ST GEORGE MINING LIMITED

2 September 2019

NEW DISCOVERY OF NICKEL-COPPER SULPHIDES AT MT ALEXANDER

Thick Zone of High-Grade Nickel-Copper Sulphides intersected in first hole at a new target area of the Cathedrals Belt:

- **Massive nickel-copper sulphides discovered at shallow depth in first ever drilling at the recently named Radar Prospect**
- **7.5m thick mineralised interval from 44.2m downhole in drill hole MAD152 comprising:**

Interval	Style of Mineralisation
44.2m to 46.3m	***Ultramafic with disseminated sulphides*** *(partly weathered due to faulting)*
46.3m to 48.7m	***Ultramafic with heavily disseminated sulphides*** *(30% sulphides comprising pentlandite (pn), chalcopyrite (cp) and pyrrhotite (po)*
48.7m to 49.07m	***Ultramafic with coarse blebby and heavily disseminated sulphides*** *(40% sulphides comprising pn, cp, po)*
49.07m to 50.01m	***Massive sulphides with average XRF readings of 6%Ni and 1.92%Cu**** *(100% sulphides comprising pn, cp, po) (the photograph below is drill core from this interval of massive sulphides)*
50.01m to 50.05m	***Ultramafic with heavily disseminated sulphides*** *(50% sulphides comprising pn, cp, po)*
50.05m to 51.6m	***Massive sulphides with average XRF readings of 5.48%Ni and 1.77%Cu**** *(100% sulphides comprising pn, cp, po)*
51.6m to 51.7m	***Granite with stringer/breccia sulphides*** *(50% sulphides comprising pn, cp, po)*

**** Laboratory assays are pending and are required to confirm the nickel and copper grades which have been estimated using portable XRF analysis***

- **The Radar Prospect area is concealed by 10m of sand cover, highlighting the effectiveness of EM techniques in detecting sulphide mineralisation (including 'blind' targets) in the Cathedrals Belt**
- **Follow-up drilling to be prioritised as soon as the downhole electromagnetic (DHEM) survey in MAD152 is completed**
- **The new discovery is located in an area that has never before been drilled, and more than 1km east of the nearest known sulphide mineralisation at the Cathedrals Prospect**
- **The east-west strike of mineralisation on the Cathedrals Belt is now extended to 5.5km with potential for significant further extensions at the West End Prospect and Fish Hook Prospect, where new EM anomalies have been identified by ongoing EM surveys**

Growth-focused Western Australian nickel company St George Mining Limited (ASX: **SGQ**) ("**St George**" or "**the Company**") is pleased to announce a new discovery of high-grade nickel-copper sulphides at its flagship Mt Alexander Project, located in the north-eastern Goldfields.

MAD152 is the first drill hole at the newly named Radar Prospect and intersected nickel-copper sulphide mineralisation between 44.2m and 51.7m downhole including intervals of massive nickel-copper sulphides.

The hole was drilled to test a new EM conductor identified by EM surveys completed by St George earlier this month. The conductor was initially detected by a Moving Loop EM (MLEM) survey. An optimised follow-up Fixed Loop EM (FLEM) survey confirmed a late-time anomaly, which was modelled with a conductivity of 35,000 Siemens and at a depth of approximately 50m.

A DHEM survey will be completed in MAD152 next week to identify extensions of mineralisation around the hole and to plan follow-up drilling.

The significant intersection in MAD152 represents a new discovery in an unexplored section of the Cathedrals Belt and is important for a number of reasons:

1. It opens up an opportunity to drill out a new high-grade prospect, which along with the advanced Investigators, Stricklands and Cathedrals Prospects, could add substantial volumes of mineralisation to a potential resource at Mt Alexander.

2. It confirms the prospectivity of unexplored areas of the Cathedrals Belt for further high-grade mineralisation:
   a) The east-west strike of known high-grade nickel-copper sulphides along the Cathedrals Belt is extended by this discovery to 5.5km, with another 10.5km of the Cathedrals Belt remaining as unexplored or underexplored.
   b) In particular, the prospectivity of newly identified EM anomalies at the largely unexplored West End and Fish Hook Prospects – located on the western and eastern extensions of the Cathedrals Belt, respectively – is significantly elevated by the latest success at Radar.

3. It supports the effectiveness of exploration techniques being used at the Cathedrals Belt, particularly the critical role of EM surveys in identifying nickel-copper sulphide targets.

4. The increased strike of high-grade mineralisation along the Cathedrals Belt is indicative of a large mineral system. This not only increases the potential to discover more mineralisation along the east-west strike of the Belt but also at depth, in the down-dip direction and associated with the structures that are interpreted to be the likely source through which mafic/ultramafic intrusions hosting nickel-copper sulphides have passed upwards from the Earth's mantle.

John Prineas, St George Mining's Executive Chairman, said:
"The discovery of high-grade nickel-copper sulphides with the first ever drill hole in an area with about 10m of transported overburden and more than 1km from the nearest known mineralisation on the Cathedrals Belt is an excellent exploration result and a credit to our technical team.

"The occurrence of high-grade nickel and copper sulphide mineralisation at shallow depths is rare and we are delighted to have further extended the strike of this type of mineralisation along the Cathedrals Belt to an impressive 5.5km.

"With multiple EM conductors still to be drilled, including targets at the unexplored West End and Fish Hook Prospects, we believe there is strong potential for more high-grade nickel-copper sulphide discoveries."

Figure 1 – drill core with massive sulphides from the interval at 49.07m downhole in MAD152 at the Radar Prospect

RADAR PROSPECT – SIGNIFICANT NEW DISCOVERY

A MLEM survey was completed earlier this month over a 2.2km east-west strike of the Cathedrals Belt, from the Cathedrals Prospect in the west to the Bullets Prospect in the east. Two stand-out EM anomalies were recorded – see Figure 2.

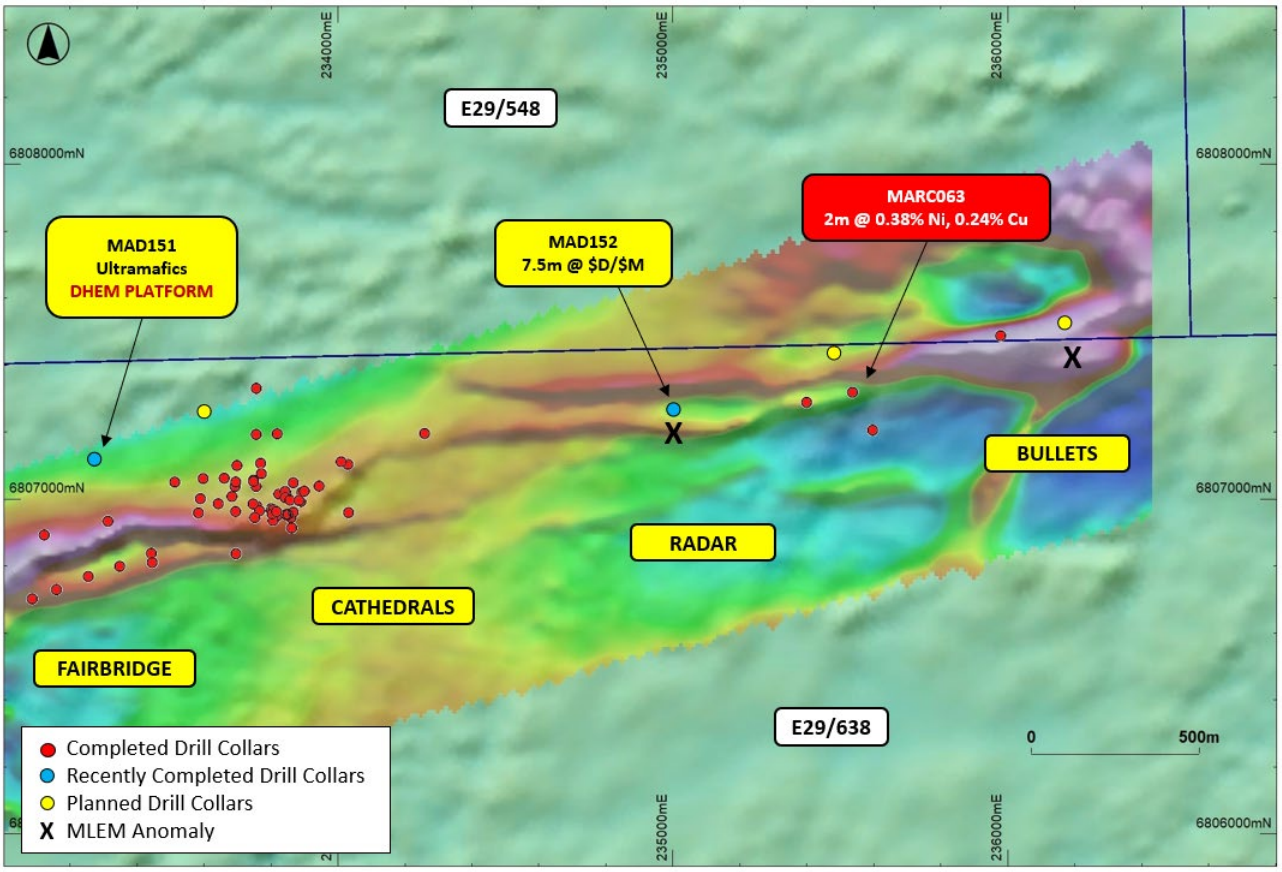

Figure 2 - plan view map (against SAM and RTP 1VD magnetic data) of the section of the Cathedrals Belt where two new conductors have been identified and are marked with "X".

One conductor is located 1km to the east of the Cathedrals Prospect, adjacent to a nickel-copper gossan and co-incident with a linear magnetic feature – known to represent mineralised mafic/ultramafic intrusions in other parts of the Cathedrals Belt. This area has been named the Radar Prospect and is where MAD152 has made the latest discovery of massive nickel-copper sulphides at the Cathedrals Belt.

The other EM anomaly is located a further 1km east at the Bullets Prospect, along strike from a historical drill intersection of nickel-copper sulphides made by BHP and co-incident with a larger magnetic feature.

Drilling of the EM conductor at Bullets is scheduled to commence next week.

Figure 3 – Drill core with heavily disseminated sulphides from the interval at 46.3m to 48.7m downhole in MAD152 at the Radar Prospect

FISH HOOK PROSPECT – DRILL TARGETS EMERGING FROM EM SURVEYS

A small MLEM survey has been completed at the Fish Hook Prospect to test the cover conditions in the area, which will assist in optimising future EM surveys. This EM survey was completed over the highly prospective area identified by the initial soil survey at Fish Hook, which recorded a very strong nickel-copper soil anomaly that is co-incident with a magnetic feature interpreted to represent mineralised ultramafics.

The MLEM survey comprised only three lines with an east-west strike of approximately 800m; see Figure 4. Two lines of fixed loop EM were also completed.

Two prominent EM anomalies were detected by the MLEM survey. One is co-incident with the strong nickel-copper soil anomaly and is shown on the eastern-most MLEM line in Figure 4. Another anomaly was recorded over the central MLEM line.

Data from follow-up FLEM surveys was less conclusive, with the western survey line highlighting a weak EM response over the same location as the soil anomaly. Further interpretation work is underway.

The Fish Hook area has about 10m of sand cover and appears to be geologically similar to the Radar Prospect with the same linear magnetic features. In light of the success in drilling the EM conductor at Radar, the EM anomalies at Fish Hook are emerging as very exciting drill targets.

A comprehensive soil survey has commenced at the Fish Hook Prospect, which will cover the entire 8km east-west strike length of the Cathedrals Belt east of Bullets.

Following completion of the soil survey and a review of survey results, a MLEM survey will be designed for the Fish Hook Prospect with particular focus on areas of nickel-copper soil anomalies.

The existing Programme of Works for Mt Alexander does not include drilling at Fish Hook. A further Programme of Works was submitted to the Department of Mines this week to incorporate drilling at Fish Hook, including at the emerging EM targets. We expect approval of the Programme of Works within the next four to six weeks.

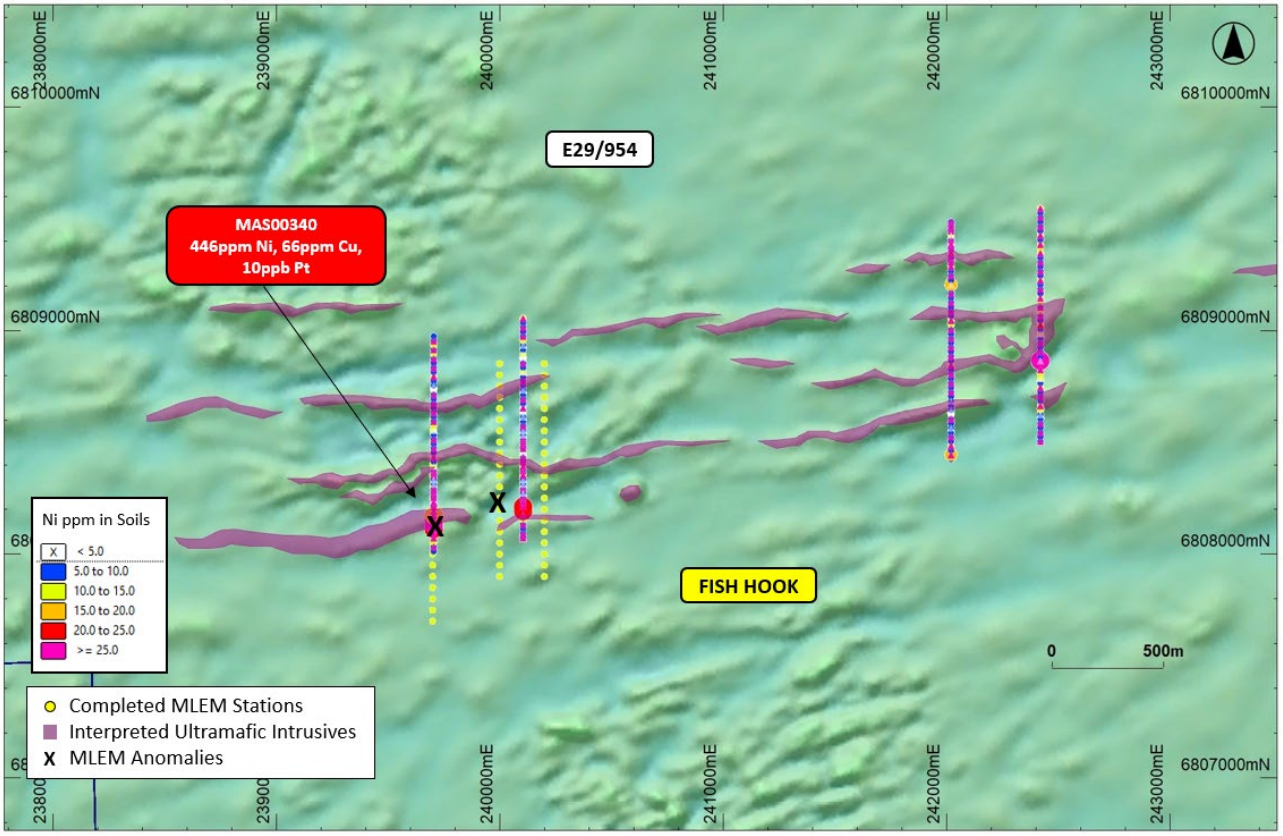

Figure 4 - plan view map (against RTP magnetic data) of the section of the Fish Hook Prospect showing the emerging targets (marked with "X") identified by the initial soil and EM surveys. The four trial soil survey lines are shown, as well as the three MLEM survey lines.

DRILL PROGRAMME

Table 1 contains details of the completed drill holes for the current diamond drill programme at Mt Alexander.

MAD153 is currently being drilled at the Cathedrals Prospect. This is a deep hole, with a planned depth of 450m targeting an area that has never been drilled before.

It is designed to test the down dip potential of the known shallow high-grade mineralisation at the Cathedrals Prospect and for potential repetitions of mineralisation at depth below the upper zone of mineralisation.

Drill holes MAD149 and MAD150 were completed at the Investigators Prospect to test EM conductors that were interpreted to represent potential extensions of known high-grade mineralisation.

The holes intersected the modelled plates for the EM conductors but there was no material in the drill core that could explain the strong conductors being targeted. A DHEM survey will be completed in each drill hole next week to review the modelling of the plates and design new holes to test the EM conductors.

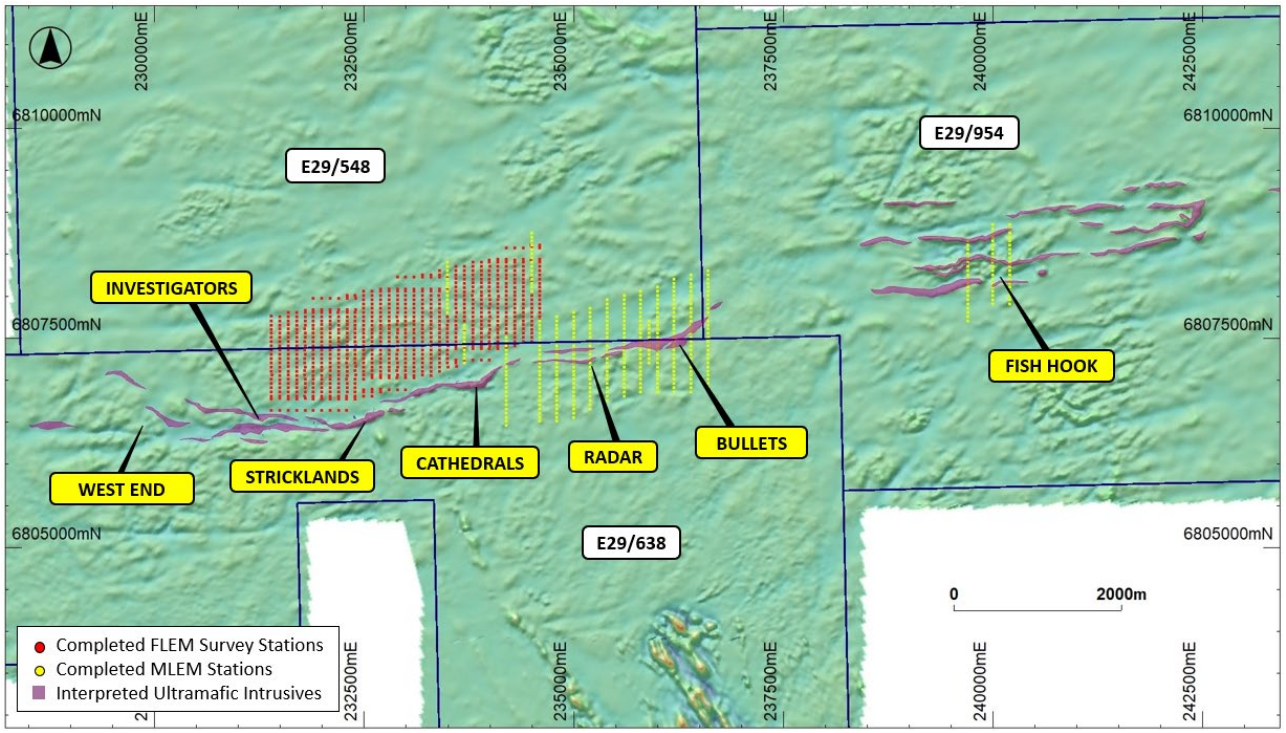

Figure 5 – map of the Mt Alexander tenements (against RTP 1VD magnetic data) with key prospects on the Cathedrals Belt highlighted. New targets generated at Bullets and Fish Hook have potential to significantly extend the strike of mineralisation along the 16km Cathedrals Belt.

Drill hole MAD151 was completed at the Fairbridge Prospect as a stratagraphic hole to search for extensions to the Cathedrals mineralisation and the source of the numerous gossans at surface at Fairbridge.

The hole was designed to intersect the main mineralised structure at depth, which is interpreted to be the structure that hosts the Cathedrals ultramafics and mineralisation, and also the source of the numerous nickel-copper gossans at surface.

The drill hole intersected granites intercalated with pegmatities and, importantly, three intervals of fault bound mafic and ultramafic rocks. While there were no visible sulphides in the drill core, a DHEM survey will be completed next week to search for any mineralisation around the drill hole.

Based on the intersection angle of the drilling with the modelled ultramafic unit, downhole widths are interpreted to be close to true widths.

Nickel and copper values shown above for recently completed drill holes are based on portable XRF analysis. They are preliminary in nature and a conclusive determination of the nickel, copper, cobalt and PGE values of the sulphide mineralisation will be confirmed when laboratory assays are available.

Average XRF readings in the massive sulphide interval are based on at least four readings per metre (unless otherwise stated) and are not length and density weighted.

Metal content for intervals of disseminated sulphides are not accurately determined by portable XRF analysis and estimates for this style of mineralisation are based on geological logging.

Hole ID	Prospect	East	North	RL	Depth	Azimuth	Dip	Target
MAD144	Investigators	231010	6806499	419	240.7	165	-71	EM plate 82,000 siemens
MAD145	Investigators	231650	6806569	424.6	230.3	196	-77	EM plate 20,000 siemens
MAD146	Investigators	231377	6806531	422.8	220.1	170	-75	EM plate 34,000 siemens
MAD147	Investigators	231299	6806305	421.4	150.8	353	-75	EM plate 30,000 siemens
MAD148	Investigators	231233	6806399.9	421.3	210.9	358	-80	EM plate 28,000 siemens
MAD149	Investigators	231219	6806453	420.9	240.60	029	-67	EM plate 20,000 siemens
MAD150	Investigators	231170	6806452	420.8	217.00	204	-77	EM plate 15,000 siemens
MAD151	Fairbridge	233270	6807080	417.5	330.50	155	-70	Stratigraphic Hole
MAD152	Radar	234933.69	6807257.7	426.07	81.70	180	-70	35,000 S MLEM plate
MAD153	Cathedrals	233627.25	6807180.4	420	TBC	155	-65	Stratigraphic Hole

Table 1 – drill holes completed and underway in current drill programme at Mt Alexander.

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 Mining Limited (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.

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Competent Person Statement:

The information in this report that relates to Exploration Targets, Exploration Results, Mineral Resources or Ore Reserves 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.