

12 April 2012

QUARTERLY ACTIVITIES REPORT FOR THE PERIOD ENDED 31 MARCH 2012

St George Mining Limited (ASX: SGQ) ("St George Mining"), a gold and nickel focused exploration company, presents its Quarterly Activities Report for the period ended 31 March 2012:

EAST LAVERTON PROPERTY

GOLD EXPLORATION - ACTIVITIES

Overview

During the 2011 field season, from August to December 2011, a large multi-phase exploration programme was completed at East Laverton. The programme focused on:

- (i) drill testing the high priority gold prospects at Desert Dragon and Balmoral;
- (ii) completing an airborne magnetic survey covering the Red Dragon and Balmoral prospects; and
- (iii) extending the MMI multi element soil sampling programme to include some areas located along the extension of known gold trends, including the Golden Dragon area (north of Red Dragon).

The results from the exploration programme were progressively received by the Company during Q1 2012 and are currently being reviewed and processed by the Company.

Drilling

Assay results from the 2011 drilling programme have now been received from SGS Australia. The results are being tabulated and processed by the Company.

The Company expects to issue an announcement regarding the drill results in early Q2 2012.

The 2011 drilling programme comprised a total of 30 drill holes, 9 of which were aircore drill holes and the remainder were deeper RC drill holes. 22 holes (comprising 2,062m of drilling) tested the Desert Dragon prospect and 8 holes (a total of 637m of drilling) were drilled at the Balmoral prospect.

Drilling intersected significant lengths of altered intervals with disseminated sulphide mineralisation towards the base of the holes. Our technical team has noted that this kind of mineralisation and alteration is often an indicator of gold mineralisation in the Laverton region.

Airborne Magnetic Survey

An airborne magnetic survey comprising approximately 4,800 flown kilometres was completed in Q4 2011. The survey covered the Red Dragon and Balmoral gold prospects, and was completed by Fugro Airborne Surveys.

During Q1 2012, the Company processed and reviewed the survey data. The Company will conduct further sophisticated modelling of the survey data and intends to retain Southern Geoscience to assist in this regard.

MMI Programme

An MMI multi element soil sampling programme covering part of the Golden Dragon trend and the northern part of the Desert Dragon trend was completed in Q4 2011. Survey results were received progressively from SGS Australia during Q1 2012.

The MMI survey for Golden Dragon confirmed an anomalous gold zone that extends for approximately 5 km of strike and remains open to the north. This gold anomaly defines the southern end of the Golden Dragon gold trend. The total strike of the favourable structural zone extends from the south for approximately 15 km before being terminated by a cross structure, which likely correlates with the northern margin of the granitoid.

The anomalous gold zone appears to correlate with a strongly demagnetised zone that matches a right-lateral extensional section of a NE-SW trending shear zone, located on the eastern margin of an underlying granitoid. The MMI soil survey will be extended from the known anomaly to cover the remainder of the structural zone when the 2012 field season commences.

The survey results for Desert Dragon are currently being reviewed in conjunction with available geochemical, geophysical and exploration data. The Company expects to issue an announcement on this matter in early Q2 2012.

NICKEL EXPLORATION – PROJECT DRAGON

St George Mining, through its wholly own subsidiary Desert Fox Resources Pty Ltd, has entered into a Farm-in Agreement with major mining company BHP Billiton Nickel West Pty Ltd in regard to the nickel rights at a certain number of the tenements at the East Laverton Property.

Activities for Q1 2012 included:

- Completion of site specific botanical surveys
- Finalisation of PoW approval for the planned 2012 drilling programme
- Completion of all earthworks and site preparation for the 2012 drilling programme

The 2012 drilling programme is a reverse circulation (RC) programme and commenced on 10 April 2012. The number of holes and metres to be drilled will be dependent on ground conditions.

Drilling is being conducted by Boart Longyear and is funded by the major mining company.

Further details on the Project Dragon farm-in arrangement are contained in the ASX Release dated 6 April 2011 issued by St George Mining and on our website at www.stgm.com.au/project-dragon.

EAST LAVERTON TENEMENTS

St George Mining has 100% ownership of 26 tenements at the East Laverton Property. Of these, 23 are granted Exploration Licences and 3 are applications for Exploration Licences.

PINE CREEK PROPERTY

EXPLORATION ACTIVITIES – PINE CREEK

Overview

During the 2011 field season, the Company completed a multi-phase exploration programme at Pine Creek which comprised an orientated diamond drilling programme and a multi-element MMI soil geochemical survey.

The results from the exploration programme were progressively received by the Company during Q1 2012 and are currently being reviewed and processed by the Company.

Drilling

A diamond drill hole (PCDD 001) to a depth of 550m was completed in Q4 2011. The drill core was brought to Perth in December 2011.

The Company completed structural logging of the hole in January 2012. The drill core was cut and sampled during February 2012 and samples were submitted to SGS Australia for assaying.

Assay results have now been received by the Company and are currently being tabulated and reviewed. The Company expects to issue an announcement regarding the drill results in early Q2 2012.

MMI Programme

An MMI multi element soil geochemical survey was completed by the Company during the 2011 field season. The survey covered approx. 1,000 sq m over an area that includes PCDD 001 as well as the initial discovery hole of Homestake Gold of Australia Ltd.

Assay results have now been received by the Company and are currently being reviewed and modelled. The Company expects to issue an announcement regarding the survey in early Q2 2012.

PINE CREEK TENEMENTS

There are 7 tenements comprising the Pine Creek Property in which St George Mining has an 80% interest. All tenements have been granted.

No tenements, in part or whole, were relinquished, surrendered or otherwise divested during the quarterly period ended 31 March 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.

Appendix 5B

Mining exploration entity quarterly report

Introduced 01/07/96 Origin Appendix 8 Amended 01/07/97, 01/07/98, 30/09/01, 01/06/10, 17/12/10

Name of entity

St George Mining Limited

ABN

21 139 308 973

Quarter ended ("current quarter")

31 March 2012

Consolidated statement of cash flows

Cash flows related to operating activities	Current quarter \$A'000	Year to date (9 months) \$A'000
1.1 Receipts from product sales and related debtors	-	-
1.2 Payments for (a) exploration & evaluation	(241)	(1,834)
(b) development	-	-
(c) production	-	-
(d) administration	(223)	(571)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	11	44
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Other - GST	100	(4)
- R&D Tax Incentive	644	694
Net Operating Cash Flows	291	(1,671)
Cash flows related to investing activities		
1.8 Payment for purchases of: (a) prospects	-	-
(b) equity investments	-	-
(c) other fixed assets	-	-
1.9 Proceeds from sale of: (a) prospects	-	-
(b) equity investments	-	-
(c) other fixed assets	-	-
1.10 Loans to other entities	-	-
1.11 Loans repaid by other entities	-	-
1.12 Other (provide details if material)	-	-
Net investing cash flows	-	-
1.13 Total operating and investing cash flows (carried forward)	291	(1,671)

+ See chapter 19 for defined terms.

Appendix 5B
Mining exploration entity quarterly report

1.13	Total operating and investing cash flows (brought forward)	291	(1,671)
	Cash flows related to financing activities		
1.14	Proceeds from issues of shares, options, etc.	75	1,894
1.15	Proceeds from sale of forfeited shares	-	-
1.16	Proceeds from borrowings	-	-
1.17	Repayment of borrowings	-	-
1.18	Dividends paid	-	-
1.19	Other – Cost of issue	(12)	(118)
	Net financing cash flows	63	1,776
	Net increase (decrease) in cash held	354	105
1.20	Cash at beginning of quarter/year to date	865	1,114
1.21	Exchange rate adjustments to item 1.20	-	-
1.22	Cash at end of quarter	1,219	1,219

Payments to directors of the entity and associates of the directors

Payments to related entities of the entity and associates of the related entities

		Current quarter \$A'000
1.23	Aggregate amount of payments to the parties included in item 1.2	131
1.24	Aggregate amount of loans to the parties included in item 1.10	-

1.25 Explanation necessary for an understanding of the transactions

	\$'000
Directors fees and remuneration	115
Accounting, bookkeeping and secretarial services	16

Non-cash financing and investing activities

2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

N/A

2.2 Details of outlays made by other entities to establish or increase their share in projects in which the reporting entity has an interest

N/A

+ See chapter 19 for defined terms.

Financing facilities available

Add notes as necessary for an understanding of the position.

	Amount available \$A'000	Amount used \$A'000
3.1 Loan facilities	NIL	NIL
3.2 Credit standby arrangements	NIL	NIL

Estimated cash outflows for next quarter

	\$A'000
4.1 Exploration and evaluation	150
4.2 Development	-
4.3 Production	-
4.4 Administration	202
Total	352

Reconciliation of cash

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.

	Current quarter \$A'000	Previous quarter \$A'000
5.1 Cash on hand and at bank	1,219	865
5.2 Deposits at call	-	-
5.3 Bank overdraft	-	-
5.4 Other (provide details)	-	-
Total: cash at end of quarter (item 1.22)	1,219	865

Changes in interests in mining tenements

	Tenement reference	Nature of interest (note (2))	Interest at beginning of quarter	Interest at end of quarter
6.1	Interests in mining tenements relinquished, reduced or lapsed	N/A		

+ See chapter 19 for defined terms.

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Mining exploration entity quarterly report

6.2 Interests in mining tenements acquired or increased	N/A		
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Issued and quoted securities at end of current quarter

Description includes rate of interest and any redemption or conversion rights together with prices and dates.

	Total number	Number quoted	Issue price per security (see note 3) (cents)	Amount paid up per security (see note 3) (cents)
7.1 Preference securities <i>(description)</i>	100	-	-	-
7.2 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions	-	-	-	-
7.3 *Ordinary securities	63,018,000	37,773,000	-	-
7.4 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs	-	-	-	-
7.5 *Convertible debt securities <i>(description)</i>	-	-	-	-
7.6 Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted	-	-	-	-
7.7 Options			<i>Exercise price</i>	<i>Expiry date</i>
- Options	48,041,000	48,041,000	0.20	28 November 2014
- Class A Options	450,000	-	0.20	28 November 2013
- Class B Options	450,000	-	0.25	28 November 2014
- Class C Options	600,000	-	0.40	28 November 2015

+ See chapter 19 for defined terms.

7.8	Issued during quarter				
	- Options	7,451,901	7,451,901	\$0.01	\$0.01
	- Class A Options	-	-	-	-
	- Class B Options	-	-	-	-
	- Class C Options	-	-	-	-
7.9	Exercised during quarter	-	-	-	-
	- Options	-	-	-	-
7.10	Expired during quarter	-	-	-	-
7.11	Debentures <i>(totals only)</i>	-	-		
7.12	Unsecured notes <i>(totals only)</i>	-	-		

Compliance statement

- 1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act or other standards acceptable to ASX (see note 5).
- 2 This statement does give a true and fair view of the matters disclosed.

Sign here: Marcus Michael
 Director

Date: 12 April 2012

Print name: Marcus Michael

Notes

- 1 The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.
- 2 The "Nature of interest" (items 6.1 and 6.2) includes options in respect of interests in mining tenements acquired, exercised or lapsed during the reporting period. If the entity is involved in a joint venture agreement and there are conditions precedent which will change its percentage interest in a mining tenement, it should disclose the change of percentage interest and conditions precedent in the list required for items 6.1 and 6.2.

+ See chapter 19 for defined terms.

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Mining exploration entity quarterly report

- 3 **Issued and quoted securities** The issue price and amount paid up is not required in items 7.1 and 7.3 for fully paid securities.

- 4 The definitions in, and provisions of, *AASB 6: Exploration for and Evaluation of Mineral Resources* and *AASB 107: Statement of Cash Flows* apply to this report.

- 5 **Accounting Standards** ASX will accept, for example, the use of International Financial Reporting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.

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