



ASX RELEASE

7 August 2019

**CLARIFICATION OF ANNOUNCEMENT
NICKEL-COPPER SULPHIDE AND GOLD DRILLING BEGINS AT LORRAINE**

Chase Mining Corporation Limited (ASX: CML) wishes to provide a clarification to its announcement released this morning titled "NICKEL-COPPER SULPHIDE AND GOLD DRILLING BEGINS AT LORRAINE".

The announcement did not reference previous announcements containing the exploration results included within the presentation. References to previous announcements have now been included at Figures 1 to 4.

In accordance with the Listing Rules, this information has now been included in the announcement that follows.

- ENDS -

Suzanne Yeates
Company Secretary



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NICKEL-COPPER SULPHIDE AND GOLD DRILLING BEGINS AT LORRAINE

Highlights

- Diamond drill rig has mobilised to site to commence the **planned 7-hole programme to drill 5 Priority 1 massive sulphide targets and explore the gold potential reported at the Lorraine Mine** as part of the **initial budgeted 2,500m NQ size core programme**;
 - The first hole planned will target both the **Ni-Cu-PGE-Co and Gold** potential of the historic Lorraine Nickel-Copper mine;
 - The high-grade Gold potential at Lorraine Mine is becoming increasingly more prospective as historic data being processed unfolds and the first 350m deep hole will add to the present database;
 - The hole will test a 2004 Downhole EM (DHEM) anomaly, interpreted to be a **strike extension to the mined Ni-Cu-PGE-Co massive sulphide lens**;
 - The hole will then be extended into the 'mine footwall' to test for **high-grade gold** associated with quartz-chalcopyrite veins mapped and sampled on the 6-Level (300m depth) of the mine, which averaged **42g/t Au and 3.19% Cu over 28m** and another assaying **13g/t Au and 3.16% Cu over 10m**;
 - Drilling will then target the **Priority 1 VTEM anomalies** commencing with hole **CM-19-06** at the Lorraine mine site with constant updates as the drill rig moves on; and,
 - Executive Chairman and CEO Dr Leon Pretorius will be on site for portions of the programme.
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Advanced Nickel-Copper-PGE focused explorer Chase Mining Corporation Limited ("CML" or "The Company") is pleased to announce that Chibougamau Diamond Drilling Ltd (CDD) has today mobilised a drill rig to site (**Figure 6**) to commence the Lorraine Project diamond drill programme within the next two days. CDD is the Company that completed the Alotta drilling programme late last year and the CML looks forward to working with them again. The 7-hole programme totals 1,445m (Table 1) plus a planned contingency of 1,055m (for 2,500m in total) should visual results warrant additional holes prior to receipt of the assays.

It was originally planned that The Anishinabeg of Kakinwawigak (The Long Point First Nation) would provide a field crew to cut the access trails to the drill sites (ASX 22 July 2019). Unfortunately, they were unable to meet the drilling schedule due to other commitments. Access to the drill sites will now be undertaken by CDD as they did at Alotta last year. In order to expedite the start-up of drilling, the first two holes are scheduled for the easily accessible Lorraine Mine locality instead of drilling the VTEM anomalies in the preferred order from VTEM Priority 1 onwards.



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Lorraine Mine Site Drilling

Following notification that The Anishinabeg of Kakinawwigak (The Long Point First Nation) due to other commitments did not have a field crew available to cut the drill site access trails as arranged, the Company's consultants Orix Geoscience then arranged with the drilling company (CDD) to provide a crew and equipment to undertake the site access clearing. In order to commence drilling on schedule it was decided to start at the Lorraine mine site as it requires minimal clearing.

The first hole to be drilled will be **CM-19-07** with a primary target of testing for Ni-Cu massive sulphide mineralisation at 270m downhole associated with an off-hole EM (DHEM) anomaly generated in 2004 by surveying Hole L-01 immediately east of the 5-Level mined area. The DHEM plate sits **above** reported high-grade gold veins sampled on the 6-Level (300m VD) in the 1960's. Hole CM-19-07 will be drilled to **350m downhole** with a view to testing for possible up-dip extensions to the high-grade gold veins described below (**Figures 2, 3 and 4**):

*Two significant gold drive intercepts comprised a 20 to 30cm wide quartz-chalcopyrite vein averaging **42g/t Au, 38g/t Ag and 3.19% Cu over 28m** and a quartz-chalcopyrite vein on the 601W drift assaying **13g/t Au, 21g/t Ag and 3.16% Cu over 10m** (**Figures 2-4**)*

*An underground drill hole on the 601S XC south of the shaft is reported to have intersected **1m at 48g/t Au** below the Level. The exact location of the underground reported sampling relative to the 'drifts' is not known at this time but should be close to the locations shown.*

Sampling of quartz vein material from the waste dumps in 2000 returned values of 1.3 to 13.8g/t Au.

The Lorraine property is within the Belleterre Greenstone Belt (BAGB) that hosts the Belleterre gold mine 20km to the east (**Figure 5**). The Belleterre mine produced **2.17Mt of ore for 735,000oz of gold at an average recovered grade of 10.73g/t Au** (1936 to 1959)*.

*MERN Quebec Ministere de l'Energie et des Ressources naturelles

Hole CM-19-07 will not directly target the historic 6-Level gold sampling but will test the stratigraphic contact horizon and up dip potential.

Hole **CM-19-06** will target CML's modelled VTEM plate centred 50m ENE of the shaft. The main Lorraine mined lens outcropped as a malachite stained sulphide zone. The (shallow) eastern strike extension of the Lorraine pit has not been drilled. The depth to the top of the VTEM plate is ~60m and the anomaly may represent a separate massive sulphide lens east of the shaft.

Drilling from the deepest drives of the mine **confirmed Nickel-Copper mineralisation to 620m depths.**

Diamond Drill Programme

The location of the planned drilling is shown in **Figure 1**. The Lorraine mine site drilling is shown in **Figures 2 to 4**. Information on the VTEM targets and drilling programme have previously been announced (ASX 16 May 2019, 17 July 2019 and 22 July 2019). The Company will provide an update on the main **VTEM** drill programme (**Targets 1 – 4 in Table 1**) prior to that part of the drill programme commencing.

The planned Lorraine drill programme comprises **7-holes for 1,445m** as per in **Table 1**. Drill hole locations are shown in **Figure 1**. The Company has budgeted for a total of 2,500m for this programme with additional drilling as warranted based on results.

Detail information on the **Priority 1 VTEM Targets** has previously been given in ASX announcements on 16 May, 17 July and 22 July 2019. An update will be released when the rig moves to Targets 1 – 4.

Table 1: Lorraine Planned Drilling

Target	Hole ID	Easting (mE)	Northing (mN)	Azi	Dip	Depth
1	CM-19-01	660856	5244090	350	-60	120
2	CM-19-02	659294	5243751	19	-51	275
3	CM-19-03	658682	5244138	348	-52	110
3	CM-19-04	658806	5244238	154	-45	120
4	CM-19-05	655500	5242900	355	-63	350
5-VTEM	CM-19-06	655773	5247066	329	-56	120
5-DHEM and gold	CM-19-07	655796	5246914	332	-61	350
Total						1,445m

Coordinates NAD83 UTM Zone 17N. Azimuth (Azi) True North

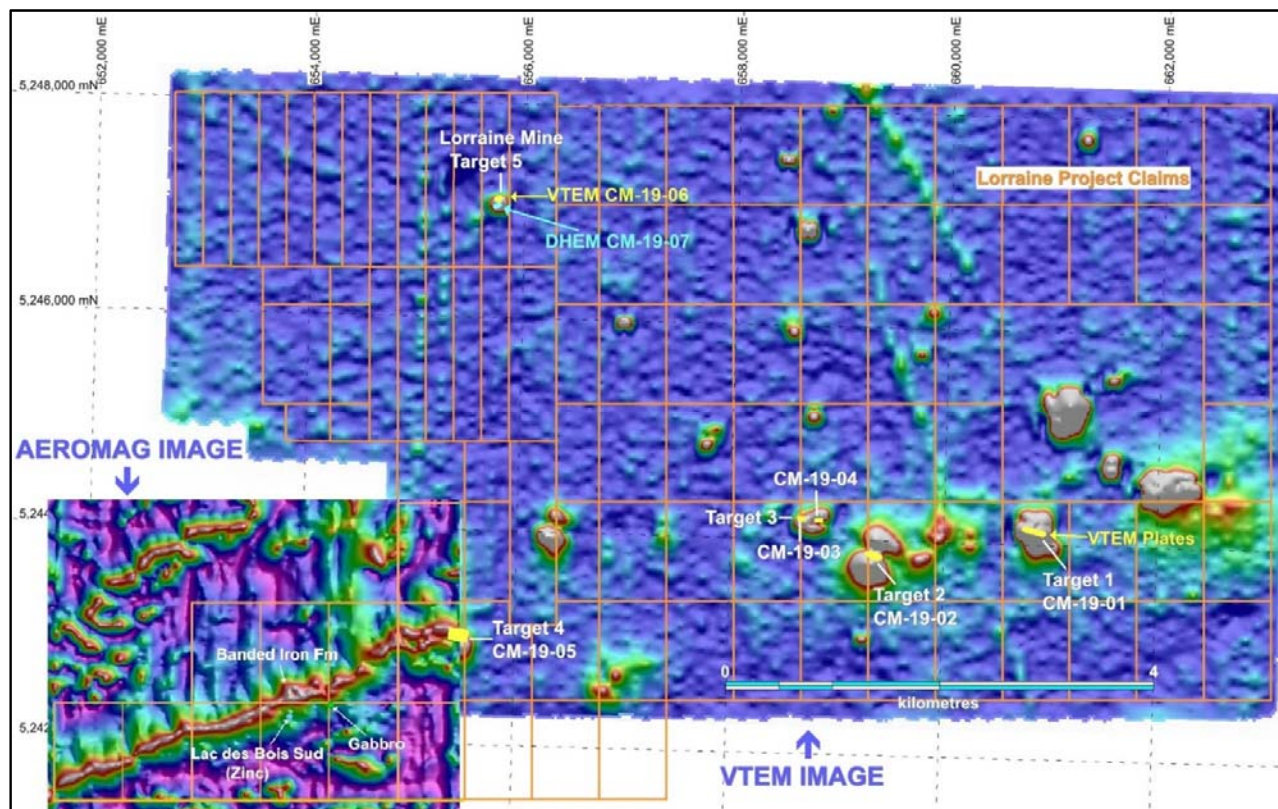


Figure 1: Lorraine Project – Drill Hole Locality Plan and VTEM Targets
(also refer ASX 16 May (incl. JORC Table), 22 July and 26 July 2019)



Figure 2: Lorraine Mine Site – Planned Drilling and Gold Potential
(also refer ASX 9 January and 26 July 2019)



**Hole L-01 transects the section ~20m ESE of the shaft position. The DHEM anomaly is an off-hole conductor.*

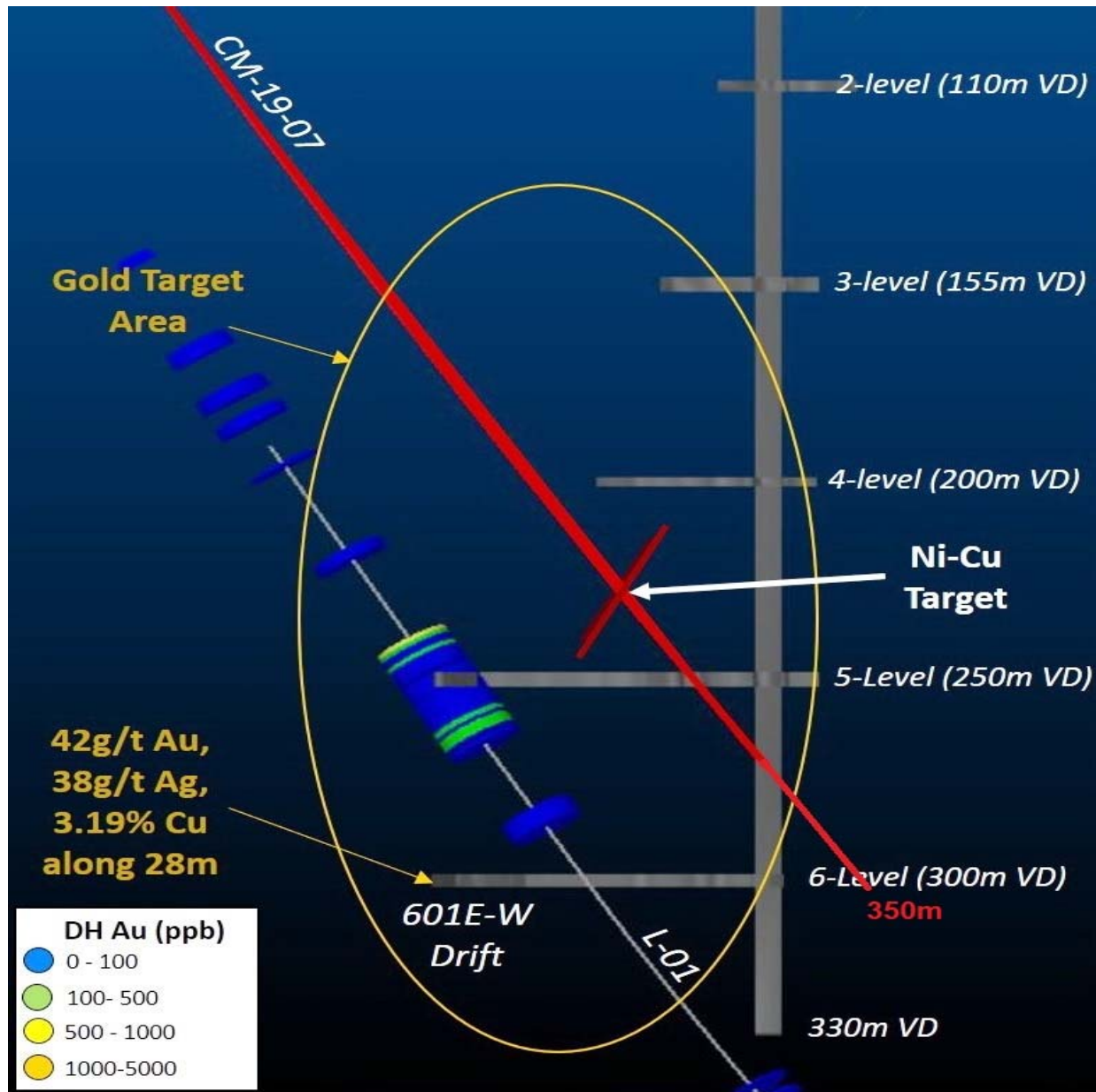


Figure 4: Lorraine Mine – Vertical Section (looking WNW)
(also refer ASX 26 July 2019)

Gold Compilation - Lorraine -Project

Orix Geoscience has been tasked with collating the 'historic gold information' (**Gold Study**) contained within the extensive Lorraine database they have compiled and digitised on the Company's behalf. The majority of information cited to date comes from follow-up of the historic nickel programmes. The Gold Study is currently on hold pending completion of the current drill programme.

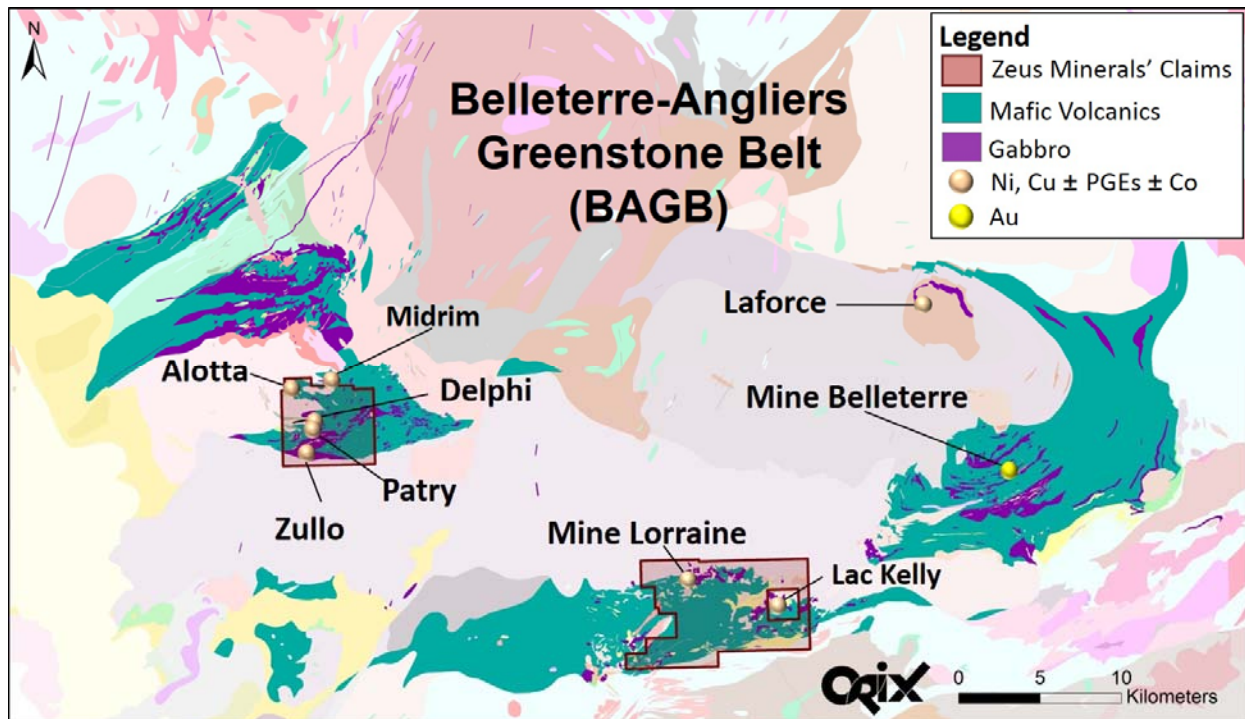


Figure 5: Regional Geology - Belleterre-Angliers Greenstone Belt



Figure 6: Drilling Rig and equipment being offloaded at Lorraine Mine Site.

For, and on behalf of, the Board of Directors of Chase Mining Corporation Limited:
Dr Leon Pretorius
Executive Chairman
Chase Mining Corporation Limited
7 August 2019

Direct any enquiries to: Martin Kavanagh on 0419 429 974 or Leon Pretorius on 0419 702 616.

Competent Person Statement

The information in this report that relates to Exploration Activities is based on information evaluated by Dr Leon Pretorius who is a Fellow of The Australasian Institute of Mining and Metallurgy (FAusIMM) and who has sufficient experience relevant to the activity which he is undertaking to qualify as a Competent Person as defined in the 2012 Edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (the "JORC Code"). Dr Pretorius is the Executive Chairman of Chase Mining Corporation Limited and he consents to the inclusion in the report of the information in the form and context in which it appears. Dr Pretorius holds shares in Chase Mining Corporation Limited.

Information in this ASX announcement that relates to Exploration Activities is based on information compiled by Mr Martin Kavanagh. Mr Kavanagh is a Non-Executive Director of Chase Mining Corporation Limited and is a Fellow of the Australasian Institute of Mining and Metallurgy (FAusIMM), a Member of the Australian Institute of Geoscientists (MAIG) and a Member of the Canadian Institute of Mining, Metallurgy and Petroleum (CIM). Mr Kavanagh has sufficient experience, which is relevant to the style of mineralisation and type of deposit under consideration, and to the activities, which he is undertaking. This qualifies Mr Kavanagh as a "Competent Person" as defined in the 2012 edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (JORC Code 2012). Mr Kavanagh consents to the inclusion of information in this announcement in the form and context in which it appears. Mr Kavanagh holds shares in Chase Mining Corporation Limited.