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ST GEORGE INTERSECTS EXTENSIVE ULTRAMAFICS IN MAIDEN DRILL PROGRAMME AT HAWAII PROJECT

HIGHLIGHTS:

- **Four drill holes completed at the Hawaii Project as part of the first ever bedrock drilling**
- **High-MgO ultramafics intersected in all four drill holes testing two magnetic trends**
- **Drilling identifies greenstone sequences which have never been explored for nickel sulphide and gold mineralisation**
- **Assays results for the drilling expected January 2016**

POSITIVE RESULTS FROM MAIDEN DRILLING PROGRAMME AT HAWAII PROJECT

St George Mining Limited (ASX: **SGQ**) ('St George' or 'the Company') is pleased to announce encouraging interim results from the first ever bedrock drilling at its 100% owned Hawaii Project, located south-west of the Agnew-Wiluna belt in Western Australia.

Four reverse circulation (RC) drill holes were completed for 831m of drilling. The drill holes tested two prominent north-northeast magnetic trends adjacent to the Ida Fault; see Figure 1. All four drill holes intersected high-MgO ultramafics in bedrock, based on geological logging of drill samples.

The drill holes also intersected other rock types typical in greenstone belts elsewhere in the Yilgarn, and confirm the discovery of a new greenstone sequence in an area previously considered to be barren granitoids. These greenstone sequences have never been explored for nickel sulphide or gold mineralisation, and provide an attractive exploration opportunity for St George.

The Hawaii Project was recently acquired from BHP Billiton Nickel West Pty Ltd ("Nickel West"). A reconnaissance aircore drill programme previously completed by Nickel West, with average hole depths of 60m, intersected thick weathered ultramafics. Deeper drilling to investigate the extent and prospectivity of these ultramafics in bedrock had never been completed, until the current drilling by St George.

The RC drill holes completed by St George have been cased with PVC-piping for downhole electromagnetic (DHEM) surveys to investigate for conductive bodies around the holes.

Drill samples have been sent to Intertek Genalysis Laboratories, and assays are expected in January 2016. The RC chip samples have not been analysed in the field by our portable XRF unit which was fully utilised at our East Laverton Project.

John Prineas, Executive Chairman of St George Mining, said:

"The drilling at Hawaii has delivered an important exploration milestone by successfully confirming the presence of prospective ultramafics in the untested greenstone sequences.

"The results from this drilling will provide an excellent platform from which to plan further exploration at Hawaii, and to move closer to a significant greenfields discovery."

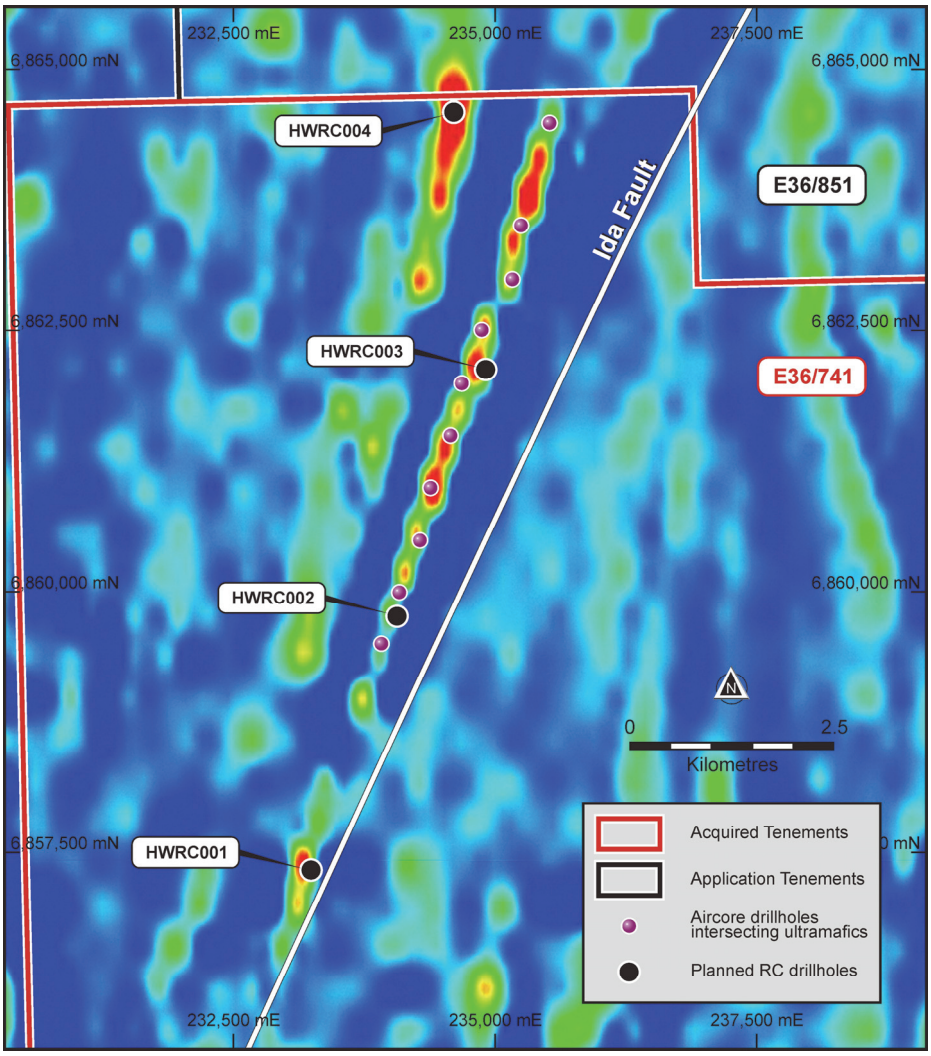

Figure 1 – a map of the Hawaii Project (1VD magnetics) showing the location of the completed RC drill holes that tested two magnetic trends and confirmed the presence of ultramafics in the greenstone sequences.

The completed drill holes with interim observations from geological logging are noted in Table 1 below.

Drill samples from the four completed drill holes were analysed by a portable magnetic susceptibility meter. Samples logged as ultramafics on the eastern magnetic trend, tested by drill holes HWRC001, HWRC002 and HWRC003, recorded the highest magnetic readings and support the ultramafics as the primary source of the extensive eastern magnetic anomaly. Samples logged as magnetite-bearing rock and also ultramafics on the western magnetic trend, tested by HWRC004, recorded the highest magnetic readings and provide the source of the western magnetic anomaly.

Hole ID	Depth	Field Observations
HWRC001	205m	High-MgO ultramafic from 59-122m, 153-156m and 186-192m; Low-MgO ultramafic and komatiitic basalt from 122-153m, 156-186m and 192-205m
HWRC002	204m	High-MgO ultramafic from 115-162m and 170-180m
HWRC003	246m	High-MgO ultramafic from 105-124m and 137-143m; komatiitic basalt from 194-202m, 212-215 and 218-225m
HWRC004	176m	High-MgO ultramafic from 28-32m, 74-78m and 137-139m; Magnetite with 30% pyrite from 32-33m, magnetite breccia with minor pyrite from 39-48m, magnetite with 3% pyrite from 79-89m and magnetite with 10% pyrite from 108-112m

Table 1 – Interim Observations of Completed Drill Holes at Hawaii

The drill hole details for these holes are noted in Table 2. A detailed analysis of the drill results will be completed once assays are received. Further exploration will be planned at the Hawaii Project once the assays and DHEM survey data is reviewed by our technical team.

HOLE ID	EASTING	NORTHING	RL	DIP (deg)	AZM (deg)	DEPTH (m)
HWRC001	233245	6857335	425	-60	280	205
HWRC002	234065	6859765	420	-60	280	204
HWRC003	234910	6862125	420	-60	280	246
HWRC004	234605	6864590	415	-90	0	176

Table 2 – Drill Hole Details of Completed Holes at Hawaii

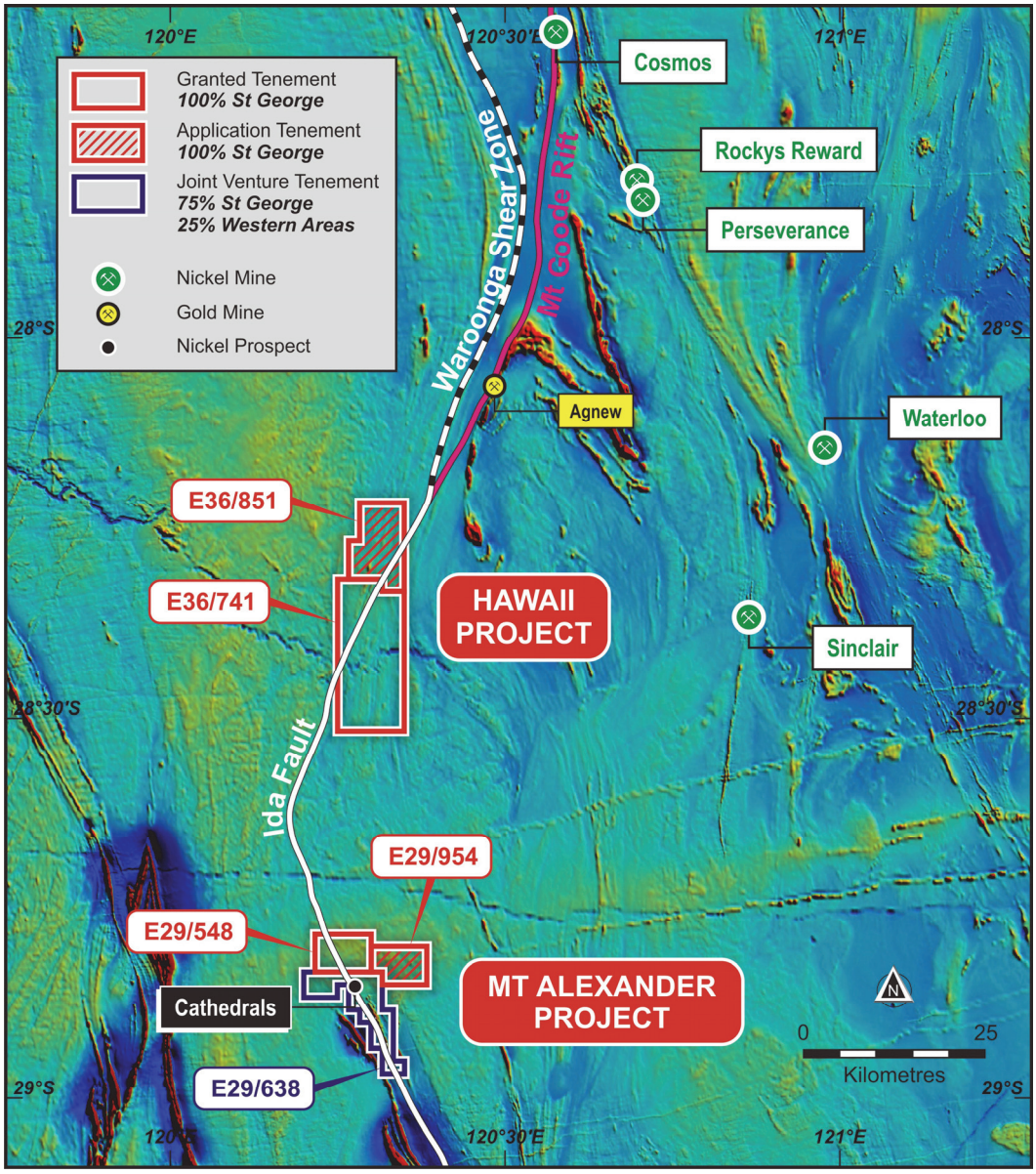

Figure 2 – map showing the location of the Hawaii Project over TMI magnetics in a world class address for nickel sulphide and gold deposits.

XRF ANALYSIS

References to XRF results relate to analysis using a hand-held Olympus Innov-X Spectrum Analyser. This portable device provides immediate analysis of modal mineralogy of drill samples. The device is unable to reliably detect precious metals in samples but is considered to be more reliable for base metal assessment.

Unless otherwise stated, values determined by XRF analysis are based on one spot reading per one metre of drill samples. As such, results from XRF analysis are stated as indicative only and are preliminary to subsequent confirmation by geochemical analysis at Intertek Genalysis Laboratories.

The XRF data is useful in assisting in the interpretation of the geological character of the rocks being encountered during drilling. The data may not be representative of the actual metal content in that sample.

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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 Australasian 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.*	This ASX Release dated 21 December 2015 reports on the maiden reverse circulation (RC) drilling programme completed by St George Mining Limited ("St George") at its new Hawaii Project. All samples from the RC drilling are taken as 1m samples from a splitter mounted beneath the cyclone. The cyclone and splitter are cleaned regularly to minimise any contamination. Appropriate QAQC samples (standards, blanks and duplicates) are inserted into the sequences as per industry best practice
	Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.	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. The remaining majority of the sample return for that metre is collected and placed in 1m piles on the ground. Samples with any fibrous material identified are placed in green plastic bags and marked appropriately. The cyclone is blown through with compressed air after each sample 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 an 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 pressure loss, especially in deeper holes.
	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.*	Reverse circulation drilling was used to obtain 1m samples from which 3kg bags for assay submission were collected. Samples are sent to Intertek Laboratories in Kalgoorlie. Samples are dried, 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 limit for gold, platinum and palladium is 1 ppb. All other elements are 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 drilling was undertaken by VM Drilling using a Schramm 685 truck mounted drill rig. 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.

Criteria	JORC Code explanation	Commentary
Drill sample recovery	*Method of recording and assessing core and chip sample recoveries and results assessed.*	RC samples are visually checked for recovery, moisture and contamination and recorded by the site geologist.
	Measures taken to maximise sample recovery and ensure representative nature of the samples.	Samples are collected using cone or riffle splitter. For each drill site it is ensured the splitter is level and that any blockages in the cyclone and splitter are removed after each rod change.
	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 required.
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 on is carried out on all drill holes with lithology, alteration, mineralisation, and veining recorded in acQuire software for import into the central St George database.
	Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography.	Logging is both qualitative and quantitative depending in the information being captured.
	The total length and percentage of the relevant intersections logged.	All drill holes are geologically logged in full.
Sub-sampling techniques and sample preparation	*If core, whether cut or sawn and whether quarter, half or all core taken.*	All drilling was reverse circulation so not applicable.
	If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry.	All RC holes are 1m samples collected via on-board cone splitter. Most samples were dry, although some wet samples were intersected.
	For all sample types, the nature, quality and appropriateness of the sample preparation technique.	Sample preparation for RC chips follows a standard protocol and industry best practice. Assay preparation procedures ensure the entire sample is dried, crushed and pulverised to 75 microns to produce a homogenous sub sample for analysis. 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.	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.	Field duplicates were taken on 1m RC samples at selected intervals.
	Whether sample sizes are appropriate to the grain size of the material being sampled.	The sample sizes are considered to be appropriate for nickel sulphide (massive and disseminated) and gold mineralisation.

Criteria	JORC Code explanation	Commentary
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.*	A 30 gram sample is analysed using lead collection fire assay to determine gold, platinum and palladium. All other elements are 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.
	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.	Portable XRF analysis of RC samples was not completed in this drilling programme.
	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.*	No significant intersections to date.
	The use of twinned holes.	No twinned holes have been drilled on the project to date.
	Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.	Geological data was collected using acQuire software and recorded weathering, veining, lithology, alteration, and mineralisation. This data was loaded directly into the St George central database.
	Discuss any adjustment to assay data.	No adjustments or calibrations will be made to any primary assay data reported.
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, which for the nature of reconnaissance exploration is considered sufficient. Downhole surveys of dip and azimuth are conducted using a single shot camera every 60m to detect deviations of the hole from the planned dip and azimuth.
	Specification of the grid system used.	The grid system used at the Hawaii project is GDA94 (MGA), zone 51.
	Quality and adequacy of topographic control.	Due to the reconnaissance nature of exploration at the Hawaii project, hand-held GPS is currently considered sufficient to provide approximate elevation data. Best estimated RLs were assigned during drilling and are to be corrected at a later stage as required.
Data spacing and distribution	*Data spacing for reporting of Exploration Results.*	The drill programme is testing magnetic anomalies for the presence of prospective bedrock geology for nickel sulphide and gold 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 preliminary exploration stage. No mineralisation has been identified at the Hawaii Project 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.

Criteria	JORC Code explanation	Commentary
	Whether sample compositing has been applied.	No compositing has been applied to the exploration results.
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.*	Any intersected mineralisation will be reported as downhole intervals and not calculated true width, which will be established with further drilling as required.
	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 St George Mining, until samples are delivered to the certified assay laboratory by contractors employed directly by St George. When in storage, they are kept in locked premises. 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.*	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 Hawaii Project is comprised of one granted Exploration Licence (E36/741) and one Exploration Licence Application (E36/851). The tenements are 100% owned by Blue Thunder Resources Pty Ltd, a wholly owned subsidiary of St George Mining. E36/741 is subject to a royalty in favour of a third party that is outlined in the ASX Release dated 18 September 2015. No heritage sites or environmentally sensitive sites have been identified on the granted tenement. The granted tenement is in good standing and no known impediments exist.
Exploration Done by Other Parties	*Acknowledgment and appraisal of exploration by other parties.*	E36/741 was acquired by St George Mining from BHP Billiton Nickel West Pty Ltd (Nickel West). Limited on-ground exploration was completed on this tenement by Nickel West. At E36/741, an aircore drilling programme comprising 20 holes for 944m was completed in 2012 by Nickel West. The drilling identified a 5.5km strike length of ultramafic rocks. This was a major exploration breakthrough as the area was previously considered to be barren granitoids. A follow-up small fixed loop EM program was completed over ~10% of the ultramafic in 2013, with no bedrock conductors identified. Eight of the aircore drill holes did not penetrate to the lower saprolite/saprock. The tenements remain underexplored.
Geology	*Deposit type, geological setting and style of mineralisation*	The Hawaii Project is located along the Ida Fault, a significant Craton-scale structure that marks the boundary between the Eastern Goldfields Superterrane to the east and the Youanmi Terrane to the west. No mineralisation has been discovered at the Project to date. The Hawaii Project is prospective for komatiite-hosted nickel sulphide deposits and precious metal deposits (i.e. Orogenic gold) that are typified elsewhere in the Yilgarn Craton.

Criteria	JORC Code explanation	*Commentary*
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 the ASX Release.
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.*	Cut-off grades and weighting averaging techniques will be provided in subsequent announcements with details of assay results for this drilling programme as required.
	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 methodology for reporting high grade results will be provided in subsequent announcements with details of assay results for this drilling programme as required.
	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).*	No mineralisation has yet been identified at the Hawaii Project.
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 scaled and oriented maps are included in the body of the ASX Release. Sections of drill holes will be provided with subsequent announcements of assay results from this 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 Exploration Results.*	All exploration results will be announced once assay results are received for the current drilling programme.
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.*	No other exploration data collected to date is considered material or meaningful at this stage.

Criteria	JORC Code explanation	*Commentary*
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 will depend on the assay results from this drilling programme. Further announcements will be made in due course.