

De Grey Mining Ltd. – ASX:DEG

July 23, 2018

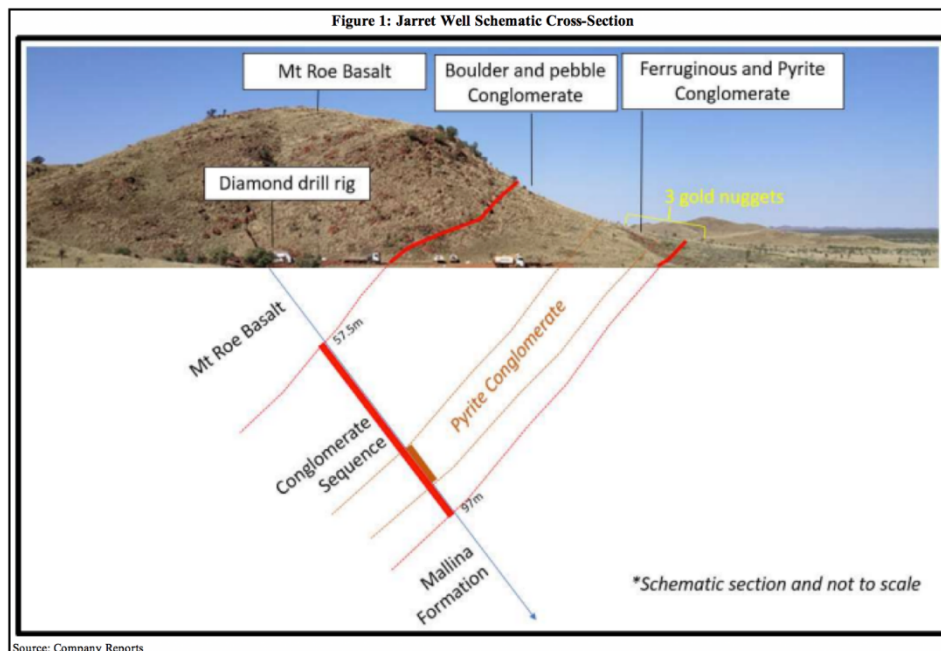
De Grey Finds Fresh Conglomerate at Jarret Well

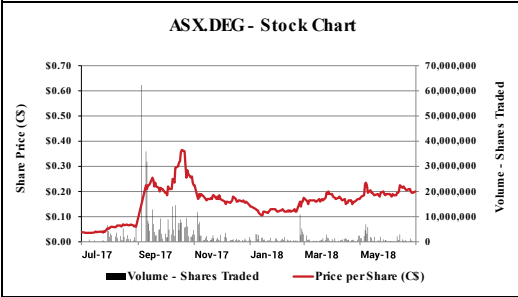
Impact: Positive

De Grey Mining has reported the first diamond drill hole results from the Jarret Well Prospect as well as planned conglomerate gold exploration activities at the Pilbara Gold Project in Western Australia.

- The Jarret Well drill hole intersected fresh conglomerate sequence from 57.5m - 97m depth, including 11.6m of pyrite rich pebble conglomerate towards the base of the conglomerate package
- The intercepted conglomerate appears to be very similar to what was reported by Novo Resources at the Comet Well and Purdy's Reward prospects, 120km to the west
- Due to the nuggety nature of the mineralization, assays are not expected to be representative of gold grade, however, downhole sampling will be used for geochemical characterization of rock types and potentially as a pathfinder for bulk sampling

Our preliminary valuation of De Grey's hard rock assets of A\$0.15-0.23/share does not account for the potential of its conglomerates or the recent hard rock exploration success that the company has had. We continue to believe that De Grey's current valuation provides investors a low-cost option on the conglomerates which is underpinned by traditional hard rock assets with resource growth potential. Next catalyst includes a PFS for the company's Pilbara Gold Project (Q4 2018), preceded by ongoing exploration results.



Company Information: De Grey Mining Ltd. (ASX: DEG)				
De Grey Mining is a gold explorer focused on unlocking value in the Pilbara district of Western Australia. Unlike most gold explorers in the Pilbara, De Grey has a hardrock asset with a 1.2 Moz Au resource to underpin the valuation. In addition to the hardrock gold resource, the company has three conglomerate gold targets where gold nuggets have already been discovered. The company is currently drilling at its hardrock project for an upcoming resource update and Pre-Feasibility Study. De Grey is also actively exploring its conglomerate gold targets with bulk sampling expected to take place this year.				
	Key Projects			
	Project	Stage	Resource	Notes
	Pilbara Gold (Australia)	Scoping Study (2017)	1.21 Moz Au (23.9Mt @ 1.6g/t Au)	Scoping study indicated Undiscounted Net CF of AS\$110-120M at a gold price of US\$1,250/oz.
Financials		Peer Comparison		
Price (AS\$/sh):	\$0.20	Company	Mkt Cap (\$)	EV/oz (\$)
Basic S/O (M):	333.0	ASX:DEG	\$67	\$60
Fully Diluted S/O (M):	392.6	TSXV:NXN	\$12	NA
Market Cap (AS \$M):	\$66.6	ASX:ARV	\$105	NA
Cash (AS \$M):	\$3.6	TSXV:PAC	\$58	NA
Debt (AS \$M):	\$0.0	ASX:CAI	\$26	\$40
EV (AS \$M):	\$63.0	ASX:KAI	\$27	NA
		TSXV:NVO	\$62	\$1,062
		Peer Average		\$551

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Company Specific Disclosure Details

Company Name	Ticker Symbol	Disclosures
De Grey Mining Ltd.	ASX:DEG	1, 2

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