De Grey Mining Ltd

A.B.N. 65 094 206 292

The Bold Explorer

16 November 2007

ASX/MEDIA RELEASE

DE GREY ADDS 50KM STRIKE OF VOLCANOGENIC MASSIVE SULPHIDE PROSPECTIVE GROUND TO ITS TURNER RIVER PROJECT

De Grey Mining Limited (ASX code: DEG) is pleased to advise that it has entered into a joint venture with Chalice Gold Mines Ltd (Chalice) to explore for Base and Precious metals at Yandeyarra, 100kms south of Port Hedland and abutting the southern parts of De Grey's Turner River Project.

The terms of the joint venture, which covers 503km^2 of additional tenements, include issuing 2 Million De Grey shares and 2 Million 20 cent options (3 year term) to Chalice upon signing the final agreement:

Stage 1 of the agreement allows De Grey to earn 60% of the rights to all minerals other than Iron Ore and Uranium for an expenditure of $835,000 on exploration over a two- year period.

Stage 2 gives De Grey the option to elect to earn up to 80% of the rights over a further three- year period by spending an additional $835,000.

Chalice can then contribute pro rata or can elect to convert its 20% interest to an interest of 10% free carried through to completion of a bankable feasibility study.

The terms of the joint venture exclude alluvial gold mining rights; however any hard rock occurrence takes precedence over any alluvial rights. Various royalties are payable to previous tenement holders. A 2% net smelter royalty is payable on all minerals other than gold. Gold royalties range between $1.00/tonne of ore processed up to a 3% royalty based on gold sales revenue for any underground mining that mines at grades greater than 10g/t Au.

Managing Director Darren Townsend said "This joint venture fits in perfectly with our strategy of building a substantial suite of base and precious metal exploration assets within trucking distance of a possible central processing facility and in close proximity to Port Hedland. With De Grey's expertise of discovering new VMS belts and the lack of historic exploration for base metals on these tenements we look forward to building on our exploration success at Turner River."

For further information:

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Technical Report

Yandeyarra Joint Venture Project

The Yandeyarra Joint Venture Project lies immediately south of De Grey's Turner River Project in the Pilbara, 60km south of Port Hedland (see Figure 1). The 503km^2 area lies over the Pilbara Well greenstone belt, which is a very prospective and under explored part of the Pilbara, particularly in terms of volcanogenic massive sulphide-style (VMS) base and precious metal mineralisation. The project also has significant potential for gold and platinum group metals (PGE's).

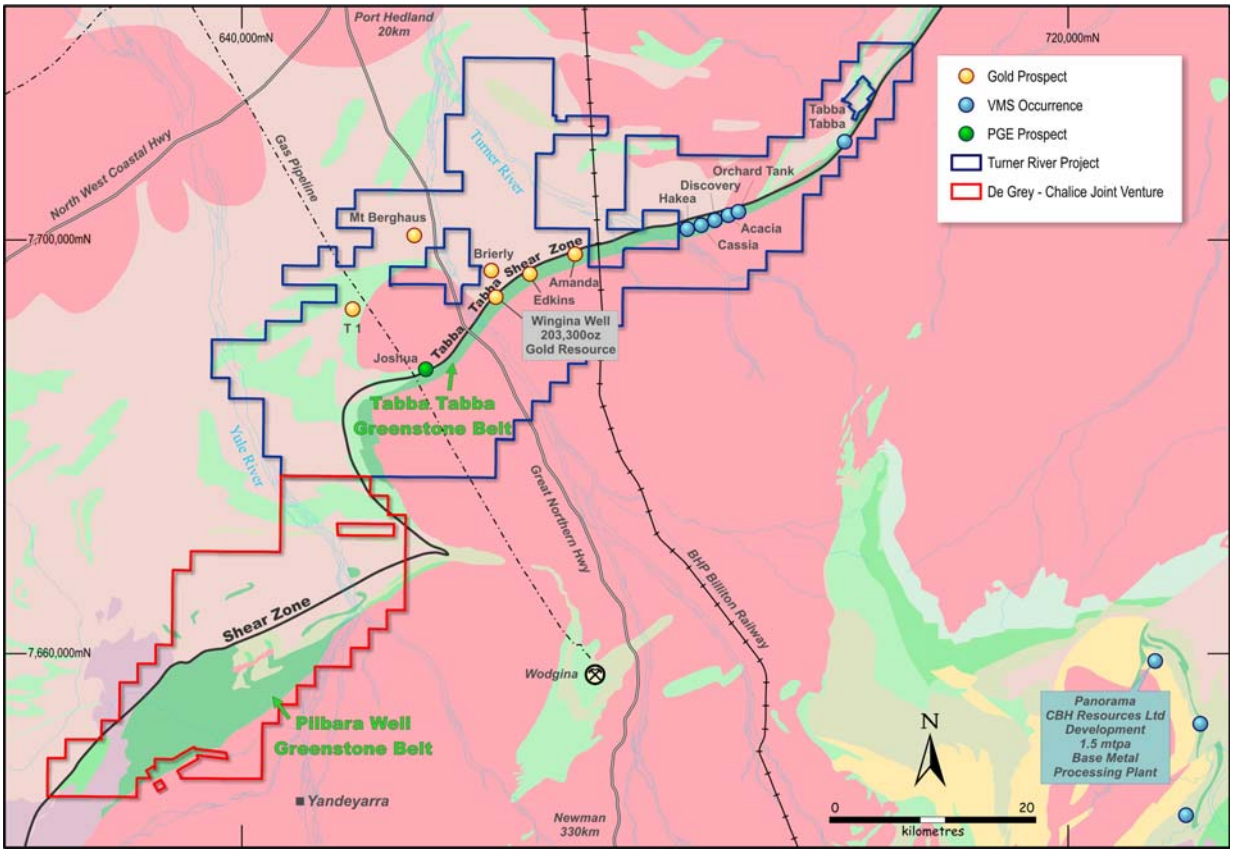

Figure 1 – Location of Joint Venture and Turner River Project

VMS Potential

The Pilbara Well greenstone belt is similar in age and geology to the Tabba Tabba greenstone belt at the Turner River Project, where De Grey discovered significant VMS mineralisation for the first time in October 2005. The potential for VMS mineralisation within the Pilbara Well greenstone belt has not been recognised or evaluated by previous explorers (within the area of the joint venture only 185 holes [7,035m] have historically been drilled and none of these have been assayed for base metals) and as such presents an excellent opportunity for De Grey to apply its modern and comprehensive exploration techniques.

Despite the limited previous exploration, the Geological Survey of Western Australia WAMIN database identifies four copper and thirty gold occurrences within the joint venture area. Geological mapping completed during nickel exploration in the 1970's records extensive felsic volcanic units within the Pilbara Well greenstone belt (At De Grey's Turner River project similar felsic volcanic rock units have been found to host extensive VMS mineralisation). Importantly, several gossans within these VMS-

prospective units were also located but not sampled due to the exploration focus on nickel at this time.

The Pilbara Well greenstone belt is up to 8.6km wide, forming a north-east plunging fold over a strike length of 40km within the joint venture tenements. The structural folding of this wide belt has resulted in there being over 50km of prospective felsic volcanic horizons contained within the joint venture tenements. The residual prospectivity of these horizons is high as they form subdued and partly sand covered topographic areas surrounded by more resistant basalt and chert units.

Further direct support for VMS base and precious metal prospectivity is provided by previous rock sampling of malachite-stained chlorite schists and limonitic gossan that returned up to from 26.5%, 16% and 8% copper from three separate areas in the eastern portion of the belt (Figure 2). Limited base metal soil sampling surveys identify high tenor copper in soil anomalism up to 1,946ppm from four areas. The potential strike continuations of these zones are completely untested and will be evaluated in the New Year by further soil sampling.

The known copper occurrences, gossans and high quality soil anomalies provide De Grey with immediate exploration targets whilst the remaining extensive areas of relatively wide and unsheared felsic volcanic units and thin sand cover represent additional untested potential. De Grey are well placed to use the experience and knowledge gained through their Turner River VMS discoveries to rapidly and efficiently evaluate this exciting new project.

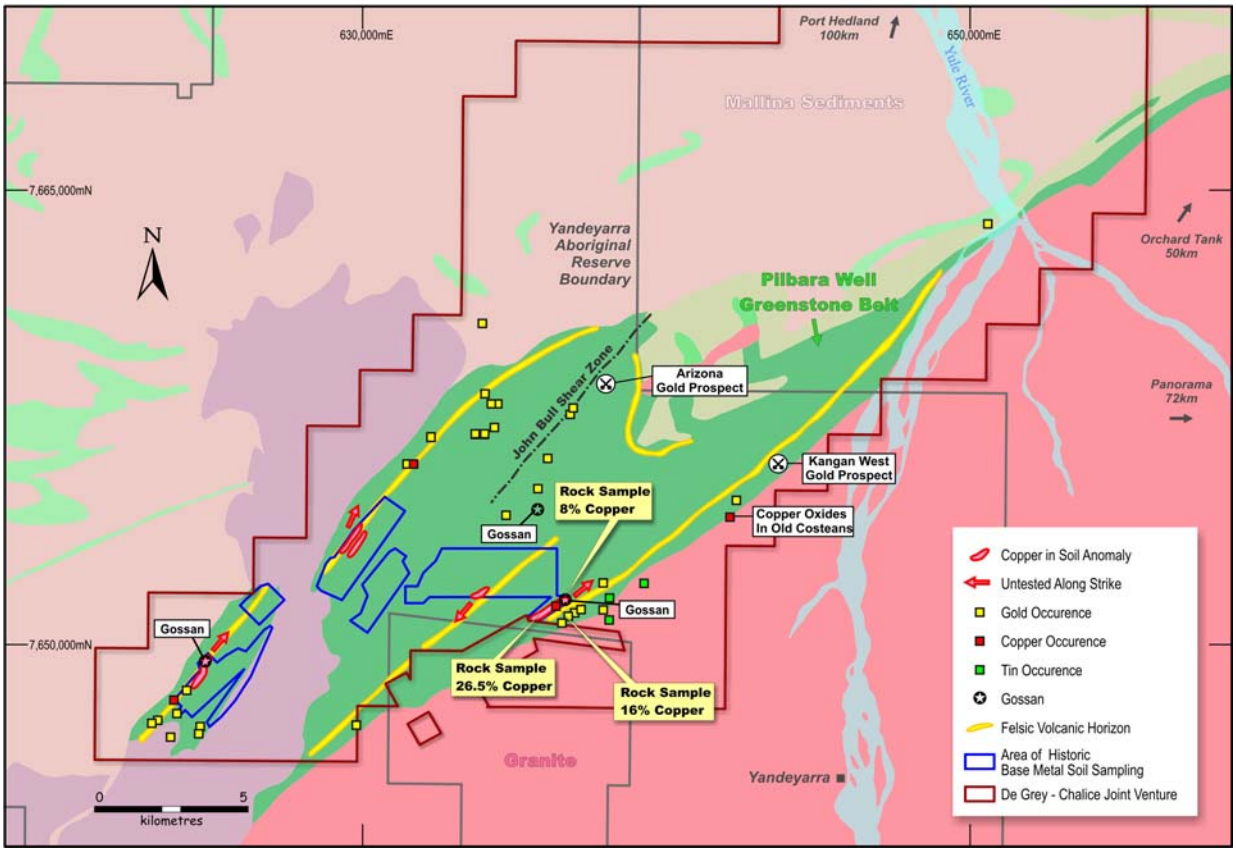

Figure 2 – Joint Venture Mineral Exploration Potential

Gold Potential

Gold discoveries in the Pilbara Creek area of the Pilbara Well greenstone belt sparked the main gold rush activity in the Pilbara in 1888. Thirty hard rock and alluvial gold occurrences are recorded within the joint venture area.

The John Bull Shear Zone hosts gold anomalism and several old workings over a 5 kilometre strike length. This includes the Arizona Prospect where rock chip results up to 110g/t gold were returned. Drilling to date is very sparse over this significant gold mineralised zone but has returned intersections up to 7m at 1.7g/t gold from 35m.

The West Kangan Prospect is defined by three 400m spaced RAB-Aircore traverses that returned up to 1m at 4.97 g/t gold and 10m at 0.44g/t gold. No RC drilling has yet tested this zone of gold mineralisation and it remains open along strike to the north east and south west.

Many of the old gold workings have not been drill tested. De Grey will evaluate and test the highest priority targets with drilling.

Platinum Group Elements (PGE) Potential

Previous regional investigations have generated a number of PGE targets within the joint venture area. No substantial follow up of these types of mineralisation have been conducted by previous explorers. The primary PGE targets are associated with the Millindinna Intrusion. This is the same rock unit where 20kms to the north De Grey has previously identified significant PGE mineralization at Joshua (e.g. hole IERC46 intersecting 14 metres @ 1.32 g/t PGE from 58 metres depth).

The information in the report to which this statement is attached that relates to Mineralisation is based on information complied by Mr David Hammond, who is a Member of the Australian Institute of Mining and Metallurgy. Mr Hammond 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 Hammond consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.