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DIRECTORS/MANAGEMENT

Simon Lill
Executive Chairman

Andy Beckwith
**Technical Director &
Operations Manager**

Brett Lambert
Non-executive Director

Steve Morris
Non-executive Director

Patrick Holywell
Craig Nelmes
Joint Company Secretary

Phil Tornatora
Exploration Manager

CONTACT DETAILS

Principal & Registered Office
Suites 24-26, Level 3
22 Railway Road
Subiaco WA 6008

PO Box 2023
Subiaco WA 6904

www.degremining.com.au

admin@degremining.com.au

T +61 8 6117 9328
F +61 8 6117 9330

Conglomerate Gold bulk sampling commences

- Excavator on site at Loudens Patch
- Initial trenching to expose conglomerate horizon commenced
- Systematic geological mapping and bulk sampling planned.
- Initial bulk sampling to be processed on site to determine preferred gold bearing host lithologies.
- Larger volume bulk sampling to follow thereafter, with samples to be sent to independent commercial laboratory.
- Program is expected to be ongoing during the December quarter with initial results expected during October

De Grey Mining Ltd (ASX: DEG, “De Grey”, “Company”) is pleased to advise an initial trenching and bulk sampling program at Loudens Patch (Loudens) has commenced. Loudens is part of De Grey’s Pilbara Gold Project, located 80km south west of Port Hedland, in the Pilbara region of Western Australia.

Loudens - Trenching, Mapping and Bulk Sampling

The Company plans to initially undertake trenching and detailed bulk sampling along the prospective conglomerate horizon at the Loudens West area. Previous metal detecting has discovered over 200 gold nuggets associated with limited conglomerate outcrops and historic alluvial workings. Thereafter, the trenching will progress to the Loudens South area.

Jarret and Steel Well

After the initial trenching has been completed at Loudens, the excavator and focus will move to Jarret Well and Steel Well Prospects where substantially thicker conglomerate units have been discovered. This 12km long target area is partially highlighted with visible gold draining from the associated streams. Limited gold nuggets have been found at each prospect (previously reported). Recent diamond drilling at each prospect has defined a conglomerate sequence of 39.5m and 68m thickness respectively.

30tonne Excavator and Xcentric Ripper

The trenching has commenced at Loudens West, with a 30tonne excavator recently mobilised to site. The Company has also purchased a specialised Xcentric Ripper (vibrating), which is designed to increase productivity by using a vibrating tip versus a conventional percussion hammer. The vibrating nature also aims to reduce overspray of rock “fly” material normally seen associated with a standard percussion hammer.

Once the initial trench is completed detailed and systematic metal detecting, together with geological mapping will be undertaken prior to on site bulk sampling commencing.

Figure 1 Trenching commences at Loudens West with Excavator on site



Bulk Sampling Methodology

Since the discovery of gold-bearing conglomerate beds at Loudens, the Company has been actively developing simple yet quick and effective methods to test the conglomerate beds and determine their gold potential. As part of this methodology, the aim is to assess the gold potential of the conglomerate units in an efficient timeframe and in sufficient detail prior to committing to more costly larger tonnage (2 tonne) sampling with long lead time processing at an independent laboratory. De Grey’s sampling plans include:

- Geological mapping that aims to determine the contacts of the prospective conglomerate unit relative to the underlying Mallina sediments and the overlying Mt Roe Basalt.
- Metal detecting to be carried out across the geological units, with locations accurately plotted for future assessment and as a guide to the more prospective horizon(s).

- Bulk sampling will initially comprise of samples ranging from 50-500kg taken from the various lithologies and will be processed on site by company staff. This sampling aims to provide a non-quantitative assay grade, but more, a visual aid to the preferred gold bearing lithologies to enable rapid selection of the preferred mineralised unit for larger samples.
- Larger bulk samples (2 tonne) are to be taken systematically across and along the trenches where deemed appropriate based on geological mapping and smaller (50-500kg) on site samples. The larger bulk samples are to be secured and sent to an independent assay laboratory in Perth for detailed processing and grade determination.

To carry out the on-site sampling, the Company has established a small crushing and gravity processing circuit, which will be used to rapidly assess the smaller 50-500kg samples (over weeks rather than months). This custom-built processing circuit comprises a jaw crusher which will reduce the conglomerate material to <20mm particle size, followed by scanning of the material with a hand-held metal detector to remove detectable nuggets and any nugget bearing rock fragments. The crushed material will then pass through a hammer mill which will further reduce particle size to <1.2mm. The second pass crushed material (<1.2mm) will then be fed through a Knelson concentrator with the heavy mineral concentrates passed over a gold jig table to produce a gold-rich concentrate.

Figure 2 Xcentric Ripper being used at Loudens



The following YouTube link (<https://www.youtube.com/watch?v=gRYb6iPbL0g>) is an example of how the Xcentric Ripper compares to a conventional percussion rock breaker when excavating hard rock limestone material in a quarry in Spain.

Figure 3 Alternative view of Xcentric Ripper being used at Loudens



For further information:

Simon Lill (*Executive Chairman*) or

Andy Beckwith (*Technical Director and Operations Manager*)

De Grey Mining Ltd

Phone +61 8 9381 4108

admin@degreymining.com.au

Information relating to Previous Disclosure

Information relating to Exploration Results associated with previous disclosures relating to the Loudens Patch, Jarret Well and Steel Well Conglomerate Gold Prospects in this report has been extracted from the following ASX announcements:

- *Conglomerate gold update, widespread visible gold and nuggets, 19 March 2018*
- *Jarret Well – 11.6m pyritic conglomerate intersected in drilling, 23 July 2018*
- *68m Conglomerate Sequence intersected at Steel Well, 10 August 2018*

The Company confirms that it is not aware of any new information or data that materially affects the information included in the original market announcements. The Company confirms that the form and context in which the Competent Person's findings are presented have not been materially modified from the original market announcements.

Statements regarding De Grey Mining's plans with respect to its mineral properties are forward-looking statements. There can be no assurance that De Grey Mining plans for development of its mineral properties will proceed as currently expected. There can also be no assurance that De Grey Mining will be able to confirm the presence of additional gold mineralisation, mineral deposits, and that any mineralisation will prove to be economic or that a mine will successfully be developed on any of De Grey Mining's mineral properties.