ASX / MEDIA RELEASE

29 July 2013

ST GEORGE MAKES MAJOR BREAKTHROUGH AT CAMBRIDGE NICKEL PROJECT

HIGHLIGHTS

- **Laboratory assays confirm significant intervals of anomalous nickel**
- **Strong intersections of secondary nickel enrichment encountered, including 19 m @ 0.56% Ni in CAMRC-010 (with peak of 1m @ 1.42% Ni)**
- **42 m @ 0.26 % Ni with MgO levels exceeding 40% MgO at the bottom of hole CAMRC-011, consistent with the top of a potentially mineralised olivine adcumulate zone**
- **Drilling data provides clearer structural understanding of Cambridge**
- **New interpretation of Cambridge as a folded and sheared ultramafic body with the same geological consistency as the remainder of the 60+ km fertile komatiite Stella Range Belt**
- **Significantly advances Cambridge as a highly prospective ultramafic zone with opportunities for high grade nickel sulphides**
- **Strong evidence of pathfinder elements in drilling provides new tool for selecting drilling targets**
- **New drill targets being generated for testing**

BREAKTHROUGH IN 2013 DRILLING PROGRAMME

St George Mining Limited (ASX: **SGQ**) ("St George Mining" or "the Company") is pleased to confirm a significant breakthrough in exploration at its 100% owned Cambridge Nickel Project, located at its East Laverton Property in the North Eastern Goldfields region of Western Australia.

The Cambridge Nickel Project is situated along the Stella Range ultramafic belt. Exploration drilling along this Belt in 2012 identified disseminated nickel sulphides, confirming for the first time the fertility of the high MgO komatiite sequences of the Stella Range. The East Laverton Property hosts over 60 km strike length of the Stella Range Belt, with about 30 km of the strike length within 100% St George Mining ground.

The first phase of the 2013 drilling campaign has provided new information that suggests Cambridge is a large structurally modified extrusive ultramafic body. The assay results show that the magnesium content within ultramafic areas of Cambridge is very high (>35% MgO).

This implies that the ultramafic areas at Cambridge are geologically consistent with the remainder of the Stella Range komatiites and that all ultramafic rocks along the Stella Range Belt – including Cambridge areas - are similarly highly prospective for nickel sulphides.

The exploration model for Cambridge has been substantially improved with the additional data from the seven new drill holes over the core Cambridge area. The seven holes traversed the entire 2km width of the ultramafic body encountering metasediments at both the eastern and western edges. (See Figure 1 for the drill hole location plan).

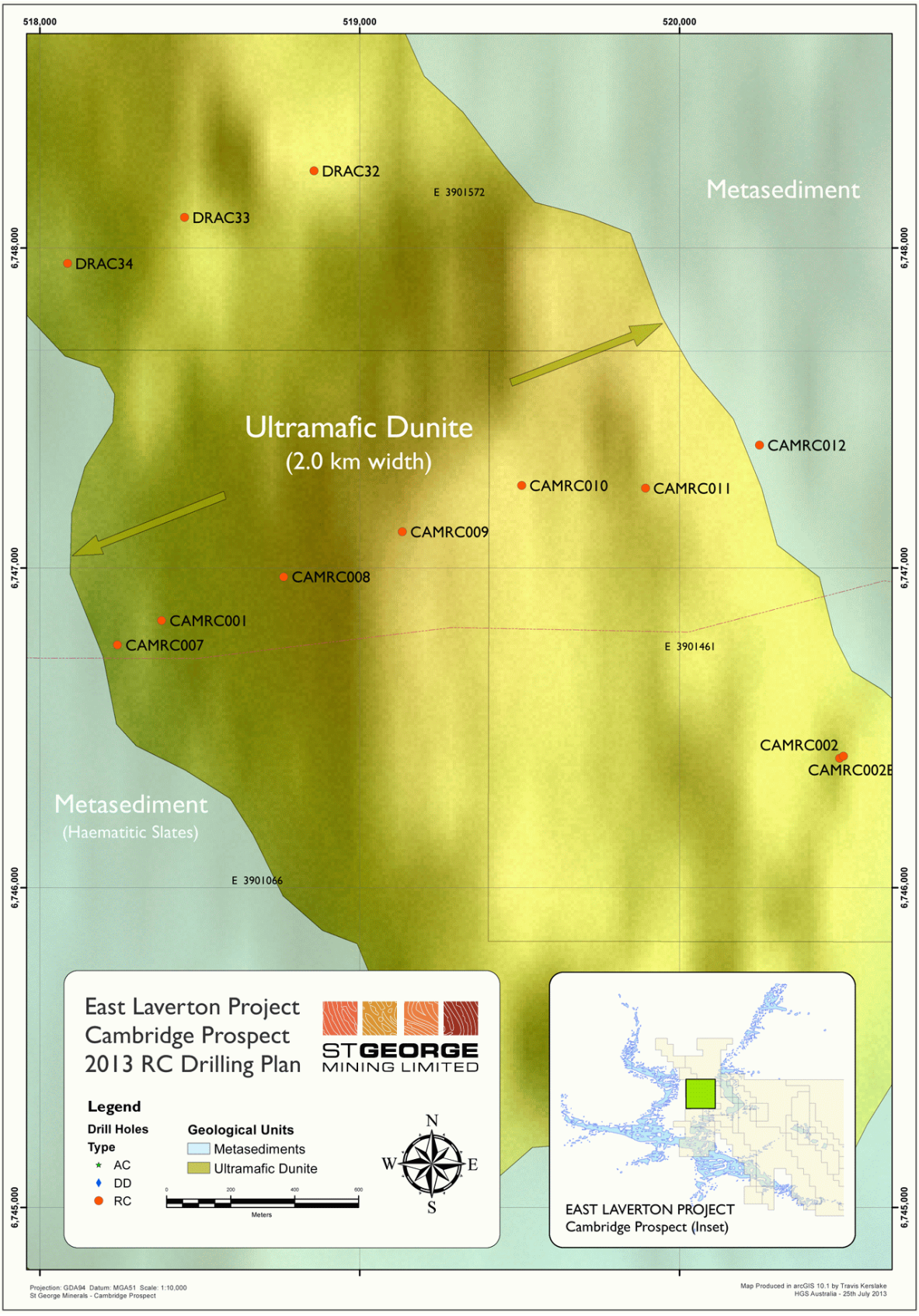

Figure 1 – 2013 drill hole locations across the Cambridge ultramafic body. CAMRC001 and 002 were drilled by the Company in 2012. DRAC32, 33 and 34 were completed in 2012 as part of Project Dragon.

The new data suggests that the large ovoid shape of the Cambridge body may be the result of initial subvertical folding followed by shearing-out in a westward direction, associated with moderate east-dipping reverse and/or thrust faulting. This interpretation is consistent with the thinned western margin of the ultramafic body and with the documented structural history of the NE Goldfields.

This refined geological model for Cambridge, which highlights the prospectivity of the central part of the body rather than the margins, strengthens the likelihood of high grade nickel sulphides below the currently explored levels.

This represents a major increase in the prospectivity of Cambridge and is consistent with the Company's view that the East Laverton Property has the potential to be a major new nickel field in Western Australia.

EXPLORATION DATA FROM DRILLING RESULTS

The important results from the 2013 Cambridge drilling program are:

- The western margin of the Cambridge body has only a shallow thickness compared to the main body and appears to be attenuated by shearing.
- The eastern contact between the ultramafic and metasediments is sharp and appears to be structurally controlled.
- The nickel-chrome ratios (Ni: Cr), which can be proxies for the MgO level, were lowest on the margins and increased towards the central axis of the body.
- The best nickel intercept was in the central zone of the body, where CAMRC-011 intersected 42m @ 0.26%Ni at the base of the hole, with associated MgO levels exceeding 40%. This appears to be consistent with the top of an olivine adcumulate zone that may host nickel sulphides at depth.
- The highest soil geochemical level at Cambridge, an exceptionally high 8,000+ ppbNi, is co-incident with the central areas of the body where higher Ni and MgO levels were identified in the drilling.
- Two moderate easterly-dipping shear zones were encountered by the drilling and could be traced between drill holes.

A clear correlation was demonstrated between areas of stronger near-surface secondary Ni enrichment and areas in fresh rock with higher Ni levels. This was highlighted in CAMRC-011, which is in the area with the highest geochemical soil value for Ni. CAMRC-011 also showed a descending Ni:Cr ratio at depth while the MgO values increased at depth.

These are important pathfinder features for identifying prospective nickel sulphide mineralisation, and will undergo further analysis.

Nickel exploration often focuses on testing marginal contact zones of the ultramafic rocks. However, the findings of the drilling review show that the central part of the ultramafic body may be more prospective for nickel mineralisation than the margins. This view generates an exciting additional exploration focus for Cambridge.

Figure 2 contains the cross sections of the drill holes across the Cambridge ultramafic body, and illustrates the encouraging results for CAMRC-010 and CAMRC-011. Laboratory assays for Cr have yet to be received, and Cr values used are based on XRF analysis by the Company.

Tim Hronsky, Technical Director of St George Mining said: "Our investment in the extensive drilling at Cambridge has provided an exploration breakthrough for St George, resulting in a substantial enhancement to the exploration model for Cambridge.

"This will allow us to narrow the search for nickel sulphides at the main Cambridge body, and to develop priority drill targets for the untested areas of the ultramafic belt to the north and south.

"The best nickel intersection was at the bottom of CAMRC-11 and in 40% MgO ultramafics, and seems to be the top of something really interesting. We are very excited about taking this project to the next step."

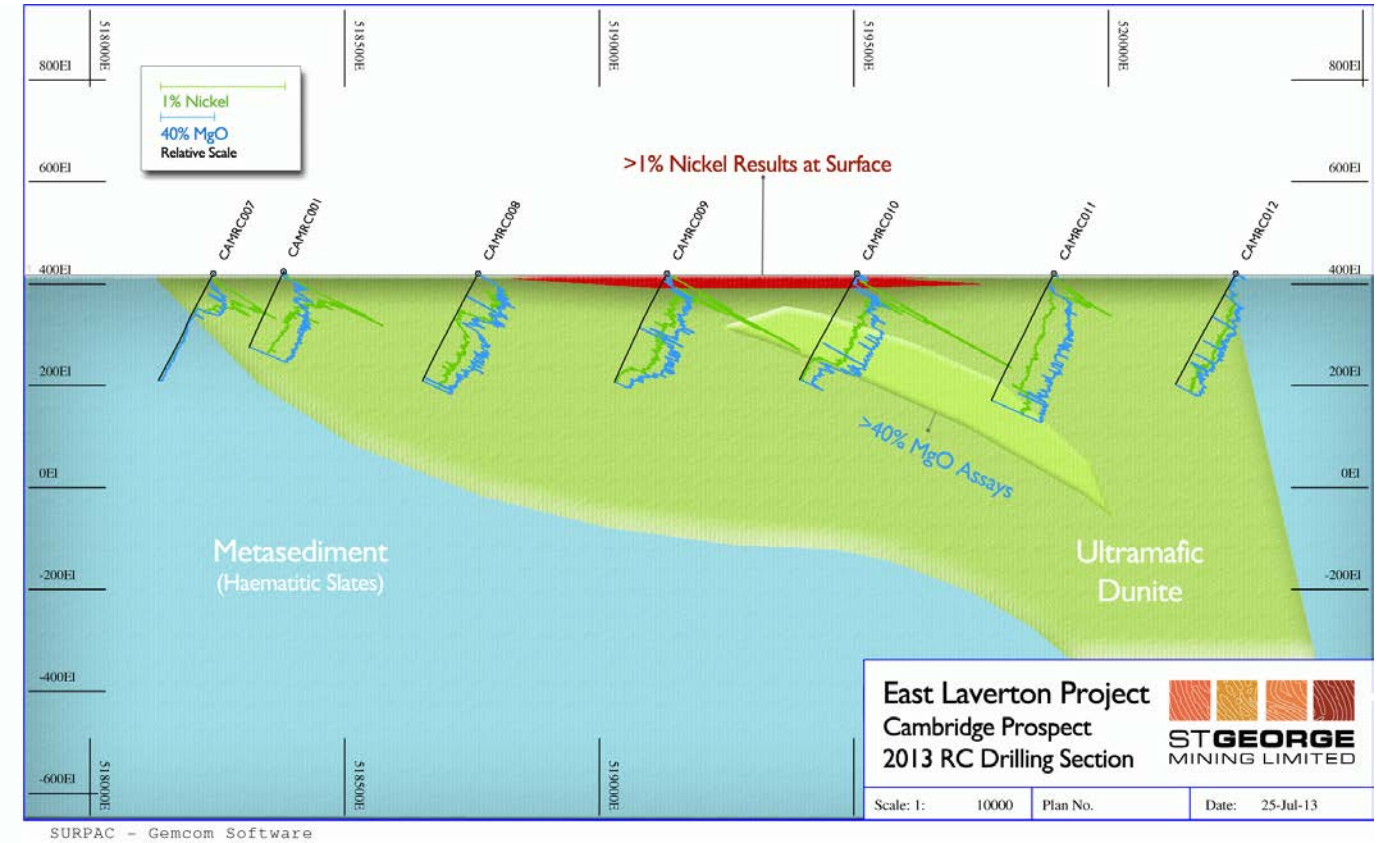

Figure 2- Drill section across the Cambridge ultramafic body shows the highest Ni values (green lines) and MgO values (blue lines) in the central zone. The MgO content of the ultramafic increases with depth and dips to the east.
The deepest contact with this easterly dipping high-MgO zone is made in CAMRC-011, which intersects 42 m @ 0.26%Ni and 40.1 % MgO at the base of the hole, and appears to have encountered the top of an olivine adcumulate zone.

NICKEL MINERALISATION IDENTIFIED

The 2013 drilling has intersected extensive intervals of nickel both as secondary enrichment and in high MgO fresh ultramafic rocks. Assay results for the drilling are shown in Table 1.

The best nickel values from the fresh ultramafic rocks are 42m @ 0.26% Ni in CAMRC-011 including 1m at 0.31% Ni. The MgO level in this interval was 40.1%. These values are consistent with an olivine mesocumulate and adcumulate ultramafic, which are the high-MgO rocks that host nickel sulphides.

Significant secondary nickel enrichment was intersected, and this is consistent with the potential for high MgO rocks at depth. The best secondary nickel intersection is 19m @ 0.56% Ni in CAMRC-010 including 1m at 1.42% Ni. The overall MgO level in CAMRC-010 was very high with 105m @ 38.75% MgO, from 77m to 182 m.

Overall, the nickel assays together with MgO content encountered in the 2013 drilling programme suggest highly prospective ultramafic lithologies at Cambridge.

Our technical team is continuing to review the mineral assemblage in the drill holes, particularly key elemental ratios such as Ni: Cr and the relationships of Cu and PGE values, which will assist in determining the most prospective areas for nickel sulphides.

Preliminary assessment suggests that there are prominent geological markers that will allow for the identification of zones at Cambridge that will have a greater potential of nickel sulphide mineralisation. These areas will be considered for the next phase of drilling at Cambridge.

A further announcement will be made by the Company once a final assessment and interpretation of drill intersections is completed by our technical team.

											Including		
Hole	**Easting**	**Northing**	**Azimuth (deg)**	**Dip (deg)**	**Depth (m)**	**From(m)**	**To (m)**	**Interval (m)**	**Ni (%)**	**MgO (%)**	**Interval**	**Ni Peak (%)**	**From**
CAMRC007	518,242	6,746,759	251	-60	240	14	50	36	0.33		1	0.59	21
CAMRC008	518,762	6,746,972	253	-60	240	41	72	31	0.245		1	0.28	28
						117	172	55		32.48			
CAMRC009	519,133	6,747,113	257	-60	240	1	29	28	0.46		1	1.2	7
						134	179	45		34.3			
CAMRC010	519,506	6,747,258	249	-60	240	11	30	19	0.56		1	1.42	16
						77	182	105		38.75			
CAMRC011	519,893	6,747,249	253	-60	282	240	282	42	0.26		1	0.31	267
						240	282	42		40.1			
CAMRC012	520,250	6,747,384	251	-60	252				NSI	NSI			
CAMRC002B	520,512	6,746,411	60	-60	192				NSI	NSI			
CAMRC0015	528,700	6,735,800	250	-60	252				NSI	NSI			
CAMRC0013	526,700	6,740,496	255	-60	240				NSI	NSI			
CAMRC014	524,902	6,740,956	252	-60	117				NSI	NSI			

Table 1 – Details of significant Ni and MgO intersections from the first phase of the 2013 drilling programme at Cambridge.

XRF Analysis

References to XRF results relate to analysis using a hand-held Olympus Innov-X Spectrum Analyser. This portable device provides immediate analysis of modal mineralogy of drill samples. The device is unable to reliably detect precious metals in samples but 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.

For further information, please contact:

John Prineas
Executive Chairman
St George Mining Limited
(+61) 411 421 253
John.prineas@stgm.com.au
www.stgeorgemining.com.au

Colin Hay
Professional Public Relations
(+61) 08 9388 0944 mob 0404 683 355
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 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.