



ST GEORGE
MINING LIMITED
ANNUAL REPORT 2018

CORPORATE DIRECTORY**Board of Directors**

John Prineas - Executive Chairman
 Tim Hronsky - Executive Director
 Sarah Shipway - Non-Executive Director

Company Secretary

Sarah Shipway

Registered and Principal Office

Level 1, 115 Cambridge Street
 WEST LEEDERVILLE WA 6007

Tel: + 61 8 9322 6600

Fax: + 61 8 9322 6610

Website: www.stgeorgemining.com.au

Email: info@stgeorgemining.com.au

Australian Business Number

ABN 21 139 308 973

Share Register

Computershare Investor Services Pty Ltd
 Level 11
 172 St Georges Terrace
 PERTH WA 6000

Tel: 1300 850 505

Int: +61 8 9323 2000

Fax: + 61 8 9323 2033

Stock Exchange Code

SGQ – Ordinary Shares

Auditors

Stantons International

Bankers

Commonwealth Bank



CONTENTS	PAGE
Chairman's Letter	3
Review of Operations	4
Directors' Report	13
Consolidated Statement of Profit or Loss and Other Comprehensive Income	21
Consolidated Statement of Financial Position	22
Consolidated Statement of Changes in Equity	23
Consolidated Statement of Cash Flows	24
Notes to the Consolidated Financial Statements	25
Directors' Declaration	46
Auditor's Independence Declaration	47
Independent Auditor's Report	48
Shareholder Information	51
Schedule of Tenements	53

Dear Fellow Shareholders

On behalf of the Board of Directors, it is my pleasure to present St George Mining's 2018 Annual Report.

Our outstanding exploration success during the year at the Mt Alexander Project confirmed the Company's credentials as an emerging nickel company with one of the most significant nickel sulphide discoveries in recent times.

Broad intercepts of high-grade nickel-copper-cobalt-PGE mineralisation have been made over a strike of 4.5km along the Cathedrals Belt, adding confidence to the resource potential at Mt Alexander.

We are buoyed by the results of the Company's extensive drilling campaign over the past year that, in addition to delivering some spectacular high-grade nickel sulphide intercepts, have greatly helped us expand our understanding of Mt Alexander's geology. Every hole drilled adds to our geological understanding, which will greatly assist in our quest to delineate significant mineable resources of nickel sulphide ore.

High-grade polymetallic mineralisation that commences from shallow depths of 30 metres from surface, excellent metallurgy and proximity to existing infrastructure suggest favourable economics for a potential mining operation at Mt Alexander.

The Cathedrals Belt sits within a 200 square kilometre tenement package that remains underexplored with untested targets that are prospective for additional nickel sulphide mineralisation. This provides an enviable opportunity to expand our exploration across the wider Project area with the aim of establishing a nickel camp with multiple deposits.

The nickel price has begun an upward trend with market experts forecasting significant increases as demand for the metal surges in response to the growing electric vehicle sector.

The Company's exploration success and potential has caught the attention of many investors in Australia and internationally. We welcome all new shareholders to St George, and thank our long-term shareholders for your ongoing support.

Our Company is well positioned for a significant re-rating in the coming year as we expand our resource potential against the background of a strengthening nickel price.



John Prineas
Executive Chairman



Massive nickel-copper sulphide mineralisation at the Mt Alexander Project:

Far left: drill core from MAD56 which returned assays of 7.5m @ 3.90%Ni, 1.74%Cu, 0.12%Co and 3.32g/t total PGEs from 57.8m, including 3.15m @ 6.36%Ni, 2.92%Cu, 0.20%Co and 5.03g/t total PGEs from 61.81m

Left and below: drill core from MAD60 which returned assays of 5.3m @ 4.95%Ni, 2.75%Cu, 0.16%Co and 4.55g/t total PGEs from 157.9m, including 3m @ 6.40%Ni, 3.55%Cu, 0.21%Co and 5.25g/t total PGEs from 159.38m



MT ALEXANDER PROJECT

Multiple drill programmes were completed at the Mt Alexander Project during the year ending 30 June 2018, with a focus on scoping the scale of the Cathedrals Belt discovery.

Further massive nickel-copper sulphides were intersected across a broad area, expanding the known occurrence of high-grade mineralisation along a 4.5km strike of the east-northeast oriented Cathedrals Belt.

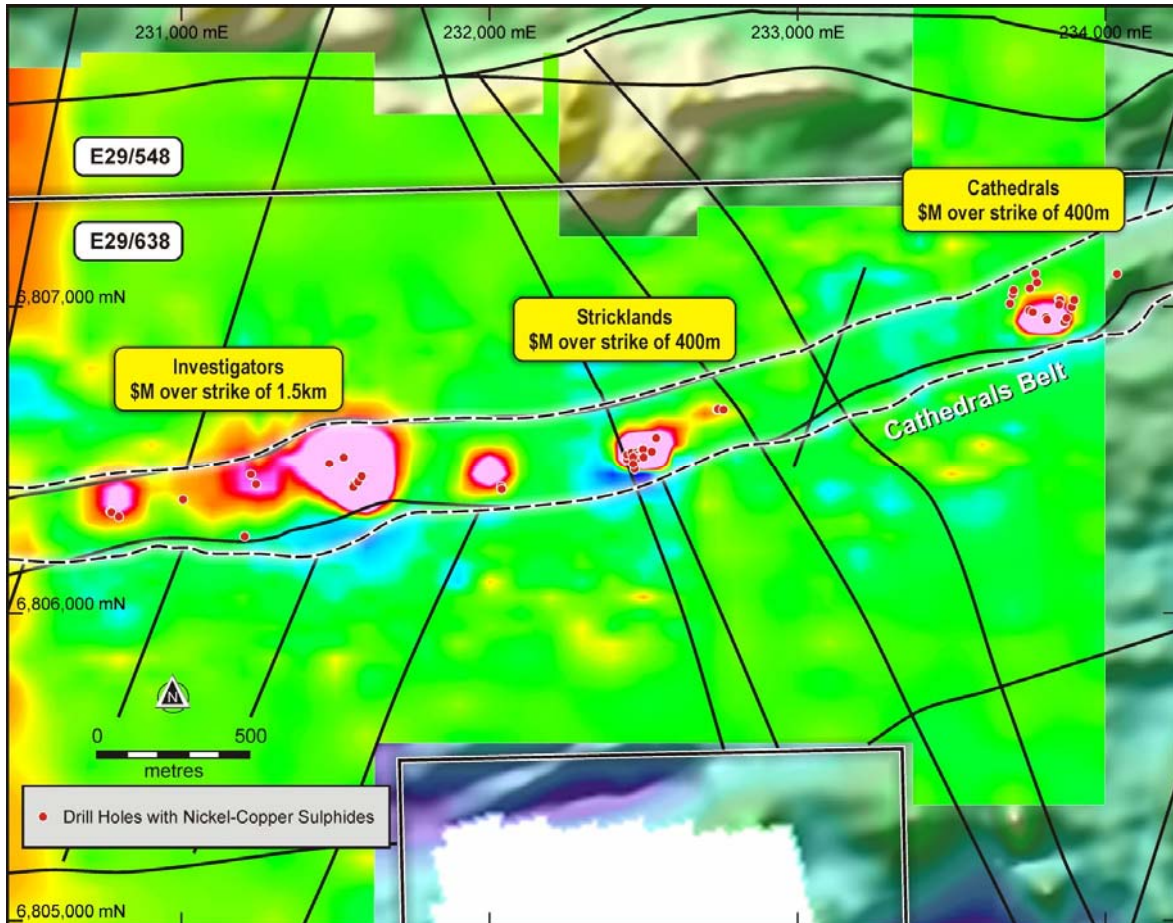


Figure 1 – plan view map of the Cathedrals Belt (over SAMSON FLEM Channel 18 [mid-time] image) showing the multiple intersections of massive nickel-copper-cobalt-PGE sulphides (“\$M”) within the large SAMSON EM anomalies at the Investigators, Stricklands and Cathedrals prospects over a 4.5km strike of the Cathedrals Belt.

An exploration milestone was achieved at the Stricklands Prospect in late 2017, with drill hole MAD71 delivering an outstanding 17.45m thick intersection of high-grade nickel-copper-cobalt-PGE sulphides which returned assays of:

17.45m @ 3.01% Ni, 1.31% Cu, 0.13% Co and 1.68g/t total PGEs from 37.45m including the massive sulphide zones of:

- **5.3m @ 4.39% Ni, 1.45% Cu, 0.21% Co and 2.09g/t total PGEs from 39.3m and**
- **2.02m @ 5.05% Ni, 2.01% Cu, 0.21% Co and 3.31g/t total PGEs from 50.6m and**
- **0.5m @ 3.68% Ni, 3.9% Cu, 0.17% Co and 2.68g/t total PGEs from 54.4m**

Resource definition drilling at each of the three prospects on the Cathedrals Belt – Investigators, Stricklands and Cathedrals – is continuing.

The down plunge continuity of the mineralisation is also being tested by drilling with early success at Investigators where the down plunge extent on the MAD60 line has been increased to 320 metres by drill hole MAD108.

Investigators Cross-section 231225E

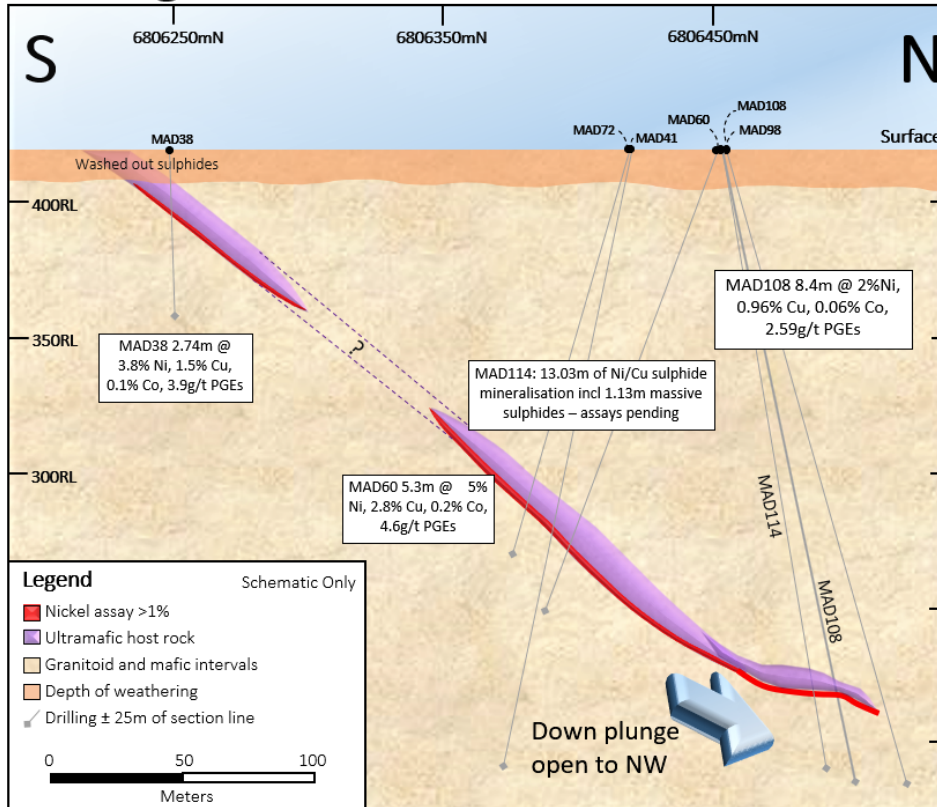


Figure 2 – schematic cross section of the MAD60 line (facing west) at Investigators based on interpretation of drill hole data. The mineralised ultramafic dips to the north-west, with MAD108 now confirming a down plunge extension with mineralisation open in the down plunge direction.

Investigators Long-section

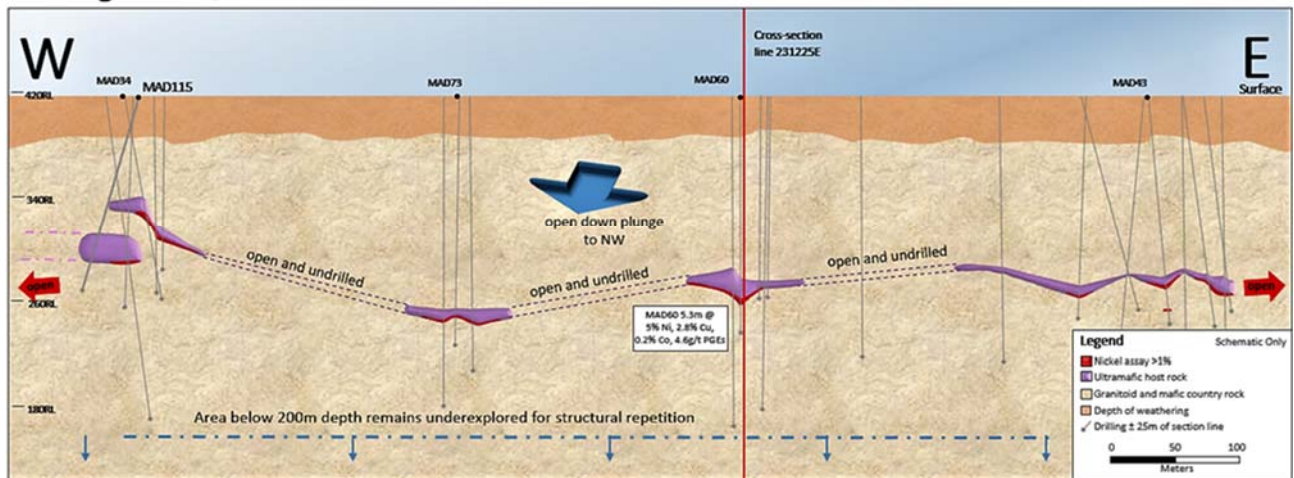


Figure 3 – Schematic long section of the Investigators Prospect (facing north) based on interpretation from drill hole data. There are large prospective areas that remain untested by drilling.



Figure 4 – drill core from MAD108 at Investigators which returned assays of:

- **8.4m @ 2%Ni, 0.96% Cu, 0.06% Co, 2.59g/t total PGEs from 199m, including**
- **1.37m @ 6.83% Ni, 2.88% Cu, 0.21% Co, 5.58g/t total PGEs from 206.03m**

MAD108 confirmed intersections of mineralisation on the MAD60 section at Investigators over a very significant 320m plunge length with mineralisation open to the north-west.

Other significant intersections on the MAD60 line include MAD60 which returned:

- **5.3m @ 4.95%Ni, 2.75%Cu, 0.16%Co, and 4.55g/t total PGEs from 157.9m.**

Additional step-out drilling will be completed to test for further continuity of the down plunge strike of mineralisation.

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 five granted exploration licences – E29/638, E29/548, E29/962, E29/954 and E29/972.

The Cathedrals, Stricklands and Investigators nickel-copper-cobalt-PGE discoveries are located on E29/638, which is held in joint venture by St George Mining Limited (75%) and Western Areas Limited (25%). 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.

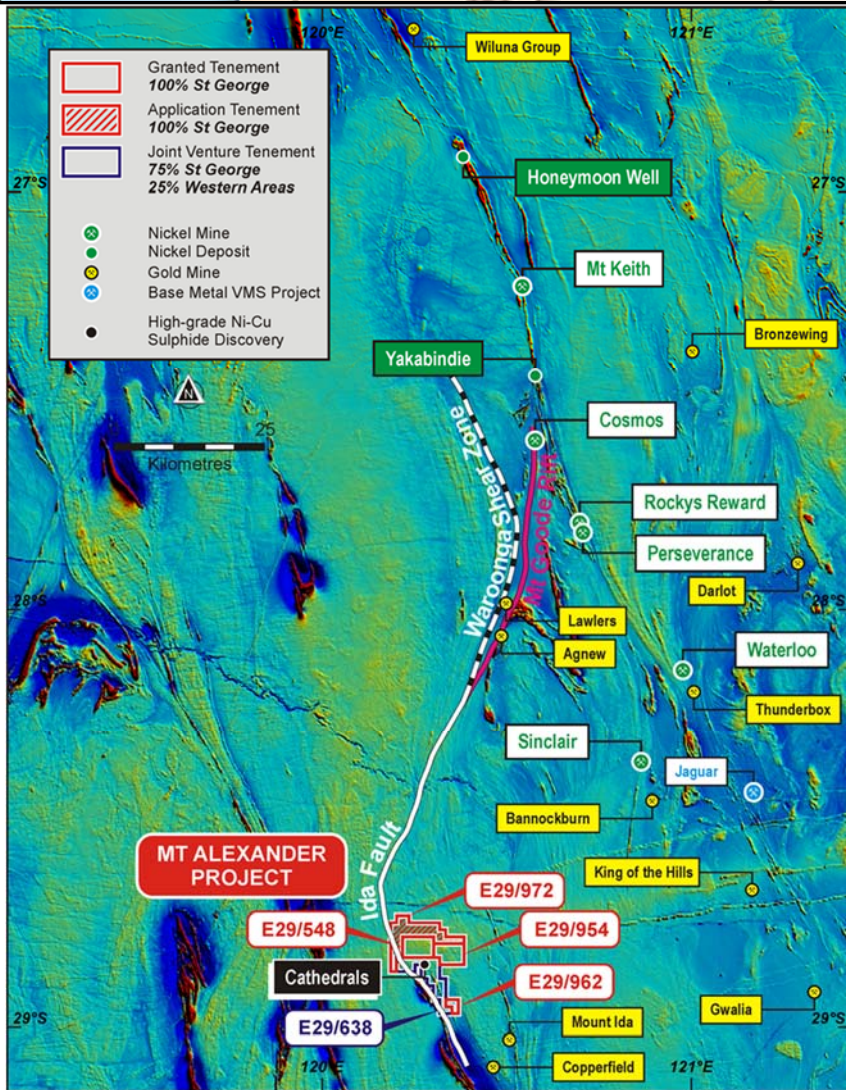
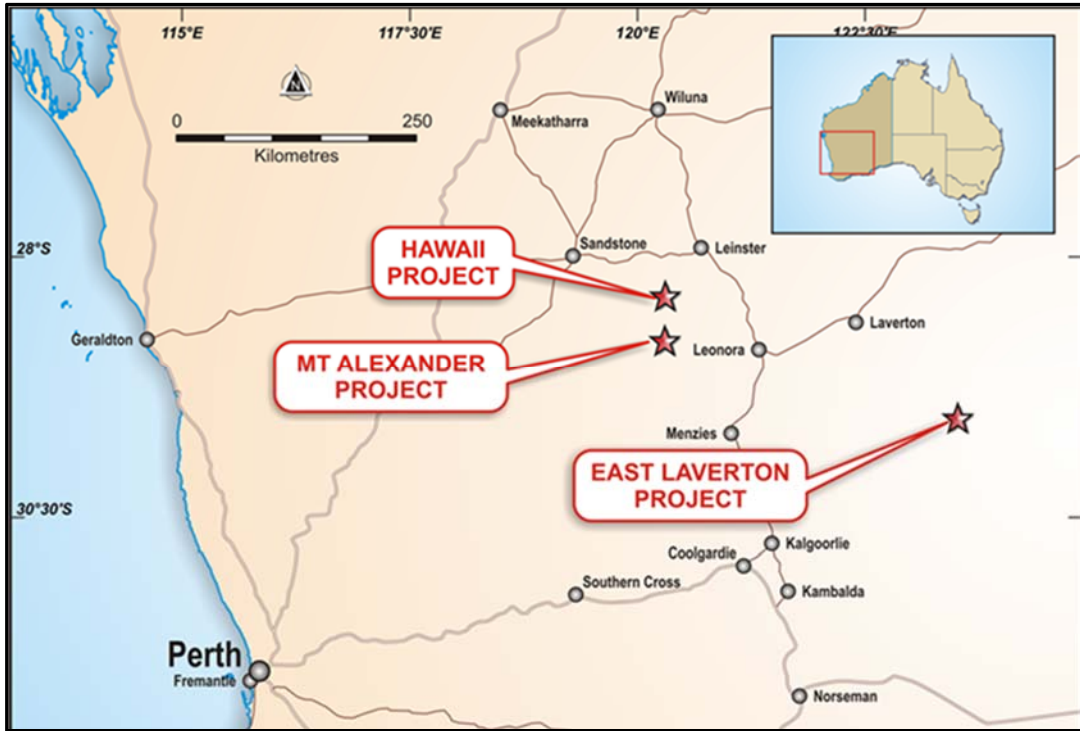


Figure 5 – above left: a map of Western Australia showing the location of St George’s projects.

Below left: a map showing the regional location of the Mt Alexander Project south-southwest of the Agnew-Wiluna Belt and proximal to other major nickel and gold projects.

EAST LAVERTON

Gold exploration at the East Laverton Project was escalated during the year. A new airborne magnetic survey was completed in Q2 2018 and generated high resolution magnetic data for three priority gold prospects – Ascalon, Athena and Bristol.

Ascalon and Athena are located along the Minigwal greenstone belt (see Figure 6). Drilling at these prospects has intersected extensive differentiated dolerite intrusives with granophyric units. Granophyric dolerites host many major gold deposits in the Yilgarn, including gold deposits at Kalgoorlie’s Golden Mile and at Kambalda’s St Ives gold camp.

Successful exploration at other projects with dolerite hosts has shown that gold mineralisation is likely to occur in magnetic breaks of the dolerite. These breaks can often be caused by cross-cutting structures which introduce ore forming fluids and destroy magnetite during the process of mineralisation.

The new magnetic survey at East Laverton has confirmed thick, linear dolerite units at Ascalon and Athena with several cross-cutting structures creating magnetic breaks. A drill programme will be scheduled for H2 2018 to test these targets.

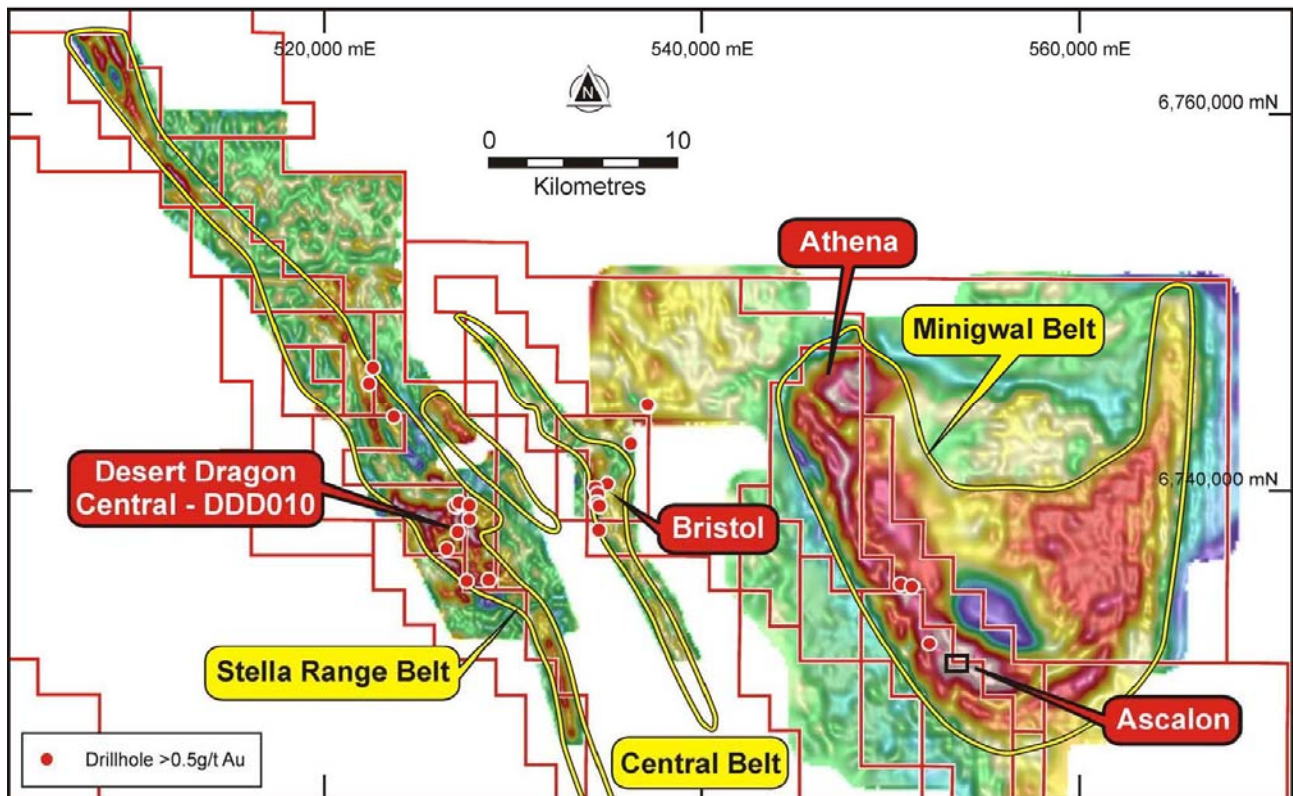


Figure 6 - the East Laverton tenements against FVD Bouguer gravity data with priority gold prospects highlighted.

The Company also continues to review the nickel sulphide targets at the East Laverton Project, with further drilling to be planned.

HAWAII PROJECT

The Hawaii Project is an early stage project with potential to explore for undercover greenstones.

St George completed an augur soil survey at the Project in Q2 2018 to further investigate the prospective ultramafics. The survey was completed with 1.6km lines, 160m sample spacings and 211 points.

Drill targets will be designed following a review of the soil survey results.

CORPORATE UPDATE

Capital Raisings

The Company completed two capital raisings during the year through the private placement of ordinary shares to raise new funds.

In March 2018, St George issued a total of 22,360,002 ordinary shares at \$0.18 per share to raise \$4,024,800.

In June 2018, St George issued a total of 19,335,711 fully paid ordinary shares at \$0.14 per share to raise \$2,707,000.

EDI Tax Benefit

St George was approved by the Federal Government for participation in the Exploration Development Incentive (EDI) which entitles eligible shareholders to a tax credit for the tax year ending 30 June 2018.

The record date for shareholder eligibility was 30 May 2018, with the tax credit available only to Australian resident shareholders. The tax credit per share is \$0.0003272.

JMEI Scheme

The EDI program has now been replaced by the JMEI (Junior Minerals Exploration Incentive) scheme. The JMEI enables eligible exploration companies such as St George to generate tax credits by choosing to give up a portion of their losses from greenfields mineral exploration expenditure.

These tax credits can then be distributed to investors who subscribe to newly issued shares in that eligible entity during the applicable financial year.

For the financial year ending 30 June 2018, St George was allocated \$750,000 of exploration credits which were utilised for the private placement completed in June 2018.

For the financial year ending 30 June 2019, St George has been allocated \$1,265,000 of exploration credits. These are available for use in any capital raising completed up to 30 June 2019.

R&D Cash Rebate

St George received a cash payment of \$1,887,392 under the Federal Government's Research and Development (R&D) Tax Incentive Scheme in September 2017.

The Company's Income Tax Return for the financial year ended 30 June 2017 included research and development expenditure which was eligible for the cash rebate.

Bonus Options Issued to Shareholders

Listed Options: In October 2017, St George issued 24,665,885 listed options pursuant to a Bonus Issue Prospectus dated 12 September 2017.

The bonus listed options were issued to shareholders as at the record date of 19 September 2017 on a pro-rata basis of 1 option for every 10 ordinary shares held.

The new listed options have an expiry date of 30 September 2020 and an exercise price of \$0.20. They commenced trading on the ASX under the code 'SGQOB' on 4 October 2017.

Private Series Options: In February 2018, the Company issued a total of 12,442,406 private series options with an exercise price of \$0.25 and an expiry date on 23 April 2018.

A total of 100,724 of these options were exercised. The remaining 12,321,682 unlisted options expired unexercised on 23 April 2018.

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 Benjamin Pollard, a Competent Person who is a Member of The Australasian Institute of Mining and Metallurgy. Mr Pollard is employed by Cadre Geology and Mining Pty Ltd which has been retained by St George Mining Limited to provide technical advice on mineral projects.

Mr Pollard 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 Pollard consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

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

- 5 July 2017 *High Grade Nickel-Copper-Cobalt-PGEs at Investigators*
- 6 July 2017 *Nickel Sulphide Exploration at Windsor is Escalated*
- 19 July 2017 *High Grade Nickel-Copper-Cobalt-PGEs at Investigators*
- 26 October 2017 *Drilling Commences at Mt Alexander*
- 30 October 2017 *New EM Conductors at Windsor Nickel Sulphide Prospect*
- 13 November 2017 *Further High Grade Mineralisation at Mt Alexander*
- 20 November 2017 *Outstanding Intersection of Nickel-Copper Sulphides*
- 30 November 2017 *Drilling at Mt Alexander – Update*
- 7 December 2017 *Further Nickel-Copper Sulphides Intersected at Mt Alexander*
- 11 December 2017 *Drilling of EM Conductors at Windsor – Update*
- 15 December 2017 *Assays Confirm Best Ever Intersection at Mt Alexander*
- 21 December 2017 *Drilling Continues to Extend Mineralisation at Mt Alexander*
- 9 January 2018 *Assays Confirm Further High Grades at Mt Alexander*
- 26 March 2018 *St George Intersects Thick Nickel-Copper Sulphides*
- 4 April 2018 *Nickel-Copper Sulphide Drilling at Mt Alexander – Update*
- 11 April 2018 *Further Nickel-Copper Sulphides intersected at Mt Alexander*
- 19 April 2018 *Nickel-Copper Sulphide Drilling at Mt Alexander – Update*
- 21 May 2018 *Nickel-Copper Sulphide Mineralisation Continues to Grow*
- 4 June 2018 *Assays Confirm High Grades at Mt Alexander*
- 19 June 2018 *New EM Conductors Ready for Drilling at Mt Alexander*
- 21 June 2018 *Assays Confirm Further High Grades at Mt Alexander*
- 25 June 2018 *Drill Programme Expanded at Mt Alexander*
- 23 July 2018 *High-Grade Nickel-Copper Sulphides in First Drill Hole*
- 15 August 2018 *Further High-Grade Nickel-Copper Sulphides*
- 24 August 2018 *Mt Alexander Continues to Deliver Outstanding Results*
- 5 September 2018 *Mt Alexander – Drilling Update*
- 18 September 2018 *More Strong Results at Mt Alexander*

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.

The Directors of St George Mining Limited submit the annual financial report of St George Mining Limited from 1 July 2017 to 30 June 2018. In compliance with the provisions of the Corporations Act 2001, the Directors report as follows:

DIRECTORS

The names and particulars of the directors of the Company as at 30 June 2018, and at the date of this report, are as follows. Directors were in office for the entire period unless otherwise stated.

JOHN PRINEAS B.EC LL.B F FIN

Executive Chairman

Appointed 19 October 2009

John is a founding shareholder and director of St George Mining Limited. His involvement in the mining sector spans over 25 years with experience in commercial, legal and finance roles.

Prior to establishing St George Mining, John was Chief Operating Officer and Country Head of Dresdner Bank in Sydney with a focus on project and acquisition finance for resources and infrastructure projects. John has Economics and Law degrees from the University of Sydney and commenced his career as a lawyer in Sydney with Allen, Allen & Hemsley.

During the past 3 years he has held no other listed company directorships.

TIM HRONSKY B.ENG (Geology) MAUSIMM, MSEG

Executive Director

Appointed 25 November 2009

Tim is a geologist with over 27 years international experience in the mineral exploration and mining industry, including 15 years with Placer Dome Inc. After graduating from the West Australian School of Mines, Tim began his career in a number of operational roles before being appointed as the Exploration Manager (Asia) for Placer Dome.

Tim also undertook a number of corporate roles at Placer Dome related to business improvement, risk management and assurance. Prior to joining St George Mining, Tim provided consulting services to a range of clients in the global exploration and mining industry.

During the past 3 years he has held no other listed company directorships.

SARAH SHIPWAY CA, B.Com

Non-Executive Director

Appointed 11 June 2015

Sarah Shipway was appointed Non-Executive Director on 11 June 2015 and was appointed Company Secretary of St George Mining on 22 March 2012. Ms Shipway has a Bachelor of Commerce from the Murdoch University and is a member of the Institute of Chartered Accountants.

During the past 3 years she has also served as a director of the following listed companies:

Company	Date of Appointment	Date of Resignation
Beacon Minerals Limited	11 June 2015	Not applicable

COMPANY SECRETARY

Sarah Shipway was appointed Company Secretary on 22 March 2012. For details relating to Sarah Shipway, please refer to the details on directors above.

DIRECTORS' INTERESTS

At the date of this report the Directors held the following interests in St George Mining.

Name	Ordinary Shares	Listed Options	Class A Performance Rights	Class B Performance Rights	Class C Performance Rights
John Prineas	12,214,221	1,021,422	10	10	40
Tim Hronsky	2,562,500	106,250	5	5	10
Sarah Shipway	500,000	-	5	5	10

John Prineas and Sarah Shipway have no interest, whether directly or indirectly, in a contract or proposed contract with St George Mining Limited during the financial year end.

Tim Hronsky through Essential Risk Solutions Ltd ("ERS"), of which Tim Hronsky is a Director, provides technical consulting services to the Company.

PRINCIPAL ACTIVITIES

The principal activity of the Group is mineral exploration in Australia.

RESULTS AND REVIEW OF OPERATIONS

The results of the consolidated entity for the financial year from 1 July 2017 to 30 June 2018 after income tax was a loss of \$4,384,677 (2017: \$4,289,216).

A review of operations of the consolidated entity during the year ended 30 June 2018 is provided in the "Review of the Operations" immediately preceding this Directors' Report.

LIKELY DEVELOPMENTS

The Group will continue its exploration activities over the next financial year with a focus on its key projects at the East Laverton Project and Mt Alexander Project. Further commentary on planned activities over the forthcoming year is provided in the "Review of Operations".

The Board will continue to focus on creating value from the Group's existing resource assets, as well as considering new opportunities in the resources sector to complement the Group's current projects.

SIGNIFICANT CHANGES IN STATE OF AFFAIRS

There has not been any significant change in the state of affairs of the Group during the financial year, other than as noted in this financial report.

ENVIRONMENTAL ISSUES

The Group is aware of its environmental obligations with regards to its exploration activities and ensures that it complies with all applicable regulations when carrying out exploration work.

DIVIDENDS PAID OR RECOMMENDED

The directors do not recommend the payment of a dividend and no amount has been paid or declared by way of a dividend to the date of this report.

DIRECTORS' MEETINGS

The following table sets out the number of meetings held during the year ended 30 June 2018 and the number of meetings attended by each director.

	Directors Meetings		Audit & Risk Committee		Remuneration & Nomination Committee	
	Eligible to Attend	Attended	Eligible to Attend	Attended	Eligible to Attend	Attended
J Prineas	9	9	-	-	1	1
T Hronsky	9	7	2	2	-	-
S Shipway	9	9	2	2	1	1

REMUNERATION REPORT – AUDITED
Remuneration policy

The remuneration policy of St George Mining Limited has been designed to align directors' objectives with shareholder and business objectives by providing a fixed remuneration component, which is assessed on an annual basis in line with market rates. The Board of St George Mining Limited believes the remuneration policy to be appropriate and effective in its ability to attract and retain the best directors to run and manage the Company.

The Board's policy for determining the nature and amount of remuneration for Board members is as follows:

- The remuneration policy and setting the terms and conditions for the Executive directors and other senior staff members is developed and approved by the Board based on local and international trends among comparative companies and industry generally. It examines terms and conditions for employee incentive schemes, benefit plans and share plans. Independent advice is obtained when considered necessary to confirm that executive remuneration is in line with market practice and is reasonable within Australian executive reward practices.
- All executives receive a base salary (which is based on factors such as length of service and experience) and superannuation.
- The Group is an exploration entity, and therefore speculative in terms of performance. Consistent with attracting and retaining talented executives, directors and senior executives are paid market rates associated with individuals in similar positions within the same industry. Options and performance incentives may be issued particularly as the entity moves from an exploration to a producing entity and key performance indicators such as profit and production and reserves growth can be used as measurements for assessing executive performance.
- The Board policy is to remunerate non-executive directors at market rates for comparable companies for time, commitment and responsibilities. The Executive Directors, in consultation with independent advisors, determine payments to the non-executives and review their remuneration annually, based on market practice, duties and accountability. The maximum aggregate amount of fees that can be paid to non-executive directors is subject to approval by shareholders at the Annual General Meeting and is currently \$250,000 per annum. Fees for independent non-executive directors are not linked to the performance of

the Group. To align Directors' interests with shareholder interests, the directors are encouraged to hold shares in the Company.

Remuneration Consultants

The Company engaged BDO during the financial year ended 30 June 2017 to provide independent advice on executive remuneration. No remuneration consultant was engaged in the current financial year.

Details of directors and executives

Directors	Title	Date of Appointment	Date of Retirement
J Prineas	Executive Chairman	19 October 2009	Not Applicable
T Hronsky	Executive Director	25 November 2009	Not Applicable
S Shipway	Non-Executive Director	11 June 2015	Not Applicable

The Company does not have any executives that are not Directors.

Executive Directors' remuneration and other terms of employment are reviewed annually by the non-executive director(s) having regard to performance against goals set at the start of the year, relative comparable information and independent expert advice.

Except as detailed in the Director's Report, no director has received or become entitled to receive, during or since the financial year end, a benefit because of a contract made by the Group or a related body corporate with a director, a firm of which a director is a member or an entity in which a director has a substantial financial interest. This statement excludes a benefit included in the aggregate amount of emoluments received or due and receivable by directors and shown in the Remuneration Report, prepared in accordance with the Corporations Regulations, or the fixed salary of a full time employee of the Group.

Remuneration of directors and executives

Remuneration for the financial year ended 30 June 2018.

Directors	Short-Term Benefits			Post Employment Benefits	Long Term Benefits	Equity Settled Share-Based Payments	Total
	Salary and Fees	Termination Payment	Non Monetary (i)	Superannuation	Long Service Leave	Shares/Options	
	\$	\$	\$	\$	\$	\$	\$
J Prineas							
2018	263,355	-	4,123	25,019	-	-	292,497
2017	221,677	-	4,088	21,059	-	-	246,824
T Hronsky							
2018	269,000	-	3,846	-	-	-	272,846
2017	231,917	-	3,906	-	-	-	235,823
S Shipway							
2018	90,000	-	1,409	8,550	-	-	99,959
2017	75,000	-	1,383	7,125	-	-	83,508
Total							
2018	622,355	-	9,378	33,569	-	-	665,302
2017	528,594	-	9,377	28,184	-	-	566,155

(i) Non monetary benefits are for directors' and officers' liability and legal expense insurance premiums.

Employment contracts of directors and executives

The terms and conditions under which key management personnel and executives are engaged by the Company are formalised in contracts between the Company and those individuals.

The Company has entered into an executive services agreement with Mr John Prineas whereby Mr Prineas receives remuneration of \$263,335 per annum plus statutory superannuation. From 1 July 2018 Mr Prineas remuneration is \$350,000 per annum plus statutory superannuation. Mr Prineas may terminate the agreement by giving 12 months' notice. The executive services agreement has no fixed period and continues until terminated.

The Company has entered into a service agreement with Ms Sarah Shipway whereby Ms Shipway receives remuneration of \$40,000 per annum plus statutory superannuation and \$50,000 for Non-Executive Director and Company Secretary respectively. From 1 July 2018 Ms Shipway remuneration is \$62,460 per annum plus statutory superannuation and \$80,000 for Non-Executive Director and Company Secretary respectively.

The Company has entered into a consultancy contract with Essential Risk Solutions ("ERS") and Mr Hronsky whereby a base service fee of \$269,000 per annum. ERS may terminate the Agreement by giving 3 months' notice. The consultancy contract with ERS has no fixed period and continues until terminated.

INDEMNIFICATION AND INSURANCE OF DIRECTORS AND OFFICERS

In accordance with the constitution, except as may be prohibited by the Corporations Act 2001, every Officer or agent of the Company shall be indemnified out of the property of the entity against any liability incurred by him/her in his/her capacity as Officer or agent of the Company or any related corporation in respect of any act or omission whatsoever and howsoever occurring or in defending any proceedings, whether civil or criminal.

During the year the Company agreed to pay an annual insurance premium of \$9,378 (2017: \$9,377) in respect of directors' and officers' liability and legal expenses' insurance contracts, for directors, officers and employees of the Company. The insurance premium relates to:

- Costs and expenses incurred by the relevant officers in defending proceedings, whether civil or criminal, and whatever the outcome.
- Other liabilities that may arise from their position, with the exception of conduct involving a willful breach of duty.

During the year 100 Performance Shares were converted to fully paid ordinary shares, 80 Performance Shares were held by Directors'.

Shareholdings of key management personnel

Directors	Balance at 1 July 2017	Granted as remuneration	Net other change (i)	Balance at 30 June 2018
John Prineas	10,214,221	-	2,000,000	12,214,221
Timothy Hronsky	1,062,500	-	1,500,000	2,562,500
Sarah Shipway	-	-	500,000	500,000
Total	11,276,721	-	4,000,000	15,276,721

(i) 80 Performance Shares converted to fully paid ordinary shares on 20 March 2018.

Directors	Balance at 1 July 2016	Granted as remuneration	Net other change	Balance at 30 June 2017
John Prineas	10,214,221	-	-	10,214,221
Timothy Hronsky	1,062,500	-	-	1,062,500
Sarah Shipway	-	-	-	-
Total	11,276,721	-	-	11,276,721

Listed Options, exercisable at \$0.20 on or before 30 September 2020, holdings of key management personnel

Directors	Balance at 1 July 2017	Granted as remuneration	Net other change (i)	Balance at 30 June 2018
John Prineas	-	-	1,021,422	1,021,422
Timothy Hronsky	-	-	106,250	106,250
Sarah Shipway	-	-	-	-
Total	-	-	1,127,672	1,127,672

(i) Issued under Bonus Issue Prospectus dated 12 September 2017

Class E Unlisted Option holdings of key management personnel

Directors	Balance at 1 July 2017 (i)	Granted as remuneration	Net other change (ii)	Balance at 30 June 2018
John Prineas	-	-	-	-
Timothy Hronsky	300,000	-	(300,000)	-
Sarah Shipway	-	-	-	-
Total	300,000	-	(300,000)	-

Directors	Balance at 1 July 2016 (i)	Granted as remuneration	Net other change	Balance at 30 June 2017
John Prineas	-	-	-	-
Timothy Hronsky	300,000	-	-	300,000
Sarah Shipway	-	-	-	-
Total	300,000	-	-	300,000

(i) The Class E Unlisted Options were granted on 27 November 2015 and vested 12 months from the date of issue.

(ii) Expired during the year.

Performance Shareholdings of key management personnel

Directors	Balance at 1 July 2017	Granted as remuneration	Net other change (ii)	Balance at 30 June 2018
John Prineas	40	-	(40)	-
Timothy Hronsky	30	-	(30)	-
Sarah Shipway	10	-	(10)	-
Total	80	-	(80)	-

Directors	Balance at 1 July 2016	Granted as remuneration (i)	Net other change	Balance at 30 June 2017
John Prineas	-	40	-	40
Timothy Hronsky	-	30	-	30
Sarah Shipway	-	10	-	10
Total	-	80	-	80

- (i) On satisfaction of certain milestone events, each Performance Share convert into 50,000 ordinary shares in which case John Prineas would become entitled to a further 2,000,000 ordinary shares, Timothy Hronsky a further 1,500,000 ordinary shares and Sarah Shipway a further 500,000 ordinary shares.
- (ii) Conversion of performance on satisfaction of certain milestones on 20 March 2018.

END OF REMUNERATION REPORT

SHARE OPTIONS

Unissued shares

At the date of this report the Company had 24,579,714 listed options on issue. During the financial year ended 30 June 2018, 281,895 options had been converted into fully paid ordinary shares.

At the date of this report the Company had on issue the below unlisted options:

Unlisted Options Class	Number of Options	Exercise Price \$	Expiry Date
Unlisted Options	3,500,000	\$0.25	On or before 2 December 2019

During the financial year ended 30 June 2018, and at the date of this report, none of these unlisted options were converted into fully paid ordinary shares.

Option holders do not have any rights to participate in any issues of shares of other interests in the Company or any other entity.

PROCEEDINGS ON BEHALF OF THE COMPANY

No person has applied for leave of court to bring proceedings on behalf of the Company or intervene in any proceedings to which the Company is a party for the purpose of taking responsibility on behalf of the Company for all or any part of those proceedings.

The Company was not a party to any such proceedings during the year.

CORPORATE GOVERNANCE STATEMENT

St George Mining is committed to ensuring that its policies and practices reflect a high standard of corporate governance. The Board has adopted a comprehensive framework of Corporate Governance Guidelines.

Throughout the 2018 financial year the Company's governance was consistent with the Corporate Governance Principles and Recommendations (3rd edition) published by the ASX Corporate Governance Council.

The Group's Corporate Governance Statement can be viewed at www.stgm.com.au.

EVENTS SUBSEQUENT TO BALANCE DATE

On 15 August 2018 the Company issued 140 performance rights to Directors' and employees of the Company. The Performance Rights were approved at the Shareholder meeting held on 16 July 2018.

Except for the above no other matters or circumstances have arisen since the end of the financial year which significantly affected or could significantly affect the operations of the consolidated entity, the results of those operations, or the state of affairs of the consolidated entity in future financial years.

AUDITOR'S INDEPENDENCE DECLARATION

The auditor's independence declaration for the year ended 30 June 2018 has been received and can be found on page 47 of the financial report.

Non Audit Services

The Company's auditor, Stantons International, did not provide any non-audit services to the Company during the financial year ended 30 June 2018.

Signed in accordance with a resolution of the directors made pursuant to s 298(2) of the Corporations Act 2001.

On behalf of the directors



JOHN PRINEAS

Executive Chairman

St George Mining Limited

Dated 28 September 2018

**CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND
OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2018**

Australian Dollar (\$)	Note	30 JUNE 2018 \$	30 JUNE 2017 \$
REVENUE			
Interest	3	53,412	90,170
Other income – Research and Development Tax Incentive	3	<u>1,887,393</u>	<u>2,339,861</u>
EXPENDITURE			
Administration expenses	4	(1,463,653)	(1,058,950)
Exploration expenditure written off	5	<u>(4,861,829)</u>	<u>(5,660,297)</u>
LOSS BEFORE INCOME TAX		<u>(4,384,677)</u>	<u>(4,289,216)</u>
Income Tax	6(a)	<u>-</u>	<u>-</u>
NET LOSS ATTRIBUTABLE TO MEMBERS OF THE COMPANY		<u>(4,384,677)</u>	<u>(4,289,216)</u>
Other comprehensive income		<u>-</u>	<u>-</u>
TOTAL COMPREHENSIVE INCOME (LOSS)		<u>(4,384,677)</u>	<u>(4,289,216)</u>
TOTAL COMPREHENSIVE INCOME (LOSS) ATTRIBUTABLE TO MEMBERS OF THE COMPANY		<u>(4,384,677)</u>	<u>(4,289,216)</u>
LOSS PER SHARE			
Basic and diluted – cents per share	15	<u>(1.70)</u>	<u>(1.75)</u>

The above consolidated statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2018**

Australian Dollar (\$)	Note	30 JUNE 2018 \$	30 JUNE 2017 \$
CURRENT ASSETS			
Cash and cash equivalents	16(a)	5,948,692	4,773,546
Trade and other receivables	9(a)	38,623	85,543
Other assets	9(b)	189,939	169,425
TOTAL CURRENT ASSETS		<u>6,177,254</u>	<u>5,028,514</u>
NON CURRENT ASSETS			
Security bond		1,000	1,000
Plant and equipment	10	14,145	24,685
TOTAL NON CURRENT ASSETS		<u>15,145</u>	<u>25,685</u>
TOTAL ASSETS		<u>6,192,399</u>	<u>5,054,199</u>
CURRENT LIABILITIES			
Trade and other payables	12	1,401,598	2,225,921
Provisions		27,903	26,089
TOTAL CURRENT LIABILITIES		<u>1,429,501</u>	<u>2,252,010</u>
TOTAL LIABILITIES		<u>1,429,501</u>	<u>2,252,010</u>
NET ASSETS		<u>4,762,898</u>	<u>2,802,189</u>
EQUITY			
Issued capital	13(a)	30,514,215	24,142,945
Reserves	13(b)	212,142	430,876
Accumulated losses	14	(25,963,459)	(21,771,632)
TOTAL EQUITY		<u>4,762,898</u>	<u>2,802,189</u>

The above consolidated statement of financial position should be
read in conjunction with the accompanying notes

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2018**

Australian (\$)	SHARE CAPITAL \$	ACCUMULATED LOSSES \$	SHARE OPTION RESERVE \$	TOTAL EQUITY \$
BALANCE AT 1 JULY 2017	24,142,945	(21,771,632)	430,876	2,802,189
Loss for the year	-	(4,384,677)	-	(4,384,677)
Other comprehensive income	-	-	-	-
Total comprehensive loss	-	(4,384,677)	-	(4,384,677)
Shares issued during the year	6,731,800	-	9,500	6,741,300
Option/Share based payments	145,000	-	-	145,000
Options exercised during the year	61,415	-	-	61,415
Expiry of options	-	192,850	(192,850)	-
Share and option issue expenses	(566,945)	-	(35,384)	(602,329)
BALANCE AT 30 JUNE 2018	30,514,215	(25,963,459)	212,142	4,762,898
BALANCE AT 1 JULY 2016	18,277,130	(17,673,531)	352,841	956,440
Loss for the year	-	(4,289,216)	-	(4,289,216)
Other comprehensive income	-	-	-	-
Total comprehensive loss	-	(4,289,216)	-	(4,289,216)
Shares issued during the year	6,474,821	-	-	6,474,821
Option based payments	-	-	269,150	269,150
Options exercised during the year	220	-	-	220
Expiry of options	-	191,115	(191,115)	-
Share and option issue expenses	(609,226)	-	-	(609,226)
BALANCE AT 30 JUNE 2017	24,142,945	(21,771,632)	430,876	2,802,189

The above consolidated statement of changes in equity should be read in conjunction with the accompanying notes

**CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2018**

Australian Dollar (\$)	Note	30 JUNE 2018 \$	30 JUNE 2017 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Expenditure on mining interests		(5,669,941)	(4,223,279)
Payments to suppliers and employees		(1,354,844)	(970,772)
Interest received		57,336	84,134
Other – GST		42,996	(24,492)
Research and Development Incentive Grant		1,887,393	2,339,861
Net cash outflow from operating activities	16(b)	<u>(5,037,060)</u>	<u>(2,794,548)</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of tenements		-	-
Purchase of plant and equipment		(4,041)	(3,896)
Net cash outflow from investing activities		<u>(4,041)</u>	<u>(3,896)</u>
CASH FLOW FROM FINANCING ACTIVITIES			
Issue of shares and options net of capital raising costs		6,216,247	6,134,965
Net cash flows from financing activities		<u>6,216,247</u>	<u>6,134,965</u>
Net increase in cash and cash equivalents		<u>1,175,146</u>	<u>3,336,521</u>
Cash and cash equivalents at the beginning of the financial year		<u>4,773,546</u>	<u>1,437,025</u>
CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL YEAR	16(a)	<u>5,948,692</u>	<u>4,773,546</u>

The above consolidated statement of cash flows should be read in conjunction with the accompanying notes

1 CORPORATE INFORMATION

The financial report of St George Mining Limited (“St George Mining” or “the Company”) for the year ended 30 June 2018 was authorised for issue in accordance with a resolution of the directors on 28 September 2018.

St George Mining Limited is a company limited by shares, incorporated in Australia on 19 October 2009. The consolidated financial statements of the Company for year ended 30 June 2018 comprise of the Company and its subsidiaries together referred to as the Group or consolidated entity.

The nature of the operations and principal activity of the Group is mineral exploration.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**(a) Statement of compliance**

The financial report complies with Australian Accounting Standards, which include Australian equivalents to International Financial Reporting Standards (“AIFRS”). Compliance with AIFRS ensures that the financial report, comprising the financial statements and notes thereto, complies with International Financial Reporting Standards (“IFRS”).

(b) Basis of Preparation of the Financial Report

The financial report is a general-purpose financial report, which has been prepared in accordance with the requirements of the Corporations Act 2001, Accounting Standards and Interpretations and complies with other requirements of the law. The financial report has also been prepared on a historical cost basis.

The financial report is presented in Australian dollars. The following accounting policies have been approved by the consolidated entity, except as noted below.

Going Concern

The directors have prepared the financial statements on a going concern basis, which contemplates continuity of normal business activities and the realisation of assets and extinguishment of liabilities in the ordinary course of business.

The Consolidated Entity has recorded a net accounting loss of \$4,384,677 and net operating cash outflows of \$5,037,060 for the year ended 30 June 2018.

At 30 June 2018 the Company held a cash balance of \$5,948,692.

The Board is confident that the Group will have sufficient funds to finance its operations in the 2018/2019 Financial Year.

(c) Principles of Consolidation

The consolidated financial statements incorporate all of the assets, liabilities and results of the parent St George Mining Limited and all of the subsidiaries (including any structured entities). Subsidiaries are entities the parent controls. The parent controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. A list of the subsidiaries is provided in Note 21.

The assets, liabilities and results of all subsidiaries are fully consolidated into the financial statements of the Group from the date on which control is obtained by the Group. The consolidation of a subsidiary is discontinued from the date that control ceases. Intercompany transactions, balances and unrealised gains or losses on transactions

between Group entities are fully eliminated on consolidation. Accounting policies of subsidiaries have been changed and adjustments made where necessary to ensure uniformity of the accounting policies adopted by the Group.

Equity interests in a subsidiary not attributable, directly or indirectly, to the Group are presented as "non controlling interests". The Group initially recognises non-controlling interests that are present ownership interests in subsidiaries and are entitled to a proportionate share of the subsidiary's net assets on liquidation at either fair value or at the non-controlling interests' proportionate share of the subsidiary's net assets. Subsequent to initial recognition, non-controlling interests are attributed their share of profit or loss and each component of other comprehensive income. Non-controlling interests are shown separately within the equity section of the statement of financial position and statement of comprehensive income.

(d) Significant accounting estimates and judgements

The carrying amount of certain assets and liabilities are often determined based on estimates and assumptions of future events. The key estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of certain assets and liabilities within the next annual reporting period are:

Deferred taxation

The potential deferred tax asset arising from the tax losses and temporary differences have not been recognised as an asset because recovery of the tax losses is not yet considered probable (refer note 6).

Capitalised exploration costs

The Group expenses all exploration and evaluation expenditure incurred.

Subsidiary Loans

Provision has been made for all unsecured loans with subsidiaries as it is uncertain if and when the loans will be recovered. All inter-company loans have been eliminated on consolidation.

(e) Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognised:

Interest

Interest revenue is recognised using the effective interest method.

(f) Employee benefits

Provision is made for the Group's liability for employee benefits arising from services rendered by employees to balance date. Employee benefits expected to be settled within one year together with entitlements arising from wages and salaries and annual leave which will be settled after one year, have been measured at the amounts expected to be paid when the liability is settled, plus related on-costs. Other employee benefits payable later than one year have been measured at the present value of the estimated cash outflows to be made to those benefits.

Contributions are made by the Group to employee superannuation funds and are charged as expenses when incurred.

(g) Research & Development Tax Incentives

Refundable tax incentives are accounted for as a government grant under AASB 120 Accounting for Government Grants and Disclosure of Government Assistance.

(h) Exploration and evaluation expenditure

Exploration and evaluation expenditure on areas of interest are expensed as incurred. Costs of acquisition will normally be expensed but will be assessed on a case by case basis and may be capitalised to areas of interest and carried forward where right of tenure of the area of interest is current and they are expected to be recouped through sale or successful development and exploitation of the area of interest or, where exploration and evaluation activities in the area of interest have not yet reached a stage that permits reasonable assessment of the existence of economically recoverable reserves.

When an area of interest is abandoned or the directors decide that it is not commercial, any accumulated acquisition costs in respect of that area are written off in the financial period the decision is made. Each area of interest is also reviewed at the end of each accounting period and accumulated costs written off to the extent that they will not be recoverable in the future. Where projects have advanced to the stage that directors have made a decision to mine, they are classified as development properties. When further development expenditure is incurred in respect of a development property, such expenditure is carried forward as part of the cost of that development property only when substantial future economic benefits are established. Otherwise such expenditure is classified as part of the cost of production or written off where production has not commenced.

(i) Income Tax

Current income tax refunded/(expensed) charged to profit or loss is tax refundable/(payable). Those amounts recognised are expected to be recovered from/(paid to) the relevant taxation authority.

Deferred income tax is provided on all temporary differences at the balance sheet date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred income tax liabilities are recognised for all taxable temporary differences:

- except where the deferred income tax liability arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither that accounting profit nor taxable profit or loss; and,
- in respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, except where the timing of the reversal of the temporary differences will not reverse in the foreseeable future.

Deferred income tax assets are recognised for all the deductible temporary differences, carry-forward of unused tax assets and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry-forward of unused tax assets and unused tax losses can be utilised:

- except where the deferred income tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and,
- in respect of deductible temporary differences with investments in subsidiaries, associates and interest in joint ventures, deferred tax assets in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred income tax is reviewed at each balance sheet date and reduced to the extent that is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilised.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the balance sheet date.

Income taxes relating to items recognised directly in equity are not in the income statement.

(j) Goods and services tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office (“ATO”). In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the consolidated Statement of Financial Position are shown inclusive of GST.

The net amount of GST recoverable from, or payable to, the ATO is included as a current asset or liability in the Consolidated Statement of Financial Position.

Cash Flows are included in the Consolidated Statement of Cash Flows net of GST. The GST components of cash flows arising from investing and financial activities which are recoverable from, or payable to, the ATO are classified as operating cash flows.

(k) Plant and equipment

Plant and equipment is stated at cost less accumulated depreciation and any accumulated impairment losses.

Depreciation is calculated on a diminishing value basis over the estimated useful life of the assets as follows:

Class of Fixed Asset	Depreciation Rate
<i>Plant and Equipment</i>	
- Year 1	18.75%
- Subsequent Years	37.50%

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each financial year end.

(l) Earnings per share

Basic earnings per share is calculated as net loss attributable to members of the Company, adjusted to exclude any costs of servicing equity (other than dividends) and preference share dividends, divided by the weighted average number of ordinary shares, adjusted for any bonus element.

(m) Cash and cash equivalents

Cash and short-term deposits in the consolidated Statement of Financial Position comprise cash at bank and in hand and short-term deposits with an original maturity of three months or less.

For the purposes of the consolidated Statement of Cash Flows, cash and cash equivalents consist of cash and cash equivalents as defined above, net of outstanding bank overdrafts.

(n) Impairment of assets

The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, the Group makes an estimate of the asset's recoverable amount. An asset's recoverable amount is the higher of its fair value; less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets and the asset's value in use cannot be estimated to be close to its fair value. In such cases the asset is tested for impairment as part of the cash-generating unit to which it belongs. When the carrying amount of an asset or cash-generating unit exceeds its recoverable amount, the asset or cash-generating unit is considered impaired and it is written down to its recoverable amount.

In assessing the value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Impairment losses relating to continuing operations are recognised in those expense categories consistent with the function of the impaired asset unless the asset is carried at revalued amount (in which case the impairment loss is treated as a revaluation decrease).

An assessment is also made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the recoverable amount is estimated. A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case the carrying amount of the asset is increased to its recoverable amount. That increased amount cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in profit or loss unless the asset is carried at revalued amount, in which case the reversal is treated as a revaluation increase. After such a reversal the depreciation charge is adjusted in future periods to allocate the asset's revised carrying amount, less any residual value, on a systemic basis over its remaining useful life.

(o) Contributed equity

Ordinary shares and options are classified as contributed equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of GST, from the proceeds.

(p) Investments

All investments are initially recognised at cost, being the fair value of the consideration given and including acquisition charges associated with the investment.

After initial recognition, investments, which are classified as held for trading and available-for-sale, are measured at fair value. Gains or losses on investments held for trading are recognised in the consolidated profit or loss.

Gains or losses on available-for-sale investments are recognised as a separate component of equity until the investment is sold, collected or otherwise disposed of, or until the investment is determined to be impaired, at which time the cumulative gain or loss previously reported in equity is included in the profit or loss.

(q) Financial assets

Financial assets and financial liabilities are recognised in the Consolidated Statement of Financial Position when the Group becomes party to the contractual provisions of the financial instrument. A financial asset is derecognised when the contractual rights to the Consolidated Statement of Cash Flows from the financial assets expire or are transferred and no longer controlled by the entity. A financial liability is removed from the Consolidated Statement of Financial Position when the obligation specified in the contract is discharged or cancelled or expires.

Financial assets and financial liabilities classified as held for trading are measured at fair value through the profit or loss.

Upon initial recognition a financial asset or financial liability is designated as at fair value through the profit or loss when:

- (a) an entire contract containing one or more embedded derivatives is designated as a financial asset or financial liability at fair value through the profit or loss;
- (b) doing so results in more relevant information, because either:
 - (i) it eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise from measuring assets or liabilities or recognizing gains or losses on them on different bases; or
 - (ii) a group of financial assets, financial liabilities or both is managed and its performance is evaluated on a fair value basis, in accordance with a documented risk management or investment strategy, and information about the group is provided internally on that basis to key management personnel.

Investments in equity instruments that do not have a quoted market price in an active market, and whose fair value cannot be reliably measured are not designated as at fair value through the profit or loss.

A gain or loss arising from a change in the fair value of a financial asset or financial liability classified as at fair value through the profit or loss is recognised in the profit or loss.

Financial assets not measured at fair value comprise:

- (a) loans and receivables being non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. These are measured at amortised cost using the effective interest rate method;
- (b) held-to-maturity investments being non-derivative financial assets with fixed or determinable payments and fixed maturity that will be held to maturity. These are measured at amortised cost using the effective interest method; and
- (c) investments in equity instruments that do not have a quoted market price in an active market and the fair value of which cannot be reliably measured. These are measured at cost together with derivatives that are linked to and must be settled by the delivery of such investments.

Available-for-sale financial assets are non-derivative financial assets, which are designated as available-for-sale or that are not classified as loans and receivables, held-to-maturity investments or financial assets as at fair value through the profit and loss.

A gain or loss arising from a change in the fair value of an available-for-sale financial asset is recognised directly in equity, through the Consolidated Statement of Changes in Equity (except for impairment losses and foreign exchange gains or losses) until the financial asset is derecognised at which time the cumulative gain or loss previously recognised in equity is recognised in the profit or loss.

Regular way purchases of financial assets are accounted for as follows:

- financial assets held for trading – at trade date
- held-to-maturity investments – at trade date
- loans and receivables – at trade date
- available-for-sale financial assets – at trade date

Except for the following all financial liabilities are measured at amortised cost using the effective interest rate method:

- (a) financial liabilities at fair value through the profit and loss and derivatives that are liabilities measured at fair value;
- (b) financial liabilities that arise when a transfer of financial asset does not qualify for de-recognition or are accounted for using the continuing involvement approach.

The amortised cost of a financial asset or a financial liability is the amount initially recognised minus principal repayments, plus or minus cumulative amortisation of any difference between the initial amount and maturity amount and minus any write-down for impairment or un-collectability.

(r) Business combinations

Business combinations occur where an acquirer obtains control over one or more businesses and results in the consolidation of its assets and liabilities.

A business combination is accounted for by applying the acquisition method, unless it is a combination involving entities or businesses under common control. The acquisition method requires that for each business combination one of the combining entities must be identified as the acquirer (i.e. parent entity). The business combination will be accounted for as at the acquisition date, which is the date that control over the acquiree is obtained by the parent entity. At this date, the parent shall recognise, in the consolidated accounts, and subject to certain limited exceptions, the fair value of the identifiable assets acquired and liabilities assumed. In addition, contingent liabilities of the acquiree will be recognised where a present obligation has been incurred and its fair value can be reliably measured.

The acquisition may result in the recognition of goodwill or a gain from a bargain purchase. The method adopted for the measurement of goodwill will impact on the measurement of any non-controlling interest to be recognised in the acquiree where less than 100% ownership interest is held in the acquiree.

The acquisition date fair value of the consideration transferred for a business combination plus the acquisition date fair value of any previously held equity interest shall form the cost of the investment in the separate financial statements. Consideration may comprise the sum of the assets transferred by the acquirer, liabilities incurred by the acquirer to the former owners of the acquiree and the equity interests issued by the acquirer.

Fair value uplifts in the value of pre-existing holdings are taken to the statement of comprehensive income. Where changes in the value of such equity holdings had previously been recognised in other comprehensive income, such amounts are recycled to profit or loss.

Included in the measurement of consideration transferred is any asset or liability resulting from a contingent consideration arrangement. Any obligation incurred relating to contingent consideration is classified as either a financial liability or equity instrument, depending upon the nature of the arrangement. Rights to refunds of consideration previously paid are recognised as a receivable. Subsequent to initial recognition, contingent consideration classified as equity is not remeasured and its subsequent settlement is accounted for within equity. Contingent consideration classified as an asset or a liability is remeasured each reporting period to fair value through the statement of comprehensive income unless the change in value can be identified as existing at acquisition date.

All transaction costs incurred in relation to the business combination are expensed to the statement of comprehensive income.

(s) Adoption of new and revised standards

The Group has consistently applied the following accounting policies to all periods presented in the financial statements. The Group has considered the implications of new and amended Accounting Standards applicable for annual reporting periods beginning after 1 January 2017 but determined that their application to the financial statements is either not relevant or not material.

(t) Comparative information

Comparative information is amended where appropriate to ensure consistency in presentation with the current year.

3 REVENUE

	CONSOLIDATED 30 JUNE 2018 \$	CONSOLIDATED 30 JUNE 2017 \$
Interest income	53,412	90,170
Research and Development Tax Incentive (i)	<u>1,887,393</u>	<u>2,339,861</u>

(i) The Research and Development rebate \$1,887,393 is in relation to the year ended 30 June 2017 (2017: \$2,339,861 in relation to the year ended 30 June 2016).

4 ADMINISTRATION EXPENSES

Administration expenses include the following expenses:

	CONSOLIDATED 30 JUNE 2018 \$	CONSOLIDATED 30 JUNE 2017 \$
Employee benefit expense		
Wages and salaries	499,925	316,678
Accrued leave	32,884	15,512
Accrued leave paid out	(31,070)	-
Defined contribution superannuation expense	<u>45,111</u>	<u>30,084</u>
	<u>546,850</u>	<u>362,274</u>
Other administration costs		
Accounting fees	9,430	29,655
Consulting fees	106,862	27,110
Administrative fees	36,778	34,613
Legal fees	82,747	40,498
Publications and subscriptions	38,884	48,604
Presentations and seminars	122,265	69,653
Share registry costs	84,066	51,131
Travel expenses	206,450	129,278
Other	<u>229,321</u>	<u>266,134</u>
	<u>916,803</u>	<u>696,676</u>

5 EXPLORATION EXPENDITURE WRITTEN OFF

	CONSOLIDATED 30 JUNE 2018 \$	CONSOLIDATED 30 JUNE 2017 \$
Exploration expenditure written off	4,861,829	5,177,716
Tenement acquisition costs	<u>-</u>	<u>482,581</u>
	<u>4,861,829</u>	<u>5,660,297</u>

6 INCOME TAX

- (a) Prima facie income tax benefit at 27.5% (2017: 27.5%) on loss from ordinary activities is reconciled to the income tax provided in the financial statements

	CONSOLIDATED 30 JUNE 2018 \$	CONSOLIDATED 30 JUNE 2017 \$
Loss before income tax	(4,384,677)	(4,289,216)
Income tax calculated at 27.5% (2017: 27.5%)	(1,205,786)	(1,179,534)
Tax effect of:-		
Sundry – temporary differences	(5,488)	(19,371)
Section 40-880 deduction	(125,480)	(96,189)
Future income tax benefit not brought to account	1,336,754	1,295,094
Income tax benefit	-	-

(b) Deferred tax assets

The potential deferred tax asset arising from the tax losses and temporary differences have not been recognised as an asset because recovery of tax losses is not yet probable.

	CONSOLIDATED 30 JUNE 2018 \$	CONSOLIDATED 30 JUNE 2017 \$
Australian accumulated tax losses (i)	3,499,248	2,123,470
Provisions - net of prepayments	(6,352)	(12,652)
Section 40-880 deduction	309,543	260,823
Unrecognised deferred tax assets relating to the above temporary differences	3,802,439	2,371,641

- (i) The Australian accumulated tax losses opening balance at 30 June 2017 has been restated due to the 30 June 2017 Research and Development rebate \$1,887,393 being received during the 2017/2018 financial year.

The benefits will only be obtained if:

- (i) The Group derives future assessable income of a nature and of an amount sufficient to enable the benefit from the deduction for the losses to be realised;
- (ii) The Group continues to comply with the conditions in deductibility imposed by the Law; and
- (iii) No change in tax legislation adversely affect the Group in realising the benefits from the deductions or the losses.

7 AUDITOR'S REMUNERATION

	CONSOLIDATED 30 JUNE 2018 \$	CONSOLIDATED 30 JUNE 2017 \$
Auditing and review of the Group's financial statements	35,292	25,133
	35,292	25,133

8 KEY MANAGEMENT PERSONNEL

(a) Details of key management personnel

Directors

John Prineas
Timothy Hronsky
Sarah Shipway

Executive

John Prineas – Executive Chairman
Timothy Hronsky – Executive Director

(b) Compensation of key management personnel

	CONSOLIDATED 30 JUNE 2018	CONSOLIDATED 30 JUNE 2017
	\$	\$
Salaries and fees	622,355	528,594
Non-monetary	9,378	9,377
Post employment benefits – superannuation	33,569	28,184
	<u>665,302</u>	<u>566,155</u>

9 CURRENT ASSETS

(a) Trade and Other Receivables

	CONSOLIDATED 30 JUNE 2018	CONSOLIDATED 30 JUNE 2017
	\$	\$
Current	<u>38,623</u>	<u>85,543</u>
	<u>38,623</u>	<u>85,543</u>

Other receivables include amounts outstanding for goods and services tax (GST) of \$35,302 (2017: \$78,297) and interest receivable of \$3,321 (2017: \$7,246).

GST amounts are non-interest bearing and have repayment terms applicable under the relevant government authorities. No trade and other receivables are impaired or past due.

(b) Other Assets

	CONSOLIDATED 30 JUNE 2018	CONSOLIDATED 30 JUNE 2017
	\$	\$
Prepayments	148,939	149,425
Other receivables	21,000	-
Deposit	20,000	20,000
	<u>189,939</u>	<u>169,425</u>

10 PLANT AND EQUIPMENT

	CONSOLIDATED 30 JUNE 2018 \$	CONSOLIDATED 30 JUNE 2017 \$
Plant and Equipment		
At Cost	71,542	82,518
Accumulated depreciation	(57,397)	(57,833)
Total plant and equipment	<u>14,145</u>	<u>24,685</u>
Plant and Equipment		
Carrying amount at the beginning of the year	24,685	34,431
Additions	4,032	3,896
Disposals	(4,559)	-
Depreciation expense	(10,013)	(13,642)
Total carrying amount at end of year	<u>14,145</u>	<u>24,685</u>

11 EXPLORATION, EVALUATION AND ACQUISITION EXPENDITURE

The Group has capitalised acquisition expenditure on the basis that either the expenditure is expected to be recouped through future successful development or alternatively sale of the areas of interest concerned or on the basis that it is not yet possible to assess whether it will be recouped.

	CONSOLIDATED 30 JUNE 2018 \$	CONSOLIDATED 30 JUNE 2017 \$
Balance at the beginning of the year	-	482,581
Additions/(write-off)	-	(482,581)
Balance at the end of the year	<u>-</u>	<u>-</u>

12 CURRENT LIABILITIES

	CONSOLIDATED 30 JUNE 2018 \$	CONSOLIDATED 30 JUNE 2017 \$
Trade and other payables	1,401,598	2,225,921
	<u>1,401,598</u>	<u>2,225,921</u>

Trade payables are non-interest bearing and are settled on normal commercial trade terms.

13 ISSUED CAPITAL

Australian Dollar \$	CONSOLIDATED 30 JUNE 2018 \$	CONSOLIDATED 30 JUNE 2017 \$
(a) Issued and paid up capital		
At the beginning of the reporting period	24,142,945	18,277,130
August 2016: 43,165,470 shares issued at \$0.15 per share	-	6,474,821
June 2017: 1,100 shares issued at \$0.20 per share	-	220
March 2018: 22,360,002 shares issued at \$0.18 per share	4,024,800	-
March 2018: 250,000 shares issued at \$0.20	50,000	-
March 2018: 250,000 shares issued at \$0.18	45,000	-
March 2018: 277,778 shares issued at \$0.18	50,000	-
June 2018: 19,335,711 shares issued at \$0.14 per share	2,707,000	-
Exercise of Options	61,415	-
Transactions costs arising from issue of shares	(566,945)	(609,226)
At reporting date 298,116,211 (30 June 2017: 250,360,825) fully paid ordinary shares	30,514,215	24,142,945

Movements in Ordinary Shares	Number	Number
At the beginning of the reporting period	250,360,825	207,194,255
Shares issued during the year	42,473,491	43,165,470
Conversion of performance shares	5,000,000	-
Options exercised during the year	281,895	1,100
At reporting date	298,116,211	250,360,825

Movements in Performance Shares	Number	Number
At the beginning of the reporting period	100	100
Changes to performance shares issued during the year (i)	(100)	-
Issued during the year	-	-
At reporting date	-	100

(i) 100 Performance shares converted on 20 March 2018.

(b) Option Reserve

Movements in options reserve	CONSOLIDATED 30 JUNE 2018 \$	CONSOLIDATED 30 JUNE 2017 \$
At the beginning of the year	430,876	352,841
Options expensed over the vesting period	-	-
Listed options	-	-
Expiry of options transferred to accumulated losses (i)	(192,850)	(191,115)
Option based payments (ii)	9,500	269,150
Options issue expense	(35,384)	-
At reporting date	212,142	430,876

(i) The Company had on issue 600,000 Class E Options under the Company's Employee Incentive Option Plan. On 28 November 2017 600,000 Class E Options expired, unexercised.

(ii) The Company issued 95,000 Listed Options for services rendered.

A summary of the outstanding options at 30 June 2018 in the Company is listed below:

Class	Number of Options	Exercise Price	Expiry Date
Listed Options	25,579,714	\$0.20	30 September 2020
Unlisted Options	3,500,000	\$0.25	02 December 2019

14 ACCUMULATED LOSSES

	CONSOLIDATED 30 JUNE 2018	CONSOLIDATED 30 JUNE 2017
	\$	\$
Accumulated losses at the beginning of the year	(21,771,632)	(17,673,531)
Loss for the year	(4,384,677)	(4,289,216)
Expiry of options	192,850	191,115
Accumulated losses at the end of the year	(25,963,459)	(21,771,632)

15 LOSS PER SHARE

	CONSOLIDATED 30 JUNE 2018	CONSOLIDATED 30 JUNE 2017
	\$	\$
Basic loss per share after income tax attributable to members of the Company (cents per share)	(1.70)	(1.75)
Diluted loss per share (cents per share)	(1.70)	(1.75)

	2018 Number	2017 Number
Weighted average number of shares on issue during the financial year used in the calculation of basic earnings per share	258,509,084	244,564,911
Weighted average number of ordinary shares for diluted earnings per share	258,509,084	244,564,911

16 NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS
(a) Reconciliation of cash and cash equivalents

For the purposes of the consolidated statement of cash flows, cash and cash equivalents consist of cash at bank and in hand and short-term deposits with an original maturity of three months or less, net of outstanding bank overdrafts.

	CONSOLIDATED 30 JUNE 2018	CONSOLIDATED 30 JUNE 2017
	\$	\$
Current – cash at bank	5,948,692	4,773,546
	5,948,692	4,773,546

(b) Reconciliation of loss after tax to net cash flows from operations

	CONSOLIDATED 30 JUNE 2018	CONSOLIDATED 30 JUNE 2017
	\$	\$
Loss after income tax	(4,384,677)	(4,289,216)
Share based payments	209,500	-
Depreciation expense	10,013	13,642
(Increase)/decrease in assets		
Trade and other receivables	50,653	(22,490)
Other assets	(3,248)	369,063
Increase/(decrease) in liabilities		
Trade and other payables	(921,115)	1,118,941
Provisions	1,814	15,512
	(5,037,060)	(2,794,548)

17 SHARE/OPTION BASED PAYMENTS

- (i) On 20 March 2018 the Company issued 95,000 Listed Options at \$0.10 per option for services rendered to the Company.
- (ii) On 2 December 2016 the Company issued 3,500,000 Unlisted Options as consideration for advisory services. Using the Black & Scholes option mode and based on the assumptions below, the Unlisted Options were ascribed the following value:

Class of Option	Number of Options	Valuation Date	Market Price of Shares	Exercise Price	Expiry Date	Risk Free Interest Rate	Volatility (discount)	Indicative Value per Option
Unlisted Options	3,500,000	02.12.2016	\$0.14	\$0.25	02.12.2019	1.98%	107%	\$0.077

- (iii) The Company agreed and Shareholders approved at the Company's Annual General Meeting held on 27 November 2015 to allot and issue a total 600,000 Class E Options to Mr Timothy Hronsky and Mr Matthew McCarthy. The options expired unexercised on 28 November 2017.

The terms and conditions of the options are detailed in the Notice of Annual General Meeting dated 27 October 2015.

Using the Black & Scholes option model and based on the assumption below, the Class E Options were ascribed the following value:

Class of Options	Number of Options	Valuation Date	Market Price of Shares	Exercise Price	Expiry Date	Risk Free Interest Rate	Volatility (discount)	Indicative Value per Option
Class E Options	600,000	27.11.2015	\$0.07	\$0.50	28.11.2017	2.09%	110%	\$0.01210

Of the above options granted, the following were issued to Mr Timothy Hronsky (key management personnel):

Grant Date	Class	Number
27 November 2015	Class E Unlisted Options	300,000

A summary of the movements of all the Company options issued as share based payments is as follows:

	Number	Weighted Average Exercise Price \$
Options outstanding as at 1 July 2016	11,932,576	0.245
Granted	3,500,000	0.250
Forfeited	-	-
Exercised	-	-
Expired	(11,332,576)	-
Options outstanding as at 1 July 2017	4,100,000	0.289
Granted	37,183,291	0.200
Forfeited	-	-
Exercised	(281,895)	-
Expired	(12,921,682)	-
Options outstanding as at 30 June 2018	28,079,714	0.206
Options exercisable as at 30 June 2018	28,078,714	-
Options exercisable as at 30 June 2017	4,100,000	-

The weighted average remaining contractual life of options outstanding at the year-end was 2.15 years (2017: 0.17 years). The weighted average exercise price of outstanding options at the end of the report period was \$0.206 (2017: \$0.289).

18 COMMITMENTS AND CONTINGENCIES

(a) Commitment

Mineral exploration commitments

The Group has the following minimum exploration expenditure requirements in connection with its exploration tenements.

	2018 \$	2017 \$
Not later than one year	759,345	386,429
Later than one year but not later than two years	216,796	526,048
	<u>976,141</u>	<u>912,477</u>

(b) Contingent liabilities and commitments

The Group fully owns two subsidiaries, Desert Fox Resources Pty Ltd and Blue Thunder Resources Pty Ltd, the main activities of which are exploration. The effect of these subsidiaries is to make the St George Mining owned subsidiaries contractually responsible for any transactions undertaken by the subsidiary. The parent entity has provided certain guarantees to third parties whereby certain liabilities of the subsidiary are guaranteed. The Group has not made guarantees to third parties at 30 June 2018.

19 EVENTS SUBSEQUENT TO BALANCE DATE

On 15 August 2018 the Company issued 140 performance rights to Directors' and employees of the Company. The Performance Rights were approved at the Shareholder meeting held on 16 July 2018.

Except for the above no other matters or circumstances have arisen since the end of the financial year which significantly affected or could significantly affect the operations of the consolidated entity, the results of those operations, or the state of affairs of the consolidated entity in future financial years.

20 FINANCIAL INSTRUMENTS
(a) Interest Rate Risk

The Group's exposure to interest rate risk, which is the risk that the financial instrument's value will fluctuate as a result of changes in market interest rates and the effective weighted average interest rates on those financial assets and financial liabilities, is as follows:

2018	Note	Floating interest rate	Fixed interest rate	Non- interest bearing	Total	Weighted average interest rate
		\$	\$	\$	\$	%
Financial assets						
Cash and cash equivalents	16(a)	3,916,436	2,010,586	21,669	5,948,691	0.90%
Trade and other receivables	9(a)	-	-	38,623	38,623	-
Other assets	-	-	-	41,000	41,000	-
Security bond	-	-	-	1,000	1,000	-
Financial liabilities						
Trade and other payables	12	-	-	1,401,598	1,401,598	-
2017	Note	Floating interest rate	Fixed interest rate	Non- interest bearing	Total	Weighted average interest rate
		\$	\$	\$	\$	%
Financial assets						
Cash and cash equivalents	16(a)	4,704,961	-	68,585	4,773,546	1.92%
Trade and other receivables	9(a)	-	-	85,543	85,543	-
Other assets	9(b)	-	-	20,000	20,000	-
Security bond	-	-	-	1,000	1,000	-
Financial liabilities						
Trade and other payables	12	-	-	2,225,921	2,225,921	-

Based on the balances at 30 June 2018 a 1% movement in interest rates would increase/decrease the loss for the year before taxation by \$59,270 (2017: \$47,049).

(b) Credit Risk

The maximum exposure to credit risk, excluding the value of any collateral or other security, at balance date to recognised financial assets is the carrying amount of those assets, net of any allowance for doubtful debts, as disclosed in the statement of financial position and notes to the financial report.

The Group does not have any material credit risk exposure to any single debtor or group of debtors under financial instruments entered into by the Group.

(c) Net Fair Values

The carrying amount of financial assets and financial liabilities recorded in the financial statements represent their respective net fair value and is determined in accordance with the accounting policies disclosed in note 2 to the financial statements.

(d) Financial Risk Management

The Group's financial instruments consist mainly of deposits with recognised banks, investment in bank bills up to 90 days, accounts receivable and accounts payable. Liquidity is managed, when sufficient funds are available, by holding sufficient funds in a current account to service current obligations and surplus funds invested in bank bills. The directors analyse interest rate exposure and evaluate treasury management strategies in the context of the most recent economic conditions and forecasts. The main risks the Group is exposed to is through its financial instruments is the depository banking institution itself, holding the funds, and interest rates. The Group's credit risk is minimal as being an exploration Company, it has no significant financial assets other than cash and term deposits.

(e) Foreign Currency Risk

The Group is not exposed to any foreign currency risk as at 30 June 2018.

(f) Market Price Risk

The Group is not exposed to market price risk as it does not have any investments other than an interest in the subsidiaries.

21 RELATED PARTIES

The Company has entered into a consultancy contract with Essential Risk Solutions ("ERS") and Mr Hronsky whereby a base service fee of \$269,000 per annum. ERS may terminate the Agreement by giving 3 months' notice. The consultancy contract with ERS has no fixed period and continues until terminated.

The Group has 100% owned subsidiaries Blue Thunder Resources Pty Ltd and Desert Fox Resources Pty Ltd.

At 30 June 2018 balances due from the subsidiaries were:

Australian Dollar (\$)	30 JUNE 2018	30 JUNE 2017
	\$	\$
Blue Thunder Resources Pty Ltd	7,891,273	5,322,115
Desert Fox Resources Pty Ltd	20,515,935	18,412,177
	<u>28,407,208</u>	<u>23,734,292</u>

These amounts comprise of funds provided by the parent company for exploration activities. The amounts were fully provided for as at 30 June 2018.

22 SEGMENT REPORTING

For management purposes, the Group is organised into one main operating segment, which involves the exploration of minerals in Australia. All of the Group's activities are interrelated, and discrete financial information is reported to the Board as a single segment. Accordingly, all significant operating decisions are based upon analysis of the Group as one segment.

The financial results from this segment are equivalent to the financial statements of the Group as a whole.

The accounting policies applied for internal reporting purposes are consistent with those applied in the preparation of these financial statements.

23 JOINT VENTURES

The Group recognises that joint ventures are a key mechanism for sharing of risk on individual exploration projects. Where appropriate for a particular project, the Group will consider a joint venture with a suitable party in order to share the exploration risk. Those funds otherwise set aside for the project will be employed to advance another project.

24 PARENT COMPANY DISCLOSURE
(a) Financial Position as at 30 June 2018

Australian Dollar (\$)	30 JUNE 2018 \$	30 JUNE 2017 \$
Assets		
Current assets	6,078,493	4,925,854
Non-current assets	14,145	24,687
Total assets	6,092,638	4,950,541
Liabilities		
Current liabilities	1,429,499	2,252,009
Non-current liabilities	-	-
Total liabilities	1,429,499	2,252,009
Net assets	4,663,139	2,698,532
Equity		
Issued capital	30,514,215	24,142,945
Reserves	212,142	430,876
Accumulated losses	(26,063,218)	(21,875,289)
Total equity	4,663,139	2,698,532

(b) Financial Performance for the year ended 30 June 2018

Australian Dollar \$	30 JUNE 2018 \$	30 JUNE 2017 \$
Profit (loss) for the year	(4,380,779)	(3,889,361)
Other comprehensive income	-	-
Total comprehensive income (loss)	(4,380,779)	(3,889,361)

(c) Guarantees entered into by the Parent Entity

Other than as disclosed in Note 18(b) the parent entity has not provided guarantees to third parties as at 30 June 2018.

25 NEW ACCOUNTING STANDARDS FOR APPLICATION IN FUTURE PERIODS

Accounting Standards issued by the AASB that are not yet mandatorily applicable to the Group, together with an assessment of the potential impact of such pronouncements on the Group when adopted in future periods, are discussed below:

- AASB 9: Financial Instruments and associated Amending Standards (applicable for annual reporting period commencing 1 January 2018)

The Standard will be applicable retrospectively (subject to the provisions on hedge accounting outlined below) and includes revised requirements for the classification and measurement of financial instruments, revised recognition and derecognition requirements for financial instruments and simplified requirements for hedge accounting.

The key changes that may affect the Group on initial application include certain simplifications to the classification of financial assets, simplifications to the accounting of embedded derivatives, upfront accounting for expected credit loss, and the irrevocable election to recognise gains and losses on investments in equity instruments that are not held for trading in other comprehensive income. AASB 9 also introduces a new model for hedge accounting that will allow greater flexibility in the ability to hedge risk, particularly with respect to hedges of non-financial items. Should the entity elect to change its hedge policies in line with the new hedge accounting requirements of the Standard, the application of such accounting would be largely prospective.

The directors anticipate that the adoption of AASB 9 will not have a material impact on the Group's financial statements.

- AASB 15: Revenue from Contracts with Customers (applicable to annual reporting periods commencing on or after 1 January 2018).

When effective, this Standard will replace the current accounting requirements applicable to revenue with a single, principles-based model. Apart from a limited number of exceptions, including leases, the new revenue model in AASB 15 will apply to all contracts with customers as well as non-monetary exchanges between entities in the same line of business to facilitate sales to customers and potential customers.

The core principle of the Standard is that an entity will recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for the goods or services. To achieve this objective, AASB 15 provides the following five-step process:

- identify the contract(s) with a customer;
- identify the performance obligations in the contract(s);
- determine the transaction price;
- allocate the transaction price to the performance obligations in the contract(s); and
- recognise revenue when (or as) the performance obligations are satisfied.

The transitional provisions of this standard permit an entity to either: restate the contracts that existed in each prior period presented per AASB 108, Accounting Policies, Changes in Accounting Estimates and Errors (subject to certain practical expedients in AASB 15), or recognise the cumulative effect of retrospective

application to incomplete contracts on the date of initial application. There are also enhanced disclosure requirements.

The directors anticipate that the adoption of AASB 15 will not have a material impact on the Group's revenue recognition and disclosures.

- AASB 16: Leases (applicable to annual reporting periods commencing on or after 1 January 2019).

When effective, this Standard will replace the current accounting requirements applicable to leases in AASB 117: Leases and related interpretations. AASB 16 introduces a single lessee accounting model that eliminates the requirement for leases to be classified as either operating leases or finance leases. Lessor accounting remains similar to current practice.

The main changes introduced by the new Standard are as follows:

- recognition of the right-to-use asset and liability for all leases (excluding short term leases with less than 12 months of tenure and leases relating to low value assets);
- depreciating the right-to-use assets in line with AASB 116: Property, Plant and Equipment in profit or loss and unwinding of the liability in principal and interest components;
- inclusion of variable lease payments that depend on an index or a rate in the initial measurement of the lease liability using the index or rate at the commencement date;
- application of a practical expedient to permit a lessee to elect not to separate non-lease components and instead account for all components as a lease; and
- additional disclosure requirements.

The transitional provisions of AASB 16 allow a lease to either retrospectively apply the Standard to comparatives in line with AASB 108 or recognise the cumulative effect of retrospective application as an adjustment to opening equity at the date of initial application.

The directors anticipate that the adoption of this amendment will not have a material impact on the Group's financial statements.

- AASB 2014-10: Amendments to Australian Accounting Standards – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (applicable to annual reporting periods commencing on or after 1 January 2018).

This Standard amends AASB 10: Consolidated Financial Statements with regards to a parent losing control over a subsidiary that is not a "business" as defined in AASB 3: Business Combinations to an associate or joint venture and requires that:

- a gain or loss (including any amounts in other comprehensive income (OCI)) be recognised only to the extent of the unrelated investor's interest in that associate or joint venture;
- the remaining gain or loss be eliminated against the carrying amount of the investment in that associate or joint venture; and
- any gain or loss from remeasuring the remaining investment in the former subsidiary at fair value also be recognised only to the extent of the unrelated investor's interest in the associate or joint venture. The remaining gain or loss should be eliminated against the carrying amount of the remaining investment.

The directors anticipate that the adoption of this amendment will not have a material impact on the Group's financial statements.

- AASB 2016-5 Amendments to Australian Accounting Standards - Classification and Measurement of Share-based Payment Transactions (applicable to annual reporting periods commencing on or after 1 January 2018).

The AASB issued amendments to AASB 2 Share-based Payment that address three main areas:

- the effects of vesting conditions on the measurement of a cash-settled share-based payment transaction;
- the classification of a share-based payment transaction with net settlement features for withholding tax obligations; and
- accounting where a modification to the terms and conditions of a share-based payment transaction changes its classification from cash settled to equity settled.

On adoption, entities are required to apply the amendments without restating prior periods, but retrospective application is permitted if elected for all three amendments and other criteria are met. Early application of this amendment is permitted.

The directors anticipate that the adoption of this amendment will not have a material impact on the Group's financial statements.

- AASB 2016-6 Amendments to Australian Accounting Standards – Applying AASB 9 Financial Instruments with AASB 4 Insurance Contracts applicable for annual reporting period commencing 1 January 2018)

The amendments address concerns arising from implementing the new financial instruments standard, AASB 9, before implementing AASB 17 Insurance Contracts, which replaces AASB 4. The amendments introduce two options for entities issuing insurance contracts: a temporary exemption from applying AASB 9 and an overlay approach. The temporary exemption is first applied for reporting periods beginning on or after 1 January 2018. An entity may elect the overlay approach when it first applies AASB 9 and apply that approach retrospectively to financial assets designated on transition to AASB 9. The entity restates comparative information reflecting the overlay approach if, and only if, the entity restates comparative information when applying AASB 9. These amendments are not applicable to the Group.

In the opinion of the Directors of St George Mining Limited ("the Company")

- (a) The financial statements and the notes and the additional disclosures included in the directors' report designated as audited of the Group are in accordance with the Corporations Act 2001, including:
 - (i) Giving a true and fair view of the Group's financial position as at 30 June 2018 and of its performance for the year ended that date; and
 - (ii) Complying with Accounting Standards and Corporations Regulations 2001, and:
- (b) There are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.
- (c) The financial statements and notes comply with International Financial Reporting Standards as disclosed in note 2.

This declaration has been made after receiving the declarations required to be made to the directors in accordance with section 295A of the Corporations Act 2001 for the financial year ended 30 June 2018.

Signed in accordance with a resolution of the Directors made pursuant to section 295(5) of the Corporations Act 2001.

On behalf of the Board



John Prineas
Executive Chairman

Dated: 28 September 2018
Perth, Western Australia

28 September 2018

Board of Directors
St George Mining Limited
Level 1, 115 Cambridge Street
WEST LEEDERVILLE WA 6007

Dear Directors

RE: ST GEORGE MINING LIMITED

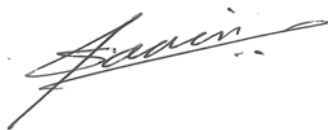
In accordance with section 307C of the *Corporations Act 2001*, I am pleased to provide the following declaration of independence to the directors of St George Mining Limited.

As Audit Director for the audit of the financial statements of St George Mining Limited for the year ended 30 June 2018, I declare that to the best of my knowledge and belief, there have been no contraventions of:

- (i) the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
- (ii) any applicable code of professional conduct in relation to the audit.

Yours sincerely

STANTONS INTERNATIONAL AUDIT AND CONSULTING PTY LTD
(Trading as Stantons International)
(An Authorised Audit Company)



Samir Tirodkar
Director

**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF
ST GEORGE MINING LIMITED**

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of St George Mining Limited (the Company) and its subsidiaries (the Group), which comprises the statement of financial position as at 30 June 2018, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

In our opinion, the accompanying financial report of the Group is in accordance with the *Corporations Act 2001*, including:

- (i) giving a true and fair view of the Group's financial position as at 30 June 2018 and of its financial performance for the year then ended; and
- (ii) complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Report section of our report. We are independent of the Company in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110: *Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

We have defined the matter described below to be key audit matter to be communicated in our report. Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. This matter was addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on this matter.

We have determined that there are no key audit matters to communicate in our report.

Other Information

The directors are responsible for the other information. The other information comprises the information included in the Company's annual report for the year ended 30 June 2018, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance opinion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Report

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the ability of the Company to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report.

The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the financial report that gives a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control.

The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Directors, as well as evaluating the overall presentation of the financial report.

We conclude on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

We evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

We obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the financial report.

We communicate with the Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in Internal control that we identify during our audit.

The Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements. We also provide the Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the Directors, we determine those matters that were of most significance in the audit of the financial report of the current period and are therefore key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

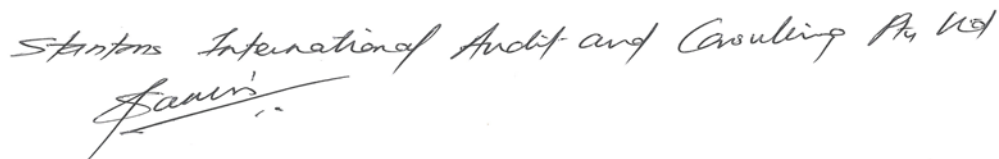
Report on the Remuneration Report

We have audited the Remuneration Report included in pages 15 to 19 of the directors' report for the year ended 30 June 2018. The directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards

Opinion on the Remuneration Report

In our opinion, the Remuneration Report of St George Mining Limited for the year ended 30 June 2018 complies with section 300A of the *Corporations Act 2001*.

STANTONS INTERNATIONAL AUDIT AND CONSULTING PTY LTD
(Trading as Stantons International)
(An Authorised Audit Company)



Stantons International Audit and Consulting Pty Ltd
Samir

Samir Tirodkar
Director
West Perth, Western Australia
28 September 2018

1 Distribution of holders

As at 28 September 2018 the distribution of shareholders was as follows:

Ordinary shares

Size of holding	Number of holders
1 – 1,000	227
1,001 – 5,000	565
5,001 – 10,000	599
10,001 – 100,000	1,630
100,001 and over	461
Total	3,482

2 Voting rights

There are no restrictions to voting rights attached to the ordinary shares. On a show of hands every member present in person will have one vote and upon a poll, every member present or by proxy will have one vote each share held.

3 Substantial shareholders

The company has no substantial shareholders who have notified the Company in accordance with Section 671B of the Corporation Act 2001.

4 Top 20 shareholders

The names of the 20 largest shareholders on the share register as at 28 September 2018, who hold 27.62% of the ordinary shares of the Company, were as follows;

Shareholder	Number
John Prineas	10,355,021
Impulzive Pty Ltd <Dawson Superannuation A/C>	8,354,990
HSBC Custody Nominees (Australia) Limited	5,829,807
Mr Paul Sumade Lee	4,770,833
Fox Resources Limited	4,725,000
Ms Betty Frilingos	4,500,000
Oceanic Capital Pty Ltd	4,350,000
Allcap Pty Ltd (S&L Capannolo Family A/C>	3,971,386
Citicorp Nominees Pty Ltd	3,780,677
Mr Robert Addison Ramsey	3,502,843
Mr John David Brauman	3,150,994
Mrs Karen Dawson	3,144,470
Impulzive Pty Ltd <Dawson Super Fund A/C>	3,096,480
AWD Consultants Pty Ltd	3,000,000
Mr David Davidson	3,000,000
Chaos Investments Pty Ltd <Alexandrou Family A/C>	2,800,000
J P Morgan Nominees Australia Limited	2,733,761
Mr Timothy Matthew Shaun Hronsky	2,562,500
Mr Christopher Bell + Mrs Jennifer Bell (C&J Bell Superfund A/C>	2,400,000
Yarandi Investments Pty Ltd <Griffith Family No 2 A/C>	2,325,000

5 Top 20 listed option holders

The names of the 20 largest listed option holders on the share register as at 28 September 2018, who hold 32.29% of the ordinary shares of the Company, were as follows;

Shareholder	Number
HSBC Custody Nominees (Australia) Limited	878,449
Mr John Prineas	835,502
Impulzive Pty Ltd <Dawson Superannuation A/C>	835,499
Allcap Pty Ltd (S&L Capannolo Family A/C>	766,614
Mr Paul Lee	477,083
Mr Christopher John Girling + Ms Yvette Louise Clark <Moloscycg Superannuation A/C>	450,000
Oceanic Capital Pty Ltd	420,000
Mr Barry Lipscombe + Mrs Frances Lipscombe <Lipic Execec Benefit A/C>	380,570
James Prineas Pty Ltd <JP Super Fund A/C>	350,000
Mrs Karen Dawson	314,447
Impulzive Pty Ltd <Dawson Super Fund A/C>	309,648
Mr Christopher Bell + Mrs Jennifer Bell (C&J Bell Superfund A/C>	232,500
Citicorp Nominees Pty Limited	229,364
Heyward Ham Super Pty Ltd <Ham Super Fund A/C>	200,000
Northmead Holdings Pty Ltd	200,000
Mr Jeremy James Coleman	183,154
Allcap Pty Ltd <Allcap Pty Ltd Super A/C>	177,700
Harmanis Holdings Pty Ltd <Harman Family A/C>	170,000
Berenes Nominees Pty Ltd <Berenes Super Fund A/C>	150,000
Blujak Pty Ltd <Blujak Super Fund A/C>	150,000

6 Consistency with business objectives

The Company has used its cash and assets in a form readily convertible to cash that it had at the time of listing in a way the consistent with its stated objectives.

St George Mining Limited mineral interests as at 28 September 2018

TENEMENT SCHEDULE – EAST LAVERTON/LAKE MINIGWAL:

Tenement ID	Registered Holder	Location
E39/0981	Desert Fox Resources Pty Ltd	East Laverton Property
E39/0982	Desert Fox Resources Pty Ltd	East Laverton Property
E39/0985	Desert Fox Resources Pty Ltd	East Laverton Property
E39/1066	Desert Fox Resources Pty Ltd	East Laverton Property
E39/1229	Desert Fox Resources Pty Ltd	East Laverton Property
E39/1461	Desert Fox Resources Pty Ltd	East Laverton Property
E39/1472	Desert Fox Resources Pty Ltd	East Laverton Property
E39/1473	Desert Fox Resources Pty Ltd	East Laverton Property
E39/1474	Desert Fox Resources Pty Ltd	East Laverton Property
E39/1475	Desert Fox Resources Pty Ltd	East Laverton Property
E39/1476	Desert Fox Resources Pty Ltd	East Laverton Property
E39/1467	Desert Fox Resources Pty Ltd	East Laverton Property
E39/1492	Desert Fox Resources Pty Ltd	East Laverton Property
E39/1518	Desert Fox Resources Pty Ltd	East Laverton Property
E39/1519	Desert Fox Resources Pty Ltd	East Laverton Property
E39/1520	Desert Fox Resources Pty Ltd	East Laverton Property
E39/1521	Desert Fox Resources Pty Ltd	East Laverton Property
E39/1549	Desert Fox Resources Pty Ltd	East Laverton Property
E39/1572	Desert Fox Resources Pty Ltd	East Laverton Property
E39/1608	Desert Fox Resources Pty Ltd	East Laverton Property
E39/1666	Desert Fox Resources Pty Ltd	East Laverton Property
E39/1667	Desert Fox Resources Pty Ltd	East Laverton Property
E39/1722	Desert Fox Resources Pty Ltd	East Laverton Property
E39/1779	Desert Fox Resources Pty Ltd	East Laverton Property
E39/1852	Desert Fox Resources Pty Ltd	East Laverton Property
E39/2026	Desert Fox Resources Pty Ltd	East Laverton Property
E39/2027	Desert Fox Resources Pty Ltd	East Laverton Property
E39/2028	Desert Fox Resources Pty Ltd	East Laverton Property
E39/2029	Desert Fox Resources Pty Ltd	East Laverton Property
E39/2030	Desert Fox Resources Pty Ltd	East Laverton Property
E39/2031	Desert Fox Resources Pty Ltd	East Laverton Property

TENEMENT SCHEDULE – MT ALEXANDER/HAWAII:

Tenement ID	Registered Holder	Location
E29/638	Blue Thunder Resources Pty Ltd	Mt Alexander
E29/548	Blue Thunder Resources Pty Ltd	Mt Alexander
E29/954	Blue Thunder Resources Pty Ltd	Mt Alexander
E29/962	Blue Thunder Resources Pty Ltd	Mt Alexander
E29/972	Blue Thunder Resources Pty Ltd	Mt Alexander
E36/741	Blue Thunder Resources Pty Ltd	Hawaii

