

## ST GEORGE MINING

## RESOURCESTOCKS

# DRAGON SLAYER IN SEARCH FOR ELEPHANTS

Saint George may have slain the dragon but the mining company that shares his name is on the hunt for elephants in the form of the next giant mineral discovery.

**T**HE FUTURE'S LOOKING bright for this explorer, with exciting exploration results for its gold project and a exploration deal with the world's biggest miner for its nickel project.

St George Mining is about to begin exploring for nickel sulphide at its flagship property, East Laverton in Western Australia, after securing a farm-in agreement with BHP Billiton.

The deal means that the major mining company will have the right to earn up to 70% of the project with St George retaining a 30% interest.

BHP Billiton will spend around \$600,000 on exploration at nine tenements and may elect to earn a 51% interest in the nickel rights by spending \$3 million over three years.

It can increase its interest to 70% by funding a bankable feasibility study.

St George executive chairman John Prineas said the farm-in agreement marked the start of an exciting phase for the company.

"It's a pretty big step in exploring what we believe is a major new nickel sulphide district and we are delighted we've managed to attract a major mining group to be our partner," Prineas said.

"It's no surprise to us though, because we believe our nickel project can become a major new nickel sulphide field."

Importantly, the agreement will allow St George Mining the right to mine any gold or other metals within the tenements.

"When we listed in November 2010 we planned to complete a broad assessment of the gold potential at East Laverton, recognising the best prospects with the biggest footprints are usually not the ones you inherit,"

Prineas said. The company has now achieved this, with close spaced sampling providing several new and significant drill targets for 2011.

"The 2010 drilling has been completed and drilling is scheduled to kick off again in the third quarter of this year," Prineas said.

St George technical director Tim Hronsky said the company would continue reviewing the gold targets at East Laverton, including the exciting large Red Dragon and Balmoral prospects.

"A large gold system has been discovered at the prospects, which have a large and zoned geochemical footprint, similar to that found in other large gold deposits in the Eastern Goldfields," Hronsky said.

The project also features the Desert Dragon prospect, which appears to have northerly extensions that require definition.

"We completed a geochemical survey last year and are very excited by what we have found at Balmoral. The nature and size of the hydrothermal system is similar to that of large gold deposits observed elsewhere in the Eastern Goldfields," Hronsky said.

He added that the company had made tremendous progress and

was on track for a major find at the project.

"This area east of Laverton is where WA's next major gold discoveries will be," Hronsky said.

"Tropicana has demonstrated this and Gold Road Resources is well on the way, so we aim to become the next major success story in this region."

Another key project for St George Mining is its Pine Creek property, located 200 kilometres southwest of Darwin in the Northern Territory.

The project's Thunderbolt gold prospect covers a 6km strike length and has very similar geological features to the adjacent Cosmo Howley deposit, which has produced over 2 million ounces of gold to date.

"We have quietly and astutely increased our project area at Pine Creek from 75 square kilometres to more than 1200 square kilometres," Prineas said, adding the project should also help the company become a major player in the district with gold, uranium and rare earth discoveries.

"The primary focus at Pine Creek is gold but, as a bonus, nearby miners have reported blockbuster uranium and rare earth discoveries," he said.

For example, Thundellara ▶

**"It has been forty years since the rush of world-class discoveries across Australia and our exploration is poised to reset this mature exploration cycle."**

**JOHN PRINEAS**  
ST GEORGE MINING





Exploration's Hayes Creek project, located 30km to the north, made an intersection of 1m at 20% uranium oxide.

In addition, Territory Uranium has reported an exciting rare earth and uranium discovery at its Quantum prospect, including drill intersections of 6.55% rare earths.

"The Quantum prospect is on the northern border of our tenement package and we are tracing the structure as it continues onto our ground," Prineas said.

Looking over the company's two main projects, Prineas said St George Mining had a significant advantage over many of the juniors on the market.

"While many other junior resource companies are seeking their fortunes in foreign countries that have high social and political risk, the grass is not always greener on the other side," Prineas said.

"Exploration in other countries often occurs under challenging business and regulatory regimes and it may take many years to advance a discovery to production in often trying circumstances."

Prineas said the company saw no need to travel to these high-risk exploration jurisdictions to secure a frontier exploration area as there was

still plenty of "elephant country" left in Australia.

"It has been forty years since the rush of world-class discoveries across Australia and our exploration is poised to reset this mature exploration cycle," he said.

Hronsky added: "Junior explorers must re-acquire the technical skills that drove the previous phase of major discoveries. This exploration philosophy has been embedded in St George Mining's business strategy from the beginning."

Prineas said the company had reviewed many projects before settling on East Laverton and Pine Creek – both of which clearly met its objectives.

"We needed to feel comfortable that in addition to having strong potential for a large scale discovery the risk profile of our projects were comparatively low compared to other greenfields' projects that were available for acquisition," he said.

"Now both projects clearly have an optimum risk-reward profile to suit our greenfields' exploration approach, which is important for our success in the near term."

So, any way you look at it, it's clear this company is a safe bet, thanks to its focused and disciplined approach to exploration. – **Samantha Cairns**

St George says its Australian focus gives it an advantage over other juniors

## ST GEORGE MINING AT A GLANCE



6 months ending May 2, 2011

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### DIRECTORS

John Prineas, Tim Hronsky,  
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### MARKET CAPITALISATION

\$A9.97 million (at press time)

### QUOTED SHARES ON ISSUE

52,500,000

### MAJOR SHAREHOLDERS

John Prineas 14.39%  
John Dawson 13.26%  
Oceanic Capital PL 12.66%