



ASX Announcement  
9 February 2017

## Acquisition of Indee Gold provides scale and development momentum

**De Grey secures exclusive and binding 12 month option to evaluate and explore with right to acquire the adjoining and highly prospective Indee Gold Project within 18 months.**

ASX Code DEG

ABN 65 094 206 292

### COMPANY DIRECTORS

Simon Lill

**Executive Chairman**

Davide Bosio

**Non-executive Director**

Steve Morris

**Non-executive Director**

Craig Nelmes

**Company Secretary/CFO**

**Acquisition to fast track and bolster De Grey's stated corporate objective - *Near-term development and gold production at Turner River.***

### Key assets of Indee Gold:

- Resources (JORC 2004) with 77% Indicated category or better.
- Additional positive drilling results beneath current resources.
- Advanced walk-up drill targets provide resource upside.
- Secures additional 60km strike of Mallina Shear Zone.
- Granted mining leases to reduce development timeframe.
- Exposed gold mineralisation in five shallow open pits.
- 850,000t of crushed mineralised material in surface stockpile.
- Mine infrastructure including camp, ROM pad and haul roads.

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### Immediate Focus – Priority Programmes

#### March 2017 Quarter

- Upgrade of Indee Gold resources to JORC Code (2012).
- Stage 1 Open Pit Mining Scoping Study
  - Simple open pit mining
  - Dominantly oxide gold resources
  - Centralised CIL plant at Indee.
  - Determine scale of operation

#### June 2017 Quarter

- Resource drilling at Mallina and Mt Berghaus prospects.
- Commence detailed feasibility studies

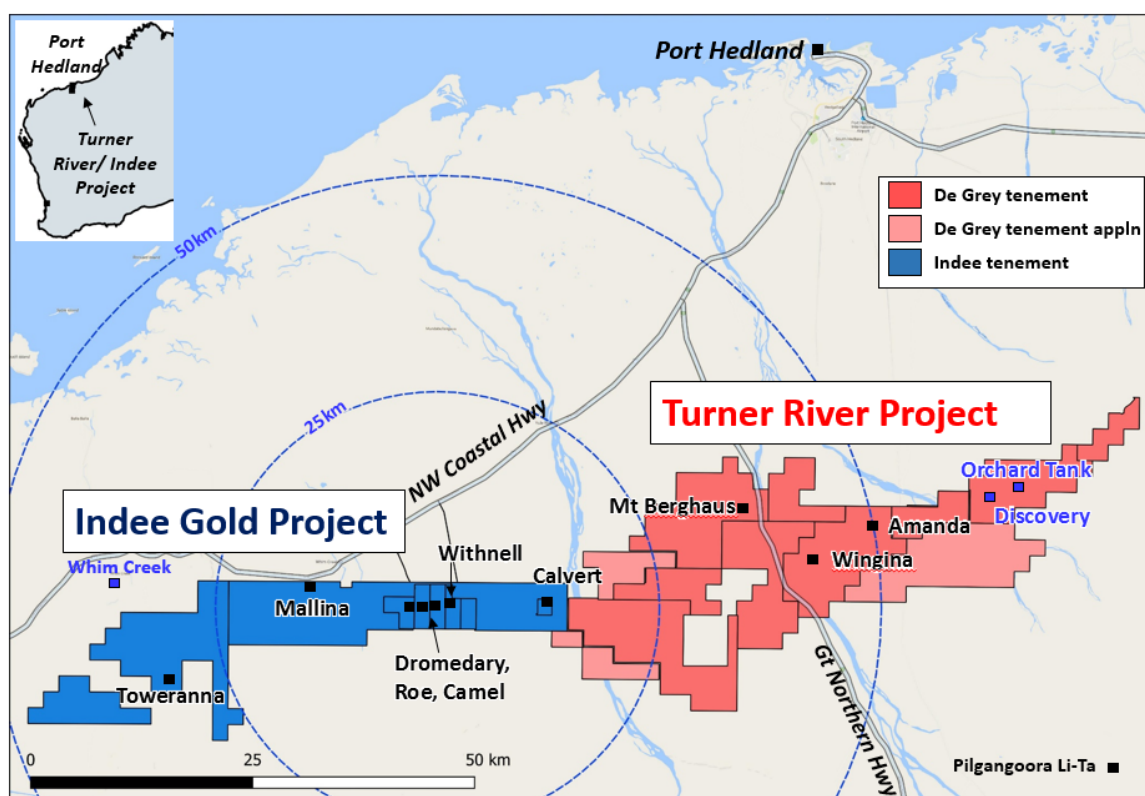
Executive Chairman, Simon Lill, commented:

*“This acquisition not only consolidates ownership of the regionally significant and highly prospective Mallina Shear Zone, but dovetails very well with our Turner River Project and fast tracks De Grey into development studies. The potential scale of operation will place us within reach of a small and select group of ASX-listed gold developers. We have an exciting year ahead of us.”*

De Grey Mining Ltd (ASX: DEG, “De Grey” “Company”) is pleased to announce it has entered into an exclusive and binding Heads of Agreement (“HoA”) with Northwest Nonferrous Australia Mining Pty Ltd (“NNAM”) and its wholly-owned subsidiary, Indee Gold Pty Ltd (“Indee Gold”). Indee Gold owns the gold assets to the immediate west of De Grey’s Turner River Project near Port Hedland, Western Australia.

The HoA provides De Grey with an initial 12 month option period in which to evaluate the property and the right to acquire Indee Gold for \$15M by July 2018. The evaluation is to include an initial scoping study to determine potential operation scale and then promptly move into detailed feasibility studies.

**Figure 1 Turner River (Red) and Indee Gold (Blue) Projects**



## Key Indee Gold Assets

- **Resources** of a similar style, definition, scale and grade to the Turner River Project.
- **Positive Drilling** beneath the existing resources.
- **Advanced Walk-Up Drill Targets** provides resource upside.
- **Additional 60km strike of Mallina Shear Zone** within 414km<sup>2</sup> landholding.
- **Granted Mining Leases** that host majority of defined resources.
- **Gold Mineralisation** exposed in five partially mined shallow open pits.
- **851,000 Tonnes of Crushed Material** in surface stockpile.
- **Mine Infrastructure** including a village camp, ROM pad, water bores and haul roads.
- **Large Database** of past mining and exploration information.
- **Agreements** covering Native Title and other stakeholders.

## Indee Gold Project

The Indee Gold Project (Figure 1) represents a large contiguous landholding covering an area of 414km<sup>2</sup> adjacent to De Grey's 100% owned Turner River Project covering a further 823km<sup>2</sup>. The project comprises granted mining and exploration licences with existing defined in situ shallow gold resources, a large advanced near term exploration target, named Mallina, other walk-up drill targets and longer term exploration upside.

## Resources

The Indee Gold Project is considered to host the following JORC Code (2004)\*\* gold resources with a substantial portion classified in the **Measured (9%) and Indicated (68%) categories**. This resource statement is based on the previous owner's (Range River Gold) initial publicly stated JORC Code (2004) mineral resource statement, minus subsequent depletion caused by previous small scale open pit mining followed by re-estimation of the remnant resources by Range River Gold post mining based on the more detailed information obtained during the mining phase.

*\*\*Cautionary Statement – De Grey highlights that the following Indee Gold Project Resource Estimations were prepared by the former owners and do not necessarily conform to the JORC Code (2012) reporting standards. However they are stated in this release as the defined resources are considered “material” under ASX Listing Rule 3.1.*

**Table 1 Indee Gold Project Resource Statement (JORC 2004#)**

Indee Project (#JORC 2004) 0.5g/t Au Cut-off Grade										Option to Acquire		
Deposit	Measured			Indicated			Inferred			Total		
	Mt	Au (g/t)	Au Oz	Mt	Au (g/t)	Au Oz	Mt	Au (g/t)	Au Oz	Mt	Au (g/t)	Au Oz
Withnell North <sup>#</sup>	0.65	1.5	31,000	1.12	1.5	53,000	0.1	1.4	4,000	1.86	1.5	88,000
Withnell South <sup>#</sup>				0.74	1.6	38,000				0.74	1.6	38,000
Withnell East <sup>#</sup>				0.12	2.2	9,000				0.12	2.2	9,000
Withnell West <sup>#</sup>				0.74	1.4	32,000	0.3	1.3	12,000	1.01	1.4	44,000
Camel 1 <sup>#</sup>				0.67	2.1	45,000				0.67	2.1	45,000
Calvert <sup>#</sup>				1.25	1.2	47,000				1.25	1.2	47,000
Dromedary (Camel 2) <sup>#</sup>				0.20	1.9	12,000				0.20	1.9	12,000
Toweranna <sup>#</sup>							0.4	2.1	30,000	0.44	2.1	30,000
Roe <sup>#</sup>							0.4	2.6	33,000	0.39	2.6	33,000
<b>Indee Gold Project</b>	<b>0.65</b>	<b>1.5</b>	<b>31,000</b>	<b>4.82</b>	<b>1.5</b>	<b>236,000</b>	<b>1.2</b>	<b>2.0</b>	<b>78,000</b>	<b>6.66</b>	<b>1.6</b>	<b>345,000</b>

*Discrepancies may occur in totals due to rounding*

*Tonnes, grade and ounces rounded to reflect accuracy of estimates*

*# JORC 2004 estimates based on Information supplied by the previous owners, refer to Cautionary Statements in this report*

### **#JORC Code (2004) Resources**

*The following information is provided as background to the Indee Gold Project and the JORC Code (2004) resources as it is considered “material” by De Grey Mining. De Grey has completed an initial due diligence review of the information as prepared by the previous owners, however De Grey does not take responsibility for the information.*

*The first publicly reported Indee Gold Project pre-mining resource statement was reported by Range River Gold (“RRG”) to the ASX on the 4 August 2004, however this initial public resource statement was not stated to JORC Code (2004) standards.*

On 4 March 2005, the Indee Gold Project pre-mining resource statement was updated to a total of 10.46Mt at 1.6g/t Au for 529,000 ounces as published by RRG to the ASX in "Market update - Indee Gold Project". This resource was reported to JORC Code (2004) standards and included the following categories - Measured 2,037,000t @ 1.9g/t for 123,000 oz., Indicated 5,605,000t @ 1.5g/t for 277,000 oz. and Inferred 2,819,000t @ 1.4g/t for 129,000 oz.

Subsequent open pit mining was undertaken by RRG which resulted in depletion of the Withnell and Camel 1 deposits. The Calvert, Dromedary (Camel 2), Toweranna and Roe deposits remained unmined.

At the conclusion of mining in 2007, RRG completed a detailed review of the four Withnell and Camel 1 resources taking into account depletion due to physical mining, adjustment of the resource wireframes based on more detailed geological mapping within the open pits, detailed density data, grade control drilling and mining reconciliations against the early 2005 resource model.

In 2008, RRG engaged independent resource consultants to undertake and update the four Withnell and Camel 1 resource estimates resulting in a net loss from the initial publicly stated 2005 resource. The new updated 2008 resource (JORC Code 2004) is as listed above in Table 1.

On 12 May 2008, Range River announced a joint venture with Chinese company Northwest Mining and Geological Exploration Bureau for Nonferrous Metals which ultimately transferred the rights to the wholly owned Australian private company Indee Gold Pty Ltd after the project was purchased outright in November 2011.

During the period from 2008 to 2016, Indee Gold Pty Ltd completed a substantial amount of drilling focussed on testing beneath the Withnell resource and other areas. Results from this drilling have not been reported publicly but are summarised in Table 3 and 4 of this report. The drill results highlight possible extensions to the mineralisation beneath the Withnell trend of deposits and at the new Mallina prospect. De Grey expects to incorporate these new drilling results during the resource evaluation currently underway.

## Indee Gold and Turner River Resource Comparison

The Indee Gold Project hosts significant shallow gold mineralisation and resources of a similar style, definition, scale and grade to De Grey's 100% owned and adjacent Turner River Project. For comparative purposes, the Turner River Project resource and the Indee Gold Project resources are provided below.

**Table 2 Indee Gold and Turner River Resource Summary**

Project	Measured			Indicated			Inferred			Total		
	Mt	Au (g/t)	Au Oz	Mt	Au (g/t)	Au Oz	Mt	Au (g/t)	Au Oz	Mt	Au (g/t)	Au Oz
Turner River Project	3.08	1.7	173,000	1.20	1.4	56,000	5.4	1.4	236,000	9.69	1.5	464,000
Indee Gold Project	0.65	1.5	31,000	4.82	1.5	236,000	1.2	2.0	78,000	6.66	1.6	345,000

(Turner River Project - Resource Statement as reported by De Grey Mining Limited to the ASX on January 25, 2017 in "Mt Berghaus Gold Resource Trebles")

De Grey considers both projects when combined together will provide the scale to support a stand-alone mining operation. De Grey plans to undertake a detailed review of the existing resources and then:

- upgrade to JORC Code (2012) standards where possible;
- undertake further exploration and resource definition drilling;
- carry out a Scoping Study; and
- progress to detailed economic studies culminating in a Definitive Feasibility Study prior to the decision to acquire Indee Gold.

Both projects contain well drilled shallow gold deposits that are anticipated to be suitable for open pit mining methods and processing through a suitable centralised CIL processing plant.

The large percentage of Measured and Indicated resources at both projects suggests minimal drilling will be required to elevate the resources to reserve status during any future feasibility study.

## Indee Gold Resource Upside

Since 2008, Indee Gold completed a significant amount of RC and diamond drilling dominantly beneath the Withnell open pits and at the previously unreported Mallina Prospect. Results of these drilling programmes show encouraging new gold mineralisation not previously published. De Grey's limited due diligence to date suggests the drilling and sampling is of a good quality and generally conforms to Australian industry practice and will most likely be suitable for inclusion in future resource estimation and meet JORC Code (2012) standards.

### Withnell Trend

The drilling beneath the Withnell deposits targeted extensions to the known shallower resources referred to in Table 1. The results show that significant gold mineralisation has been intersected below the existing JORC 2004 resources and that mineralisation remains open at depth. De Grey intends to compile and review this additional "material" drilling data and incorporate the results into the new resource evaluations. Table 3 lists intersections where the intercept is equivalent to or greater than 10gm\*m. A selection of more significant results include:

16m @ 4.50g/t Au from 72m	Withnell
12m @ 10.82g/t Au from 64m	Withnell
22m @ 3.46g/t Au from 110m	Withnell
12m @ 28.48g/t Au from 75m	Camel 1
10.5m @ 10.8g/t Au from 84m	Camel 1
11m @ 6.87g/t Au from 149m	Camel 1
9.0m @ 4.49g/t Au from 79m	Roe

## Mallina Prospect

The Mallina Prospect is a promising new exploration target located approximately 10km to the northwest of the Withnell deposits (Figure 1). This new zone of semi-continuous gold mineralisation extends over a 3km strike length evident in drilling generally on 100m spaced sections. Drilling shows the mineralisation extends to at least 250m depth. Table 4 lists the significant drilling intersections where the intercept is equivalent to or greater than 10gm\*m. A selection of more significant results include:

23m @ 2.52g/t Au from 76m

7m @ 5.45g/t Au from 9m

29m @ 1.70g/t Au from 0m

27m @ 1.34g/t Au from 5m

25m @ 1.00g/t Au from 77m

4m @ 9.11g/t Au from 4m

## Mallina Exploration Target

The following Exploration Target is provided for the Mallina Prospect.

Tonnes	Grade	Ounces
1.4Mt to 2.6Mt	1.2g.t -1.5g/t Au	53,000 oz. to 125,000 oz.

*Cautionary Statement: The potential quantity and grade of the exploration target is conceptual in nature. There has been insufficient exploration to determine a mineral resource and there is no certainty that further exploration work will result in the determination of mineral resources will be realised.*

### Assumptions

1. Maximum lode length range 1,500m to 1,200m from an overall 3km strike length which has been shown to be potentially mineralised through previous RC and diamond drilling
2. Minimum of one lode ranging from 6m to 4m average true thickness or equivalent thickness for multiple lodes
3. Grade is an estimate of average grade based on previous drilling results. Table 4 provides intersections 10gm\*m (ie grade (g/t) X intercept length (m) >=10gm\*metres; for example 4m @ 5g/t = 20gm\*m)
4. Maximum depth of mineralisation to 120m based on previous drilling results
5. Density of 2.4t/m<sup>3</sup> based on similar nearby oxide and fresh deposits

## **Mallina Exploration Target (Continued)**

The supporting information related to the Mallina Exploration Targets includes;

- A significant amount of RC and diamond drilling has been undertaken by Indee Gold along the prospective 3km strike length, this drilling has been completed generally on 100m spaced sections which are currently considered too wide spaced to determine an inferred resource.
- The sampling carried out on the abovementioned drilling is generally on a 1m basis or to geological boundaries, split and assayed at an independent Australian laboratory.
- Results indicate a series of stacked lenses of gold mineralisation along a majority of the 3km strike length with variable mineralisation defined from surface to approximately 250m depth.
- The continuity of the mineralisation remains to be tested due to the wide spaced nature of current drilling.
- De Grey intends to carry out further RC and diamond drilling to provide a sufficient density of drilling to clarify continuity of mineralisation. This drilling will initially focus on a potential open pit mining depth of around 120m. This drilling is anticipated to commence in the June Quarter 2017.

## **Geology**

The Indee Gold Project area is dominated by a sequence of Archaean turbidite sediments intruded by a series of granitic plugs dated between 2946 Ma and 2948 Ma. Gold and base metal mineralisation lies within the east-west trending Mallina Shear Zone that extends for over 70km with an overall width of 2km. The gold mineralisation is associated with quartz-sulphide lodes and carbonate alteration.

The main Withnell to Dromedary mineralised trend lies within the Mallina Shear Zone with the mineralisation hosted by altered and poly-deformed folded sediments comprising sandstone, siltstone and shales.

The gold deposits are variably weathered with oxidised mineralisation extending to depths of between 40 to 100m and fresh mineralisation beneath. Recent aeolian windblown sands thinly mask large areas along the prospective Mallina Shear Zone where limited drilling has been completed to date.

## **Tenure**

The Indee Gold Project is located over a 60km strike length of the Mallina Shear Zone on granted mining and exploration licences with associated miscellaneous licences accessing the North West Coastal Highway. The tenements are shown in Figure 1, listed below and are contiguous with De Grey's Turner River Project:

Mining Leases: M47/473-477 and 480

Exploration Licences: E47/2720 and E47/3504

Miscellaneous Licences: L47/164-165

## Previous Mining

On 27 April 2005, Range River Gold (“RRG”) announced the consolidation of 100% ownership of the Indee Gold Project. Following the consolidation, RRG resolved to develop the Indee Gold Mine on 16 September 2005. The mine was to be developed as a low capex heap leach operation, with Stage 1 to produce 25,000 ounces of gold per annum for three years from 5 open pits. A later Stage 2 expansion was to include mining of the deeper fresh sulphide resources and any oxide pit expansions.

Mining commenced July 2006, with oxide ore crushed and stacked on heap leach pads with the first gold poured on 7 August 2006. Mining continued until October 2007, when the decision to shut down the mine was made as a result of escalating mining, processing and staffing costs, coupled with a major cyclone flooding event and associated mining delays and lower recoveries from the heap leach pad than initially planned. The last mining and ore extraction occurred during December 2007. The heap leach pad continued to be irrigated until October 2008 with a reported total of 851,836 tonnes of ore at an average head grade of 1.5g/t Au crushed and stacked on the leach pads. Total gold produced over the life of mine was reported as 29,818 ounces.

## Metallurgy

The heap leach operation produced 29,818 ounces of gold from 851,836 tonnes of oxide ore (ie fresh ore was not processed). Overall cumulative heap leach recoveries were reported by RRG to achieve 72.7%, slightly higher than the forecast 68% determined in the 2006 Feasibility Study.

Detailed metallurgical testwork also indicated CIL processing is likely to achieve higher recoveries than the heap leach operation. The CIL recoveries are reported to range from 90-96% within the oxide zone depending on the individual deposits. Recoveries in the fresh material from the Withnell deposits were reported to average 72%. Further testwork is required to potentially enhance the recovery in the fresh material through grind size and processing options, and to determine the characteristics of individual deposits.

The consolidation of ownership of the Indee and Turner River provides the opportunity for De Grey to reconsider the previously completed CIL processing studies due to the increased scale of the resource base and higher gold price.

## Infrastructure

The Indee Gold Project has remnant mining infrastructure maintained from previous mining activities including:

- 851,000t of crushed, stacked and partially leached material on the existing heap leach pad. (De Grey has completed limited surface sampling which returned an average gold grade of 1.0g/t Au based on 20 samples on a nominal 40m x 40m spacing).
- Low grade stockpiles from past mining activities.
- Established ROM pad.
- Heap leach pad and solution dams, all plastic lined.
- Access road to main highway.
- Haul roads to existing partially mined shallow open pits.
- Water bores adjacent to the existing pits.
- Village camp.



## Rationale of the Acquisition

The Indee Gold Project acquisition will substantially increase the Company's resource base and fast track economic studies towards development and production. The resources and immediate exploration upside from both the Turner River and Indee Gold projects are all located within a 50km trucking distance of the existing mine infrastructure and are envisaged to provide a substantive, near-term stand-alone development opportunity.

De Grey is confident the Indee Gold Project resources will be substantially confirmed under the JORC Code (2012) reporting guidelines in the near term and are likely to increase significantly as further infill and extensional drilling is completed over time. Importantly, the Indee Gold resources are well drilled with 9% in the Measured and 68% in the Indicated categories and provides a strong platform for conversion to JORC Code (2012) reporting standards and eventually to reserve status.

The established Indee Gold Project deposits are characterised by strong oxidised gold mineralisation from surface to generally between 40-100m depth with fresh resources beneath. The four Withnell and Camel 1 deposits were previously partially mined in open pits to shallow depths ranging from 20m to 45m. All of the deposits remain open at depth and potential remains along strike.

Under the previous heap leach operation (2006-2008), the open pits were designed to reach depths of between 45m to 85m, however the operation closed prematurely due to various factors including a low gold price (circa AUD\$600-800/oz.), escalating operating costs and an ill-timed severe cyclone event.

The Project is located on granted mining and exploration licences together with the associated remnant mining infrastructure, previous investigations and stakeholder agreements, which are all expected to benefit any future development through reduced approval timelines and savings on selected mining capital items.

The acquisition also secures an additional 60km of the prospective Mallina Shear Zone, which provides for a total of 100km of strike length when combined with De Grey's tenure.

The scale, quality and average grade of the combined resources and potential for a simple open pit mining and CIL processing strategy compares favourably to similar ASX listed peer group companies currently undertaking economic studies; eg Gascoyne Resources, Capricorn Metals and Primary Gold.

The closest and most direct comparison is Millennium Minerals, which is producing gold from its Nullagine operations located 250km east of De Grey's Turner River Project. Millennium operates a 1.9Mtpa CIL plant and is undertaking open pit mining from five mining centres along a 40km strike length. Millennium's most recent full year production is stated as 86,325 ounces.

## Key Commercial Terms

The key terms and conditions of the HoA are that De Grey has:

- **an exclusive and binding right** to acquire all shares in the Australian company Indee Gold, which holds the major gold assets of the former Indee gold mine and associated mining and exploration leases (“Indee Gold Project”) to the immediate west of the Turner River Project.
- **a 12 month option period** (Option Period) to carry out detailed due diligence, including a review of the resources, mining studies, evaluations and exploration prior to electing to proceed (“Election”). De Grey is able to make an early Election if it so chooses; then
- **a further 6 months from Election** in which to settle the transaction through the payment of \$15M, less the exclusivity fee of \$100,000 referred to below.

Within the 18 month time frame, De Grey is required to:

- pay an initial Option Exclusivity Fee of \$50,000 on signing (paid) and a further \$50,000 within 3 months of signing. These option fee payments (totalling \$100,000) are non-refundable but are deductible from the final acquisition payment.
- maintain the tenements by spending a minimum of \$600,000 on the Indee Project during the Option Period, 50% of which is to be spent on in ground exploration activities. The exploration works and budget are to be agreed by both parties, with De Grey managing the activities.
- prepare and finalise a formal Share Sale Agreement with the vendor within the Option Period on terms outlined in the HoA and including terms normally contained within such agreements.

## Path Forward - 2017

Under the HoA, De Grey has a period of 12 months to explore and evaluate the Indee Gold Project in detail prior to electing to complete the acquisition within a further 6 month period (18 months in total). De Grey is also required to spend a minimum of \$600,000 on the Project during the initial 12-month Option Period. Work activities have already commenced with initial priorities to include:

### Resource and new target evaluation

- A detailed resource assessment is underway with the prime goal being to update the Indee Gold Project resources to JORC Code (2012) reporting standards. The new resource estimates will include the significant amount of new diamond and RC drilling not previously incorporated by Indee Gold. De Grey has engaged Payne Geological Services to complete this work with results expected during the March 2017 quarter.
- The assessment will also aim to prepare drill programmes to further test the high priority Mallina Prospect and to define additional “walk-up” drill targets that may provide additional shallow near term resource potential.

## **Path Forward – 2017 (Continued)**

### **Open Pit Scoping Study**

- In parallel to the detailed resource evaluation, De Grey plans to undertake pit optimisations and a Scoping Study on the combined Turner River and Indee Gold projects. This study will focus on an open pit mining and CIL processing scenario to determine the optimal scale of the proposed operation, including operating and capital costs estimates. The study will first assess the processing plant being located on the Indee Mining Leases, with mining commencing from the Indee deposits due to the benefits of existing infrastructure and granted mining leases. The Turner River deposits will be considered as satellite trucking operations.

### **Feasibility Study**

- Subject to the outcomes of the Scoping Study, a Feasibility Study would most likely commence in the second quarter 2017 with the aim of completion prior to acquiring Indee Gold.

### **Resource drilling**

- De Grey has the obligation of in ground exploration, such that the establishment of walk up drill targets by end of the March quarter is likely to lead to additional resource upgrades and exploration drilling during the June quarter as part of the Feasibility Study.

### **Financing**

- The Company considers the acquisition of Indee Gold as forming part of the overall project development financing as determined by the Feasibility Study. The Study is expected to be finalised prior to the Election. Project financing at this point would likely be through a mixture of debt, equity and stream funding.

The next key announcement on the Indee Gold Project will be the resource update to JORC Code (2012) reporting standards, anticipated by end of the current quarter.

**For further information:**

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**Competent Persons Statements**

*The information in this report that relates to **Exploration Results for the Turner River Project and the Mallina Exploration Target** is based on, and fairly represents information and supporting documentation compiled by Mr. Andrew Beckwith, a Competent Person who is a member of The Australasian Institute of Mining and Metallurgy. Mr. Beckwith is a consultant to De Grey Mining Limited. Mr. Beckwith 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. Beckwith consents to the inclusion in this report of the matters based on his information in the form and context in which it appears.*

*The Information in this report that relates to **Mineral Resources for the Turner River Project** is based on information compiled by Mr Paul Payne, a Competent Person who is a Fellow of the Australasian Institute of Mining and Metallurgy. Mr Payne is a full-time employee of Payne Geological Services. Mr Payne 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 Resources and Ore Reserves". Mr Payne consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.*

## **Further statements**

*The Information in this report that relates to Exploration Results and Mineral Resources for the Indee Gold Project have been completed and compiled by the previous project owners. De Grey and any of its staff, consultants or the Competent Persons take no responsibility for the accuracy of the Information. However, De Grey and its consultants have completed due diligence reviews of the Information and consider the Exploration Results and Mineral Estimates fairly represent the mineralisation associated with the Indee Gold Project and further expect detailed evaluation of the previous owner's data will allow reporting of the Information to JORC 2012 standards at a future date.*

*De Grey also highlights that it has not completed any new work on any of the resource models or estimates, except for the initial review, and cannot guarantee the stated Indee Gold Project resources will be able to be reported in accordance with the JORC Code (2012) at any time in the future. Accordingly, De Grey cautions investors that the Company has not yet done sufficient work to be able to verify the former owner's results or estimates in accordance with the updated standards set out in the JORC Code (2012). While nothing has come to the attention of the Company to question the reliability of the results or estimates prepared by the former owner, the Company is not to be regarded as reporting, adopting or endorsing those results or estimates.*

*As De Grey advances the Indee Gold Project assessment during the Option Period, it is the Company's intention to assess and remodel the resources and report the updated estimates to JORC Code (2012) standards wherever appropriate.*

*De Grey has engaged an independent resource consultant who has reviewed the original drilling data, modelling and previous resource estimates as completed by various independent Australian resource consultants and considers there are no material differences to the stated resources based on the original modelling. Furthermore, recent drilling has occurred below many of the Withnell resources, and this new drilling was completed after the stated resource estimates. This new drilling data shows mineralisation extends below the current resources and has the potential to extend the resources at depth.*

*Investors should note that even when these steps are undertaken, there is uncertainty that the Company will be able to report exploration results or estimates of resources or reserves in accordance with the JORC Code (2012).*

*For clarity, the 100% De Grey owned Turner River Project resources are reported in accordance with the JORC Code (2012)*

**Table 3 Withnell Trend – RC and Diamond hole intercepts beneath the existing resource model (>10gm\*m)**

Prospect	DrillType	HoleID	East	North	RL	Dip	Azimuth	DepthFrom	DepthTo	Width	Au (g/t)
Camel1	RC	CM1RC002	620,973.01	7,688,483.06	60.38	-60.00	180.00	87.0	94.0	<b>7.0</b>	<b>5.12</b>
Camel2	RC	CM2RC001	619,157.12	7,688,321.85	61.45	-60.00	360.00	61.0	73.0	<b>12.0</b>	<b>2.43</b>
Camel2	RC	CM2RC003	619,172.63	7,688,313.14	61.62	-60.00	360.00	46.0	66.0	<b>20.0</b>	<b>3.34</b>
Camel2	RC	CM2RC004	619,172.50	7,688,324.88	61.17	-60.00	360.00	27.0	42.0	15.0	1.03
Camel2	RC	CM2RC005	619,172.27	7,688,335.28	60.87	-60.00	360.00	11.0	20.0	<b>9.0</b>	<b>3.40</b>
Camel2	RC	CM2RC013	619,222.57	7,688,317.13	60.87	-60.00	360.00	38.0	52.0	14.0	1.02
Camel2	RC	CM2RC014	619,222.71	7,688,327.23	60.73	-60.00	360.00	21.0	35.0	<b>14.0</b>	<b>2.38</b>
Camel2	DD	INDD001	619,214.30	7,688,274.18	63.73	-53.00	0.00	102.0	108.0	<b>6.0</b>	<b>5.15</b>
Withnell	DD	INDD003	624,210.41	7,688,481.68	60.81	-59.00	4.00	80.0	95.0	<b>15.0</b>	<b>3.61</b>
Camel1	DD	INDD024	621,085.12	7,688,421.60	60.83	-60.00	38.00	84.0	94.5	<b>10.5</b>	<b>10.80</b>
Camel2	RC	INRC0009	619,213.26	7,688,322.54	60.75	-60.00	357.00	42.0	49.0	<b>7.0</b>	<b>3.34</b>
Camel2	RC	INRC0010	619,213.60	7,688,303.20	61.70	-60.00	357.00	76.0	81.0	<b>5.0</b>	<b>2.71</b>
Camel2	RC	INRC0036	619,266.35	7,688,328.72	60.82	-60.00	4.00	56.0	66.0	<b>10.0</b>	<b>3.34</b>
Camel1	RC	INRC0049	621,057.66	7,688,391.14	61.66	-60.00	2.00	96.0	99.0	<b>3.0</b>	<b>5.70</b>
Withnell	RC	INRC0058	624,309.45	7,688,465.48	60.92	-55.00	5.00	70.0	74.0	<b>4.0</b>	<b>2.55</b>
Withnell	RC	INRC0061	624,210.58	7,688,486.62	60.77	-58.00	18.00	72.0	88.0	<b>16.0</b>	<b>4.50</b>
Withnell	RC	INRC0089	624,210.62	7,688,447.95	61.03	-58.00	16.00	142.0	151.0	<b>9.0</b>	<b>2.52</b>
Withnell	RC	INRC0105	623,509.71	7,688,513.98	61.47	-58.00	14.00	117.0	121.0	<b>4.0</b>	<b>2.70</b>
Withnell	RC	INRC0112	624,561.04	7,688,428.68	60.89	-47.00	4.00	62.0	80.0	<b>18.0</b>	<b>3.90</b>
Camel1	RC	INRC0159	621,011.08	7,688,368.77	62.06	-60.00	358.00	122.0	127.0	<b>5.0</b>	<b>8.80</b>
Camel2	RC	INRC0162	619,164.68	7,688,290.73	62.26	-57.00	1.00	91.0	102.0	11.0	1.30
Withnell	RC	INRC0171	624,584.00	7,688,429.00	60.00	-58.00	0.00	65.0	67.0	<b>2.0</b>	<b>10.52</b>
Hester	RC	INRC0176	623,058.06	7,688,463.00	63.24	-59.00	0.00	33.0	44.0	<b>11.0</b>	<b>6.74</b>
Roe	RC	INRC0181	620,458.94	7,688,378.50	60.35	-59.00	356.00	67.0	69.0	<b>2.0</b>	<b>5.22</b>
Roe	RC	INRC0184	620,608.81	7,688,386.00	61.01	-59.00	3.00	81.0	85.0	<b>4.0</b>	<b>4.42</b>
Roe	RC	INRC0186	620,508.94	7,688,379.00	61.40	-58.00	359.00	65.0	69.0	<b>4.0</b>	<b>2.57</b>
Roe	RC	INRC0187	620,359.63	7,688,336.50	60.89	-50.00	357.00	74.0	85.0	<b>11.0</b>	<b>3.76</b>

Prospect	DrillType	HoleID	East	North	RL	Dip	Azimuth	DepthFrom	DepthTo	Width	Au (g/t)
Withnell	RC	INRC0203	624,535.00	7,688,443.00	60.00	-43.00	9.00	66.0	79.0	<b>13.0</b>	<b>3.02</b>
Withnell	RC	INRC0254	624,509.58	7,688,455.05	60.65	-63.00	10.00	87.0	91.0	<b>4.0</b>	<b>8.19</b>
Withnell	RC	INRC0256	624,484.91	7,688,455.26	60.60	-63.00	5.00	66.0	74.0	8.0	1.73
Withnell	RC	INRC0258	624,460.38	7,688,460.27	60.53	-59.00	4.00	64.0	76.0	<b>12.0</b>	<b>10.82</b>
Withnell	RC	INRC0286	624,235.45	7,688,475.07	60.87	-58.00	1.00	88.0	98.0	<b>10.0</b>	<b>3.97</b>
Withnell	RC	INRC0289	624,210.13	7,688,495.42	60.79	-57.00	3.00	65.0	74.0	<b>9.0</b>	<b>3.52</b>
Camel1	RC	INRC0443	620,997.81	7,688,375.01	62.23	-59.00	359.00	100.0	110.0	<b>10.0</b>	<b>2.39</b>
Camel1	RC	INRC0452	621,085.36	7,688,387.18	61.41	-59.00	359.00	103.0	111.0	<b>8.0</b>	<b>5.01</b>
Camel1	RC	INRC0462	621,185.17	7,688,433.36	61.07	-57.00	359.00	76.0	82.0	<b>6.0</b>	<b>11.48</b>
Camel1	RC	INRC0464	621,210.21	7,688,442.05	60.89	-60.00	1.00	49.0	57.0	<b>8.0</b>	<b>2.33</b>
Withnell	RC	INRC0491	624,485.18	7,688,440.67	60.54	-61.00	17.00	74.0	81.0	<b>7.0</b>	<b>9.84</b>
Withnell	RC	INRC0497	624,435.27	7,688,450.33	60.82	-60.00	359.00	110.0	122.0	12.0	1.92
Withnell	RC	INRC0507	624,335.15	7,688,465.45	60.94	-60.00	358.00	69.0	75.0	<b>6.0</b>	<b>2.17</b>
Withnell	RC	INRC0519	624,260.33	7,688,460.16	60.97	-60.00	358.00	101.0	119.0	<b>18.0</b>	<b>2.43</b>
Withnell	RC	INRC0524	624,235.14	7,688,459.98	60.99	-55.00	358.00	110.0	132.0	<b>22.0</b>	<b>3.46</b>
Withnell	RC	INRC0524	624,235.14	7,688,459.98	60.99	-55.00	358.00	153.0	156.0	<b>3.0</b>	<b>10.68</b>
Withnell	RC	INRC0530	624,210.40	7,688,464.77	60.96	-60.00	1.00	121.0	132.0	<b>11.0</b>	<b>3.20</b>
Withnell	RC	INRC0537	624,185.29	7,688,489.94	60.81	-61.00	5.00	78.0	85.0	<b>7.0</b>	<b>4.42</b>
Withnell	RC	INRC0538	624,185.19	7,688,474.91	60.85	-60.00	4.00	104.0	112.0	<b>8.0</b>	<b>3.81</b>
Connector	RC	INRC0667	622,384.79	7,688,407.08	65.64	-60.00	10.00	86.0	89.0	<b>3.0</b>	<b>3.82</b>
Connector	RC	INRC0670	622,359.74	7,688,409.53	65.84	-60.00	0.00	63.0	67.0	<b>4.0</b>	<b>4.01</b>
Connector	RC	INRC0687	621,609.89	7,688,459.65	61.09	-59.00	0.00	41.0	43.0	<b>2.0</b>	<b>5.61</b>
Connector	RC	INRC0690	621,585.04	7,688,464.53	60.74	-62.00	359.00	37.0	50.0	<b>13.0</b>	<b>2.61</b>
Camel1	RC	INRC0719	621,334.40	7,688,430.49	60.87	-60.00	359.00	86.0	88.0	<b>2.0</b>	<b>9.28</b>
Camel1	RC	INRC0719	621,334.40	7,688,430.49	60.87	-60.00	359.00	123.0	133.0	10.0	1.74
Camel1	RC	INRC0720	621,309.37	7,688,425.41	60.33	-60.00	357.00	96.0	98.0	<b>2.0</b>	<b>7.48</b>
Camel1	RC	INRC0720	621,309.37	7,688,425.41	60.33	-60.00	357.00	140.0	143.0	<b>3.0</b>	<b>4.29</b>
Camel1	RC	INRC0722	621,101.25	7,688,451.49	61.21	-89.00	38.00	75.0	87.0	<b>12.0</b>	<b>28.48</b>
Withnell	RC	INRC0726	623,694.53	7,688,584.00	60.17	-87.00	72.00	79.0	93.0	14.0	1.13

Prospect	DrillType	HoleID	East	North	RL	Dip	Azimuth	DepthFrom	DepthTo	Width	Au (g/t)
Withnell	RC	INRC0730	624,452.48	7,688,500.14	60.38	-86.00	171.00	78.0	85.0	<b>7.0</b>	<b>5.88</b>
Camel1	RC	INRC0734	621,284.56	7,688,431.14	59.98	-60.00	359.00	80.0	86.0	<b>6.0</b>	<b>4.35</b>
Camel1	RC	INRC0737	621,259.60	7,688,432.22	60.67	-60.00	359.00	72.0	78.0	<b>6.0</b>	<b>3.26</b>
Camel1	RC	INRC0743	621,184.95	7,688,418.59	61.43	-60.00	356.00	113.0	116.0	<b>3.0</b>	<b>4.33</b>
Camel1	RC	INRC0755	621,134.79	7,688,405.63	61.11	-60.00	356.00	138.0	149.0	<b>11.0</b>	<b>6.87</b>
Withnell	RC	INRC0845	624,285.09	7,688,575.50	60.31	-51.00	185.00	129.0	134.0	<b>5.0</b>	<b>10.07</b>
Withnell	RC	INRC0851	624,535.18	7,688,430.40	60.85	-64.00	14.00	110.0	118.0	<b>8.0</b>	<b>2.81</b>
Withnell	RC	INRC0874	624,547.17	7,688,504.88	60.56	-60.00	184.00	60.0	64.0	<b>4.0</b>	<b>10.45</b>
Roe	RC	INRC0893	620,635.34	7,688,384.96	61.01	-60.00	360.00	92.0	98.0	<b>6.0</b>	<b>4.27</b>
Roe	RC	INRC0895	620,585.16	7,688,374.63	61.40	-60.00	360.00	106.0	108.0	<b>2.0</b>	<b>5.56</b>
Roe	RC	INRC0895	620,585.16	7,688,374.63	61.40	-60.00	360.00	118.0	122.0	<b>4.0</b>	<b>3.83</b>
Roe	RC	INRC0898	620,435.23	7,688,354.95	60.64	-60.00	360.00	91.0	97.0	<b>6.0</b>	<b>4.34</b>
Roe	RC	INRC0902	620,385.14	7,688,340.11	60.76	-60.00	360.00	79.0	88.0	<b>9.0</b>	<b>4.49</b>
Roe	RC	INRC0907	620,360.35	7,688,314.98	61.42	-60.00	360.00	153.0	157.0	<b>4.0</b>	<b>2.62</b>
Roe	RC	INRC0909	620,335.18	7,688,349.87	60.44	-60.00	360.00	45.0	49.0	<b>4.0</b>	<b>2.72</b>
Camel2	RC	INRC0921	619,285.21	7,688,309.83	62.26	-60.00	360.00	43.0	48.0	<b>5.0</b>	<b>5.02</b>
Camel2	RC	INRC0924	619,260.33	7,688,315.32	61.76	-61.00	358.00	86.0	103.0	17.0	1.94
Camel2	RC	INRC0926	619,234.85	7,688,324.24	61.02	-60.00	360.00	23.0	32.0	9.0	1.62
Camel2	RC	INRC0927	619,235.03	7,688,310.21	61.32	-61.00	2.00	100.0	105.0	<b>5.0</b>	<b>2.70</b>
Camel2	RC	INRC0931	619,184.99	7,688,338.87	60.77	-59.00	0.00	0.0	12.0	12.0	1.02
Camel2	RC	INRC0932	619,184.93	7,688,327.10	60.86	-58.00	359.00	0.0	24.0	<b>24.0</b>	<b>3.68</b>
Camel2	RC	INRC0933	619,184.95	7,688,315.07	61.33	-57.00	358.00	21.0	56.0	<b>35.0</b>	<b>3.18</b>
Camel2	RC	INRC0934	619,185.09	7,688,301.41	61.94	-58.00	355.00	43.0	82.0	<b>39.0</b>	<b>3.11</b>
Camel2	RC	INRC0936	619,159.97	7,688,312.24	61.76	-60.00	357.00	59.0	71.0	<b>12.0</b>	<b>2.57</b>
Camel2	RC	INRC0937	619,160.08	7,688,305.48	61.87	-58.00	356.00	71.0	80.0	<b>9.0</b>	<b>1.99</b>
Roe	RC	INRC0940	620,406.51	7,688,336.25	61.17	-60.00	360.00	95.0	103.0	<b>8.0</b>	<b>2.54</b>
Camel2	RC	INRC1007	619,011.41	7,688,202.15	68.31	-56.00	3.00	57.0	60.0	<b>3.0</b>	<b>3.54</b>
Hester	RC	INRC1044	623,108.84	7,688,464.16	64.40	-55.00	356.00	2.0	6.0	<b>4.0</b>	<b>2.77</b>
Hester	RC	INRC1044	623,108.84	7,688,464.16	64.40	-55.00	356.00	33.0	36.0	<b>3.0</b>	<b>3.93</b>



Prospect	DrillType	HoleID	East	North	RL	Dip	Azimuth	DepthFrom	DepthTo	Width	Au (g/t)
Withnell S	RC	INRC1259	623,408.20	7,688,499.60	61.30	-59.00	0.00	210.0	212.0	<b>2.0</b>	<b>5.40</b>
Withnell N	RC	INRC1261	624,105.31	7,688,709.32	59.31	-42.00	180.00	325.0	332.0	<b>7.0</b>	<b>3.89</b>
Withnell W	RC	INRC1263	623,811.73	7,688,457.32	60.60	-60.00	0.00	182.0	195.0	13.0	1.08
Withnell W	RC	INRC1263	623,811.73	7,688,457.32	60.60	-60.00	0.00	215.0	220.0	<b>5.0</b>	<b>2.80</b>
Withnell	DD	NDD072A	624,487.25	7,688,428.33	60.68	-58.40	11.40	137.8	150.7	<b>13.0</b>	<b>5.54</b>
Withnell	DD	NDD073A	624,409.58	7,688,411.19	61.13	-53.30	15.50	185.0	197.5	<b>12.5</b>	<b>5.13</b>
Withnell	DD	NDD074	624,335.35	7,688,420.54	61.46	-55.60	8.80	141.4	145.8	<b>4.4</b>	<b>2.75</b>
Withnell	DD	NDD075	624,386.15	7,688,418.67	61.08	-56.30	6.80	140.7	148.0	<b>7.3</b>	<b>5.37</b>
Withnell	DD	NDD075	624,386.15	7,688,418.67	61.08	-56.30	6.80	178.5	180.0	<b>1.5</b>	<b>19.25</b>
Withnell	DD	NDD076	624,434.83	7,688,425.83	61.01	-62.00	5.10	184.8	187.9	<b>3.1</b>	<b>8.37</b>
Withnell	DD	NDD077	624,485.98	7,688,427.99	60.73	-76.00	19.70	293.7	297.7	<b>4.0</b>	<b>7.35</b>
Withnell	DD	NDD084	624,233.65	7,688,333.16	62.17	-48.90	8.90	345.5	352.0	<b>6.6</b>	<b>2.62</b>
Withnell	DD	NDD085	623,860.03	7,688,410.22	61.21	-53.10	4.50	296.0	320.6	24.6	0.81
Withnell	DD	NDD085	623,860.03	7,688,410.22	61.21	-53.10	4.50	340.0	342.0	<b>2.0</b>	<b>20.11</b>
Withnell	DD	NDD089	624,087.10	7,688,717.47	59.38	-48.40	179.20	291.3	294.3	<b>3.0</b>	<b>6.49</b>
Withnell	DD	NDD090	624,183.26	7,688,698.28	59.45	-41.90	182.10	233.0	242.7	<b>9.7</b>	<b>4.82</b>
Withnell	DD	NDD095	624,734.58	7,688,382.28	61.51	-55.50	9.20	212.0	217.0	<b>5.1</b>	<b>2.20</b>
Withnell	DD	NDD1502	624,234.27	7,688,820.73	53.15	-47.40	186.10	480.6	484.9	<b>4.3</b>	<b>3.25</b>
Withnell	DD	NDD1507	624,032.73	7,688,720.36	53.41	-47.40	182.60	272.3	274.7	<b>2.5</b>	<b>25.16</b>
Roe	RC	ROERC001	620,322.40	7,688,339.94	60.59	-61.00	359.00	51.0	55.0	<b>4.0</b>	<b>2.96</b>
Roe	RC	ROERC004	620,347.26	7,688,354.54	60.46	-59.00	354.00	52.0	56.0	<b>4.0</b>	<b>4.01</b>

**Table 4 Mallina Prospect – RC and Diamond hole intercepts (>10gm\*m)**

Prospect	DrillType	HoleID	East	North	RL	Dip	Azimuth	DepthFrom	DepthTo	Width	Au (g/t)
Mallina	RC	INRC0416	610,302.53	7,690,718.45	49.46	-48.00	182.00	76.00	99.00	<b>23.00</b>	<b>2.52</b>
Mallina	RC	INRC0417	610,352.06	7,690,729.34	49.50	-59.00	178.00	45.00	53.00	<b>8.00</b>	<b>2.71</b>
Mallina	RC	INRC0418	610,352.09	7,690,749.79	49.38	-58.00	177.00	24.00	47.00	23.00	0.73
Mallina	RC	MLRC015	607,943.13	7,690,582.50	50.00	-60.00	178.00	4.00	10.00	<b>6.00</b>	<b>3.79</b>
Mallina	RC	MLRC016	607,942.69	7,690,602.50	50.00	-60.00	178.00	36.00	45.00	<b>9.00</b>	<b>1.68</b>
Mallina	RC	MLRC022	608,537.81	7,690,628.00	50.00	-60.00	178.00	9.00	16.00	<b>7.00</b>	<b>5.45</b>
Mallina	RC	MLRC026	608,742.44	7,690,500.00	50.00	-60.00	178.00	4.00	32.00	28.00	0.79
Mallina	RC	MLRC031	609,133.88	7,690,793.00	50.00	-60.00	178.00	4.00	28.00	24.00	0.57
Mallina	RC	MLRC034	609,331.88	7,690,798.00	50.00	-60.00	178.00	36.00	40.00	<b>4.00</b>	<b>3.80</b>
Mallina	RC	MLRC035	609,331.44	7,690,818.00	50.00	-60.00	178.00	36.00	40.00	<b>4.00</b>	<b>6.80</b>
Mallina	RC	MLRC040	609,738.88	7,690,624.00	50.00	-60.00	178.00	11.00	14.00	<b>3.00</b>	<b>12.49</b>
Mallina	RC	MLRC048	610,143.44	7,690,630.00	50.00	-60.00	178.00	5.00	21.00	<b>16.00</b>	<b>1.42</b>
Mallina	RC	MLRC051	610,336.50	7,690,693.50	50.00	-60.00	178.00	0.00	29.00	<b>29.00</b>	<b>1.70</b>
Mallina	RC	MLRC052	610,336.06	7,690,713.50	50.00	-60.00	178.00	5.00	32.00	<b>27.00</b>	<b>1.34</b>
Mallina	RC	MLRC070	607,921.38	7,690,662.00	50.00	-60.00	178.00	7.00	9.00	<b>2.00</b>	<b>7.65</b>
Mallina	DD	NDD0003	609,349.93	7,690,824.80	49.59	-54.20	186.30	110.80	137.20	<b>26.40</b>	<b>1.00</b>
Mallina	DD	NDD0003	609,349.93	7,690,824.80	49.59	-54.20	186.30	269.50	282.40	12.90	0.99
Mallina	DD	NDD0005	607,950.01	7,690,769.25	49.05	-54.30	180.30	72.10	81.80	<b>9.70</b>	<b>1.43</b>
Mallina	DD	NDD0005	607,950.01	7,690,769.25	49.05	-54.30	180.30	99.40	106.30	<b>6.90</b>	<b>1.94</b>
Mallina	RC	NRC0007	609,950.00	7,690,732.87	49.75	-48.00	180.00	58.00	65.00	<b>7.00</b>	<b>2.10</b>
Mallina	RCD	NRC0018	609,449.84	7,690,744.20	49.80	-49.70	191.90	32.00	56.00	24.00	0.82
Mallina	RCD	NRC0018	609,449.84	7,690,744.20	49.80	-49.70	191.90	65.00	76.00	<b>11.00</b>	<b>1.98</b>
Mallina	RC	NRC0019	609,449.87	7,690,837.61	49.73	-51.00	180.00	77.00	102.00	<b>25.00</b>	<b>1.00</b>
Mallina	RCD	NRC0024	609,149.91	7,690,895.36	49.37	-56.60	190.40	153.00	164.65	<b>11.65</b>	<b>1.40</b>
Mallina	RC	NRC0025	609,049.83	7,690,839.86	49.45	-60.00	180.00	94.00	103.00	<b>9.00</b>	<b>1.38</b>
Mallina	RCD	NRC0038	608,149.89	7,690,628.03	49.90	-49.50	192.80	70.00	82.00	12.00	0.84
Mallina	RCD	NRC0042	607,849.82	7,690,630.83	49.80	-54.30	193.50	0.00	4.00	<b>4.00</b>	<b>9.11</b>

## Appendix 1                      Indee Gold Information

The following Information is provided as background to the Indee Gold drilling data and resources. Please note this information is not to imply the data conforms to JORC code (2012), however is provided to show the significant amount of data is of a good quality and has been carried out to Australian mineral industry standards in general.

Further assessment will be undertaken by De Grey to verify the data in detail.

### Sampling Techniques and Data

#### *Drilling and Sampling techniques*

- The majority of resource drilling has comprised RC and Diamond drilling completed by RNG and subsequently by Indee Gold. The Indee Gold database shows drilling on the project totals: 1780 RC drillholes for 113,072 metres, 104 Diamond holes for 14,044 metres and 2661 aircore/RAB holes for 102,732 metres.
- Prior to commencement of mining, 94,940m of RC and 2,758m of core drilling had been completed;
- RC sampling in mineralised zones comprised 1m samples collected during drilling using a free standing riffle splitter;
- Diamond core was cut using a diamond saw and sampled either at 1m intervals or to geological boundaries;
- Comprehensive QAQC protocols including the use of certified standards, blanks and duplicate samples; recovery of samples was also checked and documented
- Independent consultants reports have confirmed that industry standard practices were employed by RNG and that the data was suitable for resource estimation, further assessment is required on the Indee Gold data;
- Fire assay techniques were systematically undertaken with additional screen fire assays completed.
- Geological logging of drill holes has been completed.
- Geotechnical logging has occurred on specific drill holes
- Drill hole collars were surveyed in AMG coordinates using RTK GPS
- Down hole surveys were recorded at 50m intervals using a single shot Eastman camera
- Detailed topographic surveys have been carried out to show the extent of open pit mining.
- The majority of resource areas have been defined with 25m by 25m spaced RC holes;
- In partly mined deposits, grade control RC drilling has been completed using infill on either 12.5m by 12.5m or 12.5m by 6m spacing
- Drilling is approximately perpendicular to the strike of mineralisation

#### *Reporting of Exploration Results*

- The Indee Gold project comprises tenements E47/2720, E47/3504, M47/473-477 and M47/480 which are located approximately 80km southwest of Port Hedland and are 100% owned Indee gold Pty Ltd.
- The Indee deposits are mesothermal lode deposits hosted in the Mallina Shear zone within sediments of the Mallina formation.
- Gold is associated with shearing, quartz veining and low levels of sulphide mineralisation are present.
- Weathering is variable but typically extends to a depth of 25-100m below surface.
- The Mallina and Withnell Trend drilling results are reported to a minimum cut-off grade of 0.3g/t gold with an internal dilution of 4m maximum. Intervals over 0.5g/t Au are reported. Intercepts are length weighted averages. No maximum cuts have been made to reported intercepts.
- Extensive early stage exploration has been conducted by previous operators
- Metallurgical testing was completed for various deposits and supported the original development of the project as a heap leach operation;
- Additional detailed metallurgical testwork has been undertaken for CIL processing techniques with particular emphasis on the Withnell deposits
- A detailed review and further metallurgical testwork will be planned based on this review.

### ***Estimation and Reporting of Mineral Resources***

- The confidence in the geological interpretation for Withnell, Camel, Roe, Dromedary and Calvert deposits is considered to be high due to the close spaced drilling and consistent mineralisation.
- The interpretation was based largely on good quality RC and diamond drilling. Infill grade control drilling has been carried out in the Withnell and Camel 1 deposits.
- The deposits consist of moderate to steeply dipping mineralised lodes which have been interpreted based largely on geology and assay data from samples taken at regular intervals from angled drill holes.
- In the deposits with close spaced drilling, an alternative interpretation is considered unlikely.
- The Withnell mineralisation extends over 1.4km and comprises multiple mineralised lodes over its 300m width and is defined to a depth of approximately 150m. Deeper drilling completed substantially by Indee Gold indicates mineralisation remains open at depth and the resource model maybe extended
- The Camel 1 and Roe deposits each have a strike length of approximately 600m and vertical extents of 160m and 90m respectively.
- Dromedary has a strike length of 100m and is defined to a depth of 105m.
- The Calvert deposit strikes north-south over a length of 350m with a vertical extent of 95m.
- The Toweranna deposit has a strike extent of 200m

### ***Withnell North and West Resources, by previous owners***

- Ordinary kriging (OK) was used to estimate average block grades within the deposit.
- Surpac software was used for the estimation.
- Samples were composited to 3m intervals and a high grade cut of 8g/t was applied to all zones.
- The parent block dimensions used were 6m NS by 12m EW by 2.5m vertical with sub-cells of 2m by 2m by 2.5m.
- Previous resource estimates have been completed as part of the full Withnell deposit so comparisons cannot be made. The new estimate includes detailed grade control drilling.
- No estimation of deleterious elements was carried out. Only Au was interpolated into the block model.
- An orientated ellipsoid search was used to select data and was based on drill hole spacing and geometry of mineralisation.
- An initial interpolation pass was used with a maximum range of 12m which filled 60% of blocks. Second (25m) and third (50m) passes were used to fill remaining blocks.
- A minimum of 9 and a maximum of 18 samples were used, reducing to a minimum of 3 samples for pass 2, and 2 samples for pass 3.
- The block size used in the model was based on drill sample spacing and lode orientation.
- The deposit mineralisation was constrained by wireframes constructed using a 0.25g/t Au cut-off grade. The wireframes were applied as hard boundaries in the estimate.
- For validation, trend analysis was completed by comparing the interpolated blocks to the sample composite data within easting intervals and by 10m vertical intervals.

### ***Withnell South and East, Camel, Dromedary, Calvert Resources, by previous owners***

- Ordinary kriging (OK) was used to estimate average block grades within the deposit.
- Datamine software was used for the estimation.
- Samples were composited to 2m intervals and used the following high grade cuts: Withnell East 30g/t, Withnell South 40g/t, Camel 22g/t, Dromedary 10g/t, Calvert 7g/t a high grade cut of 8g/t was applied to all zones.
- The parent block dimensions used were 5m NS by 10m EW by 5m vertical with sub-cells of 1.0m by 0.5m by 0.5m.
- Previous resource estimates had not been completed or were not available.
- No assumptions have been made regarding recovery of by-products.
- No estimation of deleterious elements was carried out. Only Au was interpolated into the block model.
- An orientated ellipsoid search was used to select data based on drill hole spacing and geometry of mineralisation.
- An initial interpolation pass was used with a maximum range of 70m for Withnell East, 30m for Withnell South, 60m for Camel, 80m for Camel 2 and 90m for Calvert. All blocks were estimated in the first pass.
- A minimum of 10 and a maximum of 60 samples were used.
- Selective mining units were not modelled in the Mineral Resource model. The block size used in the model was based on drill sample spacing and lode orientation.
- The deposit mineralisation was constrained by wireframes constructed using a 0.25g/t Au cut-off grade. The wireframes were applied as hard boundaries in the estimate.
- For validation, trend analysis was completed by comparing the interpolated blocks to the sample composite data within easting intervals

### **Roe Resource, by previous owners**

- Inverse distance interpolation (ID2) was used to estimate average block grades within the deposit.
- Micromine and Vulcan software was used for the estimation.
- The parent block dimensions used were 1m NS by 12.5m EW by 5m vertical. Block proportions were used to fit wireframe volumes.
- The block size used in the model was based on drill sample spacing and lode orientation.
- The deposit mineralisation was constrained by wireframes constructed using a 0.4g/t Au cut-off grade. The wireframes were applied as hard boundaries in the estimate.

### **Toweranna Resource, by previous owners**

- A cross sectional, polygonal method was used to estimate the deposit.
- A cut-off grade of 0.5g/t with a minimum width of 3m.
- A high grade cut of 15g/t was applied.

### **Mallina Prospect**

- No resource is reportable for the Mallina Prospect
- Digital drill hole data and wire-framing of the results has been reviewed by De Grey.
- Wireframes were constructed using a 0.5g/t Au cut-off grade.
- Mineralisation occurs semi-continuously over a 3km strike length and to a depth of approximately 250m
- Drilling is generally on 100m spaced lines, infill drilling is required to establish a resource.

### **Rock Density information**

- Withnell East and South - oxide 2.3t/m<sup>3</sup>, primary 2.8t/m<sup>3</sup>
- Withnell North – all 2.56t/m<sup>3</sup>
- Withnell West - all 2.4t/m<sup>3</sup>
- Calvert - oxide 2.3t/m<sup>3</sup>, primary 2.6t/m<sup>3</sup>
- Camel 1- oxide 2.2t/m<sup>3</sup>, primary 2.8t/m<sup>3</sup>
- Dromedary - all 2.4t/m<sup>3</sup>
- Roe - oxide 2.5t/m<sup>3</sup>, primary 2.7t/m<sup>3</sup>

### **Previous Mining**

- Previous shallow open pit mining has occurred at the Withnell East, Withnell West, Withnell North and Withnell South and Camel 1 deposits
- The ore was hauled to the processing site, crushed to 25mm and stacked on plastic lined heap leach pads
- Gold was extracted by irrigating the crushed heap leach material, with the gold pregnant solutions collected in a series of plastic lined settling ponds
- The 850,000tonne stacked heap leach material remains on site, and recent surface sampling by De Grey shows gold mineralisation remains in the stockpile. Further sampling is required to assess the contained gold within the stockpile.

### **Environmental**

- The area has previously been mined
- Previous permitting has required a number of environmental flora and fauna and hydrological surveys to be completed.
- Permitting was previously approved.
- The Indee Gold mining area is already disturbed with previous permitting granted for open pit mining and processing.
- The area surrounding the Indee Gold mining area is generally flat and uninhabited.
- The tenements are located on pastoral leases, where extensive grazing has occurred and continues to occur.
- De Grey has reviewed the data during the limited due diligence review and does not consider there is any obvious impediment to future mining progressing.