ASX / MEDIA RELEASE

17 August 2015

ASSAYS CONFIRM WIDE CONTINUOUS NICKEL SULPHIDE ZONE AT DESERT DRAGON CENTRAL

HIGHLIGHTS:

- **Assay results confirm a wide zone of laterally continuous nickel sulphide mineralisation at Desert Dragon Central, within a large and highly prospective komatiite channel that is open along strike**
- **Nickel sulphide intersections are within the ultramafic unit first identified by hole DRAC35 at 100m downhole, providing the opportunity for shallow nickel sulphide deposits**
- **Nickel sulphide zone extends over 300 metres down dip and remains open in both directions**
- **Strong off-hole electromagnetic (EM) conductor from DDRDD0004 provides a drill ready target for massive nickel sulphides**
- **More assay results and downhole EM surveys are pending**
- **Follow-up drilling of priority targets planned for September 2015**

WIDE ZONE OF NICKEL SULPHIDES AT DESERT DRAGON CENTRAL

St George Mining Limited (ASX: **SGQ**) ('St George' or 'the Company') is pleased to announce very positive results from the initial assays received for the drill holes completed at Desert Dragon Central, one of the highest priority nickel sulphide prospects at the Company's 100% owned East Laverton Property in Western Australia.

The current drilling campaign has returned numerous intersections of nickel sulphide mineralisation at Desert Dragon Central, including several nickel sulphide stringers (see Figure 1), providing increased confidence for a significant discovery of massive nickel sulphides at this prospect.

The initial assay results for the drill holes at Desert Dragon Central demonstrate a wide and continuous zone of disseminated nickel sulphide mineralisation, which is present from a shallow depth and importantly within the same ultramafic unit. This mineralised unit is the fertile ultramafic initially identified by drill hole DRAC35 (**18m @ 0.40% Ni from 100m including 4m @ 0.57% Ni from 100m**), which was completed by BHP Billiton Nickel West in 2012.

St George Mining Executive Chairman, John Prineas said:
"The drilling at Desert Dragon Central has successfully extended the nickel sulphide mineralisation that was discovered by DRAC35. The mineralised zone is open to the north and south along strike, and has provided us with several massive nickel sulphide targets that we will schedule for priority follow-up.

"This kind of geologically driven and systematic exploration is the foundation for most major discoveries, so the important progress we have achieved at Desert Dragon Central is very pleasing."

Four new drill holes were completed at Desert Dragon Central - DDRDD0003, DDRDD0004 and DDRDD0005 were completed on the DRAC35 section and DDRDD0007 immediately to the south (see Table 1 for drill hole details). Assays have been received for the diamond core portion of DDRDD0003, for DDRDD0005 from 102m to 250m and for the first 72m of DDRDD0004. Assays for DDRDD0007 and for the remainder of DDRDD0004 and DDRDD0005 are expected shortly.

Significant nickel sulphide intersections from these holes are:

- DDRDD0004 - **7m @ 0.39% Ni from 43m** with 90ppb Pt+Pd
- DDRDD0004 - **1m @ 0.51% Ni from 56m** with 50ppb Pt+Pd
- DDRDD0005 - **2m @ 0.44% Ni from 215m** with 267ppb Pt+Pd
- DDRDD0005 - **4m @ 0.34% Ni from 220m** with 172ppb Pt+Pd
- DDRDD0005 - **5.6m @ 0.44% Ni from 231m** with 308ppb Pt+Pd

Further details on assay results received to date are in Tables 2 and 3 below.

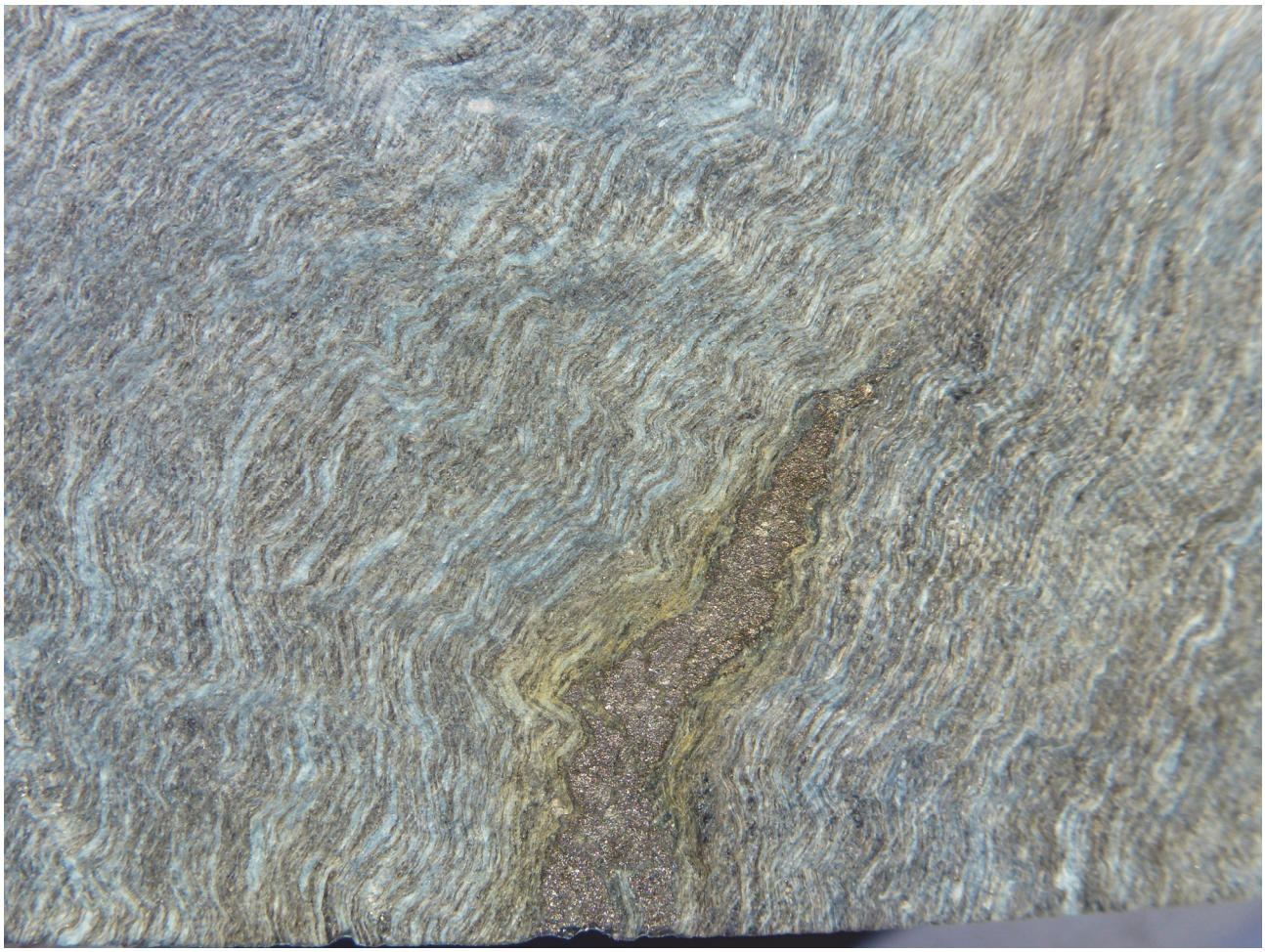

Figure 1 – a photograph of the drill core from DDRDD0005 showing a nickel sulphide stringer (3cm in length) at 237m within the sheared basal contact of the prospective ultramafic. Spot XRF analysis of the stringer sulphide recorded 1.6% Ni. The core is NQ2 size, 5cm in diameter.

Figure 2 is a geological cross-section interpreted from the completed drill holes at Desert Dragon Central, which illustrates the wide zone of disseminated nickel sulphides in an orthocumulate ultramafic unit, which we refer to as the "DRAC35 Ultramafic".

This wide mineralised zone is open laterally and represents a high value target horizon for massive nickel sulphide mineralisation. Only a very small portion of the prospective surface of this unit has been tested by drilling so far, with significant potential remaining for a major discovery.

Importantly, all nickel sulphide intersections in the DRAC35 Ultramafic have elevated values for Platinum Group Elements (PGEs, including Pt+Pd) which is indicative of magmatic sulphides.

Elevated PGEs in ultramafics without nickel sulphide mineralisation are also important, as PGE anomalism can form a halo to nickel sulphide mineralisation. The elevated PGEs in the ultramafic unit intersected in DDRDD0003 from 380m to 405m are an example of this.

The western-most hole on the DRAC35 section is DDRDD0003, which is located some 400m down dip of the original DRAC35 nickel sulphide intersection. Although the hole did not intersect significant nickel sulphide mineralisation, it did intersect significant PGE and Cu anomalism within the DRAC35 Ultramafic.

This is interpreted to be remobilised from adjacent nickel sulphide mineralisation and is an important indicator of the continuity of the wide mineralised zone.

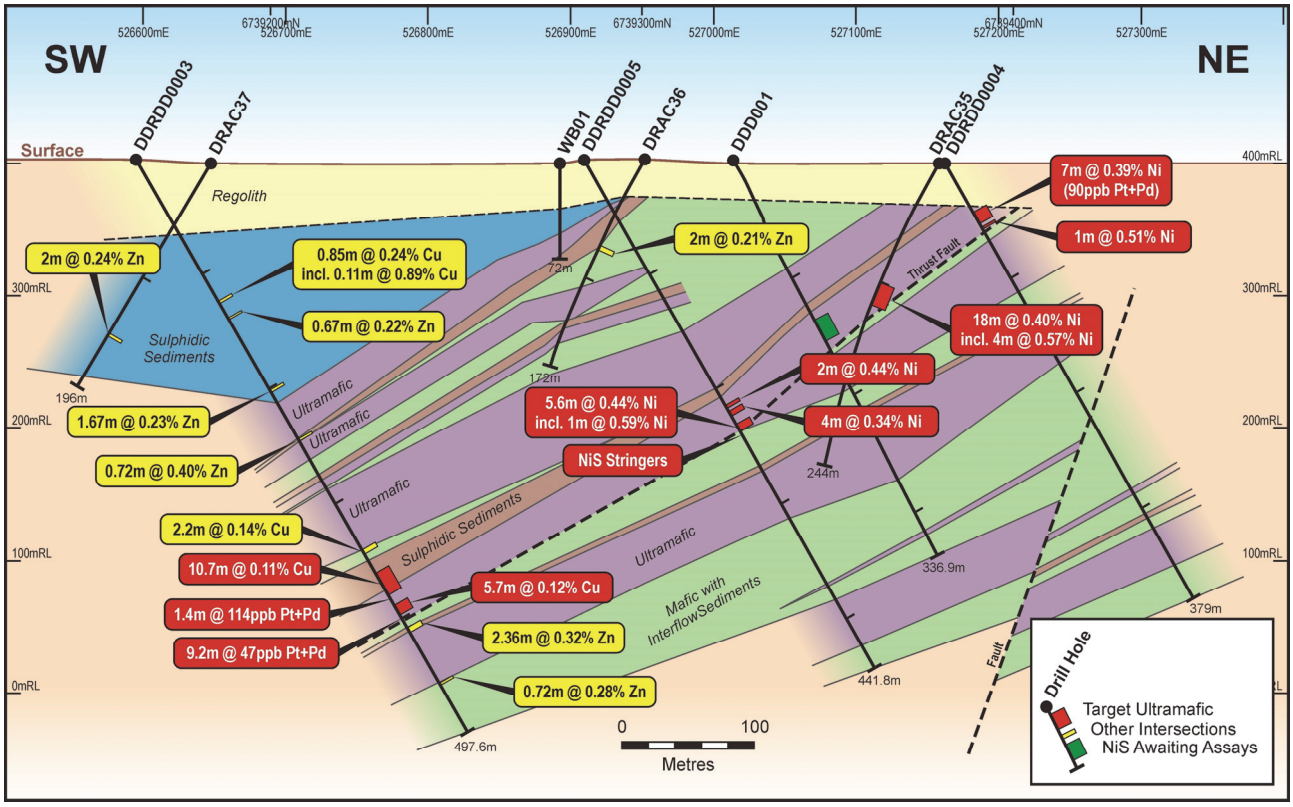

Figure 2 – Interpreted geological cross section from drilling at Desert Dragon Central. The wide zone of nickel sulphides and significant intersections in the DRAC35 Ultramafic are shown in red.

INCREASED PROSPECTIVITY WITH NEW DRILL TARGETS

The Significance of Widespread Disseminated Nickel Sulphides

Massive nickel sulphides are typically deposited at the base and immediate flanks of ultramafic lava channels. Disseminated nickel sulphides can occur as a halo above and lateral to the massive sulphides, providing a good vector for the targeting of massive sulphide bodies.

The wide zone of disseminated nickel sulphides in the DRAC35 Ultramafic confirms the fertility of this ultramafic channel for nickel sulphide mineralisation, and supports the potential for massive nickel sulphide mineralisation in or proximal to this unit. In structurally complex environments such as Desert Dragon Central, it is also possible for the target massive body to be somewhat dislocated from the host ultramafic by later deformation.

The latest interpretation of the stratigraphy and geology at Desert Dragon Central suggests the lower contact of the prospective DRAC35 Ultramafic is defined by a significant shear zone, possibly the result of a thrust fault (see Figure 2). Thrusting can cause remobilisation of nickel sulphide mineralisation and create discrete high grade massive sulphide deposits, such as Spotted Quoll (+125,000t contained Ni) at Forrestania and Emily Ann (+80,000t contained Ni) at Lake Johnston.

The DRAC35 Ultramafic is facing upwards and occurs within a broader sequence of ortho-mesocumulate ultramafics, mafic schists and interflow shales, cherts and sulphidic sediments. The investigation for the potential of additional prospective ultramafic units, similar to the DRAC35 Ultramafic, is ongoing. Further sophisticated geochemical analysis and petrographic studies of the various ultramafic units will assist in establishing the prospectivity of those units.

The complex structural deformation observed at Desert Dragon Central is also characteristic of a number of major nickel sulphide deposits such as Cosmos (+500,000t contained Ni at the Cosmos camp) and Rocky's Reward (+200,000t contained Ni) in the Agnew-Wiluna belt.

EM Conductors Ready for Drilling

A DHEM survey of DDRDD0004 has identified a strong off-hole EM anomaly. This conductor has a strong response in the late-time data and is interpreted by Newexco to be below and directly south of the hole.

The steeply dipping conductor is modelled to intersect the prospective DRAC35 Ultramafic, and is a target for any remobilised massive nickel sulphides. The conductor may also be related to a significant structure that forms the eastern contact of the greenstone sequence as defined by the magnetics, and which could be a control on the potential deposition of mineralisation.

The DHEM conductor from DDRDD0004 is modelled as a discrete EM plate that is permissive of a massive nickel sulphide body. Drill testing of this high priority target will be scheduled for the reverse circulation (RC) drilling programme due to commence in September 2015.

DHEM surveys for all other drill holes at Desert Dragon Central will be completed this week. Preliminary results from the DHEM survey at DDRDD0005 indicate a strong off-hole EM anomaly which is currently being evaluated.

Newly Recognised Nickel Sulphides in Historical Drill Core

Diamond core drill holes DDD001, DDD002 and DDD003 were completed at Desert Dragon Central by St George in December 2013. The holes intersected sequences of ultramafic rocks with anomalous PGE values and sequences of metal-rich sulphidic sediments, supporting the broader prospectivity of the Desert Dragon Central area for nickel sulphide mineralisation.

The new stratigraphic and geological model for Desert Dragon Central being developed by our technical team, including nickel experts Dr Jon Hronsky, Dr Martin Gole and Matthew McCarthy, has included a review of these earlier holes. Relogging of the drill core from DDD001, which intersected the DRAC35 Ultramafic, has identified additional nickel sulphide mineralisation. This further supports the continuity of the wide and unconstrained nickel sulphide zone in the DRAC35 Ultramafic.

The mineralised interval from DDD001 is currently being sampled for assaying and further relogging of the drill core for all of these three historical holes will be completed.

Figure 3 is a plan view of Desert Dragon Central that illustrates the recent drill holes as well as important historical holes, and highlights the wide nickel sulphide zone that has been confirmed by drilling results.

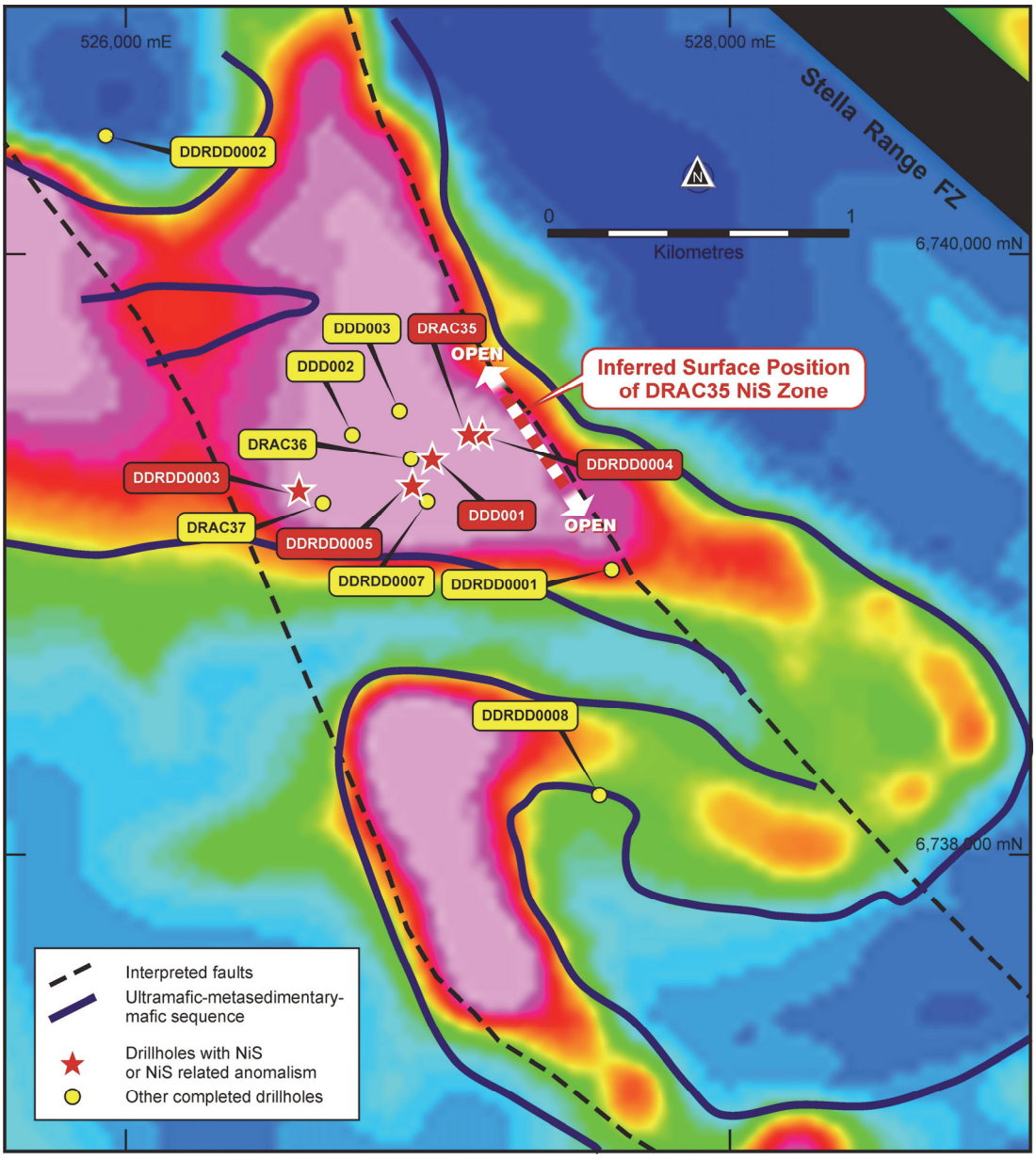

Figure 3 – a plan view of Desert Dragon Central with important drill holes. Holes completed in 2015 that intersected the DRAC35 Ultramafic were drilled to the east. The surface position of the DRAC35 Ultramafic is highlighted and remains open along strike to the north and south.

STRONG BASE METAL ANOMALISM

The geological logging and XRF analysis of the drill core from the completed holes at Desert Dragon Central noted multiple occurrences of copper and zinc, suggesting a broad zone of anomalous base metal mineralisation in this area. Chalcopyrite (copper sulphide) and sphalerite (zinc sulphide) were visually identified in the drill core of holes DDRDD0003 and DDRDD0005.

The interim assay results confirm a strongly anomalous and broad base metal horizon at Desert Dragon Central with numerous intervals of elevated copper and zinc values; see Table 3. Significantly, the current stratigraphic model at Desert Dragon Central indicates this base metal horizon lies above the ultramafic units.

These thick units of metal-rich exhalative sediments are predictably located near to volcanic rift vents, which are typically the source of komatiite lavas and are favourable for nickel sulphide deposition.

ONGOING DRILLING PROGRAMME

Diamond Drilling Programme

Drill hole DDRDD0008, the final hole for the current diamond drilling programme, has been completed to a depth of 375m. The hole was designed to test the Dragon 5 EM conductor at Desert Dragon Central.

The hole has intersected 40m of moderate-MgO ultramafics and sulphidic sediments within a broader sequence of mafic rocks. Massive pyrrhotite was intersected at 262m with some minor sphalerite observed (0.21% Zn from the XRF analysis). This unit likely explains the Dragon 5 EM conductor. A siliceous sulphide breccia was also intersected at 299m on contact with sulphidic sediments and with anomalous copper (up to 0.13% Cu from XRF analysis).

The geological logging and XRF analysis of the drill core from DDRDD0008 is ongoing. The drill hole has been cased in PVC-piping and a DHEM survey will be completed to investigate for conductive bodies either laterally or at depth to the hole.

RC Drilling Programme

A reverse circulation (RC) drilling programme is planned to commence in September 2015. This programme will follow-up targets for massive nickel sulphides generated by the current diamond drilling programme including the high priority DHEM conductors identified by Newexco at Desert Dragon North and at Desert Dragon Central.

Additionally, drill holes will be designed to further test the lateral extents of the nickel sulphide zone now well-defined within the fertile DRAC35 Ultramafic at Desert Dragon Central.

The RC drilling programme will also test targets at the Windsor nickel sulphide prospect where drilling in 2014 successfully intersected high tenor nickel sulphides, and confirmed a broad zone of disseminated nickel sulphide mineralisation over 200m strike which is open to both the north and south.

Figure 4 illustrates the high priority section of the Stella Range belt that hosts the Desert Dragon North, Desert Dragon Central, Windsor North and Windsor prospects. This priority section covers 18km of prospective ultramafics within a +40km strike length of the Stella Range belt.

Only a small fraction of this belt, less than 20%, has been drill tested with significant exploration potential continuing for the discovery of multiple nickel sulphide deposits.

A further announcement regarding the upcoming RC drilling programme will be made soon.

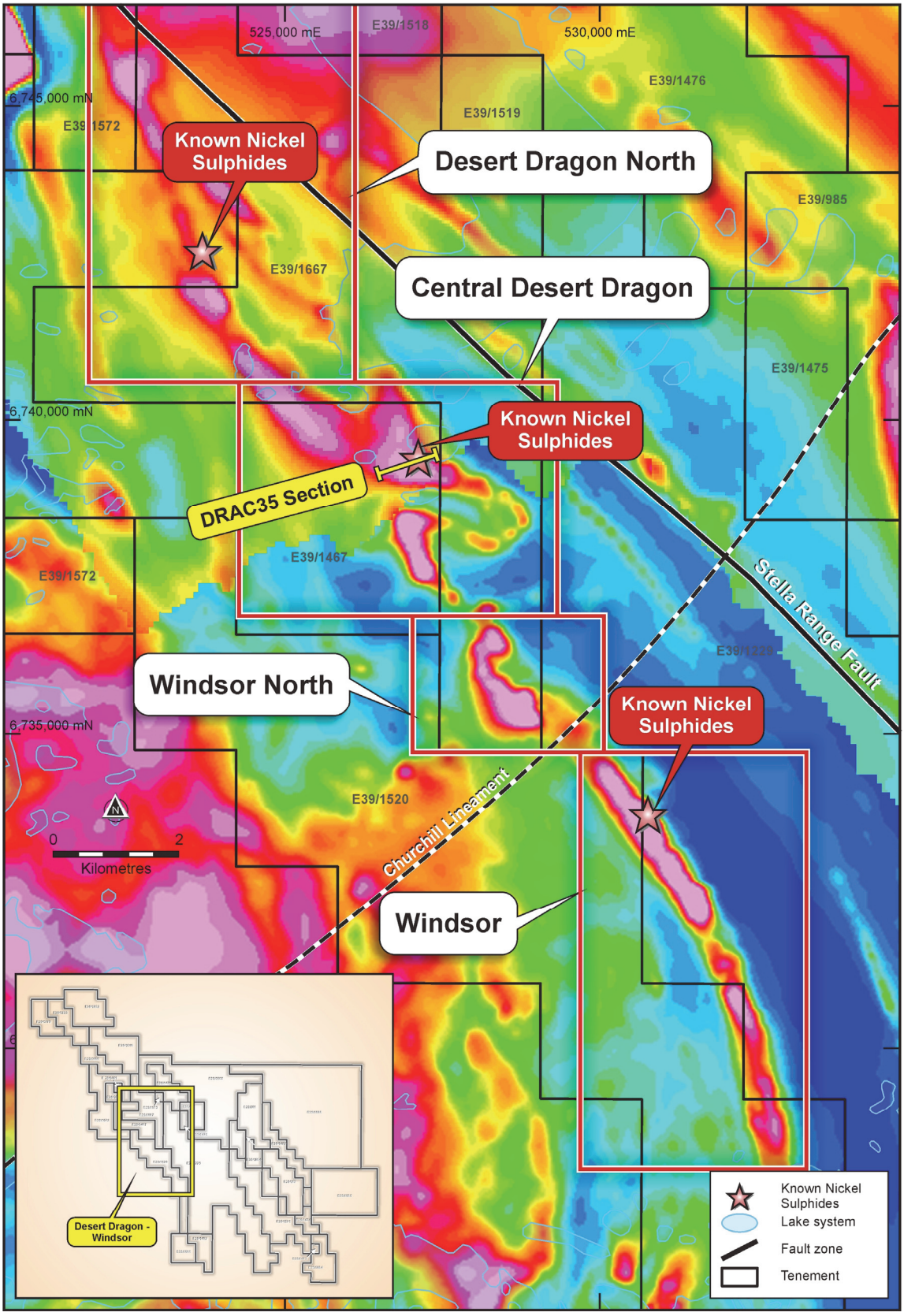

Figure 4 – the Desert Dragon-Windsor prospects are within a priority 18km section of the Stella Range belt where multiple occurrences of nickel sulphide mineralisation have already been confirmed. With only limited drilling at the belt to date, substantial exploration upside exists for the potential discovery of multiple nickel sulphide deposits.

XRF ANALYSIS

References to XRF results relate to analysis using a hand-held Olympus Innov-X Spectrum Analyser. This portable device provides immediate analysis of modal mineralogy of drill samples. The device is unable to reliably detect precious metals in samples but is considered to be more reliable for base metal assessment.

Unless otherwise stated, values determined by XRF analysis are based on one spot reading per one metre of drill core. As such, results from XRF analysis are stated as indicative only and are preliminary to subsequent confirmation by geochemical analysis at Intertek Genalysis Laboratories.

The XRF data is useful in assisting in the interpretation of the geological character of the rocks being encountered during drilling. The data may not be representative of the actual metal content in that sample.

HOLE ID	EASTING	NORTHING	RL	DIP (deg)	AZM (deg)	DEPTH (m)
DDRDD0001	527610	6738950	403	-60	30	436
DDRDD0002	525931	6740395	395	-60	30	550
DDRDD0003	526575	6739215	403	-60	65	497.7
DDRDD0004	527155	6739400	400	-60	60	379
DDRDD0005	526950	6739230	403	-60	60	441.8
DDRDD0007	527000	6739175	408	-90	0	490
DDRDD0008	527570	6738200	382	-75	0	387.9

Table 1 – Drill hole details for holes completed in 2015 at Desert Dragon Central. Drill holes DDRDD0003, DDRDD0004, DDRDD0005 and DDRDD0007 intersected the DRAC35 Ultramafic.

HOLE ID	FROM (m)	TO (m)	Significant NiS Intersection
DDRDD0004	43	50	**7m @ 0.39%Ni (88ppb Pt+Pd)**
	56	57	**1m @ 0.51%Ni (50ppb Pt+Pd)**
DDRDD0005	215	217	**2m @ 0.44% Ni (267ppb Pt+Pd)**
	220	224	**4m @ 0.34% Ni (172ppb Pt+Pd)**
	231	236.6	**5.6m @ 0.44 Ni (208ppb Pt+Pd) incl. 1m @ 0.59% Ni from 235m)**

Table 2 - Details of significant nickel sulphide intersections for completed holes at Desert Dragon Central based on interim assays received to date. Intersections are length weighted.

HOLE ID	FROM (m)	TO (m)	WIDTH (m)	Ni %	Cu (ppm)	Zn (ppm)	Pt+Pd (ppb)	Au (ppb)
DDRDD0005	42	50	8			1316		
	107.92	109.15	1.23					643
	215	**217**	**2**	**0.44**	604		**267**	
	220	**224**	**4**	**0.34**	390		**172**	
	231	**236.6**	**5.6**	**0.44**	390		**208**	
DDRDD0004	**43**	**50**	**7**	**0.39**	229		**88**	
	56	**57**	**1**	**0.51**	64		**50**	
DDRDD0003	92.88	93.74	0.86			1598		
	124.4	**125.25**	**0.85**		**2373**			
incl.	**125.14**	**125.25**	**0.11**		**8868**			
	127.43	128.7	1.27		992			
	136.03	136.37	0.34			1308		
	139	139.67	0.67		764	2237		
	161.65	162.42	0.77			1109		122
	185.11	188.06	2.95		522	1494		
	201	202.67	1.67			2264		
	210	210.56	0.56			1144		
	245.12	245.84	0.72		620	4032		
	342	344.19	2.19		1355			
	364.27	375	10.73		1108			
	389.28	395	5.72		1224		17	
	399	400	1			1532		
	409	411.36	2.36			3232		
	457.45	458.17	0.72			2788		

Table 3 – Assay results received to date for 2015 drill holes at Desert Dragon Central, with significant intersections highlighted in bold print. Intersections are length weighted.

For further information, please contact:

John Prineas
Executive Chairman
St George Mining Limited
(+61) 411 421 253
John.prineas@stgm.com.au

Colin Hay
Professional Public Relations
(+61) 08 9388 0944 mob 0404 683 355
colin.hay@ppr.com.au

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 Timothy Hronsky, a Competent Person who is a Member of The Australasian Institute of Mining and Metallurgy. Mr Hronsky is employed by Essential Risk Solutions Ltd which has been retained by St George Mining Limited to provide technical advice on mineral projects.

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

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

Section 1 Sampling Techniques and Data

(Criteria in this section apply to all succeeding sections)

Criteria	JORC Code explanation	Commentary
Sampling techniques	*Nature and quality of sampling (eg cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc). These examples should not be taken as limiting the broad meaning of sampling.*	This ASX Release dated 17 August 2015 reports on interim exploration results from the Company's 2015 nickel sulphide drilling campaign. Drilling is being undertaken by DDH1 Drilling Pty Ltd using a Sandvik 1200 Multipurpose truck mounted drill rig. This rig has capability for diamond core, reverse circulation (RC) and mud rotary drilling. The initial drilling program is planned to include diamond core holes with RC pre-collars. The actual holes to be completed will be subject to ongoing management of the drilling program based on ground conditions and exploration results. *Diamond Core Sampling:* The core is removed from the drill rig and laid out for initial analysis in the field. The core is measured and marked up at 1m intervals against the drillers blocks, which are themselves checked against the drillers log books where required. The visible structural features on the core are measured against the core-orientation lines. Onsite XRF analysis is conducted using a hand-held Olympus Innov-X Spectrum Analyser. The XRF analysis is used to systematically review diamond drill core, with a single reading taken every metre, except in the case of core loss. These results are only used for onsite interpretation and preliminary base metal assessment subject to final geochemical analysis by laboratory assays. The sections of the core that are selected for assaying are marked up and recorded on a "cut-sheet" which provides a control on the intervals that will be cut and sampled at a duly certified assay laboratory, Intertek Genalysis. Core is prepared for analysis at 1m intervals or at lesser intervals of geological significance. Core is cut in half lengthways and then numbered samples are taken as per the "cut-sheet". Diamond core provides high quality samples that are logged for lithological, structural, geotechnical, density and other attributes. Sampling is carried out under QAQC procedures as per industry best practice. *RC Sampling:* All samples from the RC drilling are taken as 1m samples. Samples are sent to Intertek Genalysis for assaying. Appropriate QAQC samples (standards, blanks and duplicates) were inserted into the sequences as per industry best practice. In this program the multi-purpose diamond and RC drill rig did not have an industry standard splitter attached to facilitate collection of samples. RC samples were taken manually in the most representative way. Should any sample return any values that are anomalous, then a portable riffle splitter will be utilised to select another representative sample for assaying from the bulk sample of RC chips retained by the Company. Onsite XRF analysis is conducted on the fines from RC chips using a hand-held Olympus Innov-X Spectrum Analyser. These results are only used for onsite interpretation and preliminary base metal assessment subject to final geochemical analysis by laboratory assays. *Down-hole electromagnetic (DHEM) survey*: A DHEM survey is planned for each diamond hole. The DHEM survey is designed and

Criteria	JORC Code explanation	Commentary
		managed by Newexco Services Pty Ltd, with field work contracted to Bushgum Holdings Pty Ltd. Key specifications of the DHEM survey are: *System:* *DigiAtlantis probe and a SMARTem24 receiver* *Components:* *A, U, V* *Component direction:* • *Ba – Parallel to hole axis, positive up hole.* • *Bu – Perpendicular to hole axis: toward 12 o' clock when looking down hole.* • *Bv – Perpendicular to hole axis: toward 9 o' clock when looking down hole.*
	Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.	*Diamond Core Sampling:* For diamond core samples, certified sample standards were added as every 25th sample. Core recovery calculations are made through a reconciliation of the actual core and the driller's records. Downhole surveys of dip and azimuth were conducted using a single shot camera every 30m to detect deviations of the hole from the planned dip and azimuth. The drill-hole collar locations were recorded using a hand held GPS, which has an accuracy of +/- 5m. At a later date the drill-hole collar will be surveyed to a greater degree of accuracy. *RC Sampling:* For RC drill samples, geological logging of RC chips is completed at site with representative chips being stored in drill chip trays. Downhole surveys of dip and azimuth follow the same protocol as for diamond core holes. *DHEM Survey:* For the DHEM survey, the polarity of each component is checked to ensure the system was set up using the correct component orientations. The hole position is corrected for trajectory using orientation survey data.
	Aspects of the determination of mineralisation that are Material to the Public Report. *In cases where 'industry standard' work has been done this would be relatively simple (eg 'reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30 g charge for fire assay'). In other cases more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (eg submarine nodules) may warrant disclosure of detailed information.*	*Diamond Core Sampling: C*ore is drilled with HQ and NQ2 size and sampled as half core to produce a bulk sample for analysis. Intervals vary from 0.3 – 1m maximum and are selected with an emphasis on geological control. Assays are completed at Intertek Genalysis Laboratories in Perth. Samples are sent to Intertek where they are crushed to 6 mm and then pulverised to 75 microns. A 30 g charge of the sample is fire assayed for gold, platinum and palladium. The detection range for gold is 1 – 2000 ppbAu, and 0.5 – 2000 ppb for platinum and palladium. This is believed to be an appropriate detection level for these elements within this specific mineral environment. However, should Au, Pt or Pd levels reported exceed these levels an additional assay method will be used to re-test samples. All other metals will be analysed using an acid digest and an ICP finish. The sample is digested with nitric, hydrochloric, hydrofluoric and perchloric acids to effect as near to total solubility of the sample as possible. The solution containing samples of interest, including those that need further review, will then be presented to an ICP-OES for the further quantification of the selected elements. *RC Sampling:* A 1m composite sample is taken from the bulk sample of RC chips that may weigh in excess of 40 kg. Assay preparation by Intetrtekfollows the same protocol as for diamond core sampling.
Drilling techniques	*Drill type (eg core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka,*	*Diamond Core Sampling:* The collars of the diamond holes were drilled using RC drilling down through the regolith to the point of

Criteria	JORC Code explanation	Commentary
	sonic, etc) and details (eg core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc).	refusal or to a level considered geologically significant to change to core. The hole was then continued using HQ diamond core until the drillers determined that a change to NQ2 coring was required. The core is oriented and marked by the drillers. The core is oriented using ACT Mk II electric core orientation. *RC Sampling:* The RC drilling uses a 140 mm diameter face hammer tool. High capacity air compressors on the drill rig are used to ensure a continuously sealed and high pressure system during drilling to maximise the recovery of the drill cuttings, and to ensure chips remain dry to the maximum extent possible.
Drill sample recovery	*Method of recording and assessing core and chip sample recoveries and results assessed.*	*Diamond Core Sampling:* Diamond core recoveries/core loss are recorded during drilling and reconciled during the core processing and geological logging. No significant sample recovery problems are thought to have occurred in any holes drilled to date. There has been a notable and consistent competency encountered in the rocks during drilling. *RC Sampling:* RC samples are visually checked for recovery, moisture and contamination. Geological logging is completed at site with representative RC chips stored in chip trays.
	Measures taken to maximise sample recovery and ensure representative nature of the samples.	*Diamond Core Sampling:* Depths are checked against the depth on the core blocks and rod counts are routinely carried out by the drillers. Core loss was recorded by St George geologists and sampling intervals were not carried through core loss. *RC Sampling:* Samples are normally collected using a cone and riffle splitter. However, in this program, the multi-purpose diamond and RC drill rig did not have an industry standard splitter attached. RC samples were taken manually in the most representative way. If any sample returns any values that are anomalous, then a portable riffle splitter will be utilised to select another representative sample for assaying from the bulk sample of RC chips retained by the Company.
	Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material.	To date, no detailed analysis to determine the relationship between sample recovery and grade has been undertaken for this drill program. This analysis will be conducted following any economic discovery. The use of diamond drilling capturing whole rock cores reduces errors associated with varying size fraction loss of the sample. Very competent rocks have been recovered to date. The nature of magmatic sulphide distribution hosted by the competent and consistent rocks hosting any mineralised intervals are considered to significantly reduce any possible issue of sample bias due to material loss or gain.
Logging	*Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies.*	Geological logging is carried out on all diamond core and RC drill holes with lithology, alteration, mineralisation, structure and veining recorded.
	Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography.	Logging of diamond core and RC samples recorded lithology, mineralogy, mineralisation, structures (core only), weathering, colour and other noticeable features. Core was photographed in both dry and wet form.
	The total length and percentage of the relevant intersections logged.	All drill holes were geologically logged in full and detailed litho-geochemical information was collected by the field XRF unit. The data relating to the elements analysed is used to determine further information regarding the detailed rock composition.

Criteria	JORC Code explanation	Commentary
Sub-sampling techniques and sample preparation	*If core, whether cut or sawn and whether quarter, half or all core taken.*	The HQ and NQ2 core will be cut in half length ways at site using an automatic core saw. All samples will be collected from the same side of the core. The half-core samples will be submitted to Intertek for analysis.
	If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry.	RC samples were taken manually in the most representative way as the multipurpose drill rig did not have a riffle splitter to facilitate collection of samples. If any sample returns any values that are deemed anomalous, then a portable riffle splitter will be utilised to select another representative sample for assaying from the bulk sample of RC chips retained by the Company. RC samples are collected in dry form.
	For all sample types, the nature, quality and appropriateness of the sample preparation technique.	*Diamond Core Sampling:* Diamond core was drilled with HQ and NQ2 size and sampled as complete half core to produce a bulk sample for analysis. Intervals selected varied from 0.3 – 1m (maximum) with a strong geological control (as is possible in diamond core) to ensure grades are representative, i.e. remove any bias through projecting assay grades beyond appropriate geological boundaries. Assay preparation procedures ensure the entire sample is pulverised to 75 microns before the sub-sample is taken. This removes the potential for the significant sub-sampling bias that can be introduced at this stage. *RC Sampling:* Sample preparation for RC chips is the same as for diamond core.
	Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.	*Diamond Core Sampling:* Drill core is cut in half lengthways and the total half-core submitted as the sample. This meets industry standards where 50% of the total sample taken from the diamond core is submitted. *RC Sampling:* Field QC procedures maximise representivity of RC samples and involve the use of certified reference material as assay standards, along with blanks, duplicates and barren washes.
	Measures taken to ensure that the sampling is representative of the in situ material collected, including for instance results for field duplicate/second-half sampling.	*Diamond Core Sampling:* The retention of the remaining half-core is an important control as it allows assay values to be determined against the actual geology; and where required a quarter core sample may be submitted for assurance. No resampling of quarter core or duplicates has been done at this stage of the project. *RC Sampling:* Field duplicates were taken on 1m composites for RC samples.
	Whether sample sizes are appropriate to the grain size of the material being sampled.	The sample sizes are considered to be appropriate to correctly represent the sulphide mineralisation at the East Laverton Property based on: the style of mineralisation (massive and disseminated sulphides), the thickness and consistency of the intersections and the sampling methodology.
Quality of assay data and laboratory tests	*The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.*	For both diamond core and RC sampling, a 30 gram sample will be fire assayed for gold, platinum and palladium. The detection range for gold is 1 – 2000 ppbAu, and 0.5 – 2000 ppb for platinum and palladium. This is believed to be an appropriate detection level for the levels of these elements within this specific mineral environment. However, should Au, Pt or Pd levels reported exceed these levels; an alternative assay method will be selected. All other metals will be analysed using an acid digest and an ICP finish. The sample is digested with nitric, hydrochloric, hydrofluoric and perchloric acids to effect as near to total solubility of the sample as possible. The solution containing samples of interest, including those that need further review, will then be presented to an ICP-OES for the further quantification of the selected elements.

Criteria	JORC Code explanation	Commentary
	For geophysical tools, spectrometers, handheld XRF instruments, etc, the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc.	A handheld XRF instrument (Olympus Innov-X Spectrum Analyser) is used to systematically analyse the drill core and RC chips onsite. Reading time was 60 seconds. The instruments are serviced and calibrated at least once a year. Field calibration of the XRF instrument using standards is undertaken each day. For the DHEM survey, specifications and quality control measures are noted above.
	Nature of quality control procedures adopted (eg standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (ie lack of bias) and precision have been established.	Laboratory QAQC involves the use of internal lab standards using certified reference material, blanks, splits and replicates as part of in house procedures. The Company will also submit an independent suite of CRMs, blanks and field duplicates (see above).
Verification of sampling and assaying	*The verification of significant intersections by either independent or alternative company personnel.*	Significant intersections in diamond core are verified by the Company's Technical Director and Consulting Field Geologist.
	The use of twinned holes.	No twinned holes have been completed in this drilling programme.
	Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.	Geological data was collected using handwritten log sheets and imported in the field onto a laptop detailing geology (weathering, structure, alteration, mineralisation), sampling quality and intervals, sample numbers, QA/QC and survey data. This data, together with the assay data received from the laboratory and subsequent survey data was entered into the Company's database.
	Discuss any adjustment to assay data.	No adjustments or calibrations will be made to any primary assay data collected for the purpose of reporting assay grades and mineralised intervals. For the geological analysis, standards and recognised factors may be used to calculate the oxide form assayed elements, or to calculate volatile free mineral levels in rocks.
Location of data points	*Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation.*	Drill hole collar locations are determined using a handheld GPS with an accuracy of +/- 5m. Drill hole collars will be preserved and surveyed to a greater of accuracy after the drilling programme. Down hole surveys of dip and azimuth were conducted using a single shot camera every 30m to detect deviations of the hole from the planned dip and azimuths.
	Specification of the grid system used.	The grid system used is GDA94, MGA Zone 51.
	Quality and adequacy of topographic control.	Best estimated RLs were assigned during drilling and are to be corrected at a later stage.
Data spacing and distribution	*Data spacing for reporting of Exploration Results.*	The drill programme is targeting EM conductors and other high quality targets for massive nickel sulphide mineralisation. The spacing and distribution of holes is not relevant to this programme.
	Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied.	Drilling is at the exploration stage. Mineralisation at the East Laverton Property has not yet demonstrated to be sufficient in both geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications to be applied.
	Whether sample compositing has been applied.	Samples are taken at one metre lengths (diamond core), and adjusted where necessary to reflect local variations in geology or where visible mineralised zones are encountered, in order to preserve the samples are representative.
Orientation of data in relation to geological structure	*Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.*	The diamond core holes are drilled towards 060 at an angle of -60 degrees to intersect the modelled mineralised zones at a near perpendicular orientation unless otherwise stated. However, the orientation of key structures may be locally variable and any relationship to mineralisation at has yet to be identified.

Criteria	JORC Code explanation	Commentary
	If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material.	No orientation based sampling bias has been identified in the data to date.
Sample security	*The measures taken to ensure sample security.*	Chain of Custody is managed by the Company until samples pass to a duly certified assay laboratory for subsampling and assaying. The cut-core trays and RC sample bags are stored on secure sites and delivered to the assay laboratory by the Company or a competent agent. When in transit, they are kept in locked premises. Transport logs have been set up to track the progress of samples. The chain of custody passes upon delivery of the samples to the assay laboratory. For diamond core, a predetermined "cut sheet" serves as a tracking tool and provides a further control for any subsequent checks.
Audits or reviews	*The results of any audits or reviews of sampling techniques and data.*	Sampling techniques and procedures are regularly reviewed internally, as is data. To date, no external audits have been completed on the drilling programme.

Section 2 Reporting of Exploration Results

(Criteria listed in section 1 will also apply to this section where relevant)

Criteria	JORC Code explanation	Commentary
Mineral Tenement and Land Status	*Type, name/reference number, location and ownership including agreements or material issues with third parties including joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings.* *The security of the tenure held at the time of reporting along with any known impediments to obtaining a licence to operate in the area.*	Phase 1 of the 2015 nickel sulphide drilling programme will test prospects located on several of the 27 Exploration Licences that comprise the East Laverton Property. Each tenement is 100% owned by Desert Fox Resources Pty Ltd, a wholly owned subsidiary of St George Mining. Certain tenements are subject to a 2% Net Smelter Royalty in favour of a third party. None of the tenements are the subject of a native title claim. No environmentally sensitive sites have been identified at any of the tenements. The tenements are in good standing and no known impediments exist.
Exploration Done by Other Parties	*Acknowledgment and appraisal of exploration by other parties.*	In 2012, BHP Billiton Nickel West Pty Ltd (Nickel West) completed a reconnaissance RC (reverse circulation) drilling program at the East Laverton Property as part of the Project Dragon farm-in arrangement between Nickel West and the Company. That farm-in arrangement has been terminated. The drilling program comprised 35 RC holes for 8,560m drilled. The results from the Nickel West drilling program were reported by the Company in its ASX Release dated 25 October 2012 "Drill Results at Project Dragon". Drilling intersected primary nickel sulphide mineralisation and established the presence of fertile, high MgO ultramafic sequences at the East Laverton Property. Prior to the Project Dragon drilling program, there was no systematic exploration for nickel sulphides at the East Laverton Property. Historical exploration in the region was dominated by shallow RAB and aircore drilling, much of which had been incompletely sampled, assayed, and logged. This early work was focused on gold rather than nickel sulphide exploration.
Geology	*Deposit type, geological setting and style of mineralisation*	The Company's East Laverton Property located in the NE corner of the Eastern Goldfields Province of the Archean Yilgarn Craton of Western Australia.

Criteria	JORC Code explanation	Commentary
		The project area is proximally located to the Burtville-Yarmana terrane boundary and the paleo-cratonic marginal setting is consistent with the extensive komatiites and carbonatite magmatism found on the property. The area is largely covered by Permian glaciogene sediments (Patterson Formation), which area is subsequently overlain by a thinner veneer of more recent sediments and aeolian sands. As a result the geological knowledge of the belt has previously been largely inferred from gravity and magnetic data and locally verified by drill-hole information and multi-element soil geochemical surveys. The drilling at the East Laverton Property has confirmed extensive strike lengths of high-MgO olivine-rich rocks across three major ultramafic belts. Ultramafic rocks of this composition are known to host high grade nickel sulphides.
Drill hole information	*A summary of all information material to the understanding of the exploration results including tabulation of the following information for all Material drill holes:* *• Easting and northing of the drill hole collar* *•Elevation or RL (Reduced Level – elevation above sea level in meters) of the drill hole collar* *• Dip and azimuth of the hole* *• Down hole length and interception depth* *• Hole length*	Information regarding exploration results from Project Dragon can be found in the Company's ASX Release dated 25 October 2012 "Drill Results at Project Dragon" which is available to view on www.stgm.com.au.
Data aggregation methods	*In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (e.g. cutting of high grades) and cut-off grades are usually Material and should be stated.*	No top-cuts have been applied. A nominal 0.15% Ni lower cut-off is applied unless otherwise indicated.
	Where aggregated intercepts incorporate short lengths of high grade results and longer lengths of low grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail.	High grade massive sulphide intervals internal to broader zones of sulphide mineralisation are reported as included intervals.
	The assumptions used for any reporting of metal equivalent values should be clearly stated.	No metal equivalent values are used for reporting exploration results.
Relationship between mineralisation widths and intercept lengths	*These relationships are particularly important in the reporting of exploration results.* *If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported. If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (e.g. 'down hole length, true width not known').*	The geometry of the mineralisation is not yet known due to insufficient deep drilling in the targeted area.
Diagrams	*Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported. These should include, but not be limited to a plane view of drill hole collar locations and appropriate sectional views.*	Maps will be included with any announcement of any significant discovery, following review of assay results from the drilling programme.

Criteria	JORC Code explanation	Commentary
Balanced Reporting	*Where comprehensive reporting of all Exploration Results is not practical, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results.*	A balanced report on the interim exploration results is contained in the body of the ASX Release. A comprehensive report on recent drilling at the East Laverton Property can be found in the following ASX Releases that are available on our website at www.stgm.com.au: 3 September 2014 '*Nickel Sulphide Drilling – Update on Phase 1'* 11 February 2015 *'St George Extends Nickel Sulphide Zone'*.
Other substantive exploration data	*Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observation; geophysical survey results; geochemical survey results; bulk samples – size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances.*	All meaningful and material information has been included in the body of the text. No metallurgical or mineralogical assessments have been completed.
Further Work	*The nature and scale of planned further work (e.g. tests for lateral extensions or depth extensions or large – scale step – out drilling).* *Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.*	A discussion of further exploration work is contained in the body of the ASX Release.

HOLE ID	NORTHING (m)	EASTING (m)	DIP (deg)	AZM (deg)	DEPTH (m)	FROM (m)	TO (m)	WIDTH (m)	Ni (%)	Cu (ppm)	Pt+Pd (ppb)
DRAC35	6739401	527150	-60	250	244	100	118	18	0.40	342	197
						100	104	4	0.57	366	294
						112	114	2	0.51	584	281
DRAC38	6733696	530786	-60	250	298	108	138	30	0.31	10	31
						132	138	6	0.48	40	48
						132	134	2	0.62	92	53
DDNRC002	6742718	523717	-60	59	246	53	60	7	0.54		
						53	55	2	1.08		

Table 1 to 2012 JORC Section – Significant intersections in DRAC35, DRAC38 and DDNRC002.

These historical holes are the first identification of nickel sulphides at the East Laverton Property. For further details on DRAC35 and DRAC38, see the ASX Release dated 25 October 2012 "Drill Results at Project Dragon". For further details on DDNRC002, see the ASX Release dated 11 April 2013 "St George Provides Exploration Update". These ASX Releases are available to view on the Company's website at www.stgm.om.au