ASX: DEG

ASX ANNOUNCEMENT

27 May 2021

Significant extensional and impressive resource definition results at Falcon

Depth extensions include:

- **63.7m @ 1.5g/t Au from 263.3m in HERC408D**
- **69.4 @ 1.5g/t Au from 311.6m in HERC588D**
- **20.3 @ 1.4g/t Au from 491.5m in HERC580D**
- **Wide zones of intrusion intersected at depth on 160m line spacing to be followed up chasing higher grade lodes**

Resource definition drilling includes:

- **50m @ 3.9g/t Au from 56m in HERC583**
- **70m @ 2.4g/t Au from 144m in HERC724**
- **55.2m @ 2.3g/t Au from 164.8m in HERC553D**
- **101m @ 1.6g/t Au from 43m in HERC800**
- **34m @ 2.7g/t Au** from 44m in HERC599
- **26m @ 2.3g/t Au** from 124m in HERC584
- **46m @ 1.4g/t Au** from 110m in HERC587
- **54m @ 1.2g/t Au** from 222m in HERC428D

De Grey Manager Director, Glenn Jardine, commented:

"Extensional drilling at Falcon has identified strong mineralisation to 300 vertical metres. Mineralisation has also now been extended to 500 vertical metres in drilling on 160 metre line spacing. Drilling will continue at depth following higher grade lodes. Mineralisation remains open below 500 metres.

Resource definition drilling above 300 vertical metres has intersected strong mineralisation at encouraging gold grades over wide intervals. This drilling is being conducted to support the maiden resource estimate due for delivery in mid-2021.

The Company is also conducting RC drilling across Greater Hemi. Drilling continues to the west and north of Diucon and Eagle. A wide spaced RC drilling program is in progress at Scooby testing geochemical and induced polarisation (IP) anomalies. This drilling is expected to be completed in June with results following."

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De Grey Mining Limited (ASX: DEG, "De Grey", "Company") is pleased to provide the following drilling update at the Hemi Gold Discovery, located approximately 60km south of Port Hedland in Western Australia.

The Falcon intrusion is located approximately 600m west of Brolga and immediately south of Aquila. Strong mineralisation has been defined over a strike length of approximately 1km (Figure 1). The bedrock mineralisation is covered by approximately 40m of transported material. This cover is similar to the Aquila, Brolga and Crow deposits.

The mineralisation at Falcon is intimately associated with highly brecciated and extensively sulphide altered portions of the north-south orientated subvertical intrusion. The style and intensity of alteration and brecciation is similar to the nearby Aquila deposit.

Significant new gold results in drilling are provided in Table 1 and Figures 1–5.

Extensional Diamond Drilling

Step-out drilling to a depth of approximately 500 vertical metres is testing the potential for extensions to known mineralisation. A string of six initial step out holes (Figure 2) have been drilled at a 160 metre line spacing along the current 1km strike at Falcon. The initial step out holes, from north to south intersected:

- **20.3m @ 1.4g/t Au** from 491.5m and in HERC580D
- **11.8m @ 0.7g/t Au** from 471.2m in HERC579D
- **5.7m @ 0.6g/t Au** from 532.3m in HERC581D
- **63.7m @ 1.5g/t Au** from 263.3m in HERC408D
- **69.4 @ 1.5g/t Au** from 311.6m in HERC588D
- **7.0m @ 0.9g/t Au** from 361m in HERC589D

The deep holes at Falcon intersected wide zones of intrusion with mineralisation. The mineralised system remains open below 500 vertical metres. Drilling continues at Falcon to follow higher grade lodes below 300 vertical metres.

Section 7691920N (Figures 3) shows the continuity of mineralised system to at least 500m in HERC580D, and mineralisation remains open at depth. Section 7691400N (Figure 4) shows the mineralised system increasing in width and gold endowment below hole HERC263D in HERC408D and HERC588D and remains open at depth.

Resource Definition Drilling

Resource definition drilling continued at a nominal 40m x 40m spacing, with some sections still at 80m x 40m spacing to establish continuity for resource estimation purposes. This drilling has been conducted to a vertical depth of approximately 350m along the current 1,000m strike. Additional impressive intervals at Falcon include:

- **38m @ 1.1g/t Au** from 75m in HERC593
- **37m @ 1.6g/t Au** from 119m in HERC594D
- **12m @ 1.8g/t Au** from 47m in HERC592

Section 7691520N (Figure 5) shows wide zones of well mineralised intrusion through HERC553D and HERC416D with mineralisation remaining open at depth.

The Falcon intrusion extends for at least another 2km to the south of known mineralisation. Drilling across the southern area to date has not defined significant mineralisation. However, the bulk of this work is wide-spaced, shallow aircore drilling. Deeper RC drilling to effectively test this area in more detail is also currently in progress.

Figure 1: Falcon – Drilling location plan

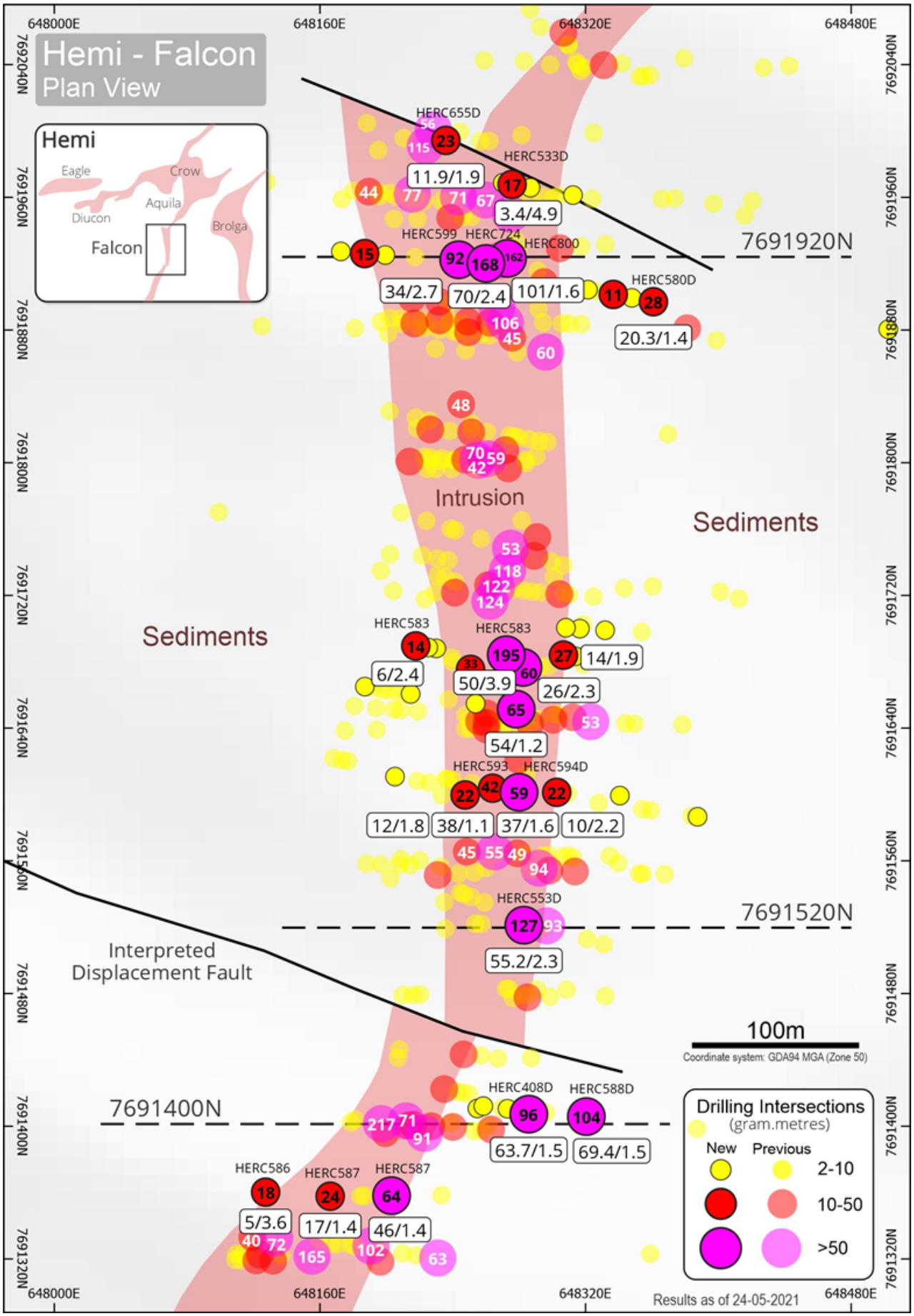


Figure 2 – Long Projection showing gold endowment (gram metres). Pierce points are located at the mid-point of drill hole intervals

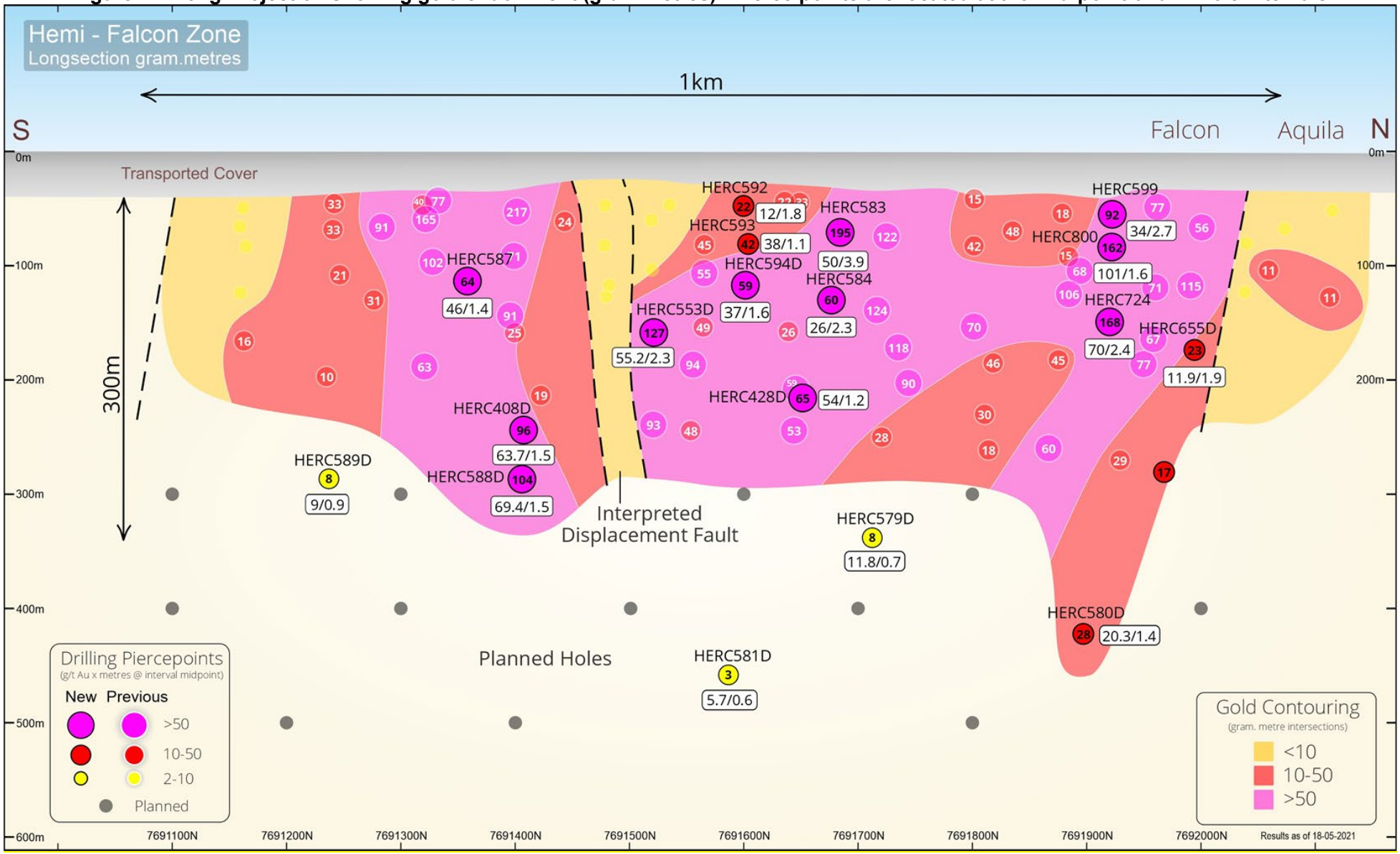


Figure 3: Falcon – Section 7691920N

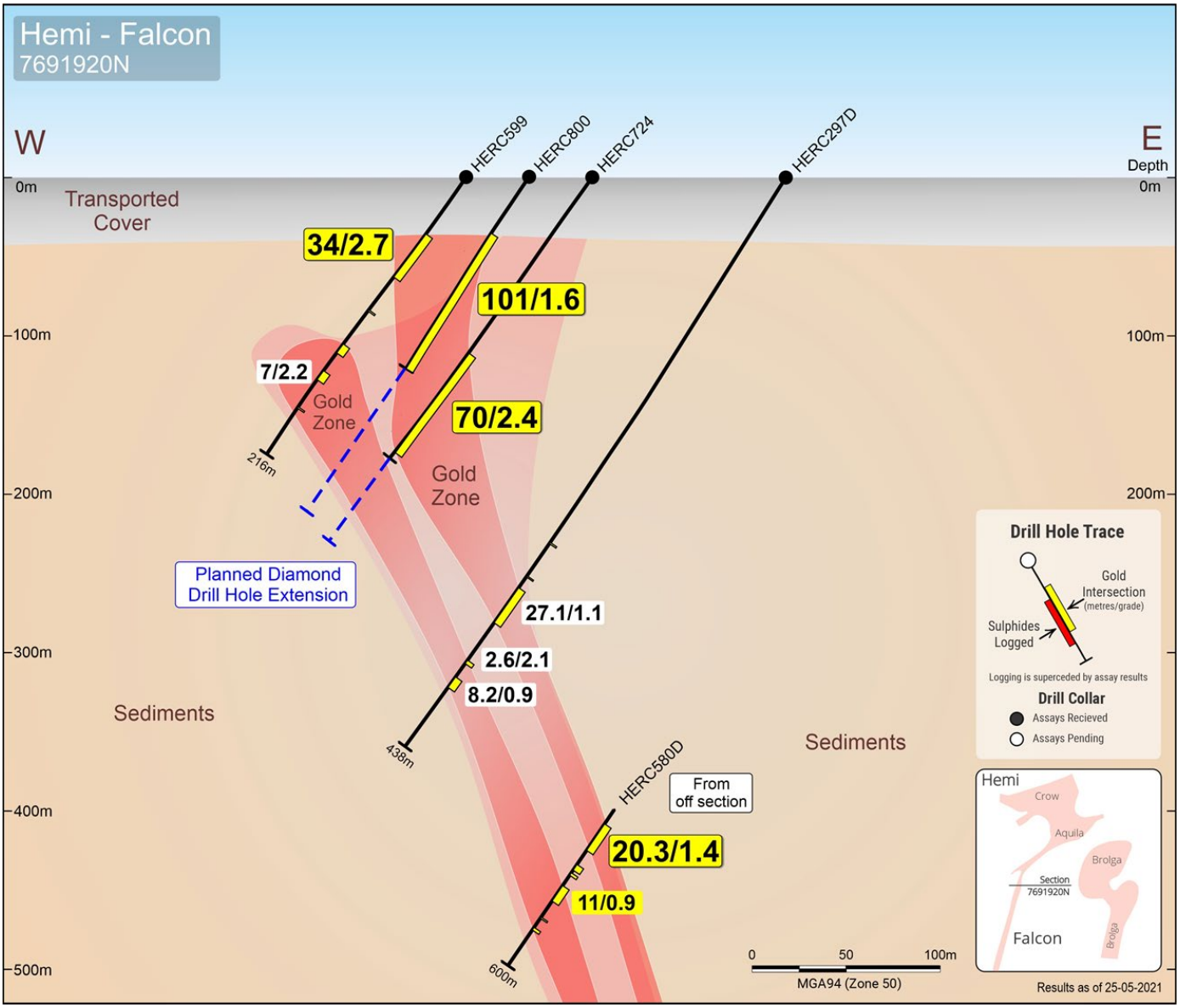


Figure 4: Falcon – Section 7691400N

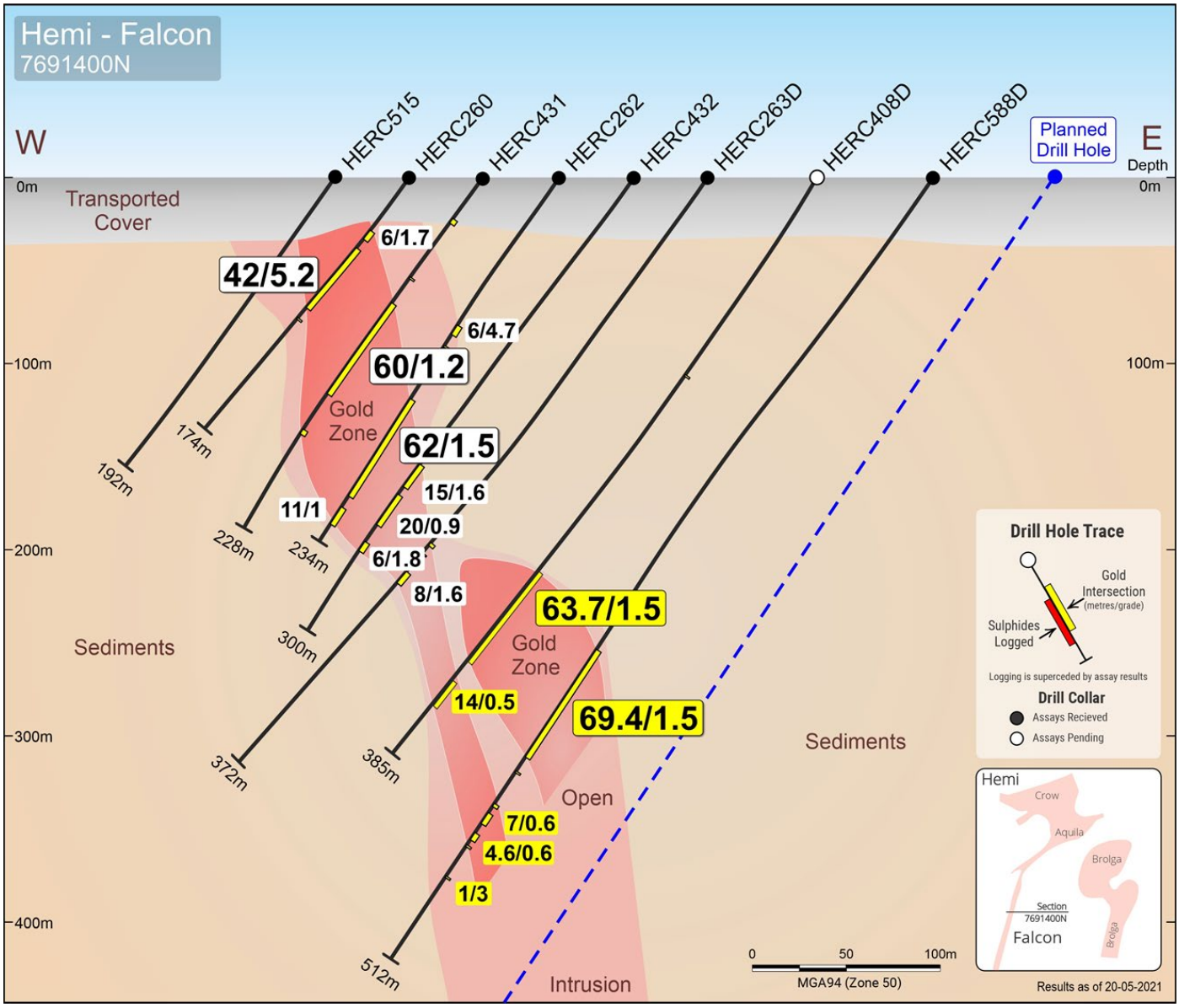
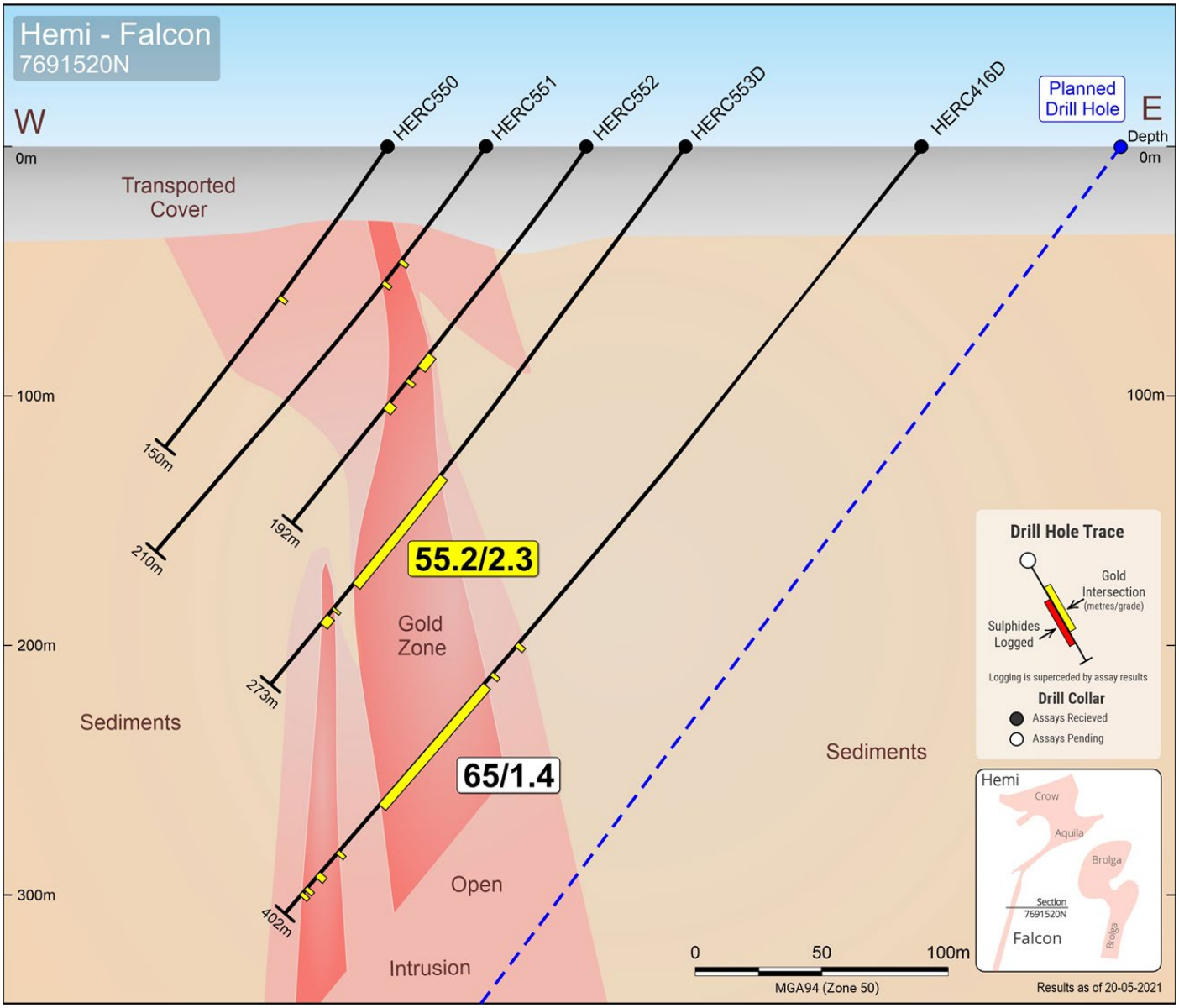


Figure 5: Falcon – Section 7691520N



This announcement has been authorised for release by the De Grey Board.
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Competent Person's Statement

The information in this report that relates to exploration results is based on, and fairly represents information and supporting documentation prepared by Mr. Phil Tornatora, a Competent Person who is a member of The 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 in the calendar year 2021 *that relates to Hemi Prospect include;*

- *Consistent extensive gold endowment at Falcon, 13 January 2021*
- *Diucon and Eagle: Two new intrusion hosted gold discoveries at Hemi, 29 January 2021*
- *Further metallurgical testwork confirms high gold recoveries, 16 February 2021*
- *Major depth extensions and new footwall lodes emerge at Falcon, 23 February 2021*
- *Crow – Aquila gold system continue to expand, 4 March 2021*
- *Rapid growth at Diucon and Eagle, 9 March 2021*
- *Extensional results show Brolga plunge potential, 16 March 2021*
- *Depth and strike extensions at Falcon, 8 April 2021*
- *Impressive resource definition drilling at Brolga, 13 April 2021*
- *Strong extension to Diucon and Eagle, 15 April 2021*
- *Strong mineralisation intersected at Crow and Aquila, 23 April 2021*
- *Large mineralised system confirmed at Diucon – Eagle, 4 May 2021*
- *High gold recoveries achieved at Aquila, 10 May 2021*

Table 1: Significant new results (>2 gram x m Au)

HoleID	Zone	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)	Hole Type
HERC406D	Falcon	326.0	328.5	2.5	1.4	648296	7691237	70	-56	270	372	DD
HERC408D	Falcon	263.3	327.0	63.7	1.5	648458	7691396	70	-60	272	385	DD
incl	Falcon	310.0	318.0	8.0	4.2	648458	7691396	70	-60	272	385	DD
HERC408D	Falcon	338.0	352.0	14.0	0.5	648458	7691396	70	-60	272	385	DD
HERC428D	Falcon	222.0	276.0	54.0	1.2	648410	7691641	69	-55	272	473	DD
HERC428D	Falcon	295.6	296.7	1.1	4.5	648410	7691641	69	-55	272	473	DD
HERC428D	Falcon	369.2	372.4	3.2	1.3	648410	7691641	69	-55	272	473	DD
HERC428D	Falcon	422.0	425.0	3.0	1.2	648410	7691641	69	-55	272	473	DD
HERC533D	Falcon	254.0	258.0	4.0	1.1	648449	7691959	69	-55	268	379	DD
HERC533D	Falcon	303.1	307.0	3.9	0.7	648449	7691959	69	-55	268	379	DD
HERC533D	Falcon	324.4	327.8	3.4	4.9	648449	7691959	69	-55	268	379	DD
HERC533D	Falcon	332.0	341.3	9.3	0.6	648449	7691959	69	-55	268	379	DD
HERC553D	Falcon	164.8	220.0	55.2	2.3	648398	7691519	69	-55	272	273	DD
incl	Falcon	203.0	216.4	13.4	4.3	648398	7691519	69	-55	272	273	DD
HERC579D	Falcon	454.0	459.0	5.0	0.7	648639	7691720	69	-56	269	642	DD
HERC579D	Falcon	471.2	483.0	11.8	0.7	648639	7691720	69	-56	269	642	DD
HERC579D	Falcon	488.0	489.0	1.0	2.1	648639	7691720	69	-56	269	642	DD
HERC580D	Falcon	491.5	511.8	20.3	1.4	648638	7691879	69	-56	270	600	DD
HERC580D	Falcon	522.6	527.0	4.4	0.5	648638	7691879	69	-56	270	600	DD
HERC580D	Falcon	538.8	550.8	11.9	0.9	648638	7691879	69	-56	270	600	DD
HERC580D	Falcon	571.0	573.0	2.0	1.7	648638	7691879	69	-56	270	600	DD
HERC581D	Falcon	532.3	538.0	5.7	0.6	648669	7691560	70	-55	274	1222	DD
HERC583	Falcon	56.0	106.0	50.0	3.9	648319	7691680	69	-56	273	216	RC
incl	Falcon	66.0	72.0	6.0	12.3	648319	7691680	69	-56	273	216	RC
incl	Falcon	91.0	95.0	4.0	16.6	648319	7691680	69	-56	273	216	RC
HERC583	Falcon	150.0	151.0	1.0	5.0	648319	7691680	69	-56	273	216	RC
HERC583	Falcon	156.0	161.0	5.0	1.1	648319	7691680	69	-56	273	216	RC
incl	Falcon	156.0	157.0	1.0	4.4	648319	7691680	69	-56	273	216	RC
HERC583	Falcon	168.0	174.0	6.0	2.4	648319	7691680	69	-56	273	216	RC
HERC584	Falcon	124.0	150.0	26.0	2.3	648359	7691680	69	-57	268	228	RC
incl	Falcon	132.0	140.0	8.0	4.9	648359	7691680	69	-57	268	228	RC
HERC584	Falcon	179.0	209.0	30.0	1.1	648359	7691680	69	-57	268	228	RC
incl	Falcon	184.0	185.0	1.0	5.6	648359	7691680	69	-57	268	228	RC
HERC585	Falcon	166.0	173.0	7.0	0.8	648400	7691680	69	-57	269	192	RC
HERC585	Falcon	178.0	192.0	14.0	1.9	648400	7691680	69	-57	269	192	RC
incl	Falcon	180.0	181.0	1.0	16.9	648400	7691680	69	-57	269	192	RC
HERC586	Falcon	53.0	58.0	5.0	3.6	648159	7691359	70	-55	271	60	RC
incl	Falcon	54.0	56.0	2.0	7.3	648159	7691359	70	-55	271	60	RC
HERC587	Falcon	110.0	156.0	46.0	1.4	648279	7691359	70	-55	269	206	RC
HERC587	Falcon	189.0	206.0	17.0	1.4	648279	7691359	70	-55	269	206	RC
incl	Falcon	189.0	191.0	2.0	4.9	648279	7691359	70	-55	269	206	RC
HERC588D	Falcon	311.6	381.0	69.4	1.5	648521	7691399	70	-56	270	512	DD

HoleID	Zone	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)	Hole Type
incl	Falcon	374.0	375.0	1.0	6.4	648521	7691399	70	-56	270	512	DD
incl	Falcon	379.0	380.2	1.2	9.6	648521	7691399	70	-56	270	512	DD
HERC588D	Falcon	417.0	424.0	7.0	0.6	648521	7691399	70	-56	270	512	DD
HERC588D	Falcon	429.9	434.5	4.6	0.6	648521	7691399	70	-56	270	512	DD
HERC588D	Falcon	458.0	459.0	1.0	3.0	648521	7691399	70	-56	270	512	DD
HERC589D	Falcon	361.0	368.0	7.0	0.9	648458	7691238	70	-55	271	501	DD
HERC592	Falcon	47.0	59.0	12.0	1.8	648279	7691600	69	-55	269	180	RC
incl	Falcon	49.0	50.0	1.0	12.8	648279	7691600	69	-55	269	180	RC
HERC593	Falcon	75.0	113.0	38.0	1.1	648319	7691599	69	-56	272	192	RC
incl	Falcon	80.0	83.0	3.0	3.5	648319	7691599	69	-56	272	192	RC
HERC593	Falcon	189.0	192.0	3.0	1.3	648319	7691599	69	-56	272	192	RC
HERC594D	Falcon	119.0	156.0	37.0	1.6	648359	7691599	69	-56	271	217	RC
incl	Falcon	142.0	147.0	5.0	4.0	648359	7691599	69	-56	271	217	RC
HERC595D	Falcon	103.0	104.0	1.0	4.1	648400	7691599	69	-56	270	411	RC
HERC595D	Falcon	170.0	180.0	10.0	2.2	648400	7691599	69	-56	270	411	RC
incl	Falcon	176.0	178.0	2.0	6.3	648400	7691599	69	-56	270	411	RC
HERC596	Falcon	101.0	102.0	1.0	7.6	648559	7691880	69	-56	270	192	RC
HERC599	Falcon	44.0	78.0	34.0	2.7	648279	7691921	69	-56	272	216	RC
incl	Falcon	56.0	58.0	2.0	8.4	648279	7691921	69	-56	272	216	RC
incl	Falcon	67.0	69.0	2.0	22.0	648279	7691921	69	-56	272	216	RC
HERC599	Falcon	131.0	138.0	7.0	0.5	648279	7691921	69	-56	272	216	RC
HERC599	Falcon	152.0	159.0	7.0	2.2	648279	7691921	69	-56	272	216	RC
HERC599	Falcon	180.0	181.0	1.0	2.1	648279	7691921	69	-56	272	216	RC
HERC655D	Falcon	203.1	215.0	11.9	1.9	648360	7692000	69	-55	269	276	DD
incl	Falcon	203.1	204.2	1.1	14.1	648360	7692000	69	-55	269	276	DD
HERC695	Falcon	91.0	102.0	11.0	0.6	648406	7692114	68	-55	327	144	RC
HERC724	Falcon	144.0	214.0	70.0	2.4	648359	7691920	69	-54	273	219	RC
incl	Falcon	175.0	177.0	2.0	44.8	648359	7691920	69	-54	273	219	RC
HERC800	Falcon	43.0	144.0	101.0	1.6	648319	7691920	69	-55	269	144	RC
incl	Falcon	48.0	50.0	2.0	8.1	648319	7691920	69	-55	269	144	RC
incl	Falcon	92.0	95.0	3.0	4.9	648319	7691920	69	-55	269	144	RC
incl	Falcon	136.0	138.0	2.0	8.5	648319	7691920	69	-55	269	144	RC

Section 1 Sampling Techniques and Data

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

Criteria	JORC Code explanation	Commentary
Sampling techniques	• *Nature and quality of sampling (e.g. cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc.). These examples should not be taken as limiting the broad meaning of sampling.* • *Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.* • *Aspects of the determination of mineralisation that are Material to the Public Report.* • *In cases where 'industry standard' work has been done this would be relatively simple (e.g. 'reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30 g charge for fire assay'). In other cases, more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (e.g. submarine nodules) may warrant disclosure of detailed information.*	• All drilling and sampling was undertaken in an industry standard manner • Core samples were collected with a diamond rig drilling mainly 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. HQ and PQ core was quartered, with one quarter sent for assay. Holes were sampled over mineralised intervals to geological boundaries on a nominal 1m basis. • Sample weights ranged from 2-4kg • 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 • 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. • The independent laboratory pulverises the entire sample for analysis as described below. • Industry prepared independent standards are inserted approximately 1 in 20 samples. • The independent laboratory then takes the samples which are dried, split, crushed and pulverized prior to analysis as described below. • Sample sizes are considered appropriate for the material sampled. • The samples are considered representative and appropriate for this type of drilling. Diamond core and RC samples are appropriate for use in a resource estimate.
Drilling techniques	• *Drill type (e.g. core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc.) and details (e.g. core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc.).*	• Diamond core diameters are - NQ2 (51mm), HQ3 (61mm), PQ (85mm). • Reverse Circulation (RC) holes were drilled with a 5 1/2-inch bit and face sampling hammer. • Aircore holes were drilled with an 83mm diameter blade bit.
Drill sample recovery	• *Method of recording and assessing core and chip sample recoveries and results assessed.* • *Measures taken to maximise sample recovery and ensure representative nature of the samples.* • *Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of*	• 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. • RC and aircore samples were visually assessed for recovery. • Samples are considered representative

Criteria	JORC Code explanation	Commentary
	fine/coarse material.	with generally good recovery. Deeper RC and aircore holes encountered water, with some intervals having less than optimal recovery and possible contamination. • No sample bias is observed.
Logging	• *Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies.* • *Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc.) photography.* • *The total length and percentage of the relevant intersections logged.*	• The entire hole has been geologically logged and core was photographed by Company geologists, with systematic sampling undertaken based on rock type and alteration observed • RC and diamond sample results are appropriate for use in a resource estimation, except where sample recovery is poor. • The aircore results provide a good indication of mineralisation but are not used in resource estimation.
Sub-sampling techniques and sample preparation	• *If core, whether cut or sawn and whether quarter, half or all core taken.* • *If non-core, whether riffled, tube sampled, rotary split, etc. and whether sampled wet or dry.* • *For all sample types, the nature, quality and appropriateness of the sample preparation technique.* • *Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.* • *Measures taken to ensure that the sampling is representative of the in-situ material collected, including for instance results for field duplicate/second-half sampling.* • *Whether sample sizes are appropriate to the grain size of the material being sampled.*	• Core samples were collected with a diamond drill rig drilling NQ2, HQ3 or PQ 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. HQ and PQ core was quartered, with one quarter sent for assay. Holes were sampled over mineralised intervals to geological boundaries on a nominal 1m basis. • 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. • 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. • 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 • Core and RC samples are appropriate for use in a resource estimate. • Aircore samples are generally of good quality and appropriate for delineation of geochemical trends but are not generally used in resource estimates.

Criteria	JORC Code explanation	Commentary
Quality of assay data and laboratory tests	• *The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.* • *For geophysical tools, spectrometers, handheld XRF instruments, etc., the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc.* • *Nature of quality control procedures adopted (e.g. standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (i.e. lack of bias) and precision have been established.*	• The samples were submitted to a commercial independent laboratory in Perth, Australia. • For diamond core and RC samples Au was analysed by a 50g charge Fire assay fusion technique with an AAS finish and multi-elements by ICPAES and ICPMS • 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 • 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	• *The verification of significant intersections by either independent or alternative company personnel.* • *The use of twinned holes.* • *Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.* • *Discuss any adjustment to assay data.*	• Sample results have been 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	• *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.*	• Diamond and RC drill hole collar locations are located by DGPS to an accuracy of +/-10cm. • Aircore hole collar locations are located by DGPS to an accuracy of +/-10cm., or by handheld GPS to an accuracy of 3m. • Locations are given in GDA94 zone 50 projection • Diagrams and location table are provided in the report • Topographic control is by detailed airphoto and Differential GPS data.
Data spacing and distribution	• *Data spacing for reporting of Exploration Results.* • *Whether the data spacing, and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied.* • *Whether sample compositing has been applied.*	• Drill spacing varies from 40m x 40m to 80m x 40m. • All holes have been geologically logged and provide a strong basis for geological control and continuity of mineralisation. • It has not yet been determined if data spacing and distribution of RC and diamond drilling 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
Orientation of data in relation to geological structure	• *Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.* • *If the relationship between the drilling orientation*	• 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.

Criteria	JORC Code explanation	Commentary
	and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material.	• 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.
Sample security	• *The measures taken to ensure sample security.*	• Samples were collected by company personnel and delivered direct to the laboratory via a transport contractor.
Audits or reviews	• *The results of any audits or reviews of sampling techniques and data.*	• No audits have been completed. Review of QAQC data has been carried out by 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	• *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.*	• Drilling occurs on various tenements held by De Grey Mining Ltd or its 100% owned subsidiaries. • The Hemi Prospect is approximately 60km SSW of Port Hedland.
Exploration done by other parties	• *Acknowledgment and appraisal of exploration by other parties.*	• The tenements have had various levels of 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.
Geology	• *Deposit type, geological setting and style of mineralisation.*	• Mineralisation is related to sulphides within brecciated and altered host rocks. Host rocks comprise igneous rocks intruding Mallina Basin metasediments. Style is similar to some other Western Australian gold deposits.
Drill hole Information	• *A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill holes:* • *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.*	• Drill hole location and directional information provide in the report.

Criteria	JORC Code explanation	Commentary
Data aggregation methods	• *In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (e.g. cutting of high grades) and cut-off grades are usually Material and should be stated.* • *Where aggregate intercepts incorporate short lengths of high grade results and longer lengths of low grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail.* • *The assumptions used for any reporting of metal equivalent values should be clearly stated.*	• Results are reported to a minimum cutoff grade of 0.5g/t gold with an internal dilution of 4m maximum. • Higher grade intervals included in the above intercepts are reported at a 3g/t Au lower cut with an internal dilution of 2m maximum. • Intercepts are length weighted averaged. • No maximum cuts have been made.
Relationship between mineralisation widths and intercept lengths	• *These relationships are particularly important in the reporting of Exploration Results.* • *If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.* • *If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (e.g. 'down hole length, true width not known').*	• The drill holes are interpreted to be approximately perpendicular to the strike of mineralisation. • Drilling is not always perpendicular to the dip of mineralisation and true widths are less than downhole widths. Estimates of true widths will only be possible when all results are received, and final geological interpretations have been completed.
Diagrams	• *Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported These should include, but not be limited to a plan view of drill hole collar locations and appropriate sectional views.*	• Plans and sections are provided in the report.
Balanced reporting	• *Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results.*	• All drill collar locations are shown in figures and all significant results are provided in this report. • The report is considered balanced and provided in context.
Other substantive exploration data	• *Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples – size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances.*	• Drilling is currently widely spaced and further details will be reported in future releases when data is available.
Further work	• *The nature and scale of planned further work (e.g. tests for lateral extensions or depth extensions or large-scale step-out drilling).* • *Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.*	• Follow up aircore drilling will be undertaken to test for strike extensions to mineralisation. • Programs of follow up RC and diamond drilling aimed at extending resources at depth and laterally are underway.