

Saturday 14<sup>th</sup> September, 2019

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### Portfolio Stock Developments

**St George Mining** - (ASX: SGQ, Share Price: \$0.122, Market Cap: \$81m, coverage initiated @ \$0.175 in May 2016 – *current gain of 26%*)



### Key Catalyst

***14m thick zone of nickel-copper sulphides intersected down-plunge at the Stricklands Prospect from 78m down-hole, confirming the down-plunge continuation of the mineralisation.***

SGQ has figured prominently in our coverage universe since initiation in May 2016, with the company remaining strongly committed to regional exploration at its Mt Alexander project in WA's goldfields region. SGQ set the market alight during late 2017 on the back of exciting high-grade drilling results that intersected nickel-copper-cobalt-PGE sulphides. The composition of the mineralisation within the Cathedrals Belt, comprising an elevated copper-nickel ratio, cobalt and PGE values and basalt host rocks, is more akin to an intrusive mineral system – like Raglan, Voiseys Bay and Norilsk - rather than typical Kambalda-style extrusive deposits. Preliminary metallurgical test-work has confirmed that Mt Alexander will produce a high-value saleable concentrate that will be sought-after by smelters, with grades of 18% nickel and 32% copper, along with high values for cobalt/PGEs that will provide valuable smelter credits.

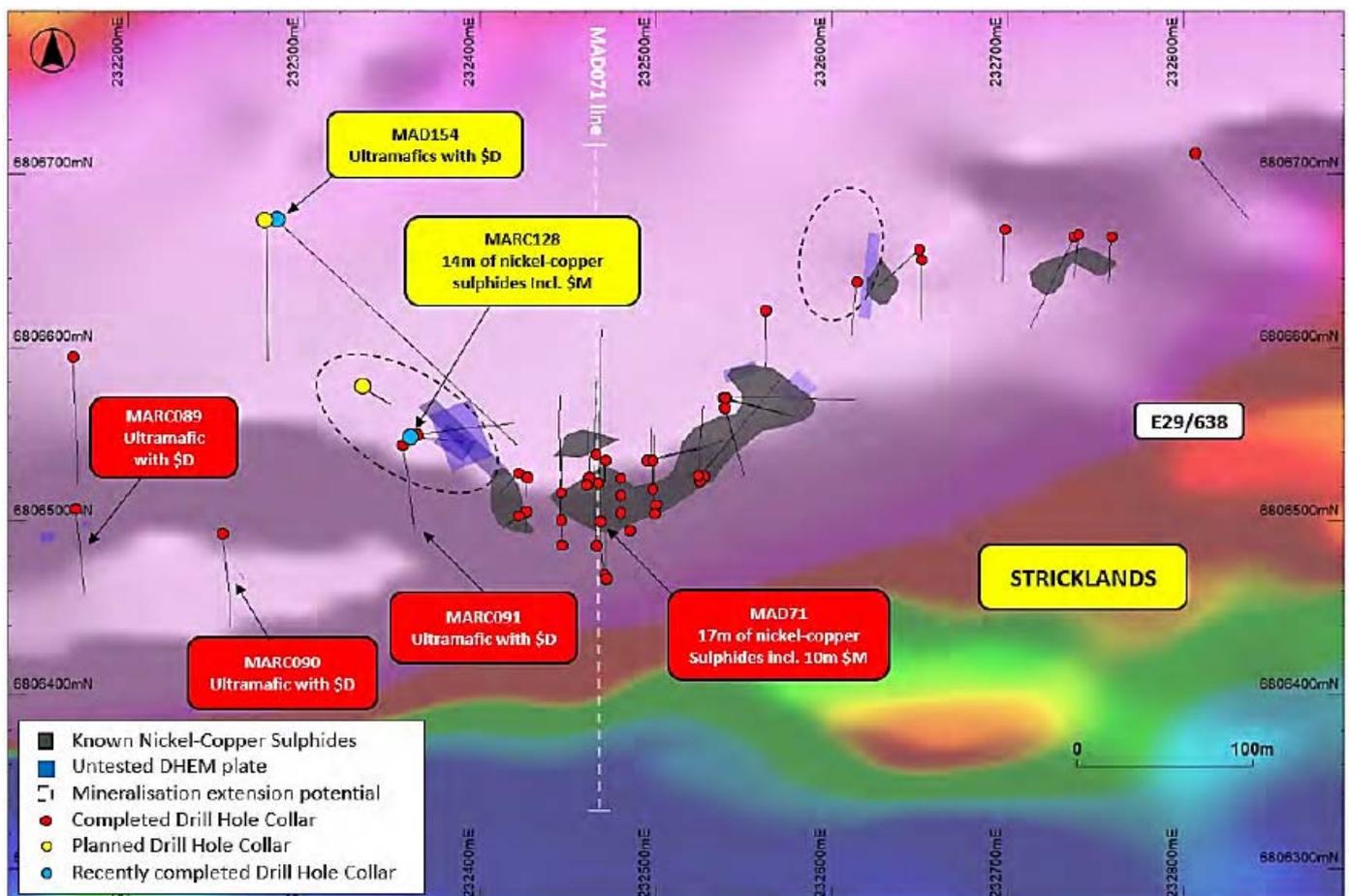
## Latest Activity

### Mt Alexander Exploration Update

SGQ has released further highly encouraging drilling results, this time in RC hole MARC128 - which intersected a 14m thick zone of nickel-copper sulphides down-plunge from 78m down-hole. The hole was drilled to a down-hole depth of 166m and intersected nickel-copper sulphide mineralisation between 78m and 92m down-hole, including intervals of massive and semi-massive nickel-copper sulphides.

Between 78m to 83m, the hole returned ultramafic with disseminated sulphides increasing with depth (10% sulphides comprising pentlandite (pn), chalcopyrite (cp) and pyrrhotite (po). Between 83m to 88m, the hole returned massive and semi-massive sulphides with average XRF readings of 3.5% Ni and 1.2% Cu (75-100% sulphides comprising pn, cp, po). Finally, between 88m to 92m the hole returned ultramafic with disseminated sulphides (20% sulphides comprising pn, cp, po).

The mineralised ultramafic unit at Stricklands is interpreted from drilling to dip towards the northwest, with potential for additional sulphide mineralisation at depth.



**Figure 1:** Plan view map of the Stricklands Prospect (set against SAM data) showing drill-hole traces and known mineralisation. The large extension confirmed by MARC128 is highlighted. MAD154, which was drilled to the south, is also highlighted.

Elsewhere at Stricklands, diamond hole MAD154 is being drilled to a planned down-hole depth of 450m, towards the south and underneath the known shallow mineralisation of previous hole MAD71 (17.45m @ 3.01% Ni, 1.31% Cu, 0.13% Co and 1.68g/t total PGEs from 37.45m).

MAD154 has intersected several thick mafic and ultramafic units with abundant sulphides – including pyrrhotite (po), pyrite (py) and chalcopyrite (cp), but not pentlandite (pn).

## Technical Significance

The high-grade intersection in MARC128 lies 100m down-plunge of the exceptional intersection in previous hole MAD71, significantly increasing the down-plunge strike mineralisation at Stricklands. The mineralised ultramafic unit at Stricklands is interpreted from drilling to dip towards the northwest, with potential for additional sulphide mineralisation at depth and to the northwest. A down-hole electro-magnetic (DHEM) survey will be completed in MARC128 to identify extensions of mineralisation around the hole and to plan follow-up drilling.

The presence of thick ultramafic units at depth in MAD154 is very encouraging for the potential of further nickel-copper sulphide mineralisation in this area. A DHEM survey will be completed in MAD154 to search for any conductive mineralisation around the hole, including below the hole.

Figure 1 (above) shows the latest drilling at Stricklands set against data from the recent Sub Audio Magnetic (SAM) survey that mapped the Cathedrals mineralised trend. The purple areas, which are prominent and thick at Stricklands, reflect the strongest conductive areas along the trend and they are prospective for sulphide mineralisation.

## Summary

***The mineralised intersection in MARC128 is outstanding, as it confirms a significant down-plunge extension of the thick, high-grade mineralisation first witnessed at Stricklands in MAD71. The thickness of the cumulative ultramafic and the volume of nickel-copper sulphides intersected at Stricklands by multiple drill-holes, supports the potential for additional significant mineralisation being intersected along this strike of the Cathedrals mineralised trend. The down-plunge area is largely untested by drilling and SGQ is increasingly confident that further discoveries of nickel-copper sulphides will be made in this area.***

***With multiple intersections of high-grade nickel-copper sulphides over a broad area and favourable project economics, Mt Alexander is emerging as a major new nickel sulphide camp in Western Australia. The location of the project near the world-class nickel sulphide mines in the Agnew-Wiluna belt provides SGQ with access to existing roads and infrastructure, as well as opportunities to utilise existing processing plants.***

***SGQ has risen from a recent low of \$0.105 in early July to a current price of \$0.22 – a gain of 110% in just a couple of months. SGQ will remain held within our coverage Portfolio.***

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