ASX Announcement
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NEW GOLD DISCOVERIES AND EXTENSIONS AT MOUNT BERGHAUS

ASX Code DEG

ABN 65 094 206 292

COMPANY DIRECTORS
Simon Lill
Executive Chairman

Davide Bosio
Non-executive Director

Steve Morris
Non-executive Director

Craig Nelmes
Company Secretary/CFO

CONTACT DETAILS

Principal & Registered Office
Level 2, Suite 9
389 Oxford Street
Mt Hawthorn WA 6016

PO Box 281
Mt Hawthorn WA 6016

www.degreymining.com.au

admin@degreymining.com.au

T +61 8 9381 4108
F +61 8 9381 6761

- Significant new gold intersections outside of existing resource model - remains open.
- Two new discoveries - North Lode and West Berghaus - provide confidence of a large mineralized system.
- Resource update expected towards end of January.

Significant new results include:

Mount Berghaus Resource Area

10m @ 3.03g/t Au from 16m

4m @ 7.75g/t Au from 62m

22m @ 1.31g/t Au from 104m

14m @ 2.58g/t Au from 122m

North Lode

17m @ 2.08g/t Au from 32m

4m @ 4.33g/t Au from 104m

9m @ 1.22g/t Au from 37m

7m @ 1.52g/t Au from 69m

West Berghaus

11m @ 0.97g/t Au from 0m

43m @ 0.55g/t Au from 79m

12m @ 0.65g/t Au from 0m

NB: downhole widths do not necessarily reflect true widths.

Andy Beckwith, Geology Manager, commented

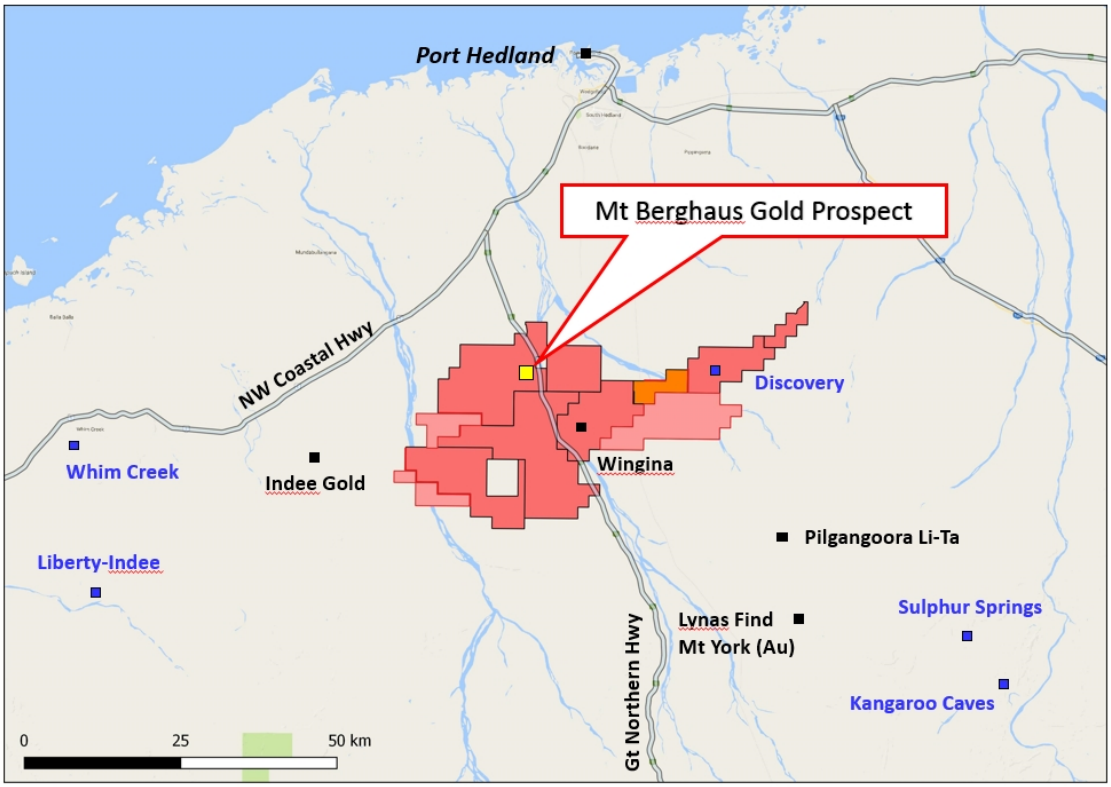
"These new drill results are very encouraging, particularly when combined with earlier shallow drill intersections released in mid-December.

Clearly, this is an under-drilled and large gold system within the highly prospective Mallina Shear Zone.

Our Turner River Project continues to provide excellent opportunities for further resource growth."

De Grey Mining Ltd (ASX: DEG, “De Grey” “Company”) is pleased to report the final results of the outstanding drill holes at the Mount Berghaus prospect, Turner River Project (Figure 1). The RC drilling program, comprising 64 holes for a total advance of 5536m, forms an integral part of the Company’s strategy of targeting a combined 500,000oz resource at the Turner River Project in the coming six months.

Figure 1 Turner River Project location plan



Specifically, the Mount Berghaus drilling program aims to both upgrade and expand on the current 43,000 ounce gold resource (*Resources Statement by De Grey Mining Limited as reported to the ASX on 23 June 2016)*. The drilling has focused on key infill drilling within the existing resource and immediate along strike extensions, as well as testing newly defined outcropping gold bearing quartz veins and other priority targets.

Initial drilling results for the first 21 holes of the 64 hole program were reported in an ASX release on 16 December 2016, with significant results from the Mount Berghaus Resource Area and extensions including:

12m @ 11.36g/t Au from 5m

31m @ 2.07g/t Au from 8m

12m @ 2.21g/t Au from 51m

3m @ 5.51g/t Au from 64m

4m @ 7.95g/t Au from 28m

This report provides final 1 metre re-split results for earlier holes in Table 2 and final 1m re-splits the remaining 43 drill holes in Table 3.

Drilling Results

The overall drilling programme has been highly successful in defining:

- Infill mineralisation within the Mount Berghaus Resource Area
- Immediate along strike extensions to mineralisation outside the Mount Berghaus Resource Area
- Multiple quartz lodes
- Significant new mineralisation at the North Lode and West Berghaus Prospects
- All three mineralised areas remain open along strike and at depth.

1. Existing Mount Berghaus Resource Area

At Mount Berghaus multiple lodes of quartz veining have been defined with associated significant gold mineralisation. Mineralisation remains open both along strike and at depth along many of the lodes. Drilling has also intersected a new lode and extensions to the existing lodes. Wireframing and geological modelling of the mineralised lodes is currently underway and an updated resource is planned to commence towards the end of January. Figures 2 and 3 provides a summary of drilling intersections and hole locations at Mount Berghaus, North Lode and West Berghaus.

Mount Berghaus Resource Area - Significant new drill results:

10m @ 3.03g/t Au from 16m in BGRC168 (including 2m @ 9.7g/t Au from 24m)

4m @ 7.75g/t Au from 62m in BGRC147 (including 1m @ 29.2g/t Au from 63m)

22m @ 1.31g/t Au from 104m in BGRC148 (including 1m @ 7.44g/t Au from 114m, 1m @ 4.05g/t Au from 121m and 2m @ 3.85g/t Au from 124m)

14m @ 2.58g/t Au from 122m in BGRC149 (including 1m @ 31.5g/t Au from 129m)

12m @ 1.34g/t Au from 63m in BGRC158

22m @ 0.93g/t Au from 45m in BGRC171

2. New Discoveries

The **North Lode** is a new discovery approximately 300m to the north of the Mount Berghaus Resource Area and shows a number of significant shallow gold intersections from the limited 6 RC drill holes completed to date. This mineralisation is associated with quartz veining along the margins of a series of narrow porphyry intrusions within the sediment package. This mineralisation remains open to the east and at depth with wide spaced earlier RAB drilling suggesting further extension may be possible, particularly to the east. Further drilling is required to extend and fully understand the potential in this new zone.

Figure 2 Mount Berghaus regional drill collar plan

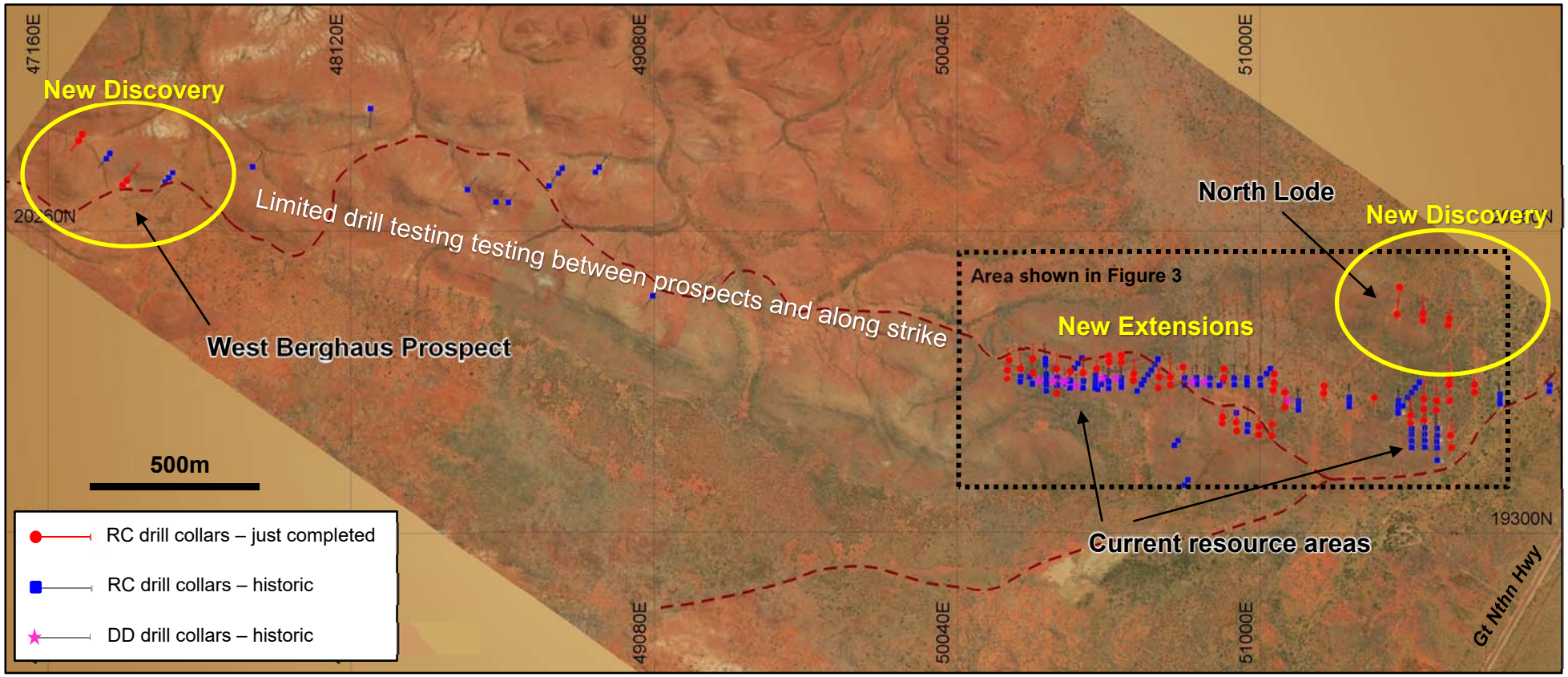
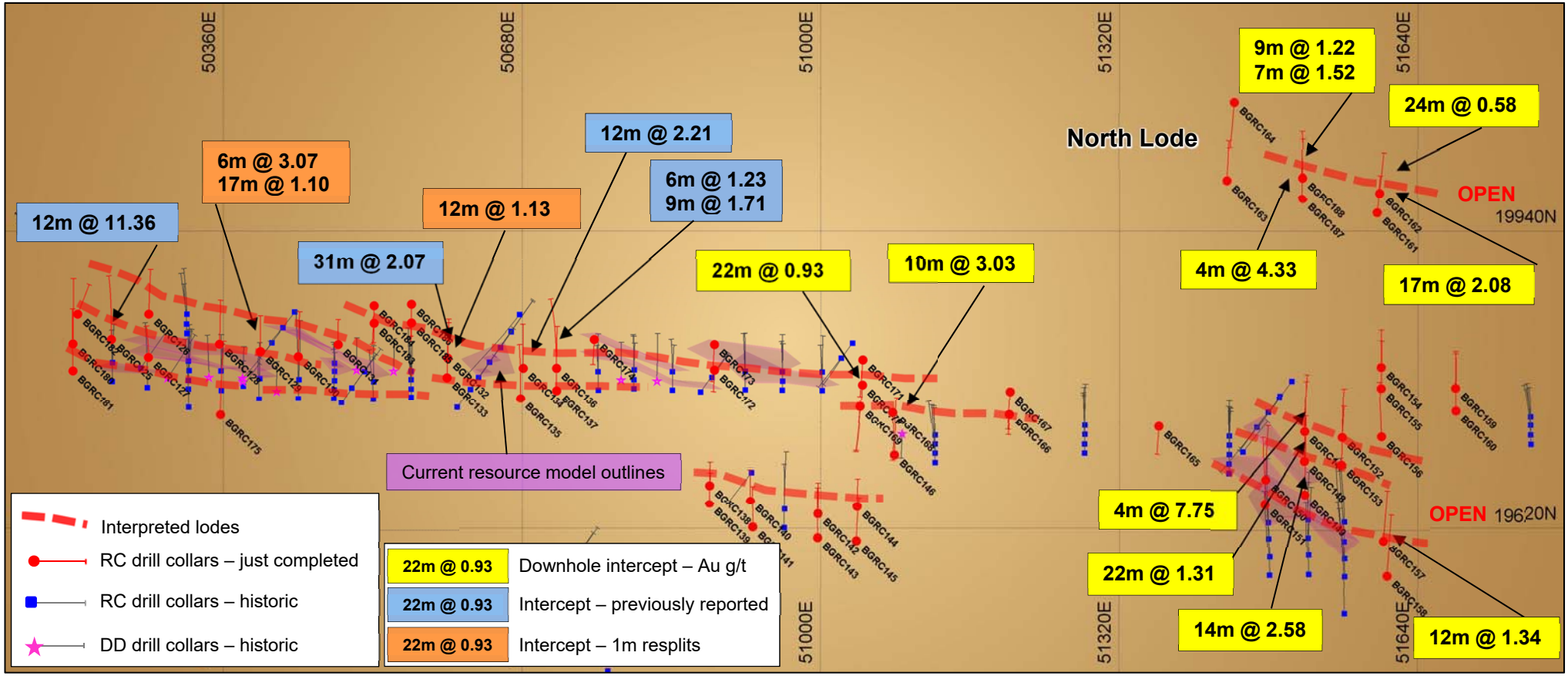


Figure 3 Mount Berghaus central resource area collar plan detail



North Lode - Significant drilling results:

17m @ 2.08g/t Au from 32m in BGRC161 (including **3m @ 7.51g/t** Au from 34m)

24m @ 0.58g/t Au from 30m in BGRC162 (including 1m @ 4.05g/t Au from 37m)

4m @ 4.33g/t Au from 104m in BGRC187 (4m composite)

9m @ 1.22g/t Au from 37m and **7m @ 1.52g/t Au** from 69m in BGRC188

The **West Berghaus Prospect**, is a second new discovery, located approximately 3km to the west of the Mount Berghaus Resource Area (Fig 2). The results indicate wide zones of lower grade mineralisation, which is considered highly significant due to the minimal amount of RC drilling completed in this new area or along the 3km strike length between West Berghaus and the Mount Berghaus Resource Area. Further drilling is required to extend and fully understand the potential in this new prospect area and intervening target area along the interpreted Mallina Shear Zone.

West Berghaus Prospect - Significant drilling results:

11m @ 0.97g/t Au from 0m (including 1m @ 4.6g/t Au from 9m) and

43m @ 0.55g/t Au from 79m in BGRC177

12m @ 0.65g/t Au from 0m in BGRC178 (4m composites)

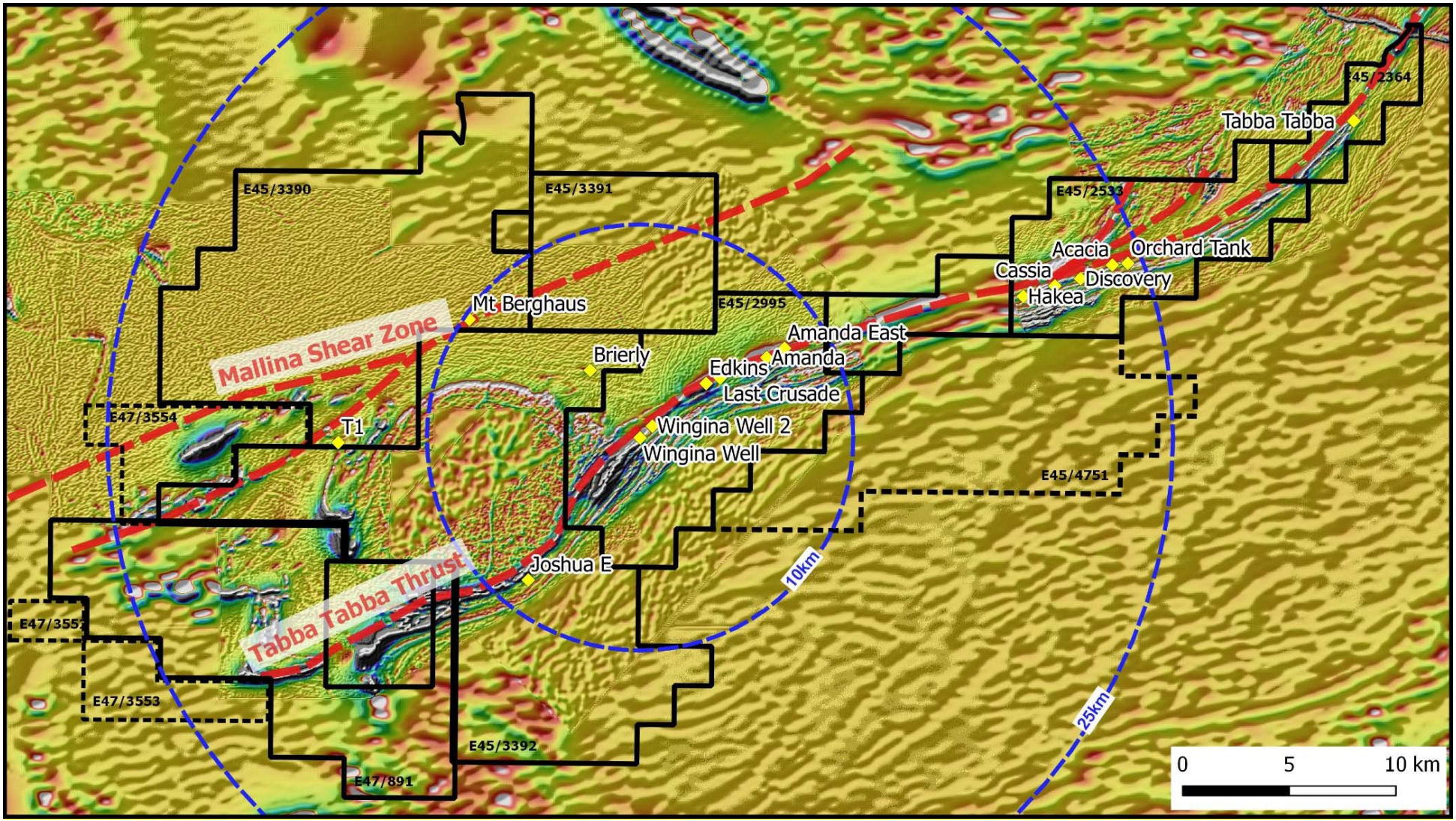
3. Significance of the Mount Berghaus and New Discoveries

The new RC drilling results at Mount Berghaus provide significant along strike extensions to the multiple known lodes already defined which, together with the two new discoveries at North Lode and West Berghaus, enhances confidence that significant new resource increases are likely over time and with additional drilling.

Overall, Mount Berghaus is a much larger and growing mineralised system than previously understood. The three prospect areas all lie along the highly prospective Mallina Shear Zone which is known to contain significant historical regional resources, notably at Indee Gold (529,000oz – pre-mining, Range River Gold ASX release dated 4 March 2005). Importantly, De Grey holds 100% owned tenure over approximately 40 kms of the Mallina Shear Zone which remains significantly underexplored (Fig 4).

Follow up drilling at all three prospect areas will be most likely be required and will be considered once interpretations and an updated resource model and estimation have been completed. Initial metallurgical test work is also planned to be undertaken once the specific oxide and fresh resource domains have been finalised.

Figure 4 Turner River Tenements showing Mallina shear zone



For further information:

Simon Lill (Executive Chairman) or Andy Beckwith (Geology Manager)

De Grey Mining Ltd
Phone +61 8 9381 4108
admin@degreymining.com.au

The information in this report that relates to exploration results is based on, and fairly represents information and supporting documentation prepared by Mr. Philip Tornatora, a Competent Person who is a member of The Australasian Institute of Mining and Metallurgy. Mr. Tornatora is a consultant to 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.

Table 1 Drill hole location data

HoleID	EAST_MtBerg LOCAL	NORTH_Mt BergLOCAL	RL_MtBerg LOCAL	EAST_GDA94	NORTH_GDA94	RL_GDA94	Depth	Dip	Az_MtBerg LOCAL	Az_GDA94
BGRC125	50240	19825	77	656897	7700194	77	119	-55	360	325
BGRC126	50280	19852	78	656915	7700239	78	83	-55	360	325
BGRC127	50280	19805	77	656941	7700201	77	59	-55	360	325
BGRC128	50356	19820	77	656995	7700256	77	83	-55	360	325
BGRC129	50400	19812	77	657035	7700275	77	65	-55	360	325
BGRC130	50440	19806	77	657072	7700294	77	83	-55	360	325
BGRC131	50483	19819	75	657099	7700329	75	47	-55	360	325
BGRC132	50600	19805	73	657204	7700384	73	65	-55	360	325
BGRC133	50600	19784	73	657215	7700367	73	107	-55	360	325
BGRC134	50681	19794	71	657276	7700422	71	83	-55	360	325
BGRC135	50678	19761	71	657293	7700393	71	102	-55	360	325
BGRC136	50717	19794	71	657305	7700442	71	77	-55	360	325
BGRC137	50717	19769	71	657319	7700422	71	173	-55	360	325
BGRC138	50881	19667	75	657513	7700433	75	41	-55	360	325
BGRC139	50881	19647	77	657524	7700416	77	59	-55	360	325
BGRC140	50925	19651	76	657558	7700444	76	59	-55	360	325
BGRC141	50927	19621	78	657577	7700422	78	77	-55	360	325
BGRC142	50997	19635	73	657626	7700473	73	60	-55	360	325
BGRC143	50997	19610	72	657640	7700452	72	95	-55	360	325
BGRC144	51039	19644	71	657656	7700504	71	53	-55	360	325
BGRC145	51038	19606	71	657677	7700473	71	83	-55	360	325
BGRC146	51079	19699	71	657657	7700572	71	107	-55	360	325
BGRC147	51519	19726	70	658002	7700847	70	101	-55	360	325
BGRC148	51519	19693	70	658020	7700820	70	143	-55	360	325
BGRC149	51519	19658	70	658041	7700791	70	155	-55	360	325
BGRC150	51478	19674	70	657998	7700780	70	119	-60	360	325
BGRC151	51477	19648	70	658012	7700759	70	149	-60	360	325
BGRC152	51559	19719	70	658038	7700864	70	89	-55	360	325
BGRC153	51559	19690	70	658055	7700840	70	113	-55	360	325
BGRC154	51600	19793	70	658030	7700949	70	71	-55	360	325
BGRC155	51600	19770	70	658043	7700930	70	89	-55	360	325
BGRC156	51601	19720	70	658072	7700889	70	101	-55	360	325
BGRC157	51603	19608	70	658138	7700799	70	95	-55	360	325
BGRC158	51607	19569	70	658163	7700768	70	119	-55	360	325
BGRC159	51680	19771	69	658108	7700976	69	71	-55	360	325
BGRC160	51680	19747	70	658122	7700956	70	108	-55	360	325
BGRC161	51596	19960	69	657931	7701083	69	71	-55	360	325
BGRC162	51600	19981	70	657921	7701102	70	77	-55	360	325
BGRC163	51435	19994	70	657779	7701018	70	77	-55	360	325
BGRC164	51443	20079	69	657737	7701092	69	83	-55	180	145
BGRC165	51362	19730	70	657871	7700760	70	53	-55	180	145
BGRC166	51203	19744	70	657732	7700680	70	41	-55	180	145
BGRC167	51203	19767	70	657719	7700699	70	71	-55	180	145
BGRC168	51078	19746	71	657629	7700610	71	95	-55	180	145
BGRC169	51043	19753	71	657596	7700596	71	89	-55	180	145
BGRC170	51044	19776	70	657584	7700615	70	131	-55	180	145
BGRC171	51045	19803	70	657569	7700638	70	71	-55	180	145
BGRC172	50886	19792	70	657445	7700538	70	41	-55	180	145
BGRC173	50886	19819	70	657429	7700560	70	71	-55	180	145
BGRC174	50757	19825	71	657321	7700491	71	47	-55	180	145
BGRC175	50357	19743	76	657040	7700194	76	131	-55	360	325
BGRC176	47410	20419	80	654238	7699058	80	95	-50	35	360
BGRC177	47397	20404	78	654236	7699038	78	137	-50	35	360
BGRC178	47256	20546	73	654039	7699074	73	65	-55	215	180
BGRC179	47268	20566	74	654037	7699097	74	101	-55	215	180
BGRC180	50199	19820	78	656866	7700167	78	119	-55	360	325
BGRC181	50199	19791	79	656883	7700143	79	107	-55	360	325
BGRC182	50204	19852	78	656852	7700196	78	59	-55	22	347
BGRC183	50521	19842	74	657118	7700369	74	35	-55	180	145
BGRC184	50521	19861	74	657107	7700385	74	71	-55	180	145
BGRC185	50561	19842	74	657150	7700393	74	35	-55	180	145
BGRC186	50561	19862	74	657139	7700409	74	59	-55	180	145
BGRC187	51517	19975	70	657856	7701050	70	113	-55	360	325
BGRC188	51517	19998	70	657844	7701069	70	88	-55	360	325

Table 2 Significant Intersections (drill holes reported previously, includes new 1m resplits)

HoleID	DepthFrom	DepthTo	Width	Au (g/t)	Sample Type	Resplit
BGRC125	5	17	12	11.36	RC_1M	
incl	7	8	1	73.00	RC_1M	
incl	13	14	1	48.70	RC_1M	
BGRC125	33	34	1	1.32	RC_1M	Resplit
BGRC126	64	67	3	5.51	RC_1M	
BGRC126	73	79	6	0.93	RC_1M	
BGRC127	22	31	9	1.24	RC_1M	
BGRC128	NSI					
BGRC129	13	19	6	3.07	RC_1M	Resplit
BGRC129	48	65	17	1.10	RC_1M	Resplit
incl	54	56	2	5.27	RC_1M	Resplit
BGRC130	7	13	6	0.85	RC_1M	Resplit
BGRC130	18	21	3	0.83	RC_1M	Resplit
BGRC130	26	29	3	1.26	RC_1M	Resplit
BGRC130	38	52	14	0.60	RC_1M	Resplit
BGRC131	17	18	1	2.10	RC_1M	Resplit
BGRC131	29	32	3	6.10	RC_1M	Resplit
BGRC132	0	1	1	1.56	RC_1M	
BGRC132	8	39	31	2.07	RC_1M	
incl	11	17	6	6.93	RC_1M	
BGRC133	47	53	6	0.73	RC_1M	Resplit
BGRC133	56	68	12	1.13	RC_1M	Resplit
incl	63	64	1	6.04	RC_1M	Resplit
BGRC134	25	27	2	0.58	RC_1M	
BGRC134	51	63	12	2.21	RC_1M	
incl	54	57	3	5.22	RC_1M	
BGRC135	NSI					
BGRC136	20	26	6	1.23	RC_1M	
incl	21	22	1	4.00	RC_1M	
BGRC136	45	54	9	1.71	RC_1M	
BGRC136	65	72	7	0.67	RC_1M	
BGRC137	36	39	3	0.70	RC_1M	Resplit
BGRC138	NSI					
BGRC139	41	43	2	0.81	RC_1M	
BGRC140	20	22	2	1.91	RC_1M	
BGRC140	27	33	6	0.66	RC_1M	
BGRC141	NSI					
BGRC142	43	49	6	0.70	RC_1M	
BGRC143	77	78	1	1.18	RC_1M	
BGRC144	NSI					

Table 3 Significant New Drilling Intersections

HoleID	DepthFrom	DepthTo	Width	Au (g/t)	Sample Type
BGRC145	8	9	1	0.58	RC_1M
BGRC145	64	67	3	1.79	RC_1M
BGRC146	18	19	1	1.07	RC_1M
BGRC147	62	66	4	7.75	RC_1M
incl	63	64	1	29.20	RC_1M
BGRC147	72	73	1	1.99	RC_1M
BGRC148	44	47	3	0.59	RC_1M
BGRC148	82	90	8	0.50	RC_1M
BGRC148	104	126	22	1.31	RC_1M
incl	114	115	1	7.44	RC_1M
incl	121	122	1	4.05	RC_1M
incl	124	126	2	3.85	RC_1M
BGRC148	133	137	4	0.76	RC_1M
BGRC149	60	61	1	1.87	RC_1M
BGRC149	122	136	14	2.58	RC_1M
incl	129	130	1	31.50	RC_1M
BGRC149	146	149	3	1.26	RC_1M
BGRC150	12	22	10	0.61	RC_1M
BGRC150	46	53	7	0.58	RC_1M
BGRC150	59	67	8	1.32	RC_1M
BGRC150	72	89	17	0.78	RC_1M
BGRC151	94	95	1	1.71	RC_1M
BGRC151	104	107	3	0.78	RC_1M
BGRC152	60	61	1	2.69	RC_1M
BGRC153	NSI				
BGRC154	66	68	2	0.65	RC_1M
BGRC155	69	70	1	0.92	RC_1M
BGRC156	41	42	1	1.23	RC_1M
BGRC157	17	43	26	0.58	RC_1M
BGRC157	48	49	1	2.15	RC_1M
BGRC158	58	60	2	0.51	RC_1M
BGRC158	63	75	12	1.34	RC_1M
incl	68	70	2	5.84	RC_1M
BGRC159	NSI				
BGRC160	NSI				
BGRC161	32	49	17	2.08	RC_1M
incl	34	37	3	7.51	RC_1M
BGRC161	57	64	7	1.26	RC_1M
incl	61	62	1	4.20	RC_1M
BGRC162	22	23	1	2.37	RC_1M
BGRC162	30	54	24	0.58	RC_1M
incl	37	38	1	4.05	RC_1M
BGRC162	68	71	3	0.60	RC_1M
BGRC163	3	6	3	0.95	RC_1M
BGRC164	19	21	2	0.94	RC_1M
BGRC165	NSI				
BGRC166	NSI				
BGRC167	21	22	1	1.97	RC_1M

HoleID	DepthFrom	DepthTo	Width	Au (g/t)	Sample Type
BGRC168	16	26	10	3.03	RC_1M
incl	24	26	2	9.70	RC_1M
BGRC168	48	52	4	0.68	RC_4mComp
BGRC168	68	73	5	2.23	RC_1M
incl	71	72	1	9.83	RC_1M
BGRC169	52	58	6	0.58	RC_1M
BGRC170	111	127	16	0.69	RC_1M
incl	119	120	1	3.50	RC_1M
BGRC171	0	4	4	0.63	RC_4mComp
BGRC171	29	32	3	0.51	RC_1M
BGRC171	45	67	22	0.93	RC_1M
incl	45	46	1	3.97	RC_1M
incl	53	55	2	3.25	RC_1M
BGRC172	14	24	10	0.88	RC_1M
incl	17	18	1	4.49	RC_1M
BGRC173	NSI				
BGRC174	39	44	5	1.53	RC_1M
incl	39	40	1	6.75	RC_1M
BGRC175	70	72	2	1.15	RC_1M
BGRC176	68	80	12	0.48	RC_1M
BGRC177	0	11	11	0.97	RC_1M
incl	9	10	1	4.60	RC_1M
BGRC177	79	122	43	0.55	RC_1M
BGRC178	0	12	12	0.65	RC_4mComp
BGRC179	83	84	1	1.27	RC_1M
BGRC180	NSI				
BGRC181	35	36	1	1.44	RC_1M
BGRC182	24	25	1	1.31	RC_1M
BGRC182	31	39	8	0.66	RC_1M
BGRC183	1	13	12	0.52	RC_1M
BGRC184	NSI				
BGRC185	NSI				
BGRC186	NSI				
BGRC187	14	15	1	1.78	RC_1M
BGRC187	41	45	4	1.66	RC_1M
incl	41	42	1	5.83	RC_1M
BGRC187	85	91	6	0.67	RC_1M
BGRC187	104	108	4	4.33	RC_4mComp
BGRC188	37	46	9	1.22	RC_1M
incl	38	40	2	3.12	RC_1M
BGRC188	69	76	7	1.52	RC_1M
incl	73	74	1	8.86	RC_1M

Table JORC Code, 2012 Edition

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 • All holes sampled on both a 1m and nominal 4m basis over the entire length of the hole. 1m samples were submitted for analysis for mineralised zones based on the geologist's interpretation, with 4m composite samples submitted for analysis for all other intervals. Where assays over 0.1g/t Au were received for 4m composite sample results, 1m samples were then submitted for these zones. • Both the 4m and 1m samples were taken from a cone splitter mounted on the drill rig cyclone. The cyclone was calibrated to provide a continuous sample volume accordingly to sample length • Each 4m and 1m sample ranges from a typical 2.5-3.5kg • The independent laboratory then takes the sample and pulverises the entire sample for analysis as described below
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.).*	• All drill holes are Reverse Circulation(RC) with a 5 1/2-inch bit and face sampling hammer.
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.*	• All samples were visually assessed for recovery. • Samples are considered representative with good recoveries. Only a small percentage of samples were considered low recovery primarily due to change of rods when a small amount of wet sample occurred. • No sample bias is observed
Logging	• *Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support*	• Company geologist logged each hole and supervised all sampling. • The sample results are appropriate for a resource

Criteria	JORC Code explanation	Commentary
	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.*	estimation. The 1m sample results are considered the preferred sample to use in the resource estimation for more accurate definition of lodes .
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.*	• The sampling of the RC sample was carried out by a cone splitter on the rig cyclone and drill cuttings were sampled on a 1m and 4m composite basis. • Duplicate samples were taken approximately every 95 samples and independent standards were inserted approximately every 30 samples • The samples are considered representative and appropriate for this type of drilling and for use in a future resource estimate.
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. • Each sample was dried, crushed and pulverised. • Au was analysed by a 50gm charge Fire assay fusion technique with a AAS finish • The techniques are considered quantitative in nature. • As discussed previously standards and duplicates samples 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 entered and then checked by a second company geologist • 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

Criteria	JORC Code explanation	Commentary
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.*	• Drill hole collar locations are derived using RTK GPS Surveying Methods, and are accurate to ±0.05m. • Locations are given in Mount Berghaus local grid coordinates in addition to GDA94 zone 50 • Diagrams and location table are provided in the report
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.*	• The RC drilling is on a nominal 40m x 40m or 80m x 40m grid. • All holes have been geologically logged and provide a strong basis for geological control and continuity of mineralisation • Sample result and logging will provide strong support for the results to be used in a resource estimate .
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 approximately perpendicular to the strike of mineralisation 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. This will be allowed for in resource estimates 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 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.*	• The drilling is on E45/3390 which is located approximately 50km south of Port Hedland and is 100% owned De Grey Mining (or its 100% owned subsidiaries)
Exploration done by	• *Acknowledgment and appraisal of exploration by other parties.*	• The Mount Berghaus deposit has had previous drilling undertaken over a period of 12 years. The large proportion of the holes were completed by De Grey Mining between 2003-2008. A joint venture

Criteria	JORC Code explanation	Commentary
other parties		party completed several diamond holes in 2014/15.
Geology	• *Deposit type, geological setting and style of mineralisation.*	• The mineralisation targeted is hydrothermally emplaced and sediment/quartz hosted gold mineralisation within a shear zone and is similar in style to many 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 high grade results and longer lengths of low grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail.* • *The assumptions used for any reporting of metal equivalent values should be clearly stated.*	• Results are reported to a minimum cutoff grade of 0.3g/t gold with an internal dilution of 4m maximum. Intervals over 0.5g/t Au are reported. • Intercepts are length weighted averaged. • No maximum cuts have been made.
Relationship between mineralisa-tion 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*	• Plans are provided in the report. Appropriate sections will be provided in upcoming reports when all results have been received and interpretations

Criteria	JORC Code explanation	Commentary
	discovery being reported These should include, but not be limited to a plan view of drill hole collar locations and appropriate sectional views.	finalised.
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.*	• 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.*	• The Mount Berghaus Gold deposit has an existing 2012 JORC gold resource (43,000oz) previously reported by De Grey.
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.*	• The company plans to complete detailed wireframes of geology and mineralisation prior to updating the resource estimation. • Metallurgical testwork to determine possible recoveries will be carried out at an appropriate stage • Follow up drilling will be assessed after completion of interpretation, geological wireframing and an updated resource estimate.