Strong ground position will drive development

Rox Resources says it has doubled the mineral resource category for its Musket nickel sulphide deposit.

At a higher cut-off grade of 2.5 per cent nickel, the mineral resource contains 10,100 tonnes of nickel with about 75 per cent in the indicated mineral resource category.

The resource at this higher cut-off grade is 100,000 tonnes at 10.1 per cent nickel.

Rox Resources Chairman Jeff Gresham said this was the second resource to be discovered, intensively drilled and brought to the resource estimate stage within nine months of the first drill hole.

"Exploration and evaluation of the Fisher East nickel project is still at an early stage and I am confident that with further exploration and drilling the overall project nickel resources will continue to be significantly increased," he said.

"Both the Musket and Cameleons deposits remain open at depth and along strike and, in addition, recent drilling at the Cannonball prospect produced a very encouraging intersection of 3m at 4.7 per cent nickel.

"I believe that further drilling is all that is required to significantly expand these resources."

St George Mining has the first mover advantage in the area of prospective ultramafic belts.

St George is continuing systematic drilling on an east-west grid pattern ranging from 40x40m to 80x80m.

"It was a very exciting phase where a major nickel sulphide deposit was discovered by BHP Billiton Nickel West, as part of a new concluded farm-in deal."

Rox Resources Managing Director Ian Muholand said the company has a tremendous number of EM conductors that could be massive nickel sulphides, Mr Prineas said.

"We have a strong ground position with the potential to discover a lot more nickel, and continue to significantly grow our company," he said.

"We previously stated that deposits of the East Laverton type do not typically occur in isolation and we proved that by discovering Musket.

"We have a strong ground position with the potential to discover a lot more nickel and continue to significantly grow our company," he said.

"Our discovery cost so far has been around 4.2 cents per pound of nickel, which is one of the lowest in the world."

The Musket mineral resource estimate comprises 2.1 million tonnes at 1.8 per cent nickel containing 37,500 tonnes of contained nickel.

Encouragingly, 64 per cent of the Musket mineral resource estimate is in the higher confidence ‘indicated mineral resource’ category, using a one per cent nickel lower cut-off.

Province becomes the next big nickel exploration area in WA

St George Mining has the first mover advantage in an area of Western Australia called 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 opportunity."

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.

In 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.

"Not 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 a 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."

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 intersected thick zinc and copper mineralisation, confirming this was the right environment for a VMS deposit.

Now a thick mineralised interval in drill hole DSS011 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 exhalative sediments with elevated zinc and copper mineralisation.

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

"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 drill program, which will be drilling at the VMS prospect, including the testing of Dragon 3."

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

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

"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 drill program, which will be drilling at the VMS prospect, including the testing of Dragon 3."