

De Grey Mining Ltd

A.B.N. 65 094 206 292

16 May 2016

ASX/MEDIA RELEASE

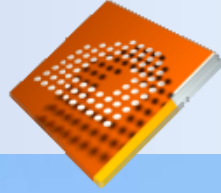
Turner River *“The Pilbara’s Next Gold Development”* Investor Presentation

De Grey Mining Ltd (ASX: DEG, “De Grey”, “Company”) releases the attached investor presentation to coincide with the commencement of its May 2016 Australian broker and institutional presentations.

For further information:

Simon Lill (Chairman) or Davide Bosio (Director)

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

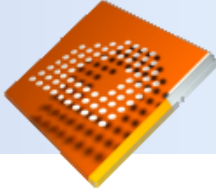


Turner River The Pilbara's Next Gold Development

- **Advanced gold project building to a Scoping Study**
- “Measured” oxide resource defined already and remains open with high grade lodes from surface to >200m depth providing potential for underground mining
- Satellite oxide resources, all remain open
- Simple metallurgy supports low capex strategy
- 50km from Port Hedland, an infrastructure rich region
- 100% owned



Turner River Project

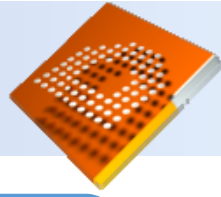


- Assessing potential for stand alone centralised plant and satellite open pits
- Existing measured, indicated and inferred resources and near term extensions
- Drilling planned for June to test high grade lodes at depth and new oxide zone
- Conceptual open pit mining and selective underground mining strategy
- Wingina - two high grade parallel gold lodes and three plunging shoots
- Targeting low capex processing strategy based on simple metallurgy

- ✓ Building to Scoping Study
- ✓ A well drilled advanced gold project
- Forgotten and/or misunderstood by the market
- ✓ Simple processing flowsheet
- ✓ Low capex development focus
- ✓ Undervalued investment opportunity



Overview



Focus - Transition DeGrey into gold development and mining company

Gold

- 406Koz Au resources
- Wingina 268Koz
- High grade lodes
- 600m x >200m deep
- Well drilling oxide
- U/G potential
- Satellite deposits
- Regional opportunities

Pegmatites

- Large landholding in world class Li-Ta province
- Recently discovered 8.5km pegmatite trend
- Only 5% of tenure has had reconnaissance sampling

Base Metals

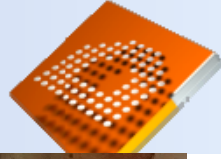
- VMS style
- Zn-Pb-Ag-Au
- Occur in clusters
- Resources defined
- High grade intercepts
- Open at depth
- Untested priority IP targets

Exploration

- Large landholding
- Ni-Cu sulphide and PGE potential
- Extensive database
- Numerous untested targets



Corporate Snapshot

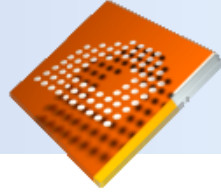


ASX Code	DEG
ASX Listing	July 2002
Ordinary Shares	2,878 million
Options	42.5 million @ \$0.004 Nov 2017 478.7 million @ \$0.002 June 2019
Market Cap	\$5.7 million (@ \$0.002)
Cash	\$1.44 million
Website	www.degreymining.com.au

Board of Directors & Management	
Simon Lill	Exec Chairman
Davide Bosio	Non-Exec Director
Steve Morris	Non-Exec Director
Craig Nelmes	Company Secretary
Andy Beckwith	Geology Consultant



Development Strategy



Concept: *Stand alone processing facility at Wingina Well with additional oxide ore sourced from satellite pits within 25km trucking distance*

Resources: *406,000 oz in four 100% owned deposits and all remain open.
Wingina (268,000 oz) is the key deposit with consistent high grade lodes from surface with plunging shoots that may support underground mining*

Mining: *Staged mining, initially targeting high grade oxide ores from open pits and transitioning to selective underground mining of the high grade ore*

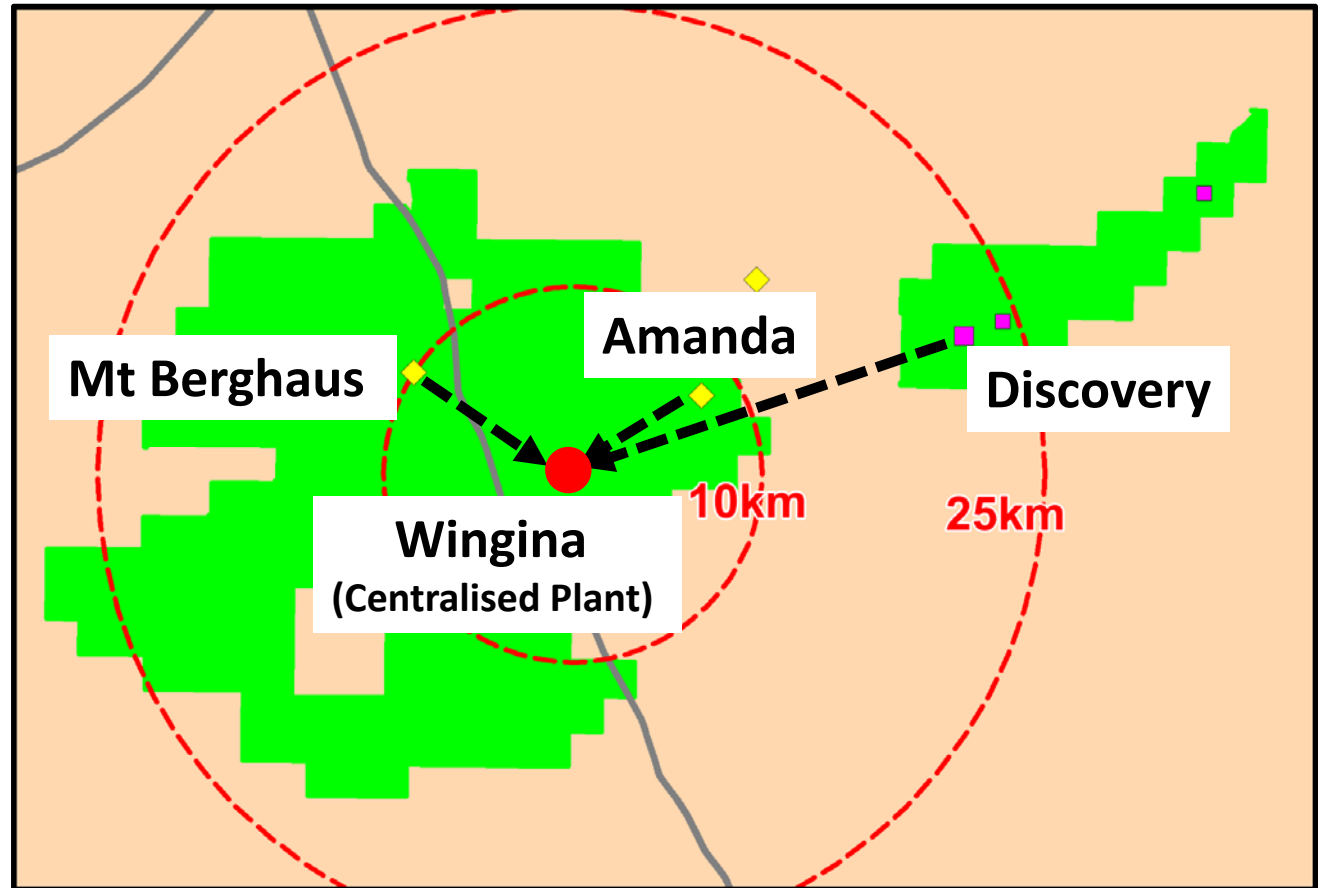
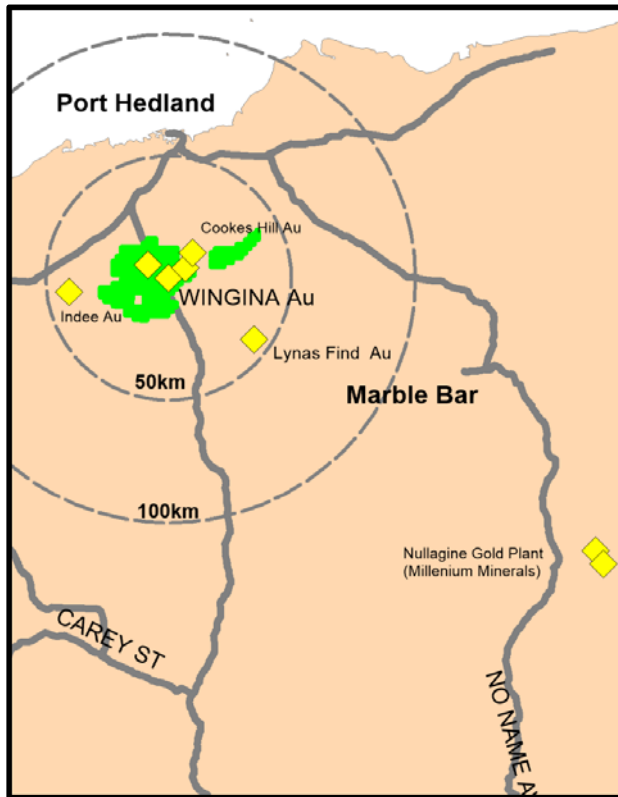
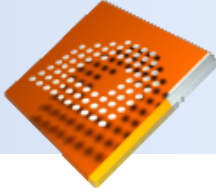
Processing: *Crush, grind and CIL plant with >90% recoveries expected*

Cautionary Statement

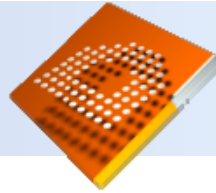
The Company wishes to emphasise that there is no certainty that mining or positive economics will eventuate. A full mining feasibility study is required to assess the economics of the proposed development strategy.



Conceptual Development Plan



Turner River – Existing Resource Estimates



Wingina
268koz

Satellite Deposits
78koz

Discovery
Testing oxide zone

Deposit		Wingina Well ¹		Mount Berghaus ²	Amanda ³	Orchard Tank ⁴	Discovery ⁴	TOTAL Au koz
Classification	Material	above -55mRL	below -55mRL	All	All	All	All	
	Cut off grade (Au g/t)	0.5	1.0	0.5	0.5			
	Cut off grade (Zn %)					0.5	0.5	
Measured	Tonnes (Mt)	2.3	0.4					
	Grade Au (g/t)	1.8	2.1					
	Ounces Au (kcozs)	130	26					156
Indicated	Tonnes (Mt)	0.7	0.4					
	Grade Au (g/t)	1.1	1.6					
	Ounces Au (kcozs)	26	22					48
Inferred	Tonnes (Mt)	0.1	1.2	0.9	0.7	1.7	1.2	
	Grade Au (g/t)	1.2	1.5	1.4	1.6	0.5	0.8	
	Ounces Au (kcozs)	5	58	43	35	28	33	202
	Grade Ag (g/t)					78.6	87.0	
	Ounces Ag (Mozs)					4	4	
	Grade Zn (%)					2.38	2.34	
	Metal Zn (kt)					40	29	
	Grade Pb (%)					0.99	0.94	
	Metal Pb (kt)					17	12	
	TOTAL	Ounces Au (kcozs)	162	106	43	35	28	33

Tonnes, grade and ounces rounded to reflect accuracy of estimates

kt = 1000 x tonnes

Mt = Million tonnes

g/t = grams/tonne

% = percent

Errors in totals are due to rounding

Au = Gold

Ag = Silver

Zn = Zinc

Pb = lead

Notes

¹ Resources Statement by Polymetals Mining Limited as reported to the ASX on March 13 2013

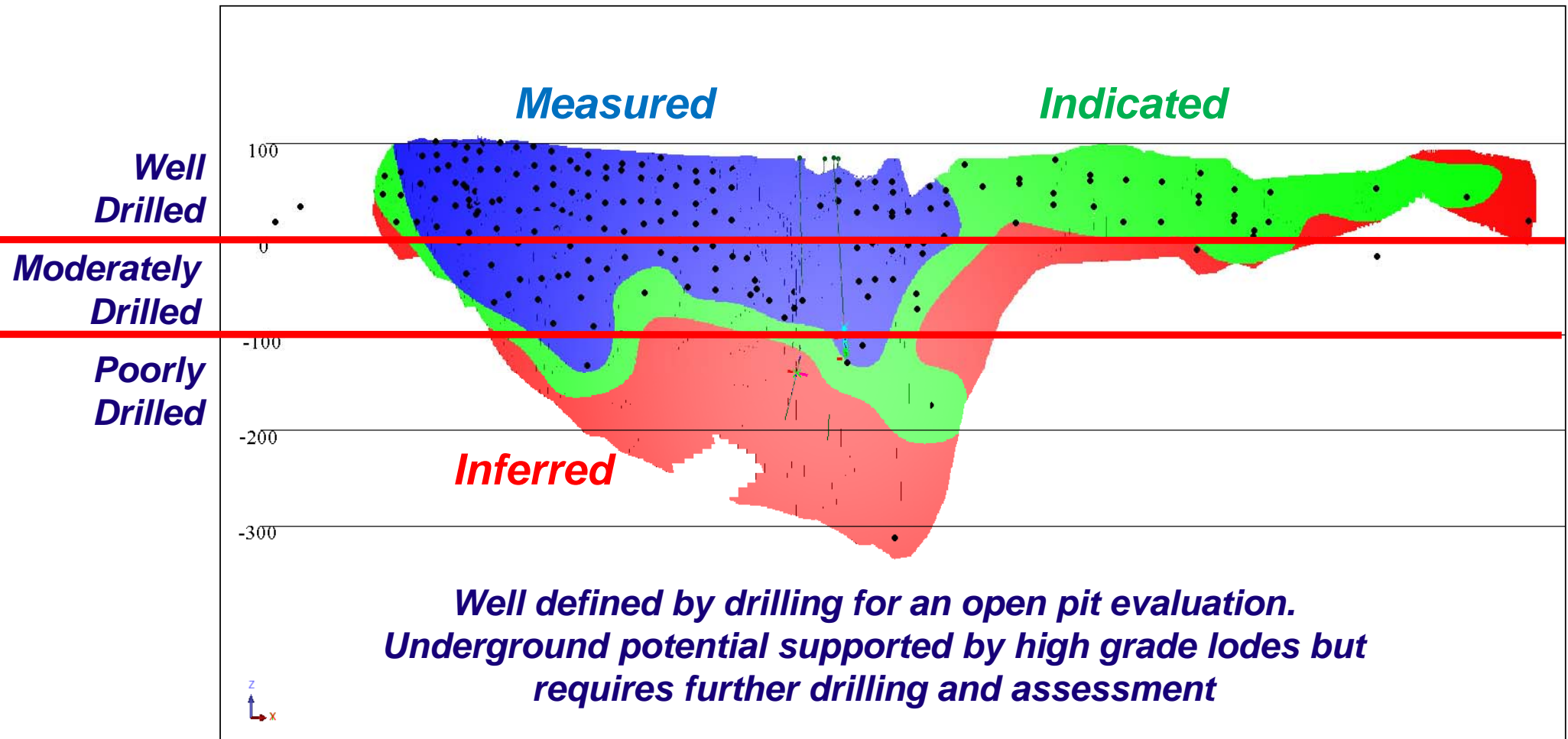
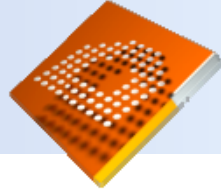
² Resources Statement by Polymetals Mining Limited as reported to the ASX on March 13 2013

³ Resources Statement by Polymetals Mining Limited as reported to the ASX on March 13 2013

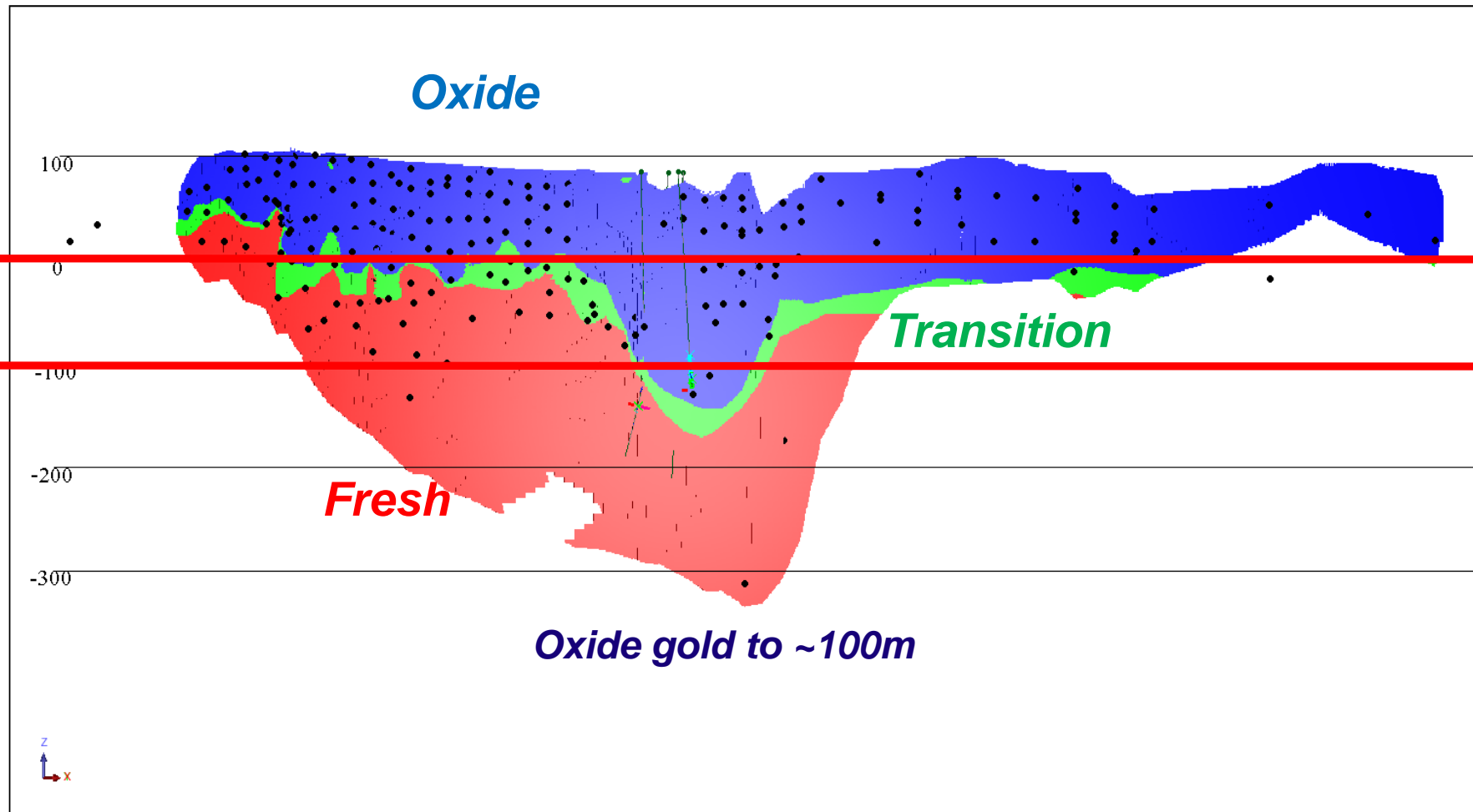
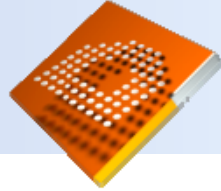
⁴ Resources Statement by De Grey Mining Limited as reported to the ASX on 16 July 2014

Misconception: Wingina resources are all low grade
Reality: Wingina hosts 3 high grade plunging shoots from surface, new modelling to reflect this control

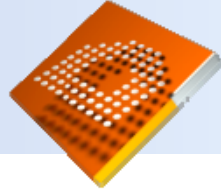
Wingina – Existing Resource by Category



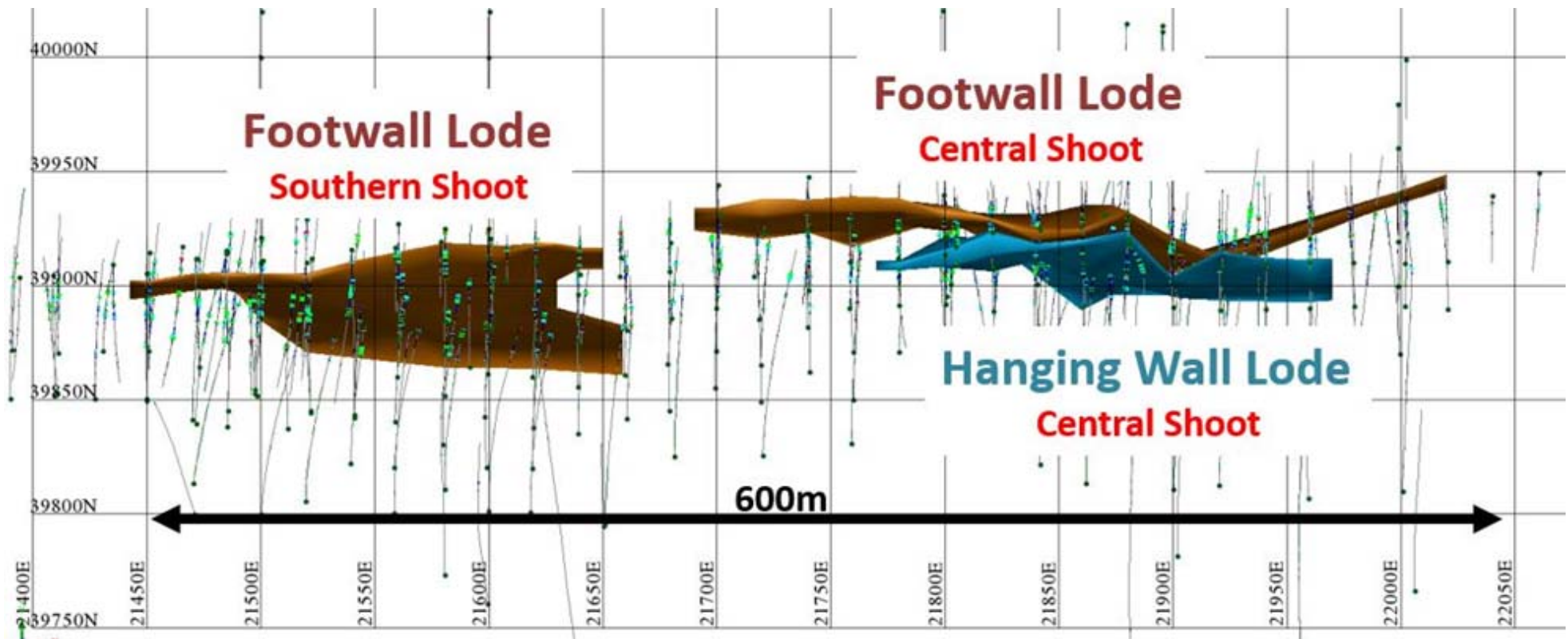
Wingina - Existing Resource by Weathering



Wingina - High Grade Lodes



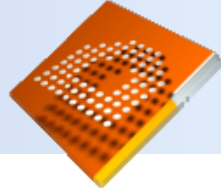
Plan view



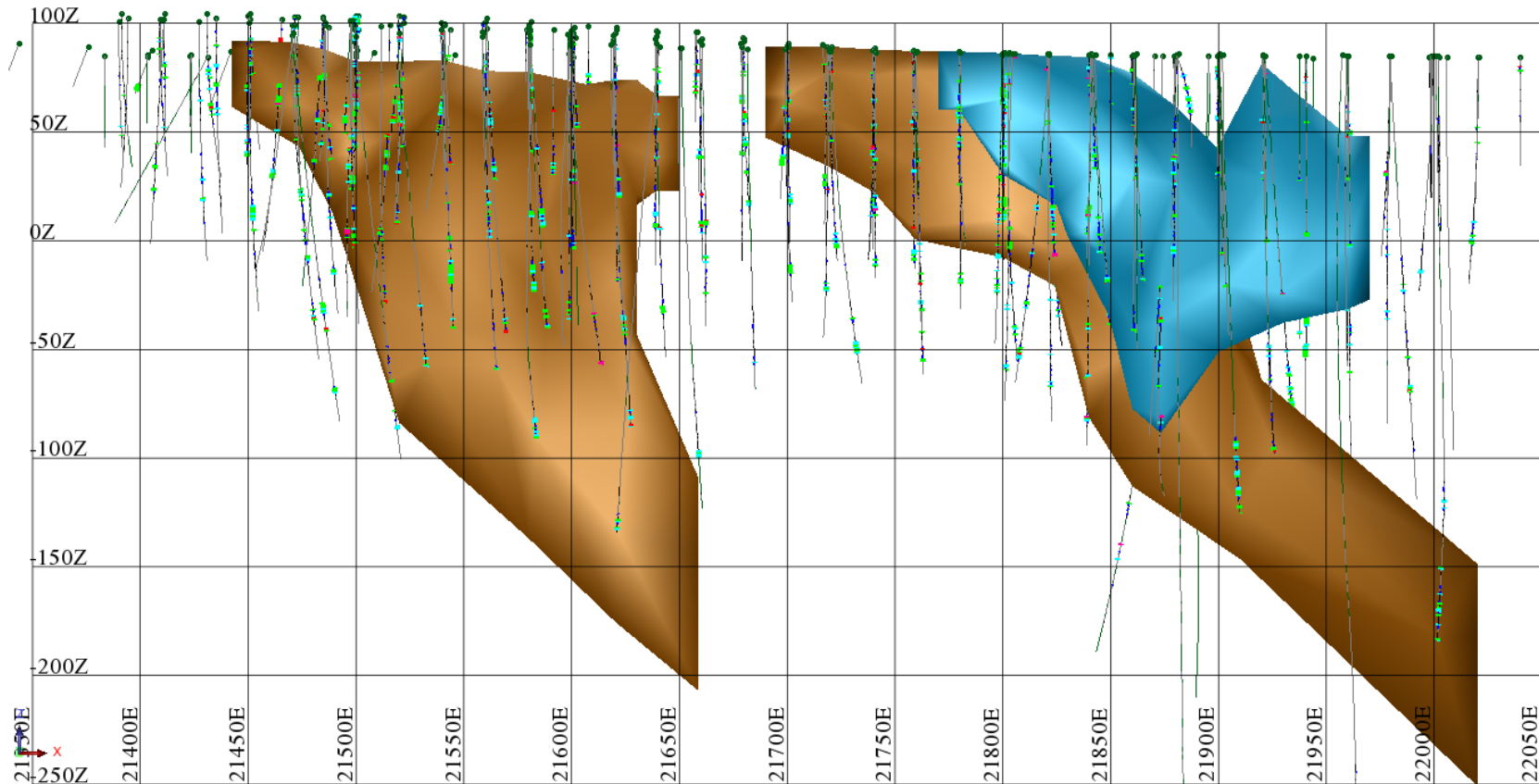
High Grade Lodes defined on drill intercepts >1.5g/t lower cut off
****Low Grade Supergene envelope (0.5 – 1.5g/t) not shown****



Wingina - High Grade Lodes



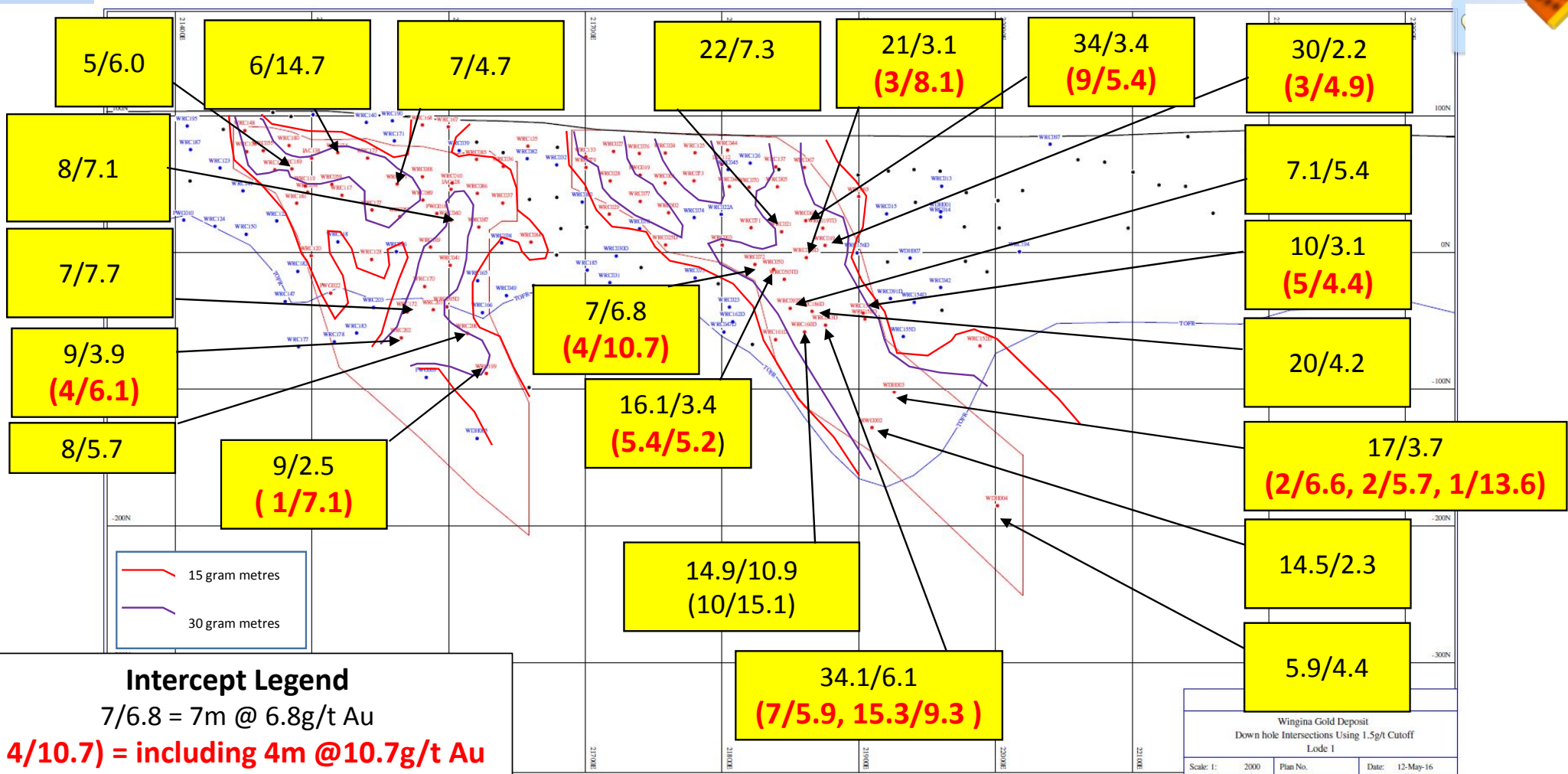
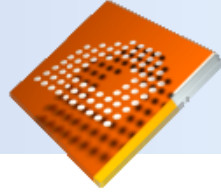
Long section



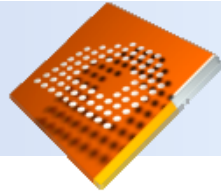
High Grade Lodes defined on drill intercepts >1.5g/t lower cut off
****Low Grade Supergene envelope (0.5 – 1.5g/t) not shown****



Wingina - Footwall High Grade Lode



Historical Mining Studies



Historical Mining Studies (Non JORC 2012 compliant)

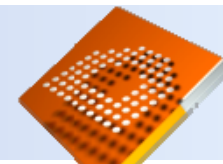
- Completed in a lower gold price environment
- Focussed on heap leach extraction
- Staged mining of higher grade not assessed
- 3rd party JV partner corporate activity halted assessment

Review of baseline mining evaluation data indicates:

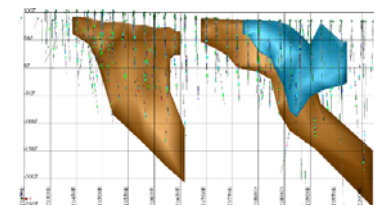
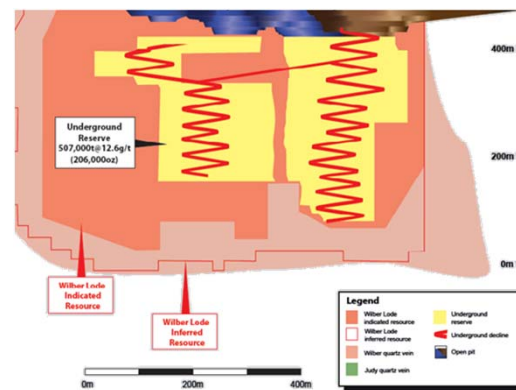
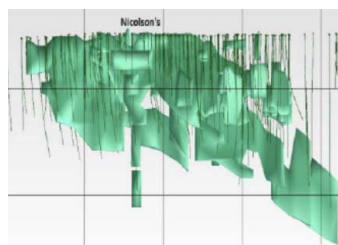
- ✓ Preferred CIL processing
- ✓ **High recovery +90%**
- ✓ **Coarse grind (+106 micron) on oxide material**
- ✓ **Rapid leach times (<12 hours)**
- ✓ **Simple circuit - gravity circuit not required – lower capex**
- ✓ Staged mining of high grade lodes prior to low grade not evaluated
- ✓ Excellent local infrastructure
- ✓ **Significantly higher gold price in 2016**



Peer Group Comparison



Project	Nicolsons	Andy Well	Wingina
Company	Pantoro - PNR - Aust	Doray – DRM - Aust	De Grey - DEG - Aust
Maiden Resource (Date)	163,000 oz @ 6.6g/t (2015)	680Kt @ 15.1g/t (331Koz) (July 2012)	HG lodes to be estimated 406Koz (Global), 268Koz (Wingina)
Maiden Reserve (Koz)	Reserve 80,000 oz	500Kt @ 12.6g/t (206Koz)	n/a
Lodes	U/G in lodes 200m long x 300m deep	U/G in two lodes 600m long x 350m deep	OP 600m strike length with HG lodes 3 X HG shoots ~200m long x +200m deep
Initial Mine life	4.5 years	3.7 years	n/a
Mill throughput	137Ktpa	197Ktpa	n/a
C1 Costs	\$190/t treatment	\$592/oz	n/a
C1+C2 cost	~\$850/oz	\$868/oz	n/a
CAPEX	~\$14.5M	\$55M	n/a
MCap a commencement-> now	\$6M->\$48M	(\$2.8M pre discovery) \$93M->\$300M	\$5.6M

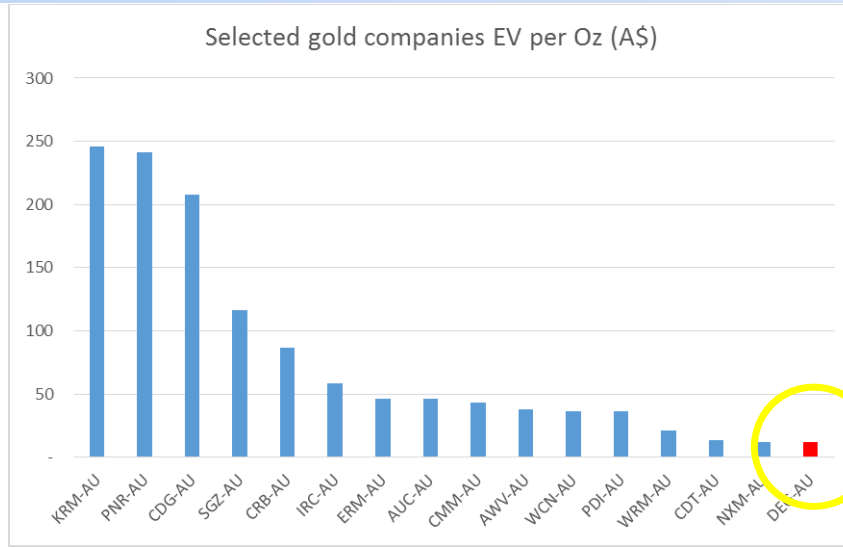
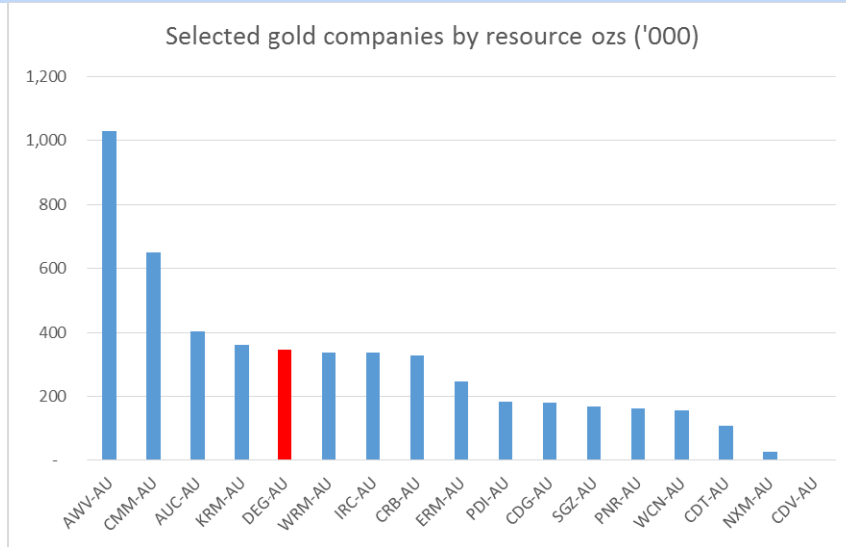
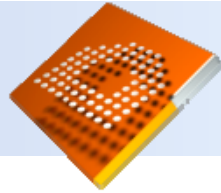


*Only HG lodes shown for Wingina

Diagrams at same scale

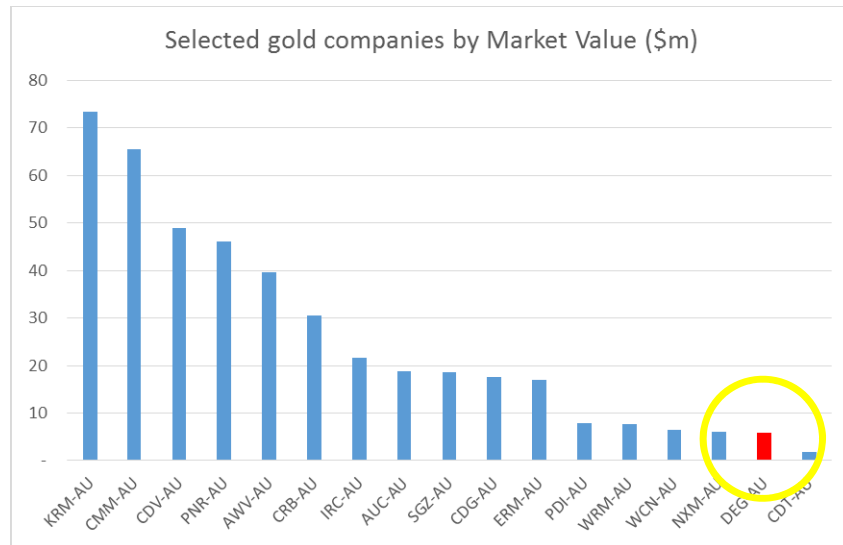


Peer Group Comparison

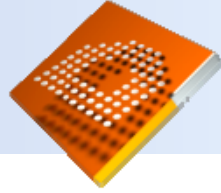


Overlooked and Undervalued

Aim to change this anomaly as development plan evolves!!



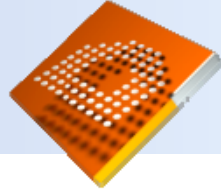
Pegmatite Li-Ta Potential



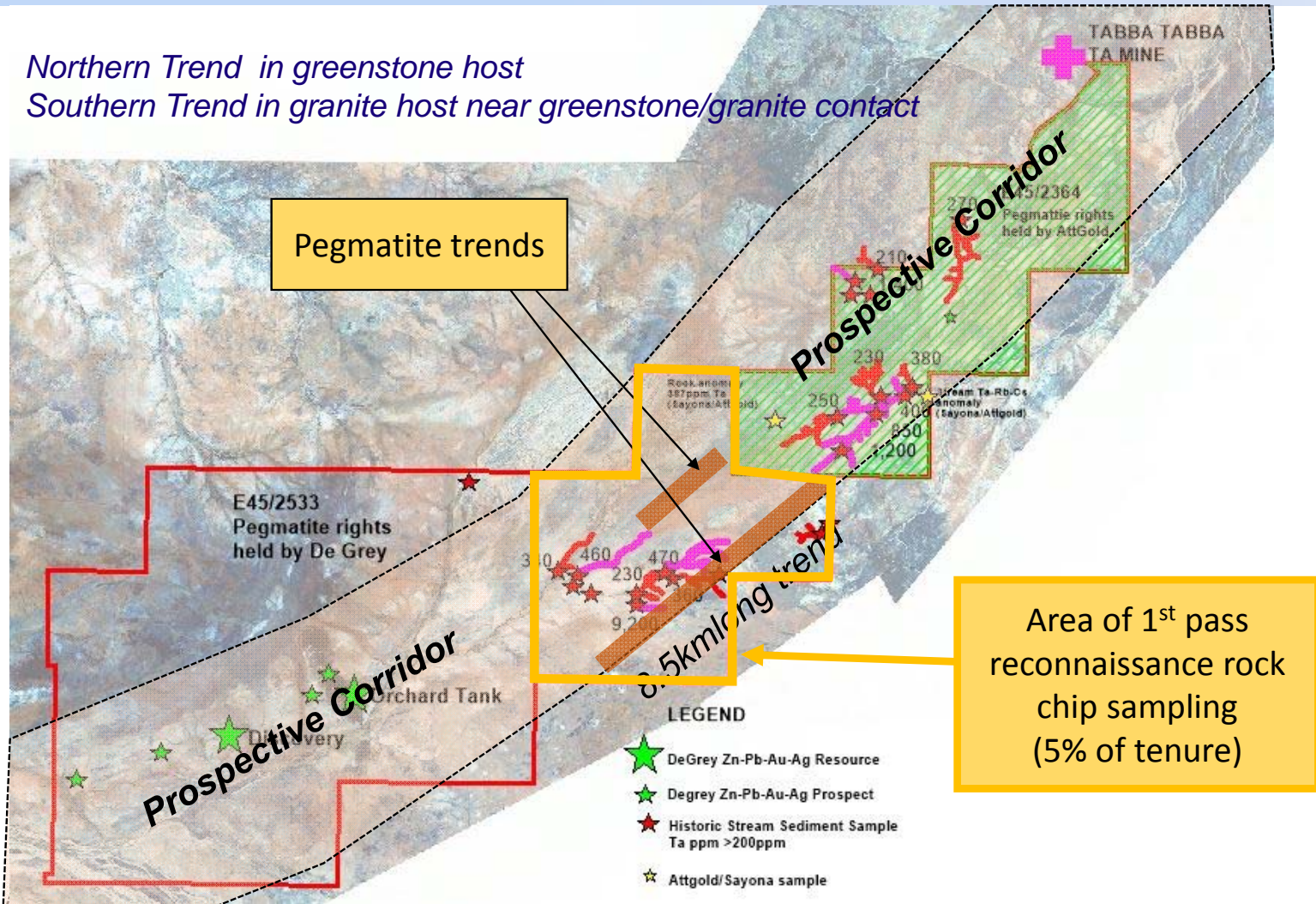
- ✓ Large landholding
- ✓ Centred in world class Li-Ta province
- ✓ Pilgangoora (Li) ~50km south
- ✓ Tabba Tabba (Ta) adjacent to tenements
- ✓ Essentially unexplored for pegmatite mineralisation
- ✓ 1st pass reconnaissance discovered 8.5km pegmatite trend
- ✓ Only 5% of landholding assessed with 1st pass sampling
- ✓ Sampling results pending

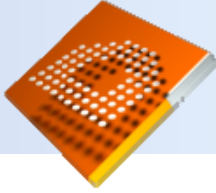


Pegmatite Li-Ta Potential



Northern Trend in greenstone host
 Southern Trend in granite host near greenstone/granite contact



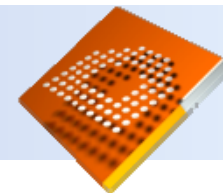


Planned Programmes – Fully Funded

- Diamond drilling to test Wingina HG underground potential
- RC drilling to test Discovery oxide gold (and base metal) potential, testing previous RAB drilling results including **11m @ 3.1g/t from 3m and 15m @ 3.4g/t from 15m**
- Building baseline data to advance to mining economics study
- Reconnaissance pegmatite sampling
- Drill testing IP targets at Tabba Tabba - VMS Zn-Pb-Ag-Au
- Reviewing Zn-Pb-Ag-Au base-metal resource potential



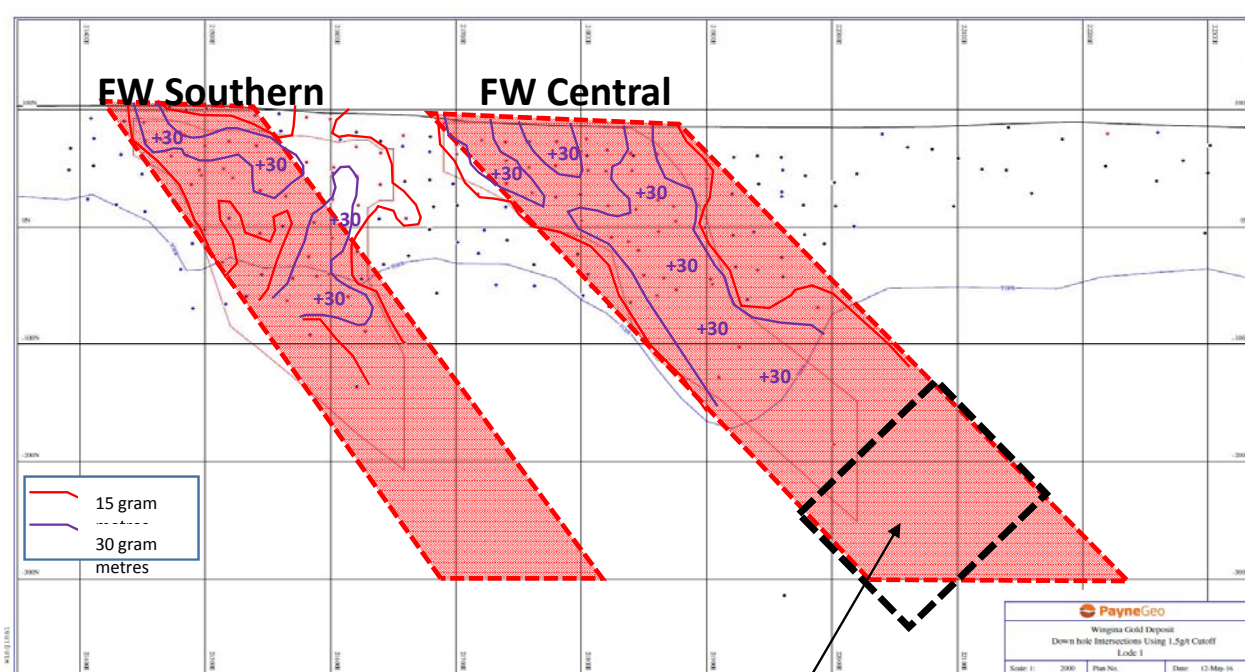
Wingina – Step-Out Extension Target



Long section showing the high grade shoots

Diamond drilling planned to:

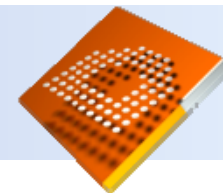
- Demonstrate continuity of plunging shoots at depth
- Define a significant step-out resource extension
- Define high grade mineralisation in fresh bedrock
- Obtain metallurgical samples in fresh material to assess processing requirements
- June commencement



Drill target



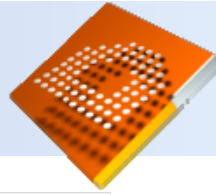
Programme Timeline



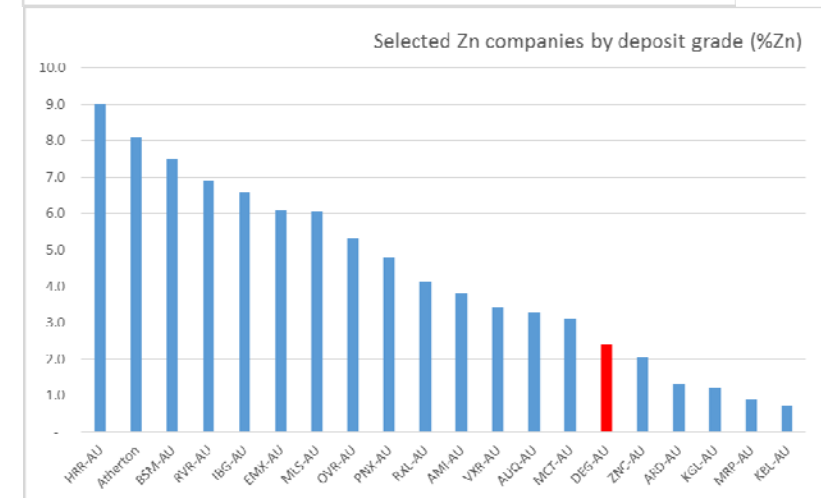
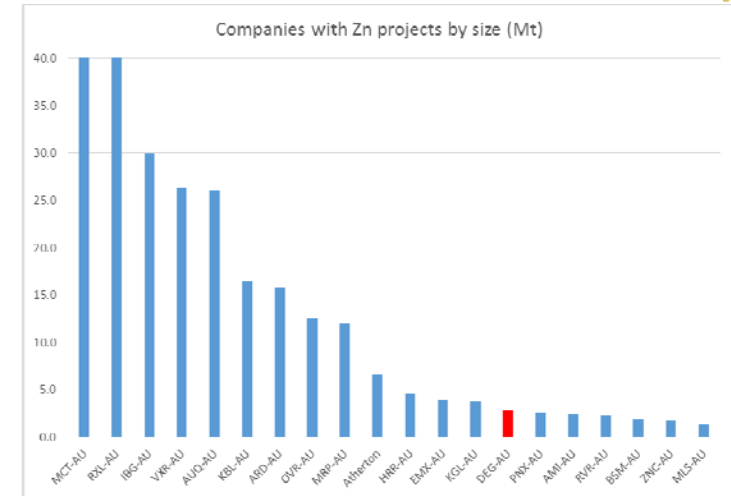
Project	Programme	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Wingina	Resource Review			■	■	■							
	Resource Model				■	■		■					
	Resource Extension DDH drilling						■	■					
	Historic mining study review					■	■						
	Economic Study										■	■	■
Mt Berghaus	Resource Review			■									
Amanda	Resource Review			■									
Discovery	Resource Review				■				■				
	Resource RC drilling						■						
	SG data						■						
Orchard Tank	Resource Review				■				■				
	SG data						■						
Pegmatites	Reconnaissance sampling					■		?					



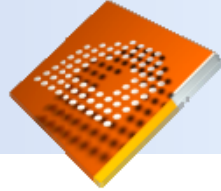
Base Metal VMS - Resources and Targets



- VMS style Zn-Pb-Ag-Au
- 2 x Resources already defined
- **High grade drill intercepts with lower grade global resource estimate**
- Orchard Tank
 - 1.7Mt @ 2.38% Zn, 0.99% Pb, 78.6g/t Ag, 0.5g/t Au
 - Intercepts include:
 - 9m @ 4.46% Zn, 2.35% Pb, 181g/t Ag, 0.27g/t Au, 0.06% Cu
 - 21m @ 4.65% Zn, 1.47% Pb, 137g/t Ag, 1.08g/t Au, 0.06% Cu
 - 4.9m @ 12.7% Zn, 7.31% Pb, 331g/t Ag, 2.54g/t Au, 0.35% Cu
- Discovery
 - 1.2Mt @ 2.34% Zn, 0.94% Pb, 87.0g/t Ag, 0.8g/t Au
 - Intercepts include:
 - 11m @ 2.81% Zn, 1.75% Pb, 94g/t Ag, 3.2g/t Au, 0.18% Cu
 - 17m @ 4.65% Zn, 1.8% Pb, 124g/t Ag, 0.08g/t Au, 0.17% Cu
- Generally occur in clusters
- Reviewing Zn-Pb-Ag-Au base-metal resource potential

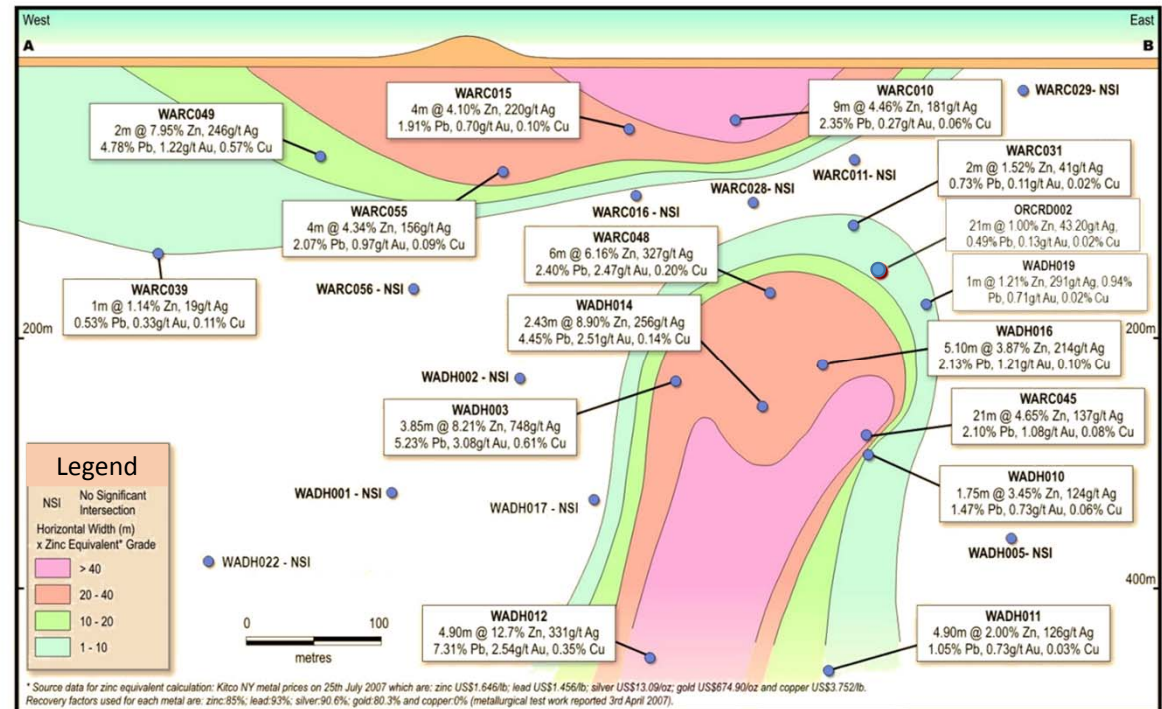
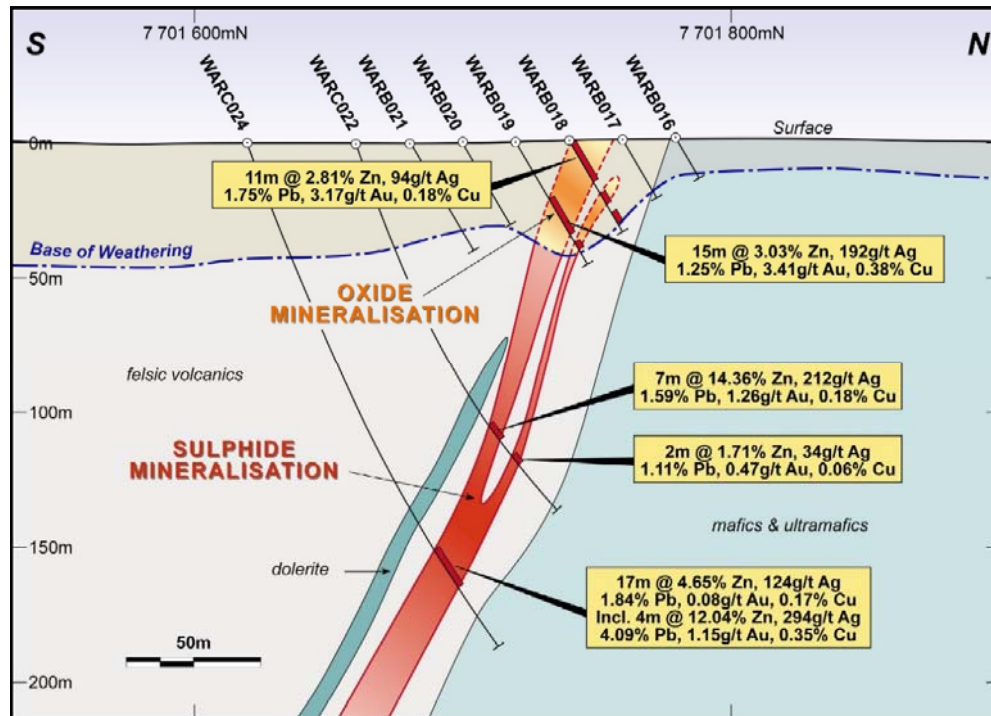


Base Metal VMS - Resources and Targets

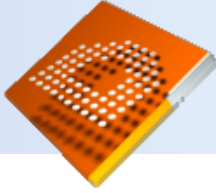


Discovery VMS Zn-Pb-Ag-Au

Orchard Tank VMS Zn-Pb-Ag-Au



De Grey Snapshot



Advanced Gold Project (100% owned)

Oxide Gold Resources from surface

High Grade Gold Lodes show Underground Potential

Advancing to Economic Study

Low Capex Gold Development Strategy

“Lithium Factor”

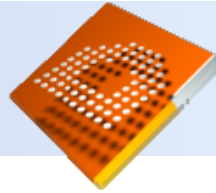
Base Metal Opportunity

Exploration Upside

Undervalued Investment Opportunity



Turner River Project



Cautionary Statement

The historical mining study information was previously reported by De Grey Mining in 2009 and is not JORC 2012 compliant. Therefore the Company wishes to emphasise that there is no certainty that mining or positive economics will eventuate once the new drilling of deeper extensions is completed. The Company intends to complete the drilling and update the current JORC 2012 resource estimate and if warranted it is the intention of the Company to progress to a JORC 2012 compliant Mining Study.

The 2009 desktop study was based on mineral resources that included inferred resources. There is a low level of geological confidence associated with inferred mineral resources and there can be no certainty that further exploration work will result in the determination of additional measured and indicated mineral resources or that the production targets referred to in the 2009 desktop study will be realised.

Competent Persons Statement

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, a Competent Person who is a member of The Australasian Institute of Mining and Metallurgy. Mr Beckwith is a consultant engaged by De Grey Mining Limited. Mr Beckwith has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity being undertaken to qualify as a Competent Person as defined in the 2012 JORC Edition of the “Australasian Code for Reporting of Exploration Results, Mineral Resource and Ore Reserves”. Mr Beckwith consents to the inclusion in this report of the matters based on information in the form and context in which it appears.

Forward Looking Statements

Statements regarding De Grey’s plans with respect to its mineral properties and programmes are forward-looking statements. There can be no assurance that De Grey’s plans for development of its mineral properties will proceed as currently expected. There can also be no assurance that De Grey will be able to confirm the presence of additional mineral resources/reserves, that any mineralisation will prove to be economic or that a mine will successfully be developed on any of De Grey’s mineral properties.

