ASX / MEDIA RELEASE

4 March 2015

GLOBAL NICKEL EXPERT ENDORSES EAST LAVERTON PROJECT'S CREDENTIALS AS NEW NICKEL SULPHIDE CAMP

HIGHLIGHTS:

- **Review by global nickel expert backs potential for new nickel camp**
- **Exploration opportunity de-risked by substantial field work to date**
- **Presence of key criteria for major nickel sulphide deposits confirmed**
- **Favourable geological similarities to Forrestania and Agnew-Wiluna nickel camps**
- **Immediate follow-up exploration at Desert Dragon and Windsor prospects recommended**
- **Planning of new drill targets in progress**
- **Drilling to re-commence in March 2015**

TECHNICAL REVIEW – EXECUTIVE SUMMARY

St George Mining Limited (ASX: SGQ) ("St George" or "the Company") is pleased to announce that the Technical Review of its 100% owned East Laverton Nickel Sulphide Project in Western Australia ("St George's Project" or "the Project"), has found that the Project represents a significant and de-risked exploration opportunity. The review confirmed that the East Laverton Nickel Project has the size and necessary geological criteria to host multiple nickel sulphide deposits, establishing it as a potential new and emerging nickel camp.

The Technical Review, led by global nickel expert Dr Jon Hronsky, has highlighted an 18km strike length of the Stella Range belt - which covers the Desert Dragon and Windsor prospects - as being the most prospective area for nickel sulphide mineralisation within the Project tenements (see Figure 1). Strong similarities exist between the geological setting and features of this area and those of highly mineralised komatiite hosted nickel sulphide belts, particularly the Forrestania and the Agnew-Wiluna belts in the Yilgarn Craton.

The Review also highlights the extensive strike length of basal contact present within this area, and how this prospective surface has been significantly extended by the complex folding which was once linear in nature. Only a small section of the prospective basal contact of this target area has been drill tested to date, possibly as little as 5%, with substantial exploration upside remaining.

Immediate drill targets in this area have been identified, and further exploration is strongly recommended.

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

"The top-down approach of the Technical Review has recognised and confirmed the presence at our Project of the important geological criteria for large scale nickel sulphide mineralisation.

"This opinion is based on a substantial amount of empirical data – this is no longer just a concept.

"The Review is now focused on target generation with several high quality targets already identified for immediate drilling.

"These are new and inspiring targets and we start test drilling them later this month."

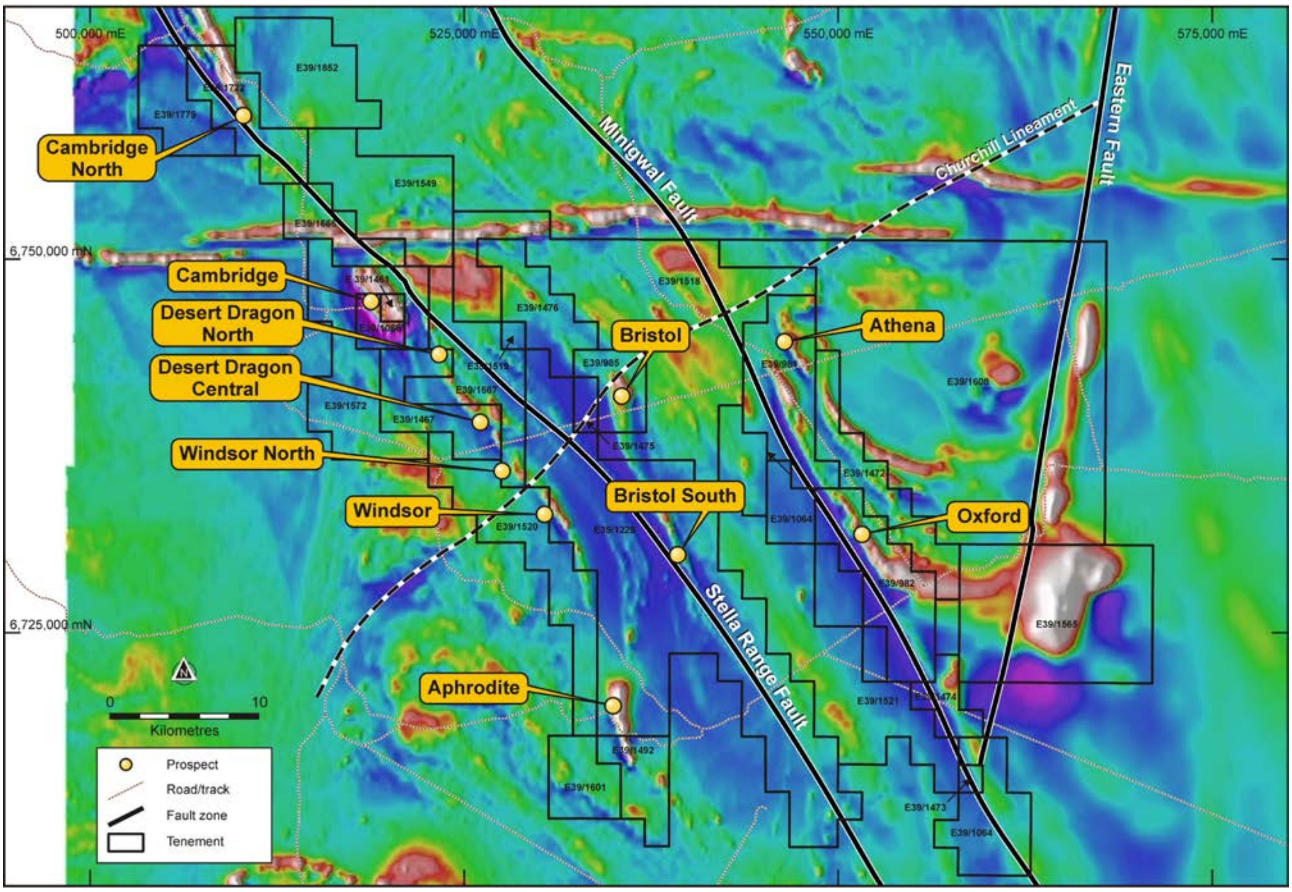

Figure 1 – The tenements of St George's Project shown against a background of magnetics. The area from Desert Dragon North to -Windsor has been identified by the Technical Review as the most prospective area at the Project.

EAST LAVERTON PROPERTY – ATTRACTIVE FEATURES AT THE REGIONAL SCALE

Underexplored Nickel Belt

St George's East Laverton Property is located within the East Laverton nickel belt, an extensive komatiite belt in the north east of the Yilgarn Craton, which hosts numerous nickel sulphide deposits (see Figure 2).

The belt encompasses the Fisher East (Camelwood) project of Rox Resources (ASX: RXL) in the north, the Rosie project of Duketon Mining (ASX: DKM) and the Windarra mine of Poseidon Nickel (ASX: POS) in the centre of the belt, and St George's East Laverton Project in the southern end of the belt.

The nickel potential at St George's East Laverton Property has only been recently recognised, due primarily to extensive post mineral cover. New exploration concepts and modern methods have driven more effective exploration in these conditions, resulting in a rapid progression of several discoveries of nickel sulphides, which have justified a strategy for camp-scale nickel exploration.

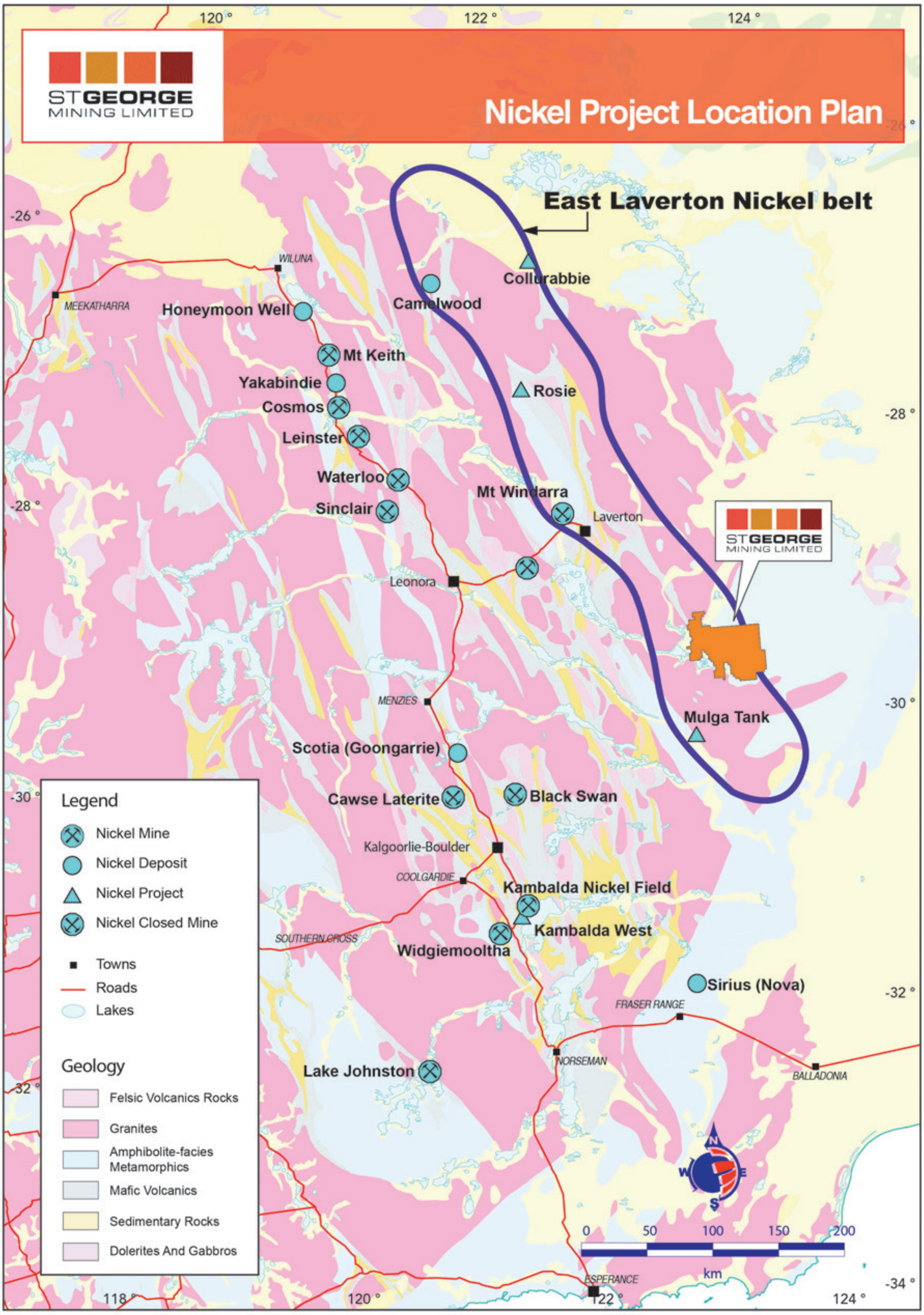

Figure 2 – St George's Project is located in a key section of the East Laverton Nickel belt, that runs parallel and to the east of the Agnew-Wiluna belt which hosts several world class nickel sulphide deposits

Major Mining Company Interest

The large scale potential at St George's Project has attracted the attention of major mining companies, with the first nickel focused exploration campaign at the Project being completed by BHP Billiton Nickel West in 2012 under the Project Dragon farm-in arrangement with St George. Following completion of a successful drilling campaign in 2012 which discovered nickel sulphides at the Project, BHP Billiton Nickel West exercised an option to continue the farm-in and potentially earn up to 70% of the Project by completing a bankable feasibility study.

BHP Billiton Nickel West subsequently withdrew from the Project for corporate reasons, but the credentials of the Project as a potential large scale nickel camp were firmly established.

The local geology of St George's Project displays some particularly favourable aspects in terms of nickel sulphide prospectivity, and these are discussed below.

KEY NICKEL SULPHIDE CRITERIA – ALL PRESENT AT EAST LAVERTON PROJECT

Rare High MgO Komatiites - Increased Nickel Endowment

The favourable conditions present at St George's Project are reflected in thick sequences of komatiites that have estimated volatile-free MgO levels up to 54% and Mg numbers up to 93. This indicates the komatiites were formed from very magnesian rich parental liquids (probably about 30% MgO).

The high temperature, high MgO komatiites present at St George's Project appear to be a localised feature, and suggest the potential for a much higher nickel endowment in the southern end of the East Laverton nickel belt, where St George has the dominant land holding.

These high MgO komatiites reflect a core area of komatiite magmatism controlled by major crustal and sub-crustal structures that have allowed the transport and deposition of high volumes of very hot komatiites at high flow rates. This is a primary requisite for large nickel sulphide deposits.

Unique Komatiite Facies – Favourable Change at St George's Boundary

The geological environments of the domains to the north of St George's ground demonstrate a notable relationship between the komatiites and BIF (Banded Iron Formation) facies sediments, which form on the ultramafic contacts. (Facies is a term used to describe the character of a rock expressed by its formation, and its mineral and geochemical composition.)

More specialised conditions exist at St George's Project where the komatiites, which have been shown to host nickel sulphides, have extremely sulphidic and metal-rich (i.e. Cu + Zn) sediments on their margins. The regional change between the sulphide and BIF sediment facies occurs immediately north of St George's East Laverton Property, likely controlled by a significant NE-SW cross rift structure (see Figure 3).

The localised sulphide-rich sedimentary facies at the Project has important implications for nickel sulphide endowment. This style of sediment indicates localised conditions where a hotter, deeper depositional environment is present, with greater availability of sulphur to form nickel sulphide mineralisation. This is also consistent with the previously noted presence of high MgO komatiites.

In this respect, St George's ground is very similar to Forrestania and the nickel camps of the Agnew-Wiluna belt, where more sulphur-rich sediments are often intimately associated with nickel sulphide mineralisation.

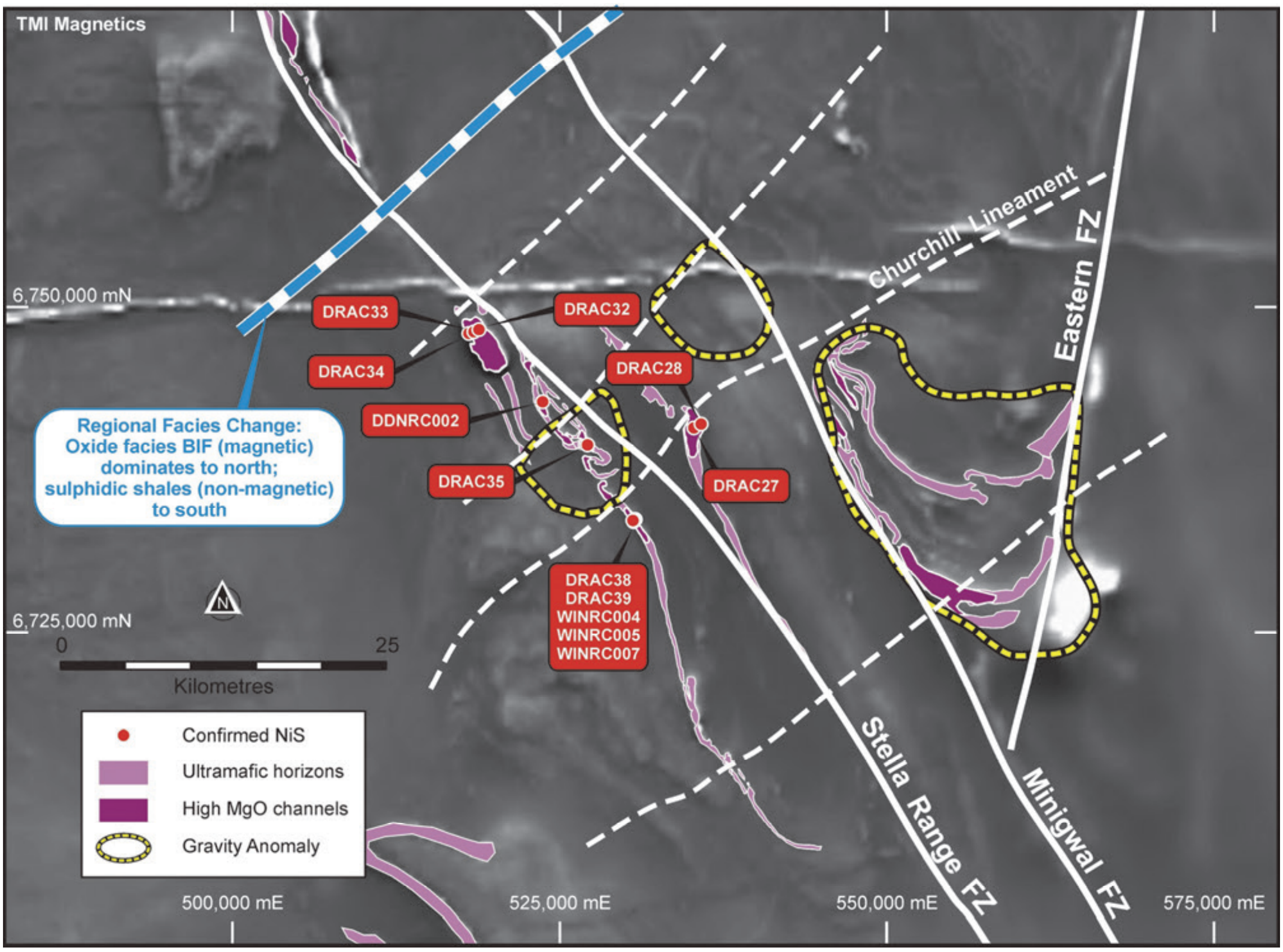

Figure 3 – Key features of St George's Project are shown over TMI magnetics. The regional facies change is interpreted to occur at the boundary illustrated to the north of the Project area. This change is likely to be very significant, indicating a hotter, deeper depositional environment to the south of the boundary with greater availability of sulphur to form nickel sulphide mineralisation.

Felsic-Komatiite Rocks – An Ideal Host for Nickel Sulphide Belts

The Stella Range area is characterised by felsic schist wall rocks that are likely to represent deformed felsic volcanic or volcanoclastic sedimentary rocks. Petrographic studies have shown that any flanking mafic rocks at the Stella Range are part of the fractionated komatiite sequence and are not a separate volcanic basalt phase.

In the Yilgarn, the Felsic-Komatiite association is relatively uncommon compared to the Mafic-Komatiite association. The Felsic-Komatiite association, where it does occur, is known to be associated with the majority of the well-mineralised nickel camps, including Forrestania and the large Leinster camp in the Agnew-Wiluna belt.

A Felsic-Komatiite association reflects conditions where the felsic footwall rocks are more easily assimilated by komatiite lava (i.e. by thermal channelling) than would occur with more mafic compositions. Felsic volcanic lavas tend to not flow far from their volcanic vent, so the presence of felsic volcanic complexes are therefore localised and could indicate proximity to a major and prospective magmatic centre.

Known Nickel Sulphides

Drilling at St George's Project has already encountered multiple occurrences of magmatic nickel sulphides. DRAC38 was the discovery hole at the Windsor prospect, and intersected 2 m @ 0.62 %Ni from 132m. This higher grade intersection was within a broad nickel zone of 30m @ 0.31%Ni from 108 m. A petrographic examination of nickel sulphides in this intersection confirmed the only sulphide present was pentlandite, a high tenor nickel sulphide.

'Nickel tenor' is the nickel content of the sulphide portion of the rock, calculated on the basis of 100% sulphide. This is different than grade, which is the amount of a metal in a mass of rock, expressed as a percentage, or as grams per tonne (g/t). High tenor nickel sulphides have lesser amounts of iron and copper. This is of benefit for the economic viability of any mineralisation present as it means any sulphide concentrate will be high grade.

The presence of high tenor nickel sulphides at the East Laverton Property is further evidence of the potential nickel endowment and prospectivity of St George's Project as it implies a large and dynamic magmatic system, favourable for nickel sulphide mineralisation.

Favourable Structural Architecture

A key feature of large and well-mineralised nickel camps is favourable sub-crustal and crustal rift architecture, which controls the distribution of komatiite volcanism and nickel sulphide deposition.

Typically, this architecture involves deep rifts controlled by rift parallel faults that are cross-cut by major transform faults. Rift parallel faults are the large regional NW-NNW trending shear zones. The transform (or rift normal) faults are early and fundamental structures that become more cryptic in nature as they are obscured by overlying stratigraphy and late local faults developed in these covering rocks.

The intersections of these structures are areas that experience higher volumes, higher temperatures and higher flow rates of komatiite magma, creating enhanced conditions for nickel sulphide deposition. These important areas are associated with greenstone depocentres.

A depocentre is an area which is the thickest and deepest part of the komatiite-hosting rift. Large gravity anomalies are interpreted to represent local greenstone depocentres at East Laverton. This is because of the preferential concentration of high density greenstone rocks, the location of which is controlled by NE-trending cryptic transfer structures such as the Churchill Lineament at St George's Project.

Major nickel deposits are known to form in proximity to the intersection of these rift parallel and rift normal cross structures, including the Perseverance, Mt Keith and Cliffs deposits in the Agnew-Wiluna belt, especially in proximity to their associated depocentres.

This favourable structural architecture is present at St George's East Laverton Project, where the main NNW trending rift-parallel structures are intersected by the more cryptic NE trending transform faults; see Figure 4. The architecture is very prominent in the Desert Dragon-Windsor prospect area where a major depocentre is observed.

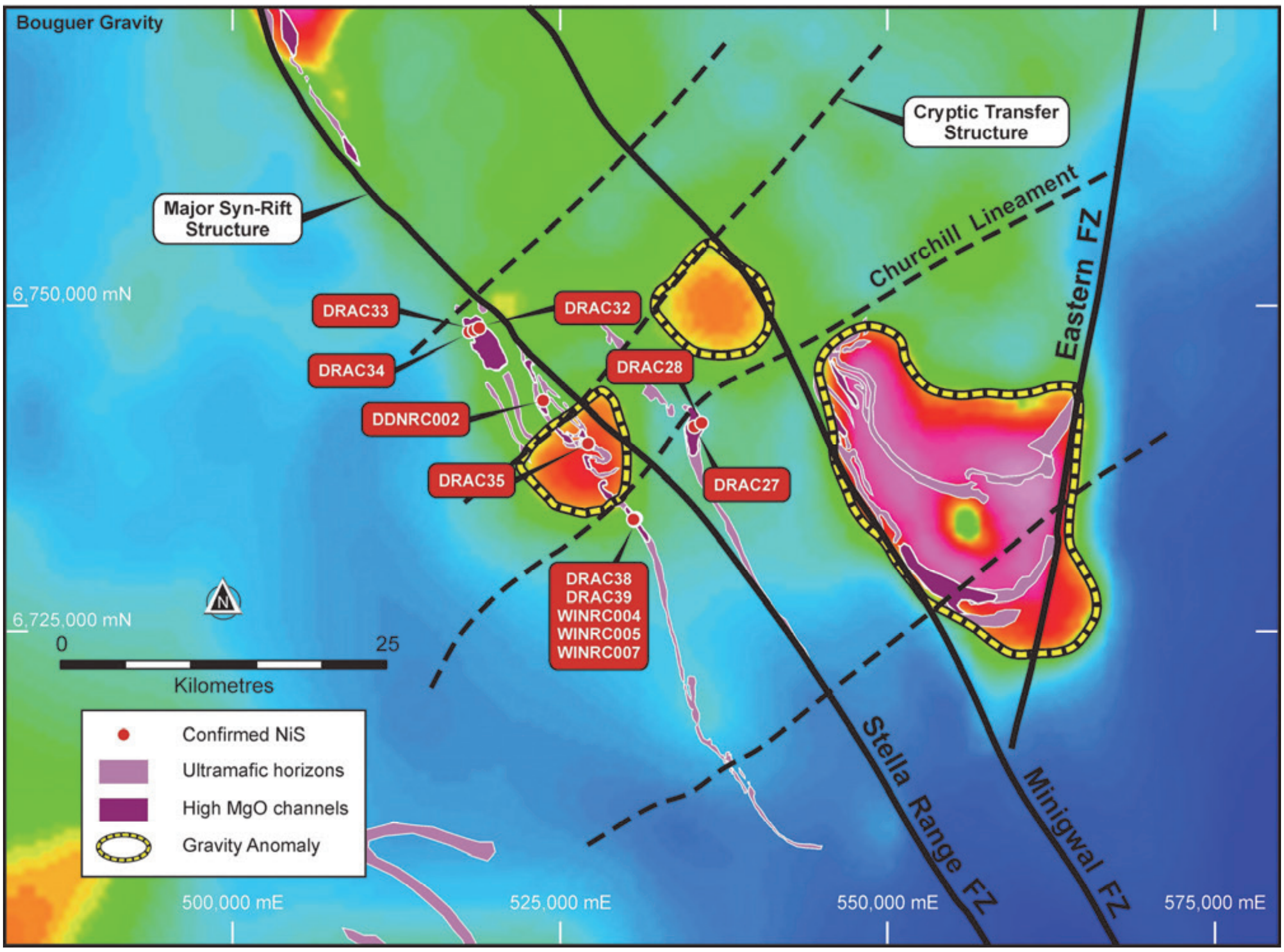

Figure 4 – Fundamental rift architecture is prominent at St George's Project with major NNW fault zones cross cut by cryptic transfer structures like the Churchill Lineament. Known nickel sulphides and high-MgO komatiite channels are closely associated with the intersection of these structures. This architecture is very similar to the structural architecture seen at highly mineralised komatiite hosted nickel camps including at Forrestania and in the Agnew-Wiluna belt.

The Technical Review has developed an exploration model that targets a 5km zone around the intersection of the structures. Drilling results at the Project to date show that these target zones host the majority of known high-MgO ultramafic channels as well as all nickel sulphide intersections; see Figure 5.

These results are an excellent fit to this exploration model, and provide encouragement to focus the search for massive nickel sulphides in these areas.

In summary, the Technical Review has highlighted that the East Laverton Property has some specialised and very favourable geological features which confirm the compelling exploration prospectivity of St George's Project.

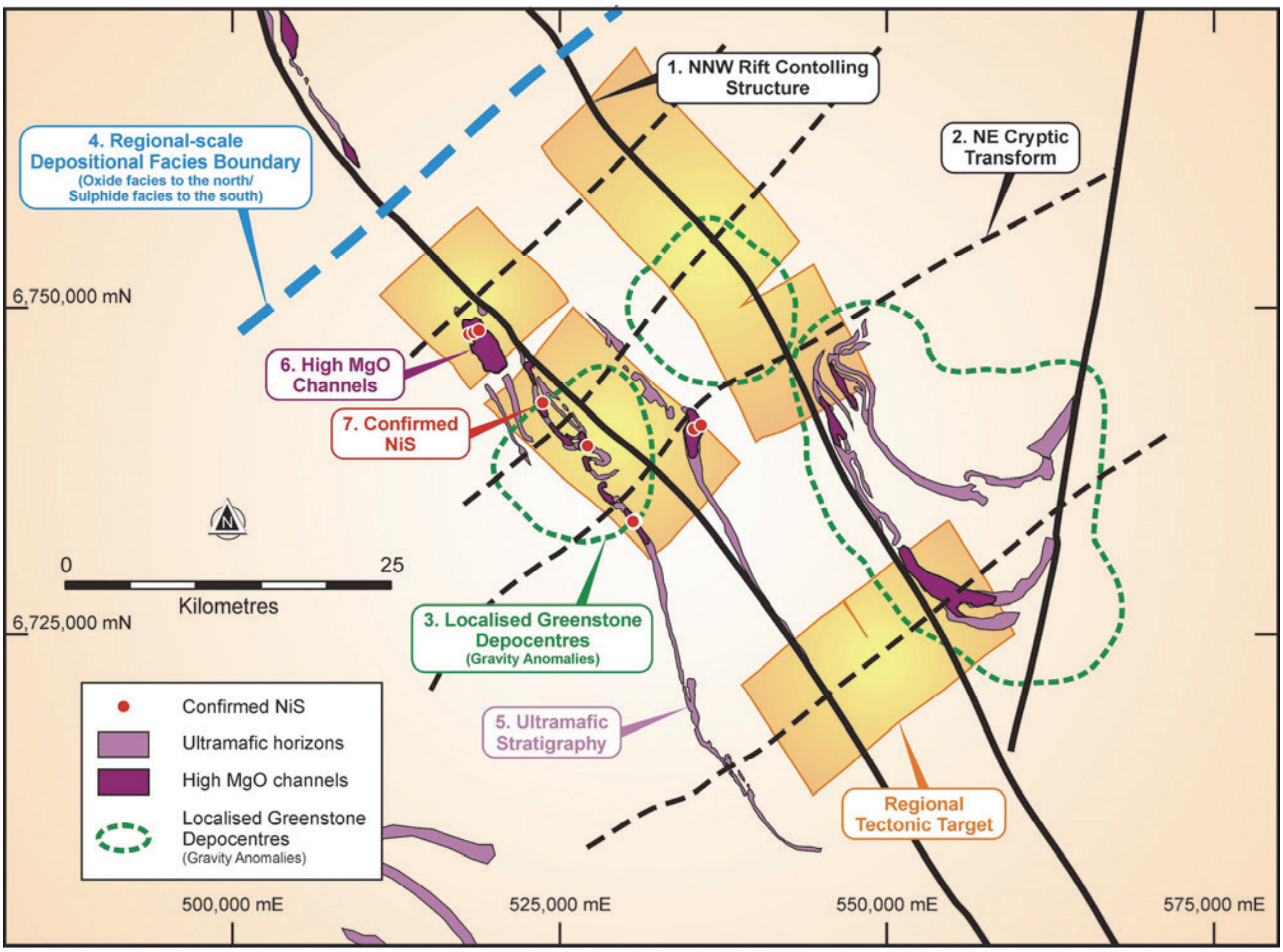

Figure 5 – This map highlights the key targeting criteria at St George's Project, as well as the regional tectonic targets which are interpreted to be within 5km of the intersection of the NNW fault zones with the NE cryptic transforms. All seven targeting criteria are strongly supportive of the potential of large scale nickel sulphide mineralisation at the Project.

HIGH PRIORITY PROSPECTS IDENTIFIED

The Technical Review has selected the Desert Dragon-Windsor domain along the Stella Range belt as the most prospective area for massive nickel sulphide deposits. Other target areas were also considered prospective for mineralisation, with Desert Dragon-Windsor standing out as the highest priority for follow-up exploration.

The Desert Dragon-Windsor area is approximately 18 km long and is a camp-scale target area comparable in size to the major known nickel camps within the Agnew-Wiluna belt such as Leinster and Honeymoon Well.

Four discrete prospect areas have been defined within the Desert Dragon-Windsor camp (see Figure 6):

- Desert Dragon North
- Desert Dragon Central
- Windsor North
- Windsor

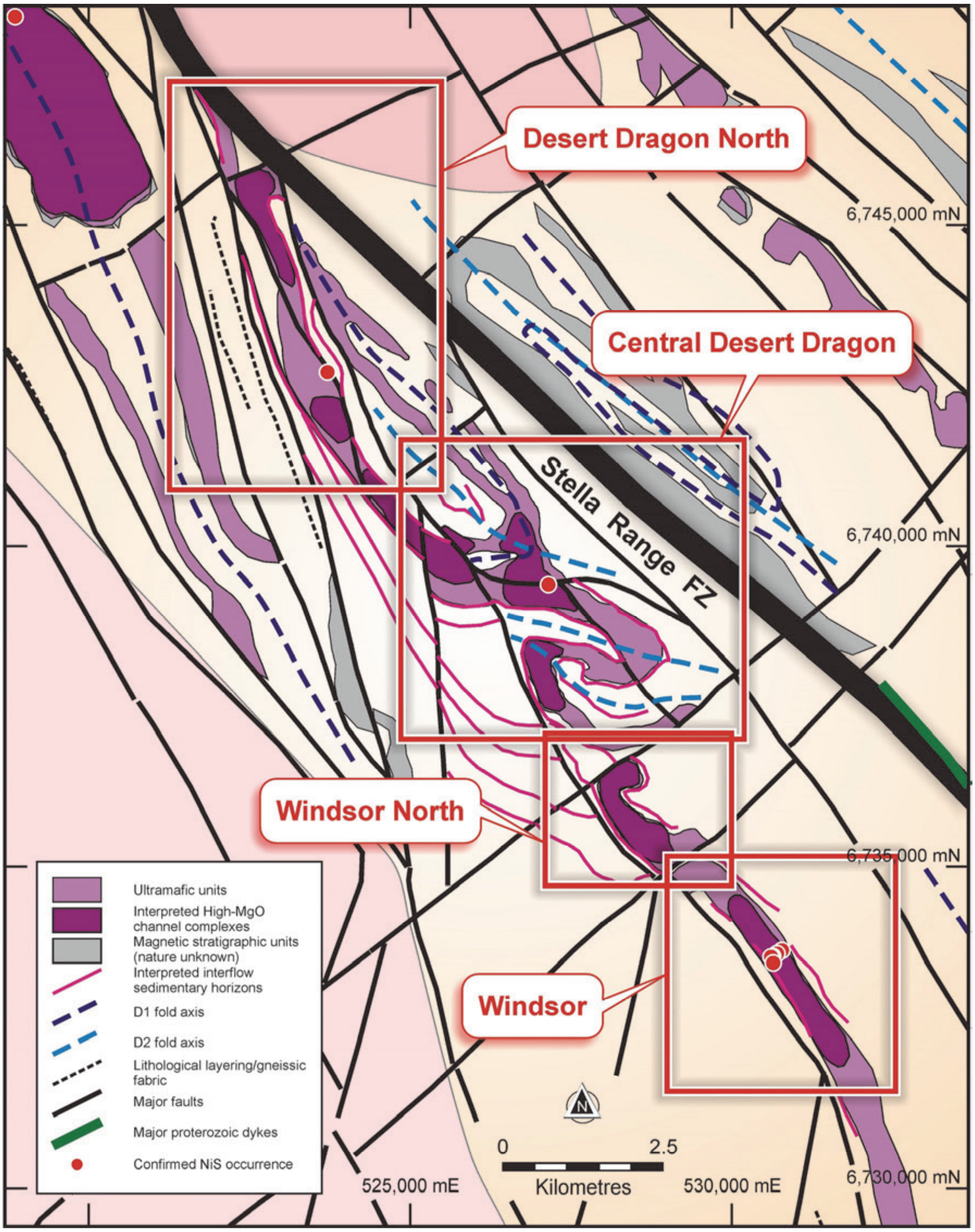

Figure 6 – the four key target areas within the emerging nickel camp at Desert Dragon-Windsor are highlighted against a background of interpreted geology.

These prospects have undergone very limited drilling. There is a large extent of untested ultramafic contact at these prospects, with significant space remaining to fit in several major nickel sulphide deposits.

The Technical Review has identified immediate drill targets at each of these prospect areas. In addition, Newexco – the Company's geophysical adviser – has identified a number of strong late-time electromagnetic (EM) conductors at Desert Dragon-Windsor including four Category 1 anomalies that were recently identified at Desert Dragon.

Detailed planning is underway to determine optimal positions for drill testing of these targets. This targeting work includes a review of the existing drill hole data in the context of the new project scale interpretation provided by the Technical Review. This will permit enhanced geological interpretations from the expanded database. A further announcement will be made once these drill targets are completed.

A strong pipeline of drill targets will be established once this interpretative and targeting work is completed.

Two of the immediate drill targets identified by the Technical Review are at Desert Dragon, and these are discussed below.

DESERT DRAGON – HIGH QUALITY TARGETS FOR MASSIVE NICKEL SULPHIDES

Desert Dragon North – Finding the Primary Source for Remobilised Nickel

Drill hole DDNRC002 was completed by St George at Desert Dragon North in 2012 and intersected 2m @ 1.08%Ni from 55m, in the form of massive sulphide stringer veins.

Geological interpretation indicates the ultramafic block hosting this significant intersection was mechanically remobilised from a local source. The ultramafic at DDNRC002 is in contact with a shear zone, which would have remobilised the nickel sulphides.

The komatiite channel immediately north of DDNRC002 remains completely untested, including two EM plates associated with the channel. The area is a particularly favourable structural site for nickel sulphide accumulation, adjacent to the intersection of a NE trending (cross rift) structure within the northerly trending Stella Range fault (see Figure 7).

An EM conductor to the north of DDNRC002 appears to be connected to the mineralisation intersected in this drill hole by a shear zone and is a compelling target as the possible source of the massive nickel sulphides in DDNRC002 (see Figure 8).

Desert Dragon Central – EM Conductors Co-incident with Basal Contact and Gravity Anomalies

Desert Dragon Central is in a part of the Stella Range belt which has undergone complex folding and shearing, which may have resulted in the structural concentration of massive nickel sulphide mineralisation in fold noses.

Drill hole DRAC35 was completed at Desert Dragon by BHP Billiton Nickel West in 2012 and intersected 18m @ 0.40%Ni from 100m (including 4m @ 0.57%Ni from 100m). The favourable structural features, known mineralisation and very limited drilling to date, make this an attractive prospect for exploration.

Two immediate drill targets have been identified in this area: see Figure 9. Target 1 is a discrete strong gravity anomaly, indicating dense rocks such as sulphide-rich accumulations. The anomaly is along strike from DRAC35 and adjacent to an EM plate that is modelled on the western ultramafic contact, factors which further support the potential for nickel sulphide mineralisation.

Target 2 is also a discrete strong gravity anomaly which is co-incident with an untested EM conductor located on the interpreted ultramafic contact, a typical setting for nickel sulphide mineralisation.

Both of these targets are believed to represent sulphide-rich accumulations that could contain massive nickel sulphides or VMS-style deposits.

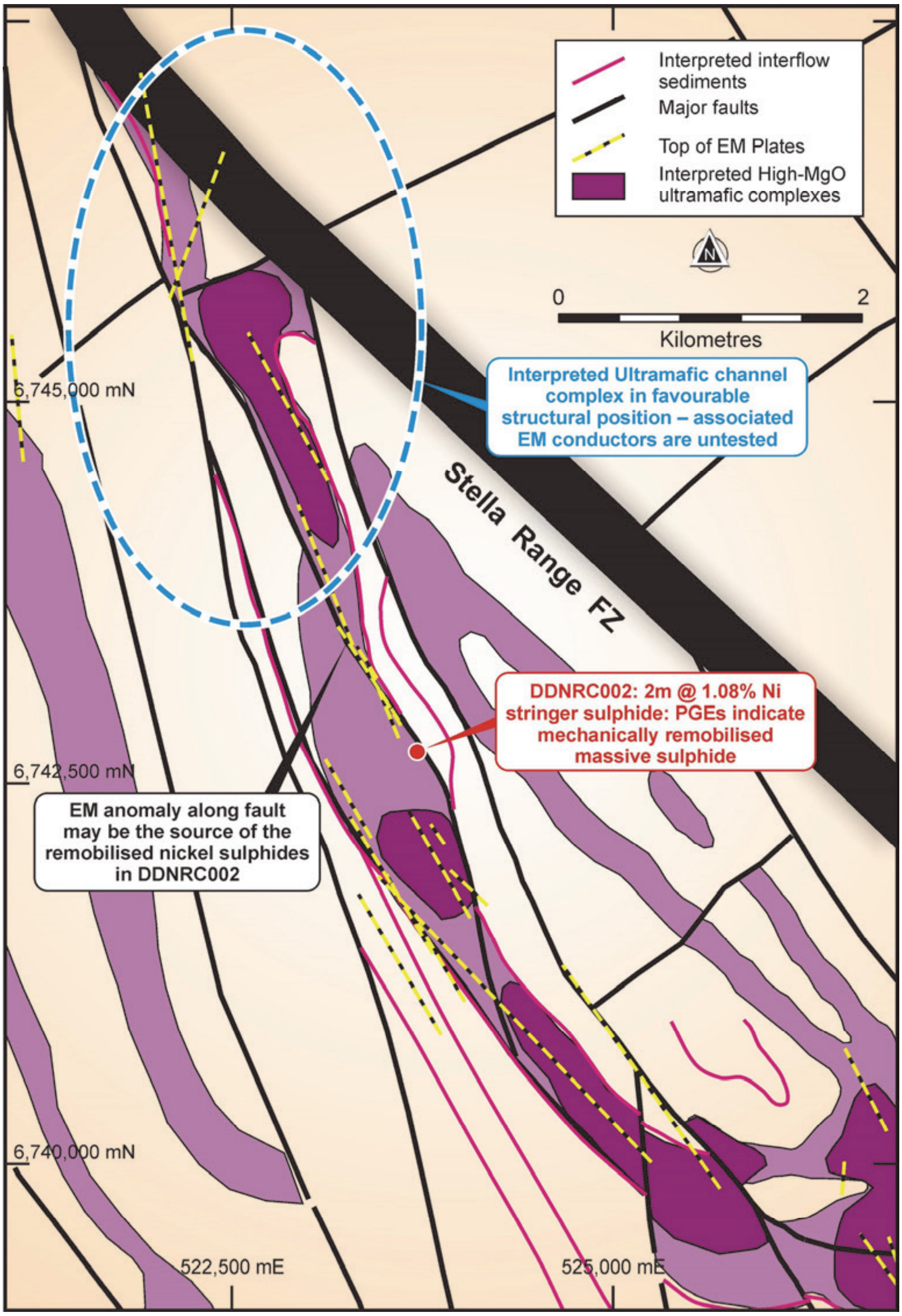

Figure 7 – a map of Desert Dragon North showing the interpreted geology and highlighting the favourable structural site for nickel sulphide mineralisation to the north of the significant intersection in DDNRC002. The channel complex in the north and its associated EM conductors are untested.

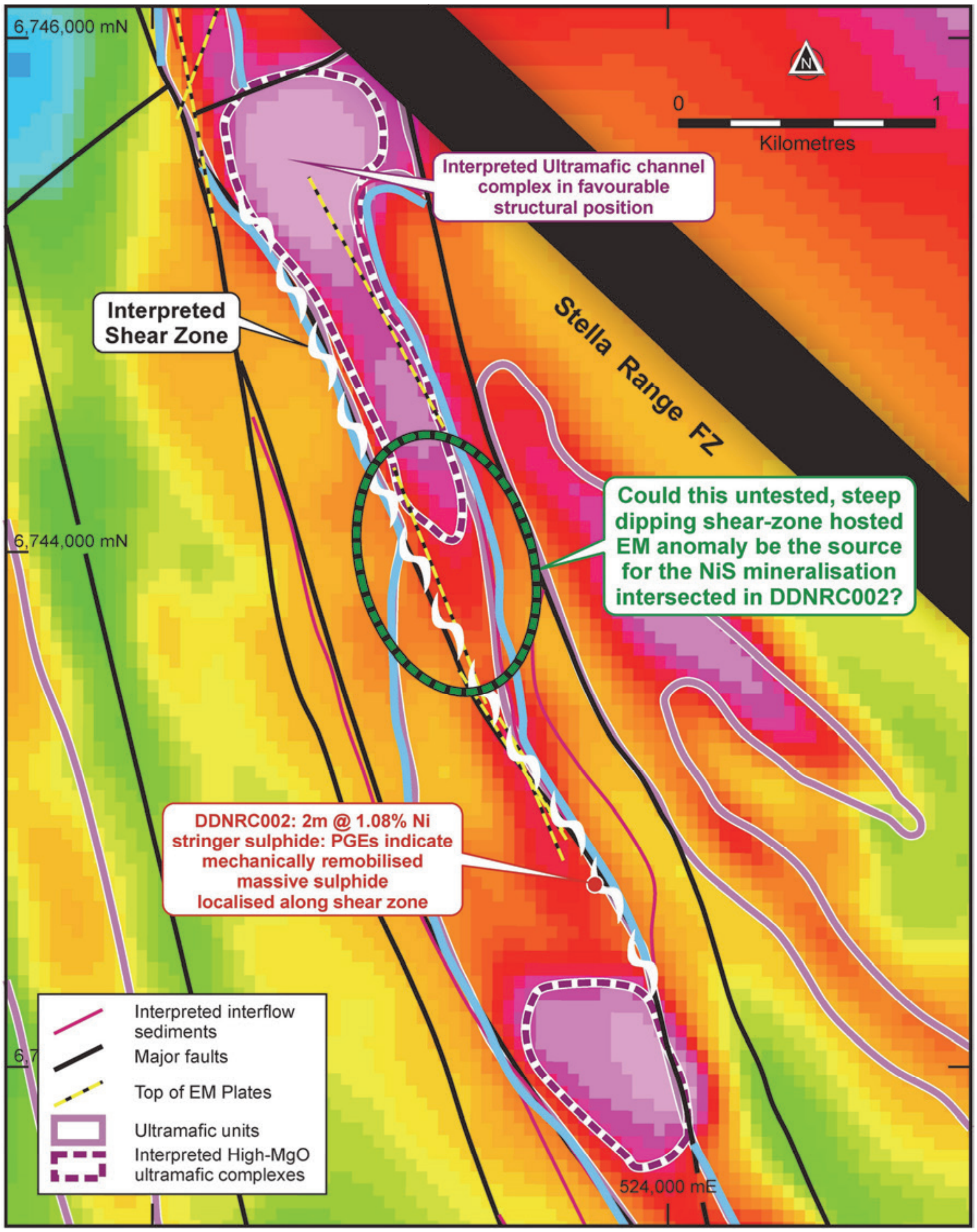

Figure 8 – the Desert Dragon North prospect shown against RTP magnetics. The untested EM conductor to the north of DDNRC002 is highlighted. This conductor appears to be connected to the drill hole by a shear zone and may be the source of the massive nickel sulphides in DDNRC002.

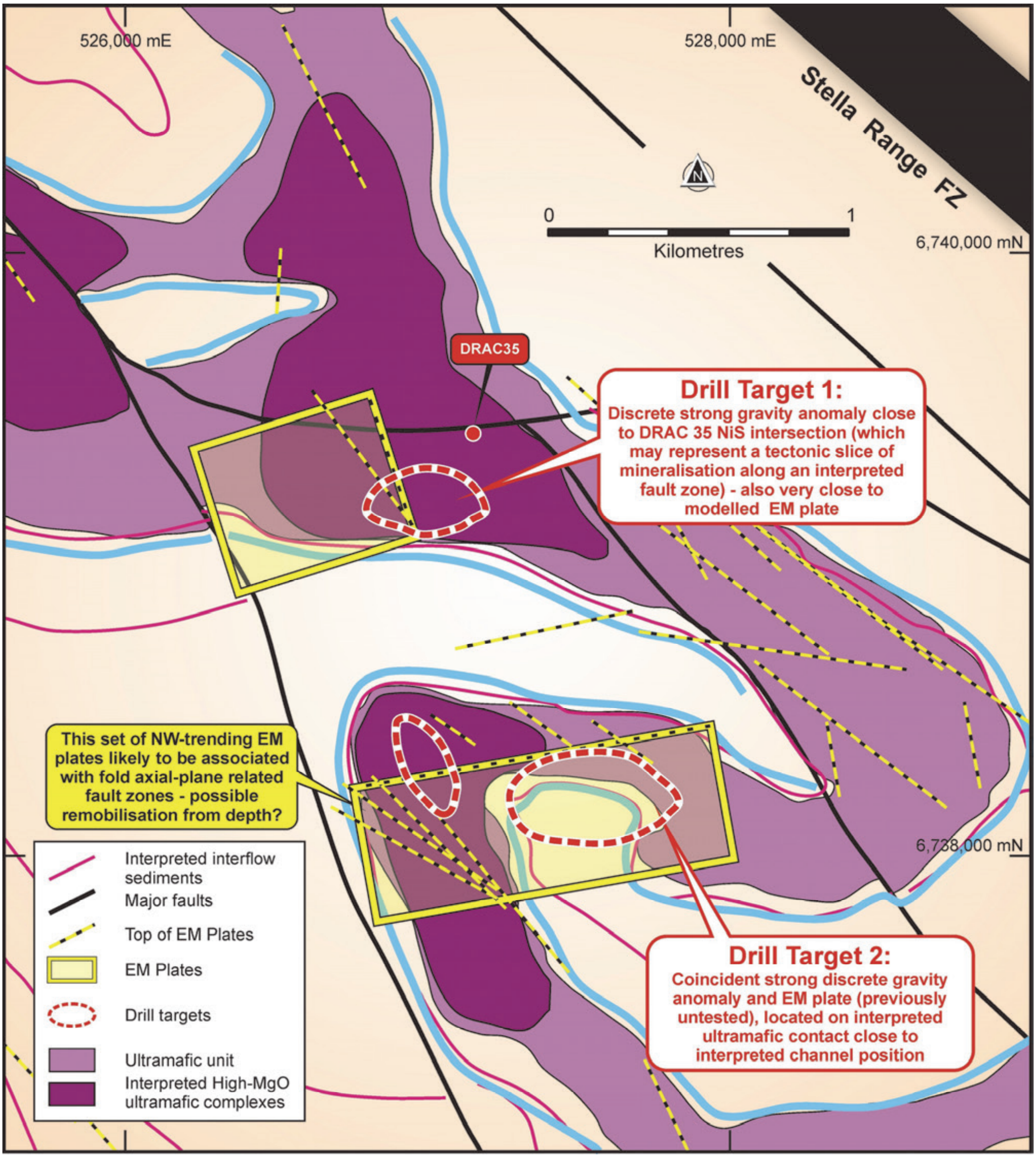

Figure 9 – a map of Desert Dragon Central showing the interpreted geology and highlighting the prominent fold in the Stella Range belt. Two immediate targets have been identified in this highly prospective area. Both targets are discrete gravity anomalies co-incident with EM conductors which are modelled as being located on the interpreted ultramafic contact.

ST GEORGE BOOSTS TECHNICAL TEAM

The leader of the Technical Review, Dr Jon Hronsky, is a global nickel expert with industry leading credentials in the area of exploration targeting for nickel sulphide deposits. Dr Hronsky will continue to consult with St George with the aim of developing further drill targets at the East Laverton Project.

Matthew McCarthy, formerly a Senior Geologist with BHP Billiton Nickel West, also contributed to the Technical Review and will continue his work with St George as required.

St George has also retained the consulting services of Ms Barbara Duggan, who has over 10 years of international exploration experience predominantly in nickel systems and Archaean gold deposits with a particular focus on target generation and mineralisation vectoring in exploration. As part of INCO Exploration's project generation group and then with BHP Billiton Nickel West, she targeted and explored for nickel deposits in Sudbury, Voisey's Bay, Thompson and the Agnew-Wiluna belt and has been involved with the discovery of over 1Mt of nickel in her career.

Ms Duggan's expertise will be particularly valuable in optimising the detailed interpretative work required to refine the drill targets generated by the Technical Review.

Newexco continues to act as geophysical adviser to St George, and will play an important role in target development through their expert interpretation and modelling of EM anomalies at our Project.

Mr John Prineas, Executive Chairman of St George Mining said:
"The technical team that we have assembled has a strong record in nickel sulphide discoveries.

"Their work on the Technical Review has already produced several new and compelling targets for immediate drill testing.

"Work on target generation is continuing and we expect a quality pipeline of drill targets to be established.

"The Technical Review has provided us with a roadmap to discovery."

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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 information in this announcement that relates to Exploration Results and Mineral Resources as defined in the 2004 edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves' is based on information compiled by Mr Hronsky. Mr Hronsky is a member of the Australasian Institute of Mining and Metallurgy has sufficient experience, which is relevant to the style of mineralisation and type of deposit under consideration and to the activity, which he is undertaking. This qualifies Mr Hronsky as a "Competent Person" as defined in the 2004 edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Hronsky consents to the inclusion of information in this announcement in the form and context in which it appears.

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	*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 4 March 2015 reports on the findings of a Technical Review of the Company's East Laverton Nickel Sulphide Project. The ASX Release does not report any new exploration results, and the Technical Review is based on past exploration results particularly drilling programs and electromagnetic surveys completed recently at the Project. Drilling programs have included diamond core drilling completed by DDH1 Drilling Pty Ltd and reverse circulation (RC) drilling completed by VM Drilling Pty Ltd. Diamond drilling was undertaken by DDH1 in 2014 using a Sandvik 1200 Multipurpose truck mounted drill rig. RC drilling was undertaken by VM Drilling in 2014 using a Schramm 685 truck mounted drill rig. *Diamond Core Sampling:* 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. 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. 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, SGS Laboratories. 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". Diamond core provides high quality samples that are logged for lithological, structural, geotechnical, density and other attributes. Sampling is carried out under QAQC procedures as per industry best practice. *RC Sampling:* All samples from the RC drilling are taken as 1m samples. Samples are sent to Intertek Laboratories for assaying. 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. Onsite XRF analysis is conducted on the fines from RC chips using a hand-held Olympus Innov-X Spectrum Analyser. These results are only used for onsite interpretation and preliminary assessment subject to final geochemical analysis by laboratory assays. *Moving loop electromagnetic (MLEM) survey*: The MLEM survey is designed and managed by Newexco, with field work contracted to Bushgum Pty Ltd. The MLEM survey is conducted at several

Criteria	JORC Code explanation	Commentary
		prospects within the project area. Key specifications of the MLEM survey are: Stations Spacing: 100m Loop: 400m, 200m Line Spacing: 400m Components: x y z Orientation: X along line (local east - positive). Line direction: 58.35, 90 degrees Frequency: 0.5, 0.25 Hz Channels: SMARTem Standard. Receiver: Fluxgate Number turns: 1 Current: Typically 50 A. Repeats: Minimum 3 consistent readings per station. *Down-hole electromagnetic (DHEM) survey*: A DHEM survey will be completed for certain drill holes. The DHEM survey is designed and managed by Newexco Services Pty Ltd, with field work contracted to Bushgum Holdings Pty Ltd. Key specifications of the DHEM survey are: *System: Atlantis (analogue)* *Components: A, U, V* *Component direction:* • *Ba – Parallel to hole axis, positive up hole.* • *Bu – Perpendicular to hole axis: toward 12 o' clock when looking down hole.* • *Bv – Perpendicular to hole axis: toward 9 o' clock when looking down hole.*
	Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.	*Diamond Core Sampling:* For diamond core samples, certified sample standards were added as every 25th 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. *RC Sampling:* 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. 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

Criteria	JORC Code explanation	Commentary
		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. 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. *MLEM Survey:* Field calibration of the survey instruments using standards is undertaken each day. A minimum of 3 consistent readings per station are taken to ensure accuracy of data collected. *DHEM Survey:* For the DHEM survey, the polarity of each component is checked to ensure the system was set up using the correct component orientations. The hole position is corrected for trajectory using orientation survey data.
	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.*	*Diamond Core Sampling:* 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. Assays are completed at SGS Laboratories in Perth. Samples are sent to SGS 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 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. *RC Sampling:* A 1m composite sample is taken from the bulk sample of RC chips that may weigh in excess of 40 kg. Assay preparation is completed by Intertek. 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 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	*Drill type (eg core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc) and details (eg core diameter, triple*	*Diamond Core Sampling:* 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

Criteria	JORC Code explanation	Commentary
	or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc).	core. The hole was then continued using HQ diamond core until the drillers determined that a change to NQ2 coring was required. The core is oriented and marked by the drillers. The core is oriented using ACT Mk II electric core orientation. *RC Sampling:* 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.
Drill sample recovery	*Method of recording and assessing core and chip sample recoveries and results assessed.*	*Diamond Core Sampling:* 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. *RC Sampling:* RC samples are visually checked for recovery, moisture and contamination. Geological logging is completed at site with representative RC chips stored in chip trays.
	Measures taken to maximise sample recovery and ensure representative nature of the samples.	*Diamond Core Sampling:* 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. *RC Sampling:* 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.
	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.	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. 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.
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.*	Geological logging is carried out on all drill holes with lithology, alteration, mineralisation, structure and veining recorded.
	Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography.	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.
	The total length and percentage of the relevant intersections logged.	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.
Sub-sampling techniques and sample preparation	*If core, whether cut or sawn and whether quarter, half or all core taken.*	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 SGS for analysis.
	If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry.	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.

Criteria	JORC Code explanation	Commentary
	For all sample types, the nature, quality and appropriateness of the sample preparation technique.	*Diamond Core Sampling:* 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. This removes the potential for the significant sub-sampling bias that can be introduced at this stage. *RC Sampling*: 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.
	Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.	*Diamond Core Sampling:* 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. *RC Sampling:* 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.
	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.	*Diamond Core Sampling:* 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. *RC Sampling:* Field duplicates were taken on 1m composites for RC samples.
	Whether sample sizes are appropriate to the grain size of the material being sampled.	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	*The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.*	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.
	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.	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.

Criteria	JORC Code explanation	Commentary
	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.	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	*The verification of significant intersections by either independent or alternative company personnel.*	Significant intersections are verified by the Company's Technical Director and Consulting Field Geologist.
	The use of twinned holes.	No twinned holes have been completed.
	Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.	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.
	Discuss any adjustment to assay data.	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	*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.*	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.
	Specification of the grid system used.	The grid system used is GDA94, MGA Zone 51.
	Quality and adequacy of topographic control.	Best estimated RLs were assigned during drilling and are to be corrected at a later stage.
Data spacing and distribution	*Data spacing for reporting of Exploration Results.*	The drill programs target EM conductors and other high quality targets for massive nickel sulphide mineralisation. The spacing and distribution of holes is not relevant to these programs.
	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.	Drilling is at the exploration stage. Mineralisation at the East Laverton Property 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.
	Whether sample compositing has been applied.	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	*Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.*	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.
	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.	No orientation based sampling bias has been identified in the data to date.
Sample security	*The measures taken to ensure sample security.*	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

Criteria	JORC Code explanation	Commentary
		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	*The results of any audits or reviews of sampling techniques and data.*	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	*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 East Laverton Property comprises 27 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. 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. 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.
Exploration Done by Other Parties	*Acknowledgment and appraisal of exploration by other parties.*	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. 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. 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.
Geology	*Deposit type, geological setting and style of mineralisation*	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 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	*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*	Refer to information in the body of this announcement. 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. Table 1 to this 2012 JORC Section contains drill hole information on

Criteria	JORC Code explanation	Commentary
	• Down hole length and interception depth *• Hole length*	DRAC35, DRAC38 and DDNRC002 which were the first drill holes at the East Laverton Property to identify nickel sulphides.
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.*	No top-cuts have been applied. A nominal 0.15% Ni lower cut-off is applied unless otherwise indicated.
	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.	High grade massive sulphide intervals internal to broader zones of sulphide mineralisation are reported as included intervals.
	The assumptions used for any reporting of metal equivalent values should be clearly stated.	No metal equivalent values are used for reporting exploration results.
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.*	The geometry of the mineralisation is not yet known due to insufficient deep drilling in the targeted area.
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.*	Maps will be included with any announcement of any significant discovery, following review of assay results from the drilling programme.
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 of Exploration Results.*	A comprehensive report on recent drilling at the East Laverton Property can be found in the following ASX Releases that are available on our website at www.stgm.com.au: 3 September 2014 '*Nickel Sulphide Drilling – Update on Phase 1'* 11 February 2015 *'St George Extends Nickel Sulphide Zone'*.
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.*	All meaningful and material information has been included in the body of the text. No metallurgical or mineralogical assessments have been completed.
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.*	A discussion of further exploration work is contained in the body of the ASX Release.

HOLE ID	NORTHING (m)	EASTING (m)	DIP (deg)	AZM (deg)	DEPTH (m)	FROM (m)	TO (m)	WIDTH (m)	Ni (%)	Cu (ppm)	Pt+Pd (ppb)
DRAC35	6739401	527150	-60	250	244	100	118	18	0.40	342	197
						100	104	4	0.57	366	294
						112	114	2	0.51	584	281
DRAC38	6733696	530786	-60	250	298	108	138	30	0.31	10	31
						132	138	6	0.48	40	48
						132	134	2	0.62	92	53
DDNRC002	6742718	523717	-60	59	246	53	60	7	0.54		
						53	55	2	1.08		

Table 1 to 2012 JORC Section – Significant intersections in DRAC35, DRAC38 and DDNRC002.

These historical holes are the first identification of nickel sulphides at the East Laverton Property. For further details on DRAC35 and DRAC38, see the ASX Release dated 25 October 2012 "Drill Results at Project Dragon". For further details on DDNRC002, see the ASX Release dated 11 April 2013 "St George Provides Exploration Update". These ASX Releases are available to view on the Company's website at www.stgm.om.au