ASX: DEG

ASX ANNOUNCEMENT

03 February 2022

Near surface high grade and depth extensions at Falcon

Broad zones of strong mineralisation intersected in resource definition and extensional drilling

- Resource definition (infill) drilling has intersected strong mineralisation within the scoping study pit design. New results include:
  - **28m @ 8.8g/t Au** from 39m in HERC725, including **3m @ 66.5g/t Au** from 46m
  - **108m @ 1.3g/t Au** from 192m in HMRC253
  - **101.8m @ 1.0g/t Au** from 166m in HERC585D
  - **66m @ 1.6g/t Au** from 168m in HMRC258
  - **66m @1.5 g/t Au** from 84m in HMRC257
  - **43.0m @ 1.3g/t** Au from 170m in HERC595D
- New extensional results beneath the scoping study pit design include:
  - **52m @ 1.2g/t Au** from 404.0m in HEDD050
  - **43.8m @ 1.0g/t Au** from 474.2m in HEDD051
  - **38.2 @ 1.1g/t Au** from 339.4m in HEDD029
  - **32.5 @ 1.1g/t Au** from 389.4m in HERC723D
  - **32.9 @ 1.0g/t Au** from 330.1m in HERC722D
  - **20.3m @ 1.0g/t Au** from 653.4m in HERC720D
- New pit shell optimisations will be conducted at Falcon for the prefeasibility study (PFS) which aim to increase the scale and confidence of gold production compared with the scoping study.
- Extensional drilling demonstrates that mineralisation extends to at least 600 metres below surface, or approximately 300m below the scoping study open pit design. Further extensional drilling is planned to test mineralisation continuity to the south and at depth.

De Grey managing Director, Glenn Jardine, commented:

"Resource definition and extensional drilling at Falcon are respectively increasing the confidence level of the resource and extending mineralisation below the scoping study open pit design.

Resource definition drilling is being conducted at Falcon and other zones at Hemi to increase the proportion of JORC Indicated mineralisation. This drilling aims to increase the prefeasibility study (PFS) production target above the scoping study production target of 4.3Moz and to increase the PFS evaluation period beyond the scoping study evaluation period of 10 years.

Extensional drilling has confirmed that mineralisation remains open at depth and along strike to the south of Falcon. Drilling has recently been weighted to resource definition drilling to maximise the production target for the PFS. Drilling after the March quarter will pivot to increased resource extensional and discovery drilling at depth at all zones at Hemi.

Exploration drilling with aircore and RC continues to be conducted in the Greater Hemi region outside the Hemi footprint."

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De Grey Mining Limited (ASX: DEG, "De Grey" or the "Company") is pleased to report these latest resource definition and extensional drilling results from the Falcon deposit at Hemi. The gold mineralisation at Falcon shows similar alteration and sulphide development as seen at the adjacent deposits of Aquila, Brolga, Crow, Diucon and Eagle.

The mineralised intrusion at Falcon has now been intersected to approximately 1km along strike and 600 metres below surface. Mineralisation remains open at depth and to the south.

Drilling at Falcon has identified a north-south trending structure (Figure 1) creating east and west zones. The east zone is interpreted to be plunging to the south (Figure 2 and Figure 3) and is open beyond mineralisation intersected in HEDD050 (52m @ 1.2g/t Au) and HEDD051 (43.8m @ 1.0g/t Au). These intersections are respectively approximately 140m and 200m below the scoping study open pit design at Falcon.

New results immediately below the scoping study pit design (Figure 2) include 38.2 @ 1.1g/t Au in HEDD029 and 32.9 @ 1.0g/t Au in HERC722D

New drilling in the north of Falcon has intersected mineralisation approximately 600 metres below surface in HERC720D which returned 20.3m @ 1.0g/t Au.

Resource definition drilling to a 40m x 40m spacing within the scoping study open pit designs has intersected strong mineralisation. This drilling is being conducted to increase the resource confidence level from JORC Inferred to Indicated in areas of Falcon proposed to be mined by open pit methods.

Resource definition drilling for the PFS will continue into the first quarter of 2022. Resource extension drilling at Diucon and the other zones at Hemi will continue throughout 2022.

New drill intercepts are provided in Table 1 (at a 0.5g/t Au cut-off grade).

Significant Resource Definition Results

Section 7691760N (Figure 4)

- **15m @ 1.5g/t Au** from 114m and **48m @ 1.7g/t Au** within **66m @ 1.5g/t Au** from 84m in HMRC257 (infill)
- **66m @ 1.6g/t Au** from 168 in HMRC258 (infill)

Section 7691600N (Figure 5)

- **43.0m @ 1.3g/t Au** from 170m in HERC595D (infill)

Section 7691520N (Figure 6):

- **108m @ 1.3g/t Au** from 192m in HMRC253 (infill)

Significant Resource Extension Results

Section 7691400N (Figure 7)

- **52m @ 1.2g/t Au** from 404.0m in HEDD050 (extensional)
- **43.8m @ 1.0g/t Au** from 474.2m in HEDD051 (extensional)

Figure 1 Plan of Falcon

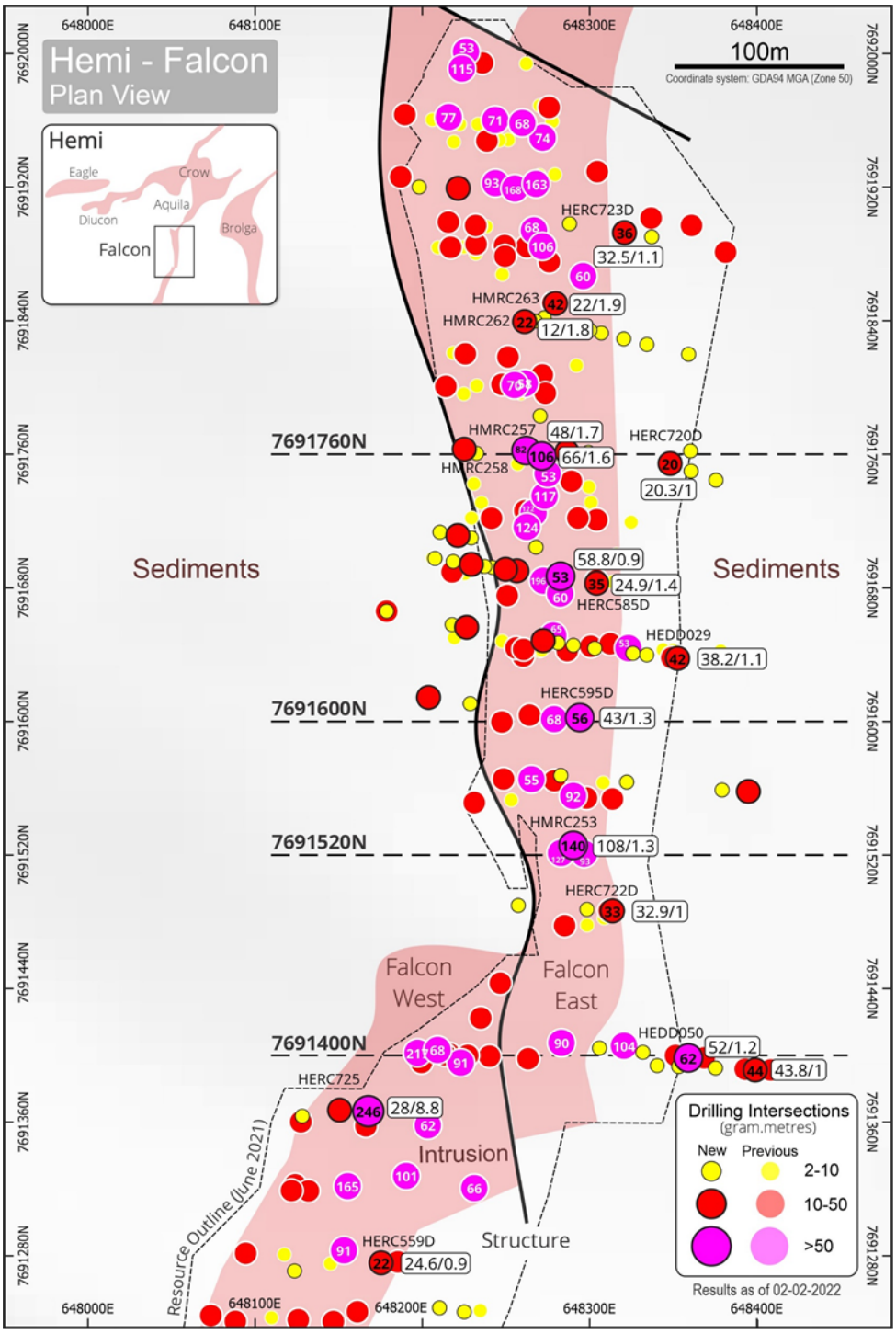


Figure 2 Longitudinal Projection of Falcon

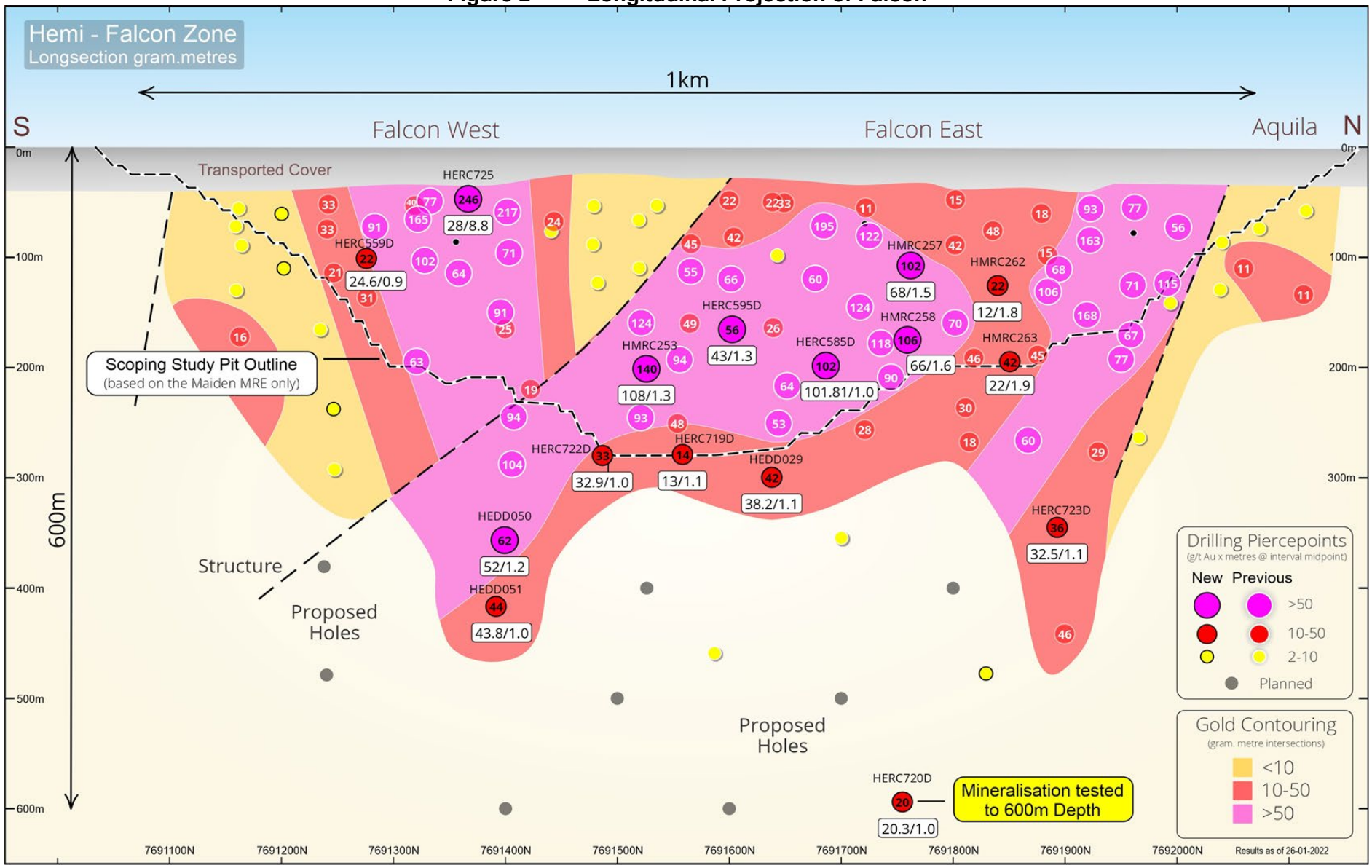


Figure 3 Falcon Isometric View

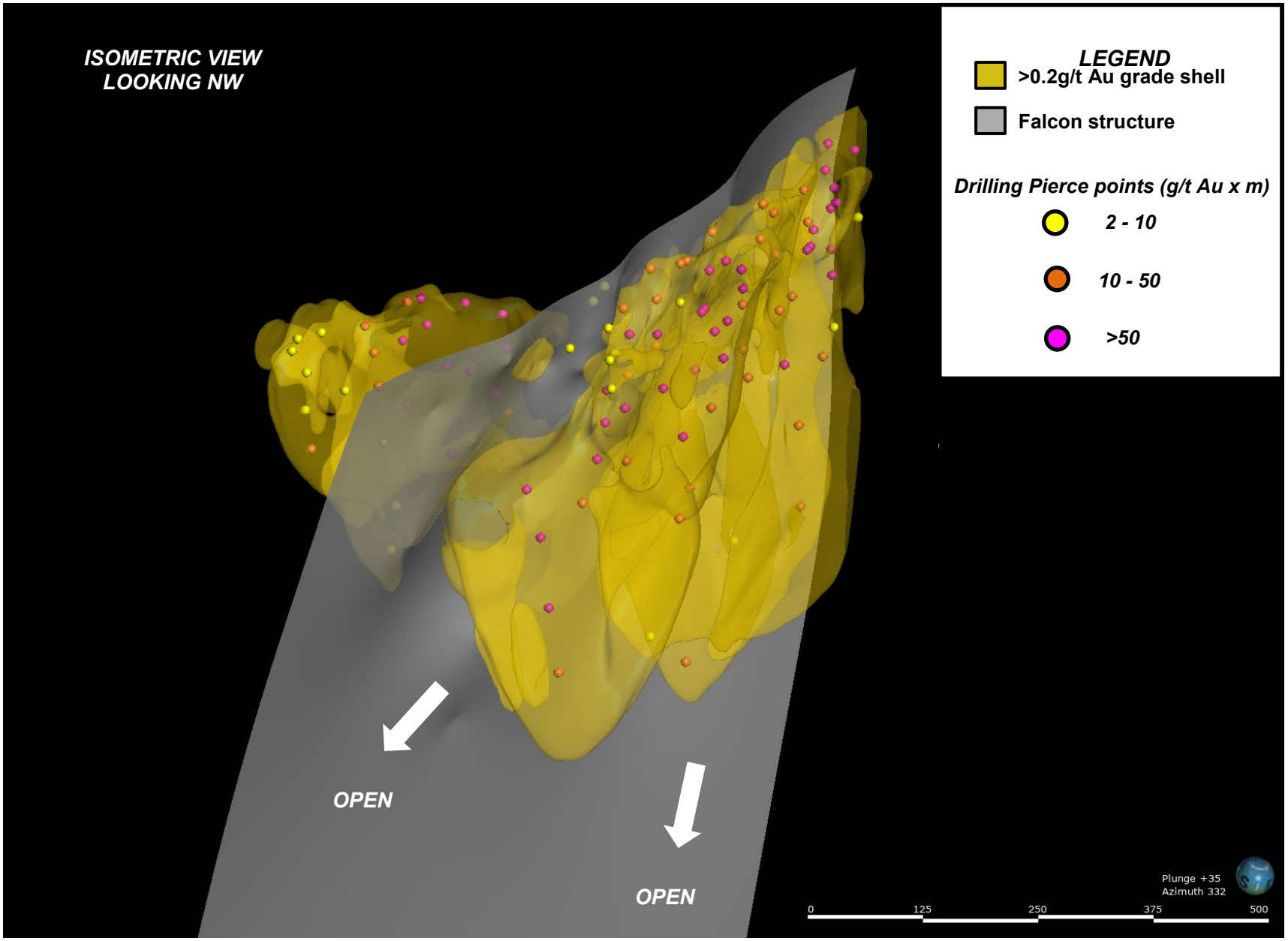


Figure 4 Falcon Section 769 1760N

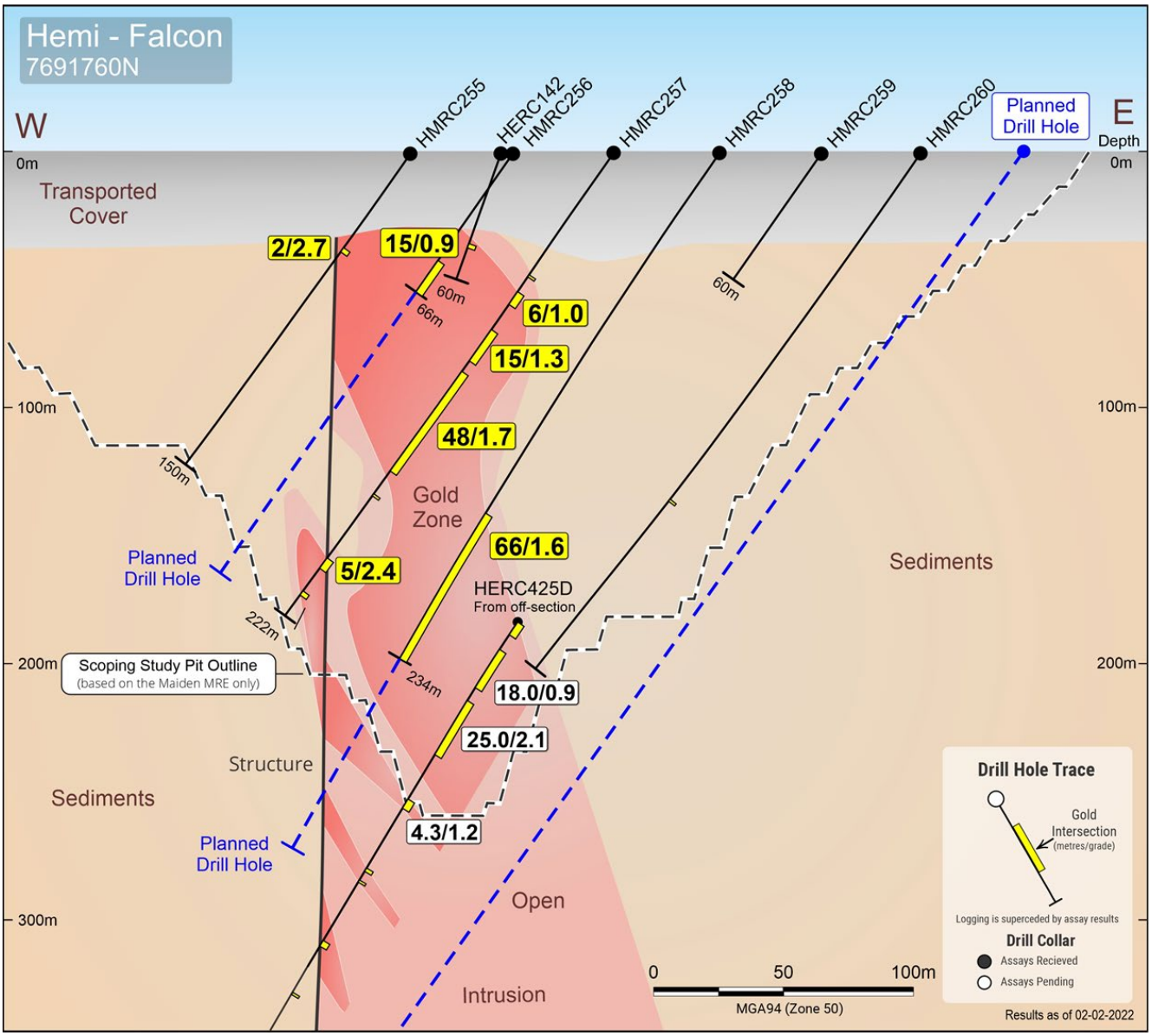


Figure 5 Falcon Section 769 1600N

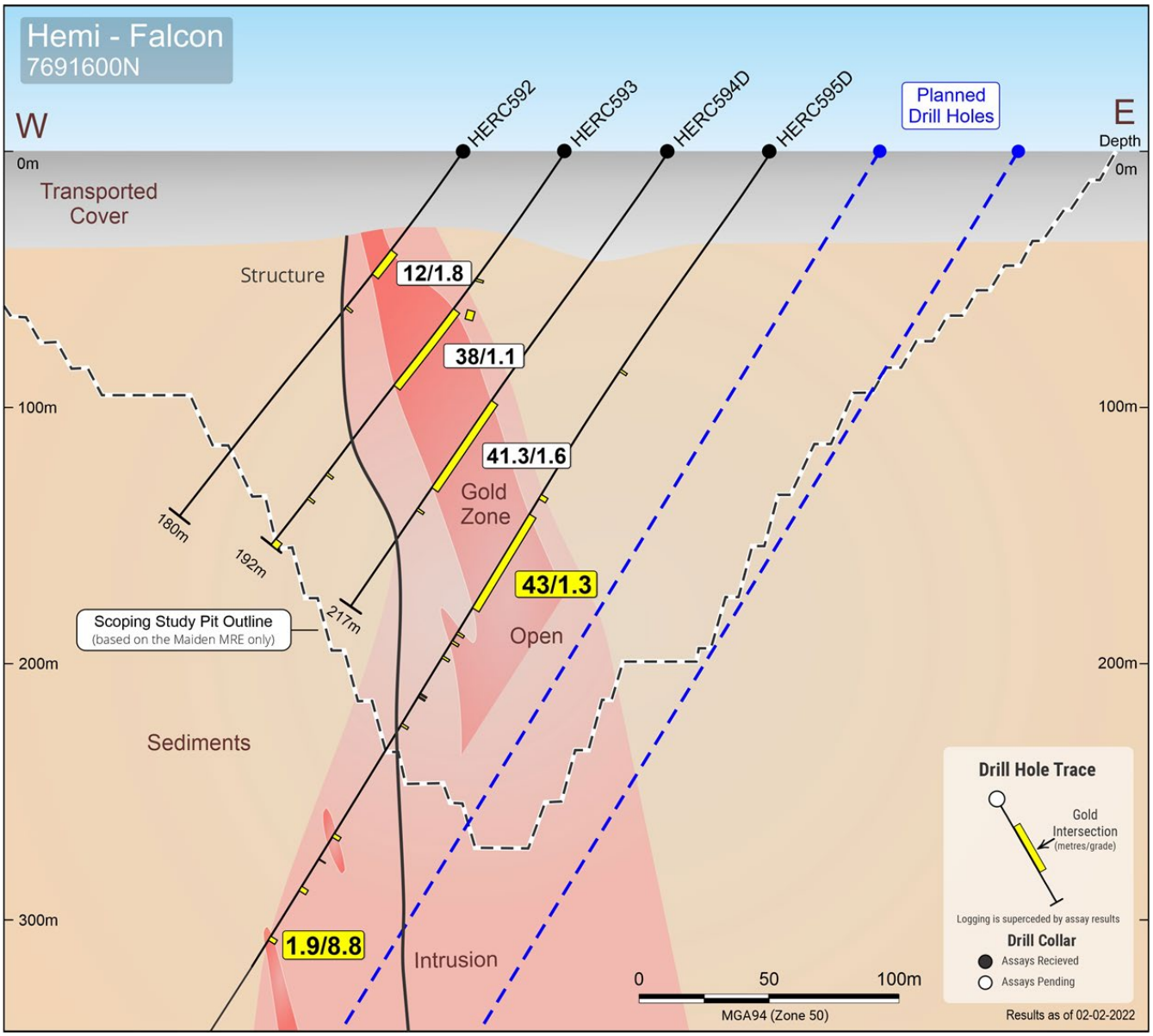


Figure 6 Falcon Section 769 1520N

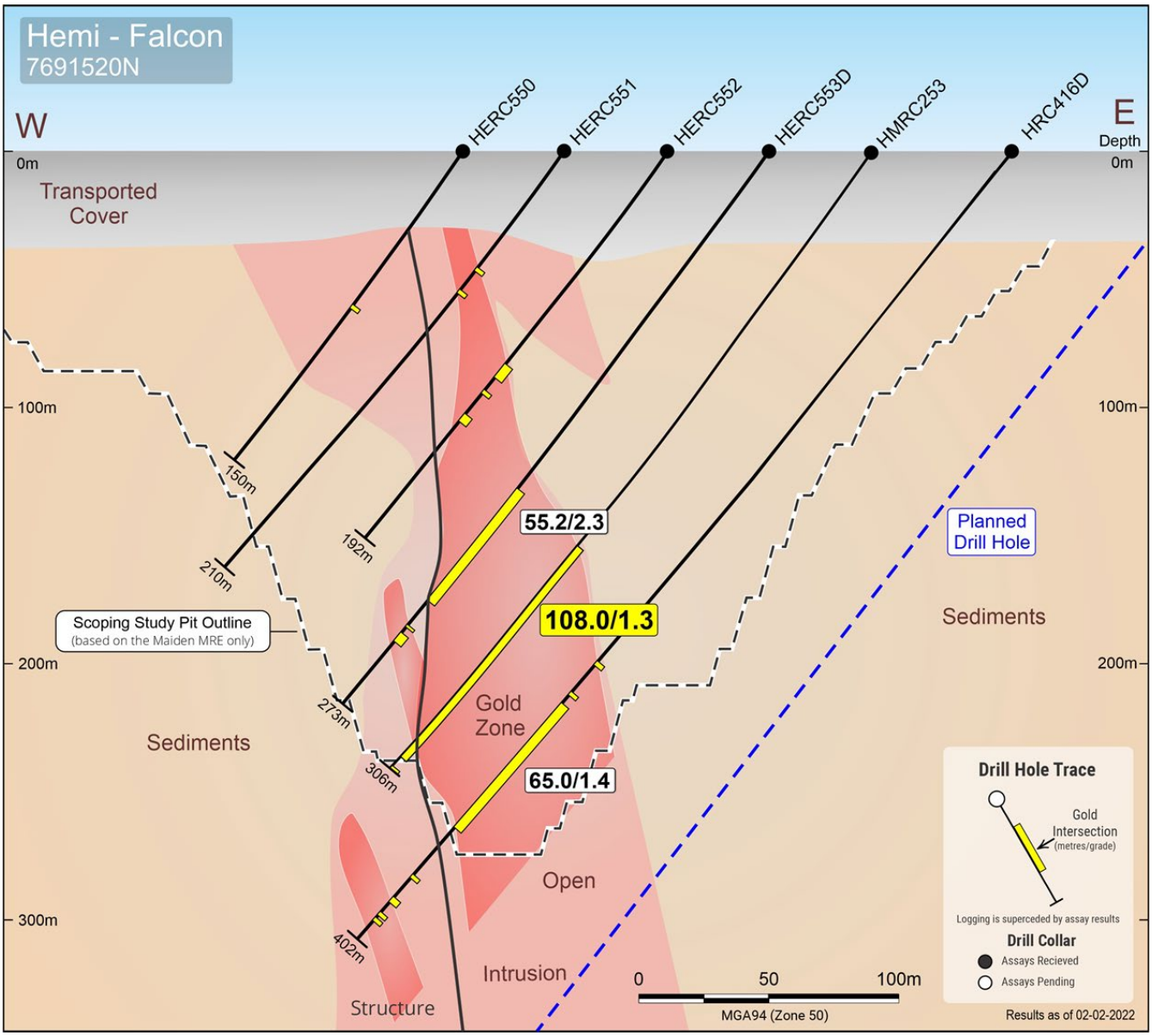
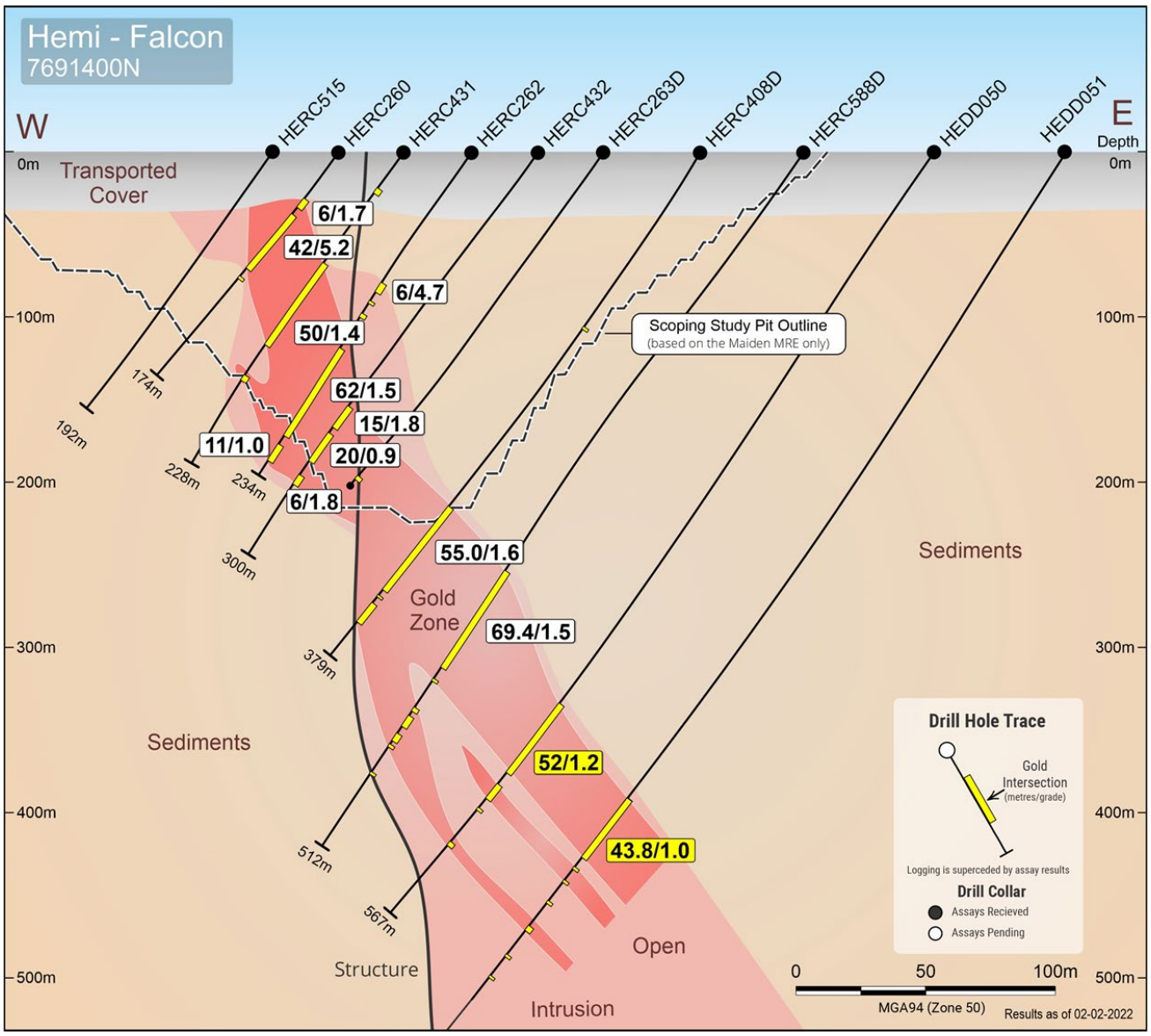


Figure 7 Falcon Section 769 1400N



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

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Competent Person's Statement

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

Previously released ASX Material References *that relates to Hemi Prospect includes:*

Resources and Studies:

- *2020 Mallina Gold Project Resource update, 2 April 2020*
- *6.8Moz Hemi Maiden Mineral Resource drives Mallina Gold Project, 23 June 2021*
- *De Grey Mining Mallina Gold Project Scoping Study, 5 October 2021*

Exploration results at Hemi, announced during financial year 2022:

- *Diucon - compelling new results, 22 July 2021*
- *New results substantially extend Eagle, 9 August 2021*
- *Diucon – depth, width and strike extensions, 1 September 2021*
- *Eagle extensions to the west and at depth, 9 September 2021*
- *High gold recoveries also achieved at Falcon and Crow, 21 September 2021*
- *Greater Hemi Corridor Update, 30 September 2021*
- *Consistent infill results in Brolga Stage 1 pit, 11 November 2021*
- *High grade in extensional and infill drilling at Eagle, 10 December 2021*
- *Diucon extended to 500m depth and remains open, 17 December 2021*

Table 1: Significant new results (>2 gram x m Au) - Intercepts - 0.5g/t Au lower cut, 4m maximum internal waste, >2gm

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
HEDD027	Falcon	227.0	227.9	0.9	8.5	648641	7692039	69	-57	270	657	DD
HEDD027	Falcon	452.0	453.4	1.4	3.1	648641	7692039	69	-57	270	657	DD
HEDD028	Falcon	471.0	472.5	1.5	2.8	648600	7691800	69	-54	270	726	DD
HEDD028	Falcon	522.0	523.0	1.0	3.6	648600	7691800	69	-54	270	726	DD
HEDD028	Falcon	549.1	551.0	1.9	2.9	648600	7691800	69	-54	270	726	DD
HEDD028	Falcon	574.9	579.0	4.1	0.7	648600	7691800	69	-54	270	726	DD
HEDD028	Falcon	589.0	592.0	3.0	0.8	648600	7691800	69	-54	270	726	DD
HEDD028	Falcon	645.0	647.0	2.0	1.8	648600	7691800	69	-54	270	726	DD
HEDD029	Falcon	339.4	377.6	38.2	1.1	648557	7691640	69	-56	268	687	DD
HEDD029	Falcon	385.0	394.6	9.6	1.0	648557	7691640	69	-56	268	687	DD
HEDD029	Falcon	401.9	405.6	3.7	0.7	648557	7691640	69	-56	268	687	DD
HEDD029	Falcon	441.0	443.7	2.7	3.6	648557	7691640	69	-56	268	687	DD
HEDD029	Falcon	462.1	466.0	3.9	0.8	648557	7691640	69	-56	268	687	DD
HEDD029	Falcon	476.7	482.3	5.7	0.6	648557	7691640	69	-56	268	687	DD
HEDD029	Falcon	489.1	500.3	11.2	0.9	648557	7691640	69	-56	268	687	DD
HEDD029	Falcon	565.3	581.7	16.4	1.1	648557	7691640	69	-56	268	687	DD
incl	Falcon	579.0	579.4	0.4	13.8	648557	7691640	69	-56	268	687	DD
HEDD029	Falcon	586.2	591.0	4.8	1.1	648557	7691640	69	-56	268	687	DD
HEDD029	Falcon	654.7	660.0	5.3	1.6	648557	7691640	69	-56	268	687	DD
incl	Falcon	659.6	660.0	0.4	13.6	648557	7691640	69	-56	268	687	DD
HEDD050	Falcon	404.0	456.0	52.0	1.2	648600	7691400	70	-55	266	567	DD
incl	Falcon	412.0	417.6	5.6	5.2	648600	7691400	70	-55	266	567	DD
HEDD050	Falcon	465.6	476.0	10.4	0.6	648600	7691400	70	-55	266	567	DD
HEDD050	Falcon	510.7	512.9	2.2	1.0	648600	7691400	70	-55	266	567	DD
HEDD051	Falcon	474.2	518.0	43.8	1.0	648680	7691398	70	-57	264	816	DD
HEDD051	Falcon	536.1	537.0	0.9	2.6	648680	7691398	70	-57	264	816	DD
HEDD051	Falcon	571.1	574.0	2.9	0.8	648680	7691398	70	-57	264	816	DD
HEDD051	Falcon	593.0	594.0	1.0	4.9	648680	7691398	70	-57	264	816	DD
HERC520D	Falcon	227.7	228.9	1.2	2.5	648219	7691159	69	-55	269	324	DD
HERC520D	Falcon	285.7	288.5	2.8	3.2	648219	7691159	69	-55	269	324	DD
HERC559D	Falcon	103.3	127.9	24.6	0.9	648240	7691279	70	-55	268	249	DD
HERC559D	Falcon	208.1	218.5	10.4	0.7	648240	7691279	70	-55	268	249	DD
HERC579D	Falcon	539.0	546.9	7.9	0.7	648639	7691720	69	-56	269	643	DD
HERC579D	Falcon	590.5	599.1	8.6	1.1	648639	7691720	69	-56	269	643	DD
HERC579D	Falcon	603.6	607.2	3.6	3.0	648639	7691720	69	-56	269	643	DD
incl	Falcon	606.0	607.2	1.2	8.6	648639	7691720	69	-56	269	643	DD
HERC579D	Falcon	619.0	620.0	1.0	6.5	648639	7691720	69	-56	269	643	DD
HERC585D	Falcon	166.0	267.8	101.8	1.0	648400	7691680	69	-57	270	450	RC/DD
incl	Falcon	180.0	181.0	1.0	16.9	648400	7691680	69	-57	270	450	RC
HERC585D	Falcon	288.3	303.0	14.7	0.9	648400	7691680	69	-57	270	450	DD
HERC585D	Falcon	307.4	313.3	5.9	1.7	648400	7691680	69	-57	270	450	DD
HERC585D	Falcon	325.5	329.1	3.6	1.3	648400	7691680	69	-57	270	450	DD
HERC585D	Falcon	336.7	337.9	1.2	3.0	648400	7691680	69	-57	270	450	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
HERC585D	Falcon	354.0	355.0	1.0	12.4	648400	7691680	69	-57	270	450	DD
HERC585D	Falcon	374.8	380.7	5.9	0.6	648400	7691680	69	-57	270	450	DD
HERC585D	Falcon	396.1	406.0	10.0	0.5	648400	7691680	69	-57	270	450	DD
HERC590	Falcon	53.0	59.0	6.0	1.5	648159	7691363	70	-55	269	150	RC
HERC595D	Falcon	170.0	213.0	43.0	1.3	648400	7691599	69	-56	270	411	DD
incl	Falcon	176.0	178.0	2.0	6.3	648400	7691599	69	-56	270	411	RC
HERC595D	Falcon	316.6	318.3	1.7	2.2	648400	7691599	69	-56	270	411	DD
HERC595D	Falcon	364.0	365.9	1.9	8.8	648400	7691599	69	-56	270	411	DD
HERC719D	Falcon	329.0	342.0	13.0	1.1	648589	7691559	69	-55	269	685	DD
HERC719D	Falcon	360.0	366.5	6.5	1.0	648589	7691559	69	-55	269	685	DD
HERC719D	Falcon	455.0	465.1	10.1	0.7	648589	7691559	69	-55	269	685	DD
HERC719D	Falcon	525.0	527.0	2.0	1.1	648589	7691559	69	-55	269	685	DD
HERC720D	Falcon	601.0	603.5	2.5	1.2	648649	7691721	69	-59	270	846	DD
HERC720D	Falcon	634.0	637.0	3.0	0.9	648649	7691721	69	-59	270	846	DD
HERC720D	Falcon	653.4	673.7	20.3	1.0	648649	7691721	69	-59	270	846	DD
incl	Falcon	654.0	655.6	1.6	5.1	648649	7691721	69	-59	270	846	DD
HERC720D	Falcon	841.0	845.0	4.1	0.5	648649	7691721	69	-59	270	846	DD
HERC721D	Falcon	274.0	285.0	11.0	0.6	648379	7691235	70	-58	270	420	DD
HERC721D	Falcon	304.0	306.0	2.0	1.0	648379	7691235	70	-58	270	420	DD
HERC722D	Falcon	299.4	302.0	2.7	2.3	648525	7691481	69	-54	269	584	DD
HERC722D	Falcon	330.1	363.0	32.9	1.0	648525	7691481	69	-54	269	584	DD
HERC722D	Falcon	368.0	373.0	5.0	1.0	648525	7691481	69	-54	269	584	DD
HERC722D	Falcon	435.0	436.0	1.0	2.1	648525	7691481	69	-54	269	584	DD
HERC723D	Falcon	374.8	377.0	2.2	1.7	648543	7691888	69	-54	267	559	DD
HERC723D	Falcon	389.4	422.0	32.5	1.1	648543	7691888	69	-54	267	559	DD
HERC723D	Falcon	463.0	469.0	6.0	0.8	648543	7691888	69	-54	267	559	DD
HERC724D	Falcon	231.8	235.0	3.2	3.4	648359	7691920	69	-55	271	302	DD
HERC724D	Falcon	269.6	271.5	1.9	1.6	648359	7691920	69	-55	271	302	DD
HERC725	Falcon	39.0	67.0	28.0	8.8	648200	7691364	70	-51	277	198	RC
incl	Falcon	46.0	49.0	3.0	66.6	648200	7691364	70	-51	277	198	RC
HERC725	Falcon	78.0	85.0	7.0	1.5	648200	7691364	70	-51	277	198	RC
incl	Falcon	84.0	85.0	1.0	5.2	648200	7691364	70	-51	277	198	RC
HMRC251	Falcon	66.0	71.0	5.0	0.6	648139	7691198	70	-56	272	138	RC
HMRC251	Falcon	92.0	99.0	7.0	0.9	648139	7691198	70	-56	272	138	RC
HMRC251	Falcon	122.0	129.0	7.0	0.6	648139	7691198	70	-56	272	138	RC
HMRC252	Falcon	126.0	129.0	3.0	0.8	648219	7691199	70	-55	273	246	RC
HMRC252	Falcon	175.0	176.0	1.0	2.2	648219	7691199	70	-55	273	246	RC
HMRC253	Falcon	192.0	300.0	108.0	1.3	648439	7691519	69	-55	271	306	RC
incl	Falcon	261.0	267.0	6.0	3.7	648439	7691519	69	-55	271	306	RC
incl	Falcon	278.0	281.0	3.0	4.0	648439	7691519	69	-55	271	306	RC
HMRC255	Falcon	45.0	47.0	2.0	2.7	648259	7691760	69	-55	271	150	RC
HMRC256	Falcon	51.0	66.0	15.0	0.9	648299	7691760	69	-55	271	66	RC
HMRC257	Falcon	66.0	72.0	6.0	1.0	648339	7691760	69	-55	271	222	RC
HMRC257	Falcon	84.0	152.0	68.0	1.5	648339	7691760	69	-55	271	222	RC

HoleID	Zone	Depth From (m)	Depth To (m)	Downhole Width (m)	Au (g/t)	Collar East (GDA94)	Collar North (GDA94)	Collar RL (GDA94)	Dip (degrees)	Azimuth (GDA94)	Hole Depth (m)	Hole Type
incl	Falcon	132.0	135.0	3.0	3.2	648339	7691760	69	-55	271	222	RC
HMRC257	Falcon	194.0	199.0	5.0	2.4	648339	7691760	69	-55	271	222	RC
HMRC258	Falcon	168.0	234.0	66.0	1.6	648380	7691760	69	-56	270	234	RC
incl	Falcon	188.0	192.0	4.0	3.9	648380	7691760	69	-56	270	234	RC
incl	Falcon	219.0	221.0	2.0	6.1	648380	7691760	69	-56	270	234	RC
HMRC260	Falcon	167.0	168.0	1.0	2.4	648459	7691760	69	-55	271	252	RC
HMRC261	Falcon	55.0	62.0	7.0	0.6	648299	7691839	69	-55	271	66	RC
HMRC262	Falcon	132.0	133.0	1.0	4.0	648341	7691840	69	-56	269	150	RC
HMRC262	Falcon	138.0	150.0	12.0	1.8	648341	7691840	69	-56	269	150	RC
HMRC263	Falcon	224.0	246.0	22.0	1.9	648419	7691840	69	-55	275	246	RC
incl	Falcon	239.0	244.0	5.0	3.6	648419	7691840	69	-55	275	246	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	• *Nature and quality of sampling (e.g. cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc.). These examples should not be taken as limiting the broad meaning of sampling.* • *Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.* • *Aspects of the determination of mineralisation that are Material to the Public Report.* • *In cases where 'industry standard' work has been done this would be relatively simple (e.g. 'reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30 g charge for fire assay'). In other cases, more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (e.g. submarine nodules) may warrant disclosure of detailed information.*	• All drilling and sampling was undertaken in an industry standard manner • Core samples were collected with a diamond rig drilling mainly NQ2 diameter core. • After logging and photographing, NQ2 drill core was cut in half, with one half sent to the laboratory for assay and the other half retained. HQ and PQ core was quartered, with one quarter sent for assay. Holes were sampled over mineralised intervals to geological boundaries on a nominal 1m basis. • Sample weights ranged from 2-4kg • RC holes were sampled on a 1m basis with samples collected from a cone splitter mounted on the drill rig cyclone. 1m sample ranges from a typical 2.5-3.5kg • Aircore samples were collected by spear from 1m sample piles and composited over 4m intervals. Samples for selected holes were collected on a 1m basis by spear from 1m sample piles. Sample weights ranges from around 1-3kg. • The independent laboratory pulverises the entire sample for analysis as described below. • Industry prepared independent standards are inserted approximately 1 in 20 samples. • The independent laboratory then takes the samples which are dried, split, crushed and pulverized prior to analysis as described below. • Sample sizes are considered appropriate for the material sampled. • The samples are considered representative and appropriate for this type of drilling. Diamond core and RC samples are appropriate for use in a resource estimate.
Drilling techniques	• *Drill type (e.g. core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc.) and details (e.g. core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc.).*	• Diamond core diameters are - NQ2 (51mm), HQ3 (61mm), PQ (85mm). • Reverse Circulation (RC) holes were drilled with a 5 1/2-inch bit and face sampling hammer. • Aircore holes were drilled with an 83mm diameter blade bit.
Drill sample recovery	• *Method of recording and assessing core and chip sample recoveries and results assessed.* • *Measures taken to maximise sample recovery and ensure representative nature of the samples.* • *Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material.*	• Core recovery is measured for each drilling run by the driller and then checked by the Company geological team during the mark up and logging process. • RC and aircore samples were visually assessed for recovery. • Samples are considered representative with generally good recovery. Deeper RC and

Criteria	JORC Code explanation	Commentary
		aircore holes encountered water, with some intervals having less than optimal recovery and possible contamination. • No sample bias is observed.
Logging	• *Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies.* • *Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc.) photography.* • *The total length and percentage of the relevant intersections logged.*	• The entire hole has been geologically logged and core was photographed by Company geologists, with systematic sampling undertaken based on rock type and alteration observed • RC and diamond sample results are appropriate for use in a resource estimation, except where sample recovery is poor. • The aircore results provide a good indication of mineralisation but are not used in resource estimation.
Sub-sampling techniques and sample preparation	• *If core, whether cut or sawn and whether quarter, half or all core taken.* • *If non-core, whether riffled, tube sampled, rotary split, etc. and whether sampled wet or dry.* • *For all sample types, the nature, quality and appropriateness of the sample preparation technique.* • *Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.* • *Measures taken to ensure that the sampling is representative of the in-situ material collected, including for instance results for field duplicate/second-half sampling.* • *Whether sample sizes are appropriate to the grain size of the material being sampled.*	• Core samples were collected with a diamond drill rig drilling NQ2, HQ3 or PQ diameter core. After logging and photographing, NQ2 drill core was cut in half, with one half sent to the laboratory for assay and the other half retained. HQ and PQ core was quartered, with one quarter sent for assay. Holes were sampled over mineralised intervals to geological boundaries on a nominal 1m basis. • RC sampling was carried out by a cone splitter on the rig cyclone and drill cuttings were sampled on a 1m basis in bedrock and 4m composite basis in cover. • Aircore samples were collected by spear from 1m sample piles and composited over 4m intervals. Samples for selected holes were collected on a 1m basis by spear from 1m sample piles. • Industry prepared independent standards are inserted approximately 1 in 20 samples. • Each sample was dried, split, crushed and pulverised. • Sample sizes are considered appropriate for the material sampled. • The samples are considered representative and appropriate for this type of drilling • Core and RC samples are appropriate for use in a resource estimate. • Aircore samples are generally of good quality and appropriate for delineation of geochemical trends but are not generally used in resource estimates.

Criteria	JORC Code explanation	Commentary
Quality of assay data and laboratory tests	• *The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.* • *For geophysical tools, spectrometers, handheld XRF instruments, etc., the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc.* • *Nature of quality control procedures adopted (e.g. standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (i.e. lack of bias) and precision have been established.*	• The samples were submitted to a commercial independent laboratory in Perth, Australia. • For diamond core and RC samples Au was analysed by a 50g charge Fire assay fusion technique with an AAS finish and multi-elements by ICPAES and ICPMS • Aircore samples were analysed for Au using 25g aqua regia extraction with ICPMS finish and multi-elements by ICPAES and ICPMS using aqua regia digestion • The techniques are considered quantitative in nature. • As discussed previously certified reference standards were inserted by the Company and the laboratory also carries out internal standards in individual batches • The standards and duplicates were considered satisfactory
Verification of sampling and assaying	• *The verification of significant intersections by either independent or alternative company personnel.* • *The use of twinned holes.* • *Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.* • *Discuss any adjustment to assay data.*	• Sample results have been merged by the company's database consultants. • Results have been uploaded into the company database, checked and verified. • No adjustments have been made to the assay data. • Results are reported on a length weighted basis.
Location of data points	• *Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation.* • *Specification of the grid system used.* • *Quality and adequacy of topographic control.*	• Diamond and RC drill hole collar locations are located by DGPS to an accuracy of +/-10cm. • Aircore hole collar locations are located by DGPS to an accuracy of +/-10cm., or by handheld GPS to an accuracy of 3m. • Locations are given in GDA94 zone 50 projection • Diagrams and location table are provided in the report • Topographic control is by detailed airphoto and Differential GPS data.
Data spacing and distribution	• *Data spacing for reporting of Exploration Results.* • *Whether the data spacing, and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied.* • *Whether sample compositing has been applied.*	• Drill spacing varies from 40m x 40m to 320m x 80m. • All holes have been geologically logged and provide a strong basis for geological control and continuity of mineralisation. • Data spacing and distribution of RC 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 geological structure	• *Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.* • *If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material.*	• The drilling is believed to be approximately perpendicular to the strike of mineralisation where known and therefore the sampling is considered representative of the mineralised zone. • 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.

Criteria	JORC Code explanation	Commentary
		This is allowed for when geological interpretations are completed.
Sample security	• *The measures taken to ensure sample security.*	• Samples were collected by company personnel and delivered direct to the laboratory via a transport contractor.
Audits or reviews	• *The results of any audits or reviews of sampling techniques and data.*	• No audits have been completed. Review of QAQC data has been carried out by database consultants and company geologists.

Section 2 Reporting of Exploration Results

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

Criteria	JORC Code explanation	Commentary
Mineral tenement and land tenure status	• *Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings.* • *The security of the tenure held at the time of reporting along with any known impediments to obtaining a license to operate in the area.*	• Drilling occurs on various tenements held by De Grey Mining Ltd or its 100% owned subsidiaries. • The Hemi Prospect is approximately 60km SSW of Port Hedland.
Exploration done by other parties	• *Acknowledgment and appraisal of exploration by other parties.*	• The tenements have had various levels of previous surface geochemical sampling and wide spaced aircore and RAB drilling by De Grey Mining. Limited previous RC drilling was carried out at the Scooby Prospect. Airborne aeromagnetics/radiometrics has been flown previously.
Geology	• *Deposit type, geological setting and style of mineralisation.*	• The mineralisation style is not well understood to date but is thought to be hydrothermally emplaced gold mineralisation within structures and intrusions. Host rocks comprise igneous rocks intruding Mallina Basin metasediments. Style is similar to some other Western Australian gold deposits.
Drill hole Information	• *A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill holes:* • *easting and northing of the drill hole collar* • *elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar* • *dip and azimuth of the hole* • *down hole length and interception depth* • *hole length.* • *If the exclusion of this information is justified on the basis that the information is not Material and this exclusion does not detract from the understanding of the report, the Competent Person should clearly explain why this is the case.*	• Drill hole location and directional information provide in the report.
Data aggregation methods	• *In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (e.g. cutting of high grades) and cut-off grades are usually Material and should be stated.* • *Where aggregate intercepts incorporate short lengths of*	• 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

Criteria	JORC Code explanation	Commentary
	high grade results and longer lengths of low grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail. • *The assumptions used for any reporting of metal equivalent values should be clearly stated.*	with an internal dilution of 2m maximum. • Wider intervals are aggregated using a 0.3g/t Au lower cut with an internal dilution of 10m maximum. Selected results over 20 gram x metres are reported using this method. • Intercepts are length weighted averaged. • No maximum cuts have been made.
Relationship between mineralisation widths and intercept lengths	• *These relationships are particularly important in the reporting of Exploration Results.* • *If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.* • *If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (e.g. 'down hole length, true width not known').*	• The drill holes are interpreted to be approximately perpendicular to the strike of mineralisation. • Drilling is not always perpendicular to the dip of mineralisation and true widths are less than downhole widths. Estimates of true widths will only be possible when all results are received, and final geological interpretations have been completed.
Diagrams	• *Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported These should include, but not be limited to a plan view of drill hole collar locations and appropriate sectional views.*	• Plans and sections are provided in the report.
Balanced reporting	• *Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results.*	• All drill collar locations are shown in figures and all significant results are provided in this report. • The report is considered balanced and provided in context.
Other substantive exploration data	• *Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples – size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances.*	• Various phases of metallurgical test work are underway, with results to date reported in ASX releases. Geotechnical, groundwater, waste rock characteristics and other studies are underway.
Further work	• *The nature and scale of planned further work (e.g. tests for lateral extensions or depth extensions or large-scale step-out drilling).* • *Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.*	• Follow up aircore drilling will be undertaken to test for strike extensions to mineralisation. • Programs of follow up RC and diamond drilling aimed at extending resources at depth and laterally are underway.