



ASX Announcement
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The Pilbara Gold Project RC Drilling Program Commenced

COMPANY DIRECTORS

Simon Lill

Executive Chairman

Davide Bosio

Non-executive Director

Steve Morris

Non-executive Director

Craig Nelmes

Company Secretary/CFO

CONTACT DETAILS

Principal & Registered Office

Level 2, Suite 9

389 Oxford Street

Mt Hawthorn WA 6016

PO Box 281

Mt Hawthorn WA 6016

www.degremining.com.au

admin@degremining.com.au

T +61 8 9381 4108

F +61 8 9381 6761

De Grey Mining Limited (ASX: DEG, "De Grey", "Company") is pleased to report that Top Drill's Reverse Circulation (RC) drill rig has arrived on site and has commenced drilling at the Mallina Prospect.

The planned drilling program is aimed at expanding resources (currently 18.9Mt @ 1.7g/t for 1.02 Moz) at the Pilbara Gold Project, located within 50 kms of Port Hedland in Western Australia.

The principal targets of the 20,000 m RC drilling program include;

Mallina

- **4km long gold target** with encouraging shallow wide spaced drilling results including:

*4m @ 9.11g/t, 6m @ 3.79g/t, 7m @ 5.45g/t, 23m @ 2.52g/t,
3m @ 12.49g/t and 29m @ 1.70g/t*

Mt Berghaus

- **5km long anomaly** with defined resources of **3.5Mt @ 1.2g/t for 141,000oz** that remains open with 3km of the anomaly still to be drill tested.

Withnell Trend

- **20km long gold trend** with defined resources of **9.2Mt @ 1.8g/t for 538,000oz** that remain open. Various walk-up drill targets exist between the existing deposits and along parallel structures where very limited drilling has been completed.

Encouraging drill intercepts, not included in the current existing resources to be followed-up include:

*7m @ 1.59g/t, 17m @ 2.07g/t, 38m @ 1.07g/t, 6m @ 5.32g/t and
16m @ 2.01g/t*

At Mallina, the drilling programme comprises an initial program of 80 holes for approximately 6,000m and is designed to infill and confirm continuity of gold mineralisation between existing drill holes and also the potential for multiple stacked gold lodes.



Fig 1 Pilbara Gold Project, showing prospect locations.

The gold mineralisation is currently defined by wide-spaced RC and diamond drilling over a strike length of 3.0km (Fig 2) with a further 1km of historic underground mine workings to the immediate west. Gold mineralisation was first discovered at Mallina in 1888, with small scale underground mining occurring sporadically over the next decade.

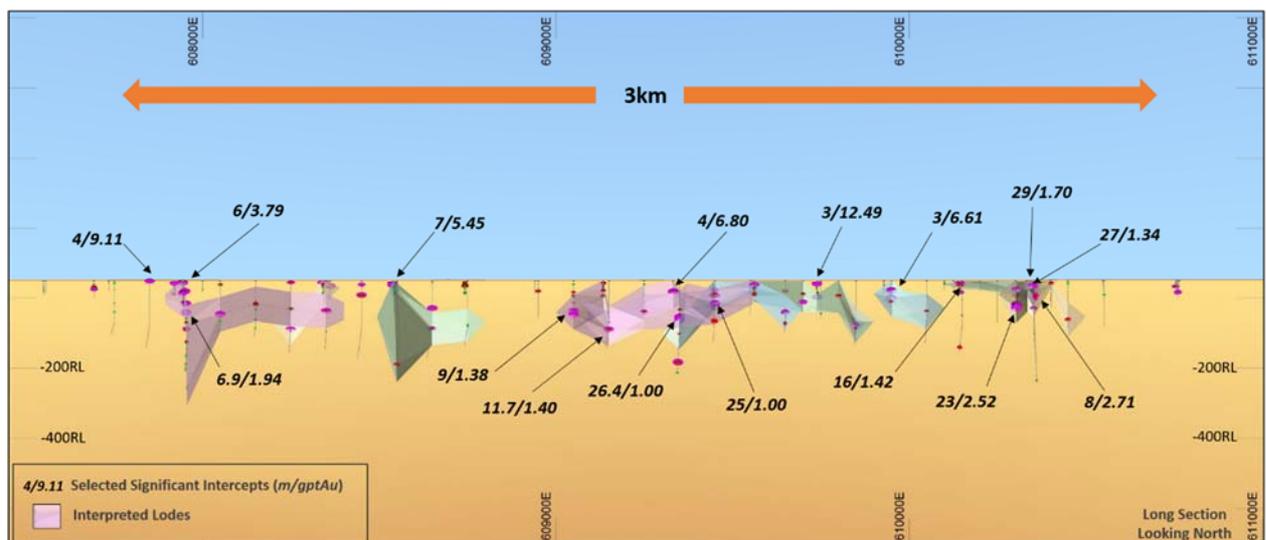


Fig. 2 Mallina Exploration Target showing existing drill hole data

The mineralisation occurs in an east-west trending structural corridor and previous drilling data suggests multiple stacked lodes may occur from surface along the 4km trend. The current De Grey drilling is located at the western end of the structural corridor and is located near the old workings.

Drilling commenced last week, with 22 holes currently completed for a total of 1,556m. The first batch of samples have been dispatched to the laboratory with all results pending. Geological logging indicates the mineralisation is associated with alteration along the margins of a series of porphyry intrusions and quartz veining within a sequence of siltstone and shales. This style of mineralisation is similar to that observed at Mt Berghaus.

The Company intends to provide progressive results as the program advances.



Fig 3 – RC Drill Rig onsite at Mallina

For further information:

De Grey Mining Ltd
Simon Lill (Executive Chairman) or Andy Beckwith (Geology Manager)
Phone +61 8 9381 4108
admin@degreymining.com.au

The information in this report that relates to Exploration Results for the Turner River Project and Indee Gold Project is based on, and fairly represents information and supporting documentation compiled by Mr Philip 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.