

# De Grey Mining Ltd

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## Wingina “Deeps” Drilling Commenced (Turner River Project)

### Highlights

- Diamond drilling programme of approximately 1,500m has commenced at Wingina Well gold deposit.

#### Programme aims to provide:

- Major step-out of high grade Footwall Central Lode down plunge.
- Potential to significantly increase overall resource.
- Fresh bedrock mineralisation for metallurgical purposes.
- Structural information within high grade lodes.

#### About De Grey's 100% owned Wingina Well gold deposit:

- Largest gold resource (268,000 oz) within Turner River Project.
- Deposit located within a 15km long dilational feature within the regional Shear Zone.
- Hosted in sequence of BIF, cherts and sediments similar to many other Western Australian gold deposits.
- High grade gold lodes occur from surface and 600m strike length with structurally controlled and thickened high grade plunging shoots.
- Resource is well drilled to over 200m depth and remains open with 59% Measured, 18% Indicated and 33% Inferred categories.
- Footwall Central Lode plunging shoot includes gold intercepts of:
  - **22m @ 7.3g/t**
  - **34m @ 3.4g/t** including **9m @ 5.4g/t**
  - **7.1m @ 5.4g/t**
  - **20m @ 4.2g/t**
  - **7m @ 6.8g/t** including **4m @ 10.7g/t**
  - **14.9m @ 10.9g/t** including **10m @ 15.1g/t**
  - **34.1m @ 6.1g/t** including **15.3m @ 9.3g/t**
- Potential for low capex open pit and underground mining scenario.
- Simple CIL processing option with >90% recovery based on past metallurgical testwork



## Wingina “Deeps” Diamond Drilling Programme

De Grey Mining Limited (“De Grey” or “Company”) is pleased to report the commencement of the planned diamond drilling programme at the 100% owned Wingina Well Gold Deposit.

The “Wingina Deeps” portion of the drilling programme, comprising a planned 1300m of diamond drilling, aims to provide:

- a significant step-out and extension of the high grade Footwall Central Lode down plunge;
- a significant increase of existing resources at depth, as well as enhancing the potential project life; and
- access to fresh bedrock material for metallurgical testwork.

This drilling is currently underway on section 22080E (Fig 1 and 2) with hole WRC211D targeting a 150m down plunge step out of the high grade Footwall Central Lode. The initial parent hole is currently at 238m depth with a proposed depth of 450m. Additional holes and/or daughter holes off this initial parent hole will be completed in order to further test the target zone on this section.

This deeper drilling will be followed by two shallow diamond holes, totalling 220m, to test the oxide/transition portion of the Southern and Central plunging shoots within the main Footwall Lode. The aim of these holes is to obtain detailed structural information of the fold closures where mostly RC drilling has been previously undertaken. This will aid interpretation of potential fold closures for this style of high grade mineralisation within the identified dilational structure (Wingina Well and Amanda deposits).

The Wingina Deeps diamond drilling programme is expected to take between 3-4 weeks to complete with results to be reported on program completion.

De Grey Executive Chairman Simon Lill comments:

***“We view this as a high impact programme. We are working towards an open pit mining development based upon the existing Wingina Well resource. The successful testing of this high grade plunging shoot at depth will significantly increase our resource base and provide confidence that we can increase the potential mine life through underground operations.”***



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## Wingina Well Background

The Wingina Gold Deposit (268Koz) is De Grey's largest gold resource and is located along strike from the nearby Amanda deposit (35Koz). Both deposits are hosted within a major dilational feature of the regional scale Shear Zone. The Mount Berghaus deposit (43Koz) is located on the sub-parallel Mallina Shear Zone approximately 20km to the north. All of the deposits remain open with potential to extend along strike and at depth.

Mapping of the Wingina and Amanda host sequence, shows numerous small scale internal folds in the outcropping BIF, chert and sediment sequence. The higher grade and thicker mineralised shoots defined in drilling are interpreted to represent larger scale internal folds within the host sequence. The overall resource at Wingina includes footwall and hanging wall lodes which are defined by high grade mineralisation (>3g/t) over 600m in strike length with a halo of lower grade remobilised "supergene" mineralisation surrounding the lodes. The drilling at depth shows the deposit is open and that the high grade lodes continue beyond 200m below surface. The depth of partial weathering varies from about 100m to over 250m depth. Three high grade plunging shoots are defined to date. The Footwall Central Lode is the strongest high grade zone with intersections as shown earlier in this announcement. All plunging shoots remain open at depth.

Previously completed metallurgical testwork indicates positive processing characteristics with potential recoveries of greater than 90% for CIL processing within both the shallower oxide and transitional weathered portions of the deposit. As previously stated, an aim of the current drilling is to provide the first fresh bedrock of the Central Footwall Lode and enable further metallurgical testwork of this important lode.

The Company considers Wingina and the two satellite resources of Amanda and Mt Berghaus have the potential to be developed with a small CIL processing plant centralised at Wingina. The high grade plunging Footwall Central Lode is seen as a potential underground ore source in the longer term and likely to extend mine life.

For further information:

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Figure 1 Wingina Footwall Longsection – showing Southern and Central High Grade Plunging Shoots and the Wingina “Deeps” Target Zone

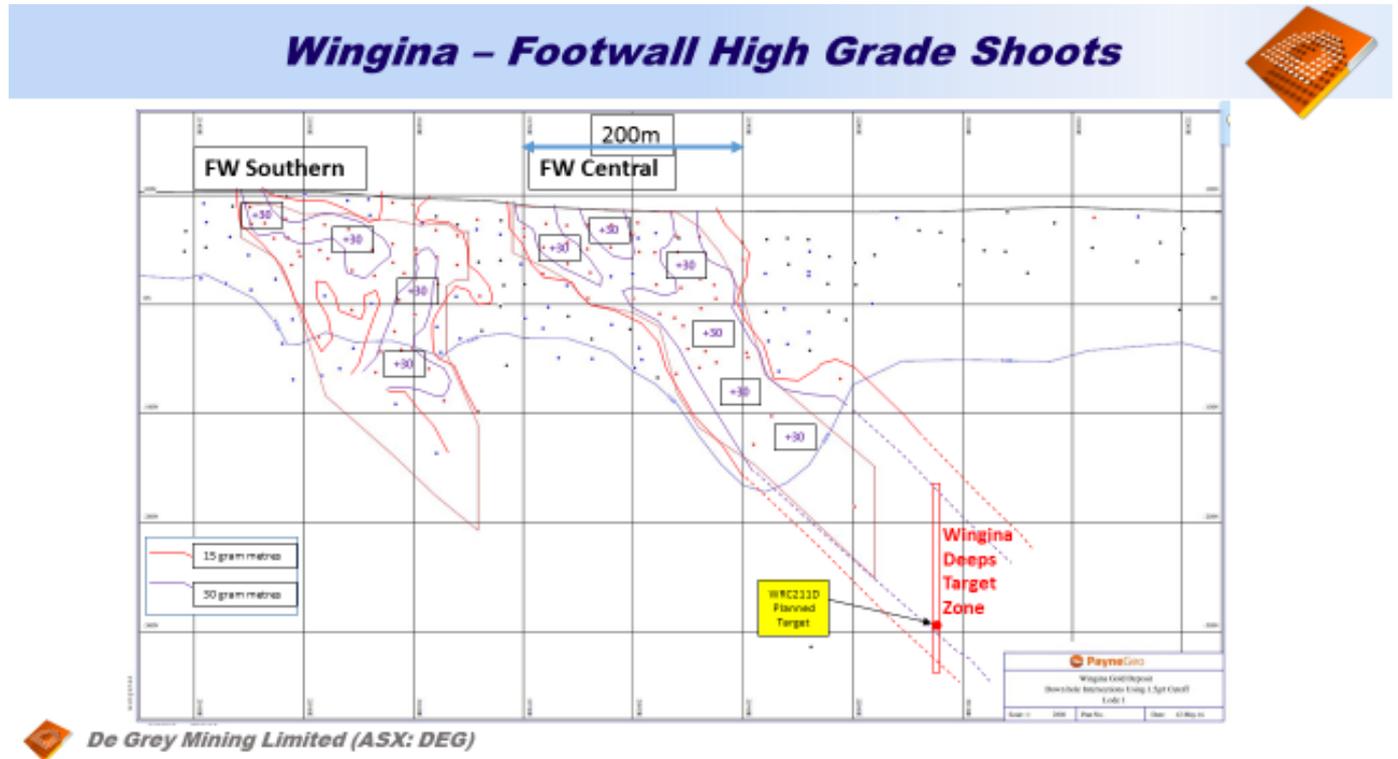
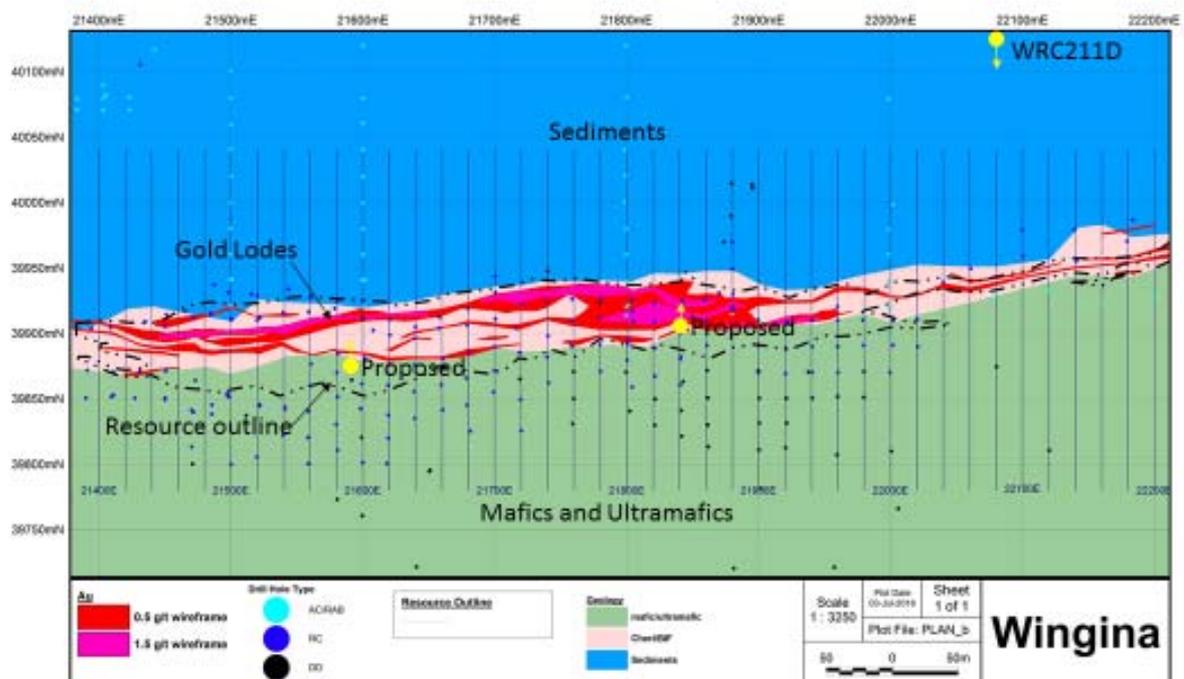


Figure 2 Wingina Plan showing proposed diamond drill holes





## Competent Persons Statements

The information in this report that relates to exploration results is based on, and fairly represents information and supporting documentation prepared by Mr Andrew Beckwith, a Competent Person who is a member of The Australasian Institute of Mining and Metallurgy. Mr Beckwith is a consultant to 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 the Mineral Resources for the Turner River Project is based on information compiled and reviewed by Mr Paul Payne, a full time employee of Payne Geological Services and a Fellow of The Australasian Institute of Mining and Metallurgy. Mr Payne is a consultant to De Grey Mining Limited and has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking 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.

## Turner River Project - Gold Resource Summary (JORC 2012)

Deposit	Cut-off Grade g/t	Classification	Tonnes kt	Au g/t	Au koz
Wingina	0.5g/t above - 55mRL 1.0g/t below - 55mRL	Measured	2.7	1.8	157
		Indicated	1.1	1.3	47
		Inferred	1.3	1.5	63
		<b>Total Wingina</b>	<b>5.1</b>	<b>1.6</b>	<b>268</b>
Amanda	0.5g/t	Inferred	0.7	1.6	35
Mt Berghaus	0.5g/t	Inferred	0.9	1.4	43
<b>Total Gold Deposits</b>			<b>6.7</b>	<b>1.6</b>	<b>346</b>

\*Rounding errors may occur

(Refer to ASX release “Turner River Gold Resource Update”, dated 2 June 2016)