

18 September 2015

ST GEORGE ACQUIRES NICKEL SULPHIDE PROJECTS

HIGHLIGHTS:

- **St George acquires 100% of the Hawaii and Mt Alexander North nickel sulphide exploration projects from BHP Billiton**
- **The Projects are adjacent to the Ida Fault, a fundamental structure that links with the Mt Goode Rift which hosts the high grade Cosmos nickel sulphide deposits**
- **Significant opportunity for a nickel sulphide discovery on underexplored tenements in a world class nickel address**
- **Acquisition enhanced with additional tenement applications by St George over contiguous geological and strategically important areas**
- **High impact drilling programme planned by St George for October 2015**

ACQUISITION OF HIGHLY PROSPECTIVE PROJECTS

St George Mining Limited (ASX: **SGQ**) ('St George' or 'the Company') is pleased to announce it has entered into a binding agreement with BHP Billiton Nickel West Pty Ltd ("Nickel West") to acquire 100% of the Hawaii Project and the Mt Alexander North Project located south-west of the Agnew-Wiluna belt in Western Australia which hosts numerous world class nickel and gold deposits.

These new Projects increase the already substantial exploration upside offered by St George and will sit alongside the Company's flagship and 100% owned East Laverton Nickel Sulphide Project in Western Australia.

St George Mining Executive Chairman, John Prineas said:

"The Hawaii and Mt Alexander North projects are underexplored but located within an area that has an excellent history of major nickel sulphide discoveries.

"This acquisition is consistent with our strategy of identifying early stage projects, like at East Laverton, and creating substantial value through systematic and technically driven exploration.

"We will ramp up exploration activity at these new Projects while continuing our extensive exploration programme at the East Laverton Project.

"St George has substantially increased its already attractive exploration portfolio with multiple high quality opportunities for a significant discovery."

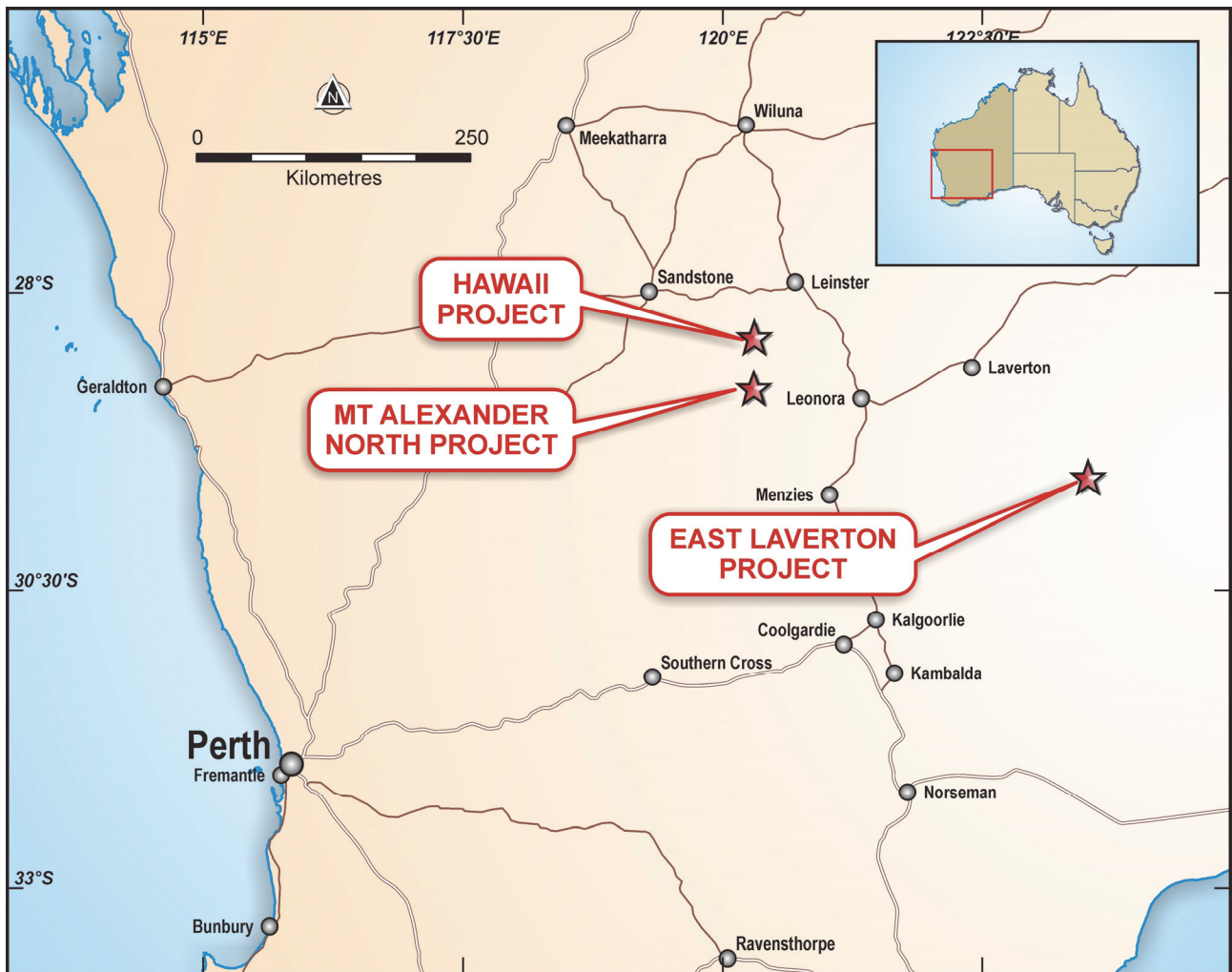


Figure 1 – a map showing the location of the Hawaii and Mt Alexander North Projects in a world class address for major nickel and gold deposits

THE HAWAII AND MT ALEXANDER NORTH PROJECTS

The Hawaii and Mt Alexander North Projects are located along the Ida Fault, a significant Craton-scale structure that marks the boundary between the Eastern Goldfields Superterrane to the east and the Youanmi Terrane to the west.

The Mt Goode Rift that hosts the Cosmos nickel complex (“Cosmos”) to the north is interpreted to be a splay off the Ida Fault (see Figure 2). The geology at Hawaii and Mt Alexander North could be contiguous with the stratigraphy that hosts Cosmos.

Cosmos, with a resource of over 500,000 tonnes of contained nickel, includes one of the highest grade nickel mines ever discovered. Cosmos, which is not currently in production, was recently acquired by Western Areas Ltd for \$24.5 million.

Hawaii Project

This Project is located approximately 70km southwest of Leinster, the centre of Nickel West’s nickel activities in the Agnew-Wiluna belt.

St George has acquired exploration licence E36/741 from Nickel West, which covers 211.34 sq km. In addition, St George has lodged an application for exploration licence E36/851 which covers 86.42 sq km, and takes the total Project area to 297.76 sq km.

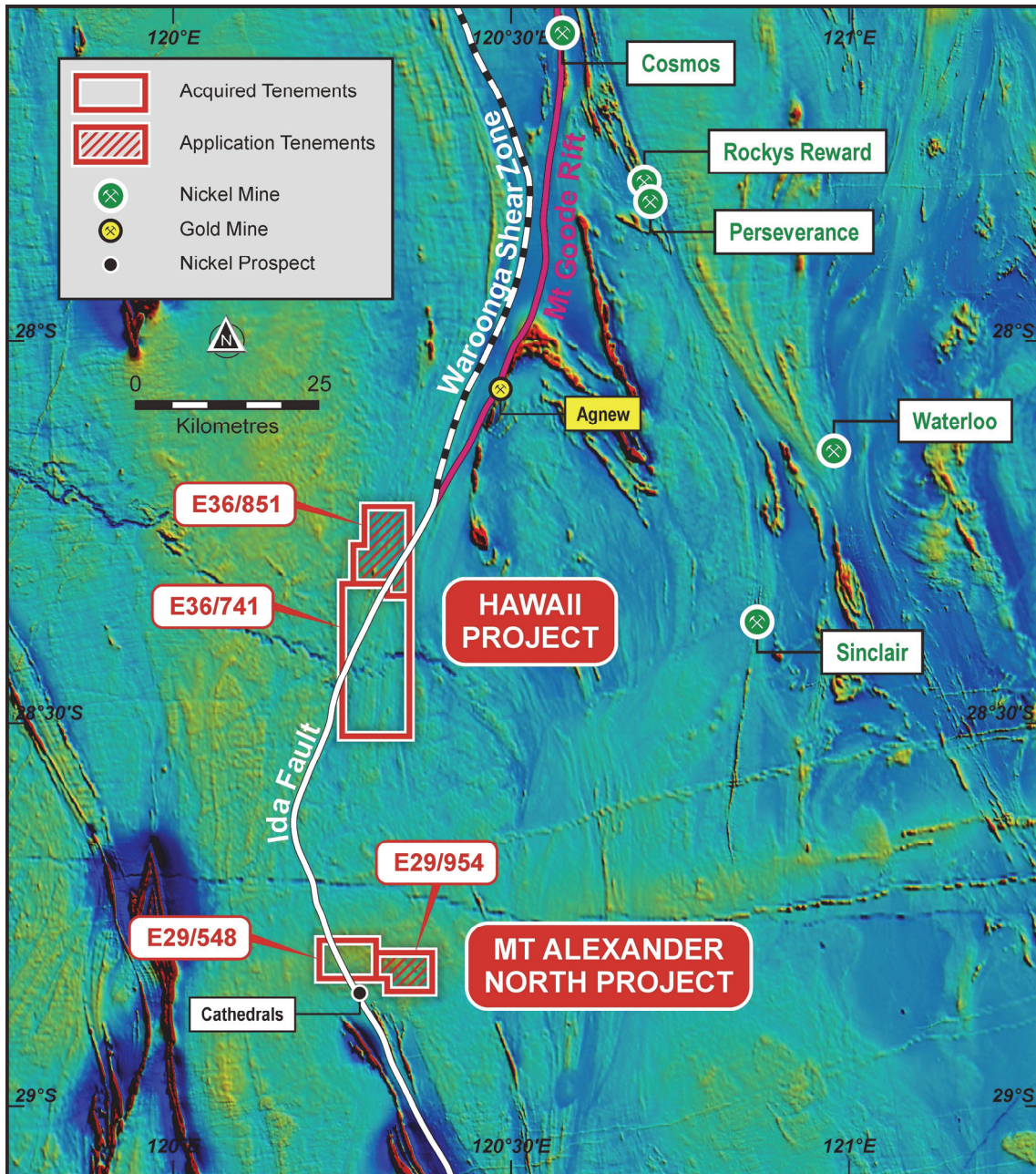


Figure 2 – a regional map of the Projects showing the position of the important Ida Fault and Mt Goode Rift, and the location of major nickel and gold sulphide deposits

Reconnaissance shallow aircore drilling at the Hawaii Project in 2012 discovered over 5km of moderate to high MgO ultramafics adjacent to the Ida Fault (see Figure 3), in an area long considered to be barren granitoids. St George is planning a deep RC (reverse circulation) drilling programme at Hawaii next month, which will be the first bedrock test of the ultramafic rocks and other targets.

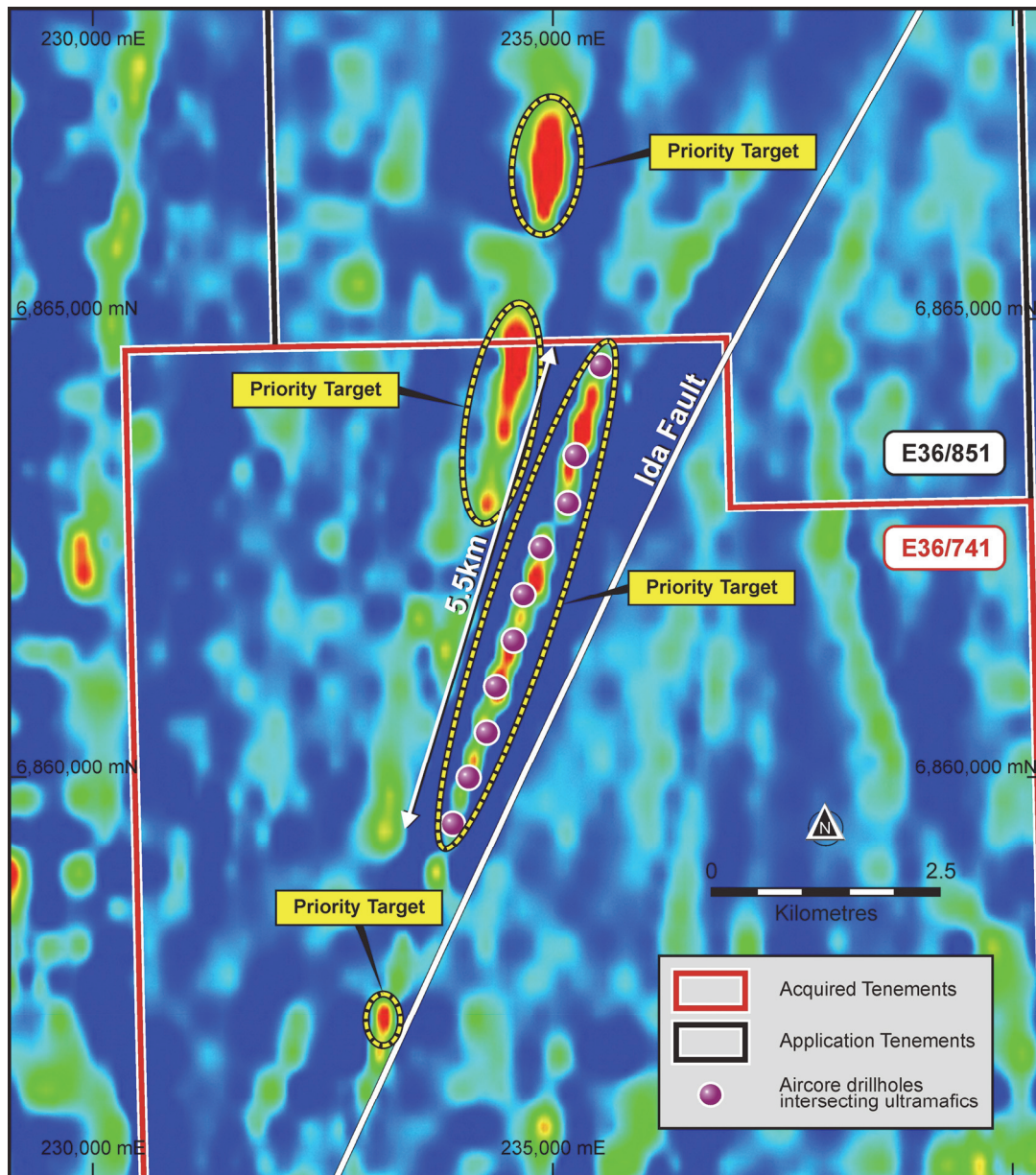


Figure 3 – a map (against 1VD magnetics) of the Hawaii project area illustrating the extensive ultramafics identified by drilling

Mt Alexander North Project

This Project is located approximately 120km southwest of Leinster. St George has acquired exploration licence E29/548 from Nickel West which covers 45.12 sq km. In addition, St George has lodged an application for exploration licence E29/954 which covers 41.72 sq km, which will increase the total Project area to 86.84 sq km.

Tenement E29/548 is immediately north of the Mt Alexander Project in E29/638 which is currently held in joint venture by Nickel West (75%) and Western Areas (25%). High grade nickel-copper sulphides were discovered at the Cathedrals prospect at the Mt Alexander Project in 2008 with intersections including **4m @ 4.9%Ni, 1.7%Cu and 3.9g/t total PGEs from 91.4m** and **3m @ 3.8%Ni, 1.6%Cu and 2.7g/t total PGEs from 56.3m** (see ASX Release dated 2 April 2008 by Western Areas Ltd).

Further details of the exploration programme planned by St George for these new Projects will be announced soon.

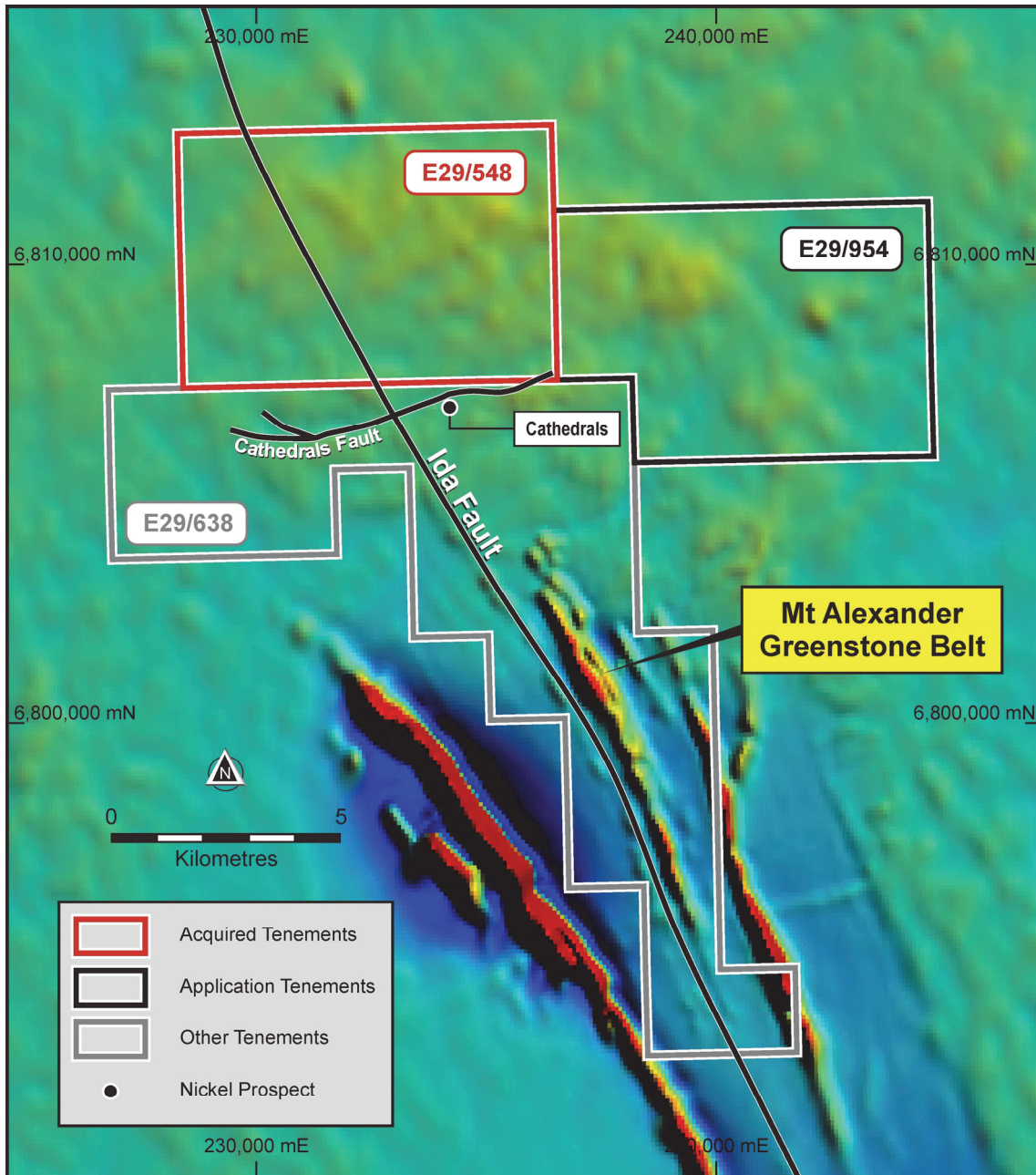


Figure 4 – a map of the Mt Alexander North tenements. The Cathedrals Fault that hosts the high grade Ni-Cu-PGE discovery on E29/638 is interpreted to extend into the new tenement application (E29/954) of St George.

TRANSACTION TERMS

The consideration payable by St George for the acquisition of the new Projects is \$40,000.

In addition, other key commercial terms of the transaction are:

- 1) Nickel West has off-take rights to any nickel produced from the acquired tenements;
- 2) Nickel West may charge a base royalty of 1% of the proceeds from any mineral production at a tenement; and

- 3) Nickel West may charge an additional royalty of 1% of the proceeds of any nickel produced from a tenement provided that the additional royalty is only payable if a minimum measured and indicated JORC resource of at least 25,000 tonnes of contained nickel is defined at the relevant tenement and payments of the additional royalty start 12 months after commercial production from the relevant tenement.

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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 Australasian 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.

The following sections are provided for compliance with requirements for the reporting of exploration results under the JORC Code, 2012 Edition.

Section 1 Sampling Techniques and Data

(Criteria in this section apply to all succeeding sections)

Criteria	JORC Code explanation	Commentary
Sampling techniques	<i>Nature and quality of sampling (eg cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc). These examples should not be taken as limiting the broad meaning of sampling.</i>	This ASX Release dated 18 September 2015 reports on the acquisition by St George Mining Limited (“St George”) of tenements comprised in the Hawaii Project and Mt Alexander North Project. St George has not conducted any exploration activities at these tenements and this ASX Release does not report any new drilling, assay or other sampling exploration work.
	<i>Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.</i>	The ASX Release does not report any drilling, assay or other sampling exploration.
	<i>Aspects of the determination of mineralisation that are Material to the Public Report.</i>	The ASX Release does not report any drilling, assay or other sampling exploration.
	<i>In cases where ‘industry standard’ work has been done this would be relatively simple (eg ‘reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30 g charge for fire assay’). In other cases more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (eg submarine nodules) may warrant disclosure of detailed information.</i>	
Drilling techniques	<i>Drill type (eg core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc) and details (eg core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc).</i>	The ASX Release does not report any drilling, assay or other sampling exploration. References to aircore drilling on E36/741 are to drilling conducted by the previous owner of the tenement (see Section: <i>Exploration Done by Other Parties</i>)
Drill sample recovery	<i>Method of recording and assessing core and chip sample recoveries and results assessed.</i>	The ASX Release does not report any drilling, assay or other sampling exploration.
	<i>Measures taken to maximise sample recovery and ensure representative nature of the samples.</i>	The ASX Release does not report any drilling, assay or other sampling exploration.
	<i>Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material.</i>	The ASX Release does not report any drilling, assay or other sampling exploration.

Criteria	JORC Code explanation	Commentary
Logging	<i>Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies.</i>	The ASX Release does not report any drilling, assay or other sampling exploration.
	<i>Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography.</i>	The ASX Release does not report any drilling, assay or other sampling exploration.
	<i>The total length and percentage of the relevant intersections logged.</i>	The ASX Release does not report any drilling, assay or other sampling exploration.
Sub-sampling techniques and sample preparation	<i>If core, whether cut or sawn and whether quarter, half or all core taken.</i>	The ASX Release does not report any drilling, assay or other sampling exploration.
	<i>If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry.</i>	The ASX Release does not report any drilling, assay or other sampling exploration.
	<i>For all sample types, the nature, quality and appropriateness of the sample preparation technique.</i>	The ASX Release does not report any drilling, assay or other sampling exploration.
	<i>Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.</i>	The ASX Release does not report any drilling, assay or other sampling exploration.
	<i>Measures taken to ensure that the sampling is representative of the in situ material collected, including for instance results for field duplicate/second-half sampling.</i>	The ASX Release does not report any drilling, assay or other sampling exploration.
	<i>Whether sample sizes are appropriate to the grain size of the material being sampled.</i>	The ASX Release does not report any drilling, assay or other sampling exploration.
Quality of assay data and laboratory tests	<i>The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.</i>	The ASX Release does not report any drilling, assay or other sampling exploration.
	<i>For geophysical tools, spectrometers, handheld XRF instruments, etc, the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc.</i>	The ASX Release does not report any drilling, assay or other sampling exploration.
	<i>Nature of quality control procedures adopted (eg standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (ie lack of bias) and precision have been established.</i>	The ASX Release does not report any drilling, assay or other sampling exploration.

Criteria	JORC Code explanation	Commentary
Verification of sampling and assaying	<i>The verification of significant intersections by either independent or alternative company personnel.</i>	The ASX Release does not report any drilling, assay or other sampling exploration.
	<i>The use of twinned holes.</i>	The ASX Release does not report any drilling, assay or other sampling exploration.
	<i>Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.</i>	The ASX Release does not report any drilling, assay or other sampling exploration.
	<i>Discuss any adjustment to assay data.</i>	The ASX Release does not report any drilling, assay or other sampling exploration.
Location of data points	<i>Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation.</i>	The ASX Release does not report any drilling, assay or other sampling exploration.
	<i>Specification of the grid system used.</i>	The ASX Release does not report any drilling, assay or other sampling exploration.
	<i>Quality and adequacy of topographic control.</i>	The ASX Release does not report any drilling, assay or other sampling exploration.
Data spacing and distribution	<i>Data spacing for reporting of Exploration Results.</i>	The ASX Release does not report any drilling, assay or other sampling exploration.
	<i>Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied.</i>	The ASX Release does not report any drilling, assay or other sampling exploration.
	<i>Whether sample compositing has been applied.</i>	The ASX Release does not report any drilling, assay or other sampling exploration.
Orientation of data in relation to geological structure	<i>Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.</i>	The ASX Release does not report any drilling, assay or other sampling exploration.
	<i>If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material.</i>	The ASX Release does not report any drilling, assay or other sampling exploration.
Sample security	<i>The measures taken to ensure sample security.</i>	The ASX Release does not report any drilling, assay or other sampling exploration.
Audits or reviews	<i>The results of any audits or reviews of sampling techniques and data.</i>	No detailed audits or reviews have been conducted at this stage.

Section 2 Reporting of Exploration Results

Criteria	JORC Code explanation	Commentary
Mineral Tenement and Land Status	<p>Type, name/reference number, location and ownership including agreements or material issues with third parties including joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings.</p> <p>The security of the tenure held at the time of reporting along with any known impediments to obtaining a licence to operate in the area.</p>	<p>The Hawaii Project is comprised of one granted Exploration Licence (E36/741) and one Exploration Licence Application (E36/851). The Mt Alexander North Project is comprised of one granted Exploration Licence (E29/548) and one Exploration Licence Application (E29/954).</p> <p>Each tenement is 100% owned by Blue Thunder Resources Pty Ltd, a wholly owned subsidiary of St George Mining. E36/741 and E29/548 are subject to a royalty in favour of a third party that is outlined in the ASX Release.</p> <p>The tenements at the Mt Alexander North Project are subject to the Wutha Land Access Deed. No environmentally sensitive sites have been identified at any of the tenements.</p> <p>The tenements are in good standing and no known impediments exist.</p>
Exploration Done by Other Parties	<p>Acknowledgment and appraisal of exploration by other parties.</p>	<p>E36/741 and E29/548 have been acquired by St George Mining from BHP Billiton Nickel West Pty Ltd (Nickel West). Limited on-ground exploration was completed at these tenements by Nickel West.</p> <p>At E36/741, an aircore drilling programme comprising 20 holes for 944m was completed in 2012 by Nickel West. The drilling identified a 5.5km strike length of ultramafic rocks. This was a major exploration breakthrough as the area was previously considered to be barren granitoids. A follow-up small fixed loop EM program was completed over ~10% of the ultramafic in 2013, with no bedrock conductors identified however EM effectiveness may be restricted by conductive cover. Eight of the aircore drill holes did not penetrate to the lower saprolite/saprock.</p> <p>At E29/548, 1 RC hole for 250m was completed in 2012 in the southeast of the tenement. Other work completed includes Hoistem and Sub-audio magnetic geophysical surveys over the southern central portion of the tenement to assist interpretation of bedrock geology and for targeting purposes.</p> <p>The tenements remain underexplored.</p>
Geology	<p>Deposit type, geological setting and style of mineralisation</p>	<p>The Hawaii and Mt Alexander North Projects are located along the Ida Fault, a significant Craton-scale structure that marks the boundary between the Eastern Goldfields Superterrane to the east and the Youanmi Terrane to the west.</p> <p>No mineralisation has been discovered at the Projects at this stage. The Hawaii and Mt Alexander projects are prospective for komatiite-hosted nickel sulphide deposits and precious metal deposits (i.e. Orogenic gold) that are typified elsewhere in the Yilgarn Craton.</p>
Drill hole information	<p>A summary of all information material to the understanding of the exploration results including tabulation of the following information for all Material drill holes:</p> <ul style="list-style-type: none"> • Easting and northing of the drill hole collar • Elevation or RL (Reduced Level – elevation above sea level in meters) of the drill hole collar • Dip and azimuth of the hole • Down hole length and interception depth • Hole length 	<p>The ASX Release does not report any drilling or assay sampling exploration.</p>

Criteria	JORC Code explanation	Commentary
Data aggregation methods	<i>In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (e.g. cutting of high grades) and cut-off grades are usually Material and should be stated.</i>	The ASX Release does not report any drilling or assay sampling exploration.
	<i>Where aggregated intercepts incorporate short lengths of high grade results and longer lengths of low grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail.</i>	The ASX Release does not report any drilling or assay sampling exploration.
	<i>The assumptions used for any reporting of metal equivalent values should be clearly stated.</i>	The ASX Release does not report any drilling or assay sampling exploration.
Relationship between mineralisation widths and intercept lengths	<p><i>These relationships are particularly important in the reporting of exploration results.</i></p> <p><i>If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported. If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (e.g. down hole length, true width not known).</i></p>	The ASX Release does not report any drilling or assay sampling exploration.
Diagrams	<i>Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported. These should include, but not be limited to a plane view of drill hole collar locations and appropriate sectional views.</i>	Relevant maps are included in the body of the ASX Release.
Balanced Reporting	<i>Where comprehensive reporting of all Exploration Results is not practical, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting Exploration Results.</i>	The ASX Release does not report any drilling or assay sampling exploration.
Other substantive exploration data	<i>Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observation; geophysical survey results; geochemical survey results; bulk samples – size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances.</i>	The ASX Release does not report any drilling or assay sampling exploration.
Further Work	<p><i>The nature and scale of planned further work (e.g. tests for lateral extensions or depth extensions or large – scale step – out drilling).</i></p> <p><i>Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.</i></p>	St George is currently planning further exploration programmes for the Hawaii and Mt Alexander North Projects, and further announcements will be made in due course.