DE GREY MINING LTD

ASX: DEG

ASX ANNOUNCEMENT

17 December 2021

Diucon extended to 550m depth and remains open

Broad zones of high grade mineralisation intersected near surface

- New resource definition results include:
  - **63m @ 4.3g/t Au** from 87m in HERC770
  - **49.9m @ 3.0g/t Au** from 83.2m in HEDD106
  - **27m @ 5.3g/t Au** from 55m in HERC787
  - **19m @ 5.9g/t Au** from 204m in HERC786 and
  - **6.7m @ 8.5g/t Au** from 40.3m and **4.5 @ 3.5g/t Au** from 54.0m and **14.2m @ 6.3g/t Au** from 67.0m in HEDD060 including visible gold at 71m
- Extensions to the maiden Hemi mineral resource estimate (**MRE**) and scoping study pit shells include:
  - **130.8m @ 0.9g/t Au*** from 376m in HEDD101, including **21m @ 1.3g/t Au** from 384.04m and **38m @ 1.6g/t Au** from 437m (100m below the maiden MRE and 200m below the base of the Scoping Study pit design)
  - **25m @ 1.1g/t Au** from 722m (300m below the maiden MRE and 300m below the Scoping Study pit design) in HERC959D
- Drilling at Diucon and Eagle has intersected broad zones of mineralised intrusive in resource definition and extensional drilling including high grade mineralisation associated with quartz-carbonate veining, sericite-albite alteration and visible gold.
- Extensional drilling at depth and to the south of Diucon and to the west towards Antwerp continues.

De Grey General Manager Exploration, Phil Tornatora, commented:

"Recent drilling at Diucon has increased the depth of mineralisation to approximately 550m below surface.

Zones of higher gold grades, commonly associated with visible gold, continue to be intersected.

The southern lodes have been tested to a maximum depth of only around 200m vertically, and drilling is extending these at depth. In addition, the main zones of mineralisation continue to be extended along strike to the west and at depth, all of which are expected to contribute to an upgraded resource base at Diucon.

Infill drilling is also being conducted to increase the resource confidence from JORC Inferred to Indicated classification.

This week marks the second anniversary of the announcement of the Hemi discovery in aircore drilling"

***Intervals calculated at 0.3g/t Au cut-off grade**

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De Grey Mining Limited (ASX: DEG, "De Grey" or the "Company") is pleased to report these latest resource definition results from the Diucon deposit at Hemi. The gold mineralisation at Diucon shows similar alteration and sulphide development as seen at the adjacent deposits of Aquila, Brolga, Crow, Falcon and Eagle. Like Eagle, Diucon also shows overprinting quartz veins which can carry high gold grades.

The mineralised intrusion at Diucon has now been intersected to 300m in width, 550m depth and over 1,000m along strike and remains open in all directions. Ongoing drilling at Diucon and Eagle demonstrate potential to increase gold endowment at both prospects through extensions to the maiden Hemi mineral resource estimate (**MRE**) and increased grade.

Both extension and infill drilling are currently underway at Diucon and Eagle. RC and diamond holes are targeting depth extensions and additional lodes to the south. Drilling is also targeting down plunge extensions to the SW towards Antwerp. Resource definition drilling to a 40m x 40m spacing above approximately 400 vertical metres is currently being prioritised to increase the resource confidence level from JORC Inferred to Indicated in areas of Diucon and Eagle proposed to be mined by open pit methods. Resource definition drilling for the PFS will continue into the first quarter of 2022. Resource extension drilling at Diucon and the other zones at Hemi will continue throughout 2022.

New drill intercepts are provided in Table 1 (at a 0.5g/t Au cut-off grade) and Table 2 (at a 0.3g/t Au cut-off grade).

Significant Infill Drill Results

Section 28720E

- **18m @ 2.2g/t Au** from 114m in HERC784
- **19m @ 5.9g/t Au** from 204m in HERC786

Section 28800E

- **27m @ 5.3g/t** Au from 55m in HERC787

Section 28840E (Figure 3):

- **76.9m @ 2.2g/t Au*** from 56.1m in HEDD106, including **49.9 @ 3.0g/t Au** from 83.2m

Section 28880E (Figure 4)

- **63m @ 4.3g/t Au** from 87m in HERC770
- **56m @ 2.0g/t Au** from 136m in HERC776
- **17m @ 3.5g/t Au** from 70m in HERC772D and **72m @ 0.8g/t Au*** from 175m in HERC772D including **16m @ 1.5g/t Au** from 224m

Section 28920E (Figure 5)

- **42.5m @ 3.9g/t Au*** from 38.7m in HEDD060 including **6.7m @ 8.5g/t Au** from 40.3m, **4.5 @ 3.5g/t Au** from 54.0m and **14.2m @ 6.3g/t Au** from 67.0m in HEDD060 (infill). Includes visible gold at 71m (Figure 1)
- **48m @ 1.5g/t Au** from 33.0m and **22.8m @ 1.8g/t Au** from 98.0m and **25.2m @ 1.5g/t Au** from 151.6m in HEDD061

Section 29000E

- **52.8m @ 1.5g/t Au** from 27.7m in HEDD208, with results pending for the remaining holes on this section

***Intervals calculated at 0.3g/t Au cut-off grade**

Significant Extensional Drill Results

Section 28640E

- **130.8m @ 0.9g/t Au*** from 376m in HEDD101, including **21m @ 1.3g/t Au** from 384.04m and **38m @ 1.6g/t Au** from 437m (100m below the maiden MRE and 200m below the base of the Scoping Study pit design)

Section 28760E (Figure 6)

- **47m @ 0.9g/t Au*** from 700m in HERC959D, including **25m @ 1.1g/t Au** from 722m (300m below the maiden MRE and 300m below the Scoping Study pit design)

Section 28960E

- **28m @ 1.1g/t Au** from 242m in HEDD200 (extending the southern lode, open below)
- **32m @ 0.6g/t Au** from 303m and **15m @ 1.1g/t Au** from 345m in HEDD102 (70m below the maiden MRE)
- **25m @ 1.1g/t Au** from 314m in HERC898D

Section 29040E

- **11.4m @ 1.6g/t Au** from 267m in HERC437DW1 (100m below Scoping Study pit design)

***Intervals calculated at 0.3g/t Au cut-off grade**

Figure 1 Visible gold in HEDD060, 71m depth

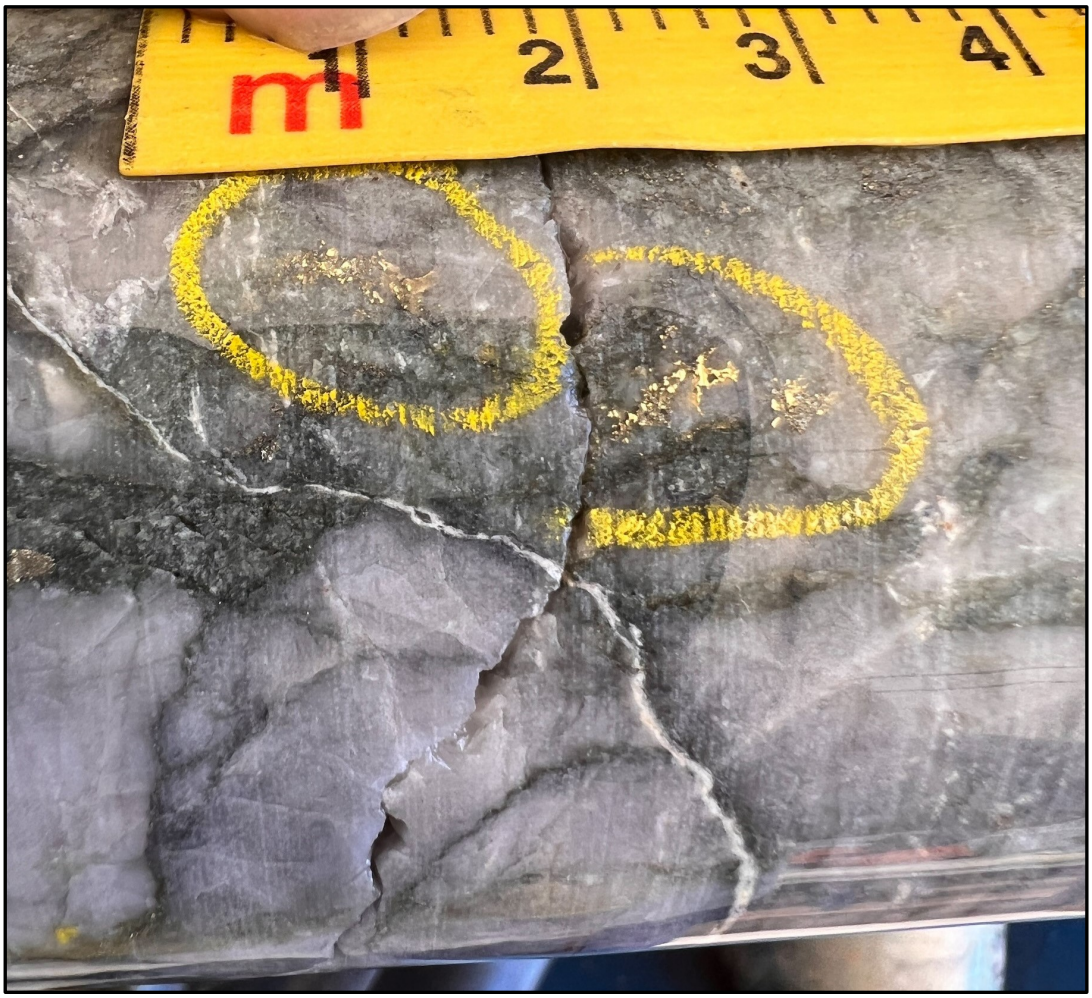


Figure 2 Plan of Diucon

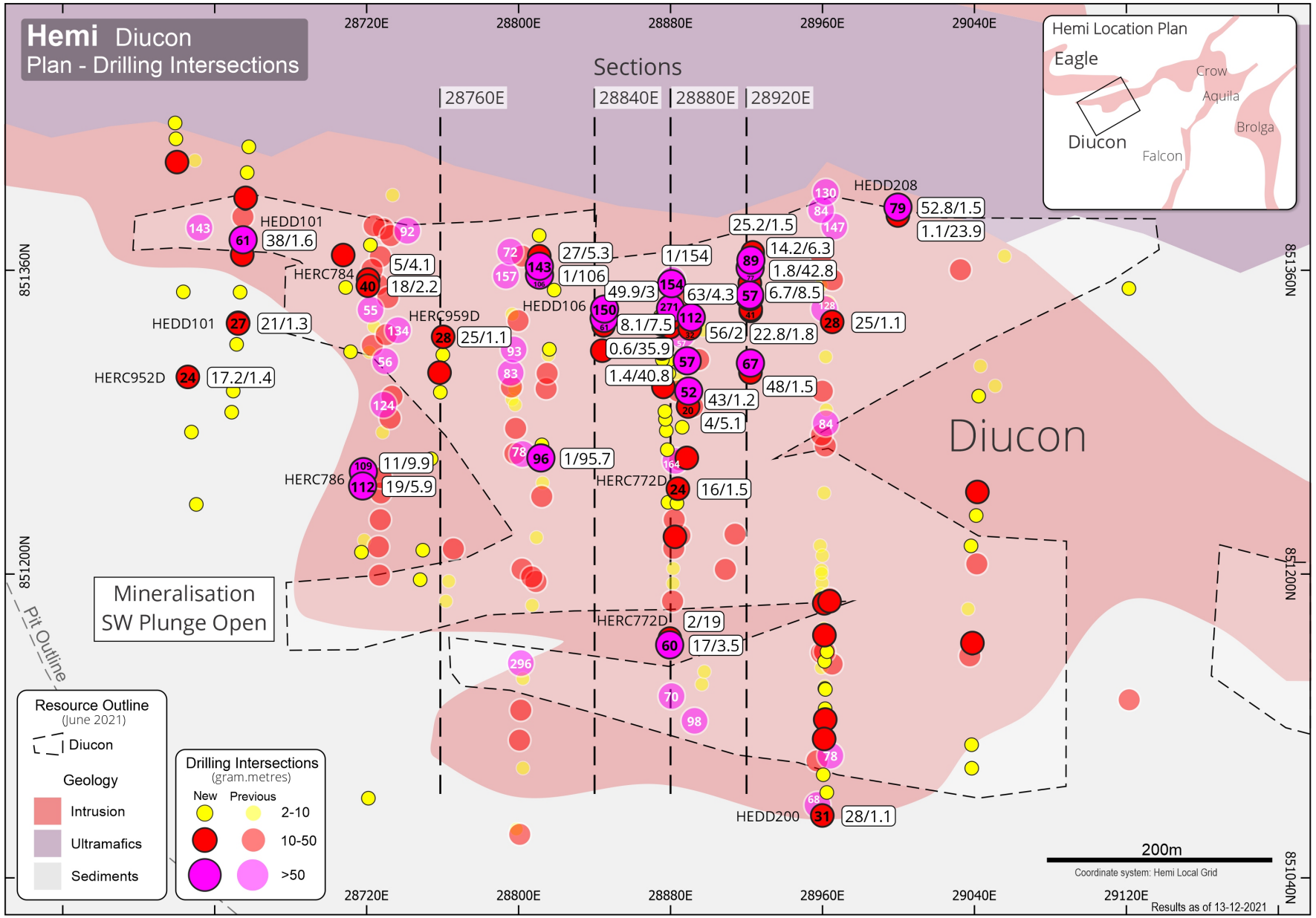


Figure 3 Diucon Section 28840E

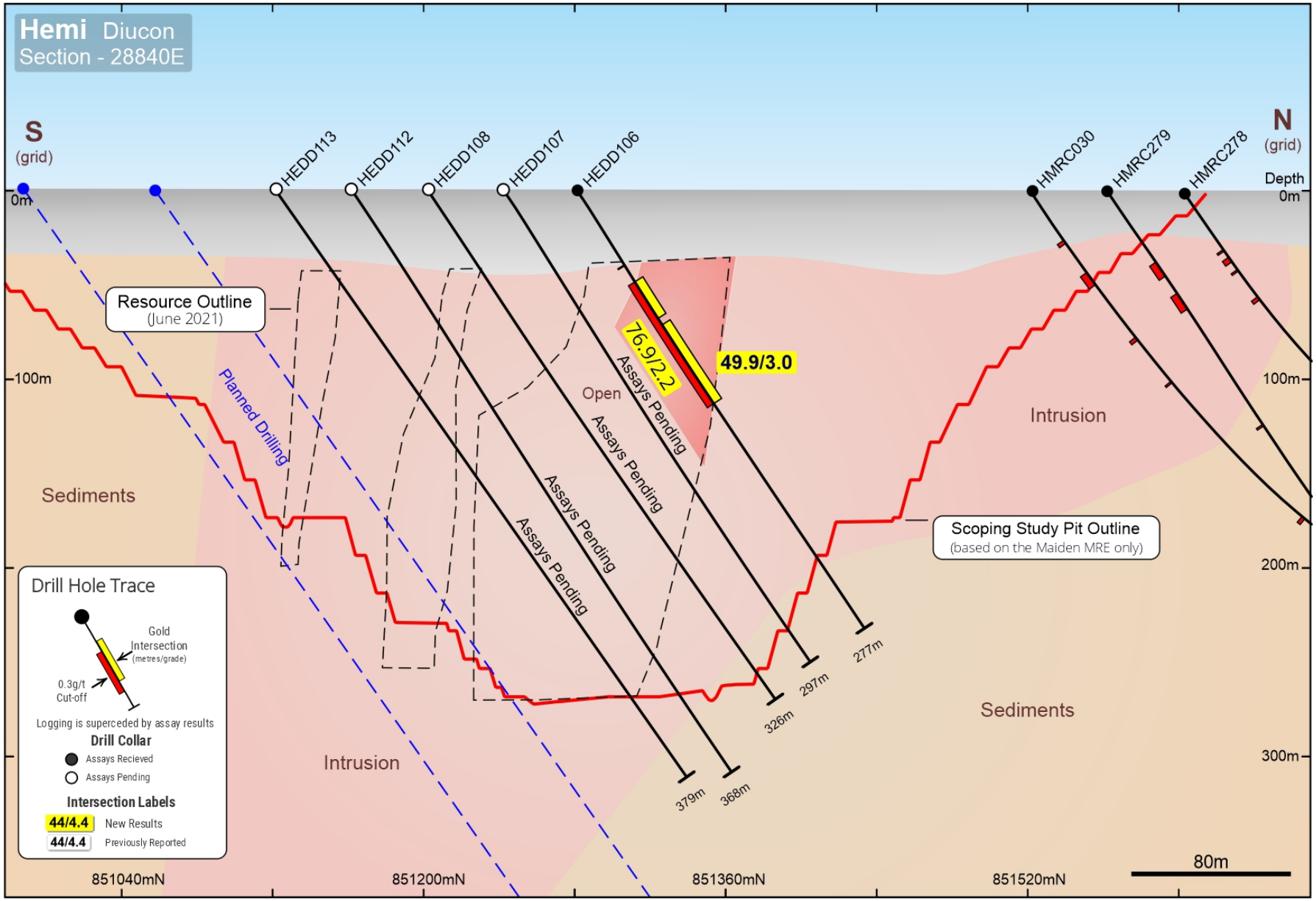


Figure 4 Diucon Section 28880E

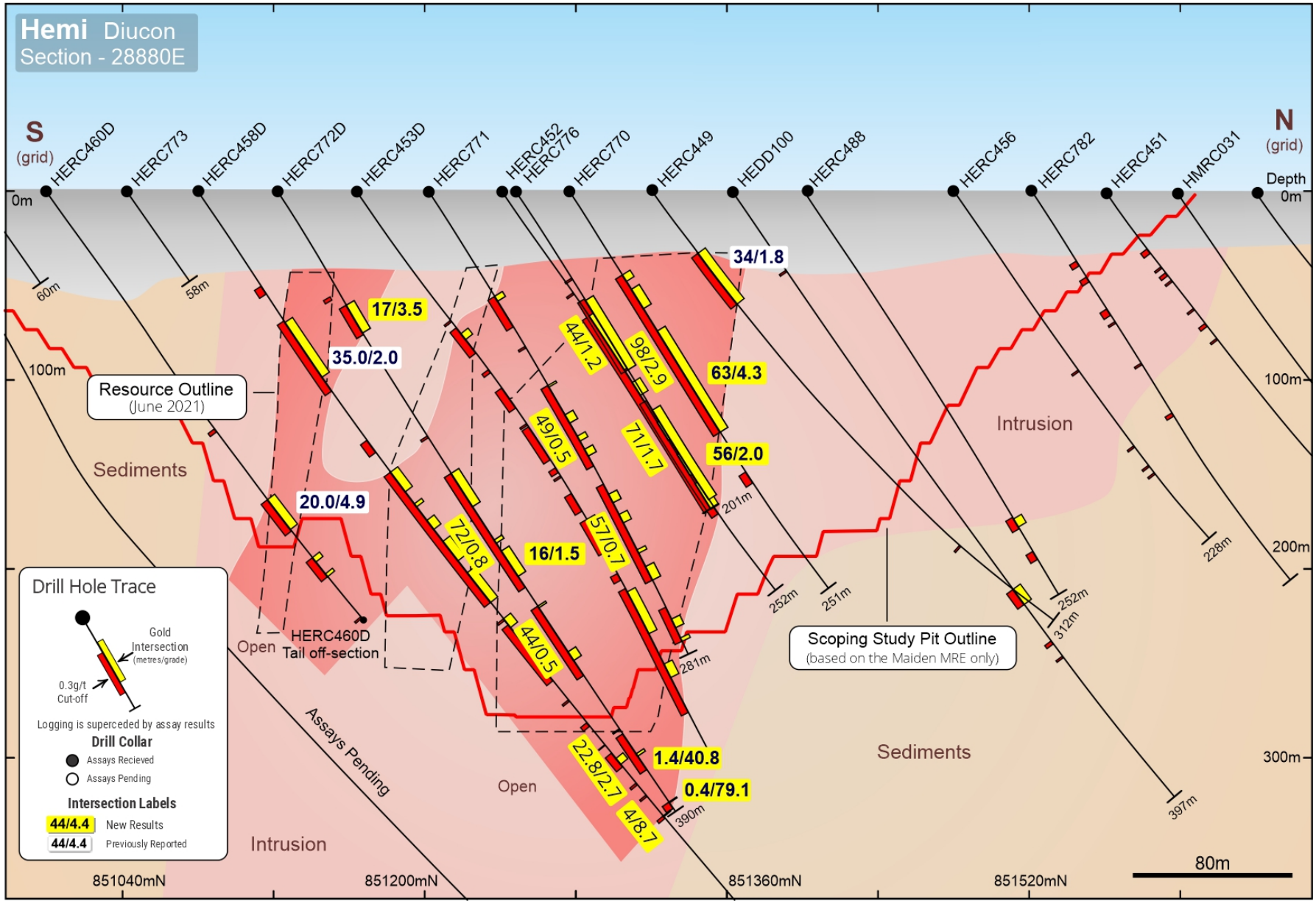


Figure 5 Diucon Section 28920E

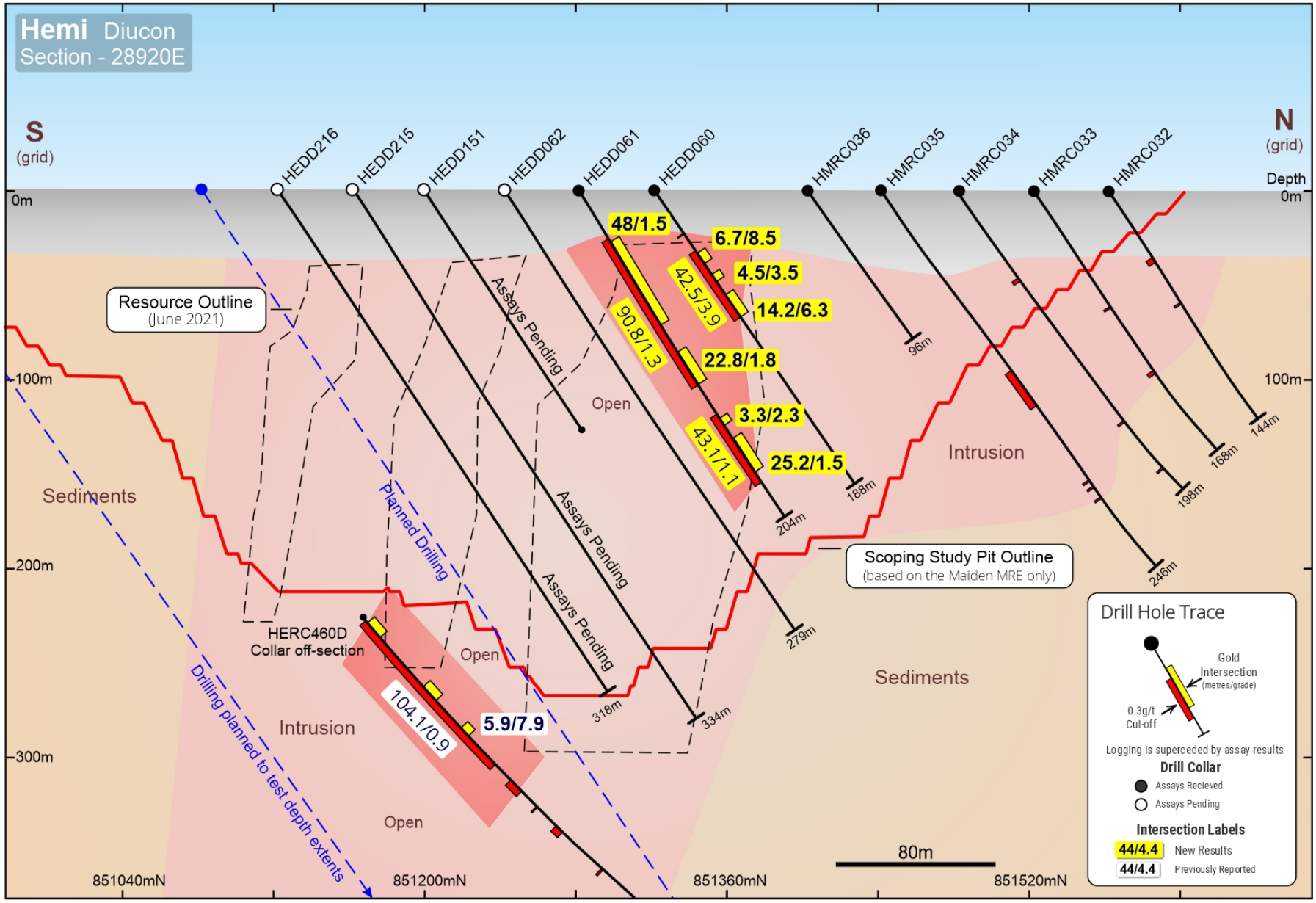
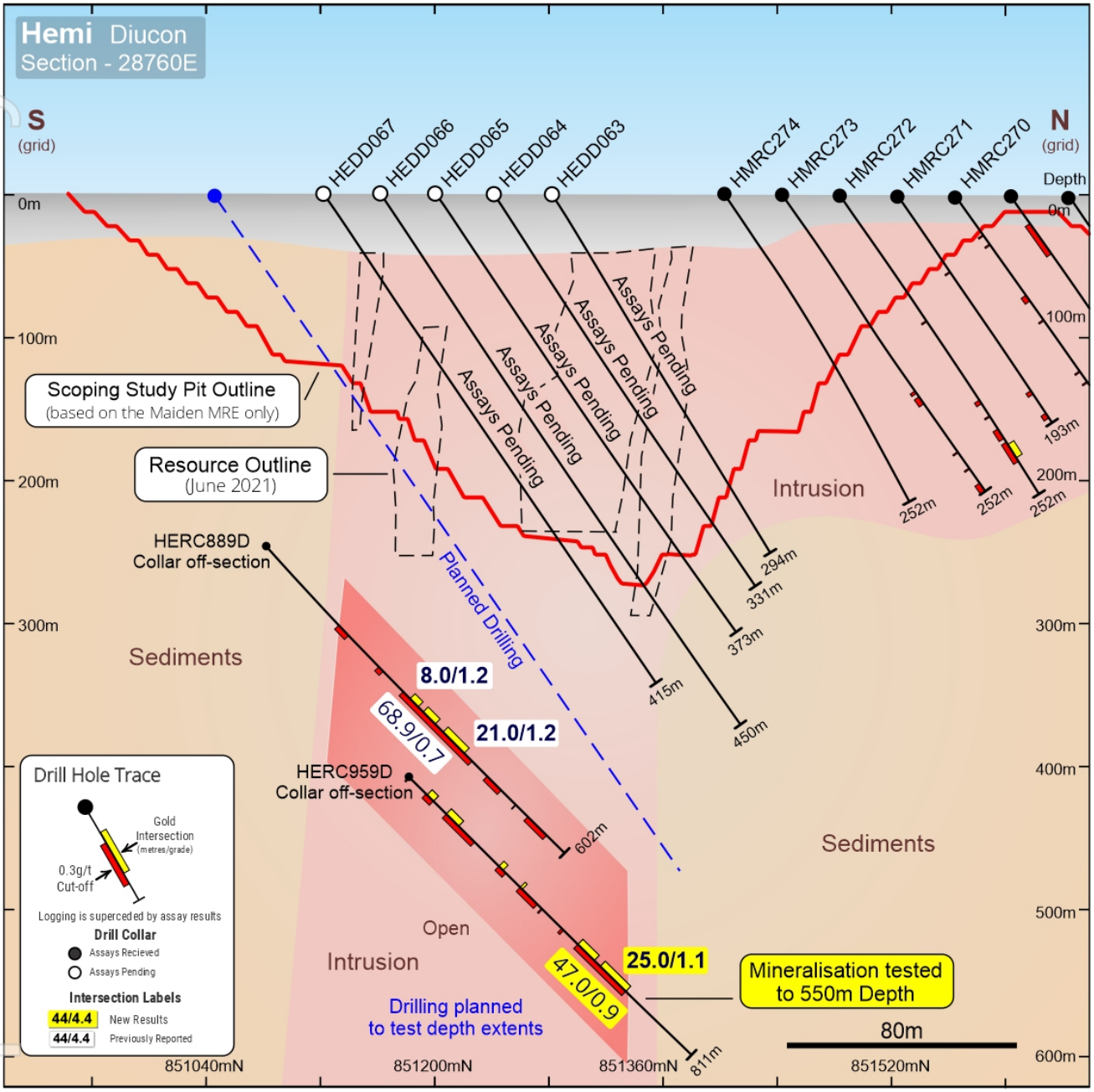


Figure 6 Diucon Section 28760E



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 *that relates to Hemi Prospect includes:*

Resources and Studies:

- *2020 Mallina Gold Project Resource update, 2 April 2020*
- *6.8Moz Hemi Maiden Mineral Resource drives Mallina Gold Project, 23 June 2021*
- *De Grey Mining Mallina Gold Project Scoping Study, 5 October 2021*

Exploration results at Hemi, announced during calendar year 2021:

- *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*
- *Significant extensional and impressive resource definition results at Falcon, 27 May 2021*
- *Encouraging results continue at Diucon-Eagle, 1 June 2021*
- *Diucon - compelling new results, 22 July 2021*
- *New results substantially extend Eagle, 9 August 2021*
- *Diucon – depth, width and strike extensions, 1 September 2021*
- *Eagle extensions to the west and at depth, 9 September 2021*
- *High gold recoveries also achieved at Falcon and Crow, 21 September 2021*
- *Greater Hemi Corridor Update, 30 September 2021*
- *Consistent infill results in Brolga Stage 1 pit, 11 November 2021*
- *High grade in extensional and infill drilling at Eagle, 10 December 2021*

Table 1: Significant new results (>2 gram x m Au) - Intercepts - 0.5g/t Au lower cut, 4m maximum internal waste, >2gm

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
HEDD060	Diucon	40.3	47.0	6.7	8.5	647205	7692437	67	-55	331	188	DD
incl	Diucon	44.7	45.8	1.1	49.8	647205	7692437	67	-55	331	188	DD
HEDD060	Diucon	54.0	58.5	4.5	3.5	647205	7692437	67	-55	331	188	DD
incl	Diucon	58.1	58.5	0.4	18.0	647205	7692437	67	-55	331	188	DD
HEDD060	Diucon	67.0	81.2	14.2	6.3	647205	7692437	67	-55	331	188	DD
incl	Diucon	69.9	71.7	1.8	42.8	647205	7692437	67	-55	331	188	DD
HEDD061	Diucon	33.0	81.0	48.0	1.5	647226	7692403	67	-57	330	204	DD
incl	Diucon	47.0	48.0	1.0	14.6	647226	7692403	67	-57	330	204	DD
incl	Diucon	56.0	57.0	1.0	12.6	647226	7692403	67	-57	330	204	DD
HEDD061	Diucon	98.0	120.8	22.8	1.8	647226	7692403	67	-57	330	204	DD
incl	Diucon	110.8	111.5	0.8	34.1	647226	7692403	67	-57	330	204	DD
HEDD061	Diucon	141.0	144.3	3.3	2.3	647226	7692403	67	-57	330	204	DD
incl	Diucon	144.0	144.3	0.4	14.6	647226	7692403	67	-57	330	204	DD
HEDD061	Diucon	151.6	176.8	25.2	1.5	647226	7692403	67	-57	330	204	DD
incl	Diucon	166.0	166.7	0.7	14.5	647226	7692403	67	-57	330	204	DD
HEDD101	Diucon	324.0	329.0	5.0	0.5	647083	7692087	68	-52	330	561	DD
HEDD101	Diucon	342.0	343.6	1.6	1.8	647083	7692087	68	-52	330	561	DD
HEDD101	Diucon	376.7	380.0	3.3	0.7	647083	7692087	68	-52	330	561	DD
HEDD101	Diucon	384.0	405.0	21.0	1.3	647083	7692087	68	-52	330	561	DD
incl	Diucon	392.0	396.0	4.0	3.9	647083	7692087	68	-52	330	561	DD
HEDD101	Diucon	416.6	418.1	1.5	1.5	647083	7692087	68	-52	330	561	DD
HEDD101	Diucon	437.0	475.0	38.0	1.6	647083	7692087	68	-52	330	561	DD
incl	Diucon	444.0	446.0	2.0	7.0	647083	7692087	68	-52	330	561	DD
HEDD101	Diucon	480.0	493.7	13.7	0.9	647083	7692087	68	-52	330	561	DD
incl	Diucon	482.3	483.0	0.7	7.9	647083	7692087	68	-52	330	561	DD
HEDD101	Diucon	504.0	506.8	2.8	0.8	647083	7692087	68	-52	330	561	DD
HEDD101	Diucon	522.4	526.0	3.6	0.9	647083	7692087	68	-52	330	561	DD
HEDD102	Diucon	148.0	154.0	6.0	1.2	647397	7692190	68	-59	330	535	DD
HEDD102	Diucon	213.0	220.0	7.0	0.6	647397	7692190	68	-59	330	535	DD
HEDD102	Diucon	227.0	231.7	4.7	3.5	647397	7692190	68	-59	330	535	DD
incl	Diucon	227.0	227.8	0.8	9.0	647397	7692190	68	-59	330	535	DD
HEDD102	Diucon	237.0	245.0	8.0	0.6	647397	7692190	68	-59	330	535	DD
HEDD102	Diucon	256.0	269.0	13.0	0.5	647397	7692190	68	-59	330	535	DD
HEDD102	Diucon	288.0	295.0	7.0	0.6	647397	7692190	68	-59	330	535	DD
HEDD102	Diucon	303.0	335.0	32.0	0.6	647397	7692190	68	-59	330	535	DD
HEDD102	Diucon	345.0	360.0	15.0	1.1	647397	7692190	68	-59	330	535	DD
HEDD106	Diucon	56.1	79.0	22.9	0.8	647157	7692363	67	-55	329	277	DD
HEDD106	Diucon	83.2	133.0	49.9	3.0	647157	7692363	67	-55	329	277	DD
incl	Diucon	92.0	92.6	0.6	35.9	647157	7692363	67	-55	329	277	DD
incl	Diucon	97.8	105.9	8.1	7.5	647157	7692363	67	-55	329	277	DD
HEDD200	Diucon	242.0	270.0	28.0	1.1	647437	7692110	68	-55	331	453	DD
HEDD200	Diucon	287.6	293.0	5.4	0.7	647437	7692110	68	-55	331	453	DD
HEDD200	Diucon	312.0	328.6	16.6	0.7	647437	7692110	68	-55	331	453	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
HEDD200	Diucon	358.0	365.0	7.0	0.6	647437	7692110	68	-55	331	453	DD
HEDD200	Diucon	388.0	397.0	9.0	0.9	647437	7692110	68	-55	331	453	DD
HEDD200	Diucon	427.0	440.0	13.0	0.9	647437	7692110	68	-55	331	453	DD
HEDD208	Diucon	27.7	80.5	52.8	1.5	647252	7692511	67	-54	330	150	DD
incl	Diucon	49.3	50.4	1.1	23.9	647252	7692511	67	-54	330	150	DD
HERC437DW1	Diucon	161.2	165.7	4.5	0.5	647470	7692218	68	-56	330	432	DD
HERC437DW1	Diucon	178.0	190.0	12.0	0.5	647470	7692218	68	-56	330	432	DD
HERC437DW1	Diucon	267.0	278.4	11.4	1.6	647470	7692218	68	-56	330	432	DD
HERC437DW1	Diucon	379.0	386.0	7.0	0.5	647470	7692218	68	-56	330	432	DD
HERC770	Diucon	52.0	56.0	4.0	0.6	647190	7692377	68	-56	331	251	RC
HERC770	Diucon	61.0	73.0	12.0	0.6	647190	7692377	68	-56	331	251	RC
HERC770	Diucon	87.0	150.0	63.0	4.3	647190	7692377	68	-56	331	251	RC
incl	Diucon	98.0	102.0	4.0	4.3	647190	7692377	68	-56	331	251	RC
incl	Diucon	107.0	110.0	3.0	6.5	647190	7692377	68	-56	331	251	RC
incl	Diucon	143.0	144.0	1.0	154.0	647190	7692377	68	-56	331	251	RC
HERC771	Diucon	65.0	68.0	3.0	2.2	647228	7692313	68	-56	330	281	RC
HERC771	Diucon	120.0	121.0	1.0	2.4	647228	7692313	68	-56	330	281	RC
HERC771	Diucon	138.0	143.0	5.0	1.2	647228	7692313	68	-56	330	281	RC
HERC771	Diucon	151.0	154.0	3.0	1.1	647228	7692313	68	-56	330	281	RC
HERC771	Diucon	159.0	163.0	4.0	1.4	647228	7692313	68	-56	330	281	RC
HERC771	Diucon	186.0	191.0	5.0	2.3	647228	7692313	68	-56	330	281	RC
HERC771	Diucon	198.0	203.0	5.0	0.5	647228	7692313	68	-56	330	281	RC
HERC771	Diucon	219.0	221.0	2.0	2.2	647228	7692313	68	-56	330	281	RC
HERC771	Diucon	229.0	237.0	8.0	1.8	647228	7692313	68	-56	330	281	RC
HERC771	Diucon	260.0	265.0	5.0	2.2	647228	7692313	68	-56	330	281	RC
HERC771	Diucon	271.0	273.0	2.0	1.2	647228	7692313	68	-56	330	281	RC
HERC772D	Diucon	70.0	87.0	17.0	3.5	647268	7692243	68	-57	328	390	RC
incl	Diucon	84.0	86.0	2.0	19.0	647268	7692243	68	-57	328	390	RC
HERC772D	Diucon	175.0	195.9	20.9	0.9	647268	7692243	68	-57	328	390	DD
HERC772D	Diucon	217.0	219.0	2.0	3.7	647268	7692243	68	-57	328	390	DD
HERC772D	Diucon	224.0	240.0	16.0	1.5	647268	7692243	68	-57	328	390	DD
incl	Diucon	236.4	237.1	0.7	12.2	647268	7692243	68	-57	328	390	DD
HERC772D	Diucon	259.0	260.0	1.0	11.4	647268	7692243	68	-57	328	390	DD
HERC772D	Diucon	288.0	293.5	5.5	1.1	647268	7692243	68	-57	328	390	DD
HERC772D	Diucon	353.0	354.4	1.4	40.8	647268	7692243	68	-57	328	390	DD
HERC772D	Diucon	383.9	384.4	0.4	79.1	647268	7692243	68	-57	328	390	DD
HERC776	Diucon	68.0	111.0	43.0	1.2	647213	7692357	68	-56	330	252	RC
incl	Diucon	72.0	76.0	4.0	5.1	647213	7692357	68	-56	330	252	RC
HERC776	Diucon	136.0	192.0	56.0	2.0	647213	7692357	68	-56	330	252	RC
incl	Diucon	164.0	165.0	1.0	26.2	647213	7692357	68	-56	330	252	RC
HERC777	Diucon	76.0	79.0	3.0	4.3	647367	7692394	67	-56	331	204	RC
HERC777	Diucon	178.0	183.0	5.0	0.7	647367	7692394	67	-56	331	204	RC
HERC778D	Diucon	71.0	72.0	1.0	2.8	647407	7692324	68	-57	328	390	DD
HERC778D	Diucon	172.7	175.8	3.1	1.0	647407	7692324	68	-57	328	390	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
HERC784	Diucon	114.0	132.0	18.0	2.2	647048	7692302	67	-55	330	210	RC
incl	Diucon	126.0	131.0	5.0	4.1	647048	7692302	67	-55	330	210	RC
HERC784	Diucon	156.0	164.0	8.0	0.8	647048	7692302	67	-55	330	210	RC
HERC785	Diucon	182.0	189.0	7.0	0.5	647090	7692233	68	-55	325	270	RC
HERC785	Diucon	224.0	236.0	12.0	0.8	647090	7692233	68	-55	325	270	RC
HERC785	Diucon	243.0	261.0	18.0	0.7	647090	7692233	68	-55	325	270	RC
HERC786	Diucon	161.0	162.0	1.0	2.5	647130	7692164	68	-55	327	252	RC
HERC786	Diucon	204.0	223.0	19.0	5.9	647130	7692164	68	-55	327	252	RC
incl	Diucon	209.0	220.0	11.0	9.9	647130	7692164	68	-55	327	252	RC
HERC787	Diucon	55.0	82.0	27.0	5.3	647108	7692384	67	-56	331	150	RC
incl	Diucon	60.0	61.0	1.0	106.0	647108	7692384	67	-56	331	150	RC
incl	Diucon	77.0	78.0	1.0	13.1	647108	7692384	67	-56	331	150	RC
HERC787	Diucon	94.0	98.0	4.0	0.6	647108	7692384	67	-56	331	150	RC
HERC788	Diucon	72.0	75.0	3.0	2.5	647170	7692094	68	-55	331	150	RC
HERC893D	Diucon	294.0	295.0	1.0	95.7	647219	7692169	68	-58	331	462	DD
HERC893D	Diucon	304.0	305.0	1.0	2.4	647219	7692169	68	-58	331	462	DD
HERC893D	Diucon	374.0	380.0	6.0	0.6	647219	7692169	68	-58	331	462	DD
HERC893D	Diucon	421.0	422.0	1.0	9.6	647219	7692169	68	-58	331	462	DD
HERC898D	Diucon	314.0	339.0	25.0	1.1	647316	7692318	68	-56	331	377	DD
HERC952D	Diucon	412.0	420.0	8.0	1.2	647142	7691984	68	-55	331	741	DD
HERC952D	Diucon	466.0	470.0	4.0	1.1	647142	7691984	68	-55	331	741	DD
HERC952D	Diucon	499.0	516.3	17.2	1.4	647142	7691984	68	-55	331	741	DD
HERC952D	Diucon	568.1	569.0	0.9	2.5	647142	7691984	68	-55	331	741	DD
HERC952D	Diucon	653.0	668.0	15.1	0.7	647142	7691984	68	-55	331	741	DD
HERC952D	Diucon	676.0	678.0	2.0	1.9	647142	7691984	68	-55	331	741	DD
HERC952D	Diucon	685.4	691.0	5.6	1.4	647142	7691984	68	-55	331	741	DD
HERC959D	Diucon	551.0	557.2	6.2	1.3	647266	7691921	69	-55	330	811	DD
HERC959D	Diucon	570.0	582.0	12.0	0.6	647266	7691921	69	-55	330	811	DD
HERC959D	Diucon	622.0	626.0	4.0	0.6	647266	7691921	69	-55	330	811	DD
HERC959D	Diucon	643.0	645.0	2.0	1.1	647266	7691921	69	-55	330	811	DD
HERC959D	Diucon	700.0	716.0	16.0	0.8	647266	7691921	69	-55	330	811	DD
HERC959D	Diucon	722.0	747.0	25.0	1.1	647266	7691921	69	-55	330	811	DD
HMRC002	Diucon	53.0	56.0	3.0	2.1	647377	7692534	67	-55	334	252	RC
HMRC107	Diucon	102.0	103.0	1.0	2.5	647000	7692229	68	-56	331	162	RC

Table 2: Selected Intercepts - 0.3g/t Au lower cut, 10m maximum internal waste, >20gm

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
HEDD060	Diucon	38.7	81.2	42.5	3.9	647205	7692437	67	-55	331	188	DD
HEDD061	Diucon	30.0	120.8	90.8	1.3	647226	7692403	67	-57	330	204	DD
HEDD061	Diucon	139.1	182.3	43.1	1.1	647226	7692403	67	-57	330	204	DD
HEDD101	Diucon	376.0	506.8	130.8	0.9	647083	7692087	68	-52	330	561	DD
HEDD102	Diucon	195.9	372.0	176.1	0.5	647397	7692190	68	-59	330	535	DD
HEDD106	Diucon	56.1	133.0	76.9	2.2	647157	7692363	67	-55	329	277	DD
HEDD200	Diucon	242.0	331.0	89.0	0.6	647437	7692110	68	-55	331	453	DD
HEDD200	Diucon	388.0	440.0	52.0	0.5	647437	7692110	68	-55	331	453	DD
HEDD208	Diucon	27.7	80.5	52.8	1.5	647252	7692511	67	-54	330	150	DD
HERC770	Diucon	52.0	150.0	98.0	2.9	647190	7692377	68	-56	331	251	RC
HERC771	Diucon	120.0	169.0	49.0	0.5	647228	7692313	68	-56	330	281	RC
HERC771	Diucon	180.0	237.0	57.0	0.7	647228	7692313	68	-56	330	281	RC
HERC772D	Diucon	70.0	88.0	18.0	3.4	647268	7692243	68	-57	328	390	RC
HERC772D	Diucon	175.0	247.0	72.0	0.8	647268	7692243	68	-57	328	390	DD
HERC772D	Diucon	259.0	303.0	44.0	0.5	647268	7692243	68	-57	328	390	DD
HERC772D	Diucon	340.2	363.0	22.8	2.7	647268	7692243	68	-57	328	390	DD
HERC772D	Diucon	383.9	387.9	4.0	8.7	647268	7692243	68	-57	328	390	DD
HERC776	Diucon	67.0	111.0	44.0	1.2	647213	7692357	68	-56	330	252	RC
HERC776	Diucon	130.0	201.0	71.0	1.7	647213	7692357	68	-56	330	252	RC
HERC784	Diucon	90.0	133.0	43.0	1.0	647048	7692302	67	-55	330	210	RC
HERC785	Diucon	215.0	262.0	47.0	0.6	647090	7692233	68	-55	325	270	RC
HERC786	Diucon	202.0	225.0	23.0	5.0	647130	7692164	68	-55	327	252	RC
HERC787	Diucon	55.0	98.0	43.0	3.4	647108	7692384	67	-56	331	150	RC
HERC893D	Diucon	52.0	97.0	45.0	1.8	647219	7692169	68	-58	331	462	RC
HERC893D	Diucon	267.0	338.0	71.0	1.6	647219	7692169	68	-58	331	462	DD
HERC898D	Diucon	44.0	94.0	50.0	0.6	647316	7692318	68	-56	331	377	RC
HERC898D	Diucon	298.0	340.3	42.3	0.7	647316	7692318	68	-56	331	377	DD
HERC952D	Diucon	499.0	530.0	31.0	0.8	647142	7691984	68	-55	331	741	DD
HERC952D	Diucon	652.0	691.0	39.0	0.6	647142	7691984	68	-55	331	741	DD
HERC959D	Diucon	700.0	747.0	47.0	0.9	647266	7691921	69	-55	330	811	DD

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
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 fine/coarse material.*	• 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 with generally good recovery. Deeper RC and

Criteria	JORC Code explanation	Commentary
		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 80m x 40m to 320m x 80m. • 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 and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material.*	• 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. • 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.

Criteria	JORC Code explanation	Commentary
		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.*	• 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.
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.
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*	• 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

Criteria	JORC Code explanation	Commentary
	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.*	with an internal dilution of 2m maximum. • Wider intervals are aggregated using a 0.3g/t Au lower cut with an internal dilution of 10m maximum. Selected results over 20 gram x metres are reported using this method. • 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.