

NEWS

Weird and wonderful times at Chalice



Alex Dorsch

No one missed Chalice Gold Mines Ltd's announcement in March of its nickel

sulphide discovery at Julimar, 70km north-east of Perth.

The first drill hole – 19m @ 2.59% nickel, 1.04% copper, 8.37g/t palladium and 1.11g/t platinum from 48m in fresh rock, included a massive sulphide zone of 13m @ 3.15% nickel, 1.19% copper, 8.85 g/t palladium and 1.09 g/t platinum – was re-released as the world was thrown into chaos by COVID-19.

Nevertheless, the significance of Julimar saw Chalice well supported by major institutional and sophisticated investors

in a \$30 million raising soon after for further RC and diamond drilling at Julimar and the Pyramid Hill gold project in Victoria.

There was no shortage of interest in Chalice's May capital raising, with the company reporting applications totalling \$75 million were received.

After settling for \$30 million, the company has about \$46 million to continue testing the full extent of the 1.6km-long, 700m-wide mineralised system at Julimar, as

it looks to put together a potential maiden resource and forge ahead with preliminary metallurgical testwork and initial mining, processing, environmental and economic scoping studies are also part of the plan.

In the meantime, a steady stream of drilling results will continue to be released with an update in mid-June particularly pleasing Chalice managing director Alex Dorsch.

The extension of wide, high-grade PGE-nickel-copper matrix zone at the Julimar Matrix sulphide G2 Zone, which has now been intersected in six drill holes, was reported as another shot of geological confidence "in the presence of a wide, continuous, open high-grade zone over about 200m strike length".

A new high-grade PGE-nickel-copper matrix sulphide intercept at the Gonville intrusive was highlighted by 17.6m @ 5.3

g/t palladium, 1 g/t platinum, 1.3% nickel, 0.6% copper, 0.07% cobalt from 191.4m in **JD003**.

"I've been surprised about our performance in the last week, the [June 15] results were good, but got lost in a sea of other opportunities plus talk globally about a second wave of infections," Dorsch told **Paydirt**.

"It is kind of a two-speed specky [sic] end, those that have the impressive results are raising money like they have never been able to raise before and there's even-

moment, we put out some results [on June 15] which is demonstrating we have a nice continuous zone of high-grade mineralisation over about 200m strike and over 100m of dip extent.

"We know we have nice high-grade mineralisation around 1-1.5% nickel, 5-6 g/t PGEs. Our confidence after seeing those results has gone up a notch. In our view those results are really starting to demonstrate that we have continuity and a zone there that is really hanging together. That is essentially what we are doing now, we are continuing to drill out that high-grade zone with a diamond rig and we have RC rigs doing a wider spaced programme over the entire intrusive body, which is 1.6km-long. We are scoping

out both styles of mineralisation at the moment, as well as doing metallurgical test work and going through the approvals process."

Located in State Forest territory, Chalice is taking a measured approach to the approvals process at Julimar.

"We are going to do that in a staged manner to get into the State Forest area to do some non-ground disturbing reconnaissance activities hopefully in the next few months. Then we will go back for approval to do some drilling," Dorsch said.

"It is not as straightforward as going out and drilling a pastoral lease in the Eastern Goldfields, but we have to demonstrate we are doing the right thing by the environment and we are responsible explorers."

– Mark Andrews

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ryone else without the specky results that are going further backwards. It is a funny market and hard to pin down what is actually happening."

Starting 2020 at 24c/share, Chalice had bolted to a high of \$1.24c/share by May 20 and at the time of print was trading at 87c/share.

The company's success at Julimar has seen a rush of activity in surrounding areas by companies claiming "nearology" plays, however, Dorsch has no doubt Chalice has the plum position.

"We think Julimar is the key geological feature and nothing else surrounding us gets us too excited. I think well and truly we have a strong foothold on the province and we're not paying too much attention to what others are doing," he said.

"We have three rigs on the project at the