Novo secures 100% of Farno McMahon

De Grey Mining Limited ("De Grey, DEG, the Company") refers to Novo Resources Corp. of Canada ("Novo") (TSXV: NVO) recent announcement released on 17 September 2018 (an extract of the release specific to the Farno-McMahon acquisition and titled “Novo to acquire Strategic Portfolio of Tenements in Egina Region of Western Australia” accompanies this ASX release – refer to Appendix A).

The announcement advises of the conditional 100% acquisition of Farno McMahon Pty Ltd ("Farno"), the owner of four key tenements, including tenement E47/2502, in the Egina region of the Pilbara, Western Australia.

De Grey entered into a Joint Venture Heads of Agreement with Farno on E47/2502 (ASX: 21 August 2017 “Contiguous Tenement Secured – drill tested targets & nuggets”) whereby it can earn 75% of this tenement through expenditure of $4.0M over 4 years.

De Grey exercised its option and is now nearing the end of the first full year of the farm in to E47/2502. De Grey is currently undertaking Heritage Clearance work as part of the final planning towards commencement of the first significant RC drilling program across the tenement since 2005, which it expects to commence in October.

De Grey also held a 4% shareholding in Farno and has agreed to accept the Novo offer, which is a combination of cash and Novo scrip as outlined in the Novo announcement.

De Grey's Joint Venture Heads of Agreement counterparty remains Farno, albeit now 100% owned by Novo rather than a shareholder group.

De Grey expects to have a good ongoing working relationship with Novo on this tenement.

For further information:

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Appendix A - Extract from the TSX-V News Release from Novo Resources Corp

Novo to Acquire Strategic Portfolio of Tenements in Egina Region of Western Australia

VANCOUVER, British Columbia, Sept. 17, 2018 (GLOBE NEWSWIRE) -- Novo Resources Corp. ("Novo" or the "Company") (TSX-V: NVO; OTCQX: NSRPF) is pleased to announce that it has entered into two property transactions in the Egina region of Western Australia.

Farno McMahon Share Purchase Agreement

The Company entered into a share purchase agreement whereby (subject to satisfaction or waiver of customary conditions) the Company will acquire 100% of the issued and outstanding shares of Farno-McMahon Pty Ltd ("Farno"), an Australian proprietary limited exploration company (the "Farno Transaction"). Farno holds a 100% interest in four key tenements in the Egina region of Western Australia, including two mining leases. One of these (an exploration licence) is subject to an option with respect to a potential joint venture arrangement.

The Company paid AUD $150,000 in cash to Farno upon execution of an initial agreement. Subject to the satisfaction or waiver of outstanding conditions (including completion of satisfactory due diligence by Novo and receipt of TSX Venture Exchange approval), the Company will pay a further AUD $2.35 million in cash to the shareholders of Farno and issue AUD $5.5 million-worth of Novo common shares at a deemed price of CAD $4.107 per share (and converted at the exchange rate on the day prior to completion) to the shareholders of Farno. All Novo common shares issued pursuant to the Farno Transaction will be subject to a statutory hold period of four months from the date of issuance in accordance with applicable securities legislation and the policies of the TSX Venture Exchange.

Forward-looking information

Some statements in this news release contain forward-looking information (within the meaning of Canadian securities legislation) including, without limitation, the expected consummation of the Farno Transaction and the Pioneer Transaction. Forward-looking statements address future events and conditions and, as such, involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by the statements. Such factors include, without limitation, the receipt of TSX Venture Exchange approval.