Western Australia’s Next Big Nickel Sulphide Story

Reuters Mining Week
Singapore and Hong Kong
18/20 September 2018
St George – Growth Nickel Stock

- Nickel-copper sulphide discovery in WA
- Drilling to expand resource potential
- Upswing in nickel price

Major re-rating of St George

*On right: Diamond drilling at Mt Alexander*
Nickel Market Dynamics are Changing
EV Demand

Demand Rises on Electric Vehicle Revolution:
• Nickel sulphide (Class 1 nickel) is required for EV batteries; nickel pig iron, etc (Class 2) is not suitable for batteries
• 1Mt deficit in 2025 = price pressure

Market Alert:
BHP announces that 90% of nickel sulphide production will be sold for batteries from 2019 to meet increasing demand from EV’s:
Diggers & Dealers Conference,
7 August 2018
Upswing in Price Cycle

**UBS, Miner’s Price Review, June 2018:**

*EV battery demand is emerging faster than expected. Inventory is falling, premia are rising, indicating a scramble for nickel metal. Meanwhile little battery-ready mine supply investment is being made.*

Source: Bloomberg

**Decreasing Stockpiles Support a Rising Nickel Price:**
Nickel Price to Outperform

**Best Commodities on Risk/Return?**

*Nickel is our preferred play on a >12 month view.*

<table>
<thead>
<tr>
<th>Commodity</th>
<th>Units</th>
<th>Current Price</th>
<th>LT Forecast</th>
<th>‘Upside’ LT v. Current</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cobalt</td>
<td>US$/t</td>
<td>62,750</td>
<td>43,200</td>
<td>(32%)</td>
</tr>
<tr>
<td>Copper</td>
<td>US$/t</td>
<td>5,972</td>
<td>7,280</td>
<td>22%</td>
</tr>
<tr>
<td>Nickel</td>
<td>US$/t</td>
<td>12,673</td>
<td>22,000</td>
<td>74%</td>
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<tr>
<td>Zinc</td>
<td>US$/t</td>
<td>2,503</td>
<td>2,830</td>
<td>13%</td>
</tr>
<tr>
<td>Lead</td>
<td>US$/t</td>
<td>2,025</td>
<td>2,250</td>
<td>11%</td>
</tr>
</tbody>
</table>

Source: Current prices as at 14 September 2018 by Kitco; LT Forecasts by Wood Mackenzie (nickel forecast revised upwards in 2018 to US$22,000/t)

Nickel offers significant upside

**Nickel Price Targets:**
- Wood Mackenzie long-term forecast – **US$22,000/t**
- High in previous cycle *(March 2007)* – **US$54,000/t**
Securing Nickel Supply

As the nickel market tightens and the battery market grows, industry players are looking to secure supply.

Battery manufacturers are competing for supply by offering offtake finance and taking strategic stakes in miners.

Texan firm makes its move on Poseidon

US player strikes Lanfranchi mine deal

Texas-based Black Mountain Metals has signalled a firm intention to move into the WA battery minerals space by taking a 7.6 per cent stake in Poseidon Nickel and lobbing a $67 million cash bid for the Andrew Forrest-backed explorer.

Stuart McKinnon

The West, 18 August 2018
St George – Corporate Overview
Market Profile and Capital Structure

Listed shares (SGQ): 298,116,211
Listed options (SGQOB): 24,579,714
SGQOB - exercise price of 20c, expiring on 30 Sept 2020.

Market cap: A$39m (@12 per share)
Cash: A$4m (at 13 Sept 2018)

Broad Shareholder Base
Over 3,500 shareholders including Australian and overseas institutions, high net worth and retail investors

Share Ownership
Top 10: 19%
Top 20: 27%
Directors: 6%

Largest Shareholders
Impulzive: 4.5%
City Natural Res’s: 3%
John Prineas: 4.4%
Oceanic Capital: 3%

12-month price chart for St George

- Drilling is ongoing
- Strong newsflow continues
Highly Qualified Team

Directors, Management and Consultants with a Track Record of Success

John PRINEAS, Executive Chairman – founding shareholder with over 25 years experience in mining, and the banking and legal sectors servicing the resources industry.

Tim HRONSKY, Technical Director – over 25 years as a geologist in the global exploration and mining industry, including 15 years with Placer Dome Inc.

Sarah SHIPWAY, Non-executive Director/Company Secretary – Chartered Accountant with extensive experience in advising listed exploration companies.

Charles WILKINSON, Technical Consultant – over 32 years’ experience as a geologist in the mining industry. 16 years at WMC Resources including Exploration Manager - Nickel Exploration Australia. Joined Western Areas Limited in 2008 as General Manager Exploration. During his 9 years at WSA, the company developed the Spotted Quoll deposit, significantly grew its resource inventory and became Australia’s No. 1 independent nickel sulphide producer.


Dr Jon HRONSKY, Consultant – Chairman of the Centre for Exploration Targeting in WA, adviser on exploration targeting. Previously, Manager-Strategy & Generative Services for BHP Billiton Mineral Exploration.

Massive nickel-copper sulphide intersection in MAD40 that graded 7.88%Ni and 3.11%Cu
Successful Exploration Creates Value
MT ALEXANDER DISCOVERY

- Exceptional discovery in Western Australia
- High-grade nickel-copper sulphides

Favourable Location:
- Located S-SW of world class nickel and gold mines of the Agnew-Wiluna Belt
- Close to infrastructure/processing plants

The Cathedrals, Stricklands and Investigators Prospects are located on E29/638, which is held in joint venture by Western Areas Limited (25%) and St George (75%). 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. St George has 100% of all other tenements at Mt Alexander.
Australia’s Latest Nickel-Copper Sulphide Discovery

**Shallow Depths**
Mineralisation 30m from surface with ongoing definition drilling; low cost drilling and mining

**Large Mineral System**
Ni-Cu sulphides over a 4.5km strike of Cathedrals Belt, with 100% success rate in testing EM conductors

**High Grade and Polymetallic**
Nickel sulphide plus copper, cobalt and PGEs
Key battery/EV metals

**Exploration Upside**
200 sq km of underexplored tenement package; ongoing exploration

On right: Drill core from MAD56. The section of core is from an interval that returned assays of 3.15m @ 6.36%Ni, 2.92%Cu, 0.20%Co and 5.03g/t total PGEs from 61.81m
Large Scale Mineral System

4.5km strike of sulphide mineralisation at Cathedrals Belt

- Mineralisation starts 30m from surface with potential for repetition and extension at depth
- Longer strike of mineralisation than Nova (circa. 1km strike) (see Presentation dated 15 May 2018 by Independence Group NL; inset of Nova below is taken from that Presentation)
- Expanded drill programme underway focused on testing the north-west plunge (already extended to 320m) and definition drilling: programme of +4,000m and drilling 24/7

Left: Schematic diagram of the Cathedrals Belt (based on drill hole data to date) shown at the same scale as the Nova deposit in the inset diagram (Nova Ni resource of approx. 270,000t contained Ni). The comparison shows the longer strike of mineralisation at Cathedrals with large areas untested along strike and at depth. Nova shown as scale and an exploration stage comparative, not as a direct analogue.
Drilling Success Continues

Wide intersections of high-grade Ni-Cu-Co-PGEs

2017 – some of the best intersections (with assays):

**MAD71 (Stricklands Prospect):**
17.45m @ 3.01%Ni, 1.31%Cu, 0.13%Co and 1.68g/t total PGEs from 37.45m, including 5.3m @ 4.39%Ni, 1.45%Cu, 0.21%Co and 2.09g/t total PGEs from 39.3m; and 2.02m @ 5.05%Ni, 2.01%Cu, 0.21%Co and 3.31g/t total PGEs from 50.6m.

**MAD56 (Cathedrals Prospect):**
7.5m @ 3.90%Ni, 1.74%Cu, 0.12%Co and 3.32g/t total PGEs from 57.8m, including 3.15m @ 6.36%Ni, 2.92%Cu, 0.20%Co and 5.03g/t total PGEs from 61.81m.

**MAD60 (Investigators Prospect):**
5.3m @ 4.95%Ni, 2.75%Cu, 0.16%Co and 4.55g/t total PGEs from 157.9m, including 3m @ 6.40%Ni, 3.55%Cu, 0.21%Co and 5.25g/t total PGEs from 159.38m.

2018 – some of the best intersections from current drilling (assays pending unless shown otherwise):

**MAD104 (Stricklands Prospect):**
6.25m @ 2.36%Ni, 1%Cu, 0.15%Co and 1.25g/t total PGEs from 67.2m, including 3.34m @ 3.01%Ni, 1.12%Cu, 0.2%Co and 1.41g/t total PGEs from 70.11m.

**MAD108 (Investigators Prospect):**
8.4m @ 2%Ni, 0.96% Cu, 0.646% Co, 2.59g/t total PGEs from 199m, including 1.37m @ 6.83% Ni, 2.88% Cu, 0.21% Co, 5.58g/t total PGEs from 206.03m.

**MAD112 (Investigators Prospect) – photo of MAD112 massive sulphides on right:**
5.55m of sulphide mineralisation from 114m, including massive sulphides from 116.65m to 117.33m, 117.46m to 117.6m and 117.77m to 119.55m (photo of MAD112 massive sulphides).

**MAD117 (Investigators Prospect):**
6.49m of sulphide mineralisation from 104.29m, including massive/semi-massive sulphides from 106.36m to 107.45m, 108.91m to 109.78m and 110.12m to 110.68m.
Investigators Prospect

Multiple high-grade hits over a 1,300m strike

- High powered SAMSON electromagnetic (EM) survey identifies large areas of EM conductivity indicating potential for extensive sulphide mineralisation

- Testing of EM conductors is ongoing with drilling and downhole EM surveys identifying additional strong conductors and high grade mineralisation

- Conductor MAD111: X1 is modelled with an 80m strike towards north and conductivity/thickness of 140,000 Siemens – drilling underway now

Left: plan view of Investigators Prospect with drill hole collar locations (completed and planned) over the large SAMSON total field EM anomalies (red/pink colours). The surface expression of EM plates now being drilled is shown, including MAD111: X1.
Down Plunge at Investigators

**Down plunge strike of mineralisation extended by latest drilling**

- Mineralised ultramafic dips to the north at an angle of about 30 degrees
- Drilling down dip continues to intersect high-grade sulphides
- Drill hole MAD108 on the MAD60 section (approx. 231220E) intersected massive sulphides extending the down plunge strike to 320 metres
- Further step-out drilling underway with mineralisation open to the north

**MAD60** (drill core on right):
- 5.3m @ 4.95%Ni, 2.75%Cu, 0.16%Co and 4.55g/t total PGEs from 157.9m, including
  - 3m @ 6.40%Ni, 3.55%Cu, 0.21%Co and 5.25g/t total PGEs from 159.38m

**MAD108**:
- 8.4m @ 2%Ni, 0.96% Cu, 0.646% Co, 2.59g/t total PGEs from 199m, including
  - 1.37m @ 6.83% Ni, 2.88% Cu, 0.21% Co, 5.58g/t total PGEs from 206.03m

*Left: Schematic cross section of the MAD60 line (facing west) with down plunge of mineralisation over 320m and open to the north-west.*
Stricklands Prospect

+400m strike of mineralisation with wide intersections

- Multiple high-grade hits including drill hole MAD71:
  17.45m @ 3.01%Ni, 1.31%Cu, 0.13%Co and 1.68g/t total PGEs from 37.45m
  including the massive sulphide zones of:
  5.3m @ 4.39%Ni, 1.45%Cu, 0.21%Co and 2.09g/t total PGEs from 39.3m; and
  2.02m @ 5.05%Ni, 2.01%Cu, 0.21%Co and 3.31g/t total PGEs from 50.6.
- Large areas undrilled and mineralisation open

Above: Schematic cross section of the MAD71 line (facing west) at Stricklands based on drill hole data. The mineralised ultramafic dips to the north-west with potential for a down plunge extension.

Left: Long section of Stricklands highlights the multiple intersections of +1%Ni mineralisation over a 400m strike.
Cathedrals Prospect

High grade mineralisation on two surfaces

- Numerous intersections of nickel-copper sulphides on two surfaces – the Cathedrals ultramafic and the footwall fault below including MAD56:
  - 7.5m @ 3.90%Ni, 1.74%Cu, 0.12%Co and 3.32g/t total PGEs from 57.8m, including
  - 3.15m @ 6.36%Ni, 2.92%Cu, 0.20%Co and 5.03g/t total PGEs from 61.81m

- Cathedrals ultramafic extends for strike length of 400m with potential for extensions

- Infill and extensional drilling ongoing

Left: a long section of the Cathedrals Prospect (looking north) showing significant intersections from both recent and historic drill holes. The Cathedrals ultramafic and footwall fault outlines are also shown.
Metallurgical Testwork

Positive Results from Initial Met Testwork

High Recoveries from Ore:
• >99% recoveries of Ni and Cu to concentrates from preliminary testwork on massive sulphides

Clean Concentrate:
• No deleterious elements like MgO, talc or arsenic

Standard Flotation:
• Separate nickel and copper concentrates produced by standard flotation process \(\text{(on right: copper being floated in test completed by Strategic Metallurgy Pty Ltd)}\)

High Value Concentrate:
• Nickel concentrate with 18%Ni \(\text{(Nova is 13.5%Ni*)}\)
• Copper concentrate with 32%Cu \(\text{(Nova is 29%Cu*)}\)
• Cobalt grade of 0.55%Co in nickel concentrate
• PGEs + Au of 13.5 g/t in nickel concentrate
• PGEs + Au of 3.2 g/t in copper concentrate

Clean and high grade concentrate will attract a premium price

* Nova Optimisation Study: IGO ASX Release dated 14 December 2015
# Opportunity for Low Cost/High Margin Project

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<tr>
<th>Shallow Mineralisation</th>
<th>Existing Infrastructure</th>
<th>Clean Concentrate</th>
</tr>
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<tbody>
<tr>
<td>✓ Low cost drilling/ low cost potential mining</td>
<td>✓ Nearby processing plants</td>
<td>✓ High grade Ni and Cu plus cobalt and PGEs</td>
</tr>
<tr>
<td>✓ Well defined zones of mineralisation</td>
<td>✓ Close to existing roads, power</td>
<td>✓ Excellent metallurgy</td>
</tr>
</tbody>
</table>

**Strong indications for favourable project economics which will be assessed by scoping/feasibility studies**

*Left: Tim King Pit at Spotted Quoll mine at Forrestania (owned 100% by Western Areas Limited) where high grade nickel sulphides were mined from 60m below surface*
St George Mining: creating shareholder wealth through exploration success

Above: diamond drill rig at Stricklands, Cathedrals Belt. Right: Drill core from MAD108.
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Certain statements contained in this presentation, including information as to the future financial or operating performance of St George Mining Limited (ASX:SGQ) and its projects, are forward looking statements:

- may include, among other things, statements regarding targets, estimates and assumptions in respect of mineral reserves and mineral resources and anticipated grades and recovery rates, production and prices, recovery costs and results, capital expenditures, and are or may be based on assumptions and estimates related to future technical, economic, market, political, social and other conditions;
- are necessarily based upon a number of estimates and assumptions that, while considered reasonable by St George Mining, are inherently subject to significant technical, business, economic, competitive, political and social uncertainties and contingencies; and
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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 Ben Pollard, a Competent Person who is a Member of The Australasian Institute of Mining and Metallurgy. Mr Pollard is employed by Cadre Geology and Mining Pty Ltd which has been retained by St George Mining Limited to provide technical advice on mineral projects.

This ASX announcement contains information extracted from the following reports which are available on the Company’s website at www.stgm.com.au:

- 13 November 2017 Further High Grade Mineralisation at Mt Alexander
- 20 November 2017 Outstanding Intersection of Nickel-Copper Sulphides
- 30 November 2017 Drilling at Mt Alexander – Update
- 7 December 2017 Further Nickel-Copper Sulphides Intersected at Mt Alexander
- 15 December 2017 Assays Confirm Best Ever Intersection at Mt Alexander
- 19 March 2018 Drilling of Nickel-Copper Sulphide Targets at Mt Alexander Resumes
- 4 April 2018 Nickel-Copper Sulphide Drilling at Mt Alexander – Update
- 11 April 2018 Further Nickel-Copper Sulphides Intersected at Mt Alexander
- 19 May 2018 Nickel-Copper Sulphide Drilling at Mt Alexander – Update
- 4 June 2018 Assays Confirm High Grades at Mt Alexander
- 19 June 2018 New EM Conductors Ready for Drilling at Mt Alexander
- 21 June 2018 Assays Confirm Further High Grades at Mt Alexander
- 25 June 2018 Drill Programme Expanded at Mt Alexander
- 23 July 2018 High-Grade Nickel-Copper Sulphides in First Drill Hole
- 15 August 2018 Further High-Grade Nickel-Copper Sulphides
- 24 August 2018 Mt Alexander Continues to Deliver Outstanding Results
- 5 September 2018 Mt Alexander – Drilling Update
- 18 September 2018 More Strong Results at Mt Alexander

The Company confirms that it is not aware of any new information or data that materially affects the exploration results included in any original market announcements referred to in this report and that no material change in the results has occurred. The Company confirms that the form and context in which the Competent Person’s findings are presented have not been materially modified from the original market announcements.