

27 May 2015

ST GEORGE READY FOR HIGH IMPACT NICKEL SULPHIDE DRILLING CAMPAIGN

HIGHLIGHTS:

- **Drill rig scheduled to arrive at site early next week, on 2 June 2015**
- **Over 2,500m of diamond drilling planned over the next 6 to 7 weeks**
- **High value drill targets, including very strong EM conductors, to be tested**
- **Exploration results to date support the potential for an emerging nickel province**

HIGH IMPACT DRILLING CAMPAIGN

St George Mining Limited (ASX: **SGQ**) ('St George Mining' or 'the Company') is pleased to announce that the Company's drilling contractor, DDH1 Drilling, is scheduled to arrive at our 100% owned East Laverton Nickel Sulphide Project in Western Australia ("St George's Project" or "the Project") on 2 June 2015.

DDH1 Drilling is deploying a Sandvik 1200 Multipurpose truck mounted drill rig, with capability for deep diamond and RC (reverse circulation) drilling, for this program. Drill holes will be completed with RC collars down to fresh rock and diamond core for the remainder of the hole.

At least seven highly prospective targets will be tested in this campaign with over 2,500m of drilling planned. Most holes have a planned depth of 220m to 300m with the deepest hole planned to 500m.

We look forward to confirming the commencement of drilling next week. The drilling campaign is expected to be completed within 6-7 weeks. Regular updates will be provided throughout the course of the campaign.

The recent Technical Review of our Project recognised its potential as a new and emerging nickel province and confirmed the Project has the necessary geological criteria to host multiple nickel sulphide deposits (see Figure 1).

The drill targets for the upcoming campaign have been selected by our highly qualified technical team in consultation with our geophysical advisers at Newexco. The targets include strong EM conductors with favourable geological and structural features which reinforce their potential to represent massive nickel sulphide deposits.

John Prineas, Executive Chairman of St George Mining said:

"This drilling campaign will give us an excellent opportunity to confirm the potential of our Project as a large scale nickel sulphide camp.

"We have a suite of expertly developed targets to test, and any one of these could deliver a major discovery.

"We will have very strong news flow over the coming weeks as drilling progresses and results become available."

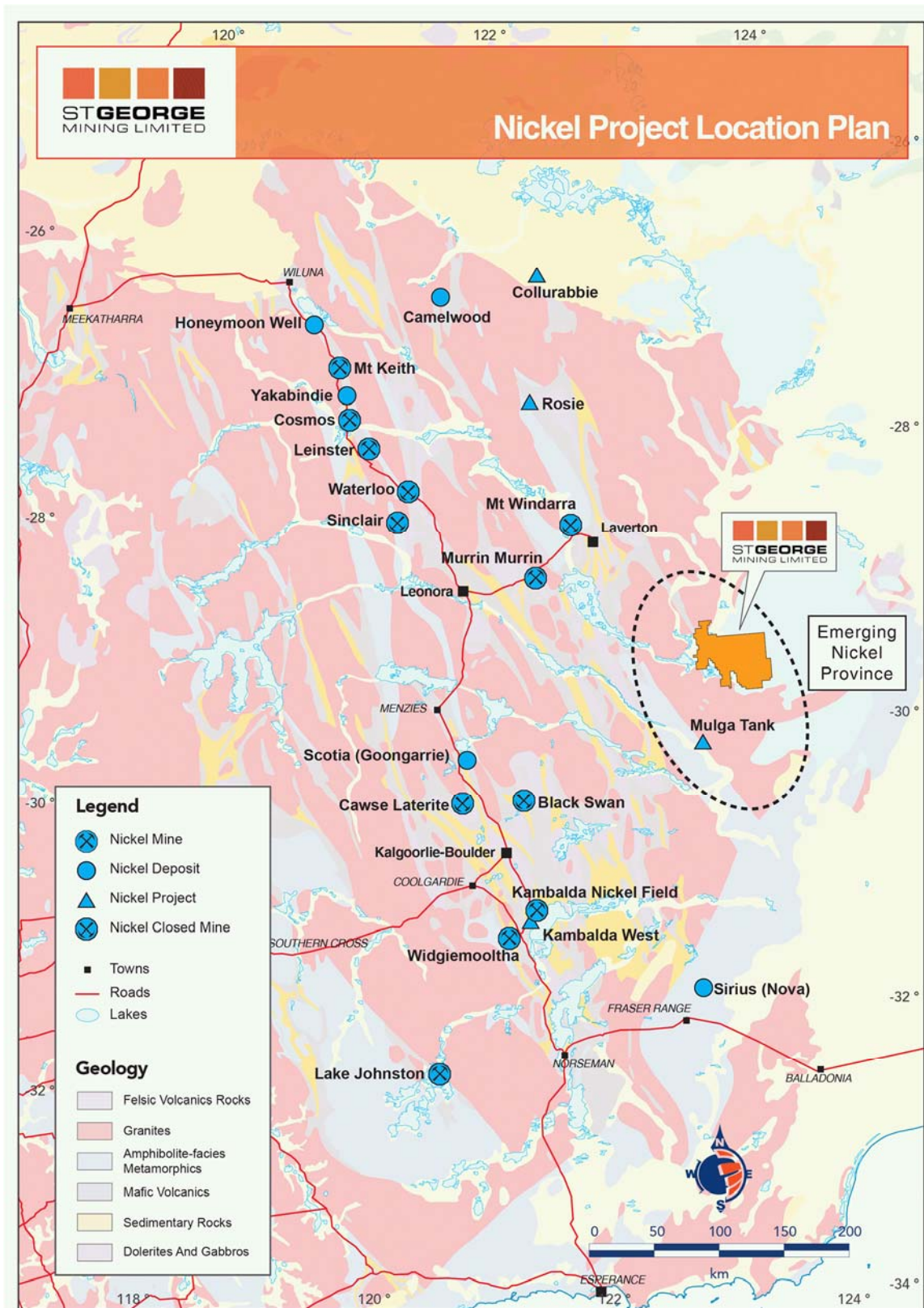


Figure 1 – St George’s Project is situated in an under-explored area of the Yilgarn Craton, where major discoveries are still possible. Exploration has confirmed the presence of favourable geological criteria for large scale mineralisation and the potential of the area to emerge as an important nickel province, features which have already attracted the attention of major mining companies.

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Competent Person Statement:

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

- 20 May 2015 Further Nickel Sulphide Targets for Drilling
- 12 May 2015 St George Prepares to Drill

The Company confirms that it is not aware of any new information or data that materially affects the information included in any original market announcements referred to in this report, and that all material assumptions and technical parameters underpinning the announcements continue to apply and have not materially changed. The Company confirms that the form and context in which the Competent Person's findings are presented have not been materially modified from the original market announcements.