

De Grey Mining Ltd

A.B.N. 65 094 206 292

The Bold Explorer

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ASX/MEDIA RELEASE

DE GREY EXPANDS ARGENTINA HOLDINGS

De Grey Mining Ltd (**De Grey** or the **Company**) is pleased to announce that the Company has lodged applications for exploration tenements over an additional 1,110 sq km in Santa Cruz Province, Argentina.

In total, the new tenements expand De Grey's footprint in the highly prospective Deseado Massif to 3,300 sq km, making it one of the largest tenement holders in this world-class gold-silver mining province.

De Grey's Managing Director Gary Brabham commented: *"These are early-stage properties but they cover the right geology in the right region and, having pegged them ourselves, they come at the right price. Every extra bit of ground we can put our foot on in the Deseado increases our probability of discovery."*

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New Tenement Applications, Santa Cruz Province, Argentina

De Grey's new tenement applications cover a total of 1,110 sq km over three project areas (Figure 1). The applications result from diligent tenement monitoring and a recent conceptual targeting study.

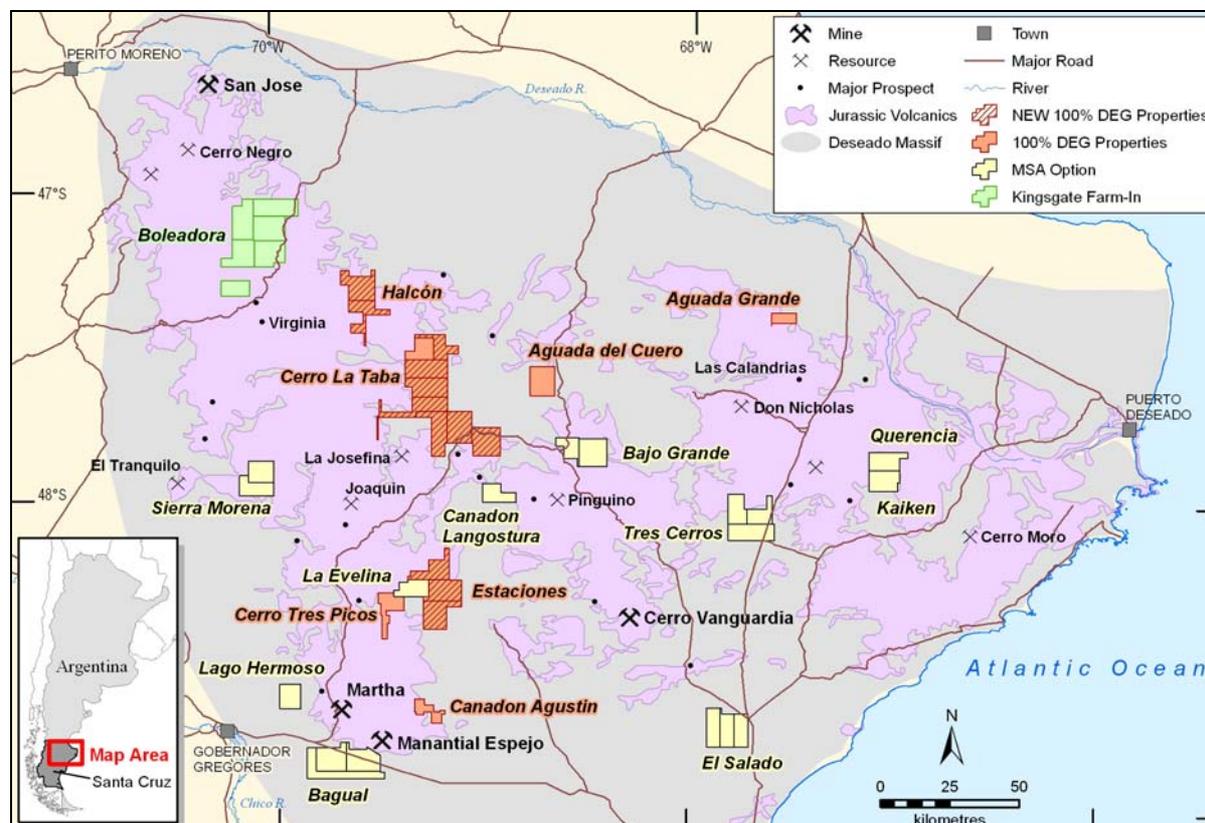


Figure 1: Locations of De Grey's projects, Santa Cruz, Argentina

Halcon Project

Halcon ("Falcon") is a new project area comprising applications for three cateos covering a total area of 179 sq km. Volcanic rocks of the Chon Aike Formation, host to almost all known low-sulphidation epithermal Au-Ag mineralisation in the Deseado, outcrop or subcrop over about 85% of the project area.

Halcon is located approximately 30km east of Mirasol Resources' Virginia prospect, focus of recent drilling by that company that has returned intercepts including 29.1m @ 251g/t Ag and 26.6m @ 230g/t Ag (true widths)¹.

The El Macanudo and La Heradura fossil epithermal hot spring deposits, located immediately north and east, respectively, from the Halcon tenements are evidence of hydrothermal systems active nearby in the Jurassic.

Cerro La Taba

New tenement applications contiguous with De Grey's existing Cerro La Taba project cover an additional 662 sq km.

¹ Refer to Mirasol Resources news release dated 12 May 2011.

The northern and southern-most tenements cover exposed Chon Aike volcanics. The central 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.

Immediately south of the new tenement applications, exposed Chon Aike volcanic rocks host Hunt Mining's El Gateado prospect. Hunt's La Josephina deposits (recent drill intercepts of 19.47m @ 18.83g/t Au, 4.45m @ 4.83g/t Au, 7m @ 3.01g/t Au²) lie just 15km to the southwest. Structures controlling mineralisation at each of these prospects are interpreted to trend beneath the basalt cover on De Grey's tenements.

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.

Estaciones

The Estaciones ("Seasons") project comprises 270 sq km in three cateo applications contiguous with the Company's La Evelina property (subject of an option agreement with Minera Sudamericana S.A.).

The northern part of the new area covers exposed rocks of the Chon Aike Formation, including extensions of ESE trending structures that have returned low-level gold anomalism at La Evelina. In the south, the prospective Jurassic rocks are covered by a thin veneer of Quaternary basalts. Numerous small erosional windows indicate that the basalt cover is mainly less than 6-8 metres thick.

Forward Work Program

With reconnaissance field work not being possible in winter in Santa Cruz, the Company will use the off-season to liaise with landowners in order to allow exploration to commence as early as possible in the next field season, most likely September 2011.

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.

² Refer to Hunt Mining news release dated 5 May 2011.