ASX / MEDIA RELEASE

29 January 2016

ST GEORGE COMPLETES ACQUISITION OF MT ALEXANDER PROJECT

HIGHLIGHTS:

- **St George finalises acquisition of 75% interest in the high grade nickel-copper sulphide Mt Alexander Project from BHP Billiton**
- **Western Areas retains a 25% interest in the Project and has also become a shareholder in St George**
- **A high quality addition to St George's growing WA project portfolio**
- **Drilling programme planned by St George in 2016**

HIGH GRADE NICKEL-COPPER SULPHIDE PROJECT – ACQUISITION COMPLETED

St George Mining Limited (ASX: **SGQ**) ('St George' or 'the Company') is pleased to announce it has completed the previously announced acquisition of a 75% interest in the Mt Alexander Project from BHP Billiton Nickel West Pty Ltd ("Nickel West").

The completion of the acquisition follows satisfaction of all conditions precedent under the Sale Agreement signed by the parties. The acquisition by St George includes all technical and exploration data for the Project from Nickel West.

St George has also allotted 3,500,000 ordinary shares to Western Areas Limited, which agreed to not exercise its right of pre-emption over Nickel West's interest in the Mt Alexander Project. For further details of the terms for the acquisition of the Mt Alexander Project, see our ASX Release dated 17 December 2015 *"New High Grade Nickel-Copper Sulphide Project"*.

St George Mining Executive Chairman, John Prineas said:

"This is an important strategic acquisition for St George which we believe will deliver significant value for our shareholders.

"Very impressive intersections of shallow high grade nickel-copper sulphides have already been discovered by drilling at Mt Alexander.

"We are looking forward to our first drilling campaign at Mt Alexander, and the opportunity to make further significant discoveries of high grade mineralisation."

The Mt Alexander Project is an outstanding low-risk exploration project in a world class nickel region of Western Australia, and offers tremendous exploration upside for St George.

The Project is located 120km south-southwest of the Agnew-Wiluna belt which hosts numerous world class nickel deposits. St George will be the Manager of the Project with Western Areas retaining a 25% non-contributing interest in the Project until there is a decision to mine.

High grade nickel-copper sulphides were discovered at the Mt Alexander Project in 2008 from drilling at the Cathedrals Prospect. The nickel-copper sulphides were discovered by drill testing below isolated nickel-iron gossans hosted in granites.

Follow-up drilling targeting electromagnetic (EM) conductors at Cathedrals resulted in further significant high grade nickel-copper sulphide intersections including:

- **4m @ 4.9%Ni, 1.7%Cu and 3.9g/t total PGEs** from 91.4m in drill hole MAD12
- **3m @ 3.8%Ni, 1.6%Cu and 2.7g/t total PGEs** from 56.3m in drill hole MAD13
- **6m @ 3.3%Ni, 1.5%Cu and 2.7g/t total PGEs** from 60m in drill hole MARC49

The drill holes intersected massive, matrix and disseminated sulphides at shallow depth. Figures 1 and 2 show sections of the drill core from MAD12 and MAD13 with massive nickel-copper sulphides in komatiite ultramafics.

The Cathedrals Fault that hosts the mineralised komatiites remains largely untested along strike from the Cathedrals Prospect.

Figure 1 – high grade nickel-copper sulphides in komatiite ultramafic in MAD12

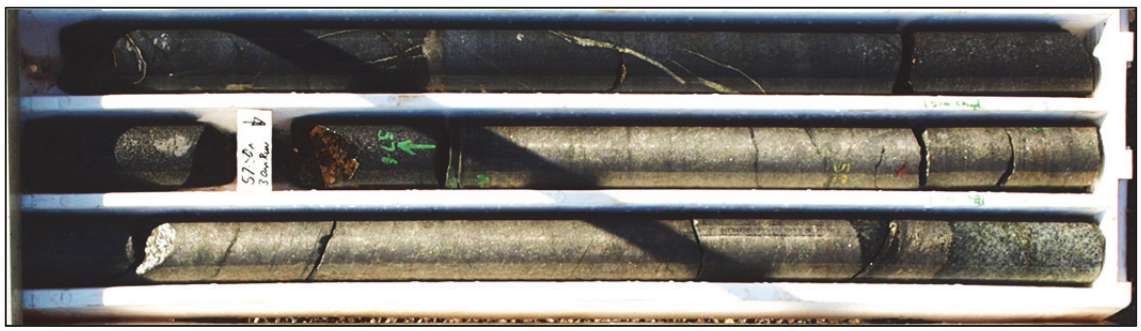

Figure 2 – high grade nickel-copper sulphides in komatiite ultramafic on contact with granite in MAD13

St George has initiated a detailed geological review of the exploration data for the Mt Alexander Project. The first joint venture meeting with Western Areas' technical team will take place next week, with a view to preparing a multi-phase exploration programme for Mt Alexander in 2016. A further announcement regarding proposed exploration at Mt Alexander, including the next drill programme to test nickel sulphide targets, will be made soon.

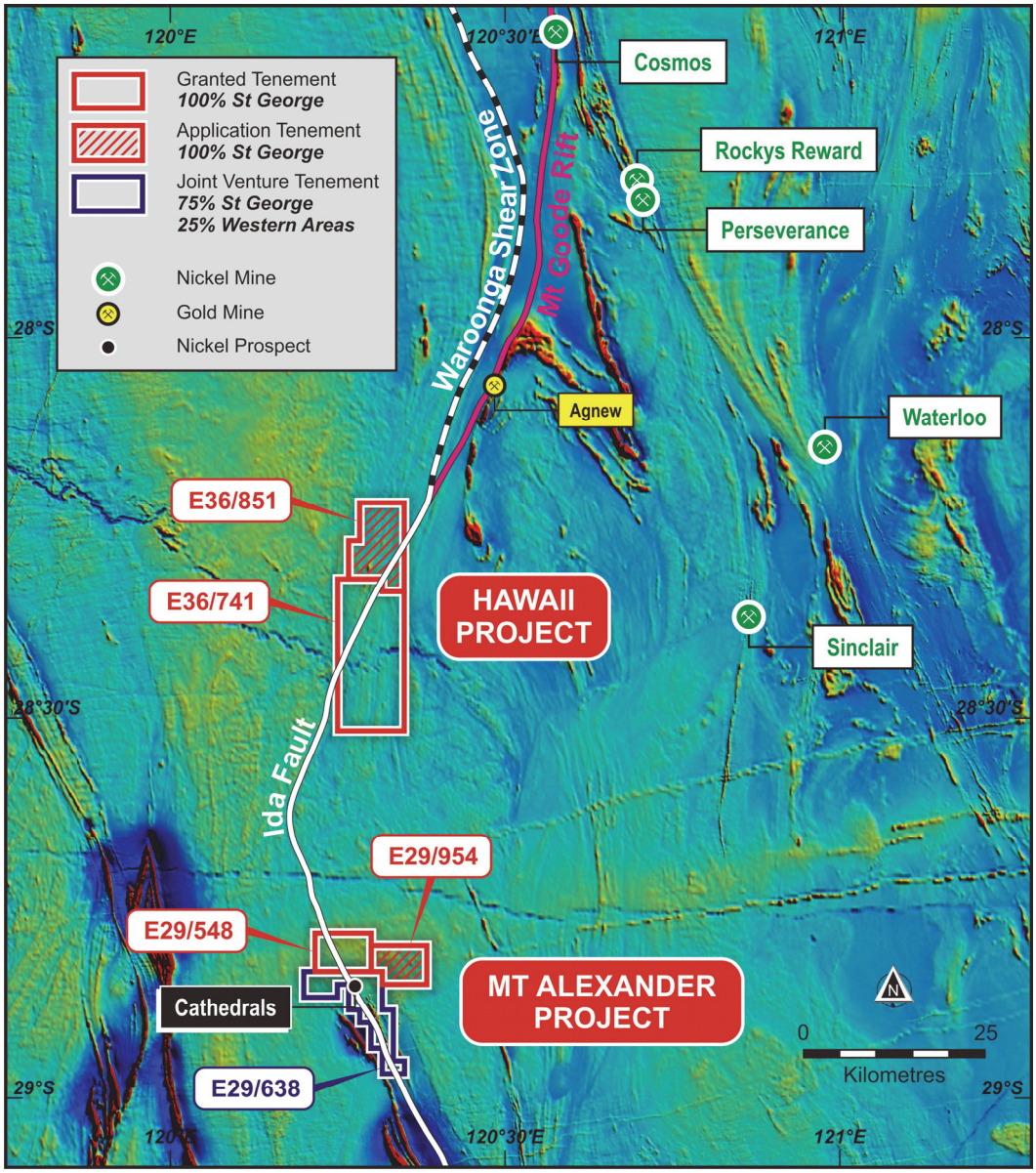

Figure 3 – a map showing the location of Mt Alexander Project over TMI magnetics. The Hawaii Project was also recently acquired by St George from Nickel West.

In October 2015, St George completed the 100% acquisition of 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.

These two tenements are owned 100% by St George, with E29/638 – the tenement that hosts the Cathedrals Prospect – being a joint venture between Western Areas (25%) and St George (75%).

All three tenements are contiguous and provide St George with approximately 165 sq km of highly prospective ground in this under-explored area.

TRANSACTION TERMS

The consideration payable to Nickel West by St George for the acquisition of the 75% interest in the Mt Alexander Project is $300,000.

Other key commercial terms of the acquisition are:

1) Nickel West has off-take rights to St George's share of any nickel produced from the Project;

2) Nickel West may charge a base royalty of 1% of the proceeds from St George's share of any mineral production at the Project; and

3) Nickel West may charge an additional royalty of 1% of the proceeds from St George's share of any nickel produced from the Project 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 Project and payments of the additional royalty start 12 months after commercial production from the Project.

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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	*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.*	This ASX Release dated 29 January 2016 reports on the acquisition by St George Mining Limited ("St George") of a majority 75% interest in the Mt Alexander Project which is encompassed in E29/638. This ASX Release refers only to historic exploration drilling and does not report any new drilling results, assay or other sampling exploration work.
	Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.	This ASX Release refers only to historic exploration drilling and does not report any new drilling results, assay or other sampling exploration work.
	Aspects of the determination of mineralisation that are Material to the Public Report. *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.*	This ASX Release refers only to historic exploration drilling and does not report any new drilling results, assay or other sampling exploration work.
Drilling techniques	*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).*	This ASX Release refers only to historic exploration drilling and does not report any new drilling results, assay or other sampling exploration work. References to reverse circulation and diamond drilling on E29/638 are to drilling conducted by BHP Billiton Nickel West Pty Ltd ("Nickel West"), the party from which St George has acquired its 75% majority interest in the tenement (see Section: *Exploration Done by Other Parties)*
Drill sample recovery	*Method of recording and assessing core and chip sample recoveries and results assessed.*	This ASX Release refers only to historic exploration drilling and does not report any new drilling results, assay or other sampling exploration work.
	Measures taken to maximise sample recovery and ensure representative nature of the samples.	This ASX Release refers only to historic exploration drilling and does not report any new drilling results, assay or other sampling exploration work.

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

Criteria	JORC Code explanation	Commentary
	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.	This ASX Release refers only to historic exploration drilling and does not report any new drilling results, assay or other sampling exploration work.
	Nature of quality control procedures adopted (eg standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (i.e. lack of bias) and precision have been established.	This ASX Release refers only to historic exploration drilling and does not report any new drilling results, assay or other sampling exploration work.
Verification of sampling and assaying	*The verification of significant intersections by either independent or alternative company personnel.*	This ASX Release refers only to historic exploration drilling and does not report any new drilling results, assay or other sampling exploration work. Significant intersections discussed in this ASX release were checked by St George personnel using assay data supplied by Nickel West.
	The use of twinned holes.	This ASX Release refers only to historic exploration drilling and does not report any new drilling results, assay or other sampling exploration work.
	Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.	This ASX Release refers only to historic exploration drilling and does not report any new drilling results, assay or other sampling exploration work.
	Discuss any adjustment to assay data.	This ASX Release refers only to historic exploration drilling and does not report any new drilling results, assay or other sampling exploration work.
Location of data points	*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.*	This ASX Release refers only to historic exploration drilling and does not report any new drilling results, assay or other sampling exploration work.
	Specification of the grid system used.	The grid system used at the Mt Alexander project is GDA94 (MGA), zone 51.
	Quality and adequacy of topographic control.	This ASX Release refers only to historic exploration drilling and does not report any new drilling results, assay or other sampling exploration work.
Data spacing and distribution	*Data spacing for reporting of Exploration Results.*	This ASX Release refers only to historic exploration drilling and does not report any new drilling results, assay or other sampling exploration work.
	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.	This ASX Release refers only to historic exploration drilling and does not report any new drilling results, assay or other sampling exploration work.
	Whether sample compositing has been applied.	This ASX Release refers only to historic exploration drilling and does not report any new drilling results, assay or other sampling exploration work.

Criteria	JORC Code explanation	Commentary
Orientation of data in relation to geological structure	*Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.*	This ASX Release refers only to historic exploration drilling and does not report any new drilling results, assay or other sampling exploration work.
	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.	This ASX Release refers only to historic exploration drilling and does not report any new drilling results, assay or other sampling exploration work.
Sample security	*The measures taken to ensure sample security.*	This ASX Release refers only to historic exploration drilling and does not report any new drilling results, assay or other sampling exploration work.
Audits or reviews	*The results of any audits or reviews of sampling techniques and data.*	This ASX Release refers only to historic exploration drilling and does not report any new drilling results, assay or other sampling exploration work.

Section 2 Reporting of Exploration Results

Criteria	JORC Code explanation	*Commentary*
Mineral Tenement and Land Status	*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.* *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.*	The Mt Alexander Project is comprised of two granted Exploration Licences (E29/638 and E29/548). Tenement E29/638 will be a Joint Venture between St George (75% interest) and Western Areas (25% interest). Both tenements are subject to a royalty in favour of a third party that is outlined in the ASX Release dated 17 December 2015 (as regards E29/638) and the ASX release dated 18 September 2015 (as regards E29/548). No environmentally sensitive sites have been identified on the tenements. A registered Heritage site known as Willsmore 1 (DAA identification 3087) straddles tenements E29/548 and E29/638. The newly acquired tenement E29/638, as well as E29/548, are in good standing and no known impediments exist.
Exploration Done by Other Parties	*Acknowledgment and appraisal of exploration by other parties.*	Exploration on tenement E29/638 has been largely for komatiite-hosted nickel sulphides both in the Mt Alexander Greenstone Belt, and at the Cathedrals Prospect in the northern section of the tenement. The target lithological unit in the Mt Alexander Greenstone belt has been the Central Ultramafic Unit, which has been explored by a number of parties, most recently by Nickel West. High grade nickel-copper sulphides were discovered at the Mt Alexander Project in 2008. Drilling was completed to test co-incident electromagnetic (EM) and magnetic anomalies associated with nickel-PGE enriched gossans. The drilling identified high grade Ni-Cu mineralisation and the discovery was named the Cathedrals Prospect. The tenement remains underexplored.
Geology	*Deposit type, geological setting and style of mineralisation*	The Mt Alexander Project is at the northern end of a western bifurcation of the Mt Ida Greenstones. The greenstones are bound to the west by the Ida Fault, a significant Craton-scale structure that marks the boundary between the Kalgoorlie Terrane (and Eastern Goldfields Superterrane) to the east and the Youanmi Terrane to the west. The Mt Alexander Project is prospective for further high-grade komatiite-hosted nickel-copper-PGE mineralisation and also precious metal mineralisation (i.e. orogenic gold) that is typified elsewhere in the Yilgarn Craton.

Criteria	JORC Code explanation	*Commentary*
Drill hole information	*A summary of all information material to the understanding of the exploration results including tabulation of the following information for all Material drill holes:* *• 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*	This ASX Release refers only to historic exploration drilling and does not report any new drilling results, assay or other sampling exploration work. Table 1 to this JORC Section contains drill hole information on the historic drilling that is discussed in this ASX Release. This historic drilling was reported by Western Areas Limited in its ASX Release dated 2 April 2008 *'Assays Confirm High Grade Nickel/Copper/PGE Discovery at Mt Alexander Joint Venture'*.
Data aggregation methods	*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.*	This ASX Release refers only to historic exploration drilling and does not report any new drilling results, assay or other sampling exploration work.
	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.	This ASX Release refers only to historic exploration drilling and does not report any new drilling results, assay or other sampling exploration work.
	The assumptions used for any reporting of metal equivalent values should be clearly stated.	This ASX Release refers only to historic exploration drilling and does not report any new drilling results, assay or other sampling exploration work.
Relationship between mineralisation widths and intercept lengths	*These relationships are particularly important in the reporting of exploration results.* *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).*	This ASX Release refers only to historic exploration drilling and does not report any new drilling results, assay or other sampling exploration work. Historical assay intersections are reported as down hole lengths. The relationship of down hole width to true width will be reviewed by St George upon assessment of the newly acquired technical data.
Diagrams	*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.*	Relevant scaled and oriented maps are included in the body of the ASX Release.
Balanced Reporting	*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.*	This ASX Release refers only to historic exploration drilling and does not report any new drilling results, assay or other sampling exploration work. Comprehensive reporting of all exploration results is not required for the scope of this ASX release and will be tabulated upon detailed evaluation of the newly acquired project database.
Other substantive exploration data	*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.*	This ASX Release refers only to historic exploration drilling and does not report any new drilling results, assay or other sampling exploration work.

Criteria	JORC Code explanation	*Commentary*
Further Work	*The nature and scale of planned further work (e.g. tests for lateral extensions or depth extensions or large – scale step – out drilling).* *Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.*	Further exploration on E29/638 will be planned once all newly acquired technical data has been reviewed. Details of further work at the tenement will be announced after completion of the acquisition, scheduled for 28 January 2016, occurs.

HOLE ID	EASTING	NORTHING	DIP	AZM	DEPTH	FROM	TO	WIDTH	Ni	Cu	Total PGEs
	(m)	(m)	(deg)	(deg)	(m)	(m)	(m)	(m)	(%)	(%)	(g/t)
MAD012	233885	6806995	-70	170	111.5	81.5	95.5	14	1.9	0.8	1.8
incl.						91.4	95.4	4	4.9	1.7	3.9
MAD013	233805	6806955	-70	170	93.3	56.3	59.3	3	3.8	1.6	2.7
incl.						57.6	59	1.4	7.1	3.0	2.9

Table 1 to 2012 JORC Section – Significant intersections at the Cathedrals Prospect within E29/638