

10 February 2016

## ST GEORGE PREPARES TO DRILL GOLD TARGETS AT EAST LAVERTON

### HIGHLIGHTS:

- **New gold targets established at East Laverton Project with additional targets being planned**
- **Strong gold anomalism identified in all three main greenstone belts at East Laverton**
- **Potential for multi-million ounce gold deposits in under-explored region containing recent world-class gold discoveries at Tropicana (+8MozAu) and Gruyere (+5MozAu)**
- **Major gold-focused drill programme at East Laverton will test multiple targets**
- **Drilling of priority gold targets is scheduled to commence in Q1 2016**

### ST GEORGE PLANS MAJOR GOLD DRILL PROGRAMME

St George Mining Limited (ASX: **SGQ**) ('St George Mining' or 'the Company') is pleased to announce that a major gold-focused drill programme is planned for Q1 2016 at its 100% owned East Laverton Project.

Historical drilling, as well as recent nickel-focused drilling by St George, has identified widespread gold anomalism on all three main greenstone belts at the East Laverton Project. This gold anomalism has the potential to be associated with larger gold systems, and justifies an escalation of gold exploration at East Laverton to complement our exciting nickel sulphide projects.

A number of important gold targets have been identified at East Laverton for priority exploration. In addition to the previously announced Ascalon gold target, we are pleased to confirm that the Bristol target and the DDD010 target will be included in the upcoming gold-focused drill programme. Further detail on these targets is provided below. Additional gold targets are under review and will be announced shortly.

The gold drill programme will be a RC (reverse circulation) programme with over 2,500m of planned drilling. In addition, we will also shortly announce a nickel sulphide drill programme for East Laverton. This programme will utilise diamond drilling to test priority nickel sulphide targets, including the +200,000 Siemens conductor at the Windsor nickel sulphide prospect.

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

"We are very excited to be launching a major gold drill campaign in an area that is under-explored for gold and which is near recent major discoveries like Tropicana and Gruyere.

"Previous drilling at our project has identified widespread gold anomalism that warrants further exploration. Our drill targets are located in favourable structural settings that are highly prospective for gold mineralisation.

"This will be a highly anticipated drill programme that has the potential to establish East Laverton as a significant gold project."

**IMPORTANT REGIONAL LOCATION**

The East Laverton Project is situated within the Yilgarn Craton of Western Australia, a world class gold province with an endowment of over 300 million ounces of gold.

Figure 1 illustrates the major gold-bearing greenstone belts of the Yilgarn and shows that two of the most recent large greenfields gold discoveries in Australia - the +8MozAu Tropicana deposit and the +5MozAu Gruyere deposit – are located near the eastern margin of the North Eastern Goldfields, where the East Laverton Project is also located.

The greenstone belts at East Laverton are adjacent to the Yamarna belt where Gold Road Resources Limited (ASX: GOR) discovered the Gruyere gold deposit in 2013.

More recently, Montezuma Mining Company Ltd (ASX: MZM) announced a new greenfields discovery on the Yamarna belt - see ASX Release by MZM dated 3 December 2015 ‘RC Drilling Confirms High Grade Basement Gold Target’.

These gold discoveries highlight the potential of the eastern margin of the North Eastern Goldfields for further major gold discoveries.

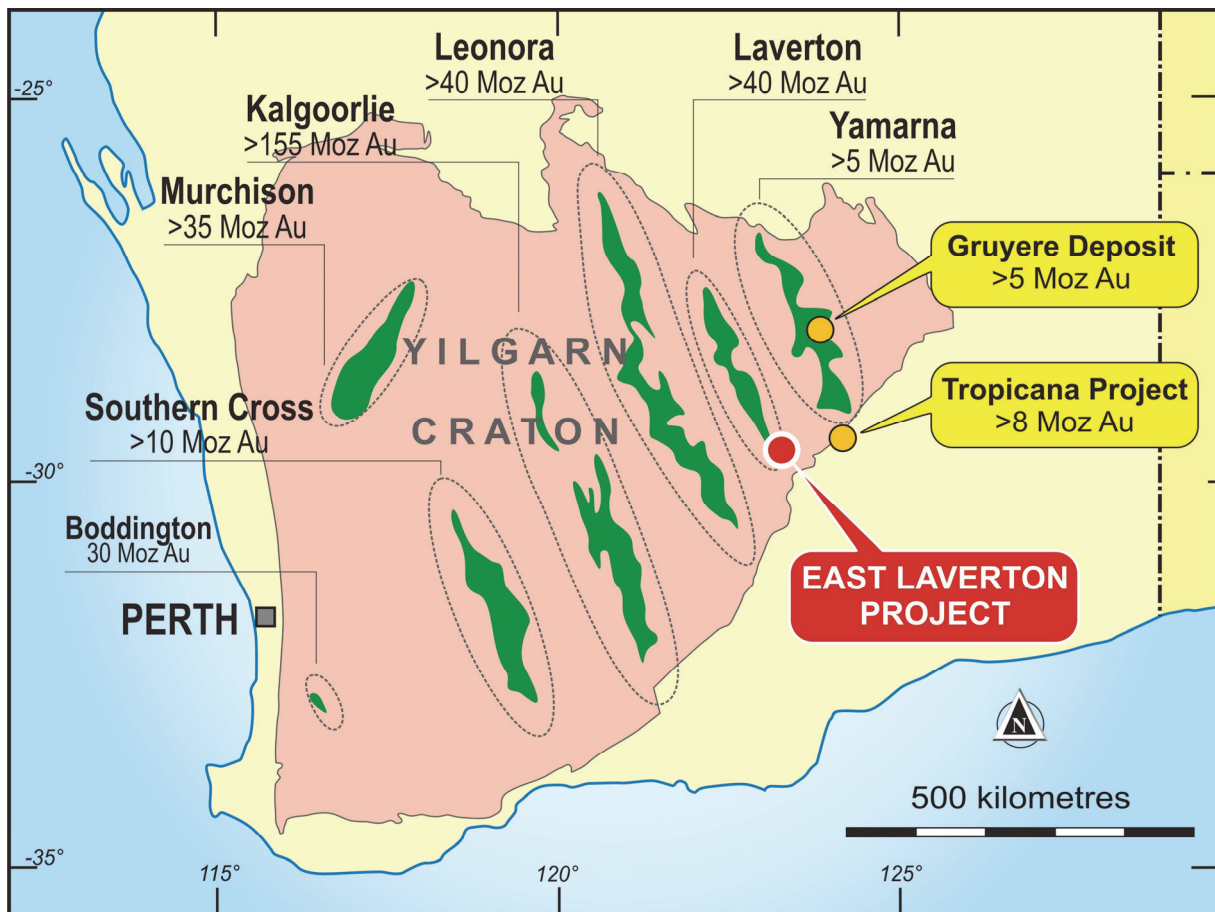


Figure 1 – the main gold-bearing greenstone belts of the Yilgarn Craton, showing the location of Tropicana and Gruyere - two of the most recent and significant gold discoveries in Australia.

**GOLD PROSPECTIVITY AT EAST LAVERTON**

Figure 2 is a map of the tenements at East Laverton against gravity data with the three main greenstone belts shown.

Gravity data is a critical component in targeting orogenic gold deposits as it highlights fundamental structures, which are first-order controls on the concentration of gold mineralisation. There is a strong association between major gold deposits and gravity gradients, the multi-scale edges of positive gravity features.

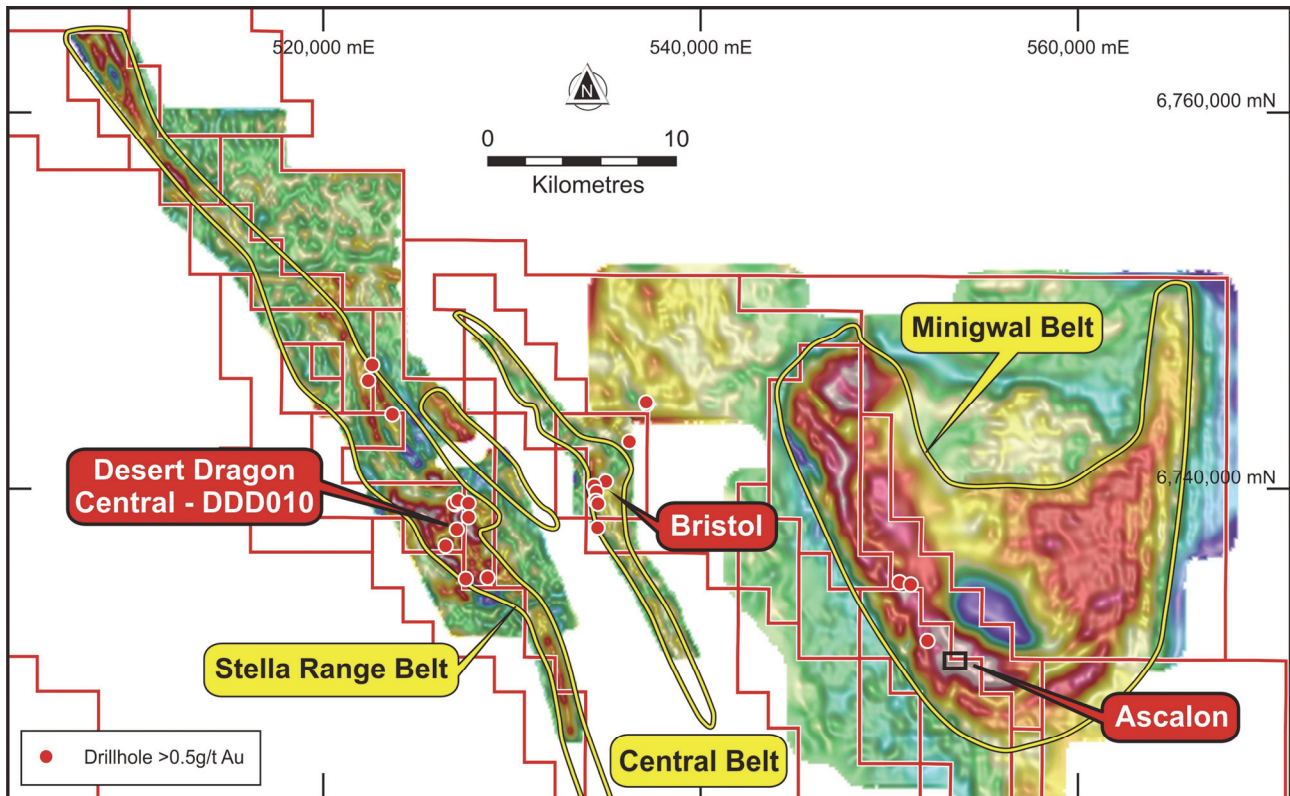


Figure 2 – the East Laverton tenements against FVD Bouguer gravity data. The first three gold targets for the upcoming gold drill programme – Ascalon, Bristol and DDD010 – are highlighted.

**BRISTOL GOLD TARGET**

Historical drilling at the Bristol target in the 1990’s by a previous explorer intersected widespread anomalous gold (>0.5g/t Au) over a 1km strike length (see Figure 3), with gold grades up to 2.5g/t. This shallow drilling identified gold anomalism in the lower regolith profile, and there has been no drilling to test for gold mineralisation in fresh rock.

Importantly, gold anomalism in six of the seven drill holes occurs at the end of hole (average hole depth is 40m) and no infill or deeper drilling has been completed to test for continuation of regolith gold anomalism or for gold mineralisation in basement rocks.

The gold anomalism at Bristol is situated on the contact between the greenstones and granites, as defined by distinct magnetic and gravity gradients. This is a favourable setting for gold mineralisation. The northern extension of the gold zone is proximal to the interpreted Churchill Lineament, a cross structure that may act as a control on gold mineralisation.

Drill holes are planned to test the bedrock and regolith geology along this extensive gold anomalous zone.

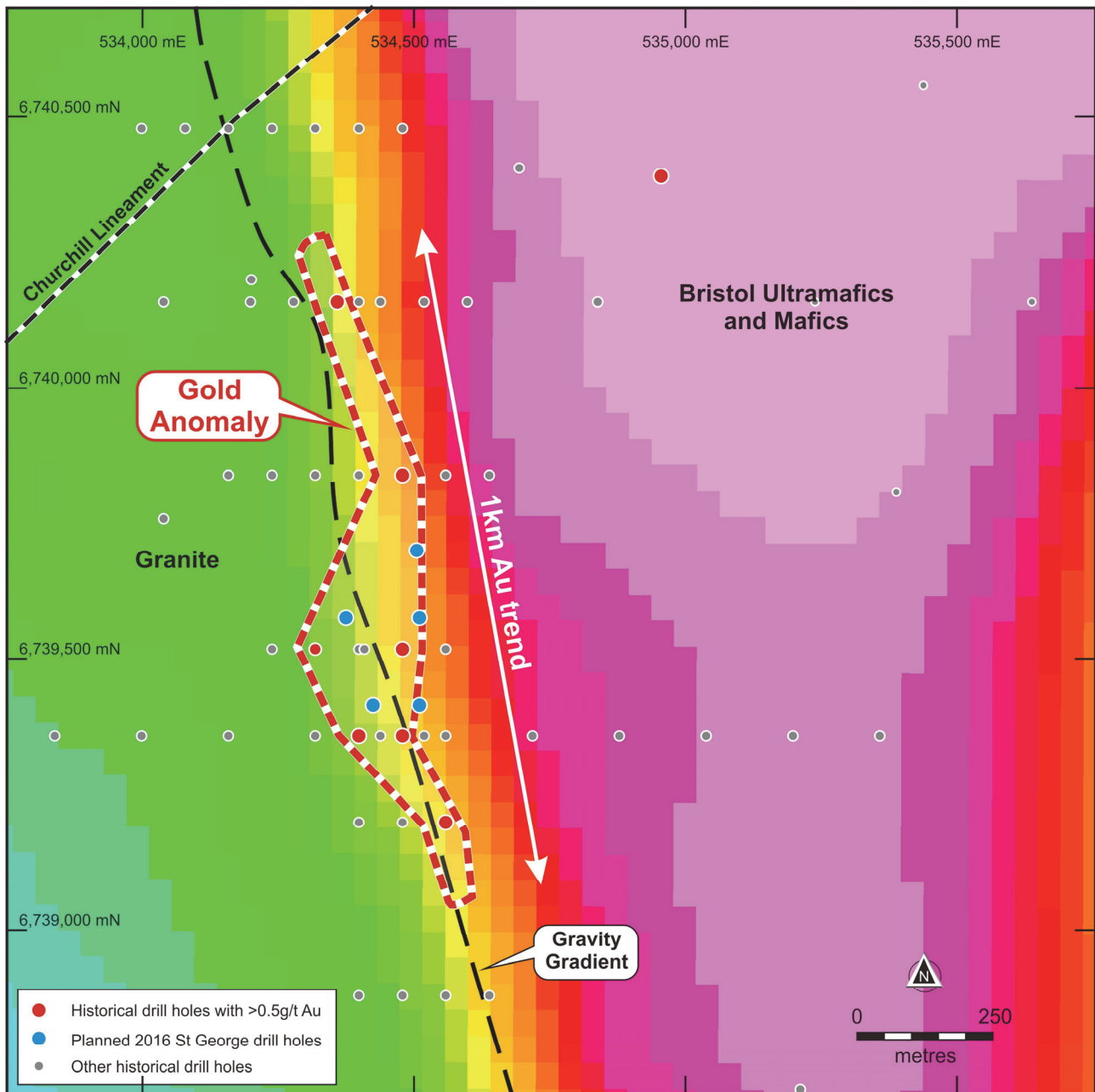


Figure 3 – the Bristol gold target (against RTP magnetics) with proposed drill holes shown. The gold anomalism occurs on a distinct magnetic (and gravity) gradient, a setting that is often associated with gold mineralisation.

**DDD010 TARGET**

The DDD010 target is at Desert Dragon Central; see Figure 4. Drill hole DDD010, completed by St George in 2014, intersected 2m @ 1.42g/t Au from 149m within a larger halo of gold values in the range 0.3-0.5g/t Au.

This gold intersection is within a highly sulphidic sedimentary unit (26% sulphur), which appears to be associated with a fixed loop electromagnetic (FLEM) plate. This EM plate occurs on a northwest gravity gradient and could represent a significant syn-gold structure, with the gold intersection in DDD010 representing the edge of a larger gold system.

The gold intersection in DDD010 is open at depth and along strike, and warrants further exploration.

Drill holes are planned to test along strike and up-dip from the gold intersection in DDD010.

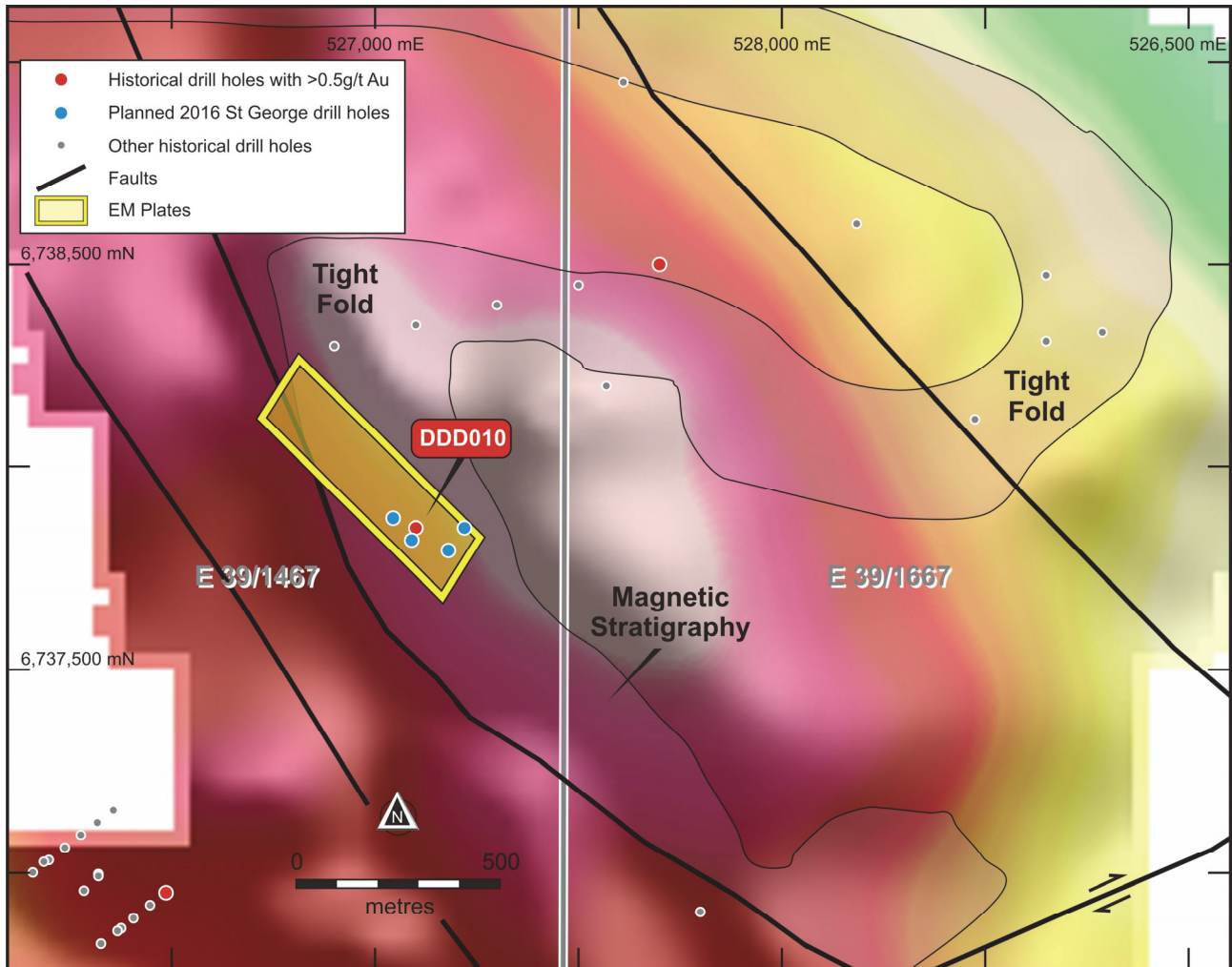


Figure 4 – the DDD010 target against Bouguer gravity data, showing the trend of the FLEM plate on a northwest gravity gradient.

#### ASCALON GOLD TARGET

The Ascalon gold target is focused on a prominent deflection in the rift-axial structure of the Minigwal belt, which is a typical structural setting for gold mineralisation in the Yilgarn; see Figure 5.

Historical drilling to the north of the Ascalon target area identified a zone of co-incident gold and copper bedrock anomalism which is open towards the south-east in the direction of the prominent deflection in the rift, where stronger gold mineralisation may have formed.

Further details of this target are contained in our ASX Release of 26 November 2015 'Significant Gold Potential at East Laverton'.

In late 2015, St George Mining was awarded a drilling grant under the West Australian Government’s Exploration Incentive Scheme (EIS) to be applied towards the direct costs of the drilling at the Ascalon gold prospect.

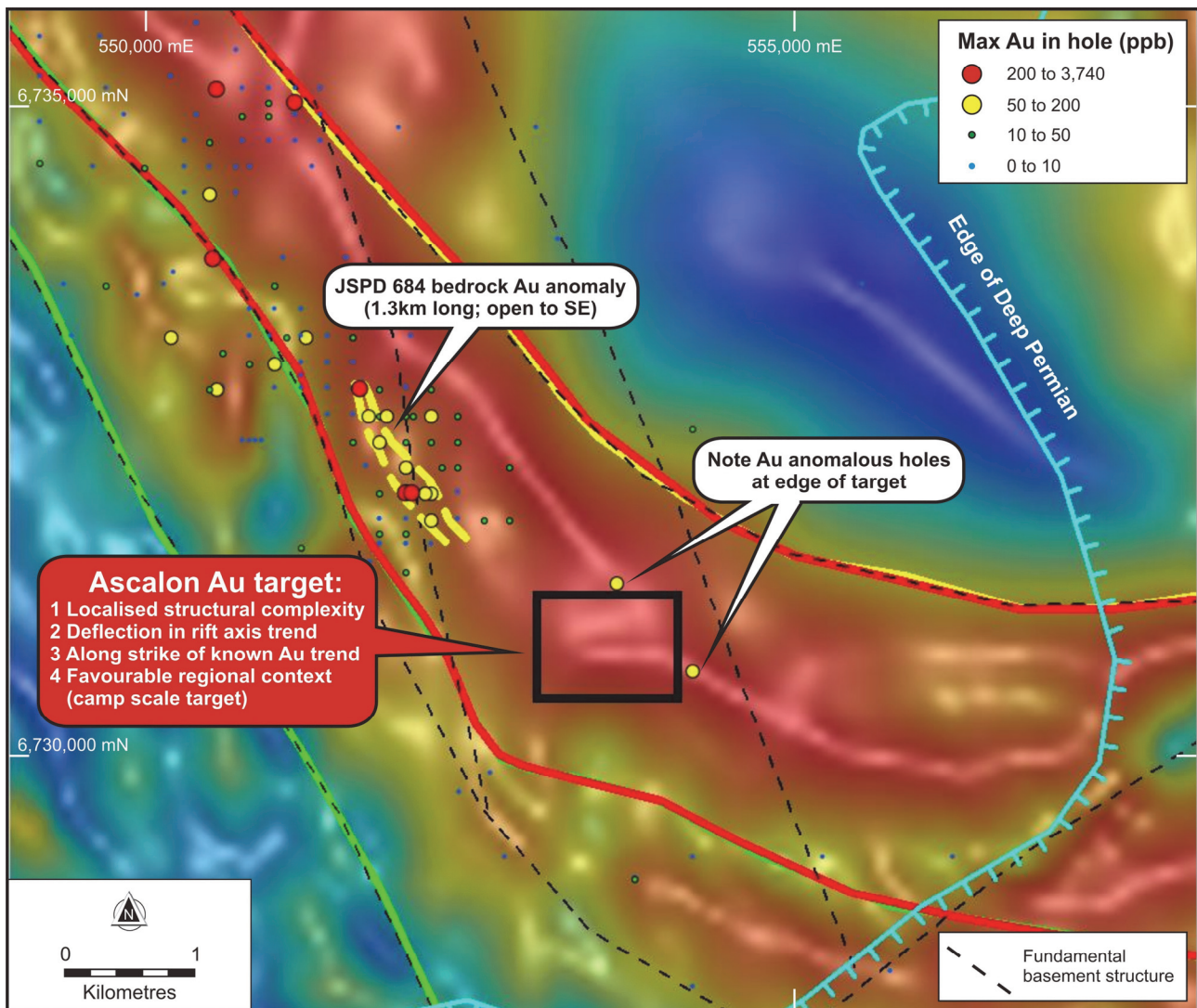


Figure 5 – the Ascalon target shown against gravity data with its highly prospective features highlighted.

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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 section is provided for compliance with requirements for the reporting of exploration results under the JORC Code, 2012 Edition.

**Section 1 Sampling Techniques and Data**

(Criteria in this section apply to all succeeding sections)

Criteria	JORC Code explanation	Commentary
<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>	<p>This ASX Release dated 10 February 2016 reports on exploration targets at the Company’s East Laverton Project, and includes a discussion of some past exploration results particularly drilling programs and electromagnetic surveys completed recently at the Project.</p> <p>Drilling programs have included diamond core drilling completed by DDH1 Drilling Pty Ltd and reverse circulation (RC) drilling completed by VM Drilling Pty Ltd.</p> <p>Diamond drilling was undertaken by DDH1 in 2014 and 2015 using a Sandvik 1200 Multipurpose truck mounted drill rig. RC drilling was undertaken by VM Drilling in 2014 using a Schramm 685 truck mounted drill rig..</p> <p><i>Diamond Core Sampling:</i> The core is removed from the drill rig and laid out for initial analysis in the field. The core is measured and marked up at 1m intervals against the drillers blocks, which are themselves checked against the drillers log books where required. The visible structural features on the core are measured against the core-orientation lines.</p> <p>Onsite XRF analysis is conducted using a hand-held Olympus Innov-X Spectrum Analyser. The XRF analysis is used to systematically review diamond drill core, with a single reading taken every metre, except in the case of core loss. These results are only used for onsite interpretation and preliminary base metal assessment subject to final geochemical analysis by laboratory assays.</p> <p>The sections of the core that are selected for assaying are marked up and recorded on a “cut-sheet” which provides a control on the intervals that will be cut and sampled at a duly certified assay laboratory. Core is prepared for analysis at 1m intervals or at lesser intervals of geological significance. Core is cut in half lengthways and then numbered samples are taken as per the “cut-sheet”.</p> <p>Diamond core provides high quality samples that are logged for lithological, structural, geotechnical, density and other attributes. Sampling is under QAQC procedures as per industry best practice.</p> <p><i>RC Sampling:</i> All samples from the RC drilling are taken as 1m samples. Samples are sent to Intertek Laboratories for assaying.</p> <p>Appropriate QAQC samples (standards, blanks and duplicates) are inserted into the sequences as per industry best practice.</p> <p>Samples are collected using cone or riffle splitter. Geological logging of RC chips is completed at site with representative chips being stored in drill chip trays.</p> <p>Onsite XRF analysis is conducted on the fines from RC chips using a hand-held Olympus Innov-X Spectrum Analyser. These results are only used for onsite interpretation and preliminary assessment subject to final geochemical analysis by laboratory assays.</p> <p><i>Moving loop electromagnetic (MLEM) survey:</i> The MLEM survey is designed and managed by Newexco, with field work contracted to Bushgum Pty Ltd and/or Merlin Geophysical Solutions. The MLEM survey is conducted at several prospects within the project area.</p> <p>Key specifications of the MLEM survey are:</p>



Criteria	JORC Code explanation	Commentary
		<p>Stations Spacing: 100m</p> <p>Loop: 400m, 200m</p> <p>Line Spacing: 400m</p> <p>Components: x y z</p> <p>Orientation: X along line (local east - positive).</p> <p>Line direction: 58.35, 90 degrees</p> <p>Frequency: 0.5, 0.25 Hz</p> <p>Channels: SMARTem Standard.</p> <p>Receiver: Fluxgate</p> <p>Number turns: 1</p> <p>Current: Typically 50 A.</p> <p>Repeats: Minimum 3 consistent readings per station.</p> <p><i>Down-hole electromagnetic (DHEM) survey:</i> A DHEM survey will be completed for certain drill holes. The DHEM survey is designed and managed by Newexco Services Pty Ltd, with field work contracted to Bushgum Holdings Pty Ltd and/or Merlin Geophysical Solutions.</p> <p>Key specifications of the DHEM survey are:</p> <p><i>System:</i> Atlantis (analogue)</p> <p><i>Components:</i> A, U, V</p> <p><i>Component direction:</i></p> <ul style="list-style-type: none"> <li>• Ba – Parallel to hole axis, positive up hole.</li> <li>• Bu – Perpendicular to hole axis: toward 12 o’ clock when looking down hole.</li> <li>• Bv – Perpendicular to hole axis: toward 9 o’ clock when looking down hole.</li> </ul>
	<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><i>Diamond Core Sampling:</i> For diamond core samples, certified sample standards were added as every 25<sup>th</sup> sample. Core recovery calculations are made through a reconciliation of the actual core and the driller’s records. Downhole surveys of dip and azimuth were conducted using a single shot camera every 30m to detect deviations of the hole from the planned dip and azimuth. The drill-hole collar locations were recorded using a hand held GPS, which has an accuracy of +/- 5m. At a later date the drill-hole collar will be surveyed to a greater degree of accuracy.</p> <p><i>RC Sampling:</i> The RC drilling rig has a cone splitter built into the cyclone on the rig. Samples are taken on a one meter basis and collected directly from the splitter into uniquely numbered calico bags. The calico bag contains a representative sample from the drill return for that metre. This results in a representative sample being taken from drill return, for that metre of drilling. The remaining majority of the sample return for that metre is collected and stored in a green plastic bag marked with that specific metre interval. The cyclone is blown through with compressed air after each plastic and calico sample bag is removed. If wet sample or clays are encountered then the cyclone is opened and cleaned manually and with the aid of a compressed air gun.</p> <p>A large auxiliary compressor (“air-pack”) is mounted on a separate truck and the airstream is connected to the rig. This provides an addition to the compressed air supplied by the in-built compressors mounted on the drill rig itself. This auxiliary compressor maximises the sample return through restricting air pressure loss, especially in deeper holes. In addition, the high and consistent levels of air</p>

Criteria	JORC Code explanation	Commentary
	<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>pressure minimise the number of drill samples.</p> <p>Geological logging of RC chips is completed at site with representative chips being stored in drill chip trays. Downhole surveys of dip and azimuth are conducted using a single shot camera every 30m to detect deviations of the hole from the planned dip and azimuth. The drill-hole collar locations were recorded using a hand held GPS, which has an accuracy of +/- 5m. At a later date the drill-hole collar will be surveyed to a greater degree of accuracy.</p> <p><i>MLEM Survey:</i> 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>DHEM Survey:</i> For the DHEM survey, the polarity of each component is checked to ensure the system was set up using the correct component orientations. The hole position is corrected for trajectory using orientation survey data.</p> <p><i>Diamond Core Sampling:</i> Core is drilled with HQ and NQ2 size and sampled as half core to produce a bulk sample for analysis. Intervals vary from 0.3 – 1m maximum and are selected with an emphasis on geological control.</p> <p>Assays have been completed at either SGS Laboratories or Intertek Genalysis ("Lab") in Perth. Samples are sent to the Lab where they are crushed to 6 mm and then pulverised to 75 microns. A 30 g charge of the sample is fire assayed for gold, platinum and palladium. The detection range for gold is 1 – 2000 ppbAu, and 0.5 – 2000 ppb for platinum and palladium. This is believed to be an appropriate detection level for these elements within this specific mineral environment. However, should Au, Pt or Pd levels reported exceed these levels an additional assay method will be used to re-test samples.</p> <p>All other metals will be analysed using an acid digest and an ICP finish. The sample is digested with nitric, hydrochloric, hydrofluoric and perchloric acids to effect as near to total solubility of the sample as possible. The solution containing samples of interest, including those that need further review, will then be presented to an ICP-OES for the further quantification of the selected elements.</p> <p><i>RC Sampling:</i> A 1m composite sample is taken from the bulk sample of RC chips that may weigh in excess of 40 kg. Assay preparation is for the current drilling program will be completed by Intertek.</p> <p>Assays are undertaken at Intertek in Kalgoorlie and Perth. Samples are sent to Intertek where they are crushed to 6 mm and then pulverised to 75 microns. A 30 g charge of the sample is fire assayed for gold, platinum and palladium. The detection range for gold is 1 – 2000 ppbAu, and 0.5 – 2000 ppb for platinum and palladium. This is believed to be an appropriate detection level for these elements within this specific mineral environment. However, should Au, Pt or Pd levels reported exceed these levels an additional assay method will be used to re-test samples.</p> <p>All other metals will be analysed using an acid digest and an ICP finish. The sample is digested with nitric, hydrochloric, hydrofluoric and perchloric acids to effect as near to total solubility of the sample as possible. The solution containing samples of interest, including those that need further review, will then be presented to an ICP-OES for the further quantification of the selected elements.</p>
<p><b>Drilling techniques</b></p>	<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</i></p>	<p><i>Diamond Core Sampling:</i> The collars of the diamond holes were drilled using RC drilling down through the regolith to the point of refusal or to a level considered geologically significant to change to core. The hole was then continued using HQ diamond core until the drillers determined that a change to NQ2 coring was required.</p>

Criteria	JORC Code explanation	Commentary
	<i>oriented and if so, by what method, etc).</i>	<p>The core is oriented and marked by the drillers. The core is oriented using ACT Mk II electric core orientation.</p> <p><i>RC Sampling:</i> The RC drilling uses a 140 mm diameter face hammer tool. High capacity air compressors on the drill rig are used to ensure a continuously sealed and high pressure system during drilling to maximise the recovery of the drill cuttings, and to ensure chips remain dry to the maximum extent possible.</p>
<b>Drill sample recovery</b>	<i>Method of recording and assessing core and chip sample recoveries and results assessed.</i>	<p><i>Diamond Core Sampling:</i> Diamond core recoveries/core loss are recorded during drilling and reconciled during the core processing and geological logging. No significant sample recovery problems are thought to have occurred in any holes drilled to date. There has been a notable and consistent competency encountered in the rocks during drilling.</p> <p><i>RC Sampling:</i> RC samples are visually checked for recovery, moisture and contamination. Geological logging is completed at site with representative RC chips stored in chip trays.</p>
	<i>Measures taken to maximise sample recovery and ensure representative nature of the samples.</i>	<p><i>Diamond Core Sampling:</i> Depths are checked against the depth on the core blocks and rod counts are routinely carried out by the drillers. Core loss was recorded by St George geologists and sampling intervals were not carried through core loss.</p> <p><i>RC Sampling:</i> Samples are collected using cone or riffle splitter. Geological logging of RC chips is completed at site with representative chips being stored in drill chip trays.</p>
	<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>	<p>To date, no detailed analysis to determine the relationship between sample recovery and grade has been undertaken for any drill program. This analysis will be conducted following any economic discovery.</p> <p>The nature of magmatic sulphide distribution hosted by the competent and consistent rocks hosting any mineralised intervals are considered to significantly reduce any possible issue of sample bias due to material loss or gain.</p>
<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>	<p>Geological logging is carried out on all drill holes with lithology, alteration, mineralisation, structure and veining recorded.</p>
	<i>Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography.</i>	<p>Logging of diamond core and RC samples records lithology, mineralogy, mineralisation, structures (core only), weathering, colour and other noticeable features. Core was photographed in both dry and wet form.</p>
	<i>The total length and percentage of the relevant intersections logged.</i>	<p>All drill holes are geologically logged in full and detailed litho-geochemical information is collected by the field XRF unit. The data relating to the elements analysed is used to determine further information regarding the detailed rock composition.</p>
<b>Sub-sampling techniques and sample preparation</b>	<i>If core, whether cut or sawn and whether quarter, half or all core taken.</i>	<p>The HQ and NQ2 core is cut in half length ways in Kalgoorlie using an automatic core saw. All samples are collected from the same side of the core. The half-core samples are submitted to the Lab for analysis.</p>
	<i>If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry.</i>	<p>RC samples are collected in dry form. Samples are collected using cone or riffle splitter when available. Geological logging of RC chips is completed at site with representative chips being stored in drill chip trays.</p>

Criteria	JORC Code explanation	Commentary
	<i>For all sample types, the nature, quality and appropriateness of the sample preparation technique.</i>	<p><i>Diamond Core Sampling:</i> Diamond core was drilled with HQ and NQ2 size and sampled as complete half core to produce a bulk sample for analysis. Intervals selected varied from 0.3 – 1m (maximum) with a strong geological control (as is possible in diamond core) to ensure grades are representative, i.e. remove any bias through projecting assay grades beyond appropriate geological boundaries.</p> <p>Assay preparation procedures ensure the entire sample is pulverised to 75 microns before the sub-sample is taken. This removes the potential for the significant sub-sampling bias that can be introduced at this stage.</p> <p><i>RC Sampling:</i> Sample preparation for RC chips follows a standard protocol.</p> <p>Assay preparation procedures ensure the entire sample is pulverised to 75 microns before the sub-sample is taken. This removes the potential for the significant sub-sampling bias that can be introduced at this stage.</p>
	<i>Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.</i>	<p><i>Diamond Core Sampling:</i> Drill core is cut in half lengthways and the total half-core submitted as the sample. This meets industry standards where 50% of the total sample taken from the diamond core is submitted.</p> <p><i>RC Sampling:</i> Field QC procedures maximise representivity of RC samples and involve the use of certified reference material as assay standards, along with blanks, duplicates and barren washes.</p>
	<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>	<p><i>Diamond Core Sampling:</i> The retention of the remaining half-core is an important control as it allows assay values to be determined against the actual geology; and where required a quarter core sample may be submitted for assurance. No resampling of quarter core or duplicates has been done at this stage of the project.</p> <p><i>RC Sampling:</i> Field duplicates were taken on 1m composites for RC samples.</p>
	<i>Whether sample sizes are appropriate to the grain size of the material being sampled.</i>	<p>The sample sizes are considered to be appropriate to correctly represent the sulphide mineralisation at the East Laverton Property based on: the style of mineralisation (massive and disseminated sulphides), the thickness and consistency of the intersections and the sampling methodology.</p>
<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>	<p>For diamond core and RC sampling, a 30 gram sample will be fire assayed for gold, platinum and palladium. The detection range for gold is 1 – 2000 ppbAu, and 0.5 – 2000 ppb for platinum and palladium. This is believed to be an appropriate detection level for the levels of these elements within this specific mineral environment. However, should Au, Pt or Pd levels reported exceed these levels; an alternative assay method will be selected.</p> <p>All other metals will be analysed using an acid digest and an ICP finish. The sample is digested with nitric, hydrochloric, hydrofluoric and perchloric acids to effect as near to total solubility of the sample as possible. The solution containing samples of interest, including those that need further review, will then be presented to an ICP-OES for the further quantification of the selected elements.</p>
	<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>	<p>A handheld XRF instrument (Olympus Innov-X Spectrum Analyser) is used to systematically analyse the drill core and RC chips onsite. Reading time was 60 seconds. The instruments are serviced and calibrated at least once a year. Field calibration of the XRF instrument using standards is undertaken each day.</p> <p>For the EM surveys, specifications and quality control measures are noted above.</p>

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 (ie lack of bias) and precision have been established.</i>	Laboratory QAQC involves the use of internal lab standards using certified reference material, blanks, splits and replicates as part of in house procedures. The Company will also submit an independent suite of CRMs, blanks and field duplicates (see above).
<b>Verification of sampling and assaying</b>	<i>The verification of significant intersections by either independent or alternative company personnel.</i>	Significant intersections are verified by the Company's Technical Director and Consulting Field Geologist.
	<i>The use of twinned holes.</i>	No twinned holes have been completed.
	<i>Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.</i>	Geological data was collected using handwritten log sheets and imported in the field onto a laptop detailing geology (weathering, structure, alteration, mineralisation), sampling quality and intervals, sample numbers, QA/QC and survey data. This data, together with the assay data received from the laboratory and subsequent survey data was entered into the Company's database.
	<i>Discuss any adjustment to assay data.</i>	No adjustments or calibrations will be made to any primary assay data collected for the purpose of reporting assay grades and mineralised intervals. For the geological analysis, standards and recognised factors may be used to calculate the oxide form assayed elements, or to calculate volatile free mineral levels in rocks.
<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>	Drill hole collar locations are determined using a handheld GPS with an accuracy of +/- 5m.  Down hole surveys of dip and azimuth were conducted using a single shot camera every 30m to detect deviations of the hole from the planned dip and azimuths.
	<i>Specification of the grid system used.</i>	The grid system used is GDA94, MGA Zone 51.
	<i>Quality and adequacy of topographic control.</i>	Best estimated RLs were assigned during drilling and are to be corrected at a later stage.
<b>Data spacing and distribution</b>	<i>Data spacing for reporting of Exploration Results.</i>	The drill programs target EM conductors and other high quality targets for massive nickel sulphide mineralisation. The spacing and distribution of holes is not relevant to these programs.
	<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>	Drilling is at the exploration stage. Mineralisation at the East Laverton Property has not yet demonstrated to be sufficient in both geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications to be applied.
	<i>Whether sample compositing has been applied.</i>	Samples are taken at one metre lengths and adjusted where necessary to reflect local variations in geology or where visible mineralised zones are encountered, in order to preserve the samples as representative.
<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>	The drill holes are drilled towards 060 at an angle of -60 degrees (unless otherwise stated) to intersect the modelled mineralised zones at a near perpendicular orientation. However, the orientation of key structures may be locally variable and any relationship to mineralisation has yet to be identified.
	<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>	No orientation based sampling bias has been identified in the data to date.
<b>Sample security</b>	<i>The measures taken to ensure sample security.</i>	Chain of Custody is managed by the Company until samples pass to a duly certified assay laboratory for subsampling and assaying. The cut-core trays and RC sample bags are stored on secure sites and delivered to the assay laboratory by the Company or a competent

Criteria	JORC Code explanation	Commentary
		agent. When in transit, they are kept in locked premises. Transport logs have been set up to track the progress of samples. The chain of custody passes upon delivery of the samples to the assay laboratory.
<b>Audits or reviews</b>	<i>The results of any audits or reviews of sampling techniques and data.</i>	Sampling techniques and procedures are regularly reviewed internally, as is data. To date, no external audits have been completed on the drilling programme.

## Section 2 Reporting of Exploration Results (Criteria listed in section 1 will also apply to this section where relevant)

Criteria	JORC Code explanation	Commentary
<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 Property 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>
<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>Drill hole information</b>	<p><i>A summary of all information material to the understanding of the exploration results including tabulation of the following information for all Material drill holes:</i></p> <ul style="list-style-type: none"> <li>• <i>Easting and northing of the drill hole collar</i></li> <li>• <i>Elevation or RL (Reduced Level – elevation above sea level in meters) of the drill hole collar</i></li> <li>• <i>Dip and azimuth of the hole</i></li> </ul>	<p>Refer to information in the body of this announcement.</p> <p>Information regarding exploration results from Project Dragon can be found in the Company's ASX Release dated 25 October 2012 "Drill Results at Project Dragon" which is available to view on <a href="http://www.stgm.com.au">www.stgm.com.au</a>.</p> <p>Table 1 to this 2012 JORC Section contains drill hole information on</p>

Criteria	JORC Code explanation	Commentary
	<ul style="list-style-type: none"> <li>• Down hole length and interception depth</li> <li>• Hole length</li> </ul>	DRAC35, DRAC38 and DDNRC002 which were the first drill holes at the East Laverton Property to identify nickel sulphides.
<b>Data aggregation methods</b>	<i>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.</i>	No top-cuts have been applied. A nominal 0.15% Ni lower cut-off is applied unless otherwise indicated.
	<i>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.</i>	High grade massive sulphide intervals internal to broader zones of sulphide mineralisation are reported as included intervals.
	<i>The assumptions used for any reporting of metal equivalent values should be clearly stated.</i>	No metal equivalent values are used for reporting exploration results.
<b>Relationship between mineralisation widths and intercept lengths</b>	<i>These relationships are particularly important in the reporting of exploration results. If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported. If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect.</i>	The geometry of the mineralisation is not yet known due to insufficient deep drilling in the targeted area.
<b>Diagrams</b>	<i>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.</i>	Maps will be included with any announcement of any significant discovery, following review of assay results from the drilling programme.
<b>Balanced Reporting</b>	<i>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.</i>	<p>A comprehensive report on recent drilling and targeting at the East Laverton Property can be found in the following ASX Releases that are available on our website at <a href="http://www.stgm.com.au">www.stgm.com.au</a>:</p> <p>29 September 2015 'Nickel Sulphide Targets at Desert Dragon Central'</p> <p>23 November 2015 'High Impact Exploration Continues'</p> <p>8 December 2015 'Gold Exploration Moves Forward at East Laverton'</p> <p>18 December 2015 'Massive Nickel Sulphide target at Windsor'</p>
<b>Other substantive exploration data</b>	<i>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.</i>	All meaningful and material information has been included in the body of the text. No metallurgical or mineralogical assessments have been completed.
<b>Further Work</b>	<i>The nature and scale of planned further work (e.g. tests for lateral extensions or depth extensions or large – scale step – out drilling).Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.</i>	A discussion of further exploration work is contained in the body of the ASX Release.

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

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

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