De Grey Mining Ltd

A.B.N. 65 094 206 292

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ASX/MEDIA RELEASE

Prospective Li-Ta Pegmatites defined at Turner River

- **Reconnaissance sampling confirms discovery of 8.5km long zone of rare metal fractionated pegmatites prospective for lithium and tantalum**
- **Rock chip samples of highly weathered pegmatites indicate the presence of anomalous lithium and tantalum plus various indicator elements**
- **Large strategic landholding (100% owned) within one of Australia's major lithium-tantalum provinces**
- **Additional tenement application made to secure along strike potential**
- **Company encouraged by potential to discover further pegmatites considering only 5% of the landholding assessed to date**

De Grey Mining Ltd ("**ASX: DEG", or "Company"**) is pleased to advise the results of the recent reconnaissance sampling programme targeting pegmatites and potential lithium occurrences, at the Turner River Project (TRP), located approximately 50km south of Port Hedland in the Pilbara, Western Australia.

Chairman, Mr. Simon Lill commented,

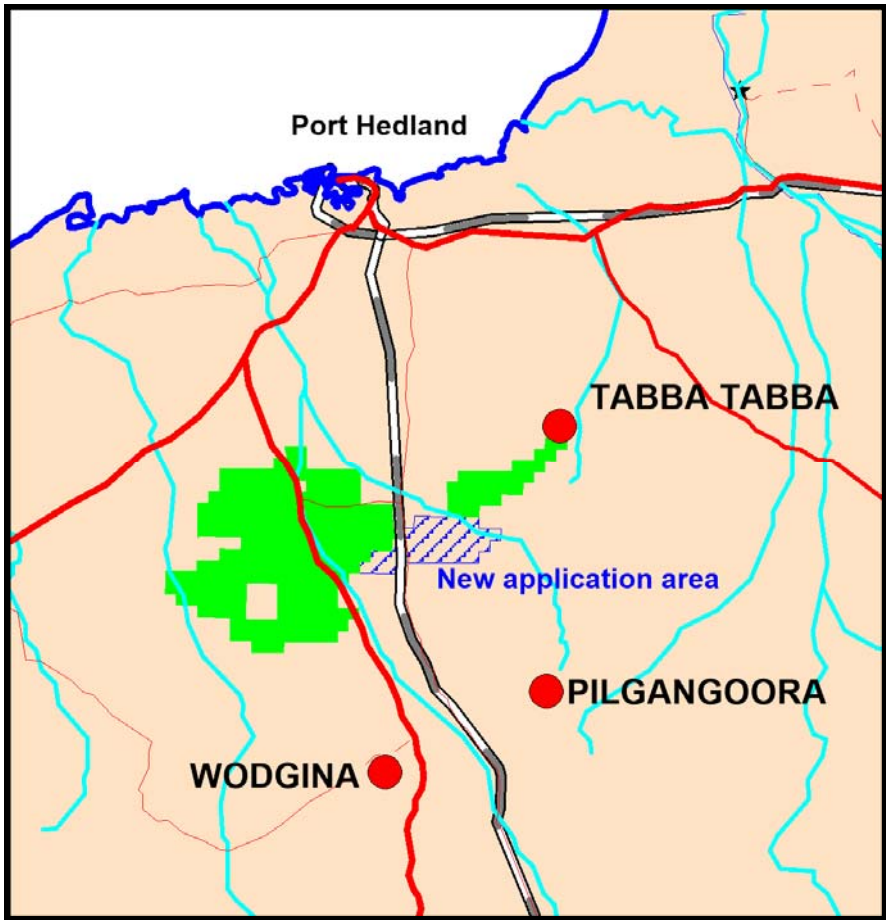
"These early results are encouraging based on the initial results and our significant land holding in prospective "lithium country". We are excited to continue adding shareholder value via increased exploration activities targeting the lithium potential within our land holding. DEG will continue to drive a gold strategy as our nearest term project with the addition of a specific exploration program focussed on Lithium across the Turner River Project."

Company has confirmed the discovery of an 8.5km long zone of prospective rare metal fractionated pegmatites with elevated lithium and tantalum and other indicator elements on E45/2533. This is considered encouraging as only the eastern portion of the tenement has been assessed.

Rare fractionated pegmatites are the host to the major spodumene (lithium bearing mineral) and tantalum rich deposits of the Pilbara and others similar deposits around the world. These deposits include the nearby Pilgangoora lithium bearing pegmatites being assessed by Pilbara Minerals, Altura Mining and Dakota Minerals. De Grey's large (714km^2) and 100% owned landholding is located 50km to the north of the Pilgangoora deposits and south west of the Tabba Tabba Tantalum Mine (Figure 1).

Until a few weeks ago, no significant pegmatites were documented to occur on the tenements. The recent rock chip sampling programme focussed on the anomalous tantalum rich drainage areas within the eastern half of E45/2533. The anomalous drainage areas were highlighted by a review of historic stream sediment sampling carried out by CSR in the early 1980's.

Figure 1 De Grey's large landholding in the Pilbara Lithium-Tantalum province showing new tenement application



The recent sampling program comprised of 101 composite rock chip samples from weathered bedrock and 6 stream sediment orientation samples from three individual stream sites within the eastern portion of E45/2355. The stream sediment samples are sieved subsamples of the total stream channel sediments at each site.

This sampling has highlighted two trends of outcropping pegmatites and assessment of the results indicates the pegmatites fall within the lithium-caesium-tantalum (LCT) pegmatite group and represent rare metal fractionated pegmatites which are known to host the nearby Pilgangoora, Tabba Tabba and Wodgina deposits.

The Southern Trend (Figure 2) is associated with a series of anomalous historic stream sediment drainage areas towards the southern boundary of the tenement. Recent sampling has defined an 8.5km long zone of sporadic pegmatite outcrops associated with the anomalous drainage areas defined by the CSR historic stream sediment sampling and hosted in granite(s) adjacent the greenstone margin. The pegmatites are generally coarse grained, highly weathered and are interpreted to form a semi-continuous trend with typical widths ranging from 2m to up to potentially 30m. Rock chip results indicate peak anomalous tantalum (Ta) to 92.3ppm, caesium (Cs) to 397ppm, lithium (Li) to 194.5ppm and rubidium (Rb) to 1015ppm within this trend. The overall trend is defined by Li > 90ppm and Ta >50ppm.

Although the lithium values are relatively low, the Company is encouraged by the fact the highly weathered nature of the outcrops suggests lithium may have been extensively depleted in the near surface weathered material, and the pegmatites also have significant widths adding scope for the fresh rocks to still host significant lithium potential.

The Northern Trend (Figure 2) occurs along strike from previously reported anomalous Ta result (387ppm) recently announced by Sayona Mining (ASX:SYA, “Strategic entry into Western Australian Lithium Market” dated 17 March 2016). The pegmatites observed on E45/2533 within this zone are typically narrow (1-2m) with short strike lengths (10-20m).

The stream sediments samples were taken as an orientation set to determine anomalous levels in the streams adjacent the southern pegmatite trend. Results show rubidium (Rb) is the best indicator element with a peak value of 175ppm and support the pegmatite discovered along the Southern Trend. Further orientation sampling to determine the optimal stream sediment sampling size is warranted to enable assessment of the surrounding tenement areas.

New tenement application

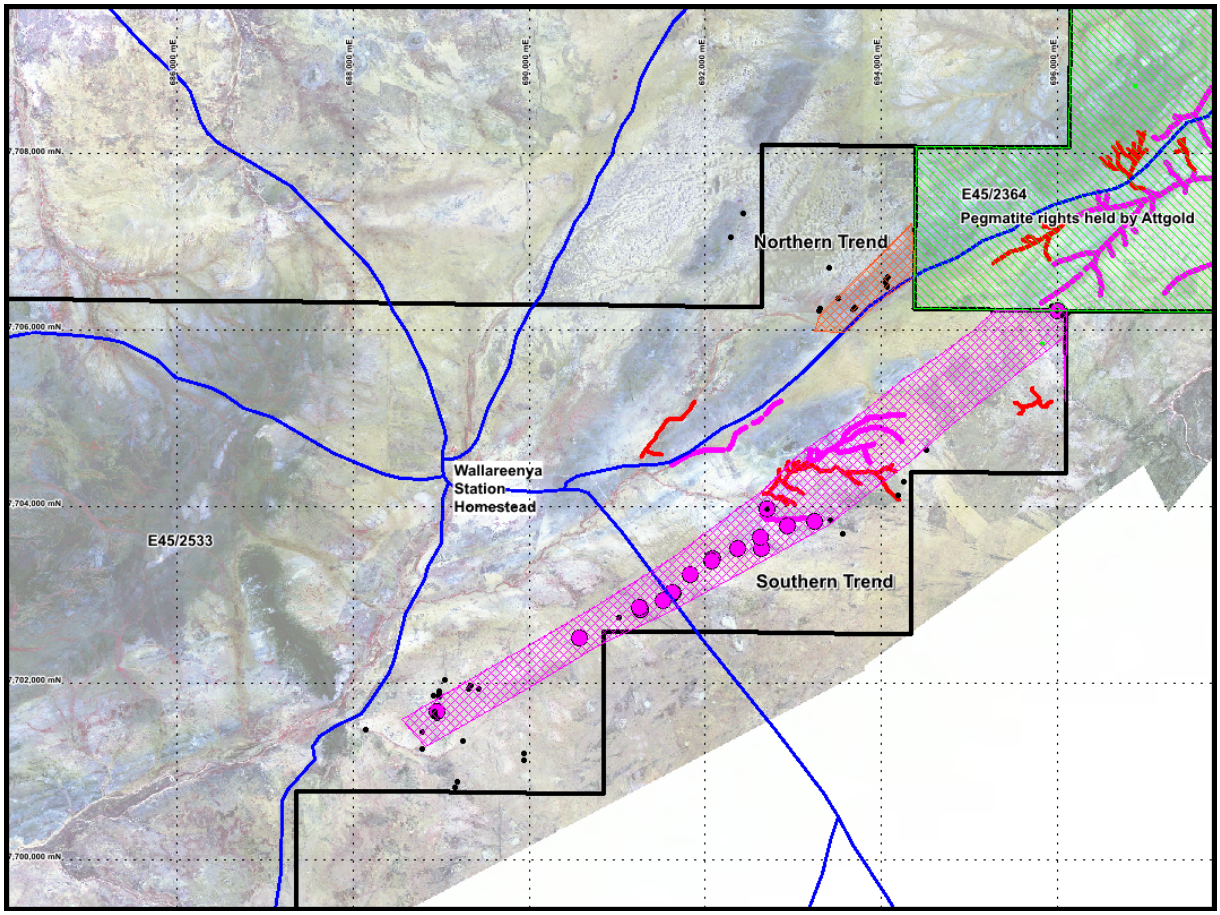
As a direct result of the discovery of the southern pegmatite trend, the Company has lodged a new tenement application (E45/4751) covering potential southern strike extensions, south of E45/2533 (Figure 1).

Future Programs

The Company is significantly encouraged by the positive results which have highlighted an extensive zone of prospective LCT pegmatites within E45/2533. Ongoing mapping, reconnaissance rock chip sampling and orientation soil sampling is planned to assess the Southern Pegmatite Trend further. This will be done in conjunction with the planned Wingina and Discovery RC and diamond drilling programs.

De Grey’s large and under-explored landholding provides considerable upside to discover additional prospective LCT pegmatites within the Company’s tenements and this compliments our strong view that the Turner River Gold Assets will be advanced towards development in the near term.

Figure 2 **E45/2533 showing the Southern Trend (pink hash) and Northern Trend (blue hash) with associated anomalous historic stream sediment drainages. Pink circles are rock chip localities defined by Li > 90ppm and Ta >50ppm**



For further information:

Simon Lill (Executive Chairman) or Davide Bosio (Director)

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

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

JORC Code, 2012 Edition – Surface sampling details

Section 1 Sampling Techniques and Data

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

Criteria	JORC Code explanation	Commentary
Sampling techniques	• *Nature and quality of sampling (eg cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sounds, or handheld XRF instruments, etc). These examples should not be taken as limiting the broad meaning of sampling.* • *Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.* • *Aspects of the determination of mineralisation that are Material to the Public Report.* • *In cases where 'industry standard' work has been done this would be relatively simple (eg 'reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30 g charge for fire assay'). In other cases more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (eg submarine nodules) may warrant disclosure of detailed information.*	• Rock chip samples were collected from surface outcrops with a representative sample taken over approximately a 1m radius. Each sample collected weighed approximately 1-2kg. • Stream sediment samples were collected unseived from the stream on site with approximately 10kg collected. The 10kg sample was then sieved with a +1mm and a -1mm subsample collected. The two subsamples were then submitted to the laboratory for analysis • All analytical results have been completed at an industry acceptable commercial laboratory.
Drilling techniques	• *Drill type (eg core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc) and details (eg core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc).*	• No drilling undertaken
Drill sample recovery	• *Method of recording and assessing core and chip sample recoveries and results assessed.* • *Measures taken to maximise sample recovery and ensure representative nature of the samples.* • *Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material.*	• No drilling undertaken
Logging	• *Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies.* • *Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography.* • *The total length and percentage of the relevant intersections logged.*	• The geology and location of each sample was recorded by the geologist. • The samples will not be suitable for resource estimation.
Sub-sampling techniques and sample preparation	• *If core, whether cut or sawn and whether quarter, half or all core taken.* • *If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry.* • *For all sample types, the nature, quality and appropriateness of the sample preparation technique.* • *Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.* • *Measures taken to ensure that the sampling is representative of the in situ material collected, including for instance results for field duplicate/second-half sampling.* • *Whether sample sizes are appropriate to the grain size of the material being sampled.*	• The samples are considered industry standard for defining anomalous area that warrant further exploration follow-up activities • The samples were in the control of the company, contractor or laboratory personnel at all times or in locked secure premises.
Quality of assay	• *The nature, quality and appropriateness of the*	• Assay techniques are appropriate

Criteria	JORC Code explanation	Commentary
data and laboratory tests	*assaying and laboratory procedures used and whether the technique is considered partial or total.* • *For geophysical tools, spectrometers, handheld XRF instruments, etc, the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc.* • *Nature of quality control procedures adopted (eg standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (ie lack of bias) and precision have been established.*	for the style of mineralisation targeted. • Samples were crushed, pulverised and assayed by ALS global of Perth. • The analytical method used was a combined four acid digest with ICP-MS finish • Additionally approximately 25% of the samples were reanalysed using a lithium borate fusion technique to validate anomalous tantalum results • Reputable independent industry commercial laboratory was utilized for all samples • Quality control measures are considered satisfactory for this style of sampling. • Laboratory standards and blanks have been used.
Verification of sampling and assaying	• *The verification of significant intersections by either independent or alternative company personnel.* • *The use of twinned holes.* • *Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.* • *Discuss any adjustment to assay data.*	• No drilling undertaken • Field and logging data was collected, checked and entered into a digital database in the Perth office. • Digital independent laboratory assay data was sent to the Perth office, checked and merged with the field data and stored in a digital database. • No adjustments have been made to the original laboratory data.
Location of data points	• *Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation.* • *Specification of the grid system used.* • *Quality and adequacy of topographic control.*	• All samples were located by hand held GPS to an accuracy of +/- 3m. • Locations are recorded in MGA94 Zone 50.
Data spacing and distribution	• *Data spacing for reporting of Exploration Results.* • *Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied.* • *Whether sample compositing has been applied.*	• The samples were taken of variable located outcrops • The type of sampling is considered suitable for this type of exploration activity
Orientation of data in relation to geological structure	• *Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.* • *If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material.*	• Only limited structural information was obtained from the outcrops due to the highly weathered nature of the rocks
Sample security	• *The measures taken to ensure sample security.*	• Samples were delivered direct to the independent laboratory by company personnel/consultants and transport contractor.
Audits or reviews	• *The results of any audits or reviews of sampling techniques and data.*	• Final field and assay data is checked and assessed by geologist in Perth office and on site in the field. • No specific audits have been completed

Section 2 Reporting of Exploration Results

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

Criteria	JORC Code explanation	Commentary
Mineral tenement and land tenure status	• *Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings.* • *The security of the tenure held at the time of reporting along with any known impediments to obtaining a licence to operate in the area.*	• The samples were completed on De Grey's 100% owned E45/2533, located in the Pilbara region of Western Australia
Exploration done by other parties	• *Acknowledgment and appraisal of exploration by other parties.*	• Sampling occurred in areas previously highlighted by historic stream sediments sampling completed by CSR in the early 1980's. • De Grey has also completed extensive exploration activities near the locality during a number of years while exploring for gold and base metals
Geology	• *Deposit type, geological setting and style of mineralisation.*	• The deposit style is currently unknown, however mineralization targeted is lithium tantalum associated with LCT pegmatites.
Drill hole Information	• *A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill holes:* • *easting and northing of the drill hole collar* • *elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar* • *dip and azimuth of the hole* • *down hole length and interception depth* • *hole length.* • *If the exclusion of this information is justified on the basis that the information is not Material and this exclusion does not detract from the understanding of the report, the Competent Person should clearly explain why this is the case.*	• No drilling undertaken
Data aggregation methods	• *In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (eg cutting of high grades) and cut-off grades are usually Material and should be stated.* • *Where aggregate intercepts incorporate short lengths of high grade results and longer lengths of low grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail.* • *The assumptions used for any reporting of metal equivalent values should be clearly stated.*	• No drilling undertaken • All samples are composite point samples taken from outcrops
Relationship between mineralisation widths and intercept lengths	• *These relationships are particularly important in the reporting of Exploration Results.* • *If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.* • *If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (eg 'down hole length, true width not known').*	• No drilling undertaken

Criteria	JORC Code explanation	Commentary
Diagrams	• *Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported These should include, but not be limited to a plan view of drill hole collar locations and appropriate sectional views.*	• Representative results provided in report and various diagrams.
Balanced reporting	• *Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results.*	• The report provides geological context to the sampling.
Other substantive exploration data	• *Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples – size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances.*	• Remote sensed data was used as a mapping and base for location.
Further work	• *The nature and scale of planned further work (eg tests for lateral extensions or depth extensions or large-scale step-out drilling).* • *Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.*	• Additional rock chip and orientation soil sampling is planned to follow-up the results.