

23 October 2012

## NICKEL SULPHIDES IDENTIFIED AT PROJECT DRAGON

### HIGHLIGHTS

- **Results received for the reconnaissance RC program of 35 holes for 8,560m at Project Dragon**
- **Drilling confirmed the presence of three ultramafic sequences, including one with nickel sulphide bearing komatiites**

St George Mining Limited (“St George Mining” or the “Company”) is pleased to announce that results have been received from the recent reconnaissance RC program completed by BHP Billiton Nickel West Pty Limited (“the Partner”) at Project Dragon.

The program tested 7 nickel target areas on core tenements covered by the Project Dragon farm-in arrangement. A total of 8,560m were drilled for 35 holes between April and July 2012.

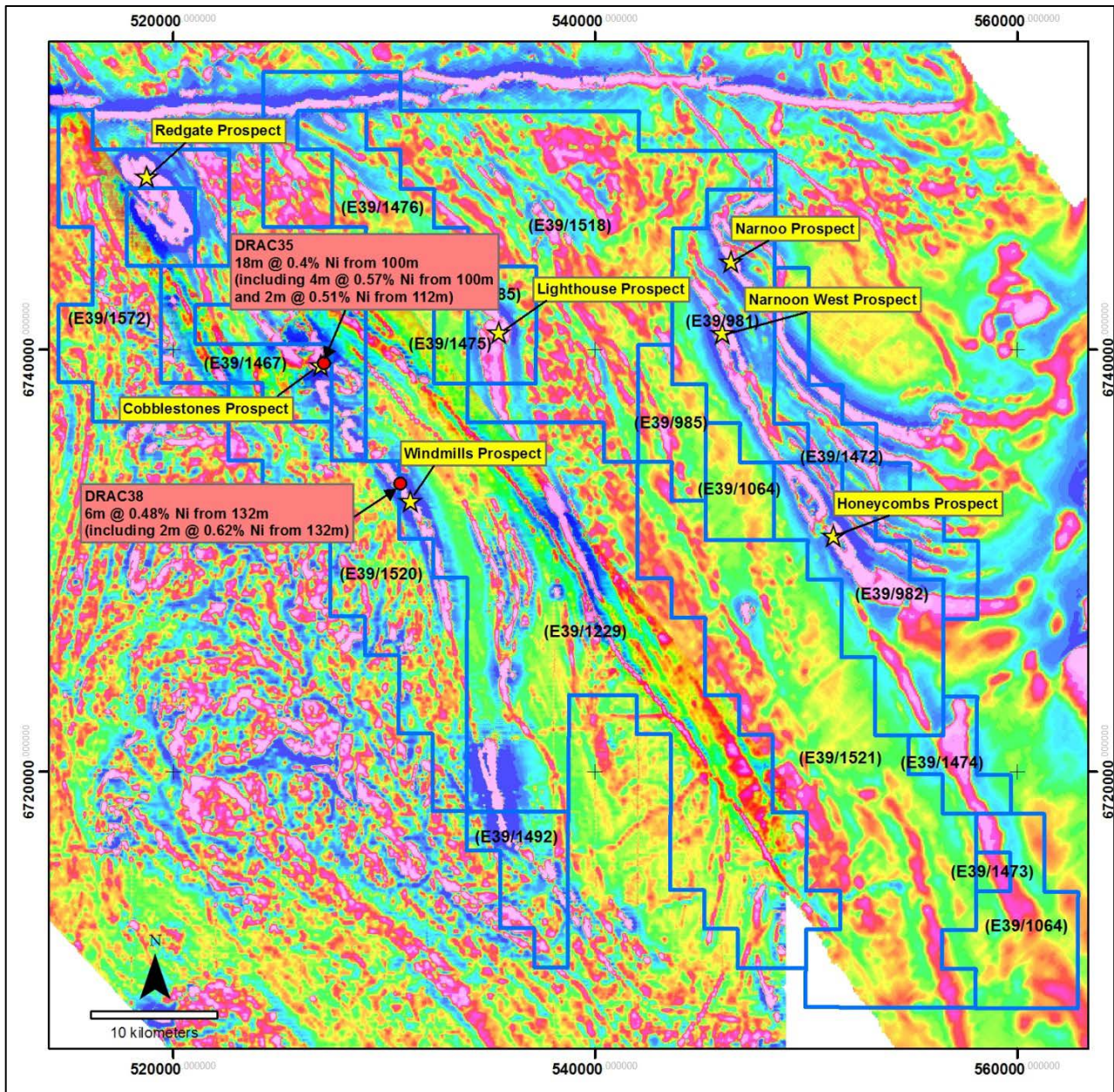
Assay results have now been received for all 35 RC holes. A total of 28 of the 35 holes identified komatiite ultramafics with two of the drill holes (DRAC35 and DRAC38) intersecting disseminated nickel sulphides as shown in Table 1.

The location of the two drillholes and the prospects targeted in the drill program is shown in Figure 1.

Hole ID	GDA94_51 East	GDA94_51 North	Dip	Azimuth	Total depth	From (m)	To (m)	Width (m)	Grade (Ni %)	Cu (ppm)	Pt+Pd (ppb)
DRAC35	527150	6739401	-60	250	244	100	118	18	0.4	342	197
						100	104	4	0.57	366	294
						112	114	2	0.51	584	281
DRAC38	530786	6733696	-60	250	298	132	138	6	0.48	40	48
						132	134	2	0.62	92	53

**Table 1** Significant intersections from the reconnaissance RC drill program at the Project Dragon JV.

The intersections shown in Table 1 are the first identification of nickel sulphides at Project Dragon and support the presence of fertile, high-MgO ultramafic sequences.



**Figure 1** Prospect locations and significant intersections from the RC program at Project Dragon.

Drillholes DRAC35 and DRAC38 are located in the western ultramafic sequence at Project Dragon, which is interpreted to extend over 30km (Figure 1). St George Mining is pleased that the RC drilling program has confirmed the occurrence of primary nickel sulphide mineralisation in this under-explored ultramafic horizon.

Further exploration plans for Project Dragon will be discussed with the Partner.

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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.