

20 April 2017

**QUARTERLY ACTIVITIES REPORT
FOR THE PERIOD ENDED 31 MARCH 2017**

HIGHLIGHTS

- **MT ALEXANDER PROJECT:**
 - Major drill programme underway at the Cathedrals Belt to test targets at each of the Investigators, Stricklands and Cathedrals Prospects
 - Drilling success continues with early results confirming the discovery of additional massive nickel-copper sulphides
 - Large moving loop electromagnetic (MLEM) survey commenced over the extensions of the Cathedrals Belt and the parallel structure 1km south of the Cathedrals Belt
 - Detailed geological mapping of the Cathedrals Belt completed with further evidence identified of the extensive nickel-copper sulphide system at Mt Alexander

- **EAST LAVERTON PROJECT:**
 - Technical review by gold expert confirms the gold prospectivity of East Laverton
 - Gold targets identified on each of the three major greenstone belts at East Laverton
 - 2017 gold drill programme is ready to commence

- **CORPORATE:**
 - Cash balance at 31 March 2017 of \$5.7m
 - 2017 EDI tax benefit approved for St George shareholders

St George Mining Limited (ASX:SGQ) (“St George” or “the Company”) is pleased to present its Quarterly Activities Report for the quarterly period ended 31 March 2017.

2017 EXPLORATION PROGRAMMES COMMENCE AT THE MT ALEXANDER PROJECT

Drilling Success Continues at the Cathedrals Belt

A major diamond drill programme commenced at Mt Alexander on 13 March 2017.

Phase 1 of the 2017 drill programme at Mt Alexander comprises nineteen drill holes for approximately 3,000m of drilling. Further drilling will be added to the programme as drill results are reviewed and downhole EM (DHEM) surveys are completed and interpreted.

The planned drill holes will test a number of new EM conductors at each of the Investigators, Stricklands and Cathedrals Prospects. Drilling will also test several geological targets which have the potential to extend the known mineralised zones in the Cathedrals Belt.

On 6 April 2017, the Company announced that three further EM conductors have been drill tested at the Investigators Prospect with all three conductors confirmed as massive nickel-copper sulphide mineralisation; see ASX Release dated 6 April 2017 ‘*Drilling Success Continues at Mt Alexander*’.

The discovery of further high grade mineralisation at multiple targets supports the potential for additional discoveries and extensions to the known mineralisation at Investigators.

The drill programme at Mt Alexander is ongoing with an announcement of further drill results to be made shortly. Drilling, which is being carried out 24 hours per day with two twelve hour shifts, continued during the Easter period without a break.

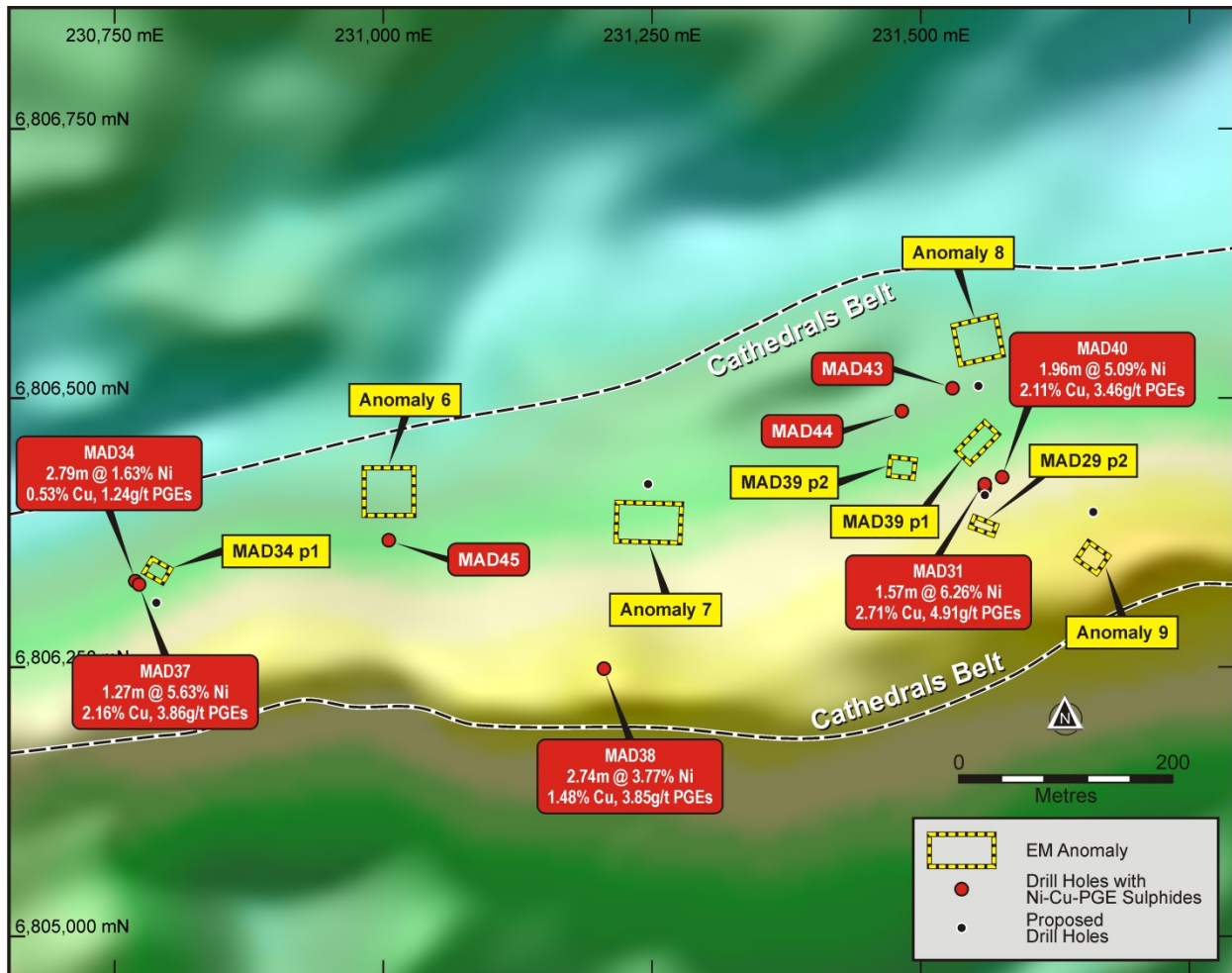


Figure 1 – a plan view of the Investigators Prospect (over TMI magnetics) showing the drill hole collar locations in the current programme, as well as previous drill holes. Drill holes with nickel-copper sulphides are shown in red.

MLEM Survey at the Cathedrals Belt

A new MLEM survey is currently underway over the western and eastern extensions of the Cathedrals Belt, as well as the parallel structure 1km to the south of the Belt.

The MLEM survey is being completed using transmitter loops of 200m x 200m, line spacing of 200m and station spacing of 100m.

The western extension of the Cathedrals Belt includes the area where the Belt intersects with the Ida Fault, as interpreted from the high-resolution aeromagnetic and gravity surveys completed by St George in 2016 and 2017. The intersection of these structures may have operated as a control of the mineralisation in the Cathedrals Belt.

Two anomalous EM responses have been detected in this area by the new MLEM survey. A third anomalous EM response to the immediate east of the Ida Fault has also been identified following a review of the 2016 EM survey data.

A further high powered fixed loop EM (FLEM) survey will be completed over these EM anomalies so as to better constrain the targets ahead of drill testing.

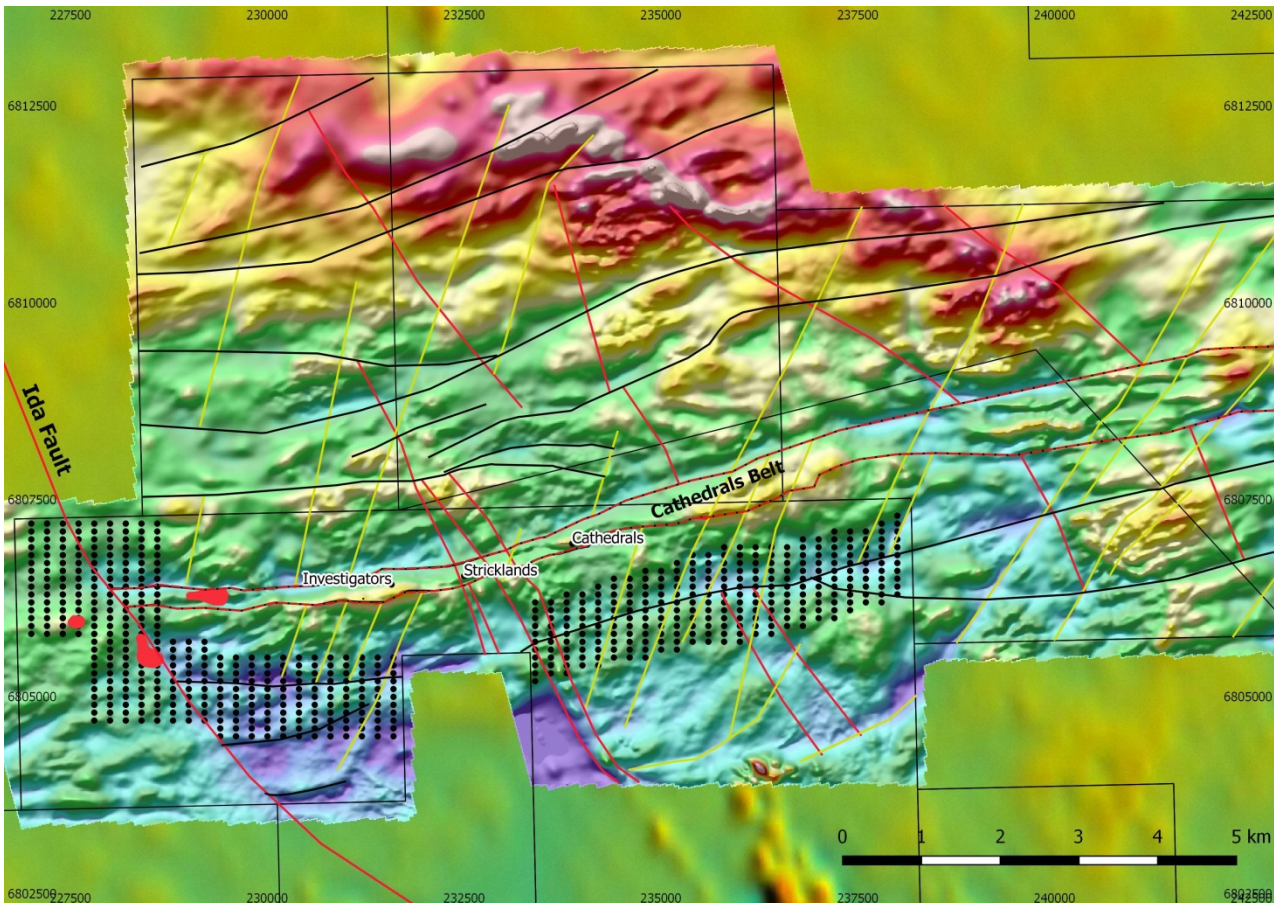


Figure 2 – a plan view of the Cathedrals Belt (against TMI RTP magnetics) showing the planned MLEM survey stations that will explore new target areas. The location of the three anomalous EM responses in the western Cathedrals Belt and near the Ida Fault are highlighted in red.

Field Mapping Supports Extensive Nickel-Copper Sulphide System

Detailed field mapping on a scale of 1:1,000 was completed during the quarter over the Cathedrals Belt. A number of important geological features were observed that provide further evidence of the extensive nickel-copper sulphide system at Mt Alexander.

In addition to providing detailed lithological and structural data, the mapping has identified numerous subcrops of gossans which tested up to 2.9%Ni and 0.9%Cu with portable XRF analysis; see Figure 3. The gossans were located at the Cathedrals and Stricklands Prospects and are in some cases associated with later Proterozoic dykes.

At the Cathedrals Prospect, nickel-rich sulphide globules were observed in an outcrop of felsic porphyries proximal to serpentinised ultramafics; see Figure 4. Analysis of the sulphide globules by portable XRF indicated nickel values up to 5.5%Ni.

The presence of fresh sulphides at surface, preserved within the dyke rocks, is unusual. The felsic porphyries also contain clasts of iron oxide after sulphide, with one clast analysing 2.5%Cu with the portable XRF.

References above to XRF results are based on analysis at site by a handheld XRF instrument (Olympus Innov-X Spectrum Analyser).



Figure 3 – Gossan (goethite-hematite ironstone) subcrop looking west towards the Cathedrals Prospect (GR 234268E, 6807170N).



Figure 4 – specimen samples of nickel sulphide globules in outcrop at Cathedrals (GR 233420E, 6806901N).

About The Mt Alexander Project:

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

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

EAST LAVERTON – PIPELINE OF GOLD TARGETS READY FOR DRILLING

During the quarter, St George engaged Dr Walter Witt to review both the broader gold potential at East Laverton and to complete detailed assessments of the numerous gold targets at the Project.

Dr Witt has over 40 years’ experience in exploration and is recognised as a leading expert on gold mineralisation and targeting in the Yilgarn Craton of Western Australia. In addition, Dr Witt is a Research Fellow at the Centre for Exploration Targeting (CET) where he has recently compiled a Yilgarn Gold Exploration Atlas for the CET and Geological Survey of Western Australia.

The technical review has confirmed the strong gold potential at East Laverton, and prioritised the multiple targets at the Project for exploration in 2017.

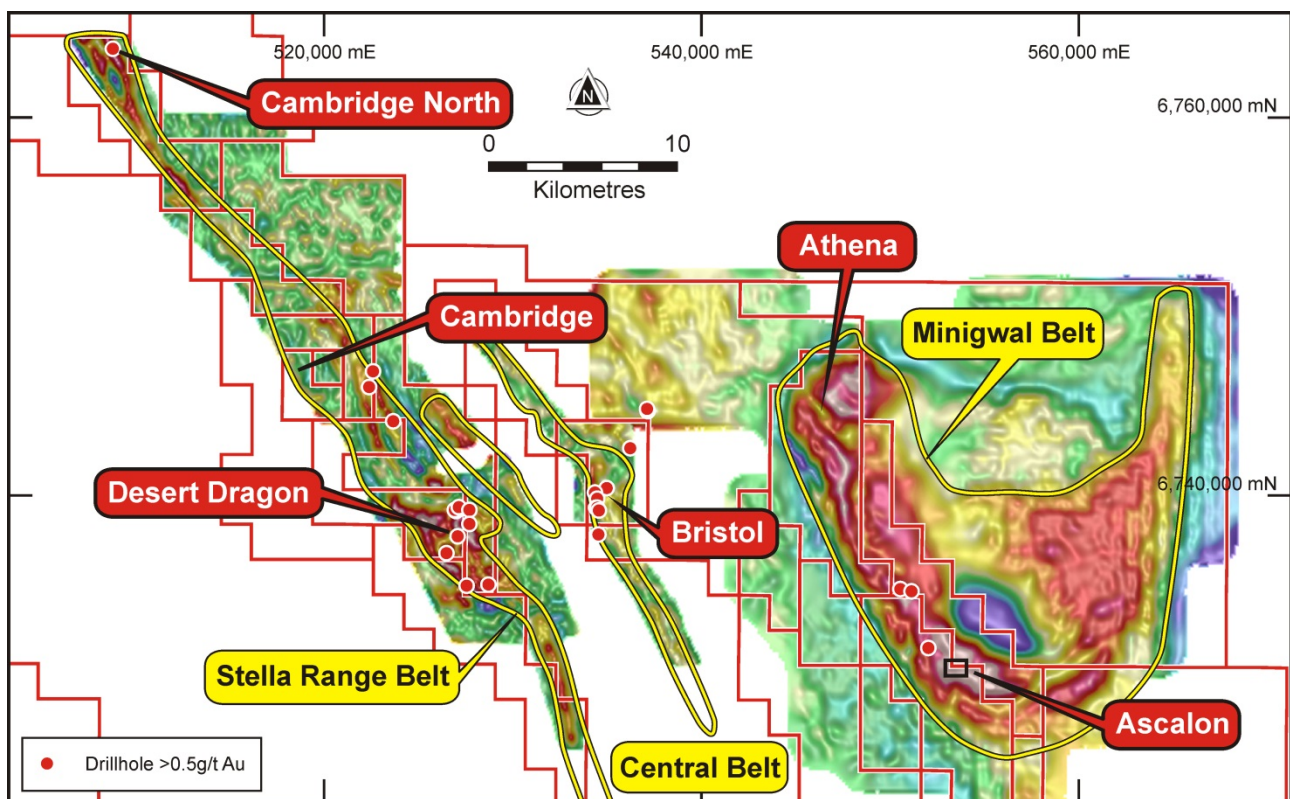


Figure 5 – the East Laverton tenements against FVD Bouguer gravity data with priority gold prospects highlighted.

A reverse circulation (RC) drill programme was scheduled to commence at East Laverton in March 2017 with the first targets to be tested being the highest rated targets in the Stella Range Belt - at Desert Dragon, Cambridge and Cambridge North.

The start of the drill programme has been delayed due to unseasonal heavy rains in the North Eastern Goldfields of Western Australia. This has caused numerous road closures by local shires, with access to our East Laverton Project not expected until late April 2017.

The delay in the start of the drill programme has allowed further drill targets to be planned, resulting in a significant expansion of the drill programme. An announcement will be issued shortly with details of the major gold drill programme for the East Laverton Project.

TENEMENT INFORMATION

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

East Laverton Project

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

Lake Minigwal Project

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

Mt Alexander Project

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

Hawaii Project

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

CORPORATE UPDATE

EDI Tax Benefit

St George has been approved by the Federal Government for participation in the Exploration Development Incentive (EDI) which will entitle eligible shareholders to a tax credit for the tax year ending 30 June 2017.

The record date for shareholder eligibility is 31 May 2017, with the tax credit available only to Australian resident shareholders.

Eligible shareholders will be notified of the EDI tax credit applicable to them by Computershare, which operates the St George share register. A further announcement will be made shortly to confirm the amount of the tax credit per share.

Strategic M&A Opportunities

The ongoing exploration success at the Mt Alexander Project is presenting St George with strategic opportunities for development of the Project. The Company has appointed Argonaut Limited as its adviser to assist in assessing these corporate proposals.

Cash Position

As at 31 March 2017, St George had cash reserves of \$5.7m and remained well-funded to continue its exploration programmes at Mt Alexander and other projects.

COMPETENT PERSON STATEMENT:

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

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

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

- 25 May 2016 *Gold Drill Programme at East Laverton*
- 29 July 2016 *East Laverton Gold Drilling – Update*
- 1 August 2016 *Nickel-Copper Sulphides Discovered at Investigators*
- 8 August 2016 *Drilling Extends Nickel-Copper Sulphide Belt*
- 24 August 2016 *Gold Drilling Progresses at East Laverton*
- 30 August 2016 *More Massive Sulphide Mineralisation at Investigators*
- 22 September 2016 *Assays Confirm Significant Nickel-Copper Mineralisation*
- 12 October 2016 *High Grade Nickel-Copper Sulphides at Mt Alexander*
- 20 October 2016 *Strong Results Continue at Mt Alexander*
- 22 November 2016 *Compelling Survey Results at Mt Alexander*
- 25 November 2016 *Gold Drilling at East Laverton*
- 7 December 2016 *Further Nickel-Copper Sulphide Targets*
- 19 December 2016 *Mt Alexander – Exploration Update*
- 8 February 2017 *SAMSON Survey Lights Up New Targets at Mt Alexander*
- 15 February 2017 *Massive Nickel Sulphide Targets at Stricklands*
- 22 February 2017 *Priority Targets for Cathedrals Prospect*
- 28 February 2017 *EM Survey over New Target Areas at Mt Alexander*
- 14 March 2017 *St George Commences Drilling at Mt Alexander*
- 6 April 2017 *Drilling Success Continues at Mt Alexander*

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

TENEMENT INFORMATION AS REQUIRED BY LISTING RULE 5.3.3

Other than as detailed in the body of the Quarterly Activities Report and in the Table below, no tenements, in part or whole, were relinquished, surrendered or otherwise divested during the quarterly period ended 31 March 2017.

EAST LAVERTON/LAKE MINIGWAL:

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

MT ALEXANDER/HAWAII:

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

Appendix 5B

Mining exploration entity and oil and gas exploration entity quarterly report

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

Name of entity

St George Mining Limited

ABN

21 139 308 973

Quarter ended ("current quarter")

31 March 2017

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (6 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	-	-
1.2 Payments for		
(a) exploration & evaluation	(540)	(3,538)
(b) development	-	-
(c) production	-	-
(d) staff costs	(166)	(498)
(e) administration and corporate costs	(68)	(347)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	31	58
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Research and development refunds	-	2,340
1.8 Other (provide details if material)	(17)	39
1.9 Net cash from / (used in) operating activities	(760)	(1,946)
2. Cash flows from investing activities		
2.1 Payments to acquire:		
(a) property, plant and equipment	-	-
(b) tenements (see item 10)	-	-
(c) investments	-	-

Mining exploration entity and oil and gas exploration entity quarterly report

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (6 months) \$A'000
(d) other non-current assets	-	-
2.2 Proceeds from the disposal of:		
(a) property, plant and equipment	-	-
(b) tenements (see item 10)	-	-
(c) investments	-	-
(d) other non-current assets	-	-
2.3 Cash flows from loans to other entities	-	-
2.4 Dividends received (see note 3)	-	-
2.5 Other (provide details if material)	-	-
2.6 Net cash from / (used in) investing activities	-	-

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

4. Net increase / (decrease) in cash and cash equivalents for the period		
4.1 Cash and cash equivalents at beginning of period	6,390	1,437
4.2 Net cash from / (used in) operating activities (item 1.9 above)	(760)	(1,946)
4.3 Net cash from / (used in) investing activities (item 2.6 above)	-	-
4.4 Net cash from / (used in) financing activities (item 3.10 above)	-	6,139
4.5 Effect of movement in exchange rates on cash held	-	-
4.6 Cash and cash equivalents at end of period	5,630	5,630

5. Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1 Bank balances	29	72
5.2 Call deposits	5,601	6,318
5.3 Bank overdrafts	-	-
5.4 Other (provide details)	-	-
5.5 Cash and cash equivalents at end of quarter (should equal item 4.6 above)	5,630	6,390

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

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

Mining exploration entity and oil and gas exploration entity quarterly report

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

N/A

9. Estimated cash outflows for next quarter	\$A'000
9.1 Exploration and evaluation	773
9.2 Development	-
9.3 Production	-
9.4 Staff costs	147
9.5 Administration and corporate costs	79
9.6 Other (provide details if material)	-
9.7 Total estimated cash outflows	999

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

Compliance statement

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

Sign here: Sarah Shipway Date: 20 April 2017
Non-Executive Director/Company Secretary

Print name: Sarah Shipway

Notes

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