30 APRIL 2015

QUARTERLY ACTIVITIES REPORT
FOR THE PERIOD ENDED 31 MARCH 2015

HIGHLIGHTS

- **Very strong, late-time EM conductors identified at Desert Dragon**
- **Pipeline of high quality targets is established for 2015 drilling program**
- **Assays results from 2014 drilling program confirm high tenor komatiite hosted nickel sulphide mineralisation at Windsor**
- **Technical review by global nickel expert endorses East Laverton as potential new nickel camp**

St George Mining Limited (**ASX:SGQ**) ("St George Mining") is pleased to present its Quarterly Activities Report for the quarterly period ended 31 March 2015.

EAST LAVERTON PROPERTY
Outstanding EM Conductors Identified at Desert Dragon
The moving loop electromagnetic (MLEM) survey recently completed by Newexco at the Desert Dragon and Aphrodite prospects has identified several strong EM conductors that are high priority targets for test drilling.

At Desert Dragon Central, two powerful EM conductors with time decay and conductance properties that are consistent with massive nickel sulphides have been identified. The EM conductors are named Target 4 and Target 5.

At Target 4, the EM conductor is a late time anomaly that has a time constant of 190ms and a conductance of 3500 Siemens.

At Target 5, the EM conductor has an exceptional time constant of 443ms and a very strong conductance of 4900 Siemens. This EM response is indicative of a very thick conductive body.

Importantly, these EM conductors also have favourable geological and structural features that significantly support these targets as potential massive nickel sulphides.

The EM conductors are modelled on the margin of the high-MgO ultramafic channel that hosts the nickel sulphide mineralisation intersected in drill hole DRAC35, which was completed by BHP Billiton Nickel West in 2012 (Figure 1). The presence of known nickel sulphides within this channel significantly increases the potential of the basal contact to host massive nickel sulphide mineralisation.

The conductors are favourably located within the 'closures' or 'noses' of the most prominent fold feature of the Stella Range belt. Fold closures and noses are favourable sites for the accumulation of massive sulphides.

Further details of these EM conductors at Desert Dragon can be found in our ASX Release dated 23 March 2015 "Outstanding Nickel Sulphide Targets".

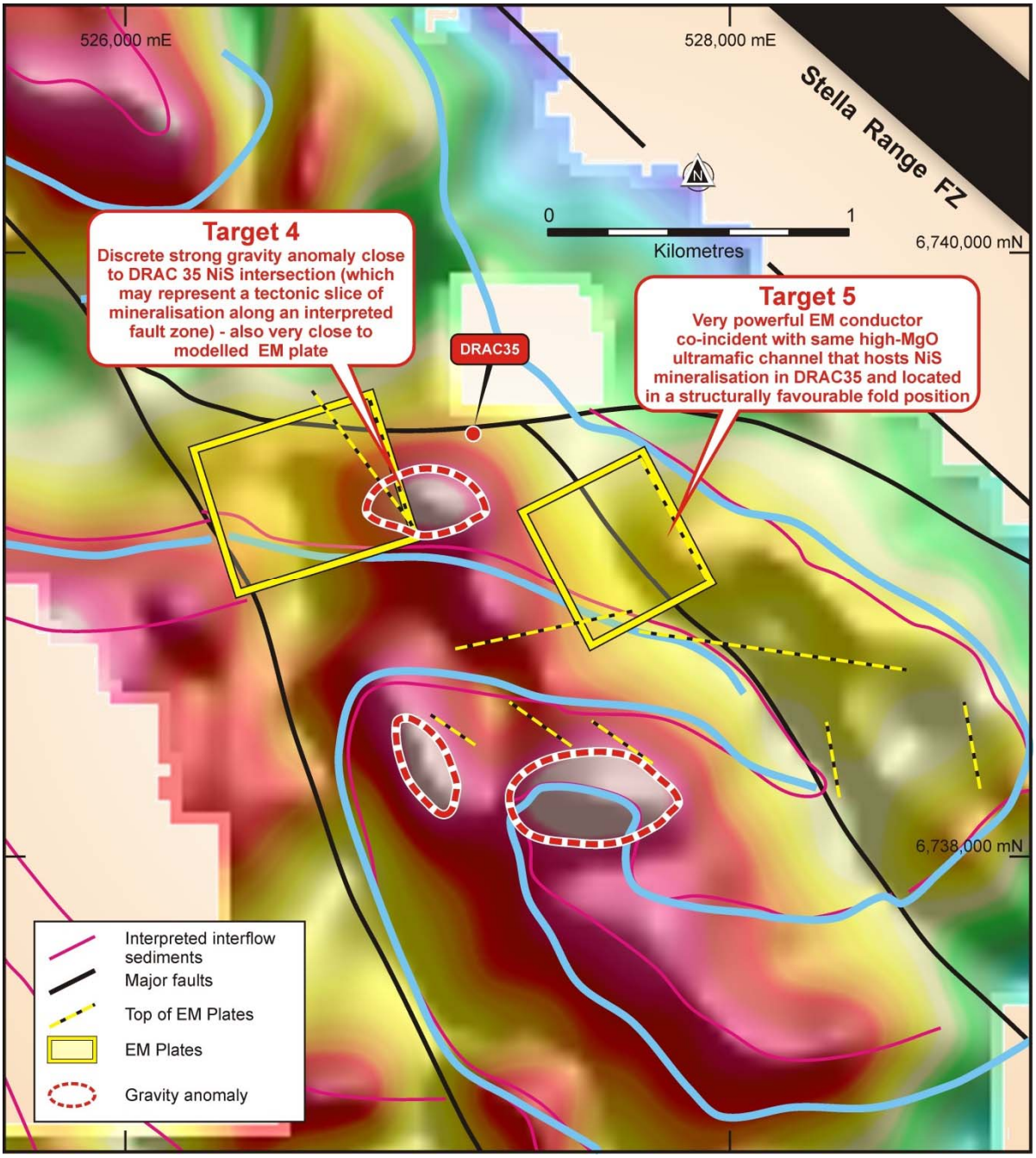

Figure 1 – a map of Desert Dragon Central against gravity data. The immediate targets are very strong EM conductors in favourable structural locations.

Pipeline of EM Targets

High quality EM conductors have also been identified at the Aphrodite and Desert Dragon North prospects.

At Aphrodite, the MLEM survey identified four EM anomalies and two of these were classified as Category 1 targets by Newexco (our geophysical advisers). Category 1 targets are well defined EM anomalies which demonstrate all the primary criteria for a massive sulphide body and warrant immediate consideration as drill targets.

One of these Category 1 targets, named Aphrodite 4, has been selected for immediate drilling.

The Aphrodite 4 EM conductor is present in the very late-time, signifying a highly conductive body. The conductor has a time constant of 176ms and conductance of 2947 Siemens, which are consistent with massive nickel sulphides.

Importantly, Aphrodite 4 is located within a pronounced embayment on the eastern contact of the ultramafic body (see Figure 2).

This curved indentation on the eastern margin of the ultramafic unit is a highly favourable structural setting for the potential concentration of massive nickel sulphides.

For further details of the EM conductors at Aphrodite, see our ASX Release dated 20 April 2015 "High Quality EM Conductor at Aphrodite".

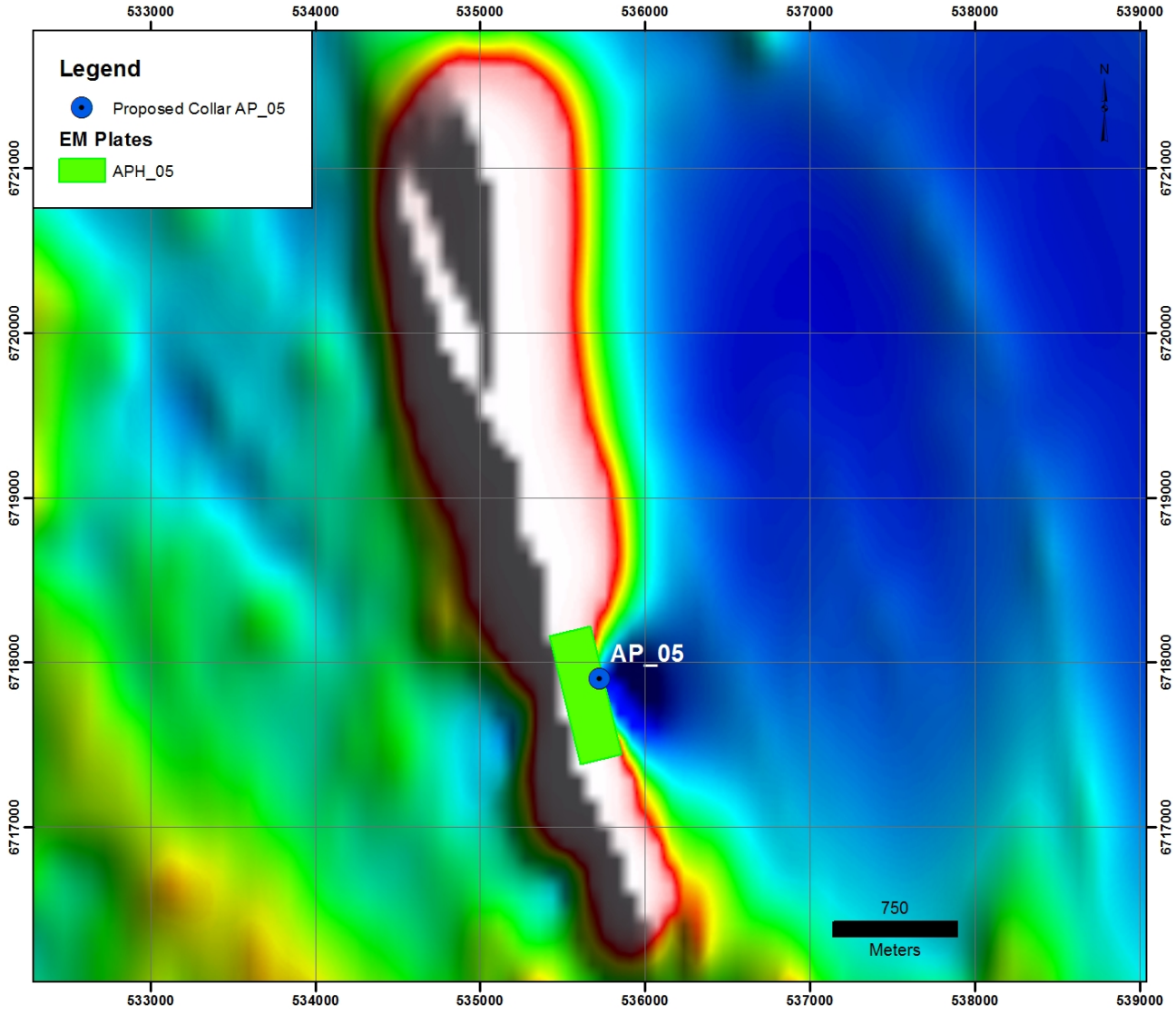

Figure 2 – the EM plates modelled at Aphrodite with the drill holes designed to test the plates. Aphrodite 4, to be tested by drill hole AP_05, is situated in a pronounced indentation of the ultramafic body. This 'embayment' is a highly favourable site for massive nickel sulphides.

Additional high quality EM targets have been identified at Desert Dragon North. Further information on these targets can be found in our ASX Release dated 17 March 2015 "High Quality Nickel Sulphide Targets Identified at Desert Dragon North."

This impressive pipeline of targets is further boosted by the successful drill results at the Windsor nickel sulphide prospect (see commentary below).

In addition, exploration is continuing at a number of other nickel sulphide prospects including Cambridge, Cambridge North, Bristol and Oxford.

The strong pipeline of targets emphasises the large, regional scale of St George's Project and its potential to emerge as a new nickel sulphide province.

Windsor – Nickel Sulphide Zone Extended

Four of the six drill holes completed at Windsor in late 2014 successfully intersected nickel sulphides. All six holes intersected the thick, highly prospective komatiite channel which hosts this mineralisation.

The following results illustrate the thick ultramafic sequences encountered by drilling, and the higher grade nickel sulphide intervals within those units:

- 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**

The drilling results at Windsor define a large linear komatiite channel flow that locally hosts an unconstrained zone of disseminated nickel sulphides, open laterally and at depth.

There is a documented relationship between disseminated and massive nickel sulphide mineralisation in komatiite hosted nickel deposits. 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.

Figure 3 illustrates the ultramafic channel interpreted at Windsor and shows the broadly distributed disseminated nickel sulphide mineralisation, which is open to the north and south.

Windsor is an optimal search-area for massive nickel sulphide mineralisation and only 200m of the 4,600m strike length of the basal contact has been tested to date.

Further drilling will be planned for Windsor to follow up on the high tenor nickel sulphides intersected in the 2014 drilling campaign.

For more details of the successful drilling at Windsor, see our ASX Release dated 11 February 2015 "St George Extends Nickel Sulphide Zone".

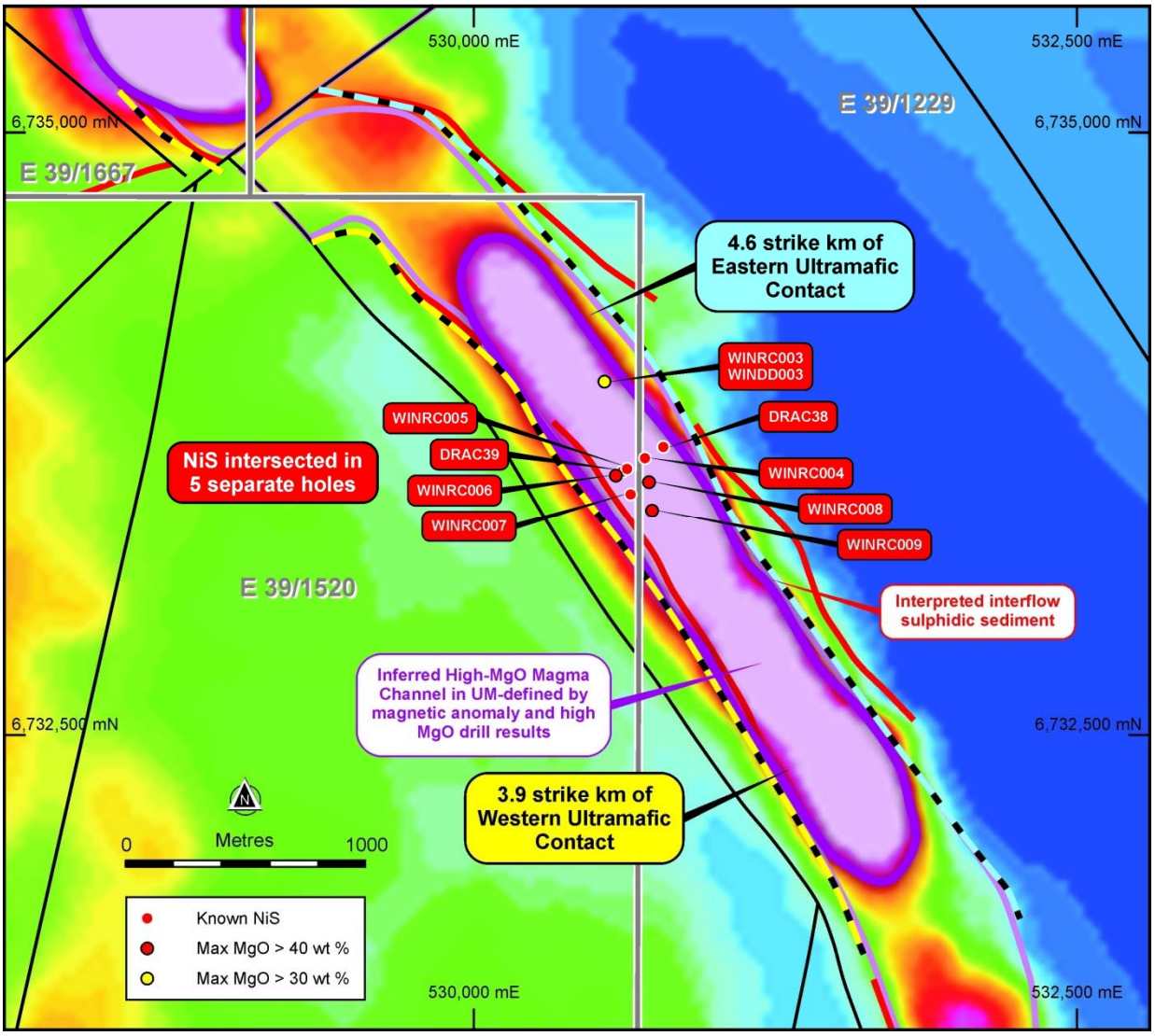

Figure 3 – Windsor ultramafic channel against magnetics. Drilling to date is limited and exploration upside is significant.

Technical Review

A milestone Technical Review of the Project was completed in the quarter, utilising the expanded database following the substantial exploration programs completed in 2014. A summary of the findings from this Technical Review are published in St George's ASX Release dated 4 March 2015 *'Global Nickel Expert Endorses Project'*.

The leader of the Technical Review, Dr Jon Hronsky, is a global nickel expert with industry leading credentials in the area of exploration targeting for nickel sulphide deposits. Dr Hronsky will continue to consult with St George with the aim of developing further drill targets at the East Laverton Project.

The East Laverton Nickel project occupies a unique position in the southern end of the East Laverton Nickel belt (see Figure 4). Strong similarities exist between the geological setting and features of this area and those of highly mineralised komatiite hosted nickel sulphide belts at Forrestania and Agnew-Wiluna.

The important conclusion from the Technical Review is that the East Laverton Nickel Project has the size and required geological criteria to host multiple nickel sulphide deposits.

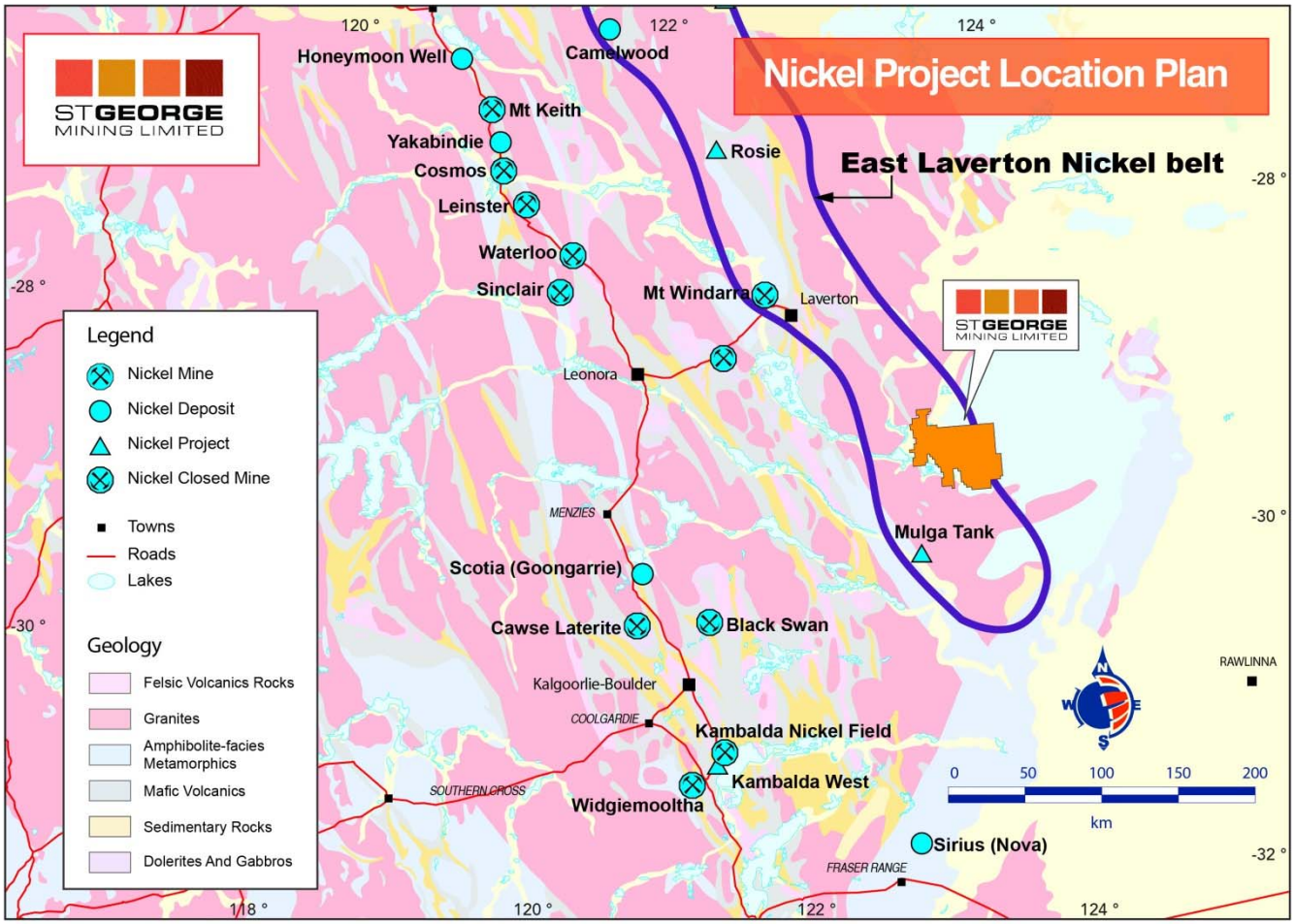

Figure 4 – St George's Project is located in a key section of the East Laverton Nickel belt, that runs parallel and to the east of the Agnew-Wiluna belt which hosts several world class nickel sulphide deposits

Drilling Increases VMS Prospectivity

Four RC drill holes were completed as part of the 2014 Phase 2 drilling program to follow-up the significant zinc (Zn) and copper (Cu) mineralisation that was intersected in drill hole DDD011. Three of these holes returned anomalous intersections of zinc. These are interpreted to be within a marginal (zinc dominant) phase of a larger VMS (volcanic massive sulphide) system.

In addition, a number of other nickel-focused holes were completed at Desert Dragon, and also intersected horizons with elevated zinc and copper values. For example, drill hole 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. This metal enrichment is likely associated with the presence of sulphidic exhalative sediments, which usually form as a broad aureole around VMS deposits.

The limited base metal exploration so far has returned very encouraging results, and strongly supports the case for the presence of economic occurrences of VMS-style mineralisation to be present at East Laverton. Work is underway to develop further VMS-style base-metal targets for drill testing.

LAKE MINIGWAL PROJECT

St George has successfully completed its first phase of reconnaissance exploration at its 100% owned Lake Minigwal Project, which is prospective for gold and nickel sulphide mineralisation.

The Lake Minigwal Project is interpreted to comprise a covered package of greenstones and sediments, situated within a regionally favourable structural setting. The Project is located to the immediate west of the East Laverton Property (see Figure 5)

The potential of this wider general area was initially identified when a soil geochemical survey conducted by the Geological Survey of Western Australia (GSWA) identified several anomalous gold soil values in an area of covered greenstone.

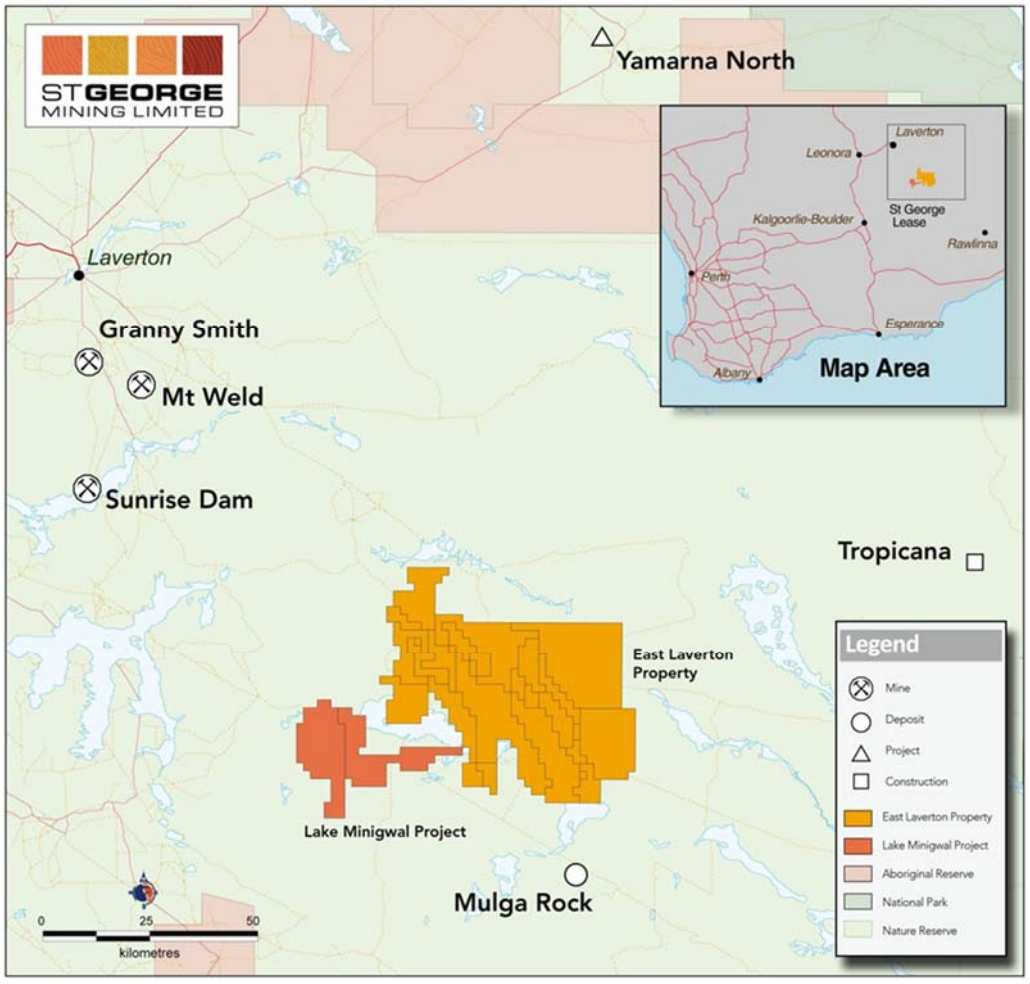

Figure 5 – the Lake Minigwal Project is illustrated relative to the East Laverton Property and other major regional projects including the Laverton goldfield to the north

St George has since acquired airborne magnetics and completed ground gravity and soil geochemical surveys. Exploration results to date are very encouraging for the gold and nickel sulphide prospectivity of the Project area.

A large mass of greenstone was identified from the gravity survey and magnetics data (i.e. higher density and more magnetic rocks). This area was then validated by the coincident nickel-cobalt soil geochemical responses from our geochemical soil survey (see Figure 6). Nickel and cobalt are two elements commonly used to distinguish greenstones from other rocks with less mafic minerals.

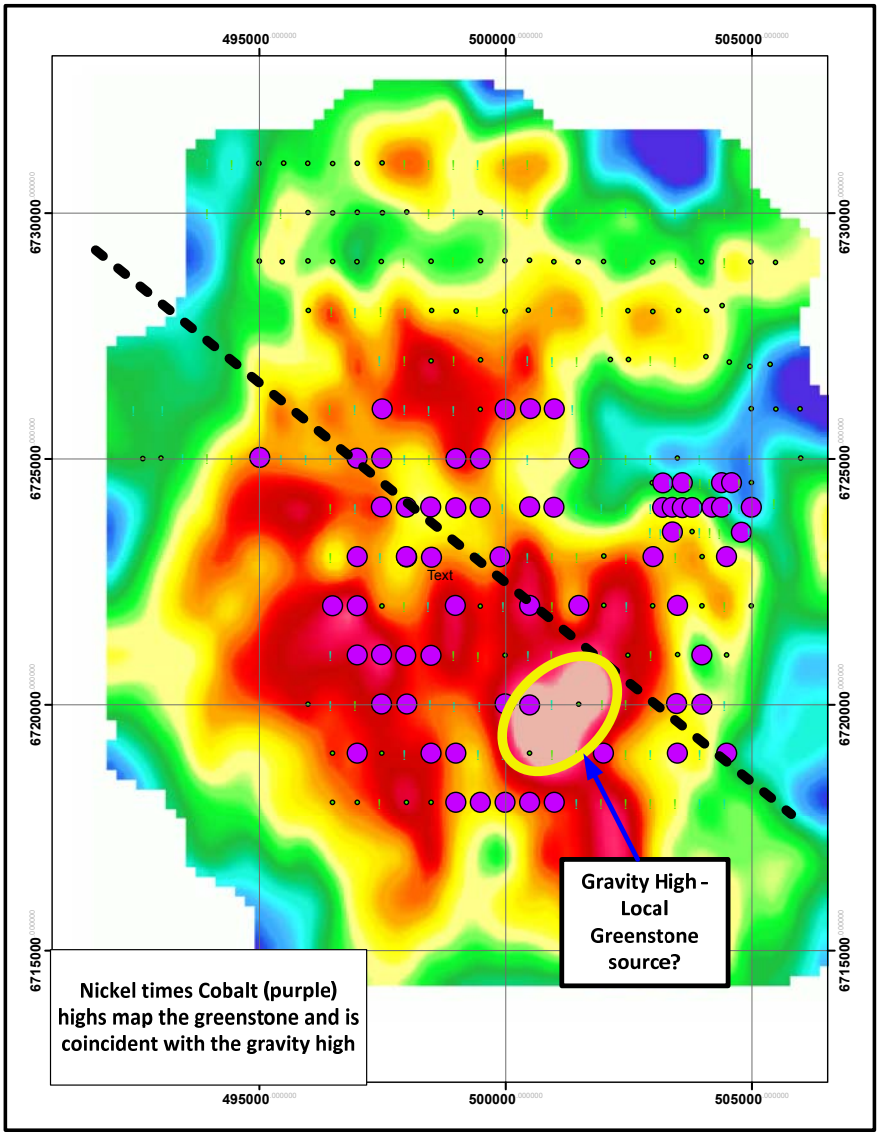

Figure 6 - The nickel-cobalt index (purple dots) correlate well with the denser rocks that are mapped by the higher (red) gravity response

A large, composite gold + molybdenum + arsenic soil anomaly covered an area in excess of 5,000 m along the northern greenstone-sediment contact. The gold anomalism was also constrained within a NW trending structure (see Figure 7). It is believed that the position of the gold anomalism along the greenstone-sediment margin is significant. The major gold deposits (3+ MozAu) in the Laverton goldfield to the west are hosted in sedimentary rather than greenstone rocks.

St George is now planning the next phase of exploration at the Lake Minigwal Project to follow-up on the positive results from the initial field exploration.

St George has also strategically acquired additional ground to expand the project area with an application for exploration licence E39/1877.

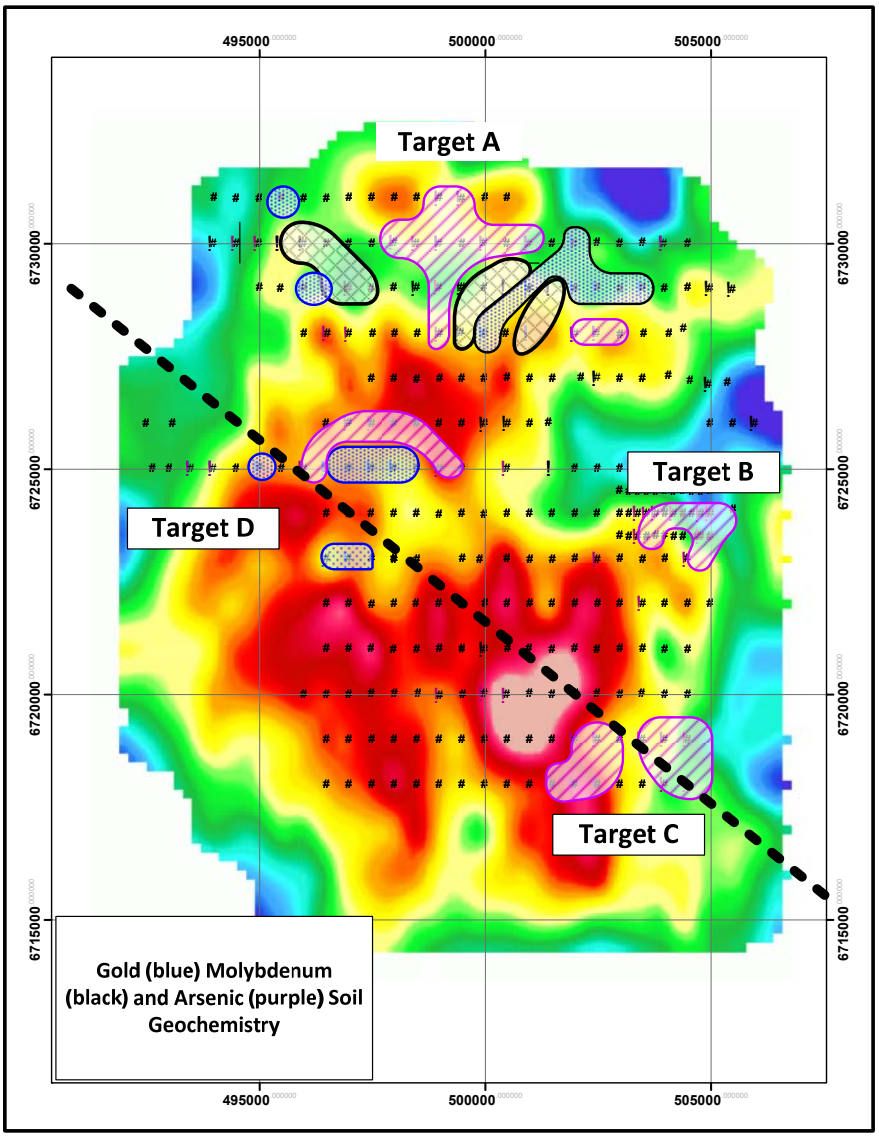

Figure 7 - The main Au+Mo and As soil anomaly lies immediately north of the project area in a sedimentary host rock, which is typical of major gold deposits in the Laverton region.

TENEMENT INFORMATION

There were no changes to the Company's tenement holdings during the quarter, apart from the new exploration licence application at the Lake Minigwal Project.

East Laverton Property

St George Mining has 100% ownership of 27 granted Exploration Licences and one application for an Exploration Licence at the East Laverton Property.

Lake Minigwal Project

St George Mining has 100% ownership of 2 granted Exploration Licences and one application for an Exploration Licence at the Lake Minigwal Project.

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 Tim Hronsky, a Competent Person who is a Member of The Australasian Institute of Mining and Metallurgy. Mr Tim Hronsky is employed by Essential Risk Solutions Ltd which has been retained by St George Mining Limited to provide technical advice on mineral projects.

This ASX announcement contains information extracted from the following reports which are available on the Company's website at www.stgm.com.au:

- 20 April 2015 *High Quality EM Conductor at Aphrodite*
- 23 March 2015 *Outstanding Nickel Sulphides Targets*
- 17 March 2015 *Nickel Sulphide Targets at Desert Dragon North*
- 4 March 2015 *Global Nickel Expert Endorses Project*
- 11 February 2015 *St George Extends Nickel Sulphide Zone*

The Company confirms that it is not aware of any new information or data that materially affects the exploration results included in any original market announcements referred to in this report and that no material change in the results has occurred. The Company confirms that the form and context in which the Competent Person's findings are presented have not been materially modified from the original market announcements.

TENEMENT INFORMATION AS REQUIRED BY LISTING RULE 5.3.3

Other than as detailed in the body of the Quarterly Activities Report and in the Table below, no tenements, in part or whole, were relinquished, surrendered or otherwise divested during the quarterly period ended 31 March 2015.

Tenement ID	Registered Holder	Location	Ownership (%)	Change in Quarter
E39/0981	Desert Fox Resources Pty Ltd	East Laverton Property	100	N/A
E39/0982	Desert Fox Resources Pty Ltd	East Laverton Property	100	N/A
E39/0985	Desert Fox Resources Pty Ltd	East Laverton Property	100	N/A
E39/1064	Desert Fox Resources Pty Ltd	East Laverton Property	100	N/A
E39/1066	Desert Fox Resources Pty Ltd	East Laverton Property	100	N/A
E39/1229	Desert Fox Resources Pty Ltd	East Laverton Property	100	N/A
E39/1461	Desert Fox Resources Pty Ltd	East Laverton Property	100	N/A
E39/1472	Desert Fox Resources Pty Ltd	East Laverton Property	100	N/A
E39/1473	Desert Fox Resources Pty Ltd	East Laverton Property	100	N/A
E39/1474	Desert Fox Resources Pty Ltd	East Laverton Property	100	N/A
E39/1475	Desert Fox Resources Pty Ltd	East Laverton Property	100	N/A
E39/1476	Desert Fox Resources Pty Ltd	East Laverton Property	100	N/A
E39/1467	Desert Fox Resources Pty Ltd	East Laverton Property	100	N/A
E39/1492	Desert Fox Resources Pty Ltd	East Laverton Property	100	N/A
E39/1518	Desert Fox Resources Pty Ltd	East Laverton Property	100	N/A
E39/1519	Desert Fox Resources Pty Ltd	East Laverton Property	100	N/A
E39/1520	Desert Fox Resources Pty Ltd	East Laverton Property	100	N/A
E39/1521	Desert Fox Resources Pty Ltd	East Laverton Property	100	N/A
E39/1549	Desert Fox Resources Pty Ltd	East Laverton Property	100	N/A
E39/1565	Desert Fox Resources Pty Ltd	East Laverton Property	100	N/A
E39/1572	Desert Fox Resources Pty Ltd	East Laverton Property	100	N/A
E39/1601	Desert Fox Resources Pty Ltd	East Laverton Property	100	N/A
E39/1608	Desert Fox Resources Pty Ltd	East Laverton Property	100	N/A
E39/1666	Desert Fox Resources Pty Ltd	East Laverton Property	100	N/A
E39/1667	Desert Fox Resources Pty Ltd	East Laverton Property	100	N/A
E39/1722	Desert Fox Resources Pty Ltd	East Laverton Property	100	N/A
E39/1779	Desert Fox Resources Pty Ltd	East Laverton Property	100	N/A
ELA39/1852	Desert Fox Resources Pty Ltd	East Laverton Property	0	Application lodged on 24 Dec 2014
E39/1677	St George Mining Limited	Lake Minigwal Project	100	N/A
E39/1678	St George Mining Limited	Lake Minigwal Project	100	N/A

Rule 5.5

Appendix 5B

Mining exploration entity and oil and gas exploration entity quarterly report

Introduced 01/07/96 Origin Appendix 8 Amended 01/07/97, 01/07/98, 30/09/01, 01/06/10, 17/12/10, 01/05/2013

Name of entity

St George Mining Limited

ABN	Quarter ended ("current quarter")
21 139 308 973	31 March 2015

Consolidated statement of cash flows

		Current quarter $A'000	Year to date (9 months) $A'000
Cash flows related to operating activities			
1.1	Receipts from product sales and related debtors	-	-
1.2	Payments for (a) exploration & evaluation	(420)	(2,519)
	(b) development	-	-
	(c) production	-	-
	(d) administration	(201)	(696)
1.3	Dividends received	-	-
1.4	Interest and other items of a similar nature received	10	19
1.5	Interest and other costs of finance paid	-	-
1.6	Income taxes paid	-	-
1.7	Other – GST	70	62
	Other – R&D Tax Incentive	-	782
	Net Operating Cash Flows	(541)	(2,352)
	Cash flows related to investing activities		
1.8	Payment for purchases of: (a) prospects	-	-
	(b) equity investments	-	-
	(c) other fixed assets	(2)	(8)
1.9	Proceeds from sale of: (a) prospects	-	-
	(b) equity investments	-	-
	(c) other fixed assets	-	-
1.10	Loans to other entities	-	-
1.11	Loans repaid by other entities	-	-
1.12	Other (provide details if material)	-	-
	Net investing cash flows	(2)	(8)
1.13	Total operating and investing cash flows (carried forward)	(543)	(2,360)

+ See chapter 19 for defined terms.

1.13	Total operating and investing cash flows (brought forward)	(543)	(2,360)
	Cash flows related to financing activities		
1.14	Proceeds from issues of shares, options, etc.	-	2,121
1.15	Proceeds from sale of forfeited shares	-	-
1.16	Proceeds from borrowings	-	-
1.17	Repayment of borrowings	-	-
1.18	Dividends paid	-	-
1.19	Other – Capital Raising Costs	-	(127)
	Net financing cash flows	-	1,994
	Net increase (decrease) in cash held	(543)	(366)
1.20	Cash at beginning of quarter/year to date	1,438	1,261
1.21	Exchange rate adjustments to item 1.20	-	-
1.22	**Cash at end of quarter**	895	895

Payments to directors of the entity, associates of the directors, related entities of the entity and associates of the related entities

		Current quarter $A'000
1.23	Aggregate amount of payments to the parties included in item 1.2	134
1.24	Aggregate amount of loans to the parties included in item 1.10	-

1.25 Explanation necessary for an understanding of the transactions

	$'000
Directors fees and remuneration	105
Accounting, bookkeeping, corporate secretarial and general administrative services	29

Non-cash financing and investing activities

2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

N/A

2.2 Details of outlays made by other entities to establish or increase their share in projects in which the reporting entity has an interest

N/A

Financing facilities available

Add notes as necessary for an understanding of the position.

		Amount available $A'000	Amount used $A'000
3.1	Loan facilities	-	-
3.2	Credit standby arrangements	-	-

Estimated cash outflows for next quarter

		$A'000
4.1	Exploration and evaluation	400
4.2	Development	-
4.3	Production	-
4.4	Administration	150
	Total	**550**

Reconciliation of cash

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.		Current quarter $A'000	Previous quarter $A'000
5.1	Cash on hand and at bank	884	432
5.2	Deposits at call	11	1,006
5.3	Bank overdraft	-	-
5.4	Other (provide details)	-	-
	Total: cash at end of quarter (item 1.22)	**895**	**1,438**

+ See chapter 19 for defined terms.

Changes in interests in mining tenements and petroleum tenements

		Tenement reference and location	Nature of interest (note (2))	Interest at beginning of quarter	Interest at end of quarter
6.1	Interests in mining tenements and petroleum tenements relinquished, reduced or lapsed	N/A	N/A	N/A	N/A
6.2	Interests in mining tenements and petroleum tenements acquired or increased	N/A	N/A	N/A	N/A

Issued and quoted securities at end of current quarter

Description includes rate of interest and any redemption or conversion rights together with prices and dates.

		Total number	Number quoted	Issue price per security (see note 3) (cents)	Amount paid up per security (see note 3) (cents)
7.1	**Preference +securities** *(description)*	100	-	-	-
7.2	Changes during quarter				
	(a) Increases through issues	-	-	-	-
	(b) Decreases through returns of capital, buy-backs, redemptions	-	-	-	-
7.3	**+Ordinary securities**	111,831,806	111,831,806	-	-
7.4	Changes during quarter				
	(a) Increases through issues	-	-	-	-
	(b) Decreases through returns of capital, buy-backs	-	-	-	-
7.5	**+Convertible debt securities** (*description)*	-	-	-	-

+ See chapter 19 for defined terms.

7.6	Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted	- -	- -	- -	- -
7.7	**Options** *(description and conversion factor)*	11,183,181 1,000,000 3,029,525	11,183,181 - -	*Exercise price* $0.20 $0.40 $0.30	*Expiry date* 30 June 2017 28 November 2015 30 June 2016
7.8	Issued during quarter	11,183,181 2,050,000	11,183,181 -	- -	- -
7.9	Exercised during quarter				
7.10	Expired during quarter	-	-	-	-
7.11	**Debentures** *(totals only)*	-	-		
7.12	**Unsecured notes** *(totals only)*	-	-		

Compliance statement

1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act or other standards acceptable to ASX (see note 5).

2 This statement does /does not* *(delete one)* give a true and fair view of the matters disclosed.

Sign here: Sarah Shipway
Company secretary

Date: 30 April 2015

Print name: Sarah Shipway

Notes

1 The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position.

+ See chapter 19 for defined terms.

An entity wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.

2 The "Nature of interest" (items 6.1 and 6.2) includes options in respect of interests in mining tenements and petroleum tenements acquired, exercised or lapsed during the reporting period. If the entity is involved in a joint venture agreement and there are conditions precedent which will change its percentage interest in a mining tenement or petroleum tenement, it should disclose the change of percentage interest and conditions precedent in the list required for items 6.1 and 6.2.

3 **Issued and quoted securities** The issue price and amount paid up is not required in items 7.1 and 7.3 for fully paid securities.

4 The definitions in, and provisions of, *AASB 6: Exploration for and Evaluation of Mineral Resources* and *AASB 107: Statement of Cash Flows* apply to this report.

5 **Accounting Standards** ASX will accept, for example, the use of International Financial Reporting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.

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