



'2014 Nickel Sulphide Drilling Campaign: Positioned for Exploration Success'

1 May 2014



St George Mining Limited | ACN 139 308 973

St George – Positioned for Success

**Strong
platform for
discovery
and share
price re-
rating**

*Advanced nickel sulphide exploration
First ever drilling of EM conductors starts this
month*

*Exploration model focused on large
discoveries
Potential recognised by big mining company
interest*

*Maintained tight capital structure
High leverage for shareholders to drilling
success*

Corporate Overview

Corporate Snapshot

Board - *Skills to deliver exploration success and company growth*

John PRINEAS – Chairman with over 25 years experience in the banking and legal sectors, including the head of a financial institution in Australia, with a focus on financing and corporate advice to mining companies

Tim HRONSKY – Technical Director with 25 years as a geologist in the exploration and mining industry, including 15 years with Placer Dome Inc., where he was Exploration Manager for Asia

Marcus MICHAEL – Chartered Accountant with over 23 years of providing advice across a range of industries including mining, engineering and healthcare. Also a director of Argent Minerals (ASX: ARD), Cardinal Resources (ASX: CDV) and Beacon Minerals (ASX: BCN)

Business Model - *Exploration Focus*

- Target projects that are prospective for world class deposits
- Create value through innovative exploration and discovery
- Maintain very low admin/corporate costs to maximise returns for shareholders; money goes into the ground

Highly Qualified Technical Team

Technical Team – *Successful Track Record in Nickel Sulphide Discovery*

Newexco - Leading geophysical consultants in nickel sulphide exploration. Advisers on Nova-Bollinger deposit for Sirius Resources NL (ASX: SIR) and the Spotted Quoll and Flying Fox deposits for Western Areas Limited (ASX: WSA).

Dr Martin GOLE - External nickel consultant, widely recognised as a leading expert in nickel sulphide deposits. The author and co-author of numerous papers on Archean nickel sulphide deposits, including the world-class Perseverance and Mt Keith nickel deposits in the Leinster nickel field.

Travis KERSLAKE - Senior geologist with a strong background in nickel, gold and copper exploration. Was on the team at WMC Resources that discovered the world class Nebo-Babel Ni-Cu-PGE deposit in the Western Musgraves, and recently worked with Rox Resources Ltd (ASX: RXL) on the discovery drilling for the Camelwood nickel sulphide deposit in Western Australia.

Matthew McCARTHY - Senior geologist formerly with BHP Billiton Nickel West, where he was part of the team that made the recent discovery of the significant Venus nickel sulphide deposit at Leinster. Also managed the exploration programme under the previous farm-in arrangement between St George Mining and BHP Billiton Nickel West, which discovered nickel sulphides at East Laverton in 2012.

Capital Structure

| Share Capital | |
|----------------------------|------------|
| Listed Shares (ASX: SGQ) | 79,481,000 |
| Listed Options (ASX: SGQO) | 48,508,000 |
| Market cap (@12c) | \$9.6m |
| Top 20 | 61% |
| Top 3 | 40% |
| Management | 20% |

Options on ASX: Exercise price of 20 cents, expiring on 28 November 2014

Unlisted Options: 750,000 options with 25 cents exercise expiring 28 November 2014; 1,000,000 options with 40 cents exercise expiring 28 November 2015

Performance Shares: 100 Performance Shares expiring 16 November 2015

East Laverton Property: An Emerging Nickel Field

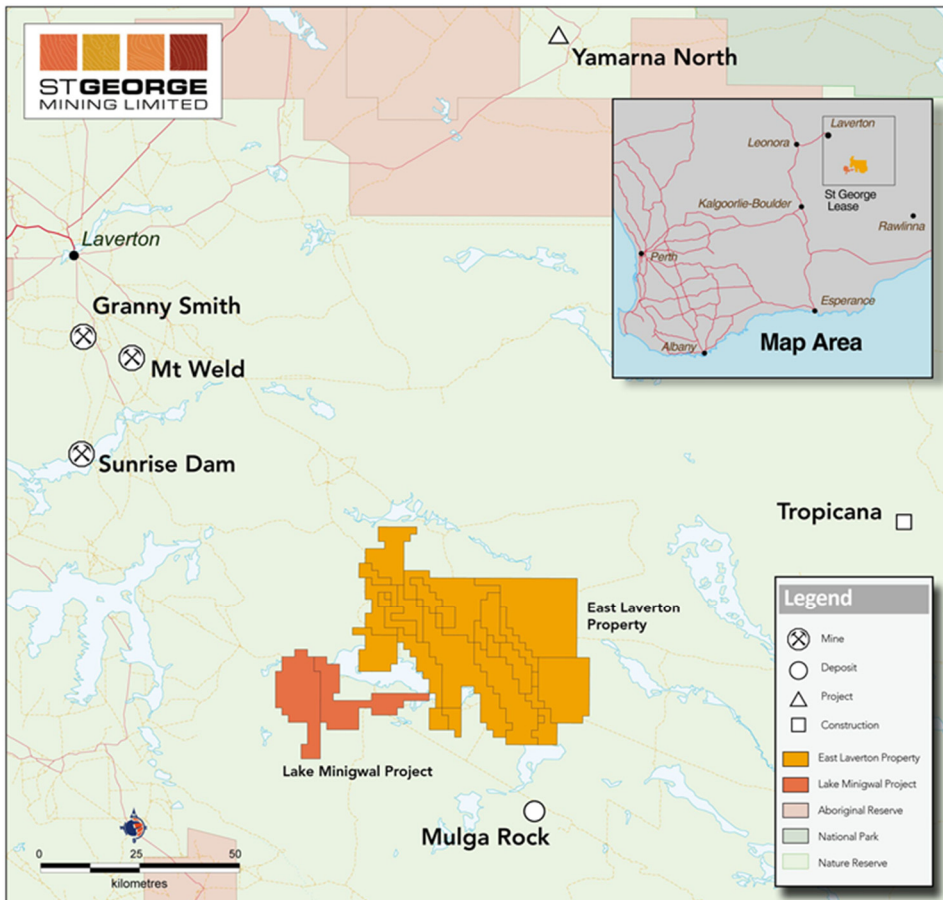
A Rare and Significant Nickel Project



Frontier Location

- 2,000 sq. km contiguous and dominant landholding
- Under-explored and highly prospective for large scale nickel sulphide mineralisation
- Geological setting favours nickel sulphide discoveries
- No native title – no nature reserves
- Safe jurisdiction

Why Is It Special ?



Major Nickel Potential

- 3 extensive ultramafic belts with nickel sulphide potential (strike length +60km)
- An emerging nickel province
- Prospectivity recognised by BHP Billiton Nickel West farm-in (now concluded)
- Multiple nickel prospects currently being explored

Nickel Project Location Plan

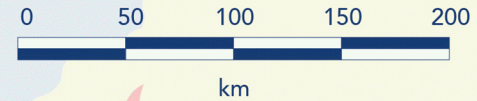
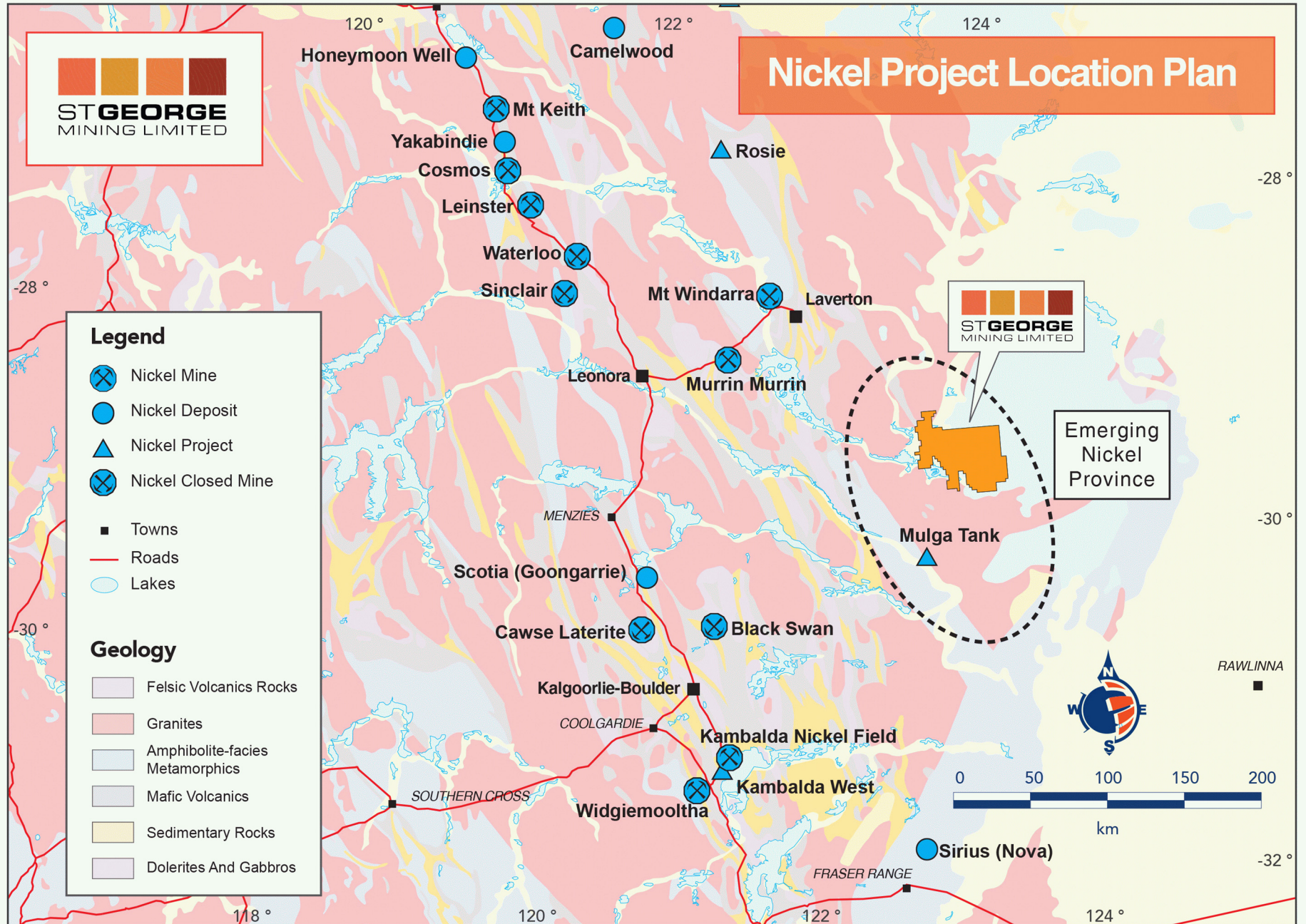


Legend

- Nickel Mine
- Nickel Deposit
- Nickel Project
- Nickel Closed Mine
- Towns
- Roads
- Lakes

Geology

- Felsic Volcanics Rocks
- Granites
- Amphibolite-facies Metamorphics
- Mafic Volcanics
- Sedimentary Rocks
- Dolerites And Gabbros



Nickel Market: Macro Factors Improving

Market Cycle in Upward Turn

Key market drivers:

- Indonesia (28% of world nickel) bans export of unprocessed ore in 2014
- Russia/Ukraine (10% of world nickel) political issues cast doubts on supply
- Global demand for nickel rising with greater production of stainless steel

“Indonesia export ban turns nickel into a star”:

Financial Times, 20 March 2014

“Vale Sees Nickel Over \$20,000 a Ton on Indonesia Ban”:

Bloomberg 25 February 2014

“Nickel Rises to 14-Month High on Indonesia Ban, Ukraine”:

Bloomberg 14 April 2014

“The global surplus will narrow to 41,000 tons this year from an estimated 181,000 tons in 2013. There’ll be a 36,000 ton deficit in 2015, the first time since 2010 that demand exceeds supply”.

Barclays Bank, 13 January 2014

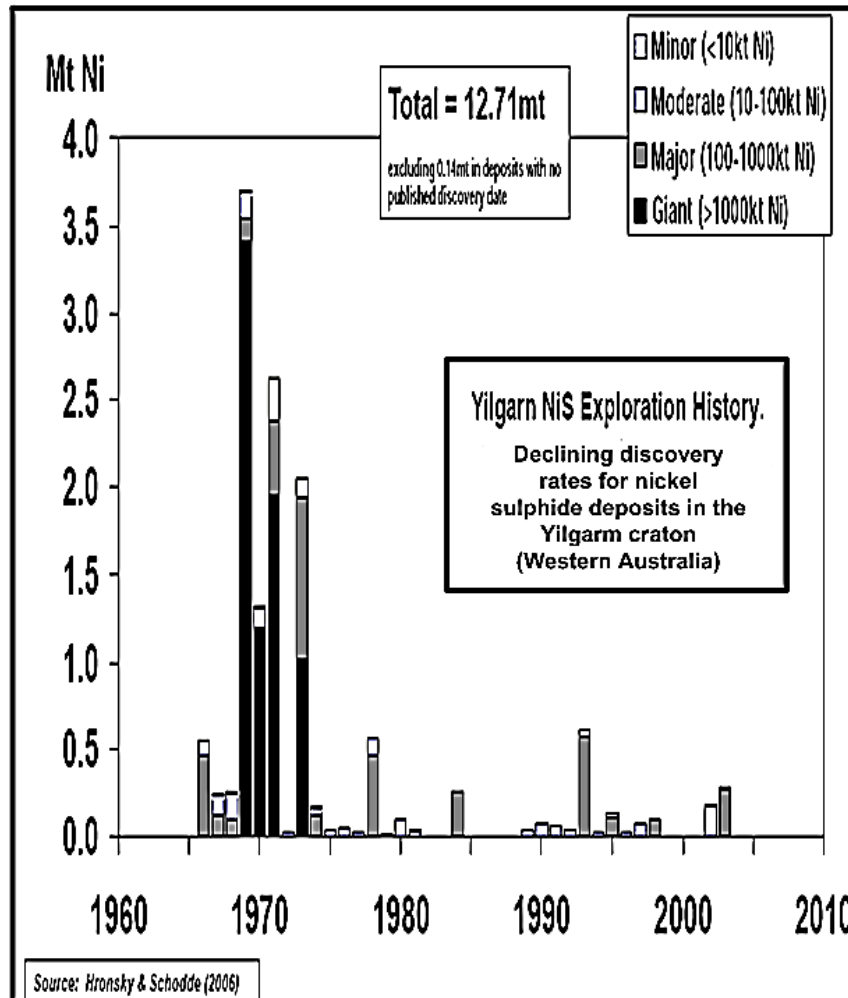
Nickel Price Surges: +29% YTD



“Nickel prices are soaring amid growing concern about the availability of supply from Indonesia and Russia, the top two producers of the metal. The price of the industrial metal, which is used to make steel stronger and more resistant to corrosion and extreme temperatures, **hit a 14-month high on Thursday, bringing year-to-date gains to 29%.**”

The Wall Street Journal, 18 April 2014

Nickel Discovery – It’s Time



NiS Discoveries are Rare

- Most major discoveries were circa. early 1970’s
- Existing NiS mines are mature with declining resources
- A major discovery sets off a ‘nickel boom’
- Big discoveries more likely in frontier locations e.g. Nova

Nickel at East Laverton

Nickel Potential Confirmed in 2012

✓ Nickel Sulphides Already Discovered

- Two holes intersected disseminated nickel sulphides on Stella Range belt
- Multiple occurrences of magmatic and PGE sulphides on all 3 belts

✓ Extensive Reconnaissance Drilling: 35 RC holes for 8,560 metres

- 28 drill holes identified komatiite ultramafics
- 7 nickel sulphide targets established

✓ Favourable Geology

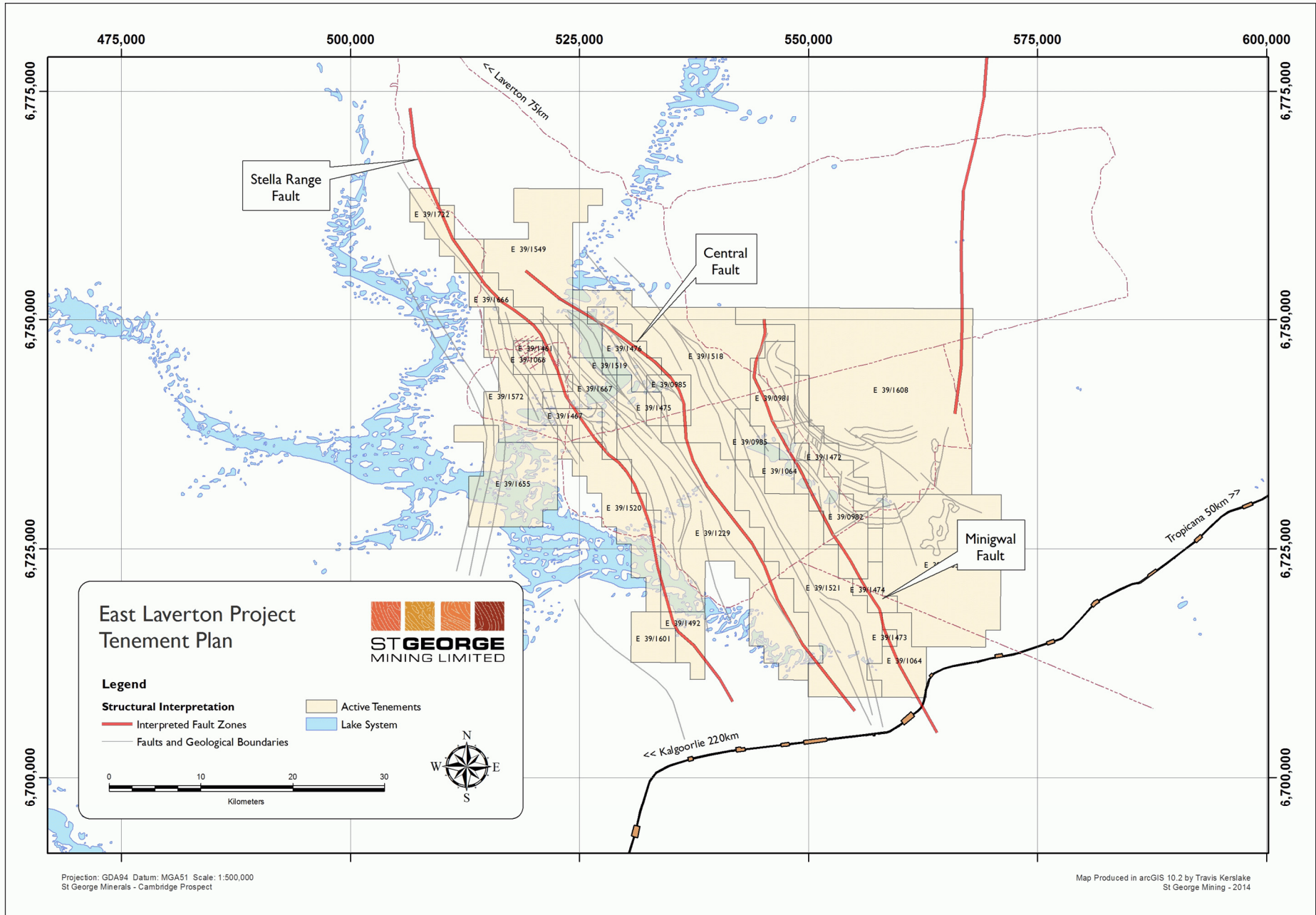
- Thick high MgO ultramafic sequences identified
- Compositionally similar to Agnew-Wiluna nickel belt

✓ Correct Environment for NiS Deposits

- Extensive sulphur-rich felsic sediments in basal contact with komatiites
- Abundant local source of sulphur essential for nickel sulphide formation

✓ Significant Strike Length

- Stella Range belt has over 60km strike of prospective ultramafic
- Parallel Central and Minigwal belts are interpreted as being lateral flow phases



100% St George

St George has 100% ownership of all nickel rights at East Laverton

- Previous farm-in arrangement with BHP Billiton Nickel West
- Generated 7 nickel sulphide targets
- Targets and \$3m data-set now owned and controlled 100% by St George as from October 2013

Ongoing exploration across 3 ultramafic belts by St George

- Drill ready targets, with more in the pipeline
- Large ground electromagnetic (EM) survey initiated in October 2013
- EM conductors being prioritised for test drilling
- 2014 nickel sulphide drilling campaign starts soon

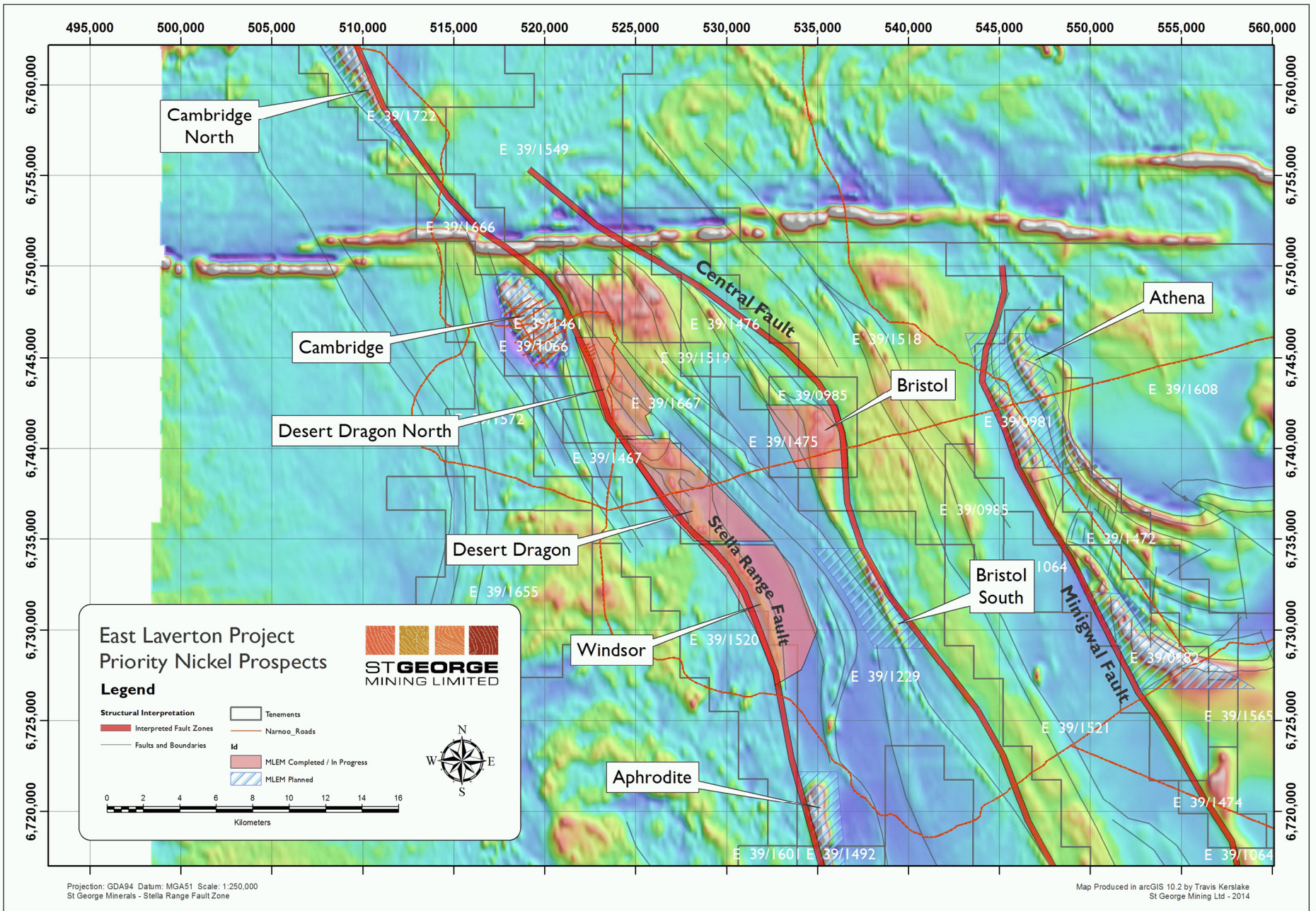
EM Survey Delivers Targets

Comprehensive Electromagnetic Survey

- Modern, powerful EM techniques to see under cover
- Newexco already identified 'Category 1' EM conductors with recommendation for immediate drilling
- EM model focused on large discoveries; 400m moving loop EM (MLEM)
- Fixed loop EM (FLEM) used to refine EM anomalies identified by 400m loops
- Large, regional MLEM survey; 54.5km coverage on Stella Range belt so far

Ongoing EM Survey

- Further target areas on Stella Range, Central and Minigwal belts to be surveyed
- Closer spaced MLEM (200m or 100m loops) to screen for smaller targets

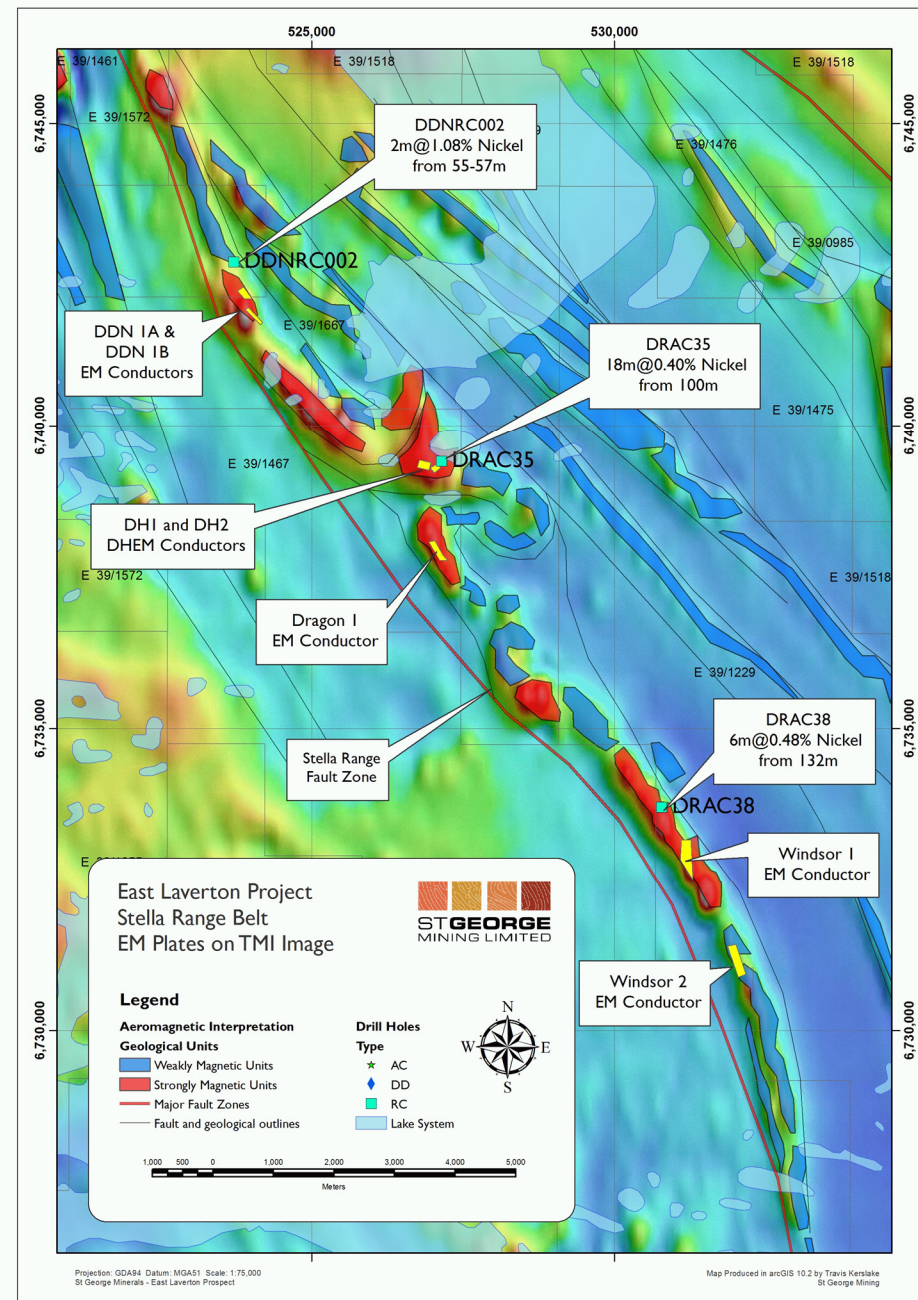


High Impact Exploration

Stella Range Belt

Exploration focused on the Stella Range Belt where fertile high MgO ultramafics with magmatic nickel sulphides have been established

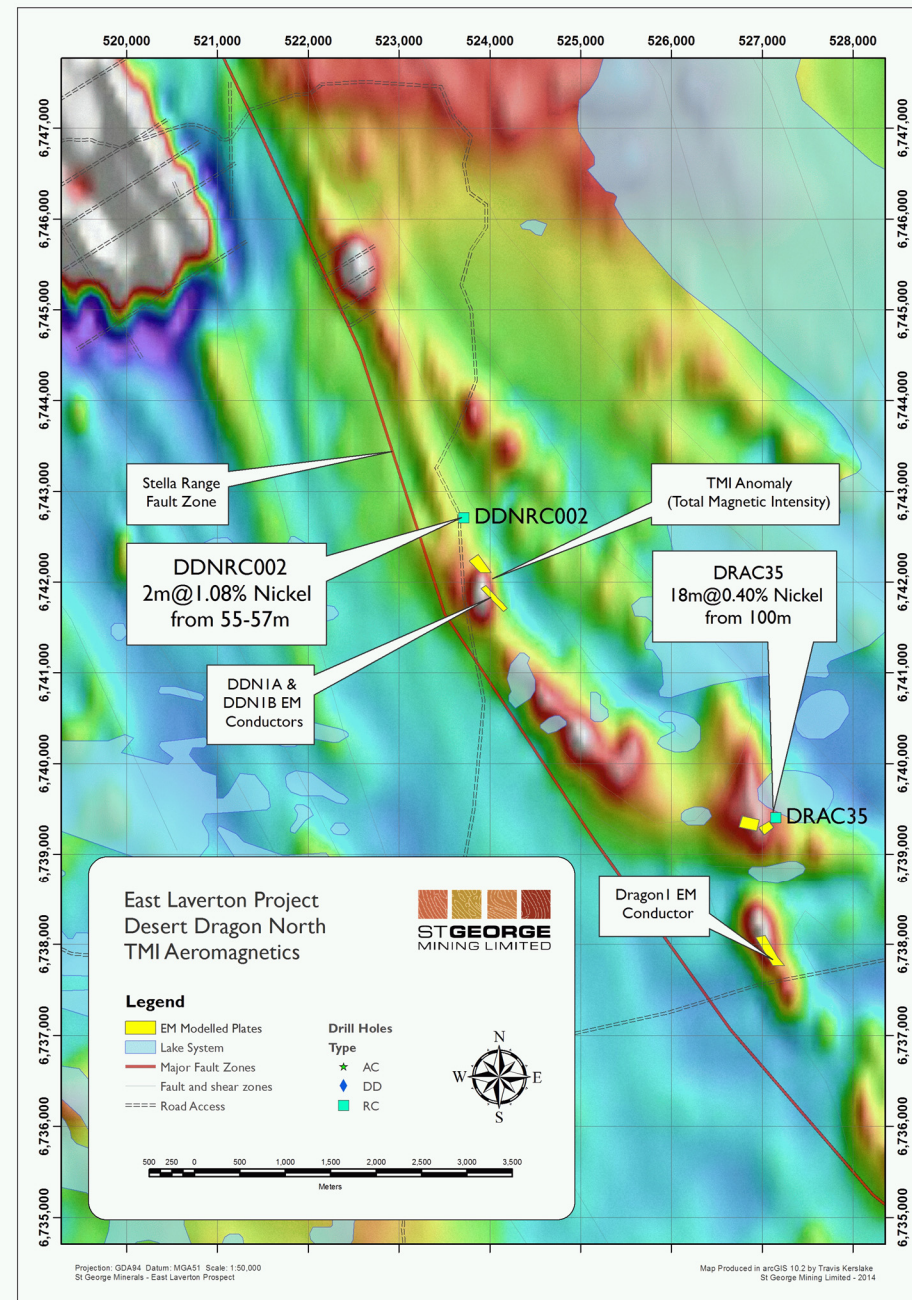
- Disseminated nickel sulphides in 3 holes over 15 km strike length
 - 2m @ 1.08% Ni (DDNRC-02)
 - 18m @ 0.40% Ni (DRAC-35)
 - 2 m @ 0.41 % Ni (DRAC-38)
- Likely to represent at least 2 mineralised nickel systems
- Numerous “Category 1” EM conductors now ready to drill
- Huge exploration upside given limited exploration to date



Desert Dragon North

Highest Priority Target

- Rated as a “Category 1” EM conductor by Newexco
- Discrete late-time EM anomaly
- Co-incident high mag anomaly – thick ultramafic sequences
- On strike from nickel intersection: 2m @ 1.08% Ni (DDNRC-02)
- Geophysical, geological and drilling data support potential for a massive nickel sulphide deposit



Phase 1 of 2014 Drilling Campaign

Phase 1 of the 2014 drilling campaign will test EM conductors on the Stella Range

- Phase 1 of drilling starts in late May 2014
- Six EM conductors planned for initial drill testing
- First ever test drilling of EM conductors by St George
- Strong potential for success in first round of drilling



Phase 2 of 2014 Drilling Campaign

Phase 2 of the 2014 drilling campaign planned for Q3/4 2014

- Ongoing EM survey expected to identify more EM conductors within new areas on the Stella Range as well as Central and Minigwal belts
- EM conductors will be screened and ranked ahead of test drilling
- Building a strong pipeline of drill targets
- Presence of multiple prospects increase discovery potential



Leverage to Exploration Success

Rising Valuation

Unique regional exploration play

- Emerging nickel field
- Dominant landholding
- Big company interest

Systematic exploration using modern techniques

- Strong technical team
- Innovative R&D
- Pipeline of prospects

Share price highly leveraged to exploration success

- Low market cap
- Tight share register

Nickel Discovery: History of Booms

Nickel explorers gain remarkable share price increases on the back of exploration success

Western Areas (ASX: WSA) – market cap at IPO of \$7.4m, now \$1 billion

Jubilee Mines – market cap of \$20m at discovery, taken over for \$3.1 billion

Sirius Resources (ASX: SIR) – market cap of \$8m at discovery, now \$680m



Sirius (ASX: SIR) 3 yr price chart

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- may include, among other things, statements regarding targets, estimates and assumptions in respect of mineral reserves and mineral resources and anticipated grades and recovery rates, production and prices, recovery costs and results, capital expenditures, and are or may be based on assumptions and estimates related to future technical, economic, market, political, social and other conditions;
- are necessarily based upon a number of estimates and assumptions that, while considered reasonable by St George Mining, are inherently subject to significant technical, business, economic, competitive, political and social uncertainties and contingencies; and
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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 Company confirms that it is not aware of any new information or data that materially affects the information included in any original market announcements referred to in this report, and that all material assumptions and technical parameters underpinning the announcements continue to apply and have not materially changed. 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.

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