

ST GEORGE MINING LIMITED

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ASX: SGQ

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John Prineas
Executive Chairman

Tim Hronsky
Technical Director

Marcus Michael
Non-Executive Director
and Company Secretary

East Laverton Property:

- Gold
- Nickel
- Project Dragon (Nickel JV)

Pine Creek Property:

- Blue Thunder Gold Project
- White Strike Uranium Project

DRILLING TO RECOMMENCE AT EAST LAVERTON

HIGHLIGHTS

- **2011 field exploration programme is launched**
- **Ground conditions at East Laverton are now manageable following the prolonged wet season**
- **Drilling of high priority gold targets at East Laverton scheduled for Q3 and Q4 2011**
- **Geochemical soil sampling to be completed over further areas of interest**
- **Airborne magnetic survey planned for new Balmoral gold prospect**

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 confirm that it has recommenced its field exploration programme at its 100% owned East Laverton Property in the North-Eastern Goldfields region of Western Australia.

The field work will initially focus on drilling high priority gold targets at the Desert Dragon and Balmoral prospects, as well as further multi-element MMI ("mobile metal ion") soil geochemical sampling over new gold targets. The soil sampling survey is now underway. Site preparation for the drilling programme will commence shortly with drilling scheduled to start during August or early September 2011.

Tim Hronsky, Technical Director of St George Mining said: "We completed a large regional soil survey over 850 sq km in the 2010 field season that was followed by infill sampling in some key areas of interest. The MMI work has provided us with a clear understanding of the geology, major structures and local controls on gold mineralisation at East Laverton. This has allowed us to select several very well defined drill targets for the 2011 field season. We are about to commence a large and focused drilling campaign at East Laverton, which we believe will provide us with significant drill results."

THE 2011 DRILLING PROGRAMME

Overview

The 2011 drilling programme will focus on the advanced Desert Dragon and Balmoral gold prospects. These prospects were identified through the Company's MMI geochemical survey completed in 2010.

In addition, test drilling is proposed for the Red Dragon and Cambridge gold prospects that were discovered during the 2010 MMI geochemical survey but which require further soil sampling to better define target areas for drilling.

There is 8,000m of air-core drilling scheduled for these prospects. Site preparation will commence shortly with drilling to start as soon as practicable.

Drilling will be carried out by an 'enhanced' air-core drilling system, which has substantially enhanced compression and circulation. This allows for much deeper drilling than conventional air-core rigs without significant increases in cost. This new drilling system is a very effective method of drilling at East Laverton to more easily penetrate the semi-consolidated post mineral cover that exists at that project area.

The drilling programme is scheduled to be completed by November 2011 with samples being analysed on an ongoing basis. Further drilling may be conducted prior to the onset of the wet season.

John Prineas, Executive Chairman of St George Mining said: "Our East Laverton project is frontier ground and our regional neighbours include the Tropicana Joint Venture and the Yamarna Project of Gold Road Resources. This is where major new gold discoveries are being made. Our exploration at East Laverton to date is very encouraging and we will be keenly anticipating the results of the 2011 drilling programme."

Desert Dragon

Desert Dragon is a highly anomalous gold system located in an optimal trap site for gold mineralisation. The system is hosted by the north-west trending Stella Range Fault which is cross-cut by a fundamental north east-south west tensional fault system informally known as the "Tropicana Trend". Approximately 3 km of strike length has been identified. The initial focus for drilling will be a 1.5 km area in the southern section of the strike length which hosts three prominent gold zones.

Drilling at Desert Dragon will commence as soon as practicable and is scheduled to be completed during September 2011.

Figure 1 (below) shows the drill target areas (black ellipses) at Desert Dragon on a magnetic background that highlights the anomalous gold zones and the significant multi-element trends generated following the review of the 50m spaced MMI survey.

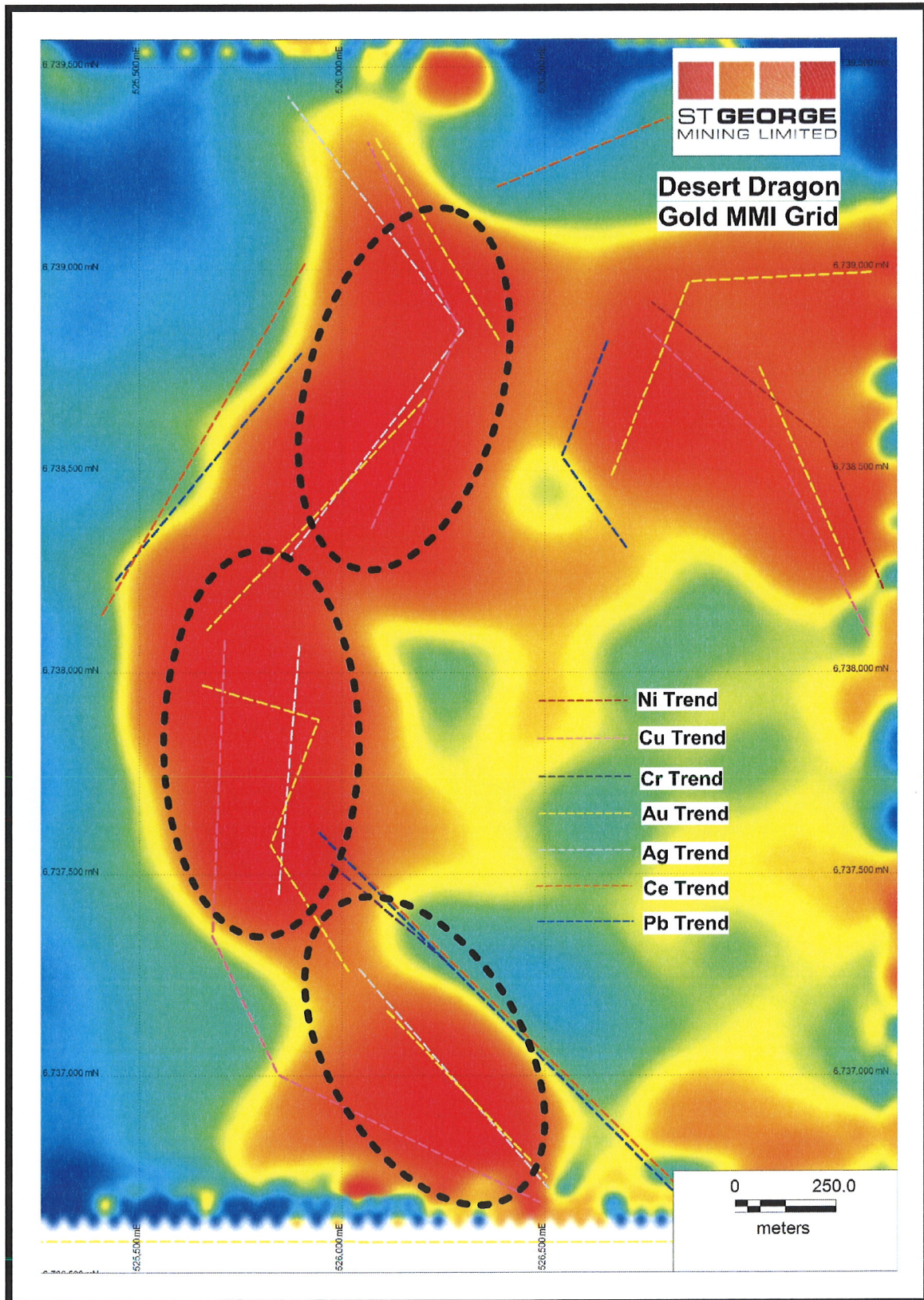


Figure 1 – Desert Dragon Target Gold Zones

Balmoral

The Balmoral gold prospect is a large and complex gold system where the core zone has a surface expression of approximately 3 km x 2 km. The prospect was identified through the 2010 regional MMI survey and then mapped in detail using 50m spaced sampling, defining three distinct gold zones.

Processing and analysis of the regional multi-element sample data confirmed a large and zoned geochemical footprint at Balmoral. The geochemical footprint features a proximal molybdenum (Mo), silver (Ag) and copper (Cu) response surrounded by a tungsten zone with a strong NW trending arsenic (As) and antimony (Sb) response over 6 km.

This geochemical footprint is consistent with those established for large gold deposits in other parts of the Eastern Goldfields.

An airborne magnetic survey is planned at Balmoral to better define the local structural controls over the gold zones ahead of the proposed drilling programme.

Drilling of Balmoral is scheduled to commence in September 2011.

Figure 2 (below) shows the drill target areas (broken black lines) generated at the Balmoral prospect following the review of the 50m spaced MMI samples.

New Drill Targets

The Red Dragon and Cambridge gold prospects are exciting new gold targets that were identified during the 2010 MMI geochemical survey.

Additional MMI multi-element geochemical soil sampling of these targets is now underway with infill sampling scheduled to be completed by September 2011.

Further details of these targets and exploration plans will be released following completion of the closed space infill sampling.

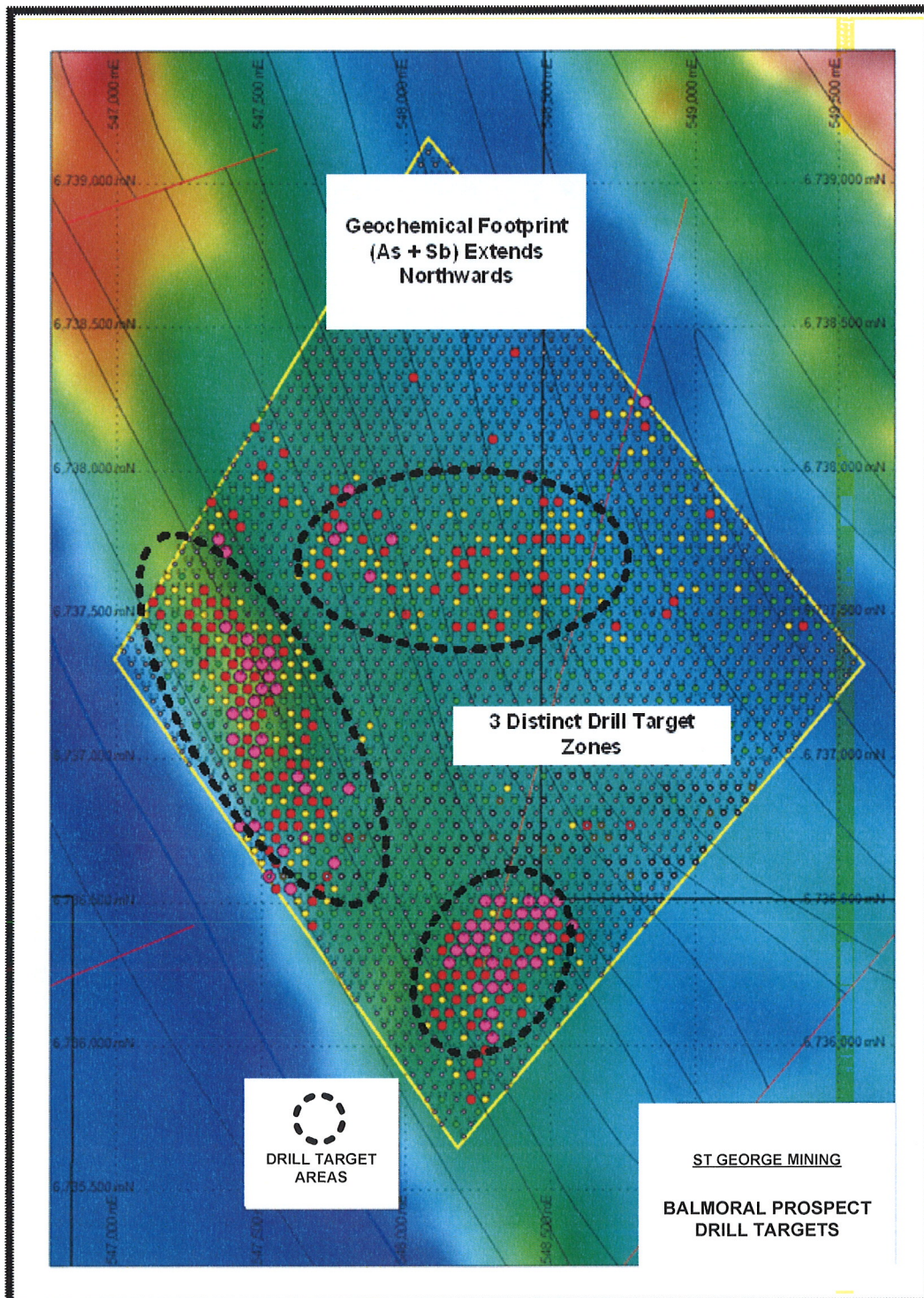


Figure 2- Balmoral Target Gold Zones

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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.