



ST GEORGE
MINING LIMITED

ABN 21 139 308 973

**HALF YEARLY REPORT FOR THE
HALF YEAR ENDED 31 DECEMBER 2013**



THIS INTERIM FINANCIAL REPORT DOES NOT INCLUDE ALL THE NOTES OF THE TYPE NORMALLY INCLUDED IN AN ANNUAL FINANCIAL REPORT. ACCORDINGLY, THIS REPORT IS TO BE READ IN CONJUNCTION WITH THE ANNUAL REPORT FOR THE YEAR ENDED 30 JUNE 2013 AND ANY PUBLIC ANNOUNCEMENTS MADE BY ST GEORGE MINING LIMITED DURING THE INTERIM REPORTING PERIOD IN ACCORDANCE WITH THE CONTINUOUS DISCLOSURE REQUIREMENTS OF THE *CORPORATIONS ACT 2001*.

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DIRECTORS' REPORT

The Directors are pleased to submit their report on St George Mining Limited for the half-year ended 31 December 2013. In order to comply with the provisions of the *Corporations Act 2001*, the directors report as follows.

DIRECTORS

The names of the Directors who held office during or since the end of the half-year are:

John Prineas B.EC, LL.B F FIN – Executive Chairman

Timothy Hronsky B.ENG (Geology) MAUSIMM, MSEG – Executive Director

Marcus Michael B.BUS, CA – Non-Executive Director

REVIEW AND RESULTS OF OPERATIONS

A summary of revenues and results for the half-year is set out below:

	2013	
	Revenues	Results
	\$	\$
Revenues and (Loss)	298,742	(224,411)

During the six months period the exploration and evaluation expenditure was \$782,047. In accordance with the Group's accounting policy these costs were written off. Administration costs were \$336,685. The income tax refund, pursuant to the Federal Government's Research and Development Tax Incentive Scheme for the year ended 30 June 2013 was \$595,579, a resulting in a total loss for the six months of \$224,411.

JULY – DECEMBER 2013 REVIEW OF OPERATIONS

The Board is pleased to provide the following half yearly activities report.

HIGHLIGHTS

- **St George takes control of 100% of nickel rights at East Laverton**
- **Integrated nickel exploration database generates new priority nickel targets**
- **Moving loop electromagnetic (MLEM) survey commenced**
- **Multiple strong electromagnetic (EM) anomalies identified**
- **Test drilling commenced at Desert Dragon with 3 diamond core holes completed**
- **Tenure at Stella Range Belt increased to over 60 strike-km of fertile ultramafic trend**
- **Successful capital raising boosts cash reserves**

During the half year period to 31 December 2013, the Company achieved some important milestones in its flagship nickel exploration project at the East Laverton Property. These have created significant value for shareholders and positioned the Company closer to realising the potential for exploration success.

The Board is pleased to provide the following Review of Operations for the half year period to 31 December 2013.

EAST LAVERTON PROPERTY

St George Consolidates 100% Ownership of Nickel Rights

On 3 October 2013, St George Mining consolidated 100% ownership and control of the nickel rights for all tenements at the East Laverton Property following termination of the Project Dragon farm-in arrangement.

The highly prospective nickel targets generated by Project Dragon are now owned and controlled wholly by St George Mining, giving our shareholders 100% of the value of future discoveries.

The tenement consolidation has created important synergies and cost efficiencies for ongoing exploration which will maximise the potential for exploration success.

Integrated Database Heightens Potential for a Nickel Discovery

St George has established a new combined technical database that integrates the extensive technical information generated by BHP Billiton Nickel West under the former Project Dragon farm-in arrangement with St George's existing exploration data.

Early exploration results at St George's nickel project have demonstrated compositional similarities between the East Laverton Property and the Agnew-Wiluna nickel belt. This is the most significant nickel belt in Western Australia and hosts a number of world class nickel sulphide deposits including Perseverance, Rocky's Reward, Mt Keith and the Cosmos nickel camp.

The ultramafic rocks at the Agnew-Wiluna belt are derived from a rare, magnesium-rich parental magma. Reconnaissance drilling at East Laverton has shown similar large scale occurrences of these thickened and highly favourable high-MgO ultramafic sequences, supporting the potential for discoveries at East Laverton similar to those made at Agnew-Wiluna.

St George has also recently boosted its exploration team with the engagement of Matthew McCarthy as a consulting geologist. Matthew is a specialist in komatiite-hosted nickel exploration and was formerly with BHP Billiton Nickel West.

New Priority Nickel Targets

St George’s review of the integrated database has facilitated a detailed assessment of all nickel targets across the entire East Laverton Property and culminated in the selection of high priority prospects for immediate follow-up exploration. These are illustrated in Figure 1.

The priority nickel targets are spread across three ultramafic belts at the East Laverton Property, which highlights the district-scale nickel potential of the Property with an opportunity for multiple discoveries.

These nickel targets are no longer hindered by previous tenement boundaries that existed during the term of the Project Dragon farm-in arrangement. The best example of this is the Desert Dragon-Windsor target zone which lies within four different tenements, two of which were previously within Project Dragon.

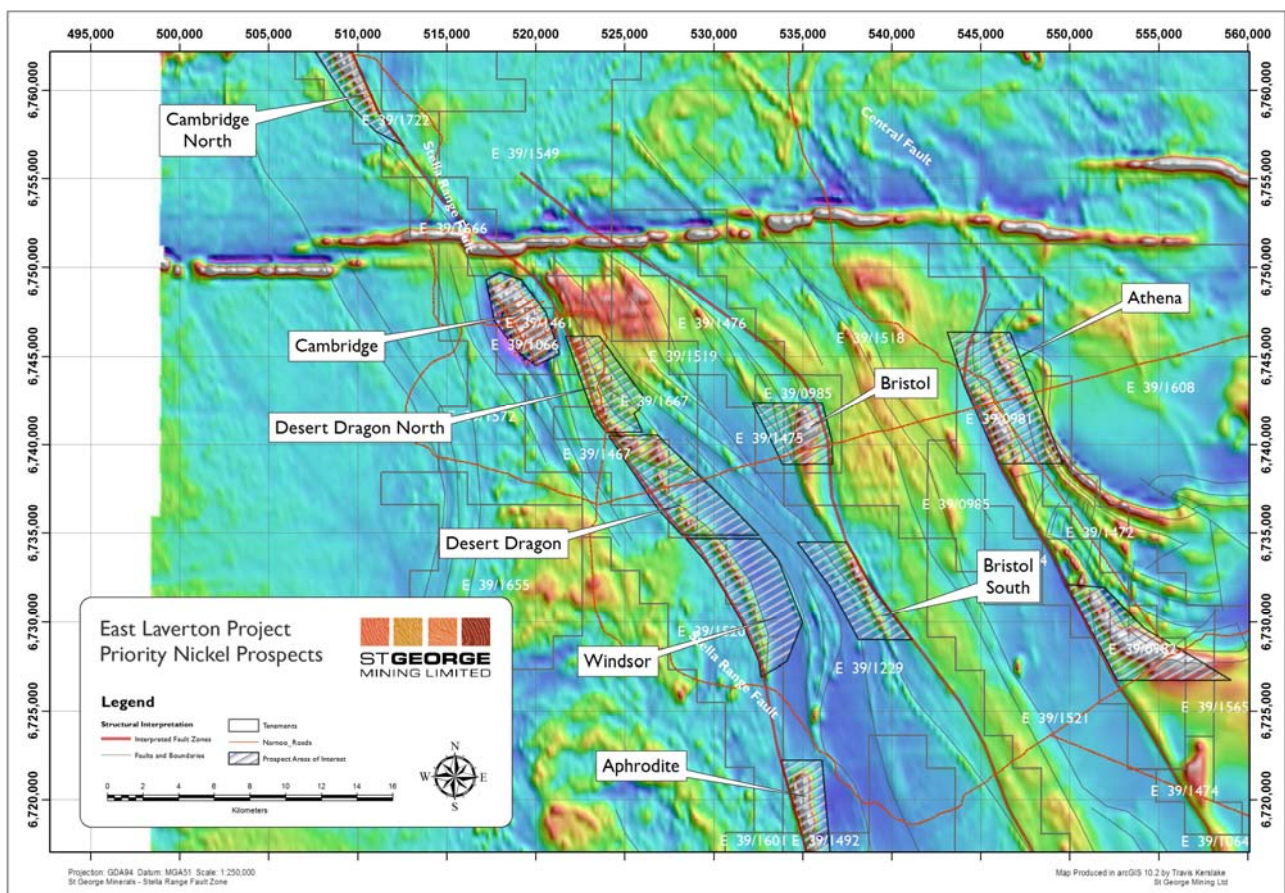


Figure 1 – The priority nickel targets are shown over aeromagnetics (TMI) at the East Laverton Property. These priority nickel targets are all 100% owned by St George and located on contiguous tenements, enabling efficient exploration.

Electromagnetic (EM) Programme Commenced

A property-wide ground EM programme has commenced with an initial focus on the high priority nickel exploration areas at the Stella Range Belt, that include sites where nickel sulphides were discovered by reconnaissance drilling in 2012.

Figure 1 illustrates the areas on the Stella Range Belt that will be covered by the first phase of the moving loop electromagnetic (MLEM) survey.

Prior to the Christmas recess, a total of 643 EM stations had been read so far in this MLEM survey, creating 61,000 line metres of coverage. This is a major, regional EM survey that will provide very valuable information to the Company for nickel sulphide targeting.

The MLEM survey has already identified a number of strong EM anomalies with initial analysis suggesting they are consistent with bedrock conductors and are permissive of potential massive sulphide nickel mineralisation.

The first EM conductor announced by the Company is a Category One EM conductor at the Desert Dragon North nickel prospect. This strong and discrete EM anomaly is co-incident with a strong magnetic high and elevated Ni-Cu soil values. The conductor is situated proximal to hole DDNRC002, which intersected 2m @ 1.08% Ni with visible massive sulphide veinlets (see Figure 2).

Interpretation and modelling of the survey data is ongoing to allow for the design of drill holes to test the EM targets for massive sulphide nickel mineralisation. A drilling programme is planned for later in Q1 2014.

Desert Dragon – Diamond Core Drilling

Test drilling of the Desert Dragon prospect commenced during the quarter, with three diamond core drill holes completed for a total of 968 metres drilled. Assays results are pending.

Initial geological logging of the drill core at site indicates that all three of the drill holes have intersected komatiite ultramafics, the rocks that typically host high grade nickel sulphide mineralisation. A preliminary assessment of the drill core and associated alteration assemblage suggests that drilling has identified a favourable geological setting for the presence of massive sulphide nickel mineralisation.

DHEM surveys were completed of all three holes at Desert Dragon and have identified strong EM anomalies in the range 130m to 140m.

The interpretation and modelling of the DHEM anomalies will be completed, and new drill holes designed, once assay results for the completed holes are received and a final assessment of the DHEM anomalies is completed.

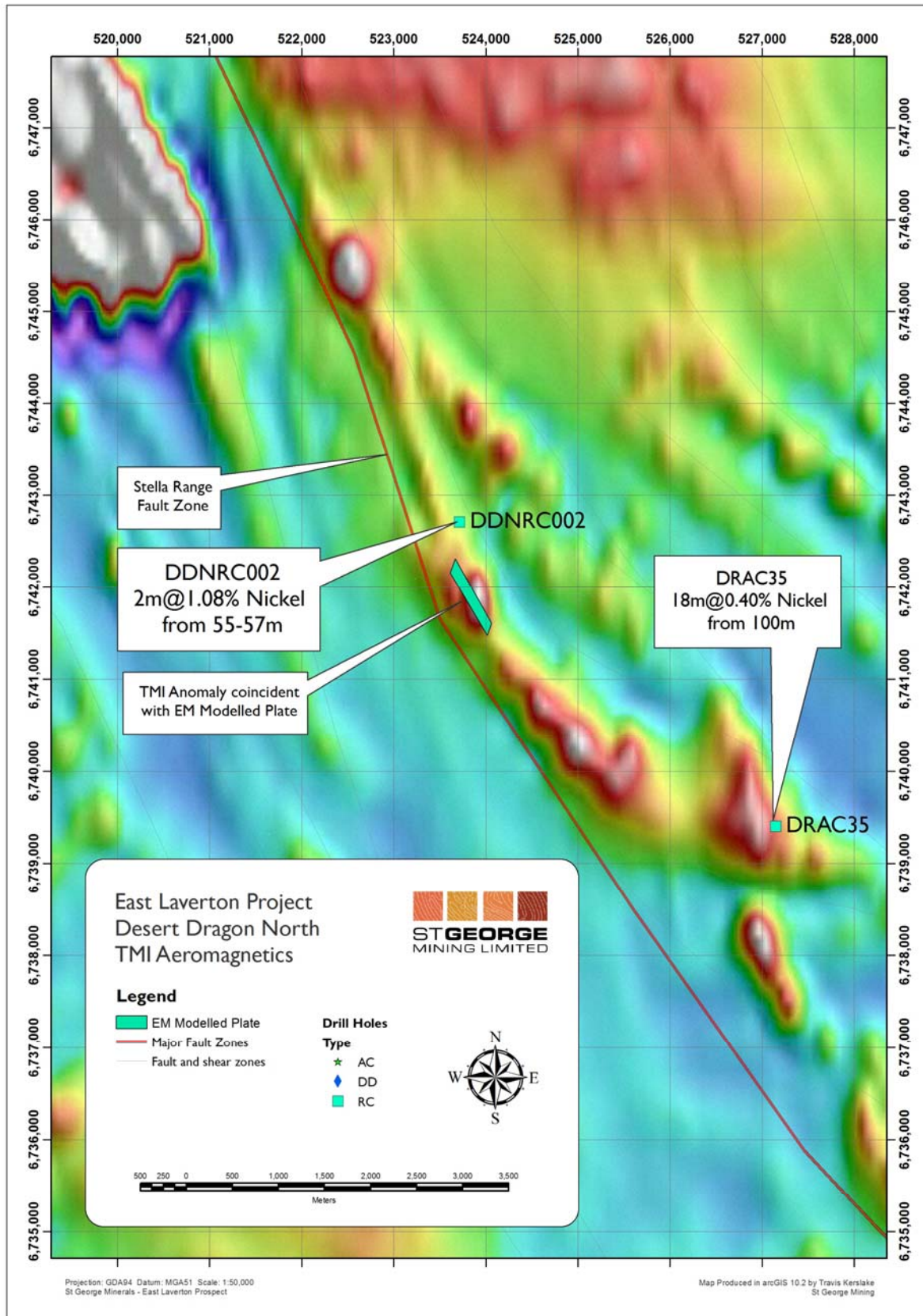


Figure 2 – TMI (Total Magnetic Intensity) plan map of the Desert Dragon North area with location of EM modelled plate and significant drill holes. The EM conductor is directly co-incident with a magnetic high anomaly and presents as an exceptional drill target.

East Laverton Tenements – Coverage Extended

Exploration Licence E39/1722 was granted during the reporting period. E39/1722 is the Company’s most northern tenement on the Stella Range Ultramafic Belt.

This new exploration licence is contiguous with the northern boundary of the Company’s existing tenements and extends St George’s dominant and continuous coverage of the Stella Range Belt by a further 12 km to over 60 km in total.

LAKE MINIGWAL PROJECT

The Lake Minigwal Project is interpreted to cover a large area of concealed greenstone that is prospective for gold and nickel sulphides. The project area adjoins the East Laverton Property (see Figure 3) and is within the area being recognised as an emerging nickel province (see Figure 4).

A soil geochemical survey is planned for the Lake Minigwal Project to further investigate the large and prominent gold anomaly identified at the project through a regional geochemical program conducted by the West Australian Geological Survey of Western Australia (GSWA).

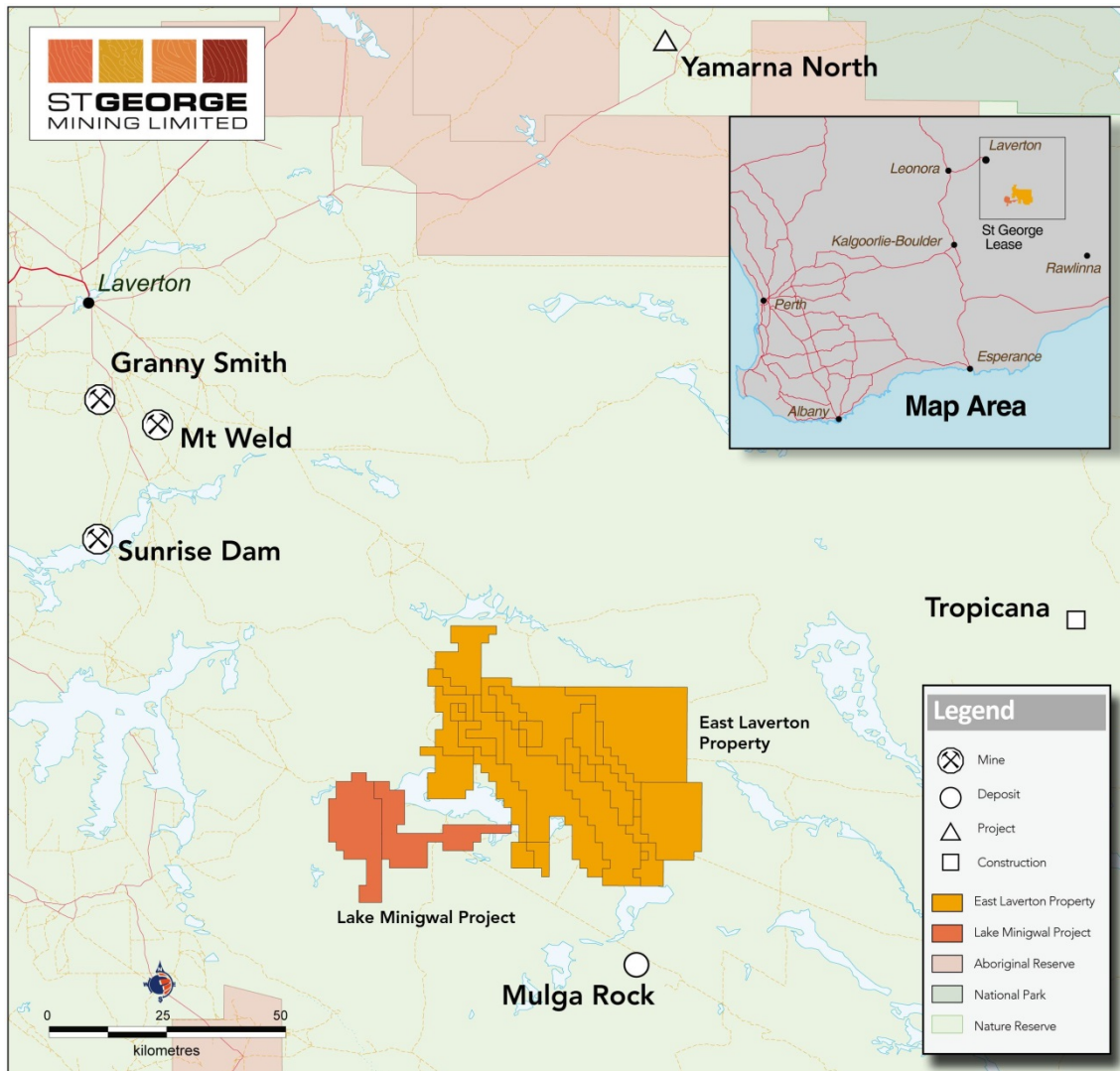


Figure 3 – the Lake Minigwal Project is illustrated relative to the East Laverton Property and other major regional projects

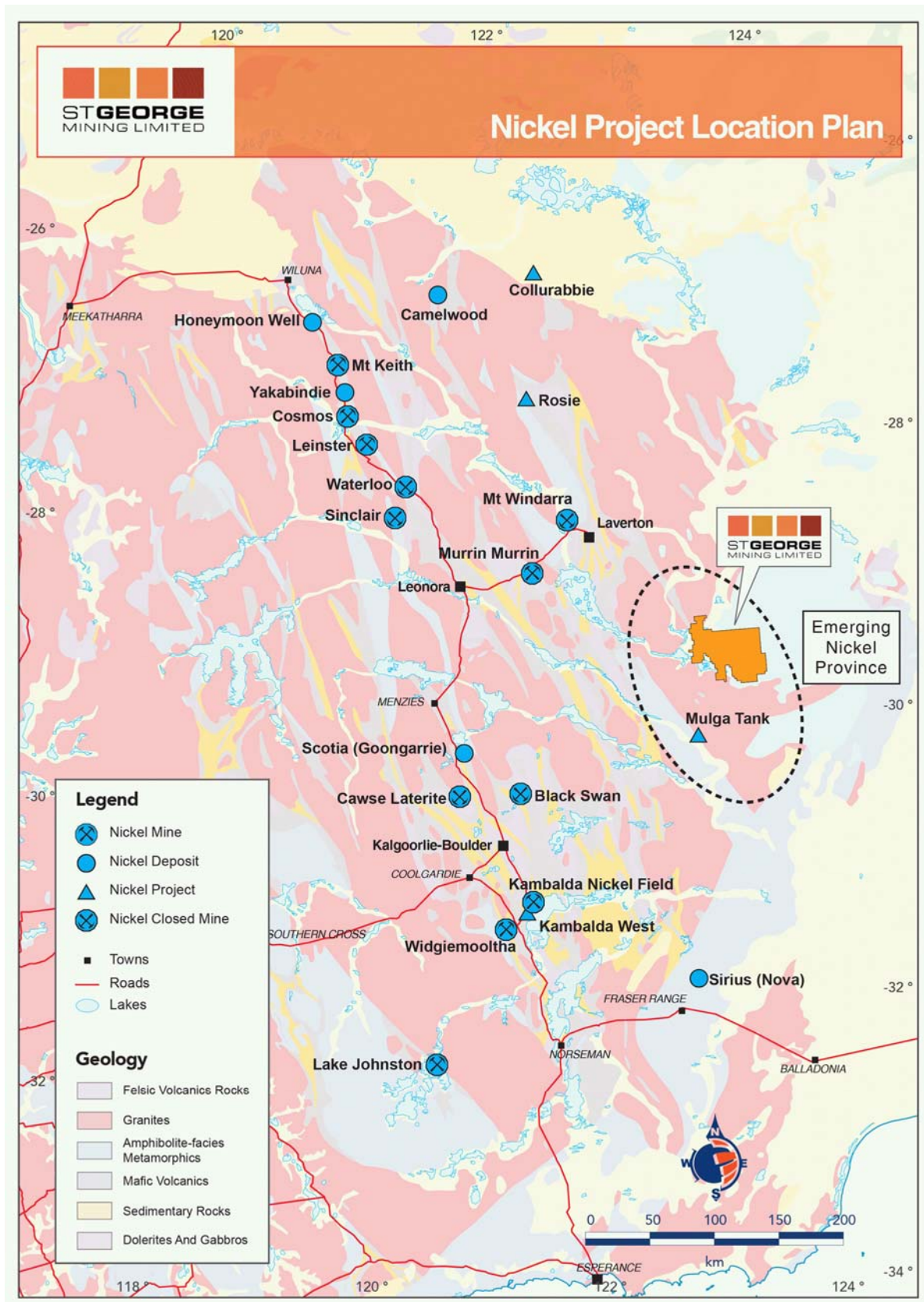


Figure 4 – St George’s ground is the dominant landholding in the emerging nickel province located to the east of the Agnew-Wiluna belt

PINE CREEK PROPERTY

The Company is continuing to review exploration results at the Pine Creek Property. No field work was carried out during the reporting period.

CORPORATE ACTIVITIES

On 6 December 2013, the Company completed a placement of ordinary shares to sophisticated investors to raise a total of \$825,000 through the issue of 7,500,000 shares at \$0.11 each.

Following the placement, the Company had 79,481,000 ordinary shares on issue.

COMPETENT PERSON STATEMENT:

JORC 2012: The Company confirms that it is not aware of any new information or data that materially affects the information included in any original market announcements issued by the Company in regard to its exploration projects, and that all material assumptions and technical parameters underpinning the announcements continue to apply and have not materially changed. The Company confirms that the form and context in which the Competent Person's findings are presented have not been materially modified from the original market announcements.

The information in this announcement that relates to Exploration Results and Mineral Resources as defined in the 2004 edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves' is based on information compiled by Mr Hronsky. Mr Hronsky is a member of the Australasian Institute of Mining and Metallurgy and 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 Hronsky 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 Hronsky consents to the inclusion of information in this announcement in the form and context in which it appears.

AUDITOR'S INDEPENDENCE DECLARATION

A copy of the auditor's independence declaration as required under section 307C of the *Corporations Act 2001* is set out on page 12.

This report is made in accordance with a resolution of directors.



John Prineas
Executive Chairman
St George Mining Limited
11 March 2014

11 March 2014

Board of Directors
St George Mining Limited
Level 1
115 Cambridge Street
WEST LEEDERVILLE WA 6007

Dear Sirs

RE: ST GEORGE MINING LIMITED

In accordance with section 307C of the Corporations Act 2001, I am pleased to provide the following declaration of independence to the directors of St George Mining Limited.

As Audit Director for the review of the financial statements of St George Mining Limited for the period ended 31 December 2013, I declare that to the best of my knowledge and belief, there have been no contraventions of:

- (i) the auditor independence requirements of the Corporations Act 2001 in relation to the review; and
- (ii) any applicable code of professional conduct in relation to the review.

Yours faithfully

STANTONS INTERNATIONAL AUDIT AND CONSULTING PTY LTD
(Trading as Stantons International)
(An Authorised Audit Company)



JP Van Dieren
Director

**CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE HALF-YEAR ENDED 31 DECEMBER 2013**

AUSTRALIAN DOLLAR (\$)	31 DECEMBER 2013	31 DECEMBER 2012
REVENUE FROM CONTINUING OPERATIONS	298,742	12,949
EXPENDITURE		
Administration expenses	(336,685)	(358,086)
Exploration expenditure written off	(782,047)	(777,801)
LOSS BEFORE INCOME TAX	(819,990)	(1,122,938)
Income tax benefit – Research and Development Tax Incentive	595,579	794,984
LOSS AFTER INCOME TAX	(224,411)	(327,954)
OTHER COMPREHENSIVE INCOME		
Items that will not be reclassified to Profit or Loss	-	-
Items that may be reclassified subsequently to Profit or Loss	-	-
TOTAL COMPREHENSIVE LOSS FOR THE PERIOD	(224,411)	(327,954)
LOSS AFTER INCOME TAX ATTRIBUTABLE TO MEMBERS OF THE COMPANY	(224,411)	(327,954)
COMPREHENSIVE INCOME (LOSS) FOR THE PERIOD ATTRIBUTABLE TO MEMBERS OF THE COMPANY	(224,411)	(327,954)
EARNINGS PER SHARE		
Basic and diluted loss per share (cents)	(0.31)	(0.51)

The above consolidated statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2013

AUSTRALIAN DOLLAR (\$)	NOTES	31 DECEMBER 2013	30 JUNE 2013
CURRENT ASSETS			
Cash and cash equivalents		1,276,379	877,156
Trade and other receivables		50,600	76,688
Other assets		22,510	10,459
TOTAL CURRENT ASSETS		1,349,489	964,303
NON-CURRENT ASSETS			
Security bond		1,000	1,000
Exploration and evaluation expenditure		482,581	482,581
TOTAL NON-CURRENT ASSETS		483,581	483,581
TOTAL ASSETS		1,833,070	1,447,884
CURRENT LIABILITIES			
Trade and other payables		356,192	522,693
Other current liabilities		-	18,333
TOTAL CURRENT LIABILITIES		356,192	541,026
TOTAL LIABILITIES		1,476,878	541,026
NET ASSETS		1,476,878	906,858
EQUITY			
Contributed equity	3(a)	8,232,159	7,439,139
Share option reserve	3(b)	414,746	413,335
Accumulated losses		(7,170,027)	(6,945,616)
TOTAL EQUITY		1,476,878	906,858

The above consolidated statement of financial position should be read in conjunction with the accompanying notes

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE HALF-YEAR ENDED 31 DECEMBER 2013

Australian (\$)	SHARE CAPITAL	ACCUMULATED LOSSES	SHARE OPTIONS RESERVE	TOTAL EQUITY
	\$	\$	\$	\$
Balance at 1 July 2013	7,439,139	(6,945,616)	413,335	906,858
Profit (loss) for the period	-	(224,411)	-	(224,411)
Other comprehensive income	-	-	-	-
Total comprehensive income (loss) for the period	-	(224,411)	-	(224,411)
Shares and options issued during the period	825,000	-	1,411	826,411
Share issue expenses	(31,980)	-	-	(31,980)
Balance at 31 December 2013	8,232,159	(7,170,027)	414,746	1,476,878
Balance at 1 July 2012	5,920,439	412,835	(5,451,156)	882,118
Profit (loss) for the period	-	-	(327,954)	(327,954)
Other comprehensive income	-	-	-	-
Total comprehensive income (loss) for the period	-	-	(327,954)	(327,954)
Shares issued during the period	749,600	500	-	750,100
Share issue expenses	(54,100)	-	-	(54,100)
Balance at 31 December 2012	6,615,939	413,335	(5,779,110)	1,250,164

The above consolidated statement of changes in equity should be read in conjunction with the accompanying notes

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE HALF YEAR ENDED 31 DECEMBER 2013**

AUSTRALIAN DOLLAR (\$)	31 DECEMBER 2013	31 DECEMBER 2012
CASH FLOWS FROM OPERATING ACTIVITIES		
Proceeds from reimbursements	270,000	-
Expenditure on mining interests	(953,367)	(571,863)
Payments to suppliers and employees	(352,124)	(310,897)
Interest received	11,666	10,458
Other – GST	26,997	(81,997)
Research and development grant	595,579	-
Net cash outflow from operating activities	(401,249)	(954,299)
CASH FLOWS FROM FINANCING ACTIVITIES		
Issue of shares net of capital raising costs	800,472	681,400
Net cash inflow from financing activities	800,472	681,400
Net increase/(decrease) in cash and cash equivalents	399,223	(272,899)
Cash and cash equivalents at the beginning of the half-year	877,156	766,420
CASH AND CASH EQUIVALENTS AT THE END OF THE HALF-YEAR	1,276,379	493,521

The above consolidated statement of cash flows should be read
in conjunction with the accompanying notes

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**NOTE 1: BASIS OF PREPARATION OF THE HALF-YEAR FINANCIAL REPORT**

These general purpose interim financial statements for the half-year reporting period ended 31 December 2013 have been prepared in accordance with requirements of the Corporations Act 2001 and Australian Accounting Standard AASB 134: Interim Financial Reporting. The Group is a for-profit entity for financial reporting purposes under Australian Accounting Standards.

This interim financial report is intended to provide users with an update on the latest annual financial statements of St George Mining Limited and its controlled entities (referred to as the "consolidated group" or "group"). As such, it does not contain information that represents relatively insignificant changes occurring during the half-year within the Group. It is therefore recommended that this financial report be read in conjunction with the annual financial statements of the Group for the year ended 30 June 2013, together with any public announcements made during the half-year.

Accounting Policies

The same accounting policies and methods of computation have been followed in this interim financial report as were applied in the most recent annual financial statements, except in relation to some of the matters discussed below.

New and Revised Accounting Requirements Application to the Current Half-Year Reporting Period

The following new and revised Australian Accounting Standards from 1 July 2013 together with consequential amendments to other Standards became mandatorily applicable from 1 July 2013:

- AASB 10: Consolidated Financial Statements;
- AASB 127: Separate Financial Statements (August 2011);
- AASB 11: Joint Arrangements;
- AASB 128: Investments in Associates and Joint Ventures (August 2011);
- AASB 12: Disclosure of Interests in Other Entities;
- AASB 2011-7: Amendments to Australian Accounting Standards arising from the Consolidation and Joint Arrangements Standards; and
- AASB 2012-10: Amendments to Australian Accounting Standards — Transition Guidance and Other Amendments.

AASB 10: Consolidated Financial Statements became applicable to the Group for the first time in the current half-year reporting period 1 July 2013 to 31 December 2013. The Group has applied this Accounting Standard in accordance with AASB 108: Accounting Policies, Changes in Accounting Estimates and Errors and the specific transition requirements in AASB 10. The effects of initial application of this Standard in the current half-year reporting period is as follows:

AASB 10: Consolidated financial statements

AASB 10 provides a revised definition of control and additional application guidance so that a single control model will apply to all investees. Revised AASB 127 facilitates the application of AASB 10 and prescribes requirements for separate financial statements of the parent entity. On adoption of AASB 10, the assets, liabilities and non-controlling interests related to investments in businesses that are now assessed as being controlled by the Group, and were therefore not previously consolidated, are measured as if the investee had been consolidated (and therefore applied acquisition accounting in accordance with AASB 3: Business Combinations) from the date when the Group obtained control of that investee on the basis of the requirements in AASB 10.

Upon the initial application of AASB 10, retrospective restatement of financial statement amounts of the year that immediately precedes the date of initial application (i.e. 2012-2013) is necessary. When control is considered to have been obtained earlier than the beginning of the immediately preceding year (i.e. pre-1 July 2012), any difference between the amount of assets, liabilities and non-controlling interests recognised and the previous carrying amount of the investment in that investee is recognised as an adjustment to equity as at 1 July 2012.

Although the first-time application of AASB 10 (together with the associated Standards) caused certain changes to the Group's accounting policy for consolidation and determining control, it did not result in any changes to the amounts reported in the Group's financial statements as the "controlled" status of the existing subsidiary did not change as a consequence of the revised definition. However, the revised wording of accounting policy for consolidation is set out below.

Other

The other Standards referred to above did not affect the Group's accounting policies or the amounts reported in the financial statements, mainly because the Group does not have joint arrangements, investment in associates, assets and liabilities measured at fair value or defined benefit plan assets or obligations.

Reporting Basis and Conventions

The half-year report has been prepared on an accruals basis and is based on historical costs.

The half-year report does not include full disclosures of the type normally included in an annual financial report.

Principles of Consolidation

The consolidated financial statements incorporate all of the assets, liabilities and results of the parent, St George Mining Limited, and all of the subsidiaries. Subsidiaries are entities the parent controls. The parent controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.

The assets, liabilities and results of all subsidiaries are fully consolidated into the financial statements of the Group from the date on which control is obtained by the Group. The consolidation of a subsidiary is discontinued from the date that control ceases. Intercompany transactions, balances and unrealised gains or losses on transactions between Group entities are fully eliminated on consolidation. Accounting policies of subsidiaries have been changed and adjustments made where necessary to ensure uniformity of the accounting policies adopted by the Group.

Equity interests in a subsidiary not attributable, directly or indirectly, to the Group are presented as "non-controlling interests". The Group initially recognises non-controlling interests that are present ownership interests in subsidiaries and are entitled to a proportionate share of the subsidiary's net assets on liquidation at either fair value or at the non-controlling interests' proportionate share of the subsidiary's net assets. Subsequent to initial recognition, non-controlling interests are attributed their share of profit or loss and each component of other comprehensive income. Non-controlling interests are shown separately within the equity section of the statement of financial position and statement of comprehensive income.

Going Concern Basis

The financial report has been prepared on the going concern basis, which contemplates continuity of normal business activities and realisation of assets and settlement of liabilities in the ordinary course of business. The going concern of the Company is dependent upon it maintaining sufficient funds for its operations and commitments. The directors continue to monitor the ongoing funding requirements of the Company.

FINANCIAL REPORT FOR THE HALF YEAR ENDED 31 DECEMBER 2013

The directors are confident that sufficient funding can be secured if required to enable the Company to continue as a going concern and as such are of the opinion that the financial report has been appropriately prepared on a going concern basis.

NOTE 2: SEGMENT INFORMATION

The Group operates in predominantly one business and geographical segment, being mineral exploration in Australia.

NOTE 3: ISSUED CAPITAL

AUSTRALIAN DOLLAR (\$)	31 DECEMBER 2013	31 DECEMBER 2012
(a) Issued and paid up capital		
At the beginning of the reporting period	7,439,139	5,920,439
Shares issued during the reporting period	825,000	743,000
Shares issued pursuant to exercise of options	-	6,600
Transactions costs arising from issue of shares	(31,980)	(54,100)
At reporting date 79,481,000 (31 December 2012: 66,631,000) fully paid ordinary shares	8,232,159	6,615,939

	31 DECEMBER 2013 Number	31 DECEMBER 2012 Number
Movements in Ordinary Shares		
At the beginning of reporting period	71,981,000	63,018,000
Shares issued during the reporting period	7,500,000	3,580,000
Shares issued pursuant to exercise of options	-	33,000
Balance at reporting date	79,481,000	66,631,000

	Number	Number
Movements in Performance Shares		
At the beginning of reporting period	100	100
Balance at reporting date	100	100

There are 100 Performance Shares (convertible into a maximum of 10,000,000 Ordinary Shares) on issue at 31 December 2013. The terms and conditions are set out in the St George Mining Limited 30 June 2013 Annual Report.

(b) Share Option Reserve

Options to take up ordinary shares in the capital of the Company are as follows:

AUSTRALIAN DOLLAR (\$)	31 DECEMBER 2013	31 DECEMBER 2012
Issued Options		
At the beginning of the reporting period	413,335	412,835
Options issued pursuant to agreement	-	500
Class B Options – share based payments	744	-
Class C Options – share based payments	667	-
At reporting date	414,746	413,335

Options to take up ordinary shares in the capital of the Company are as follows:

Exercise Period (On Or Before)	Note	Exercise Price	Opening Balance 1 July 2013 Number	Options Issued Number	Options Exercised/ Expired Number	Closing Balance 31 December 2013 Number
28.11.2014		\$0.20	48,508,000	-	-	48,508,000
28.11.2013	(i)	\$0.20	450,000	-	(450,000)	-
28.11.2014	(ii)	\$0.25	450,000	200,000	-	650,000
28.11.2015	(ii)	\$0.40	600,000	300,000	-	900,000

(i) On 29 November 2013 450,000 Class A Options expired.

(ii) On 29 November 2013 the Company issued a total of 500,000 Options to an employee of the Company. The terms and conditions of the options are detailed in the ASX announcement dated 6 December 2013 “St George Completed Nickel Exploration Funding”. Using the Black & Scholes option model and based on the assumptions below, the Class B and C Options were ascribed the following value:

Class of Options	Valuation Date	Market Price of Shares	Exercise Price	Expiry Date	Risk Free Interest Rate	Volatility	Indicative Value per Option (discounted at 20%)	Total Value of Options
Class B Options	29.11.2013	\$0.140	\$0.25	28.11.2014	2.560%	80%	\$0.0204	\$4,080
Class C Options	29.11.2013	\$0.140	\$0.40	28.11.2015	2.560%	80%	\$0.0246	\$7,380

NOTE 4: CONTINGENCIES

	CONSOLIDATED	
	31 DECEMBER 2013	31 DECEMBER 2012
Estimate of the potential financial effect of contingent liabilities that may become payable.	\$	\$
Contingent Liabilities		
The Company has entered into an option to acquire an 80% interest in Northern Territory tenement ELA 27732 that is prospective for gold and uranium.	500,000	500,000
	<u>500,000</u>	<u>500,000</u>

NOTE 5: SUBSEQUENT EVENTS

No matter or circumstance has arisen since 31 December 2013, which has significantly affected, or may significantly affect the operations of the Group, the result of those operations, or the state of affairs of the Group in subsequent financial years.

NOTE 6: ESTIMATES AND ASSUMPTIONS

The preparation of financial statements in conformity with AIFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are:

Future Rehabilitation

The Group measures the cost of future rehabilitation in relation to its tenements based on probable cost estimations at the date upon which tenements are altered from their original state. Fair values are determined using local data available. No rehabilitation provision is considered necessary at 31 December 2013.

NOTE 7: SUBSIDIARIES

The parent entity, St George Mining Limited, has 100% interest in Desert Fox Resources Pty Ltd and Blue Thunder Resources Pty Ltd. St George Mining Limited is required to make all the financial and operating decisions of these subsidiaries.

Subsidiaries of St George Mining Limited	Country of Incorporation	Percentage Owned %	
		2013	2012
Desert Fox Resources Pty Ltd	Australia	100%	100%
Blue Thunder Resources Pty Ltd	Australia	100%	100%

DIRECTORS' DECLARATION

The directors of the Company declare that:

1. the financial statements and notes, as set out on pages 13 to 21 are in accordance with the Corporations Act 2001 and:
 - (a) comply with Accounting Standard AASB 134 Interim Financial Reporting and the Corporations Regulations 2001; and
 - (b) give a true and fair view of the financial position as at 31 December 2013 and of the performance for the 6 months ended on that date of the Group;
2. In the directors' opinion there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Board of Directors.



John Prineas

Executive Chairman

St George Mining Limited

Perth, 11 March 2014

**INDEPENDENT AUDITOR'S REVIEW REPORT
TO THE MEMBERS OF
ST GEORGE MINING LIMITED**

Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial report of St George Mining Limited, which comprises the condensed statement of financial position as at 31 December 2013, the condensed statement of profit or loss and other comprehensive income, condensed statement of changes in equity, and condensed statement of cash flows for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration for St George Mining Limited ("the consolidated entity"). The consolidated entity comprises both St George Mining Limited ("the company") and the entities it controlled during the half year.

Directors' Responsibility for the Half-Year Financial Report

The directors of St George Mining Limited are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Act 2001 and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the consolidated entity's financial position as at 31 December 2013 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of St George Mining Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Whilst we considered the effectiveness of management's internal controls over financial reporting when determining the nature and extent of our procedures, our review was not designed to provide assurance on internal controls.

Our review did not involve an analysis of the prudence of business decisions made by the directors or management.

Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations Act 2001*, has been provided to the directors of St George Mining Limited on 11 March 2014.

Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of St George Mining Limited is not in accordance with the *Corporations Act 2001* including:

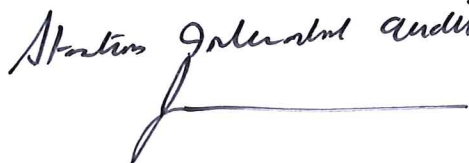
- (a) giving a true and fair view of the consolidated entity's financial position as at 31 December 2013 and of its performance for the half-year ended on that date; and
- (b) complying with Accounting Standards AASB 134 Interim Financial Reporting and Corporations Regulations 2001.

STANTONS INTERNATIONAL AUDIT AND CONSULTING PTY LTD

(Trading as Stantons International)

(An Authorised Audit Company)

Stantons International audit and consulting 15/3/14



John P Van Dieren
Director

West Perth, Western Australia
11 March 2014