

ST GEORGE SET TO SHINE IN 2017

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Recent metallurgical test work has provided another major tick for the economics of a mining operation at St George Mining's Mt Alexander project in Western Australia. The test work produced a clean concentrate with nickel and copper grades that are 50% above the threshold for saleable grades.

To put these early results into context, the nickel grades are better than those at Independence Group's Nova project and at Western Areas' Forrestania nickel operation, while the copper grades are higher than Sandfire Resources' DeGrussa project.

According to Executive Chairman John Prineas these results provide a big "green light" to progress the project towards production.

"In addition to nickel and copper grades that compare favorably to industry benchmarks, the Mt Alexander ore has high grade cobalt and platinum group elements (PGEs) which will result in very valuable smelter credits. The test work confirmed that we will be able to easily produce a high value concentrate that will be sought after by smelters," Prineas said.



Drill core at Mt Alexander with pure pentlandite analysed at 28% Ni

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Since acquiring this former BHP Billiton project at the start of 2016, St George has completed two drilling programmes that have extended the strike length of recurrent nickel-copper sulphide mineralisation in the Cathedrals Belt from 400m to 3.5km.

Multiple hits of high-grade mineralisation over this wide area are indicating strong potential for a new nickel sulphide camp and Prineas believes the best way to add value to his share price is to continue drilling and proving up additional resource tonnes.

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“We’re achieving freakish results at the moment, with every conductor drilled in the Cathedrals Belt being confirmed as nickel-copper sulphide mineralisation.

That kind of hit rate is unprecedented and gives us tremendous confidence that continued exploration will add value through expansion of our resource base,” Prineas said.

“Our mineralisation is shallow, starting from 25m below surface, so low cost open pit mining is very likely. We are close to established mines in the Agnew-Wiluna belt which provides us with access to existing infrastructure and processing facilities without high development costs. The opportunity to monetise our exploration success is very attractive”.



Diamond drilling at Mt Alexander to test for massive nickel-copper sulphides

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Infill and extensional drilling of the discoveries already made by St George is in the pipeline for late 2016/early 2017 and will be complimented by drilling of new targets from geophysical surveys currently underway.

St George is completing a deep search electromagnetic survey of the Cathedrals Belt to investigate for additional mineralisation beyond the depths already tested. The company is also completing an airborne magnetic survey over the broader land package of over 170 sq km which is expected to identify more ultramafic rocks that could host further nickel-copper sulphides.

Prineas is excited at the potential of these work programmes to substantially increase the mineralised zones at the project and to multiply the value of the company.

“We raised A\$6.5 million in August 2016 with strong support from Bell Potter, Argonaut and RM Capital. We are well funded to take the project to the next level and achieve another higher re-rating for St George in 2017” Prineas said.



Drilling of EM conductors at Mt Alexander