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SAMSON SURVEY LIGHTS UP NEW TARGETS AT MT ALEXANDER

HIGHLIGHTS:

- **Deep search fixed loop electromagnetic (FLEM) SAMSON survey has been completed over the Cathedrals Belt**
- **High powered SAMSON technology identifies multiple new EM anomalies that are consistent with massive nickel-copper sulphide mineralisation**
- **Results from the SAMSON survey indicate that nickel-copper sulphide mineralisation in the Cathedrals Belt is more extensive than intersected to date**
- **Gravity survey of the northern project area including the Cathedrals Belt is underway to enhance geological interpretation and targeting**
- **Drill programme to commence in early March 2017 to test the new EM targets and to begin extensional drilling of known mineralisation**

SAMSON SURVEY DELIVERS FURTHER TARGETS FOR MASSIVE NICKEL-COPPER SULPHIDES

St George Mining Limited (ASX: **SGQ**) ('St George Mining' or 'the Company') is pleased to announce significant results from the FLEM SAMSON survey completed over the Cathedrals Belt at the Mt Alexander Project in Western Australia.

The FLEM SAMSON survey focused on two sections of the Cathedrals Belt. First to be surveyed was the western section of the Belt where drilling by St George has already discovered massive nickel-copper sulphides at the Investigators, Stricklands and Cathedrals Prospects.

A number of new EM conductors were detected in this section of the Belt. In addition, the FLEM SAMSON data confirmed a number of untested downhole EM (DHEM) conductors that were identified in drill holes completed at Investigators, Stricklands and Cathedrals in 2016.

These EM conductors have similar geophysical properties to the massive nickel-copper sulphides already intersected at these Prospects. The new conductors are along strike or down dip to known mineralisation and in most cases are below the depth of detection of previous reconnaissance moving loop electromagnetic (MLEM) surveys.

The new conductors have outstanding potential for the discovery of further nickel-copper sulphides in the Cathedrals Belt.

St George Mining Executive Chairman, John Prineas said:
"The EM responses in the high powered SAMSON survey were dazzling, reflecting what we believe are more high grade nickel-copper sulphides in the Cathedrals Belt.

"SAMSON's success in identifying additional conductive bodies in the Cathedrals Belt strongly suggests that the nickel-copper sulphide mineralisation in the Belt is even more extensive than previous EM surveys had indicated.

"These new targets provide an opportunity to make further discoveries of high-grade mineralisation in the Cathedrals Belt with increasing potential for establishing continuity in some areas of mineralisation.

"We are excited to be starting the drill programme in a few weeks as we continue along the path of establishing a resource base at Mt Alexander."

The FLEM SAMSON survey was also completed over the recently interpreted eastern extension of the Cathedrals Belt, an area which has never been explored. A number of EM anomalies were detected in this section of the Belt, with three anomalies warranting follow-up MLEM surveys to better constrain the targets prior to any drill testing. These MLEM surveys are planned between February to April 2017.

A drill programme is scheduled to commence in early March 2017 to test the new EM conductors. Drilling will also include extensional drilling at some of the areas of known mineralisation. Approximately 2,900m of drilling is planned with scope to increase the programme in response to ongoing drilling and EM survey results.

NEW EM CONDUCTORS AT INVESTIGATORS

The modelling of the new EM conductors at Investigators has been completed. Modelling of targets at Stricklands and Cathedrals is ongoing and further announcements regarding these conductors will be made over the coming weeks.

The new SAMSON data has identified four new EM anomalies at Investigators. The new conductors have geophysical properties similar to the known mineralisation at this Prospect. Three of the four new SAMSON conductors are at depths greater than 200m and were not detected by previous reconnaissance MLEM surveys.

Three of the SAMSON conductors are currently modelled as EM plates that are larger than others previously tested at Investigators. Downhole EM (DHEM) surveys will be completed in the drill holes that test these conductors, which will allow more precise modelling of the conductive bodies.

The new SAMSON conductors are labelled Anomaly 6 (conductance of 9,712 Siemens at 247m depth from surface; 46m length x 44m width), Anomaly 7 (15,000 Siemens at 200m depth; 60m x 37m), Anomaly 8 (24,652 Siemens at 235m depth; 42m x 37m) and Anomaly 9 (25,000 Siemens at 100m depth; 20m x 30m).

The SAMSON data has also enabled four previously identified but untested anomalies at Investigators to be better constrained and for drill holes to be more reliably planned to test the conductors.

Previous EM data for Investigators includes MLEM and FLEM surveys completed in 2016 as well as DHEM surveys on drill holes completed by St George. The surface EM surveys previously identified five EM anomalies which were prioritised for drilling in 2016, including Anomaly 2 (114,000 Siemens) and Anomaly 3 (35,000 Siemens).

Anomaly 2 was tested by drill holes MAD31 and MAD40, which intersected massive nickel-copper sulphides, matrix sulphides and disseminated sulphides over an average 5.3m thick interval.

The massive nickel sulphides at Anomaly 2 included pure pentlandite veins with nickel values up to 28%Ni based on XRF analysis. Laboratory assays for these intersections showed average grades for the massive sulphides of 7.93%Ni and 3.12%Cu.

Anomaly 3, which was modelled to be 100m to the northwest of Anomaly 2, was not intersected by drilling. It is interpreted that the electromagnetic response for Anomaly 3 was masked by the very strong Anomaly 2 conductor, which prevented accurate modelling of Anomaly 3.

The new SAMSON data has been reviewed in conjunction with existing DHEM data in this area, and has facilitated better modelling of the conductors. New drill holes have been designed to test the updated EM plates.

Figure 1 is a plan view of the Investigators area showing the location of the eight untested EM conductors, including the new SAMSON conductors, relative to the known high grade mineralisation. Each of these conductors will be drilled in the upcoming drill programme.

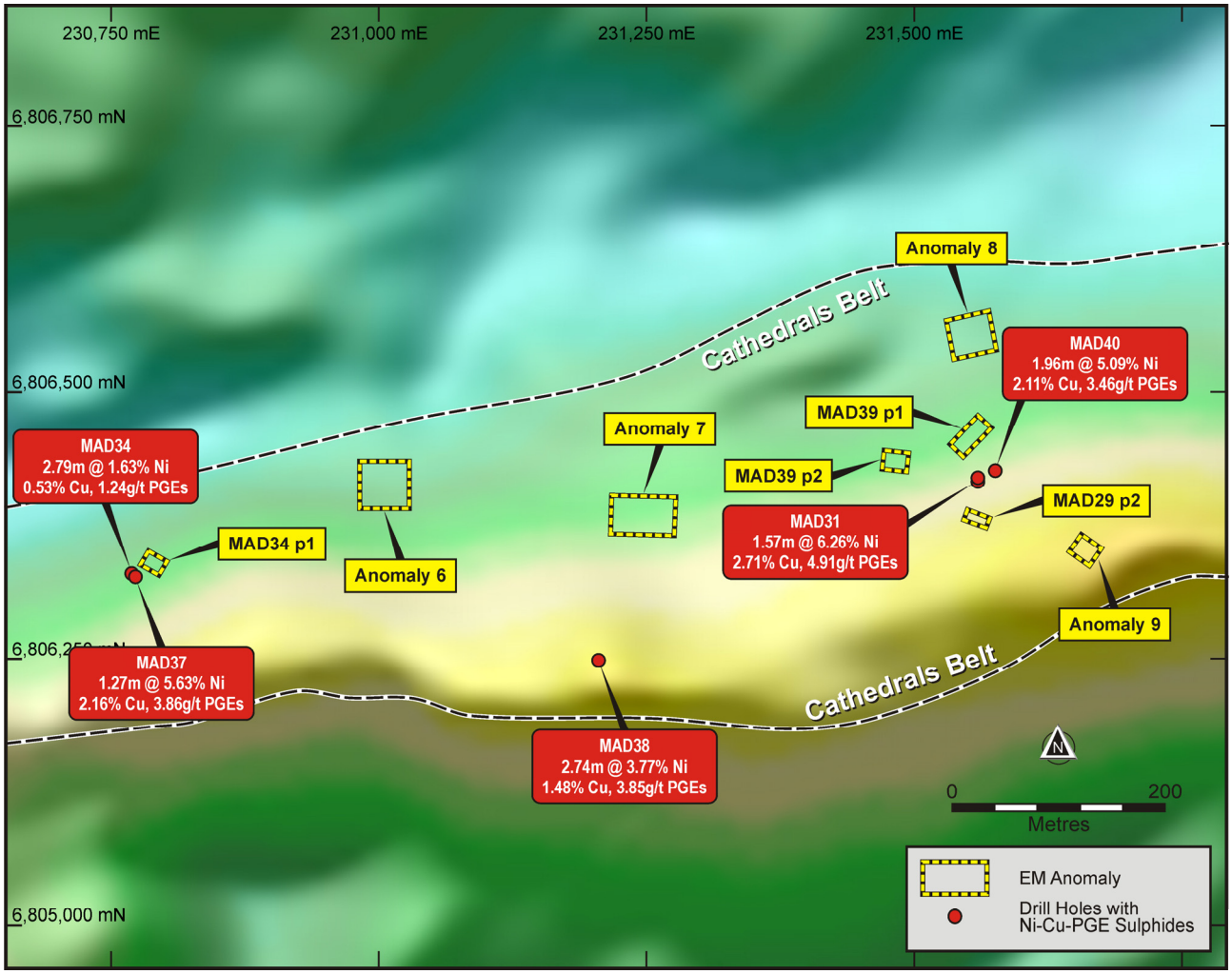

Figure 1 – a plan view (against TMI magnetics) of the central area of the Investigators Prospect showing drill holes with massive nickel-copper sulphides and untested EM conductors. The new SAMSON conductors are Anomalies 6, 7, 8 and 9. The other EM conductors shown were detected by DHEM surveys in drill holes completed by St George in 2016 and confirmed by the SAMSON data.

Figure 2 is an image of the Total Field EM data for Anomaly 6 at Investigators. The top panel shows log profiles of Channels 1 – 28 (0.4165–431.0415ms), the centre panel shows linear profiles of the mid-time Channels 10 – 28 (7.292–431.0415ms) and bottom panel shows the late-time Channels 20 – 28 (69.792–431.0415ms).

The EM response for Anomaly 6 is circled in red. It is prominent in the late to very late-time channels, indicative of a bedrock conductor that is consistent with massive sulphides.

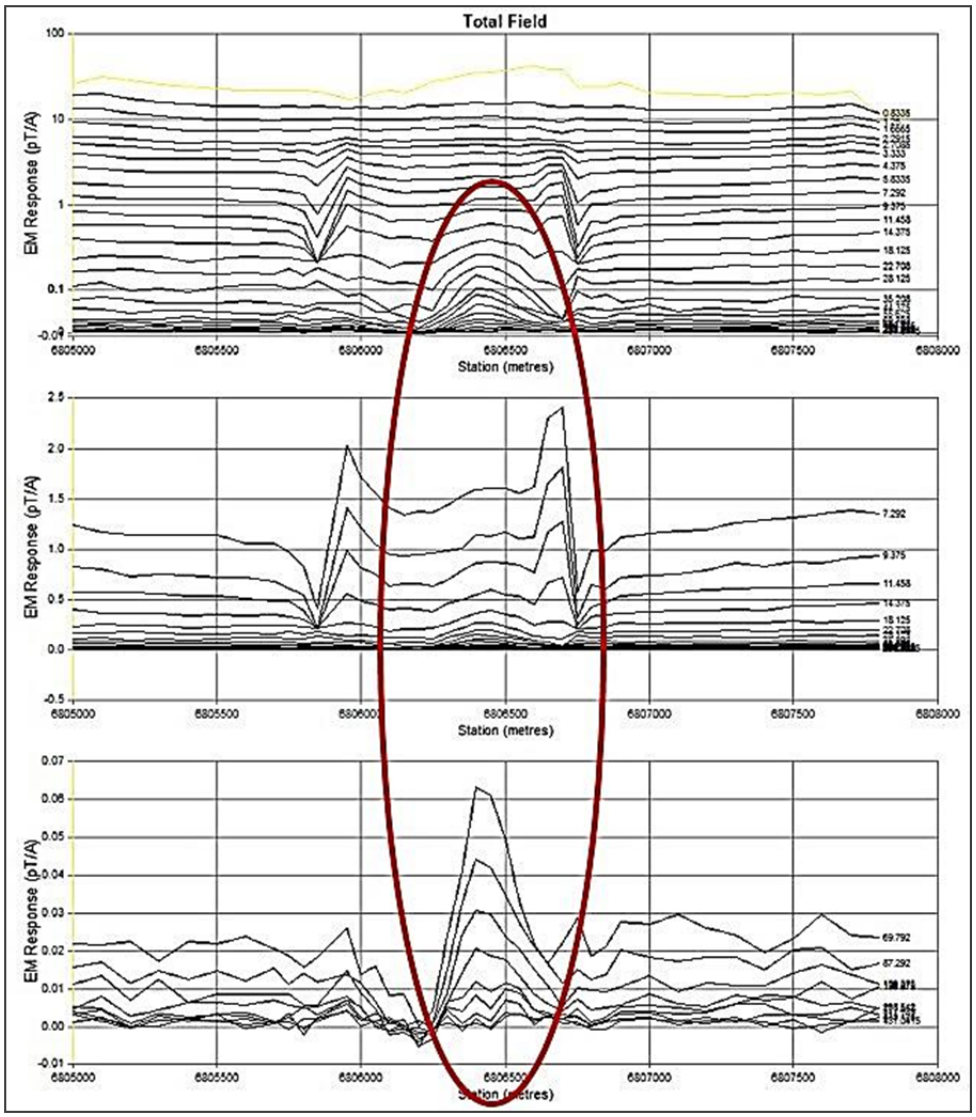

Figure 2 – the EM response for Anomaly 6 at Investigators as illustrated in the Total Field EM data with the conductor being prominent in the late to very late-time channels (bottom panel).

GRAVITY SURVEY UNDERWAY

A gravity survey over the northern project area including the Cathedrals Belt will commence this week. The purpose of the gravity survey is to enhance geological interpretation and targeting, including structural interpretation of the Cathedrals Belt.

Gravity data can look deeper than airborne magnetics and surface mapping, providing valuable information on major sub-surface geological structures. At the Cathedrals Belt, granite sheets have intruded the ultramafic sequences and in some areas overlie the ultramafics and prevent accurate mapping of the prospective ultramafics from magnetic and surface mapping alone.

It is expected that the gravity will allow more precise identification of the ultramafic units which will assist in targeting for extensions to known nickel-copper sulphides and for targeting new discoveries as well.

The gravity survey is being arranged by Newexco, who will also model and interpret the gravity data. The field work is being completed by Atlas Geophysics.

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.

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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 SAMSON EM survey was conducted using GAP Geophysics 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. All gravity data will be acquired using proprietary Atlas Geophysics UTV borne techniques, which utilise concurrent GPS and gravity acquisition. A minimum of two gravity readings of 20 second duration are taken at each station.
	Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.	GNSS and gravity control stations will be established in the gravity survey areas, tied to the Geocentric Datum of Australia, the Geodetic Reference System, and Australian Height Datum. Static data is also submitted to Geoscience Australia's AUSPOS processing system to produce accuracy <10mm for x, y and z observables. Primary gravity control stations are tied to the Australian Fundamental Gravity Network and then the AAGD07 gravity datum employed by Geoscience Australia. Gravity meters are calibrated pre and post survey. Gravity meter drift rates are monitored daily.
	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; a drill program will commence in March 2017.
Drill sample recovery	*Method of recording and assessing core and chip sample recoveries and results assessed.*	The release refers to results from geophysical surveys; a drill program will commence in March 2017.
	Measures taken to maximise sample recovery and ensure representative nature of the samples.	The release refers to results from geophysical surveys; a drill program will commence in March 2017.

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; a drill program will commence in March 2017.
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 SAMSON EM survey is conducted using GAP Geophysics geopack high-powered HPTX-70 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. All gravity data will be acquired using proprietary Atlas Geophysics UTV borne techniques, which utilise concurrent GPS and gravity acquisition. A minimum of two gravity readings of 20 second duration are taken at each station. Gravity meters are calibrated pre and post survey. Gravity meter drift rates are monitored daily.

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 the SAMSON EM survey (within 5m). GNSS and gravity control stations will be established in the gravity survey areas, tied to the Geocentric Datum of Australia, the Geodetic Reference System, and Australian Height Datum. Static data is also submitted to Geoscience Australia's AUSPOS processing system to produce accuracy <10mm for x, y and z observables.
	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.	All station positions (x, y, z) in the gravity survey will be measured by GNSS to a precision of 0.001m.
Data spacing and distribution	*Data spacing for reporting of Exploration Results.*	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 and 50m and 25m stations are conducted where further resolution of EM anomalies is required. Gravity stations of the regional area will be acquired at 400x200m spacing using north-south lines. A more detailed survey will be conducted over the Cathedrals Belt using 200x100m spacing.
	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 SAMSON EM survey lines are planned orthogonal to the trend of the interpreted Cathedrals Belt. The gravity survey will utilise north-south lines.
	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; a drill program will commence in March 2017.

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.*	A relevant prospect map showing geophysical results and previous mineralised drill intersections is 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 includes a diamond drill program to commence in March 2017, follow-up surface EM surveys, a regional gravity survey and detailed geological mapping.