon RC drill collars showing one of the many target areas remaining to be tested

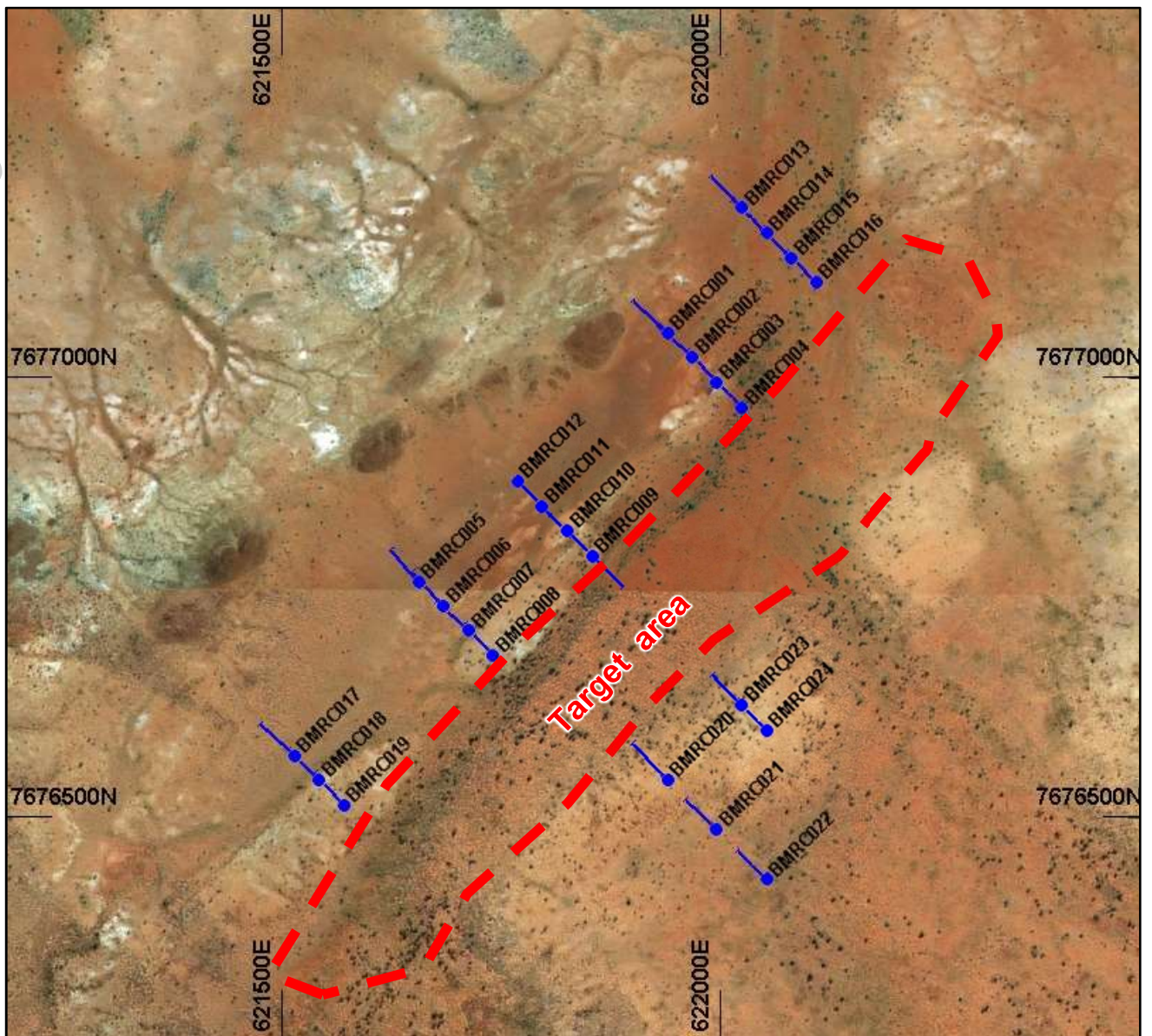


Table 2 Significant Intersections Toweranna (1m sampling)

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)
TRC050	26	28	2	2.81	591359	7679950	80.5	-55	270
TRC050	37	45	8	3.11	591359	7679950	80.5	-55	270
incl	38	39	1	19.35					
TRC050	55	57	2	1.05	591359	7679950	80.5	-55	270
TRC050	64	69	5	8.38	591359	7679950	80.5	-55	270
incl	66	68	2	19.43					
TRC050	91	93	2	1.44	591359	7679950	80.5	-55	270
TRC051	13	16	3	1.73	591338	7679926	80.3	-55	280
TRC051	37	47	10	2.41	591338	7679926	80.3	-55	280
incl	40	42	2	6.05					
incl	45	46	1	6.45					
TRC051	57	63	6	2.06	591338	7679926	80.3	-55	280
incl	57	58	1	7.84					
TRC052	14	18	4	2.26	591365	7679925	80.2	-55	235
incl	14	15	1	5.04					
TRC052	50	66	16	3.82	591365	7679925	80.2	-55	235
incl	51	53	2	20.99					
incl	60	61	1	7.98					
TRC053	24	26	2	1.16	591367	7679930	80.2	-55	270
TRC053	29	49	20	1.60	591367	7679930	80.2	-55	270
incl	29	31	2	8.61					
TRC053	59	63	4	2.99	591367	7679930	80.2	-55	270
incl	59	61	2	5.11					
TRC053	74	78	4	1.46	591367	7679930	80.2	-55	270
incl	77	78	1	4.16					
TRC053	106	113	7	3.24	591367	7679930	80.2	-55	270
incl	106	107	1	8.24					
incl	109	110	1	6.98					
TRC053	116	118	2	1.09	591367	7679930	80.2	-55	270
TRC053	119	121	2	1.15	591367	7679930	80.2	-55	270
TRC054	3	6	3	11.34	591374	7679944	80.3	-50	172
incl	3	5	2	16.7					
TRC054	34	38	4	2.76	591374	7679944	80.3	-50	172
incl	37	38	1	7.25					
TRC054	90	94	4	1.82	591374	7679944	80.3	-50	172
TRC055	99	102	3	6.52	591249	7679991	79.3	-55	90
TRC055	111	114	3	18.43	591249	7679991	79.3	-55	90
TRC055	136	142	6	5.37	591249	7679991	79.3	-55	90
incl	136	138	2	14.93					
TRC056	82	85	3	2.70	591267	7680011	79.0	-50	90
incl	83	84	1	5.88					
TRC057	16	34	18	3.86	591336	7680015	80.2	-55	260
incl	18	20	2	11.3					
incl	24	26	2	18.12					
TRC058	21	23	2	1.11	591359	7679970	80.5	-55	270
TRC058	27	30	3	1.61	591359	7679970	80.5	-55	270
TRC058	51	55	4	19.14	591359	7679970	80.5	-55	270
TRC058	71	75	4	3.72	591359	7679970	80.5	-55	270
incl	72	74	2	6.04					
TRC058	80	82	2	1.58	591359	7679970	80.5	-55	270
TRC058	92	94	2	2.09	591359	7679970	80.5	-55	270
TRC059	12	16	4	4.14	591390	7679970	80.0	-55	267

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)
incl	12	14	2	7.9					
TRC059	57	60	3	1.19	591390	7679970	80.0	-55	267
TRC059	73	76	3	10.34	591390	7679970	80.0	-55	267
incl	73	74	1	29.1					
TRC059	103	107	4	1.02	591390	7679970	80.0	-55	267
TRC059	135	144	9	1.95	591390	7679970	80.0	-55	267
incl	135	137	2	4.38					
TRC060	16	18	2	1.36	591396	7679944	80.2	-50	235
TRC060	26	40	14	3.96	591396	7679944	80.2	-50	235
incl	28	30	2	9.25					
incl	35	36	1	26.1					
TRC060	97	103	6	1.38	591396	7679944	80.2	-50	235
TRC060	108	110	2	2.77	591396	7679944	80.2	-50	235
TRC060	118	126	8	1.64	591396	7679944	80.2	-50	235
incl	118	119	1	5.32					
TRC061	12	14	2	1.26	591408	7679988	80.0	-55	270
TRC061	26	29	3	1.24	591408	7679988	80.0	-55	270
TRC061	57	62	5	3.68	591408	7679988	80.0	-55	270
incl	60	61	1	14.1					
TRC061	76	78	2	1.18	591408	7679988	80.0	-55	270
TRC061	91	93	2	1.76	591408	7679988	80.0	-55	270
TRC061	108	110	2	1.66	591408	7679988	80.0	-55	270
TRC063	39	41	2	1.43	591399	7680031	80.1	-55	270
TRC063	48	50	2	8.97	591399	7680031	80.1	-55	270
incl	48	49	1	17.3					
TRC063	57	62	5	1.33	591399	7680031	80.1	-55	270
TRC063	78	99	21	3.11	591399	7680031	80.1	-55	270
incl	90	95	5	8.74					
TRC063	108	111	3	1.32	591399	7680031	80.1	-55	270
TRC063	171	174	3	1.06	591399	7680031	80.1	-55	270
TRC064	0	5	5	3.25	591378	7680050	80.1	-55	270
incl	2	4	2	6.76					
TRC064	18	20	2	1.38	591378	7680050	80.1	-55	270
TRC064	28	41	13	1.51	591378	7680050	80.1	-55	270
incl	28	29	1	10.5					
TRC065	20	22	2	2.42	591406	7680050	79.4	-55	270
TRC065	34	37	3	3.25	591406	7680050	79.4	-55	270
incl	34	35	1	7.18					
TRC065	45	47	2	1.08	591406	7680050	79.4	-55	270
TRC065	73	79	6	1.37	591406	7680050	79.4	-55	270
TRC065	82	93	11	1.02	591406	7680050	79.4	-55	270
incl	83	84	1	4.5					
TRC065	95	106	11	2.18	591406	7680050	79.4	-55	270
incl	101	104	3	5.64					
TRC066	13	14	1	11.5	591407	7680091	78.6	-55	270
TRC066	26	28	2	5.03	591407	7680091	78.6	-55	270
TRC066	32	37	5	4.67	591407	7680091	78.6	-55	270
TRC066	45	47	2	1.69	591407	7680091	78.6	-55	270
TRC067	45	46	1	11.5	591433	7680089	78.5	-55	270
TRC067	51	61	10	1.64	591433	7680089	78.5	-55	270
incl	58	59	1	4.93					
TRC067	66	69	3	1.42	591433	7680089	78.5	-55	270
TRC067	77	79	2	1.19	591433	7680089	78.5	-55	270
TRC067	86	96	10	2.95	591433	7680089	78.5	-55	270

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)
incl	90	91	1	7.22					
incl	93	94	1	15					
incl	2	3	1	7.07					
TRC069	41	50	9	5.19	591434	7680129	77.9	-55	270
incl	42	44	2	19.94					
TRC069	64	66	2	1.77	591434	7680129	77.9	-55	270
TRC070	29	32	3	1.37	591414	7680010	80.0	-55	270
TRC070	70	73	3	3.77	591414	7680010	80.0	-55	270
incl	71	72	1	8.1					
TRC071	4	7	3	1.38	591380	7679960	80.2	-55	180
TRC071	28	32	4	2.68	591380	7679960	80.2	-55	180
TRC071	69	71	2	2.48	591380	7679960	80.2	-55	180
TRC071	78	81	3	5.80	591380	7679960	80.2	-55	180
TRC072	26	32	6	2.01	591407	7679948	79.9	-50	170
incl	26	27	1	8.1					
TRC072	35	39	4	6.46	591407	7679948	79.9	-50	170
incl	37	38	1	19.7					
TRC072	77	83	6	3.60	591407	7679948	79.9	-50	170
incl	78	80	2	9.57					
TRC072	90	99	9	1.64	591407	7679948	79.9	-50	170
incl	95	97	2	4.07					
TRC072	102	104	2	1.99	591407	7679948	79.9	-50	170
TRC073	19	21	2	1.16	591419	7679974	79.8	-54	180
TRC073	23	25	2	1.49	591419	7679974	79.8	-54	180
TRC073	105	116	11	7.07	591419	7679974	79.8	-54	180
incl	107	114	7	10.82					
TRC073	126	129	3	5.41	591419	7679974	79.8	-54	180
TRC073	140	144	4	1.44	591419	7679974	79.8	-54	180
TRC073	147	150	3	1.35	591419	7679974	79.8	-54	180
TRC074	9	10	1	12.5	591500	7679964	79.6	-55	180
TRC074	37	41	4	4.60	591500	7679964	79.6	-55	180
incl	37	39	2	6.96					
TRC074	65	70	5	1.23	591500	7679964	79.6	-55	180
TRC074	94	96	2	1.03	591500	7679964	79.6	-55	180
TRC074	111	113	2	1.14	591500	7679964	79.6	-55	180
TRC075	106	108	2	1.07	591521	7679991	79.8	-55	90
TRC075	112	117	5	1.03	591521	7679991	79.8	-55	90
TRC076	15	19	4	5.10	591500	7679925	79.4	-50	180
incl	15	16	1	16.25					
TRC076	48	50	2	2.57	591500	7679925	79.4	-50	180
TRC077	80	82	2	1.04	591509	7679945	79.4	-55	82
TRC077	85	89	4	1.08	591509	7679945	79.4	-55	82
TRC078	37	39	2	2.38	591490	7679945	79.5	-58	87
TRC078	63	65	2	6.05	591490	7679945	79.5	-58	87
incl	63	64	1	10.65					
TRC078	104	106	2	3.64	591490	7679945	79.5	-58	87
TRC078	145	147	2	1.77	591490	7679945	79.5	-58	87
TRC079	10	13	3	2.45	591489	7680006	79.7	-54	102
incl	10	11	1	5.21					
TRC079	57	60	3	2.96	591489	7680006	79.7	-54	102
incl	57	58	1	5.19					
TRC079	96	98	2	1.00	591489	7680006	79.7	-54	102
TRC080	18	20	2	1.46	591548	7680031	79.0	-52	269
TRC080	28	33	5	12.87	591548	7680031	79.0	-52	269

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)
incl	28	31	3	20.62					
TRC080	50	51	1	7.76	591548	7680031	79.0	-52	269
TRC081	17	20	3	1.38	591582	7680031	78.6	-55	270
TRC081	44	47	3	2.03	591582	7680031	78.6	-55	270
TRC082	68	70	2	2.35	591590	7680032	78.2	-50	92
TRC082	80	83	3	1.65	591590	7680032	78.2	-50	92

Table 3 Significant Intersections Blue Moon (4m sampling)

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)
BMRC001	12	16	4	0.11	621938	7677053	79.8	-55	315
BMRC014	8	12	4	0.17	622049	7677169	79.3	-55	315
BMRC019	28	32	4	0.14	621565	7676512	82.6	-55	315

Table JORC Code, 2012 Edition

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 All holes sampled on both a 1m and nominal 4m composite basis over the entire length of the hole. 4m composite samples were submitted for analysis for all intervals. Where assays over approximately 0.2g/t Au were received for 4m composite sample results, 1m samples were then submitted for these zones. Both the 4m and 1m samples were taken from a cone splitter mounted on the drill rig cyclone. The cyclone was calibrated to provide a continuous sample volume accordingly to sample length 4m composite samples range from around 4-6kg and 1m sample ranges from a typical 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"> All drill holes are Reverse Circulation(RC) 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"> All samples were visually assessed for recovery. Samples are considered representative with good recoveries. Only a small percentage of samples were considered low recovery primarily due to change of rods when a small amount of wet sample occurred. 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 	<ul style="list-style-type: none"> Consultant geologists logged each hole and supervised all sampling. The sample results are appropriate for a resource estimation. The 1m sample results are considered the preferred sample to use in the resource estimation for more accurate definition of lodes

Criteria	JORC Code explanation	Commentary
	<p>quantitative in nature. Core (or costean, channel, etc.) photography.</p> <ul style="list-style-type: none"> The total length and percentage of the relevant intersections logged. 	
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"> 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 future 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. Each sample was dried, crushed and pulverised. Au was analysed by a 50gm charge Fire assay fusion technique with a AAS finish The techniques are considered quantitative in nature. As discussed previously standards and duplicates samples were inserted by the Company and the laboratory also carries out internal standards in individual batches Results for 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 entered and then checked by a second company geologist 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 Differential GPS to an accuracy of +/-20cm. Locations are given in GDA94 zone 50 projection Diagrams and location table are provided in the report

Criteria	JORC Code explanation	Commentary
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"> RC drilling at Toweranna varies from 20m x 20m up to 40m x 40m grid. Drill collars at Blue Moon are on an approximate 160m x 40m grid. Data spacing and distribution is sufficient to provide a basis for a resource estimate update at Toweranna. Spacing is not sufficient to estimate a resource at Blue Moon. 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	<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 and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material. 	<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. 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	<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 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"> Toweranna drilling is on E47/2720 which is located approximately 100km SW of Port Hedland. The tenement is 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 \$15M by July 2019. Blue Moon drilling is on P47/1773 which is located approximately 90km SSW of Port Hedland. The tenement is held by Craig Gibson and De Grey mining has an option to acquire 70% of the mineral rights of the tenement below 6m depth.
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 drilling undertaken over a period of many years. Most previous work was completed by Swan Resources and Australian Inland Exploration. Blue Moon has limited previous exploration apart from a small number of widely spaced surface samples and extensive surface prospector activity in some areas.
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 and mainly hosted by a granitic porphyry intrusion. It is believed to be structurally controlled and is similar in style to many other Western Australian gold deposits.

Criteria	JORC Code explanation	Commentary
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: 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 provide in the report.
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. 	<p>Toweranna:</p> <ul style="list-style-type: none"> results are reported to a minimum cutoff grade of 0.5g/t gold with an internal dilution of 2m maximum. Intervals of a minimum length of 2m and minimum grade of 1g/t Au are reported. Intercepts are length weighted averages. No maximum cuts have been made. <p>Blue Moon:</p> <ul style="list-style-type: none"> results are reported to a minimum cutoff grade of 0.1g/t gold. Samples are 4m composites. Intercepts are length weighted averages. 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 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 final geological interpretations have been 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 and 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. The report is considered balanced and provided in context.

Criteria	JORC Code explanation	Commentary
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"> Limited test work on metallurgical and geotechnical characteristics has been completed. Preliminary metallurgical testwork for Toweranna is in progress
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. 	<p>Toweranna</p> <ul style="list-style-type: none"> The company plans to complete a follow up program of RC and diamond drilling prior to updating the resource estimation. Preliminary metallurgical testwork is in progress. An updated resource estimation will be completed once further drilling and geological wireframing and interpretation is completed. <p>Blue Moon</p> <ul style="list-style-type: none"> 1m resplit results are awaited Planning of follow up work including drilling is in progress.