

# De Grey Mining Ltd

A.B.N. 65 094 206 292

25 March 2014

**ASX/MEDIA RELEASE**

## **NEW PARTNER - TURNER RIVER GOLD**

### **HIGHLIGHTS**

- **Exploration spend of \$2 million over three years**
- **Drilling to commence within 6 months**
- **Targeting higher grade gold prospects with view to increasing resource**
- **De Grey to retain 100% of Turner River Zinc Project**

De Grey Mining Ltd (**ASX: DEG**, "De Grey" or "The Company") announced in December 2013 that the Turner River Joint Ventures had been terminated and that consequently De Grey retained 100% of the projects (figure 1).

Immediately on receiving the data in early February 2014 the Board commenced a review of the Projects and options open to the Company to best advantage the interests of De Grey. As De Grey had been the minority JV partner in these Projects it had not reviewed in detail the new geological information available on the Projects, and continues to do so in order to better advance the prospects of these mineralised assets.

During this period of review De Grey was approached by **Rugby Mining Limited ("Rugby") (TSX-V: RUG)** a Canadian mineral resource company. Rugby has a top class management team and directors who have either been directly responsible for large mineral discoveries or have been on the management team of companies having made such discoveries.

Due to a combination of the quality of the Rugby team, their intention to initiate a drilling programme immediately and their commitment to exploration in general, upon completion of the review the De Grey board decided to select Rugby as the best partners to advance the Turner River gold assets.

De Grey is also conscious of the need to manage its limited cash resources and the ongoing difficulty of raising capital for junior exploration companies. De Grey also continues to review its New Zealand assets together with the Turner River Zinc asset, where it believes it retains 100% of two exceptional exploration projects. The Agreement with Rugby provides De Grey with a more secure platform from which to consider how best to progress both of these assets.

Key conditions of the Agreement are:

- 1) Rugby will pay De Grey \$100,000 within 5 days of regulatory approval (approval process to commence immediately and expected to take about 14 days);
- 2) a three year option to acquire an 80% interest in the Tenements by incurring a total of AUD\$2 million in expenditures with a minimum expenditure commitment of AUD\$500,000 and a commitment to drill in the first six months (NB: Rugby have indicated they anticipate commencing a drilling programme well before the expiry of that 6 month period); and
- 3) an option to purchase an 80% interest in the historic near surface resource at Wingina Well for AUD\$3 million, by paying AUD\$2 million at any time within 54 months from the date of the Agreement and a further payment of AUD\$1million within 30 days of a decision to mine any part of the historic resource at Wingina Well. (NB: Historic Resource at Wingina Well as outlined in Table 1 below is 6.8 Mt @ 1.6 g/t Au for 345,000 ounces).

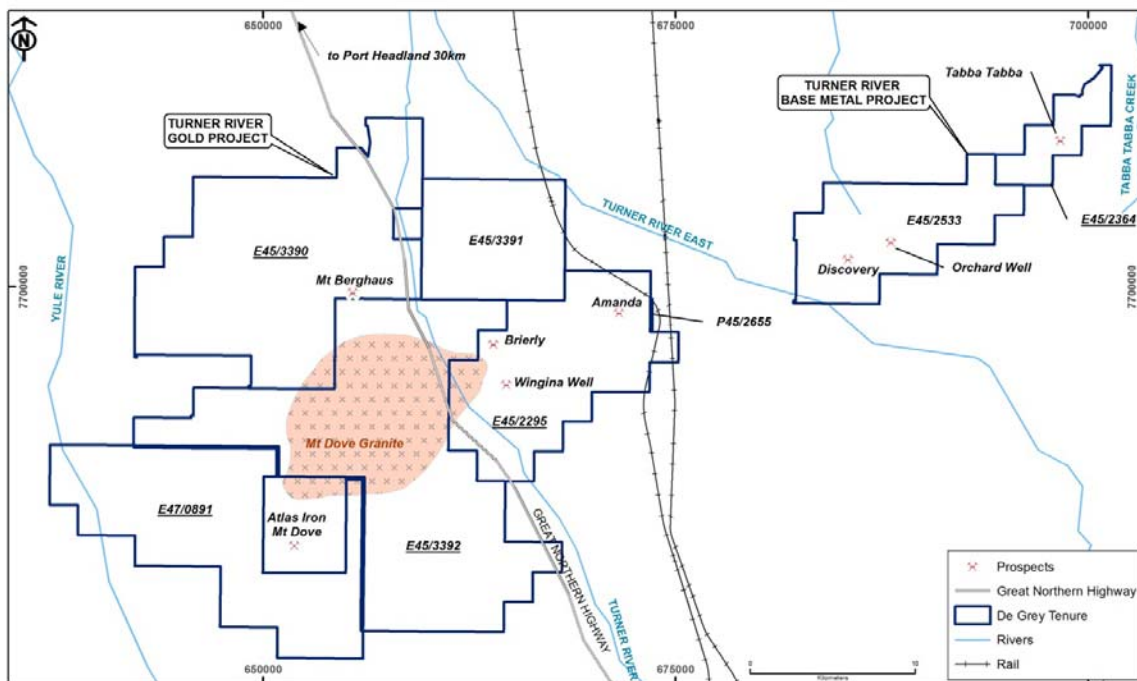


Figure 1: Project Location

### Turner River Gold Project

The Turner River Gold Project (now renamed the Great Northern Gold Project) is located in the Pilbara district of Western Australia, 60 km south of Port Hedland (Figure 1 above).

Work completed during the previous joint venture expended over \$2 million dollars exploring the Turner River projects. The net effect of this expenditure has been to further enhance the prospectivity of the projects, extending known mineralisation, producing sampling and drilling targets and further advancing the understanding of the geological controls and settings related to gold and base metal mineralisation at Turner River.

The gold resource at Wingina Well was expanded by 21% and new Inferred Resources were estimated for the Mount Berghaus and Amanda prospects. In total, the gold resource for the Turner River project grew by 65% during the period of Joint Venture with Lansdowne/Polymetals.

Rugby Mining have been attracted to the projects potential for discovering a high grade gold deposit and year round exploration and mining access within a favourable regulatory state, with good infrastructure, a mining culture and access to exploration personnel and equipment.

Rugby staff are working on expanding higher grades portions of the known mineralisation and targeting structural and geophysical anomalies with potential to host high grade mineralisation.

**Table 1: Total Resources - Turner River Gold Project (As announced by Polymetals Mining Ltd - March 13 2013)**

Deposit		Wingina Well <sup>(1)</sup>		Mount Berghaus <sup>(2)</sup>	Amanda <sup>(3)</sup>	Total
		Above -55 mRL	Below -55 mRL	All	All	
Cut-off Grade (Au g/t)		0.5	1	0.5	0.5	
<b>Measured Resource</b>	Tonnes (Mt)	2.3	0.4			2.7
	Grade (Au g/t)	1.8	2.1	-	-	1.8
	Ounces (kozs)	130	26			157
<b>Indicated Resource</b>	Tonnes (Mt)	0.7	0.4			1.1
	Grade (Au g/t)	1.1	1.6	-	-	1.3
	Ounces (kozs)	26	22			47
<b>Inferred Resource</b>	Tonnes (Mt)	0.1	1.2	0.9	0.7	2.9
	Grade (Au g/t)	1.2	1.5	1.4	1.6	1.5
	Ounces (kozs)	5	58	43	35	141
<b>Total Resource</b>	<b>Tonnes (Mt)</b>	<b>3.1</b>	<b>2</b>	<b>0.9</b>	<b>0.7</b>	<b>6.8</b>
	<b>Grade (Au g/t)</b>	<b>1.6</b>	<b>1.6</b>	<b>1.4</b>	<b>1.6</b>	<b>1.6</b>
	<b>Ounces (kozs)</b>	<b>162</b>	<b>106</b>	<b>43</b>	<b>35</b>	<b>345</b>

Note:

(1) Polymetals Mining Ltd, Mar 2013. 458 drill holes. Ordinary Kriging.

(2) Resource estimation by Ravensgate, Feb-2012. 125 drill holes. Ordinary Kriging, verified by Polymetals, as announced 24 Sept 2012.

(3) Resource estimation by Ravensgate, Mar-2012. 248 drill holes. Ordinary Kriging verified by Polymetals, as announced 24 Sept 2012.

The directors of De Grey welcome Rugby to the project and are looking forward to an exciting Joint Venture going forward.

**For further information:**

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**COMPETENT PERSON'S STATEMENT**

*The information in this report that relates to Mineral Resources and Exploration Results is based on, and fairly represents, information and supporting documentation compiled by Mr Peter Batten. Mr Batten is a Member of the Australasian Institute of Mining and Metallurgy and a Member of the Australian Institute of Geoscientists and the Executive Chairman of De Grey Mining Limited 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 in the 2004 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'.*

*The information reported above relating to Mineral Resources and Exploration Results was prepared and first disclosed under the JORC Code 2004. It has not been updated since to comply with the JORC Code 2012 on the basis that the information has not materially changed since it was last reported.*

*Mr Batten consents to the form and context in which the Exploration Results and estimates of Mineral Resources and the supporting information are presented in this report.*