

23 February 2017

FURTHER PRIORITY TARGETS AT CATHEDRALS PROSPECT

HIGHLIGHTS:

- **Drilling at Cathedrals Prospect to test new electromagnetic (EM) plates and extensions to known high-grade nickel-copper-PGE mineralisation**
- **Six strong downhole EM plates to be drilled**
- **Targets are within a large EM anomaly confirmed by the recent fixed loop EM (FLEM) SAMSON survey**
- **Strong potential to discover new massive sulphide mineralisation at Cathedrals**

EXPLORATION UPSIDE AT CATHEDRALS PROSPECT

St George Mining Limited (ASX: **SGQ**) ('St George Mining' or 'the Company') is pleased to announce further priority targets for the upcoming drill programme at the Mt Alexander Project in Western Australia.

This latest group of targets is at the Cathedrals Prospect where high grade nickel-copper-PGE sulphides were first discovered at the Mt Alexander Project by BHP Billiton Nickel West.

Initial drilling was completed at the Cathedrals Prospect in 2008 to test co-incident electromagnetic (EM) and magnetic anomalies associated with nickel-PGE enriched gossans. Significant intersections from this drilling included:

- **MAD12:** **3.95m @ 5.05%Ni, 1.55%Cu, 0.11%Co and 4.44g/t total PGEs** from 91.4m *with a thick halo of stringer and disseminated sulphide mineralisation of* **9.25m @ 0.76%Ni, 0.34%Cu, 0.03%Co and 0.93g/t total PGEs** from 81.5m
- **MAD13:** **2.05m @ 5.78%Ni, 2.33%Cu, 0.18%Co and 3.93g/t total PGEs** from 56.3m *with a thick halo of stringer and disseminated sulphide mineralisation of* **9.75m @ 0.34%Ni, 0.11%Cu, 0.01%Co and 0.3g/t total PGEs** from 47.5m

Drilling by St George at the Cathedrals Prospect in 2016 resulted in multiple intersections of further massive sulphide mineralisation; see Table 1 for details of significant intersections.

All the upcoming drill targets, as well as all existing intersections of nickel-copper-PGE mineralisation, are located within a large 200mx130m EM anomaly confirmed by the recent FLEM SAMSON survey.

St George Mining Executive Chairman, John Prineas said:

"Drilling at Cathedrals has already intersected massive nickel-copper-PGE mineralisation and the latest EM data is telling us that there are more conductive areas at this prospect which have yet to be tested.

"We believe the likelihood of increasing the volume and continuity of the high-grade mineralisation at Cathedrals is excellent."

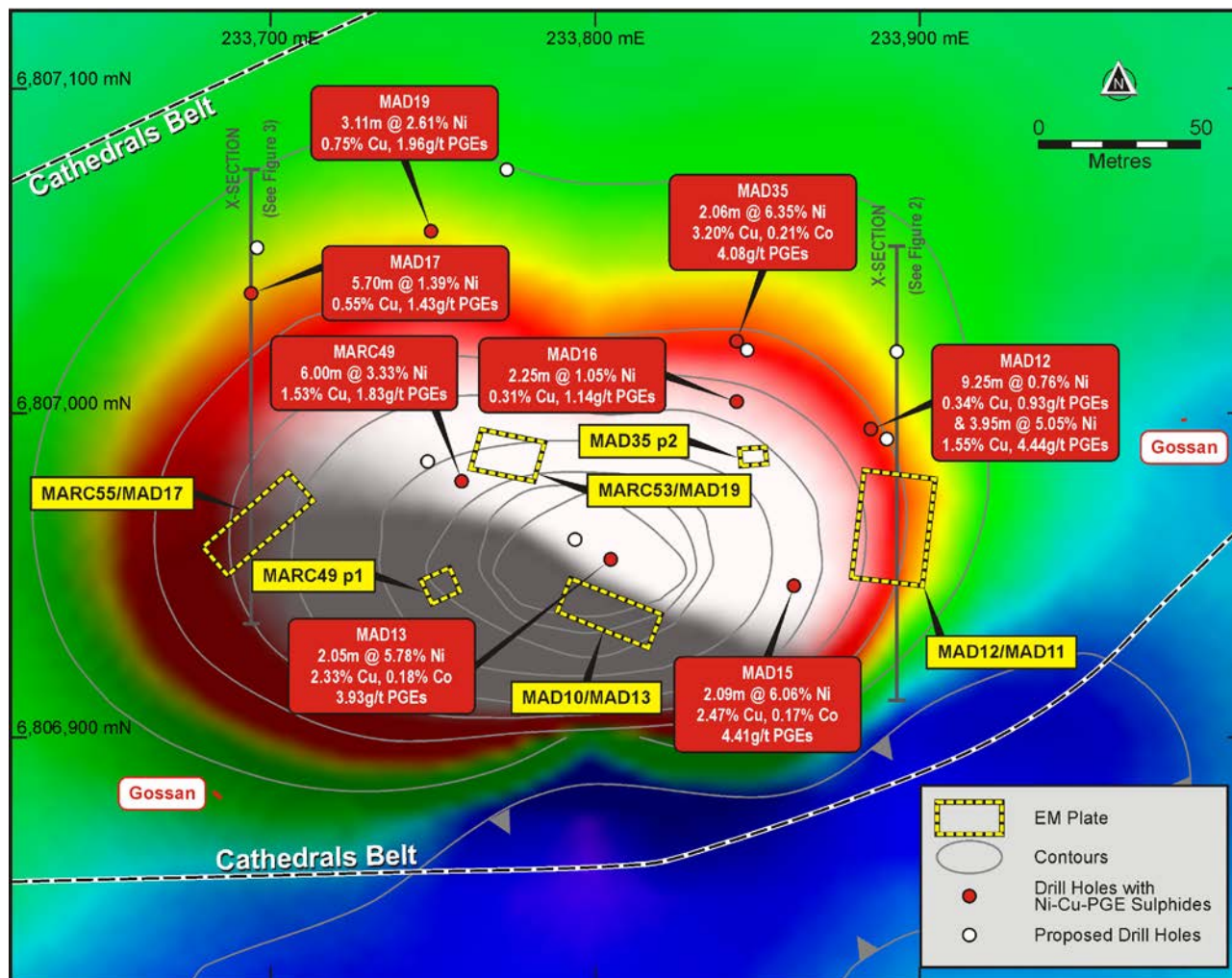


Figure 1 – a plan view of the Cathedrals Prospect showing the large SAMSON total field EM anomaly (white/red colours). Drill holes with massive nickel-copper sulphides are shown together with planned 2017 drill holes and target EM plates. (The SAMSON EM image is shown in Channel 18 (44ms). The contours shown are 0.05pT/A which highlight the stronger electromagnetic field over the Cathedrals Prospect.

Six EM plates have been modelled at Cathedrals from downhole EM (DHEM) survey data. These EM plates have been modelled from either off-hole or on-hole DHEM responses, and will be tested in the upcoming diamond drill programme.

The EM plates are labelled by reference to the drill hole(s) from which they were identified by DHEM surveys, and are located within the large SAMSON EM anomaly.

The plates are MAD10/MAD13 (conductance of 21,310 Siemens at 54m depth from surface), MAD12/MAD11 (7,000 Siemens at 78m depth), MARC49 (39,000 Siemens at 51m depth), MARC53/MAD19 (5,000 Siemens and 148 depth), MARC55/MAD17 (4,120 Siemens at 143m depth) and MAD35 Plate 2 (7,000 Siemens at 55m depth).

POTENTIAL FOR EXTENSIONS TO MINERALISATION

To date, eight EM plates have been drilled at the Cathedrals Prospect with all confirmed as nickel-copper-PGE mineralisation. Most of these plates have only been tested by one drill hole and the extent of the mineralisation remains open.

The six EM plates to be drilled in the upcoming drill programme provide an excellent opportunity to discover further mineralisation that could significantly extend the existing mineralisation at Cathedrals.

Figures 2 and 3 show two cross sections within the Cathedrals Prospect based on geological modelling of existing drill hole data and surface mapping. The locations of the cross sections are marked on Figure 1.

Figure 2 illustrates the significant intersection in MAD12 which is located at the eastern section of the Cathedrals Prospect. MAD12 was drilled by BHP Billiton Nickel West in 2008 and is still one of the best intersections at the Mt Alexander Project to date.

The drill hole intersected a highly-mineralised section of ultramafic that was faulted off from the main Cathedrals ultramafic above. The mineralisation is associated with a 38mx22m DHEM plate, with mineralisation open along strike and on dip.

Two planned drill holes will test for extensions north and south of the mineralisation including at depth.

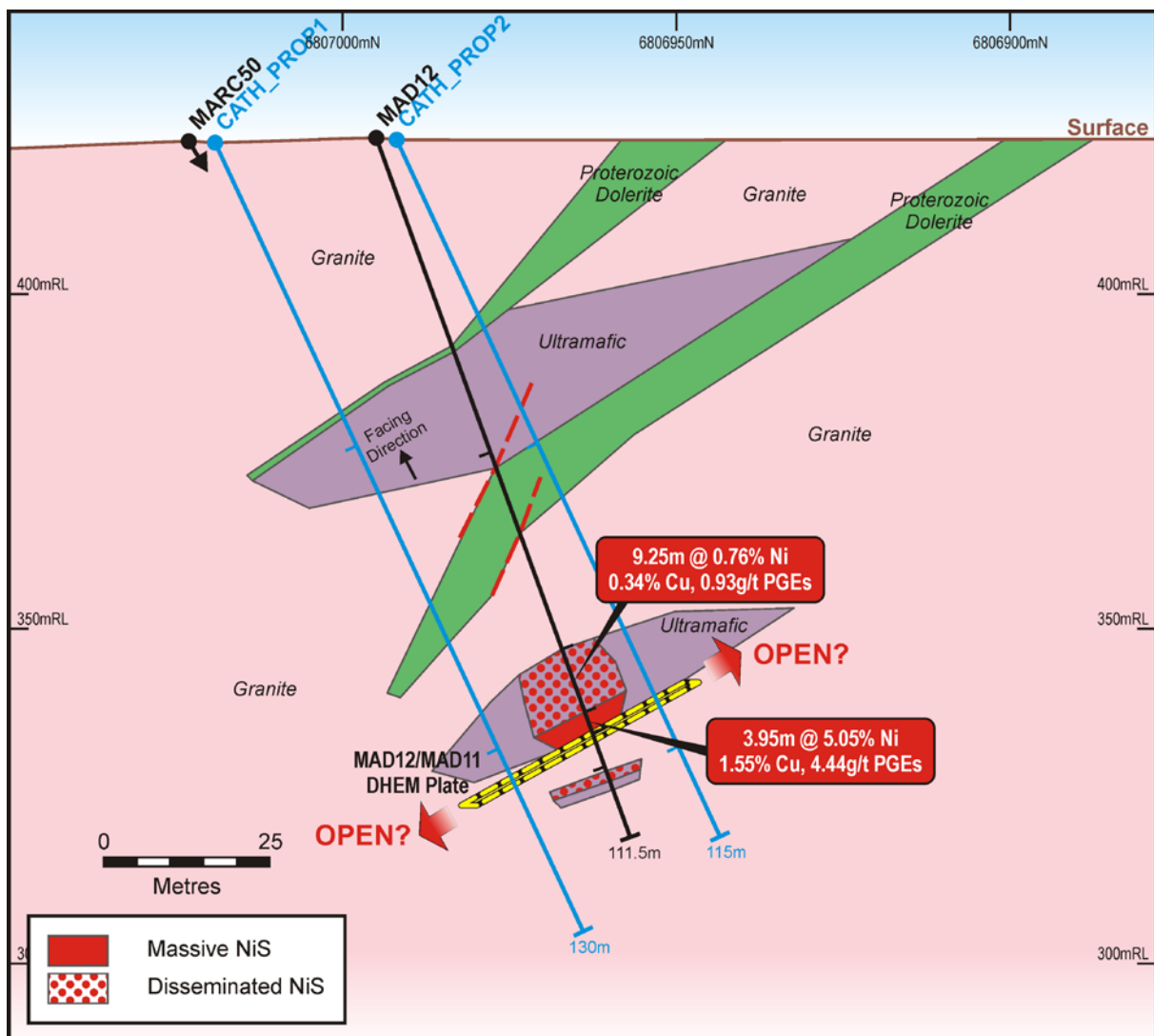


Figure 2 – a cross section of the MAD12 drill section (looking east) showing significant intersections and interpreted geology.

Figure 3 illustrates the significant intersection in MAD17 which is located at the western section of the Cathedrals Prospect. Mineralisation in MAD17 is stringer and brecciated massive sulphides located in a steeper north-dipping fault defined by later Proterozoic dolerites.

The MAD17 mineralisation and associated off-hole DHEM plate occur at an interpreted deflection and flattening of the host structure.

One drill hole will test this position, and also the northern extent of the Cathedrals ultramafic above.

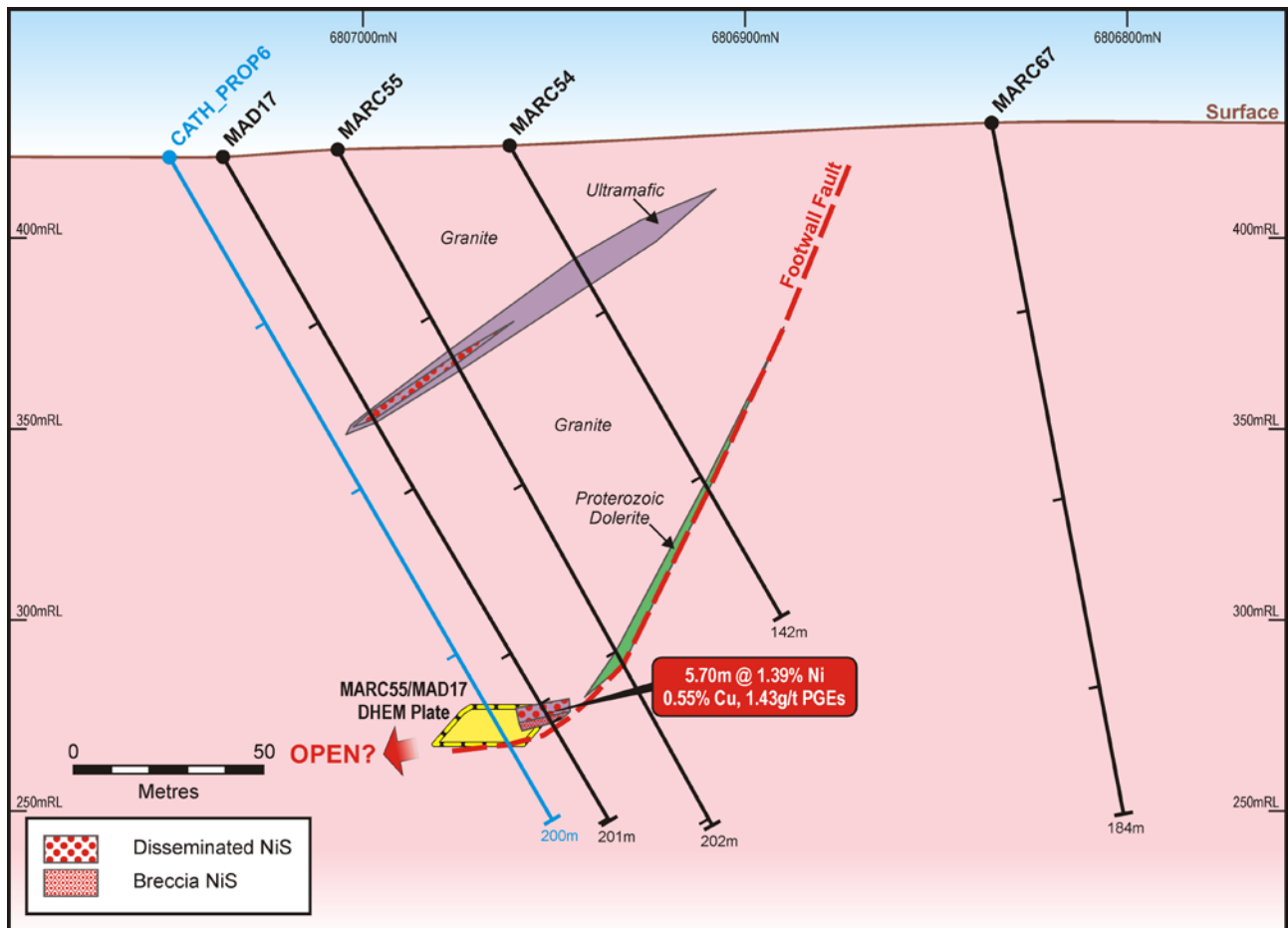


Figure 3 – a cross section of the MAD17 drill section (looking east) showing significant intersections and interpreted geology. The EM conductor to the north of the MAD17 mineralisation is untested.

These new targets at the Cathedrals Prospect are in addition to the previously announced drill targets at the Investigators and Stricklands Prospects.

This takes the total number of drill holes planned for the Cathedrals Belt in the upcoming drill programme to nineteen. More targets may be added as drilling results are assessed.

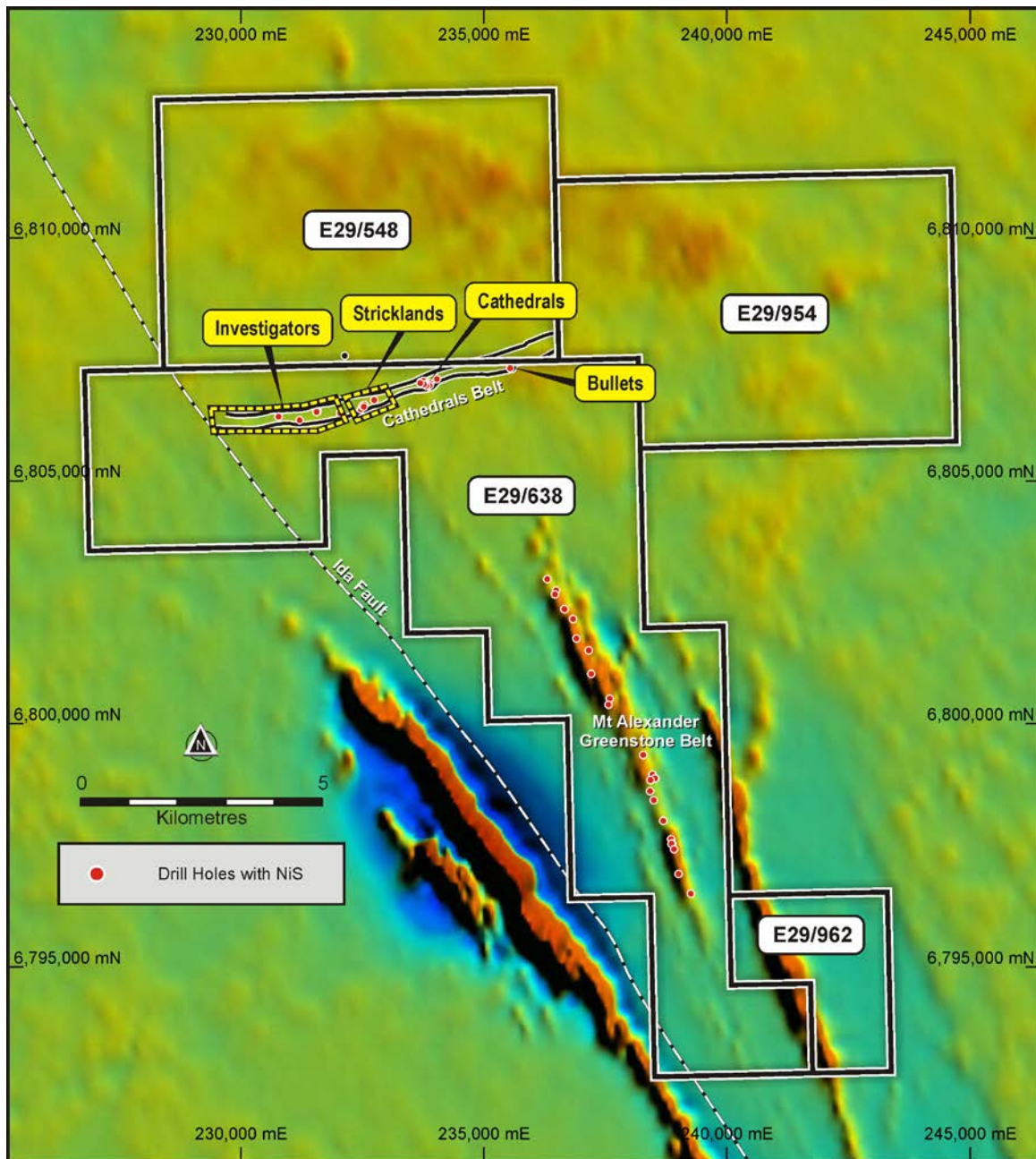


Figure 4 – a plan view of the Mt Alexander Project area over RTP magnetics showing the location of the Cathedrals, Stricklands and Investigators Prospects within the Project area. The upcoming drill programme will test both new targets and potential extensions to the known mineralisation at these Prospects.

ABOUT THE MT ALEXANDER PROJECT

The Mt Alexander Project is located 120km south-southwest of the Agnew-Wiluna belt which hosts numerous world class nickel deposits. The Project comprises four granted exploration licences – E29/638, E29/548, E29/962 and E29/954.

The Cathedrals, Stricklands and Investigators nickel-copper discoveries are located on E29/638, which is held in joint venture by Western Areas Limited (25%) and St George (75%). St George is the Manager of the Project with Western Areas retaining a 25% non-contributing interest in the Project (in regard to E29/638 only) until there is a decision to mine.

Hole ID	GDA94 East	GDA94 North	Dip	Azim	Depth (m)	From (m)	To (m)	Width (m)	Ni%	Cu%	Co%	Total PGEs g/t	Au g/t	Ag g/t
MAD12	233885	6806995	-70	170	111.5	81.5	90.75	9.25	0.76	0.34	0.03	0.93	0.12	NA
<i>Including</i>						81.5	81.6	0.1	6.02	3.14	0.15	3.73	0.18	NA
MAD12	233885	6806995	-70	170	111.5	91.4	95.35	3.95	5.05	1.55	0.11	4.44	0.15	NA
<i>Including</i>						93.9	95.35	1.45	6.81	2.27	0.12	7.72	0.31	NA
MAD12	233885	6806995	-70	170	111.5	101	102.6	1.60	0.41	0.11	0.02	0.42	0.05	NA
MAD13	233805	6806955	-70	170	93.3	47.5	57.25	9.75	0.34	0.11	0.01	0.30	0.03	NA
MAD13						57.25	59.3	2.05	5.78	2.33	0.18	3.93	0.08	NA
<i>Including</i>						57.6	59	1.4	7.10	2.94	0.23	4.20	0.07	NA
MARC48	233868	6806960	-60	177	82	26	30	4	0.40	0.11	0.02	NA	NA	NA
MARC49	233759	6806979	-55	182	142	58	60	2	0.58	0.26	0.02	NA	NA	NA
MARC49						60	66	6	3.33	1.53	0.12	1.83	0.18	NA
MARC55	233685	6807007	-61	180	202	62	64	2	0.38	0.12	0.01	0.34	0.03	NA
MARC65	234031	6807103	-60	150	154	18	20	2	0.51	0.23	0.03	0.69	0.06	NA
MAD15	233861.3	6806946.8	-63	184	100	27.50	29.25	1.75	0.67	0.39	0.02	1.72	0.28	3.39
MAD15						29.25	31.34	2.09	6.06	2.47	0.17	4.41	0.05	5.18
<i>Including</i>						30.17	31.34	1.17	8.75	3.37	0.24	6.16	0.02	6.50
MAD15	233861.3	6806946.8	-63	184	100	31.34	31.55	0.21	0.62	0.25	0.02	1.22	0.11	1.5
MAD16	233843.8	6807003.5	-60	180	120	59	61.25	2.25	1.05	0.31	0.04	1.14	0.07	1.66
MAD17	233694.2	6807037	-60	180	201	77	79.3	2.3	0.38	0.17	0.02	0.33	0.05	1.09
MAD17						165.3	171	5.7	1.39	0.55	0.05	1.43	0.12	2.08
<i>Including</i>						169.15	171	1.85	2.61	0.91	0.08	2.02	0.08	2.78
MAD19	233749.5	6807056	-60	180	200	156.75	159.86	3.11	2.61	0.75	0.09	1.96	0.06	2.67
<i>Including</i>						158.73	159.28	0.55	5.91	1.18	0.20	5.61	0.08	3.50
MAD35	233844	6807022	-60	180	95.4	61	64.19	3.19	0.57	0.22	0.02	0.54	0.08	1.28
MAD35						64.19	66.25	2.06	6.35	3.21	0.21	4.08	0.17	9.54
MAD36	233749	6807052	-57	176	219.8	150.10	152.00	1.90	0.55	0.30	0.02	0.75	0.09	1.71
MAD36						154.00	154.75	0.75	0.52	0.76	0.02	1.16	1.12	3.134

Table 1 - a list of significant intersections from the drilling completed at the Cathedrals Prospect, including drilling by St George and BHP Billiton Nickel West. ("NA" indicates that sampling for Ag was not completed).

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Competent Person Statement:

The information in this report that relates to Exploration Targets, Exploration Results, Mineral Resources or Ore Reserves is based on information compiled by Mr Matthew McCarthy, a Competent Person who is a Member of The Australian Institute of Geoscientists. Mr McCarthy is employed by St George Mining Limited.

Mr McCarthy has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity being undertaken to qualify as a Competent Person as defined in the 2012 Edition of the Joint Ore Reserves Committee (JORC) Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. Mr McCarthy consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.