

13 March 2017

## ST GEORGE ANNOUNCES 2017 GOLD PROGRAMME AT EAST LAVERTON PROJECT

### HIGHLIGHTS:

- **Technical review by gold expert confirms the gold prospectivity of East Laverton**
- **Gold prospects identified on each of the three major greenstone belts at East Laverton**
- **Pipeline of drill targets being planned and prioritised**
- **2017 gold drilling programme to commence in late March 2017**

### GOLD POTENTIAL AT EAST LAVERTON

St George Mining Limited (ASX: **SGQ**) ('St George Mining' or 'the Company') is pleased to announce the 2017 gold exploration programme for its 100% owned East Laverton Project in Western Australia.

The 2016 gold drill programme at East Laverton was focused on the Ascalon and Bristol gold prospects. The drilling was successful in identifying the potential for gold mineralisation at and around these prospects, and has generated robust targets for follow-up drilling in 2017.

St George engaged Dr Walter Witt to review both the broader gold potential at East Laverton and to complete detailed assessments of the numerous gold targets at the Project. Dr Witt has over 40 years' experience in exploration and is recognised as a leading expert on gold mineralisation and targeting in the Yilgarn Craton of Western Australia. In addition, Dr Witt is a Research Fellow at the Centre for Exploration Targeting (CET) where he has recently compiled a Yilgarn Gold Exploration Atlas for the CET and Geological Survey of Western Australia.

The technical review has confirmed the strong gold potential at East Laverton, and prioritised the multiple targets at the Project for exploration in 2017.

A reverse circulation (RC) drill programme will commence at East Laverton later this month and will initially focus on the highest rated targets in the Stella Range Belt, which are at Desert Dragon, Cambridge and Cambridge North.

A further announcement regarding the drill programme and drill targets will be issued soon.

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

"Reconnaissance exploration by St George has recognised the significant gold potential at East Laverton. We are pleased to see this prospectivity confirmed by one of Western Australia's leading gold experts.

"We will systematically progress gold exploration in 2017, working through the pipeline of attractive targets.

"With drilling due to start this month at both Mt Alexander and at East Laverton, we are entering a very exciting period for St George and its shareholders."

The technical review by Dr Witt incorporated all the company’s digital database, including the significant geochemical data from past drilling and soil surveys. An integrated review of the geochemical data was completed utilising all relevant geological, structural and geophysical data.

Figure 1 illustrates the priority gold targets at East Laverton. Phase 1 of the 2017 gold drilling programme will focus on Bristol, Cambridge, Cambridge North and Desert Dragon.

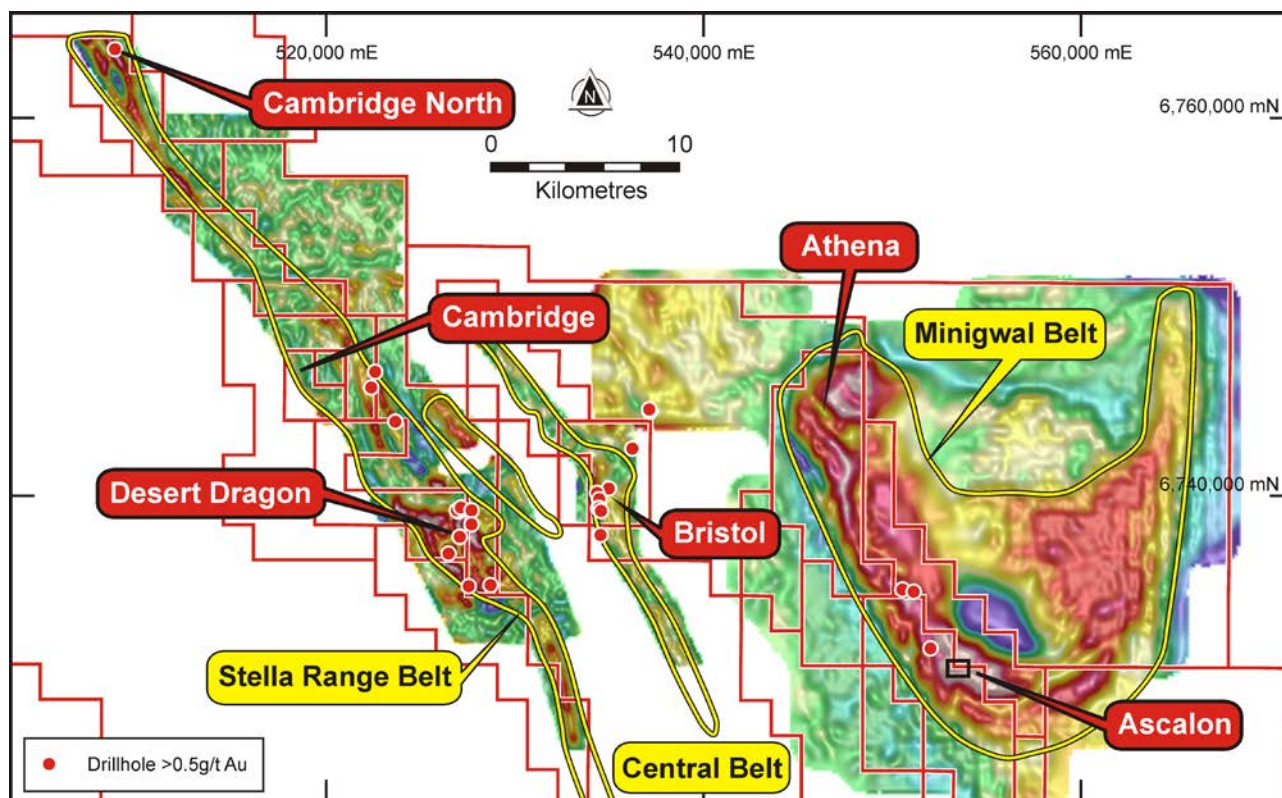


Figure 1 – the East Laverton tenements against FVD Bouguer gravity data with priority gold prospects highlighted.

## CAMBRIDGE NORTH GOLD PROSPECT

The Cambridge North target is located on the northern extension of the Stella Range greenstone belt.

Historical shallow drilling at the prospect area has intersected significant gold anomalism that warrants follow-up exploration.

Of particular interest are two drill holes, SRAB081 and SRAB083, completed on the eastern magnetic trend. Drill hole SRAB081 intersected 3m @ 0.97g/t Au from 27m within a larger gold halo of 10m @ 0.37g/t Au. Drill hole SRAB083, drilled 80m to the northeast of SRAB081, intersected 3m @ 0.51g/t Au from 36m. The gold anomalism in both drill holes occurred at the end of hole.

Figure 2 illustrates the prospective target area on the strong eastern magnetic (and gravity) trend. Three extensive moving loop electromagnetic (MLEM) plates occur over 6km strike along this trend.

The proposed drill targets at Cambridge North are coincident with “breaks” in the MLEM anomalies. These “breaks” may be due to the structurally controlled hydrothermal alteration of iron and sulphur that may be associated with gold mineralisation.

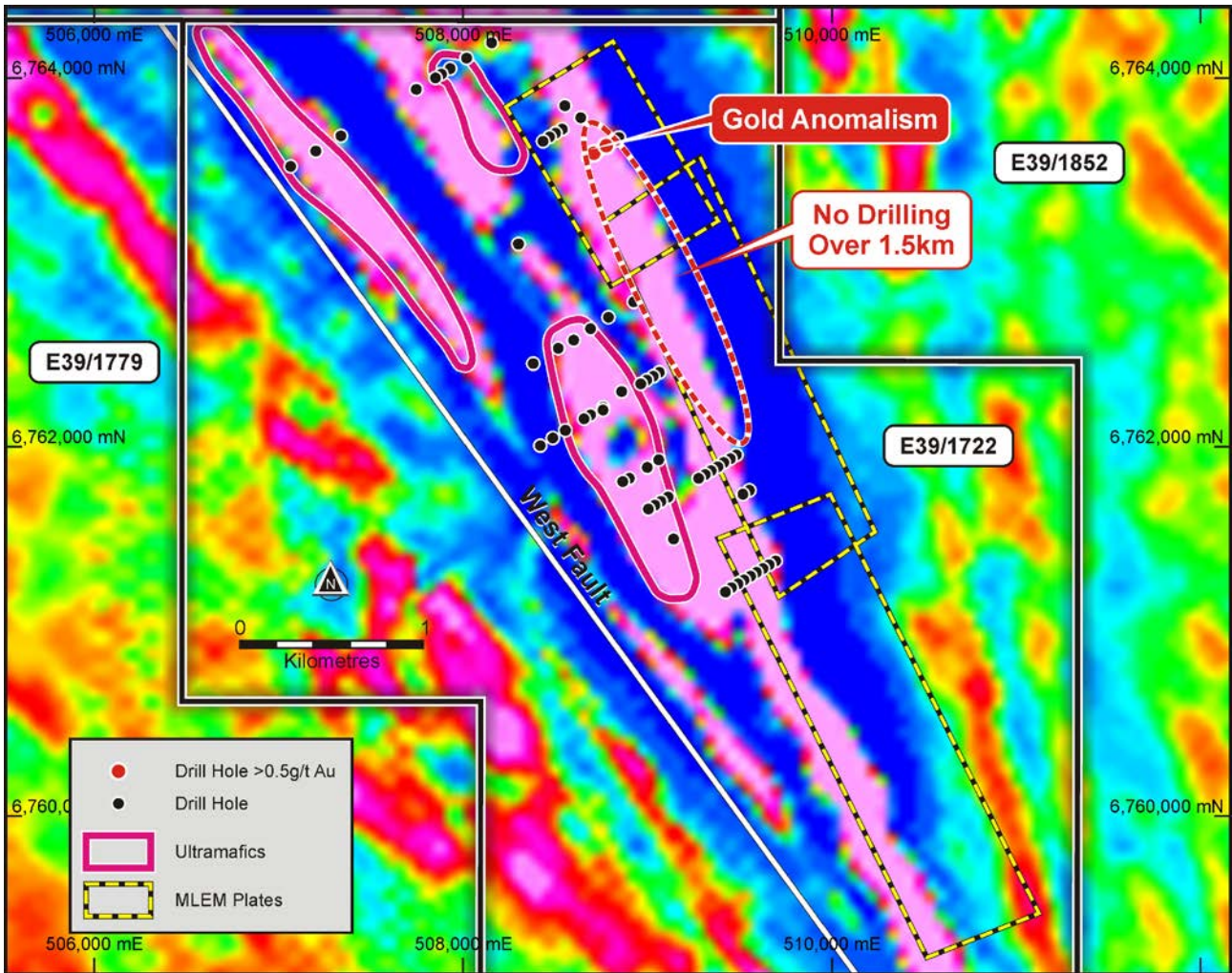


Figure 2 – the Cambridge North prospect (against TMI magnetics). The eastern magnetic trend is prospective for gold mineralisation and is untested.

**DESERT DRAGON GOLD PROSPECT**

The Desert Dragon prospect was the highest ranked prospect in the technical review and has a number of compelling target areas for exploration.

Drill hole DDD010, completed by St George at Desert Dragon in 2014, intersected 6m @ 0.70g/t Au including 2m @ 1.42g/t Au from 149m. The gold mineralisation is associated with a sulphidic metasedimentary unit. The mineralised horizon is also intersected in DDRC049 (4m @ 0.3g/t Au), which is 100m east of DDD010.

Two prominent folds of the greenstone belt are situated in the Desert Dragon area, with the DDD010 gold target located on the limb of southern fold.

Drill holes are also being planned to test the hinges of these fold structures, which are prospective trap sites for gold mineralisation.

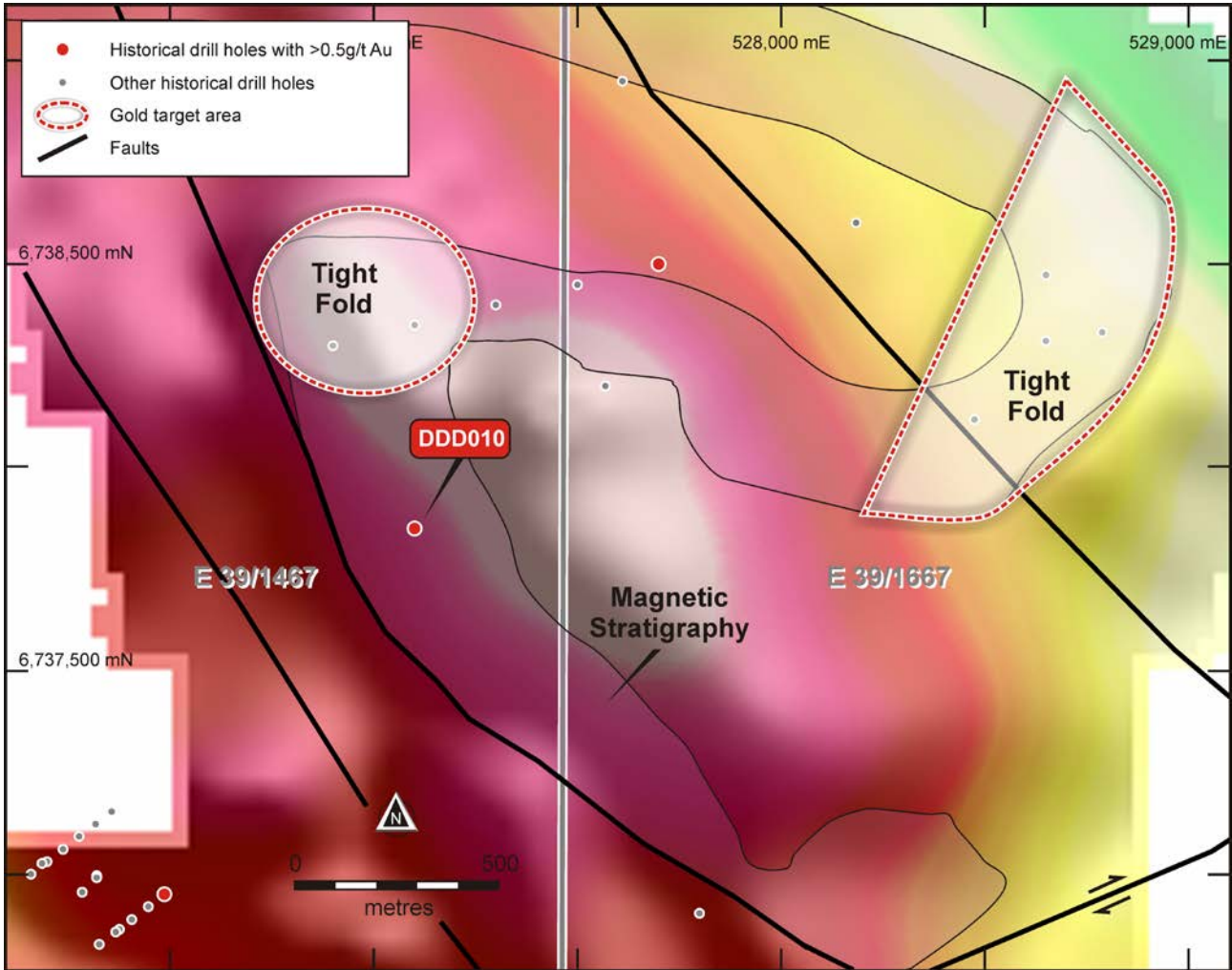


Figure 3 – the DDD010 and fold hinge targets against Bouguer gravity data.

**EAST LAVERTON - IMPORTANT REGIONAL LOCATION**

St George’s East Laverton Project is located in the eastern margin of the North Eastern Goldfields of Western Australia.

Figure 4 illustrates the regional position of the East Laverton Project. It is surrounded by major gold mines with the +8MozAu Tropicana deposit to the east, the +6MozAu Gruyere deposit to the north and the world class Laverton gold field to the northwest.

The strong history of gold discoveries and favourable regional setting underlines the gold potential for the under-explored East Laverton Project to also host economic gold deposits.



Figure 4 – a regional map showing major gold projects and the location of the East Laverton Project

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**Competent Person Statement:**

The information in this report that relates to Exploration Targets, Exploration Results, Mineral Resources or Ore Reserves is based on information compiled by Mr Timothy Hronsky, a Competent Person who is a Member of The Australasian Institute of Mining and Metallurgy. Mr Hronsky is employed by Essential Risk Solutions Ltd which has been retained by St George Mining Limited to provide technical advice on mineral projects.

Mr Hronsky has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity being undertaken to qualify as a Competent Person as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Hronsky consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

**The following sections are provided for compliance with requirements for the reporting of exploration results under the JORC Code, 2012 Edition.**

**Section 1 Sampling Techniques and Data**

(Criteria in this section apply to all succeeding sections)

Criteria	JORC Code explanation	Commentary
<b>Sampling techniques</b>	<i>Nature and quality of sampling (eg cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc.). These examples should not be taken as limiting the broad meaning of sampling.</i>	This ASX Release dated 13 March 2017 reports on a technical review of the gold prospectivity at the East Laverton Project.  This ASX Release refers only to historic exploration drilling and does not report any new drilling results, assay or other sampling exploration work.
	<i>Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.</i>	This ASX Release refers only to historic exploration drilling and does not report any new drilling results, assay or other sampling exploration work.
	<i>Aspects of the determination of mineralisation that are Material to the Public Report.</i>  <i>In cases where 'industry standard' work has been done this would be relatively simple (eg 'reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30 g charge for fire assay'). In other cases more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (eg submarine nodules) may warrant disclosure of detailed information.</i>	This ASX Release refers only to historic exploration drilling and does not report any new drilling results, assay or other sampling exploration work.
<b>Drilling techniques</b>	<i>Drill type (eg core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc) and details (eg core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc).</i>	This ASX Release refers only to historic exploration drilling and does not report any new drilling results, assay or other sampling exploration work.
<b>Drill sample recovery</b>	<i>Method of recording and assessing core and chip sample recoveries and results assessed.</i>	This ASX Release refers only to historic exploration drilling and does not report any new drilling results, assay or other sampling exploration work.
	<i>Measures taken to maximise sample recovery and ensure representative nature of the samples.</i>	This ASX Release refers only to historic exploration drilling and does not report any new drilling results, assay or other sampling exploration work.
	<i>Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material.</i>	This ASX Release refers only to historic exploration drilling and does not report any new drilling results, assay or other sampling exploration work.

Criteria	JORC Code explanation	Commentary
<b>Logging</b>	<i>Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies.</i>	This ASX Release refers only to historic exploration drilling and does not report any new drilling results, assay or other sampling exploration work.
	<i>Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography.</i>	This ASX Release refers only to historic exploration drilling and does not report any new drilling results, assay or other sampling exploration work.
	<i>The total length and percentage of the relevant intersections logged.</i>	This ASX Release refers only to historic exploration drilling and does not report any new drilling results, assay or other sampling exploration work.
<b>Sub-sampling techniques and sample preparation</b>	<i>If core, whether cut or sawn and whether quarter, half or all core taken.</i>	This ASX Release refers only to historic exploration drilling and does not report any new drilling results, assay or other sampling exploration work.
	<i>If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry.</i>	This ASX Release refers only to historic exploration drilling and does not report any new drilling results, assay or other sampling exploration work.
	<i>For all sample types, the nature, quality and appropriateness of the sample preparation technique.</i>	This ASX Release refers only to historic exploration drilling and does not report any new drilling results, assay or other sampling exploration work.
	<i>Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.</i>	This ASX Release refers only to historic exploration drilling and does not report any new drilling results, assay or other sampling exploration work.
	<i>Measures taken to ensure that the sampling is representative of the in situ material collected, including for instance results for field duplicate/second-half sampling.</i>	This ASX Release refers only to historic exploration drilling and does not report any new drilling results, assay or other sampling exploration work.
	<i>Whether sample sizes are appropriate to the grain size of the material being sampled.</i>	This ASX Release refers only to historic exploration drilling and does not report any new drilling results, assay or other sampling exploration work.
<b>Quality of assay data and laboratory tests</b>	<i>The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.</i>	This ASX Release refers only to historic exploration drilling and does not report any new drilling results, assay or other sampling exploration work.
	<i>For geophysical tools, spectrometers, handheld XRF instruments, etc, the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc.</i>	This ASX Release refers only to historic exploration drilling and does not report any new drilling results, assay or other sampling exploration work.



Criteria	JORC Code explanation	Commentary
	<i>Nature of quality control procedures adopted (eg standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (i.e. lack of bias) and precision have been established.</i>	This ASX Release refers only to historic exploration drilling and does not report any new drilling results, assay or other sampling exploration work.
<b>Verification of sampling and assaying</b>	<i>The verification of significant intersections by either independent or alternative company personnel.</i>	This ASX Release refers only to historic exploration drilling and does not report any new drilling results, assay or other sampling exploration work.
	<i>The use of twinned holes.</i>	This ASX Release refers only to historic exploration drilling and does not report any new drilling results, assay or other sampling exploration work.
	<i>Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.</i>	This ASX Release refers only to historic exploration drilling and does not report any new drilling results, assay or other sampling exploration work.
	<i>Discuss any adjustment to assay data.</i>	This ASX Release refers only to historic exploration drilling and does not report any new drilling results, assay or other sampling exploration work.
<b>Location of data points</b>	<i>Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation.</i>	This ASX Release refers only to historic exploration drilling and does not report any new drilling results, assay or other sampling exploration work.
	<i>Specification of the grid system used.</i>	The grid system used at the East Laverton Project is GDA94 (MGA), zone 51.
	<i>Quality and adequacy of topographic control.</i>	This ASX Release refers only to historic exploration drilling and does not report any new drilling results, assay or other sampling exploration work.
<b>Data spacing and distribution</b>	<i>Data spacing for reporting of Exploration Results.</i>	This ASX Release refers only to historic exploration drilling and does not report any new drilling results, assay or other sampling exploration work.
	<i>Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied.</i>	This ASX Release refers only to historic exploration drilling and does not report any new drilling results, assay or other sampling exploration work.
	<i>Whether sample compositing has been applied.</i>	This ASX Release refers only to historic exploration drilling and does not report any new drilling results, assay or other sampling exploration work.
<b>Orientation of data in relation to geological structure</b>	<i>Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.</i>	This ASX Release refers only to historic exploration drilling and does not report any new drilling results, assay or other sampling exploration work.

Criteria	JORC Code explanation	Commentary
	<i>If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material.</i>	This ASX Release refers only to historic exploration drilling and does not report any new drilling results, assay or other sampling exploration work.
<b>Sample security</b>	<i>The measures taken to ensure sample security.</i>	This ASX Release refers only to historic exploration drilling and does not report any new drilling results, assay or other sampling exploration work.
<b>Audits or reviews</b>	<i>The results of any audits or reviews of sampling techniques and data.</i>	This ASX Release refers only to historic exploration drilling and does not report any new drilling results, assay or other sampling exploration work.

## Section 2 Reporting of Exploration Results

Criteria	JORC Code explanation	Commentary
<b>Mineral Tenement and Land Status</b>	<p><i>Type, name/reference number, location and ownership including agreements or material issues with third parties including joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings.</i></p> <p><i>The security of the tenure held at the time of reporting along with any known impediments to obtaining a licence to operate in the area.</i></p>	<p>The East Laverton Project comprises 28 exploration licences, and details are available in the Company's Quarterly Activities Report which can be found on our website at <a href="http://www.stgm.com.au">www.stgm.com.au</a>.</p> <p>Each tenement is 100% owned by Desert Fox Resources Pty Ltd, a wholly owned subsidiary of St George Mining. Certain tenements are subject to a 2% Net Smelter Royalty in favour of a third party.</p> <p>None of the tenements are the subject of a native title claim. No environmentally sensitive sites have been identified at any of the tenements. The tenements are in good standing; no known impediments exist.</p>
<b>Exploration Done by Other Parties</b>	<i>Acknowledgment and appraisal of exploration by other parties.</i>	<p>In 2012, BHP Billiton Nickel West Pty Ltd (Nickel West) completed a reconnaissance RC (reverse circulation) drilling programme at the East Laverton Property as part of the Project Dragon farm-in arrangement between Nickel West and the Company. That farm-in arrangement has been terminated. The drilling programme comprised 35 RC holes for 8,560m drilled.</p> <p>The results from the Nickel West drilling programme were reported by the Company in its ASX Release dated 25 October 2012 "Drill Results at Project Dragon". Drilling intersected primary nickel sulphide mineralisation and established the presence of fertile, high MgO ultramafic sequences at the East Laverton Property.</p> <p>Prior to the Project Dragon drilling programme, there was no systematic exploration for nickel sulphides at the East Laverton Property. Historical exploration in the region was dominated by shallow RAB and aircore drilling, much of which had been incompletely sampled, assayed, and logged. This early work was focused on gold rather than nickel sulphide exploration.</p> <p>No previous exploration has been recorded at the Atlas gold prospect.</p>
<b>Geology</b>	<i>Deposit type, geological setting and style of mineralisation</i>	<p>The Company's East Laverton Property located in the NE corner of the Eastern Goldfields Province of the Archean Yilgarn Craton. The project area is proximally located to the Burtville-Yarmana terrane boundary and the paleo-cratonic marginal setting is consistent with the extensive komatiites found on the property.</p> <p>The drilling at the East Laverton Property has confirmed extensive strike lengths of high-MgO olivine-rich rocks across three major ultramafic belts. Ultramafic rocks of this composition are known to host high grade nickel sulphides.</p>

<b>Criteria</b>	<b>JORC Code explanation</b>	<b>Commentary</b>
<b>Drill hole information</b>	<p>A summary of all information material to the understanding of the exploration results including tabulation of the following information for all Material drill holes:</p> <ul style="list-style-type: none"> <li>• Easting and northing of the drill hole collar</li> <li>• Elevation or RL (Reduced Level – elevation above sea level in meters) of the drill hole collar</li> <li>• Dip and azimuth of the hole</li> <li>• Down hole length and interception depth</li> <li>• Hole length</li> </ul>	This ASX Release refers only to historic exploration drilling and does not report any new drilling results, assay or other sampling exploration work.
<b>Data aggregation methods</b>	<p>In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (e.g. cutting of high grades) and cut-off grades are usually Material and should be stated.</p> <hr/> <p>Where aggregated intercepts incorporate short lengths of high grade results and longer lengths of low grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail.</p> <hr/> <p>The assumptions used for any reporting of metal equivalent values should be clearly stated.</p>	<p>This ASX Release refers only to historic exploration drilling and does not report any new drilling results, assay or other sampling exploration work.</p> <hr/> <p>This ASX Release refers only to historic exploration drilling and does not report any new drilling results, assay or other sampling exploration work.</p> <hr/> <p>This ASX Release refers only to historic exploration drilling and does not report any new drilling results, assay or other sampling exploration work.</p>
<b>Relationship between mineralisation widths and intercept lengths</b>	<p>These relationships are particularly important in the reporting of exploration results.</p> <p>If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported. If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (e.g. down hole length, true width not known).</p>	This ASX Release refers only to historic exploration drilling and does not report any new drilling results, assay or other sampling exploration work.
<b>Diagrams</b>	<p>Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported. These should include, but not be limited to a plane view of drill hole collar locations and appropriate sectional views.</p>	Relevant scaled and oriented maps are included in the body of the ASX Release.
<b>Balanced Reporting</b>	<p>Where comprehensive reporting of all Exploration Results is not practical, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting Exploration Results.</p>	This ASX Release refers only to historic exploration drilling and does not report any new drilling results, assay or other sampling exploration work.
<b>Other substantive exploration data</b>	<p>Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observation; geophysical survey results; geochemical survey results; bulk samples – size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances.</p>	This ASX Release refers only to historic exploration drilling and does not report any new drilling results, assay or other sampling exploration work.
<b>Further Work</b>	<p>The nature and scale of planned further work (e.g. tests for lateral extensions or depth</p>	A discussion of further exploration work is contained in the body of the ASX Release.

Criteria	JORC Code explanation	Commentary
	<p><i>extensions or large – scale step – out drilling).</i></p> <p><i>Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.</i></p>	