De Grey Mining Ltd

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The Bold Explorer

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ASX/MEDIA RELEASE

EXPLORATION UPDATE – HALCON 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 at the Halcon project, Santa Cruz Province, Argentina.

The stream sediment sampling campaign was designed to rapidly and cost-effectively screen the 179 sq km project area.

Low-level multi-element assays have highlighted fifteen areas associated with NW-NNW and NE trending structures for follow-up exploration.

The Halcon Project is held 100% by De Grey and comprises applications for two *cateos* (exploration licences). Jurassic volcanic rocks of the Chon Aike Formation, host to almost all known low-sulphidation epithermal Au-Ag mineralisation in the Deseado, outcrop or sub-crop over approximately 85% of the project area.

De Grey's Managing Director Gary Brabham commented: *"Our pragmatic approach to exploration in the Deseado is paying off, as evidenced by the targets we've outlined at Sierra Morena project. Now our first-pass work at Halcon has outlined areas with similar geochemical signatures. Individual results of up to 39.3ppb Au, 97ppb Ag and multi-element anomalies for a suite of elements typical of low sulphidation vein targets have outlined multiple areas for immediate follow-up."*

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HALCON STREAM SEDIMENT GEOCHEMISTRY SURVEY

Stream sediment sampling was completed at 158 sites with two samples taken 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 39.3ppb Au) and Ag (to 97ppb 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 delineate areas of anomalous geochemistry. Sample A-2461 also highlighted an area with a highly anomalous sulphur value of 8700ppm.

The survey has outlined fifteen target areas of elevated gold and/or multi-element signatures (Figure 1). Those areas are predominantly associated with northwest trending faults, the typical control of most known epithermal vein deposits in the Deseado Massif.

The stream sediment geochemistry survey has outlined priority areas for ground based geological/geochemical prospecting which will commence immediately.

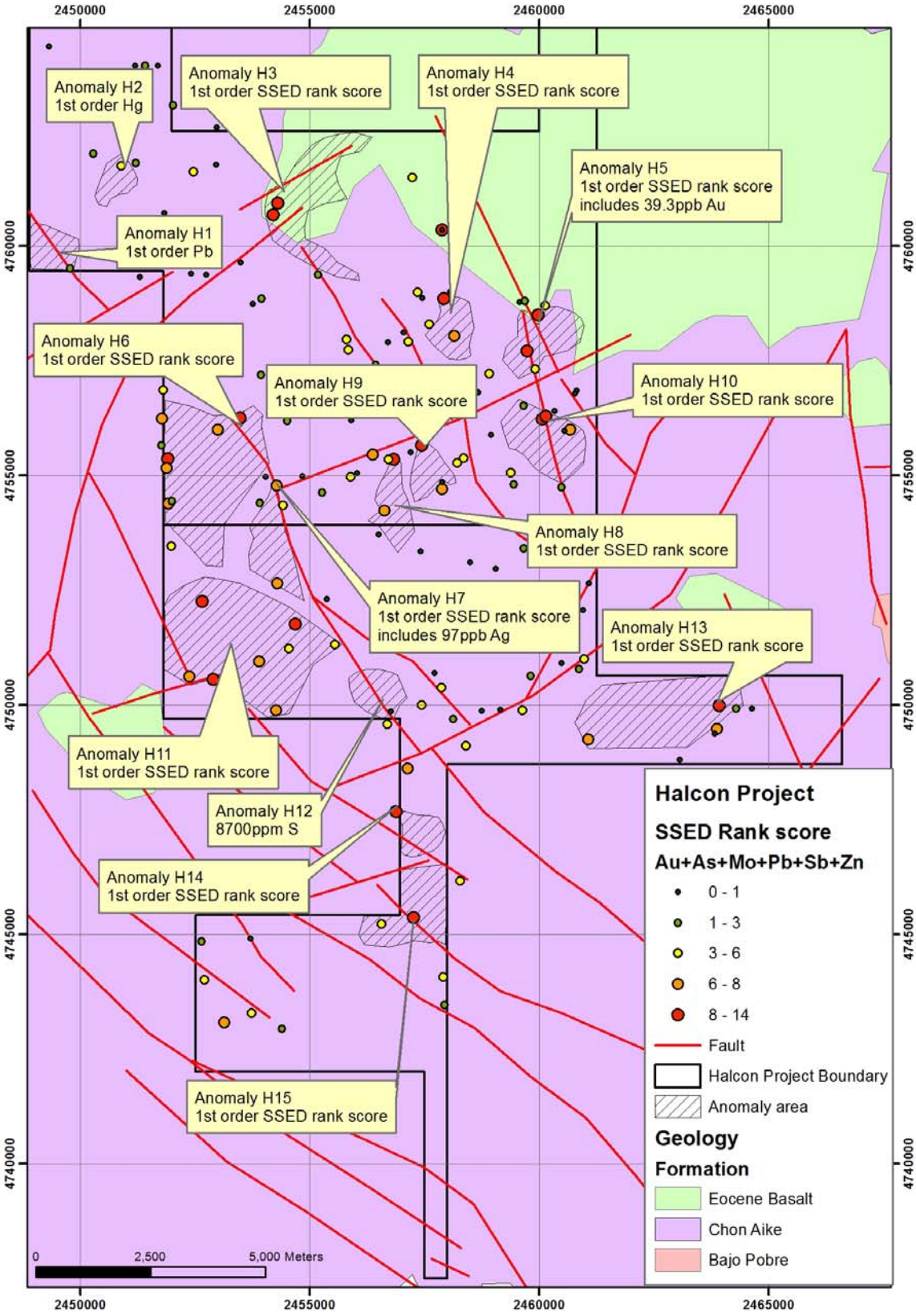

Figure 1: Halcon Stream Sediment Results, Santa Cruz, Argentina

Element			Au (ppb)	Ag (ppb)	As (ppm)	Mo (ppm)	Pb (ppm)	Sb (ppm)	S (ppm)	Zn (ppm)	**Rank Score
Detection Limit			0.2	2	0.1	0.01	0.01	0.02	0.01	0.1	
*Sample	East	North									
A-2377	2463919	4749985	0.7	27	9.99	**0.59**	11.9	0.535	300	52.8	14
A-2469	2452890	4750560	0.4	26	16.4	0.28	9.88	**0.625**	300	47.1	11
A-2575	2459737	4757709	0.6	6	7.17	0.43	9.03	0.442	400	58.4	11
A-1932	2457927	4758852	0.7	16	7.63	0.53	6.54	0.334	300	54.8	10
A-2000	2454302	4760933	0.4	19	4.41	0.52	7.97	0.402	400	51.5	10
A-2358	2457263	4745366	0.8	29	4.75	0.37	10.75	0.273	300	49.7	10
A-2362	2456882	4747677	1.2	27	**124.5**	0.2	9.54	0.417	200	28.3	10
A-2479	2451909	4755364	0.1	46	5.99	0.38	11.6	0.346	400	56.7	10
A-2489	2452661	4752258	0.1	38	10.5	0.35	9.46	0.46	500	45.8	10
A-2493	2454690	4751762	0.5	**56**	8.67	0.28	10.8	0.292	300	47.7	10
A-2504	2453484	4756257	0.1	10	3.42	0.46	10.4	0.389	400	55.4	10
A-1922	2457878	4760349	0.8	6	2.5	0.53	6.99	0.136	500	60.7	9
A-1930	2459979	4758502	1.3	18	10.15	0.49	6.26	0.256	600	36.2	9
A-1998	2454206	4760682	0.1	31	3.61	0.45	5.96	0.42	600	68.5	9
A-2363	2456882	4747677	1.1	29	28.4	0.19	8.04	0.352	300	34.8	9
A-2601	2460061	4756232	0.6	26	6.22	0.32	10.5	0.269	400	57.2	9
A-2603	2460146	4756288	0.6	36	6.16	0.33	9.34	0.353	100	55.3	9
A-2629	2456827	4755351	0.4	25	4.73	0.37	8.91	0.338	300	**69.9**	9
A-2481	2451882	4755159	0.4	28	6.83	0.3	10.3	0.433	300	39.9	8
A-2591	2458146	4758048	0.3	17	5.93	0.36	8.37	0.322	200	46.6	8
A-2483	2451913	4754392	0.1	26	5.11	0.26	9.54	0.556	400	40	7
A-2506	2452999	4756002	0.9	32	4.86	0.28	7.22	0.321	200	41.2	7
A-2518	2454277	4754786	1	**97**	4.18	0.33	8.17	0.302	500	38.1	7
A-2573	2459913	4757315	**39.3**	21	4.65	0.26	6.9	0.158	400	43.3	6
A-1896	2450885	4761749	0.3	9	3.33	0.27	7.14	0.343	300	41.9	5
A-1900	2449775	4759517	0.1	10	2.41	0.19	**14.25**	0.19	400	35.2	3
A-2461	2456765	4749853	0.3	20	3.49	0.15	4.67	0.195	**8700**	24.9	0
A-2635	2458056	4751862	0.3	25	5.42	0.42	8.29	0.305	400	58.1	9
A-2567	2460680	4756003	0.2	8	3.74	0.41	6.71	0.305	700	57.2	8

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

*Samples were analysed by ALS 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 51 elements including those listed above. Note that some elements will report partial concentrations due to the presence of refractory minerals.

**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.