chalice

ASX Announcement

7 July 2022

New mineralised zone intersected at Dampier Target

New nickel-copper-PGE sulphide zone intersected in initial drilling at the Dampier Target, ~10km north of the Gonneville Deposit

Highlights

- New visual results received from initial diamond drilling at the greenfield **Dampier Target**, **located ~10km north of the Gonneville Deposit**, at the Julimar Ni-Cu-PGE Project in WA.
- **~15m to 80m wide zone** of disseminated sulphides (avg. 1-3% sulphide), with locally abundant **matrix sulphides** (up to 20-30% sulphide), intersected in ultramafic-mafic intrusive rocks (pyroxenite, lesser gabbro/peridotite) in three **wide-spaced holes** (HD009, 010 & HD013):
  - HD013 has intersected a ~**145m** interval of mostly disseminated sulphides (trace – 3% sulphide) from the base of oxidation (67.6m) to 212.4m, which is extensively cut by narrow (<10m wide) dolerite dykes, including:
    - **4.2m interval** of **heavily disseminated to matrix sulphides** at the base of this broad interval from 208.6m;
    - 5.8m and 6.4m intervals of disseminated to heavily disseminated sulphides from 191.4m and 202.0m;
    - Portable XRF (pXRF) spot measurements **confirm the presence of nickel and copper mineralisation** within these intervals, however it should be cautioned that assays are required to confirm grades and are pending.
  - HD010 intersected a **~50m wide interval** of weakly disseminated sulphides from 456m containing minor zones of matrix sulphides, including:
    - 13.2m @ 0.71g/t Pd+Pt+Au (3E), 0.10% Ni, 0.06% Cu, 0.01% Co from 454.8m.
  - HD009 intersected anomalous Ni-Cu-PGE mineralisation from 306m within a 15m interval of weakly disseminated sulphides (1-2% sulphide) – interpreted to be the outer north-eastern limit of the zone.
- The zone has been intersected across **a strike length of ~350m** and over **~250m of dip extent** and remains **open in all directions** – drilling will continue to test for strike and dip extensions under existing approvals.
- The zone correlates with a **~1,000m long** coincident magnetic high and Ni-Cr in-soil anomaly, and has a very subtle EM response, opening up the possibility of further blind discoveries.
- Down-hole EM (DHEM) in HD009 & 10 has indicated the presence of **off-hole conductors** on both holes which correlate with the heavily disseminated/matrix zone intersected in HD013.
- The results highlight the prospectivity of this untested part of the **>30km long Julimar Intrusive Complex**, with several nearby targets located along strike now prioritised for immediate drilling.
- 13 of 70 planned sites have been drilled at the Hartog-Dampier targets to date, with several high-priority targets still yet to be tested – **four diamond drill rigs are currently operating**.

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Overview

Chalice Mining Limited ("Chalice" or "the Company", ASX: CHN | OTCQB: CGMLF) is pleased to provide an update on exploration activities at its 100%-owned **Julimar Nickel-Copper-Platinum Group Element (PGE) Project**, located ~70km north-east of Perth in Western Australia.

Exploration activities are continuing across the >30km long Julimar Complex, with four diamond drill rigs currently drilling at the Hartog-Dampier Targets and three rigs continuing resource drilling at the Gonneville PGE-Ni-Cu-Co-Au Deposit.

Initial diamond drill testing of the greenfield Dampier Target, located 10km north of Gonneville, has generated exciting early visual results. The current drill hole (HD013) has intersected a 4.2m wide zone of heavily disseminated to matrix (locally semi-massive) sulphides comprising pyrrhotite, chalcopyrite and pentlandite and an up to ~80m wide halo of weakly disseminated sulphides (avg. 1-3% sulphide) within an interlayered sequence of ultramafic to mafic intrusive rocks.

This is the first significant indication of orthomagmatic sulphide mineralisation outside of the Gonneville Deposit itself and is considered an exciting result which demonstrates the highly prospective nature of the Julimar Complex for additional Ni-Cu-PGE discoveries.

Initial geological observations suggest that the package of mineralised pyroxenite and lesser peridotite/gabbro intersected at Dampier has a similar intrusive geology to that intersected at the Gonneville Intrusion, including broad zones of weakly disseminated sulphides (pyrrhotite dominant) and locally developed heavy disseminated to matrix/semi-massive sulphides (Figure 1).

Figure 1. HD013 core specimen photos from matrix sulphide zone (208.6-212.4m).

Assay results for selective intervals of HD010 indicate the presence of PGEs consistent with the weakly disseminated sulphide mineralisation throughout this interval.

A total of 13 diamond drill holes have been completed at the Hartog-Dampier targets to date, with assays pending for five completed holes (HD009-HD013). Assays for the three new holes at Dampier are expected within six weeks.

Chalice's ongoing exploration drilling program in the Julimar State Forest is utilising small footprint diamond drill rigs and does not involve any mechanised clearing of vegetation or excavation. Comprehensive flora, fauna and culture heritage surveys and monitoring are being used according to industry best practice. The low-impact program is strictly governed by a Conservation Management Plan approved by the WA Government in late 2021.

Technical discussion

Three new diamond holes have been drilled at the Dampier Target as an initial test of two discrete, low-conductance MLEM (Moving Loop EM) conductors with coincident Ni-Cr soil anomalism.

The three holes have intersected a package of mineralised ultramafic to mafic intrusive rocks 15-80m wide and containing predominantly weakly disseminated sulphides (1-3% vol) with locally more abundant matrix to semi-massive sulphides (Table 1). This is a similar stratigraphic package to that seen at Gonneville.

The mineralised zone has been intersected across a strike length of ~350m and over 250m of dip extent, and broadly aligns with a ~1,000m long magnetic anomaly with coincident Ni-Cr-in-soil (Figure 2 and Figure 3). The zone remains open in all directions.

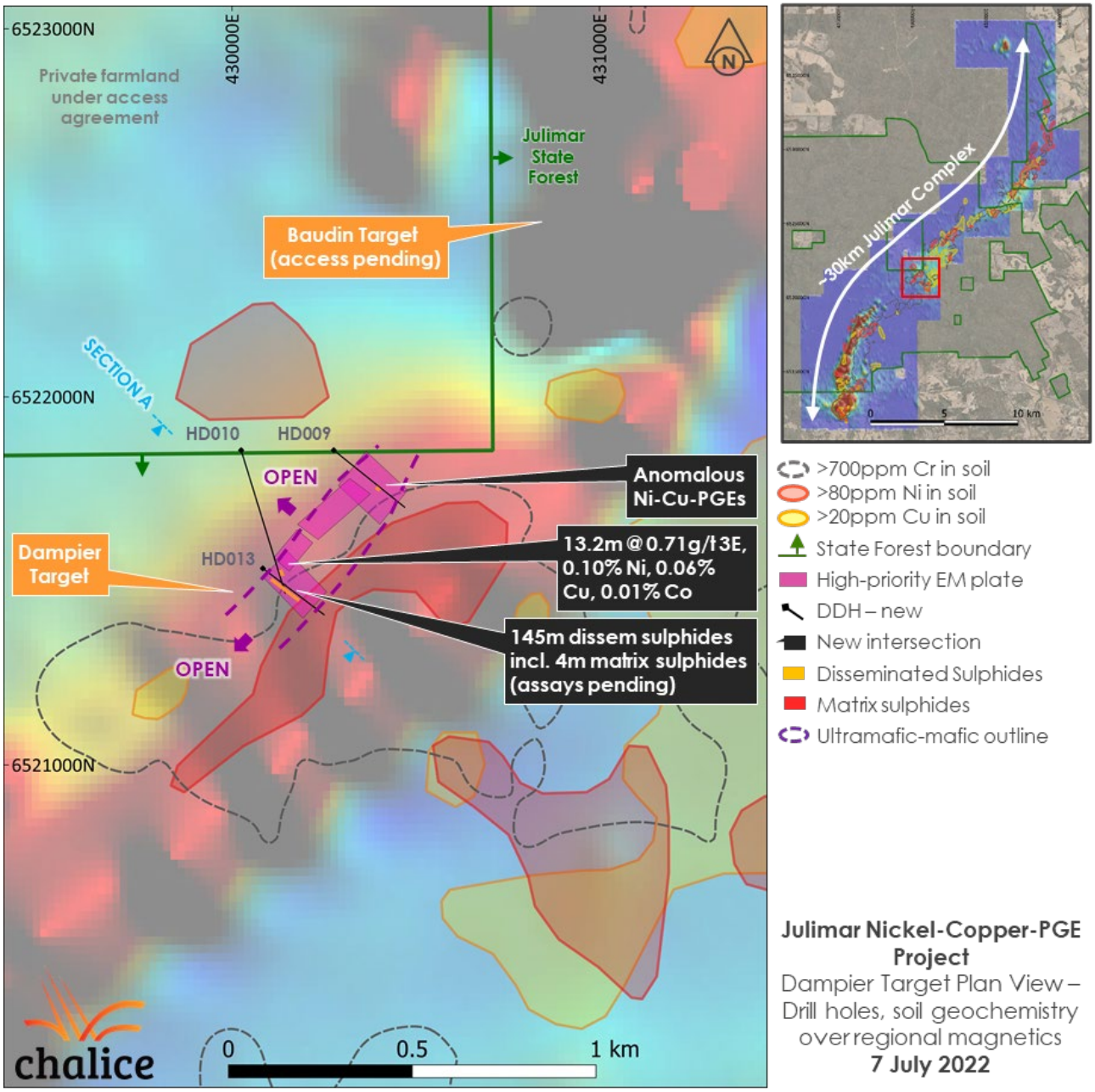

Figure 2. Dampier Target Plan View – drill holes, MLEM conductors and soil geochemistry over regional magnetics.

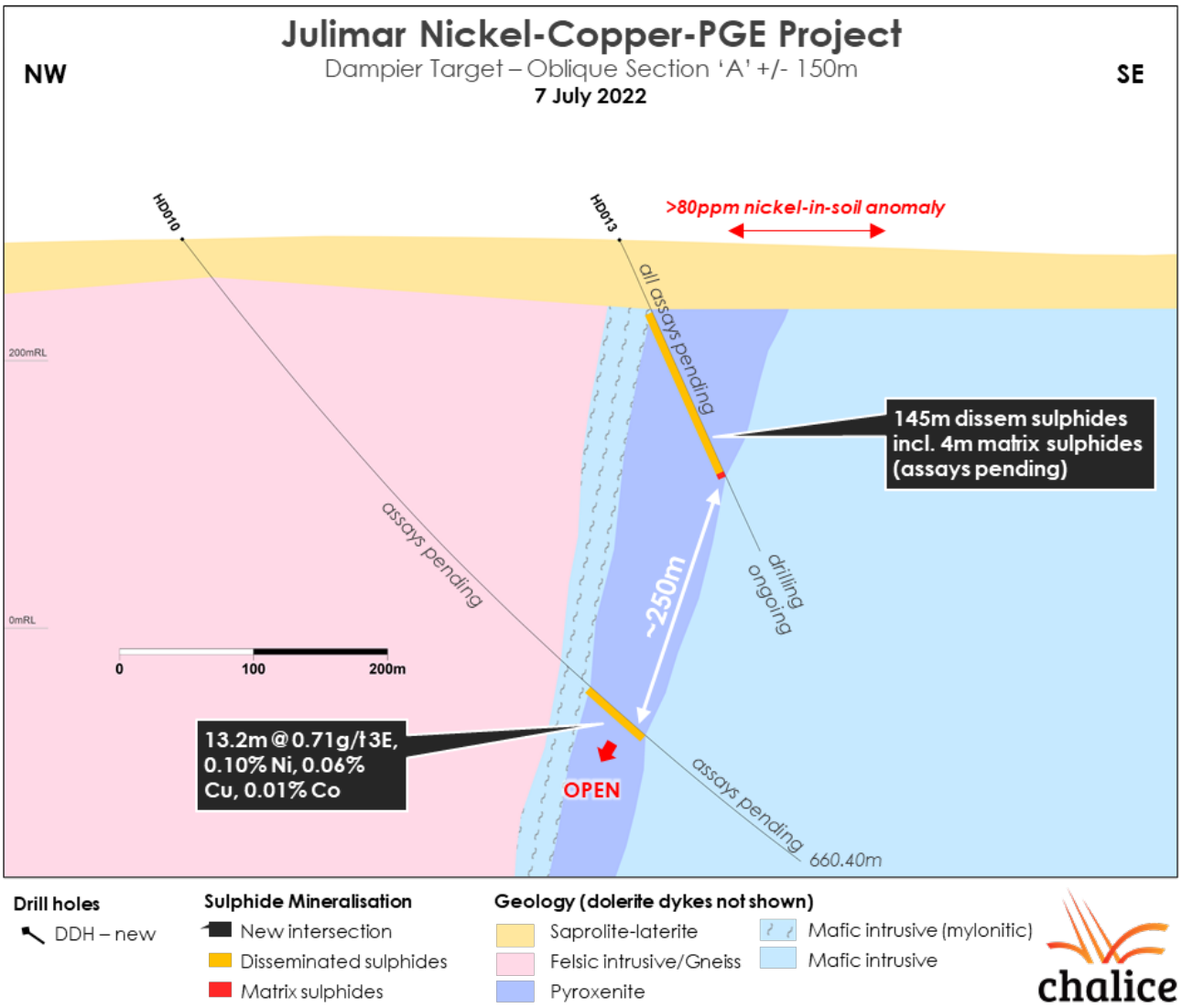

Figure 3. Dampier Target cross section through HD010 and HD013 (+/- 150m).

Drill hole HD013 has intersected the most significant zone of sulphide mineralisation to date, comprising a ~145m interval of weakly disseminated sulphides, as a halo to:

- A ~4m wide interval of matrix, heavy disseminated and semi-massive sulphides from 208.6m;
- A 5.8m wide and a 6.4m wide interval of disseminated to heavily disseminated sulphides from 191.4m and 202.0m.

These high-sulphide intervals are cut by dolerite dykes on the hanging wall and footwall contacts, preventing a more detailed understanding of the geological setting; however, it appears that the high-sulphide zones are located close to the base (lower contact) of the host ultramafic-mafic intrusive sequence.

HD013 will be logged by DHEM at the completion of drilling with the aim to better constrain any modelled EM conductors.

HD010 intersected mineralised ultramafic-mafic intrusive rock types from 455m to 511m, which comprise weakly disseminated sulphides with localised matrix sulphides hosted in a sequence of interlayered peridotite, pyroxenite, gabbronorite and gabbro. The sulphide assemblage is pyrrhotite-dominant with localised concentrations (up to 10%) of chalcopyrite.

HD009 intersected weakly mineralised ultramafic-mafic intrusive rock types from 306m to 320m, which contain weakly disseminated sulphides in peridotite, pyroxenite and gabbronorite subunits. Sulphide

abundances are uniformly low, although the intrusive sequence is comparable to those rock types intersected at Gonneville.

Assays for HD009 & 10 have confirmed low-level Ni-Cu-PGE grades in pyroxenite-gabbro, which are not considered significant, but do indicate the presence of a fertile Ni-Cu-PGE system:

« 13.2m @ 0.71g/t 3E, 0.10% Ni, 0.06% Cu, 0.01% Co from 454.8m (HD010).

Table 1. Summary visual log of sulphide mineralisation in HD013 – Dampier Target.

Hole ID	From (m)	To (m)	Sulphide vol% / assemblage*	Lithology
HD013	67.6	85.0	<1% po	Disseminated sulphide in pyroxenite
	85.0	104.6	2-3% po; 0.5% cpy	As above
	104.6	114.6		Dolerite dyke
	114.6	131.0	2-3% po; 0.5% cpy	As above
	131.0	165.8	1-2% po; tr. cpy	As above
	165.8	168.1	1-2% po; tr. cpy	As above
	168.1	177.0		Dolerite dyke
	177.0	180.8	2-3% po; 0.5% cpy	As above
	180.8	191.1		Dolerite dyke
	191.1	196.5	5-8% po; 1-2% cpy	Disseminated sulphide in pyroxenite
	196.5	196.9	20-30% po; 3-5% cpy; 2% pn	Matrix sulphides in pyroxenite
	196.9	202.0		Dolerite dyke
	202.0	208.4	5-10% po; 2% pn, 1-2% cpy	Heavily disseminated sulphide in pyroxenite
	208.4	212.6	20-30% po; 3-5% cpy; 2% pn	Matrix, heavy disseminated and semi-massive sulphides in pyroxenite
	212.6	222.2		Dolerite dyke
	222.2	231.4		Gabbro, basalt with minor stringer sulphide

**tr = trace sulphide (<1% vol); po = pyrrhotite; cpy = chalcopyrite; pn = pentlandite*

The information in Table 1 above is based solely on visual logging of the core which is yet to be assayed. The presence of nickel and copper is supported by in-field pXRF but is considered indicative only, and must be confirmed by laboratory assay.

DHEM surveying of HD009 & 10 has identified two off-hole conductors (400, 600 Siemens) modelled in the same interpreted contact zone of the ultramafic-mafic intrusion that hosts the high-sulphide zone intersected in HD013 (Figure 2).

These off-hole EM conductors will be prioritised for follow-up drill testing under existing approvals. DHEM in HD009 & 10 also identified conductors within the footwall to the intrusion, although these appear to be associated with a narrow interval of sulphidic sediments and are not considered targets.

The new zone of orthomagmatic sulphide mineralisation at Dampier highlights the prospectivity of this sector of the >30km long Julimar Complex, with several nearby targets (Hamelin and Hann, at the northern end of the Hartog area) along strike now prioritised for immediate drilling (Figure 4).

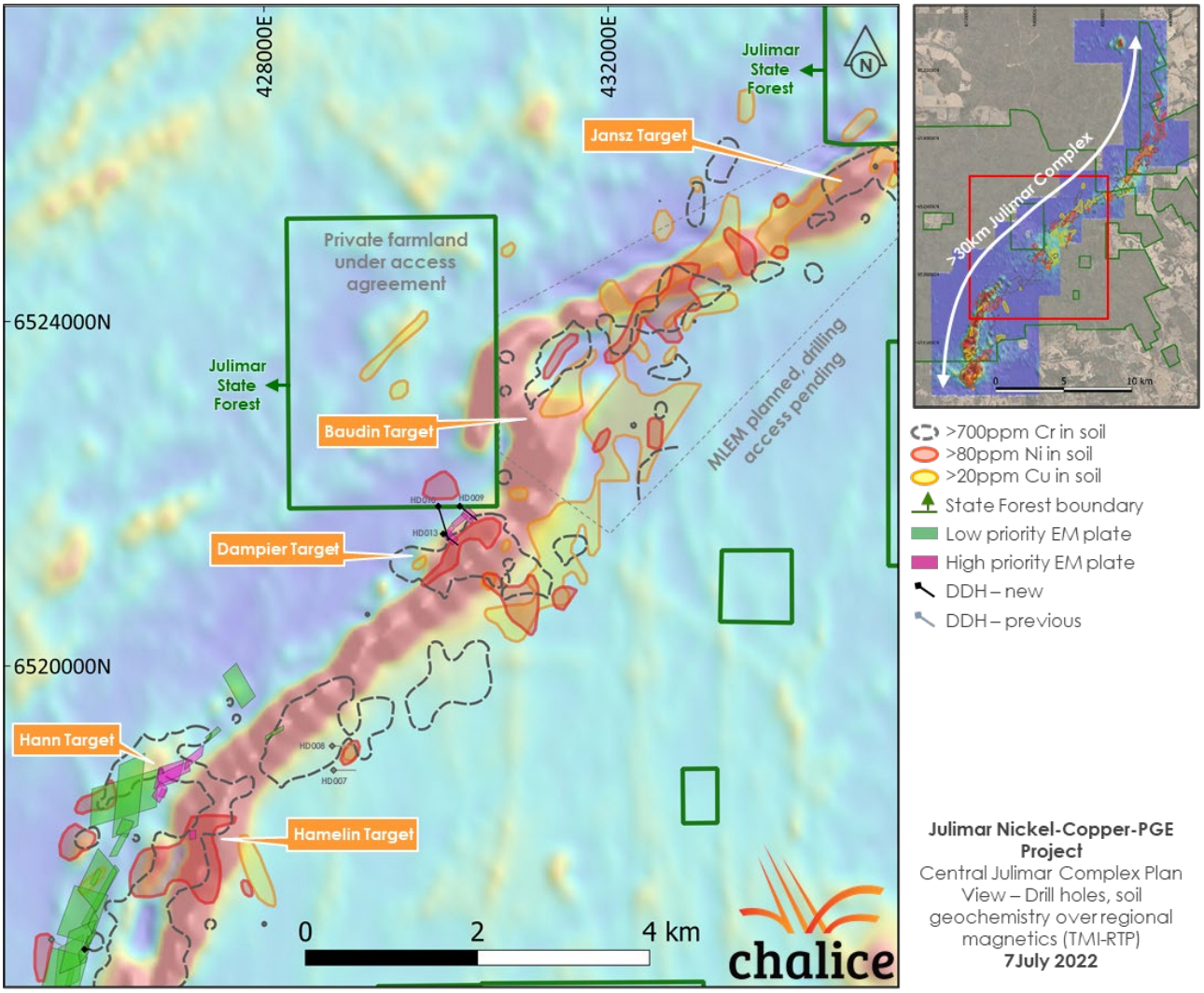

Figure 4. Central Julimar Complex Plan View – drill holes, soil geochemistry and MLEM conductors over regional magnetics.

Forward plan

The next major milestones for the Julimar Project are the Gonneville Mineral Resource Estimate update (due shortly) and the Gonneville Scoping Study, which is targeted for Q3 2022. The Company continues to progress development studies for the Gonneville Deposit in parallel to testing the overall scale of the Gonneville mineral system and initial exploration activities across the >30km long Julimar Complex.

The following activities are ongoing or planned at the Project:

- Exploration drilling at the Hartog-Dampier Targets within the Julimar State Forest – four diamond drill rigs are currently operational and expected to continue for the foreseeable future. Existing approvals allow multiple holes to be drilled from each of the ~70 planned sites.
- Moving Loop Electromagnetic (MLEM) and Down-hole EM surveys are continuing across the Julimar Complex.
- Resource definition and exploration RC/diamond drilling at the Gonneville Deposit – three rigs are operational, largely focused on wide-spaced extensional/exploration drilling which is expected to continue for the foreseeable future, subject to results.
- Processing of the initial 2D seismic survey of the Gonneville-Hartog area is underway, which was acquired to assess the overall architecture of the intrusive complex at depth – results are expected in Q3.

- Mine development studies to support a Scoping Study for the initial development stage of the Gonneville Deposit.
- Baseline surveys of ground water, surface water, flora, fauna and dieback, as part of a long-term baseline and monitoring program to support engineering studies and environmental assessments (ongoing).

Authorised for release by the Disclosure Committee of the Company.

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About the Julimar Nickel-Copper-PGE Project

The 100%-owned Julimar Nickel-Copper-PGE Project is located ~70km north-east of Perth in Western Australia and is surrounded by world-class infrastructure. The Project was staked in early 2018 as part of Chalice's global search for high-potential nickel sulphide exploration opportunities.

Chalice discovered the Gonneville deposit in the very first drill hole at the project in March 2020, intersecting shallow high-grade PGE-nickel-copper-cobalt-gold sulphide mineralisation. Gonneville is located on private farmland at the southern end of the newly discovered >30km long Julimar Complex.

In November 2021, Chalice defined a tier-1 scale, pit-constrained maiden Mineral Resource Estimate (Resource) for Gonneville (refer to ASX Announcement on 9 Nov 2021). The maiden Resource confirmed Gonneville is one of the largest recent nickel-copper-PGE sulphide discoveries worldwide, and the largest PGE discovery in Australian history – demonstrating the potential for Julimar to become a strategic, long-life 'green metals' asset.

The Resource includes a significant higher-grade sulphide component, affording the project significant optionality in development and the potential to materially enhance project economics in the initial years of operations.

The Gonneville Resource is interpreted to cover just ~7% of the interpreted Julimar Complex strike length, with the remaining strike length yet to be tested. As such the region is considered highly prospective for further orthomagmatic Ni-Cu-PGE discoveries.

The significant Julimar discovery has defined the new West Yilgarn Ni-Cu-PGE Province, an almost entirely unexplored mineral province which is interpreted to extend for ~1,200km along the western margin of the Yilgarn Craton. Chalice holds an unrivalled >8,000km^2 land position in this exciting new area and is leveraging its competitive 'first mover' advantage.

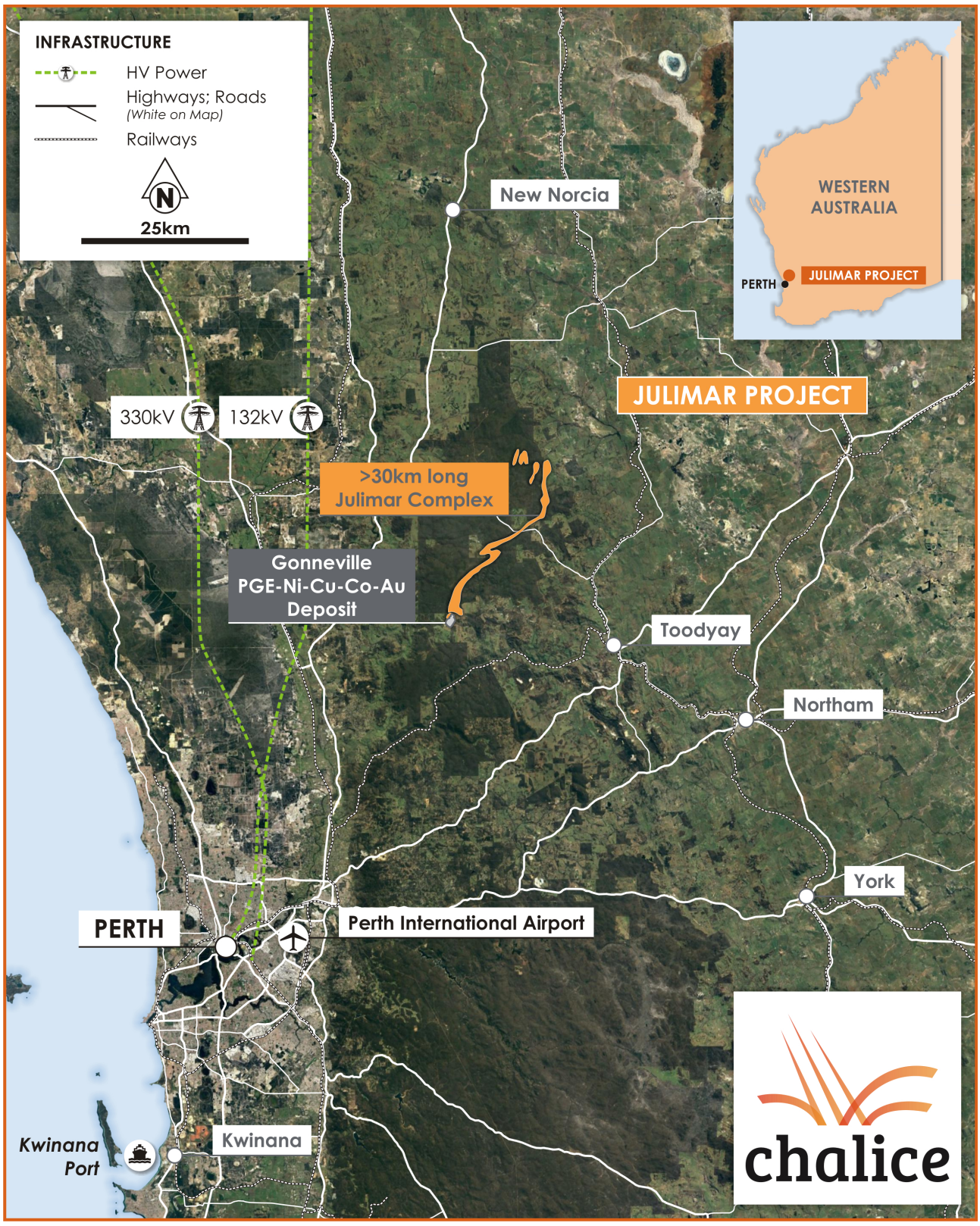

Figure 5. Julimar Complex, Gonneville deposit, Project tenure and nearby infrastructure.

Competent Persons and Qualifying Persons Statement

The information in this announcement that relates to Exploration Results in relation to the Julimar Nickel-Copper-PGE Project is based on and fairly represents information and supporting documentation compiled by Dr. Kevin Frost BSc (Hons) PhD, a Competent Person, who is a Member of the Australian Institute of Geoscientists. Dr. Frost is a full-time employee of the Company as General Manager – Discovery and Growth and has sufficient experience that is relevant to the activity being undertaken to qualify as a Competent Person as defined in the 2012 edition of the Australasian Code for Reporting of Exploration Results, Minerals Resources and Ore Reserves, and is a Qualified Person under National Instrument 43-101 – 'Standards of Disclosure for Mineral Projects'. The Qualified Person has verified the data disclosed in this release, including sampling, analytical and test data underlying the information contained in this release. Dr Frost consents to the inclusion in the announcement of the matters based on his information in the form and context in which it appears.

The Information in this announcement that relates to prior exploration results for the Julimar Project is extracted from the following ASX announcements:

- "New highly prospective EM conductors and nickel-copper soil anomalies defined at Hartog Target, Julimar Project", 25 March 2021;
- "Extensive nickel-copper soil anomalism identified at the northern end of the Julimar Complex", 9 June 2021.

The above announcements are available to view on the Company's website at www.chalicemining.com. The Company confirms that it is not aware of any new information or data that materially affects the exploration results included in the relevant original market announcements. The Company confirms that the form and context in which the Competent Person and Qualified Person's findings are presented have not been materially modified from the relevant original market announcements.

Forward Looking Statements

This announcement may contain forward-looking information, including forward looking information within the meaning of Canadian securities legislation and forward-looking statements within the meaning of the United States Private Securities Litigation Reform Act of 1995 (collectively, forward-looking statements). These forward-looking statements are made as of the date of this report and Chalice Mining Limited (the Company) does not intend, and does not assume any obligation, to update these forward-looking statements.

Forward-looking statements relate to future events or future performance and reflect Company management's expectations or beliefs regarding future events and include but are not limited to: the Company's strategy and objectives; the estimation of mineral resources, and the realisation of mineral resource estimates; the likelihood of exploration success; the timing of planned exploration activities on the Company's projects; access to sites for planned drilling activities; and the success of future potential mining operations; the timing of the receipt of exploration results; the impact of the discovery on the Julimar Project's capital payback.

In certain cases, forward-looking statements can be identified by the use of words such as, "considered", "continue", "encouraging", "expected", "for", "highly", "interpreted", "make", "may", "plan" or "planned", "potential", "prospective", "targets", "will" or variations of such words and phrases or statements that certain actions, events or results may, could, would, might or will be taken, occur or be achieved or the negative of these terms or comparable terminology. By their very nature forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Company to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements.

Such factors may include, among others, risks related to actual results of current or planned exploration activities; whether geophysical and geochemical anomalies are related to economic

mineralisation or some other feature; whether visually identified mineralisation is confirmed by laboratory assays; obtaining appropriate approvals to undertake exploration activities; results of planned metallurgical test work including results from other zones not tested yet, scaling up to commercial operations; changes in project parameters as plans continue to be refined; changes in exploration programs and budgets based upon the results of exploration, changes in commodity prices; economic conditions; grade or recovery rates; political and social risks, accidents, labour disputes and other risks of the mining industry; delays or difficulty in obtaining governmental approvals, necessary licences, permits or financing to undertake future mining development activities; changes to the regulatory framework within which Chalice operates or may in the future; movements in the share price of investments and the timing and proceeds realised on future disposals of investments, the impact of the COVID 19 pandemic as well as those factors detailed from time to time in the Company's interim and annual financial statements, all of which are filed and available for review on SEDAR at sedar.com, ASX at asx.com.au and OTC Markets at otcmarkets.com. The Company also refers to the "Key Risks" section of its institutional capital raise presentation released to the ASX on 24 May 2022.

Although the Company has attempted to identify important factors that could cause actual actions, events or results to differ materially from those described in forward-looking statements, there may be other factors that cause actions, events or results not to be as anticipated, estimated or intended. There can be no assurance that forward-looking statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on forward-looking statements.

Table 2. Significant new drill intersections (Sulphide >0.4% NiEq) – Dampier Target.

Hole ID	From (m)	To (m)	Interval (m)	Pd (g/t)	Pt (g/t)	Au (g/t)	Ni (%)	Cu (%)	Co (%)	Geology	Type
HD010	454.8	468.0	13.2	0.41	0.25	0.06	0.10	0.06	0.01	Sulphide	Exploration

Table 3. New drill hole collar, survey data and assaying status – Hartog-Dampier targets.

Hole ID	Type	Easting (m)	Northing (m)	RL (m)	Depth (m)	Survey type	Azi (°)	Dip (°)	Assay status
HD009	DDH	430,277	6,521,855	281.5	498.5	GPS	130	-60	Partial assays
HD010	DDH	430,025	6,521,855	290.8	660.4	GPS	160	-52	Partial assays
HD011	DDH	426,210	6,514,960	310.8	558.8	GPS	92	-55	Assays pending
HD012	DDH	425,916	6,516,708	312.5	393.6	GPS	90	-80	Assays pending
HD013	DDH	430,084	6,521,534	290.2	ongoing	GPS	125	-55	Assays pending
HD014	DDH	425,001	6,514,105	290.0	349.0	GPS	170	-70	Assays pending

Appendix A JORC Table 1

A-1 Section 1 Sampling Techniques and Data

Criteria	JORC Code explanation	Commentary
Sampling techniques	Nature and quality of sampling (eg. 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.	• HQ diamond core was either half cored or quarter cored with samples taken over selective intervals ranging from 0.2m to 1.2m (typically 1.0m).
	Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.	• Qualitative care taken when sampling diamond drill core to sample the same half of the drill core.
	Aspects of the determination of mineralisation that are Material to the Public Report. In cases where 'industry standard' work has been done this would be relatively simple (eg. 'reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30 g 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 (eg. submarine nodules) may warrant disclosure of detailed information.	• Mineralisation is easily recognised by the presence of sulphides. In diamond core sample intervals were selected on a qualitative assessment of sulphide content
Drilling techniques	Drill type (eg. core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc) and details (eg. 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).	• Diamond drill core is HQ size (63.5mm diameter). Triple tube has been used from surface until competent bedrock and then standard tube thereafter. • Core orientation is by an ACT Reflex (ACT II RD) tool
Drill sample recovery	Method of recording and assessing core and chip sample recoveries and results assessed.	• Individual recoveries of diamond drill core samples were assessed quantitively by comparing measured core length with expected core length from drillers mark. Generally core recovery was excellent in fresh rock and approaching 100%. Core recovery in oxide material is often poor due to sample washing out. Core recovery in the oxide zone averages 60%
	Measures taken to maximise sample recovery and ensure representative nature of the samples.	• With diamond drilling triple tube coring in the oxide zone is undertaken to improve sample recovery. This results in better recoveries but recovery is still only moderate to good. • Diamond core samples were consistently taken from the same side of the core

Criteria	JORC Code explanation	Commentary
	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.	• There is no evidence of a sample recovery and grade relationship in unweathered material.
Logging	Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies.	• All drill holes were logged geologically including, but not limited to; weathering, regolith, lithology, structure, texture, alteration and mineralisation. Logging was at an appropriate quantitative standard for infill drilling and resource estimation.
	Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography.	• Logging is considered qualitative in nature. • Diamond drill core is photographed wet before cutting.
	The total length and percentage of the relevant intersections logged.	• All holes were geologically logged in full.
Sub-sampling techniques and sample preparation	If core, whether cut or sawn and whether quarter, half or all core taken.	• Diamond core was sawn in half and and/or one-half quartered and sampled over 0.2<1.2m intervals (mostly 1m).
	If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry.	• Not applicable
	For all sample types, the nature, quality and appropriateness of the sample preparation technique.	• Sample preparation is industry standard and comprises oven drying, jaw crushing and pulverising to -75 microns (80% pass).
	Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.	• Field duplicates were collected from diamond drilling at an approximate ratio of one in twenty five. • Diamond drill core field duplicates collected as ¼ core.
	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.	• In the majority of cases the entire hole has been sampled and assayed. • Duplicate sample results were compared with the original sample results and there is no bias observed in the data.
	Whether sample sizes are appropriate to the grain size of the material being sampled.	• Drill sample sizes are considered appropriate for the style of mineralisation sought and the nature of the drilling program.
Quality of assay data and laboratory tests	The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.	• Diamond drill core underwent sample preparation and geochemical analysis by ALS Perth. Au-Pt-Pd was analysed by 50g fire assay fusion with an ICP-AES finish (ALS Method code PGM-ICP24). A 34-element suite was analysed by ICP-MS following a four-acid digest (ALS method code ME-ICP61 including Ag, Al, As, Ba, Be, Bi, Ca, Cd, Co, Cr, Cu, Fe, Ga, K, La, Mg, Mn, Mo, Na, Ni, P, Pb, S, Sb, Sc, Sr, Th, Ti, Tl, U, V, W, Zn, Zr. Additional ore-grade analysis was performed as

Criteria	JORC Code explanation	Commentary
		required for elements reporting out of range for Ni, Cr, Cu (ALS method code ME-OG-62) and Pd, Pt (ALS method code PGM-ICP27). • These techniques are considered total digests.
	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.	• Not applicable as no data from such tools or instruments are reported
	Nature of quality control procedures adopted (eg. standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (ie. lack of bias) and precision have been established.	• Certified analytical standards and blanks were inserted at appropriate intervals for diamond core with an insertion rate of >5%. Approximately 5% of significant intercepts were sent for cross laboratory checks. All QAQC samples display results within acceptable levels of accuracy and precision.
Verification of sampling and assaying	The verification of significant intersections by either independent or alternative company personnel.	• Significant drill intersections are checked by the Project Geologist and then by the General Manager Exploration. Significant intersections are cross-checked with the logged geology and drill core after final assays are received.
	The use of twinned holes.	• No twinning undertaken for drill holes
	Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.	• Primary drill data was collected digitally using OCRIS software before being transferred to the master SQL database. • All procedures including data collection, verification, uploading to the database etc are captured in detailed procedures and summarised in a single document.
	Discuss any adjustment to assay data	• No adjustments were made to the lab reported assay data.
Location of data points	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.	• Drill hole collar locations are initially recorded by Chalice employees using a handheld GPS with a +/- 3m margin of error. • RTK-DGPS collar pick-ups replace handheld GPS collar pick-ups and have +/-20 mm margin of error. • Planned and final hole coordinates are compared after pick up to ensure that the original target has been tested.
	Specification of the grid system used.	• The grid system used for the location of all drill holes is GDA94 - MGA (Zone 50).
	Quality and adequacy of topographic control.	• RLs for reported holes were derived from RTK-DGPS pick-ups.

Criteria	JORC Code explanation	Commentary
Data spacing and distribution	Data spacing for reporting of Exploration Results.	• Diamond drill hole spacing is variable given the early stage of exploration drilling.
	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.	• Results diamond drilling at Dampier and Hartog are not considered sufficient to assume geological or grade continuity.
	Whether sample compositing has been applied.	• No compositing undertaken for diamond drill.
Orientation of data in relation to geological structure	Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.	• Diamond drill holes at Dampier and Hartog were typically oriented within 30° of orthogonal to the interpreted dip and strike of the known strike. The orientation of any mineralisation intersected is unknown.
	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.	• The orientation of the drilling is not considered to have introduced sampling bias.
Sample security	The measures taken to ensure sample security.	• Samples were collected in polyweave bags at the core cutting facility. The polyweave bags have five samples each and are cable tied. • Filled bags were collected into palletised bulk bags at the field office and delivered directly from site to ALS laboratories in Wangara, Perth by a Chalice contractor several times weekly.
Audits or reviews	The results of any audits or reviews of sampling techniques and data.	• None completed for the Dampier and Hartog drilling programs.

A-2 Section 2 Reporting of Exploration Results

Criteria	JORC Code explanation	Commentary
Mineral tenement and land tenure status	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.	• Exploration activities are ongoing over E70/5119. The holder CGM (WA) Pty Ltd is a wholly owned subsidiary of Chalice Mining Limited • Portions of E70/5119 cover the Julimar State Forest, in which Chalice has an approved Conservation Management Plan and Native Vegetation Clearing Permit. • E70/5119 partially overlaps ML1SA, a State Agreement covering Bauxite mineral rights only. • There are no known encumbrances other than the ones noted above.
	The security of the tenure held at the time of reporting along with any known	• There are no known impediments to operating on the tenements where they cover private freehold land.

Criteria	JORC Code explanation	Commentary
	impediments to obtaining a licence to operate in the area.	• The tenements are in good standing.
Exploration done by other parties	Acknowledgment and appraisal of exploration by other parties.	• There is no previous exploration at Gonneville and only limited exploration has been completed by other exploration parties in the vicinity of the targets identified by Chalice to date. • Chalice has compiled historical records dating back to the early 1960's which indicate only three genuine explorers in the area, all primarily targeting Fe-Ti-V mineralisation. • Over 1971<1972, Garrick Agnew Pty Ltd undertook reconnaissance surface sampling over prominent aeromagnetic anomalies in a search for 'Coates deposit style' vanadium mineralisation. Surface sampling methodology is not described in detail, nor were analytical methods specified, with samples analysed for V2O5, Ni, Cu, Cr, Pb and Zn, results of which are referred to in this announcement. • Three diamond holes were completed by Bestbet Pty Ltd targeting Fe-Ti-V situated approximately 3km NE of JRC001. • Bestbet Pty Ltd undertook 27 stream sediment samples within E70/5119. Elevated levels of palladium were noted in the coarse fraction (<5mm+2mm) are reported in this release. Finer fraction samples did not replicate the coarse fraction results. • A local AMAG survey was flown in 1996 by Alcoa using 200m line spacing which has been used by Chalice for targeting purposes. • A local AMAG survey was flown in 1996 by Alcoa using 200m line spacing which has been used by Chalice for targeting purposes. • An Alcoa and CRA JV completed seven diamond holes in the 1970s targeting a magnetic high to the north of E70/5119 and the east of E70/5351testing for vanadium (Boomer Hill).
Geology	Deposit type, geological setting and style of mineralisation.	• The target deposit type is an orthomagmatic Ni-Cu-PGE sulphide deposit, within the Yilgarn Craton. The style of sulphide mineralisation intersected consists of massive, matrix, stringer and disseminated sulphides typical of metamorphosed and structurally overprinted orthomagmatic Ni sulphide deposits.

Criteria	JORC Code explanation	Commentary
Drill hole Information	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: Easting and northing of the drill hole collar 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.	• Provided in body of text.
	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.	• No material information has been excluded.
Data aggregation methods	In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (eg. cutting of high grades) and cut-off grades are usually Material and should be stated.	• Significant intercepts are reported using a >0.4% NiEq length-weighted cut off for sulphide material. A maximum of 4m internal dilution has been applied.
	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.	• Not applicable
	The assumptions used for any reporting of metal equivalent values should be clearly stated.	• Metal price assumptions used in the metal equivalent calculations are: US$1,700/oz Pd, US$1,300/oz Pt, US$1,700/oz Au, US$18,500/t Ni, US$9,000/t Cu, US$60,000/t Co. • Metallurgical recovery assumptions used in the metal equivalent calculation for the sulphide (fresh) material are: Pd – 75%, Pt – 65%, Au – 50%, Ni – 60%, Cu – 80%, Co - 60%. • Hence for the sulphide material NiEq = Ni % + 0.37x Pd g/t + 0.24 x Pt g/t + 0.25 x Au g/t + 0.65 x Cu % +3.24 x Co %
Relationship between mineralisation widths and intercept lengths	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.	• Diamond drill holes were typically oriented within 30° of orthogonal to the interpreted dip and strike of the known zone of mineralisation. However, some holes were drilled at less optimal azimuths due to site constraints.
	If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (eg.	• All widths are quoted down-hole. True widths vary depending on the orientation of the hole and the orientation of the mineralisation.

Criteria	JORC Code explanation	Commentary
	'down hole length, true width not known').	
Diagrams	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.	• Refer to figures in the body of text.
Balanced reporting	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.	• All holes including those without significant intercepts have been reported.
Other substantive exploration data	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, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances.	• Not applicable. All meaningful data has been included
Further work	The nature and scale of planned further work (eg. tests for lateral Exts or depth Exts or large-scale step-out drilling).	• Diamond drilling will continue to test high-priority targets including EM conductors. Further drilling along strike and down dip may occur at these and other targets depending on results.
	Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.	• Any potential extensions to mineralisation are shown in the figures in the body of the text.