

Chalice reaches new heights on Julimar extensions

SHARES in Chalice Gold Mines hit a new record high this morning after the company reported significant high-grade platinum group elements-copper-gold extensions at the Julimar discovery, 70km north of Perth.



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The G4 Zone has been extended to more than 800m of strike and up to 500m of dip extent, and remains open.

New drilling results included 50m at 1.8 grams per tonne palladium, 0.5gpt platinum, 0.9gpt gold, 0.2% nickel, 1.1% copper and 0.02% cobalt from 112m, including 17m at 2.5gpt palladium, 0.8gpt platinum, 2gpt gold, 0.2% nickel and 1.8% copper (greater than 1% copper cut-off grade); 7m at 13.8gpt palladium, 0.3gpt platinum, 0.5gpt gold, 0.2% nickel, 0.2% copper and 0.02% cobalt; and 8m at 2.2gpt palladium, 13.3gpt platinum, 0.1gpt gold, 0.1% nickel, 0.1% copper and 0.01% cobalt from 225m.

Two new internal high-grade PGE-copper and nickel-cobalt-gold zones have been defined at the southern end of the intrusion.

The new G6 Zone has 400m of strike and up to 400m of dip extent, while the G7 Zone has 350m of strike and up to 475m of dip extent. Both are open down-dip.

G6 returned 11m at 3gpt palladium, 0.9gpt platinum, 0.5% nickel, 0.3% copper and 0.06% cobalt from 78m, while G7 returned 19m at 3.1gpt palladium, 0.7gpt platinum, 1.1gpt gold, 0.2% nickel, 0.8% copper and 0.02% cobalt from 67m.

The high-grade PGE-gold oxide zone has been extended over an area of 1.7km by up to 750m and remains open to the north into the Julimar State Forest.

Chalice has applied for access to the forest.

New oxide results included 36.6m at 2.7gpt palladium, 0.6gpt platinum and 0.1gpt gold from 0m to 36.6m and 9.8m at 7.7gpt palladium, 1.2gpt platinum and 0.3gpt gold from 26.9m.

Given recent favourable leach testwork results, Chalice believes the oxide zone could have a significant impact on project economics.

The first hole into Conductor 'X', about 800m northwest of G4, hit a roughly 500m-wide interval of Gonneville mafic-ultramafic rock types with broad PGE zones associated with disseminated sulphides.

The hit included a high-grade interval of 3m at 1.9gpt palladium, 0.5gpt platinum, 0.5gpt gold and 0.5% copper from 884m, with a similar PGE-copper-gold association to the G4 Zone.

The intersection was cut-off by a 20m interval of post-mineralised dyke immediately above the footwall contact, highlighting the significant growth potential of the contact position.

Chalice managing director Alex Dorsch described the latest results as exceptional.

"Given the width and grade of the drill results we are continuing to see over a very large area, the scale of the Gonneville Intrusion itself, and the significant growth potential beyond the limits of the current resource drilling, it is clear that Julimar is emerging as a globally significant deposit of critical metals in Western Australia," he said.

Dorsch said the first hole at Conductor 'X' improved the company's geological understanding of the intrusion and delivered a proof-of-concept for the growth potential of the footwall contact zone.

"This again reinforces the prospectivity of the recently announced Hartog EM anomaly, located immediately north of Gonneville, in the Julimar State Forest."

The Hartog EM anomaly extends about 6.5km to the north of the Gonneville Intrusion and 1.5km north of the Conductor 'X' hole and has a stronger airborne EM response than the peak response of the high-grade G1 Zone.

"It's not hard to see why we are so excited about the district-scale potential at Julimar," Dorsch said.

"This is a large, multi-faceted mineralised complex which continues to surprise on the upside."

Chalice has three reverse circulation rigs and two diamond rigs drilling at Julimar.

Since the March discovery, the company has drilled 27 diamond drill holes, including RC pre-collars with diamond tails, and 116 RC drill holes. Assays are still pending for 45 holes.

Chalice is aiming to report a maiden resource in mid-2021.

Macquarie has an outperform rating for Chalice and a A\$3.30 price target.

Today the stock climbed as high as \$3.82, a new record. Shares last traded 14.5% higher at \$3.78, valuing Chalice at more than \$1.1 billion.

Shares were 19c before Julimar was discovered in March.



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