



23 October 2019

QUARTERLY ACTIVITIES REPORT

For the 3 months ending 30 September 2019

ACTIVITIES and HIGHLIGHTS

(Including Post Quarter events as noted).

Quebec

The September quarter included drilling seven diamond drill holes at the Lorraine Project for 1,473m to test recent VTEM and other anomalies, plus deepening an existing hole at Alotta by 198m. Downhole EM (DHEM) surveys of all eight diamond drill holes was subsequently undertaken. The data was processed in conjunction with the geological core logging and chemical assays to generate targets in both the Lorraine and Alotta Project areas for drill testing from mid-October 2019. Progress ASX releases are listed below and appear on the Company's website.

- Southern Geoscience Consultants (SGC) was commissioned to undertake an independent peer review of the VTEM data interpretation of the five Priority 1 targets / plate models ahead of the first drill programme. Targets 1, 2 and 4 showed little difference between the two consultants' interpretations. The SGC review of Target 3 delineated two smaller conductive plates versus a more continuous, but lower conductance plate by Core Geophysics (ASX Announcement 17 July 2019);
- Access agreement received and Endorsement Certificate signed by The Anishinabeg of Kakinwawigak (The Long Point First Nation) for access to the exploration areas under their Indigenous Title and Rights for drilling; Drilling contract signed with Chibougamau Diamond Drilling Ltd for the Lorraine Project drill programme with mobilisation to site on 6th August 2019; Drill collars surveyed in for Targets 1 - 4 and for two holes to test both the Target 5 VTEM plate and historic DHEM plate at the Lorraine Mine site (ASX Announcement 22 July 2019);
- Company Directors (Leon Pretorius and Charles Thomas) undertook an investor and broker roadshow commencing in Perth 26 July, followed by Melbourne on the 29th and Sydney on the 30th (ASX Announcement 26 July 2019);
- The diamond drill rig was mobilised to site on 7 August and drilling the planned 7-hole Lorraine Project drill programme to test 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 commenced on 8 August (ASX Announcements 7 and 8 August 2019);
- Southern Geoscience Consultants (SGC) completed additional plate modelling of the Alotta massive sulphide Priority 1 VTEM anomaly and the Company assessed the 2018 drilling and selected Hole ZA-18-01 as suitable for deepening to test for mineralisation at depth and to undertake a downhole EM (DHEM) survey (ASX Announcement 8 August 2019);
- Additional ASX Announcement updates on the drilling programme were released on 8, 12 and 30 August and 3 September 2019; and,
- Upon completion of the drilling Geophysique TMC was contracted to undertake the downhole EM (DHEM) surveys of the eight diamond drill holes in the Lorraine and Alotta Project areas. The TMC team were onsite on Wednesday 11 September (Quebec time) and completed the surveys on 22 September (ASX announcement 24 September 2019).



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Torrington (NSW) and Topfibre – UNSW ARC Research Project.

Research during the period was focused on the following:

- **Topic 1.** Fabrication of α -alumina templates;
- **Topic 2.** Growth of thick mullite fibres; and,
- **Topic 3.** Fabrication and infiltration of mullite preforms.

The results are included in the ASX announcement of 22 October 2019, but in summary:

Topic 1 – The α - Al_2O_3 platelets were thickened successfully. However, the stacked arrays did not cover the entire surface, leaving the thinner α - Al_2O_3 platelets exposed. A third layer of even thicker α - Al_2O_3 platelets ~150% thicker than the first layer, also formed, probably as a secondary precipitation event.

Topic 2 – While the potential to thicken the fibres to diameters greater than the limitation of 3 μm for respirable fibres was confirmed, a wide range of diameters still is being produced. The successful thickening of the α - Al_2O_3 platelets appears to be a key aspect of this ability, although the presence of the layer of thinner α - Al_2O_3 platelets as above probably contributed to the range of sizes produced.

Topic 3 – Although its porosity was increased successfully large-scale wetting and penetration of the mullite fibres was not observed. However, isolated regions of wetting and penetration by $\text{Al}_{82}\text{Si}_{18}$ were observed, demonstrating that, in agreement with published reports, wetting and penetration are possible.

The principal reason for the poor wetting and penetration was that the alloy was too viscous owing to insufficient temperature and time, possibly insufficient porosity, and overly refractory Al-Si alloy composition.

All topics and potential patenting will be further investigated in the December Quarter.

The Background Paper for the Torrington Topaz and Tungsten Project was lodged with the NSW Department of Planning and Environment on 25 September 2019. This is a precursor to finalising the MLA and EIS process.

CAPITAL STRUCTURE AND CASH POSITION

The Company's summarised capital structure at 30 September 2019 is as follows:

Issued fully paid ordinary shares: 206,961,921

Performance rights (unlisted): 13,500,000

Cash at Bank: \$2,061,000

Shareholders and potential investors should also review the Company's 2019 Annual Report and audited Financial Report for the year ending 30 June 2019 to fully appreciate the Company's financial position.

Cash balances are placed on short-term deposit and are monitored on a month to month basis in order to ensure funds are available for drilling and associated field-based activities for the coming quarter.

MINERAL TENEMENT INFORMATION

Refer to Annexure A for details of all mining tenements held.

For, and on behalf of, the Board of Directors of Chase Mining Corporation Limited,

Dr Leon Pretorius

Executive Chairman

23 October 2019

For technical enquiries contact:

Leon Pretorius on 0419 702 616 or Martin Kavanagh on 0419 429 974

For corporate or finance enquiries contact:

Charles Thomas on 0402 058 770

COMPETENT PERSON STATEMENTS

Information in this ASX announcement that relates to Exploration Results 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 Chase Mining Corporation Limited.

The information in this document that relates to exploration results and activities for the Torrington Project has been compiled by Dr Leon Pretorius. Dr Pretorius is the Executive Chairman of Chase Mining Corporation Limited and is a Fellow of the Australasian Institute of Mining and Metallurgy (FAusIMM) (CP) and a Member of the Australian Institute of Geoscientists (MAIG). He 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 Dr Pretorius 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). Dr Pretorius consents to the inclusion of information in this report in the form and context in which it appears.

The activities and information in this document that relate to the R&D programme are being conducted at the UNSW in collaboration with Dr Leon Pretorius as member of the R&D team. Dr Pretorius has sufficient experience which is relevant to the Torrington Project and to the Topaz Research activities being undertaken to act as a competent person. Dr Pretorius consents to the inclusion of the matters listed in this report based on the information in the form and context in which it appears. Dr Pretorius holds shares in Chase Mining Corporation Limited.

ANNEXURE A

MINERAL TENEMENT INFORMATION

Project	Tenement. No.	% Interest	Location
AUSTRALIA			
Torrington 1	EL 8258	100%	New South Wales
Torrington 2	EL 8355	100%	New South Wales
CANADA			
Alotta-Delphi-Zullo	CDC 1131092	100%	Quebec, Canada
Alotta-Delphi-Zullo	CDC 1131093	100%	Quebec, Canada
Alotta-Delphi-Zullo	CDC 1131094	100%	Quebec, Canada
Alotta-Delphi-Zullo	CDC 1131116	100%	Quebec, Canada
Alotta-Delphi-Zullo	CDC 1131117	100%	Quebec, Canada
Alotta-Delphi-Zullo	CDC 1131118	100%	Quebec, Canada
Alotta-Delphi-Zullo	CDC 1131119	100%	Quebec, Canada
Alotta-Delphi-Zullo	CDC 1131120	100%	Quebec, Canada
Alotta-Delphi-Zullo	CDC 1131127	100%	Quebec, Canada
Alotta-Delphi-Zullo	CDC 1131128	100%	Quebec, Canada
Alotta-Delphi-Zullo	CDC 1131129	100%	Quebec, Canada
Alotta-Delphi-Zullo	CDC 1131130	100%	Quebec, Canada
Alotta-Delphi-Zullo	CDC 1131131	100%	Quebec, Canada
Alotta-Delphi-Zullo	CDC 1131132	100%	Quebec, Canada
Alotta-Delphi-Zullo	CDC 1131133	100%	Quebec, Canada
Alotta-Delphi-Zullo	CDC 2462712	100%	Quebec, Canada
Alotta-Delphi-Zullo	CDC 2462713	100%	Quebec, Canada
Alotta-Delphi-Zullo	CDC 2466858	100%	Quebec, Canada
Laverlochere	CDC 2386035	100%	Quebec, Canada
Laverlochere	CDC 2386230	100%	Quebec, Canada
Laverlochere	CDC 2386231	100%	Quebec, Canada
Laverlochere	CDC 2386235	100%	Quebec, Canada
Laverlochere	CDC 2386236	100%	Quebec, Canada
Laverlochere	CDC 2386237	100%	Quebec, Canada
Laverlochere	CDC 2395185	100%	Quebec, Canada
Laverlochere	CDC 2436790	100%	Quebec, Canada
Laverlochere	CDC 2436791	100%	Quebec, Canada
Laverlochere	CDC 2436792	100%	Quebec, Canada
Laverlochere	CDC 2436793	100%	Quebec, Canada
Laverlochere	CDC 2436794	100%	Quebec, Canada
Laverlochere	CDC 2436998	100%	Quebec, Canada
Laverlochere	CDC 2439379	100%	Quebec, Canada
Laverlochere	CDC 2439380	100%	Quebec, Canada
Laverlochere	CDC 2439381	100%	Quebec, Canada
Laverlochere	CDC 2441677	100%	Quebec, Canada

Project	Tenement. No.	% Interest	Location
Laverlochere	CDC 2447594	100%	Quebec, Canada
Laverlochere	CDC 2447595	100%	Quebec, Canada
Lorraine	CDC 2497739	100%	Quebec, Canada
Lorraine	CDC 2497740	100%	Quebec, Canada
Lorraine	CDC 2497741	100%	Quebec, Canada
Lorraine	CDC 2497742	100%	Quebec, Canada
Lorraine	CDC 2497743	100%	Quebec, Canada
Lorraine	CDC 2497744	100%	Quebec, Canada
Lorraine	CDC 2497745	100%	Quebec, Canada
Lorraine	CDC 2502524	100%	Quebec, Canada
Lorraine	CDC 2502525	100%	Quebec, Canada
Lorraine	CDC 2502526	100%	Quebec, Canada
Lorraine	CDC 2502527	100%	Quebec, Canada
Lorraine	CDC 2502528	100%	Quebec, Canada
Lorraine	CDC 2502529	100%	Quebec, Canada
Lorraine	CDC 2391074	100%	Quebec, Canada
Lorraine	CDC 2391075	100%	Quebec, Canada
Lorraine	CDC 2395341	100%	Quebec, Canada
Lorraine	CDC 2395342	100%	Quebec, Canada
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Lorraine	CDC 2395356	100%	Quebec, Canada
Lorraine	CDC 2395357	100%	Quebec, Canada
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Lorraine	CDC 2401160	100%	Quebec, Canada
Lorraine	CDC 2402022	100%	Quebec, Canada
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Lorraine	CDC 2402024	100%	Quebec, Canada
Lorraine	CDC 2402025	100%	Quebec, Canada
Lorraine	CDC 2402026	100%	Quebec, Canada
Lorraine	CDC 2406736	100%	Quebec, Canada
Lorraine	CDC 2321353	100%	Quebec, Canada
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Lorraine	CDC 2460442	100%	Quebec, Canada
Lorraine	CDC 2460443	100%	Quebec, Canada
Lorraine	CDC 2460444	100%	Quebec, Canada
Lorraine	CDC 2411844	100%	Quebec, Canada
Lorraine	CDC 2363761	100%	Quebec, Canada
Lorraine	CDC 2415020	100%	Quebec, Canada

Project	Tenement. No.	% Interest	Location
Lorraine	CDC 2415021	100%	Quebec, Canada
Lorraine	CDC 2415022	100%	Quebec, Canada
Lorraine	CDC 2415023	100%	Quebec, Canada
Lorraine	CDC 2415024	100%	Quebec, Canada
Lorraine	CDC 2415025	100%	Quebec, Canada
Lorraine	CDC 2415026	100%	Quebec, Canada
Lorraine	CDC 2415027	100%	Quebec, Canada
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Lorraine	CDC 2467148	100%	Quebec, Canada
Lorraine	CDC 2415238	100%	Quebec, Canada
Lorraine	CDC 2415239	100%	Quebec, Canada
Lorraine	CDC 2415240	100%	Quebec, Canada
Lorraine	CDC 2415241	100%	Quebec, Canada
Lorraine	CDC 2415242	100%	Quebec, Canada

Project	Tenement. No.	% Interest	Location
Lorraine	CDC 2415242	100%	Quebec, Canada
Lorraine	CDC 2415243	100%	Quebec, Canada
Lorraine	CDC 2415244	100%	Quebec, Canada
Lorraine	CDC 2415245	100%	Quebec, Canada
Lorraine	CDC 2415246	100%	Quebec, Canada
Lorraine	CDC 2415247	100%	Quebec, Canada
Lorraine	CDC 2369438	100%	Quebec, Canada
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Lorraine	CDC 2369440	100%	Quebec, Canada
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Lorraine	CDC 2540454	100%	Quebec, Canada
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Lorraine	CDC 2540456	100%	Quebec, Canada
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Bambino	CDC 2499512	100%	Quebec, Canada
Bambino	CDC 2499513	100%	Quebec, Canada
Bambino	CDC 2499514	100%	Quebec, Canada
Bambino	CDC 2499515	100%	Quebec, Canada
Bambino	CDC 2499516	100%	Quebec, Canada

Project	Tenement. No.	% Interest	Location
Bambino	CDC 2499517	100%	Quebec, Canada
Bambino	CDC 2499518	100%	Quebec, Canada
Bambino	CDC 2499519	100%	Quebec, Canada
Bambino	CDC 2499520	100%	Quebec, Canada
Bambino	CDC 2499521	100%	Quebec, Canada
Bambino	CDC 2499522	100%	Quebec, Canada
Bambino	CDC 2505010	100%	Quebec, Canada
Bambino	CDC 2540452	100%	Quebec, Canada
Bambino	CDC 2540453	100%	Quebec, Canada
Bambino	CDC 2540454	100%	Quebec, Canada
Bambino	CDC 2540455	100%	Quebec, Canada
Bambino	CDC 2540456	100%	Quebec, Canada
Bambino	CDC 2540457	100%	Quebec, Canada