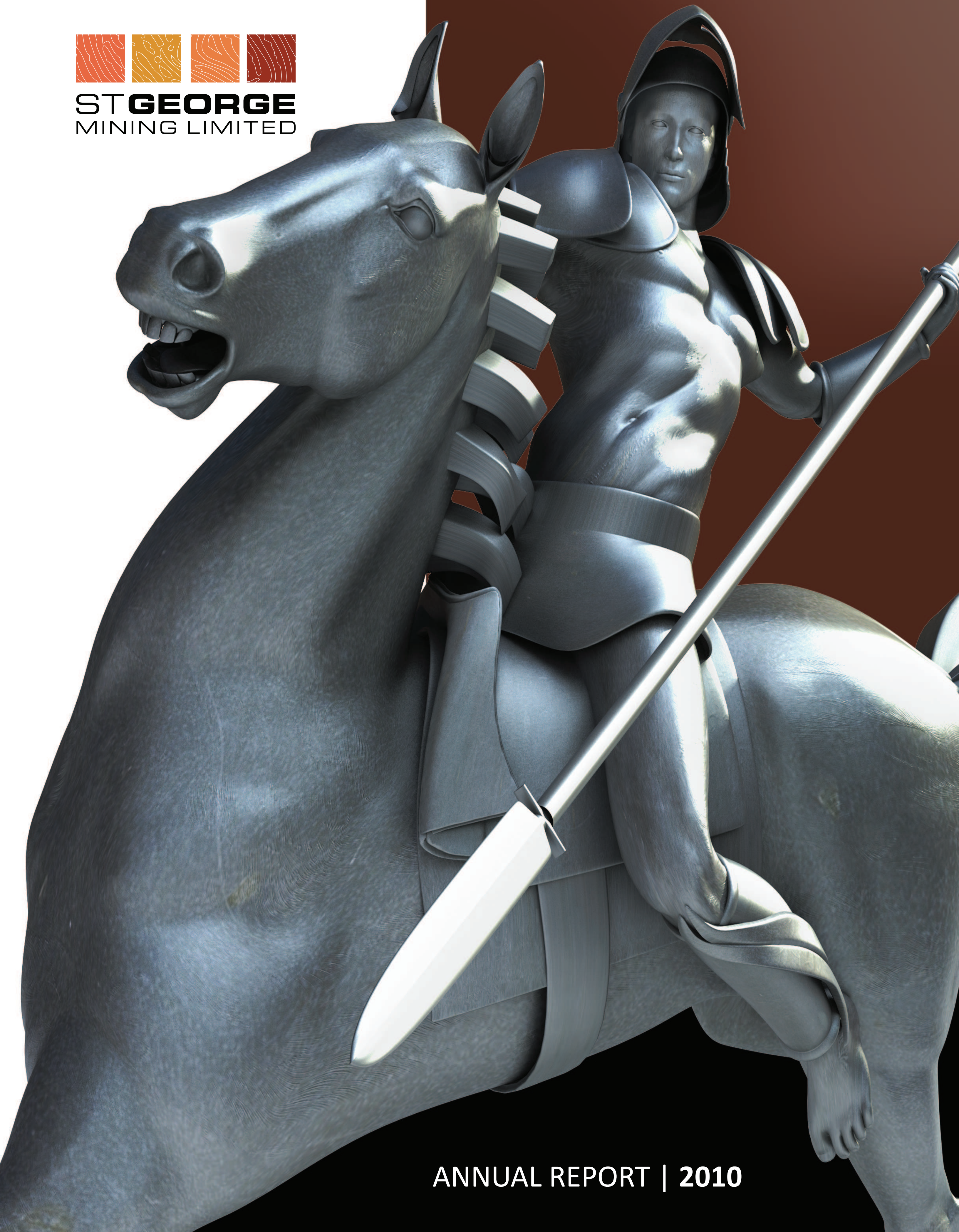
ST GEORGE
MINING LIMITED



ANNUAL REPORT | **2010**

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Board of Directors	John Prineas B.EC, LL.B F FIN – Executive Chairman Tim Hronsky B.ENG (Geology) MAUSIMM, MSEG – Executive Director Marcus Michael B.Bus, CA – Non-Executive Director
Company Secretary	Marcus Michael B.Bus, CA
Registered and Principal Office	Level 1, 115 Cambridge Street WEST LEEDERVILLE WA 6007
Solicitors	Steinepreis Paganin Level 4, The Read Buildings 16 Milligan Street PERTH WA 6000
Auditors	Stantons International Level 1, 1 Havelock Street WEST PERTH WA 6005
Share Registry	Computershare Investor Services Pty Ltd Level 2, Reserve Bank Building 45 St Georges Terrace PERTH WA 6000
Australian Business Number	21 139 308 973

Dear Shareholders,

St George Mining Limited was established in 2009 to acquire mining properties with the purpose of generating projects with economic resources. The inaugural year of the Group's existence has seen us achieve considerable progress in the pursuit of our goal.

The Group has secured exciting exploration projects in two richly mineralised areas of Australia – the North East Goldfields of Western Australia and the Pine Creek Orogen in the Northern Territory.

St George Mining has 100% ownership of a tenement package covering a contiguous area of 1,421.50 sq km in the eastern fringe of the North East Goldfields of Western Australia. This represents a dominant landholding in an area that comprises the southern extension of the Duketon Belt and which, we believe, has the potential to be a major new mineral province.

The Group's tenements in this region host the Crusader Gold Project, the Zeus Nickel Project and the Empire Copper Project. Previous exploration has generated a number of attractive prospects at these Projects and we have also generated new targets with our ongoing exploration work. Several of these prospects are ready for immediate drilling whilst others provide a robust pipeline of exploration targets for future assessment. The Group believes that there is excellent potential for the discovery of major gold, nickel-sulphide and copper deposits at these Projects.

In the Northern Territory, the Company has entered into an option to acquire an 80% interest in a tenement area that is prospective for gold and uranium. The ground hosts the Blue Thunder Gold Project and the White Strike Uranium Project. Previous diamond drilling at the Blue Thunder Gold Project has identified an extensive gold system which the Group believes is prospective for a major gold deposit. The Group's total project area at this Pine Creek location is 1,086 sq km.

The Group intends to undertake extensive exploration activity over the next year, with the objective of substantially increasing the value of the Group's projects through successful, cost-effective and targeted exploration activity.

Yours sincerely

John Prineas
EXECUTIVE CHAIRMAN

EAST LAVERTON PROPERTY

On 5 November 2009, St George Mining acquired the Narnoo Gold & Nickel Project from A1 Minerals as the inaugural mining asset of the Group. This Project comprised 10 tenements covering 519 sq km in the Narnoo Greenstone Belt (“Narnoo”), about 150 km east of Laverton. An additional two tenements were acquired by St George Mining from A1 Minerals on 10 June 2010. A1 Minerals has retained a 2% net smelter royalty in regard to minerals extracted and sold from these tenements.

St George Mining has secured an additional 846 sq km of prospective ground at Narnoo through the application for a further 7 exploration licences, 4 of which were granted on 23 June 2010. The total landholding of St George Mining in this location is now 1,421.50 sq km (the “East Laverton Property”).

The Group continues to grow the value of the East Laverton Property and has established three distinct Projects – being the Crusader Gold Project, the Zeus Nickel Project and the Empire Copper Project.

The Crusader Gold Project has extensive zones of gold mineralisation and lies between the recent 5+ MozAu Tropicana discovery in the east, and the prolific Laverton Goldfield (20 MozAu+) to the west.

The Zeus Nickel Project contains a 60+ km strike length of a rare high MgO komatiitic horizon, which is the southern extension of the Duketon Belt where South Boulder (ASX: STB) and Independence (ASX: IGO) have high grade nickel intersections (3.3m @ 9.13% Ni). As no dedicated nickel-sulphide exploration has taken place at this Project, it remains highly prospective for major new nickel sulphide discoveries.

Exploration Activities

There is an extensive amount of geological research for the NE Goldfields as a result of government funded, cooperative efforts between Australian Geoscience, various Universities and the Minerals Industry. This has allowed St George Mining to develop robust exploration models for the East Laverton Property based on a solid understanding of the target metals (gold, nickel sulphide and copper) and their associated mineral systems.

In June 2010, the Company commenced a regional multi-element MMI (“mobile metal ion”) soil geochemical survey over the East Laverton Property. MMI (partial leach) soil geochemistry is a technology that mitigates the shortcomings of conventional (pedogenic) geochemistry in covered and deeply weathered areas such as East Laverton.

The purpose of this survey is to provide a holistic assessment of the larger potential of the East Laverton Property. Specifically, the survey will identify anomalous concentrations of the target mineralisation and validate these occurrences by being able to map expected associated alteration and associated minor elements.

The survey to date has been successful in identifying known gold and nickel prospects, and infill sampling of these known prospects and new targets is underway. The infill programme will assist in selecting drill sites, in advance of the Company’s first drilling program at the East Laverton Property later in 2010.

PINE CREEK PROPERTY

On 1 March 2009, St George Mining entered into an option to acquire 80% of an advanced exploration project at Pine Creek, Northern Territory. The Pine Creek Property contains a new gold discovery made by Homestake Gold of Australia Limited (HGAL) during the 1990’s.

The discovery was made during a regional diamond drilling programme conducted to test remarkable similarities between the Pine Creek area and the geological setting of Homestake’s giant gold deposit at Lead, South Dakota (50+ Moz Au). HGAL was part of the Homestake Group, which was the world's No. 1 gold miner during much of the 1990's before merging with Barrick in 2001.

Following our geological review of the area, an additional 2 applications for exploration licences have been secured at Pine Creek by the Group. This substantially extends our coverage on this favourable strike of mineralisation and brings the Group's total exploration ground at this location to 1,086.90 sq km.

Two projects have been established at the Pine Creek Property - the Blue Thunder Gold Project and the White Strike Uranium Project. The Group believes that there is excellent potential for these Projects to host economic gold and uranium deposits.

Material uranium discoveries have been made in proximity to our Pine Creek Property. Thundelarra Exploration Limited (ASX: THX) recently announced a spectacular intersection of 1m @ 20.3% U308 at its Thunderball prospect which is approximately 30 km from St George Mining's tenement (ASX announcement by THX dated 25 September 2009).

Exploration Activities

The diamond drilling carried out by HGAL intersected sulphide-rich gold mineralisation within the extensive and highly mineralised Koolpin Formation at the Pine Creek Property. Subsequent to this drilling, HGAL conducted a MMI geochemical orientation survey which successfully confirmed a surface gold-cobalt soil anomaly over the previously intersected mineralisation. The Company will use MMI geochemistry at the Pine Creek Property as a low cost, inexpensive and effective means to test the broader district potential of the newly acquired areas. The next MMI survey will be scheduled for the dry season in 2011.

The Northern Territory Government has released a series of new and detailed geophysical surveys that cover the Company's tenement area. This includes an Electromagnetic (EM) Survey which can be used to test for sulphides. The pyrrhotite and pyrite sulphide minerals in the target ore respond well to a survey of this type.

A follow-up drill programme for the Pine Creek Property will be carried out in the dry season of 2011. The Company will utlise the data from the previous drill intersections, together with the available geochemical data and recent geophysical survey, to model an exploration programme for the next drilling campaign.

The Directors of St George Mining Limited submit herewith the annual financial report of St George Mining Limited from the date of incorporation on 19 October 2009 to 30 June 2010. In order to comply with the provisions of the Corporations Act 2001, the Directors report as follows:

DIRECTORS

The names and particulars of the directors of the Company as at 30 June 2010 and at the date of this report are as follows. Directors were in office for the entire period unless otherwise stated.

John Prineas B.EC LL.B F FIN
Executive Chairman
Appointed 19 October 2009

John has over 25 years experience in the banking and legal sectors, including a period as the head of a financial institution in Australia. He commenced his career as a lawyer at Allen, Allen & Hemsley, gaining extensive experience in commercial transactions and corporate advice in both Australia and Asia-Pacific.

In 1994, he joined Dresdner Bank AG in Sydney and over the next 10 years occupied the roles of General Counsel, Chief Operating Officer and Country Head with a focus on project and acquisition finance for resources and infrastructure projects as well as associated capital markets and treasury products, including commodities trading.

John has a diverse range of high level experience in finance, mining and corporate governance.

During the past 3 years he has held no other listed company directorships.

Tom Hronsky B.ENG (Geology) MAUSIMM, MSEG
Executive Director
Appointed 25 November 2009

Tim is a geologist with over 20 years international experience in the mineral exploration and mining industry, including 15 years with Placer Dome Inc. After graduating from the West Australian School of Mines, Tim began his career in a number of operational roles before shifting to exploration where he was the Exploration Manager (Asia) for Placer Dome.

Subsequently he undertook a number of corporate roles related to business improvement, risk management and assurance. More recently, he has been providing consulting services to a range of clients in the global exploration and mining industry.

During the past 3 years he has also served as a director of the following listed companies;

Company	Date of Appointment	Date of Resignation
Emmerson Resources Limited	1 January 2007	30 April 2008
A1 Minerals Limited	30 November 2006	20 February 2009

Marcus Michael CA, B.Bus
Non-Executive Director and Company Secretary
Appointed 19 October 2009

Mr Michael is a Chartered Accountant and has over 15 years industry experience. He has provided consulting services to public and private entities across a broad range of industries including the resource, engineering, healthcare, retail and agriculture.

Mr Michael has been involved with private equity consulting, capital and debt funding and corporate reconstruction since 1990. He is a Director of Marshall Michael Pty Ltd, Chartered Accountants.

Mr Michael graduated from Curtin University in 1990 with a Bachelor of Business and has been a member of the Institute of Chartered Accountants since 1994.

During the past 3 years he has also served as a director of the following listed companies;

Company	Date of Appointment	Date of Resignation
Argent Minerals Limited	4 April 2007	Not applicable

Company Secretary

Marcus Michael CA, B.Bus

For details relating to Mr Michael, please refer to the details on directors above.

DIRECTORS' INTERESTS

At the date of this report the Directors held the following interests in St George Mining.

Name	Ordinary Shares	Performance Shares
John Prineas	6,962,517	30
Tim Hronsky	1,062,500	10
Marcus Michael	2,222,222	15

John Prineas has had no interest, whether directly or indirectly, in a contract or proposed contract with St George Mining Limited during the financial year end. Other Directors interests are Marcus Michael through Marshall Michael Pty Ltd which provides accounting and secretarial services to the Company and Tim Hronsky through Essential Risk Solutions which provides consultant services to the Company.

PRINCIPAL ACTIVITIES

The principal activity of the Group is mineral exploration in Australia.

RESULTS AND REVIEW OF OPERATIONS

The result of the consolidated entity for the financial period from date of incorporation on 19 October 2009 to 30 June 2010 after income tax was a loss of $322,487.

A review of operations of the consolidated entity during the period ended 30 June 2010 is provided in the "Review of the Operations" immediately preceding this Directors' Report.

LIKELY DEVELOPMENTS

The Group's focus over the next financial year will be on its key projects - Crusader Gold Project, Zeus Nickel Project, Empire Copper Project, Blue Thunder Gold Project and the White Strike Uranium Project. Further commentary on planned activities in these projects over the forthcoming year is provided in the "Review of Operations". The Group will also assess new opportunities especially where these have synergies with existing projects.

SIGNIFICANT CHANGES IN STATE OF AFFAIRS

There have not been any significant changes in the state of affairs of the Group during the financial period, other than as noted in this financial report.

ENVIRONMENTAL ISSUES

The Group is aware of its environmental obligations with regards to its exploration activities and ensures that it complies with all applicable regulations when carrying out exploration work.

DIVIDENDS PAID OR RECOMMENDED

The directors do not recommend the payment of a dividend and no amount has been paid or declared by way of a dividend to the date of this report.

DIRECTORS' MEETINGS

The following table sets out the number of meetings held during each director's period of directorship during the period ended 30 June 2010 and the number of meetings attended by each director.

Name	Eligible to attend	Attended
J Prineas	6	6
T Hronsky	5	1
M Michael	6	6

REMUNERATION REPORT – AUDITED

Remuneration policy

The remuneration policy of St George Mining Limited has been designed to align directors' objectives with shareholder and business objectives by providing a fixed remuneration component, which is assessed on an annual basis in line with market rates. The Board of St George Mining Limited believes the remuneration policy to be appropriate and effective in its ability to attract and retain the best directors to run and manage the Company.

The Board's policy for determining the nature and amount of remuneration for Board members is as follows:

- The remuneration policy and setting the terms and conditions for the Executive directors and other senior staff members is developed and approved by the Board based on local and international trends among comparative companies and industry generally. It examines terms and conditions for employee incentive schemes, benefit plans and share plans. Independent advice is obtained when considered necessary to confirm that executive remuneration is in line with market practice and is reasonable within Australian executive reward practices.

- All executives receive a base salary (which is based on factors such as length of service and experience) and superannuation.

- The Entity is an exploration entity, and therefore speculative in terms of performance. Consistent with attracting and retaining talented executives, directors and senior executives are paid market rates associated with individuals in similar positions within the same industry. Options and performance incentives may be issued particularly as the entity moves from an exploration to a producing entity and key performance indicators such as profit and production and reserves growth can be used as measurements for assessing executive performance.

- The Board policy is to remunerate non-executive directors at market rates for comparable companies for time, commitment and responsibilities. The Executive Directors, in consultation with independent advisors, determine payments to the non-executives and review their remuneration annually, based on market practice, duties and accountability. The maximum aggregate amount of fees that can be paid to non-executive directors is subject to approval by shareholders at the annual General Meeting and is currently $150,000 per annum. Fees for non-executive directors are not linked to the performance of the Entity. However, to align Directors' interests with shareholder interests, the directors are encouraged to hold shares in the Company.

Details of directors and executives

Directors	Title	Date of Appointment	Date of Retirement
J Prineas	Executive Chairman	19 October 2009	N/A
T Hronsky	Executive Director	25 November 2009	N/A
M Michael	Non Executive Director	19 October 2009	N/A

N/A – Not Applicable

The Company does not have any executives that are not Directors.

Executive Directors' remuneration and other terms of employment are reviewed annually by the non-executive director(s) having regard to performance against goals set at the start of the year, relative comparable information and independent expert advice.

Except as detailed in the Remuneration Report, no director has received or become entitled to receive, during or since the financial year end, a benefit because of a contract made by the Entity or a related body corporate with a director, a firm of which a director is a member or an entity in which a director has a substantial financial interest. This statement excludes a benefit included in the aggregate amount of emoluments received or due and receivable by directors and shown in the Remuneration Report, prepared in accordance with the Corporations regulations, or the fixed salary of a full time employee of the Entity.

Remuneration of directors and executives

Remuneration for the financial period ended 30 June 2010.

	Short-Term Benefits		Post Employment Benefits	Long Term Benefits	Equity Settled Share-Based Payments	
Directors	**Salary Fees and Leave**	**Non Monetary**	**Superannuation**	**Long Service Leave**	**Shares/Options**	**Total**
	(i)	**(ii)**			**(iii)**	
	$	**$**	**$**	**$**	**$**	**$**
J Prineas						
2010	-	4,650	-	-	-	4,650
2009	-	-	-	-	-	-
T Hornsky						
2010	82,500	4,068	-	-	-	86,568
2009	-	-	-	-	-	-
M Michael						
2010	-	2,522	-	-	-	2,522
2009	-	-	-	-	-	-
Total						
2010	**82,500**	**11,240**	**-**	**-**	**-**	**93,740**
2009	-	-	-	-	-	-

(i) The Company has entered into executive services agreement with Mr J Prineas and Mr M Michael. The agreements provide that Mr Prineas and Mr Michael will not be paid a salary by the Company until the Company is admitted to the Official List. At year ended 30 June 2010 the Company was not listed.

(ii) Non monetary benefits are for directors' and officers' liability and legal expense insurance premiums.

(iii) The Performance Shares granted are subject to Company milestones being achieved. Each Performance Share will convert to 100,000 ordinary shares in the Company upon the first to occur of the following events:

1. a Company Project attains a measured JORC Code compliant inferred resource of at least 1,000,000 ounces of gold;
2. a Company Project attains a measured JORC Code compliant inferred resource of at least 50,000 tonnes of contained nickel;
3. the market capitalisation of the Company is greater than $50,000,000 for a minimum of 30 consecutive trading days, based on the volume weighted average price of ordinary shares quoted on ASX;
4. a Company Project (or any part of it) is sold for a value of at least $25,000,000 in cash and/or assets of equivalent value; or
5. a joint venture is entered into for a Company Project and payments of at least $25,000,000 in cash and/or assets of equivalent value are paid to the Company as part of the arrangement.

If a Milestone is not achieved on or prior to the date which is 5 years after that date the Company is admitted to the Official List of ASX, then each Performance Share will automatically convert into one ordinary share.

Performance Shares have been issued to:

Shareholder	Performance Shares
John Prineas	30
Marcus Michael	15
Tim Hronsky	10

Accounting, bookkeeping and secretarial service fees of $23,685 were paid or payable on ordinary commercial terms during the period to Marshall Michael Pty Ltd Chartered Accountants, a company in which Mr Michael is a director and has a beneficial interest.

Remuneration Options

During the financial period ended 30 June 2010 no options were granted to directors or executives as part of their remuneration.

Employment contracts of directors and executives

The employment terms and conditions of key management personnel and Group executives are formalised in contracts of employment.

The Company has entered into an employment agreement with Mr John Prineas whereby Mr Prineas receives remuneration of $180,000 per annum plus superannuation. The agreement provides that Mr Prineas will not be paid a salary by the Company until the Company is admitted to the Official List. The Company may terminate the agreement by giving one months notice and making a payment equal to six months' salary. Other termination provisions apply where the Company has grounds for early termination of the agreement. Mr Prineas may terminate the agreement by giving 3 months notice.

The Company has entered into an employment agreement with Mr Marcus Michael whereby Mr Michael receives remuneration of $76,000 per annum plus superannuation. The agreement provides that Mr Michael will not be paid a salary by the Company until the Company is admitted to the Official List.

INDEMNIFICATION AND INSURANCE OF DIRECTORS AND OFFICERS

In accordance with the constitution, except as may be prohibited by the Corporations Act 2001 every Officer or agent of the Company shall be indemnified out of the property of the entity against any liability incurred by him in his capacity as Officer or agent of the Company or any related corporation in respect of any act or omission whatsoever and howsoever occurring or in defending any proceedings, whether civil or criminal.

During the year the Company agreed to pay an annual insurance premium of $11,240 in respect of directors' and officers' liability and legal expenses' insurance contracts, for directors, officers and employees of the Company. The insurance premium relates to:

- Costs and expenses incurred by the relevant officers in defending proceedings, whether civil or criminal and whatever the outcome.
- Other liabilities that may arise from their position, with the exception of conduct involving a willful breach of duty

SHARES OPTIONS

Unissued share options

The Company has no unissued share options at 30 June 2010.

EVENTS SUBSEQUENT TO BALANCE DATE

St George Limited on 18 August 2010 released a Prospectus to invite the public to participate in its initial public offer of 20,000,000 shares at an issue price of $0.20 each to raise $4,000,000.

Except for the above, no other matters or circumstances have arisen since the end of the financial period which significantly affected or could significantly affect the operations of the Group, the results of those operations, or the state of the affairs of the Group in future financial years.

AUDITOR'S INDEPENDENCE DECLARATION

The lead auditor's independence declaration for the period ended 30 June 2010 has been received and forms part of the directors' report and can be found on page 47 of the financial report.

NON AUDIT SERVICES

The Board of Directors is satisfied that the provision of non-audit services during the period is compatible with the general standard of independence for auditors imposed by the Corporations Act 2001. The directors are satisfied that the services disclosed below did not compromise the external auditors independence for the following reasons:

- all non-audit services are reviewed and approved by the directors prior to commencement to ensure they do not adversely affect the integrity and objectivity of the auditor; and
- the nature and services provided does not compromise the general principles relating to auditor independence in accordance with APES 110: Code of Ethics for Professional Accounting Professional and Ethical Standards Board.

The following fees were paid or payable to Stantons International for non-audit services provided during the period ended 30 June 2010:

	30 JUNE 2010
	$
Investigating Accountants Report	10,767

Signed in accordance with a resolution of the directors made pursuant to s 298(2) of the Corporations Act 2001.

On behalf of the directors

Jol Prineas

JOHN PRINEAS
Executive Chairman
Dated this 30 September 2010

The Board of directors of St George Mining Limited is responsible for the corporate governance of the entity and is committed to applying the ASX Corporate Governance Council *Principles of Good Corporate Governance and Best Practice Recommendations (*"ASX Principles") where practicable. The Board guides and monitors the business and affairs of St George Mining Limited on behalf of the shareholders. It is a requirement of the Board that the Company maintains high standards of ethics and integrity at all times.

The ASX Principles are an important regulatory guide for listed companies reporting on their corporate governance practices. Under ASX Listing Rule 4.10.3, listed companies must disclose the extent to which they have followed the ASX Principles, and if any of the recommendations have not been followed then the Company must explain why not.

The requirements under Listing Rule 4.10.3 apply to St George Mining for the financial period ended 30 June 2010 and this corporate governance statement sets out to explain any departures by the Group from the ASX Principles.

The Group's corporate governance policies and practices are set out on the Group's website at www.stgeorgemining.com.au.

1. Board of Directors

Role of the Board

The Board's role is to govern the Company rather than to manage it. In governing the Company, the Directors must act in the best interests of the Company as a whole. It is the role of senior management to manage the Company in accordance with the direction and delegations of the Board and the responsibility of the Board to oversee the activities of management in carrying out these delegated duties.

The Board has established a formal code of conduct in accordance with Recommendation 3.1 which aims to develop a consistent understanding of, and approach to, the desired standards of conduct and behaviour of the Directors, officers, employees and consultants in carrying out their roles for the Company.

Composition of the Board

To add value to the Company the Board has been formed so that it has effective composition, size and commitment to adequately discharge its responsibilities and duties given its current size and scale of operations. The names of the Directors and their qualifications and experience are stated in the Directors' Report along with the term of office held by each of the Directors. Directors are appointed based on the specific skills required by the Company and on their decision-making and judgment skills.

The Company recognises the importance of Non-executive Directors and the external perspective and advice that Non-Executive Directors can offer. The current Board structure presently consists of an executive chairman, an executive director and a non-executive director.

The Board considers that the current composition of the Board is adequate for the Company's current size and operations, and includes an appropriate mix of skills and expertise, relevant to the Company's business. The Company considers that each of the Directors possess skills and experience suitable for building the Company.

Responsibilities of the Board

In general, the Board is responsible for, and has the authority to determine, all matters relating to the policies, practices, management and operations of the Company. It is required to do all things that may be necessary to be done in order to carry out the objectives of the Company.

Without intending to limit this general role of the Board, the principal functions and responsibilities of the Board include the following:

- Leadership of the organisation: overseeing the Company and establishing codes that reflect the values of the Company and guide the conduct of the Board.
- Strategy formulation: setting and reviewing the overall strategy and goals for the Company and ensuring that there are policies in place to govern the operation of the Company.
- Overseeing planning activities: the development of the Company's strategic plan.
- Shareholder liaison: ensuring effective communications with shareholders through an appropriate communications policy and promoting participation at general meetings of the Company.
- Monitoring, compliance and risk management: the development of the Company's risk management, compliance, control and accountability systems and monitoring and directing the financial and operational performance of the Company.
- Company finances: approving expenses and approving and monitoring acquisitions, divestitures and financial and other reporting.
- Delegation of authority: delegating appropriate powers to the executive directors to ensure the effective day-to-day management of the Company.

Each member of the Board is committed to spending sufficient time to enable them to carry out their duties as a Director of the Company.

Independence of Directors

The Board has reviewed the position and associations of each of the three Directors in office at the date at 30 June 2010. In considering whether a Director is independent, the Board has regard to the independence criteria in ASX Best Practice Recommendations Principle 2 and other facts, information and circumstances that the Board considers relevant. The Board assesses the independence of the directors upon appointment and reviews their independence, and the independence of other directors, as appropriate.

Mr Prineas and Mr Michael are employed in an executive capacity by the Company and so are not considered to be independent.

Mr Hronsky provides consulting services to St George Mining of a material nature and as a result is not considered to be independent.

The St George Mining Board did not have a majority of independent directors throughout the financial period, and therefore was not in compliance with Best Practice Recommendations 2.1.

Appointment, Election and Re-Election of Directors

The Constitution of the Company requires that in every year, one third of the Directors, excluding the Managing Director, or, if their number is not a multiple of 3, then the number nearest one-third (rounded down to the nearest whole number), shall retire from office at the Annual General Meeting, provided always that no Director, except a Managing Director, shall hold office for a period in excess of 3 years or until the third Annual General Meeting following that Director's last election or appointment, without submitting himself for re-election.
The Directors to retire at an Annual General Meeting are those who have been longest in office since their last election, but, as between persons who became Directors on the same day, those to retire shall be determined by drawing lots (unless otherwise agreed). Retiring Directors are eligible for re-election by shareholders.

Conflicts of Interest

In accordance with the Corporations Act and the Constitution, Directors must keep the Board advised, on an ongoing basis, of any interest which could potentially conflict with those of the Company. Where the Board believes a significant conflict exists, the Director concerned will not receive the relevant papers and will not be present at the Board meeting whilst the matter is being considered.

Related Party Transactions

Related party transactions include any financial transaction between a Director and the Group. Unless there is an exemption under the *Corporations Act 2001* from the requirement to obtain shareholder approval for the related party transaction, the Board cannot approve the transaction.

Confidentiality

In accordance with legal requirements and agreed ethical standards, Directors and key executives of the Group have agreed to keep confidential, information received in the course of the exercise of their duties and will not disclose non-public information except where disclosure is authorised or legally mandated.

Education and Induction

Directors are encouraged to undergo continual professional development. Specifically, Directors are provided with the resources and training to address skills gaps where they are identified.

Independent Professional Advice

The Board collectively and each Director has the right to seek independent professional advice at the Group's expense, subject to prior approval of the Chairman, to assist them to carry out their responsibilities.

Performance Review/Evaluation

It is the policy of the Board to conduct evaluation of its performance. This policy is to ensure individual Directors on the Board as a whole work efficiently and effectively achieving the functions. The Board as a whole discusses and analyses its own performance during the year including suggestions for change or improvement.

Attestations by Executive Director and Company Secretary

It is the Board's policy, that Mr Prineas, Executive Chairman, and Mr Hronsky, Executive Director, make the attestations recommended by the ASX Corporate Governance Council as to the Company's financial condition prior to the Board signing the Annual Report.

2. Board Committees

Audit, Remuneration and Nomination Committees

The Board considers that the Company is not currently of a size, nor are its affairs of such complexity to justify the formation of separate or special committees at this time. The Board as a whole is able to address the governance aspects of the full scope of the Company's activities and to ensure that it adheres to appropriate ethical standards.

In particular, the full Board considers those matters that would usually be the responsibility of an audit committee and a nomination committee. The Board considers that, at this stage, no efficiencies or other benefits would be gained by establishing a separate audit committee or a separate nomination committee.

3. Continuous Disclosure

The Board has designated the Company secretary as the person responsible for overseeing and coordinating disclosure of information to the ASX as well as communicating with the ASX. In accordance with the *ASX Listing Rules* the Company immediately notifies the ASX of information:

- concerning the Company that a reasonable person would expect to have a material effect on the price or value of the Company's securities; and
- that would, or would be likely to, influence persons who commonly invest in securities in deciding whether to acquire or dispose of the Company's securities.

4. Shareholder Communication

The Company respects the rights of its shareholders and to facilitate the effective exercise of those rights the Company is committed to:

- communicating effectively with shareholders through releases to the market via ASX, information mailed to shareholders and the general meetings of the Company;
- giving shareholders ready access to balanced and understandable information about the Company and corporate proposals;
- making it easy for shareholders to participate in general meetings of the Company; and
- requesting the external auditor to attend the annual general meeting and be available to answer shareholder questions about the conduct of the audit and the preparation and content of the auditor's report.

The Company also makes available a telephone number and email address for shareholders to make enquiries of the Company.

5. Trading in Company Shares

The Company has in place a Security Dealing Policy which requires all Directors, employees or consultants of the Company to notify the Company before dealing in Company securities, states recommended times for the dealing in Company securities and prohibits the dealing in Company Securities whilst in possession of price sensitive information.

6. Risk Management

The Board is responsible for ensuring there is a sound system for overseeing and managing risk. Due to the size and scale of operations, risk management issues are considered by the Board as a whole.

7. Remuneration Policy

Senior Executive Remuneration Policy

Where applicable, the Company is committed to remunerating its senior executives in a manner that is market-competitive and consistent with best practice as well as supporting the interests of shareholders. Consequently, under Senior Executive Remuneration Policy the remuneration of senior executives may be comprised of the following:

- fixed salary that is determined from a review of the market and reflects core performance requirements and expectations;
- a performance bonus designed to reward actual achievement by the individual of performance objectives and for materially improved Company performance;

- participation in any share/option scheme with thresholds approved by shareholders;
- statutory superannuation

By remunerating senior executives through performance and long-term incentive plans in addition to their fixed remuneration, the Company aims to align the interest of senior executives with those of shareholders thereby increasing Company performance.

The objective behind using this remuneration structure is to drive improved Company performance and thereby increase shareholder value as well as aligning the interests of executives and shareholders.

Non-Executive Director Remuneration Policy

Non-executive directors are to be paid their fees out of the maximum aggregate amount approved by shareholders for the remuneration of non-executive directors. Non-executive directors may participate in equity schemes of the Company.

Current Director Remuneration

Full details regarding the remuneration of Directors, are included in the Directors' Report.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE PERIOD ENDED 30 JUNE 2010

Australia Dollar ($)	**Note**	**19 OCTOBER 2009 TO 30 JUNE 2010 $**
REVENUE		-
EXPENDITURE		
Administration expenses		(103,708)
Exploration expenditure written off		(218,779)
Other expenses		-
		(322,487)
LOSS BEFORE INCOME TAX		
Income tax expense	5	-
NET LOSS ATTRIBUTABLE TO MEMBERS OF THE COMPANY		(322,487)
Other comprehensive income		-
TOTAL COMPREHENSIVE INCOME (LOSS)		(322,487)
TOTAL COMPREHENSIVE INCOME (LOSS) ATTRIBUTABLE TO MEMBERS OF THE COMPANY		(322,487)
LOSS PER SHARE		
Basic and diluted – cents per share	13	(1.4)

The above statement of comprehensive income should be read in conjunction with the accompanying notes

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2010

Australian Dollar ($)	Note	30 JUNE 2010 $
CURRENT ASSETS		
Cash and cash equivalents	14(a)	382,841
Trade and other receivables	8(a)	16,133
Other assets	8(b)	108,513
TOTAL CURRENT ASSETS		507,487
NON CURRENT ASSETS		
Exploration and evaluation expenditure	9	385,111
TOTAL NON CURRENT ASSETS		385,111
TOTAL ASSETS		892,598
CURRENT LIABILITIES		
Trade and other payables	10(a)	188,204
Other current liabilities	10(a)	230,000
TOTAL CURRENT LIABILITIES		418,204
TOTAL LIABILITIES		418,204
NET ASSETS		474,394
EQUITY		
Issued Capital	11(a)	796,881
Accumulated losses	12	(322,487)
TOTAL EQUITY		474,394

The above consolidated statement of financial position should be read in conjunction with the accompanying notes

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED 30 JUNE 2010

Australian Dollar ($)	SHARE CAPITAL	ACCUMULATED LOSSES	SHARE OPTION RESERVE	TOTAL EQUITY
BALANCE AT 19 OCOTOBER 2009	-	-	-	-
Loss for the period	-	(322,487)	-	(322,487)
Other comprehensive income	-	-	-	-
Total comprehensive income (loss)	-	(322,487)	-	(322,487)
Shares issued during the period	825,001	-	-	825,001
Share issue expenses	(28,120)	-	-	(28,120)
BALANCE AT 30 JUNE 2010	**796,881**	**(322,487)**	**-**	**474,394**

The above consolidated statement of changes in equity should be read in conjunction with the accompanying notes

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE PERIOD ENDED 30 JUNE 2010

Australian Dollar ($)	Note	19 OCTOBER 2009 TO 30 JUNE 2010 $
CASH FLOWS FROM OPERATING ACTIVITIES		
Expenditure on mining interests		(155,678)
Payments to suppliers and employees		(17,823)
Other - GST		(10,041)
Net cash outflows from operating activities	14(b)	(183,542)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of non-current asset		(385,111)
Net cash outflow from investing activities		(385,111)
CASH FLOW FROM FINANCING ACTIVITIES		
Issue of shares net of capital raising costs	11(b)(i)	721,494
Proceeds from borrowings	10	230,000
Net cash flows from financing activities		951,494
Net increase in cash and cash equivalents		382,841
Cash and cash equivalents at the beginning of the financial period		-
CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL PERIOD	14(a)	**382,841**

The above consolidated statement of cash flows should be read in conjunction with the accompanying notes

1 CORPORATE INFORMATION

The financial report of St George Mining Limited (the Company) for the period 19 October 2009 to 30 June 2010 was authorised for issue in accordance with a resolution of the directors on 30 September 2010.

St George Mining Limited is a company limited by shares, incorporated in Australia on 19 October 2009. The consolidated financial statements of the Company for period ended 30 June 2010 comprise of the Company and its subsidiaries together referred to as the Group or consolidated entity.

Separate financial statements of St George Mining Limited as an individual entity are no longer presented due to a change to the Corporations Act 2001; however, financial information for St George Mining as an individual entity is required and is disclosed in note 22.

The nature of the operations and principal activity of the Group is mineral exploration.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of Preparation of the Financial Report

The financial report is a general purpose financial report, which has been prepared in accordance with the requirements of the Corporations Act 2001, Accounting Standards and Interpretations and complies with other requirements of the law. The financial report has also been prepared on a historical cost basis.

The financial report is presented in Australian dollars. The following accounting policies have been adopted by the consolidated entity.

Going Concern

The directors have prepared the financial statements on a going concern basis, which contemplates continuity of normal business activities and the realisation of assets and extinguishment of liabilities in the ordinary course of business.

The Consolidated Entity has recorded a net accounting loss of $322,487 and net operating cash outflows of $183,542 the year ended 30 June 2010. The directors believe the going concern basis is appropriate as:

- The cash assets of the Group at 30 June 2010 were $382,841.
- The Board released on 18 August 2010 a Prospectus inviting the public to subscribe to 20,000,000 shares at an issue price of $0.20 each to raise $4,000,000. The proceeds from the initial public offering will be used to increase the value of the Company's projects through exploration success and to establish St George Mining as a growth Company in the mining sector. The Board believed that it has secured the kind of major high value exploration projects that can deliver this goal.

As a result of the above funding opportunities, the Board is confident that the Group will have sufficient funds to finance its operations in the 2010/2011 Financial Year.

(b) Principles of Consolidation

The consolidated financial statements incorporate assets, liabilities and results of entities controlled by St George Mining Limited at the end of the reporting period. A controlled entity is any entity over which St George Mining Limited has the power to govern the financial and operating policies so as to obtain the benefits from the entity's activities. Control will generally exist when the parent owns, directly or indirectly through subsidiaries, more than half of the voting power of an entity. In assessing the power to govern, the existence and effect of holdings of actual and potential voting rights are also considered.

When controlled entities have entered or left the Group during the year, the financial performance of those entities are included only for the period of year that they were controlled. A list of controlled entities is contained in note 21 to the financial statements.

In preparing the consolidated financial statements, all inter-group balances and transactions between entities in the consolidated group have been eliminated on consolidation. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with those adopted by the parent entity.

Non-controlling interests, being the equity in a subsidiary not attributable, directly or indirectly, to a parent, are shown separately within the equity section of the consolidated Statement of Financial Position and Statement of Comprehensive Income. The non-controlling interests in the net assets comprise their interests at the date of the original business combination and their share of changes in equity since that date.

(c) Business combinations

Business combinations occur where an acquirer obtains control over one or more businesses and results in the consolidation of its assets and liabilities.

A business combination is accounted for by applying the acquisition method, unless it is a combination involving entities or businesses under common control. The acquisition method requires that for each business combination one of the combining entities must be identified as the acquirer (i.e. parent entity). The business combination will be accounted for as at the acquisition date, which is the date that control over the acquiree is obtained by the parent entity. At this date, the parent shall recognise, in the consolidated accounts, and subject to certain limited exceptions, the fair value of the identifiable assets acquired and liabilities assumed. In addition, contingent liabilities of the acquiree will be recognised where a present obligation has been incurred and its fair value can be reliably measured.

The acquisition may result in the recognition of goodwill or a gain from a bargain purchase. The method adopted for the measurement of goodwill will impact on the measurement of any non-controlling interest to be recognised in the acquiree where less than 100% ownership interest is held in the acquiree.

The acquisition date fair value of the consideration transferred for a business combination plus the acquisition date fair value of any previously held equity interest shall form the cost of the investment in the separate financial statements. Consideration may comprise the sum of the assets transferred by the acquirer, liabilities incurred by the acquirer to the former owners of the acquiree and the equity interests issued by the acquirer.

Fair value uplifts in the value of pre-existing holdings are taken to the statement of comprehensive income. Where changes in the value of such equity holdings had previously been recognised in other comprehensive income, such amounts are recycled to profit or loss.

Included in the measurement of consideration transferred is any asset or liability resulting from a contingent consideration arrangement. Any obligation incurred relating to contingent consideration is classified as either a financial liability or equity instrument, depending upon the nature of the arrangement. Rights to refunds of consideration previously paid are recognised as a receivable. Subsequent to initial recognition, contingent consideration classified as equity is not remeasured and its subsequent settlement is accounted for within equity. Contingent consideration classified as an asset or a liability is remeasured each reporting period to fair value through the statement of comprehensive income unless the change in value can be identified as existing at acquisition date.

All transaction costs incurred in relation to the business combination are expensed to the statement of comprehensive income.

(d) Adoption of new and revised standards

In the year ended 30 June 2010, the Company has reviewed all of the new and revised Standards and Interpretations issued by the AASB that are relevant to its operations and effective for annual reporting periods beginning on or after 1 July 2009. It has been determined by the Company that there is no impact, material or otherwise, of the new and revised Standards and Interpretations on its business and, therefore, no change is necessary to Company accounting policies.

Revised AASB 101 Presentation of Financial Statements introduces the "Statement of Comprehensive Income". The revised standard does not change the recognition, measurement or disclosing of transactions and events that are required by AASBs. The revised AASB 101 has become mandatory for the Company's 30 June 2010 Financial Statements and has been implemented.

(e) Statement of compliance

The financial report complies with Australian Accounting Standards, which include Australian equivalents to International Financial Reporting Standards ("AIFRS"). Compliance with AIFRS ensures that the financial report, comprising the financial statements and notes thereto, complies with International Financial Reporting Standards ("IFRS").

(f) Income Tax

Deferred income tax is provided on all temporary differences at the balance sheet date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred income tax liabilities are recognised for all taxable temporary differences:

- except where the deferred income tax liability arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither that accounting profit nor taxable profit or loss; and

- in respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, except where the timing of the reversal of the temporary differences will not reverse in the foreseeable future.

Deferred income tax assets are recognised for all the deductible temporary differences, carry-forward of unused tax assets and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry-forward of unused tax assets and unused tax losses can be utilised:

- except where the deferred income tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and

- in respect of deductible temporary differences with investments in subsidiaries, associates and interest in joint ventures, deferred tax assets in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred income tax is reviewed at each balance sheet date and reduced to the extent that is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilised.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the balance sheet date.

Income taxes relating to items recognised directly in equity are recognised in equity are not in the income statement.

(g) Exploration, evaluation and development expenditure

Exploration and evaluation expenditure on areas of interest are expensed as incurred. Costs of acquisition will normally be expensed but will be assessed on a case by case basis and may be capitalised to areas of interest and carried forward where right of tenure of the area of interest is current and they are expected to be recouped through sale or successful development and exploitation of the area of interest or, where exploration and evaluation activities in the area of interest have not yet reached a stage that permits reasonable assessment of the existence of economically recoverable reserves.

When an area of interest is abandoned or the directors decide that it is not commercial, any accumulated acquisition costs in respect of that area are written off in the financial period the decision is made. Each area of interest is also reviewed at the end of each accounting period and accumulated costs written off to the extent that they will not be recoverable in the future. Where projects have advanced to the stage that directors have made a decision to mine, they are classified as development properties. When further development expenditure is incurred in respect of a development property, such expenditure is carried forward as part of the cost of that development property only when substantial future economic benefits are established. Otherwise such expenditure is classified as part of the cost of production or written off where production has not commenced.

(h) Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognised:

(i) Interest

Revenue is recognised as the interest accrues (using the effective interest method, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial instrument) to the net carrying amount of the financial asset.

(j) Cash and cash equivalents

Cash and short-term deposits in the consolidated Statement of Financial Position comprise cash at bank and in hand and short-term deposits with an original maturity of three months or less.

For the purposes of the consolidated Statement of Cash Flows, cash and cash equivalents consist of cash and cash equivalents as defined above, net of outstanding bank overdrafts.

(k) Employee benefits

Provision is made for the Group’s liability for employee benefits arising from services rendered by employees to balance date. Employee benefits expected to be settled within one year together with entitlements arising from wages and salaries and annual leave which will be settled after one year, have measured at the amounts expected to be paid when the liability is settled, plus related on-costs. Other employee benefits payable later than one year have been measured at the present value of the estimated cash outflows to be made to those benefits

Contributions are made by the Group to employee superannuation funds and are charged as expenses when incurred.

(l) Impairment of assets

The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, the Group makes an estimate of the asset's recoverable amount. As asset's recoverable amount is the higher of its fair value; less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets and the asset's value in use cannot be estimated to be close to its fair value. In such cases the asset is tested for impairment as part of the cash-generating unit to which it belongs. When the carrying amount of an asset or cash-generating unit exceeds its recoverable amount, the asset or cash-generating unit is considered impaired and it is written down to its recoverable amount.

In assessing the value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Impairment losses relating to continuing operations are recognised in those expense categories consistent with the function of the impaired asset unless the asset is carried at revalued amount (in which case the impairment loss is treated as a revaluation decrease).

An assessment is also made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the recoverable amount is estimated. A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case the carrying amount of the asset is increased to its recoverable amount. That increased amount cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in profit or loss unless the asset is carried at revalued amount, in which case the reversal is treated as a revaluation increase. After such a reversal the depreciation charge is adjusted in future periods to allocate the asset's revised carrying amount, less any residual value, on a systemic basis over its remaining useful life.

(m) Earnings per share

Basic earnings per share is calculated as net loss attributable to members of the Company, adjusted to exclude any costs of servicing equity (other than dividends) and preference share dividends, divided by the weighted average number of ordinary shares, adjusted for any bonus element.

(n) Goods and services tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office ("ATO"). In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the consolidated Statement of Financial Position are shown inclusive of GST.

The net amount of GST recoverable from, or payable to, the ATO is included as a current asset or liability in the consolidated Statement of Financial Position.

Cash Flows are included in the consolidated Statement of Cash Flows on a gross basis. The GST components of cash flows arising from investing and financial activities which are recoverable from, or payable to, the ATO are classified as operating cash flows.

(o) Investments

All investments are initially recognised at cost, being the fair value of the consideration given and including acquisition charges associated with the investment.

After initial recognition, investments, which are classified as held for trading and available-for-sale, are measured at fair value. Gains or losses on investments held for trading are recognised in the consolidated Statement of Comprehensive Income.

Gains or losses on available-for-sale investments are recognised as a separate component of equity until the investment is sold, collected or otherwise disposed of, or until the investment is determined to be impaired, at which time the cumulative gain or loss previously reported in equity is included in the consolidated Statement of Comprehensive Income.

(p) Financial assets

Financial assets and financial liabilities are recognised in the consolidated Statement of Financial Position when the Company becomes party to the contractual provisions of the financial instrument. A financial asset is derecognised when the contractual rights to the consolidated Statement of Cash Flows from the financial assets expire or are transferred and no longer controlled by the entity. A financial liability is removed from the consolidated Statement of Financial Position when the obligation specified in the contract is discharged or cancelled or expires.

Financial assets and financial liabilities classified as held for trading are measured at fair value through consolidated Statement of Comprehensive Income.

Upon initial recognition a financial asset or financial liability is designated as at fair value through consolidated Statement of Comprehensive Income when:

(a) an entire contract containing one or more embedded derivatives is designated as a financial asset or financial liability at fair value through consolidated Statement of Comprehensive Income;

(b) doing so results in more relevant information, because either:

   (i) it eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise from measuring assets or liabilities or recognizing gains or losses on them on different bases; or

   (ii) a group of financial assets, financial liabilities or both is managed and its performance is evaluated on a fair value basis, in accordance with a documented risk management or investment strategy, and information about the group is provided internally on that basis to key management personnel.

Investments in equity instruments that do not have a quoted market price in an active market, and whose fair value cannot be reliably measured are not designated as at fair value through consolidated Statement of Comprehensive Income.

A gain or loss arising from a change in the fair value of a financial asset or financial liability classified as at fair value through the consolidated Statement of Comprehensive Income is recognised in the consolidated Statement of Comprehensive Income.

Financial assets not measured at fair value comprise:

(a) loans and receivables being non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. These are measured at amortised cost using the effective interest rate method;

(b) held-to maturity investments being non-derivative financial assets with fixed or determinable payments and fixed maturity that will be held to maturity. These are measured at amortised cost using the effective interest method; and

(c) investments in equity instruments that do not have a quoted market price in an active market and who fair value cannot be reliably measured. These are measured at cost together with derivatives that are linked to and must be settled by the delivery of such investments.

Available-for-sale financial assets are non-derivative financial assets, which are designated as available-for-sale or that are not classified as loans and receivables, held-to-maturity investments or financial assets as at fair value through consolidated Statement of Comprehensive Income.

A gain or loss arising from a change in the fair value of an available-for-sale financial asset is recognised directly in equity, through the consolidated Statement of Changes in Equity (except for impairment losses and foreign exchange gains or losses) until the financial asset is derecognised at which time the cumulative gain or loss previously recognised in equity is recognised in consolidated Statement of Comprehensive Income.

Regular way purchases of financial assets are accounted for as follows:

- financial assets held for trading – at trade date
- held-to-maturity investments – at trade date
- loans and receivables – at trade date
- available-for-sale financial assets – at trade date

Except for the following all financial liabilities are measured at amortised cost using the effective interest rate method:

(a) financial liabilities at fair value through consolidated Statement of Comprehensive Income and derivatives that are liabilities measured at fair value;

(b) financial liabilities that arise when a transfer of financial asset does not qualify for de-recognition or are accounted for using the continuing involvement approach.

The amortised cost of a financial asset or a financial liability is the amount initially recognised minus principal repayments, plus or minus cumulative amortisation of any difference between the initial amount and maturity amount and minus any write-down for impairment or un-collectability.

(q) Plant and equipment

Plant and equipment is stated at cost less accumulated depreciation and any accumulated impairment losses.

Depreciation is calculated on a diminishing value basis over the estimated useful life of the assets as follows:

Plant and equipment – 4 years

The assets' residual values, useful lives and amortisation methods are reviewed, and adjusted if appropriate, at each financial year end.

(r) Contributed equity

Ordinary shares and options are classified as contributed equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

(s) Significant accounting estimates and judgements

The carrying amount of certain assets and liabilities are often determined based on estimates and assumptions of future events. The key estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of certain assets and liabilities within the next annual reporting period are:

Deferred taxation

The potential deferred tax asset arising from the tax losses and temporary differences have not been recognised as an asset because recovery of the tax losses is not yet considered probable (refer note 5).

Subsidiary Loans

Provision has been made for all unsecured loans with subsidiaries as it is uncertain if and when the loans will be recovered.

(t) Comparative information

As this is the first period of reporting, no comparatives have been disclosed.

3 REVENUE

	CONSOLIDATED 30 JUNE 2010 $
Other revenue	
Interest income	-

4 EXPENSES

Administration expenses include the following expenses:

	CONSOLIDATED 30 JUNE 2010 $
Employee benefit expense	
Wages and salaries	-
Defined contribution superannuation expense	-
	-

5 INCOME TAX

(a) Prima facie income tax benefit at 30% on loss from ordinary activities is reconciled to the income tax provided in the financial statements

	CONSOLIDATED 30 JUNE 2010 $
Loss before income tax	(322,487)
Income tax calculated at 30%	(96,746)
Tax effect of :-	
- Expenses not allowed	119
- Sundry – temporary differences	20,184
- Section 40-880 deduction	(1,687)
- Deferred exploration and evaluation expenditures	(115,533)
Future income tax benefit not brought to account	193,663
Income tax attributable to operating losses	-

(b) Deferred tax assets

The potential deferred tax asset arising from the tax losses and temporary differences have not been recognised as an asset because recovery of tax losses is not yet probable.

	CONSOLIDATED 30 JUNE 2010 $
Australian tax losses	193,663
Provisions net of prepayments	26,946
Deferred exploration and evaluation expenditures	(115,533)
Section 40-880 deduction	6,748
Unrecognised deferred tax assets relating to the above temporary differences	111,824

The benefits will only be obtained if;

(i) The Group derives future assessable income of a nature and of an amount sufficient to enable the benefit from the deduction for the losses to be realised;
(ii) The Group continues to comply with the conditions in deductibility imposed by the Law; and
(iii) No change in tax legislation adversely affect the Group in realising the benefits from the deductions or the losses.

6 AUDITOR'S REMUNERATION

	CONSOLIDATED 30 JUNE 2010 $
Auditing the Group's financial statements	15,979
Other services to the company	10,767
	26,746

7 KEY MANAGEMENT PERSONNEL

(a) Details of key management personnel

Directors
John Prineas
Tim Hornsky
Marcus Michael

Executive
John Prineas – Executive Chairman
Tim Hornsky – Executive Director
Marcus Michael – Non-Executive Director and Company Secretary

(b) Compensation of key management personnel

	CONSOLIDATED 30 JUNE 2010 $
Salary, fees and leave	82,500
Non monetary	11,240
Post-employment benefits – superannuation	-
Equity settled share-based payments – shares	-
	93,740

The Company has applied the option under Corporations Amendments Regulation 2006 to transfer key management personnel remuneration disclosures required by AASB 124 Related Party Disclosures paragraphs Aus 25.4 to Aus 25.7.2 to the Remuneration Report section of the Directors' Report. These transferred disclosures have been audited.

Equity Settled Compensation

The Company operates equity-settled share-based payment employee share schemes. The fair value of the equity to which the employees are entitled to is measured at grant date.

(c) Shareholdings of key management personnel

Directors	Balance at 19 October 2009	Granted as remuneration	Net other change (i)	Balance at 30 June 2010
John Prineas	-	-	6,962,517	6,962,517
Tim Hornsky	-	-	1,062,500	1,062,500
Marcus Michael	-	-	2,222,222	2,222,222
Total	-	-	10,247,239	10,247,239

(i) Acquired pre initial public offering for cash consideration.

(d) Performance Shareholdings of key management personnel

Directors	Balance at 19 October 2009	Granted as remuneration	Net other change (i)	Balance at 30 June 2010
John Prineas	-	-	30	30
Tim Hornsky	-	-	10	10
Marcus Michael	-	-	15	15
Total	-	-	55	55

(i) On satisfaction of certain milestone events, each Performance Share converts into 100,000 ordinary shares (refer to Directors Report), in which case John Prineas would become entitled to 3,000,000 further ordinary shares, Tim Hronsky 1,000,000 further ordinary shares and Marcus Michael 1,500,000 further ordinary shares.

(e) Other key management personnel transactions

Accounting, bookkeeping and secretarial service fees of $23,685 were paid or payable on ordinary commercial terms during the period to Marshall Michael Pty Ltd, a company in which Mr Michael is a director and has a beneficial interest.

8 CURRENT ASSETS

(a) Trade and Other Receivable

	CONSOLIDATED 30 JUNE 2010 $
Current	16,133
	16,133

Other receivables include amounts outstanding for goods and services tax (GST) of $16,133. GST amounts are non-interest bearing and have repayment terms applicable under the relevant government authorities.

(b) Other Assets

	CONSOLIDATED 30 JUNE 2010 $
Prepayment	108,513
	108,513

9 EXPLORATION, EVALUATION AND ACQUISITION EXPENDITURE

The Group has capitalised significant acquisition expenditure on the basis either that this is expected to be recouped through future successful development (or alternatively sale) of the areas of interest concerned or on the basis that it is not yet possible to assess whether it will be recouped.

	CONSOLIDATED 30 JUNE 2010 $
Tenement acquisition	385,111
	385,111

10 CURRENT LIABILITIES

	CONSOLIDATED 30 JUNE 2010 $
Current	
Trade and other payables (i)	188,204
Short term loans (ii)	230,000
	418,204

(a) Trade and Other Payables

(i) Trade and other payables amounts represents liabilities for goods and services provided to the Group prior to the end of the financial year which are yet to be paid of $165,664 and $22,540 for the provision of future expenses to be incurred by the Group for tenement acquisitions. These amounts are unsecured and are usually paid within 30 days of recognition.

(ii) Certain of the foundation shareholders (or entities associated with them) have provided loans to the Company to assist in the funding of its business activities. The total amount of these loans if $230,000, including loans from entities associated with each of John Prineas and Marcus Michael (each for $76,666.66), and the loans are repayable on 31 January 2011 or 21 days after listing of the Company's securities on the ASX, whichever occurs first. The loans are unsecured and are interest free.

11 ISSUED CAPITAL

Australian Dollar ($)	CONSOLIDATED 30 JUNE 2010 $
(a) Issued and paid up capital	
At the beginning of reporting period	-
Shares issued pursuant to capital raisings	825,001
Shares issued pursuant to exercise of options	-
Transaction costs arising from issue of shares	(28,120)
At reporting date 32,500,000 fully paid ordinary shares	796,881

Movements in Ordinary Shares	**Number**
At the beginning of reporting period	-
Shares issued pursuant to capital raisings	32,500,000
Shares issued pursuant to exercise of options	-
At reporting date	32,500,000

(i) As at 30 June 2010 the Company has prepaid Initial Public Offering (IPO) expenses of $106,387. Total cash expenditure on shares issued during period ended 30 June 2010 is $28,120.

Movements in Performance Shares	**Number**
At the beginning of reporting period	-
Shares issued pursuant to capital raisings	100
Shares issued pursuant to exercise of options	-
At reporting date	100

(ii) There are 100 Performance Shares (convertible into a maximum of 10,000,000 Shares) on issue at 30 June 2010, having the terms and conditions set out below:

General terms attaching to the Performance Shares are set out below:

(a) **(Performance Shares)** Each Performance Share is a share in the capital of the Company.

(b) **(General Meetings)** The Performance Shares shall confer on the holder (Holder) the right to receive notices of general meetings and financial reports and accounts of the Company that are circulated to shareholders. Holders have the right to attend general meetings of shareholders of the Company.

(c) **(No Voting Rights)** The Performance Shares do not entitle the Holder to vote on any resolutions proposed at a general meeting of shareholders of the Company, subject to any voting rights under the Corporations Act or the ASX Listing Rules where such rights cannot be excluded by these terms.

(d) **(No Dividend Rights)** The Performance Shares do not entitle the Holder to any dividends.

(e) **(Rights on Winding Up)** Upon winding up of the Company, the Performance Shares may participate in the surplus profits or assets of the Company only to the extent, and on the basis that each Performance Share has converted into one (1) Share.

(f) **(Transfer of Performance Shares)** Prior to the Company being admitted to the Official List of the ASX, the Performance Shares are transferable. In the event the Company is admitted to the Official List of the ASX, the Performance Shares will no longer be transferable.

(g) **(Reorganisation of Capital)** In the event that the Company is admitted to the Official List of the ASX and the issued capital of the Company is subsequently reconstructed, all rights of a Holder will be changed to the extent necessary to comply with the ASX Listing Rules at the time of reorganisation.

(h) **(Application to ASX)** The Performance Shares will not be quoted on ASX. In the event that the Company is admitted to the Official List of the ASX, upon conversion of the Performance Shares into Shares in accordance with these terms, the Company must within seven (7) days after the conversion, apply for the official quotation on ASX of the Shares arising from the conversion.

(i) **(Participation in Entitlements and Bonus Issues)** Holders of Performance Shares will not be entitled to participate in new issues of capital offered to holders of the Shares such as bonus issues and entitlement issues.

(j) **(Amendments required by ASX)** The terms of the Performance Shares may be amended as necessary by the directors of the Company in order to comply with the ASX Listing Rules, or any directions of ASX regarding the terms.

(k) **(No Other Rights)** The Performance Shares give the Holders no rights other than those expressly provided by these terms and those provided at law where such rights at law cannot be excluded by these terms.

Conversion of the Performance Shares

(a) **(Conversion of Performance Shares)** Each Performance Share will convert into 100,000 Shares upon the first to occur of the following events (each a Milestone):

(i) a Company Project attains a measured JORC Code compliant inferred resource of at least 1,000,000 ounces of Gold;

(ii) a Company Project attains a measured JORC Code compliant inferred resource of at least 50,000 tonnes contained Nickel;

(iii) the market capitalisation of the Company is greater than $50 million for a minimum of 30 consecutive trading days, based upon the volume weighted average price of Shares quoted on the ASX;

(iv) a Company Project (or any part of it) is sold for a value of at least $25 million (in cash and/or assets of equivalent value); or

(v) a joint venture arrangement is entered into for a Company Project and payments of at least $25 million (in cash and/or assets of equivalent value) are paid to Company as part of that arrangement. For these purposes, a "Company Project" means: "any project in which the Company has an ownership interest (or an option to acquire an ownership interest) as at the date the Company is admitted to the Official List of the ASX."

(b) **(Conversion if Milestone not Achieved)** If a Milestone is not achieved on or prior to the date which is 5 years after the date the Company is admitted to the Official List of the ASX (Performance Share Expiry Date), then each Performance Share will automatically convert into one (1) Share.

(c) **(After Conversion)** The Shares issued on conversion of the Performance Shares will, as and from 5.00pm (WST) on the date of allotment, rank equally with and confer rights identical with all other Shares then on issue and application will be made by the Company to ASX for official quotation of the Shares issued upon conversion.

(d) **(Conversion Procedure)** The Company will issue the Holder with a new holding statement for the Shares as soon as practicable following the conversion of the Performance Shares into the Shares.

(e) **(Ranking of Shares)** The Shares into which the Performance Shares will convert will rank pari passu in all respects with the Shares on issue at the date if conversion. 55 Performance shares are held by entities associated with the Directors. The remaining Performance shares are held by foundation shareholders, who's interest in the Company are as follows:

Foundation Shareholder	Shares	Performance Shares (i)
Impulzive Pty Ltd <Dawson Superannuation A/C>	6,962,491	30
St Barnabas Investments Pty Ltd <St Barnabas Superannuation Fund>	2,222,222	15

(i) On satisfaction of certain milestones events set out above, each Performance Share converts into 100,000 shares in which case Impulzive Pty Ltd <Dawson Superannuation A/C> would become entitled to 3,000,000 further shares and St Barnabas Investments Pty Ltd <St Barnabas Superannuation Fund> 1,500,000 further shares.

12 ACCUMULATED LOSSES

	CONSOLIDATED 30 JUNE 2010 $
Accumulated losses at the beginning of the period	-
Loss for the period	(322,487)
Accumulated losses at the end of the period	(322,487)

13 LOSS PER SHARE

	CONSOLIDATED 30 JUNE 2010 $
Basic loss per share after income tax attributable to members of the Company (cents per share)	(1.4)
Diluted loss per share (cents per share)	(1.4)

	2010 Number
Weighted average number of shares on issue during the financial period used in the calculation of Basic earnings per share	22,486,078
Weighted average number of ordinary shares for diluted earnings per share	22,486,078

14 NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS

(a) Reconciliation of cash and cash equivalents

The purposes of the consolidated statement of cash flows, cash and cash equivalents consist of cash and bank and in hand and short-term deposits with an original maturity of three months or less, net of outstanding bank overdrafts.

	CONSOLIDATED 30 JUNE 2010 $
Current - Cash at bank	382,841
	382,841

(b) Reconciliation of loss after tax to net cash flows from operations

	CONSOLIDATED 30 JUNE 2010 $
Loss after income-tax	(322,487)
(Increase) /decrease in assets	
- Trade and other receivables	(16,132)
- Prepayments	(2,125)
Increase / (decrease) in liabilities	
- Trade and other payables	157,202
Net cash outflows from operating activities	(183,542)

15 COMMITMENTS AND CONTINGENCIES

(a) Commitment

Mineral exploration commitment

In order to maintain the current rights of tenure to exploration tenements, the Group has the following discretionary exploration expenditure requirements.

	2010 $
Not later than one year	700,000
Later than one year but not later than two years	1,300,000
	2,000,000

(b) Contingent liabilities and Commitments

The Group fully owns two subsidiaries, Desert Fox Resources Pty Ltd and Blue Thunder Resources Pty Ltd, the main activities of which are exploration. The effect of these subsidiaries is to make the St George Mining-owned subsidiaries contractually responsible for any transactions undertaken by the subsidiary. The parent entity has provided guarantees to third parties whereby the liabilities of the subsidiary are guaranteed. The Group has the following contingent liabilities and commitments at 30 June 2010.

	30 JUNE 2010 $
ERS Cash Payment upon ASX Listing (i)	60,000
Option fee/tenement acquisition costs (ii)	560,000
Bonus cash payment upon ASX Listing (ii)	60,000
	680,000

(i) The Company will pay Essential Risk Solutions (ERS), a Company which Tim Hronsky is the Technical Director, a payment of $60,000 within 30 days of the Company being admitted into the Official List.

(ii) On 23 June 2010, the Company entered into an option agreement with Geotech International and Mr James Stewart together, (the **Vendors**) pursuant to which the Company has been granted by the Vendors the option to acquire an 80% interest in NT Tenement ELA27732 (**Option**) (**Option Agreement**).

(Option Fee, Bonus Payments and other Consideration): Under the Option Agreement, the Company has paid an initial Option fee of $20,000. The initial Option period is 12 months from the grant of the ELA27732. The Company has the right to extend the Option for up to three (3) further 12 month periods, each for a fee of $60,000.

In the event that the Company is admitted to the Official List of the ASX, the Company is required to pay a one-off bonus payment of $60,000 to the Vendors.

Upon grant of ELA27732, the Company is required to pay the Vendors:

(a) a cash payment of $60,000; and

(b) 800,000 options to acquire Shares in the Company exercisable at $0.20 each at any time within 2 years from the date of their issue.

Upon exercise of the Option, the Company will purchase ELA27732 for a cash payment of $500,000 (**Option Fee**).

(**Joint Venture**): Upon the exercise of the Option, the Vendors and the Company will form an unincorporated joint venture for the purpose of exploring, developing, and if thought fit, mining the area the subject of ELA27732 (Joint Venture).

The Company's initial interest in the Joint Venture will be 80%. The Joint Venture interest of the Vendors (20%) will be free carried until such time when a decision to mine is made following completion of a bankable feasibility study in relation to ELA27732 (**Decision to Mine**).

On and from the Parties making a Decision to Mine, the Vendor's will be required to contribute to expenditure in accordance with its 20% Joint Venture interest and if the Vendors fail to make the required payments, their Joint Venture Interest will be diluted. If the Vendors' Joint Venture interest dilutes to less than 5%, the interest will convert to a net smelter royalty of 2% and the Company will become the owner of a 100% interest in ELA27732.

The parties also agree that any tenements in a defined extended area surrounding ELA27732 that may be acquired by the parties will be transferred to the Joint Venture.

(**Termination**): If the Company does not receive conditional approval for admission to the Official List of the ASX by the date which is 6 months after execution of the Option Agreement, the Vendors have the right to terminate the Option Agreement by notice in writing to the Company. Any payments made by the Company on the date of termination will not be refundable.

The Company is entitled to withdraw from the Option Agreement at any time during the Option period. However, withdrawal will not be permitted within 2 months of an anniversary date of ELA27732 until the minimum annual expenditure payment has been made by the Company.

16 EVENTS SUBSEQUENT TO BALANCE DATE

St George Limited on 18 August 2010 released a Prospectus to invite the public to participate in its initial public offer of 20,000,000 shares at an issue price of $0.20 each to raise $4,000,000.

Except for the above, no other matters or circumstances have arisen since the end of the financial year which significantly affected or could significantly affect the operations of the Group, the results of those operations, or the state of the affairs of the Group in future financial years.

17 FINANCIAL INSTRUMENTS

(a) Interest Rate Risk

The Group's exposure to interest rate risk, which is the risk that the financial instrument's value will fluctuate as a result of changes in market interest rates and the effective weighted average interest rates on those financial assets and financial liabilities, is as follows:

2010	Note	Floating interest rate	Fixed interest rate	Non-interest bearing	Total	Weighted average interest rate
		$	$	$	$	%
Financial assets						
Cash and cash equivalents	14(a)	-	-	382,841	382,841	Nil
Trade and other receivables	8	-	-	16,133	16,133	Nil
		-	-	398,974	398,974	
Financial liabilities						
Trade and other payables	10	-	-	418,204	418,204	Nil
		-	-	418,204	418,204	

(b) Credit Risk

The maximum exposure to credit risk, excluding the value of any collateral or other security, at balance date to recognised financial assets is the carrying amount of those assets, net of any allowance for doubtful debts, as disclosed in the statement of financial position and notes to the financial report.

The Group does not have any material credit risk exposure to any single debtor or group of debtors under financial instruments entered into by the Group.

(c) Net Fair Values

The carrying amount of financial assets and financial liabilities recorded in the financial statements represent their respective net fair value and is determined in accordance with the accounting policies disclosed in note 2 to the financial statements.

(d) Financial risk management

The Group's financial instruments consist mainly of deposits with recognised banks, investment in bank bills up to 90 days, accounts receivable and accounts payable. Liquidity is managed, when sufficient funds are available, by holding sufficient funds in a current account to service current obligations and surplus funds invested in bank bills. The directors analyse interest rate exposure and evaluate treasury management strategies in the context of the most recent economic conditions and forecasts. The main risks the Group is exposed to through its financial instruments is the depository banking institution itself, holding the funds, and interest rates. The Group's credit risk is minimal as being an exploration Company, it has no significant financial assets other than cash and term deposits.

e) Foreign Currency Risk

The Group is not exposed to any foreign currency risk as at 30 June 2010.

(f) Market Price Risk

The Group is not exposed to market price risk as it does not have any investments other than an interest in the subsidiaries.

18 RELATED PARTIES

The Group has no related parties other than the 100% owned subsidiaries disclosed in note 22. At 30 June 2010 balances due from the subsidiaries were:

Australian Dollar ($)	**30 JUNE 2010 $**
Blue Thunder Resources Pty Ltd	55,227
Desert Fox Resources Limited	550,203
	605,430

These amounts comprise of funds provided by the parent company for exploration activities.

19 SEGMENT REPORTING

For management purposes, the Group is organised into one main operating segment, which involves the exploration of minerals in Australia. All of the Group's activities are interrelated, and discrete financial information is reported to the Board as a single segment. Accordingly, all significant operating decisions are based upon analysis of the Group as one segment.

The financial results from this segment are equivalent to the financial statements of the Group as a whole.

The accounting policies applied for internal reporting purposed are consistent with those applied in the preparation of these financial statements.

20 JOINT VENTURES

The Group, through its wholly owned subsidiary, Blue Thunder Resources Pty Ltd, has entered into an Option Agreement with James Ian Stewart and Geotech International Pty Ltd (jointly, the "Vendor") whereby the Group acquired an option to purchase an 80% interest in the tenement application EL 27732 which has been made by the Vendor. If the option is exercised, the tenement will be subject to a joint venture between Blue Thunder Resources (which will have an 80% interest in the joint venture) and the Vendor (which will have a 20% interest in the joint venture) (the "Pine Creek Joint Venture"). The joint venture agreement has not yet been entered into. The Option Agreement outlines some of the key terms for the joint venture agreement.

The Group, through Blue Thunder Resources Pty Ltd, has applied for two additional tenements at Pine Creek – application EL's 28016 and 28017. A 20% interest in these two tenements will be held for the benefit of the Vendor. There is no assurance that these tenements will be granted, the option exercised or the joint venture entered into.

The Group recognises that joint ventures are a key mechanism for sharing of risk on individual exploration projects. Where appropriate for a particular project, the Group will consider a joint venture with a suitable party in order to share the exploration risk. Those funds otherwise set aside for the project will be employed to advance another project.

21 SUBSIDIARIES

The parent entity, St George Mining Limited, has 100% interest in Desert Fox Resources Pty and Blue Thunder Resources Pty Ltd. St George Mining is required to make all the financial and operating policy decisions of these subsidiaries.

Subsidiaries of St George Mining Limited	Country of incorporation	Percentage owned %	
		2010	**2009**
Desert Fox Resources Pty Ltd	Australia	100%	-
Blue Thunder Resources Pty Ltd	Australia	100%	-

22 PARENT COMPANY DISCLOSURE

(a) Financial Position for the period ended 30 June 2010

Australian Dollar ($)	30 JUNE 2010 $
Assets	
Current assets	505,946
Non-current assets	-
Total assets	**505,946**
Liabilities	
Current liabilities	418,203
Non-current liabilities	-
Total liabilities	**418,203**
Net assets	**87,743**
Equity	
Issued capital	796,881
Retained earnings	(709,138)
Total equity	**87,743**

(b) Financial Performance for the period ended 30 June 2010

Australian Dollar ($)	19 OCTOBER 2009 TO 30 JUNE 2010 $
Profit (loss) for the year	(709,138)
Other comprehensive income	-
Total comprehensive income	**(709,138)**

(c) Guarantees entered into by the Parent Entity

	30 JUNE 2010 $
ASX listing bonus	60,000
Option fee/tenement acquisition costs	560,000
	620,000

The parent entity has provided guarantees to third parties in relation to the option agreement with Geotech International and Mr James Stewart. Further details regarding this transaction can be found at note 15(b).

(d) Commitments and contingencies of the Parent Company

	30 JUNE 2010 $
ERS Cash Payment upon ASX Listing (i)	60,000
	60,000

(i) The Company will pay Essential Risk Solutions (ERS), a Company which Tim Hronsky is the Technical Director, a payment of $60,000 within 30 days of the Company being admitted into the Official List.

23 NEW ACCOUNTING STANDARDS FOR APPLICATION IN FUTURE PERIODS

The AASB has issued new and amended accounting standards and interpretations that have mandatory application dates for future reporting periods. The Group has decided against early adoption of these standards. A discussion of those future requirements and their impact on the Group follows:

- AASB 9: Financial Instruments and AASB 2009-11; Amendments to Australian Accounting Standards arising from AASB 9 [AASB 1, 3, 4, 5, 7, 101, 102, 108, 112, 118, 121, 127, 128, 131, 132, 138, 139, 1023 & 1038 and Interpretations 10 & 121] (applicable for annual reporting periods commencing on or after 1 January 2013).

  These standards are applicable retrospectively and amend the classification and measurement of financial assets. The Group has not yet determined the potential impact on the financial statements.

  The changes made to accounting requirements include:
  - simplifying the classifications of financial assets into those carried at amortised cost and those carried at fair value;
  - simplifying the requirements for embedded derivatives;
  - removing the tainting rules associated with held-to-maturity assets;
  - removing the requirements to separate and fair value embedded derivatives for financial assets carried at amortised costs;
  - allowing an irrevocable election on initial recognition to present gains and losses on investments in equity instruments that are not held for trading in other comprehensive income. Dividends in respect of these investments that are a return on investment can be recognised in profit or loss and there is no impairment or recycling on disposal of the instrument; and
  - reclassifying financial assets where there is a change in an entity's business model as they are initially classified based on;
    a. the objective of the entity's business model for managing the financial assets; and
    b. the characteristics of the contractual cash flow.

- AASB 124: Related Party Disclosures (applicable for annual reporting periods commencing on or after January 2011).

  This standard removes the requirement for government related entities to disclose details of all transactions with the government and other government related entities and clarifies the definition of a related party to remove inconsistencies and simplify the structure of the standard. No charges are expected to materially affect the Group.

- AASB 2009-5: Further Amendments to Australian Accounting Standards arising from the Annual Improvements Project [AASB 5, 8, 101, 107, 117, 118, 136 & 139] (applicable for annual reporting periods commencing from 1 January 2010).

  These standards detail numerous non-urgent but necessary changes to accounting standards arising from the IASB's annual improvements project. No changes are expected to materially affect the group.

- AASB 2009-8: Amendments to Australian Accounting Standards – Group cash-settled Share-based payment transactions [AASB 2] (applicable for annual reporting periods commencing on or after 1 January 2010).

  These amendments clarify the accounting group cash-settled share-based payment transactions in the separate or individual financial statements of the entity receiving the goods or services when the entity has no obligation to settle the share-based payment transaction. The amendments incorporate the requirements previously included in Interpretation 8 and Interpretation 11 and as a consequence, these two Interpretations are superseded by the amendments. These amendments are not expected to impact the Group.

- AASB 2009-9: Amendments to Australian Accounting Standards – Additional Exemptions for First-time Adopters [AASB 1] (applicable for annual reporting periods commencing on or after 1 January 2010).

  These amendments specify requirements for entities using the full cost method in place of the retrospective application of Australian Accounting Standards for oil and gas assets, and exempt entities with existing leasing contracts from reassessing the classification of those contracts in accordance with Interpretation 4 when the application of their previous accounting policies would have given the same outcome. These amendments are not expected to impact the Group.

- AASB 2009-10: Amendments to Australian Accounting Standards – Classification of Rights Issues [AASB 132] (applicable for annual reporting periods commencing on or after 1 February 2010).

  These amendments clarify that rights, options or warrants to acquire a fixed number of an entity's own equity instruments for a fixed amount in any currency are equity instruments if the entity offers the rights, options or warrants pro-rata to all existing owners of the same class of its own non-derivative equity instruments. These amendments are not expected to impact the Group.

- AASB 2009-12: Amendments to Australian Accounting Standards [AASB 5, 8, 108, 110, 112, 119, 133, 137, 139, 1023 & 1031 & Interpretations 2, 4, 16, 1039 & 1052] (applicable for annual reporting periods commencing on or after 1 January 2011).

  This standard makes a number of editorial amendments to a range of Australian Accounting Standards and Interpretations, including amendments to reflect changes made to the text of International Financial Reporting Standards by the IASB. The standard also amends AASB 8 to require entities to exercise judgement in assessing whether a government and entities known to be under the contact of that government are considered a single customer for the purposes of certain operating segment disclosures. These amendments are not expected to impact the Group.

- AASB 2009-13: Amendments to Australian Accounting Standards arising from Interpretation 19 [AASB 1] (applicable for annual reporting periods commencing on or after 1 July 2010).

  The standard amends Interpretation 14 to address unintended consequences that can arise from the previous benefit pension plan. This standard will not impact Group.

- AASB 2009-14: Amendments to Australian Interpretation – Prepayments of a Minimum Funding Requirement [AASB Interpretation 14] (applicable for annual reporting periods commencing on or after 1 January 2011).

  This standard amends Interpretation 14 to address unintended consequences that can arise from the previous accounting requirements when an entity prepays future contributions into a defined benefit pension plan. This standard does not impact the Group.

- AASB Interpretation 19 Extinguishing Financial Liabilities with Equity Instruments (applicable for annual reporting periods commencing on or after 1 July 2010).

  This interpretation deals with how a debtor would account for the extinguishment of a liability through the issue of equity instruments. The interpretation states that the issue of equity should be treated as the consideration paid to extinguish the liability, and the equity instruments issued should be recognised at fair value unless fair value cannot be measured reliably in which case they shall be measured at the fair value of the liability extinguished. The Interpretation deals with situations where either partial or full settlement of the liability has occurred. This Interpretation is not expected to impact the Group.

  The Group does not anticipate the early adoption of any of the above Australian Accounting Standards.

DIRECTORS DECLARATION

In the opinion of the Directors of St George Mining Limited ("the Company")

(a) The financial statements and the notes and the additional disclosures included in the directors' report designated as audited of the Group are in accordance with the Corporations Act 2001, including:

   (i) Giving a true and fair view of the Group's financial position as at 30 June 2010 and of its performance for the year ended that date; and

   (ii) Complying with Accounting Standards and Corporations Regulations 2001, and:

(b) There are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

(b) The financial statements and notes comply with International Financial Reporting Standards as disclosed in Note 2.

This declaration has been made after receiving the declarations required to be made to the directors in accordance with section 295A of the Corporations Act 2001 for the financial year ended 30 June 2010.

Signed in accordance with a resolution of the Directors made pursuant to s295(5) of the Corporations Act 2001.

On behalf of the Board

John Prineas
Executive Chairman

Dated this 30 September 2010
Perth, Western Australia

Stantons International

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30 September 2010

Board of Directors
St George Mining Limited
Level 1
115 Cambridge Street
WEST LEEDERVILLE WA 6007

Dear Sirs

RE: ST GEORGE MINING LIMITED

In accordance with section 307C of the Corporations Act 2001, I am pleased to provide the following declaration of independence to the directors of St George Mining Limited.

As Audit Director for the audit of the financial statements of St George Mining Limited for the period from 19 October 2009 to 30 June 2010, I declare that to the best of my knowledge and belief, there have been no contraventions of:

(i) the auditor independence requirements of the Corporations Act 2001 in relation to the audit; and

(ii) any applicable code of professional conduct in relation to the audit.

Yours faithfully
STANTONS INTERNATIONAL
(Authorised Audit Company)

John Van Dieren
Director

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INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF
ST GEORGE MINING LIMITED

Report on the Financial Report

We have audited the accompanying financial report of St George Mining Limited, which comprises the statement of financial position as at 30 June 2010, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the period from 19 October 2009 to 30 June 2010, a summary of significant accounting policies and other explanatory notes and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the period end or from time to time during the financial period.

Directors' responsibility for the Financial Report

The directors of the Company are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Act 2001*. This responsibility includes designing, implementing and maintaining internal control relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances. In note 2(a), the directors also state, in accordance with Australian Accounting Standard AASB 101 Presentation of Financial Statements, that the financial report, comprising the financial statements and notes, complies with International Financial Reporting Standards.

Auditor's responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. These Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

Our audit did not involve an analysis of the prudence of business decisions made by directors or management.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Independence

In conducting our audit, we have complied with the independence requirements of the *Corporations Act 2001*.

Auditor's opinion

In our opinion:

(a) the financial report of St George Mining Limited is in accordance with the *Corporations Act 2001*, including:

  (i) giving a true and fair view of the consolidated entity's financial position as at 30 June 2010 and of its performance for the period from 19 October 2009 to 30 June 2010; and
  (ii) complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Regulations 2001.

(b) the financial report also complies with International Financial Reporting Standards as disclosed in note 2(a).

Inherent Uncertainty Regarding Going Concern

Without qualification to the audit opinion expressed above, attention is drawn to the following matter.

The consolidated entity comprising the Company and its subsidiaries has incurred a loss of $322,487 for the period since incorporation and at 30 June 2010 had working capital of $89,283. As described in Note 2(a) the directors believe it is appropriate to prepare the financial report on a going concern basis as it has cash assets of $382,481 at 30 June 2010 and has issued a prospectus to raise $4,000,000 via the issue of 20,000,000 shares at 20 cents each. At the date of this report the prospectus has not yet closed and it is not known the amount of funds that will be raised. The ability of the Company and of its subsidiaries to continue as going concerns and meet their planned exploration, administration, and other commitments is dependent upon the Company raising sufficient funds pursuant to the prospectus or raising funds from alternative sources. In the event that the Company cannot raise further equity, the Company and its subsidiaries may not be able to continue as going concerns or to meet their liabilities as they fall due and the realisable value of the consolidated entity's assets may be significantly less than book values.

Report on the Remuneration Report

We have audited the remuneration report included in pages 9 to 12 of the directors' report for the period ended 30 June 2010. The directors of the Company are responsible for the preparation and presentation of the remuneration report in accordance with section 300A of the *Corporations Act 2001.* Our responsibility is to express an opinion on the remuneration report, based on our audit conducted in accordance with Australian Auditing Standards

Auditor's opinion

In our opinion the remuneration report of St George Mining Limited for the period ended 30 June 2010 complies with section 300 A of the *Corporations Act 2001.*

STANTONS INTERNATIONAL
(An Authorised Audit Company)

Stantons International

J P Van Dieren
Director

West Perth, Western Australia
30 September 2010

1 Distribution of holders

As at 30 September 2010 the distribution of shareholders was as follows:

Ordinary shares

Size of holding	Number of holders
1 – 1,000	-
1,001 –5,000	-
5,001 – 10,000	-
10,001 – 100,000	8
100,001 and over	26
	34

2 Voting rights

There are no restrictions to voting rights attached to the ordinary shares. On a show of hands every member present in person will have one vote and upon a poll, every member present or by proxy will have one vote each share held.

3 Substantial shareholders

The names of the substantial shareholders who have notified the Company in accordance with Section 671B of the Corporation Act 2001 are;

	Shares held	Percentage interest %
John Prineas	6,962,517	21.42%
Impulzive Pty Ltd <Dawson Superannuation Fund>	6,962,491	21.42%
Oceanic Capital Pty Ltd	6,518,048	20.06%

4 Top 20 shareholders

The names of the 20 largest shareholders as at 30 September 2010, who hold 96% of the fully paid ordinary shares of the Company were as follows;

Class	Number
John Prineas	6,962,517
Impulzive Pty Ltd <Dawson Superannuation Fund>	6,962,491
Oceanic Capital Pty Ltd	6,518,048
St Barnabas Investments Pty Ltd <St Barnabas Super Fund A/C>	2,222,222
Osiris Capital Investments Pty Ltd	1,111,111
Riverfront Nominess Pty Ltd <MCM Family A/C>	1,111,111
Timothy Matthew Shaun Hronsky	1,062,500
AWD Consultants Pty Ltd <Stevens Super Fund A/C>	625,000
Jemaya Pty Ltd <The Featherby Family A/C>	625,000
Robert Wittenoom	625,000
Yarandi Investments Pty Ltd <Griffith Family No.2 A/C>	625,000
Clariden Capital Limited	600,000
Vienna Holdings Pty Ltd <Ronjen Super Fund A/C>	312,500

William Henry Hernstadt	312,500
Dixtru Pty Ltd	300,000
522 Investments Pty Ltd	250,000
Cairnglen Investments P/L	250,000
Glenys Lorraine Bray	250,000
Zen Asset Management Pty Ltd <A Macnaughton Priv S/F A/C>	250,000
Charub Pty Ltd <Linton A/C>	200,000

5 Consistency with business objectives

The Company has used its cash and assets in a form readily convertible to cash that it had at the time of listing in a way the consistent with its stated objectives.

SCHEDULE OF TENEMENTS

St George Mining Limited mineral interest as at 30 September 2010

WESTERN AUSTRALIA

TENEMENT	HOLDER/ APPLICANT	INTEREST	GRANT DATE (APPL. DATE)	EXPIRY DATE	AREA SIZE (BLOCKS)	ANNUAL RENT (CURRENT RENTAL YEAR)	MINIMUM ANNUAL EXPENDITURE	ENCUMBRANCES DEALINGS	NOTES	NATIVE TITLE CLAIMS
E39/0981	Desert Fox	100%	02/08/04	01/08/11	18	paid in full	$50,000	Caveat 339004 lodged by A1 Minerals Limited on 20/01/10 over 100%	1-5,12	-
E39/0982	Desert Fox	100%	02/08/04	01/08/11	18	paid in full	$50,000	Caveat 339005 lodged by A1 Minerals Limited on 20/01/10 over 100%	1-5, 12	-
E39/0985	Desert Fox	100%	02/08/04	01/08/11	13	paid in full	$50,000	Caveat 339006 lodged by A1 Minerals Limited on 20/01/10 over 100%	1-6, 12	-
E39/1064	Desert Fox	100%	02/08/04	01/08/11	18	paid in full	$50,000	Caveat 339007 lodged by A1 Minerals Limited on 20/01/10 over 100%	1-5, 7, 8, 9, 12	-
E39/1229	Desert Fox	100%	09/11/07	08/11/12	87	paid in full	$87,000	Caveat 339008 lodged by A1 Minerals Limited on 20/01/10 over 100%	1-5, 10, 11, 12	-
E39/1467	A1Minerals	100%	13/01/10	12/01/15	11	paid in full	$20,000	-	1-5, 10, 11	-
E39/1472	A1 Minerals	100%	14/01/10	13/01/15	14	paid in full	$20,000	-	1-5, 10, 11	-
E39/1473	A1 Minerals	100%	14/01/10	13/01/15	1	paid in full	$10,000	-	1-5, 10, 11	-
E39/1474	A1 Minerals	100%	14/01/10	13/01/15	5	paid in full	$15,000	-	1-5, 10, 11	-
E39/1475	A1 Minerals	100%	14/01/10	13/01/15	2	paid in full	$15,000	-	1-5, 10, 11	-
E39/1476	A1 Minerals	100%	14/01/10	13/01/15	11	paid in full	$20,000	-	1-5, 10, 11	-
E39/1492	A1 Minerals	100%	16/04/10	15/04/15	8	paid in full	$20,000	-	1-5, 10	-
E39/1518	Desert Fox	100%	23/06/10	22/06/15	59	paid in full	$59,000	-	1-5, 10	-
E39/1519	Desert Fox	100%	23/06/10	22/06/15	1	paid in full	$10,000	-	1-5, 10	-
E39/1520	Desert Fox	100%	23/06/10	22/06/15	27	paid in full	$27,000	-	1-5, 10	-
E39/1521	Desert Fox	100%	23/06/10	22/06/15	58	paid in full	$58,000	-	1-5, 10	-
E39/1549	Desert Fox	100%	03/02/10	-	37	-	-	-	-	-
E39/1565	Desert Fox	100%	09/04/10	-	66	-	-	-	-	-
E39/1572	Desert Fox	100%	13/05/10	-	23	-	-	-	-	-

Notes

1. The Licensee's attention is drawn to the provisions of the Aboriginal Heritage Act 1972.
2. All surface holes drilled for the prepose of exploration are to be caped, filled or otherwise made safe after completion.
3. All costeans and other disturbances to the surface of the land made as a result of exploration, including drill pads, grid lines and access tracks, being back filled and rehabilitated to the satisfaction of the Environmental Officer, Department of Industry Resources (DoIR). Backfilling and rehabilitation being required no later than 6 months after excavation unless otherwise approved in writing by the Environmental Officer, DoIR.
4. All waste materials, rubbish, plastic sample bags, abandoned equipment and temporary buildings being removed from the mining tenement prior to or at the termination of exploration program.

5. Unless the written approval of the Environmental Officer, DoIR is first obtained, the use of scrapers, graters, bulldozers, backhoes or other mechanised equipment surface disturbance or the excavation of costeans is prohibited. Following approval, all top soil being removed ahead of mining operations and separately stockpiled for replacement after backfilling and/or completion of operations.
6. The grant of this licence does not include the land the subject of prior Exploration Licence 39/851. If the prior licence expires, is surrendered or foresighted that land may be included in this licence, subject to the provisions of the Third Schedule of the Mining Regulations 1981 titled "Transitional Provisions relating to Geocentric Datum of Australia". Exploration Licence 39/851 was surrendered and the entire area of that licence has now become the subject of Exploration Licence 39/985.
7. The construction and operation of the project and measures to protect the environment being carried out generally in accordance with the document titled; "Programme of Works for EXP2022 on Exploration Licences 39/1064 and 39/1177" dated 29 July 2008 signed by Nigel Maund and retained on Department of Industry and Resources file no. T4647/200501. "Exploration Rehabilitation Reports – E39/1064, E39/1177 and E28/1596 for EXP20022" dated 30 January 2009 signed by Ross Brown – Managing Director Oklo Uranium Limited and retained on Department of Mines Petroleum File no. T4647/200501. Where a difference exists between the above documents in the following conditions shall prevail.
8. The development and Operation of the project being carried out in such as manner as so to create the minimum practical disturbance to the existing vegetation and natural land form.
9. All top soil being removed ahead of mining operations from sites such picked areas, waste disposal areas ore stockpile areas, Park line, Hall road and new access roads and being stockpiled for later re spread or immediately re spread as rehabilitation progresses.
10. The Licensee's attention is drawn to the Environmental Protection Act 1986, Environmental Protection (Clearingof Native Vegetation) regulations 2004, which provides for the protection of all native vegetation from damage unless prior permission is obtained.
6. In respect to the area outlined in "red" and designated FNA7835 in TENGRAPH (Former Wongatha Native Title Claim WC99/01) the following condition shall apply: if the Central Desert Native Tile Services (DNNTS) sends a request by pre paid post to the Licensees address within 90 days after the grant of the Licence, the Licensee shall within 30 days of the request execute in favour of the CDNTS the revised CDNTS Wongatha Interim Standard Heritage Agreement.
7. In respect of the Caveat, please refer to Part III Section B. The Caveat has been lodged by A1 to protect its interests under the Royalty Deed.

NORTHERN TERRITORY

TENEMENT	HOLDER/ APPLICANT	INTEREST	GRANT DATE (APPL. DATE)	EXPIRY DATE	AREA SIZE (BLOCKS)	ANNUAL RENT (CURRENT RENTAL YEAR)	MINIMUM ANNUAL EXPENDITURE	ENCUMBRANCES DEALINGS	NOTES	NATIVE TITLE CLAIMS
ELA27732	Geotech International James Stewart	50%	(21/10/09)	-	25 sub blocks	($275)	($37,000)	-	-	-
ELA28016	Blue Thunder	100%	(31/03/2010)	-	254 sub blocks	($2,794)	($100,000)	-	-	DC01/28 DC07/1
ELA28017	Blue Thunder	100%	(31/03/2010)	-	58 sub blocks	($638)	($125,000)	-	-	DC07/1 DC01/23 DI2008/004 DI2007/004

Key to Tenement Schedule
E – Exploration Licence
ELA – means Exploration Licence Application

All of the native title claims listed in the Schedule have been accepted and entered on the Register of Native Title Claims. Please refer to Part II of this Schedule for the status of the native title claims.

References to numbers in the "Notes" column refers to the notes following this table.

Part II

Status of Native Claims

TRIBUNAL NUMBER	FEDERAL COURT NUBMER	APPLICATION NAME	STATUS	RNTC STATUS	IN MEDIATION
DC01/28	NTD6021/01	Fisher River	Active	Registered	No
DC07/1	NTD8/07	Tipperary (KAMU)	Active	Not Registerd	No
DC01/23	NTD6023/01	Douglas North	Active	Registered	No

Details of Indigenous Land Use Agreement (Iluas)

TRIBUNAL NUMBER	NAME	REGISTRATION DATE
DI2008/004	BGP & Northern Land Council Indigenous Land Use Agreement	5 March 2009
DI2007/004	BGP Douglas North Indigenous Land Use Agreement	5 March 2009

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