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ST GEORGE GROWS PIPELINE OF NICKEL PROSPECTS

HIGHLIGHTS

- **Growing pipeline of 100% owned nickel prospects at East Laverton**
- **Ongoing exploration over three ultramafic belts is generating new nickel targets**
- **Oxford Nickel Prospect identified on under-explored Minigwal Ultramafic Belt**
- **Prospect covers over 15 strike kilometres of prospective ultramafic rocks**
- **Airborne electro-magnetic survey planned to identify new nickel sulphide zones**

GROWING PIPELINE OF NICKEL PROSPECTS AT EAST LAVERTON

St George Mining Limited (ASX: **SGQ**) ('St George Mining' or 'the Company') is pleased to announce the identification of a significant new and 100% owned nickel exploration target at its East Laverton Property in the NE Goldfields region of Western Australia.

The East Laverton Property hosts three extensive ultramafic belts that are prospective for nickel sulphide mineralisation. The Company's 100% owned Cambridge Nickel Project is situated along the Stella Range Belt where disseminated nickel sulphides were discovered in 2012, confirming the presence of fertile high MgO komatiites.

The other two belts – the Central Belt and the Minigwal Belt – are to the east of, and run broadly parallel to, the Stella Range Belt (see Figure 1). Exploration work on the Central and Minigwal Belts suggests that they are likely to be lateral equivalents to the fertile Stella Range ultramafic sequences.

Reconnaissance drilling at the Central and Minigwal Belts during 2012 encountered significant thicknesses of ultramafic rocks, which were in contact with sulphide rich sediment. This is a highly prospective setting for nickel sulphide mineralisation. The regional gravity and magnetic signatures over the Minigwal ultramafic sequence suggest that the ultramafic units are relatively thick and possibility reasonably structurally intact.

Following the early successful exploration at the Stella Range Belt, the Company's activities have been focused on the Cambridge Nickel Project that includes the large (4km x 2km) ultramafic dunite body. This continues to be the core target at Cambridge, which is on strike from known disseminated magmatic Ni-Cu+PGE sulphides on the Stella Range Belt.

The experience gained at Cambridge has been valuable in developing exploration methods that are tailored to the local environment and allow for rapid exploration, evaluation and targeting over ultramafic belts elsewhere within the East Laverton Property. Using this knowledge and expertise, St George is generating additional nickel targets at the East Laverton Property for its growing pipeline of 100% owned nickel prospects.

An exciting new nickel prospect has been recently identified on the under-explored Minigwal Belt as a result of this process.

OXFORD NICKEL PROSPECT

The Company has identified a significant new nickel prospect – the Oxford Nickel Prospect – located on the Minigwal Ultramafic Belt and within tenement E39/982, which is 100% owned by St George. The tenement covers over 15 strike kilometres of the Minigwal Ultramafic Belt, located in the eastern section of the East Laverton Property (see Figure 1).

John Prineas, Executive Chairman of St George Mining, said:

"The identification of the Oxford Nickel Prospect is another important step forward in the larger nickel story that is developing at our East Laverton Property.

"The nickel potential of the ultramafic belts within the Property has only recently been recognised, offering an outstanding opportunity for a major new nickel discovery."

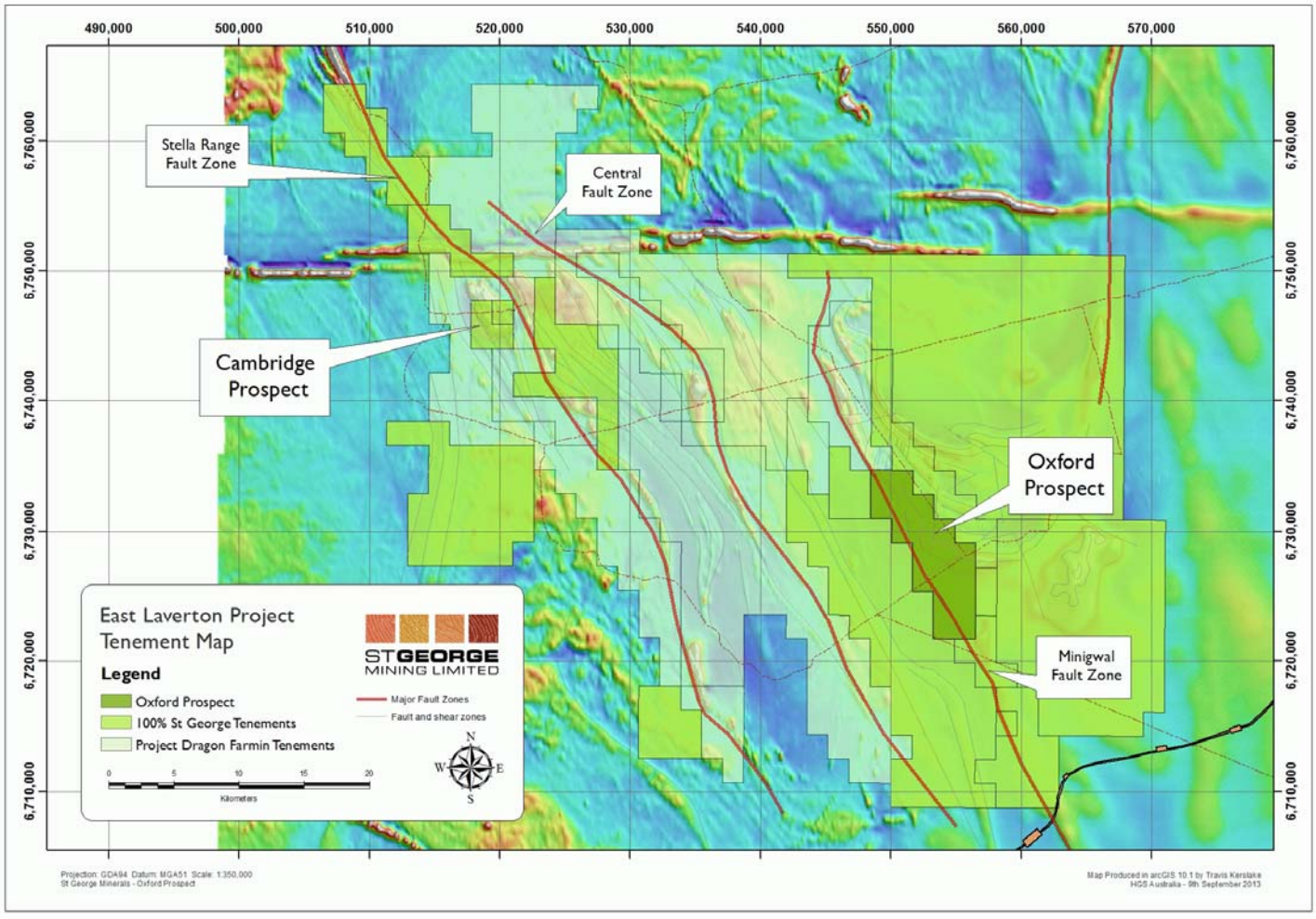

Figure 1 – this map highlights the Oxford Nickel Prospect within the overall tenement package at the East Laverton Property. The three broad ultramafic belts at the East Laverton Property are associated with the fault zones illustrated on the map.

PROSPECT GEOLOGY

The Minigwal ultramafic sequence is located along the Minigwal Fault, which appears to be a major regional translithospheric structure that has controlled the architecture and deposition of the larger greenstone belt.

The strong magnetic and gravity signature of the Oxford area suggests the presence of a large dunite body that is not apparent on the surface. The previous limited and comparatively shallow drilling was focused in the north of the project and has encountered more differentiated phases of this thick ultramafic sequence.

These more differentiated phases include the upper and peripheral units that have lower MgO and Ni contents compared to the dunite, and are believed to surround the targeted dunite lens (olivine-rich ultramafic). This is similar to the exploration target at Cambridge.

Two distinct geochemical responses were encountered by the drilling at Oxford. The drill holes that tested areas with a strong TMI (total magnetic intensity) magnetic response returned higher and more consistent Ni, Cr, and MgO levels. The drill holes on the peripheries of these magnetic anomalies encountered lower levels of these elements, consistent with a more mafic mineral composition (see Figure 2).

A stronger TMI response appears related to higher magnetite content, resulting from the formation of magnetite during the alteration of thicker and more olivine-rich (higher MgO) ultramafics. These findings allow exploration to be focused towards the most MgO-rich rocks within the extensive ultramafic belts at East Laverton.

This relationship can be seen in the more centrally located holes (DRAC 13 and DRAC 10) where MgO levels exceed 25% MgO, nickel levels exceed 0.1 % Ni, and chrome levels average around 2500 ppm Cr. This geochemical profile is suggestive of an ultramafic phase that is laterally or above the targeted dunite lens.

The southern portion of the Oxford tenement is a preferred exploration area. It contains thick ultramafic sequences cut by a major ESE-WSW trending cross structure, which disrupts the ultramafic sequence. This may be a re-activated primary structure that was present when the komatiite flows were extruded and controlled their deposition.

The Company is currently planning an airborne EM survey (VTEM) across certain parts of its 100% tenements to assist in the identification of massive sulphide targets.

The Oxford Nickel Prospect will be included in this VTEM survey, with reconnaissance RC drilling of areas of interest to follow.

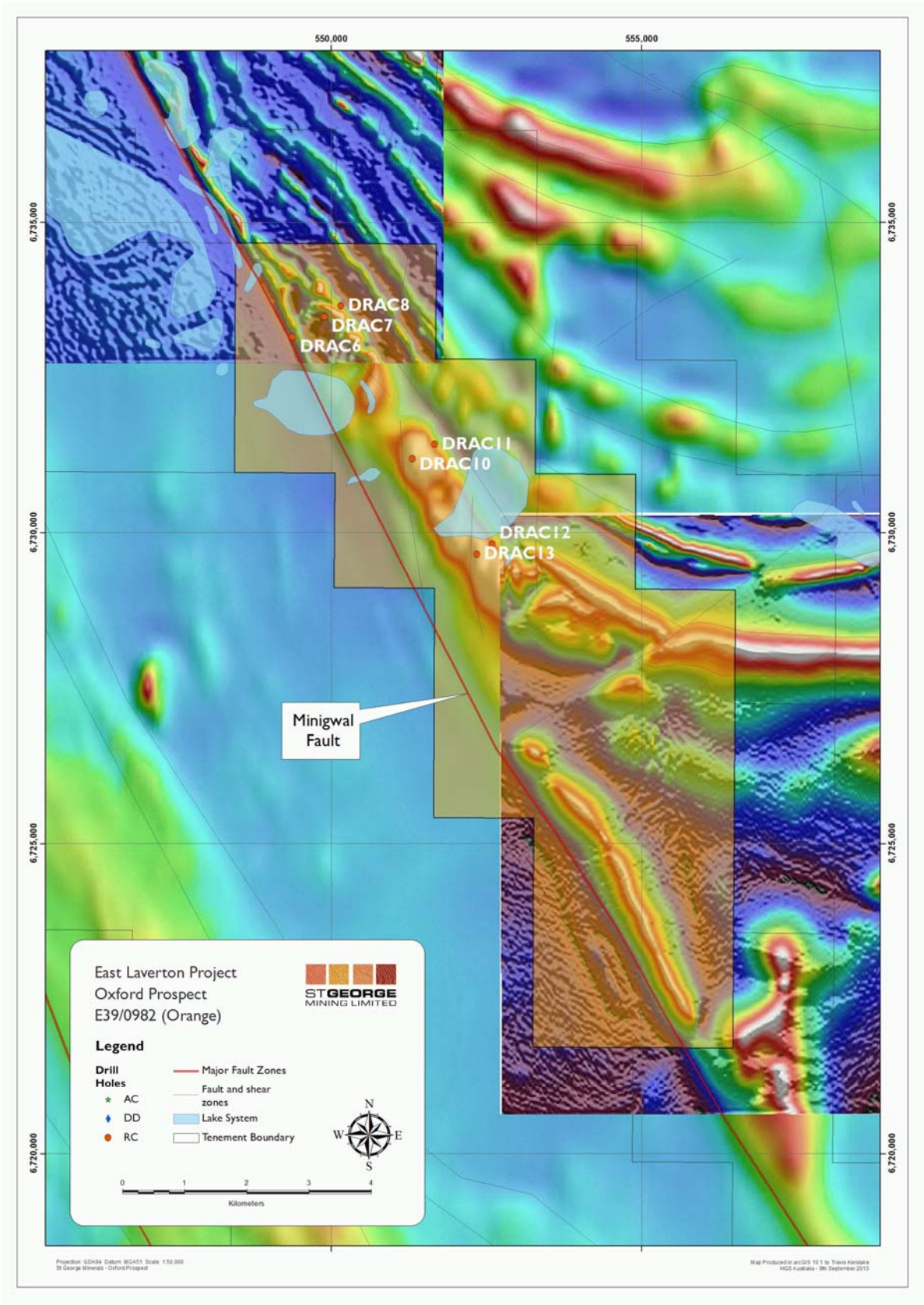

Figure 2 – The orange shaded area marks the tenement (E39/982) that hosts the Oxford Nickel Prospect. Past drilling was in the north of the tenement, and the highly prospective ultramafic sequence in the southern part remains untested. A significant cross structure is present in the central portion of the tenement, with a further cross structure and thickening of the ultramafic sequence present to the south-east on E39/1474 (also 100% St George).

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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.