

## HEMI CONTINUES TO GROW

### Brolga Zone

- **RC and diamond drilling extends Brolga to +240m strike and 220m depth**
  - +200m wide sulphide mineralisation intersected on Section 30,480E, 160m west of the original Section B (30,640E)
  - 70m of sulphides intersected in 1st diamond hole HEDD001 (Section 30,640E).
  - Results pending from further extensive sulphide mineralisation.
  - Mineralisation remains open
- **Additional RC gold results on Section 30,640E include:**
  - **43m @ 1.9g/t Au** from 99m in HEDD002 (incl **6m @ 4.3g/t Au** and **4m @ 5g/t Au**)
  - **36m @ 3.2g/t Au** from 156m in HEDD002 (incl **14m @ 5.6g/t Au**)
  - **43m @ 1.9g/t Au** from 34m in HERC002 (incl **6m @ 6.9g/t Au**)
- **Strong gold mineralisation confirmed along strike on section 30,560E.**
  - **54m @ 2.2g/t Au** from 42m in HERC013 (incl **5m @ 6g/t Au**)

### Aquila Zone

- **RC and aircore drilling confirms Aquila gold potential over 800m strike, up to 50m thick and 180m depth and remains open.**
- **RC drilling results confirm significant gold mineralisation**
  - **51m @ 2.1g/t Au** from 108m in HERC005 (incl **8m @ 4.9g/t Au**)
  - **62m @ 1.4g/t Au** from 59m in HERC006
  - **20m @ 2.0g/t Au** from 142m in HERC009 (incl **3m @ 6.8g/t Au**)
- **Aircore results provide ongoing encouragement**
  - **8m @ 2.1g/t Au** from 48m in BWAC404
  - **16m @ 1.4g/t Au** from 52m in BWAC405
  - **22m @ 1.5g/t Au** from 88m in BWAC414 (incl **4m @ 5.5g/t Au**)

Technical Director, Andy Beckwith, commented:

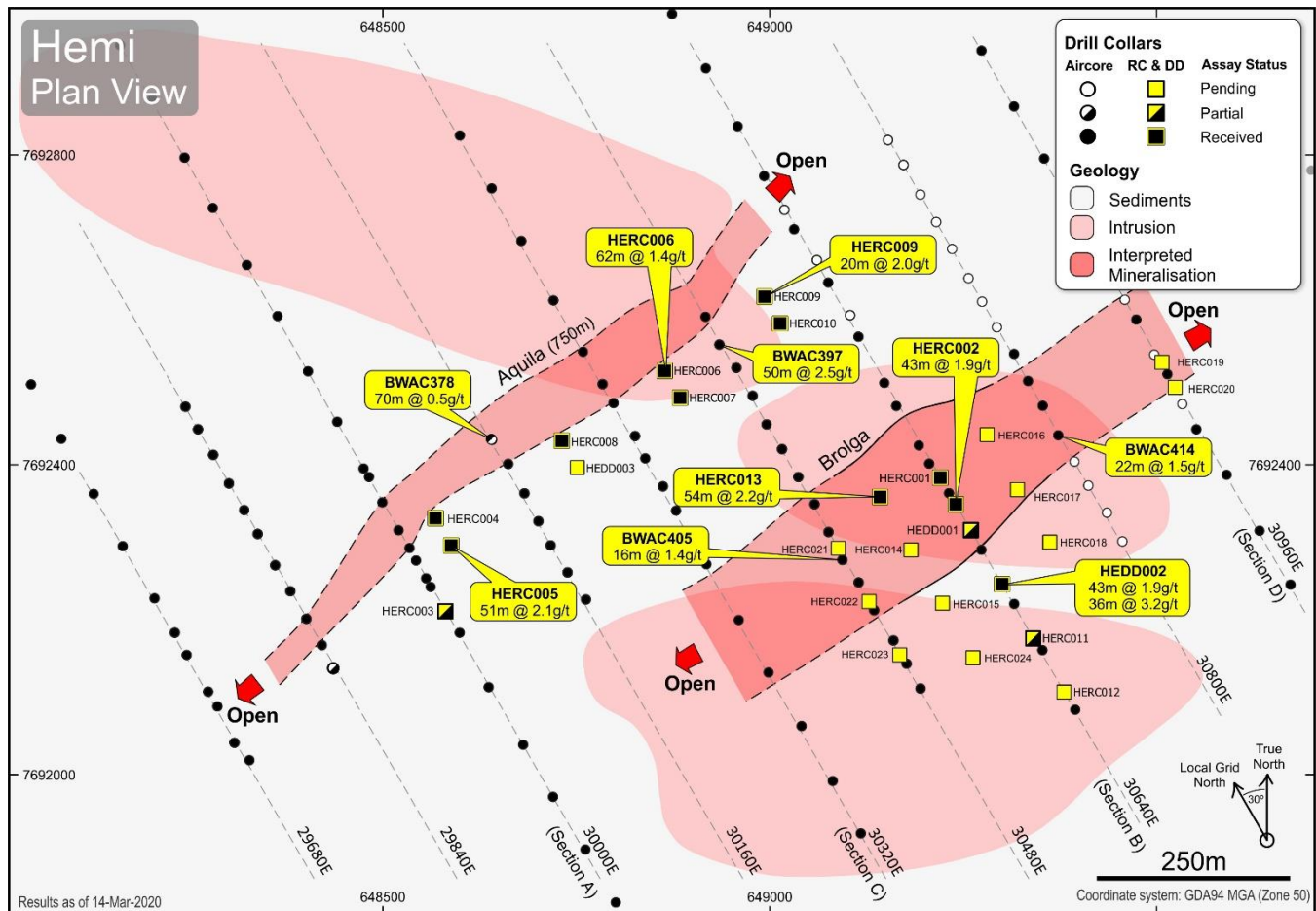
*"Brolga and Aquila are developing into two very large gold systems with widths of gold mineralisation never seen before in the project area nor the Pilbara region. The ongoing RC and diamond drilling program aims to scope the overall scale of the mineralisation on 80m spaced sections .*

*The large anomalous gold area to the north of Aquila is now our focus for aircore drilling. Anomalous gold occurs in every hole above the interpreted intrusion in earlier wide spaced aircore drilling and provides scope for further new parallel discoveries."*

De Grey Mining Limited (ASX: DEG, "De Grey", "Company") is pleased to provide this drilling and results update for the Brolga and Aquila Zones within the Hemi Discovery, located within 60km of Port Hedland, Western Australia.

This release covers the latest drilling gold assay results and further encouraging sulphide mineralisation observed over large widths and depths at the Brolga and Aquila Zones as of 16 March 2020 (Figure 1).

**Figure 1 Hemi Prospect drilling plan showing new intercepts and drill hole locations.**



## **BROLGA ZONE**

Extensive sulphide mineralisation is now identified in RC and diamond drilling over +240m of strike length with additional strike potential highlighted by encouraging aircore gold results and observations along strike over approximately 600m. The overall scale of the Brolga Zone remains open in all directions. Mineralisation is hosted in a large multi-phase intrusion.

The current dimensions of the Brolga Zone defined only by RC and diamond drilling are:

**+240m strike x up to 200m wide x 220m below surface and remains open**

RC and diamond drilling continues to test the scale of the deposit on 80m spaced sections and nominal 80m spaced holes on section. The aim is to first define the lateral limits of the mineralisation and depth extensions to an initial nominal 400m vertical metres prior to commencing infill resource drilling. Full gold intercepts are listed in Table 1 and new significant sulphide zones listed in Table 2.

## **Section 30,640E (Figure 2) - New gold assays and sulphide observations**

RC drilling results for holes on section 30,640E continue to confirm substantial thicknesses of gold mineralisation associated with the extensive sulphide rich mineralisation. The strong and wide gold mineralisation has now been

defined in all RC holes where observed sulphide mineralisation was logged. The identification of sulphide mineralisation in the weathered bedrock is difficult and relies on final gold assays. The correlation of fresh sulphide content to gold is high and currently defines a wide corridor of gold mineralisation up to 200m wide.

The first diamond hole is now completed with geological logging and sampling underway. This hole has intersected another zone of extensive sulphide mineralisation over 75m (downhole). This new sulphide intercept now extends the mineralisation to 220m below surface (including the 30m of transported cover).

Significant new results (>20gm\*m) on section 30,640E include:

**43m @ 1.9g/t Au** from 99m in HEDD002 (incl **6m @ 4.3g/t Au** and **4m @ 5g/t Au**) (in precollar)

**36m @ 3.2g/t Au** from 156m in HEDD002 (incl **14m @ 5.6g/t Au**) (in precollar)

**43m @ 1.9g/t Au** from 34m in HERC002 (incl **6m @ 6.9g/t Au**) (in precollar)

The previously released intercept 93m @ 3.3g./t Au in HERC001 is revised to 97m @ 3.2g/t Au, based on additional assays received.

### **Section 30,560E (Figure 3)**

An additional RC drill hole (HERC024) has been completed on Section 30,560E extending sulphide mineralisation to the south. The extensive sulphide mineralisation on this section is now defined over a width of approximately 220m.

New gold assay results for HERC013 defines strong gold mineralisation in the weathered portion where little sulphide mineralisation was observed in the original logging. Once again, the wide zone of mineralisation remains open at depth and provides excellent potential for depth extensions.

Significant new results (>20gm\*m) on section 30,640E include:

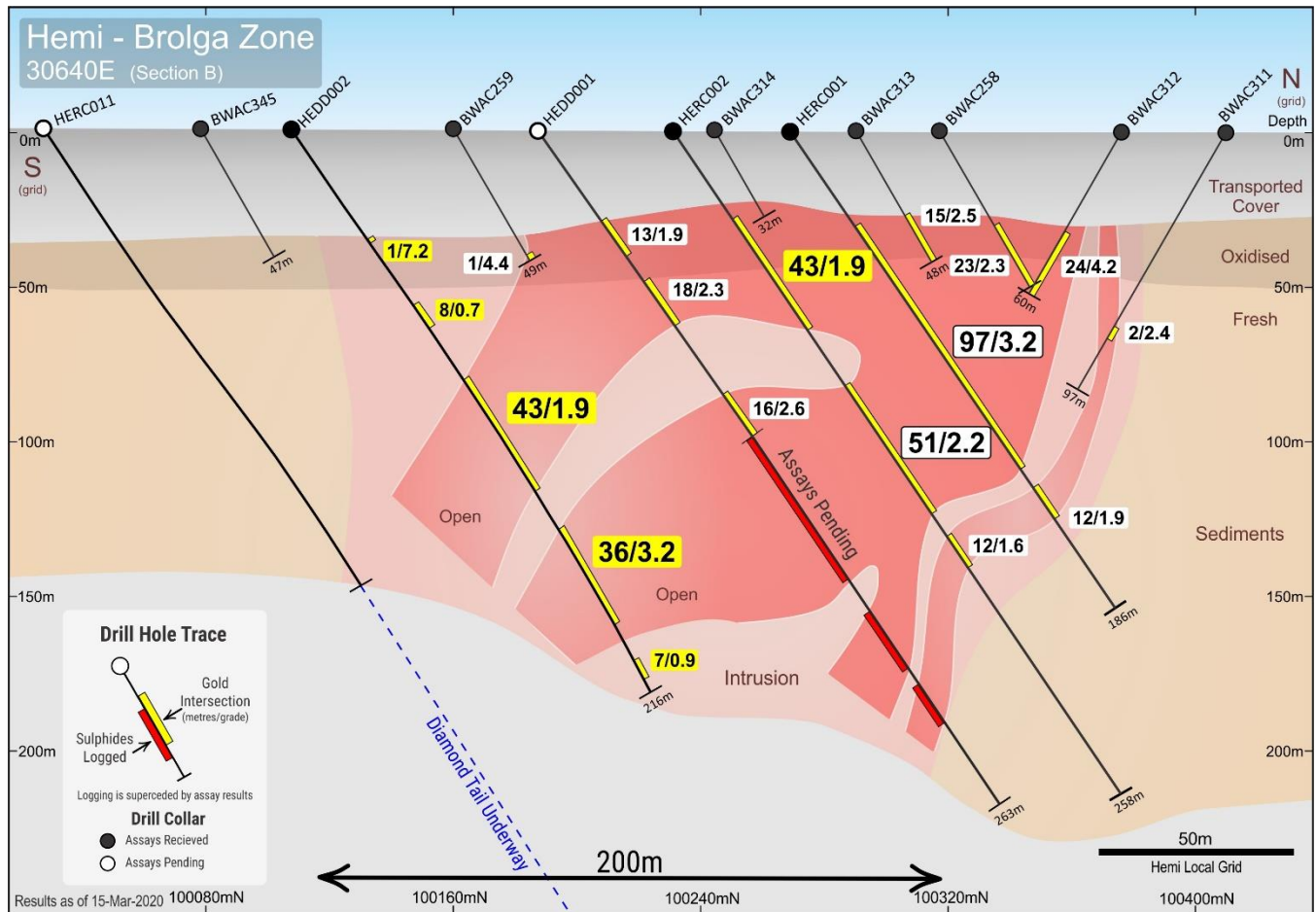
- **54m @ 2.2g/t Au** from 42m in HERC013 (incl **5m @ 6g/t Au**)

### **Section 30,480E (Figure 4)**

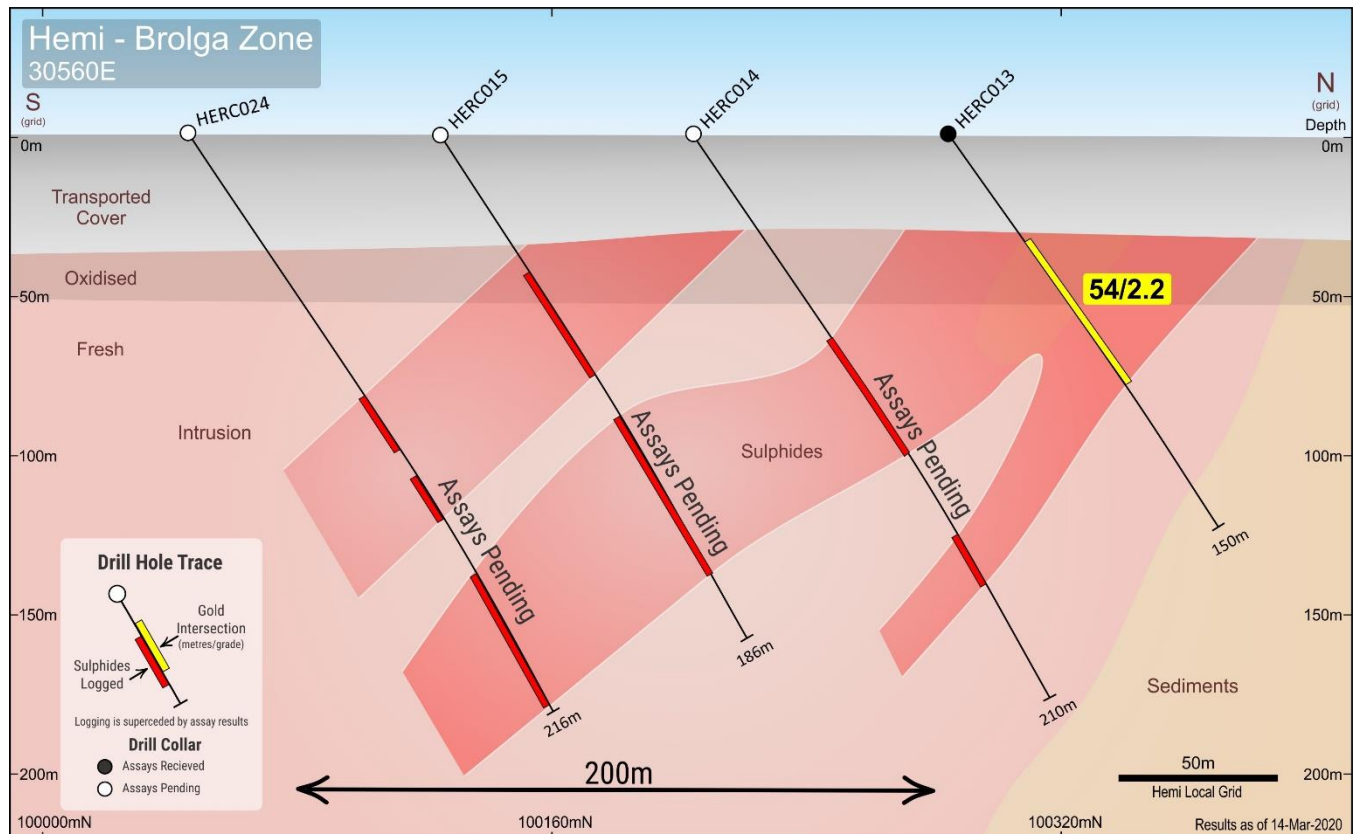
Three RC holes (HERC021-023) have been completed on Section 30,480E extending sulphide mineralisation a further 80m of strike to the west. The extensive sulphide mineralisation on this section occurs over approximately 200m width and remains open to the south on section and to the west along strike.

This major 80m strike extension and the wide zone of sulphide mineralisation logged in the RC drill holes coupled with the gold zones highlighted in the shallow aircore holes above (16m @ 1.4g/t, 8m @ 2.1g/t and 1m @ 3.1g/t) is considered encouraging, particularly as logged sulphide mineralisation has previously correlated well to gold intercepts elsewhere at Hemi. RC drill results remain pending.

**Figure 2** Brolga Zone - Section 30,640E showing gold mineralisation and new diamond hole extensions

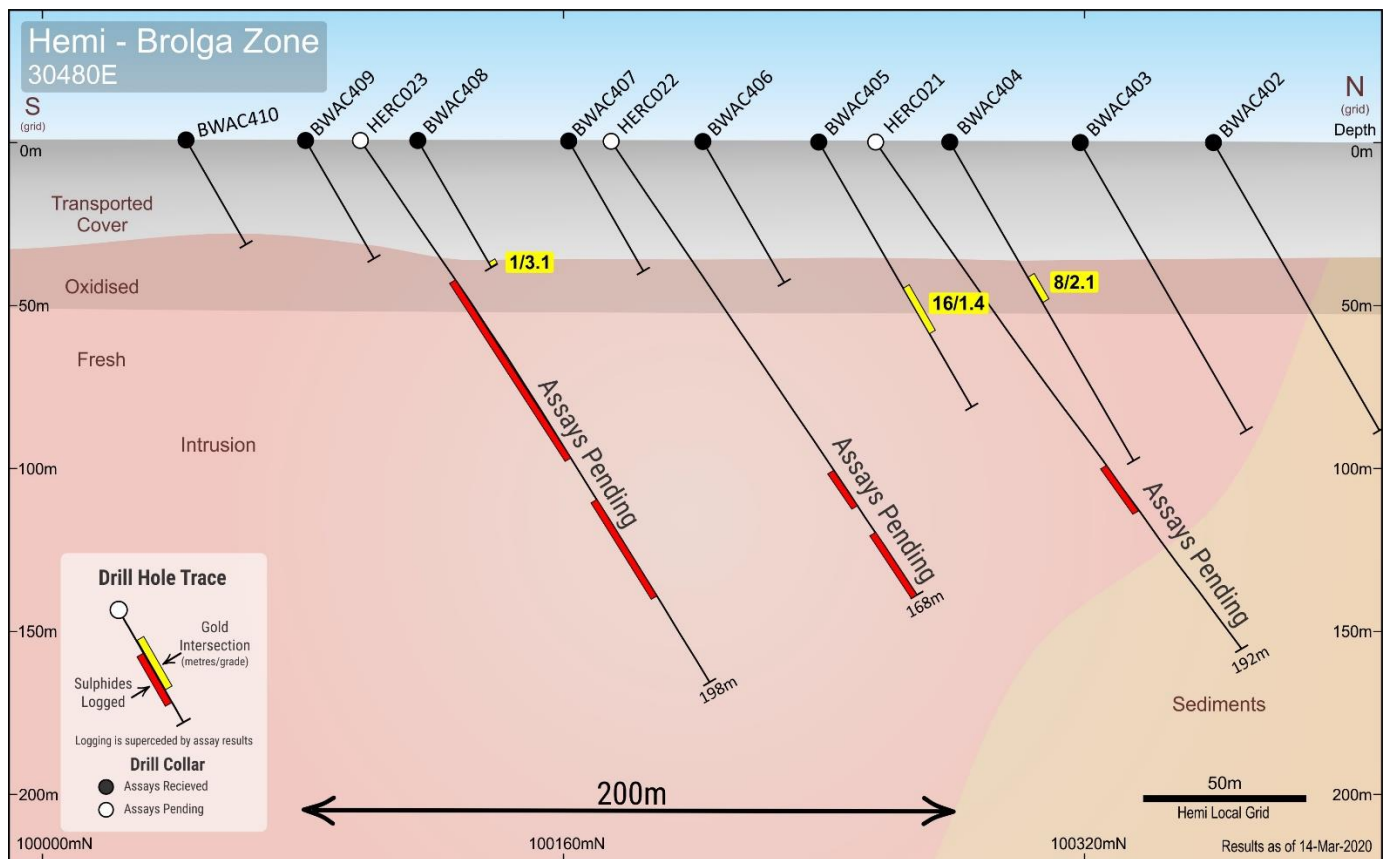


**Figure 3** Brolga Zone - Section 30,560E showing gold mineralisation and sulphide zones





**Figure 4** Brolga Zone - Section 30,480E showing new sulphide zones and aircore intercepts



## AQUILA ZONE

The Aquila Zone is a parallel zone of strong gold and sulphide mineralisation to the immediate north of the Brolga Zone (Figure 1). Aquila is also hosted in an intrusion, albeit narrower.

The current dimensions of the Aquila Zone defined by RC and aircore drilling are:

**+800m strike x up to 50m wide x 180m below surface and remains open**

RC and diamond drilling continues to test the scale of the deposit on 80m spaced sections and nominal 40-80m spaced holes on section. The aim is to first define the lateral limits of the mineralisation and depth extensions to an initial nominal 300m vertical metres, prior to commencing resource infill drilling. Full gold intercepts are listed in Table 1.

Variability of gold grade and thickness is evident in the new drilling results and is suggestive of either depletion along strike or vertical variability. Diamond drilling to date at the parallel Brolga Zone indicates the strongest sulphide rich mineralisation may be associated with a phase of more felsic overprinting intrusions within the larger mafic phase of the intrusion. This may result in variability of grade in places. Further drilling will be required to determine the overall distribution of these felsic phases.

## Section 30,050E (Figure 5)

New gold assay results have been received for HERC005 including an intercept of 51m @ 2.1g/t Au, defining a strong subvertical gold zone extending from immediately below the 30m deep transported cover to 130m below surface (100m vertical extent). Mineralisation remains open at depth.

### Section 30,240E (Figure 6)

RC drill results for HERC008 show a narrower zone of gold mineralisation (**14m @ 1.1g/t**) within a broad zone of lower grade gold mineralisation (71m @ 0.4g/t using a 0.3g/t cutoff) suggest either depletion and/or variability of gold grade along or vertically with the zone. Further detailed drilling will be required to determine the overall gold variability.

### Section 30,400E (Figure 7)

RC drill results for HERC006 show a broad zone of gold mineralisation (62m @ 1.4g/t) and lower grade gold mineralisation (48m @ 0.4g/t using a 0.3g/t cutoff) in HERC007. A diamond core extension to HERC007 is planned to determine if strong gold mineralisation continues at depth.

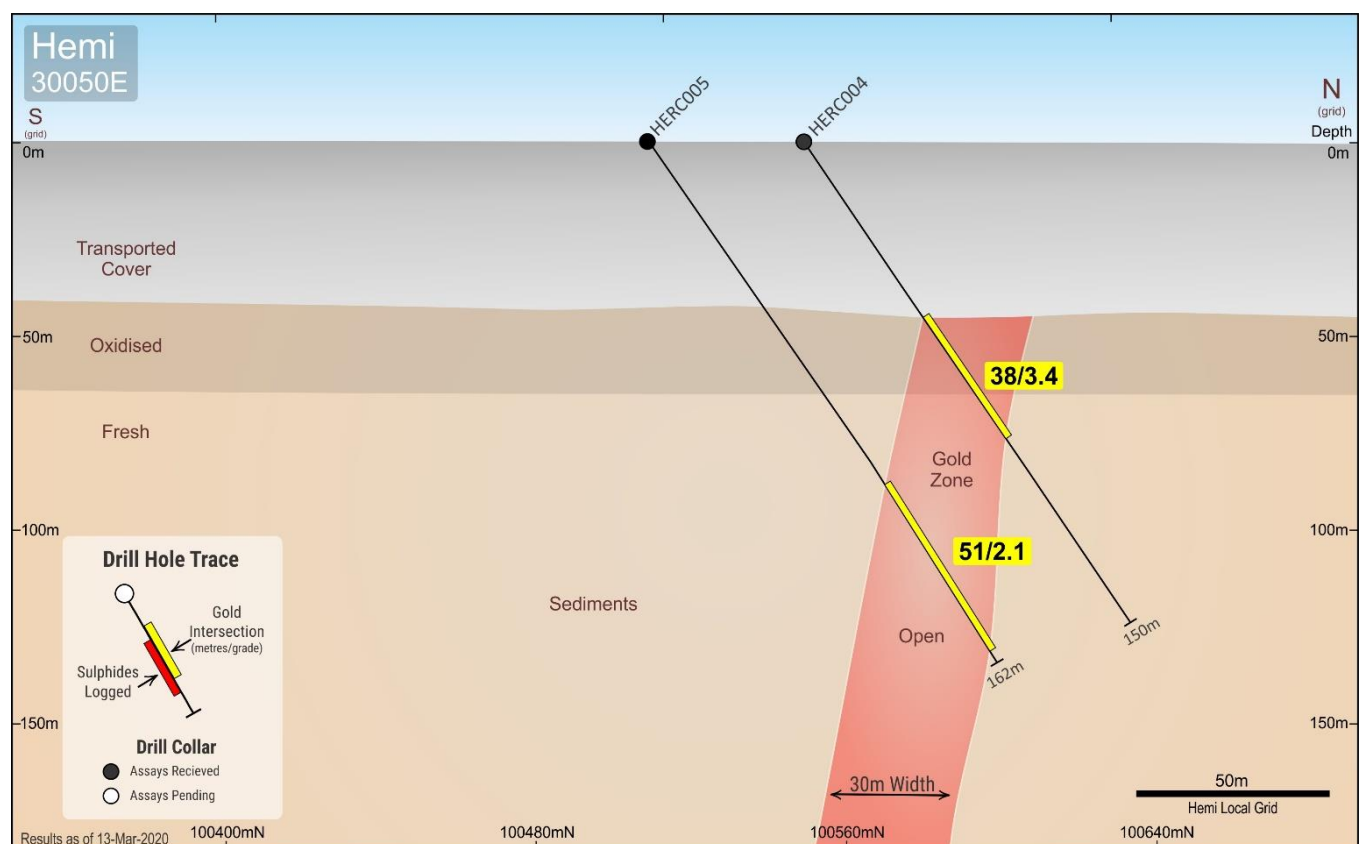
### Section 30,480E (Figure 8)

Aircore drill results for BWAC397 show a broad zone of strong gold mineralisation to the end of the hole (50m @ 2.5g/t - extended from the previously reported 42m @ 2.7g/t Au) and lower grade gold mineralisation (16m @ 0.4g/t using a 0.3g/t cutoff) in BWAC396. The variability suggests either depletion and/or variability of gold grade along or vertically with the zone. Further detailed drilling will be required to determine the overall gold variability.

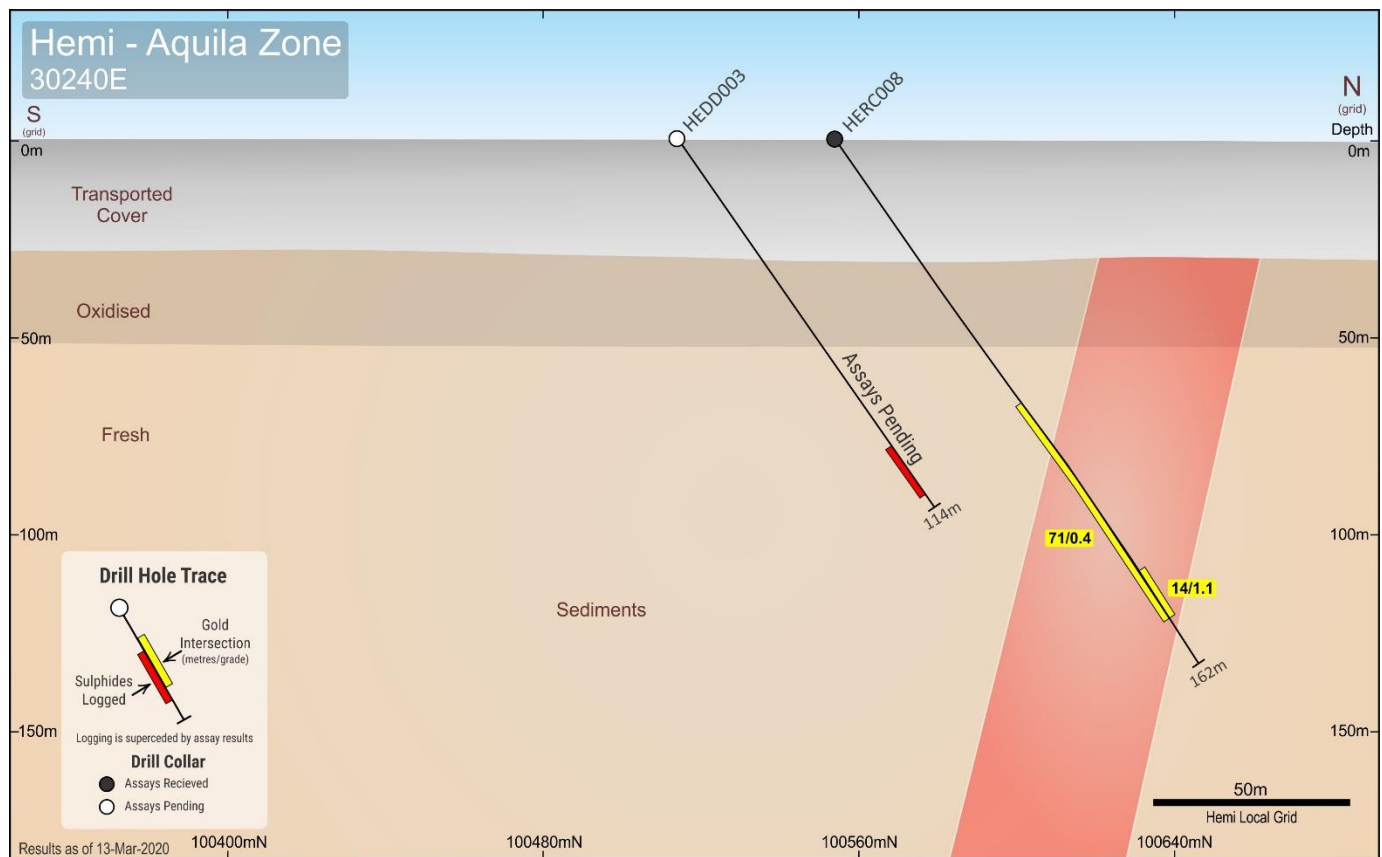
### Section 30,560E (Figure 9)

RC drilling results for HERC009 and 010 indicates strong gold mineralisation (20m @ 2.0g/t) and that the zone gold may be not be fully tested across the entire width. Further detailed drilling will be required to determine the overall gold zone.

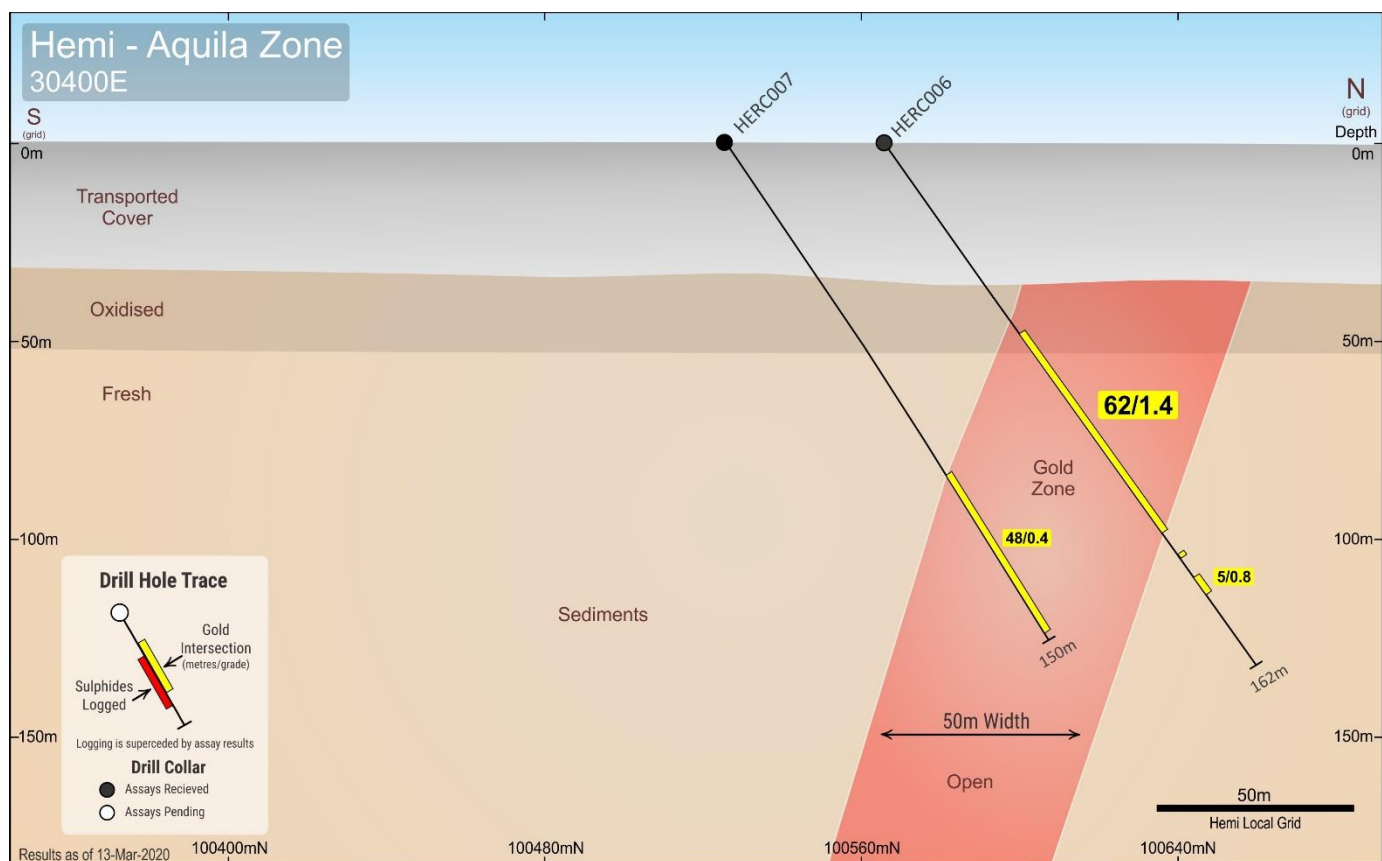
**Figure 5** Aquila Zone - Section 30,050E showing new gold intercept



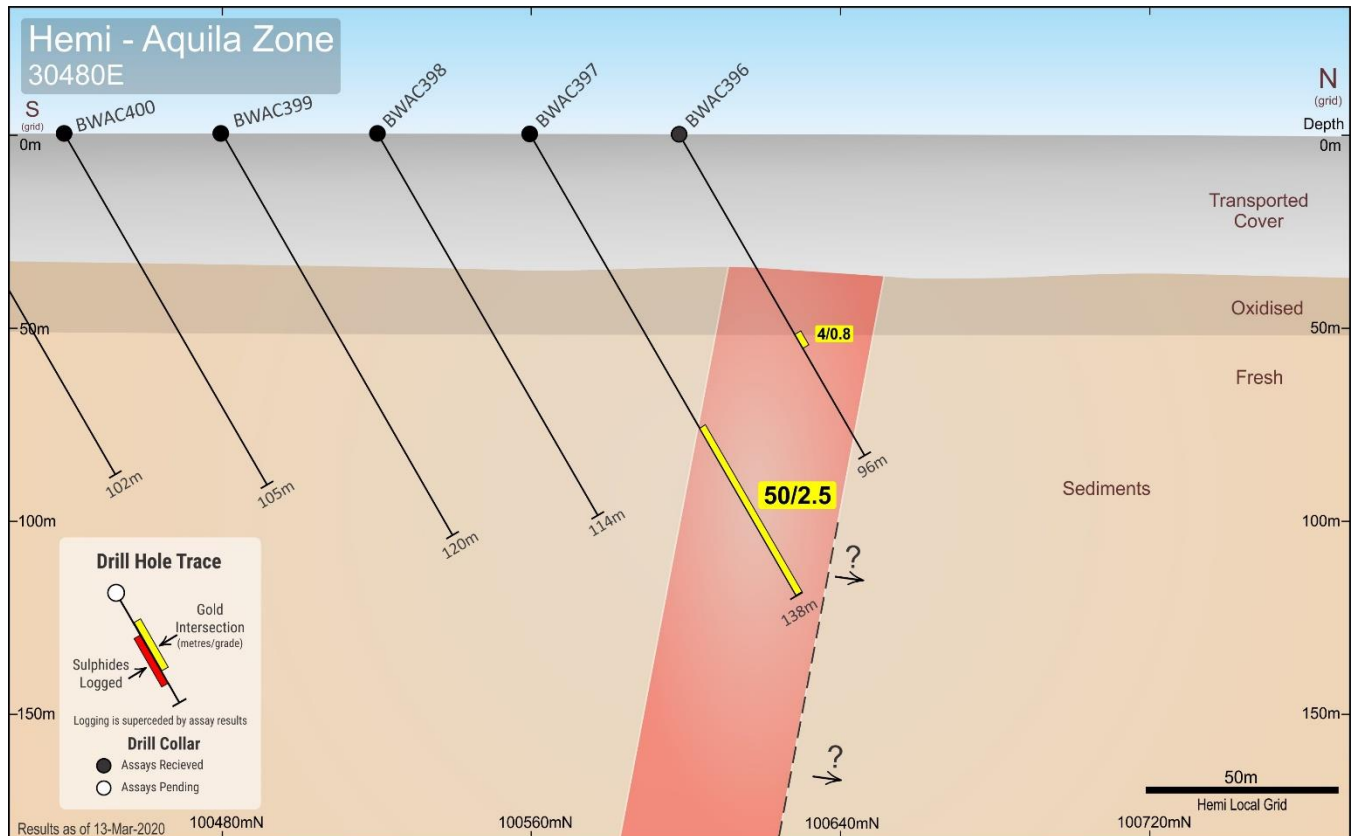
**Figure 6**      **Aquila Zone - Section 30,240E showing new gold zones**



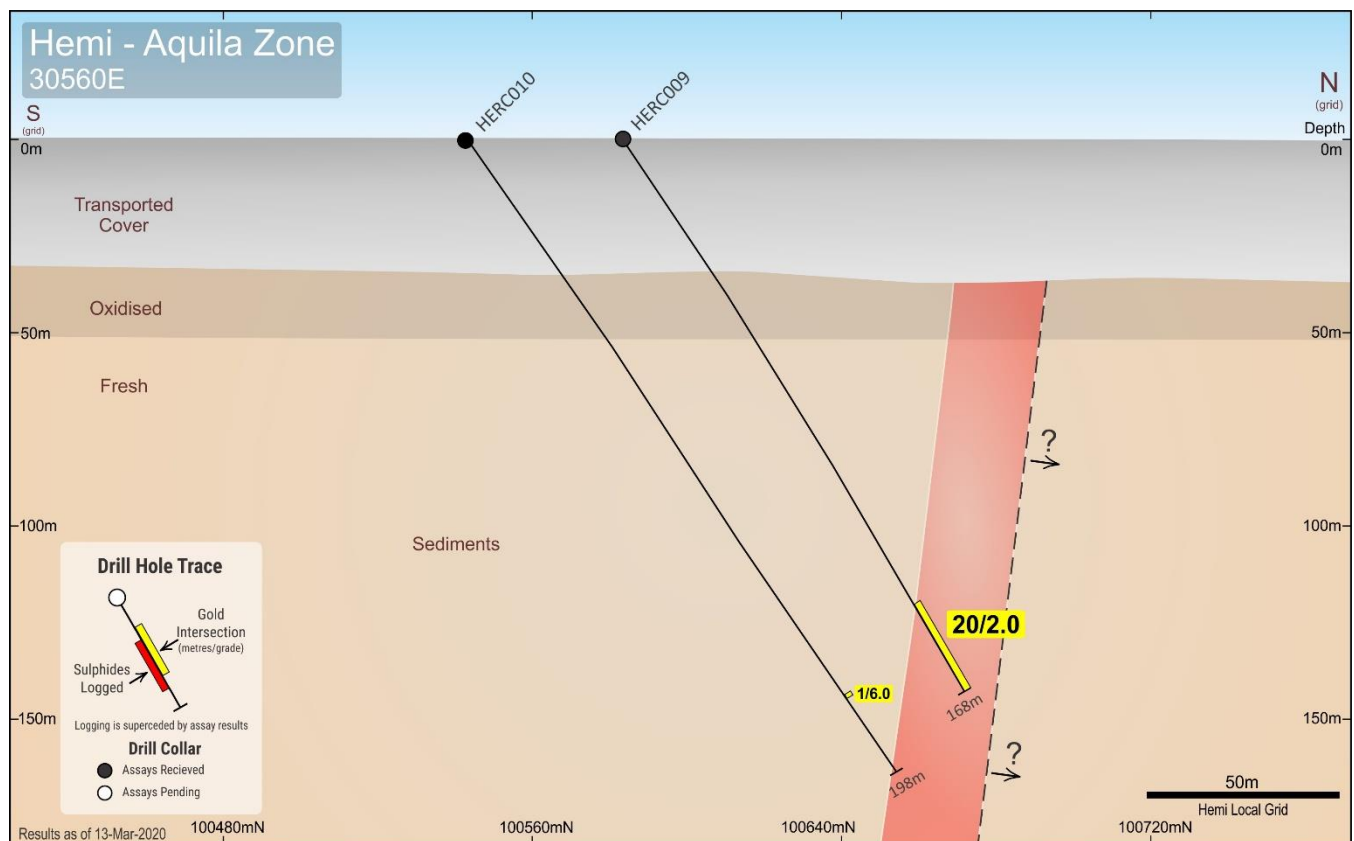
**Figure 7**      **Aquila Zone - Section 30,400E showing new gold zones**



**Figure 8**      **Aquila Zone - Section 30,480E showing new gold zones**



**Figure 9**      **Aquila Zone - Section 30,560E showing new gold zones**





## **Hemi Background**

Hemi is a new discovery under 30m of transported cover, with the first aircore drill results reported on 17 December 2019 and further encouraging high grade results subsequently reported during February 2020. Two zones of strong, broad sulphide rich mineralisation with high grade gold has been partially defined in the Aquila and Brolga Zones.

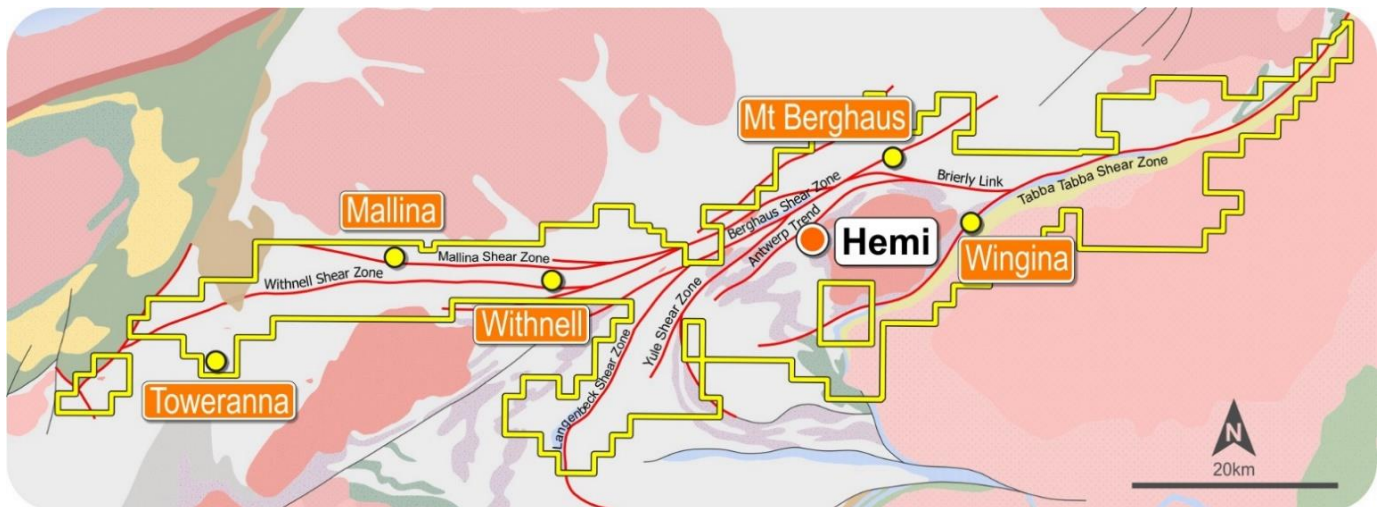
The gold zones represent a major new discovery for De Grey and potentially a new and exciting new style of mineralisation in the Pilbara region. The scale, grade and overall dimensions of the mineralisation defined to date is larger than all the other gold deposits De grey has defined within the project area. Hemi has substantial potential to increase De Grey's current 1.7Moz of shallow gold resources.

The Aquila Zone represents a 30-50m wide high grade gold zone (>5g/t ) defined on Section 30,000E (local grid) to 180m below surface. Wide spaced drilling has now defined this zone over approximately 800m of strike and remains open in all direction with many assays results still pending.

The Brolga Zone is a substantially wider alteration zone, potentially up to +200m wide and is currently defined by RC drilling over 240m of strike. Wide spaced reconnaissance aircore drilling provides scope for further along strike extensions.

The gold mineralisation is intimately associated with strong and extensive sulphide alteration, comprising of pyrite and arsenopyrite, hosted in stockwork within a felsic to mafic phases of the intrusion. The genetic link to the host intrusion is significant as the three interpreted large intrusions at Hemi show elevated gold in every aircore hole within the intrusions. This style of mineralisation is considered new to the Pilbara region.

**Figure 6 Mallina Gold Project showing main gold deposits and the new Hemi Discovery.**



This ASX report is authorised for release by the De Grey Board.

**For further information:**

**Simon Lill** (*Executive Chairman*) or

**Andy Beckwith** (*Technical Director and Operations Manager*)

**De Grey Mining Ltd**

Phone +61 8 6117 9328

[admin@degreymining.com.au](mailto:admin@degreymining.com.au)

**Competent Person Statements**

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

**Previously Released ASX Material References**

*The information in this report that relates to Hemi Prospect and the general Berghaus West area that has been previously released includes;*

*Resources:*

- *Pilbara Gold Project increases gold resources by >20% to over 1.2Moz, 28 September 2017;*
- *2018 Total Gold Mineral Resource increases to 1.4Moz, 3 October 2018; and*
- *2019 Total Gold Mineral Resource – 21% increase to 1.7Moz, 16 July 2019.*

*Exploration:*

- *Multiple new targets increase exploration potential, 2 July 2019.*
- *New Gold Discoveries at Hemi and Antwerp, 17 December 2019*
- *Hemi confirms potential for major discovery, 6 February 2020*
- *Further impressive thick and high grade gold at Hemi, 11 February 2020*
- *Major extension of sulphide mineralisation at Hemi, 26 February 2020*
- *RC drilling confirms large scale gold system at Hemi, 5 March 2020*
- *Continuing extensive sulphide mineralisation intersected at Hemi, 10 March 2020*

**Table 1 Significant Drill Intersections (>2 gram x m Au)**

Hole ID	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)	Hole Depth (m)
BWAC379	56	64	8	1.5	648658	7692400	68	-60	330	126
BWAC379	78	84	6	0.6	648658	7692400	68	-60	330	126
BWAC379	88	92	4	0.6	648658	7692400	68	-60	330	126
BWAC379	99	106	7	0.7	648658	7692400	68	-60	330	126
BWAC379	113	115	2	1.1	648658	7692400	68	-60	330	126
BWAC395	103	112	9	0.6	648437	7692138	69	-60	330	150
BWAC396	60	64	4	0.8	648916	7692590	68	-60	330	96
BWAC397	88	138	50	2.5	648936	7692557	68	-60	330	138
incl	100	111	11	3.4	648936	7692557	68	-60	330	138
incl	123	138	15	4.1	648936	7692557	68	-60	330	138
BWAC402	36	40	4	0.5	649037	7692384	68	-60	330	102
BWAC404	48	56	8	2.1	649076	7692313	69	-60	330	113
incl	54	55	1	4.6	649076	7692313	69	-60	330	113
BWAC404	76	80	4	0.7	649076	7692313	69	-60	330	113
BWAC405	52	68	16	1.4	649094	7692277	69	-60	330	94
BWAC408	44	45	1	3.1	649160	7692173	69	-60	330	45
BWAC414	68	72	4	0.9	649372	7692439	69	-60	330	123
BWAC414	88	110	22	1.5	649372	7692439	69	-60	330	123
incl	100	104	4	5.5	649372	7692439	69	-60	330	123
HEDD002	42	43	1	7.2	649303	7692245	69	-55	329	216
HEDD002	69	77	8	0.7	649303	7692245	69	-55	329	216
HEDD002	99	142	43	1.9	649303	7692245	69	-55	329	216
incl	116	122	6	4.3	649303	7692245	69	-55	329	216
incl	130	134	4	5.0	649303	7692245	69	-55	329	216
HEDD002	156	192	36	3.2	649303	7692245	69	-55	329	216
incl	163	177	14	5.6	649303	7692245	69	-55	329	216
incl	182	184	2	7.8	649303	7692245	69	-55	329	216
HEDD002	204	211	7	0.9	649303	7692245	69	-55	329	216
HERC001	35	132	97	3.2	649219	7692384	69	-55	330	186
incl	70	92	22	4.6	649219	7692384	69	-55	330	186
HERC001	140	152	12	1.9	649219	7692384	69	-55	330	186
HERC002	34	77	43	1.9	649238	7692351	69	-55	329	258
incl	38	44	6	6.9	649238	7692351	69	-55	329	258
HERC005	108	159	51	2.1	648587	7692296	69	-55	332	162
incl	123	131	8	4.9	648587	7692296	69	-55	332	162
HERC006	59	121	62	1.4	648864	7692522	68	-55	328	162
incl	72	75	3	4.1	648864	7692522	68	-55	328	162
incl	116	119	3	4.0	648864	7692522	68	-55	328	162
HERC006	135	140	5	0.8	648864	7692522	68	-55	328	162
HERC007	101	113	12	0.7	648884	7692487	68	-55	331	150
HERC007	118	124	6	0.5	648884	7692487	68	-55	331	150
HERC007	145	148	3	0.8	648884	7692487	68	-55	331	150
HERC008	134	148	14	1.1	648732	7692432	68	-55	332	162
HERC009	142	162	20	2.0	648993	7692617	68	-55	329	168
incl	152	155	3	6.8	648993	7692617	68	-55	329	168
HERC010	174	175	1	6.0	649014	7692583	68	-55	331	198
HERC013	42	96	54	2.2	649142	7692358	69	-55	330	150
incl	65	70	5	3.3	649142	7692358	69	-55	330	150
incl	89	94	5	6.0	649142	7692358	69	-55	330	150

**Table 2 Sulphide zones logged in RC and diamond holes**

HoleID	Collar East (GDA94)	Collar North (GDA94)	Collar RL (GDA94)	Dip (degrees)	Azimuth (GDA94)	Hole Depth (m)	Sulphide Interval (m)
HEDD001	649260	7692316	68.8	-56.0	325.8	263.4	121-170
HEDD001							189-206
HEDD001							224-242
HERC021	649087	7692293	68.6	-55.7	331.1	192	122-139
HERC022	649130	7692224	68.8	-55.7	329.6	168	122-135
HERC022							145-168
HERC023	649168	7692157	69.0	-56.0	331.7	198	52-117
HERC023							132-156
HERC024	649262	7692152	69.1	-55.6	331.3	216	92-120
HERC024							130-140
HERC024							186-214

*Cautionary Note: The sulphide zones listed in Table 2 are based on 1m geological logging of the drill samples at the rig. The geologist logs the rock type, alteration and determines an estimate of the sulphide abundance based on training and standardised techniques. The intervals are based on average sulphide percentages approximating >5%, however it is noted that due to the fine grained nature of the mineralisation there is an inherent difficulty in the accuracy of the estimate. The intervals remain to be assayed which will provide a more accurate sulphide abundance.*

# JORC Code, 2012 Edition – Table 1

## Section 1 Sampling Techniques and Data

(Criteria in this section apply to all succeeding sections.)

Criteria	JORC Code explanation	Commentary
<b>Sampling techniques</b>	<ul style="list-style-type: none"> <li>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.</li> <li>Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.</li> <li>Aspects of the determination of mineralisation that are Material to the Public Report.</li> <li>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.</li> </ul>	<ul style="list-style-type: none"> <li>All drilling and sampling was undertaken in an industry standard manner</li> <li>RC holes were sampled on a 1m basis with samples collected from a cone splitter mounted on the drill rig cyclone. 1m sample ranges from a typical 2.5-3.5kg</li> <li>Aircore samples were collected by spear from 1m sample piles and composited over 4m intervals. Samples for selected holes were collected on a 1m basis by spear from 1m sample piles. Sample weights ranges from around 1-3kg.</li> <li>The independent laboratory pulverises the entire sample for analysis as described below.</li> </ul>
<b>Drilling techniques</b>	<ul style="list-style-type: none"> <li>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.).</li> </ul>	<ul style="list-style-type: none"> <li>Reverse Circulation(RC) holes were drilled with a 5 1/2-inch bit and face sampling hammer.</li> <li>Aircore holes were drilled with an 83mm diameter blade bit.</li> </ul>
<b>Drill sample recovery</b>	<ul style="list-style-type: none"> <li>Method of recording and assessing core and chip sample recoveries and results assessed.</li> <li>Measures taken to maximise sample recovery and ensure representative nature of the samples.</li> <li>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.</li> </ul>	<ul style="list-style-type: none"> <li>RC and aircore samples were visually assessed for recovery.</li> <li>Samples are considered representative with generally good recovery. Deeper holes encountered water, with some intervals having less than optimal recovery and possible contamination.</li> <li>No sample bias is observed.</li> </ul>
<b>Logging</b>	<ul style="list-style-type: none"> <li>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.</li> <li>Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc.) photography.</li> <li>The total length and percentage of the relevant intersections logged.</li> </ul>	<ul style="list-style-type: none"> <li>The entire hole has been geologically logged by Company geologists.</li> <li>RC sample results are appropriate for use in a resource estimation, except where sample recovery is poor.</li> <li>The aircore results provide a good indication of mineralisation but are not used in resource estimation.</li> </ul>
<b>Sub-sampling techniques and sample preparation</b>	<ul style="list-style-type: none"> <li>If core, whether cut or sawn and whether quarter, half or all core taken.</li> <li>If non-core, whether riffled, tube sampled, rotary split, etc. and whether sampled wet or dry.</li> <li>For all sample types, the nature, quality and appropriateness of the sample preparation technique.</li> <li>Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.</li> <li>Measures taken to ensure that the sampling is representative of the in situ material collected,</li> </ul>	<ul style="list-style-type: none"> <li>RC sampling was carried out by a cone splitter on the rig cyclone and drill cuttings were sampled on a 1m basis in bedrock and 4m composite basis in cover.</li> <li>Aircore samples were collected by spear from 1m sample piles and composited over 4m intervals. Samples for selected holes were collected on a 1m basis by spear from 1m sample piles.</li> <li>Industry prepared independent standards are inserted approximately 1 in 20 samples.</li> <li>Each sample was dried, split, crushed and pulverised.</li> <li>Sample sizes are considered appropriate for the material sampled.</li> </ul>



Criteria	JORC Code explanation	Commentary
	<ul style="list-style-type: none"> <li>including for instance results for field duplicate/second-half sampling.</li> <li>Whether sample sizes are appropriate to the grain size of the material being sampled.</li> </ul>	<ul style="list-style-type: none"> <li>The samples are considered representative and appropriate for this type of drilling</li> <li>RC samples are mostly appropriate for use in a resource estimate.</li> <li>Aircore samples are generally of good quality and appropriate for delineation of geochemical trends but are not generally used in resource estimates.</li> </ul>
<b>Quality of assay data and laboratory tests</b>	<ul style="list-style-type: none"> <li>The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.</li> <li>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.</li> <li>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.</li> </ul>	<ul style="list-style-type: none"> <li>The samples were submitted to a commercial independent laboratory in Perth, Australia.</li> <li>For RC samples Au was analysed by a 50g charge Fire assay fusion technique with an AAS finish.</li> <li>Aircore samples were analysed for Au using 25g aqua regia extraction with ICPMS finish and multi-elements by ICPAES and ICPMS using aqua regia digestion</li> <li>The techniques are considered quantitative in nature.</li> <li>As discussed previously certified reference standards were inserted by the Company and the laboratory also carries out internal standards in individual batches</li> <li>The standards and duplicates were considered satisfactory</li> </ul>
<b>Verification of sampling and assaying</b>	<ul style="list-style-type: none"> <li>The verification of significant intersections by either independent or alternative company personnel.</li> <li>The use of twinned holes.</li> <li>Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.</li> <li>Discuss any adjustment to assay data.</li> </ul>	<ul style="list-style-type: none"> <li>Sample results have been merged by the company's database consultants.</li> <li>Results have been uploaded into the company database, checked and verified.</li> <li>No adjustments have been made to the assay data.</li> <li>Results are reported on a length weighted basis.</li> </ul>
<b>Location of data points</b>	<ul style="list-style-type: none"> <li>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.</li> <li>Specification of the grid system used.</li> <li>Quality and adequacy of topographic control.</li> </ul>	<ul style="list-style-type: none"> <li>RC drill hole collar locations are located by DGPS to an accuracy of +/- 10cm.</li> <li>Aircore hole collar locations are located by DGPS to an accuracy of +/-10cm., or by handheld GPS to an accuracy of 3m.</li> <li>Locations are given in GDA94 zone 50 projection</li> <li>Diagrams and location table are provided in the report</li> <li>Topographic control is by detailed airphoto and Differential GPS data.</li> </ul>
<b>Data spacing and distribution</b>	<ul style="list-style-type: none"> <li>Data spacing for reporting of Exploration Results.</li> <li>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.</li> <li>Whether sample compositing has been applied.</li> </ul>	<ul style="list-style-type: none"> <li>Drill spacing varies from 80m x 40m to 320m x 80m.</li> <li>All holes have been geologically logged and provide a strong basis for geological control and continuity of mineralisation.</li> <li>Data spacing and distribution of RC drilling is not yet sufficient to provide support for the results to be used in a resource estimate.</li> <li>Sample compositing has not been applied except in reporting of drill intercepts, as described in this Table</li> </ul>
<b>Orientation of data in relation to geological structure</b>	<ul style="list-style-type: none"> <li>Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.</li> <li>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.</li> </ul>	<ul style="list-style-type: none"> <li>The drilling is believed to be approximately perpendicular to the strike of mineralisation where known and therefore the sampling is considered representative of the mineralised zone.</li> <li>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 is allowed for when geological interpretations are completed.</li> </ul>
<b>Sample security</b>	<ul style="list-style-type: none"> <li>The measures taken to ensure sample security.</li> </ul>	<ul style="list-style-type: none"> <li>Samples were collected by company personnel and delivered direct to the laboratory via a transport contractor.</li> </ul>
<b>Audits or reviews</b>	<ul style="list-style-type: none"> <li>The results of any audits or reviews of sampling techniques and data.</li> </ul>	<ul style="list-style-type: none"> <li>No audits have been completed. Review of QAQC data has been carried out by database consultants and company geologists.</li> </ul>

## Section 2 Reporting of Exploration Results

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

Criteria	JORC Code explanation	Commentary
<b>Mineral tenement and land tenure status</b>	<ul style="list-style-type: none"> <li>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.</li> <li>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.</li> </ul>	<ul style="list-style-type: none"> <li>Drilling occurs on tenement E45/3392 held by Last Crusade Pty Ltd, which is a 100% subsidiary of De Grey Mining Ltd.</li> <li>The Hemi Prospect is approximately 60km SSW of Port Hedland.</li> </ul>
<b>Exploration done by other parties</b>	<ul style="list-style-type: none"> <li>Acknowledgment and appraisal of exploration by other parties.</li> </ul>	<ul style="list-style-type: none"> <li>The tenement has had some previous surface geochemical sampling and wide spaced aircore and RAB drilling by De Grey Mining. Limited previous RC drilling was carried out at the Scooby Prospect. Airborne aeromagnetics/radiometrics has been flown previously.</li> </ul>
<b>Geology</b>	<ul style="list-style-type: none"> <li>Deposit type, geological setting and style of mineralisation.</li> </ul>	<ul style="list-style-type: none"> <li>The mineralisation style is not well understood to date but is thought to be hydrothermally emplaced gold mineralisation within structures and intrusions. Host rocks comprise igneous rocks intruding Mallina Basin metasediments. Style is similar to some other Western Australian gold deposits.</li> </ul>
<b>Drill hole Information</b>	<ul style="list-style-type: none"> <li>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"> <li>easting and northing of the drill hole collar</li> <li>elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar</li> <li>dip and azimuth of the hole</li> <li>down hole length and interception depth</li> <li>hole length.</li> </ul> </li> <li>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.</li> </ul>	<ul style="list-style-type: none"> <li>Drill hole location and directional information provide in the report.</li> </ul>
<b>Data aggregation methods</b>	<ul style="list-style-type: none"> <li>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.</li> <li>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.</li> <li>The assumptions used for any reporting of metal equivalent values should be clearly stated.</li> </ul>	<ul style="list-style-type: none"> <li>Results are reported to a minimum cutoff grade of 0.5g/t gold with an internal dilution of 4m maximum.</li> <li>Higher grade intervals included in the above intercepts are reported at a 3g/t Au lower cut with an internal dilution of 2m maximum.</li> <li>Intercepts are length weighted averaged.</li> <li>No maximum cuts have been made.</li> </ul>
<b>Relationship between mineralisation widths and intercept lengths</b>	<ul style="list-style-type: none"> <li>These relationships are particularly important in the reporting of Exploration Results.</li> <li>If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.</li> <li>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').</li> </ul>	<ul style="list-style-type: none"> <li>The drill holes are interpreted to be approximately perpendicular to the strike of mineralisation.</li> <li>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.</li> </ul>
<b>Diagrams</b>	<ul style="list-style-type: none"> <li>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</li> </ul>	<ul style="list-style-type: none"> <li>Plans and sections are provided in the report.</li> </ul>

Criteria	JORC Code explanation	Commentary
	<i>collar locations and appropriate sectional views.</i>	
<b>Balanced reporting</b>	<ul style="list-style-type: none"> <li>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.</li> </ul>	<ul style="list-style-type: none"> <li>All drill collar locations are shown in figures and all significant results are provided in this report.</li> <li>The report is considered balanced and provided in context.</li> </ul>
<b>Other substantive exploration data</b>	<ul style="list-style-type: none"> <li>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.</li> </ul>	<ul style="list-style-type: none"> <li>Drilling is currently widely spaced and further details will be reported in future releases when data is available.</li> </ul>
<b>Further work</b>	<ul style="list-style-type: none"> <li>The nature and scale of planned further work (e.g. tests for lateral extensions or depth extensions or large-scale step-out drilling).</li> <li>Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.</li> </ul>	<ul style="list-style-type: none"> <li>Follow up aircore drilling will be undertaken to test for strike extensions to mineralisation.</li> <li>Programs of follow up RC and diamond drilling aimed at extending resources at depth and laterally are underway.</li> </ul>