

Nickel hardens St George's crack at gold

St George Mining Ltd has received deserved recognition in the market so far this year.

After starting the year at less than 7c/share, the company reached a high of 23.5c in early May and at the time of print was trading at a respectable 17c/share.

It has garnered its fair share of market attention on the back of shallow, high-grade nickel-copper sulphide hits at Mt Alexander, west of Leonora.

St George can claim to be Western Australia's premier nickel explorer at the moment, considering the sting appears to have dissipated from the tail of Sirius Resources wannabes plying their trade in the Fraser Range.

Since the Nova discovery in 2012, a lot of money and effort has been expended in the Fraser Range, however, explorers with interests in the region have little to show to date.

"I am sure one good hit out there will ignite a lot of interest and I hope that happens because it will be good for that company and good for everyone else [in the nickel sector]," St George executive chairman John Prineas told **Paydirt**.

"The lack of recent success has been a little disappointing and a little surprising given the amount of money and effort invested in the Fraser Range and investors' stamina can be challenged by that. We are fortunate that we see potential at depths of 30-100m, so we are not going to have to raise \$300 million to build an underground project."

With activity cooling in the Fraser Range and down-trodden juniors turning towards potential lithium and gold projects, St George has remained staunch in its pursuit of nickel in familiar territory.

It is perhaps that St George is treading on ground that has been worked over before or that it is that rare entity in the WA nickel space; an active explorer, that



Massive nickel-copper sulphides at Mt Alexander has excited the investment community

investors have taken a shine to the company despite the base metal being worth only \$US8,350/t.

"Everyone knows nickel is an essential commodity and knows it is required, but we understand that we are in the nickel space where the highs are strong and the lows poor. But, everyone gets nickel sulphides, particularly in WA," Prineas said.

Prineas is far from certain when nickel prices will bounce back, but is confident St George is building something at Mt Alexander for the market to keep tabs on.

The company's success to date at Mt Alexander, where a pipeline of targets have been worked up, has compelled Western Areas Ltd founder Terry Streetter to back St George as a shareholder.

"It is a great stamp of approval having Terry Streetter as a shareholder, he is familiar with the Mt Alexander project from his days at Western Areas and since the first discovery out there with BHP Billiton in 2008," Prineas said.

Mt Alexander is a former BHP Billiton Nickel West Ltd asset, which St George completed the 75% acquisition of in January, with Western Areas retaining a 25% interest and becoming a shareholder in St George.

"He has liked this project and thought it was a company-maker. He was disappointed Western Areas didn't quite own a 100% stake, but he is very happy that we picked it up because he can see making 20, 30 or 40 times the money from St George, whereas if Western Areas pursued it he would have probably doubled his money, so the actual multiplier investment is with St George. It is great validation for the project that he is on board and it is very good for the next steps as we go along because he has been through development and production stages and has a wealth of contacts that will help us to reach the next level."

One of the next boxes to tick will be producing a resource, potentially early next year, as St George continues to drill for the remainder of this year.

"We still need a couple of really good hits," Prineas said.

Streetter would have been impressed on a recent visit to site with the progress being made by St George, with significant intersections of 4m @ 4.9% nickel, 1.7% copper and 3.9 g/t total PGEs from 91.4m, 3m @ 3.8% nickel, 1.6% copper and 2.7 g/t PGEs from 56.3m and 6m @ 3.3% nickel, 1.5% copper and 2.7 g/t PGEs at the Cathedrals target. Assays are also pending from XRF analysis of 1m of matrix/massive sulphides averaging 4.1% nickel, 1.5% copper from 53.55m and 0.8m of massive sulphide

stringers averaging 2.8% nickel and 8% copper from 51.7m at the Stricklands prospect.

The company planned to be drilling the down-hole EM and surface EM targets in mid-June and have results ready to show off at Diggers & Dealers.

“We plan to test a powerful conductor, the most powerful conductor tested out there so far. Hopefully we finish by the end of July and hopefully we have something very significant out to create a good promotional angle for us at Diggers & Dealers,” Prineas said.

Prineas anticipates there will be a return of hungry investors at this year’s Diggers & Dealers conference, considering the better sentiment being felt in the resources sector at the present time.

To capture the imagination of the investment community, St George has more than its success in the nickel sector to bank on.

In a booming Australian dollar gold price environment, Prineas said St George was fortunate to also have a quality precious metals play in its portfolio.

There is a fair bit of work to do at the East Laverton nickel and gold project, but Prineas is encouraged by the positive signs stemming from it so far.

Under a previous farm-in, BHP Billiton discovered nickel sulphides at the high priority Windsor target, where nearby



St George executive chairman John Prineas is delighted to have influential nickel player Terry Streeter on board as a shareholder

drilling has intersected up to 1.05% nickel.

Follow-up drilling there and also at high priority gold targets at East Laverton was scheduled for June.

Probably more noted as a nickel explorer, the company has attracted a bevy of investors interested in the gold potential at East Laverton, which is a nice conundrum for Prineas to be facing.

“We certainly have investors that are more focused on the gold and others who are focused more on the nickel; we cater for both,” he said.

“They are both extremely good projects, the nickel is substantially de-risked because we have hit high-grade miner-

alisation on fertile ground at Mt Alexander, which is a very low risk/high reward project.

“The gold is still very high risk/high reward. We haven’t hit any high-grade mineralisation yet, but at a conceptual level it ticks every box that you could want out of a multi-million ounce target. It certainly is capturing a lot of attention, particularly with Aussie gold being a favourite at the moment. People can see we are in the right area for a major discovery to be made; Tropicana is 50km to the east, Gruyere 100km to the north, so we are in an under-explored area of the Eastern Goldfields where discoveries are waiting to be made,” he said.

Of particular interest to St George is the Ascalon target

which is in a favourable structural setting of the Minigwal greenstone belt conducive to gold occurrences, while Bristol – historical drilling has established an anomalous gold zone 1km in strike – is another priority target.

St George aims to conduct deeper drilling at Bristol to test for gold mineralisation in fresh rock.

Drilling had started at the time of print and this campaign was to be the first ever focused on bedrock geology at East Laverton.

– Mark Andrews



St George shareholders have been approved for participation in the Federal Government’s Exploration Development Incentive (EDI) which entitles eligible shareholders to a tax credit for the year ending June 30