

27 September 2012

ST GEORGE ACCELERATES CAMBRIDGE NICKEL PROSPECT EXPLORATION

HIGHLIGHTS

- Refined EM survey over known EM conductors will commence shortly at Cambridge Ni prospect
- RC drilling program at Cambridge scheduled for Q4 2012
- New tenements granted along strike from Cambridge expand St George's 100% owned area by an additional 76 sq. km.
- Highly anomalous, coincident nickel and copper values identified on the new tenements
- St George commences a more detailed soil geochemical sampling programme at the new nickel tenements

CAMBRIDGE NICKEL PROSPECT (100% ST GEORGE)

St George Mining Limited (ASX: **SGQ**) ('St George Mining' or 'the Company') is pleased to provide an update on exploration at its 100% owned Cambridge Nickel Prospect at the Company's East Laverton Property in the NE Goldfields region of Western Australia.

Southern Geoscience Consulting (SGC) has reviewed the historical moving loop TEM (Transient Electromagnetic) survey over Cambridge and has confirmed the presence of two prominent EM conductors at Cambridge. Both these conductors, SR-1 and SR-4, have good late-time decay curves that are consistent with and may indicate the presence of conductive sulphides. The EM anomalies are situated on the margin of a large magnetic body, interpreted to be the basal channel of a large accumulate komatiitic channel flow.

A new, refined EM survey will be completed over these EM conductors during October 2012 which will allow the EM conductors to be mapped in more detail and for specific drill targets to be identified. RC drilling of these EM conductors is scheduled for November 2012.

Figure 1 contains a graphic interpretation of the Cambridge Nickel Prospect.

John Prineas, Executive Chairman of St George Mining, said:

"The technical story unfolding at Cambridge confirms that we have a compelling exploration opportunity, and we are excited to be able to proceed quickly to the test drilling phase in November 2012."

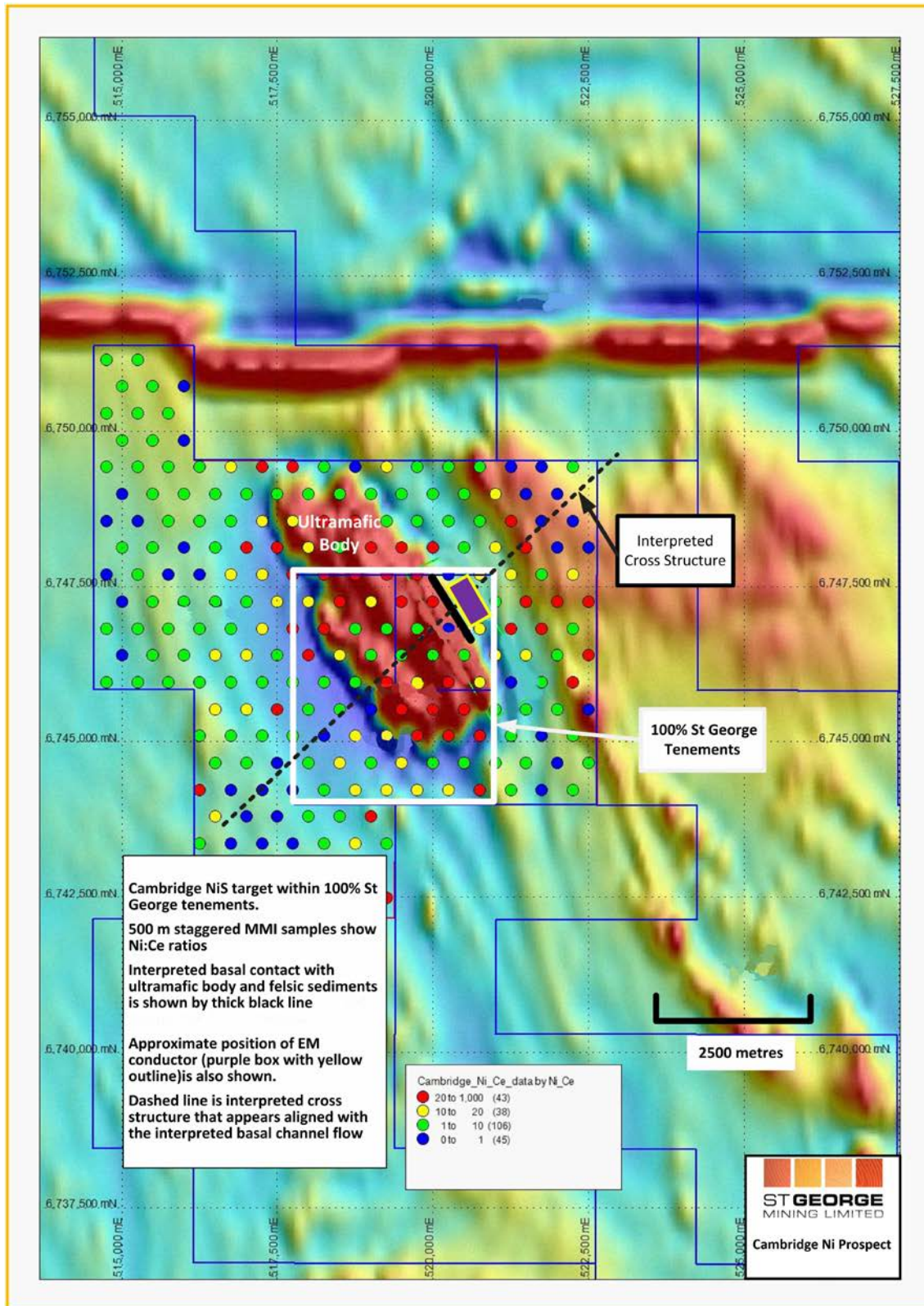


Figure 1 – a graphic interpretation of the Cambridge Nickel Prospect shown over magnetics

NEW NICKEL AREAS

St George has shown its confidence in the prospectivity of this region by applying for and recently being granted two key exploration licences, in immediate proximity to the Cambridge Nickel Prospect, by the WA Department of Mines and Petroleum.

These tenements, E39/1666 and E39/1667, 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. These are illustrated in Figure 2 and Figure 3.

The Company has commenced its own MMI (mobile metal ion) soil sampling survey over these new tenements. The MMI survey conducted over Cambridge earlier this year detected very high nickel values in geochemistry - +2,000ppb Ni to 8,000ppb Ni (parts per billion nickel).

These levels are considered highly anomalous in MMI geochemical samples, where only the loosely bound metal ions in soil are extracted and analysed. Conventional soil sampling (e.g. calcrete and bulk sampling), analyse the metal ions that have already accumulated and become attached as secondary minerals or chemical complexes.

The levels of the assayed metal will always be higher in conventional geochemistry than in MMI soil sampling. MMI samples only measure a single "snap-shot" in time prior to metal ions accumulating and forming the complexes and secondary minerals which are measured in conventional geochemistry. Conventional geochemical soil values are typically expressed in parts per million (ppm) such as in the GSWA data shown in Figure 2 and Figure 3.

An historical drill hole (SNRC-004) was sited at the southern end of E39/1667. This RC-hole intersected 38m @ 0.3610 ppm Ni from 18m. This is illustrated in Figure 4.

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 accumulate komatiite channel flow and a priority area for nickel sulphide mineralisation.

Tim Hronsky, Technical Director of St George Mining, said:

"Our exploration work at the Cambridge prospect, combined with the historical exploration information for Cambridge and now these new tenements, provides strong support for the prospectivity of this area and its potential to host material nickel sulphide mineralisation."

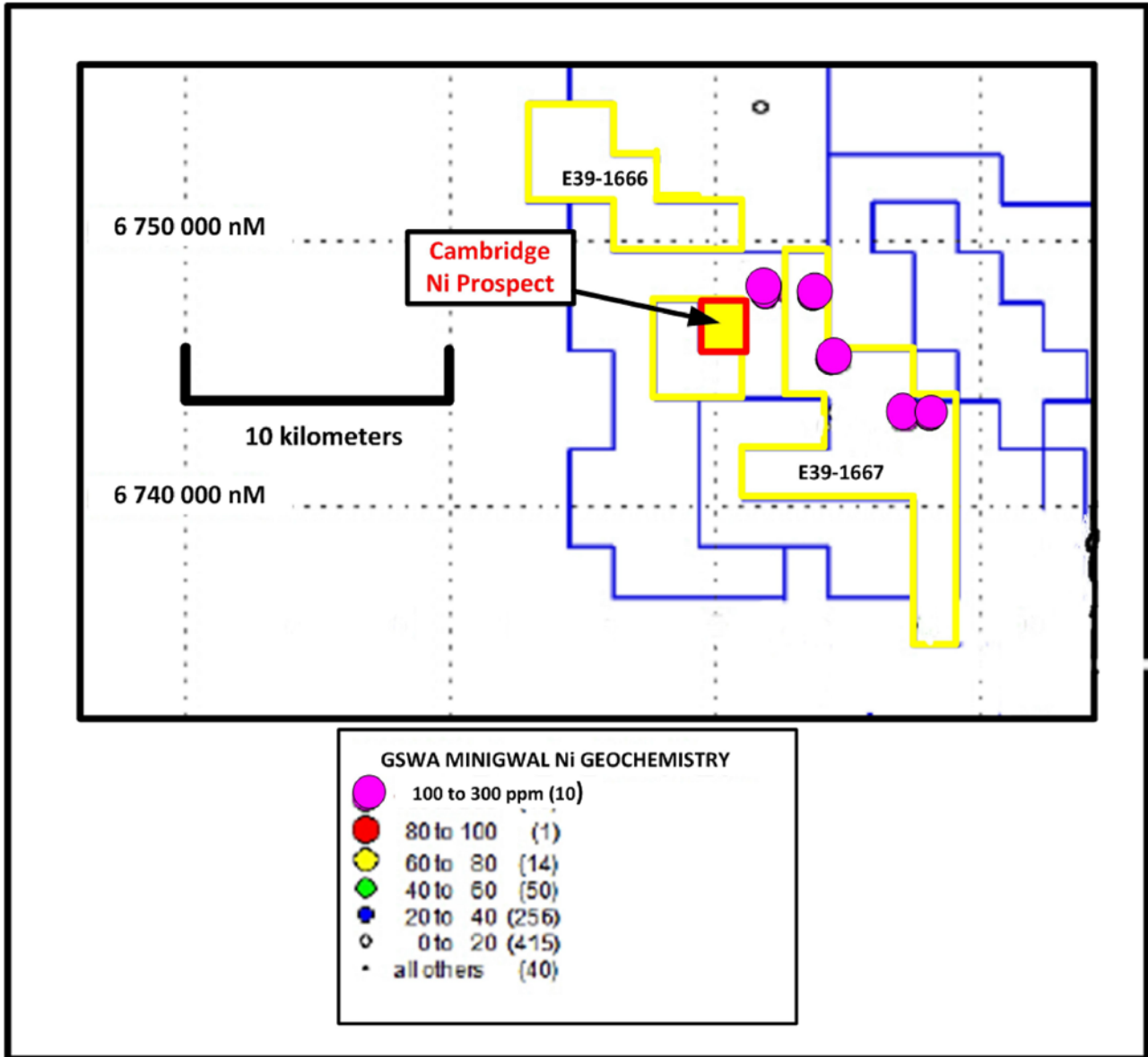


Figure 2 – highly anomalous Ni values in GSWA soil survey at E39/1667

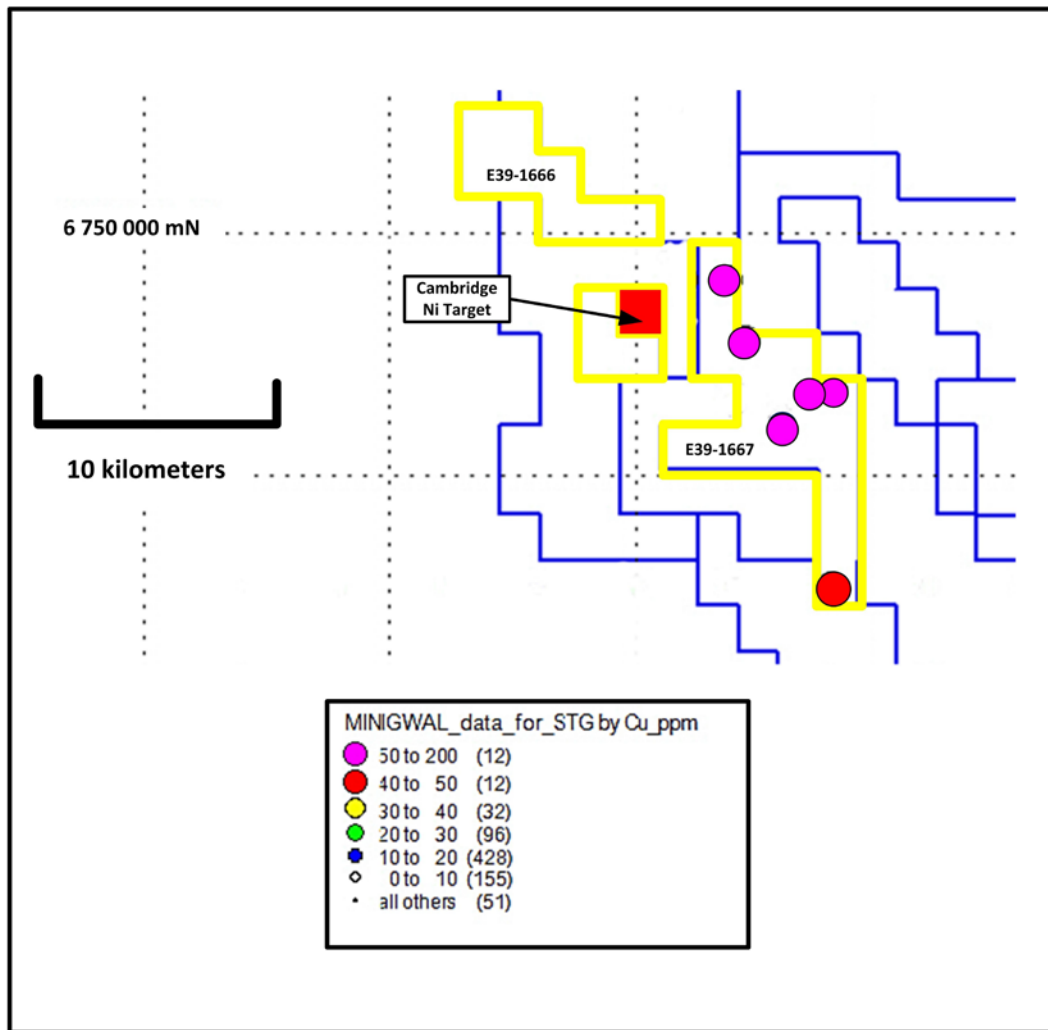


Figure 3 – highly anomalous Cu values in GSWA soil survey at E39/1667, co-incident with high Ni values

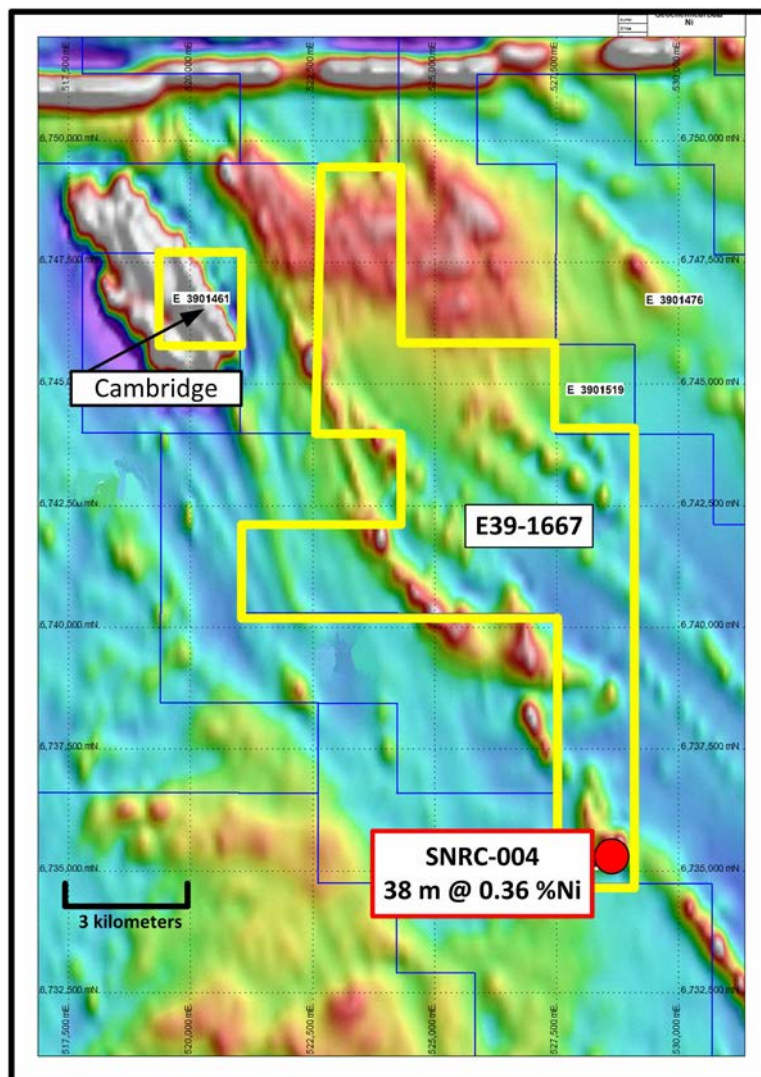


Figure 4 – location of historical drill hole on E39/1667

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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.

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