



ST GEORGE
MINING LIMITED

ABN 21 139 308 973

**HALF YEARLY REPORT FOR THE
HALF YEAR ENDED 31 DECEMBER 2020**



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 2020 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*.

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DIRECTORS' REPORT

The Directors are pleased to submit their report on St George Mining Limited for the half-year ended 31 December 2020. 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

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

John Dawson B.Com MBA – Non-Executive Director

REVIEW AND RESULTS OF OPERATIONS

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

	31 December 2020	
	Revenues	Results
	\$	\$
Revenues and (Loss)	178,830	(4,751,951)

During the six months period the exploration and evaluation expenditure was \$3,633,114 (2019: \$4,181,486). In accordance with the Group's accounting policy these costs were written off. Administration costs were \$875,676 (2019: \$1,184,357) and share based payments expense were \$421,991 (2019: \$173,975), resulting in a total loss for the six months of \$4,751,951 (2019: \$5,525,653).

REVIEW OF OPERATIONS

The Board is pleased to present the Review of Operations for the half-year ended 31 December 2020.

MT ALEXANDER PROJECT:

- Deeper diamond drilling intersects thick mafic-ultramafic rocks over a strike of more than 5km, highlighting the potential for the discovery of intrusive-style nickel-copper sulphides below the existing shallow high-grade discoveries
- Multiple off-hole electromagnetic (EM) anomalies were identified by downhole EM (DHEM) surveys in deeper drill holes, interpreted to have a massive sulphide source
- Petrographic analysis of drill core at depth confirms the presence of intrusive rocks that are highly favourable for hosting significant deposits of sulphide mineralisation
- Scoping study for a starter mine at the shallow, high-grade Stricklands deposit progressed with positive interim results from metallurgical test work underway in Canada
- Excellent results from preliminary metallurgical test work on mineralisation from the Investigators Prospect with separate high-grade nickel and copper concentrates produced including high values for platinum group metals, silver and cobalt



PATERSON PROJECT:

- Multiple high-priority targets identified for potential copper and gold mineralisation
- Programme of Works for inaugural drill programme approved by the Department of Mines, Industry Regulation and Safety (DMIRS)
- Drilling scheduled for May 2021 subject to completion of heritage survey

Above: Drill core from MAD177 at approx. 186m downhole showing massive sulphides with coarse grained pentlandite and chalcopyrite. MAD177 was completed as a metallurgical hole at Investigators.

Assays returned:

10.5m @ 4.82% Ni, 1.67% Cu, 0.15% Co and 2.87 g/t total PGEs from 182.5m, including

4m @ 7.53% Ni, 2.47% Cu, 0.23% Co and 3.92 g/t total PGEs from 186m.

Deeper drilling confirms prospective intrusive unit with strong EM conductors:

A deep drilling programme along the Cathedrals Belt was launched in June 2020 to test the large conductive structures identified by Magnetotelluric (MT) and Audio-magnetotelluric (AMT) surveys.

All drill holes in the programme intersected mafic-ultramafic intrusive-style rocks at depth – similar to those that host the shallow high-grade massive nickel-copper sulphides at Stricklands, Cathedrals and Investigators – to confirm the prospectivity for the discovery of further nickel sulphides at depth.

Drill results indicate that this intrusive unit extends for a strike of more than 5km in an east-west trend along the Cathedrals Belt and down-dip for at least 600m, and remains open in all directions; see Figure 1.

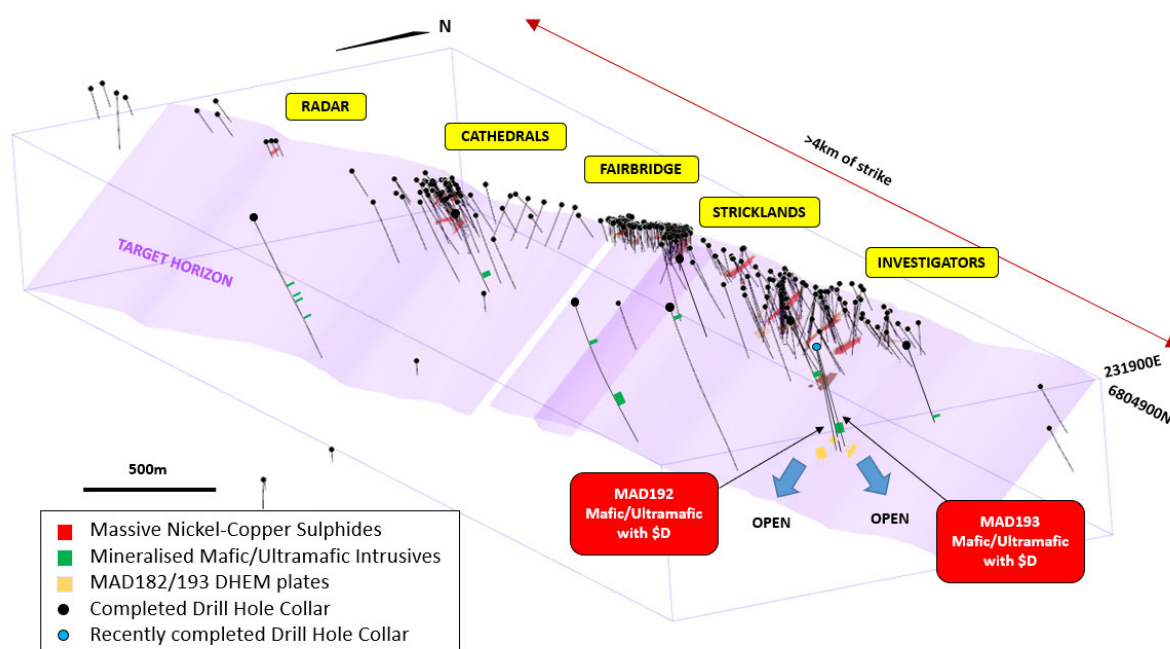


Figure 1 – Orthographic view of the Cathedrals Belt showing the large interpreted target horizon, the latest deep holes MAD192 and MAD193 as well as existing drilling and shallow massive nickel-copper sulphides discovered in previous drilling.

The drill hole data from MAD185, MAD192 and MAD193 was particularly significant, with each of these holes intersecting thick mafic-ultramafic rocks that included minor disseminated and blebby nickel-copper sulphides on the basal contact suggesting the potential of proximal massive sulphides.

DHEM surveys in these drill holes successfully identified strong EM conductors that are interpreted to have a massive sulphide source. The new EM conductors include:

- MAD185 – five EM conductors with the two highest priority targets modelled with conductivity of 33,100 Siemens and 14,225 Siemens, respectively
- MAD192 – two EM conductors with modelled conductivity of 55,550 Siemens and 26,000 Siemens, respectively
- MAD193 – four EM conductors with the two highest priority targets modelled with conductivity of 4,585 Siemens and 2,850 Siemens, respectively

The multiple EM conductors at these target areas are strongly supportive of the presence of a significant volume of sulphide mineralisation. Drilling of the new EM conductors is scheduled for Q1 2021.



Figure 2 – aerial photo of the accommodation and work camp at Mt Alexander

Petrographic Analysis Confirms Favourable Intrusive Rocks:

MAD181 was drilled at Investigators as part of the deeper drill programme. The hole was completed to a downhole depth of 794.5m and intersected a 49.45m thick mafic-ultramafic unit from 502.3m downhole.

Petrographic analysis was completed on seven samples of drill core from the mafic-ultramafic in MAD181 to provide a detailed assessment of the rock types and sulphide mineralogy. The petrography was completed by Dr Ben Grguric, principal of Mineralium Pty Ltd and a mineralogist with industry leading credentials particularly in the field of nickel sulphide systems.

The petrology identified two main intrusive rocks – an upper leuconorite from 502.3m to 541m and a basal mela-olivine gabbonorite unit from 541m to 551.75m downhole. This is a suite of intrusive mafic and ultramafic rocks that is highly unusual in the Archean central Yilgarn where Mt Alexander is located, and typically found in Proterozoic provinces.

Norite and gabbonorite are typically associated with a large igneous event – the kind of geological event that is associated with the formation of very significant mineral deposits. In Western Australia, gabbonorite is known to be associated with significant nickel sulphide deposits at IGO's Nova Bollinger (ASX: IGO), Panoramic's Savannah (ASX: PAN) and Oz Mineral's Nebo-Babel (ASX: OZL).

The confirmation of gabbonorite at the Cathedrals Belt is a positive indicator for the potential of the mineral system to host a large volume of mineralisation.

The analysis also observed that the contact between the upper leuconorite and basal gabbronorite units in MAD181 was sharp and therefore likely to represent separate injections from a deeper magmatic chamber.

Large mineral deposits are typically formed through a dynamic emplacement environment where there have been multiple magma injections through the same conduit structures. Abundant country rock xenoliths were noted in the leuconorite, which also suggest a dynamic emplacement environment.

Small amounts of zinc-lead sulphides in addition to magmatic nickel-copper sulphides were observed in the mineralisation of MAD181. This suggests contamination with sedimentary sulphides or volcanic massive sulphides (VMS), which typically occurs if the sulphide mineralisation has a deep source.

Mineralisation sourced from magmatic plumbing at depth is indicative of a large mineral system with potential to host significant volumes of mineralisation.

The findings of the petrographic analysis support the prospectivity of the Cathedrals Belt for the discovery of larger nickel-copper sulphide deposits at depth or in other parts of the project tenure.

Scoping study for starter mining proposal at Stricklands:

The resource drill-out of the shallow, high-grade nickel-copper sulphide deposit at Stricklands was completed in 2020 with 52 holes for 4,077m of reserve circulation (RC) drilling.

The deposit has been defined over an area that is approximately 450m long, 50m wide and 80m deep; see Figure 3 for a schematic diagram of the interpreted mineralisation at Stricklands.

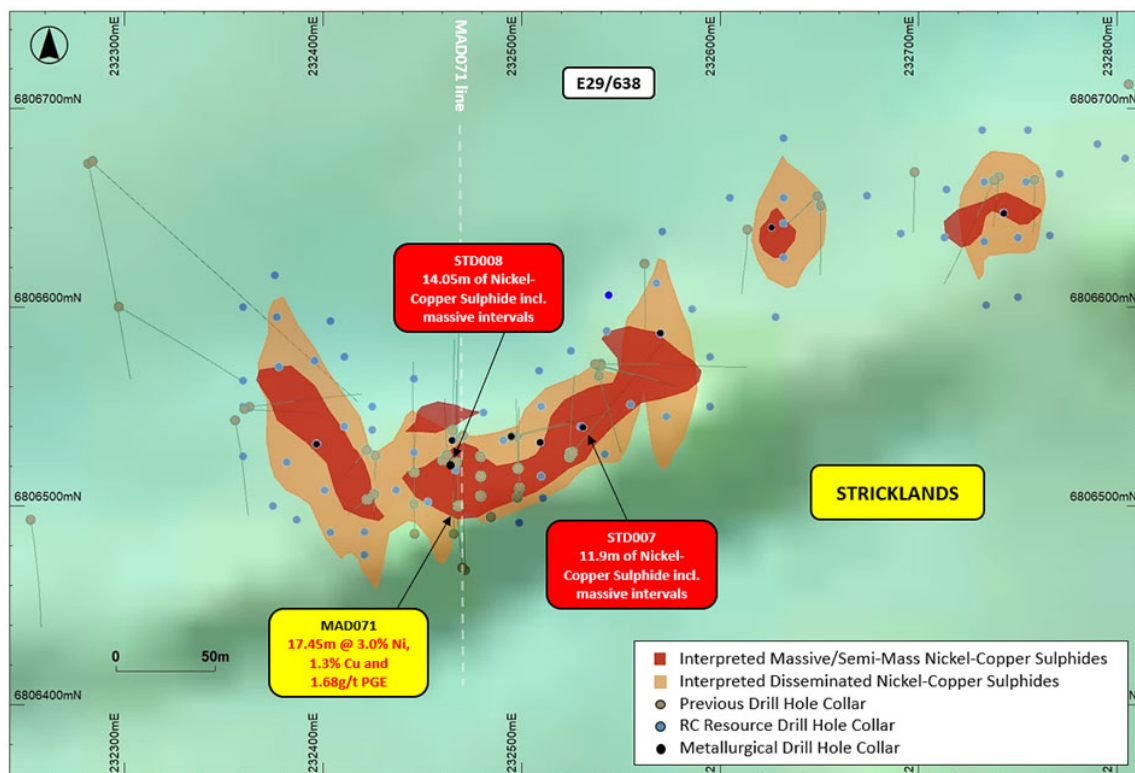


Figure 3 – schematic diagram of Stricklands (against TMI RTP 1VD magnetic data) showing the location of the RC and diamond drill holes completed as part of the resource development drill programme.

Entech, the external geological consultancy engaged by St George to issue a JORC-compliant resource estimate for Stricklands, is reviewing alternative open-pit shells for mining and have advanced modelling of the potential resource.

Finalisation of the resource estimate, mine design and development, mining production schedules and financial modelling are pending completion of metallurgical test work which will provide a definitive assessment of the economic recoveries of all metals in the Stricklands ore.

XPS (Expert Process Solutions) in Canada is completing the metallurgical test work with a view to designing a flowsheet for the potential processing of the Stricklands mineralisation.

A key focus of the work by XPS will be to optimise economic recoveries of all metals in the Ni-Cu-Co-PGE mineralisation at Stricklands – including the palladium, platinum and rhodium that form the bulk of the platinum group metals.

Interim results on metallurgical test work in Canada are very positive and indicate:

- The combined oxide and fresh composite is amenable to the production of separate nickel and copper concentrates from conventional flotation circuits
- Overall copper recoveries range from 91% to 93%
- Overall nickel recoveries range from 73% to 84%
- Talc levels up to 1% to 1.5% and which can be suppressed in the flotation process

Additional metallurgical drill holes were completed early in 2021 with samples being air-freighted to Canada to enable completion of the test work as soon as practicable.



Figure 4 – drill core tray for STD015 – one of the additional metallurgical holes completed at Stricklands – showing massive sulphides intersected from 67.3m downhole.

Excellent Metallurgical Test Work Results for Investigators:

Preliminary metallurgical test work has been completed by Strategic Metallurgy Pty Ltd in Perth on samples of massive and disseminated mineralisation from drill hole MAD177 at the Investigators Prospect.

The objective of this test work was to assess if nickel and copper could be recovered into separate saleable concentrates by flotation process, and to determine the PGE deportment in the concentrates. The results are very favourable and likely to have a positive impact on project economics for a potential mining operation at Mt Alexander.

FINANCIAL REPORT FOR THE HALF YEAR ENDED 31 DECEMBER 2020

Two composites representing both massive and disseminated mineralisation from MAD177 were assessed as part of the test work programme. The head grades for these composites are presented below.

Composite sample	Ni %	Cu %	Co %	Fe %	S %	Mg %	Pt g/t	Pd g/t
Massive	5.89	2.58	0.19	53.5	33.6	0.04	0.60	2.45
Disseminated	1.59	0.39	0.06	16.2	6.60	12.9	0.35	1.25

Separate nickel and copper concentrates were produced from each of the massive and disseminated sulphide samples with the following grades:

Nickel Concentrate

Metal Grades	Ni %	Ni recovery %	Cu %	Co %	Total PGEs g/t
Massive Ni Concentrate	16.2	90.6	0.66	0.59	6.26
Disseminated Ni Concentrate	13.6	62.0	0.37	0.50	8.10

Copper Concentrate

Metal Grades	Cu %	Cu recovery %	Ni %	Co %	Total PGEs g/t	Ag g/t
Massive Cu Concentrate	30.3	90.6	1.07	0.03	7.39	52
Disseminated Cu Concentrate	25.1	59.8	0.36	0.02	18.1	0

An analysis of the PGE content confirms significant values for a number of highly sought after PGEs. In particular, palladium and rhodium – both of which are currently trading at historically elevated prices – occur at levels that are expected to attract very valuable smelter credits.

A summary of the PGEs in the nickel and copper concentrates is provided below.

Detailed PGE analysis	Au g/t	Ir g/t	Os g/t	Pd g/t	Pt g/t	Rh g/t	Ru g/t	Total PGEs g/t
Massive Cu Concentrate	0.14	0.02	0.00	5.26	1.82	0.14	0.02	7.39
Disseminated Cu Concentrate	2.78	0.02	0.00	13.6	1.52	0.01	0.04	18.1
Massive Ni Concentrate	0.09	0.02	0.00	5.01	0.78	0.22	0.13	6.26
Disseminated Ni Concentrate	0.58	0.03	0.01	6.16	0.88	0.23	0.21	8.10

The results are very favourable for the project economics for a potential mining operation at Mt Alexander.

Further metallurgical test work will be completed on Investigators ore as part of the resource definition drilling at Investigators scheduled for 2021.

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 six granted exploration licences – E29/638, E29/548, E29/962, E29/954, E29/972 and E29/1041 – which are a contiguous package. A seventh granted exploration licence – E29/1093 – is located to the south-east of the core tenement package.

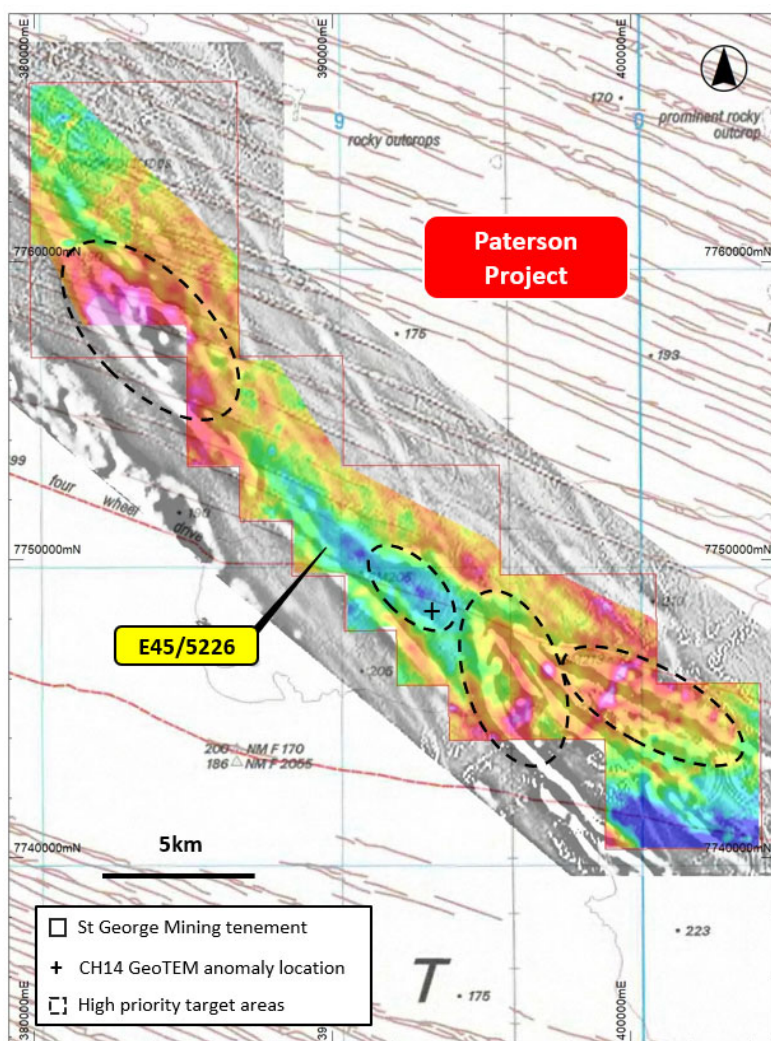
The Cathedrals, Stricklands, Investigators and Radar nickel-copper-cobalt-PGE discoveries are located on E29/638, which is held in joint venture by St George (75%) and Western Areas Limited (25%). St George is the Manager of the Project, with Western Areas retaining a 25% non-contributing interest in the Project (in regard to E29/638 only) until there is a decision to mine. All other Project tenements are owned 100% by St George.

PATERSON PROJECT

High Priority Targets:

The Paterson Province of Western Australia, particularly the North Paterson, is now one of the most active exploration frontiers in Australia. Exploration programs are underway by major mining companies such as Rio Tinto (ASX: RIO), Fortescue (ASX: FMG), Oz Minerals (ASX: OZL) and Newcrest (ASX: NCM).

St George completed high-resolution gravity and airborne magnetic surveys during 2020 at its 100% owned exploration licence E45/5226.



The high-resolution magnetic data from the airborne magnetic survey identified prominent magnetic features that are interpreted to represent key stratigraphic units and granitic intrusions that are similar to those that are known to host major precious metals and base metals discoveries in the region.

A further review of the latest gravity data with the magnetic data has highlighted a number of important features that are coincident geophysical anomalies within the Project.

These areas of interest and high priority targets are ready for immediate drill testing upon access approval.

Figure 5 - plan view of E45/5226 showing priority targets set against gravity (total count bouguer anomaly 0.5VD) and magnetics (RTP 2VD) overlaying topography (NATMAP 250k).

Drill Programme:

An inaugural drill campaign has been designed to test high priority targets at the Paterson Project which have been assessed by our technical team as prospective for base metals and gold.

A Programme of Works for St George's planned drilling has been approved by the Department of Mines, Industry Regulation and Safety. Drilling is subject to completion of a heritage survey, which is scheduled for early May 2021.

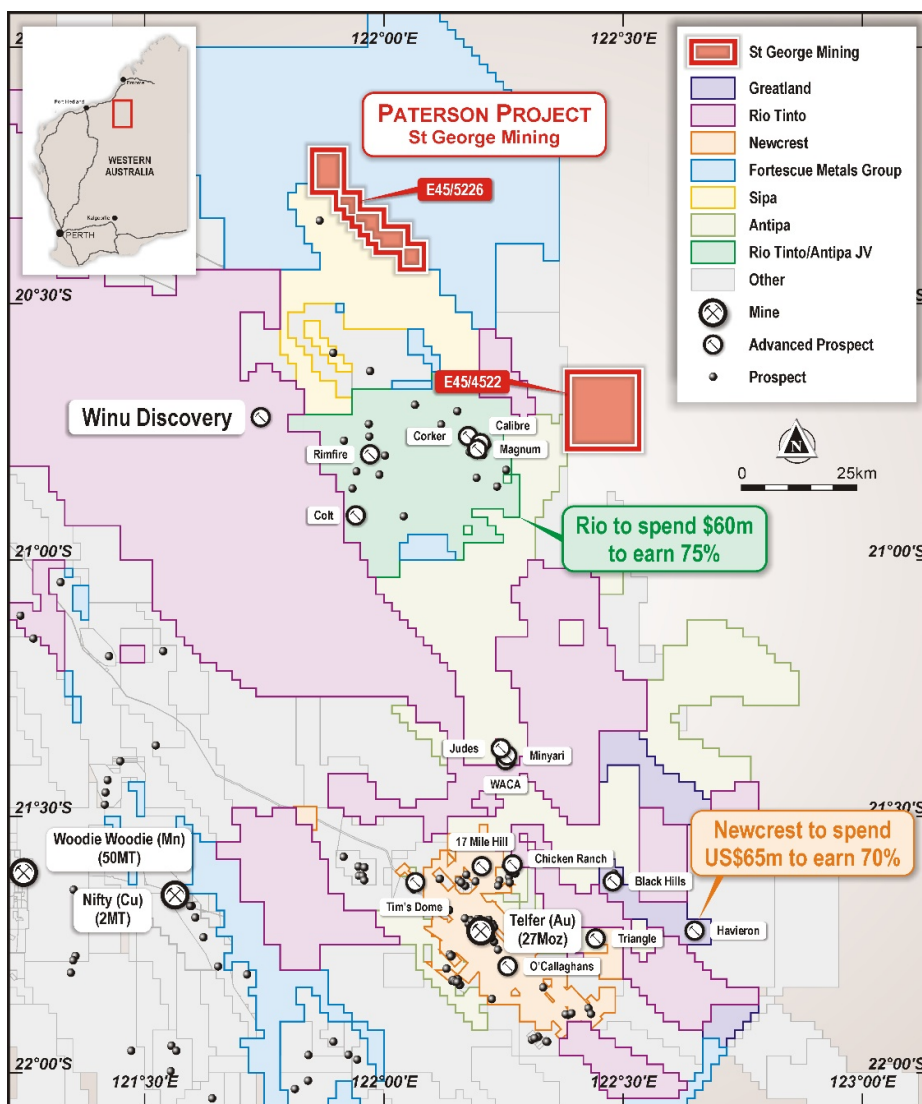


Figure 6 – map showing St George's tenement in the Paterson Province as well as other projects in the region, with major farm-in deals highlighted.

St George's E45/5226 covers more than 35km strike of prospective stratigraphy, with a maiden drill programme scheduled for May 2021.

EAST LAVERTON PROJECT

Following a strategic review of the tenement package at East Laverton, St George decided to surrender a number of tenements in the large landholding of the Project. This has significantly reduced the Company's minimum expenditure obligations for the East Laverton Project.

Exploration planning is in progress for the remaining East Laverton tenements to test for potential base and precious metals.

CORPORATE***Performance rights:***

On 23 July 2020, the Company issued key management personnel (including directors) with certain Performance Rights linked to significant project milestones.

A total of 125 Performance Rights were issued. Details of the Performance Rights issued to directors, including the Performance Rights Plan, are contained in the Company's Notice of Meeting dated 15 June 2020.

Four classes of Performance Rights were issued with the following milestones:

Class D Performance Rights: an announcement by the Company to the Australian Securities Exchange (ASX) is made by 30 June 2021 stating that the Company has made a Decision to Mine at the Mt Alexander Project.

Class E Performance Rights: an announcement by the Company to the ASX is made by 30 June 2022 stating that the Company has commenced production at the Mt Alexander Project of Nickel that will be commercially sold under an offtake or sales agreement.

Class F Performance Rights. an announcement by the Company to the ASX is made by 30 June 2022 stating that the Company has defined an inferred 2012 JORC compliant resource at the Mt Alexander Project of not less than 100,000 tonnes contained nickel.

Class G Performance Rights: drill intersections of economically significant mineralisation at the Company's Paterson Project by 30 June 2022 that the Board believes are indicative of the discovery of an ore deposit.

Class G Performance Rights were not issued to any of the directors.

Annual General meeting of shareholders:

The Annual General Meeting of Shareholders was held on 25 November 2020. The agenda for the Meeting is contained in the Notice of Meeting dated 21 October 2020.

All resolutions proposed at the Meeting were approved.

Expiry of Listed Options:

The Company's Listed Options (ASX: SGQOB) expired on 30 September 2020.

As at the expiry date, 24,521,817 Listed Options remained unexercised and expired. 54,279 Listed Options had been exercised before the expiry date. Following this, the Company's capital structure is as follows:

- Fully Paid Ordinary Shares – 503,543,376
- Unlisted Options ex \$0.15 on or before 31 July 2022 – 2,500,000
- Unlisted Performance Rights (various exercise dates and milestones) – 297

COVID-19:

St George is managing its operations in compliance with COVID-19 regulations issued by State and Commonwealth authorities. We will continue to proactively manage drilling and other field programmes to protect the health and safety of our team and service providers.

Border restrictions in Western Australia and elsewhere have impacted on the movement of personnel for drill rig crews, which is constraining the availability of drill rigs. St George is in close contact with its drilling contractors to best manage access and continuity to drilling services.

Restrictions on international travel as well as lockdowns in parts of Canada have impacted on the timing for completion of metallurgical test work underway in Canada. St George is working closely with its service provider to progress the test work with minimal delays.

SUBSEQUENT EVENTS

There is no matter or circumstance that has arisen since 31 December 2020, 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.

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 14.

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



John Prineas

Executive Chairman

St George Mining Limited

11 March 2021

11 March 2021

Board of Directors
St George Mining Limited
Level 1, 115 Cambridge Street
West Leederville, WA 6007

Dear Directors

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 half-year ended 31 December 2020, 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 sincerely

STANTONS INTERNATIONAL AUDIT AND CONSULTING PTY LTD



Martin Michalik
Director

FINANCIAL REPORT FOR THE HALF YEAR ENDED 31 DECEMBER 2020

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE HALF-YEAR ENDED 31 DECEMBER 2020

AUSTRALIAN DOLLAR (\$)	NOTES	31 DECEMBER 2020	31 DECEMBER 2019
REVENUE FROM CONTINUING OPERATIONS			
Interest		7,830	14,165
Government rebates		171,000	-
EXPENDITURE			
Administration expenses		(875,676)	(1,184,357)
Share based payments	3(b)	(421,991)	(173,975)
Exploration expenditure written off		(3,633,114)	(4,181,486)
LOSS BEFORE INCOME TAX		(4,751,951)	(5,525,653)
Income tax benefit		-	-
LOSS AFTER INCOME TAX		(4,751,951)	(5,525,653)
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		(4,751,951)	(5,525,653)
LOSS AFTER INCOME TAX ATTRIBUTABLE TO MEMBERS OF THE COMPANY		(4,751,951)	(5,525,653)
COMPREHENSIVE LOSS FOR THE PERIOD ATTRIBUTABLE TO MEMBERS OF THE COMPANY		(4,751,951)	(5,525,653)
EARNINGS PER SHARE			
Basic and diluted loss per share (cents)		(0.95)	(1.46)

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

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2020**

AUSTRALIAN DOLLAR (\$)	NOTE	31 DECEMBER 2020	30 JUNE 2020
CURRENT ASSETS			
Cash and cash equivalents		3,392,419	8,310,582
Trade and other receivables		451	97,150
Other assets		112,647	147,056
TOTAL CURRENT ASSETS		3,505,517	8,554,788
NON-CURRENT ASSETS			
Security bond		70,658	30,659
Right of Use Assets	8(a)	83,484	117,029
Plant and equipment		36,545	45,320
TOTAL NON-CURRENT ASSETS		190,687	193,008
TOTAL ASSETS		3,696,204	8,747,796
CURRENT LIABILITIES			
Trade and other payables		262,884	1,078,347
Lease Liabilities	8(b)	59,479	67,482
Provisions		191,101	135,628
TOTAL CURRENT LIABILITIES		513,464	1,281,457
NON-CURRENT LIABILITIES			
Lease liabilities	8(b)	32,198	56,696
TOTAL NON-CURRENT LIABILITIES		32,198	56,696
TOTAL LIABILITIES		545,662	1,338,153
NET ASSETS		3,150,542	7,409,643
EQUITY			
Issued capital	3(a)	50,765,870	50,695,011
Reserves	3(b)	1,000,860	588,369
Accumulated losses		(48,616,188)	(43,873,737)
TOTAL EQUITY		3,150,542	7,409,643

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

FINANCIAL REPORT FOR THE HALF YEAR ENDED 31 DECEMBER 2020

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE HALF-YEAR ENDED 31 DECEMBER 2020

Australian (\$)	SHARE CAPITAL	ACCUMULATED LOSSES	SHARE OPTIONS/ PERFORMANCE RIGHTS RESERVE	TOTAL EQUITY
	\$	\$	\$	\$
Balance at 1 July 2020	50,695,011	(43,873,737)	588,369	7,409,643
Profit (loss) for the period	-	(4,751,951)	-	(4,751,951)
Other comprehensive income	-	-	-	-
Total comprehensive loss for the period	-	(4,751,951)	-	(4,751,951)
Shares issued during the period	10,859	-	-	10,859
Share based payments	60,000	-	421,991	481,991
Expiry of options	-	9,500	(9,500)	-
Share and option issue expenses	-	-	-	-
Balance at 31 December 2020	50,765,870	(48,616,188)	1,000,860	3,150,542
Balance at 1 July 2019	34,366,720	(35,557,987)	476,722	(714,545)
Profit (loss) for the period	-	(5,525,653)	-	(5,525,653)
Other comprehensive income	-	-	-	-
Total comprehensive loss for the period	-	(5,525,653)	-	(5,525,653)
Shares issued during the period	9,945,720	-	-	9,945,720
Share based payments	-	-	174,226	174,226
Expiry of options	-	269,151	(269,151)	-
Share and option issue expenses	(537,645)	-	-	(537,645)
Balance at 31 December 2019	43,774,795	(40,814,489)	381,797	3,342,103

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

**CONSOLIDATED STATEMENT OF CASH FLOWS FOR
THE HALF YEAR ENDED 31 DECEMBER 2020**

AUSTRALIAN DOLLAR (\$)	31 DECEMBER 2020	31 DECEMBER 2019
CASH FLOWS FROM OPERATING ACTIVITIES		
Expenditure on mining interests	(4,245,453)	(5,834,206)
Payments to suppliers and employees	(825,172)	(1,560,256)
Interest received	9,333	11,258
Government grants	171,000	-
Net cash outflow used in operating activities	(4,890,292)	(7,383,204)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of plant and equipment	-	-
Net cash outflow used in investing activities	-	-
CASH FLOWS FROM FINANCING ACTIVITIES		
Issued of shares net of capital raising costs	-	8,565,226
Exercise of options	10,859	-
Loan facility provided	-	58,000
Interest on loans and facility	-	(265,640)
Lease payment	(38,730)	(24,215)
Net cash inflow/(outflow) from financing activities	(27,871)	8,333,371
Net inflow/(outflow) in cash and cash equivalents	(4,918,163)	950,167
Cash and cash equivalents at the beginning of the half-year	8,310,582	3,337,486
CASH AND CASH EQUIVALENTS AT THE END OF THE HALF-YEAR	3,392,419	4,287,653

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

CONDENSED 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 2020 have been prepared in accordance with requirements of the Corporations Act 2001 and Australian Accounting Standard AASB 134: Interim Financial Reporting. This financial report was authorised for issue in accordance with a meeting of the Board of Directors on 11 March 2021. 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 2020, together with any public announcements made during the half-year.

Accounting Policies

There have been no material changes in the critical accounting policies compared to those disclosures in the Group's consolidated financial statements as at, and for the year ended 30 June 2020.

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. 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 issued by the Australian Accounting Standards Board (the AASB) that are relevant to their operations and effective for the current half year.

New or Amended Accounting Standards and Interpretations Adopted

The consolidated entity has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period. There has been no significant impact on the disclosures or the amounts recognised in the Group's consolidated financial statements as a result of the new and revised accounting standards.

Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

Reporting Basis and Conventions

The half-year report has been prepared on an accruals basis and is based on historical costs. Cost is based on the fair values of the consideration given in exchange for assets.

All amounts are presented in Australian dollars, unless otherwise noted.

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

Going Concern Basis

The Directors have prepared the financial statements on a going concern basis, which contemplates continuity of normal business activities and the realisation of assets and extinguishment of liabilities in the ordinary course of business.

FINANCIAL REPORT FOR THE HALF YEAR ENDED 31 DECEMBER 2020

The Consolidated Entity has recorded a net loss of \$4,751,951 and net operating cash outflows of \$4,890,292 for the six months ended 31 December 2020.

Equity raisings or debt financing arrangements will be required in the future to fund the Group's activities. The Directors are assessing a number of options in respect of equity and debt financing arrangements, and have reasonable expectations that further funding will be arranged to meet the Company's objectives. There is no certainty that new funding will be successfully completed to provide adequate working capital for the Group.

The Board is confident that the Group will have sufficient funds to finance its operations in the next 12 months following successful completion of equity raisings or debt financing arrangements.

NOTE 2: SEGMENT INFORMATION

The Group operates in predominantly one business and geographical segment, being mineral exploration in Australia. The information shown in the Consolidated Statement of Financial Position and Statement of Profit or Loss and Other Comprehensive Income is the same as the business segment.

NOTE 3: ISSUED CAPITAL

AUSTRALIAN DOLLAR (\$)	31 DECEMBER 2020 \$	30 JUNE 2020 \$
(a) Issued and paid up capital		
At the beginning of the reporting period	50,695,011	34,366,720
July 2019: 33,000,000 shares issued at \$0.10 per share	-	3,300,000
October 2019: 44,300,000 shares issued at \$0.15 per share	-	6,645,000
May 2020: 45,277,814 shares issued at \$0.08	-	3,622,226
June 2020: 45,000,000 shares issued at \$0.08	-	3,600,000
Exercise of Options	10,859	720
Share based payment (i)	60,000	-
Transactions costs arising from issue of shares	-	(839,655)
At reporting date 503,543,376 (30 June 2020: 502,889,079) fully paid ordinary shares	50,765,870	50,695,011

	31 DECEMBER 2020 Number	30 JUNE 2020 Number
Movements in Ordinary Shares		
At the beginning of reporting period	502,889,079	335,307,665
July 2019: 33,000,000 shares issued at \$0.10 per share	-	33,000,000
October 2019: 44,300,000 shares issued at \$0.15 per share	-	44,300,000
May 2020: 45,277,814 shares issued at \$0.08	-	45,277,814
June 2020: 45,000,000 shares issued at \$0.08	-	45,000,000
Share based payment (i)	600,000	-
Exercise of options	54,297	3,600
Balance at reporting date	503,543,376	502,889,079

FINANCIAL REPORT FOR THE HALF YEAR ENDED 31 DECEMBER 2020

- (i) During the period 600,000 fully paid ordinary shares were issued at \$0.10 per share as consideration to acquire an exploration licence.

(b) Share Option and Performance Rights Reserve

AUSTRALIAN DOLLAR (\$)	31 DECEMBER 2020 \$	30 JUNE 2020 \$
Issued Options/Performance Rights		
At the beginning of the reporting period	588,369	476,722
Share based payments expense	421,991	380,548
Options based payments	-	250
Expiry of options transferred to accumulated losses	(9,500)	(269,151)
Transactions costs arising from issue of shares	-	-
At reporting date	1,000,860	588,369

Performance Rights

	31 DECEMBER 2020 Number	30 JUNE 2020 Number
Movements in Performance Rights		
At the beginning of reporting period	172	152
Issued during the period (i), (ii)	125	20
Cancelled during the period	-	-
Balance at reporting date	297	172

- (i) On 3 December 2019, 20 performance rights were issued.
- (ii) On 24 July 2020 at the general meeting of shareholders, the Company agreed and Shareholders approved the issue of 58 performance rights to Directors of the Company. An additional 67 performance rights were issued to employees of the Company.

The Performance Rights issued in the prior year have the following milestones attached to them:

- (i) **Class A Performance Rights:** in the event that the Undiluted Market Capitalisation of the Company is equal to or higher than AU\$100,000,000.00 for a minimum of 10 consecutive trading days the vesting condition shall be deemed satisfied.
- (ii) **Class B Performance Rights:** in the event that the Undiluted Market Capitalisation of the Company is equal to or higher than AU\$150,000,000.00 for a minimum of 10 consecutive trading days, the vesting condition shall be deemed satisfied.
- (iii) **Class C Performance Rights:** the Company announces an inferred 2012 JORC compliant resource at any Project of not less than:
- in regard to a gold resource, 1,000,000 ounces of Au; or
 - in regard to a nickel resource, 50,000t contained Ni; or
 - in regard to a cobalt resource, 10,000t contained Co.,

Each performance rights converts to 50,000 fully paid ordinary shares on achievement of the milestone.

FINANCIAL REPORT FOR THE HALF YEAR ENDED 31 DECEMBER 2020

Performance rights issued during the period have the following milestones attached to them:

- (iv) **Class D Performance Rights:** An announcement by the Company to the Australian Securities Exchange (ASX) is made by 30 June 2021 stating that the Company has made a Decision to Mine at the Mt Alexander Project.
- (v) **Class E Performance Rights:** An announcement by the Company to the ASX is made by 30 June 2022 stating that the Company has commenced production at the Mt Alexander Project of Nickel that will be commercially sold under an offtake or sales agreement.
- (vi) **Class F Performance Rights:** An announcement by the Company to the ASX is made by 30 June 2022 stating that the Company has defined an inferred 2012 JORC compliant resource at the Mt Alexander Project of not less than 100,000 tonnes contained nickel based on a cut-off grade of not less than 0.5%.
- (vii) **Class G Performance Rights:** drill intersections of economically significant mineralisation at the Company's Paterson Project by 30 June 2022 that the Board believes are indicative of the discovery of an ore deposit.

The performance rights were ascribed the below value:

Class	Date of Issue	Number of Performance Rights (i)	Expiry Date	Number of Ordinary Shares on Achievement	Price of Shares (\$)	Total Value (\$ (ii)	Expense for the period (\$)
Class A							
	15.08.18	25	31.07.21	1,250,000	0.125	156,250	25,686
	17.12.18	8	31.07.21	400,000	0.135	54,000	10,532
	03.12.19	5	15.08.21	250,000	0.135	33,750	10,080
Total Class A	-	38		1,900,000	-	244,000	46,298
Class B							
	15.08.18	25	31.07.21	1,250,000	0.125	156,250	25,686
	17.12.18	8	31.07.21	400,000	0.135	54,000	10,532
	03.12.19	5	15.08.21	250,000	0.135	33,750	10,080
Total Class B	-	38		1,900,000	-	244,000	46,298
Class C							
	15.08.18	70	31.07.21	3,500,000	0.125	437,500	73,169
	17.12.18	16	31.07.21	800,000	0.135	108,000	21,162
	03.12.19	10	15.08.21	500,000	0.135	67,500	19,189
Total Class C	-	96		4,800,000	-	613,000	113,520
Class D	24.07.20	32	30.06.21	1,600,000	0.110	176,000	88,000
Class E	24.07.20	32	30.06.22	1,600,000	0.110	176,000	44,000
Class F	24.07.20	45	30.06.22	2,250,000	0.110	247,500	61,875
Class G	24.07.20	16	30.06.22	800,000	0.110	88,000	22,000
Total D-G	-	125	-	6,250,000	-	687,500	215,875
Total	-	297	-	14,850,000	-	1,788,500	421,991

(i) Each Performance Right will convert into 50,000 shares.

(ii) The value of the rights was determined as per the date the rights were issued.

It has been deemed that the milestones occurring for the performance rights on issue will more likely than not occur and therefore expenses were accounted in full over the vesting period.

Each performance rights converts to 50,000 fully paid ordinary shares on achievement of the milestone.

FINANCIAL REPORT FOR THE HALF YEAR ENDED 31 DECEMBER 2020

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 2020 Number	Options Issued Number	Options Exercised/Expired Number	Closing Balance 31 December 2020 Number
30.09.2020	-	\$0.20	24,576,114	-	(24,576,114)	-
31.07.2022	-	\$0.15	2,500,000	-	-	2,500,000
-	-	-	27,076,114	-	(24,576,114)	2,500,000

NOTE 4: CONTINGENCIES

There have been no significant changes to commitments or contingencies since 30 June 2020.

NOTE 5: SUBSEQUENT EVENTS

There is no matter or circumstance that has arisen since 31 December 2020, 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 Australian Accounting Standards 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 2020.

Share-based payment transactions

The Group measures the cost of equity-settled transactions by reference to the fair value of the equity instrument at the date at which they are granted. The fair value of the performance rights granted was measured at the market price on date of issue.

A probability of 100% has been applied to the milestones occurring for the performance rights on issue.

Valuation of Right of Use Assets

The Group measures the lease transactions by reference to the market interest rate which is used to calculate the discounted cash flow in relation to its leases. The decision in terms of the length of leases is determined by the contract.

NOTE 7: SUBSIDIARIES

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

FINANCIAL REPORT FOR THE HALF YEAR ENDED 31 DECEMBER 2020

Subsidiaries of St George Mining Limited	Country of Incorporation	Percentage Owned %	
		31 December 2020	30 June 2020
Desert Fox Resources Pty Ltd	Australia	100%	100%
Blue Thunder Resources Pty Ltd	Australia	100%	100%
Destiny Nickel Pty Ltd	Australia	100%	100%

NOTE 8: RIGHT OF USE ASSETS AND LEASE LIABILITIES

(a) Right of use assets:

	31 DECEMBER 2020	30 JUNE 2020
	\$	\$
Cost	168,225	168,225
Accumulated depreciation	(84,741)	(51,196)
Carrying value at end of period	83,484	117,029
Opening net carrying value	117,029	168,225
Additions	-	-
Depreciation for the period	(33,545)	(51,196)
Carrying value at end of period	83,484	117,029

(b) Lease liabilities

	31 DECEMBER 2020	30 JUNE 2020
	\$	\$
Current		
Property lease liability	59,479	67,482
Non-current		
Property lease liability	32,198	56,696
Total lease liabilities	91,677	124,178

Property leases

The above right-of-use asset (ROU) and lease liability relate to the office lease and storage lease entered into by the Group. The lease has been accounted in accordance with AASB 16 adopted by the Group on 1 July 2019 under the modified retrospective approach.

The right-of-use asset is measured at the amount equal to the lease liability at initial recognition and then amortised over the life of the lease. The lease liability and ROU asset at initial recognition is \$168,225.

The right-of-use asset is being depreciated over the lease term on a straight-line basis which is approximately 27 and 36 months for the office and storage lease, respectively, in place at 31 December 2020. Depreciation

expense of \$33,545 was included in corporate administration expense in the consolidated statement of profit or loss and other comprehensive income.

At initial recognition, the lease liability was measured as the present value of minimum lease payments using the Group's incremental borrowing rate of 11.24%. The incremental borrowing rate was based on the unsecured interest rate that would apply if finance was sought for an amount and time period equivalent to the lease requirements of the Group. Each lease payment is allocated between the liability and interest expense. The interest expense of \$6,229 was included in corporate administration expense in the consolidated statement of profit or loss and other comprehensive income. Lease payments during the period was \$38,730 including interest.

Option to extend or terminate

The Group uses hindsight in determining the lease term where the contract contains options to extend or terminate the lease.

DIRECTORS' DECLARATION

The Directors of the Company declare that:

1. the financial statements and notes, as set out on pages 15 to 25 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 2020 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, 11 March 2021

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

Report on the Half-Year Financial Report

Conclusion

We have reviewed the half-year financial report of St George Mining Limited, which comprises the consolidated statement of financial position as at 31 December 2020, the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the half-year ended on that date, a summary of significant accounting policies and other explanatory information, and the directors' declaration.

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

- (a) giving a true and fair view of the consolidated entity's financial position as at 31 December 2020 and of its performance for the half-year ended on that date; and
- (b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Basis for Conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the Auditor's Responsibilities for the Review of the Financial Report section of our report. We are independent of the Company in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001* has been given to the directors of the Company on 11 March 2021.

Responsibility of the Directors for the 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 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 gives a true and fair view and is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility for the Review of the Financial Report

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Company's financial position as at 31 December 2020 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*.

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.

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

Stantons International Audit & Consulting Pty Ltd

Martin Michalik

Martin Michalik
Director

West Perth, Western Australia
11 March 2021