

ST GEORGE MINING LIMITED

16 May 2011

ASX: SGQ

ACN 139 308 973

Level 1, 115 Cambridge Street
PO Box 1305, West Leederville
WA 6007

www.stgeorgemining.com.au

Phone +618 9322 6600

Facsimile +618 9322 6610

Email info@stgm.com.au

John Prineas

Executive Chairman

Tim Hronsky

Technical Director

Marcus Michael

Non-Executive Director
and Company Secretary

East Laverton Property:

- Gold, Nickel and Copper Projects
- Project Dragon (Nickel)

Pine Creek Property:

- Blue Thunder Gold Project
- White Strike Uranium Project

PROJECT DRAGON FARM-IN DEAL GOES UNCONDITIONAL

Australian gold and nickel focused explorer, St George Mining Limited (**ASX: SGQ**) (**'St George Mining'**) is pleased to announce that the remaining condition precedent under the Farm-in Agreement for Project Dragon has been satisfied and that the Farm-in Agreement is now fully binding on the parties in its entirety.

St George Mining, through its wholly own subsidiary Desert Fox Resources Pty Ltd, entered into a Farm-in Agreement with BHP Billiton Nickel West Pty Ltd on 4 April 2011 for the nickel rights attaching to certain of the tenements located at St George Mining's 100% owned East Laverton Property in the North-Eastern Goldfields region of Western Australia.

For further details of the farm-in arrangement, see the ASX Release dated 6 April 2011 issued by St George Mining or go to our website at www.stgm.com.au/project-dragon.html.

John Prineas, Executive Chairman of St George Mining said: "The final condition of the Farm-in Agreement has been satisfied and exploration activities will now be scheduled for the field season of 2011. We are excited that the exploration stage of Project Dragon is about to commence and we look forward to updating the market on exploration developments in due course."

For further information, please contact:

John Prineas

Executive Chairman

St George Mining Limited

(+61) 411 421 253

John.prineas@stgm.com.au

www.stgeorgemining.com.au

David Brook

Professional Public Relations

(+61) 08 9388 0944 mob 0415 096 804

David.Brook@ppr.com.au