



ASX RELEASE

31 August 2022

Revised transaction to acquire the High Purity McIntosh Graphite Project Endorsed by the CML Board

Chase Mining Corporation Limited (ASX: CML) announces that it has agreed to vary the terms under which CML has agreed to purchase Green Critical Minerals Pty Ltd (GCM) which holds earn-in rights for up to 80% of the advanced ultra-high purity McIntosh Graphite Project (see CML's announcement on 15 June 2022).

Located in Halls Creek, Western Australia, McIntosh Graphite Project is believed to be the third largest ASX listed graphite project in Australia. It contains a combined JORC 2012 Mineral Resource estimate total of 23.8 million tonnes at 4.45% total contained graphite, of which 81% is classified in the higher confidence indicated category (see below for details of the individual categories), with over 40,000m of graphite targeted drilling on the project to date and extensive metallurgical test work completed. CML confirms that all material assumptions and technical parameters underpinning the estimates announced to ASX on 15 June 2022 continue to apply and have not materially changed, and that CML is not aware of any new information or data that materially affects the resources included in this announcement.

McIntosh graphite is a unique, graphite project with extremely low impurities and exceptional "low cost and high yield" downstream processing attributes with the potential to produce high quality graphite products into a diverse range of premium end-use markets.

Under the varied terms CML will issue the following securities to purchase all of GCM's issued shares:

1. 245,872,849 ordinary shares.
2. 122,936,424 options, each to be issued one CML ordinary shares at an exercise price of \$0.022 and expiring 3 years from issue.
3. 245,872,849 performance rights which vest to ordinary shares as follows (with no change to the performance milestones):
 - a. 81,957,616 performance rights convert to ordinary shares upon CML announcing a JORC 2012 defined Resource of no less than a total of 30,000,000 tonnes from the Tenements using a cut off grade of 3% TGC.



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- b. 81,957,616 performance rights convert to ordinary shares upon CML announcing a JORC 2012 defined Resource of no less than a total of 40,000,000 tonnes from the Tenements using a cut off grade of 3% TGC.
- c. 81,957,616 performance rights convert to ordinary shares upon CML announcing a JORC 2012 reserve of no less than 1,000,000 tonnes of TGC from the Tenements.

The issue of the above securities is subject to shareholder approval and will each be subject to 12 months escrow, as required by the Listing Rules.

The conditions to the acquisition have not changed, including obtaining the required shareholder approvals.

In conjunction with and conditional upon completion of the acquisition, CML will also raise up to approximately \$4m through:

1. A non-renounceable rights issue of 11 new ordinary shares for every 20 ordinary shares held at an issue price of \$0.012, with 1 new option (exercise price \$0.022, expiring 3 years from issue) for every 2 new share issued.
2. Subject to shareholder approval and depending on the extent of take up under the rights issue, a placement of up to 83,333,333 new ordinary shares at an issue price of \$0.012, with 1 new option (exercise price \$0.022) expiring 3 years from issue) for every 2 new share issued.

CML's directors have committed to taking up their entitlements under the rights issue and CML has received binding commitments from sophisticated investors introduced by GTT Ventures to subscribe for any shortfall under the rights issue. A timetable for the capital raising is attached to this announcement.

Those wishing to participate in the rights issue are urged to buy shares on market prior to the ex date (expected to be 7 September 2022), as eligible shareholders will not be entitled to apply for shortfall in excess of their entitlement under the rights issue.

GTT Ventures will be paid 6% on the amount raised under the rights issue and placement.

The proposed post transaction capital structure, and dilution, following the transaction is as follows (assuming no other securities are issued and the placement is made in full):

	Following completion of acquisition and capital raising		Following exercise of Options		Following satisfaction of performance milestones	
	Shares	%	Shares	%	Shares	%
Existing Shares on issue	468,132,761	44.38	468,132,761	34.72	468,132,761	29.37
Acquisition of GCM	245,872,849	23.31	245,872,849	18.24	245,872,849	15.42
Rights issue	257,473,019	24.41	257,473,019	19.10	257,473,019	16.15
Placement	83,333,333	7.90	83,333,333	6.18	83,333,333	5.23
Options – acquisition of GCM			122,936,425	9.12	122,936,424	7.71
Options – rights issue			128,736,509	9.55	128,736,509	8.08
Options – placement			41,666,667	3.09	41,666,667	2.61
Performance rights					245,872,849	15.42
Total	1,054,811,962	100	1,348,151,562	100	1,594,024,411	100

The independent directors Leon Pretorius and Julian Atkinson will recommend that shareholders approve the transaction and intend to vote their shares in favour of all resolutions to complete the acquisition and placement (absent superior transaction).

Executive Director Leon Pretorius said:

“The McIntosh Graphite project is believed to be one of the most advanced and largest graphite resources in Australia, and its acquisition will complement Chase’s growing rare earth exploration portfolio and has the potential to transform CML.

GCM will, once under CML’s control, focus its efforts on building an Australian mine to market Graphite business, one that provides an attractive offering to the Battery anode end users with the key features of tracking carbon footprint throughout the supply chain (Traceability) and supply from stable, reputable countries with good environmental practices (Responsible Sourcing) such as Australia.

McIntosh and its significant potential remain unchanged, however the improved deal metrics and ability for all shareholders to participate via a rights issue makes the transaction compelling for all shareholders, and I will be fully supporting it, including through participating in the rights issue”.

The rights issue will be made under a prospectus that will be lodged with ASIC on or about 5 September 2022 and sent to eligible shareholders shortly thereafter. Shareholders should consider the prospectus in deciding whether to acquire securities and will need to complete the application form that will accompany the prospectus. An appendix 3B for the capital raising accompanies this announcement.

See CML's announcements on 15 June 2022, 21 July 2022 and 16 August 2022 for further information on McIntosh and its background on the proposed exploration program at the Marlin prospect contained in the McIntosh Graphite Project. The Project contains a combined JORC2012 mineral resource estimate total of 23.8 million tonnes grading 4.5% Total Graphitic Carbon (TGC), as follows:

The Current Stage 1 - McIntosh Graphite Project Mineral Resource 3.5% TGC cut-off

Deposit	Resource Classification	Tonnes (Mt)	%Total Graphite Content (TGC)	Contained Graphite (kt)
Emperor	Indicated	12.1	4.28	517
	Inferred	3.8	4.35	165
	Total	15.9	4.30	683
Wahoo	Indicated	1.3	3.97	51
	Inferred	0.0	0	0
	Total	1.3	3.97	51
Longtom	Indicated	5.1	4.93	252
	Inferred	0.8	5.25	40
	Total	5.9	4.97	293
Barracuda	Indicated	0.7	4.40	31
	Inferred	0.0	0	0
	Total	0.7	4.40	31
TOTAL	Indicated	19.2	4.44	853
	Inferred	4.6	4.50	205
	Total	23.8	4.45	1,060

The estimate was undertaken by Mineral Resources Ltd (ASX: MIN) and announced by from Hexagon Energy Materials Limited (refer ASX Announcement 1 April 2019).

In undertaking the Mineral Resource estimate, the likelihood of eventual economic extraction was considered in terms of possible open-pit mining, likely product specifications, possible product marketability and potentially favourable logistics to port and it was concluded that the McIntosh Project contains an Industrial Resource in terms of JORC Code 2012 Clause 49. Additional details of the Mineral Resources as per the Listing Rule 5.8 requirements are set out in the Company's ASX announcement on 15 June 2022.

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 that a notice of meeting (including independent expert’s report) to be sent to shareholders shortly, that the shareholder meeting to be held in October 2022, and that completion of the acquisition to occur shortly thereafter.

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

Leon Pretorius	Julian Atkinson	Charles Thomas
Chairman and CEO	Non-Executive Director	Non-Executive Director
leon@chasemining.com.au	julian@atkinsonlaw.com.au	charles@gttventures.com.au

Proposed timetable for the acquisition of Green Critical Minerals and capital raising

Announce varied terms and revised capital raising	31 August 2022
Lodge prospectus with ASIC Announce prospectus to ASX Announce notice of meeting to ASX	5 September 2022 (pre-open)
Rights issue ex date	7 September 2022
Complete mailout of notice of meeting Rights issue record date	8 September 2022
Send prospectus Open offer	13 September 2022
Last day to extend rights issue offer	4 October 2022
Meeting to approve acquisition and placement Close rights issue offer	7 October 2022
Announce results of the rights issue Complete acquisition and issue rights issue and placement shares	14 October 2022
Trading of rights issue and placement shares commences on normal basis	17 October 2022

The above timetable is indicative only and subject to change, subject to the Listing Rules and Corporations. Any changes will be announced to ASX.