



ASX RELEASE

21 July 2022

## EXPLORATION FAST TRACKED AT HIGH PURITY WA GRAPHITE PROJECT

***Chase Mining Corporation Ltd (“ASX: CML”) is delighted to provide an update on key activities to progress the McIntosh Graphite Project since the conditional acquisition of Green Critical Minerals (“GCM”) was announced on 15<sup>th</sup> June 2022.***

Following CML’s announcement on 15th June 2022 of its conditional agreement to acquire Green Critical Minerals Pty Ltd (GCM) which holds earn-in rights for up to 80% of the advanced ultra-high purity McIntosh Graphite Project, CML provides an update on recent activities to progress exploration efforts.

### **Advancing the Project**

- GCM has proceeded to move the McIntosh Graphite project forward, having put in place all the necessary requirements to begin the drill program as soon as the acquisition is finalised in September, with a maiden exploration drill programme planned in September at the high priority Marlin prospect.
- The Marlin prospect is the largest exploration target on the tenement package, having a Mineral Exploration Target\* of 30-60Mt at 2-5% total graphite content which is multiples larger than the Company’s flagship Emperor deposit (16Mt at 4.3% for total contained graphite of 683Kt).  
\*Cautionary Statement: The potential quantity and grade of the Exploration Targets is conceptual in nature, there has been insufficient exploration work to estimate a mineral resource and it is uncertain if further exploration will result in defining a mineral resource as determined by JORC 2012 guidelines
- Importantly, despite having large flake frequently observed in outcropping samples, the Marlin prospect was not drill tested by previous proponents as Native Title agreements were not in place.
- These Native Title agreements were received in June of 2019, some nine (9) months after the last drill program was completed at the McIntosh project (for any mineral).
- GCM views Marlin as a potentially large and exciting walk-up target, which has the potential to add significant development tons to the existing resource.
- The Reverse Circulation (RC) drilling over a 3-week program at Marlin is designed to confirm its resource size, total graphite content and seek insights into flake sizing. If these prove to be promising a follow up diamond drilling programme will be prioritised.
- GCM continues to work closely with its partner in the project Hexagon Energy Materials Limited (ASX: HXG). By sharing resources and equipment both companies enjoy significant logistics synergies and cost savings.



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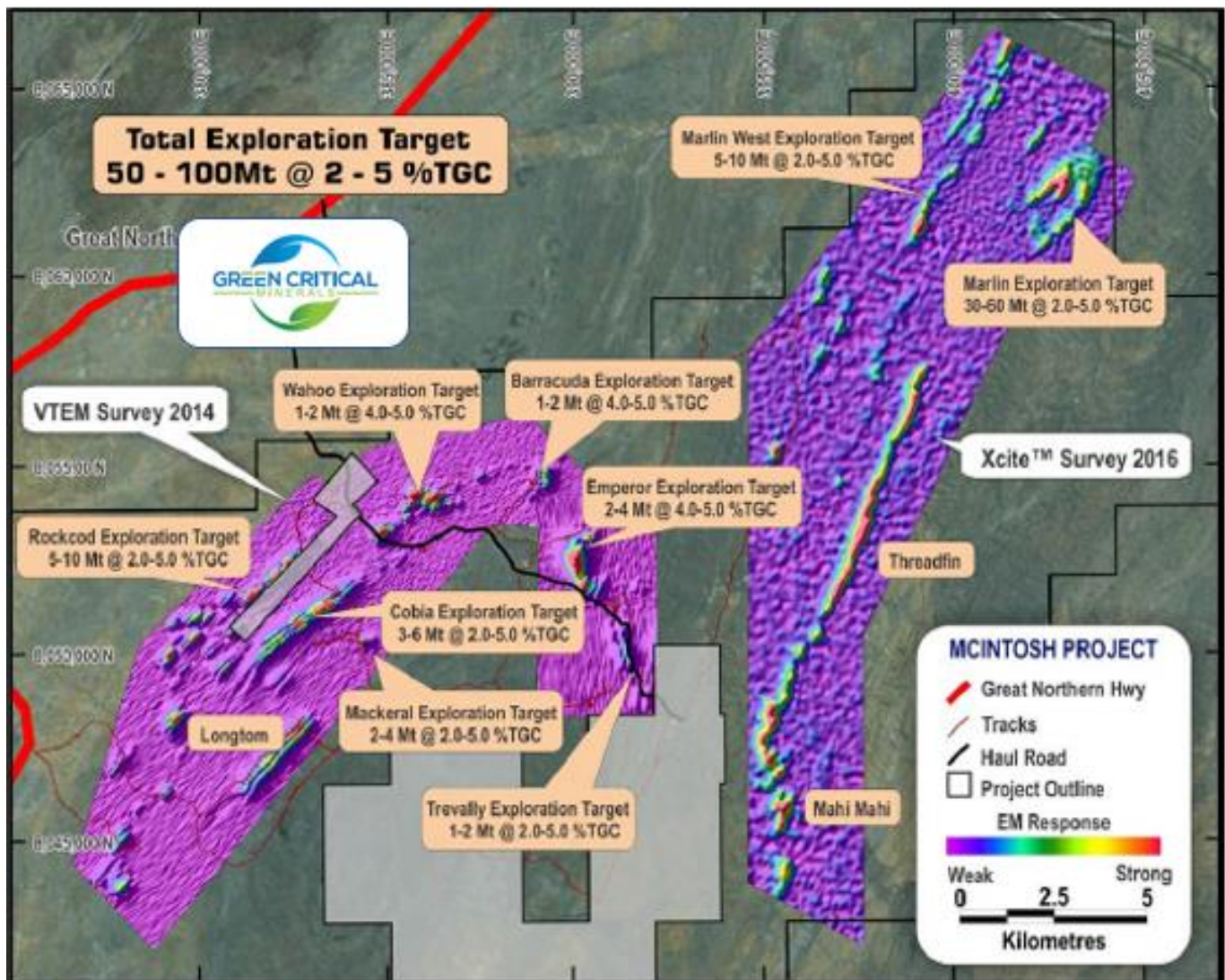
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- CML has agreed to provide pre-funding of \$150,000 to GCM in order to fast track the Marlin drill programme. This pre-funding will allow GCM to hit the ground running prior to approval of the acquisition.
- If the acquisition of GCM is not approved by CML shareholders these pre-funds will be refunded in full to CML.
- In further positive news Hexagon Energy Materials has confirmed that it will support the acquisition of GCM by CML on the proviso that all the rights and responsibilities under the earn-in agreement transfer to CML accordingly.



**Figure 1 – Location Map of McIntosh Graphite Project Exploration Targets**

### **Next Steps**

Following execution of the pre-funding agreement GCM immediately engaged MEC Mining to manage its 2022 exploration program. Exploration activities which commenced on the 19<sup>th</sup> of July include:

- Heritage Surveys for both access and drilling activities at both Marlin and Marlin West exploration prospects
- Geological mapping to confirm graphite outcropping at Marlin and Marlin West and assist with planning final drill-hole locations.



- Review and confirmation of aeromagnetic responses to confirm breadth and depth of drilling activities
- Aerial support to plan the safest and most efficient access to the exploration prospect sites.

Exploration drilling which is due to commence in September will focus on the Marlin prospect. Reverse Circulation (RC) drilling over a 3-week program is planned. The program is designed to confirm the resource size and total graphite content at Marlin. It's also anticipated that insights into flake sizing will be demonstrated. If these prove to be promising a follow up diamond drilling program will be prioritised.

### **The Marlin and Marlin West Targets**

The primary focus of the exploration program will be aimed at Marlin and Marlin West, with these prospects having flake graphite at surface with the potential to add significant tonnage to the reported resource. The Marlin target is the largest exploration target on the tenement package, having a Mineral Exploration Target\* of 30-60 Mt which is multiples times larger than the Company's flagship Emperor deposit.

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Figure 2 shows a thin section photomicrograph taken from a surface sample at the Marlin prospect, the graphite demonstrates good flake size which is important for easy liberation during processing and is also highly crystalline, allowing for ultra-high purity concentrates to be produced. The flake graphite is extremely well formed and contains no, to very little interstitial deleterious material, and it is for all these reasons that ultra-high purity flake graphite concentrates of +99%TC can be achieved, using a simple process without the use of acids. Refer to the Company's ASX announcement made 15 June 2022 for further information.

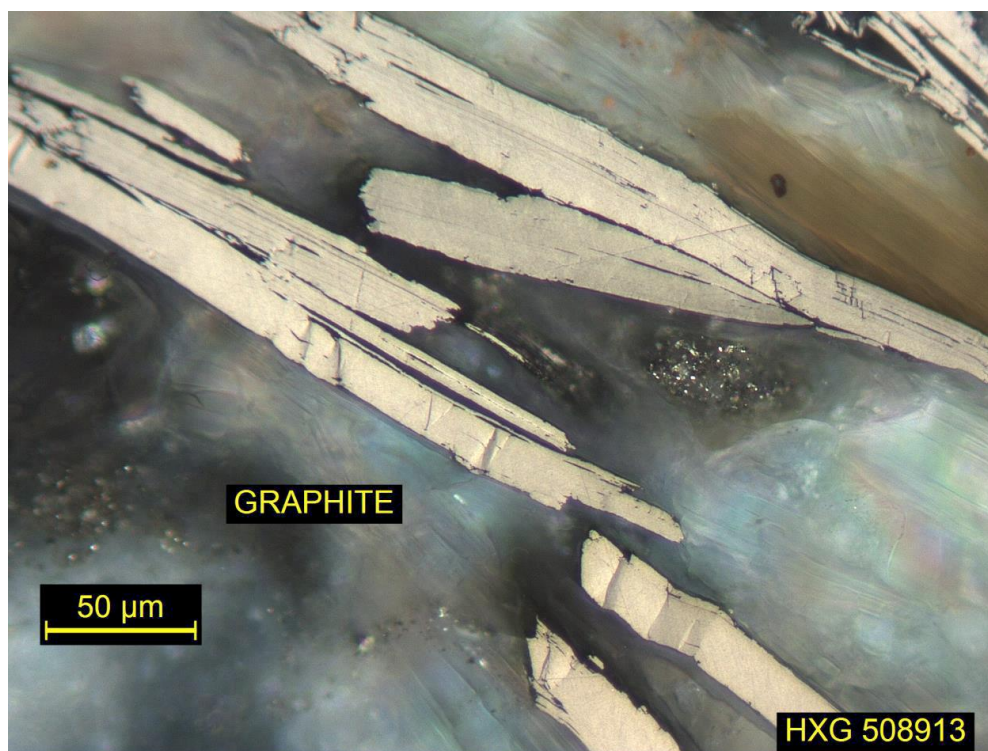


Figure 2: Jumbo flake graphite in thin section from surface rock chip sample at the Marlin prospect

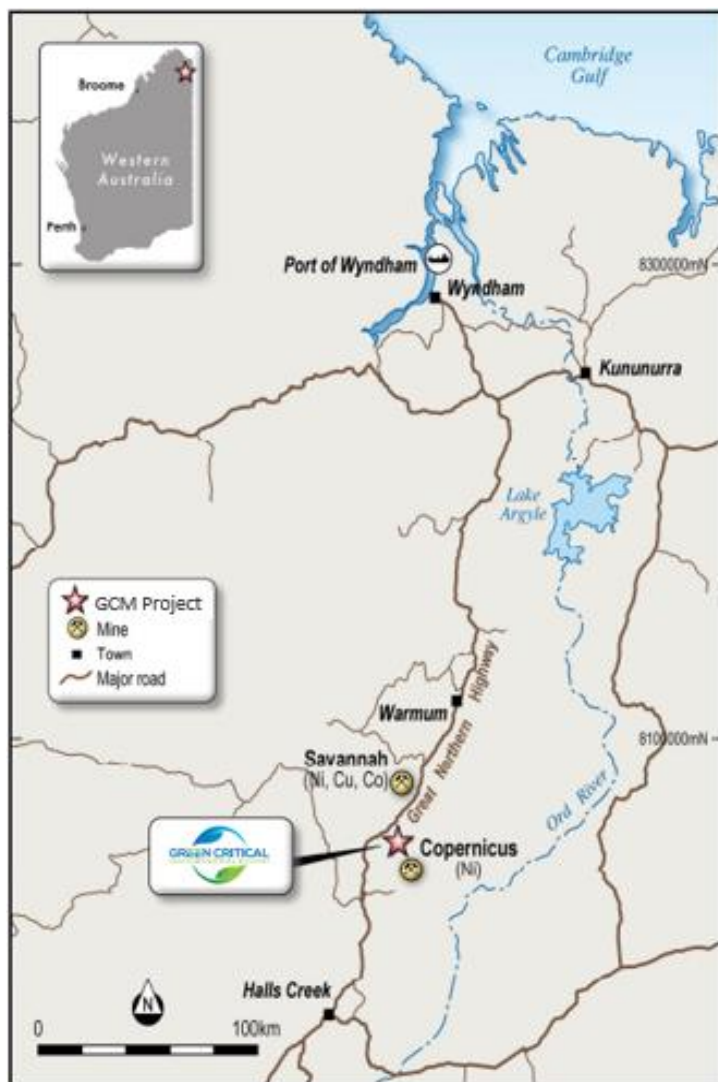
Marlin West was added to the exploration target on the basis of improved geological confidence, including petrological data from surface samples with flakes exceeding 500 microns in length frequently observed.

Importantly, despite having >large flake frequently observed in surface samples these targets have never been drill tested. Prior exploration campaigns were restricted due to native title agreements not being in place. Heritage agreements were received in June of 2019, 9 months after the last drill program at the McIntosh project was completed (for any mineral) in October of 2018. These targets represent exciting walk-up targets to expand on the significant resource.

CML confirms that it is not aware of any new information or data that materially affects the exploration results included in this announcement, and which it first announced to ASX on 15 June 2022.

## **Additional Information**

### **McIntosh Graphite Project Tenure and Location**



The McIntosh Graphite Project comprises sixteen Exploration Licences and one Prospecting Licence located between 40km and 90km north to north-east of the town of Halls Creek in the Kimberley region of Western Australia. Access to the tenements is via the Great Northern Highway north from Halls Creek. The McIntosh project has excellent infrastructure with good access roads and is 12km to Great North Highway.

The project is well positioned to port and key customer groups – Asia, Europe & USA through access to a deep-water port (with surplus capacity) just ~250km by truck to the Port of Wyndham.

The McIntosh project is well situated to supply the rapidly growing demand for Lithium-ion battery end users. Market research highlights a desire by customers to source supply from stable, reputable countries with good environmental practices.

## **Exploration Targets**

HXG announced the following exploration target (see ASX announcement 1 April 2019):

<b>Exploration Target* (Additional to Mineral Resource)</b>			
<b>Prospect</b>	<b>Tonnage Range (Mt)</b>		<b>Grade Range TGC (%)</b>
	<b>Minimum</b>	<b>Maximum</b>	
<b>Emperor</b>	2	4	4.0 – 5.0
<b>Wahoo</b>	1	2	4.0 – 5.0
<b>Barracuda</b>	1	2	4.0 – 5.0
<b>Cobia</b>	3	6	2.0 – 5.0
<b>Marlin</b>	30	60	2.0 – 5.0
<b>Marlin West</b>	5	10	2.0 – 5.0
<b>Rockcod</b>	5	10	2.0 – 5.0
<b>Mackerel</b>	2	4	2.0 – 5.0
<b>Trevally</b>	1	2	2.0 – 5.0
<b>Total</b>	<b>50</b>	<b>100</b>	<b>2.0 – 5.0</b>

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The acquisition of GCM is conditional upon, amongst other things, approval by CML's shareholders for the purposes of Listing Rule 10.1 and section 611 item 7 of the Corporations Act. CML has engaged BDO Corporate Finance to prepare an independent expert's report and expects a notice of meeting (including independent expert's report) to be sent to shareholders within the next 2 to 4 weeks and for the shareholder meeting to be held in early September 2022.

This ASX announcement was authorised for release by the board of Chase Mining Corporation Limited.

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