



De Grey Mining Ltd

A.B.N. 65 094 206 292

The Bold Explorer

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ASX/MEDIA RELEASE

MAIDEN DRILL PROGRAM COMMENCES AT SIERRA MORENA PROJECT, ARGENTINA

HIGHLIGHTS

- Initial 750 metre diamond drilling program at Vein Breccia Zone
- Drilling to be completed by mid-June 2012
- Previously released rock chip samples assaying up to 11.75g/t gold and 96.2g/t silver

De Grey Mining Ltd (ASX: DEG) is pleased to advise that its maiden drill program in Argentina is to begin on Saturday 19th May at the Sierra Morena Project in Santa Cruz Province. The drilling contractor has arrived on site and is setting up on the first hole.

An initial program of approximately 750 metres of diamond drilling will be completed at the Vein Breccia Zone prospect, targeting high-level epithermal gold-silver mineralisation. De Grey's exploration at the Vein Breccia Zone has outlined a complex epithermal vein system containing precious metals mineralisation over 800 metres strike length with rock chip samples assaying up to **11.75g/t Au and 96.2g/t Ag¹**.

It is expected that this initial drilling program will be completed by mid-June 2012. The program will provide an initial test of the exploration model and provide vectors for further drilling when the next field season commences, expected to be September.

Drilling has started later than planned due to delays in securing a drilling contractor. Depending on drill rates and the onset of winter weather conditions, the rig may proceed to the SM6 target, also located on Sierra Morena Project, and the Pachi prospect after the program at Vein Breccia Zone is completed.

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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 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves." (the JORC Code). 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.

¹ Refer to De Grey's ASX release dated 8 December 2011 for details.