

30 April 2013

**QUARTERLY ACTIVITIES REPORT
FOR THE PERIOD ENDED 31 MARCH 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 31 March 2013.

EAST LAVERTON NICKEL EXPLORATION (100% ST GEORGE)

Cambridge Nickel Prospect

During the quarter, the Company received laboratory assays for the 2012 reconnaissance RC drilling programme at its Cambridge Nickel Prospect (100% St George).

Assays confirmed that both holes detected extensive intervals of ultramafic rocks that contained elevated nickel levels (+0.20% Ni) throughout the entirety of the holes.

Intersections of significant nickel enrichment in the holes from the 2012 drilling programme are:

- CAMRC-001: 160m @ 0.25% Ni from 8m to 168m, including 61m @ 0.35% Ni from 8m to 69m and 2m @ 0.84% Ni from 12m to 14m
- CAMRC-002: 150m @ 0.22% Ni from 0m to 150m including 18m @ 0.33% Ni from 1m to 19m and 1m @ 0.55% Ni from 5m to 6m

The findings from the unexpectedly shortened 2012 RC reconnaissance drilling are believed to strongly support the potential for the presence of significant nickel sulphide mineralisation at Cambridge.

A detailed review of drill samples from DDNRC-002, one of two holes drilled at the Desert Dragon Au Prospect, identified visible nickel sulphides in a veinlet form from 55 metres to 56 metres. Laboratory assays of this same interval have confirmed this intersection as 2 metres @ 1.08% Ni from 55 metres.

The Desert Dragon Au Prospect is situated on the highly prospective Stella Range ultramafic belt, and this finding adds further support to the potential of this belt hosting economic nickel mineralisation.

On 23 April 2013, the Company announced the commencement of the 2013 drilling programme at Cambridge. The first phase of this programme involves the drilling of 14 RC holes, each with a target depth of 250 metres. Several of these are on strike from known nickel sulphide intersections.

NICKEL EXPLORATION – PROJECT DRAGON

No field work was completed during the quarter.

On 29 April 2013, St George Mining announced that it had granted a one month extension to the option period under the Farmin Agreement. The option period is now due to expire at midnight on 28 May 2013.

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

During the quarter, a gravity survey was completed at the Balmoral Au Prospect.

The Balmoral Au Prospect is a large and zoned geochemical foot print that is consistent with a composite hydrothermal gold system. The core 3,000 m x 2,000 m area at Balmoral contains three discrete gold prospects at Balmoral North, Balmoral West and Balmoral South. Balmoral North is a large composite Au + Ag + Cu (Gold, Silver and Copper) anomaly, while Balmoral West and South have elevated geochemical values of Au and Mo (Molybdenum). The Au-Mo association is unusual and appears to indicate a stronger mantle component to the hydrothermal fluids present in the southern area of the target.

An airborne magnetic survey was flown over the Balmoral area during the 2011 field season and showed a strong coincidence between higher magnetic responses and the anomalous gold geochemistry. The higher magnetic responses are thought to be related to serpentinised (magnetite-rich) ultramafic host rocks. Pre-mineral magnetite porphyroblasts have been encountered in drill holes on the edge of this system. The closed spaced airborne magnetics also defined several structures that suggested a favourable local setting for mineralisation.

The purpose of the gravity survey at Balmoral was to further validate the potential of the prospect and advance the target to a state where effective drill testing was possible. Gravity is a geophysical tool used to measure density contrast between the rocks within the surveyed area.

At Balmoral, the magnetite-rich ultramafic host rocks have a significantly greater density than the target alteration mineralogy, predominately comprised of the lighter silica + carbonate minerals. As such, areas permissive of alteration and gold mineralisation that have a lower density would present as relative gravity lows, within a background of a higher gravity response.

The gravity survey identified two areas of low gravity response and these showed a strong correlation with the previously defined Au-Mo geochemical anomalies at Balmoral South and Balmoral West. While some more subtle gravity lows were observed in the Balmoral North area, a strong coincidence with the large, east-west, composite Au + Ag + Cu anomaly was not demonstrated.

The use of gravity in this application has been very successful. It has further validated the Balmoral West and Balmoral South prospects as legitimate gold targets, but has also downgraded the priority of the Balmoral North prospect.

Overall, the results of the gravity survey support the existing exploration model for Balmoral. The core and principal focus of the system appear to be in the southern and western portions of the wider prospect. The northern and western areas are more peripheral in the system and therefore less prospective. The large composite Au + Ag + Cu anomaly at Balmoral North appears to represent geochemical leakage along a “day lighting” east-west structure. Significant hydrothermal outflow in the northern part of the prospect is consistent with the previous identification of an arsenic +/- antimony (As +/- Sb) soil geochemical anomaly that extends for a further 6 km to the north of Balmoral North.

The Company is reviewing the findings of the gravity survey in conjunction with the other Balmoral exploration data to determine the next stage of exploration work at Balmoral.

EAST LAVERTON RARE EARTHS POTENTIAL - RED DRAGON

Previously, two regional multi-element MMI soil geochemical surveys at Red Dragon have outlined a 66 km² geochemical footprint, that appears to overlie a large carbonatite-REE magmatic system. The regional anomaly remains open to the north and to the west.

Within this footprint, a strongly coincident area of anomalous light and heavy REE's were identified using a close-spaced (50 m grid) MMI soil geochemical survey.

During the quarter, a gravity and ground magnetics survey was conducted at the Red Dragon REE Prospect. The purpose of the survey was to better define the previously identified area of interest, and to generate drill targets within this area. This phase of exploration was very successful. The gravity survey validated the "infill" geochemical anomaly (50 m grid) and has provided clear drill targets for the inaugural drilling planned for Q2 2013.

The high priority target is of an ovoid shape, has a north westerly orientation in alignment with the regional trend, and has dimensions of 2km x 1.5km.

The target REE mineralisation at Red Dragon is modelled to be associated with an iron + manganese + REE (FMR) assemblage. Carbonate mineralogy forms the vast majority of the local carbonatite host for this REE mineralisation. The heavy FMR alteration and the light carbonatite host rocks have an excellent density contrast, which allows the effective use of gravity geophysics to determine the areas of REE alteration, ahead of drill testing.

The gravity survey identified a discrete ovoid gravity high surrounded by an area of lower gravity response. The gravity high was coincident with an anomalous area of REE geochemistry defined by the infill MMI survey. The Company believes that the coincident high gravity response and the anomalous heavy and light RRE geochemistry support the interpretation that iron + manganese + REE (FMR) carbonatite alteration underlies this core target area. The final design for the drill plan is now underway.

The planned 2013 drill program at Red Dragon will be assisted by a grant of \$122,000 received by St George Mining. The grant was awarded 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

St George's Lake Minigwal tenements cover a strong cluster of anomalous gold responses identified by a regional geochemical survey conducted by the GSWA (Geological Survey of Western Australia).

During the quarter, the Company purchased Fugro multi-client aeromagnetic data for the area covered by its Lake Minigwal Project. Southern Geoscience Consultants have been engaged to process and model this data.

The product of this geophysical study is highly encouraging. The processed and modelled airborne magnetic data shows extensive areas of what are interpreted to be previously unexplored greenstone.

The tenements occur within a complex structural setting. The presence of extensive greenstone, strong structural deformation and anomalous gold responses are highly encouraging in an area that has seen little or no previous exploration.

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 with a view to undertaking further exploration in Q3 2013 over the new target area in the north of the Pine Creek Property. Planning for a geochemical survey at the new target area was initiated this 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 31 March 2013.

CORPORATE ACTIVITIES

On 30 April 2013, the Company arranged 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. Upon placement of these shares, the Company will have 71,981,000 ordinary shares on issue.

Following completion of the placement, the Company will have sufficient cash to fund forecast exploration expenditure for the quarter to 30 September 2013.

The Company also notes that it has the ability to substantially reduce or defer actual exploration expenditure if required to better match the funds available to the Company at any point in time.

For further information, please contact:

John Prineas

Executive Chairman

St George Mining Limited

(+61) 411 421 253

John.prineas@stgm.com.au

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 2013

Consolidated statement of cash flows

	Current quarter \$A'000	Year to date (9 months) \$A'000
Cash flows related to operating activities		
1.1 Receipts from product sales and related debtors	-	-
1.2 Payments for (a) exploration & evaluation	(524)	(1,225)
(b) development	-	-
(c) production	-	-
(d) administration	(186)	(370)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	6	17
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	795	795
1.7 Other - GST	77	(1)
Net Operating Cash Flows	168	(784)
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)	168	(786)

+ See chapter 19 for defined terms.

Appendix 5B
Mining exploration entity quarterly report

1.13	Total operating and investing cash flows (brought forward)	168	(786)
	Cash flows related to financing activities		
1.14	Proceeds from issues of shares, options, etc.	7	742
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	-	(54)
	Net financing cash flows	7	688
	Net increase (decrease) in cash held	175	(98)
1.20	Cash at beginning of quarter/year to date	493	766
1.21	Exchange rate adjustments to item 1.20	-	-
1.22	Cash at end of quarter	668	668

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	123
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	18

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

On 10 January 2013 the Company issued 350,000 ordinary shares in the Company to White Cliff Minerals Limited as part consideration under the Letter of Agreement dated 10 January 2013.

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	600
4.2 Development	
4.3 Production	
4.4 Administration	156
Total	756

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	668	493
5.2 Deposits at call	-	-
5.3 Bank overdraft	-	-
5.4 Other (provide details)	-	-
Total: cash at end of quarter (item 1.22)	668	493

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			
6.2 Interests in mining tenements acquired or increased	N/A			

+ 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	66,981,000	66,981,000	-	-
7.4 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs	350,000	350,000	0.20	-
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: 30 April 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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+ See chapter 19 for defined terms.