

De Grey Mining Ltd

A.B.N. 65 094 206 292

25 January 2013

ASX/MEDIA RELEASE

DE GREY PLEASED WITH POLYMETALS PROGRESS

De Grey Mining Ltd (De Grey, ASX:**DEG**) is pleased to note the exploration results announced by Polymetals Mining Ltd (Polymetals, ASX:PLY) as they progress towards earning their interest in De Grey's Turner River Project (announcement attached).

Polymetals purchased 100% of Lansdowne Pty Ltd, an unlisted company, in September 2012. Lansdowne was earning 75% of De Grey's Turner River Gold and Base Metals Joint Venture in the Pilbara of Western Australia. Lansdowne had expended a total of approx. \$1.1M on exploring the Project at this time.

Tenements comprising the Turner River Gold and Base Metals projects are the subject of a farm-out and joint venture agreement with De Grey under which Polymetals may earn a 75% interest in the Project by funding exploration expenditure of \$2 Million on the Gold Project and \$1.5 Million on the Base Metal Project over three years, the earn-in period having commenced on 6 May 2011.

Upon Polymetals earning its interest, a 75:25 joint venture will be formed and Polymetals will continue to fund all expenditures up to a Decision to Mine. Upon a Decision to Mine, a mining joint venture area will be declared and mine development expenditures will be funded by De Grey and Polymetals in proportion to their JV interests. De Grey's free carried interest will continue in respect of project areas outside of the mining joint venture area. Upon earning into the Gold Project joint venture Polymetals has the option to purchase a 75% interest in the Wingina Well gold resource with a milestone payment of \$4.1 Million to De Grey.

Polymetals continued exploration advances the company towards the joint venture milestone and De Grey is confident that Polymetals should reach this position following the end of the wet season when they plan to continue exploration on the Turner River Project.

For further information:

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About Polymetals

Polymetals Mining Limited is an Australian mining company focused on precious and base metal production.

Polymetals has a 26-year history of delivering profitable resource production projects.

Over that time the Company has generated significant returns for shareholders.

Polymetals' successful track record is built on acquisition, exploration, development and operation of precious and base metals projects.

The Company has current production, positive cashflow and tenements in some of Australia's most prospective mining regions.

Polymetals has strong growth potential.

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David Sproule
Chairman

Frank Terranova
Chief Executive Officer

ASX ANNOUNCEMENT / MEDIA RELEASE

24 January 2013

Turner River: exploration results support immediate advance to scoping study

- Initial exploration program complete
- Program encompassed surface sampling & drilling
- Results a suitable basis for scoping study now underway

Polymetals has completed its first program of exploration work at Turner River since acquiring Lansdowne Resources Pty Ltd in September 2012. The program comprised surface sampling as well as 1,948 m of reverse circulation percussion and 860 m of diamond core drilling.

Geological mapping and surface sampling assay results indicate the potential for repetition of high grade shoots along strike in areas only sparsely drilled. Best results were:

- MD108: 4 m @ 11.66 g/t Au from 12 m, includes 2 m @ 22.87 g/t Au from 14 m;
- MD048: 7 m @ 0.73g/t Au from 3 m.

Best results received from the drilling were:

- PWG006: 4 m @ 2.65 g/t Au from 125 m;
- PWG009: 13 m @ 1.67 g/t Au from 197 m;
- PWG010: 3 m @ 2.37 g/t Au from 89 m;
- PWG018: 11.67 m @ 2.22 g/t Au from 70.9 m;
- PWG019: 26.05 m @ 4.01 g/t Au from 18.05 m;
- PWG020: 10.3m @ 1.68 g/t Au from 20.5m;

Polymetals' CEO Frank Terranova said the Turner River project added an exciting growth opportunity to the Company's growing suite of projects.

"Turner River is a highly prospective and underexplored region. The results indicate a significant gold deposit; the proximity of the Base Metals project offers additional near term value potential."

"Polymetals prides itself on developing projects efficiently and quickly. An accelerated scoping study is the natural next step and will be complemented by ongoing exploration activities across the Gold and Base Metal Projects" he said.

Overview

Based on the preliminary work completed and the exploration results achieved to date, Polymetals is bringing forward the commencement of a scoping study for the development of a major gold mining project at Turner River in north-west Western Australia.

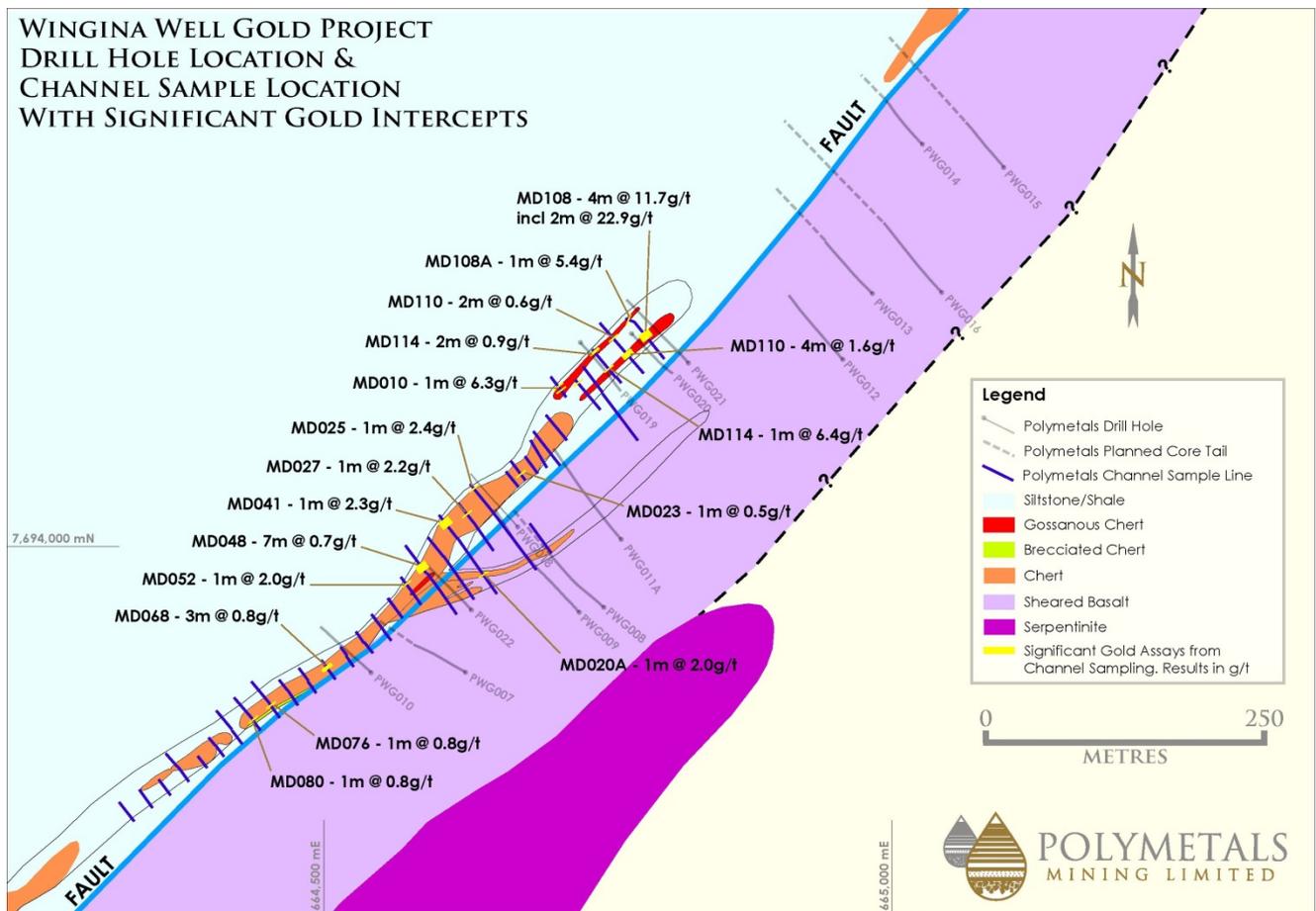
The study will consider heap leaching and CIL processing of ore from Wingina Well and nearby prospects. Capital planning and design work will take into account the potential to incorporate synergies for future base metals recovery from the Discovery and Orchard Tank deposits at Turner River.

The Turner River gold project has a current resource of almost 300,000 ounces of gold. The Turner River base metals project, the second project in the tenement package, has a significant polymetallic resource containing silver, lead, zinc, copper and gold.

In progressing the required earn-in commitments to the gold project, Polymetals has now completed a surface channel sampling and geological mapping program at Wingina Well and a drilling program.

The geological mapping and surface channel sampling assay results indicate the potential for repetition of high grade shoots along strike in areas only sparsely drilled. These areas will be drilled following the wet season.

The drilling results confirm the tenor and location of mineralised horizons in the core of the deposit and the surface sampling assay results will increase confidence in the resource estimate in the upper part of the orebody.



Wingina Well exploration program results

Having assumed management of the project in September 2012, Polymetals completed a surface sampling and geological mapping program over the Wingina Well prospect.

The surface mapping has shown that gold mineralisation at Wingina Well deposit is hosted in a series of breccias formed within a structurally complex folded and faulted chert sequence.

Assay results and mapping compilation indicate that gold mineralisation at Wingina Well is predicted to occur at regular spaced intervals associated with larger scale folding structures. High grade gold mineralisation is located at the hinge position of the larger scale - later generation reclined fold zones of the chert host sequence. See Figure 1.

Channel sampling comprised 63 runs taking one metre composites for a total of 505m. Surface channel locations and assays results are shown in Figure 1 along with drillhole traces.

In addition, Polymetals has completed 1,948 m of reverse circulation percussion and 860 m of diamond core drilling over the Wingina Well project since November 2012. Drill holes were targeted for resource extension and representative geotechnical and metallurgical testing sampling of the deposit.

Assay results received to date indicate:

- possible extension of two separate gold resource envelopes seen from assay returns of PWG006, PWG009, PWG010, and PWG011A (assays summarised above and shown in Figure 2);
- recognition of six, northeast-plunging high grade gold zones within a strike length of the host chert horizon that spans at least 1.5 km; and
- end of hole gold sample assay of 1.0 m at 2.43 g/t returned from PWG004 (Figure 2) requires follow up drilling.

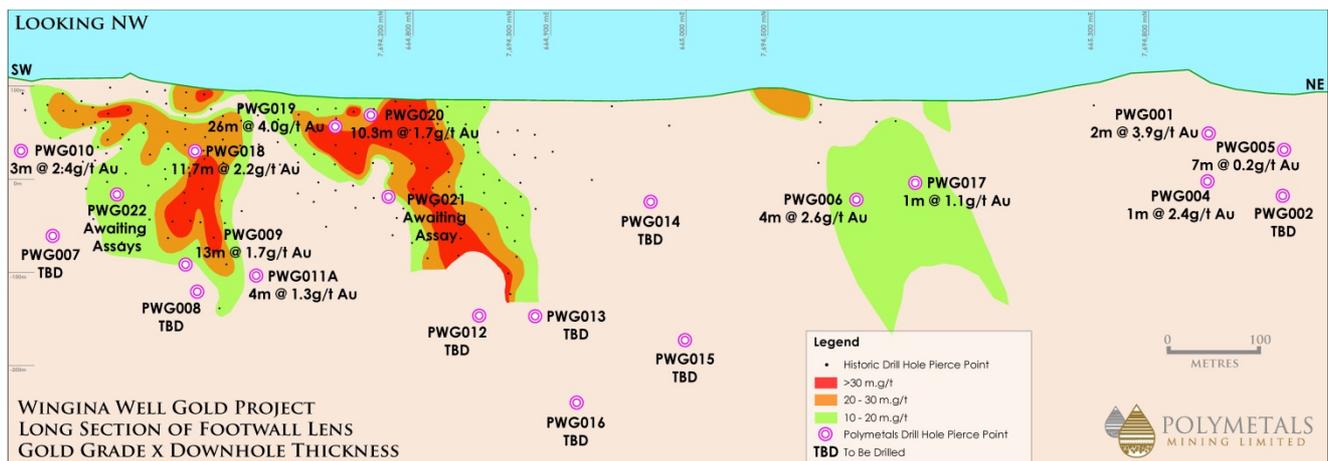


Figure 2 Long-section view of Wingina Well mineralisation and recent drilling

Further assay results are expected over the coming weeks and more drilling at Wingina Well is planned following the cessation of the wet season.

The recognition of the structural geometry giving rise to high grade gold mineralisation will assist in improving exploration drill targeting for further economic lenses of mineralisation.

Scoping study

A scoping study into the Turner River project will be conducted in the first half of 2013. The study will consider heap leaching and CIL processing of the ore from the Wingina Well, Amanda and Mt Berghaus prospects. Any plant design and capital works will factor in the possible synergies through potential additional base metal recovery from the Discovery and Orchard Tank deposits.

Geotechnical assessment of Wingina Well drill core has been conducted by AMC Consultants, and metallurgical testing samples have been despatched to ALS Metallurgy Sydney for a comprehensive testing program to assess heap leaching and CIP processing options.

Preliminary open pit optimisation work by AMDAD has indicated economic mining development scenarios for Wingina Well, Amanda and the Mt Berghaus gold deposits, as well as the Discovery and Orchard Tank base metal deposits. Further work will be undertaken with a revised resource model to finalise these assessments as part of the scoping study.

The Turner River Project

The Turner River Project is located approximately 60 km south of Port Hedland (see Figure 3) within a granite-greenstone terrane of the Archaean-Proterozoic Pilbara Craton of Western Australia.

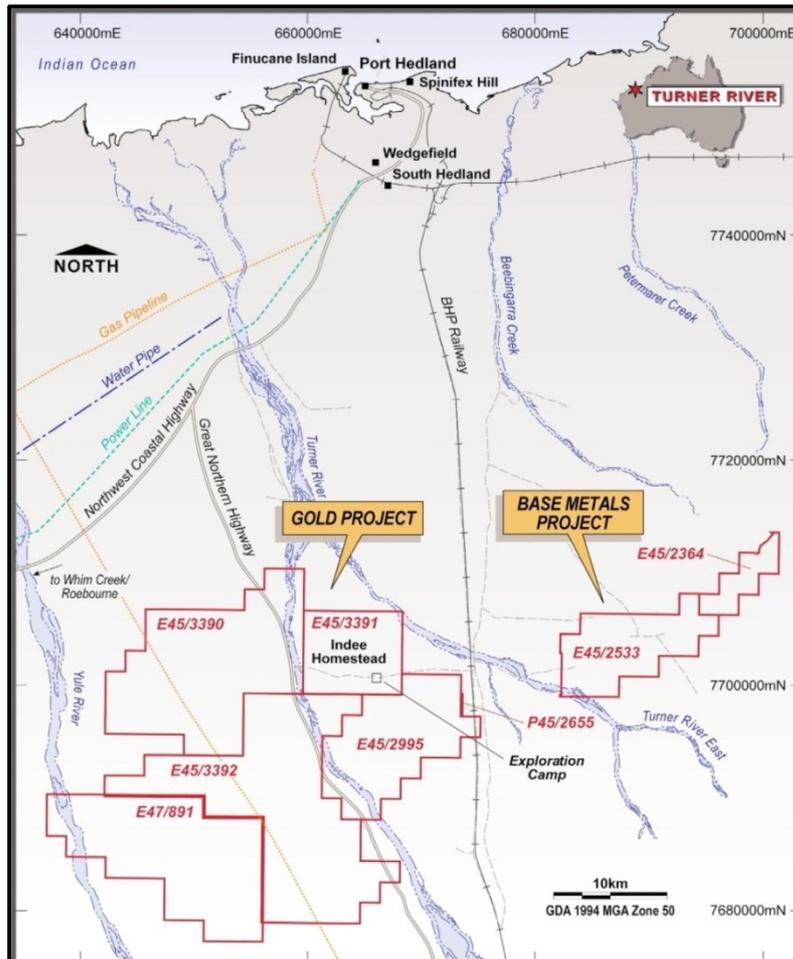


Figure 3: Turner River Project Location

Turner River Project Resources

Table 1 Turner River Gold Project gold (0.5g/t Au cut off)

Prospect	JORC Category	Million tonnes	Gold Grade g/t	Gold Ounces
Wingina Well	Measured	1.70	1.54	84,200
Wingina Well	Indicated	2.45	1.28	100,900
Wingina Well	Total Measured and Indicated	4.15	1.39	185,100
	Inferred	0.96	1.14	35,100
Wingina Well ⁽¹⁾	Total Measured, Indicated and Inferred	5.11	1.34	220,200
Mt Berghaus ⁽²⁾	Inferred	0.92	1.44	42,600
Amanda ⁽³⁾	Inferred	0.69	1.60	35,400
Total Gold Project	Measured, Indicated and Inferred	6.72	1.38	298,100

Note:

(1) Resource estimation by Hellman & Schofield, April 2009. 28xAC, 181xRC, 34xDD holes. Multiple Indicator Kriging. 0.5g/t Au lower cut-off grade.

(2) Resource estimation by Ravensgate, Feb-2012. 125 drill holes. Ordinary Kriging. 0.5g/t Au lower cut-off grade

(3) Resource estimation by Ravensgate, Mar-2012. 248 drill holes. Ordinary Kriging. 0.5g/t Au lower cut-off grade

(4) The above resource estimations have been verified by Polymetals.

Table 2 Turner River Base Metals Project resources (1.0%Zn cut off)

Deposit	Million tonnes	Zinc Grade %	Silver Grade g/t	Lead Grade %	Copper Grade %	Gold Grade g/t
Discovery (Inferred) ⁽¹⁾	1.12	2.62	94	1.03	0.12	0.87
Orchard Tank (Inferred) ⁽²⁾	1.49	2.71	84	1.10	0.08	0.57
Total (Inferred)	2.61	2.67	89	1.07	0.10	0.70

Note:

(1) Resource estimation by Ravensgate February 2012. 18XRC and 2XDD drill holes. Ordinary Kriging. 1.0% Zn lower cut-off grade.

(2) Resource estimation by Ravensgate, February 2012. 10XRC and 10XDD drill holes. Ordinary Kriging. 1.0% Zn lower cut-off grade.

(3) Ravensgate Mineral Resources verified by Polymetals.

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Annexure A – Details of drilling and surface sample results for Wingina Well

Drillhole results

Table 1 Drillhole collar location

Hole No	Type	MGA East	MGA North	Bearing (deg)	Dip (deg)	EOH depth(m)
PWG001	RC	665334	7694897	136	-60	113.0
PWG006	RC	665062	7694639	123	-55	160.0
PWG009	DDH	664724	7693943	318	-60	240.0
PWG010	RC	664541	7693890	318	-60	119.0
PWG011A	DDH	664761	7694007	318	-65	234.0
PWG018	DDH	664670	7694018	318	-60	122.9
PWG019	DDH	664724	7694179	138	-60	110.83
PWG020	DDH	664770	7694188	138	-60	102.8

Table 2 Drillhole assay results

Hole No	Type	From (m)	To (m)	Interval (m)	Grade ^A (g/t Au)	Approx true Thickness (m)
PWG001	RC	78	80	2	3.86	0.65
PWG006	RC	125	129	4	2.65	1.91
PWG009	DDH	197	210	13	1.67	8.09
PWG010	RC	73	79	6	0.9	3.89
		89	92	3	2.37	1.96
PWG011A	DDH	204	208	4	1.33	2.39
PWG018	DDH	42.85	44.15	1.3	7.47	0.83
		70.90	82.57	11.67	2.22	7.61
PWG019	DDH	18.05	44.10	26.05	4.01	8.81
		50.8	54.85	4.05	1.26	1.38
PWG020	DDH	20.50	30.80	10.3	1.68	3.45

^A Intercept Parameters

Lower cut off grade = 0.5 g/t Au

Minimum downhole width = 5 m (widths less than 5 m are reported if interval exceeds 2.5 gm/t)

Maximum internal dilution = 2 m

Average Orientation of Mineralised Domain: Dip -80, Dip Direction 135°

Sample Preparation and Analysis

RC samples were collected by cone splitter (approx. 2-3kg) attached to drill rig.

DDH HQ samples were cut into halves (lengthwise) by diamond saw, with one half sent for assay.

Entire samples were dried, crushed and pulverised to 75 µm before being split down to a 50 g aliquot for fire assay with AAS Finish.

Core Recovery

Core recovery averaged 91% for the intervals in the table above.

Surface channel sample results

Table 3 Channel location and assay results

Channel No	MGA East	MGA North	Bearing (deg)	Length (m)	From (m)	To (m)	Interval ^A (m)	Grade ^B (g/t Au)
MD010	664713	7694132	323	22.5	11	12	1	6.27
MD020A	664633	7693986	144	32.9	12	13	1	1.95
MD025	664646	7694034	321	27.8	22	23	1	2.42
MD027	664633	7694020	321	24.2	11	12	1	2.16
MD041	664617	7694008	322	25.7	13	14	1	2.31
					16	17	1	1.46
MD048	6646590	7693977	323	30.8	3	10	7	0.73
MD052	664578	7693977	323	17.5	9	10	1	1.96
MD068	664504	7693892	324	11.0	1	4	3	0.83
MD108	664773	7694198	141	41.7	12	16	4	11.66
					including 14	16	2	22.87
MD108A	664773	7694198	291	8.5	5	6	1	5.37
MD110	664781	7694198	319	58.7	20	24	4	1.61
MD114	664736	7694174	140	32.0	2	4	2	0.94
					22	23	1	6.42

^A Intervals are approximately true width

^B Intercept Parameters

Lower cut off grade = 0.5 g/t Au

Minimum downhole width = 2.5 m (widths less than 2.5 m are reported if interval exceeds 1.25 gm/t)

Maximum internal dilution = 1 m

Sample Preparation and Analysis

Channel samples were collected horizontally over 1 m intervals using a hand held electric jack hammer.

Entire samples were dried, crushed and pulverised to 75 µm before being split down to a 50 g aliquot for fire assay with AAS Finish.

Corporate Directory

Board of Directors

David Sproule
Chairman

Jon Parker
Non-executive Director

David Carland
Non-executive Director

Chief Executive Officer

Frank Terranova

Company Secretary

David Kinsman

Share capital

38.286 million ordinary shares

Registered office

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Share registry

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Please direct shareholding enquiries to the share registry.

Forward looking and Competent Persons Statement

This announcement contains forward looking statements that are subject to risk factors associated with resources businesses. It is believed that the expectations reflected in these statements are reasonable but they may be affected by a variety of variables and changes in underlying assumptions which could cause actual results or trends to differ materially, including but not limited to: price fluctuations, actual demand, currency fluctuations, drilling and production results, reserve estimates, loss of market, industry competition, environmental risks, physical risks, legislative, fiscal and regulatory developments, economic and financial market conditions in various countries and regions, political risks, project delay or advancement, approvals and cost estimates.

All references to dollars, cents or \$ in this update are to AUD currency, unless otherwise stated.

The information in this announcement that relates to Resources is based on information compiled (Canbelego, Drew Hill) or verified (Turner River) by Mr Troy Lowien, Polymetals Senior Resource Geologist, who is a Member of the Australian Institute of Mining and Metallurgy and is a fulltime employee of Polymetals Mining Limited.

The information in this announcement that relates to Mt Boppy Ore Reserves is based on information compiled by Messrs Sean Buxton and Andrew Lawry, who are Members of The Australasian Institute of Mining and Metallurgy. Mr Buxton is a former employee and General Manager and Mr Lawry is Polymetals COO and a current fulltime employee of Polymetals Mining Limited.

The information in this announcement that relates to Exploration Results is based on information compiled or verified by Mr Jess Oram, Polymetals Exploration Manager who is a Member of the Australian Institute of Geoscientists and is a fulltime employee of Polymetals Mining Limited.

Messrs Buxton, Lawry, Lowien and Oram have sufficient experience relevant to the style of mineralisation and type of deposit under consideration and to the activities which they undertook to qualify as a Competent Persons as defined in the 2004 Edition of the "Australasian Code for reporting of Exploration Results, Mineral Resources and Ore Reserves" (the JORC Code). Messrs Lawry, Lowien and Oram consent to the inclusion of matters based on their information in the form and context in which it appears in this announcement.

Company Resources and Ore Reserves

The table below notes the Company's Mineral Resources and Ore Reserves as at 30 September 2012.

All grades and ounces are gold

Canbelego (incl. Mt Boppy and Boppy Sth) Resources

(Mt Boppy: 2.5g/t cut-off; Boppy Sth: 1.0g/t cut-off)

	kt	g/t	koz
Measured	39	6.4	8
Indicated	540	4.4	76
Inferred	181	3.0	17
Total	760	4.2	101

The Measured and Indicated Mineral resources are inclusive of those Mineral Resources modified to produce the Ore Reserves (below)

Mt Boppy Ore Reserves

	kt	g/t	koz
Proved	42	5.64	8
Probable	507	4.19	68
Total	549	4.30	76

Drew Hill (incl. White Dam and Vertigo) Resources

(White Dam: 0.3g/t cut-off; Vertigo: 0.4g/t cut-off; depleted to completion of mining May 2012)

	kt	g/t	koz
Indicated	2,147	1.10	76
Inferred	3,273	0.89	93
Total	5,420	0.97	169

For further enquiries please refer to the company website

www.polymetals.com.au

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