



De Grey Mining Ltd

A.B.N. 65 094 206 292

The Bold Explorer

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ASX/MEDIA RELEASE

UPDATE – BEYONDIE IRON ORE JOINT VENTURE

De Grey Mining Limited (**De Grey** or the **Company**) advises that it has been notified by Emergent Resources Limited (**Emergent**) that Emergent's proposed joint venture with China Beijing Metallurgical Investment Co Limited (**CMIC**) will not proceed.

Commencement of the Emergent-CMIC joint venture was a condition precedent to Emergent's proposed purchase of De Grey's 20% free carried interest to decision to mine in the Beyondie Iron Ore Joint Venture. That purchase will now not proceed in its previously agreed form and the Sale and Purchase Agreement has fallen away.

Emergent, having earned 80% interest in the Joint Venture, has further advised that it intends to continue with its plans to develop the Beyondie project into a large scale, long term, iron ore mining operation by further exploration and evaluation works.

The magnetite iron resource at Beyondie presently comprises an inferred resource of **561 million tonnes** grading **27.5% Fe¹**, constrained only by drilling and with considerable potential for increases. Emergent has also announced a hematite iron ("DSO") exploration target of **70-120 million tonnes** grading **52% to 57% Fe²**.

De Grey continues to enjoy a 20% free carried interest to decision to mine under the original joint venture arrangements. The Company presently retains sufficient cash reserves to finance proposed exploration programs on its other projects for the foreseeable future.

For further information:

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The information in this report that relates to mineral resources and exploration targets is based on public domain information reproduced by Mr Gary Brabham, who is a Member of the Australasian Institute of Mining and Metallurgy. Mr Brabham has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2004 JORC Code Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves." Mr Brabham consents to the inclusion in the report of the matters based on the information in the form and context in which it appears.

¹ Emergent Resources Limited Quarterly Report for the period ending 30 June 2010

² Ibid. The target mineralisation tonnage and grade is conceptual in nature as there has been insufficient exploration at this stage to define a Mineral Resource and it is uncertain if further exploration will result in definition of a Mineral Resource.