

De Grey Mining Ltd

A.B.N. 65 094 206 292

The Bold Explorer

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ASX/MEDIA RELEASE

DE GREY FURTHER EXPANDS ARGENTINA HOLDINGS

De Grey Mining Ltd (**De Grey** or the **Company**) is pleased to announce that the Company has lodged seven new applications for exploration tenements over an additional 427 sq km in Santa Cruz Province, Argentina.

Five of the new applications, covering 367 sq km, lie 50km NE of the major Cerro Vanguardia mine (7Moz Au and 104Moz Ag reserves plus historic production) and are immediately adjacent to an area presently being explored by the Cerro Vanguardia JV (AngloGold Ashanti and Fomicruz).

The new tenements expand De Grey's landholdings in the highly prospective Deseado Massif to 3,727 sq km, with the majority of the area held 100% by the Company. De Grey is now one of the largest tenement holders in this world-class gold-silver mining province.

De Grey's Managing Director Gary Brabham commented: *"The Deseado is attracting hectic exploration activity at present, with new, high-grade discoveries being announced frequently. Our expanded landholdings in the region put De Grey squarely in the mix and set the company up for a very active exploration campaign in the coming field season."*

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New Tenement Applications, Santa Cruz Province, Argentina

De Grey's new tenement applications cover a total of 427 sq km over three project areas (Figure 1). The applications result from diligent tenement monitoring and conceptual targeting.

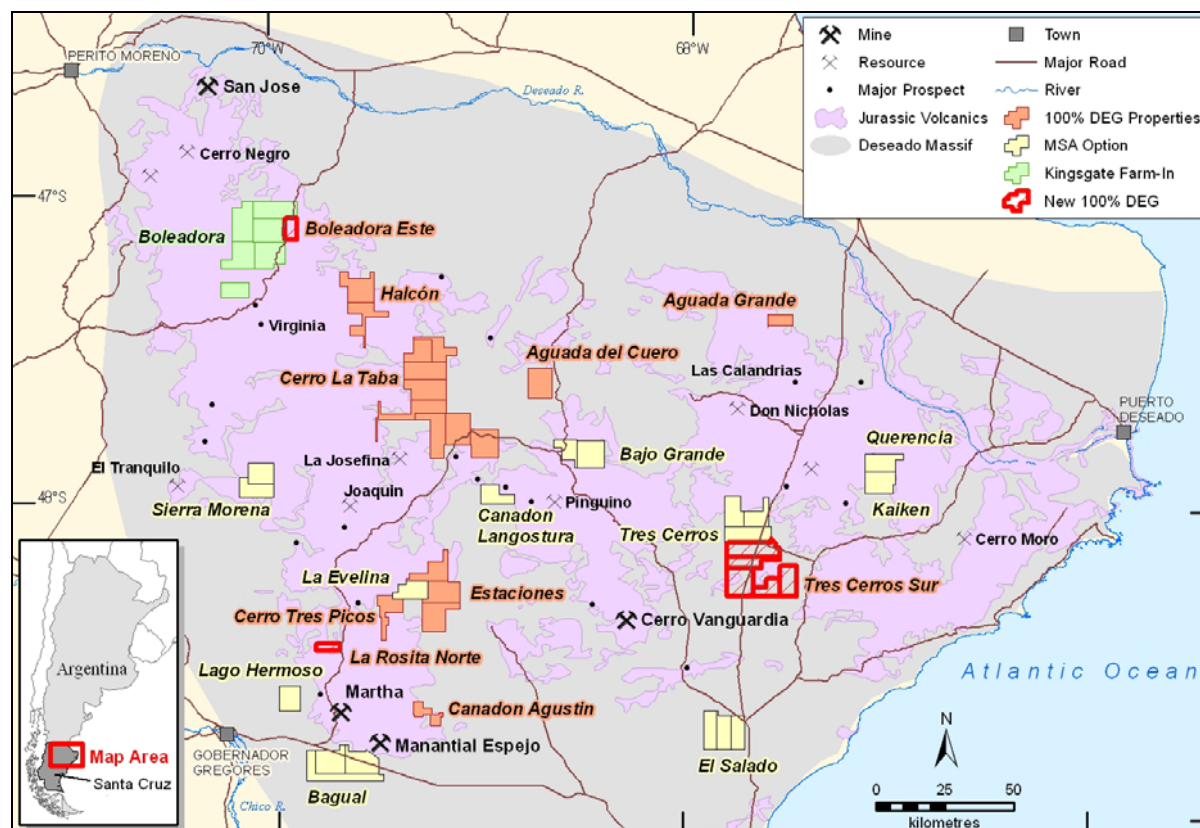


Figure 1: Locations of De Grey's projects, Santa Cruz, Argentina

Boleadora Este

Boleadora Este is contiguous with the company's Boleadora Project, in the western Deseado, where De Grey has the right to earn up to 80% interest in a farm-in with Minera Kingsgate S.A.

The property comprises a single *cateo* (exploration licence) covering an area of 35 sq km. The western portion of the property covers exposed volcanic rocks of the Chon Aike Formation, host to almost all of the high-grade epithermal Au-Ag deposits discovered to date in the Deseado. The eastern portion covers an area where the prospective Jurassic rocks are covered by a veneer of Quaternary basalt flows interpreted in most places to be less than 10 metres thick.

La Rosita Norte

The La Rosita Norte *cateo* application covers an area of 25 sq km and is located approximately 21 km NNW of the Martha mine (Coeur Argentina S.R.L.) and 38 km NW of the Manantial Espejo mine (Pan American Silver Corp).

Neighbouring tenements are held by Minera Mariana Argentina (Mariana Resources) and Coeur Argentina, two of the most active explorers in the region.

Tres Cerros Sur

The Tres Cerros Sur project comprises 367 sq km in five *cateo* applications contiguous with the Company's Tres Cerros Project (subject of an option agreement with Minera Sudamericana S.A.).

The applications are located approximately 50km NE of Cerro Vanguardia mine (AngloGold Ashanti – Fomicruz JV). The area is immediately east of, and contiguous with, a large area being intensively explored by the Cerro Vanguardia JV.

The project covers an area where prospective Jurassic rocks are exposed in several windows through a thin veneer of post mineral cover. Exploration of covered areas is in its infancy in the Deseado and De Grey considers that application of geophysics and advanced geochemical sampling techniques in conjunction with low-level detection assay methods, familiar to Australian explorers, have potential to yield new discoveries in the region.

Forward Work Program

Exploration of Boleadora Este will commence early in the 2011-2012 field season, in conjunction with high priority follow up of geochemical anomalies within the Boleadora Project.

After first-pass prospecting, La Rosita Norte and Tres Cerros Sur will be prioritised alongside programs budgeted for De Grey's other Argentine properties.

The information in this report that relates to exploration results is based on public domain information and information compiled by Mr Glenn Martin, who is a Member of the Australasian Institute of Mining and Metallurgy. Mr Martin 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 Martin consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.