

Company Research

3rd May 2021

Share Price **\$0.095**

52-Week Range	\$0.071 - \$0.175
Market Capitalisation	\$48.0m
Shares Outstanding	503.5m
Listed Options	Nil
Cash (as at 31 st Mar 2021)	\$2.2m
Enterprise Value	\$13.4m
Top 20 shareholders	23%
Board	
John Prineas	Executive Chairman
John Dawson	Non-Executive Director
Sarah Shipway	Non-Executive Director
Management	
Dave O'Neil	Exploration Manager
Charles Wilkinson	Technical Consultant
Sarah Shipway	Company Secretary

Research Analyst: J-François Bertincourt

New High Grade Ni-Cu Discovery – Could it Be the Big One?

New Discovery: On 14 April 2021, SGQ announced the initial results of drill hole MAD199. Testing a 19,320 Siemens electromagnetic (EM) conductor, 11 metres of nickel and copper sulphides were intersected from 334m downhole. The intercept includes a mix of blebby, disseminated, massive, matrix and stringer sulphides. While assays are pending, the average readings from portable XRF analysers gives the following data:

From	To	Interval	XRF Ni	XRF Cu	Sulphide Type
340.70m	342.12m	1.42m	1.11%	0.22%	Matrix and stringer
342.12m	343.40m	1.28m	7.34%	2.94%	Massive
343.40m	343.97m	0.57m	2.25%	2.12%	Matrix and stringer
343.97m	344.56m	0.59m	4.99%	4.74%	Massive
Total		3.86m	3.94%	2.09%	

The tenor of the intercept is excellent and is in line to what SGQ has been drilling at the various prospects of the Mt Alexander project close to surface (Stricklands, Cathedrals and Investigators). The intercept should also include some significant cobalt and platinum group elements, to be confirmed by laboratory assays. The next question is how big could it be? The EM conductor has been modelled as having a length of 12m and a depth extent of 45m and there is more nearby.

Additional EM Targets: Two additional EM conductors (defined through downhole survey of drill hole MAD195) have been modelled in the vicinity: 1. 22,950 Siemens EM plate 20m x 5m; 2. 16,850 Siemens EM plate 9m x 6m. When combined, the conductors suggests the presence of a significant volume of high grade mineralisation.

Prospectivity at Depth: To supplement the surface EM surveys which have limited effectiveness beyond 250m/300m depth, magnetotelluric/audio-magnetotelluric surveys were completed at the Cathedrals Belt in 2020. Those surveys indicate that the intrusive unit has a depth extent in some areas in excess of 1.5km, indicating a large intrusive system and deep magmatic structures that have the potential to host significant mineralisation below the penetration of surface EM surveys.

Prospectivity to the West: 500m to the west at West End, the DHEM survey of MAD196 identified three strong off-hole conductors that are interpreted to have a massive sulphide source. The conductors are modelled with conductivity of 69,926 Siemens, 27,000 Siemens and 32,235 Siemens, respectively – conductivity that is notably higher than those EM conductors detected by MAD195. Drill hole MAD200 is currently underway to test those targets.

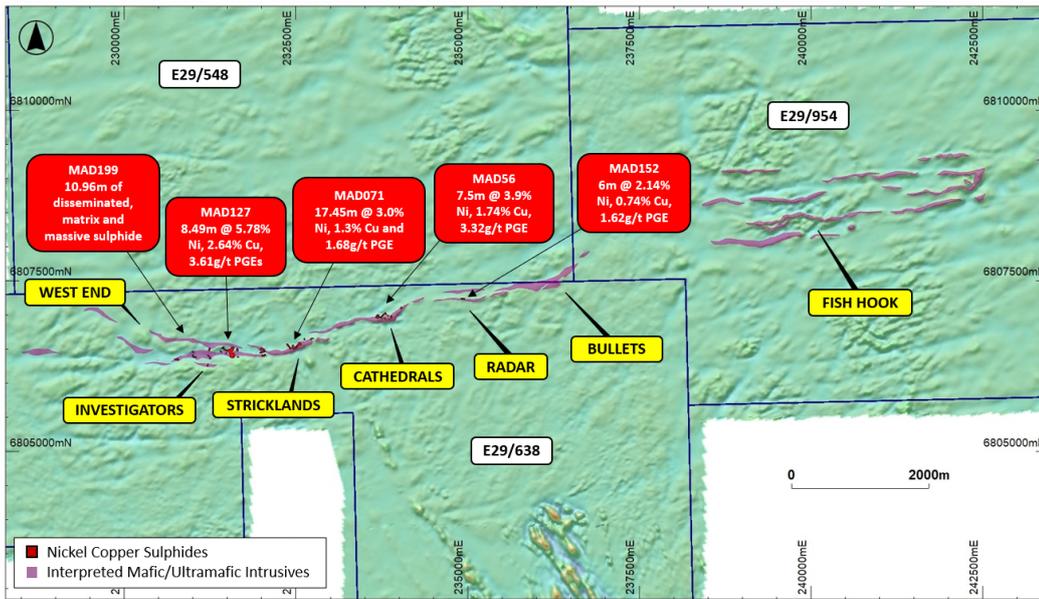
After discovering a number of high grade pods close to surface along the Cathedrals Belt, SGQ is aiming to discover larger accumulations of nickel-copper (+cobalt+PGE) mineralisation beyond the 300m depth level. These are still early days but the proof of concept is now confirmed and the targets are there to be drilled.

In parallel, SGQ is progressing the development of the Stricklands mineral resource (the closest one to surface) into a low-capex, low-opex, high margin operation. Development should be limited to simple open pit mining with ore being toll treated at nearby treatment infrastructure.



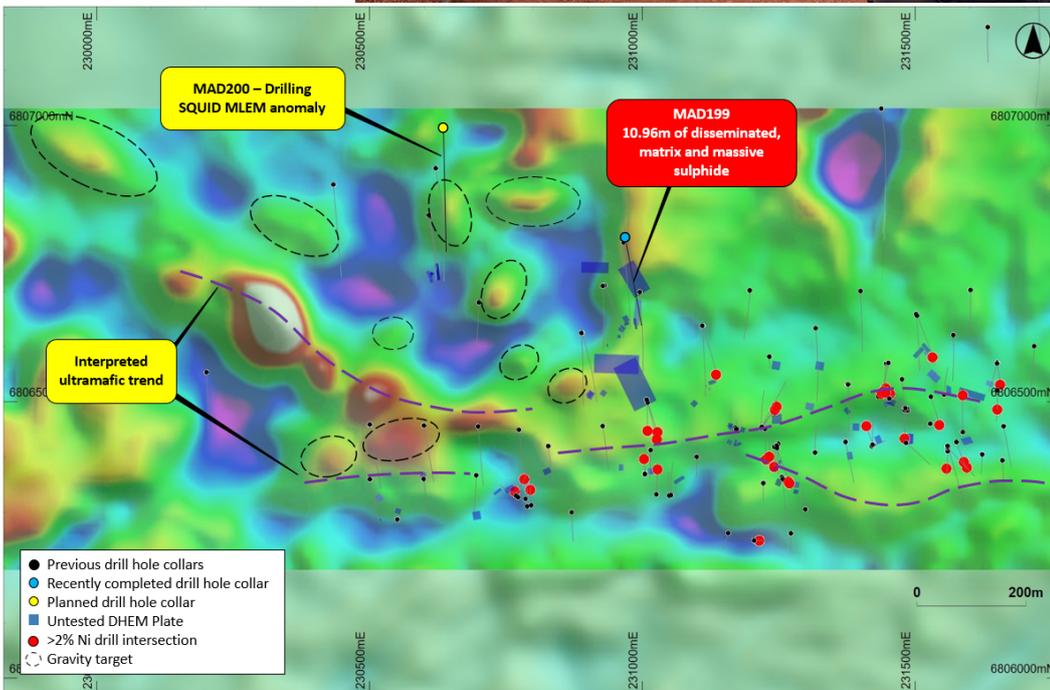
St George Mining Ltd (ASX: SGQ) is a mineral exploration company, currently focused on the Mt Alexander nickel sulphide project, where it accumulates drilling successes and high-grade nickel-copper-cobalt-PGE sulphide discoveries. In consideration to its large size, Mt Alexander should be considered an exploration camp with multiple projects.

Mt Alexander Nickel-Copper Sulphide Project, Western Australia



Map (against magnetic RTP 1VD data) showing intrusives along the Cathedrals Belt and highlighting the continuation of high grade mineralisation to the west

Massive nickel-copper sulphides in MAD199; announced 14 April 2021



Plan view map of West End and Investigators showing recent gravity survey data (25m spacing) and prior drilling. Gravity highs are targets for potential areas of nickel-copper sulphides.

Source: SGQ.

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