DE GREY
MINING LTD

ABN: 65 094 206 292

2022 ANNUAL REPORT

Contents

Corporate Information

ABN 65 094 206 292

Directors
Simon Lill (Non-Executive Chairman)
Glenn Jardine (Managing Director)
Andrew Beckwith (Technical Director)
Paul Harvey (Non-Executive Director) – appointed 4 July 2022
Samantha Hogg (Non-Executive Director) – appointed 28 January 2022
Peter Hood AO (Non-Executive Director)
Eduard Eshuys (Non-Executive Director) – resigned 8 September 2022
Bruce Parncutt AO (Non-Executive Director) – resigned 7 September 2022

Chief Financial Officer
Peter Canterbury

Company Secretaries
Craig Nelmes
Patrick Holywell – resigned 17 December 2021

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Perth WA 6000
Telephone: 1300 288 664

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Ernst & Young
11 Mounts Bay Road
PERTH WA 6000

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Stock Exchange Listing
Australian Securities Exchange (ASX code DEG)
Frankfurt Stock Exchange (FRA code WKN 633879)

Chairman's Letter

Sitting down to write a Chairman's Letter for the Annual Report results in reflection on the year just past, and to contemplate what the Company can achieve in the year ahead. It is with great satisfaction that shareholders should review the year just gone as the Company has proven the potential of the Tier 1 gold discovery at Hemi into perhaps the most exciting Tier 1 gold development project globally. When we announced Aircore drill hole results in February 2020 we knew we were onto something special. We never tire of revisiting those results so I will do so again - 24m @ 7.5g/t Au, 49m @ 3.7g/t Au and 36m @ 4.0g/t at what became the Aquila resource. Early Brolga results were strong with mineralisation continuing at the end of the hole, with the initial RC hole resulting in 93m @ 3.3 g/t.

We have continued to enjoy strong drill results through the additional discoveries at Crow, Diucon, Eagle and Falcon resulting in an outstanding maiden Hemi resource in June 2021, a significant resource update in May 2022 and a substantial Maiden Hemi JORC Probable Reserve characterised by excellent conversion of inferred resource to reserve ounce. Project economics through initial Scoping Study and the recently released Pre-Feasibility Study have also shown the Mallina Project (Hemi plus regional resources) to be one of the world's best new mining projects. The maiden Hemi JORC Probable Reserve of 5.1Moz @ 1.5g/t Au, is one of the largest and highest grade maiden Reserves in recent decades.

The Pre-Feasibility Study outcomes demonstrated substantial improvements in grade, annual production, mine life, cashflow and NPV since the Scoping Study. These will be covered in greater detail in the Review of Operations but some of the headline numbers showing the scale of what De Grey has achieved are as follows:

- Maiden JORC Probable Ore Reserve of 5.1M oz @ 1.5 g/t Au.
- Post tax payback of 1.8 years from single starter pit at Brolga.
- Annual Production of 540,000 oz through years 1 to 10, including 550,000 oz pa in Years 1 to 5 and peak production of 637,000 in Year 5.
- Average grade of 1.8 g/t through Years 1 to 10.
- NPV(5%) of \$3.9Bn pre-tax, \$2.7Bn post tax based on a Capex of \$985M, excluding pre-strip of \$68M, and an AISC of \$1,280/oz (Years 1 – 10).

The economics are particularly impressive given the inflationary period seen since the Scoping Study release in October 2021, further proving the robustness of the Project. Analysis indicates the Project resides in the lowest quartile of operating costs and capital intensity. The PFS has also indicated further areas for Project improvement through increasing production rates, grade and mine life. These outstanding results provide a catalyst for the financing of the Mallina project which still scheduled to commence construction, subject to approvals, in the second half of calendar 2023.

During the year the Company had some 16 drilling rigs operating on any one day in order to ensure a drill out to achieve the outstanding resource to reserve conversion to substantiate the excellent PFS results. Resources were increased by 1.7M oz through the relatively recent Diucon and Eagle discoveries. However, the infill drilling for PFS purposes did not allow the level of exploration that the Company may have wished. There is a high level of confidence within the Company that the exploration drilling will continue for many years to come. The recent August 2022 announcement of mineralised extensions to Diucon in diamond hole HEDD128 which intersected 359.4 metres at a grade of 1.2 g/t Au, including 19.3m @ 7.4g/t Au and 2.0m @ 22.5g/t Au, 200 metres beneath the May 2022 Resource, provided clear indication that there is substantial upside potential still to come. The Company looks forward to, and will continue, its ongoing exploration activities across and beneath both greater Hemi and Regional areas.

Last year's Chairman's address also indicated the increase in De Grey's market capitalisation saw us knocking on the door of the S&P/ASX 200 Market Index which we did indeed enter in March 2022. For a company to commence from the lowly market capitalisation that we had prior to 2020 and enter the ASX 200 within a short 2 1/2 years is an outstanding achievement, perhaps testimony to the excitement that the mining industry can still provide and one in which we take immense pride.

We were well aware of the increased scrutiny such a move places on the Company and the Board. A Board transition process commenced during last year which has to date resulted in the appointments of Samantha Hogg in January 2022 and Paul Harvey in July 2022. Both are experienced individuals who have had very successful executive careers and bring a great and additional skill set to the board of the company.

We have enjoyed a supportive shareholder in DGO Gold Limited who entered our register during the period of lowly market capitalisation, grew their interest to approximately 15% and were still involved as we entered the ASX 200. At a time when there was little financial appetite for exploration companies their support has been well acknowledged by myself many times previously. Their shareholders have deservedly also enjoyed the share price upside resulting from the Hemi discovery. Ultimately they chose to move on through an agreed takeover offer from Gold Road Resources Ltd who have since moved to 19.99% of the Company.

As an indirect result of these shareholder changes both Mr. Bruce Parncutt and Mr. Ed Eshuys resigned from the Board in early September 2022. Ed is a very experienced gold exploration geologist whilst Bruce has extensive financing experience. Both provided valuable guidance in a transformation period for the company and shareholders owe them a debt of gratitude for their time and efforts on the Board. I personally thank them for their support of the Company and myself and wish them both the best into the future. It is also an appropriate time to thank Mr. Peter Hood who joined the Board in September 2018. Peter is the Company's Lead Independent Director, and a chemical engineer with significant operational management experience which has been invaluable for the Company as it transitions from an exploration junior into a larger development entity.

The AMEC Prospector's Award is awarded to the individual/s (rather than the Company) who made the most outstanding mineral deposit discovery within recent years. We take great pride in that De Grey's three senior geologists, Andy Beckwith, Phil Tornatora and Allan Kneeshaw received this prestigious award during the year. Again, the Company thanks Andy, our Technical Director, for putting the technical team together that lead to one of the largest gold discoveries in recent times. That team remains excited about the potential still ahead.

Glenn Jardine commenced with De Grey back in May 2020 and has overseen the significant growth the Company has experienced. The last 12 months has been particularly challenging with Covid restrictions creating many issues for all in the mining industry, together with our significant drill out requiring 16 rigs across the project at various stages. This put a lot of stress on infrastructure and human resources all of which was managed with aplomb. Over and above Glenn was able to oversee and produce a quality Pre-Feasibility Study referred to at the commencement of this letter. He is well aware that the hard work is still to commence as we move through Feasibility Studies, financing and on into the construction activities. Through this he needs to build and assimilate a suitable development and operating team around him to ensure that time lines are met and construction activities managed. Shareholders should thank he and his Executive Team for their efforts during the year.

Glenn will provide greater detail of the group's significant achievements of the organisation during the year in the Review of Operations.

Other targets included Environmental approvals and the signing of suitable Native Title agreements for infrastructure and mining purposes. I am pleased to note that a very comprehensive Environmental Review Document is to be lodged shortly.

Community Engagement is a critical part of the Company's life as we seek all necessary approvals for the Project development – but also how we treat our Traditional Owners, Shires and Station owners into the future. The Community engagement team has been managed by Ms. Bronwyn Campbell with specific support from Technical Director Andy Beckwith and senior management as required. Relationships between our team and the local community groups have been positive and we particularly thank the Traditional Owner groups – the Kariyarra, Ngarluma, Nyamal, Ngarla and Mallina peoples - with whom we regularly engage as we move forward with ongoing heritage clearances and negotiations for mining agreements. We have been grateful for the manner and mutual respect in which negotiations have been conducted.

Widespread community consultation and traditional custodian engagement has been conducted including social impact assessments of the Project. Engagement with the Kariyarra people, the traditional custodians of the land over Hemi, on a Partnership Agreement which will provide business opportunities, employment training and community programs is at an advanced stage.

We also thank our key pastoral holders across the De Grey tenement package, but particularly Betty and Colin Brierly of Indee Station. Hemi and most of its infrastructure will be on Indee, and Betty and Colin have been supportive and helpful towards various De Grey management personnel since the Company first commenced life and operations in the region in 2002.

We have been grateful for the support of our brokers during the year through capital raising and research activities. Institutional support has continued to develop on our register, aided by the broking groups with whom we work. We believe the recently released PFS should attract additional institutions to the register, whilst we look forward as well to the continued support of existing shareholders through to production and beyond.

De Grey also finds itself in a fortunate position to cope with the burgeoning demands of ESG principles and carbon emission reductions. The Company has conducted extensive environmental baseline studies and test work across the Project area commencing in 2020, well prior to the maiden Mineral Resource being announced in June 2021. Management regimes have been developed and are incorporated into the Project layout and PFS designs.

The Mallina Project is in a region with access to gas and probable solar power farms being developed in the near future and will continue to look at drive in drive out options to offer employees a reasonable family life in the well developed townsite at Port Hedland. The Pre-Feasibility Study contains an extensive list of options considered and actions being developed to ensure the Project is built with a strong focus on all aspects of ESG.

A company is only as strong as its people, and we are very fortunate to have an outstanding team at De Grey. It is not an easy task to grow from not many staff to over 100 in a Covid world with competing demands for staff from other Mining Companies. Again, testimony to the quality of the Project to attract and retain staff as well as the ESG principles embraced by the Company and the efforts of our HR department supported by our executive team.

I would like to express my sincere thanks to all staff and all contractors for their support and exceptional performances along the way.

And lastly to our shareholders who have financed our activities I express my gratitude for your support, it has been a privilege to be Chair of the Company during this exciting stage in the Company's history.

Yours sincerely,

Simon Lill
Non-Executive Chairman

Managing Director’s Report and Review of Operations

In last year’s Managing Directors report I talked about the Hemi discovery and the Mallina Gold Project redefining the Pilbara. Whilst this remains true, our last 12 months has really been focussed on the transformation from an explorer into the development stage for our Tier 1 world class Mallina Gold Project (MGP or the Project).

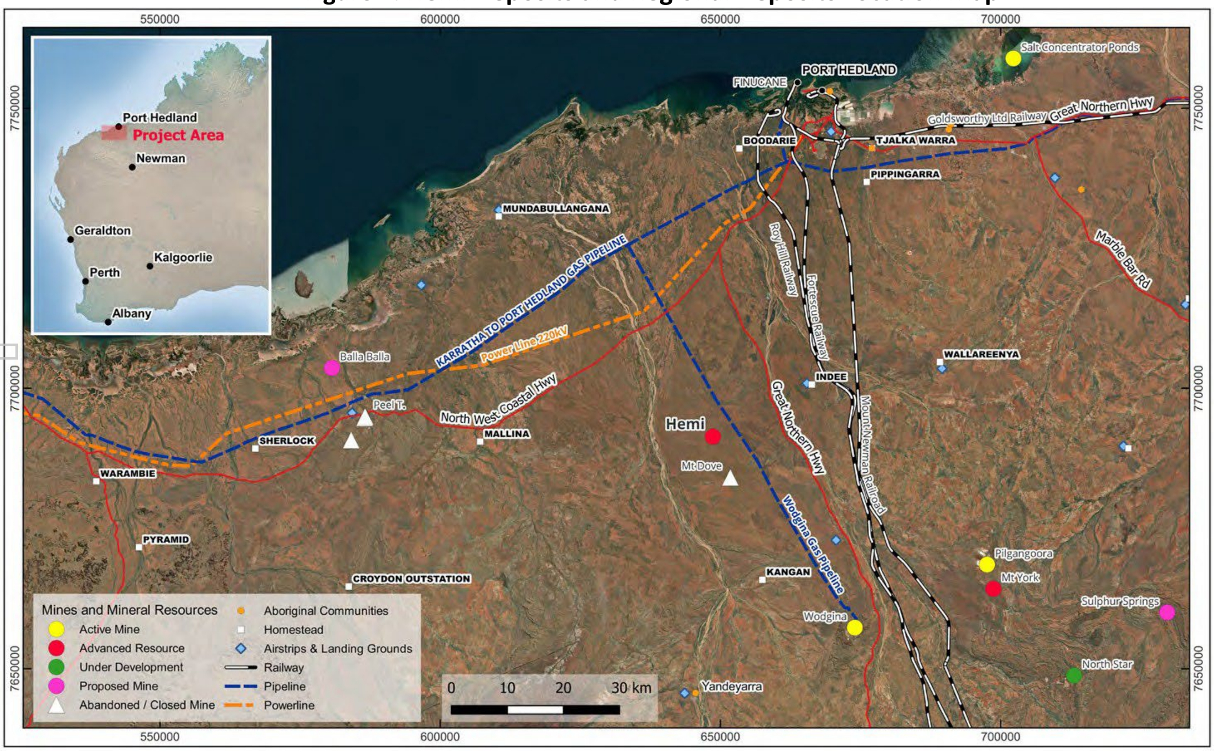
During FY2022 our dedicated team at De Grey has made significant strides in transforming the MGP from an exciting world scale deposit to arguably one of the world’s premier gold development projects. This is an incredible achievement for a deposit that was discovered less than three years ago.

Our major achievements during the last 12 months have been:

- Publishing a Scoping Study which showed a production rate of approximately 430,000oz per year over 10 years with AISC in the lowest quartile, pre-tax $NPV_{5\%}$ of $2.8 billion, pre-tax IRR of 60% and a pre-tax payback of 1.6 years
- Releasing the JORC Mineral Resource Update completed by Cube Consulting Pty Ltd which increased contained gold by 25% to 8.5Moz including 5.8Moz in the JORC Indicated category, up from 2.8Moz. This resulted in the total MGP JORC MRE increasing by 15% to 10.6Moz and the JORC Measured and Indicated categories increasing by 80% to 6.9Moz
- Recently releasing of the MGP Pre-Feasibility Study (PFS) and the declaration of the Maiden Hemi JORC Probable Ore Reserve of 103Mt @ 1.5g/t Au for 5.1Moz. The PFS demonstrated the world class nature of the project with a production rate of approximately 540,000oz per year for the first 10 years with AISC in the lowest quartile, pre-tax $NPV_{5\%}$ of $3.9 billion, pre-tax IRR of 51% and a pre-tax payback of 1.6 years

Whilst the discovery of Hemi was many years in the making, the transformation from an exciting resource into a world class gold project in a Tier 1 mining jurisdiction has been truly impressive and exciting to be involved in.

Figure 1: Hemi Deposits and Regional Deposits Location Map



Project Location

The Company has built a dominant position in the prospective Mallina Basin of the Pilbara Craton, located near Port Hedland in the northwest of Western Australia, next to world class infrastructure which is unique in recent history in Australia and in fact globally.

The Project is located approximately 1,300 kilometres (km) north of Perth in the Pilbara region of Western Australia and approximately 85km by road south of the regional Pilbara hub of Port Hedland (Figure 1).
Existing infrastructure capable of servicing the Project includes:

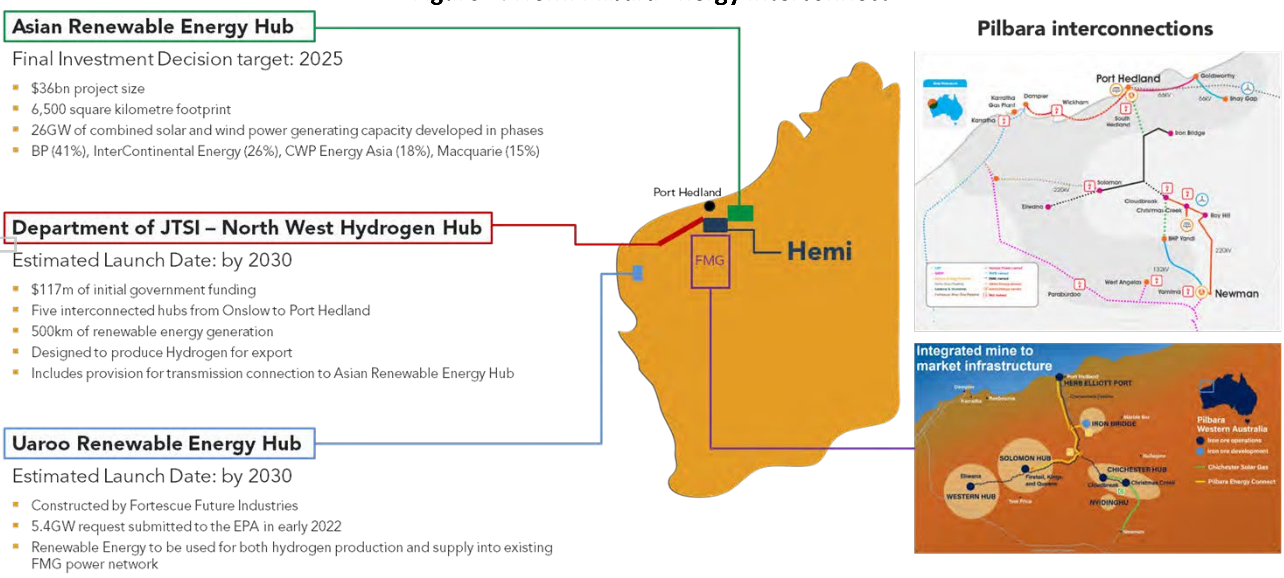
- Two two-lane bitumen highways; the North West Coastal highway and the Great Northern highway
- Two gas pipelines; the Pilbara Energy gas pipeline and the Wodgina Mine gas pipeline
- Port Hedland to Karratha 220kV power transmission line fed separately by two gas fired power stations located at Port Hedland and Karratha
- The port of Port Hedland, a bulk export and materials import facility
- The international airport at Port Hedland
- Existing combined mobile (cell) tower and optic fibre/wireless communications
- Sufficient good quality groundwater at site

Port Hedland is the largest economic export port in Australia. The Port also has an operating import terminal which can now receive mining equipment into the region, which will provide substantial transport cost savings to the Project during development and operations.

Renewable energy sources are being constructed or planned by energy providers in the Pilbara along with an expanded high voltage distribution network (Figure 2). These initiatives will provide De Grey with the potential to access renewable energy sources as the Project is developed and throughout operations.

The Projects' proximity to world class infrastructure and the import terminal of Port Hedland represents significant advantages compared with other Tier 1 gold projects recently developed in Australia and globally where large scale gold projects use pressure oxidation to recover gold.

Figure 2: Hemi Pilbara Energy Interconnect



MGP Scoping Study

The MGP Scoping Study, released in October 2021, was the first formal assessment of the development parameters of the Project and confirmed its potential to be a Tier 1 gold operation. Highlights included:

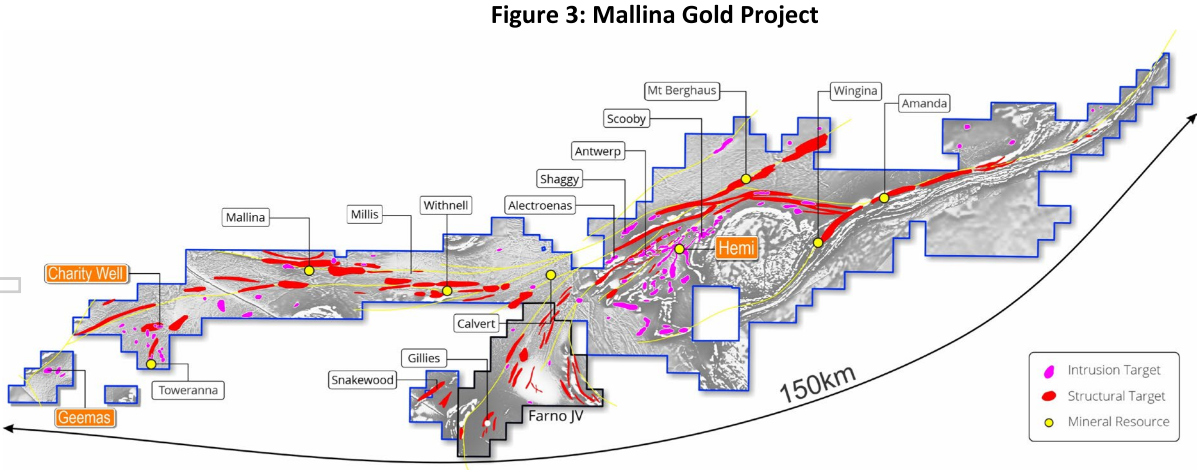
- Average gold production ranging from approximately 473,000oz per annum for the first five years to approximately 427,000oz pa over the 10-year evaluation period
- Average feed grade of 1.6g/t Au in the first five years and 1.4g/t Au over the 10-year evaluation period
- The percentage of JORC Indicated resources of 78.1% (Inferred 21.9%) over the first five years and 70.2% (Inferred 29.8%) over the 10-year evaluation period
- Average AISC ranging from $1,111/oz over the first five years to $1,224/oz over the 10-year evaluation period, placing the Project in the lowest quartile of Australian gold producing peers
- Estimated capital cost for a 10Mtpa plant and site infrastructure of approximately $835M inclusive of a 25% ($167M) contingency
- Total pre-production capital of $893M inclusive of $58M pre-stripping and $167M of contingency
- Average processing recovery of approximately 93% is based on conventional comminution, flotation, oxidation via one of pressure oxidation, Albion or biological oxidation, and CIL. The optimal oxidation process route will be determined with further studies
- Attractive financial outcomes demonstrating the quality of the Project:
  - Pre-tax undiscounted free cashflow of approximately $3.9 billion (post-tax $2.9 billion) over 10 years
  - Pre-tax Net Present Value ($NPV_{5\%}$) of approximately $2.8 billion and post-tax $NPV_{5\%}$ of $2.0 billion
  - Pre-tax Internal Rate of Return (IRR) of approximately 60% and post-tax IRR of 49%
  - Unleveraged payback of approximately 1.6 years (pre-tax) and 1.8 years (post-tax)

These Scoping Study estimates were updated in the Pre-Feasibility Study (PFS) released in September 2022.

Exploration

The Project comprises a landholding of more than 1,500km^2, stretching across a contiguous tenement package running SW to NE for 150km and boasts greater than 200km of gold hosting shear zones and numerous intrusion targets (Figure 3). The Project area is yet to be fully tested and significant potential remains to discover new, large scale gold deposits.

Figure 3: Mallina Gold Project



During the year the exploration team has focussed on infill, geotechinal and metallurgical drilling at the Hemi deposit to support the PFS and Maiden Ore Reserve. Also during the year significant effort was directed at advancing regional exploration efforts targeting near surface intrusives and strucutrally related mineralisation within our relatively underexplored tenement package.

The majority of this early stage regional work has focussed on re-evaluation of past exploration results, acquistion of new geophysical data and interpretation, followed by aircore(AC) drilling and following up reverse circulation (RC) drilling. Impacts to our overall exploration efforts due to COVID-19 have been minimal due to the company's safety and health management planning. COVID has also caused restrictions to various heritage survey team members which in turned has caused various drilling access delays.

Overall the regional drilling programmes have been successful in discovering new gold mineralisation at Withnell South, Calvert, Charity Well, Gemmas and Gillies all revealing significant drill results which will require further work.

The results at Withnell South, in particular, provides an immeidate opportunity to grow the existing resource base of approximately 600koz(open pit 5Mt @ 1.8g/t for 282,900oz and underground 2.5Mt @ 3.9g/t for 317,100oz). Further infill and extensional drilling has been planned in this area.

At Charity Well, recent drilling demonstrates an interpreted strike length of the mineralised intrusion of at least 1km and has returned multiple mineralised intercepts from both AC and RC drilling. The intrusion remains open to the northeast and gold mineralisation has been intersected to depths of 300m vertically and remains open. Additonal heritage surveys are required to test the mineralisation with drilling to the east.

The gold mineralisation at Charity Well is hosted within intervals of predominantly shallowly dipping quartz-pyrite-arsenopyrite veins within broad envelopes of strong sericite alteration in both the intrusion and adjacent sediments which is a similalr geological setting to the nearby 524,100oz Toweranna Gold Deposit and represents an exciting opportunity within the Company's target portfolio. Importantly, the Charity Well intrusion is over 5 times larger than the Toweranna intrusion providing added potential to define a large resource.

At Geemas, encouraging new results have been intersected in a similar style intrusion. The gold mineralisation intersected by drilling is narrower, but also hosted within intervals of predominantly shallowly dipping quartz-pyrite-arsenopyrite veins within broader envelopes of strong sericite alteration in the target intrusion.

RC drilling has been completed across five 200m-spaced sections at the main target area, confirming the intrusion with a strike length of approximately 800m and 300m wide with multiple smaller, subordinate intrusions nearby.

The exploration results to date at the Charity Well and Geemas areas has confirmed the prospectivity and potential of the western tenement portfolio for the discovery of new intrusion-hosted gold deposits like Toweranna.

At Hemi, whilst the focus was on the infill drilling required for the PFS and Maiden Ore Reserve, the Company has been able to demonstrate broad zones of high grade mineralisation near surface at Duicon as well as increasing the overall resources. The potential of deeper mineralisation at Duicon was recently demonstrated in diamond hole HEDD128 which intersected 359.4 metres at a grade of 1.2 g/t Au, including 19.3m @ 7.4g/t Au and 2.0m @ 22.5g/t Au, 200 metres beneath the May 2022 Resource.

Hemi Mineral Resource Estimate Update

A critical milestone during the year was the updated Hemi MRE. The update was completed by Cube Consulting Pty Ltd and based on additional drilling and assay results to 5 April 2022 at the Hemi gold deposit. The Regional gold deposit MRE's remain unchanged from the April 2020 Mineral Resource statement.

In Summary:

- A 25% increase in contained gold of 1.7Moz to 8.5Moz
- Diucon and Eagle (combined) increase by 78% contained gold to 2.6Moz at a 30% higher grade
- Hemi JORC Indicated category increases by 3Moz from 2.8Moz contained gold to 5.8Moz
- Mallina Gold Project Province (MGP) resource increased by 15% to 10.6Moz
- MGP JORC Measured and Indicated categories increase by 80% to 6.9Moz

Hemi Total Mineral Resource Estimate (JORC 2012)	**213Mt**	**1.2g/t Au**	**8.5Moz**
Indicated (68% of ounces)	139Mt	1.3g/t Au	5.8Moz
Inferred (32% of ounces)	74Mt	1.1g/t Au	2.7Moz
MGP Mineral Resource Estimate (JORC 2012)	**251Mt**	**1.3g/t Au**	**10.6Moz**
Measured & Indicated (65% of ounces)	158Mt	1.3g/t Au	6.9Moz
Inferred (35% of ounces)	97Mt	1.3g/t Au	3.8Moz

(0.3g/t Au Cut-off above 370m depth, 1.5g/t Au Cut-off below 370m depth, assays to 5th April 2022)

MGP

10.6Moz

251Mt

1.3g/t Au

HEMI

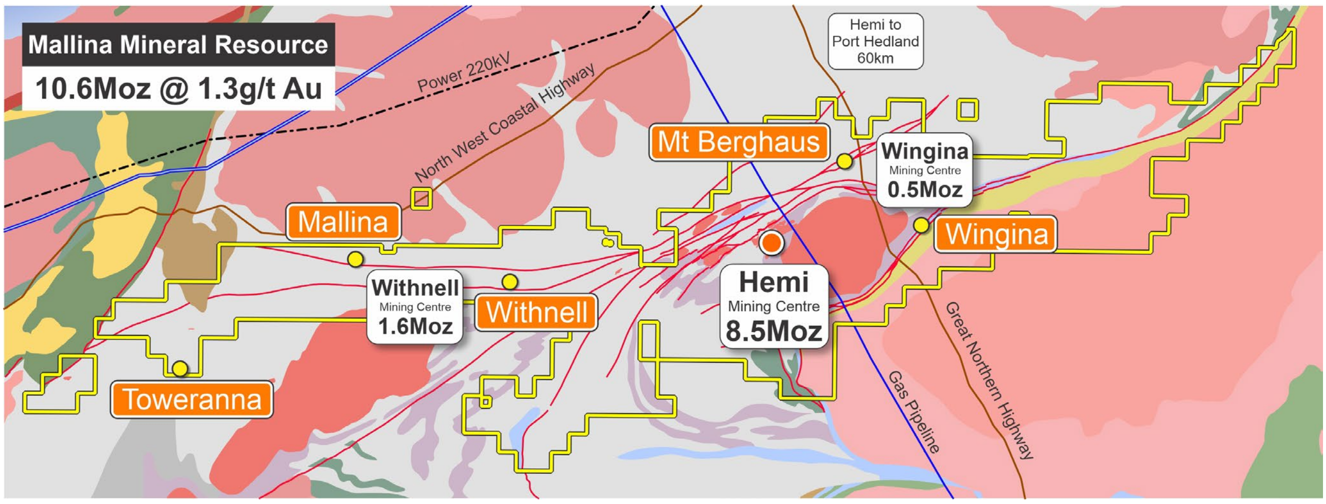
+8.5Moz

213Mt

1.2g/t Au

Global Mineral Resources for the MGP, following the inclusion of Hemi, increased to 10.6Moz.

Figure 4: Mallina Gold Project Resource Locations



Maiden Hemi JORC Probable Reserve

The maiden Hemi Ore Reserve leveraged off the Hemi Mineral Resource update announced in May 2022 of 8.5Moz @ 1.2g/t Au of which 5.8Moz @ 1.3g/t Au were classified as JORC Indicated. This increase and the high conversion rate of the Indicated Resource to Probable Reserve was achieved by targeted resource definition drilling within preliminary pit shell optimisations which were regularly conducted over the Hemi deposits during the PFS.

The maiden Hemi JORC Probable Reserve of 5.1Moz @ 1.5g/t Au is one of the largest and highest grade maiden Reserves in recent decades from Australia.

Table 1 – Hemi Maiden JORC Probable Reserve

Mining Centre	Type	Proved			Probable			Total		
		Mt	Au g/t	Koz	Mt	Au g/t	Koz	Mt	Au g/t	Koz
Hemi Mining Centre	Oxide	-	-	-	7.3	1.7	403	7.3	1.7	403
	Transition	-	-	-	6.0	1.7	329	6.0	1.7	329
	Sulphide	-	-	-	90.1	1.5	4,408	90.1	1.5	4,408
	Total	-	-	-	103.4	1.5	5,139	103.4	1.5	5,139

Refer to ASX Announcement 8 September 2022: “Prefeasibility Study Outcomes – Mallina Gold Project”.

Mallina Gold Project PFS

On 8 September 2022 the Company released the results of the PFS into the MGP. This followed on from the release of the Scoping Study in October 2021 and was targeting material improvements in annual gold production rate, grade, mine life, confidence levels and project economics from that initial study.

Project Highlights

Total production has increased by nearly 50% from the Scoping Study to 6.4Moz within the PFS, with the annual gold production rate increasing by approximately 25% to 540,000ozpa over the first ten years.

The increased production has been achieved at increased levels of JORC Measured and Indicated Resources within the production profile, averaging close to 90% over the first ten years of production compared with 70% in the scoping study.

The preproduction capital cost of the Project of $985M including $100M of growth/contingency and additional $68M of mine pre-stripping capital costs have increased from the scoping study in line with inflationary expectations. The capital cost excludes the cost of an oxygen plant. Oxygen will be supplied to the POx plant under contract. The location of the project to world class Pilbara infrastructure has significantly reduced capital costs, project complexity and timelines.

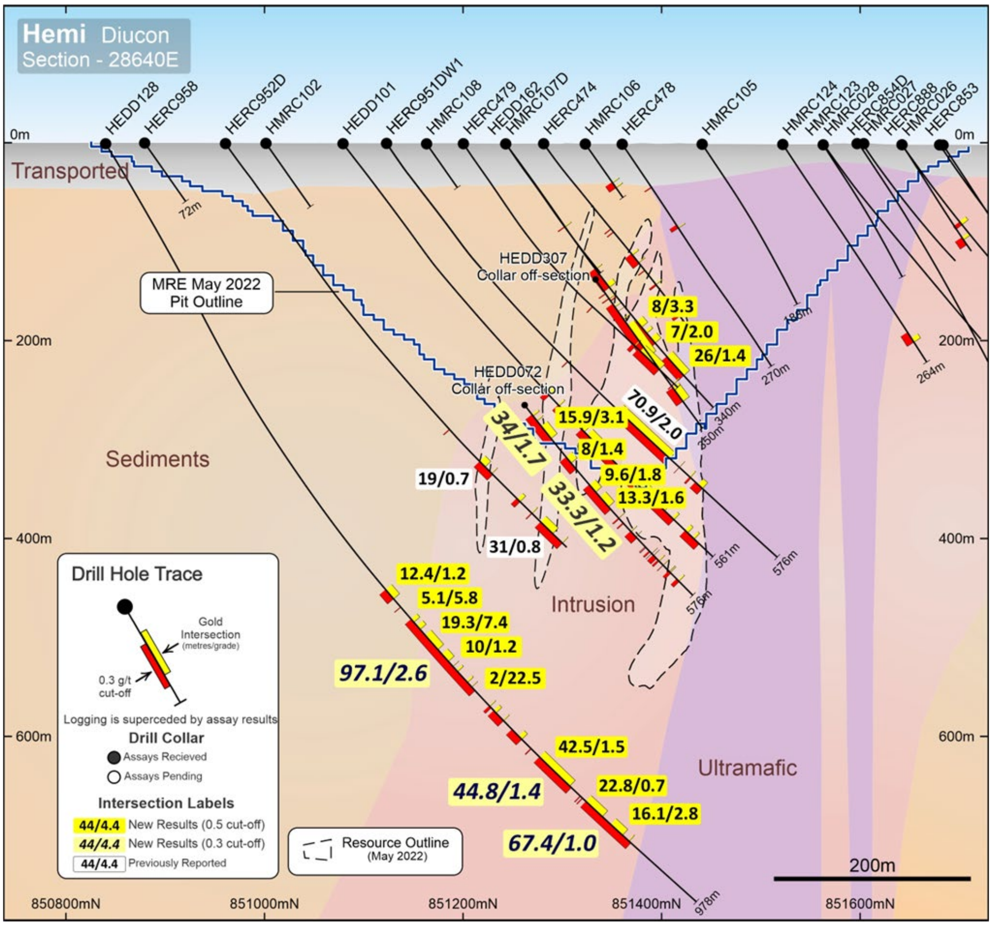
The Company has identified opportunities to improve the PFS outcomes. These include:

- Increasing the resource base at the Hemi and Regional deposits through extensional drilling
- Increasing production potential by conducting new pit shell optimisations in areas where resources have been extended
- Increasing the percentage of JORC Indicated mineralisation within the open pit designs at Hemi
- New discoveries that could result from the Company's extensive and ongoing exploration activities
- Increasing reserves at Hemi through targeted resource definition drilling
- Converting Regional resources to reserves through additional technical studies and targeted resource definition drilling
- Assessing the potential for concurrent underground and open pit mining

The PFS did not include extensions to mineralisation at Hemi that have been announced since the assay cut-off date of 5 April 2022 for the completion of the May 2022 MRE, the potential for extensions to the existing resources at Hemi nor new discoveries that could result from the Company's extensive and ongoing exploration activities.

Increases to resources and reserves at Hemi with continued drilling appear likely. The Company announced in August 2022 the results of resource step out drill hole HEDD128 which intersected 359.4 metres at a grade of 1.2 g/t Au at Diucon, including 19.3m @ 7.4g/t Au and 2.0m @ 22.5g/t Au, 200 metres beneath the May 2022 MRE (figure 5). Large scale step-out drill targets exist at each deposit with extensional drilling ongoing. New pit shell optimisations can be conducted on updated resource models.

Figure 5: Cross section at Diucon showing drill hole HEDD128



Increases to the Hemi reserve can be achieved through targeted resource definition drilling to increase JORC Indicated resources. There are currently 0.5Moz JORC Inferred mineralisation within the open pit designs.

Aircore and reverse circulation (RC) drilling has continued to identify gold anomalism in the Greater Hemi and Regional areas. Drilling will continue to follow up these targets with the aim of making new, near surface, large scale, intrusion hosted gold deposits. Of note, the Company is following through on previously announced intersections of shallow mineralisation at Antwerp, to the west of Eagle, and at Charity Well in the western part of the Regional tenement package.

Mineralisation has been consistently intersected at all Hemi deposits below the PFS open pit designs. The potential for concurrent underground mining with open pit mining is an option for future consideration and centres on the scheduled completion of the Stage 1 starter pit at Brolga early in Year 4 of production. The deposits at Aquila, Crow and Falcon are located respectively within approximately 500m, 550m and 850m of the Brolga Stage 1 starter pit.

Along with the potential for moderate increases to plant throughput with de-bottlenecking, this has the potential to lift annual gold production rates. Additional plant throughput of 1Mtpa (10%), combined with production from underground sources at an average mined grade of 5g/t Au or extensions, to current open pit designs at the current LOM average grade, has the potential to lift overall annual gold production respectively by approximately 150,000ozpa or 50,000ozpa.

Production

The production profile of the Project demonstrates an annual production range up to approximately 636,000 ounces in year five, with average production of 550,000 ounces over the first five years and 540,000 ounces per annum over the first 10 years (Figure 6). Production from the Hemi Mining Centre is sourced from six deposits; Aquila, Brolga, Crow, Falcon and Diucon and Eagle.

Production over the first five years is achieved with 97% coming from JORC Measured and Indicated resource classifications and over the first 10 years coming from 89% JORC Measured and Indicated resource classifications. JORC Measured and Indicated resources comprise 87% of the overall PFS production outcome of 6.4Moz. The Hemi deposits comprise approximately 97% of production over the first five years, 85% of production over the first ten years and 83% of the overall PFS production outcome of 6.4Moz.

Production in the PFS falls after year 10 as lower grade mineralisation is mined and low-grade stockpiles are processed. However, the Project continues to generate strong cashflows throughout each of the remaining 3.5 years of its current life of mine. Extensions to existing resources and the new discoveries have the potential to increase gold production above 500,000ozpa beyond year 10.

Typically, nameplate plant throughput capacity is exceeded through plant de-bottlenecking and PFS conservatism. The Company would reasonably expect plant throughput to increase by approximately 10% to 15% over the life of mine with minimal capital expenditure. This would bring forward production from the later years of the PFS production profile or make space for additional production from potential new discoveries.

Figure 6: PFS Production Profile years 1-10

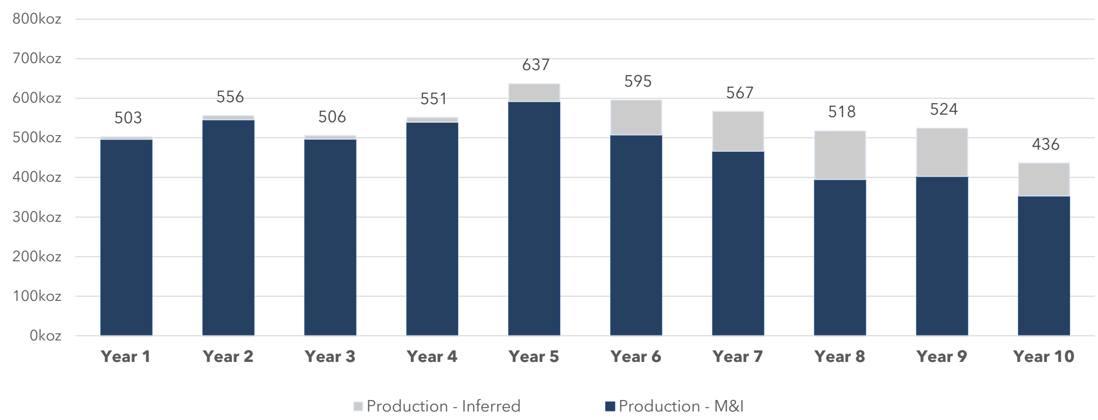
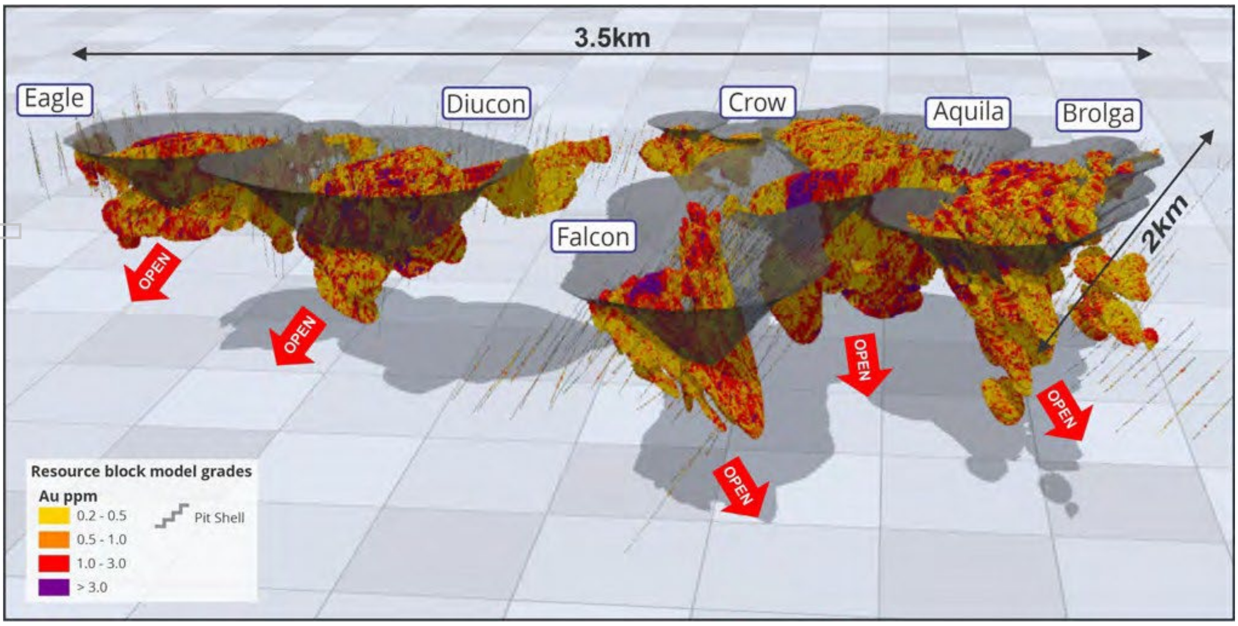


Figure 7: Hemi Open Pit Layout

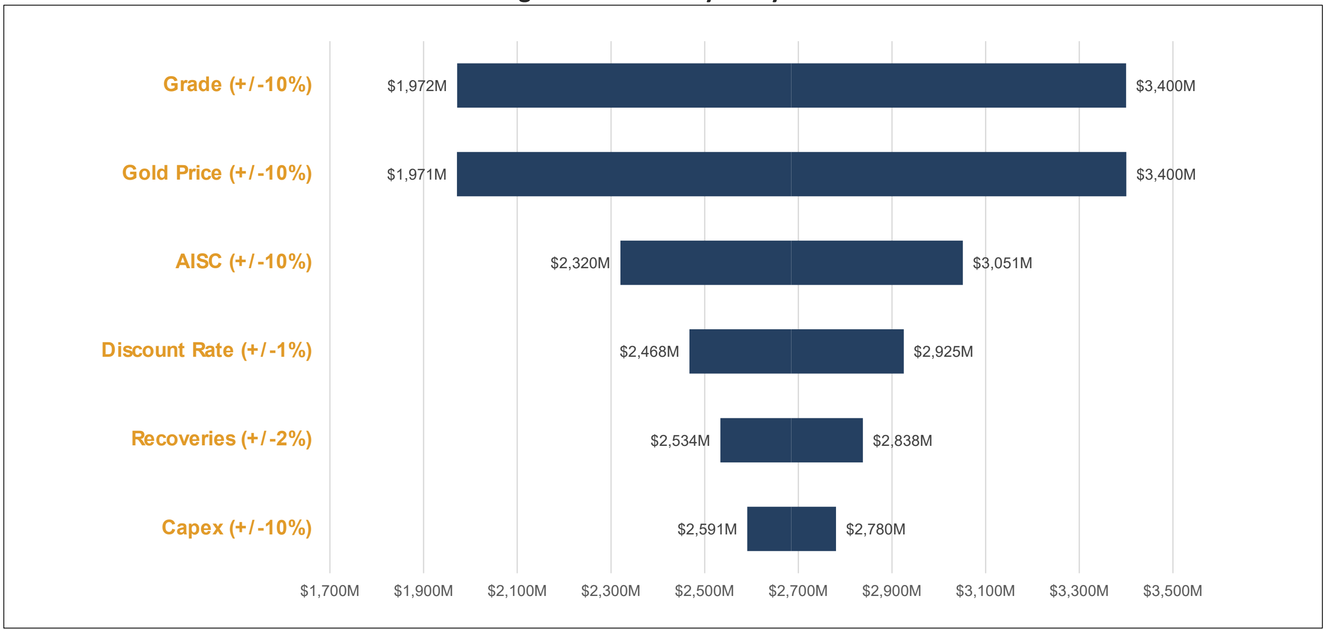


Sensitivity Analysis

Sensitivity analysis (Figure 8) shows the Project to be resilient to changes in capital costs and recoveries, with significant leverage to improved head grade, gold price and AISC.

The increase in capital cost of the Project of approximately 15% from the Scoping Study has been outweighed by increases in average ore grade of approximately 10% and average annual gold production rate of approximately 25% such that the Project $NPV_{5\%}$ (post-tax) has increased by approximately 40%.

Figure 8: Sensitivity analysis



Project Positioning

The PFS has identified that the Project will have potential:

- Annual gold production in the top five Australian gold operations
- Lowest capital intensities of any large scale undeveloped gold project on a global basis and a low sensitivity to capital cost increases
- Lowest quartile AISC operating costs
- Low carbon intensity per ounce of production compared with open pit gold mines in Australia

The Project would be a low-cost producer compared with current Australian producing gold mines, with a projected average AISC of $1,220/oz over the first five years and $1,280/oz over the first 10 years, placing the Project in the lowest quartile of Australian producing gold mine. Increases in unit mine operating costs on a per tonne basis due increased strip ratio and the current inflationary environment have been offset by increased annual gold production rates. The increase in strip ratio follows the completion of a detailed geotechnical study supported by extensive geotechnical drilling.

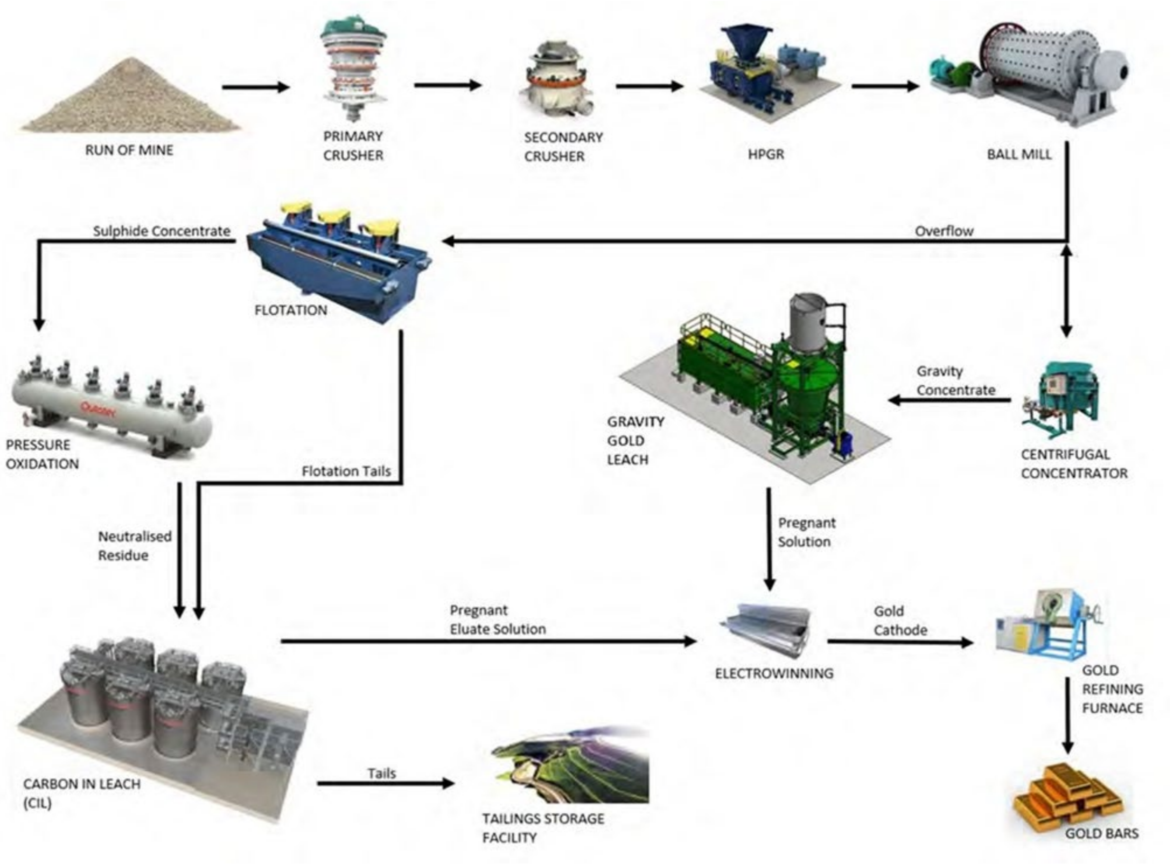
Project Configuration

The Project comprises mine production, all currently from open pit mining, from Hemi and Regional deposits. The Hemi deposits of Aquila, Brolga, Crow, Diucon, Eagle and Falcon are clustered together while the Regional deposits are located across the Company's Mallina tenement package. Toweranna is the most distal Regional deposit, being located approximately 60 kilometres to the west of Hemi.

The Company assessed comminution circuit and oxidation circuit options for the process plant during the PFS. The preferred comminution circuit comprises primary and secondary crushing, high pressure grinding roller (HPGR) and ball mills followed by flotation, pressure oxidation (POx) and cyanide leaching. Similar comminution circuits are used in large scale gold projects. Hemi ore has the advantage of generating a low (8%) mass pull sulphide concentrate as feed to the POx circuit. This reduces the POx throughput to 0.8Mtpa compared with the overall plant throughput rate of 10Mtpa.

Hemi mineralisation achieves metallurgical recovery of 93.6%.

Figure 9: MGP Simplified Process Flowsheet



ESG

The Company has conducted extensive environmental baseline studies and testwork across the Project area commencing in 2020, well prior to the maiden Mineral Resource being announced in June 2021. Management regimes have been developed and are incorporated into the Project layout and PFS designs.

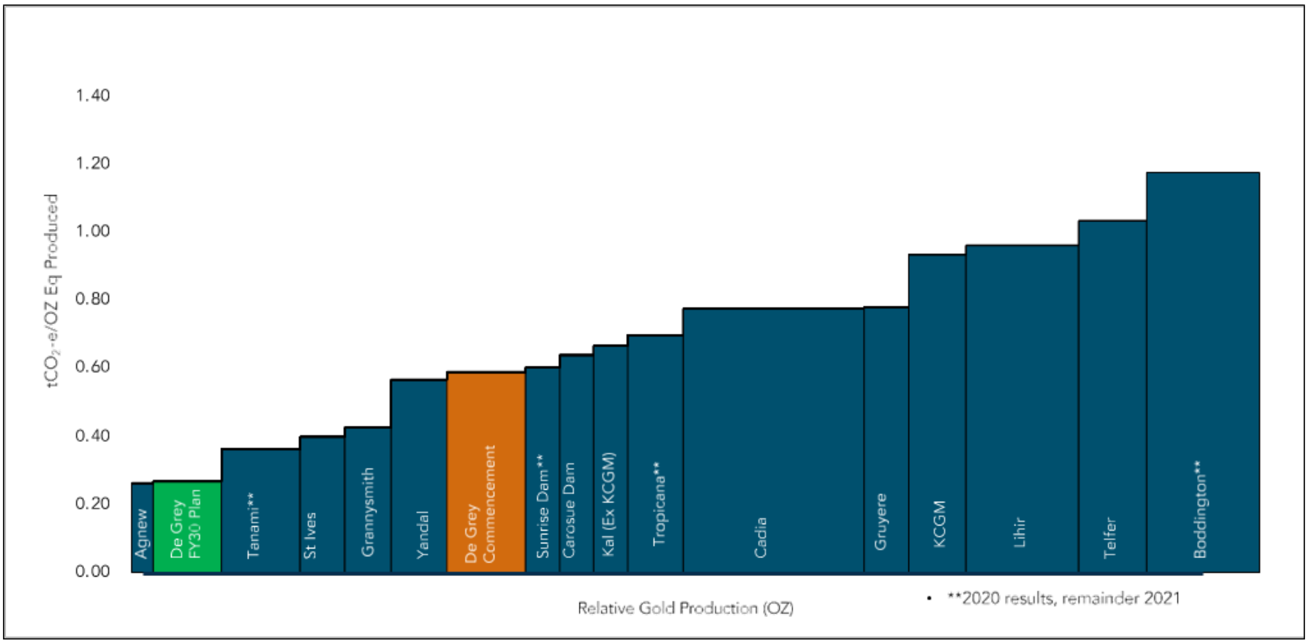
Widespread community consultation and traditional custodian engagement has been conducted including social impact assessments of the Project. Engagement with the Kariyarra people, the traditional custodians of the land over Hemi, on a Partnership Agreement which will provide business opportunities, employment training and community programs is at an advanced stage.

Heritage clearances have been completed over the Project area including at Hemi and over Regional deposits and infrastructure corridors. Heritage surveys will continue over Greater Hemi and Regionally in support of exploration programs.

The early adoption of grid based renewable energy sources, augmented by site based renewable energy as appropriate, is planned with multiple options emerging within the North West Interconnected System (NWIS).

The Project is one of the largest undeveloped gold projects on a global basis and will have low start-up and future carbon intensities respectively of 0.6 and 0.3t.CO_2/oz as shown in Figure 10. The benchmarking shown in Figure 10 references producer's reported actual carbon intensities for financial year 2021. De Grey, along with other producers referenced in Figure 10, have plans to further reduce carbon intensity over time.

Figure 10: Carbon Intensity



Review of Objectives

Continue drilling programs with the aim to extend the Mallina Gold Project Resources above the 9-million-ounce JORC resource defined to date	– **Achieved** –	Update 8.5Moz Hemi JORC code compliant MRE announced in May 2022 takes total MGP resources to 10.6Moz
Complete the scoping study on the project to deliver a Tier 1 production capability at Hemi	– **Achieved** –	Scoping Study results announced October 2021 showing 10 year average annual production of 427,000oz Au
Materially advance and evaluate early-stage project de-risking studies including metallurgy, environmental, hydrology and geotechnical aspects of the project to support the completion of a PFS during Calendar year 2022	– **Achieved** –	PFS and Maiden Hemi Reserve completed and released in September 2022
Pursue a corporate strategy aiming to use the IP knowledge to identify Intrusion style mineralisation targets within our project area and the greater Pilbara region	– **Achieved** –	Regional team and Hemi exploration continue to identify and refine targets with Charity Well and Geemas drilled during 2021/22 year.

Building Organisational Capability

The Company has a firm commitment to build the organisational capability to take the MGP from the exploration phase through development and into production. During the year the Company undertook an extensive workforce planning evaluation process and has identified the key roles needed for the design, construction and operations phases.

Critical roles and timing of these appointments have been built into the human resource plan and budget. It is anticipated over the coming months a number of project construction related appointments will be made as the Company pursues its objective of taking the MGP project into production.

I have been extremely impressed with the skill, dedication, and commitment of our people to the MGP and the teamwork displayed in managing a dynamic world class project.

It is a pleasure to be chosen to lead such an exceptional team at De Grey and together we are aiming to achieve the following objectives in FY2023:

- Increase the resource base at the Hemi and Regional deposits through extensional drilling;
- Increase reserves at Hemi through targeted resource definition drilling;
- Increase production potential by conducting new pit shell optimisations in areas where resources have been extended;
- Increase the percentage of JORC Indicated mineralisation within the open pit designs at Hemi
- Converting Regional resources to reserves through additional technical studies and targeted resource definition drilling;
- Pursue new discoveries through the Company's extensive and ongoing exploration activities;
- Make environmental approval submissions;
- Assessing the potential for concurrent underground and open pit mining;
- Complete the DFS for the MGP;
- Undertake project funding discussions with the aim of providing a funding solution for the construction of the project during calendar year 2023; and
- De-risk the project to enable the Company to make a Financial Investment Decision during Calendar year 2023

I look forward to keeping you updated on our progress.

Glenn Jardine
Managing Director

Environment, Social and Governance

1. Our Approach to Sustainability

We believe that responsible management of environmental, social and governance (ESG) elements are critical for our investors, the communities with whom we interact and our team.

Our Project focus for the year was delivery of the Hemi Gold Project Pre-feasibility Study. As we progress this, we recognise that implementation of ESG principles is central to the success of the Project and De Grey Mining as a business. Our overarching Sustainability framework, shown in **Figure 1-1**, underpins our commitment to undertake business in a manner consistent with the principles of intergenerational equity, environmental responsibility, and ethical practice. To guide implementation of our framework and monitor performance, DEG's Board resolved to adhere to the International Council of Mining and Metals (ICMM) Mining Principles (ICMM 2022) which are aligned with the United Nations Sustainable Development Goals (**Figure 1-2**).

Figure 1-1: De Grey Mining's Sustainability Framework

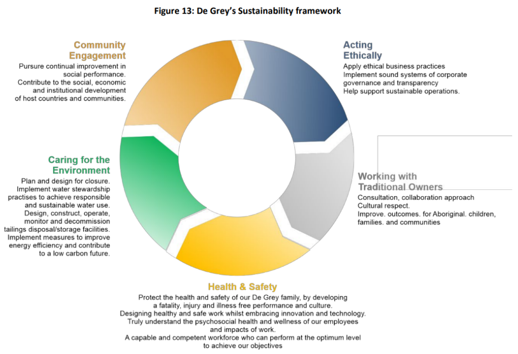
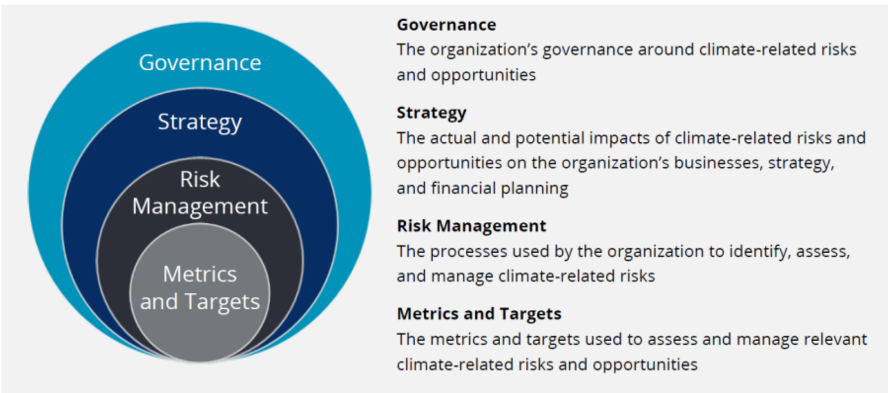


Figure 1-2: ICMM Mining with Principles

FY2021-2022 saw the continued global focus on climate change with COP26 and release of the Glasgow Climate Pact. At a local level, the WA State Government made several announcements aimed at ensuring the State Climate Policy goal of net zero by 2050 is achieved. De Grey recognises the fundamental role that renewable energy will play in the future sustainable development of its projects. Accordingly, the Board also resolved to adopt the recommendation from the Task Force on Climate-Related Financial Disclosures (TCFD 2017) as part of our ESG reporting framework. The core elements of governance, strategy, risk management, and adoption of metrics and targets (Figure 1-3) have been imbedded in our approach to climate-related planning. This, along with other elements of ESG, has been central to development of the Hemi Gold Project PFS.

Figure 1-3: TCFD Core Elements



2. Corporate Governance, People and Safety

De Grey is committed to behaving ethically and ensuring inclusion across the organisation, regardless of gender, marital or family status, sexual orientation, gender identity, age, disabilities, ethnicity, religious beliefs, cultural background, socio-economic background, perspective and experience.

FY2021-22 was a transformational period for the De Grey board with the appointment of Samantha Hogg and Paul Harvey as Non-Executive Directors, progressing our commitment to build capability and diversity in the organisation. De Grey is striving towards a target of 30% representation by women at a board level by 30 June 2023. At a senior management level, women currently represent 20% of the full-time positions.

The health, safety and wellness of our employees, contractors, and the communities in which we operate is our number one priority. We are therefore pleased to report that in 2021-22 we achieved 110 LTI-free days and a rolling LTI frequency rate of 2.12, in comparison to the benchmark regional exploration industry rate of 2.00. During the reporting period we increased the health and safety workforce capability through the appointment of a Health and Safety Manager, a Health and Safety Superintendent, Safety and Training Coordinator. Additionally, we completed development and deployment of our Health and Safety Management System and Emergency Response Plans.

De Grey recognises that as the Hemi Gold Project progresses toward feasibility and operations, the risks and opportunities presented by ESG factors become more profound and complex, and that its management of ESG must evolve accordingly. Consequently, De Grey established an Environmental, Social and Governance (ESG) Sub-Committee of the Board and an ESG Working Group to facilitate the implementation of our adopted frameworks.

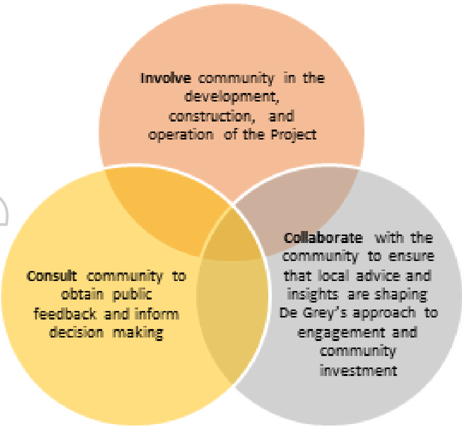
A third-party gap analysis against the ICMM and TCFD frameworks was also completed to identify where we need to focus our efforts in FY2022-2023 in preparation for operations.

3. Stakeholder and Community Engagement

At De Grey, we acknowledge the Traditional Custodians of the land upon which we operate, the Kariyarra, Ngarluma, Nyamal, Ngarla and Mallina peoples.

We recognise their unique cultural heritage, beliefs and connection to these lands, waters and communities and the importance of continued protection and preservation of cultural, spiritual, and educational practices.

In recognition of the integral role that community plays in De Grey’s business, we established a community relations and heritage team to implement our stakeholder engagement plan. Our approach to community consultation has focused on a “Consult, Involve, Collaborate” framework, informed by the Public Participation Spectrum developed by the International Association of Public Participation (IAP2).



With our focus in FY2021-2022 being on progressing the Hemi PFS, consultation accordingly concentrated on stakeholders with fundamental interests in the Hemi Project. Key consultation undertaken during the year included our inaugural Port Hedland Town Hall meeting, presentations to regulatory decision makers (Department of Mines, Industry Regulation and Safety and the Department of Water and Environmental Regulation), regular liaison with the Indee pastoral managers and weekly meetings with the Karyiarra Aboriginal Corporation, who are the Native Title holders of the land on which Hemi is located.

Our strong relationship with the Kariyarra has culminated in the advancement of a Mining Agreement which is in the final stages of execution. We are proud of the Agreement that has been formulated with the Kariyarra and we look forward to delivering on the substantial intergenerational benefits to the traditional owners of the land on which operate.

4. ESG Fundamentals Integrated into PFS

At De Grey, we recognise that understanding and mitigating significant impacts to the environment and community from our operations, is fundamental to the business' bottom line. It also forms part of the values that we are imbedding in our business.

Accordingly, central to delivery of the Hemi PFS was integration of sustainability principles into the key components of the Project, these being mine design, processing, power supply, tailings storage and landform design.

This was guided by stakeholder consultation and extensive environmental and social baseline data that was gathered during the year, including ecological assessments (flora, fauna, short range endemics, subterranean fauna), hydrological and hydrological assessments, materials characterisation (waste rock, tailings and soils), social impact assessment, and heritage assessments.

For each component, the relevant ICMM Principles and associated performance expectations have been mapped out. The design process for each principal component has then been qualitatively assessed against the identified expectations. In addition, the relevant TCFD metrics for each principal component have been identified, with a view to setting targets at a later stage in the Project's development.

A summary of the key ESG outcomes of the PFS are presented below.

Mine Design

The mine design incorporates overarching goals of reducing scope 1 emissions, avoidance of drinking water sources and management of groundwater and surface water impacts.

Reducing Emissions

Landforms have been positioned to minimise haulage distances.

The decision to refine ore on site to produce gold bars removes the need to transport concentrated ore to Port Hedland for onward shipment to an offshore refinery, significantly reducing the Project's downstream Scope 3 greenhouse gas emissions and avoiding the health, safety and environment risks associated with the road and sea transport of concentrated ore.

Water Quality Protection

The mining schedule has factored in the varying quality of the groundwater to be dewatered, which enables the achievement of an acceptable quality of water being discharged to the environment.

The Project's infrastructure avoids the Yule River, a nearby Priority 1 Public Drinking Water Supply Area (PDWSA), and the pits' dewatering regime has been designed so that the 1 m groundwater drawdown contour does not extend into the PDWSA.

Avoidance of Sensitive Landforms

- The mine layout avoids any encroachment into the 50 m buffer zone surrounding the Priority Ecological Community (PEC) and the associated area of Aboriginal cultural significance.

Processing Facility

The processing circuit delivers the lowest carbon emissions intensity option and produces environmentally benign tailings.

Lowest Carbon Emissions Intensity

The comminution circuit includes two-stage crushing followed by high pressure grinding rollers (HPGR) and wet ball milling; out of the other options considered, this resulted in the lowest carbon emissions intensity.

Reduced Reagents and Chemically Beign Tailings

The concentration circuit will use a Pressure Oxidation (POx) process; compared to the other options considered, POx has a lower reagent and power consumption; it also produces benign tailings and non-soluble arsenate.

Reducing Scope 3 emissions

Smelting on site will increases power demand and associated greenhouse gas emissions; however, this is considered preferable to outsourcing or offshoring them, potentially to plants with higher emissions or lower standards

Power Supply

The Project's decarbonisation strategy demonstrates that it can achieve significant reductions in GHG emissions relative to the baseline scenario, and can provide a trajectory to Net Zero by 2050

Alternatives Evaluated

Scenario 1: Gold mining 'standard practice': Approach assumes all-diesel mining vehicles, no renewable power generated or procured and a conventional processing circuit.

Scenario 2: Project base case: Assumes current mine design and includes several low-emissions initiatives including high-pressure grinding rolls in the comminution circuit and the use of up to 30% renewable power.

Scenario 3: Project low emissions: Assumes Project as it is anticipated to operate in 2030, when it is assumed low emissions options will be readily available. This scenario includes a high penetration of electric vehicles, and renewable electricity delivering 70% of site demand.

Emissions Intensity

Emissions intensities ranged from 1.00 tCO_2e/oz for 'standard practice' to 0.37 tCO_2e/oz the 'low emissions' scenario.

- There is good alignment with similar gold mining operations where emissions intensities range from 0.37 – 1.25 tCO_2e/oz.
- The emissions intensity for Scenario 2 (Hemi base case) was estimated to be 0.70 tCO_2e/oz which is below the WA average for the peer group (0.79 tCO_2e/oz).

Reducing Emissions

The Safeguard Mechanism will require DEG to establish an emissions baseline for the Project, and the WA EPA will require a GHG Management Plan to demonstrate the Project's trajectory to achieving Net Zero by 2050.

The Project's decarbonisation strategy demonstrates that it can achieve significant reductions in GHG emissions relative to the baseline scenario, up to 73%, and can provide a trajectory to Net Zero by 2050

Waste Storage (Tailing Storage Facility and Mine Waste)

The tailings storage facility adopts an Integrated Waste Landform (IWL) design with stability and footprint the key ESG factors influencing the decision. Waste rock characterisation indicates that waste rock produced from mining can be safely stored in stable surface waste rock landforms (WRL).

Design Considerations

While the IWL option entails somewhat more haulage of mine waste for construction (hence higher greenhouse emissions from haul trucks) than other options; these are offset by the greater stability, and smaller footprint, which enable less clearing of fauna habitat and encroachment on the Aboriginal site of cultural significance.

To achieve the design standards and erosional stability outcomes, conservative landform designs have been adopted that include limiting the lift hights on WRL to 10 m.

The heights of landforms take into consideration both material constraints and management of visual impacts.

Water Quality Protection

The IWL has been designed to minimise impacts to groundwater and surface water sources. This includes incoproation of clay liners and underdrainage into the deisgn as well as placement of the facility upstream of the pits to contain incidental seepage over the long term.

Closure

IWL has significant advantages in relation to closure, as mine waste can be readily deployed during mining for embankment construction at a relatively low cost.

The design of the IWL and WRLs demonstrates that they will be safe, stable and non-polluting, in that there is no significant risk of acid mine drainage, and the stability of the waste rock on outer surfaces is such that sedimentation is not a concern.

Directors' Report

Your directors present their report on the consolidated entity comprising De Grey Mining Limited ("De Grey" or "the Company") and its controlled entities ("the consolidated entity" or "Group") for the financial year ended 30 June 2022.

All amounts are expressed in Australian dollars unless otherwise stated.

De Grey is a company limited by shares that is incorporated and domiciled in Australia.

Directors

The following persons were Directors of the Company during the whole of the financial year and up to the date of this report, except as otherwise indicated:

Simon Lill
Glenn Jardine
Andrew Beckwith
Peter Hood
Paul Harvey – appointed 4 July 2022
Samantha Hogg – appointed 28 January 2022
Eduard Eshuys – resigned 8 September 2022
Bruce Parncutt – resigned 7 September 2022

Information on Directors

Simon Lill, BSc MBA

Non-executive Chairman

Mr Lill was appointed to the board in October 2013 and became Executive Chairman in 2014. In May 2020 he was appointed Non-Executive Chairman. He has previously worked with Anaconda Nickel Limited through engineering studies, financing, and construction phases of the Murrin Murrin Nickel mine. He also has extensive experience since the 1980's with ASX listed companies, spanning small cap companies to larger concerns, involving restructuring, corporate, compliance, marketing, company secretarial and management activities, resulting in his role at De Grey Mining Ltd.

During the past three years Mr Lill has also served as a director of the following listed companies:

Company	Date appointed	Date ceased
Finexia Financial Group Limited (*formerly Mejority Capital Limited)*	18 May 2011	25 November 2019
Iris Metals Limited	29 December 2020	-
Nimy Resources Limited	16 August 2021	-
Purifloh Limited	2 September 2013	-
XPD Soccer Gear Group Limited	29 March 2018	10 October 2021

Interest in shares and rights at the date of this report:
13,369,629 ordinary fully paid shares
No unlisted options over ordinary shares in De Grey Mining Limited
500,000 performance rights

Committees
Audit & Risk Committee
Remuneration & Nomination Committee

Glenn Jardine, BE (Mining) FAusIMM

Managing Director

Mr Jardine was appointed Managing Director in May 2020. He is an experienced mining executive of 35 years with direct experience in growing resource companies from early-stage exploration through to multi-operation entities, including taking projects through feasibility studies, equity funding, debt financing, project development and operations. His experience includes Project Manager & General Manager of the Henty Gold Mine in Tasmania for Goldfields Ltd; Project Manager of the Emily Ann & Maggie Hays nickel mines; General Manager New Business, Chief Operating Officer & Managing Director for Lion Ore Australia. He has more recently been Chief Operating Officer of Azure Minerals Limited. Commodity experience includes precious metals, base metals, and bulk commodities across underground and open pit operations. Processing methods utilised at these projects and operations include CIP/CIL, DMS, sulphide flotation, BIOX, pressure oxidation and SX/EW.

Projects developed have received Australian State and Federal recognition for environmental best practice and health and safety and human resources systems.

During the past three years Mr Jardine has not served as a director of any other listed companies.

Interest in shares, options and rights at the date of this report:
140,846 ordinary fully paid shares
601,425 unlisted options over ordinary shares in De Grey Mining Limited
94,738 performance rights (Tranche 3)

Rights issued to Mr Jardine are issued in 3 tranches, T1 140,846 vested in September 2021 and were exercised in August 2022, T2 91,008 were forfeited in September 2022 and T3 94,738 should vest in September 2023.

Andrew Beckwith, BSc Geology, Aus IMM

Technical Director

Mr Beckwith was appointed to the board in October 2017, having commenced his time with De Grey as a Technical Consultant in February 2016.

He is a successful and experienced exploration geologist who has previously held senior technical roles with AngloGold Ashanti, Acacia Resources, Helix Resources, Normandy NFM, North Flinders Mines, BP Minerals Australia and Westgold Resources. At Westgold, Mr Beckwith initially held the role of exploration manager before appointment as Managing Director. Additionally, Mr Beckwith was an Executive director of Bulletin Resources Limited until June 2014.

During his time at Westgold, he was intimately involved in the Explorer 108 Pb-Zn-Ag and the Au-Cu Rover 1 (1.2Moz) discoveries in the Northern Territory as well as the acquisition of the Central Murchison Gold Project located in Western Australia.

During the past three years Mr Beckwith has also served as a director of the following listed companies:

Company	Date appointed	Date ceased
Carnavale Resources Limited	29 July 2014	-

Interest in shares, options and rights at the date of this report:
6,209,875 ordinary fully paid shares
496,689 unlisted options over ordinary shares in De Grey Mining Limited
400,000 performance rights

Peter Hood AO, BE(Chem), MAusIMM, FIChemE, FAICD
Lead Independent Non-executive Director

Mr Hood was appointed to the board on 19 November 2018. Mr Hood, a Chemical Engineer, has had a distinguished career in the Australian Mining and Chemical Industries. He held the position of Senior Production Engineer at the Kwinana Nickel Refinery from 1971 to 1981, then Mill Superintendent of the WMC Kambalda Nickel and Gold Operations between 1982 to 1985. In 1985, he joined Coogee Chemicals Pty Ltd in the position of General Manager and then as their CEO between 1998 and 2005. He then held the position of CEO of Coogee Resources Ltd before retiring in 2008. Through that period, he was part of the management team that oversaw significant growth in Coogee Chemicals.

In 2020, Mr Hood was recognised as an Officer of the Order of Australia in the Australia Day Honours List for distinguished service to business and commerce at the state, national and international level, and to the resources sector.

During the past three years Mr Hood has also served as a Director of the following listed companies:

Company	Date appointed	Date ceased
Cue Energy Resources Limited	23 February 2018	-
GR Engineering Limited	10 February 2011	-
Matrix Composites and Engineering Limited	15 September 2011	-

Interest in shares and options at the date of this report:
3,502,227 ordinary fully paid shares
No unlisted options over ordinary shares in De Grey Mining Limited
21,816 performance rights

Committees
Audit & Risk Committee, including as Committee Chair 28 January 2022 – 24 March 2022
Chair of the ESG Committee
Chair of the Remuneration & Nomination Committee, appointed as the Committee Chair 24 March 2022

Paul Harvey, BE (Mining), FAus IMM, GAICD
Independent Non-executive Director

Mr. Harvey is an experienced resource executive with operational and projects leadership built from over 35 years global experience in the resources sector, including gold. His recent roles include leadership positions at South32 (2015 – 2020) including four years as Chief Operating Officer with accountability for global manganese, base metals, coal for steel operations and all supporting technical and project functions. Prior to that he held the position of Chief Transformation Officer, a founding Executive Committee role established as part of the South32 demerger from BHP. Senior executive roles at BHP included President Nickel West and President and COO BHP Billiton Diamonds.

Mr Harvey has since 2021 held the role of Senior Operating Partner with London based Appian Capital Advisory, providing operational oversight to Appian's portfolio companies and advice with the analysis and evaluation of potential investments.

In 2022, Mr Harvey was also appointed to Wyloo Metals Pty Ltd Advisory Committee.

During the past three years Mr Harvey has not served as a director of any other listed companies.

Interest in shares and options at the date of this report:
No ordinary fully paid shares
No options or rights over ordinary shares in De Grey Mining Limited

Committees
Remuneration & Nomination Committee (appointed 7 July 2022)
ESG Committee (appointed 7 July 2022)

Samantha Hogg, Bcom
Independent Non-executive Director

Ms. Hogg has had a distinguished executive career with international experience across the resources and infrastructure sectors. She previously held senior finance and governance leadership positions at Transurban Group (2008 – 2014) including three years as CFO during a significant growth phase when the company entered the S&P/ASX20 Index.

Ms. Hogg has also had significant mineral resources experience through executive roles held with Vale (2006 – 2007) and Western Mining Company (1992 – 2005) with experience spanning finance, treasury, strategic projects, marketing, people and corporate services.

During the past three years Ms Hogg has also served as a Director of the following listed companies:

Company	Date appointed	Date ceased
Adbri Limited	29 March 2022	-
Cleanaway Waste Management Ltd	1 November 2019	-
MaxiTRANS Industries Limited	28 April 2016	19 March 2021

Interest in shares, options and rights at the date of this report:
No ordinary fully paid shares
No options or rights over ordinary shares in De Grey Mining Limited

Committees
Chair of the Audit & Risk Committee (appointed 28 January 2022, Committee Chair since 24 March 2022
ESG Committee (appointed 24 March 2022)
Remuneration & Nomination Committee

Eduard Eshuys, BSc, FAusIMM, FAICD
Non-executive Director

Mr Eshuys was appointed to the board on 23 July 2019 and on 8 September 2022, being subsequent to the end of the financial year, has resigned from the board.

Mr Eshuys is a highly experienced and well credentialled geologist with over 40 years exploration and company management experience in Australia. In the late 1980s and early 1990s he led the teams that discovered the Plutonic, Bronzewing and Jundee gold deposits, and the Cawse Nickel Deposit.

During the past three years Mr Eshuys has also served as a director of the following listed companies:

Company	Date appointed	Date ceased
DGO Gold Limited[1]	15 July 2010	24 June 2022
NTM Gold Limited	26 March 2019	16 March 2021
Dacian Gold Limited	16 March 2021	-

[1]On 24 June 2022, Mr. Eshuys resigned as Managing Director of former ASX listed and major De Grey shareholder DGO Gold Limited on their takeover by ASX listed Gold Road Resources Limited.

Interest in shares and options at the date of this report:
52,227 ordinary fully paid shares on resignation

Committees
Audit and Risk Committee (resigned 28 January 2022)
ESG Committee (resigned 8 September 2022)
Remuneration & Nomination Committee, was Committee Chair 1 July 2021 - 24 March 2022 (resigned 8 September 2022)

Bruce Parncutt AO, BSc, MBA
Non-executive Director

Mr Parncutt was appointed to the board on 23 July 2019 and on 7 September 2022, being subsequent to the end of the financial year, has resigned from the board.

Mr Parncutt holds the Chairman role for investment banking group Lion Capital and has had a career spanning over 40 years in investment management, investment banking and stock broking, where he has previously held roles as Managing Director of McIntosh Securities, Senior Vice President of Merrill Lynch, Director of Australian Stock Exchange Ltd.

During the past three years Mr Parncutt has also served as a director of the following listed companies:

Company	Date appointed	Date ceased
DGO Gold Limited[1]	23 May 2018	24 June 2022

[1]On 24 June 2022, Mr. Parncutt resigned as a Director of former ASX listed and major De Grey shareholder DGO Gold Limited on their takeover by ASX listed Gold Road Resources Limited.

Interest in shares and options at the date of this report:
52,227 ordinary fully paid shares on resignation

Committees
Audit and Risk Committee (resigned 28 January 2022)
Remuneration & Nomination Committee (resigned 24 March 2022)

Company Secretaries

The following persons acted as Company Secretary of the Company during the financial year:

Craig Nelmes, BBus
Mr Nelmes is an Accountant who joined De Grey in October 2013 and has over 30 years' experience in the provision of finance, secretarial, governance, financial systems and providing accounting services to the mining sector in Australia and overseas. His experiences include over seven years with International Accounting firm Deloitte, nine years with a multi-national resource's entity as well as ten years with Corporate Consultants Pty Ltd, a Company providing accounting, secretarial and administrative services to ASX and TSX listed entities.

Patrick Holywell, FGIA GradDipCA GAICD BCom
Mr Holywell is a Chartered Accountant who joined De Grey in July 2018 and resigned as joint Company Secretary on 17 December 2022. He has over 15 years' experience in corporate governance, finance and accounting including employment with Deloitte and Patersons Securities Ltd. Mr Holywell has been employed by and acted as company secretary, CFO and/or director of several companies in various sectors.

Chief Financial Officer

Peter Canterbury, BBus CPA
Mr Canterbury is an experienced mining executive and Certified Practicing Accountant with substantial experience in leading ASX-listed mining companies, most recently as MD of ASX-listed Triton Minerals and CEO of Bauxite Resources. Peter has as a broad skillset spanning financial and corporate management, accounting, project financing, feasibility studies, contract negotiation and mining operations. He has held senior roles within the mining industry for close to 30 years. Previously CFO and Acting CEO of Sundance Resources, where he played a lead role in rebuilding the company following a plane accident in 2010 and was instrumental in negotiating the Mining and Development convention for Sundance in Cameroon and Republic of Congo for the US$5 billion iron ore mine, rail and port project. His previous positions include CFO of Dadco Europe with its alumina and bauxite operations in Europe and Africa and several positions with Alcoa in finance, marketing and project development. Peter brings highly relevant financial expertise to support De Grey's ambitions of becoming a Tier 1 gold producer from Hemi.

Principal Activities

The principal activity of the consolidated entity during the year was our focus on the 100% owned Mallina Gold Project (**MGP**) in the Pilbara region of WA, and includes the large scale, high value, near surface 2019 Hemi gold discovery.

The Hemi discovery is an intrusion-hosted form of gold mineralisation new to the Pilbara region and shows a scale of mineralisation not previously encountered in the Mallina Basin. Gold mineralisation at Hemi is hosted in a series of intrusions associated with stringer and disseminated sulphide rich zones.

The MGP scoping study was completed in October 2021. In September 2022, subsequent to the end of the financial year, the Company completed its Pre-Feasibility study (**PFS**) a major de-risking milestone in that it provides much greater detail and confidence on the proposed development scenario for the MGP.

MGP is a "world class project" representing a newly discovered Tier 1 asset in a top global mining jurisdiction. DEG is targeting the completion of a Definitive Feasibility Study (DFS) and Final Investment Decision (FID) within the coming 12-months and to be then followed by an expected two year construction phase into first production by the 2nd half of calendar 2025.

Financial Review

The consolidated loss after tax for the year ended 30 June 2022 was $10,536,710 (2021: $5,250,269). Details of our operations is included in the Managing Directors report and operations review, preceding this report.

Earnings per share

The basic loss per share for the year ended 30 June 2022 was 0.77 cents per share (2021: 0.41 cents per share).

Dividends

No dividends were paid or declared during the financial year (2021: None). No recommendation for payment of dividends has been made.

Significant changes in state of affairs

There were no significant changes in the nature of the activities of the Group during the year, other than those included in the Key Highlights within the Review of Operations.

Governance

We have adopted Corporate Governance policies representing the system of control and accountability for the administration of corporate governance. De Grey Mining's Board is committed to managing these policies and procedures in a manner which is directed at achieving our objectives in a proper and ethical manner.

To the extent they are applicable to De Grey, the Board has adopted the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations 4th Edition.
To read the Company's Corporate Governance Statement and Appendix 4G to 30 September 2022 visit our website at https://degreymining.com.au/corporate-governance/.

Matters subsequent to the end of the financial year

Subsequent to the end of the financial year, the Company announced the Prefeasibility Study (PFS) outcomes for the Mallina Gold Project showing a substantial improvement in grade, annual productions, mine life, cashflow and NPV from the release of the scoping study earlier in the financial year. The PFS also resulted in the Company's maiden 5.1Moz reserve statement.

The Mallina Gold Project includes the Hemi and some Regional deposits, and the PFS outcomes boasts gold production of 540,000ozpa over the first 10 years and a total gold production of 6.4Moz over a mine life of 13.6 years.

The PFS financial metrics outcomes over the project include a NPV of $3.9 billion pre-tax and $2.7 billion post-tax, IRR of 51% pre-tax and 41% post tax with a payback of 1.6 years pre-tax and 1.8 years post-tax, and an AISC of $1.220/oz in the first 5 years and then $1,280/oz to year 10.

The PFS capital costs outcomes for the 10Mtpa plant and site infrastructure estimated to be $985M inclusive of $100M in growth allowance and an additional mine preproduction pre-strip capital cost of $68M.

Likely developments and expected results

There are no further developments or expected results other than those listed in the PFS which have been reported under matters subsequent to the end of the financial year.

Remuneration Report (Audited)

The remuneration report is set out under the following headings:

A. Details of Key Management Personnel (KMP)

The Directors of De Grey Mining Limited present the Remuneration Report for the Group for the year ended 30 June 2022. The report forms part of the Directors' Report and has been audited in accordance with section 300A of the *Corporations Act 2001*.

The report details the remuneration arrangements for the Company's Key Management Personnel (KMP):

- Non-executive directors (NEDs)
- Executive directors and senior executives

KMPS are those persons who, directly or indirectly, have authority and responsibility for planning, directing, and controlling the major activities of the Group including all directors of the Company.

The table below outlines each KMP of the Company and their movements during the year.

Name	Position	Term
Non-Executive directors		
Mr Simon Lill	*Non-Executive Chairman*	*Full financial year*
Mr Peter Hood AO	*Lead Independent non-Executive Director*	*Full financial year*
Ms Samantha Hogg	*Independent non-Executive Director*	*Appointed 28 January 2022*
Mr Eduard Eshuys[2]	*Non-Executive Director*	*Full financial year*
Mr Bruce Parncutt AO[1]	*Non-Executive Director*	*Full financial year*
Executive Directors		
Mr Glenn Jardine	*Managing Director*	*Full financial year*
Mr Andrew Beckwith	*Technical Director*	*Full financial year*
Other Key Management Personnel		
Mr Craig Nelmes	*Company Secretary*	*Full financial year*
Mr Patrick Holywell	*Company Secretary*	*Resigned 17 December 2021*
Mr Peter Canterbury	*Chief Financial Officer*	*Full financial year*
Mr Philip Tornatora	*General Manager - Exploration*	*Full financial year*

Mr. Bruce Parncutt[1] and Mr. Eduard Eshuys[2] resigned subsequent to the end of the year on 7 September 2022 and 8 September 2022 respectively.

B. Remuneration Governance

The Remuneration and Nomination Committee is chaired by the Lead Independent Director Peter Hood and as at 30 June 2022 its other members being Samantha Hogg (Independent non-executive Director), Simon Lill (Non-executive Chair of the Board), Eduard Eshuys (Non-executive Director), with a standing invitation made to other directors to attend all or part of Committee meetings but do not participate in recommendations by the Committee to the Board.

The Committee meets periodically during the year to review and make recommendations to the full board in accordance with the Remuneration Committee Charter.

During the 2021-22 financial year, the Committee reviewed and made recommendations to the board in relation to KMP, other executives and overriding employee remuneration considerations in respect to:

- Executive remuneration policies;
- Determining the eligibility, awarding and where applicable the vesting of short-term incentives (STI) and long-term incentives (LTI), including the issuing of securities in accordance with existing shareholder approved plans and seeking approval by shareholders (as required);
- Non-executive Director remuneration;
- The aggregate non-executive Remuneration pool and seeking approval by shareholders for changes (as required);
- Appropriate remuneration disclosures in ASX releases including the Annual report; and
- Other employment retention policies with respect to employees.

Expert advice and recommendations are sought from remuneration consultants whose scope of work, engagement and reporting is directly back to the Remuneration Committee. That advice on the remuneration policy and settings included benchmarking director and key management personnel remuneration against comparable entities to ensure that remuneration packages are consistent with the market and are appropriate for the organisation. During the year, the Remuneration & Nomination Committee approved the engagement of BDO Rewards (WA) Pty Ltd, (“BDO”) to provide advice on the Executive Incentive Framework, Executive Remuneration Benchmarking and Non-Executive Director Remuneration.

Both BDO and the Committee are satisfied the advice from BDO is free from undue influence from the KMP to whom the remuneration recommendations apply. The remuneration recommendations were provided to the Committee as an input into decision making only. The Remuneration & Nomination Committee considered the recommendations, along with other factors, in making its decisions.

Fees paid to BDO with respect to the advice were $24,750. In addition to providing remuneration recommendations, BDO provided advice on other aspects of remuneration of the Groups employees. Fees for these services amounted to $7,000.

The Board will make final decisions after taking into consideration the recommendations of the Remuneration Committee.

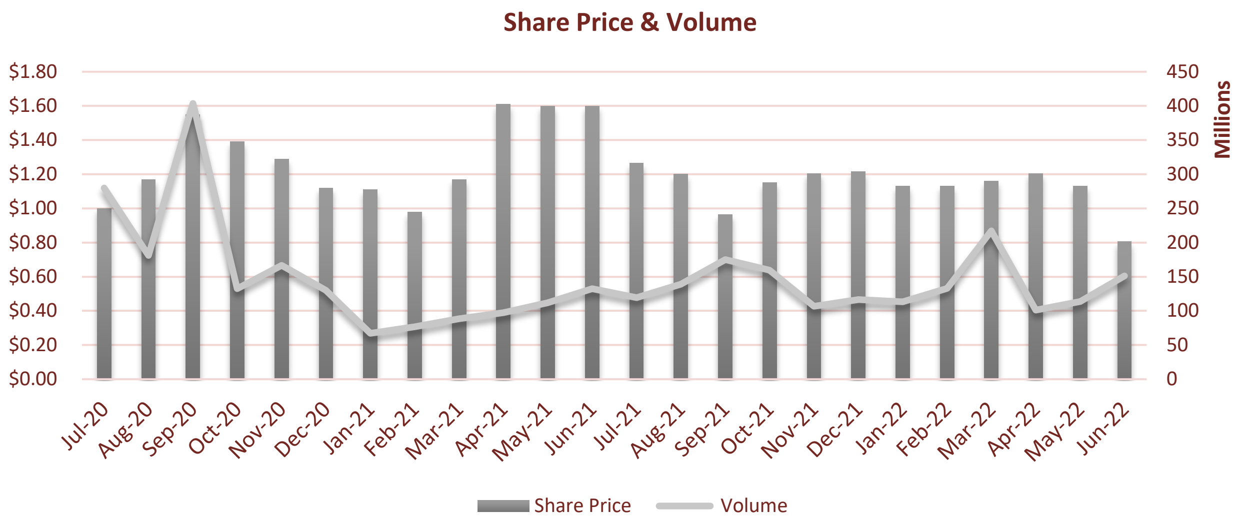
Voting on the Remuneration Report - 2021 Annual General Meeting

The Company received approximately 85.32% of “yes” votes on its remuneration report for the 2021 financial year (2020: 98.39%).

C. Company Financial Performance Over the Past 5 Years

The table below sets out information about De Grey Mining's performance and movements in shareholder wealth for the past four years up to and including the current financial year.

	2022	2021	2020	2019	2018
Net loss	*10,536,710*	*5,250,269*	*3,976,002*	*2,009,130*	*2,476,951*
Share price at year end ($)	*0.81*	*1.24*	*0.91*	*0.67*	*0.16*
Basic EPS (cents)	*(0.77)*	*(0.41)*	*(0.41)*	*(0.50)*	*(0.85)*
Total Dividends per share	*-*	*-*	*-*	*-*	*-*



D. Overview of Executive Remuneration

The remuneration policy of De Grey has been designed by the board taking into consideration the stage of development of the Group and the activities undertaken. The guidance is to build mutually beneficial outcomes by aligning key management personnel with shareholder and business objectives.

The performance of any company depends largely on the quality of its executives, to this end, De Grey Mining Limited endeavours to attract, motivate and retain highly skilled executives and embodies the following principles in its remuneration framework.

- Provide competitive rewards to attract high calibre executives
- Link executive rewards to shareholder value
- Ensure a significant portion of executive remuneration is 'at risk', dependent on meeting performance benchmarks
- Establish appropriate, demanding performance hurdles in relation to variable executive remuneration

Fixed Annual Remuneration

We reward executives by providing a mix of fixed remuneration (base salary plus superannuation capped at $27,500 for the 2021-22 financial year) and variable remuneration consisting of short-term ("STI") and long-term incentives ("LTI") on key performance areas affecting the Group's financial results or operational milestones.

Measurement tools used in determining fixed annual remuneration include consideration of general market conditions and that includes benchmarking against industry peers for comparable executive roles. The process is incorporated into the periodic remuneration reviews undertaken and with oversight of the Remuneration and Nomination Committee.

Mix of Remuneration (Target)

		%	
Managing Director			
	Fixed Remuneration	50%	
	STI	17%	Final quantum determination based upon annual performance review, including consideration of their performance against a KPI scorecard.
	LTI	33%	Up to 50% of annual LTI is held at risk and measured against performance
Other KMP's			
	Fixed Remuneration	50-53%	
	STI	17-23%	Final quantum determination based upon annual performance review, including consideration of their performance against a KPI scorecard.
	LTI	27-30%	Up to 50% of annual LTI is held at risk and measured against performance

During the current financial year, Patrick Hollywell resigned. As he met the criteria and was considered a 'good leaver', the 25,714 options granted to him in the 2020-21 financial year vested on 30 June 2022 and have since been exercised. Refer to Section H: Details of KMP Remuneration.

Performance Rights and Option Plan (PR&OP), Performance Rights (PRP) and Employee Option Plans (EOP) of De Grey Mining Limited

The Performance Rights and Option Plan (**PR&OP**) was approved by Shareholders at the 2021 Annual General Meeting ("AGM"). This combined plan will supersede the previous and separate shareholder approved Performance Rights Plan (**PRP**) and Employee Option Plan (**EOP**).

All Directors, full and part time employees, as well as key consultants of De Grey Mining Limited are eligible to participate in each Plan. Any issue of Rights or Options to Directors under either Plan will be subject to Shareholder approval pursuant to the provisions of the ASX Listing Rules and the *Corporations Act 2001.* The Directors consider that the PR&OP and previously the PRP and EOP collectively represents an appropriate method to:

- Reward Directors, Key management personnel and employees for their past performance;
- Provide long term incentives for participation in the Company's future growth;
- To motivate and retain Directors, KMP and senior employees;
- Establish a sense of ownership in the Company for the Directors and employees;
- Enhance the relationship between the Company and its employees for the long-term mutual benefit of all parties; and
- Enable the Company to attract high calibre individuals who can bring specific expertise to the Company.

E. Executive STI and LTI Performance Review Outcomes

Short-term Incentive (STI)

The STI is designed to reward employee performance with respect to a balanced scorecard of financial and non-financial performance measures.

The annual STI opportunity exists for all Executives in the form of a cash bonus. The executive must be employed to be eligible to receive the payment and achieve a score of at least 65% in respect to Wealth Creation and Preservation performance metrics used in guiding the annual STI review process.
The Key features of the Annual STI review are as follows:

- One year performance period covers 1 July 2021 – 30 June 2022;
- Each Executive is assessed utilising a KPI Scorecard rating process - up to 100% (with 100% being a factor of 1.0);
- Remuneration and Nomination Committee discretion to reward a factor greater than 1.0 for executives considered to have achieved higher or exceptional performance; and
- The 2021-22 KPI Scorecard is weighted against the following key measures:
  - Global resources growth/new discoveries;
  - Advancing the prefeasibility study (PFS);
  - Strategy and development opportunities and initiatives, with emphasis on innovation & technology;
  - Occupational health and safety – leadership, culture and systems;
  - People & capability – building board and organisational capabilities;
  - Maintaining robust compliance and asset tenure process;
  - Community relations – partnering and seeking agreements with key stakeholders
  - Finances and systems – capable of funding to meet corporate objectives, with strong underlying systems of control; and
  - governance and reporting systems, including best practice regulatory obligations;

These measures were chosen to best align the performance of the KMP with the business objectives included in the strategic plan. The focus this year was to advance the project to the PFS stage whilst ensuring the safety of employees, relationships with stakeholders are maintained and compliance elements are met. KMPs will be assessed using a scorecard that considers a weighted evaluation against these criteria. This is considered the best approach given the size and nature of the company.

The Remuneration and Nomination Committee (and ultimately the board for final decision) retain discretion to vary or supplement the STI, following conferral with the executive, to better define and formalise those criteria, having regard to the nature and scale of the business and any other applicable matters relevant to the current transition which is underway from explorer toward development and ultimately as a producer.

In carrying out the assessment against the suite of KPI's and on the recommendation of the Committee, the board took into consideration the following matters:

- The scale of the project has increased over the year with significant projected annual production metrics improvements from the October 2021 scoping study of ~430,000ozpa for the first 10 years to the PFS of ~540,000ozpa for the first 10 years;
- The PFS included the higher confidence maiden ore reserve of 5.1Moz at 1.5g/t Au and the value added by the increase in project production rate, mine life and confidence level at the PFS stage have in part outweighed further short-term resource growth metrics;
- There were many challenges confronted in the year that included the ongoing impacts of Covid-19 restrictions and considerations and keeping people safe, border closures, staffing challenges, the global fuel cost shock, instability from the Ukraine conflict as well as global supply chain impacts, these needed to be taken into consideration and considered to be outside of managements control.

The scorecard was used to assess the performance of the KMP and outcomes for the 2021-22 financial year are included within the table below where the amount to be paid in the 2022-23 financial year (STI Awarded) is calculated as the STI base multiplied by the STI Achievement %.

Executive KMP	STI Base $	STI Achievement %	STI Forfeited %	STI Awarded $
Glenn Jardine	$175,000	80%	-	$140,000
Andrew Beckwith	$150,000	79%	-	$118,500
Peter Canterbury	$120,000	85%	-	$102,000
Craig Nelmes[1]	$60,000	77%	-	$46,200[1]
Philip Tornatora	$120,000	84%	-	$100,800

[1] The 2021-22 financial year reported bonus of $96,200 reported in section H of the Remuneration Report includes this $46,200 bonus as well as a $55,000 cash bonus relating to the 2020-21 financial year as approved in November 2021. Refer also to *Section H: Details of KMP Remuneration*.

Long-term Incentive (LTI)

The annual LTI opportunity consists of zero priced unlisted options (**ZEPO's**) and are issued to both executive directors and other key management personnel. The current LTI is designed to reward performance over a three-year period.

The ZEPO's will vest upon satisfaction of all of the following vesting conditions or where, vesting conditions are not satisfied the Board does have overall discretion whether or not to vest the options.

- Remain employed by the company until vesting date to be eligible to receive the payment;
- Delineation of Mineral Resources (as that term is defined in JORC, 2012 Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves) of not less than 12 million ounces of gold at the Company's Mallina Gold Project (inclusive of the existing regional 2.2 million ounces) by 3 December 2024;
- Completion of a Definitive Feasibility Study (DFS) confirming feasibility for a 500,000 ounces of gold per annum project through a mine life of no less than 12 years, or such other number as approved by the Board following completion of a Pre-Feasibility Study. The DFS is to be signed off in its entirety by a suitably qualified engineering group (with oversight from the Board); and
- The Company securing debt and/or equity finance for a Board approved Project arising from the DFS.

Non-market measures are intended to reward executives for aligning their rewards with De Grey's business outcomes and creating sustainable shareholder value. The objectives for De Grey are to exploit the Mallina Gold project, which entails defining the resource and completing both prefeasibility and definitive feasibility studies, as well as funding the project. The measures identified achieves these objectives and will create significant shareholder value. The successful completion of these vesting conditions will be confirmed by the Board and LTIP will be issued. If the milestones are not achieved by the vesting date, the options will be forfeited.

One half of these LTI ZEPOs will be evaluated against the KPI Scorecard in June of each year and upon achieving 65%+ score then the 50% of these ZEPOs having achieved the incentive condition remain eligible to vest. If the executive does not achieve the annual score of 65% or more, then the 50% of the ZEPOs will be cancelled, whilst the balance will vest solely subject to achieving the LTI milestones. The LTI milestones are tested at the end of year three.

LTI granted in 2021-22 financial year

There were 199,879 ZEPO's issued to executives as LTI Incentives in FY2022 that have a 3-year term. These additional LTI ZEPO's, issued at the discretion of the board are subject to evaluation over a 2-year period, with 50% at risk based upon the STI annual KPI scorecard result.

The incentives issued at the commencement of the remuneration cycle cover a 3-year period, however where additional ZEPOs are issued, they will be evaluated over the remaining period of the remuneration cycle. ZEPOs issued during this financial year will be evaluated over the remaining 2 years of the remuneration cycle.

If the executive ceases employment before the STI and LTI payment, they will lose the STI and any LTI award unless the executive is a defined as a "Good Leaver". Where the executive is a "Good Leaver", a pro-rata award may be made, subject to the Board's discretion (and would include consideration of the employment time served during the performance period and the satisfaction of any agreed KPI). The executive loses the award on cessation of employment where they are considered a "Bad Leaver". A good Leaver means:

- The Executive ceases to be employed by the Company because the Executive: dies or is permanently incapacitated so that they are unable to perform their employment duties;
- Is aged 60 or older and permanently retires from all employment;
- Validly terminates the Employment in accordance with its terms due to material breach by the Company;
- has the Employment terminated by the Company other than for reasons justifying summary dismissal, a material breach of contract, underperformance or any other reason specified under the ESA; and/or
- Validly terminates the Employment because of a diminution of role after the Company undergoes a Change in Control.

Additional LTI – Managing Director

The Managing Director also receives an annual LTI $100,000 in the form of performance rights, under his employment agreement and issued on the following dates with an annual performance milestone of the Company's Shares reaching a price equal to or greater than 120% of the VWAP for the 10 trading days prior to the date of issue of the Performance Rights, as well as remaining employed by the Company as Managing Director as at the annual date of satisfaction of the milestone (15 September).

- 1st tranche – was issued in September 2020, milestone achieved, and performance rights vested;
- 2nd tranche – was issued in September 2021; milestone (being the achievement of a share price of $1.318) not achieved, and performance rights forfeited; and
- 3rd tranche - was issued in September 2022, milestone assessment 15 September 2023.

This award was granted in 2021 following approval of Shareholders at the Annual General Meeting held 29th November 2021.The Company will be required to seek fresh Shareholder approval in order to issue further Performance Rights under the terms of the Employment Agreement, beyond Tranche 3.

All STI and LTI's have been awarded for the 2022 financial year except for the additional LTI, performance rights for the Managing Director. To have earned that tranche, the share price needed to reach $1.318 during the 10 days prior to issue date (15 September 2022).

No ZEPO's awarded as LTI's vested during the year, however 91,008 performance rights granted to Mr Glenn Jardine were forfeited which represents 30% of the LTI opportunity to the Managing Director.

Other LTI granted in the 2017-2018 financial year

Issued and approved November 2017:

As at 30 June 2022, the remaining Tranche 4 is not yet vested, with the vesting condition being that "*The Company securing Project Financing for the Pilbara Gold Project at a minimum throughput of 1M tpa" and* with an expiry date of 30 November 2022.

F. Executive service agreements

Remuneration and other terms of employment for the executive directors and other KMP are formalised in employment or service agreements. The major provisions of the agreements relating to remuneration for the year ended 30 June 2022 are set out in the table below:

Name	Agreement	Base Salary /Fees (p.a.)	STI Base	LTI Base	Consulting/Hr	Duration	Notice Period	Termination
Glenn Jardine	Service	$500,000	$175,000	$325,000	-	Ongoing	3 months	6 months
Andrew Beckwith	Service	$325,000	$150,000	$175,000	-	Ongoing	3 months	6 months
Craig Nelmes	Service	$260,000	$60,000	$80,000	-	Ongoing	3 months	6 months
Patrick Holywell[1]	Service	-	-	-	$140	Terminated[1]	1 month	1 month
Peter Canterbury	Service	$375,000	$120,000	$210,000	-	Ongoing	3 months	3 months
Philip Tornatora	Service	$325,000	$120,000	$180,000	-	Ongoing	3 months	3 months

[1] Mr Holywell provided Company Secretarial services as a consultant under a service agreement and resigned on 17 December 2021

G. Non-executive Director remuneration

The board policy is to remunerate non-executive directors at market rates for comparable companies for time, commitment, and responsibilities. The board determines payments to the non-executive directors and reviews their remuneration annually, based on market practice, duties and accountability.

Fees for non-executive directors are not linked to the performance of the Group. However, to align Directors' interests with shareholder interests, the non-executive directors may receive short term performance incentives and longer-term performance incentives as approved by shareholders.

NED's fees are determined within an aggregate NED fee pool limit, which is periodically approved by shareholders. The maximum aggregate amount of fees that can be paid to non-executive directors is subject to approval by shareholders at the Annual General Meeting. The last aggregate pool was approved at the AGM held in November 2021 and is currently $1,500,000.

The annual remuneration for each non-executive director was set in the range of $150,000 - $200,000 per annum for the 2021-2022 financial year. These fees have been supported by independent advice from BDO Rewards (WA) Pty Ltd and determined by the Board of the Company. The fees take into consideration factors such as the market rates of industry peer companies, the current level of activity and the experience of the Directors. Where there is a significant change in the size and scale of Company activities these annual fees will be reviewed. Where approved and at the request of the board, any of the Non-Executive Directors may from time to time be required to fulfil certain executive functions.

The Non-Executive Directors can elect at the start of each financial year to receive up to a $50,000 portion of their annual remuneration base fee in Share Rights under the Non-Executive Director Share Plan (NED Share Plan) and subject to obtaining shareholder approval.

Specific to the 2021-22 financial year, Director Peter Hood made an election to receive a quantum of NED share rights which were granted to the Non-Executive Directors after approved by shareholders was received at the AGM held on 29 November 2021, and at which meeting the NED Share Plan was also approved.

21,816 NED share rights were issued to Peter Hood and was determined by dividing an amount of $25,000 by the face value of Shares (calculated as the 30 day VWAP as at 1 January 2022 of $1.14597). The maximum possible total value of the NED share rights is the assessed fair value at the grant date of the NED Share Rights, calculated in accordance with Accounting Standards.

The only vesting condition of this issue of NED share rights is that the individual remains a Non-Executive Director of the Company on 30 June 2022, with pro rata reduction if the directorship ends for any reason prior to 30 June 2022. Performance hurdles are not required on these rights as it is considered part of the fixed remuneration for services provided by the NED.

Non-executive Directors Share Plan

The objective of the NED Share Plan is to attract, motivate and retain its non-executive directors and the Company considers that the adoption of the Share Plan and the future issue of Shares Rights under the Share Plan will provide non-executive directors with the opportunity to participate in the future growth of the Company.

H. Details of 2021-22 KMP remuneration

Details of the remuneration of the directors, the key management personnel of the Group.

		Short-term				*Post-Employment*		*Share Based Payments*		*Long term benefits*	**Total**	*% of remuneration*
		Cash, Salary & Fees	*Cash Bonus[1]*	*Leave*	*Other*	*Termination Payments*	*Super*	*Options*	*Performance/ Share Rights*	*Long Service Leave*		*Performance Based*
		$	$	$	$	$	$	$	$	$	$	%
Directors												
Simon Lill												
	2022	**181,819**	**-**	**-**	**-**	**-**	**18,181**	**-**	**17,132**	**-**	**217,132**	**8%**
	2021	124,201	-	-	-	-	11,799	103,800	17,235	-	257,035	47%
Glenn Jardine												
	2022	**472,500**	**140,000**	**25,443**	**-**	**-**	**27,500**	**165,840**	**(25,957)[4]**	**3,322**	**808,648**	**35%**
	2021	370,268	150,000	20,567	-	-	25,000	87,916	155,355	-	809,106	49%
Andrew Beckwith												
	2022	**287,584**	**118,500**	**(4,148)**	**-**	**-**	**27,500**	**138,452**	**13,705**	**8,814**	**590,407**	**46%**
	2021	261,994	67,260	11,123	-	-	24,889	208,649	13,788	-	587,703	49%
Samantha Hogg[2]												
	2022	**57,867**	**-**	**-**	**-**	**-**	**5,787**	**-**	**-**	**-**	**63,654**	**0%**
	2021	-	-	-	-	-	-	-	-	-	-	0%
Peter Hood												
	2022	**117,045**	**-**	**-**	**-**	**-**	**7,955**	**-**	**27,161**	**-**	**152,161**	**18%**
	2021	85,845	-	-	-	-	8,155	41,520	-	-	135,520	31%
Bruce Parncutt												
	2022	**136,364**	**-**	**-**	**-**	**-**	**13,636**	**-**	**-**	**-**	**150,000**	**0%**
	2021	85,845	-	-	-	-	8,155	41,520	-	-	135,520	31%
Eduard Eshuys												
	2022	**136,364**	**-**	**-**	**-**	**-**	**13,636**	**-**	**-**	**-**	**150,000**	**0%**
	2021	85,845	-	-	-	-	8,155	41,520	-	-	135,520	31%
Sub-total Directors												
	2022	**1,389,543**	**258,500**	**21,295**	**-**	**-**	**114,195**	**304,292**	**32,041**	**12,136**	**2,132,002**	
	2021	1,013,998	217,260	31,690	-	-	86,153	524,925	186,378	-	2,060,404	

	Short-term				*Post-Employment*		*Share Based Payments*		*Long term benefits*	Total	*% of remuneration*
	Cash, Salary & Fees	*Cash Bonus[1]*	*Leave*	*Other*	*Termination Payments*	*Super*	*Options*	*Performance/ Share Rights*	*Long Service Leave*		*Performance Based*
	$	$	$	$	$	$	$	$	$	$	%
Other Executives											
Craig Nelmes [5]											
2022	**232,500**	**101,200**	**14,331**	**-**	**-**	**27,500**	**63,292**	**10,279**	**5,712**	**454,814**	**37%**
2021	219,178	-	10,959	-	-	20,822	36,068	10,341	-	297,368	16%
Patrick Holywell[3]											
2022	**6,780**	**3,000**	**-**	**-**	**-**	**-**	**27,444**	**-**	**-**	**37,224**	**82%**
2021	62,040	-	-	-	-	-	2,256	-	-	64,296	4%
Peter Canterbury											
2022	**347,500**	**102,000**	**15,890**	**-**	**-**	**27,500**	**150,873**	**-**	**952**	**644,715**	**39%**
2021	145,833	35,625	6,771	-	-	-	57,055	-	-	245,284	38%
Philip Tornatora											
2022	**297,500**	**100,800**	**19,452**	**-**	**-**	**27,500**	**113,978**	**-**	**11,898**	**571,128**	**38%**
2021	257,230	95,200	18,821	-	-	24,437	54,102	-	-	449,790	33%
Sub-total other executives											
2022	**889,280**	**302,000**	**49,673**	**-**	**-**	**82,500**	**355,587**	**10,279**	**18,562**	**1,707,881**	
2021	684,281	130,825	36,551	-	-	45,259	149,481	10,341	-	1,056,738	
Total key management personnel compensation											
2022	**2,278,823**	**560,500**	**70,968**	**-**	**-**	**196,695**	**659,879**	**42,320**	**30,698**	**3,839,883**	
2021	1,698,279	348,085	68,241	-	-	131,412	674,406	196,719	-	3,117,142	

[1] The FY2022 bonus will be paid in the FY2023 reporting period.
[2] Samantha Hogg commenced with the company on 28 January 2022.
[3] Patrick Holywell resigned from the company on 17 December 2021.
[4] Rights issued to Glenn Jardine are issued in 3 tranches, T1 140,846 vested in September 2021, T2 91,008 were forfeited in September 2022 and T3 94,738 should vest in September 2023. The number of rights to be issued for T2 and T3 have been adjusted for the actual issue. As the T2 rights were forfeited any amount previously recorded for these rights has been reversed in the current reporting period.
[5] The bonus consists of the FY2021 bonus approved and paid in FY2022 reporting period of $55,000 (inclusive of 10% superannuation) and $46,200 bonus will be paid in the FY2023 reporting period.

Shareholdings of Key Management Personnel

2022	Opening Balance 1 July 2021	Received on exercise of rights &/or options[3]	Held at resignation	Disposals during the year	Other changes during the year	Closing Balance 30 June 2022
	No.	No.	No.	No.	No.	No.
Directors						
Simon Lill	13,739,063	-	-	(500,000)	-	**13,239,063**
Glenn Jardine	-	-	-	-	-	**-**
Andrew Beckwith	8,031,668	-	-	(1,985,000)	-	**6,046,668**
Samantha Hogg[1]	-	-	-	-	-	**-**
Peter Hood	4,300,000	-	-	(850,000)	-	**3,450,000**
Bruce Parncutt	-	-	-	-	-	**-**
Eduard Eshuys	-	-	-	-	-	**-**
Other executives						
Craig Nelmes	4,948,253	600,000	-	(555,000)	-	**4,993,253**
Patrick Holywell[2]	170,000	-	(170,000)	-	-	**-**
Peter Canterbury	4,000	-	-	-	-	**4,000**
Philip Tornatora	5,648,479	800,000	-	-	-	**6,448,479**
Total	**36,841,463**	**1,400,000**	**(170,000)**	**(3,890,000)**	**-**	**34,181,463**

[1]Samantha Hogg was appointed 28 January 2022 and at the time held nil shares.
[2]Patrick Holywell resigned 17 December 2021 and at the time held 170,000 shares.
[3] Shares received on the exercise of options carried an exercise price of $0.35. The share price on the date of exercise was $1.405.

Option-holdings of Key Management Personnel

2022	Opening Balance 1 July 2021	Options granted during the year	Options exercised during the year	Options Lapsed during the year	Held at resignation	Closing Balance 30 June 2022	Vested and exercisable 30 June 20222
	No.	No.	No.	No.	No.	No.	No.
Directors							
Simon Lill	130,566	-	-	-	-	**130,566**	130,566
Glenn Jardine	553,454	47,971	-	-	-	**601,425**	-
Andrew Beckwith	659,896	-	**-**	**-**	-	**659,896**	163,207
Samantha Hogg[1]	-	-	-	-	-	**-**	
Peter Hood	52,227	-	-	-	-	**52,227**	52,227
Bruce Parncutt	52,227	-	-	-	-	**52,227**	52,227
Eduard Eshuys	52,227	-	-	-	-	**52,227**	52,227
Other executives							
Craig Nelmes	827,058	-	(600,000)	-	-	**227,058**	-
Patrick Holywell[2]	325,714	-	-	-	(325,714)	**-**	-
Peter Canterbury	547,422	55,966	-	-	-	**603,388**	-
Philip Tornatora	1,140,587	95,942	(800,000)	-	-	**436,529**	-
Total	**4,341,378**	**199,879**	**(1,400,000)**	**-**	**(325,714)**	**2,815,543**	**450,454**

[1]Samantha Hogg was appointed 28 January 2022 and at the time held nil options.
[2]Patrick Holywell resigned 17 December 2021 and at the time held 325,714 options.

Performance rights of Key Management Personnel

2022	Opening Balance 1 July 2021	Rights granted during the year	Rights exercised during the year	Rights forfeited during the year	Other changes during the year[3]	Closing Balance 30 June 2022	Vested and exercisable 30 June 2022
	No.	No.	No.	No.	No.	No.	No.
Directors							
Simon Lill	500,000	-	-	-	-	**500,000**	-
Glenn Jardine	723,632	-	-	(91,008)	(306,032)	**326,592**	140,846
Andrew Beckwith	400,000	-	-	-	-	**400,000**	-
Samantha Hogg[1]	-	-	-	-	-	**-**	-
Peter Hood	-	21,816	-	-	-	**21,816**	21,816
Bruce Parncutt	-	-	-	-	-	**-**	-
Eduard Eshuys	-	-	-	-	-	**-**	-
Other executives							
Craig Nelmes	300,000	-	-	-	-	**300,000**	-
Patrick Holywell[2]	-	-	-	-	-	**-**	-
Peter Canterbury	-	-	-	-	-	**-**	-
Philip Tornatora	-	-	-	-	-	**-**	-
Total	**1,923,632**	**21,816**	**-**	**(91,008)**	**(306,032)**	**1,548,408**	**162,662**

[1]Samantha Hogg was appointed 28 January 2022 and at the time held nil rights.
[2]Patrick Holywell resigned 17 December 2021 and at the time held nil rights.
[3] Rights issued to Mr Jardine are issued in 3 tranches, T1 140,846 vested in September 2021, T2 91,008 have been forfeited in September 2022 and T3 94,738 should vest in September 2023. The number of rights to be issued for T2 and T3 have been adjusted for the actual issue.

I. Securities based compensation – options

The Company granted 199,879 (2021: 2,641,378) options over unissued ordinary shares during the financial year to Directors and other key management personnel as part of their remuneration, as detailed in the table below:

	Grant Date	Expiry Date	Exercise Price (cents)	Value per option at grant date (cents)	Granted Number	Value of Options Granted	Vesting Date	Number Vested and exercisable in prior periods	*Maximum expense to be recognised in future years*
2022									
Glenn Jardine	29 Nov 21	3 Dec 24	-	124.5	47,971	$59,724	3 Dec 24	-	48,159
Peter Canterbury	21 Dec 21	3 Dec 24	-	112.0	55,966	$62,682	3 Dec 24	-	51,577
Philip Tornatora	21 Dec 21	3 Dec 24	-	112.0	95,942	$107,455	3 Dec 24	-	88,416
2021									
Andrew Beckwith	10 Jul 2020	29 Jul 2022	-	79.5	163,207	$129,750	30 Jul 2020	163,207	-
Simon Lill	10 Jul 2020	29 Jul 2022	-	79.5	130,566	$103,800	30 Jul 2020	130,566	-
Eduard Eshuys	10 Jul 2020	29 Jul 2022	-	79.5	52,227	$41,520	30 Jul 2020	52,227	-
Bruce Parncutt	10 Jul 2020	29 Jul 2022	-	79.5	52,227	$41,520	30 Jul 2020	52,227	-
Peter Hood	10 Jul 2020	29 Jul 2022	-	79.5	52,227	$41,520	30 Jul 2020	52,227	-
Andrew Beckwith	4 Dec 2020	3 Dec 2024	-	111.5	496,689	$553,808	3 Dec 2024	-	474,910
Glenn Jardine	4 Dec 2020	3 Dec 2024	-	111.5	553,454	$617,101	3 Dec 2024	-	529,185
Philip Tornatora	4 Dec 2020	3 Dec 2024	-	111.5	340,587	$379,755	3 Dec 2024	-	325,652
Craig Nelmes	4 Dec 2020	3 Dec 2024	-	111.5	227,058	$253,170	3 Dec 2024	-	217,102
Patrick Holywell	31 May 2021	30 Jun 2022	-	115.5	25,714	$29,700	30 Jun 2022	-	27,444
Peter Canterbury	1 Feb 2021	3 Dec 2024	-	98.00	547,422	$536,474	3 Dec 2024	-	479,418

Options granted to Key management personnel under the shareholder approved Employee Option plans as both compensation for their past performance and as a mechanism to retain key management personnel. Options are subject to vesting conditions which are disclosed in Part B, Remuneration Policy.

J. Securities based compensation – performance rights

The Company granted 21,816 (2021: 723,632) performance rights over unissued ordinary shares during the financial year to Directors and other key management personnel as part of their remuneration, as detailed in the table below:

	Grant Date	Expiry Date	Value per right at grant date (cents)	Granted Number	Exercised Number	Expired Number	Vesting Date	Number Vested at end of year	*Maximum expense to be recognised in future years*
2022									
Peter Hood	29 Nov 2021	31 Dec 2026	124.5	21,816	-	-	30 Jun 2022	21,816	-
2021									
Glenn Jardine	10 Jul 2020	23 Sep 2023	69.2	140,846[1]	-	-	15 Sep 2021	140,846	-
Glenn Jardine	10 Jul 2020	23 Sep 2024	33.3	91,008[1]	-	-	15 Sep 2022	-	-
Glenn Jardine	10 Jul 2020	23 Sep 2025	35.4	94,738[1]	-	-	15 Sep 2023	-	1,604

[1] Rights issued to Mr Jardine are issued in 3 tranches, T1 140,846 vested in September 2021, T2 91,008 have been forfeited in September 2022 and T3 94,738 should vest in September 2023. The number of rights to be issued for T2 and T3 have been adjusted on the actual issue. Refer to section B above for further information.

K. Other transactions and balances with Key Management Personnel

De Grey have entered into a number of contracts which resulted in transactions with key management personnel as follows.

	2022 **$**	2021 $
Paid for promotional activities	**9,961**	-
Paid to relatives of Mr Beckwith	**86,715**	95,323
Paid to relatives of Mr Tornatora	**81,651**	78,500

- Victoria Lill provided promotional filming and corporate photography services. Victoria Lill is the daughter of Simon Lill, the non-executive chairman of De Grey.

Where personnel are employed by De Grey and are considered a related party to key management personnel, those transactions are entered into in the ordinary course of business at arm's length.

- De Grey employed a relative of Mr Andrew Beckwith and a relative of Mr Phil Tornatora. None of these employees reported directly to a KMP.

<u>Terms and conditions of transactions with related parties</u>

Outstanding balances at the yearend are unsecured and interest free and settlement occurs in cash and are presented as part of trade payables.

----------- End of Audited Remuneration Report -----------

Directors' and Committee Meetings

The number of meetings of the Company's Board of Directors and its committees held in the 12 months to 30 June 2022 and the number of meetings attended by each Director are as per the following table:

	Directors Meetings		Audit & Risk Committee[1]		Remuneration & Nomination Committee[2]		Environment, Social Governance Committee	
	Eligible	Attended	Eligible	Attended	Eligible	Attended	Eligible	Attended
Simon Lill	11	11	4	4	4	4	1	1
Glenn Jardine	11	11	n/a	n/a	n/a	n/a	n/a	n/a
Andrew Beckwith	11	11	n/a	n/a	n/a	n/a	n/a	n/a
Samantha Hogg	4	4	2	2	2	2	1	1
Peter Hood	11	11	4	4	4	4	1	1
Eduard Eshuys	11	11	4	4	4	4	1	1
Bruce Parncutt	11	11	2	2	2	2	n/a	n/a

[1]The Committee Chair changed on 28 January 2022, when Peter Hood took over the role of Committee Chair, Samantha Hogg was appointed, with Eduard Eshuys and Bruce Parncutt leaving the Committee. The Committee have both an Independent Chair as well as a composition consisting of a majority of Independent Directors. The Committee Chair moved to Samantha Hogg from 24 March 2022.

[2]The Committee Chair changed from Eduard Eshuys to Peter Hood on 24 March 2022, with Samantha Hogg appointed and with Bruce Parncutt leaving the Committee.

Share Options and Performance rights

At the date of this report there are 3,966,574 unissued ordinary shares in respect of which options are outstanding and 1,566,554 performance rights outstanding.

Type	Number	Exercise Price	Expiry Date
Unlisted options	927,022	Nil cents	31 July 2024
Unlisted options	3,039,552	Nil cents	3 December 2024
Performance rights	21,816	N/A	31 December 2024
Performance rights	1,450,000	N/A	30 November 2022
Performance rights	94,738[1]	N/A	23 September 2025

[1] Rights issued to Mr Jardine are issued in 3 tranches, T1 140,846 vested in September 2021, T2 91,008 were forfeited in September 2022 and T3 94,738 should vest in September 2023. Refer to section B above for further information.

During the financial year 420,226 options were issued, 2,790,000 options were exercised, and 242,150 options were forfeited. 112,824 performance rights were issued, none were exercised, and none expired. Since the end of the financial year, 927,022 options have been issued and 1,811,544 options have been exercised. Since the end of the financial year 94,738 performance rights have been issued, 140,846 have been exercised and 91,008 have been forfeited.

No person entitled to exercise options and/or performance rights had or has any right by virtue of the option to participate in any share issue of the Company or a right to vote at a shareholder meeting.

Insurance of Directors and Officers

During the financial year, De Grey paid a premium to insure the directors, officers and joint secretaries of the Company. The total amount of insurance contract premiums paid is confidential under the terms of the insurance policy.

The liabilities insured are legal costs that may be incurred in defending civil or criminal proceedings that may be brought against the officers in their capacity as officers of the Company, and any other payments arising from liabilities incurred by the officers in connection with such proceedings. This does not include such liabilities that arise from conduct involving a wilful breach of duty by the officers or the improper use by the officers of their position or of information to gain advantage for themselves or someone else or to cause detriment to the company. It is not possible to apportion the premium between amounts relating to the insurance against legal costs and those relating to other liabilities.

Indemnification of auditors

To the extent permitted by law, the Company has agreed to indemnify its auditors, Ernst & Young Australia, as part of the terms of its audit engagement agreement against claims by third parties arising from the audit (for an unspecified amount). No payment has been made to indemnify Ernst & Young Australia during or since the financial year.

Non-Audit Services

There were no non-audit services provided by the Group's current auditor, Ernst & Young, or associated entities (refer Note 23) in the current year.

Proceedings on behalf of the Company

As at the date of this report there are no leave applications or proceedings booked on behalf of De Grey under section 237 of the *Corporations Act 2001*.

Environmental Regulation

The Group is subject to environmental regulation in respect to its exploration activities. The Group aims to ensure the appropriate standard of environmental care is achieved, and in doing so, that it is aware of and compliant with all environmental legislation. The directors of the Group are not aware of any breach of environmental legislation for the year under review.

Auditor's Independence Declaration

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out on page 48.

This report is made in accordance with a resolution of the Directors

Simon Lill	**Samantha Hogg**
Non-Executive Chairman	**Chair of the Audit & Risk Committee**

Perth, 30 September 2022

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Building a better working world

Auditor's independence declaration to the directors of De Grey Mining Limited

As lead auditor for the audit of the financial report of De Grey Mining Limited for the financial year ended 30 June 2022, I declare to the best of my knowledge and belief, there have been:

a. No contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and

b. No contraventions of any applicable code of professional conduct in relation to the audit.

c. No non- audit services provided that contravene any applicable code of professional conduct in relation to the audit.

This declaration is in respect of De Grey Mining Limited and the entities it controlled during the financial year.

Ernst & Young

Ernst & Young

Pierre Dreyer
Partner
30 September 2022

Consolidated Statement of Comprehensive Income

FOR THE YEAR ENDED 30 JUNE 2022	Notes	Consolidated 2022 $	2021 $
REVENUE & OTHER INCOME			
Revenue	5	**31,833**	35,751
Interest income	5	**263,135**	279,198
Other income	5	**552,938**	260,540
EXPENDITURE			
Employee benefits expense	6/31	**(3,770,003)**	(2,294,547)
Share based payments expense		**(2,395,810)**	(1,043,414)
Compliance expenses		**(692,768)**	(422,972)
Corporate advisory and consulting expenses		**(430,879)**	(548,389)
Administration and other expenses		**(2,293,149)**	(777,046)
Depreciation and amortisation		**(1,640,221)**	(636,426)
Finance costs		**(161,786)**	(102,964)
LOSS BEFORE INCOME TAX		**(10,536,710)**	(5,250,269)
INCOME TAX EXPENSE	7	**-**	-
LOSS FOR THE YEAR		**(10,536,710)**	(5,250,269)
OTHER COMPREHENSIVE INCOME			
Items that may be reclassified to profit or loss			
Other comprehensive income for the year, net of tax		**-**	-
TOTAL COMPREHENSIVE LOSS FOR THE YEAR ATTRIBUTABLE TO EQUITY HOLDERS OF DE GREY MINING LIMITED		**(10,536,710)**	(5,250,269)
Basic and diluted loss per share for loss attributable to the ordinary equity holders of the company (cents per share)	30	**(0.77)**	(0.41)

The above Consolidated Statement of Comprehensive Income should be read in conjunction with the Notes to the Consolidated Financial Statements.

Consolidated Statement of Financial Position

AT 30 JUNE 2022	Notes	Consolidated 2022 $	2021 $
CURRENT ASSETS			
Cash and cash equivalents	8	**63,494,235**	70,949,700
Trade and other receivables	9	**1,878,079**	1,503,359
Inventories	10	**279,071**	206,656
Other assets	11	**1,308,943**	924,936
TOTAL CURRENT ASSETS		**66,960,328**	73,584,651
NON-CURRENT ASSETS			
Financial assets	12	**24,866**	111,871
Deferred exploration & evaluation expenditure	13	**233,963,542**	114,402,821
Property, plant and equipment	14	**8,815,213**	6,581,282
Right of use asset	15	**1,843,584**	2,223,792
TOTAL NON-CURRENT ASSETS		**244,647,205**	123,319,766
TOTAL ASSETS		**311,607,533**	196,904,417
CURRENT LIABILITIES			
Trade and other payables	16	**18,217,028**	17,339,122
Lease liabilities	17	**420,745**	353,212
Employee benefit obligations	18	**946,684**	616,570
TOTAL CURRENT LIABILITIES		**19,584,457**	18,308,904
NON-CURRENT LIABILITIES			
Lease liabilities	17	**1,474,351**	1,870,580
Employee benefit obligations	18	**136,625**	65,303
Rehabilitation provision	19	**2,270,954**	1,022,230
TOTAL NON-CURRENT LIABILITIES		**3,881,930**	2,958,113
TOTAL LIABILITIES		**23,466,387**	21,267,017
NET ASSETS		**288,141,146**	175,637,400
EQUITY			
Contributed equity	20	**356,706,505**	235,892,228
Reserves	21	**3,565,203**	1,339,024
Accumulated losses	21	**(72,130,562)**	(61,593,852)
TOTAL EQUITY		**288,141,146**	175,637,400

The above Consolidated Statement of Financial Position should be read in conjunction with the Notes to the Consolidated Financial Statements.

Consolidated Statement of Changes in Equity

FOR THE YEAR ENDED 30 JUNE 2022

Consolidated	Notes	Contributed Equity $	Share Based Payments Reserves $	Accumulated Losses $	Total $
BALANCE AT 30 JUNE 2021		**235,892,228**	**1,339,024**	**(61,593,852)**	**175,637,400**
Loss for the year	21(b)	-	-	**(10,536,710)**	**(10,536,710)**
OTHER COMPREHENSIVE INCOME		-	-	-	-
TOTAL COMPREHENSIVE LOSS		-	-	**(10,536,710)**	**(10,536,710)**
TRANSACTIONS WITH OWNERS IN THEIR CAPACITY AS OWNERS					
Shares issued during the year	20(a)	**125,976,620**	-	-	**125,976,620**
Share issue costs	20(a)	**(5,331,975)**	-	-	**(5,331,975)**
Share based payments	21(a)	-	**2,395,811**	-	**2,395,811**
Transfer of reserve on exercise/expiry of SBP	21(a)	**169,632**	**(169,632)**	-	-
BALANCE AT 30 JUNE 2022		**356,706,505**	**3,565,203**	**(72,130,562)**	**288,141,146**
BALANCE AT 30 JUNE 2020		130,713,404	862,609	(56,343,583)	75,232,430
Loss for the year	21(b)	-	-	(5,250,269)	(5,250,269)
OTHER COMPREHENSIVE INCOME		-	-	-	-
TOTAL COMPREHENSIVE LOSS		-	-	(5,250,269)	(5,250,269)
TRANSACTIONS WITH OWNERS IN THEIR CAPACITY AS OWNERS					
Shares issued during the year	20(a)	109,181,570	-	-	109,181,570
Share issue costs	20(a)	(4,569,745)	-	-	(4,569,745)
Share based payments	21(a)	-	1,043,414	-	1,043,414
Share based reserve transfer – exercised	21(a)	566,999	(566,999)	-	-
BALANCE AT 30 JUNE 2021		**235,892,228**	**1,339,024**	**(61,593,852)**	**175,637,400**

The above Consolidated Statement of Changes in Equity should be read in conjunction with the Notes to the Consolidated Financial Statements.

Consolidated Statement of Cash Flows

FOR THE YEAR ENDED 30 JUNE 2022	Notes	Consolidated	
		2022	2021
		$	$
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers		**36,542**	27,664
Other income received		**469,843**	327,622
Payments to suppliers and employees		**(6,971,469)**	(4,723,223)
Interest payments		**(63,348)**	(13,228)
Interest received		**248,465**	273,892
NET CASH OUTFLOW FROM OPERATING ACTIVITIES	29	**(6,279,967)**	(4,107,273)
CASH FLOWS FROM INVESTING ACTIVITIES			
Option payments to acquire tenements		**-**	(500,000)
Proceeds from insurance		**-**	36,800
Payments for plant and equipment		**(3,543,875)**	(5,931,327)
Payments for exploration and evaluation expenditure		**(117,918,538)**	(50,877,906)
NET CASH OUTFLOW FROM INVESTING ACTIVITIES		**(121,462,413)**	(57,272,433)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from issues of ordinary shares		**125,976,620**	108,864,570
Payments of share issue transaction costs		**(5,327,352)**	(4,569,746)
Principal elements of lease payments		**(362,353)**	(118,040)
NET CASH INFLOW FROM FINANCING ACTIVITIES		**120,286,915**	104,176,784
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS		**(7,455,465)**	42,797,078
Cash and cash equivalents at the beginning of the financial year		**70,949,700**	28,152,622
CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL YEAR	8	**63,494,235**	70,949,700

The above Consolidated Statement of Cash Flows should be read in conjunction with the Notes to the Consolidated Financial Statements.

Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED 30 June 2022

1. General Information and summary of significant accounting policies

De Grey Mining Limited is a company limited by shares, domiciled and incorporated in Australia. The registered office and principal place of business of De Grey Mining Limited is Ground Floor, 2 Kings Park Road, West Perth, WA, 6005. De Grey's principal activity is focused on the 100% owned Mallina Gold project in the Pilbara region of WA, and includes the large scale, high value, near surface 2019 Hemi gold discovery.

The financial statements are for the consolidated entity consisting of De Grey Mining Limited and its subsidiaries ("Group") and have been presented in Australian dollars rounded to the nearest dollar unless stated otherwise.

The principal accounting policies adopted in the preparation of the financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

The financial statements were authorised for issue by the directors on 30 September 2022.

A. Basis of preparation

These general purpose financial statements have been prepared in accordance with the Corporations Act 2001, Australian Accounting Standards, and other authoritative pronouncements of the Australian Accounting Standards Board (AASB). De Grey Mining Limited is a for-profit entity for the purpose of preparing the financial statements.

(i) Compliance with IFRS
The financial report also complies with the International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB).

(ii) Historical cost convention
These financial statements have been prepared on a historical cost basis, except for certain financial assets which have been measured at fair value through profit or loss.

(iii) New or amended Accounting Standards and Interpretations adopted
The Group has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for annual periods beginning 1 July 2021. The adoption of these Accounting Standards and Interpretations did not have any significant impact on the financial performance or position of the Group during the financial year.

(iv) New and amended Accounting Standards and Interpretations issued but not yet adopted
Several Australian Accounting Standards and Interpretations, that have recently been issued or amended but are not yet mandatory, have not been early adopted by the Group for the annual reporting period ended 30 June 2022. The Group is assessing the impacts of the amendments; however, the amendments are not expected to have a material impact on the Group.

AASB 2021-2 Amendments to AASB 7, AASB 101, AASB 134 Interim Financial Reporting and AASB Practice Statement 2 Making Materiality Judgements15 – Disclosure of Accounting Policies
(effective 1 January 2023)
The amendments to AASB 101 Presentation of Financial Statements require disclosure of material accounting policy information, instead of significant accounting policies. Unlike 'material', 'significant' was not defined in Australian Accounting Standards. The guidance illustrates circumstances where an entity is likely to consider accounting policy information to be material.

De Grey will consider where these amendments result in changes to the Group's accounting policies and look to update any required disclosure in line with the requirements outlined.

AASB 2021-2 Amendments to AASB 108 – Definition of Accounting Estimates
(effective 1 January 2023)
The amendments to AASB 108 clarify the definition of an accounting estimate, making it easier to differentiate it from an accounting policy. The new definition provides that 'Accounting estimates are monetary amounts in financial statements that are subject to measurement uncertainty.'

De Grey will consider where this amendment results in changes to the Group's accounting policies and look to update any required accounting treatments in line with the requirements outlined.

AASB 2020-1 Amendments to AASs – Classification of Liabilities as Current or Non-current
(Effective 1 January 2023)
A liability is classified as current if the entity has no right at the end of the reporting period to defer settlement for at least 12 months after the reporting period. These amendments to AASB 101 Presentation of Financial Statements clarify the requirements for classifying liabilities as current or non-current. Specifically:
► The amendments specify that the conditions which exist at the end of the reporting period are those which will be used to determine if a right to defer settlement of a liability exists.
► Management intention or expectation does not affect classification of liabilities.
► In cases where an instrument with a conversion option is classified wholly as a liability, the transfer of equity instruments would constitute settlement of the liability for the purpose of classifying it as current or non-current. The classification of liabilities between current and non-current can have important implications for key ratios, debt covenants etc.

Whilst not applicable to De Grey right now, De Grey will consider the amendments and their impact on the classification of debt from future financing.

AASB 2020-3 Amendments to AASs – Annual Improvements 2018–2020 and Other Amendments
(effective 1 January 2022)
Provides amendments in:
► AASB 116, Property, Plant & Equipment: Proceeds before Intended Use – to prohibit an entity from deducting from the cost of an item of property, plant & equipment, the proceeds from selling items produced before that asset is available for use.
► AASB 141, Taxation in Fair Value Measurements – removed from AASB 141 the requirement to exclude taxation cash flows when measuring fair value

De Grey will need to consider the impact once the project goes into development.

AASB 2021-5 Amendments to AASs – Deferred Tax related to Assets and Liabilities arising from a Single Transaction
(effective 1 January 2023)
The amendments to AASB 112 clarify that the initial recognition exception would not normally apply. That is, the scope of this exception has been narrowed such that it no longer applies to transactions that, on initial recognition, give rise to equal amounts of taxable and deductible temporary differences.

De Grey will consider where this amendment results in changes to the Group's accounting policies and look to update any required accounting treatments in line with the requirements outlined. The impact is still being determined.

(v) Going concern
The financial statements have been prepared on the going concern basis, which contemplates the continuity of normal business activities and the realisation of assets and settlement of liabilities in the ordinary course of business.

Management have considered the funding and operational status of the business in arriving at their assessment of going concern and believe that the going concern basis of preparation is appropriate.

B. Principles of consolidation

Subsidiaries
The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of De Grey Mining Limited ("company" or "parent entity") as at 30 June 2022 and the results of all subsidiaries for the year then ended. De Grey Mining Limited and its subsidiaries together are referred to in this financial report as the Group or the consolidated entity.

Subsidiaries are entities the parent controls. The parent controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and could affect those returns through its power over the entity.

Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date that control ceases. The acquisition method of accounting is used to account for business combinations by the Group.

Intercompany transactions, balances, and unrealised gains on transactions between Group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of the impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

Investments in subsidiaries are accounted for at cost in the separate financial statements of De Grey Mining Limited.

Changes in ownership interests
The Group treats transactions with non-controlling interests that do not result in a loss of control as transactions with equity owners of the Group. A change in ownership interest results in an adjustment between the carrying amounts of the controlling and non-controlling interests to reflect their relative interests in the subsidiary. Any difference between the amount of the adjustment to non-controlling interests and any consideration paid or received is recognised in a separate reserve within equity attributable to owners of De Grey Mining Limited.

When the Group ceases to have control, joint control or significant influence, any retained interest in the entity is remeasured to its fair value with the change in carrying amount recognised in profit or loss. The fair value is the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, jointly controlled entity or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to profit or loss.

C. Joint operations

A joint operation is an arrangement in which the Group shares joint control, primarily via contractual arrangements with other parties. In a joint operation, the Group has rights to the assets and obligations for the liabilities relating to the arrangement. This includes situations where the parties benefit from the joint activity through a share of the output, rather than by receiving a share of the results of trading. In relation to the Group's interest in a joint operation, the Group recognises: its assets and liabilities, including its share of any assets and liabilities held or incurred jointly; revenue from the sale of its share of the output and its share of any revenue generated from the sale of the output by the joint operation; and its expenses including its share of expenses incurred jointly. All such amounts are measured in accordance with the terms of the arrangement, which is usually in proportion to the Group's interest in the joint operation. Details of the joint operations are set out in Note 28.

D. Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the full Board of Directors.

E. Foreign currency translation

Functional and presentation currency
Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The consolidated financial statements are presented in Australian dollars, which is De Grey Mining Limited's functional and presentation currency.

Transactions and balances
Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss.

F. Revenue recognition

Interest Revenue
Interest income is recognised as it accrues using the effective interest method.

G. Cash and cash equivalents

For the purposes of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term highly liquid investments that are readily convertible to known amounts of cash and which are subject to insignificant risk of changes in value.

H. Inventories

Inventories are valued at the lower of cost and net realisable value. Cost is determined on a weighted average basis. Any provision for obsolescence or damage is determined by reference to specific stock items identified. The carrying value of obsolete or damaged items is written down to net realisable value.

I. Income tax

The income tax expense or revenue for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period in the countries where the Company's subsidiaries and associates operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is provided in full, using the full liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, the deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss.

Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the reporting date and are expected to apply when the related deferred income tax asset is realised, or the deferred income tax liability is settled.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred tax liabilities and assets are not recognised for temporary differences between the carrying amount and tax bases of investments in controlled entities where the parent entity is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

De Grey Mining Limited and its wholly owned Australian resident entities are part of a tax-consolidated group under Australian taxation law. De Grey Mining Limited is the head entity in the tax-consolidated group. Current tax liabilities and assets and deferred tax assets arising from unused tax losses and tax credits of the members of the tax-consolidated group are recognised by the Company (as head entity in the tax-consolidated group).

Members of the tax consolidated group have entered into a tax sharing agreement that provides for the allocation of income tax liabilities between the entities should the head entity default on its tax payment obligations. No amounts have been recognised in the financial statements in respect of this agreement on the basis that the possibility of default is remote.

Due to the existence of a tax funding arrangement between the entities in the tax-consolidated group, amounts are recognised as payable to or receivable by the Company and each member of the Group in relation to the tax contribution amounts paid or payable between the parent entity and the other members of the tax-consolidated group in accordance with the arrangement. Further information about the tax funding arrangement is detailed in Note 7 to the financial statements. Where the tax contribution amount recognised by each member of the tax consolidated group for a particular period is different to the aggregate of the current tax liability or asset and any deferred tax asset arising from unused tax losses and tax credits in respect of that period, the difference is recognised as a contribution from (or distribution to) equity participants.

J. Financial instruments

Classification of financial instruments
The Group classifies its financial assets into the following measurement categories:
- those to be measured at fair value (either through other comprehensive income, or through profit or loss); and
- those to be measured at amortised cost.

The classification depends on the Group's business model for managing financial assets and the contractual terms of the financial assets' cash flows.

The Group classifies its financial liabilities at amortised cost unless it has designated liabilities at fair value through profit or loss or is required to measure liabilities at fair value through profit or loss such as derivative liabilities.

<u>Measurement of financial instruments</u>

Receivables
Receivables are measured at amortised cost where they have:
- contractual terms that give rise to cash flows on specified dates, that represent solely payments of principal and interest on the principal amount outstanding; and
- are held within a business model whose objective is achieved by holding to collect contractual cash flows.

Trade receivables are initially recognised at the transaction price. Other receivables are initially recognised at fair value plus directly attributable transaction costs and subsequently measured at amortised cost using the effective interest rate (EIR) method. The measurement of credit impairment is based on the expected credit loss (ECL) model described below regarding impairment of financial assets.

Equity instruments
Equity instruments held at fair value through profit or loss are initially recognised at fair value, with transaction costs recognised in the income statement as incurred. Subsequently, they are measured at fair value and any gains or losses are recognised in the income statement as they arise.

Trade and other creditors
These amounts represent liabilities for goods and services provided to the Group prior to the end of the financial year which are unpaid. The amounts are unsecured and are paid on normal commercial terms.

All trade and other creditors are recognised initially at fair value and, in the case of payables, net of directly attributable transaction costs.

For purposes of subsequent measurement, trade and other creditors are measured at amortised cost.

Impairment of financial assets
The Group recognises a loss allowance for expected credit losses on financial assets which are either measured at amortised cost or fair value through other comprehensive income. The ECL is based on the difference between the contractual cash flows due in accordance with the contract and all the cashflows that the Group expects to receive, discounted at an approximation of the original EIR.

For trade and other receivables due in less than 12 months, the Group recognises a loss allowance based on the financial asset's lifetime ECL at each reporting date. The Group establishes a provision matrix for these receivables that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment as sales from product eventuate or significant receivables come to hand.

The Group considers a financial asset in default when contractual payments are 60 days past due. In certain cases, the Group may consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows and usually occurs when past due for more than one year and not subject to enforcement activity.

Recognition and derecognition of financial instruments
A financial asset or financial liability is recognised in the statement of financial position when the Group becomes a party to the contractual provisions of the instrument, which is generally on trade date.

The Group derecognises a financial asset when the contractual cash flows from the asset expire or it transfers its rights to receive contractual cash flows from the financial asset in a transaction in which substantially all the risks and rewards of ownership are transferred. Any interest in transferred financial assets that is created or retained by the Group is recognised as a separate asset or liability.

A financial liability is derecognised from the statement of financial position when the Group has discharged its obligations, or the contract is cancelled or expires.

Offsetting
Financial assets and liabilities are offset and the net amount is presented in the balance sheet when the Group has a legal right to offset the amounts and intends to settle on a net basis or to realise the asset and settle the liability simultaneously.

K. Property, plant and equipment

Each class of plant, equipment and motor vehicle is carried at historical cost less, where applicable, any accumulated depreciation and impairment losses. Cost includes expenditure that is directly attributable to the asset.

The carrying amounts are reviewed annually by Directors to ensure it is not more than the estimated recoverable amount from these assets. The recoverable amount is assessed based on the expected net cash flows that will be received from the asset's employment and subsequent disposal. The expected net cash flows have been discounted to their present values in determining recoverable amounts and an asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Depreciation of property, plant and equipment is calculated using the straight line or reducing balance method to allocate their cost, net of their residual values, over their estimated useful lives, as follows:

Plant and Equipment	4% - 50%	Straight line
Furniture and fittings	5% - 50%	Straight line
Computers	20% - 50%	Straight line
Motor Vehicles	17% - 40%	Reducing balance
Land and buildings	5% - 30%	Straight line

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each reporting date.

L. Leases – group as lessee

An assessment is made, at inception or when contract terms are changed, to determine whether the contract is, or contains, a lease. A contract is or contains a lease if the contract conveys a right to control the use of an identified asset for a period of time in exchange for consideration.

Right-of-use assets
The Group recognises all right of use assets, except for leases that are short-term (12 months or less) and low value leases at the lease commencement date. Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets.

If ownership of the leased asset transfers to the Group at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

The right-of-use assets are also subject to impairment.

Lease liabilities
At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include lease extension options and the exercise price of a purchase option that are reasonably certain to be exercised by the Group and payments of penalties for terminating the lease, if the lease term reflects the Group exercising the option to terminate.

Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

The present value of future lease payments is determined by discounting future lease payments using the interest rate implicit in the lease or, if that rate cannot be determined, then the Group's incremental borrowing rate, which is generally the case.

The present value of the lease liability is increased by the interest cost and decreased by the lease payment each period over the life of the lease. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset

Short-term leases and leases of low-value assets
For leases that are short-term (12 months or less) and/or low value asset leases at the lease commencement date, the Group recognises the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed.

M. Deferred exploration & evaluation expenditure

Exploration and evaluation expenditures in relation to each separate area of interest are recognised as an exploration and evaluation asset in the year in which the expenditure is incurred where:

- The Group has secured (or has the legal right to) tenure, and/or the legal rights to explore an area of interest; and
- Exploration and evaluation activities in the area of interest have not at the end of the reporting period reached a stage which permits a reasonable assessment of the existence or otherwise of economically recoverable reserves, and active and significant operations in, or in relation to, the area of interest are continuing; or
- The exploration and evaluation expenditures are expected to be recouped through successful development and exploitation of the area of interest, or alternatively, by its sale.

Where the conditions outlined are not met in relation to specific area(s) of interest, then those exploration and evaluation costs are expensed as incurred.

If an area of interest is abandoned or if the Directors consider the expenditure to be of reduced value, accumulated costs carried forward are written off or impaired in the year in which that assessment is made. A regular review is undertaken of each area of interest to determine the appropriateness of continuing to carry forward costs in relation to that area of interest.

When a decision is made to proceed with development in a particular area of interest, the relevant exploration and evaluation asset is tested for impairment and the balance is transferred to mine properties under development.

N. Employee benefits

Wages and salaries and other short-term benefits

Liabilities for wages and salaries, including non-monetary benefits are measured at the amounts expected to be paid when the liabilities are settled.

The liability for annual leave is recognised in the provision for employee benefits. All other short-term employee benefit obligations are presented as payables.

Other long-term employee benefits

The Group's liabilities for long service leave are included in other long-term benefits as they are not expected to be settled wholly within twelve (12) months after the end of the period in which the employees render the related service. They are measured using the projected unit credit valuation method. The expected future payments incorporate anticipated future wage and salary levels, experience of employee departures and periods of service, and are discounted at rates determined by reference to market yields at the end of the reporting period on high quality corporate bonds that have maturity dates that approximate the timing of the estimated future cash outflows. Any re-measurements arising from experience adjustments and changes in assumptions are recognised in profit or loss in the periods in which the changes occur.

The Group presents employee benefit obligations as current liabilities in the statement of financial position if the Group does not have an unconditional right to defer settlement for at least twelve (12) months after the reporting period, irrespective of when the actual settlement is expected to take place.

O. Provisions

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated. Provisions are not recognised for future operating losses.

Rehabilitation provision
Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability to the extent the estimated future cashflows have not been adjusted for the risks

Rehabilitation costs include the dismantling and removal of mining plant, equipment and building structures, waste removal and rehabilitation of the site in accordance with the requirements of the mining permits. Such costs are determined using estimates of future costs, current legal requirements, and technology.

Rehabilitation costs are recognised in full at present value as a non-current liability. An equivalent amount is capitalised as part of the cost of the asset when an obligation arises to decommission or restore a site to a certain condition after abandonment because of bringing the assets to its present location. The capitalised cost is amortised over the life of the project and the provision is accreted periodically as the discounting of the liability unwinds. The unwinding of the discount is recorded as a finance cost.

Any changes in the estimates for the costs or other assumptions against the cost of relevant assets are accounted for on a prospective basis. In determining the costs of site restoration there is uncertainty regarding the nature and extent of the restoration due to community expectations and future legislation.

P. Contributed equity

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

Q. Earnings per share

Basic earnings per share
Basic earnings per share is calculated by dividing the profit attributable to owners of the company, excluding any costs of servicing equity other than ordinary shares, by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the year.

Diluted earnings per share
Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account the after-income tax effect of interest and other financing costs associated with dilutive potential ordinary shares and the weighted average number of shares assumed to have been issued for no consideration in relation to dilutive potential ordinary shares.

R. Share-based payments

The Group provides benefits to employees (including directors) of the Group in the form of share-based payment transactions, whereby employees render services in exchange for shares or rights over shares ('equity-settled transactions'), refer to Note 31.

The cost of these equity-settled transactions with employees is measured by reference to the fair value at the date at which they are granted. The fair value is determined by a combination of internal and external sources using a Black-Scholes option pricing model and independent third-party valuations.

The cost of equity-settled transactions is recognised, together with a corresponding increase in equity, over the period in which the performance conditions are fulfilled, ending on the date on which the relevant employees become fully entitled to the award ('vesting date').

The cumulative expense recognised for equity-settled transactions at each reporting date until vesting date reflects (i) the extent to which the vesting period has expired and (ii) the number of options that, in the opinion of the directors of the Group, will ultimately vest. This opinion is formed based on the best available information at balance date. No adjustment is made for the likelihood of market performance conditions being met as the effect of these conditions is included in the determination of fair value at grant date.

No expense is recognised for awards that do not ultimately vest, except for awards where vesting is conditional upon a market condition. Where awards are forfeited because non-market-based vesting conditions are not satisfied, the expense previously recognised is reversed.

Where an equity-settled award is cancelled, it is treated as if it had vested on the date of cancellation, and any expense not yet recognised for the award is recognised immediately. However, if a new award is substituted for the cancelled award and designated as a replacement award on the date that it is granted, the cancelled and new award are treated as if they were a modification of the original award.

Options over ordinary shares have also been issued as consideration for the acquisition of interests in tenements and other services. These options have been treated in the same manner as employee options described above, with the expense being included as part of exploration expenditure.

S. Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the taxation authority. In this case it is recognised as part of the cost of acquisition of the asset or as part of the expense.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the taxation authority is included with other receivables or payables in the statement of financial position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to the taxation authority, are presented as operating cash flows.

T. Significant accounting judgements estimates and assumptions

The preparation of the Group's consolidated financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, the accompanying disclosures, and the disclosure of contingent liabilities at the date of the consolidated financial statements. Estimates and assumptions are continually evaluated and are based on management's experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

In particular, the Group has identified a number of areas where significant judgements, estimates and assumptions are required. Further information on each of these areas and how they impact the various accounting policies are described and highlighted separately with the associated accounting policy note within the related qualitative and quantitative note, as described below.

These include:
- Deferred exploration and evaluation expenditure – Note 13
- Right of use asset & lease liability – Note 15 & 17
- Rehabilitation provision – Note 19
- Share based payments – Note 31.

2. Financial Risk Management

The Group's exposure to a variety of financial risks that may affect the Group's future financial performance. The Board has the overall responsibility for the establishment, with the Audit and Risk Committee having oversight of all risk management policies.

The Committee reports periodically to the Board on its activities and with the assistance of senior management team are responsible for identifying, assessing, treating, and monitoring risks and risk management policies. The Committee oversees management's compliance monitoring processes as well as reviewing the adequacy of the risk management framework in relation to the risks faced by the Group.

Risk management policies and systems are reviewed regularly by the senior management team to reflect changes in market conditions and the Group's activities. The Group aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

A. Market risk

Foreign exchange risk
The Group's operations are in Australia and currently has limited exposures to foreign exchange risk arising from foreign currency transactions.

Foreign exchange risk arises from recognising assets and liabilities denominated in a currency that is not the functional currency of the relevant entity. The Company has a holding of Canadian dollar listed securities.

	Consolidated Total	
	2022	2021
	$	$
Financial assets at fair value through the profit or loss	**24,866**	111,871
	24,866	111,871

The sensitivity of profit or loss to changes in the exchange rates arises mainly from Canadian dollar-denominated financial instruments. A 10 percent increase in the AUD/CAD exchange rate would increase post tax loss by $2,261 (2021: $10,170), while a 10 percent decrease in the AUD/CAD exchange rate would decrease post tax loss by $2,763 (2021: $12,430).

Price risk
The Group's listed and equity investments are susceptible to market price risk arising from uncertainties about future values of the investment securities. The Group manages the market price risk by placing limits on individual and total equity instruments.

At the reporting date, the exposure to equity investments at fair value listed on the TSX was CAD $22,051 (2021: CAD $104,241). Given that the changes in fair values of the equity investments held are strongly positively correlated with changes of the TSX market index, the Group has determined that an increase/(decrease) of 10% on the TSX market index could have an impact of $2,487 (2021: $11,187) increase/(decrease) on the income and equity attributable to the Group.

Interest rate risk
The Group is exposed to movements in market interest rates on cash and cash equivalents. The Group policy is to monitor the interest rate yield curve out to six months to ensure a balance is maintained between the liquidity of cash assets and the interest rate return.

The balance of cash and cash equivalents for the Group of $63,494,235 (2021: $70,949,700) is subject to interest rate risk. The proportional mix of floating interest rates and fixed rates to a maximum of six months fluctuate during the year depending on current working capital requirements. The weighted average interest rate received on cash and cash equivalents by the Group was 0.39% (2021: 0.56%).

Sensitivity analysis
At 30 June 2022, if interest rates had changed by -/+ 100 basis points from the weighted average rate for the year with all other variables held constant, post-tax loss for the Group would have been $672,220 lower or $263,135 higher (2021: $247,756 lower/higher) as a result of lower/higher interest income from cash and cash equivalents.

B. Credit risk

Credit risk refers to the risk that a counter party will default on its contractual obligation resulting in financial loss to the Group.

(i) Risk management
The Group has adopted the policy of dealing with creditworthy counterparties as a means of mitigating the risk of financial loss from a counterparty not meeting its obligations. Customer receivables have 30-day payment term and outstanding receivables are regularly monitored. Cash is deposited only with institutions approved by the Board and typically with a current minimum credit rating of A (or equivalent) as determined by a reputable credit rating agency. The Group has established a policy of having aggregate funds on term deposit or invested in money markets allocated across financial counterparties. The carrying amount of the Group's financial assets represents the maximum credit risk exposure.

	Consolidated	
	2022	2021
	$	$
Trade receivables		
Counterparties without external credit rating – other	**100,639**	13,546
Total trade receivables	**100,639**	13,546
Cash and cash equivalents		
A + external credit rating	**63,494,235**	64,904,307
A – external credit rating	-	6,045,393
Total cash and cash equivalents	**63,494,235**	70,949,700

(ii) *Impaired trade receivables*
In determining the recoverability of trade and other receivables, the Group performs a risk analysis using a provision matrix to measure expected credit losses. The provisions rates are based on the type and age of the outstanding receivable and the creditworthiness of the counterparty. The calculation reflects the probability-weighted outcome, the time value of money and reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions. If appropriate, an impairment loss is recognised in profit or loss. The Group does not have any impaired trade and other receivables as at 30 June 2022 (2021: nil).

C. Liquidity risk

The Group manages liquidity risk by monitoring the immediate and forecasted cash requirements and ensures that adequate cash reserves and/or marketable securities are available to pay debts as and when due.

The Group's primary activities are currently mineral exploration. Prudent liquidity risk management implies maintaining sufficient cash and marketable securities as the Group does not have ready access to credit facilities at this stage of its life cycle. Management regularly monitors its rolling cash forecasts and the state of equity markets in initiating the timing of capital raisings for its future funding requirements.

Maturities of financial liabilities
An analysis of the Group's financial liabilities into relevant maturity groupings based on their contractual maturities and on the basis of the contractual undiscounted cash flows as presented in the table that follows.

	Less than 6 months $	6 – 12 months $	1 – 2 Years $	2 – 5 years $	Total $
As at 30 June 2022					
Trade and other payables	17,676,778	-	-	-	**17,676,778**
Lease liabilities	235,922	235,922	486,000	1,060,432	**2,018,276**
Total non-derivatives	**17,912,700**	**235,922**	**486,000**	**1,060,432**	**19,695,054**
As at 30 June 2021					
Trade and other payables	17,339,122	-	-	-	**17,339,122**
Lease liabilities	190,875	229,051	471,844	1,546,432	**2,438,202**
Total non-derivatives	**17,529,997**	**229,051**	**471,844**	**1,546,432**	**19,777,324**

D. Fair value estimation

The fair value of financial assets and financial liabilities must be estimated for recognition and measurement or for disclosure purposes. All financial assets and financial liabilities of the Group at the balance date are recorded at amounts approximating their fair value. The fair value of financial instruments traded in active markets is based on quoted market prices at the reporting date. The quoted market price used for financial assets held by the Group is the current bid price.

Movements in the fair value of financial assets and liabilities may be recognised through the consolidated statement of comprehensive income.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

The financial assets and liabilities are presented by class in the table below at their carrying amounts.

	Fair value hierarchy	AASB 9 classification	2022 $	2021 $
Financial assets				
Investment in listed shares	Level 1	Fair value through profit and loss	**24,866**	111,871

There have been no transfers between fair value levels during the reporting period.

The carrying value of trade receivables and payables approximate their fair values due to their short-term nature.

3. Capital management

For the purpose of the Group's capital management, capital includes issued capital, and all other equity reserves attributable to the equity holders of the parent. The Group's objectives when managing capital are to safeguard their ability to continue as a going concern, so that they may continue to provide returns for shareholders and benefits for other stakeholders.

Due to the nature of the Group's activities, being mineral exploration, the Group does not have ready access to credit facilities, with the primary source of funding being equity raisings. Therefore, the focus of the Group's capital risk management is the current working capital position against the requirements of the Group to meet exploration programmes and corporate overheads.

The Group's strategy is to ensure appropriate liquidity is maintained to meet anticipated operating requirements, with a view to initiating appropriate capital raisings as required. The working capital position of the Group at 30 June 2022 and 30 June 2021 are as follows:

	Consolidated	
	2022	2021
	$	$
Cash and cash equivalents	**63,494,235**	70,949,700
Trade and other receivables	**1,878,079**	1,503,359
Trade and other payables	**(18,217,028)**	(17,339,122)
Working capital position	**47,155,286**	55,113,937

4. Segment Information

Management has determined the operating segments based on the reports reviewed by the Board of Directors that are used to make strategic decisions. For management purposes, the Group has identified one reportable operating segment being exploration activities undertaken in one geographical segment being Australasia. This segment includes the activities associated with the determination and assessment of the existence of commercial economic reserves, from the Group's mineral assets in the sole geographic location.

5. Revenue and other income

	Consolidated	
	2022	2021
	$	$
Revenue		
Revenue	**31,833**	35,751
Interest income	**263,135**	279,198
Other Income		
EIS Grant	**-**	22,775
Gain sale of assets	**-**	7,200
Other income	**552,938**	230,565
	847,906	575,489

6. Expenses

	Note	Consolidated 2022 $	2021 $
Loss before income tax includes the following specific expenses:			
Contributions to superannuation funds		**459,651**	718,030
Lease liability – interest charge		**57,573**	13,228
Share based payments – options	31	**2,226,375**	892,717
Share based payments – performance rights	31	**169,436**	150,697
Loss on Change in fair value of investment		**87,005**	89,405

7. Income tax

	Consolidated 2022 $	2021 $
(a) Income tax expense		
Current tax expense	-	-
Deferred tax expense	-	-
Total Income tax expense per income statement	-	-
(b) Numerical reconciliation between tax expense and pre-tax net loss		
Net loss before tax	**(10,536,710)**	(5,250,269)
Corporate tax rate applicable 30% (2021: 30%)	**30%**	30%
Income tax benefit on above at applicable corporate tax rate	**(3,161,013)**	(1,575,081)
Increase/(decrease) in income tax due to tax effect of:		
Share based payments expense	**718,743**	313,024
Non-deductible expenses	**18,787**	45,603
Deductible temporary differences not recognised	**2,423,483**	1,227,704
Non-assessable income	-	(11,250)
	-	-
Effect of Tax rate change at 30%	-	-
(c) Recognised deferred tax assets and liabilities	**30%**	30%
Deferred tax assets		
Employee provisions	**306,079**	204,562
Other provisions and accruals	**174,410**	10,736
Rehabilitation assets and liabilities	-	306,669
ROU assets	**15,454**	-
Tax losses	**65,402,901**	29,921,240
	65,898,843	30,443,207
Set-off deferred tax liabilities	**(65,898,843)**	(30,443,207)
Net deferred tax assets	-	-

	Consolidated	
	2022	2021
	$	$
Deferred tax liabilities		
Prepayments	**(33,967)**	-
Exploration & mine properties	**(65,850,853)**	(30,433,585)
Unearned Income	**(14,023)**	(9,622)
Gross deferred tax liabilities	**(65,898,843)**	(30,443,207)
Set-off of deferred tax assets	**65,898,843**	30,443,207
Net deferred tax liabilities	**-**	-

(d) Unused tax losses and temporary differences for which no deferred tax asset has been recognised

	30%	30%
Deductible temporary differences	**2,565,666**	1,750,095
Tax revenue losses	**20,008,838**	16,693,707
Tax capital losses	**77,100**	-
Total unrecognised deductible temporary differences	**22,651,604**	18,443,802

The corporate tax rates on both recognised and unrecognised deferred tax assets and deferred tax liabilities have been calculated with respect to the tax rate that is expected to apply in the year the deferred tax asset is realised, or the liability is settled.

(e) Tax consolidation

Effective 1 July 2004, for the purposes of income taxation, De Grey Mining Limited and its 100% owned Australian subsidiaries formed a tax consolidated group. The head entity of the tax consolidated group is De Grey Mining Limited. Members of the group have entered a tax sharing arrangement that provides for the allocation of income tax liabilities between the entities should the head entity default on its tax payment obligations. At the balance date, the possibility of default is remote.

Measurement method adopted under AASB Interpretation 1052 Tax Consolidation Accounting

De Grey Mining Limited and the controlled entities in the tax consolidated group continue to account for their own current and deferred tax amounts. The Group has applied the group allocation approach in determining the appropriate amount of current taxes and deferred taxes to allocate to members of the tax consolidated group. The current and deferred tax amounts are measured in a systematic manner that is consistent with the broad principles in AASB 112 Income Taxes.

In addition to its own current and deferred tax amounts, De Grey Mining Limited also recognises current tax liabilities (or assets) and the deferred tax assets arising from unused tax losses and unused tax credits assumed from controlled entities in the tax consolidated group.

The entities have also entered into a tax funding agreement under which the wholly owned entities fully compensate De Grey Mining Limited for any current tax payable assumed and are compensated by De Grey Mining Limited for any current tax receivable and deferred tax assets relating to unused tax losses or unused tax credits that are transferred to De Grey Mining Limited under the tax consolidation legislation. The funding amounts are determined by reference to the amounts recognised in the wholly owned entities' financial statements.

The amounts receivable/payable under the tax funding agreement are due upon receipt of the funding advice from the head entity, which is issued as soon as practicable after the end of each financial year. The head entity may also require payment of interim funding amounts to assist with its obligations to pay tax instalments. The funding amounts are recognised as current intercompany receivables or payables. Subsidiaries will recognise any current tax expense equal to the current tax liability and be charged through intercompany by the head entity.

(f) Franking credits

The company has no franking credits available for use in future years (2021: Nil).

8. Cash and cash equivalents

	Consolidated	
	2022	2021
	$	$
Cash at bank & on hand (i)	**32,056,853**	52,427,074
Short-term deposits (ii)	**31,437,382**	18,522,626
	63,494,235	70,949,700

(i) Cash at bank earns interest at floating rates based on daily bank deposit rates.

(ii) Short term deposits held for the purposes of meeting short term cash commitments of the Group are made for varying periods typically between one day and three months depending on the immediate cash requirements of the Group. If the short-term deposits have an original maturity greater than three months, principal amounts must be able to be redeemed in full prior to scheduled maturity with no significant penalty otherwise the deposits will be classified as other financial assets. The weighted average interest rate achieved for the year was 0.39% (2021: 0.56%).

9. Trade and other receivables

	Consolidated	
	2022	2021
	$	$
Trade and other receivables	**257,069**	536,931
GST receivable (net)	**1,574,268**	934,356
Accrued interest	**46,742**	32,072
	1,878,079	1,503,359

As the majority of receivables are short term in nature, their carrying amount approximates fair value. Trade and other receivables are measured at amortised cost as the SPPI test is satisfied. Receivables are generally due for settlement within 30 days and held for the business model of collecting contractual cash flows.

10. Inventories

	Consolidated	
	2022	2021
	$	$
Diesel fuel inventories	**279,071**	206,656
	279,071	206,656

11. Other assets

	Consolidated	
	2022	2021
	$	$
Prepayment – other (i)	**1,308,943**	918,388
Advances & deposits	**-**	6,548
	1,308,943	924,936

(i) Prepayments – other includes prepaid insurance premiums for the period 1 July 2022 to 30 April 2023.

12. Financial assets

	Consolidated 2022 $	2021 $
Financial assets at fair value through profit or loss		
Canadian (TSX-V) listed equity securities (i) (ii)	**24,866**	**111,871**
	24,866	**111,871**

(i) The financial assets are presented as non-current assets unless management intends to dispose of them within 12 months of the end of the reporting period.

(ii) Financial assets are valued at the quoted closing share price as at reporting date, being CAD $0.44 (2021: CAD $2.08). During the year, a loss of $87,005 (2021: loss of $89,405) was recognised in the consolidated statement of comprehensive income (Note 5).

13. Deferred exploration & evaluation expenditure

	Consolidated 2022 $	2021 $
Beginning of financial year	**114,402,821**	48,938,399
Exploration expenditure - all areas of interest (i)	**119,756,940**	65,908,260
Tenement acquisition	**-**	817,000
Rehabilitation additions	**1,248,724**	-
Fuel Tax credit offset	**(1,444,943)**	(1,260,838)
	233,963,542	114,402,821

(i) The Group has capitalised all costs associated with The Mallina Project. The recoverability of the carrying amount of the exploration and evaluation assets is dependent on successful development and commercial exploitation, or alternatively, sale of the respective areas of interest.

(ii) At 30 June 2022, the Group conducted an assessment to determine whether there were any indicators of impairment in relation to the carrying value of its capitalised deferred exploration and evaluation expenditure. No indicators of impairment were present and therefore the Group did not impair any previously capitalised expenditure (2021: $Nil).

Significant judgements, estimates and assumptions

The application of the Group's accounting policy for E&E expenditure requires judgement to determine whether future economic benefits are likely from either future exploitation or sale, or whether activities have not reached a stage that permits a reasonable assessment of the existence of reserves.

In addition to applying judgement to determine whether future economic benefits are likely to arise from the Group's E&E assets or whether activities have not reached a stage that permits a reasonable assessment of the existence of reserves, the Group has to apply a number of estimates and assumptions. The determination of a JORC (The Australasian Code for Reporting of exploration results, mineral resources and ore reserves) resource is itself an estimation process that involves varying degrees of uncertainty depending on how the resources are classified (i.e., measured, indicated or inferred). The estimates directly impact when the Group defers E&E expenditure.

The deferral policy requires management to make certain estimates and assumptions about future events and circumstances, particularly, whether an economically viable extraction operation can be established. Any such estimates and assumptions may change as new information becomes available. If, after expenditure is capitalised, information becomes available suggesting that the recovery of expenditure is unlikely, the relevant capitalised amount is written off to the statement of profit or loss and other comprehensive income in the period when the new information becomes available.

14. Property, plant and equipment

	Consolidated							
	Plant & Equipment	**Computer Equipment**	**Furniture & Fittings**	**Motor Vehicles**	**Land & Buildings**	**Medical Equipment**	**Assets in Progress**	**Total**
	$	**$**	**$**	**$**	**$**	**$**	**$**	**$**
2022								
Gross carrying amount – at cost	2,205,161	931,135	778,821	1,706,303	842,099	1,850	4,584,349	**11,049,718**
Accumulated depreciation	(699,309)	(412,929)	(155,578)	(534,247)	(432,135)	(307)	-	**(2,234,505)**
Net book amount	**1,505,852**	**518,206**	**623,243**	**1,172,056**	**409,964**	**1,543**	**4,584,349**	**8,815,213**
Property, plant and equipment movement 2022								
Opening net book amount	939,917	332,469	93,690	1,213,417	607,433	-	3,394,356	**6,581,282**
Additions	909,162	445,019	654,665	259,596	-	1,850	1,189,993	**3,460,285**
Depreciation charge	(343,227)	(259,282)	(125,112)	(300,957)	(197,469)	(307)	-	**(1,226,354)**
Closing net book amount	**1,505,852**	**518,206**	**623,243**	**1,172,056**	**409,964**	**1,543**	**4,584,349**	**8,815,213**

	Consolidated							
	Plant & Equipment	**Computer Equipment**	**Furniture & Fittings**	**Motor Vehicles**	**Land & Buildings**	**Medical Equipment**	**Assets in Progress**	**Total**
	$	**$**	**$**	**$**	**$**	**$**	**$**	**$**
2021								
Gross carrying amount – at cost	1,295,999	486,116	124,156	1,446,707	842,099	-	3,394,356	**7,589,433**
Accumulated depreciation	(356,082)	(153,647)	(30,466)	(233,290)	(234,666)	-	-	**(1,008,151)**
Net book amount	**939,917**	**332,469**	**93,690**	**1,213,417**	**607,433**	**-**	**3,394,356**	**6,581,282**
Property, plant and equipment movement 2021								
Opening net book amount	204,895	122,360	36,698	427,444	507,782	-	155,826	**1,455,005**
Additions	898,641	304,692	78,664	965,214	31,586	-	3,411,171	**5,689,968**
Completion of assets in progress	-	-	-	-	172,641	-	(172,641)	**-**
Assets written off	-	-	-	(29,600)	-	-	-	**(29,600)**
Depreciation charge	(163,619)	(94,583)	(21,672)	(149,641)	(104,576)	-	-	**(534,091)**
Closing net book amount	**939,917**	**332,469**	**93,690**	**1,213,417**	**607,433**	**-**	**3,394,356**	**6,581,282**

15. Right of use asset

	Consolidated 2022 $	2021 $
Right of use asset – office premises		
Gross carrying amount (i)	**2,257,449**	2,223,792
Accumulated depreciation	**(413,865)**	-
Net book amount	**1,843,584**	2,223,792
Opening net book amount	**2,223,792**	499,975
Additions on inception	-	2,223,792
Additions – additions for the year	**33,657**	-
Depreciation for the year – leased office premises	**(413,865)**	(102,335)
Office lease cancelled during the year	-	(397,640)
Closing net book amount	**1,843,584**	2,223,792

(i) The right of use asset consists of De Grey Mining Limited's head office lease and assumes that the options for office lease term extensions will not be exercised.

(ii) The present value of future lease payments is determined by discounting future lease payments using the incremental borrowing rate at the commencement date of the lease. The incremental borrowing rate for the year ending 30 June 2022 is 3% (2021: 3%). See Note 17 for associated lease liabilities.

(iii) The expense relating to the short-term leases is $8,570,049 (2021: $1,367,904) which includes $6,437,541 (2021: $243,000) of camp site accommodation. The rental of this accommodation was terminated in July 2022. All short-term lease expenses were capitalised to deferred exploration and evaluation expenditure (Note 13).

(iv) The total cash outflow for all leases, including short-term leases, was $8,306,478 (2021: $1,351,182).

16. Trade and other payables

	Consolidated 2022 $	2021 $
Trade payables	**16,803,472**	15,950,850
Other payables and accruals[(i)]	**1,413,556**	1,388,272
	18,217,028	17,339,122

(i) Other payables and accruals are non-interest bearing and are normally settled on terms of 30-90 days.

17. Lease liabilities

	Consolidated 2022 $	2021 $
Current		
Lease liabilities – office premises	**420,745**	353,212
Non-current		
Lease liabilities – office premises	**1,474,351**	1,870,580
Carrying value - beginning of the year	**2,223,792**	515,679
Interest expense	**57,573**	13,899
Lease payments	**(419,926)**	(129,763)
lease terminations	-	(399,815)
Additions	**33,657**	2,223,792
Carrying value - end of the year	**1,895,096**	2,223,792

The group is required to make significant judgements, estimates and assumptions in assessing the lease liability of the office lease and has used an interest rate of 3% and a term of 5 years. However, the contract provides for an extension of a further 3 years and this has not been included in the calculations of the lease liability and would have the effect of increasing the lease liability.

18. Employee benefit obligations

	Consolidated 2022 $	Consolidated 2021 $
Current		
Annual Leave (i)	**946,684**	616,570
Non-current		
Long Service Leave (ii)	**136,625**	65,303

(i) The current provision for employee benefits includes all unconditional entitlements where employees have completed the required period of service. The entire amount is presented as current, since the consolidated entity does not have an unconditional right to defer settlement and has an expectation that employees will take the full amount of accrued leave or require payment within the next 12 months.

(ii) The Group's employee benefit obligations for long service leave are shown as non-current as they are not expected to be settled wholly within twelve (12) months after the end of the period in which the employees render the related service.

19. Rehabilitation provision

	Consolidated 2022 $	Consolidated 2021 $
Opening balance	**1,022,230**	1,022,230
Additions for the Withnell Project	**1,248,724**	-
Closing balance	**2,270,954**	1,022,230

(i) This provision was brought to account on settlement of the Indee Gold acquisition and covers the mining leases that are subject of an approved Mine closure plan. The Group assesses its mine rehabilitation provision annually and have prepared an updated mine closure financial assurance cost estimate for the Withnell Project as at 30 June 2022. Significant judgement is required in determining the provision for mine rehabilitation and closure as there are many factors that will affect the ultimate liability payable to rehabilitate the mine sites, including future disturbances caused by further development, changes in technology, changes in regulations, price increases, changes in timing of cash flows which are based on life of mine plans and changes in discount rates. When these factors change or become known in the future, such differences will impact the mine rehabilitation provision in the period in which the change becomes known. The timing of the rehabilitation activities is expected to occur between FY2033 and FY2034.

In determining the liability, a discount rate of 3.66% has been applied. Sensitivity analysis was performed to evaluate the difference by increasing or decreasing the discount rate by +/- 200 basis points which provided a NPV of $1,841,225 and $2,817,907 respectively.

20. Contributed equity

(a) Share capital		**2022**		2021	
	Issue Price	**Number of shares**	**$**	**Number of shares**	**$**
Ordinary shares issued and fully paid		**1,408,843,525**	**356,706,505**	1,292,417,061	235,892,228
Total contributed equity		**1,408,843,525**	**356,706,505**	1,292,417,061	235,892,228

(b) Movements in ordinary share capital					
Beginning of the financial year		**1,292,417,061**	**235,892,228**	1,172,514,206	130,713,404
Issued during the current & prior years:					
Placement share issue[(i)]	$1.10	**113,636,364**	**125,000,000**	-	-
Shares issued on exercise of options	$0.10	-	-	9,210,714	921,071
Shares issued on exercise of options	$0.30	-	-	5,733,333	1,720,000
Shares issued on exercise of options	$0.35	**2,790,000**	**976,500**	2,110,000	738,500
Placement share issue	$0.28	-	-	19,232,142	5,385,000
Placement share issue	$1.20	**100**	**120**	83,416,666	100,100,000
Shares issued as part consideration for tenement purchase	$1.585	-	-	200,000	317,000
Transaction costs		-	**(5,331,975)**	-	(4,569,746)
Share based payments reserve transfer on exercise		-	**169,632**	-	566,999
End of the financial year		**1,408,843,525**	**356,706,505**	1,292,417,061	235,892,228

(c) Movements in options on issue		**Number of options**	
		2022	2021
Beginning of the financial year		**7,463,020**	19,844,047
Net issued / (exercised or cancelled) during the year:			
– Exercisable at 10 cents, on or before 31 Oct 2020	Unlisted	**-**	(7,210,714)
– Exercisable at 30 cents, on or before 30 May 2021	Unlisted	**-**	(4,233,333)
– Exercisable at 30 cents, on or before 30 Sept 2021	Unlisted	**-**	(1,500,000)
– Exercisable at 10 cents, on or before 31 Dec 2021	Unlisted	**-**	(2,000,000)
– Exercisable at 35 cents, on or before 12 Mar 2021	Unlisted	**-**	(2,110,000)
– Exercisable at 35 cents, on or before 12 Mar 2022	Unlisted	**(2,790,000)**	-
– Exercisable at 0 cents, on or before 29 July 2022	Unlisted	**-**	450,454
– Exercisable at 0 cents, on or before 3 Dec 2024	Unlisted	**420,226**	2,619,326
– Exercisable at 0 cents, on or before 29 Jun 2022	Unlisted	**-**	1,603,240
– Forfeited at 0 cents, on 30 Jun 2022	Unlisted	**(242,150)**	-
End of the financial year		**4,851,096**	7,463,020

[(i)] De Grey issued 113,636,364 ordinary fully paid shares at $1.10 per share. Canaccord Genuity (Australia) Limited acted as Global Coordinator, Joint Lead Manager, Joint Underwriter and Joint Bookrunner to the Placement. Argonaut Securities Pty Ltd acted as Joint Lead Manager and Joint Bookrunner, and Argonaut PCF Limited acted as Joint Underwriter to the Placement. Azure Capital acted as Corporate Advisor to the Placement.

(d) Movement in performance/share rights on issue

During the year there were 21,816 unlisted Performance/Share Rights issued (2021: 140,846) to directors of the Group.

	2017 Tranche 4	2021 Tranche 1,2 and 3	Peter Hood Share Rights	Total
2022				
Opening balance – 1 July 2021	1,450,000	723,632	-	**2,173,632**
Performance/Share rights issued	-	-	21,816	**21,816**
Adjustments made during the year – T2	-	(209,292)[1]	-	**(209,292)**
Revised estimate of the provisional rights – T3	-	(187,748)[1]	-	**(187,748)**
Closing balance – 30 June 2022	**1,450,000**	**326,592**	**21,816**	**1,798,408**
2021				
Opening balance – 1 July 2020	1,450,000	-	-	**1,450,000**
Performance rights issued	-	140,846[1]	-	**140,846**
Performance rights issued	-	300,300[1]	-	**300,300**
Performance rights issued	-	282,486[1]	-	**282,486**
Closing balance – 30 June 2021	**1,450,000**	**723,632**	-	**2,173,632**

[1]Rights issued to Mr Jardine are issued in 3 tranches, T1 140,846 vested in September 2021, T2 91,008 have been forfeited in September 2022 and T3 94,738 should vest in September 2023. The number of rights to be issued for T2 and T3 have been adjusted on the actual issue.

1. Tranche 1-2021 - Vesting conditions for the performance rights issued during 2021 are.
   - the Company's shares reaching a price equal to or greater than 120% of the volume weighted average price of the Company's shares for 10 trading days after acceptance of the Offer, within the period 27 July 2020 and 15 September 2021. For completeness it is noted the share price target to be achieved is $0.852 which must be achieved on or before 15 September 2021.
   - Satisfactory completion of a probationary period; and
   - remaining employed by the Company as at 15 September 2021.

   Tranche 2 – 2021 - Vesting conditions for the performance rights issued during 2022 are.
   - the Company's shares reaching a price equal to or greater than 120% of the volume weighted average price of the Company's shares. For completeness it is noted the share price target to be achieved is $1.318; and
   - The executive remaining employed as Managing Director by the Company as at 15 September 2022.

   Tranche 3 - 2021 was approved for issue on 10 July 2020 and will be issued at 15 September 2022. The number of performance rights to be issued is 94,738 and have the following vesting conditions:
   - the Company's shares reaching a price equal to or greater than 120% of the volume weighted average price of the Company's shares; and
   - The executive remaining employed as Managing Director by the Company as at 15 September 2023.

2. Performance Rights issued in November 2017 have mostly vested, however this tranche remains outstanding as at the end of the financial year and have the following vesting conditions:
   - Tranche Four – The Company securing Project Financing for the Mallina Gold Project at a minimum throughput of 1 million tpa.

3. The Share Rights issued to Peter Hood are in lieu of directors fees and have the following vesting conditions:
   - remaining employed by the Company as at 30 June 2022.

(e) Ordinary shares

Ordinary shares entitle the holder to participate in dividends and the proceeds on winding up of the Company in proportion to the number of and amounts paid on the shares held. On a show of hands every holder of ordinary shares present at a meeting in person or by proxy, is entitled to one vote, and upon a poll each share is entitled to one vote. Ordinary shares have no par value, and the Company does not have a limited number of authorised shares. Neither the Company, nor any of its subsidiaries, holds any shares in the Company at 30 June 2022 (2021: Nil).

21. Reserves and accumulated losses

	Consolidated 2022 $	Consolidated 2021 $
(a) Reserves		
Share-based payments reserve (i)	**3,565,203**	1,339,024
	3,565,203	1,339,024
Movements:		
Share-based payments reserve		
Balance at beginning of year	**1,339,024**	862,609
Share based payments (options) expense (*Directors & EOP plan*)	**2,226,375**	892,717
Share based payments (performance rights) expense (*Directors & PR plan*)	**169,436**	150,697
Transfer to Issued Capital on exercise of options	**(169,632)**	(566,999)
Balance at end of year	**3,565,203**	1,339,024
(b) Accumulated losses		
Balance at beginning of year	**(61,593,852)**	(56,343,583)
Net loss for the year	**(10,536,710)**	(5,250,269)
Balance at end of year	**(72,130,562)**	(61,593,852)

(i) Share-based payments reserve - the share-based payments reserve is used to recognise the value of equity benefits provided to either employees or directors as remuneration or to suppliers as payment for products and services.

22. Dividends

	Consolidated 2022 $	Consolidated 2021 $
	-	-

No dividends were paid during the financial year (2021: Nil).
No recommendation for payment of dividends has been made.

23. Remuneration of auditors

	Consolidated 2022 $	Consolidated 2021 $
During the year the following fees were paid or payable for services provided by the auditor of the parent entity, its related practices and non-related audit firms:		
(a) Audit services		
Butler Settineri (Audit) Pty Ltd - audit and review of financial reports	-	4,718
Ernst & Young - audit and review of financial reports	**65,000**	49,000
Total remuneration for audit services	**65,000**	53,718

24. Contingent liabilities

Mount Dove Iron Rights

On 22 September 2015, the company entered into a Deed of Termination with the Atlas Iron Group, where the Atlas Iron Group relinquished its iron ore rights on any of the Turner River Project tenements. If De Grey mines iron ore on any of its the Turner River Project tenements it will pay the Atlas Iron Group a one-off payment of $50,000.

25. Commitments

(a) Exploration commitments

The Group has certain commitments to meet minimum expenditure requirements on the mineral exploration assets it has an interest in.

	Consolidated	
	2022	2021
	$	$
Outstanding Mallina Project exploration commitments are as follows:		
Mallina Project tenements (100% owned)	**1,732,320**	1,569,040
Tenements under option agreements (i)	**126,000**	199,280
Annual commitment for the Mallina Project assets	**1,858,320**	1,768,320

(i) The tenements that remain under option and/or earn-in agreements are with respect to the Farno McMahon, as detailed in Note 28.

(b) Capital commitments

The Group did not have any capital commitments as at the current or prior balance date.

26. Related party transactions

(a) Parent entity

The ultimate parent entity within the Group is De Grey Mining Limited.

(b) Subsidiaries

Interests in subsidiaries are set out in Note 27.

(c) Transactions with related parties

De Grey have entered into a number of contracts which resulted in transactions with key management personnel as follows:

<u>Transactions with related parties</u>

	2022	2021
	$	$
Paid for promotional activities	**9,961**	-
Paid to relatives of Mr Beckwith (ii)	**86,715**	95,323
Paid to relatives of Mr Tornatora (ii)	**81,651**	78,500

(i) Victoria Lill provided promotional filming and corporate photography services. Victoria Lill is the daughter of Simon Lill, the non-executive chairman of De Grey.

(ii) Where personnel are employed by De Grey and are considered a related party to key management personnel, those transactions are entered into in the ordinary course of business at arm's length.

a. De Grey employed a relative of Mr Andrew Beckwith, the Technical Director of De Grey; and
b. De Grey employed a relative of Mr Phil Tornatora, the General Manager – Exploration of De Grey.

None of these employees reported directly to a KMP.

Details of compensation paid to key management personnel are disclosed in the Remuneration Report.

Compensation of key management personnel of the Group	**2022** **$**	2021 $
Short term employee benefits	**2,910,291**	2,114,605
Post-Employment benefits	**196,695**	131,412
Termination benefits	**-**	-
Long term benefits	**30,698**	-
Share based payment transaction	**702,199**	871,125
Total compensation paid to key management personnel	**3,839,883**	3,117,142

27. Subsidiaries

The consolidated financial statements incorporate the assets, liabilities, and results of the following subsidiaries in accordance with the accounting policy described in Note 1(b):

Name	**Country of Incorporation**	**Class of Shares**	**Equity Holding[1]** **2022** **%**	2021 %
Beyondie Gold Pty Ltd	Australia	Ordinary	**100**	100
Domain Mining Pty Ltd	Australia	Ordinary	**100**	100
Winterwhite Resources Pty Ltd	Australia	Ordinary	**100**	100
Last Crusade Pty Ltd	Australia	Ordinary	**100**	100
Indee Gold Pty Ltd	Australia	Ordinary	**100**	100

[1] The proportion of ownership interest is equal to the proportion of voting power held.

28. Interests in joint operations

Farno McMahon Project Option
Principal place of business: Perth, WA
On 28 July 2017, De Grey secured an option to enter into a joint arrangement for tenement E47/2502 and referred to as the Farno McMahon Project. An option fee of $40,000 was paid to the vendor granting De Grey an exclusive right and period to assess the project and on 2 October 2017, the Company elected to enter into a Joint Venture Earn-in. The vendor retains all alluvial rights.

During the 2021 financial year De Grey Mining successfully earned a 75% equity interest in the Farno McMahon Project and has continued exploration during the 2022 financial year. De Grey Mining Limited will manage the joint arrangement.

29. Notes to the statement of cash flows

	Consolidated	
	2022	2021
	$	$
a) Reconciliation of net loss after income tax to net cash outflow from operating activities		
Net loss for the year	**(10,536,710)**	(5,250,269)
Non-Cash Items		
Depreciation of non-current assets	**1,640,221**	636,426
Share based payments (options and performance rights)	**2,395,810**	1,043,414
Loss on foreign currency fluctuation	**11,433**	-
Loss on available for sale investments	**87,005**	89,405
Loss on disposal of PP&E	**-**	(7,200)
Change in operating assets and liabilities		
(Increase) in prepayments	**(581,797)**	-
(Increase)/decrease in trade and other receivables	**(733,105)**	58,285
Increase/(decrease) in trade and other payables	**1,035,745**	(677,334)
Increase in provisions	**401,431**	-
Net cash outflow from operating activities	**(6,279,967)**	(4,107,273)

30. Loss per share

	Consolidated	
	2022	2021
	$	$
(a) Basic and Diluted Loss per Share		
Basic and diluted loss per share for loss attributable to the ordinary equity holders of the company (cents per share)	**(0.77)**	(0.41)
(b) Reconciliation of earnings used in calculating loss per share		
Loss attributable to the owners of the company used in calculating basic and diluted loss per share	**(10,536,710)**	(5,250,269)
(c) Weighted average number of shares used as the denominator		
Weighted average number of ordinary shares used as the denominator in calculating basic and diluted loss per share	**1,369,724,240**	1,266,164,930

(d) Information on the classification of options

As the Group has made a loss for the year ended 30 June 2022, all options on issue are considered antidilutive and have not been included in the calculation of diluted earnings per share. These options could potentially dilute basic earnings per share in the future. There are 4,851,096 unlisted options, of which 1,811,544 are fully vested and potentially issued as ordinary shares at 30 June 2022. No further options will vest and become exercisable with the potential to become ordinary shares in the next financial year. Since the end of the financial year, 927,022 options have been issued and 1,811,544 options have been exercised.

31. Share-based payments

From time-to-time options are granted to;

(i) Eligible employees under the shareholder approved Performance Rights and Option Plan (PR&OP) of De Grey Mining Limited (previously under the separate Performance Rights Plan (PRP) and Employee Option Plan (EOP)) to align their interests with that of the shareholders of the company.

(ii) Directors under rules comparable with the PR&OP, but subject to shareholder approval pursuant to the provisions of the ASX Listing Rules and the *Corporations Act 2001*.

(a) Options

Performance rights and Option Plan ('PR&OP') of De Grey Mining Limited

Shareholders last approved the PR&OP at the Annual General Meeting held on 29 November 2021. The PR&OP is designed to attract and retain eligible employees, provide an incentive to deliver growth and value for the benefit of all shareholders and facilitate capital management by enabling the Company to preserve cash reserves for expenditure on principal activities. Participation in the PR&OP is at the discretion of the Board and no eligible employee has a contractual right to receive an option under the Plan.

The exercise price and expiry date for all options granted will be determined by the board prior to granting of the options, and in the case of Director options subject to shareholder approval. The options granted may also be subject to conditions on exercise and usually have a contractual life of two to three years. Options granted carry no dividend or voting rights. When exercisable, each option is convertible into one ordinary share in the capital of the company with full dividend and voting rights.

ZEPO's have been issued during the year to executives and directors. The ZEPO's will vest upon satisfaction of all of the following non-market vesting conditions, or where, despite vesting conditions not being satisfied, the Board (in its absolute discretion) resolves that unvested Options have vested:

- Upon the satisfaction of the following project milestones (LTIP Milestones):
  a) Delineation of Mineral Resources (as that term is defined in JORC, 2012 Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves) of not less than 12 million ounces of gold at the Company's Mallina Gold Project (inclusive of the existing regional 2.2 million ounces) as at the date of this Meeting);
  b) Completion of a Definitive Feasibility Study (DFS) confirming feasibility for a 500,000 ounces of gold per annum project through a mine life of no less than 12 years, or such other number as approved by the Board following completion of a Pre-Feasibility Study. The DFS is to be signed off in its entirety by a suitably qualified engineering group (with oversight from the Board); and
  c) The Company securing debt and/or equity finance for a Board approved Project arising from the DFS; and
- Upon the executive achieving a score of 65% or more on the annual short term incentive criteria (STIC), as determined by the Board annually. If the executive does not achieve the score of 65% or more, 50% of the Options will be cancelled, whilst the balance will vest solely subject to achieving the LTIP Milestones.

- The ZEPO's were granted on 29 November and 21 December 2021 and have an expiry date of 3 December 2024.

There were 47,971 director options granted (2021: 1,500,597) and 372,255 employee options granted (2021: 3,172,423) in the financial year ended 30 June 2022. They are all currently outstanding and detailed in the following table:

Grant date	Expiry date	Weighted average exercise price Cents	Balance at start of the year	Granted during the year	Forfeited during the year	Exercised during the year	Balance at end of the year	Vested and exercisable at end of the year[1]
2021-2022								
12 Mar 2020	12 Mar 2022	35 cents	2,790,000	-	-	(2,790,000)	-	-
10 Jul 2020	29 Jul 2022	0 cents	450,454	-	-	-	450,454	450,454
4 Dec 2020	3 Dec 2024	0 cents	2,071,904	-	-	-	2,071,904	-
1 Feb 2021	3 Dec 2024	0 cents	547,422	-	-	-	547,422	-
31 May 2021	30 Jun 2022	0 cents	1,603,240	-	(242,150)	-	1,361,090	1,361,090
29 Nov 2021	3 Dec 2024	0 cents	-	47,971	-	-	47,971	-
21 Dec 2021	3 Dec 2024	0 cents	-	372,255	-	-	372,255	-
			7,463,020	**420,226**	**(242,150)**	**(2,790,000)**	**4,851,096**	**1,811,544**
2020-2021								
24 Sept 2017	31 Oct 2020	10 cents	2,250,000	-	-	(2,250,000)	-	-
17 Oct 2018	30 May 2021	30 cents	4,233,333	-	-	(4,233,333)	-	-
12 Mar 2020	12 Mar 2022	35 cents	4,900,000	-	-	(2,110,000)	2,790,000	2,790,000
10 Jul 2020	29 Jul 2022	0 cents	-	450,454	-	-	450,454	450,454
4 Dec 2020	3 Dec 2024	0 cents	-	2,071,904	-	-	2,071,904	-
1 Feb 2021	3 Dec 2024	0 cents	-	547,422	-	-	547,422	-
31 May 2021	30 Jun 2022	0 cents	-	1,603,240	-	-	1,603,240	-
			11,383,333	**4,673,020**	**-**	**(8,593,333)**	**7,463,020**	**3,240,454**

[1]There are no options that have vested that are not exercisable.

Expenses arising from share-based payment transactions - options

The weighted average fair value of the options granted during the year was **$1.13** (2021: $1.12). The price was calculated by using the Black-Scholes European Option Pricing Model applying the following inputs:

2021-2022	**29 Nov 2021**	**21 Dec 2021**
Weighted average exercise price (cents)	0	0
Weighted average life of the option (years)	3.02	2.96
Weighted average underlying share price (cents)	124.5	112.0
Expected share price volatility	95%-110%	95%-110%
Weighted average risk-free interest rate	0.184%	0.184%

2020-2021	**10 Jul 2020**	**4 Dec 2020**	**1 Feb 2021**	**31 May 2021**
Weighted average exercise price (cents)	0	0	0	0
Weighted average life of the option (years)	2.05	4.00	4.01	1.08
Weighted average underlying share price (cents)	79.5	111.5	98.0	115.5
Expected share price volatility	95%-110%	95%-110%	95%-110%	95%-110%
Weighted average risk-free interest rate	0.184%	0.184%	0.184%	0.184%

Historical volatility has been used as the basis for determining expected share price volatility as it assumed that this is indicative of future trends, which may not eventuate.

No assumptions have been made relating to dividends and there are no other inputs to the model. There are no options that have vested that are not exercisable.

Total expenses arising from equity settled share-based payment transactions recognised during the period were as follows:

	2022	2021
	$	$
Options issued to directors and EOP to eligible employees	**2,226,375**	892,717

(b) Performance rights and Non-executive Director Share rights

Performance rights and Option Plan ('PR&OP') of De Grey Mining Limited

Shareholders last approved the PR&OP at the Annual General Meeting held on 29 November 2021. This shareholder plan is designed to attract and retain eligible employees, provide an incentive to deliver growth and value for the benefit of all shareholders and facilitate capital management by enabling the Company to preserve cash reserves for expenditure on principal activities. Participation in the PR&OP is at the discretion of the Board and no eligible employee has a contractual right to receive performance rights under the PR&OP.

Non-executive Director Share Plan ('NED-Share Plan') of De Grey Mining Limited

Shareholders approved the NED-Share Plan at the Annual General Meeting held on 29 November 2021.

The objective of the NED-Share Plan is to attract, motivate and retain its non-executive directors and the Company considers that the adoption of the Share Plan and the future issue of Shares Rights under the Share Plan will provide non-executive directors with the opportunity to participate in the future growth of the Company.

The performance/share rights granted will be determined by the board prior to granting of the rights, and in the case of grants to Directors, these are subject to shareholder approval. The rights granted may be subject to performance milestones before the holder has the right to exercise (Refer Note 21 (d)) and can have a contractual life of up to 5 years. Rights granted carry no dividend or voting rights. When exercisable, each right is convertible into one ordinary share in the capital of the company with full dividend and voting rights.

The following vesting conditions apply to the performance/share rights issued during 2022:

Rights issued in January 2022 (Approved 29 November 2021):

- The director remaining employed by the Company at 30 June 2022.

Rights issued to Glenn Jardine (Managing Director) in September 2021 (granted 10 July 2020) Tranche 2 – FY2022.

- The executive remaining employed as the Managing Director by the Company at 15 September 2022, and
- The Company's share price reaching a price equal to or greater than 120% of the volume weighted average price at 15 September 2021 and calculated as $1.0988 on the next annual issue date of 15 September 2022.

Rights that have been granted in FY2021 but will be issued at 15 September 2022 (Tranche 3), have the following vesting conditions;

- The executive remaining employed as the Managing Director by the Company at 15 September 2023, and
- The Company's share price reaching a price equal to or greater than 120% of the volume weighted average price at 15 September 2022 on the next annual issue date of 15 September 2023.

Grant date	Expiry date	Balance at start of the year Number	Granted during the year Number	Adjustments made during the year (T2)	Revised estimate of the provisional rights (T3)	Balance at end of the year Number	Vested and exercisable 30 June 2022
2021-2022							
20 Dec 2017	30 Nov 2022	1,450,000	-	-	-	1,450,000	-
10 July 2020	23 Sep 2023	723,632		(209,292)[1]	(187,748)[1]	326,592	140,846
29 Nov 2021	31 Dec 2026	-	21,816	-	-	21,816	21,816
		2,173,632	**21,816**	**(209,292)**	**(187,748)**	**1,798,408**	**162,662**
2020-2021							
20 Dec 2017	30 Nov 2022	1,450,000	-	-	-	1,450,000	-
10 July 2020	23 Sep 2023	-	723,632[1]	-	-	723,632	-
		1,450,000	**723,632**	**-**	**-**	2,173,632	**-**

[1] Rights issued to Mr Jardine are issued in 3 tranches, T1 140,846 vested in September 2021, T2 was forfeited in September 2022 and T3 94,738 should vest in September 2023. The number of rights to be issued for T3 will be adjusted on the actual issue.

Expenses arising from share-based payment transactions – performance/share rights

On 12 January 2022, 21,816 unlisted share rights were issued to directors of the Group. As at the end of the financial year 1,986,156 performance/share rights remain outstanding.

	Issued January 2022
Number Issued (No.)	21,816
Grant Date	29 November 2021
Exercise Price ($)	N/A
Expiry Date	31 December 2026
Amortisation date	30 June 2022
Underlying Share Price on Grant ($)	$1.245
Fair value of performance rights	$1.245
Total Fair Value ($) – Life of Right issued during 2022	$27,161
Total Fair Value for all rights ($) – Expensed 30 June 2022	$169,436

32. Events occurring after the reporting date

Subsequent to the end of the financial year, De Grey mining limited announced the Prefeasibility Study Outcomes for the Mallina Gold Project showing a substantial improvement in grade, annual productions, mine life, cashflow and NVP from the release of the scoping study earlier in the financial year. The PFS also resulted in the Company's maiden 5.1Moz reserve statement.

The Mallina Gold Project includes the Hemi and some Regional deposits, and the PFS outcomes boasts gold production of 540,000ozpa over the first 10 years. This has a total gold production of 6.4Moz over a mine life of 13.6 years.

The PFS financial metrics outcomes over the project include a NPV of $3.9 billion pre-tax and $2.7 billion post-tax, IRR of 51% pre-tax and 41% post tax with a payback of 1.6 years pre-tax and 1.8 years post-tax, and an AISC of $1.220/oz in the first 5 years and then $1,280/oz to year 10.

The PFS capital costs outcomes for the 10Mtpa plant and site infrastructure estimated to be $985M inclusive of $100M in growth allowance and an additional mine preproduction pre-strip capital cost of $68M.

33. Parent entity information

	Parent Entity	
	2022	2021
	$	$
The following information relates to the parent entity, De Grey Mining Limited, at 30 June 2022. The information presented here has been prepared using accounting policies consistent with those presented in Note 1.		
Current assets	**66,960,327**	73,584,651
Non-current assets	**244,687,884**	120,949,948
Total assets	**311,648,211**	194,534,599
Current liabilities	**19,721,077**	16,920,632
Non-current liabilities	**3,745,305**	1,935,883
Total liabilities	**23,466,382**	18,856,515
Contributed equity	**356,706,505**	235,892,228
Reserves	**3,565,203**	1,339,024
Accumulated losses	**(72,089,879)**	(61,553,168)
Total equity	**288,181,829**	175,678,084
Loss for the year	**(10,536,710)**	(5,250,269)
Other comprehensive loss	**-**	-
Total comprehensive loss for the year	**(10,536,710)**	(5,250,269)

Contingent liabilities

The parent entity had no contingent liabilities as at 30 June 2022 and 30 June 2021.

Capital commitments

The parent entity had no capital commitments as at 30 June 2022 and 30 June 2021.

Accounting policies

The accounting policies of the parent entity are consistent with those of the consolidated entity, as disclosed in Note 1.

Director's Declaration

In the directors' opinion:

(a) the financial statements and notes set out on pages 49 to 84 are in accordance with the *Corporations Act 2001*, including:

(i) complying with Accounting Standards, the *Corporations Regulations 2001* and other mandatory professional reporting requirements; and

(ii) giving a true and fair view of the consolidated entity's financial position as at 30 June 2022 and of its performance for the financial year ended on that date;

(b) the audited remuneration report set out on pages 32 to 44 of the directors' report complies with section 300A of the Corporations Act 2001;

(c) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable; and

Note 1 confirms that the financial statements also comply with International Financial Reporting Standards as issued by the International Accounting Standards Board.

The directors have been given the declarations by the chief executive officer and chief financial officer required by section 295A of the *Corporations Act 2001*.

This declaration is made in accordance with a resolution of the directors.

Simon Lill
Non-Executive Chairman

Perth, 30 September 2022

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Independent auditor's report to the members of De Grey Mining Limited

Report on the audit of the financial report

Opinion

We have audited the financial report of De Grey Mining Limited (the Company) and its subsidiaries (collectively the Group), which comprises the consolidated statement of financial position as at 30 June 2022, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

In our opinion, the accompanying financial report of the Group is in accordance with the *Corporations Act 2001*, including:

a. Giving a true and fair view of the consolidated financial position of the Group as at 30 June 2022 and of its consolidated financial performance for the year ended on that date; and

b. Complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial report* section of our report. We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial report of the current year. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, but we do not provide a separate opinion on these matters. For the matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the *Auditor's responsibilities for the audit of the financial report* section of our report, including in relation to this matter. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial report. The results of our audit procedures, including the procedures performed to address the matter below, provide the basis for our audit opinion on the accompanying financial report.

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Carrying amount of exploration and evaluation assets

Why significant	How our audit addressed the key audit matter
As disclosed in Note 13 to the financial statements, at 30 June 2022 the Group held capitalised exploration and evaluation assets of $233.9 million. The carrying amount of capitalised exploration and evaluation assets is assessed for impairment by the Group when facts and circumstances indicate that the carrying amount of capitalised exploration and evaluation assets may exceed its recoverable amount. The determination as to whether there are any indicators of impairment, involves a number of judgments including whether the Group has tenure, will be able to perform ongoing expenditure and whether there is sufficient information for a decision to be made that the area of interest is not commercially viable. The directors did not identify any impairment indicators as at 30 June 2022. Given the size of the balance and the judgmental nature of impairment indicator assessments associated with exploration and evaluation assets, we consider this a key audit matter.	In performing our procedures, we: ▸ Considered whether the Group's right to explore was current, which included obtaining and assessing supporting documentation such as license agreements. ▸ Considered the Group's intention to carry out significant ongoing exploration and evaluation activities in the relevant areas of interest which included reviewing the Group's Board meeting minutes and enquiring of senior management and the directors as to their intentions and the strategy of the Group. ▸ Assessed whether exploration and evaluation data existed to indicate that the carrying amount of capitalised exploration and evaluation is unlikely to be recovered through development or sale. ▸ Assessed the adequacy of the disclosures in the financial report.

Information other than the financial report and auditor's report thereon

The directors are responsible for the other information. The other information comprises the information included in the Company's 2022 annual report, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon, with the exception of the Remuneration Report and our related assurance opinion.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the directors for the financial report

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

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- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial report. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated to the directors, we determine those matters that were of most significance in the audit of the financial report of the current year and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on the audit of the Remuneration Report

Opinion on the Remuneration Report

We have audited the Remuneration Report included in the directors' report for the year ended 30 June 2022.

In our opinion, the Remuneration Report of De Grey Mining Limited for the year ended 30 June 2022, complies with section 300A of the *Corporations Act 2001*.

Responsibilities

The directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

Ernst & Young

Ernst & Young

Pierre Dreyer
Partner
Perth
30 September 2022

ASX Additional Information

Additional information required by Australian Stock Exchange Ltd, and not shown elsewhere in this report, is as follows. The information is current as at 16 September 2021.

(a) Distribution of equity securities

Analysis of numbers of equity security holders by size of holding:

			Ordinary shares	
			Number of holders	Number of shares
1	-	1,000	2,780	1,772,771
1,001	-	5,000	4,624	13,031,307
5,001	-	10,000	2,054	16,454,529
10,001	-	100,000	3,292	110,150,083
100,001		and over	641	1,269,387,225
			13,391	**1,410,795,915**
The number of shareholders holding less than a marketable parcel of shares are:			**762**	**205,362**

(b) Twenty largest shareholders

The names of the twenty largest holders of quoted ordinary shares are as follows:

		Listed ordinary shares	
		Number of shares	Percentage of ordinary shares
1	CS THIRD NOMINEES PTY LIMITED <HSBC CUST NOM AU LTD 12 A/C>	281,992,494	19.99%
2	CITICORP NOMINEES PTY LIMITED	235,637,196	16.70%
3	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	229,914,436	16.30%
4	J P MORGAN NOMINEES AUSTRALIA PTY LIMITED	75,855,984	5.38%
5	NORTHWEST NONFERROUS AUSTRALIA MINING PTY LTD	43,580,870	3.09%
6	BNP PARIBAS NOMS PTY LTD <DRP>	28,431,382	2.02%
7	Mr Yi Weng & Ms Ning Li	21,336,597	1.51%
8	NATIONAL NOMINEES LIMITED	20,467,566	1.45%
9	BNP PARIBAS NOMINEES PTY LTD <AGENCY LENDING DRP A/C>	9,536,071	0.68%
10	BNP PARIBAS NOMINEES PTY LTD ACF CLEARSTREAM	8,971,270	0.64%
11	BNP PARIBAS NOMINEES PTY LTD <IB AU NOMS RETAILCLIENT DRP>	8,653,293	0.61%
12	Mr Yi Weng & Ms Ning Li Super A/C's	8,235,603	0.58%
13	CAROLINE HOUSE SUPERANNUATION FUND PTY LTD <THE CAROLINE HOUSE S/F A/C>	7,236,364	0.51%
14	MERRILL LYNCH (AUSTRALIA) NOMINEES PTY LIMITED	6,801,187	0.48%
15	WARBONT NOMINEES PTY LTD <UNPAID ENTREPOT A/C>	5,750,000	0.41%
16	MR ANDREW RHYS JACKSON	5,595,000	0.40%
17	UBS NOMINEES PTY LTD	4,452,140	0.32%
18	FIRST SAMUEL LTD ACN 086243567 <ANF ITS MDA CLIENTS A/C>	4,062,345	0.29%
19	PENAND PTY LTD <BECKWITH SUPER FUND A/C>	4,023,334	0.29%
20	MR JOHN HENRY MATTERSON	3,800,000	0.27%
		1,014,333,132	**71.90%**

(c) Substantial shareholders

The names of substantial shareholders who have notified the Company in accordance with section 671B of the Corporations Act 2001 are:

	Number of Shares	%
Gold Road Resources Limited	281,992,494	19.99%
Jupiter Investment Management Limited	114,615,663	8.12%

(d) Unquoted (unlisted) Securities

			Holders of 20% or more of the class	
Class	Number of Securities	Number of Holders	Holder Name	Number of Securities
Unlisted $Nil options, expiry 31 July 2024	927,022	77	Nil	
Unlisted $Nil options, expiry 3 December 2024	3,039,552	9	Nil	
Performance rights – Series 1	1,450,000	5	Simon Lill	500,000
			Andrew Beckwith	400,000
			Craig Nelmes	300,000
Performance rights – Series 2 Tranche 3	94,738	1	Glenn Jardine	94,738
Share rights	21,816	1	Peter Hood	21,816

(e) Voting rights

All ordinary shares (whether fully paid or not) carry one vote per share without restriction.

The Quoted and unquoted (unlisted) options have no voting rights.

(f) Corporate Governance

De Grey Mining Ltd, its subsidiaries ("Group") and its Board of directors are committed to achieving and demonstrating the highest standards of corporate governance. The Board is responsible to its shareholders for the performance of the Company and seeks to communicate extensively with shareholders. The Board believes that sound corporate governance practices will assist in the creation of shareholder wealth and provide accountability. In accordance with ASX Listing Rule 4.10.3, the Company has elected to disclose its corporate governance policies and its compliance with them on its website, rather than in this Annual Report. Accordingly, information about the Company's corporate governance practices is set out on the Company's website at www.https://degreymining.com.au/corporate-governance.

(g) Application of Funds

During the financial year, in accordance with ASX Listing Rule 4.10.19, De Grey Mining Limited confirms that it has used its cash and assets (in a form readily convertible to cash) in a manner which is consistent with the Company's business objectives.

Annual Mineral Resources and Ore Reserve Statement

Ore Reserves – Hemi Mining Centre, September 2022

Deposit	Proved			Probable			Total		
	Tonnes Mt	Au g/t	Au Moz	Tonnes Mt	Au g/t	Au Moz	Tonnes Mt	Au g/t	Au Moz
Oxide				7.3	1.7	0.4	7.3	1.7	0.4
Transition				6.0	1.7	0.3	6.0	1.7	0.3
Sulphide				90.1	1.5	4.4	90.1	1.5	4.4
Total				**103.4**	**1.5**	**5.1**	**103.4**	**1.5**	**5.1**

Mallina Gold Project - Global Mineral Resource Estimate, May 2022

Mining Centre	Measured			Indicated			Inferred			Total		
	Mt	Au g/t	Koz	Mt	Au g/t	Koz	Mt	Au g/t	Koz	Mt	Au g/t	Koz
Hemi Mining Centre				139.1	1.3	5,804	74.1	1.1	2,666	213.3	1.2	8,470
Withnell Mining Centre	1.6	1.8	92	11.7	1.8	664	12.2	2.2	870	25.6	2.0	1,626
Wingina Mining Centre	3.1	1.7	173	2.5	1.5	122	6.3	1.2	243	11.9	1.4	538
Total	**4.7**	**1.7**	**265**	**153.4**	**1.3**	**6,590**	**92.6**	**1.3**	**3,779**	**250.7**	**1.3**	**10,634**

The regional resource estimates at the Withnell and Wingina Mining Centres have not changed since the April 2020 statement.

Mallina Gold Project – Global Mineral Resource Estimate by Type, May 2022

Mining Centre	Type	Measured			Indicated			Inferred			Total		
		Mt	Au g/t	Au KOz	Mt	Au g/t	Au KOz	Mt	Au g/t	Au KOz	Mt	Au g/t	Au KOz
Hemi Mining Centre	Oxide				6.7	1.5	324	1.4	0.9	41	8.1	1.4	365
	Sulphide				132.4	1.3	5,480	72.7	1.1	2,624	205.1	1.2	8,105
	Total				**139.1**	**1.3**	**5,804**	**74.1**	**1.1**	**2,666**	**213.3**	**1.2**	**8,470**
Withnell Mining Centre	Oxide	1.0	1.8	58	2.7	1.3	113	1.7	1.4	74	5.4	1.4	245
	Sulphide	0.7	1.7	35	9.0	1.9	550	10.5	2.4	796	20.2	2.1	1,381
	Total	**1.6**	**1.8**	**92**	**11.7**	**1.8**	**664**	**12.2**	**2.2**	**870**	**25.6**	**2.0**	**1,626**
Wingina Mining Centre	Oxide	2.7	1.8	152	1.8	1.5	88	2.2	1.1	75	6.7	1.5	315
	Sulphide	0.4	1.6	21	0.7	1.6	35	4.0	1.3	168	5.1	1.4	224
	Total	**3.1**	**1.7**	**173**	**2.5**	**1.5**	**122**	**6.3**	**1.2**	**243**	**11.9**	**1.4**	**538**
Total	**Oxide**	**3.7**	**1.8**	**210**	**11.2**	**1.5**	**525**	**5.3**	**1.1**	**190**	**20.2**	**1.4**	**925**
	Sulphide	**1.1**	**1.6**	**55**	**142.1**	**1.3**	**6,065**	**87.3**	**1.3**	**3,589**	**230.5**	**1.3**	**9,709**
	Total	**4.7**	**1.7**	**265**	**153.4**	**1.3**	**6,590**	**92.6**	**1.3**	**3,779**	**250.7**	**1.3**	**10,634**

Mallina Gold Project – Mineral Resource Estimate by Mining Centre and Deposit, May 2022

Hemi Mining Centre

Deposit	Type	Measured			Indicated			Inferred			Total		
		Mt	Au g/t	Koz	Mt	Au g/t	Koz	Mt	Au g/t	Koz	Mt	Au g/t	Koz
Aquila	Oxide				1.3	1.4	56	0.1	0.5	2	1.4	1.3	58
	Sulphide				11.6	1.5	554	7.5	1.3	309	19.1	1.4	863
	Total				**12.9**	**1.5**	**610**	**7.6**	**1.3**	**311**	**20.5**	**1.4**	**921**
Brolga	Oxide				2.2	1.5	107	1.0	0.9	28	3.2	1.3	136
	Sulphide				35.1	1.3	1,503	23.3	1.1	793	58.4	1.2	2,296
	Total				**37.3**	**1.3**	**1,611**	**24.2**	**1.1**	**821**	**61.6**	**1.2**	**2,432**
Crow	Oxide				1.0	1.0	33	0.2	0.7	4	1.2	1.0	37
	Sulphide				19.2	1.1	667	12.4	1.2	471	31.6	1.1	1,137
	Total				**20.3**	**1.1**	**700**	**12.5**	**1.2**	**474**	**32.8**	**1.1**	**1,174**
Diucon	Oxide				0.2	1.9	13	0.2	1.2	7	0.4	1.6	20
	Sulphide				29.2	1.4	1,298	8.4	1.2	318	37.5	1.3	1,616
	Total				**29.4**	**1.4**	**1,311**	**8.6**	**1.2**	**325**	**37.9**	**1.3**	**1,635**
Eagle	Oxide				0.1	1.9	9	0.0	0.6	0	0.2	1.8	9
	Sulphide				16.5	1.2	627	9.9	1.0	312	26.3	1.1	939
	Total				**16.6**	**1.2**	**636**	**9.9**	**1.0**	**312**	**26.5**	**1.1**	**948**
Falcon	Oxide				1.8	1.8	106	0.0	0.0	0	1.8	1.8	106
	Sulphide				20.9	1.2	831	11.4	1.2	422	32.3	1.2	1,253
	Total				**22.7**	**1.3**	**937**	**11.4**	**1.2**	**422**	**34.1**	**1.2**	**1,359**
Hemi Mining Centre	**Oxide**				**6.7**	**1.5**	**324**	**1.4**	**0.9**	**41**	**8.1**	**1.4**	**365**
	Sulphide				**132.4**	**1.3**	**5,480**	**72.7**	**1.1**	**2,624**	**205.1**	**1.2**	**8,105**
	Total				**139.1**	**1.3**	**5,804**	**74.1**	**1.1**	**2,666**	**213.3**	**1.2**	**8,470**

Wingina Mining Centre

Deposit	Type	Measured			Indicated			Inferred			Total		
		Mt	Au g/t	Koz	Mt	Au g/t	Koz	Mt	Au g/t	Koz	Mt	Au g/t	Koz
Wingina	Oxide	2.7	1.8	152	0.6	1.3	27	0.3	1.3	14	3.7	1.6	194
	Sulphide	0.4	1.6	21	0.3	1.5	16	1.1	1.7	57	1.8	1.6	94
	Total	**3.1**	**1.7**	**173**	**1**	**1.4**	**43**	**1.4**	**1.6**	**72**	**5.5**	**1.6**	**288**
Mt Berghaus	Oxide				0.7	1.8	39	1	1.1	36	1.7	1.4	75
	Sulphide				0.3	1.7	14	2.4	1.2	92	2.7	1.2	106
	Total				**1**	**1.7**	**53**	**3.4**	**1.2**	**128**	**4.3**	**1.3**	**181**
Amanda	Oxide				0.5	1.3	22	0.9	0.9	25	1.4	1	46
	Sulphide				0.1	1.8	4	0.6	1.1	19	0.6	1.2	23
	Total				**0.6**	**1.4**	**26**	**1.4**	**0.9**	**44**	**2**	**1.1**	**70**
Wingina Mining Centre	**Oxide**	**2.7**	**1.8**	**152**	**1.8**	**1.5**	**88**	**2.2**	**1.1**	**75**	**6.7**	**1.5**	**315**
	Sulphide	**0.4**	**1.6**	**21**	**0.7**	**1.6**	**35**	**4**	**1.3**	**168**	**5.1**	**1.4**	**224**
	Total	**3.1**	**1.7**	**173**	**2.5**	**1.5**	**123**	**6.3**	**1.2**	**243**	**11.9**	**1.4**	**538**

Withnell Mining Centre

Deposit	Type	Measured			Indicated			Inferred			Total		
		Mt	Au g/t	Koz	Mt	Au g/t	Koz	Mt	Au g/t	Koz	Mt	Au g/t	Koz
Withnell OP	Oxide	0.6	1.4	29	0.4	1.2	14	0.2	1.1	5	1.1	1.3	48
	Sulphide	0.6	1.6	33	2.7	1.9	164	0.5	2.2	38	3.8	1.9	235
	Total	**1.3**	**1.5**	**62**	**3**	**1.8**	**178**	**0.7**	**2**	**43**	**5**	**1.8**	**283**
Withnell UG	Oxide							0	2.5	0	0	2.5	0
	Sulphide				0.1	4.3	16	2.4	3.9	301	2.5	3.9	317
	Total				**0.1**	**4.3**	**16**	**2.4**	**3.9**	**301**	**2.5**	**3.9**	**317**
Mallina	Oxide				0.5	1.3	20	1.2	1.4	53	1.7	1.3	73
	Sulphide				1.1	1.2	44	3.9	1.5	190	5.1	1.4	235
	Total				**1.6**	**1.2**	**64**	**5.1**	**1.5**	**243**	**6.8**	**1.4**	**307**
Toweranna OP	Oxide				0	3.1	5	0	2.2	4	0.1	2.6	8
	Sulphide				4.3	2.1	289	2.4	2.1	163	6.7	2.1	451
	Total				**4.3**	**2.1**	**293**	**2.5**	**2.1**	**166**	**6.8**	**2.1**	**460**
Toweranna UG	Oxide												
	Sulphide							0.6	3.6	65	0.6	3.6	65
	Total							**0.6**	**3.6**	**65**	**0.6**	**3.6**	**65**
Camel	Oxide	0.2	2.8	16	0.3	2.6	27	0	1.1	2	0.5	2.6	45
	Sulphide	0	2.1	1	0.1	1.4	7	0.1	1.8	9	0.3	1.7	16
	Total	**0.2**	**2.8**	**17**	**0.5**	**2.2**	**33**	**0.2**	**1.7**	**10**	**0.8**	**2.2**	**60**
Calvert	Oxide				0.4	1.3	18	0.1	0.8	1	0.5	1.3	19
	Sulphide				0.6	1.3	24	0.2	1.2	9	0.8	1.3	33
	Total				**1**	**1.3**	**42**	**0.3**	**1.2**	**11**	**1.3**	**1.3**	**52**
Roe	Oxide	0.1	2.7	6	0.1	1.5	6	0.1	1.6	6	0.3	1.8	17
	Sulphide	0	2.5	1	0.1	2.3	5	0.2	2.2	15	0.3	2.2	21
	Total	**0.1**	**2.7**	**7**	**0.2**	**1.8**	**11**	**0.3**	**2**	**21**	**0.6**	**2**	**38**
Dromedary	Oxide	0.1	2.2	7	0	1.6	1	0	1.6	2	0.2	1.9	11
	Sulphide				0	1.6	2	0.1	1.8	5	0.1	1.7	6
	Total	**0.1**	**2.2**	**7**	**0.1**	**1.6**	**3**	**0.1**	**1.7**	**7**	**0.3**	**1.9**	**17**
Leach Pad	Oxide				0.9	0.7	19				0.9	0.7	19
	Sulphide												
	Total				**0.9**	**0.7**	**19**				**0.9**	**0.7**	**19**
Hester	Oxide				0	2.1	3	0	1.3	1	0.1	1.8	4
	Sulphide				0	2.1	1	0	1.4	2	0.1	1.6	3
	Total				**0.1**	**2.1**	**4**	**0.1**	**1.4**	**3**	**0.1**	**1.7**	**7**
Withnell Mining Centre	**Oxide**	**1**	**1.8**	**58**	**2.7**	**1.3**	**113**	**1.7**	**1.4**	**74**	**5.4**	**1.4**	**245**
	Sulphide	**0.7**	**1.7**	**35**	**9**	**1.9**	**550**	**10.5**	**2.4**	**796**	**20.2**	**2.1**	**1,381**
	Total	**1.6**	**1.8**	**92**	**11.7**	**1.8**	**664**	**12.2**	**2.2**	**870**	**25.6**	**2.0**	**1,626**

Review of Material Changes

Material changes have been made to the Company's Gold Mineral Resources between June 2021 and May 2022, and then a further material change subsequent to the end of the financial year with the release of the maiden Hemi Ore Reserves in September 2022 that coincided with the release of the Prefeasibility Study Outcomes on 8 September 2022.

The Hemi maiden Ore Reserves are compiled in the Table "***Ore Reserves – Hemi Mining Centre – September 2022"*** and represents a material change in its totality. The Hemi Ore Reserves were reported as a result of the PFS completed in September 2022.

The Hemi Mining Centre total inventory for the Gold Mineral Resources has increased from 6.8Moz to 8.47Moz between June 2021 and May 2022, as shown for the various deposits in the table below. All the Wingina and Withnell Mineral Resources remain unchanged.

Table: Comparison of June 2021 and May 2022 Hemi Gold Mineral Resources

Deposit	Type	Measured			Indicated			Inferred			Total		
		Mt	Au g/t	Koz	Mt	Au g/t	Koz	Mt	Au g/t	Koz	Mt	Au g/t	Koz
Aquila	2021	-	-	-	10.6	1.5	525	7.5	1.3	317	18.1	1.4	841
	2022	-	-	-	12.9	1.5	610	7.6	1.3	311	20.5	1.4	921
Brolga	2021	-	-	-	28.1	1.3	1,206	34.7	0.9	1,050	62.8	1.1	2,256
	2022	-	-	-	37.3	1.3	1,611	24.2	1.1	821	61.6	1.2	2,432
Crow	2021	-	-	-	9.8	1.1	352	19.5	1.1	680	29.3	1.1	1,032
	2022	-	-	-	20.3	1.1	700	12.5	1.2	474	32.8	1.1	1,174
Diucon	2021	-	-	-	-	-	-	48.6	0.9	1,450	48.6	0.9	1,450
	2022	-	-	-	29.4	1.4	1,311	8.6	1.2	325	37.9	1.3	1,635
Eagle	2021	-	-	-	-	-	-	-	-	-	-	-	-
	2022	-	-	-	16.6	1.2	636	9.9	1.0	312	26.5	1.1	948
Falcon	2021	-	-	-	17	1.3	697	16.6	1.0	529	33.7	1.1	1,226
	2022	-	-	-	22.7	1.3	937	11.4	1.2	422	34.1	1.2	1,359
Hemi Mining Centre	**2021**	**-**	**-**	**-**	**65.5**	**1.3**	**2,779**	**126.9**	**1.0**	**4,026**	**192.5**	**1.1**	**6,805**
	2022	**-**	**-**	**-**	**139.1**	**1.3**	**5,804**	**74.1**	**1.1**	**2,666**	**213.3**	**1.2**	**8,470**
	Change	**-**	**-**	**-**	**112%**	**0%**	**109%**	**-42%**	**10%**	**-34%**	**11%**	**9%**	**24%**

Note: For the 2021 MRE, Diucon and Eagle were combined

The changes to Mineral Resources occurred at the various Hemi deposits due to increased infill and extensional drilling. A large portion of the drilling programme was focussed on infill drilling to increase the confidence from Inferred to Indicated category which is reflected in the 109% overall increase in Indicated Resources and occurred across all deposits. The overall 34% reduction in Inferred Resources is a direct result in large portions of the Inferred Resources being elevated to Indicated category. Additionally, significant resources were discovered at the Diucon and Eagle deposits. The Diucon and Eagle resources were reported individually in the May 2022 resource statement whereas they were reported as a combined deposit in 2021.

Mineral Resource and Ore Reserve governance and internal controls

De Grey ensures that the Mineral Resource and Ore Reserve estimates quoted are subject to governance arrangements and internal controls activated at a site level and at the corporate level. Internal and external reviews of Mineral Resource estimation procedures and results are carried out through a team of experience technical personnel that is comprised of highly competent and qualified professionals. These reviews have not identified any material issues.

De Grey reports its Mineral Resources and Ore Reserves on at least an annual basis in accordance with the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (the JORC Code) 2012 Edition. Competent Persons named by De Grey are Members or Fellows of the Australasian Institute of Mining and Metallurgy and/or the Australian Institute of Geoscientists and qualify as Competent Persons as defined in the JORC Code.

The Company's procedures for the sample techniques and sample preparation are regularly reviewed and audited by independent experts. Assays are performed by independent internationally accredited laboratories with a QAQC program showing acceptable levels of accuracy and precision. The exploration assay results database is maintained and appropriate backed-up internally. All De Grey Mineral Resource estimates have been undertaken independently by Payne Geological Services Pty Ltd.

COMPETENT PERSON STATEMENT

Exploration Results

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 Australian Institute of Geoscientists. 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.

Ore Reserves - Hemi

The information in this report that relates to Ore Reserves at the Hemi Gold Project is based on and fairly represents information and supporting documentation compiled by Mr Quinton de Klerk, a Competent Person who is a full-time employee of Cube Consulting Pty Ltd, a company engaged by De Grey. Mr de Klerk is a Fellow of the Australasian Institute of Mining and Metallurgy. Mr de Klerk has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which being undertaken 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 (2012 JORC Code). Mr de Klerk consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

Mineral Resources - Regional

The Information in this report that relates to Wingina and Withnell Mining Centre Mineral Resources is based on information compiled by Mr Paul Payne, a Competent Person who is a Fellow of the Australasian Institute of Mining and Metallurgy. Mr Payne is a full-time employee of Payne Geological Services. Mr Payne 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 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.

Mineral Resources - Hemi

The Information in this report that relates to Hemi Mining Centre Mineral Resources is based on information compiled by Mr. Michael Job, a Competent Person who is a Fellow of the Australasian Institute of Mining and Metallurgy. Mr Job is a full-time employee of Cube Consulting. Mr Job 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 Resources and Ore Reserves". Mr Job consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

Forward Looking Statements

These materials prepared by De Grey Mining Limited (or the "Company") include forward looking statements. Often, but not always, forward looking statements can generally be identified by the use of forward looking words such as "may", "will", "expect", "intend", "plan", "estimate", "anticipate", "continue", and "guidance", or other similar words and may include, without limitation, statements regarding plans, strategies and objectives of management, anticipated production or construction commencement dates and expected costs or production outputs.

Forward looking statements inherently involve known and unknown risks, uncertainties and other factors that may cause the Company's actual results, performance and achievements to differ materially from any future results, performance or achievements. Relevant factors may include, but are not limited to, changes in commodity prices, foreign exchange fluctuations and general economic conditions, increased costs and demand for production inputs, the speculative nature of exploration and project development, including the risks of obtaining necessary licenses and permits and diminishing quantities or grades of reserves, political and social risks, changes to the regulatory framework within which the Company operates or may in the future operate, environmental conditions including extreme weather conditions, recruitment and retention of personnel, industrial relations issues and litigation.

Forward looking statements are based on the Company and its management's good faith assumptions relating to the financial, market, regulatory and other relevant environments that will exist and affect the Company's business and operations in the future. The Company does not give any assurance that the assumptions on which forward looking statements are based will prove to be correct, or that the Company's business or operations will not be affected in any material manner by these or other factors not foreseen or foreseeable by the Company or management or beyond the Company's control.

Although the Company attempts and has attempted to identify factors that would cause actual actions, events, or results to differ materially from those disclosed in forward looking statements, there may be other factors that could cause actual results, performance, achievements or events not to be as anticipated, estimated or intended, and many events are beyond the reasonable control of the Company. Accordingly, readers are cautioned not to place undue reliance on forward looking statements. Forward looking statements in these materials speak only at the date of issue. Subject to any continuing obligations under applicable law or any relevant securities exchange listing rules, in providing this information the Company does not undertake any obligation to publicly update or revise any of the forward looking statements or to advise of any change in events, conditions or circumstances on which any such statement is based.

Schedule of Interests in Mining Tenements

Project/Location	Country	Tenement	Percentage held/earning
Mallina Gold Project	Australia	E47/891	100%
Mallina Gold Project	Australia	E45/2533	100%
Mallina Gold Project	Australia	E45/2364	100%
Mallina Gold Project	Australia	E45/2983	100%
Mallina Gold Project	Australia	E45/2995	100%
Mallina Gold Project	Australia	E45/3390	100%
Mallina Gold Project	Australia	E45/3391	100%
Mallina Gold Project	Australia	E45/3392	100%
Mallina Gold Project	Australia	E45/5140	100%
Mallina Gold Project	Australia	E45/4751	100%
Mallina Gold Project	Australia	E47/3552	100%
Mallina Gold Project	Australia	E47/3553	100%
Mallina Gold Project	Australia	E47/3554	100%
Mallina Gold Project	Australia	E47/3750	100%
Mallina Gold Project	Australia	E47/4565	100%
Mallina Gold Project	Australia	P45/3029	100%
Mallina Gold Project	Australia	P47/1866	100%
Farno-McMahon	Australia	E47/2502	75%[1]
Mallina Gold Project	Australia	E47/2720	100%
Mallina Gold Project	Australia	E47/3504	100%
Mallina Gold Project	Australia	M47/473	100%
Mallina Gold Project	Australia	M47/474	100%
Mallina Gold Project	Australia	M47/475	100%
Mallina Gold Project	Australia	M47/476	100%
Mallina Gold Project	Australia	M47/477	100%
Mallina Gold Project	Australia	M47/480	100%
Mallina Gold Project	Australia	L45/578	100%
Mallina Gold Project	Australia	L47/164	100%
Mallina Gold Project	Australia	L47/165	100%
Mallina Gold Project	Australia	E47/3399	100%
Mallina Gold Project	Australia	E47/3428	100%
Mallina Gold Project	Australia	E47/3429	100%
Mallina Gold Project	Australia	E47/3430	100%
Mallina Gold Project	Australia	P47/1732	100%
Mallina Gold Project	Australia	P47/1733	100%

[1] De Grey has earned a 75% interest in the joint venture agreement with Farno McMahon Pty Ltd (owned 100% by Novo Resources Corp) details of the agreement can be found in Note 298(d).