

15 August 2016

ST GEORGE SECURES FUNDING TO ACCELERATE EXPLORATION

HIGHLIGHTS:

- **A\$6.47 million raised in heavily oversubscribed placement**
- **Strong support from Australian and overseas institutional investors**
- **Fully funded to expand exploration at the Mt Alexander high grade nickel-copper sulphide project**
- **Drilling of massive nickel-copper sulphide targets at Mt Alexander is continuing**

St George Mining Limited (ASX: **SGQ**) ('St George Mining' or 'the Company') is pleased to announce that it has completed a private placement of shares to raise A\$6.47 million. The placement was heavily oversubscribed, reflecting the very strong investor interest created by the Company's ongoing exploration success at the Mt Alexander high grade nickel-copper sulphide project.

A total of 43,165,470 shares will be issued at \$0.15 per share with one (1) free attaching option exercisable at \$0.20 on or before 30 June 2017 for every five (5) shares applied for. The options are part of the option series that trade under ASX code SGQOA.

The new funds will allow St George to aggressively continue exploration activities at the Mt Alexander Project where nickel-copper sulphides have been discovered over a broad area, supporting the potential for a new nickel sulphide camp. The funds raised will also be used for exploration at the Company's other Western Australian projects and for working capital.

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

"The placement provides St George with a strong balance sheet that allows us to vigorously progress the tremendous exploration opportunity at the Mt Alexander Project.

"Since commencing drilling at the Project earlier this year, we have intersected massive nickel-copper sulphides at three prospects and expanded the Cathedrals nickel-copper sulphide belt to 3.5km of recurrent mineralisation.

"We are committed to continuing to create substantial shareholder value through exploration success, and thank new and existing shareholders for recognising the strong upside of our projects."

The new shares were placed in accordance with Section 708 of the Corporations Act 2001 ("the Act"). All of the shares issued under the placement will rank pari passu with existing ordinary shares. Shareholder approval is not required for the placement as the number of securities issued does not exceed the threshold provided under ASX Listing Rule 7.1 and 7.1A.

Bell Potter Securities Limited acted as Lead Manager to the Placement, with Argonaut Securities Pty Ltd and RM Corporate Finance Pty Ltd as Co-Managers.

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Figure 1 – drill rig at Mt Alexander where testing of strong EM conductors at the Investigators Prospect will commence this week

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