

31 July 2019

DRILLING OF NICKEL-COPPER SULPHIDE TARGETS BEGINS AT MT ALEXANDER

HIGHLIGHTS:

- **Major Drill Programme has commenced:**
 - **Diamond drilling of electromagnetic (EM) conductors is underway with 42 EM conductors prioritised for drilling**
 - **First target is an EM conductor at the Investigators Prospect with modelled conductivity of 82,000 Siemens**
 - **All EM conductors tested in the Cathedrals Belt to date have been confirmed as nickel-copper sulphides**
 - **Quantity and location of the EM conductors supports the potential to significantly increase the volume of high-grade mineralisation at Mt Alexander**
- **EM surveys in progress at the Cathedrals Belt:**
 - **Extensive EM surveys are ongoing at the Cathedrals Belt with potential to locate additional areas of high-grade nickel-copper sulphides**
 - **EM surveys in areas of conductive cover have recorded several anomalous responses, which are being reviewed ahead of being prioritised for drilling**
 - **High-powered EM survey over the northern section of the Cathedrals Belt has been completed with new data being reviewed**
 - **EM survey is being fast-tracked for the Fish Hook Prospect where a very strong nickel and copper soil anomaly has been identified**

Growth focused Western Australian nickel company St George Mining Limited (ASX: **SGQ**) (“**St George**” or “**the Company**”) is pleased to announce that drilling of nickel-copper sulphide targets has commenced at the Mt Alexander Project, located in the north eastern Goldfields.

Diamond drilling has commenced on a continuous 24 hour basis with two 12 hour shifts per day. More than 6,000m of drilling is planned with additional targets expected to be added to the programme as results from ongoing EM surveys are reviewed.

John Prineas, St George Mining’s Executive Chairman said:

“With a large number of high priority EM targets to test, this is the most exciting drill programme we have launched at Mt Alexander to date.

“Many of the EM conductors to be drilled represent a large step out from known massive sulphide mineralisation, so there is excellent potential for this programme to significantly extend the footprint of high-grade nickel-copper sulphide mineralisation.

“In addition, ongoing EM surveys are identifying new EM targets in underexplored areas of the Cathedrals Belt – providing further support to the emerging large scale mineral potential at Mt Alexander.”

DIAMOND DRILLING OF EM CONDUCTORS

The first three EM conductors scheduled for drilling are located at Investigators and are listed in Table 1.

The collars for the drill holes that will test these targets are shown in Figure 1, along with the location of other EM plates at Investigators.

The EM conductors all have electrical signatures that are consistent with massive nickel-copper sulphides, and are located in an area of the Cathedrals Belt where all EM conductors tested by drilling have been confirmed to be nickel-copper sulphide mineralisation.

The first EM conductor to be drilled is located approximately 50m to the north of the nickel-copper sulphides intersected in MAD45 – representing a large step-out to the known mineralised zone. This EM conductor has a strike length of 30m and conductivity of 82,000 Siemens.

The drill hole underway is modelled to intersect the EM conductor at 200m downhole.

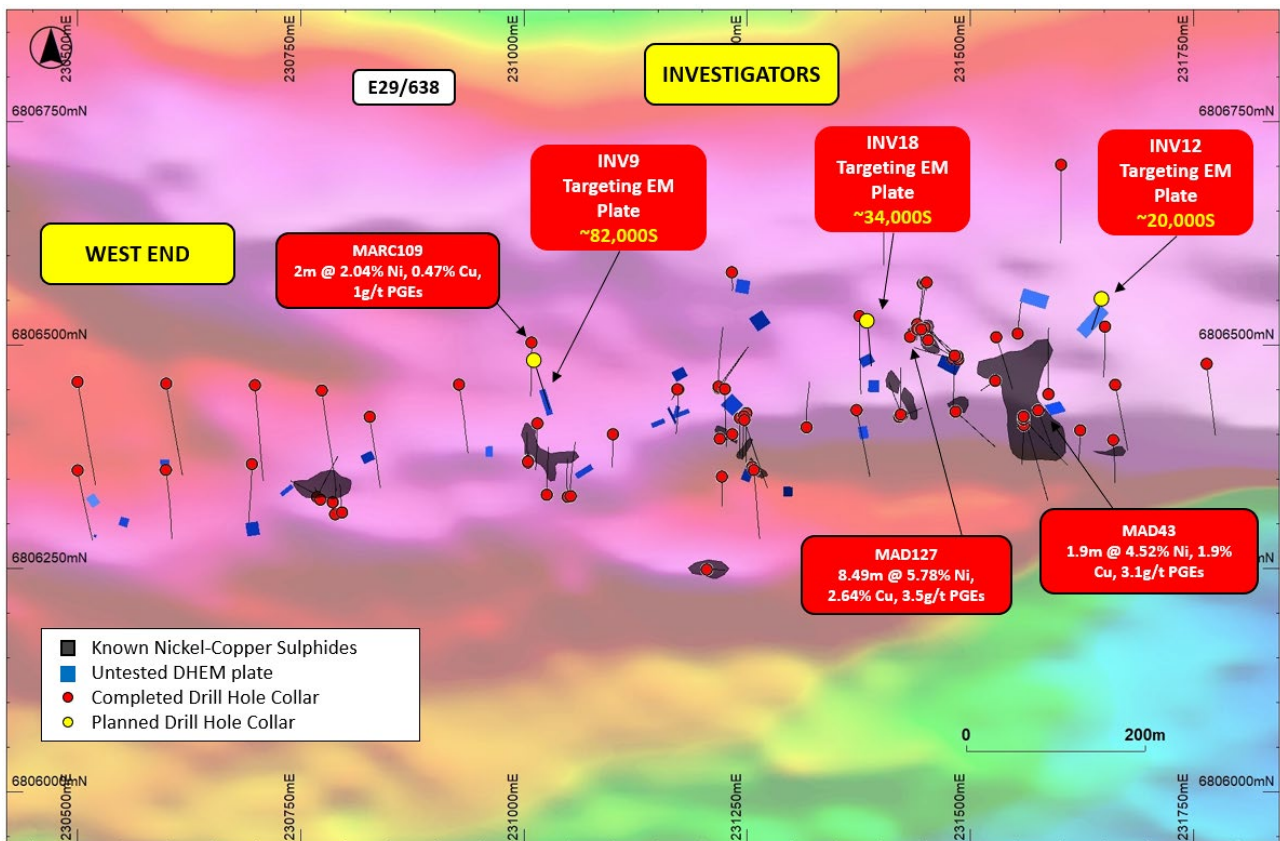


Figure 1 – plan view of Investigators Prospect with drill hole collar locations over SAM (MMC) survey data. Untested EM plates exist proximal to known nickel-copper sulphides and in locations which are large step-outs from the known mineralisation. The first three targets to be drilled in the current programme are highlighted.

Hole ID	Prospect	East	North	RL	Depth	Azimuth	Dip	Target
INV9	Investigators	231010	6806499	419	230	165	-71	EM plate 82,000 siemens
INV12	Investigators	231650	6806569	424.6	230	196	-77	EM plate 20,000 siemens
INV18	Investigators	231377	6806531	422.8	220	170	-75	EM plate 34,000 siemens

Table 1 – Details of first three EM conductors to be drilled, including drill hole collars

EXTENSIVE SURFACE EM SURVEYS ARE ONGOING

Figure 2 shows the areas to be surveyed in the current EM programme.

A high-powered fixed loop EM (FLEM) survey has just been completed over the northern section of the Cathedrals Belt, where the ultramafic units are interpreted to extend down-dip to the north and north-west. This area has potential to host a continuation of high-grade mineralisation at depth in the down-dip direction.

The FLEM survey has recorded several anomalous responses, which are being reviewed and interpreted by Newexco in conjunction with previous EM data for this area. Close spaced follow-up MLEM surveys will be used to help refine the modelling. Drill targets for this area are expected to be added to the drill programme currently underway.

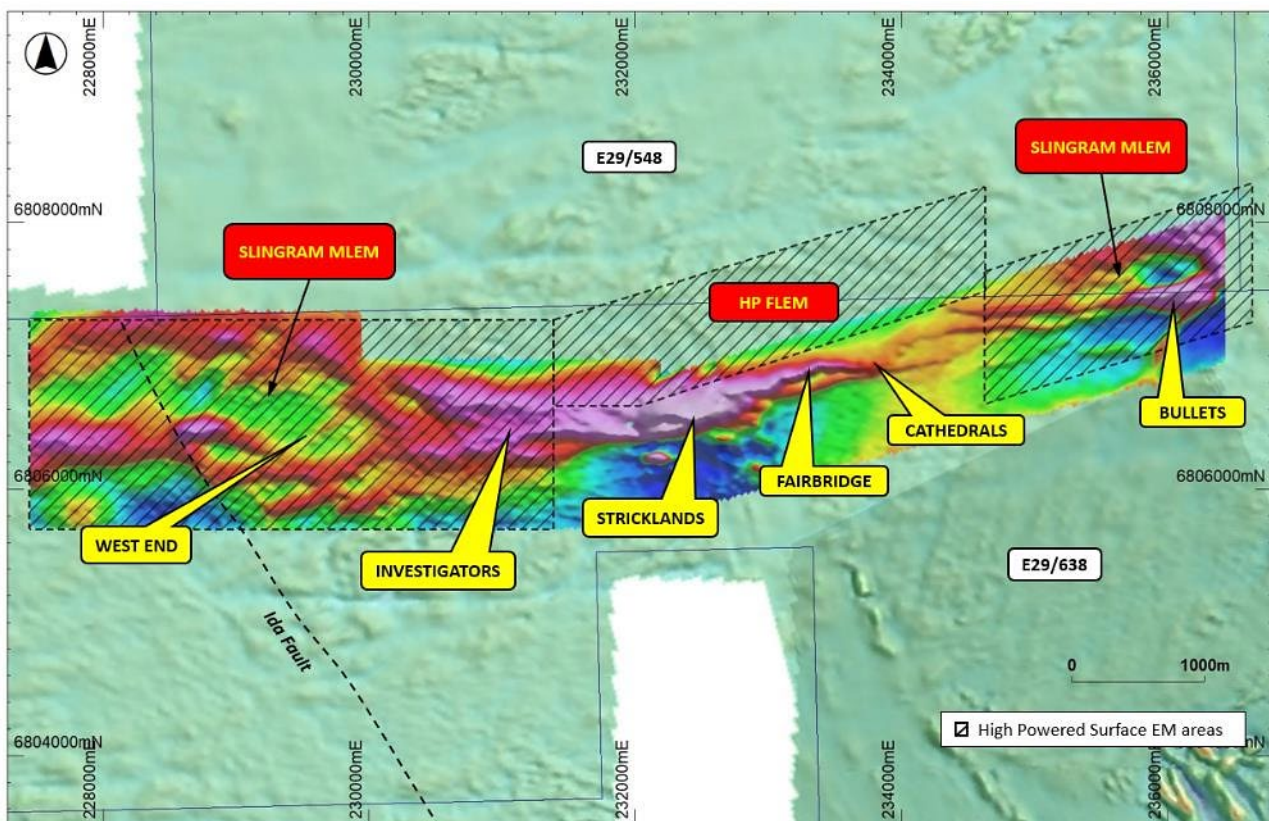


Figure 2 – Map showing survey areas of the new EM programme underway at the Cathedrals Belt (set against the latest SAM (MMC) survey data). The purple areas represent the strongest conductive responses and are interpreted to represent major faults within the Cathedrals corridor, a structural setting that is known to host nickel-copper sulphides in this Belt.

The moving loop EM (MLEM) survey is now in progress and is covering areas outside of current zones of known nickel-copper mineralisation, as shown in Figure 2. The MLEM survey will utilise both traditional and Slingram configurations – the latter uses a sensor inside *and* outside of the survey loop, which results in the effects of palaeo-drainage and conductive cover being minimised.

The MLEM survey commenced to the east of the Cathedrals Prospect. Already early results indicate an anomalous response along the interpreted eastern extension of the mineralised trend known to host nickel-copper sulphides at the Cathedrals Prospect. Any response will be followed up and assessed with a FLEM survey to help refine the EM modelling. The MLEM survey will move to the West End Prospect in the coming days.

In addition to the areas shown in Figure 2, the MLEM survey will be extended to the Fish Hook Prospect. The highly important nickel-copper soil anomaly identified at Fish Hook is co-incident with a magnetic feature that is interpreted to represent mineralised ultramafics. These positive early exploration results warrant immediate follow-up and the MLEM survey for Fish Hook has been fast-tracked accordingly.

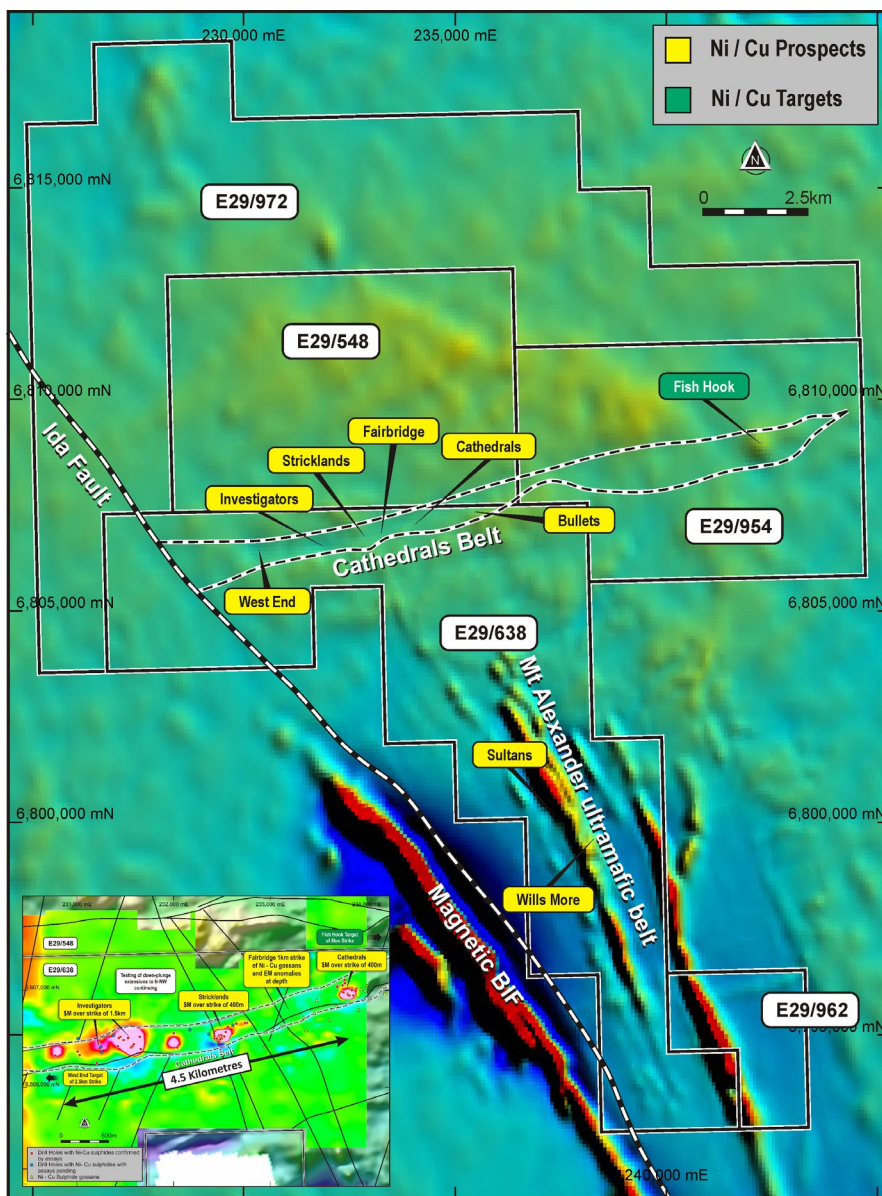


Figure 3 – map of the Mt Alexander tenements (against RTB magnetics) with key prospects highlighted.

The inset shows the 4.5km strike of the Cathedrals Belt where drilling has intersected large areas of high-grade nickel-copper sulphides.

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 five granted exploration licences – E29/638, E29/548, E29/962, E29/954 and E29/972.

The Cathedrals, Stricklands and Investigators nickel-copper-cobalt-PGE discoveries are located on E29/638, which is held in joint venture by St George Mining Limited (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.

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Competent Person Statement:

The information in this report that relates to Exploration Targets, Exploration Results, Mineral Resources or Ore Reserves is based on information compiled by Mr Dave O'Neill, a Competent Person who is a Member of The Australasian Institute of Mining and Metallurgy. Mr O'Neill is employed by St George Mining Limited to provide technical advice on mineral projects, and he holds performance rights issued by the Company.

Mr O'Neill 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 O'Neill consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.