

ST GEORGE MINING LIMITED

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ASX: SGQ

ACN 139 308 973

Level 1, 115 Cambridge Street
PO Box 1305, West Leederville
WA 6007

www.stgeorgemining.com.au

Phone +618 9322 6600

Facsimile +618 9322 6610

Email info@stgm.com.au

John Prineas

Executive Chairman

Tim Hronsky

Technical Director

Marcus Michael

Non-Executive Director
and Company Secretary

East Laverton Property:

Crusader Gold Project
Zeus Nickel Project
Empire Copper Project

Pine Creek Property:

Blue Thunder Gold Project
White Strike Uranium Project

GRANT OF PINE CREEK TENEMENTS: PROVEN POTENTIAL FOR LARGE SCALE GOLD DEPOSIT

HIGHLIGHTS

- Core tenements containing discovery gold drill-intersections at Pine Creek Property have been granted.
- Two gold discovery holes define an intermediate zone of interest with a 1,200 m strike and a 200 m vertical extent.
- Granted tenements are close to recent significant uranium and rare earth discoveries by other parties.
- Immediate exploration planned to investigate the gold system surrounding the two existing discovery holes.

OVERVIEW

Australian gold and nickel focused exploration Company, St George Mining Limited (**ASX: SGQ**) ("**St George Mining**" or the "**Company**") is pleased to announce that the **Department of Resources-Minerals and Energy** of the Northern Territory ("**DMRE**") has granted Exploration Licences **EL 27732, EL 28016 and EL 28017**.

The Company has an 80% interest in these tenements, which cover 1,086 km² of ground in the western part of the richly endowed Pine Creek mineral-field. The tenements include the Company's Blue Thunder Gold Project and the White Strike Uranium Project.

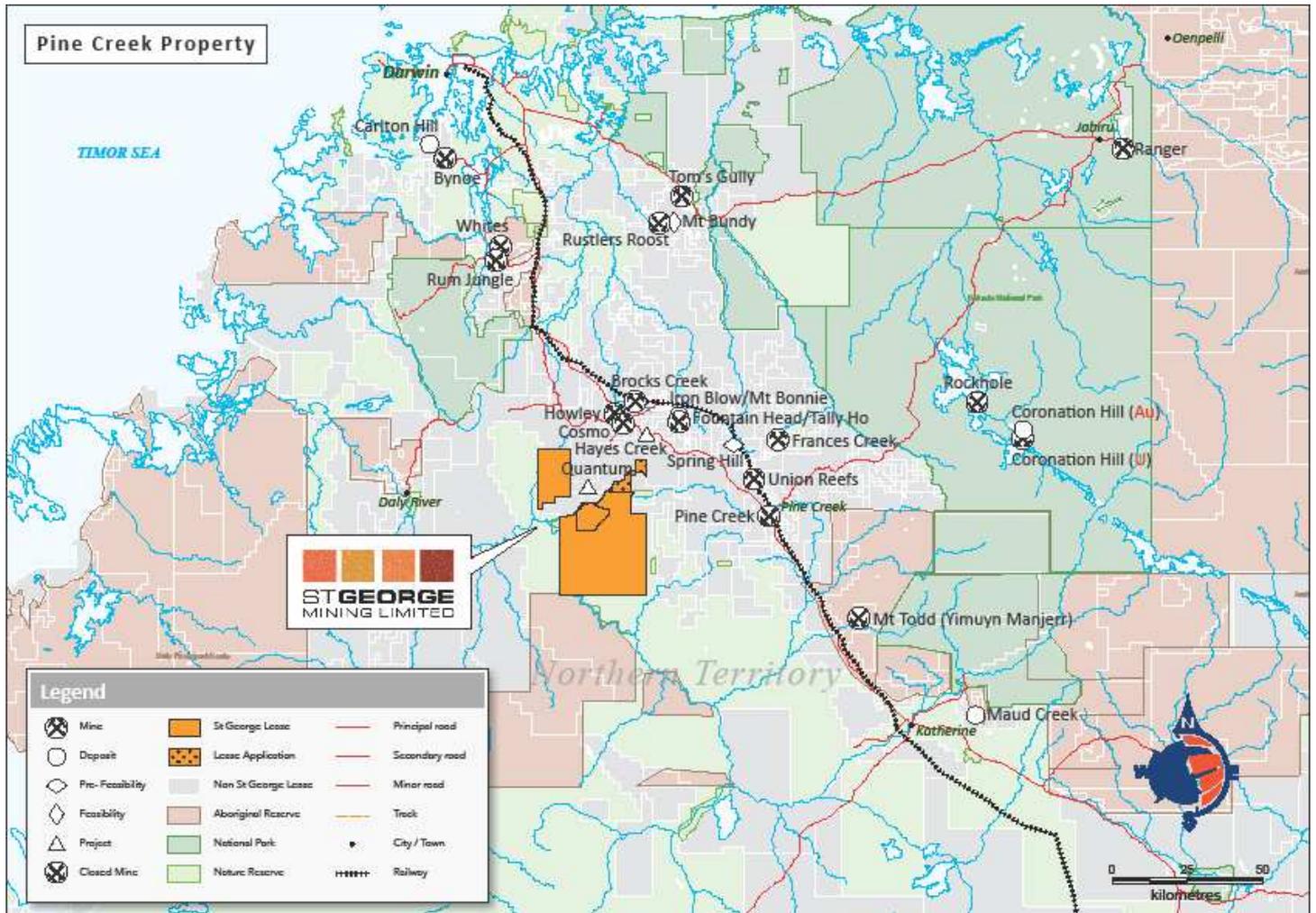
Figure 1 below shows the location of the Company's tenements ("Pine Creek Property"), and highlights their close proximity to other major projects including the Hayes Creek Project (uranium) of Thundelarra Exploration Limited (ASX: THX), the Quantum Prospect (uranium and rare earths) of Territory Uranium Limited (ASX: TUC) and the Cosmo Howley Mine (2+Moz gold) of Crocodile Gold Corp (TSX: CRK).

John Prineas, Executive Chairman of St George Mining said that prior exploration over an area that is within the Company's property had begun to define a zone of significant gold mineralisation and that the Company was excited by the opportunity to further investigate the full extent of this gold system:

"Our Company has access to an impressive exploration database, including results from previous diamond drilling and detailed geophysical surveys. This will enable us to fast-track further exploration on the known gold area, which we believe is prospective for a large scale gold deposit," Mr Prineas said.

"The broader potential of the under-explored western portion of the Pine Creek field is becoming increasingly realised, particularly with the recent and nearby rare earths and high-grade uranium discoveries made by other explorers. We have secured a large landholding in a strategically important location and see excellent potential to increase shareholder value through gold, uranium and rare earths discoveries on our ground," Mr Prineas added.

FIGURE 1 – REGIONAL SETTING OF THE PINE CREEK PROPERTY



ABOUT THE PINE CREEK PROPERTY – PROVEN POTENTIAL FOR LARGE SCALE GOLD DEPOSIT

St George Mining has entered into an option to acquire an 80% interest in EL 27732, one of the three tenements now granted by the DMRE. Diamond drilling carried out by the previous explorer at this tenement has identified an extensive gold system which the Company believes is prospective for a major gold deposit.

The diamond drilling program was carried out by Homestake Gold of Australia Limited (“HGAL”). HGAL was part of the Homestake Group; one of the largest global gold miners during the 1990’s, which subsequently merged with Barrick Gold Corporation, presently the world’s largest gold miner.

HGAL had noted the similarities between the geological setting, controls and age of the mineralisation hosted by the Koolpin Formation at Pine Creek, and the profile of the giant Homestake Gold deposit (50+ Moz gold) in Lead, South Dakota. This technical observation was the basis of the HGAL exploration model at Pine Creek Oregon and was validated by two drill holes along the Fenton Shear – FEND 14 and the high-grade drill intersection in FEND 18 (See Table 1 below).

HOLE ID	NORTHING	EASTING	DIP (degrees)	AZM (degrees)	DEPTH (m)	FROM (m)	TO (m)	WIDTH (m)	GRADE (ppmAu)
FEND 14	8472737	746928	-68	264	650	610	627	17	0.74
FEND 18	8471548	747190	-68	264	649	423	425	2	2.24
						431	433	2	4.89
					Inc.	431	432	1	8.68
						438	444	6	3.48
					Inc.	441	442	1	8.32
						463	464	1	1.81

Table 1- Significant drill intersections from previous exploration by HGAL

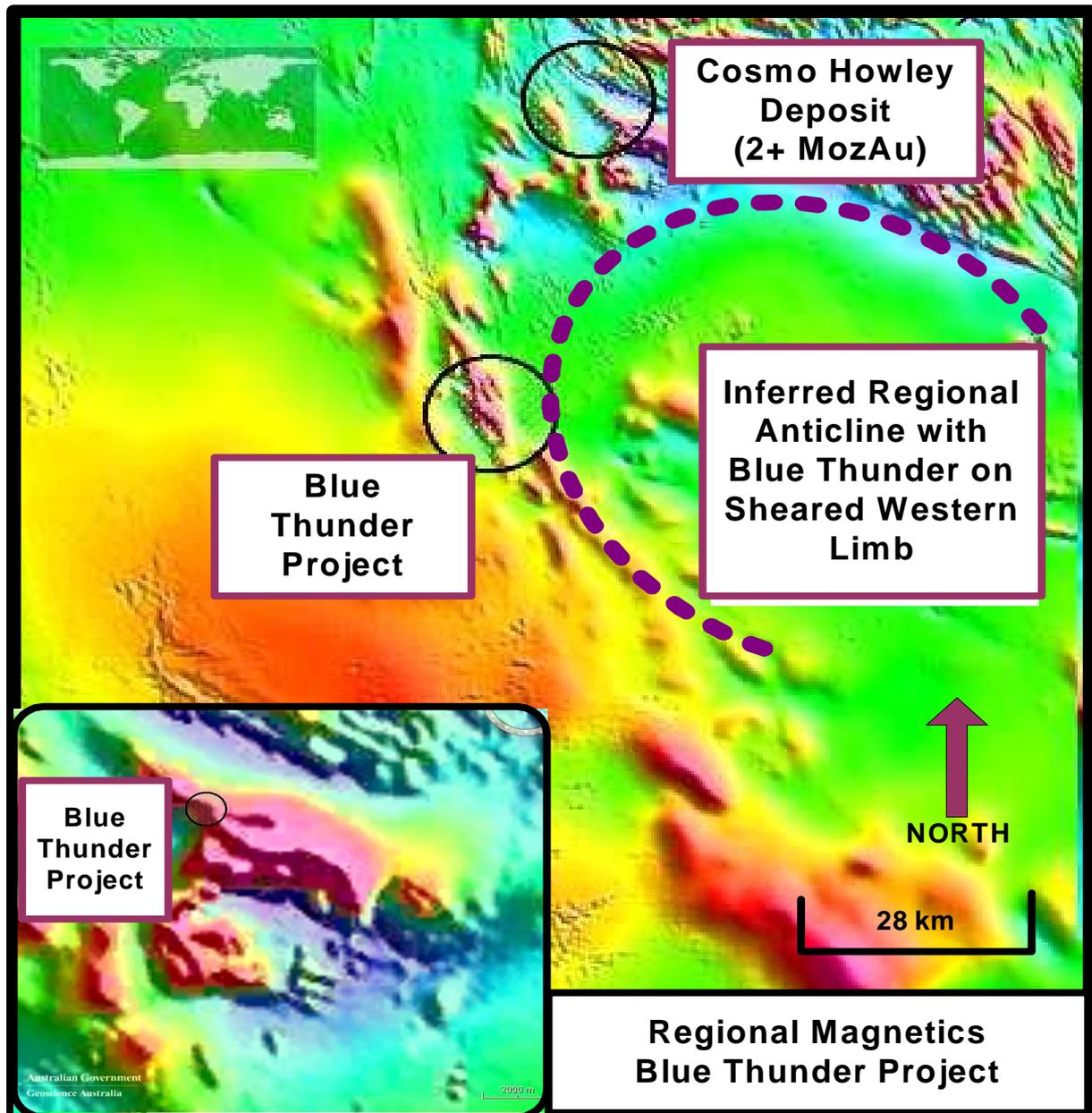
Subsequent to this drilling, HGAL conducted a MMI (mobile metal ion) geochemical orientation survey which successfully confirmed a surface gold-cobalt soil anomaly over the previously intersected mineralisation. This orientation survey provides significant advantages for further regional exploration.

The Cosmo Howley gold deposit (2+ Moz gold) is approximately 30 km north-east from the Company’s Blue Thunder Gold Project. Figure 2 below shows the magnetics background for the Cosmo Howley deposit and the Blue Thunder Gold Project, and confirms stratigraphic similarities between these two gold systems.

Mr. Prineas said that the potential for a large scale gold deposit at the Pine Creek Property was proven:

“The concept that the Fenton Shear is a mineralised zone capable of hosting a Homestake style of mineralisation has been confirmed by HGAL’s previous exploration and drilling activity. Our tenements contain the required combination of geological and structural settings to host significant gold mineralisation, similar to that which occurs elsewhere in the district. Further follow-up drilling and exploration work will now be undertaken to determine the extent of the previously identified gold system,” Mr Prineas said.

FIGURE 2 – REGIONAL MAGNETICS AND STRATIGRAPHY



Exploration work on the Pine Creek Property is presently focused on a review and assessment of the available geophysical and geochemical data. Further soil geochemical surveys and drilling is planned for the 2011 field-season. The soil geochemical survey will provide an expedient and cost-effective means to test the wider potential of the property for gold mineralisation as well as for uranium and rare earths.

For further information, please contact:

John Prineas

Executive Chairman

St George Mining Limited

(+61) 411 421 253

John.prineas@stgm.com.au

www.stgeorgemining.com.au

David Brook

Professional Public Relations

(+61) 08 9388 0944 mob 0415 096 804

David.Brook@ppr.com.au

COMPETENT PERSON STATEMENT:

The information in this announcement that relates to Exploration Results and Mineral Resources is based on information compiled by Tim Hronsky. Mr Hronsky is a member of the Australasian 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 Hronsky 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 Hronsky consents to the inclusion of information in this announcement in the form and context in which it appears.