

29 JULY 2011

QUARTERLY ACTIVITIES REPORT FOR THE PERIOD ENDED 30 JUNE 2011

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 June 2011:

1. EAST LAVERTON PROPERTY

Gold Exploration - Activities

Exploration work during the quarter comprised:

- (a) further review and analysis of results from the Company's 2010 soil geochemical survey;
- (b) selection of drill targets for the 2011 field season;
- (c) planning of further soil sampling for the 2011 field season; and
- (d) planning of the drilling programme for the 2011 field season.

Typically, the field season for East Laverton is between July and December. The restricted access to East Laverton during January to June (wet season) was anticipated and exploration activities were scheduled with this in mind. A review of ground conditions in late June indicated that surface conditions at East Laverton in most areas were now manageable and that field work could recommence in July.

The field work will initially focus on drilling high priority gold targets at the Desert Dragon and Balmoral prospects, as well as further multi-element MMI ("mobile metal ion") soil geochemical sampling over new gold targets. The soil sampling survey is now underway. Site preparation for the drilling programme will commence during July with drilling scheduled by the start of August.

Nickel Exploration – Project Dragon

St George Mining, through its wholly own subsidiary Desert Fox Resources Pty Ltd, has entered into a Farm-in Agreement with BHP Billiton Nickel West Pty Ltd in regard to the nickel rights at certain of the tenements at the East Laverton Property.

The Farm-in Agreement was entered into on 4 April 2011. The remaining condition precedent under the Farm-in Agreement was satisfied on 28 April 2011, and the farm-in arrangement formally commenced as at that date.

During the quarter, exploration activities by BHP Billiton focused on planning and preparation for field work and included:

- (a) purchase and review of detailed airphoto and satellite imagery;
- (b) geological, geochemical and geophysical data review;
- (c) drillhole planning and organisation for the proposed drillhole sites; and
- (d) organisation for access track Heritage Clearance Surveys.

No field work was undertaken by BHP Billiton during the quarter. Field work is scheduled for later in 2011.

Under the Farm-in Agreement, BHP Billiton will have the right to earn up to a 70% interest in the nickel rights by sole funding a bankable feasibility study. Further details on the Project Dragon farm-in arrangement are contained in the ASX Release dated 6 April 2011 issued by St George Mining and on our website at www.stgm.com.au/project-dragon.html.

East Laverton Tenements

St George Mining has 100% ownership of 21 tenements at the East Laverton Property. Of these, 19 are granted Exploration Licences and 2 are applications for Exploration Licences.

On 1 July 2011, one of the tenement applications - E39/1608 - was granted. St George Mining expects the remaining application to be granted in 2011.

2. PINE CREEK PROPERTY

Exploration Activities – Pine Creek

In the previous quarter, St George Mining engaged Southern Geoscience Consultants to process and model the various geophysical data available for the advanced exploration areas of the Pine Creek Property. The data included the diamond drill intersections from the diamond drilling carried out by the previous explorer, Homestake Gold of Australia Limited.

Southern Geoscience Consultants completed this model during the quarter. St George Mining has used the model to review the mineral potential of the Pine Creek Property and to define priority areas for the 2011 drilling campaign.

Exploration work during the quarter comprised:

- (a) review and analysis of the report from Southern Geoscience Consultants;
- (b) selection of drill targets for the 2011 field season;
- (c) planning of geochemical survey for the 2011 field season; and
- (d) planning of the drilling programme for the 2011 field season.

Pine Creek Tenements

There are 7 tenements comprising the Pine Creek Property in which St George Mining has an 80% interest. Of these, 4 tenements are granted Exploration Licences and 3 are applications for Exploration Licences.

No tenements, in part or whole, were relinquished, surrendered or otherwise divested during the quarterly period ended 30 June 2011.

For further information, please contact:

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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 Australian Institute of Mining and Metallurgy and 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 June 2011

Consolidated statement of cash flows

Cash flows related to operating activities	Current quarter \$A'000	Year to date (12 months) \$A'000
1.1 Receipts from product sales and related debtors	-	-
1.2 Payments for (a) exploration & evaluation	(179)	(2,103)
(b) development	-	-
(c) production	-	-
(d) administration	(220)	(573)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	17	44
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Other - GST	64	(11)
Net Operating Cash Flows	(318)	(2,643)
Cash flows related to investing activities		
1.8 Payment for purchases of: (a) prospects	-	(61)
(b) equity investments	-	-
(c) other fixed assets	-	-
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	-	(61)
1.13 Total operating and investing cash flows (carried forward)	(318)	(2,704)

+ See chapter 19 for defined terms.

Appendix 5B
Mining exploration entity quarterly report

Cash flows related to financing activities		
1.14	Proceeds from issues of shares, options, etc.	4,000
1.15	Proceeds from sale of forfeited shares	-
1.16	Proceeds from borrowings	70
1.17	Repayment of borrowings	(370)
1.18	Dividends paid	-
1.19	Other - Cost of issue	(265)
Net financing cash flows		3,435
Net increase (decrease) in cash held		
		(318)
1.20	Cash at beginning of quarter/year to date	1,432
1.21	Exchange rate adjustments to item 1.20	383
1.22	Cash at end of quarter	1,114

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	128
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	115
Accounting, bookkeeping and secretarial services	13

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

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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

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Financing facilities available

Add notes as necessary for an understanding of the position.

	Amount available \$A'000	Amount used \$A'000
3.1 Loan facilities	NIL	NIL

+ See chapter 19 for defined terms.

3.2 Credit standby arrangements	NIL	NIL
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Estimated cash outflows for next quarter

		\$A'000
4.1	Exploration and evaluation	450
4.2	Development	-
4.3	Production	-
4.4	Administration	65
Total		515

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	1,114	1,432
5.2 Deposits at call	-	-
5.3 Bank overdraft	-	-
5.4 Other (provide details)	-	-
Total: cash at end of quarter (item 1.22)	1,114	1,432

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	N/A		

+ 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 Performance Securities	100	-	-	-
7.2 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions				
7.3 *Ordinary securities	52,500,000	25,950,000	-	-
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>			<i>Exercise price</i>	<i>Expiry date</i>
7.8 Issued during quarter				
7.9 Exercised during quarter				
7.10 Expired during quarter				
7.11 Debentures <i>(totals only)</i>				
7.12 Unsecured notes <i>(totals only)</i>				

+ See chapter 19 for defined terms.

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: Marcus Michael

Date: 29 July 2011

Print name: Marcus Michael

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.

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