

14 June 2016

EXPLORATION UPDATE – GOLD DRILLING AT EAST LAVERTON

HIGHLIGHTS:

- **Drill holes at the Ascalon gold target have intersected mafic rocks with thick zones of hydrothermal alteration which may have a gold association**
- **Drilling at the Bristol gold target is scheduled to commence tomorrow**
- **Multiple gold targets provide an opportunity for a new gold discovery in this underexplored region**

FAVOURABLE MINERAL SYSTEM ENCOUNTERED AT ASCALON

St George Mining Limited (ASX: **SGQ**) ('St George Mining' or 'the Company') is pleased to provide an update regarding the drilling of priority gold targets at its 100% owned East Laverton Project in Western Australia.

Four of the five planned drill holes at the Ascalon gold target have been completed. The fifth drill hole is underway and expected to be completed today. All drill holes have intersected thick mafic units and associated late stage felsic intrusives. These rocks show evidence of intense alteration by hydrothermal fluids.

Ascalon is hosted within the thickest section of the Minigwal greenstone belt, which is situated in the hanging wall of the Minigwal Fault. The Minigwal fault is a deep (trans-lithospheric) structure providing a pathway for gold-rich hydrothermal fluids to move from the mantle into the upper crust.

The hydrothermally altered greenstones at Ascalon include broad zones of silica alteration and quartz-carbonate veining. The alteration encountered by drilling at Ascalon is often associated with Orogenic gold mineralisation in the Laverton region.

Assay results will provide a conclusive determination on the relationship between the favourable alteration encountered and the possible gold content. Details of the drill holes completed at Ascalon are shown in Table 1.

A follow-up drill programme for Ascalon will be planned after the results from the initial drilling are reviewed.

Drilling at the Bristol gold target is scheduled to commence tomorrow.

John Prineas, Executive Chairman of St George Mining, said:

"The strong hydrothermal alteration in the Ascalon drill holes is consistent with a favourable system for gold mineralisation. This is a very good start to the drilling at Ascalon.

"At Bristol, previous shallow drilling has established a gold anomaly over 1km. Our drilling will be the first ever test of the bedrock geology there and also offers the potential for a breakthrough discovery."

Hole ID	Target	Easting (m)	Northing (m)	Dip (deg)	Azimuth (deg)	Depth (m)
ASCRC001	Ascalon	553210	6730520	-60	225	240
ASCRC002	Ascalon	553330	6730670	-60	225	240
ASCRC003	Ascalon	553460	6730810	-60	225	340
ASCRC004	Ascalon	553590	6730960	-60	225	271
ASCRC005	Ascalon	553720	6731110	-60	225	240*

Table 1 – St George’s 2016 drill holes at the Ascalon gold target
(* planned depth. All other holes have been completed.)

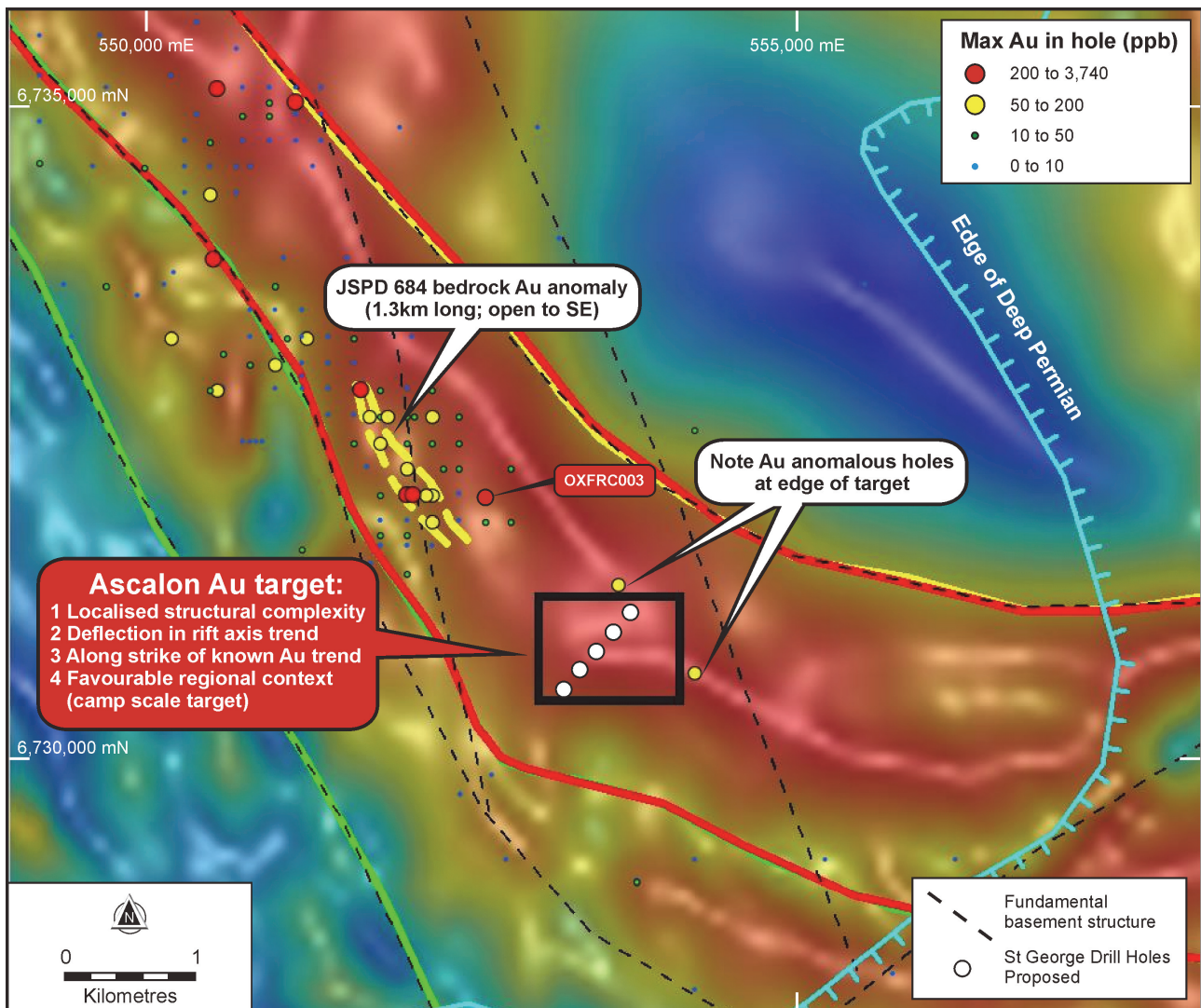


Figure 1 – the Ascalon target shown against Bouguer tilt gravity data with St George’s 2016 drill holes illustrated. This initial drilling at Ascalon has tested the prominent deflection in the Minigwal greenstone belt which is a highly prospective site for potential gold mineralisation.

BRISTOL GOLD TARGET

The Bristol gold target is situated along the Central Belt within the East Laverton Project. Widespread anomalous gold (>0.5g/t Au) was encountered over a 1km strike length from shallow drilling in this area completed in the 1990s by a previous explorer.

The average hole-depth for the past drilling was approximately 40m and identified anomalous gold in the lower regolith. Significantly, gold anomalism in seven of the eight drill holes occurs at the end of hole. The continuation of this gold mineralisation, or the presence of bedrock gold mineralisation, has never been tested.

The gold anomalism is situated on the contact of the Bristol ultramafics/mafics with granites, as defined by a distinct magnetic and gravity gradient. This is a favourable setting for gold mineralisation.

St George’s drill holes are planned to test the bedrock and regolith geology along this extensive gold anomalous zone.

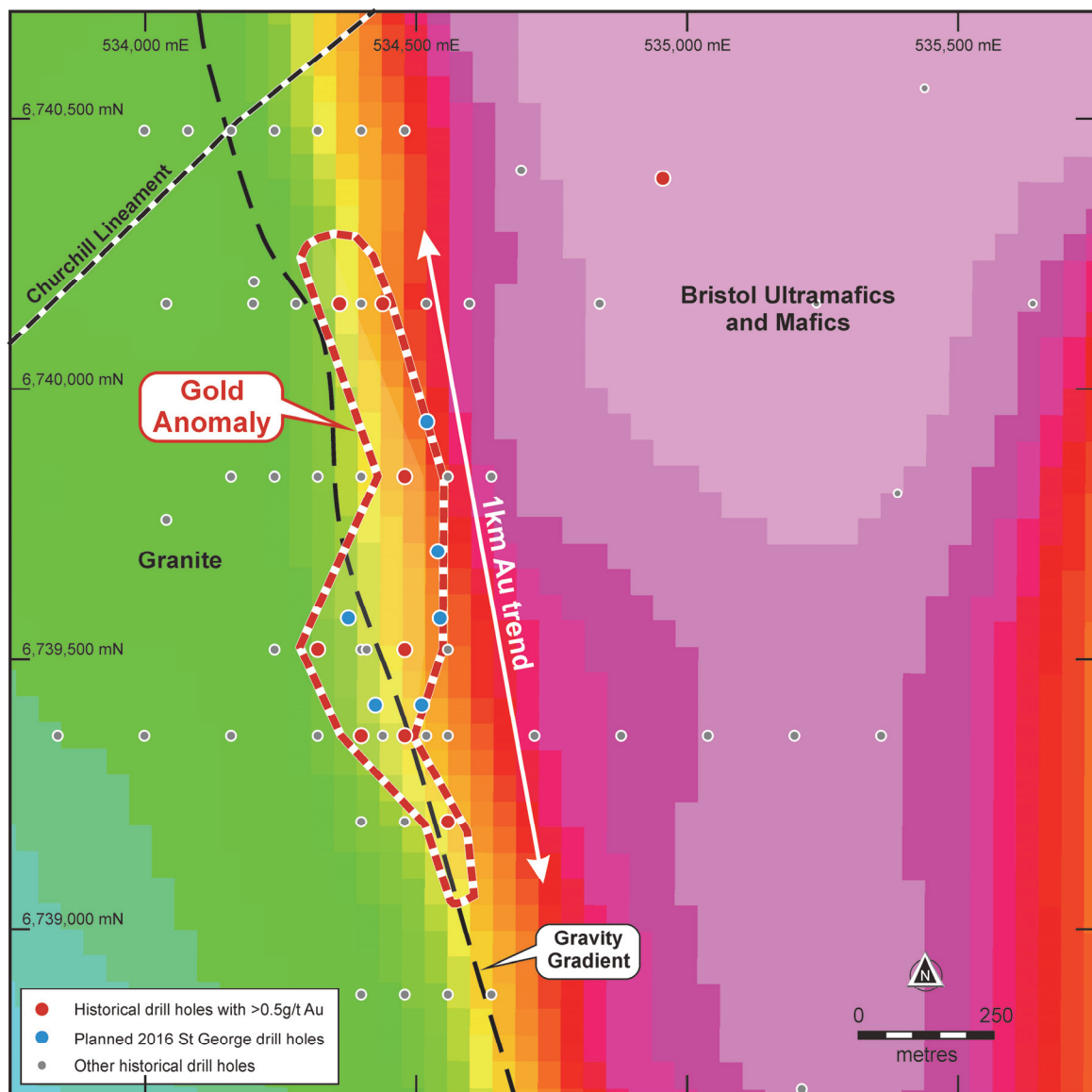


Figure 2 – the Bristol gold target (against RTP magnetics) with proposed drill holes shown. The gold anomalism occurs on a distinct magnetic (and gravity) gradient, a setting that is often associated with gold mineralisation.

Planned Hole ID	Target	Easting (m)	Northing (m)	Dip (deg)	Azimuth (deg)	Depth (m)
BRProp1	Bristol	534545	6739575	-60	270	250
BRProp2	Bristol	534375	6739575	-60	270	150
BRProp3	Bristol	534510	6739415	-60	270	200
BRProp4	Bristol	534425	6739415	-60	270	150
BRProp5	Bristol	534540	6739700	-60	270	200
BRProp6	Bristol	534520	6739940	-60	270	150

Table 2 – St George’s planned drill holes at the Bristol gold target

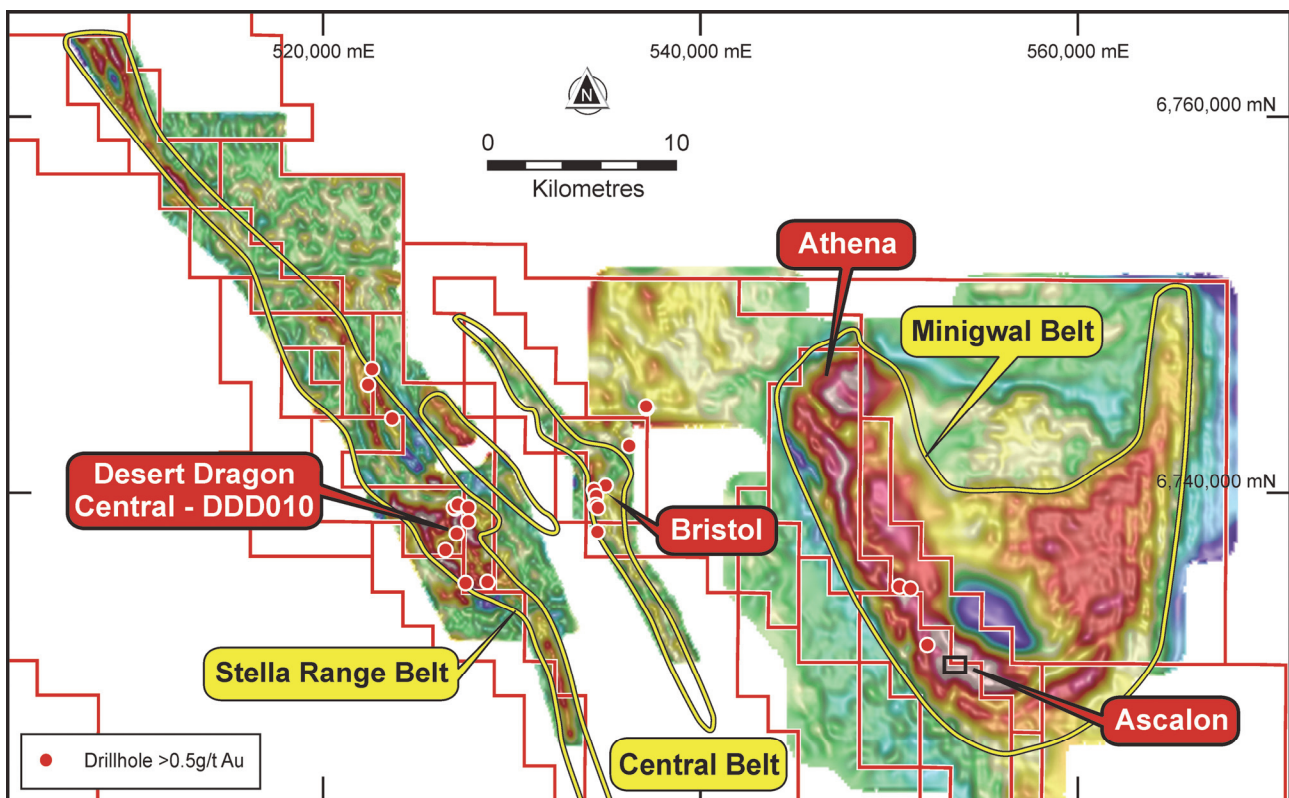


Figure 3 – the East Laverton tenements against FVD Bouguer gravity data. All targets are associated with strong gravity anomalies, which can indicate fundamental structures that are a control on the concentration of gold mineralisation.

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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 Timothy Hronsky, a Competent Person who is a Member of The Australasian Institute of Mining and Metallurgy. Mr Hronsky is employed by Essential Risk Solutions Ltd which has been retained by St George Mining Limited to provide technical advice on mineral projects.

Mr Hronsky 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 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Hronsky 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 section is 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>	<p>This ASX Release dated 14 June 2016 reports on the 2016 drilling campaign underway at the Company’s East Laverton Project, and includes a discussion of some past exploration results at the Project.</p> <p>Drilling programs have included diamond core drilling completed by DDH1 Drilling Pty Ltd and reverse circulation (RC) drilling completed by VM Drilling Pty Ltd.</p> <p>Diamond drilling was undertaken by DDH1 in 2014 and 2015 using a Sandvik 1200 Multipurpose truck mounted drill rig. RC drilling was undertaken by VM Drilling in 2014 and 2015 using a Schramm 685 truck mounted drill rig. The current RC drilling program is also being carried out by VM Drilling using the same rig.</p> <p><i>Diamond Core Sampling:</i> The core is removed from the drill rig and laid out for initial analysis in the field. The core is measured and marked up at 1m intervals against the drillers blocks, which are themselves checked against the drillers log books where required. The visible structural features on the core are measured against the core-orientation lines.</p> <p>Onsite XRF analysis is conducted using a hand-held Olympus Innov-X Spectrum Analyser. The XRF analysis is used to systematically review diamond drill core, with a single reading taken every metre, except in the case of core loss. These results are only used for onsite interpretation and preliminary base metal assessment subject to final geochemical analysis by laboratory assays.</p> <p>The sections of the core that are selected for assaying are marked up and recorded on a “cut-sheet” which provides a control on the intervals that will be cut and sampled at a duly certified assay laboratory. Core is prepared for analysis at 1m intervals or at lesser intervals of geological significance. Core is cut in half lengthways and then numbered samples are taken as per the “cut-sheet”.</p> <p>Diamond core provides high quality samples that are logged for lithological, structural, geotechnical, density and other attributes. Sampling is under QAQC procedures as per industry best practice.</p> <p><i>RC Sampling:</i> All samples from the RC drilling are taken as 1m samples. Samples are sent to Intertek Laboratories for assaying.</p> <p>Appropriate QAQC samples (standards, blanks and duplicates) are inserted into the sequences as per industry best practice. Samples are collected using cone or riffle splitter. Geological logging of RC chips is completed at site with representative chips being stored in drill chip trays.</p> <p>Onsite XRF analysis is conducted on the fines from RC chips using a hand-held Olympus Innov-X Spectrum Analyser. These results are subject to final geochemical analysis by laboratory assays.</p>
	<i>Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.</i>	<i>Diamond Core Sampling:</i> For diamond core samples, certified sample standards were added as every 25 th sample. Core recovery calculations are made through a reconciliation of the actual core and the driller’s records. Downhole surveys of dip and azimuth were conducted using a single shot camera every 30m to detect deviations of the hole from the planned dip and azimuth. The drill-hole collar locations were recorded using a hand held GPS, which has an accuracy of +/- 5m. At a later date the drill-hole collar will be surveyed to a greater degree of accuracy.

Criteria	JORC Code explanation	Commentary
		<p><i>RC Sampling:</i> The RC drilling rig has a cone splitter built into the cyclone on the rig. Samples are taken on a one meter basis and collected directly from the splitter into uniquely numbered calico bags. The calico bag contains a representative sample from the drill return for that metre. This results in a representative sample being taken from drill return, for that metre of drilling. The remaining majority of the sample return for that metre is collected and stored in a green plastic bag marked with that specific metre interval. The cyclone is blown through with compressed air after each plastic and calico sample bag is removed. If wet sample or clays are encountered then the cyclone is opened and cleaned manually and with the aid of a compressed air gun.</p> <p>A large auxiliary compressor (“air-pack”) is mounted on a separate truck and the airstream is connected to the rig. This provides an addition to the compressed air supplied by the in-built compressors mounted on the drill rig itself. This auxiliary compressor maximises the sample return through restricting air pressure loss, especially in deeper holes. In addition, the high and consistent levels of air pressure minimise the number of drill samples.</p> <p>Geological logging of RC chips is completed at site with representative chips being stored in drill chip trays. Downhole surveys of dip and azimuth are conducted using a single shot camera every 30m to detect deviations of the hole from the planned dip and azimuth. The drill-hole collar locations were recorded using a hand held GPS, which has an accuracy of +/- 5m. At a later date the drill-hole collar will be surveyed to a greater degree of accuracy.</p>
	<p><i>Aspects of the determination of mineralisation that are Material to the Public Report.</i></p> <p><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></p>	<p><i>Diamond Core Sampling:</i> Core is drilled with HQ and NQ2 size and sampled as half core to produce a bulk sample for analysis. Intervals vary from 0.3 – 1m maximum and are selected with an emphasis on geological control.</p> <p>Assays have been completed at either SGS Laboratories or Intertek Genalysis (“Lab”) in Perth. Samples are sent to the Lab where they are crushed to 6 mm and then pulverised to 75 microns. A 30 g charge of the sample is fire assayed for gold, platinum and palladium. The detection range for gold is 1 – 2000 ppbAu, and 0.5 – 2000 ppb for platinum and palladium. This is believed to be an appropriate detection level for these elements within this specific mineral environment. However, should Au, Pt or Pd levels reported exceed these levels an additional assay method will be used to re-test samples.</p> <p>All other metals will be analysed using an acid digest and an ICP finish. The sample is digested with nitric, hydrochloric, hydrofluoric and perchloric acids to effect as near to total solubility of the sample as possible. The solution containing samples of interest, including those that need further review, will then be presented to an ICP-OES for the further quantification of the selected elements.</p> <p><i>RC Sampling:</i> A 1m composite sample is taken from the bulk sample of RC chips that may weigh in excess of 40 kg. Assay preparation is for the current drilling program will be completed by Intertek.</p> <p>Assays are undertaken at Intertek in Kalgoorlie and Perth. Samples are sent to Intertek where they are crushed to 6 mm and then pulverised to 75 microns. A 30 g charge of the sample is fire assayed for gold, platinum and palladium. The detection range for gold is 1 – 2000 ppbAu, and 0.5 – 2000 ppb for platinum and palladium. This is believed to be an appropriate detection level for these elements within this specific mineral environment. However, should Au, Pt or Pd levels reported exceed these levels an additional assay method will be used to re-test samples. All other metals will be analysed using an acid digest and an ICP finish. The sample is digested with nitric, hydrochloric, hydrofluoric and perchloric acids to effect as</p>

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		near to total solubility of the sample as possible. The solution containing samples of interest, including those that need further review, will then be presented to an ICP-OES for the further quantification of the selected elements.
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>	<p><i>Diamond Core Sampling:</i> The collars of the diamond holes were drilled using RC drilling down through the regolith to the point of refusal or to a level considered geologically significant to change to core. The hole was then continued using HQ diamond core until the drillers determined that a change to NQ2 coring was required.</p> <p>The core is oriented and marked by the drillers. The core is oriented using ACT Mk II electric core orientation.</p> <p><i>RC Sampling:</i> The RC drilling uses a 140 mm diameter face hammer tool. High capacity air compressors on the drill rig are used to ensure a continuously sealed and high pressure system during drilling to maximise the recovery of the drill cuttings, and to ensure chips remain dry to the maximum extent possible.</p>
Drill sample recovery	<i>Method of recording and assessing core and chip sample recoveries and results assessed.</i>	<p><i>Diamond Core Sampling:</i> Diamond core recoveries/core loss are recorded during drilling and reconciled during the core processing and geological logging. No significant sample recovery problems are thought to have occurred in any holes drilled to date. There has been a notable and consistent competency encountered in the rocks during drilling.</p> <p><i>RC Sampling:</i> RC samples are visually checked for recovery, moisture and contamination. Geological logging is completed at site with representative RC chips stored in chip trays.</p>
	<i>Measures taken to maximise sample recovery and ensure representative nature of the samples.</i>	<p><i>Diamond Core Sampling:</i> Depths are checked against the depth on the core blocks and rod counts are routinely carried out by the drillers. Core loss was recorded by St George geologists and sampling intervals were not carried through core loss.</p> <p><i>RC Sampling:</i> Samples are collected using cone or riffle splitter. Geological logging of RC chips is completed at site with representative chips being stored in drill chip trays.</p>
	<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>	<p>To date, no detailed analysis to determine the relationship between sample recovery and grade has been undertaken for any drill program. This analysis will be conducted following any economic discovery.</p> <p>The nature of magmatic sulphide distribution hosted by the competent and consistent rocks hosting any mineralised intervals are considered to significantly reduce any possible issue of sample bias due to material loss or gain.</p>
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>	Geological logging is carried out on all drill holes with lithology, alteration, mineralisation, structure and veining recorded.
	<i>Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography.</i>	Logging of diamond core and RC samples records lithology, mineralogy, mineralisation, structures (core only), weathering, colour and other noticeable features. Core was photographed in both dry and wet form.
	<i>The total length and percentage of the relevant intersections logged.</i>	All drill holes are geologically logged in full and detailed litho-geochemical information is collected by the field XRF unit. The data relating to the elements analysed is used to determine further information regarding the detailed rock composition.

Criteria	JORC Code explanation	Commentary
Sub-sampling techniques and sample preparation	<i>If core, whether cut or sawn and whether quarter, half or all core taken.</i>	The HQ and NQ2 core is cut in half length ways in Kalgoorlie using an automatic core saw. All samples are collected from the same side of the core. The half-core samples are submitted to the Lab for analysis.
	<i>If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry.</i>	RC samples are collected in dry form. Samples are collected using cone or riffle splitter when available. Geological logging of RC chips is completed at site with representative chips being stored in drill chip trays.
	<i>For all sample types, the nature, quality and appropriateness of the sample preparation technique.</i>	<i>Diamond Core Sampling:</i> Diamond core was drilled with HQ and NQ2 size and sampled as complete half core to produce a bulk sample for analysis. Intervals selected varied from 0.3 – 1m (maximum) with a strong geological control (as is possible in diamond core) to ensure grades are representative, i.e. remove any bias through projecting assay grades beyond appropriate geological boundaries. Assay preparation procedures ensure the entire sample is pulverised to 75 microns before the sub-sample is taken. <i>RC Sampling:</i> Sample preparation for RC chips follows a standard protocol. Assay preparation procedures ensure the entire sample is pulverised to 75 microns before the sub-sample is taken. This removes the potential for the significant sub-sampling bias that can be introduced at this stage.
	<i>Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.</i>	<i>Diamond Core Sampling:</i> Drill core is cut in half lengthways and the total half-core submitted as the sample. This meets industry standards where 50% of the total sample taken from the diamond core is submitted. <i>RC Sampling:</i> Field QC procedures maximise representivity of RC samples and involve the use of certified reference material as assay standards, along with blanks, duplicates and barren washes.
	<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>	<i>Diamond Core Sampling:</i> The retention of the remaining half-core is an important control as it allows assay values to be determined against the actual geology; and where required a quarter core sample may be submitted for assurance. No resampling of quarter core or duplicates has been done at this stage of the project. <i>RC Sampling:</i> Field duplicates were taken on 1m composites for RC samples.
<i>Whether sample sizes are appropriate to the grain size of the material being sampled.</i>	The sample sizes are considered to be appropriate to correctly represent the sulphide mineralisation at the East Laverton Property based on: the style of mineralisation (massive and disseminated sulphides), the thickness and consistency of the intersections and the sampling methodology.	
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>	For diamond core and RC sampling, a 30 gram sample will be fire assayed for gold, platinum and palladium. The detection range for gold is 1 – 2000 ppbAu, and 0.5 – 2000 ppb for platinum and palladium. This is believed to be an appropriate detection level for the levels of these elements within this specific mineral environment. However, should Au, Pt or Pd levels reported exceed these levels; an alternative assay method will be selected. All other metals will be analysed using an acid digest and an ICP finish. The sample is digested with nitric, hydrochloric, hydrofluoric and perchloric acids to effect as near to total solubility of the sample as possible. The solution containing samples of interest, including those that need further review, will then be presented to an ICP-OES for the further quantification of the selected elements.

Criteria	JORC Code explanation	Commentary
	<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>	A handheld XRF instrument (Olympus Innov-X Spectrum Analyser) is used to systematically analyse the drill core and RC chips onsite. Reading time was 60 seconds. The instruments are serviced and calibrated at least once a year. Field calibration of the XRF instrument using standards is undertaken each day. For the EM surveys, specifications and quality control measures are noted above.
	<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>	Laboratory QAQC involves the use of internal lab standards using certified reference material, blanks, splits and replicates as part of in house procedures. The Company will also submit an independent suite of CRMs, blanks and field duplicates (see above).
Verification of sampling and assaying	<i>The verification of significant intersections by either independent or alternative company personnel.</i>	Significant intersections are verified by the Company's Technical Director and Consulting Field Geologist.
	<i>The use of twinned holes.</i>	No twinned holes have been completed.
	<i>Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.</i>	Geological data was collected using handwritten log sheets and imported in the field onto a laptop detailing geology (weathering, structure, alteration, mineralisation), sampling quality and intervals, sample numbers, QA/QC and survey data. This data, together with the assay data received from the laboratory and subsequent survey data was entered into the Company's database.
	<i>Discuss any adjustment to assay data.</i>	No adjustments or calibrations will be made to any primary assay data collected for the purpose of reporting assay grades and mineralised intervals. For the geological analysis, standards and recognised factors may be used to calculate the oxide form assayed elements, or to calculate volatile free mineral levels in rocks.
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>	Drill hole collar locations are determined using a handheld GPS with an accuracy of +/- 5m. Down hole surveys of dip and azimuth were conducted using a single shot camera every 30m to detect deviations of the hole from the planned dip and azimuths.
	<i>Specification of the grid system used.</i>	The grid system used is GDA94, MGA Zone 51.
	<i>Quality and adequacy of topographic control.</i>	Best estimated RLs were assigned during drilling and are to be corrected at a later stage.
Data spacing and distribution	<i>Data spacing for reporting of Exploration Results.</i>	The spacing and distribution of holes is not relevant to the drilling programs which are at the exploration stage.
	<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>	Drilling at the East Laverton Project is at the exploration stage and mineralisation has not yet demonstrated to be sufficient in both geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications to be applied.
	<i>Whether sample compositing has been applied.</i>	Samples are taken at one metre lengths and adjusted where necessary to reflect local variations in geology or where visible mineralised zones are encountered, in order to preserve the samples as representative.
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 drill holes are drilled towards 060 at an angle of -60 degrees (unless otherwise stated) to intersect the modelled mineralised zones at a near perpendicular orientation. However, the orientation of key structures may be locally variable and any relationship to mineralisation has yet to be identified.

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>	No orientation based sampling bias has been identified in the data to date.
Sample security	<i>The measures taken to ensure sample security.</i>	Chain of Custody is managed by the Company until samples pass to a duly certified assay laboratory for subsampling and assaying. The cut-core trays and RC sample bags are stored on secure sites and delivered to the assay laboratory by the Company or a competent agent. When in transit, they are kept in locked premises. Transport logs have been set up to track the progress of samples. The chain of custody passes upon delivery of the samples to the assay laboratory.
Audits or reviews	<i>The results of any audits or reviews of sampling techniques and data.</i>	Sampling techniques and procedures are regularly reviewed internally, as is data. To date, no external audits have been completed on the drilling programme.

Section 2 Reporting of Exploration Results (Criteria listed in section 1 will also apply to this section where relevant)

Criteria	JORC Code explanation	Commentary
Mineral Tenement and Land Status	<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> <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>The East Laverton Project comprises 28 exploration licences, and details are available in the Company's Quarterly Activities Report which can be found on our website at www.stgm.com.au.</p> <p>Each tenement is 100% owned by Desert Fox Resources Pty Ltd, a wholly owned subsidiary of St George Mining. Certain tenements are subject to a 2% Net Smelter Royalty in favour of a third party.</p> <p>An additional two exploration licences are owned directly by St George Mining Limited, and are referred to as the Lake Minigwal Project that hosts the Atlas gold target.</p> <p>None of the tenements are the subject of a native title claim. No environmentally sensitive sites have been identified at any of the tenements. The tenements are in good standing; no known impediments exist.</p>
Exploration Done by Other Parties	<i>Acknowledgment and appraisal of exploration by other parties.</i>	<p>In 2012, BHP Billiton Nickel West Pty Ltd (Nickel West) completed a reconnaissance RC (reverse circulation) drilling programme at the East Laverton Property as part of the Project Dragon farm-in arrangement between Nickel West and the Company. That farm-in arrangement has been terminated. The drilling programme comprised 35 RC holes for 8,560m drilled.</p> <p>The results from the Nickel West drilling programme were reported by the Company in its ASX Release dated 25 October 2012 "Drill Results at Project Dragon". Drilling intersected primary nickel sulphide mineralisation and established the presence of fertile, high MgO ultramafic sequences at the East Laverton Property.</p> <p>Prior to the Project Dragon drilling programme, there was no systematic exploration for nickel sulphides at the East Laverton Property. Historical exploration in the region was dominated by shallow RAB and aircore drilling, much of which had been incompletely sampled, assayed, and logged. This early work was focused on gold rather than nickel sulphide exploration.</p> <p>No previous exploration has been recorded at the Atlas gold prospect.</p>
Geology	<i>Deposit type, geological setting and style of mineralisation</i>	The Company's East Laverton Property located in the NE corner of the Eastern Goldfields Province of the Archean Yilgarn Craton. The project area is proximally located to the Burtville-Yarmana terrane

Criteria	JORC Code explanation	Commentary
		boundary and the paleo-cratonic marginal setting is consistent with the extensive komatiites found on the property. The drilling at the East Laverton Property has confirmed extensive strike lengths of high-MgO olivine-rich rocks across three major ultramafic belts. Ultramafic rocks of this composition are known to host high grade nickel sulphides.
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>Refer to information in the body of this announcement.</p> <p>Information regarding exploration results from Project Dragon can be found in the Company's ASX Release dated 25 October 2012 "Drill Results at Project Dragon" which is available to view on www.stgm.com.au.</p>
Data aggregation methods	<p>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.</p>	<p>No top-cuts have been applied. A nominal 0.15% Ni lower cut-off is applied unless otherwise indicated.</p>
	<p>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.</p>	<p>High grade massive sulphide intervals internal to broader zones of sulphide mineralisation are reported as included intervals.</p>
	<p>The assumptions used for any reporting of metal equivalent values should be clearly stated.</p>	<p>No metal equivalent values are used for reporting exploration results.</p>
Relationship between mineralisation widths and intercept lengths	<p>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.</p>	<p>The geometry of the mineralisation is not yet known due to insufficient deep drilling in the targeted area.</p>
Diagrams	<p>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.</p>	<p>Maps will be included with any announcement of any significant discovery, following review of assay results from the drilling programme.</p>
Balanced Reporting	<p>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 of Exploration Results.</p>	<p>Reports on recent exploration can be found in the following ASX Releases that are available on our website at www.stgm.com.au:</p> <p>8 December 2015 'Gold Exploration Moves Forward at East Laverton'</p> <p>19 January 2016 'Gold Targets at East Laverton'</p> <p>10 February 2016 'Gold Targets at East Laverton'</p> <p>30 March 2016 'Large Gold Zone at East Laverton'</p>
Other substantive exploration data	<p>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;</p>	<p>All meaningful and material information has been included in the body of the text. No metallurgical or mineralogical assessments have been completed.</p>

Criteria	JORC Code explanation	Commentary
	<p><i>metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances.</i></p>	
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).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>	<p>A discussion of further exploration work is contained in the body of the ASX Release.</p>