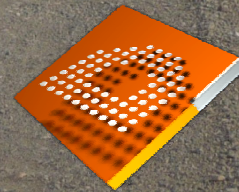


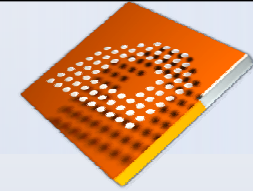
# LA CAZA DE ELEFANTES EN ARGENTINA



De Grey Mining Limited

August 2012

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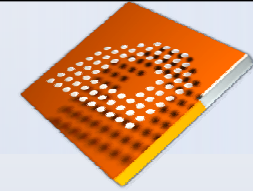
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The information in this report that relates to Exploration Results, Exploration Targets and Mineral Resources is based on information in the public domain and information compiled by Mr Glenn Martin who is a Member of the Australasian Institute of Mining & Metallurgy. Mr Martin is an employee of De Grey Mining Ltd and 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 by the 2004 Edition of the ‘Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves’. Mr Martin consents to the inclusion in the presentation materials of the matters based on his information in the form and context in which it appears.

## *De Grey - Summary*

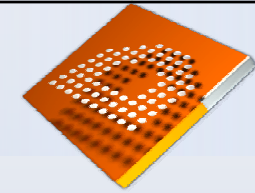


- 5170 km<sup>2</sup> of tenements in two pro mining provinces
- Two Jurassic Massifs host to significant mineralisation (Deseado >20 Moz Au eq and Somoncura > 12 Moz Au eq)
- Exploration far less mature than Chile, Peru
- Low sulphidation epithermals = good grades
- Four prospects identified to date
- Experienced local staff

President Cristina Fernández de Kirchner, elected to a second term in October 2011, has labelled this “the decade of mining” as investment, production and exports have soared.



## Corporate Profile

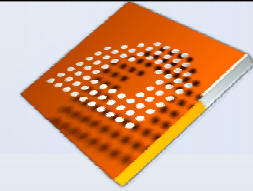


ASX Code	DEG
ASX Listing	July 2002
Ordinary Shares	397 million
Options <sup>1</sup>	20.5 million
Market Cap (at 1.3c)	\$5.2 million
Shareholders	
Mineralogy Pty Ltd	5.7%
Karari Australia Pty Ltd	4.0%
Seaspin Pty Ltd	3.6%
Tapp & Polymeneas	2.7%
Toltec Holdings Pty Ltd	2.2%
Top 20	36%

Directors & Officers	
Peter Batten	Exec Chairman
Darren Townsend	Non-exec Director
Gary Brabham	Non-exec Director
Jason Brewer	Non-exec Director
Dennis Wilkins	Company Secretary



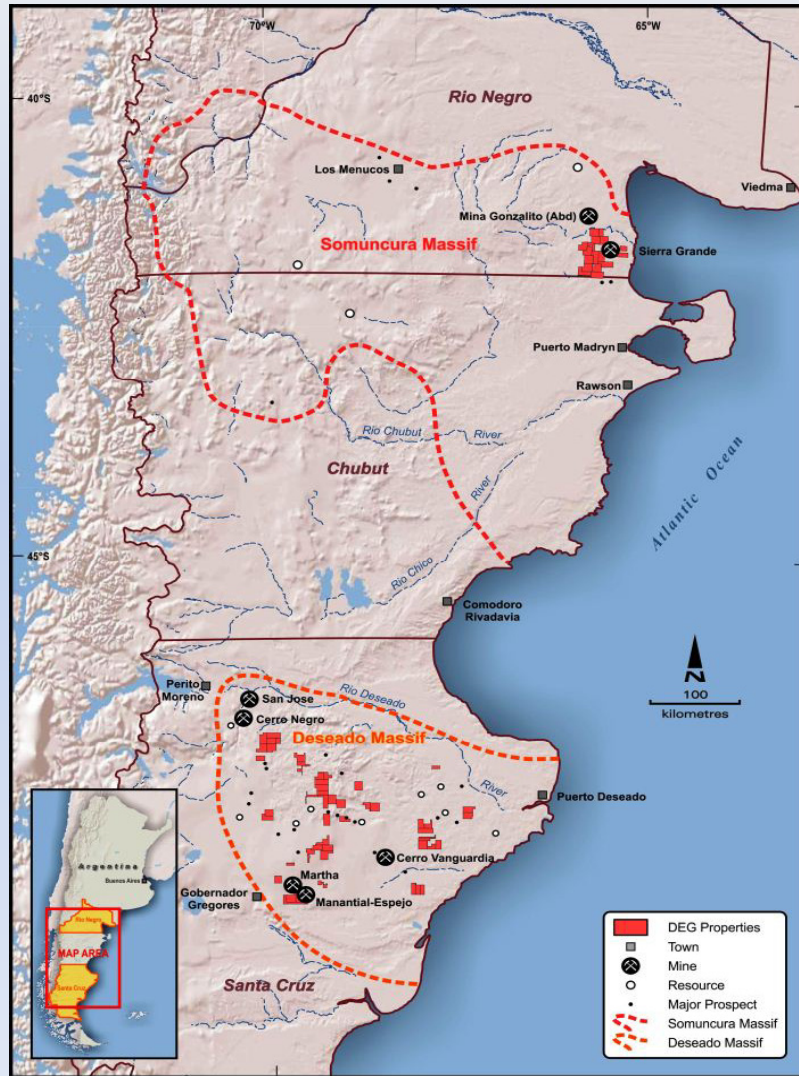
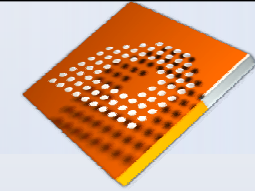
## *Why Argentina?*



- Strong property laws – security of tenure
- Argentina ranked #10 in 2011 Control Risks country survey, just behind Canada & Brazil
- Bilateral investment treaty with Australia
- Pro-mining Federal government, 1993 minerals legislation to encourage FDI
- Renewed Federal government support for minerals industry (OFEMI)
- No mandatory government participation
- Major companies explored the country in 1995-2001 then largely left it to juniors
- Competitive entry and operating costs
- Exploration far less mature than Chile, Peru

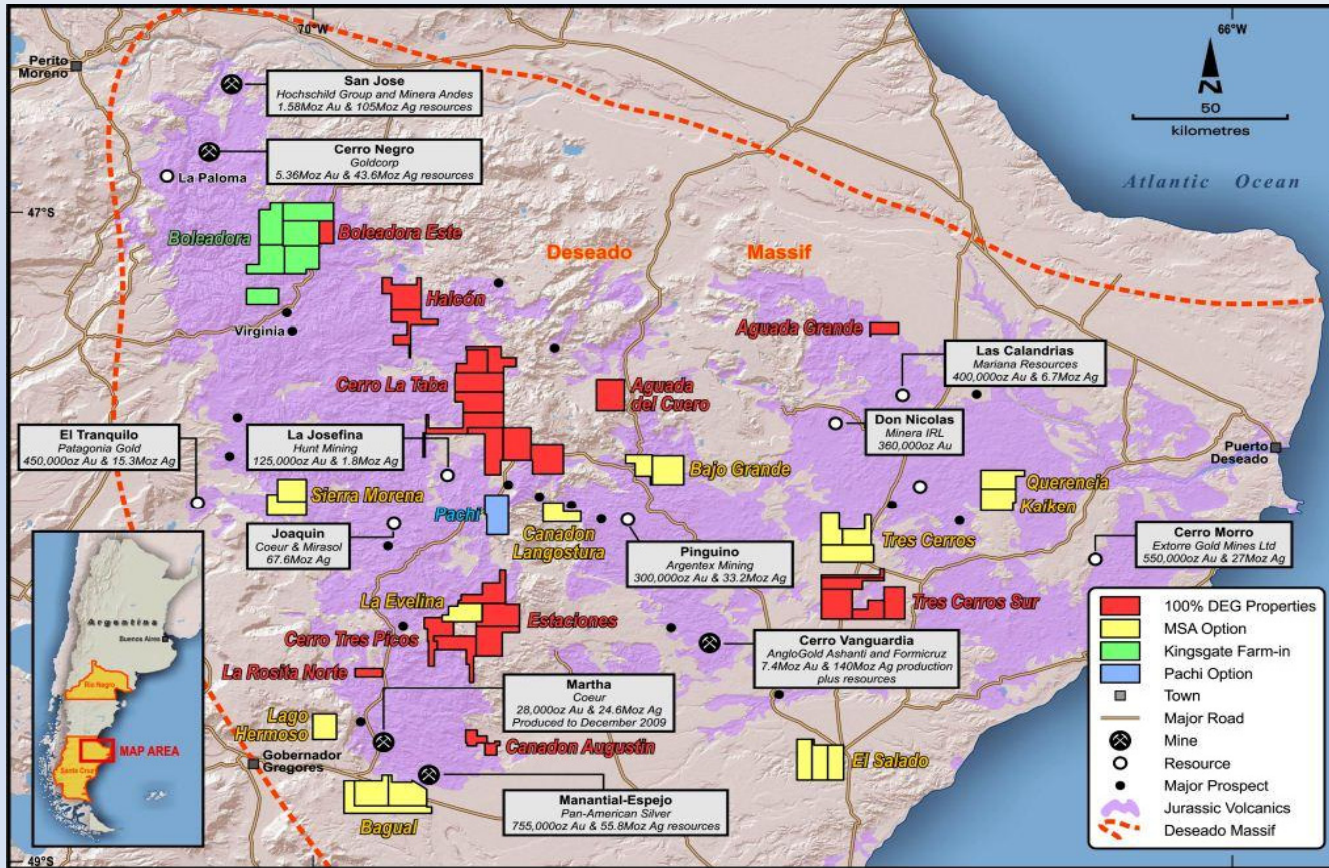
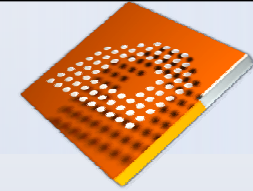


# The Deseado and the Somuncura Massifs



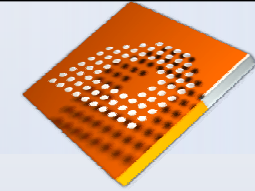
- Triassic - Jurassic rhyolites & ignimbrites of the Marifil Volcanic Complex ≈ Chon Aike Fm
- Deseado has Cerro Vanguardia (10Moz Au eq), Cerro Negro (7.1Moz Au eq), Joaquin (71.2Moz Ag) and many others
- Somoncura has Calcatreu Au-Ag (1.03Moz Au eq), Navidad Ag-Pb (756Moz Ag), San Roque Au-Ag-In
- Santa Cruz pro mining
- Rio Negro “anti-mining” law repealed January 2012
- Largely underexplored
- Unique potential to discover large epithermal deposits from basic surface exploration

# De Grey's Deseado Massif Ground Position

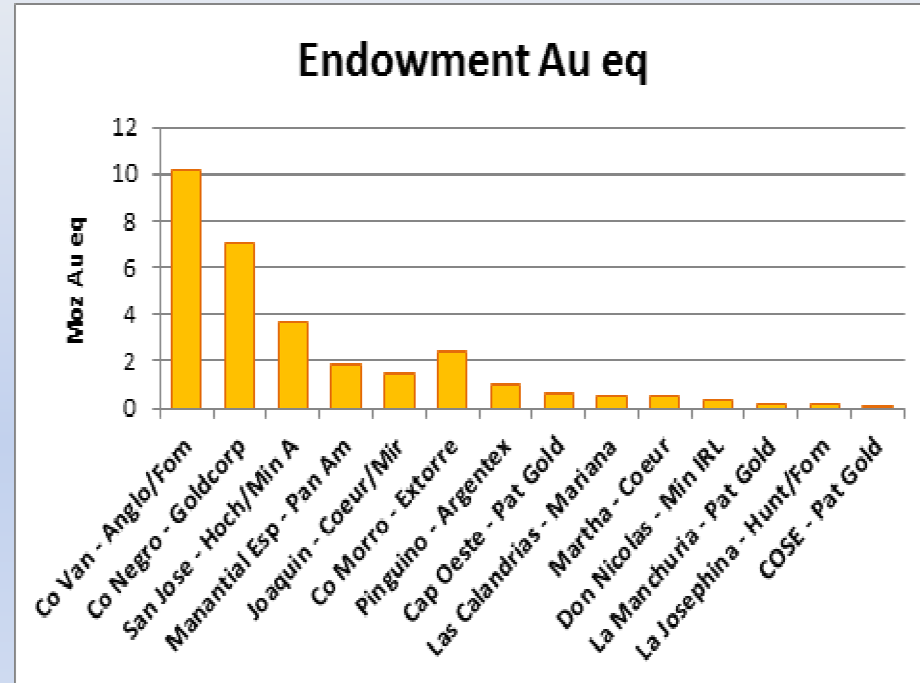


- De Grey has secured a large holding of prospective ground, 3,750 sq km
- Low costs to hold ground
- 3 operating mines
- 3 mines in development
- 9 projects with resources

## Why Santa Cruz Province?

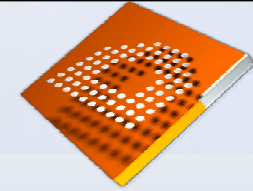


- Pro-mining provincial government, operating mines
- Very immature exploration region, <20 year exploration history, mainly <10 years
- Easy exploration access, very low population and environmental impacts
- 18.1Moz Au and 525Moz Ag defined since 1990
- High-grade deposits
- Current global situation has reduced competition for ground

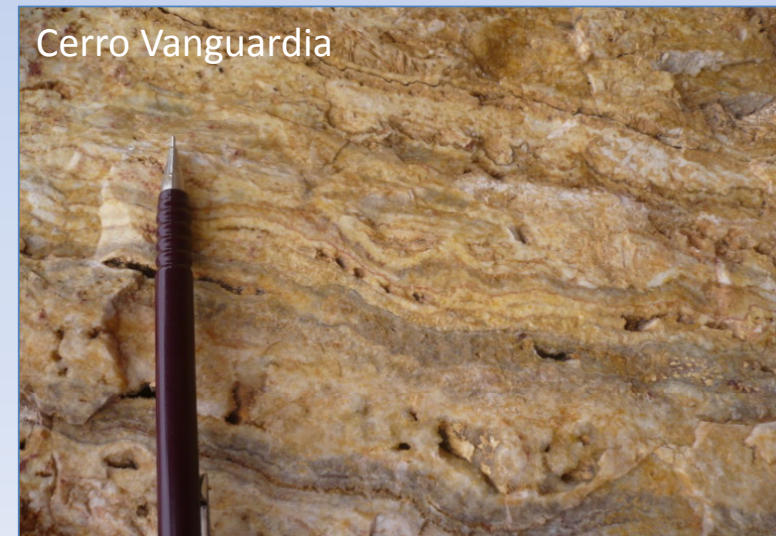




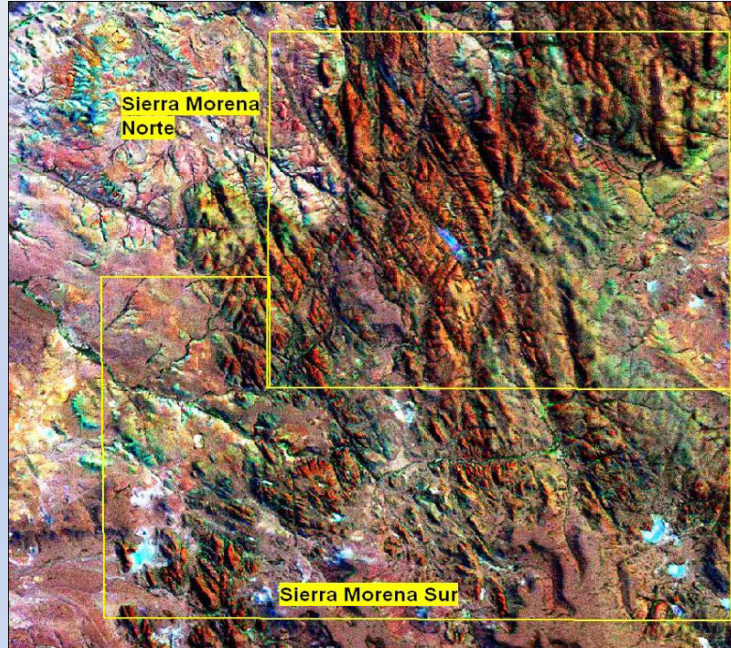
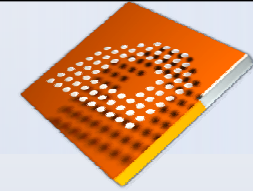
## *Low-sulphidation Au-Ag in the Deseado Massif*



- Discoveries to date mainly outcropping vein deposits discovered by prospecting
- Ongoing discovery rate demonstrates remaining potential for deposits with only subtle surface expression
- Few district-scale mineralised trends – all Chon Aike Fm (Jurassic) rocks are prospective
- Negligible exploration through cover to date except for direct deposit extensions
- Strong vertical metal zoning



# Sierra Morena

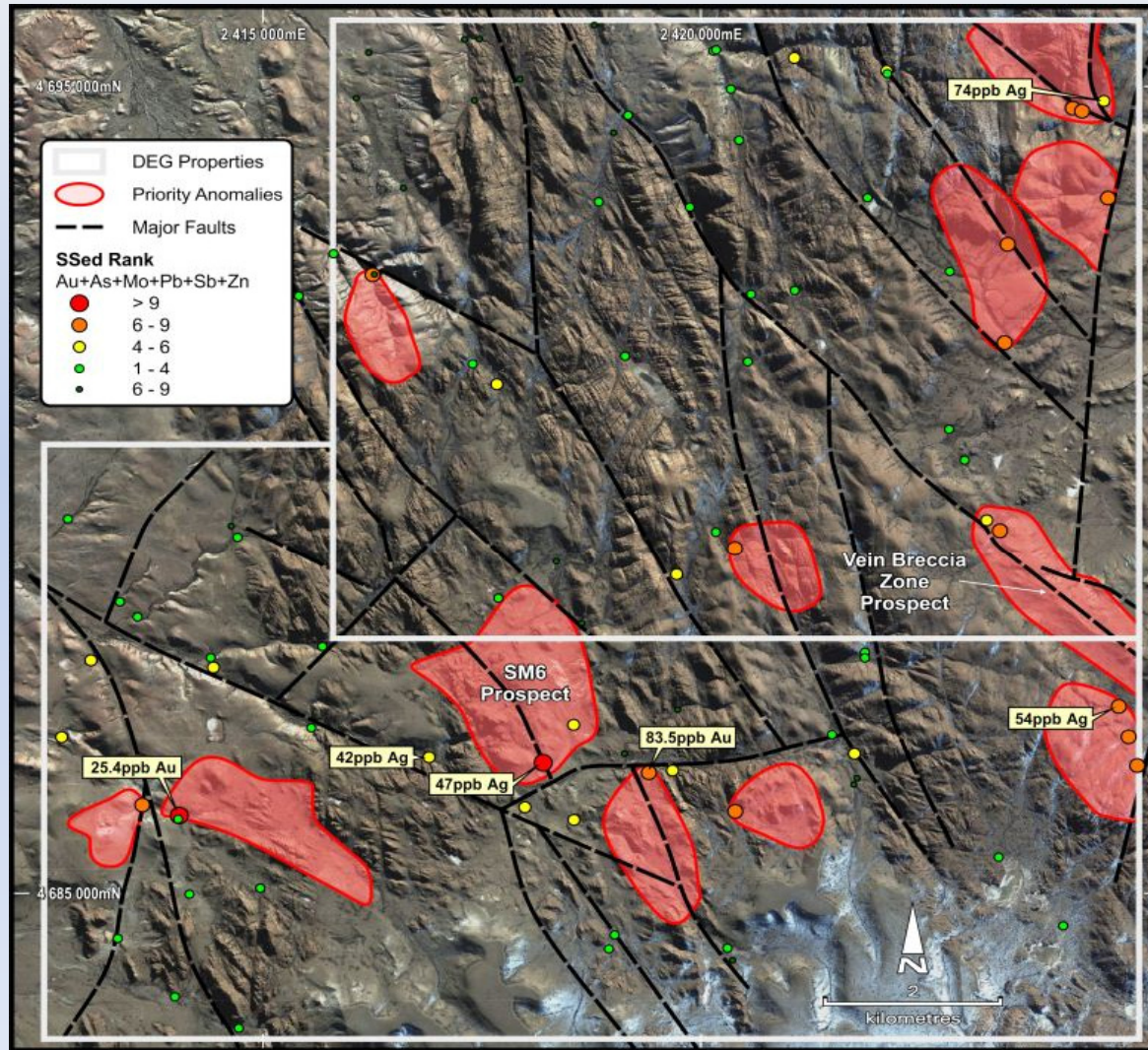
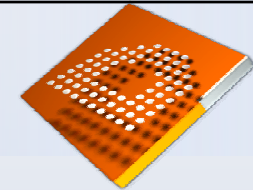


Through the analysis of ETM and Aster anomalies the De Grey team selected areas for systematic sampling

Lag sampling and stream sediment sampling produced targets that required ground proofing

Rock chip and float sampling have resulted in 4 prospects in 3 projects

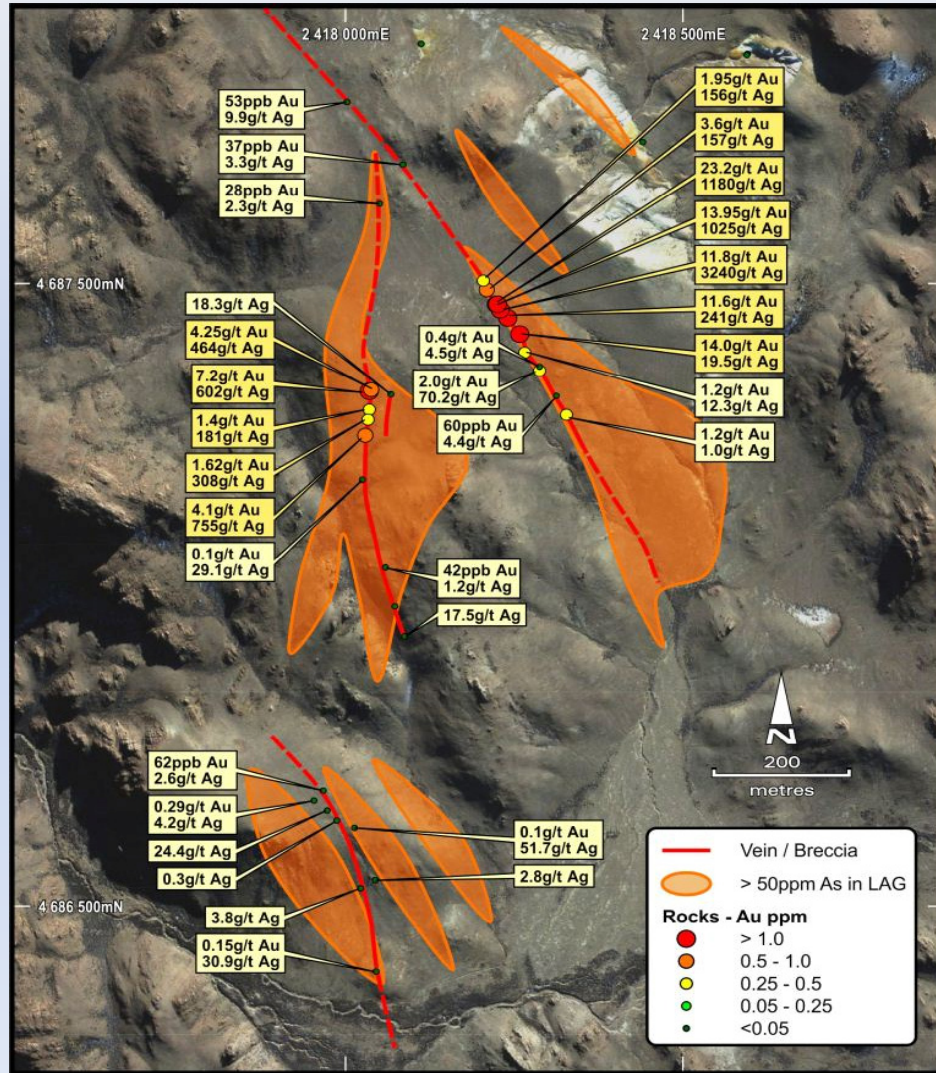
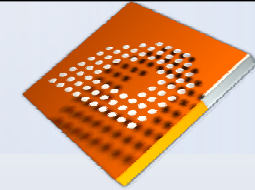
# Sierra Morena



- 140 sq km of prospective Jurassic volcanics
- Vein Breccia Zone rock chips, soils, drilling
- 2010-2011 stream sediment sampling
- Follow-up discovered SM6 target

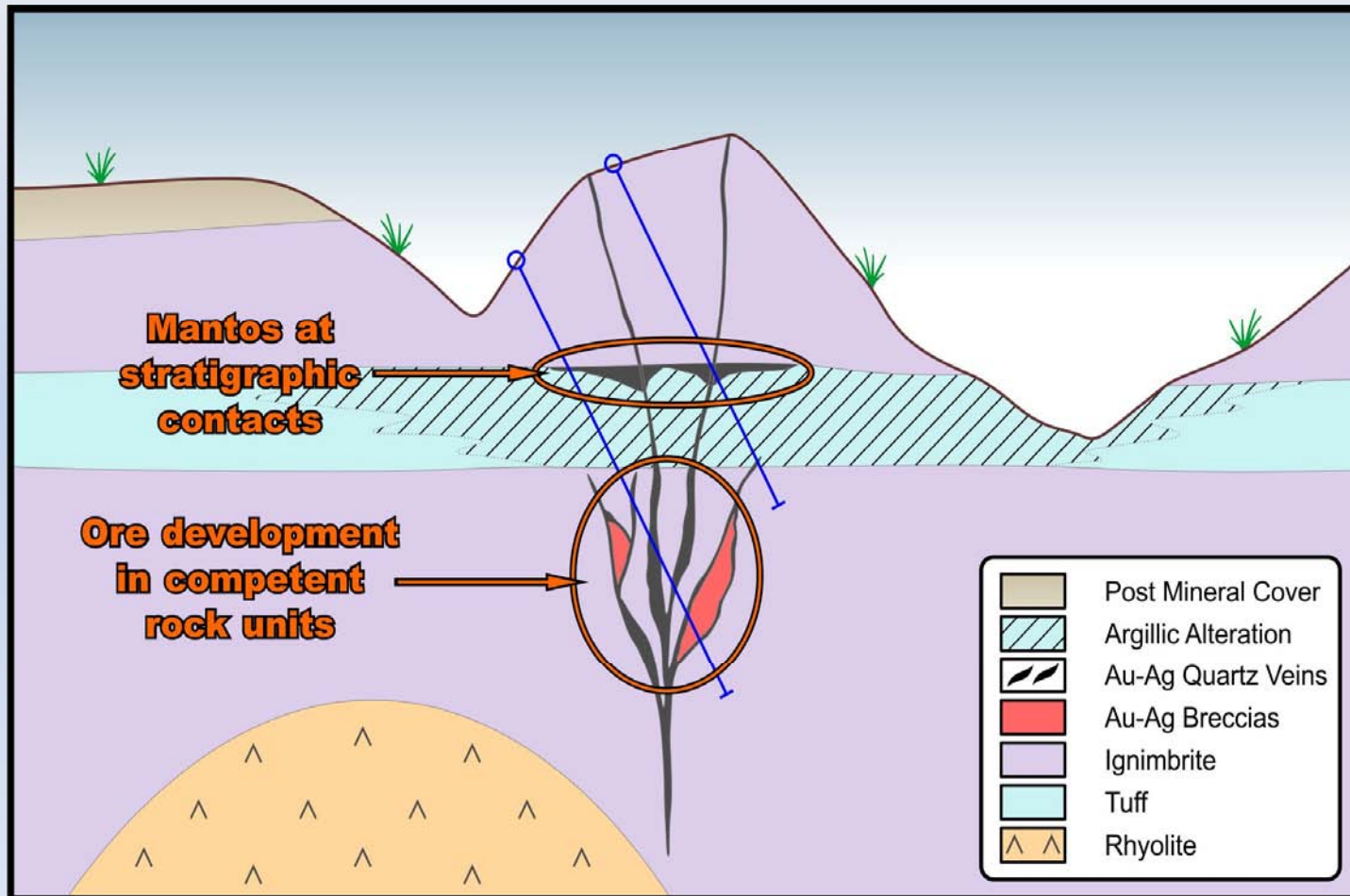
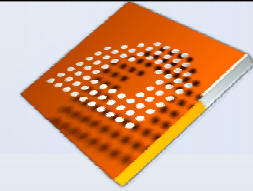


# Sierra Morena - SM6 Results

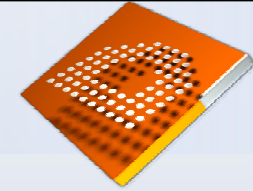


- Recessed exposure of intense argillic alteration over 500m x 300m
- At the Eastern Zone, rock chip samples returned up to **23.3g/t Au and 3,240g/t Ag**. The zone consists of partially outcropping quartz veining and silicification with coincident Au-Ag-As-Hg-Sb anomalism (in soils) over a strike distance of approximately 725 metres.
- The Western Zone consists of partially outcropping quartz veining and siliceous breccia with coincident Au-Ag-As-Hg-Sb anomalism (in soils) over a strike distance of more than **1.2 kilometres**. Rock chip samples have returned up to **7.2g/t Au and 755g/t Ag**.
- Vein textures, alteration mineralogy, high Au-Ag-As values, and low base metal values confirm that the veins discovered so far represent the upper portions of a typical low sulphidation epithermal vein system.
- Evidence of alteration over 6km strike with vein extensions obscured by soil cover
- Drilling planned for Q4 2012

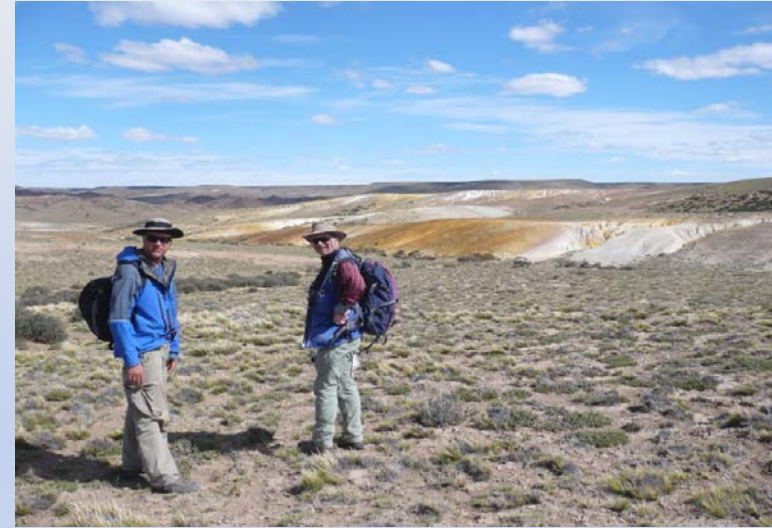
# Sierra Morena - SM6 Target



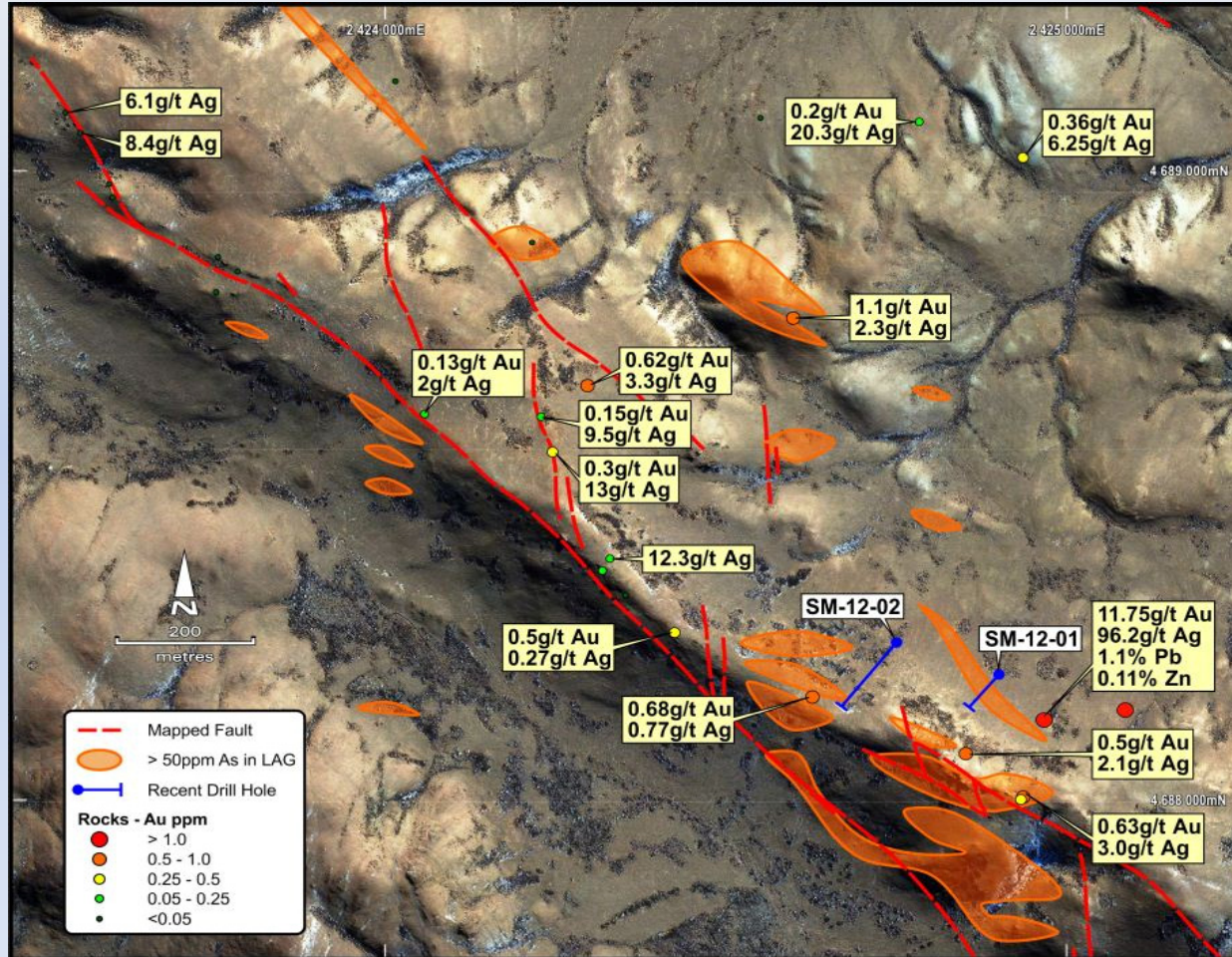
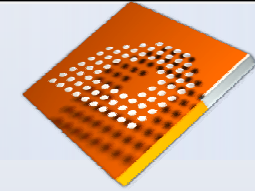
## Sierra Morena – SM6 Target



*SM6 is a virgin discovery. It validates De Grey's pragmatic approach to exploration of the Company's large land position in Argentina and confirms the region's potential for new discoveries*

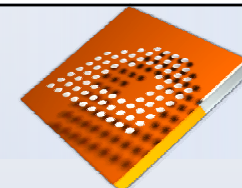


# Sierra Morena - Vein Breccia Zone



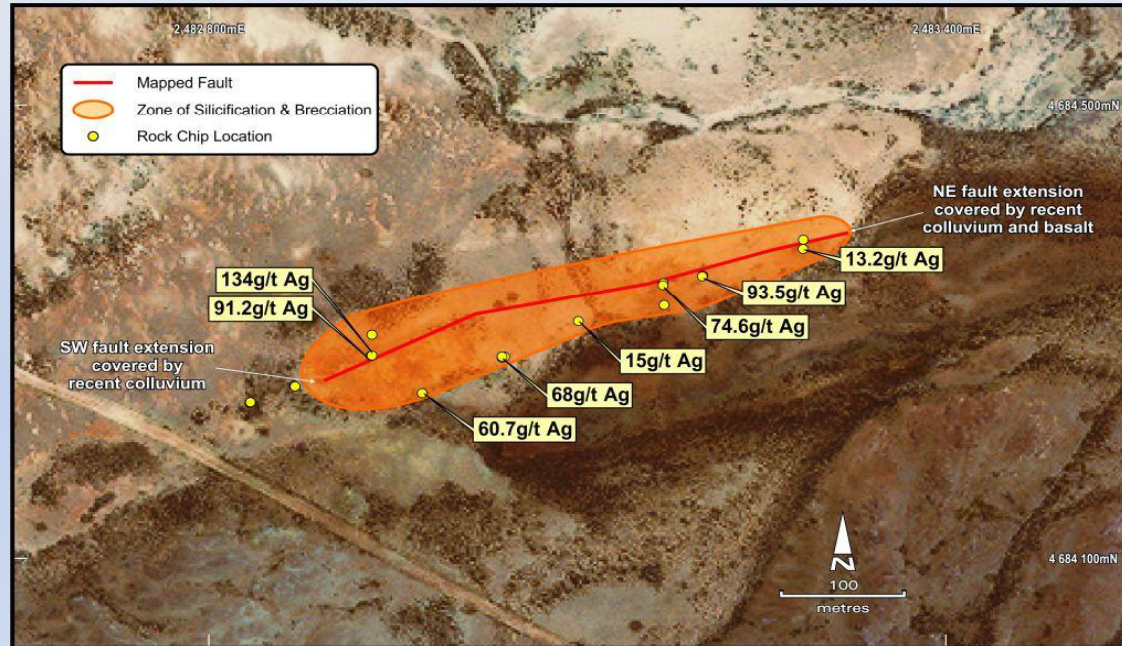
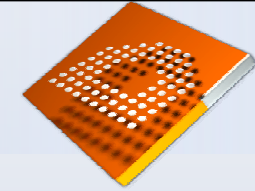
- Vein breccia over +800m strike, rock chips to 11.8g/t Au, 96g/t Ag
- Drillhole SM-12-01 returns significant results including 0.45m @ 0.53% Zn and 95ppb Au from 118.50m
- Drillhole SM-12-02 returns significant results including 1m @ 2.16% Zn from 82.80m, 1m @ 329ppb Au and 14g/t Ag from 186.80m and 1m @ 59g/t Ag from 219.80m
- Results confirm that drilling at the Vein Breccia Zone has intersected a low sulphidation epithermal system
- Excellent potential for the Vein Breccia Zone to host Au-Ag mineralisation at depth

*Sierra Morena - Vein Breccia Zone*





# Pachi

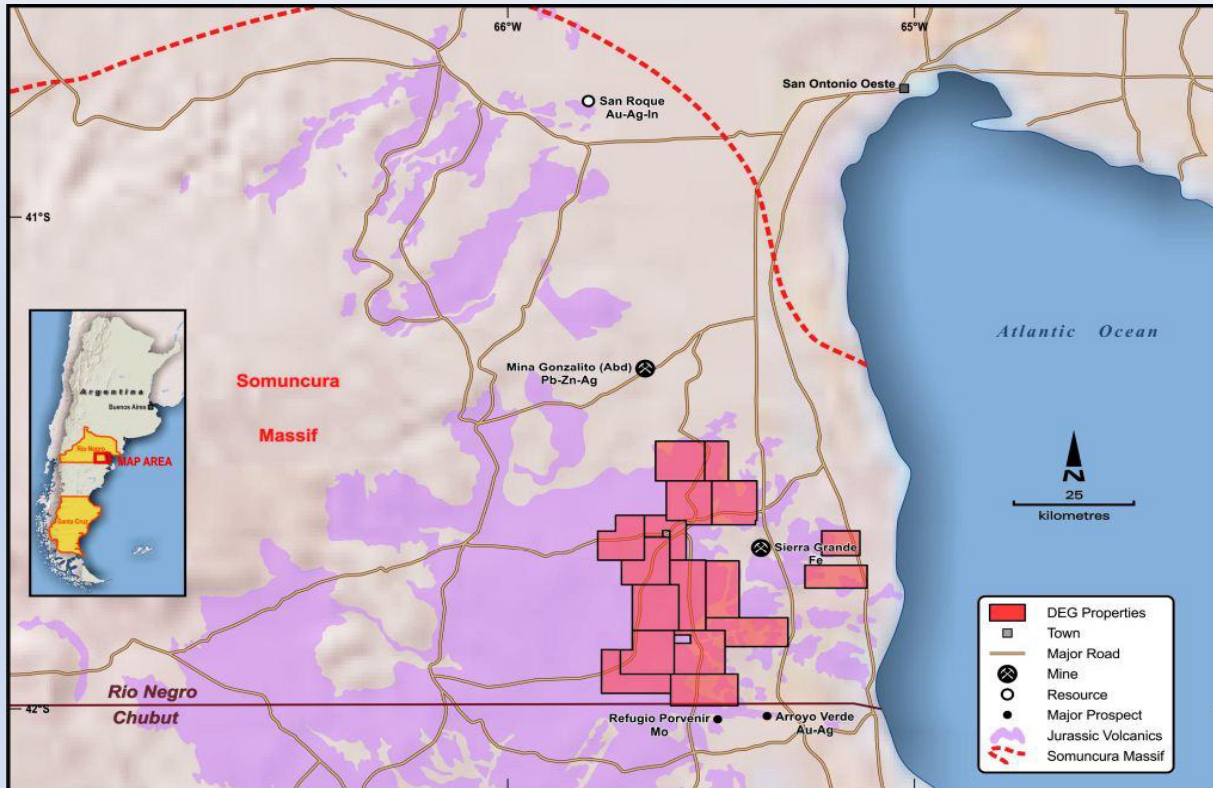
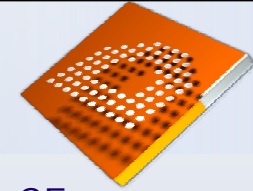


- 100 sq km project, option to purchase 100%
- Adjoins Hunt Mining's La Josephina and El Gateado projects
- Mineralized structure exposed over 400m strike, extensions under cover?
- Rock chips to 123ppb Au, 134g/t Ag
- Drilling planned for Q4 2012

- Pachi is an exposed structure with little or no veining
- Surface is expressed by a form of "silica gel"
- Similar to the surface expression of El Tranquillo
- Exceptional width

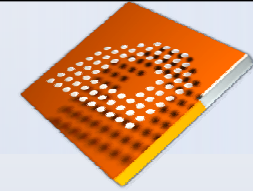


# Somuncura Massif – Rio Negro



- 1,420 sq km in SE Rio Negro Province
- Targeting structure and Aster features in Marifil Volcanics
- Arroyo Verde Au-Ag and Refugio-Porvenir Mo-Cu (ex Portal Resources) located immediately south
- San Roque Au-Ag-In (Marifil - NovaGold) to the north
- Numerous fluorite vein occurrences – evidence of hydrothermal activity
- Local mining centre (Sierra Grande Fe)





Doug Bright, Argentina Mining Ltd 's director – "South America is known, especially by geologically savvy investors, as 'elephant country' in terms of its potential for large deposits because of its geological environment."

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