

Fifth nickel discovery injects deep energy into Mt Alexander mine plans

What better way to shrug off the impact of COVID-19 than with a new high-grade nickel-copper sulphide discovery in the Goldfields? This is exactly what St George Mining (ASX: SGQ) managed to achieve at its flagship Mt Alexander project, which is shaping as Australia's next nickel mine development. Just last month, drill hole MAD199 intersected almost 11m of continuous high-grade sulphides, with nickel values as high as 7.34 per cent and copper of up to 4.74 per cent.

Importantly, this latest Mt Alexander discovery – which is yet to be named – was made at depth to add to the four shallow, high-grade deposits unearthed across the Cathedrals Belt by St George.

The Mt Alexander project is west of Leonora and close to existing infrastructure including BHP Nickel West's Leinster Complex.

"At more than 300m below surface, MAD199 is the deepest massive nickel-copper sulphides identified in the Cathedrals Belt and confirms our interpretation that this large intrusive mineral system can host significant mineralisation at depth," St George's executive chairman John Prineas said.

"The result in MAD199 gives us great confidence that we may have discovered a very fertile section of the Cathedrals Belt's intrusive unit."

The four existing discoveries at Mt Alexander – Cathedrals, Stricklands, Investigators and Radar – are small, high-grade pockets of nickel-copper sulphides spread along 4.5km of the Cathedrals Belt. The deposits are as shallow as 30m from surface.

Work is already underway on a scoping study for a starter-mine operation at Stricklands.

St George is drilling out the resource and completing metallurgical test work to confirm the quality of nickel and copper sulphide concentrates that can be produced through conventional flotation methods.

The discovery in drill hole MAD199, only about 1km from Investigators, demonstrates the potential for large and high-grade mineralisation at depth.

"The five discoveries we have made so far, including the latest one at depth, underpin our confidence in Mt Alexander as a significant, emerging nickel sulphide operation – in one of the best mining jurisdictions in the world," Mr Prineas said.

"It is a credit to the St George exploration team and our drilling contractors that we were able to continue exploring during the worst of the coronavirus pandemic. Access to rigs and drill crews became challenging at times but the commitment from everyone to maintain the high momentum of success at Mt Alexander was steadfast.

"Our strategy to deliver more success is very simple – drill, drill and drill. That is the best way for us to add value."

There has not been a significant high-grade nickel discovery in WA since Sirius



John Prineas with MAD152 drill core at Mt Alexander.

Resources made the Nova-Bollinger find in the Fraser Range in 2012.

St George knows it has a lot of work to do to confirm Mt Alexander's prospectivity but the early signs are extremely encouraging and the company's timing impeccable.

Traditionally used in stainless steel, nickel sulphides volumes are increasingly sought after as a key component in the lithium-ion batteries used in electric vehicles and power storage systems.

On some market estimates, global demand for nickel in electric vehicle batteries alone will rise from 60,000 tonnes in 2018 to at least 665,000t by 2025, underscoring the huge opportunity for companies like St George that have made a rare, high-grade nickel-copper sulphide discovery.

Diamond drilling at Mt Alexander.

