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Conglomerate Gold Update

Widespread visible gold and nuggets

Loudens Conglomerate Gold prospectivity increases

- First physical evidence gold hosted in conglomerate sequence. Fig 1 shows intact gold nugget with outer fine grained “halo” gold, pyrite pseudomorphs and chlorite alteration within laminated finer grained clastic sediments.
- Two (2) gold nuggets found at SE end of Loudens range with supporting visible gold in stream sediment sampling, enhancing overall prospectivity.
- Total number of gold nuggets, now exceeds 200, from the previously reported area and within the historic workings.

Visible gold panned from streams draining Loudens Patch, Jarret Well and Steel Well conglomerate targets, confirming potential at all three targets with widespread visible gold identified.

Program of Works (POW) approved for initial earthworks and bulk sampling. Additional POW for larger tonnage earthworks submitted.

Heritage Survey final planning and preparations are well advanced

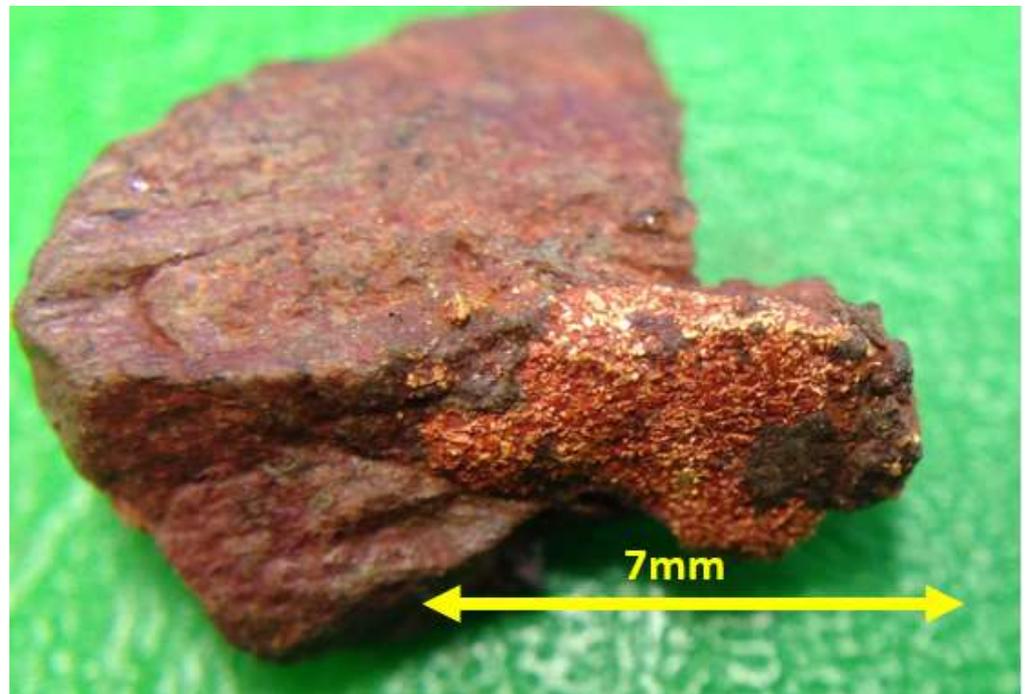
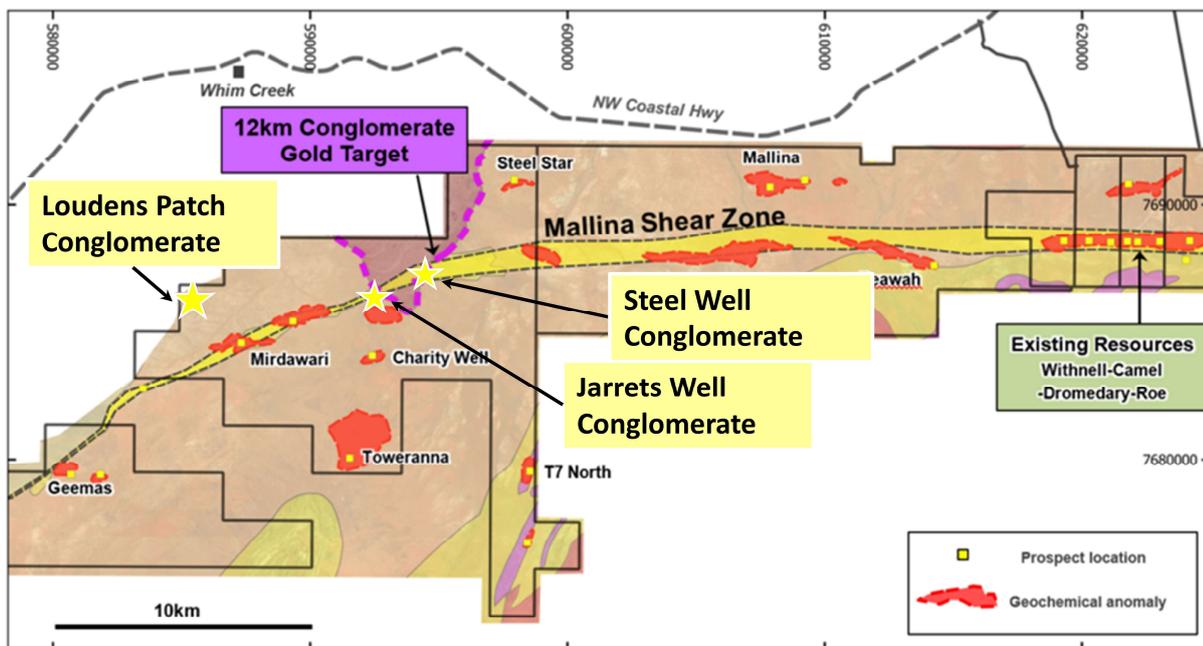


Figure 1 Gold nugget and fine “halo” gold in rock specimen

De Grey Mining Limited (ASX: DEG, “De Grey”, “Company”) is pleased to report on further advances made on the conglomerate gold style of mineralisation, within the Pilbara Gold Project. The latest phase of exploration activities has resulted in the positive discovery of further gold nuggets and results of detailed orientation sampling including stream sediment sampling, undertaken at the Loudens Patch, Jarret Well and Steel Well Conglomerate targets (Fig 2).

Following the discovery of 91 gold nuggets at Loudens Patch (ASX release dated 26 September 2017 “Gold nuggets confirm important new conglomerate discovery – Loudens Patch”) and also 3 nuggets at each of the Jarret Well and Steel Well prospects (ASX release. 30 October 2017, “Discovery of thick conglomerates and gold nuggets confirms potential of 12km target”) a program of continued prospecting, metal detecting, mapping and orientation sampling has been carried out on the three priority targets at Loudens Patch, Jarret Well and Steel Well.

Figure 2 Conglomerate Gold Targets location plan.



A number of new significant advances have been achieved including:

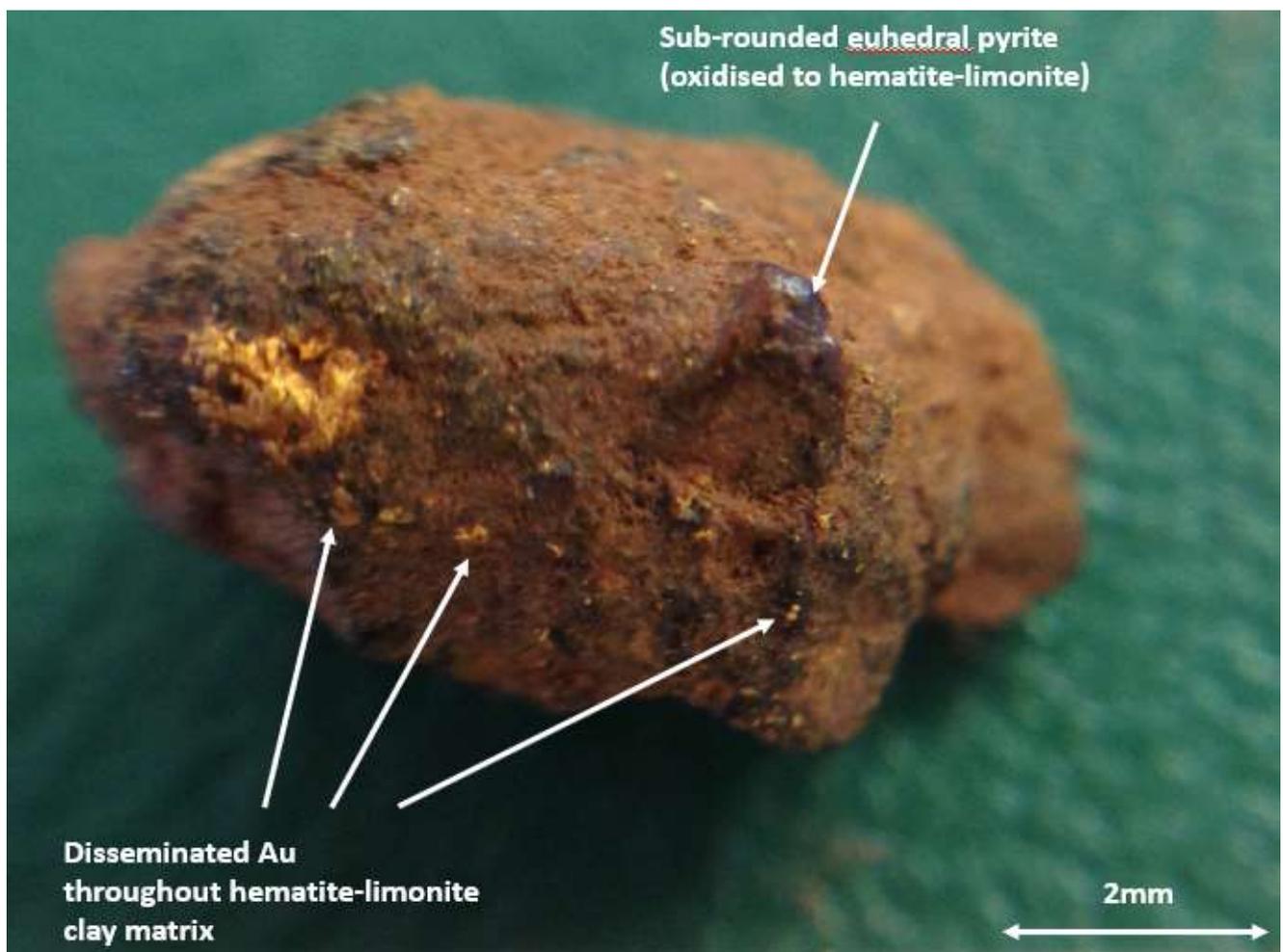
1. Discovery of a gold nuggets and finer grain “halo” gold hosted in a fine grain, laminated clastic sediment (picture on front cover) with patchy chlorite alteration and pyrite pseudomorphs. This specimen, although small, provides support to conglomerate gold style mineralisation being regionally extensive when compared to Purdy’s Reward and Comet Well mineralisation, 130km to west.
2. Two (2) nuggets discovered at the south-eastern end of the Loudens Range.
3. Detailed stratigraphic mapping of the prospective conglomerate sequences.
4. Orientation sampling and the successful delineation of an effective sampling medium.

On-going Metal Detecting and Prospecting

On 26 September 2017, the company previously reported a total of 91 “water melon seed shaped” gold nuggets being discovered at Loudens Patch. As a result of further metal detecting, this number has now **increased to more than 200 nuggets** from this location, with a portion being found within the historic mining dumps located at the conglomerate outcrop.

The discovery of a gold nugget hosted within a fine grained clastic rock fragment with finer grain “halo” gold and patchy chlorite alteration and pyrite pseudomorphs (picture on front cover) is an important advance on the mineralisation characteristics. A second fragment occurs with thin “flaky” gold nugget also with the finer gold halo, pyrite pseudomorphs and rounded quartz grains (Fig 3). This nugget was found in the discarded material from the previously reported historical workings. These two examples provide a strong correlation to similar gold nuggets and mineralisation characteristics and alteration style as previously reported by Novo Resources at the Purdy’s Reward and Comet Well prospects approximately 130km to west. This correlation adds weight to the theory of a similar style of mineralisation and alteration occurring across a large region of the Pilbara.

Figure 3. Thin “flakey to film like” gold nugget also with the finer gold halo, pyrite pseudomorphs at Loudens Patch.



Recent metal detecting has also discovered an additional 2 nuggets on the south-eastern margin of the Loudens Patch range. The nuggets (Fig 4), weighing 0.6 and 1.0 grams each, are located less than 50m from the edge of the Mt Roe Basalt (Figure 6) amongst rounded cobble boulders interpreted to represent the concealed conglomerate nearby. This location is

also supported by in an area of positive stream sediments results (refer to samples below (MRBSS056 and 057).

Figure 4. Nuggets found in south-eastern portion of Loudens Range.



Orientation sampling

Various orientation sampling has been undertaken across the three conglomerate gold targets to test various and preferred sample media (soil, rock, loaming and stream sediment) and analytical types to detect the anomalous gold zones associated with this new style of mineralisation.

The sampling has ranged from detailed rock chip sampling, soil sampling and stream sediment sampling. Additional resampling to differing size fractions was carried out on a number of these media and sample sites for variability and repeatability. Overall the results have been highly variable with the repeatability of the assay results being very difficult at each site and therefore are not considered as a representative sample. This high variability and the low repeatability issues are interpreted to be a function of the very nuggetty nature of mineralisation and the relatively small volume size of samples (1-5kg) used. The small sample volumes are a critical issue and a review of the data has highlighted the need for greater sample sizes for increased repeatability. This large volume size impacts the practical requirements for regional reconnaissance sampling methodologies.

Figure 5 Fine gold particles panned from old working dump material at Loudens.



To test the repeatability and consistency of larger samples, a series of nominal 15kg samples were collected from the small creeks draining the conglomerate targets whilst a 100kg sample was collected from the waste dump material in the old workings at Loudens.

The 100 kg sample was processed in a similar fashion as the stream sediment samples described in this report with the sample initially sieved to minus 1.7mm and the fine fraction retained and run through the mini gold concentrator (refer to Figure 6 for sample location “Gold specimens found” and Appendix 1).

This 100kg sample is taken from material where 10 coarser gold nuggets were found by metal detecting within the dump material. It is important to note that the dump from which this sample was taken had been historically scoured for gold and subsequently metal detected and sieved to minus 1.7mm, such that the current assessment is only identifying the remaining fine component of the originally contained gold. Results are shown in Figure 5 with a resultant collection of numerous coarse (-1.7mm) fragments and finer grains down to ultrafine flecks in the sample concentrate.

The stream sediment samples were directly collected from trap sites along the stream beds draining from the target areas, digging to bedrock and sieving the stream sediment and retaining the minus 1.7mm portion. The samples were sieved to remove the larger and dilutive non-mineralised basalt and other rock fragments. The sieved sample was then processed through a gravity-based mini gold concentrator sluice followed by panning of the concentrates to highlight any visual gold particles. It should be noted that this is not an analytical result and is non-quantitative with the presence (or absence) of visible gold determining if the sample is positive or negative. However this sampling when carried out diligently is seen as a practical solution to reconnaissance sampling, providing consistency of sample and repeatability. This sampling technique will now be applied to the along strike extensions at Jarret Well and Steel Well and elsewhere within the larger 12km target zone and other targets.

De Grey considers the immediate visual identification of gold particles is not only repeatable and cost effective but provides early “in-field” identification of anomalous zones and allows rapid follow-up in areas where gold nuggets have not been detected by metal detecting. The sampling methodology is visually presented in Appendix 1 and results presented in Table 1 and Figures 6-8.

Stream Sediment Results

Results from stream sediment sampling (Table 1) completed to date are considered to be highly encouraging and provide further confidence gold is widely distributed in the conglomerates at Loudens Patch, Jarret Well and Steel Well.

The gold in the streams provides increased confidence in areas where nuggets have not been located with earlier metal detecting. At Steel Well, this is of particular significance as no nuggets have been found to date directly below the conglomerate beds at Steel Well, albeit 3 nuggets have been found 500m south of Steel Well. The streams provide a degree of confidence that the Steel Well conglomerate, which is interpreted as a continuation of the Jarret Well conglomerate or possibly a higher conglomerate in the Mt Roe Basalt, is also potentially gold bearing.

Table 1. Location and description of stream sediment sampling results.

Prospect	SampleID	East	North	Mesh Size	Sample Depth (cm)	BULK SAMPLE WEIGHT (kg)	Visible Gold Grains	FINE GOLD PRESENT ("specks")	Gold texture
Loudens Patch	MRBSS052	585047	7685878	1.7mm	20	16	10	yes - minor	flat, flakey
Loudens Patch	MRBSS054	585200	7686842	1.7mm	40	16.8	5	no	hackled, waterworn
Loudens Patch	MRBSS055	585147	7686762	1.7mm	40	14.4	24	yes - abundant	hackled, rough
Loudens Patch	MRBSS056	584913	7685641	1.7mm	40	15.2	45	yes - abundant	hackled, waterworn
Loudens Patch	MRBSS057	584988	7685724	1.7mm	90	15.3	11	yes	hackled, waterworn
Loudens Patch	MRBSS058	585117	7686010	1.7mm	50	15.7	4	minor	hackled, waterworn
Loudens Patch	MRBSS059	585208	7686265	1.7mm	45	15.2	0	na	na
Loudens Patch	MRBSS060	585334	7686510	1.7mm	60	16	0	na	na
Loudens Patch	MRBSS061	585482	7686664	1.7mm	50	16.6	3	yes	hackled
Loudens Patch	MRBSS062	585621	7686801	1.7mm	30	16.6	3	yes	hackled
Jarret Well	MRBSS063	592596	7686419	1.7mm	30	15.8	5	yes	rough
Jarret Well	MRBSS064	592448	7686575	1.7mm	30	15.1	1	no	rough
Jarret Well	MRBSS065	592646	7686366	1.7mm	40	17.2	1	no	hackled
Jarret Well	MRBSS066	592692	7686285	1.7mm	45	15.3	2	yes (minor)	rough
Jarret Well	MRBSS067	592900	7686272	1.7mm	50	15.5	1	no	rough
Steel Well	MRBSS068	594635	7687904	1.7mm	40	14.8	0	na	na
Steel Well	MRBSS069	594745	7688066	1.7mm	50	15.1	3	yes (minor)	rough
Steel Well	MRBSS070	594764	7688145	1.7mm	90	17.5	4	yes (very minor)	hackled
Steel Well	MRBSS071	594792	7688294	1.7mm	80	15	0	na	na
Steel Well	MRBSS072	594906	7688373	1.7mm	70	15.2	1	no	rough

Summary of Stream Sampling Results

Loudens Patch

- 80% of samples (8 of 10) show visible gold over a 1,000m strike length.

Jarret Well

- 100% of samples (5) return visible gold over a 550m strike length

Steel Well

- 60% of samples (3 of 5) return visible gold over a 700m strike length

Loudens Patch

Sampling at Loudens comprised ten samples with two collected on the west side of the range and eight on the east. Figure 6 shows the location of the stream sediment samples with associated pictures of each sample highlighting the gold in the sample, together with the location of the 2 nuggets found at the southern end of the range.

Samples MRBSS054 and 055 taken on the western side of the range show coarse nuggetty, waterworn gold (<1.7mm) draining the area which corresponds to where many of the nuggets were found with metal detectors. In addition, MRBSS055 further returned a large amount of fine gold. These samples are draining the area where the 200 nuggets have been discovered and close to the historical workings in the conglomerate horizon.

Sampling on the east side of the range returned 6 positive results from the 8 samples taken. Encouragingly, coarse (<1.7mm) and fine gold “colours” occur at the southern end with generally fine gold “colours” in the north. This sampling is the first systematic and positive indication of gold occurring along the eastern side of the Mt Roe Basalt range and is particularly important as the conglomerate is not observed in outcrop along this eastern side of the range.

The lack of gold “colour” in the central portion on the eastern side of the range (samples MRBS059 and 060) region corresponds with a topographic high point where the basement Mallina Formation appears in direct contact with the overlying Mt Roe Basalt and there is little evidence of conglomerate or rounded cobbles. This area is interpreted to be a slightly higher elevated or knoll of older Mallina Formation with potentially less or no conglomerate being formed over the palaeo-topographic high.

Detailed bulk sampling is a priority along the Loudens patch range and will commence upon successful heritage surveys of which planning is well advanced.

Initial Program of Works (POW) have been approved with an additional POW application made for a larger program of sampling and drilling remains pending.

Steel Well

Stream sampling at Steel Well consisted of five samples taken (Fig 7) over a 700m strike length with three out of five samples returning a positive result. All samples were taken within 40 to 80m of the exposed conglomerate beds outcropping on the slope west of the sampling area and all with drainage trending eastward. Bedrock in the streams comprised weathered basalt with the lower unconformity (basement) contact with the Mallina Formation occurring 600 to 800m further east. The lower Mallina contact has not been observed and it is possible further conglomerate units occur to the east under cover.

The best sample result was from MRBSS070 which contained several particles of rough, “nuggetty” gold. Given the encouraging results obtained from samples MRBSS069, 070 and 072, further sampling will be undertaken at sample sites MRBSS068 and 071 to determine why these areas returned a negative result. One explanation may be the quality of samples as neither of these two samples reached bedrock (“bottom”) due to the hole depth and large number of boulders encountered during excavation or the conglomerate units above this sample are not mineralised and shedding gold into the drainages. Further work is require to test this area.

Initial Program of Works (POW) have been approved with an additional POW application made for a larger program of sampling and drilling pending.

Jarret Well

Sampling at Jarret Well consisted of five samples taken over a 500m strike length. All samples returned positive with medium to slightly coarse gold in each sample and minor fine gold in samples MRBSS063 and 066. All samples were taken within 100m of the exposed north of the sampling area with bedrock comprising weathered Mt Roe Basalt and Mallina Formation.

The best sample result was obtained from MRBSS063 located 15m below an outcropping, ferruginous conglomerate bed interpreted to sit directly above the basement (Mallina Formation) contact with the overlying Mt Roe Basalt. Coincidentally several nuggets were found in this area with metal detectors (see ASX announcement October 30, 2017 “Discovery of thick conglomerates and gold nuggets confirms potential of 12km target “). Results are presented in Table 1 and Figure 8.

Initial Program of Works (POW) have been approved with an additional POW application made for a larger program of sampling and drilling pending.

Current Programmes and Future Work

The program going forward to include;

- Detailed mapping, stream sediment sampling and metal detecting along the remaining 12km target and other target areas.
- Heritage clearance over all three priority targets, of which final planning and survey preparations are well advanced.

Subject to successful heritage clearances,

- Earthworks to allow good exposure of the conglomerate horizon for sampling purposes
- Detailed mapping to better understand stratigraphy and controls on mineralisation
- Bulk sampling of the conglomerate units at Loudens Patch, Jarret Well and Steel Well to determine gold distribution.

Initial Program of Works (POW) have been approved with an additional POW application made for a larger program of sampling and drilling, the approval of which remains pending.

POW approval allows for ground disturbing activities to commence on the successful completion of heritage surveys, which the company is actively pursuing and advancing.

Figure 6. Location map showing gold recovered from Loudens Patch with positive (yellow) and negative (blue) sample locations shown.

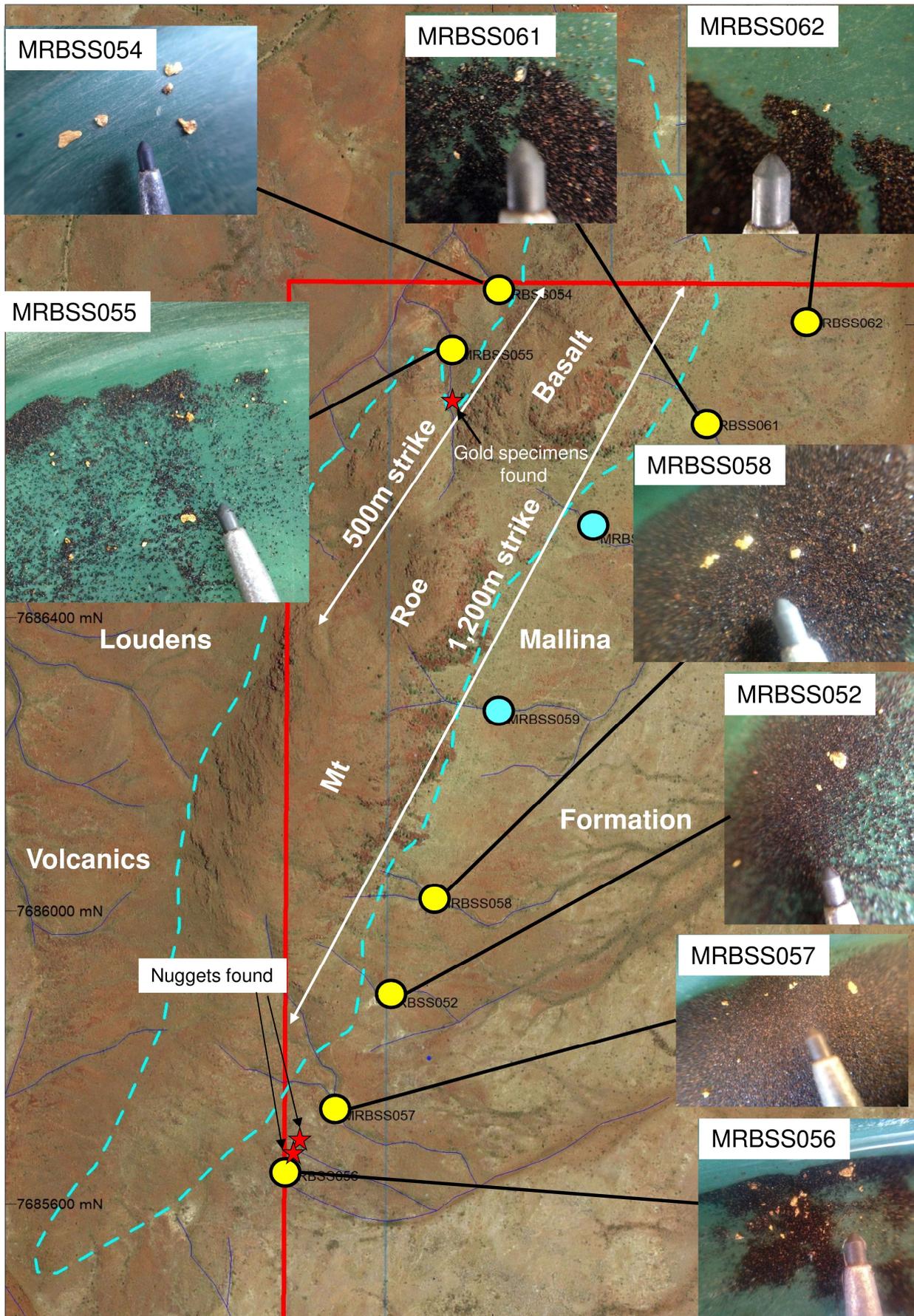


Figure 7 Location map showing gold recovered from Steel Well with positive (yellow) and negative (blue) sample locations shown.

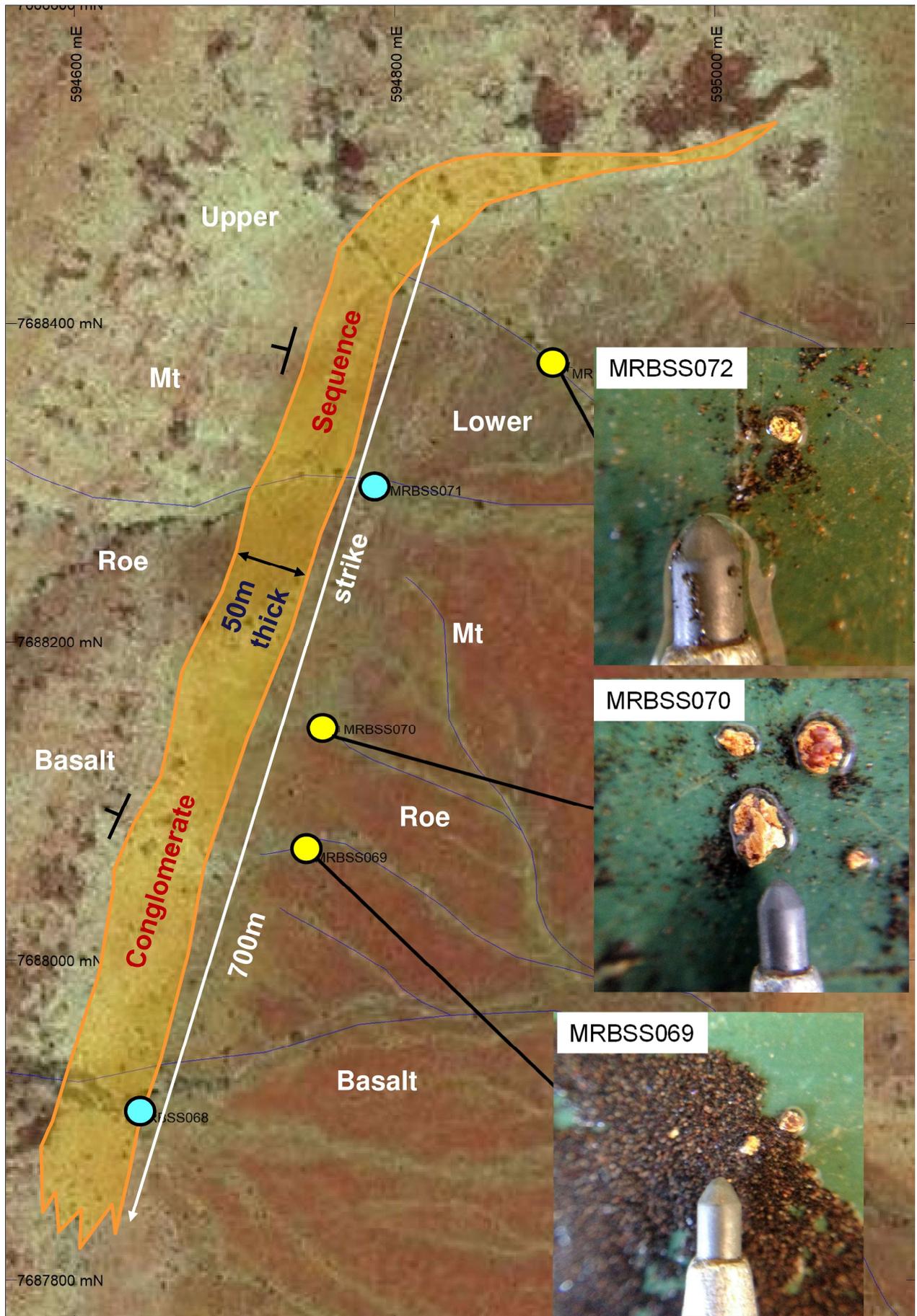
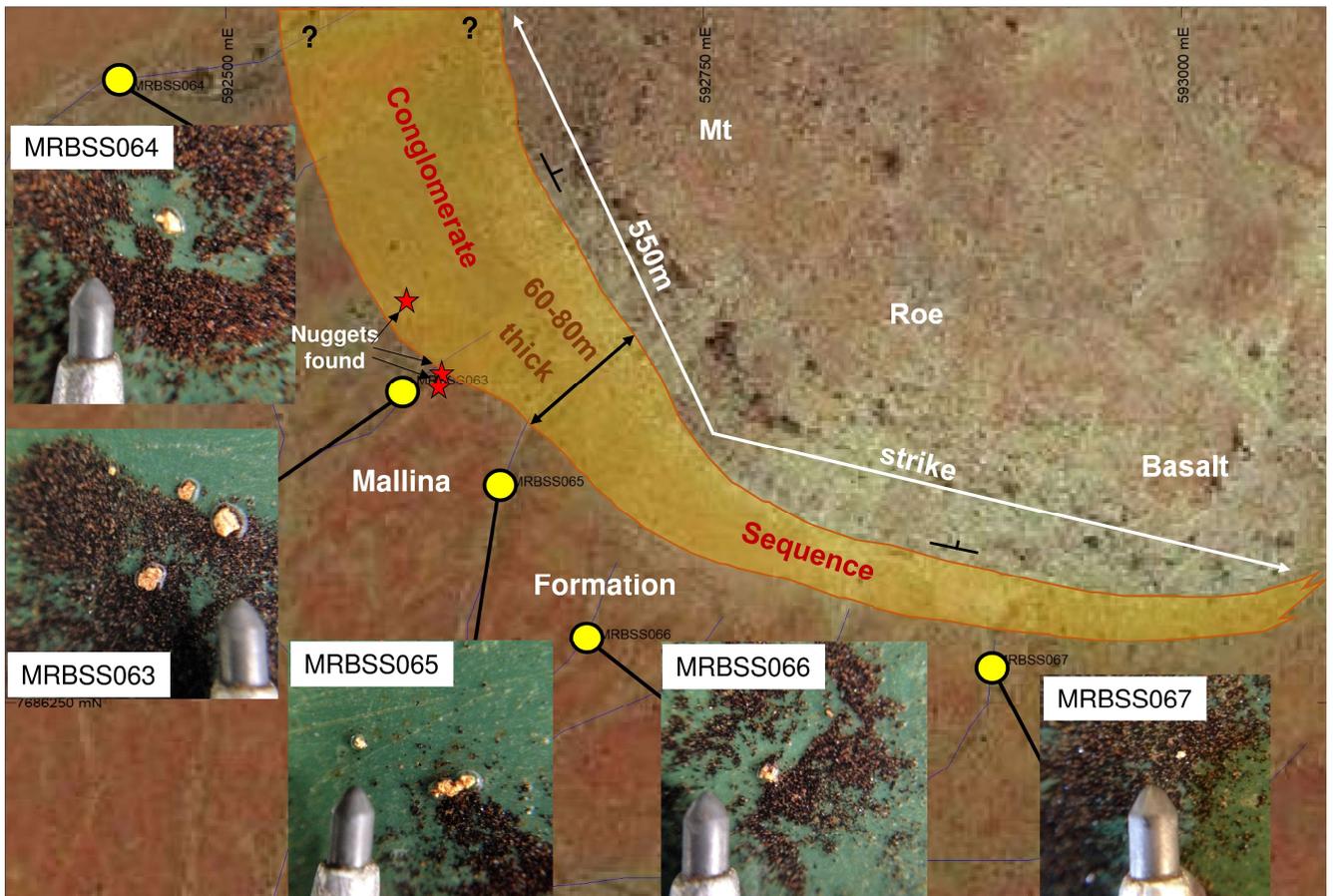


Figure 8 Location map showing gold recovered from Jarret Well with positive (yellow) sample locations shown.



Background

The conglomerate gold targets are located on E47/2720 which forms part the Indee Gold Project, owned by Indee Gold Pty Ltd. De Grey has executed a share Sale Purchase Agreement to acquire 100% of the Indee Gold Pty Ltd (ASX release dated 30 January 2018 “De Grey elects to proceed to 100% ownership of the Pilbara Gold Project”). Under this agreement De Grey has the right to acquire 100% ownership of the Indee Gold, which hosts the conglomerate gold targets Loudens Patch, Jarret Well and Steel Well and currently over 750,000 ounces of structural gold resources.

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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. 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.

Appendix 1 Sampling process of stream sediment samples.

1. **Scraping gravel wash from the bedrock interface “creek bottom” (Sample MRBSS061) at Loudens Patch.**



2. **Sieving the stream sample material to -1.7mm to obtain the nominated 15kg sample.**



3 The mini gold concentrator sluice.



4. The mini gold concentrator sluice in operation. Gold and heavy mineral sands become trapped behind the rubber riffles and are collected and the resultant concentrate “panned off”.



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"> Alluvial gold was recovered by sampling drainages shedding prospective conglomerate beds. The material within the drainages is known to originate from the target area being prospected. The gold was recovered by taking a nominal 15kg of -1.7mm sieved material and concentrated using a wet sluice with the concentrates panned off to reveal gold recovered. Free gold from decomposed conglomerate waste dump material was recovered by sieving the weathered material to -1.7mm to obtain 100kg and passing the finer fraction over the wet sluice concentrator with the concentrates panned off to reveal the gold colours. The conglomerate waste dump was also metal detected with 10 detectable nuggets being located prior the 100kg sample being taken. These methods are non-quantitative and have only been used to determine if gold is shedding from the prospective rocks being examined. In relation to the stream sampling the presence or absence of gold in the final concentrate determines either a positive or negative result. The sample locations were recorded with a hand held GPS and plotted on a map. The gold recovered is counted with its shape and size recorded and photographed. The sampling method from the field collection to reducing to a concentrate has been recorded as a standard operating procedure. As part of this procedure all equipment is thoroughly cleaned before and after use to avoid any contamination. The gold samples remain to be 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 drilling undertaken
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"> No drilling undertaken
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. 	<ul style="list-style-type: none"> The gold recovered in the stream sampling is non-quantitative and is only used as an indicator to determine if the area being targeted is prospective. Geological mapping and interpretation has indicated that prospective conglomerate target beds occur within the catchment above where the stream samples were collected. The gold recovered from the bulk 100kg sampling is non-quantitative as the sampling method is very crude and only used as a guide to help assess the gold-bearing nature of

Criteria	JORC Code explanation	Commentary
	<ul style="list-style-type: none"> The total length and percentage of the relevant intersections logged. 	<p>the rock material.</p>
Sub-sampling techniques and sample preparation	<ul style="list-style-type: none"> 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. 	<ul style="list-style-type: none"> The gold recovered from the stream sampling is not an indication of grade as it was found in loose rock and sediment below the prospective geological unit. The geological unit remains to be sampled in detail. The proximity of the gold found in drainages below prospective geological units are a positive indication the prospective units are the likely source of the gold recovered. Measures were taken during the sampling and concentration process to thoroughly clean all equipment before and after use to avoid contamination. The gold recovered from the 100kg bulk sampling is not an indication of grade as only the finer, weathered fraction of the conglomerate has been tested. Prior to sampling the material was also metal detected with the coarser, detectable gold fragments removed.
Quality of assay data and laboratory tests	<ul style="list-style-type: none"> 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. 	<ul style="list-style-type: none"> No assay data or laboratory tests have been completed on the gold recovered.
Verification of sampling and assaying	<ul style="list-style-type: none"> 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. 	<ul style="list-style-type: none"> Due to the early stage of exploration and type of work completed to date, no verification nor assaying has been undertaken to date. Gold nuggets found with metal detectors in close proximity to some of the sample sites give some verification that alluvial gold is present shedding the target area.
Location of data points	<ul style="list-style-type: none"> 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. 	<ul style="list-style-type: none"> The accuracy of sample locations is to approximately +/- 5m and was determined using a handheld GPS. Sample locations were completed in GDA94 zone 50s projection. Stream sediment sample locations are provided in figures 6 7 & 8 and Table 1 Nugget and old working sample locations provided in figures 6 & 8.
Data spacing and distribution	<ul style="list-style-type: none"> 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 	<ul style="list-style-type: none"> Due to the early stage of exploration and type of work completed to date, the sampling is non-systematic nor representative for any future resource estimate. The sampling is reconnaissance and spaced sufficiently enough across the target areas to provide a first pass indication.

Criteria	JORC Code explanation	Commentary
	<p><i>procedure(s) and classifications applied.</i></p> <ul style="list-style-type: none"> • <i>Whether sample compositing has been applied.</i> 	
Orientation of data in relation to geological structure	<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> • <i>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.</i> 	<ul style="list-style-type: none"> • Stream sampling concentrated on areas immediately below mapped conglomerate beds to test if the conglomerate horizons are shedding alluvial gold. • 100kg bulk sampling was intentionally conducted on waste material that produced a number of nuggets found with metal detectors. The objective was to obtain an indication of the amount of fine gold contained in the material. • The deposit style is poorly understood and further detailed work is required before any conclusion on the mineralisation can be confirmed.
Sample security	<ul style="list-style-type: none"> • <i>The measures taken to ensure sample security.</i> 	<ul style="list-style-type: none"> • Samples were collected by company personnel, placed in plastic bags and secured at the company's exploration camp. • The concentrating and panning was also overseen by company personnel.
Audits or reviews	<ul style="list-style-type: none"> • <i>The results of any audits or reviews of sampling techniques and data.</i> 	<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"> • <i>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.</i> • <i>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.</i> 	<ul style="list-style-type: none"> • The stream and bulk 100kg sampling was completed on E47/2720. • De Grey has executed a Share Sale purchase Agreement on 9 February 2018, to acquire 100% of the Indee Gold Pty Ltd, holder of the Indee Gold Project tenements. Under the executed Share Sale 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 \$1.5 Million (paid on SSA execution - 9 February 2018); \$10.4 Million to be paid on Settlement scheduled for 24 January 2019 and \$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 \$700,000, before 24 January 2019, which would reduce the cash payable at Settlement to \$9.7 Million.
Exploration done by other parties	<ul style="list-style-type: none"> • <i>Acknowledgment and appraisal of exploration by other parties.</i> 	<ul style="list-style-type: none"> • No previous drilling or historic work is known within the immediate mapped area or along the Mt Roe Basalt within the tenement.
Geology	<ul style="list-style-type: none"> • <i>Deposit type, geological setting and style of mineralisation.</i> 	<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. • These deposits are known to be shedding vast quantities alluvial gold and the method of exploration applied, although non-quantitative, is deemed appropriate for prospecting.
Drill hole Information	<ul style="list-style-type: none"> • <i>A summary of all information material to the understanding of the exploration results including a tabulation of the</i> 	<ul style="list-style-type: none"> • No drilling undertaken

Criteria	JORC Code explanation	Commentary
	<p>following information for all Material drill holes:</p> <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 Competent Person should clearly explain why this is the case. 	
Data aggregation methods	<ul style="list-style-type: none"> • 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. 	<ul style="list-style-type: none"> • Alluvial gold has been found only. • Due to the early stage of exploration and type of work completed to date, the sampling is non-systematic nor representative.
Relationship between mineralisation widths and intercept lengths	<ul style="list-style-type: none"> • 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'). 	<ul style="list-style-type: none"> • Alluvial gold has been found only. • 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"> • 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. 	<ul style="list-style-type: none"> • Maps and photographs of the area and geology are presented in the report. • The gold recovered has been photographed with the corresponding sample location and presented in the report.
Balanced reporting	<ul style="list-style-type: none"> • 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. 	<ul style="list-style-type: none"> • Maps and photographs of the area and geology are presented in the report. • The gold recovered has been photographed with the corresponding sample location and presented in the report.
Other substantive exploration data	<ul style="list-style-type: none"> • 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 	<ul style="list-style-type: none"> • Maps and photographs of the geology and results are presented in the report and provide geological observations and interpretations as known to date.

Criteria	JORC Code explanation	Commentary
Further work	<p><i>contaminating substances.</i></p> <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"> A Programme of Work has been submitted to the DMP to commence trial bulk sampling at Loudens Patch. A heritage clearance survey is also in the process of being organised. Further stream sampling is planned for Steel Well where samples did not reach bedrock and along the larger 12km Mt Roe Basalt Conglomerate target.