

30 January 2014

**QUARTERLY ACTIVITIES REPORT
FOR THE PERIOD ENDED 31 DECEMBER 2013**

HIGHLIGHTS

- **Moving loop electromagnetic (MLEM) survey commenced on Stella Range Belt**
- **Multiple strong EM anomalies identified with modelling underway**
- **Test drilling commenced at Desert Dragon with 3 diamond core holes completed**
- **Down hole electromagnetic (DHEM) surveys at Desert Dragon identify strong conductors**
- **Successful capital raising boosts cash reserves**

St George Mining Limited (ASX:SGQ) (“St George Mining”) is pleased to present its Quarterly Activities Report for the period ended 31 December 2013.

EAST LAVERTON PROPERTY

EM Programme Commenced

St George Mining has identified a number of high priority nickel targets over the three extensive ultramafic belts at the East Laverton Property, including the highly prospective Stella Range Belt where magmatic nickel sulphides have already been intersected by recent drilling.

A property-wide ground EM programme has been planned to test these high priority nickel targets, with the MLEM survey at the Stella Range Belt being the first phase of this EM programme.

Figure 1 illustrates the areas on the Stella Range Belt that will be covered by the first phase of the MLEM survey.

Prior to the Christmas recess, a total of 643 EM stations had been read so far in this MLEM survey, creating 61,000 line metres of coverage.

The MLEM survey has identified a number of strong EM anomalies with initial analysis suggesting they are consistent with bedrock conductors and are permissive of potential massive sulphide nickel mineralisation.

Interpretation and modelling of the survey data is ongoing to allow for the design of drill holes to test the EM targets for massive sulphide nickel mineralization.

Desert Dragon – Diamond Core Drilling

Test drilling of the Desert Dragon prospect commenced during the quarter, with three diamond core drill holes completed for a total of 968 metres drilled.

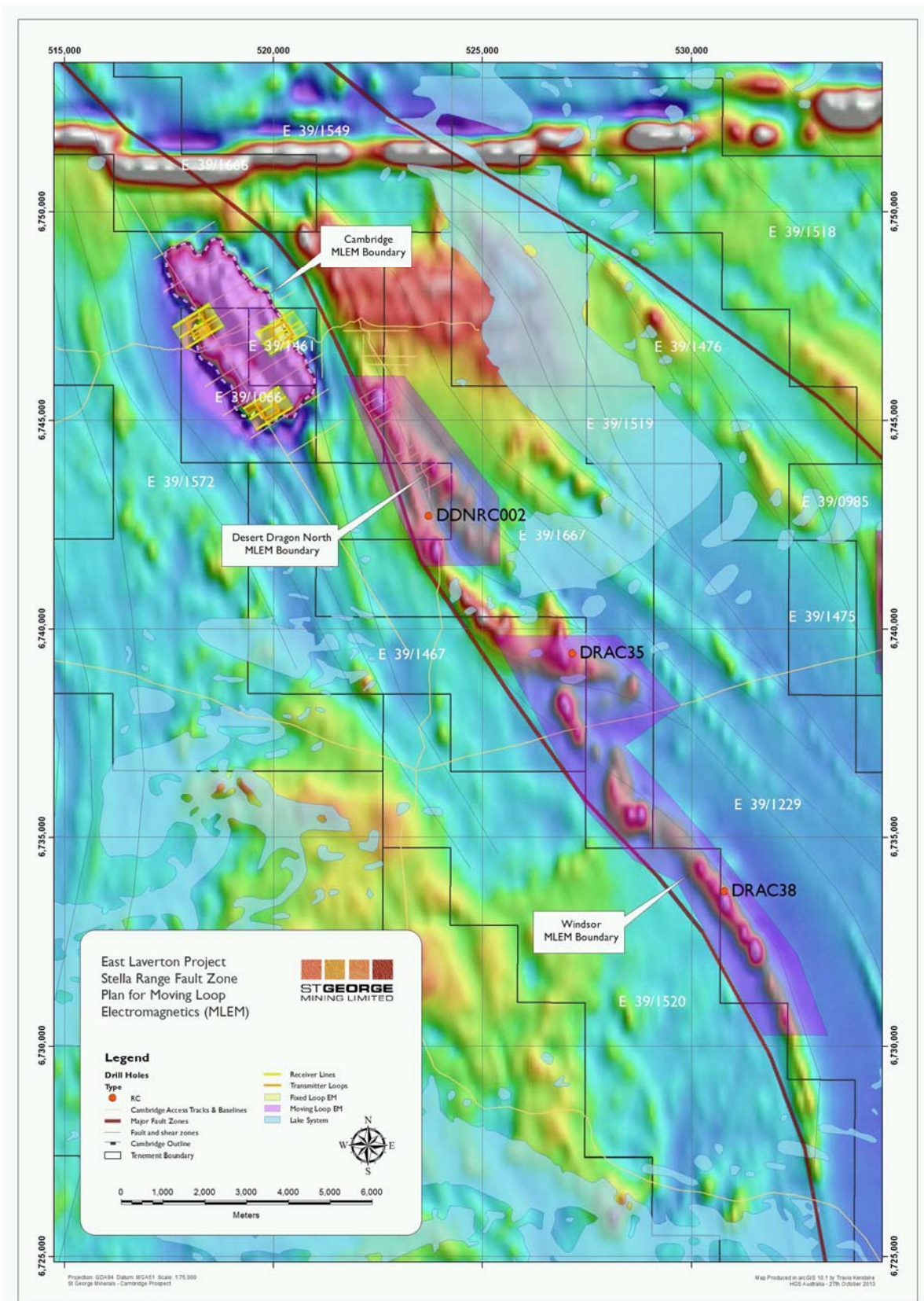


Figure 1 – this map illustrates the areas on the Stella Range Belt being covered by the MLEM survey currently underway

Initial geological logging of the drill core at site indicates that all three of the drill holes have intersected komatiite ultramafics, the rocks that typically host high grade nickel sulphide mineralisation. In particular, drill holes DDD001 and DDD002 have intersected multiple, thick ultramafic units.

The core was cut and sampled earlier this month by SGS Laboratories in Kalgoorlie. Assaying is now being completed at SGS Laboratories in Perth, with assay results expected to be available in early February 2014.

A preliminary assessment of the drill core and associated alteration assemblage suggests that drilling has identified a favourable geological setting for the presence of massive sulphide nickel mineralisation.



Figure 2 - Trays 36, 37 and 38 for DDD002 contain core from 217.5m to 231.3m. This is a thick ultramafic unit with an alteration assemblage of talc, chlorite, carbonate and magnetite. Laboratory assays will provide an accurate assessment of the nickel content of this interval.

Desert Dragon – DHEM Survey

DHEM surveys were completed of all three holes at Desert Dragon and have identified strong EM anomalies in the range 130m to 140m.

The interpretation and modelling of the DHEM anomalies will be completed, and new drill holes designed, once assay results for the completed holes are received.

LAKE MINIGWAL PROJECT

The Lake Minigwal Project is prospective for gold and nickel sulphides, and is situated over two tenements that are to the south-east of the East Laverton Property.

The Lake Minigwal Project is interpreted to be on the same north-east trend that hosts the Mulga Tank Nickel Project of Impact Minerals Ltd (ASX: IPT) to the south.

No field work was completed at the Lake Minigwal Project during the quarter.

PINE CREEK PROPERTY

No field work was carried out during the quarter.

CORPORATE ACTIVITIES

On 6 December 2013, the Company completed a placement of ordinary shares to sophisticated investors to raise a total of \$825,000 through the issue of 7,500,000 shares at \$0.11 each.

Following the placement, the Company had 79,481,000 ordinary shares on issue.

For further information, please contact:

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St George Mining Limited

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JORC 2012:

The information is extracted from the reports entitled '20 December 2013 Drilling of First Nickel Target Completed' and '20 December 2013 St George Identifies Strong EM Anomalies for Nickel Drilling' which are available to view on www.stgm.com.au. The Company confirms that it is not aware of any new information or data that materially affects the information included in the original market announcements, and that all material assumptions and technical parameters underpinning the announcements continue to apply and have not materially changed. The Company confirms that the form and context in which the Competent Person's findings are presented have not been materially modified from the original market announcements.

TENEMENT INFORMATION AS REQUIRED BY LISTING RULE 5.3.3

No tenements, in part or whole, were relinquished, surrendered or otherwise divested during the quarterly period ended 31 December 2013.

Tenement ID	Registered Holder	Location	Ownership (%)	Change in Quarter
E39/0981	Desert Fox Resources Pty Ltd	East Laverton Property	100	N/A
E39/0982	Desert Fox Resources Pty Ltd	East Laverton Property	100	N/A
E39/0985	Desert Fox Resources Pty Ltd	East Laverton Property	100	N/A
E39/1064	Desert Fox Resources Pty Ltd	East Laverton Property	100	N/A
E39/1066	Desert Fox Resources Pty Ltd	East Laverton Property	100	N/A
E39/1229	Desert Fox Resources Pty Ltd	East Laverton Property	100	N/A
E39/1461	Desert Fox Resources Pty Ltd	East Laverton Property	100	N/A
E39/1472	Desert Fox Resources Pty Ltd	East Laverton Property	100	N/A
E39/1473	Desert Fox Resources Pty Ltd	East Laverton Property	100	N/A
E39/1474	Desert Fox Resources Pty Ltd	East Laverton Property	100	N/A
E39/1475	Desert Fox Resources Pty Ltd	East Laverton Property	100	N/A
E39/1476	Desert Fox Resources Pty Ltd	East Laverton Property	100	N/A
E39/1467	Desert Fox Resources Pty Ltd	East Laverton Property	100	N/A
E39/1492	Desert Fox Resources Pty Ltd	East Laverton Property	100	N/A
E39/1518	Desert Fox Resources Pty Ltd	East Laverton Property	100	N/A
E39/1519	Desert Fox Resources Pty Ltd	East Laverton Property	100	N/A
E39/1520	Desert Fox Resources Pty Ltd	East Laverton Property	100	N/A
E39/1521	Desert Fox Resources Pty Ltd	East Laverton Property	100	N/A
E39/1549	Desert Fox Resources Pty Ltd	East Laverton Property	100	N/A
E39/1565	Desert Fox Resources Pty Ltd	East Laverton Property	100	N/A
E39/1572	Desert Fox Resources Pty Ltd	East Laverton Property	100	N/A
E39/1601	Desert Fox Resources Pty Ltd	East Laverton Property	100	N/A
E39/1608	Desert Fox Resources Pty Ltd	East Laverton Property	100	N/A
E39/1655	Desert Fox Resources Pty Ltd	East Laverton Property	100	N/A

E39/1666	Desert Fox Resources Pty Ltd	East Laverton Property	100	N/A
E39/1667	Desert Fox Resources Pty Ltd	East Laverton Property	100	N/A
E39/1722	Desert Fox Resources Pty Ltd	East Laverton Property	100	N/A
E39/1677	St George Mining Limited	Lake Minigwal Project	100	N/A
E39/1678	St George Mining Limited	Lake Minigwal Project	100	N/A
EL 27732	Geotech International Pty Ltd & James Stewart	Pine Creek Property	80	N/A
EL 28016	Blue Thunder Resources Pty Ltd	Pine Creek Property	80	N/A
EL 28017	Blue Thunder Resources Pty Ltd	Pine Creek Property	80	N/A
EL 28232	Blue Thunder Resources Pty Ltd	Pine Creek Property	80	N/A
EL 28463	Blue Thunder Resources Pty Ltd	Pine Creek Property	80	N/A

N.B. Background on the Pine Creek Property

1. EL 27732 at the Pine Creek Property is currently registered in the names of Geotech International Pty Ltd and James Stewart (50% each). St George Mining Limited has an option to acquire an 80% interest in that tenement. That option has not been exercised.
2. All other tenements at the Pine Creek Property are registered solely in the name of Blue Thunder Resources Pty Ltd, a wholly owned subsidiary of St George Mining Limited. Geotech International Pty Ltd and James Stewart have a 20% beneficial interest in each of these tenements.

Appendix 5B

Mining exploration entity and oil and gas 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, 01/05/2013

Name of entity

St George Mining Limited

ABN

21 139 308 973

Quarter ended ("current quarter")

31 December 2013

Consolidated statement of cash flows

	Current quarter \$A'000	Year to date (6 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	(863)	(957)
(b) development	-	-
(c) production	-	-
(d) administration	(254)	(365)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	4	10
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Other - GST	(14)	28
Other – Reimbursements	270	286
Other – R&D Tax Incentive	596	596
	(261)	(402)
Net Operating Cash Flows		
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		

+ See chapter 19 for defined terms.

Appendix 5B

Mining exploration entity and oil and gas exploration entity quarterly report

1.13	Total operating and investing cash flows (brought forward)	(261)	(402)
	Cash flows related to financing activities		
1.14	Proceeds from issues of shares, options, etc.	825	825
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 – Capital Raising Costs	(25)	(25)
	Net financing cash flows	800	800
	Net increase (decrease) in cash held	539	398
1.20	Cash at beginning of quarter/year to date	736	877
1.21	Exchange rate adjustments to item 1.20		
1.22	Cash at end of quarter	1,275	1,275

Payments to directors of the entity, associates of the directors, 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	119
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, corporate secretarial and general administrative services	14

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	-	-
3.2 Credit standby arrangements	-	-

Estimated cash outflows for next quarter

	\$A'000
4.1 Exploration and evaluation	325
4.2 Development	-
4.3 Production	-
4.4 Administration	150
Total	475

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	16	31
5.2 Deposits at call	259	705
5.3 Bank overdraft	-	-
5.4 Other – Term Deposit	1,000	-
Total: cash at end of quarter (item 1.22)	1,275	736

+ See chapter 19 for defined terms.

Appendix 5B

Mining exploration entity and oil and gas exploration entity quarterly report

Changes in interests in mining tenements and petroleum tenements

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

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	100	-	-	-
7.2				
7.3	79,481,000	79,481,000	-	-
7.4				
7.5	-	-	-	-

+ See chapter 19 for defined terms.

Appendix 5B

Mining exploration entity and oil and gas exploration entity quarterly report

7.6	Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted	-	-	-	-
7.7	Options (description and conversion factor)	48,508,000	48,508,000	<i>Exercise price</i> 0.20	<i>Expiry date</i> 28 November 2014
		650,000	-	0.25	28 November 2014
		900,000	-	0.40	28 November 2015
7.8	Issued during quarter	200,000	-	-	28 November 2014
		300,000	-	-	28 November 2015
7.9	Exercised during quarter	-	-	-	-
7.10	Expired during quarter	450,000	-	0.20	28 November 2013
7.11	Debentures (totals only)	-	-		
7.12	Unsecured notes (totals only)	-	-		

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 January 2014

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.

+ See chapter 19 for defined terms.

Appendix 5B
Mining exploration entity and oil and gas exploration entity quarterly report

- 2 The “Nature of interest” (items 6.1 and 6.2) includes options in respect of interests in mining tenements and petroleum 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 or petroleum 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.