

31 July 2017

QUARTERLY ACTIVITIES REPORT FOR THE PERIOD ENDED 30 JUNE 2017

HIGHLIGHTS

- **MT ALEXANDER PROJECT:**
 - Stage 1 of the 2017 diamond drill programme completed with 24 diamond drill holes for 3,806m drilled
 - Assays confirm multiple, thick intersections of high grade nickel-copper-cobalt-PGE mineralisation – including the best intersections yet
 - New targets – including untested SAMSON EM conductors and new downhole EM conductors - are prioritised for drilling

- **EAST LAVERTON PROJECT:**
 - Major gold drill programme underway with 100 drill holes for over 7,000m of RC (reverse circulation) drilling completed to date
 - Early results indicate gold anomalism intersected in numerous drill holes
 - Nickel sulphide exploration is escalated with drilling of the Windsor EM conductor (+200,000 Siemens)

St George Mining Limited (ASX:SGQ) (“St George” or “the Company”) is pleased to present its Quarterly Activities Report for the quarterly period ended 30 June 2017.

FURTHER SIGNIFICANT INTERSECTIONS AT THE MT ALEXANDER PROJECT

Stage 1 of the 2017 diamond drill programme at Mt Alexander delivered numerous intersections of high grade nickel-copper-cobalt-PGE mineralisation. The drill programme commenced on 13 March 2017 with a total of 24 diamond drill holes completed for 3,806m of drilling.

At the Cathedrals Prospect, assays confirmed multiple, thick intersections of high grade nickel-copper-cobalt-PGE mineralisation including the following significant intersections:

MAD56:

- 7.5m @ 3.90%Ni, 1.74%Cu, 0.12%Co and 3.32g/t total PGEs from 57.8m including
- 3.15m @ 6.36%Ni, 2.92%Cu, 0.20%Co and 5.03g/t total PGEs from 61.81m

MAD55:

- 4.28m @ 2.75%Ni, 1.21%Cu, 0.09%Co and 2.59g/t total PGEs from 60.67m including
- 1.05m @ 5.91%Ni, 2.63%Cu, 0.21%Co and 2.57g/t total PGEs from 63.9m

MAD53:

- 7.52m @ 2.85%Ni, 1.26%Cu, 0.09%Co and 2.59g/t total PGEs from 99.58m including
- 3.74m @ 4.29%Ni, 1.82%Cu, 0.13%Co and 3.78g/t total PGEs from 103.36m

MAD59:

- 2.96m @ 4.3%Ni, 1.25%Cu, 0.15%Co and 3.21g/t PGEs from 64.85m

Figure 1 is a long section of the Cathedrals Prospect which illustrates the numerous intersections of high grade mineralisation and the potential to further extend the known mineralisation with additional drilling.

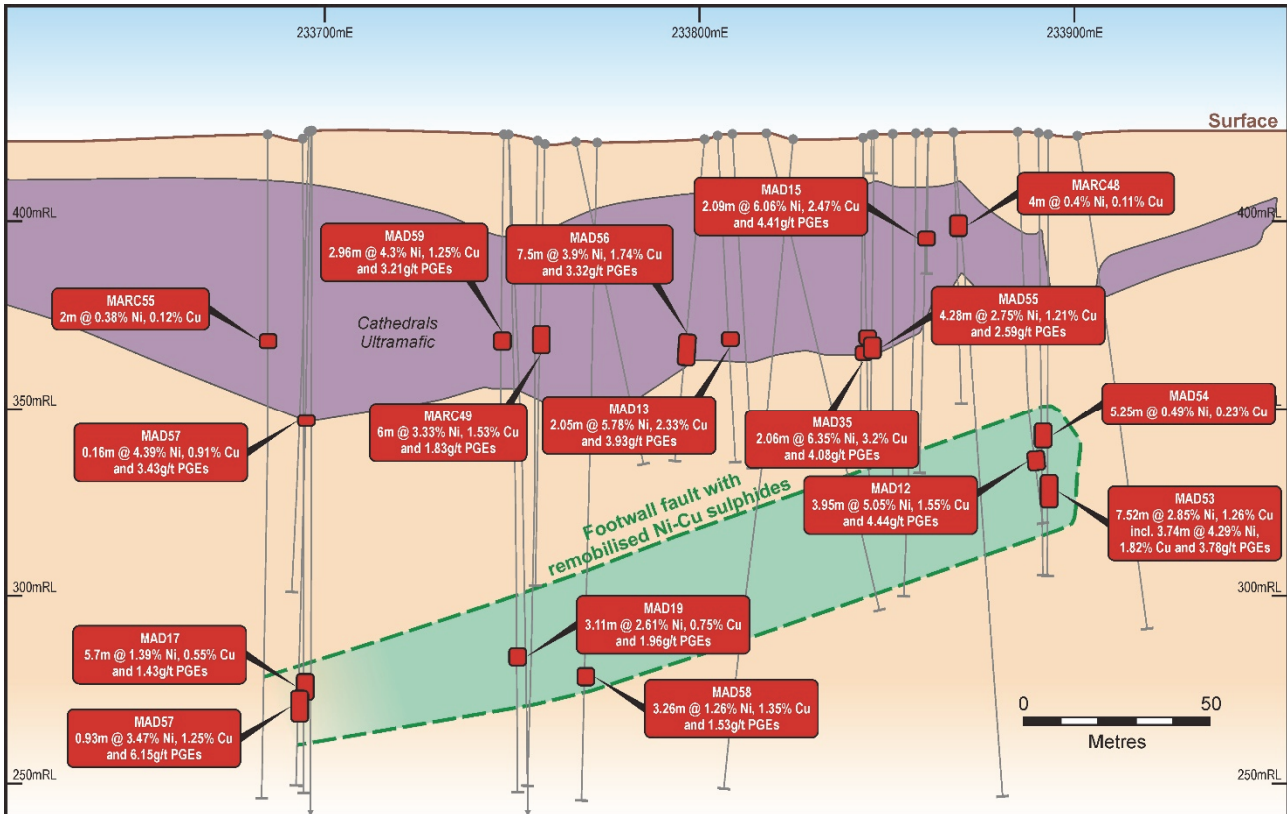


Figure 1 - a long section of the Cathedrals Prospect (looking north) showing significant intersections from both recent and historic drill holes. The Cathedrals ultramafic and footwall fault are also shown.

The Cathedrals ultramafic is interpreted from drill results to extend for a strike length of 400m with high grade mineralisation identified to date over a strike length of 200m. A number of drill holes at Cathedrals have also intersected remobilised massive sulphides in the footwall fault.

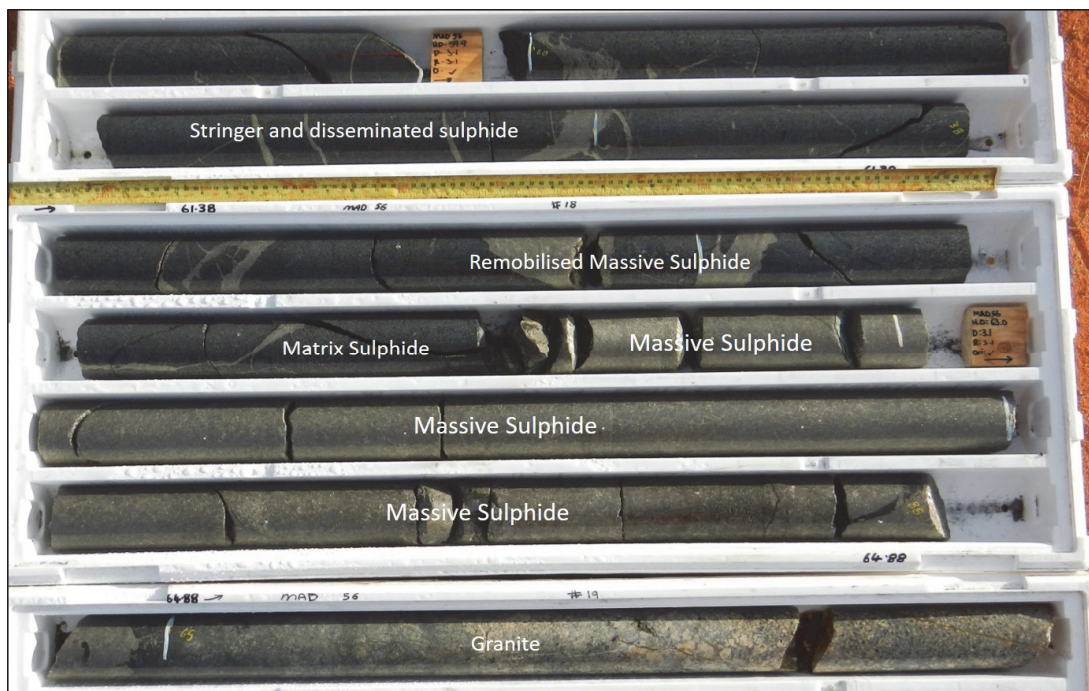


Figure 2 – drill core from MAD56 between 59.6m to 65.8m which includes the massive and matrix nickel-copper sulphides of **3.15m @ 6.36%Ni, 2.92%Cu, 0.20%Co and 5.03g/t total PGEs from 61.81m**

Drilling at the Investigators Prospect also delivered multiple intersections of high grade nickel-copper-cobalt-PGE mineralisation. MAD60 was the standout drill hole with an intersection of:

- **5.3m @ 4.95%Ni, 2.75%Cu, 0.16%Co and 4.55g/t total PGEs from 157.9m which includes**
- **3m @ 6.40%Ni, 3.55%Cu, 0.21%Co and 5.25g/t total PGEs from 159.38m and**
- **0.3m @ 5.93%Ni, 3.54%Cu, 0.20%Co and 4.36g/t total PGEs from 162.9m**

Untested electromagnetic (EM) conductors have been identified along strike and potentially down dip from MAD60 within a 200m x 175m SAMSON EM anomaly and may represent additional high grade mineralisation.

Six additional intersections of high grade nickel-copper-cobalt-PGE sulphides were made within the eastern section of Investigators within a large 350m x 300m SAMSON EM anomaly.

The mineralisation intersected to date at Investigators does not fully account for the larger conductive areas of the SAMSON EM anomalies, suggesting strong prospectivity for additional massive sulphide mineralisation within these target areas.

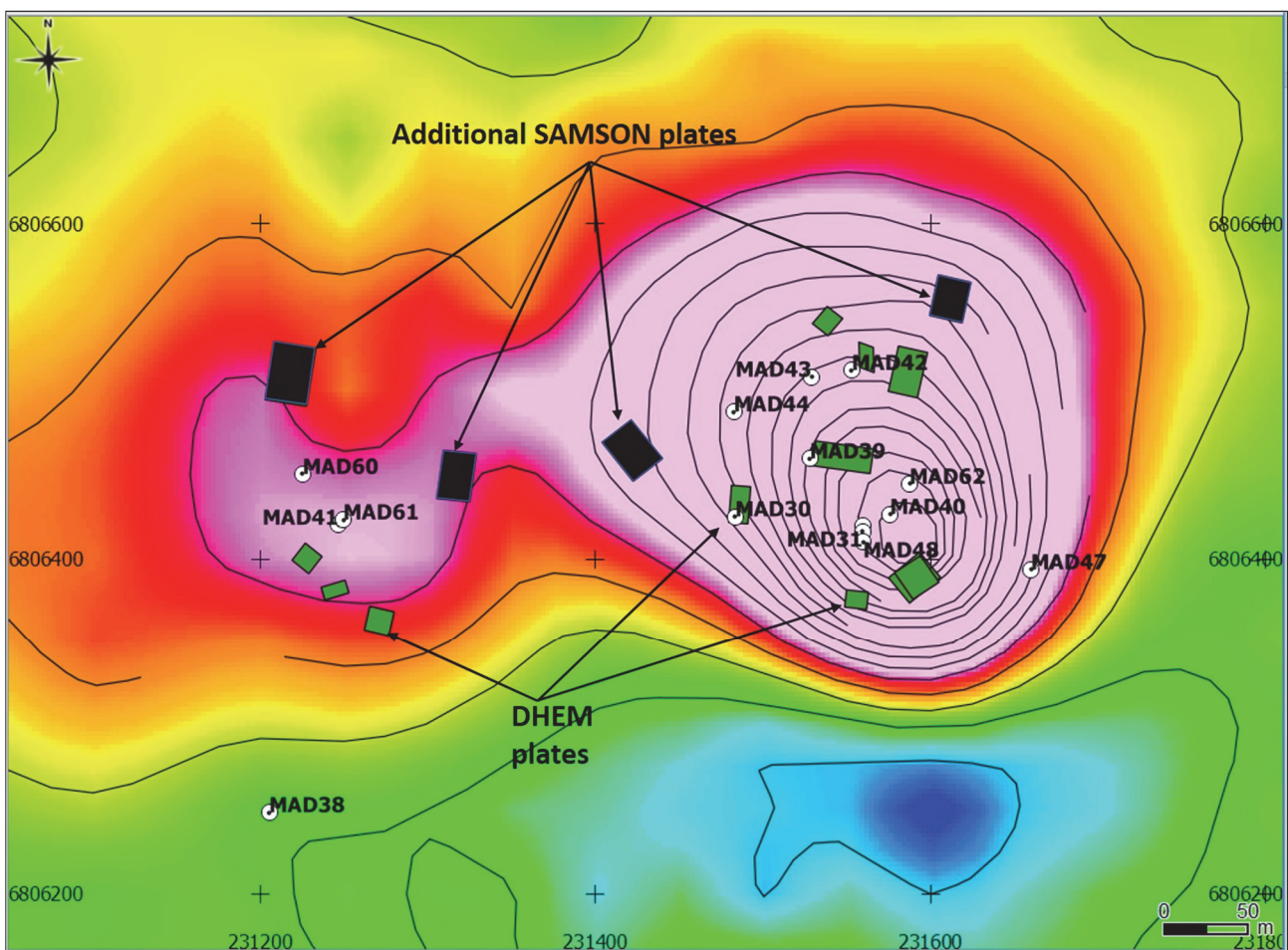


Figure 3 – a plan view of the Investigators Prospect showing the large SAMSON total field EM anomaly (in purple) in Channel 18 (44ms) in the eastern and central parts of Investigators. The contours shown are 0.05pT/A which highlight areas of stronger electromagnetic conductivity. Drill holes from the recent programme are shown together with untested SAMSON EM plates and DHEM plates.

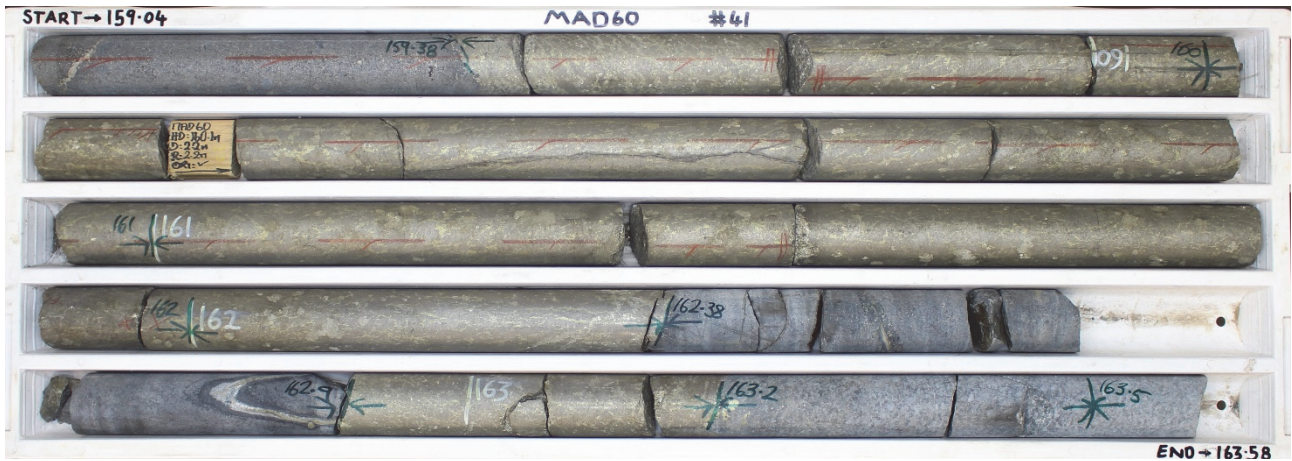


Figure 4 – photograph of drill core from MAD60 between 159.04m to 163.58m showing thick massive nickel-copper sulphides which included **3m @ 6.40%Ni, 3.55%Cu, 0.21%Co and 5.25g/t total PGEs from 159.38m**

At the Stricklands Prospect, drilling identified a thick zone of channelised magma flow with MAD49 intersecting a **thick 22.22m interval of mineralised ultramafic** with the following intersections:

- **18.86m @ 0.42%Ni, 0.16%Cu, 0.02%Co and 0.36g/t total PGEs from 31.8m and**
- **3.36m @ 2.09%Ni, 1.18%Cu, 0.09%Co and 1.82g/t total PGEs from 50.66m**

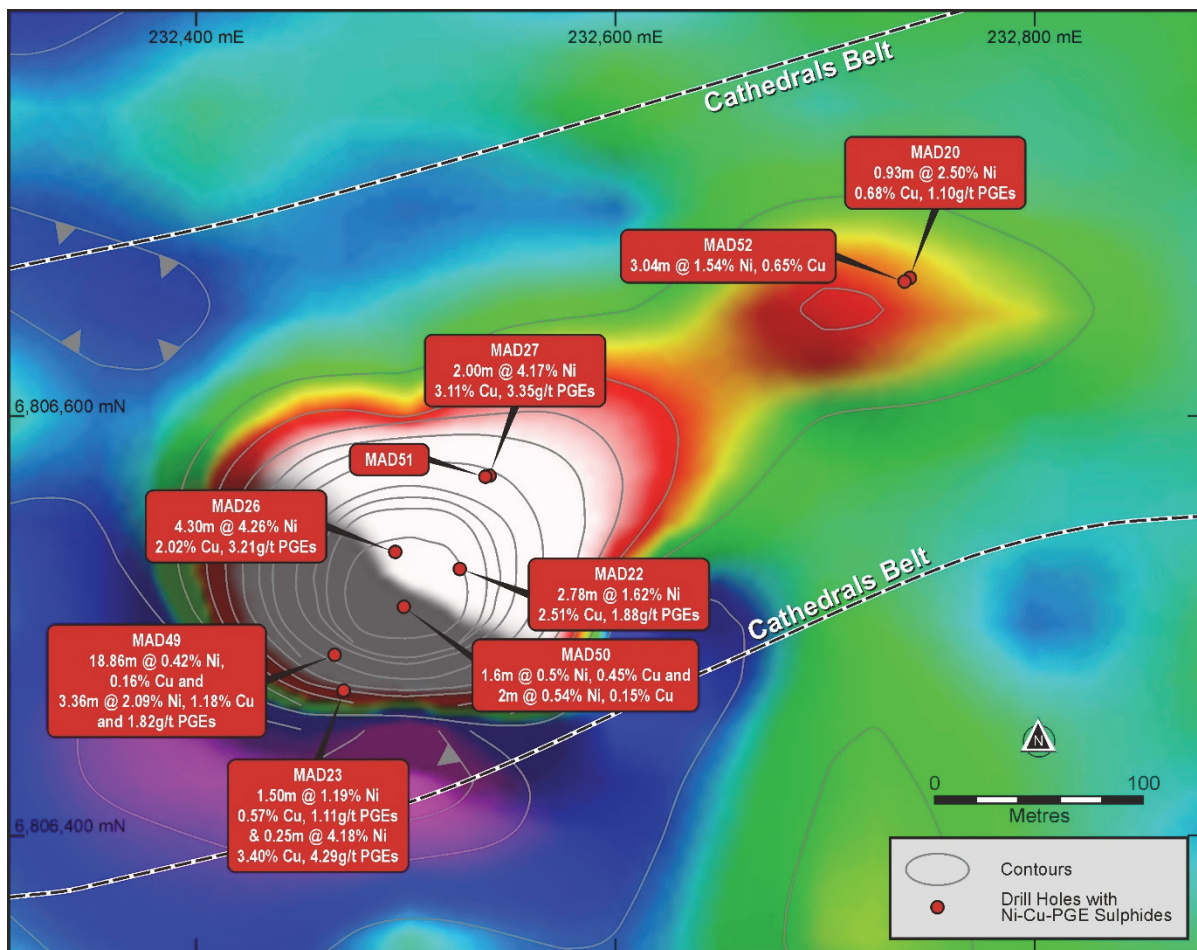


Figure 5 – a plan view of the Stricklands Prospect showing the large SAMSON total field EM anomaly (white/red colours). The SAMSON EM image is shown in Channel 18 (44ms). The contours highlight the stronger EM field in the western section of Stricklands where MAD49 was drilled. Drill hole collar locations shown in red.

The SAMSON EM anomaly at Stricklands covers an area of 200m x 130m. The large conductive area of the EM anomaly suggests that further undiscovered sulphide mineralisation may be present at Stricklands, in addition to the mineralisation identified by the limited drilling to date.

About the Mt Alexander Project:

The Mt Alexander Project is located 120km south-southwest of the Agnew-Wiluna belt which hosts numerous world class nickel deposits. The Project comprises four granted exploration licences – E29/638, E29/548, E29/962 and E29/954.

The Cathedrals, Stricklands and Investigators nickel-copper-PGE discoveries are located on E29/638, which is held in joint venture by Western Areas Limited (25%) and St George (75%). St George is the Manager of the Project with Western Areas retaining a 25% non-contributing interest in the Project (in regard to E29/638 only) until there is a decision to mine.

EAST LAVERTON – GOLD AND NICKEL SULPHIDE DRILLING

Gold Drilling:

A major gold drill programme is underway at the East Laverton Project to test a portfolio of gold targets located on the greenstone belts within the 2,000 sq km project area. A total of 100 RC drill holes have been completed to date for 7,304m drilled.

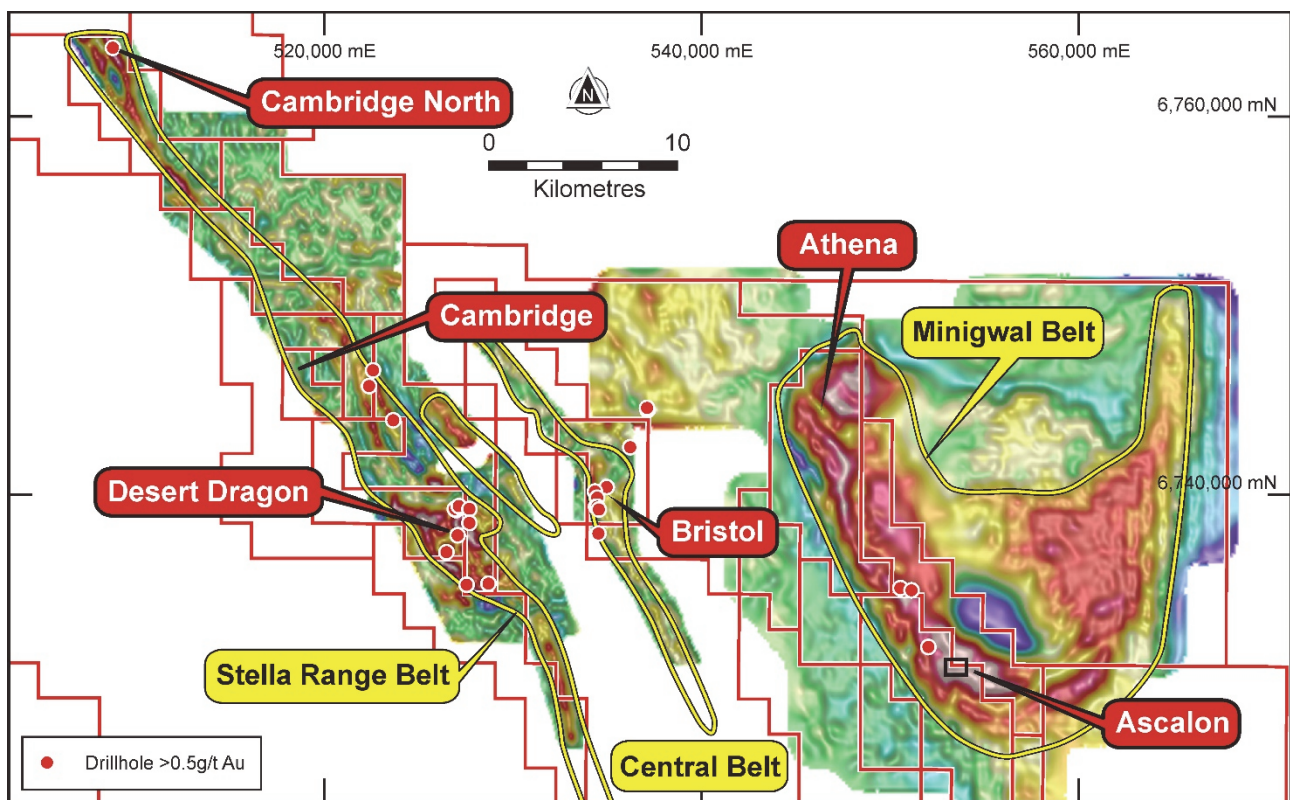


Figure 6 - the East Laverton tenements against FVD Bouguer gravity data with priority gold prospects highlighted.

Early drill results are encouraging with multiple drill holes logged as intersecting mafic rocks, including dolerite, with intervals of prominent hydrothermal alteration containing sulphide mineralisation and quartz veining. Further details are discussed in our ASX Release dated 27 July 2017 'Gold Drilling at East Laverton'.

The high grade Silver Swan deposit presented as a narrow segmented, steeply dipping, highly conductive massive nickel sulphide shoot extending from 190m below the surface. Newexco, St George’s geophysical consultants, were also advisers in the discovery and exploration at Silver Swan and Silver Swan Deeps.

To further explore the prospective Windsor channel for nickel sulphides, a SAMSON EM survey has been designed for this area. SAMSON uses a high powered transmitter and sensitive receiver that has the capability to deliver greater EM depth penetration than that achieved by conventional EM systems.

The SAMSON EM survey will search for deep conductors at the basal contact of the Windsor channel and will also provide further EM data to corroborate modelling of the shallow EM targets at Windsor that have already been recognised by DHEM surveys.

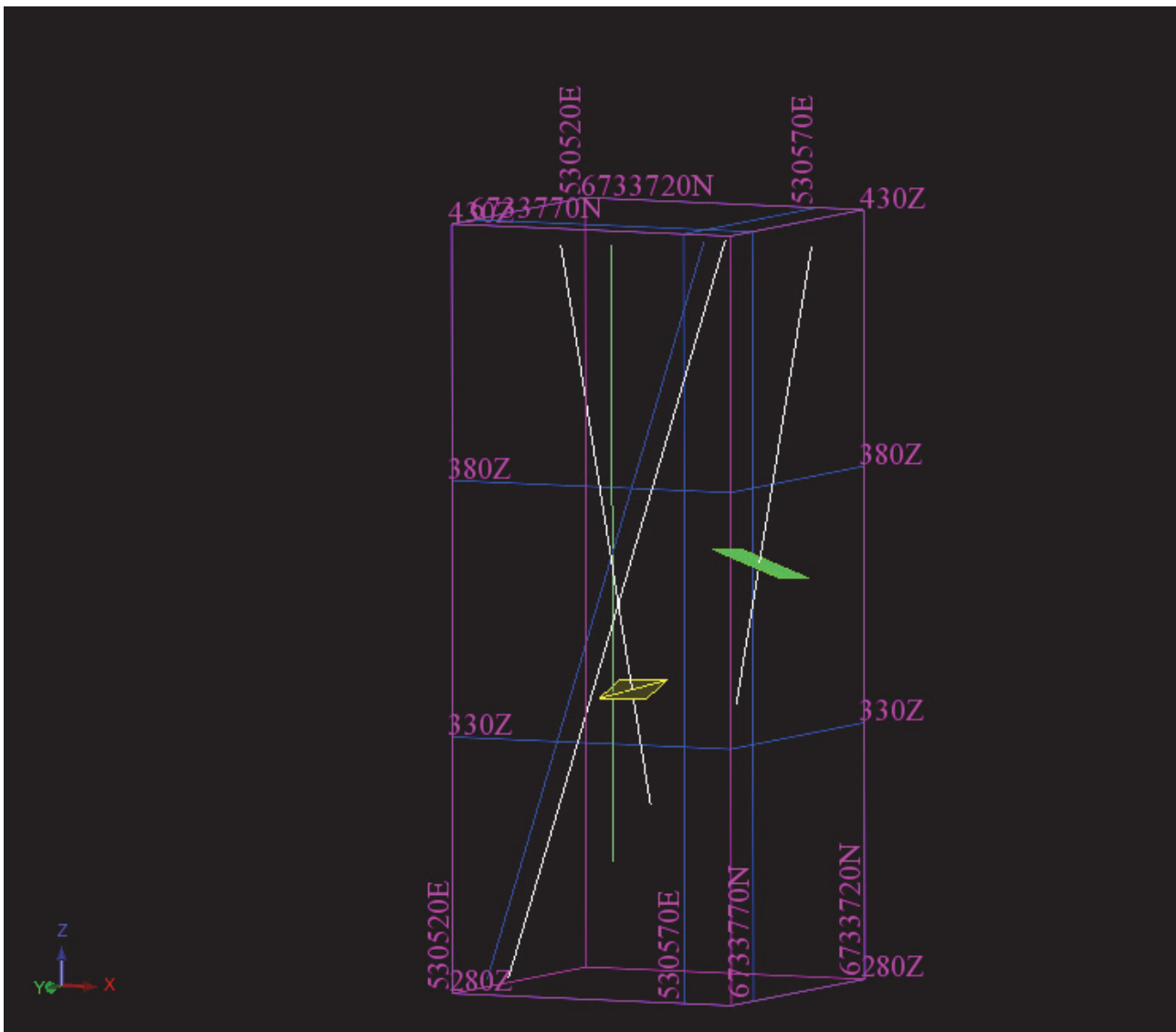


Figure 8 – 3D block view of the latest drill holes completed by St George at Windsor. The drill holes intersected the modelled position of the EM plates but no material was encountered to explain the modelled conductivity. It is now thought that the conductors may be steeply dipping narrow shoots rather than flat rectangles, which further challenges the limitations of modelling these anomalies and designing drill holes to test them.

TENEMENT INFORMATION

There were no changes to the Company's tenement holdings during the quarter except as outlined below.

East Laverton Project

St George Mining has 100% ownership of 26 granted Exploration Licences at the East Laverton Project.

Lake Minigwal Project

St George Mining has 100% ownership of 3 granted Exploration Licences at the Lake Minigwal Project.

Mt Alexander Project

St George has 100% ownership of three granted Exploration Licences (E29/548, E29/962 and E29/954) and one application for Exploration Licence (E29/972) at Mt Alexander. A further granted Exploration Licence, E29/638, is held in joint venture between Western Areas (25%) and St George (75%).

Hawaii Project

St George has 100% ownership of two granted Exploration Licences at the Hawaii Project.

CORPORATE UPDATE

Exploration Development Incentive (EDI) Tax Credits

The Company announced on 4 May 2017 that shareholders were to receive an EDI tax credit through a Federal Government initiative. The initiative allows Australian resident shareholders to obtain a refundable tax offset for greenfields exploration undertaken by Australian junior exploration companies that do not derive any taxable income.

St George participated in the EDI for the 2016/2017 tax year with \$768,164 of tax credits approved by the Federal Government. The credits were distributed to eligible shareholders of St George who held ordinary fully paid shares in the Company on 31 May 2017.

Expired Options

On 4 July 2017, the Company advised that 47,353,522 listed options (SGQOA) were unexercised at 30 June 2017 and expired.

R&D Cash Rebate

The Company is in the process of completing its Income Tax Return for the financial year ended 30 June 2017. The Income Tax Return includes research and development expenditure which the Company believes will be eligible for a cash rebate under the Federal Government's R&D Tax Incentive Scheme.

The cash rebate, once approved, is expected to be received by the Company in the quarter ending 30 September 2017.

COMPETENT PERSON STATEMENT:

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

The information in this report that related to Exploration Targets, Exploration Results, Minerals Resources or Ore Reserves regarding the Mt Alexander Project is based on information compiled by Mr Matthew McCarthy, a Competent Person who is a Member of The Australian Institute of Geoscientists. Mr McCarthy is employed by St George Mining Limited.

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

- 8 February 2017 *SAMSON Survey Lights Up New Targets at Mt Alexander*
- 15 February 2017 *Massive Nickel Sulphide Targets at Stricklands*
- 22 February 2017 *Priority Targets for Cathedrals Prospect*
- 28 February 2017 *EM Survey over New Target Areas at Mt Alexander*
- 14 March 2017 *St George Commences Drilling at Mt Alexander*
- 6 April 2017 *Drilling Success Continues at Mt Alexander*
- 2 June 2017 *Drilling at Nickel Sulphide Target*
- 5 July 2017 *High Grade Nickel-Copper-Cobalt-PGEs at Investigators*
- 6 July 2017 *Nickel Sulphide Exploration at Windsor is Escalated*
- 19 July 2017 *High Grade Nickel-Copper-Cobalt-PGEs at Investigators*
- 27 July 2017 *Gold Drilling at East Laverton*

The Company confirms that it is not aware of any new information or data that materially affects the exploration results included in any original market announcements referred to in this report and that no material change in the results has occurred. The Company confirms that the form and context in which the Competent Person's findings are presented have not been materially modified from the original market announcements.

TENEMENT INFORMATION AS REQUIRED BY LISTING RULE 5.3.3

Other than as detailed in the body of the Quarterly Activities Report and in the Table below, no tenements, in part or whole, were relinquished, surrendered or otherwise divested during the quarterly period ended 30 June 2017.

EAST LAVERTON/LAKE MINIGWAL:

Tenement ID	Registered Holder	Location	Ownership (%)	Change in Quarter
E39/0981	Desert Fox Resources Pty Ltd	East Laverton Property	100	N/A
E39/0982	Desert Fox Resources Pty Ltd	East Laverton Property	100	N/A
E39/0985	Desert Fox Resources Pty Ltd	East Laverton Property	100	N/A
E39/1064	Desert Fox Resources Pty Ltd	East Laverton Property	100	N/A
E39/1066	Desert Fox Resources Pty Ltd	East Laverton Property	100	N/A
E39/1229	Desert Fox Resources Pty Ltd	East Laverton Property	100	N/A
E39/1461	Desert Fox Resources Pty Ltd	East Laverton Property	100	N/A
E39/1472	Desert Fox Resources Pty Ltd	East Laverton Property	100	N/A
E39/1473	Desert Fox Resources Pty Ltd	East Laverton Property	100	N/A
E39/1474	Desert Fox Resources Pty Ltd	East Laverton Property	100	N/A
E39/1475	Desert Fox Resources Pty Ltd	East Laverton Property	100	N/A
E39/1476	Desert Fox Resources Pty Ltd	East Laverton Property	100	N/A
E39/1467	Desert Fox Resources Pty Ltd	East Laverton Property	100	N/A
E39/1492	Desert Fox Resources Pty Ltd	East Laverton Property	100	N/A
E39/1518	Desert Fox Resources Pty Ltd	East Laverton Property	100	N/A
E39/1519	Desert Fox Resources Pty Ltd	East Laverton Property	100	N/A
E39/1520	Desert Fox Resources Pty Ltd	East Laverton Property	100	N/A
E39/1521	Desert Fox Resources Pty Ltd	East Laverton Property	100	N/A
E39/1549	Desert Fox Resources Pty Ltd	East Laverton Property	100	N/A
E39/1572	Desert Fox Resources Pty Ltd	East Laverton Property	100	N/A
E39/1608	Desert Fox Resources Pty Ltd	East Laverton Property	100	N/A
E39/1666	Desert Fox Resources Pty Ltd	East Laverton Property	100	N/A
E39/1667	Desert Fox Resources Pty Ltd	East Laverton Property	100	N/A
E39/1722	Desert Fox Resources Pty Ltd	East Laverton Property	100	N/A
E39/1779	Desert Fox Resources Pty Ltd	East Laverton Property	100	N/A
E39/1852	Desert Fox Resources Pty Ltd	East Laverton Property	100	N/A
E39/1677	St George Mining Limited	Lake Minigwal Project	100	N/A
E39/1678	St George Mining Limited	Lake Minigwal Project	100	N/A
E39/1877	St George Mining Limited	Lake Minigwal Project	100	N/A

MT ALEXANDER/HAWAII:

Tenement ID	Registered Holder	Location	Ownership (%)	Change in Quarter
E29/638	Blue Thunder Resources Pty Ltd	Mt Alexander	75	N/A
E29/548	Blue Thunder Resources Pty Ltd	Mt Alexander	100	N/A
E29/954	Blue Thunder Resources Pty Ltd	Mt Alexander	100	N/A
E29/962	Blue Thunder Resources Pty Ltd	Mt Alexander	100	N/A
ELA29/972	Blue Thunder Resources Pty Ltd	Mt Alexander	0	N/A
E36/741	Blue Thunder Resources Pty Ltd	Hawaii	100	N/A
E39/851	Blue Thunder Resources Pty Ltd	Hawaii	100	N/A

Appendix 5B

Mining exploration entity and oil and gas exploration entity quarterly report

Introduced 01/07/96 Origin Appendix 8 Amended 01/07/97, 01/07/98, 30/09/01, 01/06/10, 17/12/10, 01/05/13, 01/09/16

Name of entity

St George Mining Limited

ABN

21 139 308 973

Quarter ended ("current quarter")

30 June 2017

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (12 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	-	-
1.2 Payments for		
(a) exploration & evaluation	(643)	(4,181)
(b) development	-	-
(c) production	-	-
(d) staff costs	(147)	(645)
(e) administration and corporate costs	(66)	(413)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	26	84
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Research and development refunds	-	2,340
1.8 Other (provide details if material)	(26)	13
1.9 Net cash from / (used in) operating activities	(856)	(2,802)
2. Cash flows from investing activities		
2.1 Payments to acquire:		
(a) property, plant and equipment	-	-
(b) tenements (see item 10)	-	-
(c) investments	-	-

Mining exploration entity and oil and gas exploration entity quarterly report

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (12 months) \$A'000
(d) other non-current assets	-	-
2.2 Proceeds from the disposal of:		
(a) property, plant and equipment	-	-
(b) tenements (see item 10)	-	-
(c) investments	-	-
(d) other non-current assets	-	-
2.3 Cash flows from loans to other entities	-	-
2.4 Dividends received (see note 3)	-	-
2.5 Other (provide details if material)	-	-
2.6 Net cash from / (used in) investing activities	-	-

3. Cash flows from financing activities		
3.1 Proceeds from issues of shares	-	6,475
3.2 Proceeds from issue of convertible notes	-	-
3.3 Proceeds from exercise of share options	-	-
3.4 Transaction costs related to issues of shares, convertible notes or options	-	(336)
3.5 Proceeds from borrowings	-	-
3.6 Repayment of borrowings	-	-
3.7 Transaction costs related to loans and borrowings	-	-
3.8 Dividends paid	-	-
3.9 Other (provide details if material)	-	-
3.10 Net cash from / (used in) financing activities	-	6,139

4. Net increase / (decrease) in cash and cash equivalents for the period		
4.1 Cash and cash equivalents at beginning of period	5,630	1,437
4.2 Net cash from / (used in) operating activities (item 1.9 above)	(856)	(2,802)
4.3 Net cash from / (used in) investing activities (item 2.6 above)	-	-
4.4 Net cash from / (used in) financing activities (item 3.10 above)	-	6,139
4.5 Effect of movement in exchange rates on cash held	-	-
4.6 Cash and cash equivalents at end of period	4,774	4,774

5. Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1 Bank balances	80	29
5.2 Call deposits	4,694	5,601
5.3 Bank overdrafts	-	-
5.4 Other (provide details)	-	-
5.5 Cash and cash equivalents at end of quarter (should equal item 4.6 above)	4,774	5,630

6. Payments to directors of the entity and their associates	Current quarter \$A'000
6.1 Aggregate amount of payments to these parties included in item 1.2	164
6.2 Aggregate amount of cash flow from loans to these parties included in item 2.3	-
6.3 Include below any explanation necessary to understand the transactions included in items 6.1 and 6.2	
N/A	

7. Payments to related entities of the entity and their associates	Current quarter \$A'000
7.1 Aggregate amount of payments to these parties included in item 1.2	-
7.2 Aggregate amount of cash flow from loans to these parties included in item 2.3	-
7.3 Include below any explanation necessary to understand the transactions included in items 7.1 and 7.2	
N/A	

Mining exploration entity and oil and gas exploration entity quarterly report

8. Financing facilities available <i>Add notes as necessary for an understanding of the position</i>	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
8.1 Loan facilities	-	-
8.2 Credit standby arrangements	-	-
8.3 Other (please specify)	-	-
8.4 Include below a description of each facility above, including the lender, interest rate and whether it is secured or unsecured. If any additional facilities have been entered into or are proposed to be entered into after quarter end, include details of those facilities as well.		

N/A

9. Estimated cash outflows for next quarter	\$A'000
9.1 Exploration and evaluation	1,200
9.2 Development	-
9.3 Production	-
9.4 Staff costs	147
9.5 Administration and corporate costs	79
9.6 Other (provide details if material)	-
9.7 Total estimated cash outflows	1,426

10. Changes in tenements (items 2.1(b) and 2.2(b) above)	Tenement reference and location	Nature of interest	Interest at beginning of quarter	Interest at end of quarter
10.1 Interests in mining tenements and petroleum tenements lapsed, relinquished or reduced	N/A	N/A	N/A	N/A
10.2 Interests in mining tenements and petroleum tenements acquired or increased	N/A	N/A	N/A	N/A

Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Sign here: Sarah Shipway Date: 31 July 2017
Non-Executive Director/Company Secretary

Print name: Sarah Shipway

Notes

1. The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity that wishes to disclose additional information is encouraged to do so, in a note or notes included in or attached to this report.
2. If this quarterly report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, AASB 6: Exploration for and Evaluation of Mineral Resources and AASB 107: Statement of Cash Flows apply to this report. If this quarterly report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.