

23 January 2014

ST GEORGE CONTINUES MAJOR NICKEL EXPLORATION CAMPAIGN

HIGHLIGHTS:

- **Moving loop electromagnetic (MLEM) survey recommences this week**
- **Several strong EM anomalies already identified with modelling underway**
- **Desert Dragon diamond drill assays due shortly**
- **Modelling of downhole EM (DHEM) anomalies at Desert Dragon will define drill targets**
- **Drilling scheduled to recommence in Q1 2014**

EM SURVEY RECOMMENCES

St George Mining Limited (ASX: **SGQ**) ('St George Mining' or 'the Company') is pleased to announce that the MLEM survey along the Stella Range Belt will recommence this week. Nickel sulphide was first discovered on the Stella Range Belt during the initial phase of reconnaissance drilling in 2012 at the Company's 100% owned East Laverton Property in the North Eastern Goldfields of Western Australia.

Prior to the Christmas recess, 643 readings (stations) had been completed under the MLEM survey over a total 61,000 line-metres of coverage. This is a major, systematic exploration programme by St George to realise the nickel potential of the extensive Stella Range ultramafic belt. Details of the specifications for the MLEM survey are contained in the Company's ASX Release dated 20 December 2013 '*St George Identifies Strong EM Anomalies for Nickel Drilling*'.

A number of strong EM anomalies have already been identified by this MLEM survey with initial analysis suggesting they are consistent with bedrock conductors permissive of potential massive sulphide nickel mineralisation. The Company anticipates that the ongoing interpretation and modelling of this data will generate a number of high priority drill targets.

John Prineas, Executive Chairman of St George Mining said:

"Our nickel project encompasses three major ultramafic belts, which were identified as being highly prospective for nickel sulphide mineralisation by the Project Dragon exploration completed by a major mining company.

"The first ever MLEM survey has now commenced over this area and has already identified some excellent massive sulphide targets. We will commence drilling once we are confident that we will be testing the best targets in our portfolio.

"We are aiming to commence drilling as soon as practicable this quarter."

DESERT DRAGON – ASSAYS

Three diamond core holes were completed at Desert Dragon in December 2013. Details of the drill holes are contained in the Company's ASX Release dated 20 December 2013 '*Drilling of First Target Completed*'.

The core was cut and sampled earlier this month by SGS Laboratories in Kalgoorlie. Assaying is now being completed at SGS Laboratories in Perth, with assay results expected to be available in late January 2014.

DHEM AT DESERT DRAGON

DHEM surveys were completed of all three holes at Desert Dragon and have identified strong EM anomalies in the range 130m to 140m. The interpretation and modelling of the DHEM anomalies is now being completed to generate new drill targets in this area.

Details of the DHEM anomalies are contained in the Company's ASX Release dated 20 December 2013 '*Drilling of First Target Completed*'.

The initial analysis from the DHEM readings suggests the target is present at a relatively shallow level. The potential discovery of a relatively shallow nickel sulphide deposit could substantially enhance the project economics for the development and mining of that deposit.

A further announcement regarding the modelling of these DHEM anomalies will be made once assay data for the Desert Dragon diamond holes is received and final interpretation of the anomalies can be completed.

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Competent Person Statement:

The information in this report that relates to Exploration Targets, Exploration Results, Mineral Resources or Ore Reserves is based on information compiled by Mr Tim Hronsky, a Competent Person who is a Member of The Australasian Institute of Mining and Metallurgy. Mr Tim Hronsky is employed by Essential Risk Solutions Ltd which has been retained by St George Mining Limited to provide technical advice on mineral projects.

Mr Tim Hronsky has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity being undertaken to qualify as a Competent Person as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Tim Hronsky consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.