

9 July 2019

NICKEL-COPPER SULPHIDE DRILLING TO TARGET A LARGE NUMBER OF EM CONDUCTORS AT MT ALEXANDER PROJECT

HIGHLIGHTS:

- **42 new electromagnetic (EM) conductors have been prioritised and scheduled for immediate drilling**
- **The prioritised EM conductors have been identified by downhole EM (DHEM) surveys, which detected 73 off-hole anomalies in total**
- **All EM conductors tested in the Cathedrals Belt to date have been confirmed as nickel-copper sulphides, giving a high level of confidence in the new EM drill targets**
- **Quantity and location of the EM conductors indicates outstanding potential to significantly increase the volume of high-grade mineralisation at Mt Alexander**
- **Drilling is scheduled to commence on or about 22 July 2019**

Growth focused Western Australian nickel company St George Mining Limited (ASX: **SGQ**) (“**St George**” or “**the Company**”) is pleased to announce that DHEM surveys carried out in drill holes completed earlier this year and in late 2018 have generated a large number of priority EM targets for the nickel-copper sulphide drill programme to commence soon at the Company’s flagship Mt Alexander Project, located in the north-eastern Goldfields.

DHEM surveys identified 73 off-hole EM anomalies in total, indicating very strong potential for the presence of much more high-grade mineralisation than has been recognised by the drilling to date.

42 of these EM conductors have been prioritised for drilling in the upcoming drill programme – details of the conductors are set out in Table 1 below.

Importantly, a number of the new EM conductors are located away from known zones of nickel-copper sulphides and offer an excellent opportunity to significantly extend the ore-bodies in the Cathedrals Belt. These conductors are included as Priority 1 targets in Table 1.

Some of the new conductors are proximal to existing nickel-copper sulphides and are classified as infill targets that are likely to confirm an increase in the continuity of known mineralisation. These are listed as Priority 2 targets in Table 1.

There are also some deeper EM conductors located down-plunge of known high-grade nickel-copper sulphides, towards the north-northwest. As the known mineralised ultramafic units are interpreted to extend in this direction, these targets may represent a continuation of high-grade mineralisation at depth.

John Prineas, St George Mining’s Executive said:

“Drilling will start shortly at Mt Alexander with a targeted programme to scope out the scale of the discoveries in the Cathedrals Belt and to accelerate resource definition.

“The sheer number of EM conductors to be drilled in the Cathedrals Belt reflects the large scale of the mineral system at Mt Alexander, and its potential to host substantial strike lengths of mineralisation.

“In addition to the new EM conductors, we will drill some deep holes at Fairbridge to test for the source of the many nickel-copper gossans at surface.

“All EM conductors drilled in the Cathedrals Belt to date have been confirmed as nickel-copper sulphides, so we have confidence that the upcoming drilling will discover more high-grade mineralisation.”

NEW EM CONDUCTORS SUPPORT INCREASE IN RESOURCE POTENTIAL

The large number of off-hole EM anomalies detected by the DHEM surveys suggests that the nickel-copper sulphide mineralisation in the Cathedrals Belt is much more extensive than identified by drilling to date.

The new EM conductors are located at each of the Investigators, Stricklands and Cathedrals Prospects. Table 1, at the end of this section, contains details of the prioritised 42 EM conductors that are ready for drilling. Another 31 EM anomalies identified by the DHEM surveys are undergoing further modelling prior to being scheduled for drill testing.

Figure 1 illustrates the location of the new EM plates at Investigators. These are located both proximal to known zones of mineralisation as well as locations that are a large step-out from the known zones.

The purple areas in Figure 1 represent the strongest conductive responses in the recent SAM survey. They are interpreted to represent major faults within the Cathedrals corridor, a structural setting that is known to host nickel-copper sulphides in this Belt. All new EM plates are located within this favourable structural setting.

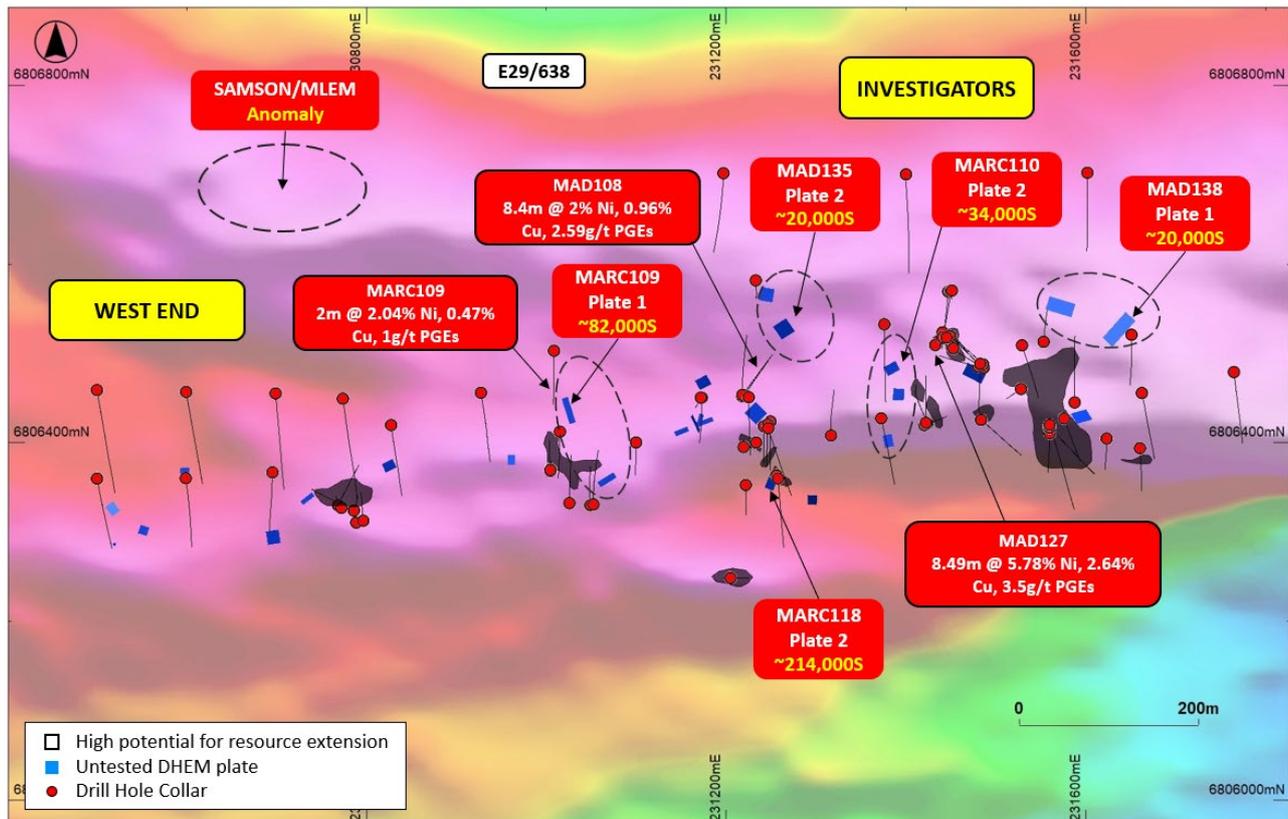


Figure 1 – plan view of Investigators Prospect with drill hole collar locations over SAM (MMC) survey data. Untested EM plates exist proximal to known nickel-copper sulphides and in locations which are large step-outs from the known mineralisation.

In addition to the discrete EM conductors, the drill programme will test the large conductive area identified to the north of Investigators. This area is a highly favourable location to host a repetition or continuation of the Investigators sulphide mineralisation along strike and down plunge.

Previous SAMSON and moving loop EM (MLEM) surveys identified the conductivity in this area, however precise modelling of EM plates was not possible – potentially due to the depth of the mineralisation, sub-optimal loop design or interference by surficial cover.

Figure 2 illustrates the new EM plates at the Stricklands and Cathedrals Prospects. In addition to these EM plates, drilling will also test a large conductive area to the north of the Fairbridge and Cathedrals Prospects.

Drilling at Cathedrals has confirmed that the high-grade mineralisation intersected at Cathedrals extends to the north-west and at depth. Several new EM plates are modelled along the interpreted extension of this trend and have strong potential to represent further nickel-copper sulphides.

Drill holes MARC097 and MARC098 were completed at Fairbridge earlier this year and intersected the interpreted lower Cathedrals Fault that is known to host nickel-copper sulphides. DHEM surveys of the holes detected an increasingly anomalous response toward the end of the drill holes. The EM response is interpreted to represent an anomaly below the current level of drilling, however was not adequately constrained to allow for an EM plate to be modelled.

Geologically, the large anomalous response is significant and may represent mineralisation associated with the numerous nickel-copper gossans at surface along Fairbridge and Cathedrals. The sulphides that formed the gossans are interpreted to have come from depth, typically travelling upwards along structures such as the series of faults that are found at Fairbridge and Cathedrals.

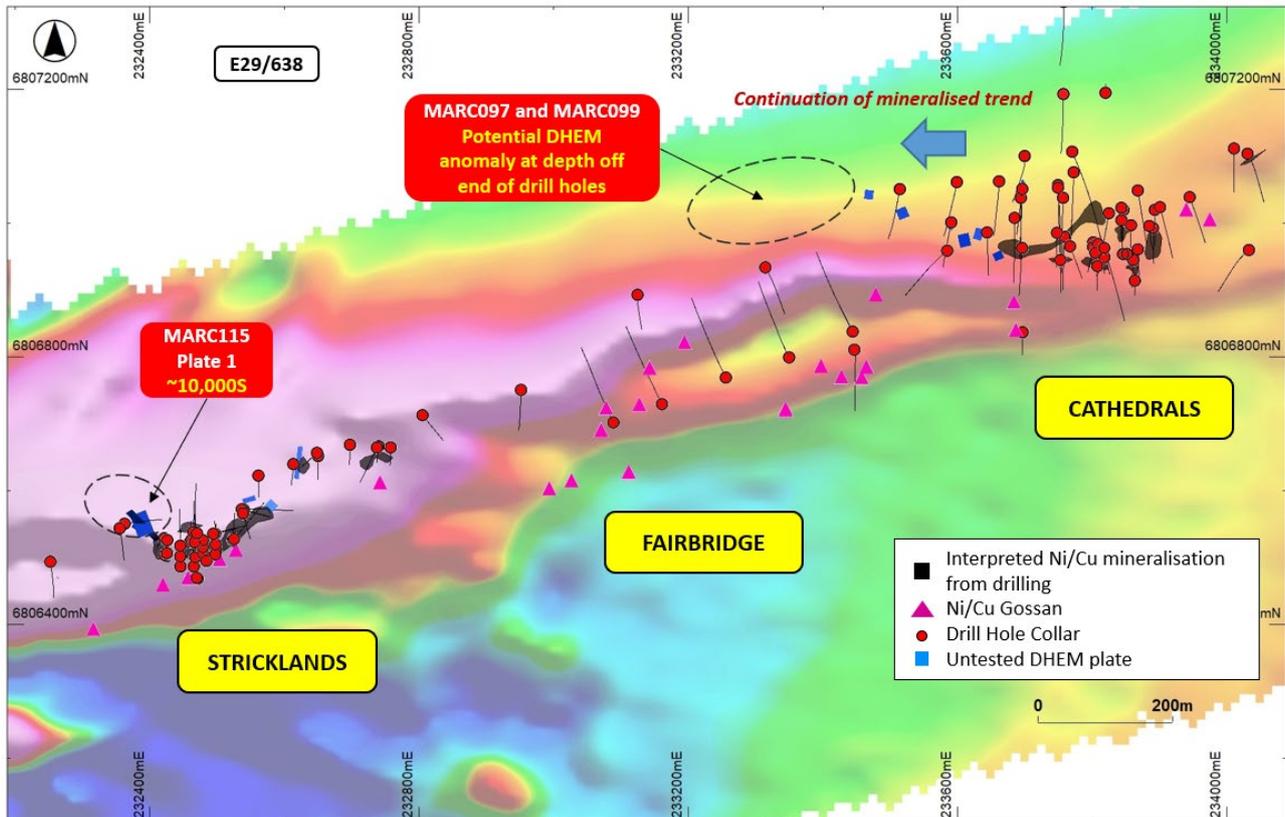


Figure 2 – plan view of Stricklands, Fairbridge and Cathedrals Prospects with drill hole collar locations over SAM (MMC) survey data. The purple areas represent the strongest conductive responses with several untested EM plates co-incident with these prospective geological features.

Figure 3 shows a long section of the Cathedrals Prospect and highlights the new EM conductors along the interpreted continuation of the mineralised trend to the north-west and at depth.

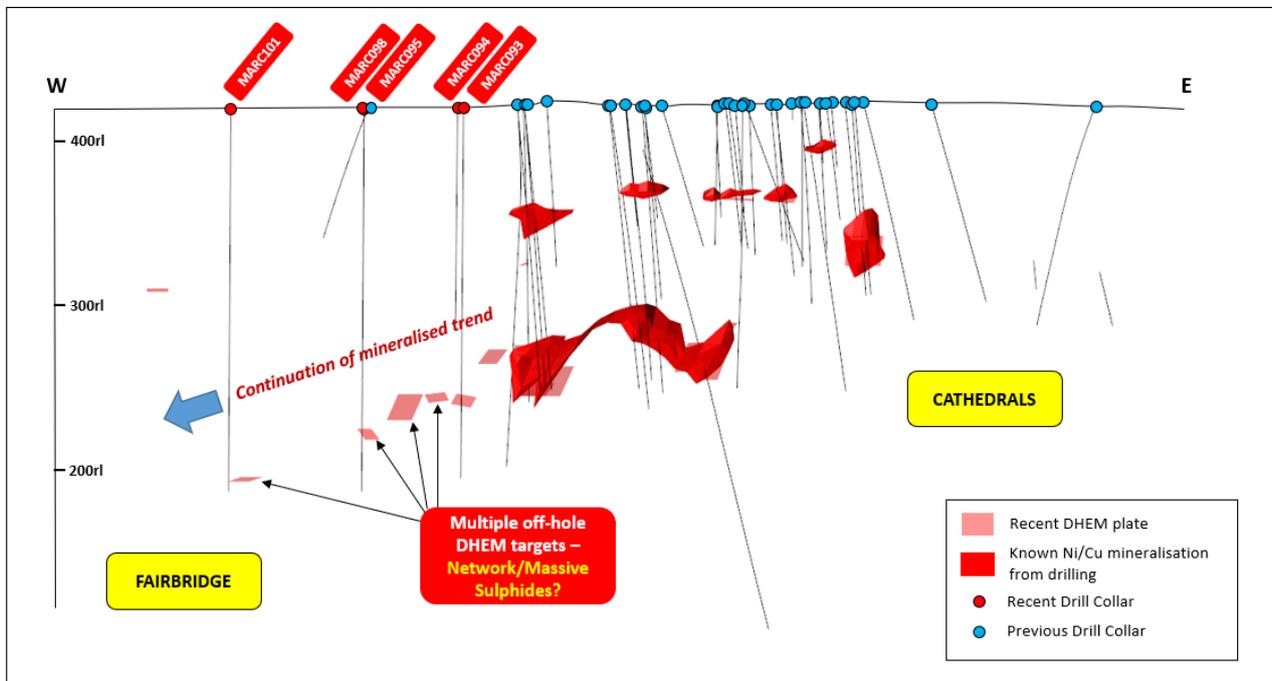


Figure 3 – Schematic long section of the Cathedrals Prospect showing continuation of the mineralised trend from Cathedrals to Fairbridge.

MAJOR DRILL PROGRAMME

A drill programme is scheduled to commence at Mt Alexander on or about 22 July 2019. Approximately 6,000m of drilling is planned, with additional metres likely to be added as further targets are prioritised for drilling.

Two drill rigs have been secured for this drill programme – one Diamond rig and one Reverse Circulation (RC) rig. Drilling of the prioritised EM conductors will initially commence with the Diamond drill rig. The RC drill rig will arrive at site approximately two weeks into the programme, and will be used to test shallower targets and conceptual targets.

Our technical team is at Mt Alexander this week to finalise site preparations. Further details of the planned drill holes will be provided prior to commencement of drilling.

Table 1 below contains details of the 42 EM conductors that are prioritised for drilling. The modelled plates for these new EM conductors are interpreted to represent the highest grade of massive nickel-copper sulphides in the mineral system and are not definitive of all the mineralisation in the system.

Drill results have shown that large volumes of semi-massive, matrix and disseminated sulphides can occur around the massive sulphides but are not detected by EM surveys.

Plate Name	Easting	Northing	Depth below surface (m)	Width (m)	Length (m)	Conductance (S)	Priority	Prospect
MAD024_1	232024	6806409	27	9	8	14,000	2	Investigators
MAD104 Plate 4	232625	6806631	47	5.1	7.1	10,600	2	Stricklands
MAD112_p4_CH22-28	232010	6806474	76	15	13	8,000	2	Investigators
MAD115 Plate 1 CH20-Ch30	230755	6806346	122	17	10	10,000	2	Investigators
MAD115 Plate 2 CH20-Ch30	230733	6806339	131	16	5	24,000	2	Investigators
MAD119 MAD135 Plate 1	231244	6806558	238	15	14.9	11,600	2	Investigators
MAD122 CH15-20 Plate 2	231144	6806409	180	5.5	15.4	15,000	1	Investigators
MAD122 CH20-30 Plate 1	231162	6806430	136	3.5	45	27,600	2	Investigators
MAD122 Plate 1	231177	6806420	176	20	5	11,810	2	Investigators
MAD122 Plate 2 CH15-CH20	231169	6806426	176	13.5	4.8	12,281	2	Investigators
MAD129 Plate 1	231248	6806348	122	10	13	30,000	2	Investigators
MAD135 Plate 2	231257	6806522	196	17.5	17.5	20,000	1	Investigators
MAD138 Plate 1	231624	6806512	176	15	40	20,650	1	Investigators
MAD138 Plate 2	231604	6806431	114	15	20	14,500	1	Investigators
MAD139 CH20-25 Plate 1	231178	6806462	179	14.5	12	8,015	1	Investigators
MAD139 CH25-30 Plate 2	231239	6806439	172	18	17.5	27,900	1	Investigators
MAD140 Plate 1	231569	6806544	177	30	16	15,000	2	Investigators
MAD142 Plate 2	232718	6806632	29	13	15	7,250	1	Stricklands
MAD143 Plate 2	232549	6806582	45	20.5	7.3	3,900	2	Stricklands
MARC080 Plate 1	230832	6806377	100	10.3	13.5	3,600	2	Investigators
MARC082 Plate 1	231296	6806330	115	10	13	30,000	1	Investigators
MARC086 Plate 1	231900	6806480	85	22	14	7,415	1	Investigators
MARC089 Plate 1	232154	6806488	60	7.4	6.5	2,350	2	Investigators
MARC089 Plate 3	232176	6806496	47	3.2	3.6	2,126	2	Investigators
MARC090 Plate 1	232264	6806468	31	5	4.6	3,500	2	Investigators
MARC091 Plate 1	232396	6806533	63	25	35	1,900	2	Stricklands
MARC093 Plate 2	233663	6806945	148	14	15	2,000	2	Cathedrals
MARC094 Plate 1	233629	6806975	175	13	18	3,685	2	Cathedrals
MARC098 Plate 2	233588	6806990	196	10	15	1,300	2	Cathedrals
MARC098_MARC095 Plate 1	233613	6806964	175	17	25	2,215	2	Cathedrals
MARC101 Plate 1	233468	6807035	110	13	14	8,000	2	Cathedrals
MARC101 Plate 2	233522	6807007	226	16	16	3,515	2	Cathedrals
MARC109 Plate 1	231030	6806422	187	7	29.6	82,980	1	Investigators
MARC110 Plate 1	231392	6806447	146	12	13	24,325	2	Investigators
MARC110 Plate 2	231387	6806478	177	15	11	34,050	1	Investigators
MARC113 Plate 3 CH10-15	232618	6806617	46	7	50	880	2	Stricklands
MARC115 Plate 1	232382	6806540	67	20	13.3	10,120	1	Stricklands
MARC115 Plate 2	232370	6806568	48	11.5	70	2,270	2	Stricklands
MARC118_p1_CH35-43	231276	6806356	133	12.1	18.9	169300	2	Investigators
MARC118_p2_CH30-35	231272	6806356	129	5	7.1	214000	2	Investigators
MARC119_110m	238930.5	6797628.0	41	50	100	2169	2	Sultans
MARC121_p1	231066	6806361	118	20.8	6.7	3,050	2	Investigators

Table 1 – List of untested and prioritised DHEM plates at the Mt Alexander Project.

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.

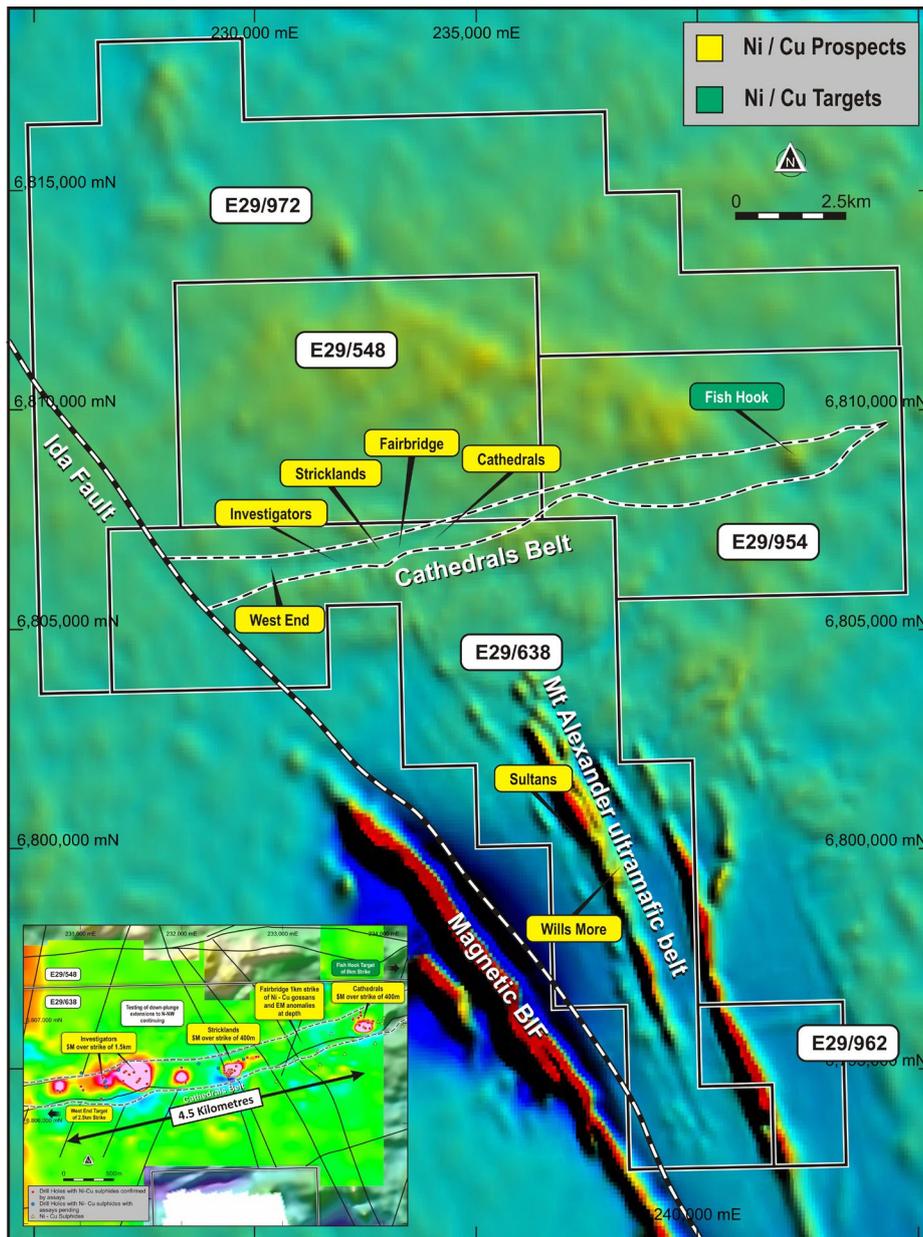


Figure 4 – map of the Mt Alexander tenements (against RTB magnetics) with key prospects highlighted. The inset shows the 4.5km strike of the Cathedrals Belt where drilling has intersected large areas of high-grade nickel-copper sulphides.

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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.