

St George prepares fireworks

Perhaps a fair reflection of the upbeat mood nickel players are in at the moment is the excitement in St George Ltd executive chairman John Prineas' voice.

Usually quietly spoken, Prineas was particularly chirpy when Paydirt spoke to him ahead of this year's Australian Nickel Conference.

"We are hopeful of some dramatic results coming out in the next month or two and hope to have some really explosive action in our share price," Prineas said.

Prineas' optimism came amid a nickel price plunge after the metal experienced some favouritism in the market in the early part of 2018.

"This is a short-term correction," he said. "Sulphides are coming in greater demand and attention and we are seeing that with the car battery manufacturers coming to Western Australia, trying to secure supply and even talking to us, and Black Mountain wanting to secure nickel sulphide assets. They can see a very big seismic change and are trying to position themselves and that will filter through to the nickel price

soon, I think."

As it has done consistently in the past few years, St George was drilling again at the time of print.

In mid-September, drilling at Mt Alexander – the 75:25 JV with Western Areas Ltd, near Leonora – highlighted that massive nickel-copper sulphides were intersected in hole MAD114 at Investigators. XRF values from the hole averaged 7% nickel and 5.5% copper, with lab assays pending.

"We are now testing the depth extensions in a north-westerly direction, we only started doing that one month ago and already we are having terrific success and extended one of the sections at the Investigators prospects 320m down plunge."

Prineas said the company was finding fantastic down-hole EM conductors, with drilling under way at one of them – MAD111.

Prineas said there was no hurry to push out a resource, particularly given the warmth being felt in the market.

"We are thinking to start drilling out the Stricklands area where we had a fantastic

hit last year, but we are having so much encouragement now at Investigators. Whatever resource we were going to have at Stricklands is probably going to be tripled with continued success at Investigators," Prineas said.

"We don't necessarily want to rush into it. People value you off your first resource and we don't want people to underestimate our potential value because we could quite easily multiply it.

"We know there are a lot of people watching us. They know we have a very good quality project."

Prineas is hoping a couple more hits to extend the mineralisation on the northerly plunge will start to showcase the potential tonnages at Mt Alexander.

"There could be a very significant commercial operation being fleshed out but we need a couple of really good hits and away we go," he said.

– Mark Andrews