

21 October 2015

ST GEORGE COMMENCES EXPLORATION AT NEW HAWAII PROJECT

HIGHLIGHTS:

- **Inaugural field exploration programme for the Hawaii Project has commenced**
- **Moving loop electromagnetic (MLEM) survey is being completed over a key area of untested ultramafic**
- **First ever Reverse Circulation (RC) bedrock drilling programme scheduled for November 2015**
- **Opportunity for a discovery in highly prospective but underexplored area**

HIGH IMPACT EXPLORATION COMMENCES AT THE HAWAII PROJECT

St George Mining Limited (ASX: **SGQ**) ('St George' or 'the Company') is pleased to announce it has launched its inaugural field exploration programme at the Hawaii Project, which is being acquired from BHP Billiton Nickel West Pty Ltd ("Nickel West"). The Hawaii Project is located south-west of the Agnew-Wiluna belt in Western Australia which hosts numerous world class nickel and gold deposits (see Figure 1).

A moving loop electromagnetic (MLEM) survey commenced at Hawaii yesterday and will investigate a key area of ultramafic for any conductive bedrock sources that may represent massive sulphide mineralisation. The survey will cover a total of 11 line kilometres with 121 stations.

A high temperature SQUID (superconducting quantum interference device) sensor will be deployed in the survey to provide very high resolution data and minimise noise levels from conductive cover.

The ultramafic sequence being investigated was first identified by reconnaissance aircore drilling completed by Nickel West in 2012. The shallow aircore drilling (average drill hole depth of 50m) discovered over 5km of moderate to high MgO ultramafics adjacent to the Ida Fault. This area was previously interpreted as granite, and the discovery of prospective ultramafics was a significant exploration milestone.

Following completion of the MLEM survey, St George will finalise drill targets for the reverse circulation (RC) drilling programme planned at Hawaii in November 2015.

This RC drilling programme will be the first ever drilling to test the bedrock geology at the Project.

St George Mining Executive Chairman, John Prineas said:

"Exploration opportunities like Hawaii are rare. The previous limited work has identified significant potential, and we can now move towards taking this to a discovery with our own systematic exploration.

"It's an exciting time for St George with major exploration programmes underway at both Hawaii and our flagship East Laverton Project."

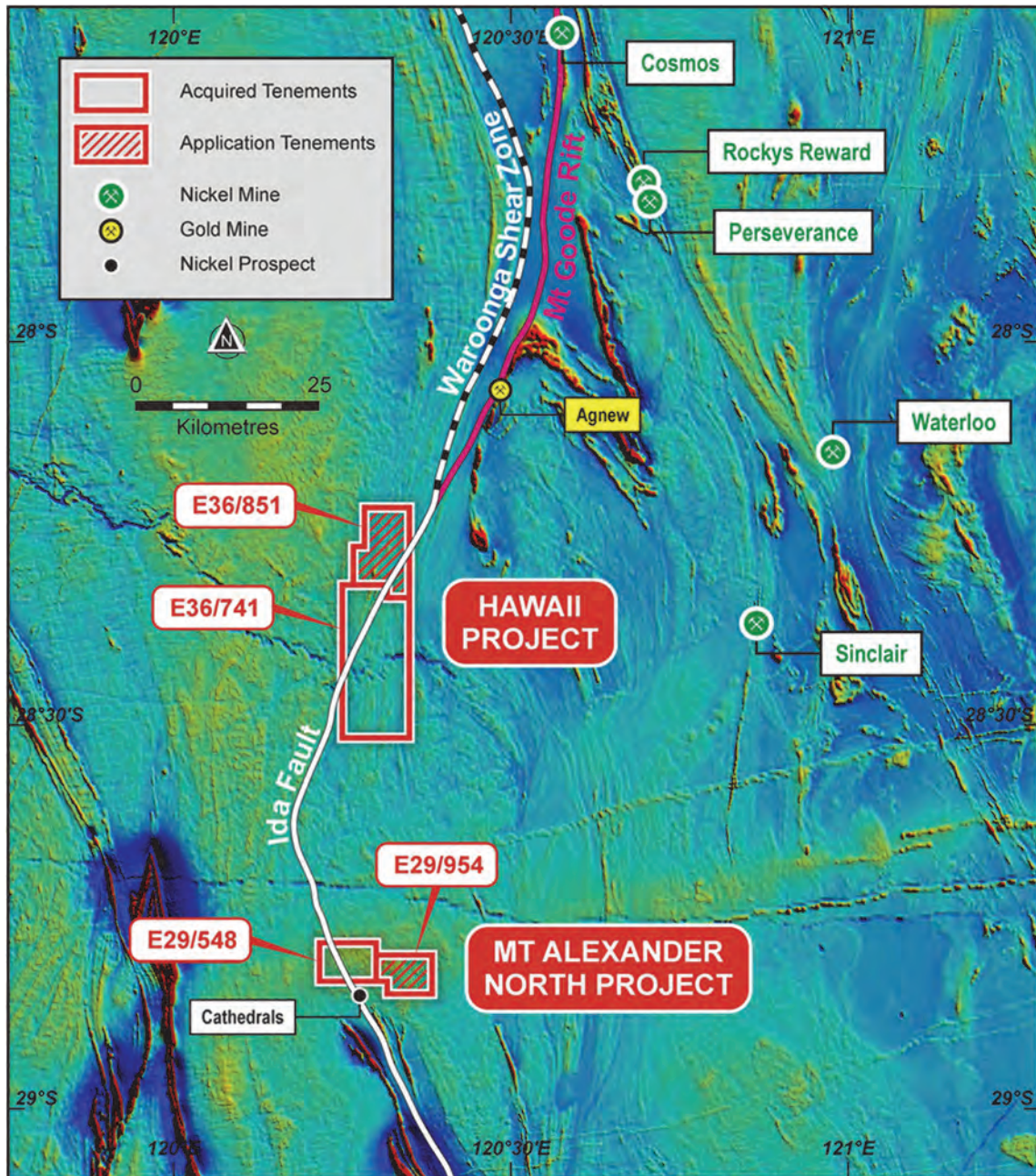


Figure 1 – a map showing the location of the Hawaii Project in a world class address for major nickel and gold deposits. The Mt Alexander North Project is also being acquired by St George from Nickel West.

THE HAWAII PROJECT - BACKGROUND

The Hawaii Project is located approximately 70km southwest of Leinster, the centre of Nickel West’s nickel activities in the Agnew-Wiluna belt. The Project is situated along the Ida Fault, a significant Craton-scale structure that marks the boundary between the Eastern Goldfields Superterrane to the east and the Youanmi Terrane to the west.

The Mt Goode Rift, which hosts the Cosmos nickel complex (“Cosmos”) to the north, may be a splay off the Ida Fault (see Figure 1). The geology at Hawaii could be contiguous with the stratigraphy that hosts Cosmos.

Cosmos, with a resource of over 500,000 tonnes of contained nickel, includes one of the highest grade nickel sulphide mines ever discovered.

Figure 2 illustrates the area at the Hawaii Project (Exploration Licence E36/741) that will be covered by the current MLEM survey.

Three aircore holes drilled by Nickel West into the magnetic anomalies within the MLEM survey area intersected ultramafics over a 1.5km strike. These include drill hole HWAC12 which intersected 45m of ultramafic from 24m to 69m (End of Hole), with up to 1.29%Ni and 0.1%Co in regolith - which is indicative of weathered moderate to high MgO ultramafics.

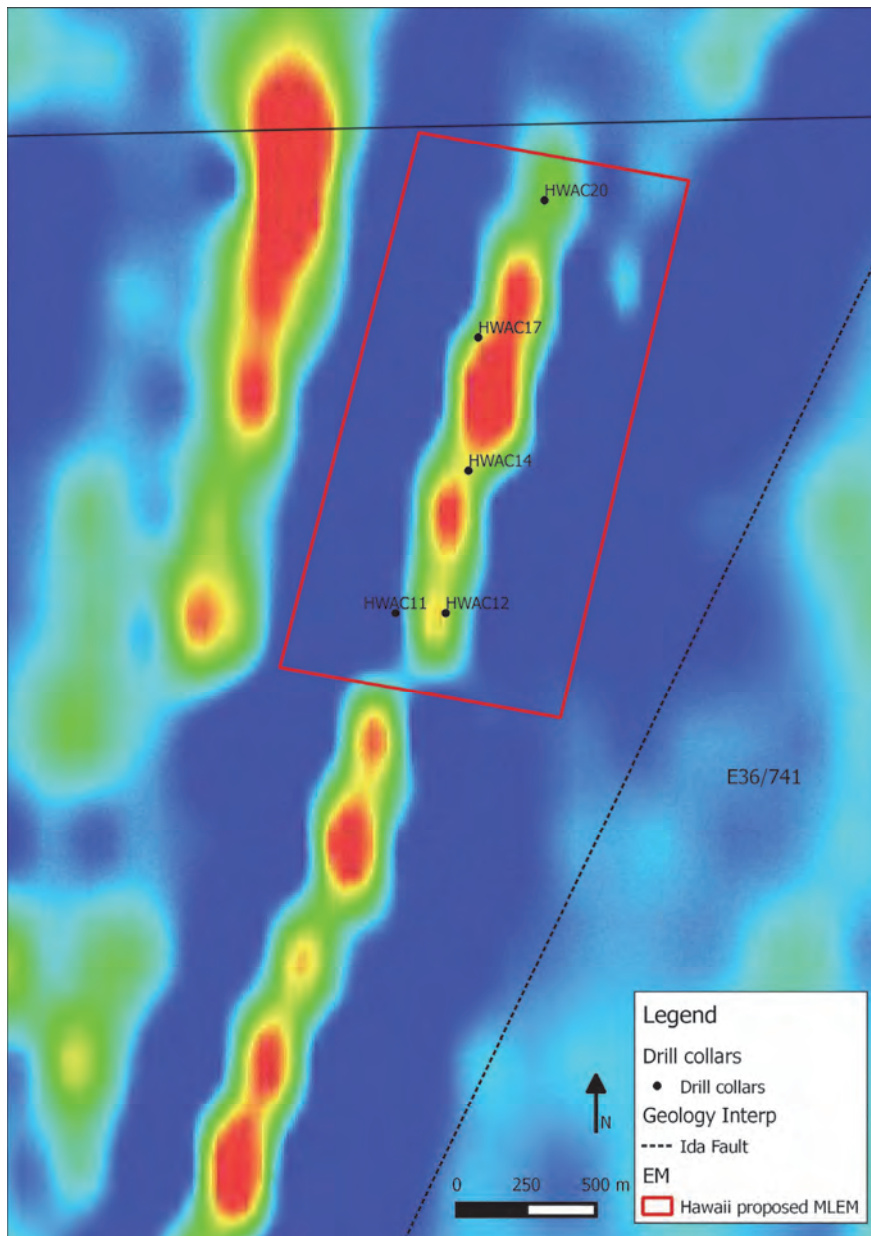


Figure 2 – a map showing the location of the MLEM survey area (red outline) over 1VD magnetics at the Hawaii Project. Previous shallow aircore drilling identified moderate to high MgO ultramafics in drill holes HWAC12, HWAC14 and HWAC20 making this a priority area for follow-up exploration.

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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 Matthew McCarthy, a Competent Person who is a Member of The Australasian Institute of Geoscientists. Mr McCarthy is employed by St George Mining Limited.

Mr McCarthy 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 Joint Ore Reserves Committee (JORC) Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. Mr McCarthy 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
Sampling techniques	<p><i>Nature and quality of sampling (eg cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc). These examples should not be taken as limiting the broad meaning of sampling.</i></p>	<p>This ASX Release reports on a moving loop electromagnetic (MLEM) survey being carried out at the Company’s Hawaii Project. The ASX Release does not report any new drilling, assay or other sampling exploration work.</p> <p>The MLEM survey is designed and managed by Newexco, with field work contracted to GEM Geophysics Pty Ltd.</p> <p>Key specifications of the MLEM survey are:</p> <p>Stations Spacing: 100m</p> <p>Loop: 200m x 200m</p> <p>Line Spacing: 200m</p> <p>Components: B (x y z)</p> <p>Bearing: E-W</p> <p>Frequency: 0.5 Hz</p> <p>Receiver: SMARTem</p> <p>Sensor: High temperature SQUID</p> <p>Number turns: 1</p> <p>Current: Approx. 100 A.</p> <p>Repeats: Minimum 3 readings per station.</p>
	<p><i>Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.</i></p>	<p>Field calibration of the survey instruments using standards is undertaken each day. A minimum of 3 consistent readings per station are taken to ensure accuracy of data collected.</p>
	<p><i>Aspects of the determination of mineralisation that are Material to the Public Report.</i></p> <p><i>In cases where ‘industry standard’ work has been done this would be relatively simple (eg ‘reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30 g charge for fire assay’). In other cases more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (eg submarine nodules) may warrant disclosure of detailed information.</i></p>	<p>The ASX Release does not report any drilling or assay sampling exploration.</p>
Drilling techniques	<p><i>Drill type (eg core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc) and details (eg core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc).</i></p>	<p>The ASX Release does not report any drilling or assay sampling exploration.</p>

Criteria	JORC Code explanation	Commentary
Drill sample recovery	<i>Method of recording and assessing core and chip sample recoveries and results assessed.</i>	The ASX Release does not report any drilling or assay sampling exploration.
	<i>Measures taken to maximise sample recovery and ensure representative nature of the samples.</i>	The ASX Release does not report any drilling or assay sampling exploration.
	<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>	The ASX Release does not report any drilling or assay sampling exploration.
Logging	<i>Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies.</i>	The ASX Release does not report any drilling or assay sampling exploration.
	<i>Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography.</i>	The ASX Release does not report any drilling or assay sampling exploration.
	<i>The total length and percentage of the relevant intersections logged.</i>	The ASX Release does not report any drilling or assay sampling exploration.
Sub-sampling techniques and sample preparation	<i>If core, whether cut or sawn and whether quarter, half or all core taken.</i>	The ASX Release does not report any drilling or assay sampling exploration.
	<i>If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry.</i>	The ASX Release does not report any drilling or assay sampling exploration.
	<i>For all sample types, the nature, quality and appropriateness of the sample preparation technique.</i>	The ASX Release does not report any drilling or assay sampling exploration.
	<i>Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.</i>	The ASX Release does not report any drilling or assay sampling exploration.
	<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>	The ASX Release does not report any drilling or assay sampling exploration.
	<i>Whether sample sizes are appropriate to the grain size of the material being sampled.</i>	The ASX Release does not report any drilling or assay sampling exploration.

Criteria	JORC Code explanation	Commentary
Quality of assay data and laboratory tests	<i>The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.</i>	The ASX Release does not report any drilling or assay sampling exploration.
	<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>	Specifications for the MLEM survey are noted above.
	<i>Nature of quality control procedures adopted (eg standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (ie lack of bias) and precision have been established.</i>	A minimum of 3 consistent readings per station are taken to ensure accuracy of data collected. Base frequency is specified above (0.5A) and the field operator determines the best frequency by taking multiple readings with different frequencies at the beginning of the survey. The number of stacks is determined by the operator with the objective of measuring 3 consistent readings into the late time. Measures are taken to ensure the sensor is stable and shielded from the wind.
Verification of sampling and assaying	<i>The verification of significant intersections by either independent or alternative company personnel.</i>	The ASX Release does not report any drilling or assay sampling exploration work.
	<i>The use of twinned holes.</i>	The ASX Release does not report any drilling or assay sampling exploration.
	<i>Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.</i>	The ASX Release does not report any drilling or assay sampling exploration.
Location of data points	<i>Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation.</i>	The ASX Release does not report any drilling or assay sampling exploration.
	<i>Specification of the grid system used.</i>	Each station for the MLEM survey is located using the GDA94, MGA Zone 51 coordinate system with a GPS programmed with this datum (+/- 5m).
	<i>Quality and adequacy of topographic control.</i>	See above.
Data spacing and distribution	<i>Data spacing for reporting of Exploration Results.</i>	Data readings are taken at stations spaced 100m apart. Line spacing is 200m with a 200m x 200m loop. Where required, infill readings were taken to enhance data collection.
	<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>	The ASX Release does not report any drilling or assay sampling exploration.
	<i>Whether sample compositing has been applied.</i>	The ASX Release does not report any drilling or assay sampling exploration.

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Orientation of data in relation to geological structure	<i>Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.</i>	The ASX Release does not report any drilling or assay sampling exploration.
	<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>	The ASX Release does not report any drilling or assay sampling exploration.
Sample security	<i>The measures taken to ensure sample security.</i>	The ASX Release does not report any drilling or assay sampling exploration.
Audits or reviews	<i>The results of any audits or reviews of sampling techniques and data.</i>	No detailed audits or reviews have been conducted at this stage.

Section 2 Reporting of Exploration Results

Criteria	JORC Code explanation	Commentary
Mineral Tenement and Land Status	<i>Type, name/reference number, location and ownership including agreements or material issues with third parties including joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings.</i>	The moving loop electromagnetic (MLEM) survey discussed in this ASX Release is covering an area within Exploration Licence E36/741 (the "Tenement") which is part of the Company's Hawaii Project in the NE Goldfields.
	<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>	A 100% interest in the Tenement is being acquired from BHP Billiton Nickel West Pty Ltd ("Nickel West") by Blue Thunder Resources Pty Ltd, a wholly owned subsidiary of St George Mining. Nickel West has retained a royalty over mineral production from the Tenement in certain circumstances which includes 1% of the proceeds of any mineral production at the Tenement plus an additional royalty of 1% of the proceeds of any nickel production at the Tenement. The Tenement is not the subject of any native title claim. No environmentally sensitive sites have been identified at any of the tenements. The Tenement is in good standing and no known impediments exist.
Exploration Done by Other Parties	<i>Acknowledgment and appraisal of exploration by other parties.</i>	In 2012, Nickel West completed a reconnaissance aircore drilling programme at the Tenement. A total of 18 aircore drill holes were completed with an average depth of 50 metres. The drilling established the presence of a 5km strike of moderate to high MgO ultramafics in an area previously considered to be barren granites. The moderate-high MgO ultramafics are considered prospective for nickel sulphide mineralisation as well as gold mineralisation. Drilling of the bedrock to test the ultramafic rocks and other targets has not yet been completed at the Tenement.
Geology	<i>Deposit type, geological setting and style of mineralisation</i>	The Hawaii Project is located along the Ida Fault, a significant Craton-scale structure in Western Australia that marks the boundary between the Eastern Goldfields Superterrane to the east and the Youanmi Terrane to the west. The Mt Goode Rift that hosts the Cosmos nickel complex ("Cosmos") to the north may be a splay off the Ida Fault. Cosmos, with a resource of over 500,000 tonnes of contained nickel, includes one of

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		<p>the highest grade nickel sulphide mines ever discovered. The geology at Hawaii could be contiguous with the stratigraphy that hosts Cosmos.</p> <p>The Agnew Gold mine (+5MozAu) is located approx. 30km to the north of the Hawaii Project along the Ida Fault. There is potential for similar orogenic gold mineralisation at Hawaii.</p>
Drill hole information	<p>A summary of all information material to the understanding of the exploration results including tabulation of the following information for all Material drill holes:</p> <ul style="list-style-type: none"> • Easting and northing of the drill hole collar • Elevation or RL (Reduced Level – elevation above sea level in meters) of the drill hole collar • Dip and azimuth of the hole • Down hole length and interception depth • Hole length 	This ASX Release relates to electromagnetic surveys currently underway at the East Laverton Property. There are no new drill holes to disclose.
Data aggregation methods	<p>In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (e.g. cutting of high grades) and cut-off grades are usually Material and should be stated.</p>	The ASX Release does not report any drilling or assay sampling exploration.
	<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>	The ASX Release does not report any drilling or assay sampling exploration.
	<p>The assumptions used for any reporting of metal equivalent values should be clearly stated.</p>	The ASX Release does not report any drilling or assay sampling exploration.
Relationship between mineralisation widths and intercept lengths	<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>	The ASX Release does not report any drilling or assay sampling exploration.
Diagrams	<p>Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported. These should include, but not be limited to a plane view of drill hole collar locations and appropriate sectional views.</p>	Relevant maps are included in the body of the ASX Release.
Balanced Reporting	<p>Where comprehensive reporting of all Exploration Results is not practical, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results.</p>	The MLEM survey is ongoing and results are not reported at this stage.
Other substantive exploration data	<p>Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observation; geophysical survey results; geochemical survey results; bulk samples – size and method of treatment;</p>	All meaningful and material information has been included in the body of the ASX Release.

Criteria	JORC Code explanation	Commentary
	<p><i>metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances.</i></p>	
Further Work	<p><i>The nature and scale of planned further work (e.g. tests for lateral extensions or depth extensions or large – scale step – out drilling).</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>	<p>The MLEM survey is ongoing. Drill targets will be selected once the survey is completed and any EM anomalies are modelled. Further discussion on future exploration is included in the body of the ASX Release.</p>