

ST GEORGE MINING LIMITED

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East Laverton Property:

- Gold
- Nickel
- Project Dragon (Nickel JV)

Pine Creek Property:

- Blue Thunder Gold Project
- White Strike Uranium Project

UPDATE ON EXPLORATION AT PINE CREEK: VISIBLE GOLD

HIGHLIGHTS

- **Fresh analysis of core from previous discovery holes at St George's Pine Creek Property is being conducted**
- **Visible gold confirmed in core in of discovery hole FEND 18**
- **Leading edge CSIRO technology being used for drill core analysis**
- **New diamond drilling programme scheduled for Q4 2011**

OVERVIEW

Australian gold and nickel focused explorer, St George Mining Limited (**ASX: SGQ**) ('**St George Mining**' or '**the Company**') is pleased to provide an update of exploration activities at the Blue Thunder Gold Project located at its Pine Creek Property in the Northern Territory.

In advance of a diamond drilling programme at the Pine Creek Property scheduled for October 2011, St George Mining has been conducting a comprehensive review, utilising industry leading technology to re-scan the historical drill cores.

The previous explorer at the Pine Creek Property, Homestake Gold of Australia Limited ("HGAL"), carried out a successful regional diamond drilling programme over a broad area of the Fenton shear zone that included EL 27732, a tenement that now forms part of St George Mining's Pine Creek Property. HGAL was part of the Homestake Group, one of the largest global gold miners during the 1990's, and now merged with Barrick Gold Corporation.

Carbon and sulphide-rich gold mineralisation was intersected by HGAL at the current Pine Creek Property within the extensive and highly mineralised Koolpin Formation, which also hosts the Cosmo Howley gold mine about 30 km to the northeast. The most significant broad drill intersections from the historical drill cores are listed in the tables below:

HOLE ID	NORTHING	EASTING	DIP (degrees)	AZM (degrees)	DEPTH (m)	FROM (m)	TO (m)	WIDTH (m)	GRADE (g/t Au)
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- Higher grade intersections of FEND 18 and FEND 14

VISIBLE GOLD

As part of its review of the historical drill cores, the Company has identified visible gold within FEND 18. Figure 1 (below) shows the visible gold in FEND18, at 424m down-hole depth, with a large grain circled.

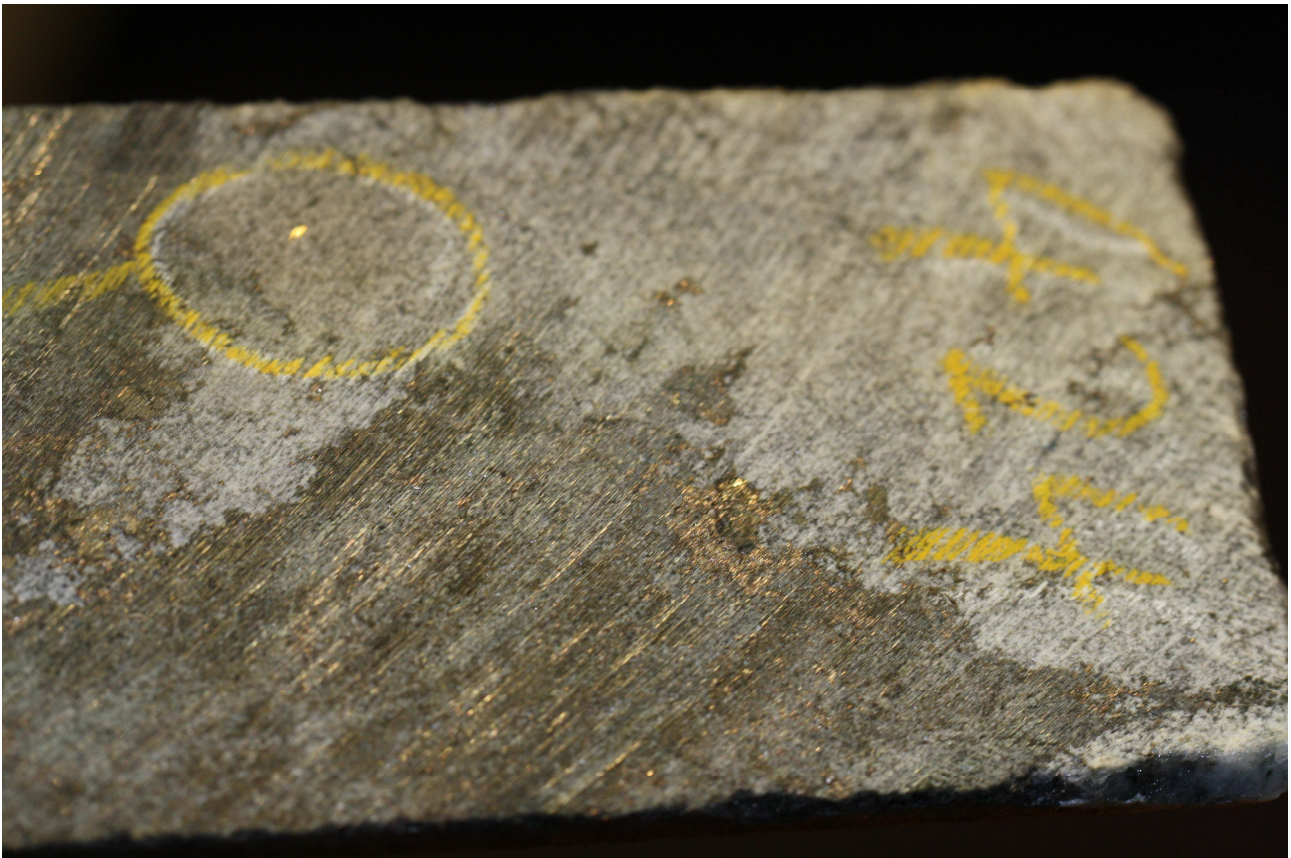


Figure 1 – Visible Gold in FEND18

The existence of visible gold in this environment is very encouraging as it indicates the mineralising fluids contained elevated levels of gold, in excess of what could be absorbed by the carbon and sulphide rich host rocks, which form as free gold.

FEND 18 was the discovery drill-hole with significant high-grade intersections (see table-1). It was drilled 1,200 m SSE of FEND 14 and intersected the higher grade gold zone approximately 200 m higher than the intersection in FEND 14. This confirms the presence of a large gold system at the Company's Blue Thunder Gold Project and the potential for vertical and lateral extensions to the known gold mineralisation.

The HGAL drilling was based on magnetic modeling of the interpreted pyrrhotite-rich mineralisation and the current depths of the intersections reflect this. The magnetic modeling would not have identified up-dip zones of oxidized gold mineralisation, where magnetic pyrrhotite appears to be altered non-magnetic pyrite. This suggests potential for up-dip extensions to the known mineralised zone.

The Cosmo Howley gold deposit, where 2+ MozAu has been recovered by open and underground mining, is also hosted by the Koolpin Formation and situated on the sheared eastern limb of a regional anticline (Pine Creek Shear). The Company’s Blue Thunder Gold Project is also hosted by the folded continuation of the Koolpin Formation.

Figure 2 (below) illustrates the proximity of the Blue Thunder Gold Project relative to the Cosmo Howley deposit. The close similarities between the geological structures at the Cosmo Howley deposit and the Blue Thunder Gold Project provide additional support for the potential of up-dip mineralisation from the known gold intersections in FEND14 and FEND18.

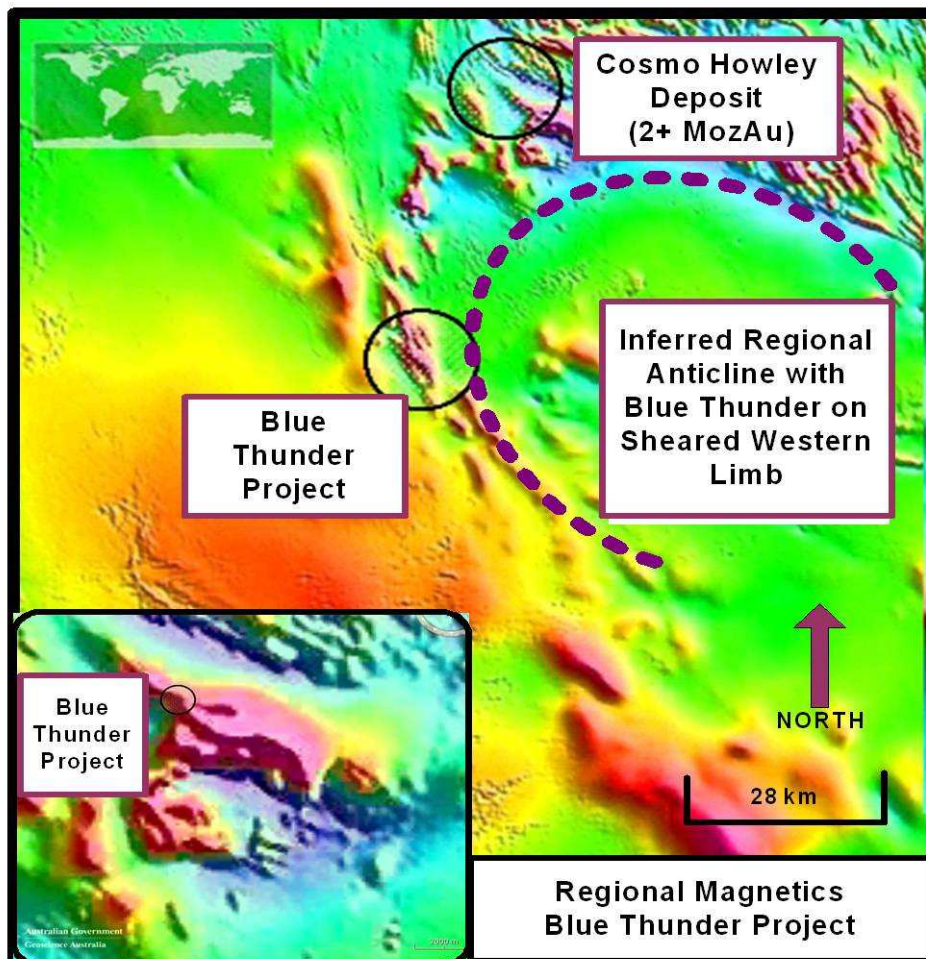


Figure 2 – Regional Context of the Blue Thunder Gold Project

CSIRO HyLogger

Both of the historical drill cores are being analysed using the CSIRO HyLogger hyperspectral logging technology. The CSIRO HyLogger employs reflectance spectroscopy to determine the diagnostic spectral features indicative of the mineralogy, mineral chemistry and physical characteristics of drill cores. Many of these factors are undetectable to the naked eye. A report on the results of this analysis is expected shortly.

The information produced by the HyLogger will assist in evaluating the nature of the previous drill intersections: specifically, the relative position of FEND14 and FEND18 within the larger gold system, and the potential for rare earths and uranium in that part of the Pine Creek Property. This information will also assist in future drill hole placement.

2011 Drilling Programme at Pine Creek

An orientated diamond drilling programme is planned for the Pine Creek Property in October 2011. Previous core drilling by HGAL was not orientated; as such, the structural orientation of the higher grade gold mineralisation can only be inferred from the previous drilling. A Mine Management Plan has been submitted to the Department of Resources and finalisation of the Plan is expected within approximately 30 days.

The purpose of the diamond drilling programme will be to:

- Confirm the high grade intersections in FEND18
- Identify the up-dip potential of mineralisation and the “top” of the system
- Test the down dip extensions of the ore shoot in this area

Further details of the 2011 drilling programme will be announced after approval of the Mine Management Plan is obtained.

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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.