

# Province becomes the next big nickel exploration area in WA

St George Mining has the first mover advantage in an area of Western Australia, which it believes will be the state's next big nickel field.

The company's East Laverton property, at over 2000sq km, is the dominant landholding in the region with more than 130 strike kilometres of prospective ultramafic belts.

The initial discovery of nickel sulphides at East Laverton was made by BHP Billiton Nickel West, as part of a now concluded farm-in deal.

Drilling showed the ultramafic rocks at East Laverton to be compositionally similar to those of the Agnew-Wiluna belt, which hosts several world-class nickel deposits.

"We believe our project could become a new nickel province, so we are not surprised that we have received interest from major mining companies," St George Mining Executive Chairman John Prineas said.

"We have created value with a strong pipeline of nickel sulphide prospects, so we have a tremendous exploration upside."

In May 2013, BHP Billiton Nickel West exercised an option to earn a 70 per cent interest in the project with St George free carried for 30 per cent up to the completion of a bankable feasibility study.

By October 2013, the major had a change in corporate strategy and withdrew.

St George took over the dataset created by Nickel West's exploration expenditure of \$3 million and assumed 100 per cent control and ownership of the project.

St George is continuing systematic exploration at the East Laverton project with a key part of the exploration strategy being a regional moving loop electromagnetic survey, which is managed by Newexco.

"The MLEM survey has identified a number of EM conductors that could be massive nickel sulphides," Mr Prineas said.

"Only a handful of these have been drilled and we will continue to test them as part of our ongoing drilling campaign."

In addition to testing conductors, the next drilling program will include follow-up drilling at known areas of nickel sulphide mineralisation.

A highly targeted drilling program of over 4000m is planned.

"We have first-rate drill-ready targets for the drilling program starting in early October," Mr Prineas said.

"We also have a number of other prospects in the pipeline that we are developing and we expect to be ready to drill those by early next year.

"The company's advanced exploration project is now entering a very exciting phase where a major discovery could be made."

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# Significant VMS prospect points to exciting zinc and copper mineralisation potential

St George Mining's recent drilling program has delivered a surprise bonus - a new volcanic massive sulphide (VMS) prospect at its East Laverton project.

Previous drilling at the project had intersected thick sulphidic exhalative sediments with elevated zinc and copper mineralisation, confirming this was the right environment for a VMS deposit.

Now a thick mineralised interval in drill hole DDD011 gives strong validation to the potential for a VMS discovery at East Laverton.

The drill hole intersected 19.25m at 0.35 per cent zinc and 0.1 per cent copper while testing a strong EM conductor named Dragon 2.

The company believes this is the marginal section of a VMS system.

St George Mining Executive Chairman John Prineas said the continuity of the grades in this thick interval made it a significant base metal intersection at the project.

"What makes this find very exciting is that the mineralised intersection is next to the Dragon 3 conductor, which has yet to be drilled," he said.

"Dragon 3 could represent a more central part of a VMS system where you could expect more massive sulphides and higher grades of zinc and copper."

VMS deposits and komatiite nickel deposits are seen as 'proxies'



**Essential:** The efforts of St George Mining's drillers have been crucial in helping the resources company focus its exploration endeavours.

for each other because they both form in similar tectonic settings.

"We know we are in the right place for nickel and now this increases the probability of finding a VMS deposit at East Laverton," Mr Prineas said.

"VMS deposits usually form

in clusters, and our dominant landholding in the area would give us huge exploration upside following a discovery.

"We are pretty excited about our October drilling program, which will be drilling at the VMS prospect, including the testing of Dragon 3."

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