Pilbara Gold Project  +1.2Moz and growing
PFS and Exploration underway

ASX Code : DEG
FRA Code : WKN 633879

April 2018

Andy Beckwith
Competent Persons Statements

The information in this report that relates to Exploration Results for the Turner River Project and Indee Gold Project (Pilbara Gold Project) is based on, and fairly represents information and supporting documentation compiled by Mr Andy Beckwith, a Competent Person who is a member of The Australasian Institute of Mining and Metallurgy. Mr Beckwith is an employee of De Grey Mining Limited. Mr Beckwith 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 Beckwith consents to the inclusion in this report of the matters based on his information in the form and context in which it appears.

The Information in this report that relates to Mineral Resources for the Turner River and Indee Gold Projects (Pilbara Gold Project) is based on information compiled by Mr Paul Payne, a Competent Person who is a Fellow of the Australasian Institute of Mining and Metallurgy. Mr Payne is a full-time employee of Payne Geological Services. Mr Payne 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 Resources and Ore Reserves”. Mr Payne consents to the inclusion in the report of the matters based on his information in the form and context in which it appears. De Grey advises that no material changes have occurred to the resource estimates since the date of publication of September 2017.

The Company has released all material information that relates to Exploration Results, Mineral Resources and Reserves, Economic Studies and Production for the Pilbara Gold Project on a continuous basis to the ASX and in compliance with JORC 2012. The Company confirms that it is not aware of any new information that materially affects the content of this ASX release.

Previously Released ASX Report References

Resources: Pilbara Gold Project increases gold resources by >20% to over 1.2Moz, 28 September 2017
Scoping Study: Positive Scoping Study at Pilbara Gold Project, 4 August 2017
Exploration: Acquisition of Indee Gold provides scale and development momentum, 9 February 2017
De Grey executes Indee Gold Share Sale Agreement, 12 February 2018
Toweranna and Blue Moon drilling results, 2 February 2018
Conglomerate gold update, widespread visible gold and nuggets, 19 March 2018
De Grey confirm spodumene and extend strike length at King Col, 1 March 2018
RC drilling program commences at 1.2Moz Pilbara Gold Project, 16 March 2018
High grade gold rock samples increase potential, 29 November 2017

Forward Looking Statements

Statements regarding De Grey’s plans with respect to the mineral properties, resource reviews, programmes, economic studies and future development are forward-looking statements. There can be no assurance that De Grey’s plans for development of its mineral properties will proceed any time in the future. There can also be no assurance that De Grey will be able to confirm the presence of additional mineral resources/reserves, that any mineralisation will prove to be economic or that a mine will successfully be developed on any of De Grey’s mineral properties.
## Corporate Summary

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<tr>
<th>Board &amp; Management</th>
<th>Capital Structure</th>
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<tr>
<td>Simon Lill - Exec Chairman (Corporate)</td>
<td>Ordinary Shares (31 Mar 2018)</td>
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<td>Andy Beckwith - Exec Technical (Geologist)</td>
<td>Listed Options ($0.10, 30 Nov 2018)</td>
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<td>Brett Lambert - NED (Mining Engineer)</td>
<td>Unlisted Options (Various)</td>
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* $1.5M Indee Gold deposit paid Jan 2018

Major Shareholder - Kirkland Lake Gold ~10%
33M Unlisted Options @ $0.20
Pilbara Gold Project – Path Forward

**Exploration**
+1.2Moz Au Resources with substantial exploration upside

**Stage 1 Development**
Open Pit Mining PFS in commenced

**Stage 2 Development**
Underground Mining Scoping Study commenced

**Mining**
Targeting approvals, funding and construction in 2019

*Initial Open Pit Mining expected to underpin longer mine life from high grade underground mines and new exploration discoveries including conglomerate gold targets*
## Pilbara Gold Project – Activity

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<th>Project</th>
<th>Q1 CY18</th>
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<th>Q3 CY18</th>
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Pilbara Gold Project – Centralised Plant

+1.2Moz (JORC 2012) gold resource already defined. Well drilled open pit resources and high grade underground targets.
**Pilbara Gold Project - Resources**

**Resources (JORC 2012), Sept 2017 - sorted by ounces**

952,900oz in 4 largest deposits  
845,600oz with grade 1.6g/t - 2.9g/t

### New in Fill and Extensional Drilling

- **Withnell**
  - Measured: 1.02 Mt @ 1.3 g/t Au, 44,100 oz Au
  - Indicated: 2.79 Mt @ 1.7 g/t Au, 156,600 oz Au
  - Inferred: 2.56 Mt @ 2.1 g/t Au, 176,600 oz Au
  - Total: 6.37 Mt @ 1.8 g/t Au, 377,300 oz Au

- **Wingina**
  - Measured: 3.08 Mt @ 1.7 g/t Au, 172,700 oz Au
  - Indicated: 0.99 Mt @ 1.4 g/t Au, 43,300 oz Au
  - Inferred: 1.42 Mt @ 1.6 g/t Au, 71,700 oz Au
  - Total: 5.49 Mt @ 1.6 g/t Au, 287,700 oz Au

- **Mallina**
  - Measured: 0.90 Mt @ 1.1 g/t Au, 30,300 oz Au
  - Indicated: 2.85 Mt @ 1.3 g/t Au, 116,800 oz Au
  - Total: 3.74 Mt @ 1.2 g/t Au, 147,100 oz Au

- **Mt Berghaus**
  - Measured: 0.21 Mt @ 1.8 g/t Au, 12,300 oz Au
  - Indicated: 3.30 Mt @ 1.2 g/t Au, 128,500 oz Au
  - Inferred: 3.52 Mt @ 1.2 g/t Au, 140,800 oz Au

- **Camel**
  - Measured: 0.14 Mt @ 3.1 g/t Au, 14,000 oz Au
  - Indicated: 0.29Mt @ 2.9 g/t Au, 26,700 oz Au
  - Inferred: 0.31 Mt @ 1.7 g/t Au, 16,700 oz Au
  - Total: 0.74 Mt @ 2.4 g/t Au, 57,400 oz Au

- **Calvert**
  - Measured: 0.99 Mt @ 1.3 g/t Au, 41,700 oz Au
  - Indicated: 0.28 Mt @ 1.2 g/t Au, 10,700 oz Au
  - Inferred: 1.27 Mt @ 1.3 g/t Au, 52,400 oz Au

- **Toweranna**
  - Measured: 0.43 Mt @ 2.9 g/t Au, 40,700 oz Au
  - Indicated: 0.43 Mt @ 2.9 g/t Au, 40,700 oz Au
  - Total: 0.86 Mt @ 2.9 g/t Au, 81,400 oz Au

- **Amanda**
  - Measured: 0.86 Mt @ 0.7 g/t Au, 19,300 oz Au
  - Indicated: 0.69 Mt @ 1.6 g/t Au, 35,400 oz Au
  - Total: 1.55 Mt @ 1.6 g/t Au, 54,700 oz Au

- **Roe**
  - Measured: 0.11 Mt @ 3.2 g/t Au, 11,700 oz Au
  - Indicated: 0.08 Mt @ 2.8 g/t Au, 7,500 oz Au
  - Inferred: 0.20 Mt @ 1.7 g/t Au, 10,700 oz Au
  - Total: 0.39 Mt @ 2.4 g/t Au, 29,900 oz Au

- **Leach Pad**
  - Measured: 0.86 Mt @ 0.7 g/t Au, 19,300 oz Au
  - Indicated: 0.06 Mt @ 1.6 g/t Au, 3,200 oz Au
  - Inferred: 0.12 Mt @ 1.7 g/t Au, 6,900 oz Au
  - Total: 0.98 Mt @ 0.7 g/t Au, 29,400 oz Au

- **Dromedary**
  - Measured: 0.10 Mt @ 2.2 g/t Au, 7,200 oz Au
  - Indicated: 0.06 Mt @ 1.6 g/t Au, 3,200 oz Au
  - Inferred: 0.12 Mt @ 1.7 g/t Au, 6,900 oz Au
  - Total: 0.28 Mt @ 1.9 g/t Au, 17,200 oz Au

- **Hester**
  - Measured: 0.10 Mt @ 1.5 g/t Au, 4,800 oz Au
  - Indicated: 0.10 Mt @ 1.5 g/t Au, 4,800 oz Au
  - Total: 0.20 Mt @ 1.5 g/t Au, 9,600 oz Au

**Total**

- Measured: 4.46 Mt @ 1.7 g/t Au, 249,600 oz Au
- Indicated: 7.15 Mt @ 1.5 g/t Au, 340,900 oz Au
- Inferred: 12.26 Mt @ 1.6 g/t Au, 619,600 oz Au
- Total: 23.88 Mt @ 1.6 g/t Au, 1,210,000 oz Au

*All resources remain Open at Depth*

*Next Resource Update - Planned Q3 2018*

*New in Fill and Extensional Drilling at Withnell, Toweranna, Mt Berghaus, Mallina, Amanda & Hester commenced*

Refer ASX Release “Pilbara Gold Project increases gold resources by >20% to over 1.2Moz”, 28 September 2017
Pilbara Gold Project – Pre Feasibility Study

Stage 1 - Open Pit Mining Pre Feasibility Study

- Underway with completion Q4 2018
- Current resources of +1.2Moz (M&I 590,500oz)
- Expected resource additions in Q3 2018
- Infill and Extension drilling in progress
- Infill drilling to increase M&I
- Metallurgy advanced
- Crush, grind and pre-concentrating assessment underway
- Environmental studies commencing
- Native Title negotiations progressing
- 48 man camp purchased
- Final Reporting Q4 2018
Pilbara Gold Project
– 2017 Scoping Study Recap

Previous 2017 Scoping Study - Key Study (base-case) outputs:
The LOM Production Target in this study concluded:
• Average production 57,667oz/year Au for 288,336oz recovered
• Total resource mined 4.8Mt at 2.11g/t Au for 325,400 oz contained
• Oxide resources 3.1Mt at 2.12g/t Au for 208,900 oz contained (65%)
• Fresh resources 1.7Mt at 2.11g/t Au for 116,400 oz contained (35%)
• Resource Categories 38.4% Measured, 42.6% Indicated, 19% Inferred
• Initial Life of Mine 5 years (not including 1 year construction)
• Average Strip ratio 6.7:1 (waste:ore)
• Annual throughput 1.0Mtpa
• Capex $78M for Oxide CIL plant plus $18M for sulphide flotation circuit

2017 Scoping Study did not include the resources of Toweranna (40,700oz),
Mallina (147,100oz) and Heap Leach Pad (19,300oz) plus additional drilling
currently in progress

Potential improvements from increased open pit and higher grade underground
resources, new discoveries, improved recoveries, pre-concentration, detailed
scheduling, reduced opex and capex.
Pilbara Gold Project – 2017 Scoping Study Recap

Resources shown within proposed open pit shells defined in 2017 Scoping Study

- **Withnell**
  - 1300m long pit
  - 110m depth

- **Calvert**
  - 500m long pit
  - 70m depth

- **Camel**
  - 500m long pit
  - 100m depth

- **Wingina**
  - 700m long pit
  - 160m depth

Legend:
- Purple: Measured
- Red: Indicated
- Green: Inferred
Pilbara Gold Project – Pre Feasibility Study

- High percentage of shallow resources fall inside proposed pit shells (Scoping Study 2017)
- Drilling underway at Mt Berghaus, Mallina, Toweranna, Hester and Amanda to extend and upgrade resource categories to indicated and allow reserves statement in PFS

<table>
<thead>
<tr>
<th>Deposit</th>
<th>Pit Depth (m)</th>
<th>Total Resources (oz)</th>
<th>% resource mined to depth of pit</th>
<th>% resource below depth of pit</th>
</tr>
</thead>
<tbody>
<tr>
<td>Withnell</td>
<td>110</td>
<td>377,300</td>
<td>67.6%</td>
<td>49.7%</td>
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<tr>
<td>Wingina</td>
<td>160</td>
<td>287,700</td>
<td>63.2%</td>
<td>35.7%</td>
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<tr>
<td>Mt. Berghaus</td>
<td>80</td>
<td>140,800</td>
<td>52.6%</td>
<td>27.7%</td>
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<tr>
<td>Camel-Roe</td>
<td>100</td>
<td>87,300</td>
<td>71.6%</td>
<td>15.8%</td>
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<tr>
<td>Calvert</td>
<td>70</td>
<td>52,400</td>
<td>74.2%</td>
<td>16.8%</td>
</tr>
<tr>
<td>Amanda</td>
<td>80</td>
<td>35,400</td>
<td>54.3%</td>
<td>20.9%</td>
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<tr>
<td>Dromedary</td>
<td>70</td>
<td>17,200</td>
<td>81.7%</td>
<td>21.3%</td>
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</tbody>
</table>

- Withnell is largest deposit
- Significant resources below proposed open pit
- Mineralisation defined to 350m depth in current resource
- 4 Priority higher grade lodes
- Infill drilling planned to improve continuity and upgrade resource categories
- Extension drilling to increase individual lode definition
- Potential to significantly extend mine life and improve economics
- U/G Scoping Study commenced
Pilbara Gold Project – U/G Scoping Study

Stage 2 – High grade underground Scoping Study

- Run in parallel to Open Pit Mining PFS
- Targeting extended mine life or bring forward and increase annual production run rate.
- High grade lodes already defined in resources
  - 4 HG lodes at Withnell
  - 1 HG lode at Wingina
- Scoping Study to focus on Lode WD01 Withnell
- Infill diamond drilling planned to commence April 2018
- Drilling aims to confirm high grade continuity, extensions and improve resource categories
- Economic impact Q4 2018
Pilbara Gold Project – U/G High Grade Lodes

Withnell Underground Lodes WD01-WD04

Priority Area U/G drilling

Proposed Open Pit Cutback

Priority 500m strike

1200m

400m
Pilbara Gold Project – U/G High Grade Lodes

Withnell - Lode WD01      High Grade Potential Demonstrated

Priority Area
U/G drilling
500m x 250m

All intersections have been previously released and included in previous resource estimates, intersections may differ due to differing cutoff grades used.
Pilbara Gold Project – Wingina U/G potential

Approximate open pit depth on section

Potential underground grades, thickness and open at depth
Pilbara Gold Project – Resource Pipeline

- **+1.2Moz Gold Resources and growing**
- **Well drilled** open pit resource areas with high percentage already in M&I
- **High grade lodes** at Withnell and Wingina provide longer term underground potential
- **Substantial exploration upside** with over 160km of mineralised shear zones to test with >40 untested structural gold anomalies
- **3 Advanced Conglomerate Gold targets** with gold nuggets and initial bulk sampling planned on completion of heritage surveys
Exploration Pipeline

- **160km of gold mineralised shear zones**
  - Structurally controlled gold mineralisation
  - Extensive untested strike lengths
  - >40 large untested gold-in-soil anomalies ready for drill testing
  - Toweranna recent drilling intersecting high grade gold with potential for significant resource increases

- **3 x Advanced Conglomerate Gold targets**
  - Loudens patch most advanced >200 nuggets to date
  - Jarret Well & Steel Well show thick (50-80m) conglomerate sequence and 6 nuggets
  - Extensive gold shedding all targets in stream sediment sampling
  - ~10km of strike remains to be tested

- **Lithium and Caesium mineralisation intersected in drilling**
  - 17m @ 2.55% Li₂O from 13m

- **Base metal resources defined with 60km of untested strike potential.**
  - Strategic review near completion
Pilbara Gold Project – Resource Targets

Extensive pipeline of exploration targets

1.2 Moz Gold Resource

Loudens Conglomerate

Toweranna Structural

Blue Moon Structural

Mt Berghaus Structural

Tabba Tabba Thrust Structural

Farno JV Structural
**Conglomerate Gold – X factor**

Initial discovery
91 nuggets first detected at Loudens
Pitted, waterworn, folded, rounded to “water melon seed” shaped

Now, in excess of 200 nuggets by metal detecting at Loudens
**Free Gold - Potential for low cost processing**

**Similar features to Purdy’s Reward & Comet Well**

First physical evidence gold hosted in conglomerate sequence.
- Intact gold nugget
- Outer fined grained “halo” gold
- Pyrite pseudomorphs
- Chlorite alteration
- Laminated finer grained clastic sediments.
Regional Scale Conglomerate Gold System
3 x Conglomerate Gold Targets Confirmed

Gold nuggets shedding from conglomerate outcrops and in streams, 9km remains to be tested

- Loudens Patch: 5-10m thick, >200 nuggets to date
- Jarret Well: 60-80m thick, 3 nuggets
- Steel Well: 50m thick, 3 nuggets

Prospective for conglomerate gold beneath Mt Roe Basalt

Untested basement gold anomalies

Whim Creek (Cu)

Novo

E47/3504

Mallina Shear Zone

Novo
Loudens - Highest Priority Conglomerates

Geological conglomerate horizon
~5m thick x ~400m wide x ~1km long

Interpreted flat lying conglomerate horizon
masked by basalt scree

Historic prospector workings at base of conglomerate

>200 nuggets on western flank with workings in conglomerate (400m further south)

Prospector actively mining alluvial gold from western creek

Basalt scree covers conglomerate outcrop

Mt Roe Basalt

Proposed drill holes

Older basement Mallina Formation

Mt Roe Basalt

Older basement Mallina Formation
Visible Gold in Stream Sediment Sampling

Loudens - 1200m strike

Jarret Well - 550m strike

Steel Well - 700m strike
**Conglomerates going forward**

**Bulk sampling to define gold horizons and grade potential**

**Extraction techniques and potential economics**

Program to include:

- Heritage Survey pending
- Excavator to expose conglomerates along range
- Large volume panel sampling
- Define gold bearing horizon(s)
- Planning for initial “in-field” coarse gold identification similar to stream sediment sampling
- Follow-up analytical and certified bulk sampling to accredited laboratory
- Communion testwork for crusher and gravity circuit design
- Potential economics in relation to proposed CIL plant

*Do we need defined resources if plant funded and built on structural gold resources??*
Structural Targets - Toweranna

Drilling continues to define higher grade gold mineralisation
Further drilling commencing shortly with significant resource potential
Structural Targets – Farno JV

- Previous shallow RAB/aircore drilling
- High grade rock chip sampling results
- Extensive soil anomalies
- Large untested targets

**Fir Prospect**
- 1m @ 328.4g/t Au from 7m
- 1m @ 12.13g/t Au from 38m

**Holly Prospect**
- 13m @ 15.15g/t Au from 47m
- 16m @ 1.40g/t Au (incl. 1m @ 11.58g/t Au from 5m)
- 1m @ 13.76g/t Au from 47m

**Aspen Prospect**
- 3m @ 3.88g/t Au from 35m

**Clarke Prospect**
- High grade rocks chips from quartz vein system
  - 28.3g/t, 7.28g/t, 5.97g/t, 1.72g/t, 1.69g/t, 1.25g/t, 1.08g/t

- Detailed aeromagnetic survey April 2018
- Heritage surveys
- Drill testing 2HY 2018
Structural Targets - Blue Moon to Clarke

Langenbeck Fold Structure

Prospective large scale fold target 5km long with large anomalous gold zones at Clarke, Harmer and Langenbeck Prospects

Blue Moon – Vanmaris

Strong NE trending structures and associated extensive gold nuggets discoveries
Exploration
+1.2Moz Au Resources
with substantial
exploration upside

Stage 1 Development
Open Pit Mining PFS in
commenced

Stage 2 Development
Underground Mining
Scoping Study
commenced

Mining
Targeting approvals,
funding and
construction in 2019

Building a gold company in the Pilbara
Contact details

admin@degreymining.com.au

ASX Code: DEG
FRA Code: WKN 633879

April 2018
Andy Beckwith
## Total Resources (JORC 2012), Sept 2017

(Refer ASX Release "Pilbara Gold Project increases gold resources by >20% to over 1.2Moz", 28 September 2017)

### Gold Resources

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Total Resources (JORC 2012), Sept 2017

(Refer ASX Release “Pilbara Gold Project increases gold resources by >20% to over 1.2Moz”, 28 September 2017)
**Agreements**

**Indee Gold Option Agreement**
De Grey has executed a Share Sale purchase Agreement on 9 February 2018, to acquire 100% of the Indee Gold Pty Ltd, holder of the Indee Gold Project tenements. Under the executed Share Sale Agreement, the total acquisition price is A$15 Million, with payments of an Initial Exclusivity Fee of $100,000 (paid in Jan 2017), Initial Deposit of $1.5 Million (paid on SSA execution - 9 February 2018); $10.4 Million to be paid on Settlement scheduled for 24 January 2019 and $3 Million of Consideration Shares (new De Grey fully paid ordinary shares) to be issued on Settlement. De Grey has the right to extend Settlement by 6 months to 24 July 2019 by payment of an Extension Deposit of $700,000, before 24 January 2019, which would reduce the cash payable at Settlement to $9.7 Million.

**Farno McMahon Joint Venture Agreement**
De Grey has secured a joint venture earn in agreement to acquire 75% interest in E47/2502. De Grey has made a cash payment of $40,000 to the vendor on signing and must also complete a minimum expenditure of $30,000 before 30th September 2017 and elect to enter into the joint venture. The terms of the joint venture earn-in are

Stage 1 - DEG to spend a minimum of $1.0M over a period of 3 years to earn 30%, with expenditure requirement of $100,000, before 13 Dec 2017, further expenditure of $300,000 before 13 Dec 2018, further expenditure of $600,000 before 13 Dec 2019. Stage 2 - DEG may elect to spend a further $1.0M expenditure over an additional 1 year period to earn an additional 45% equity in the tenement for a total equity of 75%. Vendor retains all alluvial rights excluding bedrock deposits. Upon DEG earning 75% at the completion of Stage 2, Farno McMahon may convert its joint venture interest to a 3% Net Smelter Return Royalty.

**Vanmaris Option Agreement**
De Grey has secured an option to acquire 80% interest in tenements, E47/3399, E47/3428-3430, P47/1732-1733, whereby De Grey has paid $30,000 cash and 150,000 De Grey shares on signing the agreement. The agreement allows De Grey to explore the tenement at De Grey’s sole discretion and cost for a period of 4 years and subject to meeting minimum statutory expenditure requirements. Within the 4 year option period, De Grey may elect to acquire 80% interest in the tenement below 3m depth on payment of $500,000 cash. Vendor retains all the mineral rights to a depth of 3 metres.

**Blue Moon Option Agreement**
De Grey has secured an option to acquire 70% interest in P47/1773 (Blue Moon Prospect) whereby De Grey has paid $125,000 cash and 600,000 De Grey shares on signing the agreement. The agreement allows De Grey to explore the tenement at De Grey’s sole discretion and funding for a period of 2 years. Within the 2 year option period, De Grey may elect to acquire 70% interest in the tenement below 6m depth on payment of $500,000 cash. Vendor retains all the mineral rights to a depth of 6 metres.