ASX / MEDIA RELEASE

11 February 2015

ST GEORGE EXTENDS NICKEL SULPHIDE ZONE AT WINDSOR

HIGHLIGHTS:

- **Assays results confirm high tenor komatiite hosted nickel sulphide mineralisation at Windsor**
- **Drilling extends the nickel sulphide zone at Windsor within a large and highly prospective komatiite channel with over 4km strike length**
- **Down-hole electromagnetic (DHEM) surveys of new drill holes continue with additional bedrock conductors identified for drill testing**
- **VMS (Volcanic Massive Sulphide) exploration advanced at East Laverton with multiple and extensive base metal intersections**
- **Technical reviews of nickel sulphide, VMS and gold prospects are continuing with recommendations due this month**
- **Drilling to re-commence in March 2015**

ASSAY RESULTS CONFIRM NICKEL SULPHIDES AT WINDSOR

St George Mining Limited (ASX: **SGQ**) ('St George' or 'the Company') is pleased to announce that assay results for Phase 2 of the 2014 drilling campaign have confirmed numerous intersections of nickel sulphide and base metal mineralisation at the Company's 100% owned East Laverton Property in Western Australia.

At the Windsor nickel sulphide prospect, four of the six drill holes completed by St George have successfully intersected nickel sulphides. All six holes intersected the thick, highly prospective komatiite channel which hosts this mineralisation.

Table 1 lists the nickel sulphide intersections from the 2014 Phase 2 drilling program. These results illustrate the thick ultramafic sequences encountered by drilling, and the higher grade nickel sulphide intervals within those units. These include:

- WINRC004 - 89m @ 0.20%Ni from 57m, including: **2m @ 0.40%Ni from 122m**
- WINRC005 - 147m @ 0.25%Ni from 124m, including **7m @ 0.34%Ni from 161m and 1m @ 0.40%Ni from 292m**
- WINRC007 - 90m @ 0.20%Ni from 227m, including **1m @ 0.75%Ni from 286m**

St George Mining Executive Chairman, John Prineas said:
"The drilling at Windsor has identified widespread disseminated nickel sulphides within a broad channel.

"This large, fertile channel is now an even more compelling target for massive nickel sulphide mineralisation at the basal contact or on the flanks of the channel."

The discovery hole at Windsor was drilled by BHP Billiton Nickel West in 2012. Drill hole DRAC38 intersected 30m @ 0.31%Ni, including 6m @ 0.48%Ni and 2m @ 0.62%Ni. St George's recent drilling continues to encounter further nickel sulphide mineralisation as drilling extends the nickel sulphide zone from the initial intersection in DRAC38.

The drilling results at Windsor define a large komatiite channel flow with an unconstrained zone of nickel sulphides that are open laterally and at depth. This is an optimal search area for massive nickel sulphide mineralisation, and only a very small portion of the prospective ultramafic has been tested by drilling so far. Figure 1 is a cross-section of the completed drill holes which illustrates the zone of disseminated nickel sulphides in the core of the channel.

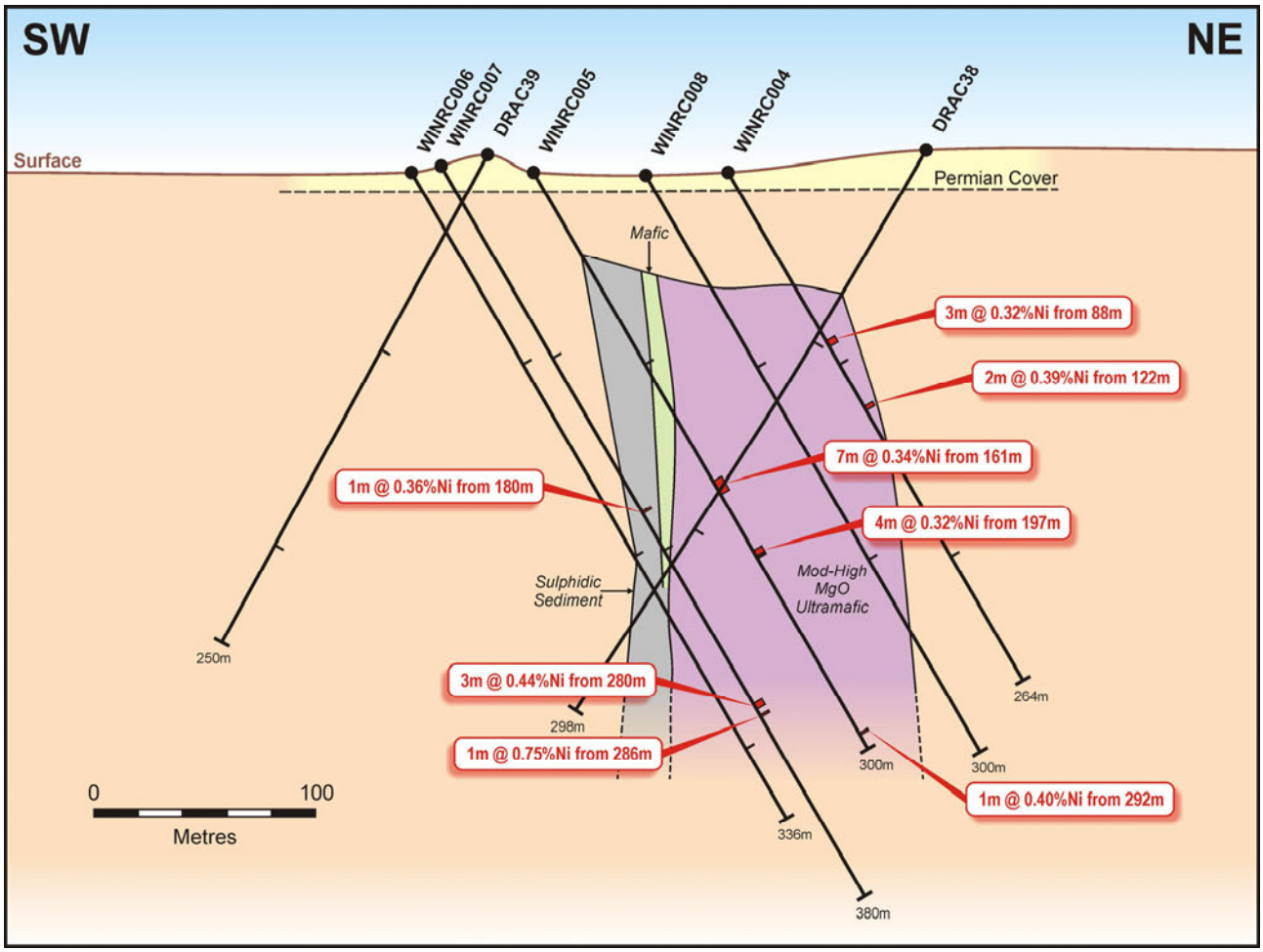

Figure 1 – Cross section of drill holes at the Windsor Prospect (discovery section +/-100m) showing nickel sulphide intersections within the interpreted ultramafic channel. The prospective ultramafic is open to the north and south.

The assay results and geological logs for the Windsor drill holes highlight the strong similarities of this prospect to other sites within the Agnew-Wiluna belt where nickel sulphide mineralisation has been discovered. At these sites, disseminated sulphide mineralisation is present with and constrained by the high MgO cumulate facies, usually in the core of the komatiitic channel flow.

Massive nickel sulphides are typically deposited in lower MgO facies at the base and flanks of the channel. Disseminated nickel sulphides can occur as a halo above the massive sulphides, and provide a reliable vector for exploration targeting of massive sulphides.

A petrographic examination of the disseminated nickel sulphides in DRAC38 confirmed the only sulphide present as pentlandite, indicating the high tenor of the nickel sulphide mineralisation at Windsor.

Figure 2 illustrates the ultramafic channel interpreted at Windsor and shows that only 200m of the 4.6km of ultramafic contact has been tested so far. The Windsor prospect sits within an 18km high priority section of the Stella Range ultramafic belt which also hosts the Desert Dragon and Desert Dragon North prospects, and where nickel sulphides have already been intersected by drilling.

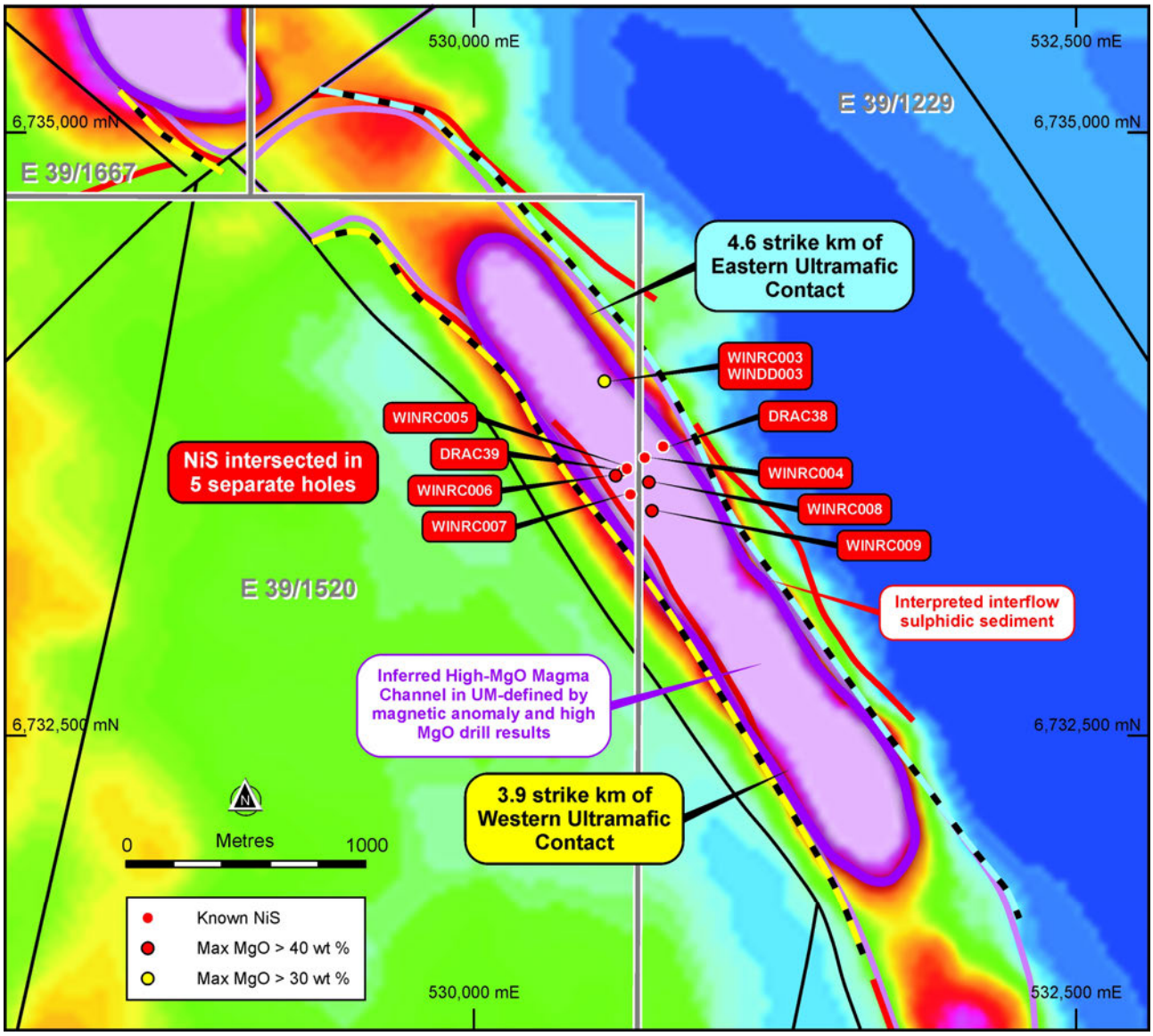

Figure 2 – Windsor ultramafic channel against magnetics.

Figure 3 shows the channel at Windsor against a residual gravity background. Komatiites are lower density rocks as the serpentinisation alteration process removes magnetite from the rocks. The sulphidic contact sediments are of a comparatively higher density and present as gravity highs. Ground gravity surveys are an excellent exploration tool to map these rocks, which may present differently in the magnetic response.

The ultramafics are flanked on the hanging and footwall with metal-rich and high-sulphide exhalative sediments. The electromagnetic surveys completed at East Laverton, including at Windsor, effectively map these ultramafic contacts in three dimensions. This is of material assistance in the process of locating and testing the basal contact at the property through to the prospect scale.

The sulphidic sediments provide a sulphur source for the formation of nickel sulphides, and are a positive factor for the prospectivity at East Laverton. The extensive occurrences of this style of sediments, in contact with fertile komatiites, are also present in the Forrestania nickel field and at many other nickel deposits of the Agnew Wiluna belt.

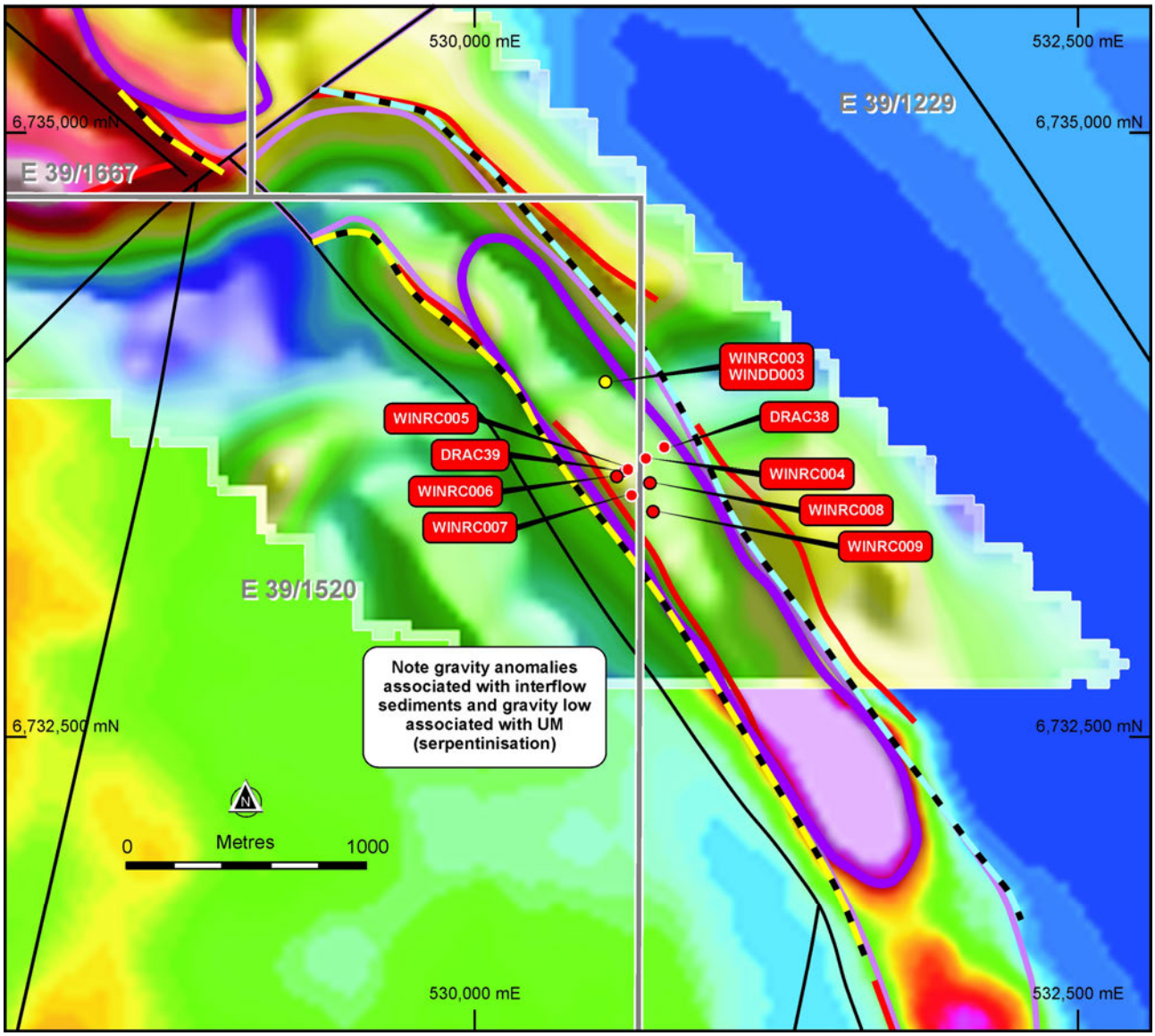

Figure 3 – Windsor ultramafic channel against gravity data.

Figure 4 highlights the two large conductive plates (electromagnetic anomalies) identified at Windsor by the moving loop EM (MLEM) survey. These map the sulphidic sediments on the contact margins of the ultramafic body at Windsor. This extensive EM response along the ultramafic contacts could mask more subtle EM responses associated with massive nickel sulphide bodies.

Geophysical, geochemical and geological analysis along with further drilling and DHEM surveys will test for any discrete nickel sulphide deposits within these large conductive areas.

The DHEM surveys for drill holes WINRC007, 008 and 009 will be completed shortly. A further drilling program for Windsor will be planned once the results of the DHEM surveys are reviewed.

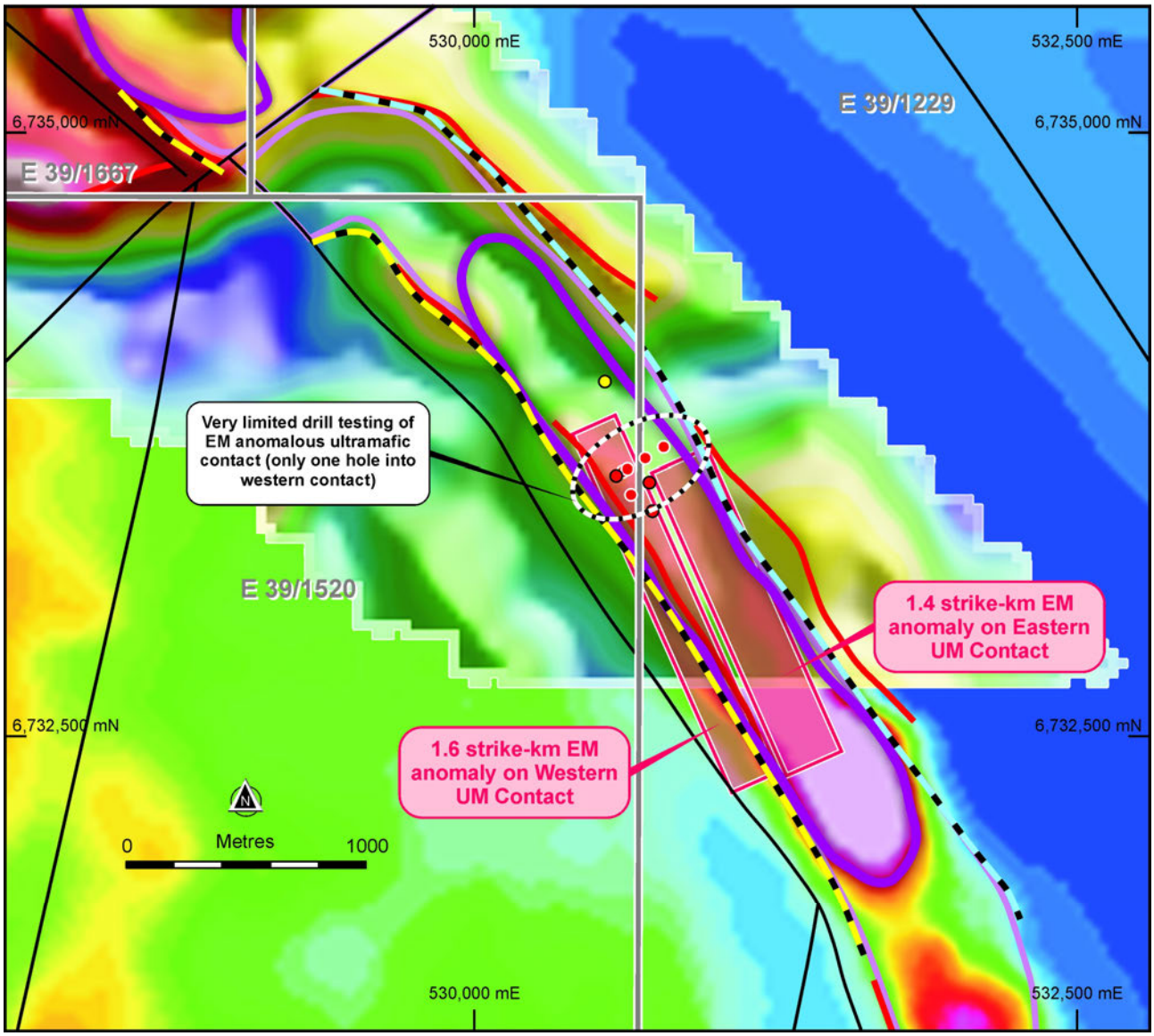

Figure 4 – Windsor ultramafic channel with EM anomalies co-incident with the ultramafic contacts.

DESERT DRAGON

Further reconnaissance drilling was completed at Desert Dragon South during Phase 2 of the 2014 drilling campaign. Drilling tested a prominent tightly folded area of the Stella Range belt where the ultramafic horizon is cross-cut by the major 'Churchill' corridor. The area is considered prospective for nickel sulphides as well as for gold and VMS-style copper-zinc base metal mineralisation.

Drilling encountered several ultramafic sequences with anomalous nickel values but no nickel sulphides. DHEM surveys of the holes identified a number of strong off-hole EM anomalies.

In addition, the ongoing MLEM survey at Desert Dragon has recently identified 13 EM anomalies consistent with bedrock anomalies. Four of these have been classified by Newexco, our geophysical advisers, as Category 1 anomalies (see the Company's ASX Release dated 28 January 2015 *'2015 Nickel Exploration Program Starts Strongly'*).

The EM anomalies are being reviewed by our technical team ahead of the 2015 drill campaign.

Drilling at Desert Dragon in the 2014 Phase 2 program returned anomalous intersections of zinc in several holes. DDRC036 intersected **4m @ 0.76% Zn from 123m including 1m @1.45% Zn from 125m**. These intervals were within a thick interval of 23m @ 0.15% Zn from 121m. Anomalous values of Cadmium (Cd) were also detected in this interval. The elevated values of Zn and Cd are likely to be associated with felsic rocks, which supports the potential for VMS-style mineralisation.

The VMS targeted drilling completed by St George continues to be reviewed by our technical team, and a separate announcement will be issued shortly regarding the increased VMS prospectivity at the East Laverton Property. Table 2 lists the Zn intersections from the 2014 Phase 2 drilling program.

A number of the holes at Desert Dragon also showed anomalous values of gold. Our technical team is continuing to review these assay results along with the widespread hydrothermal alteration encountered in this and other drilling programmes at East Laverton.

St George believes these gold values are indicative of the widespread circulation of gold-rich hydrothermal fluids at East Laverton, and indicate the potential for economic gold mineralisation. Economic gold deposits occur along strike to the north of St George's Stella Range targets and the technical team is reviewing any geological similarities between those and the gold anomalism intersected to date.

CAMBRIDGE

Drill hole CAMRC015 was completed to test the basal contact on the eastern flank of the Cambridge dunite body. The hole intersected the contact at 131m downhole. Assays for the hole showed 131m @ 0.23%Ni but with no massive sulphides on the contact.

A DHEM survey of the hole will be completed shortly. A further drilling program for Cambridge will be planned once the DHEM survey results are reviewed.

CAMRC015 is only the third hole to test the 4km strike of the eastern contact at Cambridge, and the Company believes that substantial exploration upside remains at Cambridge.

PIPELINE OF HIGH PRIORITY PROSPECTS

The high priority prospects of Windsor, Desert Dragon and Cambridge will undergo further drilling in 2015. In addition to these prospects, St George has several other prospects which have potential for nickel sulphides, gold and VMS-style mineralisation.

A substantial amount of field work was completed in 2014, including drilling, soil geochemical surveys, gravity surveys and electromagnetic surveys. This work has significantly upgraded the exploration potential of the East Laverton Property and advanced us closer to a significant discovery.

The large amount of new data is being considered in the technical reviews currently underway with Dr Jon Hronsky, a global nickel expert, and Matthew McCarthy, a former Senior Geologist with BHP Billiton Nickel West. These reviews will focus on geologically-based, strategic exploration targeting at East Laverton. St George believes the findings of these reviews will refine the current exploration search at East Laverton, allowing for the prioritisation of the large pipeline of exploration targets at the Project. We also expect the reviews to recommend a number of immediate and high quality drill targets.

The 2015 field program will be finalised following consideration of these technical reviews. The Company is planning to complete the reviews during this month, and to recommence drilling in March 2015.

. HOLE ID	EASTING (m)	NORTHING (m)	DIP (deg)	AZM (deg)	DEPTH (m)	FROM (m)	TO (m)	WIDTH (m)	Ni (%)
DDRC026	527580	6735835	-60	160	160	NSI			
DDRC027	527410	6735465	-60	160	240	NSI			
DDRC028	527380	6735315	-60	160	180	NSI			
DDRC029	527550	6735235	-60	160	120	NSI			
WINRC004	530710	6733650	-60	60	264	57	146	89	0.20
					Incl.	88	91	3	0.32
					Incl.	122	124	2	0.39
WINRC005	530635	6733605	-60	60	300	124	271	147	0.25
					Incl.	161	168	7	0.34
					Incl.	197	201	4	0.32
					and	279	297	18	0.20
					Incl.	292	293	1	0.40
DDRC033	527700	6738500	-60	77	204	NSI			
DDRC034	527500	6738540	-60	77	264	NSI			
DDRC035	527300	6738400	-60	77	204	NSI			
DDRC036	527100	6738350	-60	77	204	NSI			
DDRC037	526900	6738300	-60	77	204	NSI			
DDRC040	527900	6739300	-60	77	204	47	61	14	0.20
DDRC041	527700	6739250	-60	77	194	NSI			
DDRC042	527500	6739200	-60	77	60	NSI			
DDRC030	528804	6735594	-60	77	264	0	53	53	0.20
DDRC031	528597	6735548	-60	77	264	139	156	17	0.20
					and	157	168	11	0.20
CAMRC015	519280	6748400	-60	250	330	0	131	131	0.23
WINRC006	530588	6733577	-60	60	336	261	336	75	0.20
WINRC007	530650	6733500	-60	60	380	170	203	33	0.20
					Incl.	178	196	18	0.28
					Incl.	180	181	1	0.36
					and	214	224	10	0.20
					and	227	317	90	0.20
					Incl.	242	289	47	0.29
					Incl.	280	283	3	0.44
					Incl.	286	288	2	0.58
					Incl.	286	287	1	0.75
					Incl.	290	291	1	0.30
					and	352	357	5	0.20
WINRC008	530727	6733550	-60	60	300	45	235	190	0.20
					Incl.	169	194	25	0.26
WINRC009	530740	6733432	-60	60	300	45	101	56	0.20
					and	131	136	5	0.21
					and	146	265	119	0.20
					Incl.	179	249	70	0.26
					Incl.	167	168	1	0.20
					Incl.	180	182	2	0.31

Table 1 - Details of Ni intersected in the 2014 Phase 2 drilling program. Cut-off grade of 0.20%Ni is used to illustrate high-MgO ultramafic. Mineralised intercepts are >0.3% Ni and are highlighted in yellow.

HOLE ID	EASTING (m)	NORTHING (m)	DIP (deg)	AZM (deg)	DEPTH (m)	FROM (m)	TO (m)	WIDTH (m)	Zn (ppm
DDRC026	527580	6735835	-60	160	160	NSI			
DDRC027	527410	6735465	-60	160	240	134	159	25	1536
					Incl.	144	153	9	3608
DDRC028	527380	6735315	-60	160	180	NSI			
DDRC029	527550	6735235	-60	160	120	NSI			
WINRC004	530710	6733650	-60	60	264	171	172	1	4500
					and	217	230	13	1518
WINRC005	530635	6733605	-60	60	300	47	111	64	1511
					Incl.	82	93	11	2900
DDRC033	527700	6738500	-60	77	204	NSI			
DDRC034	527500	6738540	-60	77	264	NSI			
DDRC035	527300	6738400	-60	77	204	129	140	11	1500
					and.	143	145	2	3000
DDRC036	527100	6738350	-60	77	204	105	112	7	1509
					and	121	144	23	1560
					Incl.	123	127	4	7600
					Incl.	125	126	1	14500
DDRC037	526900	6738300	-60	77	204	NSI			
DDRC040	527900	6739300	-60	77	204	NSI			
DDRC041	527700	6739250	-60	77	194	69	74	5	1593
DDRC042	527500	6739200	-60	77	60	NSI			
DDRC030	528804	6735594	-60	77	264	NSI			
DDRC031	528597	6735548	-60	77	264	NSI			
CAMRC015	519280	6748400	-60	250	330	153	249	96	1505
WINRC006	530588	6733577	-60	60	336	207	209	2	4800
					Incl.	211	231	20	4500
					Incl.	211	212	1	6000
WINRC007	530650	6733500	-60	60	380	156	178	12	1528
WINRC008	530727	6733550	-60	60	300	NSI			
WINRC009	530740	6733432	-60	60	300	116	132	16	1557
					and	146	151	5	1582
					and	161	182	21	1510

Table 2 – Assay results for Zn in the 2014 Phase 2 drilling program. Cut-off grade for Zn is 1500ppm.

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 information in this announcement that relates to Exploration Results and Mineral Resources as defined in the 2004 edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves' is based on information compiled by Mr Hronsky. Mr Hronsky is a member of the Australasian Institute of Mining and Metallurgy has sufficient experience, which is relevant to the style of mineralisation and type of deposit under consideration and to the activity, which he is undertaking. This qualifies Mr Hronsky as a "Competent Person" as defined in the 2004 edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Hronsky consents to the inclusion of information in this announcement 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	*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.*	This ASX Release dated 11 February 2015 reports on exploration results from Phase 2 of the Company's 2014 drilling campaign, a drilling programme to test high quality targets for massive nickel sulphide mineralisation and VMS-style mineralisation. Drilling in Phase 2 is being undertaken by VM Drilling Pty Ltd using a Schramm 685 truck mounted drill rig. This rig has capability for deep reverse circulation (RC) drilling. *RC Sampling:* All samples from the RC drilling are taken as 1m samples. Samples are sent to Intertek Laboratories for assaying. Appropriate QAQC samples (standards, blanks and duplicates) are inserted into the sequences as per industry best practice. Samples are collected using cone or riffle splitter. Geological logging of RC chips is completed at site with representative chips being stored in drill chip trays. 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. *Down-hole electromagnetic (DHEM) survey*: A DHEM survey will be completed for certain drill holes. The DHEM survey is designed and managed by Newexco Services Pty Ltd, with field work contracted to Bushgum Holdings Pty Ltd. Key specifications of the DHEM survey are: *System:* *Atlantis (analogue)* *Components:* *A, U, V* *Component direction:* • *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.*
	Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.	*RC Sampling:* The RC drilling rig has a cone splitter built into the cyclone on the rig. Samples are taken on a one meter basis and collected directly from the splitter into uniquely numbered calico bags. The calico bag contains a representative sample from the drill return for that metre. This results in a representative sample being taken from drill return, for that metre of drilling. The remaining majority of the sample return for that metre is collected and stored in a green plastic bag marked with that specific metre interval. The cyclone is blown through with compressed air after each plastic and calico sample bag is removed. If wet sample or clays are encountered then the cyclone is opened and cleaned manually and with the aid of a compressed air gun. A large auxiliary compressor ("air-pack") is mounted on a separate truck and the airstream is connected to the rig. This provides a significant addition to the compressed air supplied by the in-built compressors mounted on the drill rig itself. This auxiliary compressor maximises the sample return through restricting air

Criteria	JORC Code explanation	Commentary
		pressure loss, especially in deeper holes. In addition, the high and consistent levels of air pressure minimise the number of 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 are 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.. *DHEM Survey:* 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.
	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.*	*RC Sampling:* A 1m composite sample is taken from the bulk sample of RC chips that may weigh in excess of 40 kg. Assay preparation is completed by Intertek. Assays are undertaken at Intertek in Kalgoorlie and 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. 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.
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).*	*RC Sampling:* 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.
Drill sample recovery	*Method of recording and assessing core and chip sample recoveries and results assessed.*	*RC Sampling:* RC samples are visually checked for recovery, moisture and contamination. Geological logging is completed at site with representative RC chips stored in chip trays.
	Measures taken to maximise sample recovery and ensure representative nature of the samples.	*RC Sampling:* Samples are collected using cone or riffle splitter. Geological logging of RC chips is completed at site with representative chips being stored in drill chip trays.
	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.	To date, no detailed analysis to determine the relationship between sample recovery and grade has been undertaken for this drill programme. This analysis will be conducted following any economic discovery. 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.

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.*	Geological logging is carried out on all drill holes with lithology, alteration, mineralisation, structure and veining recorded.
	Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography.	Logging of RC samples records lithology, mineralogy, mineralisation, structures (core only), weathering, colour and other noticeable features.
	The total length and percentage of the relevant intersections logged.	All drill holes are geologically logged in full and detailed litho-geochemical information is collected by the field XRF unit. The data relating to the elements analysed is used to determine further information regarding the detailed rock composition.
Sub-sampling techniques and sample preparation	*If core, whether cut or sawn and whether quarter, half or all core taken.*	Drill holes are RC in this programme.
	If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry.	RC samples are collected in dry form. Samples are collected using cone or riffle splitter. Geological logging of RC chips is completed at site with representative chips being stored in drill chip trays.
	For all sample types, the nature, quality and appropriateness of the sample preparation technique.	RC Sampling: Sample preparation for RC chips follows a standard protocol. 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.
	Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.	*RC Sampling:* 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.
	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.	*RC Sampling:* Field duplicates were taken on 1m composites for RC samples.
	Whether sample sizes are appropriate to the grain size of the material being sampled.	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	*The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.*	For 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
	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.	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. For the DHEM survey, specifications and quality control measures are noted above.
	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.	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).
Verification of sampling and assaying	*The verification of significant intersections by either independent or alternative company personnel.*	Significant intersections are verified by the Company's Technical Director and Consulting Field Geologist.
	The use of twinned holes.	No twinned holes have been completed in this drilling programme.
	Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.	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.
	Discuss any adjustment to assay data.	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.
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.*	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. 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.
	Specification of the grid system used.	The grid system used is GDA94, MGA Zone 51.
	Quality and adequacy of topographic control.	Best estimated RLs were assigned during drilling and are to be corrected at a later stage.
Data spacing and distribution	*Data spacing for reporting of Exploration Results.*	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.
	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.	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.
	Whether sample compositing has been applied.	Samples are taken at one metre lengths and adjusted where necessary to reflect local variations in geology or where visible mineralised zones are encountered, in order to preserve the samples as representative.
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 drill holes are drilled towards 060 at an angle of -60 degrees (unless otherwise stated) to intersect the modelled mineralised zones at a near perpendicular orientation. However, the orientation of key structures may be locally variable and any relationship to mineralisation at has yet to be identified.

Criteria	JORC Code explanation	Commentary
	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.	No orientation based sampling bias has been identified in the data to date.
Sample security	*The measures taken to ensure sample security.*	Chain of Custody is managed by the Company until samples pass to a duly certified assay laboratory for subsampling and assaying. The 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.
Audits or reviews	*The results of any audits or reviews of sampling techniques and data.*	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	*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.*	Phase 2 of the 2014 drilling programme includes prospects located within Exploration Licences E39/1467, E39/1229, E39/1667, E39/1520, E39/985, E39/981, E39/982 and E39/1064. 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	*Acknowledgment and appraisal of exploration by other parties.*	In 2012, BHP Billiton Nickel West Pty Ltd (Nickel West) completed a reconnaissance RC (reverse circulation) drilling programme 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 programme comprised 35 RC holes for 8,560m drilled. The results from the Nickel West drilling programme 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 programme, 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	*Deposit type, geological setting and style of mineralisation*	The Company's East Laverton Property located in the NE corner of the Eastern Goldfields Province of the Archean Yilgarn Craton. 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. The area is largely covered by Permian glaciogene sediments

Criteria	JORC Code explanation	Commentary
		(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. 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.
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*	Refer to information in the body of this announcement. 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. Table 1 to this 2012 JORC Section contains drill hole information on DRAC35, DRAC38 and DDNRC002 which were the first drill holes at the East Laverton Property to identify nickel sulphides.
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.*	No top-cuts have been applied. A nominal 0.20% Ni lower cut-off is applied unless otherwise indicated. The maximum internal dilution for Ni is 5m. For zinc, the lower cut-off is 1500ppm with a maximum internal dilution of 1m.
	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.	High grade massive sulphide intervals internal to broader zones of sulphide mineralisation are reported as included intervals.
	The assumptions used for any reporting of metal equivalent values should be clearly stated.	No metal equivalent values are used for reporting exploration results.
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 geometry of the mineralisation is not yet known due to insufficient deep drilling in the targeted area.
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.*	Maps will be included with any announcement of any significant discovery, following review of assay results from the drilling programme.
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 of Exploration Results.*	A comprehensive report on the drill holes will be provided once laboratory assays are received. A balanced report on the exploration results available to date is contained in the body of the ASX Release. References to anomalous levels of any element identified by XRF analysis means that the element is present at a level that exceeds the level to be normally expected for that element in that geological setting.

Criteria	JORC Code explanation	Commentary
		The determinations made using a mobile XRF unit are geochemical in nature. This mode of sampling seeks to define anomalous sample populations against background, rather than absolute sample values as in laboratory assays. A more definitive report on any anomalous levels of any element will be provided once laboratory assays for the drill holes are received.
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 meaningful and material information has been included in the body of the text. No metallurgical or mineralogical assessments have been completed.
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.*	A discussion of further exploration work is contained in the body of the ASX Release.

HOLE ID	NORTHING (m)	EASTING (m)	DIP (deg)	AZM (deg)	DEPTH (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.om.au