

ASX ANNOUNCEMENT**5 August 2020**

Strong results boost Aquila westerly extension

Positive Aircore and first visible gold in early RC drilling results

Highlights:

- Shallow aircore and RC drilling results intersect new intrusion-hosted mineralisation at the western end of Aquila:
 - **16m @ 3.7g/t Au** from 43m in HERC141 (*ends in mineralisation*)
 - **16m @ 2.1g/t Au** from 44m in BWAC783
 - **13m @ 1.8g/t Au** from 71m in BWAC908
 - **8m @ 1.6g/t Au** from 56m in BWAC800
- The new drilling results confirm shallow gold mineralisation over approximately 400m of strike in a north-south direction.
- Initial program of 16 RC holes to be drilled east-west on 80m x 80m spacing has commenced and aims to test to 200m below surface.
- Aircore drilling to extend this zone to the south is underway.
- Overall, Aquila strike potential now spans +1.6km, remains open and has potential to increase the open pit extent at Hemi.

De Grey Technical Director, Andy Beckwith, commented:

“These new results confirm a potential large extension to the Aquila gold system.

This initial RC drilling program has noted altered intrusion in the first four holes drilled, with visible gold noted in hole HERC232 in two separate 1m intervals. The observation of quartz-hosted visible gold in altered intrusion early in the RC program is very encouraging. Visible gold has not been noted in the previous Brolga or Aquila drilling. Further drilling is planned at Aquila based on alteration and the visible gold observed to date.

The recent extensional drilling at Aquila represents one aspect of the Company’s strategy to grow its mineralized footprint at Hemi. Aircore drilling is also underway targeting the known mineralized intrusions at Scooby and Antwerp as well as other intrusion targets identified through the recently completed aeromagnetic survey.”

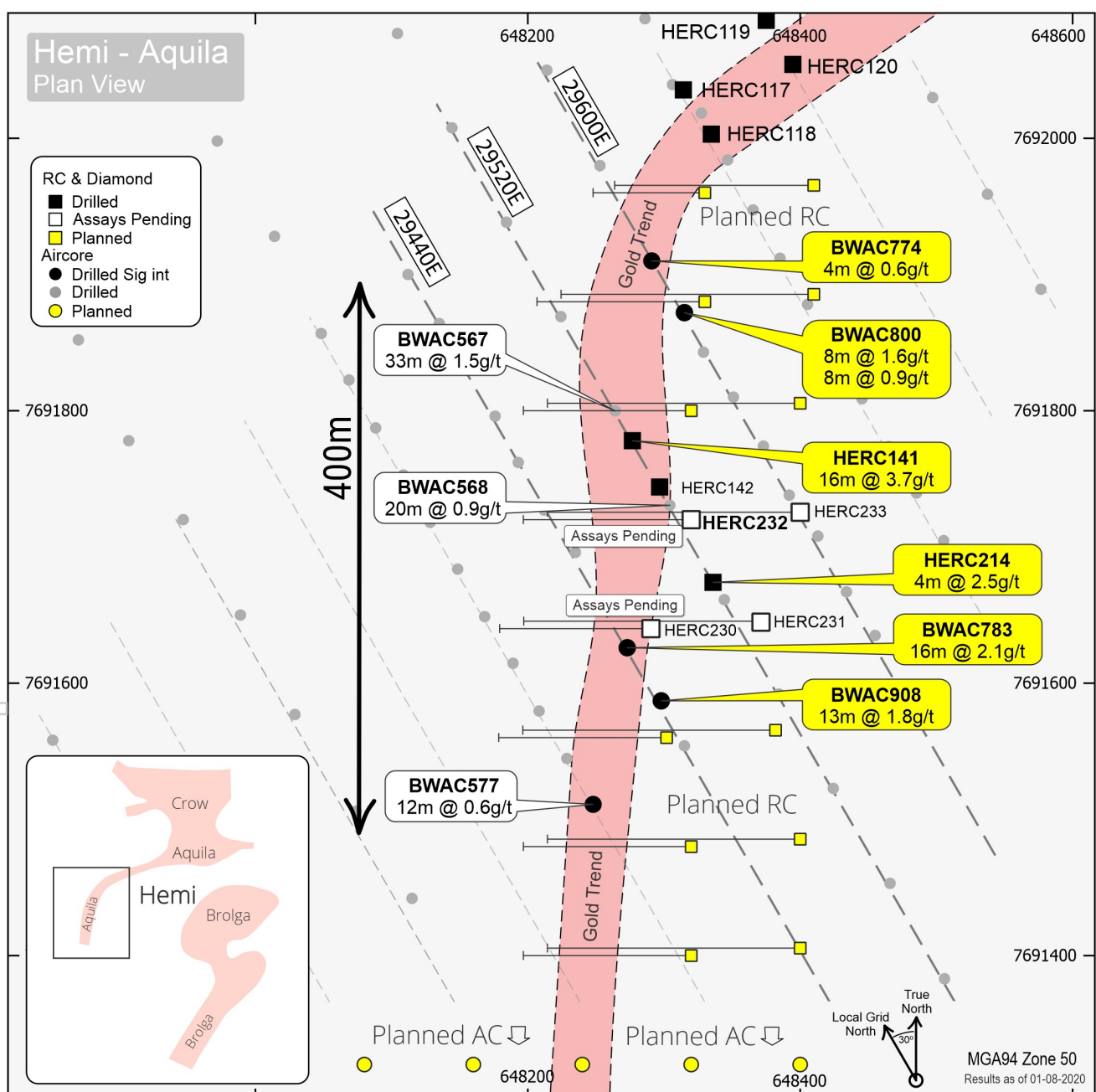
De Grey Mining Limited (ASX: DEG, "De Grey", "Company") is pleased to provide the following drilling update for the Aquila Zone at the Hemi Gold Discovery, located approximately 60km south of Port Hedland in Western Australia.

The overall scale of Hemi continues to increase with dimensions growing to approximately 2.5km north to south and 2km west to east with three main zones (Aquila, Brolga and Crow) defined within this large gold system. The Aquila Zone has recently been extended to approximately 1.6km potential strike with the western portion having only received shallow aircore drilling to date.

Results reported in this release are encouraging and cover recent aircore and early limited RC drilling along 500m of the southwestern portion of this strike potential.

Significant gold results in drilling are provide in Table 1 and Figures 1-4.

Figure 1: Hemi drilling location plan showing the new strike extension to the southwest of Aquila and significant aircore and RC drilling results.



Aquila

Recent aircore drilling has targeted the along strike extension of the Aquila zone to the west (Figure 1). Results received are highly encouraging and coupled with previous results (which include 33m @ 1.5g/t Au in aircore hole BWAC567) confirm a 400m strike extension to the southwest of the main Aquila zone. Initial RC drilling indicates the intrusion is up to 50m true thickness (Figures 2-4).

Three RC holes (HERC141/142 and HERC241) were attempted immediately after the aircore drilling was completed based on encouraging altered intrusion logged in the aircore holes. Drilling issues related to the transported cover material were encountered and the holes were abandoned prematurely at shallow depths of 59m, 60m and 120m respectively. Additional drilling equipment has since arrived on site and drilling is well advanced. Significantly, these shallow RC holes intersected strong gold mineralisation with two holes ending in mineralisation (Figure 3).

Significant new drilling results (> 10gm*m) include:

- **16m @ 3.7g/t Au** from 43m including **10m @ 5.4g/t** in HERC141 (*ends in mineralisation*)
- **16m @ 2.1g/t Au** from 44m including **4m @ 3.5g/t** in BWAC783
- **13m @ 1.8g/t Au** from 71m including **2.0m @ 3.8g/t** in BWAC908
- **8m @ 1.6g/t Au** from 56m in BWAC800
- **4m @ 2.5g/t Au** from 115m including **1m @ 6.2g/t** in HERC214 (*ends in mineralisation*)

A program of 16 RC holes designed to test mineralisation to 200m below surface along the 400m of strike potential is currently underway (Figure 1). Four holes have been completed to date (HERC230-233) and the program is expected to take approximately two weeks to complete with assays expected thereafter. The drilling has been rotated east to west as the new mineralisation trend is orientated north south.

Importantly, strong zones of altered intrusion have been intersected in all four initial RC holes with visible gold in bedrock observed in HERC232 at two separate 1m intervals associated with quartz veining in altered intrusion (Figure 5 and 6). The observation of visible gold early in the RC program is highly encouraging, as very little visible gold has been noted in the previous Brolga or Aquila drilling. The presence of quartz veining is also not generally seen elsewhere in drilling to date at Hemi.

Additional aircore to extend the intrusion to the south is currently underway (Figure 1). Additional RC drilling will be added to the program based on the positive visual logging and final assay results.

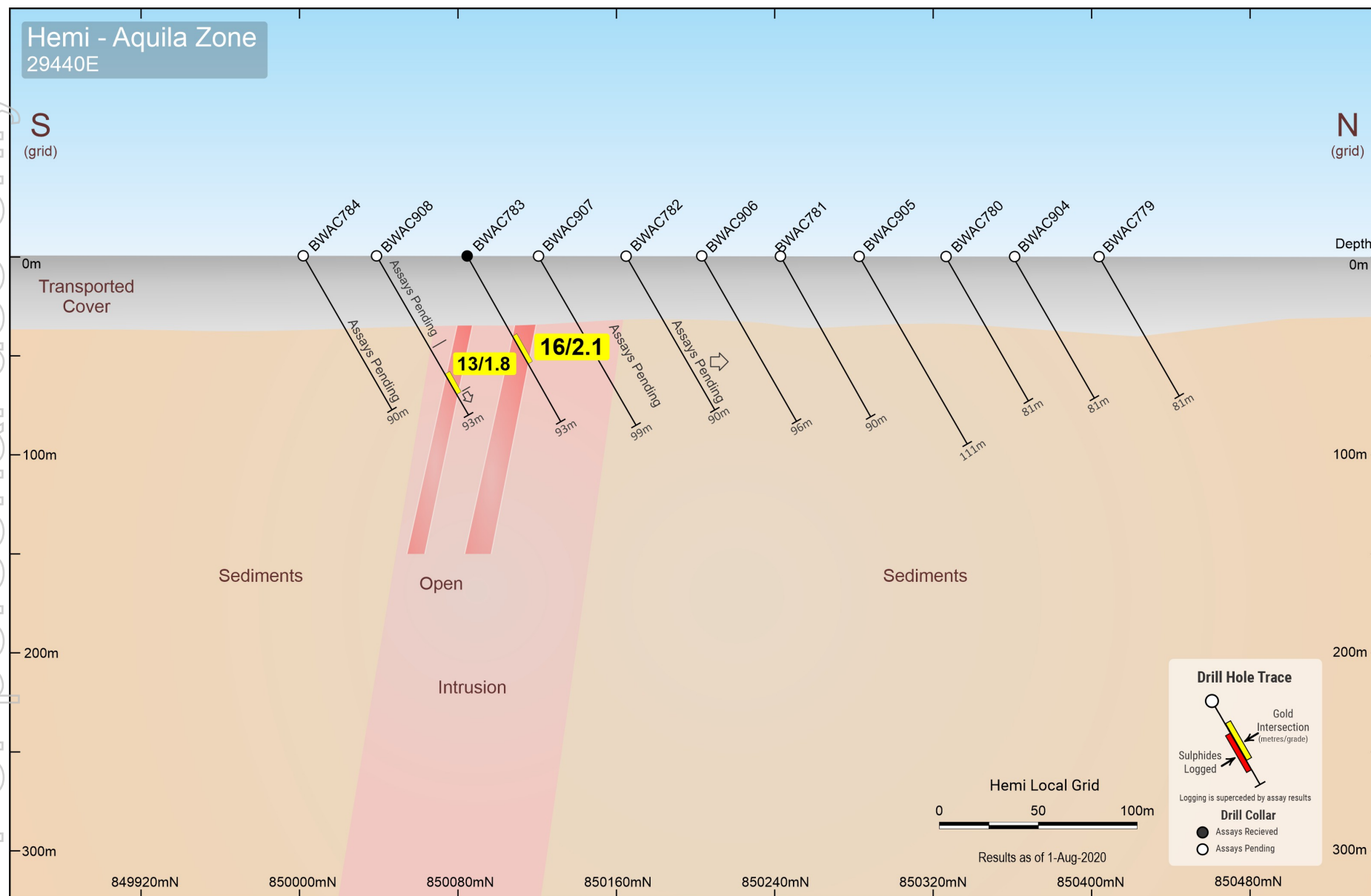
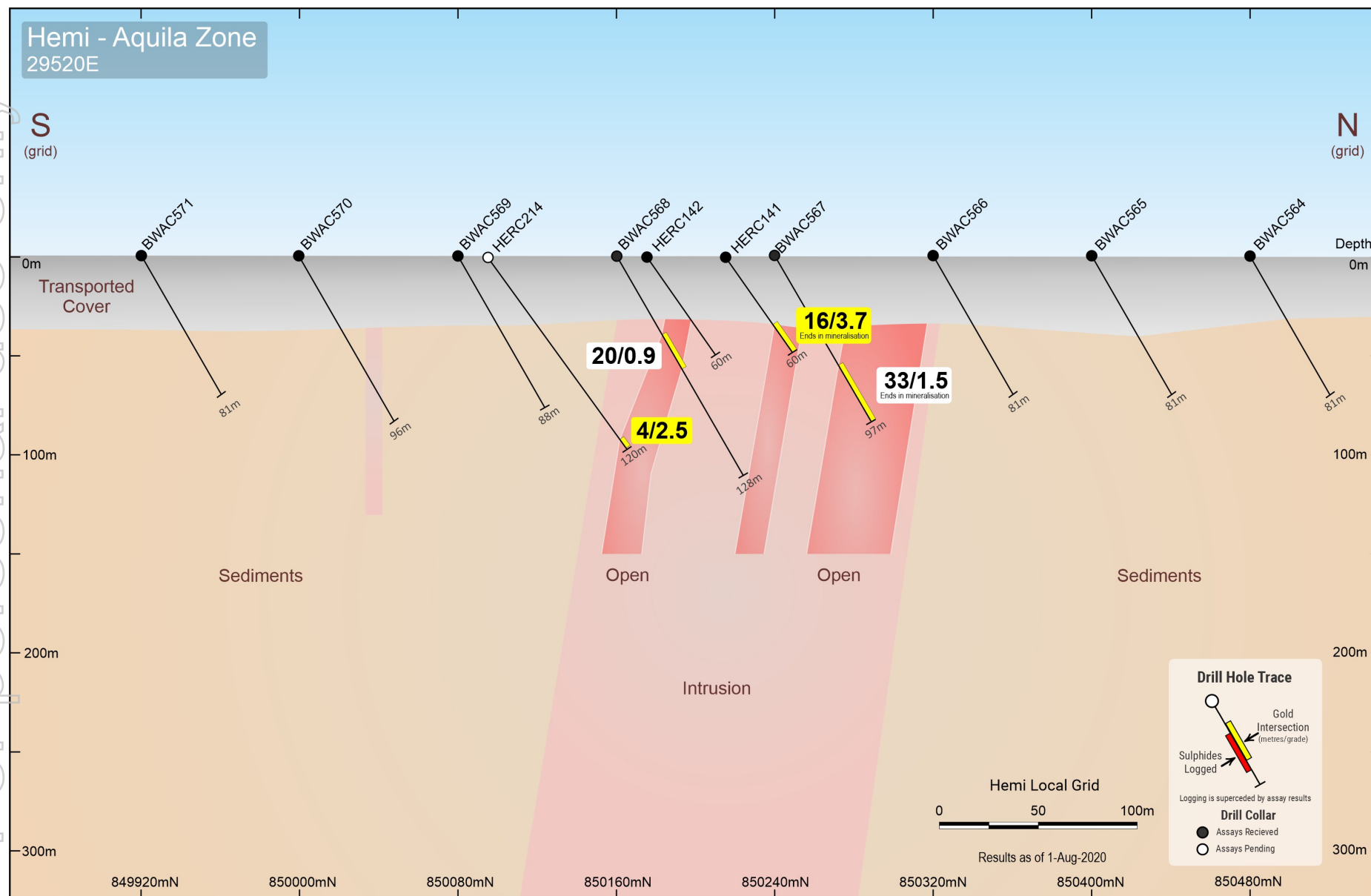
Hemi - Aquila Zone
29440E

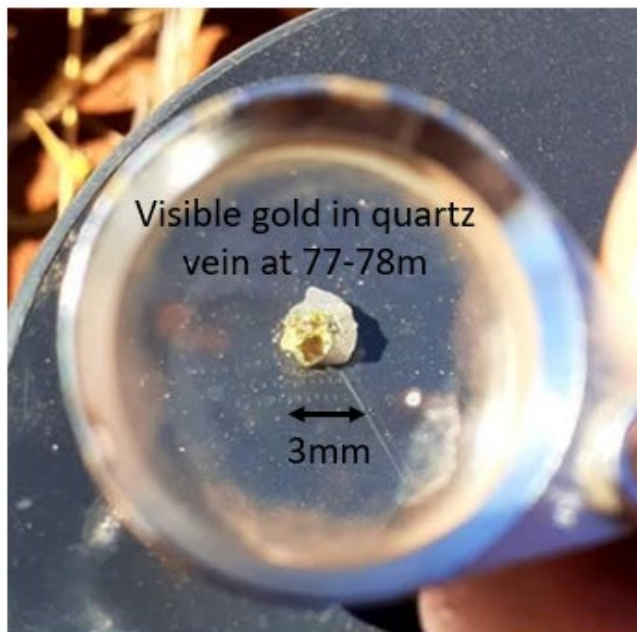
Figure 3: Aquila – Section 29,520E showing recent drill results



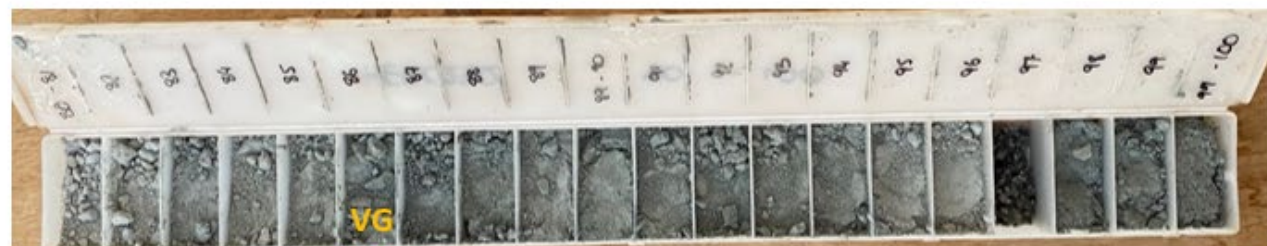
Hemi - Aquila Zone
29600E

Figure 5: Aquila – Alteration and visible gold logged in HERC232 (assays pending)

Aquila – HERC232 Visible gold hosted in altered intrusion.
 (Visible Gold logged at 77-78 and 85-86m in altered intrusion associated with smoky quartz veins.)



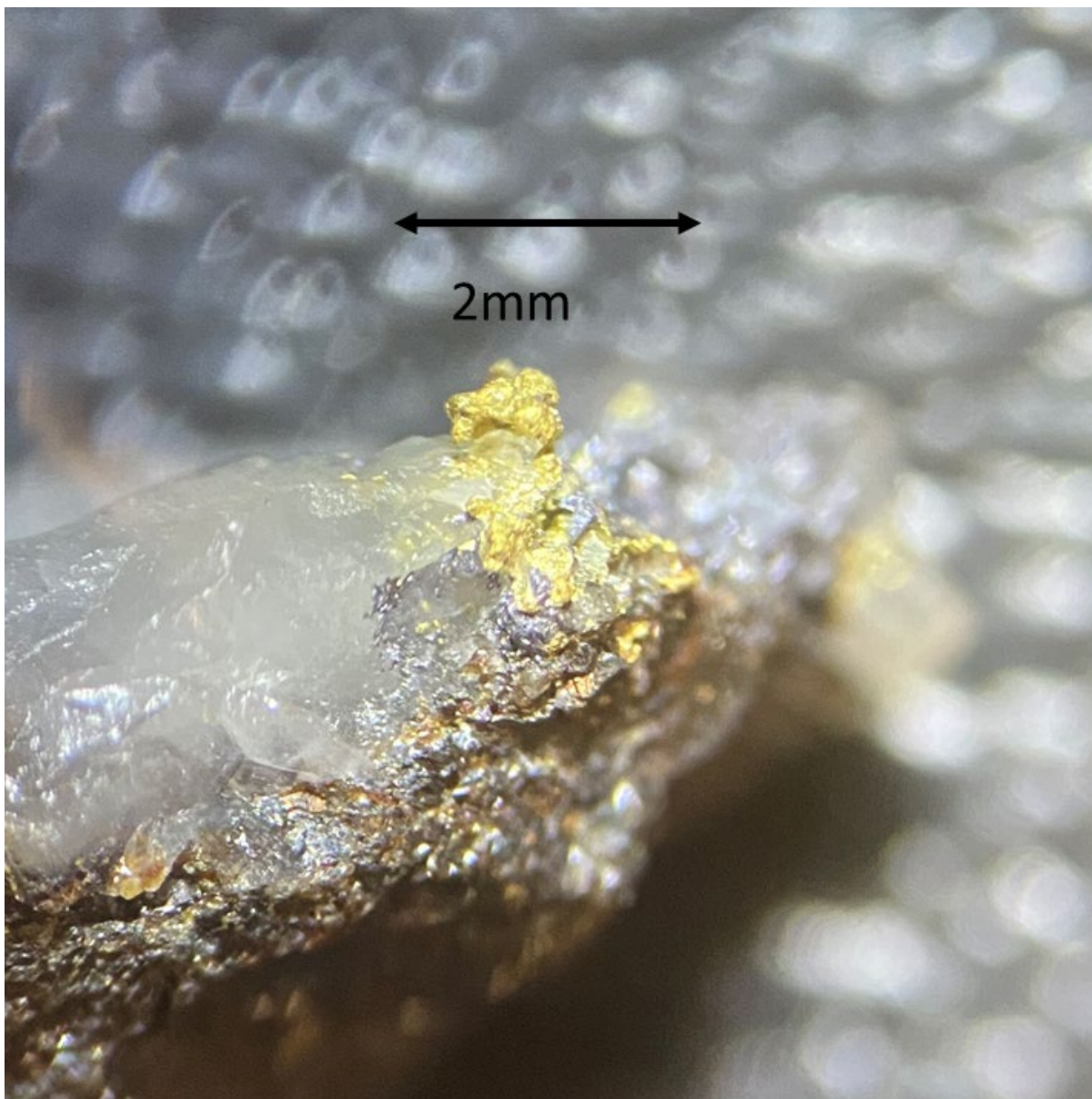
Alteration



Alteration

Alteration extends to 120m

Figure 5: Aquila – Alteration and visible gold logged in HERC232 (assays pending)



This announcement has been authorised for release by the De Grey Board.

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Competent Person's Statement

The information in this report that relates to exploration results is based on, and fairly represents information and supporting documentation prepared by Mr. Phil 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 that relates to Hemi Prospect 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
- Exploration update, 20 May 2020
- Significant extension at Hemi- Aquila, 27 May 2020
- HEMI – Major extension, 5 June 2020
- HEMI – Broad, high grade extensions at Aquila, 9 June 2020
- Further high grade and expanded footprint at Hemi, 22 June 2020
- High gold recoveries achieved at Hemi, 9 July 2020
- Further extensions confirmed at Brolga, 10 July 2020
- Hemi scale grows with Aquila new extensions, 22 July 2020

Table 1: Significant new results (>2 gram x m Au)

HoleID	Hole Type	Depth From (m)	Depth To (m)	Down Hole Width (m)	Au (g/t)	Collar East (GDA94)	Collar North (GDA94)	Collar RL (GDA94)	Dip (°)	Azimuth (GDA94)	Hole Depth (m)	Comments
BWAC774	AC	52.0	56.0	4.0	0.6	648291	7691910	69	-60	332	81	Part hole previously reported
BWAC783	AC	44.0	60.0	16.0	2.1	648273	7691626	69	-60	332	93	
incl	AC	56.0	60.0	4.0	3.5	648273	7691626	69	-60	332	93	
BWAC800	AC	80.0	88.0	8.0	1.6	648315	7691872	69	-60	332	108	
BWAC800	AC	96.0	104.0	8.0	0.9	648315	7691872	69	-60	332	108	
BWAC908	AC	71.0	84.0	13.0	1.8	648298	7691587	69	-60	332	93	
incl	AC	73.0	75.0	2.0	3.8	648298	7691587	69	-60	332	93	
HERC141	RC	43.0	59.0	16.0	3.7	648277	7691778	69	-55	330	59	Ends in mineralisation
incl	RC	49.0	59.0	10.0	5.4	648277	7691778	69	-55	330	59	
HERC214	RC	115.0	119.0	4.0	2.5	648336	7691674	69	-56	329	120	Ends in mineralisation
incl	RC	118.0	119.0	1.0	6.2	648336	7691674	69	-56	329	120	
HERC230	RC				Assays pending	648290	7691640	69	-55	272	204	
HERC231	RC				Assays pending	648370	7691640	69	-55	270	250	
HERC232	RC				Assays pending	648320	7691720	69	-56	275	138	
HERC233	RC				Assays pending	648400	7691720	69	-55	275	192	

JORC Code, 2012 Edition – Table 1

Section 1 Sampling Techniques and Data

(Criteria in this section apply to all succeeding sections.)

Criteria	JORC Code explanation	Commentary
Sampling techniques	<ul style="list-style-type: none"> <i>Nature and quality of sampling (e.g. cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc.). These examples should not be taken as limiting the broad meaning of sampling.</i> <i>Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.</i> <i>Aspects of the determination of mineralisation that are Material to the Public Report.</i> <i>In cases where 'industry standard' work has been done this would be relatively simple (e.g. 'reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30 g charge for fire assay'). In other cases, more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (e.g. submarine nodules) may warrant disclosure of detailed information.</i> 	<ul style="list-style-type: none"> All drilling and sampling was undertaken in an industry standard manner Core samples were collected with a diamond rig drilling mainly NQ2 diameter core. After logging and photographing, NQ2 drill core was cut in half, with one half sent to the laboratory for assay and the other half retained. HQ core was quartered, with one quarter sent for assay. Holes were sampled over mineralised intervals to geological boundaries on a nominal 1m basis. Sample weights ranged from 2-4kg RC holes were sampled on a 1m basis with samples collected from a cone splitter mounted on the drill rig cyclone. 1m sample ranges from a typical 2.5-3.5kg Aircore samples were collected by spear from 1m sample piles and composited over 4m intervals. Samples for selected holes were collected on a 1m basis by spear from 1m sample piles. Sample weights ranges from around 1-3kg. The independent laboratory pulverises the entire sample for analysis as described below. Industry prepared independent standards are inserted approximately 1 in 20 samples. The independent laboratory then take the samples which are dried, split, crushed and pulverized prior to analysis as described below. Sample sizes are considered appropriate for the material sampled. The samples are considered representative and appropriate for this type of drilling. Diamond core and RC samples are appropriate for use in a resource estimate.
Drilling techniques	<ul style="list-style-type: none"> <i>Drill type (e.g. core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc.) and details (e.g. core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc.).</i> 	<ul style="list-style-type: none"> NQ2 diamond drill holes comprised NQ2 core of a diameter of 51mm. Reverse Circulation(RC) holes were drilled with a 5 1/2-inch bit and face sampling hammer. Aircore holes were drilled with an 83mm diameter blade bit.

Criteria	JORC Code explanation	Commentary
Drill sample recovery	<ul style="list-style-type: none"> Method of recording and assessing core and chip sample recoveries and results assessed. Measures taken to maximise sample recovery and ensure representative nature of the samples. Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material. 	<ul style="list-style-type: none"> Core recovery is measured for each drilling run by the driller and then checked by the Company geological team during the mark up and logging process. RC and aircore samples were visually assessed for recovery. Samples are considered representative with generally good recovery. Deeper RC and aircore holes encountered water, with some intervals having less than optimal recovery and possible contamination. No sample bias is observed.
Logging	<ul style="list-style-type: none"> Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies. Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc.) photography. The total length and percentage of the relevant intersections logged. 	<ul style="list-style-type: none"> The entire hole has been geologically logged and core was photographed by Company geologists, with systematic sampling undertaken based on rock type and alteration observed RC and diamond sample results are appropriate for use in a resource estimation, except where sample recovery is poor. The aircore results provide a good indication of mineralisation but are not used in resource estimation.
Sub-sampling techniques and sample preparation	<ul style="list-style-type: none"> If core, whether cut or sawn and whether quarter, half or all core taken. If non-core, whether riffled, tube sampled, rotary split, etc. and whether sampled wet or dry. For all sample types, the nature, quality and appropriateness of the sample preparation technique. Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples. Measures taken to ensure that the sampling is representative of the in-situ material collected, including for instance results for field duplicate/second-half sampling. Whether sample sizes are appropriate to the grain size of the material being sampled. 	<ul style="list-style-type: none"> Core samples were collected with a diamond drill rig drilling HQ or NQ2 diameter core. After logging and photographing, NQ2 drill core was cut in half, with one half sent to the laboratory for assay and the other half retained. Holes were sampled over mineralised intervals to geological boundaries on a nominal 1m basis. RC sampling was carried out by a cone splitter on the rig cyclone and drill cuttings were sampled on a 1m basis in bedrock and 4m composite basis in cover. Aircore samples were collected by spear from 1m sample piles and composited over 4m intervals. Samples for selected holes were collected on a 1m basis by spear from 1m sample piles. Industry prepared independent standards are inserted approximately 1 in 20 samples. Each sample was dried, split, crushed and pulverised. Sample sizes are considered appropriate for the material sampled. The samples are considered representative and appropriate for this type of drilling Core and RC samples are appropriate for use in a resource estimate. Aircore samples are generally of good quality and appropriate for delineation of geochemical trends but are not generally used in resource estimates.

Criteria	JORC Code explanation	Commentary
Quality of assay data and laboratory tests	<ul style="list-style-type: none"> The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total. For geophysical tools, spectrometers, handheld XRF instruments, etc., the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc. Nature of quality control procedures adopted (e.g. standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (i.e. lack of bias) and precision have been established. 	<ul style="list-style-type: none"> The samples were submitted to a commercial independent laboratory in Perth, Australia. For diamond core and RC samples Au was analysed by a 50g charge Fire assay fusion technique with an AAS finish and multi-elements by ICPAES and ICPMS Aircore samples were analysed for Au using 25g aqua regia extraction with ICPMS finish and multi-elements by ICPAES and ICPMS using aqua regia digestion The techniques are considered quantitative in nature. As discussed previously certified reference standards were inserted by the Company and the laboratory also carries out internal standards in individual batches The standards and duplicates were considered satisfactory
Verification of sampling and assaying	<ul style="list-style-type: none"> The verification of significant intersections by either independent or alternative company personnel. The use of twinned holes. Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols. Discuss any adjustment to assay data. 	<ul style="list-style-type: none"> Sample results have been merged by the company's database consultants. Results have been uploaded into the company database, checked and verified. No adjustments have been made to the assay data. Results are reported on a length weighted basis.
Location of data points	<ul style="list-style-type: none"> Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation. Specification of the grid system used. Quality and adequacy of topographic control. 	<ul style="list-style-type: none"> Diamond and RC drill hole collar locations are located by DGPS to an accuracy of +/-10cm. Aircore hole collar locations are located by DGPS to an accuracy of +/-10cm., or by handheld GPS to an accuracy of 3m. Locations are given in GDA94 zone 50 projection Diagrams and location table are provided in the report Topographic control is by detailed airphoto and Differential GPS data.
Data spacing and distribution	<ul style="list-style-type: none"> Data spacing for reporting of Exploration Results. Whether the data spacing, and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied. Whether sample compositing has been applied. 	<ul style="list-style-type: none"> Drill spacing varies from 80m x 40m to 320m x 80m. All holes have been geologically logged and provide a strong basis for geological control and continuity of mineralisation. Data spacing and distribution of RC drilling is not yet sufficient to provide support for the results to be used in a resource estimate. Sample compositing has not been applied except in reporting of drill intercepts, as described in this Table
Orientation of data in relation to geological structure	<ul style="list-style-type: none"> Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type. If the relationship between the drilling orientation 	<ul style="list-style-type: none"> The drilling is believed to be approximately perpendicular to the strike of mineralisation where known and therefore the sampling is considered representative of the mineralised zone.

Criteria	JORC Code explanation	Commentary
	<i>and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material.</i>	<ul style="list-style-type: none"> In some cases, drilling is not at right angles to the dip of mineralised structures and as such true widths are less than downhole widths. This is allowed for when geological interpretations are completed.
Sample security	<ul style="list-style-type: none"> <i>The measures taken to ensure sample security.</i> 	<ul style="list-style-type: none"> Samples were collected by company personnel and delivered direct to the laboratory via a transport contractor.
Audits or reviews	<ul style="list-style-type: none"> <i>The results of any audits or reviews of sampling techniques and data.</i> 	<ul style="list-style-type: none"> No audits have been completed. Review of QAQC data has been carried out by database consultants and company geologists.

Section 2 Reporting of Exploration Results

(Criteria listed in the preceding section also apply to this section.)

Criteria	JORC Code explanation	Commentary
Mineral tenement and land tenure status	<ul style="list-style-type: none"> <i>Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings.</i> <i>The security of the tenure held at the time of reporting along with any known impediments to obtaining a license to operate in the area.</i> 	<ul style="list-style-type: none"> Drilling occurs on various tenements held by De Grey Mining Ltd or its 100% owned subsidiaries. The Hemi Prospect is approximately 60km SSW of Port Hedland.
Exploration done by other parties	<ul style="list-style-type: none"> <i>Acknowledgment and appraisal of exploration by other parties.</i> 	<ul style="list-style-type: none"> The tenements have had various levels of previous surface geochemical sampling and wide spaced aircore and RAB drilling by De Grey Mining. Limited previous RC drilling was carried out at the Scooby Prospect. Airborne aeromagnetics/radiometrics has been flown previously.
Geology	<ul style="list-style-type: none"> <i>Deposit type, geological setting and style of mineralisation.</i> 	<ul style="list-style-type: none"> The mineralisation style is not well understood to date but is thought to be hydrothermally emplaced gold mineralisation within structures and intrusions. Host rocks comprise igneous rocks intruding Mallina Basin metasediments. Style is similar to some other Western Australian gold deposits.
Drill hole Information	<ul style="list-style-type: none"> <i>A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill holes:</i> <ul style="list-style-type: none"> <i>easting and northing of the drill hole collar</i> <i>elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar</i> <i>dip and azimuth of the hole</i> <i>down hole length and interception depth</i> <i>hole length.</i> <i>If the exclusion of this information is justified on the basis that the information is not Material and this exclusion does not detract from the understanding of the report, the Competent Person should clearly</i> 	<ul style="list-style-type: none"> Drill hole location and directional information provide in the report.

Criteria	JORC Code explanation	Commentary
	<i>explain why this is the case.</i>	
Data aggregation methods	<ul style="list-style-type: none"> <i>In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (e.g. cutting of high grades) and cut-off grades are usually Material and should be stated.</i> <i>Where aggregate intercepts incorporate short lengths of high grade results and longer lengths of low grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail.</i> <i>The assumptions used for any reporting of metal equivalent values should be clearly stated.</i> 	<ul style="list-style-type: none"> Results are reported to a minimum cutoff grade of 0.5g/t gold with an internal dilution of 4m maximum. Higher grade intervals included in the above intercepts are reported at a 3g/t Au lower cut with an internal dilution of 2m maximum. Intercepts are length weighted averaged. No maximum cuts have been made.
Relationship between mineralisation widths and intercept lengths	<ul style="list-style-type: none"> <i>These relationships are particularly important in the reporting of Exploration Results.</i> <i>If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.</i> <i>If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (e.g. 'down hole length, true width not known').</i> 	<ul style="list-style-type: none"> The drill holes are interpreted to be approximately perpendicular to the strike of mineralisation. Drilling is not always perpendicular to the dip of mineralisation and true widths are less than downhole widths. Estimates of true widths will only be possible when all results are received, and final geological interpretations have been completed.
Diagrams	<ul style="list-style-type: none"> <i>Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported These should include, but not be limited to a plan view of drill hole collar locations and appropriate sectional views.</i> 	<ul style="list-style-type: none"> Plans and sections are provided in the report.
Balanced reporting	<ul style="list-style-type: none"> <i>Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results.</i> 	<ul style="list-style-type: none"> All drill collar locations are shown in figures and all significant results are provided in this report. The report is considered balanced and provided in context.
Other substantive exploration data	<ul style="list-style-type: none"> <i>Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples – size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances.</i> 	<ul style="list-style-type: none"> Drilling is currently widely spaced and further details will be reported in future releases when data is available.
Further work	<ul style="list-style-type: none"> <i>The nature and scale of planned further work (e.g. tests for lateral extensions or depth extensions or large-scale step-out drilling).</i> <i>Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.</i> 	<ul style="list-style-type: none"> Follow up aircore drilling will be undertaken to test for strike extensions to mineralisation. Programs of follow up RC and diamond drilling aimed at extending resources at depth and laterally are underway.