

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

## EXPLORATION UPDATE – PINE CREEK

### HIGHLIGHTS

- **Diamond drilling programme completed for 2011**
- **Drilling intersected mineralised zone at a higher level than discovery hole**
- **Drill core to be analysed by CSIRO HyLogger and then assayed by SGS Australia**
- **MMI multi element soil sampling completed over original discovery area and adjacent “area of interest”**

### 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 the exploration programme for its Pine Creek Property in the Northern Territory.

Exploration in 2011 was a multi-phase programme designed to confirm the known gold mineralisation at Pine Creek and test the broader area for extensions of this mineralisation.

A combination of orientated diamond drilling and a multi-element MMI soil geochemical survey have been completed with the intention of:

- Confirming the high grade intersections in the existing discovery hole (FEND18)
- Gaining a better understanding on the local orientation of the gold mineralisation
- Testing for vertical and lateral extensions from the higher grade zone (FEND 18)

John Prineas, Executive Chairman of St George Mining said:

“We believe the 2011 exploration programme will add substantial value to the Company’s project by improving the definition of the large gold system at Pine Creek and confirming the potential for the establishment of a significant gold resource.”

## DRILLING UPDATE

The first diamond drill hole planned under the 2011 drilling programme, named PCDD001, has been completed to a depth of 550 metres. Due to the unusually early onset of wet weather at site, the balance of the drilling programme has now been suspended until the 2012 field season.

Visual inspection of the drill core indicates that the marker unit and the target formation for mineralisation were intersected at a higher elevation than encountered with the older angled discovery hole (FEND 18). This is consistent with the moderate folding in the area being an important local control on the distribution of mineralised zones. Structural logging of the orientated diamond drill core will commence shortly.



*Figure 1 – The diamond drill rig at the Pine Creek Property*



Once the drill core has been processed, it will be transported to Darwin to be analysed using the CSIRO HyLogger – a hyperspectral logging unit. The CSIRO developed this industry-leading technology, which uses various bands in the light spectrum to identify various mineral assemblages to a scale and detail not possible with the human eye.

Mapping the minerals present in the drill core assists in focusing exploration towards the centre of any gold system where the highest grades are expected. Analysis of FEND18 by the HyLogger indicated that this hole was not the centre of the gold system at Pine Creek. The Company expects that analysis of PCDD001 by the HyLogger to provide an indication as to the position of this hole relative to the centre of the gold system and will guide the continuation of drilling in 2012.

Following the HyLogger analysis, the drill core will be cut and sampled with samples to be submitted to SGS Australia (Perth) for assaying. Results will be announced as they become available.



*Figure 2 – Tim Hronsky, Technical Director, inspecting drill core at site from St George's first diamond drill hole at the Pine Creek Property (PCDD 001)*

## **MMI SURVEY**

Homestake Gold Australia Ltd (HGAL), which made the original gold discovery at the Pine Creek Property, reported successfully completing a MMI soil geochemical orientation survey over the discovery area. The HGAL MMI survey identified a prominent gold anomaly over the higher-grade drill intersection (FEND18) at Pine Creek.

The Company has now completed its own MMI multi element soil geochemical survey over the discovery area as well as an expanded area to the east and south. The intention of this survey is to confirm HGAL's results regarding gold mineralisation over the discovery area and to test for possible extensions to the known gold mineralisation in the expanded areas to the east and south.

A successful outcome from this survey will assist in drill planning for the 2012 field season. The Company looks forward to reporting results from the MMI survey in due course.

### **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.