

ST GEORGE MINING LIMITED

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East Laverton Property:

- Gold
- Nickel
- Project Dragon (Nickel JV)

Pine Creek Property:

- Blue Thunder Gold Project
- White Strike Uranium Project

EXPLORATION UPDATE – EAST LAVERTON

HIGHLIGHTS

- **Drilling programme focused on high priority gold targets in progress**
- **Airborne magnetic survey completed over two new gold prospects**
- **Ongoing MMI multi element soil sampling on new areas along prospective gold trends**

OVERVIEW OF EXPLORATION PROGRAMME

Australian gold and nickel focused explorer, St George Mining Limited (**ASX: SGQ**) (**'St George Mining'** or **'the Company'**) is pleased to provide an update on its exploration programme for the Company's 100% owned East Laverton Property in the North-Eastern Goldfields.

Exploration during the 2011 field season at East Laverton involves a large multi-phase exploration programme focused on investigating high priority gold prospects and continuing the evaluation of the property which covers more than 1,800 sq km.

The drilling component of the exploration programme will continue to test the more advanced gold prospects at Desert Dragon and Balmoral.

A detailed airborne magnetic survey covering the Red Dragon and Balmoral gold prospects has been completed and data is currently being processed and modelled. The survey will supplement the Company's existing geophysical database and will assist in developing new drill targets ahead of the 2012 field season.

DRILLING UPDATE

To date, a total of 873 metres of air-core drilling and 851 metres of RC drilling have been completed at Desert Dragon and Balmoral as part of the 2011 4,000 metre drilling programme. Extensive drilling is continuing at both of these gold prospects, and drill samples are being submitted for assay on an ongoing basis to SGS Australia.

Drilling at Desert Dragon has intersected significant lengths of altered intervals with disseminated sulphide mineralisation towards the base of the holes. This kind of mineralisation and alteration is often an indicator of gold mineralisation in the Laverton region.

The drill samples for seven air core holes (of the proposed 42 drill holes under the 2011 drilling programme) have been submitted to SGS Australia so far. Five of these holes were located in the southern extent of the Desert Dragon prospect and because of operational challenges were only able to test this area to a relatively shallow position. Drill depths achieved by the air core drill rig were approximately 70 m on average, which is well short of the 100+m target depths required in our drilling programme. Given the limitations of this air-core drill rig, it has been replaced by a reverse circulation (RC) drill rig.



Figure 1 - The air core rig at Hole 18 of the Desert Dragon Prospect

The Company has received the assay results for samples submitted from these seven air core holes. While no significant gold intersections were reported in the assay results from these holes, both the alteration and the lower level gold response are highly encouraging. It is likely the air core holes, which did not reach the target depths, were too shallow to adequately test this southern zone.

Five RC holes have been completed so far at Desert Dragon, with depths achieved up to 130m. (One hole was to 82m and the other 4 holes were between 110m and 130m). These holes also intersected significant lengths of altered intervals with disseminated sulphide mineralisation. Assay results for these holes are pending. Overall, the majority of the holes (being 14 holes, 10 of which are RC holes) at Desert Dragon remain to be assayed and/or drilled.

RC drilling is also ongoing at Balmoral West, part of the large and complex Balmoral prospect. Two air core holes drilled to test a geochemical target in the enigmatic northern part of the prospect did not report any significant results.

The assay results received to date have not as yet been tabulated or matched to the intersections of each hole. The results will be compiled and further reviewed in conjunction with other drilling results as they are received. No assays have been received by the Company from the current reverse circulation drilling. We look forward to reporting further assay results as they become available.



Figure 2 - the RC rig in operation at Hole 3 of the Balmoral prospect

AIRBORNE MAGNETIC SURVEY

Approximately 4,800 line kilometres have been flown by Fugro Airborne Services as part of a detailed airborne magnetic survey covering the Red Dragon and Balmoral gold prospects. The field component of the survey has been completed and data from the survey is now being processed and modelled. The Company believes that the survey will assist to identify further high priority drill targets. Results from the survey will be announced in due course.

MMI SURVEY

The Company has extensively used MMI multi element soil sampling to identify drill targets at the East Laverton Property to overcome the issues with exploring in an area with extensive post-mineral cover.

The MMI soil sampling programme was extended this year to include some areas located along the extension of known gold trends. An area of anomalous gold was detected in the Golden Dragon area (north of Red Dragon), a newly acquired area where no modern gold exploration has been conducted. The initial MMI coverage is being expanded to better define this zone. The Company looks forward to reporting results from the MMI survey on completion of the 2011 survey.

For further information, please contact:

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COMPETENT PERSON STATEMENT:

The information in this announcement that relates to Exploration Results and Mineral Resources is based on information compiled by Andrew Hawker of Hawker Geological Services Pty Ltd. Mr Hawker is a member of the Australasian Institute of Mining and Metallurgy has sufficient experience, which is relevant to the style of mineralisation and type of deposit under consideration and to the activity, which he is undertaking. This qualifies Mr Hawker as a "Competent Person" as defined in the 2004 edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Hawker consents to the inclusion of information in this announcement in the form and context in which it appears.