ASX: DEG

ASX ANNOUNCEMENT

7 October 2020

Encouraging Extensional and Infill Drilling Results at Aquila and Crow

Highlights:

- Aquila drilling extends the western high grade zone to section 29920E in HERC106D. Results are pending for two deeper holes on section. Additional drilling results continue to extend broad zones of robust gold mineralisation. Mineralisation remains open at depth and along strike. The program at Aquila will continue with extensional and infill drilling. Results include:
  - **38.4m @ 3.2g/t Au** from 205.05m in HERC106D*
  - **68m @ 1.2g/t Au** from 136m in HERC314
  - **53m @ 1.2g/t Au** from 165m in HERC109D*

- Mineralisation at Crow continues to be defined with infill drilling located in the central to eastern portions of the deposit. The presence of sub-vertical lodes parallel to Aquila continue to be confirmed. Mineralisation remains open at depth and to the north west. Results include:
  - **42.8m @ 2.8g/t Au** from 234m in HERC038D (incl **4.6m @ 14.1g/t Au** from 250m)
  - **28.7m @ 1.1g/t Au** from 284.75m in HERC038D
  - **23m @ 1.5g/t Au** from 624m in HERC071D
  - **5m @ 8.0g/t Au** from 192m in HERC307
  - **14m @ 3.2g/t Au** from 63m in HERC309
  - **32m @ 1.1g/t Au** from 62m in HERC311
  - **5m @ 72.9g/t Au** from 105m in HERC311 (incl **1m @ 358g/t Au** from 105m)
  - **6m @ 5.0g/t Au from** 174m in HERC312

**extensional drill hole either along strike or at depth*

De Grey Technical Director, Andy Beckwith, commented:

At Crow, a cluster of new high grade intervals including 42.8m @ 2.8g/t, 5m @ 8g/t, 14m @ 3.2g/t and 5m @ 72.9g/t which includes a bonanza 1m @ 358g/t is forming over approximately 240m of strike. The infill drilling at Crow continues to demonstrate strong gold endowment in potential new sub-vertical lodes.

The plunging high grade zone at Aquila continues to grow to the west and downdip toward Falcon. Mineralisation at Aquila and Crow has been intersected to approximately 500 vertical metres and remains open.

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

The Aquila and Crow zones are located adjacent and to the north of the large Brolga intrusion at Hemi. Extensional step out drilling in these two zones continues at a nominal 80m x 80m spacing, and more recently, limited infill resource definition drilling has targeted drilling to a 40m x 80m spacing.

The infill drilling program will continue over the coming months at all the Hemi zones to enable a robust resource estimate targeting a high level of JORC 2012 Indicated category resources. The initial Hemi resource estimate is planned for the middle of 2021.

The significant new gold results in drilling are provided in Table 1 as well as Figures 1-6.

Infill and Extensional Drilling

Step out and infill drilling at Hemi is on-going and the latest results at Aquila and Crow continue to firm up areas of high grade gold mineralisation (+2g/t) within a much larger and broader gold system.

At Aquila, the western high grade plunging shoot has been extended a further 80m west to section 29920E in HERC106D and remains open to the west and down dip.

New potential lodes have been intersected along strike and down dip along the zone. These include a broad deeper zone of sulphide rich mineralisation intersected in hole HERC021D approximately 180m below the defined mineralisation on section 30480E (Figure 6 & Table 2).

A shallow broad zone of 68m @ 1.2g/t on the adjacent section 30440E supports the continuity of mineralisation along this zone.

Significant new drilling results at Aquila (> 50gm*m) include:

- **38.4m @ 3.2g/t Au** from 205.05m in HERC106D
- **53m @ 1.2g/t Au** from 165m in HERC109D
- **68m @ 1.2g/t Au** from 136m in HERC314

At Crow, a cluster of high grade results occur over a strike of approximately 240m from 30320E to 30560E. This zone correlates to an area of strong alteration and includes the previously reported **64m @ 13.4g/t Au** from 141m in HERC238. The zone is expected to contribute significantly to the overall resources.

Infill drilling around this area has intersected further encouraging higher grade (+2g/t) mineralisation. New potential lodes and extensions have also been intersected along strike and down dip within the Crow intrusion. Mineralisation continues to remain open at multiple localities.

Significant new drilling results at Crow (> 50gm*m) include:

- **42.8m @ 2.8g/t Au** from 234m in HERC038D (incl **4.6m @ 14.1g/t Au** from 250m)
- **5m @ 72.9g/t Au** from 105m in HERC311 (incl **1m @ 358g/t Au** from 105m)

Figure 1: Hemi - drilling location plan showing the new Aquila and Crow drilling results.

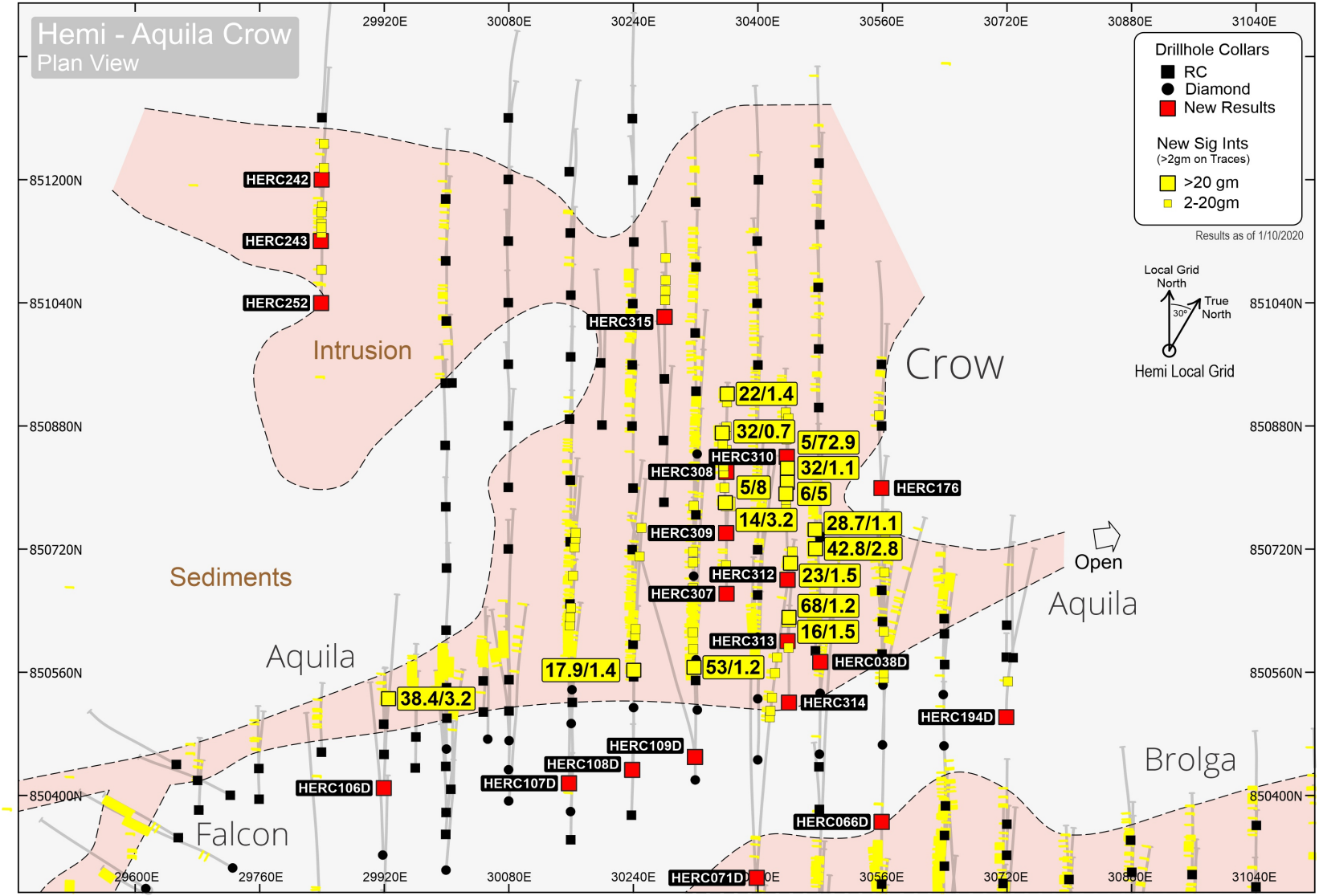


Figure 2: Aquila Longitudinal Projection

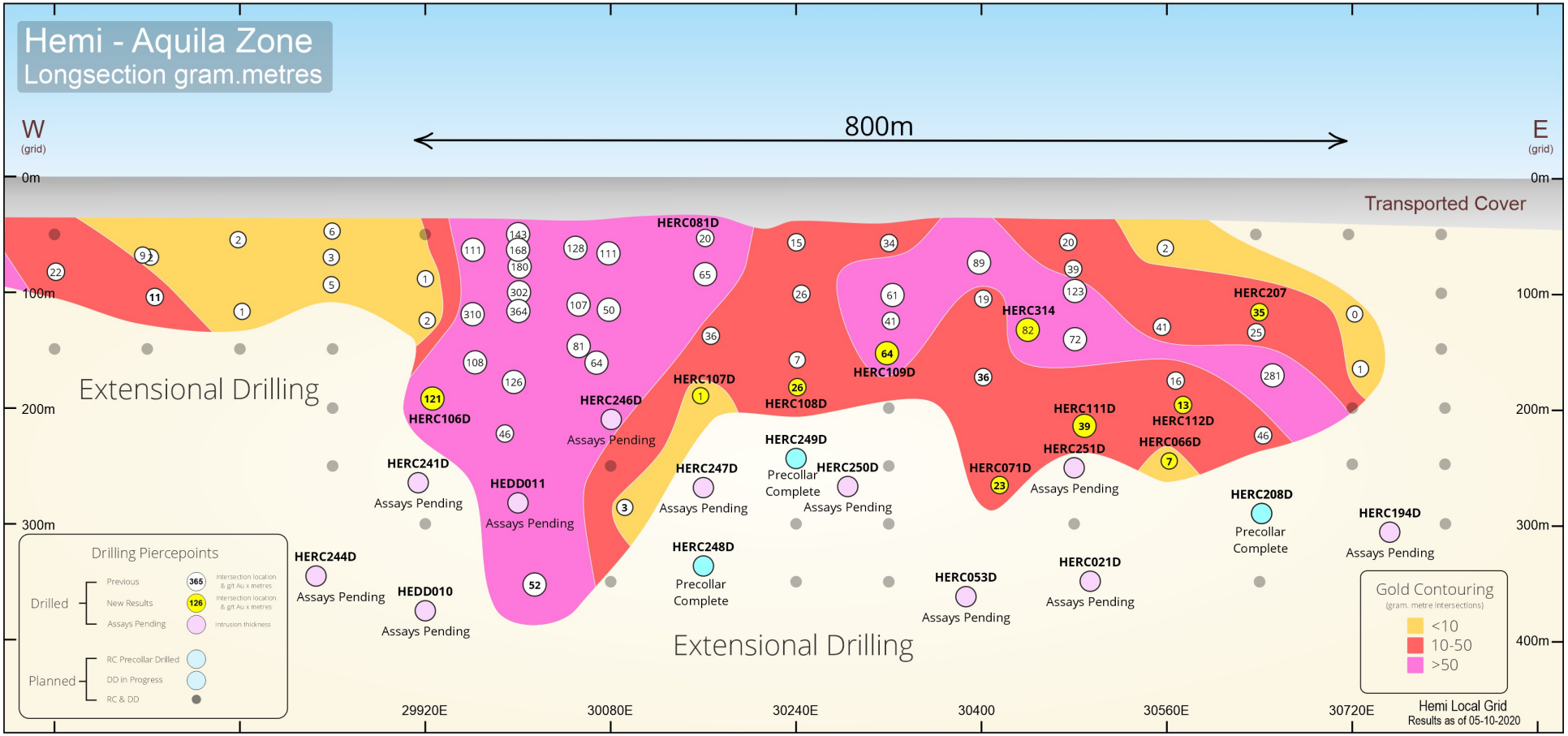


Figure 3: Aquila/Crow – Section 29920E drill results extend the high grade zone at Aquila

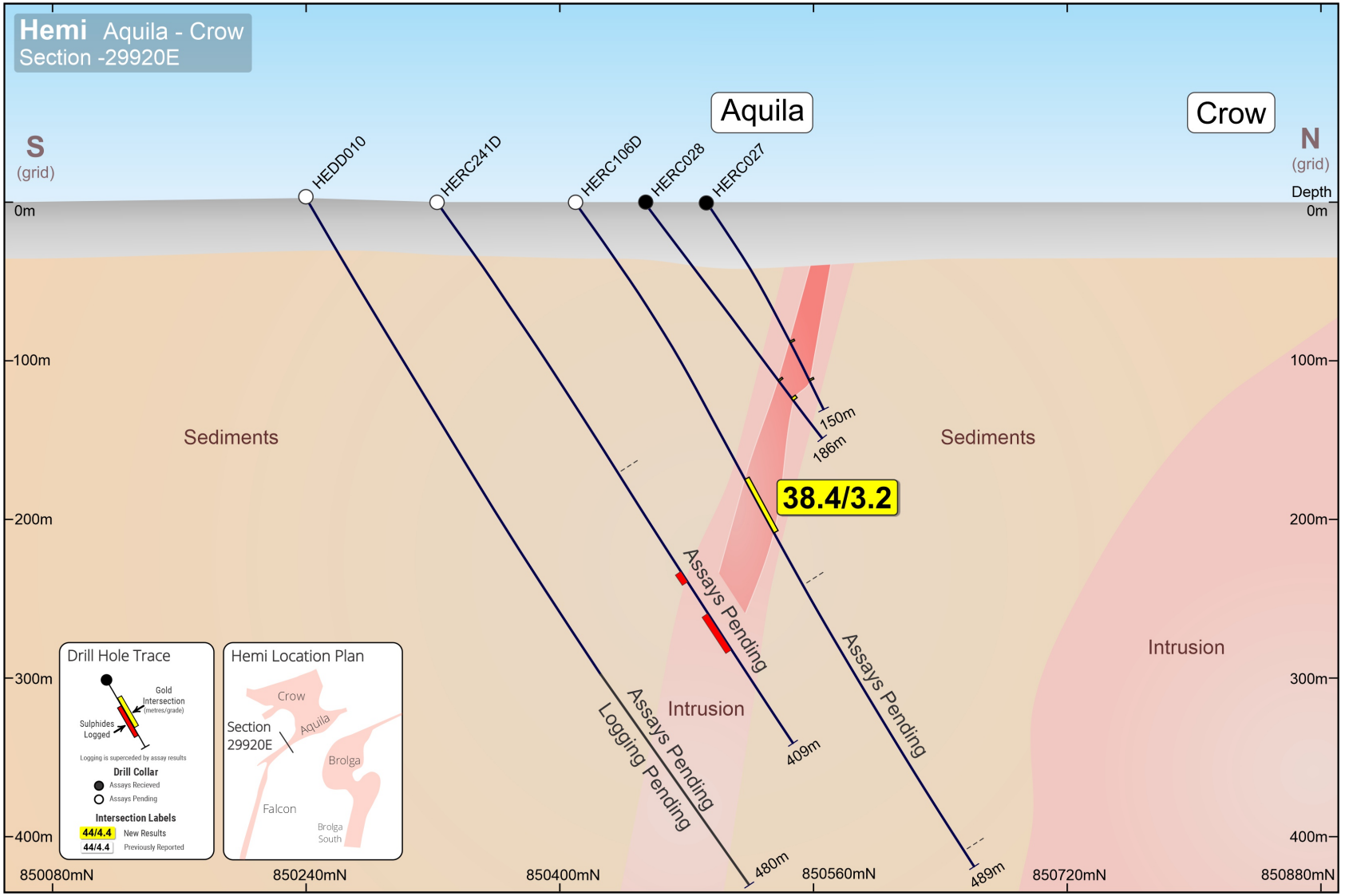


Figure 4: Aquila/Crow – Section 30320E showing recent drill results and mineralised extensions

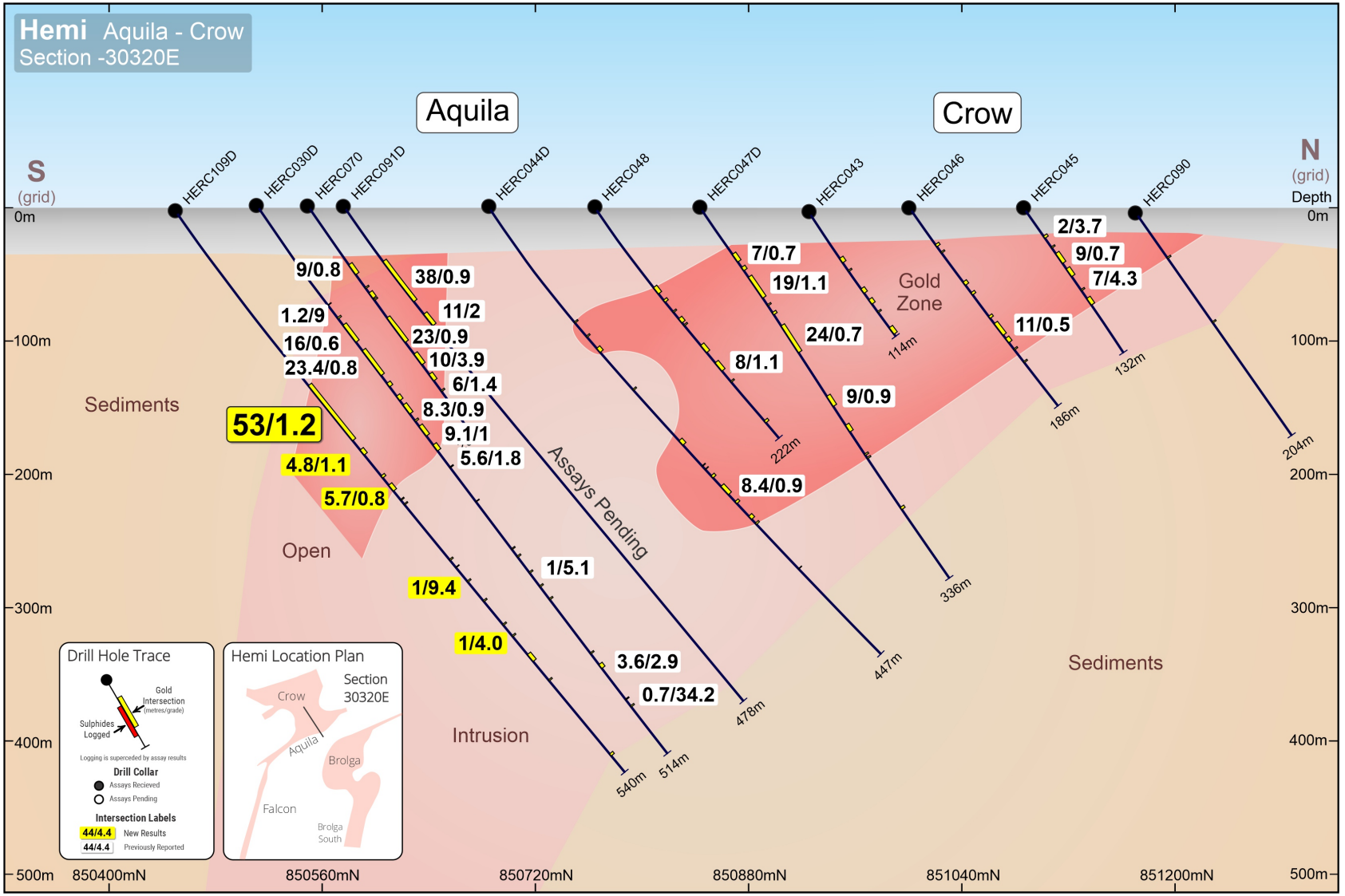


Figure 5: Aquila/Crow – Section 30440E showing recent drill results and mineralised extensions

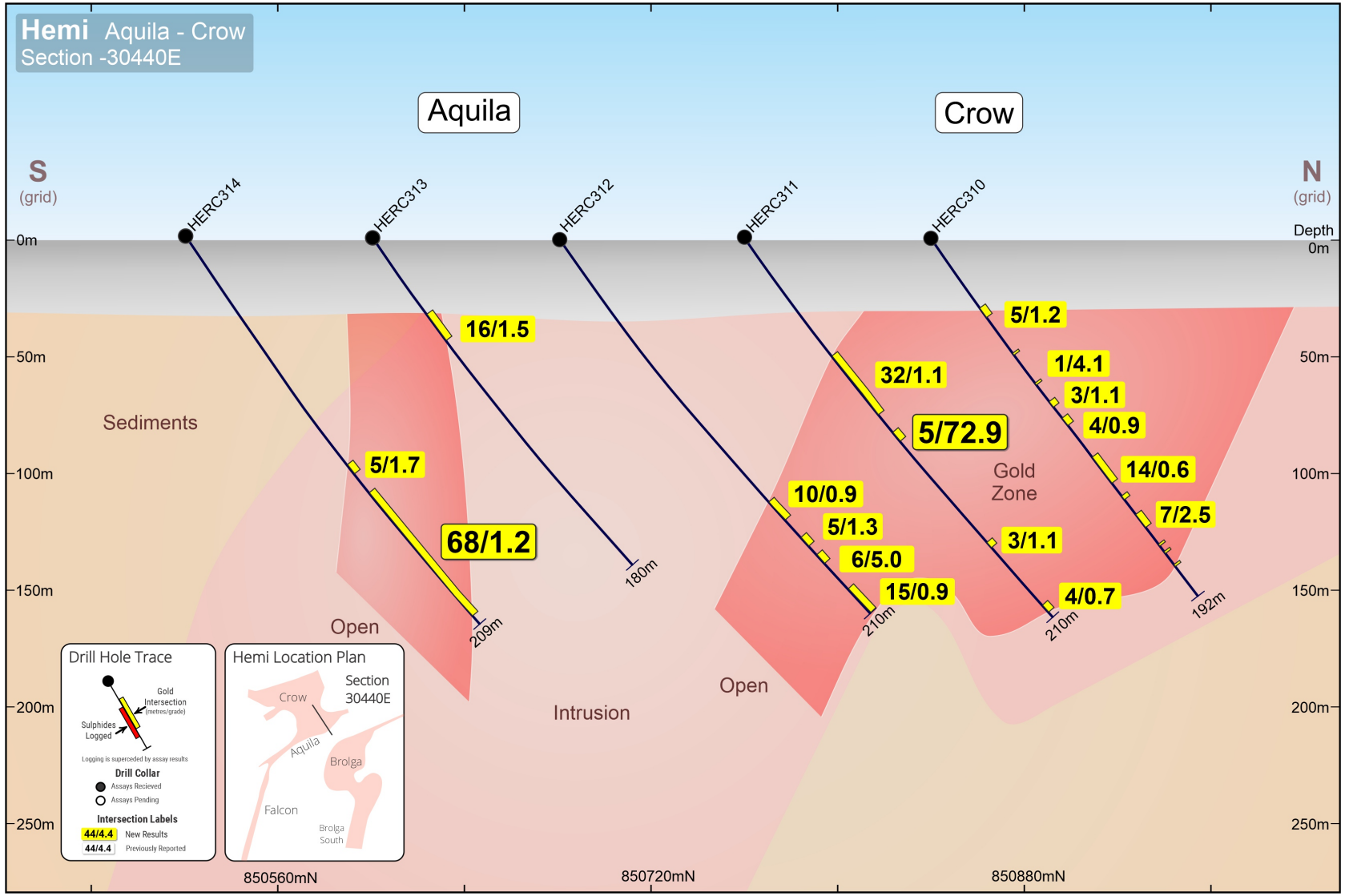
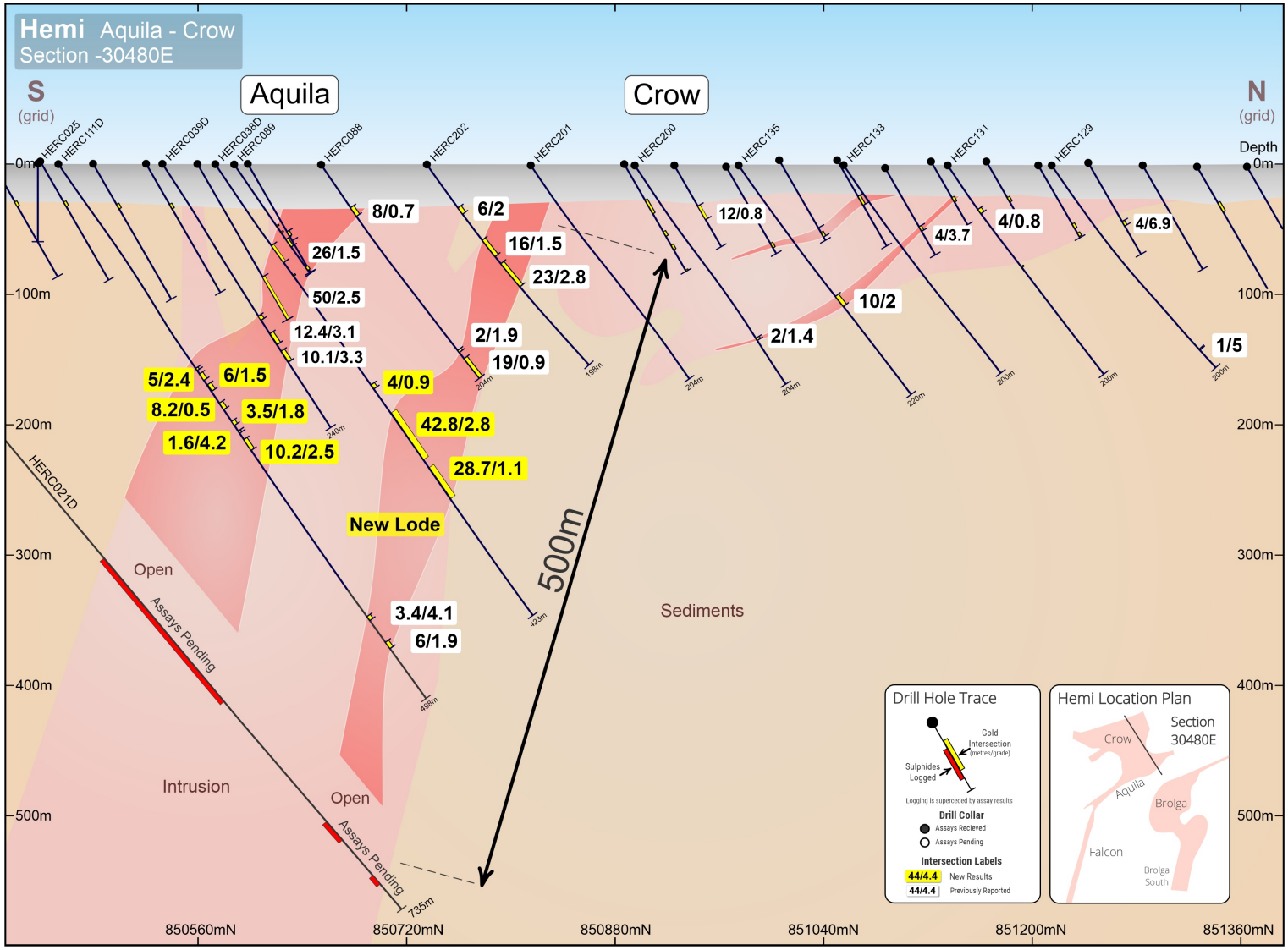


Figure 6: Aquila/Crow – Section 30480E showing recent drill results and mineralised extensions



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;*

- *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*
- *Strong results boost Aquila westerly extension, 5 August 2020*
- *Aquila mineralisation extends to 400 vertical metres, New lode identified at Crow*
- *Brolga mineralisation extends north towards Aquila, northeast towards Scooby, 21 August*
- *Exceptional high grade gold intercept at Crow, 27 August 2020*
- *Falcon -Major new gold discovery at Hemi, 2 September 2020*
- *Falcon – Drilling Update, 15 September 2020*
- *Strong Brolga infill and extensions, 25 September 2020.*

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

HoleID	Zone	Depth From (m)	Depth To (m)	Downhole Width (m)	Au (g/t)	Collar East (GDA94)	Collar North (GDA94)	Collar RL (GDA94)	Dip (degrees)	Azimuth (GDA94)	Hole Depth (m)	Hole Type
HERC038D	Crow	207.0	211.0	4.0	0.9	648930	7692569	68	-57	329	417	DD
HERC038D	Crow	234.0	276.8	42.8	2.8	648930	7692569	68	-57	329	417	DD
incl	Crow	250.0	254.6	4.6	14.1	648930	7692569	68	-57	329	417	DD
incl	Crow	263.0	266.2	3.2	5.3	648930	7692569	68	-57	329	417	DD
HERC038D	Crow	284.8	313.5	28.7	1.1	648930	7692569	68	-57	329	417	DD
incl	Crow	296.1	297.2	1.0	6.9	648930	7692569	68	-57	329	417	DD
HERC066D	Aquila	303.0	307.4	4.4	0.6	649102	7692428	68	-55	332	639	DD
HERC066D	Aquila	315.0	316.0	1.0	3.0	649102	7692428	68	-55	332	639	DD
HERC066D	Aquila	397.1	399.1	2.0	2.0	649102	7692428	68	-55	332	639	DD
HERC066D	Crow	513.0	517.3	4.3	0.8	649102	7692428	68	-55	332	639	DD
HERC066D	Crow	560.0	561.0	1.0	2.5	649102	7692428	68	-55	332	639	DD
HERC066D	Crow	581.0	582.1	1.1	3.6	649102	7692428	68	-55	332	639	DD
HERC071D	Aquila	333.0	337.0	4.0	2.3	648999	7692285	69	-56	333	681	DD
HERC071D	Aquila	343.6	352.0	8.4	1.1	648999	7692285	69	-56	333	681	DD
incl	Aquila	350.4	350.8	0.5	6.3	648999	7692285	69	-56	333	681	DD
HERC071D	Aquila	372.0	376.0	4.0	0.7	648999	7692285	69	-56	333	681	DD
HERC071D	Aquila	419.6	425.9	6.3	0.5	648999	7692285	69	-56	333	681	DD
HERC071D	Aquila	450.0	456.4	6.4	0.6	648999	7692285	69	-56	333	681	DD
HERC071D	Crow	624.0	647.0	23.0	1.5	648999	7692285	69	-56	333	681	DD
incl	Crow	627.0	631.7	4.7	4.1	648999	7692285	69	-56	333	681	DD
HERC071D	Crow	657.3	659.9	2.6	2.1	648999	7692285	69	-56	333	681	DD
HERC106D	Aquila	205.1	243.4	38.4	3.2	648526	7692147	69	-55	331	489	DD
incl	Aquila	211.0	236.2	25.2	4.2	648526	7692147	69	-55	331	489	DD
HERC107D	Aquila	313.0	317.7	4.7	1.5	648729	7692271	69	-51	332	594	DD
HERC107D	Aquila	331.0	332.0	1.0	3.1	648729	7692271	69	-51	332	594	DD
HERC107D	Crow	348.0	353.0	5.0	0.6	648729	7692271	69	-51	332	594	DD
HERC107D	Crow	461.5	466.8	5.3	0.6	648729	7692271	69	-51	332	594	DD
HERC107D	Crow	479.0	482.4	3.4	1.1	648729	7692271	69	-51	332	594	DD
HERC107D	Crow	490.0	491.8	1.8	1.7	648729	7692271	69	-51	332	594	DD
HERC108D	Aquila	214.1	232.0	17.9	1.4	648791	7692327	69	-55	331	640	DD
HERC108D	Aquila	293.5	302.0	8.5	0.7	648791	7692327	69	-55	331	640	DD
HERC108D	Aquila	312.0	313.0	1.0	2.1	648791	7692327	69	-55	331	640	DD
HERC108D	Crow	470.0	472.0	2.0	1.3	648791	7692327	69	-55	331	640	DD
HERC108D	Crow	531.4	535.2	3.8	2.0	648791	7692327	69	-55	331	640	DD
HERC109D	Aquila	165.0	218.0	53.0	1.2	648852	7692381	68	-55	331	540	DD
HERC109D	Aquila	227.0	231.8	4.8	1.1	648852	7692381	68	-55	331	540	DD
HERC109D	Aquila	261.0	266.7	5.7	0.8	648852	7692381	68	-55	331	540	DD
HERC109D	Crow	354.0	355.0	1.0	9.4	648852	7692381	68	-55	331	540	DD
HERC109D	Crow	407.0	408.0	1.0	4.0	648852	7692381	68	-55	331	540	DD
HERC109D	Crow	425.3	432.0	6.7	0.5	648852	7692381	68	-55	331	540	DD
HERC109D	Crow	522.0	524.0	2.0	1.0	648852	7692381	68	-55	331	540	DD
HERC176	Crow	162.0	163.0	1.0	4.9	648885	7692804	68	-56	328	204	RC

HoleID	Zone	Depth From (m)	Depth To (m)	Downhole Width (m)	Au (g/t)	Collar East (GDA94)	Collar North (GDA94)	Collar RL (GDA94)	Dip (degrees)	Azimuth (GDA94)	Hole Depth (m)	Hole Type
HERC194D	Aquila	80.0	81.0	1.0	4.1	649172	7692626	68	-56	330	402	RC
HERC242	Crow	78.0	81.0	3.0	1.2	648062	7692791	67	-56	333	228	RC
HERC243	Crow	38.0	39.0	1.0	3.4	648101	7692722	67	-56	332	204	RC
HERC243	Crow	75.0	78.0	3.0	4.2	648101	7692722	67	-56	332	204	RC
incl	Crow	75.0	76.0	1.0	10.8	648101	7692722	67	-56	332	204	RC
HERC243	Crow	156.0	159.0	3.0	0.9	648101	7692722	67	-56	332	204	RC
HERC252	Crow	72.0	74.0	2.0	1.6	648141	7692652	67	-55	329	258	RC
HERC252	Crow	151.0	153.0	2.0	2.0	648141	7692652	67	-55	329	258	RC
HERC252	Crow	163.0	165.0	2.0	1.6	648141	7692652	67	-55	329	258	RC
HERC252	Crow	193.0	206.0	13.0	1.0	648141	7692652	67	-55	329	258	RC
HERC307	Crow	62.0	66.0	4.0	1.4	648781	7692585	68	-55	328	198	RC
HERC307	Crow	192.0	197.0	5.0	8.0	648781	7692585	68	-55	328	198	RC
incl	Crow	192.0	195.0	3.0	12.7	648781	7692585	68	-55	328	198	RC
HERC308	Crow	48.0	52.0	4.0	1.7	648702	7692722	68	-56	329	198	RC
HERC308	Crow	80.0	85.0	5.0	0.6	648702	7692722	68	-56	329	198	RC
HERC308	Crow	99.0	102.0	3.0	0.7	648702	7692722	68	-56	329	198	RC
HERC308	Crow	153.0	156.0	3.0	1.1	648702	7692722	68	-56	329	198	RC
HERC308	Crow	162.0	184.0	22.0	1.4	648702	7692722	68	-56	329	198	RC
incl	Crow	169.0	170.0	1.0	6.5	648702	7692722	68	-56	329	198	RC
HERC309	Crow	63.0	77.0	14.0	3.2	648741	7692653	68	-55	329	246	RC
incl	Crow	64.0	71.0	7.0	4.6	648741	7692653	68	-55	329	246	RC
HERC309	Crow	95.0	111.0	16.0	1.1	648741	7692653	68	-55	329	246	RC
HERC309	Crow	134.0	138.0	4.0	0.6	648741	7692653	68	-55	329	246	RC
HERC309	Crow	148.0	154.0	6.0	1.3	648741	7692653	68	-55	329	246	RC
incl	Crow	153.0	154.0	1.0	6.2	648741	7692653	68	-55	329	246	RC
HERC309	Crow	163.0	165.0	2.0	1.0	648741	7692653	68	-55	329	246	RC
HERC309	Crow	195.0	204.0	9.0	1.0	648741	7692653	68	-55	329	246	RC
incl	Crow	199.0	200.0	1.0	4.8	648741	7692653	68	-55	329	246	RC
HERC309	Crow	209.0	241.0	32.0	0.7	648741	7692653	68	-55	329	246	RC
HERC310	Crow	37.0	42.0	5.0	1.2	648759	7692778	68	-56	328	192	RC
HERC310	Crow	77.0	78.0	1.0	4.1	648759	7692778	68	-56	328	192	RC
HERC310	Crow	87.0	90.0	3.0	1.1	648759	7692778	68	-56	328	192	RC
HERC310	Crow	96.0	100.0	4.0	0.9	648759	7692778	68	-56	328	192	RC
HERC310	Crow	117.0	131.0	14.0	0.6	648759	7692778	68	-56	328	192	RC
HERC310	Crow	148.0	155.0	7.0	2.5	648759	7692778	68	-56	328	192	RC
HERC311	Crow	62.0	94.0	32.0	1.1	648800	7692709	68	-55	328	210	RC
incl	Crow	77.0	78.0	1.0	7.5	648800	7692709	68	-55	328	210	RC
HERC311	Crow	105.0	110.0	5.0	72.9	648800	7692709	68	-55	328	210	RC
incl	Crow	105.0	106.0	1.0	358.0	648800	7692709	68	-55	328	210	RC
HERC311	Crow	167.0	170.0	3.0	1.1	648800	7692709	68	-55	328	210	RC
HERC311	Crow	204.0	208.0	4.0	0.7	648800	7692709	68	-55	328	210	RC
HERC312	Crow	144.0	154.0	10.0	0.9	648840	7692640	68	-55	328	210	RC
HERC312	Crow	163.0	168.0	5.0	1.3	648840	7692640	68	-55	328	210	RC

HoleID	Zone	Depth From (m)	Depth To (m)	Downhole Width (m)	Au (g/t)	Collar East (GDA94)	Collar North (GDA94)	Collar RL (GDA94)	Dip (degrees)	Azimuth (GDA94)	Hole Depth (m)	Hole Type
HERC312	Crow	174.0	180.0	6.0	5.0	648840	7692640	68	-55	328	210	RC
incl	Crow	177.0	180.0	3.0	9.2	648840	7692640	68	-55	328	210	RC
HERC312	Crow	195.0	210.0	15.0	0.9	648840	7692640	68	-55	328	210	RC
HERC313	Aquila	39.0	55.0	16.0	1.5	648880	7692571	68	-55	332	180	RC
incl	Aquila	41.0	44.0	3.0	3.0	648880	7692571	68	-55	332	180	RC
HERC314	Aquila	121.0	126.0	5.0	1.7	648921	7692503	68	-56	330	209	RC
HERC314	Aquila	136.0	204.0	68.0	1.2	648921	7692503	68	-56	330	209	RC
incl	Aquila	147.0	148.0	1.0	7.2	648921	7692503	68	-56	330	209	RC
incl	Aquila	191.0	193.0	2.0	5.8	648921	7692503	68	-56	330	209	RC
HERC315	Crow	30.0	46.0	16.0	0.6	648532	7692857	67	-56	331	204	RC
HERC315	Crow	58.0	61.0	3.0	1.7	648532	7692857	67	-56	331	204	RC
HERC315	Crow	79.0	84.0	5.0	1.2	648532	7692857	67	-56	331	204	RC
HERC315	Crow	128.0	129.0	1.0	2.2	648532	7692857	67	-56	331	204	RC

Table 2: Significant sulphide intersections (results pending)

HoleID	Collar East (GDA94)	Collar North (GDA94)	Collar RL (GDA94)	Dip (degrees)	Azimuth (GDA94)	Hole Depth (m)	Sulphide Interval (m)
HERC021D	649087	7692293	68.4	-55.7	331.1	735.1	438.2-442.7, 455.6-459.3, 474.2-488.1, 500.1-506.0, 700.8-704.6
HERC241D	648568	7692071	68.8	-55.5	329.4	408.6	279.0-287.0, 300.1-333.0

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	• *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.* • *Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.* • *Aspects of the determination of mineralisation that are Material to the Public Report.* • *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.*	• 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 and PQ 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 takes 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	• *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.).*	• Diamond core diameters are - NQ2 (51mm), HQ3 (61mm), PQ (85mm). • 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	• *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.*	• 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	• *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.*	• 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	• *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.*	• Core samples were collected with a diamond drill rig drilling NQ2, HQ3 or PQ 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 and PQ core was quartered, with one quarter sent for assay. 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	• *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.*	• 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	• *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.*	• 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	• *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.*	• 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	• *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.*	• 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. • It has not yet been determined if data spacing and distribution of RC and diamond drilling is 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	• *Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.*	• The drilling is believed to be approximately perpendicular to the strike of mineralisation where known and therefore the sampling is considered representative

Criteria	JORC Code explanation	Commentary
geological structure	• *If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material.*	of the mineralised zone. • 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	• *The measures taken to ensure sample security.*	• Samples were collected by company personnel and delivered direct to the laboratory via a transport contractor.
Audits or reviews	• *The results of any audits or reviews of sampling techniques and data.*	• 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	• *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.* • *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.*	• 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	• *Acknowledgment and appraisal of exploration by other parties.*	• 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	• *Deposit type, geological setting and style of mineralisation.*	• 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	• *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:* • *easting and northing of the drill hole collar* • *elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar* • *dip and azimuth of the hole* • *down hole length and interception depth* • *hole length.* • *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*	• Drill hole location and directional information provide in the report.

Criteria	JORC Code explanation	Commentary
	of the report, the Competent Person should clearly explain why this is the case.	
Data aggregation methods	• *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.* • *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.* • *The assumptions used for any reporting of metal equivalent values should be clearly stated.*	• 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	• *These relationships are particularly important in the reporting of Exploration Results.* • *If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.* • *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').*	• 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	• *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.*	• Plans and sections are provided in the report.
Balanced reporting	• *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.*	• 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	• *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.*	• Drilling is currently widely spaced and further details will be reported in future releases when data is available.
Further work	• *The nature and scale of planned further work (e.g. tests for lateral extensions or depth extensions or large-scale step-out drilling).* • *Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.*	• 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.