



**ST GEORGE**  
MINING LIMITED

# *'Nickel Sulphide and Gold Explorer - Growth Through Discovery'*

10 May 2017

RIU Resources Conference Sydney



St George Mining Limited | ACN 139 308 973

# 2017 Drilling Underway

## Best Ever Intersections at Mt Alexander

### ***Investigators Prospect:***

- 20.6m thick mineralised ultramafic in MAD60
- 4.88m of massive and matrix sulphides *including*
- 3.3m of massive sulphides with XRF values of 6.3%Ni and 4.3%Cu

### ***Cathedrals Prospect:***

- 8.95m thick mineralised ultramafic in MAD56
- 4m of massive and matrix sulphides *including*
- 2.3m of massive sulphides with XRF values of 9.5%Ni and 4.1%Cu

### ***Stricklands Prospect:***

- 39.7m mineralised ultramafic in MAD49
- 22m thick nickel sulphide mineralisation *including*
- 2.02m of massive and matrix sulphides

*N.B. XRF values are based on portable XRF analysis and subject to laboratory assays (Right: Drill core from MAD60 showing massive nickel-copper sulphides with average values of 6.3%Ni and 4.3%Cu from portable XRF readings)*



# Investigators Prospect

## MAD60 Discovers a New Mineralised Zone



*Photograph of drill core from MAD60 between 156.4m to 163.6m showing thick massive nickel-copper sulphide.*

# Overview of St George Mining

## High Quality Explorer

### ASX listed: SGQ

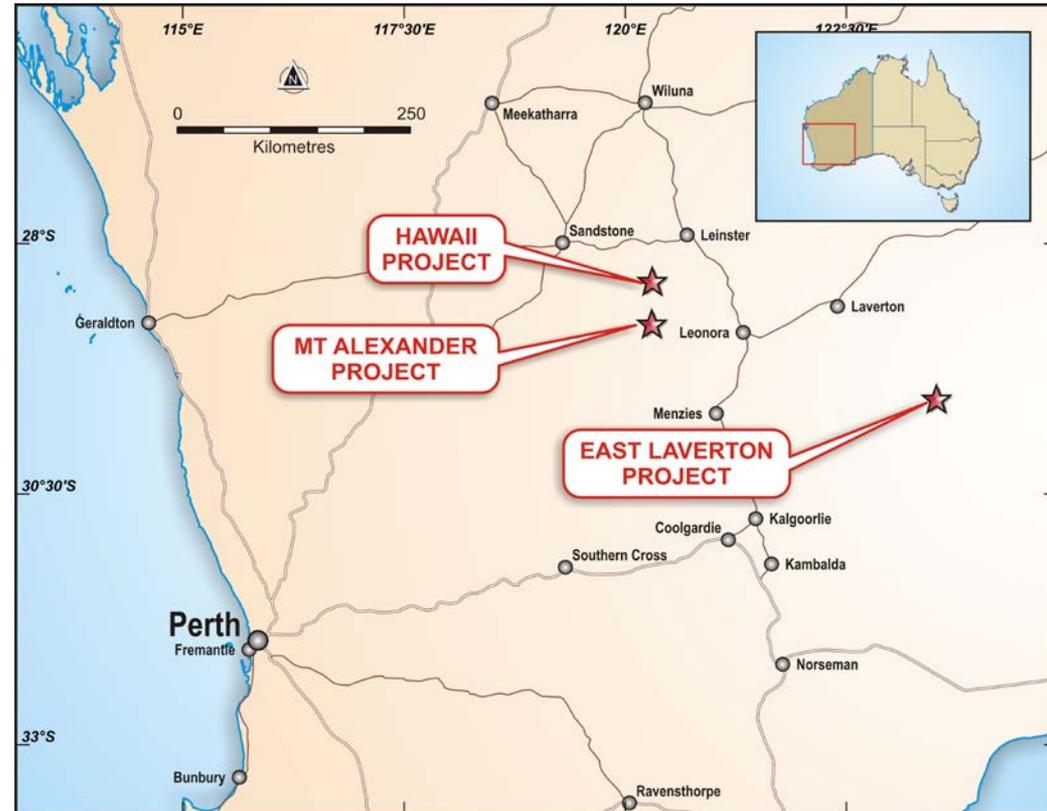
- *Based in Perth, Western Australia*

### Multiple exploration projects

- *Nickel sulphide and gold*
- *Dominant landholdings in strategically important districts but underexplored*
- *Projects with potential for discovery of world class deposits*
- *Focus on mineral-rich Yilgarn Craton, Western Australia*

### Creating shareholder wealth

- *Tight capital structure*
- *Targeting high multiplier returns on investment*



**East Laverton Project:** *High priority targets for gold and nickel sulphide over three major greenstone belts*

**Hawaii Project:** *Early stage exploration at recently recognised undercover and unexplored greenstones*

# Corporate Snapshot

## Strong shareholder base and market support

**Listed shares (SGQ):** 250,359,725  
**Listed options (SGQOA):** 47,354,622  
 SGQOA - exercise price of 20c, expiring on 30 June 2017.

**Market cap:** \$36m (@14.5c per share)  
**Cash:** \$5.6m (as at 31 March 2017)

### Largest Shareholders

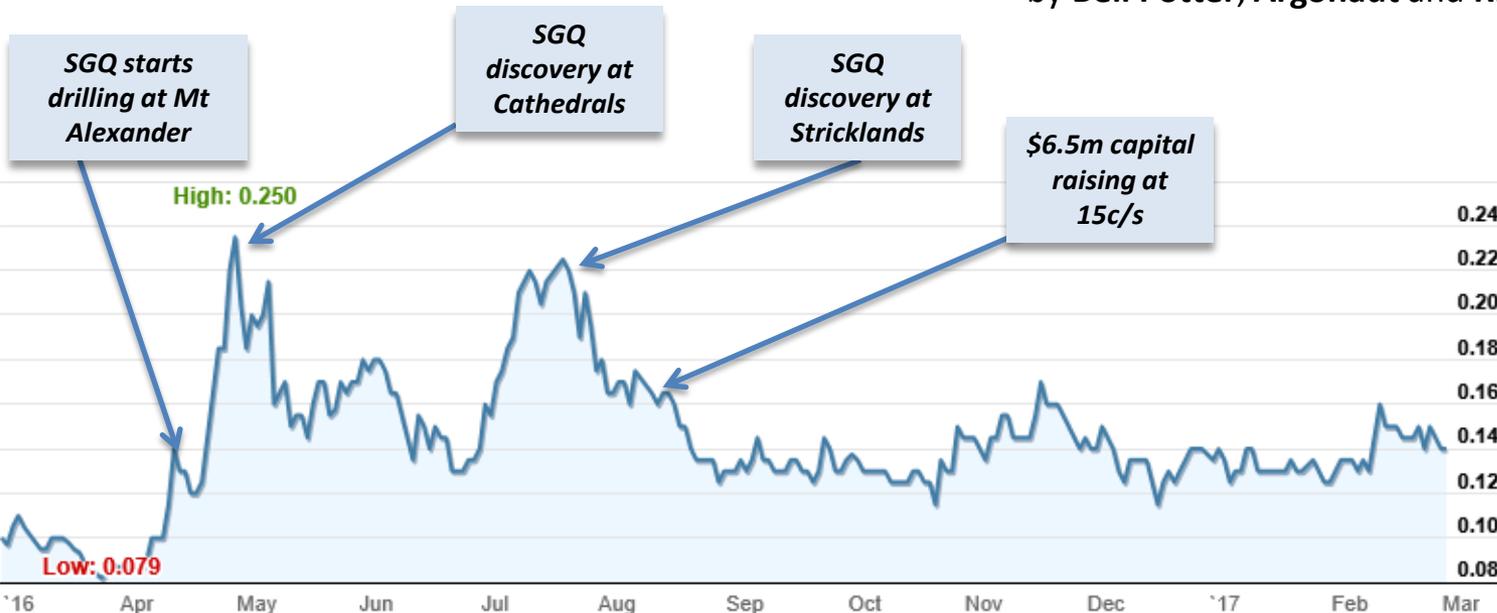
Impulzive: 4.5% City Natural Res's: 4%  
 John Prineas: 4.16% Oceanic Capital: 3%

### Share Ownership

Top 10: 21% Top 20: 30%  
 Directors: 6%

**Broad Shareholder Base:** Over 3,050 shareholders including retail investors, high net worths, Australian and overseas institutions

Oversubscribed capital raising in August 2016 by **Bell Potter, Argonaut and RM Capital**



**SGQ market cap increased by 400% in 2016 and share price is highly leveraged to further exploration success**

# Highly Qualified Team

## Track Record of Exploration Success

Directors, Management	Consultants
<p><b>John PRINEAS, Executive Chairman</b> – founding shareholder with over 25 years experience in banking and legal sectors servicing the resources industry.</p>	<p><b>Newexco</b> - Leading geophysical consultants in nickel sulphide exploration. Advisers on Nova-Bollinger deposit for Sirius Resources NL, and the Spotted Quoll and Flying Fox deposits for Western Areas Limited (ASX: WSA).</p>
<p><b>Tim HRONSKY, Technical Director</b> - over 25 years as a geologist in the global exploration and mining industry, including 15 years with Placer Dome Inc.</p>	<p><b>Dr Jon HRONSKY</b> - Chairman of the Centre for Exploration Targeting in WA, adviser on exploration targeting. Previously, Manager-Strategy &amp; Generative Services for BHP Billiton Mineral Exploration.</p>
<p><b>Sarah SHIPWAY, Non-executive Director/Company Secretary</b> - Chartered Accountant with extensive experience in advising listed exploration companies.</p>	<p><b>Dr Martin GOLE</b> – Consultant geologist, global expert and leading authority on magmatic nickel sulphide deposits. Author/co-author of several landmark research papers on major deposits in the Yilgarn.</p>
<p><b>Matthew McCARTHY, Exploration Manager</b> - ex-BHP Billiton; part of the team that discovered the Venus nickel sulphide deposit (+200,000 Ni) at Leinster.</p>	



*Above: part of the massive nickel-copper sulphide intersection in MAD40 that graded 7.88%Ni and 3.11%Cu*

# Mt Alexander

## Strategic Location

### Favourable Region

South-west of world class nickel sulphide mines on the Agnew-Wiluna belt, with existing road access and infrastructure (Right: regional location map set over TMI magnetics)

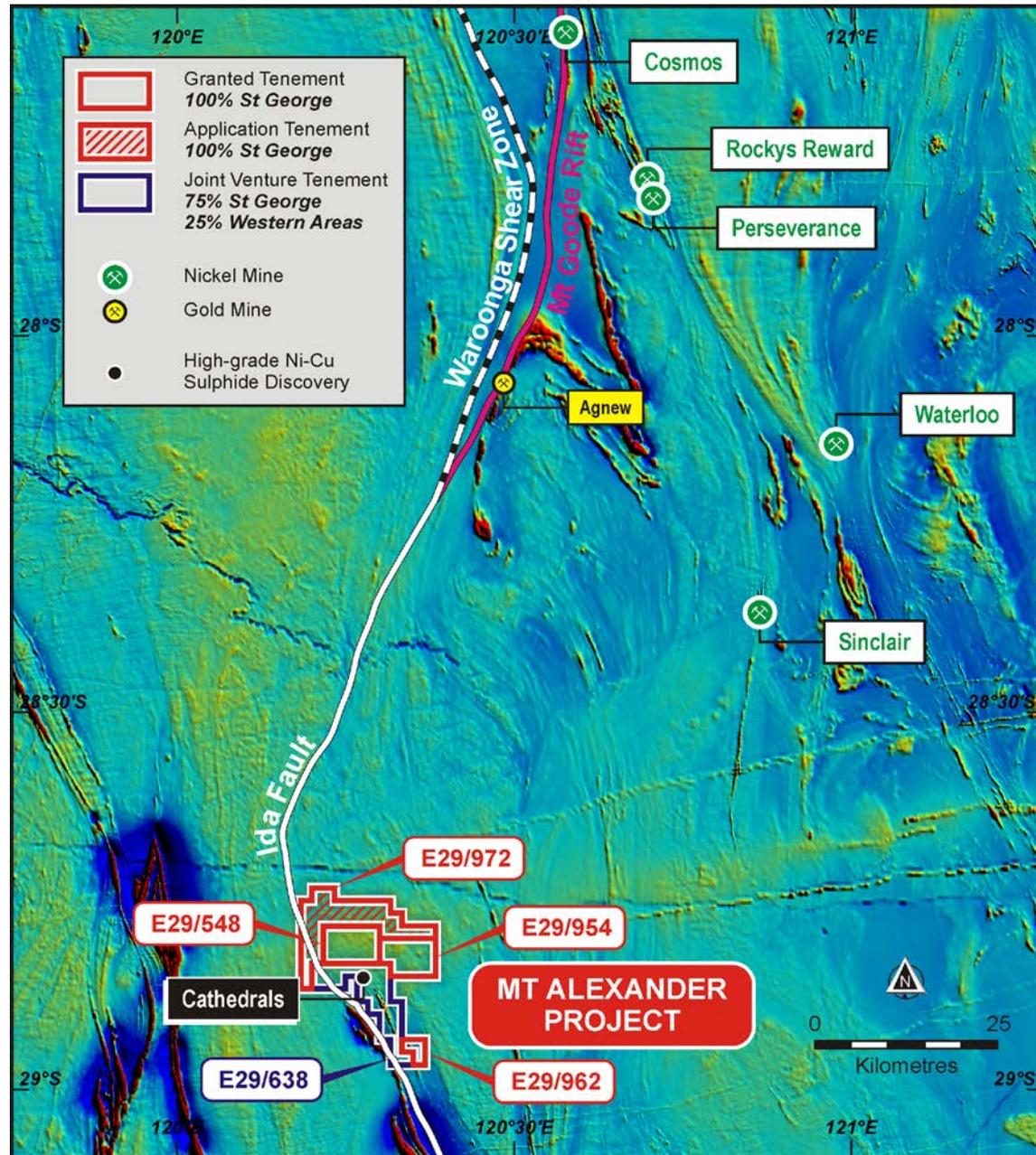
### Underexplored Project

Massive Ni-Cu sulphides first discovered by BHP Billiton in 2008 but project remained underexplored until 2016

### Acquisition by St George

St George gains ownership and control in 2016 and consolidates a dominant tenement package

*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.*

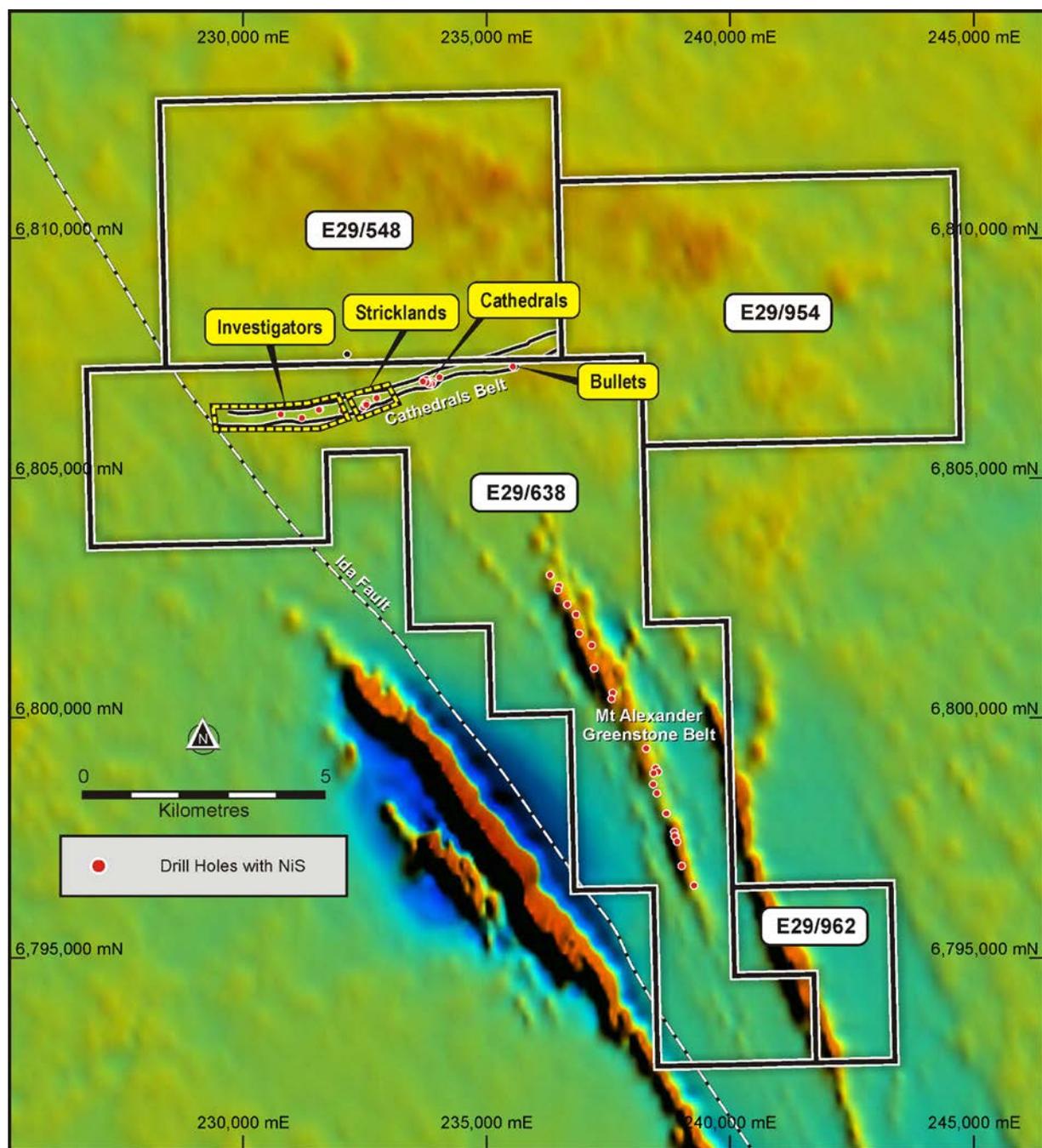


# 2016 Drilling

## New Discoveries

- ✓ St George identifies 15 new EM conductors
- ✓ Drilling intersects nickel-copper-PGE sulphides in every EM conductor drilled
- ✓ Fresh nickel-copper sulphides discovered at shallow depths from 30m below surface
- ✓ Multiple new discoveries establish recurrent mineralisation over 3.5km strike at east-northeast Cathedrals Belt
- ✓ Discoveries at Cathedrals, Stricklands and Investigators Prospects

*(Right: map of four granted project tenements against TMI RTP magnetics)*



# Grade is King

## Sample of High Grade Intersections

### MAD12 at Cathedrals:

**3.95m @ 5.05%Ni, 1.55%Cu, 0.11%Co and 4.44g/t total PGEs from 91.4m including**

**1.45m @ 6.81%Ni, 2.27%Cu, 0.12%Co and 7.72g/t total PGEs from 93.9m with a thick halo of stringer and disseminated sulphide mineralisation of**

**9.25m @ 0.76%Ni, 0.34%Cu, 0.03%Co and 0.93g/t total PGEs from 81.5m**

### MAD27 at Stricklands:

**2m @ 4.17%Ni, 3.11%Cu, 0.21%Co and 3.35g/t total PGEs from 71.25m and a thick halo of**

**11.15m @ 0.52%Ni, 0.63%Cu, 0.03%Co and 1.69g/t total PGEs from 60.1m**

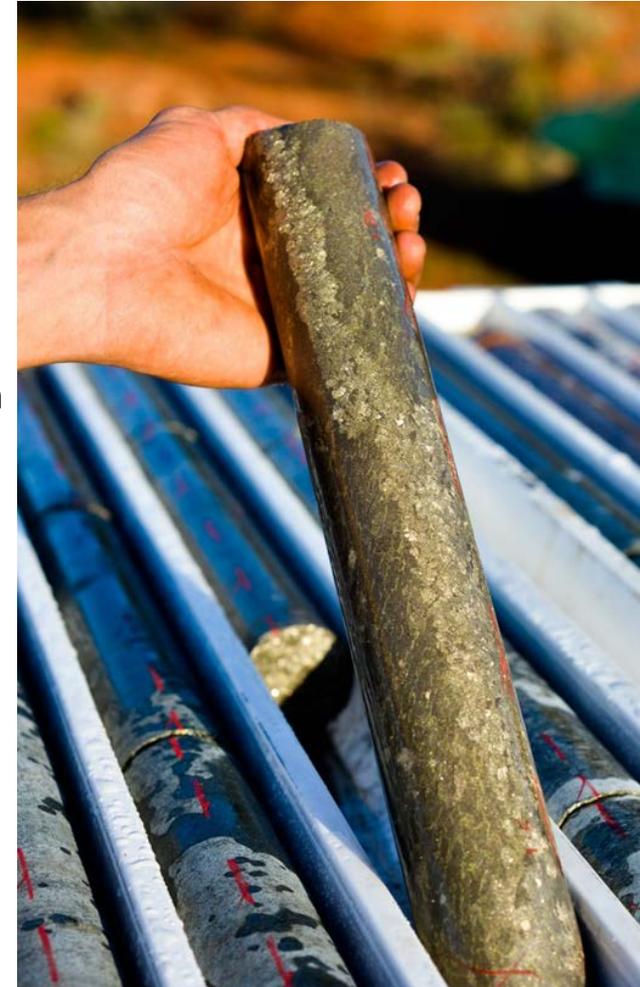
### MAD31 at Investigators:

**1.57m @ 6.26%Ni, 2.71%Cu, 0.18%Co and 4.91g/t total PGEs from 111.67m including**

**1.01m @ 7.98%Ni, 3.13%Cu, 0.22%Co and 5.9g/t total PGEs from 112.8m with a halo of sulphide mineralisation of**

**3.67m @ 0.56%Ni, 0.28%Cu, 0.02%Co and 1.22g/t total PGEs from 108m**

*(Right: Drill core from MAD31 showing a thick vein of coarse grain pure pentlandite – spot values of 28%Ni from portable XRF readings with assays above)*



# Metallurgical Testwork

## High Value Concentrate

### Positive Results from Initial Test

Preliminary metallurgical testwork on a sample of massive nickel-copper sulphide indicates that Mt Alexander will produce a high value saleable concentrate that will be sought after

### High Recoveries from Ore

>99% recoveries of Ni and Cu to concentrates

No deleterious elements like MgO or arsenic

*(on right: copper being floated in the metallurgical test completed by Strategic Metallurgy Pty Ltd)*

### High Grades

Nickel grade of 18%Ni (Nova is 13.5%Ni\*)

Copper grade of 32%Cu (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

*\* Nova Optimisation Study announced by IGO in ASX Release dated 14 December 2015*



# Project Value

## Favourable Economics

- ✓ Shallow depth of mineralisation; low cost mining
- ✓ High grades of Ni and Cu with strong credits for Co and PGEs
- ✓ Excellent metallurgy - high quality, smelter-friendly concentrate
- ✓ Proximity to existing processing plants
- ✓ Near existing infrastructure (e.g. roads; power)



*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*

# 2017 Drilling

## Increasing Shareholder Value



### Major Drill Programme at Cathedrals Belt

- Testing new EM conductors and geological targets as well as commencing extensional drilling of known mineralised zones to establish a resource base
- New mineralised zones have been discovered
- Extension of mineralisation has been confirmed
- Further drilling to be planned after Phase 1 results reviewed

### Regional Exploration

- New EM survey underway to explore new target areas
- Excellent potential to confirm additional mineralised belts within the large 200 sq km Project area

### Review Mining Potential

- Evaluate resource potential
- Assess the scope for a low cost/high margin mining operation

**Shareholders are Highly Leveraged to Further Exploration Success**

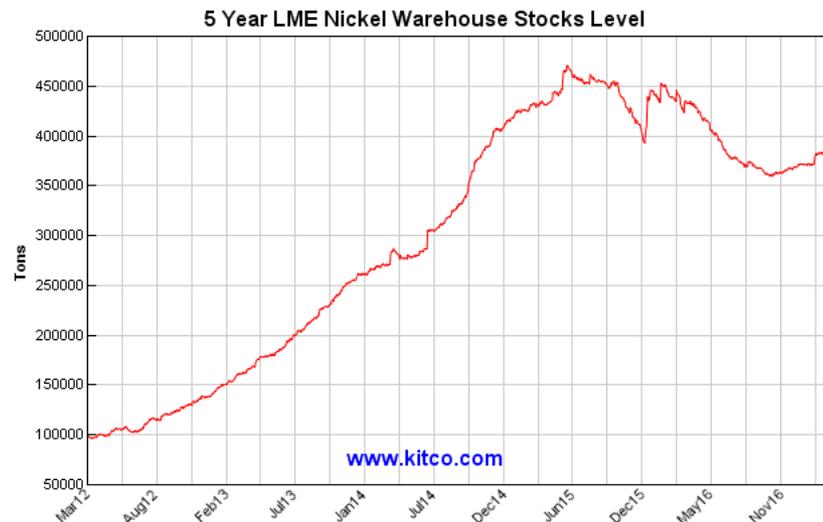
# Nickel – Reversal of Long Term Trend

## *The Producer /Trading House says:* **Glencore, February 2017:**

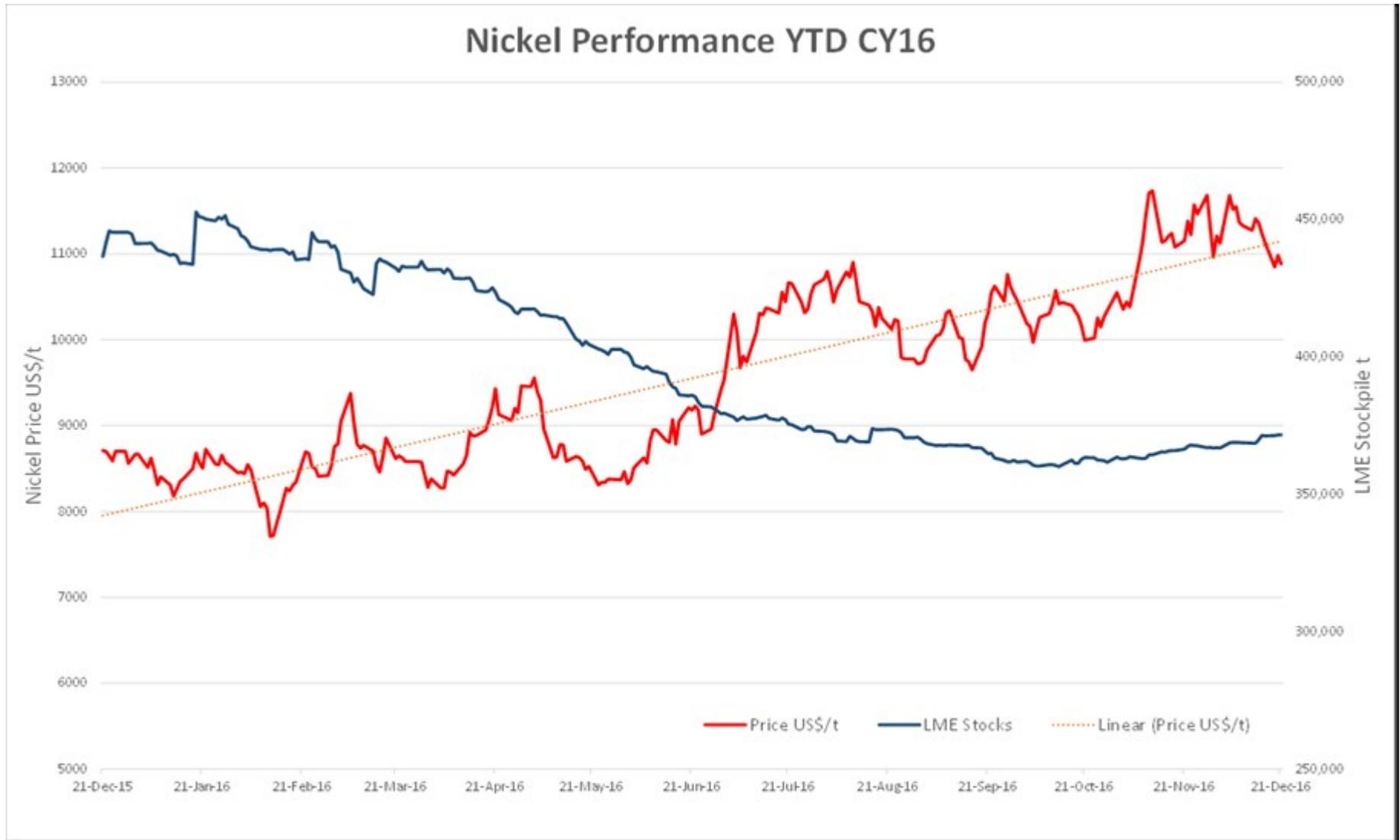
“The market entered its first material deficit since 2010 enabling global inventories to fall. The outlook is for continued deficits and further draws in primary nickel inventories as demand remains strong.”

## *The Analyst says:* **Wood Mackenzie, December 2016:**

“By 2020 there will be a need for new project development. We estimate that the promise of a **long-term nickel price of US\$22,000/t** (US\$10.00/lb) should be enough to incentivise those new projects.”

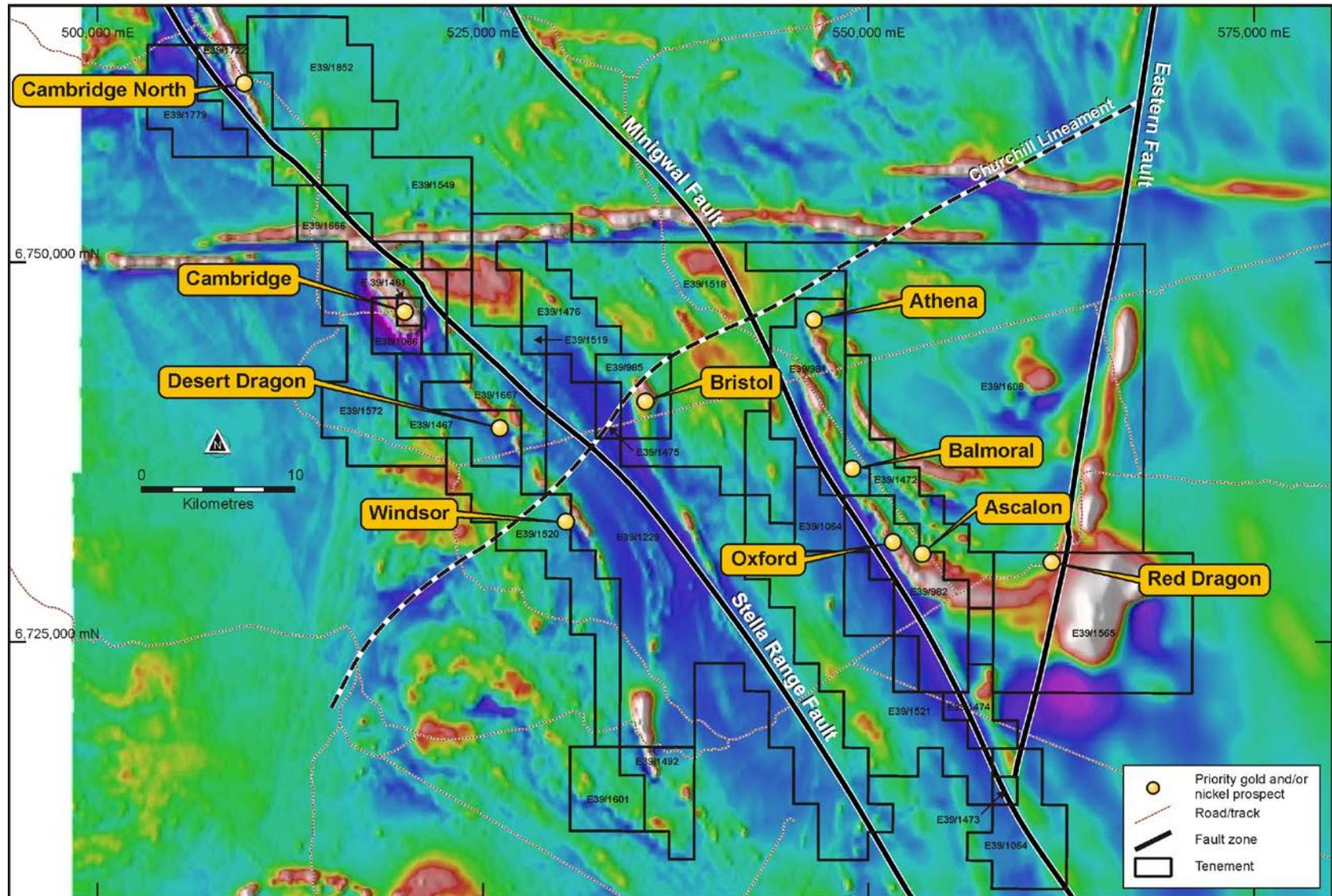


# Nickel – Time to Take a Position



# East Laverton Project

## Pipeline of Nickel and Gold Targets



# Nickel Discovery

## Favourable Geology

### BHP Discovers Nickel Sulphides

Previous farm-in with BHP discovered nickel sulphide in 2012 confirming thick and fertile ultramafics:

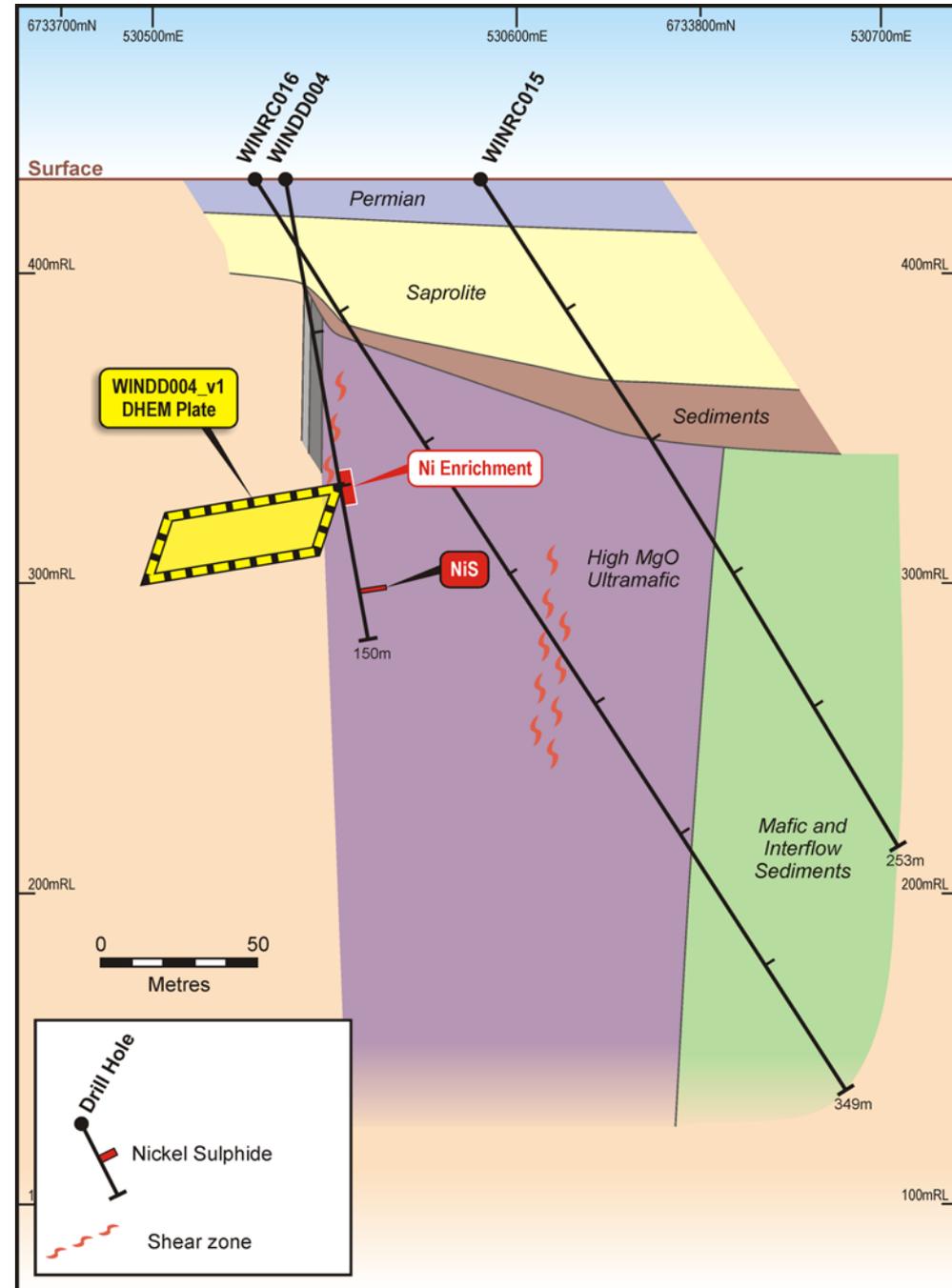
- 18m @ 0.40% Ni from 100m incl. 4m @ 0.57%Ni from 100m in discovery hole DRAC35
- 30m @ 0.31% Ni from 108m incl. 8m @ 0.44%Ni from 130m and 2m @ 0.62%Ni from 132m in discovery hole DRAC38

### St George Continues Exploration

Systematic exploration by St George of EM and geological targets is ongoing

### High Priority Target at Windsor

Current drilling is focused on a powerful EM conductor at Windsor (+200,000 Siemens) where nearby drilling has intersected upto 1.05%Ni (pictured on the right is a cross section of Windsor)



# Gold Exploration

## East Laverton Project

### Important Regional Location

Near the two most recent world class gold discoveries in WA – Tropicana +8MozAu and Gruyere +6MozAu

### Underexplored for Gold

Shallow drilling has identified widespread anomalous gold confirming prospectivity

### Favourable Structural Features

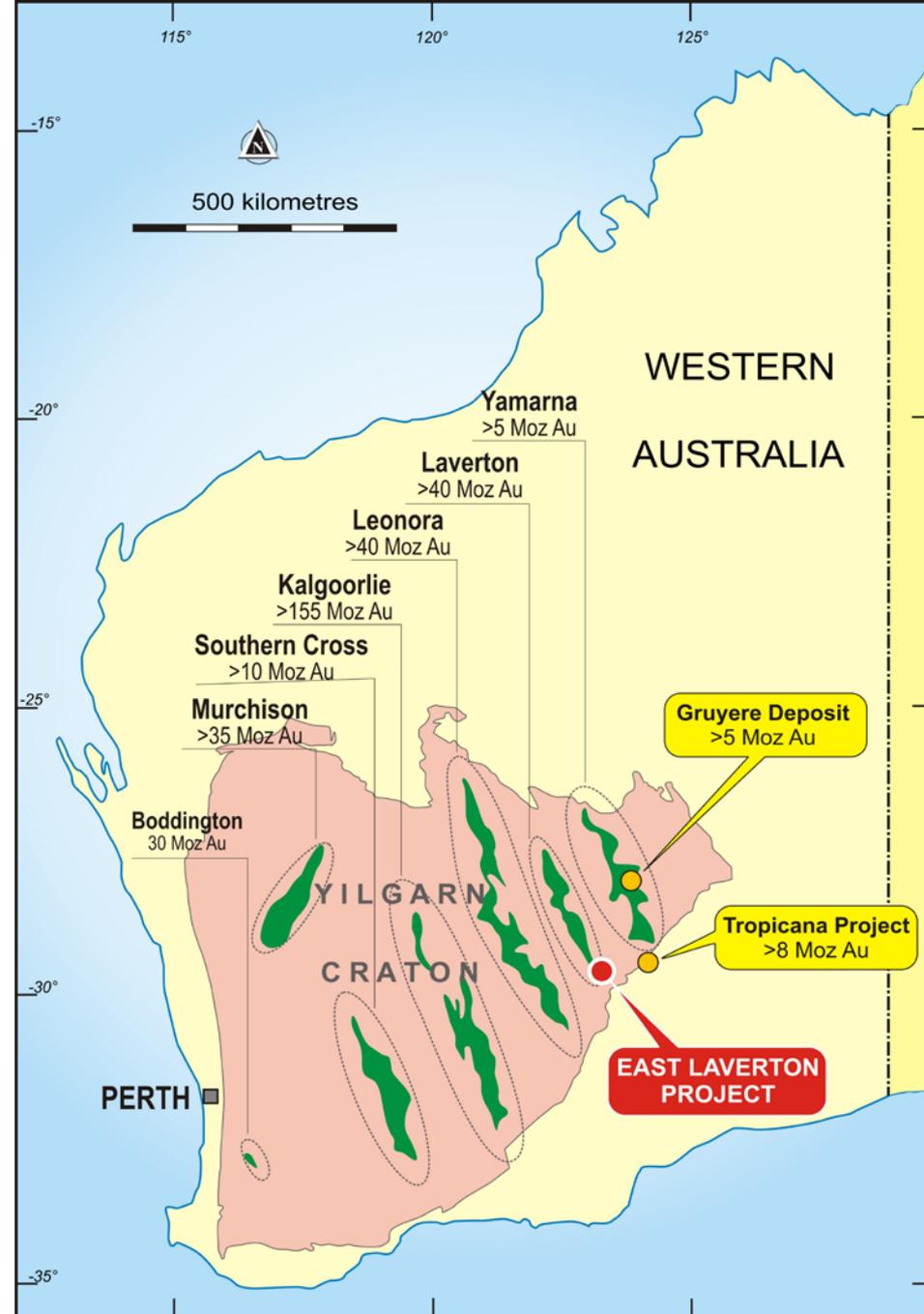
Fundamental structures/faults that control gold mineralisation are prominent

### Large Scale Potential

Large gold systems identified with potential for significant deposits

### Pipeline of Targets

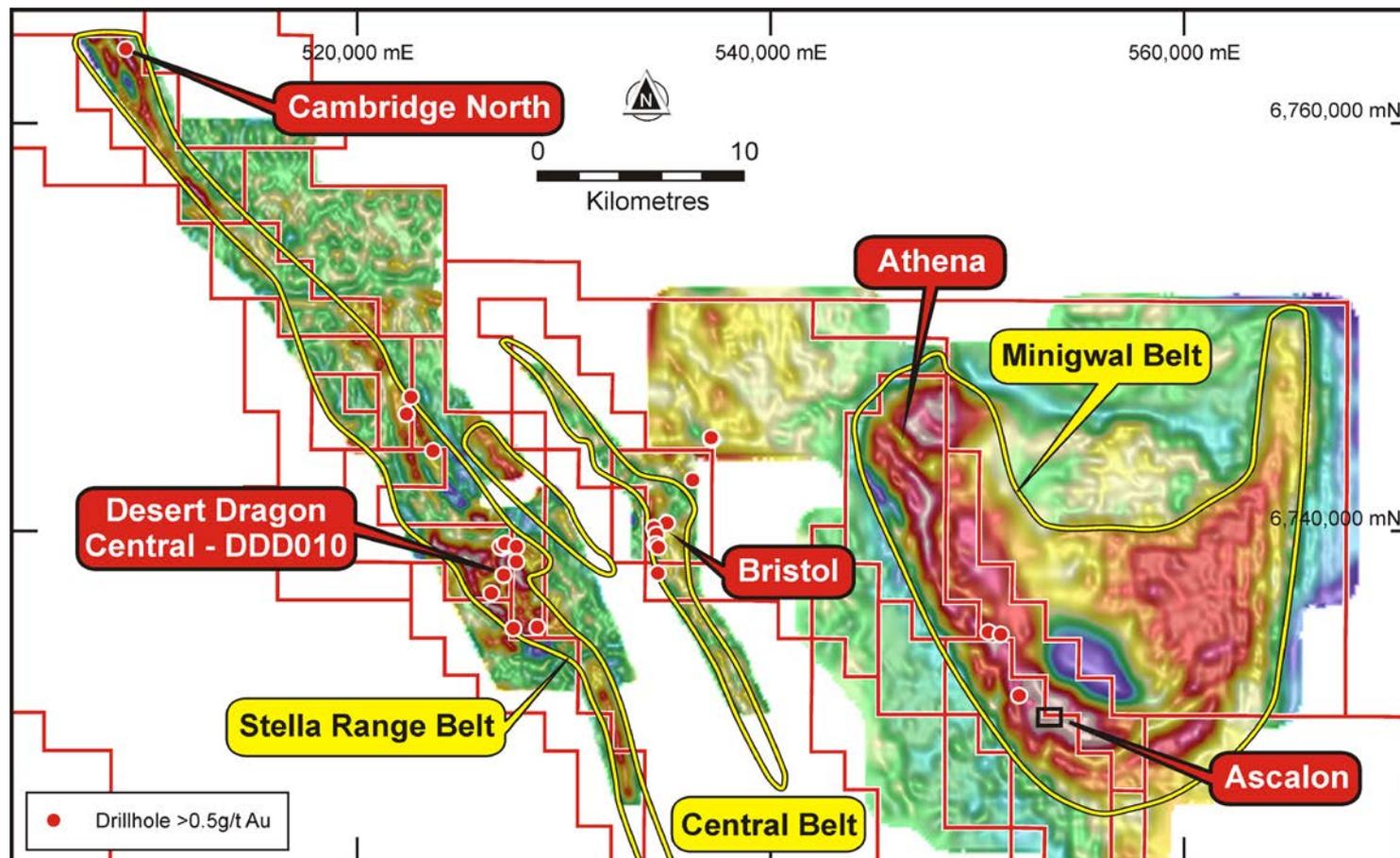
Recent expert review (Dr Walter Witt) has confirmed gold prospectivity and generated multiple gold targets for testing



# Gold Drill Programme

## High Priority Targets

- 2017 drill programme will test our best gold targets
- Gravity survey has identified thick greenstone belts and structures controlling mineralisation, supporting the prospectivity for gold deposits at East Laverton



*Left: the East Laverton tenements against FVD Bouguer gravity data with the high priority gold targets highlighted.*

## **DISCLAIMER:**

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 Tim Hronsky, a Competent Person who is a Member of The Australasian Institute of Mining and Metallurgy. Mr Tim Hronsky is employed by Essential Risk Solutions Ltd which has been retained by St George Mining Limited to provide technical advice on mineral projects.

The information in this report that relates to Exploration Targets, Exploration Results, Mineral Resources or Ore Reserves regarding the Hawaii and Mt Alexander Projects is based on information compiled by Mr Matthew McCarthy, a Competent Person who is a Member of The Australasian Institute of Geoscientists. Mr McCarthy is employed by St George Mining Limited.

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

- 16 June 2016 *Assays Confirm High Grade Mineralisation at Mt Alexander*
- 29 June 2016 *Nickel-Copper Sulphide Discovery at Stricklands*
- 1 August 2016 *Nickel-Copper Sulphides Discovered at Investigators*
- 22 September 2016 *Assays Confirm Significant Nickel-Copper Mineralisation*
- 20 October 2016 *Strong Results Continue at Mt Alexander*
- 8 February 2017 *SAMSON Survey Lights Up New Targets at Mt Alexander*
- 15 February 2017 *Massive Nickel Sulphide Targets at Stricklands*
- 22 February 2017 *Priority Targets for Cathedrals Prospect*
- 28 February 2017 *EM Survey over New Target Areas at Mt Alexander*
- 14 March 2017 *St George Commences Drilling at Mt Alexander*
- 6 April 2017 *Drilling Success Continues at Mt Alexander*
- 1 May 2017 *Thick Mineralisation Intersected at Mt Alexander*
- 4 May 2017 *Major Gold and Nickel Drill Programme at East Laverton*
- 5 May 2017 *Drilling Extends High Grade Nickel-Copper Sulphides*
- 10 May 2017 *Further Significant Intersections 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.

# *St George Mining: creating shareholder wealth through exploration success*

