

## Soil sampling defines coherent Li<sub>2</sub>O anomaly at King Col Pegmatite Trend

ASX Code DEG

ABN 65 094 206 292

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## Highlights

### King Col Pegmatite Trend

- Initial soil sampling completed over 1.6km strike
- **Strong, coherent 1.2km plus long lithium anomaly defined in soil sampling - remains open to the east**
- Peak results of 947ppm Li<sub>2</sub>O and 342ppm Ta<sub>2</sub>O<sub>5</sub>
- Coincident with previous anomalous rock chip sampling peaking at 4.2% Li<sub>2</sub>O
- Prospective for Lithium-Caesium-Tantalum (LCT) style pegmatite hosted mineralization
- No modern pegmatite exploration known along this new pegmatite trend
- Ongoing program of infill and extension sampling continuing during December

### Comment by Chairman, Simon Lill

*“De Grey’s Turner River Project continues to yield strong exploration targets including gold, base metals and now lithium.*

*This lithium rich soil anomaly along the south western end of the King Col Pegmatite Trend is clearly developing into a large scale target.*

*The Company will continue to better define and extend the target with additional soil sampling during December to define drill targets.”*

De Grey Mining Ltd (ASX: DEG, “De Grey”, “Company”) is pleased to advise that an initial soil sampling program at the newly discovered King Col Pegmatite Trend has defined a **coherent lithium anomaly over 1.2km in length. The anomaly remains open to the east.** Sampling provides a peak lithium value of 947ppm  $\text{Li}_2\text{O}$  and tantalum value 342ppm. Further infill sampling, and extensions to the east, will continue during December.

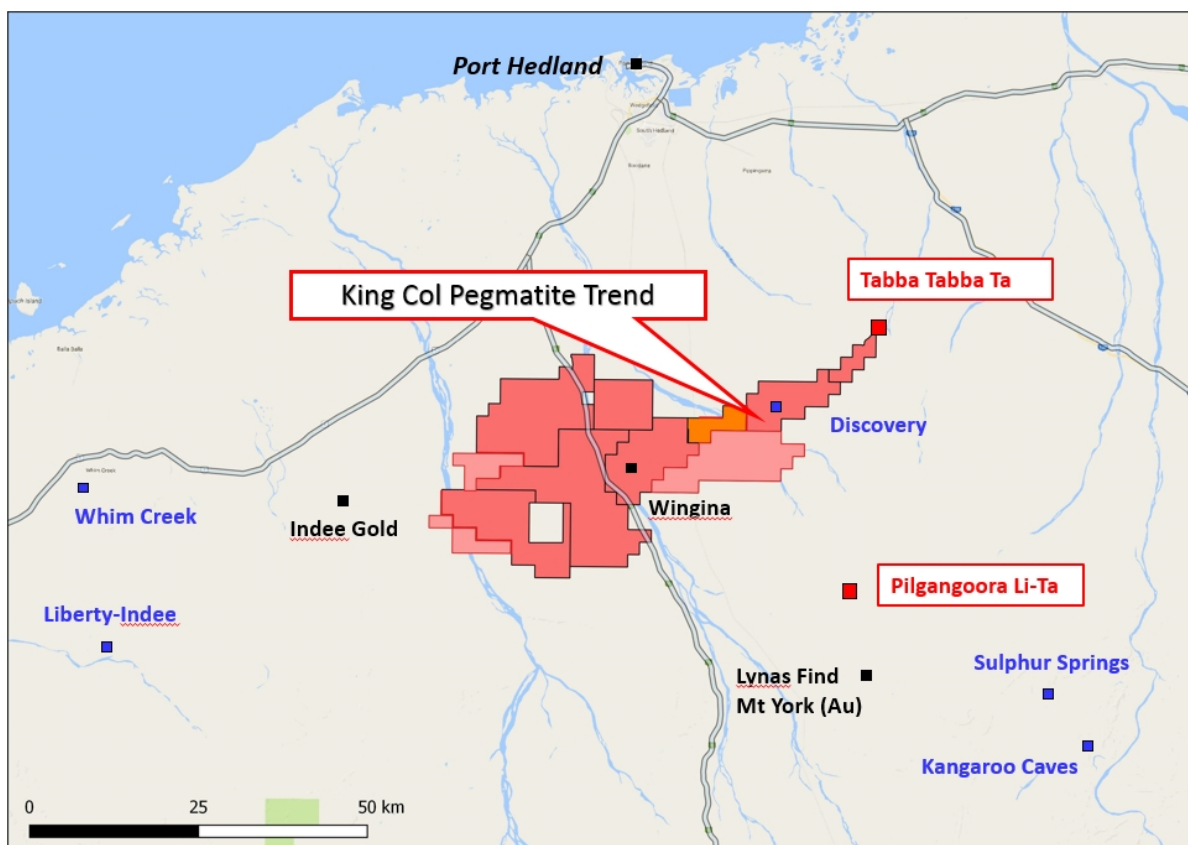
The King Col Pegmatite Trend is located on De Grey’s 100% owned E45/2533 within the Turner River Project, located only 40km from the world class Pilgangoora Lithium-Tantalum Project, 20km from the Tappa Tappa Tantalum Mine and 50km south of Port Hedland in the Pilbara, Western Australia (Figure 1).

**Prospectivity**

The King Col Pegmatite Trend is considered highly prospective for lithium/tantalum mineralisation as it includes:

- Newly identified pegmatite trend with no modern exploration known
- **New coherent >1.2km  $\text{Li}_2\text{O}$  and  $\text{Ta}_2\text{O}_5$  soil anomaly defined and remains open to the east**
- Coincident with anomalous rock chips to peak of **4.2%  $\text{Li}_2\text{O}$**
- Lepidolite - lithium bearing mineral identified in outcrop
- Anomalous LCT indicator elements occurring over **7.5km strike length**
- Hosted within the Tappa Tappa greenstone rocks
- Located in World Class Lithium and Tantalum region

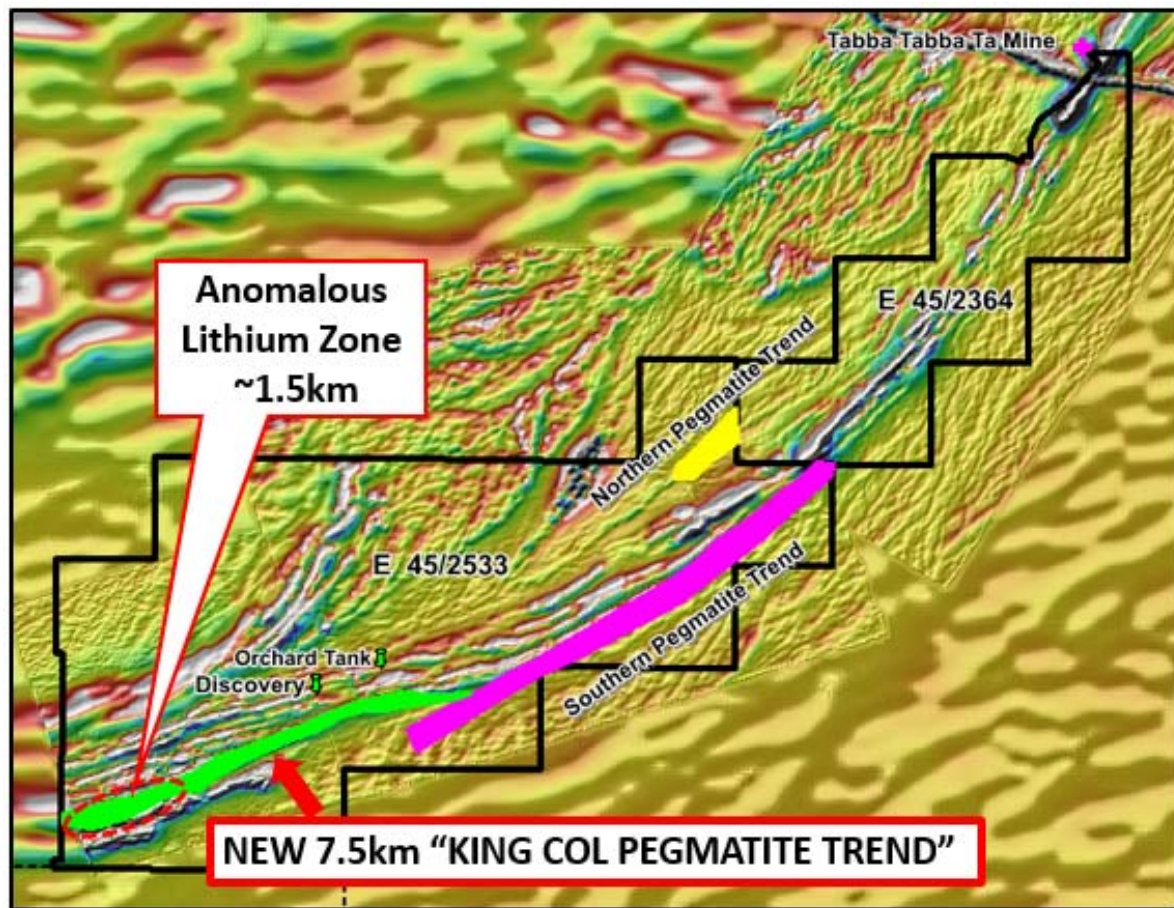
**Figure 1 Turner River Project location plan**



## Soil Sampling Program

An initial soil sampling program was completed over a strike length of 1.6km along the south-western end of the 7.5km long pegmatite trend (Figure 2) to follow up previous highly anomalous rock chip sampling results received in October 2016. A total of 120 samples were collected on a nominal 400m x 25m grid pattern, with samples sieved to a 1.7mm to 7mm size fraction.

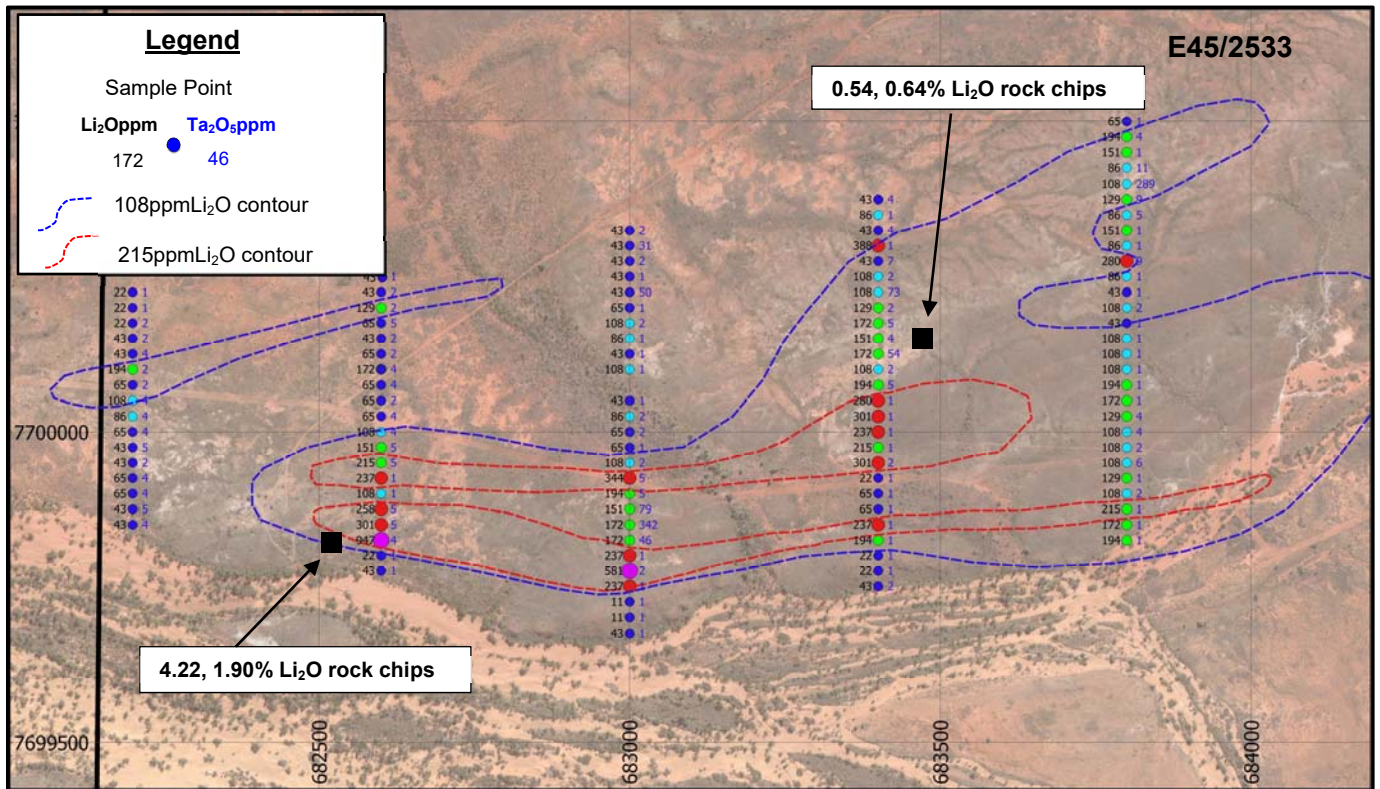
**Figure 2 King Col Pegmatite Trend located in E45/2533 (green zone)**



The results defined a strong and coherent 1.2km long lithium trend which remains open to the east. The peak lithium values are associated with some small scale historic beryl workings. Peak values are 947 ppm  $\text{Li}_2\text{O}$ , and 342 ppm  $\text{Ta}_2\text{O}_5$ , associated with anomalous Cs and Rb. Results are considered encouraging, particularly as lithium is easily depleted in weathered bedrock. The results warrant further infill and extensional sampling to better define the anomaly and extensions to the east. This work is planned to be completed during December 2016.

The soil anomaly is also supported by the previous coincident rock chip samples along the south-western end of the King Col Pegmatite Trend which returned best results of **4.22%  $\text{Li}_2\text{O}$**  associated with a small outcrop of the lithium bearing mineral – lepidolite, and an additional 8 samples ranging from **2.5% to 0.15%  $\text{Li}_2\text{O}$**  along the zone (*refer to De Grey Mining Limited ASX release, dated 11 October 2016*).

**Figure 3 Soil sample location and results, King Col pegmatite trend**



**Table 1 King Col Pegmatite Trend soil analysis results highlighting the LCT associated elements**

| SampleID | E_GDA94 | N_GDA94 | Li2O       | Cs        | Nb        | Rb         | Ta2O5      |
|----------|---------|---------|------------|-----------|-----------|------------|------------|
| KL0001   | 682200  | 7699850 | 43         | 9         | <5        | <b>304</b> | 4          |
| KL0002   | 682200  | 7699875 | 43         | 12        | <5        | <b>263</b> | 5          |
| KL0003   | 682200  | 7699900 | 65         | 12        | <5        | <b>263</b> | 4          |
| KL0004   | 682200  | 7699925 | 65         | 12        | 5         | <b>251</b> | 4          |
| KL0005   | 682200  | 7699950 | 43         | 14        | 10        | <b>264</b> | 2          |
| KL0006   | 682200  | 7699975 | 43         | 8         | 10        | 141        | 5          |
| KL0007   | 682200  | 7700000 | 65         | 12        | 10        | <b>330</b> | 4          |
| KL0008   | 682200  | 7700025 | 86         | 18        | 10        | <b>345</b> | 4          |
| KL0009   | 682200  | 7700050 | <b>108</b> | 14        | 10        | 130        | 4          |
| KL0010   | 682200  | 7700075 | 65         | 8         | 10        | 177        | 2          |
| KL0011   | 682200  | 7700100 | <b>194</b> | 10        | 15        | 128        | 2          |
| KL0012   | 682200  | 7700125 | 43         | 7         | 10        | 118        | 4          |
| KL0013   | 682200  | 7700150 | 43         | 8         | 5         | 168        | 2          |
| KL0014   | 682200  | 7700175 | 22         | 4         | <5        | 124        | 2          |
| KL0015   | 682200  | 7700200 | 22         | 8         | <5        | 229        | 1          |
| KL0016   | 682200  | 7700225 | 22         | 8         | 5         | 223        | 1          |
| KL0017   | 682600  | 7699775 | 43         | 7         | <5        | <b>291</b> | 1          |
| KL0018   | 682600  | 7699800 | 22         | 8         | <5        | <b>281</b> | 1          |
| KL0019   | 682600  | 7699825 | <b>947</b> | <b>55</b> | 10        | <b>634</b> | 4          |
| KL0020   | 682600  | 7699850 | <b>301</b> | <b>45</b> | 10        | <b>495</b> | 5          |
| KL0021   | 682600  | 7699875 | <b>258</b> | <b>38</b> | 15        | <b>284</b> | 5          |
| KL0022   | 682600  | 7699900 | <b>108</b> | 15        | <5        | 22         | 1          |
| KL0023   | 682600  | 7699925 | <b>237</b> | 16        | <5        | 25         | 1          |
| KL0024   | 682600  | 7699950 | <b>215</b> | 24        | 15        | <b>300</b> | 5          |
| KL0025   | 682600  | 7699975 | <b>151</b> | 15        | 20        | <b>263</b> | 5          |
| KL0026   | 682600  | 7700000 | <b>108</b> | 13        | 10        | <b>286</b> | 4          |
| KL0027   | 682600  | 7700025 | 65         | 21        | 5         | <b>390</b> | 4          |
| KL0028   | 682600  | 7700050 | 65         | 11        | 5         | 194        | 2          |
| KL0029   | 682600  | 7700075 | 65         | 15        | 5         | <b>262</b> | 4          |
| KL0030   | 682600  | 7700100 | <b>172</b> | 13        | 10        | <b>272</b> | 4          |
| KL0031   | 682600  | 7700100 | 65         | 17        | 10        | <b>264</b> | 7          |
| KL0032   | 682600  | 7700125 | 65         | 12        | 5         | <b>259</b> | 2          |
| KL0033   | 682600  | 7700150 | 43         | 7         | 5         | 165        | 2          |
| KL0034   | 682600  | 7700175 | 65         | 12        | 10        | 189        | 5          |
| KL0035   | 682600  | 7700200 | <b>129</b> | 11        | 10        | 188        | 2          |
| KL0036   | 682600  | 7700225 | 43         | 7         | 5         | 202        | 2          |
| KL0037   | 682600  | 7700250 | 43         | 10        | 5         | 227        | 1          |
| KL0039   | 683000  | 7699675 | 43         | 7         | 5         | 215        | 1          |
| KL0040   | 683000  | 7699700 | 11         | 1         | <5        | 14         | 1          |
| KL0041   | 683000  | 7699725 | 11         | <1        | <5        | 6          | 1          |
| KL0042   | 683000  | 7699750 | <b>237</b> | <b>33</b> | <5        | 30         | 1          |
| KL0043   | 683000  | 7699775 | <b>581</b> | 18        | 10        | 47         | 2          |
| KL0044   | 683000  | 7699800 | <b>237</b> | 13        | <5        | 48         | 1          |
| KL0045   | 683000  | 7699825 | <b>172</b> | <b>54</b> | 15        | <b>298</b> | 46         |
| KL0046   | 683000  | 7699850 | <b>172</b> | <b>37</b> | <b>40</b> | 177        | <b>342</b> |
| KL0047   | 683000  | 7699875 | <b>151</b> | <b>47</b> | 15        | <b>296</b> | <b>79</b>  |

|        |        |         |            |           |            |             |           |
|--------|--------|---------|------------|-----------|------------|-------------|-----------|
| KL0048 | 683000 | 7699900 | <b>194</b> | <b>70</b> | 10         | <b>428</b>  | 5         |
| KL0049 | 683000 | 7699925 | <b>344</b> | <b>25</b> | <5         | 151         | 5         |
| KL0050 | 683000 | 7699950 | <b>108</b> | 8         | <5         | 182         | 2         |
| KL0051 | 683000 | 7699975 | 65         | 6         | <5         | 200         | 1         |
| KL0052 | 683000 | 7700000 | 65         | 6         | 5          | 193         | 2         |
| KL0053 | 683000 | 7700025 | 86         | 11        | <5         | 205         | 2         |
| KL0054 | 683000 | 7700050 | 43         | 7         | <5         | 221         | 1         |
| KL0056 | 683000 | 7700100 | <b>108</b> | 7         | <5         | 75          | 1         |
| KL0057 | 683000 | 7700125 | 43         | 8         | 5          | 67          | 1         |
| KL0058 | 683000 | 7700150 | 86         | 6         | <5         | 74          | 1         |
| KL0059 | 683000 | 7700175 | <b>108</b> | 7         | 5          | 71          | 2         |
| KL0060 | 683000 | 7700200 | 65         | 3         | 5          | 37          | 1         |
| KL0061 | 683000 | 7700225 | 43         | 4         | <b>55</b>  | 45          | <b>50</b> |
| KL0062 | 683000 | 7700225 | 43         | 3         | 10         | 35          | 1         |
| KL0063 | 683000 | 7700250 | 43         | 5         | <5         | 75          | 1         |
| KL0064 | 683000 | 7700275 | 43         | 5         | <5         | 72          | 2         |
| KL0065 | 683000 | 7700300 | 43         | 5         | 25         | 55          | 31        |
| KL0066 | 683000 | 7700325 | 43         | 4         | 5          | 49          | 2         |
| KL0067 | 683400 | 7699750 | 43         | 2         | 5          | 50          | 2         |
| KL0068 | 683400 | 7699775 | 22         | 2         | <5         | 13          | 1         |
| KL0069 | 683400 | 7699800 | 22         | 3         | <5         | 11          | 1         |
| KL0070 | 683400 | 7699825 | <b>194</b> | 12        | <5         | 21          | 1         |
| KL0071 | 683400 | 7699850 | <b>237</b> | 5         | <5         | 16          | 1         |
| KL0072 | 683400 | 7699875 | 65         | 6         | <5         | 207         | 1         |
| KL0073 | 683400 | 7699900 | 65         | 12        | <5         | 248         | 1         |
| KL0074 | 683400 | 7699925 | 22         | 6         | <5         | 243         | 1         |
| KL0075 | 683400 | 7699950 | <b>301</b> | 6         | <5         | 138         | 2         |
| KL0076 | 683400 | 7699975 | <b>215</b> | 4         | <5         | 20          | 1         |
| KL0077 | 683400 | 7700000 | <b>237</b> | 4         | <5         | 22          | 1         |
| KL0078 | 683400 | 7700025 | <b>301</b> | 6         | <5         | 28          | 1         |
| KL0079 | 683400 | 7700050 | <b>280</b> | 10        | <5         | 139         | 1         |
| KL0080 | 683400 | 7700075 | <b>194</b> | <b>26</b> | 15         | <b>517</b>  | 5         |
| KL0081 | 683400 | 7700100 | <b>108</b> | <b>60</b> | 5          | <b>1196</b> | 2         |
| KL0082 | 683400 | 7700125 | <b>172</b> | <b>49</b> | <b>105</b> | <b>1032</b> | <b>54</b> |
| KL0083 | 683400 | 7700150 | <b>151</b> | <b>36</b> | 5          | <b>567</b>  | 4         |
| KL0084 | 683400 | 7700175 | <b>172</b> | 19        | 10         | <b>275</b>  | 5         |
| KL0085 | 683400 | 7700200 | <b>129</b> | 8         | 5          | 62          | 2         |
| KL0086 | 683400 | 7700225 | <b>108</b> | 6         | 25         | 53          | <b>73</b> |
| KL0087 | 683400 | 7700250 | <b>108</b> | 6         | 5          | 31          | 2         |
| KL0088 | 683400 | 7700275 | 43         | 2         | <5         | 9           | 7         |
| KL0089 | 683400 | 7700300 | <b>388</b> | 4         | 5          | 29          | 1         |
| KL0090 | 683400 | 7700325 | 43         | 7         | <5         | 28          | 4         |
| KL0091 | 683400 | 7700350 | 86         | 7         | <5         | 48          | 1         |
| KL0092 | 683400 | 7700375 | 43         | 6         | 5          | 53          | 4         |
| KL0093 | 683400 | 7700375 | 65         | 10        | <5         | 66          | 1         |
| KL0094 | 683800 | 7699825 | <b>194</b> | 5         | <5         | 62          | 1         |
| KL0095 | 683800 | 7699850 | <b>172</b> | 5         | <5         | 32          | 1         |
| KL0096 | 683800 | 7699875 | <b>215</b> | 4         | <5         | 24          | 1         |
| KL0097 | 683800 | 7699900 | <b>108</b> | 3         | 5          | 27          | 2         |
| KL0098 | 683800 | 7699925 | <b>129</b> | 3         | <5         | 21          | 1         |

|        |        |         |            |            |           |             |            |
|--------|--------|---------|------------|------------|-----------|-------------|------------|
| KL0099 | 683800 | 7699950 | <b>108</b> | 8          | 10        | 31          | 6          |
| KL0100 | 683800 | 7699975 | <b>108</b> | 5          | <5        | 26          | 2          |
| KL0101 | 683800 | 7700000 | <b>108</b> | 2          | 5         | 26          | 4          |
| KL0102 | 683800 | 7700025 | <b>129</b> | 4          | 5         | 45          | 4          |
| KL0103 | 683800 | 7700050 | <b>172</b> | 5          | <5        | 65          | 1          |
| KL0104 | 683800 | 7700075 | <b>194</b> | 8          | 10        | 66          | 1          |
| KL0105 | 683800 | 7700100 | <b>108</b> | 3          | 5         | 20          | 1          |
| KL0106 | 683800 | 7700125 | <b>108</b> | 3          | <5        | 18          | 1          |
| KL0107 | 683800 | 7700150 | <b>108</b> | 3          | <5        | 21          | 1          |
| KL0108 | 683800 | 7700175 | 43         | 4          | <5        | 28          | 1          |
| KL0109 | 683800 | 7700200 | <b>108</b> | 15         | 5         | 79          | 2          |
| KL0110 | 683800 | 7700225 | 43         | 4          | <5        | 20          | 1          |
| KL0111 | 683800 | 7700250 | 86         | 14         | <5        | 82          | 1          |
| KL0112 | 683800 | 7700275 | <b>280</b> | 7          | 5         | 41          | 9          |
| KL0113 | 683800 | 7700300 | 86         | 5          | <5        | 47          | 1          |
| KL0114 | 683800 | 7700325 | <b>151</b> | 8          | <5        | 71          | 1          |
| KL0115 | 683800 | 7700350 | 86         | <b>25</b>  | 10        | 102         | 5          |
| KL0116 | 683800 | 7700375 | <b>129</b> | <b>106</b> | 15        | <b>709</b>  | 9          |
| KL0117 | 683800 | 7700400 | <b>108</b> | <b>222</b> | <b>60</b> | <b>1281</b> | <b>289</b> |
| KL0118 | 683800 | 7700425 | 86         | <b>64</b>  | 10        | <b>427</b>  | 11         |
| KL0119 | 683800 | 7700450 | <b>151</b> | 20         | 5         | 153         | 1          |
| KL0120 | 683800 | 7700475 | <b>194</b> | <b>25</b>  | 10        | 130         | 4          |
| KL0121 | 683800 | 7700500 | 65         | 5          | <5        | 39          | 1          |
| KL0122 | 683800 | 7700500 | 65         | 6          | <5        | 32          | 1          |

**For further information:**

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*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 a consultant to 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.*

**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  |
|------------------------------|--|---|
| <b>Sampling techniques</b>   | <ul style="list-style-type: none"> <li>Nature and quality of sampling (e.g. cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc.). These examples should not be taken as limiting the broad meaning of sampling.</li> <li>Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.</li> <li>Aspects of the determination of mineralisation that are Material to the Public Report.</li> <li>In cases where 'industry standard' work has been done this would be relatively simple (e.g. 'reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30 g charge for fire assay'). In other cases more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (e.g. submarine nodules) may warrant disclosure of detailed information.</li> </ul> | <ul style="list-style-type: none"> <li>Results in this report relate to reconnaissance lag (soil) sampling undertaken over the King Col pegmatite trend by De Grey Mining.</li> <li>The samples comprised a sieved soil sample of a fraction &gt;1.7mm and &lt;7mm.</li> <li>Samples were taken at a point location on a 400m x 25m grid pattern.</li> <li>Assays were undertaken at an industry standard independent laboratory</li> </ul> |
| <b>Drilling techniques</b>   | <ul style="list-style-type: none"> <li>Drill type (e.g. core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc.) and details (e.g. core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc.).</li> </ul>  | <ul style="list-style-type: none"> <li>No drilling undertaken</li> </ul>  |
| <b>Drill sample recovery</b> | <ul style="list-style-type: none"> <li>Method of recording and assessing core and chip sample recoveries and results assessed.</li> <li>Measures taken to maximise sample recovery and ensure representative nature of the samples.</li> <li>Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material.</li> </ul>   | <ul style="list-style-type: none"> <li>No drilling undertaken</li> </ul>  |
| <b>Logging</b>               | <ul style="list-style-type: none"> <li>Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies.</li> <li>Whether logging is qualitative or quantitative in nature. Core (or</li> </ul>  | <ul style="list-style-type: none"> <li>A brief description of soil characteristics was recorded</li> </ul>  |



| Criteria  | JORC Code explanation   | Commentary   |
|---|---|--|
|   | <p>costean, channel, etc.) photography.</p> <ul style="list-style-type: none"> <li>The total length and percentage of the relevant intersections logged.</li> </ul>   |  |
| <b>Sub-sampling techniques and sample preparation</b> | <ul style="list-style-type: none"> <li>If core, whether cut or sawn and whether quarter, half or all core taken.</li> <li>If non-core, whether riffled, tube sampled, rotary split, etc. and whether sampled wet or dry.</li> <li>For all sample types, the nature, quality and appropriateness of the sample preparation technique.</li> <li>Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.</li> <li>Measures taken to ensure that the sampling is representative of the in situ material collected, including for instance results for field duplicate/second-half sampling.</li> <li>Whether sample sizes are appropriate to the grain size of the material being sampled.</li> </ul> | <ul style="list-style-type: none"> <li>The samples comprised a sieved soil sample of a fraction &gt;1.7mm and &lt;7mm, weighing around 200g</li> <li>Samples were bagged and sent to the independent laboratory for assay where they were pulverised and assayed.</li> <li>The samples are considered appropriate for first pass reconnaissance assessment of the area for this style of mineralisation.</li> <li>No QAQC samples were collected in this case</li> <li>Further detailed sampling is planned</li> </ul> |
| <b>Quality of assay data and laboratory tests</b>     | <ul style="list-style-type: none"> <li>The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.</li> <li>For geophysical tools, spectrometers, handheld XRF instruments, etc., the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc.</li> <li>Nature of quality control procedures adopted (e.g. standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (i.e. lack of bias) and precision have been established.</li> </ul>   | <ul style="list-style-type: none"> <li>The samples were analysed by an independent industry laboratory and are considered appropriate for this style of mineralisation</li> <li>5 duplicates and 10 standards were inserted by the laboratory. No standards were inserted by DeGrey</li> </ul>   |
| <b>Verification of sampling and assaying</b>          | <ul style="list-style-type: none"> <li>The verification of significant intersections by either independent or alternative company personnel.</li> <li>The use of twinned holes.</li> <li>Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.</li> <li>Discuss any adjustment to assay data.</li> </ul>   | <ul style="list-style-type: none"> <li>Sampling was carried out by DeGrey personnel and was checked by the CP in the field.</li> <li>The analytical data has been reviewed by De Grey staff (CP)</li> <li>Further detailed sampling is planned</li> </ul>  |
| <b>Location of data points</b>                        | <ul style="list-style-type: none"> <li>Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation.</li> <li>Specification of the grid system used.</li> <li>Quality and adequacy of topographic control.</li> </ul>   | <ul style="list-style-type: none"> <li>All sample locations are derived from handheld GPS and are accurate +/- 5m.</li> <li>GDA94 Zone 50</li> </ul>   |
| <b>Data spacing and distribution</b>                  | <ul style="list-style-type: none"> <li>Data spacing for reporting of Exploration Results.</li> <li>Whether the data spacing and distribution is sufficient to establish</li> </ul>  | <ul style="list-style-type: none"> <li>Samples were collected on a spacing of 400 x 25m</li> <li>Total of 120 samples were taken along an approximately 1.6km trend</li> </ul>   |

| Criteria   | JORC Code explanation  | Commentary   |
|--|--|--|
|  | <p><i>the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied.</i></p> <ul style="list-style-type: none"> <li>• <i>Whether sample compositing has been applied.</i></li> </ul>  | <ul style="list-style-type: none"> <li>• Sampling is of insufficient density to determine a resource estimate. Additional detailed follow-up sampling is recommended to qualify and quantify the anomalous areas in greater detail prior to drill testing if warranted.</li> </ul> |
| <b>Orientation of data in relation to geological structure</b> | <ul style="list-style-type: none"> <li>• <i>Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.</i></li> <li>• <i>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.</i></li> </ul> | <ul style="list-style-type: none"> <li>• Samples were collected on lines at approximately 90 degrees to the strike of lithological contacts.</li> <li>• Orientation of sample lines is not expected to contribute to sampling bias.</li> </ul>                                     |
| <b>Sample security</b>   | <ul style="list-style-type: none"> <li>• <i>The measures taken to ensure sample security.</i></li> </ul>   | <ul style="list-style-type: none"> <li>• Samples were collected by DeGrey personnel and the sampling was checked by the CP in the field.</li> <li>• Samples were then sent via transport contractor direct to the laboratory</li> </ul>  |
| <b>Audits or reviews</b>                                       | <ul style="list-style-type: none"> <li>• <i>The results of any audits or reviews of sampling techniques and data.</i></li> </ul>   | <ul style="list-style-type: none"> <li>• No audits have been completed</li> <li>• The CP has reviewed the data and considers the data is appropriate for this style of mineralisation and sampling type.</li> </ul>  |

## Section 2 Reporting of Exploration Results

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

| Criteria                                       | JORC Code explanation  | Commentary  |
|--|--|---|
| <b>Mineral tenement and land tenure status</b> | <ul style="list-style-type: none"> <li>• <i>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.</i></li> <li>• <i>The security of the tenure held at the time of reporting along with any known impediments to obtaining a licence to operate in the area.</i></li> </ul> | <ul style="list-style-type: none"> <li>• Sampling carried out on Tenement E45/2533 which is owned 100% by De Grey Mining or its wholly owned subsidiaries</li> <li>•</li> </ul>   |
| <b>Exploration done by other parties</b>       | <ul style="list-style-type: none"> <li>• <i>Acknowledgment and appraisal of exploration by other parties.</i></li> </ul>   | <ul style="list-style-type: none"> <li>• Pegmatite related results reported in this report are based on work completed by De Grey.</li> <li>• De Grey has also undertaken a considerable amount of sampling and drilling on other portions of this tenement including the definition of two base metal resources and numerous other gold and base metal targets requiring additional follow-up</li> <li>• Historic stream sediment sampling has been undertaken on the tenement however this sampling did not cover this portion of the tenement</li> </ul> |
| <b>Geology</b>                                 | <ul style="list-style-type: none"> <li>• <i>Deposit type, geological setting and style of mineralisation.</i></li> </ul>   | <ul style="list-style-type: none"> <li>• The mineralisation targeted is rare metal pegmatite hosted mineralisation including</li> </ul>   |

| Criteria  | JORC Code explanation  | Commentary  |
|---|--|---|
|   |  | <p>Tantalum and Lithium similar to the Tabba Tabba Tantalum Mine located immediately to the north of E45/2364 and the Lithium rich Pilgangoora deposit located approximately 40km to the south.</p>   |
| <b>Drill hole Information</b>   | <ul style="list-style-type: none"> <li>• <i>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:</i></li> <li>• <i>easting and northing of the drill hole collar</i></li> <li>• <i>elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar</i></li> <li>• <i>dip and azimuth of the hole</i></li> <li>• <i>down hole length and interception depth</i></li> <li>• <i>hole length.</i></li> <li>• <i>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.</i></li> </ul> | <ul style="list-style-type: none"> <li>• No drilling undertaken on pegmatite targets</li> </ul>   |
| <b>Data aggregation methods</b>   | <ul style="list-style-type: none"> <li>• <i>In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (e.g. cutting of high grades) and cut-off grades are usually Material and should be stated.</i></li> <li>• <i>Where aggregate intercepts incorporate short lengths of high grade results and longer lengths of low grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail.</i></li> <li>• <i>The assumptions used for any reporting of metal equivalent values should be clearly stated.</i></li> </ul>   | <ul style="list-style-type: none"> <li>• Samples relate to a point lag sample from which material is generally expected to be sourced from the immediate vicinity.</li> <li>• No lower or upper cuts, aggregate intervals or metal equivalents are reported.</li> </ul> |
| <b>Relationship between mineralisation widths and intercept lengths</b> | <ul style="list-style-type: none"> <li>• <i>These relationships are particularly important in the reporting of Exploration Results.</i></li> <li>• <i>If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.</i></li> <li>• <i>If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (e.g. ‘down hole length, true width not known’).</i></li> </ul>   | <ul style="list-style-type: none"> <li>• Unknown at this stage</li> </ul>   |
| <b>Diagrams</b>   | <ul style="list-style-type: none"> <li>• <i>Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported These should include, but not be limited to a plan view of drill hole collar locations and appropriate sectional views.</i></li> </ul>   | <ul style="list-style-type: none"> <li>• Plans of sample locations and table are provided in report.</li> </ul>   |

| Criteria                                  | JORC Code explanation   | Commentary  |
|---|---|---|
| <b>Balanced reporting</b>                 | <ul style="list-style-type: none"> <li>Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results.</li> </ul>   | <ul style="list-style-type: none"> <li>The report includes defined levels of anomalous results however further sampling is required to validate the tenor of results.</li> </ul>  |
| <b>Other substantive exploration data</b> | <ul style="list-style-type: none"> <li>Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples – size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances.</li> </ul> | <ul style="list-style-type: none"> <li>De Grey has acquired an extensive gold and base metal dataset including geochemical, geophysical and drilling data over the tenement areas however this data has not specifically targeted pegmatite style mineralisation. Further work is required to test of this style of mineralisation although it is noted the region host a number of pegmatite hosted deposits.</li> </ul> |
| <b>Further work</b>                       | <ul style="list-style-type: none"> <li>The nature and scale of planned further work (e.g. tests for lateral extensions or depth extensions or large-scale step-out drilling).</li> <li>Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.</li> </ul>                                     | <ul style="list-style-type: none"> <li>De Grey is planning further detailed field reconnaissance investigations to validate the pegmatite related mineralisation potential.</li> </ul>  |