

11 April 2013

## ST GEORGE PROVIDES EXPLORATION UPDATE

### HIGHLIGHTS

- Detailed analysis of 2012 drill results completed
- Visible sulphides identified in the milestone intersection of 2 metres @ 1.08% nickel at Desert Dragon
- Sections of olivine adcumulate (+40% MgO) rocks with +0.20% nickel encountered at Cambridge
- St George's 2013 drilling programme will commence shortly

### EXPLORATION AT 100% ST GEORGE PROSPECTS

St George Mining Limited (ASX: SGQ) ("St George Mining" or "the Company") is pleased to provide an update on exploration activities at its 100% owned prospects at the Company's East Laverton Property in Western Australia.

#### Visible Nickel Sulphides

Further significant results have been obtained from DDNRC-002 following completion of a detailed analysis of the Company's 2012 drill results. This hole was one of two scissor holes drilled in 2012 to test a gold-silver geochemical anomaly at the Desert Dragon Au Prospect.

DDNRC-002 was drilled to a down-hole depth of 246 metres and XRF field tests indicated a down-hole intersection of 7 metres @ 0.53% Ni from 53 metres within highly silicified ultramafic rocks.

A detailed review of drill samples for this hole has identified visible nickel sulphides, in a veinlet form, from 55 metres to 56 metres (see Figure 1). The Desert Dragon Au Prospect is situated on the highly prospective Stella Range ultramafic belt, and this finding further supports the potential of this belt to host economic mineralisation.

Laboratory assays of this same interval in DDNRC-002 have now confirmed an intersection of 2 metres @ 1.08% Ni from 55 metres (see Table 1 for details of significant intersections).

The sulphide intersection appears to be associated with a large piece of ultramafic rock preserved by intense silicification. This silicification, and possibly limited remobilisation of this large piece of ultramafic, appears to be associated with the intrusion of late-stage granite into the stable greenstone belt. The granite, which is exposed on a ridge immediately west of the drill site, is not altered and its original textures are clearly visible.

**Tim Hronsky**, Technical Director of St George Mining said:

"This recent intersection of sulphides in a "massive" form is a significant exploration milestone which continues to validate the potential of the East Laverton Property to become Western Australia's newest nickel mineral field".



*Figure 1 – Visible nickel sulphide in DDNRC-002 between 55 m – 56 m down hole. The sulphides were identified from a small volume of rock chips selected as a record for the RC drilling. The sulphides lie within a fresh rock intersection of 2 m @ 1.08% Ni – the highest grade nickel intersection at East Laverton to date.*

### Cambridge Holes

Two drill holes were completed at the Cambridge Nickel Prospect before the suspension of the 2012 drilling programme in late November 2012 due to inclement weather. Cambridge (100% owned by St George) is situated on the prospective Stella Range ultramafic belt, to the north of the Desert Dragon Au prospect.

CAMRC-001 was drilled to a depth of 168 metres, while CAMRC-002 reached a depth of 150 metres. Geological logging has confirmed that both holes detected extensive intervals of ultramafic rocks that contained elevated nickel values (+0.20% Ni) throughout the entirety of the holes.

Importantly, laboratory assays have returned MgO values higher than those initially inferred from the XRF analysis. This enhances the prospectivity of Cambridge as it confirms a greater extent of the favourable host rock for high grade nickel sulphide mineralisation.

CAMRC-001 intersected fresh ultramafic rocks with an MgO range of 30% – 35%. This is consistent with the previous interpretation that this drill hole terminated above the target olivine adcumulate rocks, within the large ultramafic body.

CAMRC-002 was drilled to test the eastern contact of the ultramafic body. The MgO content of the fresh ultramafic rocks at CAMRC-002 was in the range of 35% - +40% MgO, inferring that the drill hole passed through sections of the targeted olivine adcumulate rocks (+40% MgO), within the ultramafic body. The graph in Figure 2 highlights the co-incidence of high MgO and elevated Ni in CAMRC-002.

The detailed analysis of the 2012 drill results has confirmed the potential of the unexplored Cambridge ultramafic body for large scale nickel sulphide mineralisation.

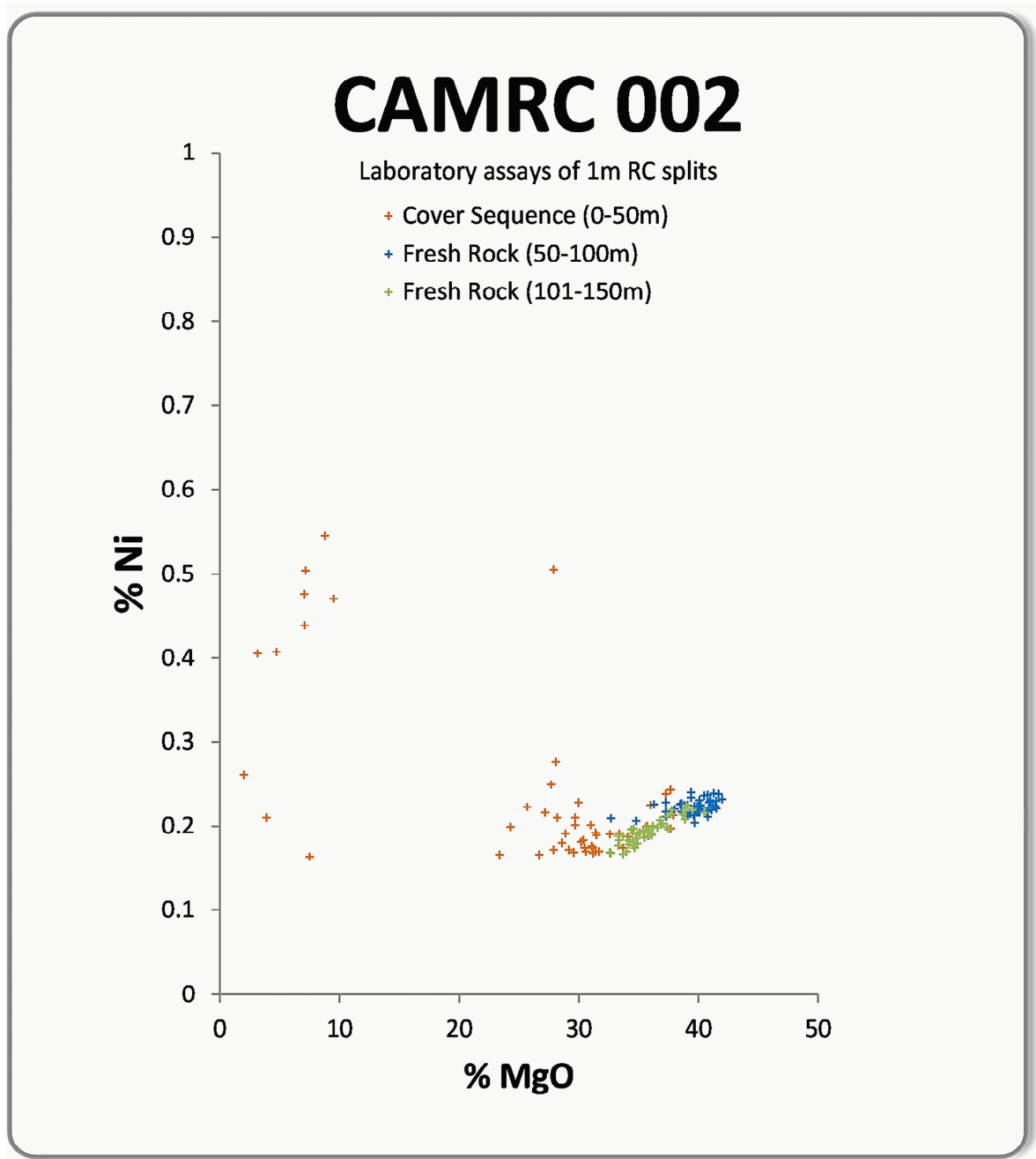


Figure 2 - The Ni versus MgO graph for CAMRC-002 shows the high MgO and elevated Ni contents in the fresh rock component of the drill hole.

**2013 Drilling Programme**

St George Mining is currently finalising the 2013 drilling programme for its 100% owned prospects. The drilling will focus on high priority targets at the Cambridge Nickel Prospect along with other targets on the Company’s 100% owned nickel tenements.

Drilling is planned to commence in late April/early May 2013. A drill rig for the 2013 drilling campaign has been secured and a review of site conditions will be conducted next week. Further details of the 2013 drilling programme will be announced shortly.

## Technical Details – XRF Analysis

References to XRF results relate to analysis using an Olympus Innov-X Spectrum Analyser. This portable device provides immediate analysis of modal mineralogy of drill samples. The device is unable to reliably detect gold in samples but is useful in determining the geochemistry character of the geological features encountered in drilling. It is considered to be more reliable for base metal assessment.

Results from XRF analysis are stated as indicative only, and are preliminary to subsequent confirmation by geochemical analysis at SGS Laboratories. There are variables in the field that can affect the accuracy of the XRF readings and formal laboratory assays are required to confirm the mineralogy of drill samples.

The geological logging of drill samples from the 2012 RC drilling programme included a detailed XRF analysis of the samples using the Olympus Innov-X Spectrum Analyser. Drill samples were taken in 1 metre intervals from each of the completed RC holes. The XRF values were found to have a strong correlation with the assay results provided by SGS Laboratories. Details of significant mineralised intersections are contained in Table 1.

Hole ID	Northing	Easting	Dip (deg)	Azimuth (deg)	Total Depth (m)	Cut off (Ni %)	From (m)	To (m)	Width (m)	Ni (%)
CAMRC 001	6 746 830	518 380	-60	235	168	>0.15	8	168	160	0.25
including						>0.80	12	14	2	0.84
						>0.50	9	18	9	0.61
						>0.20	8	69	61	0.35
						>0.20	94	110	6	0.21
CAMRC 002	6 746 405	520 500	-60	55	150	>0.15	0	150	150	0.22
including						>0.50	5	6	1	0.55
						>0.40	5	11	6	0.49
						>0.20	1	19	18	0.33
						>0.20	45	108	63	0.22
DDNRC-002	6 742 718	523 717	-60	59	246	>0.18	53	60	7	0.54
including						>1.00	55	57	2	1.08

Table 1 – Details of significant intersections in CAMRC-001, CAMRC-002 and DDNRC-002 based on laboratory assays

### For further information, please contact:

#### John Prineas

Executive Chairman

St George Mining Limited

(+61) 411 421 253

[John.prineas@stgm.com.au](mailto:John.prineas@stgm.com.au)

[www.stgeorgemining.com.au](http://www.stgeorgemining.com.au)

#### Colin Hay

Professional Public Relations

(+61) 08 9388 0944 mob 0404 683 355

[colin.hay@ppr.com.au](mailto:colin.hay@ppr.com.au)

### COMPETENT PERSON STATEMENT:

The information in this announcement that relates to Exploration Results and Mineral Resources is based on information compiled by Mr Tim Hronsky who is a member of the Australasian Institute of Mining and Metallurgy and 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 Hronsky 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 Hronsky consents to the inclusion of information in this announcement in the form and context in which it appears.

**St George Mining Limited** ACN 139 308 973

Level 1, 115 Cambridge Street, PO Box 1305, West Leederville WA 6007

Phone + 61 8 9322 6600 Facsimile + 61 8 9322 6610