

De Grey Mining Ltd

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The Bold Explorer

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ASX/MEDIA RELEASE

EXPLORATION UPDATE – BOLEADORA PROJECT, ARGENTINA

De Grey Mining Ltd (**De Grey** or the **Company**) is pleased to provide an update with results from the recently completed stream sediment geochemistry survey over the Boleadora project, Santa Cruz Province, Argentina.

The stream sediment sampling program was designed to rapidly and cost-effectively screen the five contiguous *cateos* that comprise the northern part of the project, a 490 sq km area. The target mineralisation style at Boleadora is disseminated and vein-hosted, low-sulphidation epithermal gold-silver typical of the numerous deposits discovered in the Deseado Massif during its short exploration history to date.

Gold, silver and pathfinder element anomalies worthy of follow-up have been outlined in eleven drainages on the properties.

De Grey has the right to earn up to 80% in Boleadora through a farm-in agreement with Minera Kingsgate Argentina S.A., a wholly owned subsidiary of Kingsgate Consolidated Ltd.

De Grey's Managing Director Gary Brabham commented: *"The Boleadora project covers a large area of prospective Chon Aike Formation rocks, host to almost all precious metals deposits discovered to date in the Deseado. Exploration in the region is in its infancy, with most discoveries to date having been made by conventional prospecting. With such a large project area, and in the knowledge that some recent finds in the region have had negligible surface expression, we're applying careful geochemical sampling and ultra low-level assays to explore effectively and efficiently. The clustered multi-element anomalies outlined by this program, particularly those in the vicinity of complex fault intersections, are an encouraging result."*

For further information:

Gary Brabham

De Grey Mining Limited

Ph: +61 8 9285 7500

BOLEADORA STREAM SEDIMENT GEOCHEMISTRY SURVEY

Stream sediment sampling was completed at 221 sites with two screened size fractions sampled at each site. The samples were submitted for ultra-low level assays; in the context of the target mineralisation style and the type of sampling undertaken, significant targets may be represented by very low levels of metal concentrations.

Results were initially evaluated based on individual elements, with several sites displaying strongly anomalous Au (to 73ppb Au) and Ag (to 150ppb Ag) values. Assays of individual elements were then 'ranked' and the ranks combined into a score based on a combination of elements (Au+As+Mo+Pb+Sb+Zn) that are typical of the upper levels of low-sulphidation epithermal vein systems. The score was then used to highlight areas of anomalous geochemistry.

The survey has outlined eleven target areas of elevated gold and/or multi-element signatures (Figure 1). Those areas are predominantly associated with northwest to northeast trending faults, the typical control of most known epithermal vein deposits in the Deseado Massif. The clustered anomalous points in the central-western and south-western parts of the project area are of particular interest given their highly anomalous spot Au and Ag values.

The stream sediment geochemistry survey has outlined priority areas for detailed follow-up immediately next field season commences, expected to be September 2011.

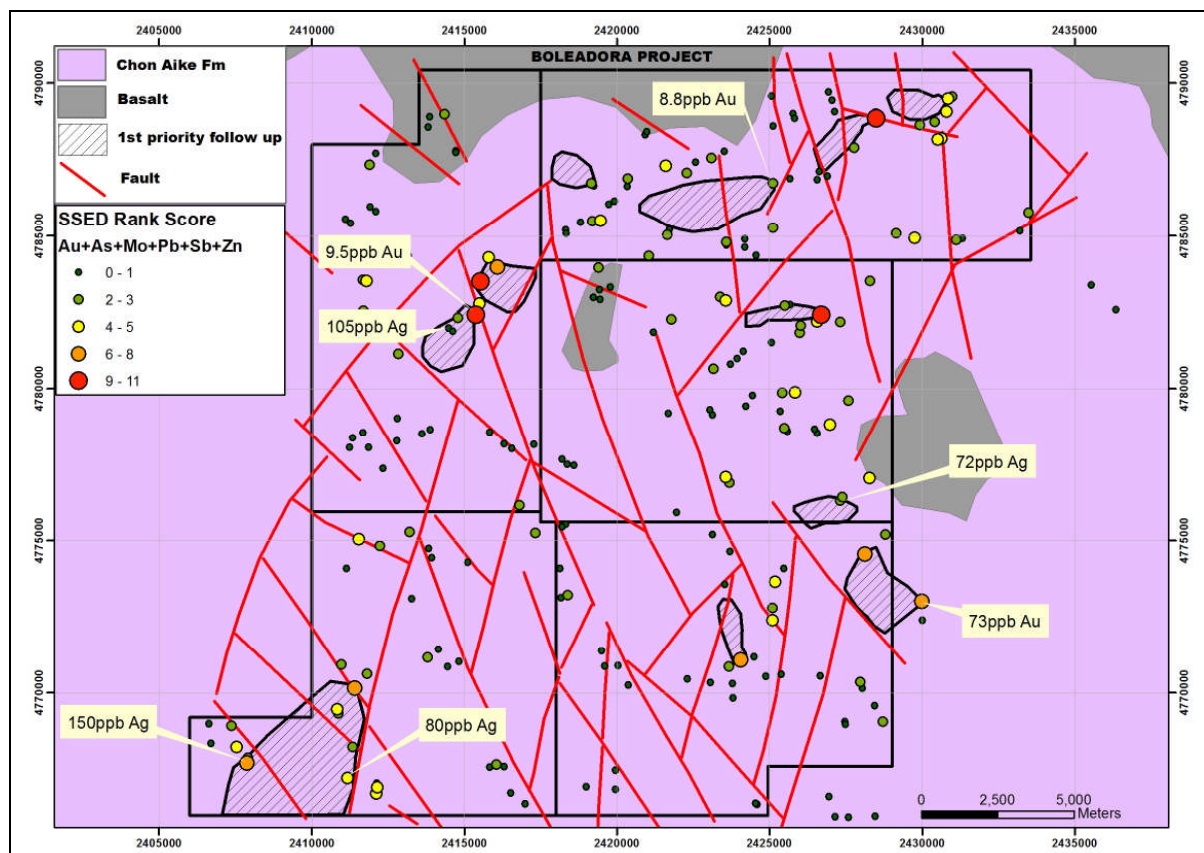


Figure 1: Boleadora stream sediment results, Santa Cruz, Argentina

Element			Au (ppb)	Ag (ppb)	As (ppm)	Mo (ppm)	Pb (ppm)	Sb (ppm)	Zn (ppm)	**Rank Score
Detection Limit			0.2	2	0.1	0.01	0.01	0.02	0.1	
Background Value			2	20	4	0.43	7.42	0.17	30.5	
*Sample	East	North								
A408	2428493	4788855	0.8	43	8	1.32	34.31	0.39	47.3	11
A130	2415370	4782421	9.5	33	5.8	1.51	23.06	0.41	39.9	11
A124	2415529	4783501	1.6	38	6.1	2.46	47.7	0.58	54.1	11
A824	2426686	4782414	0.2	43	4.9	1.1	25.41	0.28	66.5	10
A213	2411405	4770145	0.4	35	11.1	1.12	8.86	0.33	51.5	8
A513	2424045	4771084	0.2	24	3.7	1.16	12.27	0.29	53.2	7
A118	2416076	4783978	1.2	28	4.6	1.46	18.89	0.26	35.1	7
A552	2428125	4774560	0.9	25	72.1	1.05	8.55	0.22	26.5	6
A549	2429982	4773007	73.1	27	3.5	0.77	11.19	0.29	37.9	6
A243	2407875	4767718	0.5	150	8.2	0.76	9.77	0.31	68.4	6

Table 1: Boleadora – Significant Stream Sediment Results, Santa Cruz, Argentina

*Samples were analysed by ACME Analytical Laboratories, Mendoza, Argentina. ICP Mass Spectrometer analysis of 30g sample split from original 500gm (minimum) sample after Aqua Regia digestion for ultra-low determinations. Basic suite of elements consisted of 37 elements including those listed above. Note that some elements will report partial concentrations due to the presence of refractory minerals. Sample locations are Campo Inchauspe datum Zone 2.

**Rank value was calculated for elements which displayed a positive correlation with Au. For each element the top 3 statistical populations were determined (Jenks Natural Break), after which a score was assigned to each sample for each population. For each element, Rank 3 = 1st order population, Rank 2 = 2nd order population, Rank 1 = 3rd order population. Rank values for each element with a positive correlation with Au were combined into a "Rank Score".

The information in this report that relates to exploration results is based on 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.