

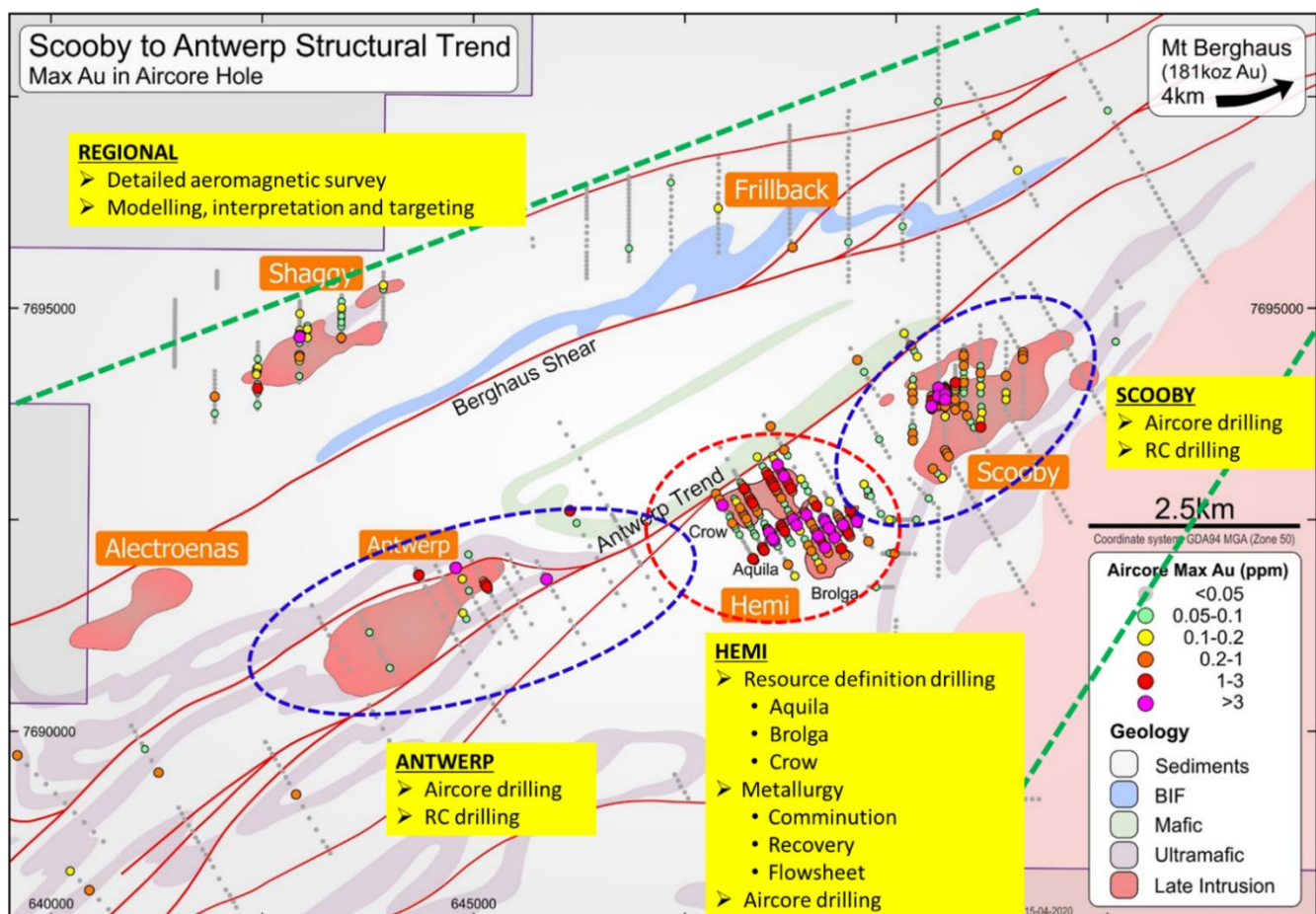
Exploration Update

- Hemi extension drilling continues at Brolga, Aquila & Crow
- Preliminary metallurgical testwork commenced
- Follow-up drilling to commence at Antwerp and Scooby
- Detailed aeromagnetic survey covering 30km corridor underway

De Grey Mining Ltd (“De Grey” or “the Company”) (ASX:DEG) provides the following exploration update on work activities currently underway at the Mallina Gold Project (MGP), located approximately 50km south of Port Hedland in the Tier1 mining jurisdiction of Western Australia. The MGP already hosts 2.2Moz (JORC2012) of shallow gold resources, all within approximately 50km of the new Hemi gold discovery. Hemi is expected to add significantly to the global resource inventory as drilling advances during 2020.

Exploration activities for the next three months will focus on the new intrusion style gold mineralisation recently discovered at the Hemi prospect and also the known shear zone style deposits. The Hemi intrusion and at least 4 other large untested intrusions (Scooby, Antwerp, Shaggy and Alectroenas) occur within a +30km long highly prospective structural corridor (see Figure 1).

Figure 1 Hemi Exploration Area



Hemi project work programs include:

- **Extension drilling at Aquila, Brolga and Crow** with 1 RC and 2 diamond rigs operating. Drilling remains on 80m x 80m spacings with the aim of extending the lateral limits of mineralisation to an initial nominal depth of approximately 300-400m.
- **Aircore drilling has recommenced** with continued wide spaced (320-160m x 80m) step out extensions to the north east and south west of Hemi testing for potential mineralised extensions.
- **Preliminary metallurgy testwork is underway** on oxide, transition and primary samples from Brolga. Testwork will be undertaken at ALS Metallurgy in Perth under the supervision of GR Engineering. Results of this preliminary program are expected during Q3 2020.

At Hemi, RC and diamond drilling continues to concentrate on extending the overall scale of gold mineralisation at the Aquila, Brolga and Crow zones. RC drilling is assessing the shallower 150m-200m zone from surface while the diamond drilling is targeting depth extensions below. Progressive results from the on-going Aquila and Brolga drill program are expected to be reported next week.

Crow represents a large untested gold zone defined by shallow widespaced aircore drilling and has similar dimensions (approximately 1,000m x 400m) to the Brolga zone. The initial 5000m RC program (Figure 2) comprises widespaced (160m) sections with holes spaced 80m along the sections. Infill sections to 80m are planned to infill this drilling as results warrant. Approximately 40% of this initial drill program has been completed with all results pending.

The preliminary metallurgical testwork program aims to provide indications as to the potential process flowsheet for the deposit and recoveries that could be expected from the oxide, transition and primary sulphide zones. The metallurgical program will also incorporate geochemistry and mineralogy to enable geological and metallurgical domaining of the deposit. The preliminary program will incorporate comminution, gravity, cyanide leaching, flotation and oxidation testwork. Six dedicated large diameter metallurgical diamond holes at Brolga are also planned to expand the program and obtain core within the upper oxide and transition domains. The first of these holes commences this week.

Exploration drilling along the immediate +10km strike length from Scooby to Antwerp (Figure 1) will target further new discoveries along this highly prospective corridor. This work will initially focus on the Antwerp and Scooby prospects where encouraging shallow first pass drilling results (previously reported) were defined including:

Antwerp

6m @ 10.7g/t from 4m in BWAC185

4m @ 21.7g/t from 32m in BWAC211

Scooby

14m @ 3.5g/t from 37m in SCRC007

3m @ 1.4g/t from 89m in SCRC005

8m @ 1.30g/t from 40m in T1AC097

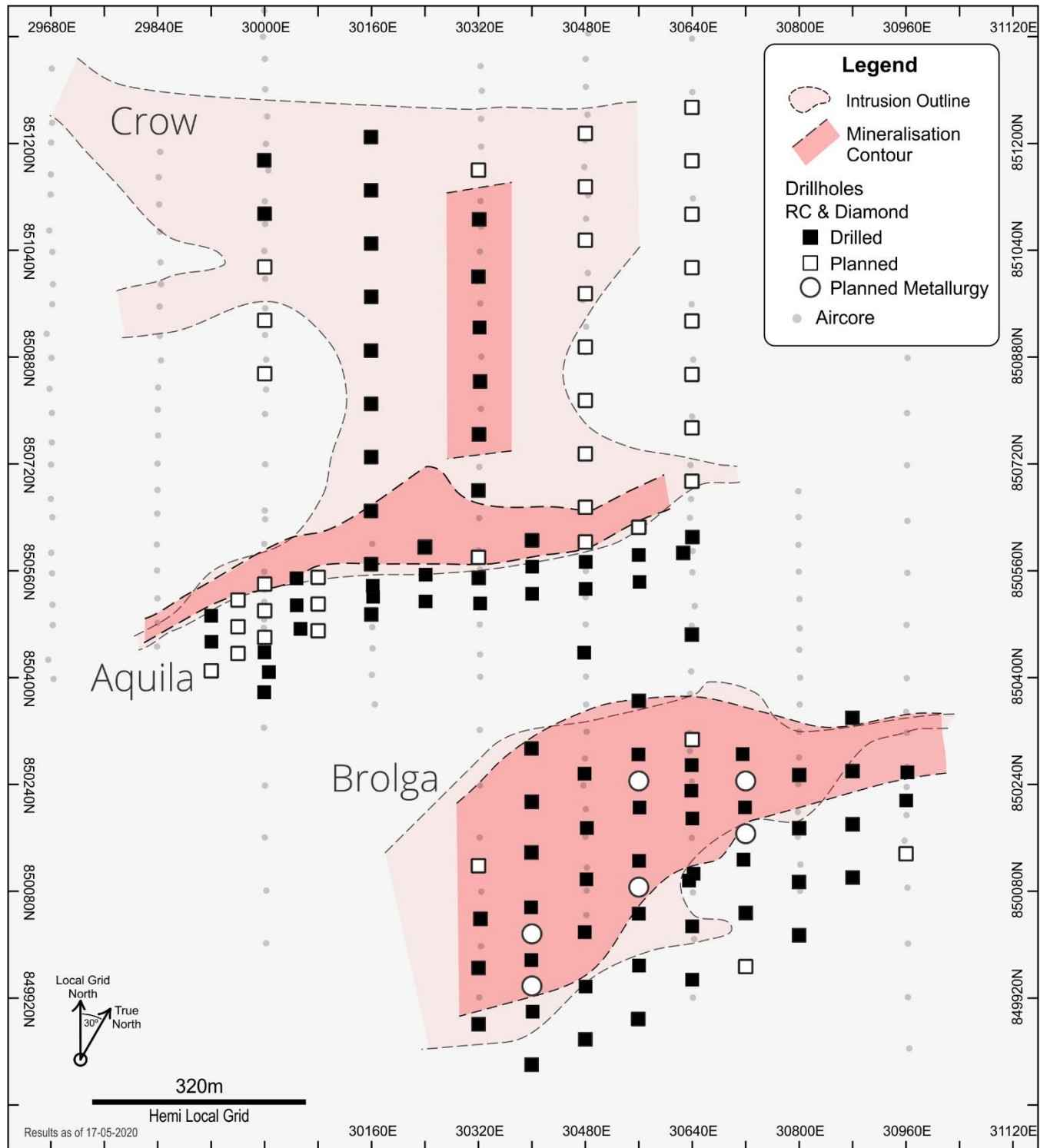
Exploration work programs completed or in progress include:

- **Detailed aerial photography** - completed
- **Detailed regional aeromagnetic survey** covering an area ~30km x 10km along this highly prospective corridor has been contracted and is expected to commence shortly. This survey aims to provide greater definition to the existing intrusions and delineation of new intrusions along this corridor.
- **Aircore drilling** of the untested intrusions with initial emphasis on the Scooby and Antwerp prospects and then progressing to other intrusion and shear zone targets throughout the year.
- **Follow-up RC drilling** will be completed in parallel with the Hemi drilling as results warrant.

To enhance targeting of the known intrusions in the Hemi region and to define new intrusions under the thin veneer of transported sands, a detailed low level aeromagnetic survey has been contracted together with digital photography over the target corridor.

Another three intrusions have also previously been identified in the western end of the tenement package, including Toweranna, located approximately 60 km west of Hemi. Toweranna has an existing shallow resource of 7.35Mt @ 2.2g/t for 524,100oz and the Charity Well and Gemmas targets remain untested and require heritage clearances prior to drilling commencement.

Figure 2 Major gold zones at Hemi, showing progressive drilling programs underway



This ASX report is authorised for release by the De Grey Board.

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Competent Person Statements

The information in this report that relates to exploration results is based on, and fairly represents information and supporting documentation prepared by Mr. Philip Tornatora, a Competent Person who is a member of The Australasian Institute of Mining and Metallurgy. Mr. Tornatora is an employee of De Grey Mining Limited. Mr. Tornatora 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. Tornatora consents to the inclusion in this report of the matters based on his information in the form and context in which it appears.

Previously Released ASX Material References

The recent information in this report that relates to Hemi Prospect and the general Berghaus West area that has been previously released includes;

Resources:

- *2020 Mallina Gold Project Resource update, 2 April 2020.*

Exploration:

- *Multiple new targets increase exploration potential, 2 July 2019;*
- *New Gold Discoveries at Hemi and Antwerp, 17 December 2019;*
- *Hemi confirms potential for major discovery, 6 February 2020;*
- *Further impressive thick and high grade gold at Hemi, 11 February 2020;*
- *Major extension of sulphide mineralisation at Hemi, 26 February 2020;*
- *RC drilling confirms large scale gold system at Hemi, 5 March 2020;*
- *Continuing extensive sulphide mineralisation intersected at Hemi, 10 March 2020;*
- *Hemi continues to grow, 17 March 2020;*
- *Major Gold Extensions defined at BROLGA, 25 March 2020.*
- *Brolga continues to grow, 9 April 2020*
- *Aircore drilling defines third large gold zone at Hemi, 17 April 2020*
- *Brolga and Aquila drilling update, 22 April 2020*
- *Large gold system defined at Crow, 1 May 2020*