

13 April 2016

**QUARTERLY ACTIVITIES REPORT  
FOR THE PERIOD ENDED 31 MARCH 2016**

**HIGHLIGHTS**

- **Exceptional electromagnetic (EM) targets for high grade nickel-copper sulphides identified at the Mt Alexander Project**
- **Reconnaissance drilling at the East Laverton Project confirms large scale gold and copper anomalism near the high priority Ascalon gold target**
- **Assays for drill hole WINDD004 confirm the presence of nickel sulphides proximal to the very strong EM conductor (+200,000 Siemens) at Windsor**
- **High impact drilling programmes planned for Mt Alexander and East Laverton Projects**

St George Mining Limited (ASX:SGQ) ("St George" or "the Company") is pleased to present its Quarterly Activities Report for the quarterly period ended 31 March 2016.

**MT ALEXANDER PROJECT – HIGH GRADE NICKEL-COPPER SULPHIDES**

St George's ongoing review of project data acquired from BHP Billiton Nickel West for the Mt Alexander Project has confirmed drill-ready targets with outstanding potential for further discoveries of massive nickel-copper sulphide mineralisation.

BHP Billiton Nickel West drilled three EM conductors in 2008 at the Cathedrals Prospect within the Mt Alexander Project. All three conductors were confirmed as high grade nickel-copper sulphide mineralisation.

St George has identified several untested EM conductors that have similar geophysical responses to the massive nickel-copper sulphides at Cathedrals. The untested EM conductors are located at Cathedrals and the adjacent Stricklands Prospect and, like the successful targets at Cathedrals, are associated with magnetic anomalies within the Cathedrals shear zone. These conductors have strong potential to represent massive nickel-copper sulphides and are priority drill targets for the 2016 drill programme scheduled to commence on 18 April 2016.

The successful drilling at Cathedrals to date has intersected sulphide minerals that are high tenor, increasing the likelihood of producing a high value concentrate from any potential mining operation.

Importantly, the mineralisation intersected in 2008 was relatively shallow being situated between 50-100m below surface, providing another favourable feature for the economics of any potential mining at the Project. Significant intersections from the 2008 drilling include:

- **4m @ 4.9%Ni, 1.7%Cu, 0.11%Co and 3.9g/t total PGEs** from 91.4m in drill hole MAD12
- **3m @ 3.8%Ni, 1.6%Cu, 0.18%Co and 2.7g/t total PGEs** from 56.3m in drill hole MAD13
- **6m @ 3.3%Ni, 1.5%Cu, 0.12%Co and 2.7g/t total PGEs** from 60m in drill hole MARC49

EM surveys commenced on 28 March 2016 at Investigators and the New Target Area, with potential to generate additional EM targets for drilling.

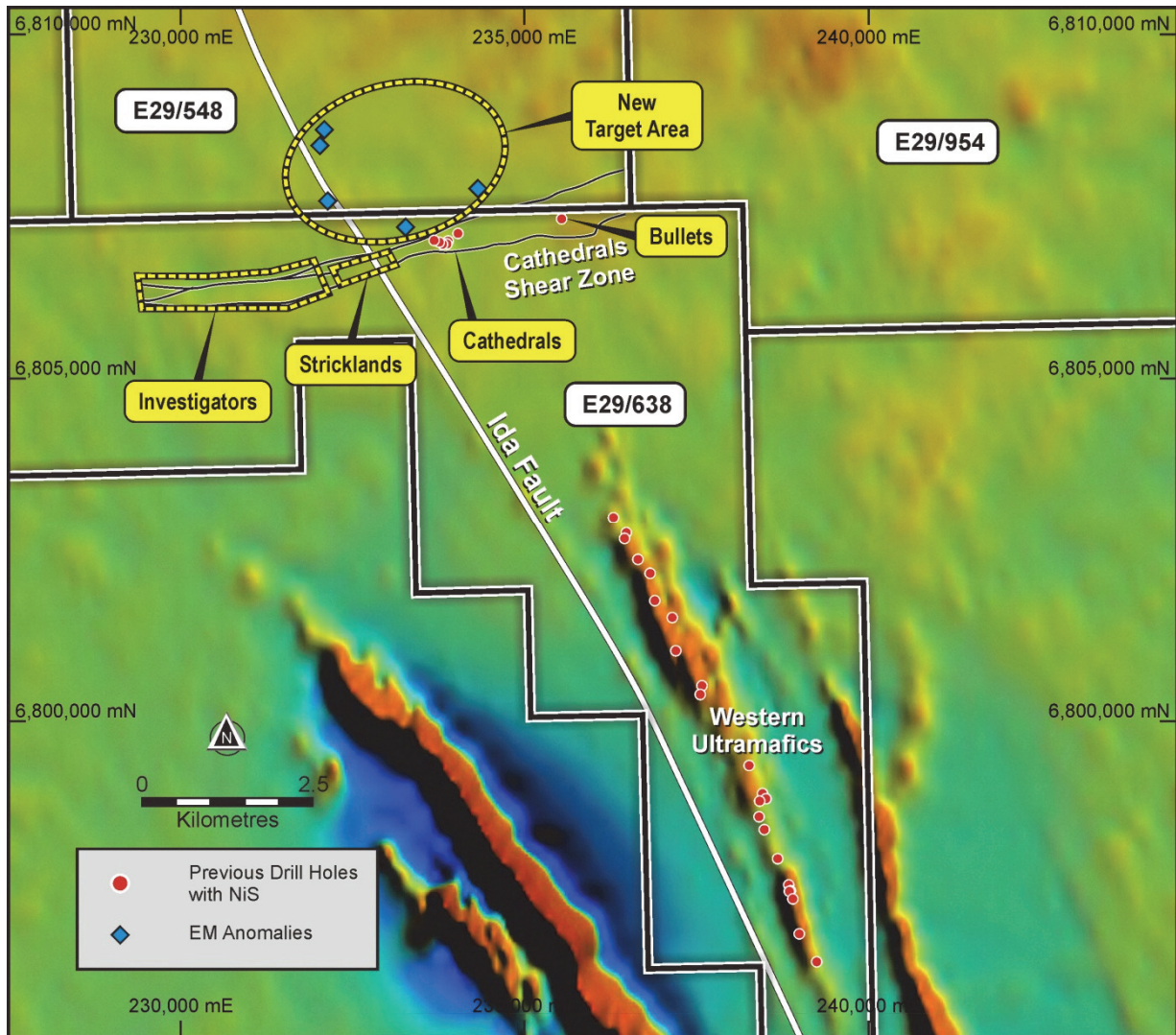


Figure 1 – a plan view of the Mt Alexander Project area over RTP magnetics showing the Cathedrals discovery. Untested EM conductors have been identified at Cathedrals and Stricklands, and will be drilled in the upcoming drill programme. EM surveys have commenced at Investigators and the New Target Area.

**About the Mt Alexander Project:**

The Mt Alexander Project is located 120km south-southwest of the Agnew-Wiluna belt which hosts numerous world class nickel deposits. The Project comprises two granted exploration licences – E29/638 and E29/548.

The Cathedrals nickel-copper discovery and the Stricklands Prospect are located on E29/638, which is held in joint venture by Western Areas Limited (25%) and St George (75%). St George is the Manager of the Project with Western Areas retaining a 25% non-contributing interest in the Project (in regard to E29/638 only) until there is a decision to mine.

**EAST LAVERTON – GOLD TARGETS**

A review of the gold potential at the East Laverton Project has recognised the presence of prominent fundamental structures, which are first-order controls on the concentration of gold mineralisation in Orogenic gold deposits. A ground gravity survey completed in August 2014 has allowed more effective mapping of these important structures and the associated hydrothermal centres which are highly prospective for gold mineralisation.

The Minigwal Fault is a regional northwest trending structure that extends for over 40km through the East Laverton Project. The fault is a deep, trans-lithospheric structure that provides a pathway for the mantle-derived gold-rich hydrothermal fluids that are essential for large gold deposits. The Minigwal greenstone belt has formed in the hanging wall of the Fault and is situated along the margin of a major regional-scale gravity anomaly, which is a large magmatic and hydrothermal centre.

Recent reconnaissance drilling along the Minigwal greenstone belt has encountered a large zone of alteration with anomalous gold and copper. Drill hole OXFRC003 intersected a series of structurally-controlled alteration zones present over a significant portion of the drill hole. Anomalous gold and copper values were identified between 135m and the end of the hole at 306m.

OXFRC003 is the first deep drill hole at the Oxford Prospect and confirms that gold and copper anomalism previously intersected in the regolith, by shallow drilling of previous explorers, is associated with significant bedrock mineralisation. The scale of the geochemical and alteration signature in OXFRC003 is consistent with the peripheral setting around a large ore body. The anomalous mineralisation in OXFRC003 is open and may extend to the south-east towards the high priority large-scale gold target at the Ascalon Prospect.

The Ascalon gold target is situated in the thickest part of the Minigwal greenstone belt, where a prominent deflection in the rift-axial structure of the belt creates a favourable structural setting for the local concentration of gold mineralisation.

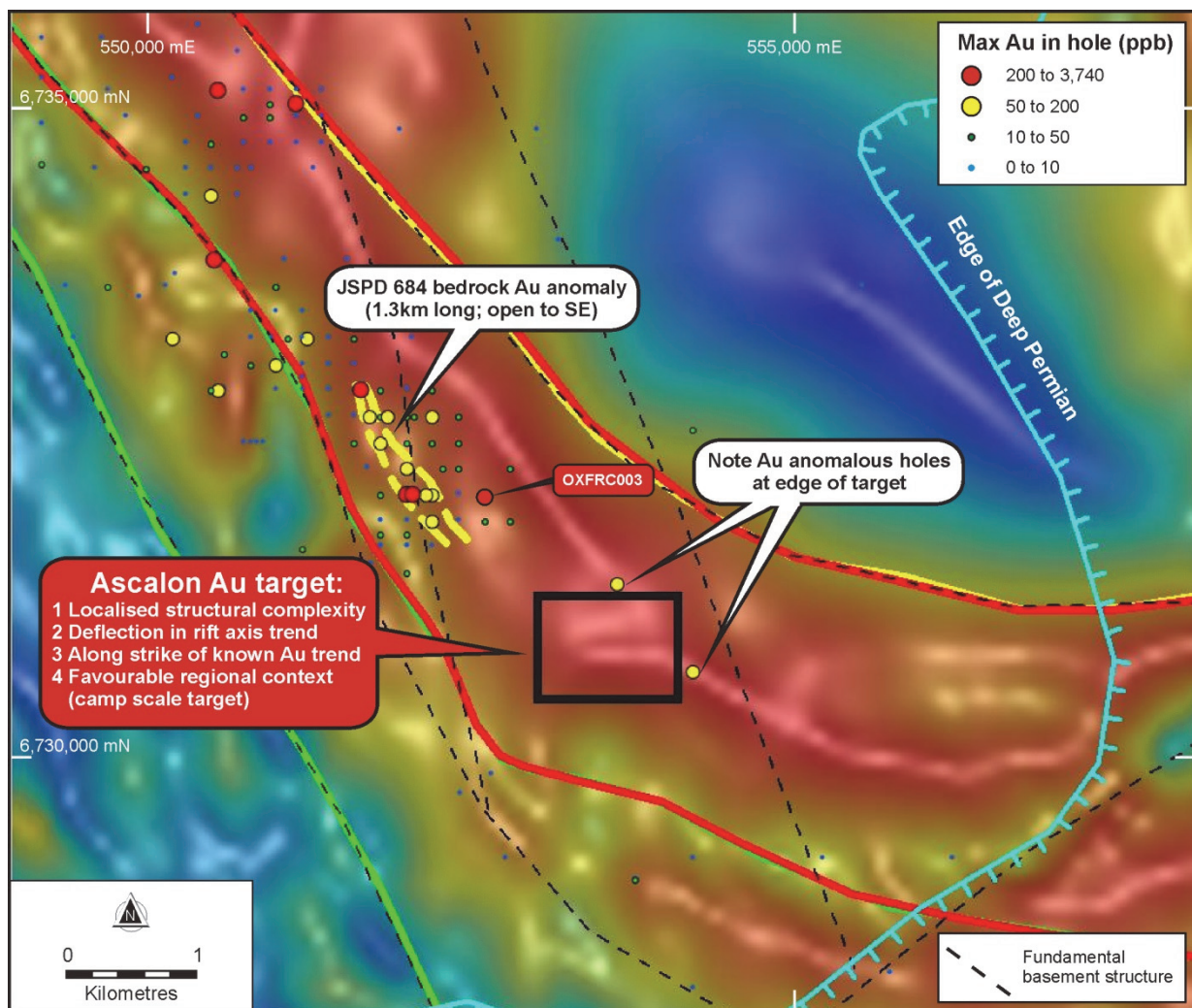


Figure 2 – the Ascalon target shown against gravity data. OXFRC003 has confirmed that the copper-gold anomalism continues along strike towards Ascalon and at significant widths.

The first ever drilling at the Ascalon target is scheduled for mid-May 2016 as part of a gold-focused drilling programme that will test multiple gold targets at the East Laverton Project.

**EAST LAVERTON – MASSIVE NICKEL SULPHIDE TARGET AT WINDSOR**

Drill hole WINDD004 was completed in December 2015 to test the highly conductive downhole EM (DHEM) plate WINRC016\_v1 (210,469 Siemens). There was no conductive material in the drill core capable of providing the extremely high EM response that was modelled for DHEM plate WINRC016\_v1. This suggests that WINDD004 came close to testing the conductive source but did not intersect it.

Modelling of the data from the DHEM survey in WINDD004 has identified a highly conductive off-hole EM anomaly around 95m downhole, on the basal contact. The conductor is about 5 metres to the north of WINDD004 and remains untested by drilling. Laboratory assays for WINDD004 have confirmed the drill hole intersected a thick high-MgO ultramafic with variable nickel sulphide mineralisation; see Table 1.

The very high conductivity/thickness response of this target, the position of the EM plate on the contact of the prospective Windsor ultramafic and the confirmed presence of proximal nickel sulphides, suggest this strong EM conductor may represent massive and/or stringer nickel sulphide mineralisation.

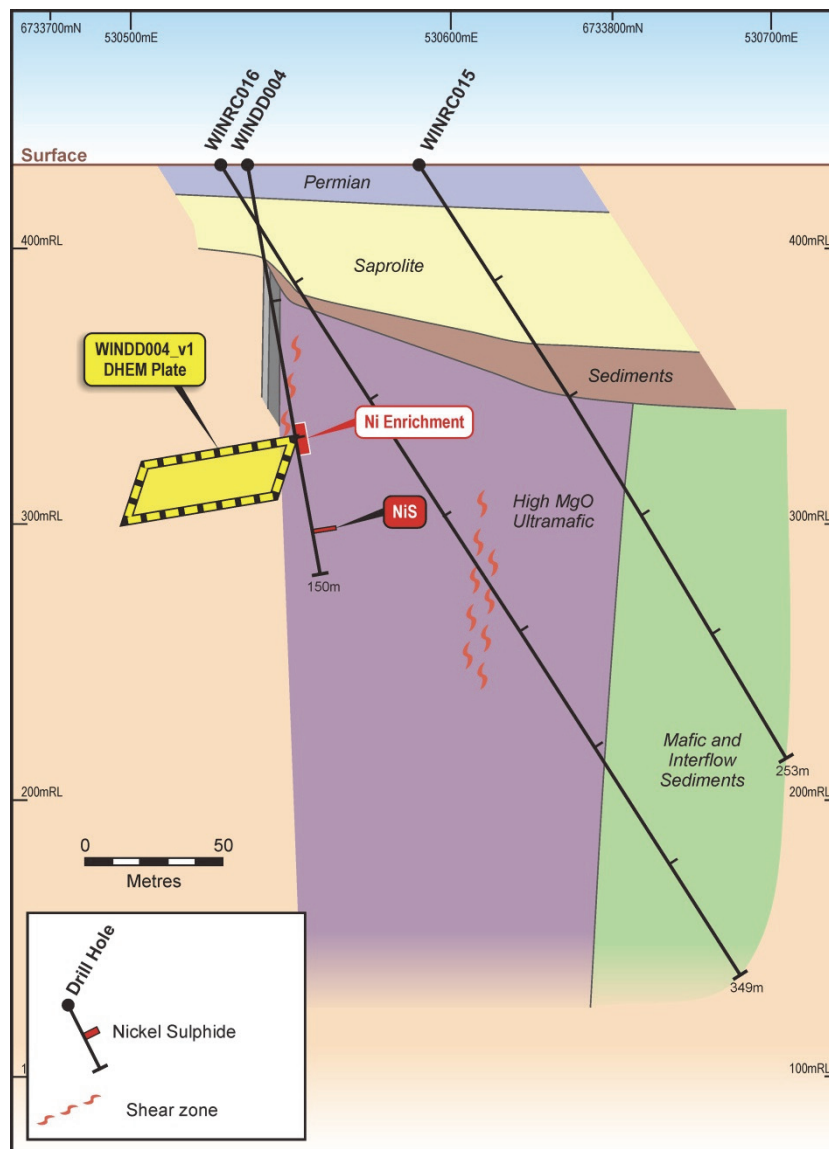


Figure 3 – Interpreted geological cross section of WINDD004, WINRC016 and WINRC015 (+/-50m) showing the location of the highly conductive WINDD004\_v1 plate on the western contact of the Windsor ultramafic

HOLE ID	EASTING (m)	NORTHING (m)	DIP (deg)	AZM (deg)	DEPTH (m)	FROM (m)	TO (m)	WIDTH (m)	Ni (%)
WINDD004	530535	6733738	-80	055	151.1	95.2	151.1	55.9	0.26
					Incl.	134.4	134.6	0.20	1.05
					Incl.	134.6	134.8	0.20	0.66
					Incl.	135.6	135.8	0.20	0.37

*Table 1 – Assay results for WINDD004 confirm nickel enrichment at Windsor that may be related to the very strong EM conductor (+200,000 Seimens)*

## TENEMENT INFORMATION

There were no changes to the Company's tenement holdings during the quarter except as outlined below.

### East Laverton Project

St George Mining has 100% ownership of 28 granted Exploration Licences at the East Laverton Project.

### Lake Minigwal Project

St George Mining has 100% ownership of 3 granted Exploration Licences at the Lake Minigwal Project.

### Mt Alexander Project

St George has 100% ownership of one granted exploration licence (E29/548) and two applications for Exploration Licences (E29/954 and E29/962) at Mt Alexander. A further exploration licence, E29/638, is held in joint venture between Western Areas (25%) and St George (75%).

### Hawaii Project

St George has 100% ownership of one granted exploration licence and one application for an Exploration Licence (E36/851) at the Hawaii Project.

## CORPORATE UPDATE

### Heavily Oversubscribed Capital Raising

During March 2016, St George completed a heavily oversubscribed capital raising through a private placement to sophisticated and institutional investors.

The Company allotted 27,169,591 fully paid ordinary shares at \$0.085 to raise a total of \$2,309,415. After the allotment of the above securities, the Company has the following listed securities on issue:

Fully Paid Ordinary Shares	190,695,448
Listed Options exercisable at \$0.20 on or before 30 June 2017	38,722,688

A Share Purchase Plan (SPP) for eligible shareholders was launched on 1 April 2016 to raise a further \$255,000 through the issue of 3,000,000 shares at \$0.85 each.

A General Meeting of the Company has been scheduled for 10 May 2016 to approve and ratify these capital raisings.

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

The information in this report that related to Exploration Targets, Exploration Results, Minerals Resources or Ore Reserves regarding the Hawaii and Mt Alexander North Projects is based on information compiled by Mr Matthew McCarthy, a Competent Person who is a Member of The Australian Institute of Geoscientists. Mr McCarthy is employed by St George Mining Limited.

This ASX announcement contains information extracted from the following reports which are available on the Company's website at [www.stgm.com.au](http://www.stgm.com.au):

- 11 September 2015 *High Quality Nickel Sulphide Targets at Windsor*
- 18 September 2015 *St George Acquires Nickel Sulphide Project*
- 26 November 2015 *Significant Gold Potential at East Laverton*
- 18 December 2015 *Massive Nickel Sulphide Target at Windsor*
- 29 January 2016 *Acquisition of Mt Alexander Project Completed*
- 10 February 2016 *Gold Targets at East Laverton*
- 11 February 2016 *Nickel Sulphide Drilling at East Laverton*
- 17 February 2016 *Massive Nickel-Copper Sulphide Targets at Mt Alexander*
- 8 March 2016 *More Massive Nickel Sulphide targets at Mt Alexander*
- 30 March 2016 *Large Gold Zone at East Laverton*

The Company confirms that it is not aware of any new information or data that materially affects the exploration results included in any original market announcements referred to in this report and that no material change in the results has occurred. 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.

**TENEMENT INFORMATION AS REQUIRED BY LISTING RULE 5.3.3**

Other than as detailed in the body of the Quarterly Activities Report and in the Table below, no tenements, in part or whole, were relinquished, surrendered or otherwise divested during the quarterly period ended 31 March 2016.

**EAST LAVERTON/LAKE MINIGWAL:**

Tenement ID	Registered Holder	Location	Ownership (%)	Change in Quarter
E39/0981	Desert Fox Resources Pty Ltd	East Laverton Property	100	N/A
E39/0982	Desert Fox Resources Pty Ltd	East Laverton Property	100	N/A
E39/0985	Desert Fox Resources Pty Ltd	East Laverton Property	100	N/A
E39/1064	Desert Fox Resources Pty Ltd	East Laverton Property	100	N/A
E39/1066	Desert Fox Resources Pty Ltd	East Laverton Property	100	N/A
E39/1229	Desert Fox Resources Pty Ltd	East Laverton Property	100	N/A
E39/1461	Desert Fox Resources Pty Ltd	East Laverton Property	100	N/A
E39/1472	Desert Fox Resources Pty Ltd	East Laverton Property	100	N/A
E39/1473	Desert Fox Resources Pty Ltd	East Laverton Property	100	N/A
E39/1474	Desert Fox Resources Pty Ltd	East Laverton Property	100	N/A
E39/1475	Desert Fox Resources Pty Ltd	East Laverton Property	100	N/A
E39/1476	Desert Fox Resources Pty Ltd	East Laverton Property	100	N/A
E39/1467	Desert Fox Resources Pty Ltd	East Laverton Property	100	N/A
E39/1492	Desert Fox Resources Pty Ltd	East Laverton Property	100	N/A
E39/1518	Desert Fox Resources Pty Ltd	East Laverton Property	100	N/A
E39/1519	Desert Fox Resources Pty Ltd	East Laverton Property	100	N/A
E39/1520	Desert Fox Resources Pty Ltd	East Laverton Property	100	N/A
E39/1521	Desert Fox Resources Pty Ltd	East Laverton Property	100	N/A
E39/1549	Desert Fox Resources Pty Ltd	East Laverton Property	100	N/A
E39/1565	Desert Fox Resources Pty Ltd	East Laverton Property	100	N/A
E39/1572	Desert Fox Resources Pty Ltd	East Laverton Property	100	N/A
E39/1601	Desert Fox Resources Pty Ltd	East Laverton Property	100	N/A
E39/1608	Desert Fox Resources Pty Ltd	East Laverton Property	100	N/A
E39/1666	Desert Fox Resources Pty Ltd	East Laverton Property	100	N/A
E39/1667	Desert Fox Resources Pty Ltd	East Laverton Property	100	N/A
E39/1722	Desert Fox Resources Pty Ltd	East Laverton Property	100	N/A
E39/1779	Desert Fox Resources Pty Ltd	East Laverton Property	100	N/A
E39/1852	Desert Fox Resources Pty Ltd	East Laverton Property	100	N/A
E39/1677	St George Mining Limited	Lake Minigwal Project	100	N/A
E39/1678	St George Mining Limited	Lake Minigwal Project	100	N/A
E39/1877	St George Mining Limited	Lake Minigwal Project	100	N/A

**MT ALEXANDER/HAWAII:**

<b>Tenement ID</b>	<b>Registered Holder</b>	<b>Location</b>	<b>Ownership (%)</b>	<b>Change in Quarter</b>
E29/638	Blue Thunder Resources Pty Ltd	Mt Alexander	75	Acquired on 28 Jan 2016
E29/548	Blue Thunder Resources Pty Ltd	Mt Alexander	100	N/A
ELA29/954	Blue Thunder Resources Pty Ltd	Mt Alexander	0	N/A
ELA29/962	Blue Thunder Resources Pty Ltd	Mt Alexander	0	N/A
E36/741	Blue Thunder Resources Pty Ltd	Hawaii	100	N/A
ELA39/851	Blue Thunder Resources Pty Ltd	Hawaii	0	N/A



## Appendix 5B

### Mining exploration entity and oil and gas exploration entity quarterly report

Introduced 01/07/96 Origin Appendix 8 Amended 01/07/97, 01/07/98, 30/09/01, 01/06/10, 17/12/10, 01/05/2013

Name of entity

St George Mining Limited

ABN

21 139 308 973

Quarter ended ("current quarter")

31 March 2016

#### Consolidated statement of cash flows

Cash flows related to operating activities	Current quarter \$A'000	Year to date (9 months) \$A'000
1.1 Receipts from product sales and related debtors	-	-
1.2 Payments for (a) exploration & evaluation	(756)	(3,804)
(b) development	-	-
(c) production	-	-
(d) administration	(232)	(798)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	6	12
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Other – R&D Tax Incentive	-	1,326
Other - GST	14	61
<b>Net Operating Cash Flows</b>	<b>(968)</b>	<b>(3,203)</b>
<b>Cash flows related to investing activities</b>		
1.8 Payment for purchases of:		
(a) prospects	-	-
(b) equity investments	-	-
(c) other fixed assets	-	-
1.9 Proceeds from sale of:		
(a) prospects	-	-
(b) equity investments	-	-
(c) other fixed assets	-	-
1.10 Loans to other entities	-	-
1.11 Loans repaid by other entities	-	-
1.12 Other (provide details if material)	-	-
<b>Net investing cash flows</b>	<b>-</b>	<b>-</b>

+ See chapter 19 for defined terms.

## Appendix 5B

### Mining exploration entity and oil and gas exploration entity quarterly report

1.13	Total operating and investing cash flows (carried forward)	(968)	(3,203)
	<b>Cash flows related to financing activities</b>		
1.14	Proceeds from issues of shares	2,309	4,619
1.15	Proceeds from sale of forfeited shares	-	-
1.16	Proceeds from borrowings	-	-
1.17	Repayment of borrowings	-	-
1.18	Dividends paid	-	-
1.19	Other – capital raising costs	(38)	(178)
	<b>Net financing cash flows</b>	<b>2,271</b>	<b>4,441</b>
	<b>Net increase (decrease) in cash held</b>	<b>1,303</b>	<b>1,238</b>
1.20	Cash at beginning of quarter/year to date	1,517	1,582
1.21	Exchange rate adjustments to item 1.20	-	-
1.22	<b>Cash at end of quarter</b>	<b>2,820</b>	<b>2,820</b>

#### Payments to directors of the entity, associates of the directors, related entities of the entity and associates of the related entities

		Current quarter \$A'000
1.23	Aggregate amount of payments to the parties included in item 1.2	139
1.24	Aggregate amount of loans to the parties included in item 1.10	-

#### 1.25 Explanation necessary for an understanding of the transactions

	\$'000
Directors fees and remuneration	105
Accounting, bookkeeping, corporate secretarial and general administrative services	34

#### Non-cash financing and investing activities

##### 2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

N/A
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+ See chapter 19 for defined terms.

- 2.2 Details of outlays made by other entities to establish or increase their share in projects in which the reporting entity has an interest

N/A

**Financing facilities available**

*Add notes as necessary for an understanding of the position.*

	Amount available \$A'000	Amount used \$A'000
3.1 Loan facilities	-	-
3.2 Credit standby arrangements	-	-

**Estimated cash outflows for next quarter**

	\$A'000
4.1 Exploration and evaluation	668
4.2 Development	-
4.3 Production	-
4.4 Administration	220
<b>Total</b>	<b>888</b>

**Reconciliation of cash**

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.

	Current quarter \$A'000	Previous quarter \$A'000
5.1 Cash on hand and at bank	224	34
5.2 Deposits at call	2,596	1,483
5.3 Bank overdraft	-	-
5.4 Other (provide details)	-	-
<b>Total: cash at end of quarter (item 1.22)</b>	<b>2,820</b>	<b>1,517</b>

+ See chapter 19 for defined terms.

## Appendix 5B

### Mining exploration entity and oil and gas exploration entity quarterly report

#### Changes in interests in mining tenements and petroleum tenements

	Tenement reference and location	Nature of interest (note (2))	Interest at beginning of quarter	Interest at end of quarter
6.1	Interests in mining tenements and petroleum tenements relinquished, reduced or lapsed	N/A	N/A	N/A
6.2	Interests in mining tenements and petroleum tenements acquired or increased	N/A	N/A	N/A

#### Issued and quoted securities at end of current quarter

Description includes rate of interest and any redemption or conversion rights together with prices and dates.

	Total number	Number quoted	Issue price per security (see note 3) (cents)	Amount paid up per security (see note 3) (cents)
7.1	100	-	-	-
7.2				
	(a) Increases through issues	-	-	-
	(b) Decreases through returns of capital, buy-backs, redemptions	-	-	-
7.3	190,659,448	190,695,448		
7.4				
	(a) Increases through issues	3,500,000	\$0.09	\$0.09
	(b) Decreases through returns of capital, buy-backs	27,169,591	\$0.085	\$0.085
		-	-	-
7.5	-	-	-	-

+ See chapter 19 for defined terms.

**Appendix 5B**

**Mining exploration entity and oil and gas exploration entity quarterly report**

7.6	Changes during quarter				
	(a) Increases through issues	-	-	-	-
	(b) Decreases through securities matured, converted	-	-	-	-
7.7	<b>Options</b> <i>(description and conversion factor)</i>	34,172,494	34,172,494	<i>Exercise price</i> \$0.20	<i>Expiry date</i> 30 Jun 2017
		3,029,525	-	\$0.30	30 Jun 2016
		600,000	-	\$0.30	28 Nov 2016
		600,000	-	\$0.50	28 Nov 2017
7.8	Issued during quarter	2,000,000	2,000,000	-	-
				-	-
				-	-
7.9	Exercised during quarter	-	-	-	-
7.10	Expired during quarter	-	-	-	-
7.11	<b>Debentures</b> <i>(totals only)</i>	-	-		
7.12	<b>Unsecured notes</b> <i>(totals only)</i>	-	-		

### Compliance statement

- 1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act or other standards acceptable to ASX (see note 5).
- 2 This statement does give a true and fair view of the matters disclosed.

Sign here: Sarah Shipway  
Non-Executive Director/Company Secretary

Date: 13 April 2016

Print name: Sarah Shipway

### Notes

- 1 The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.

+ See chapter 19 for defined terms.

**Appendix 5B**  
**Mining exploration entity and oil and gas exploration entity quarterly report**

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- 2 The “Nature of interest” (items 6.1 and 6.2) includes options in respect of interests in mining tenements and petroleum tenements acquired, exercised or lapsed during the reporting period. If the entity is involved in a joint venture agreement and there are conditions precedent which will change its percentage interest in a mining tenement or petroleum tenement, it should disclose the change of percentage interest and conditions precedent in the list required for items 6.1 and 6.2.
  
- 3 **Issued and quoted securities** The issue price and amount paid up is not required in items 7.1 and 7.3 for fully paid securities.
  
- 4 The definitions in, and provisions of, *AASB 6: Exploration for and Evaluation of Mineral Resources* and *AASB 107: Statement of Cash Flows* apply to this report.
  
- 5 **Accounting Standards** ASX will accept, for example, the use of International Financial Reporting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.

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+ See chapter 19 for defined terms.