

De Grey Mining Ltd

ABN 65 094 206 292

HALF-YEAR FINANCIAL REPORT

31 DECEMBER 2023

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Directors' Report

Your directors present their report on the consolidated entity comprising De Grey Mining Limited and its controlled entities (the "Group") as at the end of, or during, the half-year ended 31 December 2023.

Directors

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

Simon Lill
 Glenn Jardine
 Andrew Beckwith
 Peter Hood
 Paul Harvey
 Emma Scotney

Principal Activities

The principal activity of the consolidated entity during the course of the half-year was exploration and development studies at the Hemi Gold Project ("HGP" or "Project"), 80 kms south-west of Port Hedland in the Pilbara region of Western Australia. The HGP is centred around the Hemi deposit which was discovered in late 2019.

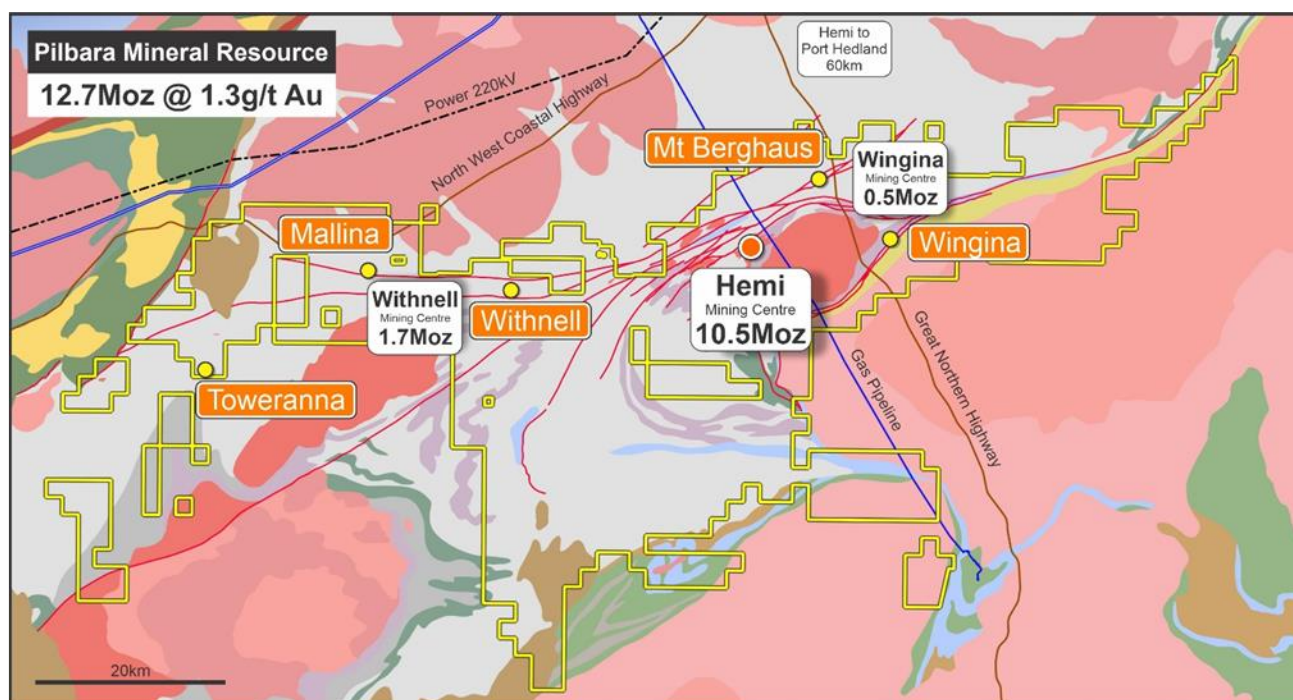
Hemi is a Tier 1 gold discovery with world class infrastructure at its doorstep. Hemi is positioned in the central region of the Company's 1,500km² HGP and is favourably located within 10km of two major sealed highways, approximately 5km from a gas pipeline and less than 30km from a major electricity transmission line. The tenement package is highly prospective for gold, other precious metals and also comprises significant base metals resources (Zn-Ag-Pb) as well as lithium prospects.

Operations Review

De Grey's focus during the 2024 Financial year is multi-pronged:

- *De-risk the HGP through completion of a Definitive Feasibility Study ("DFS") and progress approvals to allow the Final Investment Decision during calendar 2024*
- *Progress Project Financing based on the outcomes of the DFS to allow finalisation of Credit Approved Term Sheets during 2024 financial year*
- *Progress Project engineering and contract negotiations to allow a high degree of confidence in project design prior to approvals*
- *Place orders for long lead items on the critical path for project development*
- *Further build organisational capability to deliver the HGP*
- *Strengthening relationships with our stakeholders as part of our commitment to international ESG Principles*
- *Ongoing exploration aimed at:*
 - *Increasing the resource base at the Hemi to support a mine life of at least 15 years;*
 - *Increasing production potential by conducting new pit shell optimisations in areas where resources have been extended;*
 - *Increasing Regional resources to support regional production studies;*
 - *Pursuing new discoveries through the Company's extensive and ongoing exploration activities;*
- *Assessing the potential for concurrent underground and open pit mining;*
- *Undertake Studies of the potential to develop a regional concentrator at Withnell to support additional production at Hemi*
- *Using the intellectual property gained at Hemi to make further large new discoveries either on our significant landholding or through acquisition of, or interest in, other prospective exploration tenements.*

Figure 1: Hemi Gold Project showing Hemi and Regional deposits



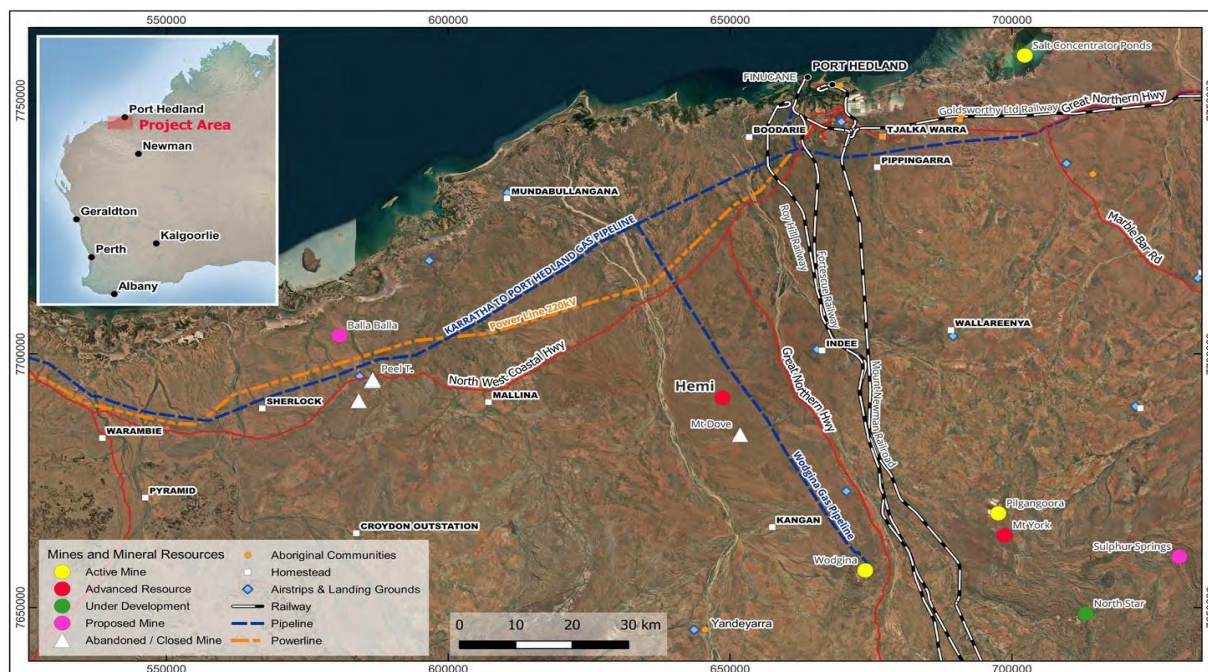
Highlights for the Half-year

- DFS Released in September 2023 which showed:
 - Average annual gold production and All-in Sustaining Cost (AISC) of 553,000oz @ \$1,229/oz in years 1 to 5 and 530,000oz @ \$1,295/oz in years 1-10
 - Peak production of 570,000oz in year 2
 - Hemi-only JORC Probable Ore Reserve increases to 121Mt @ 1.5g/t Au for 6.0Moz
 - Robust financial returns including Net Present Value (NPV5%) of \$2.9 billion post-tax, Internal Rate of Return (IRR) of 36% post-tax and payback of 1.8 years post-tax
 - Capital cost for the 10Mtpa plant and site infrastructure of \$1,298 million inclusive of \$162 million in design growth allowance and contingency. Additional mine preproduction pre-strip capital cost of \$68 million
 - Upside opportunities to improve the production profile above the DFS levels identified and studies commenced.
- Fully Underwritten placement of \$300 million (before costs) completed providing endorsement of DFS outcomes and to allow project implementation activities to be undertaken
- Grant of the Mining Lease for Hemi by the Western Australian Department of Mines, Industry Regulation and Safety
- Project Implementation Activities Commenced including:
 - Detailed engineering
 - Ordering of long lead items – Primary Crusher and Ball Mill orders placed
 - Ordering of camp facilities
- Financing – Post DFS negotiations commenced
 - Non Binding Indicative Offers (NBIO) received
 - Nine Banks and 2 Government Funding Agencies shortlisted to next stage
 - Targeting Credit Approved term sheets by mid-year 2024
- Environment
 - Level of Assessment received from the Western Australian Environmental Protection Agency (EPA) in line with the DFS schedule – Assessed on referral information with certain additional information followed by a public review process under Section 38 Referral (Environmental Protection Act 1986)
 - Department of Climate Change, Energy, The Environment and Water (DCCEEW) also advise that Hemi is considered a ‘Controlled Action’ that will be assessed by Preliminary Documentation – Further Information, under section 75 of the Environmental Protection and Biodiversity Conservation Act 1999 (EPBC Act) – This was also consistent with the assumptions made in the DFS schedule

➤ Exploration

- Exploration continued at Hemi, Greater Hemi and regional prospects including the Egina area (exploration agreement with Novo Resources)
- Mineral Resource Estimate (MRE) (JORC 2012) update released in late November 2024 to a global Project MRE of 296Mt @ 1.3G/t Au for 12.7Moz and increase of 1.0 million ounces from the June 2023 MRE used in the DFS

Figure 2: Hemi Project and Pilbara Region Location Map



Hemi Gold Project

The Project is located (Figure 2) 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.

Existing infrastructure capable of servicing the Project includes:

- 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

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

Project Milestones to Date

- Large, high value, intrusion-hosted style of gold deposit discovered in RC drilling at Hemi in February 2020 followed by the discovery of multiple large-scale deposits within the Hemi area over 18 months
- Hemi Mineral Resource Estimate (MRE) upgraded to 10.5Moz in November 2023 and Hemi Gold Project overall MRE now 12.7Moz
- Hemi Ore Reserve upgraded to 121Mt @ 1.5g/t Au for 6.0Moz in September 2023

- Release of a Scoping Study in October 2021, a Pre-Feasibility Study in September 2022 and a Definitive Feasibility Study (DFS) in September 2023
- Board endorsement of the DFS and commencement of early Project implementation activities in September 2023, targeting first gold in H2 2026

During the half year the Company released the Hemi Definitive Feasibility Study (DFS).

Table 1: Production, Financial Outcomes and Economic Assumptions

Key Production Outcomes	Unit	PFS	DFS
Production Sources		Hemi + Regionals	Hemi
Evaluation Period	Years	13.6	12.0
Ore Tonnes Mined	Mt	136	122
Strip Ratio – Hemi	waste: ore	6.1:1	6.6:1
Ore Processing Rate (nameplate)	Mtpa	10.0	10.0
Average Processed Grade – evaluation period	g/t Au	1.6	1.5
Average Processed Grade – Years 1 to 10	g/t Au	1.8	1.7
Average Metallurgical Recovery	%	93.6	93.5
Average Gold Production - First 5 Years	koz pa	550	553
Average Gold Production - First 10 years	koz pa	540	530
Total Recovered Gold	Moz	6.4	5.7
Hemi Contribution	%	83	100
Reserve Contribution	%	80	99
Key Financial Outcomes	Unit	PFS	DFS
Gold Price	\$/oz	2,400	2,700
All In Sustaining Costs (AISC)			
Average first 5 years	\$/oz	1,220	1,229
Average first 10 years	\$/oz	1,280	1,295
Free Cash Flow (Evaluation Period)			
Pre-tax	\$ billion	5.9	6.3
Post-tax	\$ billion	4.2	4.5
EBITDA (Evaluation Period)	\$ billion	7.1	7.9
Payback Period			
Pre-tax	Years	1.6	1.5
Post-tax	Years	1.8	1.8
Net Present Value (NPV _{5%})			
Pre-tax	\$ billion	3.9	4.2
Post-tax	\$ billion	2.7	2.9
Internal Rate of Return (IRR)			
Pre-tax	%	51	45
Post-tax	%	41	36
Upfront Capital Cost Estimate			
Total Pre-Production Capital Costs	\$ million	1,053	1,345
Key Environmental and Social (ES) Statistics			
LOM Total Economic Value Add	\$ billion	11.2	10.8
Carbon intensity	t.CO ₂ /ozpa	0.6 – 0.3	0.79 – 0.49

The DFS outcomes were based on the June 2023 Mineral Resource Estimate (MRE) (JORC 2012) released on 15 June 2023.

The DFS and accompanying updated Hemi Probable Ore Reserve of 121Mt at 1.5g/t Au for 6.0Moz was based on the June 2023 Resource estimate.

Table 2: Hemi Ore Reserve#

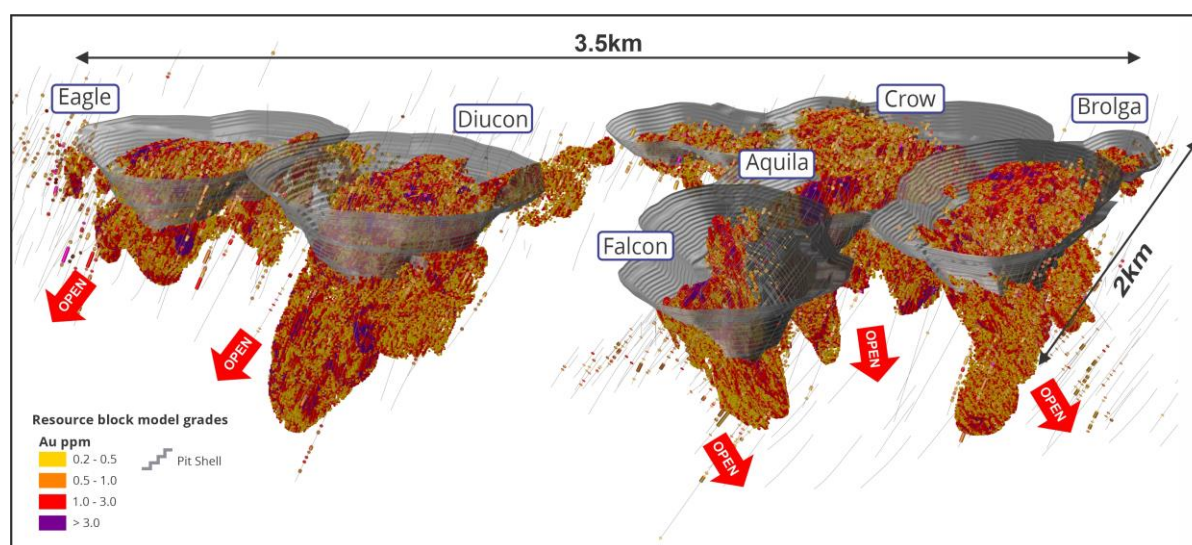
Deposit	Proven			Probable			Total		
	Mt	Au g/t	koz	Mt	Au g/t	koz	Mt	Au g/t	koz
Aquila/Crow	-	-	-	24.7	1.6	1,259	24.7	1.6	1,259
Brolga	-	-	-	36.5	1.6	1,829	36.5	1.6	1,829
Diucon	-	-	-	26.6	1.6	1,383	26.6	1.6	1,383
Eagle	-	-	-	13.0	1.4	598	13.0	1.4	598
Falcon	-	-	-	20.0	1.4	932	20.0	1.4	932
Total Hemi	-	-	-	120.8	1.5	6,002	120.8	1.5	6,002

The rounding in the above tables is an attempt to represent levels of precision implied in the estimation process and apparent errors of summation may result from the rounding.

Refer to the Appendix of this document for details including JORC Table 1 disclosures

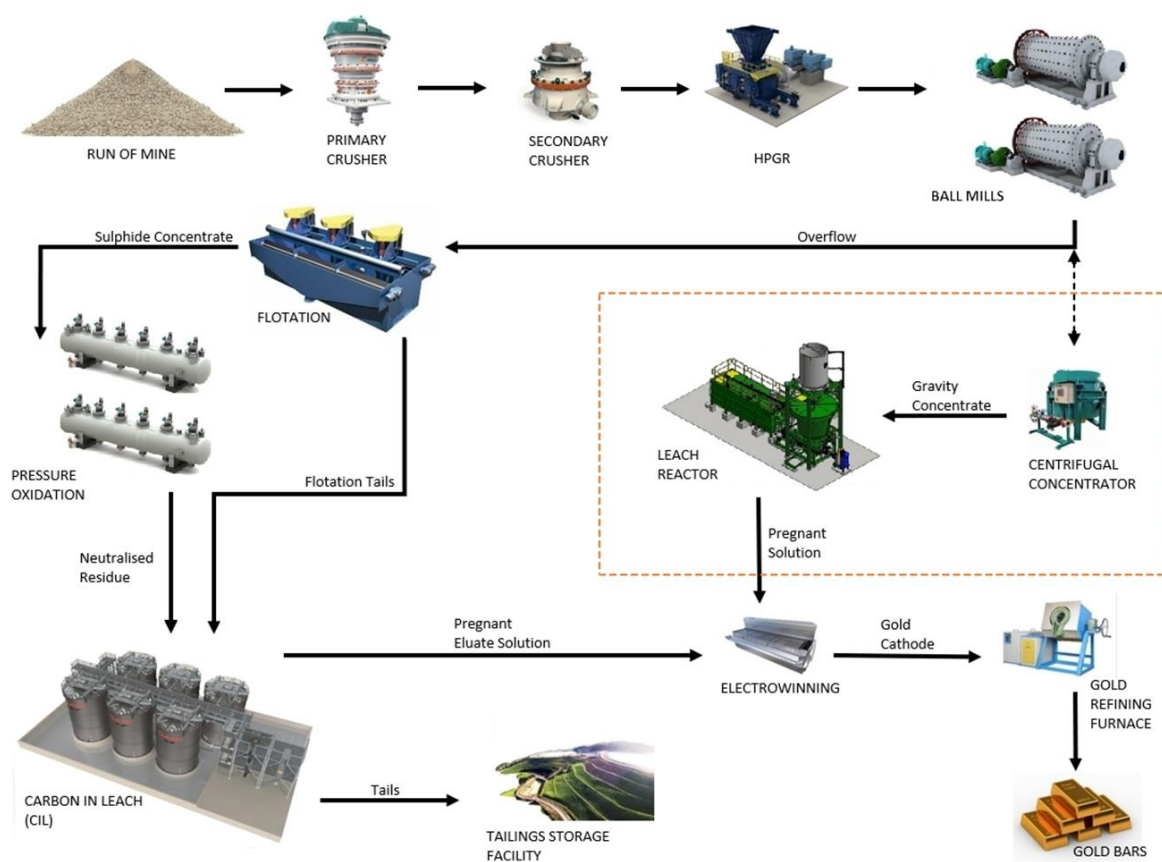
The DFS production profile comprises 99% of Ore Reserves from Hemi. The remaining 1% comprises Inferred Resources that are incidental to open pit mining.

The DFS mine plan comprises open pit mining production from the Hemi deposits of Aquila, Brolga, Crow, Diucon, Eagle and Falcon (Figure 3). The Regional deposits were included in the PFS but excluded from the DFS physical and financial metrics having been studied to a PFS level and following the growth and increased JORC confidence of the Hemi deposits in the June 2023 MRE. All the Hemi deposits are located within 4km of the proposed processing plant site.

Figure 3: Hemi Pit Shell Outlines

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.

Figure 4: Simplified Process Flowsheet



Opportunities to improve the DFS production profile and financial returns early in the life of the operation are being actively pursued. The Company has already identified several opportunities to improve the DFS outcomes. These include:

- Potential to increase the scale of the Eagle and Diucon open pits based on significant extensions identified in drilling completed after the cut-off date for the June 2023 MRE and DFS mine designs
- Potential construction of a separate Regional concentrator at Withnell treating Regional deposits with an initial target production rate of 150,000ozpa from the 1.7Moz MRE centred at Withnell plus potential resource extensions
- Potential for underground production concurrent with open pit production at Hemi, currently demonstrated at Diucon and Eagle with potential from other Hemi deposits
- Design allowance and scalability of the comminution and POx circuits has been built into the DFS which gives scope to exceed nameplate throughput following commissioning

Project Development

The De Grey Board endorsed the DFS outcomes and approved the following Project implementation activities:

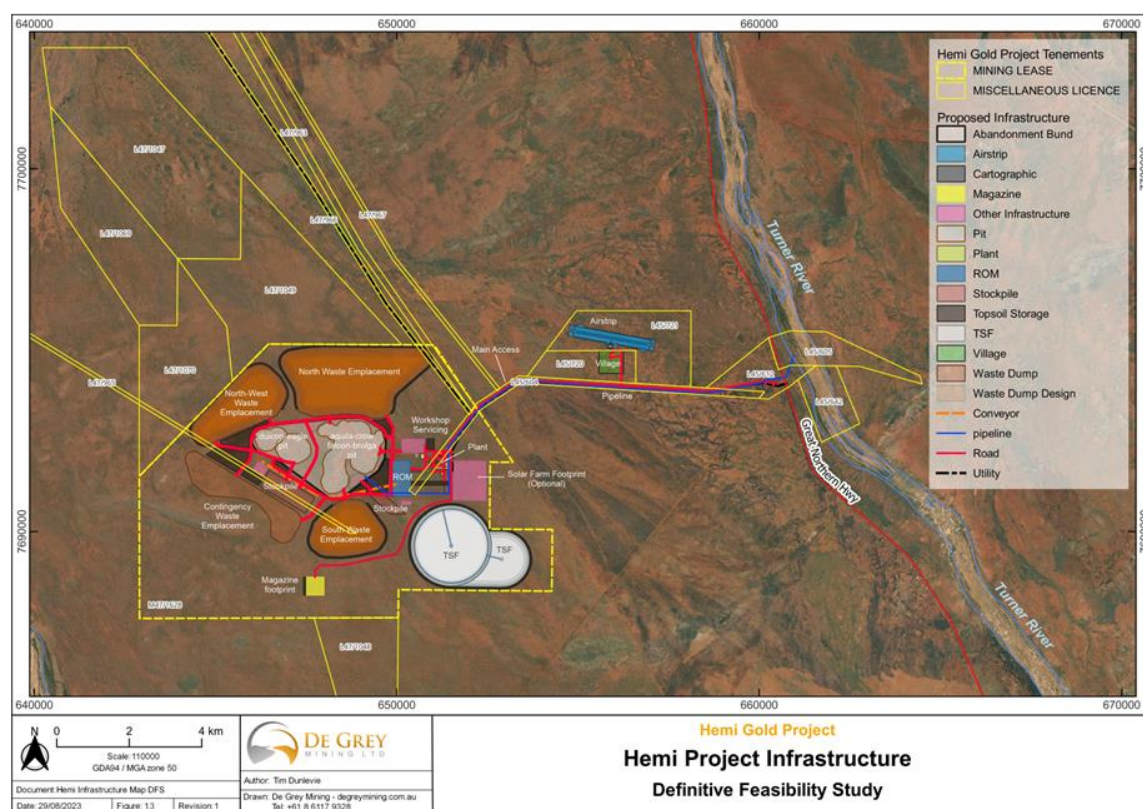
- Ordering of long lead items on critical path
- Continue to refine the project execution plan
- Detailed engineering and design to a high confidence level before Project approvals
- Refining the developed contracting strategy
- Advancing major Project tenders
- Progress activities to support the Project execution schedule
- Progress and conclude Project financing

These approvals enabled the Project to maintain its strong momentum since the discovery of Hemi in late 2019 and facilitate a pathway for first production from this Tier 1 gold project in the second half of 2026.

The Mining Agreement signed with the Kariyarra People in December 2022 covers all Hemi resources and the Project's infrastructure footprint including plant and accommodation, tailings storage facilities and waste dumps.

In September 2023, the Company was granted the Mining Lease for Hemi by the Western Australian Department of Mines, Industry Regulation and Safety (DMIRS). Similarly, the Mining Lease (M47/1628) covers the Hemi deposits, proposed mining area and processing plant site (Figure 5). The granting of the Mining Lease represented an important milestone for the Company and de-risking of the Project on the path toward development and production.

Figure 5: Hemi Infrastructure Layout Showing Granted Mining Lease Location



During the quarter Company has received notice from the Western Australian Environmental Protection Authority (EPA) and the Commonwealth Department of Climate Change, Energy, The Environment and Water (DCCEEW) in relation to the Project's environmental referrals.

The EPA advised that Hemi will be assessed on referral information (with certain additional information), followed by a public review process under Section 38 Referral (Environmental Protection Act WA 1986) assessment outcome for the Project.

Similarly, DCCEEW has advised that Hemi is considered to be a “Controlled Action” that will be assessed by Preliminary Documentation – Further Information, under section 75 of the Environmental Protection and Biodiversity Conservation Act 1999 (EPBC Act).

These approval pathways are consistent with those incorporated into the timeline for the development of Hemi DFS published in September 2023.

The Board will be ready to consider a formal Final Investment Decision on the Project at the conclusion of the project financing and project approval processes, expected in the second half of 2024.

Financial Overview

The consolidated loss after tax for the half-year ended 31 December 2023 was \$7,021,261 (2022: \$7,444,001).

The basic loss per share for the half-year ended 31 December 2023 was 0.40 cents per share (2022: 0.52 cents per share).

Dividends

No dividends were paid or declared during the half-year (2022: None). No recommendation for payment of dividends has been made.

Significant changes in the state of affairs

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

Matters subsequent to the end of the financial period

There have been no matters or circumstances occurring subsequent to the end of the financial period that have significantly affected, or may significantly affect, the operations of the Group or the results of those operations, or the state of affairs of the Group in future financial years.

Environmental Regulation

The Group holds mining and exploration licences all of which are subject to environmental regulations that include compliance with heritage obligations. The Group acknowledges the Traditional Custodians of the land upon which we operate and recognises their unique cultural heritage, beliefs and connection to these lands, waters and communities. The Group is subject to The Aboriginal Heritage Act 1972 and processes are in place to ensure heritage approvals are received prior to intensive exploration and to ensure that it is in compliance with heritage legislation.

All environmental performance obligations are monitored by the board via regular board meetings. The directors of the Group are not aware of any breach of environmental legislation for the period under review.

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 Mining Limited under section 237 of the *Corporations Act 2001*.

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 15.

This report is made in accordance with a resolution of the Directors under section 306(3) of the *Corporations Act 2001* dated 22 February 2024 and authorised for release by the Board of Directors.



Simon Lill
Non-executive Chairman

Perth, 22 February 2024



Emma Scotney
Chair of the Audit & Risk Committee

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 (excluding Toweranna) 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 and Toweranna 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.



**Building a better
working world**

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

As lead auditor for the review of the half-year financial report of De Grey Mining Limited for the half-year ended 31 December 2023, 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 review;
- b. No contraventions of any applicable code of professional conduct in relation to the review; and
- c. No non-audit services provided that contravene any applicable code of professional conduct in relation to the review.

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

A handwritten signature in black ink that reads 'Ernst & Young' in a cursive script.

Ernst & Young

A handwritten signature in black ink, appearing to be 'P. Dreyer', written in a cursive style.

Pierre Dreyer
Partner
22 February 2024

Consolidated Statement of Profit or Loss and other Comprehensive Income

For the half-year ended	Notes	31 December 2023 \$	31 December 2022 \$
Revenue		19,355	13,502
Interest income		5,108,988	1,225,988
Other income		1,494,580	31,392
Employee benefits expense		(5,259,226)	(4,058,427)
Share based payments		(779,591)	(739,273)
Compliance expenses		(327,845)	(313,596)
Corporate advisory and consulting expenses		(627,111)	(461,912)
Administration and other expenses		(3,428,245)	(1,969,678)
Depreciation and amortisation		(1,236,806)	(1,114,901)
Finance costs		(43,814)	(47,760)
Loss on financial assets investment		(1,941,546)	(9,336)
LOSS BEFORE INCOME TAX		(7,021,261)	(7,444,001)
INCOME TAX EXPENSE		-	-
LOSS FOR THE PERIOD		(7,021,261)	(7,444,001)
OTHER COMPREHENSIVE INCOME			
<i>Items that may be reclassified to profit or loss</i>		-	-
OTHER COMPREHENSIVE INCOME FOR THE PERIOD, NET OF TAX		-	-
TOTAL COMPREHENSIVE LOSS FOR THE PERIOD		(7,021,261)	(7,444,001)
Total comprehensive loss for the period attributable to:			
Owners of De Grey Mining Limited		(7,021,261)	(7,444,001)
		Cents	Cents
Basic and diluted loss per share for loss attributable to the ordinary equity holders of the Company:		(0.40)	(0.52)

The above Consolidated Statement of Profit or Loss and other Comprehensive Income should be read in conjunction with the Notes to the Consolidated Financial Statements.

Consolidated Statement of Financial Position

As at	Notes	31 December 2023	30 June 2023
		\$	\$
CURRENT ASSETS			
Cash and cash equivalents	4	342,729,194	112,705,077
Trade and other receivables		4,757,542	1,763,440
Other assets		1,979,925	1,937,598
Inventories		108,049	179,493
TOTAL CURRENT ASSETS		349,574,710	116,585,608
NON-CURRENT ASSETS			
Financial assets	5	6,702,019	8,643,565
Deferred exploration & evaluation expenditure	6	349,251,806	307,710,136
Property, plant and equipment	7	9,399,745	11,065,479
Right of use assets	8	1,617,758	1,597,330
TOTAL NON-CURRENT ASSETS		366,971,328	329,016,510
TOTAL ASSETS		716,546,038	445,602,118
CURRENT LIABILITIES			
Trade and other payables	9	10,371,652	24,299,573
Lease liabilities	10	712,642	511,810
Employee benefit obligations		1,067,136	1,192,750
TOTAL CURRENT LIABILITIES		12,151,430	26,004,133
NON-CURRENT LIABILITIES			
Lease liabilities	10	1,003,380	1,172,951
Employee benefit obligations		298,247	149,829
Rehabilitation provision		2,218,266	2,218,266
TOTAL NON-CURRENT LIABILITIES		3,519,893	3,541,046
TOTAL LIABILITIES		15,671,323	29,545,179
NET ASSETS		700,874,715	416,056,939
EQUITY			
Contributed equity	11	798,122,447	503,075,924
Reserves	13	909,312	4,116,798
Accumulated losses	13	(98,157,044)	(91,135,783)
TOTAL EQUITY		700,874,715	416,056,939

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 half-year ended	Notes	Contributed Equity \$	Reserves \$	Accumulated Losses \$	Total \$
BALANCE AT 1 JULY 2023		503,075,924	4,116,798	(91,135,783)	416,056,939
Loss for the period	13	-	-	(7,021,261)	(7,021,261)
Other comprehensive income		-	-	-	-
TOTAL COMPREHENSIVE LOSS FOR THE PERIOD		-	-	(7,021,261)	(7,021,261)
Transactions with owners in their capacity as owners:					
Shares issued during period	11	300,650,008	-	-	300,650,008
Share issue costs	11	(9,590,562)	-	-	(9,590,562)
Share based payments	13	-	779,591	-	779,591
Share based reserve transfer – exercised	13	3,987,077	(3,987,077)	-	-
BALANCE AT 31 DECEMBER 2023		798,122,447	909,312	(98,157,044)	700,874,715
BALANCE AT 1 JULY 2022		356,706,505	3,565,203	(72,130,562)	288,141,146
Loss for the period		-	-	(7,444,001)	(7,444,001)
Other comprehensive income		-	-	-	-
TOTAL COMPREHENSIVE LOSS FOR THE PERIOD		-	-	(7,444,001)	(7,444,001)
Transactions with owners in their capacity as owners:					
Shares issued during period		149,046,000	-	-	149,046,000
Share issue costs		(4,915,714)	-	-	(4,915,714)
Share based payments		-	739,273	-	739,273
Share based reserve transfer – exercised		2,252,886	(2,252,886)	-	-
BALANCE AT 31 DECEMBER 2022		503,089,677	2,051,590	(79,574,563)	425,566,704

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 half-year ended	Notes	31 December 2023 \$	31 December 2022 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers		18,119	16,064
Other income received		19,942	136,961
Payments to suppliers and employees		(10,581,648)	(7,526,007)
Interest paid		(37,601)	(40,958)
Interest received		3,526,392	1,136,775
NET CASH OUTFLOW FROM OPERATING ACTIVITIES		<u>(7,054,796)</u>	<u>(6,277,165)</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for exploration and evaluation expenditure		(52,307,850)	(38,485,094)
Payments for plant and equipment		(1,391,612)	(921,779)
NET CASH OUTFLOW FROM INVESTING ACTIVITIES		<u>(53,699,462)</u>	<u>(39,406,873)</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from issue of ordinary shares		300,650,008	149,046,000
Payments of share issue transaction costs		(9,590,562)	(4,922,542)
Principal lease payments		(281,071)	(228,765)
NET CASH INFLOW FROM FINANCING ACTIVITIES		<u>290,778,375</u>	<u>143,894,693</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS		230,024,117	98,210,655
Cash and cash equivalents at the beginning of the financial half-year		112,705,077	63,494,235
CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL HALF-YEAR	4	<u>342,729,194</u>	<u>161,704,890</u>

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

1. Corporate Information

The financial report of De Grey for the half-year ended 31 December 2023 was authorised for issue in accordance with a resolution of the Directors on 22 February 2024. De Grey is a for-profit Company limited by shares and domiciled in Australia where shares are publicly traded. Details of the Group's principal activities are included in Note 3.

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.

2. Basis of Preparation of Half-year Report

These consolidated interim financial statements for the half-year reporting period ended 31 December 2023 have been prepared in accordance with Accounting Standard AASB 134 *Interim Financial Reporting* ("AASB 134") and the *Corporations Act 2001*. Compliance with AASB 134 ensures compliance with International Financing Reporting Standard IAS 34 *Interim Financial Reporting*.

These consolidated interim financial statements do not include all the notes of the type normally included in an annual financial report. Accordingly, this report is to be read in conjunction with the annual report for the year ended 30 June 2023 and any public announcements made by De Grey during the interim reporting period in accordance with the continuous disclosure requirements of the *Corporations Act 2001*.

The accounting policies adopted in the preparation of these consolidated interim financial statements are consistent with those followed in the preparation of the Group's annual consolidated financial statements for the year ended 30 June 2023 and the corresponding interim reporting period. Several amendments and interpretations became applicable for the current reporting period. The Group did not have to change its accounting policies or make retrospective adjustments as a result of adopting these standards.

The Group has not early adopted any standard, interpretation or amendment that has been issued but not yet effective.

3. 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 Australia. 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.

4. Cash and cash equivalents

	Consolidated	
	31 December 2023	30 June 2023
	\$	\$
Cash at bank & on hand ⁽ⁱ⁾	52,074,364	12,266,312
Short-term & on-call deposits ⁽ⁱⁱ⁾	290,654,830	100,438,765
Total cash and cash equivalents	342,729,194	112,705,077

- (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 twelve 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.

5. Financial assets

	Consolidated	
	31 December 2023	30 June 2023
	\$	\$
<i>Financial assets at fair value through profit or loss</i>		
Novo Resources Corp. (ASX: NVO) listed equity securities (i) (ii)	6,702,019	8,643,565
Total financial assets	6,702,019	8,643,565

- (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 AUD \$0.190 (30 June 2023: CAD \$0.215). During the period, a loss of \$1,941,546 (2022: loss of \$9,336) was recognised in the consolidated statement of profit or loss and other comprehensive income.

6. Deferred exploration & evaluation expenditure

	Consolidated	
	31 December 2023	30 June 2023
	\$	\$
Beginning of financial period – 1 July	307,710,136	233,963,542
Exploration expenditure - all areas of interest for the period ⁽ⁱ⁾	40,169,137	74,382,634
Transfer from property, plant and equipment – Note 7	1,886,506	-
Rehabilitation asset movement	-	(86,273)
Fuel tax credit offset	(513,973)	(549,767)
Total deferred exploration & evaluation expenditure	349,251,806	307,710,136

- (i) The Group has capitalised all costs associated with the Hemi 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.

At 31 December 2023, 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 (30 June 2023: None).

7. Property, plant and equipment

	Consolidated							Total
	Plant & Equipment	Computer Equipment	Furniture & Fittings	Motor Vehicles	Buildings	Medical Equipment	Assets in Progress	
	\$	\$	\$	\$	\$	\$	\$	
31 December 2023								
Cost	4,927,684	2,003,389	1,027,112	2,092,091	3,772,323	-	571,421	14,394,020
Accumulated depreciation	(1,424,761)	(993,433)	(379,486)	(980,164)	(1,216,431)	-	-	(4,994,275)
Net book amount	3,502,923	1,009,956	647,626	1,111,927	2,555,892	-	571,421	9,399,745

Property, plant and equipment movement

Carrying value - 1 July 2023	3,636,547	887,561	509,521	1,163,290	2,528,014	-	2,340,546	11,065,479
Additions	112,094	344,599	217,124	79,999	294,478	-	117,381	1,165,675
Transfer to deferred exploration & evaluation – Note 6	-	-	-	-	-	-	(1,886,506)	(1,886,506)
Depreciation charge	(245,718)	(222,204)	(79,019)	(131,362)	(266,600)	-	-	(944,903)
Carrying value - 31 December 2023	3,502,923	1,009,956	647,626	1,111,927	2,555,892	-	571,421	9,399,745

	Consolidated							Total
	Plant & Equipment	Computer Equipment	Furniture & Fittings	Motor Vehicles	Buildings	Medical Equipment	Assets in Progress	
	\$	\$	\$	\$	\$	\$	\$	
30 June 2023								
Cost	4,815,590	1,658,790	809,988	2,012,092	3,477,845	-	2,340,546	15,114,851
Accumulated depreciation	(1,179,043)	(771,229)	(300,467)	(848,802)	(949,831)	-	-	(4,049,372)
Net book amount	3,636,547	887,561	509,521	1,163,290	2,528,014	-	2,340,546	11,065,479

Property, plant and equipment movement

Carrying value - 1 July 2022	1,505,852	518,206	623,243	1,172,056	409,964	1,543	4,584,349	8,815,213
Additions	789,338	727,655	31,167	305,789	9,857	-	2,201,327	4,065,133
Completion of assets in progress	1,819,241	-	-	-	2,625,889	-	(4,445,130)	-
Transfer between categories	1,543	-	-	-	-	(1,543)	-	-
Depreciation charge	(479,427)	(358,300)	(144,889)	(314,555)	(517,696)	-	-	(1,814,867)
Carrying value - 30 June 2023	3,636,547	887,561	509,521	1,163,290	2,528,014	-	2,340,546	11,065,479

8. Right of use assets

	Consolidated	
	31 December 2023	30 June 2023
	\$	\$
Right of use asset – office premises		
Gross carrying amount ⁽ⁱ⁾	2,830,487	2,518,155
Accumulated depreciation	(1,212,729)	(920,825)
Net book amount ⁽ⁱⁱ⁾	1,617,758	1,597,330
Opening net book amount – 1 July	1,597,330	1,843,584
Additions – additions for the period	312,332	260,705
Depreciation for the period – leased office premises	(291,904)	(506,959)
Closing net book amount	1,617,758	1,597,330

- (i) The right of use asset consists of De Grey Mining Limited's head office lease and does not include the options for office lease term extensions as it is not reasonably certain the options will 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 for the lease of the office premise is 3% (30 June 2023: 3%).

9. Trade and other payables

	Consolidated	
	31 December 2023	30 June 2023
	\$	\$
Trade payables	4,698,953	14,355,405
Other payables and accruals ⁽ⁱ⁾	5,672,699	9,944,168
Total trade and other payables	10,371,652	24,299,573

- (i) Other payables and accruals are non-interest bearing. The amount includes \$4,618,050 (30 June 2023: \$7,000,000) of committed expenditure on Novo Resources Corporation's Egina Project.

10. Lease liabilities

	Consolidated	
	31 December 2023	30 June 2023
	\$	\$
Current		
Lease liabilities – office premises	712,642	511,810
Non-current		
Lease liabilities – office premises	1,003,380	1,172,951
Opening net book amount – 1 July	1,684,761	1,895,096
Interest expense	25,218	57,053
Lease payments	(306,289)	(528,093)
Additions	312,332	260,705
Carrying value – end of period	1,716,022	1,684,761

The group is required to make significant judgements, estimates and assumptions in assessing the lease liability of the office lease and has used an incremental borrowing 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 as, at the commencement of the lease, it was not reasonably certain that the option would be exercised.

11. Contributed equity

(a) Share capital	31 December 2023		30 June 2023		
	Issue Price	Number of shares	\$	Number of shares	\$
Ordinary shares fully paid		1,851,265,525	798,122,447	1,561,166,915	503,075,924
Total contributed equity		1,851,265,525	798,122,447	1,561,166,915	503,075,924

(b) Movements in ordinary share capital

Beginning of the financial period		1,561,166,915	503,075,924	1,408,843,525	356,706,505
Issued during the current and prior period:					
<i>Placement share issue</i>	\$1.00	-	-	130,000,000	130,000,000
<i>Share purchase plan share issue</i>	\$1.00	-	-	19,046,000	19,046,000
<i>Shares issued on exercise of options</i>	\$0.00	3,646,304	-	1,811,544	-
<i>Shares issued on exercise of rights</i>	\$0.00	118,965	-	1,465,846	-
<i>Placement share issue</i>	\$1.05	286,333,341	300,650,008	-	-
<i>Transaction costs</i>		-	(9,590,562)	-	(4,929,467)
<i>Share based payments reserve transfer on exercise</i>		-	3,987,077	-	2,252,886
End of the financial period		1,851,265,525	798,122,447	1,561,166,915	503,075,924

(c) Movements in options on issue

	Number of options	
	31 December 2023	30 June 2023
Beginning of the financial period	3,654,720	4,851,096
Net issued / (exercised or cancelled) during the period:		
- Exercisable at 0 cents, on or before 29 July 2022	Unlisted	- (450,454)
- Exercisable at 0 cents, on or before 31 July 2023	Unlisted	(1,361,090)
- Exercisable at 0 cents, on or before 31 July 2024	Unlisted	(768,704) 777,120
- Exercisable at 0 cents, on or before 3 December 2024	Unlisted	(2,877,600) (161,952)
- Exercisable at 0 cents, on or before 31 December 2025	Unlisted	1,471,127 -
End of the financial period	1,479,543	3,654,720

(d) 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 amount of authorised capital. Neither the Company, nor any of its subsidiaries, holds any shares in the Company at 31 December 2023 (30 June 2023: Nil).

12. Dividends

No dividends were paid during the financial period and no recommendation for payment of dividends has been made (30 June 2023: Nil).

13. Reserves and Accumulated Losses

	Consolidated	
	31 December 2023	30 June 2023
	\$	\$
(a) Movements in share-based payments reserve:		
Balance at beginning of financial period	4,116,798	3,565,203
Share based payments expense	779,591	2,804,481
Transfer to issued capital on exercise of options	(3,987,077)	(2,252,886)
Balance at end of period	<u>909,312</u>	<u>4,116,798</u>
(b) Movements in accumulated losses		
Balance at beginning of financial period	(91,135,783)	(72,130,562)
Net loss for the period	(7,021,261)	(19,005,221)
Balance at end of period	<u>(98,157,044)</u>	<u>(91,135,783)</u>

14. 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	
	31 December 2023	30 June 2023
	\$	\$
Outstanding Hemi Gold Project exploration commitments are as follows:		
Hemi Gold Project tenements (100% owned)	2,771,000	2,704,400
Tenements under option agreements	1,111,600	126,000
<i>Annual commitment for the Hemi Gold Project assets</i>	<u>3,882,600</u>	<u>2,830,400</u>

(b) Capital commitments

The Group did not have any capital commitments as at the current or prior balance date (30 June 2023: Nil).

15. Events occurring after the reporting date

On 5 February 2024 De Grey announced it had signed an exclusive option agreement with Kalamazoo Resources (KZR) to acquire 100% of KZR's Ashburton Gold project. De Grey paid a \$3M option fee to KZR and may exercise the option to acquire Ashburton during the option period through payment of \$15M and an additional \$15M within 18 months of exercise. Payments can be made in cash or De Grey shares, at De Grey's election. During the option period De Grey is committed to spend a minimum on \$1M for exploration, test work and studies as part of its due diligence.

On 14 February 2024 De Grey announced that Sarah Standish had been appointed as General Counsel and Company Secretary. Sarah is an experienced General Counsel and Company Secretary, with expertise and skills in leading legal, risk, compliance and governance functions in ASX listed and international companies. Ms Standish replaces Craig Nelmes as Company Secretary.

Subsequent to the end of the reporting period De Grey signed contracts for the purchase of Ball Mills and a Gyratory Crusher.

Other than those stated above there have been no matters or circumstances occurring subsequent to the end of the financial period that has significantly affected or may significantly affect the operations of the Group or the result of those operations, or the state of affairs of the Group in future financial years.

Directors' Declaration

In the directors' opinion:

- (a) the financial statements and notes set out on pages 16 to 25 are in accordance with the *Corporations Act 2001*, including:
 - (i) complying with Accounting Standards, AASB 134 *Interim Financial Reporting*, the *Corporations Regulations 2001* and other mandatory professional reporting requirements; and
 - (ii) giving a true and fair view of the Group's financial position as at 31 December 2023 and of its performance for the half year on that date; and
- (b) there are reasonable grounds to believe that the Company will be able to meet any obligations or liabilities as and when they become due and payable; and

This declaration is made in accordance with a resolution of the Directors in accordance with sections 303(4) and (5) of the *Corporations Act 2001*.



Simon Lill
Non-executive Chairman

Perth, 22 February 2024



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

Conclusion

We have reviewed the accompanying half-year 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 31 December 2023, the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the half-year ended on that date, notes comprising a statement of accounting policies and other explanatory information, and the directors' declaration.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of the Group does not comply with the *Corporations Act 2001*, including:

- a. Giving a true and fair view of the consolidated financial position of the Group as at 31 December 2023 and of its consolidated financial performance for the half-year ended on that date; and
- b. Complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Basis for conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity* (ASRE 2410). Our responsibilities are further described in the *Auditor's responsibilities for the review of the half-year 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 annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

Directors' responsibilities for the half-year financial report

The directors of the Company are responsible for the preparation of the half-year 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 half-year financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

Auditor's responsibilities for the review of the half-year financial report

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Group's financial position as at 31 December 2023 and its performance for the half-year ended on that date, and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.



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A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

A stylized, handwritten signature in black ink that reads 'Ernst & Young'.

Ernst & Young

A handwritten signature in black ink, appearing to be 'P. Dreyer'.

Pierre Dreyer
Partner
Perth
22 February 2024

Corporate Information

ABN 65 094 206 292

Stock Exchange Listing

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

Directors

Simon Lill (Non-Executive Chairman)
Glenn Jardine (Managing Director)
Peter Hood AO (Lead Non-Executive Director)
Andrew Beckwith (Non-Executive Director)
Paul Harvey (Non-Executive Director)
Emma Scotney (Non-Executive Director)

Chief Financial Officer

Peter Canterbury

Company Secretary

Sarah Standish

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