

27 July 2015

HIGH IMPACT DRILLING AT DESERT DRAGON - UPDATE

HIGHLIGHTS:

- Hole DDRDD0007 completed to depth of 490m
- Hole encounters multiple thick sequences of ultramafic and mafic units
- Multiple metal and sulphur rich zones in mafic and sediment units with several occurrences of chalcopyrite visible in the drill core
- Provisional spot XRF values of up to 6.5% Cu associated with quartz vein hosted sulphides
- Interim results indicate that DDRDD0007 has intersected a more central position of the VMS-style base metal system at Desert Dragon Central, consistent with our geological model
- Two new priority drill targets generated by ongoing analysis of exploration data – ‘Dragon 5’ and ‘Dragon 13’ - for immediate drill testing
- Drilling of hole DDRDD0002 is underway at ‘Dragon 13’, and will test a large gravity anomaly co-incident with an EM conductor and adjacent to prominent base metal geochemical anomalism in previous drilling

METAL RICH HORIZON CONFIRMED AT DESERT DRAGON CENTRAL

St George Mining Limited (ASX: **SGQ**) (‘St George Mining’ or ‘the Company’) is pleased to announce the latest positive outcomes from the high impact drilling campaign at its 100% owned East Laverton Property in Western Australia.

Drill hole DDRDD0007 has been completed with an end of hole depth of 490m. The hole intersected ultramafic sequences from 180m to 223m, 224m to 259m, 321m to 341m, 371m to 435m, 441m to 452m and from 458m to 461m.

Visible chalcopyrite was observed in both the mafic units intercalated with the ultramafic horizons and within the overlying sedimentary rocks. The copper values from the spot XRF analysis were up to 6.5% Cu, which was identified within quartz veins in sediments at 117m down the hole.

DDRDD0007 was drilled vertically into the positive gravity feature at Dragon 8, which was interpreted to represent a more central and potentially better mineralised position within the modelled VMS-style base metal system at Desert Dragon Central. Other drill holes completed in the vicinity of Dragon 8 have multiple intersections of ultramafic units that are interspersed with metal-rich sulphidic sequences.

DDRDD0003, which was drilled to test an EM conductor on the western margin of Dragon 8, intersected several ultramafic units that were overlain by a sequence of metal-rich sulphidic sediments which included a significant zone of copper sulphide mineralisation.

There is a distinct zone of sedimentary rocks in DDRDD0007, between 65m to 165m, which hosts multiple layers of base-metal enriched sulphides. The interim stratigraphic interpretation of drilling data shows that these surfaces can be traced from DDRDD0007 to other adjacent drill holes - notably, holes DDRDD0003 and DRAC37.

Based on these latest results, a thick (approx. 100m) and strongly base metal-anomalous unit can be interpreted here over a minimum strike length of at least 500m and permissively much further. This unit is likely to be an important target for high priority follow-up VMS-base metal exploration at Desert Dragon Central.

The geological logging and XRF analysis of the drill core from DDRDD0007 is an ongoing process, and the results described here are provisional in nature only. A conclusive determination of the metal contents, the rock types and the stratigraphic correlations will be confirmed as the processing of this hole is finalised and once laboratory assays are available.

A downhole EM survey is scheduled for DDRDD0007 and will investigate the presence of any EM anomalies laterally and/or at depth that may represent massive sulphide bodies within the metal-rich horizon.

NEW HIGH PRIORITY TARGETS AT DESERT DRAGON FOR IMMEDIATE TESTING

The successful drilling at Dragon 8 has proved that gravity is an effective and complementary targeting tool for nickel sulphides and VMS deposits at East Laverton.

A review of the gravity and EM survey data for Desert Dragon Central, in conjunction with the geochemical data from drilling results there, has identified two additional high quality targets that warrant immediate testing.

These two targets are named 'Dragon 5' and 'Dragon 13' and are highlighted in Figures 1 and 2 below.

Dragon 13

The Dragon 13 target is a gravity anomaly with a very strong peak apparent in the density modelling of the gravity data, modelled on behalf of St George by Newexco. The peak is interpreted to represent a concentration of particularly dense material and is likely to be a concentration of sulphide-rich rocks, possibly with high grade base metal mineralisation.

An EM conductor is situated underneath the gravity anomaly at Dragon 13, and is modelled by Newexco as EM plate DD-DDN_03. The EM conductor has a conductance of 2,800 Siemens and a time constant of 138ms calculated over a number of late-time channels. The EM plate is closed off to the north and south with a strike length of 600m and a modelled depth extent of 800m.

The exploration potential of Dragon 13 is enhanced by several co-incident features. This includes a prominent base metal (Cu-Au-Au-Pb-Sb) geochemical anomaly in adjacent previous drilling, which is a typical geochemical response from a VMS system (see Figure 3). Importantly, the geochemical anomaly was identified by drill hole assay data rather than soil geochemical analysis meaning that the geochemical anomaly has been identified in three dimensions and not just on surface.

Dragon 13 is situated in a major regional fold of the ultramafic belt, which is a favourable structural setting for the concentration of massive sulphide mineralisation.

Drill hole DDRDD0002 has been designed to test the gravity high and the underlying EM plate at Dragon 13. Figure 4 illustrates the gravity modelling at Dragon 13 and the design of DDRDD0002.

Drilling of hole DDRDD0002 has commenced.

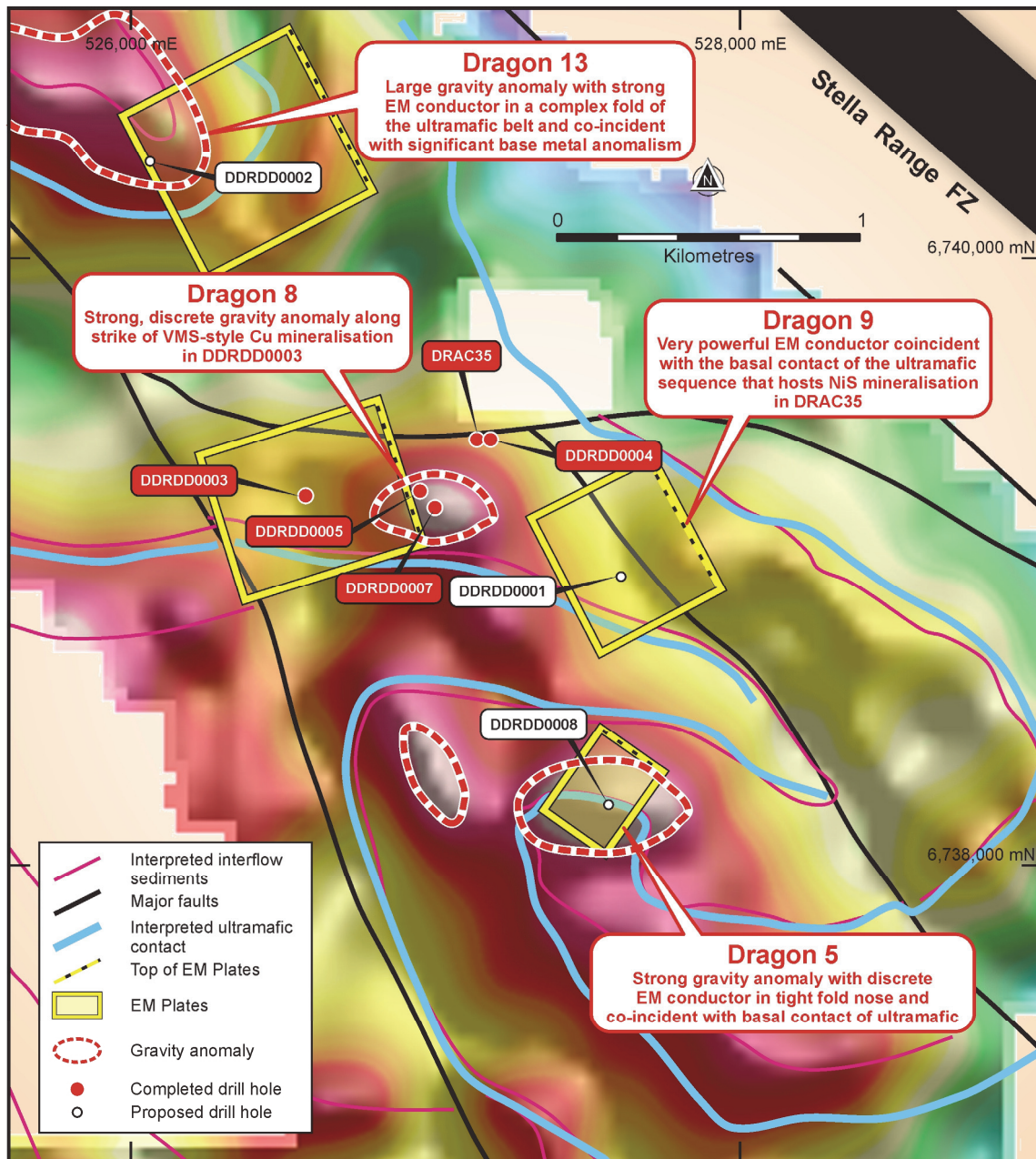


Figure 1 – high priority targets at Desert Dragon Central shown over gravity data.

Dragon 5

At Dragon 5, a strong EM conductor is co-incident with a large positive gravity feature. The EM conductor is situated on the inferred basal contact of the ultramafic sequence and within a tight fold of the ultramafic belt, a position which is very favourable for the accumulation of nickel sulphides.

The conductor has been modelled by Newexco as EM plate DDS_03 with a conductance of 3,500 Siemens and a time constant of 250ms, calculated over a number of late-time channels. The EM plate has a short strike length of 250m and a modelled depth extent of 350m. The EM signature of this conductor is consistent with that of the EM response from a discrete massive sulphide body.

Drill hole DDRDD0008 has been designed to test the gravity anomaly and the underlying EM conductor. The hole is scheduled for drilling once hole DDRDD0002 is completed.

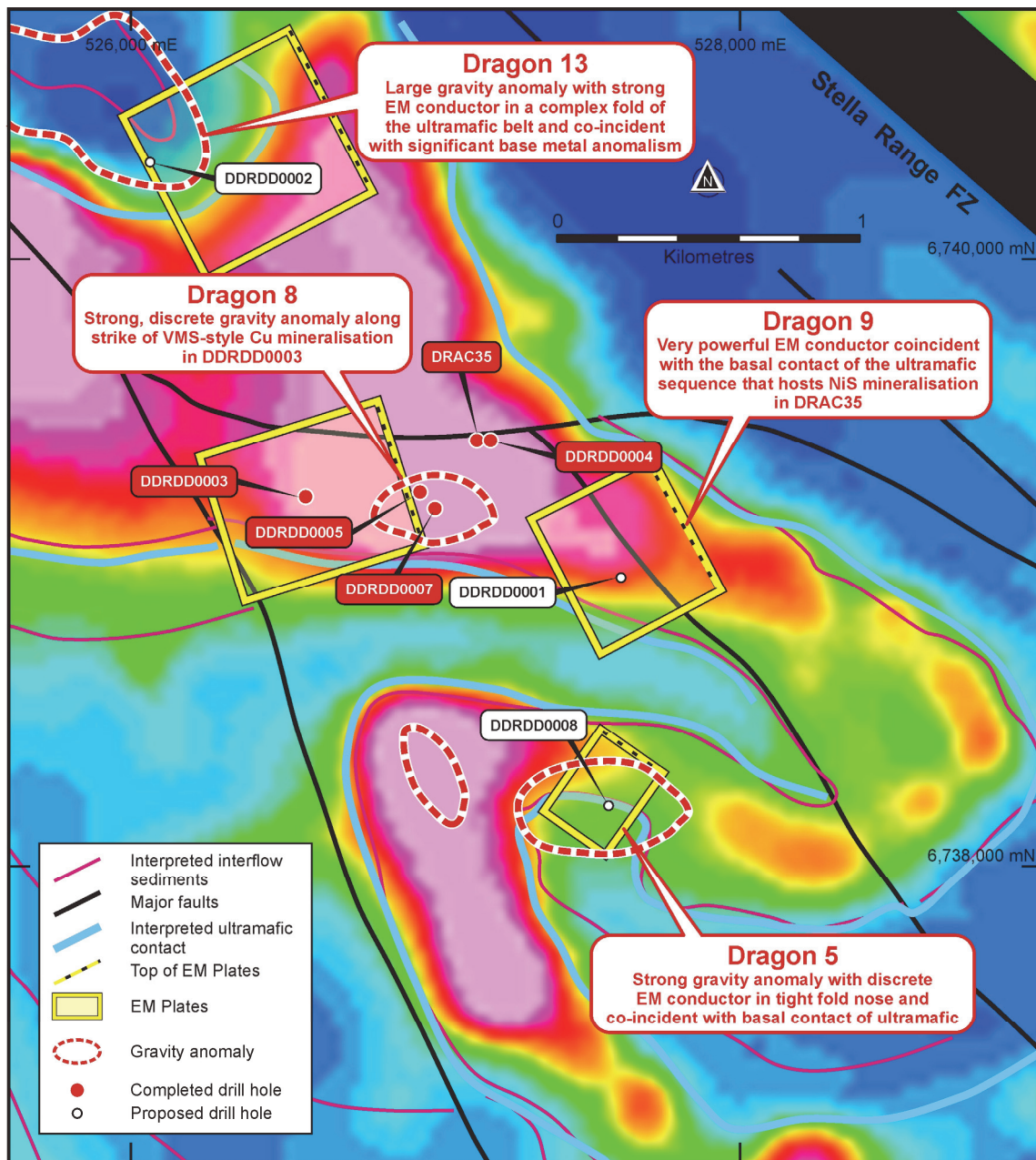


Figure 2 – the high priority targets at Desert Dragon Central against magnetic data.

An interesting observation at Desert Dragon Central is that the positive gravity features at the high priority targets are associated with domains that either have high magnetic responses (e.g. Dragon 8 and Dragon 9) or low magnetic responses (e.g. Dragon 5 and Dragon 13). The significance of this distinction will be investigated as the drilling of these various targets is completed, and may be material to mineral targeting.

The source of magnetism at East Laverton is likely related to the presence and quantity of two magnetic minerals, magnetite (an iron oxide) and pyrrhotite (an iron sulphide), which can be present in conjunction with high grade base metal sulphides. The location of Dragon 5 and Dragon 13 in a low magnetic domain suggests a decreased presence of these magnetic minerals and potentially an increased likelihood for the gravity and EM responses here to be due to massive base metal sulphides.

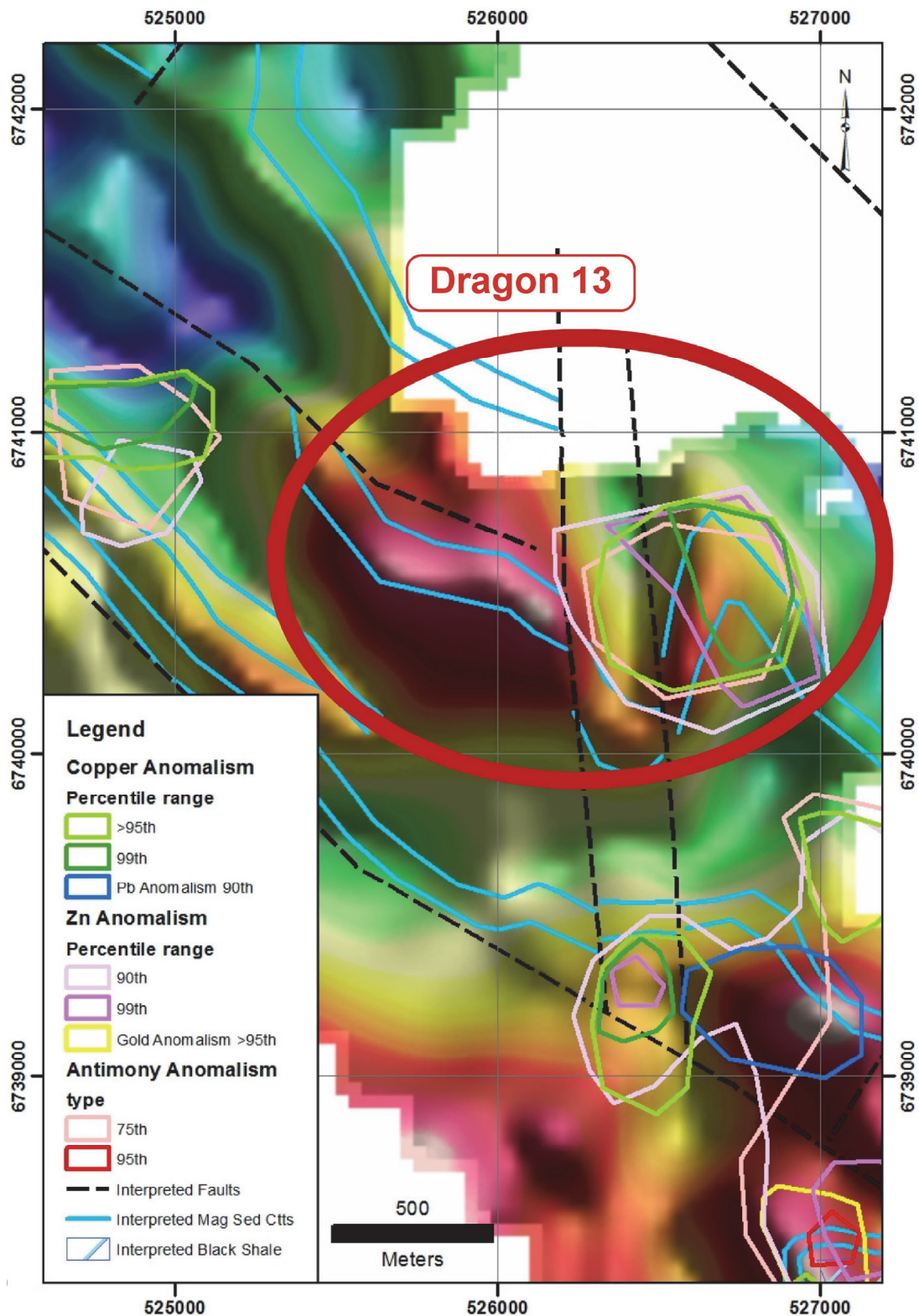


Figure 3 – the prominent base metal geochemistry at Dragon 13 is shown against gravity background. The anomaly is associated with Cu and Zn values that are present in the 99th percentile range of the overall sample population, meaning the Cu and Zn values from this site strongly contrast with the surrounding area.

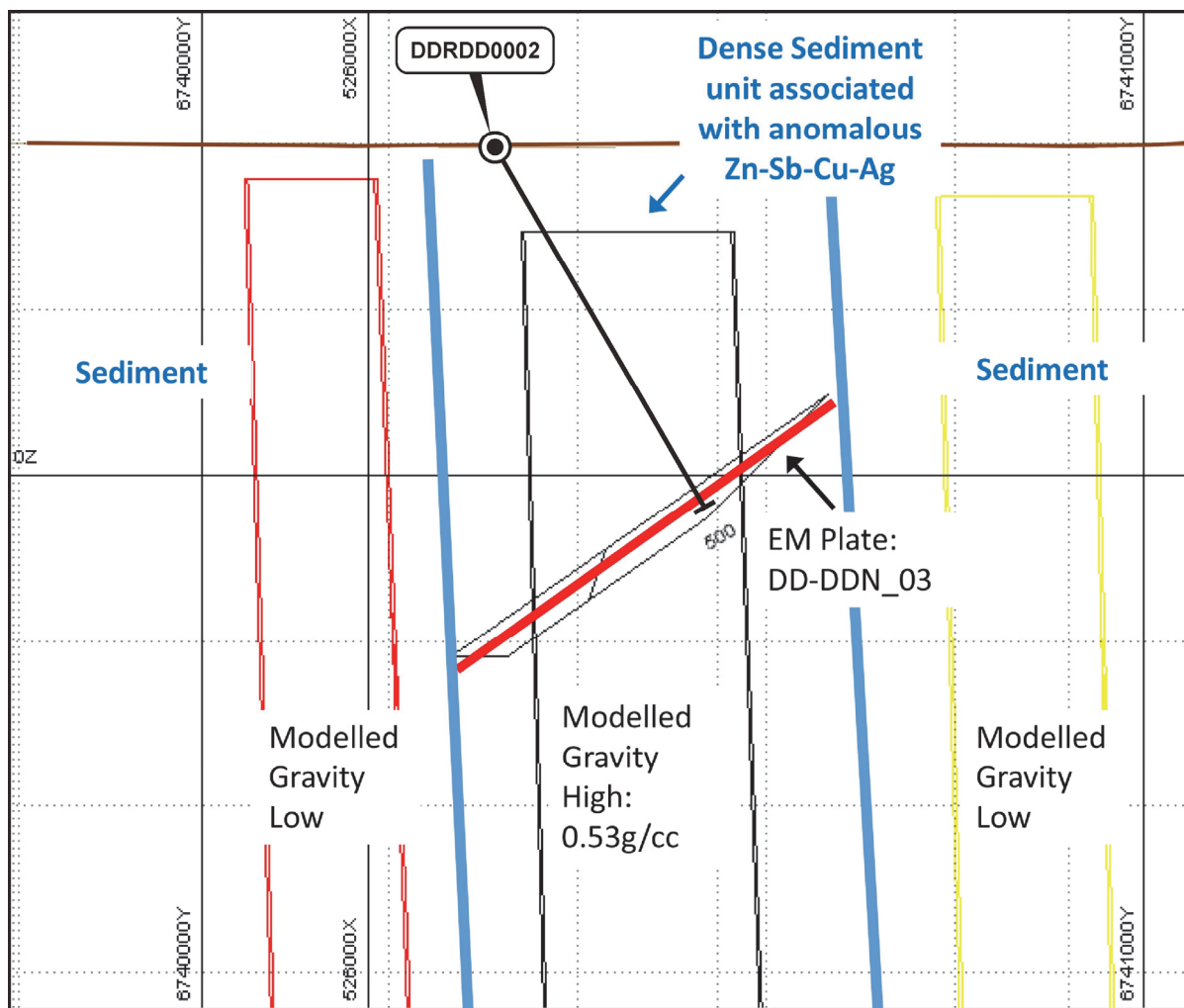


Figure 4 – an interpreted graphic of the modelled gravity data at Dragon 13. DDRDD0002 will be drilled into the peak gravity high that is co-incident with favourable base metal anomalism. The hole will also test the strong EM conductor at depth.

John Prineas, Executive Chairman of St George Mining, said:

“The widespread chalcopyrite and higher spot copper values encountered in DDRDD0007 indicate that we are moving closer to the centre of a VMS-style base metal system.

“This is an excellent result and adds to the growing evidence of a significant metal-rich horizon at Desert Dragon Central that is prospective for massive sulphide mineralisation.

“The two new targets at Desert Dragon Central are very robust and compelling drill targets with a number of very favourable co-incident features.

“Each of the three remaining drill targets – at Dragon 5, Dragon 13 and the very powerful EM conductor at Dragon 9 – have the potential to deliver a major discovery.”

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	<i>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.</i>	<p>This ASX Release dated 27 July 2015 reports on interim exploration results from the Company’s 2015 nickel sulphide drilling campaign.</p> <p>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.</p> <p>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.</p> <p><i>Diamond Core Sampling:</i> 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.</p> <p>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.</p> <p>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”.</p> <p>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.</p> <p><i>RC Sampling:</i> All samples from the RC drilling are taken as 1m samples. Samples are sent to Intertek Genalysis for assaying.</p> <p>Appropriate QAQC samples (standards, blanks and duplicates) were inserted into the sequences as per industry best practice.</p> <p>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.</p> <p>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.</p> <p><i>Down-hole electromagnetic (DHEM) survey:</i> A DHEM survey is planned for each diamond hole. The DHEM survey is designed and managed by Newexco Services Pty Ltd, with field work contracted to</p>

Criteria	JORC Code explanation	Commentary
		<p>Bushgum Holdings Pty Ltd.</p> <p>Key specifications of the DHEM survey are:</p> <p><i>System:</i> Atlantis (analogue)</p> <p><i>Components:</i> A, U, V</p> <p><i>Component direction:</i></p> <ul style="list-style-type: none"> • 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.
	<p><i>Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.</i></p>	<p><i>Diamond Core Sampling:</i> 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.</p> <p><i>RC Sampling:</i> 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.</p> <p><i>DHEM Survey:</i> 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.</p>
	<p><i>Aspects of the determination of mineralisation that are Material to the Public Report.</i></p> <p><i>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.</i></p>	<p><i>Diamond Core Sampling:</i> Core 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.</p> <p>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.</p> <p>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.</p> <p><i>RC Sampling:</i> A 1m composite sample is taken from the bulk sample of RC chips that may weigh in excess of 40 kg. Assay preparation by Intertek follows the same protocol as for diamond core sampling.</p>
Drilling techniques	<p><i>Drill type (eg core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka,</i></p>	<p><i>Diamond Core Sampling:</i> The collars of the diamond holes were drilled using RC drilling down through the regolith to the point of</p>

Criteria	JORC Code explanation	Commentary
	<i>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).</i>	<p>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.</p> <p>The core is oriented and marked by the drillers. The core is oriented using ACT Mk II electric core orientation.</p> <p><i>RC Sampling:</i> 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.</p>
Drill sample recovery	<i>Method of recording and assessing core and chip sample recoveries and results assessed.</i>	<p><i>Diamond Core Sampling:</i> 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.</p> <p><i>RC Sampling:</i> RC samples are visually checked for recovery, moisture and contamination. Geological logging is completed at site with representative RC chips stored in chip trays.</p>
	<i>Measures taken to maximise sample recovery and ensure representative nature of the samples.</i>	<p><i>Diamond Core Sampling:</i> 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.</p> <p><i>RC Sampling:</i> 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.</p>
	<i>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.</i>	<p>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.</p> <p>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.</p> <p>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.</p>
Logging	<i>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.</i>	<p>Geological logging is carried out on all diamond core and RC drill holes with lithology, alteration, mineralisation, structure and veining recorded.</p>
	<i>Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography.</i>	<p>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.</p>
	<i>The total length and percentage of the relevant intersections logged.</i>	<p>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.</p>

Criteria	JORC Code explanation	Commentary
Sub-sampling techniques and sample preparation	<i>If core, whether cut or sawn and whether quarter, half or all core taken.</i>	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.
	<i>If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry.</i>	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.
	<i>For all sample types, the nature, quality and appropriateness of the sample preparation technique.</i>	<i>Diamond Core Sampling:</i> 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. <i>RC Sampling:</i> Sample preparation for RC chips is the same as for diamond core.
	<i>Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.</i>	<i>Diamond Core Sampling:</i> 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. <i>RC Sampling:</i> 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.
	<i>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.</i>	<i>Diamond Core Sampling:</i> 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. <i>RC Sampling:</i> Field duplicates were taken on 1m composites for RC samples.
<i>Whether sample sizes are appropriate to the grain size of the material being sampled.</i>	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	<i>The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.</i>	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
	<p><i>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.</i></p>	<p>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.</p> <p>For the DHEM survey, specifications and quality control measures are noted above.</p>
	<p><i>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.</i></p>	<p>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).</p>
Verification of sampling and assaying	<p><i>The verification of significant intersections by either independent or alternative company personnel.</i></p>	<p>Significant intersections in diamond core are verified by the Company's Technical Director and Consulting Field Geologist.</p>
	<p><i>The use of twinned holes.</i></p>	<p>No twinned holes have been completed in this drilling programme.</p>
	<p><i>Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.</i></p>	<p>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.</p>
	<p><i>Discuss any adjustment to assay data.</i></p>	<p>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.</p>
Location of data points	<p><i>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.</i></p>	<p>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.</p> <p>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.</p>
	<p><i>Specification of the grid system used.</i></p>	<p>The grid system used is GDA94, MGA Zone 51.</p>
	<p><i>Quality and adequacy of topographic control.</i></p>	<p>Best estimated RLs were assigned during drilling and are to be corrected at a later stage.</p>
Data spacing and distribution	<p><i>Data spacing for reporting of Exploration Results.</i></p>	<p>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.</p>
	<p><i>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.</i></p>	<p>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.</p>
	<p><i>Whether sample compositing has been applied.</i></p>	<p>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.</p>
Orientation of data in relation to geological structure	<p><i>Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.</i></p>	<p>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.</p>

Criteria	JORC Code explanation	Commentary
	<i>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.</i>	No orientation based sampling bias has been identified in the data to date.
Sample security	<i>The measures taken to ensure sample security.</i>	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	<i>The results of any audits or reviews of sampling techniques and data.</i>	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	<i>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.</i> <i>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.</i>	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	<i>Acknowledgment and appraisal of exploration by other parties.</i>	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	<i>Deposit type, geological setting and style of mineralisation</i>	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
		<p>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.</p> <p>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.</p> <p>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.</p>
Drill hole information	<p>A summary of all information material to the understanding of the exploration results including tabulation of the following information for all Material drill holes:</p> <ul style="list-style-type: none"> • 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 	<p>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.</p>
Data aggregation methods	<p>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.</p>	<p>No top-cuts have been applied. A nominal 0.15% Ni lower cut-off is applied unless otherwise indicated.</p>
	<p>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.</p>	<p>High grade massive sulphide intervals internal to broader zones of sulphide mineralisation are reported as included intervals.</p>
	<p>The assumptions used for any reporting of metal equivalent values should be clearly stated.</p>	<p>No metal equivalent values are used for reporting exploration results.</p>
Relationship between mineralisation widths and intercept lengths	<p>These relationships are particularly important in the reporting of exploration results.</p> <p>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').</p>	<p>The geometry of the mineralisation is not yet known due to insufficient deep drilling in the targeted area.</p>
Diagrams	<p>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.</p>	<p>Maps will be included with any announcement of any significant discovery, following review of assay results from the drilling programme.</p>

Criteria	JORC Code explanation	Commentary
Balanced Reporting	<i>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.</i>	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	<i>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.</i>	All meaningful and material information has been included in the body of the text. No metallurgical or mineralogical assessments have been completed.
Further Work	<i>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.</i>	A discussion of further exploration work is contained in the body of the ASX Release.

HOLE ID	NORTHIN G (m)	EASTIN G (m)	DIP (deg)	AZM (deg)	DEPT H (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.com.au