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ST GEORGE FAST TRACKS PRIORITY NICKEL TARGETS

HIGHLIGHTS

- **St George upgrades exploration targeting after taking 100% control of nickel tenements**
- **Six priority nickel targets selected at East Laverton Property for immediate exploration**
- **All targets have potential for the discovery of large nickel sulphide deposits**
- **Large ground EM programme underway with initial results available this month**

NEW NICKEL EXPLORATION ROGRAMME

St George Mining Limited (ASX: **SGQ**) ("St George Mining" or "the Company") is pleased to announce that it has prioritised six nickel targets at the East Laverton Property in the NE Goldfields of Western Australia for immediate exploration.

St George Mining now has 100% ownership of all nickel prospects at the East Laverton Property and these six priority targets reflect the launch of a new nickel exploration programme that encompasses the best nickel prospects across the entire Property.

The priority nickel targets are spread across the three ultramafic belts at Cambridge, with an emphasis on the Stella Range Ultramafic Belt where nickel sulphides have already been encountered in multiple drill holes (see Figure 1). A combination of geophysical, geochemical and geological criteria has been used to select and prioritise these highly prospective nickel targets.

John Prineas, Executive Chairman of St George Mining said:

"Our technical team has reviewed the nickel targets across the entire East Laverton Property and selected six priority prospects. Our exploration is now unconstrained by third party interests and we can expedite the exploration work to test the best targets.

"This is the first time we have been able to execute a nickel exploration programme on a property-wide scale and we are very excited at these new opportunities."

The next phase of exploration at these targets will involve the completion of powerful, deep penetrating ground electro-magnetic (EM) surveys. The EM surveys will identify any conductors that may represent massive nickel sulphides at depth, which will then be tested by drilling.

EM anomalies have already been identified at Cambridge. The new, more powerful EM technology will further validate these conductors, and better define the drill sites to test for massive sulphide bodies.

A fixed loop EM (FLEM) survey is planned for specifically selected areas of the Cambridge dunite body. Moving loop EM (MLEM) surveys will cover the remainder of the Cambridge area and will also be used at the other priority nickel targets. Further details of the EM surveys will be announced shortly, with commencement of the surveys scheduled for next week.

THE PRIORITY NICKEL TARGETS
Tim Hronsky, Technical Director of St George said:

"St George's tenements extend over 60 km of the Stella Range belt, from Aphrodite in the south to Cambridge North.

"We have multiple prospects along that belt as well as priority prospects on the other two main ultramafic belts. On top of that, we have other attractive areas that we need to have a look at because they have good potential to generate more targets.

"This shows the extent of the nickel potential at East Laverton, which we believe will be a new Australian nickel camp."

A brief outline of each priority target is set out below:

1. **Cambridge:** A large 5 km x 2 km lenticular dunite body located on the Stella Range Ultramafic Belt. Drilling in 2012 identified minor amounts of nickel sulphides in DRAC32, DRAC33 and DRAC35 associated with PGE (Platinum Group Elements) enrichments. The Company's drilling in 2013 further identified very high MgO ultramafic rocks in CAMRC010 and CAMRC011. These are all very positive exploration results, and the dunite body is considered highly prospective for massive and disseminated nickel sulphides. Historical electro-magnetic (EM) surveys have identified several EM anomalies that will be further assessed by the Company's own enhanced EM survey to be undertaken this month.
2. **Desert Dragon North:** An area on the Stella Range Ultramafic Belt that is immediately south of Cambridge. It is situated on an important NE-SW lineament (the Churchill lineament), which may be an important control on mineralisation. Nickel sulphides have been identified in DDNRC002 - 2m @ 1.08% Ni accompanied by elevated Cu (copper), Co (cobalt) and PGE. This area has a high potential for further nickel sulphide occurrences along the strike.
3. **Desert Dragon - Windsor:** Covers over 10 strike-km of ultramafic along the Stella Range Belt. Drilling in 2012 identified disseminated nickel sulphides in two holes - 6 m @ 0.48% Ni in DRAC38 and 4 m @ 0.57% Ni in DRAC35. The holes are 7km apart and are thought to represent two sulphide mineralised systems or possibly even a single large system. Drilling also identified PGE enrichment with the nickel sulphides, which is an important indicator for magmatic nickel sulphide mineralisation. The area is confirmed as a major magma pathway that hosts disseminated nickel sulphides, and a highly favourable zone for massive nickel sulphides.
4. **Bristol** – Presents as a large and strong TMI (Total Magnetic Intensity) response on the Central Ultramafic Belt with an extensive strike over 7 strike-km of moderate to high MgO ultramafics. Drilling in 2012 identified minor amounts of nickel sulphides in DRAC26, DRAC27 and DRAC28, and anomalous levels of PGE (Platinum Group Elements) in DRAC24, DRAC27 and DRAC28. The geochemistry of DRAC26 indicates a Ni: Cr (Nickel: Chrome) ratio of greater than 1, which is indicative of a lava channel (i.e. a high volume flow of hot komatiite lava). Geological evidence supports the presence of a major lava pathway, which could host both disseminated and massive nickel sulphides.
5. **Athena –** Located along the north of the major regional Minigwal Belt and on a significant cross lineament (the Churchill lineament). Displays a very strong TMI (Total Magnetic Intensity) response. This is an area of extensive moderate-high MgO ultramafics with 6km strike length and 500+m of thickness. Drilling in 2012 encountered high-MgO ultramafics in DRAC1, DRAC4 and DRAC18 with a Ni: Cr (Nickel: Chrome) ratio greater than 1, which is indicative of a lava

channel (i.e. a high volume flow of hot komatiite lava). Drilling also identified sulphidic sediments and PGE enrichment.

6. **Cambridge North:** Interpreted from the strong Total Magnetic Intensity (TMI) response as a very thick ultramafic zone covering over 3 strike-km on the northern extension of fertile Stella Range Belt. No drilling has been completed at this time.

The northern part of Cambridge as well as Desert Dragon North, Bristol, Athena and strategically important parts of the Desert Dragon-Windsor prospect were previously within Project Dragon. All these targets are now owned 100% by St George and exploration will be fast tracked under the control of St George.

Tim Hronsky, Technical Director of St George Mining said:

"We have a strong multi-disciplinary technical team and this is reflected in the high quality of the targets.

"Each one has the potential for a significant discovery. Testing these high value targets is the best type of exploration to be involved with."

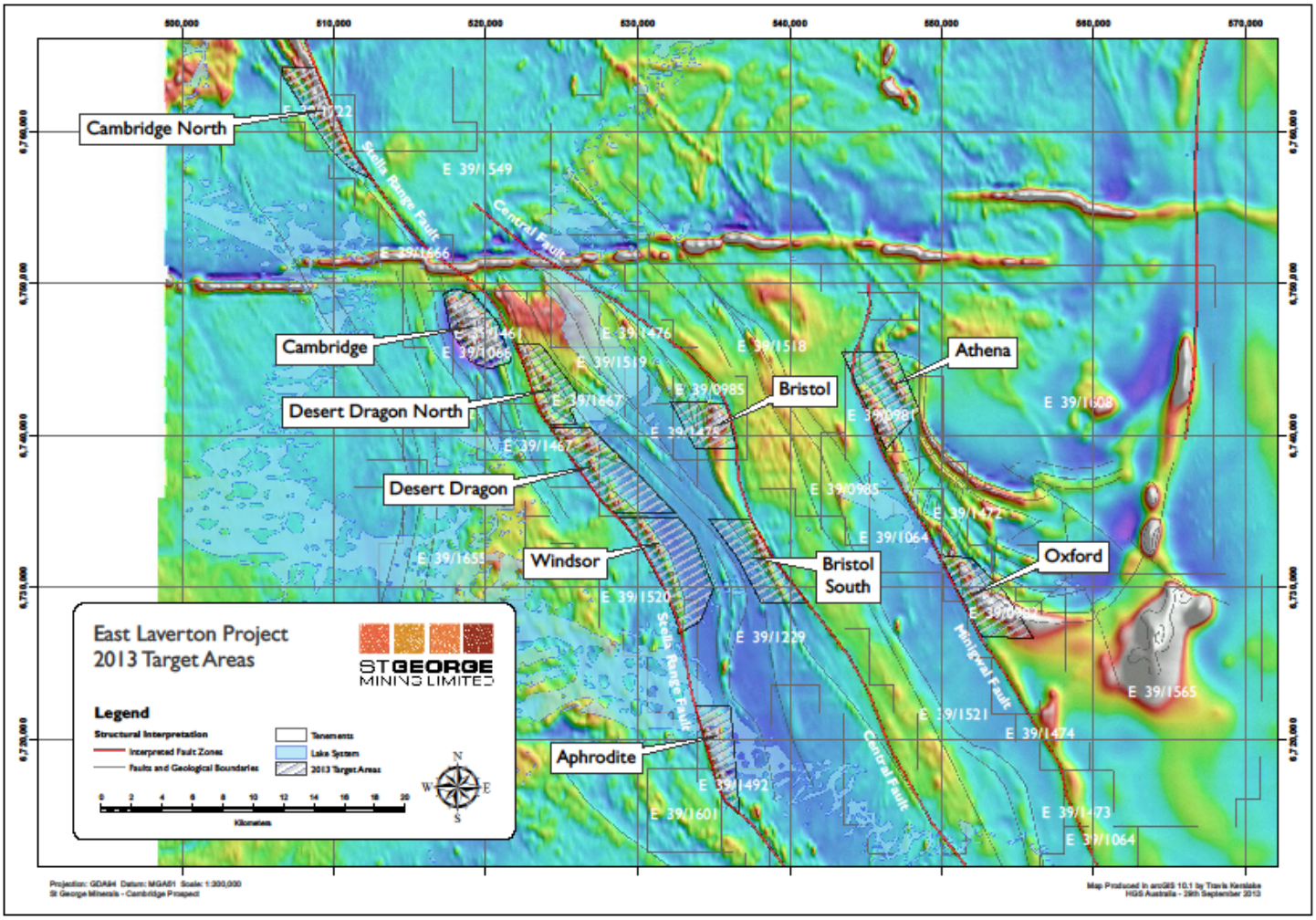

Figure 1 – The priority nickel targets are shown over aeromagnetics (TMI) at the East Laverton Property. These priority nickel targets are all 100% owned by St George and located on contiguous tenements, enabling efficient exploration by St George Mining.

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.