



ST GEORGE MINING LIMITED

ABN 21 139 308 973

HALF YEARLY REPORT FOR THE HALF YEAR ENDED 31 DECEMBER 2021



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 2021 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 2021. 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

Sarah Shipway B.Com, CA – Non-Executive Director

John Dawson B.Com MBA – Non-Executive Director

REVIEW AND RESULTS OF OPERATIONS

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

	31 December 2021	
	Revenues	Results
	\$	\$
Revenues and (Loss)	34,363	(4,481,157)

During the six months period the exploration and evaluation expenditure was \$3,400,634 (2020: \$3,633,114). In accordance with the Group's accounting policy these costs were written off. Administration costs were \$967,955 (2020: \$875,676) and share based payments expense were \$146,931 (2020: \$421,991), resulting in a total loss for the six months of \$4,481,157 (2020: \$4,751,951).

REVIEW OF OPERATIONS

The Board is pleased to present the Review of Operations for the half-year ended 31 December 2021.

MT ALEXANDER PROJECT
High-grade nickel-copper sulphides

Deeper drilling delivers more discoveries and EM conductors for testing:

Deeper discoveries:

Concurrent drilling and downhole electromagnetic (DHEM) surveys continue to be used to test for continuity at depth of the high-grade nickel-copper sulphides already discovered at shallow depths across the Cathedrals Belt.

Deeper drilling at the West End and Investigators Prospects during 2021 delivered new discoveries that represented the deepest nickel-copper sulphide mineralisation intersected in the Cathedrals Belt to date.

This was an important exploration milestone, as it confirmed that the extensive structural network at the Cathedrals Belt was fertile for high-grade mineralisation at depth.

In addition to the deeper discoveries – in MAD199 and MAD201 – all deeper holes completed in 2021 intersected intrusive style rocks, confirming the continuity of the intrusive host structure at depth.

Laboratory assays confirmed high-grade mineralisation in MAD199 as well as MAD201, which was drilled 125m below MAD199. The nickel-copper sulphides in these holes are preserved, which indicates they may be associated with a larger proximal body of mineralisation rather than having been remobilised from a very distant source.

Hole ID	From	To	Interval	Ni (%)	Cu (%)	PGEs (g/t)	Au (ppm)	Co (ppm)
MAD199	333.5	344.57	11.07	1.58	0.71	1.23	0.09	593
incl.	340.67	344.57	3.9	3.98	1.8	3.1	0.234	1,445
incl.	342.12	343.4	1.28	6.54	2.96	3.88	0.26	2,298
MAD201	434.6	437	2.4	1.66	0.55	0.52	-	-
incl.	436.74	437	0.26	6.18	1.2	0,79	-	-

Table 1 – laboratory assays for MAD199 and MAD201.



Figure 1 – drill core from the massive sulphide interval of MAD199 between 342.12m to 343.4m downhole.

'Field of conductors' points to potential for significant mineralisation:

DHEM surveys in several of the drill holes completed in 2021 have identified a large number of strong conductors – all interpreted to have a massive sulphide source.

In MAD201, three very strong conductors were identified up-dip towards the high-grade intersection in MAD199. The conductors are modelled with conductivity of 120,400 Siemens, 30,000 Siemens and 23,000 Siemens, respectively.

Several other EM conductors have been identified from the DHEM surveys completed in drill holes proximal to MAD201 including:

- MAD196 at Investigators – three off-hole EM conductors identified, with the strongest having conductivity of 69,926 Siemens
- MAD200 at West End – three off-hole EM conductors identified, with the largest having a strike length of 250m
- MAD202 at West End – very strong 81,000 Siemens conductor that is coincidental with a large gravity and magnetic feature

The field of multiple EM conductors identified at West End and Investigators suggests that this area is a very active part of the Cathedrals Belt mineral system, with potential for the conductors to be associated with a greater volume of mineralisation along strike or down-dip.

Further drilling is planned to test the DHEM conductors and investigate the continuity of mineralisation at West End and Investigators.

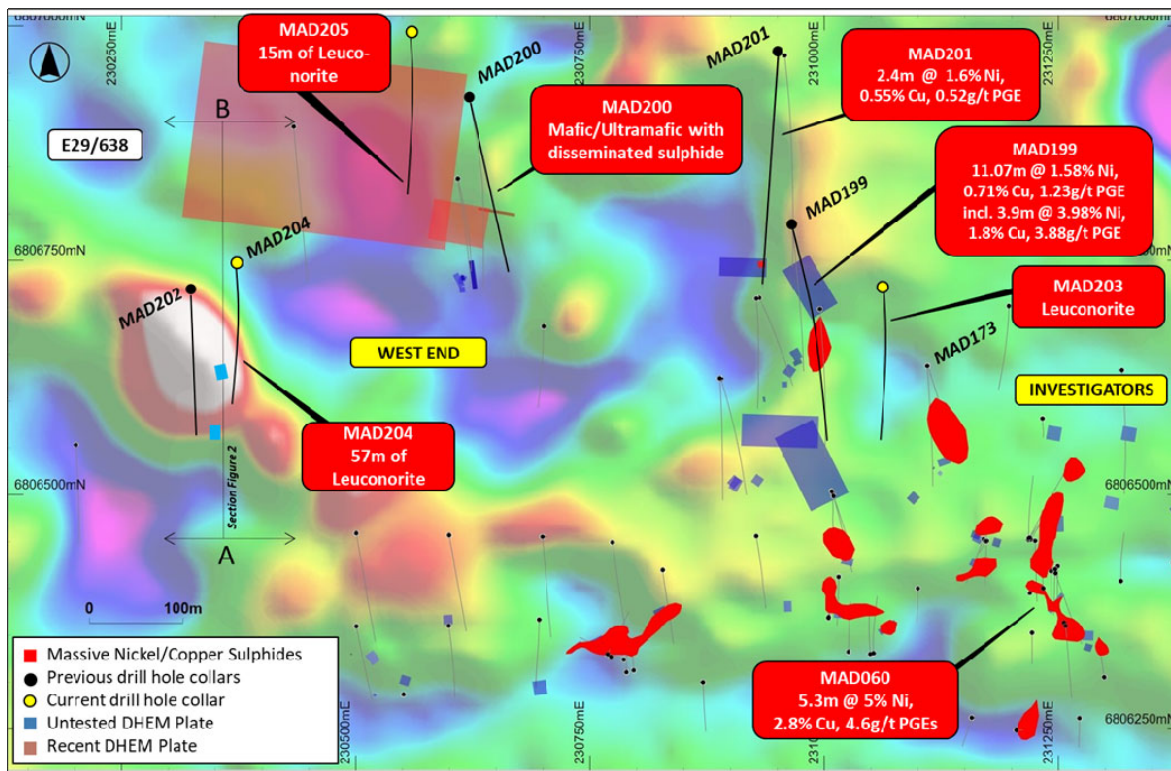


Figure 2 – plan view map of West End and Investigators (against gravity data) showing the field of new DHEM conductors as well as prior drilling. Gravity highs are shown by warmer colours (white, red and yellow). High density massive sulphides and their host rocks will typically present as gravity highs. Less dense material or cover are represented by cooler colours (blues and purples).

Seismic survey confirms prospectivity at depth:

First-ever seismic:

The first-ever seismic survey at the Cathedrals Belt was carried out during September 2021 and comprised three north-south 2D seismic lines approximately 1km apart over a section of the West End and Investigators Prospects.

Each line provided a vertical plane of seismic data that successfully mapped the complex network of structures at depth. The main Cathedrals Belt structure is clearly seen in the data as continuing down-dip to the north. This is consistent with our geological model, which interprets this structure as dipping to the north.

Conjugate structures:

The seismic data has revealed a complex network of deep structures in the survey area. These structures have the potential to have acted as a control on the nickel-copper sulphide mineralisation at the project.

‘Series 1’ structures are east-west striking and dip to the north between 30 to 40 degrees. The Cathedrals Belt and Transits Belt are Series 1 structures and considered to be primary hosts to known and interpreted further mineralisation in the project area.

‘Series 2’ structures are east-northeast striking and dip to the south between 35 to 50 degrees. Series 2 structures are newly recognised and remain unexplored. These structures are interpreted to have formed during or after the Series 1 structures making them highly prospective.

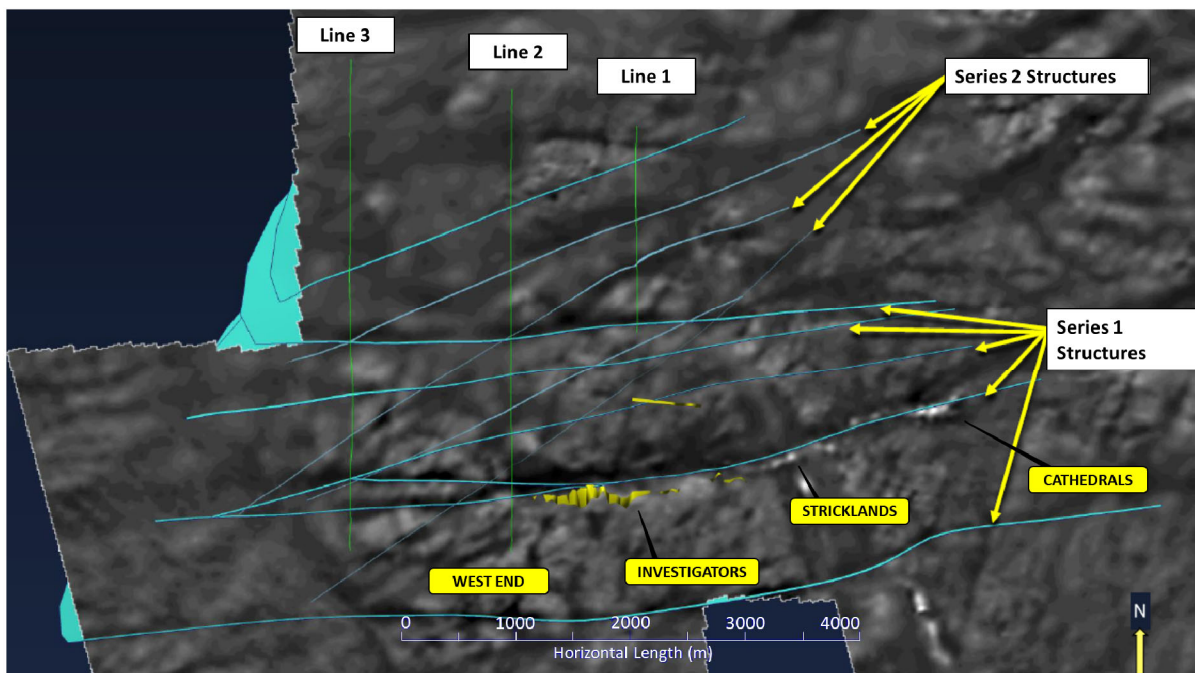


Figure 3 – plan view against magnetics showing the completed seismic lines and the structures.

The structures seen in the seismic data correlate with linear features in the magnetic data. This further supports an interpretation that the structures continue beyond the survey area in line with the magnetics.

New seismic targets:

Five new targets have been identified in the seismic data and rated as priority targets for a potential Ni-Cu-PGE deposit. The reflective properties of the new targets are consistent with the reflective properties recorded in the seismic data for the known massive sulphides in the Cathedrals Belt.

All targets are within an intrusive structure, which is a favourable setting for potential massive sulphides.

Seismic targets S1, S2, S4 and S5 are located within Exploration Licence E29/548 (100% St George) while S3 is within E29/638 (75% St George: 25% Western Areas).

Interpretation of the seismic data has been completed by independent consultants, Rock Solid Seismic. The principal of Rock Solid Seismic, Mr Graeme Hird, has industry leading credentials in hard rock seismic projects. Prior to launching Rock Solid Seismic, Mr Hird was Principal Interpretation Geologist at HiSeis – one of the largest hard rock seismic consulting firms in Australia.

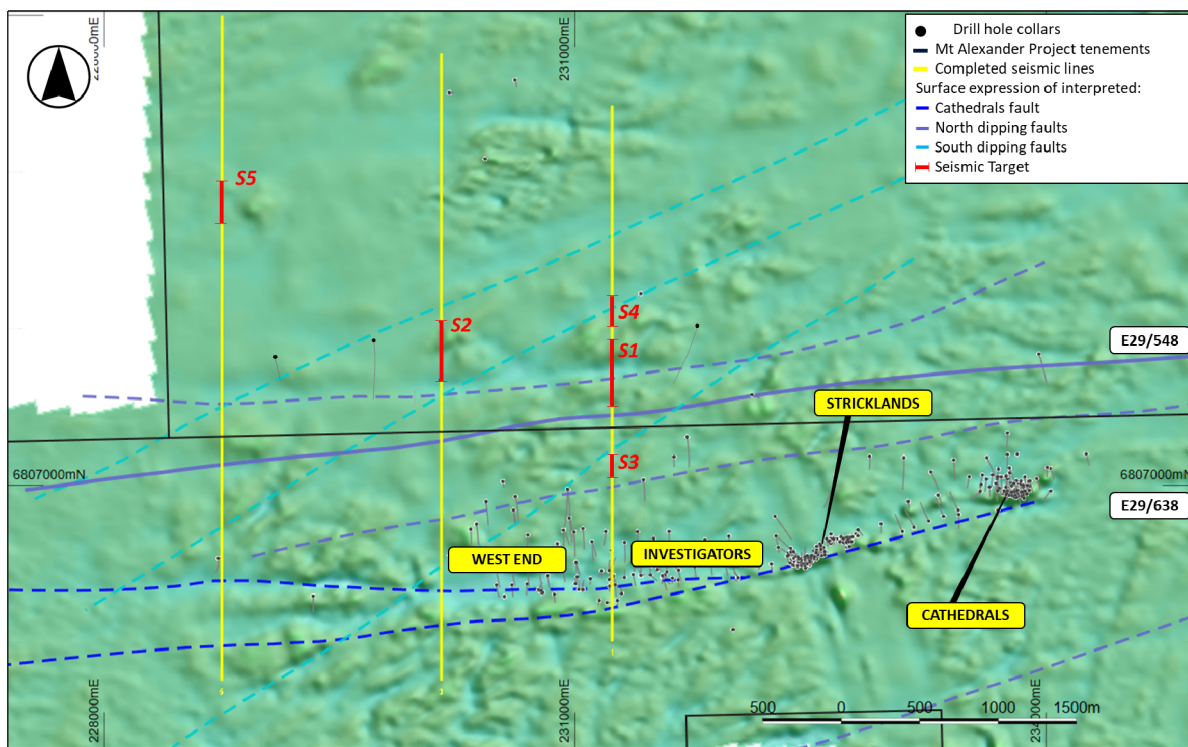


Figure 4 – map (against magnetic (RTP 1VD) showing the seismic survey lines (yellow), the structures delineated by the survey and the new targets (interpreted position at depth projected at surface).

Starter mine proposal:

Metallurgical programme:

Metallurgical test work on the Stricklands deposit is being finalised by XPS (Expert Process Solutions – a Glencore Company) in Canada. Initial results are expected in Q1 2022.

The test work is expected to confirm the amenability of the Stricklands ore to conventional flotation processing and the production of separate nickel and copper concentrates.

The flowsheet produced for the Stricklands deposit is also expected to be suitable for the processing of ore from other deposits along the Cathedrals Belt, including those at the Cathedrals and Investigators Prospects.

Scoping study:

The final field survey regarding flora and vegetation base line studies at Mt Alexander was conducted in October 2021.

The field surveys at Mt Alexander covered two field seasons and were conducted by Western Botanical Consulting Ecologists to meet the requirements of an Impact Assessment to support any future proposal for mining at Mt Alexander.

The findings from the surveys were used to assess the 10 Clearing Principles under the Environmental Protection Act 1986. Importantly, the conclusion of our independent consultants is that a proposal for mining activities at Mt Alexander is not at variance with any of the Principles.

Scoping study activities will continue in 2022 with a view to finalising a mining proposal for a low cost/high-margin starter mine at Mt Alexander focused on the shallow high-grade Stricklands Deposit.

About the Mt Alexander Project:

The Mt Alexander Project is located 120km south south-west of the Agnew-Wiluna Belt, which hosts numerous world-class nickel deposits. The Project comprises six granted exploration licences – E29/638, E29/548, E29/962, E29/954, E29/972 and E29/1041 – which are a contiguous package. A seventh granted exploration licence – E29/1093 – is located to the south-east of the core tenement package.

The Cathedrals, Stricklands, Investigators and Radar nickel-copper-cobalt-PGE discoveries are located on E29/638, which is held in joint venture by St George (75%) and Western Areas Limited (25%). 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. All other Project tenements are owned 100% by St George.

PATERSON PROJECT*Copper and gold targets***Maiden drilling intersects prospective lithology:**

A maiden reconnaissance drill programme at the Paterson Project was completed in 2021. The programme comprised a number of wide-spaced drill traverses – using air-core and reverse circulation drilling – designed to test the lithology and depth of cover across a 35km strike of prospective stratigraphy at St George's E45/5226. In total, 35 holes were completed for 6,264m drilled.

Drilling in the southern part of the tenement intersected basement rocks and confirmed the depth of cover as less than 180m, which is relatively shallow for the region and highly explorable.

The cover sequence in the northern area of E45/5226 has a higher clay content and higher water table than elsewhere in the tenement. This area is more suitable to diamond drilling and a number of planned holes in the northern area are now scheduled to be drilled with diamond core.

Encouragingly, multiple drill holes intersected prospective basement rocks including chalcopyrite bearing, intensely altered and gossanous metasediments. St George believes these rocks are indicative of potential base metal and gold mineralisation in the project area.

Follow-up diamond drilling is scheduled for April 2022.

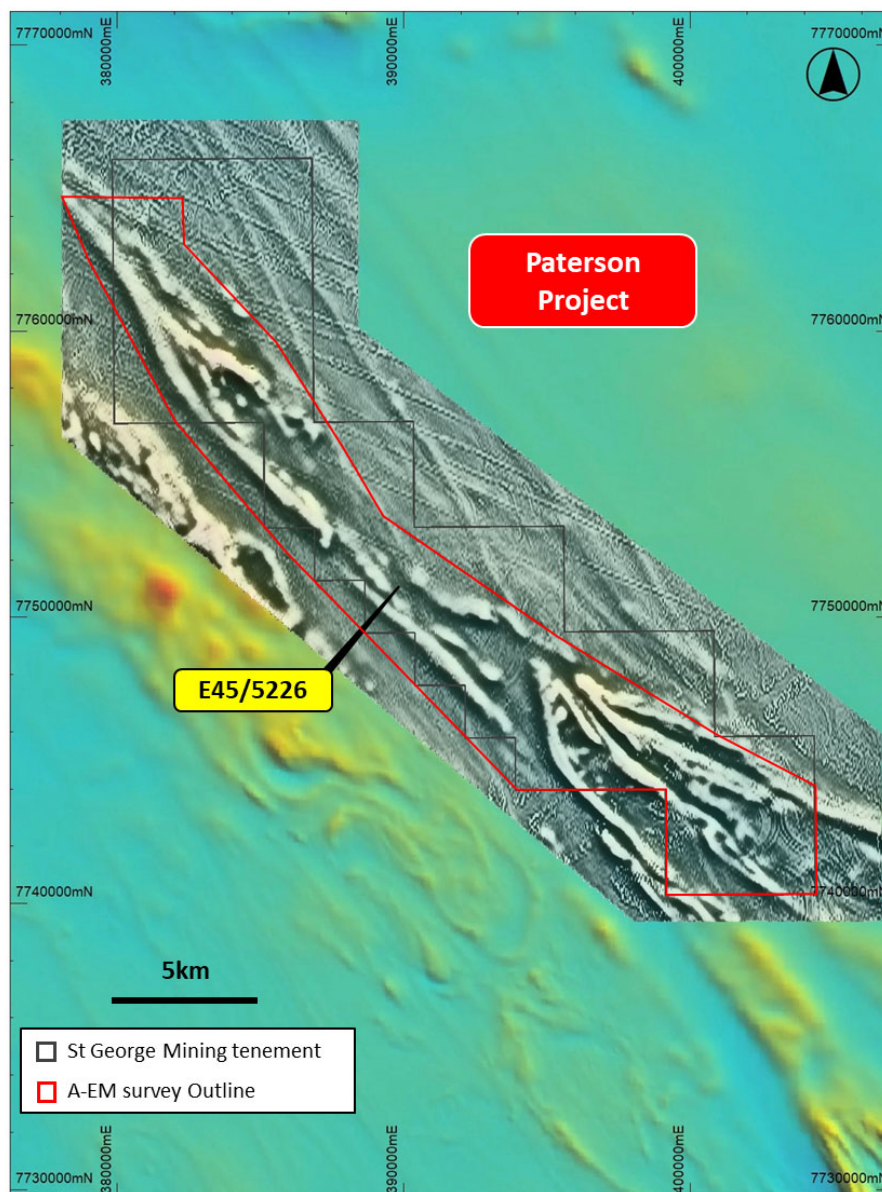
Airborne EM survey:

Following the success of the maiden drilling programme in identifying prospective host stratigraphy and confirming the depth of basement, an airborne EM survey was completed over E45/5226.

The EM survey is designed to identify conductive material in the basement rocks that may represent sulphide mineralisation.

The results of the airborne EM survey will be reviewed in conjunction with other data sets, including the drill results and other geophysical surveys (namely the airborne magnetic and gravity surveys completed in 2020), to select targets for drill testing.

Figure 5 – map of tenement E45/5226 showing the airborne electromagnetic survey outline (red) overlying the project magnetics (greyscale RTP 1VD) and regional TMI magnetics.



BROADVIEW PROJECT

Greenfields opportunity in emerging mineral province

The new Broadview Project is located in Western Australia’s Wheatbelt, approximately 150km east of Perth. Other tenement holders in the region include global mining major Anglo American plc (LSE: AAL), which has more than 10,000 sq km of ground, and Impact Minerals (ASX: IPT) which has established its Arkun Project with five tenements.

The Broadview Project is considered prospective for nickel-copper-PGE deposits as well as for copper and gold mineralisation. It comprises two exploration licences covering an area of 250 sq km.

The two exploration licences cover two arcuate belts that are interpreted to be splays off the mobile belt that trends north-west to south-east from the Moora-Julimar-Yarawindah area and may mark the boundary of the South West Terrane.

The interpreted boundary of the South West Terrane has a scale and setting that suggests it may contain prospective rocks for hosting major nickel-copper-PGE deposits, such as the recent discoveries at Yarawindah and Julimar in the northern portions of the belt. This interpretation is further supported by the presence of anomalous copper in outcrop.

A maiden augur soil survey at Broadview is planned for early 2022 to investigate for anomalism that may support the presence of prospective lithology. Further exploration will be planned once results are reviewed.

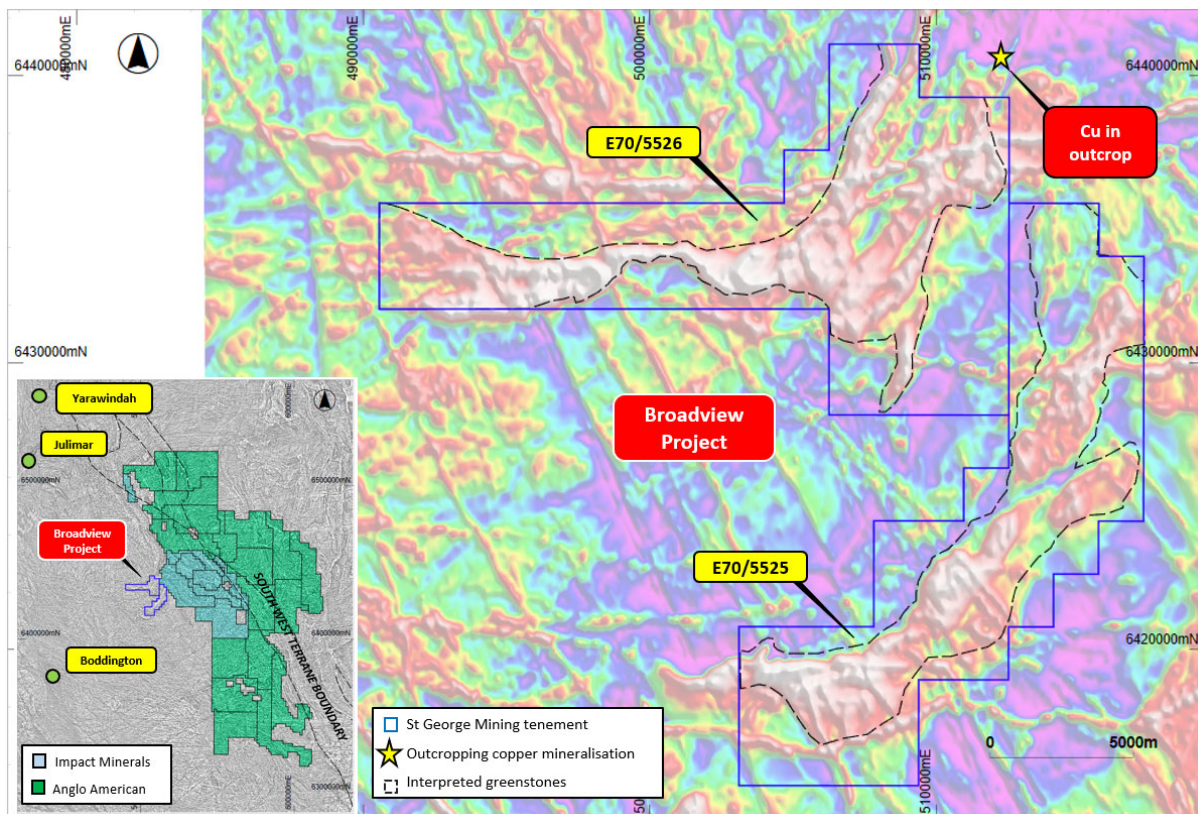


Figure 6 – map of the Broadview Project tenements overlaying magnetic data and highlighting interpreted greenstones. Inset shows regional location.

CORPORATE***Annual General meeting of shareholders:***

The Annual General Meeting of Shareholders was held on 3 November 2021. The agenda for the Meeting is contained in the Notice of Meeting dated 30 September 2021.

All resolutions proposed at the Meeting were approved.

COVID-19:

St George continues to manage its operations in compliance with COVID-19 regulations issued by State and Commonwealth authorities. We proactively manage drilling and other field programmes to protect the health and safety of our team and service providers.

Border restrictions in Western Australia and elsewhere have impacted the movement of personnel for drill rig crews, which is constraining the availability of drill rigs. St George is in close contact with its drilling contractors to best manage access and continuity to drilling services.

Restrictions on international travel as well as lockdowns in parts of Canada have impacted on the timing for completion of metallurgical test work underway in Canada. St George is working closely with its service provider to finalise test work with minimal delays.

SUBSEQUENT EVENTS

On 15 March 2022 the Company requested a trading halt on its securities pending the release of an announcement regarding a proposed capital raising, it is expected that the announcement will be made before commencement of trading on 17 March 2022.

Other than the above there is no matter or circumstance that has arisen since 31 December 2021, 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.

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 12.

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



John Prineas

Executive Chairman

St George Mining Limited

16 March 2022

16 March 2022

Board of Directors
St George Mining Limited
Suite 2, 28 Ord Street
West Perth WA 6005

Dear Directors

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 half year financial statements of St George Mining Limited for the period ended 31 December 2021, 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 LIMITED
(An Authorised Audit Company)



Martin Michalik
Director

**CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE HALF-YEAR ENDED 31 DECEMBER 2021**

AUSTRALIAN DOLLAR (\$)	NOTES	31 DECEMBER 2021	31 DECEMBER 2020
REVENUE FROM CONTINUING OPERATIONS			
Interest		2,190	7,830
Government rebates		21,591	171,000
Other		10,582	-
EXPENDITURE			
Administration expenses		(967,955)	(875,676)
Share based payments	3(b)	(146,931)	(421,991)
Exploration expenditure written off		(3,400,634)	(3,633,114)
LOSS BEFORE INCOME TAX		(4,481,157)	(4,751,951)
Income tax benefit		-	-
LOSS AFTER INCOME TAX		(4,481,157)	(4,751,951)
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		(4,481,157)	(4,751,951)
LOSS AFTER INCOME TAX ATTRIBUTABLE TO MEMBERS OF THE COMPANY			
		(4,481,157)	(4,751,951)
COMPREHENSIVE LOSS FOR THE PERIOD ATTRIBUTABLE TO MEMBERS OF THE COMPANY			
		(4,481,157)	(4,751,951)
EARNINGS PER SHARE			
Basic and diluted loss per share (cents)		(0.76)	(0.95)

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

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2021

AUSTRALIAN DOLLAR (\$)	NOTE	31 DECEMBER 2021	30 JUNE 2021
CURRENT ASSETS			
Cash and cash equivalents		2,851,261	6,370,756
Trade and other receivables		24,126	53,317
Other assets		111,689	70,463
TOTAL CURRENT ASSETS		2,987,076	6,494,536
NON-CURRENT ASSETS			
Security bond		91,178	69,658
Right of Use Assets	8(a)	380,777	50,029
Plant and equipment		28,407	28,325
TOTAL NON-CURRENT ASSETS		500,362	148,012
TOTAL ASSETS		3,487,438	6,642,548
CURRENT LIABILITIES			
Trade and other payables		1,430,151	591,294
Lease Liabilities	8(b)	87,810	37,701
Provisions		196,826	186,452
TOTAL CURRENT LIABILITIES		1,714,787	815,447
NON-CURRENT LIABILITIES			
Lease liabilities	8(b)	298,771	18,995
TOTAL NON-CURRENT LIABILITIES		298,771	18,995
TOTAL LIABILITIES		2,013,558	834,442
NET ASSETS		1,473,880	5,808,106
EQUITY			
Issued capital	3(a)	57,336,331	57,336,331
Reserves	3(b)	805,356	658,425
Accumulated losses		(56,667,807)	(52,186,650)
TOTAL EQUITY		1,473,880	5,808,106

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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE HALF-YEAR ENDED 31 DECEMBER 2021

Australian (\$)	SHARE CAPITAL	ACCUMULATED LOSSES	SHARE OPTIONS/ PERFORMANCE RIGHTS RESERVE	TOTAL EQUITY
	\$	\$	\$	\$
Balance at 1 July 2021	57,336,331	(52,186,650)	658,425	5,808,106
Profit (loss) for the period	-	(4,481,157)	-	(4,481,157)
Other comprehensive income	-	-	-	-
Total comprehensive loss for the period	-	(4,481,157)	-	(4,481,157)
Shares issued during the period	-	-	-	-
Share based payments	-	-	146,931	146,931
Expiry of options	-	-	-	-
Share and option issue expenses	-	-	-	-
Balance at 31 December 2021	57,336,331	(56,667,807)	805,356	1,473,880
Balance at 1 July 2020	50,695,011	(43,873,737)	588,369	7,409,643
Profit (loss) for the period	-	(4,751,951)	-	(4,751,951)
Other comprehensive income	-	-	-	-
Total comprehensive loss for the period	-	(4,751,951)	-	(4,751,951)
Shares issued during the period	10,859	-	-	10,859
Share based payments	60,000	-	421,991	481,991
Expiry of options	-	9,500	(9,500)	-
Share and option issue expenses	-	-	-	-
Balance at 31 December 2020	50,765,870	(48,616,188)	1,000,860	3,150,542

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

**CONSOLIDATED STATEMENT OF CASH FLOWS FOR
THE HALF YEAR ENDED 31 DECEMBER 2021**

AUSTRALIAN DOLLAR (\$)	31 DECEMBER 2021	31 DECEMBER 2020
CASH FLOWS FROM OPERATING ACTIVITIES		
Expenditure on mining interests	(2,482,165)	(4,245,453)
Payments to suppliers and employees	(1,038,450)	(825,172)
Interest received	2,468	9,333
Government grants	21,591	171,000
Other income	38,931	-
Net cash outflow used in operating activities	(3,457,625)	(4,890,292)
CASH FLOWS FROM INVESTING ACTIVITIES		
Payment for term deposit	(21,450)	-
Purchase of plant and equipment	(5,951)	-
Net cash outflow used in investing activities	(27,401)	-
CASH FLOWS FROM FINANCING ACTIVITIES		
Issued of shares net of capital raising costs	-	-
Exercise of options	-	10,859
Lease payment	(34,469)	(38,730)
Net cash outflow from financing activities	(34,469)	(27,871)
Net outflow in cash and cash equivalents	(3,519,495)	(4,918,163)
Cash and cash equivalents at the beginning of the half-year	6,370,756	8,310,582
CASH AND CASH EQUIVALENTS AT THE END OF THE HALF-YEAR	2,851,261	3,392,419

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

CONDENSED 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 2021 have been prepared in accordance with requirements of the Corporations Act 2001 and Australian Accounting Standard AASB 134: Interim Financial Reporting. This financial report was authorised for issue in accordance with a circular resolution of the Board of Directors on 16 March 2022. 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 2021, together with any public announcements made during the half-year.

Accounting Policies

There have been no material changes in the critical accounting policies compared to those disclosures in the Group's consolidated financial statements as at, and for the year ended 30 June 2021.

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 issued by the Australian Accounting Standards Board (the AASB) that are relevant to their operations and effective for the current half year.

New or Amended Accounting Standards and Interpretations Adopted

The consolidated entity has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period. There has been no significant impact on the disclosures or the amounts recognised in the Group's consolidated financial statements as a result of the new and revised accounting standards.

Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

Reporting Basis and Conventions

The half-year report has been prepared on an accruals basis and is based on historical costs. Cost is based on the fair values of the consideration given in exchange for assets.

All amounts are presented in Australian dollars, unless otherwise noted.

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

Going Concern Basis

The Directors have prepared the financial statements on a going concern basis, which contemplates continuity of normal business activities and the realisation of assets and extinguishment of liabilities in the ordinary course of business.

FINANCIAL REPORT FOR THE HALF YEAR ENDED 31 DECEMBER 2021

The Consolidated Entity has recorded a net loss of \$4,481,157 and net operating cash outflows of \$3,457,625 for the six months ended 31 December 2021.

Equity raisings or debt financing arrangements will be required in the future to fund the Group's activities. The Directors are assessing a number of options in respect of equity and debt financing arrangements, and have reasonable expectations that further funding will be arranged to meet the Company's objectives. There is no certainty that new funding will be successfully completed to provide adequate working capital for the Group.

The Board is confident that the Group will have sufficient funds to finance its operations in the next 12 months following successful completion of equity raisings or debt financing arrangements.

NOTE 2: SEGMENT INFORMATION

The Group operates in predominantly one business and geographical segment, being mineral exploration in Australia. The information shown in the Consolidated Statement of Financial Position and Statement of Profit or Loss and Other Comprehensive Income is the same as the business segment.

NOTE 3: ISSUED CAPITAL

AUSTRALIAN DOLLAR (\$)	31 DECEMBER 2021 \$	30 JUNE 2021 \$
(a) Issued and paid up capital		
At the beginning of the reporting period	57,336,331	50,695,011
May 2021: 85,365,854 shares issued at \$0.082	-	7,000,000
Exercise of Options	-	10,858
Share based payment (i)	-	83,100
Transactions costs arising from issue of shares	-	(452,638)
At reporting date 589,190,937 (30 June 2021: 589,190,937) fully paid ordinary shares	57,336,331	57,336,331
	31 DECEMBER 2021 Number	30 JUNE 2021 Number
Movements in Ordinary Shares		
At the beginning of reporting period	580,190,937	502,889,079
May 2021: 85,365,854 shares issued at \$0.082	-	85,365,854
Share based payment (i)	-	54,297
Exercise of options	-	881,707
Balance at reporting date	580,190,937	589,190,937

- (i) There were no share based payments made in the current period. The Company issued 125 performance rights during the year ended 30 June 2021.

(b) Reserve

Movement in reserve

AUSTRALIAN DOLLAR (\$)	31 DECEMBER 2021 \$	30 JUNE 2021 \$
Issued Options/Performance Rights		
At the beginning of the reporting period	658,425	588,369
Share based payments expense	146,931	756,438
Options based payments	-	-
Expiry of options transferred to accumulated losses	-	(9,500)
Expiry of performance rights	-	(88,000)
Reversal of performance rights	-	(588,882)
At reporting date	805,356	658,425

Performance Rights

	31 DECEMBER 2021 Number	30 JUNE 2021 Number
Movements in Performance Rights		
At the beginning of reporting period	265	172
Issued during the period	-	125
Expired during the period	(172)	(32)
Balance at reporting date	93	265

The Performance Rights issued in the prior year have the following milestones attached to them:

- (i) **Class A Performance Rights:** in the event that the Undiluted Market Capitalisation of the Company is equal to or higher than AU\$100,000,000.00 for a minimum of 10 consecutive trading days the vesting condition shall be deemed satisfied.
- (ii) **Class B Performance Rights:** in the event that the Undiluted Market Capitalisation of the Company is equal to or higher than AU\$150,000,000.00 for a minimum of 10 consecutive trading days, the vesting condition shall be deemed satisfied.
- (iii) **Class C Performance Rights:** the Company announces an inferred 2012 JORC compliant resource at any Project of not less than:
 - (a) in regard to a gold resource, 1,000,000 ounces of Au; or
 - (b) in regard to a nickel resource, 50,000t contained Ni; or
 - (c) in regard to a cobalt resource, 10,000t contained Co.,

Each performance rights converts to 50,000 fully paid ordinary shares on achievement of the milestone.

FINANCIAL REPORT FOR THE HALF YEAR ENDED 31 DECEMBER 2021

Performance rights issued have the following milestones attached to them:

- (iv) **Class E Performance Rights:** An announcement by the Company to the ASX is made by 30 June 2022 stating that the Company has commenced production at the Mt Alexander Project of Nickel that will be commercially sold under an offtake or sales agreement.
- (v) **Class F Performance Rights:** An announcement by the Company to the ASX is made by 30 June 2022 stating that the Company has defined an inferred 2012 JORC compliant resource at the Mt Alexander Project of not less than 100,000 tonnes contained nickel based on a cut-off grade of not less than 0.5%.
- (vi) **Class G Performance Rights:** drill intersections of economically significant mineralisation at the Company's Paterson Project by 30 June 2022 that the Board believes are indicative of the discovery of an ore deposit.

The performance rights were ascribed the below value:

Class	Date of Issue	Number of Performance Rights (i)	Expiry Date	Number of Ordinary Shares on Achievement	Price of Shares (\$)	Total Value (\$ (ii))	Expense for the period (\$)
Class A							
	15.08.18	25	31.07.21	1,250,000	0.125	156,250	6,558
	17.12.18	8	31.07.21	400,000	0.135	54,000	1,197
	03.12.19	5	15.08.21	250,000	0.135	33,750	1,773
Total Class A	-	38		1,900,000	-	244,000	9,528
Class B							
	15.08.18	25	31.07.21	1,250,000	0.125	156,250	6,558
	17.12.18	8	31.07.21	400,000	0.135	54,000	1,197
	03.12.19	5	15.08.21	250,000	0.135	33,750	1,773
Total Class B	-	38		1,900,000	-	244,000	9,528
Class C (iv)							
	15.08.18	70	31.07.21	3,500,000	0.125	437,500	-
	17.12.18	16	31.07.21	800,000	0.135	108,000	-
	03.12.19	10	15.08.21	500,000	0.135	67,500	-
Total Class C		96		4,800,000	-	613,000	-
Class E	24.07.20	32	30.06.22	1,600,000	0.110	176,000	44,000
Class F	24.07.20	45	30.06.22	2,250,000	0.110	247,500	61,875
Class G	24.07.20	16	30.06.22	800,000	0.110	88,000	22,000
Total E-G	-	93	-	4,650,000	-	511,500	127,875
Total	-	265	-	13,250,000	-	1,612,500	146,931
Class A & B (iii)	Expired	(76)	-	(3,800,000)	-	(488,000)	-
Class C (iv)	Expired	(96)	-	(4,800,000)	-	(613,000)	-
Total	-	93		4,650,000	-	511,500	146,931

- (i) Each Performance Right will convert into 50,000 shares.
- (ii) The value of the rights was determined as per the date the rights were issued.
- (iii) Performance rights expired during the period as they did not meet the vesting conditions.
- (iv) At 30 June 2021 it was deemed that the Class C Performance Rights were unlikely to vest given the rights were scheduled to expire on 15 August 2021 and amounts expensed in the prior years were reversed in the year ended 30 June 2021.

It has been deemed that the milestones occurring for the performance rights on issue will more likely than not occur and therefore expenses were accounted in full over the vesting period.

Each performance rights converts to 50,000 fully paid ordinary shares on achievement of the milestone.

FINANCIAL REPORT FOR THE HALF YEAR ENDED 31 DECEMBER 2021

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 2021 Number	Options Issued Number	Options Exercised/Expired Number	Closing Balance 31 December 2021 Number
31.07.2022	-	\$0.15	2,500,000	-	-	2,500,000

NOTE 4: CONTINGENCIES

There have been no significant changes to commitments or contingencies since 30 June 2021.

NOTE 5: SUBSEQUENT EVENTS

On 15 March 2022 the Company requested a trading halt on its securities pending the release of an announcement regarding a proposed capital raising, it is expected that the announcement will be made before commencement of trading on 17 March 2022.

Other than the above there is no matter or circumstance that has arisen since 31 December 2021, 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 Australian Accounting Standards 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. Estimated values are determined using local data available. No rehabilitation provision is considered necessary at 31 December 2021.

Share-based payment transactions

The Group measures the cost of equity-settled transactions by reference to the fair value of the equity instrument at the date at which they are granted. The fair value of the performance rights granted was measured at the market price on date of issue.

A probability of 100% has been applied to the milestones occurring for the performance rights on issue.

Valuation of Right of Use Assets

The Group measures the lease transactions by reference to the market interest rate which is used to calculate the discounted cash flow in relation to its leases. The decision in terms of the length of leases is determined by the contract.

NOTE 7: SUBSIDIARIES

The parent entity, St George Mining Limited, has 100% interest in Desert Fox Resources Pty Ltd, Blue Thunder Resources Pty Ltd and Destiny Nickel 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 %	
		31 December 2021	30 June 2021
Desert Fox Resources Pty Ltd	Australia	100%	100%
Blue Thunder Resources Pty Ltd	Australia	100%	100%
Destiny Nickel Pty Ltd	Australia	100%	100%

NOTE 8: RIGHT OF USE ASSETS AND LEASE LIABILITIES

(a) Right of use assets:

	31 DECEMBER 2021	30 JUNE 2021
	\$	\$
Cost	527,491	168,225
Accumulated depreciation	(146,714)	(118,196)
Carrying value at end of period	380,777	50,029
Opening net carrying value	50,029	117,029
Additions	359,266	-
Depreciation for the period	(28,518)	(67,000)
Carrying value at end of period	380,777	50,029

(b) Lease liabilities

	31 DECEMBER 2021	30 JUNE 2021
	\$	\$
Current		
Property lease liability	87,810	37,701
Non-current		
Property lease liability	298,771	18,895
Total lease liabilities	386,581	56,696

Property leases

The above right-of-use asset (ROU) and lease liability relate to the office lease and storage lease entered into by the Group.

The right-of-use asset is measured at the amount equal to the lease liability at initial recognition and then amortised over the life of the lease.

The right-of-use asset is being depreciated over the lease term on a straight-line basis which is approximately 60 and 36 months for the office and storage lease, respectively, in place at 31 December 2021. Depreciation expense of \$28,518 was included in corporate administration expense in the consolidated statement of profit or loss and other comprehensive income.

At initial recognition, the lease liability was measured as the present value of minimum lease payments using the Group's incremental borrowing rates between 5.4% and 11.24%. The incremental borrowing rate was based on the unsecured interest rate that would apply if finance was sought for an amount and time period equivalent to the lease requirements of the Group. Each lease payment is allocated between the liability and interest expense. The interest expense of \$4,059 was included in corporate administration expense in the consolidated statement of profit or loss and other comprehensive income. Lease payments during the period was \$34,469 including interest.

Option to extend or terminate

The Group uses hindsight in determining the lease term where the contract contains options to extend or terminate the lease.

DIRECTORS' DECLARATION

The Directors of the Company declare that:

1. the financial statements and notes, as set out on pages 13 to 23 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 2021 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, 16 March 2022

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

Report on the Half-Year Financial Report*Conclusion*

We have reviewed the half-year financial report of St George Mining Limited, which comprises the consolidated statement of financial position as at 31 December 2021, the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the half-year ended on that date, a summary of significant accounting policies and other explanatory information, and the directors' declaration.

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

- (a) giving a true and fair view of the consolidated entity's financial position as at 31 December 2021 and of its performance for the half-year ended on that date; and
- (b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Basis for Conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the Auditor's Responsibilities for the Review of the Financial Report section of our report. We are independent of the Company in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001* has been given to the directors of the Company on 16 March 2022.

Responsibility of the Directors for the 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 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 gives a true and fair view and is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility for the Review of the Financial Report

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Company's financial position as at 31 December 2021 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*.

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.

STANTONS INTERNATIONAL AUDIT AND CONSULTING PTY LTD
(An Authorised Audit Company)

Stantons International Audit & Consulting Pty Ltd



Martin Michalik
Director

West Perth, Western Australia
16 March 2022