

18 March 2019

## **DRILLING AT MT ALEXANDER – STRONG RESULTS CONTINUE**

### **HIGHLIGHTS:**

#### **Drilling is Underway at Fairbridge:**

- **Two drill holes completed at the new Fairbridge Prospect with thick intersections of ultramafic and nickel sulphides**
- **Early results add support to the potential for the highly chargeable anomalies at Fairbridge to represent nickel sulphide mineralisation**

#### **Extensional Drilling Identifies New Zone of Nickel Sulphide Mineralisation:**

- **Three wide-spaced drill holes completed in the undrilled 500m strike between the Stricklands and Investigators Prospects on the Cathedrals Belt**
- **All three drill holes intersected ultramafic with nickel sulphides confirming a new and wide zone of mineralisation that is open to the north, south and at depth**
- **Downhole electromagnetic (DHEM) surveys underway to identify any conductive targets around the drill holes**

#### **DHEM Surveys at West End Identify Off-Hole EM Conductors:**

- **Two off-hole EM conductors identified from DHEM surveys completed at West End Prospect**
- **Further drilling to be scheduled for West End to test the DHEM conductors and extend the line of drill holes westwards along the Cathedrals Belt to the Ida Fault**

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Emerging Western Australian nickel company St George Mining Limited (ASX: **SGQ**) (“**St George**” or “**the Company**”) is pleased to announce further strong results from the drill programme in progress at the Mt Alexander Project, located near Leonora in the north Eastern Goldfields.

Two drill holes – MARC093 and MARC094 – have been completed at the eastern margin of the Fairbridge Prospect to test a large chargeable anomaly that is interpreted to be the western extension of the mineralised ultramafic at the Cathedrals Prospect. Both drill holes intersected thick intervals of ultramafic rocks and nickel sulphide mineralisation.

MARC093 was completed to a downhole depth of 178m, and intersected approximately 7m of disseminated nickel sulphides in ultramafic from 60m downhole. A second ultramafic unit was observed at 150m downhole.

MARC094 was drilled to the north of MARC093, and was completed to a downhole depth of 226m. MARC094 intersected approximately 5m of disseminated and blebby nickel sulphides from 90m downhole, and then another 4m of coarse nickel sulphides – including network textured and large blebby sulphides – from 197m downhole.

These interim results demonstrate that the mineralised ultramafic dips to the north, with stronger nickel sulphide mineralisation at depth. Significantly, a large chargeable anomaly has been modelled to the north of MARC094, at a vertical depth from surface of approximately 250m. The first ever drilling of this large anomaly is scheduled for this week.

The above drill hole observations are based on geological logging and are preliminary in nature. A conclusive determination of any significant intersection in the drill holes is subject to laboratory assays, which are pending.

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

“The drill programme at Mt Alexander continues to deliver exciting results and further hits of thick nickel sulphide mineralisation.

“Initial drill results at Fairbridge fit very well with our geological model for the Cathedrals Belt, which interprets the ultramafic unit dipping to the north with potential for further mineralisation down-plunge.

“This is encouraging for the remaining nickel sulphide drill targets at Fairbridge – particularly the large chargeable anomalies recently identified down plunge of the known mineralisation at the Cathedrals Belt.

“At West End, the downhole EM surveys continue to identify conductive material. This supports the potential continuation of the mineralised ultramafic to the west of Investigators and increases our confidence to complete a series of drill holes all the way to the Ida Fault in the west.

“Extensional drilling between Investigators and Stricklands has also delivered success with a new zone of nickel sulphide mineralisation discovered in this previously undrilled 500m east-west strike of the Cathedrals Belt.

“This kind of geologically driven and systematic exploration is the foundation for most major discoveries. We are very pleased with the positive results achieved already in the current drill programme and the potential for more significant results as the drilling continues over the coming weeks.”

### **FAIRBRIDGE PROSPECT – CONDUCTIVE TARGETS WITHIN MINERALISED CORRIDOR**

The Fairbridge Prospect covers a 1,000m east-west strike of the Cathedrals Belt and lies between the Stricklands and Cathedrals Prospects, where significant discoveries of nickel-copper sulphides have already been made by St George.

A number of chargeable anomalies have been identified at Fairbridge from geophysical surveys recently completed by St George. These anomalies are high priority drill targets, and are discussed in detail in our ASX Release dated 7 March 2019 *Nickel-Copper Sulphide Drilling at Mt Alexander*. The anomalies may potentially be associated with the numerous sulphide gossans observed at Fairbridge, with several anomalies situated below these gossans.

Two large chargeable anomalies are situated on the eastern and western margins of Fairbridge and to the north of known high-grade nickel-copper sulphides at the Cathedrals and Stricklands Prospects, respectively. The large anomalies may represent down-plunge extensions of the known mineralisation. Figure 1 illustrates the chargeable anomalies at Fairbridge and the location of the drilling underway.

MARC093 and MARC094, as discussed above, were drilled in the western margin of Cathedrals and intersected two ultramafic units with nickel sulphide mineralisation – giving encouragement that the large chargeable anomaly to the north of the drill holes may represent a down-plunge extension of this mineralisation.

MARC092 was drilled to a downhole depth of 120m, intersecting mafic rocks from surface to 40m downhole and then mostly granite. The hole is interpreted to have intersected remnant greenstones from the main Mt Alexander Belt and the mafic dyke that lies within the Cathedrals fault, a setting where nickel sulphides have been previously identified elsewhere along the Cathedrals Belt.

DHEM surveys will be completed in all drill holes to investigate for conductive material around the holes.

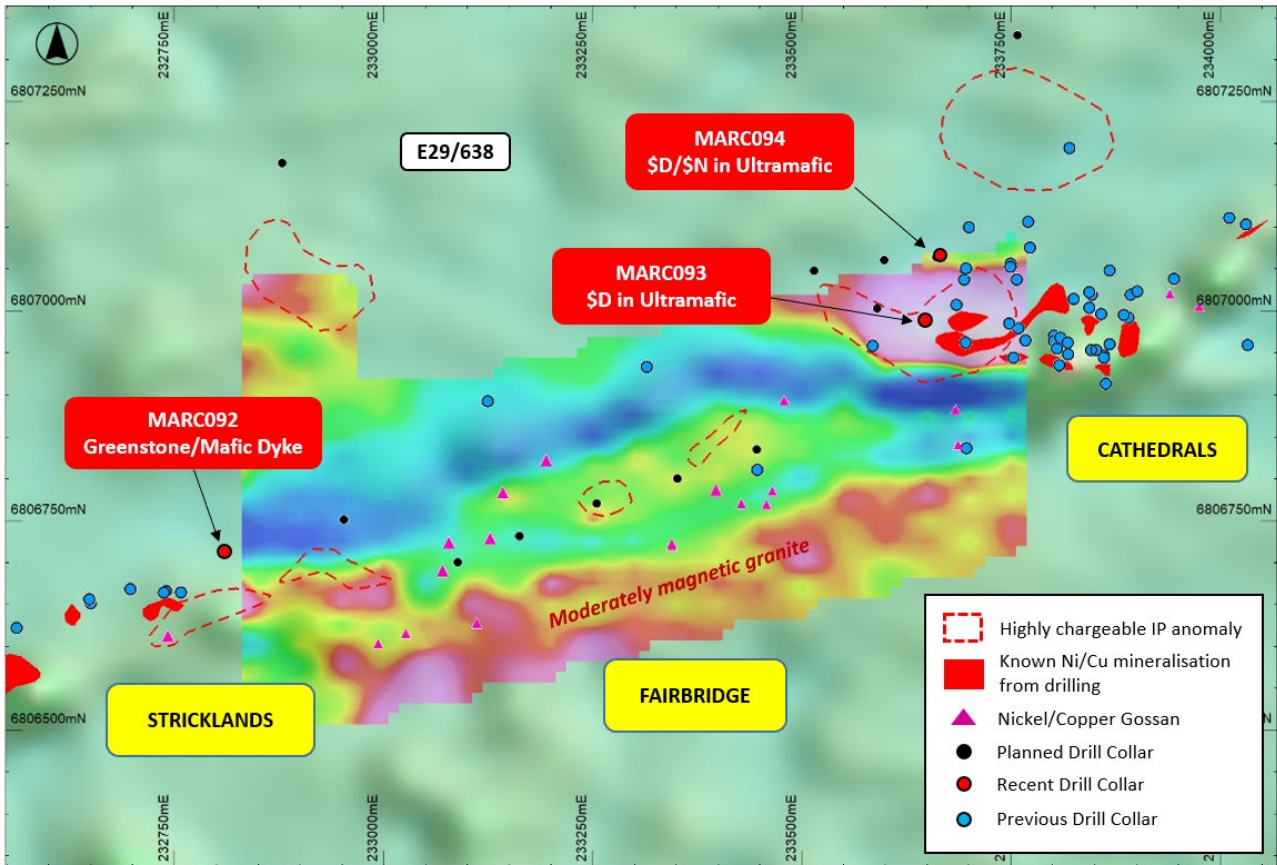


Figure 1 – map of the Fairbridge Prospect highlighting new geophysical targets as well as planned and completed drill holes (set against X component Channel 28 MMR data overlaying RTP magnetics).

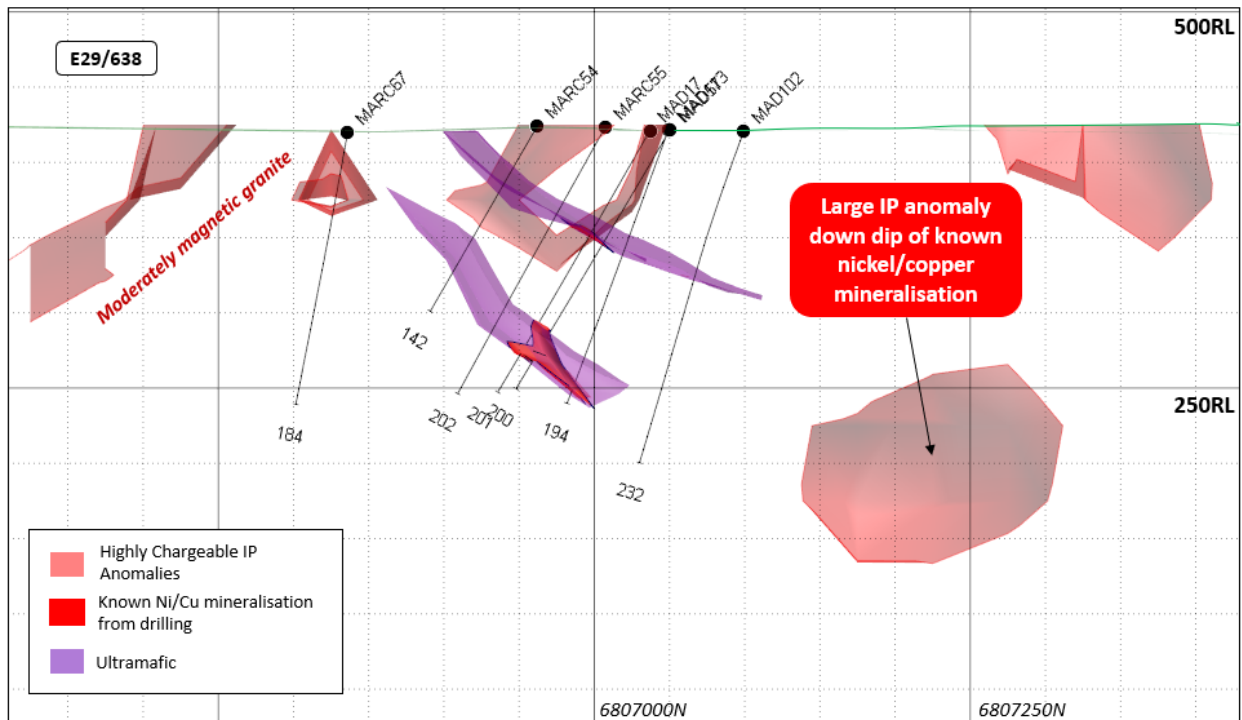


Figure 2 – Cross section illustrating the large chargeable anomaly down-plunge of known mineralisation on the western margin of Fairbridge. The section looks west along 233700E showing interpreted ultramafic and nickel-copper sulphide mineralisation (from drilling data), existing drill holes (depth in metres) and IP (Chargeability) 3D iso-shells (>10mV/V).

## EXTENSIONAL DRILLING AT INVESTIGATORS PROSPECT

Three wide-spaced drill holes were completed in the undrilled section of the Cathedrals Belt between the Investigators and Stricklands Prospects to test for potential extensions of the high-grade mineralisation already discovered at each of those prospects.

All three drill holes intersected ultramafic and nickel sulphide mineralisation, confirming a new nickel sulphide zone in this previously unexplored 500m east-west strike of the Cathedrals Belt.

Each of MARC089, MARC090 and MARC091 was completed to a downhole depth of 148m with significant intersections as follows:

*MARC089* – 10m of disseminated nickel sulphides in ultramafic from 66m downhole

*MARC090* – 3m of disseminated nickel sulphides in ultramafic from 52m downhole

*MARC091* – 5m of disseminated nickel sulphides in ultramafic from 59m downhole

The area to the north of the drill holes is a priority exploration area, and interpreted to have potential for down-plunge extensions of the mineralisation seen in the latest drill holes. Surface geophysics may have been less effective in screening for high-grade mineralisation in this area due to the depth, geometry and/or nature of the potential ore bodies.

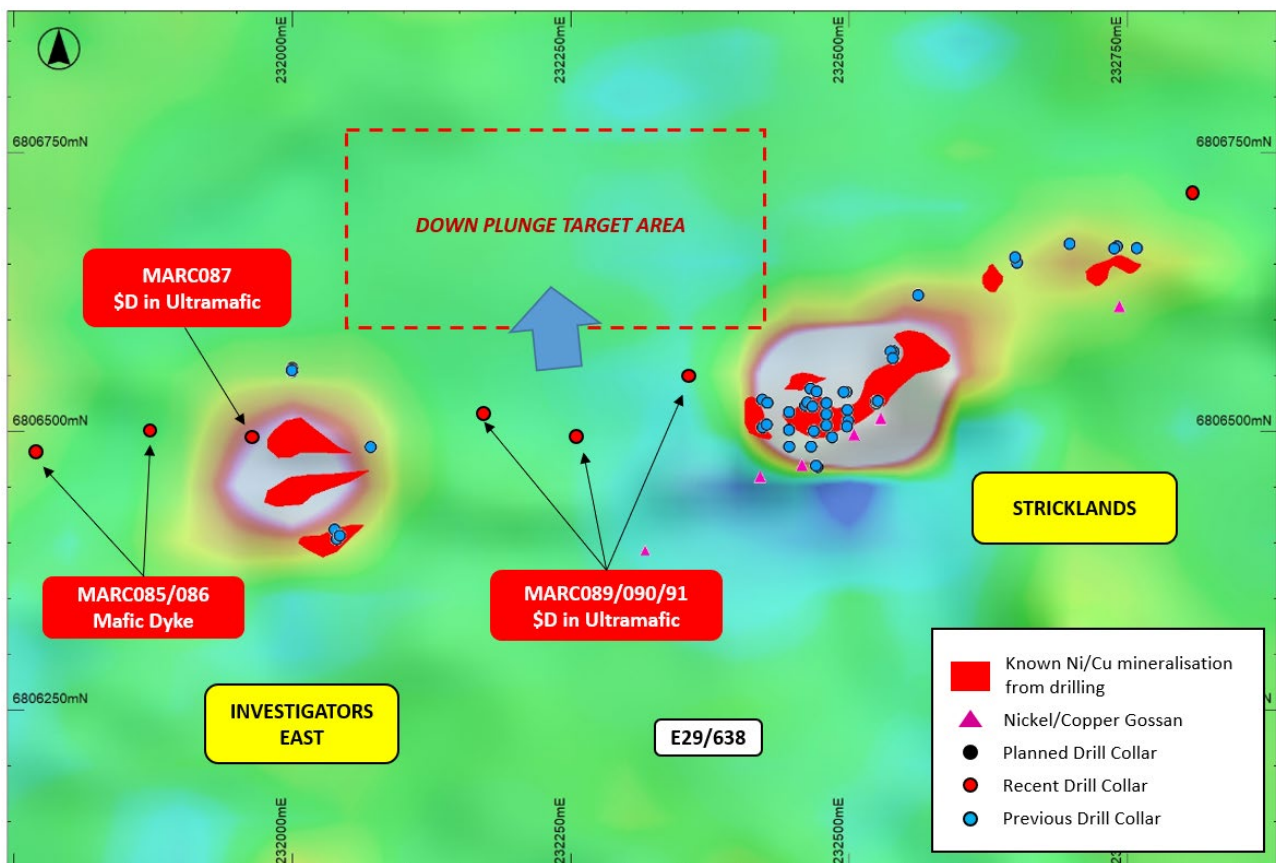


Figure 3 – map showing the latest extensional drilling at the Investigators and Stricklands Prospects. The background is SAMSON FLEM CH20 overlaying RTP magnetic data.

A further three drill holes were completed in this area as part of the extensional drilling at Investigators, with each hole completed to a downhole depth of 148m. MARC085 and MARC086 intersected the Proterozoic Mafic Dyke that is frequently found along the Cathedrals fault, and known to be proximal to nickel sulphides elsewhere in the Cathedrals Belt.

MARC087 intersected 8m of disseminated nickel sulphides in ultramafic from 64m downhole.

DHEM surveys will be completed in the drill holes to assist in identifying any potential mineralisation around the drill holes. Further drilling and/or geophysical surveys will be planned for this new zone of mineralisation once the results of the DHEM surveys are reviewed.

## WEST END PROSPECT – CONDUCTORS IDENTIFIED

Results from the DHEM surveys carried out in four of the six drill holes completed at West End have identified two off-hole anomalies for follow-up drilling.

Six drill holes were completed at West End, and all six intersected the fault structure that bounds the mineralised ultramafic of the Cathedrals Belt. This supports the interpretation that the mineralised corridor of the Cathedrals Belt may continue westwards from Investigators to the Ida Fault.

The identification of the off-hole EM anomalies further supports the potential for this western extension of the Cathedrals Belt to host nickel sulphide mineralisation.

Figure 4 illustrates the drilling at West End and the location of the off-hole anomalies. Significantly, the off-hole anomalies are broadly co-incident with an EM anomaly observed in the SAMSON fixed loop EM survey completed in 2017. This target has never been drilled.

These early exploration results at West End are encouraging and warrant further drilling to test the continuation of the Cathedrals Belt towards the west.

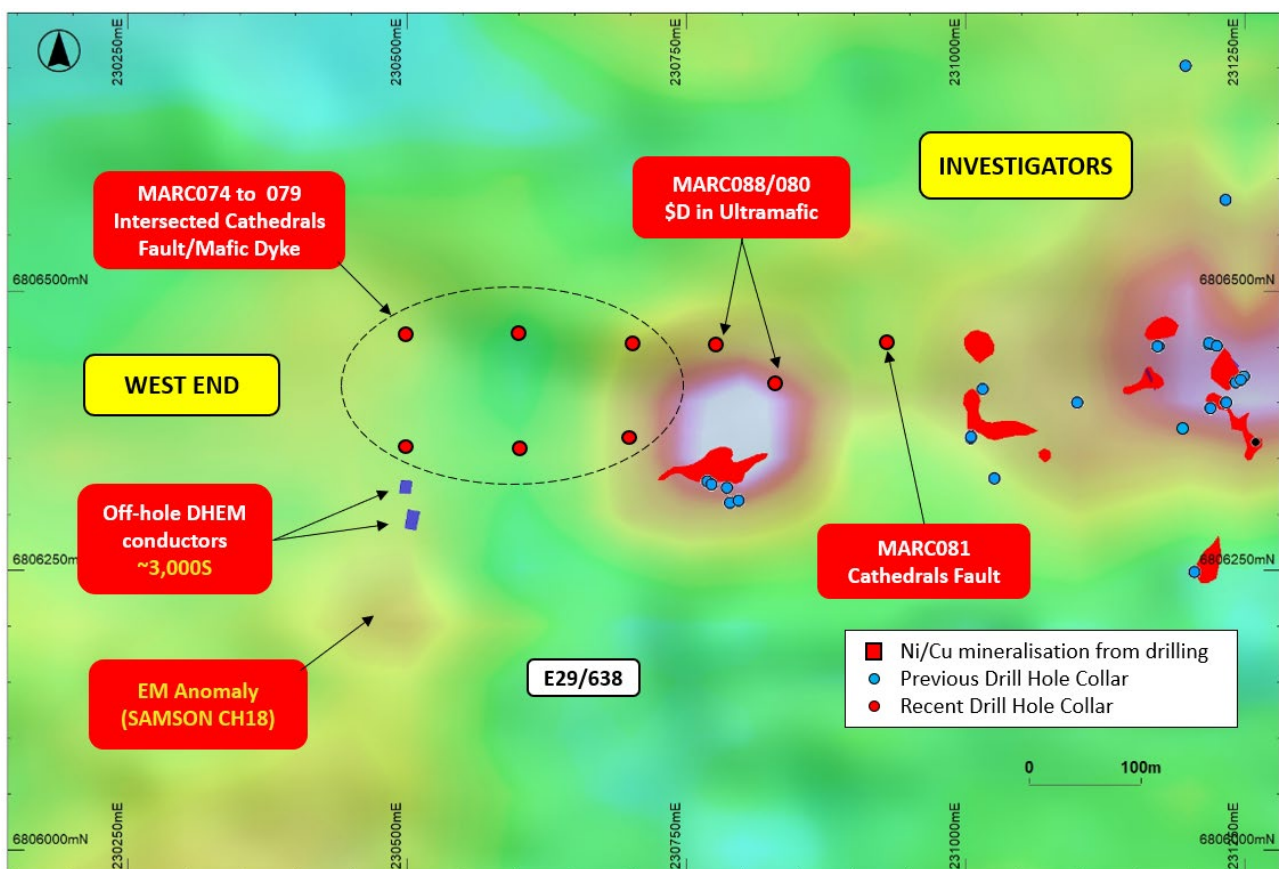


Figure 4 – map showing the latest drilling at the West End Prospect and at the western margin of the Investigators Prospect. The background is SAMSON FLEM CH20 and RTP magnetic data.

Figure 4 also illustrates the location of three drill holes completed in the western margin of the Investigators Prospect.

MARC080 and MARC081 were completed to a downhole depth of 148m, and MARC088 to a downhole depth of 200m.

MARC081 intersected largely granite. MARC080 and MARC088 intersected mineralisation as follows:

*MARC080* – 10m of disseminated nickel sulphides in ultramafic from 96m downhole

*MARC088* – 7m of disseminated nickel sulphides in ultramafic from 84m downhole

DHEM surveys in these drill holes are pending to assess the potential for further mineralisation around the holes.

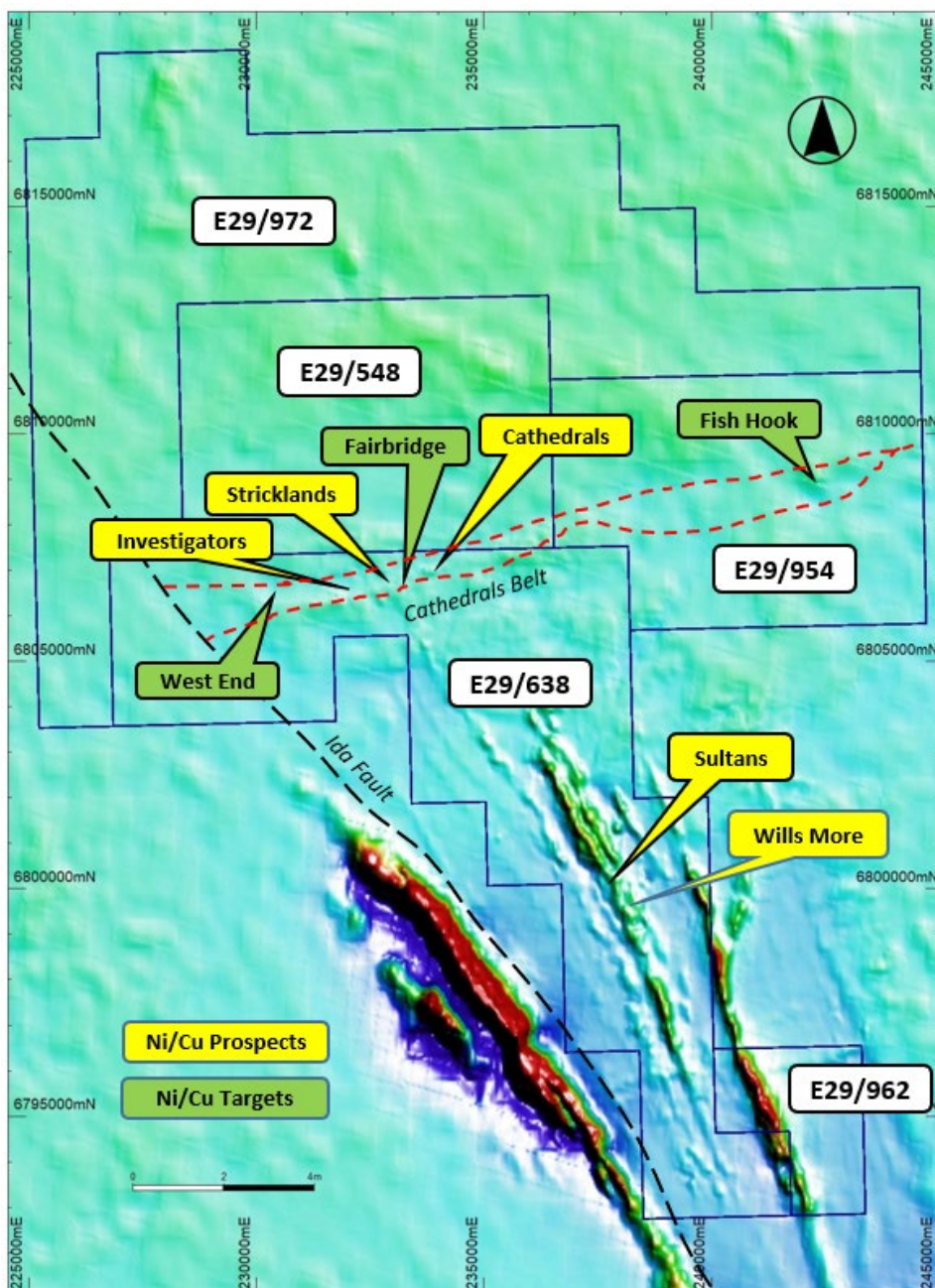


Figure 5 - map of the tenement package at Mt Alexander set against RTP magnetic data, showing the key prospects and targets under exploration.

## DRILLING PROGRAMME

Table 1 lists the completed holes in the current reverse circulation (RC) drill programme.

Table 2 lists the remaining planned drill holes for the programme, in the proposed order of drilling. These planned holes may change in response to ongoing exploration results.

Summaries of drill hole results noted above are based on geological logging. These are preliminary results and a conclusive determination of any significant intersection, including the nickel, copper, cobalt and PGE values of the sulphide mineralisation intersected, will be confirmed when laboratory assays are available.

Based on the intersection angle of the drilling with the modelled ultramafic unit, downhole widths are interpreted to be close to true widths.

Hole ID	Prospect	East	North	RL	Depth	Azimuth	Dip
MARC074	West End	230700	6806368	420	144	180	-60
MARC075	West End	230701	6806454	418	197	180	-60
MARC076	West End	230600	6806360	420	148	180	-60
MARC077	West End	230600	6806460	414	197	180	-60
MARC078	West End	230500	6806360	419	155	180	-60
MARC079	West End	230500	6806461	419	212	180	-60
MARC080	Investigators	230826	6806356	418	148	180	-60
MARC081	Investigators	230929	6806401	420	148	180	-60
MARC082	Investigators	231238	6806364	420	148	180	-60
MARC083	Investigators	231314	6806353	422	148	180	-60
MARC084	Investigators	231666	6806460	426	148	180	-60
MARC085	Investigators	231768	6806480	428	148	180	-60
MARC086	Investigators	231871	6806500	429	148	180	-60
MARC087	Investigators	231964	6806490	429	148	180	-60
MARC088	Investigators	230775	6806450	423	200	180	-60
MARC089	Stricklands (West)	232174	6806520	434	148	180	-70
MARC090	Stricklands (West)	232256	6806490	435	148	180	-70
MARC091	Stricklands (West)	232355	6806550	440	148	180	-70
MARC092	Fairbridge	232808	6806710	437	118	155	-65
MARC093	Cathedrals (West)	233645	6806990	420	178	190	-70
MARC094	Cathedrals (West)	233661	6807060	420	226	190	-70

Table 1 – Table of completed drill holes

Planned Hole ID	Prospect	East	North	RL	Planned Depth	Azimuth	Dip
<b>CTRC1</b>	Cathedrals (North)	233758	6807330	422	300	180	-70
<b>CWRC3</b>	Cathedrals (West)	233515	6807050	420	250	190	-70
<b>CWRC4</b>	Cathedrals (West)	233590	6807000	420	200	190	-70
<b>CWRC5</b>	Cathedrals (West)	233599	6807060	420	250	190	-70
<b>FBRC3</b>	Fairbridge	233090	6806700	439	200	335	-50
<b>FBRC4</b>	Fairbridge	233163	6806730	436	200	335	-50
<b>FBRC5</b>	Fairbridge	233255	6806770	433	200	335	-50
<b>FBRC6</b>	Fairbridge	233352	6806800	430	200	335	-50
<b>FBRC7</b>	Fairbridge	233446	6806830	428	200	335	-50
<b>FBRC11</b>	Fairbridge	232953	6806750	433	150	180	-65
<b>SLRC1</b>	Sultans	238491	6799020	460	250	250	-60
<b>SLRC4</b>	Sultans	238419	6799040	461	200	250	-60
<b>SLRC7</b>	Sultans	238529	6798920	460	300	250	-60
<b>SLRC8</b>	Sultans	238497	6798810	460	200	250	-60
<b>SNRC1</b>	Stricklands (North)	232879	6807180	420	250	180	-65
<b>WMRC6</b>	Wills More	239032	6797610	459	350	250	-60
<b>WMRC7</b>	Wills More	238991	6797680	459	300	250	-60

*Table 2 – Summary of drill hole details for planned drilling in remainder of the RC programme*

**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.