

3 December 2015

ST GEORGE COMMENCES DRILLING AT HAWAII PROJECT

HIGHLIGHTS:

- **Maiden drilling programme begins at the new Hawaii Project**
- **First ever drilling of the bedrock geology**
- **Four priority targets on two magnetic trends to be tested**
- **Opportunity for a discovery in prospective but underexplored area**

HIGH IMPACT EXPLORATION AT NEW HAWAII PROJECT

St George Mining Limited (ASX: **SGQ**) ('St George' or 'the Company') is pleased to announce the commencement of its maiden drilling programme at the 100% owned Hawaii Project - located south-west of the Agnew-Wiluna belt in Western Australia; see Figure 1.

The Hawaii Project was recently acquired from BHP Billiton Nickel West Pty Ltd ("Nickel West") and is prospective for nickel sulphide and gold mineralisation.

A total of 770m of reverse circulation (RC) drilling is planned in this drilling programme which will be the first ever drilling to test the bedrock geology at the Project.

Four drill holes are planned to test four separate targets on two prominent magnetic trends at the Project; see Figure 2.

St George Mining Executive Chairman, John Prineas said:

"The initial shallow drilling by Nickel West identified the presence of prospective ultramafics and we now have an opportunity to effectively test the bedrock with our deeper RC drilling.

"This is a milestone drilling programme that has the potential to deliver a significant exploration breakthrough.

"With high impact nickel sulphide drilling also underway at our East Laverton Project, we have several outstanding opportunities for drilling success over the next few weeks."

Three of the targets to be tested at Hawaii are located on the 5.5km long ultramafic trend which was first identified by reconnaissance aircore drilling completed by Nickel West.

This aircore drilling intersected thick weathered komatiite ultramafics, including drill hole HWAC12 which intersected 45m of ultramafic to end of hole and HWAC6 which intersected 48m of ultramafic to end of hole. Both aircore holes intersected elevated nickel and cobalt values in regolith (up to 1.29%Ni and 0.1%Co in HWAC12) which is indicative of weathered moderate to high MgO ultramafics.

The following three drill holes are planned to test this prospective ultramafic trend (as illustrated in Figure 2):

- **HWRC001** will test a 500m long magnetic anomaly that abuts the interpreted Ida Fault at the southern end of the ultramafic trend.
- **HWRC002** will test the bedrock ultramafic between historical aircore holes HWAC1 and HWAC3 which had elevated coincident PGEs (up to 48ppb Pt+Pd) and copper (up to 262ppm Cu) in regolith.
- **HWRC003** will test an interpreted 200m thick ultramafic between historical aircore holes HWAC8 and HWAC9.

A fourth drill hole, **HWRC004**, will test the 2km strong magnetic response west of the ultramafic trend (see Figure 2). A total of six aircore holes were drilled by Nickel West in an attempt to test this magnetic response, however the aircore drill could not penetrate the hard upper regolith profile. The RC drill hole to be completed by St George will provide the first effective test of this strong magnetic anomaly.

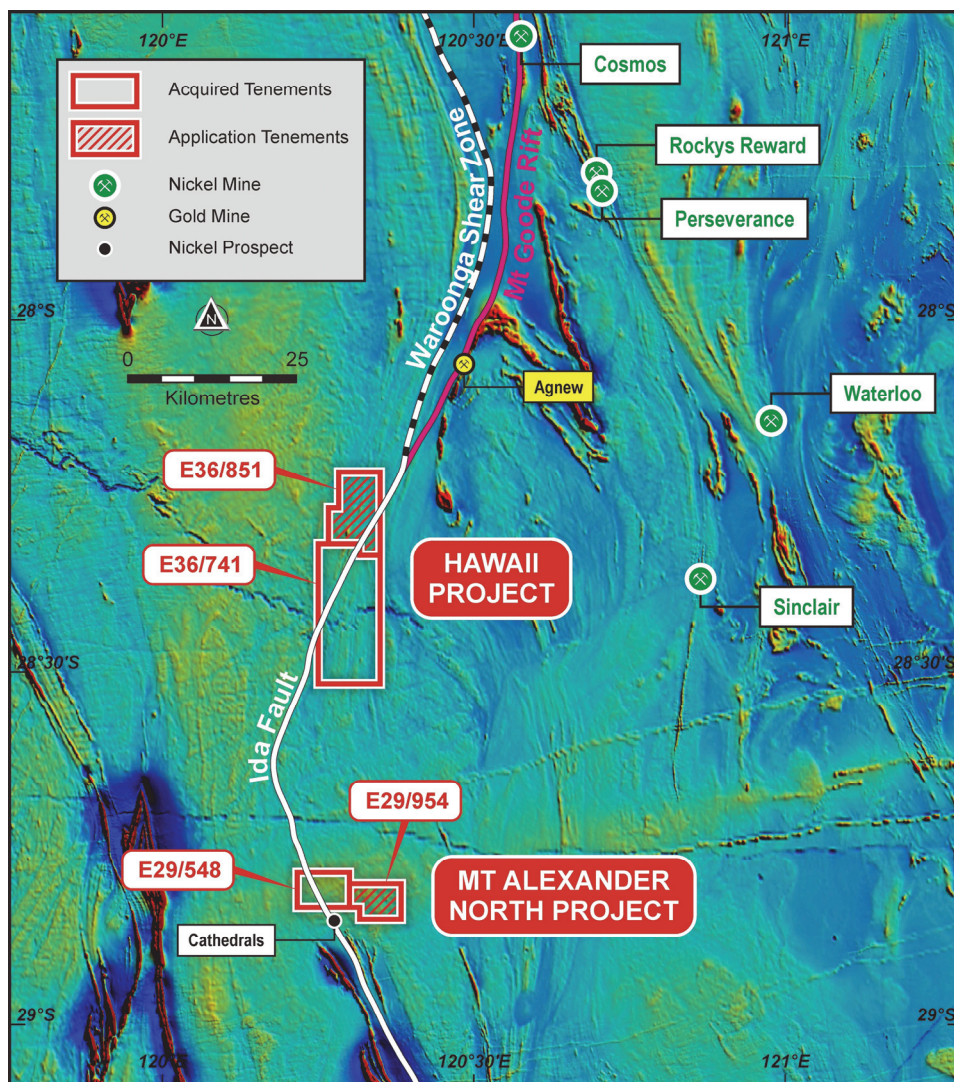


Figure 1 – a map showing the location of the Hawaii Project in a world class address for major nickel and gold deposits. The Mt Alexander North Project has also been acquired by St George from Nickel West.

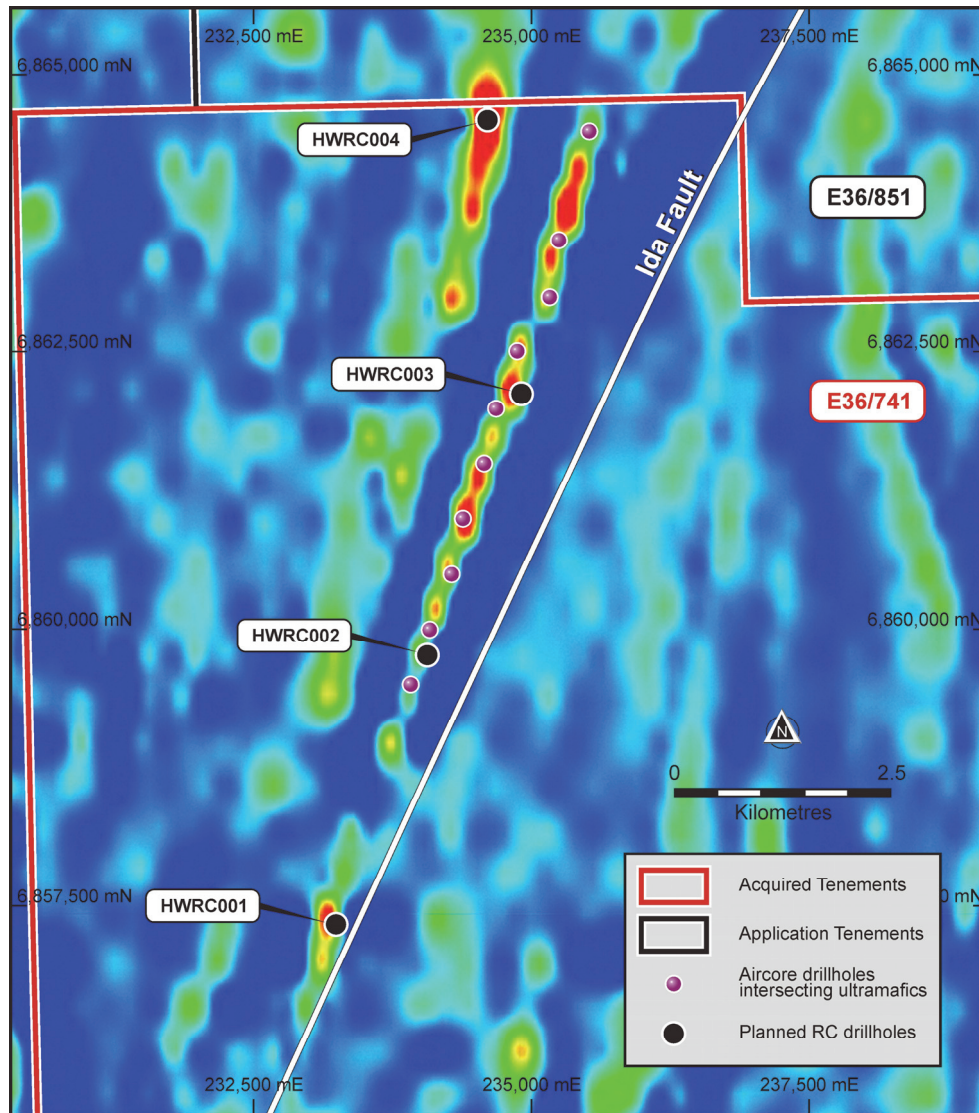


Figure 2 – a map showing the location of the planned RC drill holes against 1VD magnetics. The drill holes will test four priority targets in the upcoming programme.

For further information, please contact:

John Prineas
Executive Chairman
St George Mining Limited
(+61) 411 421 253
John.prineas@stgm.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 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 3 December 2015 reports on planned drilling by St George Mining Limited (“St George”) at its new Hawaii Project. This ASX Release refers only to planned exploration drilling and does not report any new drilling results, 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>	This ASX Release refers only to planned exploration drilling and does not report any new drilling results, assay or other sampling exploration work.
	<i>Aspects of the determination of mineralisation that are Material to the Public Report.</i>	This ASX Release refers only to planned exploration drilling and does not report any new drilling results, assay or other sampling exploration work.
	<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>	This ASX Release refers only to planned exploration drilling and does not report any new drilling results, assay or other sampling exploration work. Planned drilling will utilise reverse circulation drilling with a face sampling hammer. 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>	This ASX Release refers only to planned exploration drilling and does not report any new drilling results, assay or other sampling exploration work.
	<i>Measures taken to maximise sample recovery and ensure representative nature of the samples.</i>	This ASX Release refers only to planned exploration drilling and does not report any new drilling results, assay or other sampling exploration work.
	<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>	This ASX Release refers only to planned exploration drilling and does not report any new drilling results, assay or other sampling exploration work.

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>	This ASX Release refers only to planned exploration drilling and does not report any new drilling results, assay or other sampling exploration work.
	<i>Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography.</i>	This ASX Release refers only to planned exploration drilling and does not report any new drilling results, assay or other sampling exploration work.
	<i>The total length and percentage of the relevant intersections logged.</i>	This ASX Release refers only to planned exploration drilling and does not report any new drilling results, assay or other sampling exploration work.
Sub-sampling techniques and sample preparation	<i>If core, whether cut or sawn and whether quarter, half or all core taken.</i>	This ASX Release refers only to planned exploration drilling and does not report any new drilling results, assay or other sampling exploration work.
	<i>If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry.</i>	This ASX Release refers only to planned exploration drilling and does not report any new drilling results, assay or other sampling exploration work.
	<i>For all sample types, the nature, quality and appropriateness of the sample preparation technique.</i>	This ASX Release refers only to planned exploration drilling and does not report any new drilling results, assay or other sampling exploration work.
	<i>Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.</i>	This ASX Release refers only to planned exploration drilling and does not report any new drilling results, assay or other sampling exploration work.
	<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>	This ASX Release refers only to planned exploration drilling and does not report any new drilling results, assay or other sampling exploration work.
	<i>Whether sample sizes are appropriate to the grain size of the material being sampled.</i>	This ASX Release refers only to planned exploration drilling and does not report any new drilling results, assay or other sampling exploration work.
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>	This ASX Release refers only to planned exploration drilling and does not report any new drilling results, assay or other sampling exploration work.
	<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>	This ASX Release refers only to planned exploration drilling and does not report any new drilling results, assay or other sampling exploration work.

Criteria	JORC Code explanation	Commentary
	<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>	This ASX Release refers only to planned exploration drilling and does not report any new drilling results, assay or other sampling exploration work.
Verification of sampling and assaying	<i>The verification of significant intersections by either independent or alternative company personnel.</i>	This ASX Release refers only to planned exploration drilling and does not report any new drilling results, assay or other sampling exploration work.
	<i>The use of twinned holes.</i>	This ASX Release refers only to planned exploration drilling and does not report any new drilling results, assay or other sampling exploration work.
	<i>Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.</i>	This ASX Release refers only to planned exploration drilling and does not report any new drilling results, assay or other sampling exploration work.
	<i>Discuss any adjustment to assay data.</i>	This ASX Release refers only to planned exploration drilling and does not report any new drilling results, assay or other sampling exploration work.
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>	This ASX Release refers only to planned exploration drilling and does not report any new drilling results, assay or other sampling exploration work.
	<i>Specification of the grid system used.</i>	The grid system used at the Hawaii project is GDA94 (MGA), zone 51.
	<i>Quality and adequacy of topographic control.</i>	Due to the reconnaissance nature of exploration at the Hawaii project, hand-held GPS is currently considered sufficient to provide approximate elevation data.
Data spacing and distribution	<i>Data spacing for reporting of Exploration Results.</i>	This ASX Release refers only to planned exploration drilling and does not report any new drilling results, assay or other sampling exploration work.
	<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>	This ASX Release refers only to planned exploration drilling and does not report any new drilling results, assay or other sampling exploration work.
	<i>Whether sample compositing has been applied.</i>	This ASX Release refers only to planned exploration drilling and does not report any new drilling results, assay or other sampling exploration work.
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>	This ASX Release refers only to planned exploration drilling and does not report any new drilling results, assay or other sampling exploration work.

Criteria	JORC Code explanation	Commentary
	<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>	This ASX Release refers only to planned exploration drilling and does not report any new drilling results, assay or other sampling exploration work.
Sample security	<i>The measures taken to ensure sample security.</i>	This ASX Release refers only to planned exploration drilling and does not report any new drilling results, assay or other sampling exploration work.
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><i>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.</i></p> <p><i>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.</i></p>	<p>The Hawaii Project is comprised of one granted Exploration Licence (E36/741) and one Exploration Licence Application (E36/851).</p> <p>The tenement is 100% owned by Blue Thunder Resources Pty Ltd, a wholly owned subsidiary of St George Mining. E36/741 is subject to a royalty in favour of a third party that is outlined in the ASX Release dated 18 September 2015.</p> <p>No heritage sites or environmentally sensitive sites have been identified on the tenement.</p> <p>The tenement is in good standing and no known impediments exist.</p>
Exploration Done by Other Parties	<i>Acknowledgment and appraisal of exploration by other parties.</i>	<p>E36/741 was acquired by St George Mining from BHP Billiton Nickel West Pty Ltd (Nickel West). Limited on-ground exploration was completed on this tenement 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. Eight of the aircore drill holes did not penetrate to the lower saprolite/saprock.</p> <p>The tenements remain underexplored.</p>
Geology	<i>Deposit type, geological setting and style of mineralisation</i>	<p>The Hawaii Project is 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 to date.</p> <p>The Hawaii Projects is 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><i>A summary of all information material to the understanding of the exploration results including tabulation of the following information for all Material drill holes:</i></p> <ul style="list-style-type: none"> • <i>Easting and northing of the drill hole collar</i> • <i>Elevation or RL (Reduced Level – elevation above sea level in meters) of the drill hole collar</i> • <i>Dip and azimuth of the hole</i> • <i>Down hole length and interception depth</i> • <i>Hole length</i> 	This ASX Release refers only to planned exploration drilling and does not report any new drilling results, assay or other sampling exploration work.

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>	This ASX Release refers only to planned exploration drilling and does not report any new drilling results, assay or other sampling exploration work.
	<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>	This ASX Release refers only to planned exploration drilling and does not report any new drilling results, assay or other sampling exploration work.
	<i>The assumptions used for any reporting of metal equivalent values should be clearly stated.</i>	This ASX Release refers only to planned exploration drilling and does not report any new drilling results, assay or other sampling exploration work.
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>	This ASX Release refers only to planned exploration drilling and does not report any new drilling results, assay or other sampling exploration work.
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 scaled and oriented 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>	This ASX Release refers only to planned exploration drilling and does not report any new drilling results, assay or other sampling exploration work.
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>	This ASX Release refers only to planned exploration drilling and does not report any new drilling results, assay or other sampling exploration work.
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>	The planned exploration programme for the Hawaii Project is outlined in the main body of the ASX release. Further announcements will be made in due course.