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Coarse gold at Loudens Patch in first bulk sampling

Loudens West – Successful Trial Bulk Sampling and Trenching

- Initial trenching exposes 20m strike of conglomerate horizon, partially sampled.
- Visible coarse gold (>0.1mm) and nuggets recovered in sampling along initial 6m of strike.
- 0.204, 0.980 and 1.980 grams of coarse gold recovered from three 250kg conglomerate bulk samples respectively
- Additional fine gold within the samples was not assessed
- Continuity of coarse gold along conglomerate is encouraging
- Successful sampling procedure allows De Grey to progress systematic sampling and quantitative assessment of the Loudens Conglomerate during the December Quarter.

Coarse gold and nuggets in heavy mineral concentrates have been recovered from trial processing of 250kg of in-situ conglomerate at Loudens West. All samples collected to date have returned a gold “positive”.



Technical Director Andy Beckwith commented: “We are extremely pleased with the initial positive gold results together with the simplicity and speed of the sampling, for which we thank geologist in charge, Michael Jackson, who has designed and driven the program from the first nugget discovery.”

De Grey Mining Ltd (ASX:DEG, “De Grey”, “Company”) is pleased to provide an update on the ongoing conglomerate exploration activities. This report covers initial positive results of trial bulk sampling at Loudens Patch, within the Pilbara Gold Project, located near Port Hedland in the Pilbara region of Western Australia.

Loudens Patch is located at the western end of the Pilbara Gold Project, on E47/2720. Initial trial bulk sampling has commenced at the Loudens Patch prospect (Figure 1) where over 200 gold nuggets have been previously found associated with a partially outcropping conglomerate unit below the younger and generally flat lying Lower Fortescue Group - Mt Roe Basalt.

The positive coarse gold results demonstrate De Grey’s sampling procedure and recently commissioned custom-built crushing and gravity sampling circuit is an effective tool to rapidly and systematically assess the conglomerate units for coarse gold mineralisation. De Grey defines coarse gold as visible gold to the naked eye or approximately >0.1mm.

Independent laboratory analysis of detailed larger tonnage samples will be required to determine accredited and quantitative gold grades; however, De Grey’s rapid determination of coarse gold content in the prospective host units is considered an important field tool.

At Loudens West, sampling of the target horizon has initially been undertaken along a north south trending small creek where historic prospector workings occur within the partially outcropping and flat lying conglomerate unit immediately beneath the Mt Roe Basalt. This area is where De Grey has previously discovered over 200 nuggets at surface with a metal detector (refer to previous ASX announcements). A 30 tonne excavator equipped with a specialised elliptical hammer has been used to provide improved conglomerate exposure for geological logging and sampling. A full description of sampling and crushing procedures is provided in the Bulk Sampling and Processing section in Appendix 1.

Trenching has exposed 20m of conglomerate along strike with an initial 6m sampled and 14m remaining to be sampled. Based on the mapping completed, conglomerate exposure is expected to reach 60m in the current trench.

This trial trenching and sampling program will be continued along strike and at other target areas at Loudens during the balance of the December 2018 quarter and then progressively rolled out to assess the Jarret Well and Steel Well prospect areas. The sampling program is expected to allow for systematic assessment of the conglomerate units and importantly provide a detailed understanding of locality of coarse gold in the sequence and continuity of gold mineralisation within the units.

Bulk Sampling Results

Sampling and processing undertaken during this initial trial program was carried out by De Grey personnel on site. Initial trenching has exposed a 20m strike of the conglomerate unit (Figure 2). The first ever bulk samples have now been completed over the first 6m of conglomerate strike, with a further 14m marked up and ready for detailed bulk sampling. The excavator will now focus on expanding continuous exposure to approximately 60m strike length in total along the creek line.

To date, six (6) 250kg bulk samples (LB250_001 to 006) have been collected and processed by De Grey from Loudens West. Samples LB250_001, LB250_003 and LB250_005 are samples taken from the mapped conglomerate horizon immediately beneath the younger overlying Mt Roe Basalt and above the irregular contact with the underlying older Mallina Formation sediments (Figures 2 and 3). Results are considered very encouraging with the three consecutive conglomerate samples highlighting strong coarse gold, with two samples yielding gold nuggets and significant coarse gold in the pan concentrate (see Table 1 and Plates 1-3).

The three samples (LB250_002, LB250_004 and LB250_006) taken from the Mallina Formation immediately below the conglomerate horizon are also gold positive, albeit with lesser amount of visible coarse gold in the pan concentrate. The coarse gold in the Mallina Formation is interpreted to represent gold occurring in cracks and small “clots” of conglomerate at the contact between the two units and heavily diluted by the Mallina Formation which makes up approximately 80 to 90% of the rock mass in these samples.

Furthermore, gold endowment appears higher where the conglomerate beds are thickest (1.2 to 1.5m) which is evident in samples LB250_003 and 005 which produced gold concentrates weighing 0.98 and 1.98 grams respectively.

Thus far the bulk of the coarse gold component occurs as non-metal detectable nuggets with particles <2mm size fraction. Very fine gold particles are also seen to float in the pan and are very difficult to collect and assess with this style of sampling. The very fine gold particles suggest further gold may still be hosted in the “sample tails” and this gold content will need to be assayed in future detailed bulk samples at an independent laboratory.

At the conclusion of the current initial sampling phase at Loudens Patch, the Company will pursue commercial laboratory analytical methods to establish overall grade of the conglomerate beds and then determine their economic potential.

Table 1. Bulk sampling results (note figures are grams of gold recovered, not grams per tonne).

SAMPLE LINE ID	From (m)	To (m)	SAMPLE ID	HORIZON	Approximate true thickness (m)	Fine gold concentrate (grams)	Nugget Detected (grams)	Total recovered from 250kg (grams)
LTR001	0	2	LB250_001	B (Conglomerate)	0.5	0.204	0	0.204
			LB250_002	A (Bedrock)	0.5	0.035	0	0.035
	2	4	LB250_003	B (Conglomerate)	1	0.455	0.525	0.98
			LB250_004	A (Bedrock)	0.5	0.135	0	0.135
	4	6	LB250_005	B (Conglomerate)	1.5	1.277	0.703	1.98
			LB250_006	A (Bedrock)	0.5	trace	0	trace

Sample Pan Concentrates

Plate 1 Conglomerate Sample LB250 001



Plate 2 Conglomerate Sample LB250 003



Plate 3 Conglomerate Sample LB250 005



Plate 4 Mallina Sample LB250 002

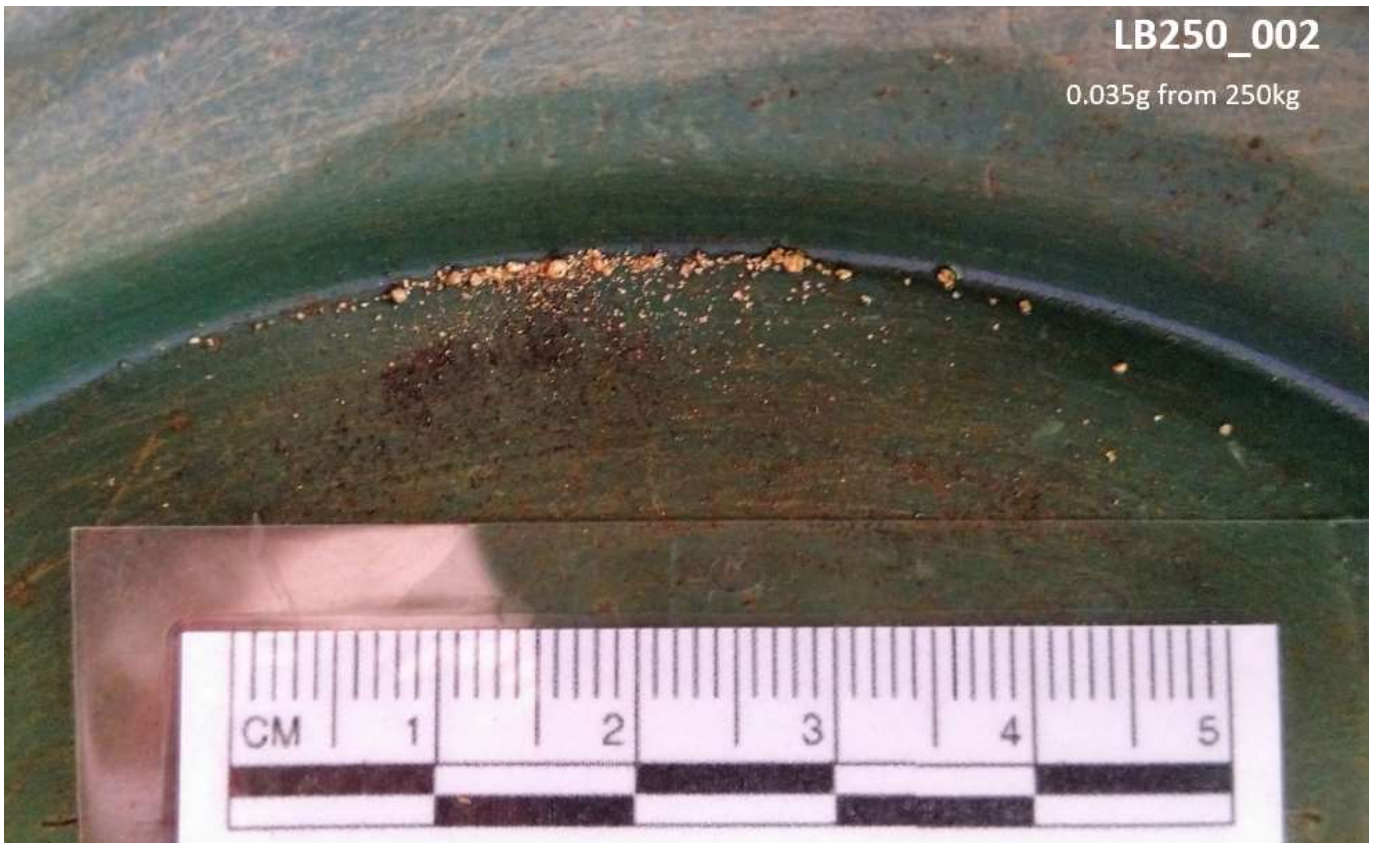


Plate 5 Mallina Sample LB250 004



Plate 6 Mallina Sample LB250 006



Geology

The sampled conglomerate horizon comprises weakly ferruginous, feldspar-rich, coarse, sandy gravels with clasts comprising <10% of the rock mass. Clasts consist of well-rounded greywacke, mafic volcanic, quartz and hematite generally ranging 1-5cm in diameter and up to 30cm.

At this stage it is not known whether the gold is concentrated in a particular portion of the conglomerate bed, however the better gold concentrates and nuggets appear to be concentrated where the conglomerate bed is thickest.

The nuggets have a thin ferruginous coating, interpreted to represent iron rich minerals from weathering of chlorite alteration or the associated “buckshot” pyrite as seen in previous hand specimens from Loudens and also in core from Jarret Well and Steel Well.

Future Work Programmes

The initial trial bulk sampling, based on a 250kg sample size, and processing method has been successful in determining coarse gold content of each sample. Sampling is planned to continue along the remaining 6m to 20m of the trench. Additional trenching will continue along the current creek line, south west and north east targets at Loudens West and then move to test the Loudens South Target at the southern end of the Loudens Range. Similar sampling is planned to be implemented at Jarret and Steel Wells prospects.

As this sampling is non-quantitative and only separates coarse gold, a representative gold grade is not able to be quoted. De Grey intends to complete the coarse gold assessment at each area before deciding on larger bulk samples to be taken and sent to an independent assay laboratory for accredited gold grades.

Table 1. Trench location information

Trench	Collar Easting (m)	Collar Northing (m)	Azimuth (degrees)	Dip (degrees)	Length (m)
LTR001	585127	7686767	180	Horizontal	20m*

**Sampling and extension of the trench continuing*

Figure 1. Loudens West – showing trench LTR001 location

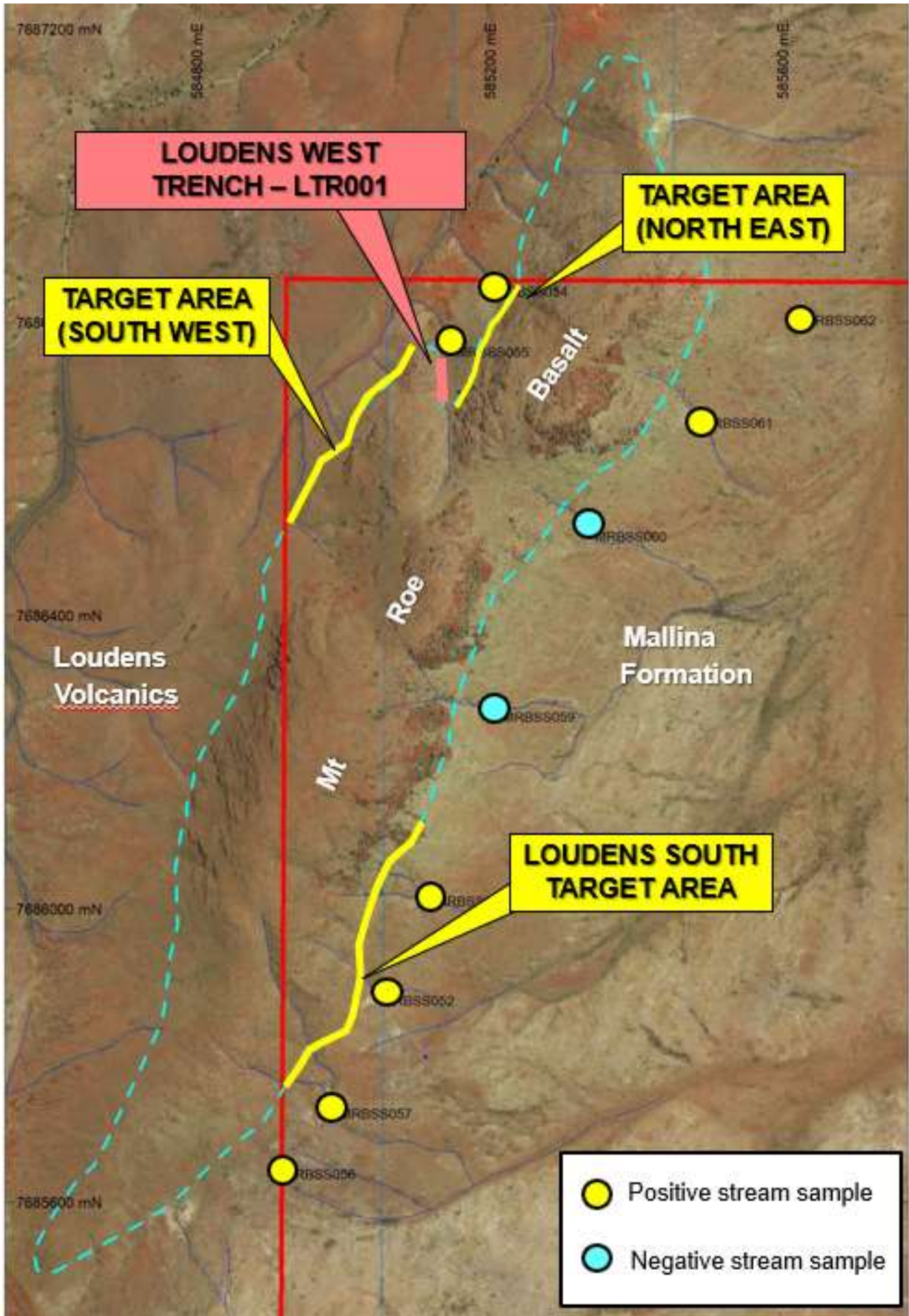


Figure 2. Loudens West – Bulk sampling trench face, showing sampled 0-6m and mark up for 6-20m sampling underway

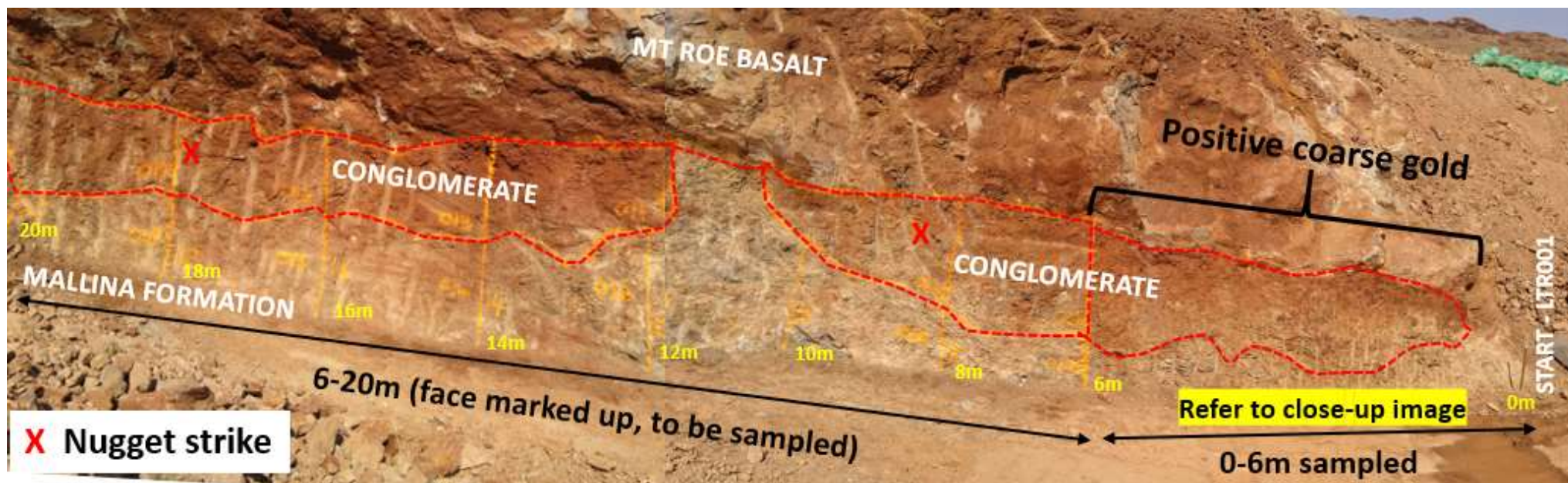
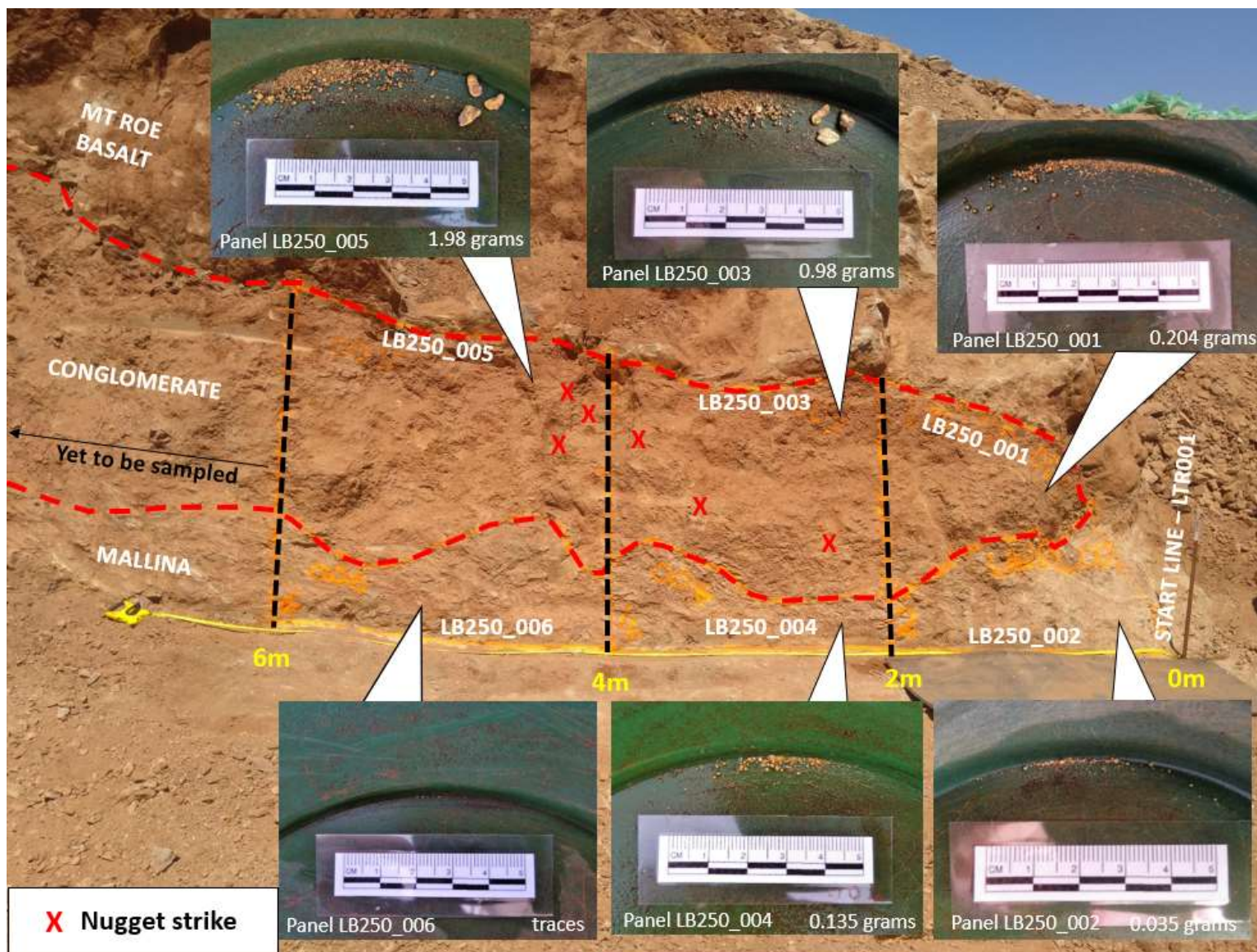


Figure 3. Loudens West – Close up image of bulk sampling trench face, showing sampling results for 0-6m.



For further information:

Simon Lill (*Executive Chairman*) or

Andy Beckwith (*Technical Director and Operations Manager*)

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. Michael Jackson, a Competent Person who is a Member of The Australian Institute of Geoscientists. Mr. Jackson is a consultant to De Grey Mining Limited. Mr. Jackson 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. Jackson consents to the inclusion in this report of the matters based on his information in the form and context in which it appears.

Material ASX releases previously released

The Company has released all material information that relates to Exploration Results, Mineral Resources and Reserves, Economic Studies and Production for the Pilbara Gold Project on a continuous basis to the ASX and in compliance with JORC 2012. The Company confirms that it is not aware of any new information that materially affects the content of this ASX release. Material ASX releases related to the results reported in this report are listed below:

Conglomerate gold bulk sampling commences; 1 October 2018

Conglomerate Gold Update - Widespread visible gold and nuggets; 19 March 2018

Gold nuggets confirm important new conglomerate discovery – Loudens Patch; 26 September 2017”

Forward Looking Statements

Statements regarding De Grey’s plans with respect to the mineral properties, resource reviews, programmes, economic studies and future development are forward-looking statements. There can be no assurance that De Grey’s plans for development of its mineral properties will proceed any time in the future. There can also be no assurance that De Grey will be able to confirm the presence of additional mineral resources/reserves, that any mineralisation will prove to be economic or that a mine will successfully be developed on any of De Grey’s mineral properties.

Indee Gold Option Agreement

De Grey has signed a binding agreement to acquire 100% of the Indee Gold Project with settlement due on 24 January 2019. A non refundable deposit of \$1.5M has been paid and final settlement will include \$10.4M in cash and \$3.0M in DEG shares. (refer to ASX release dated 30 January 2018, “De grey executes Indee Gold Share Sale Agreement”). Under the agreement De Grey has the right to extend settlement to July 2019, subject to a further deductible deposit payment of \$700,000 by January 2019.

Appendix 1

Bulk Sampling Procedure

De Grey has developed a standardised sampling procedure for the initial on site bulk sampling of the conglomerate gold style of mineralisation. This sampling procedure is outlined below. The Company also notes this form of sampling is non quantitative and a gold grade is not reported. The samples are collected, crushed, metal detected, then processed through a gravity separation equipment and a final heavy mineral concentrate is collected. Visible gold (nominally >0.5mm) is collected and weighed. Any fine gold (<0.5mm) is not able to be collected through this process and further processing will be required to assess the fine gold component of each sample.

This sampling approach is designed to allow the Company geologists to rapidly assess the location, continuity and host rock type(s) of any coarse gold mineralisation and then quickly advance the excavator and further sampling along strike. The company considers the best indicator of the conglomerate gold style mineralisation is the coarse gold fraction and therefore the focus is maintained on defining the areas of significant coarse gold prior to undertaking expensive and time consuming laboratory assays.

Trenches

The excavator with the elliptical hammer initially digs out the preferred target horizon and creates a clean and consistent wall of exposure. The vertical exposures are made safe by barring down and hosing of any loose, dangerous rocks prior to any sampling being undertaken.

Excavator in operation

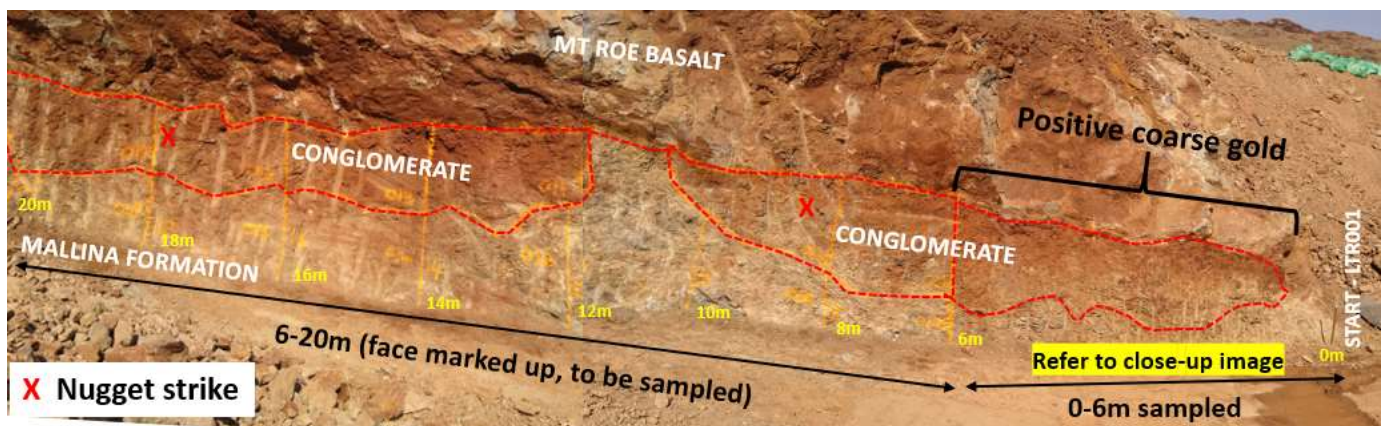


Elliptical Hammer



The trench wall is made safe to operate, cleaned with water, geologically mapped and marked and up along geological contacts and sample intervals allocated on 2m basis. Trench location is plotted as per a drill hole with start point, azimuth and trench sample intervals. Sample numbers are allocated along the trench and sampling conducted (see below).

Trench Wall



Sampling of Trench Wall

At Loudens West, the conglomerate horizon is 0.5 to 1.5m thick where exposed to date. The conglomerate is then sampled along 2m strike and the full height of the conglomerate unit. If the unit was substantially thicker, this unit would be sampled at approximately 1m height intervals for greater number of samples along each 2m strike interval. The lower Mallina formation is sampled independently to assess if there is any gold in the older rocks. The initial sampling has yielded coarse gold, albeit lesser quantities and this is interpreted to represent secondary conglomerate gold filling small cracks and clots within the upper 0.5m of the Mallina Formation.

Once the sample faces have been excavated with the geologist identifying geological boundaries, the floor is levelled so approximately 0.5 to 1m of Mallina is exposed below the basal conglomerate contact. The walls are then washed down, allowed to dry for 24hrs and the planned sample intervals marked up with survey paint. The aim of washing down the walls is to expose the geology and remove loose dirt contamination.

Once cleaned and marked up the sample panels are scanned with a metal detector with nugget strikes marked on the wall as an "X" using spray paint. Geological mapping of the entire face is undertaken at 1:25 scale with geology and sample interval information recorded.

Prior to sampling, the known nuggets are removed from the wall by disturbing as small an area as possible with the material surrounding nuggets retained so it can be included in the sample when passed through the hammer mill. Nuggets are later cleaned in acid, weighed and included in the recovered gold concentrate.



Panel sampling comprises using a pelican pick or jack hammer and scaling an even layer 5 to 10cm thick across the marked up sample panel and collecting approximately 50kg at a time onto a rubber mat placed squarely below the face. The scaled material is then shovelled into holding tubs resting on an electronic scale, weighed in 5 x 50kg sub-samples then transferred into a labelled 44 gallon drum which is then sealed and transported to the Indee Camp crushing facility.

Removing “skin” from sample panel to geological boundaries



Collecting sample material in 50kg sub-samples



Weighing and sampling for 250kg



Processing - 250kg Bulk Samples

Sample processing of the 250kg bulk sample is undertaken at the Company's exploration camp where a custom-built crushing and gravity circuit has been constructed. The sample circuit comprises the following;

- Hand sorting of rocks > approximately 7cm which are then passed through a jaw crusher to reduced sizing to 2-5cm or smaller
- All 250kg is then passed through a hammer mill which crushes sample to <1.2mm
- Sample material is added with water and a small quantity of soda ash (clay settling agent).
- Samples then gravity fed through a Knelson concentrator to remove the coarse gold particles.
- The post Knelson concentrator "tails" are also run over a rubber sluice mat designed to trap any fine gold particles as a precaution to ensure all coarse gold is removed.
- Waste tail material is stored in a large poly-weave bulker bag for storage.

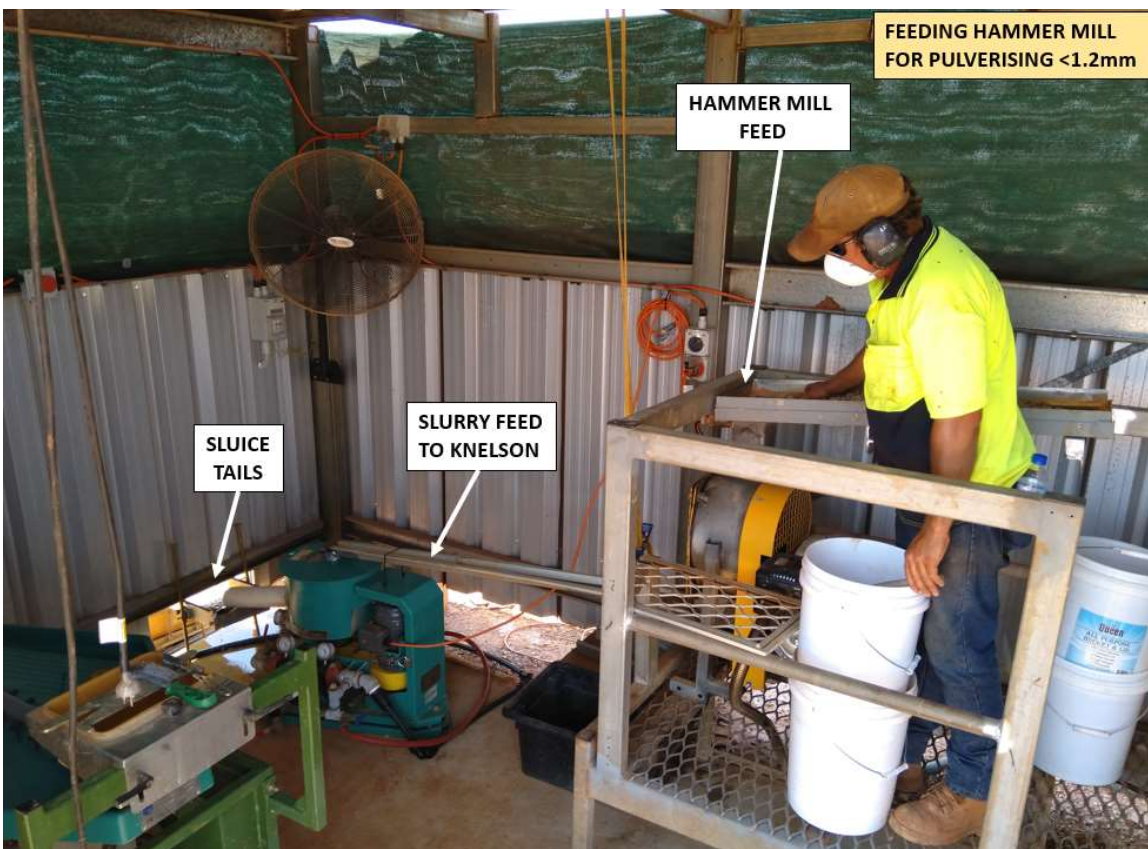
At the end of the feeding process the Knelson cone is removed and cleaned with the concentrate transferred to a panning dish. The hammer mill is carefully cleaned with a steel brush and 1.2mm slots scraped out with a switch blade to dislodge any gold particles. Following the cleaning out of the cone and hammer mill approximately 5kg of blank material (laboratory certified) is passed through the hammer mill and Knelson with the concentrates also collected.

At the end of the blank cleaning process all concentrates from the cone and rubber matting are combined and passed over a mini sluice concentrator. The concentrates are then panned off to produce a 90-95% gold-rich concentrate mixed with heavy mineral sands.

Oversize sample jaw crusher



Feeding Hammer Mill for pulverising to <1.2mm



Removing Knelson Cone concentrate (including coarse gold)



Removing Knelson Cone concentrate (including coarse gold)



Panning concentrate to remove coarse gold and heavy minerals



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	<ul style="list-style-type: none"> 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. 	<ul style="list-style-type: none"> Bulk samples comprise 250kg bulk samples taken as a 5-10cm layer scaled from a vertical wall marked up as 2m x 1.5m sample panels. Bulk sampling is constrained by the principal geological units which have been lithology mapped and photographed prior to sampling. Nominal 2m sample intervals for the bulk sampling are taken along strike and measured using a tape reel, and survey staff, however, interval widths will be modified if geological boundaries are encountered (Eg. Fault zones or facies changes). Bulk samples comprise a 250kg nominal weight. Sample weights are calculated using a calibrated, industry standard electronic scale. Bulk samples are crushed, pulverised and passed through a series of gravity separators to recover heavy minerals and gold. The percentage of gold recovered from the gravity separation process is not known but the concentrate is estimated to contain 90-95% gold associated with heavy mineral sands. Gold nuggets are located with hand held metal detectors and the locations recorded on 1:25 geological map sheets. Nuggets are removed from the sample panels if they occur <10cm from the face (to avoid being destroyed) and reinserted into the gold concentrate for weighing. The material surrounding the nuggets is stored and reinserted in the sample for crushing. The gold concentrate has not been tested for purity.
Drilling techniques	<ul style="list-style-type: none"> 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.). 	<ul style="list-style-type: none"> No drill results are being reported.
Drill sample recovery	<ul style="list-style-type: none"> Method of recording and assessing core and chip sample recoveries and results assessed. Measures taken to maximise sample recovery and ensure representative nature of the samples. Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material. 	<ul style="list-style-type: none"> Sample panels are dropped onto a rubber mate placed squarely at the base of the sample face. Prior to sampling the walls are hosed down to remove loose rock contamination. An even skin of 5 to 10cm of material is removed from the sample face to obtain an unbiased, representative sample.
Logging	<ul style="list-style-type: none"> Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies. Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc.) photography. The total length and percentage of the relevant intersections logged. 	<ul style="list-style-type: none"> Detailed geological mapping of the sample faces is undertaken at 1:25 scale. The line geology data is recorded on paper log sheets, manually entered into the Company data entry templates then imported into the Company database. The captured data is not intended to be used to calculate a JORC compliant resource estimate. The logging is qualitative and detailed. Sample faces are also photographed with survey points marked with a DGPS.
Sub-sampling techniques and	<ul style="list-style-type: none"> If core, whether cut or sawn and whether quarter, half or all core taken. 	<ul style="list-style-type: none"> An even sample layer is removed from the sample face to make the sample as representative as possible.

Criteria	JORC Code explanation	Commentary
sample preparation	<ul style="list-style-type: none"> • <i>If non-core, whether riffled, tube sampled, rotary split, etc. and whether sampled wet or dry.</i> • <i>For all sample types, the nature, quality and appropriateness of the sample preparation technique.</i> • <i>Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.</i> • <i>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.</i> • <i>Whether sample sizes are appropriate to the grain size of the material being sampled.</i> 	<ul style="list-style-type: none"> • After washing down, the sample face is left to dry for a minimum 24hours to ensure extracted and weighed samples are completely dry. • All sampling equipment used in the field and processing circuit are cleaned before and after use. • During the crushing process frequent panning of the sluice tails is undertaken to ensure good recoveries in the Knelson and sluice are maintained. • Following the processing of the 250kg sample, the hammer mill and Knelson are dismantled and thoroughly cleaned with water and wire brushes. 5kg of certified blank material is then fed through the cleaned hammer mill and Knelson concentrator and the pulverized blank material included in the overall concentrate. • No field duplicates have been taken to date. • Sample faces are metal detected to remove coarse gold nuggets. Remaining sample is pulverized to <1.2mm to liberate gravity recoverable gold contained within the sample. It's considered the bulk of the gravity recoverable gold is liberated during this process and the <1.2mm size fraction is suitable for this initial trial period.
Quality of assay data and laboratory tests	<ul style="list-style-type: none"> • <i>The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.</i> • <i>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.</i> • <i>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.</i> 	<ul style="list-style-type: none"> • No bulk samples have been submitted to the laboratory. • The gold concentrates have not been tested for purity. • The gold concentrates comprise approximately 90-95% alluvial gold and nuggets and heavy mineral sands. • Bulk samples weighed in the field are measured using calibrated electronic scales accurate to 0.05kg. • Gold concentrates are measured using calibrated electronic scales accurate to 0.001gram.
Verification of sampling and assaying	<ul style="list-style-type: none"> • <i>The verification of significant intersections by either independent or alternative company personnel.</i> • <i>The use of twinned holes.</i> • <i>Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.</i> • <i>Discuss any adjustment to assay data.</i> 	<ul style="list-style-type: none"> • No duplicate samples have been taken to date. • All data is collected using field data log sheets and electronically captured using the Company's data entry templates then imported into the Company database.
Location of data points	<ul style="list-style-type: none"> • <i>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.</i> • <i>Specification of the grid system used.</i> • <i>Quality and adequacy of topographic control.</i> 	<ul style="list-style-type: none"> • The line start point location is measured by Differential GPS (DGPS) to an accuracy of +/-20cm. • Collar location coordinates are reported in GDA94, zone 50s. • Geological mapping is undertaken using a tape reel to measure horizontal distance and surveyors staff to measure vertical distance.
Data spacing and distribution	<ul style="list-style-type: none"> • <i>Data spacing for reporting of Exploration Results.</i> • <i>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.</i> • <i>Whether sample compositing has been applied.</i> 	<ul style="list-style-type: none"> • The bulk sampling intervals are 2m and constrained by the geological domain boundaries. • The 2m samples are composited. • The sampling data is not intended to be used in a JORC compliant resource estimate.
Orientation of data in relation	<ul style="list-style-type: none"> • <i>Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.</i> 	<ul style="list-style-type: none"> • The prospective horizon is a conglomerate at the base of the Mt Roe Basalt which outcrops along the sample line over approximately 60m. • The deposit style is poorly understood and further detailed

Criteria	JORC Code explanation	Commentary
to geological structure	<ul style="list-style-type: none"> If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material. 	work is required before any conclusion on the mineralisation can be confirmed.
Sample security	<ul style="list-style-type: none"> The measures taken to ensure sample security. 	<ul style="list-style-type: none"> Samples are sealed in 44 Gallon drums with lids between the sample site and crushing shed. Nuggets and gold concentrates are collected by company personnel and stored at the company's exploration camp
Audits or reviews	<ul style="list-style-type: none"> The results of any audits or reviews of sampling techniques and data. 	<ul style="list-style-type: none"> No audits have been completed.

Section 2 Reporting of Exploration Results

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

Criteria	JORC Code explanation	Commentary
Mineral tenement and land tenure status	<ul style="list-style-type: none"> Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings. The security of the tenure held at the time of reporting along with any known impediments to obtaining a license to operate in the area. 	<ul style="list-style-type: none"> Sampling was conducted on E47/2720 which is located approximately 80km southwest of Port Hedland, in the Pilbara Region, Western Australia. The tenement is held by Indee Gold Pty Ltd, which De Grey Mining has an option to purchase 100%. De Grey has executed a Share Sale Purchase Agreement on 9 February 2018, to acquire 100% of Indee Gold Pty Ltd, holder of the Indee Gold Project tenements. Under the executed Share Sale Purchase Agreement, the total acquisition price is A\$15 Million with payments of and Initial Exclusivity Fee of \$100,000 (Paid in Jan 2017). Initial Deposit of A1.5 Million (paid on SSA execution – 9 February 2018); A\$10.4 Million to be paid on Settlement scheduled for 24 January 2019 and A\$3 Million of Consideration Shares (new De Grey fully paid ordinary shares) to be issued on settlement. De Grey has the right to extend settlement by 6 months to 24 July 2019 by payment of an Extension Deposit of A\$700,000, before 24 January 2019, which would reduce the cash payable at settlement to A\$9.7 Million.
Exploration done by other parties	<ul style="list-style-type: none"> Acknowledgment and appraisal of exploration by other parties. 	<ul style="list-style-type: none"> The Loudens Patch prospect has not been explored for this style of mineralization previously other than work completed and reported by De Grey.
Geology	<ul style="list-style-type: none"> Deposit type, geological setting and style of mineralisation. 	<ul style="list-style-type: none"> The mineralisation targeted is related to palaeo-placer conglomerate hosted gold. This style of mineralisation is poorly understood in the Pilbara region, however recent discoveries in the region have been noted and are currently being explored by third parties.
Drill hole Information	<ul style="list-style-type: none"> A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill holes: <ul style="list-style-type: none"> easting and northing of the drill hole collar elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar dip and azimuth of the hole down hole length and interception depth hole length. If the exclusion of this information is justified on the basis that the information is not Material and this exclusion does not detract from the understanding of the report, the 	<ul style="list-style-type: none"> The trench sample location is included in this report.

Criteria	JORC Code explanation	Commentary
	<p><i>Competent Person should clearly explain why this is the case.</i></p>	
Data aggregation methods	<ul style="list-style-type: none"> <i>In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (e.g. cutting of high grades) and cut-off grades are usually Material and should be stated.</i> <i>Where aggregate intercepts incorporate short lengths of high grade results and longer lengths of low grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail.</i> <i>The assumptions used for any reporting of metal equivalent values should be clearly stated.</i> 	<ul style="list-style-type: none"> No weighted average techniques have been applied. The reported gold concentrate includes nuggets located with metal detectors and coarse gold nominally >0.5mm size recovered from bulk processing for gravity recoverable gold.
Relationship between mineralisation widths and intercept lengths	<ul style="list-style-type: none"> <i>These relationships are particularly important in the reporting of Exploration Results.</i> <i>If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.</i> <i>If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (e.g. 'down hole length, true width not known').</i> 	<ul style="list-style-type: none"> Bed thicknesses are exposed in outcrop with sample dimensions measured using a tape measure (horizontal meters) and survey staff (vertical meters). Due to the early stage of exploration and type of work completed to date, the sampling is non-systematic nor representative.
Diagrams	<ul style="list-style-type: none"> <i>Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported. These should include, but not be limited to a plan view of drill hole collar locations and appropriate sectional views.</i> 	<ul style="list-style-type: none"> Photographs of the sampled face is included in the report. A location plan of the prospect is provided in the report. A photograph of the gold concentrates recovered is included in the report.
Balanced reporting	<ul style="list-style-type: none"> <i>Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results.</i> 	<ul style="list-style-type: none"> The report is considered balanced with the information provided in the context. The geological reporting of the rock types is provided in the information. Maps and photographs of the area and geology are reported in the report.
Other substantive exploration data	<ul style="list-style-type: none"> <i>Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples – size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances.</i> 	<ul style="list-style-type: none"> Bulk sampling and procedure data are included in the report.
Further work	<ul style="list-style-type: none"> <i>The nature and scale of planned further work (e.g. tests for lateral extensions or depth extensions or large-scale step-out drilling).</i> <i>Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.</i> 	<ul style="list-style-type: none"> Future work includes extending the current excavation to expose conglomerate beds along strike for further bulk sampling. Additional trenching of target areas adjacent to the current work area is planned.