DE GREY MINING LTD

"Developing the +1.2Moz Pilbara Gold Project"

SX Announcement
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Shallow High-Grade Gold at Mt Berghaus

Shallow broad high-grade gold zones (>20gm*m), all less than 60m depth and likely to fall within new PFS open pit shells. Many include "bonanza" high grade (>15g/t) zones:

8m @ 5.2g/t from 35m including **3m @ 13.2g/t**

15m @ 5.3g/t from 34m including **3m @ 19.2g/t**

5m @ 9.8g/t from 4m including **1m @ 19.2g/t**

12m @ 7.3g/t from 36m including **2m @ 35.5g/t**

8m @ 6.6g/t from 54m including **3m @ 12.5g/t**

8m @ 12.1g/t from 4m including **2m @ 31.2g/t** and **2m @ 16.9g/t**

19m @ 5.2g/t from 4m including **9m @ 9.8g/t**

Metallurgical diamond hole returns "bonanza" grade:

1m @ 242g/t (repeat assay **371g/t)**

New lodes and extensions discovered with infill results to provide improved resource model definition.

Mineralisation remains open along strike and at depth

High positive "hit rate" in drilling

17 holes with intersections with > 20gram*metres

38 holes (from 58 holes) reported significant gold intersections

Underground potential increases significantly with numerous higher-grade intercepts

Strong structural controls and interpreted high grade "linking structures" provides new focus to our targeting along this large and under-explored 5km anomaly.

Additional Phase 2 extensional and infill RC drilling underway

Andy Beckwith (Technical Director) commented:

"Mt Berghaus is a prime example of the more drilling we do, the more gold we find. The numerous high-grade intersections together with the discovery of new parallel lodes and extensions to existing lodes, augurs well for future resource increases.

Importantly, these new lodes and extensions are all at shallow open pit depths and fall on the margins or just outside of the existing 2017 scoping study pit shells. The likelihood of increasing the open pit shells in the 2018 Pre-Feasibility Study looks encouraging."

Pilbara Gold Project, near Port Hedland in Western Australia

De Grey Mining Limited (ASX: DEG, “De Grey”, “Company”) is pleased to report on new drilling results from Mt Berghaus Gold Deposit within the 1480sqkm Pilbara Gold Project and located 60km from Port Hedland, Western Australia (Figure 1).

The Pilbara Gold Project is considered to have excellent potential to define an additional million ounces of resources, or more, along the 200km strike length of mineralised shears zones throughout the large (1480sqkm) landholding. To date, approximately 10% of the shear zones have received detailed shallow RC and diamond drilling to a nominal depth of 100-150m and has already successfully defined +1.2Moz (JORC 2012*) of gold resources.

(ASX release “Pilbara Gold Project increases gold resources by >20% to over 1.2Moz”, 28 September 2017)*

More recently, the prospectivity of the project has been significantly increased with the discovery of gold nuggets associated with outcropping conglomerates covering approximately 20sqkm of favourable areas.

The Company is expanding exploration activities over the project with an initial 25,000m (Phase-1) infill and extensional drilling program targeting the known large mineralised systems at Mt Berghaus, Withnell, Wingina, Mallina, Toweranna and Amanda deposits. Data acquisition and targeting assessments are currently underway to prioritise over 40 untested gold anomalies along the shear zones prior to drill testing during the 2018 and 2019 field seasons. Bulk sampling of the Conglomerate Gold targets is also expected to advance significantly during the 2018 field season.

Drilling Programs

In March, the Company commenced an infill and extensional RC drilling program, targeting improved and additional resources at Mt Berghaus, Mallina, Toweranna and Amanda gold deposits. The infill drilling within the existing resource areas aimed to improve the geological controls and better define continuity of mineralisation to allow for improved resource category definition in the resource. Extension drilling will continue to target new resource extensions both along strike and depth.

A second drilling rig (diamond core) arrived late April. The diamond drilling will be used for confirmation of geological interpretations at the various gold deposits prior to commencing a large program of deeper drilling beneath the Withnell open pit, testing for continuity of higher grade underground lodes. Two diamond holes are currently underway for the King Col lithium prospect to improve the understanding and distribution of lithium bearing minerals associated with the high-grade lithium mineralisation (17m @ 2.55% Li_2O) and pollucite (rare Caesium bearing mineral) previously defined in RC drilling.

To date, approximately 15,000m of RC drilling has been completed with an additional 900m of diamond core drilling completed at the various deposits. Initial RC drilling programs have now been completed at the Mt Berghaus, Mallina, Toweranna and Amanda deposits with additional drilling re-commencing at Mt Berghaus. Follow-up Phase 2 drilling at each prospect is subject to on-going positive drill results.

Figure 1 Pilbara Gold Project – Mt Berghaus highlighted

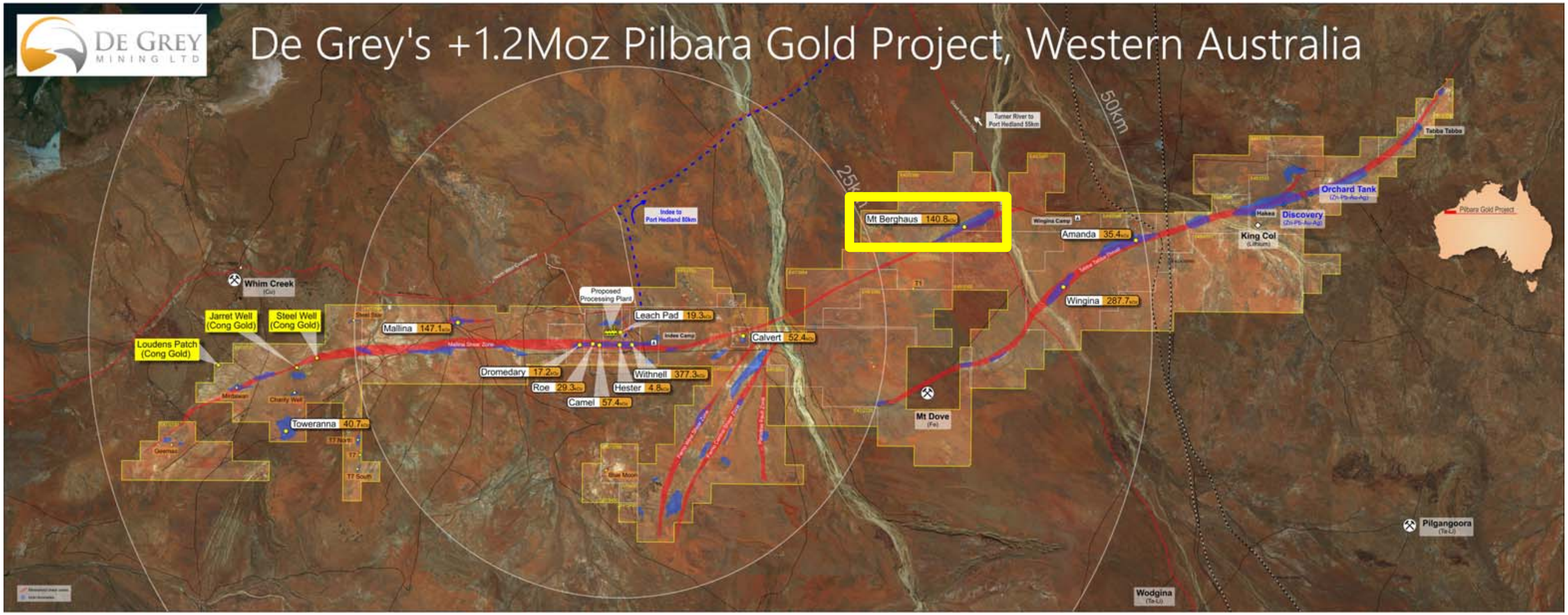


Figure 2 Mt Berghaus – Drilling Plan (local grid)

**Please note many isolated anomalous zones in previous drilling outside the detailed drilling areas of the Main zone and North Lode. Further drilling will be required to test these zones.*

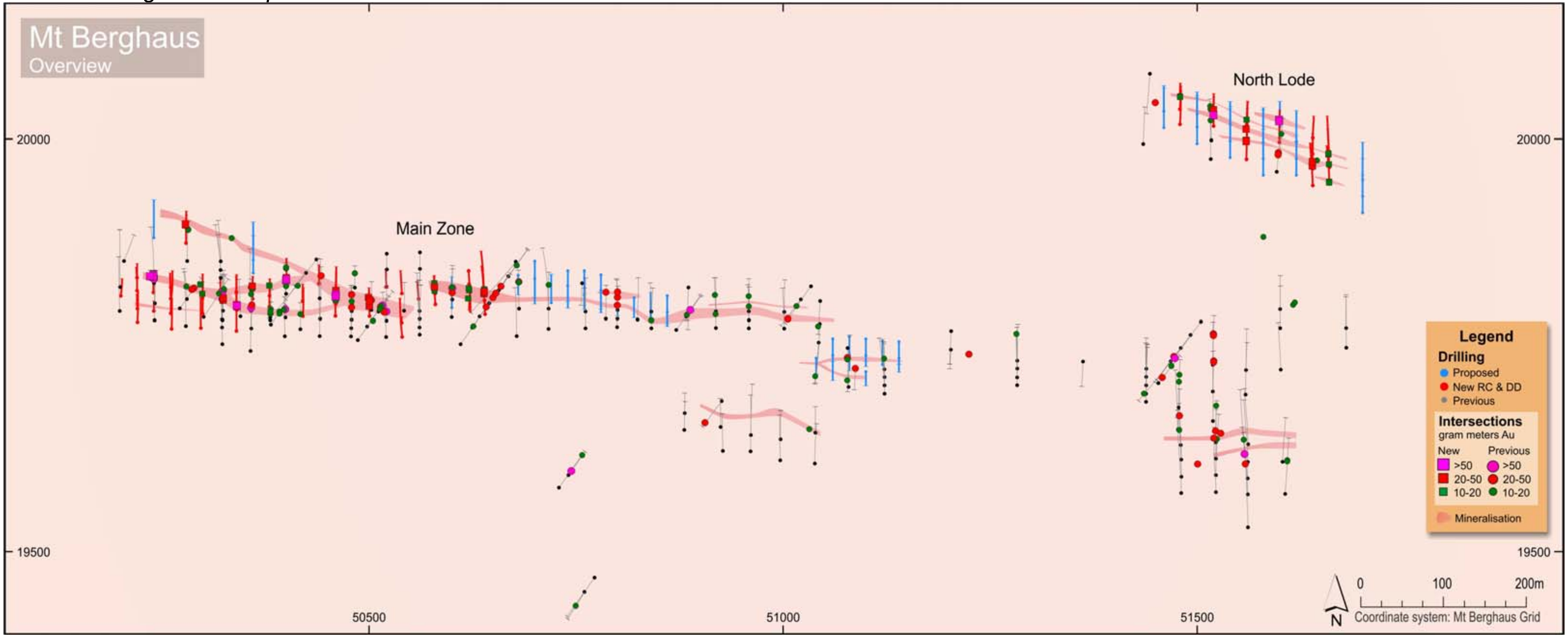


Figure 3 Mt Berghaus – Main Zone Drilling Plan (local grid)

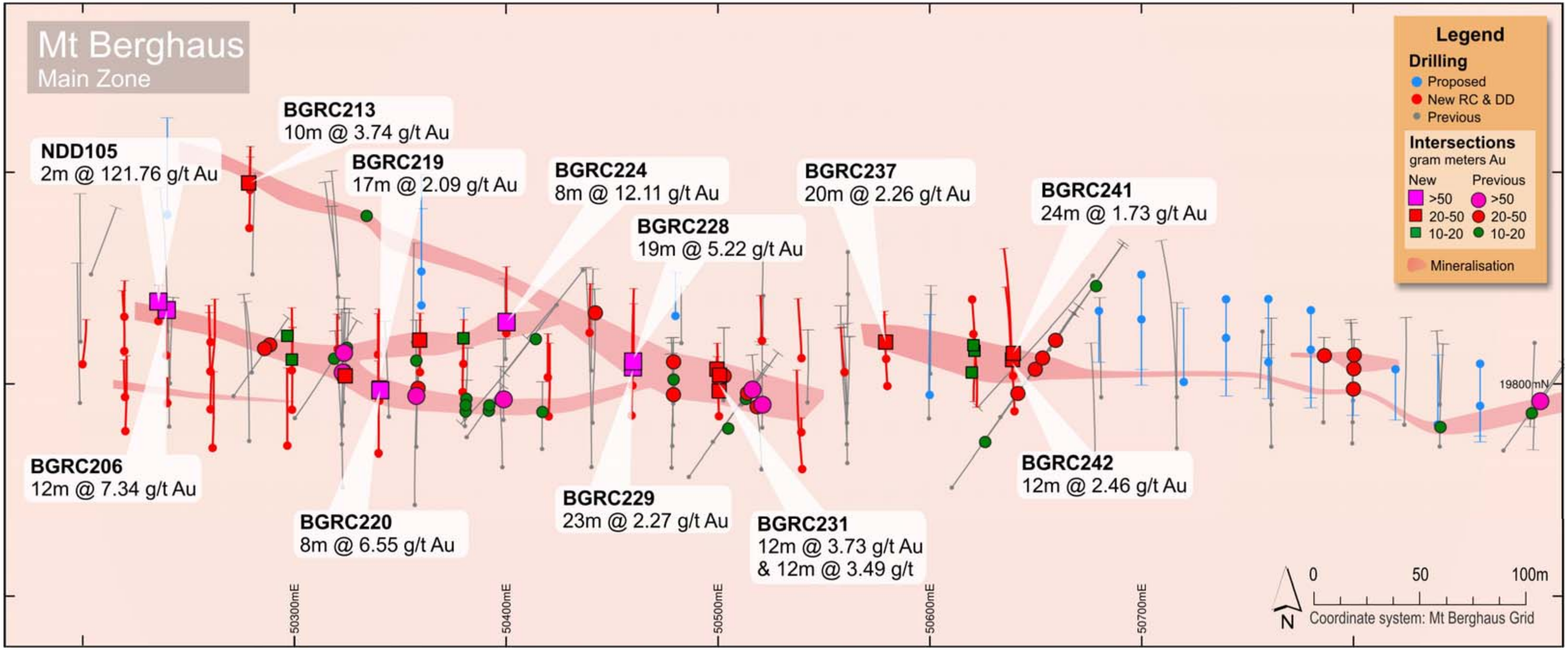
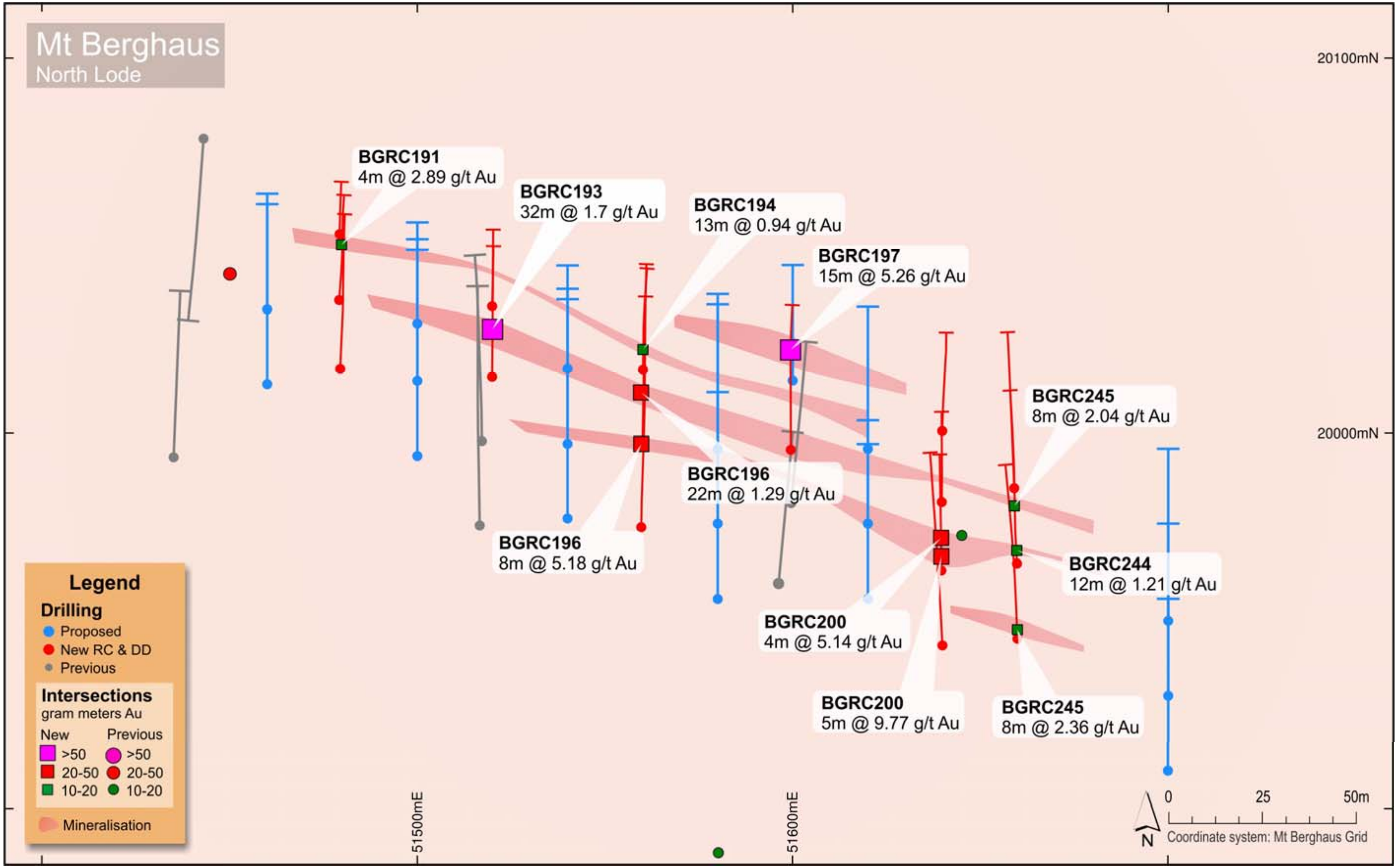


Figure 4 Mt Berghaus – North Lode Drilling Plan (local grid)



The encouraging results being reported at Mt Berghaus, in this release, provide added confidence that the resources are likely to be expanded and categories improved. Significant potential is also highlighted by the encouraging number of consistently high grade intersected and new parallel lodes discovered plus all the mineralisation remains open along strike and at depth. Accordingly, an expanded program of drilling and other geophysical/geochemical surveys are currently being planned at Mt Berghaus for completion over the coming months.

Assay results remain pending for the Mallina, Toweranna and Amanda deposits where drilling has encountered encouraging veining and alteration zones. Shareholders will continue to be updated progressively as these results are received and assessed. The Company expects the next release will be in approximately 2-3 weeks covering drilling results from the Mallina and Toweranna prospects.

Mt Berghaus Drilling

The initial RC drilling program (BGRC189-246) at Mt Berghaus has focussed on:

- infilling existing resource areas to improve the geological understanding and continuity of mineralisation to allow for improve modelling and resource categories, and

- additional extensions beyond the current resources and 2017 Scoping Study Open Pit Shells.

A total of 3168m of RC drilling for 58 holes have been completed, with additional holes currently underway to complete this Phase 1 program. Figures 2-7 provide drill hole location and selected sections of the mineralisation.

Initial results received to date, have been encouraging with numerous broad and high-grade intersections received. Encouragingly, many of these intercepts include very high-grade “bonanza” gold zones.

Main Zone

The main zone gold mineralisation is defined over a strike length of 1.5km (Figure 2) and the recently completed drilling has focussed on the western portion of this trend (Figure 3). The program is dominantly infill with additional drilling aimed to test for immediate extensions beyond the 2017 scoping study open pit shells.

Positive shallow high-grade results (Table 1) are reported both within the resource model, which are expected to enhance the model, and importantly additional high-grade extensions are evident outside of the existing resource model and external to the 2017 Scoping Study Open Pit Mining Shells. The “bonanza” grades are generally associated with stronger quartz veining within the overall alteration zones. These quartz veins tend to occur on the margins of narrow porphyry intrusions within the host Mallina Formation sediments. The mineralisation appears to be nuggetty in nature with visible gold noted in surface rocks chips but rarely in drilling.

Figure 5 **Mt Berghaus – Main Zone Cross section 50460E showing significant new mineralisation below the 2017 Scoping Study pit shell.**

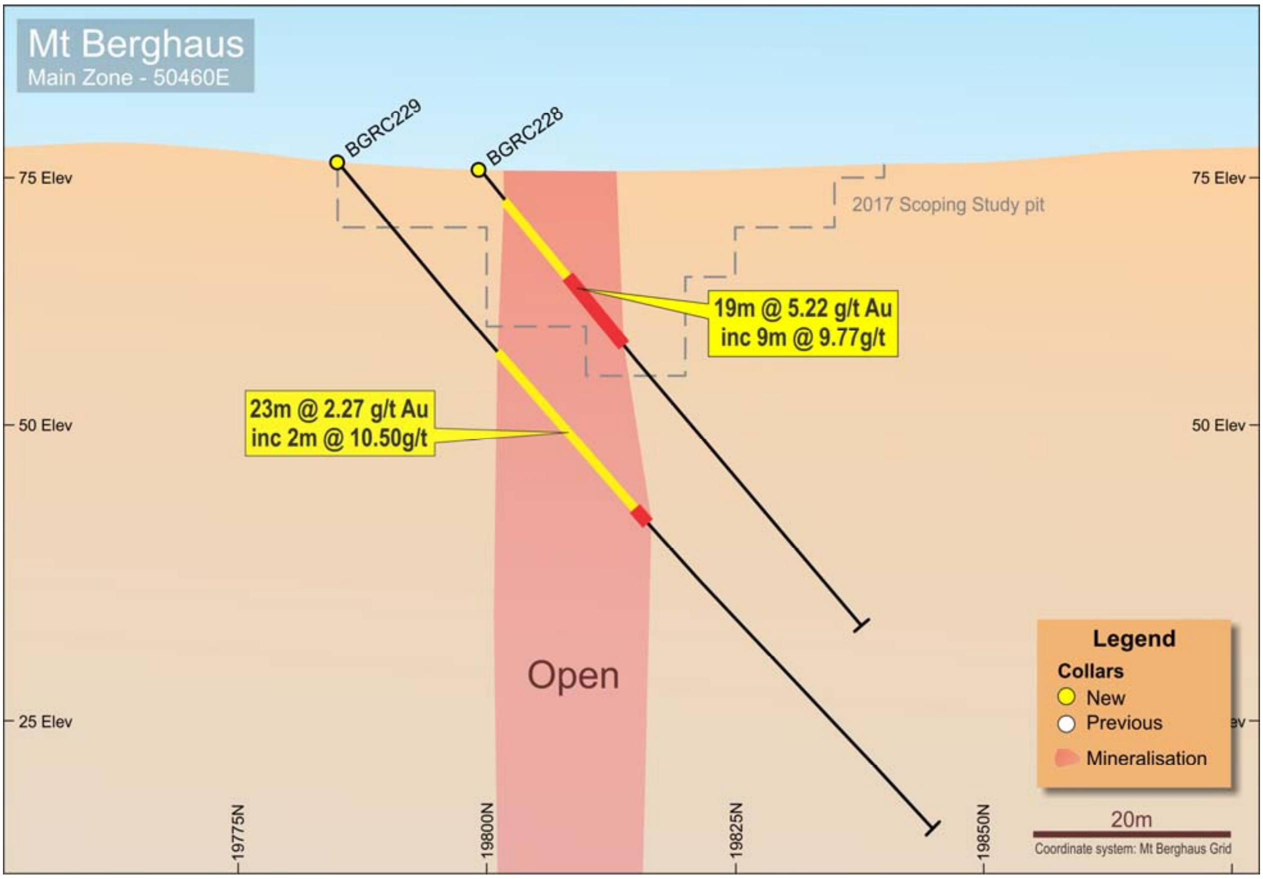


Figure 6 **Mt Berghaus – Main Zone Cross section**

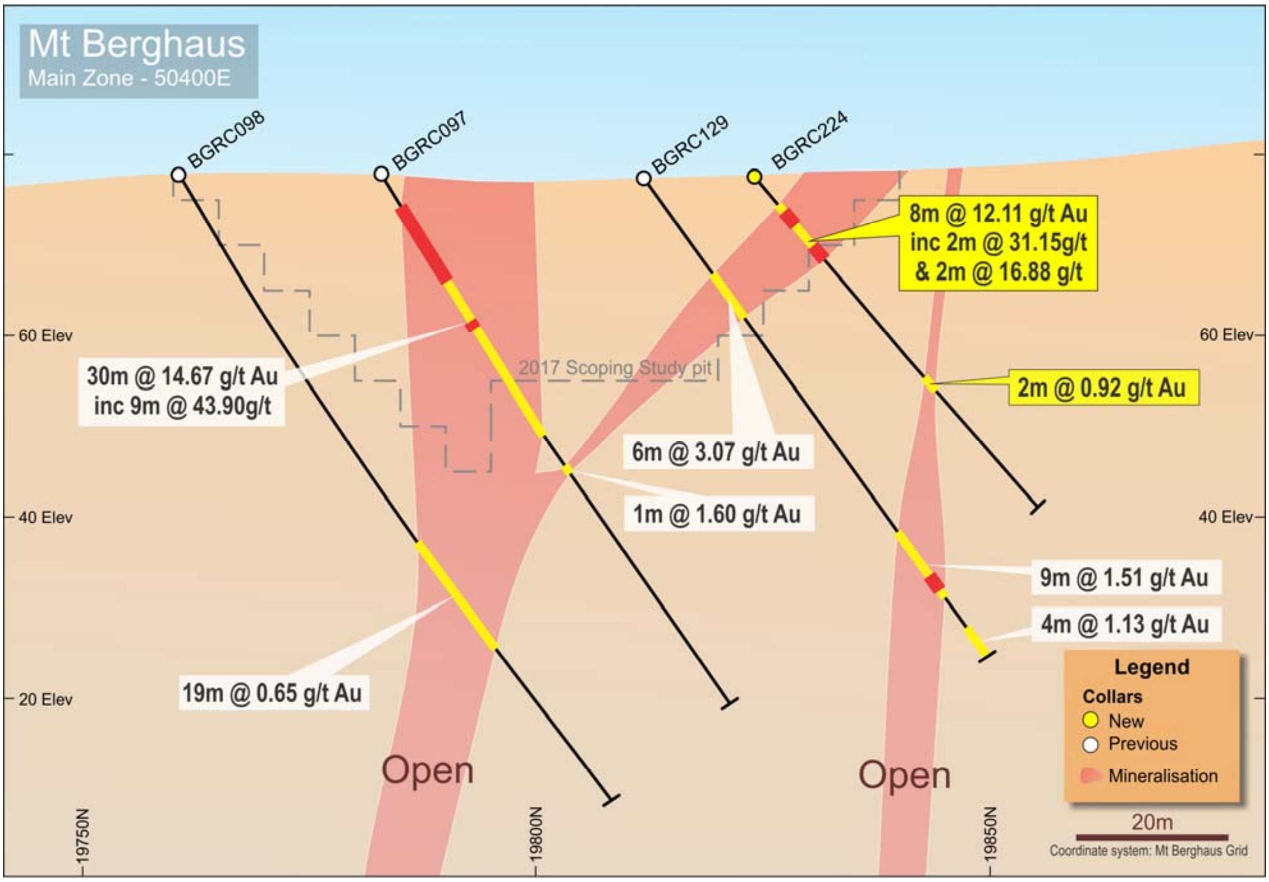


Table 1 Main Zone - Significant drill intersections (>20gm*m).

HoleID	Depth From (m)	Depth To (m)	Downhole Width (m)	Au (g/t)	Gram * metres
BGRC203	44	47	3	1.33	3.99
incl	46	47	1	3.29	3.29
BGRC204	12	15	3	0.92	2.76
BGRC206	36	48	**12**	**7.34**	**88.08**
incl	36	38	**2**	**35.45**	**70.9**
incl	45	47	**2**	**6.56**	**13.12**
BGRC208	14	16	2	4.49	8.98
incl	14	15	1	8.56	8.56
BGRC213	33	43	**10**	**3.74**	**37.4**
incl	39	41	**2**	**15.62**	**31.24**
BGRC214	1	17	**16**	**1.14**	**18.24**
incl	9	10	1	4.41	4.41
BGRC215	53	70	**17**	**0.69**	**11.73**
BGRC219	1	18	**17**	**2.09**	**35.53**
incl	7	9	**2**	**7.15**	**14.3**
BGRC220	54	62	**8**	**6.55**	**52.4**
incl	54	57	**3**	**12.52**	**37.56**
incl	60	61	**1**	**12.85**	**12.85**
BGRC221	20	33	**13**	**1.87**	**24.31**
incl	20	24	**4**	**3.62**	**14.48**
incl	27	29	2	3.66	7.32
BGRC222	18	24	**6**	**2.50**	**15**
BGRC223	28	33	5	1.84	9.2
incl	31	32	1	6.05	6.05
BGRC224	4	12	**8**	**12.11**	**96.88**
incl	5	7	**2**	**31.15**	**62.3**
incl	10	12	**2**	**16.88**	**33.76**
BGRC226	12	16	4	0.64	2.56
BGRC228	4	23	**19**	**5.22**	**99.18**
incl	14	23	**9**	**9.77**	**87.93**
BGRC229	25	48	**23**	**2.27**	**52.21**
incl	46	48	**2**	**10.50**	**21**
BGRC230	0	18	**18**	**1.29**	**23.22**
BGRC231	20	32	**12**	**3.73**	**44.76**
incl	24	28	**4**	**8.20**	**32.8**
BGRC231	36	48	**12**	**3.49**	**41.88**
incl	36	40	**4**	**8.67**	**34.68**
BGRC231	52	56	4	1.02	4.08
BGRC232	4	12	8	0.53	4.24
BGRC236	4	8	4	0.96	3.84
BGRC237	4	24	**20**	**2.26**	**45.2**
incl	4	8	**4**	**4.57**	**18.28**
incl	20	24	**4**	**3.68**	**14.72**
BGRC238	24	28	4	0.77	3.08
BGRC238	36	44	8	0.75	6
BGRC238	48	52	4	0.98	3.92
BGRC239	4	24	**20**	**0.90**	**18**
BGRC239	28	32	4	0.53	2.12
BGRC240	20	28	8	0.60	4.8
BGRC240	32	44	**12**	**1.32**	**15.84**
BGRC240	52	68	**16**	**0.90**	**14.4**
BGRC241	0	24	**24**	**1.73**	**41.52**
incl	12	16	**4**	**6.13**	**24.52**
BGRC242	40	52	**12**	**2.46**	**29.52**
NDD105	7	9	**2**	**121.76**	**243.528**
incl	8	9	**1**	**242**	**242**

In cross section (Figure 5-6), the mineralisation varies from relatively wide vertical structural zones (~10m), through to narrower sub-vertical and sub-parallel structures with flatter linking structures. Along these various structures thicker "pinch and swell" zones of higher grade mineralisation are becoming more evident with detailed drilling. Further infill and "twinning" of RC drill holes with diamond core will be needed over time to determine the true nuggetty nature of the mineralisation and to confirm geometry of the various lodes.

These robust new and significantly high-grade intersections augur well for the next resource estimate update.

Metallurgical diamond core sampling was recently completed on previously drilled metallurgical core (NDD105). The results of one metre sampling are included in Table 1 and is a good example of the "bonanza grades" with a peak value of **242g/t Au over a 1m** interval. A repeat assay from this same sample interval returned a value of **371g/t Au**. Visible gold was noted in this sample during logging. Detailed metallurgical testwork remains on-going from the various deposits as part of the Pre-Feasibility Study and will be fully reported upon completion of the entire metallurgical testwork. Early indications are that the metallurgy of Mount Berghaus will be favourable.

North Lode

The North Lode drilling has discovered new high-grade, stacked, sub-parallel lodes like the Main Zone and confirm the continuity of mineralisation from the original 80m spaced sections to the current 40m sections (Figure 4).

The high-grade results (Table 2) are considered very encouraging as many show "bonanza grades" (>15g/t Au) internal to the overall zones. Infill drilling to 20m sections is currently underway aiming to enhance the resource model to indicated and measured categories.

The mineralisation has also been extended approximately 60m along strike and remains open in all directions and at depth. Additionally, further stacked lodes are a possibility as the existing drilling only occurs over a tight restricted corridor. Potential for nearby new lodes and also continuations along strike are also evident based on previous wide-spaced aircore drilling where anomalous zones remain to be followed up with detailed RC drilling.

Large 5km Gold system

Mt Berghaus is a large 5km long and under-explored gold anomaly (Figure 7) with current detailed resource drilling limited to only approximately 1.5km of strike length. The current resource stands at 3.52Mt @ 1.2g/t for 140,800 ounces and the recent encouraging results of the on-going drilling program are expected to improve this existing resource.

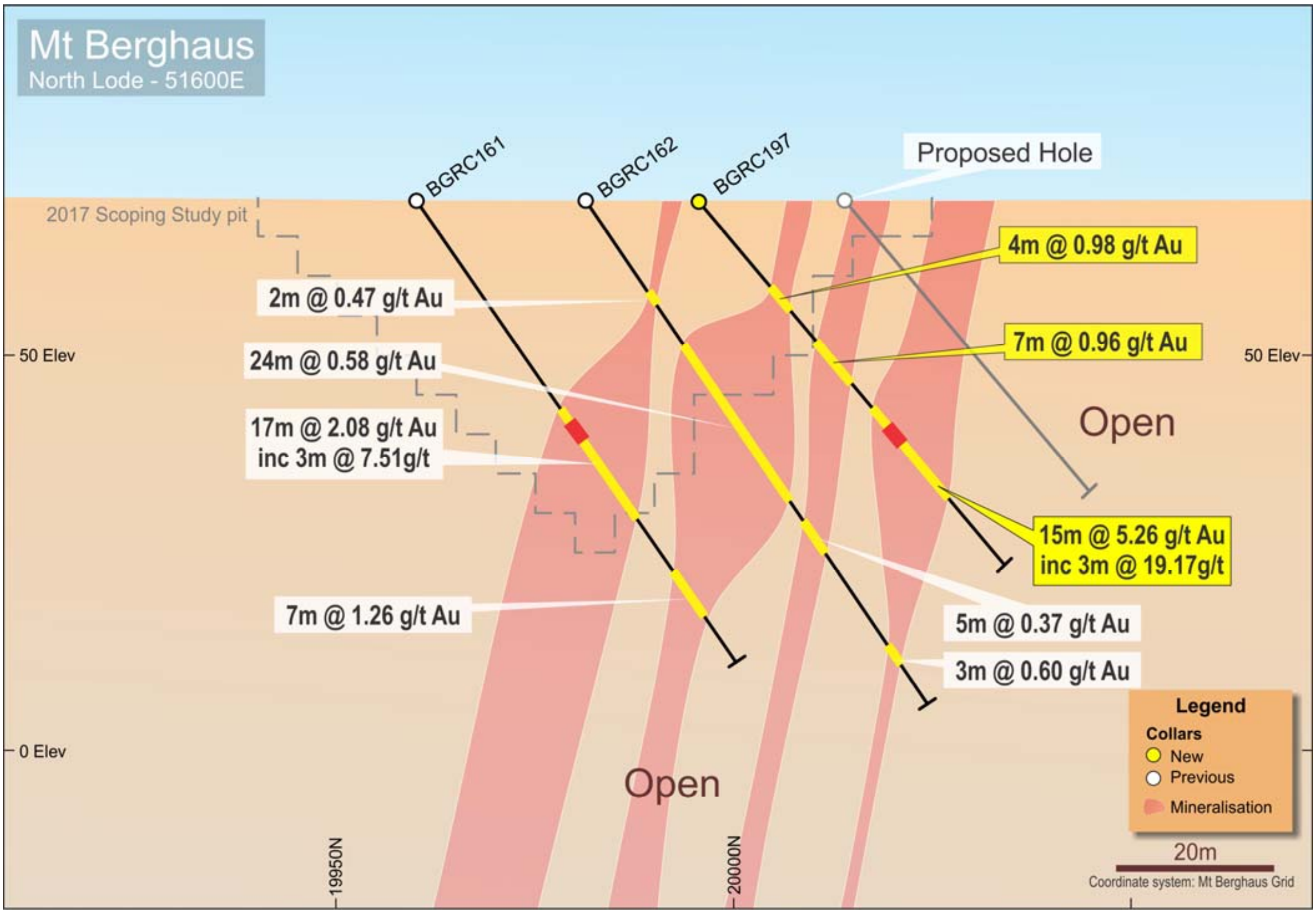
Figure 7 clearly shows only limited detailed drilling outside of the growing Main Zone and North Lode resource areas. Within these under-explored areas, a number of encouraging previous drilling results provide strong and immediate targets for further drill testing. These include BGRC003 with **2m @ 24.6g/t Au** and BGRC031 with **14m @ 6.5g/t Au,** approximately 1.5km to the SW of the main resource, with the West Berghaus resource area a further 1.5km SW of these holes.

The overall regional anticline fold is an interesting structural setting with the current Main Zone resource area interpreted to lie along the axial plane of the SW-NE trending fold hinge. The high-grade mineralisation being intersected within the North Lode and the high-grade drill intersections (BGRC003 and 031) along the northern limb provide a hint of the further potential this system may yield.

Table 2 North Lode - Significant drill intersections (>20gm*m).

HoleID	Depth From (m)	Depth To (m)	Downhole Width (m)	Au (g/t)	Gram * metres
BGRC190	25	31	6	0.85	5.1
BGRC191	20	22	2	1.10	2.2
BGRC191	29	36	7	0.74	5.18
BGRC191	45	51	6	1.36	8.16
BGRC191	56	60	**4**	**2.89**	**11.56**
incl	56	58	**2**	**5.32**	**10.64**
BGRC193	6	38	**32**	**1.70**	**54.4**
incl	14	15	1	3.46	3.46
incl	22	23	**1**	**13.25**	**13.25**
incl	32	35	**3**	**8.18**	**24.54**
BGRC194	3	16	**13**	**0.94**	**12.22**
incl	3	4	1	4.07	4.07
BGRC194	25	28	3	0.98	2.94
BGRC195	36	39	3	2.02	6.06
incl	36	37	1	4.94	4.94
BGRC196	35	43	**8**	**5.18**	**41.44**
incl	36	39	**3**	**13.18**	**39.54**
BGRC196	52	74	**22**	**1.29**	**28.38**
incl	63	66	**3**	**4.00**	**12**
BGRC197	14	18	4	0.98	3.92
BGRC197	23	30	7	0.96	6.72
BGRC197	34	49	**15**	**5.26**	**78.9**
incl	37	40	**3**	**19.17**	**57.51**
incl	42	44	**2**	**6.62**	**13.24**
BGRC200	4	9	**5**	**9.77**	**48.85**
incl	5	6	**1**	**46.90**	**46.9**
BGRC200	13	17	**4**	**5.14**	**20.56**
incl	14	16	**2**	**9.34**	**18.68**
BGRC242	40	52	**12**	**2.46**	**29.52**
BGRC243	64	68	4	1.28	5.12
BGRC244	0	12	**12**	**1.21**	**14.52**
BGRC245	0	8	**8**	**2.36**	**18.88**
BGRC245	12	16	4	1.39	5.56
BGRC245	56	64	**8**	**2.04**	**16.32**
incl	60	64	**4**	**3.20**	**12.8**
BGRC246	32	36	4	1.05	4.2
BGRC246	60	64	4	0.61	2.44

Figure 7 **Mt Berghaus – North Lode Cross section**



Future Programs

As part of De Grey's on-going strategy, a ramp up in exploration activities has commenced aiming to increase resources across the Pilbara Gold Project.

The large 5km long Mt Berghaus gold system is one of many large gold systems evident along the +200km shears within the overall project and is targeted for further detailed activities as part of this increased exploration push based on significantly improving prospectivity and results.

Detailed future work at Mt Berghaus includes:

- **Follow-up infill resource drilling** - minimum program of 3000m of RC drilling currently underway - infilling along the North Lode.
- **Extension drilling** - program of RC and diamond drilling currently being planned to test for new extension beyond the resource model and including new nearby aircore targets.
- **Diamond drilling** - core drilling for additional metallurgical testwork, aid geological interpretations, understand detailed controls on mineralisation and test deeper high-grade targets.
- **Sub-Audio Magnetics (SAM) surveys** – initially a trial survey to highlight shears under the thin sand cover with additional surveys along the entire 5km strike length subject to

positive results in the trial survey. This technique has been previously trialled at Withnell with encouraging success in delineating detailed shear zones within the prospective structural corridor.

- **Detailed soil sampling** - program of detailed soil sampling to delineate further drill targets within the greater 5km anomaly.

- **Structural mapping** - detailed structural mapping and interpretation to delineate specific drill targets.

Project wide new programs are also underway to build a stronger pipeline of future drill targets and prioritisation for drill testing:

- **Project Wide Detailed Aerial Photography** - Completed with processing underway. To aid detailed mapping, environmental surveys, development studies and location of future drilling.

- **Sub-Audio Magnetics (SAM) surveys** - Planning is underway to complete surveys over all the known resources and immediate along strike potential. This data is expected to provide detailed mapping and a stronger understanding of the controlling shears at each deposit. 3D modelling is also expected to provide targets at depth.

- **Detailed Airborne Magnetics** – Infill surveys are planned for June 2018, in order to provide full project coverage with consistent quality magnetic and radiometric data.

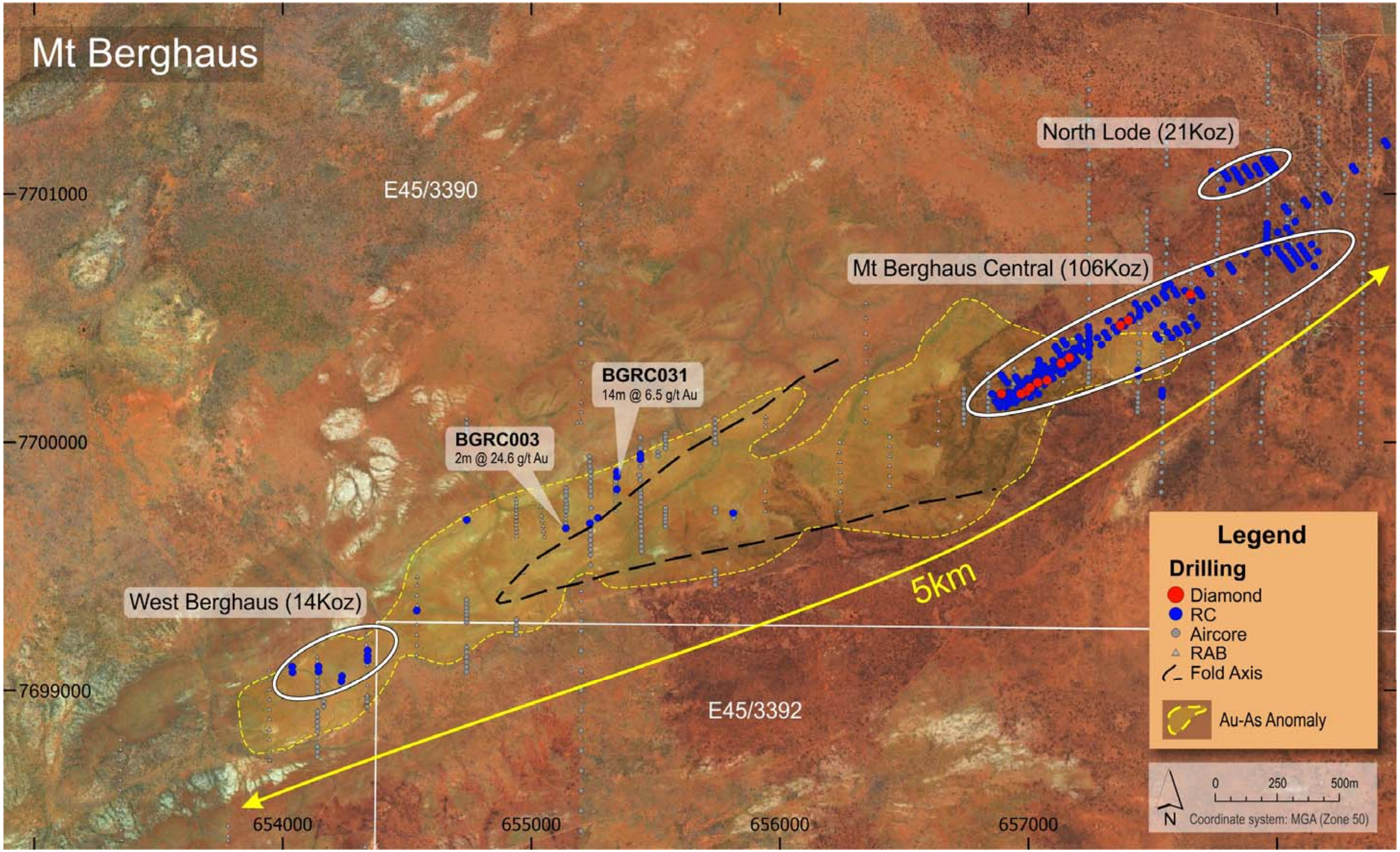
- **Detailed soil sampling** - Programs of detailed soil sampling to delineate further drill targets with an emphasis of the Southern Areas (Farno McMahon JV, Blue Moon and Vanmaris areas).

- **Structural mapping** - Detailed structural mapping project on the Withnell Trend currently underway by external geological/structural consultants Model Earth.

- **Target Generation** - Assessment of the existing drilling, geochemical and geophysical databases is currently underway by experienced external consultant (Allan Kneeshaw) to provide new geological/structural interpretation and ranking of targets.

- **Base Metal Review** – This review is nearing completion and is expected to yield significant new prospective targets for VMS style Zn-Pb -Au-Ag and magmatic Ni-Cu-(Co)-Pt-Pd-Au mineralisation.

Figure 7 Mt Berghaus – Regional plan showing 5km long gold system



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COMPETENT PERSONS 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 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.

Table 3 Mt Berghaus – Drill hole information

HoleID	HoleType	East_MGA	North_MGA	RL_MGA	East_MtBergLocal	North_MtBergLocal	RL_MtBergLocal	Depth	Dip	Azim_MGA	Azim_MtBergLocal
BGRC189	RC	657781.2	7701092.1	69.3	51479.3	20053.2	69.3	24	-53.7	326.0	1.0
BGRC190	RC	657791.3	7701077.5	69.3	51479.2	20035.5	69.3	48	-51.9	325.6	0.6
BGRC191	RC	657802.1	7701062.7	69.7	51479.5	20017.2	69.7	72	-54.1	327.4	2.4
BGRC192	RC	657825.6	7701099.5	69.4	51519.9	20033.8	69.4	36	-55.2	326.1	1.1
BGRC193	RC	657836.4	7701084.1	69.6	51519.9	20015.0	69.6	60	-53.4	327.1	2.1
BGRC194	RC	657868.2	7701108.7	69.4	51560.1	20016.9	69.4	48	-55.2	323.7	358.7
BGRC195	RC	657879.7	7701092.1	69.5	51560.0	19996.8	69.5	84	-52.5	324.6	359.6
BGRC196	RC	657892.0	7701074.0	69.5	51559.6	19974.9	69.5	108	-55.2	326.3	1.3
BGRC197	RC	657912.7	7701113.8	69.4	51599.5	19995.6	69.4	60	-49.7	324.3	359.3
BGRC198	RC	657942.9	7701141.0	69.3	51639.8	20000.5	69.3	48	-56.9	323.5	358.5
BGRC199	RC	657953.7	7701125.4	69.2	51639.7	19981.6	69.2	42	-55.3	324.6	359.6
BGRC200	RC	657964.0	7701110.5	69.3	51639.6	19963.5	69.3	54	-54.8	323.1	358.1
BGRC201	RC	656873.2	7700158.5	78.0	50200.0	19809.3	78.0	36	-53.1	324.0	359.0
BGRC202	RC	656876.6	7700188.1	77.0	50219.7	19831.6	77.0	30	-54.6	324.3	359.3
BGRC203	RC	656885.7	7700174.9	77.4	50219.7	19815.5	77.4	48	-52.8	323.6	358.6
BGRC204	RC	656898.6	7700157.3	78.0	50220.1	19793.8	78.0	30	-52.9	325.0	0.0
BGRC205	RC	656908.0	7700144.1	78.6	50220.2	19777.5	78.6	60	-51.3	326.3	1.3
BGRC206	RC	656903.2	7700184.6	76.9	50239.5	19813.5	76.9	48	-58.3	325.8	0.8
BGRC207	RC	656916.6	7700166.4	77.0	50240.1	19790.8	77.0	24	-58.9	324.0	359.0
BGRC208	RC	656916.7	7700201.8	76.8	50260.4	19819.8	76.8	30	-54.1	326.5	1.5
BGRC209	RC	656924.6	7700190.3	76.6	50260.3	19805.9	76.6	48	-53.8	323.9	358.9
BGRC210	RC	656935.0	7700175.6	76.8	50260.4	19787.9	76.8	90	-52.9	323.3	358.3
BGRC211	RC	656946.3	7700161.2	77.0	50261.4	19769.6	77.0	60	-50.8	321.5	356.5
BGRC212	RC	656890.8	7700271.2	79.3	50279.1	19891.5	79.3	36	-54.4	327.3	2.3
BGRC213	RC	656900.8	7700256.4	78.4	50278.8	19873.6	78.4	60	-55.7	324.8	359.8
BGRC214	RC	656955.8	7700212.8	76.5	50298.8	19806.4	76.5	36	-55.5	327.4	2.4
BGRC215	RC	656966.6	7700197.6	76.4	50298.9	19787.8	76.4	84	-54.9	322.3	357.3
BGRC216	RC	656974.6	7700182.3	76.2	50296.7	19770.6	76.2	66	-54.8	326.4	1.4
BGRC217	RC	656967.7	7700233.5	76.7	50320.4	19816.5	76.7	30	-55.9	331.6	6.6
BGRC218	RC	656984.9	7700242.3	76.3	50339.6	19813.9	76.3	30	-50.0	322.9	357.9
BGRC219	RC	656998.0	7700224.6	76.1	50340.1	19791.9	76.1	66	-47.8	323.6	358.6
BGRC220	RC	657011.8	7700204.2	76.1	50339.7	19767.2	76.1	84	-56.5	328.5	3.5
BGRC221	RC	657005.7	7700246.7	76.5	50359.1	19805.6	76.5	48	-53.3	324.1	359.1
BGRC222	RC	657020.2	7700261.8	76.7	50379.6	19809.6	76.7	36	-53.8	326.2	1.2
BGRC223	RC	657027.6	7700250.6	76.7	50379.3	19796.2	76.7	48	-53.4	326.4	1.4
BGRC224	RC	657028.7	7700285.3	77.6	50400.1	19824.0	77.6	48	-48.0	327.0	2.0
BGRC225	RC	657056.8	7700279.4	77.1	50419.7	19803.1	77.1	36	-54.2	326.0	1.0
BGRC226	RC	657067.7	7700264.5	78.3	50420.1	19784.5	78.3	60	-53.3	325.5	0.5
BGRC227	RC	657060.8	7700308.1	76.2	50439.4	19824.2	76.2	36	-48.9	327.6	2.6
BGRC228	RC	657091.7	7700299.1	75.8	50459.6	19799.2	75.8	60	-49.1	327.9	2.9
BGRC229	RC	657099.6	7700287.3	76.5	50459.3	19785.0	76.5	90	-45.7	328.6	3.6
BGRC230	RC	657122.9	7700323.4	74.6	50499.1	19801.2	74.6	18	-49.1	328.3	3.3
BGRC231	RC	657133.6	7700310.6	75.0	50500.5	19784.6	75.0	72	-58.2	325.5	0.5
BGRC232	RC	657129.6	7700351.7	74.1	50520.8	19820.5	74.1	36	-52.5	325.1	0.1
BGRC233	RC	657149.7	7700355.6	73.6	50539.5	19812.2	73.6	42	-46.7	324.3	359.3
BGRC234	RC	657169.8	7700326.7	75.6	50539.4	19777.0	75.6	12	-55.0	324.8	359.8
BGRC235	RC	657180.0	7700312.8	77.2	50539.8	19759.7	77.2	72	-43.0	326.7	1.7
BGRC236	RC	657170.1	7700361.7	73.2	50559.8	19805.5	73.2	36	-52.0	323.7	358.7
BGRC237	RC	657182.6	7700378.3	72.9	50579.5	19811.9	72.9	36	-54.4	324.2	359.2
BGRC238	RC	657190.5	7700368.0	73.1	50580.0	19798.9	73.1	60	-53.2	326.5	1.5
BGRC239	RC	657209.6	7700411.5	71.9	50620.7	19823.6	71.9	60	-52.8	149.8	184.8
BGRC240	RC	657199.9	7700424.4	72.2	50620.1	19839.7	72.2	84	-53.5	146.9	181.9
BGRC241	RC	657236.4	7700406.0	71.9	50639.4	19803.7	71.9	90	-45.6	319.8	354.8
BGRC242	RC	657246.5	7700392.6	72.0	50640.1	19787.0	72.0	96	-50.2	319.9	354.9
BGRC243	RC	657967.3	7701139.6	69.1	51659.0	19985.4	69.1	72	-54.3	323.9	358.9
BGRC244	RC	657979.5	7701123.5	69.2	51659.7	19965.3	69.2	78	-52.4	324.1	359.1
BGRC245	RC	657991.0	7701107.2	69.2	51659.8	19945.3	69.2	78	-51.4	321.7	356.7
BGRC246	RC	657975.8	7701094.2	69.2	51639.8	19943.4	69.2	84	-49.8	323.3	358.3
NDD105	DD	656890.7	7700195.8	77.1	50235.7	19829.9	77.1	29	-69.2	323.1	358.1

Table 4 Significant drill intersections

(minimum 0.3g/t lower cut, 3m max internal dilution)

HoleID	Depth From (m)	Depth To (m)	Downhole Width (m)	Au (g/t)
BGRC190	25	31	6	0.9
BGRC191	20	22	2	1.1
BGRC191	29	36	7	0.7
BGRC191	45	51	6	1.4
BGRC191	56	60	**4**	**2.9**
incl	56	58	**2**	**5.3**
BGRC193	6	38	**32**	**1.7**
incl	14	15	1	3.5
incl	22	23	**1**	**13.3**
incl	32	35	**3**	**8.2**
BGRC194	3	16	**13**	**0.9**
incl	3	4	1	4.1
BGRC194	25	28	3	1.0
BGRC195	36	39	3	2.0
incl	36	37	1	4.9
BGRC196	35	43	**8**	**5.2**
incl	36	39	**3**	**13.2**
BGRC196	52	74	**22**	**1.3**
incl	63	66	**3**	**4.0**
BGRC197	14	18	4	1.0
BGRC197	23	30	7	1.0
BGRC197	34	49	**15**	**5.3**
incl	37	40	**3**	**19.2**
incl	42	44	**2**	**6.6**
BGRC200	4	9	**5**	**9.8**
incl	5	6	**1**	**46.9**
BGRC200	13	17	**4**	**5.1**
incl	14	16	**2**	**9.3**
BGRC203	44	47	3	1.3
incl	46	47	1	3.3
BGRC204	12	15	3	0.9
BGRC206	36	48	**12**	**7.3**
incl	36	38	**2**	**35.5**
incl	45	47	**2**	**6.6**
BGRC208	14	16	2	4.5
incl	14	15	1	8.6
BGRC213	33	43	**10**	**3.7**
incl	39	41	**2**	**15.6**
BGRC214	1	17	**16**	**1.1**
incl	9	10	1	4.4
BGRC215	53	70	**17**	**0.7**
BGRC219	1	18	**17**	**2.1**
incl	7	9	**2**	**7.2**
BGRC220	54	62	**8**	**6.6**
incl	54	57	**3**	**12.5**
incl	60	61	**1**	**12.9**
BGRC221	20	33	**13**	**1.9**
incl	20	24	**4**	**3.6**
incl	27	29	2	3.7
BGRC222	18	24	**6**	**2.5**
BGRC223	28	33	5	1.8
incl	31	32	1	6.1
BGRC224	4	12	**8**	**12.1**
incl	5	7	**2**	**31.2**
incl	10	12	**2**	**16.9**
BGRC226	12	16	4	0.6
BGRC228	4	23	**19**	**5.2**
incl	14	23	**9**	**9.8**
BGRC229	25	48	**23**	**2.3**
incl	46	48	**2**	**10.5**
BGRC230	0	18	**18**	**1.3**
BGRC231	20	32	**12**	**3.7**
incl	24	28	**4**	**8.2**
BGRC231	36	48	**12**	**3.5**
incl	36	40	**4**	**8.7**
BGRC231	52	56	4	1.0
BGRC232	4	12	8	0.5
BGRC236	4	8	4	1.0
BGRC237	4	24	**20**	**2.3**
incl	4	8	**4**	**4.6**
incl	20	24	**4**	**3.7**
BGRC238	24	28	4	0.8
BGRC238	36	44	8	0.8
BGRC238	48	52	4	1.0
BGRC239	4	24	**20**	**0.9**
BGRC239	28	32	4	0.5
BGRC240	20	28	8	0.6
BGRC240	32	44	**12**	**1.3**
BGRC240	52	68	**16**	**0.9**
BGRC241	0	24	**24**	**1.7**
incl	12	16	**4**	**6.1**
BGRC242	40	52	**12**	**2.5**
BGRC243	64	68	4	1.3
BGRC244	0	12	**12**	**1.2**
BGRC245	0	8	**8**	**2.4**
BGRC245	12	16	4	1.4
BGRC245	56	64	**8**	**2.0**
incl	60	64	**4**	**3.2**
BGRC246	32	36	4	1.1
BGRC246	60	64	4	0.6
NDD105	7	9	**2**	**121.8**
incl	8	9	**1**	**242.0**

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 composite basis over the entire length of the hole. 4m composite samples were submitted for analysis for all intervals. Where assays over approximately 0.2g/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 • Samples from NDD105 were collected with a diamond drill rig drilling PQ diameter, triple tube samples. • After logging and photographing, PQ drill core was sent to an independent metallurgical laboratory and whole core crushed and sampled on intervals selected by De Grey geologists
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. • NDD105es comprised PQ core of a diameter of 85mm.
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. • For NDD105 core recovery was measured for each drilling run by the driller and then check by the Company geological team during the logging process. Samples are considered representative with generally 100% recovery. • 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*	• Consultant geologist's logged each hole and supervised all sampling. • The sample results are appropriate for a resource estimation. The 1m sample results are considered the preferred sample to use in the resource estimation for more accurate definition of lodes .

Criteria	JORC Code explanation	Commentary
	quantitative in nature. Core (or costean, channel, etc.) photography. • *The total length and percentage of the relevant intersections logged.*	
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. • Independent standard reference material was inserted approximately every 20 samples • Duplicate samples were taken approximately every 60 samples for 1m resplits • Samples from NDD105 were collected with a diamond drill rig drilling PQ diameter, triple tube samples. • After logging and photographing, PQ drill core was sent to an independent metallurgical laboratory and whole core crushed and sampled on intervals selected by De Grey geologists • The samples are considered representative and appropriate for this type of drilling and for use in a 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 an 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 • Results for 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
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 located by Differential GPS to an accuracy of +/-20cm. • Locations are given in Mount Berghaus local grid coordinates in addition to GDA94 zone 50 • Topographic control uses a combination of locations of drill collars, traverses with Differential GPS and 1m contour data.

Criteria	JORC Code explanation	Commentary
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 20m x 20m. • All holes have been geologically logged and provide a strong basis for geological control and continuity of mineralisation. • Data spacing and distribution is sufficient to provide strong 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 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 other parties	• *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 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:*	• Drill hole location and directional information is provided in this report.

Criteria	JORC Code explanation	Commentary
	• *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.*	
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 3m maximum. Intervals over 2gm 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 discovery being reported These should include, but not be limited to a plan view of drill hole collar locations and appropriate sectional views.*	• Plans are representative cross 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 intercepts using parameters described above are reported. • 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*	• The Mount Berghaus Gold deposit has an existing 2012 JORC gold resource (141,000oz) previously reported by De Grey.

Criteria	JORC Code explanation	Commentary
	method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances.	
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 is in progress • Additional drilling is underway to finalise the current infill and extension program. Follow up drilling will be assessed after additional review of all data.