

31 July 2013

**QUARTERLY ACTIVITIES REPORT
FOR THE PERIOD ENDED 30 JUNE 2013**

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 30 June 2013.

EAST LAVERTON NICKEL EXPLORATION (100% ST GEORGE)

Cambridge Nickel Prospect

During the quarter, the Company completed the first phase of its 2013 drilling programme at its Cambridge Nickel Prospect (100% St George). 10 RC holes were completed for 2,295 metres drilled.

The results of the drilling achieved a major geological breakthrough at the Cambridge Nickel Project.

Key outcomes from the drilling are:

1. The ultramafic areas at Cambridge are geologically consistent with the remainder of the Stella Range komatiites. This implies that the ultramafic rocks at Cambridge are as highly prospective for nickel sulphides as the fertile high MgO ultramafics already identified along other parts of the Stella Range Belt.
2. The large ovoid shape of the Cambridge body appears to be the result of initial subvertical folding followed by shearing-out in a westward direction, associated with moderate east-dipping reverse and/ or thrust faulting.
3. The central part of the Cambridge ultramafic body, which has the highest geochemical soil values for nickel, also returned the highest nickel grades and MgO values. CAMRC-011 returned 42m @ 0.26% Ni with over 40% MgO at the bottom of the hole. This appears to be consistent with the top of an olivine adcumulate zone that may host nickel sulphides at depth.

These are very positive indicators for nickel sulphide mineralisation at Cambridge. Our technical team is continuing to analyse and interpret the drilling data to determine the vectors towards nickel mineralisation.

For further details of the Cambridge drilling results, see the ASX Release “*Major Breakthrough at Cambridge*” dated 29 July 2013 issued by St George Mining and on our website at <http://www.stgeorgemining.com.au/asx-announcements.html>.

NICKEL EXPLORATION – PROJECT DRAGON

On 29 May 2013, the Company announced that BHP Billiton Nickel West Pty Limited (“the Partner”) had exercised the option to earn a Stage One interest in the nickel rights attaching to certain tenements at the Company’s East Laverton Property.

The Partner has nominated seven exploration licences at the East Laverton Property to be included in the Farmin Tenements for Project Dragon.

The Partner has the right to earn a 51% interest in the nickel rights of the Farmin Tenements.

No field work was completed during the quarter.

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

EAST LAVERTON GOLD EXPLORATION

The Company is reviewing the extensive data from recent exploration work at its gold targets, including the gravity survey completed at the Balmoral Au Prospect earlier this year, with a view to determining the next stage of gold focussed exploration work.

This review is part of the Company's ongoing process of updating and refining the predictive and diagnostic exploration models for East Laverton with the latest exploration data and technology.

EAST LAVERTON RARE EARTHS POTENTIAL - RED DRAGON

In May 2013, two RC holes were completed at the Red Dragon REE Prospect for 488 metres drilled.

The main objective of this drilling programme was to test whether the carbonatite-REE (rare earth) mineral system that had been mapped over a surface area of 66 km² by soil geochemistry also existed in the third dimension (i.e. at depth).

Prior to the drilling, a gravity survey was conducted over the target area to further validate the soil geochemical anomalism and to refine the selection of the drill site. A strong correlation was demonstrated between the high gravity response and the anomalous soil geochemistry, consistent with the modelled iron-rich alteration.

A visual inspection of the drill chips and the results of the on-site XRF analysis have confirmed that the carbonatite-REE system extends to the third dimension. This is an important milestone in the exploration process at Red Dragon, and validates Red Dragon as an attractive REE prospect.

Laboratory assays are pending and will be comprehensively analysed to further confirm the correlation between the surface geochemical profile and that of the drilling, and to develop drill targets to test for high grade mineralisation.

The 2013 drilling at Red Dragon was assisted by a grant received by St George Mining under the West Australian Government's "Innovative Drilling Program" that forms part of its Exploration Incentive Scheme (EIS).

East Laverton Tenements

St George Mining has 100% ownership of 26 granted Exploration Licences and one application for an Exploration Licence at the East Laverton Property.

LAKE MINIGWAL PROJECT

The Minigwal Project covers a large area of concealed greenstone that extends from two existing greenstone belts to the south of the East Laverton Property. No focused exploration has been previously conducted over this area.

The Company is continuing to review the Fugro multi-client aeromagnetic data for the area covered by its Lake Minigwal Project. The data has been processed and modelled for the Company by Southern Geoscience Consultants.

Interim findings show a strong correlation between the favourable structural setting and the large gold anomaly previously identified through a regional geochemical program conducted by the West Australian Geological Survey of Western Australia (GSWA).

Lake Minigwal Tenements

St George Mining has 100% ownership of 2 granted Exploration Licences at the Lake Minigwal Project.

PINE CREEK PROPERTY - EXPLORATION ACTIVITIES

The Company is continuing to review exploration results at the Pine Creek Property. No field work was carried out during the quarter.

Pine Creek Tenements

There are 7 Exploration Licences 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 30 June 2013.

CORPORATE ACTIVITIES

On 30 April 2013, the Company completed a placement of ordinary shares to sophisticated investors to raise a total of \$800,000 through the issue of 5,000,000 shares at \$0.16 each.

Following the placement, the Company had 74,918,000 ordinary shares on issue.

The Company is in the final stages of completing its Income Tax Return for the financial year ended 30 June 2013. The Return includes research and development expenditure which the Company believes will be eligible for a cash rebate under the Federal Government's R&D Tax Incentive Scheme.

For further information, please contact:

John Prineas

Executive Chairman

St George Mining Limited

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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")

30 June 2013

Consolidated statement of cash flows

Cash flows related to operating activities	Current quarter \$A'000	Year to date (12 months) \$A'000
1.1 Receipts from product sales and related debtors	-	-
1.2 Payments for (a) exploration & evaluation	(393)	(1,618)
(b) development	-	-
(c) production	-	-
(d) administration	(128)	(498)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	7	24
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	795
1.7 Other - GST	(30)	(31)
Net Operating Cash Flows	(544)	(1,328)
Cash flows related to investing activities		
1.8 Payment for purchases of: (a) prospects	-	-
(b) equity investments	-	-
(c) other fixed assets	-	(2)
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	-	(2)
1.13 Total operating and investing cash flows (carried forward)	(544)	(1,330)

+ See chapter 19 for defined terms.

Appendix 5B
Mining exploration entity quarterly report

1.13	Total operating and investing cash flows (brought forward)	(544)	(1,330)
	Cash flows related to financing activities		
1.14	Proceeds from issues of shares, options, etc.	800	1,542
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	(47)	(101)
	Net financing cash flows	753	1,441
	Net increase (decrease) in cash held	209	111
1.20	Cash at beginning of quarter/year to date	668	766
1.21	Exchange rate adjustments to item 1.20	-	-
1.22	Cash at end of quarter	877	877

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	126
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	105
Accounting, bookkeeping and secretarial services	21

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	330
4.2 Development	
4.3 Production	
4.4 Administration	150
Total	480

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	24	668
5.2 Deposits at call	253	-
5.3 Bank overdraft	-	-
5.4 Other - Term Deposit	600	-
Total: cash at end of quarter (item 1.22)	877	668

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	N/A	Interests in mining tenements relinquished, reduced or lapsed		
6.2	N/A	Interests in mining tenements acquired or increased		

+ See chapter 19 for defined terms.

Appendix 5B
Mining exploration entity quarterly report

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	71,981,000	71,981,000	-	-
7.4 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs	5,000,000	5,000,000	0.16	0.16
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>(description and conversion factor)</i>	48,508,000 450,000 450,000 600,000	48,508,000 - - -	<i>Exercise price</i> 0.20 0.20 0.25 0.40	<i>Expiry date</i> 28 November 2014 28 November 2013 28 November 2014 28 November 2015
7.8 Issued during quarter	- - - -	- - - -	- - - -	- - - -
7.9 Exercised during quarter	-	-	-	-

+ See chapter 19 for defined terms.

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: Sarah Shipway
Company Secretary

Date: 31 July 2013

Print name: Sarah Shipway

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.
- 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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