



ST GEORGE
MINING LIMITED
ANNUAL REPORT 2015



CORPORATE DIRECTORY

Board of Directors

John Prineas - Executive Chairman
 Tim Hronsky - Executive Director
 Sarah Shipway - Non-Executive Director

Company Secretary

Sarah Shipway

Registered and Principal Office

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Australian Business Number

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Share Register

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Stock Exchange Code

SGQ – Ordinary Shares

SGQOA – Listed Options

Solicitors

Jeremy Shervington

Auditors

Stantons International

Bankers

Commonwealth Bank



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Dear Fellow Shareholders

On behalf of the Board of Directors, I am pleased to present the Annual Report of St George Mining Limited for the financial year ended 30 June 2015.

St George has, despite the challenging market conditions faced by junior explorers, continued its commitment to intelligent exploration with a focus on delivering significant value to shareholders through the discovery of high quality mineral resources.

Last year was the first full year since the Company regained 100% ownership and control of the flagship East Laverton Property following the withdrawal by BHP Billiton Nickel West from our farm-in arrangement in the fourth quarter of 2013.

We were able to accelerate exploration at the Project during the year through a comprehensive and multi-faceted field programme that included extensive electromagnetic surveys and two major drilling campaigns. This work followed on from the successful project-scale exploration completed by Nickel West under the farm-in and substantially added to the \$3 million database that we inherited from our former partner.

One of the highlights in 2014 was the successful drilling at the Windsor nickel sulphide prospect which identified further high tenor disseminated nickel sulphides over a 200 metre strike length, within a large high-MgO ultramafic channel that extends over 4 km. The growing evidence of widespread nickel sulphide mineralisation in this thick komatiite channel significantly raises the likelihood of the largely untested prospective basal contact to host massive nickel sulphide deposits.

A project-wide exploration review was completed during the year in conjunction with a global nickel expert. The review, which utilised the expanded technical database and incorporated the latest nickel targeting concepts, confirmed the compelling potential of our Project to host multiple nickel sulphide deposits and to emerge as a new nickel sulphide camp.

An extensive portfolio of prospects has been established across our large and strategic landholding. These have been prioritised for systematic exploration with a number of prospects ready for drill testing in the 2015 drilling campaign.

St George completed over-subscribed capital raisings in October 2014 and June 2015, demonstrating strong support from existing and new shareholders. Our shareholder base has expanded from around 500 shareholders at the start of 2014 to over 1,400 registered shareholders today as investors increasingly recognise the significant potential of our Project to deliver a major discovery.

The Board looks forward to an exciting year in 2015 as we continue our focus on building long term value for shareholders through exploration success.



John Prineas
Executive Chairman

EAST LAVERTON PROPERTY (100% ST GEORGE)

St George Mining owns 100% of the East Laverton Property, which covers over 2,100 square kilometres in the north-east corner of the Eastern Goldfields Province.

The first nickel sulphide drilling at the Project was completed in 2012 by St George Mining and BHP Billiton Nickel West, under a now concluded farm-in arrangement. The drilling was successful in discovering nickel sulphides at the Project with key intersections:

- 18m @ 0.40% Ni from 100m including 4m @ 0.57% Ni from 100m in hole DRAC35
- 30m @ 0.31% Ni from 108m including 2m @ 0.62% Ni from 132m in hole DRAC38
- 2m @ 1.08% Ni from 55m and 2m @ 0.43% Ni from 59m in hole DDNRC002

These results confirmed the presence of magmatic nickel sulphide mineralisation and the potential of the extensive strike length of ultramafic belts at the Project to host economic mineralisation. This was a major milestone which substantially de-risked the Project.

Continued exploration at the Project has established an extensive portfolio of high quality nickel sulphide targets and supports the emergence of the Project as a new nickel sulphide province (see Figure 1).

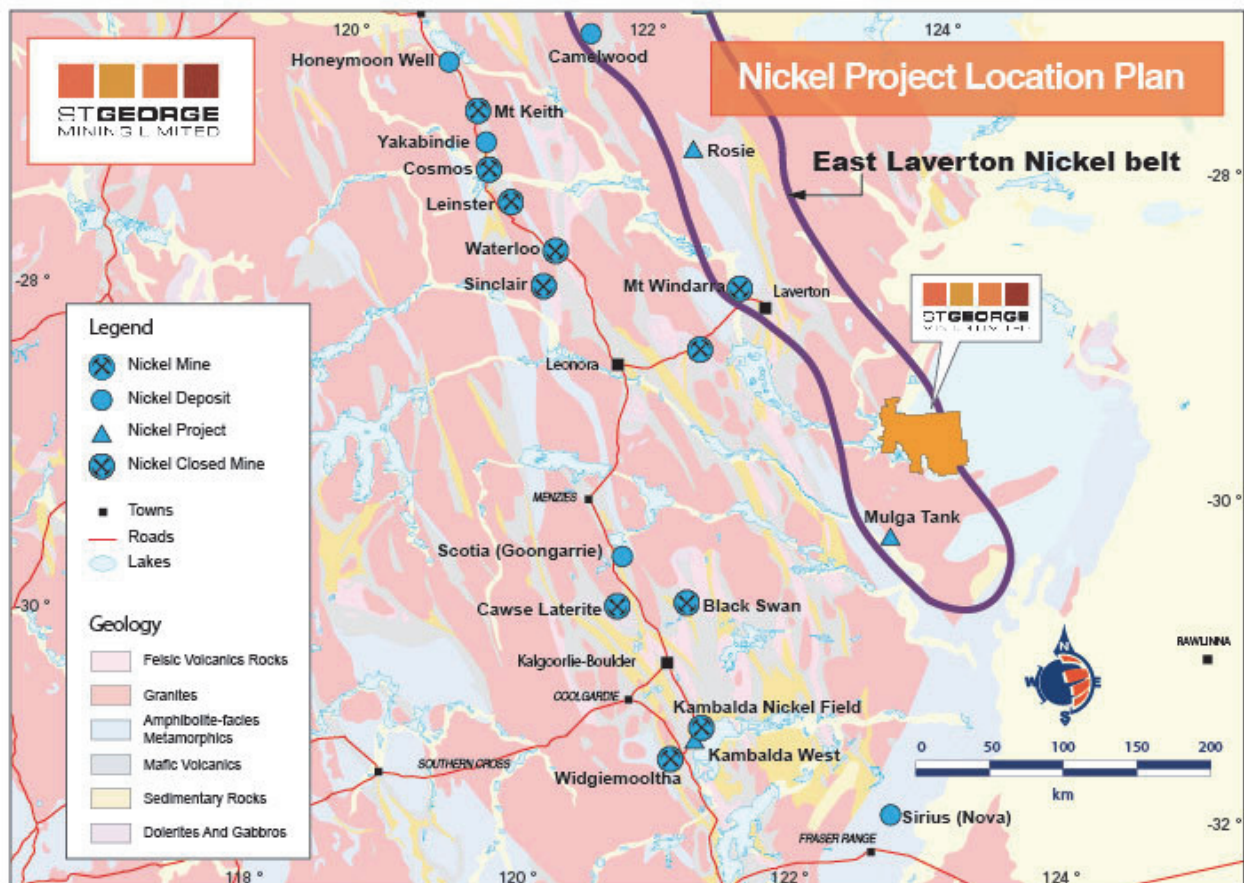


Figure 1 – St George’s Project is located in a key section of the East Laverton Nickel belt, that runs parallel and to the east of the Agnew-Wiluna belt which hosts several world class nickel sulphide deposits

Acceleration of Field Exploration Activities

St George Mining believes that a disciplined and technically focused approach to exploration, integrating all available information and employing innovative approaches, will lead to exploration success.

Over the past 12 months, the Company completed a multi-phase field programme to progress the systematic exploration of a range of prospects at the Project.

Field work included over 100,000 metres coverage of ground electromagnetic (EM) surveys, 15 diamond core drill holes for 3,667 metres drilled and 21 reverse circulation drill holes for 4,890 metres drilled. Downhole EM surveys were carried out on the completed drill holes.

The significant technical data generated by this field work has enabled a detailed structural, geological and stratigraphic analysis of the prospects. Laboratory assays are analysed for a comprehensive suite of elements and this has facilitated the use of litho-geochemistry as an important vectoring tool to establish targets.

Our portfolio of drill-ready targets has been increased, illustrating the substantial exploration upside at East Laverton and bringing us closer to a major discovery.

Pipeline of EM Targets

The regional moving loop electromagnetic (MLEM) survey initiated by the Company in Q4 2013 was continued during the past year across the priority nickel sulphide prospects at the East Laverton Property.

A number of new EM anomalies have been identified by Newexco, the Company's geophysical adviser, which warrant follow-up exploration.

Several of the EM anomalies were modelled as bedrock conductors, with conductivity and exponential time decays that were consistent with the EM response from massive sulphide bodies.

The EM anomalies are rigorously screened along with their corresponding structural, geological, geophysical and geochemical attributes. The most favourable conductors based on the available evidence are prioritised for drill testing.

Attractive EM targets have been generated at Desert Dragon North, Desert Dragon Central, Windsor, Aphrodite and Cambridge North and will be scheduled for drilling in 2015. Follow-up EM surveys are continuing at other prospects and further EM targets are expected to be identified next year.

The strong pipeline of EM targets emphasises the regional scale of St George's Project and its potential to host multiple massive nickel sulphide deposits.

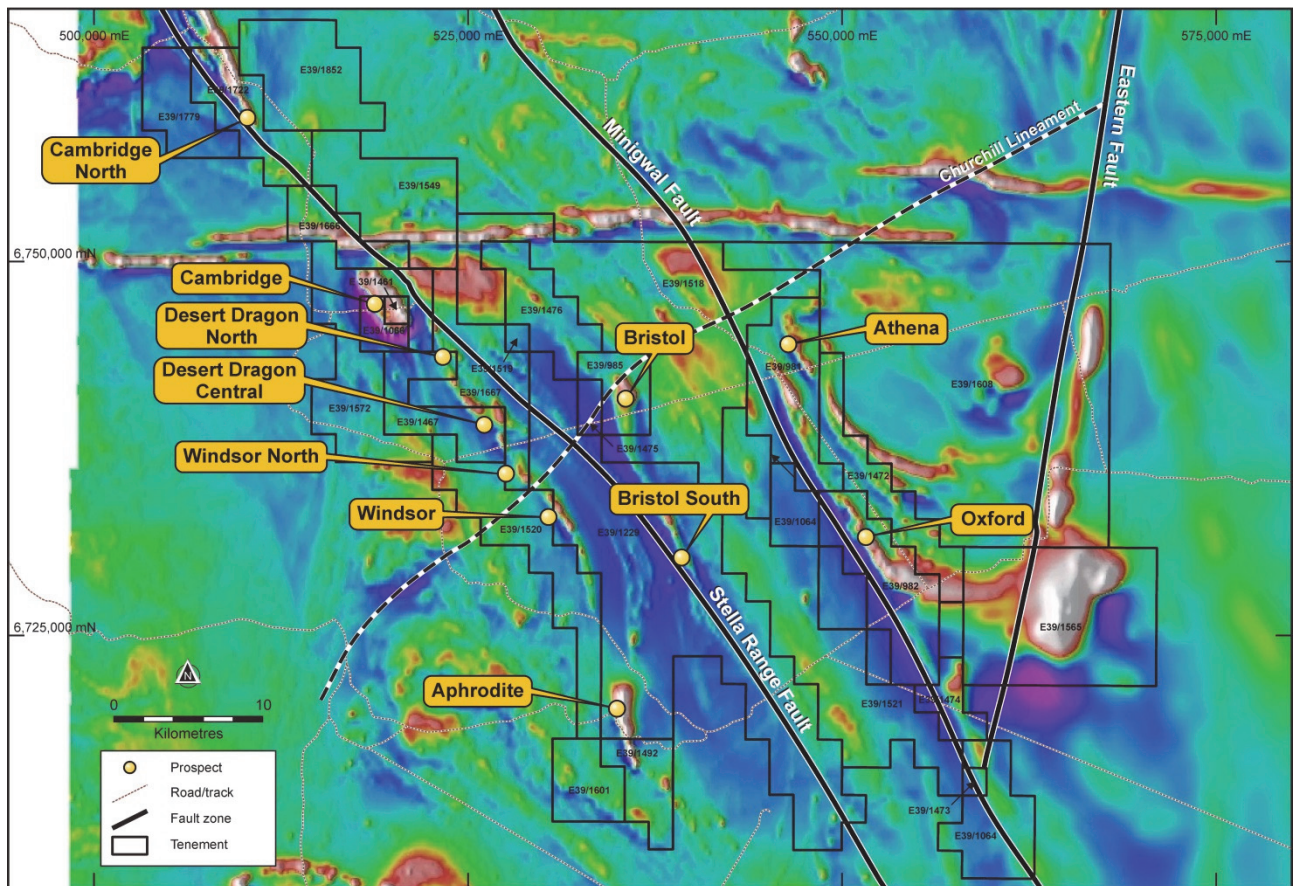


Figure 2 – the tenements at St George’s Project shown over magnetics with high priority prospects highlighted. A number of attractive drill-ready targets have been established at several of the prospects.

Windsor – Nickel Sulphide Zone Extended

Four of the six drill holes completed at Windsor in late 2014 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 linear komatiite channel flow that locally hosts a zone of disseminated nickel sulphides, which is open laterally and at depth. Figure 3 is a cross-section of the completed drill holes which illustrates the zone of disseminated nickel sulphides.

There is a documented relationship between disseminated and massive nickel sulphide mineralisation in komatiite hosted nickel deposits.

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 an indicator for the presence of massive sulphides.

A petrographic examination of the disseminated nickel sulphides in hole DRAC38 confirmed the only nickel sulphide present as pentlandite, indicating the high tenor of the nickel mineralisation at Windsor.

Figure 4 illustrates the ultramafic channel interpreted at Windsor and shows the broadly distributed disseminated nickel sulphide mineralisation, which is open to the north and south along strike.

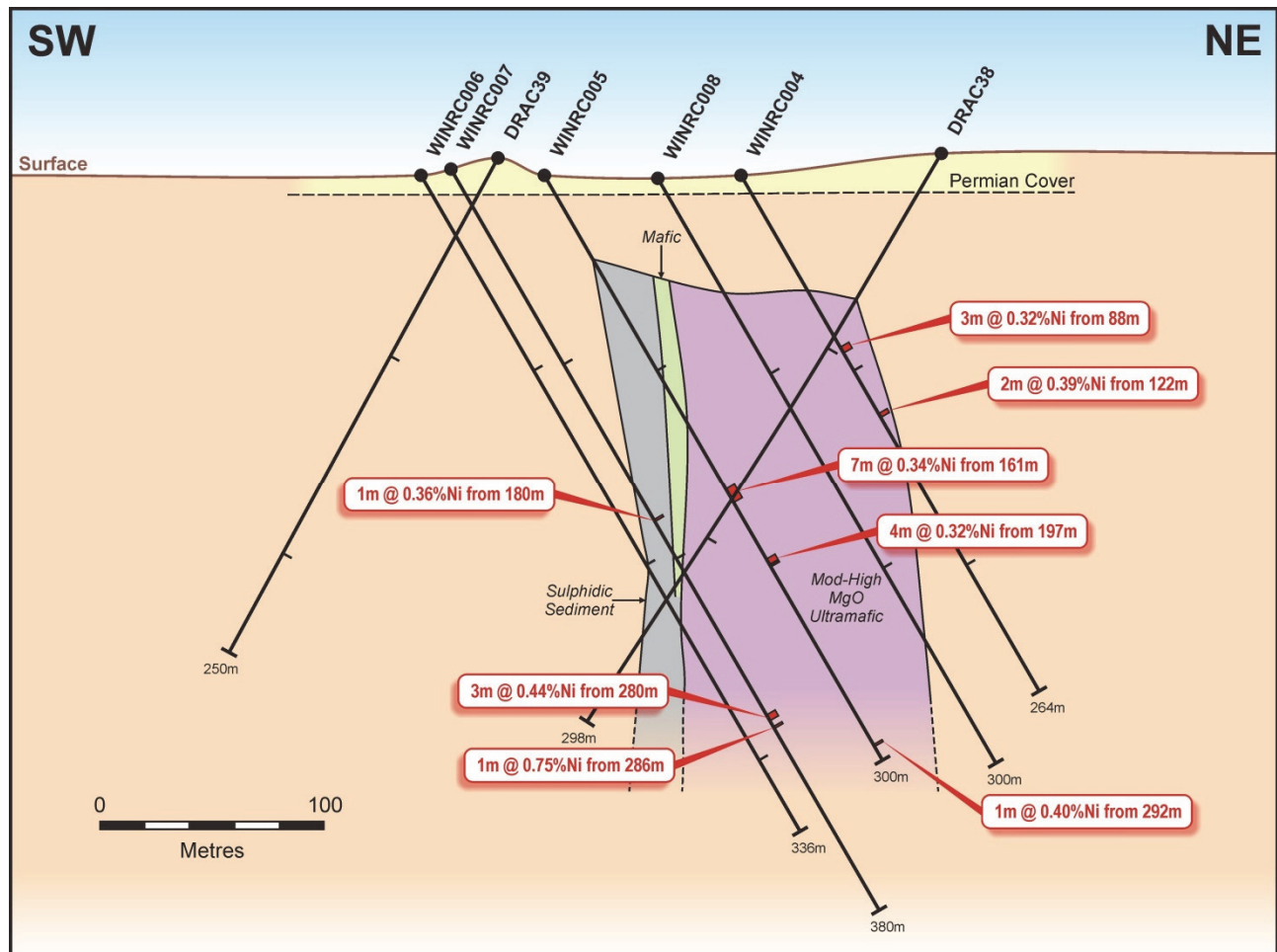


Figure 3 – Cross section of drill holes at the Windsor Prospect (discovery section +/-100m) showing nickel sulphide intersections within the interpreted ultramafic channel. The prospective ultramafic is open to the north and south.

Windsor is an optimal search-area for massive nickel sulphide mineralisation and only 200m of the 4,600m strike length of the basal contact has been tested to date.

Further drilling will be planned for Windsor to follow up on the high tenor nickel sulphides intersected in the 2014 drilling campaign.

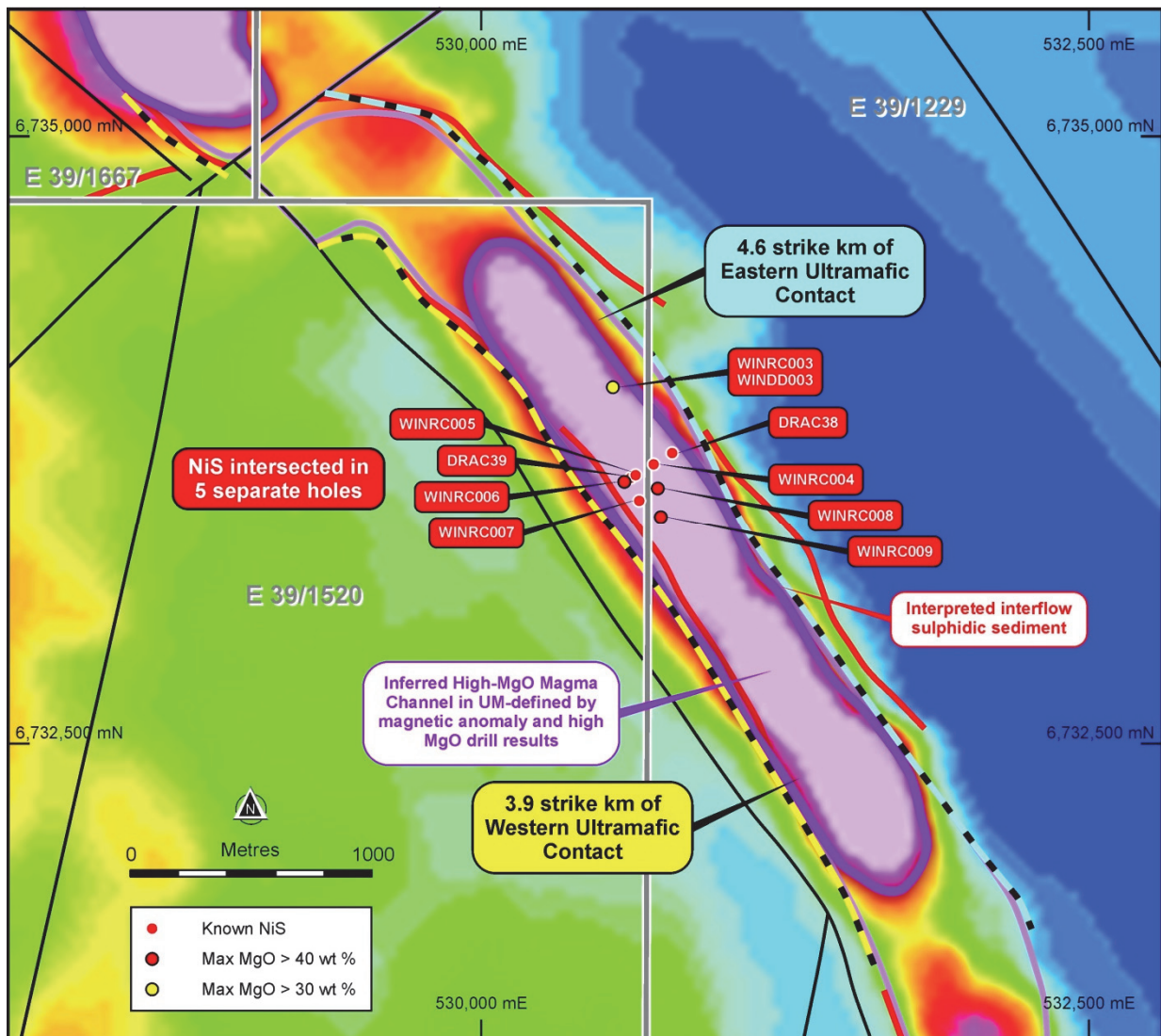


Figure 4 – Windsor ultramafic channel against magnetics. Drilling to date is limited and exploration upside is significant.

Technical Review

A milestone Technical Review of the Project was completed in Q1 2015, utilising the expanded database following the substantial exploration programs completed in 2014. The Review concluded that the Project represents a significant and de-risked exploration opportunity with the size and necessary geological criteria to host multiple nickel sulphide deposits.

Drilling at the Project has confirmed extensive strike lengths of thick high-MgO olivine-rich rocks, particularly on the Stella Range belt. These rocks contain an estimated volatile-free MgO content up to 50% and Mg up to 93, indicating that the rocks were formed from a very magnesian parental magma.

These high MgO komatiites reflect a core area of komatiite magmatism controlled by major crustal and sub-crustal structures that have allowed the transport and deposition of high volumes of very hot komatiites at high flow rates. This is a primary requisite for large nickel sulphide deposits.

The Review noted that this parental magma composition is similar to the Agnew-Wiluna belt and rare in the Yilgarn outside Forrestania and Agnew-Wiluna.

A key feature of large and well-mineralised nickel camps is favourable sub-crustal and crustal rift architecture, which controls the distribution of komatiite volcanism and nickel sulphide deposition. Typically, this architecture involves deep rifts controlled by rift parallel faults that are cross-cut by major transform faults.

Rift parallel faults are the large regional NW-NNW trending shear zones. The transform (or rift normal) faults are early and fundamental structures that become more cryptic in nature as they are obscured by overlying stratigraphy and late local faults developed in these covering rocks.

The intersections of these structures are areas that experience higher volumes, higher temperatures and higher flow rates of komatiite magma, creating enhanced conditions for nickel sulphide deposition. These important areas are associated with greenstone depocentres, the thickest and deepest part of the komatiite-hosting rift. Major nickel deposits are known to form in proximity to the intersection of these structures, including the Perseverance, Mt Keith and Cliffs deposits in the Agnew-Wiluna belt.

The Review found this favourable structural architecture to be present at St George's Project, where the main NNW trending rift-parallel structures are intersected by the more cryptic NE trending transform faults; see Figure 5.

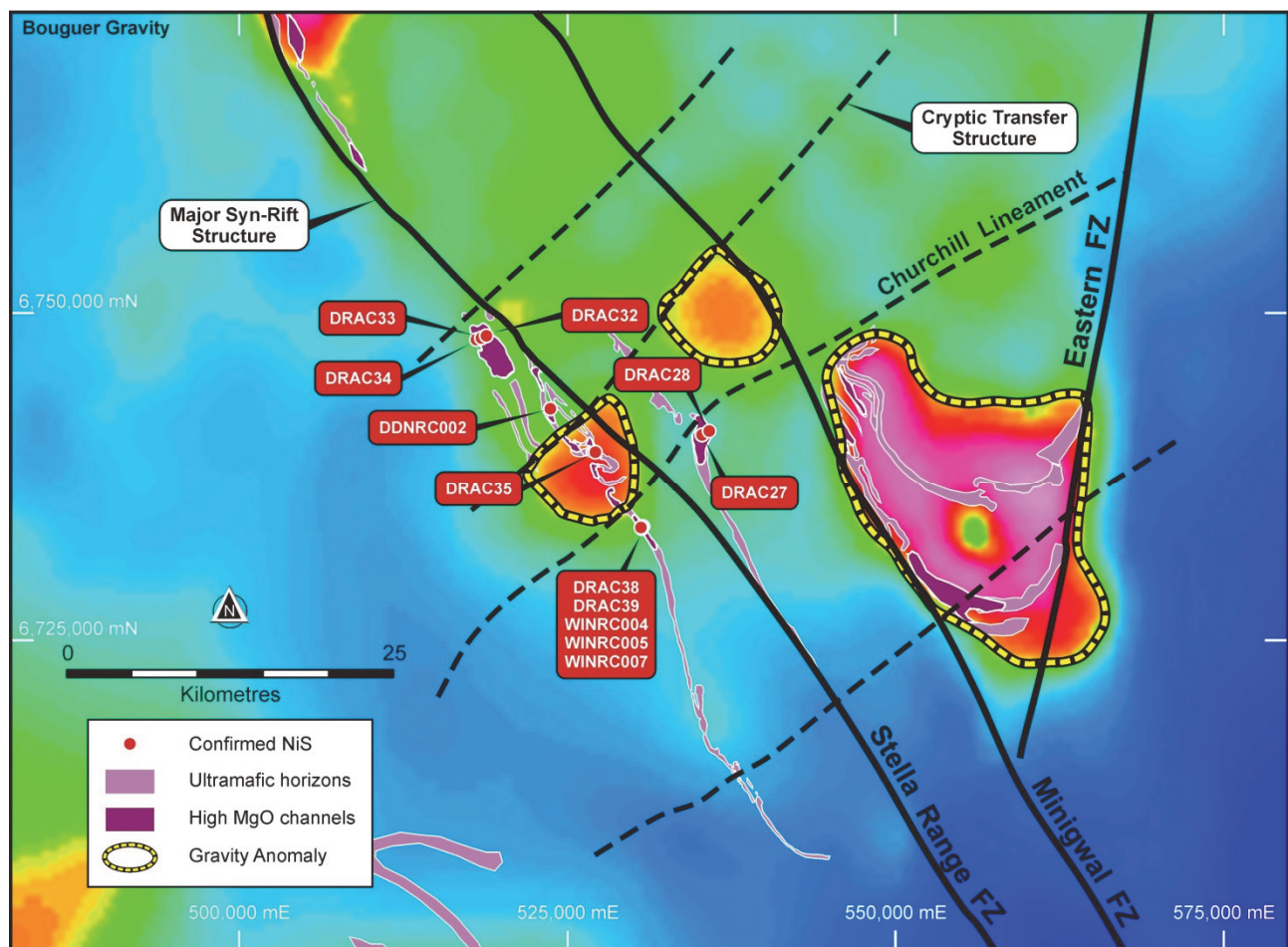


Figure 5 – Fundamental rift architecture is prominent at St George's Project with major NNW fault zones cross cut by cryptic transfer structures like the Churchill Lineament. Known nickel sulphides and high-MgO komatiite channels are closely associated with the intersection of these structures. This architecture is very similar to the structural architecture seen at highly mineralised komatiite hosted nickel camps including at Forrestania and in the Agnew-Wiluna belt.

An 18km strike length of the Stella Range belt - which covers the Desert Dragon and Windsor prospects – was highlighted as being the most prospective area for nickel sulphide mineralisation within the Project area (see Figure 6).

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

The Review also identified the extensive strike length of basal contact present within this area, and how this prospective surface has been significantly extended by the complex folding which was once linear in nature. Only a small section of the prospective basal contact of this target area (possibly less than 5%) has been drill tested to date. Substantial exploration upside remains at these prospects.

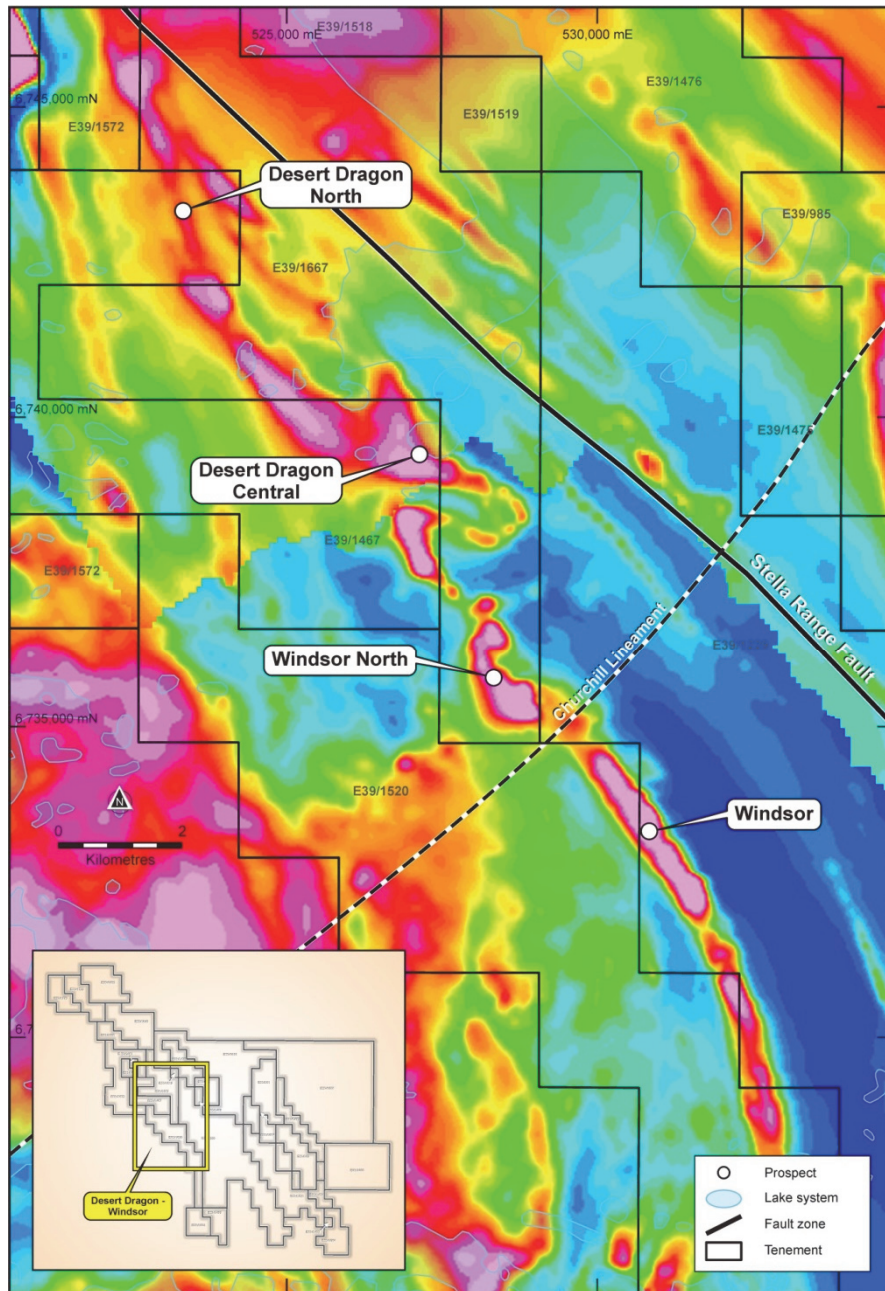


Figure 6 – The Desert Dragon-Windsor prospects are within a priority 18km section of the Stella Range belt; the position of this area within St George's Project tenements is shown in the inset above.

Drilling Increases VMS Prospectivity

This year we also saw increasing evidence for the presence of VMS-style base metal mineralisation at the Project. Multiple and widespread intersections of copper and zinc sulphide mineralisation were made at the property. VMS mineralisation is situated off the ultramafic belts and has not been considered in historical exploration.

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. This metal enrichment is likely associated with the presence of metal-rich and sulphidic exhalative-sediments, which usually form as a broad aureole 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. Additional VMS-style base-metal targets will be developed for drill testing in 2015.

LAKE MINIGWAL PROJECT (100% ST GEORGE)

St George Mining owns 100% of the Lake Minigwal Project, an area to the south-west of the East Laverton Property (see Figure 7).

The Lake Minigwal tenements cover a strong cluster of highly anomalous gold soil values identified by a regional geochemical soil survey conducted by the GSWA (Geological Survey of Western Australia) in 2011.

St George believes the Lake Minigwal Project hosts a large area of a concealed and unexplored greenstone belt that is prospective for gold and nickel sulphide mineralisation.

During the year, St George completed a review of acquired airborne magnetics for the area and completed ground gravity and soil geochemical surveys at the Lake Minigwal Project.

The gravity data identified a large area of higher density which was co-incident with a strong magnetic response. This area is interpreted to be a large mass of greenstone.

This interpretation was validated by the coincident nickel-cobalt soil geochemical responses from our partial leach soil geochemical survey (see Figure 8). Nickel and cobalt are two elements commonly used to distinguish greenstones from other rocks with less mafic minerals.

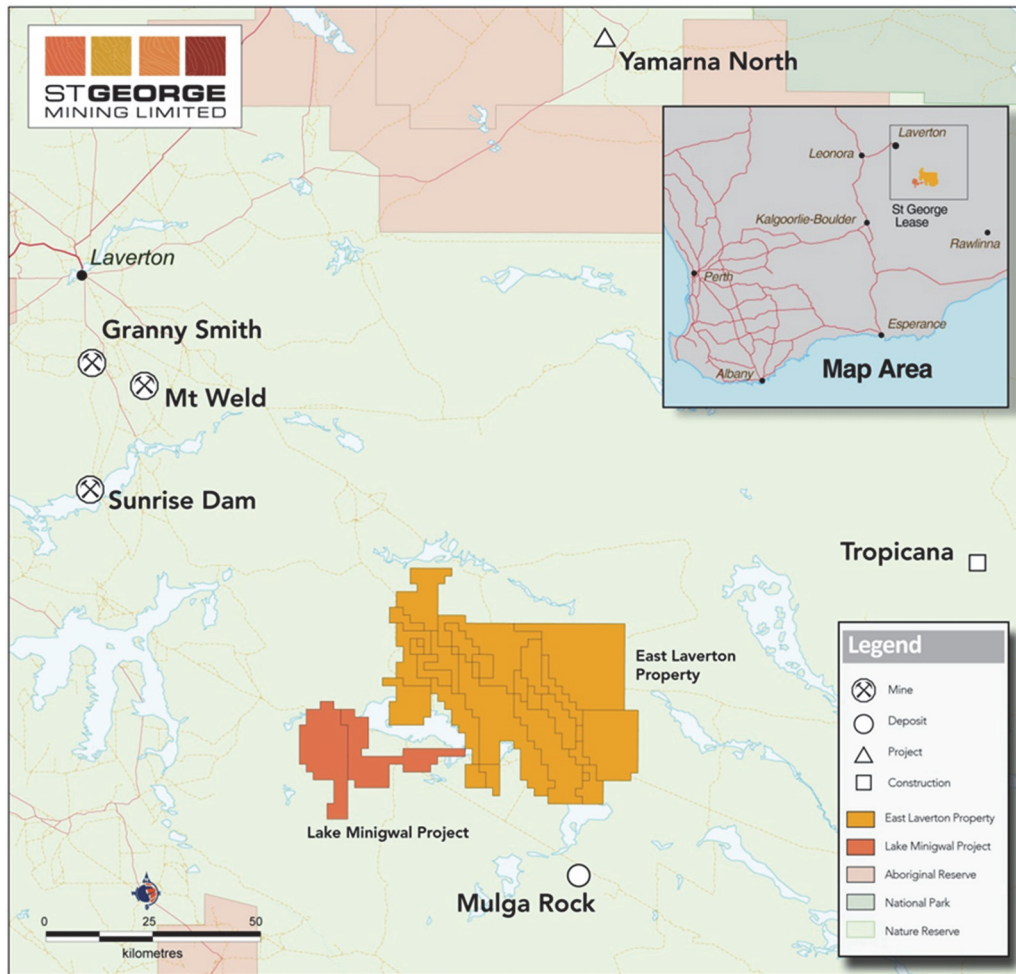


Figure 7 – the Lake Minigwal Project is illustrated relative to the East Laverton Property. The region hosts major gold projects including the Laverton goldfield to the north-west (Sunrise Dam +12Moz Au), Tropicana (+10Moz Au) to the north-east and Gold Road’s Yamarna project (+4Moz Au) to the north

A large, composite gold + molybdenum + arsenic soil anomaly covered an area in excess of 5,000 m along the northern greenstone-sediment contact. The gold anomalism was also constrained within a NW trending structure (see Figure 9).

It is believed that the position of the gold anomalism along the greenstone-sediment margin is significant. The major gold deposits in the Laverton goldfield to the west are hosted in sedimentary rather than greenstone rocks.

The next phase of exploration at the Lake Minigwal Project will follow-up on the positive results from the initial field exploration, with reconnaissance drilling planned for the 2015 field season.

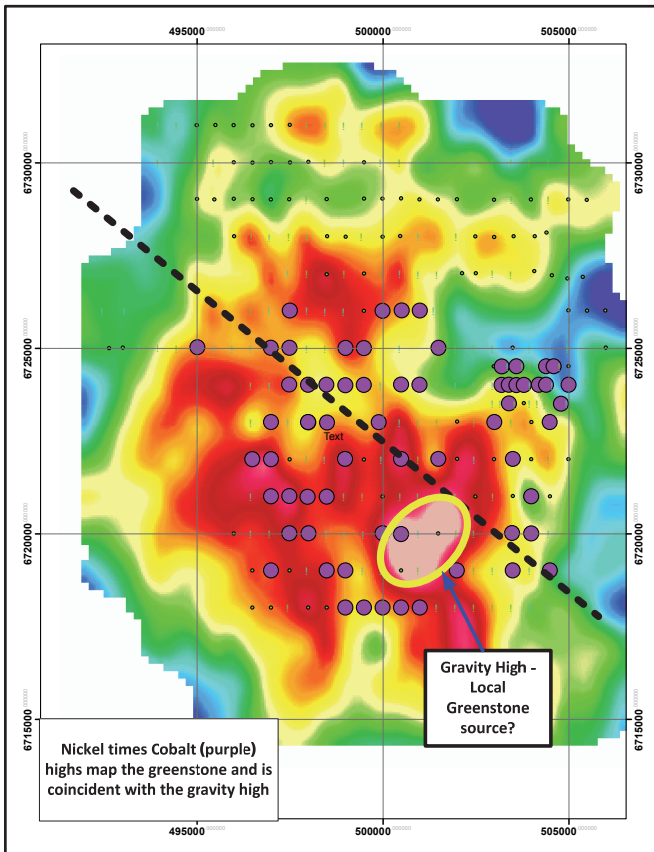


Figure 8 - The nickel-cobalt index (purple dots) correlate well with the denser rocks that are mapped by the higher (red) gravity response

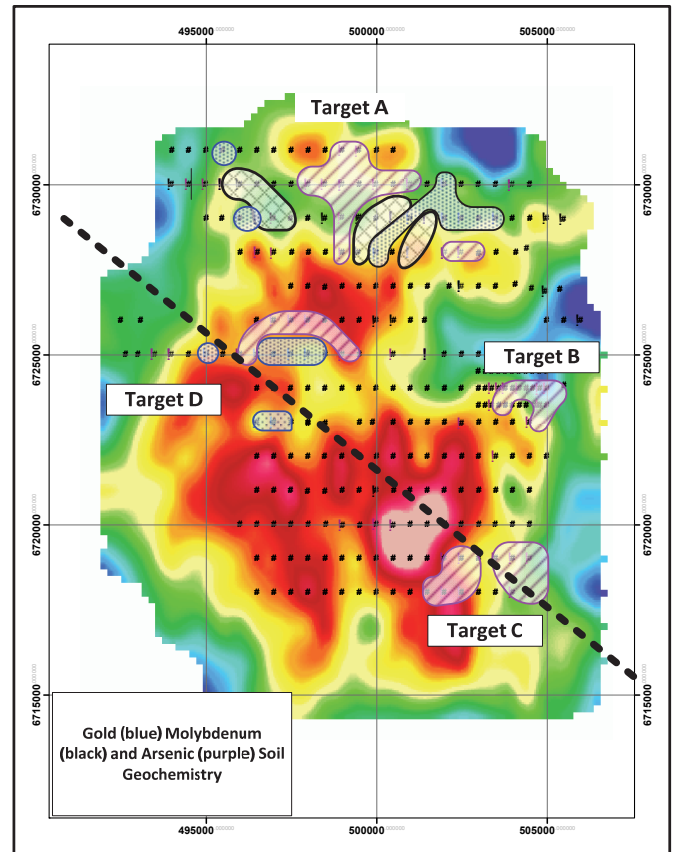


Figure 9 - The main Au+Mo and As soil anomaly lies immediately north of the project area in a sedimentary host rock, which is typical of major gold deposits in the Laverton region

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 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.

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

- 8 April 2015 Project Dragon Drill Results – Restated
- 4 March 2015 Global Nickel Expert Endorses Project
- 17 March 2015 Outstanding Nickel Sulphide Targets
- 11 February 2015 St George Extends Nickel Sulphide Zone
- 21 October 2014 Drilling Extends VMS System

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.

CORPORATE UPDATE

The Company completed a number of successful capital raising initiatives during the year. In September 2014, the Company arranged a placement of ordinary shares to sophisticated investors with a total of 19,505,555 fully paid ordinary shares issued at \$0.09 each to raise \$1,755,500.

On 9 June 2015, the Company completed a placement to sophisticated investors of 20,007,864 ordinary shares at \$0.07 each to raise \$1,400,550.

On 16 June 2015, the Company announced that a further 5,555,556 ordinary shares at \$0.09 per share will be placed to City Natural Resources High Yield Trust PLC to raise \$500,000.

Investors who subscribed for shares in the placements arranged in June 2015 received one free option for every three new shares acquired. These options are on the same terms as the options trading under ASX code SGQOA.

Following completion of these placements, the Company had 137,395,226 ordinary shares and 20,857,178 listed options on issue.

Passing of Director

Marcus Michael, Non-executive Director of the Company died suddenly on Thursday, 11 June 2015 after a short illness.

As a founding shareholder and director of the Company, Marcus was instrumental in the successful development of St George into one of Australia's leading nickel sulphide explorers.

Marcus was a highly respected Board member, and his experience, energy and inspiration will be greatly missed.

The Directors extend their deepest sympathy to Marcus' family, colleagues and friends.

Sarah Shipway, who has been an integral member of the St George team for several years and the Company Secretary of the Company since 22 March 2012, was appointed as a Non-executive Director on 11 June 2015 to fill the vacancy created by the untimely death of Marcus Michael.

Ms Shipway is a member of the Institute of Chartered Accountants and graduated with a Bachelor of Commerce from Murdoch University.

The Directors of St George Mining Limited submit herewith the annual financial report of St George Mining Limited from the 1 July 2014 to 30 June 2015. In order to comply with the provisions of the Corporations Act 2001, the Directors report as follows:

DIRECTORS

The names and particulars of the directors of the Company as at 30 June 2015, and at the date of this report, are as follows. Directors were in office for the entire period unless otherwise stated.

JOHN PRINEAS B.EC LL.B F FIN

Executive Chairman

Appointed 19 October 2009

John has over 26 years experience in the banking and legal sectors, including a period as the head of a financial institution in Australia. He commenced his career as a lawyer at Allen, Allen & Hemsley, gaining extensive experience in commercial transactions and corporate advice in both Australia and Asia-Pacific.

In 1994, he joined Dresdner Bank AG in Sydney and over the next 10 years occupied the roles of General Counsel, Chief Operating Officer and Country Head with a focus on project and acquisition finance for resources and infrastructure projects as well as associated capital markets and treasury products, including commodities trading.

John has a diverse range of high level experience in finance, mining and corporate governance.

During the past 3 years he has held no other listed company directorships.

TIM HRONSKY B.ENG (Geology) MAUSIMM, MSEG

Executive Director

Appointed 25 November 2009

Tim is a geologist with over 25 years international experience in the mineral exploration and mining industry, including 15 years with Placer Dome Inc. After graduating from the West Australian School of Mines, Tim began his career in a number of operational roles before shifting to exploration where he was the Exploration Manager (Asia) for Placer Dome.

Subsequently he undertook a number of corporate roles related to business improvement, risk management and assurance. More recently, he has been providing consulting services to a range of clients in the global exploration and mining industry.

During the past 3 years he has held no other listed company directorships.

MARCUS MICHAEL CA, B.Bus

Non-Executive Director

Appointed 19 October 2009

Retired 11 June 2015

Marcus Michael was a Chartered Accountant with extensive experience in the Australian financial markets including ASX company listings, equity and debt funding, mergers and acquisitions and corporate restructures and recapitalisations.

Marcus was a founding Director of Marshall Michael Pty Ltd, Chartered Accountants. Established in 1994 as a boutique corporate and business advisory, wealth management, tax advisory and financial and management reporting practice, servicing mining and exploration, healthcare and information technology sectors.

Marcus graduated from Curtin University with a Bachelor of Business and was a Member of the Institute of Chartered Accountants.

During the past 3 years he has also served as a director of the following listed companies:

Company	Date of Appointment	Date of Resignation
Argent Minerals Limited	4 April 2007	11 June 2015
Beacon Minerals Limited	19 March 2012	11 June 2015
Cardinal Resources Limited	28 December 2012	11 June 2015

SARAH SHIPWAY CA, B.Com
 Non-Executive Director
 Appointed 11 June 2015

Sarah Shipway was appointed Non-Executive Director on 11 June 2015 and was appointed Company Secretary of St George Mining on 22 March 2012. Ms Shipway has a Bachelor of Commerce from the Murdoch University and is a member of the Institute of Chartered Accountants.

During the past 3 years she has also served as a director of the following listed companies:

Company	Date of Appointment	Date of Resignation
Argent Minerals Limited	11 June 2015	Not applicable
Beacon Minerals Limited	11 June 2015	Not applicable

COMPANY SECRETARY

Sarah Shipway was appointed Company Secretary on 22 March 2012. For details relating to Sarah Shipway, please refer to the details on directors above.

DIRECTORS' INTERESTS

At the date of this report the Directors held the following interests in St George Mining.

Name	Note	Ordinary Shares	Listed Options	Class C Unlisted Options	Performance Shares
John Prineas	-	10,214,221	1,021,422	-	30
Tim Hronsky	-	1,062,500	106,250	400,000	10
Marcus Michael	1	2,810,668	281,066	-	15
Sarah Shipway	-	-	-	-	-

Note 1: Directors holdings as at the date of retirement, being 11 June 2015.

John Prineas has had no interest, whether directly or indirectly, in a contract or proposed contract with St George Mining Limited during the financial year end.

Marshall Michael Pty Ltd Chartered Accountants, of which Marcus Michael was a Director and where Sarah Shipway is an employee, provides accounting, bookkeeping, corporate secretarial and general administrative services to the Company and Tim Hronsky through Essential Risk Solutions Ltd ("ERS"), of which Tim Hronsky is a Director, provides technical consulting services to the Company.

PRINCIPAL ACTIVITIES

The principal activity of the Group is mineral exploration in Australia.

RESULTS AND REVIEW OF OPERATIONS

The results of the consolidated entity for the financial year from 1 July 2014 to 30 June 2015 after income tax was a loss of \$3,127,847 (2014: \$1,893,880).

A review of operations of the consolidated entity during the year ended 30 June 2015 is provided in the "Review of the Operations" immediately preceding this Directors' Report.

LIKELY DEVELOPMENTS

The Group's focus over the next financial year will be to continue exploration on its key projects at the East Laverton Property. Further commentary on planned activities over the forthcoming year is provided in the "Review of Operations".

The Board will continue to focus on creating value from the Company's existing resource assets, as well as considering new opportunities in the resources sector to complement the Company's current projects.

SIGNIFICANT CHANGES IN STATE OF AFFAIRS

There has not been any significant change in the state of affairs of the Group during the financial year, other than as noted in this financial report.

ENVIRONMENTAL ISSUES

The Group is aware of its environmental obligations with regards to its exploration activities and ensures that it complies with all applicable regulations when carrying out exploration work.

DIVIDENDS PAID OR RECOMMENDED

The directors do not recommend the payment of a dividend and no amount has been paid or declared by way of a dividend to the date of this report.

DIRECTORS' MEETINGS

The following table sets out the number of meetings held during the year ended 30 June 2015 and the number of meetings attended by each director.

Name	Note	Eligible to attend	Attended
J Prineas	-	10	10
T Hronsky	-	10	10
M Michael	1	10	9
S Shipway*	2	-	-

Note 1: M Michael retired as Non-Executive Director on 11 June 2015

Note 2: S Shipway was appointed Non-Executive Director on 11 June 2015.

REMUNERATION REPORT – AUDITED

Remuneration policy

The remuneration policy of St George Mining Limited has been designed to align directors' objectives with shareholder and business objectives by providing a fixed remuneration component, which is assessed on an annual basis in line with market rates. The Board of St George Mining Limited believes the remuneration policy to be appropriate and effective in its ability to attract and retain the best directors to run and manage the Company.

The Board's policy for determining the nature and amount of remuneration for Board members is as follows:

- The remuneration policy and setting the terms and conditions for the Executive directors and other senior staff members is developed and approved by the Board based on local and international trends among comparative companies and industry generally. It examines terms and conditions for employee incentive schemes, benefit plans and share plans. Independent advice is obtained when considered necessary to confirm that executive remuneration is in line with market practice and is reasonable within Australian executive reward practices.
- All executives receive a base salary (which is based on factors such as length of service and experience) and superannuation.
- The Group is an exploration entity, and therefore speculative in terms of performance. Consistent with attracting and retaining talented executives, directors and senior executives are paid market rates associated with individuals in similar positions within the same industry. Options and performance incentives may be issued particularly as the entity moves from an exploration to a producing entity and key performance indicators such as profit and production and reserves growth can be used as measurements for assessing executive performance.
- The Board policy is to remunerate non-executive directors at market rates for comparable companies for time, commitment and responsibilities. The Executive Directors, in consultation with independent advisors, determine payments to the non-executives and review their remuneration annually, based on market practice, duties and accountability. The maximum aggregate amount of fees that can be paid to non-executive directors is subject to approval by shareholders at the Annual General Meeting and is currently \$150,000 per annum. Fees for independent non-executive directors are not linked to the performance of the Group. To align Directors' interests with shareholder interests, the directors are encouraged to hold shares in the Company.

Details of directors and executives

Directors	Title	Date of Appointment	Date of Retirement
J Prineas	Executive Chairman	19 October 2009	Not Applicable
T Hronsky	Executive Director	25 November 2009	Not Applicable
M Michael	Non-Executive Director	19 October 2009	11 June 2015
S Shipway	Non-Executive Director	11 June 2015	Not Applicable

The Company does not have any executives that are not Directors.

Executive Directors' remuneration and other terms of employment are reviewed annually by the non-executive director(s) having regard to performance against goals set at the start of the year, relative comparable information and independent expert advice.

Except as detailed in the Director's Report, no director has received or become entitled to receive, during or since the financial year end, a benefit because of a contract made by the Group or a related body corporate with a director, a firm of which a director is a member or an entity in which a director has a substantial financial interest. This statement excludes a benefit included in the aggregate amount of emoluments received or due and receivable by directors and shown in the Remuneration Report, prepared in accordance with the Corporations Regulations, or the fixed salary of a full time employee of the Group.

Remuneration of directors and executives

Remuneration for the financial year ended 30 June 2015.

Directors	Short-Term Benefits			Post Employment Benefits	Long Term Benefits	Equity Settled Share-Based Payments	Total
	Salary and Fees	Termination Payment	Non Monetary	Superannuation	Long Service Leave	Shares/Option s	
	\$	\$	(i) \$	\$	\$	\$	\$
J Prineas							
2015	180,000	-	3,515	17,100	-	-	200,615
2014	180,000	-	3,998	16,650	-	-	200,648
T Hronsky							
2015	180,000	-	3,210	-	-	-	183,210
2014	180,000	-	3,660	-	-	-	183,660
M Michael							
2015	40,000	40,000	1,494	3,800	-	-	85,294
2014	40,000	-	889	3,700	-	-	44,589
S Shipway (ii)							
2015	-	-	-	-	-	-	-
2014	-	-	-	-	-	-	-
Total							
2015	400,000	40,000	8,219	20,900	-	-	469,119
2014	400,000	-	8,547	20,350	-	-	428,897

(i) Non monetary benefits are for directors' and officers' liability and legal expense insurance premiums.

(ii) Sarah Shipway was appointed as a director on 11 June 2015.

Employment contracts of directors and executives

The terms and conditions under which key management personnel and executives are engaged by the Company are formalised in contracts between the Company and those individuals.

The Company has entered into an executive services agreement with Mr John Prineas whereby Mr Prineas receives remuneration of \$180,000 per annum plus statutory superannuation. Mr Prineas may terminate the agreement by giving 3 months' notice. The executive services agreement is reviewed and renewed monthly.

The Company had entered into a service agreement with Mr Marcus Michael whereby Mr Michael received remuneration of \$40,000 per annum plus statutory superannuation.

The Company has entered into a service agreement with Ms Sarah Shipway whereby Ms Shipway receives remuneration of \$40,000 per annum plus statutory superannuation.

The Company has entered into a consultancy contract with Essential Risk Solutions ("ERS") and Mr Hronsky whereby a base service fee of \$15,000 per month is payable, \$180,000 per annum. Up to 4 economy class trips between Perth and Vancouver may be paid by the Company on behalf of Mr Hronsky in each calendar year.

ERS may terminate the Agreement by giving 3 months' notice. The consultancy contract with ERS is reviewed and renewed monthly.

INDEMNIFICATION AND INSURANCE OF DIRECTORS AND OFFICERS

In accordance with the constitution, except as may be prohibited by the Corporations Act 2001, every Officer or agent of the Company shall be indemnified out of the property of the entity against any liability incurred by him in his capacity as Officer or agent of the Company or any related corporation in respect of any act or omission whatsoever and howsoever occurring or in defending any proceedings, whether civil or criminal.

During the year the Company agreed to pay an annual insurance premium of \$8,219 (2014: \$8,547) in respect of directors' and officers' liability and legal expenses' insurance contracts, for directors, officers and employees of the Company. The insurance premium relates to:

- Costs and expenses incurred by the relevant officers in defending proceedings, whether civil or criminal, and whatever the outcome.
- Other liabilities that may arise from their position, with the exception of conduct involving a willful breach of duty.

During the year no remuneration options were issued to directors or other key management personnel. No options were exercised or cancelled, 750,000 Class B Options expired on 28 November 2014 unexercised.

Shareholdings of key management personnel

Directors	Balance at 1 July 2014 (i)	Granted as remuneration	Net other change	Balance at 30 June 2015 (ii)
John Prineas	10,214,221	-	-	10,214,221
Timothy Hronsky	1,062,500	-	-	1,062,500
Marcus Michael	2,810,668	-	-	2,810,668
Sarah Shipway	-	-	-	-
Total	14,087,389	-	-	14,087,389

Directors	Balance at 1 July 2013	Granted as remuneration	Net other change	Balance at 30 June 2014
John Prineas	10,214,221	-	-	10,214,221
Timothy Hronsky	1,062,500	-	-	1,062,500
Marcus Michael	2,810,668	-	-	2,810,668
Total	14,087,389	-	-	14,087,389

(i) Balance as at 1 July 2014 or at the date of appointment.

(ii) Balance as at 30 June 2015 or at the date of retirement.

Listed Options, exercisable at \$0.20 on or before 28 November 2014, holdings of key management personnel

Directors	Balance at 1 July 2014	Granted as remuneration	Net other change (i)	Balance at 30 June 2015
John Prineas	7,658,167	-	(7,658,167)	-
Timothy Hronsky	531,250	-	(531,250)	-
Marcus Michael	2,108,006	-	(2,108,006)	-
Total	10,297,423	-	(10,297,423)	-

Directors	Balance at 1 July 2013	Granted as remuneration	Net other change	Balance at 30 June 2014
John Prineas	7,658,167	-	-	7,658,167
Timothy Hronsky	531,250	-	-	531,250
Marcus Michael	2,108,006	-	-	2,108,006
Total	10,297,423	-	-	10,297,423

(i) Expired during the year.

Listed Options, exercisable at \$0.20 on or before 30 June 2017, holdings of key management personnel

Directors	Balance at 1 July 2014 (i)	Granted as remuneration	Net other change (ii)	Balance at 30 June 2015 (iii)
John Prineas	-	-	1,021,422	1,021,422
Timothy Hronsky	-	-	106,250	106,250
Marcus Michael	-	-	281,066	281,066
Sarah Shipway	-	-	-	-
Total	-	-	1,408,738	1,408,738

Directors	Balance at 1 July 2013	Granted as remuneration	Net other change	Balance at 30 June 2014
John Prineas	-	-	-	-
Timothy Hronsky	-	-	-	-
Marcus Michael	-	-	-	-
Total	-	-	-	-

(i) Balance as at 1 July 2014 or at the date of appointment.

(ii) On the 17 December 2014 the Company announced a Bonus Issue of One (1) new options for every ten (10) shares held by shareholder on 5 January 2015, the options were issued for nil consideration.

(iii) Balance as at 30 June 2015 or at the date of retirement.

Class A Unlisted Option holdings of key management personnel

Directors	Balance at 1 July 2014	Granted as remuneration	Net other change	Balance at 30 June 2015
John Prineas	-	-	-	-
Timothy Hronsky	-	-	-	-
Marcus Michael	-	-	-	-
Sarah Shipway	-	-	-	-
Total	-	-	-	-

Directors	Balance at 1 July 2013	Granted as remuneration	Net other change (i)	Balance at 30 June 2014
John Prineas	-	-	-	-
Timothy Hronsky	300,000	-	(300,000)	-
Marcus Michael	-	-	-	-
Total	300,000	-	(300,000)	-

(i) Expired during the year.

Class B Unlisted Option holdings of key management personnel

Directors	Balance at 1 July 2014	Granted as remuneration	Net other change (i)	Balance at 30 June 2015
John Prineas	-	-	-	-
Timothy Hronsky	300,000	-	(300,000)	-
Marcus Michael	-	-	-	-
Sarah Shipway	-	-	-	-
Total	300,000	-	(300,000)	-

Directors	Balance at 1 July 2013	Granted as remuneration	Net other change	Balance at 30 June 2014
John Prineas	-	-	-	-
Timothy Hronsky	300,000	-	-	300,000
Marcus Michael	-	-	-	-
Total	300,000	-	-	300,000

(i) Expired during the year.

Class C Unlisted Option holdings of key management personnel

Directors	Balance at 1 July 2014 (i)	Granted as remuneration	Net other change	Balance at 30 June 2015 (ii)
John Prineas	-	-	-	-
Timothy Hronsky	400,000	-	-	400,000
Marcus Michael	-	-	-	-
Sarah Shipway	-	-	-	-
Total	400,000	-	-	400,000

Directors	Balance at 1 July 2013	Granted as remuneration	Net other change	Balance at 30 June 2014
John Prineas	-	-	-	-
Timothy Hronsky	400,000	-	-	400,000
Marcus Michael	-	-	-	-
Total	400,000	-	-	400,000

(i) Balance as at 1 July 2014 or at the date of appointment.

(ii) Balance as at 30 June 2015 or at the date of retirement.

Performance Shareholdings of key management personnel

Directors	Balance at 1 July 2014 (ii)	Granted as remuneration	Net other change	Balance at 30 June 2015 (i), (iii)
John Prineas	30	-	-	30
Timothy Hronsky	10	-	-	10
Marcus Michael	15	-	-	15
Sarah Shipway	-	-	-	-
Total	55	-	-	55

Directors	Balance at 1 July 2013	Granted as remuneration	Net other change	Balance at 30 June 2014
John Prineas	30	-	-	30
Timothy Hronsky	10	-	-	10
Marcus Michael	15	-	-	15

Total	55	-	-	55
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- (i) On satisfaction of certain milestone events, each Performance Share converts into 100,000 ordinary shares (refer to Directors' Report and note 12 (a)) in which case John Prineas would become entitled to a further 3,000,000 ordinary shares, Timothy Hronsky a further 1,000,000 ordinary shares and Marcus Michael a further 1,500,000 ordinary shares.
- (ii) Balance as at 1 July 2014 or at the date of appointment.
- (iii) Balance as at 30 June 2015 or at the date of retirement.

END OF REMUNERATION REPORT

SHARE OPTIONS

Unissued shares

At the date of this report the Company had on issue 20,857,178 listed options, exercisable at \$0.20 on or before 30 June 2017. During the financial year ended 30 June 2015 and at the date of this report no options had been converted into fully paid ordinary shares.

At the date of this report the Company had on issue the below unlisted options;

Unlisted Options Class	Number of Options	Exercise Price \$	Expiry Date
Class C Options	1,000,000	\$0.40	On or before 28 November 2015
Unlisted Options	3,029,525	\$0.30	On or before 30 June 2016

During the financial year ended 30 June 2015 none of these unlisted options were converted into fully paid ordinary shares.

Option holders do not have any rights to participate in any issues of shares of other interests in the Company or any other entity.

PROCEEDINGS ON BEHALF OF THE COMPANY

No person has applied for leave of court to bring proceedings on behalf of the Company or intervene in any proceedings to which the Company is a party for the purpose of taking responsibility on behalf of the Company for all or any part of those proceedings.

The Company was not a party to any such proceedings during the year.

CORPORATE GOVERNANCE STATEMENT

St George Mining is committed to ensuring that its policies and practices reflect a high standard of corporate governance. The Board has adopted a comprehensive framework of Corporate Governance Guidelines.

Throughout the 2015 financial year the Company's governance was consistent with the Corporate Governance Principles and Recommendations (3rd edition) published by the ASX Corporate Governance Council.

The Group's Corporate Governance Statement can be viewed at <http://stgm.com.au/page/corporate-governance>.

EVENTS SUBSEQUENT TO BALANCE DATE

The Company announced on 16 June 2015 that it had entered into an agreement to raise a total of \$500,000 through the issue of 5,555,556 ordinary shares at \$0.09 per share. Shares issued in the placement have

received one free attaching option for every three new shares issued. These options are exercisable at \$0.20 on or before 30 June 2017. On the 28 July 2015 the Company received shareholder approval at the extraordinary general meeting to issue the shares and options and the shares and options were issued on 29 July 2015.

Except for the above no other matters or circumstances have arisen since the end of the financial year which significantly affected or could significantly affect the operations of the Group, the results of those operations, or the state of the affairs of the Group in future financial years.

AUDITOR'S INDEPENDENCE DECLARATION

The auditor's independence declaration for the year ended 30 June 2015 has been received and can be found on page 53 of the financial report.

Non Audit Services

The Company's auditor, Stantons International, did not provide any non-audit services to the Company during the financial year ended 30 June 2015.

Signed in accordance with a resolution of the directors made pursuant to s 298(2) of the Corporations Act 2001.

On behalf of the directors



JOHN PRINEAS
Executive Chairman
St George Mining Limited
Dated 7 August 2015

**CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND
OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2015**

Australian Dollar (\$)	Note	30 JUNE 2015 \$	30 JUNE 2014 \$
REVENUE	3	<u>20,826</u>	<u>314,466</u>
EXPENDITURE			
Administration expenses	4	(886,070)	(747,464)
Exploration expenditure written off		<u>(3,060,318)</u>	<u>(2,056,461)</u>
LOSS BEFORE INCOME TAX		<u>(3,925,562)</u>	<u>(2,489,459)</u>
Income tax refund (payable)	5(a)	<u>797,715</u>	<u>595,579</u>
NET LOSS ATTRIBUTABLE TO MEMBERS OF THE COMPANY		<u>(3,127,847)</u>	<u>(1,893,880)</u>
Other comprehensive income		-	-
TOTAL COMPREHENSIVE INCOME (LOSS)		<u>(3,127,847)</u>	<u>(1,893,880)</u>
TOTAL COMPREHENSIVE INCOME (LOSS) ATTRIBUTABLE TO MEMBERS OF THE COMPANY		<u>(3,127,847)</u>	<u>(1,893,880)</u>
LOSS PER SHARE			
Basic and diluted – cents per share	14	<u>(2.90)</u>	<u>(2.45)</u>

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 30 JUNE 2015**

Australian Dollar (\$)	Note	30 JUNE 2015 \$	30 JUNE 2014 \$
CURRENT ASSETS			
Cash and cash equivalents	15(a)	1,569,200	1,261,659
Trade and other receivables	8(a)	97,728	101,091
Other assets	8(b)	42,323	2,614
TOTAL CURRENT ASSETS		<u>1,709,251</u>	<u>1,365,364</u>
NON CURRENT ASSETS			
Security bond		1,000	1,000
Plant and equipment	9	37,577	50,687
Exploration and evaluation expenditure	10	482,581	482,581
TOTAL NON CURRENT ASSETS		<u>521,158</u>	<u>534,268</u>
TOTAL ASSETS		<u>2,230,409</u>	<u>1,899,632</u>
CURRENT LIABILITIES			
Trade and other payables	11	1,196,770	1,011,181
TOTAL CURRENT LIABILITIES		<u>1,196,770</u>	<u>1,011,181</u>
TOTAL LIABILITIES		<u>1,196,770</u>	<u>1,011,181</u>
NET ASSETS		<u>1,033,639</u>	<u>888,451</u>
EQUITY			
Issued capital	12(a)	12,373,816	9,240,285
Reserves	12(b)	222,933	487,662
Accumulated losses	13	(11,563,110)	(8,839,496)
TOTAL EQUITY		<u>1,033,639</u>	<u>888,451</u>

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

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2015**

Australian (\$)	SHARE CAPITAL	ACCUMULATED LOSSES	SHARE OPTION RESERVE	TOTAL EQUITY
	\$	\$	\$	\$
BALANCE AT 1 JULY 2014	9,240,285	(8,839,496)	487,662	888,451
Loss for the year	-	(3,127,847)	-	(3,127,847)
Other comprehensive income	-	-	-	-
Total comprehensive loss	-	(3,127,847)	-	(3,127,847)
Shares issued during the year	3,522,050	-	-	3,522,050
Option based payments	-	-	157,996	157,996
Options vested during the year	-	-	5,390	5,390
Expiry of options	-	404,233	(404,233)	-
Share and option issue expenses	(388,519)	-	(23,882)	(412,401)
BALANCE AT 30 JUNE 2015	12,373,816	(11,563,110)	222,933	1,033,639
BALANCE AT 1 JULY 2013	7,439,139	(6,945,616)	413,335	906,858
Loss for the year	-	(1,893,880)	-	(1,893,880)
Other comprehensive income	-	-	-	-
Total comprehensive loss	-	(1,893,880)	-	(1,893,880)
Shares and options issued during the year	2,000,430	-	63,865	2,064,295
Options vested during the year	-	-	10,462	10,462
Share issue expenses	(199,284)	-	-	(199,284)
BALANCE AT 30 JUNE 2014	9,240,285	(8,839,496)	487,662	888,451

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

**CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2015**

Australian Dollar (\$)	Note	30 JUNE 2015 \$	30 JUNE 2014 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts		-	291,048
Expenditure on mining interests		(2,973,953)	(1,689,112)
Payments to suppliers and employees		(810,796)	(661,361)
Interest received		21,155	24,042
Other – GST		15,984	(25,026)
Income tax refunded (R&D)		797,715	595,579
Net cash outflow from operating activities	15(b)	<u>(2,949,895)</u>	<u>(1,464,830)</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of tenements		-	-
Purchase of plant and equipment		(7,259)	(15,678)
Net cash outflow from investing activities		<u>(7,259)</u>	<u>(15,678)</u>
CASH FLOW FROM FINANCING ACTIVITIES			
Issue of shares and options net of capital raising costs		3,264,695	1,865,011
Net cash flows from financing activities		<u>3,264,695</u>	<u>1,865,011</u>
Net increase in cash and cash equivalents		<u>307,541</u>	<u>384,503</u>
Cash and cash equivalents at the beginning of the financial year		<u>1,261,659</u>	<u>877,156</u>
CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL YEAR	15(a)	<u>1,569,200</u>	<u>1,261,659</u>

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

1 CORPORATE INFORMATION

The financial report of St George Mining Limited ("St George Mining" or "the Company") for the year ended 30 June 2015 was authorised for issue in accordance with a resolution of the directors on 7 August 2015.

St George Mining Limited is a company limited by shares, incorporated in Australia on 19 October 2009. The consolidated financial statements of the Company for year ended 30 June 2015 comprise of the Company and its subsidiaries together referred to as the Group or consolidated entity.

The nature of the operations and principal activity of the Group is mineral exploration.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) *Basis of Preparation of the Financial Report*

The financial report is a general purpose financial report, which has been prepared in accordance with the requirements of the Corporations Act 2001, Accounting Standards and Interpretations and complies with other requirements of the law. The financial report also complies with the International Financial Reporting Standards. The financial report has also been prepared on a historical cost basis.

The financial report is presented in Australian dollars. The following accounting policies have been adopted by the consolidated entity.

Going Concern

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.

The Consolidated Entity has recorded a net accounting loss of \$3,127,847 and net operating cash outflows of \$2,949,895 for the year ended 30 June 2015.

The Directors have determined that future equity raisings or debt financing arrangements will be required to assist funding of the Company's activities to meet the Company's objectives. The Directors are investigating a number of options in respect of equity and debt financing arrangements. There is no certainty that these will be successfully completed to provide adequate working capital for the Company.

The Board however is confident, subject to the successful completion of future equity raisings or debt financing arrangements, that the Group will have sufficient funds to finance its operations in the 2015/2016 Financial Year.

(b) *Principles of Consolidation*

The consolidated financial statements incorporate all of the assets, liabilities and results of the parent St George Mining Limited and all of the subsidiaries (including any structured entities). Subsidiaries are entities the parent controls. The parent controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. A list of the subsidiaries is provided in Note 23.

The assets, liabilities and results of all subsidiaries are fully consolidated into the financial statements of the Group from the date on which control is obtained by the Group. The consolidation of a subsidiary is discontinued from the date that control ceases. Intercompany transactions, balances and unrealised gains or losses on transactions between Group entities are fully eliminated on consolidation. Accounting policies of subsidiaries

have been changed and adjustments made where necessary to ensure uniformity of the accounting policies adopted by the Group.

Equity interests in a subsidiary not attributable, directly or indirectly, to the Group are presented as "non controlling interests". The Group initially recognises non-controlling interests that are present ownership interests in subsidiaries and are entitled to a proportionate share of the subsidiary's net assets on liquidation at either fair value or at the non-controlling interests' proportionate share of the subsidiary's net assets. Subsequent to initial recognition, non-controlling interests are attributed their share of profit or loss and each component of other comprehensive income. Non-controlling interests are shown separately within the equity section of the statement of financial position and statement of comprehensive income.

(c) Business combinations

Business combinations occur where an acquirer obtains control over one or more businesses and results in the consolidation of its assets and liabilities.

A business combination is accounted for by applying the acquisition method, unless it is a combination involving entities or businesses under common control. The acquisition method requires that for each business combination one of the combining entities must be identified as the acquirer (i.e. parent entity). The business combination will be accounted for as at the acquisition date, which is the date that control over the acquiree is obtained by the parent entity. At this date, the parent shall recognise, in the consolidated accounts, and subject to certain limited exceptions, the fair value of the identifiable assets acquired and liabilities assumed. In addition, contingent liabilities of the acquiree will be recognised where a present obligation has been incurred and its fair value can be reliably measured.

The acquisition may result in the recognition of goodwill or a gain from a bargain purchase. The method adopted for the measurement of goodwill will impact on the measurement of any non-controlling interest to be recognised in the acquiree where less than 100% ownership interest is held in the acquiree.

The acquisition date fair value of the consideration transferred for a business combination plus the acquisition date fair value of any previously held equity interest shall form the cost of the investment in the separate financial statements. Consideration may comprise the sum of the assets transferred by the acquirer, liabilities incurred by the acquirer to the former owners of the acquiree and the equity interests issued by the acquirer.

Fair value uplifts in the value of pre-existing holdings are taken to the statement of comprehensive income. Where changes in the value of such equity holdings had previously been recognised in other comprehensive income, such amounts are recycled to profit or loss.

Included in the measurement of consideration transferred is any asset or liability resulting from a contingent consideration arrangement. Any obligation incurred relating to contingent consideration is classified as either a financial liability or equity instrument, depending upon the nature of the arrangement. Rights to refunds of consideration previously paid are recognised as a receivable. Subsequent to initial recognition, contingent consideration classified as equity is not remeasured and its subsequent settlement is accounted for within equity. Contingent consideration classified as an asset or a liability is remeasured each reporting period to fair value through the statement of comprehensive income unless the change in value can be identified as existing at acquisition date.

All transaction costs incurred in relation to the business combination are expensed to the statement of comprehensive income.

(d) Adoption of new and revised standards

None of the new standards and amendments to standards that are mandatory for the first time for the financial year beginning 1 July 2014 affected any of the amounts recognised in the current period or any prior period, although it caused minor changes to the Group's disclosures.

(e) Statement of compliance

The financial report complies with Australian Accounting Standards, which include Australian equivalents to International Financial Reporting Standards ("AIFRS"). Compliance with AIFRS ensures that the financial report, comprising the financial statements and notes thereto, complies with International Financial Reporting Standards ("IFRS").

(f) Income Tax

Current income tax refunded/(expensed) charged to profit or loss is tax refundable/(payable). Those amounts recognised are expected to be recovered from/(paid to) the relevant taxation authority.

Deferred income tax is provided on all temporary differences at the balance sheet date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred income tax liabilities are recognised for all taxable temporary differences:

- except where the deferred income tax liability arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither that accounting profit nor taxable profit or loss; and,
- in respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, except where the timing of the reversal of the temporary differences will not reverse in the foreseeable future.

Deferred income tax assets are recognised for all the deductible temporary differences, carry-forward of unused tax assets and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry-forward of unused tax assets and unused tax losses can be utilised:

- except where the deferred income tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and,
- in respect of deductible temporary differences with investments in subsidiaries, associates and interest in joint ventures, deferred tax assets in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred income tax is reviewed at each balance sheet date and reduced to the extent that is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilised.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the balance sheet date.

Income taxes relating to items recognised directly in equity are not in the income statement.

(g) Exploration and evaluation expenditure

Exploration and evaluation expenditure on areas of interest are expensed as incurred. Costs of acquisition will normally be expensed but will be assessed on a case by case basis and may be capitalised to areas of interest and carried forward where right of tenure of the area of interest is current and they are expected to be recouped through sale or successful development and exploitation of the area of interest or, where exploration and evaluation activities in the area of interest have not yet reached a stage that permits reasonable assessment of the existence of economically recoverable reserves.

When an area of interest is abandoned or the directors decide that it is not commercial, any accumulated acquisition costs in respect of that area are written off in the financial period the decision is made. Each area of interest is also reviewed at the end of each accounting period and accumulated costs written off to the extent that they will not be recoverable in the future. Where projects have advanced to the stage that directors have made a decision to mine, they are classified as development properties. When further development expenditure is incurred in respect of a development property, such expenditure is carried forward as part of the cost of that development property only when substantial future economic benefits are established. Otherwise such expenditure is classified as part of the cost of production or written off where production has not commenced.

(h) Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognised:

Interest

Interest revenue is recognised using the effective interest method.

(i) Cash and cash equivalents

Cash and short-term deposits in the consolidated Statement of Financial Position comprise cash at bank and in hand and short-term deposits with an original maturity of three months or less.

For the purposes of the consolidated Statement of Cash Flows, cash and cash equivalents consist of cash and cash equivalents as defined above, net of outstanding bank overdrafts.

(j) Employee benefits

Provision is made for the Group's liability for employee benefits arising from services rendered by employees to balance date. Employee benefits expected to be settled within one year together with entitlements arising from wages and salaries and annual leave which will be settled after one year, have measured at the amounts expected to be paid when the liability is settled, plus related on-costs. Other employee benefits payable later than one year have been measured at the present value of the estimated cash outflows to be made to those benefits.

Contributions are made by the Group to employee superannuation funds and are charged as expenses when incurred.

(k) Plant and equipment

Plant and equipment is stated at cost less accumulated depreciation and any accumulated impairment losses.

Depreciation is calculated on a diminishing value basis over the estimated useful life of the assets as follows:

Class of Fixed Asset	Depreciation Rate
<i>Plant and Equipment</i>	
- Year 1	18.75%
- Subsequent Years	37.50%

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each financial year end.

(l) Impairment of assets

The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, the Group makes an estimate of the asset's recoverable amount. An asset's recoverable amount is the higher of its fair value; less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets and the asset's value in use cannot be estimated to be close to its fair value. In such cases the asset is tested for impairment as part of the cash-generating unit to which it belongs. When the carrying amount of an asset or cash-generating unit exceeds its recoverable amount, the asset or cash-generating unit is considered impaired and it is written down to its recoverable amount.

In assessing the value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Impairment losses relating to continuing operations are recognised in those expense categories consistent with the function of the impaired asset unless the asset is carried at revalued amount (in which case the impairment loss is treated as a revaluation decrease).

An assessment is also made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the recoverable amount is estimated. A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case the carrying amount of the asset is increased to its recoverable amount. That increased amount cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in profit or loss unless the asset is carried at revalued amount, in which case the reversal is treated as a revaluation increase. After such a reversal the depreciation charge is adjusted in future periods to allocate the asset's revised carrying amount, less any residual value, on a systemic basis over its remaining useful life.

(m) Earnings per share

Basic earnings per share is calculated as net loss attributable to members of the Company, adjusted to exclude any costs of servicing equity (other than dividends) and preference share dividends, divided by the weighted average number of ordinary shares, adjusted for any bonus element.

(n) Goods and services tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office ("ATO"). In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the consolidated Statement of Financial Position are shown inclusive of GST.

The net amount of GST recoverable from, or payable to, the ATO is included as a current asset or liability in the Consolidated Statement of Financial Position.

Cash Flows are included in the Consolidated Statement of Cash Flows net of GST. The GST components of cash flows arising from investing and financial activities which are recoverable from, or payable to, the ATO are classified as operating cash flows.

(o) Investments

All investments are initially recognised at cost, being the fair value of the consideration given and including acquisition charges associated with the investment.

After initial recognition, investments, which are classified as held for trading and available-for-sale, are measured at fair value. Gains or losses on investments held for trading are recognised in the consolidated profit or loss.

Gains or losses on available-for-sale investments are recognised as a separate component of equity until the investment is sold, collected or otherwise disposed of, or until the investment is determined to be impaired, at which time the cumulative gain or loss previously reported in equity is included in the profit or loss.

(p) Financial assets

Financial assets and financial liabilities are recognised in the Consolidated Statement of Financial Position when the Group becomes party to the contractual provisions of the financial instrument. A financial asset is derecognised when the contractual rights to the Consolidated Statement of Cash Flows from the financial assets expire or are transferred and no longer controlled by the entity. A financial liability is removed from the Consolidated Statement of Financial Position when the obligation specified in the contract is discharged or cancelled or expires.

Financial assets and financial liabilities classified as held for trading are measured at fair value through the profit or loss.

Upon initial recognition a financial asset or financial liability is designated as at fair value through the profit or loss when:

- (a) an entire contract containing one or more embedded derivatives is designated as a financial asset or financial liability at fair value through the profit or loss;
- (b) doing so results in more relevant information, because either:
 - (i) it eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise from measuring assets or liabilities or recognizing gains or losses on them on different bases; or
 - (ii) a group of financial assets, financial liabilities or both is managed and its performance is evaluated on a fair value basis, in accordance with a documented risk management or investment strategy, and information about the group is provided internally on that basis to key management personnel.

Investments in equity instruments that do not have a quoted market price in an active market, and whose fair value cannot be reliably measured are not designated as at fair value through the profit or loss.

A gain or loss arising from a change in the fair value of a financial asset or financial liability classified as at fair value through the profit or loss is recognised in the profit or loss.

Financial assets not measured at fair value comprise:

- a) loans and receivables being non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. These are measured at amortised cost using the effective interest rate method;

- (b) held-to-maturity investments being non-derivative financial assets with fixed or determinable payments and fixed maturity that will be held to maturity. These are measured at amortised cost using the effective interest method; and
- (c) investments in equity instruments that do not have a quoted market price in an active market and the fair value of which cannot be reliably measured. These are measured at cost together with derivatives that are linked to and must be settled by the delivery of such investments.

Available-for-sale financial assets are non-derivative financial assets, which are designated as available-for-sale or that are not classified as loans and receivables, held-to-maturity investments or financial assets as at fair value through the profit and loss.

A gain or loss arising from a change in the fair value of an available-for-sale financial asset is recognised directly in equity, through the Consolidated Statement of Changes in Equity (except for impairment losses and foreign exchange gains or losses) until the financial asset is derecognised at which time the cumulative gain or loss previously recognised in equity is recognised in the profit or loss.

Regular way purchases of financial assets are accounted for as follows:

- financial assets held for trading – at trade date
- held-to-maturity investments – at trade date
- loans and receivables – at trade date
- available-for-sale financial assets – at trade date

Except for the following all financial liabilities are measured at amortised cost using the effective interest rate method:

- (a) financial liabilities at fair value through the profit and loss and derivatives that are liabilities measured at fair value;
- (b) financial liabilities that arise when a transfer of financial asset does not qualify for de-recognition or are accounted for using the continuing involvement approach.

The amortised cost of a financial asset or a financial liability is the amount initially recognised minus principal repayments, plus or minus cumulative amortisation of any difference between the initial amount and maturity amount and minus any write-down for impairment or un-collectability.

(q) Contributed equity

Ordinary shares and options are classified as contributed equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of GST, from the proceeds.

(r) Significant accounting estimates and judgements

The carrying amount of certain assets and liabilities are often determined based on estimates and assumptions of future events. The key estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of certain assets and liabilities within the next annual reporting period are:

Deferred taxation

The potential deferred tax asset arising from the tax losses and temporary differences have not been recognised as an asset because recovery of the tax losses is not yet considered probable (refer note 5).

Subsidiary Loans

Provision has been made for all unsecured loans with subsidiaries as it is uncertain if and when the loans will be recovered.

Capitalised exploration costs

The application of the Group's accounting policy for exploration and evaluation expenditure requires judgement in determining whether it is likely that future economic benefits are likely, either from future exploration or sale, or where activities have not reached a stage which permits reasonable assessment.

(s) Comparative information

Comparative information is amended where appropriate to ensure consistency in presentation with the current year.

3 REVENUE

	CONSOLIDATED 30 JUNE 2015 \$	CONSOLIDATED 30 JUNE 2014 \$
Other income		
Interest income	20,826	23,418
Reimbursed expenses	-	291,048
	<u>20,826</u>	<u>314,466</u>

4 EXPENSES

Administration expenses include the following expenses:

	CONSOLIDATED 30 JUNE 2015 \$	CONSOLIDATED 30 JUNE 2014 \$
Employee benefit expense		
Wages and salaries	216,667	225,850
Accrued annual leave	-	(27,500)
Employee share based payments	5,390	10,462
Employee termination payment	40,000	-
Defined contribution superannuation expense	20,583	20,892
	<u>282,640</u>	<u>229,704</u>
Other administration costs		
Accounting fees	19,325	22,759
Research and Development consulting fees	7,240	62,500
Administrative fees	42,110	24,196
Company secretarial fees	58,000	34,500
Legal fees	9,221	16,267
Publications and subscriptions	55,872	44,108
Presentations and seminars	105,152	70,412
Share registry costs	20,714	22,845
Travel expenses	147,313	88,901
	<u>464,947</u>	<u>386,488</u>

5 INCOME TAX

(a) Prima facie income tax benefit at 30% on loss from ordinary activities is reconciled to the income tax provided in the financial statements

	CONSOLIDATED 30 JUNE 2015 \$	CONSOLIDATED 30 JUNE 2014 \$
Loss before income tax	(3,925,562)	(2,489,459)
Income tax calculated at 30%	(1,177,668)	(746,838)
Tax effect of:-		
Expenses not allowed	-	13
Sundry – temporary differences	(16,062)	1,209
Section 40-880 deduction	(70,492)	(47,435)
Research and Development rebate (i)	797,715	595,579
Future income tax benefit not brought to account	1,264,222	793,051
Income tax benefit attributable to operating losses	797,715	595,579

(i) The Research and Development rebate \$797,715 is in relation to the year ended 30 June 2014 (2014: \$595,579 in relation to the year ended 30 June 2013).

(b) Deferred tax assets

The potential deferred tax asset arising from the tax losses and temporary differences have not been recognised as an asset because recovery of tax losses is not yet probable.

	CONSOLIDATED 30 JUNE 2015 \$	CONSOLIDATED 30 JUNE 2014 \$
Australian accumulated tax losses	2,677,412	1,413,189
Provisions - net of prepayments	7,059	18,973
Exploration and evaluation expenditure	(144,774)	(144,774)
Section 40-880 deduction	153,747	100,519
Unrecognised deferred tax assets relating to the above temporary differences	2,693,444	1,387,907

The benefits will only be obtained if:

- (i) The Group derives future assessable income of a nature and of an amount sufficient to enable the benefit from the deduction for the losses to be realised;
- (ii) The Group continues to comply with the conditions in deductibility imposed by the Law; and
- (iii) No change in tax legislation adversely affect the Group in realising the benefits from the deductions or the losses.

6 AUDITOR'S REMUNERATION

	CONSOLIDATED 30 JUNE 2015 \$	CONSOLIDATED 30 JUNE 2014 \$
Auditing and review of the Company's financial statements	22,094	23,336
	22,094	23,336

7 KEY MANAGEMENT PERSONNEL

(a) Details of key management personnel

Directors

John Prineas
 Timothy Hronsky
 Marcus Michael – retired on 11 June 2015
 Sarah Shipway – appointed on 11 June 2015

Executive

John Prineas – Executive Chairman
 Timothy Hronsky – Executive Director

(b) Compensation of key management personnel

	CONSOLIDATED 30 JUNE 2015	CONSOLIDATED 30 JUNE 2014
	\$	\$
Salaries and fees	400,000	400,000
Employee termination payment	40,000	-
Non-monetary	8,219	8,547
Post employment benefits – superannuation	20,900	20,350
	<u>469,119</u>	<u>428,897</u>

(c) Other key management personnel transactions

Accounting, bookkeeping, corporate secretarial and general administrative service fees of \$120,184 (2014: \$81,522) were paid or payable on ordinary commercial terms during the year to Marshall Michael Pty Ltd, a company in which Mr Michael was a director and had a beneficial interest and Sarah Shipway is an employee.

8 CURRENT ASSETS

(a) Trade and Other Receivables

	CONSOLIDATED 30 JUNE 2015	CONSOLIDATED 30 JUNE 2014
	\$	\$
Current	<u>97,728</u>	<u>101,091</u>
	<u>97,728</u>	<u>101,091</u>

Other receivables include amounts outstanding for goods and services tax (GST) of \$84,392 (2014: \$100,376), interest receivable of \$386 (2014: \$715) and undeposited funds of \$12,950 (2014: nil).

GST amounts are non-interest bearing and have repayment terms applicable under the relevant government authorities. No trade and other receivables are impaired or past due.

(b) Other Assets

	CONSOLIDATED 30 JUNE 2015	CONSOLIDATED 30 JUNE 2014
	\$	\$
Prepayments	<u>42,323</u>	<u>2,614</u>
	<u>42,323</u>	<u>2,614</u>

9 PLANT AND EQUIPMENT

	CONSOLIDATED 30 JUNE 2015 \$	CONSOLIDATED 30 JUNE 2014 \$
Plant and Equipment		
At Cost	69,643	62,384
Accumulated depreciation	(32,066)	(11,697)
Total plant and equipment	<u>37,577</u>	<u>50,687</u>
Plant and Equipment		
Carrying amount at the beginning of the year	50,687	-
Additions	7,259	62,384
Disposals	-	-
Depreciation expense	(20,369)	(11,697)
Total carrying amount at end of year	<u>37,577</u>	<u>50,687</u>

10 EXPLORATION, EVALUATION AND ACQUISITION EXPENDITURE

The Group has capitalised acquisition expenditure on the basis that either the expenditure is expected to be recouped through future successful development (or alternatively sale) of the areas of interest concerned or on the basis that it is not yet possible to assess whether it will be recouped.

	CONSOLIDATED 30 JUNE 2015 \$	CONSOLIDATED 30 JUNE 2014 \$
Balance at the beginning of the year	482,581	482,581
Additions	-	-
	<u>482,581</u>	<u>482,581</u>

11 CURRENT LIABILITIES

	CONSOLIDATED 30 JUNE 2015 \$	CONSOLIDATED 30 JUNE 2014 \$
Trade and other payables	1,196,770	1,011,181
	<u>1,196,770</u>	<u>1,011,181</u>

12 ISSUED CAPITAL

Australian Dollar \$	CONSOLIDATED 30 JUNE 2015 \$	CONSOLIDATED 30 JUNE 2014 \$
(a) Issued and paid up capital		
At the beginning of the reporting period	9,240,285	7,439,139
December 2013: 7,500,000 shares issued at \$0.11 per share	-	825,000
April 2014: 9,795,250 shares issued at \$0.12 per share	-	1,175,430
July 2014: 3,050,001 shares issued at \$0.12 per share	366,000	-
October 2014: 19,505,555 shares issued at \$0.09 per share	1,755,500	-
June 2015: 20,007,864 shares issued at \$0.07 per share	1,400,550	-
Transactions costs arising from issue of shares	(388,519)	(199,284)
At reporting date 131,839,670 (30 June 2014: 89,276,250) fully paid ordinary shares	<u>12,373,816</u>	<u>9,240,285</u>

Movements in Ordinary Shares	Number	Number
At the beginning of the reporting period	89,276,250	71,981,000
Shares issued during the year	42,563,420	17,295,250
Options exercised during the year	-	-
At reporting date	131,839,670	89,276,250

Movements in Performance Shares	Number	Number
At the beginning of the reporting period	100	100
Changes to performance shares issued during the year	-	-
At reporting date	100	100

There are 100 Performance Shares (convertible into a maximum of 10,000,000 Shares) on issue at 30 June 2015, having the terms and conditions set out below:

General terms attaching to the Performance Shares are set out below:

- (a) Performance Shares: Each Performance Share is a share in the capital of the Company.
- (b) General Meetings: The Performance Shares shall confer on the holder (Holder) the right to receive notices of general meetings and financial reports and accounts of the Company that are circulated to shareholders. Holders have the right to attend general meetings of shareholders of the Company.
- (c) No Voting Rights: The Performance Shares do not entitle the Holder to vote on any resolutions proposed at a general meeting of shareholders of the Company, subject to any voting rights under the Corporations Act or the ASX Listing Rules where such rights cannot be excluded by these terms.
- (d) No Dividend Rights: The Performance Shares do not entitle the Holder to any dividends.
- (e) Rights on Winding Up: Upon winding up of the Company, the Performance Shares may participate in the surplus profits or assets of the Company only to the extent, and on the basis that each Performance Share has converted into one (1) Share.
- (f) Transfer of Performance Shares: Prior to the Company being admitted to the Official List of the ASX, the Performance Shares are transferable. In the event the Company is admitted to the Official List of the ASX, the Performance Shares will no longer be transferable.
- (g) Reorganisation of Capital: In the event that the Company is admitted to the Official List of the ASX and the issued capital of the Company is subsequently reconstructed, all rights of a Holder will be changed to the extent necessary to comply with the ASX Listing Rules at the time of reorganisation.
- (h) Application to ASX: The Performance Shares will not be quoted on ASX. In the event that the Company is admitted to the Official List of the ASX, upon conversion of the Performance Shares into Shares in accordance with these terms, the Company must within seven (7) days after the conversion, apply for the official quotation on ASX of the Shares arising from the conversion.
- (i) Participation in Entitlements and Bonus Issues: Holders of Performance Shares will not be entitled to participate in new issues of capital offered to holders of the Shares such as bonus issues and entitlement issues.
- (j) Amendments required by ASX: The terms of the Performance Shares may be amended as necessary by the directors of the Company in order to comply with the ASX Listing Rules, or any directions of ASX regarding the terms.

- (k) No Other Rights: The Performance Shares give the Holders no rights other than those expressly provided by these terms and those provided at law where such rights at law cannot be excluded by these terms.

Conversion of the Performance Shares

- (a) Conversion of Performance Shares: Each Performance Share will convert into 100,000 Shares upon the first to occur of the following events (each a Milestone):
- (i) a Company Project attains a measured JORC Code compliant inferred resource of at least 1,000,000 ounces of Gold;
 - (ii) a Company Project attains a measured JORC Code compliant inferred resource of at least 50,000 tonnes contained Nickel;
 - (iii) the market capitalisation of the Company is greater than \$50 million for a minimum of 30 consecutive trading days, based upon the volume weighted average price of Shares quoted on the ASX;
 - (iv) a Company Project (or any part of it) is sold for a value of at least \$25 million (in cash and/or assets of equivalent value); or
 - (v) a joint venture arrangement is entered into for a Company Project and payments of at least \$25 million (in cash and/or assets of equivalent value) are paid to Company as part of that arrangement. For these purposes, a "Company Project" means: "any project in which the Company has an ownership interest (or an option to acquire an ownership interest) as at the date the Company is admitted to the Official List of the ASX."
- (b) Conversion if Milestone not Achieved: If a Milestone is not achieved on or prior to the date which is 5 years after the date the Company is admitted to the Official List of the ASX being 12 November 2010 (Performance Share Expiry Date), then each Performance Share will automatically convert into one (1) Share.
- (c) After Conversion: The Shares issued on conversion of the Performance Shares will, as and from 5.00pm (WST) on the date of allotment, rank equally with and confer rights identical with all other Shares then on issue and application will be made by the Company to ASX for official quotation of the Shares issued upon conversion.
- (d) Conversion Procedure: The Company will issue the Holder with a new holding statement for the Shares as soon as practicable following the conversion of the Performance Shares into the Shares.
- (e) Ranking of Shares: The Shares into which the Performance Shares will convert will rank pari passu in all respects with the Shares on issue at the date of conversion. 55 Performance shares are held by entities associated with the Directors. The remaining Performance shares are held by foundation shareholders, whose interest in the Company at the date the performance shares were issued, being 16 November 2010 are as follows:

Foundation Shareholder	Shares	Performance Shares (i)
Impulzive Pty Ltd <Dawson Superannuation A/C>	6,962,491	30
St Barnabas Investments Pty Ltd <St Barnabas Superannuation Fund>	2,222,222	15

- (i) On satisfaction of certain milestones events set out above, each Performance Share converts into 100,000 shares in which case Impulzive Pty Ltd <Dawson Superannuation A/C> would become

entitled to 3,000,000 further shares and St Barnabas Investments Pty Ltd <St Barnabas Superannuation Fund> 1,500,000 further shares.

(b) Option Reserve

Movements in options reserve	CONSOLIDATED 30 JUNE 2015	CONSOLIDATED 30 JUNE 2014
	\$	\$
At the beginning of the year	487,662	413,335
Options expensed over the vesting period (i), (ii)	5,390	10,462
Unlisted options (iii), (iv), (v)	157,996	63,865
Expiry of options transferred to accumulated losses	(404,233)	-
Options issue expense	(23,882)	-
At reporting date	<u>222,933</u>	<u>487,662</u>

- (i) On 29 November 2013 the Company issued 200,000 Class B Options and 300,000 Class C Options to Travis Kerslake. The Options were issued under the Company's Employee Incentive Option Plan. On the 28 November 2014 200,000 Class B Options expired, unexercised.
- (ii) On the 19 March 2014 the Company issued 100,000 Class B Options and 100,000 Class C Options to Matthew McCarthy. The Options were issued under the Company's Employee Incentive Option Plan. On 28 November 2014 100,000 Class B Options expired, unexercised.
- (iii) On 28 April 2014 the Company entered into an Agreement with RM Corporate Finance ("RM Corporate") to issue 1 option, exercisable at \$0.30 on or before 30 June 2016, for every 10 Shares issued under the Company's Placement completed on 22 May 2014. Under the Agreement the Company issued 979,525 options to RM Corporate and its nominees on 22 July 2014. For accounts purposes the grant date was 28 April 2014 and vesting date was 22 May 2014 and therefore the value of the options have been included in the 30 June 2014 financial statements.
- (iv) On 2 September 2014 the Company entered into an Agreement with RM Corporate to issue 2,050,000 options, exercisable at \$0.30 on or before 30 June 2015, for services rendered in relation to Company's placement completed in October 2014.
- (v) On 25 May 2015 the Company agreed to issue up to 1,152,857 listed options, exercisable at \$0.20 on or before 30 June 2017, to brokers for services rendered in relation to the Company's placement completed in June 2015.

A summary of the outstanding options at 30 June 2015 in the Company is listed below:

Class	Number of Options	Exercise Price	Expiry Date
Listed Options	18,602,469	\$0.20	30 June 2017
Unlisted Options	3,029,525	\$0.30	30 June 2016
Class C Unlisted Options	1,000,000	\$0.40	28 November 2015

13 ACCUMULATED LOSSES

	CONSOLIDATED 30 JUNE 2015	CONSOLIDATED 30 JUNE 2014
	\$	\$
Accumulated losses at the beginning of the year	(8,839,496)	(6,945,616)
Loss for the year	(3,127,847)	(1,893,880)
Expiry of options	404,233	-
Accumulated losses at the end of the year	<u>(11,563,110)</u>	<u>(8,839,496)</u>

14 LOSS PER SHARE

	CONSOLIDATED 30 JUNE 2015 \$	CONSOLIDATED 30 JUNE 2014 \$
Basic loss per share after income tax attributable to members of the Company (cents per share)	(2.90)	(2.45)
Diluted loss per share (cents per share)	(2.90)	(2.45)
	2015 Number	2014 Number
Weighted average number of shares on issue during the financial year used in the calculation of basic earnings per share	107,869,090	77,307,877
Weighted average number of ordinary shares for diluted earnings per share	107,869,090	77,307,877

15 NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS

(a) Reconciliation of cash and cash equivalents

For the purposes of the consolidated statement of cash flows, cash and cash equivalents consist of cash at bank and in hand and short-term deposits with an original maturity of three months or less, net of outstanding bank overdrafts.

	CONSOLIDATED 30 JUNE 2015 \$	CONSOLIDATED 30 JUNE 2014 \$
Current – cash at bank	1,569,200	1,261,659
	1,569,200	1,261,659

(b) Reconciliation of loss after tax to net cash flows from operations

	CONSOLIDATED 30 JUNE 2015 \$	CONSOLIDATED 30 JUNE 2014 \$
Loss after income tax	(3,127,847)	(1,893,880)
Share based payments	5,390	10,462
Depreciation expense	20,369	11,697
(Increase)/decrease in assets		
Trade and other receivables	16,313	(24,403)
Other assets	(39,710)	7,846
Increase/(decrease) in liabilities		
Trade and other payables	175,590	441,781
Provisions	-	(18,333)
	(2,949,895)	(1,464,830)

(c) Non cash financing and investing activities

- (i) On 28 April 2014 the Company entered into an Agreement with RM Corporate Finance (“RM Corporate”) to issue 1 option, exercisable at \$0.30 on or before 30 June 2016, for every 10 Shares issued under the Company’s Placement completed on 22 May 2014. Under the Agreement the Company issued 979,525 options to RM Corporate and its nominees on 22 July 2014.
- (ii) On 2 September 2014 the Company entered into an Agreement with RM Corporate to issue 2,050,000 options, exercisable at \$0.30 on or before 30 June 2015, for services rendered in relation to Company’s Placement completed in October 2014.
- (iii) On 25 May 2015 the Company agreed to issue up to 1,152,857 Listed Options, exercisable at \$0.20 on or before 30 June 2017, to brokers for services rendered in relation to the Company’s placement completed in June 2015. 750,000 of these options was issued on 12 June 2015 and 402,857 of these options were issued on 29 June 2015.

16 SHARE BASED PAYMENTS

- (i) The Company agreed and approved at the Company’s Annual General Meeting held on 30 November 2011 to allot and issue a total of 1,500,000 Options (Related Party Options) to Mr Timothy Hronsky and Mr Andrew Hawker.

The terms and conditions of the options are detailed in the Notice of Annual General Meeting dated 26 October 2011.

450,000 Class A Options expired, unexercised, on 28 November 2013 and 450,000 Class B Options expired unexercised on 28 November 2014.

Using the Black & Scholes option model and based on the assumption below, the C Options were ascribed the following value:

Class of Options	Number Options	Valuation Date	Market Price of Shares	Exercise Price	Expiry Date	Risk Free Interest Rate	Volatility (discount)	Indicative Value per Option
Class C Options	600,000	30.11.2011	\$0.145	\$0.40	28.11.2015	3.800%	70%	\$0.03596

Of the above options granted, the following were issued to Mr Timothy Hronsky (key management personnel):

Grant Date	Class	Number
30 November 2011	Class C Unlisted Options	400,000

- (ii) The Company agreed to allot and issue a total of 500,000 Options to Mr Travis Kerslake. The terms and conditions of the options are detailed in the ASX announcement dated 29 November 2013. 200,000 Class B Options expired unexercised on 28 November 2014. Using the Black & Scholes option model and based on the assumption below, the 300,000 Class C Options were ascribed the following value:

Class of Options	Number Options	Valuation Date	Market Price of Shares	Exercise Price	Expiry Date	Risk Free Interest Rate	Volatility (discount)	Indicative Value per Option
Class C Options	300,000	29.11.2013	\$0.140	\$0.40	28.11.2015	2.560%	80%	\$0.0246

- (iii) The Company agreed to allot and issue a total of 200,000 Options to Mr Matthew McCarthy. The terms and conditions of the options are detailed in the ASX announcement dated 29 November 2013. 100,000 Class B Options expired unexercised on 28 November 2014. Using the Black & Scholes option model and based on the assumption below, the 100,000 Class C Options were ascribed the following value:

Class of Options	Number Options	Valuation Date	Market Price of Shares	Exercise Price	Expiry Date	Risk Free Interest Rate	Volatility (discount)	Indicative Value per Option
Class C Options	100,000	18.02.2014	\$0.120	\$0.40	28.11.2015	3.010%	109%	\$0.0324

- (iv) On 28 April 2014 the Company agreed to allot and issue a total of 979,525 unlisted options to RM Corporate and its nominees. The unlisted options are exercisable at \$0.30 on or before 30 June 2016. Using the Black & Scholes option model and based on the assumption below, the unlisted options were ascribed the following value:

Class of Options	Number Options	Valuation Date	Market Price of Shares	Exercise Price	Expiry Date	Risk Free Interest Rate	Volatility (discount)	Indicative Value per Option
Unlisted Options	979,525	28.04.2014	\$0.140	\$0.30	30.06.2016	2.920%	116%	\$0.0652

- (v) On 2 September 2014 the Company agreed to allot and issue a total of 2,050,000 unlisted options to RM Corporate and its nominees. The unlisted options are exercisable at \$0.30 on or before 30 June 2016. Using the Black & Scholes option model and based on the assumption below, the unlisted options were ascribed the following value:

Class of Options	Number Options	Valuation Date	Market Price of Shares	Exercise Price	Expiry Date	Risk Free Interest Rate	Volatility (discount)	Indicative Value per Option
Unlisted Options	2,050,000	03.10.2014	\$0.13	\$0.30	30.06.2016	2.71%	133%	\$0.0602

- (vi) On 25 May 2015 the Company agreed to issue up to 1,152,857 Listed Options, exercisable at \$0.20 on or before 30 Jun 2017, to brokers for services rendered in relation to the Company's placement completed in June 2015. Based on the assumption below, the listed options were ascribed the following value:

Class of Options	Number Options	Valuation Date	Market Price of Options	Exercise Price	Expiry Date
Listed Options	1,152,857	09.06.2015	\$0.03	\$0.20	30.06.2017

(vii) A summary of the movements of all the Company options issued as share based payments is as follows:

	Number	Weighted Average Exercise Price \$
Options outstanding as at 1 July 2013	2,800,000	0.250
Granted	1,679,525	0.315
Forfeited	-	-
Exercised	-	-
Expired	(450,000)	-
Options outstanding as at 1 July 2014	4,029,525	0.283
Granted	3,202,857	0.264
Forfeited	-	-
Exercised	-	-
Expired	(2,050,000)	-
Options outstanding as at 30 June 2015	5,182,382	0.297
Options exercisable as at 30 June 2015	5,182,382	-
Options exercisable as at 30 June 2014	1,300,000	-

The weighted average remaining contractual life of options outstanding at the year-end was 1.11 years (2014: 1.05 years). The weighted average exercise price of outstanding shares at the end of the report period was \$0.297 (2014: \$0.283).

17 COMMITMENTS AND CONTINGENCIES

(a) Commitment

Mineral exploration commitments

The Group has the following discretionary exploration expenditure requirements in connection with its exploration tenements.

	2015 \$	2014 \$
Not later than one year	424,261	732,125
Later than one year but not later than two years	197,973	678,625
	<u>622,234</u>	<u>1,410,750</u>

(b) Contingent liabilities and commitments

The Group fully owns two subsidiaries, Desert Fox Resources Pty Ltd and Blue Thunder Resources Pty Ltd, the main activities of which are exploration. The effect of these subsidiaries is to make the St George Mining owned subsidiaries contractually responsible for any transactions undertaken by the subsidiary. The parent entity has provided certain guarantees to third parties whereby certain liabilities of the subsidiary are guaranteed. The Group has not made guarantees to third parties at 30 June 2015.

18 EVENTS SUBSEQUENT TO BALANCE DATE

The Company announced on 16 June 2015 that it had entered into an agreement to raise a total of \$500,000 through the issue of 5,555,556 ordinary shares at \$0.09 per share. Shares issued in the placement have received one free attaching option for every three new shares issued. These options are exercisable at \$0.20 on or before 30 June 2017. On the 28 July 2015 the Company received shareholder approval at the extraordinary general meeting to issue the shares and options and the shares and options were issued on 29 July 2015.

Except for the above no other matters or circumstances have arisen since the end of the financial year which significantly affected or could significantly affect the operations of the consolidated entity, the results of those operations, or the state of affairs of the consolidated entity in future financial years.

19 FINANCIAL INSTRUMENTS

(a) Interest Rate Risk

The Group's exposure to interest rate risk, which is the risk that the financial instrument's value will fluctuate as a result of changes in market interest rates and the effective weighted average interest rates on those financial assets and financial liabilities, is as follows:

2015	Note	Floating interest rate	Fixed interest rate	Non-interest bearing	Total	Weighted average interest rate
		\$	\$	\$	\$	%
Financial assets						
Cash and cash equivalents	15(a)	1,557,695	-	11,505	1,569,200	1.79%
Trade and other receivables	8(a)	-	-	97,728	97,728	NIL
Security bond		-	-	1,000	1,000	-
		1,557,695	-	110,233	1,667,928	-
Financial liabilities						
Trade and other payables	11	-	-	1,196,770	1,196,770	NIL
		-	-	1,196,770	1,196,770	-

2014	Note	Floating interest rate	Fixed interest rate	Non-interest bearing	Total	Weighted average interest rate
		\$	\$	\$	\$	%
Financial assets						
Cash and cash equivalents	15(a)	737,871	-	523,788	1,261,659	2.54%
Trade and other receivables	8(a)	-	-	101,091	101,091	NIL
Security bond		-	-	1,000	1,000	-
		737,871	-	625,879	1,363,750	-
Financial liabilities						
Trade and other payables	11	-	-	1,011,181	1,011,181	NIL
		-	-	1,011,181	1,011,181	-

Based on the balances at 30 June 2015 a 1% movement in interest rates would increase/decrease the loss for the year before taxation by \$15,577 (2014: \$7,378).

(b) Credit Risk

The maximum exposure to credit risk, excluding the value of any collateral or other security, at balance date to recognised financial assets is the carrying amount of those assets, net of any allowance for doubtful debts, as disclosed in the statement of financial position and notes to the financial report.

The Group does not have any material credit risk exposure to any single debtor or group of debtors under financial instruments entered into by the Group.

(c) Net Fair Values

The carrying amount of financial assets and financial liabilities recorded in the financial statements represent their respective net fair value and is determined in accordance with the accounting policies disclosed in note 2 to the financial statements.

(d) Financial Risk Management

The Group's financial instruments consist mainly of deposits with recognised banks, investment in bank bills up to 90 days, accounts receivable and accounts payable. Liquidity is managed, when sufficient funds are available, by holding sufficient funds in a current account to service current obligations and surplus funds invested in bank bills. The directors analyse interest rate exposure and evaluate treasury management strategies in the context of the most recent economic conditions and forecasts. The main risks the Group is exposed to is through its financial instruments is the depository banking institution itself, holding the funds, and interest rates. The Group's credit risk is minimal as being an exploration Company, it has no significant financial assets other than cash and term deposits.

(e) Foreign Currency Risk

The Group is not exposed to any foreign currency risk as at 30 June 2015.

(f) Market Price Risk

The Group is not exposed to market price risk as it does not have any investments other than an interest in the subsidiaries.

20 RELATED PARTIES

The Group has no related parties other than the 100% owned subsidiaries disclosed in note 23. At 30 June 2015 balances due from the subsidiaries were:

Australian Dollar (\$)	30 JUNE 2015	30 JUNE 2014
	\$	\$
Blue Thunder Resources Pty Ltd	1,131,572	1,118,334
Desert Fox Resources Pty Ltd	<u>10,993,802</u>	<u>7,884,959</u>
	<u>12,125,374</u>	<u>9,003,293</u>

These amounts comprise of funds provided by the parent company for exploration activities.

21 SEGMENT REPORTING

For management purposes, the Group is organised into one main operating segment, which involves the exploration of minerals in Australia. All of the Group's activities are interrelated, and discrete financial information is reported to the Board as a single segment. Accordingly, all significant operating decisions are based upon analysis of the Group as one segment.

The financial results from this segment are equivalent to the financial statements of the Group as a whole.

The accounting policies applied for internal reporting purposes are consistent with those applied in the preparation of these financial statements.

22 JOINT VENTURES

The Group recognises that joint ventures are a key mechanism for sharing of risk on individual exploration projects. Where appropriate for a particular project, the Group will consider a joint venture with a suitable party in order to share the exploration risk. Those funds otherwise set aside for the project will be employed to advance another project.

23 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 is required to make all the financial and operating policy decisions of these subsidiaries.

Subsidiaries of St George Mining Limited	Country of incorporation	Percentage owned %	
		2015	2014
Desert Fox Resources Pty Ltd	Australia	100%	100%
Blue Thunder Resources Pty Ltd	Australia	100%	100%

24 PARENT COMPANY DISCLOSURE

(a) Financial Position as at 30 June 2015

Australian Dollar (\$)	30 JUNE 2015 \$	30 JUNE 2014 \$
Assets		
Current assets	1,709,249	1,365,361
Non-current assets	37,579	50,689
Total assets	1,746,828	1,416,050
Liabilities		
Current liabilities	1,196,770	1,011,180
Non-current liabilities	-	-
Total liabilities	1,196,770	1,011,180
Net assets	550,058	404,870
Equity		
Issued capital	12,373,816	9,240,285
Reserves	222,933	487,662
Accumulated losses	(12,046,691)	(9,323,077)
Total equity	550,058	404,870

(b) Financial Performance for the year ended 30 June 2015

Australian Dollar \$	30 JUNE 2015 \$	30 JUNE 2014 \$
Profit (loss) for the year	(3,127,846)	(1,893,880)
Other comprehensive income	-	-
Total comprehensive income (loss)	(3,127,846)	(1,893,880)

(c) Guarantees entered into by the Parent Entity

The parent entity has not provided guarantees to third parties as at 30 June 2015.

25 NEW ACCOUNTING STANDARDS FOR APPLICATION IN FUTURE PERIODS

A number of new standards, amendments to standards and interpretations issued by the AASB which are not yet mandatorily applicable to the Group have not been applied in preparing these consolidated financial statements. Those which may be relevant to the Group are set out below. The Group does not plan to adopt these standards early.

- *AASB 9 Financial Instruments* and associated Amending Standards (applicable for annual reporting period commencing 1 January 2018)

The Standard will be applicable retrospectively (subject to the comment on hedge accounting below) and includes revised requirements for the classification and measurement of financial instruments, revised recognition and derecognition requirements for financial instruments and simplified requirements for hedge accounting.

Key changes made to this standard that may affect the Group on initial application include certain simplifications to the classification of financial assets, simplifications to the accounting of embedded derivatives, and the irrevocable election to recognise gains and losses on investments in equity instruments that are not held for trading in other comprehensive income.

The directors anticipate that the adoption of AASB 9 will not have a material impact on the Group's financial instruments.

- *AASB 15: Revenue from Contracts with Customers* (applicable to annual reporting periods commencing on or after 1 January 2017).

When effective, this Standard will replace the current accounting requirements applicable to revenue with a single, principles-based model. Except for a limited number of exceptions, including leases, the new revenue model in AASB 15 will apply to all contracts with customers as well as non-monetary exchanges between entities in the same line of business to facilitate sales to customers and potential customers.

The core principle of the Standard is that an entity will recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for the goods or services. To achieve this objective, AASB 15 provides the following five-step process:

- identify the contract(s) with a customer;
- identify the performance obligations in the contract(s);
- determine the transaction price;
- allocate the transaction price to the performance obligations in the contract(s); and
- recognise revenue when (or as) the performance obligations are satisfied.

This Standard will require retrospective restatement, as well as enhanced disclosures regarding revenue.

The directors anticipate that the adoption of AASB 15 will not have a material impact on the Group's revenue recognition and disclosures.

- *Other standards not yet applicable*

There are no other standards that are not yet effective and that would be expected to have a material impact on the entity in the current or future reporting periods and on foreseeable future transactions

In the opinion of the Directors of St George Mining Limited ("the Company")

- (a) The financial statements and the notes and the additional disclosures included in the directors' report designated as audited of the Group are in accordance with the Corporations Act 2001, including:
 - (i) Giving a true and fair view of the Group's financial position as at 30 June 2015 and of its performance for the year ended that date; and
 - (ii) Complying with Accounting Standards and Corporations Regulations 2001, and:
- (b) There are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.
- (c) The financial statements and notes comply with International Financial Reporting Standards as disclosed in note 2.

This declaration has been made after receiving the declarations required to be made to the directors in accordance with section 295A of the Corporations Act 2001 for the financial year ended 30 June 2015.

Signed in accordance with a resolution of the Directors made pursuant to section 295(5) of the Corporations Act 2001.

On behalf of the Board



John Prineas
Executive Chairman

Dated 7 August 2015
Perth, Western Australia

7 August 2015

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

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 audit of the financial statements of St George Mining Limited for the year ended 30 June 2015, 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 audit; and
- (ii) any applicable code of professional conduct in relation to the audit.

Yours sincerely

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



Samir Tirodkar
Director

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

Report on the Financial Report

We have audited the accompanying financial report of St George Mining Limited, which comprises the consolidated statement of financial position as at 30 June 2015, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the year's end or from time to time during the financial year.

Directors' responsibility for the Financial Report

The directors of the company are responsible for the preparation of the 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 financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error. In note 2(a), the directors also state, in accordance with Australian Accounting Standard AASB 101 Presentation of Financial Statements, that the financial statements comply with International Financial Reporting Standards.

Auditor's responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the company's preparation of the financial report that gives a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Independence

In conducting our audit, we have complied with the independence requirements of the *Corporations Act 2001*.

Auditor's Opinion

In our opinion:

- (a) the financial report of St George Mining Limited is in accordance with the *Corporations Act 2001*, including:
 - (i) giving a true and fair view of the consolidated entity's financial position as at 30 June 2015 and of its performance for the year ended on that date; and
 - (ii) complying with Australian Accounting Standards and the Corporations Regulations 2001.
- (b) the consolidated financial report also complies with International Financial Reporting Standards as disclosed in note 2(a).

Inherent Material Uncertainty Regarding Going Concern

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

As referred to in Note 2(a) 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 of \$3,127,847 for the year ended 30 June 2015 and had net operating cash outflows of \$2,949,895 for the year ended 30 June 2015. The working capital as at 30 June 2015 is \$512,481. 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 current and non-current assets may be significantly less than book values.


Report on the Remuneration Report

We have audited the remuneration report included in pages 17 to 23 of the directors' report for the year ended 30 June 2015. The directors of the Company are responsible for the preparation and presentation of the remuneration report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the remuneration report, based on our audit conducted in accordance with Australian Auditing Standards

Auditor's Opinion

In our opinion the remuneration report of St George Mining Limited for the year ended 30 June 2015 complies with section 300A of the Corporations Act 2001.

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
7 August 2015

1 Distribution of holders

As at 7 August 2015 the distribution of shareholders was as follows:

Ordinary shares

Size of holding	Number of holders
1 – 1,000	60
1,001 – 5,000	133
5,001 – 10,000	306
10,001 – 100,000	704
100,001 and over	208
Total	1,411

2 Voting rights

There are no restrictions to voting rights attached to the ordinary shares. On a show of hands every member present in person will have one vote and upon a poll, every member present or by proxy will have one vote each share held.

3 Substantial shareholders

The names of the substantial shareholders who have notified the Company in accordance with Section 671B of the Corporation Act 2001 are;

Shareholder	Shares held	Percentage interest %
John Prineas	10,214,221	9.13
Impulzive Pty Ltd <Dawson Superannuation Fund>	11,764,714	10.52
Oceanic Capital Pty Ltd	7,565,139	6.76

4 Top 20 shareholders

The names of the 20 largest shareholders on the share register as at 7 August 2015, who hold 43.17% of the ordinary shares of the Company, were as follows;

Shareholder	Number
John Prineas	8,355,021
Impulzive Pty Ltd <Dawson Superannuation A/C>	8,354,990
Oceanic Capital Pty Ltd	7,565,139
HSBC Custody Nominees (Australia) Limited	5,855,556
Impulzive Pty Ltd <Dawson Super Fund A/C>	3,100,000
Black Prince Pty Ltd <Black Prince Super Fund A/C>	2,500,000
Yarandi Investments Pty Ltd <Griffith Family No 2 A/C>	2,325,000
AWD Consultants Pty Ltd <Stevens Super Fund A/C>	2,015,000
Mr Brendan James Warner	2,000,000
Mrs Karen Dawson	1,968,000
Mr Christopher Bell + Mrs Jennifer Bell <C & J Bell Super Fund A/C>	1,900,137
AWD Consultants Pty Ltd <Stevens Super Fund A/C>	1,800,000
UBS Wealth Management Australia Nominees Pty Ltd	1,700,000
St Barnabas Investments Pty Ltd <St Barnabas Super Fund A/C>	1,654,455
DDH1 Drilling Pty Ltd	1,547,620
Mr Paul Malcolm Koshy	1,488,485
Riverfront Nominees Pty Ltd <MCM Family A/C>	1,453,334

SHAREHOLDER INFORMATION

Mr William Henry Hernstadt	1,406,942
Dixtru Pty Limited	1,250,000
Mr George David Butkeraitis	1,080,000

5 Top 20 option holders

The names of the 20 largest option holders on the share register as at 7 August 2015, who hold 47.41% of the listed options of the Company, were as follows;

Shareholder	Number
HSBC Custody Nominees (Australia) Limited	1,906,852
John Prineas	835,502
Impulzive Pty Ltd <Dawson Superannuation A/C>	835,499
Oceanic Capital Pty Ltd	756,513
Mr Bruce Keenan	626,445
Black Prince Pty Ltd <Black Prince Super Fund A/C>	613,359
Mrs Karen Dawson	546,800
Impulzive Pty Ltd <Dawson Superannuation A/C>	490,972
Mrs Anna Felicia Belton	340,000
DDH1 Drilling Pty Ltd	321,428
Mr Michael Periera <California Investment A/C>	311,669
Classico Holings Pty Ltd <The Chelmsford A/C>	300,000
Mr John Addison Doughty	300,000
Mr Brendan James Warner	280,000
Mr Christopher Bell + Mrs Jennifer Bell <C & J Bell Super fund A/C>	264,595
Mr Paul Anthony Siegle	251,675
Mr Paul Gregory Brown & Mrs Jessica Oriwai Brown <Brown Super Fund A/C>	250,000
Yarandi Investments Pty Ltd <Griffith Family No 2 A/C>	232,500
Bell Potter Nominees Ltd <2272984 A/C>	225,000
North of the River Investments Pty Ltd	200,000

6 Consistency with business objectives

The Company has used its cash and assets in a form readily convertible to cash that it had at the time of listing in a way the consistent with its stated objectives.

St George Mining Limited mineral interest as at 7 August 2015

TENEMENT SCHEDULE – EAST LAVERTON PROPERTY

Tenement ID	Registered Holder	Location	Equity
E39/0981	Desert Fox Resources Pty Ltd	East Laverton Property	100%
E39/0982	Desert Fox Resources Pty Ltd	East Laverton Property	100%
E39/0985	Desert Fox Resources Pty Ltd	East Laverton Property	100%
E39/1064	Desert Fox Resources Pty Ltd	East Laverton Property	100%
E39/1066	Desert Fox Resources Pty Ltd	East Laverton Property	100%
E39/1229	Desert Fox Resources Pty Ltd	East Laverton Property	100%
E39/1461	Desert Fox Resources Pty Ltd	East Laverton Property	100%
E39/1472	Desert Fox Resources Pty Ltd	East Laverton Property	100%
E39/1473	Desert Fox Resources Pty Ltd	East Laverton Property	100%
E39/1474	Desert Fox Resources Pty Ltd	East Laverton Property	100%
E39/1475	Desert Fox Resources Pty Ltd	East Laverton Property	100%
E39/1476	Desert Fox Resources Pty Ltd	East Laverton Property	100%
E39/1467	Desert Fox Resources Pty Ltd	East Laverton Property	100%
E39/1492	Desert Fox Resources Pty Ltd	East Laverton Property	100%
E39/1518	Desert Fox Resources Pty Ltd	East Laverton Property	100%
E39/1519	Desert Fox Resources Pty Ltd	East Laverton Property	100%
E39/1520	Desert Fox Resources Pty Ltd	East Laverton Property	100%
E39/1521	Desert Fox Resources Pty Ltd	East Laverton Property	100%
E39/1549	Desert Fox Resources Pty Ltd	East Laverton Property	100%
E39/1565	Desert Fox Resources Pty Ltd	East Laverton Property	100%
E39/1572	Desert Fox Resources Pty Ltd	East Laverton Property	100%
E39/1601	Desert Fox Resources Pty Ltd	East Laverton Property	100%
E39/1608	Desert Fox Resources Pty Ltd	East Laverton Property	100%
E39/1666	Desert Fox Resources Pty Ltd	East Laverton Property	100%
E39/1667	Desert Fox Resources Pty Ltd	East Laverton Property	100%
E39/1722	Desert Fox Resources Pty Ltd	East Laverton Property	100%
E39/1779	Desert Fox Resources Pty Ltd	East Laverton Property	100%

Notes:

1. All tenements are in Western Australia.
2. E = Exploration Licence

TENEMENT SCHEDULE – LAKE MINIGWAL PROPERTY

Tenement ID	Registered Holder	Location	Equity
E39/1677	St George Mining Limited	Lake Minigwal Project	100%
E39/1678	St George Mining Limited	Lake Minigwal Project	100%

Notes:

1. All tenements are in Western Australia.
2. E = Exploration Licence

