DE GREY
MINING LTD

ABN: 65 094 206 292

2021
ANNUAL REPORT

Contents

Corporate Information

ABN 65 094 206 292

Directors
Simon Lill (Chairman)
Glenn Jardine (Managing Director)
Andrew Beckwith (Technical Director)
Peter Hood AO (Non-Executive Director)
Eduard Eshuys (Non-Executive Director)
Bruce Parncutt AO (Non-Executive Director)

Chief Financial Officer
Peter Canterbury

Company Secretaries
Craig Nelmes
Patrick Holywell

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Stock Exchange Listing
Australian Securities Exchange (ASX code DEG)
Frankfurt Stock Exchange (FRA code WKN 633879)

Chairman's Letter

At the October 2020 Diggers and Dealers Mining Forum I was pleased to accept "The Best Emerging Company" Award on behalf of all shareholders and staff, both past and present. In my speech I advised of my hope that other junior explorers present had the opportunity to experience the excitement and fun that we at De Grey had recently experienced. It had been less than 8 months since the Aquila and Brolga RC discovery holes and one month since the Falcon discovery. One of our geologists described it as "*…that winning grand final feeling*."

The Grand Final feeling has continued with the Diucon and Eagle discoveries in February 2021, both of which contributed significantly to our maiden Mineral Resource Estimate (MRE) (JORC 2012) for Hemi of 192Mt @ 1.1g/t Au for 6.8Moz. In only 4 months leading up maiden Hemi MRE, Diucon and Eagle added 1.45M ounces to our resource inventory. Subsequent to the MRE release recent ASX releases for both Diucon and Eagle demonstrate the likely addition of substantial resource ounces at an ongoing low discovery cost.

When combined with the Company's existing resources prior to the Hemi discovery the Mallina Gold Project Mineral Resource Estimate (JORC 2012) increased to a total of 230Mt @ 1.2g/t Au for 9.0Moz.

The world class Hemi discovery has resulted in a significant market capitalisation increase, resulting in De Grey entering the S&P/ASX 300 Market Index, perhaps knocking on the door of inclusion to the ASX 200 Market Index.

The Company has been fortunate to be led through this period by an exceptional group of senior directors on the Board – Andy Beckwith and Ed Eshuys, both very experienced gold exploration geologists, Bruce Parncutt with a storied career in the finance industry and Peter Hood, a senior Chemical Engineer with a lengthy history within the resources industry. This group of course was joined by Glenn Jardine in May of last year, a senior mining engineer with construction, commissioning, and operational experience. All have had significant Board and corporate experience.

As a Board we recognise the additional scrutiny that the increase in market capitalisation and institutional shareholdings brings. The Board commissioned an independent Board Review process and plans to implement the key recommendations of that review. The recommendations are designed to satisfy Corporate Governance Principles associated with independence and diversity. To that end the Company has commenced a search process to allow the selection of suitable new Directors.

The Board understood early in 2020 that Hemi had the potential to be a major world class gold project and required a team capable of developing the project, appointing Mr Glenn Jardine as Managing Director in May of 2020.

During the year Glenn has undertaken the substantial task in bringing together a team to deliver Hemi as a Tier One production asset. He has been able to grow and retain the team and rig numbers through what has been an extremely competitive market for staff due to Western Australia's Covid-19 related isolation. The difficulties of this task through the last 12 months should not be underestimated.

Glenn will detail the group's capability later in this report as well as the significant achievements of the organisation during the year.

At last year's AGM shareholders approved key performance indicators ("KPIs") for 3-year Long Term Incentives for Glenn and his team to have financed and commenced construction of a 12-year x 500,000 ounces pa project with a total resource inventory of 12m ounces. With 2 years still to go these KPI stretch targets are well within reach and may well be surpassed.

Hemi is now a world class gold discovery that matches other Western Australian discoveries such as:

- Consolidation of the Kalgoorlie "super pit".
- Gruyere in the Yamana Belt.
- Tropicana in the Fraser Range.
- Bronzewing and Jundee in the Yandal Belt; and
- Boddington.

The increase in resources since discovery to the MRE announcement has occurred at a rate of ~450,000 ounces per month and a discovery cost of approximately~$8.50 per ounce.

We expect to continue to grow the Hemi resource through the next 12 months. To expect a similar rate of growth as last year may be ambitious but I note recent Diucon and Eagle exploration results continue to add resources rapidly whilst all other Hemi deposits – Aquila, Brolga, Crow and Falcon – remain open at depth and in most directions.

De Grey's exploration team is led by Executive Director Andy Beckwith and Phil Tornatora as General Manager of Exploration. They are ably supported by an experienced team that includes Exploration Manager Rohan Deshpande and Business Development and Regional Geologist Mr. Allan Kneeshaw. They have expanded a highly dedicated and substantial geological team resulting in ~12 drill rigs now employed across the broader Mallina Gold project.

Additionally, a dedicated team has been established to focus on regional exploration beyond the Greater Hemi area to ensure the substantial untested potential across the Mallina Gold Project continues to be advanced.

Collectively they have had an outstanding year with the discovery of Hemi and the rapid delineation of the maiden MRE.

Major discoveries like Hemi do not occur overnight and our dedicated exploration team has had the conviction over the past five years to undertake the complex process of consolidating, validating, and interpreting the large historic datasets and designing an exploration program to prioritise and advance the many targets across our 1,500km^2 Mallina Gold Project. The earlier years of this 5-year period was not easy for the team and I am pleased to see them enjoying the rewards and excitement associated with the discovery.

There is a high level of confidence within the Board and Management that the exploration drilling will continue for many years to come, supported eventually by the likely Tier One production profile of Hemi.

We have also enjoyed the support of local aboriginal groups - the Ngarluma, Kariyarra and Nyamal peoples - with whom we regularly engage as we move forward with ongoing heritage clearances and negotiations for mining agreements. Our key pastoral lease holders are also supportive. We have increased our engagement levels with the traditional owners and pastoral lease holders through the appointment of a General Manager of Community Relations, Bronwyn Campbell.

We have been grateful for the support of our brokers during the year through capital raising and research activities. It is extremely pleasing to note the quality of the institutional support that has continued to develop on our register, aided by the broking groups with whom we work. Many of our shareholders have enjoyed substantial returns during the discovery phase and through the recent financial year. We look forward to the continued support of shareholders through to production and beyond.

In an environment of growing demands from institutional investors for the adoption of ESG principles and carbon emission reductions, De Grey is in a fortunate position. We have a world class gold project on a blank canvas and the opportunity to develop it in an environmentally responsible and sustainable manner.

In closing I thank all staff and all contractors – many more this year to thank than last. Without good people the task becomes even more mountainous. We are conscious of ensuring the right level of rewards are in place and maintained to retain good staff, including the provision of an appropriate risk-free environment with suitable growth pathways for all staff.

2021 has been yet another exciting year. We will continue the growing and de-risking of the project through the next 12 months, but also plan to continue the excitement to retain that Grand Final winning feeling!

Yours sincerely,

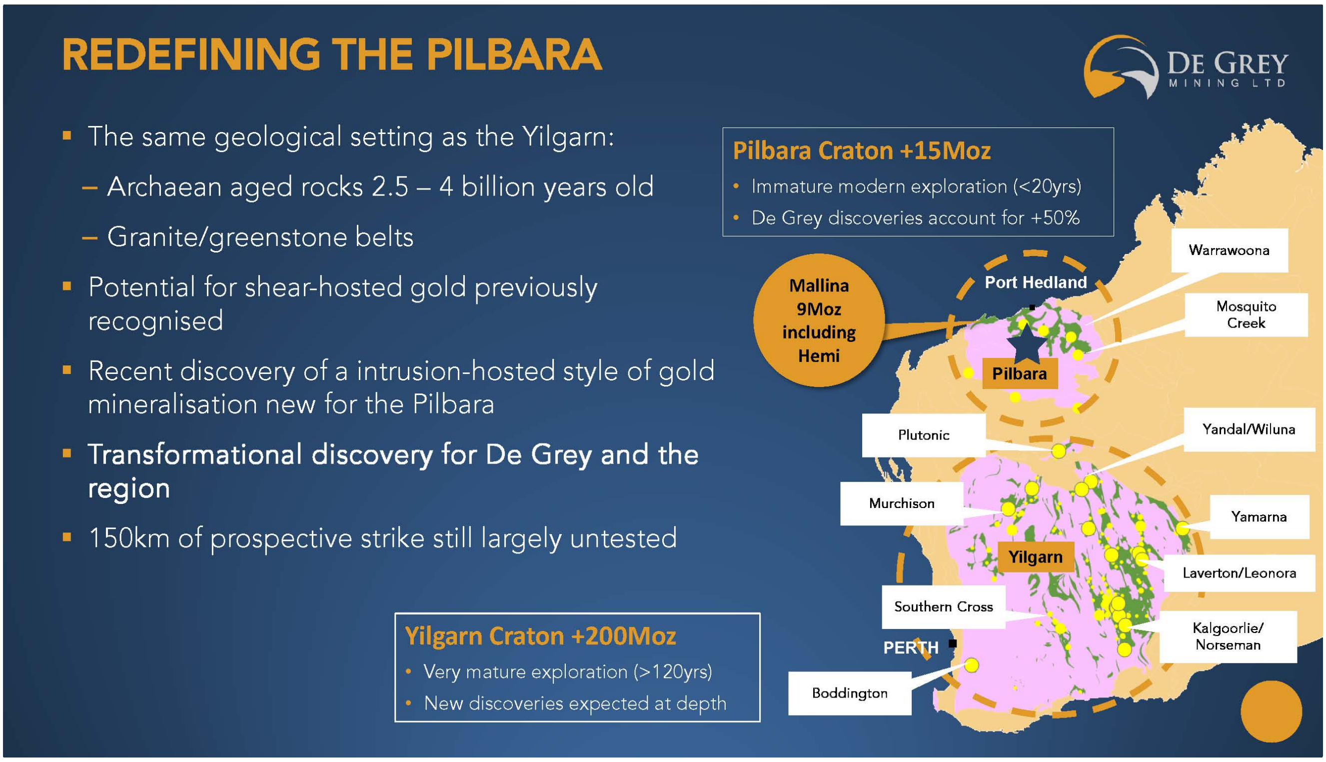
Simon Lill
Chairman

Managing Directors Report and Review of Operations

In my first full year as Managing Director it is a pleasure to report on a most remarkable year in the De Grey Mining ("De Grey") or the ("Company") history. It is very rare to be given the opportunity to lead a Company in the rapid definition of a world class Maiden Mineral Resource at Hemi following its discovery in November 2019 by aircore drilling and confirmation in February 2020 via RC drilling.

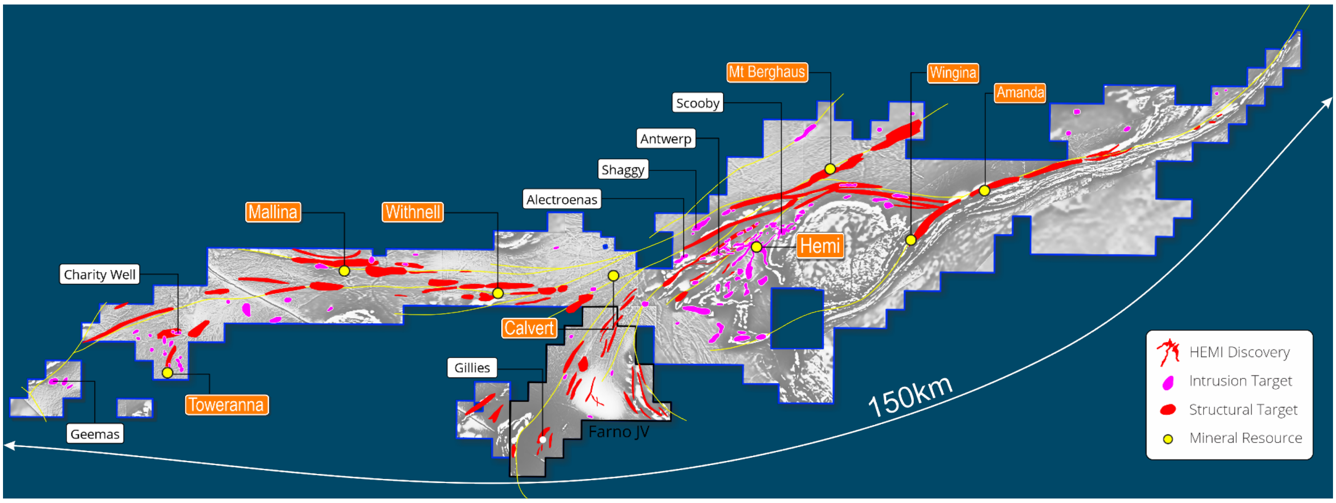
This discovery was many years in the making through the dedicated team at De Grey led by our Chairman Simon Lill. De Grey is engaged in gold exploration and development activities in one of the world's strongest Tier 1 mining jurisdictions. The Company has built a dominant position in the prospective Mallina Basin of the Pilbara Craton, located near Port Hedland in the northwest of Western Australia. De Grey has redefined gold exploration in the Pilbara.

Figure 1: Comparing Pilbara to Yilgarn



The Mallina Gold Project ("Project") comprises a landholding of more than 1,500km^2, stretching across a contiguous tenement package running SW to NE of 150km and boasts greater than 200km of gold hosting shear zones and numerous intrusion targets (Figure 1). The Project is located within a 45-minute drive of Port Hedland (Figure 1) in a region rich with critical infrastructure to support a future mining operation. Two major sealed highways run within 20km of the Hemi discovery. A gas pipeline runs within 20km of Hemi with a spur within 4km. A major 220kV electricity transmission line also lies within 20km of Hemi. The town of Port Hedland is a significant regional centre with excellent mining services and large airport facilities, as has the town of Karratha, 120km to the southwest. Port Hedland is the largest economic export port in Australia. The Port is also opening up for import shipping which is expected to allow the direct landing of mining equipment into the region, which may provide substantial transport cost savings during development.

Figure 2: Mallina Gold Project



During the year the Company was able to build on the earlier discoveries of Aquila, Brolga and Crow via the discoveries of Falcon in 2020 and then the further discoveries of Diucon and Eagle in early 2021. Following the initial discoveries the Company deployed a major exploration program with 3 Air Core, 4 Reverse Circulation and 4 Diamond drill rigs at Hemi and the greater Hemi region. This sizeable operation has continued to expand the existing deposits through extension drilling on Aquila, Brolga, Crow and Falcon, all of which remain open at depth and laterally, whilst deploying significant drilling capicity at Eagle and Diucon.

Our exploration team was led by Techncial Director Andy Beckwith through to December and subsequently by General Manager Exploration, Philip Tornatora, Our site based exploration team has been ably managed by Rohan Deshpande, who has led a dedicated exploration team to rapidly undertake the drilling activities which has enabled the Maiden Mineral Resource Estimate for Hemi of 6.8Moz to be released on 21 June 2021.

Hemi Total Mineral Resource Estimate (JORC 2012)	**192Mt**	**1.1g/t Au**	**6.8Moz**
Indicated (41% of ounces)	66Mt	1.3g/t Au	2.8Moz
Inferred (59% of ounces)	127Mt	1.0g/t Au	4.0Moz
MGP Mineral Resource Estimate (JORC 2012)	**230Mt**	**1.2g/t Au**	**9.0Moz**
Measured & Indicated (43% of ounces)	85Mt	1.4g/t Au	3.9Moz
Inferred (57% of ounces)	145Mt	1.1g/t Au	5.1Moz

(0.3g/t Au Cut-off above 370m depth, 1.5g/t Au Cut-off below 370m depth, assays to 17 May 2021)

MGP
9.0Moz
230Mt
1.2g/t Au

HEMI
+6.8Moz
192Mt
1.1g/t Au

The Maiden Mineral Resource Estimate is based on 688 RC holes (134,166m) and 169 diamond holes (69,061m including RC pre-collars) for a total of 203,228m. Overall, drilling at Hemi including aircore drilling exceeds over 400,000m with substantial aircore, RC and diamond drilling programs continuing.

Global Mineral Resources for the MGP, following the inclusion of Hemi, increased to 9.0Moz.

Figure 3: Hemi Mineral Resource

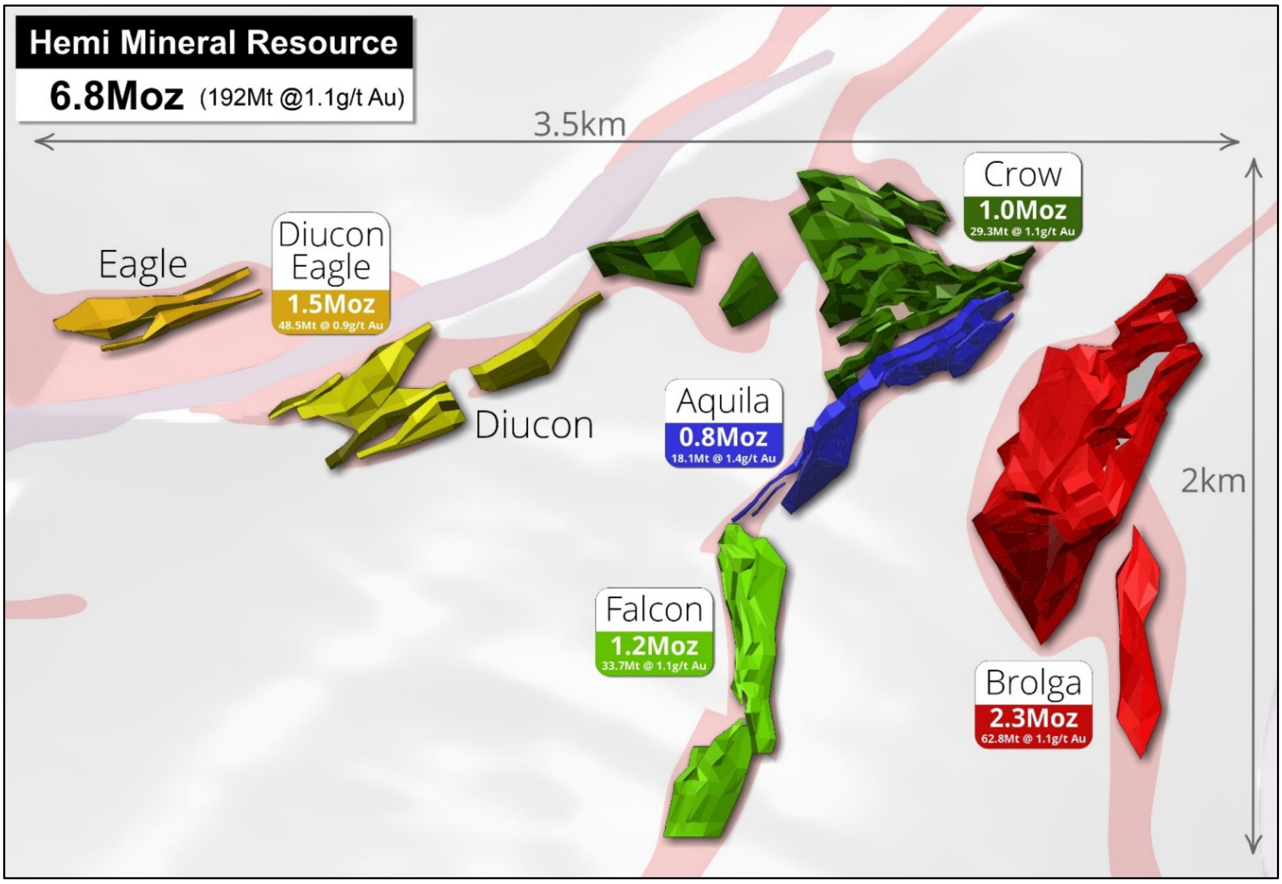
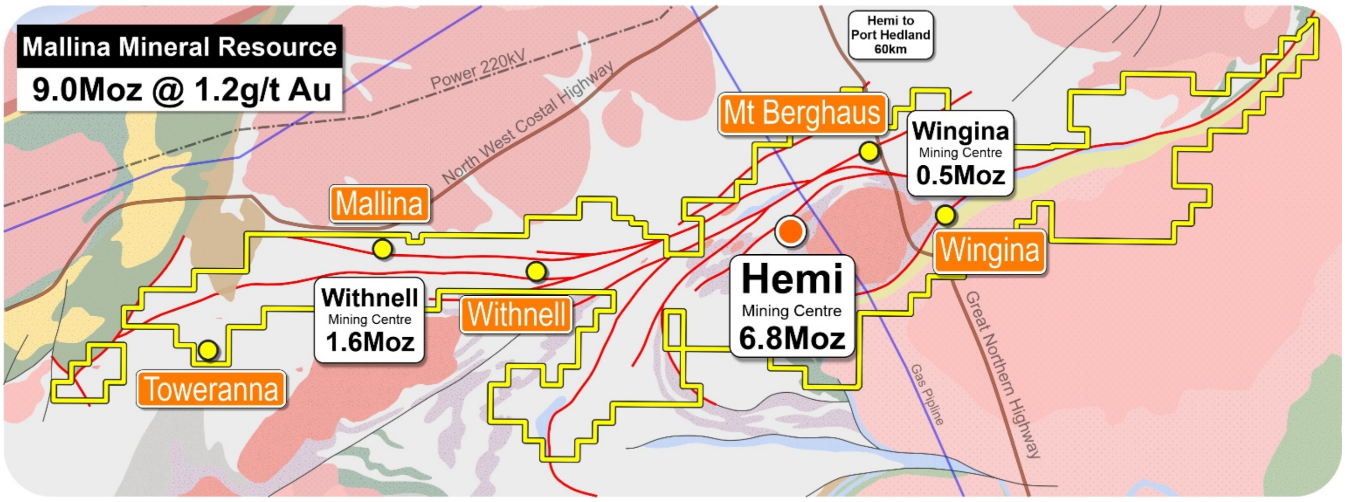


Figure 4: Mallina Gold Project Resource Locations



Gold mineralisation at Hemi was first discovered in aircore drilling in November 2019 and confirmed by RC drilling in March 2020. Hemi currently comprises a cluster of six individual gold deposits: Brolga, Aquila, Crow, Falcon, and the more recent discoveries of Diucon and Eagle (Figure 3). The mineralisation is hosted in a series of intermediate intrusions associated with sulphide (pyrite and arsenopyrite) stringers and disseminations within brecciated and altered quartz diorites that intrude into the surrounding Archaean aged Mallina Basin sediments. The Archaean basement is eroded and truncated by a 25m to 45m thick horizon of transported sediments that are barren of gold mineralisation. The Hemi style of mineralisation is new to the Pilbara region and shows a scale of gold mineralisation not previously seen in the Mallina Basin. **Global Mineral Resources for the MGP, following the inclusion of Hemi, increased to 9.0Moz.**

The announcement of the Maiden Hemi JORC Code compliant resource is a major milestone in the Company's history; however, it was only part of the overall focus of activities for the 2020/21 year. The Company also achieved several other objectives for 2020/21 highlighted in last year's annual report:

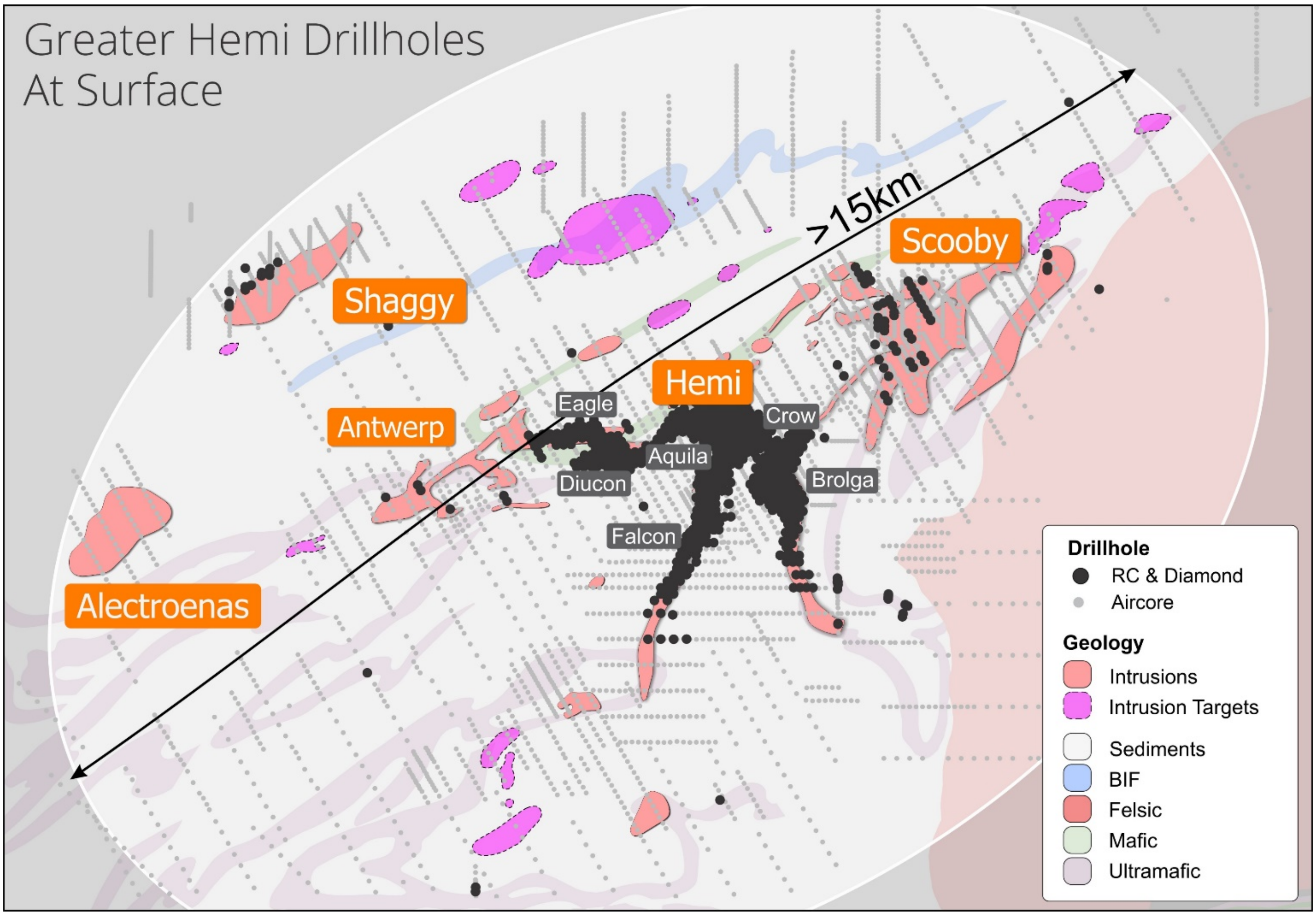
Continue drilling to extend and define the overall footprint of the Hemi discovery, leading to a maiden Hemi Mineral Resource Estimate by the middle of calendar year 2021	**– Achieved –**	Maiden Hemi JORC code compliant announced in June 2021
Explore and define new mineralised intrusions within the Greater Hemi region	**– Achieved –**	several intrusion targets drilled during 2020/21 including the discovery of Diucon and Eagle
Improve site infrastructure, systems and communications to support planned activities	**– Achieved –**	Stage 1 of the microwave communications was commenced and is now operational along with improved camp facilities and the securing of additional camp facilities close to Hemi where total accommodation is now over 150 persons
Explore the large prospective regional shear zones and other intrusion targets	**– Partially achieved –**	A regional exploration team was established during the year and has commenced exploration of both intrusive and shear zone targets within the area outside greater Hemi;
Continue to expand the existing 2.2Moz regional resources	**– Partially achieved –**	A regional exploration team was established during the year and has commenced both Air Core and RC drilling with an objective to expand the regional resource base.
Complete and evaluate early-stage project de-risking studies including metallurgy, environmental, hydrology and geotechnical aspects	**– Achieved –**	Announced that a scoping study will be released in September 2021 Quarter which will provide an early indication of the production potential to be a Tier 1 Gold Project. In addition, metallurgy, hydrology and environmental programs were commenced during the year.

Detail of Activities undertaken during the 2020/21 Year

During 2020/21 the Company rapidly built its exploration capacity on site with 6 drill rigs at the commencement of July 2020 growing to 12 rigs by the end of June 2021. A total of 402,653 metres of drilling occurred during the year including 195,704m of Aircore, 167,486m of RC and 38,858m of Diamond drilling.

This exceptional drilling program was integral to the company being able to identify intrusives through initial aircore drilling and followed up with targeted RC and DD rigs. This was a key to the Company being able to rapidly define new deposits at Falcon, Diucon and Eagle which provided the catalyst to be able to define one of the largest Australian maiden gold JORC resources, in recent times, at Hemi. Our ability to rapidly deploy drilling assets at these discoveries has allowed us to find gold at A$8.50 per ounce for 6.8 million ounces at a rate of 450,000 ounces per month since the first RC hole at Hemi back in February 2020.

Figure 5: Drilling at Greater Hemi

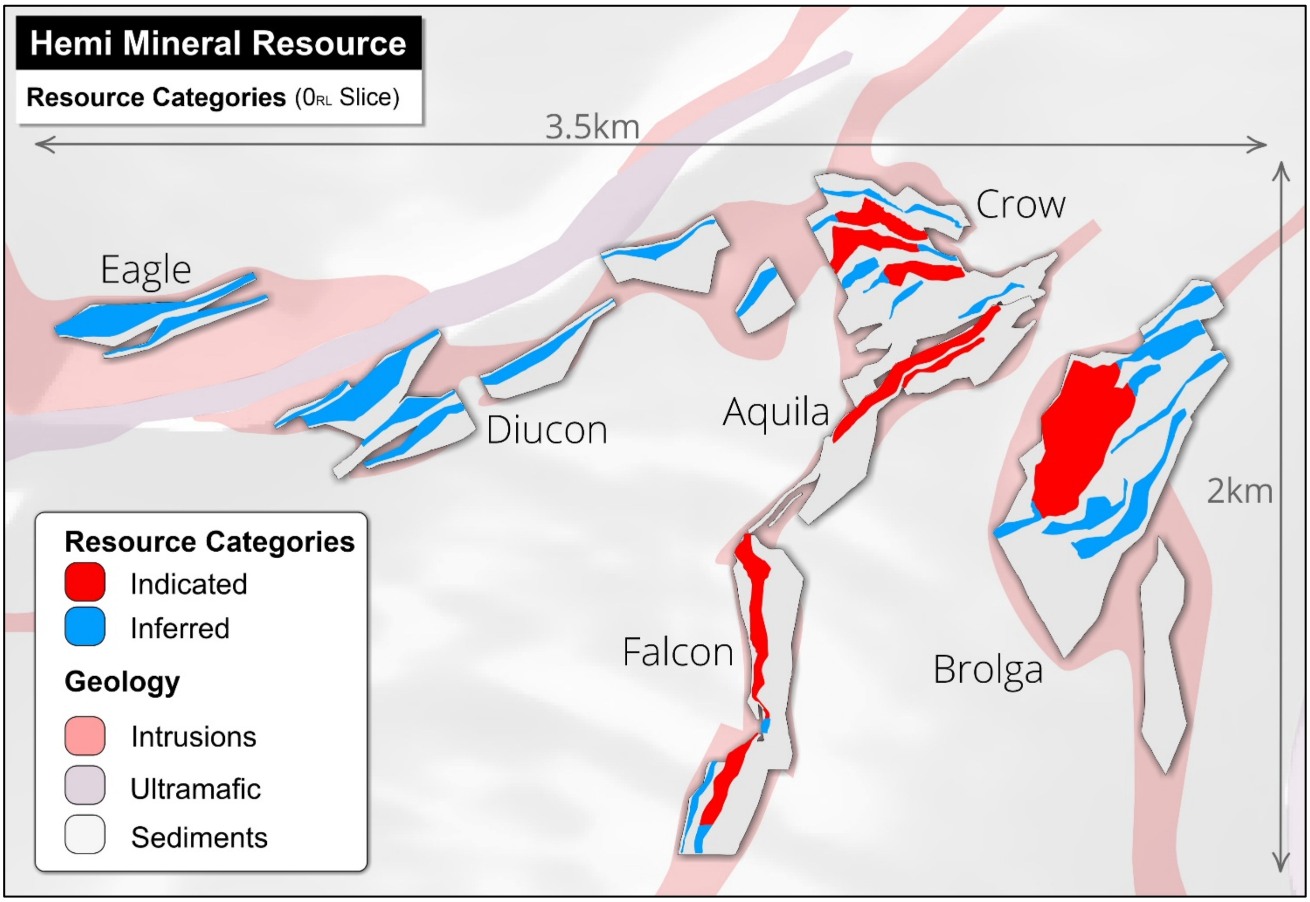


In addition to delivering an outstanding Maiden JORC Code Compliant Mineral Resource at Hemi of 6.8Moz, the Company has also delivered with a high proportion of Indicated resources within the Hemi MRE.

The quality of the individual deposits is demonstrated by the high percentage of Indicated Mineral Resource within the upper portions of the deposits where the highest concentration of drilling has occurred to date.

Brolga	**77% Indicated** to 140m below surface and 53% overall
Aquila	**84% Indicated** to 220m below surface and 62% overall
Crow	**46% Indicated** to 140m below surface and 34% overall
Falcon	**77% Indicated** to 140m below surface and 57% overall

Figure 6: Hemi gold deposits showing Indicated and Inferred Mineral Resource categories.



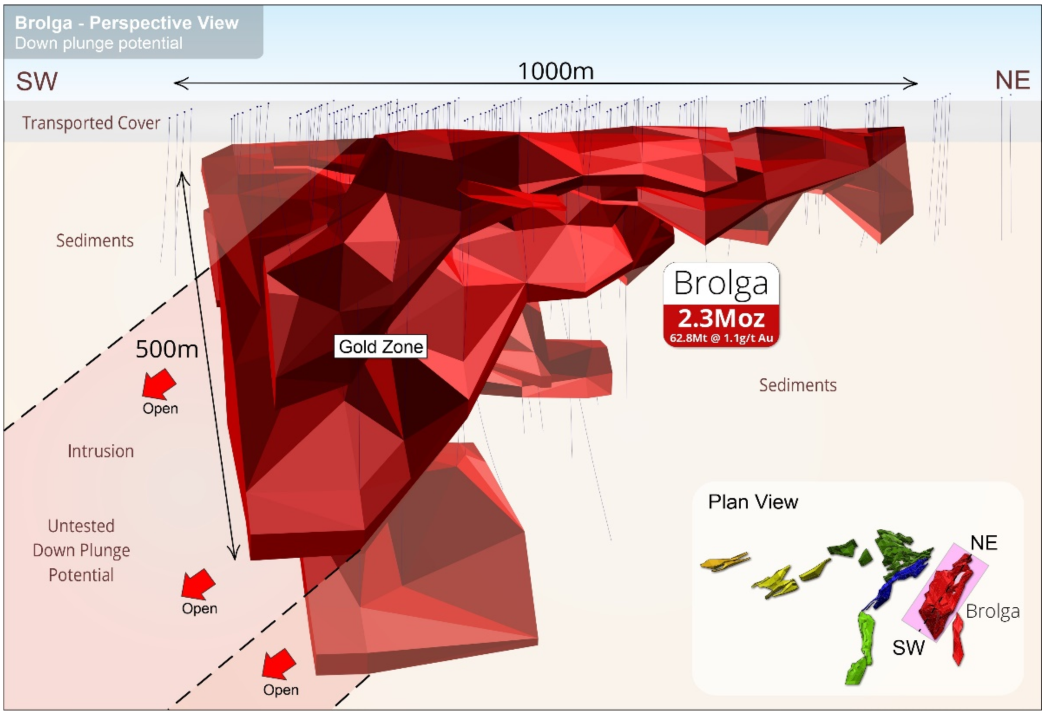
Details of each of the deposits are detailed below:

Brolga/Brolga South

The Brolga deposit is the largest gold resource identified at Hemi to date. The mineralised intrusion now spans 800m along strike and up to 300m wide. Gold mineralisation at Brolga remains open down dip to the south-east and down plunge to the west and within the large Brolga South extension. Infill and extensional drilling continued during the period.

The infill program (40m x 40m) was designed to provide sufficient drill density to enable a significant portion of the resource to meet JORC 2012 Indicated classification. Intercepts received to date have been successful in demonstrating continuity of the previous wide spaced drilling (80m x 80m). Results continue to show broad zones of consistent gold mineralisation and strong correlations between adjacent holes.

Figure 7: Brolga Resource



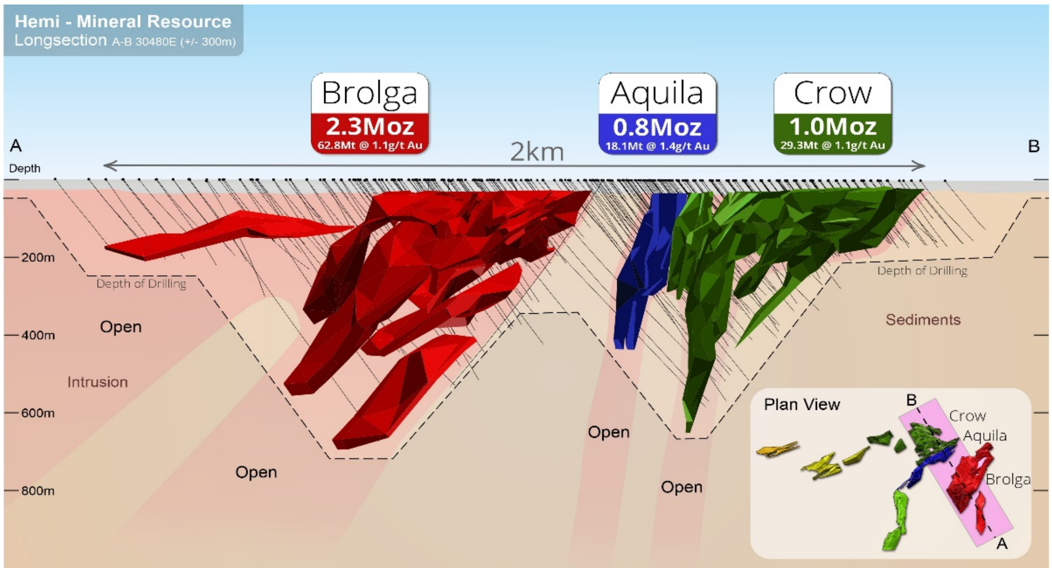
Aquila

Aquila is a gold-sulphide zone located to the immediate north of the Brolga and adjacent to the Crow intrusion to the north and Falcon zone to the south (Figure 6).

The Aquila intrusion has been outlined over a length of +1,200m with well-defined mineralisation over 800m strike and has been confirmed to depths of approximately 500m. Recent results have confirmed extensions to the plunging higher-grade shoots at the eastern and western ends of the intrusion. Mineralisation remains open along strike and at depth.

Infill drilling has been conducted at a nominal 40m x 40m spacing to define the overall mineralised system and to provide confidence in the continuity of higher-grade lodes. Extensional drilling is being conducted to test depth and strike extensions to higher grade mineralisation.

Figure 8: Brolga, Aquila & Crow Resource



Crow

The Crow zone is a large intrusion located immediately north of the Aquila zone. The style of mineralisation is similar to the Aquila and Brolga zones with more discrete sub vertical dipping lodes of sulphide rich alteration and brecciated intrusion. Mineralisation remains open at depth, to the north and to the west towards the newly discovered Diucon and Eagle zones.

The most dominant lode within the Crow intrusion has been named the McLeod lode and is located approximately 200m north and oblique to Aquila intersecting each other at the eastern end. The McLeod lode is currently defined over 600m in strike, 300m depth and up to 60m true thickness and remains open. The McLeod lode contains some of the highest-grade intercepts in the overall Hemi deposit.

The RC drilling program at Crow has targeted resource definition at a 40m x 40m spacing. This drilling is to confirm continuity of mineralisation between the existing 80m x 80m drilling. Results to date have been positive, with continuity confirmed and additional stacked lodes intersected or extended.

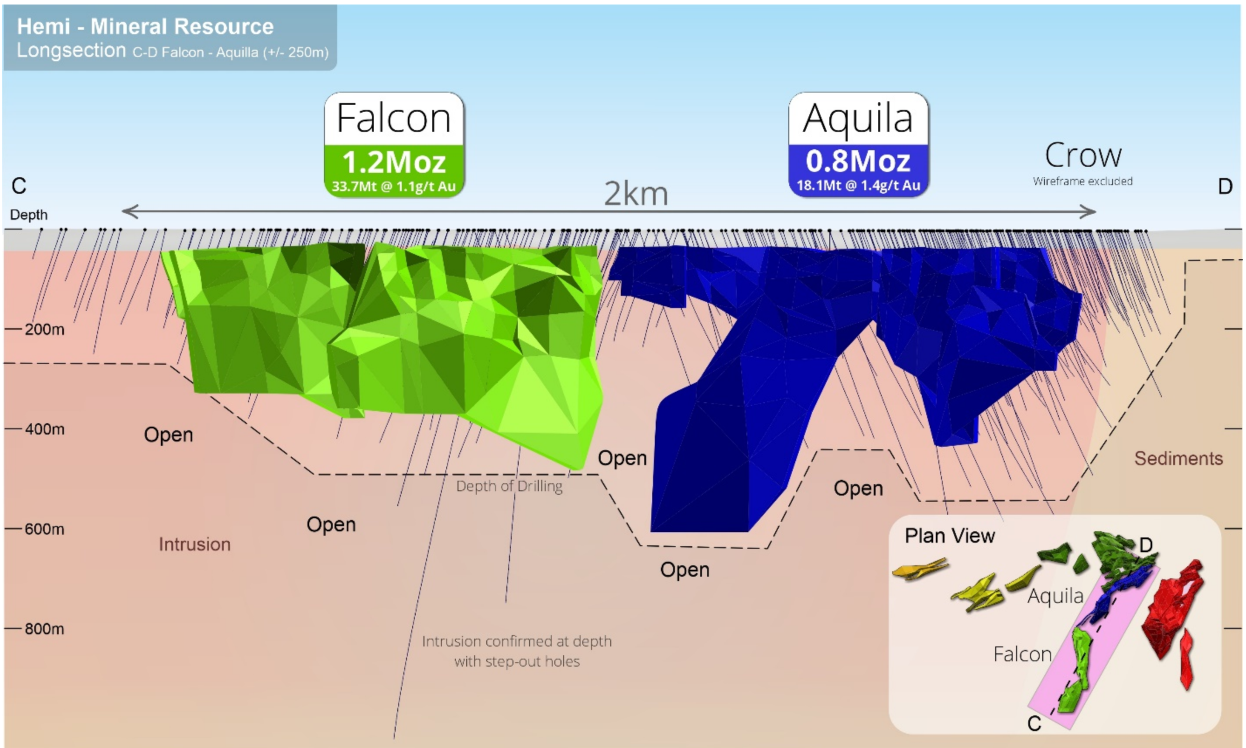
Falcon

The Falcon intrusion is located approximately 600m west of Brolga and immediately south of Aquila. Strong mineralisation has been defined over a strike length of approximately 1km. The intrusion has been defined in shallow aircore drilling over a further 2km to the south. The bedrock is covered by approximately 30m to 40m of transported material similar to the other deposits at Hemi.

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

Extension drilling has continued since the resource estimate targeting depth extensions along the known 1km strike of the resource area.

Figure 9 – Falcon & Aquila Resource

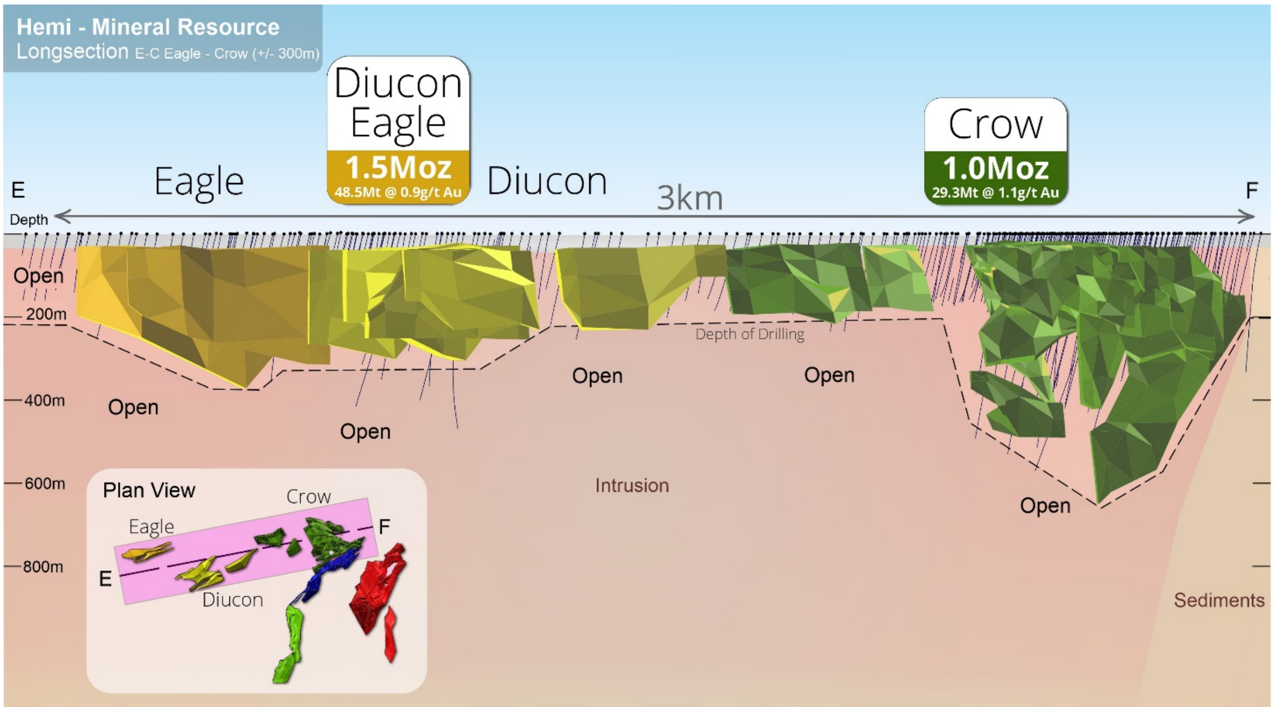


Diucon and Eagle

The discoveries of the Diucon and Eagle zones were first announced during the March quarter of 2021. Diucon and Eagle are located immediately to the west of Crow and present a potential geological link between the Crow intrusion to Antwerp (Figure 12). The gold mineralisation shows similar alteration and sulphide development as seen at the adjacent deposits of Aquila, Brolga, Crow and Falcon.

Diucon is defined over approximately 900m of strike and remains open down plunge to the west and at depth beneath sediments to the south. The Eagle mineralisation is currently defined over 600m strike and remains open in most directions as drilling is at an early stage.

Figure 10 – Diucon & Eagle Resource



Greater Hemi Exploration

Scooby, Antwerp, Alectroenas and Shaggy

The Greater Hemi area covers a corridor approximately 20km x 10km surrounding the Hemi deposits and includes four other known intrusion targets: Scooby, Antwerp, Alectroenas and Shaggy and numerous targets based on the geophysical interpretation (Figure 12).

First pass aircore drilling occurred during the year at all these four intrusion targets.

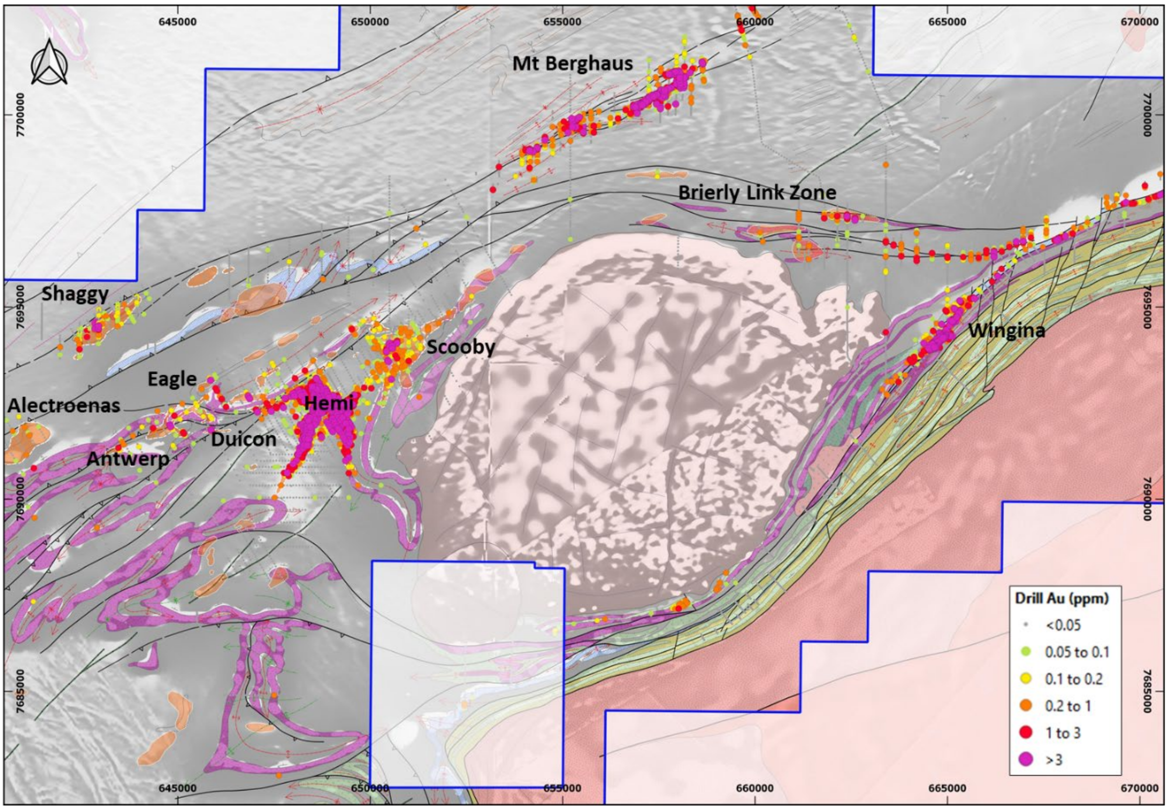
At Scooby, aircore drilling has outlined a zone of anomalous gold and arsenic mineralisation of approximately 2km in strike and up to 1km wide with a coincident bedrock conductivity IP anomaly. The IP anomaly is interpreted to represent disseminated sulphide-rich mineralisation within the fresh bedrock at depth.

Aircore drilling results returned during the year include a shallow high-grade intercept of **3m @ 97.4g/t Au from 45m** including **1m @ 264g/t Au and 2m @ 4.8g/t Au** in BXAC437 which occurs at the uppermost weathered bedrock interface with the transported cover sequence.

Aircore drilling at Scooby has been completed to an average depth of approximately 50 to 60 metres. This is due to the hardness of bedrock and aircore rig penetration. The shallow penetration of the aircore drilling provides information on only a relatively thin veneer of the underlying intrusion. In areas where deeper aircore drilling has been achieved, broad lower grade intercepts (i.e. 48m @ 0.2g/t Au) suggest wider zones of mineralisation and alteration occur.

Late in the year, RC drilling recommenced at Scooby to complete the first pass wide spaced RC drilling program which was interrupted by the discovery and resource drilling at Diucon and Eagle. Results of this program are pending at the time of this report.

Figure 11: Greater Hemi region showing Hemi and the surrounding target areas



Regional Exploration

Regional exploration activities outside of the greater Hemi corridor recommenced during the year throughout the MGP following the formation of a regional exploration team. The initial focus of the regional exploration team is to identify new, large scale, high value intrusion hosted deposits similar to Hemi and new structural shear zone targets. The MGP hosts a combined Mineral Resource of 37.4 million tonnes grading 1.8g/t Au for 2.2 million ounces (excluding Hemi) with the majority of resources hosted along shear zones in sediments and only the Toweranna deposit is hosted by an intrusion.

The interpretation of a detailed, project-wide aeromagnetic survey and geochemical sampling results has already highlighted more than 30 potential intrusive targets requiring assessment and work continues to target potential new intrusions throughout the project area (Figure 12). Three known intrusions have been identified with aircore drilling at Charity Well, Calvert and Geemas.

Late in the year, aircore and RC drilling has been undertaken at Calvert, aiming to increase the existing shallow Calvert resource and to test the previous defined and gold anomalous intrusion to the north of the resource area. Results of this drilling are expected during the December quarter.

At Withnell, aircore and RC drilling programs have commenced aiming to test a series of targets within the mining leases along the Withnell Trend.

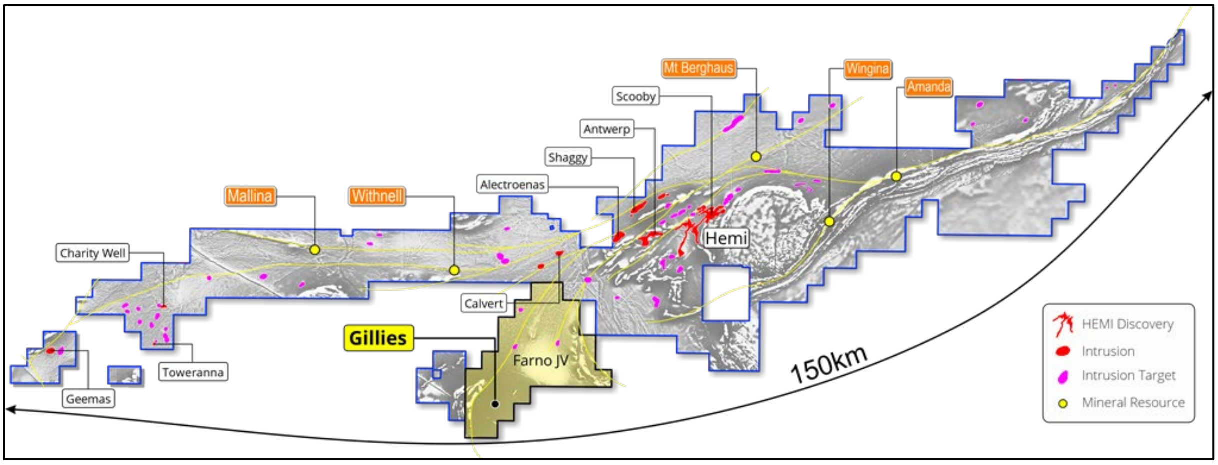
Heritage surveys have commenced at Geemas and Charity Well areas after delays associated with Covid 19 constraints.

In the eastern portion of the MGP, a follow-up RC program has been recently completed at the Buckle prospect aiming to extend previously intersected gold mineralisation at the Buckle prospect.

Farno Joint Venture (De Grey Mining Ltd 75%, Novo Resources Corp 25%)

During the year the Company has completed earning a 75% equity interest in the Farno JV. De Grey is the JV manager with 25% equity partner TSX-listed Novo Resources Corp (TSX:NVO).

Figure 12: Intrusion targets within the Mallina Project, including regional magnetic survey



At the Gillies prospect (Figure 12), a program of 11 follow-up RC holes has recently been completed aiming to extend previously defined mineralisation (15m @ 1.8g/t Au from 90m in GLRC016 within a broader 52m @ 0.7g/t Au from 53m) along a potential 600m strike length. Results from this program are pending as at the reporting date.

Other Project Activities

Project Studies

During the year, the Company has progressed long lead time and its initial economic studies for the project. The intention of the studies is to be able to demonstrate Tier 1 production potential of Hemi. This work has well during the year and as part of the Hemi maiden resources announcement the Company confirmed it was seeking to finalise results of a Scoping Study on the Mallina Gold Project during the September quarter 2021.

Building Organisational Capability

Following the discovery of Hemi the Company has progressively been building the organisation to support this work class project and during key management appointments were made, including:

- John Brockelsby – Health, Safety, Environment and Risk Manager
- Adam Randall – Health & Safety Superintendent
- Sarah Thomas – Environment Superintendent
- Bronwyn Campbell – General Manager of Community Relations
- Peter Canterbury - Chief Financial Officer
- Rachel Kogiopoulos – Financial Controller
- Rod Smith – Studies Manager
- Courtney Morgan-Evans – General Manager Human Resources

All of these people have exceptional skills in their relevant specialities and build on the capability of the Company to be able to deliver the Mallina Gold Project into a producing asset in the foreseeable future.

It is a pleasure to be chosen to lead such an exceptional team at De Grey and I look forward to reporting on the following 2021/22 objectives for next year:

Forward looking to the 2021/22 year ahead, the Company plans to:

- Continue drilling programs with the aim to extend the Mallina Gold Project Resources above the 9-million-ounce JORC resource defined to date;
- Complete the scoping study on the project to deliver a Tier 1 production capability at Hemi
- Materially advance and evaluate early-stage project de-risking studies including metallurgy, environmental, hydrology and geotechnical aspects of the project to support the completion of a PFS during Calendar year 2022; and
- Pursue a corporate strategy aiming to use the IP knowledge to identify Intrusion style mineralisation targets within our project area and the greater Pilbara region.

Environment, Social and Governance Principles

ACKNOWLEDGEMENT OF COUNTRY

At De Grey Mining, we acknowledge the Traditional Custodians of the land upon which we operate and recognise their unique cultural heritage, beliefs, and connection to these lands, waters, and communities.

We pay our respects to all members of these Indigenous communities, and to Elders past, present, and emerging. We also recognise the importance of continued protection and preservation of cultural, spiritual, and educational practices.

As we value treating all people with respect, we are committed to building successful and mutually beneficial relationships with the Traditional Custodians throughout our areas of operation.

Sustainability

The Board and management team of De Grey takes its responsibilities towards the business conducting its activities in a safe, ethical and sustainable manner very seriously.

During the 2020/2021 financial year the majority of the Company's resources were focused on exploration and drilling programs at the Mallina Gold Project. During this period the company also continued an aggressive capability development program with the appointment of key roles in Health and Safety, Environment and Community Relations to ensure the company was positioned to address its future Sustainability requirements. Economic studies culminating in the release of a Scoping Study subsequent to the end of the period in September 2021 were also completed.

The Company has undertaken its operations within a Sustainability framework across five key areas as set out in Figure 13 below. This framework outlines the priority areas of focus for the Board, management, employees, and contractors at the current stage of De Grey's enterprise. The Sustainability framework orientates De Grey to carry out its activities in a responsible manner and provides a robust foundation from which to expand and grow.

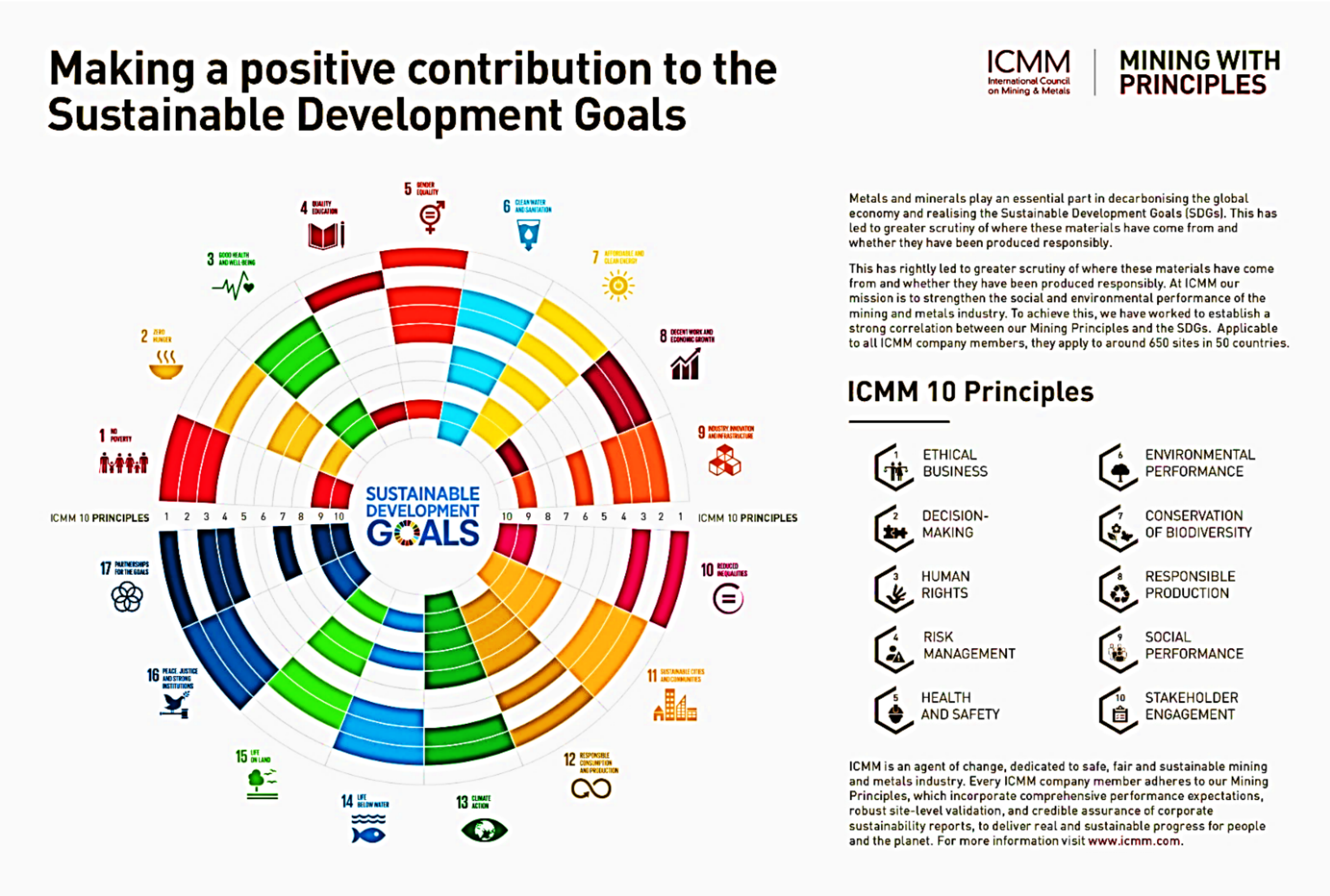
Figure 13: De Grey's Sustainability framework

Consistent with the expected growth of the Company and scaling up of development studies alongside a large drilling and exploration program, the Company has also completed a review of its Sustainability practices and future reporting standards.

The Board has resolved to implement the International Council of Mining and Metals' (ICMM) Mining Principles into its development planning and anticipated future execution for the Hemi Gold Project. These 10 principles align with the United Nations Sustainable Development Goals (Figure 14) and provide a critical framework through which the development of Hemi can be carried out in a sustainable manner which provides significant benefits for all stakeholders. The principles are consistent with De Grey's current Sustainability framework with additional focus on key areas such as human rights and the supply chain.

The alignment of De Grey's development planning for the Hemi project with the ICMM's Mining Principles will have practical outcomes in areas including the use of renewable energy, future procurement decisions, environmental management, and mine closure planning. The outcomes will be detailed in future feasibility studies for the Hemi project.

Figure 14: ICMM Mining Principles



To augment the ICMM Mining Principles in the area of climate change, the Board has also resolved to adhere to the Task Force on Climate-Related Financial Disclosures (TCFD). The TCFD sets out 11 recommendations for managing climate-related risks to business and incorporates governance, strategy and risk management metrics and targets which companies are required to report against. De Grey has committed to adhere to the TCFD as it moves into the future construction and operations phase for the Hemi project.

"The De Grey board is committed to the adoption of ICMM Mining Principles and the Task Force on Climate-Related Financial Disclosures with the oversight of a new sustainability committee established in the 2021/22 financial year for the sustainable future development of the Mallina Gold Project."

De Grey will continue to develop further principles as we progress through the project.

Health and Safety

De Grey is committed to creating value and improving lives though a fatality, injury and illness free performance and culture. In 2020/21 we continued to achieve our objective of zero (0) workplace injuries, with by 510 LTI free days and a 0.00 rolling Lost Time Injury Frequency Rate (LTIFR) for De Grey and the Hemi Project as of 30 June 2021. This was measured against the 2019-20 Exploration industry average for LTIFR in WA for 2019/2020 of 4.20.

During the year, De Grey built significant capability within the organisation, appointing an experienced Health & Safety Superintendent and site-based Health and Safety advisors supporting the Hemi Project. Building this capability supports the implementation of our Health and Safety Management System (HSMS) and ensures significant risks have robust and sustainable safety critical controls.

The development of a health and hygiene management strategy has allowed targeted programs such as pre-employment medicals, fatigue prevention, heat stress management and respiratory protection programs to reduce actual and potential health risks to our employees and business partners. This has been supported by independent quarterly atmospheric and biological monitoring.

On 30 January 2020, the World Health Organisation announced that the coronavirus (COVID-19) was a global health emergency and on 11 March 2020 declared it a global pandemic. Since the outbreak, we have monitored its impact, introducing, and maintaining measures to protect the health and safety of our employees and business partners.

The following key measures have ensured that COVID-19 has had a minimal impact on our operations with no positive cases of COVID-19 recorded during the period:

- Polymerase Chain Reaction (PCR) screening for all employees mobilising to the Hemi Operations.
- Temperature checks and health screening at both Head Office and site locations daily.
- The introduction of initiatives, including changes to gymnasium, food service and cleaning services.
- Adjustments to rosters for the duration of lockdowns (February, April, and June 2021) based on Western Australian Government advice. Office-based team members and non-essential site employees worked from home during these periods.

Environment

De Grey strives to continuously meet or exceed stakeholder expectations, regulatory obligations, and best practice ESG Principles in relation to Environmental Management. The Company remains committed to the ICMM Principles which focus on ensuring positive environmental outcomes are embedded in the business decision making process

During the year the Company appointed an Environment Superintendent, Sarah Thomas, who is highly experienced in the Pilbara region and in undertaking environmental studies of the scale required. Since this appointment, De Grey has begun developing a robust Environmental Management System (EMS) which focuses on risk based, outcomes focused approach to environmental management.

As part of the Mallina Gold Project Scoping Study the Company commissioned an Environmental Scoping Report which was developed by Blueprint Environmental Strategies in conjunction with De Grey environmental personnel. Included in the scoping study document were a number of biological and technical reports and desktop assessments pertaining to Environmental Impact Assessment (EIA) of the project including flora baseline studies, terrestrial fauna database searches, subterranean fauna, short-range endemic reviews and groundwater and surface water study outcomes.

The company has maintained a strong focus and is committed to ensuring environmental compliance requirements are documented, communicated, measured and maintained. An environmental improvement plan, aligned with the De Grey's strategic development plan, outlines the opportunities for continuous improvement, streamlining of environmental processes, and ensuring adequate technical and biological studies are undertaken to meet regulator guidance and facilitate effective and efficient environmental approval processes.

Community

During the year De Grey increased its capability in Community Relations with the appointment of Bronwyn Campbell - General Manager of Community Relations. Bronwyn is a senior community relations and social performance professional with many years' experience working with international, national, and regional communities.

De Grey Mining aspires to be an outstanding community partner who engages with and supports the long-term goals of the people and places neighbouring our operations. The Company has continued to build strong networks this year with local residents, community groups, Traditional Owners and pastoralists, resulting in regular positive feedback across the industry and throughout the region.

Regular meetings occur with the Kariyarra Aboriginal Corporation where the Hemi deposit is located as well as the Ngarluma Aboriginal Corporation and Nyamal Aboriginal Corporation where the Company also has tenements and existing JORC compliant Mineral Resources. The Company works with these groups in relation to heritage surveys, exploration agreements and longer term, executing mining agreements.

Our objective in all dealings is one of achieving mutual respect and outcomes which provide meaningful benefits in the long term.

The Company's tenements are located across five pastoral leases where we regularly engage with lease holders to ensure positive relationships.

Consultations with higher educational facilities and local government regarding workforce planning and local housing commenced during the year aimed at identifying opportunities to employ within the region.

During the year the Company supported Mission Australia in establishing a Port Hedland representative to support regional victims of domestic violence. Domestic violence has seen an increase during the Covid-19 pandemic.

Consistent with our commitment to ICMM principles, the Company has undertaken its initial Socio-Economic Baseline study on the region in which we operate.

Governance

The Company has undertaken a board review during the year and has agreed to implement the key recommendations of that review. The recommendations are designed to satisfy Corporate Governance Principles, (https://degreymining.com.au/corporate-governance/), associated with independence and diversity.

The Company has existing policies in place to ensure its activities are carried out in a manner which is consistent with its objective to always behave in a proper and ethical manner. The full policies are contained on the Company's website and are reviewed and updated as required periodically to ensure they remain suitable for the growing scale of De Grey's activities.

Post 30 June 2021, the Board has established a Sustainability Committee, to be Chaired by Lead Independent Director, Mr Peter Hood.

Directors' Report

Your directors present their report on the consolidated entity comprising De Grey Mining Limited ("De Grey" or "the Company") and its controlled entities ("the consolidated entity" or "Group") for the financial year ended 30 June 2021.

All amounts are expressed in Australian dollars unless otherwise stated.

De Grey is a company limited by shares that is incorporated and domiciled in Australia.

Directors

The following persons were Directors of the Company during the whole of the financial year and up to the date of this report, except as otherwise indicated:

Simon Lill
Glenn Jardine
Andrew Beckwith
Peter Hood
Eduard Eshuys
Bruce Parncutt

Information on Directors

Simon Lill, BSc MBA

Executive Chairman

Mr Lill was appointed to the board in October 2013 and became Executive Chairman in 2014. He has previously worked with Anaconda Nickel Limited through engineering studies, financing, and construction phases of the Murrin Murrin Nickel mine. He also has extensive experience since the 1980's with ASX listed companies, spanning small cap companies to larger concerns, involving restructuring, corporate, compliance, marketing, company secretarial and management activities, resulting in his role at De Grey Mining Ltd.

During the past three years Mr Lill has also served as a director of the following listed companies:

Company	Date appointed	Date ceased
Finexia Financial Group Limited (*formerly Mejority Capital Limited)*	18 May 2011	25 November 2019
Purifloh Limited	2 September 2013	-
XPD Soccer Gear Group Limited	29 March 2018	-

Interest in shares and at the date of this report:
13,739,063 ordinary fully paid shares
130,566 unlisted options over ordinary shares in De Grey Mining Limited
500,000 performance rights

Committees
Audit & Risk Committee
Remuneration & Nomination Committee

Glenn Jardine, BE (Mining) FAusIMM

Managing Director

Mr Jardine was appointed Managing Director in May 2020. He is an experienced mining executive of 35 years with direct experience in growing resource companies from early-stage exploration through to multi-operation entities, including taking projects through feasibility studies, equity funding, debt financing, project development and operations. His experience includes Project Manager & General Manager of the Henty Gold Mine in Tasmania for Goldfields Ltd; Project Manager of the Emily Ann & Maggie Hays nickel mines; General Manager New Business, Chief Operating Officer & Managing Director for Lion Ore Australia. He has more recently been Chief Operating Officer of Azure Minerals Limited. Commodity experience includes precious metals, base metals, and bulk commodities across underground and open pit operations. Processing methods utilised at these projects and operations include CIP/CIL, DMS, sulphide flotation, BIOX, pressure oxidation and SX/EW.
Projects developed have received Australian State and Federal recognition for environmental best practice and health and safety and human resources systems.

During the past three years Mr Jardine has not served as a director of any other listed companies.

Interest in shares and options at the date of this report:
553,454 unlisted options over ordinary shares in De Grey Mining Limited
140,846 performance rights (Tranche 1)
300,300 performance rights (Tranche 2)
282,486 performance rights (Tranche 3)

Rights issued to Mr Jardine are issued in 3 tranches, T1 140,846 will vest in September 2021, T2 300,300 will vest in September 2022 and T3 282,486 will vest in September 2023. The number of rights to be issued for T2 and T3 are a provisional number and will be adjusted when the rights are issued.

Andrew Beckwith, BSc Geology, Aus IMM

Technical Director

Mr Beckwith was appointed to the board in October 2017, having commenced his time with De Grey as a Technical Consultant in February 2016.

He is a successful and experienced exploration geologist who has previously held senior technical roles with AngloGold Ashanti, Acacia Resources, Helix Resources, Normandy NFM, North Flinders Mines, BP Minerals Australia and Westgold Resources. At Westgold, Mr Beckwith initially held the role of exploration manager before appointment as Managing Director. Additionally, Mr Beckwith was an Executive director of Bulletin Resources Limited until June 2014.

During his time at Westgold, he was intimately involved in the Explorer 108 Pb-Zn-Ag and the Au-Cu Rover 1 (1.2Moz) discoveries in the Northern Territory as well as the acquisition of the Central Murchison Gold Project located in Western Australia.

During the past three years Mr Beckwith has also served as a director of the following listed companies:

Company	Date appointed	Date ceased
Carnavale Resources Limited	29 July 2014	-

Interest in shares and options at the date of this report:
8,031,668 ordinary fully paid shares
659,896 unlisted options over ordinary shares in De Grey Mining Limited
400,000 performance rights

Peter Hood AO, BE(Chem), MAusIMM, FlChemE, FAICD

Non-executive Director & Lead Independent Director

Mr Hood was appointed to the board on 19 November 2018. Mr Hood, a Chemical Engineer, has had a distinguished career in the Australian Mining and Chemical Industries. He held the position of Senior Production Engineer at the Kwinana Nickel Refinery from 1971 to 1981, then Mill Superintendent of the WMC Kambalda Nickel and Gold Operations between 1982 to 1985. In 1985, he joined Coogee Chemicals Pty Ltd in the position of General Manager and then as their CEO between 1998 and 2005. He then held the position of CEO of Coogee Resources Ltd before retiring in 2008. Through that period he was part of the management team that oversaw significant growth in Coogee Chemicals.

In 2020, Mr Hood was recognised as an Officer of the Order of Australia in the Australia Day Honours List for distinguished service to business and commerce at the state, national and international level, and to the resources sector.

During the past three years Mr Hood has also served as a Director of the following listed companies:

Company	Date appointed	Date ceased
Cue Energy Resources Limited	23 February 2018	-
GR Engineering Limited	10 February 2011	-
Matrix Composites and Engineering Limited	15 September 2011	-

Interest in shares and options at the date of this report:

4,300,000 ordinary fully paid shares
52,227 unlisted options over ordinary shares in De Grey Mining Limited

Committees

Audit & Risk Committee
Remuneration & Nomination Committee

Eduard Eshuys, BSc, FAusIMM, FAICD

Non-executive Director

Mr Eshuys was appointed to the board on 23 July 2019. Mr Eshuys is a highly experienced and well credentialled geologist with over 40 years exploration and company management experience in Australia. In the late 1980s and early 1990s he led the teams that discovered the Plutonic, Bronzewing and Jundee gold deposits, and the Cawse Nickel Deposit. He was also involved in the Maggie Hays and Mariners nickel discoveries in the 1970's. He was the Managing Director and CEO of St Barbara Limited from July 2004 to March 2009. During this time St Barbara Limited grew substantially as a gold producer.

During the past three years Mr Eshuys has also served as a director of the following listed companies:

Company	Date appointed	Date ceased
DGO Gold Limited*	15 July 2010	-
NTM Gold Limited	26 March 2019	16 March 2021
Dacian Gold Limited	16 March 2021	-

*As at the date of this report, DGO Gold Ltd holds 203,577,703 ordinary fully shares in De Grey Mining Limited (representing 15.8% of De Grey's issued capital).

Interest in shares and options at the date of this report:

No ordinary fully paid shares
52,227 options over ordinary shares in De Grey Mining Limited

Committees

Chair of the Remuneration & Nomination Committee
Audit & Risk Committee

Bruce Parncutt AO, BSc, MBA
Non-executive Director

Mr Parncutt was appointed to the board on 23 July 2019. Mr Parncutt is currently Chairman of investment banking group Lion Capital and has had a career spanning over 40 years in investment management, investment banking and stock broking, where he has previously held roles as Managing Director of McIntosh Securities, Senior Vice President of Merrill Lynch, Director of Australian Stock Exchange Ltd.

In 2016, Mr Parncutt was recognised as an Officer of the Order of Australia in the Queen's Birthday Honours List for distinguished service to the community as a philanthropist (particularly in arts and education) and as an advocate and supporter of charitable causes, and to business and commerce. He is currently a member of The Australian Ballet Board and a Trustee of the Helen MacPherson Smith Trust.

During the past three years Mr Parncutt has also served as a director of the following listed companies:

Company	Date appointed	Date ceased
DGO Gold Limited*	23 May 2018	-

*As at the date of this report, DGO Gold Ltd holds 203,577,703 ordinary fully shares in De Grey Mining Limited (representing 15.8%).

Interest in shares and options at the date of this report:
No ordinary fully paid shares
52,227 options over ordinary shares in De Grey Mining Limited

Committees
Chair of the Audit & Risk Committee
Remuneration & Nomination Committee

Company Secretaries

The following persons acted as Company Secretary of the Company during the whole of the financial year and up to the date of this report:

Craig Nelmes, BBus

Mr Nelmes is an Accountant who joined De Grey in October 2013 and has over 25 years' experience in the provision of finance, secretarial, governance, financial systems and providing accounting services to the mining sector in Australia and overseas. His experiences include over seven years with International Accounting firm Deloitte, nine years with a multi-national resource's entity and most recently ten years with Corporate Consultants Pty Ltd, a Company providing accounting, secretarial and administrative services to ASX and TSX listed entities.

Patrick Holywell, FGIA GradDipCA GAICD BCom

Mr Holywell is a Chartered Accountant who joined De Grey in July 2018. He has over 15 years' experience in corporate governance, finance and accounting including employment with Deloitte and Patersons Securities Ltd. Mr Holywell has been employed by and acted as company secretary, CFO and/or director of several companies in various sectors.

Chief Financial Officer

Peter Canterbury, BBus CPA
Mr Canterbury is an experienced mining executive and Certified Practicing Accountant with substantial experience in leading ASX-listed mining companies, most recently as MD of ASX-listed Triton Minerals and CEO of Bauxite Resources. Peter has as a broad skillset spanning financial and corporate management, accounting, project financing, feasibility studies, contract negotiation and mining operations. He has held senior roles within the mining industry for close to 30 years. Previously CFO and Acting CEO of Sundance Resources, where he played a lead role in rebuilding the company following a plane accident in 2010 and was instrumental in negotiating the Mining and Development convention for Sundance in Cameroon and Republic of Congo for the US$5 billion iron ore mine, rail and port project. His previous positions include CFO of Dadco Europe with its alumina and bauxite operations in Europe and Africa and several positions with Alcoa in finance, marketing and project development. Peter brings highly relevant financial expertise to support De Grey's ambitions of becoming a Tier 1 gold producer from Hemi.

Principal Activities

The principal activity of the consolidated entity during the year was exploration and development activities at the Mallina Gold Project, 80 kms southwest of Port Hedland in the Pilbara region of Western Australia. De Grey currently controls a considerable tenement package comprising over 1,500km^2. The tenement package is highly prospective for gold, other precious metals and comprises significant base metals resources (Zn-Ag-Pb) as well as lithium prospects.

Earlier this year, the Company announced the Maiden mineral resource at Hemi, which occurs in the central portion of De Grey's large Mallina Gold Project. A substantial resource, measuring 6.8Moz, which has boosted the project to 9.0Moz

The exploration activities are focused on increasing resources across the existing deposits and new target areas including:

- Resource extensions at Hemi.
- Discovery of new intrusion style mineralisation in the Greater Hemi region.
- Resource extensions at Withnell and the other regional shear hosted deposits.
- Resource extensions at Calvert, another intrusion related target; and
- Reconnaissance drilling along the 200km of shear zones and numerous interpreted intrusion targets.

Financial Review

The consolidated loss after tax for the year ended 30 June 2021 was $5,250,269 (2020: $3,976,002). Details of our operations is included in the Managing Directors report and operations review, preceding this report.

Earnings per share

The basic loss per share for the year ended 30 June 2021 was 0.41 cents per share (2020: 0.41 cents per share).

Dividends

No dividends were paid or declared during the financial year (2020: None). No recommendation for payment of dividends has been made.

Significant changes in state of affairs

There were no significant changes in the nature of the activities of the Group during the year, other than those included in the Key Highlights within the Review of Operations.

Matters subsequent to the end of the financial year

There has been no matters or circumstances occurring subsequent to the end of the financial year that has significantly affected, or may significantly affect the operations of the Group, the results of those operations, or the state of affairs of the Group in future financial years.

Likely developments and expected results

De Grey seeks to maximise shareholder value through its ongoing exploration and development work at The Mallina Gold Project ("MGP").

The Company has an aspirational goal of achieving a Tier 1 scale of mineralisation within the MGP, and has recently announced the Maiden Mineral resource which further strengthens the project with Measured and Indicated Mineral Resources as follows:

- **Hemi – Tier 1 scale maiden Gold Mineral Resource confirmed at 6.8Moz**

Hemi Total Mineral Resource Estimate (JORC 2012)	**192Mt @ 1.1g/t Au (6.8Moz)**
Indicated (41% of ounces)	66Mt @ 1.3g/t Au (2.8Moz)
Inferred (59% of ounces)	127Mt @ 1.0g/t Au (4.0Moz)

- **Mallina Gold Project – Global Mineral Resources, including Hemi, increase to 9.0Moz**

MGP Mineral Resource Estimate (JORC 2012)	**230Mt @ 1.2g/t Au (9.0Moz)**
Measured & Indicated (43% of ounces)	85Mt @ 1.4g/t Au (3.8Moz)
Inferred (57% of ounces)	145Mt @ 1.1g/t Au (5.1Moz)

These Mineral Resources provide a strong platform for a scoping study targeted for completion in the September quarter 2021.

The Company's immediate growth strategy will continue to focus on expanding the footprint of the Hemi deposits, increasing the global project resource and making new discoveries within the large Mallina Gold Project.

Remuneration Report (Audited)

The remuneration report is set out under the following headings:

A. Remuneration report overview
B. Overview of executive remuneration
C. Service agreements
D. Details of remuneration
E. Securities based compensation
F. Other transactions and balances with key management personnel

A. Remuneration Report Overview

The Directors of De Grey Mining Limited present the Remuneration Report for the Group for the year ended 30 June 2021. The report forms part of the Directors' Report and has been audited in accordance with section 300A of the *Corporations Act 2001*.

The report details the remuneration arrangements for the Company's Key Management Personnel (KMP):

- Non-executive directors (NEDs)
- Executive directors and senior executives

KMPS are those persons who, directly or indirectly, have authority and responsibility for planning, directing, and controlling the major activities of the Group including all directors of the Company.

The table below outlines the KMP of the Company and their movements during the year.

Name	Position	Term
Non-Executive directors		
Mr Simon Lill	*Non-Executive Chairman*	*Full financial year*
Mr Peter Hood AO	*Non-Executive Director*	*Full financial year*
Mr Eduard Eshuys	*Non-Executive Director*	*Full financial year*
Mr Bruce Parncutt AO	*Non-Executive Director*	*Full financial year*
Executive Directors		
Mr Glenn Jardine	*Managing Director*	*Full financial year*
Mr Andrew Beckwith	*Technical Director*	*Full financial year*
Other Key Management Personnel		
Mr Craig Nelmes	*Company Secretary*	*Full financial year*
Mr Patrick Holywell	*Company Secretary*	*Full financial year*
Mr Peter Canterbury	*Chief Financial Officer*	*Appointed 1 February 2021*
Mr Philip Tornatora	*General Manager - Exploration*	*Full financial year*

B. Overview of Executive Remuneration

The remuneration policy of De Grey has been designed by the board taking into consideration the stage of development of the Group and the activities undertaken. The guidance is to build mutually beneficial outcomes by aligning key management personnel with shareholder and business objectives.

We reward executives by providing a mix of fixed remuneration and variable remuneration consisting of short term ("STIP") and long-term incentives ("LTIP") on key performance areas affecting the Group's financial results or operational milestones.

<u>Mix of Remuneration</u>	**%**	
Managing Director		
Fixed Remuneration	50%	
STIP	15%	Up to 50% is held at risk and measured against performance
LTIP	35%	
Senior Executives		
Fixed Remuneration	57-60%	
STIP	15%	Up to 50% is held at risk and measured against performance
LTIP	24-28%	

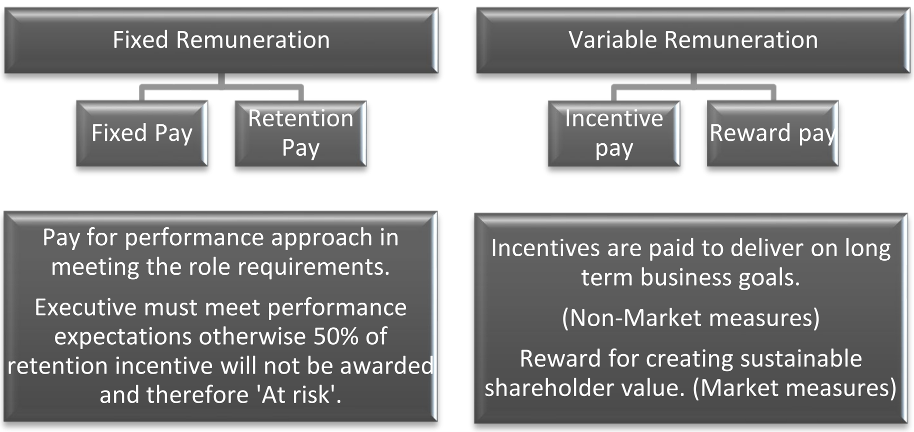
Our Executives performance is evaluated annually, and both cash components and awards held at risk are described below.

The performance of any company depends largely on the quality of its executives, to this end, De Grey Mining Limited endeavours to attract, motivate and retain highly skilled executives and embodies the following principles in its remuneration framework.

- Provide competitive rewards to attract high calibre executives
- Link executive rewards to shareholder value
- Ensure a significant portion of executive remuneration is ‘at risk’, dependent on meeting performance benchmarks
- Establish appropriate, demanding performance hurdles in relation to variable executive remuneration

The board of De Grey Mining Limited believes the remuneration policy to be appropriate and effective in its ability to attract and retain the best executives and directors to run and manage the Group.

Executive remuneration levels are reviewed annually by the Remuneration & Nomination Committee with reference to the remuneration guiding principles and market movements. When reviewing remuneration, the Company may also source external advice to assist with salary setting and determination of other benefits, including short term and long-term incentive plans. Advice provided by BDO rewards WA Pty Ltd during the year is included in this report.



Measurement tools used for fixed remuneration includes the market rate for the role. Zero Exercise Price Options (‘ZEPOs) are granted as variable remuneration and are held at risk where performance targets are not reached. Cash bonus payments are aligned with long-term business goals and reflect ‘line-of-sight long term performance. Milestones include building reserves, completing a definitive feasibility study and completing funding for the project which are non-market measures. Non-market measures are intended to reward executives for creating sustainable shareholder value.

Short-term Incentive Plan

An annual STIP opportunity exists for all Executives in the form of cash, but which the board has discretion to settle in ZEPO’s. This would be agreed individually with each executive and be converted using the 10-day VWAP on the day the ZEPO’s are granted. The executive must be employed to be eligible to receive the payment and achieve a score of 65% or more on the annual short term incentive criteria (‘STIC’) which is subject to certain KPI’s listed below and are in line with role objectives for the year.

In addition to the cash bonus, where performance related awards are held at risk, the criteria (STIC) to be awarded the 50% of ZEPO's each year are as follows:

The annual short-term incentive criteria ("STIC") consists of a weighted scorecard comprising the following wealth preservation measures and wealth creation measures (subject to Board review on an annual basis):

- annual project-based milestones.
- all regulatory compliance requirements met.
- meeting budget (as adjusted and approved by Board).
- safety- Total Recordable Injury Frequency Rate.
- maintain and increase institutional shareholder base and undertake successful capital raising activities.
- keeping tenements in good standings; and
- business development.

The Board will also retain discretion to vary or supplement the STIP, following conferral with the executive, to better define and formalise those criteria, having regard to the nature and scale of the business and any other applicable matters.

Long-term Incentive Plan

The annual LTIP opportunity consists of ZEPOs, and which have been issued to both executive directors and other key management personnel. The LTIP is designed to reward performance over a three-year period. The ZEPO's will vest upon satisfaction of the following vesting conditions or where, vesting conditions are not satisfied, the Board has discretion to vest the options.

- Remain employed by the company until vesting date to be eligible to receive the payment.
- delineation of Mineral Resources (as that term is defined in JORC, 2012 Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves) of not less than 12 million ounces of gold at the Company's Mallina Gold Project (inclusive of the existing regional 2.2 million ounces) by 3 December 2024.
- completion of a Definitive Feasibility Study (DFS) confirming feasibility for a 500,000 ounces of gold per annum project through a mine life of no less than 12 years, or such other number as approved by the Board following completion of a Pre-Feasibility Study. The DFS is to be signed off in its entirety by a suitably qualified engineering group (with oversight from the Board); and
- the Company securing debt and/or equity finance for a Board approved Project arising from the DFS.

Non-market measures are intended to reward executives for aligning their rewards with De Greys business outcomes and creating sustainable shareholder value.

The 2,619,326 ZEPO's issued have a 4-year term, one third of those issued are evaluated annually in June against the scorecard. Upon achieving a 65%+ STIC score, 50% of these ZEPO's achieve the incentive condition and remain eligible to vest. If the executive does not achieve the score of 65% or more, 50% of the ZEPOs will be cancelled, whilst the balance will vest solely subject to achieving the LTIP Milestones. The one-third of ZEPO's issued within this tranche to executives and other key management personnel in the 2021 financial year will be tested against the scorecard in June 2022.

If the executive ceases employment before the STIP and LTIP payment, they will lose the STIP and any LTIP award unless the executive is a "Good Leaver". Where the executive is a "Good Leaver", a pro-rata award may be made, subject to the Board's discretion (based on time served during the performance period and the satisfaction of any agreed KPI). The executive loses the award on cessation of employment where they are considered a "Bad Leaver".

- A good Leaver means the Executive ceases to be employed by the Company because the Executive dies or is permanently incapacitated so that they are unable to perform their employment duties,
- is aged 60 or older and permanently retires from all employment
- validly terminates the Employment in accordance with its terms due to material breach by the Company
- has the Employment terminated by the Company other than for reasons justifying summary dismissal, a material breach of contract, underperformance or any other reason specified under the ESA; and/or
- validly terminates the Employment because of a diminution of role after the Company undergoes a Change in Control.

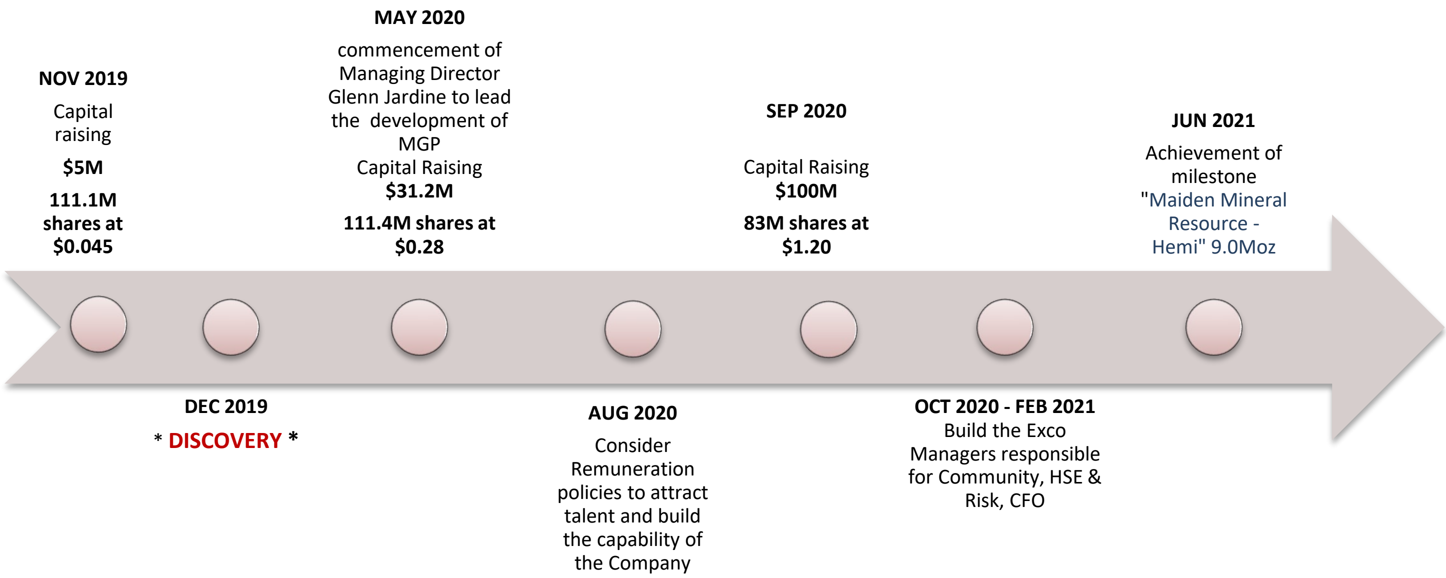
Other ZEPO's Issued during 2021

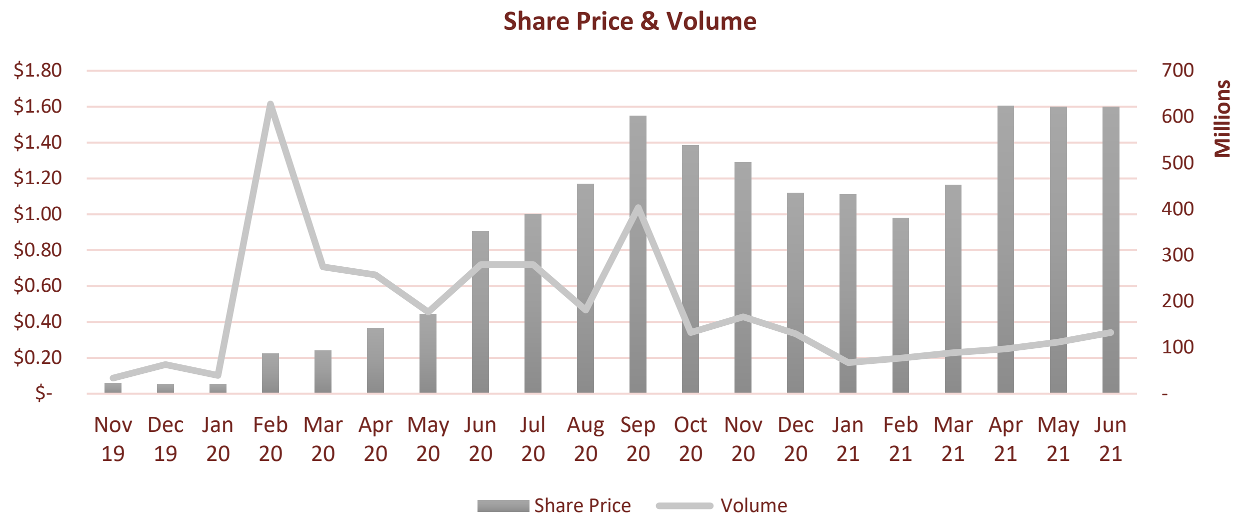
Also, in FY2021, 450,454 ZEPO's were issued to directors with no vesting conditions. They were granted on 10 July 2020 after receiving shareholder approval and vested 30 July 2020. It was determined by the Board that these ZEPO's reward the efforts in achieving the new Discovery which has since been included in the Maiden Mineral Resource announced in June 2021.

Overview of Company Performance and Governance

The table below sets out information about De Grey Mining's performance and movements in shareholder wealth for the past four years up to and including the current financial year.

	2021	*2020*	*2019*	*2018*	*2017*
Net loss	*5,250,000*	*3,976,000*	*2,009,000*	*2,477,000*	*3,219,000*
Share price at year end ($)	*1.24*	*0.91*	*0.67*	*0.16*	*0.04*
Basic EPS (cents)	*(0.41)*	*(0.41)*	*(0.50)*	*(0.85)*	*(1.91)*
Total Dividends per share		*-*	*-*	*-*	*-*





Non-executive Directors' remuneration

The board policy is to remunerate non-executive directors at market rates for comparable companies for time, commitment, and responsibilities. The board determines payments to the non-executive directors and reviews their remuneration annually, based on market practice, duties and accountability.

Fees for non-executive directors are not linked to the performance of the Group. However, to align Directors' interests with shareholder interests, the non-executive directors may receive short term performance incentives and longer-term performance incentives as approved by shareholders.

NED's fees are determined within an aggregate NED fee pool limit, which is periodically approved by shareholders. The maximum aggregate amount of fees that can be paid to non-executive directors is subject to approval by shareholders at the Annual General Meeting. The last aggregate pool was approved at the AGM held in November 2019 and is currently $700,000.

The annual remuneration for each non-executive director was set in the range of $94,000 - $140,000 per annum for the 2020-2021 financial year. These fees have been supported by independent advice from BDO Rewards (WA) Pty Ltd and determined by the Board of the Company. The fees take into consideration factors such as the market rates of industry peer companies, the current level of activity and the experience of the Directors. Where there is a significant change in the size and scale of Company activities these annual fees will be reviewed. Where approved and at the request of the board, any of the Non-Executive Directors may from time to time be required to fulfil certain executive functions.

Use of remuneration consultants

The Board from time to time engages the services of external consultants to advise on the remuneration policy and to benchmark director and key management personnel remuneration against comparable entities to ensure that remuneration packages are consistent with the market and are appropriate for the organisation. During the year, the Remuneration & Nomination Committee approved the engagement of BDO Rewards (WA) Pty Ltd, ("BDO") to provide advice on the Executive Incentive Framework, Executive Remuneration Benchmarking and Non-Executive Director Remuneration.

Both BDO and the Committee are satisfied the advice from BDO is free from undue influence from the KMP to whom the remuneration recommendations apply. The remuneration recommendations were provided to the Committee as an input into decision making only. The Remuneration & Nomination Committee considered the recommendations, along with other factors, in making its decisions.

Fees paid to BDO with respect to the advice were $29,730. In addition to providing remuneration recommendations, BDO provided advice on other aspects of remuneration of the Groups employees. Fees for these services amounted to $5,410.

*Performance Rights **(PRP)** and Employee Option Plans (**EOP**) of De Grey Mining Limited*

The PRP and EOP were last approved by Shareholders at the 2017 and 2018 Annual General Meetings respectively. The instruments issued in FY2021 were approved at the General Meeting on 10 July 2020 and the AGM on 4 December 2020. All Directors, full and part time employees, as well as key consultants of De Grey Mining Limited are eligible to participate in each Plan. Any issue of Rights or Options to Directors under either Plan will be subject to Shareholder approval pursuant to the provisions of the ASX Listing Rules and the *Corporations Act 2001.* The Directors consider that collectively the PRP and EOP represent an appropriate method to:

- Reward Directors, Key management personnel and employees for their past performance.
- Provide long term incentives for participation in the Company's future growth.
- To motivate and retain Directors, KMP and senior employees.
- Establish a sense of ownership in the Company for the Directors and employees.
- Enhance the relationship between the Company and its employees for the long-term mutual benefit of all parties; and
- Enable the Company to attract high calibre individuals who can bring specific expertise to the Company.

Vesting conditions of the performance rights

Issued and approved November 2017:

- Tranche 1 – (100% vested) the Company declaring greater than 1,500,000-ounce gold resource (JORC 2012) at an overall grade of at least 1.7 g/t and a minimum category of JORC inferred within 2 years of this AGM at the Pilbara Gold Project, – vested November 2019
- Tranche 2 – (100% expired) the Company declaring greater than 2,000,000-ounce gold resource (JORC 2012) at an overall grade of at least 1.7 g/t and a minimum category of JORC inferred within 2 years of this AGM at the Pilbara Gold Project, - Expired November 2019
- Tranche 3 - (100% vested) finalisation of the Company's acquisition of 100% of Indee Gold Pty Ltd, vested November 2019
- Tranche 4 – (not yet vested) The Company securing Project Financing for the Pilbara Gold Project at a minimum throughput of 1M tpa, Expiry date: November 2021 – not yet vested
  Tranche 5 – (100% vested) the Company confirming higher grade resources of at least 200,000 ounces and at an overall grade of > 5 g/t within 2 years of the Company's AGM - vested November 2019.

Issued September 2020 (Approved 10 July 2020) Tranche 1-2021:

- the Company's shares reaching a price equal to or greater than 120% of the volume weighted average price of the Company's shares or the 10 trading days prior to your acceptance of the Offer, within the period 27 July 2020 and 15 September 2021.
- Satisfactory completion of the executives Probationary Period as per the Executive Services Agreement between the Company and executive; and
- The executive remaining employed as Managing Director by the Company as of 15 September 2021.

Two further tranches were approved for issue and are expected to be issued over the next 2-year period on the 15 September of each year. The vesting conditions are as follows.

Estimated number of performance rights to be issued is 300,300 (the final number will be confirmed on issue) in September 2021 (Approved 10 July 2020) Tranche 2-2021:

- the Company's shares reaching a price equal to or greater than 120% of the volume weighted average price of the Company's shares; and
- The executive remaining employed as Managing Director by the Company as of 15 September 2022.

Estimated number of performance rights to be issued is 282,486 (the final number will be confirmed on issue) in September 2022 (Approved 10 July 2020) Tranche 3-2021:

- the Company's shares reaching a price equal to or greater than 120% of the volume weighted average price of the Company's shares; and
- The executive remaining employed as Managing Director by the Company as of 15 September 2023.

The Group have commenced the amortisation of the rights which have not yet been issued as their grant date was approved by the Board on 10 July 2020.

Vesting conditions of options

- The executive has remained employed until the vesting date.
- Delineation of Mineral Resources (as that term is defined in JORC, 2012 Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves) of not less than 12 million ounces of gold at the Company's Mallina Gold Project (inclusive of the existing regional 2.2 million ounces) by 3 December 2024.
- Completion of a Definitive Feasibility Study (DFS) confirming feasibility for a 500,000 ounces of gold per annum project through a mine life of no less than 12 years, or such other number as approved by the Board following completion of a Pre-Feasibility Study. The DFS is to be signed off in its entirety by a suitably qualified engineering group (with oversight from the Board); and
- The Company securing debt and/or equity finance for a Board approved Project arising from the DFS.

And annually:

- One third of issued ZEPOs are evaluated against the scorecard in June of each year and upon achieving 65%+ score, 50% of these ZEPO's achieve the incentive condition and are eligible to vest. If the executive does not achieve the score of 65% or more, 50% of the ZEPOs will be cancelled, whilst the balance will vest solely subject to achieving the LTIP Milestones.

In FY2021 450,454 ZEPO's were issued to executives with no vesting conditions. They were granted on 10 July 2020 and vested 30 July 2020. It was determined by the Board that these would reward the efforts in achieving the new Discovery which has since been included in the Maiden Mineral Resource announced in June 2021.

Voting on the Remuneration Report - 2020 Annual General Meeting

The Company received approximately 98.39% of "yes" votes on its remuneration report for the current financial year (2019: 98.3%).

C. Executive service agreements

Remuneration and other terms of employment for the executive directors and other KMP are formalised in employment or service agreements. The major provisions of the agreements relating to remuneration for the year ended 30 June 2021 are set out in the table below:

Name	Agreement	Base Salary /Fees (p.a.)	STIP/LTIP	Consulting/Hr	Duration	Notice Period	Termination
Glenn Jardine	Service	$420,000	$425,000	-	Ongoing	3 months	6 months
Andrew Beckwith	Service	$280,000	$215,000	-	Ongoing	3 months	6 months
Craig Nelmes	Service	$240,000	$130,000	-	Ongoing	3 months	6 months
Patrick Holywell[1]	Service	-	-	$120	Ongoing	1 month	1 month
Peter Canterbury	Service	$350,000	$265,000	-	Ongoing	3 months	3 months
Philip Tornatora	Service	$300,000	$200,000	-	Ongoing	3 months	3 months

[1] Mr Holywell provides Company Secretarial services as a consultant under a service agreement.

D. Details of Remuneration

Details of the remuneration of the directors, the key management personnel of the Group.

	Short-term				Termination Payments	Post-employment		Share based payments[1]	Total	*% of remuneration*
	Cash, Salary & Fees	*STIP Cash Bonus[1]*	*Leave*	*Other*		*Super-annuation*	*LTIP Options*	*LTIP Performance rights*		*performance-based*
	$	$	$	$	$	$	$	$	$	%
Directors										
Simon Lill										
2021	124,201	-	-	-	-	11,799	103,800	17,235	257,035	47%
2020	156,000	10,000[3]	-	100,000[2]	-	-	-	32,414	298,414	14%
Glenn Jardine										
2021	370,268	150,000	20,567	-	-	25,000	87,916	155,355	809,106	49%
2020	55,175	-	4,333	-	-	5,242	-	-	64,750	0%
Andrew Beckwith										
2021	261,994	67,260	11,123	-	-	24,889	208,649	13,788	587,703	49%
2020	228,324	10,000[3]	(7,355)	-	-	22,641	-	55,238	308,848	21%
Peter Hood										
2021	85,845	-	-	-	-	8,155	41,520	-	135,520	31%
2020	43,836	-	-	-	-	4,164	-	-	48,000	0%
Bruce Parncutt										
2021	85,845	-	-	-	-	8,155	41,520	-	135,520	31%
2020	41,096	-	-	-	-	3,904	-	-	45,000	0%
Eduard Eshuys										
2021	85,845	-	-	-	-	8,155	41,520	-	135,520	31%
2020	41,096	-	-	10,000[2]	-	3,904	-	-	55,000	0%
Steven Morris										
2021	-	-	-	-	-	-	-	-	-	-
2020	3,000	-	-	-	9,000[5]	-	-	20,714	32,714	63%
Brett Lambert										
2021	-	-	-	-	-	-	-	-	-	-
2020	3,653	-	-	-	12,000[5]	347	-	13,809	29,809	46%
Sub-total Directors										
2021	1,013,998	217,260	31,690	-	-	86,153	524,925	186,378	2,060,404	
2020	572,180	20,000	(3,022)	110,000	21,000	40,202	-	122,175	882,535	

	Short-term				Termination Payments	Post-employment	Share based payments[1]		Total	*% of remuneration*
	Cash, Salary & Fees	STIP Cash Bonus[1]	Leave	Other		Super-annuation	LTIP Options	LTIP Performance rights		performance-based
	$	$	$	$		$	$	$	$	%
Other Executives										
Craig Nelmes										
2021	219,178	-	10,959	-	-	20,822	36,068	10,341	297,368	16%
2020	200,505	10,000[3]	-	-	-	-	36,480	19,448	266,433	25%
Patrick Holywell										
2021	62,040	-	-	-	-	-	2,256	-	64,296	4%
2020	90,520	2,000[3]	-	-	-	-	18,240	-	110,760	18%
Peter Canterbury[4]										
2021	145,833	35,625	6,771	-	-	-	57,055	-	245,284	38%
2020	-	-	-	-	-	-	-	-	-	-
Philip Tornatora										
2021	257,230	95,200	18,821	-	-	24,437	54,102	-	449,790	33%
2020	207,076	10,000[3]	6,956	-	-	19,672	-	-	243,704	4%
Total key management personnel compensation										
2021	**1,698,279**	**348,085**	**68,241**	**-**	**-**	**131,412**	**674,406**	**196,719**	**3,117,142**	
2020	**1,070,281**	**42,000**	**3,934**	**110,000**	**21,000**	**59,874**	**54,720**	**141,623**	**1,503,432**	

[1]The bonus was paid in August 2021 for the FY2021 reporting period. There were no forfeited bonus or share based payments due to non-performance during the year.
[2]Mr Lill received the payment in lieu of termination of his Executive Services agreement on 20 June 2020. From 1 July 2020 Mr Lill continued in his role as Chairman as a Non-Executive Director. Mr Eshuys received an additional fee for assistance with the August 2010 capital raising.
[3]Bonuses paid in the previous year were paid on the 23 December 2019.
[4]Mr Peter Canterbury commenced with the company on 1st February 2021.
[5] Mr Lambert and Mr Morris resigned 22 July 2019 and received a termination payment in lieu of notice.

Shareholdings of Key Management Personnel

	Opening Balance 1 July 2020	Received on exercise of rights &/or options	Underly-ing share price on exercise	Paid per instrument	Purchases (disposals) during the year	Other changes during the year	Closing Balance 30 June 2021
	No.	No.	$	$	No.	No.	No.
Directors							
Simon Lill	13,239,063	1,000,000	$1.50	0.30	(500,000)	-	13,739,063
Glenn Jardine	-	-	-	-	-	-	-
Andrew Beckwith	7,631,668	1,000,000 1,000,000	$1.50 $1.56	0.10 0.30	(1,600,000)	-	8,031,668
Peter Hood	3,000,000				1,300,000	-	4,300,000
Bruce Parncutt	-	-	-	-	-	-	-
Eduard Eshuys	-	-	-	-	-	-	-
Other executives							
Craig Nelmes	4,698,253	500,000 250,000	$1.50 $1.56	0.10 0.30	(500,000)	-	4,948,253
Patrick Holywell	150,000	150,000	$1.49	0.30	(130,000)	-	170,000
Peter Canterbury[1]	-	-	-	-	-	4,000[1]	4,000
Philip Tornatora	5,208,479	750,000 500,000	$1.14 $1.56	0.10 0.30	(810,000)	-	5,648,479
Total	**33,927,463**	**5,150,000**			**(2,240,000)**	**4,000**	**36,841,463**

[1]Peter Canterbury was appointed 1 February 2021 and at the time held 4,000 shares.

Option-holdings of Key Management Personnel

	Opening Balance 1 July 2020	Options granted during the year	Options exercised during the year	Intrinsic value of options on exercise[3]	Options Lapsed during the year	Closing Balance 30 June 2021	Vested and exercisable 30 June 2021[2]
	No.	No.	No.	$	No.	No.	No.
Directors							
Simon Lill	1,000,000	130,566	(1,000,000)	1,200,000	-	130,566	130,566
Glenn Jardine	-	553,454	-	-	-	553,454	-
Andrew Beckwith	2,000,000	659,896	(1,000,000) (1,000,000)	1,400,000 1,260,000	-	659,896	163,207
Peter Hood	-	52,227	-	-	-	52,227	52,227
Bruce Parncutt	-	52,227	-	-	-	52,227	52,227
Eduard Eshuys	-	52,227	-		-	52,227	52,227
Other executives							
Craig Nelmes	1,350,000	227,058	(500,000) (250,000)	700,000 205,000	-	827,058	600,000
Patrick Holywell	450,000	25,714	(150,000)	178,500	-	325,714	300,000
Peter Canterbury[1]	-	547,422	-	-	-	547,422	-
Philip Tornatora	2,050,000	340,587	(750,000) 500,000	855,000 630,000	-	1,140,587	800,000
Total	**6,850,000**	**2,641,378**	**(5,150,000)**	**6,323,500**	**-**	**4,341,378**	**2,150,454**

[1]Mr Peter Canterbury was appointed 1 February 2021

[2]There are no options that have vested that are not exercisable

[3]Options were multiplied by the share price at the date of vesting minus the exercise price payable (refer to shareholding of key management personnel)

Performance rights of Key Management Personnel

	Opening Balance 1 July 2020	Rights granted during the year	Rights exercised during the year	Rights Lapsed during the year	Closing Balance 30 June 2021	Vested and exercisable 30 June 2021[2]
	No.	No.	No.	No.	No.	
Directors						
Simon Lill	500,000	-	-	-	500,000	-
Glenn Jardine	-	723,632[3]	-	-	723,632	-
Andrew Beckwith	400,000	-	-	-	400,000	-
Peter Hood	-	-	-	-	-	-
Bruce Parncutt	-	-	-	-	-	-
Eduard Eshuys	-	-	-	-	-	-
Other executives						
Craig Nelmes	300,000	-	-	-	300,000	-
Patrick Holywell	-	-	-	-	-	-
Peter Canterbury[1]	-	-	-	-	-	-
Philip Tornatora	-	-	-	-	-	-
Total	**1,200,000**	**723,632**	**-**	**-**	**1,923,632**	**-**

[1]Mr Canterbury was appointed 1 February 2021

[2]There are no rights that have vested that are not exercisable

3 Rights issued to Mr Jardine are issued in 3 tranches, T1 140,846 will vest in September 2021, T2 300,300 will vest in September 2022 and T3 282,486 will vest in September 2023. The number of rights to be issued for T2 and T3 are a provisional number and will be adjusted when the rights are issued, Refer to section B above for further information.

E. Securities based compensation - options

The Company granted 2,641,378 (2020: 900,000) options over unissued ordinary shares during the financial year to Directors and other key management personnel as part of their remuneration, as detailed in the table below:

	Grant Date	Expiry Date	Exercise Price (cents)	Value per option at grant date (cents)	Granted Number	Value of Options Granted	Vesting Date	Number Vested and exercisable at end of year	*Maximum expense to be recognised in future years*
2021									
Andrew Beckwith	10 Jul 2020	29 Jul 2022	0	79.5	163,207	$129,750	30 Jul 2020	163,207	-
Simon Lill	10 Jul 2020	29 Jul 2022	0	79.5	130,566	$103,800	30 Jul 2020	130,566	-
Eduard Eshuys	10 Jul 2020	29 Jul 2022	0	79.5	52,227	$41,520	30 Jul 2020	52,227	-
Bruce Parncutt	10 Jul 2020	29 Jul 2022	0	79.5	52,227	$41,520	30 Jul 2020	52,227	-
Peter Hood	10 Jul 2020	29 Jul 2022	0	79.5	52,227	$41,520	30 Jul 2020	52,227	-
Andrew Beckwith	4 Dec 2020	3 Dec 2024	0	111.5	496,689	$553,808	3 Dec 2024	-	474,910
Glenn Jardine	4 Dec 2020	3 Dec 2024	0	111.5	553,454	$617,101	3 Dec 2024	-	529,185
Philip Tornatora	4 Dec 2020	3 Dec 2024	0	111.5	340,587	$379,755	3 Dec 2024	-	325,652
Craig Nelmes	4 Dec 2020	3 Dec 2024	0	111.5	227,058	$253,170	3 Dec 2024	-	217,102
Patrick Holywell	31 May 2021	30 Jun 2022	0	115.5	25,714	$29,700	30 Jun 2022	-	27,444
Peter Canterbury	1 Feb 2021	3 Dec 2024	0	98.00	547,422	$536,474	3 Dec 2024	-	479,418
2020									
Craig Nelmes	12 Mar 2020	12 Mar 2022	35.0	6.08	600,000	36,480	12 Mar 2020	600,000	-
Patrick Holywell	12 Mar 2020	12 Mar 2022	35.0	6.08	300,000	18,240	12 Mar 2020	300,000	-

Options granted to Key management personnel under the shareholder approved Employee Option plans as both compensation for their past performance and as a mechanism to retain key management personnel. Options are subject to vesting conditions which are disclosed in Part B, Remuneration Policy.

F. Securities based compensation – performance rights

The following performance rights were issued during the 30 June 2021 financial year (30 June 2020: nil).

	Grant Date	Expiry Date	Value per right at grant date (cents)	Granted Number	Exercised Number	Expired Number	Vesting Date	Number Vested at end of year	*Maximum expense to be recognised in future years*
2021									
Glenn Jardine	10 Jul 2020	23 Sep 2023	69.0	140,846[2]	-	-	15 Sep 2021	-	17,332
Glenn Jardine	10 Jul 2020	23 Sep 2023	33.3	300,300[2]	-	-	15 Sep 2022	-	55,388
Glenn Jardine	10 Jul 2020	23 Sep 2023	33.3	282,486[2]	-	-	15 Sep 2023	-	69,390
2020									
Simon Lill	21 Dec 2017	30 Nov 2022	17.0	-	(800,000)	(200,000)	30 Nov 2019	500,000	24,323
Andrew Beckwith	21 Dec 2017	30 Nov 2022	17.0	-	(1,200,000)	(400,000)	30 Nov 2019	400,000	19,459
Brett Lambert[1]	21 Dec 2017	30 Nov 2022	17.0	-	(300,000)	(100,000)	30 Nov 2019	150,000	-
Steven Morris[1]	21 Dec 2017	30 Nov 2022	17.0	-	(450,000)	(150,000)	30 Nov 2019	100,000	-
Craig Nelmes	21 Dec 2017	30 Nov 2022	17.0	-	(500,000)	(100,000)	30 Nov 2019	300,000	14,594
Philip Tornatora	21 Dec 2017	30 Nov 2022	17.0	-	(700,000)	(350,000)	30 Nov 2019	-	-

[1] Mr Lambert and Mr Morris both resigned during the prior year and are entitled to the performance rights which have vested.

[2] Rights issued to Mr Jardine are issued in 3 tranches, T1 140,846 will vest in September 2021, T2 300,300 will vest in September 2022 and T3 282,486 will vest in September 2023. The number of rights to be issued for T2 and T3are a provisional number and will be adjusted when the rights are issued. Refer to section B above for further information.

G. Other transactions and balances with Key Management Personnel

De Grey have entered into a number of contracts which resulted in transactions with key management personnel as follows.

	2021	2020
	$	$
Purchases of equipment	**185,425**	264,119
Paid to Engineering consultants	**636,274**	216,623
Paid to employees	**227,945**	49,731
Accounts payable	**91,969**	110,007

- Mak Water have supplied De Grey with equipment at the Wingina Camp site, and
- GR Engineering have provided consultancy where Mr Peter Hood, non-executive director, is a director of both entities.

Where personnel are employed by De Grey and are considered a related party to key management personnel, those transactions are entered into in the ordinary course of business at arm's length.

- De Grey employed the daughter of Mr Andrew Beckwith, the daughter of Mr Simon Lill and the nephew of Mr Phil Tornatora. None of these employees reported directly to a KMP.

Terms and conditions of transactions with related parties

Outstanding balances at the yearend are unsecured and interest free and settlement occurs in cash and are presented as part of trade payables.

During the year DGO Gold Limited increased their shareholding with net purchases of 10,000,000 shares in De Grey Mining Two of our directors are also directors of DGO Gold Limited who hold a significant interest in the Company. Details of this is disclosed in the Directors Report.

----------- End of Audited Remuneration Report -----------

Directors' and Committee Meetings

The number of meetings of the Company's Board of Directors and its committees held in the 12 months to 30 June 2021 and the number of meetings attended by each Director are as per the following table:

	Directors Meetings		Audit & Risk Committee		Remuneration & Nomination Committee[1]	
	Eligible	Attended	Eligible	Attended	Eligible	Attended
Simon Lill[1]	11	11	1	1	3	3
Glenn Jardine	11	11	n/a	n/a	n/a	n/a
Andrew Beckwith	11	11	n/a	n/a	n/a	n/a
Peter Hood	11	11	2	2	5	5
Eduard Eshuys	11	11	2	2	5	5
Bruce Parncutt	11	11	2	2	5	5

[1]On the 1 July 2020, Mr Lill was appointed to the Remuneration & Nominations Committee

Share Options and Performance rights

At the date of this report there are 7,463,020 unissued ordinary shares in respect of which options are outstanding and 1,923,632 performance rights outstanding.

	Number	Exercise Price	Expiry Date
Unlisted options	2,790,000	35 cents	12 March 2022
Unlisted options	450,454	Nil cents	29 July 2022
Performance rights	1,200,000	N/A	30 November 2022
Performance rights	140,846	N/A	23 September 2023
Performance rights	300,300[1]	N/A	23 September 2023
Performance rights	282,486[1]	N/A	23 September 2023
Unlisted options	1,603,240	Nil cents	30 June 2022
Unlisted options	2,619,326	Nil cents	3 December 2024

[1] Rights issued to Mr Jardine are issued in 3 tranches, T1 140,846 will vest in September 2021, T2 300,300 will vest in September 2022 and T3 282,486 will vest in September 2023. The number of rights to be issued for T2 and T3are a provisional number and will be adjusted when the rights are issued. Refer to section B above for further information.

During the financial year 4,673,020 options were issued, 8,593,333 options were exercised, and no options expired. 723,632 performance rights were issued, none were exercised, and none expired. Since the end of the financial year, no further options have been issued and no options have been exercised.

No person entitled to exercise options and/or performance rights had or has any right by virtue of the option to participate in any share issue of the Company or a right to vote at a shareholder meeting.

Insurance of Directors and Officers

During the financial year, De Grey paid a premium to insure the directors, officers and joint secretaries of the Company. The total amount of insurance contract premiums paid is confidential under the terms of the insurance policy.

The liabilities insured are legal costs that may be incurred in defending civil or criminal proceedings that may be brought against the officers in their capacity as officers of the Company, and any other payments arising from liabilities incurred by the officers in connection with such proceedings. This does not include such liabilities that arise from conduct involving a wilful breach of duty by the officers or the improper use by the officers of their position or of information to gain advantage for themselves or someone else or to cause detriment to the company. It is not possible to apportion the premium between amounts relating to the insurance against legal costs and those relating to other liabilities.

Indemnification of auditors

To the extent permitted by law, the Company has agreed to indemnify its auditors, Ernst & Young Australia, as part of the terms of its audit engagement agreement against claims by third parties arising from the audit (for an unspecified amount). No payment has been made to indemnify Ernst & Young Australia during or since the financial year.

Non-Audit Services

There were no non-audit services provided by the Group's current auditor, Ernst & Young, or associated entities (refer Note 23) in the current year.

In the previous year, the Company's previous auditor, Butler Settineri (Audit) Pty Ltd provided non-audit services. The directors are satisfied that the provision of non-audit services was compatible with the general standard of independence for auditors imposed by the Corporations Act 2001. The directors were satisfied that the provision of non-audit services by the auditor, as set out below, did not compromise the auditor independence requirements of the Corporations Act 2001 for the following reasons:

- All non-audit services were reviewed by the board to ensure they did not impact the impartiality and objectivity of the auditor; and
- None of the services undermine the general standard of independence for auditors.

Butler Settineri (Audit) Pty Ltd received or were due to receive the following amounts for the provision of non-audit services:

	2021	2020
	$	$
Tax compliance services	-	3,675

Proceedings on behalf of the Company

As at the date of this report there are no leave applications or proceedings booked on behalf of De Grey under section 237 of the *Corporations Act 2001*.

Competent Person

The information in this report that relates to exploration results is based on, and fairly represents information and supporting documentation prepared by Mr. Andrew Beckwith and Mr Phil Tornatora, who are both Competent Persons and are members of The Australasian Institute of Mining and Metallurgy. Mr. Beckwith and Mr Tornatora are employees of De Grey Mining Limited. Both Mr. Beckwith and Mr Tornatora have 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 and Mr Tornatora have consented to the inclusion in this report of the matters based on their information in the form and context in which it appears.

The Information in this report that relates to Mineral Resources 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.

Environmental Regulation

The Group is subject to environmental regulation in respect to its exploration activities. The Group aims to ensure the appropriate standard of environmental care is achieved, and in doing so, that it is aware of and compliant with all environmental legislation. The directors of the Group are not aware of any breach of environmental legislation for the year under review.

Auditor’s Independence Declaration

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out on page 42.

This report is made in accordance with a resolution of the Directors

Simon Lill
Chairman

Bruce Parncutt
Chairman of the Audit & Risk Committee

Perth, 17 September 2021

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Auditor's independence declaration to the directors of De Grey Mining Limited

As lead auditor for the audit of the financial report of De Grey Mining Limited for the financial year ended 30 June 2021, I declare to the best of my knowledge and belief, there have been:

a. No contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and

b. No contraventions of any applicable code of professional conduct in relation to the audit.

This declaration is in respect of De Grey Mining Limited and the entities it controlled during the financial year.

Ernst & Young

Ernst & Young

Pierre Dreyer
Partner
17 September 2021

Consolidated Statement of Comprehensive Income

FOR THE YEAR ENDED 30 JUNE 2021	Notes	Consolidated 2021 $	2020 $
REVENUE & OTHER INCOME			
Revenue	5	**35,751**	11,889
Interest income	5	**279,198**	78,721
Other income	5	**260,540**	189,247
EXPENDITURE			
Employee benefits expense	6/31	**(2,294,547)**	(1,449,448)
Share based payments expense		**(1,043,414)**	(650,740)
Compliance expenses		**(422,972)**	(492,538)
Corporate advisory and consulting expenses		**(548,389)**	(656,337)
Administration and other expenses		**(777,046)**	(714,370)
Depreciation and amortisation		**(636,426)**	(336,823)
Impairment		**-**	(27,571)
Finance income		**-**	86,172
Finance costs		**(102,964)**	(14,204)
LOSS BEFORE INCOME TAX		**(5,250,269)**	(3,976,002)
INCOME TAX EXPENSE	7	**-**	-
LOSS FOR THE YEAR		**(5,250,269)**	(3,976,002)
OTHER COMPREHENSIVE INCOME			
Items that may be reclassified to profit or loss			
Other comprehensive income for the year, net of tax		**-**	-
TOTAL COMPREHENSIVE LOSS FOR THE YEAR ATTRIBUTABLE TO EQUITY HOLDERS OF DE GREY MINING LIMITED		**(5,250,269)**	(3,976,002)
Basic and diluted loss per share for loss attributable to the ordinary equity holders of the company (cents per share)	30	**(0.41)**	(0.41)

The above Consolidated Statement of Comprehensive Income should be read in conjunction with the Notes to the Consolidated Financial Statements.

Consolidated Statement of Financial Position

AT 30 JUNE 2021	Notes	Consolidated	
		2021	2020
		$	$
CURRENT ASSETS			
Cash and cash equivalents	8	**70,949,700**	28,152,622
Trade and other receivables	9	**1,503,359**	428,348
Inventories	10	**206,656**	87,758
Other assets	11	**924,936**	1,797
TOTAL CURRENT ASSETS		**73,584,651**	28,670,525
NON-CURRENT ASSETS			
Financial assets	12	**111,871**	201,275
Deferred exploration & evaluation expenditure	13	**114,402,821**	48,938,399
Property, plant and equipment	14	**6,581,282**	1,455,005
Right of use asset	15	**2,223,792**	499,975
TOTAL NON-CURRENT ASSETS		**123,319,766**	51,094,654
TOTAL ASSETS		**196,904,417**	79,765,179
CURRENT LIABILITIES			
Trade and other payables	16	**17,339,122**	2,915,522
Lease liabilities	17	**353,212**	115,864
Employee benefit obligations	18	**616,570**	79,318
TOTAL CURRENT LIABILITIES		**18,308,904**	3,110,704
NON-CURRENT LIABILITIES			
Lease liabilities	17	**1,870,580**	399,815
Employee benefit obligations	18	**65,303**	-
Rehabilitation provision	19	**1,022,230**	1,022,230
TOTAL NON-CURRENT LIABILITIES		**2,958,113**	1,422,045
TOTAL LIABILITIES		**21,267,017**	4,532,749
NET ASSETS		**175,637,400**	75,232,430
EQUITY			
Contributed equity	20	**235,892,228**	130,713,404
Reserves	21	**1,339,024**	862,609
Accumulated losses	21	**(61,593,852)**	(56,343,583)
TOTAL EQUITY		**175,637,400**	75,232,430

The above Consolidated Statement of Financial Position should be read in conjunction with the Notes to the Consolidated Financial Statements.

Consolidated Statement of Changes in Equity

FOR THE YEAR ENDED 30 JUNE 2021

Consolidated	Notes	Contributed Equity $	Share Based Payments Reserves $	Accumulated Losses $	Total $
BALANCE AT 30 JUNE 2019		70,787,718	1,414,570	(52,588,581)	19,613,707
Loss for the year	21(b)	-	-	(3,976,002)	(3,976,002)
OTHER COMPREHENSIVE INCOME		-	-	-	-
TOTAL COMPREHENSIVE LOSS		-	-	(3,976,002)	(3,976,002)
TRANSACTIONS WITH OWNERS IN THEIR CAPACITY AS OWNERS					
Shares issued during the year	20(a)	62,088,208	-	-	62,088,208
Share issue costs	20(a)	(3,144,223)	-	-	(3,144,223)
Share based payments	21(a)	-	650,740	-	650,740
Transfer of reserve on exercise/expiry of SBP	21(a)	981,701	(1,202,701)	221,000	-
BALANCE AT 30 JUNE 2020		130,713,404	862,609	(56,343,583)	75,232,430
Loss for the year	21(b)	-	-	(5,250,269)	(5,250,269)
OTHER COMPREHENSIVE INCOME		-	-	-	-
TOTAL COMPREHENSIVE LOSS		-	-	(5,250,269)	(5,250,269)
TRANSACTIONS WITH OWNERS IN THEIR CAPACITY AS OWNERS					
Shares issued during the year	20(a)	109,181,570	-	-	109,181,570
Share issue costs	20(a)	(4,569,745)	-	-	(4,569,745)
Share based payments	21(a)	-	1,043,414	-	1,043,414
Share based reserve transfer - exercised	21(a)	566,999	(566,999)	-	-
BALANCE AT 30 JUNE 2021		235,892,228	1,339,024	(61,593,852)	175,637,400

The above Consolidated Statement of Changes in Equity should be read in conjunction with the Notes to the Consolidated Financial Statements.

Consolidated Statement of Cash Flows

FOR THE YEAR ENDED 30 JUNE 2021

	Notes	Consolidated	
		2021	2020
		$	$
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers		**27,664**	437,637
Other income received		**327,622**	-
Research & development grant received		**-**	306,651
Payments to suppliers and employees		**(4,723,223)**	(2,748,550)
Interest payments		**(13,228)**	(27,278)
Interest received		**273,892**	52,192
NET CASH OUTFLOW FROM OPERATING ACTIVITIES	29	**(4,107,273)**	(1,979,348)
CASH FLOWS FROM INVESTING ACTIVITIES			
Option payments to acquire tenements		**(500,000)**	-
Payments to acquire – Indee Gold Pty Ltd		**-**	(10,142,178)
Proceeds from insurance		**36,800**	-
Payments for plant and equipment		**(5,931,327)**	(845,712)
Payments for exploration and evaluation expenditure		**(50,877,906)**	(15,456,942)
NET CASH OUTFLOW FROM INVESTING ACTIVITIES		**(57,272,433)**	(26,444,832)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from issues of ordinary shares		**108,864,570**	58,841,029
Payments of share issue transaction costs		**(4,569,746)**	(3,144,223)
Principal elements of lease payments		**(118,040)**	(87,650)
Transaction costs related to loans & borrowings		**-**	(367,752)
NET CASH INFLOW FROM FINANCING ACTIVITIES		**104,176,784**	55,241,404
NET INCREASE IN CASH AND CASH EQUIVALENTS		**42,797,078**	26,817,224
Cash and cash equivalents at the beginning of the financial year		**28,152,622**	1,335,398
CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL YEAR	8	**70,949,700**	28,152,622

The above Consolidated Statement of Cash Flows should be read in conjunction with the Notes to the Consolidated Financial Statements.

Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED 30 June 2021

1. Summary of significant accounting policies

De Grey Mining Limited is a company limited by shares, domiciled and incorporated in Australia.

The financial statements are for the consolidated entity consisting of De Grey Mining Limited and its subsidiaries ("Group") and have been presented in Australian dollars rounded to the nearest dollar unless stated otherwise.

The principal accounting policies adopted in the preparation of the financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

The financial statements were authorised for issue by the directors on 17 September 2021.

A. Basis of preparation

These general purpose financial statements have been prepared in accordance with the Corporations Act 2001, Australian Accounting Standards, and other authoritative pronouncements of the Australian Accounting Standards Board (AASB). De Grey Mining Limited is a for-profit entity for the purpose of preparing the financial statements.

(i) Compliance with IFRS

The financial report also complies with the International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB).

(ii) Historical cost convention

These financial statements have been prepared on a historical cost basis, except for certain financial assets which have been measured at fair value through profit or loss.

(iii) New, or amending Accounting Standards and Interpretations adopted

The Group has adopted all of the new, revised or amending Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for annual periods beginning on or after 1 July 2020. The adoption of these Accounting Standards and Interpretations did not have any significant impact on the financial performance or position of the Group during the financial year, other than as noted below.

Amendments to AASB 3: Definition of a Business
The amendment to AASB 3 Business Combinations clarifies that to be considered a business, an integrated set of activities and assets must include, at a minimum, an input and a substantive process that, together, significantly contribute to the ability to create output. Furthermore, it clarifies that a business can exist without including all of the inputs and processes needed to create outputs. These amendments had no impact on the consolidated financial statements of the Group but may impact future periods should the Group enter into any business combinations.

Amendments to AASB 101 and AASB 108 Definition of Material
The amendments provide a new definition of material that states, "information is material if omitting, misstating or obscuring it could reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements, which provide financial information about a specific reporting entity." The amendments clarify that materiality will depend on the nature or magnitude of information, either individually or in combination with other information, in the context of the financial statements. A misstatement of information is material if it could reasonably be expected to influence decisions made by the primary users. These amendments had no impact on the consolidated financial statements of, to the Group.

Conceptual Framework for Financial Reporting issued on 29 March 2018
The Conceptual Framework is not a standard, and none of the concepts contained therein override the concepts or requirements in any standard. The purpose of the Conceptual Framework is to assist the IASB in developing standards, to help preparers develop consistent accounting policies where there is no applicable standard in place and to assist all parties to understand and interpret the standards. This will affect those entities which developed their accounting policies based on the Conceptual Framework. The revised Conceptual Framework includes some new concepts, updated definitions and recognition criteria for assets and liabilities and clarifies some important concepts. These amendments had no impact on the consolidated financial statements of the Group.

AASB 2020-4 Amendments to AASs - Covid-19 Related Rent Concessions
The amendments provide relief to lessees from applying AASB 16 guidance on lease modification accounting for rent concessions arising as a direct consequence of the Covid-19 pandemic. As a practical expedient, a lessee may elect not to assess whether a Covid-19 related rent concession from a lessor is a lease modification. A lessee that makes this election accounts for any change in lease payments resulting from the Covid-19 related rent concession the same way it would account for the change under AASB 16 if the change were not a lease modification.

The amendment applies to annual reporting periods beginning on or after 1 June 2020. This amendment had no impact on the consolidated financial statements of the Group.

(iv) New Accounting Standards and Interpretations not yet mandatory or early adopted

Several Australian Accounting Standards and Interpretations, that have recently been issued or amended but are not yet mandatory, have not been early adopted by the Group for the annual reporting period ended 30 June 2021. The Group is assessing the impacts of the amendments; however, the amendments are not expected to have a material impact on the Group.

AASB 2014-10 Amendments to AASs – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (effective 1 January 2022)
The amendments to AASB 10 Consolidated Financial Statements and AASB 128 Investments in Associates and Joint Ventures clarify that a full gain or loss is recognised when a transfer to an associate or joint venture involves a business as defined in AASB 3 Business Combinations. Any gain or loss resulting from the sale or contribution of assets that does not constitute a business, however, is recognised only to the extent of unrelated investors' interests in the associate or joint venture.

De Grey will consider this guidance where it sells or contributes assets to its associates and joint ventures and look to update any required accounting treatments in line with the requirements outlined.

AASB 2020-3 Amendments to AAS – Annual Improvements 2018–2020 and Other Amendments (effective 1 January 2022)
The amendments clarify certain requirements in:
► AASB 1 First-Time Adoption of Australian Accounting Standards – to simplify the application of AASB 1 by a subsidiary that becomes a first-time adopter after its parent in relation to the measurement of cumulative translation differences
► AASB 3 Business Combinations – to update a reference to the Conceptual Framework for Financial Reporting without changing the accounting requirements for business combinations
► AASB 9 Financial Instruments – to clarify the fees an entity includes when assessing whether the terms of a new or modified financial liability are substantially different from the terms of the original financial liability
► AASB 116 Property, Plant and Equipment – to require an entity to recognise the sales proceeds from selling items produced while preparing property, plant and equipment for its intended use and the related cost in profit or loss, instead of deducting the amounts received from the cost of the asset
► AASB 137 Provisions, Contingent Liabilities and Contingent Assets – to specify the costs that an entity includes when assessing whether a contract will be loss-making.

De Grey will consider where these amendments result in changes to the Group's accounting policies and look to update any required accounting treatments in line with the requirements outlined.

AASB 141 Agriculture – to remove the requirement to exclude cash flows from taxation when measuring fair value, thereby aligning the fair value measurement requirements in AASB 141 with those in other AAS.

De Grey will consider the application of this amendment should the Group purchase a landholding utilised for Agricultural purposes.

AASB 2020-1 Amendments to AASs – Classification of Liabilities as Current or Non-current
(Effective 1 January 2023)
A liability is classified as current if the entity has no right at the end of the reporting period to defer settlement for at least 12 months after the reporting period. These amendments to AASB 101 Presentation of Financial Statements clarify the requirements for classifying liabilities as current or non-current. Specifically:
► The amendments specify that the conditions which exist at the end of the reporting period are those which will be used to determine if a right to defer settlement of a liability exists.
► Management intention or expectation does not affect classification of liabilities.
► In cases where an instrument with a conversion option is classified wholly as a liability, the transfer of equity instruments would constitute settlement of the liability for the purpose of classifying it as current or non-current. The classification of liabilities between current and non-current can have important implications for key ratios, debt covenants etc.

Whilst not applicable to De Grey right now, De Grey will consider the amendments and whether these clarifications may result in changes for classification in future in light of future financing.

2021-2 Amendments to Australian Accounting Standards – Disclosure of Accounting Policies and Definition of Accounting Estimates (effective 1 January 2023)
Provides amendments in:
► AASB Practice Statement 2 – Adding guidance on how entities apply the concept of materiality in making decisions about accounting policy disclosures
► AASB 101 – replacing the requirement for entities to disclose their 'significant' accounting policies with a requirement to disclose their 'material' accounting policies
► AASB 108 Definition of Accounting Estimates – to clarify the distinction between changes in accounting estimates and changes in accounting policies and the correction of errors
► AASB 7 Financial Instruments: Disclosures – to clarify that information about measurement bases for financial instruments is expected to be material to an entity's financial statements
► AASB 134 Interim Financial Reporting – to identify material accounting policy information as a component of a complete set of financial statements.

De Grey will consider the guidance on applying materiality in making decisions about accounting policies disclosures as well as the further clarifications around accounting estimates, correction of errors and changes in accounting policies. De Grey will need to consider how disclosure of their financial statements may need to change once these amendments become effective.

(v) Going concern

The financial statements have been prepared on the going concern basis, which contemplates the continuity of normal business activities and the realisation of assets and settlement of liabilities in the ordinary course of business.

Management have considered the funding and operational status of the business in arriving at their assessment of going concern and believe that the going concern basis of preparation is appropriate.

(vi) Changes in the presentation of the financial statements

Comparatives presented on the financial statements have been amended to present a more concise and meaningful report. De Grey have grouped items on the Statement of Comprehensive Income together within the nature of the income and expenditure and therefore has no impact on the overall loss presented.

The comparatives from the previous year are as follows.

		Consolidated	
		2020	2020
		(Restated)	(As reported previously)
		$	$
REVENUE & OTHER INCOME	5		366,029
Revenue		**11,889**	-
Interest income		**78,721**	-
Other income		**189,247**	-
EXPENDITURE			
Exploration expenditure – written off		**(27,571)**	(27,571)
Depreciation expense		**(336,823)**	(336,823)
Director & employee expenses		**(1,449,448)**	(1,449,448)
Share based payments (directors & employees)	6/33	**-**	(514,489)
Share based payments – corporate advisory	6	**-**	(136,251)
Share based payments expense		**(650,740)**	-
Corporate and compliance expenses		**(492,538)**	(492,538)
Consulting expenses		**-**	(89,479)
Corporate advisory		**-**	(566,858)
Corporate advisory and consulting expenses		**(656,337)**	-
Investor relations & promotional expenses		**-**	(482,464)
Occupancy expenses		**-**	(48,527)
Finance costs		**(14,204)**	(14,204)
Finance income		**86,172**	-
Administration and other expenses		**(714,370)**	(183,379)
LOSS BEFORE INCOME TAX		**(3,976,002)**	(3,976,002)

There is no impact on EPS or loss for the period.

De Grey have reclassified the Consolidated Statement of Comprehensive Income in order to classify income and expenses by nature.

	Consolidated	
	2020	2020
	(Restated)	(As reported previously)
	$	$
CASH FLOWS FROM OPERATING ACTIVITIES		
Payments for exploration and evaluation expenditure	**-**	(15,456,942)
CASH FLOWS FROM INVESTING ACTIVITIES		
Payments for exploration and evaluation expenditure	**(15,456,942)**	-

De Grey have reclassified exploration expenditure on the Cash Flow Statement to correctly present exploration and evaluation expenditure.

B. Principles of consolidation

(i) Subsidiaries

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of De Grey Mining Limited (“company” or “parent entity”) as at 30 June 2021 and the results of all subsidiaries for the year then ended. De Grey Mining Limited and its subsidiaries together are referred to in this financial report as the Group or the consolidated entity.

Subsidiaries are entities the parent controls. The parent controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and could affect those returns through its power over the entity.

Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date that control ceases. The acquisition method of accounting is used to account for business combinations by the Group.

Intercompany transactions, balances, and unrealised gains on transactions between Group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of the impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.
Investments in subsidiaries are accounted for at cost in the separate financial statements of De Grey Mining Limited.

(ii) Joint Operations

A joint operation is an arrangement in which the Group shares joint control, primarily via contractual arrangements with other parties. In a joint operation, the Group has rights to the assets and obligations for the liabilities relating to the arrangement. This includes situations where the parties benefit from the joint activity through a share of the output, rather than by receiving a share of the results of trading. In relation to the Group's interest in a joint operation, the Group recognises: its assets and liabilities, including its share of any assets and liabilities held or incurred jointly; revenue from the sale of its share of the output and its share of any revenue generated from the sale of the output by the joint operation; and its expenses including its share of expenses incurred jointly. All such amounts are measured in accordance with the terms of the arrangement, which is usually in proportion to the Group's interest in the joint operation. Details of the joint operations are set out in Note 28.

(iii) Changes in ownership interests

The Group treats transactions with non-controlling interests that do not result in a loss of control as transactions with equity owners of the Group. A change in ownership interest results in an adjustment between the carrying amounts of the controlling and non-controlling interests to reflect their relative interests in the subsidiary. Any difference between the amount of the adjustment to non-controlling interests and any consideration paid or received is recognised in a separate reserve within equity attributable to owners of De Grey Mining Limited.

When the Group ceases to have control, joint control or significant influence, any retained interest in the entity is remeasured to its fair value with the change in carrying amount recognised in profit or loss. The fair value is the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, jointly controlled entity or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to profit or loss.

C. Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the full Board of Directors.

D. Foreign currency translation

(i) Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The consolidated financial statements are presented in Australian dollars, which is De Grey Mining Limited's functional and presentation currency.

(ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss.

E. Revenue recognition

Revenue from contracts with customers

Revenue is recognised at an amount that reflects the consideration to which the Group is expected to be entitled in exchange for transferring goods or services to a customer. For each contract with a customer, the consolidated entity: identifies the contract with a customer; identifies the performance obligations in the contract; determines the transaction price which takes into account estimates of variable consideration and the time value of money; allocates the transaction price to the separate performance obligations on the basis of the relative stand-alone selling price of each distinct good or service to be delivered; and recognises revenue when or as each performance obligation is satisfied in a manner that depicts the transfer to the customer of the goods or services promised.

Variable consideration with the transaction price, if any, reflects concessions provided to the customers such as discounts, rebates and refunds, any potential bonuses receivable from the customer and any other contingent events. Such estimates are determined using either the ‘expected value’ or ‘most likely amount’ method. The measurement of the variable consideration is subject to a constraining principle whereby revenue will only be recognised to the extent that it is highly probably that a significant reversal in the amount of cumulative revenue recognised will not occur. The measurement constraint continues until the uncertainty associated with the variable consideration is subsequently resolved. Amounts received that are subject to the constraining principle are recognised as a refund liability.

Interest Revenue

Interest income is recognised as it accrues using the effective interest method.

F. Cash and cash equivalents

For the purposes of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term highly liquid investments that are readily convertible to known amounts of cash and which are subject to insignificant risk of changes in value.

G. Trade & other receivables

Classification as trade and other receivables
If collection of the amounts is expected within one year or less they are initially classified as current assets and recorded at cost. If collection of the amounts is expected after one year, they are presented as non-current assets and measured initially at fair value and subsequently at amortised cost. Trade receivables are generally due for settlement within 30 days and therefore are all classified as current.

Fair value of trade and other receivables
As the majority of receivables are short term in nature, their carrying amount is assumed to be the same as their fair value.

H. Inventories

Inventories are valued at the lower of cost and net realisable value. Cost is determined on a weighted average basis. Any provision for obsolescence or damage is determined by reference to specific stock items identified. The carrying value of obsolete or damaged items is written down to net realisable value.

I. Income tax

The income tax expense or revenue for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period in the countries where the Company's subsidiaries and associates operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is provided in full, using the full liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, the deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss.

Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the reporting date and are expected to apply when the related deferred income tax asset is realised, or the deferred income tax liability is settled.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred tax liabilities and assets are not recognised for temporary differences between the carrying amount and tax bases of investments in controlled entities where the parent entity is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

De Grey Mining Limited and its wholly owned Australian resident entities are part of a tax-consolidated group under Australian taxation law. De Grey Mining Limited is the head entity in the tax-consolidated group. Current tax liabilities and assets and deferred tax assets arising from unused tax losses and tax credits of the members of the tax-consolidated group are recognised by the Company (as head entity in the tax-consolidated group).

Due to the existence of a tax funding arrangement between the entities in the tax-consolidated group, amounts are recognised as payable to or receivable by the Company and each member of the Group in relation to the tax contribution amounts paid or payable between the parent entity and the other members of the tax-consolidated group in accordance with the arrangement. Further information about the tax funding arrangement is detailed in Note 7 to the financial statements. Where the tax contribution amount recognised by each member of the tax consolidated group for a particular period is different to the aggregate of the current tax liability or asset and any deferred tax asset arising from unused tax losses and tax credits in respect of that period, the difference is recognised as a contribution from (or distribution to) equity participants.

J. Financial instruments

Classification of financial instruments

The Group classifies its financial assets into the following measurement categories:
- those to be measured at fair value (either through other comprehensive income, or through profit or loss); and
- those to be measured at amortised cost.

The classification depends on the Group's business model for managing financial assets and the contractual terms of the financial assets' cash flows.

The Group classifies its financial liabilities at amortised cost unless it has designated liabilities at fair value through profit or loss or is required to measure liabilities at fair value through profit or loss such as derivative liabilities.

Measurement of financial instruments

Receivables
Receivables are measured at amortised cost where they have:
- contractual terms that give rise to cash flows on specified dates, that represent solely payments of principal and interest on the principal amount outstanding; and
- are held within a business model whose objective is achieved by holding to collect contractual cash flows.

Receivables are initially recognised at fair value plus directly attributable transaction costs and subsequently measured at amortised cost using the effective interest rate (EIR) method. The measurement of credit impairment is based on the three-stage expected credit loss model described below regarding impairment of financial assets.

Equity instruments
Equity instruments held at fair value through profit or loss are initially recognised at fair value, with transaction costs recognised in the income statement as incurred. Subsequently, they are measured at fair value and any gains or losses are recognised in the income statement as they arise.

Trade and other creditors
Initial recognition and measurement
Trade and other creditors are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All trade and other creditors are recognised initially at fair value and, in the case of payables, net of directly attributable transaction costs.

For purposes of subsequent measurement, trade and other creditors are measured at amortised cost.

Impairment of financial assets
The Group recognises a loss allowance for expected credit losses on financial assets which are either measured at amortised cost or fair value through other comprehensive income. The ECL is based on the difference between the contractual cash flows due in accordance with the contract and all the cashflows that the Group expects to receive, discounted at an approximation of the original EIR.

For receivables due in less than 12 months, the Group recognises a loss allowance based on the financial asset's lifetime ECL at each reporting date. The Group establishes a provision matrix for these receivables that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment as sales from product eventuate or significant receivables come to hand.

The Group considers a financial asset in default when contractual payments are 60 days past due. In certain cases, the Group may consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows and usually occurs when past due for more than one year and not subject to enforcement activity.

Recognition and derecognition of financial instruments
A financial asset or financial liability is recognised in the statement of financial position when the Group becomes a party to the contractual provisions of the instrument, which is generally on trade date.

The Group derecognises a financial asset when the contractual cash flows from the asset expire or it transfers its rights to receive contractual cash flows from the financial asset in a transaction in which substantially all the risks and rewards of ownership are transferred. Any interest in transferred financial assets that is created or retained by the Group is recognised as a separate asset or liability.

A financial liability is derecognised from the statement of financial position when the Group has discharged its obligations, or the contract is cancelled or expires.

Offsetting
Financial assets and liabilities are offset and the net amount is presented in the balance sheet when the Group has a legal right to offset the amounts and intends to settle on a net basis or to realise the asset and settle the liability simultaneously.

K. Property, plant and equipment

Each class of plant, equipment and motor vehicle is carried at historical cost less, where applicable, any accumulated depreciation and impairment losses. Cost includes expenditure that is directly attributable to the asset.

The carrying amounts are reviewed annually by Directors to ensure it is not more than the estimated recoverable amount from these assets. The recoverable amount is assessed based on the expected net cash flows that will be received from the asset's employment and subsequent disposal. The expected net cash flows have been discounted to their present values in determining recoverable amounts and an asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Depreciation of property, plant and equipment is calculated using the straight line or reducing balance method to allocate their cost, net of their residual values, over their estimated useful lives, as follows:

Plant and Equipment	4% - 50%	Straight line
Furniture and fittings	5% - 50%	Straight line
Computers	20% - 50%	Straight line
Motor Vehicles	17% - 40%	Reducing balance
Land and buildings	5% - 30%	Straight line

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each reporting date. The Group has changed the depreciation method of all items of property, plant and equipment (except motor vehicles) to the straight-line method of depreciation for the year commencing 1 July 2020.

L. Right of use assets and lease liabilities

An assessment is made, at inception or when contract terms are changed, to determine whether the contract is, or contains, a lease. A contract is or contains a lease if the contract conveys a right to control the use of an identified asset for a period of time in exchange for consideration.

Right-of-use assets

The Group recognises all right of use assets, except for leases that are short-term (12 months or less) and low value leases at the lease commencement date. Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets.

If ownership of the leased asset transfers to the Group at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

The right-of-use assets are also subject to impairment.

Lease liabilities

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include lease extension options and the exercise price of a purchase option that are reasonably certain to be exercised by the Group and payments of penalties for terminating the lease, if the lease term reflects the Group exercising the option to terminate.

Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

The present value of future lease payments is determined by discounting future lease payments using the interest rate implicit in the lease or, if that rate cannot be determined, then the Group's incremental borrowing rate, which is generally the case.

The present value of the lease liability is increased by the interest cost and decreased by the lease payment each period over the life of the lease. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset

Short-term leases and leases of low-value assets

For leases that are short-term (12 months or less) and/or low value asset leases at the lease commencement date, the Group recognises the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed.

M. Deferred exploration & evaluation expenditure

Exploration and evaluation expenditures in relation to each separate area of interest are recognised as an exploration and evaluation asset in the year in which the expenditure is incurred where:

- The Group has secured (or has the legal right to) tenure, and/or the legal rights to explore an area of interest; and
- Exploration and evaluation activities in the area of interest have not at the end of the reporting period reached a stage which permits a reasonable assessment of the existence or otherwise of economically recoverable reserves, and active and significant operations in, or in relation to, the area of interest are continuing; or
- The exploration and evaluation expenditures are expected to be recouped through successful development and exploitation of the area of interest, or alternatively, by its sale.

Where the conditions outlined are not met in relation to specific area(s) of interest, then those exploration and evaluation costs are expensed as incurred.

If an area of interest is abandoned or if the Directors consider the expenditure to be of reduced value, accumulated costs carried forward are written off or impaired in the year in which that assessment is made. A regular review is undertaken of each area of interest to determine the appropriateness of continuing to carry forward costs in relation to that area of interest.

When a decision is made to proceed with development in a particular area of interest, the relevant exploration and evaluation asset is tested for impairment and the balance is transferred to mine properties under development.

N. Trade and other payables

These amounts represent liabilities for goods and services provided to the Group prior to the end of the financial year which are unpaid. The amounts are unsecured and are paid on normal commercial terms.

O. Employee benefits

Wages and salaries, annual leave and other short-term benefits

Liabilities for wages and salaries, including non-monetary benefits, and annual leave expected to be settled within 12 months of the reporting date are measured at the amounts expected to be paid when the liabilities are settled.

The liability for annual leave is recognised in the provision for employee benefits. All other short-term employee benefit obligations are presented as payables.

Other long-term employee benefits

The Group's liabilities for long service leave are included in other long-term benefits as they are not expected to be settled wholly within twelve (12) months after the end of the period in which the employees render the related service. They are measured at the present value of the expected future payments to be made to employees. The expected future payments incorporate anticipated future wage and salary levels, experience of employee departures and periods of service, and are discounted at rates determined by reference to market yields at the end of the reporting period on high quality corporate bonds that have maturity dates that approximate the timing of the estimated future cash outflows. Any re-measurements arising from experience adjustments and changes in assumptions are recognised in profit or loss in the periods in which the changes occur.

The Group presents employee benefit obligations as current liabilities in the statement of financial position if the Group does not have an unconditional right to defer settlement for at least twelve (12) months after the reporting period, irrespective of when the actual settlement is expected to take place.

P. Provisions

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated. Provisions are not recognised for future operating losses.

Rehabilitation provision

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability only to the extent the estimated future cashflows have not been adjusted for the risks

Rehabilitation costs include the dismantling and removal of mining plant, equipment and building structures, waste removal and rehabilitation of the site in accordance with the requirements of the mining permits. Such costs are determined using estimates of future costs, current legal requirements, and technology.

Rehabilitation costs are recognised in full at present value as a non-current liability. An equivalent amount is capitalised as part of the cost of the asset when an obligation arises to decommission or restore a site to a certain condition after abandonment because of bringing the assets to its present location. The capitalised cost is amortised over the life of the project and the provision is accreted periodically as the discounting of the liability unwinds. The unwinding of the discount is recorded as a finance cost.

Any changes in the estimates for the costs or other assumptions against the cost of relevant assets are accounted for on a prospective basis. In determining the costs of site restoration there is uncertainty regarding the nature and extent of the restoration due to community expectations and future legislation.

Q. Contributed equity

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

R. Earnings per share

(i) Basic earnings per share

Basic earnings per share is calculated by dividing the profit attributable to owners of the company, excluding any costs of servicing equity other than ordinary shares, by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the year.

(ii) Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account the after-income tax effect of interest and other financing costs associated with dilutive potential ordinary shares and the weighted average number of shares assumed to have been issued for no consideration in relation to dilutive potential ordinary shares.

S. Share-based payments

The Group provides benefits to employees (including directors) of the Group in the form of share-based payment transactions, whereby employees render services in exchange for shares or rights over shares (‘equity-settled transactions’), refer to Note 31.

The cost of these equity-settled transactions with employees is measured by reference to the fair value at the date at which they are granted. The fair value is determined by a combination of internal and external sources using a Black-Scholes option pricing model and independent third-party valuations.

The cost of equity-settled transactions is recognised, together with a corresponding increase in equity, over the period in which the performance conditions are fulfilled, ending on the date on which the relevant employees become fully entitled to the award (‘vesting date’).

The cumulative expense recognised for equity-settled transactions at each reporting date until vesting date reflects (i) the extent to which the vesting period has expired and (ii) the number of options that, in the opinion of the directors of the Group, will ultimately vest. This opinion is formed based on the best available information at balance date. No adjustment is made for the likelihood of market performance conditions being met as the effect of these conditions is included in the determination of fair value at grant date.

No expense is recognised for awards that do not ultimately vest, except for awards where vesting is conditional upon a market condition.

Where an equity-settled award is cancelled, it is treated as if it had vested on the date of cancellation, and any expense not yet recognised for the award is recognised immediately. However, if a new award is substituted for the cancelled award and designated as a replacement award on the date that it is granted, the cancelled and new award are treated as if they were a modification of the original award.

Options over ordinary shares have also been issued as consideration for the acquisition of interests in tenements and other services. These options have been treated in the same manner as employee options described above, with the expense being included as part of exploration expenditure.

T. Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the taxation authority. In this case it is recognised as part of the cost of acquisition of the asset or as part of the expense.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the taxation authority is included with other receivables or payables in the statement of financial position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to the taxation authority, are presented as operating cash flows.

U. Significant accounting judgements estimates and assumptions

The preparation of the Group's consolidated financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, the accompanying disclosures, and the disclosure of contingent liabilities at the date of the consolidated financial statements. Estimates and assumptions are continually evaluated and are based on management's experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

In particular, the Group has identified a number of areas where significant judgements, estimates and assumptions are required. Further information on each of these areas and how they impact the various accounting policies are described and highlighted separately with the associated accounting policy note within the related qualitative and quantitative note, as described below.

These include:

- Deferred exploration and evaluation expenditure – Note 13
- Right of use asset & lease liability – Note 15 & 17
- Rehabilitation provision – Note 19
- Share based payments – Note 31.

2. Financial Risk Management

The Group's exposure to a variety of financial risks that may affect the Group's future financial performance. The Board has the overall responsibility for the establishment, with the Audit and Risk Committee having oversight of all risk management policies.

The Committee reports periodically to the Board on its activities and with the assistance of senior management team are responsible for identifying, assessing, treating, and monitoring risks and risk management policies. The Committee oversees management's compliance monitoring processes as well as reviewing the adequacy of the risk management framework in relation to the risks faced by the Group.

Risk management policies and systems are reviewed regularly by the senior management team to reflect changes in market conditions and the Group's activities. The Group aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

A. Market risk

Foreign exchange risk

The Group's operations are in Australia and currently has limited exposures to foreign exchange risk arising from foreign currency transactions.

Foreign exchange risk arises from recognising assets and liabilities denominated in a currency that is not the functional currency of the relevant entity. The Company has a holding of Canadian dollar listed securities.

	Consolidated Total	
	2021	2020
	$	$
Financial assets at fair value through the profit or loss	**111,871**	201,275
	111,871	201,275

The sensitivity of profit or loss to changes in the exchange rates arises mainly from Canadian dollar-denominated financial instruments. A 10 percent increase in the AUD/CAD exchange rate would increase post tax loss by $10,170 (2020: $18,298), while a 10 percent decrease in the AUD/CAD exchange rate would decrease post tax loss by $12,430 (2020: $22,364).

Price risk

The Group's listed and equity investments are susceptible to market price risk arising from uncertainties about future values of the investment securities. The Group manages the market price risk by placing limits on individual and total equity instruments.

At the reporting date, the exposure to equity investments at fair value listed on the TSX was CAD104,241. Given that the changes in fair values of the equity investments held are strongly positively correlated with changes of the TSX market index, the Group has determined that an increase/(decrease) of 10% on the TSX market index could have an impact of $11,187 increase/(decrease) on the income and equity attributable to the Group.

Interest rate risk

The Group is exposed to movements in market interest rates on cash and cash equivalents. The Group policy is to monitor the interest rate yield curve out to six months to ensure a balance is maintained between the liquidity of cash assets and the interest rate return.

The balance of cash and cash equivalents for the Group of $70,949,700 (2020: $28,152,622) is subject to interest rate risk. The proportional mix of floating interest rates and fixed rates to a maximum of six months fluctuate during the year depending on current working capital requirements. The weighted average interest rate received on cash and cash equivalents by the Group was 0.56% (2020: 0.70%).

Sensitivity analysis

At 30 June 2021, if interest rates had changed by -/+ 50 basis points from the weighted average rate for the year with all other variables held constant, post-tax loss for the Group would have been $247,756 lower/higher (2020: $55,911 lower/higher) as a result of lower/higher interest income from cash and cash equivalents.

B. Credit risk

Credit risk refers to the risk that a counter party will default on its contractual obligation resulting in financial loss to the Group.

(i) Risk management

The Group has adopted the policy of dealing with creditworthy counterparties as a means of mitigating the risk of financial loss from a counterparty not meeting its obligations. Customer receivables have 30-day payment terms and outstanding receivables are regularly monitored. Cash is deposited only with institutions approved by the Board and typically with a current minimum credit rating of A (or equivalent) as determined by a reputable credit rating agency. The Group has established a policy of having aggregate funds on term deposit or invested in money markets allocated across financial counterparties.

	Consolidated Total	
	2021	2020
	$	$
Trade receivables		
Counterparties without external credit rating - other	**13,546**	48,510
Total trade receivables	**13,546**	48,510
Cash and cash equivalents		
A + external credit rating	**64,904,307**	22,152,622
A - external credit rating	**6,045,393**	6,000,000
Total cash and cash equivalents	**70,949,700**	28,152,622

(ii) *Impaired trade receivables*

In determining the recoverability of trade and other receivables, the Group performs a risk analysis using a provision matrix to measure expected credit losses. The provisions rates are based on the type and age of the outstanding receivable and the creditworthiness of the counterparty. The calculation reflects the probability-weighted outcome, the time value of money and reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions. If appropriate, an impairment loss is recognised in profit or loss. The Group does not have any impaired trade and other receivables as at 30 June 2021 (2020: nil).

C. Liquidity risk

The Group manages liquidity risk by monitoring the immediate and forecasted cash requirements and ensures that adequate cash reserves and/or marketable securities are available to pay debts as and when due.

The Group's primary activities are currently mineral exploration. Prudent liquidity risk management implies maintaining sufficient cash and marketable securities as the Group does not have ready access to credit facilities at this stage of its life cycle. Management regularly monitors its rolling cash forecasts and the state of equity markets in initiating the timing of capital raisings for its future funding requirements.

Maturities of financial liabilities

An analysis of the Group's financial liabilities into relevant maturity groupings based on their contractual maturities and on the basis of the contractual undiscounted cash flows as presented in the table that follows.

	Less than 6 months	**6-12 months**	**1-2 Years**	**2-5 years**	**Total**
As at 30 June 2021	**$**	**$**	**$**	**$**	**$**
Trade and other payables	17,339,122	-	-	-	**17,339,122**
Lease liabilities	190,875	229,051	471,844	1,546,432	**2,438,202**
Total non-derivatives	**17,529,997**	**229,051**	**471,844**	**1,546,432**	**19,777,324**
As at 30 June 2020					
Trade and other payables	2,915,522	-	-	-	**2,915,522**
Lease liabilities	64,391	65,373	135,502	283,321	**548,587**
Total non-derivatives	**2,979,913**	**65,373**	**135,502**	**283,321**	**3,464,109**

D. Fair value estimation

The fair value of financial assets and financial liabilities must be estimated for recognition and measurement or for disclosure purposes. All financial assets and financial liabilities of the Group at the balance date are recorded at amounts approximating their carrying amount. The fair value of financial instruments traded in active markets is based on quoted market prices at the reporting date. The quoted market price used for financial assets held by the Group is the current bid price.

Movements in the fair value of financial assets and liabilities may be recognised through the consolidated statement of comprehensive income.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

The financial assets and liabilities are presented by class in the table below at their carrying amounts.

	Fair value hierarchy	**AASB 9 classification**	**2021**	2020
Financial assets				
Investment in listed shares	Level 1	Fair value through profit and loss	**111,871**	201,275

There have been no transfers between fair value levels during the reporting period.

The carrying value less impairment provision of trade receivables and payables are assumed to approximate their fair values due to their short-term nature.

3. Capital management

For the purpose of the Group's capital management, capital includes issued capital, and all other equity reserves attributable to the equity holders of the parent. The Group's objectives when managing capital are to safeguard their ability to continue as a going concern, so that they may continue to provide returns for shareholders and benefits for other stakeholders

Due to the nature of the Group's activities, being mineral exploration, the Group does not have ready access to credit facilities, with the primary source of funding being equity raisings. Therefore, the focus of the Group's capital risk management is the current working capital position against the requirements of the Group to meet exploration programmes and corporate overheads.

The Group's strategy is to ensure appropriate liquidity is maintained to meet anticipated operating requirements, with a view to initiating appropriate capital raisings as required. The working capital position of the Group at 30 June 2021 and 30 June 2020 are as follows:

	Consolidated	
	2021	2020
	$	$
Cash and cash equivalents	**70,949,700**	28,152,622
Trade and other receivables	**1,503,359**	428,348
Trade and other payables (i)	**(17,339,122)**	(2,951,552)
Working capital position	**55,113,937**	25,665,418

(i) This is net of payables totalling $Nil (2020: $Nil) settled/or to be settled by an equity issue of ordinary fully paid shares.

4. Segment Information

Management has determined the operating segments based on the reports reviewed by the Board of Directors that are used to make strategic decisions. For management purposes, the Group has identified one reportable operating segment being exploration activities undertaken in one geographical segment being Australasia. This segment includes the activities associated with the determination and assessment of the existence of commercial economic reserves, from the Group's mineral assets in the sole geographic location.

5. Revenue and other income

	Consolidated	
	2021	2020
	$	$
Revenue - from continuing operations		
Revenue from customers	**35,751**	11,889
Interest income	**279,198**	78,721
Other Income		
EIS Grant	**22,775**	91,102
Gain sale of assets	**7,200**	-
Other income	**230,565**	98,145
	575,489	279,857

6. Expenses

	Note	Consolidated 2021 $	Consolidated 2020 $
Loss before income tax includes the following specific expenses:			
Contributions to superannuation funds		**718,030**	199,747
Lease liability – interest charge		**13,228**	14,025
Share based payments – options (Directors & under approved plan)	31	**892,717**	334,400
Share based payments – performance rights (Directors & under approved plan)	31	**150,697**	180,089
Share based payments – corporate advisory services	31	**-**	136,251
Loss or (Gain) on Change in fair value of investment		**89,405**	(86,172)

7. Income tax

	Consolidated 2021 $	Consolidated 2020 $
(a) Income tax expense		
Current tax expense	-	-
Deferred tax expense	-	-
Total Income tax expense per income statement	-	-
(b) Numerical reconciliation between tax expense and pre-tax net loss		
Net loss before tax	**(5,250,269)**	(3,976,002)
Corporate tax rate applicable 30% (2020: 27.5%)	**30%**	27.50%
Income tax expense/(benefit) on above at applicable corporate tax rate	**(1,575,081)**	(1,093,401)
Increase/(decrease) in income tax due to tax effect of:		
Share based payments expense	**313,024**	-
Non-deductible expenses	**45,603**	137,979
Deductible temporary differences not recognised	**1,227,704**	955,422
Non-assessable income	**(11,250)**	-
	-	-
Effect of Tax rate change at 30%	-	(99,400)

	Consolidated 2021 $	Consolidated 2020 $
(c) Recognised deferred tax assets and liabilities	**30%**	27.50%
Deferred tax assets		
Employee provisions	**204,562**	21,812
Other provisions and accruals	**10,736**	28,883
Rehabilitation assets and liabilities	**306,669**	281,113
Blackhole previously expensed	-	3,647
Tax losses	**29,921,240**	9,475,875
	30,443,207	9,811,330
Set-off deferred tax liabilities	**(30,443,207)**	(9,811,330)
Net deferred tax assets	-	-

Deferred tax liabilities		
Exploration & Mine Properties	**(30,433,586)**	(9,802,637)
Unearned Income	**(9,622)**	(7,361)
Other deferred tax liabilities	**-**	(1,333)
Gross deferred tax liabilities	**(30,443,207)**	(9,811,330)
Set-off of deferred tax assets	**30,443,207**	9,811,330
Net deferred tax liabilities	**-**	-

(d) Unused tax losses and temporary differences for which no deferred tax asset has been recognised

	30%	27.50%
Deductible Temporary Differences	**1,750,095**	772,684
Tax Revenue Losses	**16,693,707**	13,745,530
Total Unrecognised Deductible temporary differences	**18,443,802**	14,518,214

The corporate tax rates on both recognised and unrecognised deferred tax assets and deferred tax liabilities have been calculated with respect to the tax rate that is expected to apply in the year the deferred tax asset is realised, or the liability is settled.

(d) Tax consolidation

Effective 1 July 2004, for the purposes of income taxation, De Grey Mining Limited and its 100% owned Australian subsidiaries formed a tax consolidated group. Members of the group have entered a tax sharing arrangement to allocate income tax between the entities should the head entity default on its tax payment obligations. At the balance date, the possibility of default is remote. The head entity of the tax consolidated group is De Grey Mining Limited.

The entities have also entered into a tax funding agreement under which the wholly owned entities fully compensate De Grey Mining Limited for any current tax payable assumed and are compensated by De Grey Mining Limited for any current tax receivable and deferred tax assets relating to unused tax losses or unused tax credits that are transferred to De Grey Mining Limited under the tax consolidation legislation. The funding amounts are determined by reference to the amounts recognised in the wholly owned entities' financial statements.

The amounts receivable/payable under the tax funding agreement are due upon receipt of the funding advice from the head entity, which is issued as soon as practicable after the end of each financial year. The head entity may also require payment of interim funding amounts to assist with its obligations to pay tax instalments. The funding amounts are recognised as current intercompany receivables or payables. Subsidiaries will recognise any current tax expense equal to the current tax liability and be charged through intercompany by the head entity.

(e) Franking credits

The company has no franking credits available for use in future years (2020: Nil).

8. Current assets – Cash and cash equivalents

	Consolidated 2021 $	2020 $
Cash at bank & on hand (i)	**52,427,074**	391,734
Short-term & on-call deposits (ii)	**18,522,626**	27,760,888
	70,949,700	28,152,622

(i) Cash at bank earns interest at floating rates based on daily bank deposit rates.

(ii) Short term deposits held for the purposes of meeting short term cash commitments of the Group are made for varying periods typically between one day and three months depending on the immediate cash requirements of the Group. If the short-term deposits have an original maturity greater than three months, principal amounts must be able to be redeemed in full prior to scheduled maturity with no significant penalty otherwise the deposits will be classified as other financial assets. The weighted average interest rate achieved for the year was **0.56% (2020: 0.70%).**

9. Current assets – Trade and other receivables

	Consolidated 2021 $	2020 $
Trade and other receivables	**536,931**	48,510
GST receivable (net)	**934,356**	252,580
Fuel tax credits receivable	**-**	67,075
Accrued interest	**32,072**	26,767
Sundry debtors	**-**	33,416
	1,503,359	428,348

As the majority of receivables are short term in nature, their carrying amount approximates fair value. Receivables are generally due for settlement within 30 days.

10. Current assets - Inventories

	Consolidated 2021 $	2020 $
Diesel fuel inventories	**206,656**	87,758
	206,656	87,758

11. Current assets – Other assets

	Consolidated 2021 $	2020 $
Prepayment – other (i)	**918,388**	-
Advances & deposits	**6,548**	1,797
	924,936	1,797

(i) Prepayments – other includes accommodation for the Mt Dove camp site.

12. Financial assets

	Consolidated	
	2021	2020
	$	$
Financial assets at fair value through profit or loss		
Current		
Canadian (TSX-V) listed equity securities (i) (ii)	**111,871**	201,275
	111,871	201,275

(i) The financial assets are presented as non-current assets unless management intends to dispose of them within 12 months of the end of the reporting period.

(ii) Financial assets are valued at the quoted closing share price as at reporting date, being CAD $2.08 (2020: CAD $3.77). During the year, a loss of $89,405 (2020: gain of $86,172) was recognised in the consolidated statement of comprehensive income (Note 5).

13. Non-current assets – Deferred exploration & evaluation expenditure

	Consolidated	
	2021	2020
	$	$
Beginning of financial year	**48,938,399**	30,675,391
Exploration expenditure - all areas of interest (i)	**65,908,260**	16,839,283
Tenement acquisition	**817,000**	-
Fuel Tax credit offset	**(1,260,838)**	-
Indee Gold Pty Ltd recognised on settlement of acquisition (Note 28)	**-**	1,451,296
Expensed to consolidated statement of comprehensive income	**-**	(27,571)
	114,402,821	48,938,399

(i) The Group has capitalised all costs associated with The Mallina Project. The recoverability of the carrying amount of the exploration and evaluation assets is dependent on successful development and commercial exploitation, or alternatively, sale of the respective areas of interest.

(ii) At 30 June 2021, the Group conducted an assessment to determine whether there were any indicators of impairment in relation to the carrying value of its capitalised deferred exploration and evaluation expenditure. No indicators of impairment were present and therefore the Group did not impair any previously capitalised expenditure (2020: $27,571).

Significant judgements, estimates and assumptions

The application of the Group's accounting policy for E&E expenditure requires judgement to determine whether future economic benefits are likely from either future exploitation or sale, or whether activities have not reached a stage that permits a reasonable assessment of the existence of reserves.

In addition to applying judgement to determine whether future economic benefits are likely to arise from the Group's E&E assets or whether activities have not reached a stage that permits a reasonable assessment of the existence of reserves, the Group has to apply a number of estimates and assumptions. The determination of a JORC (The Australasian Code for Reporting of exploration results, mineral resources and ore reserves) resource is itself an estimation process that involves varying degrees of uncertainty depending on how the resources are classified (i.e., measured, indicated or inferred). The estimates directly impact when the Group defers E&E expenditure.

The deferral policy requires management to make certain estimates and assumptions about future events and circumstances, particularly, whether an economically viable extraction operation can be established. Any such estimates and assumptions may change as new information becomes available. If, after expenditure is capitalised, information becomes available suggesting that the recovery of expenditure is unlikely, the relevant capitalised amount is written off to the statement of profit or loss and other comprehensive income in the period when the new information becomes available.

14. Non-current assets – Property, plant and equipment

	Plant & Equipment	Computer Equipment	Furniture & Fittings	Consolidated Motor Vehicles	Land & Buildings	Assets in Progress	Total
	$	$	$	$	$	$	$
2021							
Gross carrying amount	1,295,999	486,116	124,156	1,446,707	842,099	3,394,356	**7,589,433**
Accumulated depreciation	(356,082)	(153,647)	(30,466)	(233,290)	(234,666)	-	**(1,008,151)**
Net book amount	**939,917**	**332,469**	**93,690**	**1,213,417**	**607,433**	**3,394,356**	**6,581,282**
Property, plant and equipment movement 2021							
Opening net book amount	204,895	122,360	36,698	427,444	507,782	155,826	**1,455,005**
Additions	898,641	304,692	78,664	965,214	31,586	3,411,171	**5,689,968**
Completion of assets in progress	-	-	-	-	172,641	(172,641)	**-**
Assets written off	-	-	-	(29,600)	-	-	**(29,600)**
Depreciation charge	(163,619)	(94,583)	(21,672)	(149,641)	(104,576)	-	**(534,091)**
Closing net book amount	**939,917**	**332,469**	**93,690**	**1,213,417**	**607,433**	**3,394,356**	**6,581,282**

	Plant & Equipment	Computer Equipment	Furniture & Fittings	Consolidated Motor Vehicles	Land & Buildings	Assets in Progress	Total
	$	$	$	$	$	$	$
2020							
Cost	397,358	181,424	45,492	526,793	637,872	155,826	**1,944,765**
Accumulated depreciation	(192,463)	(59,064)	(8,794)	(99,349)	(130,090)	-	**(489,760)**
Net book amount	**204,895**	**122,360**	**36,698**	**427,444**	**507,782**	**155,826**	**1,455,005**
Property, plant and equipment movement 2020							
Opening net book amount	183,077	59,283	27,639	113,188	345,902	-	**729,089**
Additions	77,809	83,491	13,046	382,045	234,055	155,826	**946,272**
Additions - on acquisition of Indee Gold Pty Ltd	13,113	-	-	-	-	-	**13,113**
Depreciation charge	(69,104)	(20,414)	(3,987)	(67,789)	(72,175)	-	**(233,469)**
Closing net book amount	**204,895**	**122,360**	**36,698**	**427,444**	**507,782**	**155,826**	**1,455,005**

15. Non-current right of use asset

	Consolidated	
	2021	2020
	$	$
Right of use asset – office premises		
Gross carrying amount (i)	**2,223,792**	603,329
Accumulated depreciation	**-**	(103,354)
Net book amount	**2,223,792**	499,975
Opening net book amount	**499,975**	-
Impact of adopting AASB 16	**-**	495,129
Additions on inception	**2,223,792**	-
Additions – additions for the year	**-**	108,200
Depreciation for the year – leased office premises	**(102,335)**	(103,354)
Office lease cancelled during the year	**(397,640)**	-
Closing net book amount	**2,223,792**	499,975

(i) The right of use asset assumes that the options for office lease term extensions will be exercised.

(ii) The present value of future lease payments is determined by discounting future lease payments using the interest rate implicit in the lease. The interest rate implicit in the lease for the year ending 30 June 2021 is 3% (2020: 3%)

(iii) The expense relating to the short-term leases is $1,367,904 (2020: $253,673).

16. Current liabilities – Trade and other payables

	Consolidated	
	2021	2020
	$	$
Trade payables	**15,950,850**	2,798,952
Other payables and accruals (i)	**1,388,272**	116,570
	17,339,122	2,915,522

(i) Other payables and accruals are non-interest bearing and are normally settled on terms of 30-45 days.

17. Current & non-current lease liabilities

	Consolidated	
	2021	2020
	$	$
Current		
Lease liabilities – office premises	**353,212**	115,864
Non-current		
Lease liabilities – office premises	**1,870,580**	399,815

The group is required to make significant judgements, estimates and assumptions in assessing the NPV of the office lease and has used an interest rate of 3%, which is implicit in the contract, the term of 5 years, however the contract provides for an extension of a further 3 years and this has not been included in the calculations of the NPV, and would have the effect of increasing the lease liability.

18. Employee benefit obligations

	Consolidated	
	2021	2020
	$	$
Current		
Annual Leave (i)	**616,570**	79,318
Non-current		
Long Service Leave (ii)	**65,303**	-

(i) The current provision for employee benefits includes all unconditional entitlements where employees have completed the required period of service. The entire amount is presented as current, since the consolidated entity does not have an unconditional right to defer settlement and has an expectation that employees will take the full amount of accrued leave or require payment within the next 12 months.

(ii) The Group's employee benefit obligations for long service leave are shown as non-current as they are not expected to be settled wholly within twelve (12) months after the end of the period in which the employees render the related service. They are measured at the present value of the expected future payments to be made to employees.

19. Non-current liabilities – Rehabilitation provision

	Consolidated	
	2021	2020
	$	$
Rehabilitation provision (i)	**1,022,230**	1,022,230
	1,022,230	1,022,230

(i) This provision was brought to account on settlement of the Indee Gold acquisition and covers the mining leases that are subject of an approved Mine closure plan (Note 28). The Group assesses its mine rehabilitation provision annually and as there have been no further disturbances during the year, and the impact of discount rates minimal, the Group have considered the liability to be reasonable. Significant judgement is required in determining the provision for mine rehabilitation and closure as there are many factors that will affect the ultimate liability payable to rehabilitate the mine sites, including future disturbances caused by further development, changes in technology, changes in regulations, price increases, changes in timing of cash flows which are based on life of mine plans and changes in discount rates. When these factors change or become known in the future, such differences will impact the mine rehabilitation provision in the period in which the change becomes known.

In determining the liability, a discount rate of 2% has been applied over a 10-year term as this is the most reasonable timeframe with the current activities of the Group. Sensitivity analysis was performed to evaluate the difference by extending and shortening the time frame to 5 years and 15 years which provided an NPV of $1,106, 543 and $907,750 respectively.

20. Contributed equity

(a) Share capital		2021		2020	
	Issue Price	Number of shares	$	Number of shares	$
Ordinary shares issued and fully paid		**1,292,417,059**	**235,892,228**	1,172,514,204	130,713,404
Total contributed equity		**1,292,417,059**	**235,892,228**	1,172,514,204	130,713,404
(b) Movements in ordinary share capital					
Beginning of the financial year		**1,172,514,204**	**130,713,404**	427,590,370	70,787,718
Issued during the current & prior years:					
Shares issued on exercise of options	$0.10	**9,210,714**	**921,071**	17,039,286	1,703,928
Shares issued on exercise of options	$0.30	**5,733,333**	**1,720,000**	13,016,667	3,905,000
Shares issued on exercise of options	$0.35	**2,110,000**	**738,500**	600,000	210,000
Share issued in lieu of supplier invoices (non-cash)		**-**	**-**	3,802,748	247,179
Share issued in exercise of performance rights		**-**	**-**	3,950,000	-
Placement share issue	$0.045	**-**	**-**	111,111,111	5,000,000
Placement share issue	$0.05	**-**	**-**	444,142,014	22,207,101
Placement share issue	$0.28	**19,232,142**	**5,385,000**	92,196,429	25,815,000
Placement share issue[(i)]	$1.20	**83,416,666**	**100,100,000**	-	-
Shares issued part consideration – Indee Gold Pty Ltd (non-cash)	$0.050791	**-**	**-**	59,065,579	3,000,000
Shares issued as part consideration for tenement purchase	$1.585	**200,000**	**317,000**	-	-
Transaction costs		**-**	**(4,569,746)**	-	(3,144,223)
Share based payments reserve transfer on exercise		**-**	**566,999**	-	972,701
End of the financial year		**1,292,417,059**	**235,892,228**	1,172,514,204	130,713,404

(c) Movements in options on issue		Number of options	
		2021	2020
Beginning of the financial year		**19,844,047**	77,333,333
Net issued / (exercised or cancelled) during the year:			
– Exercisable at 10 cents, on or before 31 Oct 2019	Unlisted	**-**	(7,039,286)
– Exercisable at 20 cents, on or before 30 Nov 2019	Unlisted	**-**	(33,333,333)
– Exercisable at 25 cents, on or before 30 Nov 2019	Unlisted	**-**	(12,500,000)
– Exercisable at 10 cents, on or before 31 Oct 2020	Unlisted	**(7,210,714)**	-
– Exercisable at 30 cents, on or before 30 May 2021	Unlisted	**(4,233,333)**	(13,016,667)
– Exercisable at 30 cents, on or before 30 Sep 2021	Unlisted	**(1,500,000)**	1,500,000
– Exercisable at 10 cents, on or before 31 Dec 2021	Unlisted	**(2,000,000)**	2,000,000
– Exercisable at 35 cents, on or before 12 Mar 2021	Unlisted	**(2,110,000)**	4,900,000
– Exercisable at 0 cents, on or before 29 July 2022	Unlisted	**450,454**	-
– Exercisable at 0 cents, on or before 3 December 2024	Unlisted	**2,619,326**	-
– Exercisable at 0 cents, on or before 29 June 2022	Unlisted	**1,603,240**	-
End of the financial year		**7,463,020**	19,844,047

[(i)] De Grey issued 73,116,666 ordinary fully paid shares at $1.20 per share through clients of Argonaut Securities Pty Ltd and Canaccord Genuity (Australia) Limited as Joint Lead Managers and Bookrunners. It includes global institutional participation and represents the 1st Tranche of the Placement. De Grey also issued 10,300,000 ordinary fully paid shares at an issue price of $1.20 per share to DGO Gold Limited (10,000,000) and Mr. Peter Hood (300,000). This allotment followed shareholder approval on 23 October 2020 and represents the 2nd Tranche of the Placement.

(d) Movement in performance rights on issue

During the year there were 140,846 unlisted Performance Rights issued (2020: nil) to directors and employees of the Group.

2021	Tranche 1[1]	Tranche 2	Tranche 3	Tranche 4	Tranche 5	Tranche 1,2,3-2021	Total
Opening balance – 1 July 2020	-	-	-	1,450,000	-	-	**1,450,000**
Performance rights vested	-	-	-	-	-	-	-
Performance rights expired	-	-	-	-	-	-	-
Performance rights issued	-	-	-	-	-	140,846[1]	**140,846**
Performance rights issued	-	-	-	-	-	300,300[1]	**300,300**
Performance rights issued	-	-	-	-	-	282,486[1]	**282,486**
Closing balance – 30 June 2021	**-**	**-**	**-**	**1,450,000**	**-**	**723,632**	**2,173,632**

2020	Tranche 1[2]	Tranche 2[3]	Tranche 3[2]	Tranche 4	Tranche 5[2]	Tranche 1,2,3-2021	Total
Opening balance – 1 July 2019	1,300,000	1,300,000	1,450,000	1,450,000	1,200,000	-	**6,700,000**
Performance rights vested	(1,300,000)	-	(1,450,000)	-	(1,200,000)	-	**(3,950,000)**
Performance rights expired	-	(1,300,000)	-	-	-	-	**(1,300,000)**
Performance rights issued	-	-	-	-	-	-	-
Closing balance – 30 June 2020	**-**	**-**	**-**	**1,450,000**	**-**	**-**	**1,450,000**

[1] Rights issued to Mr Jardine are issued in 3 tranches, T1 140,846 will vest in September 2021, T2 300,300 will vest in September 2022 and T3 282,486 will vest in September 2023. The number of rights to be issued for T2 and T3 are a provisional number and will be adjusted when the rights are issued.

1. Tranche 1-2021 - Vesting conditions for the performance rights issued during 2021 are.
   - the Company's shares reaching a price equal to or greater than 120% of the volume weighted average price of the Company's shares for 10 trading days after acceptance of the Offer, within the period 27 July 2020 and 15 September 2021. For completeness it is noted the share price target to be achieved is $0.852 which must be achieved on or before 15 September 2021.
   - Satisfactory completion of a probationary period; and
   - remaining employed by the Company as at 15 September 2021.

Two further tranches were approved for issue and are expected to be issued over the next 2-year period on the 15 September with the following vesting conditions:

Estimated number of performance rights to be issued 300,300 (the final number will be confirmed on issue) on September 2021 (Approved 10 July 2020) Tranche 2-2021:

- the Company's shares reaching a price equal to or greater than 120% of the volume weighted average price of the Company's shares; and
- The executive remaining employed as Managing Director by the Company as at 15 September 2022.

Estimated number of performance rights to be issued 282,486 (the final number will be confirmed on issue) on September 2022 (Approved 10 July 2020) Tranche 3-2021:

- the Company's shares reaching a price equal to or greater than 120% of the volume weighted average price of the Company's shares; and
- The executive remaining employed as Managing Director by the Company as at 15 September 2023.

The Group have commenced the amortisation of the rights which have not yet been issued as their grant date was approved by the Board on 10 July 2020.

2. The vesting conditions for tranches one, three and five were met during the 2020 reporting period. Each of the tranches were exercised by the holders and shares allotted on 22 August 2019.
   - Tranche One – the Company declaring greater than 1,500,000-ounce gold resource (JORC 2012) at an overall grade of at least 1.7 g/t and a minimum category of JORC inferred at the Mallina Gold Project, on or before 30 November 2019.
   - Tranche Three – settlement of the Company's 100% acquisition of Indee Gold Pty Ltd; and
   - Tranche Five – The Company confirming higher grade resources of at least 200,000 ounces and at an overall grade of greater than 5 g/t or before 30 November 2019.

3. The vesting conditions for the following tranche expired during the 2020 financial year:
   - Tranche Two – the Company declaring greater than 2,000,000-ounce gold resource (JORC 2012) at an overall grade of at least 1.7 g/t and a minimum category of JORC inferred at the Mallina Gold Project, or before 30 November 2019.

4. The following Performance Right tranche remains outstanding as at the end of the financial year:
   - Tranche Four – The Company securing Project Financing for the Mallina Gold Project at a minimum throughput of 1 million tpa.

(e) Ordinary shares

Ordinary shares entitle the holder to participate in dividends and the proceeds on winding up of the Company in proportion to the number of and amounts paid on the shares held. On a show of hands every holder of ordinary shares present at a meeting in person or by proxy, is entitled to one vote, and upon a poll each share is entitled to one vote. Ordinary shares have no par value, and the Company does not have a limited number of authorised shares. Neither the Company, nor any of its subsidiaries, holds any shares in the Company at 30 June 2021 (2020: Nil).

21. Reserves and accumulated losses

	Consolidated	
	2021	2020
	$	$
(a) Reserves		
Share-based payments reserve (i)	**1,339,024**	862,609
	1,339,024	862,609
Movements:		
Share-based payments reserve		
Balance at beginning of year	**862,609**	1,414,570
Share based payments (options) expense (*Directors & EOP plan*)	**892,717**	334,400
Share based payments (options) expense (*Corporate advisory*)	**-**	136,251
Share based payments (performance rights) expense (*Directors & PR plan*)	**150,697**	180,089
Transfer to Issued Capital on exercise of performance rights	**-**	(671,500)
Transfer to Issued Capital on exercise of options	**(566,999)**	(310,201)
Transfer to Accumulated losses on expiry of performance rights	**-**	(221,000)
Balance at end of year	**1,339,024**	862,609
(b) Accumulated losses		
Balance at beginning of year	**(56,343,583)**	(52,588,581)
Net loss for the year	**(5,250,269)**	(3,976,002)
Transfer from Reserves on expiry of performance rights	**-**	221,000
Balance at end of year	**(61,593,852)**	(56,343,583)

(c) Nature and purpose of reserves

(i) Share-based payments reserve - the share-based payments reserve is used to recognise the value of equity benefits provided to either employees or directors as remuneration or to suppliers as payment for products and services.

22. Dividends

	Consolidated	
	2021	2020
	$	$
	-	-

No dividends were paid during the financial year (2020: Nil).

No recommendation for payment of dividends has been made.

23. Remuneration of auditors

	Consolidated	
	2021	2020
	$	$
During the year the following fees were paid or payable for services provided by the auditor of the parent entity, its related practices and non-related audit firms:		
(a) Audit services		
Butler Settineri (Audit) Pty Ltd - audit and review of financial reports	**4,718**	47,842
Ernst & Young - audit and review of financial reports	**49,000**	-
Total remuneration for audit services	**53,718**	47,842
(b) Non-audit services		
Butler Settineri – tax compliance services	**-**	3,675
Total remuneration for other services	**-**	3,675

24. Contingent liabilities

There are no contingent liabilities or contingent assets of the Group at reporting date (2020: Nil).

25. Commitments

	Consolidated	
	2021	2020
	$	$
(a) Exploration commitments		
The Group has certain commitments to meet minimum expenditure requirements on the mineral exploration assets it has an interest in.		
Outstanding Mallina Project exploration commitments are as follows:		
Mallina Project tenements (100% owned)	**1,569,040**	1,474,040
Tenements under option agreements (i)	**199,280**	199,280
Annual commitment for the Mallina Project assets	**1,768,320**	1,673,320

(i) The tenements that remain under option and/or earn-in agreements are with respect to the Farno McMahon and Vanmaris Projects, as detailed in Note 28.

(b) Capital commitments

The Group did not have any capital commitments as at the current or prior balance date.

26. Related party transactions

(a) Parent entity
The ultimate parent entity within the Group is De Grey Mining Limited.

(b) Subsidiaries
Interests in subsidiaries are set out in Note 27.

(c) Transactions with related parties
De Grey have entered into a number of contracts which resulted in transactions with key management personnel as follows.

Transactions with related parties.

	2021	2020
	$	$
Purchases of equipment	**185,425**	264,119
Paid to Engineering consultants	**636,274**	216,623
Paid to employees	**227,945**	49,731
Accounts payable	**91,969**	110,007

- Mak Water have supplied De Grey with equipment at the Wingina Camp site, and
- GR Engineering have provided consultancy where Mr Peter Hood, non-executive director, is a director of both entities.

Where personnel are employed by De Grey and are considered a related party to key management personnel, those transactions are entered into in the ordinary course of business at arm's length.

- De Grey employed the daughter of Mr Andrew Beckwith, the daughter of Mr Simon Lill and the nephew of Mr Phil Tornatora. None of these employees reported directly to a KMP.

Terms and conditions of transactions with related parties
Outstanding balances at the yearend are unsecured and interest free and settlement occurs in cash and are presented as part of trade payables.

Details of compensation paid to key management personnel are fully disclosed in the Remuneration Report.

Compensation of key management personnel of the Group	**2021**	2020
	$	$
Short term employee benefits	**2,114,605**	1,226,215
Post-Employment benefits	**131,412**	59,874
Termination benefits	-	21,000
Share based payment transaction	**871,125**	196,343
Total compensation paid to key management personnel	**3,117,142**	1,503,432

During the year DGO Gold Limited increased their shareholding with net purchases of 10,000,000 shares in De Grey Mining Two of our directors are also directors of DGO Gold Limited who hold a significant interest in the Company. Details of this is disclosed in the Directors Report.

27. Subsidiaries

The consolidated financial statements incorporate the assets, liabilities, and results of the following subsidiaries in accordance with the accounting policy described in Note 1(b):

Name	Country of Incorporation	Class of Shares	Equity Holding[1]	
			2021	2020
			%	%
Beyondie Gold Pty Ltd	Australia	Ordinary	**100**	100
Domain Mining Pty Ltd	Australia	Ordinary	**100**	100
Winterwhite Resources Pty Ltd	Australia	Ordinary	**100**	100
Last Crusade Pty Ltd	Australia	Ordinary	**100**	100
Indee Gold Pty Ltd[2]	Australia	Ordinary	**100**	100

[1] The proportion of ownership interest is equal to the proportion of voting power held.

[2] De Grey originally executed a detailed Share Sale Agreement ("SSA") on 9 February 2018, to acquire all the shares in Indee Gold Pty Ltd from Northwest Nonferreous Australia Mining Pty Ltd for a total acquisition price of $15 Million. The transaction was complete in the 2020 financial year.

28. Interests in joint operations / other acquisitions

(a) Attgold Pty Ltd Retained Pegmatite Rights across E45-2364 (a tenement within the Mallina Project)

Principal place of business: Perth, WA

In February 2007, De Grey acquired 100% of tenement E45-2364 on exercise of an option. Under the agreement, Attgold retained the pegmatite related rights on this tenement only. The pegmatite rights give Attgold rights to explore on the tenement for pegmatite minerals, which in turn are defined as "tin, tantalum, niobium, lithium, caesium and non-gold bearing or base metal bearing aggregate." This is subject to various clauses of priority, access, and normal statutory requirements. De Grey holds all other mineral rights in this tenement, most specifically gold and base metals and the joint venture has a carrying value of nil.

(b) Mount Dove Iron Rights

Principal place of business: Perth, WA

On 22 September 2015, the company entered into a Deed of Termination with the Atlas Iron Group, where the Atlas Iron Group relinquished its iron ore rights on any of the Turner River Project tenements. If De Grey mines iron ore on any of its the Turner River Project tenements it will pay the Atlas Iron Group a one-off payment of $50,000.

(c) Turner River Shingles, River Sand and Limestone Blocks Farm-Out

Principal place of business: Perth, WA

In October 2012 De Grey, through its wholly owned subsidiary Last Crusade Pty Ltd ("LC"), entered into an agreement with Mobile Concreting Solutions Pty Ltd ("MCS") under which LC facilitated the excision of graticule B703 from LC's Exploration Licence 45/3390. Under the agreement, MCS applied for a mining licence over the excised graticule to mine for shingles, river sand and limestone blocks. LC retains the right to explore for all other minerals on the affected ground and MCS pays $0.50 per tonne to LC for all material removed. The sands mining operations commenced in the December 2013 quarter and have continued throughout the current financial year.

(d) Farno McMahon Project Option

Principal place of business: Perth, WA

On 28 July 2017, De Grey secured an option to enter into a joint arrangement for tenement E47/2502 and referred to as the Farno McMahon Project. An option fee of $40,000 was paid to the vendor granting De Grey an exclusive right and period to assess the project and on 2 October 2017, the Company elected to enter into a Joint Venture Earn-in. The vendor retains all alluvial rights. The Joint Venture Earn-in consists of two stages:

Stage 1 – During the financial year and having expended a minimum of $1.0 million over the 3-year period to 13 December 2019, the Company has earned an initial 30% interest.

Stage 2 - DEG has spent a further $1.0 million expenditure over an additional 1-year period (Year 4) which earns an additional 45% equity in the tenement for a total equity of 75%.

During the year De Grey Mining successfully earned its 75% equity in the Farno McMahon Project and will continue exploration during the 2022 financial year. De Grey Mining Limited will manage the joint arrangement.

(e) Vanmaris Project Option

Principal place of business: Perth, WA

On 25 September 2017, De Grey entered into a letter agreement with the owner of tenements E47/3399, E47/3428-3430, P47/1732-1733 whereby De Grey may acquire an 80% interest in each of these listed tenements, within a 4-year option period.

The terms of the letter agreement included a cash and script option payment to the vendors of $30,000 cash and 150,000 ordinary fully paid De Grey shares.

De Grey are to maintain the tenements in good standing during the 4-year option period and during which time it can elect to acquire an 80% interest on payment of $500,000 cash. The vendor retains the alluvial and prospecting rights to a depth of 3 metres.

On 28 May 2021, the Company agreed to exercise the option and purchase the remaining 20% interest in the tenements referred as an asset acquisition. The final consideration paid for the tenements was $500,000 cash and 200,000 share in De Grey Mining Limited. De Grey now owns 100% interest in the tenements listed where the vendor retains the alluvial and prospecting rights to a depth of 3m.

29. Notes to the statement of cash flows

	Consolidated	
	2021	2020
	$	$
a) Reconciliation of net loss after income tax to net cash outflow from operating activities		
Net loss for the year	**(5,250,269)**	(3,976,002)
Non-Cash Items		
Depreciation of non-current assets	**636,426**	336,823
Share based payments (options and performance rights)	**1,043,414**	650,740
Loss/(gain) on available for sale investments	**89,405**	(86,173)
Loss on disposal of PP&E	**(7,200)**	-
Change in operating assets and liabilities		
(Increase)/decrease in trade, other receivables, and assets	**58,285**	334,083
(Increase)/decrease in inventories	**-**	(76,765)
(Decrease)/increase in trade, other payables, and provisions	**(677,334)**	470,194
Other Items		
Payments for transaction costs – loans and borrowings	**-**	367,752
Net cash outflow from operating activities	**(4,107,273)**	(1,979,348)

30. Loss per share

	Consolidated	
	2021	2020
	$	$
(a) Basic and Diluted Loss per Share		
Basic and diluted loss per share for loss attributable to the ordinary equity holders of the company (cents per share)	**(0.41)**	(0.41)
(b) Reconciliation of earnings used in calculating loss per share		
Loss attributable to the owners of the company used in calculating basic and diluted loss per share	**(5,250,269)**	(3,976,002)
(c) Weighted average number of shares used as the denominator		
Weighted average number of ordinary shares used as the denominator in calculating basic and diluted loss per share	**1,266,164,930**	959,669,364

(d) Information on the classification of options

As the Group has made a loss for the year ended 30 June 2021, all options on issue are considered antidilutive and have not been included in the calculation of diluted earnings per share. These options could potentially dilute basic earnings per share in the future.. There are 7,463,020 unlisted options, of which 3,240,454 are fully vested and potentially issued as ordinary shares at 30 June 2021. A further 1,603,240 options will vest and become exercisable with the potential to become ordinary shares in the next financial year. Since the end of the financial year, no further options have been issued and no options have been exercised.

31. Share-based payments

From time-to-time options are granted to.

(i) eligible employees under the Performance Rights Plan ("PRP") and/or the Employee Option Plan ("EOP") of De Grey Mining Limited to align their interests with that of the shareholders of the company.

(ii) Directors under rules comparable with the PRP and/or EOP, but subject to shareholder approval pursuant to the provisions of the ASX Listing Rules and the *Corporations Act 2001*.

(a) Options

Employee Option Plan ('EOP') of De Grey Mining Limited

Shareholders last approved the EOP at the Annual General Meeting held on 28 November 2018. The EOP is designed to attract and retain eligible employees, provide an incentive to deliver growth and value for the benefit of all shareholders and facilitate capital management by enabling the Company to preserve cash reserves for expenditure on principal activities. Participation in the EOP is at the discretion of the Board and no eligible employee has a contractual right to receive an option under the Plan.

The exercise price and expiry date for all options granted will be determined by the board prior to granting of the options, and in the case of Director options subject to shareholder approval. The options granted may also be subject to conditions on exercise and usually have a contractual life of two to three years. Options granted carry no dividend or voting rights. When exercisable, each option is convertible into one ordinary share in the capital of the company with full dividend and voting rights.

ZEPO's have been issued during the year to both executives and employees. The following vesting conditions apply to options issued during the year.

Employees

- The options will vest with the employee once the employee has remained employed from the later of twelve (12) months) from the grant date or 30 June 2022.

Executives

- The executive has remained employed until the vesting date.
- Delineation of Mineral Resources (as that term is defined in JORC, 2012 Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves) of not less than 12 million ounces of gold at the Company's Mallina Gold Project (inclusive of the existing regional 2.2 million ounces) by 3 December 2024.
- Completion of a Definitive Feasibility Study (DFS) confirming feasibility for a 500,000 ounces of gold per annum project through a mine life of no less than 12 years, or such other number as approved by the Board following completion of a Pre-Feasibility Study. The DFS is to be signed off in its entirety by a suitably qualified engineering group (with oversight from the Board); and
- The Company securing debt and/or equity finance for a Board approved Project arising from the DFS.

And annually.

- One third of issued ZEPOs are evaluated against the scorecard in June of each year and upon achieving 65%+ score, 50% of these ZEPO's achieve the incentive condition and are eligible to vest. If the executive does not achieve the score of 65% or more, 50% of the ZEPOs will be cancelled, whilst the balance will vest solely subject to achieving the LTIP Milestones.

In FY2021 450,454 ZEPO's were issued to executives with no vesting conditions. They were granted on 10 July 2020 and vested 30 July 2020. It was determined by the Board that these would reward the efforts in achieving the new Discovery which has since been included in the Maiden Mineral Resource announced in June 2021.

There were 1,500,597 director options granted (2020: nil) and 3,172,423 EOP options granted (2020: 5,500,000) in the financial year ended 30 June 2021 and are all currently outstanding are detailed in the following table:

Grant date	Expiry date	Exercise price Cents	Balance at start of the year Number	Granted during the year Number	Exercised during the year Number	Balance at end of the year Number[1]	Vested and exercisable at end of the year Number[2]
2020-2021							
24 Sep 2017	31 Oct 2020	10 cents	**2,250,000**	**-**	**(2,250,000)**	**-**	**-**
17 Oct 2018	30 May 2021	30 cents	**4,233,333**	**-**	**(4,233,333)**	**-**	**-**
12 Mar 2020	12 Mar 2022	35 cents	**4,900,000**	**-**	**(2,110,000)**	**2,790,000**	**2,790,000**
10 Jul 2020	29 Jul 2022	0 cents	**-**	**450,454**	**-**	**450,454**	**450,454**
4 Dec 2020	3 Dec 2024	0 cents	**-**	**2,071,904**	**-**	**2,071,904**	**-**
1 Feb 2021	3 Dec 2024	0 cents	**-**	**547,422**	**-**	**547,422**	**-**
31 May 2021	30 Jun 2022	0 cents	**-**	**1,603,240**	**-**	**1,603,240**	**-**
			11,383,333	**4,673,020**	**(8,593,333)**	**7,463,020**	**2,790,000**
2019-2020							
24 Sep 2017	31 Oct 2020	10 cents	2,250,000	-	-	2,250,000	2,250,000
17 Oct 2018	30 May 2021	30 cents	4,750,000	-	(516,667)	4,233,333	4,233,333
12 Mar 2020	12 Mar 2022	35 cents	-	5,500,000	(600,000)	4,900,000	4,900,000
			7,000,000	**5,500,000**	**(1,116,667)**	**11,383,333**	**11,383,333**

[1] No options were forfeited or lapsed during the year.
[2]There are no options that have vested that are not exercisable

Expenses arising from share-based payment transactions - options

The weighted average fair value of the options granted during the year was **$1.12** (2020: $0.0608). The price was calculated by using the Black-Scholes European Option Pricing Model applying the following inputs:

	2021	2020
Weighted average exercise price (cents)	**0**	35.0
Weighted average life of the option (years)	**2.39**	2.0
Weighted average underlying share price (cents)	**95.5-112.0**	21.0
Expected share price volatility	**95%-110%**	80%
Weighted average risk-free interest rate	**0.184%**	0.25%

Historical volatility has been used as the basis for determining expected share price volatility as it assumed that this is indicative of future trends, which may not eventuate.

No assumptions have been made relating to dividends and there are no other inputs to the model. There are no options that have vested that are not exercisable

Total expenses arising from equity settled share-based payment transactions recognised during the period were as follows:

	2021	2020
	$	$
Options issued to directors and EOP to eligible employees	**892,717**	334,400

(b) Performance rights

Employee Performance Rights Plan (PRP)

Shareholders approved the PRP at the Annual General Meeting held on 30 November 2017. The performance rights issued during FY2021 were approved in the AGM on 4 December 2020. The PRP, like the EOP, is designed to attract and retain eligible employees, provide an incentive to deliver growth and value for the benefit of all shareholders and facilitate capital management by enabling the Company to preserve cash reserves for expenditure on principal activities. Participation in the PRP is at the discretion of the Board and no eligible employee has a contractual right to receive performance rights under the PRP.

The performance rights granted will be determined by the board prior to granting of the rights, and in the case of Director performance rights, these are subject to shareholder approval. The rights granted may be subject to performance milestones before the holder has the right to exercise (Refer Note 21 (d)) and can have a contractual life of up to 5 years.

Rights granted carry no dividend or voting rights. When exercisable, each right is convertible into one ordinary share in the capital of the company with full dividend and voting rights.

The following vesting conditions apply to the performance rights issued during 2021:

- the Company's shares reaching a price equal to or greater than 120% of the volume weighted average price of the Company's shares for 10 trading days after acceptance of the Offer, within the period 27 July 2020 and 15 September 2021. For completeness it is noted the share price target to be achieved is $0.852 which must be achieved on or before 15 September 2021.
- Satisfactory completion of Probationary Period as per the Executive Services Agreement, and
- Remaining employed by the Company as at 15 September 2021.

Two further tranches were approved for issue and are expected to be issued over the next 2-year period on the 15 September of each year. The vesting conditions are as follows.

Estimated number of performance rights to be issued 300,300 (the final number will be confirmed on issue) on September 2021 (Approved 10 July 2020) Tranche 2-2021:

- the Company's shares reaching a price equal to or greater than 120% of the volume weighted average price of the Company's shares; and
- The executive remaining employed as Managing Director by the Company as at 15 September 2022.

Estimated number of performance rights to be issued 282,486 (the final number will be confirmed on issue) on September 2021 (Approved 10 July 2020) Tranche 3-2021:

- the Company's shares reaching a price equal to or greater than 120% of the volume weighted average price of the Company's shares; and
- The executive remaining employed as Managing Director by the Company as at 15 September 2023.

The Group have commenced the amortisation of the rights which have not yet been issued as their grant date was approved by the Board on 10 July 2020.

Grant date	Expiry date	Balance at start of the year Number	Granted during the year Number	Expired during the year Number	Converted during the year Number	Balance at end of the year Number	Vested and exercisable 30 June 2021
2020-2021							
10 July 2020	23 Sep 2023	1,450,000	723,632	-	-	2,173,632	-
		1,450,000	**723,632**	**-**	**-**	2,173,632	**-**
2019-2020							
12 Mar 2020	12 Mar 2022	-	6,700,000	(1,300,000)	(3,950,000)	1,450,000	-
		-	**6,700,000**	**(1,300,000)**	**(3,950,000)**	**1,450,000**	**-**

[1] Rights issued to Mr Jardine are issued in 3 tranches, T1 140,846 will vest in September 2021, T2 300,300 will vest in September 2022 and T3 282,486 will vest in September 2023. The number of rights to be issued for T2 and T3are a provisional number and will be adjusted when the rights are issued.

Expenses arising from share-based payment transactions - performance rights

On 18 September 2020, 140,846 unlisted Performance Rights were issued to directors of the Group. As at the end of the financial year 1,590,846 remain outstanding.

Number Issued (No.)	140,846
Grant Date	10 July 2020
Exercise Price ($)	N/A
Expiry Date	23 September 2023
Amortisation date	15 September 2021
Underlying Share Price on Grant ($)	$0.84
Fair value of performance rights	$0.69
Total Fair Value ($) – Life of Right issued during 2021	$97,184
Total Fair Value for all rights ($) – Expensed 30 June 2021	$150,697

Significant estimates and assumptions

When the fair values of financial assets and financial liabilities recorded in the statement of financial position cannot be measured based on quoted prices in active markets, they are measured using valuation techniques including the Black-Scholes model. The Black-Scholes model makes certain assumptions:

- No dividends are paid out during the life of the option.
- Markets are random (i.e., market movements cannot be predicted).
- There are no transaction costs in buying the option.
- The risk-free rate and volatility of the underlying asset are known and constant.
- The returns on the underlying asset are log-normally distributed.
- The option is European and can only be exercised at expiration.

32. Events occurring after the reporting date

There have been no matters or circumstances occurring subsequent to the end of the financial year that has significantly **affected or** may significantly affect the operations of the Group or the result of those operations, or the state of affairs of the Group in future financial years.

33. Parent entity information

	Parent Entity	
	2021	2020
	$	$

The following information relates to the parent entity, De Grey Mining Limited, at 30 June 2021. The information presented here has been prepared using accounting policies consistent with those presented in Note 1.

	2021	2020
Current assets	**73,584,651**	28,670,525
Non-current assets	**120,949,948**	51,094,654
Total assets	**194,534,599**	79,765,179
Current liabilities	**16,920,632**	3,110,704
Non-current liabilities	**1,935,883**	1,422,045
Total liabilities	**18,856,515**	4,532,749
Contributed equity	**235,892,228**	130,740,019
Reserves	**1,339,024**	860,954
Accumulated losses	**(61,553,168)**	(56,368,543)
Total equity	**175,678,084**	75,232,430
Loss for the year	**(5,250,269)**	(3,953,338)
Other comprehensive loss	**-**	-
Total comprehensive loss for the year	**(5,250,269)**	(3,953,338)

Contingent liabilities

The parent entity had no contingent liabilities as at 30 June 2021 and 30 June 2020.

Capital commitments

The parent entity had no capital commitments as at 30 June 2021 and 30 June 2020.

Accounting policies

The accounting policies of the parent entity are consistent with those of the consolidated entity, as disclosed in Note 1.

Director's Declaration

In the directors' opinion:

(a) the financial statements and notes set out on pages 47 to 81 are in accordance with the *Corporations Act 2001*, including:

- (i) complying with Accounting Standards, the *Corporations Regulations 2001* and other mandatory professional reporting requirements; and
- (ii) giving a true and fair view of the consolidated entity's financial position as at 30 June 2021 and of its performance for the financial year ended on that date;

(b) the audited remuneration report set out on pages 27 to 38 of the directors' report complies with section 300A of the Corporations Act 2001;

(c) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable; and

Note 1 confirms that the financial statements also comply with International Financial Reporting Standards as issued by the International Accounting Standards Board.

The directors have been given the declarations by the chief executive officer and chief financial officer required by section 295A of the *Corporations Act 2001*.

This declaration is made in accordance with a resolution of the directors.

Simon Lill

Executive Chairman

Perth, 17 September 2021

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Independent auditor's report to the members of De Grey Mining Limited

Report on the audit of the financial report

Opinion

We have audited the financial report of De Grey Mining Limited (the Company) and its subsidiaries (collectively the Group), which comprises the consolidated statement of financial position as at 30 June 2021, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

In our opinion, the accompanying financial report of the Group is in accordance with the *Corporations Act 2001*, including:

a. Giving a true and fair view of the consolidated financial position of the Group as at 30 June 2021 and of its consolidated financial performance for the year ended on that date; and

b. Complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial report* section of our report. We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial report of the current year. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, but we do not provide a separate opinion on these matters. For the matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the *Auditor's responsibilities for the audit of the financial report* section of our report, including in relation to this matter. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial report. The results of our audit procedures, including the procedures performed to address the matter below, provide the basis for our audit opinion on the accompanying financial report.

Carrying value of exploration and evaluation assets

Why significant	How our audit addressed the key audit matter
As disclosed in Note 13 to the financial statements, at 30 June 2021 the Group held capitalised exploration and evaluation assets of \$114.4 million. The carrying value of capitalised exploration and evaluation assets is assessed for impairment by the Group when facts and circumstances indicate that the carrying value of capitalised exploration and evaluation assets may exceed its recoverable amount. The determination as to whether there are any indicators of impairment, involves a number of judgments including whether the Group has tenure, will be able to perform ongoing expenditure and whether there is sufficient information for a decision to be made that the area of interest is not commercially viable. The directors did not identify any impairment indicators as at 30 June 2021. Given the size of the balance and the judgmental nature of impairment indicator assessments associated with exploration and evaluation assets, we consider this a key audit matter.	In performing our procedures, we: ▸ Considered whether the Group's right to explore was current, which included obtaining and assessing supporting documentation such as license agreements ▸ Considered the Group's intention to carry out significant ongoing exploration and evaluation activities in the relevant areas of interest which included reviewing the Group's Board meeting minutes and enquiring of senior management and the directors as to their intentions and the strategy of the Group ▸ Assessed whether exploration and evaluation data existed to indicate that the carrying value of capitalised exploration and evaluation is unlikely to be recovered through development or sale ▸ Assessed the adequacy of the disclosures in the financial report.

Information other than the financial report and auditor's report thereon

The directors are responsible for the other information. The other information comprises the information included in the Company's 2021 annual report, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon, with the exception of the Remuneration Report and our related assurance opinion.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Building a better working world

Responsibilities of the directors for the financial report

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern

- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial report. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated to the directors, we determine those matters that were of most significance in the audit of the financial report of the current year and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on the audit of the Remuneration Report

Opinion on the Remuneration Report

We have audited the Remuneration Report included in the directors' report for the year ended 30 June 2021.

In our opinion, the Remuneration Report of De Grey Mining Limited for the year ended 30 June 2021, complies with section 300A of the *Corporations Act 2001*.

Responsibilities

The directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

Ernst & Young

Ernst & Young

Pierre Dreyer
Partner
Perth
17 September 2021

ASX Additional Information

Additional information required by Australian Stock Exchange Ltd, and not shown elsewhere in this report, is as follows. The information is current as at 10 September 2021.

(a) Distribution of equity securities

Analysis of numbers of equity security holders by size of holding:

			Ordinary shares	
			Number of holders	Number of shares
1	-	1,000	2,469	1,561,969
1,001	-	5,000	4,332	12,285,638
5,001	-	10,000	1,936	15,478,344
10,001	-	100,000	3,085	102,474,724
100,001		and over	676	1,160,616,386
			12,498	**1,292,417,061**
The number of shareholders holding less than a marketable parcel of shares are:			**677**	**180,830**

(b) Twenty largest shareholders

The names of the twenty largest holders of quoted ordinary shares are as follows:

		Listed ordinary shares	
		Number of shares	Percentage of ordinary shares
1	HSBC Custody Nominees (Australia) Limited	239,938,243	18.57%
2	Citicorp Nominees Pty Limited	189,450,317	14.66%
3	DGO Gold Limited	203,577,703	15.75%
4	J P Morgan Nominees Australia Pty Limited	75,388,918	5.83%
5	Northwest Nonferrous Australia Mining Pty Ltd	43,580,870	3.37%
6	Mr Yi Weng & Ms Ning Li	19,231,000	1.49%
7	HSBC Custody Nominees (Australia) Limited	13,643,058	1.06%
8	BNP Paribas Nominees Pty Ltd <Acf Clearstream>	10,705,292	0.83%
9	BNP Paribas Nominees Pty Ltd Six Sis Ltd <Drp A/C>	9,935,713	0.77%
10	BNP Paribas Noms Pty Ltd <Drp>	9,892,188	0.77%
11	BNP Paribas Nominees Pty Ltd <Ib Au Noms Retailclient Drp>	8,929,568	0.69%
12	Merrill Lynch (Australia) Nominees Pty Limited	7,934,052	0.61%
13	Caroline House Superannuation Fund Pty Ltd <The Caroline House S/F A/C>	7,600,000	0.59%
14	BNP Paribas Nominees Pty Ltd <Agency Lending Drp A/C>	6,440,797	0.50%
15	UBS Nominees Pty Ltd	6,055,062	0.47%
16	Mr John Henry Matterson	6,000,000	0.46%
17	Brispot Nominees Pty Ltd <House Head Nominee A/C>	5,951,518	0.46%
18	Mr Andrew Rhys Jackson	5,095,000	0.39%
19	Penand Pty Ltd <Beckwith Super Fund A/C>	5,023,334	0.39%
20	HSBC Custody Nominees (Australia) Limited - A/C 2	3,950,162	0.31%
		878,322,795	**67.96%**

(c) Substantial shareholders

The names of substantial shareholders who have notified the Company in accordance with section 671B of the Corporations Act 2001 are:

	Number of Shares	%
DGO Gold Limited (i)	203,577,703	15.75%
Jupiter Asset Management Ltd.	77,927,394	6.04%
Van Eck Associates Corporation and its associates	71,905,550	5.56%
Invesco Australia Limited	66,920,575	5.18%

(d) Unquoted (unlisted) Securities

			Holders of 20% or more of the class	
Class	Number of Securities	Number of Holders	Holder Name	Number of Securities
Unlisted $0.35 options, expiry 12 March 2022	2,790,000	18	Philip Tornatora	800,000
			Craig Nelmes	600,000
Unlisted $Nil options, expiry 29 July 2022	450,454	5	Andrew Beckwith	163,207
			Simon Lill	130,566
Unlisted $Nil options, expiry 31 July 2023	1,603,240	58	Nil	
Unlisted $Nil options, expiry 3 December 2024	2,619,326	7	Glenn Jardine	553,454
			Peter Canterbury	547,422
Performance rights – Series 1	1,450,000	5	Simon Lill	500,000
			Andrew Beckwith	400,000
			Craig Nelmes	300,000
Performance rights – Series 2	140,846	1	Glenn Jardine	140,846

(e) Voting rights
All ordinary shares (whether fully paid or not) carry one vote per share without restriction.

The Quoted and unquoted (unlisted) options have no voting rights.

(f) Corporate Governance

De Grey Mining Ltd, its subsidiaries ("Group") and its Board of directors are committed to achieving and demonstrating the highest standards of corporate governance. The Board is responsible to its shareholders for the performance of the Company and seeks to communicate extensively with shareholders. The Board believes that sound corporate governance practices will assist in the creation of shareholder wealth and provide accountability. In accordance with ASX Listing Rule 4.10.3, the Company has elected to disclose its corporate governance policies and its compliance with them on its website, rather than in this Annual Report. Accordingly, information about the Company's corporate governance practices is set out on the Company's website at www.https://degreymining.com.au/corporate-governance.

(g) Application of Funds
During the financial year, in accordance with ASX Listing Rule 4.10.19, De Grey Mining Limited confirms that it has used its cash and assets (in a form readily convertible to cash) in a manner which is consistent with the Company's business objectives.

Annual Mineral Resources Statement

Mallina Gold Project - Global Mineral Resource Estimate, June 2021

Mining Centre	Measured			Indicated			Inferred			Total		
	Mt	Au g/t	Moz	Mt	Au g/t	Moz	Mt	Au g/t	Moz	Mt	Au g/t	Moz
Hemi Mining Centre				65.5	1.3	2.8	126.9	1.0	4.0	192.4	1.1	6.8
Withnell Mining Centre	1.6	1.8	0.1	11.7	1.8	0.7	12.2	2.2	0.9	25.6	2.0	1.6
Wingina Mining Centre	3.1	1.7	0.2	2.5	1.5	0.1	6.3	1.2	0.2	11.9	1.4	0.5
TOTAL Mallina Gold Project	**4.71**	**1.7**	**0.3**	**79.8**	**1.4**	**3.6**	**145.3**	**1.1**	**5.1**	**229.8**	**1.2**	**9.0**

The regional resource estimates at the Withnell and Wingina Mining Centres have not changed since the April 2020 statement.

Mallina Gold Project – Global Mineral Resource Estimate by Type, June 2021

Mining Centre	Type	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
Hemi Mining Centre	Oxide				5.00	1.4	228,500	5.47	0.9	151,800	10.48	1.1	380,300
	Sulphide				60.54	1.3	2,550,900	121.38	1.0	3,873,000	181.92	1.1	6,424,000
	Total				**65.55**	**1.3**	**2,779,400**	**126.85**	**1.0**	**4,024,900**	**192.40**	**1.1**	**6,804,300**
Withnell Mining Centre	Oxide	0.98	1.8	57,500	2.69	1.3	113,400	1.70	1.4	74,000	5.37	1.4	245,000
	Sulphide	0.66	1.7	34,800	9.02	1.9	550,100	10.54	2.4	796,200	20.22	2.1	1,381,100
	Total	**1.63**	**1.8**	**92,300**	**11.72**	**1.8**	**663,500**	**12.24**	**2.2**	**870,200**	**25.58**	**2.0**	**1,626,100**
Wingina Mining Centre	Oxide	2.68	1.8	152,100	1.84	1.5	87,600	2.21	1.1	74,900	6.74	1.5	314,500
	Sulphide	0.40	1.6	20,500	0.68	1.6	34,900	4.04	1.3	168,400	5.12	1.4	223,800
	Total	**3.08**	**1.7**	**172,700**	**2.52**	**1.5**	**122,500**	**6.25**	**1.2**	**243,200**	**11.86**	**1.4**	**538,400**
TOTAL Mallina Gold Project	**Oxide**	**3.66**	**1.8**	**209,600**	**9.54**	**1.4**	**429,500**	**9.4**	**1.0**	**300,700**	**22.6**	**1.3**	**939,800**
	Sulphide	**1.06**	**1.6**	**55,300**	**70.24**	**1.4**	**3,135,900**	**136.0**	**1.1**	**4,837,600**	**207.3**	**1.2**	**8,028,900**
	Total	**4.71**	**1.7**	**265,000**	**79.79**	**1.4**	**3,565,400**	**145.3**	**1.1**	**5,138,300**	**229.8**	**1.2**	**8,968,800**

Mallina Gold Project – Mineral Resource Estimate by Deposit, June 2021

Hemi - Mining Centre

Deposit	Type	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
Brolga	Oxide				1.32	1.4	57,300	2.25	0.8	55,700	3.57	1.0	113,000
	Sulphide				26.77	1.3	1,148,300	32.47	1.0	994,700	59.24	1.1	2,142,900
	Total				**28.09**	**1.3**	**1,205,600**	**34.72**	**0.9**	**1,050,300**	**62.81**	**1.1**	**2,255,900**
Aquila	Oxide				1.00	1.4	45,100	0.23	0.5	4,000	1.23	1.2	49,100
	Sulphide				9.64	1.5	479,600	7.22	1.3	312,100	16.86	1.5	791,700
	Total				**10.64**	**1.5**	**524,700**	**7.45**	**1.3**	**316,100**	**18.09**	**1.4**	**840,700**
Crow	Oxide				0.97	1.0	31,500	1.07	0.9	30,200	2.03	0.9	61,700
	Sulphide				8.85	1.1	320,400	18.46	1.1	649,900	27.31	1.1	970,400
	Total				**9.81**	**1.1**	**352,000**	**19.53**	**1.1**	**680,100**	**29.34**	**1.1**	**1,032,100**
Falcon	Oxide				1.71	1.7	94,500	0.55	1.0	17,600	2.27	1.5	112,100
	Sulphide				15.29	1.2	602,700	16.10	1.0	511,200	31.38	1.1	1,113,900
	Total				**17.00**	**1.3**	**697,200**	**16.65**	**1.0**	**529,700**	**33.65**	**1.1**	**1,226,800**
Diucon/Eagle	Oxide							1.38	1.0	44,400	1.38	1.0	44,400
	Sulphide							47.14	0.9	1,405,100	47.14	0.9	1,405,100
	Total							**48.52**	**0.9**	**1,449,500**	**48.52**	**0.9**	**1,449,500**
Hemi Mining Centre	**Oxide**				**5.00**	**1.4**	**228,500**	**5.47**	**0.9**	**151,800**	**10.48**	**1.1**	**380,300**
	Sulphide				**60.54**	**1.3**	**2,550,900**	**121.38**	**1.0**	**3,873,000**	**181.92**	**1.1**	**6,424,000**
	Total				**65.55**	**1.3**	**2,779,400**	**126.85**	**1.0**	**4,024,900**	**192.40**	**1.1**	**6,804,300**

Wingina - Mining Centre

Deposit	Type	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
Wingina	Oxide	2.68	1.8	152,100	0.65	1.3	27,000	0.34	1.3	14,400	3.67	1.6	193,500
	Sulphide	0.40	1.6	20,500	0.34	1.5	16,300	1.08	1.7	57,400	1.82	1.6	94,200
	Total	**3.08**	**1.7**	**172,700**	**0.99**	**1.4**	**43,300**	**1.42**	**1.6**	**71,700**	**5.49**	**1.6**	**287,700**
Mt Berghaus	Oxide				0.68	1.8	38,900	0.99	1.1	35,800	1.67	1.4	74,700
	Sulphide				0.27	1.7	14,400	2.40	1.2	91,800	2.67	1.2	106,300
	Total				**0.95**	**1.7**	**53,300**	**3.39**	**1.2**	**127,600**	**4.34**	**1.3**	**181,000**
Amanda	Oxide				0.51	1.3	21,700	0.89	0.9	24,700	1.40	1.0	46,300
	Sulphide				0.07	1.8	4,200	0.56	1.1	19,200	0.63	1.2	23,300
	Total				**0.58**	**1.4**	**25,800**	**1.44**	**0.9**	**43,900**	**2.03**	**1.1**	**69,700**
Wingina Mining Centre	**Oxide**	**2.68**	**1.8**	**152,100**	**1.84**	**1.5**	**87,600**	**2.21**	**1.1**	**74,900**	**6.74**	**1.5**	**314,500**
	Sulphide	**0.40**	**1.6**	**20,500**	**0.68**	**1.6**	**34,900**	**4.04**	**1.3**	**168,400**	**5.12**	**1.4**	**223,800**
	Total	**3.08**	**1.7**	**172,700**	**2.52**	**1.5**	**122,500**	**6.25**	**1.2**	**243,200**	**11.86**	**1.4**	**538,400**

Withnell – Mining Centre

Deposit	Type	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 Open Pit	Oxide	0.63	1.4	28,500	0.36	1.2	14,400	0.15	1.1	5,300	1.14	1.3	48,200
	Sulphide	0.63	1.6	33,200	2.68	1.9	163,500	0.53	2.2	38,000	3.85	1.9	234,700
	Total	**1.26**	**1.5**	**61,700**	**3.05**	**1.8**	**177,800**	**0.68**	**2.0**	**43,300**	**4.99**	**1.8**	**282,900**
Withnell Underground	Oxide							0.00	2.5	300	0.00	2.5	300
	Sulphide				0.11	4.3	15,600	2.38	3.9	301,100	2.50	3.9	316,700
	Total				**0.11**	**4.3**	**15,600**	**2.39**	**3.9**	**301,400**	**2.50**	**3.9**	**317,100**
Mallina	Oxide				0.48	1.3	19,900	1.22	1.4	53,000	1.70	1.3	72,900
	Sulphide				1.13	1.2	44,100	3.93	1.5	190,300	5.06	1.4	234,500
	Total				**1.61**	**1.2**	**64,100**	**5.15**	**1.5**	**243,300**	**6.76**	**1.4**	**307,400**
Toweranna Open Pit	Oxide				0.05	3.1	4,700	0.05	2.2	3,500	0.10	2.6	8,200
	Sulphide				4.28	2.1	288,600	2.41	2.1	162,800	6.69	2.1	451,400
	Total				**4.33**	**2.1**	**293,200**	**2.46**	**2.1**	**166,400**	**6.79**	**2.1**	**459,600**
Toweranna Underground	Oxide												
	Sulphide							0.56	3.6	64,500	0.56	3.6	64,500
	Total							**0.56**	**3.6**	**64,500**	**0.56**	**3.6**	**64,500**
Camel	Oxide	0.18	2.8	16,400	0.32	2.6	26,800	0.04	1.1	1,500	0.54	2.6	44,700
	Sulphide	0.01	2.1	600	0.14	1.4	6,500	0.14	1.8	8,600	0.29	1.7	15,700
	Total	**0.19**	**2.8**	**17,000**	**0.46**	**2.2**	**33,300**	**0.19**	**1.7**	**10,100**	**0.84**	**2.2**	**60,400**
Calvert	Oxide				0.43	1.3	17,900	0.05	0.8	1,400	0.48	1.3	19,300
	Sulphide				0.56	1.3	23,800	0.23	1.2	9,300	0.79	1.3	33,100
	Total				**0.99**	**1.3**	**41,700**	**0.28**	**1.2**	**10,700**	**1.27**	**1.3**	**52,400**
Roe	Oxide	0.06	2.7	5,500	0.13	1.5	6,000	0.11	1.6	5,700	0.30	1.8	17,200
	Sulphide	0.01	2.5	1,000	0.07	2.3	5,300	0.21	2.2	14,800	0.30	2.2	21,100
	Total	**0.08**	**2.7**	**6,500**	**0.20**	**1.8**	**11,300**	**0.33**	**2.0**	**20,500**	**0.60**	**2.0**	**38,300**
Dromedary	Oxide	0.10	2.2	7,200	0.03	1.6	1,400	0.04	1.6	2,200	0.17	1.9	10,800
	Sulphide				0.03	1.6	1,700	0.08	1.8	4,700	0.12	1.7	6,400
	Total	**0.10**	**2.2**	**7,200**	**0.06**	**1.6**	**3,200**	**0.12**	**1.7**	**6,900**	**0.29**	**1.9**	**17,200**
Leach Pad	Oxide				0.86	0.7	19,300				0.86	0.7	19,300
	Sulphide												
	Total				**0.86**	**0.7**	**19,300**				**0.86**	**0.7**	**19,300**
Hester	Oxide				0.04	2.1	3,000	0.03	1.3	1,100	0.07	1.8	4,100
	Sulphide				0.01	2.1	900	0.05	1.4	2,100	0.06	1.6	3,100
	Total				**0.06**	**2.1**	**3,900**	**0.07**	**1.4**	**3,300**	**0.13**	**1.7**	**7,200**
Withnell Mining Centre	**Oxide**	**0.98**	**1.8**	**57,500**	**2.69**	**1.3**	**113,400**	**1.70**	**1.4**	**74,000**	**5.37**	**1.4**	**245,000**
	Sulphide	**0.66**	**1.7**	**34,800**	**9.02**	**1.9**	**550,100**	**10.54**	**2.4**	**796,200**	**20.22**	**2.1**	**1,381,100**
	Total	**1.63**	**1.8**	**92,300**	**11.72**	**1.8**	**663,500**	**12.24**	**2.2**	**870,200**	**25.58**	**2.0**	**1,626,100**

Mineral Resource and Ore Reserve governance and internal controls

De Grey ensures that the Mineral Resource and Ore Reserve estimates quoted are subject to governance arrangements and internal controls activated at a site level and at the corporate level. Internal and external reviews of Mineral Resource estimation procedures and results are carried out through a team of experience technical personnel that is comprised of highly competent and qualified professionals. These reviews have not identified any material issues.

De Grey reports its Mineral Resources and Ore Reserves on at least an annual basis in accordance with the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (the JORC Code) 2012 Edition. Competent Persons named by De Grey are Members or Fellows of the Australasian Institute of Mining and Metallurgy and/or the Australian Institute of Geoscientists and qualify as Competent Persons as defined in the JORC Code.

The Company's procedures for the sample techniques and sample preparation are regularly reviewed and audited by independent experts. Assays are performed by independent internationally accredited laboratories with a QAQC program showing acceptable levels of accuracy and precision. The exploration assay results database is maintained and appropriate backed-up internally. All De Grey Mineral Resource estimates have been undertaken independently by Payne Geological Services Pty Ltd.

COMPETENT PERSON STATEMENT

The information in this Annual Mineral Resources Statement is based on, and fairly represents information and supporting documentation prepared 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.

Mr Payne has approved this Mineral Resources Statement as a whole and consents to its inclusion in the Annual Report in the form and context in which it appears.

In relation to Mineral Resources, the Company confirms that all material assumptions and technical parameters that underpin the relevant market announcement continue to apply and have not materially changed.

Schedule of Interests in Mining Tenements

Project/Location	Country	Tenement	Percentage held/earning
Mallina Gold Project	Australia	E47/891	100%
Mallina Gold Project	Australia	E45/2533	100%
Mallina Gold Project	Australia	E45/2364	100%
Mallina Gold Project	Australia	E45/2983	100%
Mallina Gold Project	Australia	E45/2995	100%
Mallina Gold Project	Australia	E45/3390	100%
Mallina Gold Project	Australia	E45/3391	100%
Mallina Gold Project	Australia	E45/3392	100%
Mallina Gold Project	Australia	E45/5140	100%
Mallina Gold Project	Australia	E45/4751	100%
Mallina Gold Project	Australia	E47/3552	100%
Mallina Gold Project	Australia	E47/3553	100%
Mallina Gold Project	Australia	E47/3554	100%
Mallina Gold Project	Australia	E47/3750	100%
Mallina Gold Project	Australia	P45/3029	100%
Mallina Gold Project	Australia	P47/1866	100%
Farno-McMahon	Australia	E47/2502	75%[1]
Mallina Gold Project	Australia	E47/2720	100%
Mallina Gold Project	Australia	E47/3504	100%
Mallina Gold Project	Australia	M47/473	100%
Mallina Gold Project	Australia	M47/474	100%
Mallina Gold Project	Australia	M47/475	100%
Mallina Gold Project	Australia	M47/476	100%
Mallina Gold Project	Australia	M47/477	100%
Mallina Gold Project	Australia	M47/480	100%
Mallina Gold Project	Australia	L45/578	100%
Mallina Gold Project	Australia	L47/164	100%
Mallina Gold Project	Australia	L47/165	100%
Vanmaris	Australia	E47/3399	100%[2]
Vanmaris	Australia	E47/3428	100%[2]
Vanmaris	Australia	E47/3429	100%[2]
Vanmaris	Australia	E47/3430	100%[2]
Vanmaris	Australia	P47/1732	100%[2]
Vanmaris	Australia	P47/1733	100%[2]

[1] De Grey has earned a 75% interest in the joint venture agreement with Farno McMahon Pty Ltd (owned 100% by Novo Resources Corp) details of the agreement can be found in Note 298(d).

[2] De Grey has exercised an option to acquire an 100% interest from tenement holder Mr Mathew Vanmaris (Note 28(e)). Consideration for the tenements was settled on 28 May 2021, and we are awaiting for confirmation of the title transfer.

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