ASX / MEDIA RELEASE

28 February 2017

ST GEORGE COMMENCES EM SURVEY OVER NEW TARGET AREAS AT MT ALEXANDER

HIGHLIGHTS:

- **Large moving loop electromagnetic (MLEM) survey commences at Mt Alexander**
- **Three priority target areas generated by the recent aeromagnetic survey will be covered by the MLEM survey:**
  - **The intersection of the Cathedrals Belt and the Ida Fault**
  - **An east-northeast structural corridor parallel to and 1km south of the Cathedrals Belt**
  - **Infill surveys over the eastern extension of the Cathedrals Belt where the recent SAMSON EM survey detected EM responses that warrant follow-up**
- **EM anomalies identified by the MLEM survey will be prioritised for drill testing**

PIPELINE OF PROSPECTIVE TARGETS

St George Mining Limited (ASX: **SGQ**) ('St George Mining' or 'the Company') is pleased to announce that a large MLEM survey will commence this week at the Mt Alexander Project to further explore three priority target areas.

These prospective areas have been identified from the high resolution magnetic data produced by the recent airborne magnetic survey completed by St George. This new, detailed data has recognised prominent features in the magnetics at Mt Alexander that have never been explored for ultramafic-hosted nickel-copper-PGE sulphides.

The new magnetic data has clearly identified the location of the Ida Fault within the Mt Alexander tenements. The Ida Fault is a significant Craton-scale structure that marks the boundary between the Eastern Goldfields Superterrane to the east and the Youanmi Terrane to the west.

The intersection of the Cathedrals Belt and Ida Fault is an important geological location and may have acted as a first order regional control on mineralisation within the Mt Alexander tenements. The intersection of these structures will be covered by the upcoming MLEM survey.

St George Mining Executive Chairman, John Prineas said:
"The new magnetic dataset at Mt Alexander has allowed us to generate new target areas which are prospective for ultramafic-hosted nickel-copper-PGE mineralisation.

"The MLEM survey will be the first exploration ever conducted on most of these targets.

"We are looking forward to the results of the survey which has the potential to increase the already significant exploration upside at the Project."

The new magnetic data confirms that the Ida Fault, where it passes through Exploration Licence E29/638, is located approximately 1km west of where previously interpreted.

The MLEM survey completed in 2016 by St George at the Investigators Prospect covered the area of the Cathedrals Belt up to the previously interpreted position of the Ida Fault. The area to the west of the Ida Fault is not thought to be prospective and was not surveyed.

The new MLEM survey, which will commence this week, will survey the Cathedrals Belt to the west of Investigators up to the tenement boundary of E29/638.

Figure 1 shows the high resolution magnetic data for the northern block of the Mt Alexander Project. The important interpreted structures are illustrated, including the Ida Fault.

The new magnetic data also identified a number of east-northeast structures that run parallel to the Cathedrals Belt. These structures may represent primary faults (i.e. transform faults) that comprise mineralised komatiitic ultramafics. Some of these structures are intruded by later Proterozoic dykes, which also occurred at the Cathedrals Belt.

The first of the east-northeast corridors to be explored will be the one closest to the Mt Alexander greenstone belt. This interpreted structure is parallel to and 1km south of the Cathedrals Belt. The MLEM survey will be completed over a 9km strike length of this structure.

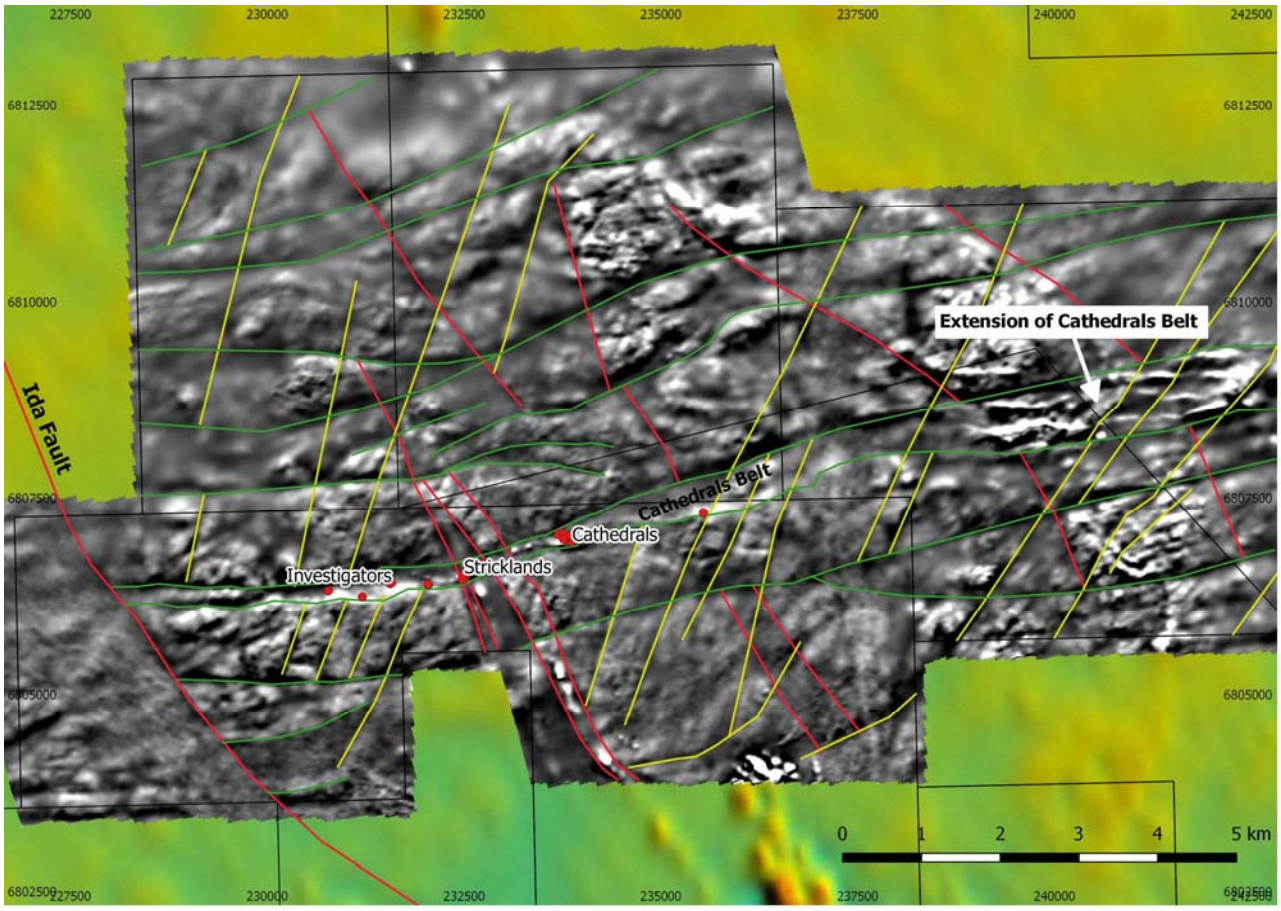

Figure 1 – new high resolution magnetic data (Total Magnetic Intensity 1VD) with detailed structural interpretation. The north-northwest structures (red) are the earliest syn-rift parallel structures. The east-northeast structures (green) are orthogonal to the previous structures and are interpreted as primary faults (i.e. transform) that may host mineralised komatiitic volcanics. The north-northeast structures (yellow) are later structures that appear to have minimal displacement of mineralised ultramafics and associated structures. The new high resolution magnetic data is set against TMI RTP magnetics from regional GSWA aeromagnetic surveys. Drill holes with nickel-copper-PGE sulphides in the Belt are shown in red.

The eastern extension of the Cathedrals Belt was also recognised by the new magnetic data. A SAMSON fixed loop EM survey was completed over this eastern extension with four anomalies identified for further investigation. A single line of the MLEM survey will be completed over three of these anomalies to provide additional data to facilitate modelling of the EM responses.

The fourth anomaly identified by the SAMSON EM survey is interpreted to likely represent a bedrock conductor. A follow-up MLEM survey will provide data to better constrain the anomaly and to test if one or more sources are present.

Figure 2 illustrates the planned stations for the MLEM survey over the new target areas at the Cathedrals Belt and the parallel structure to the south of the Belt. The MLEM survey will involve the collection of 845 stations of data using transmitter loops of 200m x 200m. Line spacing is 200m and the station spacing is 100m.

Any EM conductors detected by the MLEM survey will be prioritised for test drilling. The 2017 drill programme at Mt Alexander is scheduled to commence in about two weeks.

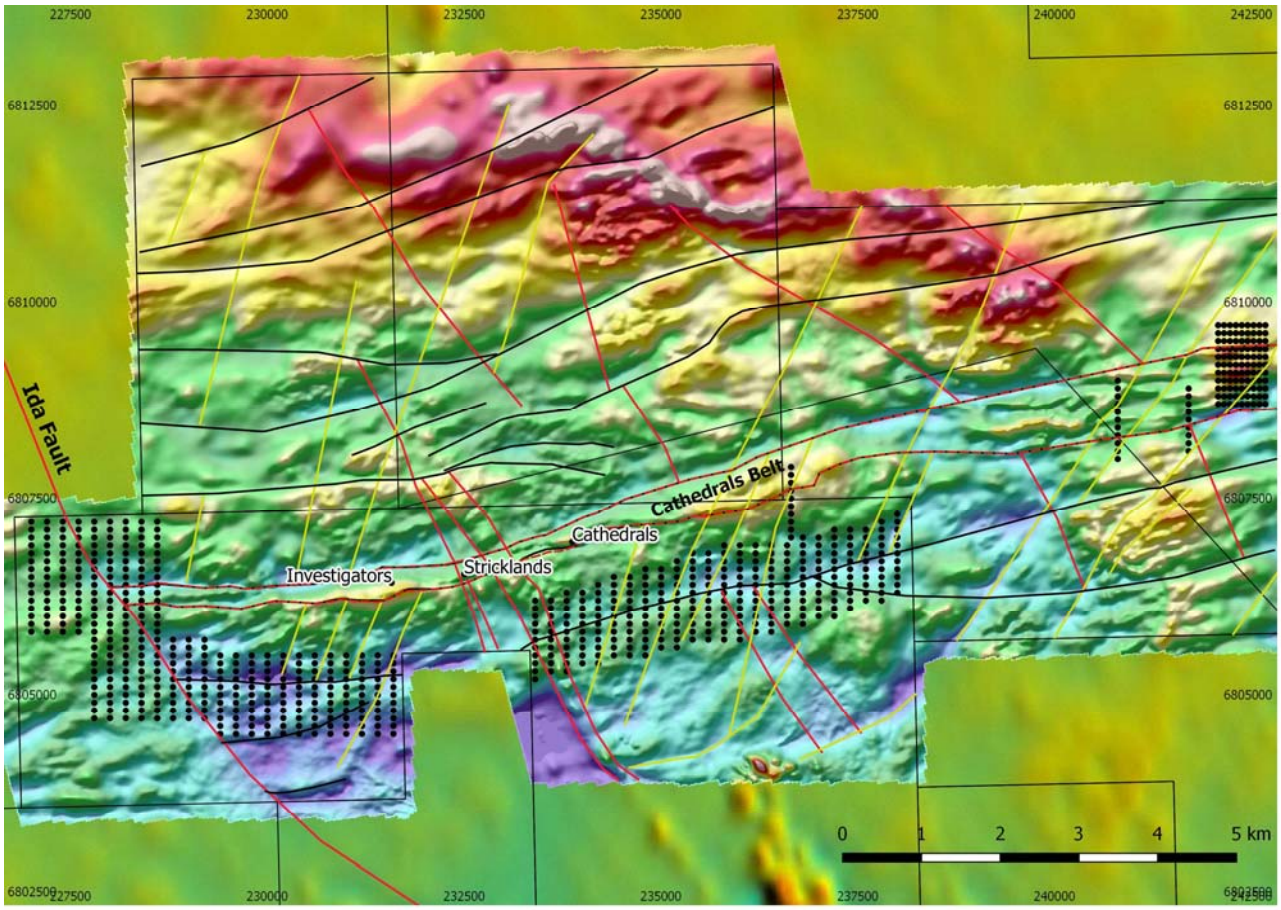

Figure 2 – a plan view of the Cathedrals Belt (against high resolution TMI magnetics) with detailed structural interpretation, and showing the planned MLEM survey stations (designated by the lines of black dots) that will test unexplored structures for EM conductors.

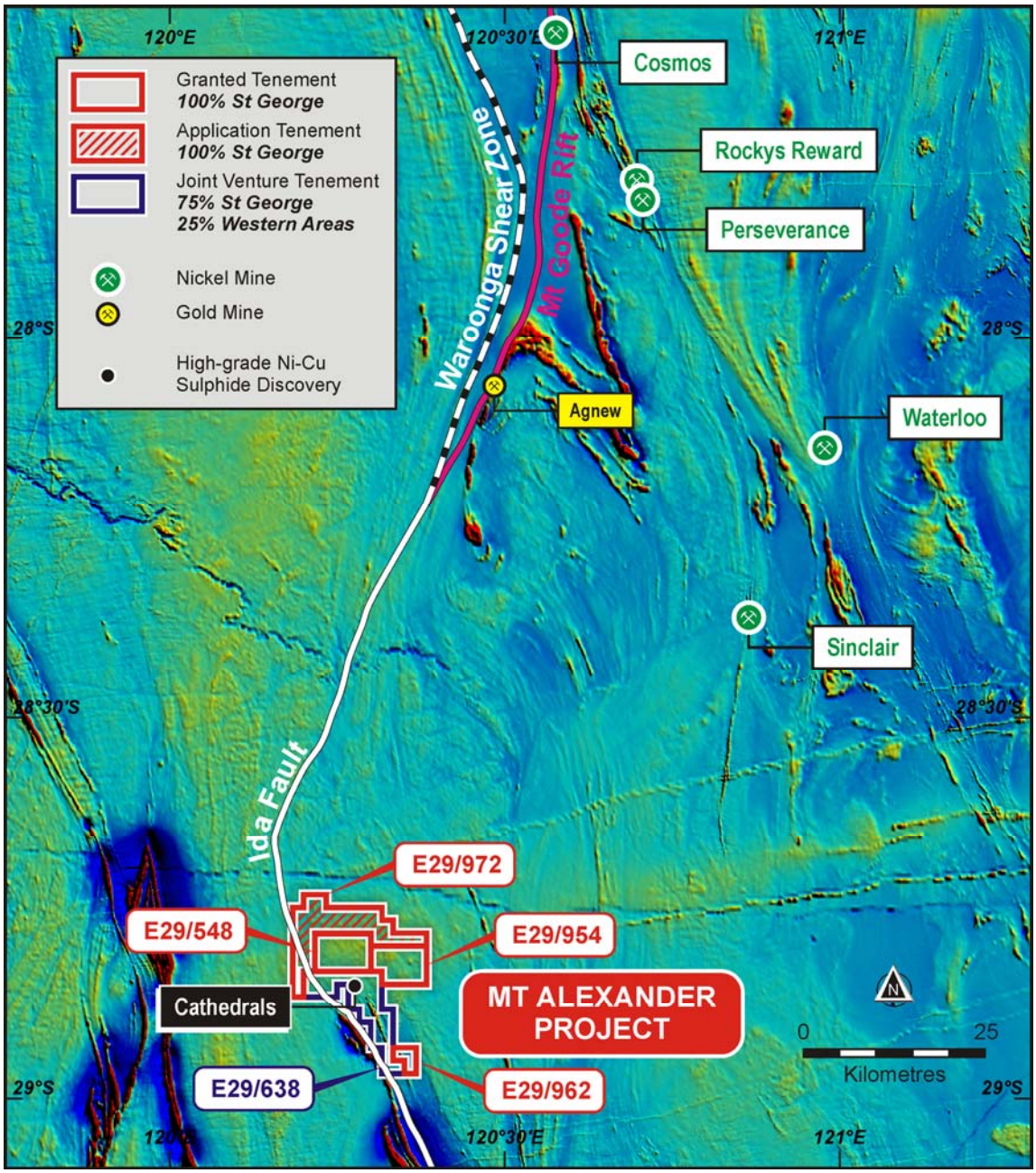

Figure 3 – a map (over TMI magnetics) showing the location of Mt Alexander Project to the south-west of major nickel projects in the Agnew-Wiluna Belt. The Ida Fault passes through E29/638 (SGQ 75%: WSA 25%) and ELA29/972 (100% SGQ).

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.

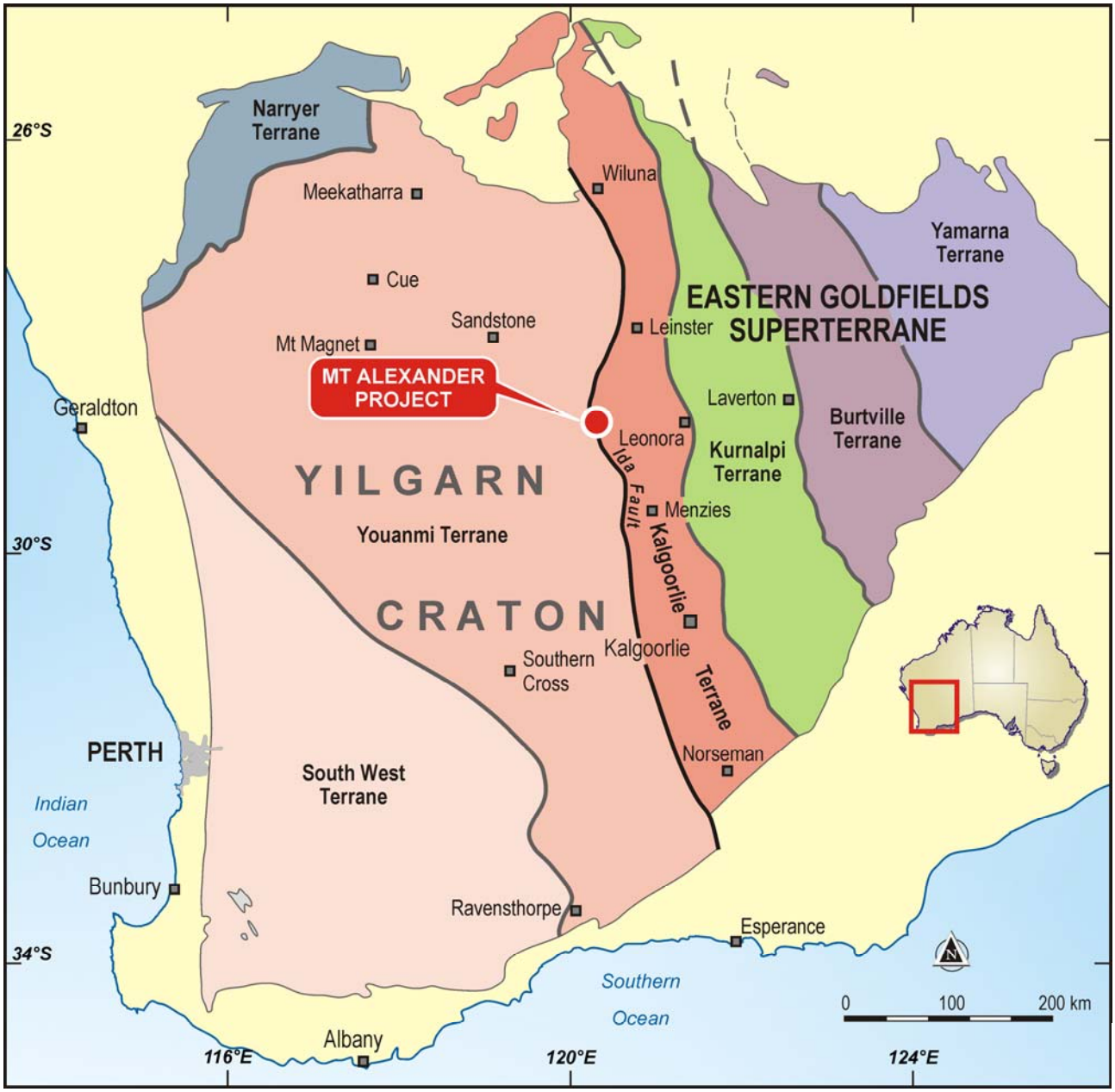

Figure 4 – a map of the tectonostratigraphic terranes of the Yilgarn Craton. The Mt Alexander Project is located on the boundary of the Kalgoorlie and Youanmi Terranes and straddles the Ida Fault.

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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 MLEM survey will be conducted using 200x200m loops to generate 100 amps, with a base frequency of 0.5Hz. Line spacing is typically 200m and station spacing typically 100m. Survey will use a fluxgate sensor. The SAMSON EM survey was 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.	Three consistent readings required at each station for the MLEM survey.
	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 primarily to 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 geophysical surveys; a drill program is being planned for March 2017.
Drill sample recovery	*Method of recording and assessing core and chip sample recoveries and results assessed.*	The release refers to geophysical surveys; a drill program is being planned for March 2017.
	Measures taken to maximise sample recovery and ensure representative nature of the samples.	The release refers to geophysical surveys; a drill program is being planned for March 2017.
	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 geophysical surveys; a drill program is being planned for March 2017.

Criteria	JORC Code explanation	Commentary
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 primarily to 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 primarily to geophysical surveys; this section is not relevant to this release.
	The total length and percentage of the relevant intersections logged.	The release refers primarily to 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 primarily to 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 primarily to 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 primarily to 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 primarily to 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 primarily to 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 primarily to 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 primarily to 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 MLEM survey will be conducted using 200x200m loops to generate 100 amps, with a base frequency of 0.5Hz. Line spacing is typically 200m and station spacing typically 100m. Survey will use a fluxgate sensor. The SAMSON EM survey is conducted using GAP 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.
	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 primarily to geophysical surveys; this section is not relevant to this release.

Criteria	JORC Code explanation	Commentary
Verification of sampling and assaying	*The verification of significant intersections by either independent or alternative company personnel.*	The release refers primarily to geophysical surveys; this section is not relevant to this release.
	The use of twinned holes.	The release refers primarily to 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 primarily to geophysical surveys; this section is not relevant to this release.
	Discuss any adjustment to assay data.	The release refers primarily to 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 is used to determine survey locations for both EM surveys (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 release refers primarily to geophysical surveys; this section is not relevant to this release.
Data spacing and distribution	*Data spacing for reporting of Exploration Results.*	The MLEM survey will be conducted on a 200m line spacing with 100m stations. For some infill 75m line spacing with 100m stations will be used. If an anomaly is detected, then infill surveys will typically use 100m line spacing with 50m stations. 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.
	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 primarily to geophysical surveys; this section is not relevant to this release.
	Whether sample compositing has been applied.	The release refers primarily to 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 EM survey lines are planned north-south, which is roughly orthogonal to the trend of the interpreted Cathedrals Belt and parallel corridors.
	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 primarily to geophysical surveys; this section is not relevant to this release.
Sample security	*The measures taken to ensure sample security.*	The release refers primarily to 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* *• Dip and azimuth of the hole* *• Down hole length and interception depth* *• Hole length*	The release refers to geophysical surveys; a drill program is being planned for March 2017.

Criteria	JORC Code explanation	*Commentary*
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 primarily to 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 primarily to 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 primarily to 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 primarily to 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 showing geophysical images and planned geophysical surveys are shown in the body of the release, along with regional geological and geophysical location maps.
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 primarily to 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. Ongoing work includes the MLEM surveys about to commence in the Cathedrals Belt and parallel corridor to the south, and a diamond drill program in the Cathedrals Belt to commence in March 2017.