ASX / MEDIA RELEASE

22 November 2016

COMPELLING RESULTS FROM GEOPHYSICAL SURVEYS AT MT ALEXANDER

HIGHLIGHTS:

- **New aeromagnetic survey identifies an 8km extension of the Cathedrals Belt**
- **Magnetic features within this eastern extension of the Cathedrals Belt may be ultramafics that are prospective for nickel-copper sulphides**
- **High resolution magnetic data also confirms additional east-northeast corridors parallel to the Cathedrals Belt which may host further prospective ultramafics**
- **Deep penetrating fixed loop electromagnetic (FLEM) SAMSON survey has been extended to cover the new eastern extension of the Cathedrals Belt**
- **Initial FLEM SAMSON survey over the western part of the Cathedrals Belt has identified a number of new EM anomalies with modelling of data by Newexco underway**

SURVEYS DELIVER ADDITIONAL MASSIVE NICKEL-COPPER SULPHIDE TARGETS

St George Mining Limited (ASX: **SGQ**) ('St George Mining' or 'the Company') is pleased to announce that the high resolution magnetic data generated by the recent airborne magnetic survey at the Mt Alexander Project has identified a number of new targets that have potential to host mineralised ultramafics.

One significant finding from the new data is recognition that the Cathedrals Belt may continue to the east for a further 8km strike. The eastern extension of the Belt is within the newly granted Exploration Licence E29/954, owned 100% by St George. This tenement has never been explored and presents a significant exploration opportunity.

A preliminary review of the data from the SAMSON EM survey over the western part of the Cathedrals Belt suggests that a number of new EM anomalies have been detected. The data is being modelled and interpreted by Newexco, and a further announcement will be made once final results are available.

Given the effectiveness of the SAMSON survey to date, a decision has been made to continue the EM survey over the newly recognised eastern extension of the Cathedrals Belt. This extended survey will commence later this week and is expected to be completed in two weeks. This will be the first ever EM survey completed over the eastern extension of the Cathedrals Belt.

St George Mining Executive Chairman, John Prineas said:
"The results of the aeromagnetic survey are exactly what we were hoping for – particularly in regard to the extension of the Cathedrals Belt to the east.

"Our exploration to date has confirmed that this Belt is highly mineralised and is amenable to EM targeting. The case for immediately extending the SAMSON EM survey to the east is very compelling.

"The new aeromagnetic survey has also identified a number of other structures parallel to the Cathedrals Belt which may host further mineralised ultramafics. We expect these to emerge as high priority targets which could multiply the value of our Project."

SIGNIFICANT RESULTS FROM REGIONAL AEROMAGNETIC SURVEY

The aeromagnetic survey was flown in two blocks – the northern block that covered the east-northeast Cathedrals Belt and surrounding area, and the southern block that covered the north-northwest trending Mt Alexander Belt and surrounding area.

The survey was flown on 50m line spacing with a sensor height of 40m and has provided high resolution magnetic data over all four granted tenements. This is now an important dataset for generating new exploration targets over this underexplored project.

Processing and evaluation of magnetic data from the northern block has been completed with very positive interpretations for the exploration potential in this area. Evaluation of the data for the southern block is in progress.

Prominent magnetic features identified in the eastern extension of the Cathedrals Belt (Figure 1) may represent ultramafics prospective for massive nickel-copper sulphide mineralisation. A FLEM SAMSON survey will commence shortly over the eastern extension of the Belt to identify any EM anomalies for drill testing.

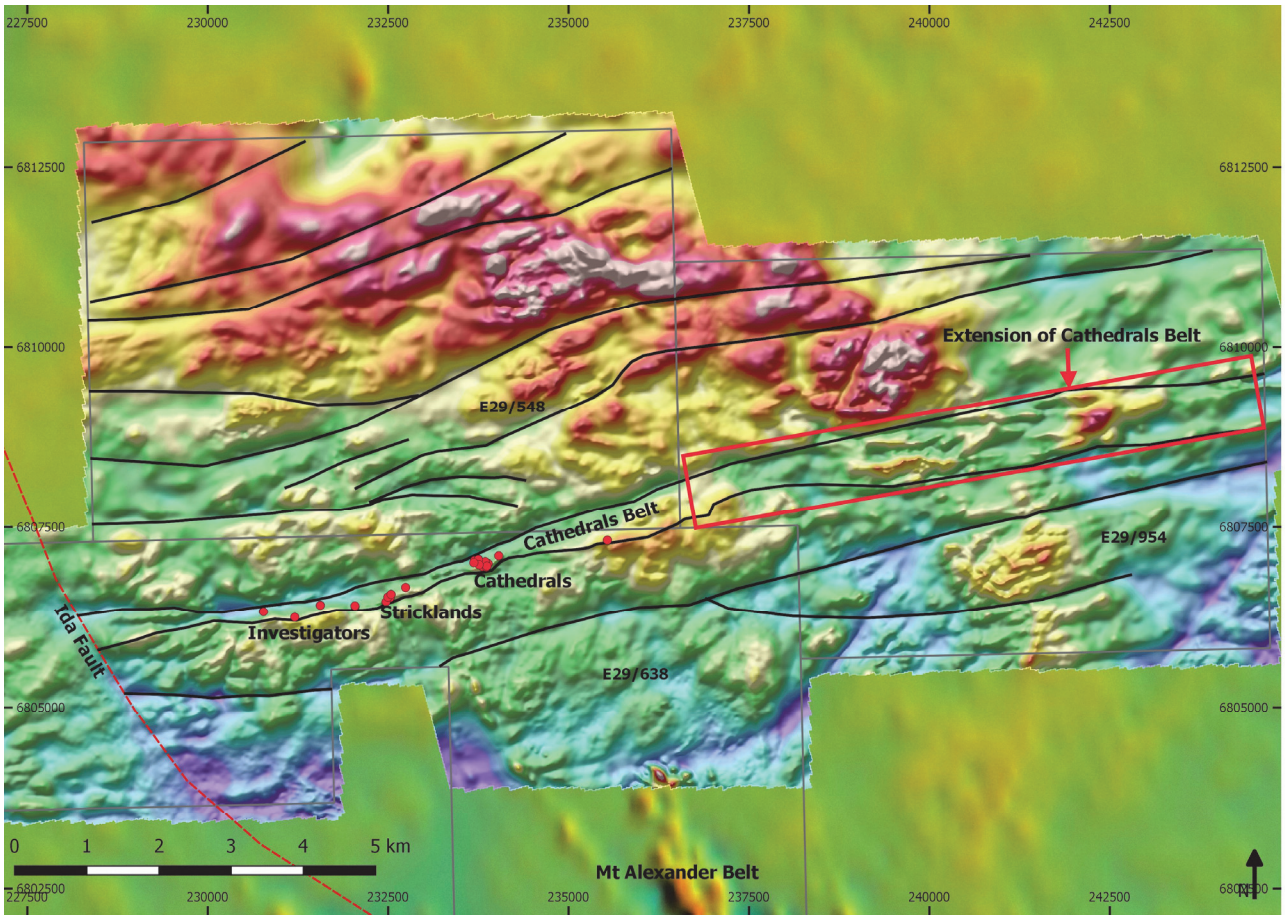

Figure 1 – new high resolution magnetic data (Total Magnetic Intensity RTP) clearly recognises the eastern extension of the Cathedrals Belt with prominent magnetic features warranting priority exploration. Drill holes with nickel-copper-PGE sulphides in the western part of the Belt are shown in red. Other east-northeast interpreted structures north and south of the Cathedrals Belt are also shown. The new high resolution magnetic data is set against TMI RTP magnetics from regional GSWA aeromagnetic surveys.

The east-northeast structures that run parallel to the Cathedrals Belt will also be scheduled for EM surveys. These structures, shown in both Figure 1 and Figure 2, may represent primary faults (i.e. transform faults) that comprise mineralised komatiitic ultramafics. Some of these structures are intruded by later Proterozoic dykes.

Detailed structural interpretation of the northern block based on magnetic data, geological mapping and drilling is shown in Figure 2.

The north-northwest faults are interpreted as the earliest syn-rift structures parallel to the Mt Alexander greenstone belt to the south. Orthogonal to these faults are the prospective east-northeast structures which include the Cathedrals Belt.

Later north-northeast faults crosscut other structures and appear to have minimal displacement of mineralised ultramafics and greenstone stratigraphy.

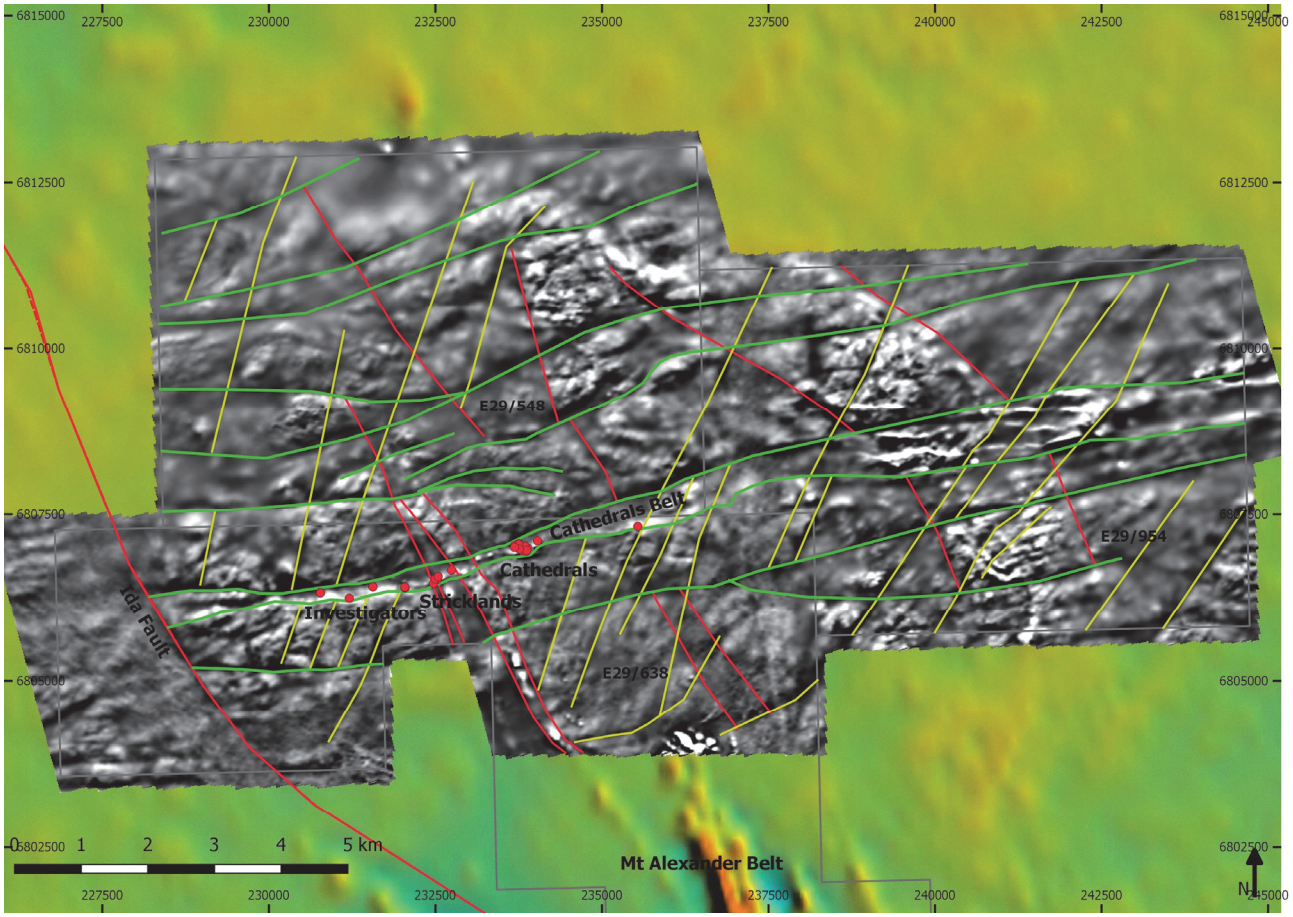

Figure 2 – new high resolution magnetic data (Total Magnetic Intensity 1VD) with detailed structural interpretation. The N/NW structures (red) are the earliest syn-rift parallel structures. The E/NE structures (green) are orthogonal to the previous structures and are interpreted as primary faults (i.e. transform) that may host mineralised komatiitic volcanics. The N/NE structures (yellow) are later structures that appear to have minimal displacement of mineralised ultramafics and associated structures.

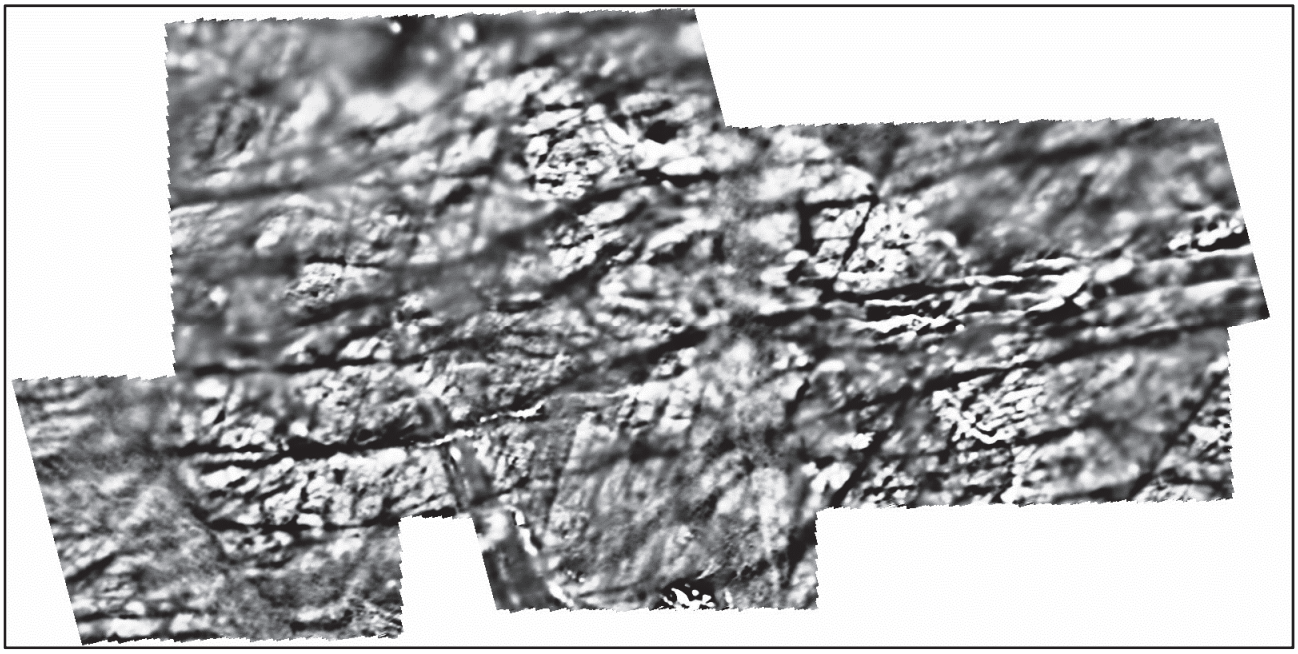

Figure 3 – new high resolution magnetic data (Total Magnetic Intensity 1VD NL) for the northern block without any interpretation shown.

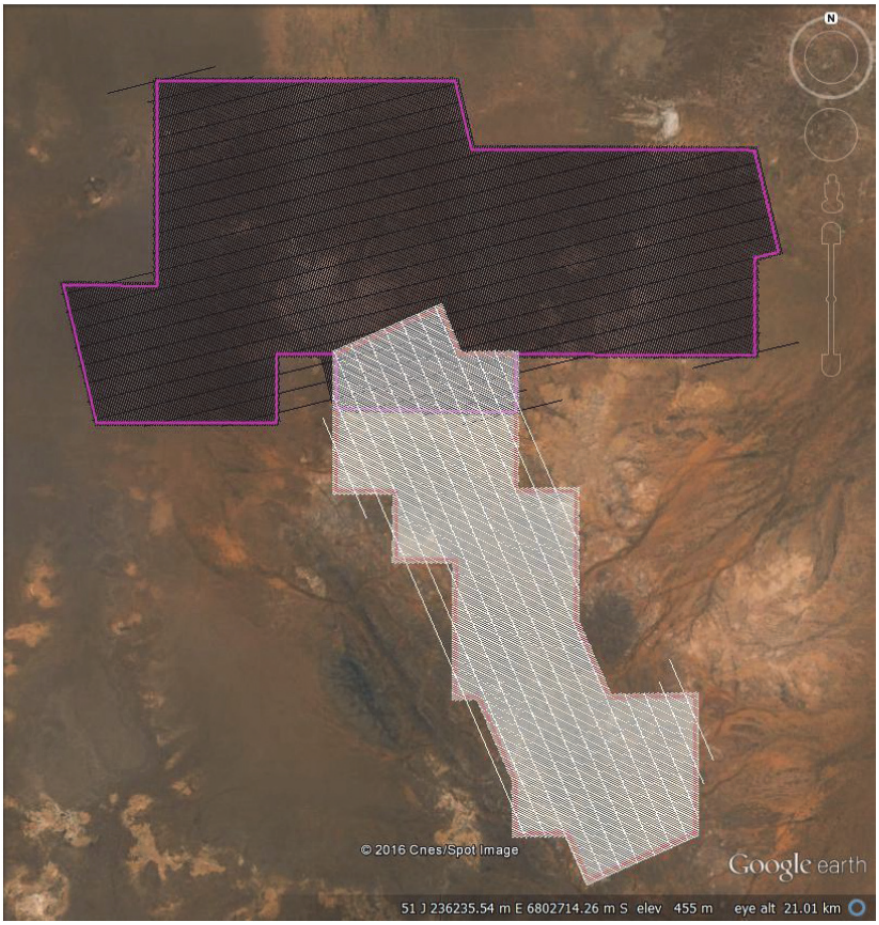

Figure 4 – coverage of the airborne magnetic survey across all four granted tenements at Mt Alexander. Different flight orientations were used for each of the northern and southern blocks to reflect the orientation of the bedrock geology. Interpretation of the northern block is complete; interpretation of the southern block is in progress.

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 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.

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 Matthew McCarthy, a Competent Person who is a Member of The Australian Institute of Geoscientists. Mr McCarthy is employed by St George Mining Limited.

Mr McCarthy 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 Joint Ore Reserves Committee (JORC) Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. Mr McCarthy 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 sections are 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.*	The airborne magnetic survey was flown by a Cessna 210 with a single sensor mounted in a tail stinger assembly and utilising a 3-axis fluxgate magnetometer with sample rates up to 20Hz. Altimeters and base station magnetometers were used as per industry standard. The SAMSON EM survey is conducted using GAP geopack high-powered HPTX-70 or HPTX-80 transmitter using 800x800m survey loops of 35mm wire to generate 150 amps with a transmit frequency of 1Hz. Two receiver systems are used, being TM-7 magnetometers sampling at 2400Hz.
	Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.	For the airborne magnetic survey a compensation box was flown prior to survey. The compensation box consists of a series of pitch roll and yaw manoeuvrers in reciprocal survey headings at high altitude; the measured output from the 3-axis fluxgate magnetometer is recorded and used to resolve a compensate solution. This solution is applied when post compensating all survey magnetometer data to remove manoeuvre effects and heading errors.
	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.*	The release refers to results from geophysical surveys; this section is not relevant to this release.
Drilling techniques	*Drill type (eg core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, 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).*	The release refers to results from geophysical surveys; this section is not relevant to this release.
Drill sample recovery	*Method of recording and assessing core and chip sample recoveries and results assessed.*	The release refers to results from geophysical surveys; this section is not relevant to this release.
	Measures taken to maximise sample recovery and ensure representative nature of the samples.	The release refers to results from geophysical surveys; this section is not relevant to this release.

Criteria	JORC Code explanation	Commentary
	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.	The release refers to results from geophysical surveys; this section is not relevant to this release.
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.*	The release refers to results from geophysical surveys; this section is not relevant to this release.
	Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc.) photography.	The release refers to results from geophysical surveys; this section is not relevant to this release.
	The total length and percentage of the relevant intersections logged.	The release refers to results from geophysical surveys; this section is not relevant to this release.
Sub-sampling techniques and sample preparation	*If core, whether cut or sawn and whether quarter, half or all core taken.*	The release refers to results from geophysical surveys; this section is not relevant to this release.
	If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry.	The release refers to results from geophysical surveys; this section is not relevant to this release.
	For all sample types, the nature, quality and appropriateness of the sample preparation technique.	The release refers to results from geophysical surveys; this section is not relevant to this release.
	Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.	The release refers to results from geophysical surveys; this section is not relevant to this release.
	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.	The release refers to results from geophysical surveys; this section is not relevant to this release.
	Whether sample sizes are appropriate to the grain size of the material being sampled.	The release refers to results from geophysical surveys; this section is not relevant to this release.
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.*	The release refers to results from geophysical surveys; this section is not relevant to this release.
	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.	The airborne magnetic survey was flown by a Cessna 210 with a single sensor mounted in a tail stinger assembly and utilising a 3-axis fluxgate magnetometer with sample rates up to 20Hz. Altimeters and base station magnetometers were used as per industry standard. The SAMSON EM survey is conducted using GAP geopack high-powered HPTX-70 or HPTX-80 transmitter using 800x800m survey loops of 35mm wire to generate 150 amps with a transmit frequency of 1Hz. Two receiver systems are used, being TM-7 magnetometers sampling at 2400Hz.

Criteria	JORC Code explanation	Commentary
	Nature of quality control procedures adopted (eg standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (i.e. lack of bias) and precision have been established.	The release refers to results from geophysical surveys; this section is not relevant to this release.
Verification of sampling and assaying	*The verification of significant intersections by either independent or alternative company personnel.*	The release refers to results from geophysical surveys; this section is not relevant to this release.
	The use of twinned holes.	The release refers to results from geophysical surveys; this section is not relevant to this release.
	Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.	The release refers to results from geophysical surveys; this section is not relevant to this release.
	Discuss any adjustment to assay data.	The release refers to results from geophysical surveys; this section is not relevant to this release.
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.*	A global positioning system was used to determine accurate survey locations for both the aeromagnetic survey and SAMSON EM survey (within 5m).
	Specification of the grid system used.	The grid system used at the Mt Alexander project for both surveys is GDA94 (MGA), zone 51.
	Quality and adequacy of topographic control.	The airborne magnetic survey used a radar altimeter and barometric sensor to determine the aircraft height above the surface elevation during survey. The altimeter is calibrated against GPS height during a test flight prior to survey.
Data spacing and distribution	*Data spacing for reporting of Exploration Results.*	The airborne magnetic survey was flown on 50m line spacing and an average survey height of 40m which has provided high resolution magnetic data across the exploration project. The SAMSON EM survey is conducted on 100m line spacing with 50m and 100m stations to provide a high resolution dataset. Infill 50m spaced lines are conducted where further resolution of EM anomalies is required.
	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.	The release refers to results from geophysical surveys; this section is not relevant to this release.
	Whether sample compositing has been applied.	The release refers to results from geophysical surveys; this section is not relevant to this release.
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 airborne magnetic survey was conducted over two blocks – the northern block was surveyed on a 165-345° line orientation orthogonal to the orientation of known key structures, and the southern block on a 065-245° line orientation orthogonal to the strike of the Mt Alexander greenstone stratigraphy. The SAMSON EM survey lines are planned orthogonal to the trend of the mineralised Cathedrals Belt.
	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.	The release refers to results from geophysical surveys; this section is not relevant to this release.

Criteria	JORC Code explanation	Commentary
Sample security	*The measures taken to ensure sample security.*	The release refers to results from geophysical surveys; this section is not relevant to this release.
Audits or reviews	*The results of any audits or reviews of sampling techniques and data.*	No audits or reviews have been conducted at this stage.

Section 2 Reporting of Exploration Results

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.*	The Mt Alexander Project is comprised of four granted Exploration Licences (E29/638, E29/548, E29/954 and E29/962). Tenement E29/638 is held in Joint Venture between St George (75% interest) and Western Areas (25% interest). E29/638 and E29/548 are also subject to a royalty in favour of a third party that is outlined in the ASX Release dated 17 December 2015 (as regards E29/638) and the ASX release dated 18 September 2015 (as regards E29/548). No environmentally sensitive sites have been identified on the tenements. A registered Heritage site known as Willsmore 1 (DAA identification 3087) straddles tenements E29/548 and E29/638. All four tenements are in good standing and no known impediments exist.
Exploration Done by Other Parties	*Acknowledgment and appraisal of exploration by other parties.*	Exploration on tenements E29/638 and E29/962 has been largely for komatiite-hosted nickel sulphides in the Mt Alexander Greenstone Belt. Exploration in the northern section of E29/638 (Cathedrals Prospect) and also limited exploration on E29/548 has been for komatiite-hosted Ni-Cu sulphides in granite terrane. No previous exploration has been identified on E29/954. The target lithological unit in the Mt Alexander Greenstone belt has historically been the Central Ultramafic Unit, which has been explored by a number of parties, most recently by Nickel West. High grade nickel-copper sulphides were discovered at the Mt Alexander Project in 2008. Drilling was completed to test co-incident electromagnetic (EM) and magnetic anomalies associated with nickel-PGE enriched gossans in the northern section of current tenement E29/638. The drilling identified high grade nickel-copper mineralisation in granite-hosted ultramafic units and the discovery was named the Cathedrals Prospect. The tenements remain underexplored.
Geology	*Deposit type, geological setting and style of mineralisation*	The Mt Alexander Project is at the northern end of a western bifurcation of the Mt Ida Greenstones. The greenstones are bound to the west by the Ida Fault, a significant Craton-scale structure that marks the boundary between the Kalgoorlie Terrane (and Eastern Goldfields Superterrane) to the east and the Youanmi Terrane to the west. The Mt Alexander Project is prospective for further high-grade komatiite-hosted nickel-copper-PGE mineralisation (both greenstone and granite hosted) and also precious metal mineralisation (i.e. orogenic gold) that is typified elsewhere in the Yilgarn Craton.
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*	The release refers to results from geophysical surveys; this section is not relevant to this release.

Criteria	JORC Code explanation	*Commentary*
	• *Dip and azimuth of the hole* • *Down hole length and interception depth* • *Hole length*	
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.*	The release refers to results from geophysical surveys; this section is not relevant to this release.
	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.	The release refers to results from geophysical surveys; this section is not relevant to this release.
	The assumptions used for any reporting of metal equivalent values should be clearly stated.	The release refers to results from geophysical surveys; this section is not relevant to this release.
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 release refers to results from geophysical surveys; this section is not relevant to this release.
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.*	Relevant interpreted maps and geophysical images are shown in the body of the release.
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 Exploration Results.*	The release refers to results from geophysical surveys; this section is not relevant to this release.
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 material or meaningful data collected has been reported.
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.*	Further exploration is being planned from the results of the previous and recent diamond drill programs, and geophysical and geochemical programs. Upcoming work includes further SAMSON EM surveys of the interpreted eastern extension of the Cathedrals Belt as described in the release, and possible follow-up drill programs.