

Thursday 1<sup>st</sup> September, 2016

### More Sulphides at Investigators – Portfolio Stock (coverage initiated @ \$0.175 in May 2016)

**St George Mining (ASX: SGQ, Share Price: \$0.125, Market Cap: \$26m)** has attracted market interest so far in 2016, with the commencement of maiden diamond drilling at its Mt Alexander project in WA to test highly-prospective massive nickel-copper sulphide targets. Drilling is taking place at the company's Cathedrals, Stricklands and Investigators prospects, where encouraging initial results have been received.

*St George has advised that further massive nickel-copper sulphides have been discovered at the Investigators Prospect in three diamond drill-holes, with down-hole EM surveys underway within the completed holes to identify extensions to known mineralisation and any additional conductive sources.*



### Market Significance

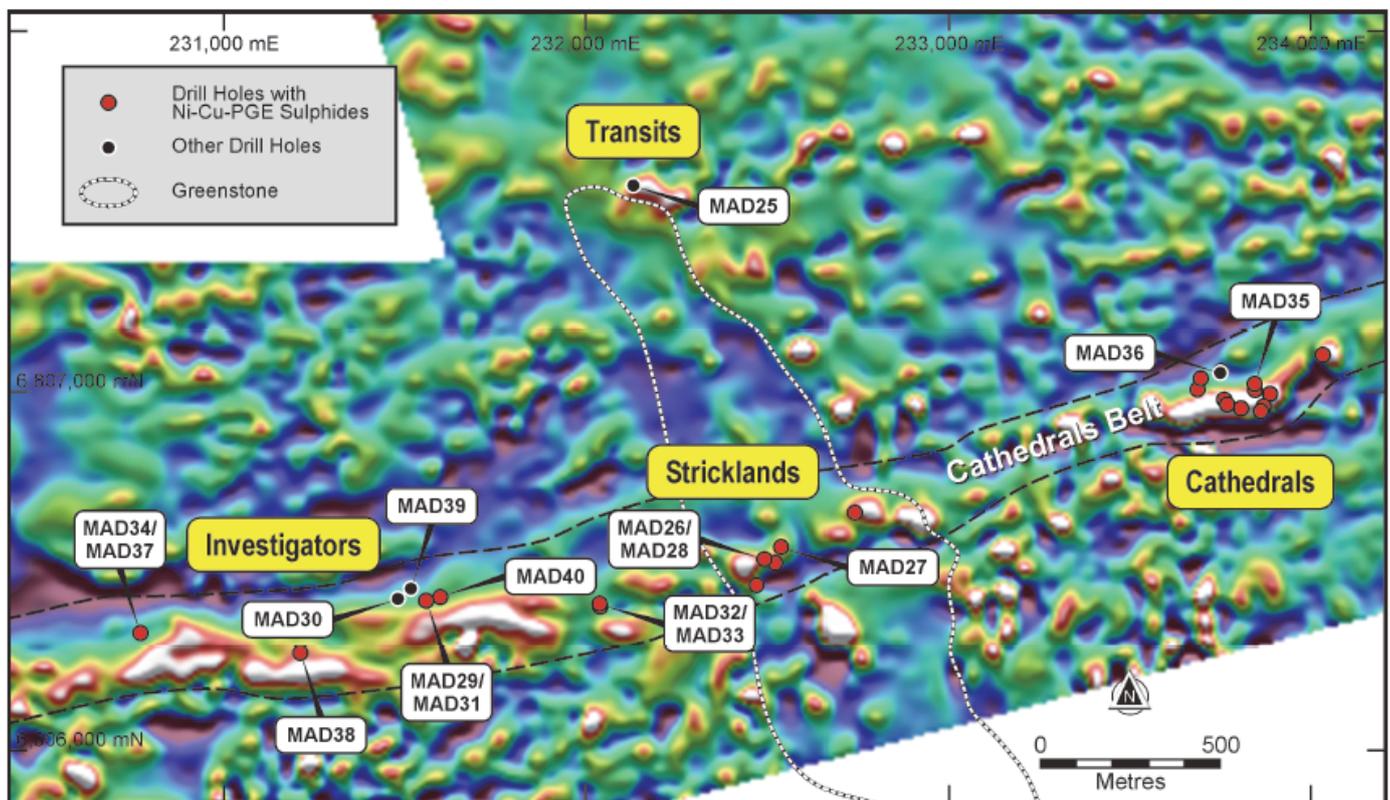
SGQ's share price firmed strongly during the months of April and July on the back of market interest built around diamond drilling at the Mt Alexander project. The multiple intersections of massive sulphides at Investigators (particularly at very shallow depths), occur over a strike length of 1.3km and clearly demonstrate what is an under-explored nickel-copper system at Mt Alexander that is growing with every completed drill program. This is reinforced by the strike length of recurrent nickel-copper mineralisation within the belt to 3.5km. These achievements are not appropriately reflected in SGQ's current share price.

## Announcement Detail - Mt Alexander Project Update

St George Mining has announced the discovery of further massive nickel-copper sulphides in three recently-completed diamond drill-holes at its Investigators prospect. Investigators represents just one of three key exploration target areas within its Mt Alexander Project in Western Australia.

- MAD37 tested Anomaly 5 and was drilled to a down-hole depth of 156 metres, intersecting a 24.5-metre thick ultramafic unit from 98 metres depth, with a combination of disseminated and massive nickel-copper sulphides, with spot XRF readings averaging 6.3% Ni and 5.5% Cu.
- MAD38 tested Anomaly 4 and was drilled to a down-hole depth of 65.5 metres, intersecting 13.5 metres of ultramafic from 12 metres depth, with a combination of disseminated, stringer and vein sulphides, with spot XRF readings averaging 10% Ni and 3% Cu.
- MAD40 tested for an extension to Anomaly 2 and was drilled to a down-hole depth of 142.3 metres, intersecting 14.85 metres of ultramafic from 93 metres depth, with a combination of blebby, disseminated and massive sulphides, with spot XRF readings averaging 15% Ni and 1% Cu.

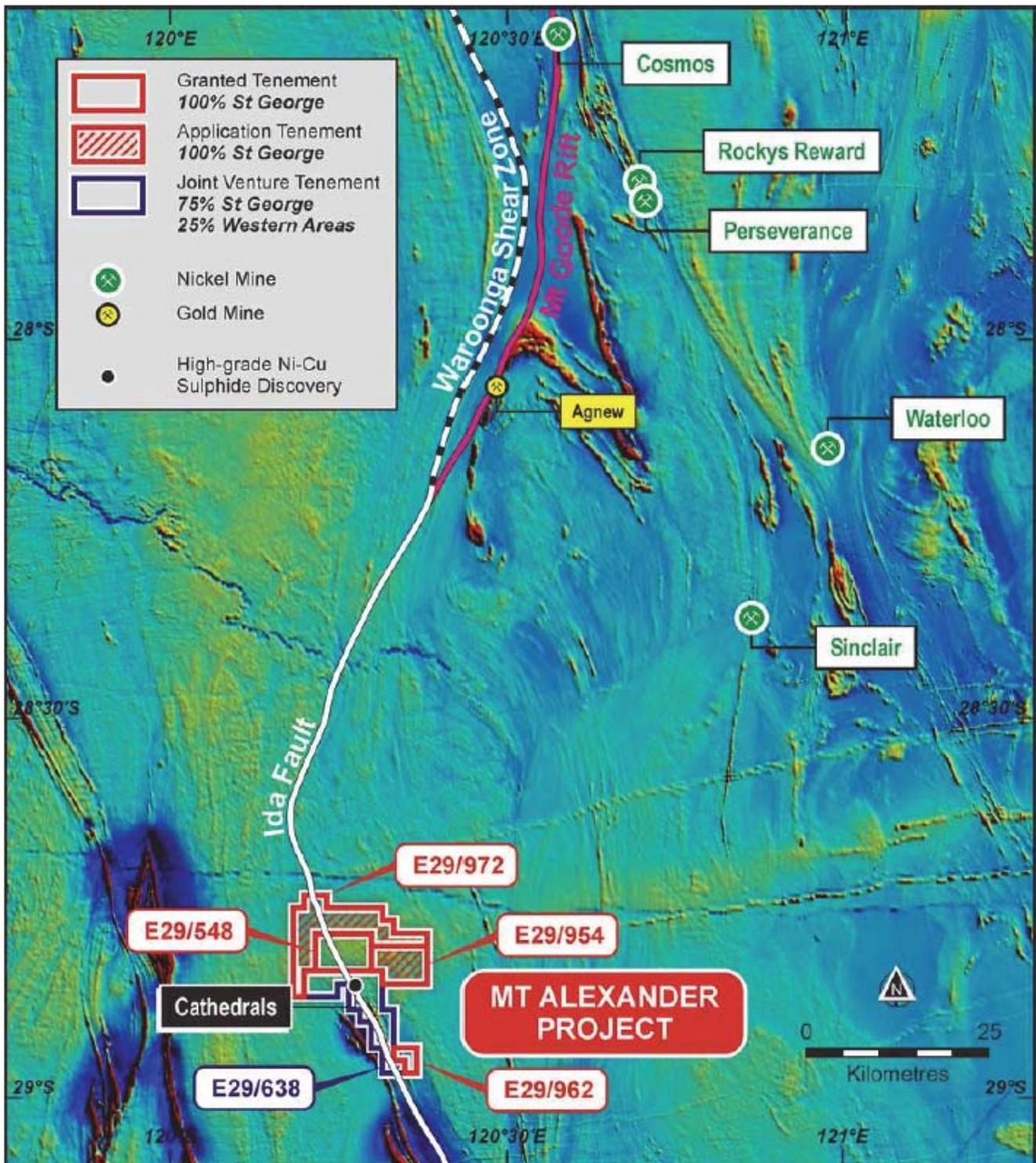
DHEM surveys are currently being completed to identify any further conductive sources around the drill-holes and any extensions to known mineralisation.



**Figure 1:** Plan view of the Cathedrals Belt (over TMI magnetics) showing the drill-hole collar locations in the current program, as well as previous drill-holes with nickel-copper sulphides. Drilling success has identified nickel-copper sulphides recurrent over a 3.5km strike length.

**Technical Significance**

The multiple intersections of massive sulphides at Investigators, particularly at very shallow depths, has been demonstrated to occur over a strike length of 1.3km – demonstrating what is effectively an under-explored nickel-copper system at Mt Alexander.



**Figure 3:** Map (over TMI magnetics) showing the location of Mt Alexander Project to the south-west of major nickel projects in the Agnew-Wiluna Belt. The Mt Alexander Project is favourably located close to existing infrastructure and nickel sulphide processing facilities.

## **Project Overview**

Mt Alexander is located 120km south-southwest of the Agnew-Wiluna belt, which hosts numerous world class nickel deposits. The Cathedrals nickel-copper discovery and the Stricklands prospect are held within a joint venture with Western Areas (ASX: WSA) (25%) and St George (75%).

St George is the Manager of the project, with Western Areas retaining a 25% non-contributing interest until there is a decision to mine. Drilling is currently taking place on the company's Cathedrals, Stricklands and Investigators prospects.

## **Summary**

**We initiated coverage of St George Mining at a price around \$0.175 during April 2016.**

**I believe the results from Mt Alexander generally are as good as could possibly be expected at this very early stage of exploration. They represent an outstanding success rate so early in the drilling program, in turn providing strong encouragement for the upcoming diamond drilling of EM conductors.**

**The results also confirm the effectiveness of EM surveys as a targeting tool for nickel-copper sulphide mineralization. This is particularly significant for the DHEM surveys that have just been completed within the completed drill-holes. The company has a very solid base for further exploration success, based on strong technical analysis including the work done by previous project owner, BHP Billiton.**

**St George Mining will therefore continue to remain firmly held within our Portfolio.**

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