

ASX ANNOUNCEMENT

USE OF FUNDS

St George Mining Limited (139 308 973) (**Company**) wishes to confirm its intention to apply the \$4,000,000 of funds raised from the initial public offer of 20,000,000 shares at an issue price of \$0.20, and its existing cash assets, as follows:

Item	SUBSCRIPTION - \$4,000,000		
	Year 1	Year 2	Total
	\$	\$	\$
Existing Cash Assets	382,841		
Funds raised under the Offer	4,000,000		
Total funds available	\$4,382,841		\$4,382,841
Expenses of issue	402,698	-	402,698
Evaluation and exploration	700,000	1,300,000	2,000,000
Loan Repayment	230,000	-	230,000
Corporate and Administration	440,140	380,140	820,280
Unallocated working capital	2,610,003		929,503
Total	\$4,382,481		\$4,382,481

The preceding table is a statement of current intentions as of the date of this announcement. As with any budget, intervening events (including exploration success or failure) and new circumstances have the potential to affect the ultimate way funds will be applied. The Board reserves the right to alter the way funds are applied on this basis.