



ASX RELEASE

1 July 2020

LORRAINE MINE GOLD DRILLING PROGRAMME HAS COMMENCED

Summary

- Diamond drilling of hole **CM-20-01** targeting gold mineralisation between 310 and 340m downhole commenced today;
 - The initial 4-hole drilling programme will target the high-grade channel sampled intervals on the 6-Level - 601W drift, namely:
 - **28m at 45.24g/t Au, 41g/t Ag and 3.19% Cu; and,**
 - **9.4m at 14.12g/t Au, 22g/t Ag and 3.16% Cu**
 - Underground hole 6-U-76 intersected **1m at 53.47g/t Au and 12g/t Ag** approximately **12m below the 6-Level 28m channel sample** above.
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Chase Mining Corporation Limited ("CML" or "The Company") is pleased to announce that the Lorraine Mine Gold Project diamond drill programme targeting the gold (plus copper and silver) mineralisation reported from historic sampling and limited drilling associated with the 6-Level development of the Lorraine Nickel Mine in Southwestern Quebec (ASX Announcement 9 June 2020) commenced today.

Lorraine Mine Gold Potential Evaluation Programme

Stope development at the mine was put on hold during 1966 due to a drop in metal prices and the Levels 3 and 4 ore becoming poor in nickel and richer in copper. Development work did however continue on Levels 5 and 6 to provide drill access to the ESE plunging Ni-Cu ore zone. Gold mineralisation was reported in the 5 and 6-Level drift development during this time. Only gold assay data from the 6 Level is currently available to the Company as highlighted below and shown in **Figures 2 to 5**.

Orix Geoscience Canada (Orix) in conjunction with the Company completed a compilation of all the historic Lorraine Mine gold data (1964 – 1968) and digitisation of associated drilling. This resulted in the accurate location of the high-grade gold mineralisation in channel sampled intervals on the 6-Level 601W drift, at ~300m Vertical Depth (ASX Announcements 21 January, 2 March and 9 June 2020). The gold mineralisation and associated chalcopyrite (Cu) is in an intense shear / breccia zone developed in the structural footwall to the mined Cu-Ni massive sulphide lens and gabbro body **Figure 4**.



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Figure 1: Hole CM-20-01 - Rig set-up on drill pad as per Figure 5 locality

The reported mineralisation being follow-up on the 6-Level is:

- **28m at 45.24g/t Au, 41g/t Ag and 3.19% Cu;** and,
- **9.4m at 14.12g/t Au, 22g/t Ag and 3.16% Cu.**

In addition, the collar location of underground hole U-6-76 which returned an intersection of **1m at 53.47g/t Au and 12g/t Ag** was confirmed on the 601 S crosscut. Importantly it places the intersection approximately 12m below the 28m channel sample as shown in **Figures 2, 3 and 4.**

Table 1: Planned Drill Hole Locations (all 4 holes drilled from same pad - **Figure 5**)

Hole ID	Easting (mE)	Northing (mN)	Elevation (CGVD)*	Azimuth	Dip	Planned Depth (m)
PLN-CM-20-01	655839	5246820	301	327°	-53°	370
PLN-CM-20-02	655839	5246820	301	327°	-58°	410
PLN-CM-20-03	655839	5246820	301	319°	-57.5°	410
PLN-CM-20-04	655839	5246820	301	319°	-53.5°	380
					Total	1,570m

Coordinates NAD83 UTM Zone 17N. Azimuth True North. *Canadian Height Datum (m).

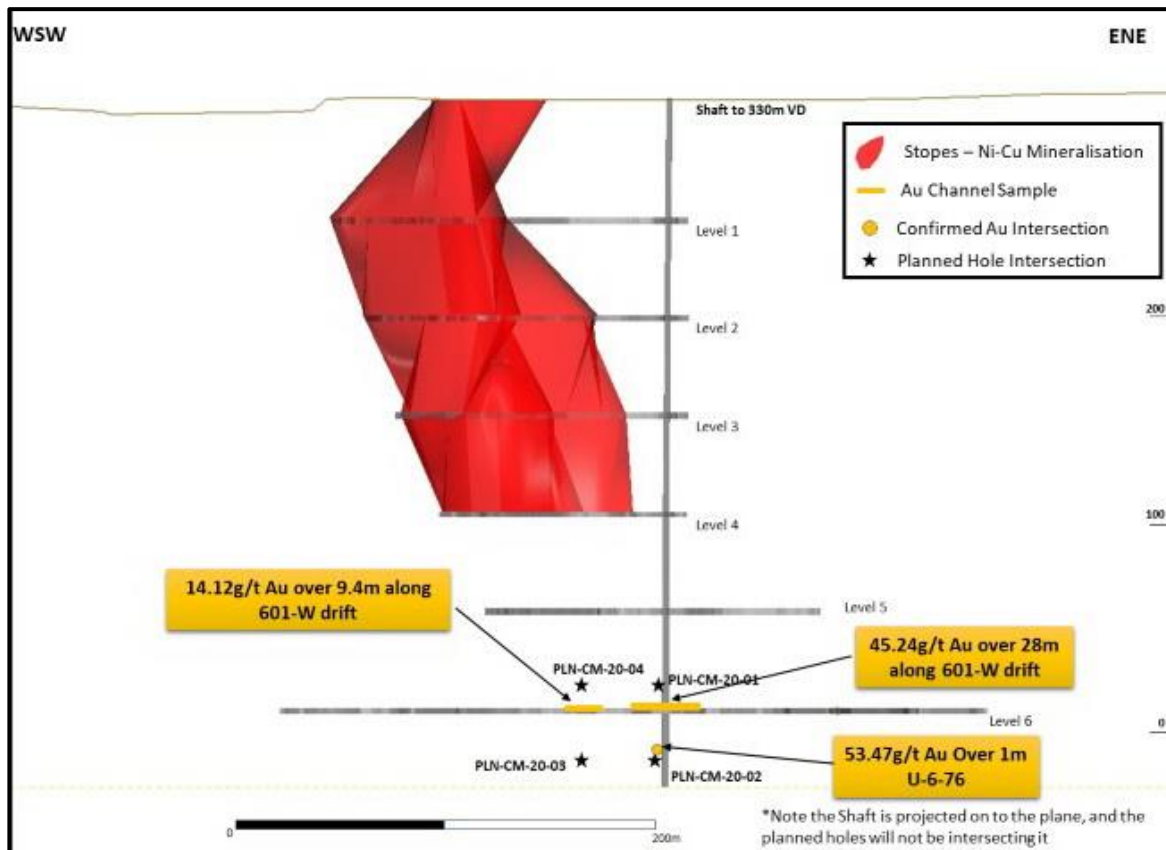


Figure 2: Lorraine Mine long-section showing large (600,000t) stoped to surface void above the 4-Level - with the shaft and development drifts with gold mineralisation on the 6-Level shown. Planned targeted vein drillhole intercepts shown by black 'stars'.

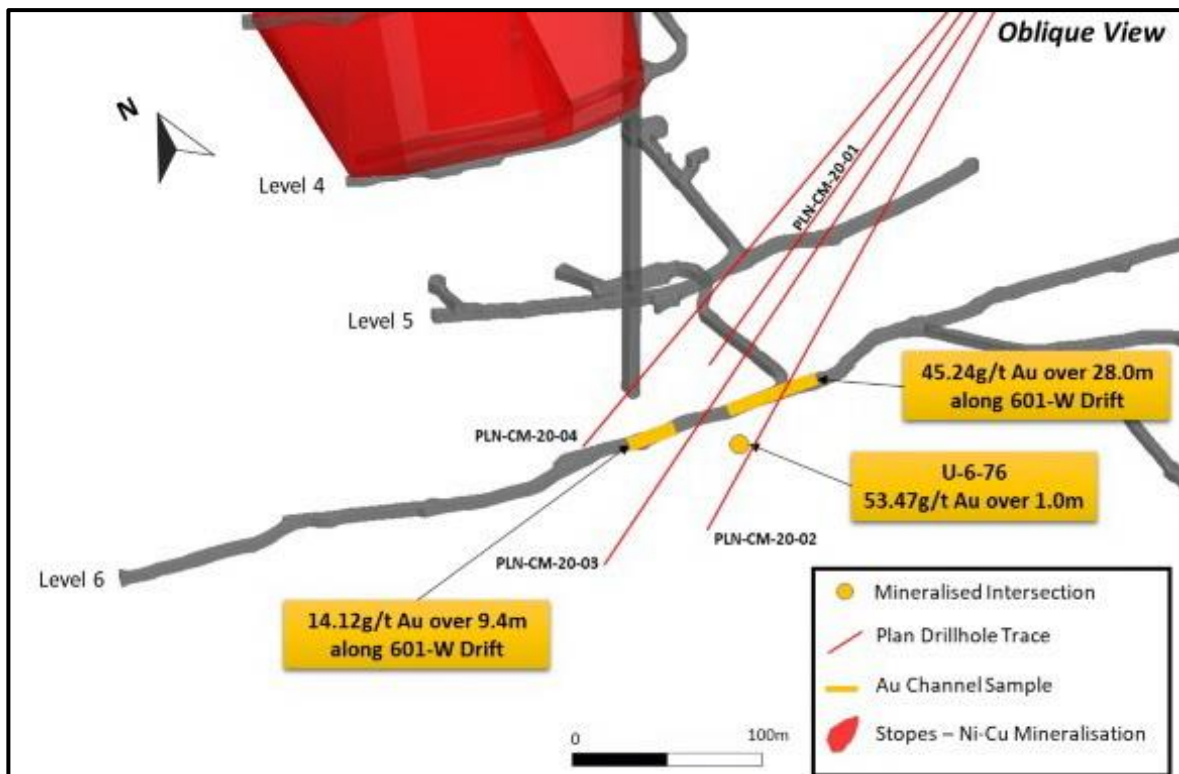


Figure 3 : Lorraine Mine 6-Level (300m VD) oblique view of Figure 3 showing the location of gold assay values from channel sampling on the 6-Level drives and in underground hole U-6-76 drilled from the 601S crosscut ~12m below the 601 W drift (also see Figure 4).

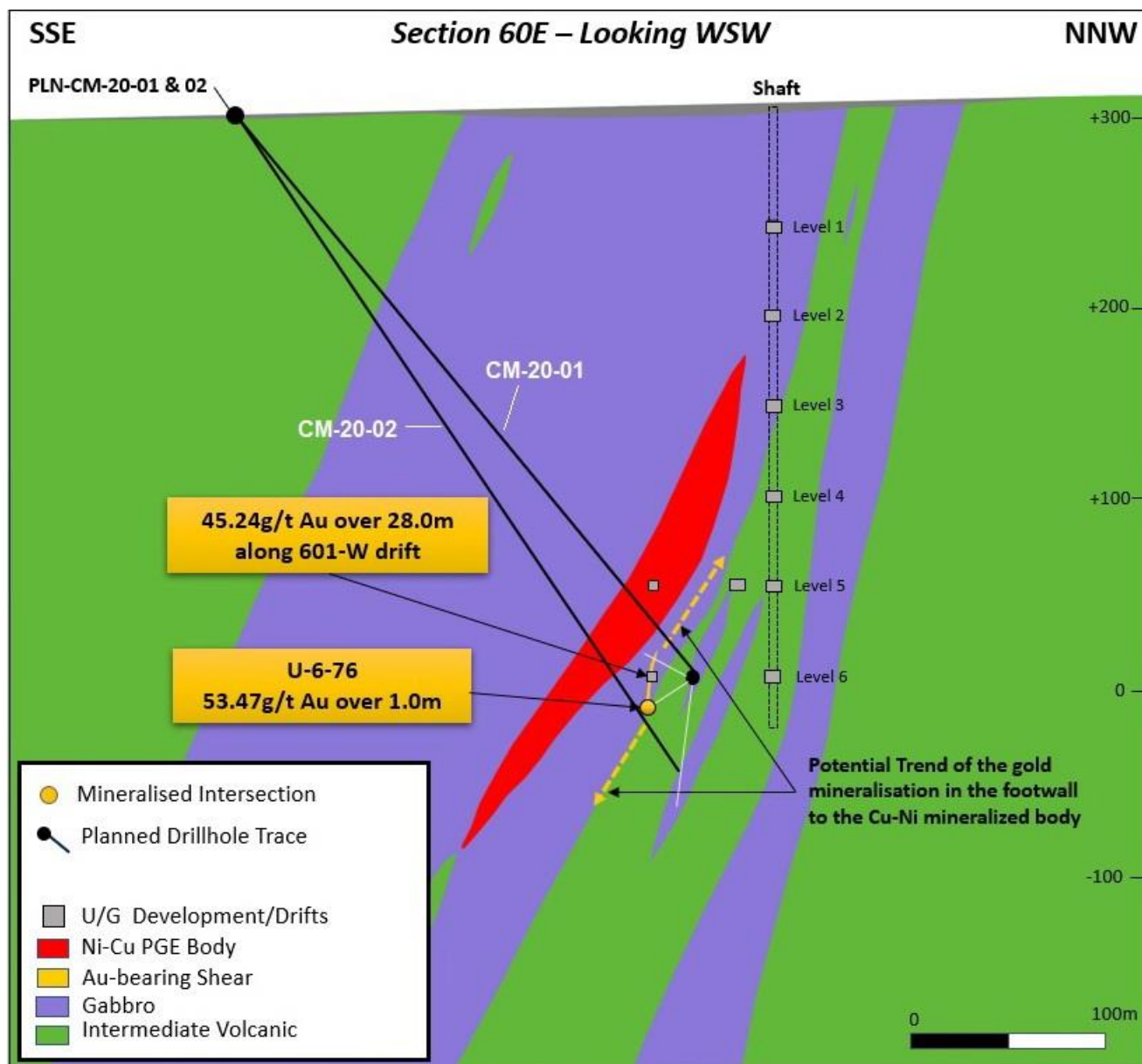


Figure 4: Planned Drilling – Mine Section 60E showing the shaft and level development, importantly the location of underground hole U-6-76 is shown with the 1m at 53.47g/t Au high-grade intercept at ~12m below the 6-Level drift.

Planned Drill Programme

From the data compilation and interpretation, there appears to be excellent potential to develop a gold mineralised system within the footwall of the Cu-Ni massive sulphide lens (**Figure 4**). This will be tested by the initial 4-hole programme discussed above. The pierce points of holes CM-20-01 and 02 (**Figures 3 and 4**) are designed to test the reported historic high-grade channel sampling and drill results above and below the 601W drift. **Holes CM-20-03 and 04** will be drilled from the same drill pad at an azimuth 8° west of section 60E and will approximate intersections on mine section 20E at depth (40m west of 60E section). All holes will be drilled ~30m beyond target depth.

Success will enable the Company to expand its evaluation of the modelled contact zone which will remain open in most directions after completion of the four holes.

Subject to positive results, the Company intends to expand the current drill programme outlined above at the Lorraine Gold Project.

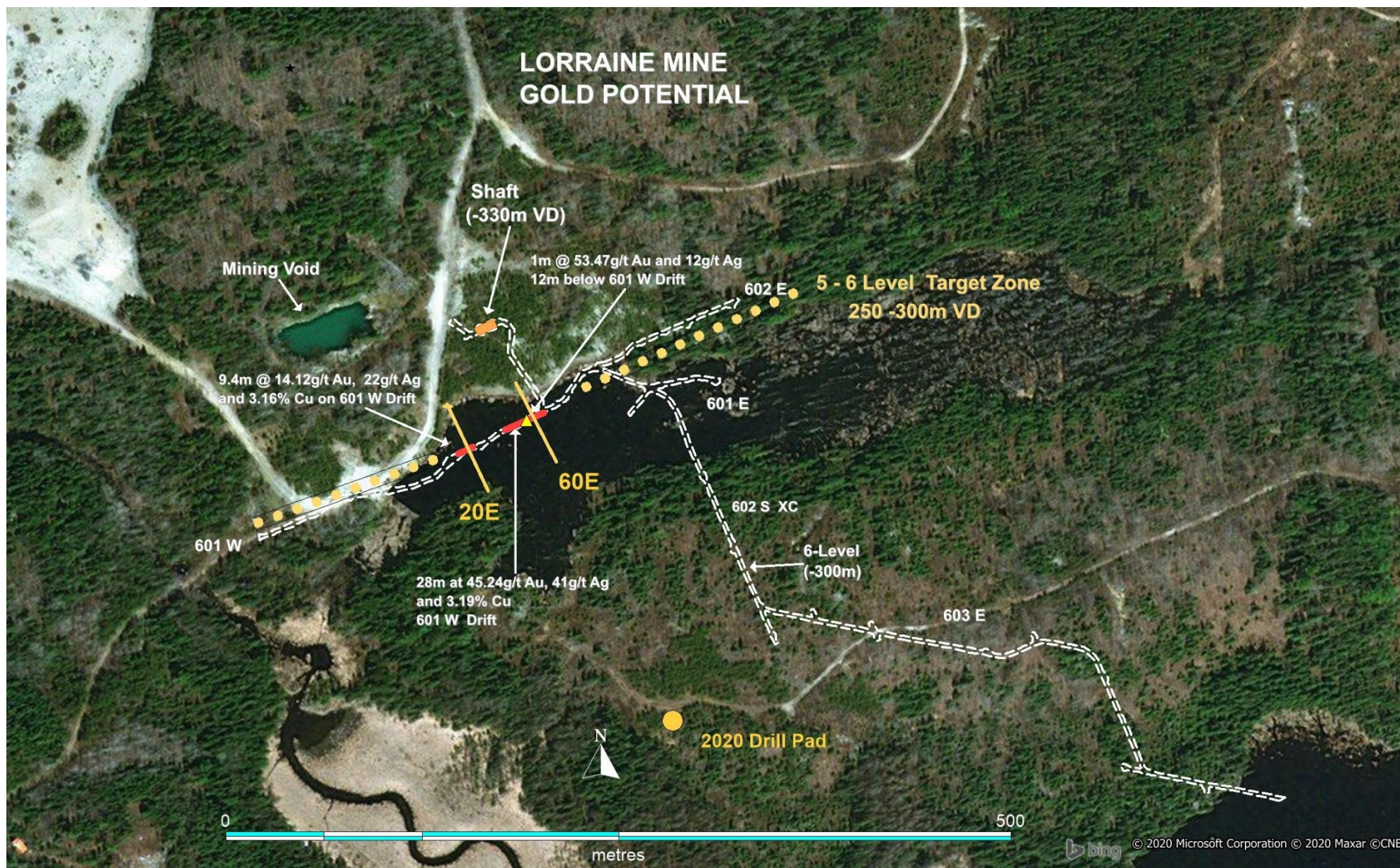


Figure 5: Lorraine Mine Site – Surface Plan with 6-Level Gold Sampling. Target Mine Sections 20E and 60E also shown.

This announcement has been authorised for release to the ASX by the Disclosure Committee, on behalf of the Board.

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

Dr Leon Pretorius
Executive Chairman
Chase Mining Corporation Limited

1 July 2020

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

Competent Person Statements*

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 (JORC Code 2012). 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.

*The Orix personnel (professional geologists) who are compiling and reviewing information from the Company's Lorraine database are being supervised by Chase Mining Corporation Ltd Directors Dr Leon Pretorius and Martin Kavanagh, the above-named Competent Persons.

APPENDIX 2

JORC Code, 2012 Edition – Table 1 report template

1 July 2020

Section 1 Sampling Techniques and Data

(Criteria in this section apply to all succeeding sections.)

Criteria	JORC Code explanation	Commentary
Sampling techniques	<ul style="list-style-type: none">• <i>Nature and quality of sampling (e.g. 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.</i>• <i>Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.</i>• <i>Aspects of the determination of mineralisation that are Material to the Public Report.</i>• <i>In cases where 'industry standard' work has been done this would be relatively simple (e.g. 'reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30g 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 (e.g. submarine nodules) may warrant disclosure of detailed information.</i>	<ul style="list-style-type: none">• No visual or assay results from the 2020 drill programme are being reported in this ASX announcement.• This ASX relates to the reporting of historic (1960s) data from the then operating Lorraine Nickel Mine.• Information relating to the Lorraine Projects exploration history was sourced from company reports lodged with the Quebec Mines Department (MERN -Ministère de l'Énergie et des Ressources naturelles) and compiled by ORIX Geoscience the Company's consultant geologists• All of the assessment work has been carried under the supervision of the Company's Competent Persons namely, Directors Dr Leon Pretorius and Martin Kavanagh.
Drilling techniques	<ul style="list-style-type: none">• <i>Drill type (e.g. core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc) and details (e.g. 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).</i>	<ul style="list-style-type: none">• No Drilling, not applicable.
Drill sample recovery	<ul style="list-style-type: none">• <i>Method of recording and assessing core and chip sample recoveries and results assessed.</i>• <i>Measures taken to maximise sample recovery and ensure representative nature of the samples.</i>• <i>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.</i>	<ul style="list-style-type: none">• No Drilling, not applicable.
Logging	<ul style="list-style-type: none">• <i>Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate</i>	<ul style="list-style-type: none">• No Drilling, not applicable.

Criteria	JORC Code explanation	Commentary
	<p><i>Mineral Resource estimation, mining studies and metallurgical studies.</i></p> <ul style="list-style-type: none"> • <i>Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography.</i> • <i>The total length and percentage of the relevant intersections logged.</i> 	
Sub-sampling techniques and sample preparation	<ul style="list-style-type: none"> • <i>If core, whether cut or sawn and whether quarter, half or all core taken.</i> • <i>If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry.</i> • <i>For all sample types, the nature, quality, and appropriateness of the sample preparation technique.</i> • <i>Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.</i> • <i>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.</i> • <i>Whether sample sizes are appropriate to the grain size of the material being sampled.</i> 	<ul style="list-style-type: none"> • No Drilling, not applicable.
Quality of assay data and laboratory tests	<ul style="list-style-type: none"> • <i>The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.</i> • <i>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.</i> • <i>Nature of quality control procedures adopted (e.g. standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (i.e. lack of bias) and precision have been established.</i> 	<ul style="list-style-type: none"> • No Drilling, not applicable.
Verification of sampling and assaying	<ul style="list-style-type: none"> • <i>The verification of significant intersections by either independent or alternative company personnel.</i> • <i>The use of twinned holes.</i> • <i>Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.</i> • <i>Discuss any adjustment to assay data.</i> 	<ul style="list-style-type: none"> • No Drilling, not applicable.

Criteria	JORC Code explanation	Commentary
<i>Location of data points</i>	<ul style="list-style-type: none"> • <i>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.</i> • <i>Specification of the grid system used.</i> • <i>Quality and adequacy of topographic control.</i> 	<ul style="list-style-type: none"> • The historic mine grid and all hole collars have been tied into UTM NAD83 Zone 17 (Northern Hemisphere) • The VD shown in Figure 4 are based on the Canadian Height Datum (CGVD) • Figures 1 to 5 of this ASX show the location of the underground gold channel sampling and drilling relative to a reconstructed mine grid system which has also been tied into the local UTM grid
<i>Data spacing and distribution</i>	<ul style="list-style-type: none"> • <i>Data spacing for reporting of Exploration Results.</i> • <i>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.</i> • <i>Whether sample compositing has been applied.</i> 	<ul style="list-style-type: none"> • Not Applicable – no resource estimates
<i>Orientation of data in relation to geological structure</i>	<ul style="list-style-type: none"> • <i>Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.</i> • <i>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.</i> 	<ul style="list-style-type: none"> • Not Applicable
<i>Sample security</i>	<ul style="list-style-type: none"> • <i>The measures taken to ensure sample security.</i> 	<ul style="list-style-type: none"> • Not Applicable
<i>Audits or reviews</i>	<ul style="list-style-type: none"> • <i>The results of any audits or reviews of sampling techniques and data.</i> 	<ul style="list-style-type: none"> • Not Applicable

Section 2 Reporting of Exploration Results

(Criteria listed in the preceding section also apply to this section.)

Criteria	JORC Code explanation	Commentary
<i>Mineral tenement and land tenure status</i>	<ul style="list-style-type: none"> <i>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.</i> <i>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.</i> 	<ul style="list-style-type: none"> The Company holds 100% of the Project tenements in the name of its wholly owned subsidiary Zeus Olympus Sub Corp. The Mining Claims are in good standing and no known impediments exist
<i>Exploration done by other parties</i>	<ul style="list-style-type: none"> <i>Acknowledgment and appraisal of exploration by other parties.</i> 	<ul style="list-style-type: none"> Information relating to the Lorraine Projects exploration history was sourced from company reports lodged with the Quebec Mines Department (MERN -Ministère de l'Énergie et des Ressources naturelles) and compiled by ORIX Geoscience the Company's consultant geologists.
<i>Geology</i>	<ul style="list-style-type: none"> <i>Deposit type, geological setting and style of mineralisation.</i> 	<ul style="list-style-type: none"> The Company is focused on the exploration for Ni-Cu-Co-PGM mineralised gabbro bodies which intrude a sequence of mafic volcanic and felsic volcanoclastic sedimentary rocks in the Belleterre-Angliers Greenstone Belt. The BAGB contains a number of gold deposits Gold mineralisation at the Lorraine Mine occurs as shear zone hosted quartz-pyrite-chalcopyrite veins footwall to Lorraine Ni-Cu-PGE massive sulphide body The Company's website and listed ASX Announcements contain numerous references to the 'Bonanza Grade Gold Mineralisation' at the Lorraine Mine and of the Company's intension to drill the gold mineralised zone ASX Announcements; 10 September 2018, 9 January 2019, 7 August 2019, 15 October 2019, 9 December 2019 and 21 January 2020.
<i>Drill hole Information</i>	<ul style="list-style-type: none"> <i>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:</i> <ul style="list-style-type: none"> <i>easting and northing of the drill hole collar</i> 	<ul style="list-style-type: none"> Only one underground drill hole is referenced in this ASX announcement namely U-6-76. The collar location is posted on the mine level plans The hole geology and assays results are taken from a Lorraine

Criteria	JORC Code explanation	Commentary
	<ul style="list-style-type: none"> ○ elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar ○ dip and azimuth of the hole ○ down hole length and interception depth ○ 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. 	<p>Mining Company Diamond Drill Log.</p> <ul style="list-style-type: none"> ● Information on the 601 W channel sampling was taken from various historic reports.
Data aggregation methods	<ul style="list-style-type: none"> ● In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (e.g. 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. 	<ul style="list-style-type: none"> ● The historic data contains no information on the OAQC of the 1960s gold sampling and assaying ● The Company has reported factual data from the 1960s and as such emphasises that modern QAQC procedures and related checks and balances are not available in regard the historic database information
Relationship between mineralisation widths and intercept lengths	<ul style="list-style-type: none"> ● 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 (e.g. 'down hole length, true width not known'). 	<ul style="list-style-type: none"> ● Gold mineralisation at Lorraine Mine is interpreted to be hosted in steeply dipping SSE shear zone footwall to the Ni-Cu massive sulphide body ● Refer to Figure 4 in body of text. ● The intersection is reported as a down hole lengths
Diagrams	<ul style="list-style-type: none"> ● 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. 	<ul style="list-style-type: none"> ● Figures 1 to 5 of this ASX show the location of the underground gold channel sampling and drilling relative to a reconstructed mine grid system which has also been tied into the local UTM grid
Balanced reporting	<ul style="list-style-type: none"> ● 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. 	<ul style="list-style-type: none"> ● The Company has reported factual data from the 1960s and as such emphasises that modern QAQC procedures and related checks and balances are not available in regard the historic database information
Other substantive	<ul style="list-style-type: none"> ● 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, 	<ul style="list-style-type: none"> ● The Company's website (www.chasemining.com.au) details historical exploration, geology and mineralisation and geophysical survey data tabled in the form of ASX announcements for the Canadian projects.

Criteria	JORC Code explanation	Commentary
<i>exploration data</i>	<i>groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances.</i>	
<i>Further work</i>	<ul style="list-style-type: none"> <i>The nature and scale of planned further work (e.g. tests for lateral extensions or depth extensions or large-scale step-out drilling).</i> <i>Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.</i> 	<ul style="list-style-type: none"> Upon completion of the Lorraine Gold Project SOW, Orix will commence the Alotta SOW as detailed in the ASX Announcement of 21 January 2020. The current intension is to drill 4 or 5 holes at Alotta set to start for the week of 18 May 2020 subject to weather and access constraints and then to move to Lorraine