chalice

23 March 2020

High-grade nickel-copper-palladium sulphide intersected at Julimar Project in WA

First drill hole intersects 19m @ 2.6% Ni, 1.0% Cu, 8.4g/t Pd and 1.1g/t Pt from 48m

Highlights

- **The first drill hole** at the **Julimar Project in Western Australia** (JRC001) has intersected:
  - **19m @ 2.59% Nickel, 1.04% Copper, 8.37g/t Palladium** and 1.11g/t Platinum from 48m in fresh rock, including:
    - A **massive sulphide** zone of **13m @ 3.15% Ni, 1.19% Cu, 8.85g/t Pd** and 1.09g/t Pt; and,
    - A matrix/stringer sulphide zone of 6m @ 1.39% Ni, 0.72% Cu, **7.33 g/t Pd** and 1.16g/t Pt.
  - The above zones lie within a broader zone of **high-grade palladium** mineralisation of:
    - **25m @ 2.02% Ni, 0.88% Cu, 8.50g/t Pd** and 0.91g/t Pt **from 46m.**
- Other Platinum Group Element (PGE) and cobalt assays are pending.
- The mineralisation is hosted within a lens-shaped, **~2km x 0.5km** layered ultramafic-mafic intrusion and remains **open in all directions**.
- The massive sulphide zone coincides with a strong, discrete Moving-Loop Electromagnetic (MLEM) conductor, indicating that MLEM is an effective targeting tool for shallow sulphides in the area.
- A further **three high-priority MLEM targets** to the north-east of JRC001 will be drilled over the coming weeks and an additional four targets are being evaluated.
  - The second drill hole (JRC002), ~900m north-east of JRC001, is underway and has intersected a sequence of intrusive mafic to ultramafic rock-types.
  - The hole is currently ~40m above the target: a **680m x 135m** MLEM conductor with a modelled conductance of **~5,300 Siemens**.
- The **100%-owned** Project is located **~70km north-east of Perth** and covers the entirety of a **~26km x 7km** layered ultramafic-mafic intrusive complex, that is largely under cover and has **never been explored for nickel.**
- Due to the significance of the discovery in a relatively new province, Chalice has **expanded its regional licence holding significantly** with >2,300km^2 of new licence applications and is also evaluating potential regional targets on existing granted tenure.
- In addition to the RC rig at Julimar, **three rigs** are continuing to drill at the Company's >5,000km^2 **Pyramid Hill Gold Project** in the Bendigo Region of Victoria.
- Despite challenging global market conditions, Chalice remains **fully funded** to continue its systematic exploration programs in Western Australia and Victoria, with a current working capital and investments balance of **~$23 million (~$0.08 per share)** as of 20 March 2020.

Chalice Gold Mines Limited ("Chalice" or "the Company", ASX: CHN | OTCQB: CGMLF) is pleased to announce the discovery of significant high-grade nickel-copper-PGE sulphide mineralisation at its 100%-owned **Julimar Nickel-Copper-PGE Project**, located ~70km north-east of Perth in Western Australia.

Julimar is one of Chalice's generative exploration opportunities and is being progressed alongside ongoing drilling programs at its Pyramid Hill Gold Project in Victoria.

Drilling results

A maiden 4-hole Reverse Circulation (RC) drill program recently commenced at Julimar to test several high-conductance MLEM targets identified in Q4 2019, which appear to be associated with the margins of a discrete 'lens-shaped' magnetic anomaly (Figure 1).

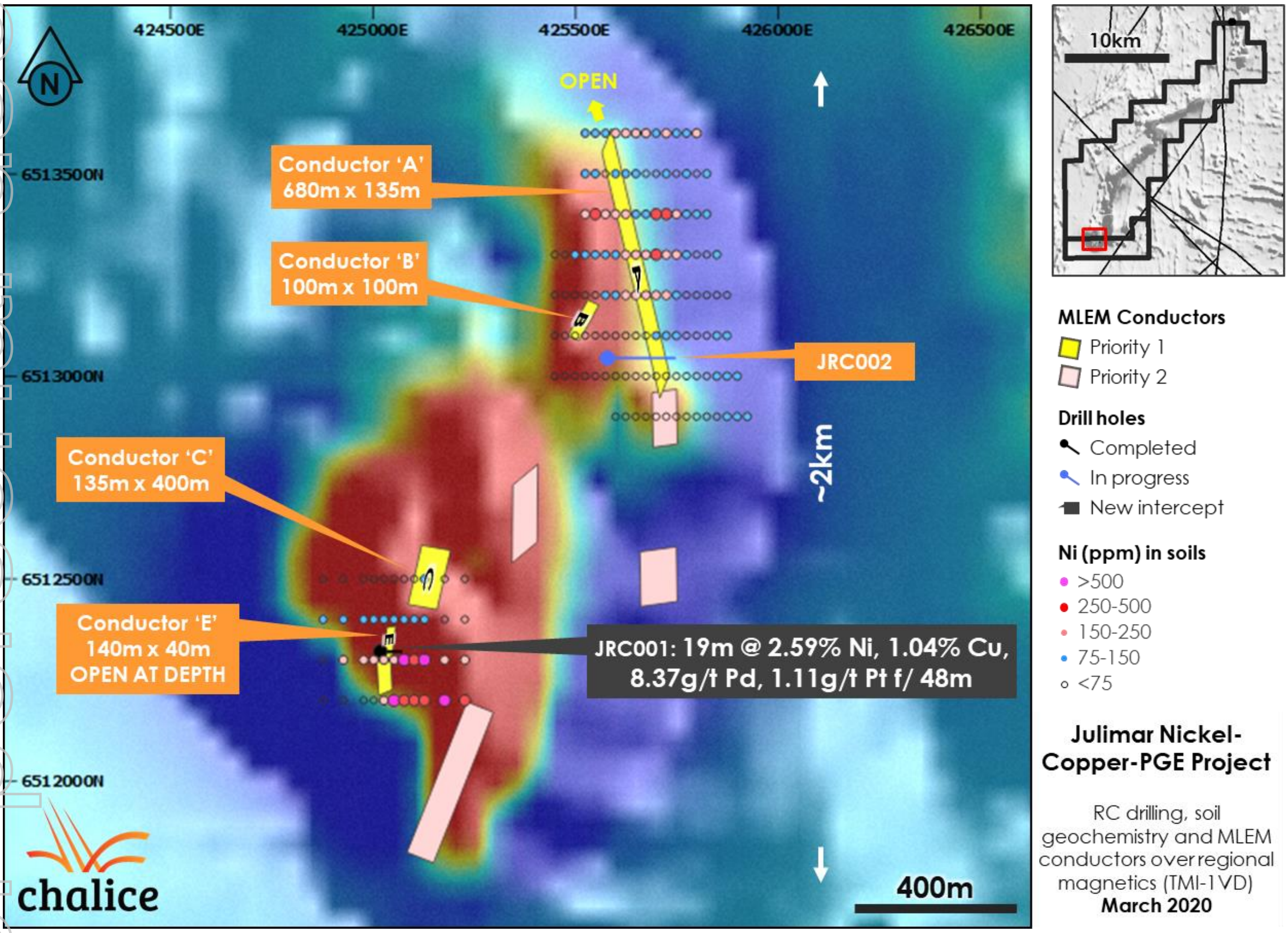


Figure 1. Julimar Project RC drilling, EM targets and soil geochemistry over regional magnetics.

The first RC drill hole, JRC001, was drilled to test MLEM Conductor 'E', located along the south-west margin of the magnetic anomaly, and returned a significant intersection in fresh rock of:

- **19m @ 2.59% Ni, 1.04% Cu, 8.37g/t Pd** and 1.11g/t Pt (down-hole width) from 48m, including:
    - A massive sulphide zone of **13m @ 3.15% Ni, 1.19% Cu, 8.85g/t Pd and 1.09g/t Pt from 48m**; and,

- A matrix/stringer sulphide zone of **6m @ 1.39% Ni, 0.72% Cu, 7.33 g/t Pd and 1.16g/t Pt from 61m.**

- The above massive and matrix/stringer sulphide zones are within a broader zone of disseminated sulphides containing high-grade Pd and elevated Pt:
  - **25m @ 2.02% Ni, 0.88% Cu, 8.50g/t Pd and 0.91g/t Pt from 46m**, reported above a 1.0g/t Pd cut-off grade.

Cobalt and other PGE assays are currently pending. The massive sulphide zone coincides with the interpreted position of Conductor 'E', indicating that MLEM has been successful and highly effective at targeting shallow sulphides.

The true width of the mineralised intervals are not known, however MLEM Conductor 'E' is modelled as a steep westerly-dipping plate, indicating an interpreted near-true width intersection (**Figure 2**).

The MLEM plate has an estimated strike length of ~140m. However, due to the strength of the conductor which masks any response at depth, it has not been possible to model the true depth extent. Therefore, the conductor is considered poorly constrained and the zone is open in all directions.

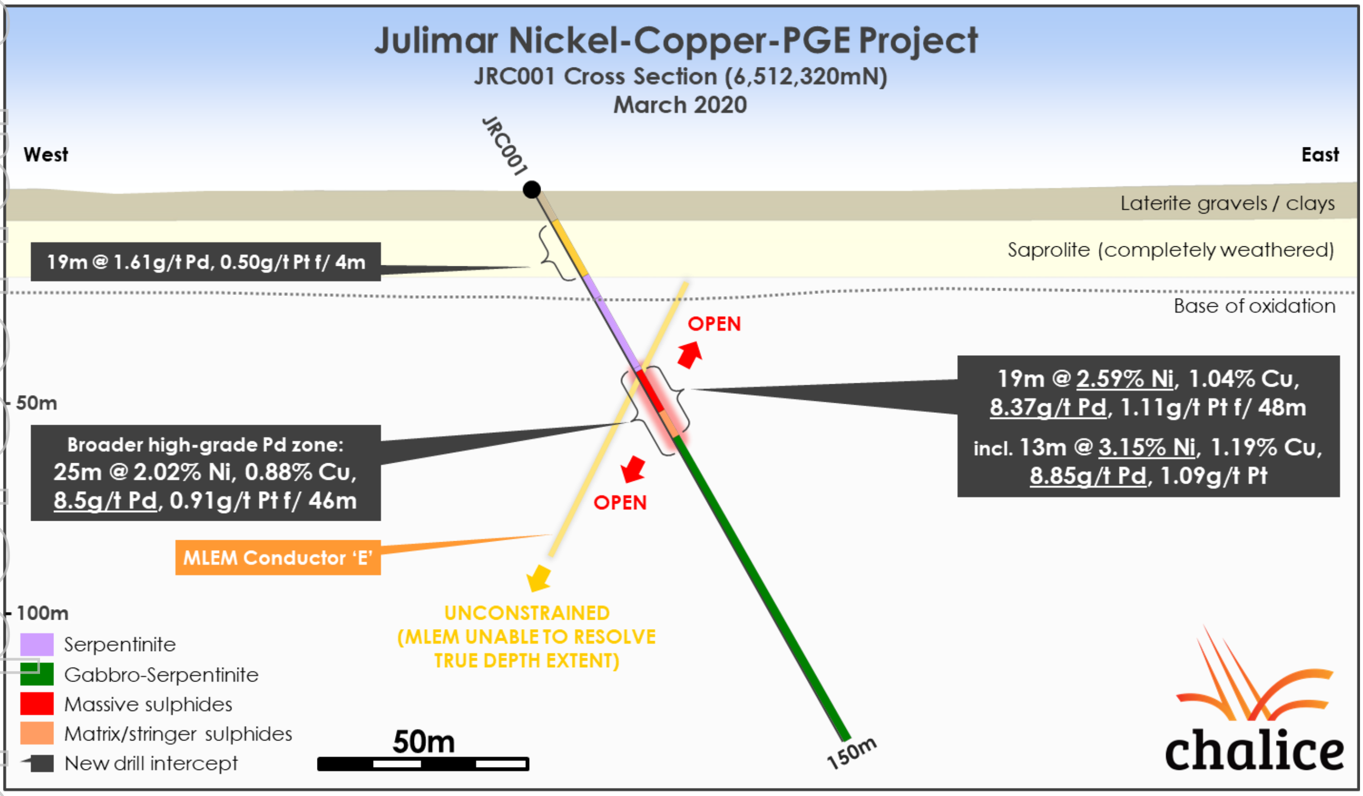


Figure 2. Julimar Cross Section 6,512,320mN.

In addition to the above mineralised zones, JRC001 intersected a zone of highly anomalous Pd and Pt in the weathered zone of:

- **19m @ 1.61g/t Pd and 0.50g/t Pt from 4m**, reported above a 0.5g/t Pd cut-off grade.

Hole details are provided in **Table 1** and significant intercepts are given in **Table 2**. Significant composite and 1m assays are given in **Table 3** and **Table 4** respectively.

Table 1. New drill hole details – Julimar Ni-Cu-PGE Project.

Hole ID	Easting (mE)	Northing (mN)	RL (m)	Azimuth (°)	Dip (°)	Total depth (m)
JRC001	425,018	6,512,320	238	090	-60	150
JRC002	425,570	6,513,038	252	090	-60	In progress

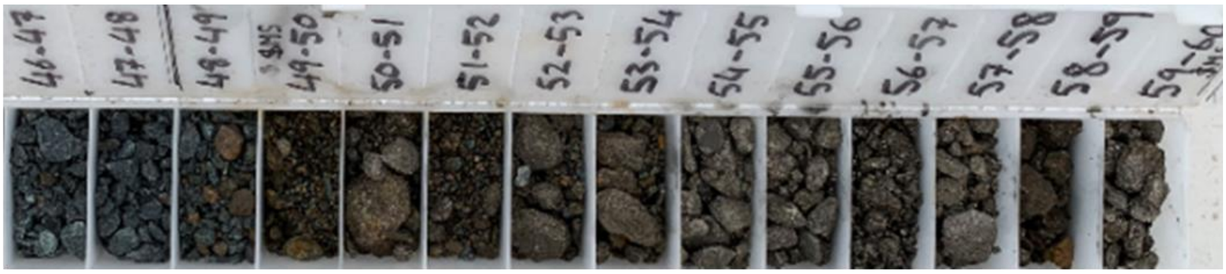
Table 2. Significant new drill results (>1.0% Ni or >0.5g/t Pd cut-off grade) – Julimar Ni-Cu-PGE Project.

Hole ID	From (m)	To (m)	Width* (m)	Ni (%)	Cu (%)	Pd (g/t)	Pt (g/t)	Geology
JRC001	4	23	19	0.19	0.27	1.61	0.50	*Oxide*
JRC001	46	71	25	**2.02**	0.88	**8.50**	0.91	*Fresh rock*
including	48	67	19	**2.59**	1.04	**8.37**	1.11	*Sulphides*
including	48	61	13	**3.15**	1.19	**8.85**	1.09	*Massive sulphide*
and	61	67	6	1.39	0.72	**7.33**	1.16	*Matrix/stringer sulphide*

**Reported widths are down-hole, all 1m samples in fresh rock and 3-4m composite samples in oxide, true widths are unknown.*

JRC001 was drilled to a depth of 150m to provide both baseline geology for this poorly exposed intrusive complex and a platform for down-hole EM surveying. The geology comprises serpentinite ultramafic interlayered with gabbro sub-units. The top of fresh rock was intersected at ~29m down-hole.

High tenor nickel and copper-rich massive sulphide at 48-61m was logged as massive sulphide (**Figure 3**) and matrix/stringer sulphide mineralisation at 61-67m was logged as 20-40% sulphides. Trace amounts of disseminated sulphides have also been identified throughout the remainder of the drill hole within gabbro, pyroxenite, norite and serpentinite, suggesting a highly prospective layered intrusive complex.



Ni (%)	0.14	0.20	**2.48**	**3.29**	**3.24**	**3.19**	**3.19**	**2.73**	**3.31**	**3.38**	**3.37**	**3.31**	**3.24**	**3.41**
Pd (g/t)	1.19	**45.80**	**17.00**	**6.23**	**8.23**	**7.28**	**8.28**	**6.73**	**8.60**	**9.16**	**9.47**	**8.94**	**9.65**	**7.63**

Figure 3. JRC001 drill chips and Ni+Pd assays showing the start of the massive sulphide interval from 48m.

The second drill hole (JRC002), ~900m north-east of JRC001, is currently being drilled to test MLEM Conductor 'A', located along the north-east margin of the magnetic anomaly. Conductor 'A' is modelled as a 680m x 135m plate at a depth of 214m with a conductance of ~5,300 Siemens.

JRC002 is currently at a downhole depth of 184m as of 22 March and has intersected a sequence of intrusive mafic to ultramafic rock-types. Trace to 5% disseminated sulphides has been logged from 87m. The target MLEM plate is modelled at ~40m below the current hole depth and drilling is continuing.

Forward plan

The current program of four RC drill holes will be completed over the coming weeks and further drilling is currently being planned. Down-hole EM will commence shortly in order to better define the conductors with the aim to provide step-out drill targets as drilling continues.

Refinement of MLEM modelling is currently underway based on logged geology and will be updated with down-hole EM as received. Selective samples will be submitted for petrographic analysis to better characterise the host geology and sulphide mineralogy.

In light of results from JRC001, Chalice has applied for >2,300km^2 of new exploration licences in the region to expand its strategic footprint in a potential new nickel-copper-PGE province. Targets are also being evaluated on Chalice's Barrabarra Nickel Project, located ~250km north of Julimar, which also hosts an interpreted intrusion complex in a similar geological setting, near the western margin of the Yilgarn craton.

Discussion

Commenting on the discovery, Chalice's Managing Director, Alex Dorsch, said: *"The very first drill hole targeting nickel-copper and PGEs at Julimar has intersected a thick zone of massive nickel-copper-PGE rich sulphides at a very shallow depth of 48m – an outstanding result and a credit to Chalice's technical team.*

"Given the rarity and value of nickel sulphide discoveries, particularly in WA, and the recent all-time high palladium price of more than US$2,800/oz, the result is especially significant.

"The lack of nickel-copper-PGE exploration on the surrounding intrusive complex, within an hour's drive of Perth and close to established infrastructure, is quite extraordinary.

"While we are obviously still at a very early stage of exploration at Julimar, the discovery of a shallow high-grade massive sulphide zone within a large layered ultramafic-mafic intrusion is very exciting, as it draws potential parallels with other large-scale nickel-copper-PGE sulphide discoveries worldwide.

"We have three more high-priority geophysical targets within the intrusion to test in the current program and down-hole EM surveying will commence in the coming days to define step-out targets. We look forward to receiving and reporting these results.

"Chalice remains in a strong financial position, with the funding to continue our systematic exploration programs through the current challenging market conditions. Our recent success vindicates our corporate strategy of identifying high-potential greenfield gold and nickel exploration opportunities in safe jurisdictions and creating value through discovery."

Figure 4. RC drilling at Julimar, March 2020.

Authorised for release on behalf of the Company by:

Alex Dorsch
Managing Director

For further information, please visit www.chalicegold.com to view our latest corporate presentation, or contact:

Corporate Enquiries
Alex Dorsch
Managing Director
Chalice Gold Mines Limited
+61 8 9322 3960
info@chalicegold.com

Media Enquiries
Nicholas Read
Principal and Managing Director
Read Corporate Investor Relations
+61 8 9388 1474
info@readcorporate.com.au

Follow our communications:
LinkedIn: https://au.linkedin.com/company/chalice-gold-mines

Twitter: https://twitter.com/chalicegold
Facebook: https://www.facebook.com/Chalice-Gold-Mines-323740744933099/

About the Julimar Nickel-Copper-PGE Project, Western Australia

The 100%-owned Julimar Nickel-Copper-PGE Project was staked in early 2018 and is located ~70km north-east of Perth in Western Australia on private land and State Forest. The Project was staked as part of Chalice's global search for high-potential nickel sulphide exploration opportunities.

*Chalice interpreted the possible presence of a mafic-ultramafic layered intrusive complex at Julimar based on high resolution regional magnetics. The large complex is interpreted to be ~26km long and ~7km wide and is considered highly prospective for nickel, copper and platinum group elements. However, it has never been explored for these metals (**Figure 5**).*

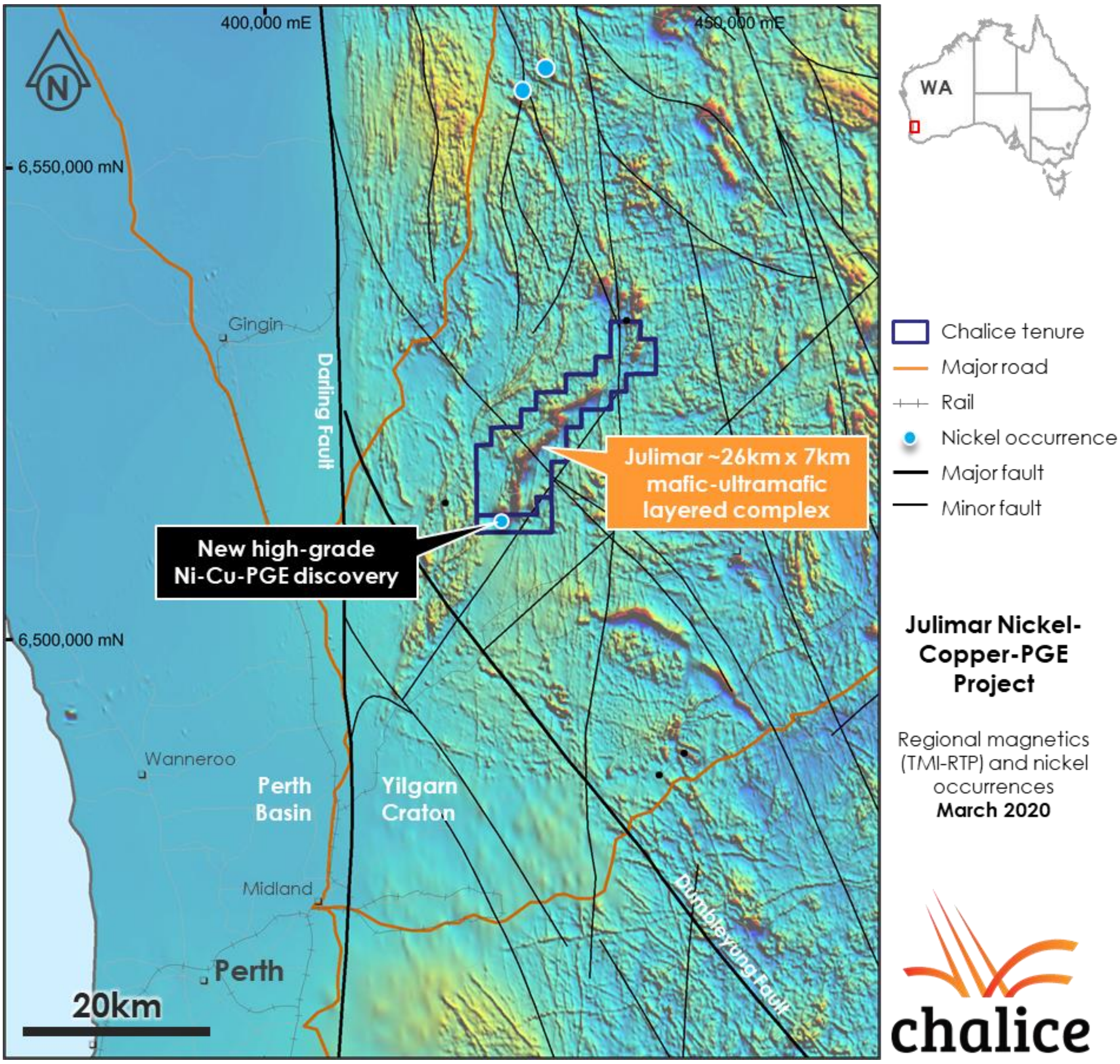


***Figure 5.** Julimar Project tenure, regional nickel occurrences over regional magnetics (new licence applications not shown).*

Chalice is targeting high-grade nickel-copper-PGE discoveries and commenced a systematic, regional-scale greenfield exploration program in mid-2019 upon gaining access, initially in the southern portion of the Project on private land. This included 200m-spaced Moving Loop Electromagnetic (MLEM) with selective 100m infill lines, targeted soil geochemistry over high-priority MLEM conductors, and geological mapping which failed to identify any bedrock exposures over the area of interest.

Two MLEM conductors were shown to be associated with anomalous nickel-in-soils and preferentially located along the margins of a ~2km x 0.5km discrete magnetic anomaly interpreted as a potential feeder zone located near the southern extent of the intrusive complex. An initial RC drill program commenced in Q1 2020.

Competent Persons and Qualifying Persons Statement

The information in this announcement that relates to Exploration Results in relation to the Julimar Nickel-Copper-PGE Project is based on information compiled by Dr. Kevin Frost BSc (Hons), PhD, a Competent Person, who is a Member of the Australian Institute of Geoscientists. Dr. Frost is a full-time employee of the company and has sufficient experience that is relevant to the activity being undertaken to qualify as a Competent Person as defined in the 2012 edition of the Australasian Code for Reporting of Exploration Results, Minerals Resources and Ore Reserves, and is a Qualified Person under National Instrument 43-101 – 'Standards of Disclosure for Mineral Projects'. The Qualified Person has verified the data disclosed in this release, including sampling, analytical and test data underlying the information contained in this release. Dr. Frost consents to the inclusion in the announcement of the matters based on his information in the form and context in which it appears.

Forward Looking Statements

This report may contain forward-looking information within the meaning of Canadian securities legislation and forward-looking statements within the meaning of the United States Private Securities Litigation Reform Act of 1995 (collectively, forward-looking statements). These forward-looking statements are made as of the date of this report and Chalice Gold Mines Limited (the Company) does not intend, and does not assume any obligation, to update these forward-looking statements.

Forward-looking statements relate to future events or future performance and reflect Company management's expectations or beliefs regarding future events and include, but are not limited to, the Company's strategy, the price of O3 Mining securities and Spectrum Metals Limited / Ramelius Resources Limited securities, receipt of tax credits and the value of future tax credits, the estimation of mineral reserve and mineral resources, the realisation of mineral resource estimates, the likelihood of exploration success at the Company's projects, the prospectivity of the Company's exploration projects, the timing of future exploration activities on the Company's exploration projects, planned expenditures and budgets and the execution thereof, the timing and availability of drill results, potential sites for additional drilling, the timing and amount of estimated future production, costs of production, capital expenditures, success of mining operations, environmental risks, unanticipated reclamation expenses, title disputes or claims and limitations on insurance coverage.

In certain cases, forward-looking statements can be identified by the use of words such as "plans", "planning" "expects" or "does not expect", "is expected", "will", "may", "would", "potential", "budget", "scheduled", "estimates", "forecasts", "intends", "anticipates" or "does not anticipate", "believes", "occur", "impending", "likely" or "be achieved" or variations of such words and phrases or statements that certain actions, events or results may, could, would, might or will be taken, occur or be achieved or the negative of these terms or comparable terminology. By their very nature forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Company to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements.

Such factors may include, among others, risks related to actual results of current or planned exploration activities; changes in project parameters as plans continue to be refined; changes in exploration programs based upon the results of exploration; future prices of mineral resources; possible variations in mineral resources or ore reserves, grade or recovery rates; accidents, labour disputes and other risks of the mining industry; delays in obtaining governmental approvals or financing or in the completion of development or construction activities; movements in the share price of O3 Mining and Spectrum Metals / Ramelius Resources securities and future proceeds and timing of potential sale of O3 Mining and Spectrum Metals / Ramelius Resources securities, as well as those factors detailed from time to time in the Company's interim and annual financial statements, all of which are filed and available for review on SEDAR at sedar.com, ASX at asx.com.au and OTC Markets at otcmarkets.com.

Although the Company has attempted to identify important factors that could cause actual actions, events or results to differ materially from those described in forward-looking statements, there may be other factors that cause actions, events or results not to be as anticipated, estimated or intended. There can be no assurance that forward-looking statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on forward-looking statements.

Table 3. >0.5g/t Pd results in oxide zone – Julimar Ni-Cu-PGE Project.

Hole ID	From (m)	To (m)	Width* (m)	Ni (%)	Cu (%)	Pd (g/t)	Pt (g/t)	Geology
JRC001	4	8	4	0.06	0.11	0.63	0.93	Oxide
JRC001	8	12	4	0.10	0.16	1.17	0.56	Oxide
JRC001	12	16	4	0.17	0.24	1.70	0.36	Oxide
JRC001	16	20	4	0.34	0.45	2.08	0.39	Oxide
JRC001	20	23	3	0.29	0.41	2.48	0.24	Oxide

** Reported widths are down-hole, true widths are unknown. All composite samples*

Table 4. Significant 1m assay results >1% Ni or >0.5g/t Pd – Julimar Ni-Cu-PGE Project.

Hole ID	From (m)	To (m)	Width* (m)	Ni (%)	Cu (%)	Pd (g/t)	Pt (g/t)	Geology
JRC001	46	47	1	0.14	0.41	1.19	0.26	Disseminated sulphides
JRC001	47	48	1	0.20	0.71	**45.80**	0.35	Disseminated sulphides
JRC001	48	49	1	**2.48**	0.69	**17.00**	0.21	Massive sulphide
JRC001	49	50	1	**3.29**	0.79	**6.23**	0.93	Massive sulphide
JRC001	50	51	1	**3.24**	**1.51**	**8.23**	**2.32**	Massive sulphide
JRC001	51	52	1	**3.19**	**1.46**	**7.28**	**2.00**	Massive sulphide
JRC001	52	53	1	**3.19**	**1.42**	**8.28**	0.70	Massive sulphide
JRC001	53	54	1	**2.73**	**1.07**	**6.73**	**1.13**	Massive sulphide
JRC001	54	55	1	**3.31**	**1.37**	**8.60**	0.61	Massive sulphide
JRC001	55	56	1	**3.38**	**1.47**	**9.16**	**1.02**	Massive sulphide
JRC001	56	57	1	**3.37**	**1.31**	**9.47**	0.76	Massive sulphide
JRC001	57	58	1	**3.31**	**1.21**	**8.94**	0.92	Massive sulphide
JRC001	58	59	1	**3.24**	**1.04**	**9.65**	**1.03**	Massive sulphide
JRC001	59	60	1	**3.41**	**0.64**	**7.63**	**1.48**	Massive sulphide
JRC001	60	61	1	**2.76**	**1.50**	**7.87**	**1.08**	Massive sulphide
JRC001	61	62	1	1.64	0.68	**6.52**	0.59	Matrix/Stringer sulphide
JRC001	62	63	1	1.25	0.91	**7.07**	0.69	Matrix/Stringer sulphide
JRC001	63	64	1	1.22	0.66	**8.48**	**1.08**	Matrix/Stringer sulphide
JRC001	64	65	1	1.35	0.70	**6.70**	**1.38**	Matrix/Stringer sulphide
JRC001	65	66	1	1.56	0.67	**6.93**	**1.71**	Matrix/Stringer sulphide
JRC001	66	67	1	1.35	0.68	**8.27**	**1.51**	Matrix/Stringer sulphide
JRC001	67	68	1	0.34	0.36	2.01	0.45	Disseminated sulphides
JRC001	68	69	1	0.23	0.11	0.79	0.11	Disseminated sulphides
JRC001	69	70	1	0.25	0.16	1.27	0.16	Disseminated sulphides
JRC001	70	71	1	0.14	0.47	2.31	0.31	Disseminated sulphides

**Reported widths are down-hole, true widths are unknown.*

Appendix 1: JORC Table 1 – Julimar Ni-Cu-PGE Project

Section 1 Sampling Techniques and Data

Criteria	JORC Code explanation	Commentary
Sampling techniques	• *Nature and quality of sampling (eg. cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc). These examples should not be taken as limiting the broad meaning of sampling.* • *Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.* • *Aspects of the determination of mineralisation that are Material to the Public Report.* • *In cases where 'industry standard' work has been done this would be relatively simple (eg. 'reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30 g charge for fire assay'). In other cases more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (eg. submarine nodules) may warrant disclosure of detailed information.*	• Reverse Circulation (RC) drilling samples were collected as 1m to 4m composite samples. 1m samples were collected as a split from the rig cyclone using a rotary cone splitter. Composite samples were collected from bulk samples using a PVC spear with the sample speared from top to bottom of the bag to ensure the sample is representative. Composite and 1m samples weigh approximately 3kg. 1m samples were taken from the start of weathered bedrock until 30m out of the matrix sulphide zone. • All samples were pulverised at an industry standard laboratory to nominal 85% passing 75 microns before being analysed. • Qualitative care was taken to ensure representative sample weights were consistent when sampling on a metre by metre basis.
Drilling techniques	• *Drill type (eg. core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc) and details (eg. core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc).*	• The drilling was completed via a Reverse Circulation (RC) drilling technique using a face-sampling hammer drill bit with a diameter of 5.5 inches (140mm).
Drill sample recovery	• *Method of recording and assessing core and chip sample recoveries and results assessed.* • *Measures taken to maximise sample recovery and ensure representative nature of the samples.* • *Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material.*	• Individual recoveries or composite samples were recorded on a qualitative basis. Sample weights were slightly lower through transported cover whereas drilling through bedrock yielded bags with consistent weights. Samples with poor recovery were noted in the sample file. • No relationships have been evident between sample grade and recoveries.
Logging	• *Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies.* • *Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography.* • *The total length and percentage of the relevant intersections logged.*	• All holes were logged geologically including, but not limited to; weathering, regolith, lithology, structure, texture, alteration and mineralisation. Logging was at an appropriate quantitative standard for reconnaissance exploration. • Logging is considered qualitative in nature. • All holes were geologically logged in full.

Criteria	JORC Code explanation	Commentary
Sub-sampling techniques and sample preparation	• *If core, whether cut or sawn and whether quarter, half or all core taken.* • *If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry.* • *For all sample types, the nature, quality and appropriateness of the sample preparation technique.* • *Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.* • *Measures taken to ensure that the sampling is representative of the in-situ material collected, including for instance results for field duplicate/second-half sampling.* • *Whether sample sizes are appropriate to the grain size of the material being sampled.*	• 1 metre RC samples were collected as 1m splits from the rig cyclone via a rotary cone splitter. The cone splitter was horizontal to ensure sample representivity. Composite RC samples were collected using a PVC spear with the bulk sample speared from top to bottom to ensure the sample is as representative as possible. The majority of samples were dry. Wet or damp samples were noted in the sample logging sheet. • Field duplicates were collected from the massive sulphide and matrix sulphide zones. • Sample sizes are considered appropriate for the style of mineralisation sought and the initial reconnaissance nature of the drilling programme.
Quality of assay data and laboratory tests	• *The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.* • *For geophysical tools, spectrometers, handheld XRF instruments, etc, the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc.* • *Nature of quality control procedures adopted (eg. standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (ie. lack of bias) and precision have been established.*	• All samples underwent sample preparation and geochemical analysis by ALS in Perth. Au-Pt-Pd was analysed with a 50g fire assay fusion with an ICP-AES finish (ALS method code: PGM-ICP24). Ni and Cu assays were analysed using a 4-acid digestion with ICP-AES finish(ALS method code ME-OG62). The latter analytical method is optimised for accuracy and precision at high concentrations of base metals. • Certified analytical standards and blanks were inserted at appropriate intervals. Approximately 5% of samples submitted for analysis to date comprised QAQC. These include certified reference materials, blanks, and duplicates.
Verification of sampling and assaying	• *The verification of significant intersections by either independent or alternative company personnel.* • *The use of twinned holes.* • *Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.* • *Discuss any adjustment to assay data.*	• Significant intersections are checked by the Project Senior Geologist and then by the General Manager of Exploration. Significant intersections are cross-checked with the geology logged and drill chips collected after final assays are received. • No twin holes have been drilled for comparative purposes. The target is still considered to be in an early exploration stage. • Primary data was collected as hard-copy records in the field and digitised at the Chalice Perth office where the data is validated and entered into the master database. • No adjustments have been made to the assay data received.
Location of data points	• *Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation.*	• Hole collar locations have been recorded by Chalice employees using a handheld GPS with a +/- 3m margin of error. • The grid system used for the location of all drill holes is GDA94 - MGA (Zone 50).

Criteria	JORC Code explanation	Commentary
	• *Specification of the grid system used.* • *Quality and adequacy of topographic control.*	• RLs were assigned from 1 sec (30m) satellite data.
Data spacing and distribution	• *Data spacing for reporting of Exploration Results.* • *Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied.* • *Whether sample compositing has been applied.*	• Drill holes are positioned to allow optimal intersection with the modelled conductors. Nominal drill hole spacing is not yet applicable given the nature of the drill targets and the early stage of exploration. • Results from the single hole drilled to date are not considered sufficient to assume any geological or grade continuity of the results intersected. • Samples were composited to produce 4m samples (and one 3m sample) from 0-23m. For the remainder of the hole samples were collected as 1m samples. Sampling is only reported from 0-100m.
Orientation of data in relation to geological structure	• *Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.* • *If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material.*	• The orientation of the mineralisation is unknown at this stage. However, the hole was oriented to be as close to orthogonal to the modelled MLEM plate as possible.
Sample security	• *The measures taken to ensure sample security.*	• Chain of custody is managed by Chalice. Samples are stored on site before being transported by Chalice personnel to ALS Perth.
Audits or reviews	• *The results of any audits or reviews of sampling techniques and data.*	• No review has been carried out to date.

Section 2 Reporting of Exploration Results

Criteria	JORC Code explanation	Commentary
Mineral tenement and land tenure status	• *Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings.* • *The security of the tenure held at the time of reporting along with any known impediments to obtaining a licence to operate in the area.*	• Drilling was carried out within E70/5118 on private property. The licence is 100% owned by CGM (WA) Pty Ltd, a wholly owned subsidiary of Chalice Gold Mines Limited with no known encumbrances. • Current drilling is on private land and granted tenure covers both private land and State Forest. • Access for exploration in the State Forest requires Ministerial approval which has not yet been obtained.
Exploration done by other parties	• *Acknowledgment and appraisal of exploration by other parties.*	• Limited exploration has been completed by other exploration parties in the vicinity of the targets identified by Chalice to date. • Chalice has compiled historical records dating back to the early 1960's which indicate only two

Criteria	JORC Code explanation	Commentary
		genuine explorers in the area, both primarily targeting Fe-Ti-V mineralisation. • Three diamond holes were completed by Bestbet Pty Ltd targeting Fe-Ti-V situated approximately 3km NE of JRC001. No elevated Ni-Cu-PGE assays were reported. • Bestbet Pty Ltd completed 27 stream sediment samples within E70/5119. No significant Ni-Cu-PGE anomalism was reported. • A local AMAG survey was flown in 1996 by Alcoa using 200m line spacing which has been used by Chalice for targeting purposes.
Geology	• *Deposit type, geological setting and style of mineralisation.*	• The deposit type being explored for is magmatic Ni-Cu-PGE sulphide deposits within the Yilgarn Craton. The style of sulphide mineralisation intersected consists of massive, and matrix/stringer sulphides typical of magmatic Ni sulphide deposits.
Drill hole Information	• *A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill holes:* o *easting and northing of the drill hole collar* o *elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar* o *dip and azimuth of the hole* o *down hole length and interception depth* o *hole length.* • *If the exclusion of this information is justified on the basis that the information is not Material and this exclusion does not detract from the understanding of the report, the Competent Person should clearly explain why this is the case.*	• Assays results are reported only for one hole (JRC001) in this release. Hole details including location and orientation are provided in the text of the release. • Drill collar location and orientation is provided for an additional hole currently in progress (JRC002).
Data aggregation methods	• *In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (eg. cutting of high grades) and cut-off grades are usually Material and should be stated.* • *Where aggregate intercepts incorporate short lengths of high-grade results and longer lengths of low grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail.* • *The assumptions used for any reporting of metal equivalent values should be clearly stated.*	• Significant intercepts are reported using a >1.0% Ni cut off (which correlates with logged sulphide intervals) with a maximum of 2m internal dilution unless stated otherwise in the text of the report. No top cuts were applied. • Where significant Pd+Pt intervals are quoted, a lower cut-off of 0.5g/t Pd was used. • Higher grade intercepts were aggregated on the basis of geology unless stated otherwise in the text of the report. No top cuts were applied. • Metal equivalent values are not

Criteria	JORC Code explanation	Commentary
		reported.
Relationship between mineralisation widths and intercept lengths	• *These relationships are particularly important in the reporting of Exploration Results.* • *If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.* • *If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (eg. 'down hole length, true width not known').*	• All widths quoted are down-hole. The orientation of the mineralisation is unknown due to insufficient drilling. However, JRC001 was oriented to be as close to orthogonal to the modelled MLEM plate as possible.
Diagrams	• *Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported These should include, but not be limited to a plan view of drill hole collar locations and appropriate sectional views.*	• Refer to figures in the body of text.
Balanced reporting	• *Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results.*	• All significant intercepts have been reported.
Other substantive exploration data	• *Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples – size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances.*	• Not Applicable.
Further work	• *The nature and scale of planned further work (eg. tests for lateral extensions or depth extensions or large-scale step-out drilling).* • *Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.*	• RC drilling will continue to test the initial three high-priority conductors. Further drilling along strike and down dip may occur at these and other targets depending on results. • Down-hole EM surveying will be carried out within JRC001 to test for off-hole conductors. Subsequent holes will also undergo down-hole EM if required. • Any potential extensions to mineralisation are shown in the figures in the body of the text.