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High Grade Lodes Confirm Withnell Underground Target

- High Grade intercepts from new infill drilling confirm two high grade lodes immediately beneath the Withnell open pit.

Lode 1 **4.85m @ 8.46g/t Au** from 158.15m
(incl **0.35m @ 70.4g/t Au** from 159.2m)
5.6m @ 5.24g/t Au from 166.3m
(incl **0.95m @ 21.3g/t Au** from 170.2m)
1.4m @ 20.05g/t Au from 228.7m
4.8m @ 6.63g/t Au from 165m
(incl **1m @ 22.78g/t Au** from 165.5m)

Lode 2 **3.8m @ 6.85g/t Au** from 151.7m
7.97m @ 7.48g/t Au from 137.03m
(incl **2.5m @ 14.52g/t Au** from 138.5m)

- Large gold system with multiple high grade stacked lodes
- Gold system remains open at depth and along strike.
- Assays for a further 6 diamond holes are awaited
- Selected previous drill results for Lode 1 include:

9.7m @ 4.82 g/t Au	3.0m @ 16.0 g/t Au
7.3m @ 5.37 g/t Au	2.7m @ 10.81 g/t Au
12.5m @ 5.13 g/t Au	3.1m @ 8.37 g/t Au
9.1m @ 7.34 g/t Au	10.5m @ 2.06 g/t Au
6.1m @ 6.01 g/t Au	4.3m @ 3.25 g/t Au

- **Withnell Underground Exploration Target**, immediately below existing 377,300oz resource.

2.6Mt – 3.5Mt @ 4.0g/t to 6.5g/t for 330,000oz – 720,000oz.

Exploration Target Cautionary Statement - The potential quantity and grade of the exploration target is conceptual in nature. There has been insufficient exploration to determine a mineral resource and there is no certainty that further exploration work will result in the determination of mineral resources will be realised. Refer to Exploration Target section for supporting details.

“Our focus going forward will be to continue step-out drilling to define the limits of the high-grade lodes both down dip and along strike, as the potential to materially increase resources and improve economics to include high grade underground mining is compelling.” commented Andy Beckwith (Technical Director)

Pilbara Gold Project, Port Hedland in Western Australia

De Grey Mining Limited (ASX: DEG, “De Grey”, “Company”) is pleased to report results from the first 9 holes of a recently completed 15 hole diamond drilling program targeting high grade underground lodes below the Withnell proposed open pit.

The Pilbara Gold Project (PGP) located 60km south of Port Hedland, Western Australia (Figure 1), has excellent potential to define significant additional resource ounces along its 200 km plus strike length of mineralised shear zones and at depth throughout the large >1500km² landholding. To date, approximately 10% of the shear zones have received detailed shallow RC and diamond drilling to a nominal depth of 100-150m, which has already defined Mineral Resources containing over 1.2Moz* of gold, with a resource update expected to be reported early October 2018.

The underground potential at the two largest gold deposits, namely Withnell and Wingina, is considered high in terms of additional tonnes, grade and resource ounces. The economic impact of a high-grade underground mine being added to the proposed open pit mining strategy is substantial in terms of potential to increased revenues, mine life and annualised production rates.

The PGP boasts a large pipeline of attractive exploration targets and the Company is actively ramping up exploration throughout the tenement package in a drive to discover new resources and expand the current 1.2Moz resource*. The pipeline of targets includes over 40 identified and as yet untested soil anomalies along the highly prospective regional scale shear zones and the newly discovered conglomerate gold style of mineralisation.

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

Drilling Program

At Withnell, the 2017 Open Pit Mining Scoping Study, defined potential to extend the existing previously mined 45m deep open pit to a new depth of approximately 120m. Drilling by previous owners partially tested the zone beneath the proposed new open pit limits returning numerous encouraging high grade intersections along an 800m strike length with widths and grades typical of many modern Australian underground gold mines.

Four subvertical lodes have been previously defined at Withnell (Figure 2) that extend beneath the open pit limits, with Lodes 1 & 2 semi-continuously defined over 800m of strike. Lodes 1 and 2 have been intersected in widespaced drilling down to 350m and 300m below surface respectively (~200m below the proposed pit limits, refer to Figure 3 and 4). The lodes are modelled as stacked, planar and semi-parallel lodes and mineralisation remains open along strike and at depth. Lodes 3 and 4 have not been tested in this program and provide further potential.

The recent drilling program comprised 15 diamond core holes, drilled from surface targeting Lodes 1 & 2 within a 400m x 100m “panel” of known mineralisation directly below the eastern portion of the proposed pit (Figures 2, 3 and 4). The drilling was designed to infill and confirm continuity, grade distribution and geological definition of each lode and assess the veracity of previous wider spaced drill intersections. The holes will also be used for added metallurgical characterisation and recovery testwork.

The results have successfully confirmed:

1. Lode definition, geology and continuity along strike and dip,
2. High grade nature of mineralisation,
3. Stacked nature of lodes and potential for additional splays off the main lodes,
4. The strike rate of intersecting both lodes 1 & 2 is very high, both along strike and down dip,
5. Previous drill intersections, both low and high grade, which provides confidence in the deeper widespaced drill results, and
6. Potential for higher grade shoots within the broad mineralised system.

Table 1 provides a summary of the intersections by lode >20gm (downhole gram*metres) with both the low-grade and high-grade intercepts noted. Full intercept and hole information is defined in Table 2. Results for a further 6 holes remain pending.

The high-grade lodes are shown with individual gold assays in drill core photographs in Plates 1-7 and a representative section (Figure 5) shows the subvertical lodes, approximately 20m apart with drilling intersections at approximately 150m depth. Lode 1 is a quartz-sulphide dominant structure and Lode 2 is a more sulphide rich and lesser quartz veined structure. Lode 1 shows “bonanza” grade niche assays well above 30g/t to a peak of 70.4g/t (refer to Plates 1-3).

Table 1 New drill intersections >20g*m

HoleID	Lode	Full intercept	Metal (g*m)
NDD109	WD01	4.85m @ 8.46g/t Au from 158.15m in NDD109 (incl 0.35m @ 70.4g/t Au from 159.2m)	41.0 24.6
NDD115	WD02	3.8m @ 6.85g/t Au from 151.7m in NDD115	26.0
NDD117	WD02	7.97m @ 7.48g/t Au from 137.03m in NDD117 (incl 2.5m @ 14.52g/t Au from 138.5m)	59.6 36.3
NDD117	WD01	5.6m @ 5.24g/t Au from 166.3m in NDD117 (incl 0.95m @ 21.3g/t Au from 170.2m)	29.3 20.2
NDD118		1.4m @ 20.05g/t Au from 228.7m in NDD118	28.1
NDD119	WD01	4.8m @ 6.63g/t Au from 165m in NDD119 (incl 1m @ 22.78g/t Au from 165.5m)	31.8 22.8

Forward Programs

Follow-up diamond drilling is currently being planned to test the depth extensions of the 800m x 400m Withnell Underground Exploration Target. The aim of the drilling will be to initially undertake widespaced 50-80m spaced step out drilling to define the limits of the gold mineralisation associated with Lode 1 through to Lode 4. Subsequent infill drilling will be subject to further positive results and will aim to better define higher grade shoots within the broader mineralisation.

As previously reported, the company is currently assessing the potential economics of the Withnell underground in a scoping study. These new results provide further support to the significance and potential for underground mining. An expanded economic study of combined open pit and underground mining is considered highly likely.



Figure 2 Withnell Plan view showing proposed open pit cutback and the four (4) known underground lodes. Note drilling program targeted only Lodes 1 & 2 within the 400m long panel as shown.

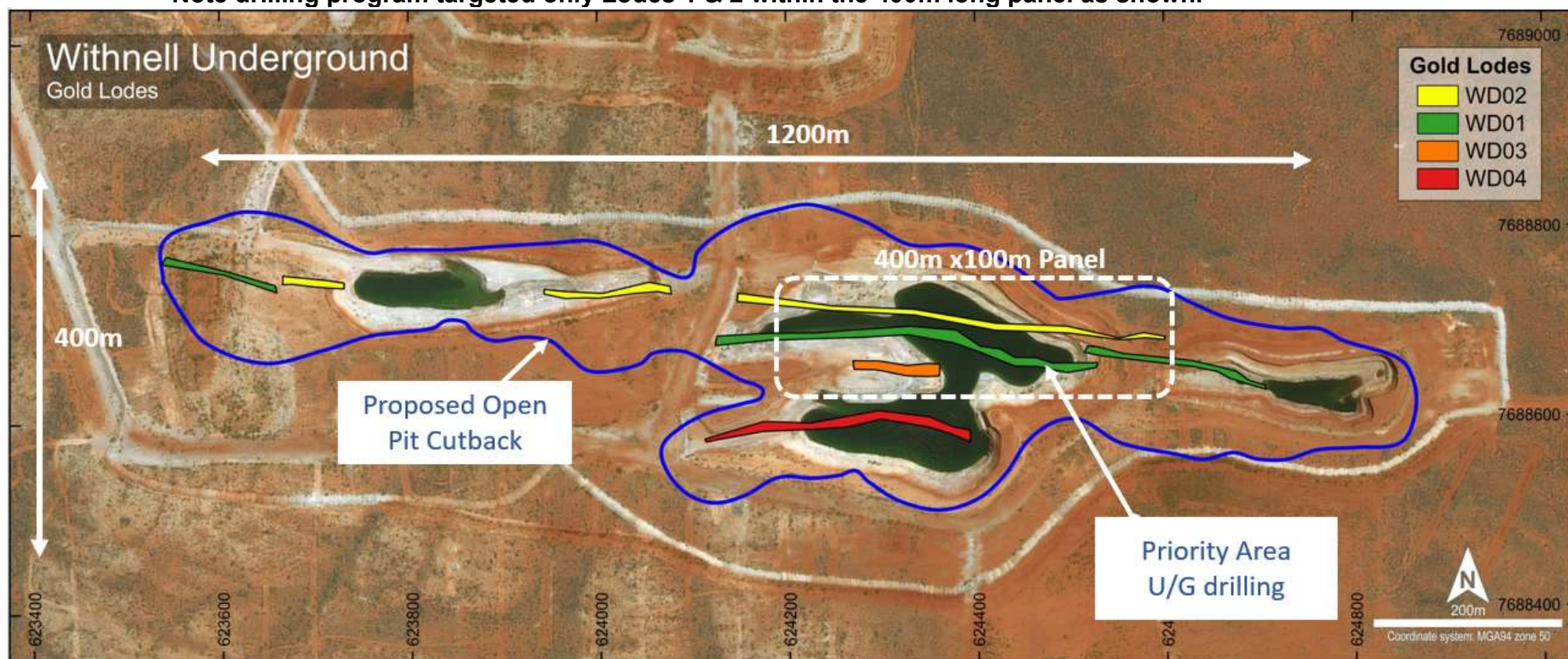


Figure 3 Withnell Lode 1 - Long-section showing new drill hole intercepts and previous intercepts

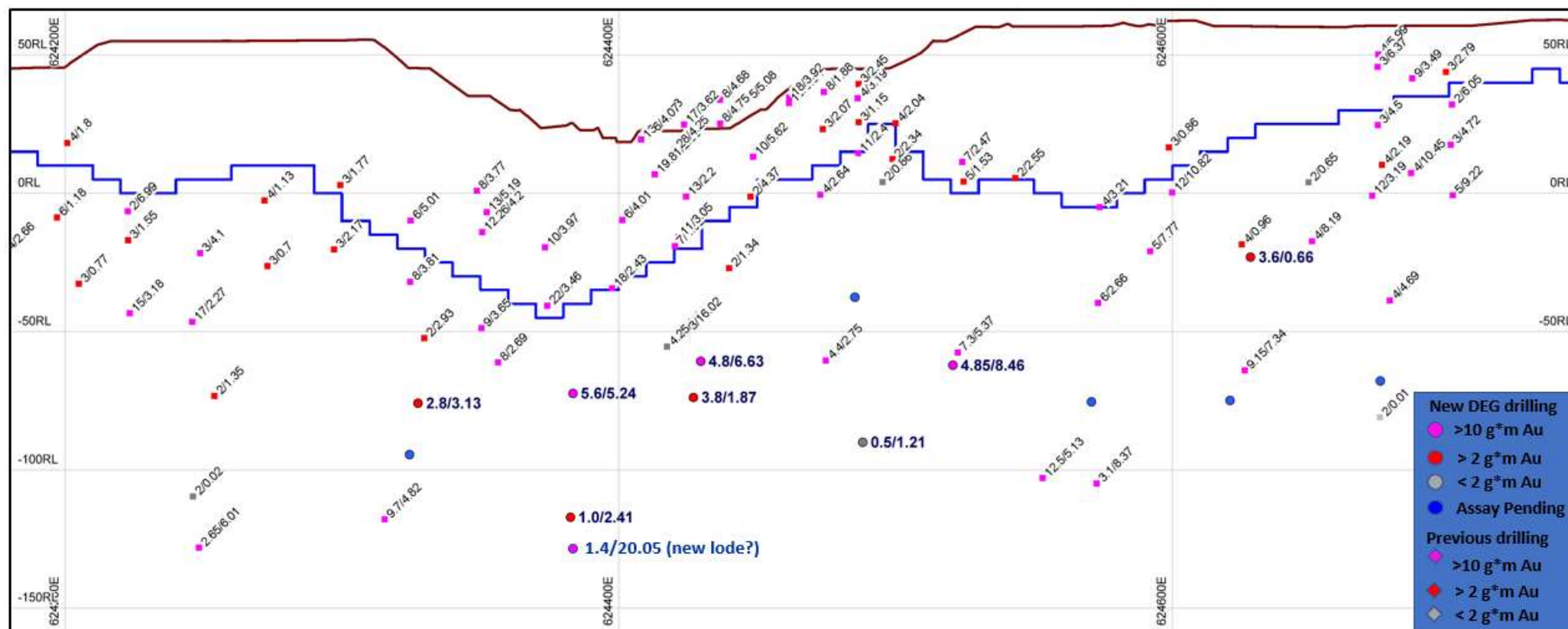


Figure 4 Withnell Lode 2 - Long-section showing new drill hole intercepts and previous intercepts

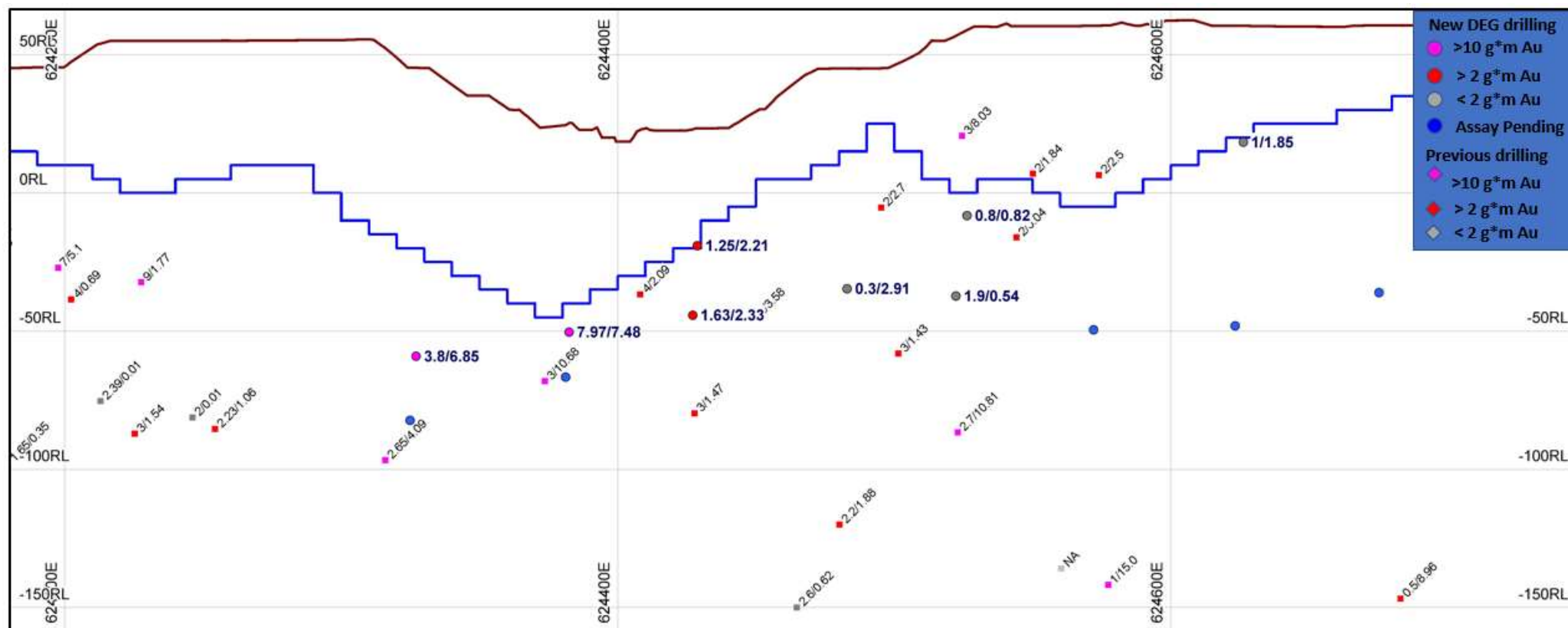


Figure 5 Withnell Representative cross-section 624330E

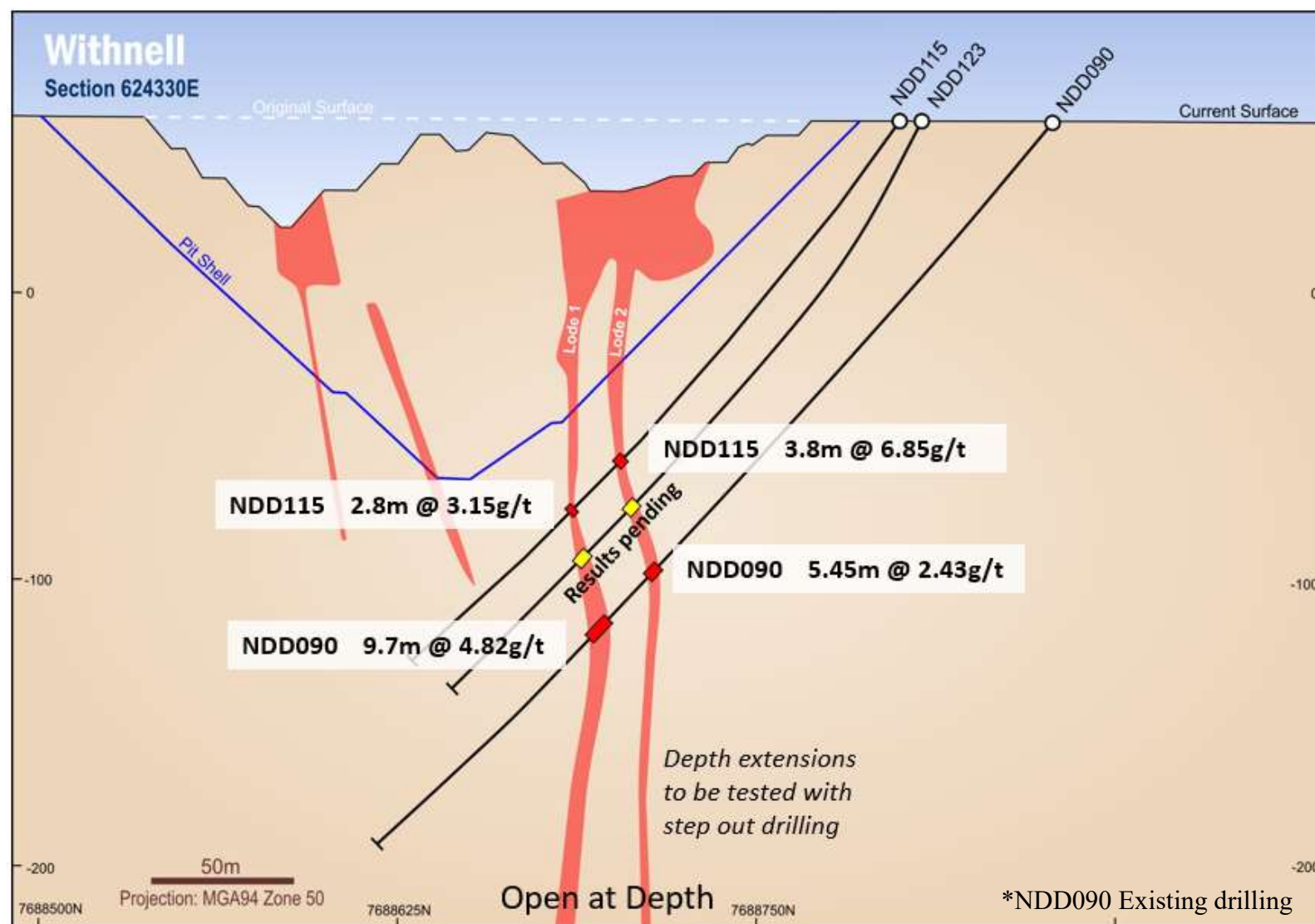


Figure 6 Withnell Exploration Target

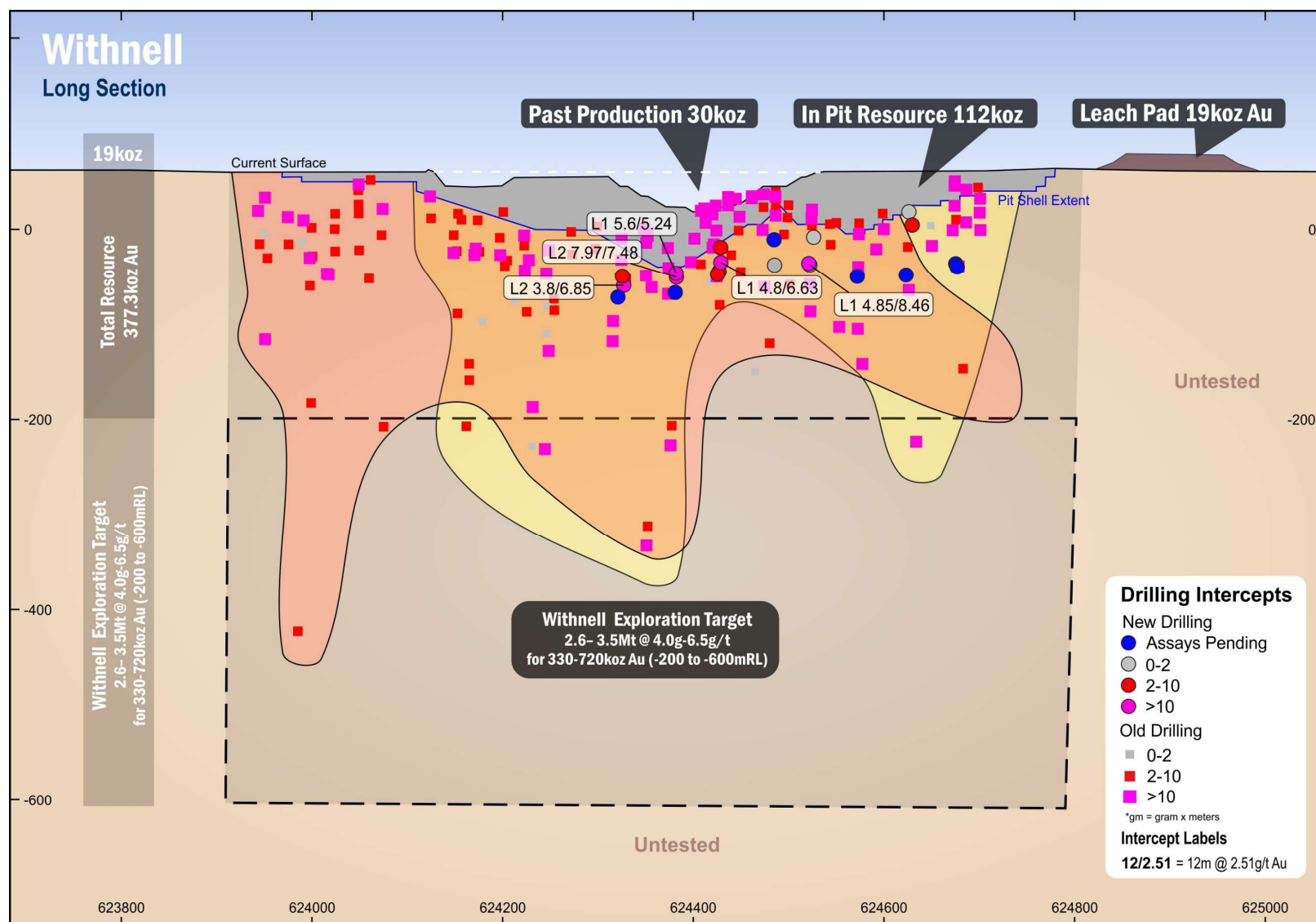


Plate 1 Withnell NDD109 Lode 1

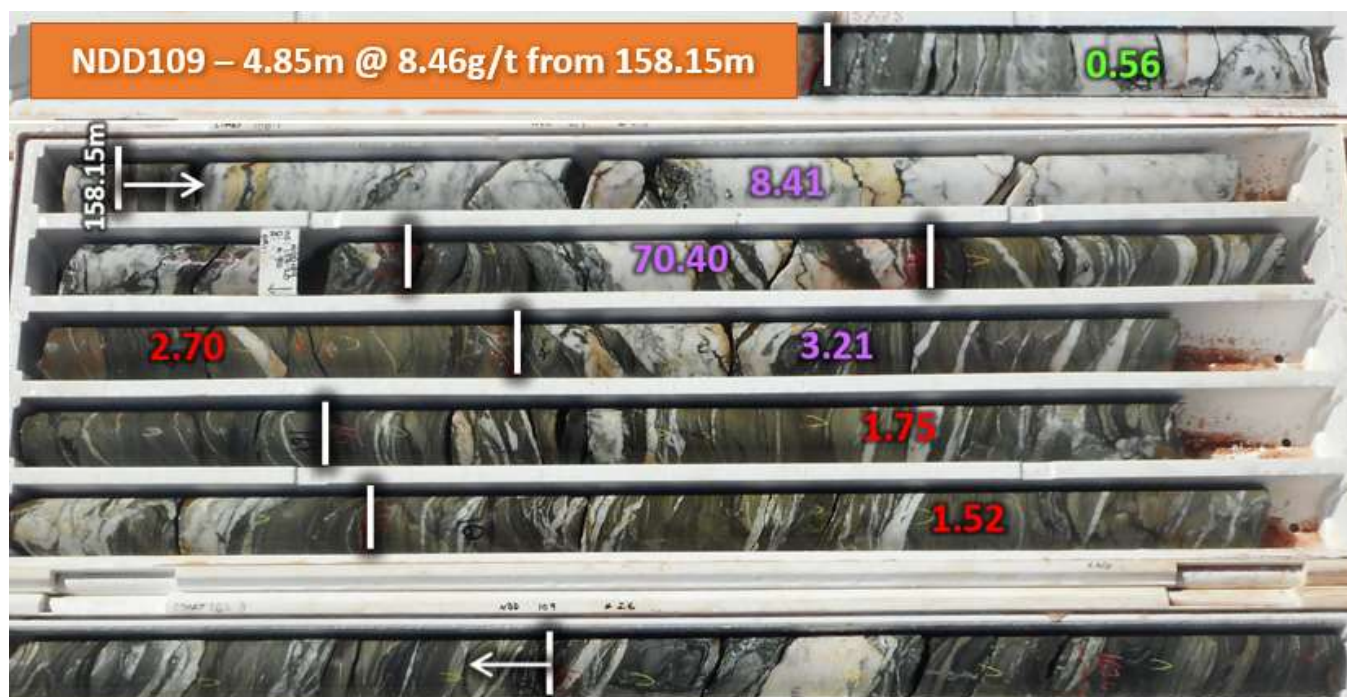


Plate 2 Withnell NDD117 Lode 1

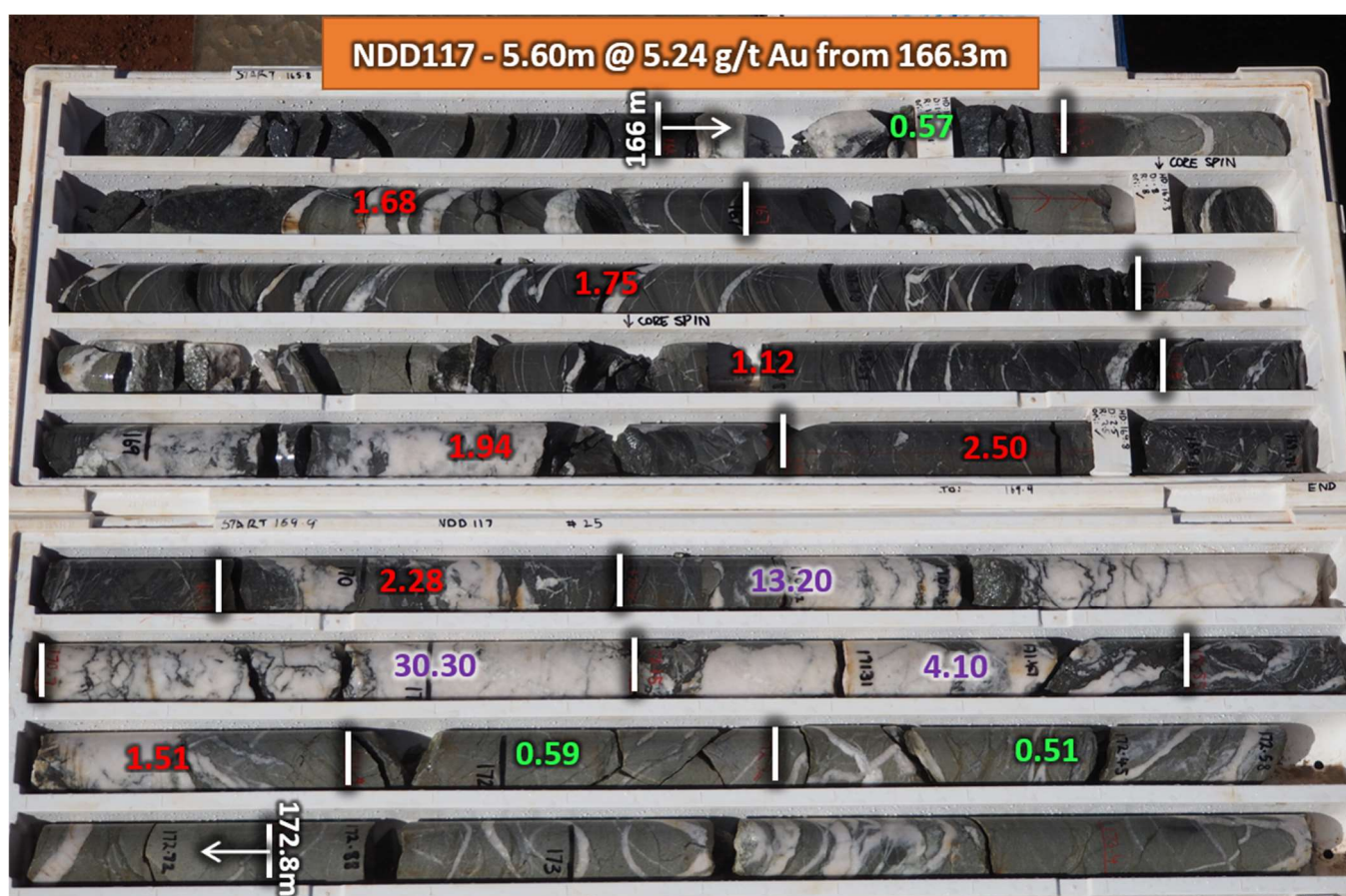


Plate 3 Withnell NDD119

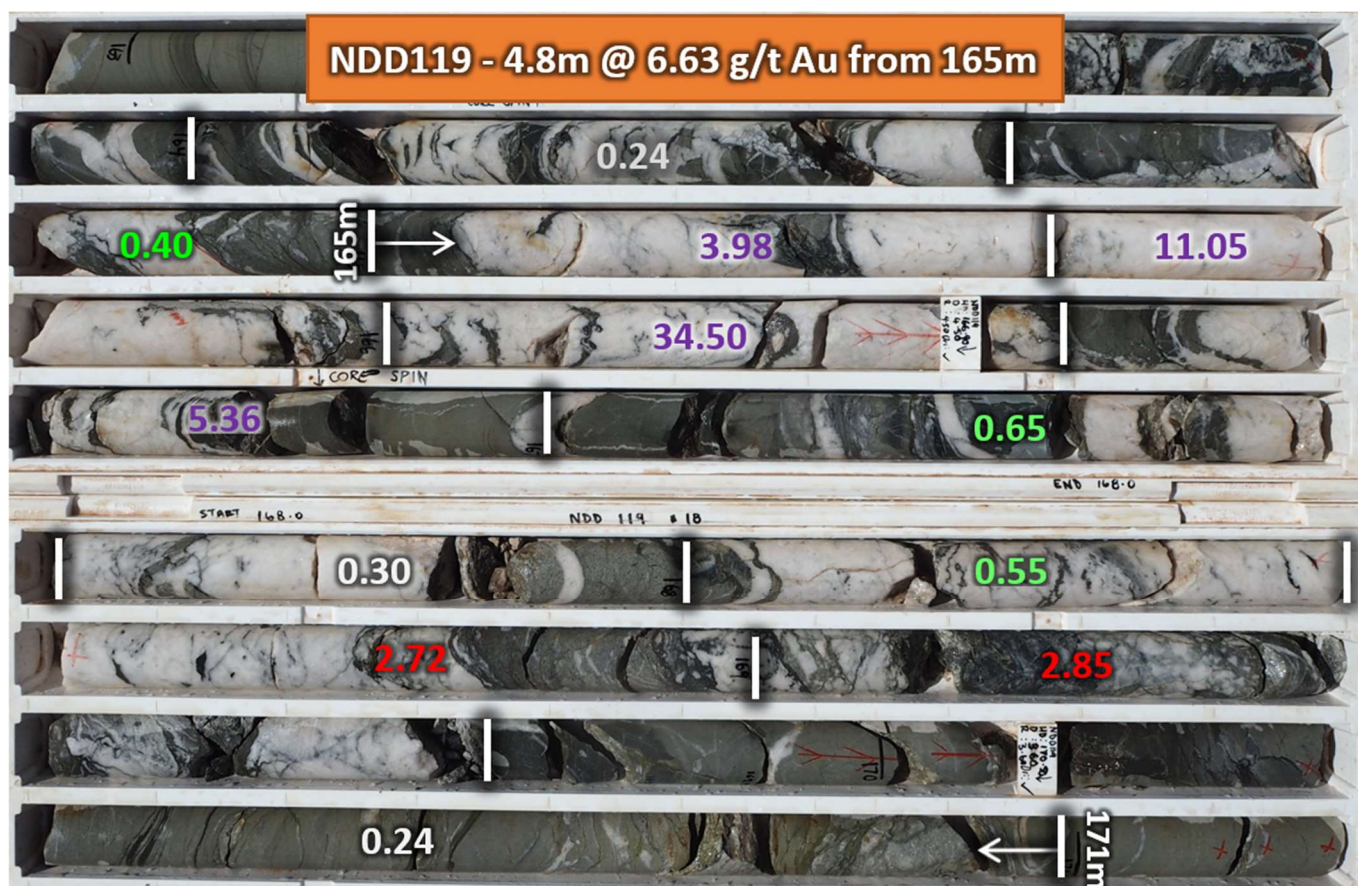
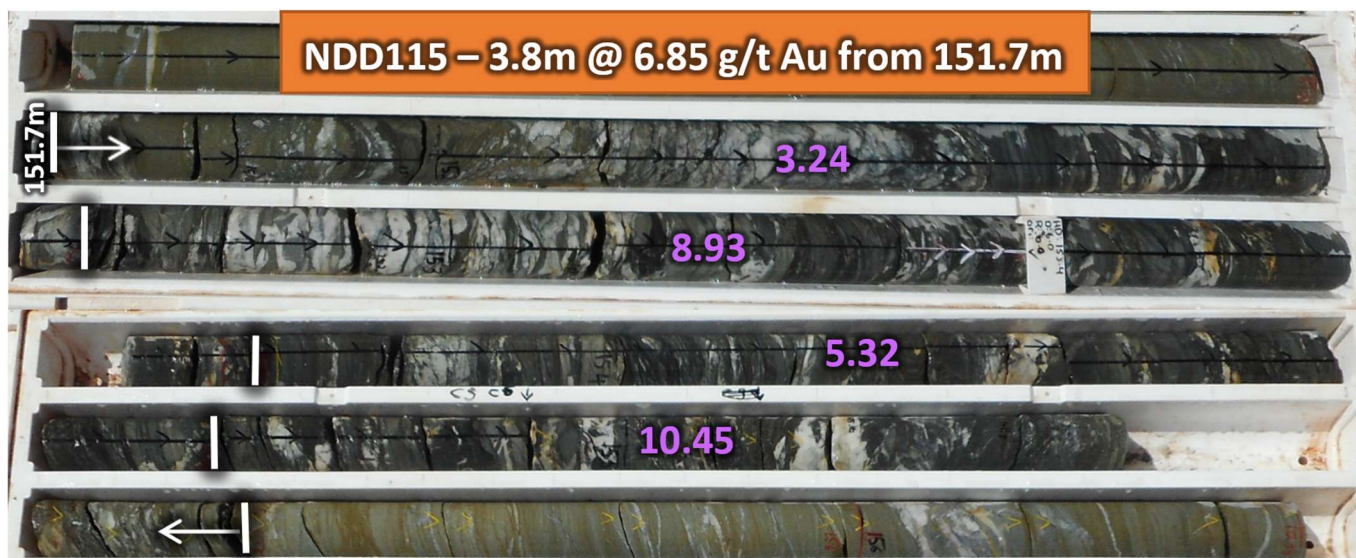
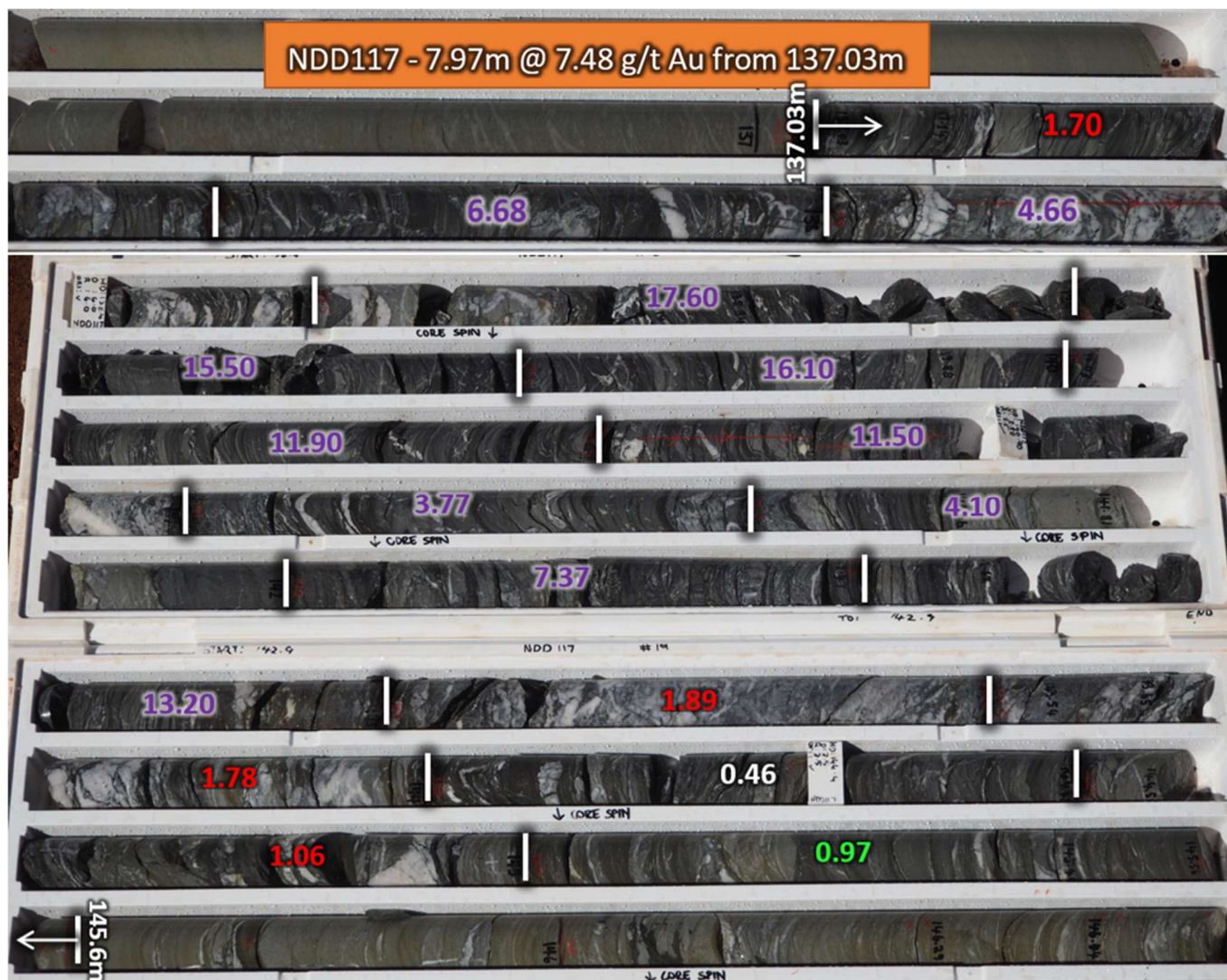


Plate 4 Withnell NDD123 Lode 1 Results pending



Plate 5 Withnell NDD090 Lode 1 (previous drilling)



Plate 6
Withnell NDD115 Lode 2

Plate 7
Withnell NDD117 Lode 2


Withnell Underground Exploration Target

Cautionary Statement

***Exploration Target** - *The potential quantity and grade of the exploration target is conceptual in nature. There has been insufficient exploration to determine a mineral resource and there is no certainty that further exploration work will result in the determination of mineral resources will be realised.*

The **Withnell Underground Exploration Target** is defined as a sub-vertical series of parallel lodes located immediately beneath the Withnell proposed open pit, as optimised in the 2017 Open Pit Mining Scoping Study*.

**ASX Release "Positive Scoping Study at Pilbara Gold Project, 4 August 2017"*

The Withnell proposed open pit, as optimised in the 2017 Scoping Study, comprising resources of **1,887,652t @ 1.8g/t for 111,995 ounces of contained gold** in both oxide and fresh material. This proposed open pit represents a new larger cut back and deepening of the previously mined oxide ore, from which 860,000t of ore was mined for 30,000 recovered ounces to a maximum depth of 45m and processing via a heap leach operation. The existing Heap Leach Pad is estimated by De Grey to still contain 0.86Mt @ 0.7g/t Au for 19,300 ounces.

Drilling beneath the proposed Withnell open pit, includes both detailed close spaced RC and diamond drilling immediately beneath the open pit limits and wider spaced dominantly diamond drilling at depth to 350 metres below surface. A large majority of this drilling was completed by past owners of the project between 2002 and 2016. During the period from early 2017 to September 2018, De Grey has continued to geological and metallurgically assess the deposit and has recently completed a new structural model of the deposit with external independent geological consultants. This detailed work has included relogging of extensive diamond drill core and remapping the Withnell deposit with emphasis on controls to mineralisation.

The new geological model confirms many previously acknowledged controls between early folding, east west shearing and subvertical lodes. The new mapping and 3D modelling also show a minor series of late post mineralising faults that displace mineralisation. The recognition of these late faults provides added scope to extend lodes at depth, as previously these lodes were interpreted to have pinched out at depth but now are mostly likely to have been displaced and continue at depth. The late faults also appear to end mineralisation at the far limits of the current open pit. Most importantly, previous drilling has not tested many of these displacement locations at depth or along strike beyond the pit limits. Further drilling is proposed to test for additional displaced lodes both along strike and at depth beyond the apparent truncation of mineralisation.

The recent underground diamond drilling program, partially reported in this release, has targeted a panel of deeper mineralisation across a 400m x 100m vertical target or "panel" of mineralisation where limited drilling had encountered strong higher grade to lower grade mineralisation in previous drilling. The recent infill drilling results to date are confirming the strong geological control to the lodes and areas of lower grade material. The lodes are predictable and geologically identified by intense quartz veining and/or sulphide veinlet development within a wallrock sericite-carbonate-pyrite alteration envelope.

The Withnell long section (Figure 3 & 4) shows the known extents of the Withnell deposit and the 2017 Open Pit Optimisation Shell and drilling pierce points through Lode 1 & 2 at depth. The lodes are well mineralised from surface and extend to at least 350m, however are only partially tested by widespaced drilling below approximately 200m depth. The Withnell Underground Exploration Target is defined as the total known strike length of the Withnell Deposit, as continuous mineralisation is defined along this entire strike. The depth extents are defined from 200m depth below surface to 600m depth with mineralisation partially tested by widespaced drilling to 350m and remains open at depth and along strike. The width and grade is defined as a range of width and grade based on previous drill results already intersected in the target area and also the up dip mineralisation. The lode width and grade used is based on the average of only one lode with an average true width range of 3m to 4m and an average grade of 4g/t to 6.5g/t.

The width and grade range are supported by actual average of the Lode 1 intercepts within and on the margins of the Target being approximating 6.3m downhole for an estimated 4.0m true width and an average grade of 6.5g/t. The Exploration Target has assumed an upper grade equal to the average grade of actual drilling intercepts and an interpreted width range based on the range of actual drill intercepts. The specific gravity of 2.7 is based on actual fresh drill core measurements throughout the known mineralised lodes. The Exploration Target is also based on only one lode developed over the entire target area and does not account for additional multiple stacked lodes that may be defined.

<u>Withnell East Underground Exploration Target Statement</u>	
Tonnage Range	2.6Mt to 3.5Mt
Grade Range	4.0 to 6.5g/t Au
Lower Target Range	2.6Mt @ 4.0/t for 330,000oz
Upper Target Range	3.5Mt @ 6.5g/t for 720,000oz

The **Withnell Underground Exploration Target** is based on the following assumptions:

- 800m of strike – defined by the existing positive drilling results.
- 400m depth extent – supported by widespaced positive drill results within the upper portions to 350Vm.
- Interpreted true width range of 3.0m – 4.0m based on an average of 6.3m downhole intercept length of Lode 1 in existing drill holes within an adjacent to the target.
- SG of 2.7 based on actual fresh rock material and drill core measurements.
- 4.0 – 6.5g/t Au grade range based on an average existing drill intercept grade ~ 6.5g/t

The supporting information related to the Withnell Underground Exploration Targets includes;

- Recent infill diamond drilling undertaken on a 50m x 25m spacing within a 100m x 400m panel immediately above the target area, confirming results of wider spaced drilling undertaken by previous owner with strong geological control and continuity between drill holes along the lodes.
- Deeper wider-spaced diamond drilling completed by previous owners showing similar geological lodes and encouraging gold mineralisation to at least 350m vertical depth and remain open at depth and along strike.
- Strike length determine by strike of existing well drill tested mineralisation from surface. The strike length used is considered conservative as mineralisation remains open to the east and west beyond the current drilling limits.
- Detailed recent independent consulting geological mapping and re-logging of older previous owner diamond holes and recent new De Grey diamond drilling, culminating in a new structural geological model which supports sub-vertical plunging ore shoots along east west controlling structures interpreted to be represented by Lodes 1 to 4.
- Sampling completed on the existing and new diamond drill is suitable for resource estimation on a nominal 1m basis or less or to geological boundaries, split and assayed at an independent Australian laboratory.

- 3D modelling by De Grey's independent resource consultant already includes portions of this target in existing mineralised wireframes and inferred resources.
- 3D modelling by independent geological consultants supports the east west lodes with strong geological and structural controls defined along the entire 800m strike length and at least 350m depth with no reason to suggest the mineralisation should not occur well beyond the 600m depth.
- De Grey intends to carry out significant diamond drilling to provide sufficient density of drilling to clarify continuity of mineralisation and limits to the mineralisation. This drilling is anticipated to commence in the December Quarter 2018 and through 2019 with the aim of confirming the Exploration Target and culminating in a JORC 2012 resource.

For further information:

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COMPETENT PERSONS STATEMENTS

*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.*

*The information in this report that relates to **Withnell Underground Exploration Target** is based on, and fairly represents information and supporting documentation compiled by Mr. Andrew Beckwith, a Competent Person who is a member of The Australasian Institute of Mining and Metallurgy. Mr. Beckwith is a consultant to De Grey Mining Limited. Mr. Beckwith 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. Beckwith consents to the inclusion in this report of the matters based on his information in the form and context in which it appears.*

Table 2 Withnell – 2018 Diamond drilling hole information

HoleID	Lode	Depth From (m)	Depth To (m)	Downhole Width (m)	Au (g/t)	Collar East (GDA94)	Collar North (GDA94)	Collar RL (GDA94)	Dip (degrees)	Azimuth (GDA94)	Comment
NDD109	WD02	125.10	127.00	1.90	0.54	624526	7688761	60	-59	175	Assays pending
	WD01	158.15	163.00	4.85	8.46						
incl		159.20	159.55	0.35	70.40						
NDD110						624575	7688756	60	-63	174	
NDD111						624625	7688767	60	-60	171	Assays pending
NDD112						624675	7688738	60	-56	171	Assays pending
NDD113	WD02	47.00	48.00	1.00	1.85	624625	7688712	60	-63	175	Hole to be extended
	WD01	95.20	98.80	3.60	0.66						
NDD114	WD02	90.15	92.00	1.85	0.59	624526	7688730	60	-60	173	
NDD115		101.10	102.00	0.90	2.30	624325	7688800	60	-56	171	
	WD02	151.70	155.50	3.80	6.85						Not drilled
incl		154.70	155.50	0.80	10.45						
		167.00	168.95	1.95	2.12						
	WD01	176.20	179.00	2.80	3.13						
		191.00	192.00	1.00	4.30						Not drilled
NDD116											
NDD117	WD02	137.03	145.00	7.97	7.48	624375	7688789	60	-57	170	
incl		138.50	141.00	2.50	14.52						
incl		142.50	143.00	0.50	13.20						Assays pending
	WD01	166.30	171.90	5.60	5.24						
incl		170.20	171.15	0.95	21.30						
		199.00	200.00	1.00	3.52						
NDD118		147.90	149.45	1.55	4.32	624375	7688798	59	-63	167	Assays pending
	WD02										
	WD01	212.30	213.30	1.00	2.41						
		228.70	230.10	1.40	20.05						

HoleID	Lode	Depth From (m)	Depth To (m)	Downhole Width (m)	Au (g/t)	Collar East (GDA94)	Collar North (GDA94)	Collar RL (GDA94)	Dip (degrees)	Azimuth (GDA94)	Comment
NDD119	WD02	104.00	105.25	1.25	2.21	624425	7688778	60	-55	172	Assays pending
	WD01	165.00	169.80	4.80	6.63						
	incl	165.50	166.50	1.00	22.78						
NDD120	WD02	137.90	139.53	1.63	2.33	624425	7688789	60	-58	172	
		181.00	181.95	0.95	2.70						
	WD01	181.00	184.80	3.80	1.87						
NDD121						624475	7688735	60	-52	170	Assays pending
NDD122	WD02	112.00	112.30	0.30	2.91	624475	7688751	60	-60	172	
		125.70	127.00	1.30	2.29						
		163.30	164.55	1.25	2.85						
	WD01	179.50	180.00	0.50	1.21						Assays pending
NDD123						624325	7688809	60	-61	171	

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"> All drilling and sampling was undertaken in an industry standard manner Samples were collected with a diamond drill rig drilling NQ2 diameter core. After logging and photographing, NQ2 drill core was cut in half, with one half sent to the laboratory for assay and the other half retained. Holes were sampled over mineralised intervals to geological boundaries on a nominal 1m basis. Sample weights ranged from 2-4kg The independent laboratory then takes the sample and pulverises the entire sample for analysis as described below.
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"> The drill holes comprised NQ2 core of a diameter of 51mm.
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"> Core recovery is measured for each drilling run by the driller and then checked by the Company geological team during the mark up and logging process. Samples are considered representative with generally 100% recovery. No sample bias is observed
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 entire hole has been geologically and geotechnically logged and photographed by Company geologists, with systematic sampling undertaken on the prospective parts of the stratigraphy based on rock type and alteration observed The sample results are appropriate for a resource estimation

Criteria	JORC Code explanation	Commentary
	<ul style="list-style-type: none"> The total length and percentage of the relevant intersections logged. 	
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"> Samples were collected with a diamond drill rig drilling NQ2 diameter core. After logging and photographing, NQ2 drill core was cut in half, with one half sent to the laboratory for assay and the other half retained. Holes were sampled over mineralised intervals to geological boundaries on a nominal 1m basis. Industry prepared independent standards are inserted approximately 1 in 20 samples. Each sample was dried, split, crushed and pulverised. Sample sizes are considered appropriate for the material sampled. 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	<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"> The samples were submitted to a commercial independent laboratory in Perth, Australia. Au was analysed by a 50gm charge Fire assay fusion technique with a AAS finish. 33 multi-elements were analysed by HF-HNO₃-HClO₄ acid digestion, HCl leach and ICP-AES. The techniques are considered quantitative in nature. As discussed previously certified reference standards were inserted by the Company and the laboratory also carries out internal standards in individual batches The standards and duplicates were considered satisfactory
Verification of sampling and assaying	<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"> Sample results have been merged by the company's database consultants 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	<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"> Drill hole collar locations are located by DGPS to an accuracy of +/-10cm. Locations are given in GDA94 zone 50 projection Diagrams and location table are provided in the report Topographic control is by detailed mine survey pickups and Differential GPS data.
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 procedure(s) and classifications applied. 	<ul style="list-style-type: none"> Drilling is on a nominal 50m x 25m grid spacing. 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 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.

Criteria	JORC Code explanation	Commentary
	<ul style="list-style-type: none"> Whether sample compositing has been applied. 	
Orientation of data in relation to geological structure	<ul style="list-style-type: none"> 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. 	<ul style="list-style-type: none"> 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	<ul style="list-style-type: none"> The measures taken to ensure sample security. 	<ul style="list-style-type: none"> Samples were collected by company personnel and delivered direct to the laboratory via a transport contractor
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. Review of QAQC data has been carried out by database consultants and 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	<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"> Withnell drilling is on tenement M47/476 which is located approximately 80km south of Port Hedland. The tenements are held by Indee Gold Pty Ltd, which De Grey Mining has an option to purchase 100%. De Grey has the right to acquire Indee Gold for payment of approximately \$13M in cash and shares by July 2019.
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"> Extensive drilling of the Indee orebodies leading to the definition of Ore Reserves and the development of a mining and processing operation was carried out mainly by Range River between 2003 and 2008.
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 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	<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 	<ul style="list-style-type: none"> Drill hole location and directional information provide in the report.

Criteria	JORC Code explanation	Commentary
	<i>report, the Competent Person should clearly explain why this is the case.</i>	
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"> Results are reported to a minimum cutoff grade of 0.3g/t gold with an internal dilution of 3m maximum. Intervals over 0.5g/t Au and 2gm metal content are reported. Intercepts are length weighted averaged. No maximum cuts have been made.
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"> 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	<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"> Plans and sections are provided 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"> All significant results are provided in this report. The report is considered balanced and provided in context.
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"> The Withnell Gold deposit has an existing 2012 JORC gold resource (377,000oz) previously reported by De Grey
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"> The company plans to complete detailed wireframes of geology and mineralisation prior to completing an updated resource estimation. Metallurgical testwork to determine possible recoveries is in progress Follow up drilling to scope out the potential scale of mineralisation at depth and laterally is being planned.