

ASX ANNOUNCEMENT
21 December 2020

Strong infill & extension results at Brolga

- Metallurgical diamond drill hole HEDD007 demonstrates strong continuity with surrounding RC drilling in central Brolga during resource definition drilling (80m sections x 40m spaced holes):
 - **14.7m @ 1.1 g/t Au** from 40m, **70.2m @ 1.5g/t Au** from 109.5m and **12.0m @ 1.1g/t Au** from 175.1m
 - The main infill intersection of **70.2m @ 1.5g/t** in diamond drilling correlates well with previously reported results in RC drilling on the same section:
 - **72m @ 1.6g/t Au** in HERC015
 - Consistency of infill drilling results and between diamond and RC drilling is encouraging and important for increasing resource confidence
- Extensional drill hole HERC138D reported a combined intersection of **86m @ 0.9g/t Au** from 225m, including **31m @ 1.1g/t Au** from 225m, **17.0m @ 0.9 g/t Au** from 272m, **16m @ 1.0 g/t Au** from 295m and **8m @ 2.0g/t Au** from 350m.
- HERC138D is on the western fringe of current RC drilling at Brolga demonstrating that the large mineralised system remains open to the west.
- Mineralisation also remains open at Brolga:
 - along strike to the south west of section 30320E. Extensional RC drilling is in progress.
 - between Brolga and Brolga South with RC drilling planned.
- Extensions to the Brolga intrusion to the west and south remain a priority where it parallels the Falcon intrusion

De Grey Managing Director, Glenn Jardine, commented:

“It is one year since the first results from Hemi were announced and the discovery has continued to deliver on its early promise. The infill drilling diamond drilling at Brolga has provided strong support and confidence in the consistency and continuity of gold mineralisation previously intersected in RC drilling in this large mineralised system.

Extensional RC drilling shows that the system remains open to the south and west. RC drilling is in progress to the south and west of Brolga between Brolga and Brolga South and between Brolga and Falcon. Potential remains to identify near surface gold mineralisation capable of shallow open pit mining.

Extensional drilling programs are also underway at Falcon and to the north-west of Crow in the immediate vicinity of Hemi. Results of this drilling will be communicated in the New Year.”

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

Brolga is the largest gold zone discovered at Hemi to date. Recent drilling has targeted down dip and strike extensions to the main Brolga zone, in addition to resource infill drilling. Several diamond holes for metallurgical test work were completed earlier this year, with results for HEDD007 recently received.

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

Infill Drilling

Recent resource definition drilling has targeted drilling to 40m collar spacing along existing 80m spaced sections to better define thickness and grade continuity (Figure 1). The infill drilling program will continue over the coming months at all the Hemi zones to enable a robust resource estimate planned for mid-2021.

Intercepts received to date have been successful in demonstrating continuity of the previous wide spaced drilling (80m x 80m). Results continue to show broad zones of consistent gold mineralisation and strong correlations between adjacent holes. Infill metallurgical diamond drill hole HEDD007 (Figure 2) demonstrated consistency of thickness and grade at 40m collar spacing and with intersections achieved in previous RC drilling. Both aspects are important for increasing confidence.

The infill program is designed to provide sufficient drill density to enable a significant portion of the maiden resource estimate to meet JORC 2012 Indicated classification. This program will continue into early 2021 throughout the various zones in parallel with extensional drilling programs.

Extensional Drilling

Several deeper diamond tails were completed to test down dip extensions to the main Brolga zone. Drilling has demonstrated that the Brolga mineralised system is open to over 600m vertical depth on section 30320E (Figure 3). In addition, relatively shallow down plunge extensions to the main Brolga zone were also demonstrated by intercepts such as **86m @ 0.9g/t Au** from 225m, which includes **31m @ 1.1g/t Au** from 225m, **17.0m @ 0.9 g/t Au** from 272m, **16m @ 1.0 g/t Au** from 295m and **8m @ 2.0g/t Au** from 350m in HERC13.

The deeper diamond drilling has served the dual purposes of testing the mineralised system at depth and providing geotechnical information in locations of potential pit walls.

The areas between Brolga and Brolga South and between Brolga and Falcon have not previously been drilled with RC. Drilling is currently testing this area for additional shallow mineralisation. Assay results for recent shallow RC holes between Brolga and Brolga South are awaited. RC drilling between Brolga and Falcon is underway. The potential for large scale, shallow open pit mining from Brolga South to Crow is demonstrated on Section 30480E (Figure 4).

Metallurgical Diamond Drilling

Drill hole HEDD007 is part of a larger metallurgy drilling program at brolga (HEDD004 – HEDD009), as previously reported. This hole is one of 6 drilled with larger diameter (PQ and HQ) diamond core at nominally 160m x 160m spacing across Brolga. Assays for HEDD007 were pending while this hole underwent detailed specific gravity, UCS and crushing work index testwork on whole core prior to assays samples being prepared and analysed.

At Aquila, Crow and Falcon, intervals from existing diamond drill holes have been selected and sent to Perth. These will provide spatial and grade variability across each of the zones for the ongoing and comprehensive metallurgical variability testwork program.

Metallurgical testwork is being linked to multi-element assay results, geochemical analysis and mineralogy across each zone at Hemi. This will allow domains for oxide, transition and fresh mineralisation to be determined. This will also allow a geo-metallurgical model for the deposits to be formed.

Figure 1: Hemi - drilling location plan.

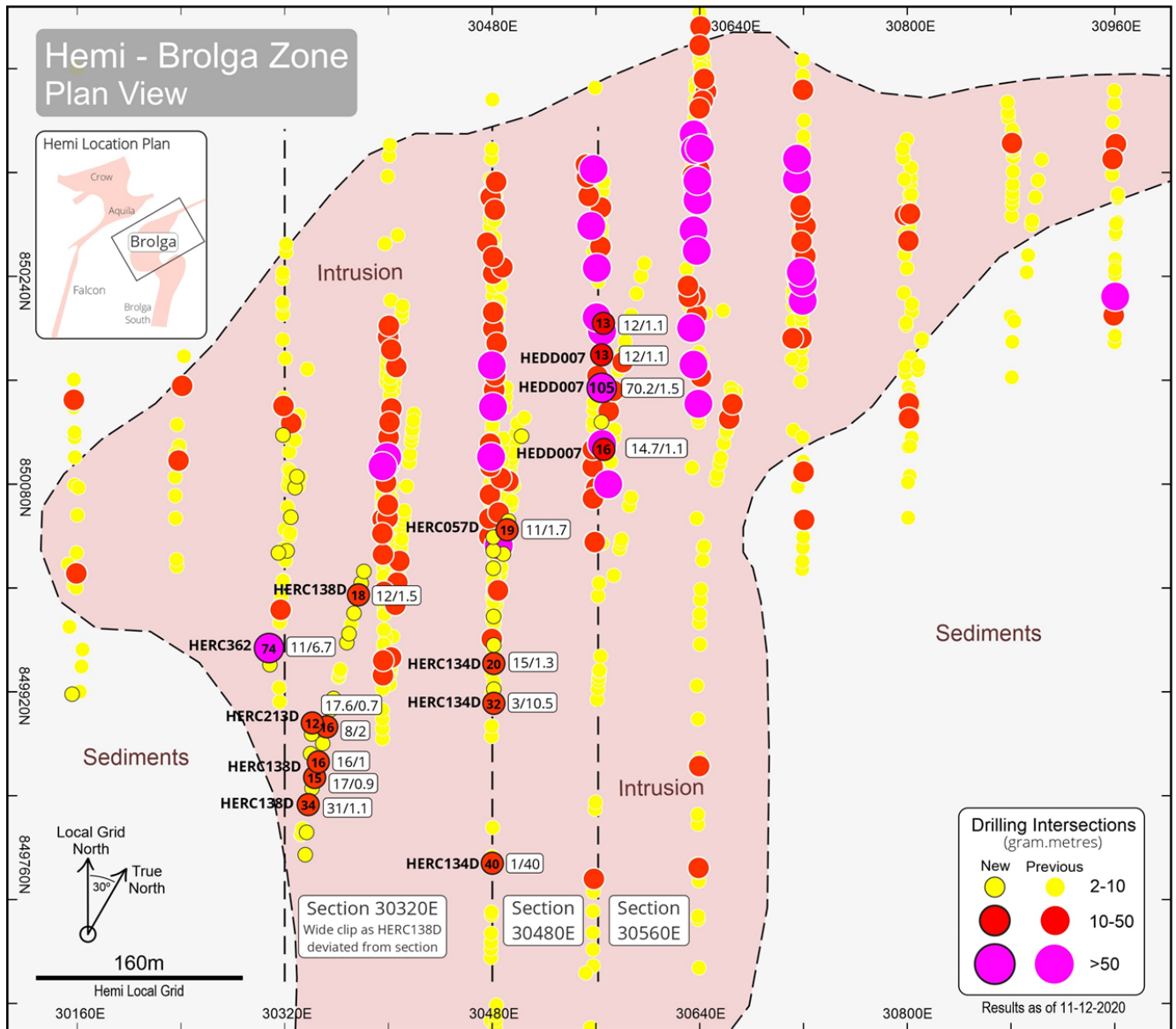


Figure 2: Brolga – Section 30560E drill results and near surface mineralisation extensions

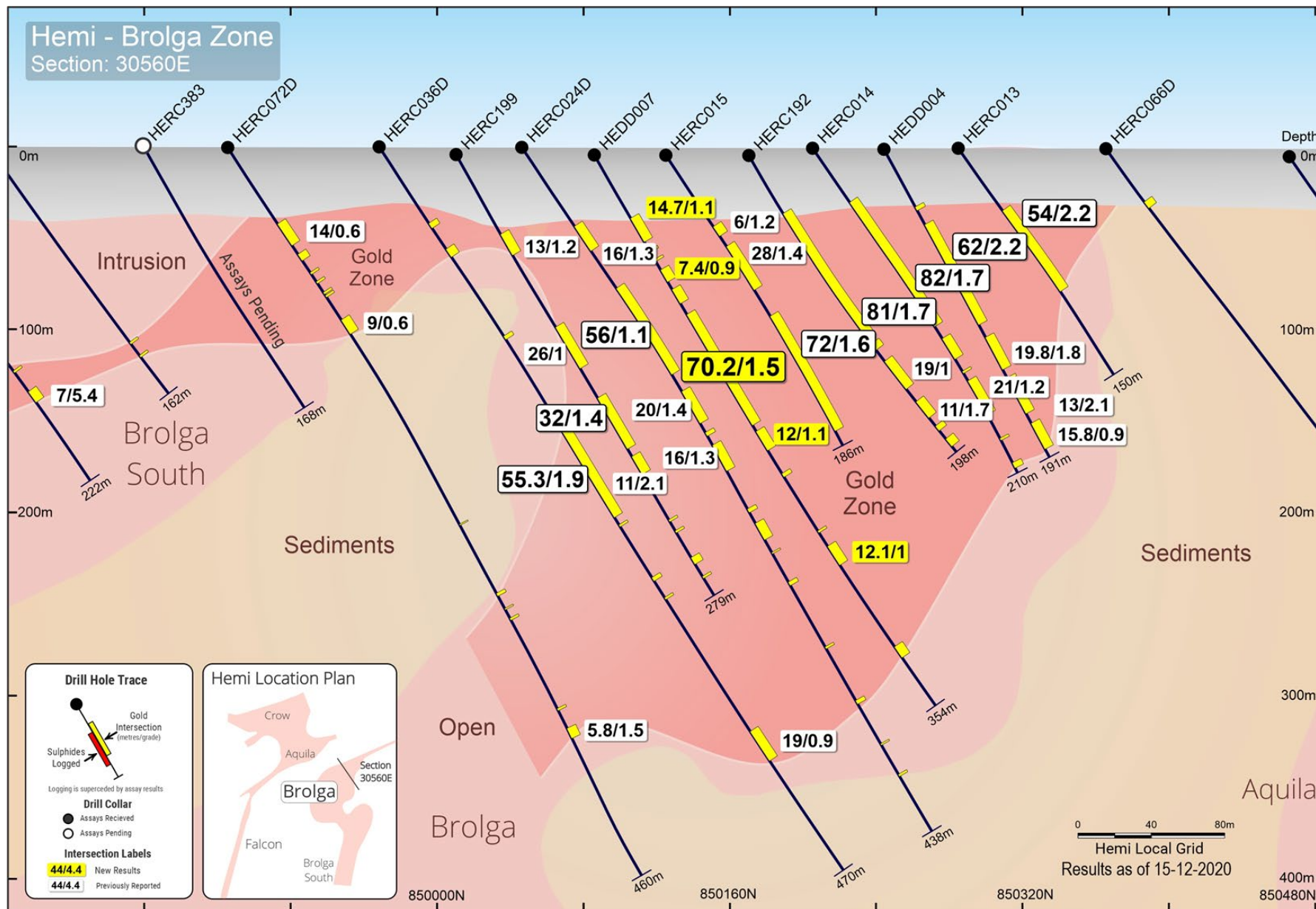


Figure 3: Brolga – Section 30,320E showing recent drill results and mineralised extensions

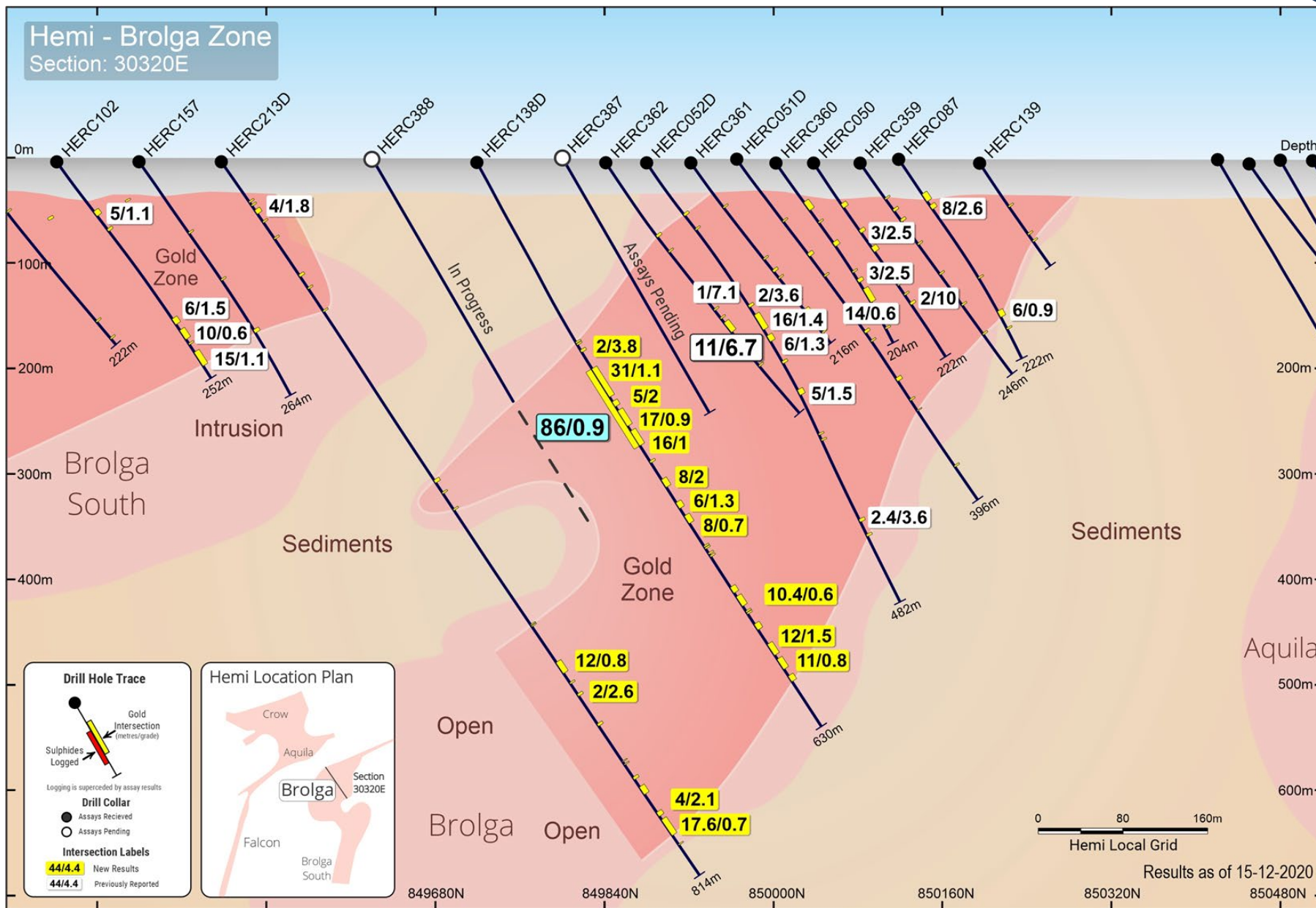
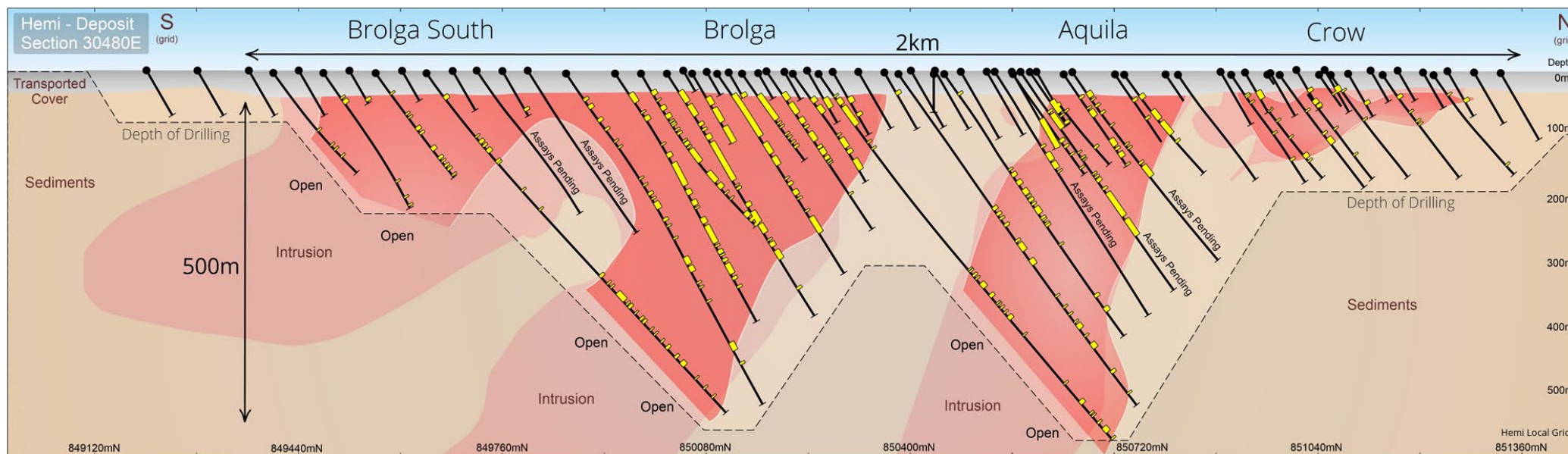


Figure 4: Brolga – Section 30,480E showing large, shallow open pit potential from Crow to Brolga South



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

For further information, please contact:

Glenn Jardine
Managing Director
+61 8 6117 9328
admin@degreymining.com.au

Andy Beckwith
Technical Director and
Operations Manager
+61 8 6117 9328
admin@degreymining.com.au

Michael Vaughan
(Media enquiries)
Fivemark Partners
+61 422 602 720
michael.vaughan@fivemark.com.au

Competent Person's Statement

The information in this report that relates to exploration results is based on, and fairly represents information and supporting documentation prepared by Mr. Phil Tornatora, a Competent Person who is a member of The Australasian Institute of Mining and Metallurgy. Mr. Tornatora is an employee of De Grey Mining Limited. Mr. Tornatora has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity being undertaken to qualify as a Competent Person as defined in the 2012 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resource and Ore Reserves". Mr. Tornatora consents to the inclusion in this report of the matters based on his information in the form and context in which it appears.

Previously released ASX Material References that relates to Hemi Prospect includes;

Resources:

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

Exploration results during financial year 2021:

- *HEMI – Major extension, 5 June 2020*
- *HEMI – Broad, high grade extensions at Aquila, 9 June 2020*
- *Further high grade and expanded footprint at Hemi, 22 June 2020*
- *High gold recoveries achieved at Hemi, 9 July 2020*
- *Further extensions confirmed at Brolga, 10 July 2020*
- *Hemi scale grows with Aquila new extensions, 22 July 2020*
- *Strong results boost Aquila westerly extension, 5 August 2020*
- *Aquila mineralisation extends to 400 vertical metres, New lode identified at Crow*
- *Brolga mineralisation extends north towards Aquila, northeast towards Scooby, 21 August*
- *Exceptional high grade gold intercept at Crow, 27 August 2020*
- *Falcon -Major new gold discovery at Hemi, 2 September 2020*
- *Falcon – Drilling Update, 15 September 2020*
- *Strong Brolga infill and extensions, 25 September 2020.*
- *Encouraging Extensional and Infill Drilling Results at Aquila and Crow, 7 October 2020*
- *Thick High Grade near surface hits continue at Falcon, 12 October 2020*
- *Further positive results extend Aquila and Crow, 29 October 2020*
- *High-grade extensions at Crow and Aquila, 12 November 2020*
- *High grade depth extensions and visible gold at Falcon, 30 November 2020*
- *Mallina Gold Project Exploration Update, 4 December 2020*

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

HoleID	Zone	Depth From (m)	Depth To (m)	Downhole Width (m)	Au (g/t)	Collar East (GDA94)	Collar North (GDA94)	Collar RL (GDA94)	Dip (degrees)	Azimuth (GDA94)	Hole Depth (m)	Hole Type
BWAC518	Brolga	74.0	75.0	1.0	3.1	648994	7691810	70	-60	332	81	AC
BXAC607	Brolga	64.0	68.0	4.0	0.5	648772	7691726	69	-60	331	81	AC
HEDD007	Brolga	40.0	54.7	14.7	1.1	649243	7692187	69	-61	330	354	RC
incl	Brolga	48.1	49.1	1.0	4.4	649243	7692187	69	-61	330	354	RC
HEDD007	Brolga	60.1	61.3	1.2	2.0	649243	7692187	69	-61	330	354	RC
HEDD007	Brolga	72.6	80.0	7.4	0.9	649243	7692187	69	-61	330	354	RC
HEDD007	Brolga	85.0	93.7	8.7	0.8	649243	7692187	69	-61	330	354	RC
HEDD007	Brolga	100.9	171.0	70.2	1.5	649243	7692187	69	-61	330	354	RC
incl	Brolga	136.8	141.0	4.2	3.3	649243	7692187	69	-61	330	354	RC
incl	Brolga	144.0	147.8	3.8	3.9	649243	7692187	69	-61	330	354	RC
HEDD007	Brolga	175.1	187.1	12.0	1.1	649243	7692187	69	-61	330	354	RC
HEDD007	Brolga	202.1	204.1	2.0	1.3	649243	7692187	69	-61	330	354	RC
HEDD007	Brolga	249.0	261.1	12.1	1.0	649243	7692187	69	-61	330	354	RC
HERC057D	Brolga	309.0	310.0	1.0	2.5	649286	7691951	69	-56	330	604	DD
HERC057D	Brolga	344.0	355.0	11.0	1.7	649286	7691951	69	-56	330	604	DD
HERC057D	Brolga	360.0	368.0	8.0	0.7	649286	7691951	69	-56	330	604	DD
HERC057D	Brolga	496.0	508.2	12.2	0.7	649286	7691951	69	-56	330	604	DD
HERC134D	Brolga	237.0	238.0	1.0	40.0	649395	7691762	70	-55	329	709	DD
HERC134D	Brolga	418.0	421.0	3.0	10.5	649395	7691762	70	-55	329	709	DD
incl	Brolga	418.0	420.2	2.2	13.9	649395	7691762	70	-55	329	709	DD
HERC134D	Brolga	435.0	436.0	1.0	2.4	649395	7691762	70	-55	329	709	DD
HERC134D	Brolga	457.0	472.0	15.0	1.3	649395	7691762	70	-55	329	709	DD
incl	Brolga	462.0	462.3	0.3	16.4	649395	7691762	70	-55	329	709	DD
HERC134D	Brolga	484.0	487.0	3.0	0.9	649395	7691762	70	-55	329	709	DD
HERC134D	Brolga	516.7	519.0	2.3	1.5	649395	7691762	70	-55	329	709	DD
HERC134D	Brolga	571.0	574.0	3.0	0.7	649395	7691762	70	-55	329	709	DD
HERC134D	Brolga	591.1	593.7	2.5	0.9	649395	7691762	70	-55	329	709	DD
HERC134D	Brolga	604.4	611.0	6.6	0.7	649395	7691762	70	-55	329	709	DD
HERC138D	Brolga	225.0	256.0	31.0	1.1	649216	7691748	70	-61	332	630	DD
incl	Brolga	254.0	256.0	2.0	5.3	649216	7691748	70	-61	332	630	DD
HERC138D	Brolga	262.0	267.0	5.0	2.0	649216	7691748	70	-61	332	630	DD
HERC138D	Brolga	272.0	289.0	17.0	0.9	649216	7691748	70	-61	332	630	DD
HERC138D	Brolga	295.0	311.0	16.0	1.0	649216	7691748	70	-61	332	630	DD
incl	Brolga	307.3	307.6	0.3	8.3	649216	7691748	70	-61	332	630	DD
HERC138D	Brolga	329.0	330.5	1.5	1.4	649216	7691748	70	-61	332	630	DD
HERC138D	Brolga	350.0	358.0	8.0	2.0	649216	7691748	70	-61	332	630	DD
incl	Brolga	357.0	358.0	1.0	11.6	649216	7691748	70	-61	332	630	DD
HERC138D	Brolga	376.0	382.0	6.0	1.3	649216	7691748	70	-61	332	630	DD
HERC138D	Brolga	391.0	399.0	8.0	0.7	649216	7691748	70	-61	332	630	DD
HERC138D	Brolga	472.0	478.0	6.0	0.6	649216	7691748	70	-61	332	630	DD
HERC138D	Brolga	482.6	493.0	10.4	0.6	649216	7691748	70	-61	332	630	DD
HERC138D	Brolga	514.0	520.0	6.0	0.5	649216	7691748	70	-61	332	630	DD

HoleID	Zone	Depth From (m)	Depth To (m)	Downhole Width (m)	Au (g/t)	Collar East (GDA94)	Collar North (GDA94)	Collar RL (GDA94)	Dip (degrees)	Azimuth (GDA94)	Hole Depth (m)	Hole Type
HERC138D	Brolga	537.0	549.0	12.0	1.5	649216	7691748	70	-61	332	630	DD
incl	Brolga	542.0	544.2	2.2	4.1	649216	7691748	70	-61	332	630	DD
HERC138D	Brolga	554.0	565.0	11.0	0.8	649216	7691748	70	-61	332	630	DD
HERC138D	Brolga	573.2	579.0	5.8	0.7	649216	7691748	70	-61	332	630	DD
HERC213D	Brolga	571.0	583.0	12.0	0.8	649339	7691539	70	-55	330	814	DD
HERC213D	Brolga	607.0	609.0	2.0	2.6	649339	7691539	70	-55	330	814	DD
HERC213D	Brolga	713.0	721.0	8.0	0.6	649339	7691539	70	-55	330	814	DD
HERC213D	Brolga	742.0	746.0	4.0	2.1	649339	7691539	70	-55	330	814	DD
HERC213D	Brolga	750.4	768.0	17.6	0.7	649339	7691539	70	-55	330	814	DD
HERC359	Brolga	66.0	68.0	2.0	1.1	649036	7692063	69	-55	330	246	RC
HERC360	Brolga	46.0	55.0	9.0	0.6	649076	7691994	69	-56	334	204	RC
HERC360	Brolga	93.0	97.0	4.0	0.9	649076	7691994	69	-56	334	204	RC
HERC360	Brolga	135.0	138.0	3.0	2.5	649076	7691994	69	-56	334	204	RC
incl	Brolga	137.0	138.0	1.0	6.5	649076	7691994	69	-56	334	204	RC
HERC360	Brolga	146.0	160.0	14.0	0.6	649076	7691994	69	-56	334	204	RC
HERC361	Brolga	176.0	179.0	3.0	1.6	649116	7691924	69	-55	326	216	RC
HERC362	Brolga	173.0	174.0	1.0	7.1	649155	7691853	70	-56	325	300	RC
HERC362	Brolga	189.0	200.0	11.0	6.7	649155	7691853	70	-56	325	300	RC
incl	Brolga	189.0	192.0	3.0	22.8	649155	7691853	70	-56	325	300	RC

JORC Code, 2012 Edition – Table 1

Section 1 Sampling Techniques and Data

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

Criteria	JORC Code explanation	Commentary
Sampling techniques	<ul style="list-style-type: none"> • <i>Nature and quality of sampling (e.g. cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc.). These examples should not be taken as limiting the broad meaning of sampling.</i> • <i>Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.</i> • <i>Aspects of the determination of mineralisation that are Material to the Public Report.</i> • <i>In cases where 'industry standard' work has been done this would be relatively simple (e.g. 'reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30 g charge for fire assay'). In other cases, more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (e.g. submarine nodules) may warrant disclosure of detailed information.</i> 	<ul style="list-style-type: none"> • All drilling and sampling was undertaken in an industry standard manner • Core samples were collected with a diamond rig drilling mainly NQ2 diameter core. • After logging and photographing, NQ2 drill core was cut in half, with one half sent to the laboratory for assay and the other half retained. HQ and PQ core was quartered, with one quarter sent for assay. Holes were sampled over mineralised intervals to geological boundaries on a nominal 1m basis. • Sample weights ranged from 2-4kg • RC holes were sampled on a 1m basis with samples collected from a cone splitter mounted on the drill rig cyclone. 1m sample ranges from a typical 2.5-3.5kg • Aircore samples were collected by spear from 1m sample piles and composited over 4m intervals. Samples for selected holes were collected on a 1m basis by spear from 1m sample piles. Sample weights ranges from around 1-3kg. • The independent laboratory pulverises the entire sample for analysis as described below. • Industry prepared independent standards are inserted approximately 1 in 20 samples. • The independent laboratory then takes the samples which are dried, split, crushed and pulverized prior to analysis as described below. • Sample sizes are considered appropriate for the material sampled. • The samples are considered representative and appropriate for this type of drilling. Diamond core and RC samples are appropriate for use in a resource estimate.
Drilling techniques	<ul style="list-style-type: none"> • <i>Drill type (e.g. core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc.) and details (e.g. core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc.).</i> 	<ul style="list-style-type: none"> • Diamond core diameters are - NQ2 (51mm), HQ3 (61mm), PQ (85mm). • Reverse Circulation (RC) holes were drilled with a 5 1/2-inch bit and face sampling hammer. • Aircore holes were drilled with an 83mm diameter blade bit.

Criteria	JORC Code explanation	Commentary
Drill sample recovery	<ul style="list-style-type: none"> • Method of recording and assessing core and chip sample recoveries and results assessed. • Measures taken to maximise sample recovery and ensure representative nature of the samples. • Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material. 	<ul style="list-style-type: none"> • Core recovery is measured for each drilling run by the driller and then checked by the Company geological team during the mark up and logging process. • RC and aircore samples were visually assessed for recovery. • Samples are considered representative with generally good recovery. Deeper RC and aircore holes encountered water, with some intervals having less than optimal recovery and possible contamination. • No sample bias is observed.
Logging	<ul style="list-style-type: none"> • Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies. • Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc.) photography. • The total length and percentage of the relevant intersections logged. 	<ul style="list-style-type: none"> • The entire hole has been geologically logged and core was photographed by Company geologists, with systematic sampling undertaken based on rock type and alteration observed • RC and diamond sample results are appropriate for use in a resource estimation, except where sample recovery is poor. • The aircore results provide a good indication of mineralisation but are not used in resource estimation.
Sub-sampling techniques and sample preparation	<ul style="list-style-type: none"> • If core, whether cut or sawn and whether quarter, half or all core taken. • If non-core, whether riffled, tube sampled, rotary split, etc. and whether sampled wet or dry. • For all sample types, the nature, quality and appropriateness of the sample preparation technique. • Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples. • Measures taken to ensure that the sampling is representative of the in-situ material collected, including for instance results for field duplicate/second-half sampling. • Whether sample sizes are appropriate to the grain size of the material being sampled. 	<ul style="list-style-type: none"> • Core samples were collected with a diamond drill rig drilling NQ2, HQ3 or PQ diameter core. After logging and photographing, NQ2 drill core was cut in half, with one half sent to the laboratory for assay and the other half retained. HQ and PQ core was quartered, with one quarter sent for assay. Holes were sampled over mineralised intervals to geological boundaries on a nominal 1m basis. • RC sampling was carried out by a cone splitter on the rig cyclone and drill cuttings were sampled on a 1m basis in bedrock and 4m composite basis in cover. • Aircore samples were collected by spear from 1m sample piles and composited over 4m intervals. Samples for selected holes were collected on a 1m basis by spear from 1m sample piles. • Industry prepared independent standards are inserted approximately 1 in 20 samples. • Each sample was dried, split, crushed and pulverised. • Sample sizes are considered appropriate for the material sampled. • The samples are considered representative and appropriate for this type of drilling • Core and RC samples are appropriate for use in a resource estimate. • Aircore samples are generally of good quality and appropriate for delineation of geochemical trends but are not generally used in resource estimates.

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

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

Section 2 Reporting of Exploration Results

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

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

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