

# Chalice hunts for metal mother lode in WA forest



Chalice chairman Tim Goyder. PHOTO: PHILIP GOSTELOW

## Bulls & Bears

Brad Thompson

One of the great unknowns about Chalice Mining's exciting Julimar project is whether its proximity to Perth is a blessing or a curse.

The PGE (platinum group element) discovery – which includes nickel, copper, cobalt, gold and palladium – sits a little more than 70 kilometres north-east of the city in farmland and state forest.

Chalice is waiting for permission to drill in the state forest as it tries to establish just how big a deal it has on its hands with Julimar, and if it is of a size that supports one or more mines.

The company and its backers, including chairman Tim Goyder, suspect the state forest holds the mother-lode mineralisation in the 26 kilometre-long Julimar complex.

Chalice expects to gain drilling access and go hunting in the forest sometime in the September quarter.

There's a long history of mining and related industries operating in state forests in WA, including Alcoa and South32 with their alumina refineries and Newmont's Boddington gold mine.

Julimar is different in that it is a new project close to the picturesque town of Toodyay and its lifestyle hobby farms and serious farmers.

As serendipity would have it, Chalice

made the discovery with a celebrated first drill hole on a farm part-owned by Barminto founder Peter Bartlett and was able to purchase the property from the mining services millionaire for cash and shares.

It acquired the first farmland in November and has since accumulated about 2300 hectares, paying about double the agricultural value to property owners happy to take the money and run.

Chalice is satisfied that gives it enough land to hold the Gonneville discovery at the south-west tip of Julimar and allow a 4-kilometre buffer for infrastructure and extensions.

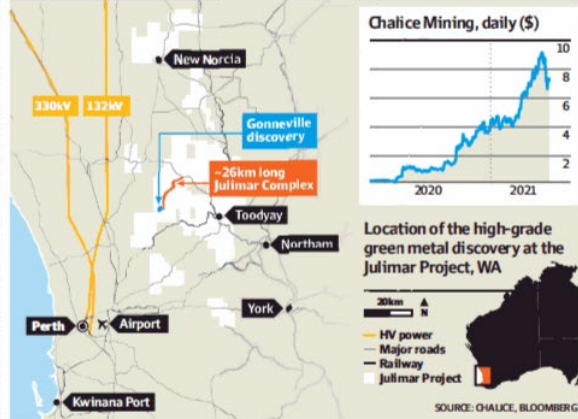
The market is anxiously awaiting an official indication of the size of the resource at Gonneville expected around September. Chalice's 6.5 kilometre-long Hartog target and others are in the state forest to the north.

It remains to be seen how the residents of Toodyay and surrounds and the Chittering Valley will react if Chalice has made a belt-scale discovery capable of hosting multiple mines.

The potential scale has mining majors keeping a close eye on Julimar. Some of them will see the proximity to Perth as a massive blessing.

There are none of the native title issues that are starting to provide major headaches for BHP, Rio Tinto and Fortescue Metals Group in WA's Pilbara, and no need to fly in, fly out a

## On Perth's doorstep



workforce. Power and other infrastructure is already in place.

Chalice managing director Alex Dorsch thinks Julimar is in a Goldilocks spot, sitting just right in its proximity to Perth and distance away from Toodyay and the Chittering Valley.

Chalice is still drilling at Gonneville ahead of the maiden resource announcement about three months away.

Macquarie analyst Hayden Bairstow says the company has two big signposts it needs to reach: the maiden

resource announcement and gaining access to the state forest.

"If that drilling (in the state forest) is successful, then it potentially changes the story again depending on what the results look like," he says.

"I think if the scale keeps growing and particularly if they have success in the state forest, and you start talking a multi-deposit outcome, then, for sure, it (Julimar) will get even more attention.

"The mining industry is not blessed with a lot of big projects like this."