



# De Grey Mining Ltd

A.B.N. 65 094 206 292

*The Bold Explorer*

29 September 2010

## **ASX/MEDIA RELEASE**

### **DE GREY COMPLETES PLACEMENT**

De Grey Mining Ltd (ASX: DEG) is pleased to announce a placement of 33,750,000 ordinary shares at an issue price of 4 cents per share to raise \$1.35 million (before expenses of the issue). The placement has been completed to a small number of professional and sophisticated investors. Appendix 3B is attached.

These funds will be used to continue De Grey's exploration efforts at its recently acquired 2,193km<sup>2</sup> portfolio of exploration properties in the Santa Cruz Province of southern Argentina.

All of De Grey's new project areas have seen little or no previous exploration and represent early stage exploration opportunities in highly prospective Jurassic volcanic rocks of the Deseado Massif in Southern Patagonia. The region hosts numerous low-sulphidation epithermal gold-silver deposits, with resources and reserves totalling 11.5Moz gold and 245Moz silver discovered since 1990, making it one of the world's premier exploration regions for this style of mineralisation. Despite this record of discovery, exploration in the region is still in its infancy.

Field work is scheduled to commence in October after winter snows have receded using experienced Argentine geological personnel. A series of targets generated on the basis of alteration anomalies interpreted from the processing and analysis of Aster multi-spectral satellite data provide De Grey with areas for immediate field investigation.

Other specific exploration targets include siliceous breccias on the Sierra Morena property, where brief reconnaissance and sampling by De Grey during due diligence investigations in April 2010 returned up to 0.49g/t gold and 13g/t silver. A single rock chip sample from a second area of poorly exposed quartz veining 700m distant from the breccias outcrops returned 0.20g/t gold and 20g/t silver.

Detailed mapping and sampling will be completed over the specific exploration targets identified at each of the properties with the aim of rapidly firming up drill targets. This targeted work will be complemented by systematic reconnaissance of all outcropping areas of prospective Jurassic volcanic rocks and soil and stream sediment sampling in less well exposed areas.



# Appendix 3B

## New issue announcement, application for quotation of additional securities and agreement

*Information or documents not available now must be given to ASX as soon as available. Information and documents given to ASX become ASX's property and may be made public.*

Introduced 1/7/96. Origin: Appendix 5. Amended 1/7/98, 1/9/99, 1/7/2000, 30/9/2001, 11/3/2002, 1/1/2003.

Name of entity

**De Grey Mining Limited**

ACN

094 206 292

We (the entity) give ASX the following information.

### Part 1 - All issues

*You must complete the relevant sections (attach sheets if there is not enough space).*

- |   |  |                            |
|---|--|----------------------------|
| 1 | +Class of +securities issued or to be issued   | Ordinary Fully Paid Shares |
| 2 | Number of +securities issued or to be issued (if known) or maximum number which may be issued  | 33,750,000                 |
| 3 | Principal terms of the +securities (eg, if options, exercise price and expiry date; if partly paid +securities, the amount outstanding and due dates for payment; if +convertible securities, the conversion price and dates for conversion) | Ordinary Fully Paid Shares |

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+ See chapter 19 for defined terms.

<p>4 Do the <sup>+</sup>securities rank equally in all respects from the date of allotment with an existing <sup>+</sup>class of quoted <sup>+</sup>securities?</p> <p>If the additional securities do not rank equally, please state:</p> <ul style="list-style-type: none"> <li>• the date from which they do</li> <li>• the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment</li> <li>• the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment</li> </ul>	Yes					
<p>5 Issue price or consideration</p>	\$0.04					
<p>6 Purpose of the issue (If issued as consideration for the acquisition of assets, clearly identify those assets)</p>	Additional working capital purposes					
<p>7 Dates of entering <sup>+</sup>securities into uncertificated holdings or despatch of certificates</p>	30 September 2010					
<p>8 Number and <sup>+</sup>class of all <sup>+</sup>securities quoted on ASX (including the securities in clause 2 if applicable)</p>	<table border="1"> <thead> <tr> <th data-bbox="694 1581 930 1619">Number</th> <th data-bbox="930 1581 1444 1619"><sup>+</sup>Class</th> </tr> </thead> <tbody> <tr> <td data-bbox="694 1619 930 1861" style="text-align: center;">258,862,350</td> <td data-bbox="930 1619 1444 1861" style="text-align: center;">Ordinary Shares</td> </tr> </tbody> </table>	Number	<sup>+</sup> Class	258,862,350	Ordinary Shares	
Number	<sup>+</sup> Class					
258,862,350	Ordinary Shares					

	Number	+Class
9 Number and +class of all +securities not quoted on ASX (including the securities in clause 2 if applicable)	2,000,000	31 December 2010 – 20 cent options
	2,500,000	30 June 2011 – 7.5 cent options
	3,250,000	30 June 2011 – 20 cent options
	3,000,000	4 July 2011 – 25 cent options
	3,250,000	30 June 2012 – 25 cent options
10 Dividend policy (in the case of a trust, distribution policy) on the increased capital (interests)	N/A	

## Part 2 - DELETED – NOT APPLICABLE

### Part 3 - Quotation of securities

*You need only complete this section if you are applying for quotation of securities*

34 Type of securities  
(tick one)

(a)  Securities described in Part 1

(b)  All other securities

Example: restricted securities at the end of the escrowed period, partly paid securities that become fully paid, employee incentive share securities when restriction ends, securities issued on expiry or conversion of convertible securities

### Entities that have ticked box 34(a)

### Additional securities forming a new class of securities

*Tick to indicate you are providing the information or documents*

35  If the +securities are +equity securities, the names of the 20 largest holders of the additional +securities, and the number and percentage of additional +securities held by those holders

36  If the +securities are +equity securities, a distribution schedule of the additional +securities setting out the number of holders in the categories  
1 - 1,000  
1,001 - 5,000  
5,001 - 10,000  
10,001 - 100,000  
100,001 and over

37  A copy of any trust deed for the additional +securities

### Quotation agreement

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+ See chapter 19 for defined terms.

1 +Quotation of our additional +securities is in ASX's absolute discretion. ASX may quote the +securities on any conditions it decides.

2 We warrant the following to ASX.

- The issue of the +securities to be quoted complies with the law and is not for an illegal purpose.
- There is no reason why those +securities should not be granted +quotation.
- An offer of the +securities for sale within 12 months after their issue will not require disclosure under section 707(3) or section 1012C(6) of the Corporations Act.

Note: An entity may need to obtain appropriate warranties from subscribers for the securities in order to be able to give this warranty

- Section 724 or section 1016E of the Corporations Act does not apply to any applications received by us in relation to any +securities to be quoted and that no-one has any right to return any +securities to be quoted under sections 737, 738 or 1016F of the Corporations Act at the time that we request that the +securities be quoted.
- We warrant that if confirmation is required under section 1017F of the Corporations Act in relation to the +securities to be quoted, it has been provided at the time that we request that the +securities be quoted.
- If we are a trust, we warrant that no person has the right to return the +securities to be quoted under section 1019B of the Corporations Act at the time that we request that the +securities be quoted.

3 We will indemnify ASX to the fullest extent permitted by law in respect of any claim, action or expense arising from or connected with any breach of the warranties in this agreement.

4 We give ASX the information and documents required by this form. If any information or document not available now, will give it to ASX before +quotation of the +securities begins. We acknowledge that ASX is relying on the information and documents. We warrant that they are (will be) true and complete.

Sign here:



(Company secretary)

Date: 29 September 2010

Print name:

Dennis Wilkins

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