

28 APRIL 2011

QUARTERLY ACTIVITIES REPORT FOR THE PERIOD ENDED 31 MARCH 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 31 March 2011:

HIGHLIGHTS

- **Regional MMI geochemical survey completed at the East Laverton Property with new large, gold zones identified.**
- **50m spaced infill MMI sampling completed at the East Laverton Property and new high priority drill targets defined for gold prospects.**
- **Exploration farm-in deal signed with a major mining company for the nickel rights at the East Laverton Property.**
- **Drilling programme at the East Laverton Property to re-commence when weather conditions permit.**
- **Geophysical modelling initiated for advanced targets at the Pine Creek Property.**
- **Drilling programme at the Pine Creek Property to be initiated once weather conditions permit.**

EAST LAVERTON PROPERTY

Exploration Activities

St George Mining has completed a regional multi-element MMI ("mobile metal ion") soil geochemical survey on tenements covering a total area of 850 sq km. The regional survey involved the collection of samples on a 500m staggered grid.

Infill sampling, on a 50m spacing, has now also been completed within the immediate areas of interest. This close spaced infill sampling provides a high resolution of the gold and other metal trends provided by the regional survey and allows for more precise definition of drill targets within the broader gold zones.

Two significant new gold prospects were identified by the geochemical survey, the Balmoral and Desert Dragon prospects. These high priority prospects will be the focus of St George Mining's continuing drilling programme at the East Laverton Property.

In November 2010, St George Mining commenced a 3,600m reverse-circulation (RC) drilling programme of certain gold targets. Prior to commencement of the wet season, 1,925m had been completed.

Ongoing heavy cyclonic rain in the Laverton region has restricted access to the East Laverton Property and the drilling programme is currently suspended. St George Mining will continue to assess the situation with a view to recommencing the drilling programme once weather and access conditions permit, likely to be in early June 2011.

Nickel Exploration Deal – Project Dragon

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

Under the Farm-in Agreement, the major mining company will have the right to earn up to a 70% interest in nickel rights. 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 <http://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.

St George Mining expects these applications to be granted in 2011.

PINE CREEK PROPERTY

Exploration Activities – Pine Creek

The diamond drilling carried out by the previous explorer at the Pine Creek Property (Homestake Gold of Australia Limited, "HGAL") intersected sulphide-rich gold mineralisation within the extensive and highly mineralised Koolpin Formation at the Pine Creek Property.

St George Mining has engaged Southern Geoscience Consultants to process and model the various geophysical data available for the advanced exploration areas of the Pine Creek Property including data from the previous HGAL drill intersections. This model will allow St George Mining to define priority areas for the 2011 drilling campaign, likely to start in June 2011 (weather conditions permitting).

St George Mining will also initiate a regional MMI geochemistry survey at the Pine Creek Property as an inexpensive and effective means to test the potential of the broader lease area for extensions and repetitions of the known mineralisation. This MMI survey is scheduled for the dry season in 2011.

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.

EL 28232 was granted on 29 March 2011.

No tenements, in part or whole, were relinquished, surrendered or otherwise divested during the quarter ending 31 March 2011.

For further information, please contact:

John Prineas

Executive Chairman
St George Mining Limited
0411 421 251
John.prineas@stgm.com.au

David Brook

Director
PPR Communications
08 9388 0944
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 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 1/7/96. Origin: Appendix 8. Amended 1/7/97, 1/7/98, 30/9/2001, 01/06/10.

Name of entity

St George Mining Limited

ABN

21 139 308 973

Quarter ended ("current quarter")

31 March 2011

Consolidated statement of cash flows

| Cash flows related to operating activities | Current quarter \$A'000 | Year to date (9 months) \$A'000 |
|---|----------------------------|---------------------------------------|
| 1.1 Receipts from product sales and related debtors | - | - |
| 1.2 Payments for | | |
| (a) exploration & evaluation | (817) | (1,924) |
| (b) development | - | - |
| (c) production | - | - |
| (d) administration | (92) | (353) |
| 1.3 Dividends received | - | - |
| 1.4 Interest and other items of a similar nature received | 26 | 27 |
| 1.5 Interest and other costs of finance paid | - | - |
| 1.6 Income taxes paid | - | - |
| 1.7 Other - GST | 5 | (75) |
| Net Operating Cash Flows | (878) | (2,325) |
| Cash flows related to investing activities | | |
| 1.8 Payment for purchases of: | | |
| (a) prospects | (1) | (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 | (1) | (61) |
| 1.13 Total operating and investing cash flows (carried forward) | (879) | (2,386) |

+ 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 | | 879 | 1,049 |
| 1.20 | Cash at beginning of quarter/year to date | 2,311 | 383 |
| 1.21 | Exchange rate adjustments to item 1.20 | | |
| 1.22 | Cash at end of quarter | 1,432 | 1,432 |

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 | 135 |
| 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 and bookkeeping and secretarial services | 20 |

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

| |
|--|
| |
|--|

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

| |
|--|
| |
|--|

+ See chapter 19 for defined terms.

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 | |
| 3.2 Credit standby arrangements | NIL | |

Estimated cash outflows for next quarter

| | \$A'000 |
|--------------------------------|------------|
| 4.1 Exploration and evaluation | 350 |
| 4.2 Development | - |
| 4.3 Production | - |
| 4.4 Administration | 65 |
| Total | 415 |

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 | 1,432 | 2,311 |
| 5.2 Deposits at call | - | - |
| 5.3 Bank overdraft | - | - |
| 5.4 Other (Bank Guarantee deposit) | - | - |
| Total: cash at end of quarter (item 1.22) | 1,432 | 2,311 |

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 | | | |

+ See chapter 19 for defined terms.

Appendix 5B
Mining exploration entity quarterly report

| | | | | | |
|-----|---|---------|--------------------------|----|-----|
| 6.2 | Interests in mining tenements acquired or increased | EL28232 | Exploration Licence (NT) | 0% | 80% |
|-----|---|---------|--------------------------|----|-----|

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 | 23,325,000 | | |
| 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> | | | | |

+ See chapter 19 for defined terms.

| | | | |
|------|----------------------------------|--|--|
| 7.12 | Unsecured notes (totals only) | | |
|------|----------------------------------|--|--|

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 4).
- 2 This statement does give a true and fair view of the matters disclosed.

Sign here: Marcus Michael

Date: 28 April 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 1022: Accounting for Extractive Industries* and *AASB 1026: Statement of Cash Flows* apply to this report.
- 5 **Accounting Standards** ASX will accept, for example, the use of International Accounting 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.