

ST GEORGE MINING LIMITED

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**John Prineas**  
Executive Chairman

**Tim Hronsky**  
Technical Director

**Marcus Michael**  
Non-Executive Director  
and Company Secretary

**East Laverton Property:**

- Gold
- Nickel
- Project Dragon (Nickel JV)

**Pine Creek Property:**

- Blue Thunder Gold Project
- White Strike Uranium Project

6 October 2011

## PINE CREEK – EXPLORATION UPDATE

### HIGHLIGHTS

- **Permit for diamond drilling at Pine Creek approved by Department of Resources**
- **Diamond drilling programme scheduled to start in early October 2011**
- **Analysis of historical drill core indicates core of gold system at Pine Creek remains to be tested**

### OVERVIEW

Australian gold and nickel focused explorer, St George Mining Limited (**ASX: SGQ**) (**'St George Mining'** or **'the Company'**) is pleased to confirm that the Department of Resources of the Northern Territory has approved the Company's Mine Management Plan for the proposed 2011 drilling programme at its Pine Creek Property in the Northern Territory.

Drill site preparation will commence in early October 2011 and will be followed by the diamond drilling programme.

Ahead of this drilling programme, St George Mining has conducted a comprehensive review of the historical drill core from the Pine Creek Property using the industry-leading CSIRO HyLogger technology. The findings of this review indicate significant exploration upside at the Pine Creek Property and support the Company's opinion of the potential for a large scale gold deposit at this project.

### The Pine Creek Property

The previous explorer at the Pine Creek Property, Homestake Gold of Australia Limited ("HGAL"), carried out a successful regional diamond drilling programme over a broad area of the Fenton Shear zone that included the current EL 27732, a tenement that now forms part of St George Mining's Pine Creek Property. HGAL was part of the Homestake Group; one of the largest global gold miners during the 1990's, which subsequently merged with Barrick Gold Corporation, presently the world's largest gold miner.

HGAL had noted the similarities between the geological setting, character and age of the mineralisation hosted by the Koolpin Formation at Pine Creek, and the profile of the giant Homestake Gold deposit (50+ Moz Au) in Lead, South Dakota. St George Mining also notes similarities in the age, setting and character of the mineralisation of the Homestake deposit and the giant Obuasi (40+ Moz Au) gold deposit in southern Ghana.

Carbon and sulphide-rich gold mineralisation was intersected by HGAL at the Pine Creek Property within the extensive and highly prospective Koolpin Formation, which also hosts the Cosmo Howley gold mine (2+ Moz Au) about 30 km to the northeast. The HGAL drill intersections are listed in Table 1.

HOLE ID	NORTHING	EASTING	DIP (degrees)	AZM (degrees)	DEPTH (m)	FROM (m)	TO (m)	WIDTH (m)	GRADE (g/t Au)
FEND 14	8472737	746928	-68	264	650	610	627	17	0.74
FEND 18	8471548	747190	-68	264	649	423	425	2	2.24
						431	433	2	4.89
					Inc.	431	432	1	8.68
						438	444	6	3.48
					Inc.	441	442	1	8.32
						463	464	1	1.81

*Table 1- Higher grade intersections of FEND 18 and FEND 14*

### CSIRO HyLogger

The two historical drill cores have now been analysed using the CSIRO HyLogger hyperspectral logging technology. This is industry leading technology developed by the CSIRO, using different light bands to identify the various minerals present and distinguish whether they are original to the rock, a result of metamorphism (i.e. heat and pressure changes) or are alteration minerals, potentially associated with gold mineralisation.

The HyLogger detects mineral occurrences and changes not discernible by the human eye. It takes readings at every 10 cm along the analysed drill core, providing a detailed and comprehensive record of mineralisation. This information can be correlated to alteration zoning that is known to exist in orogenic gold deposits, and can be used to identify the core of the gold system where the highest grades are anticipated.

The information produced by the HyLogger review allows for a better understanding of the gold system at the Pine Creek Property including, in particular, the relative position of FEND 14 and FEND 18 within the larger gold system.

**Tim Hronsky**, Technical Director of **St George Mining** said: “The findings of the HyLogger have helped us develop a greatly improved understanding of the mineral system at our Creek Property. The most significant insight was that in the high grade zones intersected in FEND 18, where visible gold had been detected by HGAL, the alteration was still “patchy” and not pervasive as would be expected. This suggests FEND 18 intersected gold mineralisation that is still proximal to the core of the main gold system, rather than in the core itself. It follows that St George may encounter larger and higher grade gold intersections in areas associated with more pervasive deformation, alteration and mineralisation, nearer the core of the system.”

## **2011 Drilling Programme at Pine Creek**

A diamond drilling programme will be conducted by St George Mining at the Pine Creek Property in October 2011. Drilling is scheduled to commence in early October 2011.

The purpose of the orientated diamond drilling programme will be to:

- Confirm the high grade intersections in FEND 18
- Gain a better understanding on the local orientation of the gold mineralisation
- Test for lateral and vertical extensions above and below the zone intersected by FEND 18

**John Prineas**, Executive Chairman of **St George Mining** said: “The previous diamond drilling by the Homestake group confirmed that there is a large gold system present at our Pine Creek Property. We are excited by the findings from the HyLogger review, which provide further confirmation of the exploration potential of our project, something we have always believed in.”

### **For further information, please contact:**

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### **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.