

ASX Announcement
19 December 2017

ASX Code DEG
FRA Code WKN 633879

ABN 65 094 206 292

DIRECTORS/MANAGEMENT

Simon Lill
Executive Chairman

Andy Beckwith
Technical Director &
Operations Manager

Steve Morris
Non-executive Director

Brett Lambert
Non-executive Director

Craig Nelmes
Company Secretary/CFO

Phil Tornatora
Exploration Manager

CONTACT DETAILS

Principal & Registered Office
Level 2, Suite 9
389 Oxford Street
Mt Hawthorn WA 6016

PO Box 281
Mt Hawthorn WA 6016

www.degremining.com.au

admin@degremining.com.au

T +61 8 9381 4108
F +61 8 9381 6761

Significant High-Grade Gold Mineralisation intersected at Toweranna Prospect

Highlights

Drilling returns numerous significant high-grade drilling intersections around the western and southern margin of the granite intrusion.

Results expected to increase overall resources.

- **23 holes intersecting high grade (>2.5g/t) mineralisation**
- **33 holes of 35 intersecting (>1g/t) mineralisation**

High grade intersections (>4g/t Au*) include

- 4m @ 35.0g/t Au** from 8m in TRC079
- 4m @ 25.3g/t Au** from 28m in TRC080
- 8m @ 21.7g/t Au** from 48m in TRC058
(incl **4m @ 40.2g/t Au** from 52m)
- 4m @ 20.2g/t Au** from 8m in TRC074
- 4m @ 14.7g/t Au** from 32m in TRC066
- 4m @ 8.2g/t Au** from 36m in TRC050
- 12m @ 7.0g/t Au** from 0m in TRC054
(incl **4m @ 16.2g/t Au** from 0m)
- 8m @ 6.7g/t Au** from 104m in TRC053
- 8m @ 5.7g/t Au** from 88m in TRC067
(incl **4m @ 9.0g/t Au** from 92m)
- 4m @ 5.7g/t Au** from 0m in TRC068
- 4m @ 5.5g/t Au** from 28m in TRC071
- 12m @ 4.9g/t Au** from 104m in TRC073
- 12m @ 4.1g/t Au** from 40m in TRC069
(incl **4m @ 8.47g/t Au** from 40m)

Drilling also completed at Blue Moon prospect - results pending.

“These new drilling intersections are an excellent result and now extend gold mineralisation down to approximately 100 -120metres depth.

Work will now focus on step-out RC and diamond drilling to further extend the high-grade mineralisation at depth and to obtain detailed geological controls on the mineralisation for resource estimation and metallurgy of the oxide and fresh material” commented Technical Director and Operations Manager, Andy Beckwith.

**All sampling results are based on 4m composite samples and re-assay on 1m basis is currently underway.*

De Grey Mining Limited (ASX: DEG, “De Grey”, “Company”) is pleased to report the completion of RC drilling at the Toweranna Prospect at the Pilbara Gold Project, located approximately 100km from Port Hedland, Western Australia.

The recent RC drilling program has successfully returned numerous high-grade intercepts within a continuous zone of gold mineralisation, approximately **450m strike length**, around the southern and western margin of the granite intrusion to a depth of around **100-120m**. Importantly, the gold mineralisation remains **open at depth** with numerous high-grade zones indicating deeper underground potential. This drilling has the potential to significantly increase the existing resource (JORC 2012) of **0.43Mt @ 2.9g/t Au for 40,700oz**.

Planning is underway on a program of step-out RC and diamond drilling to further extend the high-grade mineralisation at depth, infill for resource conversion and to obtain detailed geological controls on the mineralisation for resource estimation and metallurgy of the oxide and fresh material.

RC Drilling Results

The drilling program comprised of thirty-five (35) RC holes for a total advance of 4008m. Drilling targeted mineralisation associated with the margins of a 200-300m diameter granitic intrusion in the axis of a regional fold. The primary focus of the drilling was to:

- infill existing drilling and extend mineralisation along strike and down dip around the sediment/granite contact;
- increase overall resources to potentially open pit depths of approximately 100-120m below surface;
- increase confidence on the controls and continuity of gold mineralisation; and
- allow the resource to be upgraded to Indicated category which will allow for later conversion to reserves in line with De Grey’s planned open pit mining and development strategy.

The current resource estimate is confined to the western margin mineralisation only. The recent drilling principally targeted infill and extensional sections along this zone, whilst also testing mineralisation along the southern margin where previous historic drilling indicated strong mineralisation potential. Additional holes targeted the eastern margin of the granite contact.

The drilling has confirmed high-grade gold mineralisation both along the western and southern margins of the granite and sediment contact (Figure 1) as indicated by previous explorers. Additional mineralisation has also been noted within the granite body notably near the eastern margin where further drilling will be needed to better define this potential. Final assay results for the 4m composite sampling have now been received with a full listing of significant intersections (>1g/t Au) provided in Table 1. Detailed re-sampling on a 1m basis throughout the anomalous zones is currently nearing completion with final assay results expected by mid-January.

Results are encouraging with numerous high-grade intercepts returned from both the western and southern zones along the granite contact and also within the granite in selected areas. Representative cross sections of the Western Zone and the Southern Zone are shown in Figures 2 and 3 respectively.

Drilling on the southern granite margin returned intercepts including **8m @ 3.37g/t, 6m @ 3.55 g/t, 4m @ 3.22 g/t, 4m @ 5.59 g/t and 12m @ 4.93g/t Au** from near the granite contact (Figure 3). This area is not currently included in the Toweranna resource. It is anticipated that recent drilling will allow the southern contact mineralisation to be incorporated into an updated resource estimate. Several holes also intersected high grade mineralisation within the granite intrusion both along the southern zone and also the eastern zone.

High grade intercepts within the granite including **4m @ 20.2g/t, 12m @ 7.01g/t (including 4m @ 16.2g/t Au), 4m @ 35.0g/t Au and 4m @ 25.3g/t Au**. While mineralisation appears to be focussed more consistently adjacent to the granite contact, several high-grade intercepts from within the granite are currently not well understood and require further drilling to potentially incorporate into resource estimates.

High grades returned from many of the intersections are of a tenor suitable for underground mining. The orebody is completely open at depth, and the granite porphyry plug provides a strong focus for mineralisation. Drilling to date indicates the granite plug and associated mineralised system continue sub vertically. Follow up drilling will include a component of deeper diamond drilling, aimed at extending the orebody at depth and providing an indication of the potential scale of the system.

About the Toweranna Gold Deposit

The Toweranna deposit resource comprising **0.43Mt @ 2.9g/t Au for 40,700oz**, was recently announced as part of the Pilbara Gold Project resource update and increase to 1.2Moz of gold, in the ASX release “Pilbara Gold Project increases gold resources by >20% to over 1.2Moz”, dated 28 September 2017.

The recent Pilbara Gold Project positive open pit mining scoping study (August 2017) was undertaken on a total resource base of 18.8Mt @ 1.7g/t for 1.02Moz and did not include the more recently defined Toweranna, Mallina and Heap Leach Pad resources. The Pilbara Gold Project now hosts defined JORC (2012) resources of **23.88Mt @ 1.6g/t for 1.21Moz of gold**.

The Toweranna deposit, like many of the deposits within the Pilbara Gold Project, remains open in most directions with significant upside resource potential. The higher average grade of the deposit (2.9g/t) compared to the overall average grade (1.6g/t) of the combined project deposits is expected to make a significant financial contribution to the proposed open pit mining and development strategy.

Gold mineralisation at Toweranna is associated with a series of stacked, dipping quartz veins and alteration within an interpreted sub-vertical corridor of mineralisation along the margins of a small granite intrusion. The best developed mineralisation and historic workings occur along the western and southern margins of the granite intrusion.

For further information:

Simon Lill (Executive Chairman) or Andy Beckwith (Technical Director & Operations Manager)

De Grey Mining Ltd
Phone +61 8 9381 4108
admin@degreymining.com.au

*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.*

Figure 1 Toweranna RC – New RC drilling intercepts > 20-gram metres

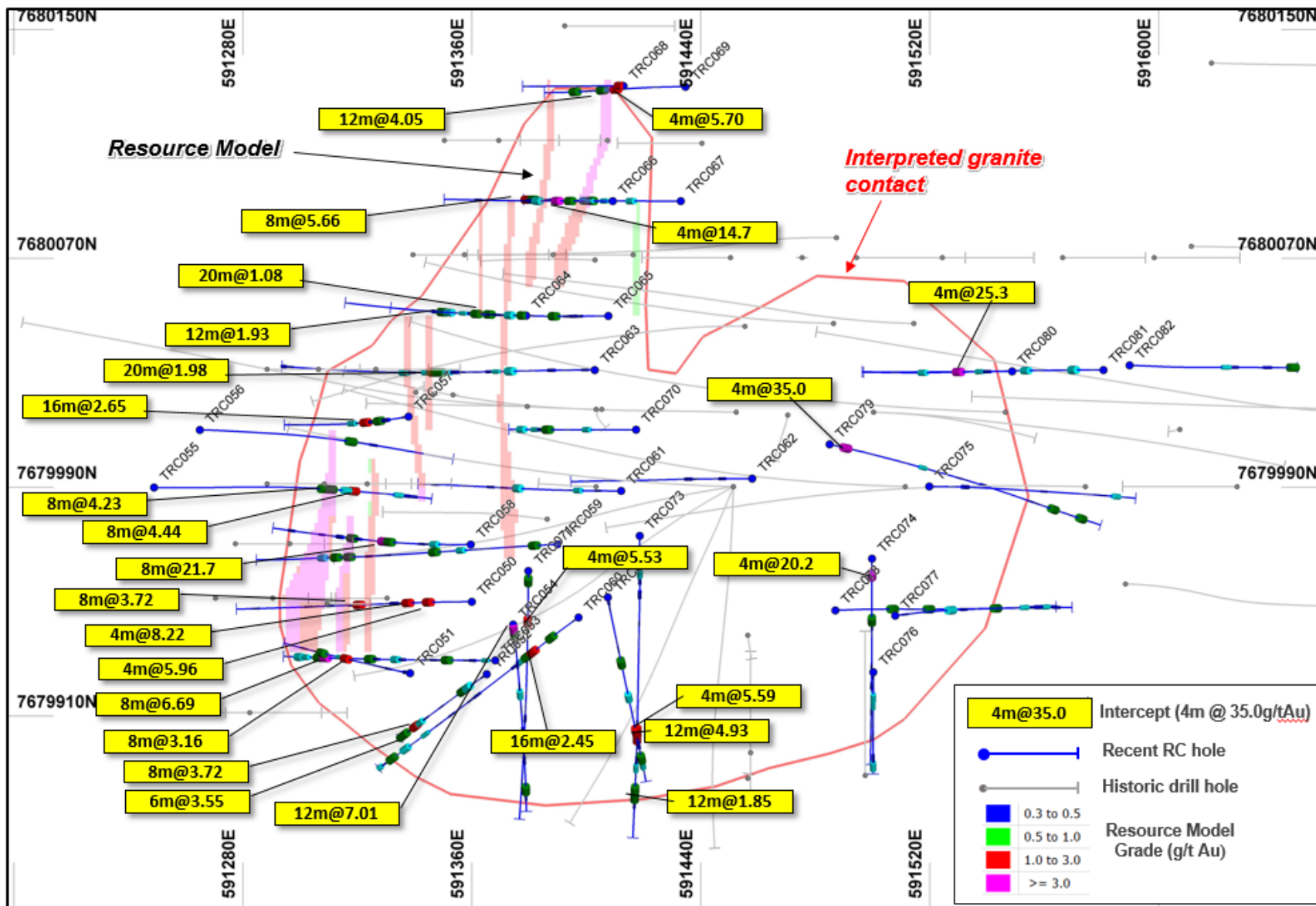


Figure 2 Toweranna Section 7680090N

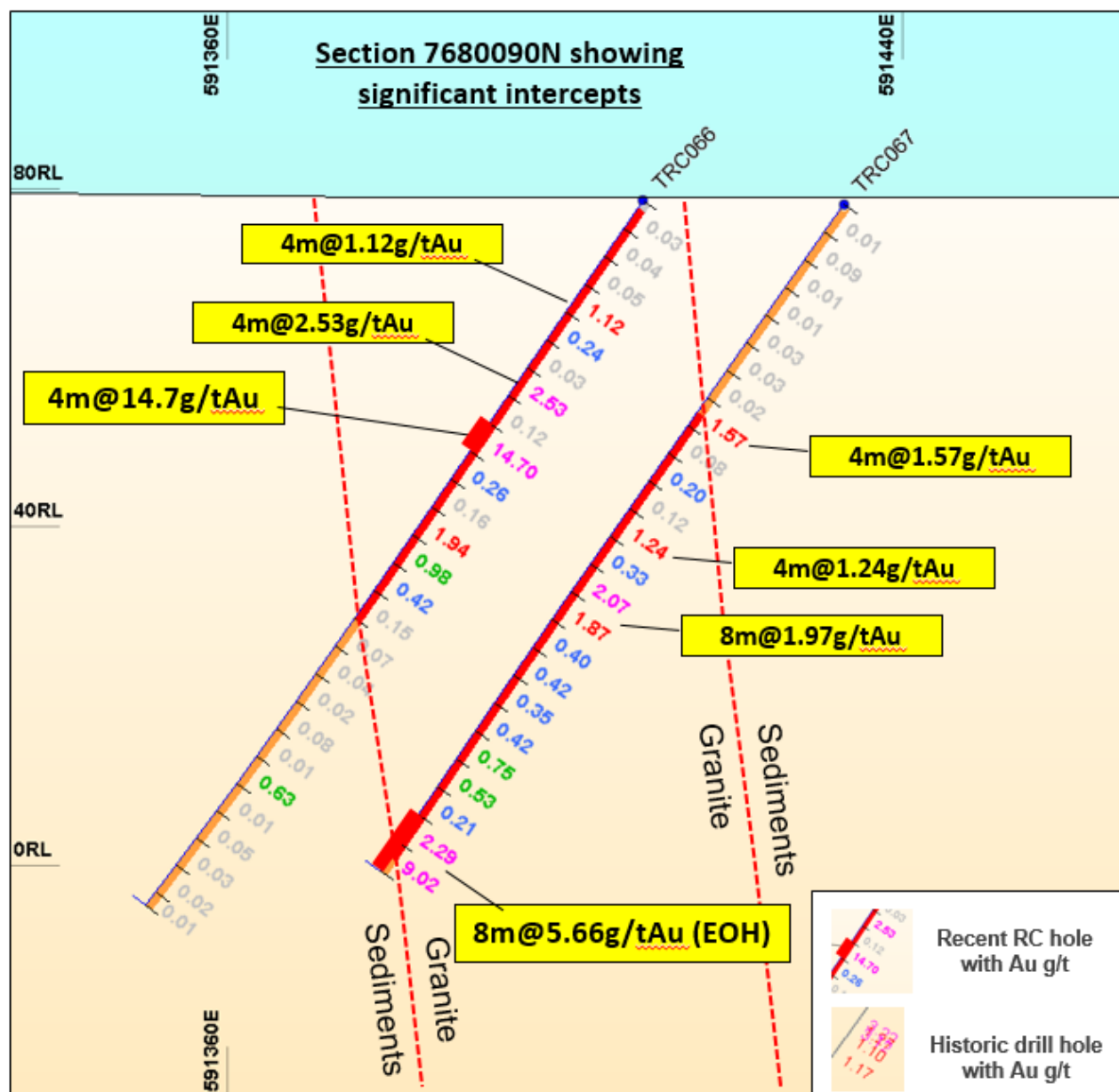


Figure 3 Toweranna Section 591420E

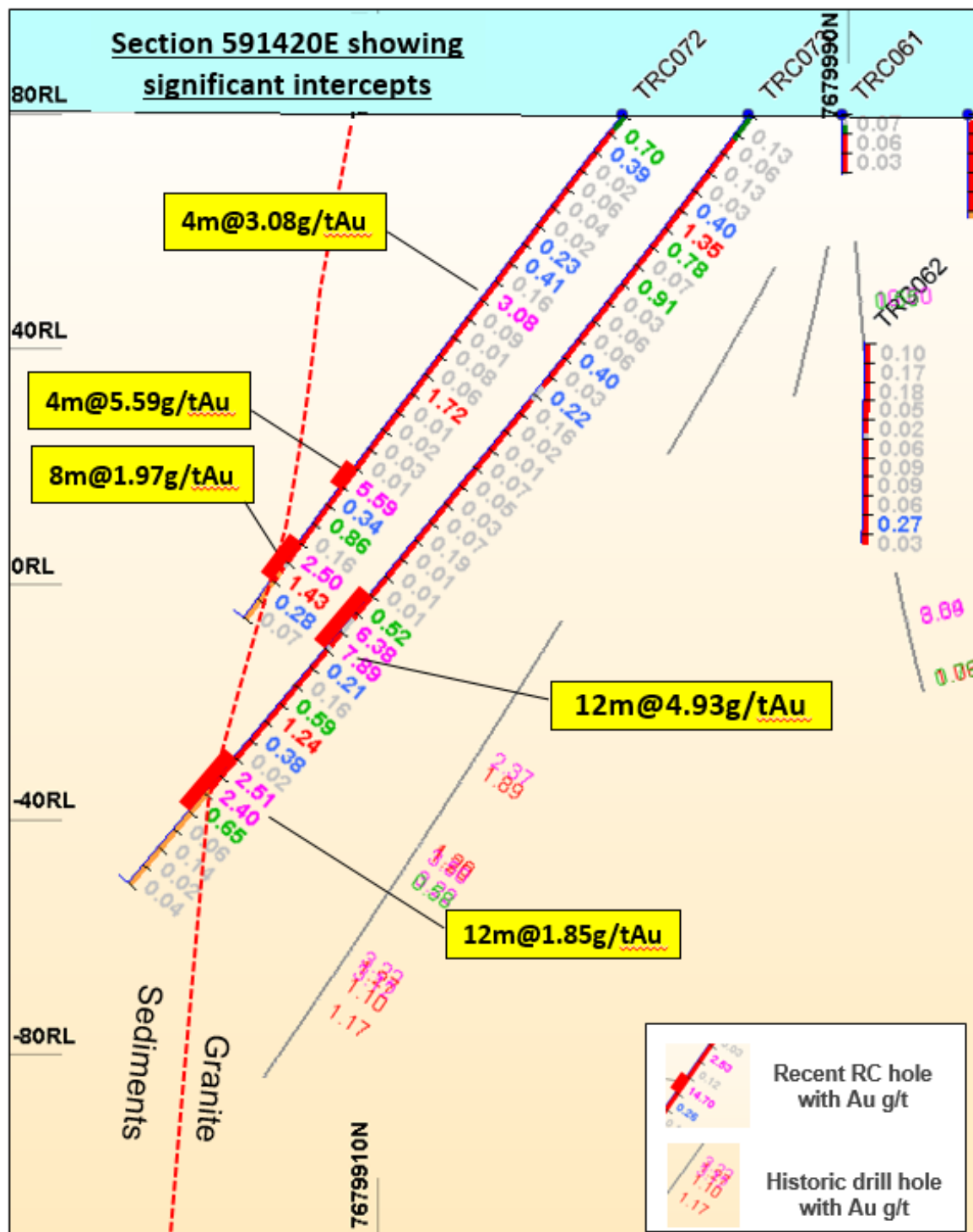


Table 2 Significant Intersections (>4m @ 1g/t Au)

HoleID	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)
TRC050	24	28	4	5.96	591360	7679950	79.8	-55	270
TRC050	36	40	4	8.22	591360	7679950	79.8	-55	270
TRC050	64	72	8	3.72	591360	7679950	79.8	-55	270
TRC051	40	48	8	3.16	591338	7679925	79.8	-55	280
TRC051	56	60	4	2.63	591338	7679925	79.8	-55	280
TRC052	12	20	8	1.99	591365	7679925	79.6	-55	235
TRC052	48	56	8	3.37	591365	7679925	79.6	-55	235
TRC052	60	66	6	3.55	591365	7679925	79.6	-55	235
TRC053	4	8	4	1.04	591368	7679929	79.8	-55	270
TRC053	28	32	4	4.20	591368	7679929	79.8	-55	270
TRC053	56	64	8	1.22	591368	7679929	79.8	-55	270
TRC053	72	80	8	1.49	591368	7679929	79.8	-55	270
TRC053	104	112	8	6.69	591368	7679929	79.8	-55	270
TRC053	116	124	8	1.61	591368	7679929	79.8	-55	270
TRC054	0	12	12	7.01	591374	7679942	80.4	-50	172
incl	0	4	4	16.25					
TRC054	36	40	4	1.52	591374	7679942	80.4	-50	172
TRC054	88	96	8	1.38	591374	7679942	80.4	-50	172
TRC055	96	104	8	4.23	591249	7679990	79.0	-55	90
TRC055	108	116	8	4.44	591249	7679990	79.0	-55	90
TRC055	136	144	8	1.06	591249	7679990	79.0	-55	90
TRC056	80	84	4	2.48	591265	7680010	78.9	-50	90
TRC057	12	28	16	2.65	591338	7680015	80.1	-55	260
incl	24	28	4	5.49					
TRC057	32	36	4	1.31	591338	7680015	80.1	-55	260
TRC058	20	24	4	1.57	591360	7679970	80.4	-55	270
TRC058	48	56	8	21.74	591360	7679970	80.4	-55	270
incl	52	56	4	40.2					
TRC058	68	76	8	2.03	591360	7679970	80.4	-55	270
TRC059	12	16	4	3.76	591390	7679970	80.0	-55	267
TRC059	56	60	4	1.53	591390	7679970	80.0	-55	267
TRC059	72	76	4	2.60	591390	7679970	80.0	-55	267
TRC059	124	128	4	4.44	591390	7679970	80.0	-55	267
TRC059	132	136	4	2.54	591390	7679970	80.0	-55	267
TRC059	140	144	4	1.70	591390	7679970	80.0	-55	267
TRC060	16	20	4	2.03	591397	7679945	79.7	-50	235
TRC060	28	44	16	2.45	591397	7679945	79.7	-50	235
incl	28	32	4	5.4					
TRC060	96	100	4	1.10	591397	7679945	79.7	-50	235
TRC060	108	112	4	1.75	591397	7679945	79.7	-50	235
TRC060	116	120	4	3.22	591397	7679945	79.7	-50	235
TRC060	124	126	2	1.41	591397	7679945	79.7	-50	235
TRC061	24	28	4	1.37	591412	7679989	79.9	-55	270
TRC061	60	64	4	1.88	591412	7679989	79.9	-55	270
TRC063	48	52	4	1.97	591403	7680031	79.8	-55	270
TRC063	56	60	4	1.02	591403	7680031	79.8	-55	270
TRC063	80	100	20	1.98	591403	7680031	79.8	-55	270
TRC063	104	112	8	1.17	591403	7680031	79.8	-55	270
TRC064	0	4	4	4.86	591379	7680050	79.9	-55	270
TRC064	8	16	8	1.18	591379	7680050	79.9	-55	270
TRC064	28	32	4	3.77	591379	7680050	79.9	-55	270
TRC064	36	40	4	1.00	591379	7680050	79.9	-55	270

HoleID	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)
TRC065	32	36	4	2.28	591408	7680050	79.2	-55	270
TRC065	72	92	20	1.08	591408	7680050	79.2	-55	270
TRC065	96	108	12	1.93	591408	7680050	79.2	-55	270
TRC066	12	16	4	1.12	591409	7680090	78.6	-55	270
TRC066	24	28	4	2.53	591409	7680090	78.6	-55	270
TRC066	32	36	4	14.70	591409	7680090	78.6	-55	270
TRC066	44	52	8	1.46	591409	7680090	78.6	-55	270
TRC067	28	32	4	1.57	591433	7680090	78.2	-55	270
TRC067	44	48	4	1.24	591433	7680090	78.2	-55	270
TRC067	52	60	8	1.97	591433	7680090	78.2	-55	270
TRC067	88	96	8	5.66	591433	7680090	78.2	-55	270
incl	92	96	4	9.02					
TRC068	0	4	4	5.70	591413	7680130	78.3	-55	270
TRC069	40	52	12	4.05	591435	7680130	77.8	-55	270
incl	40	44	4	8.47					
TRC069	64	68	4	2.01	591435	7680130	77.8	-55	270
TRC070	28	32	4	1.27	591417	7680010	79.9	-55	270
TRC070	52	64	12	1.41	591417	7680010	79.9	-55	270
TRC070	68	72	4	1.69	591417	7680010	79.9	-55	270
TRC071	4	8	4	2.01	591380	7679961	80.4	-55	180
TRC071	28	32	4	5.53	591380	7679961	80.4	-55	180
TRC072	36	40	4	3.08	591407	7679952	80.0	-50	170
TRC072	56	60	4	1.72	591407	7679952	80.0	-50	170
TRC072	76	80	4	5.59	591407	7679952	80.0	-50	170
TRC072	92	100	8	1.97	591407	7679952	80.0	-50	170
TRC073	20	28	8	1.07	591419	7679973	79.9	-54	180
TRC073	104	116	12	4.93	591419	7679973	79.9	-54	180
TRC073	128	132	4	1.24	591419	7679973	79.9	-54	180
TRC073	140	152	12	1.85	591419	7679973	79.9	-54	180
TRC074	8	12	4	20.20	591500	7679965	79.7	-55	180
TRC074	36	44	8	1.46	591500	7679965	79.7	-55	180
TRC075	112	116	4	1.33	591520	7679990	79.9	-55	90
TRC076	12	20	8	1.23	591500	7679925	79.4	-50	180
TRC076	44	52	8	1.09	591500	7679925	79.4	-50	180
TRC077	32	36	4	1.97	591508	7679945	79.6	-55	82
TRC077	76	80	4	1.22	591508	7679945	79.6	-55	82
TRC077	88	96	8	1.01	591508	7679945	79.6	-55	82
TRC078	36	40	4	2.15	591487	7679947	79.6	-58	87
TRC078	60	64	4	2.03	591487	7679947	79.6	-58	87
TRC078	104	108	4	2.07	591487	7679947	79.6	-58	87
TRC079	8	12	4	35.00	591485	7680005	79.5	-54	102
TRC079	56	60	4	1.10	591485	7680005	79.5	-54	102
TRC079	144	148	4	4.00	591485	7680005	79.5	-54	102
TRC079	164	168	4	2.44	591485	7680005	79.5	-54	102
TRC080	16	20	4	1.20	591549	7680031	79.1	-52	269
TRC080	28	32	4	25.30	591549	7680031	79.1	-52	269
TRC080	48	52	4	1.49	591549	7680031	79.1	-52	269
TRC081	16	20	4	1.95	591581	7680031	78.7	-55	270
TRC081	44	48	4	1.78	591581	7680031	78.7	-55	270
TRC082	48	52	4	1.13	591590	7680033	78.3	-50	92
TRC082	80	84	4	2.53	591590	7680033	78.3	-50	92

Table JORC Code, 2012 Edition
Section 1 Sampling Techniques and Data

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

Criteria	JORC Code explanation	Commentary
Sampling techniques	<ul style="list-style-type: none"> Nature and quality of sampling (e.g. cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc.). These examples should not be taken as limiting the broad meaning of sampling. Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used. Aspects of the determination of mineralisation that are Material to the Public Report. In cases where 'industry standard' work has been done this would be relatively simple (e.g. 'reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30-g charge for fire assay'). In other cases, more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (e.g. submarine nodules) may warrant disclosure of detailed information. 	<ul style="list-style-type: none"> All drilling and sampling was undertaken in an industry standard manner All holes sampled on both a 1m and nominal 4m composite basis over the entire length of the hole. 4m composite samples were submitted for analysis for all intervals. Where assays over 0.2g/t Au were received for 4m composite sample results, 1m samples were then submitted for these zones. Both the 4m and 1m samples were taken from a cone splitter mounted on the drill rig cyclone. The cyclone was calibrated to provide a continuous sample volume accordingly to sample length 4m composite samples range from around 4-6kg and 1m sample ranges from a typical 2.5-3.5kg The independent laboratory then takes the sample and pulverises the entire sample for analysis as described below
Drilling techniques	<ul style="list-style-type: none"> Drill type (e.g. core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc.) and details (e.g. core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc.). 	<ul style="list-style-type: none"> All drill holes are Reverse Circulation(RC) with a 5 1/2-inch bit and face sampling hammer.
Drill sample recovery	<ul style="list-style-type: none"> Method of recording and assessing core and chip sample recoveries and results assessed. Measures taken to maximise sample recovery and ensure representative nature of the samples. Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material. 	<ul style="list-style-type: none"> All samples were visually assessed for recovery. Samples are considered representative with good recoveries. Only a small percentage of samples were considered low recovery primarily due to change of rods when a small amount of wet sample occurred. No sample bias is observed
Logging	<ul style="list-style-type: none"> Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies. Whether logging is qualitative or 	<ul style="list-style-type: none"> Consultant geologists logged each hole and supervised all sampling. The sample results are appropriate for a resource estimation. The 1m sample results are considered the preferred sample to use in the resource estimation for more accurate definition of lodes

Criteria	JORC Code explanation	Commentary
	<p><i>quantitative in nature. Core (or costean, channel, etc.) photography.</i></p> <ul style="list-style-type: none"> <i>The total length and percentage of the relevant intersections logged.</i> 	
Sub-sampling techniques and sample preparation	<ul style="list-style-type: none"> <i>If core, whether cut or sawn and whether quarter, half or all core taken.</i> <i>If non-core, whether riffled, tube sampled, rotary split, etc. and whether sampled wet or dry.</i> <i>For all sample types, the nature, quality and appropriateness of the sample preparation technique.</i> <i>Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.</i> <i>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.</i> <i>Whether sample sizes are appropriate to the grain size of the material being sampled.</i> 	<ul style="list-style-type: none"> The sampling of the RC sample was carried out by a cone splitter on the rig cyclone and drill cuttings were sampled on a 1m and 4m composite basis. Independent standard reference material was inserted approximately every 20 samples Duplicate samples were taken approximately every 60 samples for 1m resplits The samples are considered representative and appropriate for this type of drilling and for use in a future resource estimate.
Quality of assay data and laboratory tests	<ul style="list-style-type: none"> <i>The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.</i> <i>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.</i> <i>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.</i> 	<ul style="list-style-type: none"> The samples were submitted to a commercial independent laboratory in Perth, Australia. Each sample was dried, crushed and pulverised. Au was analysed by a 50gm charge Fire assay fusion technique with a AAS finish The techniques are considered quantitative in nature. As discussed previously standards and duplicates samples were inserted by the Company and the laboratory also carries out internal standards in individual batches Results for the standards and duplicates were considered satisfactory
Verification of sampling and assaying	<ul style="list-style-type: none"> <i>The verification of significant intersections by either independent or alternative company personnel.</i> <i>The use of twinned holes.</i> <i>Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.</i> <i>Discuss any adjustment to assay data.</i> 	<ul style="list-style-type: none"> Sample results have been entered and then checked by a second company geologist Results have been uploaded into the company database, checked and verified No adjustments have been made to the assay data. Results are reported on a length weighted basis
Location of data points	<ul style="list-style-type: none"> <i>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.</i> <i>Specification of the grid system used.</i> <i>Quality and adequacy of topographic control.</i> 	<ul style="list-style-type: none"> Drill hole collar locations are located by hand held GPS to an accuracy of +/-3m. Locations are given in GDA94 zone 50 projection Diagrams and location table are provided in the report

Criteria	JORC Code explanation	Commentary
Data spacing and distribution	<ul style="list-style-type: none"> Data spacing for reporting of Exploration Results. Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied. Whether sample compositing has been applied. 	<ul style="list-style-type: none"> The RC drilling is on a nominal 20m x 20m up to 40m x 40m grid. All holes have been geologically logged and provide a strong basis for geological control and continuity of mineralisation Sample result and logging will provide strong support for the results to be used in a resource estimate
Orientation of data in relation to geological structure	<ul style="list-style-type: none"> Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type. If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material. 	<ul style="list-style-type: none"> The drilling is approximately perpendicular to the strike of mineralisation and therefore the sampling is considered representative of the mineralised zone. In some cases, drilling is not at right angles to the dip of mineralised structures and as such true widths are less than downhole widths. This will be allowed for in resource estimates when geological interpretations are completed.
Sample security	<ul style="list-style-type: none"> The measures taken to ensure sample security. 	<ul style="list-style-type: none"> Samples were collected by company personnel and delivered direct to the laboratory via a transport contractor
Audits or reviews	<ul style="list-style-type: none"> The results of any audits or reviews of sampling techniques and data. 	<ul style="list-style-type: none"> No audits have been completed. Review of QAQC data has been carried out by company geologists

Section 2 Reporting of Exploration Results

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

Criteria	JORC Code explanation	Commentary
Mineral tenement and land tenure status	<ul style="list-style-type: none"> Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings. The security of the tenure held at the time of reporting along with any known impediments to obtaining a license to operate in the area. 	<ul style="list-style-type: none"> The drilling is on E47/2720 which is located approximately 100km SW of Port Hedland. The tenement is held by Indee Gold Pty Ltd, which De Grey mining has an option to purchase 100%. De Grey has the right to acquire Indee Gold for payment of \$15M by July 2019.
Exploration done by other parties	<ul style="list-style-type: none"> Acknowledgment and appraisal of exploration by other parties. 	<ul style="list-style-type: none"> The Toweranna prospect includes small scale historic mining and has had previous drilling undertaken over a period of many years. Most previous work was completed by Swan Resources and Australian Inland Exploration. Historic drill intercepts were previously reported in ASX release "Toweranna – A High Grade Gold System", 31 August 2017
Geology	<ul style="list-style-type: none"> Deposit type, geological setting and style of mineralisation. 	<ul style="list-style-type: none"> The mineralisation targeted is hydrothermally emplaced and mainly hosted by a granitic porphyry intrusion. It is believed to be structurally controlled and is similar in style to many other Western Australian gold deposits.
Drill hole Information	<ul style="list-style-type: none"> A summary of all information material to the understanding of the 	<ul style="list-style-type: none"> Drill hole location and directional information provide in the report.

Criteria	JORC Code explanation	Commentary
	<p>exploration results including a tabulation of the following information for all Material drill holes:</p> <ul style="list-style-type: none"> • easting and northing of the drill hole collar • elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar • dip and azimuth of the hole • down hole length and interception depth • hole length. • If the exclusion of this information is justified on the basis that the information is not Material and this exclusion does not detract from the understanding of the report, the Competent Person should clearly explain why this is the case. 	
Data aggregation methods	<ul style="list-style-type: none"> • In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (e.g. cutting of high grades) and cut-off grades are usually Material and should be stated. • Where aggregate intercepts incorporate short lengths of high grade results and longer lengths of low grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail. • The assumptions used for any reporting of metal equivalent values should be clearly stated. 	<ul style="list-style-type: none"> • Results are reported to a minimum cutoff grade of 0.5g/t gold with an internal dilution of 3m maximum. Intervals over 1g/t Au are reported. • Intercepts are length weighted averaged. • No maximum cuts have been made.
Relationship between mineralisation widths and intercept lengths	<ul style="list-style-type: none"> • These relationships are particularly important in the reporting of Exploration Results. • If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported. • If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (e.g. 'down hole length, true width not known'). 	<ul style="list-style-type: none"> • The drill holes are interpreted to be perpendicular to the strike of mineralisation. • Drilling is not always perpendicular to the dip of mineralisation and true widths are less than downhole widths. Estimates of true widths will only be possible when all results are received and final geological interpretations have been completed.
Diagrams	<ul style="list-style-type: none"> • Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported These should include, but not be limited to a plan view of drill hole collar locations and appropriate sectional views. 	<ul style="list-style-type: none"> • Plans and representative cross sections are provided in the report. .
Balanced reporting	<ul style="list-style-type: none"> • Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results. 	<ul style="list-style-type: none"> • All intercepts using parameters described above are reported. • The report is considered balanced and provided in context. •
Other substantive	<ul style="list-style-type: none"> • Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical 	<ul style="list-style-type: none"> • Limited test work on metallurgical and geotechnical characteristics has been completed.

Criteria	JORC Code explanation	Commentary
exploration data	<i>survey results; geochemical survey results; bulk samples – size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances.</i>	
Further work	<ul style="list-style-type: none"> • <i>The nature and scale of planned further work (e.g. tests for lateral extensions or depth extensions or large-scale step-out drilling).</i> • <i>Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.</i> 	<ul style="list-style-type: none"> • The company plans to complete detailed wireframes of geology and mineralisation prior to updating the resource estimation. • Metallurgical testwork to determine possible recoveries will be carried out at an appropriate stage • Further drilling will be assessed on receipt of all results and completion of geological wireframing and interpretation and will likely comprise a significant component of diamond drilling.