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ST GEORGE IDENTIFIES NEW NICKEL TARGET AT CAMBRIDGE

HIGHLIGHTS

- **New soil geochemical survey and regolith mapping completed at Cambridge**
- **New nickel prospect identified in southern area of Cambridge ultramafic body**
- **Coincidence between EM anomaly and anomalous nickel soil values**
- **Prospect to be tested by new and more powerful EM survey ahead of drilling**

NEW TARGET AT CAMBRIDGE

St George Mining Limited (ASX: **SGQ**) ("St George Mining" or "the Company") is pleased to provide an update on the results from the recently completed soil geochemical survey over the southern portion of the Cambridge ultramafic (dunite) body. The new prospect forms part of the Company's 100% owned Cambridge Nickel Project, which is located at its East Laverton Property in the North Eastern Goldfields region of Western Australia.

The new prospect is represented by an EM (electro-magnetic) anomaly situated near the basal contact of the Cambridge ultramafic body – the target zone for accumulation of massive sulphides. The EM anomaly is of particular interest as it is coincident with highly anomalous nickel values identified in both the Company's 2011 regional soil geochemical survey and by the recent infill survey.

The EM anomaly was identified by Newexco following its review of a previous EM survey conducted at Cambridge.

SOIL SURVEY

The recent infill soil geochemical survey was completed over the Cambridge ultramafic body but excluded the northern section of the body, which is situated on tenements that previously were within Project Dragon. The samples were collected on 100 m grid lines and at 50 m stations and were then analysed using a field XRF unit. This new technique for soil geochemical sampling was devised by St George as a more expedient and lower cost screening tool in certain environments.

Figure 1 contains a map of the southern part of the Cambridge dunite body with interpreted regolith and sample results from the infill soil survey. The more highly anomalous nickel values occur in areas of ultramafic outcrop or subcrop. These are more optimal sites for testing by EM geophysics as they have little or no conductive and/or masking cover that impedes the depth penetration of EM surveys.

Areas with low nickel values represent an area with more post mineral cover. These areas remain highly prospective for nickel sulphides and will be tested for massive sulphides at depth by new and more powerful EM surveys suitable for this regolith.

Importantly, the newly identified prospect at Cambridge is situated within an area of ultramafic outcrop and contains an EM anomaly that is interpreted to be close to the maximum depth extent of the previous EM survey design.

The implication is that other EM anomalies present at similar depths but in areas of thicker and/or more conductive cover would have low level responses or may not have been detected at all by the shallow historical EM survey.

This demonstrates the value of regolith mapping to assist in the planning and interpretation of EM surveys and increases the potential for a more powerful EM survey to detect more prospective EM targets for investigation.

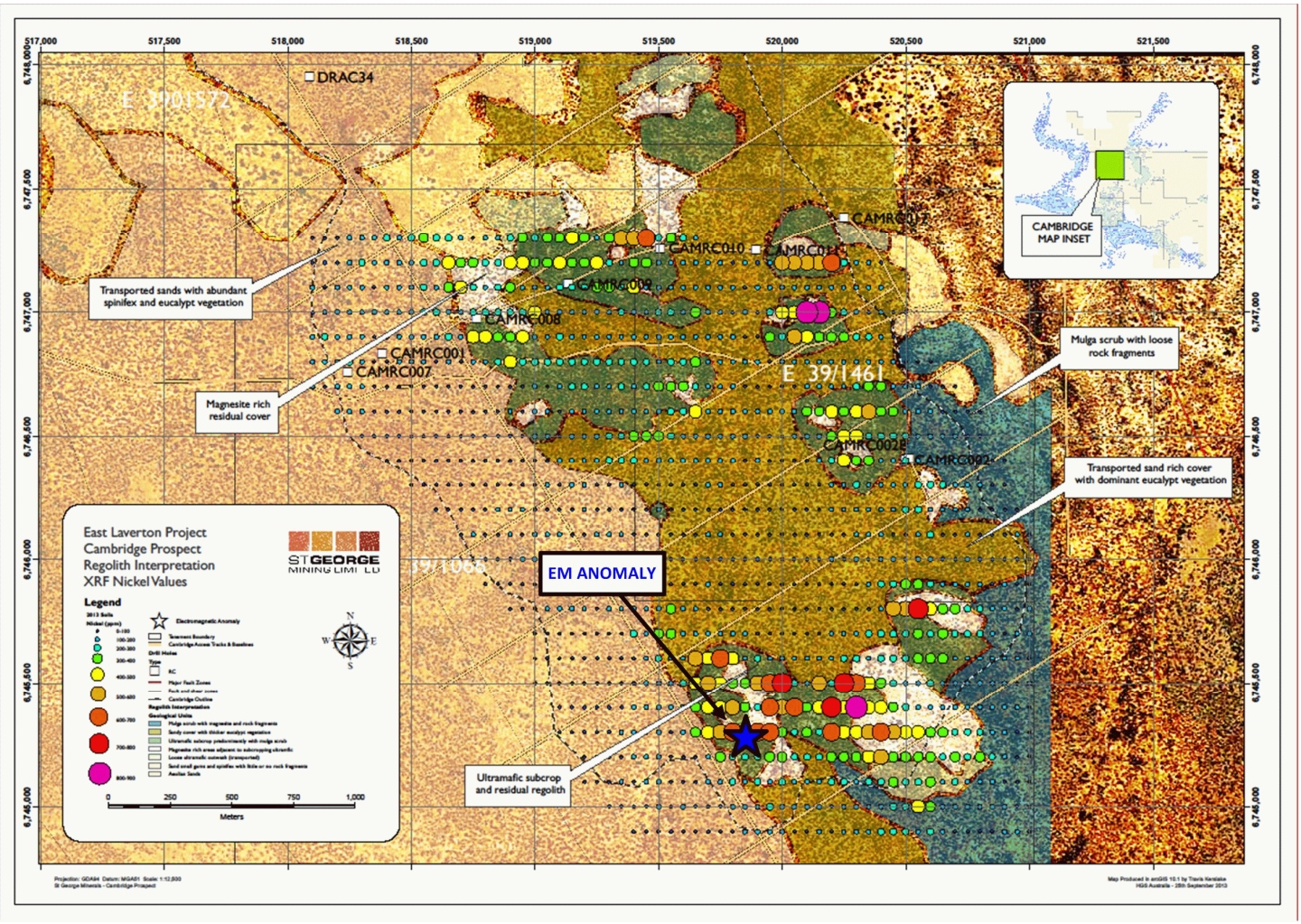

Figure 1- This map illustrates the interpreted regolith at Cambridge based on surface mapping using the sample results from the recent soil geochemical survey. Anomalous nickel values are highlighted. The new EM anomaly is designated by a star in the south-east of the dunite body.

NEW EM SURVEYS

A new fixed loop transient electro-magnetic (FLEM) survey is being designed to further assess this newly identified EM anomaly as well as two other historical EM anomalies at Cambridge which have been recommended for further investigation.

The historical EM survey used 100 m loops and 200 m line spacing. It was designed to test relatively shallow occurrences of massive nickel sulphides and was limited in its depth penetration.

The new FLEM survey will use 400m x 400m fixed loops and will utilise a more powerful transmitter that will produce nearly 5 times the energy of the historical survey. This will allow a substantial increase in the depth and lateral coverage of the previously identified anomalies. The FLEM survey is in the final stages of logistical planning and is expected to commence in a matter of days. An announcement with further details of the FLEM survey will be made once the survey commences.

In addition to the FLEM survey over the historical anomalies at Cambridge, a powerful moving loop transient electro-magnetic (MLEM) survey is planned for the remainder of the Cambridge dunite body as well as a highly prospective 10 km strike zone on the Stella Range Ultramafic Belt which encompasses the DRAC35 and DRAC38 drill holes that intersected disseminated nickel sulphides. The MLEM survey is scheduled to commence later this month, and a further announcement on this matter will be issued shortly.

John Prineas, Executive Chairman of St George Mining said:

"Our methodical exploration approach is starting to pay dividends. We have defined prospective nickel zones at Cambridge through soil sampling and a previous EM survey, and have generated robust targets for follow-up.

"The next phase of exploration – a powerful EM survey – will better define these EM targets and allow us to progress quickly to test drilling."

DETAILS OF XRF ANALYSIS

References to XRF results relate to analysis using a hand-held Olympus Innov-X Spectrum Analyser. This portable device provides immediate analysis of modal mineralogy of soil and drill samples. The device is unable to reliably detect precious metals in samples but is considered to be more reliable for base metal assessment. Results from XRF analysis are stated as indicative only, and are preliminary to subsequent confirmation by geochemical analysis by laboratory assays.

The XRF data is useful in assisting in the interpretation of the geological character of the rocks being encountered during soil sampling and drilling. The geochemical analysis from the XRF covers a broad range of elements and allows sophisticated geological modelling using various geochemical indexes and elemental ratios.

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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 Timothy Hronsky. Mr Hronsky 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 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.