

De Grey Mining Ltd

A.B.N. 65 094 206 292

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ASX/MEDIA RELEASE

PUHIPUHI PERMIT TRANSFER APPROVED

HIGHLIGHTS

- De Grey Mining Ltd has received New Zealand Ministerial consent for the transfer of 100% of Exploration Permit EP51985, from Waihi Gold Company Ltd
- 9 high priority drill ready target areas, based on geophysics and geochemistry
- Previous significant drilling results include 18m @ 3.38g/t Au and 10.3g/t Ag, (including 2m @ 17g/t Au and 15g/t Ag) in PPRC6, and 2m @ 7.6g/t Au and 70g/t Ag in PPRC31

De Grey Mining Ltd (**ASX: DEG**) advises that it received Ministerial consent from the New Zealand Ministry of Economic Development on the 11th January 2013 for the transfer of Exploration Permit EP51985 (the “**Puhipuhi Project**” or the “**Project**”).

In 2012 De Grey Mining signed a definitive agreement with Waihi Gold Company Ltd (“**Waihi**”), a wholly owned subsidiary of Newmont Mining, to acquire 100% of the Puhipuhi Project located on the North Island of New Zealand (refer to Figure 1).

The Project comprises one exploration permit that was granted to Waihi in 2009 and has a term of five years (with the right to a further five year extension available). The permit area comprises 6,116 hectares located approximately 30km NNW of Whangarei, in the Northland Region of New Zealand.

The Project is wholly contained within an area defined by the New Zealand Government’s Ministry of Economic Development as being open for mineral exploration. The majority of the project is located on private lands, predominantly farmland and the area provides straightforward access, an educated workforce and good availability of drilling contractors.

Despite exploration commencing in the early 1980s by companies such as Homestake, BHP and Macraes, the Project remains relatively underexplored.

Of the 50 drillholes completed within the Project area, only four are greater than 200m in length in what has been interpreted from petrology, geochemistry, mapping and geophysics to be the top of an epithermal system.

The Project is endowed with a number of walk up drill targets. Recently completed geophysical work by Waihi combined with anomalies generated from historic geochemistry surveys has resulted in 11 target areas, nine of which are considered high priority (Figure 1) including the two historic mercury mines (the Rising Sun and Puhipuhi mines) within the Project.

Puhipuhi is interpreted to represent a well preserved hot spring sinter/breccia system that formed as an outflow from a venting geothermal system. Mineralisation in these systems is commonly restricted to fluid upflow settings and very low gold contents are deposited at surficial levels. Fluid upflow settings typically form fissure vein systems at depth, developed in competent basement rocks and fluid quenching in such an environment may produce good gold grades. Fissure vein epithermal gold-silver mineralisation commonly forms in dilatant structural environments and examples of these systems include Hishikari (Japan), Cracow (Queensland), Sleeper (Nevada) and Waihi (New Zealand).

The potential for Puhipuhi to host such a fissure vein system has been recognised by several explorers during the last 30 years, however drilling to date has only been relatively shallow, and hasn't tested the deeper parts of the system where the gold-silver mineralisation is expected to occur. Other drill targets generated from multi-element surface geochemistry and ground based geophysical surveys (IP and CSAMT) also remain untested within the Project area.

De Grey intends to complete a program of work to orientate initial target drilling. This program will include, data review, geological mapping and sampling, and re-processing of geophysical data (magnetic, radiometrics, IP, CSAMT).

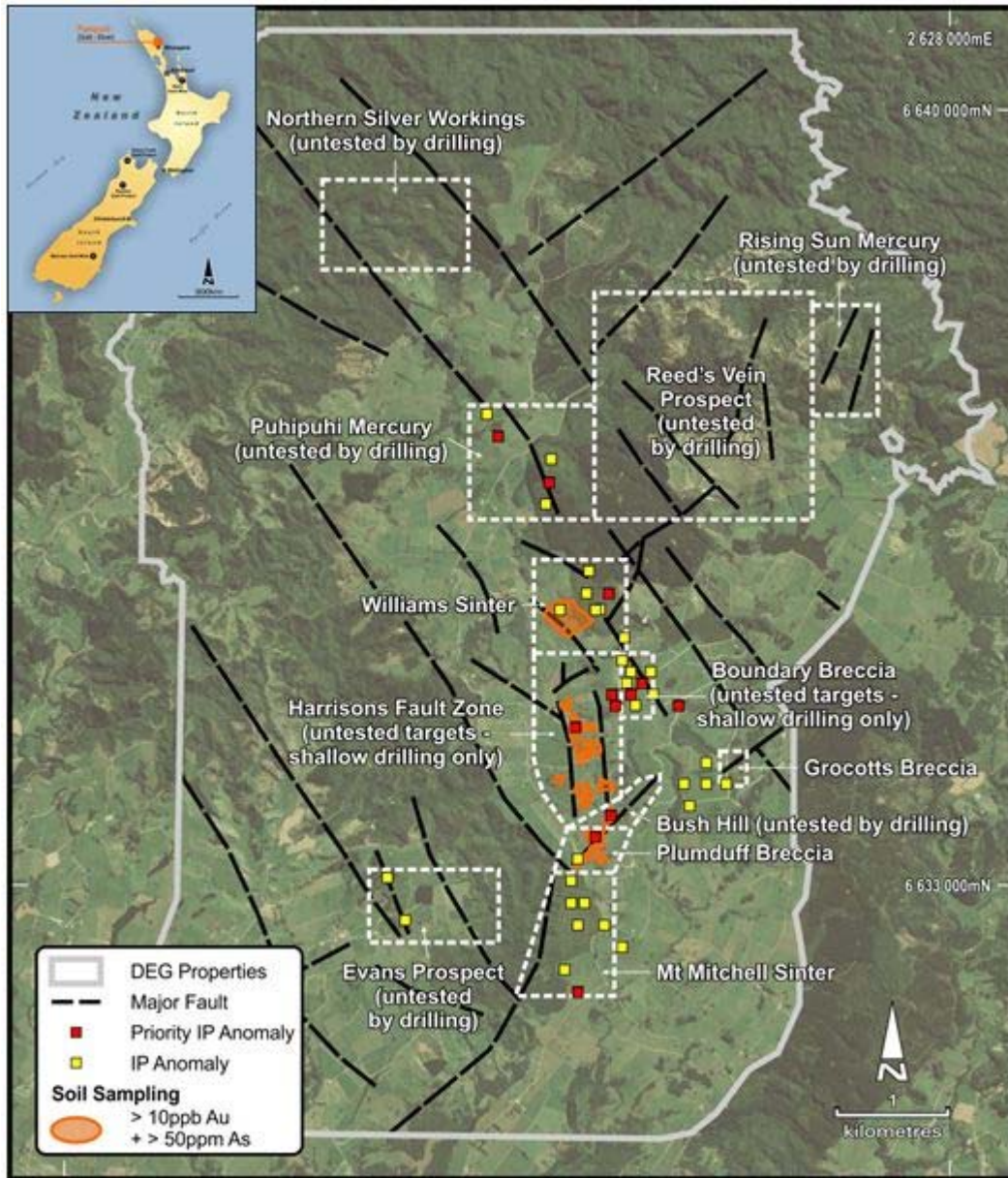


Figure 1: Target areas in Puhipuhi Project, Northland, New Zealand

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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 and a full time employee of De Grey Mining Limited. 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.