



STGEORGE
MINING LIMITED



HALF YEARLY REPORT | 2010

THIS INTERIM FINANCIAL REPORT DOES NOT INCLUDE ALL THE NOTES OF THE TYPE NORMALLY INCLUDED IN AN ANNUAL FINANCIAL REPORT. ACCORDINGLY, THIS REPORT IS TO BE READ IN CONJUNCTION WITH THE ANNUAL REPORT FOR THE YEAR ENDED 30 JUNE 2010 AND ANY PUBLIC ANNOUNCEMENTS MADE BY ST GEORGE MINING LIMITED DURING THE INTERIM REPORTING PERIOD IN ACCORDANCE WITH THE CONTINUOUS DISCLOSURE REQUIREMENTS OF THE *CORPORATIONS ACT 2001*.

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DIRECTORS' REPORT

Your Directors submit their report on St George Mining Limited for the half-year ended 31 December 2010.

DIRECTORS

The names of the directors who held office during or since the end of the half-year are:

John Prineas B.EC, LL.B F FIN – Executive Chairman

Timothy Hronsky B.ENG (Geology) MAUSIMM, MSEG – Executive Director

Marcus Michael B.BUS, CA – Non-Executive Director and Company Secretary

REVIEW AND RESULTS OF OPERATIONS

A summary of revenues and results for the half-year is set out below:

	2010	
	Revenues	Results
	\$	\$
Revenues and (Loss)	12,102	(1,728,687)

During the six months period the exploration and evaluation expenditure was \$1,501,997. In accordance with the Group's accounting policy these costs were written off. Net administration costs were \$238,792, resulting in a total loss for the six months of \$1,728,687.

JULY - DECEMBER 2010 REVIEW OF OPERATIONS

St George Mining has secured exploration projects in two richly mineralised areas of Australia. These are:

1. The East Laverton Property, which is located in the North East Goldfields of Western Australia; and
2. The Pine Creek Property, which is located in the Pine Creek Orogen in the Northern Territory.

Exploration activities at these projects are ongoing.

1. EAST LAVERTON PROPERTY

Overview

St George Mining has 100% ownership of a tenement package covering a contiguous area of 1,810 sq km in the eastern edge of the North East Goldfields of Western Australia (the “East Laverton Property”), an area that the Company believes has the potential to become a major new mineral province.

This represents a dominant landholding in an area that contains the southern extension of the nickel-rich Duketon Belt and is also in proximity to the Tropicana gold deposit (5+ MozAu) (see Figure 1).

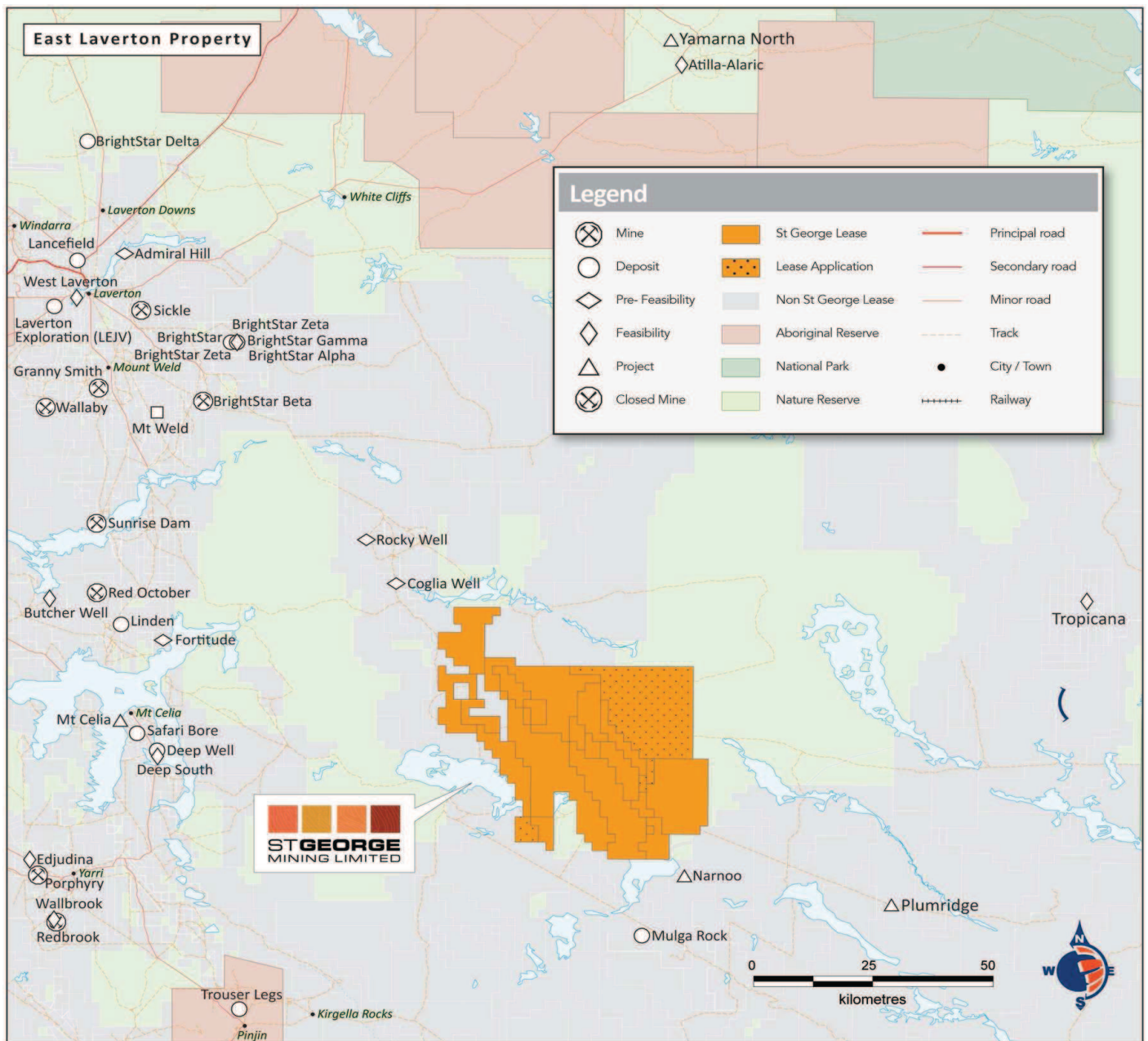


Figure 1 – Location of the East Laverton Property.

The East Laverton Property captures a complex area with numerous gold and nickel targets. It is centered on the regional Minigwal and Stella Range Faults which are cross-cut by a fundamental North East-South West tensional fault system, informally known as the “Tropicana Trend”. This major structural confluence creates an optimal trap-site for localising gold mineralisation (see Figure 2).

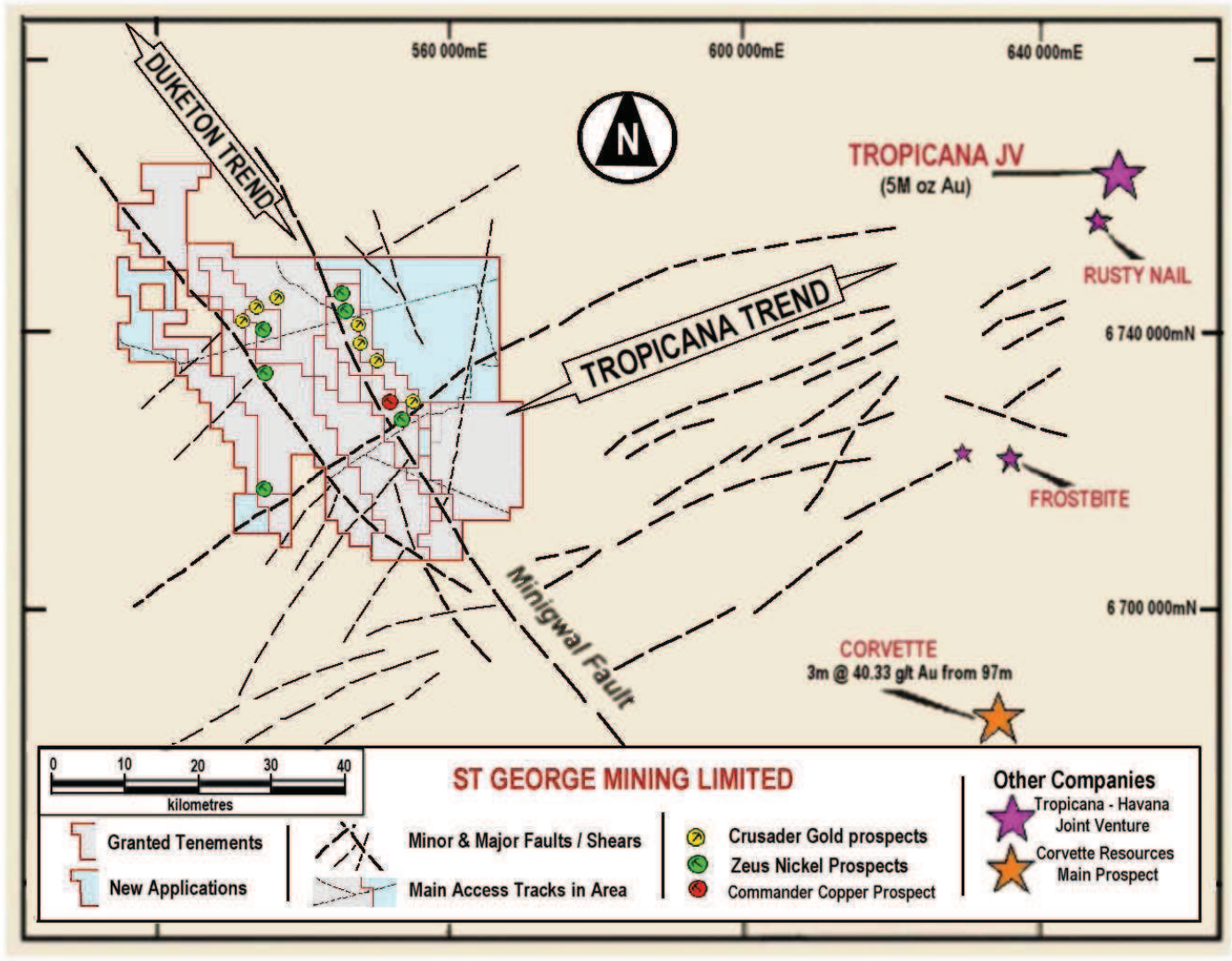


Figure 2 – Regional Structures at the East Laverton Property.

The Group’s tenements host the Crusader Gold Project, the Zeus Nickel Project and the Empire Copper Project. Each Project provides multiple opportunities for the discovery of a significant economic mineral deposit.

East Laverton Exploration Activities

In June 2010, the Company commenced a regional multi-element MMI (“mobile metal ion”) soil geochemical survey over the East Laverton Property. MMI (partial leach) soil geochemistry is a technology that mitigates the shortcomings of conventional (pedogenic) geochemistry in covered and deeply weathered areas such as East Laverton.

The purpose of this survey is to provide a holistic assessment of the larger potential of the East Laverton Property at the regional scale and provide a better context for understanding the current prospects.

The survey to date has been successful in identifying known gold and nickel prospects, and in identifying new targets. Infill sampling of high priority areas that contain a combination of known prospects and exciting new targets has also been completed. The infill program has assisted in the selection of drill sites.

In November 2010, the Company commenced a 3,600m reverse-circulation (RC) drilling programme of certain gold targets. Prior to commencement of the wet season, 1,925m had been completed. Assay results in regard to the drilling that was completed are inconclusive in confirming the presence of significant gold mineralisation in the target areas.

Ongoing heavy cyclonic rain in the Laverton region, currently associated with Cyclone Dianne, has restricted access to the East Laverton Property. It is unclear when the drill rigs and other heavy support equipment will be able to safely access the East Laverton Property to re-commence the drilling programme. The Company will continue to assess the situation with a view to re-commencing exploration activities subject to weather and access requirements during the coming months.

St George Mining is constructively using this break in the drilling programme to review regional and infill geochemical sample results from the MMI survey that was recently completed. The next stage of the drilling campaign will include the newly discovered high priority gold targets.

East Laverton Tenements

As at the time of the issue of the Prospectus on 18 August 2010, the Company owned 100% of 19 tenements at the East Laverton Property. Of these, 16 were granted Exploration Licences and 3 were applications for Exploration Licences.

The 3 applications have now been granted – E39/1549, E39/1565 and E39/1572.

The Company has applied for an additional 2 Exploration Licences at East Laverton under the tenement numbers E39/1601 and E39/1608.

2. PINE CREEK PROPERTY

Overview

In the Northern Territory, the Company has entered into an option to acquire an 80% interest in a tenement area that is highly prospective for gold and uranium. The ground hosts the Blue Thunder Gold Project and the White Strike Uranium Project.

Diamond drilling carried out by a previous explorer at the Blue Thunder Gold Project has identified an extensive gold system which the Company believes is prospective for a major gold deposit. The Company has applied for an additional six exploration licences, held 80% by St George Mining, and when granted these will increase the total project area at the Pine Creek Property to 1,253.50 sq km. Two of these applications were granted in November 2010.

Figure 3 below shows the location of the Company's tenements ("Pine Creek Property"), and highlights their close proximity to other major projects including the Hayes Creek Project (uranium) of Thundelarra Exploration Limited (ASX: THX), the Quantum Prospect (uranium and rare earths) of Territory Uranium Limited (ASX: TUC) and the Cosmo Howley Mine (2+Moz gold) of Crocodile Gold Corp (TSX: CRK).

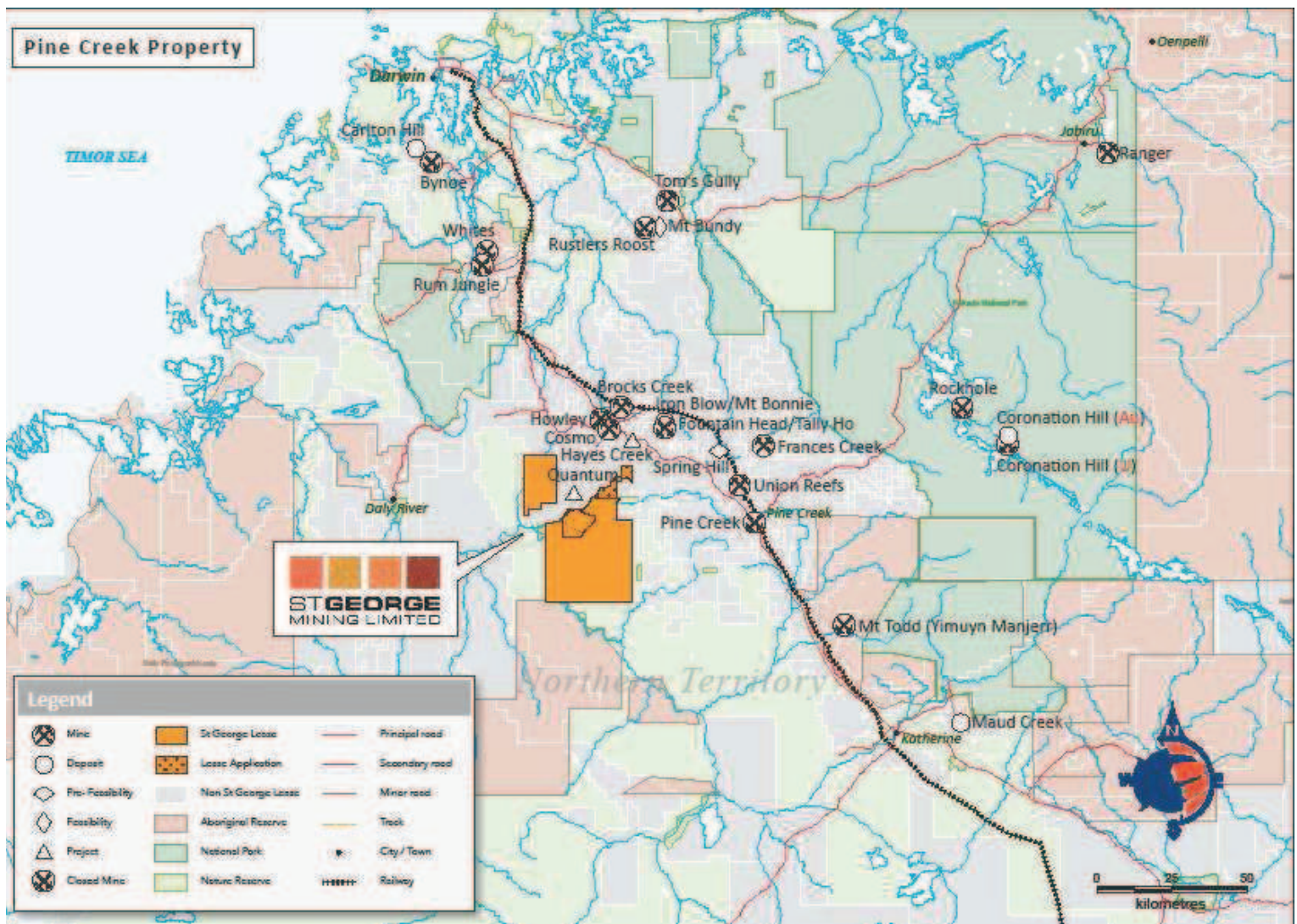


Figure 3 – Location of the Pine Creek Property.

Pine Creek Exploration Activities

Diamond drilling previously carried out by Homestake Gold of Australia Limited (“HGAL”) intersected sulphide-rich gold mineralisation within the extensive and highly mineralised Koolpin Formation at the Pine Creek Property. Subsequent to this drilling, HGAL conducted a MMI geochemical orientation survey which successfully confirmed a surface gold-cobalt soil anomaly over the previously intersected mineralisation.

The Company will use MMI geochemistry at the Pine Creek Property as an inexpensive and effective means to test the potential of the broader lease area for extensions and repetitions of the known mineralisation. This MMI survey is scheduled to commence in Q2 2011.

A follow-up drill program for the Pine Creek Property is scheduled to be carried out in Q2 and Q3 2011. The Company will utilize the data from the previous HGAL drill intersections, together with the available geochemical geophysical data, to model priority areas for a planned drilling campaign.

Pine Creek Tenements

In respect of the Pine Creek Property, the Company owned an interest in 3 tenement applications at the time of the issue of the Prospectus on 18 August 2010. Each of these applications for Exploration Licences was granted in November 2010.

The Company has applied for a further four Exploration Licences adjacent to or nearby the granted tenements. The application numbers are ELA's 28232, 28332, 28463 and 28465. The Company expects these applications to be granted during 2011.

CAPITAL RAISING

St George Mining launched its IPO with a Prospectus dated 18 August 2010 for the issue of 20,000,000 shares at 20 cents per share.

The IPO closed on 11 October 2010, oversubscribed, with the Company successfully raising A\$4 million.

St George Mining completed a listing on the Australian Securities Exchange and commenced trading under the code **SGQ** on 16 November 2010. There was no further capital raising for the half-year ended 31 December 2010.

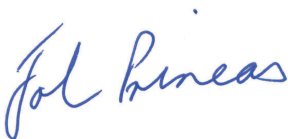
COMPETENT PERSONS STATEMENT

The information in this Report that relates to exploration results and mineral resources is based on information compiled by Tim Hronsky. Mr Hronsky 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 report of the matters based on the information in the form and context in which it appears.

AUDITOR'S INDEPENDENCE DECLARATION

A copy of the auditor's independence declaration as required under section 307C of the *Corporations Act 2001* is set out on page 9.

This report is made in accordance with a resolution of directors.



John Prineas

Executive Chairman

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Stantons International Audit and Consulting Pty Ltd
(ABN 84 144 581 519) trading as

Stantons International
Chartered Accountants and Consultants

28 February 2011

Board of Directors
St George Mining Limited
Level 1
115 Cambridge Street
WEST LEEDERVILLE WA 6007

Dear Sirs

RE: ST GEORGE MINING LIMITED

In accordance with section 307C of the Corporations Act 2001, I am pleased to provide the following declaration of independence to the directors of St George Mining Limited.

As Audit Director for the review of the financial statements of St George Mining Limited for the period ended 31 December 2010, I declare that to the best of my knowledge and belief, there have been no contraventions of:

- (i) the auditor independence requirements of the Corporations Act 2001 in relation to the review; and
- (ii) any applicable code of professional conduct in relation to the review.

Yours sincerely

STANTONS INTERNATIONAL AUDIT AND CONSULTING PTY LIMITED
(Trading as Stantons International)
(An Authorised Audit Company)



JP Van Dieren
Director

**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR HALF-YEAR ENDED 31 DECEMBER 2010**

Australian Dollar (\$)	31 DECEMBER 2010	19 OCTOBER 2009 TO 30 JUNE 2010
REVENUE FROM CONTINUING OPERATIONS	12,102	-
EXPENDITURE		
Administration expenses	(238,792)	(103,708)
Exploration expenditure written off	(1,501,997)	(218,779)
LOSS BEFORE INCOME TAX	(1,728,687)	(322,487)
Income tax benefit / (expense)	-	-
LOSS AFTER INCOME TAX	(1,728,687)	(322,487)
Other Comprehensive Income	-	-
COMPREHENSIVE INCOME (LOSS) FOR THE PERIOD	(1,728,687)	(322,487)
LOSS AFTER INCOME TAX ATTRIBUTABLE TO MEMBERS OF THE COMPANY	(1,728,687)	(322,487)
COMPREHENSIVE INCOME (LOSS) FOR THE PERIOD ATTRIBUTABLE TO MEMEBERS OF THE PARENT ENTITY	(1,728,687)	(322,487)
EARNINGS PER SHARE		
Basic and diluted loss per share (cents)	(4.61)	(1.4)

The above consolidated statement of comprehensive income should be
read in conjunction with the accompanying notes

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2010**

Australian Dollar (\$)	NOTES	31 DECEMBER 2010	30 JUNE 2010
CURRENT ASSETS			
Cash and cash equivalents		2,310,201	382,841
Trade and other receivables		97,088	16,133
Other assets		7,640	108,513
TOTAL CURRENT ASSETS		2,414,929	507,487
NON-CURRENT ASSETS			
Exploration and evaluation expenditure		436,403	385,111
TOTAL NON-CURRENT ASSETS		436,403	385,111
TOTAL ASSETS		2,851,332	892,598
CURRENT LIABILITIES			
Trade and other payables		404,871	188,204
Other current liabilities		-	230,000
TOTAL CURRENT LIABILITIES		404,871	418,204
TOTAL LIABILITIES		404,871	418,204
NET ASSETS		2,446,461	474,394
EQUITY			
Contributed equity	3	4,447,795	796,881
Share option reserve		49,840	-
Accumulated losses		(2,051,174)	(322,487)
TOTAL EQUITY		2,446,461	474,394

The above consolidated statement of financial position should be read in conjunction with the accompanying notes

FINANCIAL REPORT FOR THE HALF YEAR ENDED 31 DECEMBER 2010

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE HALF-YEAR ENDED 31 DECEMBER 2010**

Australian Dollar (\$)	Share Capital	Accumulated Losses	Share Option Reserve	Total Equity
Balance at 19 October 2009	-	-	-	-
Profit (loss) for the period	-	(322,487)	-	(322,487)
Other comprehensive income	-	-	-	-
Total comprehensive income (loss) for the period	-	(322,487)	-	(322,487)
Shares issued during the period	825,001	-	-	825,001
Shares issue expenses	(28,120)	-	-	(28,120)
Balance at 30 June 2010	796,881	(322,487)	-	474,394
Balance at 1 July 2010	796,881	(322,487)	-	474,394
Profit (loss) for the period	-	(1,728,687)	-	(1,728,687)
Other comprehensive income	-	-	-	-
Total comprehensive income (loss) for the period	-	(1,728,687)	-	(1,728,687)
Shares and options issued during the period	4,000,000	-	49,840	4,049,840
Share and option issue expenses	(349,086)	-	-	(349,086)
Balance at 31 December 2010	4,447,795	(2,051,174)	49,840	2,446,461

The above consolidated statement of changes in equity should be read in conjunction with the accompanying notes

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR
THE HALF YEAR ENDED 31 DECEMBER 2010

Australian Dollar (\$)	31 DECEMBER 2010	19 OCTOBER 2009 TO 30 JUNE 2010
CASH FLOWS FROM OPERATING ACTIVITIES		
Expenditure on mining interests	(1,257,692)	(155,678)
Payments to suppliers and employees	(235,952)	(17,823)
Interest received	807	-
Other – GST	(76,238)	(10,041)
Net cash outflow from operating activities	(1,569,075)	(183,542)
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of tenements	-	(385,111)
Net cash outflow from investing activities	-	(385,111)
CASH FLOWS FROM FINANCING ACTIVITIES		
Issue of shares and options net of capital raising costs	3,726,435	721,494
Repayment of borrowings	(230,000)	230,000
Net cash inflow from financing activities	3,496,435	951,494
Net increase in cash and cash equivalents	1,927,360	382,841
Cash and cash equivalents at the beginning of the half-year	382,841	-
CASH AND CASH EQUIVALENTS AT THE END OF THE HALF-YEAR	2,310,201	382,841

The above consolidated statement of cash flows should be read
in conjunction with the accompanying notes

CONDENSED NOTES TO THE FINANCIAL STATEMENTS**NOTE 1: BASIS OF PREPARATION OF THE HALF-YEAR FINANCIAL REPORT**

The half-year financial statements are a general purpose financial report prepared in accordance with the requirements of the *Corporations Act 2001*, Australian Accounting Standards including AASB 134: Interim Financial Reporting. Compliance with Australian Accounting Standard ensures that the financial statements and notes also comply with International Financial Reporting Standards.

The interim financial report is intended to provide users with an update on the latest annual financial statements of St George Mining Limited and its controlled entities (the Group). It is recommended that this financial report be read in conjunction with the annual financial statements of the Group for the year ended 30 June 2010, together with any public announcements made during the half-year.

The accounting policies and methods of computation adopted in the preparation of the half year financial report are consistent with those adopted and disclosed in the Group's 2010 annual financial report for the financial year ended 30 June 2010, except for the impact of the Standards and Interpretations described below. These accounting policies are consistent with Australian Accounting Standards and with International Financial Reporting Standards.

The Group has adopted all of the new and revised Standards and Interpretations issued by the Australian Accounting Standards Board (the AASB) that are relevant to their operations and effective for the current reporting period.

New and revised Standards and amendments thereof and Interpretations effective for the current reporting period that are relevant to the Group include:

- Amendments to AASB 5, 8, 101, 107, 117, 118, 136 and 139 as a consequence of AASB 2009-5 Further Amendments to Australian Accounting Standards arising from the Annual Improvements Project.

AASB 2009-5 introduces amendments into Accounting Standards that are equivalent to those made by the IASB under its program of annual improvements to its standards. A number of the amendments are largely technical, clarifying particular terms, or eliminating unintended consequences. Other changes are more substantial, such as the classification of expenditures on unrecognised assets in the statement of cash flows.

The adoption of these amendments has not resulted in any changes to the Group's accounting policies and has no effect on the amounts reported for the current or prior periods

Reporting Basis and Conventions

The half-year report has been prepared on an accruals basis and is based on historical costs.

The half-year report does not include full disclosures of the type normally included in an annual financial report.

Principles of Consolidation

The consolidated financial statements incorporate assets, liabilities and results of entities controlled by St George Mining Limited at the end of the reporting period. A controlled entity is any entity over which St George Mining Limited has the power to govern the financial and operating policies so as to obtain the benefits from the entity's activities. Control will generally exist when the parent owns, directly or indirectly through subsidiaries, more than half of the voting power of an entity. In assessing the power to govern, the existence and effect of holdings of actual and potential voting rights are also considered.

When controlled entities have entered or left the Group during the year, the financial performance of those entities are included only for period of year that they were controlled. A list of controlled entities is contained in note 7 to the financial statements.

In preparing the consolidated financial statements, all inter-group balances and transactions between entities in the consolidated group have been eliminated on consolidation. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with those adopted by the parent entity.

Non-controlling interests, being the equity in a subsidiary not attributable, directly or indirectly, to a parent, are shown separately within the Equity section of the consolidated Statement of Financial Position and Statement of Comprehensive Income. The non-controlling interests in the net assets comprise their interests at the date of the original business combination and their share of changes in equity since that date.

NOTE 2: SEGMENT INFORMATION

The Group operates in predominantly one business and geographical segment, being mineral exploration in Australia.

NOTE 3: ISSUED CAPITAL

Australian Dollar (\$)	31 DECEMBER 2010	30 JUNE 2010
(a) Issued and paid up capital		
At the beginning of the reporting period	796,881	-
Shares issued pursuant to capital risings	4,000,000	825,001
Transactions costs arising from issue of shares	(349,086)	(28,120)
At reporting date 52,500,000 (30 June 2010: 32,500,000) fully paid ordinary shares	4,447,795	796,881

	31 DECEMBER 2010	30 JUNE 2010
Movements in Ordinary Shares	Number	Number
At the beginning of reporting period	32,500,000	-
Share issued pursuant to capital raisings	20,000,000	32,500,000
Shares issued pursuant to exercise of options	-	-
Balance at 31 December 2010	<u>52,500,000</u>	<u>32,500,000</u>
Movements in Performance Shares	Number	Number
At the beginning of reporting period	100	-
Shares issued pursuant to capital raisings	-	100
Balance at 31 December 2010	<u>100</u>	<u>100</u>

There are 100 Performance Shares (convertible into a maximum of 10,000,000 Ordinary Shares) on issue at 31 December 2010, with the terms and conditions as set out in the St George Mining Limited 30 June 2010 Annual Report.

(b) Reserves

	31 DECEMBER 2010 \$	30 JUNE 2010 \$
Share options reserve	49,840	-
	<u>49,840</u>	<u>-</u>

The Option Agreement with Geotech International Pty Ltd and James Stewart requires 800,000 share options in St George Mining to be issued on the grant of the tenement, the tenement was granted on 25 November 2010. The 800,000 share options had been valued in the Company's prospectus at approximately \$49,840. At 31 December 2010 the options had not been issued.

NOTE 4: CONTINGENCIES

CONSOLIDATED	
31 DECEMBER 2010 \$	30 JUNE 2010 \$

Estimates of the potential financial effect of contingent liabilities that may become payable:

Contingent Liabilities

Option Agreement

The Company may exercise the option to acquire 80% of the Blue Ant Tenement by paying the Vendor \$500,000 in cash.

<u>500,000</u>	<u>-</u>
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CONSOLIDATED

31 DECEMBER	30 JUNE
2010	2010
\$	\$

In the Northern Territory, the Company has entered into an option to acquire an 80% interest in a tenement area that is prospective for gold and uranium.

500,000	-
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NOTE 5: SUBSEQUENT EVENTS

No matter or circumstance has arisen since 31 December 2010, which has significantly affected, or may significantly affect the operations of the Group, the result of those operations, or the state of affairs of the Group in subsequent financial years.

NOTE 6: ESTIMATES AND ASSUMPTIONS

The preparation of financial statements in conformity with AIFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are:

Future Rehabilitation

The Group measures the cost of future rehabilitation in relation to its tenements based on probable cost estimations at the date upon which tenements are altered from their original state. Fair values are determined using local data available. No rehabilitation provision is considered necessary at 31 December 2010.

NOTE 7: SUBSIDIARIES

The parent entity, St George Mining Limited, has 100% interest in Desert Fox Resources Pty Ltd and Blue Thunder Resources Pty Ltd. St George Mining is required to make all the financial and operating decisions of these subsidiaries.

Subsidiaries of St George Mining Limited	Country of Incorporation	Percentage Owned %	
		2010	2009
Desert Fox Resources Pty Ltd	Australia	100%	-
Blue Thunder Resources Pty Ltd	Australia	100%	-

NOTE 8: BORROWINGS

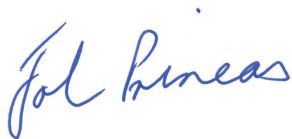
During the period the Company repaid borrowings of \$230,000 which were non-interest bearing.

DIRECTORS' DECLARATION

The directors of the Company declare that:

1. the financial statements and notes, as set out on pages 10 to 17 are in accordance with the Corporations Act 2001 and:
 - (a) comply with Accounting Standard AASB 134 Interim Financial Reporting and the Corporations Regulations 2001; and
 - (b) give a true and fair view of the financial position as at 31 December 2010 and of the performance for the 6 months ended on that date of the Group;
2. In the directors' opinion there are reasonable grounds to believe that the Group will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Board of Directors.



John Prineas
Executive Chairman
St George Mining Limited

Perth, 28 February 2011

INDEPENDENT AUDITOR'S REVIEW REPORT TO THE MEMBERS OF ST GEORGE MINING LIMITED

Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial report of St George Mining Limited, which comprises the condensed statement of financial position as at 31 December 2010, the condensed statement of comprehensive income, condensed statement of changes in equity, and condensed statement of cash flows for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration for St George Mining Limited (the consolidated entity). The consolidated entity comprises both St George Mining Limited (the company) and the entity it controlled during the half year.

Directors' Responsibility for the Half-Year Financial Report

The directors of St George Mining Limited are responsible for the preparation and fair presentation of the half-year financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Act 2001* and for such control as the directors determine is necessary to enable the preparation of the half-year financial report that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the consolidated entity's financial position as at 31 December 2010 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of St George Mining Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Whilst we considered the effectiveness of management's internal controls over financial reporting when determining the nature and extent of our procedures, our review was not designed to provide assurance on internal controls.

Our review did not involve an analysis of the prudence of business decisions made by the directors or management.

Independence


In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations Act 2001*, has been provided to the directors of St George Mining Limited on 28 February 2011.

Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of St George Mining Limited is not in accordance with the *Corporations Act 2001* including:

- (a) giving a true and fair view of the consolidated entity's financial position as at 31 December 2010 and of its performance for the half-year ended on that date; and
- (b) complying with Accounting Standards AASB 134 Interim Financial Reporting and Corporations Regulations 2001.

STANTONS INTERNATIONAL AUDIT AND CONSULTING PTY LIMITED
(Trading as Stantons International)
(An Authorised Audit Company)

Stantons International Audit and Consulting Pty Ltd


John P Van Dieren
Director

West Perth, Western Australia
28 February 2011



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