

15 January 2018

QUARTERLY ACTIVITIES REPORT FOR THE PERIOD ENDED 31 DECEMBER 2017

MT ALEXANDER PROJECT:

- Major diamond drill programme completed with laboratory assays confirming MAD71 as the best ever intersection at Mt Alexander
- Thick intersection of high grade nickel-copper-cobalt-PGE sulphides in MAD71 comprises:
 - 17.45m @ 3.01%Ni, 1.31%Cu, 0.13%Co and 1.68g/t Total PGEs from 37.45m including the massive sulphide zones of
 - 5.3m @ 4.39%Ni, 1.45%Cu, 0.21%Co and 2.09g/t Total PGEs from 39.3m and
 - 2.02m @ 5.05%Ni, 2.01%Cu, 0.21%Co and 3.31g/t Total PGEs from 50.6m and
 - 0.5m @ 3.68%Ni, 3.9%Cu, 0.17%Co and 2.68g/t Total PGEs from 54.4m
- Drilling at Mt Alexander scheduled to resume in early February 2018

CORPORATE:

- St George approved for participation in the Exploration Development Incentive (EDI) which will entitle eligible shareholders to receive tax credits from the Australian Taxation Office for the 2017/18 tax year
- St George funded to commence drilling in 2018

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 December 2017.

MT ALEXANDER PROJECT – SIGNIFICANT EXPLORATION SUCCESS

A diamond drill programme was completed at the Mt Alexander Project during Q4 2017. A total of twenty (20) diamond drill holes were completed for 2,632.7 metres drilled.

A major exploration milestone was achieved at the Stricklands Prospect with drill hole MAD71 delivering a 17.45m thick intersection of high grade nickel-copper-cobalt-PGE sulphides. The mineralisation commenced from a shallow 37.45m downhole, contributing to the favourable project economics at Mt Alexander.

Another seven (7) drill holes completed at the Stricklands Prospect in Q4 2017 intersected massive nickel-copper sulphides. For further discussion of the drilling at the Stricklands Prospect, see our ASX Release dated 15 December 2017 'Assays Confirm Best Ever Intersection at Mt Alexander' and our ASX Release dated 21 December 2017 'Drilling Continues to Extend Mineralisation at Mt Alexander'.

The thickness of the ultramafic and the nickel-copper sulphides intersected at Stricklands is supportive of further significant mineralisation being intersected at this prospect. Drilling at Stricklands is scheduled to resume in early February 2018.

Assays have also been received for five of the drill holes completed at the Cathedrals Prospect in Q4 2017, two of which intersected massive nickel-copper sulphides.

These two drill holes – MAD65 and MAD66 – successfully extended the known mineralisation at the Cathedrals Prospect, where the ultramafic and the footwall fault are interpreted from drill results to extend for a strike length of 400m.

For a further discussion of the drilling at the Cathedrals Prospect, please refer to our ASX Release dated 9 January 2018 ‘Assays Confirm Further High Grades at Mt Alexander’.

Ongoing drilling success at Mt Alexander continues to establish further re-current high grade mineralisation across a 4km strike of the Cathedrals Belt; see Figure 1.

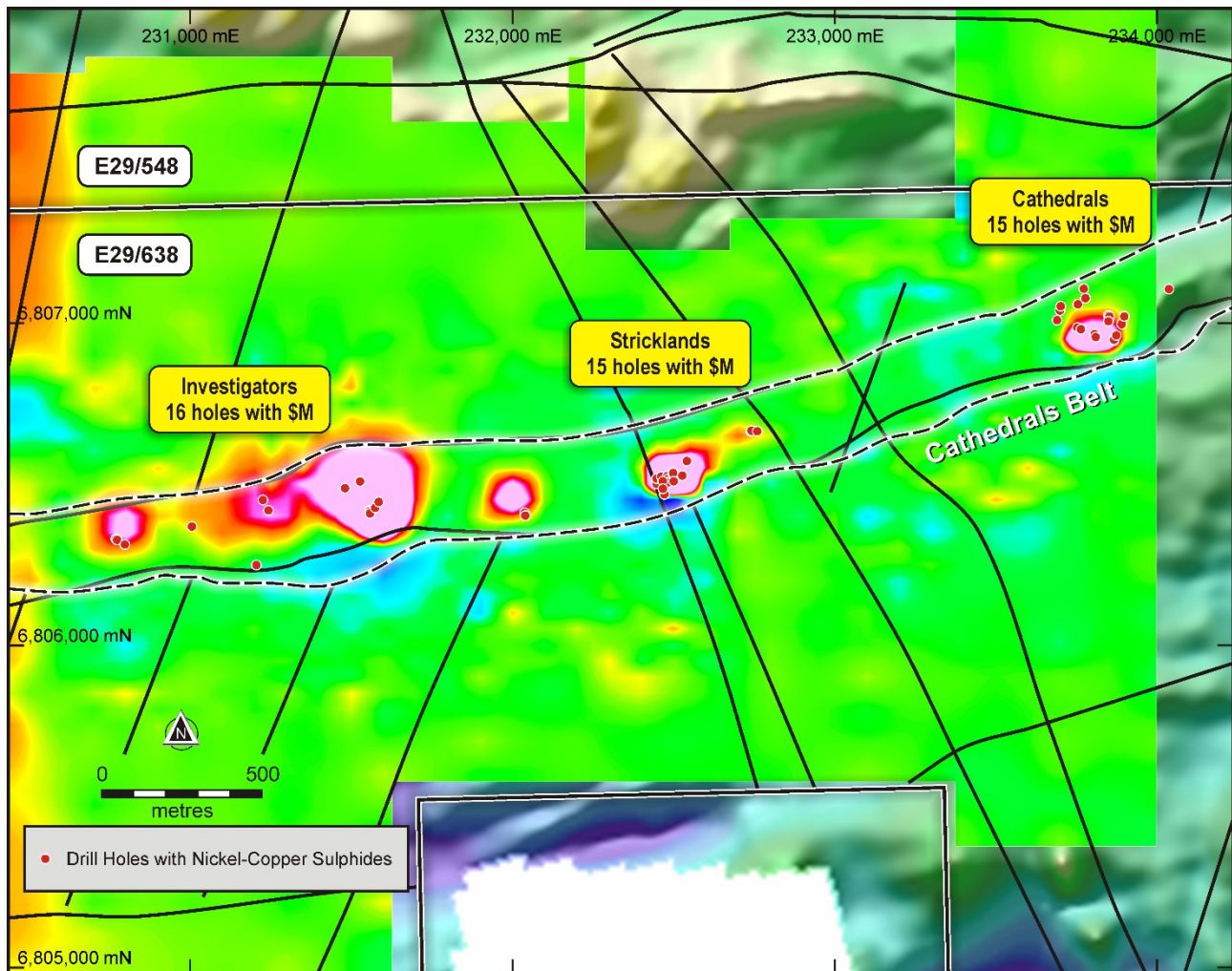


Figure 1 – plan view map of the Cathedrals Belt (over SAMSON FLEM Channel 18 (mid-time) image) showing the multiple intersections of massive nickel-copper-cobalt-PGE sulphides (“\$M”) within the large SAMSON EM anomalies at the Investigators, Stricklands and Cathedrals Prospects.

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-cobalt-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.

Hole ID	Prospect	MGA East	MGA North	Dip	Azimuth	Depth
MAD65	Cathedrals	233817.5	6806949	-75	180	95
MAD66	Cathedrals	233770	6807107	-60	160	373
MAD67	Cathedrals	233863	6806913	-60	180	45.3
MAD68	Cathedrals	233807	6806935	-60	180	75.8
MAD69	Cathedrals	233753	6806945	-55	180	85.2
MAD70	Stricklands	232755	6806665	-72	180	87.8
MAD71	Stricklands	232466	6806501	-65	0	250.2
MAD72	Investigators	231242	6806418	-75	180	165
MAD73	Investigators	231016	6806412	-75	180	195
MAD74	Cathedrals South	233715	6805275	-75	270	140
MAD75	Investigators West	229333	6806290	-65	180	150
MAD76	Stricklands	232446	6806486	-70	0	110
MAD77	Stricklands	232446	6806501	-70	0	110
MAD78	Stricklands	232466	6806522	-70	0	121.1
MAD79	Stricklands	232466	6806538	-70	0	135.8
MAD80	Stricklands	232446	6806516	-70	0	160
MAD81	Stricklands	232461	6806523	-90	0	60.8
MAD82	Stricklands	232480	6806505	-85	180	61.3
MAD83	Stricklands	232480	6806515	-85	180	63
MAD84	Stricklands	232480	6806525	-85	180	62.5

Table 1 – details for drill holes completed at Mt Alexander in Q4 2017

Hole ID	GDA94 East	GDA94 North	Dip	Azimuth	Depth (m)	From (m)	To (m)	Width (m)	Ni%	Cu%	Co%	Total PGEs g/t	Au g/t	Ag g/t
MAD71	232466	6806501	-65	0	250.2	37.45	54.9	17.45	3.01	1.31	0.13	1.68	0.06	3.9
<i>Including</i>						39.3	44.6	5.3	4.39	1.45	0.21	2.09	0.04	3.8
<i>And, Including</i>						50.6	52.62	2.02	5.05	2.01	0.21	3.31	0.07	7.0
<i>And, Including</i>						54.4	54.9	0.5	3.68	3.90	0.17	2.68	0.07	14.5

Table 2 – Significant intersections for MAD71 at Stricklands. Assays for other drill holes completed at Stricklands in Q4 2017 are pending.

Hole ID	GDA94 East	GDA94 North	Dip	Azimuth	Depth (m)	From (m)	To (m)	Width (m)	Ni%	Cu%	Co%	Total PGEs g/t	Au g/t	Ag g/t			
MAD65	233817.5	6806949	-75	180	95	45	52.75	7.75	0.39	0.11	0.01	0.64	0.14	1.3			
						52.75	56.03	3.28	5.77	2.43	0.18	5.05	0.38	7.3			
						<i>Including</i>			54.13	56.03	1.9	7.42	3.45	0.23	5.61	0.32	10.5
MAD66	233770	6807107	-60	160	373	180.06	186	5.94	1.76	0.85	0.06	1.88	0.12	2.8			
						<i>Including</i>			180.06	182.1	2.04	2.70	1.53	0.08	3.09	0.13	4.5
						<i>And, Including</i>			183.97	184.28	0.31	6.18	0.90	0.22	5.04	0.02	2.0

Table 3 – Significant intersections for MAD65 and MAD66 at the Cathedrals Prospect. Assays have also been received for MAD67, MAD68 and MAD69 at Cathedrals Prospect with no significant intersections of mineralisation.

Except as detailed above, assays for the drilling completed in Q4 2017 are pending.

EAST LAVERTON PROJECT – NICKEL SULPHIDE DRILLING CONTINUES

A diamond drill programme commenced in Q4 2017 at the Windsor nickel sulphide prospect at St George’s 100% owned East Laverton Project. The primary purpose of the programme was to test three (3) strong EM conductors identified by the high powered SAMSON EM survey completed at Windsor in October 2017.

Details of the four planned drill holes are shown in Table 4. All drill holes were completed except for WINDD012 which was suspended 40.1m downhole due to service requirements for the drill rig. Drilling is scheduled to resume in early February 2018.

WINDD012 is testing the Windsor X3 target, which is a large, late-time EM conductor that has been modelled by Newexco as an EM plate of 320m x 200m with conductivity of 5,000 Siemens. The EM plate is favourably located on the edge of a strong magnetic feature, which may represent prospective ultramafics.

For further discussion of the drilling at Windsor, please see our ASX Release dated 11 December 2017 ‘Drilling of EM Conductors at Windsor - Update’.

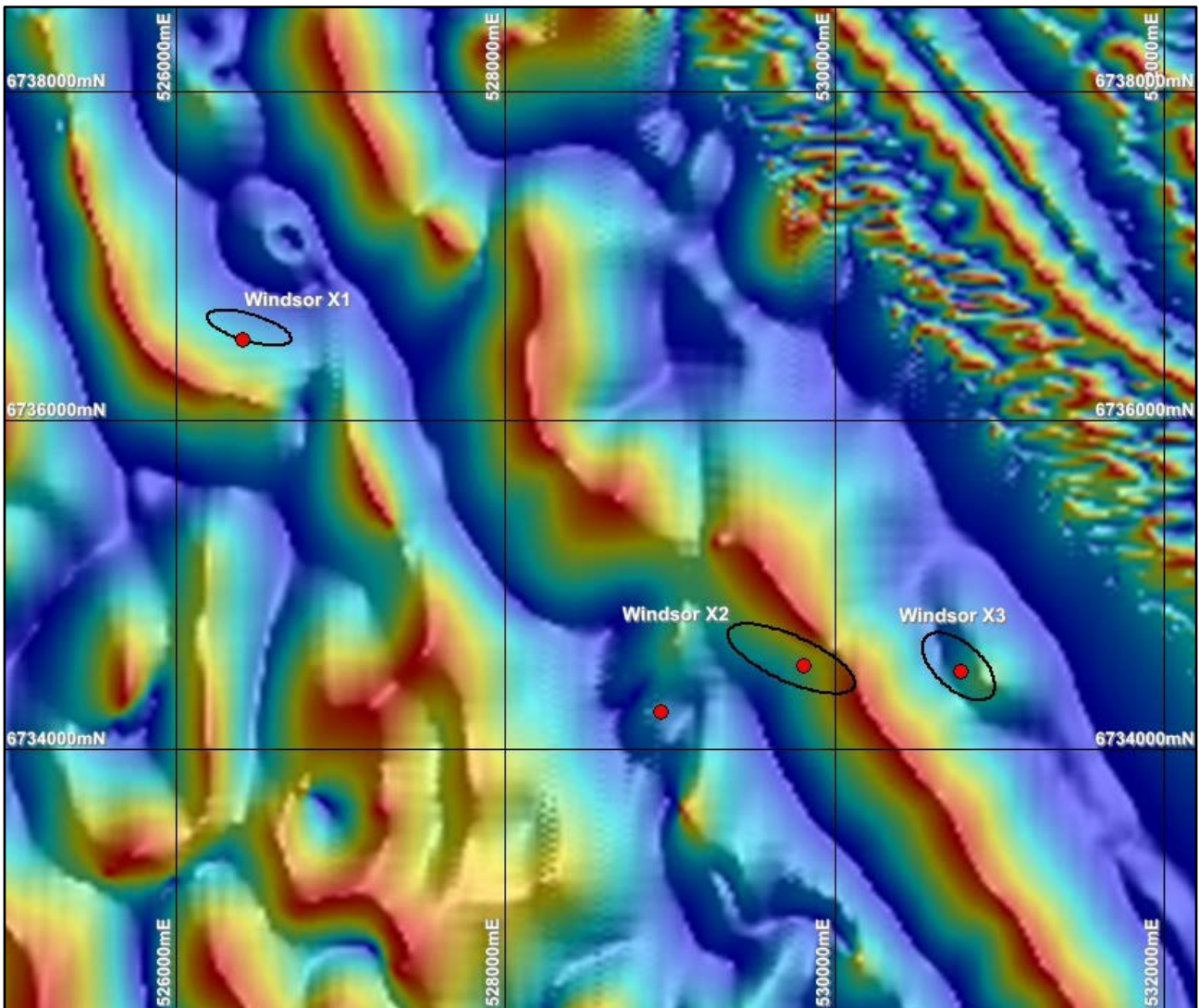


Figure 2 – map of the Windsor prospect (against RTP tilt mag data) showing the favourable location of the three EM conductors on the edge of magnetic features. Planned drill holes are depicted by red dots.

Hole ID	GDA94_51 East	GDA94_51 North	Dip	Azi	Hole Depth (m)	Target Depth (m)	Target
WINDD009	529815	6734510	-80	40	350.1	292	Windsor X2
WINDD010	526405	6736495	-75	25	300	~220	Windsor X1
WINDD011	528940	6734230	-70	0	299.1	~234	West extension
WINDD012	530770	6734475	-80	50	340	275	Windsor X3

Table 4 – details for the drill holes at the Windsor nickel sulphide prospect planned for Q4 2017.

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 31 granted Exploration Licences at the East Laverton Project. Six Exploration Licences were granted on 7 December 2017.

Mt Alexander Project

At the end of Q4 2017, St George had 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. On 4 January 2018, E29/972 was granted to St George.

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 one granted Exploration Licence at the Hawaii Project.

CORPORATE UPDATE

Exploration Development Incentive (EDI) Tax Credits

The Australian Taxation Office has confirmed St George's participation in the EDI for the 2017/2018 tax year. Under the EDI scheme, St George can distribute tax credits to its eligible shareholders.

The EDI scheme is available to Australian junior exploration companies like St George that are undertaking greenfields exploration and that do not derive any taxable income.

Further details of the record date for determining eligibility for the EDI tax credits will be announced shortly.

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 complied 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:

- 5 July 2017 *High Grade Nickel-Copper-Cobalt-PGEs at Investigators*
- 6 July 2017 *Nickel Sulphide Exploration at Windsor is Escalated*
- 19 July 2017 *High Grade Nickel-Copper-Cobalt-PGEs at Investigators*
- 12 September 2017 *Mt Alexander – Exploration Update*
- 20 September 2017 *Nickel Sulphide Exploration at Windsor*
- 26 October 2017 *Drilling Commences at Mt Alexander*
- 30 October 2017 *New EM Conductors at Windsor Nickel Sulphide Prospect*
- 13 November 2017 *Further High Grade Mineralisation at Mt Alexander*
- 20 November 2017 *Outstanding Intersection of Nickel-Copper Sulphides*
- 30 November 2017 *Drilling at Mt Alexander – Update*
- 7 December 2017 *Further Nickel-Copper Sulphides Intersected at Mt Alexander*
- 11 December 2017 *Drilling of EM Conductors at Windsor – Update*
- 15 December 2017 *Assays Confirm Best Ever Intersection at Mt Alexander*
- 21 December 2017 *Drilling Continues to Extend Mineralisation at Mt Alexander*
- 9 January 2018 *Assays Confirm Further High Grades 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 December 2017.

EAST LAVERTON:

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
E39/1066	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
E39/2026	Desert Fox Resources Pty Ltd	East Laverton Property	100	Granted 7 Dec 2017
E39/2027	Desert Fox Resources Pty Ltd	East Laverton Property	100	Granted 7 Dec 2017
E39/2028	Desert Fox Resources Pty Ltd	East Laverton Property	100	Granted 7 Dec 2017
E39/2029	Desert Fox Resources Pty Ltd	East Laverton Property	100	Granted 7 Dec 2017
E39/2030	Desert Fox Resources Pty Ltd	East Laverton Property	100	Granted 7 Dec 2017
E39/2031	Desert Fox Resources Pty Ltd	East Laverton Property	100	Granted 7 Dec 2017

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	0	Surrendered 27 Oct 2017

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 December 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	(1,354)	(3,239)
(b) development	-	-
(c) production	-	-
(d) staff costs	(82)	(249)
(e) administration and corporate costs	(220)	(494)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	10	29
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Research and development refunds	1,887	1,887
1.8 Other (provide details if material)	(32)	31
1.9 Net cash from / (used in) operating activities	209	(2,035)
2. Cash flows from investing activities		
2.1 Payments to acquire:		
(a) property, plant and equipment	-	(4)
(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	-	(4)

3. Cash flows from financing activities		
3.1 Proceeds from issues of shares	-	-
3.2 Proceeds from issue of convertible notes	-	-
3.3 Proceeds from exercise of share options	18	18
3.4 Transaction costs related to issues of shares, convertible notes or options	(28)	(33)
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	(10)	(15)

4. Net increase / (decrease) in cash and cash equivalents for the period		
4.1 Cash and cash equivalents at beginning of period	2,521	4,774
4.2 Net cash from / (used in) operating activities (item 1.9 above)	209	(2,035)
4.3 Net cash from / (used in) investing activities (item 2.6 above)	-	(4)
4.4 Net cash from / (used in) financing activities (item 3.10 above)	(10)	(15)
4.5 Effect of movement in exchange rates on cash held	-	-
4.6 Cash and cash equivalents at end of period	2,720	2,720

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	72	60
5.2	Call deposits	2,648	2,461
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)	2,720	2,521

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		

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			

Mining exploration entity and oil and gas exploration entity quarterly report

9. Estimated cash outflows for next quarter		\$A'000
9.1	Exploration and evaluation	(1,100)
9.2	Development	-
9.3	Production	-
9.4	Staff costs	(167)
9.5	Administration and corporate costs	(150)
9.6	Other (provide details if material)	-
9.7	Total estimated cash outflows	(1,417)

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	E39/2026, WA	Exploration Licence	0%	100%
		E39/2027, WA	Exploration Licence	0%	100%
		E39/2028, WA	Exploration Licence	0%	100%
		E39/2029, WA	Exploration Licence	0%	100%
		E39/2030, WA	Exploration Licence	0%	100%
		E39/2031, WA	Exploration Licence	0%	100%
10.2	Interests in mining tenements and petroleum tenements acquired or increased	E39/851, WA	Exploration Licence	100%	0%

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
Non-Executive Director/Company secretary

Date: 15 January 2018

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

Mining exploration entity and oil and gas exploration entity quarterly report

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.