



ST GEORGE READY TO SLAY EAST LAVERTON DRAGON

When Perth-based St George Mining Limited (**ASX: SGQ**) announced its plan to explore for major mineral deposits in frontier terranes you might have thought they were joining the junior company exodus to West Africa, but not so!

The Company believes it can explore for the same large deposits right here in Australia while avoiding many of the political and sovereign risk issues facing off-shore explorers.

Potentially two thirds of Australia's mineral wealth has yet to be discovered as it lies in under cover areas, mainly within under-explored regions of Western Australia and the Northern Territory. St George Mining has focussed its exploration on two such locations that it believes will provide the outcomes it wants - the area east of Laverton in Western Australia and the western section of the Northern Territory's Pine Creek Orogen.

The Tropicana gold deposit, Australia's largest gold discovery in the past 10 years, is located just to the east of St George's East Laverton Property and illustrates the potential for this strategy.

Now, less than five months after listing on the ASX, St George Mining is starting to achieve real milestones in its own strategy for exploration success.

The recent announcement that St George Mining had entered into a Farm-in Agreement with BHP Billiton Nickel

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John Prineas

ST GEORGE MINING LIMITED
EXECUTIVE CHAIRMAN

West Pty Ltd ("Nickel West") may have come as a bit of a surprise to some market watchers. After all, it is not every day that a junior minerals explorer forms an exploration joint venture with a member of the world's largest mining group.

But those close to the highly experienced team at St George Mining know that this almost instant success was not unexpected.

"We deliberately set out to find projects that had large scale potential and that would appeal to major global mining companies. We have delivered on that plan," St George's Executive Chairman, John Prineas, told **The Pick** recently.

Under the farm-in arrangement - to be known as Project Dragon - Nickel West will have an option over the nickel rights at St George Mining's East Laverton tenements and will initially outlay \$600,000 to explore for nickel sulphide in this area. If it exercises the option, Nickel West will have a right to earn a 51% interest in the nickel rights at Project Dragon by spending \$3million over 3 years and may further increase its interest to 70% by sole funding a bankable feasibility study, with St George Mining retaining a 30% interest.

St George Mining retains 100% of the right to mine gold and other minerals at the East Laverton Property and is continuing to advance its high priority gold prospects.

According to John Prineas, the Project Dragon farm-in arrangement is an excellent strategy to progress the mineral potential of St George Mining's East Laverton Property.

"We have the expertise of one of the world's great mining companies looking at the nickel potential at Project Dragon, while we continue to focus on the very promising and significant gold opportunities at our East Laverton tenements."

The fulfilment of St George's mandate to find a large scale project and a major joint venture partner in such a short time owes a lot to the knowledge and skill of its management team.

John Prineas has extensive experience in providing finance to Australia's mining sector during his 24 years in the banking and legal sectors, including a period as the head of a financial institution in Australia.

St George's Executive Technical Director,



St George's Executive Technical Director, Tim Hronsky (left), and Executive Chairman, John Prineas, have mapped out an aggressive exploration to development plan for the Company.

well known local geologist Tim Hronsky, has more than 20 years of Australian and international experience in the mineral exploration and mining industry, including 15 years with Placer Dome.

"The professional background that Tim and I have gives us a good eye for big deals as well as the skills to execute those deals properly," John Prineas told **The Pick**.

Importantly, Tim Hronsky also has a great knowledge of the East Laverton area where St George has created so much interest with Project Dragon.

It was Tim Hronsky's hands-on knowledge of this region that led St George to this area, where the Company now holds 100% ownership of 21 tenements (20 are granted Exploration Licences and 1 is an application for an Exploration Licence) in a total area covering 1,810 square kilometres.

John Prineas said that the acquisition of the East Laverton properties came in the very early days of St George's creation.

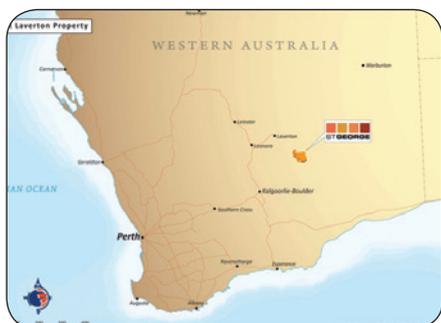
"We have some very good connections throughout the mining sector in Australia and we were able to source East Laverton and our Pine Creek Project in the Northern Territory in a short space of time."

"We had to take a pretty bullish view because it was immediately post GFC and most investors were still very cautious, but we obviously had a very strong belief in the long term economic and commodity cycle and we thought it was actually a wonderful opportunity to go out there and buy a project," John Prineas told **The Pick**.

EASY CHOICES

According to Tim Hronsky, it was also quite easy to focus on East Laverton and Pine Creek as the two inaugural projects for St George Mining.

"The Industry has spent the last few decades researching the criteria for giant gold deposits and when combined with considerable experience the things that really matter stand out from the '10,000 foot level' and you know that this a good place to be," Tim Hronsky said.



ST GEORGE MINING LIMITED

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"I was very fortunate in having worked with Placer Dome as they owned several multi million ounce deposits in Laverton. They were involved in a lot of research work in co-operation with the Government Agencies and the Universities focusing on large gold deposits and their controls. So I was lucky to have a sound and detailed knowledge base that appeared to indicate that the ground in East Laverton had many similarities with the established Laverton fields to the west, where over 20 million ounces of gold had been mined and where there is a number of 10 million and 5 million ounce deposits.

SIGNIFICANT POTENTIAL

"I have a very strong belief that there are still major discoveries to be made in the Laverton region. I was working at Laverton in the late 1980s and the Granny Smith mine was still a project then. Sunrise Dam was still a project when I was there in the early 1990s and then the Wallaby Project was operating when I was there in the early 2000s. There has been a major discovery there every 10 years and so another major find is well over due."

Tim Hronsky believes that the ever evolving use of new technologies will play a big role in locating those new Laverton discoveries.

"Technology is changing all the time, and that includes improvements in the lower levels of detection or the enhanced modelling techniques that we can use to maximise the value of geophysical or geochemical data. You now have machines that can measure down to much finer degrees. We have gone from measuring parts per million, to where we are now looking at one parts per billion and where ten parts per billion can be very significant."

"However, knowledge is still the basis in making those finds. Exploration in the Laverton area is now supported by a very comprehensive research model produced over the last 10 years.

"We have relied heavily on that in our targeting work in East Laverton because most of our ground is under cover. One of the most attractive things about our project area is the presence of major structures. We know that every major gold field has one

master fault that goes through the crust and into the mantle which is believed to be the source of gold and where the nickel has previously come from. At East Laverton we have the MInigwal Fault which hosts komatiite ultramafic rocks - this provides a direct indication that the right plumbing is there and it goes right down through the crust into the mantle.

"That's the scale that you start at, ensuring the really big magmatic and tectonic features are in place. These are the important, first-order criteria that tell you that the ground may have potential for big gold and nickel discoveries.

"We know for a fact that nickel occurred a long time before the gold and that sets up the primary pathways for the later gold event. Generally, where you have great nickel potential you also have great gold potential, they are kind of self validating. Kambalda and Leinster are just two examples of locations where this is true."

The upside potential of the East Laverton area was recently highlighted when St George Mining completed a regional multi-element MMI ("mobile metal ion") soil geochemical survey covering a total area of 850 sq. km on its tenements. The survey identified two significant new gold prospects, Balmoral and Desert Dragon, which will be the focus of St George Mining's continuing drilling programme at the East Laverton Property.

John Prineas believes those opportunities, along with the potential contained within the Company's Pine Creek Project - which already boasts a gold discovery as well as uranium and rare earths potential, give St George Mining an exciting future.

"We have projects that are capable of generating major discoveries in the near term, and making green field discoveries is when you can create maximum shareholder value.

"Our achievements to date at East Laverton indicate that there is serious potential for a major discovery out there.

"And if we confirm something like that, we have a Sandfire situation," John Prineas concluded.