# ASX / MEDIA RELEASE

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## CAMBRIDGE NICKEL EXPLORATION UPDATE

### HIGHLIGHTS

- **Litho-geochemical review confirms prospective nature of Cambridge**
- **Extensive basal contact surface identified by drilling programme**
- **Newexco engaged to advise on nickel exploration geophysics**
- **Supplementary soil geochemical survey at Cambridge completed**

### EXPLORATION UPDATE

St George Mining Limited (ASX: **SGQ**) ("St George Mining" or "the Company") is pleased to provide an update on exploration activities at its 100% owned Cambridge Nickel Project, located at its East Laverton Property in the North Eastern Goldfields region of Western Australia.

The first phase of the 2013 drilling programme has provided important geological data that has significantly progressed the geological understanding of the Cambridge ultramafic complex. In addition to a detailed geochemical analysis of this data, the Company has initiated a review of geophysical surveys at Cambridge with a view to identifying potential bedrock EM conductors at Cambridge.

### LITHOGEOCHEMICAL REVIEW OF DRILLING

The geochemical analysis of drill samples by our technical team has enabled a number of major findings that confirm the prospectivity at Cambridge and which will assist in focusing exploration towards the most likely areas for massive and disseminated nickel sulphide mineralisation.

St George's technical team includes external nickel expert Dr Martin Gole, who is the author and co-author of numerous papers on Archaean nickel sulphide deposits, including the world-class nickel deposits at Perseverance in the Leinster nickel field and Mt Keith.[1]

Key findings from the geochemical analysis are:

- A wide zone of MgO-rich dunitic rocks make up the eastern third to half of the Cambridge dunite body. This is consistent with, and an essential feature of, a nickel sulphide bearing komatiite ultramafic sequence.

- The geochemical signatures for the rocks on the eastern and western margins of the dunite body are geochemically similar and represent basal contacts. Both margins show low abundances of incompatible elements, which is a sign that the rocks formed from undifferentiated komatiite magma and is a typical signature for a basal contact sequence.

[1] *The Perseverance Ultramafic Complex, Western Australia: The Product of a Komatiite Lava River,* Barnes SJ, Gole MJ and Hill RE (1988); Journal of Petrology, Volume 29, Part 2, pages 305-332. *Extrusive origin and structural modification of the komatiitic Mount Keith ultramafic unit*, Gole MJ, Robertson J and Barnes SJ (in press); Economic Geology.

- CAMRC-010 and CAMRC-011 have encountered the upper levels of an MgO-rich zone, which appears similar to the central dunite-lens at the giant Perseverance nickel deposit at Leinster.

- The geochemistry of the differentiated ultramafic rocks at Cambridge is similar to those detected elsewhere along the Stella Range Belt, suggesting that the ultramafic complex at Cambridge is a large komatiite channel flow. The implication is that the source of the magma that forms Cambridge is the same as the komatiite magma that comprises the remainder of the Stella Range ultramafic belt. Drilling programmes during 2012 encountered disseminated and stringer sulphides along the Stella Range Belt, demonstrating the fertility of this ultramafic belt.

- A correlation is observed between elevated surface nickel enrichment and the favourable higher MgO rocks at depth. This is likely to be due to the higher nickel content of olivine cumulate rocks, compared to the peripheral komatiite phases. This permits surface soil geochemistry to be used to identify the central olivine cumulate zone (dunite lens), within the larger ultramafic body.

Overall, the geochemical review of samples from the RC drilling favourably confirms the potential of Cambridge to host massive nickel sulphide mineralisation.

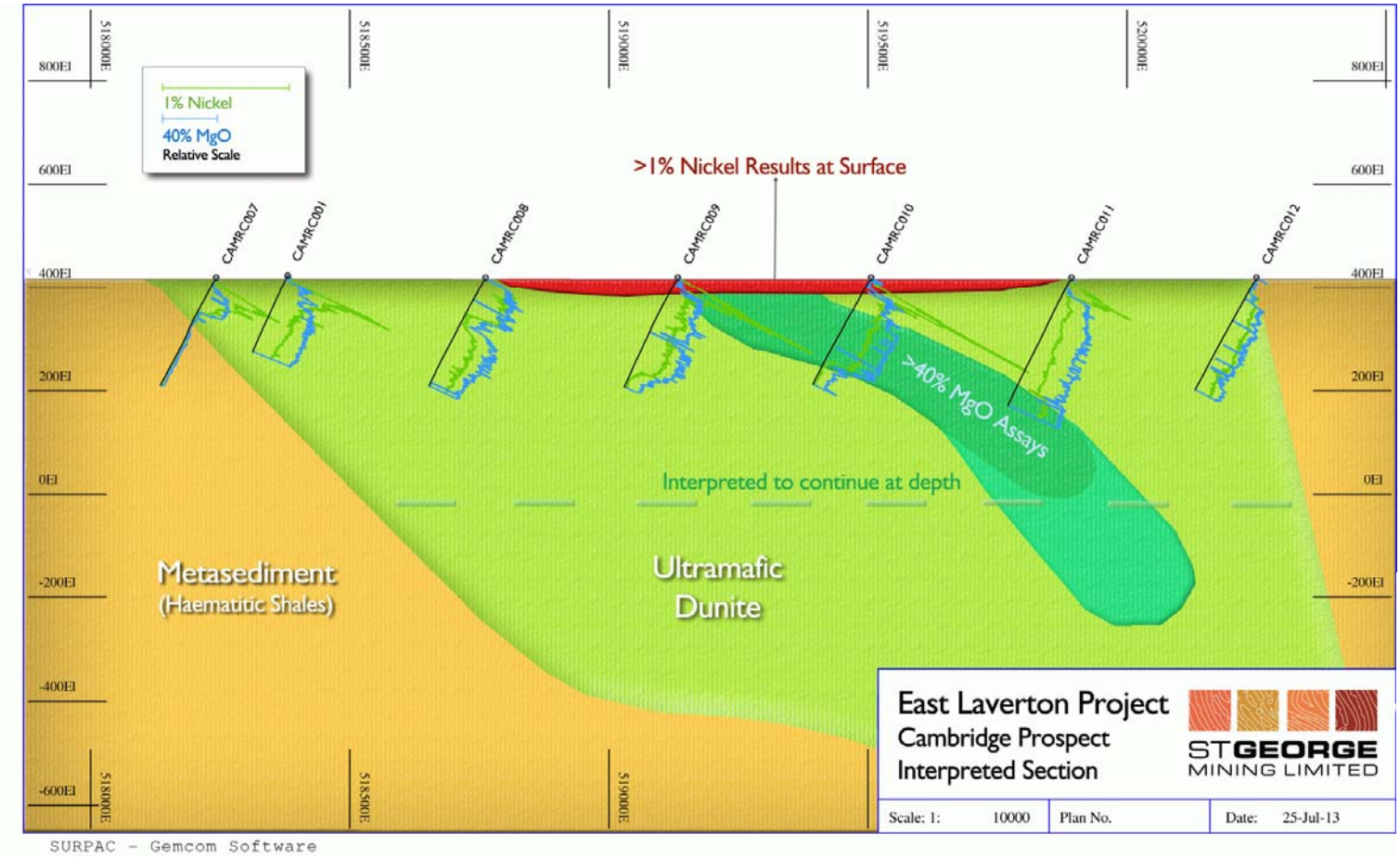


*Figure 1 – this cross section illustrates the seven holes drilled across the Cambridge dunite body in 2013. CAMRC-007 has intersected the basal contact on the western margin, and CAMRC-012 has intersected the basal contact on the eastern margin. CAMRC-010 and CAMRC-011 have intersected the upper levels of a high-MgO olivine cumulate zone, consistent with a lithology potentially associated with nickel sulphide mineralisation.*

**SUPPLEMENTARY SOIL GEOCHEMICAL SURVEY**

A komatiite channel flow is comprised of a central MgO and Ni rich zone (dunite lens), which is flanked by differentiated ultramafic rocks that contain lower levels of Ni and MgO. The central dunite lens is the core target for disseminated nickel sulphide mineralisation within the Cambridge ultramafic complex, whereas the eastern and western basal contacts are targets for massive nickel sulphides.

In the recent drilling, CAMRC-011 intersected the upper part of a zone of high MgO fresh ultramafic rocks, capped by an extensive expanse of secondary nickel enrichment. The fresh ultramafic rocks intersected 42m @ 0.26% Ni in CAMRC-011, which included 1m at 0.31% Ni. The MgO level for this interval averaged 40.1 %MgO. These values are consistent with the olivine cumulate rocks that occur within a central dunite lens.

The drilling was completed on a line that cross-cut the northerly trend of the Cambridge ultramafic body. While it appears that the top of the central dunite lens was intersected in CAMRC-011, the geometry of this important zone still needs to be further defined to focus the next stage of exploration at Cambridge.

The correlation between the nickel enrichment in the secondary weathered zone and higher MgO rocks at depth will be used to map this zone through a combination of: (i) a supplementary soil geochemical survey to infill the previous 500 m sample grid; and (ii) a compilation of extensive near surface, historical RAB drilling information.

The field work related to the supplementary soil geochemical program has now been completed and samples are being assessed. These results will be integrated with the RAB drilling data to allow for more precise mapping of the mineral system at Cambridge.

**GEOPHYSICS AT CAMBRIDGE**

St George has engaged Newexco Pty Ltd to provide advice on geophysics to be used in the nickel exploration strategy at Cambridge.

Newexco has particular expertise in exploration of magmatic sulphide deposits, like komatiite hosted nickel deposits, where electromagnetic interpretation is a primary exploration tool. Newexco is widely recognised as a leading consultant in this field, and has acted as adviser to Sirius Resources NL in connection with the Nova-Bollinger Ni-Cu discovery.

The initial mandate is for Newexco to review the 2012 MLEM survey (moving loop surface electro-magnetic survey) completed by St George at Cambridge, and to provide an analysis of that data together with recommendations for any further geophysical work at Cambridge.

The Company looks forward to providing further updates on this matter shortly.

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**COMPETENT PERSON STATEMENT:**

The information in this announcement that relates to Exploration Results and Mineral Resources is based on information compiled by Andrew Hawker of Hawker Geological Services Pty Ltd. Mr Hawker is a member of the Australasian Institute of Mining and Metallurgy has sufficient experience, which is relevant to the style of mineralisation and type of deposit under consideration and to the activity, which he is undertaking. This qualifies Mr Hawker as a "Competent Person" as defined in the 2004 edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Hawker consents to the inclusion of information in this announcement in the form and context in which it appears.