ASX / MEDIA RELEASE

19 December 2016

MT ALEXANDER – EXPLORATION UPDATE

HIGHLIGHTS:

- **Further EM anomalies have been identified in the Cathedrals Belt by the fixed loop electromagnetic (FLEM) SAMSON survey**
- **New EM anomalies include targets deeper than any previously explored by St George**
- **Infill EM surveys to be completed over several new EM anomalies to finalise modelling of the targets**
- **Completion of the Cathedrals East EM survey and infill EM surveys will occur early in January 2017**
- **Drill programme planned for Q1 2017 to test for massive nickel-copper sulphide mineralisation at priority EM targets**
- **Infill and extensional drilling of known mineralisation also being planned**

DEEP SEARCH EM SURVEY DELIVERS POSITIVE RESULTS

St George Mining Limited (ASX: **SGQ**) ('St George Mining' or 'the Company') is pleased to provide an update on further strong results from the FLEM SAMSON survey underway at the Mt Alexander Project in Western Australia.

The high powered EM survey over the Cathedrals Belt has identified a number of new EM anomalies that are prospective for massive sulphides. The western section of the Belt is where drilling by St George has already established recurrent nickel-copper sulphide mineralisation over a strike of 3.5km. The FLEM SAMSON survey here has detected EM anomalies deeper than any previously explored by St George.

The recently interpreted eastern extension of the Cathedrals Belt has never been explored. Interim results from the FLEM SAMSON survey over this section of the Belt – the Cathedrals East EM survey - indicate that a number of EM anomalies have been detected that warrant further investigation.

A drill programme is planned for early in the New Year to test the new EM conductors. Preliminary estimates are for approximately 2,000m of drilling to be completed to test multiple targets across the Cathedrals Belt.

St George Mining Executive Chairman, John Prineas said:

"The deep search EM survey at the Cathedrals Belt is picking up EM conductors that were not identified by previous EM surveys. This supports the decision to utilise the SAMSON EM technique and suggests that the nickel-copper sulphide mineralisation in the Belt is more extensive than previously interpreted.

"With a 100% success rate in testing EM conductors in this Belt, these new targets are an outstanding opportunity to discover more nickel-copper sulphides.

"2017 is shaping up as an exciting year for St George and we are looking forward to commencing our drill programme at Mt Alexander in the New Year."

Infill EM surveys are required over several of the new EM anomalies to better constrain the size and location of the conductors prior to drill testing. Final modelling of the new anomalies will be completed by Newexco once this further EM data is available.

The Cathedrals East EM survey is comprised of seven transmitter loops of 800m X 800m. Five of these loops have been completed. The remaining two loops, as well as infill EM surveys, will be completed when the EM survey crew return to site on 9 January 2017 after a short Christmas break.

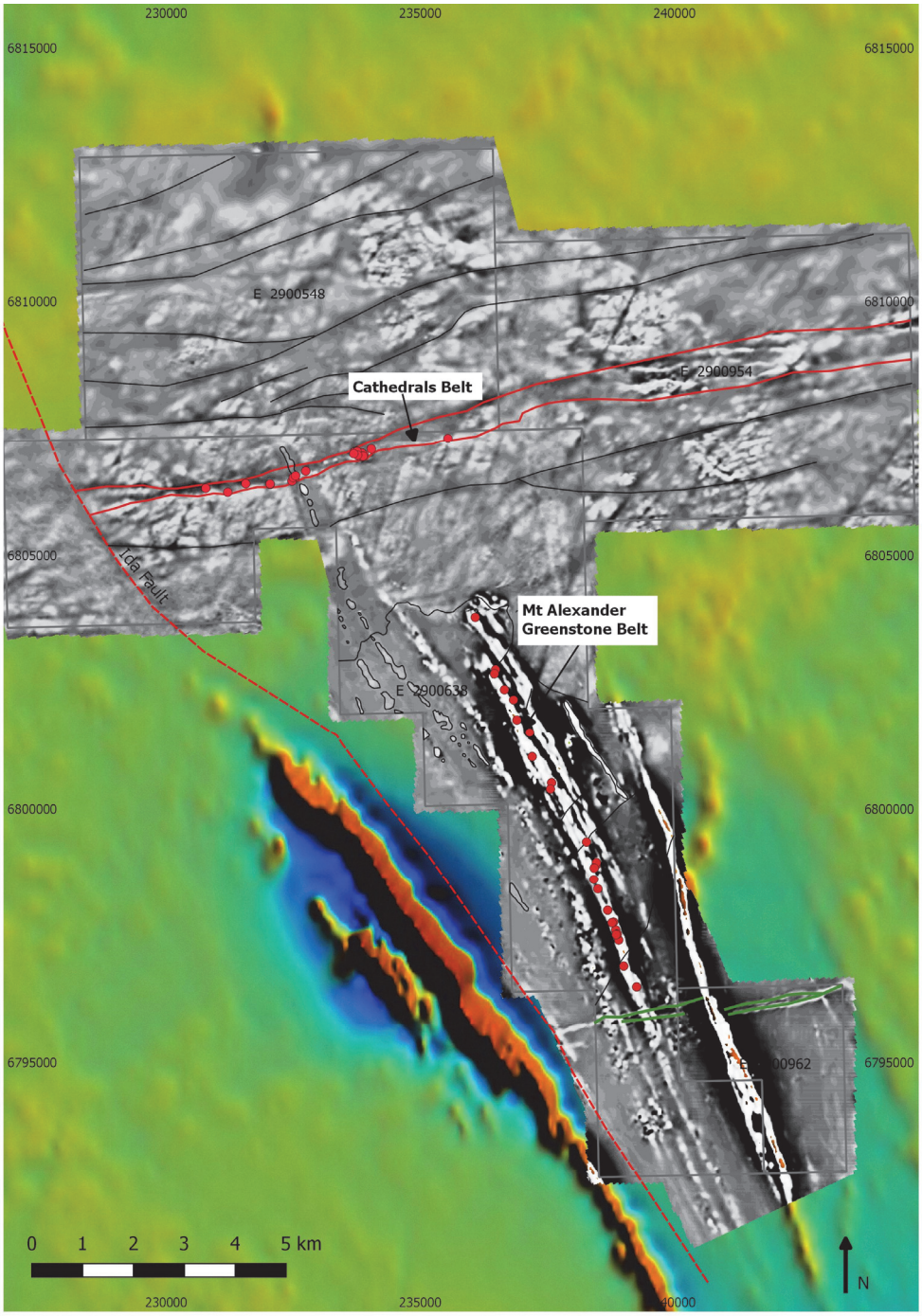

Figure 1 – the Cathedrals Belt is highlighted by the new high resolution magnetic data (RTP 1VD) generated by the recent airborne magnetic survey. Drill holes with nickel sulphides are shown as red circles. The FLEM SAMSON survey over the Cathedrals Belt is in progress and is successfully identifying new EM targets for St George's 2017 drill programme.

Figure 2 – the HPTX-70 high powered transmitter used for the deep penetrating FLEM SAMSON surveys at Mt Alexander. Field work for 2016 has been completed and the EM crew is scheduled to recommence surveys on 9 January 2017.

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 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.

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Competent Person Statement:

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

Mr McCarthy has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity being undertaken to qualify as a Competent Person as defined in the 2012 Edition of the Joint Ore Reserves Committee (JORC) Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. Mr McCarthy consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

The following sections are provided for compliance with requirements for the reporting of exploration results under the JORC Code, 2012 Edition.

Section 1 Sampling Techniques and Data

(Criteria in this section apply to all succeeding sections)

Criteria	JORC Code explanation	Commentary
Sampling techniques	*Nature and quality of sampling (eg cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc.). These examples should not be taken as limiting the broad meaning of sampling.*	The airborne magnetic survey was flown by a Cessna 210 with a single sensor mounted in a tail stinger assembly and utilising a 3-axis fluxgate magnetometer with sample rates up to 20Hz. Altimeters and base station magnetometers were used as per industry standard. The SAMSON EM survey is conducted using GAP geopack high-powered HPTX-70 or HPTX-80 transmitter using 800x800m survey loops of 35mm wire to generate 150 amps with a transmit frequency of 1Hz. Two receiver systems are used, being TM-7 magnetometers sampling at 2400Hz.
	Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.	For the airborne magnetic survey a compensation box was flown prior to survey. The compensation box consists of a series of pitch roll and yaw manoeuvrers in reciprocal survey headings at high altitude; the measured output from the 3-axis fluxgate magnetometer is recorded and used to resolve a compensate solution. This solution is applied when post compensating all survey magnetometer data to remove manoeuvre effects and heading errors.
	Aspects of the determination of mineralisation that are Material to the Public Report. *In cases where 'industry standard' work has been done this would be relatively simple (eg 'reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30 g charge for fire assay'). In other cases more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (eg submarine nodules) may warrant disclosure of detailed information.*	The release refers to results from geophysical surveys; this section is not relevant to this release.
Drilling techniques	*Drill type (eg core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc) and details (eg core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc).*	The release refers to results from geophysical surveys; a drill program is being planned for Q1 2017.
Drill sample recovery	*Method of recording and assessing core and chip sample recoveries and results assessed.*	The release refers to results from geophysical surveys; a drill program is being planned for Q1 2017.
	Measures taken to maximise sample recovery and ensure representative nature of the samples.	The release refers to results from geophysical surveys; a drill program is being planned for Q1 2017.

Criteria	JORC Code explanation	Commentary
	Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material.	The release refers to results from geophysical surveys; a drill program is being planned for Q1 2017.
Logging	*Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies.*	The release refers to results from geophysical surveys; this section is not relevant to this release.
	Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc.) photography.	The release refers to results from geophysical surveys; this section is not relevant to this release.
	The total length and percentage of the relevant intersections logged.	The release refers to results from geophysical surveys; this section is not relevant to this release.
Sub-sampling techniques and sample preparation	*If core, whether cut or sawn and whether quarter, half or all core taken.*	The release refers to results from geophysical surveys; this section is not relevant to this release.
	If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry.	The release refers to results from geophysical surveys; this section is not relevant to this release.
	For all sample types, the nature, quality and appropriateness of the sample preparation technique.	The release refers to results from geophysical surveys; this section is not relevant to this release.
	Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.	The release refers to results from geophysical surveys; this section is not relevant to this release.
	Measures taken to ensure that the sampling is representative of the in situ material collected, including for instance results for field duplicate/second-half sampling.	The release refers to results from geophysical surveys; this section is not relevant to this release.
	Whether sample sizes are appropriate to the grain size of the material being sampled.	The release refers to results from geophysical surveys; this section is not relevant to this release.
Quality of assay data and laboratory tests	*The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.*	The release refers to results from geophysical surveys; this section is not relevant to this release.
	For geophysical tools, spectrometers, handheld XRF instruments, etc, the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc.	The airborne magnetic survey was flown by a Cessna 210 with a single sensor mounted in a tail stinger assembly and utilising a 3-axis fluxgate magnetometer with sample rates up to 20Hz. Altimeters and base station magnetometers were used as per industry standard. The SAMSON EM survey is conducted using GAP geopack high-powered HPTX-70 transmitter using 800x800m survey loops of 35mm wire to generate 150 amps with a transmit frequency of 1Hz. Two receiver systems are used, being TM-7 magnetometers sampling at 2400Hz.

Criteria	JORC Code explanation	Commentary
	Nature of quality control procedures adopted (eg standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (i.e. lack of bias) and precision have been established.	The release refers to results from geophysical surveys; this section is not relevant to this release.
Verification of sampling and assaying	*The verification of significant intersections by either independent or alternative company personnel.*	The release refers to results from geophysical surveys; this section is not relevant to this release.
	The use of twinned holes.	The release refers to results from geophysical surveys; this section is not relevant to this release.
	Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.	The release refers to results from geophysical surveys; this section is not relevant to this release.
	Discuss any adjustment to assay data.	The release refers to results from geophysical surveys; this section is not relevant to this release.
Location of data points	*Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation.*	A global positioning system was used to determine accurate survey locations for both the aeromagnetic survey and SAMSON EM survey (within 5m).
	Specification of the grid system used.	The grid system used at the Mt Alexander project for both surveys is GDA94 (MGA), zone 51.
	Quality and adequacy of topographic control.	The airborne magnetic survey used a radar altimeter and barometric sensor to determine the aircraft height above the surface elevation during survey. The altimeter is calibrated against GPS height during a test flight prior to survey.
Data spacing and distribution	*Data spacing for reporting of Exploration Results.*	The airborne magnetic survey was flown on 50m line spacing and an average survey height of 40m which has provided high resolution magnetic data across the exploration project. The SAMSON EM survey is conducted on 100m line spacing with 50m and 100m stations to provide a high resolution dataset. Infill 50m spaced lines and 50m and 25m stations are conducted where further resolution of EM anomalies is required.
	Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied.	The release refers to results from geophysical surveys; this section is not relevant to this release.
	Whether sample compositing has been applied.	The release refers to results from geophysical surveys; this section is not relevant to this release.
Orientation of data in relation to geological structure	*Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.*	The airborne magnetic survey was conducted over two blocks – the northern block was surveyed on a 165-345° line orientation orthogonal to the orientation of known key structures, and the southern block on a 065-245° line orientation orthogonal to the strike of the Mt Alexander greenstone stratigraphy. The SAMSON EM survey lines are planned orthogonal to the trend of the interpreted Cathedrals Belt.
	If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material.	The release refers to results from geophysical surveys; this section is not relevant to this release.

Criteria	JORC Code explanation	Commentary
Sample security	*The measures taken to ensure sample security.*	The release refers to results from geophysical surveys; this section is not relevant to this release.
Audits or reviews	*The results of any audits or reviews of sampling techniques and data.*	No audits or reviews have been conducted at this stage.

Section 2 Reporting of Exploration Results

Criteria	JORC Code explanation	*Commentary*
Mineral Tenement and Land Status	*Type, name/reference number, location and ownership including agreements or material issues with third parties including joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings.* *The security of the tenure held at the time of reporting along with any known impediments to obtaining a licence to operate in the area.*	The Mt Alexander Project is comprised of four granted Exploration Licences (E29/638, E29/548, E29/954 and E29/962). Tenement E29/638 is held in Joint Venture between St George (75% interest) and Western Areas (25% interest). E29/638 and E29/548 are also subject to a royalty in favour of a third party that is outlined in the ASX Release dated 17 December 2015 (as regards E29/638) and the ASX release dated 18 September 2015 (as regards E29/548). No environmentally sensitive sites have been identified on the tenements. A registered Heritage site known as Willsmore 1 (DAA identification 3087) straddles tenements E29/548 and E29/638. All four tenements are in good standing and no known impediments exist.
Exploration Done by Other Parties	*Acknowledgment and appraisal of exploration by other parties.*	Exploration on tenements E29/638 and E29/962 has been largely for komatiite-hosted nickel sulphides in the Mt Alexander Greenstone Belt. Exploration in the northern section of E29/638 (Cathedrals Prospect) and also limited exploration on E29/548 has been for komatiite-hosted Ni-Cu sulphides in granite terrane. No previous exploration has been identified on E29/954. The target lithological unit in the Mt Alexander Greenstone belt has historically been the Central Ultramafic Unit, which has been explored by a number of parties, most recently by Nickel West. High grade nickel-copper sulphides were discovered at the Mt Alexander Project in 2008. Drilling was completed to test co-incident electromagnetic (EM) and magnetic anomalies associated with nickel-PGE enriched gossans in the northern section of current tenement E29/638. The drilling identified high grade nickel-copper mineralisation in granite-hosted ultramafic units and the discovery was named the Cathedrals Prospect. The tenements remain underexplored.
Geology	*Deposit type, geological setting and style of mineralisation*	The Mt Alexander Project is at the northern end of a western bifurcation of the Mt Ida Greenstones. The greenstones are bound to the west by the Ida Fault, a significant Craton-scale structure that marks the boundary between the Kalgoorlie Terrane (and Eastern Goldfields Superterrane) to the east and the Youanmi Terrane to the west. The Mt Alexander Project is prospective for further high-grade komatiite-hosted nickel-copper-PGE mineralisation (both greenstone and granite hosted) and also precious metal mineralisation (i.e. orogenic gold) that is typified elsewhere in the Yilgarn Craton.
Drill hole information	*A summary of all information material to the understanding of the exploration results including tabulation of the following information for all Material drill holes:* *• Easting and northing of the drill hole collar* *•Elevation or RL (Reduced Level – elevation above sea level in meters) of the drill hole collar*	The release refers to results from geophysical surveys; a drill program is being planned for Q1 2017.

Criteria	JORC Code explanation	*Commentary*
	• *Dip and azimuth of the hole* • *Down hole length and interception depth* • *Hole length*	
Data aggregation methods	*In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (e.g. cutting of high grades) and cut-off grades are usually Material and should be stated.*	The release refers to results from geophysical surveys; this section is not relevant to this release.
	Where aggregated intercepts incorporate short lengths of high grade results and longer lengths of low grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail.	The release refers to results from geophysical surveys; this section is not relevant to this release.
	The assumptions used for any reporting of metal equivalent values should be clearly stated.	The release refers to results from geophysical surveys; this section is not relevant to this release.
Relationship between mineralisation widths and intercept lengths	*These relationships are particularly important in the reporting of exploration results.* *If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported. If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (e.g. down hole length, true width not known).*	The release refers to results from geophysical surveys; this section is not relevant to this release.
Diagrams	*Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported. These should include, but not be limited to a plane view of drill hole collar locations and appropriate sectional views.*	A relevant interpreted map showing geophysical images is shown in the body of the release.
Balanced Reporting	*Where comprehensive reporting of all Exploration Results is not practical, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting Exploration Results.*	The release refers to results from geophysical surveys; this section is not relevant to this release.
Other substantive exploration data	*Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observation; geophysical survey results; geochemical survey results; bulk samples – size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances.*	All material or meaningful data collected has been reported.
Further Work	*The nature and scale of planned further work (e.g. tests for lateral extensions or depth extensions or large – scale step – out drilling).* *Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.*	Further exploration is being planned from the results of the previous and recent diamond drill programs, and geophysical and geochemical programs. Ongoing work includes completion of SAMSON EM surveys (including infill) in the Cathedrals Belt, and planning follow-up drill programs.