

31 October 2012

**QUARTERLY ACTIVITIES REPORT
FOR THE PERIOD ENDED 30 SEPTEMBER 2012**

St George Mining Limited (ASX:SGQ) (“St George Mining”), a gold and nickel focused exploration company, presents its Quarterly Activities Report for the period ended 30 September 2012.

EAST LAVERTON NICKEL EXPLORATION (100% ST GEORGE)

Cambridge Nickel Prospect

During the quarter, the Company announced that it had identified an advanced high priority nickel sulphide target – the Cambridge Nickel Prospect (100% St George).

A large ovoid ultramafic body (4,000 m x 1,500 m) lies within the Cambridge Prospect and appears to represent a large komatiite adcumulate channel flow, a local setting and control for komatiitic-hosted nickel sulphides. This ultramafic body was identified through a combination of magnetic geophysics, high nickel values (+2,000 to +8,000 ppbNi) in soil geochemistry and ground reconnaissance work.

A zone of secondary nickel enrichment appears to blanket the ultramafic body and has been previously confirmed by sparse vertical air-core drilling, including 24m @ 0.54% Ni, 18m @ 0.59% Ni, and 18m @ 0.54% Ni (see Table 1). These intersections are a further indication of the high MgO character of the underlying and unweathered ultramafic rocks.

The ultramafic body can be clearly mapped by nickel values in soil exceeding 2,000 ppbNi. Peak nickel values in the soil are very high, at +8,000 ppbNi. There is a strong co-incidence between the mapping of the ultramafic body by the soil survey and the outline of the magnetic anomaly detected by the TEM survey.

Southern Geoscience Consulting (SGC) has reviewed the historical moving loop TEM (Transient Electromagnetic) survey over Cambridge and has confirmed the presence of several EM conductors, two of which are priority targets. Both these conductors, SR-1 and SR-4, have good late-time decay curves, which is consistent with conductive bodies and may indicate the presence of nickel sulphides.

The EM anomalies are situated on the margin of a large magnetic body, interpreted to be the basal channel of a large adcumulate komatiitic channel flow.

During the quarter, the Company commenced a further moving loop EM survey over a focussed area at Cambridge to further refine the mapping of the conductors and assist in the definition of drill targets. Field work for the EM survey has been completed, and the results from the processing and modelling of this data by Southern Geoscience are expected very soon.

St George’s 100% owned Cambridge Ni prospect and its two new nickel tenements (E39/1666 and E39/1667, see below for further discussion), are situated on the prospective Stella Range ultramafic horizon.

Hole ID	FROM (m)	TO (m)	WIDTH (m)	Ni %
SRAB-50	18	36	18	0.54
SRAB-51	12	30	18	0.59
incl.	12	24	12	0.68
SRAB-65	6	30	24	0.54
incl.	18	30	12	0.62

Table 1 – Shallow aircore drilling with significant intersections of secondary nickel enrichment

New Nickel Areas

The Company was granted two tenements on 25 June 2012 (E39/1666 and E39/1667) which collectively add a further 76 sq. km. to the Company’s 100% owned portfolio of nickel tenements. The tenements are strategically positioned on the highly prospective Stella Range Fault and komatiite (ultramafic) horizon.

A regional geochemical survey conducted by the Geological Survey of Western Australia (GSWA) identified several highly anomalous and coincident nickel and copper soil samples on E39/1667 (see Figure 1).

The Company has completed its own MMI (mobile metal ion) soil sampling survey over these new tenements and assays are awaited.

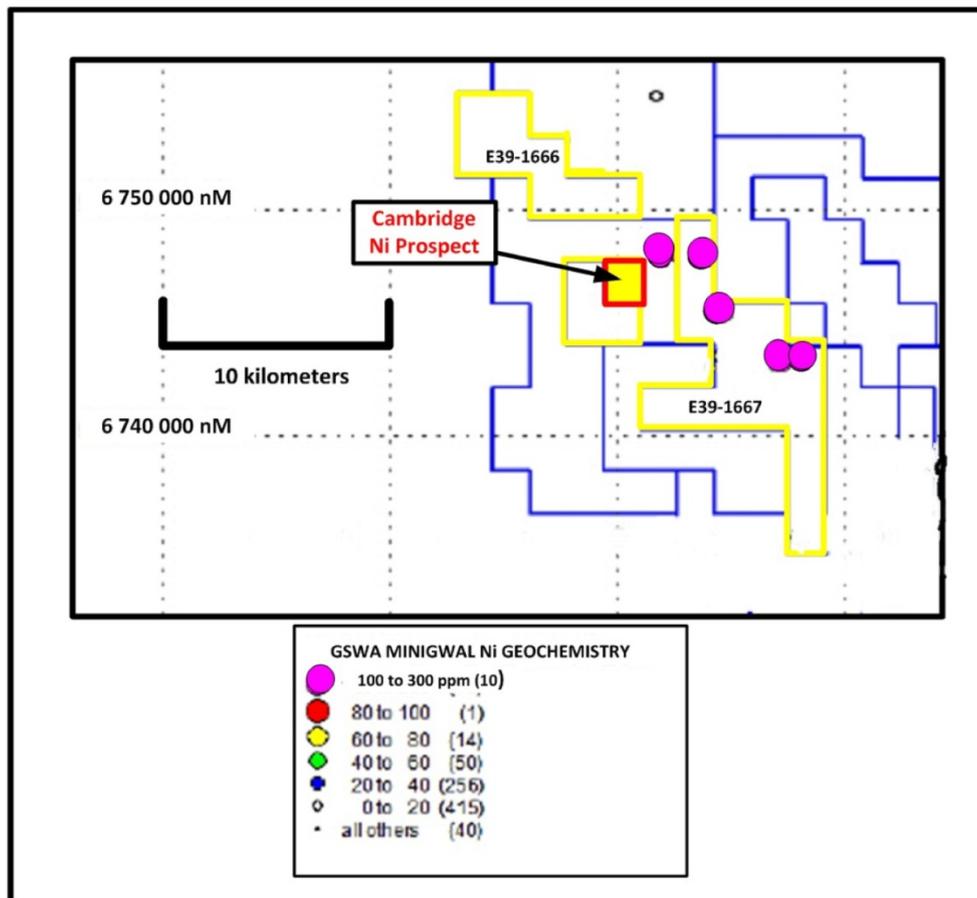


Figure 1 – highly anomalous Ni values in GSWA soil survey at E39/1667

An historical drill hole (SNRC-004) was sited at the southern end of E39/1667. This RC hole intersected 38 m @ 0.3610 ppm Ni from 18m. This is illustrated in Figure 2.

The high levels of secondary Ni enrichment at shallow depths appear to indicate the high MgO (magnesium oxide) content of this section of the ultramafic horizon, permissive of an adcumulate komatiite channel flow and a priority area for nickel sulphide mineralisation.

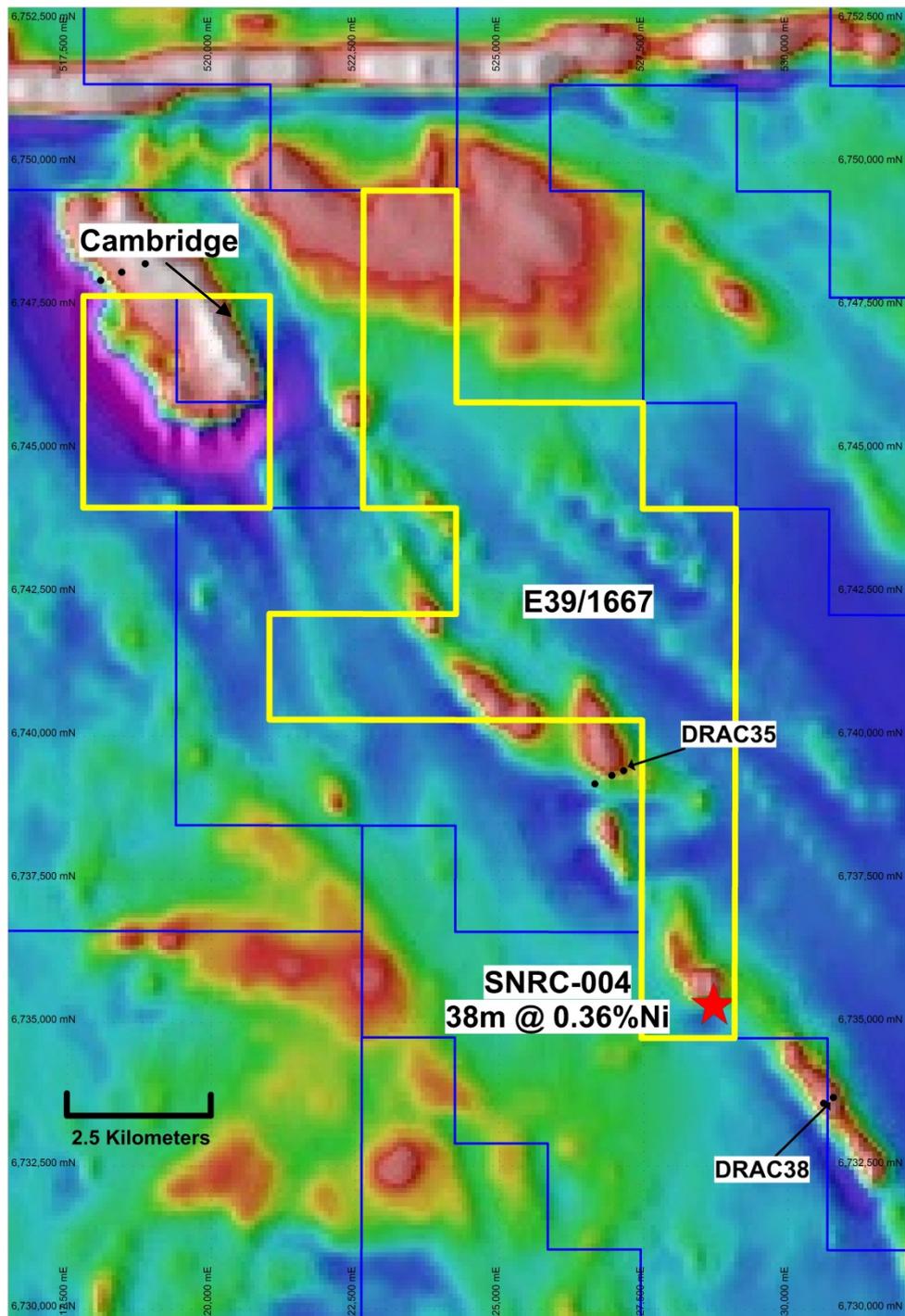


Figure 2 – Cambridge and E39/1667 shown relative to DRAC 35 and 38 from Project Dragon

NICKEL EXPLORATION – PROJECT DRAGON

A reconnaissance RC drilling programme was completed at Project Dragon during the quarter and drill results were announced by the Company on 23 and 25 October 2012. Drilling has identified primary nickel sulphide mineralisation, which supports the presence of fertile, high MgO ultramafic sequences.

A total of 35 RC holes were completed at Project Dragon for 8,560m with 7 nickel targets being tested. The location of the prospects and key intercepts targeted in the drill programme are shown in Figure 4.

A total of 28 of the holes identified komatiite ultramafics within three ultramafic horizons. The two drill holes that intersected fresh-rock nickel sulphides (DRAC35 and DRAC38) are located in the Stella Range ultramafic horizon, situated on the western side of the Dragon Project and extending for over 30 km.

Initial exploration targeting was focused on testing magnetic signatures along potential ultramafic trends. The magnetic signatures provided a geophysical suggestion of the presence of altered high MgO ultramafic rocks.

This drilling programme has established the presence of high MgO komatiites locally containing nickel. Komatiite-hosted nickel-sulphide mineralisation is the current exploration model at East Laverton.

Two drill holes on the Stella Range horizon (DRAC 35 and DRAC 38) intersected disseminated nickel sulphide mineralisation, the first primary nickel mineralisation ever to be identified at the East Laverton Property (e.g. 20m @ 0.39%Ni from 100m at DRAC 35) – see Table 2. Disseminated nickel sulphides can be a peripheral expression of massive nickel sulphide mineralisation.

Table 2 shows values from the drill program above 0.25 % Ni and greater than 100m depth; these nickel values are not economically significant, but are favourable indications of the fertility of the komatiite magmas that form the ultramafic horizons being explored at Project Dragon.

These include DRAC 33 with 36 m @ 0.25% Ni from 178m to 214 m, and DRAC 26 with 20 m @ 0.28% Ni from 194m to 214 m.

St George recognised that the East Laverton Property offered a unique exploration opportunity and entered into a farm-in arrangement to expedite the exploration of this high priority nickel property.

For further details of the Project Dragon farm-in arrangement see the ASX Release dated 6 April 2011 issued by St George Mining and on our website at www.stgm.com.au/project-dragon.html

Hole ID	GDA94_51 East	GDA94_51 North	Dip	Azimuth	Total Depth	From (m)	To (m)	Width (m)	Ni (%)	S (%)	Cu (ppm)	Pt+Pd (ppb)
DRAC1	545022	6742425	-60	70	310	253	254	1	0.26	0.03	2	4
and						266	273	7	0.25	0.02	4	4
and						293	294	1	0.25	0.02	2	4
DRAC4	546050	6740802	-60	70	304	120	124	4	0.25	0.17	4	2
and						142	144	2	0.25	0.23	4	1
and						162	176	14	0.25	0.12	1	2
and						294	296	2	0.26	0.09	1	1
DRAC26	534694	6740405	-60	70	222	154	160	6	0.27	0.26	2	1
and						174	178	4	0.26	0.15	2	1
and						180	184	4	0.26	0.21	2	1
and						194	214	20	0.28	0.11	2	1
and						218	220	2	0.28	0.15	6	1
DRAC32	518857	6748242	-60	250	250	100	134	34	0.27	0.13	1	2
and						138	144	6	0.29	0.13	1	3
DRAC33	518452	6748096	-60	250	220	160	164	4	0.26	0.08	3	3
and						170	174	4	0.25	0.11	3	3
and						178	214	36	0.25	0.08	2	4
and						218	220	2	0.26	0.05	2	2
DRAC34	518086	6747952	-60	250	244	126	128	2	0.14	0.13	14	160
DRAC35	527150	6739401	-60	250	244	100	120	20	0.39	1.22	337	189
Including						100	104	4	0.57	1.74	366	294
Including						112	114	2	0.51	1.40	584	281
DRAC38	530786	6733696	-60	250	298	108	138	30	0.31	0.25	10	31
Including						132	134	2	0.62	0.56	92	53
and						152	164	12	0.26	0.16	1	3
and						172	180	8	0.26	0.21	1	2
and						186	190	4	0.26	0.19	1	3
and						194	196	2	0.25	0.21	1	3
and						204	208	4	0.27	0.22	1	4

Table 2 - The Table reports drill intersections with lower cut-off grades of 0.25% Ni in fresh (i.e. unweathered) rock for selected holes. Widths quoted are downhole widths using 2m samples. True widths are not known at this time. Only nickel values intersected deeper than 100 m below surface are reported so as to exclude any intersections of secondary nickel enrichment. For details on all 35 drill holes, see the ASX Release dated 25 October 2012 issued by St George Mining and on our website at www.stgm.com.au/asx-announcements.html.

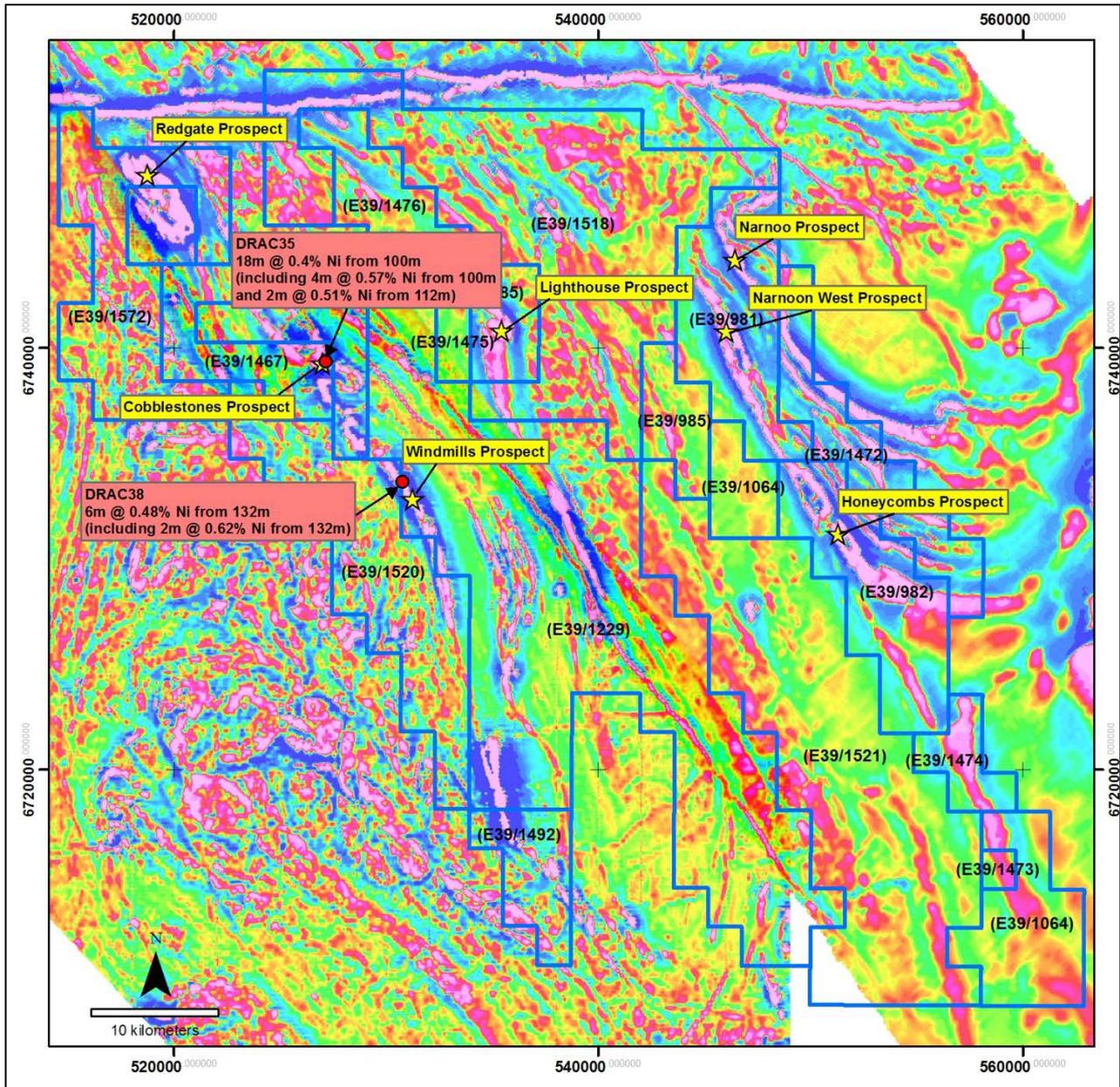


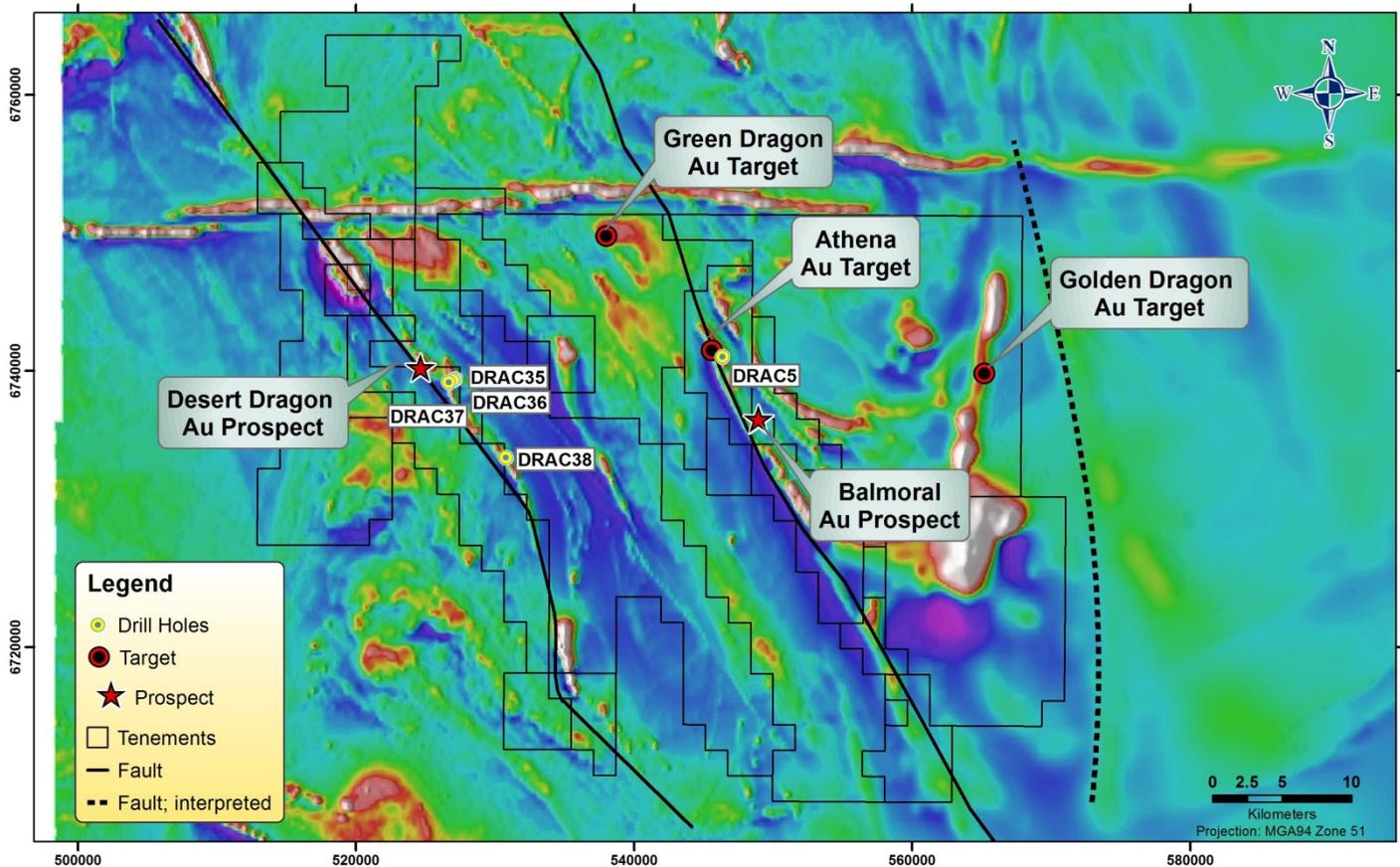
Figure 3 - Prospect locations and significant intersections from the RC program at Project Dragon.

EAST LAVERTON GOLD EXPLORATION

St George Mining is currently planning its 2012 drilling campaign which is likely to consist of further RC drilling at Desert Dragon and Balmoral as well as test drilling at Athena and Golden Dragon.

The recent drill results from Project Dragon are being reviewed to determine if any implications may be drawn for the gold prospectivity at these targets. Drill holes for priority follow-up are illustrated in Figure 4, which shows the key gold targets at the East Laverton Property. These drill holes have not yet been assayed for gold.

Figure 4 below illustrates key gold targets and prospects at the East Laverton Property.



St George Mining Limited - East Laverton Project Tenements Over Aeromagnetics

EAST LAVERTON RARE EARTHS POTENTIAL - RED DRAGON

During the quarter, a further multi-element MMI (mobile metal ion) soil geochemical survey was completed over an extension to the area at Red Dragon previously identified as having a carbonatite alteration.

The two extensive MMI surveys conducted at Red Dragon have identified a large carbonate and rare-earth alteration footprint that extends over approximately 60 sq. km. The carbonate and rare earth alteration is associated with a large carbonatite (alkaline igneous) intrusive complex. The latest survey encompassed an area of 33 sq. km and initial field work suggests the vast majority of this new survey area has only thin post-mineral coverage and is deeply weathered. Limited waste stripping and the secondary enrichment of REE through weathering, are two important and value-enhancing economic factors for these types of REE deposit.

A high priority target was identified within this new survey area. A strongly coincident area of anomalous heavy, medium and light REE form an ovoid area measuring 2 km x 1.5 km. The area is strongly vegetated compared to surrounding area, and this is consistent with elevated levels of trace elements.

An infill multi-element MMI (mobile metal ion) soil geochemical survey was completed during the quarter over the priority target area. This will assist in generating drill targets for the reconnaissance reverse circulation drilling program scheduled for Q2 2013, the start of the New Year's field season.

East Laverton Tenements

St George Mining has 100% ownership of 26 granted Exploration Licences at the East Laverton Property.

LAKE MINIGWAL PROJECT

During the quarter, St George Mining was granted two exploration licences by the WA Department of Mines and Petroleum. These tenements are referred to by the Company as its 'Lake Minigwal Project' and are located proximally to the south-west of the Company's flagship East Laverton Property in the NE Goldfields region of Western Australia.

In March 2010, the Geological Survey of WA (GSWA) carried out a regional geochemistry program over an area covering 13,000 sq km in the south-east of the Yilgarn Craton and referred to as the East Wongatha area. The strongest and most frequent gold anomalism encountered in this regional survey was focused on an area to the south-west of the East Laverton Property. St George's new exploration licences cover these promising areas, in which these highly anomalous gold values are situated.

A number of innovative geochemical methods were used to test these anomalous gold samples. The key outcome from the survey was the strong coincidence between high gold geochemical values and the underlying rocks, interpreted to be covered greenstone sequence (see Figure 4).

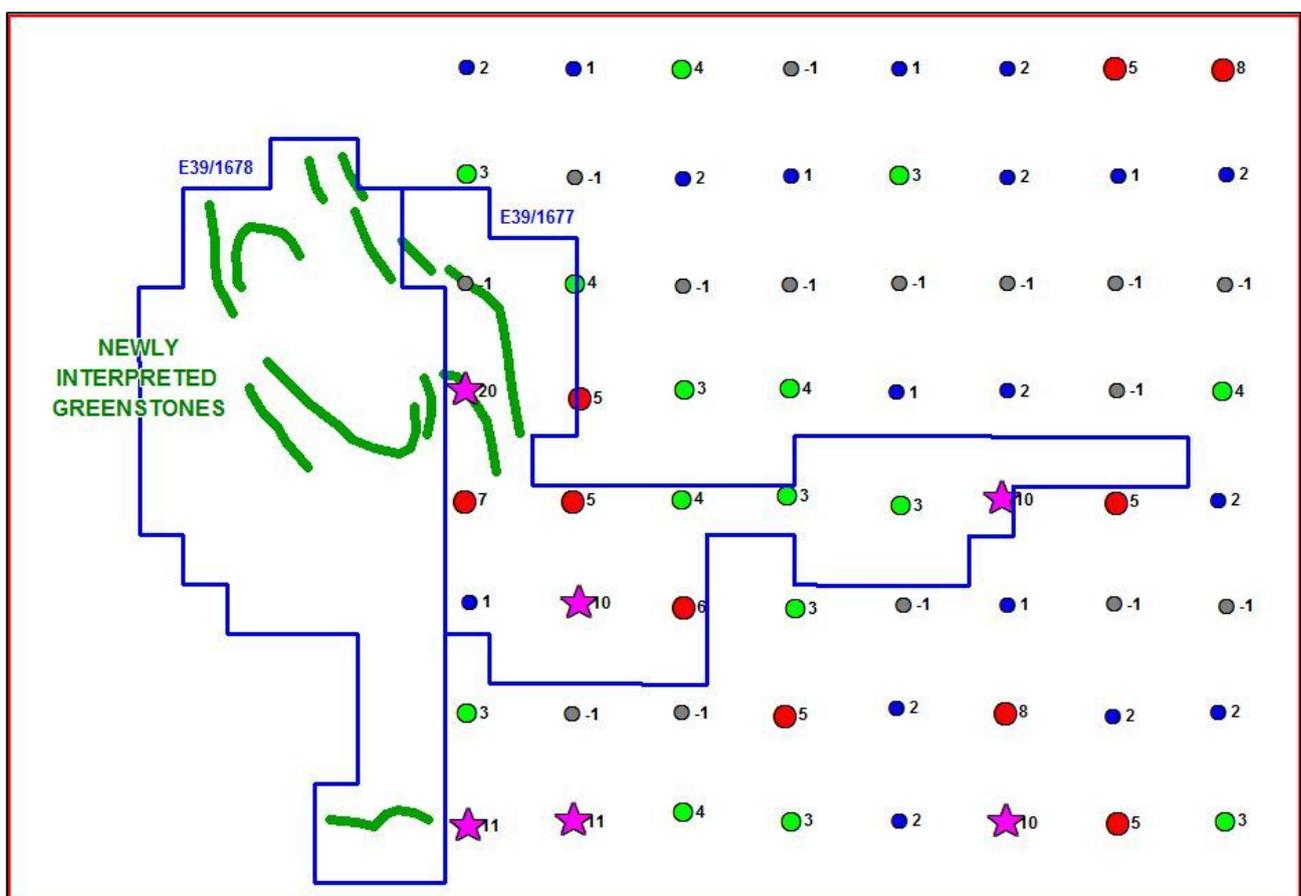


Figure 5 – GSWA soil sampling across the Lake Minigwal tenements. Samples are at 4km spacing.



The total tenement area covers approximately 320 sq km. Figure 6 illustrates the regional location of the Lake Minigwal Project. The proximity to the East Laverton Property will allow exploration of this new area to benefit from operational synergies and efficiencies.

St George believes that the opportunity to explore this section of an untested greenstone with widespread gold anomalism to be significant.

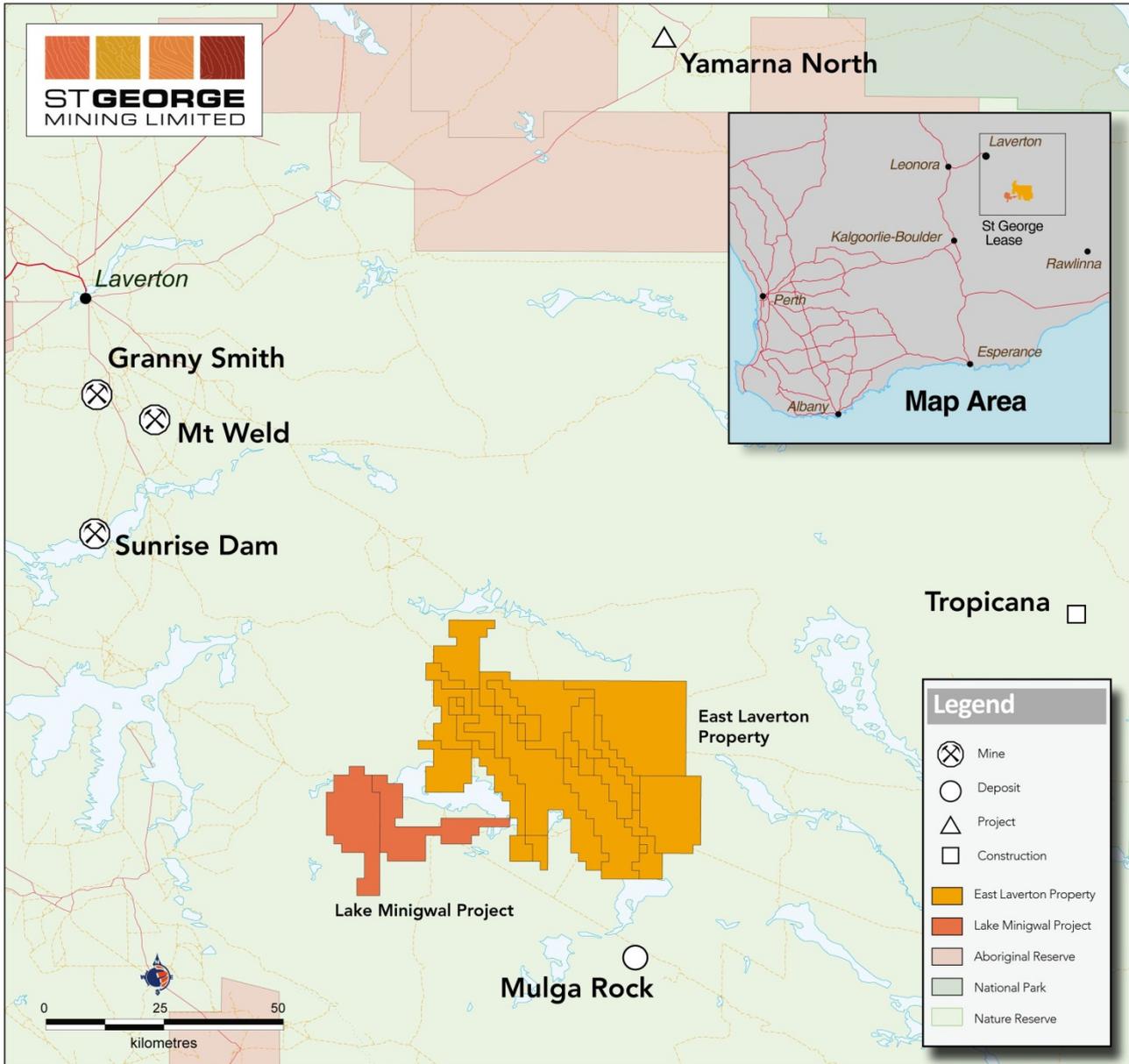


Figure 6 – the Lake Minigwal Project is located immediately to the SW of the East Laverton Property

Lake Minigwal Tenements

St George Mining has 100% ownership of 2 granted Exploration Licences at the Lake Minigwal Project - E39/1677 and E39/1678.

PINE CREEK PROPERTY - EXPLORATION ACTIVITIES

During the quarter, the Company submitted certain parts of the drill core from PCDD001 for re-assaying for the entire suite of rare earth elements.

This was to investigate further anomalous levels of each of the representative rare earth elements – Lanthanum (La), Samarium (Sm) and Yttrium (Y) - were encountered in PCDD001.

Assays are pending.

Pine Creek Tenements

There are 7 Exploration Licences comprising the Pine Creek Property in which St George Mining has an 80% interest. All tenements have been granted.

No tenements, in part or whole, were relinquished, surrendered or otherwise divested during the quarterly period ended 30 September 2012.

CORPORATE ACTIVITIES

On 12 October 2012, the Company completed a placement of ordinary shares to sophisticated investors to raise a total of \$735,000 through the issue of 3,500,000 shares at \$0.21 each.

Following the placement, the Company had 66,518,000 ordinary shares on issue.

For further information, please contact:

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Executive Chairman

St George Mining Limited

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COMPETENT PERSON STATEMENT:

The information in this announcement that relates to Exploration Results and Mineral Resources is based on information compiled by Andrew Hawker of Hawker Geological Services Pty Ltd. Mr Hawker is a member of the Australasian Institute of Mining and Metallurgy 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. This qualifies Mr Hawker as a "Competent Person" as defined in the 2004 edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Hawker consents to the inclusion of information in this announcement in the form and context in which it appears.

Appendix 5B

Mining exploration entity quarterly report

Introduced 01/07/96 Origin Appendix 8 Amended 01/07/97, 01/07/98, 30/09/01, 01/06/10, 17/12/10

Name of entity

St George Mining Limited

ABN

21 139 308 973

Quarter ended ("current quarter")

30 September 2012

Consolidated statement of cash flows

Cash flows related to operating activities	Current quarter \$A'000	Year to date (3 months) \$A'000
1.1 Receipts from product sales and related debtors	-	-
1.2 Payments for (a) exploration & evaluation	(236)	(236)
(b) development	-	-
(c) production	-	-
(d) administration	(146)	(146)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	6	6
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Other - GST	(8)	(8)
Net Operating Cash Flows	(384)	(384)
Cash flows related to investing activities		
1.8 Payment for purchases of: (a) prospects	-	-
(b) equity investments	-	-
(c) other fixed assets	(2)	(2)
1.9 Proceeds from sale of: (a) prospects	-	-
(b) equity investments	-	-
(c) other fixed assets	-	-
1.10 Loans to other entities	-	-
1.11 Loans repaid by other entities	-	-
1.12 Other (provide details if material)	-	-
Net investing cash flows	(2)	(2)
1.13 Total operating and investing cash flows (carried forward)	(386)	(386)

+ See chapter 19 for defined terms.

Appendix 5B
Mining exploration entity quarterly report

1.13	Total operating and investing cash flows (brought forward)	(386)	(386)
	Cash flows related to financing activities		
1.14	Proceeds from issues of shares, options, etc.	-	-
1.15	Proceeds from sale of forfeited shares	-	-
1.16	Proceeds from borrowings	-	-
1.17	Repayment of borrowings	-	-
1.18	Dividends paid	-	-
1.19	Other (provide details if material)	-	-
	Net financing cash flows	-	-
	Net increase (decrease) in cash held	(386)	(386)
1.20	Cash at beginning of quarter/year to date	766	766
1.21	Exchange rate adjustments to item 1.20	-	-
1.22	Cash at end of quarter	380	380

Payments to directors of the entity and associates of the directors

Payments to related entities of the entity and associates of the related entities

		Current quarter \$A'000
1.23	Aggregate amount of payments to the parties included in item 1.2	120
1.24	Aggregate amount of loans to the parties included in item 1.10	-

1.25 Explanation necessary for an understanding of the transactions

	\$'000
Directors fees and remuneration	105
Accounting, bookkeeping and secretarial services	15

Non-cash financing and investing activities

2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

N/A

2.2 Details of outlays made by other entities to establish or increase their share in projects in which the reporting entity has an interest

N/A

Financing facilities available

Add notes as necessary for an understanding of the position.

Amount available \$A'000	Amount used \$A'000
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+ See chapter 19 for defined terms.

3.1	Loan facilities	NIL	NIL
3.2	Credit standby arrangements	NIL	NIL

Estimated cash outflows for next quarter

		\$A'000
4.1	Exploration and evaluation	500
4.2	Development	
4.3	Production	
4.4	Administration	156
Total		656

Reconciliation of cash

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.

	Current quarter \$A'000	Previous quarter \$A'000
5.1 Cash on hand and at bank	380	766
5.2 Deposits at call	-	-
5.3 Bank overdraft	-	-
5.4 Other (provide details)	-	-
Total: cash at end of quarter (item 1.22)	380	766

Changes in interests in mining tenements

	Tenement reference	Nature of interest (note (2))	Interest at beginning of quarter	Interest at end of quarter
6.1 Interests in mining tenements relinquished, reduced or lapsed	N/A			
6.2 Interests in mining tenements acquired or increased	E39/1677	Exploration Licence	-	100%
	E39/1678	Exploration Licence	-	100%

+ See chapter 19 for defined terms.

Appendix 5B
Mining exploration entity quarterly report

Issued and quoted securities at end of current quarter

Description includes rate of interest and any redemption or conversion rights together with prices and dates.

	Total number	Number quoted	Issue price per security (see note 3) (cents)	Amount paid up per security (see note 3) (cents)
7.1 Preference +securities <i>(description)</i>	100	-	-	-
7.2 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions	-	-	-	-
7.3 *Ordinary securities	63,018,000	37,773,000	-	-
7.4 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs	-	-	-	-
7.5 *Convertible debt securities <i>(description)</i>	-	-	-	-
7.6 Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted	-	-	-	-
7.7 Options <i>(description and conversion factor)</i>	48,041,000 450,000 450,000 600,000	48,041,000 - - -	<i>Exercise price</i> 0.20 0.20 0.25 0.40	<i>Expiry date</i> 28 November 2014 28 November 2013 28 November 2014 28 November 2015
7.8 Issued during quarter	- - - -	- - - -	- - - -	- - - -
7.9 Exercised during quarter	-	-	-	-

+ See chapter 19 for defined terms.

7.10	Expired during quarter	-	-	-	-
7.11	Debentures <i>(totals only)</i>	-	-		
7.12	Unsecured notes <i>(totals only)</i>	-	-		

Compliance statement

- 1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act or other standards acceptable to ASX (see note 5).
- 2 This statement does give a true and fair view of the matters disclosed.

Sign here: Sarah Shipway
Company Secretary

Date: 31 October 2012

Print name: Sarah Shipway

Notes

- 1 The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.
- 2 The "Nature of interest" (items 6.1 and 6.2) includes options in respect of interests in mining tenements acquired, exercised or lapsed during the reporting period. If the entity is involved in a joint venture agreement and there are conditions precedent which will change its percentage interest in a mining tenement, it should disclose the change of percentage interest and conditions precedent in the list required for items 6.1 and 6.2.
- 3 **Issued and quoted securities** The issue price and amount paid up is not required in items 7.1 and 7.3 for fully paid securities.
- 4 The definitions in, and provisions of, *AASB 6: Exploration for and Evaluation of Mineral Resources* and *AASB 107: Statement of Cash Flows* apply to this report.
- 5 **Accounting Standards** ASX will accept, for example, the use of International Financial Reporting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.

+ See chapter 19 for defined terms.