

31 October 2019

## QUARTERLY ACTIVITIES REPORT FOR THE PERIOD ENDED 30 SEPTEMBER 2019

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### **MT ALEXANDER PROJECT:**

- **Drilling continues 24/7 with diamond and reverse circulation (RC) drilling programmes ongoing**
- **Extensive geophysical programmes initiated with surface electromagnetic (EM) and downhole EM surveys underway**
- **Deeper drilling at the Cathedrals Belt confirms continuation of mineralisation down-plunge of shallow high-grade nickel-copper sulphide deposits**
- **Downhole EM (DHEM) surveys in deeper holes identify multiple off-hole EM conductors that are interpreted as likely to represent massive nickel-copper sulphides**
- **Numerous thick intersections of high-grade nickel-copper sulphides confirm significant extensions to the mineralised footprint at the Cathedrals Belt**
- **Soil surveys completed at the Fish Hook Prospect with maiden drill programme pending completion of EM survey**



*On right: photo of drill core with massive nickel-copper sulphides intersected in MAD157 at 195.84m downhole*

### **CORPORATE:**

- **St George is well-funded to escalate exploration programmes with \$3.3m and \$5.7m raised in institutional-led capital raisings in July and October 2019**

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St George Mining Limited (ASX:SGQ) (“St George” or “the Company”) is pleased to present its Quarterly Activities Report for the quarterly period ended 30 September 2019.

### **Drill Programmes Running 24/7:**

A diamond drill programme commenced in July 2019 with an initial focus on testing 42 EM conductors at the Cathedrals Belt. 6,111m of diamond drilling has been completed to date with drilling continuing 24/7.

RC drilling was also completed during September 2019 with 1,470m drilled. RC drilling is scheduled to resume once the latest EM surveys are completed at the Cathedrals Belt.

30 of the EM conductors listed for testing at the commencement of the diamond drill programme remain to be drilled. Additional EM conductors have also been identified by ongoing DHEM surveys in recently completed drill holes.

In particular, DHEM surveys carried out in the deeper drill holes have identified seven off-hole EM conductors that are down-plunge of known high-grade nickel-copper sulphides. These new targets present an excellent opportunity to extend the strike of mineralisation. For further details on these new EM conductors, see our ASX Release dated 29 October 2019 'More Strong Results at Mt Alexander'.

Drilling of high-priority EM conductors will continue during Q4 2019.

***Radar Prospect – New Discovery:***

A significant shallow discovery of nickel-copper sulphides was made during the quarter in an unexplored section of the Cathedrals Belt.

MAD152, the first drill hole at the Radar Prospect and situated 1.2km east of known mineralisation, intersected thick nickel-copper sulphides that returned assays of:

***6m @ 2.14%Ni, 0.74%Cu and 1.62g/t PGEs from 46m  
including  
2.55m @ 4.29%Ni, 1.46%Cu and 3g/t PGEs from 49.05m***



*Figure 1 – drill core from MAD152 with massive sulphides that returned assays of  
2.55m @ 4.29% Ni, 1.46% Cu and 3g/t PGEs from 49.05m*

The discovery at Radar represents a new high-grade prospect that could add substantial volumes of mineralisation to a potential resource at Mt Alexander, in addition to the established deposits at the Investigators, Stricklands and Cathedrals Prospects.

The success at Radar also highlights the prospectivity of unexplored areas of the Cathedrals Belt for further nickel-copper sulphides, particularly the West End and Fish Hook Prospects located on the western and eastern extensions of the Cathedrals Belt, respectively

The east-west strike of known high-grade mineralisation along the Cathedrals Belt is extended by the Radar discovery to 5.5km. This is indicative of a large mineral system with potential for significant extensions of mineralisation at depth in the down-dip direction of the host mineralised ultramafics.

For further details on the Radar discovery, see our ASX Release dated 9 October 2019 ‘Assays Confirm High-Grade Discovery’.

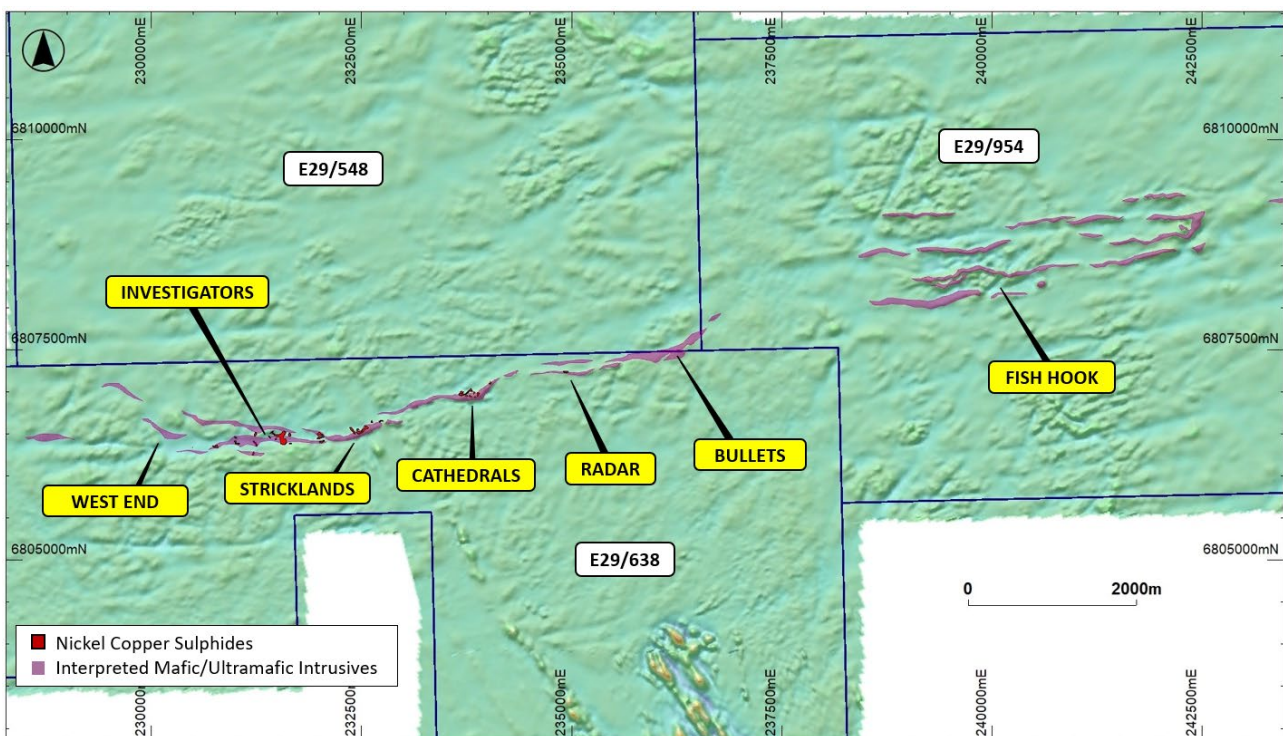


Figure 2 – map of the Mt Alexander tenements (against RTP 1VD magnetic data) with key prospects on the Cathedrals Belt highlighted.

**Step-Out Drilling Confirms Continuity of Mineralisation:**

The mineral system at the Cathedrals Belt is interpreted to be an intrusive system with the mafic-ultramafic intrusions that host nickel-copper sulphides having passed upwards from the Earth’s mantle through major east-west orientated faults located in the northern section of the Cathedrals Belt.

Deeper drilling was initiated during the quarter with the aim of tracking the mineralised intrusions down-plunge of the shallow high-grade nickel-copper sulphide deposits discovered at the Cathedrals Belt to date.

These deeper holes successfully intersected the mafic-ultramafic units in their interpreted down-dip extension including MAD160 at Investigators which intersected a 20m thick mafic-ultramafic unit from 248m downhole including disseminated and blebby sulphides in a 9m interval from 259m downhole.

Figure 3 is an orthographic view of the ultramafic at Investigators, which is interpreted to dip towards the north-northwest at 30 to 40 degrees, and highlights the mineralisation intersected to date. For further details, see our ASX Release dated 4 October 2019 'Deep Drilling Confirms Continuity of Mineralisation'.

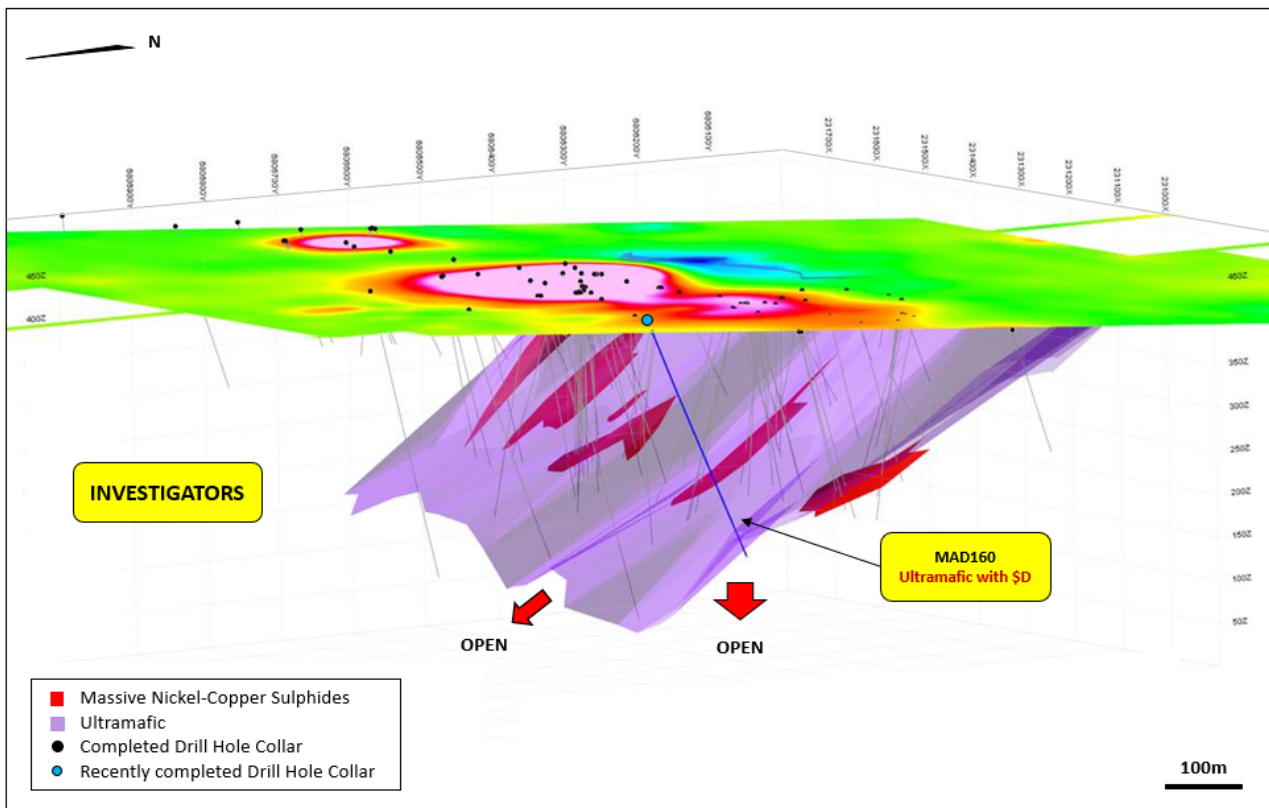


Figure 3 – 3D orthographic view (looking south-east) of the Investigators ultramafic showing drill holes and known massive nickel-copper sulphide mineralisation. The surface image is the large SAMSON EM anomaly at Investigators. The latest drill results confirm that mineralisation is open down-plunge.

MAD168 is another example of a deeper stratigraphic hole at Investigators that intersected nickel-copper sulphide mineralisation in the interpreted down-dip continuation of the Investigators ultramafic unit.

MAD168 intersected breccia and stringer sulphides at 227m downhole, which are interpreted to have been remobilised from a larger and proximal source of massive nickel-copper sulphides. Significantly, the DHEM survey in MAD168 has identified a strong off-hole EM conductor.



Figure 4 – drill core from MAD168 showing breccia sulphides intersected at 230m downhole

Other step-out drilling at Investigators also successfully extended the strike of known high-grade mineralisation.

MAS156 was drilled 60m to the east of previously known mineralisation and intersected a 27m thick ultramafic unit with 8m of nickel-copper sulphides. MAD157 was drilled 50m to the north of known mineralisation and intersected a thick 11m zone of nickel-copper sulphides.

Both holes confirmed significant extensions of high-grade mineralisation at Investigators. For further details, see our ASX Release dated 23 September 2019 *'Thick Nickel-Copper Sulphides Extend Investigators'*.

**Fish Hook Prospect – Emerging High Priority Target:**

A comprehensive soil survey has been completed across the 8km strike of the Fish Hook Prospect, targeting the interpreted ultramafic sequence and to follow-up the very strong nickel-copper soil anomaly identified by the trial soil survey completed earlier this year.

A total of 1,260 samples were collected on nominally 200m spaced lines with 20m sample spacing; see Figure 5. Once the soil survey results are assessed, a surface EM survey will be designed for Fish Hook to search for conductive targets that may represent sulphide mineralisation.

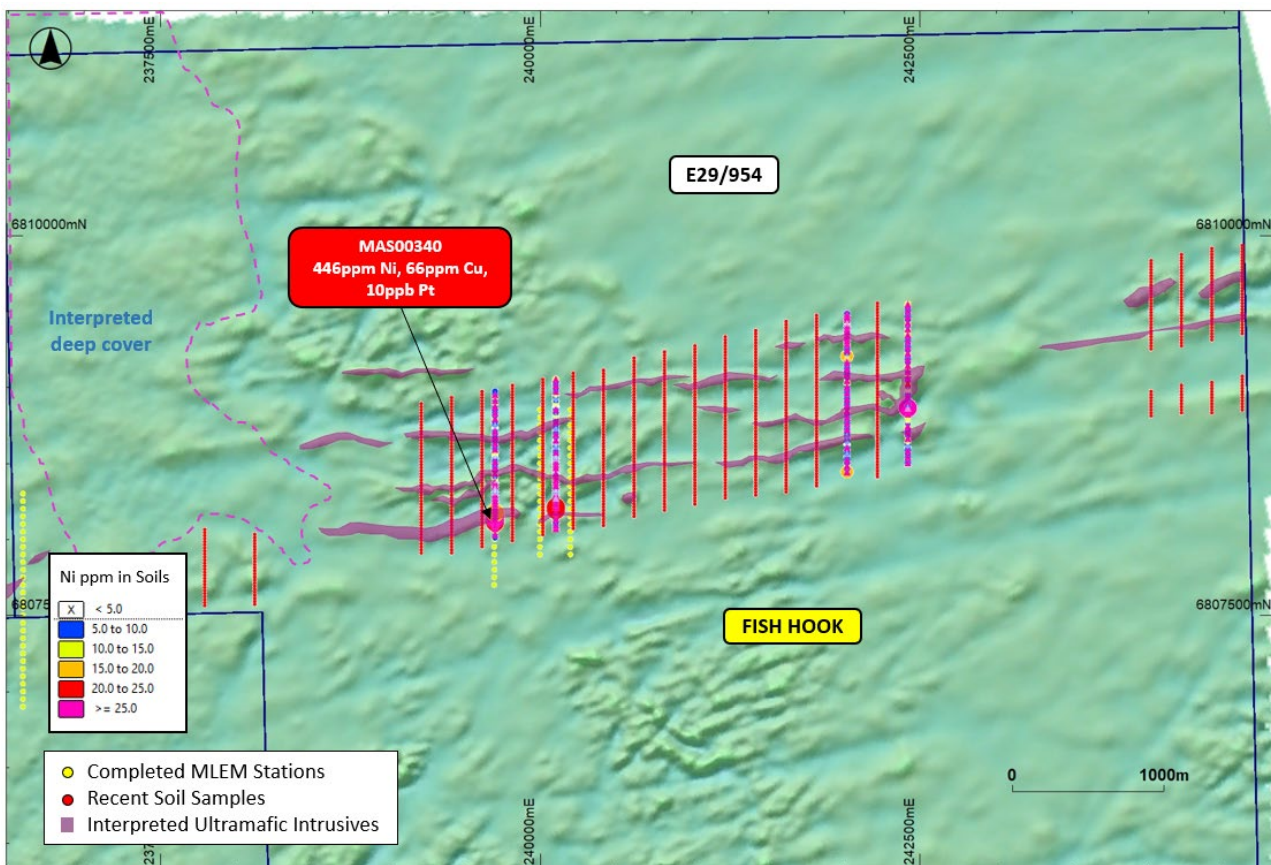


Figure 5 - plan view map (against RTP magnetic data) of the Fish Hook Prospect showing the location of the recent soil and orientation surveys, and recent EM test surveys. The location of sample MAS00340, the highly anomalous sample from the trial soil survey, is shown.

**Scoping Studies Initiated:**

Preliminary work has commenced on scoping studies in regard to a potential mining operation at Mt Alexander.

Western Botanical and Bamford Consulting Ecologists have been appointed to complete flora and fauna base line studies at Mt Alexander, and to prepare an environmental impact assessment. St George is in discussions with several other consultants to assist with further studies in respect of a potential mining operation.

**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 (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.

**CORPORATE**

In July 2019, the Company completed a placement of new shares which raised \$3,300,000 through the issue of 33,000,000 fully paid ordinary shares at \$0.10 per share.

In October 2019, \$5,795,000 was raised through the placement of 38,633,333 fully paid ordinary shares at \$0.15 per share. In addition, a corporate loan facility of \$850,000 was repaid in full through the issue of 5,666,667 fully paid ordinary shares at \$0.15 per share.

Following the above share issuances, the Company had listed securities on issue of:

Fully Paid Ordinary Shares - 412,611,265

Listed Options exercisable at \$0.20 on or before 30 September 2020 - 24,576,114

The Company has no loan facilities from 31 October 2019.

**TENEMENT INFORMATION**

There were no changes to the Company's tenement holdings during the quarter, details of the tenement holdings is outlined below.

**East Laverton Project**

St George Mining has 100% ownership of 28 granted Exploration Licences at the East Laverton Project. One tenement was surrendered during the quarter.

**Mt Alexander Project**

St George has 100% ownership of four granted Exploration Licences (E29/548, E29/962, E29/954 and E29/972).

Exploration Licence, E29/638, is held in joint venture between St George (75%) and Western Areas (25%).

**Hawaii Project**

St George has 100% ownership of one granted Exploration Licence at the Hawaii Project.

## COMPETENT PERSON STATEMENT:

The information in this report that relates to Exploration Targets, Exploration Results, Mineral Resources or Ore Reserves for the Mt Alexander Project 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. This ASX announcement contains information extracted from the following reports which are available on the Company's website at [www.stgm.com.au](http://www.stgm.com.au):

- 1 November 2018 *More Massive Nickel-Copper Sulphides at Investigators*
- 20 November 2018 *Further Extensions to Nickel-Copper Sulphides At Mt Alexander*
- 30 November 2018 *Assays Confirm Best Ever Intercepts*
- 20 December 2018 *Strong Results Continue at Mt Alexander*
- 31 January 2019 *More Outstanding Nickel-Copper Sulphide Targets*
- 12 February 2019 *St George Ready to Drill*
- 7 March 2019 *Nickel-Copper Sulphide Drilling at Mt Alexander*
- 18 March 2019 *Drilling at Mt Alexander – Strong Results Continue*
- 9 April 2019 *Nickel-Copper Sulphide Drilling at Mt Alexander – Update*
- 4 June 2019 *Nickel Sulphide Extension Targets at Mt Alexander*
- 13 June 2019 *Assays Confirm Thick Nickel-Copper Sulphides*
- 9 July 2019 *42 EM Conductors Ready to Drill at Mt Alexander*
- 11 July 2019 *Further Priority Nickel-Copper Sulphide Targets.*
- 13 August 2019 *High-Grade Nickel-Copper Sulphide Drilling*
- 2 September 2019 *New Discovery of Nickel-Copper Sulphides*
- 12 September 2019 *Thick Nickel-Copper Sulphides Intersected Down-Plunge*
- 4 October 2019 *Deep Drilling Confirms Continuity of Mineralisation*
- 9 October 2019 *Assays Confirm High-Grade Discovery*
- 21 October 2019 *More Extensions of High-Grade Mineralisation*
- 29 October 2019 *More Strong Results at Mt Alexander*

The Company confirms that it is not aware of any new information or data that materially affects the exploration results included in any original market announcements referred to in this report and that no material change in the results has occurred. The Company confirms that the form and context in which the Competent Person's findings are presented have not been materially modified from the original market announcements.

## For further information, please contact:

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### TENEMENT INFORMATION AS REQUIRED BY LISTING RULE 5.3.3

Other than as detailed in the body of the Quarterly Activities Report and in the table below, no tenements, in part or whole, were relinquished, surrendered or otherwise divested during the quarterly period ended 30 September 2019.

#### EAST LAVERTON:

Tenement ID	Registered Holder	Location	Ownership (%)	Change in Quarter
E39/0981	Desert Fox Resources Pty Ltd	East Laverton Property	100	N/A
E39/0982	Desert Fox Resources Pty Ltd	East Laverton Property	100	N/A
E39/0985	Desert Fox Resources Pty Ltd	East Laverton Property	100	N/A
E39/1229	Desert Fox Resources Pty Ltd	East Laverton Property	100	N/A
E39/1461	Desert Fox Resources Pty Ltd	East Laverton Property	100	N/A
E39/1472	Desert Fox Resources Pty Ltd	East Laverton Property	100	N/A
E39/1473	Desert Fox Resources Pty Ltd	East Laverton Property	100	N/A
E39/1474	Desert Fox Resources Pty Ltd	East Laverton Property	100	N/A
E39/1475	Desert Fox Resources Pty Ltd	East Laverton Property	100	N/A
E39/1476	Desert Fox Resources Pty Ltd	East Laverton Property	100	N/A
E39/1467	Desert Fox Resources Pty Ltd	East Laverton Property	100	N/A
E39/1492	Desert Fox Resources Pty Ltd	East Laverton Property	100	N/A
E39/1518	Desert Fox Resources Pty Ltd	East Laverton Property	100	N/A
E39/1519	Desert Fox Resources Pty Ltd	East Laverton Property	100	N/A
E39/1520	Desert Fox Resources Pty Ltd	East Laverton Property	100	N/A
E39/1521	Desert Fox Resources Pty Ltd	East Laverton Property	100	N/A
E39/1549	Desert Fox Resources Pty Ltd	East Laverton Property	100	N/A
E39/1572	Desert Fox Resources Pty Ltd	East Laverton Property	100	N/A
E39/1608	Desert Fox Resources Pty Ltd	East Laverton Property	100	N/A
E39/1666	Desert Fox Resources Pty Ltd	East Laverton Property	100	N/A
E39/1667	Desert Fox Resources Pty Ltd	East Laverton Property	100	N/A
E39/1722	Desert Fox Resources Pty Ltd	East Laverton Property	100	N/A
E39/1852	Desert Fox Resources Pty Ltd	East Laverton Property	Nil	Surrendered
E39/2026	Desert Fox Resources Pty Ltd	East Laverton Property	100	N/A
E39/2027	Desert Fox Resources Pty Ltd	East Laverton Property	100	N/A
E39/2028	Desert Fox Resources Pty Ltd	East Laverton Property	100	N/A
E39/2029	Desert Fox Resources Pty Ltd	East Laverton Property	100	N/A
E39/2030	Desert Fox Resources Pty Ltd	East Laverton Property	100	N/A
E39/2031	Desert Fox Resources Pty Ltd	East Laverton Property	100	N/A



**MT ALEXANDER/HAWAII:**

<b>Tenement ID</b>	<b>Registered Holder</b>	<b>Location</b>	<b>Ownership (%)</b>	<b>Change in Quarter</b>
E29/638	Blue Thunder Resources Pty Ltd	Mt Alexander	75	N/A
E29/548	Blue Thunder Resources Pty Ltd	Mt Alexander	100	N/A
E29/954	Blue Thunder Resources Pty Ltd	Mt Alexander	100	N/A
E29/962	Blue Thunder Resources Pty Ltd	Mt Alexander	100	N/A
E29/972	Blue Thunder Resources Pty Ltd	Mt Alexander	100	N/A
E36/741	Blue Thunder Resources Pty Ltd	Hawaii	100	N/A

## Appendix 5B

### Mining exploration entity and oil and gas exploration entity quarterly report

Introduced 01/07/96 Origin Appendix 8 Amended 01/07/97, 01/07/98, 30/09/01, 01/06/10, 17/12/10, 01/05/13, 01/09/16

**Name of entity**

St George Mining Limited

**ABN**

21 139 308 973

**Quarter ended ("current quarter")**

30 September 2019

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (3 months) \$A'000
<b>1. Cash flows from operating activities</b>		
1.1 Receipts from customers	-	-
1.2 Payments for		
(a) exploration & evaluation	(3,307)	(3,307)
(b) development	-	-
(c) production	-	-
(d) staff costs	(295)	(295)
(e) administration and corporate costs	(729)	(729)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	4	4
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Research and development refunds	-	-
1.8 Other (provide details if material)	(46)	(46)
<b>1.9 Net cash from / (used in) operating activities</b>	<b>(4,373)</b>	<b>(4,373)</b>
<b>2. Cash flows from investing activities</b>		
2.1 Payments to acquire:		
(a) property, plant and equipment	-	-
(b) tenements (see item 10)	-	-
(c) investments	-	-

## Mining exploration entity and oil and gas exploration entity quarterly report

<b>Consolidated statement of cash flows</b>	<b>Current quarter \$A'000</b>	<b>Year to date (3 months) \$A'000</b>
(d) other non-current assets	-	-
<b>2.2</b> Proceeds from the disposal of:		
(a) property, plant and equipment	-	-
(b) tenements (see item 10)	-	-
(c) investments	-	-
(d) other non-current assets	-	-
<b>2.3</b> Cash flows from loans to other entities	-	-
<b>2.4</b> Dividends received (see note 3)	-	-
<b>2.5</b> Other (provide details if material)	-	-
<b>2.6</b> <b>Net cash from / (used in) investing activities</b>	<b>-</b>	<b>-</b>

<b>3.</b> <b>Cash flows from financing activities</b>		
<b>3.1</b> Proceeds from issues of shares net of costs	3,271	3,271
<b>3.2</b> Proceeds from issue of convertible notes	-	-
<b>3.3</b> Proceeds from exercise of share options	-	-
<b>3.4</b> Transaction costs related to issues of shares, convertible notes or options	-	-
<b>3.5</b> Proceeds from borrowings	58	58
<b>3.6</b> Repayment of borrowings	-	-
<b>3.7</b> Transaction costs related to loans and borrowings	-	-
<b>3.8</b> Dividends paid	-	-
<b>3.9</b> Other (provide details if material)	-	-
<b>3.10</b> <b>Net cash from / (used in) financing activities</b>	<b>3,329</b>	<b>3,329</b>

<b>4.</b> <b>Net increase / (decrease) in cash and cash equivalents for the period</b>		
<b>4.1</b> Cash and cash equivalents at beginning of period	3,340	3,340
<b>4.2</b> Net cash from / (used in) operating activities (item 1.9 above)	(4,373)	(4,373)
<b>4.3</b> Net cash from / (used in) investing activities (item 2.6 above)	-	-
<b>4.4</b> Net cash from / (used in) financing activities (item 3.10 above)	3,329	3,329
<b>4.5</b> Effect of movement in exchange rates on cash held	-	-
<b>4.6</b> <b>Cash and cash equivalents at end of period</b>	<b>2,296</b>	<b>2,296</b>

+ See chapter 19 for defined terms

1 September 2016

<b>5.</b>	<b>Reconciliation of cash and cash equivalents</b> at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	<b>Current quarter \$A'000</b>	<b>Previous quarter \$A'000</b>
5.1	Bank balances	53	35
5.2	Call deposits	2,243	3,305
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
<b>5.5</b>	<b>Cash and cash equivalents at end of quarter (should equal item 4.6 above)</b>	<b>2,296</b>	<b>3,340</b>

**6. Payments to directors of the entity and their associates**

	<b>Current quarter \$A'000</b>
6.1 Aggregate amount of payments to these parties included in item 1.2	152
6.2 Aggregate amount of cash flow from loans to these parties included in item 2.3	-
6.3 Include below any explanation necessary to understand the transactions included in items 6.1 and 6.2	

Directors salaries and wages.

**7. Payments to related entities of the entity and their associates**

	<b>Current quarter \$A'000</b>
7.1 Aggregate amount of payments to these parties included in item 1.2	-
7.2 Aggregate amount of cash flow from loans to these parties included in item 2.3	-
7.3 Include below any explanation necessary to understand the transactions included in items 7.1 and 7.2	

N/A

## Mining exploration entity and oil and gas exploration entity quarterly report

<b>8. Financing facilities available</b> <i>Add notes as necessary for an understanding of the position</i>	<b>Total facility amount at quarter end \$A'000</b>	<b>Amount drawn at quarter end \$A'000</b>
8.1 Loan facilities	850	850
8.2 Credit standby arrangements	-	-
8.3 Other (please specify)	-	-
8.4 Include below a description of each facility above, including the lender, interest rate and whether it is secured or unsecured. If any additional facilities have been entered into or are proposed to be entered into after quarter end, include details of those facilities as well.		

Subject to the quarter end, the Company settled the facility. As at 31 October 2019 the Company had no facilities in place.

<b>9. Estimated cash outflows for next quarter</b>	<b>\$A'000</b>
9.1 Exploration and evaluation	710
9.2 Development	-
9.3 Production	-
9.4 Staff costs	245
9.5 Administration and corporate costs	223
9.6 Other (provide details if material)	-
<b>9.7 Total estimated cash outflows</b>	<b>1,178</b>

<b>10. Changes in tenements (items 2.1(b) and 2.2(b) above)</b>	<b>Tenement reference and location</b>	<b>Nature of interest</b>	<b>Interest at beginning of quarter</b>	<b>Interest at end of quarter</b>
10.1 Interests in mining tenements and petroleum tenements lapsed, relinquished or reduced	E39/1852, East Laverton	Exploration Licence	100%	0%
10.2 Interests in mining tenements and petroleum tenements acquired or increased	-	-	-	-

**Compliance statement**

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Sign here: Sarah Shipway  
Non-Executive Director/Company Secretary

Date: 31 October 2019

Print name: Sarah Shipway

**Notes**

1. The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity that wishes to disclose additional information is encouraged to do so, in a note or notes included in or attached to this report.
2. If this quarterly report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, AASB 6: Exploration for and Evaluation of Mineral Resources and AASB 107: Statement of Cash Flows apply to this report. If this quarterly report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.