



ST GEORGE
MINING LIMITED

ABN 21 139 308 973

**HALF YEARLY REPORT FOR THE
HALF YEAR ENDED 31 DECEMBER 2017**



This Interim Financial Report does not include all the notes of the type normally included in an Annual Financial Report. Accordingly, this report is to be read in conjunction with the Annual Report for the year ended 30 June 2017 and any public announcements made by St George Mining Limited during the interim reporting period in accordance with the continuous disclosure requirements of the *Corporations Act 2001*.

CONTENTS	PAGE
DIRECTORS' REPORT	3
AUDITOR'S INDEPENDENCE DECLARATION	10
CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME	11
CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION	12
CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY	13
CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS	14
NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS	15
DIRECTORS' DECLARATION	19
INDEPENDENT AUDITOR'S REVIEW REPORT	20

DIRECTORS' REPORT

The Directors are pleased to submit their report on St George Mining Limited for the half-year ended 31 December 2017. In order to comply with the provisions of the *Corporations Act 2001*, the directors report as follows.

DIRECTORS

The names of the Directors who held office during or since the end of the half-year are:

John Prineas B.EC, LL.B F FIN – Executive Chairman

Timothy Hronsky B.ENG (Geology) MAUSIMM, MSEG – Executive Director

Sarah Shipway B.Com, CA – Non-Executive Director

REVIEW AND RESULTS OF OPERATIONS

A summary of revenues and results for the half-year is set out below:

	2017	
	Revenues	Results
	\$	\$
Revenues and (Loss)	1,913,263	(1,238,407)

During the six months period the exploration and evaluation expenditure was \$2,500,122. In accordance with the Group's accounting policy these costs were written off. Administration costs were \$651,548. The income tax refund, of \$1,887,393, pursuant to the Federal Government's Research and Development Tax Incentive Scheme (included in Revenue) for the year ended 30 June 2017 was received during the period, resulting in a total loss for the six months of \$1,238,407.

The Board is pleased to present the Review of Operations for the half-year ended 31 December 2017.

MT ALEXANDER PROJECT – SIGNIFICANT EXPLORATION SUCCESS

- Major diamond drill programmes in 2017 delivered multiple thick intersections of high-grade nickel-copper-cobalt-PGE mineralisation along a 4km section of the Cathedrals Belt including:

MAD71 (Stricklands Prospect):

17.45m @ 3.01% Ni, 1.31% Cu, 0.13% Co and 1.68g/t total PGEs from 37.45m including the massive sulphide zones of:

- 5.3m @ 4.39% Ni, 1.45% Cu, 0.21% Co and 2.09g/t total PGEs from 39.3m and
- 2.02m @ 5.05% Ni, 2.01% Cu, 0.21% Co and 3.31g/t total PGEs from 50.6m and
- 0.5m @ 3.68% Ni, 3.9% Cu, 0.17% Co and 2.68g/t total PGEs from 54.4m

MAD56 (Cathedrals Prospect):

7.5m @ 3.90% Ni, 1.74% Cu, 0.12% Co and 3.32g/t total PGEs from 57.8m including:

- 3.15m @ 6.36% Ni, 2.92% Cu, 0.20% Co and 5.03g/t total PGEs from 61.81m

MAD60 (Investigators Prospect):

5.3m @ 4.95% Ni, 2.75% Cu, 0.16% Co and 4.55g/t total PGEs from 157.9m including:

- 3m @ 6.40% Ni, 3.55% Cu, 0.21% Co and 5.25g/t total PGEs from 159.38m

- Ongoing drilling planned for the Stricklands, Investigators and Cathedrals prospects in 2018

The Company's 2017 diamond drilling programmes at the Mt Alexander Project focused on the Stricklands, Investigators and Cathedrals prospects, situated along the east-northeast oriented Cathedrals belt.

Further massive nickel-copper sulphides were intersected at each of these prospects, expanding the known occurrence of high-grade mineralisation across a 4km strike of the Cathedrals belt.

An exploration milestone was achieved at the Stricklands Prospect in late 2017, with drill hole MAD71 delivering a 17.45m thick intersection of high-grade nickel-copper-cobalt-PGE sulphides.

The sulphide mineralisation commenced from a shallow depth of 37.45m downhole.



Figure 1 - drill core from the 17.45m high-grade intersection in MAD71. The section of drill core shown is from the massive sulphide interval that returned assays of 2.02m @ 5.05%Ni, 2.01%Cu, 0.21%Co and 3.31g/t total PGEs from 50.6m

The thickness of the ultramafic and the nickel-copper sulphides intersected at Stricklands support the potential for further mineralisation at this prospect.

Drilling at Mt Alexander, with a focus on continued step-out drilling at Stricklands, is scheduled to resume in early 2018.

For further discussion of the successful drilling at Mt Alexander, see our Quarterly Activities Report dated 15 January 2018 for the period ended 31 December 2017.

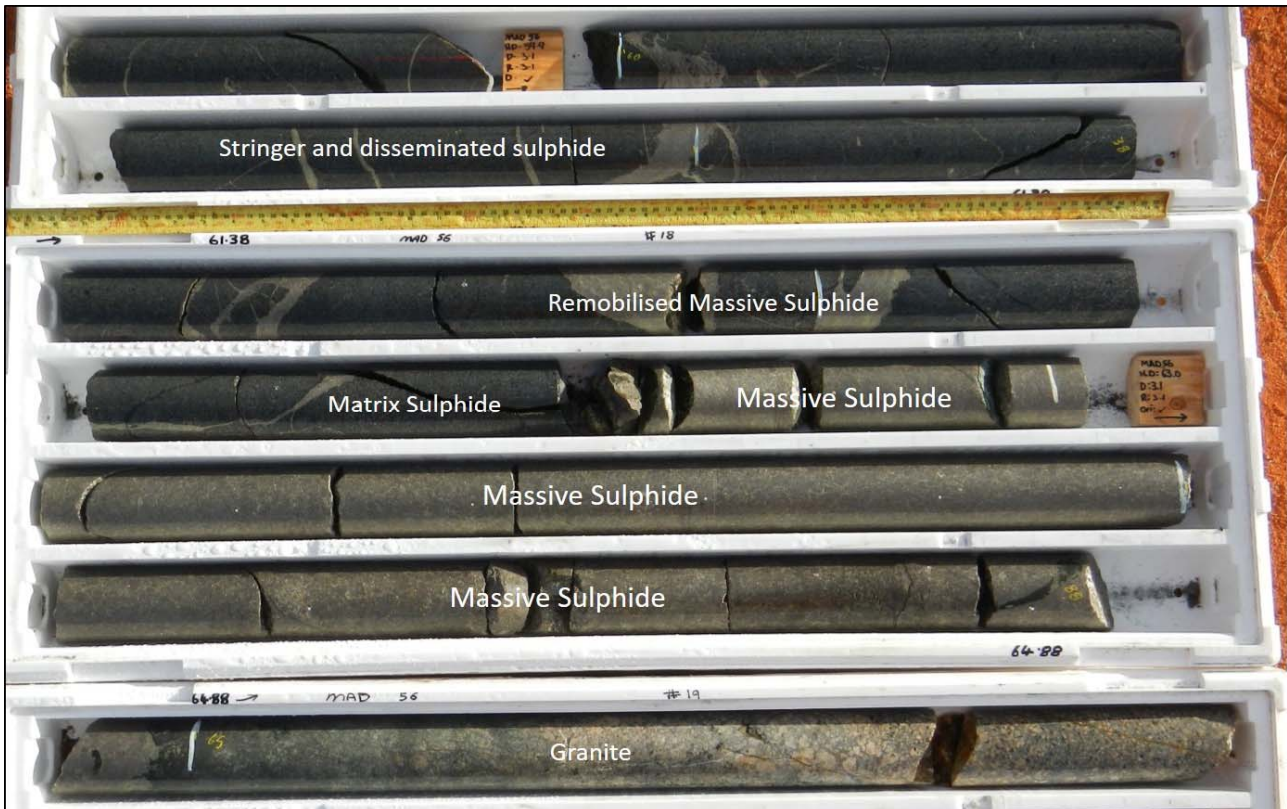


Figure 2 – photograph of drill core from MAD56 between 59.6m to 65.8m that includes the interval that returned assays of 3.15m @ 6.36% Ni, 2.92% Cu, 0.20% Co and 5.03g/t total PGEs from 61.81m

About the Mt Alexander Project:

The Mt Alexander Project is located 120km south-southwest of the Agnew-Wiluna Belt, which hosts numerous world-class nickel deposits. The Project comprises four granted exploration licences – E29/638, E29/548, E29/962 and E29/954.

The Cathedrals, Stricklands and Investigators nickel-copper-cobalt-PGE discoveries are located on E29/638, which is held in joint venture by St George (75%) and Western Areas Limited (25%). St George is the Manager of the Project, with Western Areas retaining a 25% non-contributing interest (in regard to E29/638 only) until there is a decision to mine.

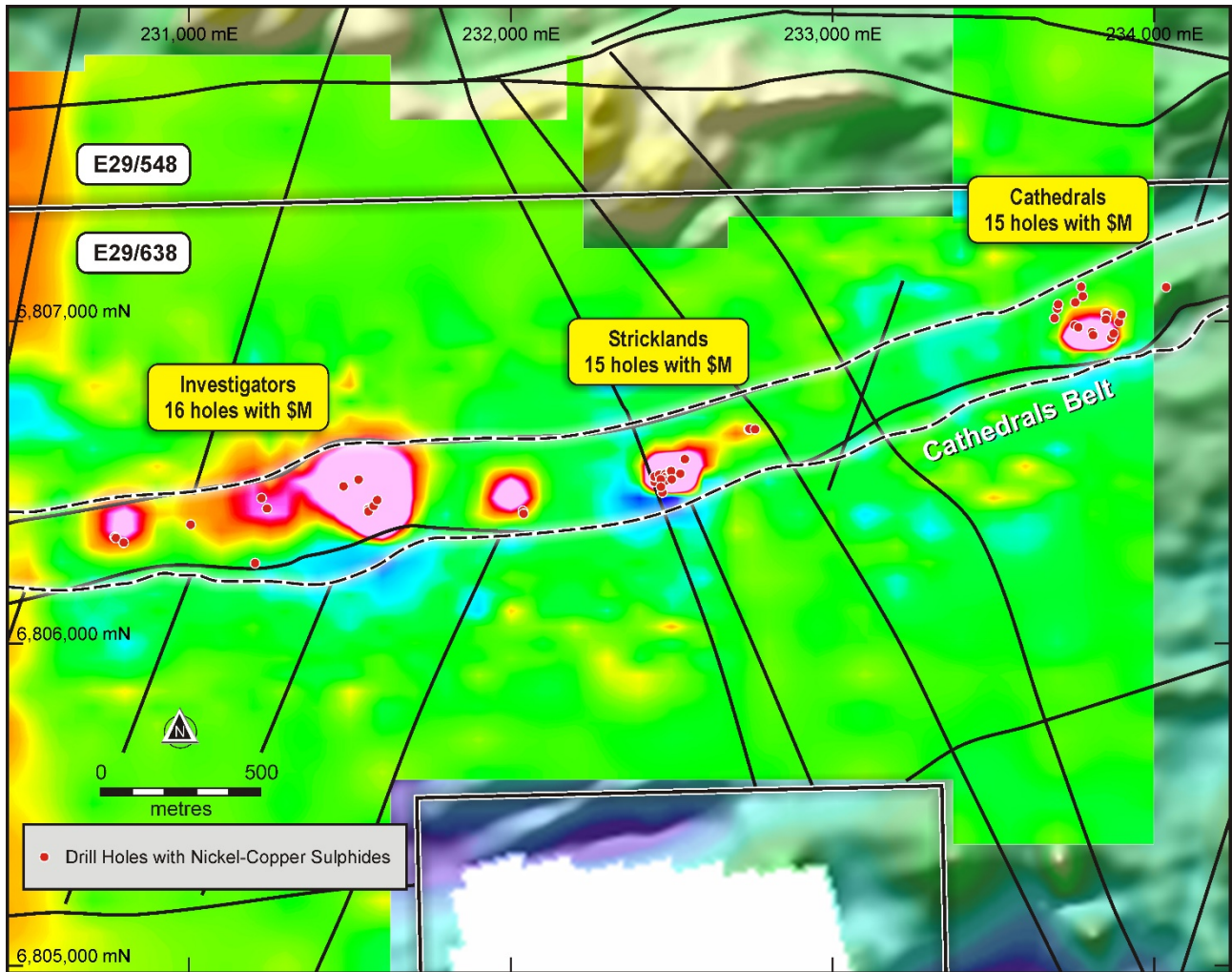


Figure 3 – plan view map of the Cathedrals Belt (over SAMSON FLEM Channel 18 [mid-time] image) showing the multiple intersections of massive nickel-copper-cobalt-PGE sulphides (“\$M”) within the large SAMSON EM anomalies at the Investigators, Stricklands and Cathedrals prospects over a 4km strike of the Cathedrals belt.

EAST LAVERTON PROJECT – NICKEL SULPHIDE DRILLING

A diamond drill programme commenced in late 2017 at the Windsor nickel sulphide prospect at St George’s 100% owned East Laverton Project to test three (3) strong EM conductors.

The EM conductors were identified by the high-powered SAMSON EM survey completed at Windsor in October 2017.

Assay results are pending for the final drill hole in that programme – WINDD013 – which tested the Windsor X3 conductor. Further exploration will be considered once all results are reviewed.

For further discussion of the drilling at Windsor, please see our ASX Release dated 11 December 2017 ‘Drilling of EM Conductors at Windsor - Update’.

EAST LAVERTON PROJECT – GOLD DRILLING

A major gold drilling programme was completed in the second half of 2017 at the Company's East Laverton Project (100% St George). A total of 8,072m of RC (reverse circulation) drilling was completed testing a portfolio of gold targets across the extensive greenstone belts within the large 2,000km² East Laverton Project.

Numerous drill holes encountered hydrothermal alteration, late felsic porphyry intrusives and dolerites, and sulphide mineralisation. The presence of large hydrothermal systems and differentiated dolerites is encouraging for the potential of gold mineralisation.

A follow-up drilling programme is being planned for 2018.

CORPORATE UPDATE**Exploration Development Incentive (EDI) Tax Credits**

The Australian Taxation Office has confirmed St George's participation in the EDI for the 2017/2018 tax year. Under the EDI scheme, St George can distribute tax credits to its eligible shareholders.

The EDI scheme is available to Australian junior exploration companies like St George that are undertaking greenfields exploration and not deriving any taxable income.

Further details of the record date for determining eligibility for the EDI tax credits will be announced in due course.

R&D Cash Rebate

St George received a cash payment of \$1,887,393 under the Federal Government's Research and Development (R&D) Tax Incentive Scheme in October 2017.

The Company's Income Tax Return for the financial year ended 30 June 2017 included research and development expenditure which was eligible for the cash rebate.

Bonus Options Issued to Shareholders

Listed Options: In October 2017, St George issued 24,665,885 listed options pursuant to a Bonus Issue Prospectus dated 12 September 2017.

The bonus listed options were issued to shareholders as at the record date of 19 September 2017 on a pro-rata basis of 1 option for every 10 ordinary shares held.

The new listed options have an expiry date of 30 September 2020 and an exercise price of \$0.20. They commenced trading on the ASX under the code 'SGQOB' on 4 October 2017.

Unlisted Private Series Options: In February 2018, St George issued 12,442,406 unlisted options pursuant to a Bonus Issue Prospectus dated 5 February 2018.

The bonus Private Series Options were issued to shareholders at the record date of 12 February 2018 on a pro-rata basis of 1 option for every 20 ordinary shares held.

The Private Series Options have an expiry date of 23 April 2018 and an exercise price of \$0.25.

COMPETENT PERSON STATEMENT:

The information in this report that relates to Exploration Targets, Exploration Results, Mineral Resources or Ore Reserves regarding the East Laverton Project 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.

The information in this report that related to Exploration Targets, Exploration Results, Minerals Resources or Ore Reserves regarding the Mt Alexander Project is based on information compiled by Mr Matthew McCarthy, a Competent Person who is a Member of The Australian Institute of Geoscientists. Mr McCarthy is employed by St George Mining Limited.

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

- 5 July 2017 *High Grade Nickel-Copper-Cobalt-PGEs at Investigators*
- 19 July 2017 *High Grade Nickel-Copper-Cobalt-PGEs at Investigators*
- 11 December 2017 *Drilling of EM Conductors at Windsor – Update*
- 15 December 2017 *Assays Confirm Best Ever Intersection at Mt Alexander*

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.

Disclaimer

This Report contains summary information about St George, its subsidiaries and their activities, which is current as at the date of this Report. The information in this Report is of a general nature and does not purport to be complete nor does it contain all the information which a prospective investor may require in evaluating a possible investment in St George.

There are a number of risks, both specific to St George and of a general nature, which may affect the future operating and financial performance of St George and the value of an investment in St George including but not limited to economic conditions, stock market fluctuations, mineral price movements, regional infrastructure constraints, timing of approvals from relevant authorities, regulatory risks and operational risks as well as reliance on key personnel.

Except for statutory liability which cannot be excluded, each of St George, its officers, employees and advisors expressly disclaim any responsibility for the accuracy or completeness of the material contained in this Report and excludes all liability whatsoever (including in negligence) for any loss or damage which may be suffered by any person as a consequence of any information in this Report or any error or omission herefrom.

The Company is under no obligation to update any person regarding any inaccuracy, omission or change in information in this Report nor any obligation to furnish the person with any further information. Recipients of this Report should make their own independent assessment and determination as to the Company's prospects, its business, assets and liabilities as well as the matters covered in this Report.

AUDITOR'S INDEPENDENCE DECLARATION

A copy of the auditor's independence declaration as required under section 307C of the *Corporations Act 2001* is set out on page 10.

This report is made in accordance with a resolution of Directors.



John Prineas
Executive Chairman
St George Mining Limited
15 March 2018

15 March 2018

Board of Directors
St George Mining Limited
Level 1
115 Cambridge Street
WEST LEEDERVILLE WA 6007

Dear Sirs

RE: ST GEORGE MINING LIMITED

In accordance with section 307C of the *Corporations Act 2001*, I am pleased to provide the following declaration of independence to the directors of St George Mining Limited.

As Audit Director for the review of the financial statements of St George Mining Limited for the period ended 31 December 2017, I declare that to the best of my knowledge and belief, there have been no contraventions of:

- (i) the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
- (ii) any applicable code of professional conduct in relation to the review.

Yours faithfully

STANTONS INTERNATIONAL AUDIT AND CONSULTING PTY LTD
(Trading as Stantons International)
(An Authorised Audit Company)



Samir Tirodkar
Director

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE HALF-YEAR ENDED 31 DECEMBER 2017

AUSTRALIAN DOLLAR (\$)	31 DECEMBER 2017	31 DECEMBER 2016
REVENUE FROM CONTINUING OPERATIONS		
Interest	25,870	35,022
Research and Development Tax Incentive	1,887,393	2,339,861
Other income	-	66,740
EXPENDITURE		
Administration expenses	(651,548)	(425,813)
Exploration expenditure written off	(2,500,122)	(2,364,514)
LOSS BEFORE INCOME TAX	(1,238,407)	(348,704)
Income tax benefit	-	-
LOSS AFTER INCOME TAX	(1,238,407)	(348,704)
OTHER COMPREHENSIVE INCOME		
Items that will not be reclassified to Profit or Loss	-	-
Items that may be reclassified subsequently to Profit or Loss	-	-
TOTAL COMPREHENSIVE LOSS FOR THE PERIOD	(1,238,407)	(348,704)
LOSS AFTER INCOME TAX ATTRIBUTABLE TO MEMBERS OF THE COMPANY	(1,238,407)	(348,704)
COMPREHENSIVE INCOME (LOSS) FOR THE PERIOD ATTRIBUTABLE TO MEMBERS OF THE COMPANY	(1,238,407)	(348,704)
EARNINGS PER SHARE		
Basic and diluted loss per share (cents)	(0.49)	(0.15)

The above condensed consolidated statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2017

AUSTRALIAN DOLLAR (\$)	NOTE	31 DECEMBER 2017	30 JUNE 2017
CURRENT ASSETS			
Cash and cash equivalents		2,720,154	4,773,546
Trade and other receivables		70,376	85,543
Other assets		144,250	169,425
TOTAL CURRENT ASSETS		2,934,780	5,028,514
NON-CURRENT ASSETS			
Security bond		-	1,000
Plant and equipment		19,151	24,685
TOTAL NON-CURRENT ASSETS		19,151	25,685
TOTAL ASSETS		2,953,931	5,054,199
CURRENT LIABILITIES			
Trade and other payables		1,376,151	2,225,921
Provisions		29,646	26,089
TOTAL CURRENT LIABILITIES		1,405,797	2,252,010
TOTAL LIABILITIES		1,405,797	2,252,010
NET ASSETS		1,548,134	2,802,189
EQUITY			
Contributed equity	3(a)	24,160,450	24,142,945
Share option reserve	3(b)	204,873	430,876
Accumulated losses		(22,817,189)	(21,771,632)
TOTAL EQUITY		1,548,134	2,802,189

The above condensed consolidated statement of financial position should be read in conjunction with the accompanying notes

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE HALF-YEAR ENDED 31 DECEMBER 2017

Australian (\$)	SHARE CAPITAL	ACCUMULATED LOSSES	SHARE OPTIONS RESERVE	TOTAL EQUITY
	\$	\$	\$	\$
Balance at 1 July 2017	24,142,945	(21,771,632)	430,876	2,802,189
Profit (loss) for the period	-	(1,238,407)	-	(1,238,407)
Other comprehensive income	-	-	-	-
Total comprehensive income (loss) for the period	-	(1,238,407)	-	(1,238,407)
Shares issued during the period	17,505	-	-	17,505
Option based payments	-	-	-	-
Expiry of options	-	192,850	(192,850)	-
Share and option issue expenses	-	-	(33,153)	(33,153)
Balance at 31 December 2017	24,160,450	(22,817,189)	204,873	1,548,134
Balance at 1 July 2016	18,277,130	(17,673,531)	352,841	956,440
Profit (loss) for the period	-	(348,704)	-	(348,704)
Other comprehensive income	-	-	-	-
Total comprehensive income (loss) for the period	-	(348,704)	-	(348,704)
Shares issued during the period	6,474,820	-	-	6,474,820
Option based payments	-	-	133,000	133,000
Expiry of options	-	191,115	(191,115)	-
Share and option issue expenses	(473,075)	-	-	(473,075)
Balance at 31 December 2016	24,278,875	(17,831,120)	294,726	6,742,481

The above condensed consolidated statement of changes in equity should be read in conjunction with the accompanying notes

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE HALF YEAR ENDED 31 DECEMBER 2017**

AUSTRALIAN DOLLAR (\$)	31 DECEMBER 2017	31 DECEMBER 2016
CASH FLOWS FROM OPERATING ACTIVITIES		
Expenditure on mining interests	(3,179,216)	(3,124,156)
Payments to suppliers and employees	(786,951)	(530,620)
Interest received	28,941	26,764
Other – GST	12,089	39,648
Other income	-	66,742
Research and development grant	1,887,393	2,339,861
Net cash outflow from operating activities	(2,037,744)	(1,181,761)
CASH FLOWS FROM INVESTING ACTIVITIES		
Tenement acquisition	-	-
Purchase of plant and equipment	-	-
Net cash outflow from investing activities	-	-
CASH FLOWS FROM FINANCING ACTIVITIES		
Issue of shares net of capital raising costs	(15,648)	6,134,745
Net cash inflow from financing activities	(15,648)	6,134,745
Net (outflow)/inflow in cash and cash equivalents	(2,053,392)	4,952,984
Cash and cash equivalents at the beginning of the half-year	4,773,546	1,437,025
CASH AND CASH EQUIVALENTS AT THE END OF THE HALF-YEAR	2,720,154	6,390,009

The above condensed consolidated statement of cash flows should be read
in conjunction with the accompanying notes

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**NOTE 1: BASIS OF PREPARATION OF THE HALF-YEAR FINANCIAL REPORT**

These general purpose interim financial statements for the half-year reporting period ended 31 December 2017 have been prepared in accordance with requirements of the Corporations Act 2001 and Australian Accounting Standard AASB 134: Interim Financial Reporting. The Group is a for-profit entity for financial reporting purposes under Australian Accounting Standards.

This interim financial report is intended to provide users with an update on the latest annual financial statements of St George Mining Limited and its controlled entities (referred to as the "consolidated group" or "group"). As such, it does not contain information that represents relatively insignificant changes occurring during the half-year within the Group. It is therefore recommended that this financial report be read in conjunction with the annual financial statements of the Group for the year ended 30 June 2017, together with any public announcements made during the half-year.

Accounting Policies

The same accounting policies and methods of computation have been followed in this interim financial report as were applied in the most recent annual financial statements, except as noted below. These accounting policies are consistent with Australian Accounting Standards and with International Financial Reporting Standards. St George Mining Limited has adopted all new and revised Standards and Interpretations issued by the Australian Accounting Standards Board (the AASB) that are relevant to their operations and effective for the current half year. Their application in the financial statements is not material.

Reporting Basis and Conventions

The half-year report has been prepared on an accruals basis and is based on historical costs.

The half-year report does not include full disclosures of the type normally included in an annual financial report.

Going Concern Basis

The financial report has been prepared on the going concern basis, which contemplates continuity of normal business activities and realisation of assets and settlement of liabilities in the ordinary course of business. The going concern of the Company is dependent upon it maintaining sufficient funds for its operations and commitments. The directors continue to monitor the ongoing funding requirements of the Company.

The directors are confident that sufficient funding can be secured if required to enable the Company to continue as a going concern and as such are of the opinion that the financial report has been appropriately prepared on a going concern basis.

NOTE 2: SEGMENT INFORMATION

The Group operates in predominantly one business and geographical segment, being mineral exploration in Australia.

NOTE 3: ISSUED CAPITAL

AUSTRALIAN DOLLAR (\$)	31 DECEMBER 2017 \$	31 DECEMBER 2016 \$
(a) Issued and paid up capital		
At the beginning of the reporting period	24,142,945	18,277,130
19 August 2016: 43,165,470 shares issued at \$0.15 per share	-	6,474,820
Exercise of Listed Options	17,505	-
Transactions costs arising from issue of shares	-	(473,075)
At reporting date 250,448,349 (31 December 2016: 250,359,725) fully paid ordinary shares	24,160,450	24,278,875

	31 DECEMBER 2017 Number	31 DECEMBER 2016 Number
Movements in Ordinary Shares		
At the beginning of reporting period	250,360,825	207,194,255
Shares issued during the reporting period	87,524	43,165,470
Balance at reporting date	250,448,349	250,359,725

(b) Share Option Reserve

AUSTRALIAN DOLLAR (\$)	31 DECEMBER 2017 \$	31 DECEMBER 2016 \$
Issued Options		
At the beginning of the reporting period	430,876	352,841
Options issued – option based payments	-	133,000
Expiry of options transferred to accumulated losses	(192,850)	(191,115)
Transactions costs arising from issue of shares	(33,153)	-
At reporting date	204,873	294,726
Movements in Performance Shares		
At the beginning of reporting period	100	-
Issued during the period	-	-
Balance at reporting date	100	-

The hurdles for the conversion of the Performance Shares into Shares were met during the period.

Options to take up ordinary shares in the capital of the Company are as follows:

Exercise Period (On or Before)	Note	Exercise Price (\$)	Opening Balance 1 July 2017 Number	Options Issued Number	Options Exercised/Expired Number	Closing Balance 31 December 2017 Number
28.11.2017	-	\$0.50	600,000	-	(600,000)	-
30.09.2020	-	\$0.20	-	24,665,885	(87,524)	24,578,361
02.12.2019	-	\$0.25	3,500,000	-	-	3,500,000

NOTE 4: CONTINGENCIES

There have been no significant changes to commitments or contingencies since 30 June 2017.

NOTE 5: SUBSEQUENT EVENTS

Since the end of the period 97,733 Listed Options have been exercised.

On the 5 February 2018 the Company issued a Bonus Issue Prospectus to issue 1 Private Series Options for every 20 shares held by shareholders on the record date. The Company issued 12,422,406 Private Series Options on 19 February 2018.

On 12 March 2018 the Company announced that it had received firm commitments from institutional and sophisticated investors to raise \$4.0 million via a placement at an issue price of \$0.18 per share.

Other than the above no matter or circumstance has arisen since 31 December 2017, which has significantly affected, or may significantly affect the operations of the Group, the result of those operations, or the state of affairs of the Group in subsequent financial years.

NOTE 6: ESTIMATES AND ASSUMPTIONS

The preparation of financial statements in conformity with AIFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are:

Future Rehabilitation

The Group measures the cost of future rehabilitation in relation to its tenements based on probable cost estimations at the date upon which tenements are altered from their original state. Estimated values are determined using local data available. No rehabilitation provision is considered necessary at 31 December 2017.

NOTE 7: SUBSIDIARIES

The parent entity, St George Mining Limited, has 100% interest in Desert Fox Resources Pty Ltd and Blue Thunder Resources Pty Ltd. St George Mining Limited is required to make all the financial and operating decisions of these subsidiaries.

Subsidiaries of St George Mining Limited	Country of Incorporation	Percentage Owned %	
		2017	2016
Desert Fox Resources Pty Ltd	Australia	100%	100%
Blue Thunder Resources Pty Ltd	Australia	100%	100%

DIRECTORS' DECLARATION

The Directors of the Company declare that:

1. the financial statements and notes, as set out on pages 11 to 18 are in accordance with the Corporations Act 2001 and:
 - (a) comply with Accounting Standard AASB 134 Interim Financial Reporting and the Corporations Regulations 2001; and
 - (b) give a true and fair view of the financial position as at 31 December 2017 and of the performance for the 6 months ended on that date of the Group;
2. In the directors' opinion there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Board of Directors.



John Prineas
Executive Chairman
St George Mining Limited
Perth, 15 March 2018

**INDEPENDENT AUDITOR'S REVIEW REPORT
TO THE MEMBERS OF
ST GEORGE MINING LIMITED**

Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial report of St George Mining Limited, which comprises the condensed consolidated statement of financial position as at 31 December 2017, the condensed consolidated statement of profit or loss and other comprehensive income, condensed consolidated statement of changes in equity, and condensed consolidated statement of cash flows for the half-year ended on that date, condensed notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration for St George Mining Limited ("the consolidated entity"). The consolidated entity comprises both St George Mining Limited ("the company") and the entities it controlled during the half year.

Directors' Responsibility for the Half-Year Financial Report

The directors of St George Mining Limited are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the consolidated entity's financial position as at 31 December 2017 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of St George Mining Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Whilst we considered the effectiveness of management's internal controls over financial reporting when determining the nature and extent of our procedures, our review was not designed to provide assurance on internal controls.

Our review did not involve an analysis of the prudence of business decisions made by the directors or management.

Independence

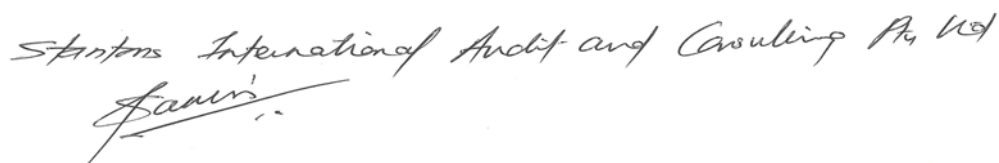
In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations Act 2001*, has been provided to the directors of St George Mining Limited on 15 March 2018.

Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of St George Mining Limited is not in accordance with the *Corporations Act 2001* including:

- (a) giving a true and fair view of the consolidated entity's financial position as at 31 December 2017 and of its performance for the half-year ended on that date; and
- (b) complying with Accounting Standards AASB 134 *Interim Financial Reporting* and *Corporations Regulations 2001*.

STANTONS INTERNATIONAL AUDIT AND CONSULTING PTY LTD
(Trading as Stantons International)
(An Authorised Audit Company)



Stantons International Audit and Consulting Pty Ltd
Samir

Samir Tirodkar
Director

West Perth, Western Australia
15 March 2018