

22 February 2019

## NICKEL-COPPER SULPHIDE DRILLING BEGINS AT MT ALEXANDER

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### HIGHLIGHTS:

- **2019 Drilling Campaign has Commenced:**
    - +5,500m reverse circulation (RC) drill programme is underway
    - First target being drilled is the new West End Prospect which will test for a continuation of the highly mineralised Cathedrals Belt towards the Ida Fault
    - Second target to be drilled will be the new Fairbridge Prospect with the first ever drilling of the interpreted mineralised contact between the high-grade discoveries at the Stricklands and Cathedrals Prospects
  - **Downhole electromagnetic (DHEM) Surveys from the 2018 Drilling Programme Confirm More Off-Hole Conductors:**
    - Modelling of the DHEM survey data has been finalised by Newexco with additional strong off-hole EM conductors identified that are consistent with massive sulphides
    - Diamond drilling of these conductors will commence in 4 to 6 weeks
    - Strong potential to further extend the strike of high-grade mineralisation
  - **Assays from 2018 Drilling Confirm High-Grade Nickel-Copper Sulphide Mineralisation:**
    - Further laboratory assays have been received for drill holes completed in late 2018
    - Assays confirm multiple intersections of high-grade nickel-copper-cobalt-PGEs including MAD136 which returned:
      - *5.11m @ 3.88%Ni, 2.4%Cu, 0.10%Co and 6.93g/t total PGEs from 148m, including 2.38m @ 6.76%Ni, 4.29%Cu, 0.19%Co and 6.39g/t total PGEs from 149.5m*
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Emerging 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 near Leonora in the north Eastern Goldfields.

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

“The 2019 drill campaign at Mt Alexander is off to an exciting start with a range of drill targets that have strong potential to discover further nickel-copper sulphides.

“The RC drill programme will be testing for continuations of the known high-grade mineralisation as well as testing for additional occurrences in areas where there has been no or very little previous drilling.

“The first holes to be drilled are at the new West End and Fairbridge targets. These areas are located on the highly mineralised Cathedrals Belt and adjacent to the high-grade discoveries at Investigators, Stricklands and Cathedrals.

“The concurrent use of drilling and DHEM surveys will continue to be used to scope out the distribution of the sulphide mineralisation. This has proved to be a very effective exploration method with modelling of DHEM data from drill holes completed at Investigators and Stricklands late last year identifying a number of strong off-hole EM conductors which we believe represent extensions of the known nickel-copper sulphide mineralisation.

“The strong results from the 2018 drilling continue with final assays from that drilling confirming further high-grade nickel-copper-cobalt-PGEs in multiple intersections.

“The high PGEs in our mineralisation are particularly pleasing, with palladium – currently trading at another new record price – comprising around 80% of the total PGEs.”

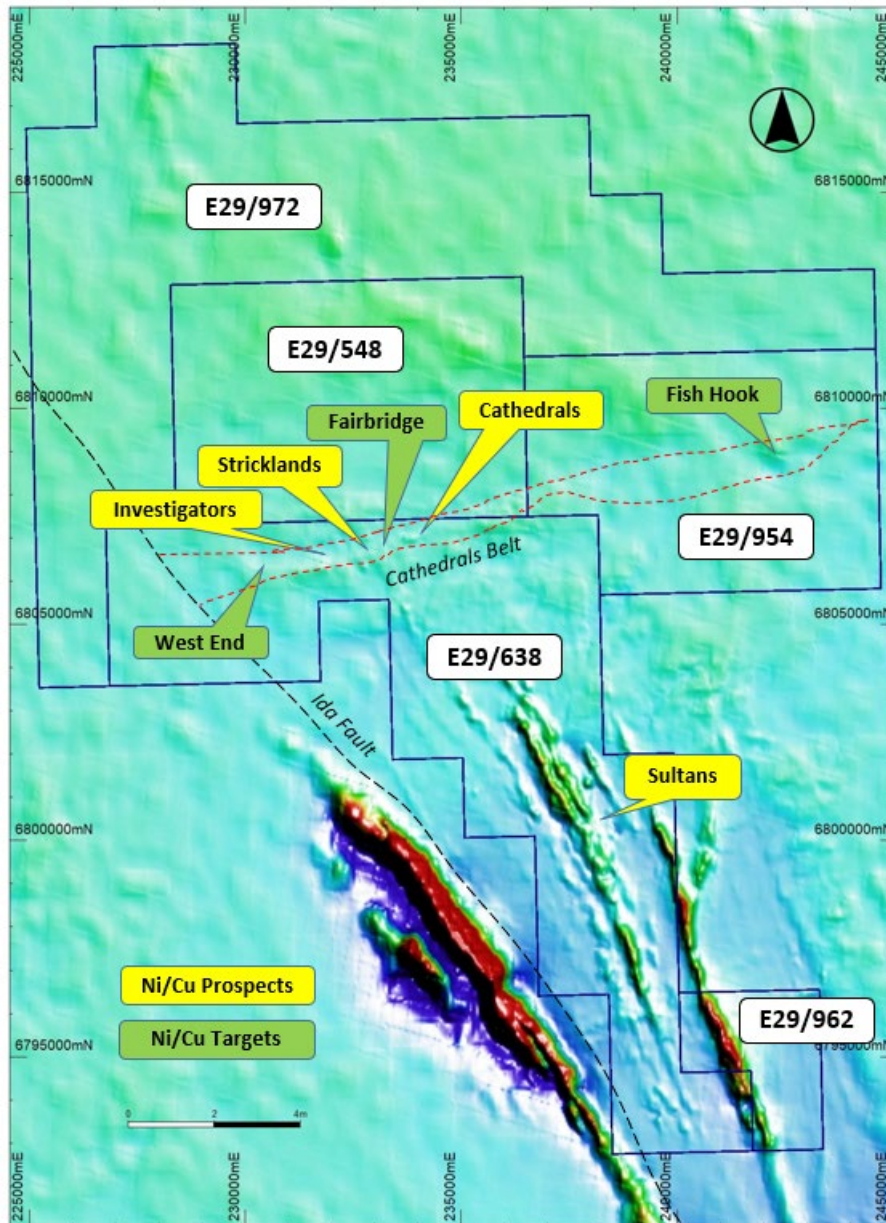


Figure 1- map of the tenement package at Mt Alexander set against RTP magnetic data, showing the key prospects and targets under exploration. Drilling is now underway at the West End Target.

**RC DRILLING OF MULTIPLE NICKEL-COPPER SULPHIDE TARGETS**

The RC drill programme underway at the Mt Alexander Project comprises 37 planned drill holes for more than 5,500m of drilling. Additional drill holes are likely to be added to the programme as initial drill results are reviewed.

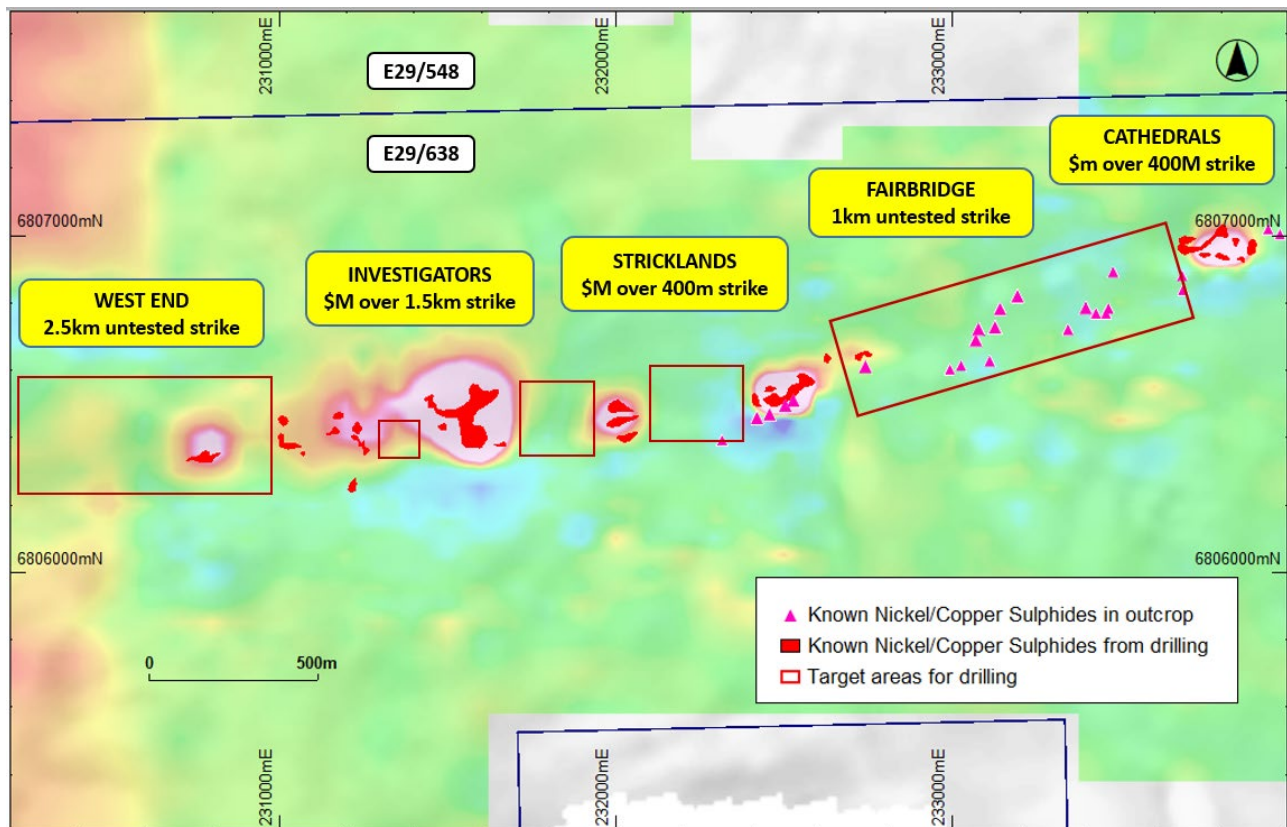
All drill holes will be cased in PVC to allow completion of DHEM surveys which will assist in identifying any sulphide mineralisation around the hole.

Table 1 summarises the planned drilling in the RC programme. For further details of the targets being tested, please see our ASX Release dated 12 February 2019 *St George Ready to Drill at Mt Alexander*.

Prospect/Target Area	Number of Planned Holes	Metres of Drilling	Drill Targets
<b>Investigators</b>	12	1,200	Infill/resource definition along strike of known massive Ni-Cu sulphides
<b>Fairbridge</b>	13	1,800	EM conductors and reconnaissance drilling below gossans
<b>West End</b>	6	1,050	Reconnaissance drilling between Investigators and Ida Fault
<b>Mt Alexander Belt</b>	6	1,600	Drilling to follow-up massive Ni-Cu sulphide intersections in BHP drilling

*Table 1 – Planned RC drilling programme commencing February 2019*

Figure 2 is a map of the Cathedrals Belt with drill target areas highlighted. Drill testing of these areas has the potential to significantly increase the scale of the known mineralisation along the Cathedrals Belt.



*Figure 2 – the Cathedrals Belt with the target areas being drilled in the current RC programme. The background image is SAMSON total field EM data in Channel 18 (44ms). Strong SAMSON anomalies present as red/pink colours. The numerous gossans in the Fairbridge Prospect are also highlighted.*

**WEST END TARGET – POTENTIAL 2.5KM STRIKE OF THE CATHEDRALS BELT**

The Cathedrals Belt is interpreted to extend from the western margin of the Investigators Prospect to the Ida Fault approximately 2.5km to the west.

The West End Target incorporates this western extension of the Cathedrals Belt, which is interpreted to lie underneath a paleochannel (see Figure 3).

This area has not been effectively investigated by surface EM surveys and remains highly prospective given the potential for the Ida Fault to have acted as a control on the mineralisation in the Cathedrals Belt.

Six wide-spaced, deep drill holes will be completed at West End in the current RC programme. Drilling has commenced immediately west of Investigators and will progress westwards towards the Ida Fault.

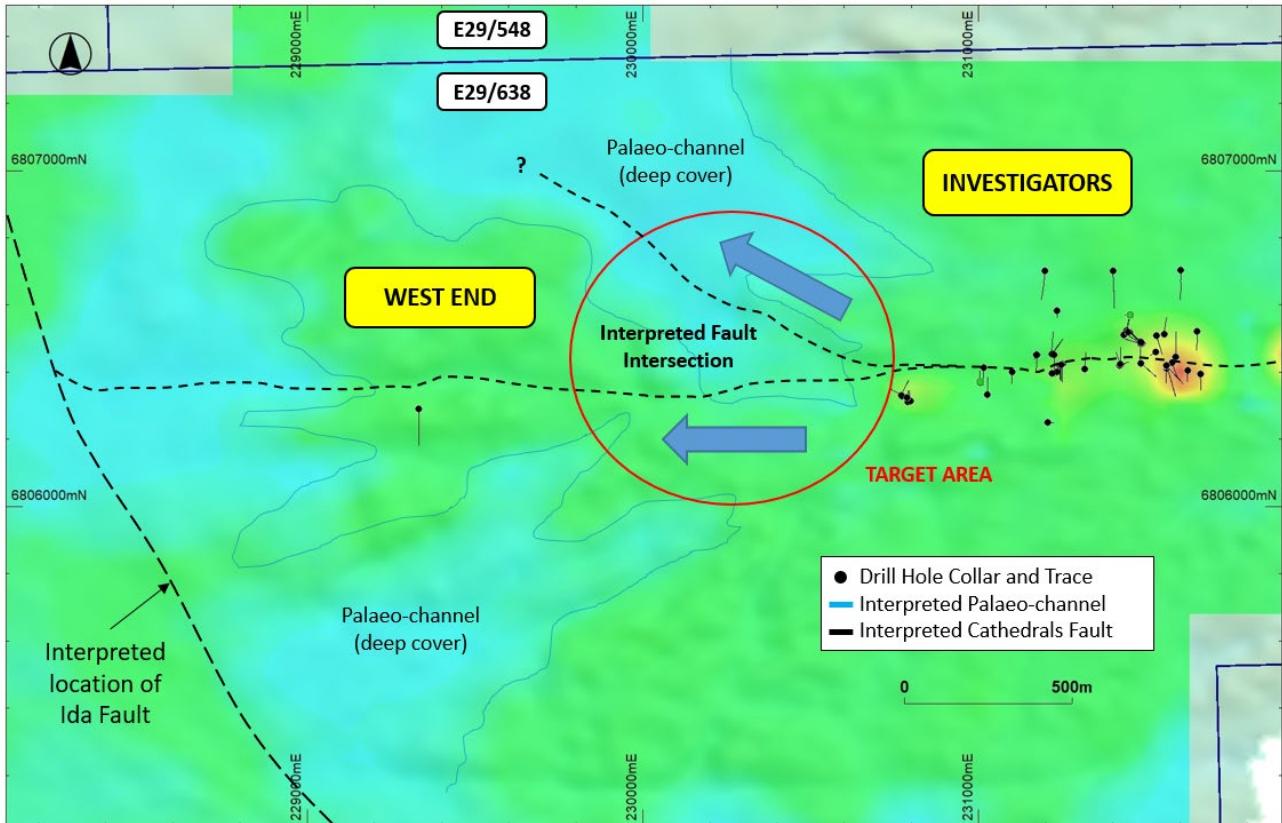


Figure 3 – the western extension of the Cathedrals Belt showing the potential cover by the paleochannel (set against MLEM Channel 28 over magnetic data). A 2,500m strike of the western extension remains undrilled.

**NEW DHEM CONDUCTORS POINT TO FURTHER EXTENSIONS OF MINERALISATION**

DHEM surveys of the diamond drill holes completed in the last quarter of 2018 at the Investigators and Stricklands Prospects have generated a number of strong off-hole EM anomalies for follow-up drilling. These new EM anomalies have a geophysical signature consistent with network textured and/or massive nickel sulphides, and are summarised below in Table 2.

In many cases, the DHEM surveys in drill holes that have intersected high-grade sulphide mineralisation can be limited in effectiveness for identifying further mineralisation proximal to the drill hole as the EM current is absorbed by the massive sulphides in that hole.

However, drill holes that have intersected weak or no sulphide mineralisation have proven to be more useful as platform holes for DHEM surveys. Drill holes MAD135, MAD140 And MAD141 are examples of this at Investigators – these did not intersect massive nickel sulphides, but the DHEM surveys in these holes have detected strong EM conductors which are likely to represent new zones of massive sulphide mineralisation. These are highlighted in Figures 4 and 5.

The DHEM conductors will be drill tested by a diamond drill programme scheduled to commence in approximately 4 to 6 weeks. DHEM targets identified from the current RC programme will either be drilled during the RC programme or added to the diamond drill progamme.

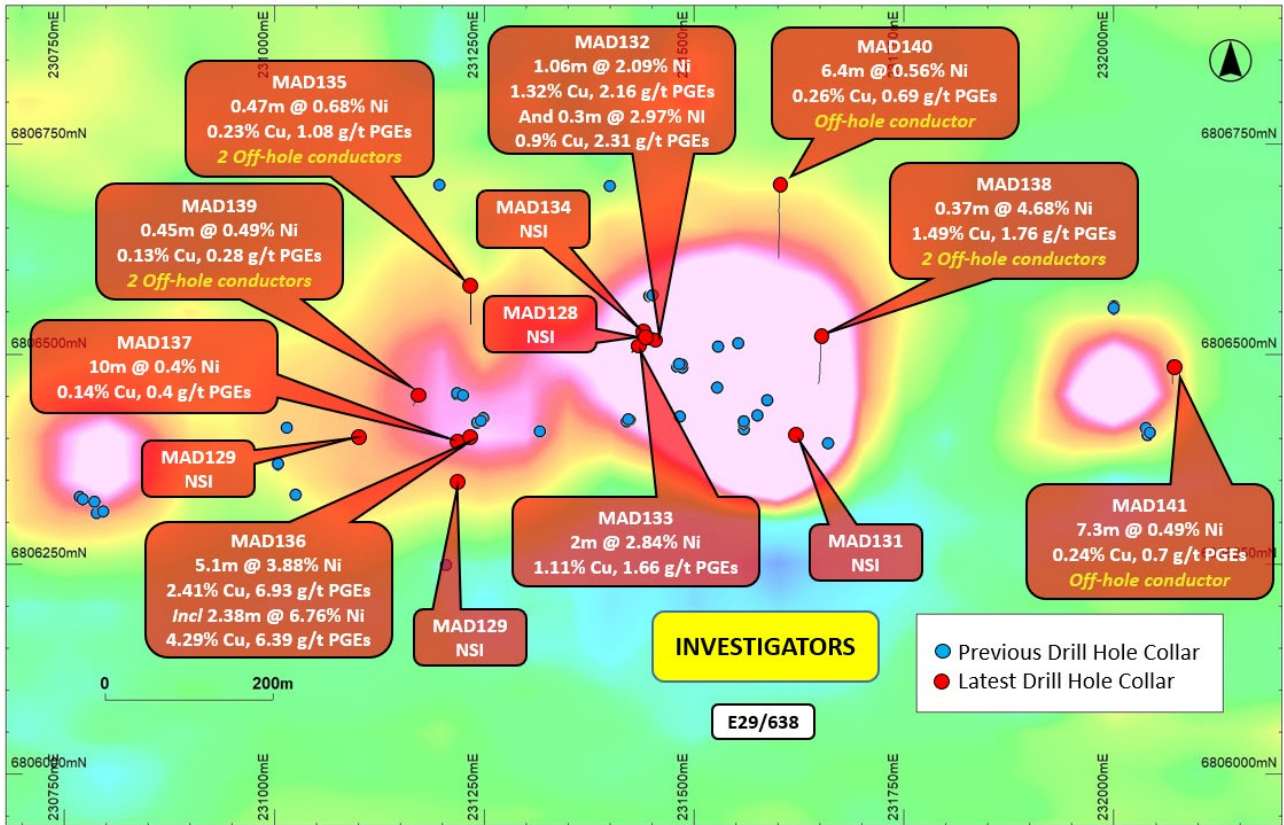


Figure 4 – plan view of the Investigators Prospect highlighting the location of drill holes from late 2018 with assays and results of DHEM surveys (overlying SAMSON EM CH18 data).

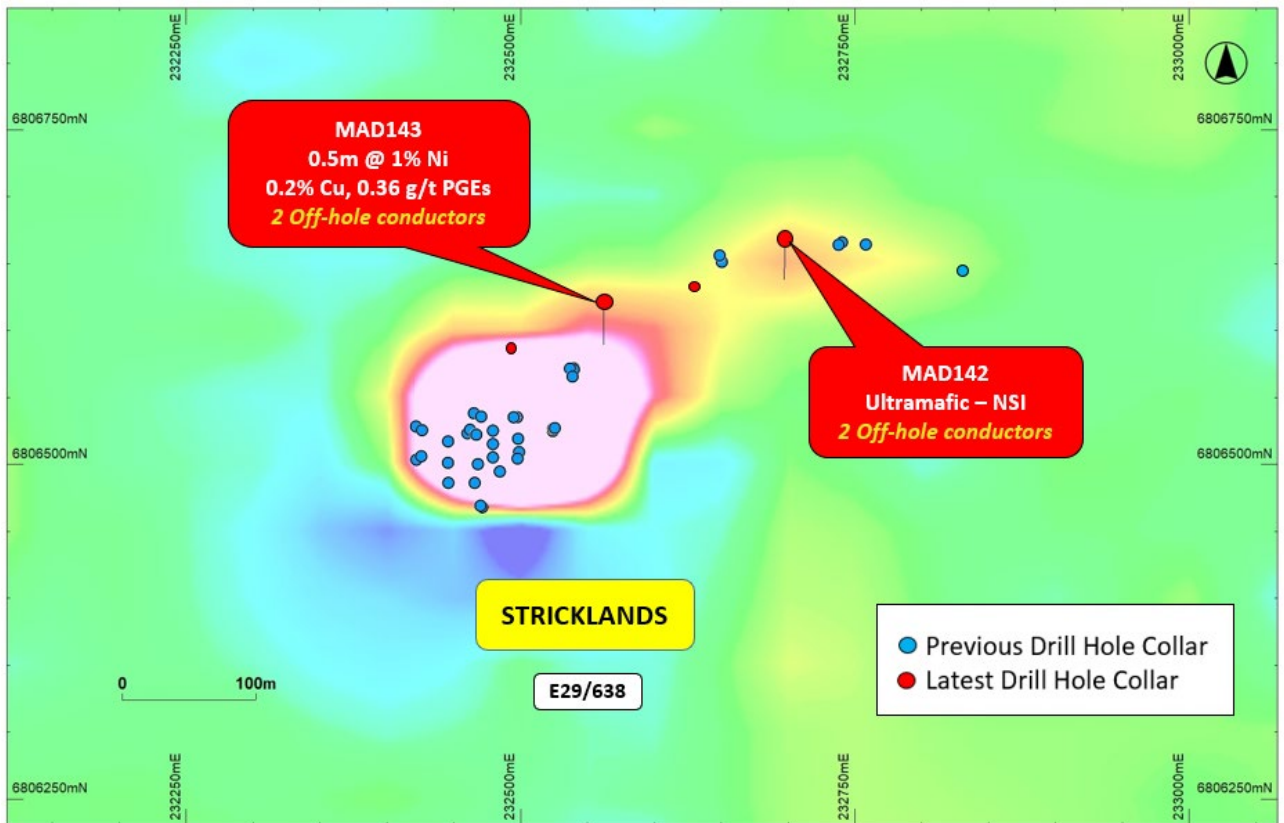


Figure 5 – plan view of the Stricklands Prospect highlighting the location of drill holes from late 2018 with assays and results of DHEM surveys (overlying SAMSON EM CH18 data).

DHEM Survey in Hole ID	Hole Depth (m)	Initial Target	New DHEM Conductors
MAD135	270	MAD119 Off-hole anomaly	Plate 1: Conductance 11,600S, Size 15 x 15m Plate 2: Conductance 20,000S, Size 17.5 x 17.5m
MAD138	230	Extension East of MAD60	Plate 1: Conductance 20,650S, Size 15 x 40m Plate 2: Conductance 14,500S, Size 15 x 20m
MAD139	201.2	MAD112 off-hole anomaly	Plate 1: Conductance 8,015S, Size 14.5 x 12m Plate 2: Conductance 27,900S, Size 3.5 x 45m
MAD140	350.1	Down dip of MAD62 line	Plate 1: Conductance 15,000S, Size 30 x 16m Plate 2: Conductance 20S, Size 187 x 310m
MAD141	125	Weak FLEM anomaly East of MAD112	Off-hole plate remodelled with MAD33 DHEM; Plate 1: Conductance 11,100S, 25 x 21m
MAD142	91.2	Infill MAD62 and MAD104	Plate 1: Conductance 5,000S, Size 11 x 11.5m Plate 2: Conductance 7,250S, Size 13 x 15m
MAD143	100	Test down dip MAD88	Plate 1: Conductance 2,900S, Size 23.5 x 26.3m Plate 2: Conductance 3,900S, Size 20.5 x 7.3m

Table 2 – DHEM anomalies identified by DHEM surveys in drill holes completed in late 2018.

**ASSAYS CONFIRM HIGH-GRADE MINERALISATION**

Final laboratory assays have been received for the diamond drilling completed at the Investigators and Stricklands Prospects in late 2018. Assays have confirmed high grades of nickel, copper, cobalt and PGEs in several drill holes; see Table 3.

Importantly, drilling is also identifying zones of disseminated nickel/copper sulphides away from the areas of EM anomalism, which is expanding the footprint of known mineralisation.

Hole ID	GDA94 East	GDA94 North	Dip	Azi	Hole Depth (m)	From (m)	To (m)	Width (m)	Ni%	Cu%	PGE g/t	Co%
MAD128	231452	6806505	-90	0	200	NSI						
MAD129	231220	6806350	-75	180	130	NSI						
MAD130	231100	6806400	-75	180	150	NSI						
MAD131	231625	6806400	-75	180	130	NSI						
MAD132	231432	6806509	-90	0	210	176	180.9	4.9	0.45	0.16	0.46	0.02
						180.9	181.96	1.06	<b>2.09</b>	<b>1.32</b>	<b>2.16</b>	<b>0.08</b>
<i>and</i>												
						201.4	202.02	0.62	0.31	0.04	0.16	0.02
						202.02	202.32	0.3	<b>2.97</b>	<b>0.9</b>	<b>2.31</b>	<b>0.11</b>
						202.32	203	0.68	0.32	0.34	-	0.01
<i>and</i>												
						210.25	210.54	0.29	0.39	0.2	0.28	0.02
MAD133	231450	6806519	-90	0	205	182	184	2	0.37	0.46	1	0.02
						184	186	2	<b>2.84</b>	<b>1.11</b>	<b>1.66</b>	<b>0.11</b>
MAD134	231440	6806523	-90	0	215	NSI						
MAD135	231232	6806581	-85	180	270	236.83	237.3	0.47	0.68	0.23	1.08	0.02
MAD136	231234	6806400	-90	0	160	138	148	10	0.36	0.12	0.37	0.02
						148	153.1	5.1	<b>3.88</b>	<b>2.41</b>	<b>6.93</b>	<b>0.1</b>
<i>Including</i>												
						149.55	151.93	2.38	<b>6.76</b>	<b>4.29</b>	<b>6.39</b>	<b>0.19</b>



MAD137	231220	6806395	-90	0	160	139	150	11	0.4	0.15	0.4	0.02
MAD138	231650	6806520	-75	180	230	141.6	141.97	0.37	<b>4.68</b>	<b>1.49</b>	<b>1.76</b>	<b>0.03</b>
MAD139	231171	6806450	-85	197	201.2	175	175.45	0.45	0.49	0.13	0.28	0.02
MAD140	231600	6806700	-75	180	350.1	NSI						
MAD141	232070	6806485	-80	180	125	73	80.3	7.3	0.49	0.24	0.7	0.02
MAD142	232700	6806670	-70	180	91.2	NSI						
MAD143	232560	6806620	-70	180	100	72	72.5	0.5	1	0.2	0.36	0.05

*Table 3 – assays for 2018 diamond drilling completed in Q3 2018.*

**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.