

Chalice confirms major discovery

SHARES in Chalice Gold Mines have reached new heights after the company confirmed a nickel-palladium discovery at the Julimar project, just 70km northeast of Perth.



Exploration / Development > Discovery

A wide high-grade palladium-nickel-copper zone has been intersected about 60m east of the discovery hole, which hit 19m at 2.59% nickel, 1.04% copper, 8.37 grams per tonne palladium and 1.11gpt platinum from 48m last month.

Comments

Assay results for the first 80m included 41m at 2.6 grams per tonne palladium, 0.4gpt platinum, 0.5% nickel, 0.4% copper and 0.03% cobalt from 39m (sulphide), including 31m at 3.3gpt palladium, 0.5gpt platinum, 0.7% nickel, 0.5% copper and 0.04% cobalt; and 29m at 1.9gpt palladium and 0.4gpt platinum from surface (oxide), including 11m at 3.8gpt palladium and 0.7gpt platinum from surface.

Share

Kristie Batten



The new zones are interpreted to be striking parallel to the zone in the discovery hole and remain open in all directions.

Another six reverse circulation holes assayed have all hit broad zones of palladium and associated base metals, with three ending in mineralisation.

Standout intercepts included 33m at 6.5gpt palladium, 0.7gpt platinum, 1.6% nickel, 0.7% copper and 0.1% cobalt from 44m at the northern end of the intrusive, and 142m at 0.6gpt palladium and 0.1gpt platinum from 17m at the southern end, with base metal and other platinum group element assays still pending.

Chalice says the newly named Gonnevillite Intrusive is modelled as a 1.6km-long by 0.7km-wide irregular shaped intrusive body (or chonolith), considered a favourable geometry for large-scale magmatic sulphide deposits like Jinchuan in China and Kabanga in Tanzania.

Chalice managing director Alex Dorsch said the new results confirmed the company appeared to have a very large palladium-nickel discovery on its hands, with associated platinum, copper and cobalt.

"We have defined what appears to be a new parallel high-grade palladium-nickel-copper zone to the east of the discovery intercept that remains wide open and appears to have significant strike potential," he said.

"In addition, assays received to date have confirmed that all of our drill holes have intersected significant broad zones of palladium - a surprising result that highlights the metal-rich nature of the intrusive and its potential to deliver a discovery of considerable scale.

"While the broad palladium intervals point to a large-scale PGE discovery, our focus remains on defining high-grade zones of mineralisation which, according to the geological analogues such as Jinchuan in China and Kabanga in Tanzania, could be found at depth below the disseminated sulphide zones."

Chalice has an RC and a diamond rig drilling targets, which are being generated via down-hole electromagnetics.

Chalice owns 100% of the 2000sq.km project, having pegged it in early 2018, which covers the entire 26km by 7km Julimar Intrusive Complex.

The project is largely under cover and has never been explored for nickel-copper-PGEs, though prospector Mark Creasy drilled three holes last decade looking for vanadium.

"The discovery at Julimar has demonstrated that this region is a new nickel-copper-PGE province and regional activities are also now being planned," Dorsch said.

"Chalice remains in an enviable position, with the funding to continue our systematic exploration programs through the current challenging market conditions."

The company has a working capital and investments balance of about A\$25 million.

Chalice is also drilling the Pyramid Hill gold project near Bendigo.

Two weeks ago, Euroz Securities initiated on Chalice with a speculative buy rating and 80c price target.

"There are few companies we have seen with such an outstanding intersection in a potential new nickel province," analyst Andrew Clayton said.

"Whilst exploration is the highest risk phase, the risk/reward is significant and ultimately if Julimar delivers this could be a 'multi bagger'."

Chalice shares were halted at 56.5c on Thursday.

The stock rose as high as \$1.19 this morning and last traded 73.5% higher at 98c.



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