

12 November 2012

ST GEORGE COMMENCES 2012 DRILLING PROGRAMME

HIGHLIGHTS

- **2012 drilling programme for nickel and gold prospects commences at East Laverton today**
- **New EM survey over Cambridge Nickel Prospect has identified several nickel drill targets**

2012 DRILLING PROGRAMME

St George Mining Limited (ASX: **SGQ**) (“St George Mining” or “the Company”) is pleased to confirm that its 2012 drilling programme will commence today. The drilling will test nickel and gold targets owned 100% by St George Mining at its East Laverton Property in the North East Goldfields region of Western Australia.

The 2012 drilling programme will comprise reverse circulation (“RC”) drilling with target hole depths of at least 250 metres. A drilling rate of 90 to 100 metres per day is anticipated. The total number of holes and metres drilled in the 2012 programme will be dependent on exploration results and ground conditions.

Drilling of gold targets will commence today, to be followed by drilling at the Cambridge Nickel Prospect.

CAMBRIDGE NICKEL PROSPECT

The new electromagnetic (“EM”) survey over the Cambridge Nickel Prospect was completed on 30 October 2012. The survey area was increased while field crew were mobilised at site to improve the definition of several additional EM anomalies previously identified on the Company’s 100% owned nickel project area.

Processing and modelling of the new EM survey data is being finalised by Southern Geoscience Consulting. Preliminary survey results were provided to the Company on 9 November 2012 which indicate that a number of nickel sulphide drill targets have been identified at Cambridge.

The Company is continuing to review the survey results for the purpose of selecting final drill targets. St George Mining will issue an announcement regarding the EM survey and the selected drill targets for the Cambridge Nickel Prospect as soon as final survey results are received and assessed, which is expected to be by the end of this week.

GOLD PROSPECTS

Two gold prospects will be tested in the 2012 drilling programme – the Desert Dragon Au Prospect and the Athena Au Prospect. Figure 1 shows the location of these gold prospects within the Company’s East Laverton Property.

Two RC holes are planned for each gold prospect. Two scissor holes will be drilled at each prospect designed to test the respective surface anomalies at depth.

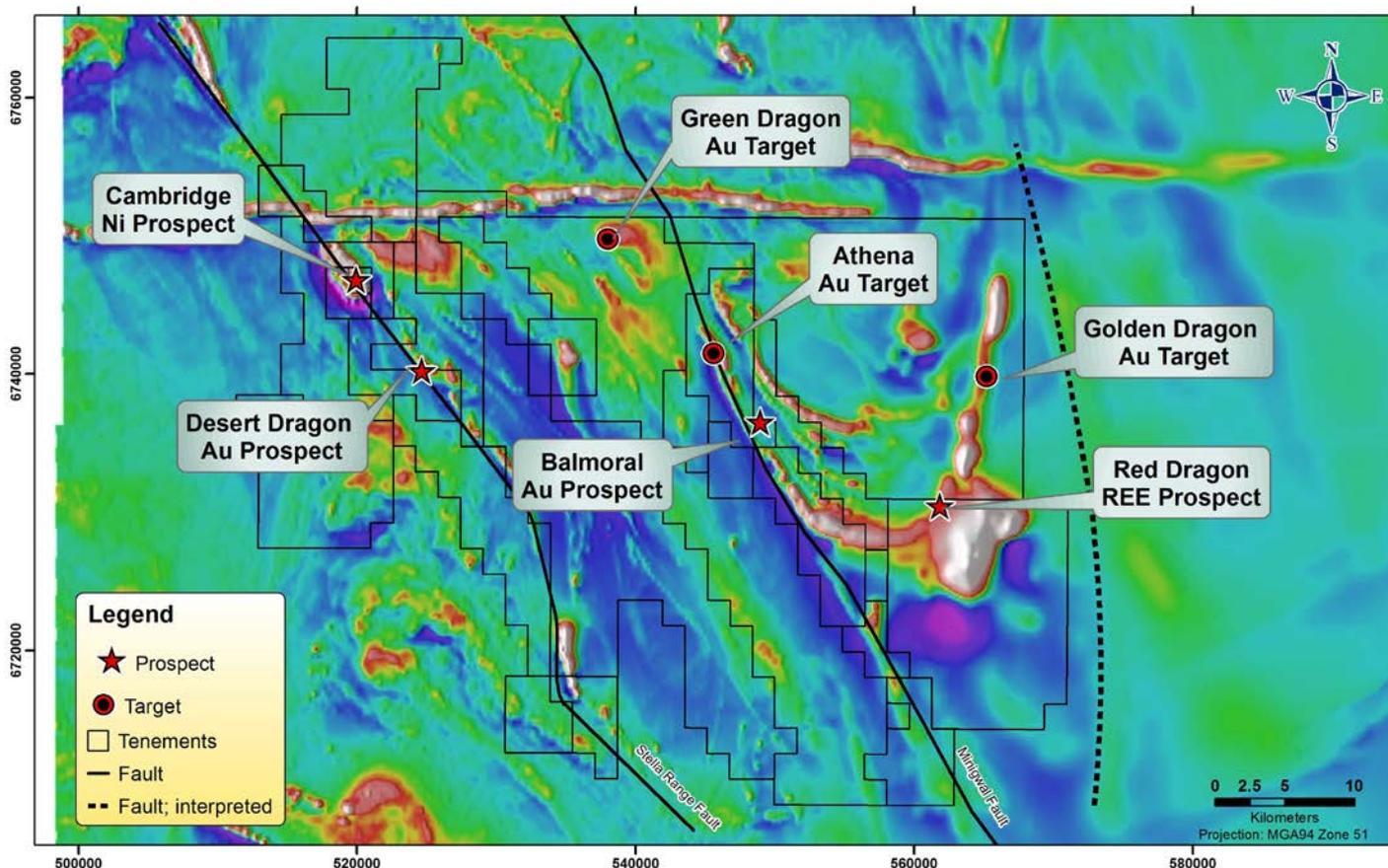
Desert Dragon Au Prospect

An extensive Au+Ag soil geochemical trend exists along the Stella Range Fault and includes a strongly elevated Au anomaly with a 2,000 metre strike length at the Desert Dragon Au Prospect. Initial drilling at Desert Dragon in 2011 encountered encouraging alteration and sulphide mineralisation.

The planned drill holes will target a high value Au+Ag anomaly on the northern extension of the gold trend.

Athena Au Prospect

This high value Au+Ag soil anomaly extends over 1,000 metres within a structurally controlled mafic corridor, located between two granites – a typical structural setting for gold mineralisation.



St George Mining Limited - East Laverton Project Tenements Over Aeromagnetics

Figure 1 – location of gold and nickel prospects at the East Laverton Property. The Cambridge Ni Prospect and the Desert Dragon Au prospect lie within the Stella Range ultramafic belt, where disseminated nickel sulphides were recently intersected (see the Company’s ASX Releases dated 23 and 25 October 2012).

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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.