

30 January 2013

## ST GEORGE CONFIRMS NICKEL POTENTIAL AT CAMBRIDGE

### HIGHLIGHTS

- **Laboratory assays confirm extensive intervals of ultramafic in CAMRC-001 and CAMRC-002 with high MgO values**
- **Assays support geological interpretation of the significant potential for nickel sulphide mineralisation to be present at depth**
- **Strong intersections of nickel enrichment encountered in both holes:**
  - **CAMRC-001: 160m @ 0.25% Ni from 8m to 168m, including 61 m @ 0.35% Ni from 8m to 69m and 2m @ 0.84% Ni from 12m to 14m**
  - **CAMRC-002: 150m @ 0.22% Ni from 0m to 150m including 18m @ 0.33% Ni from 1m to 19m and 1m @ 0.55% Ni from 5m to 6m**
- **St George secures additional ground on the fertile Stella Range Ultramafic Belt**

### 2012 EXPLORATION PROGRAMME AT CAMBRIDGE NICKEL PROSPECT

**St George Mining Limited** (ASX: **SGQ**) (“St George Mining” or “the Company”) is pleased to announce that laboratory assays have been received for the 2012 drilling programme at its 100% owned Cambridge Nickel Prospect at the Company’s East Laverton Property in the NE Goldfields region of Western Australia.

The assay results are largely consistent with the XRF analysis completed by the Company on the drill samples from holes CAMRC-001 and CAMRC-002 (see the Company’s ASX Release dated 17 December 2012), and confirm the Company’s interpretation of large scale nickel sulphide potential at Cambridge.

#### **Drilling Results**

CAMRC-001 was drilled to a depth of 168 metres, while CAMRC-002 reached a depth of 150 metres. Both holes were terminated prematurely due to a combination of adverse ground and weather conditions. However, sufficient penetration into the upper portion of this large ultramafic body was achieved to confirm the highly prospective nature of the Cambridge target.

The assay results for both holes detected extensive intervals of ultramafic with a high nickel content, together with elevated levels of chrome (Cr) and magnesium oxide (MgO). This geochemical profile is consistent with an ultramafic lithology that is prospective for nickel sulphide mineralisation. See Table 1 for details of significant intersections.

The nickel intersected within the first 100m from surface is likely to represent varying degrees of secondary enrichment, which is dependent on the extent of the weathered zone.

The nickel values from the fresh ultramafic rocks below 100m in depth in CAMRC-001 and CAMRC-002 average above 2,000 ppmNi. These are approaching nickel values (2,800+ ppmNi) that are consistent with an olivine mesocumulate and adcumulate ultramafic, which are the high-MgO rocks that host nickel sulphides.

The Cambridge ultramafic body does not appear to have a pyroxenite cap; this is a layer of low MgO and barren ultramafic rock with a nickel content of approximately 700 ppm. The absence of a pyroxenite cap in a layered ultramafic intrusion such as Cambridge is very favourable, and means the depth to the targeted mesocumulate and adcumulate layers that host nickel sulphide mineralisation may be reduced. (Reference: “Komatiites, Petrology, Volcanology, Metamorphism and Geochemistry”, Stephen J Barnes (2006) SEG Special Publication Number 13).

Hole ID	Northing	Easting	Dip (deg)	Azimuth (deg)	Total Depth (m)	Cut off (Ni %)	From (m)	To (m)	Width (m)	Ni (%)	Cr (ppm)	MgO (%)
CAMRC 001	6 746 830	518 380	-60	235	168	>0.15	8	168	160	0.25	3115	29.0
including						>0.80	12	14	2	0.84	5620	21.5
						>0.50	9	18	9	0.61	5616	15.7
						>0.20	8	69	61	0.35	3925	22.1
						>0.20	94	110	16	0.21	2546	33.2
CAMRC 002	6 746 405	520 500	-60	55	150	>0.15	0	150	150	0.22	2464	33.8
including						>0.50	5	6	1	0.55	5320	8.8
						>0.40	5	11	6	0.49	5628	11.3
						>0.20	1	19	18	0.33	3679	17.0
						>0.20	45	108	63	0.22	2283	39.3

Table 1 – Details of significant intersections in CAMRC-001 and CAMRC-002 based on laboratory assays

### Technical Assessment of Cambridge

Sophisticated modelling of the recent EM survey and magnetic data for the Cambridge ultramafic body within the 100% St George tenements indicated surface dimensions of 1,500m (width) x 3,000m (strike) with a modelled depth of 1,500m.

This profile supports a sub-volcanic intrusive, rather than that of a komatiite channel origin for the Cambridge ultramafic body. This makes Cambridge unique in comparison to the other nickel targets along the Stella Range ultramafic belt, which has been shown to be prospective for komatiite-hosted massive and disseminated nickel sulphide deposits.

Analysis of the geophysical, geochemical and geological data for Cambridge suggests it may be a layered (fractionated) ultramafic body, where individual zones have varying levels and compositions of Ni + Cr + MgO.

The Ni content of the upper layer at Cambridge (intersected by CAMRC-001 and CAMRC-002) appears to reflect a lower MgO ultramafic unit, potentially capping the high-MgO olivine mesocumulate and olivine adcumulate layers (the targets for high grade nickel sulphides) that are present at depth.

Cambridge has been subject to metamorphic and deformational processes, mechanisms that can create local remobilisation and increases in the concentration and tenor of nickel sulphides. This highlights the opportunity for both massive and disseminated nickel sulphides to be present in favourable settings beyond the levels tested by the recent RC drilling programme.

**Tim Hronsky, Technical Director** of St George Mining said:

“The initial reconnaissance drilling at Cambridge was cut short and only tested the upper margin of this extensive target but was still sufficient to advance our understanding of the size and potential of Cambridge.

“This is a very significant exploration prospect for nickel sulphide mineralisation and we are excited at the potential results that could come from a deeper drilling program.”

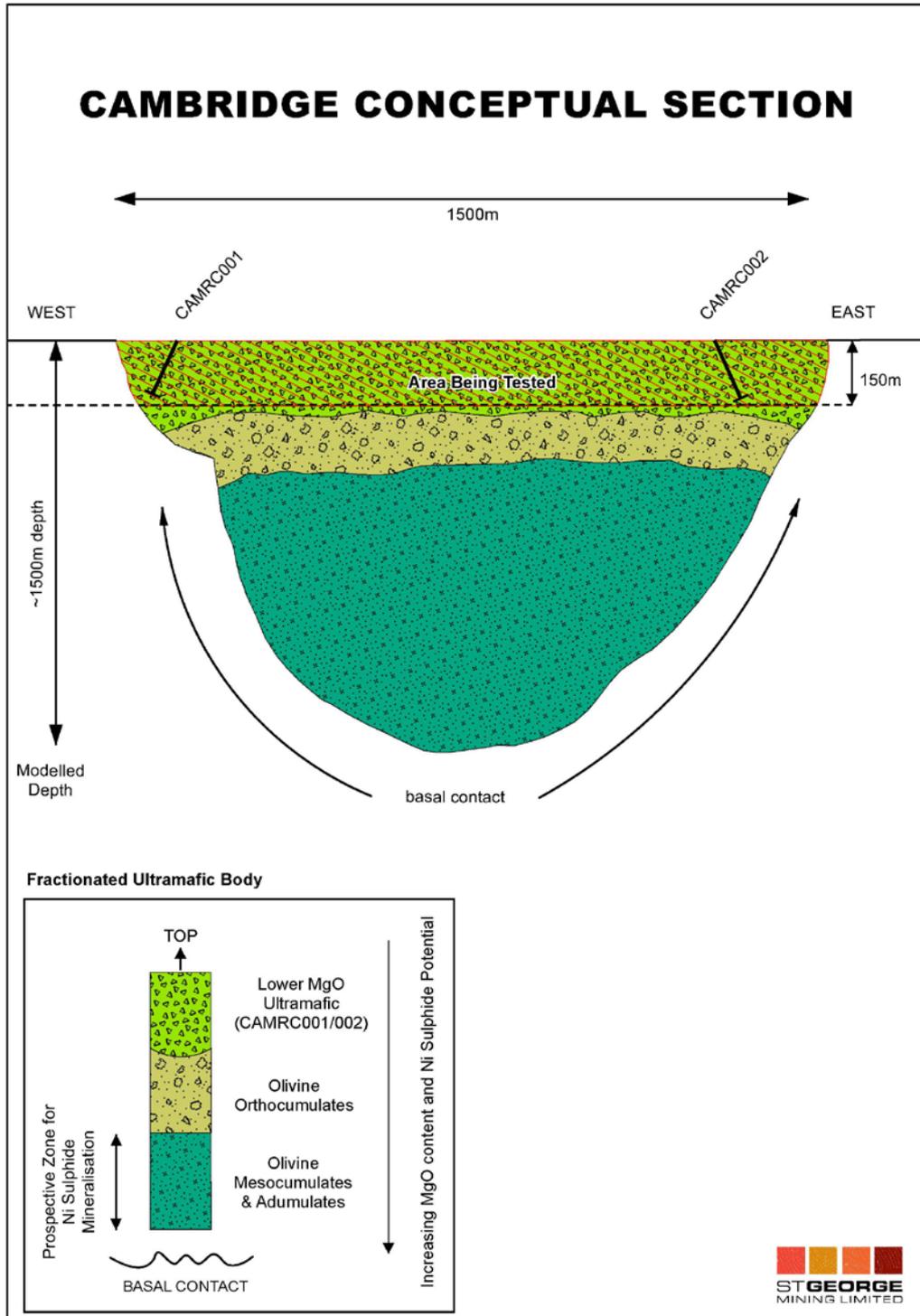
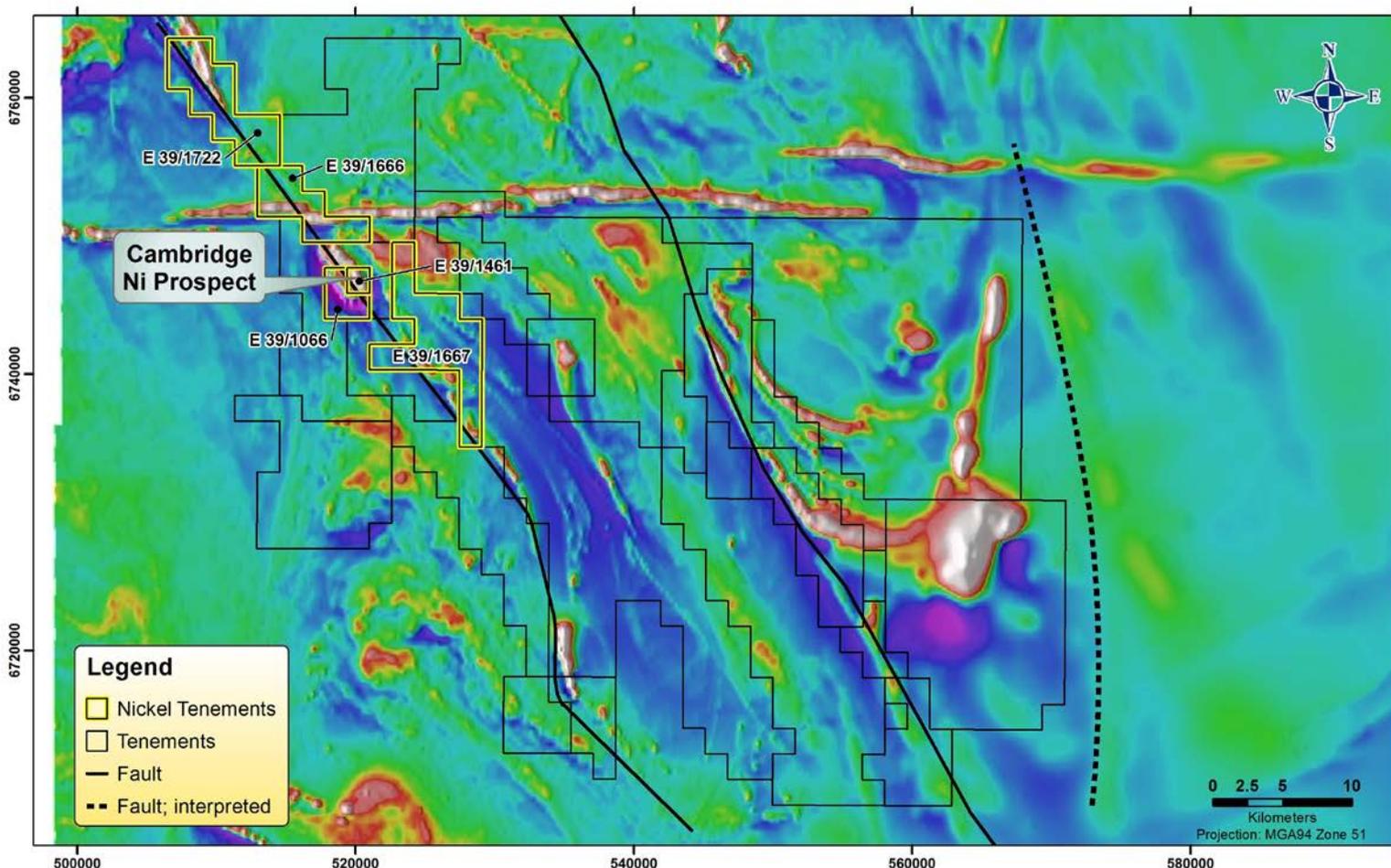


Figure 1 – The figure shows a conceptual section of the Cambridge ultramafic body, and illustrates the very large scale exploration potential yet to be tested at depth

## St George Secures Additional Ground

St George’s confidence in the outstanding prospectivity of the region for new nickel sulphide discoveries is demonstrated by its recent application for an exploration licence (E39/1722) over a northern extension of the Stella Range ultramafic belt.

The additional ground is contiguous with the northern boundary of the Company’s existing East Laverton Property and extends St George’s dominant coverage of the Stella Range ultramafic belt for approximately a further 12 kilometres (see Figure 2).



**St George Mining Limited - Nickel Tenements Over Aeromagnetics**



*Figure 2 – St George’s tenements at the East Laverton Property are shown over magnetics. The 100% St George nickel tenements along the highly prospective Stella Range ultramafic belt are outlined in yellow including the new application for E39/1722*

## Further Exploration

The Company is continuing to monitor weather and ground conditions at site. The access tracks at the East Laverton Property, which include areas of salt lakes and clay pans, remain inaccessible to heavy equipment including drill rigs at this time. St George Mining anticipates that exploration activities may restart late in Q1 2013.

# ASX / MEDIA RELEASE



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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.