



ST GEORGE
MINING LIMITED

ABN 21 139 308 973

**HALF YEARLY REPORT FOR THE
HALF YEAR ENDED 31 DECEMBER 2014**



This Interim Financial Report does not include all the notes of the type normally included in an Annual Financial Report. Accordingly, this report is to be read in conjunction with the Annual Report for the year ended 30 June 2014 and any public announcements made by St George Mining Limited during the interim reporting period in accordance with the continuous disclosure requirements of the *Corporations Act 2001*.

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DIRECTORS' REPORT

The Directors are pleased to submit their report on St George Mining Limited for the half-year ended 31 December 2014. In order to comply with the provisions of the *Corporations Act 2001*, the directors report as follows.

DIRECTORS

The names of the Directors who held office during or since the end of the half-year are:

John Prineas B.EC, LL.B F FIN – Executive Chairman

Timothy Hronsky B.ENG (Geology) MAUSIMM, MSEG – Executive Director

Marcus Michael B.BUS, CA – Non-Executive Director

REVIEW AND RESULTS OF OPERATIONS

A summary of revenues and results for the half-year is set out below:

	2014	
	Revenues	Results
	\$	\$
Revenues and (Loss)	16,453	(1,596,174)

During the six months period the exploration and evaluation expenditure was \$1,974,029. In accordance with the Group's accounting policy these costs were written off. Administration costs were \$436,313. The income tax refund, pursuant to the Federal Government's Research and Development Tax Incentive Scheme for the year ended 30 June 2014 was \$797,715, resulting in a total loss for the six months of \$1,596,174.

JULY – DECEMBER 2014 REVIEW OF OPERATIONS

The Board is pleased to provide the following Review of Operations for the half year period to 31 December 2014.

HIGHLIGHTS

- **Assays results confirm high tenor komatiite hosted nickel sulphide mineralisation at Windsor**
- **Moving loop electromagnetic (MLEM) survey identifies several new Category 1 EM anomalies**
- **Technical review by global nickel expert endorses East Laverton as potential new nickel camp**
- **VMS prospects at East Laverton are progressed with new targets generated**
- **Successful capital raising boosts cash reserves**

During the half year period to 31 December 2014, St George continued to explore the East Laverton Property with a series of active exploration programs which delivered significant exploration results and which have substantially de-risked the Project.

EAST LAVERTON PROPERTY

Extension of Nickel Sulphide Zone at Windsor

Phase 2 of the 2014 nickel sulphide drilling campaign at the East Laverton Property commenced on 9 October 2014. This RC (reverse circulation) drilling program has now finished with 21 holes completed for 4,890 metres drilled.

At the Windsor nickel sulphide prospect, four of the six drill holes completed have successfully intersected nickel sulphides. All six holes intersected the thick, highly prospective komatiite channel which hosts this mineralisation.

The following results illustrate the thick ultramafic sequences encountered by drilling, and the higher grade nickel sulphide intervals within those units:

- WINRC004 - 89m @ 0.20%Ni from 57m, including: **2m @ 0.40%Ni from 122m**
- WINRC005 - 147m @ 0.25%Ni from 124m, including **7m @ 0.34%Ni from 161m and 1m @ 0.40%Ni from 292m**
- WINRC007 - 90m @ 0.20%Ni from 227m, including **1m @ 0.75%Ni from 286m**

The drilling results at Windsor define a large komatiite channel flow with an unconstrained zone of disseminated nickel sulphides that are open laterally and at depth. This is an optimal search area for massive nickel sulphide mineralisation, and only a very small portion of the prospective ultramafic has been tested by drilling so far. Figure 1 is a cross-section of the completed drill holes which illustrates the zone of disseminated nickel sulphides in the core of the channel.

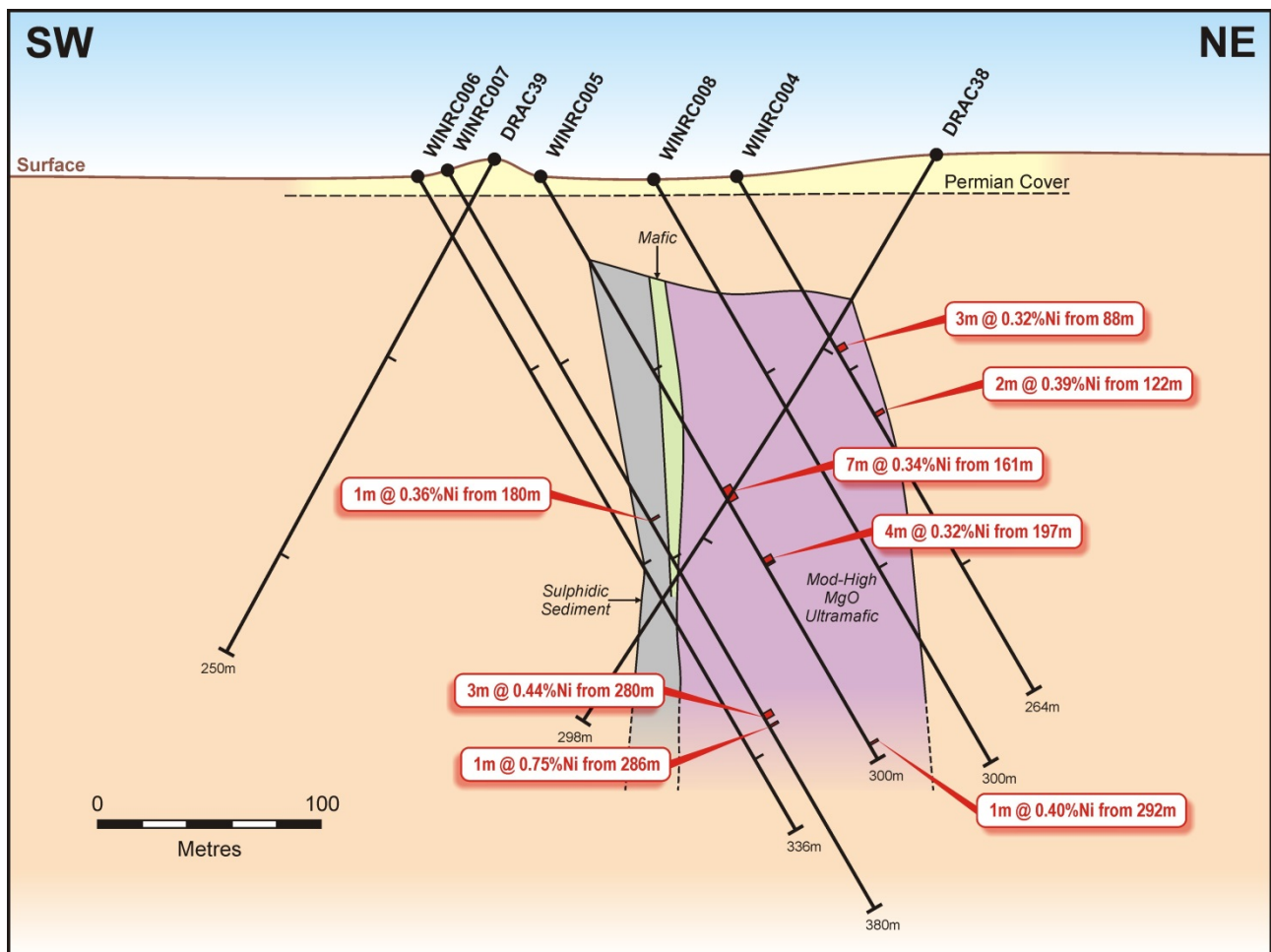


Figure 1 – Cross section of drilling at the Windsor Prospect (discovery section +/-100m) showing nickel sulphide intersections within the interpreted ultramafic channel. The prospective mineralised zone is open to the north and south.

Figure 2 illustrates the ultramafic channel interpreted at Windsor and shows the broadly distributed disseminated nickel sulphide mineralisation, which is open to the north and south. Only 200m of the 4.6km of ultramafic contact has been tested to date. Further drilling will test the search area at Windsor, with analysis of the geophysical, geochemical and geological data to be used to generate drill sites.

The geological profile of the Windsor prospect is similar to other settings on the Agnew-Wiluna belt, where nickel sulphide mineralisation has already been discovered. At these sites, disseminated sulphide mineralisation is present and constrained within the higher MgO cumulate facies, usually in the core of the komatiitic channel flow.

Massive nickel sulphides are typically deposited in lower MgO facies at the base and flanks of the channel. Disseminated nickel sulphides can occur as a halo above the massive sulphides, and provide a reliable vector for exploration targeting of massive sulphides.

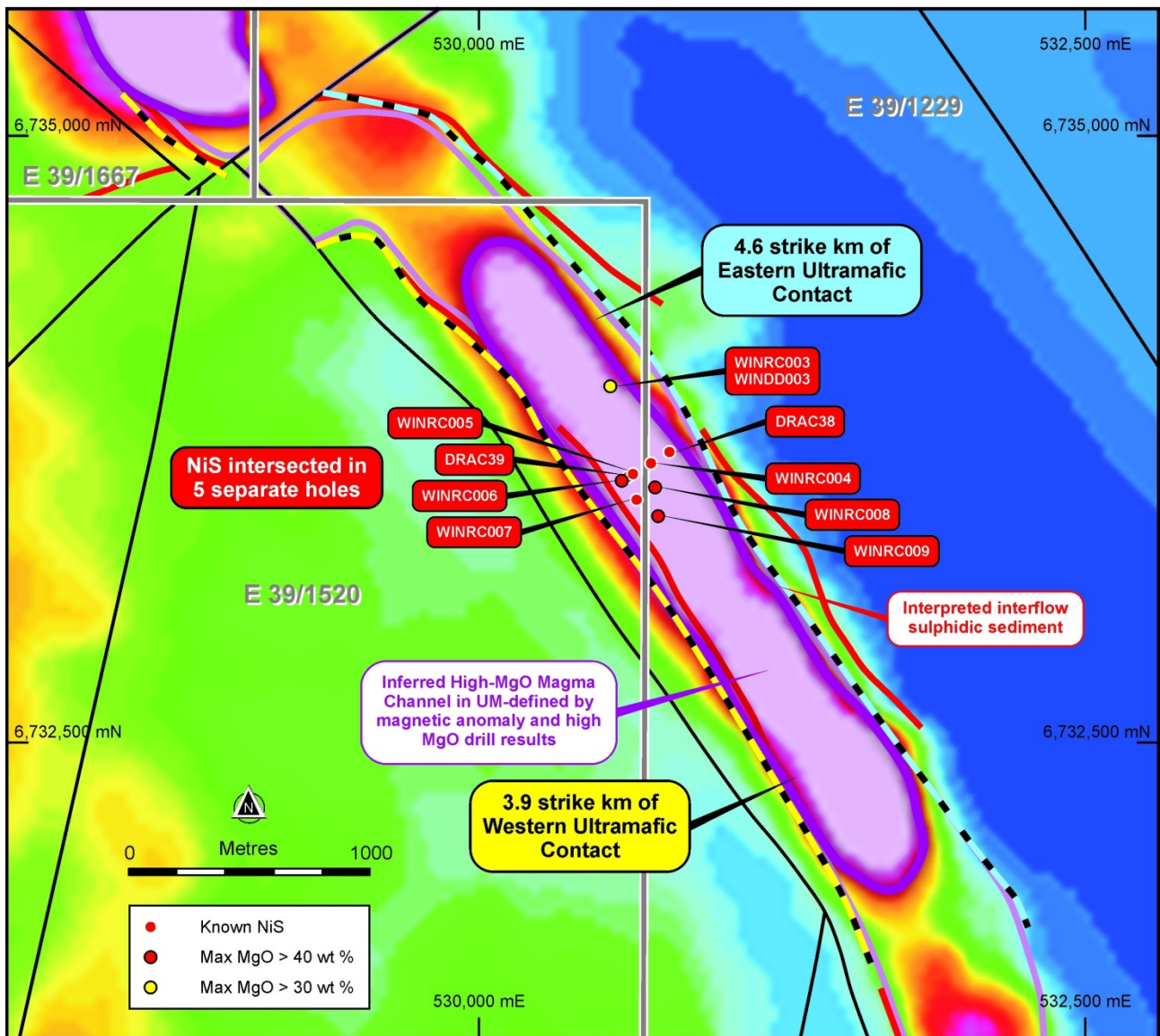


Figure 2 – Windsor ultramafic channel against magnetics.

MLEM Survey Identifies Category 1 Anomalies

Several new high quality EM conductors have been identified at the Desert Dragon North and Aphrodite nickel sulphide prospects by the ongoing MLEM survey at the East Laverton Property.

The MLEM survey is arranged by Newexco, the Company’s geophysical adviser, who has also provided an interpretation of the geophysical properties of the EM anomalies identified.

At Desert Dragon North, 13 EM anomalies consistent with bedrock anomalies were identified. Four of these have been classified by Newexco as Category 1 anomalies. At Aphrodite, 4 EM anomalies were identified with two of these being rated by Newexco as Category 1 anomalies.

Category 1 anomalies are well defined EM anomalies which demonstrate all the primary geophysical criteria associated with a massive sulphide body and warrant immediate consideration as drill targets. The EM anomalies continue to be assessed by our technical team in the context of other exploration data, and will be prioritised for test drilling.

Technical Review

A milestone Technical Review of the Project has now been completed utilising the expanded database which was further populated by the substantial exploration programs completed in 2014. A summary of the findings from this Technical Review are published in St George’s ASX Release dated 4 March 2015 ‘Global Nickel Expert Endorses Project’.

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

The East Laverton Nickel project occupies a unique position in the southern end of the East Laverton Nickel belt (see Figure 3). In particular, the Technical Review has highlighted an 18km strike length of the Stella Range belt - which covers the Desert Dragon and Windsor prospects - as being the most prospective area for nickel sulphide mineralisation within the Project area (see Figure 4).

Strong similarities exist between the geological setting and features of this area and those of highly mineralised komatiite hosted nickel sulphide belts at Forrestania and Agnew-Wiluna.

The important conclusion from the Technical Review is that the East Laverton Nickel Project has the size and required geological criteria to host multiple nickel sulphide deposits.

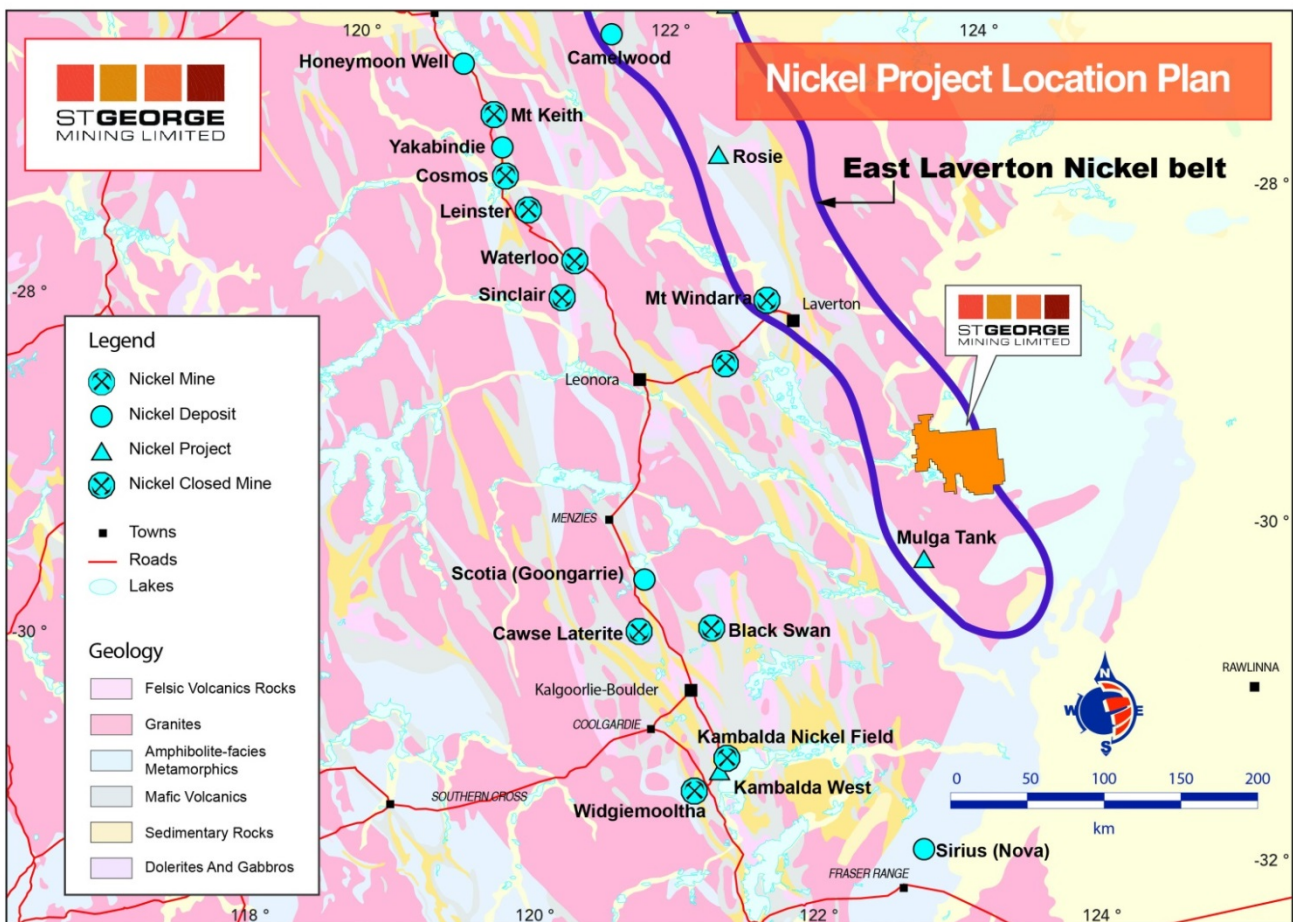


Figure 3 – St George’s Project is located in a key section of the East Laverton Nickel belt, that runs parallel and to the east of the Agnew-Wiluna belt which hosts several world class nickel sulphide deposits

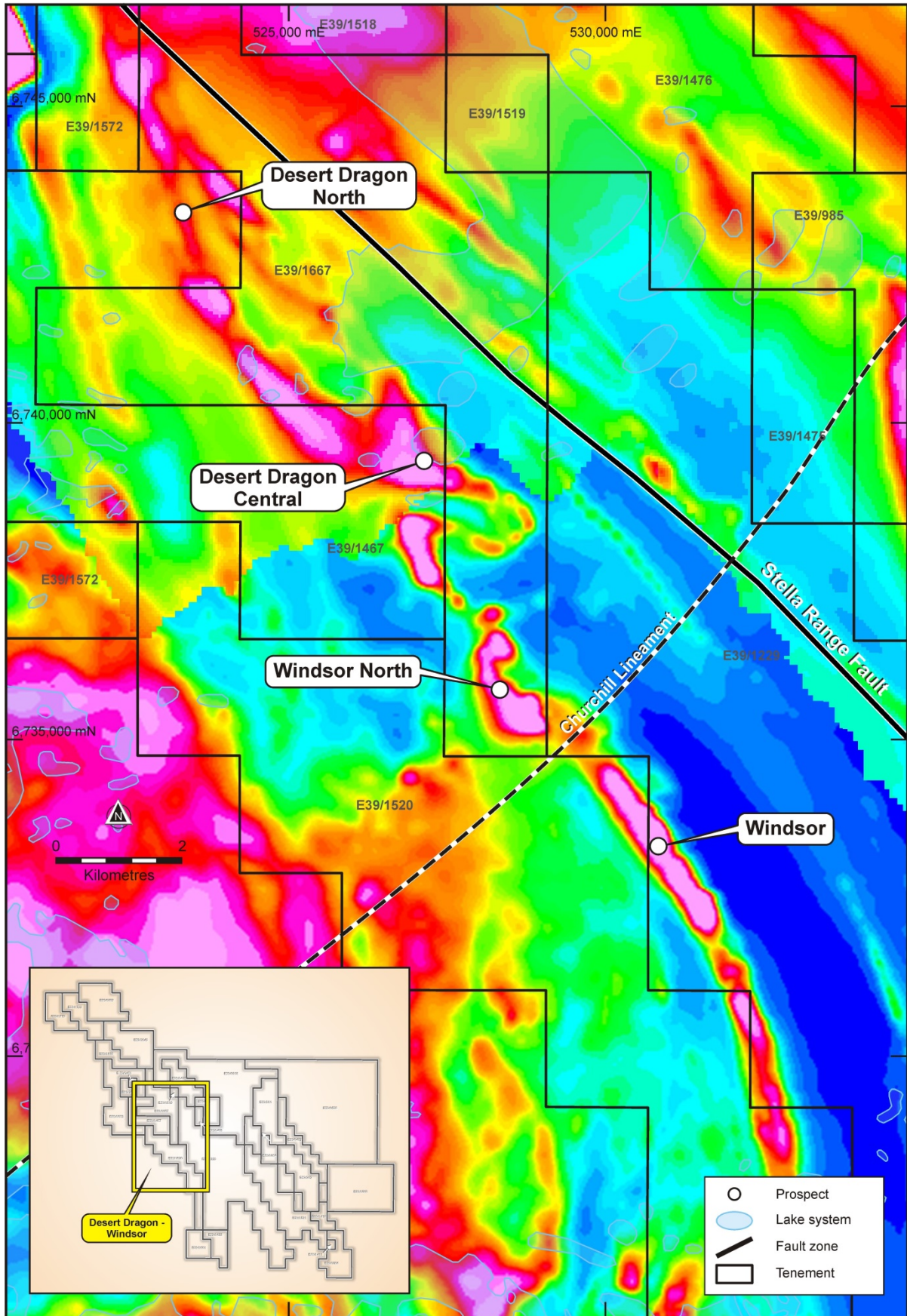


Figure 4 – The Desert Dragon-Windsor prospects are within a priority 18km section of the Stella Range belt; the position of this area within St George’s Project tenements is shown in the inset above.

Drilling Increases VMS Prospectivity

Four RC drill holes were completed as part of the 2014 Phase 2 drilling program to follow-up the significant zinc (Zn) and copper (Cu) mineralisation that was intersected in drill hole DDD011. Three of these holes returned anomalous intersections of zinc. These are interpreted to be within a marginal (zinc dominant) phase of a larger VMS (volcanic massive sulphide) system.

In addition, a number of other nickel-focused holes were completed at Desert Dragon, and also intersected horizons with elevated zinc and copper values. For example, drill hole DDRC036 intersected **4m @ 0.76% Zn from 123m including 1m @1.45% Zn from 125m**. These intervals were within a thick interval of 23m @ 0.15% Zn from 121m. The metal enrichment is likely to be associated with the exhalative sediments that may have formed as a broad apron around VMS deposits.

The limited base metal exploration so far has returned very encouraging results, and strongly supports the case for the presence of economic occurrences of VMS-style mineralisation to be present at East Laverton. Work is underway for selection of further targets for potential VMS-style mineralisation.

LAKE MINIGWAL PROJECT

The Lake Minigwal Project is interpreted to host a large area of concealed greenstone that St George believes is prospective for gold and nickel sulphides. See Figure 5 for location of the Project.

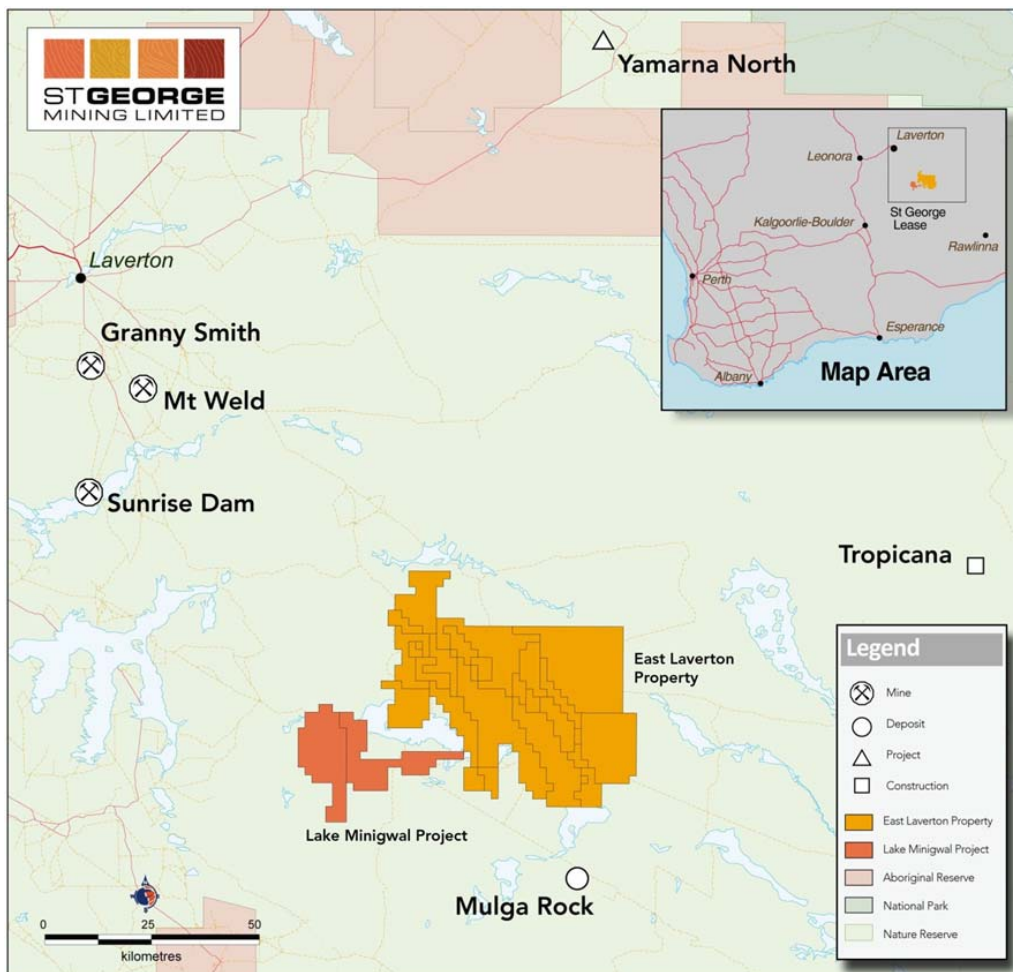


Figure 5 – the Lake Minigwal Project is illustrated relative to the East Laverton Property and other major regional projects

In Q4 2014, a geochemical soil survey and a gravity survey were completed at the project area. The soil survey is designed to test for a repetition of the high value gold anomalies identified by a previous regional GSWA (Geological Survey of Western Australia) soil survey.

The gravity survey is designed to test the density of the rocks at the project area and will help to map the concealed greenstones.

Initial results from the surveys are encouraging and continue to be reviewed and modelled by our technical team.

CORPORATE ACTIVITIES

On 24 September 2014, the Company arranged a placement of ordinary shares to sophisticated investors. A total of 19,505,555 fully paid ordinary shares were subsequently issued at \$0.09 each to raise \$1,755,500. These funds were received by the Company in the first week of October 2014.

Following completion of this placement, the Company has 111,831,806 ordinary shares on issue.

COMPETENT PERSON STATEMENT:

JORC 2012: The Company confirms that it is not aware of any new information or data that materially affects the information included in any original market announcements issued by the Company in regard to its exploration projects, and that all material assumptions and technical parameters underpinning the announcements continue to apply and have not materially changed. 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 information in this announcement that relates to Exploration Results and Mineral Resources as defined in the 2004 edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves' is based on information compiled by Mr Hronsky. Mr Hronsky is a member of the Australasian Institute of Mining and Metallurgy has sufficient experience, which is relevant to the style of mineralisation and type of deposit under consideration and to the activity, which he is undertaking. This qualifies Mr Hronsky as a "Competent Person" as defined in the 2004 edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Hronsky consents to the inclusion of information in this announcement in the form and context in which it appears.

AUDITOR'S INDEPENDENCE DECLARATION

A copy of the auditor's independence declaration as required under section 307C of the *Corporations Act 2001* is set out on page 11.

This report is made in accordance with a resolution of directors.



John Prineas
Executive Chairman
St George Mining Limited
11 March 2015

11 March 2015

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

Dear Sirs

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 review of the financial statements of St George Mining Limited for the period ended 31 December 2014, 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 review; and
- (ii) any applicable code of professional conduct in relation to the review.

Yours faithfully

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



Samir Tirodkar
Director

**CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE HALF-YEAR ENDED 31 DECEMBER 2014**

AUSTRALIAN DOLLAR (\$)	31 DECEMBER 2014	31 DECEMBER 2013
REVENUE FROM CONTINUING OPERATIONS	16,453	298,742
EXPENDITURE		
Administration expenses	(436,313)	(336,685)
Exploration expenditure written off	(1,974,029)	(782,047)
LOSS BEFORE INCOME TAX	(2,393,889)	(819,990)
Income tax benefit – Research and Development Tax Incentive	797,715	595,579
LOSS AFTER INCOME TAX	(1,596,174)	(224,411)
OTHER COMPREHENSIVE INCOME		
Items that will not be reclassified to Profit or Loss	-	-
Items that may be reclassified subsequently to Profit or Loss	-	-
TOTAL COMPREHENSIVE LOSS FOR THE PERIOD	(1,596,174)	(224,411)
LOSS AFTER INCOME TAX ATTRIBUTABLE TO MEMBERS OF THE COMPANY	(1,596,174)	(224,411)
COMPREHENSIVE INCOME (LOSS) FOR THE PERIOD ATTRIBUTABLE TO MEMBERS OF THE COMPANY	(1,596,174)	(224,411)
EARNINGS PER SHARE		
Basic and diluted loss per share (cents)	(1.57)	(0.31)

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

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2014

AUSTRALIAN DOLLAR (\$)	NOTES	31 DECEMBER 2014	30 JUNE 2014
CURRENT ASSETS			
Cash and cash equivalents		1,437,845	1,261,659
Trade and other receivables		118,579	101,091
Other assets		22,882	2,614
TOTAL CURRENT ASSETS		1,579,306	1,365,364
NON-CURRENT ASSETS			
Security bond		1,000	1,000
Plant and equipment		43,721	50,687
Exploration and evaluation expenditure		482,581	482,581
TOTAL NON-CURRENT ASSETS		527,302	534,268
TOTAL ASSETS		2,106,608	1,899,632
CURRENT LIABILITIES			
Trade and other payables		828,669	1,011,181
TOTAL CURRENT LIABILITIES		828,669	1,011,181
TOTAL LIABILITIES		828,669	1,011,181
NET ASSETS		1,277,939	888,451
EQUITY			
Contributed equity	3(a)	11,106,451	9,240,285
Share option reserve	3(b)	202,925	487,662
Accumulated losses		(10,031,437)	(8,839,496)
TOTAL EQUITY		1,277,939	888,451

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

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE HALF-YEAR ENDED 31 DECEMBER 2014

Australian (\$)	SHARE CAPITAL	ACCUMULATED LOSSES	SHARE OPTIONS RESERVE	TOTAL EQUITY
	\$	\$	\$	\$
Balance at 1 July 2014	9,240,285	(8,839,496)	487,662	888,451
Profit (loss) for the period	-	(1,596,174)	-	(1,596,174)
Other comprehensive income	-	-	-	-
Total comprehensive income (loss) for the period	-	(1,596,174)	-	(1,596,174)
Shares and options issued during the period	2,121,499	-	123,410	2,244,909
Expiry of options	-	404,233	(404,233)	-
Remuneration options issued during the period	-	-	4,707	4,707
Share and option issue expenses	(255,333)	-	(8,621)	(263,954)
Balance at 31 December 2014	11,106,451	(10,031,437)	202,925	1,277,939
Balance at 1 July 2013	7,439,139	(6,945,616)	413,335	906,858
Profit (loss) for the period	-	(224,411)	-	(224,411)
Other comprehensive income	-	-	-	-
Total comprehensive income (loss) for the period	-	(224,411)	-	(224,411)
Shares and options issued during the period	825,000	-	1,411	826,411
Share issue expenses	(31,980)	-	-	(31,980)
Balance at 31 December 2013	8,232,159	(7,170,027)	414,746	1,476,878

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

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE HALF YEAR ENDED 31 DECEMBER 2014**

AUSTRALIAN DOLLAR (\$)	31 DECEMBER 2014	31 DECEMBER 2013
CASH FLOWS FROM OPERATING ACTIVITIES		
Proceeds from reimbursements	-	270,000
Expenditure on mining interests	(2,151,109)	(953,367)
Payments to suppliers and employees	(468,192)	(352,124)
Interest received	9,487	11,666
Other – GST	(10,522)	26,997
Research and development grant	797,715	595,579
Net cash outflow from operating activities	(1,822,621)	(401,249)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of plant and equipment	(4,544)	-
Net cash outflow from investing activities	(4,544)	-
CASH FLOWS FROM FINANCING ACTIVITIES		
Issue of shares net of capital raising costs	2,011,972	800,472
Issue of options costs	(8,621)	-
Net cash inflow from financing activities	2,003,351	800,472
Net increase in cash and cash equivalents	176,186	399,223
Cash and cash equivalents at the beginning of the half-year	1,261,659	877,156
CASH AND CASH EQUIVALENTS AT THE END OF THE HALF-YEAR	1,437,845	1,276,379

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

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**NOTE 1: BASIS OF PREPARATION OF THE HALF-YEAR FINANCIAL REPORT**

These general purpose interim financial statements for the half-year reporting period ended 31 December 2014 have been prepared in accordance with requirements of the Corporations Act 2001 and Australian Accounting Standard AASB 134: Interim Financial Reporting. The Group is a for-profit entity for financial reporting purposes under Australian Accounting Standards.

This interim financial report is intended to provide users with an update on the latest annual financial statements of St George Mining Limited and its controlled entities (referred to as the "consolidated group" or "group"). As such, it does not contain information that represents relatively insignificant changes occurring during the half-year within the Group. It is therefore recommended that this financial report be read in conjunction with the annual financial statements of the Group for the year ended 30 June 2014, together with any public announcements made during the half-year.

Accounting Policies

The same accounting policies and methods of computation have been followed in this interim financial report as were applied in the most recent annual financial statements. These accounting policies are consistent with Australian Accounting Standards and with International Financial Reporting Standards. St George Mining Limited has adopted all new and revised Standards and Interpretations issued by the Australian Accounting Standards Board (the AASB) that are relevant to their operations and effective for the current half year.

Reporting Basis and Conventions

The half-year report has been prepared on an accruals basis and is based on historical costs.

The half-year report does not include full disclosures of the type normally included in an annual financial report.

Going Concern Basis

The financial report has been prepared on the going concern basis, which contemplates continuity of normal business activities and realisation of assets and settlement of liabilities in the ordinary course of business. The going concern of the Company is dependent upon it maintaining sufficient funds for its operations and commitments. The directors continue to monitor the ongoing funding requirements of the Company.

The directors are confident that sufficient funding can be secured if required to enable the Company to continue as a going concern and as such are of the opinion that the financial report has been appropriately prepared on a going concern basis.

NOTE 2: SEGMENT INFORMATION

The Group operates in predominantly one business and geographical segment, being mineral exploration in Australia.

NOTE 3: ISSUED CAPITAL

AUSTRALIAN DOLLAR (\$)	31 DECEMBER 2014 \$	31 DECEMBER 2013 \$
(a) Issued and paid up capital		
At the beginning of the reporting period	9,240,285	7,439,139
9 October 2014: 1,500,001 shares issued at \$0.09 per share	135,000	-
3 October 2014: 18,005,554 shares issued at \$0.09 per share	1,620,499	-
22 July 2014: 3,050,001 shares issued at \$0.12 per share	366,000	-
6 December 2013: 7,500,000 shares issued at \$0.11 per share	-	825,000
Transactions costs arising from issue of shares	(255,333)	(31,980)
At reporting date 111,831,806 (31 December 2013: 79,481,000) fully paid ordinary shares	11,106,451	8,232,159
	31 DECEMBER 2014	31 DECEMBER 2013
	Number	Number
At the beginning of reporting period	89,276,250	71,981,000
Shares issued during the reporting period	22,555,556	7,500,000
Shares issued pursuant to exercise of options	-	-
Balance at reporting date	111,831,806	79,481,000
	Number	Number
Movements in Performance Shares		
At the beginning of reporting period	100	100
Balance at reporting date	100	100

There are 100 Performance Shares (convertible into a maximum of 10,000,000 Ordinary Shares) on issue at 31 December 2014. The terms and conditions are set out in the St George Mining Limited 30 June 2014 Annual Report.

(b) Share Option Reserve

AUSTRALIAN DOLLAR (\$)	31 DECEMBER 2014 \$	31 DECEMBER 2013 \$
Issued Options		
At the beginning of the reporting period	487,662	413,335
Options issued – share based payments	123,410	-
Class B Options – share based payments	-	744
Class C Options – share based payments	4,707	667
Expiry of options transferred to accumulated losses	(404,233)	-
Transactions costs for options	(8,621)	-
At reporting date	202,925	414,746

(b) Share Option Reserve (continued)

Options to take up ordinary shares in the capital of the Company are as follows:

Exercise Period (On or Before)	Note	Exercise Price (\$)	Opening Balance 1 July 2014 Number	Options Issued Number	Options Exercised/Expired Number	Closing Balance 31 December 2014 Number
30.06.2016	(i)	\$0.30	-	979,525	-	979,525
28.11.2015		\$0.40	1,000,000	-	-	1,000,000
28.11.2014	(iii)	\$0.25	750,000	-	(750,000)	-
28.11.2014	(iii)	\$0.20	48,508,000	-	(48,508,000)	-

- (i) On 22 July 2014 the Company issued a total of 979,525 Options in consideration of brokerage services provided. The options value has been accounted for at 30 June 2014 at the deemed grant date being 28 April 2014.
- (ii) Options value has been accounted for 2,050,000 Options in the 31 December 2014 financial report at the deemed grant date being 3 October 2014, although they were issued 6 January 2015.
- (iii) On 28 November 2014 options expired.

Using the Black & Scholes option model and based on the assumptions below, the Options were ascribed the following values;

Class of Options	Note	Valuation Date	Market Price of Shares	Exercise Price	Expiry Date	Risk Free Interest Rate	Volatility	Indicative Value Per Options	Total Value of Options
Unlisted Options	(i)	28.04.2014	\$0.14	\$0.30	30.06.2016	2.92%	116%	\$0.0652	\$63,865
Unlisted Options	(ii)	3.10.2014	\$0.13	\$0.30	30.06.2016	2.71%	133%	\$0.0602	\$123,410

NOTE 4: CONTINGENCIES

Estimate of the potential financial effect of contingent liabilities that may become payable.

CONSOLIDATED	
31 DECEMBER 2014	31 DECEMBER 2013
\$	\$

Contingent Liabilities

The Company has entered into an option to acquire an 80% interest in Northern Territory tenement ELA 27732 that is prospective for gold and uranium.

-	500,000
<u>-</u>	<u>500,000</u>

On 30 June 2014 the Company entered into a Deed of Surrender and Release pursuant to which it ceased to have any interest in the Pine Creek Project. Under the Deed, the Company's option to acquire 80% interest in EL27732 was terminated. The Company also agreed to relinquish its rights under the additional tenements comprised in the Pine Creek Property.

NOTE 5: SUBSEQUENT EVENTS

On 6 January 2015 the Company issued 2,050,000 Options exercisable at \$0.30 on or before 30 June 2016 for consideration of brokerage services provided in respect to the capital raising completed in October 2014. These options have been accounted for at 31 December 2014.

On 19 January 2015 the Company advised that 11,183,181 new options issued under the Bonus Issue Prospectus dated 17 December 2014 commenced trading.

Other than those mentioned above no matter or circumstance has arisen since 31 December 2014, which has significantly affected, or may significantly affect the operations of the Group, the result of those operations, or the state of affairs of the Group in subsequent financial years.

NOTE 6: ESTIMATES AND ASSUMPTIONS

The preparation of financial statements in conformity with AIFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are:

Future Rehabilitation

The Group measures the cost of future rehabilitation in relation to its tenements based on probable cost estimations at the date upon which tenements are altered from their original state. Fair values are determined using local data available. No rehabilitation provision is considered necessary at 31 December 2014.

NOTE 7: SUBSIDIARIES

The parent entity, St George Mining Limited, has 100% interest in Desert Fox Resources Pty Ltd and Blue Thunder Resources Pty Ltd. St George Mining Limited is required to make all the financial and operating decisions of these subsidiaries.

Subsidiaries of St George Mining Limited	Country of Incorporation	Percentage Owned %	
		2014	2013
Desert Fox Resources Pty Ltd	Australia	100%	100%
Blue Thunder Resources Pty Ltd	Australia	100%	100%

DIRECTORS' DECLARATION

The directors of the Company declare that:

1. the financial statements and notes, as set out on pages 12 to 19 are in accordance with the Corporations Act 2001 and:
 - (a) comply with Accounting Standard AASB 134 Interim Financial Reporting and the Corporations Regulations 2001; and
 - (b) give a true and fair view of the financial position as at 31 December 2014 and of the performance for the 6 months ended on that date of the Group;
2. In the directors' opinion there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Board of Directors.



John Prineas

Executive Chairman

St George Mining Limited

Perth, 11 March 2015

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

Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial report of St George Mining Limited, which comprises the condensed consolidated statement of financial position as at 31 December 2014, the condensed consolidated statement of profit or loss and other comprehensive income, condensed consolidated statement of changes in equity, and condensed consolidated statement of cash flows for the half-year ended on that date, condensed notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration for St George Mining Limited ("the consolidated entity"). The consolidated entity comprises both St George Mining Limited ("the company") and the entities it controlled during the half year.

Directors' Responsibility for the Half-Year Financial Report

The directors of St George Mining Limited are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Act 2001 and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the consolidated entity's financial position as at 31 December 2014 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of St George Mining Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Whilst we considered the effectiveness of management's internal controls over financial reporting when determining the nature and extent of our procedures, our review was not designed to provide assurance on internal controls.

Our review did not involve an analysis of the prudence of business decisions made by the directors or management.

Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations Act 2001*, has been provided to the directors of St George Mining Limited on 11 March 2015.

Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of St George Mining Limited is not in accordance with the *Corporations Act 2001* including:


- (a) giving a true and fair view of the consolidated entity's financial position as at 31 December 2014 and of its performance for the half-year ended on that date; and
- (b) complying with Accounting Standards AASB 134 Interim Financial Reporting and Corporations Regulations 2001.

Inherent Uncertainty Regarding Going Concern

Without qualification to the opinion expressed above, attention is drawn to the following matter:

As referred to in Note 1 to the financial statements, the financial statements have been prepared on the going concern basis. The consolidated entity comprising the Company and its subsidiaries has incurred a loss before tax of \$2,393,889 for the half year ended 31 December 2014. The working capital as at 31 December 2014 is \$750,637. The ability of the consolidated entity to continue as a going concern and meet its planned exploration, administration and other commitments is dependent upon the consolidated entity raising further working capital and/or successfully exploiting its mineral assets. In the event that the consolidated entity is not successful in raising further equity or successfully exploiting its mineral assets, the consolidated entity may not be able to meet its liabilities as and when they fall due and the realisable value of the consolidated entity's non-current assets may be significantly less than book values.

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

Stantons International Audit and Consulting Pty Ltd


Samir Tirodkar
Director

West Perth, Western Australia
11 March 2015