



ASX Announcement

12 May 2023

Not for release to US wire services or distribution in the United States

Successful A\$70 million private placement to major institutions

Chalice strengthens balance sheet ahead of ramp up in exploration activities at Julimar and to complete the Scoping and Pre-Feasibility Studies for Gonneville

Highlights

- « Commitments received to raise **A\$70 million** (before costs) at **A\$7.30 per share** via a private placement to a **select group of major, long-only institutional investors and significant existing shareholders**.
- « **Share Purchase Plan (SPP)** for eligible shareholders to be launched to raise up to A\$10 million (before costs) at the same offer price as the placement.
- « Offer price represents a **5.7% discount** to the last closing price of Chalice shares or a 5.9% discount to the 5-day VWAP.
- « Upon completion of the Placement, Chalice is forecast to have cash on hand of **~A\$150 million**.
- « This strong financial position ensures the Company is funded for **~24 months** of planned exploration and pre-development activities, including:
 - « A near-term **ramp up of regional exploration drilling** activities across the Julimar Complex;
 - « **Initial drill testing of six new targets** across the wider >8,000km² West Yilgarn Province; and,
 - « **Completion of the Scoping Study and Pre-Feasibility Study (PFS) for Gonneville**
- « The placement also ensures the Company is in a strong financial position throughout the previously announced **strategic partnering process for Gonneville**.

Overview

Chalice Mining Limited ("Chalice" or "the Company", ASX: CHN) is pleased to advise that it has received commitments to raise approximately **A\$70 million** at A\$7.30 per share via a private placement ("Placement").

Chalice received very strong inbound interest from a select group of major, long-only institutional investors (domestic and international). The Company also received interest from several significant existing shareholders.

In addition to the Placement, the Company has also announced a SPP of up to A\$10 million at the same offer price as the Placement, with the Placement and SPP in total to raise gross proceeds of up to approximately \$80 million ("Offer"). This SPP will allow existing eligible shareholders to participate in the capital raising.

The proceeds from the Placement will fund ongoing exploration and pre-development activities at Chalice's 100%-owned Julimar Nickel-Copper-PGE Project, as well as ongoing exploration across its

Registered Office
ABN 47 116 648 956

Level 3, 46 Colin Street West Perth
WA 6005, Australia
PO Box 428, West Perth WA, 6872

T: +61 8 9322 3960

info@chalicemining.com
www.chalicemining.com

 @chalicemining
 chalice-mining

highly prospective, >8,000km² West Yilgarn Province licence holding in Western Australia. Planned activities include:

- « A near-term ramp up of reconnaissance exploration drilling along the >30km long Julimar Complex, including:
 - « Ongoing drilling along the Hartog-Hooley-Dampier strike length, where several promising sulphide zones were recently intersected (refer to ASX Announcement on 3 May 2023); and,
 - « Maiden exploration drilling at the untested Baudin-Jansz-Torres targets at the northern end of the Complex (expected to commence in the coming months);
- « Ongoing wide-spaced step-out drilling at Gonneville to determine the overall scale of the deposit and define extensions to the underground Mineral Resource;
- « Initial drill testing of six recently defined greenfield targets within the largely unexplored West Yilgarn Ni-Cu-PGE Province (expected to commence in Q4 2023), as well as follow-up geochemical sampling, ground EM and reconnaissance mapping of prospective targets; and
- « Completion of the Scoping Study and PFS for Gonneville, including the next phase of comprehensive metallurgical testwork, development studies and the submission of regulatory approvals.

Chalice has ensured it is in a strong financial position for the commencement and throughout the previously announced strategic partnering process for Gonneville. The process includes a range of potential downstream, trading, end-user and mining/operating partners.

Placement details

The Placement will comprise the issue of approximately 9.59 million new fully paid ordinary shares ("Placement Shares") at an issue price of A\$7.30 per Placement Share. The Placement has resulted in a minimal 2.48% dilution to existing shareholders. Completion of the Placement is expected to occur on or around 19 May 2023.

The Placement Shares will be issued pursuant to the Company's 15% capacity under ASX Listing Rule 7.1. The issue price represented a:

- « 5.7% discount to the last close pricing of A\$7.74 per share on Wednesday, 10 May 2023; and
- « 5.9% discount to the 5-day volume weighted average share price on Wednesday, 10 May 2023 of A\$7.75 per share.

Bell Potter Securities Limited acted as Lead Manager to the Placement.

SPP details

The Company has announced a non-underwritten SPP to raise up to A\$10 million (before costs) via the issue of new fully paid ordinary shares at the same price as the Placement Shares (A\$7.30 per share).

Eligible shareholders, being those holders of shares with an address in Australia or New Zealand as at 7pm (AEST) on Thursday, 11 May 2023, will have the opportunity to apply for up to A\$30,000 worth of new shares in the Company. The shares issued under the SPP will rank equally with existing ordinary shares of the Company.

The terms and conditions of the SPP will be contained in offer documentation which is expected to be made available to eligible shareholders and lodged on the ASX on Friday, 19 May 2023.

Participation in the SPP is optional. Chalice reserves the right (in its absolute discretion) to scale back applications under the SPP if demand exceeds A\$10 million or to accept oversubscriptions (subject to the ASX Listing Rules).

Key Dates

The key dates for the Placement and the SPP are outlined below:

Event	Date
Record date to determine eligibility to participate in the SPP (7pm (AEST))	11 May 2023
Allotment of Placement Shares	19 May 2023
SPP offer booklet made available to eligible shareholders	19 May 2023
SPP opening date	19 May 2023
SPP closing date (5pm (AEST))	9 June 2023
Announcement of SPP results	15 June 2023
Issue of SPP shares	19 June 2023
Commencement of trading of SPP shares	20 June 2023

Note: The above dates are indicative only and is subject to change. The Company reserves the right to alter the above dates at any time, including amending the period for the SPP offer or accepting late applications, either generally or in particular cases, at its discretion and without notice to you, subject to the ASX Listing Rules, the Corporations Act and any other applicable rules. The commencement of trading and quotation of new Shares under the Placement and SPP offer is subject to ASX confirmation.

Authorised for release by the Disclosure Committee of the Company.

For further information please visit www.chalicemining.com or contact:

Corporate Enquiries

Alex Dorsch
Managing Director & CEO
Chalice Mining Limited
+61 8 9322 3960
info@chalicemining.com

Media Enquiries

Nicholas Read
Principal and Managing Director
Read Corporate Investor Relations
+61 8 9388 1474
info@readcorporate.com.au

Follow our communications

LinkedIn: [chalice-mining](https://www.linkedin.com/company/chalice-mining)
Twitter: [@chalicemining](https://twitter.com/chalicemining)

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.

The significant Gonneville discovery has also 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 >8,000km² land position in this exciting new area and is leveraging its competitive 'first mover' advantage.

In November 2021, Chalice defined a tier-1 scale, pit-constrained maiden Mineral Resource Estimate (Resource) for Gonneville. 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.

In March 2023, the Resource for Gonneville was updated to 560Mt @ 0.88g/t 3E, 0.16% Ni, 0.09% Cu, 0.015% Co (~0.54% NiEq or ~1.7g/t PdEq) (refer to ASX Announcement on 28 March 2023 and Appendix A).

The Resource includes a significant higher-grade sulphide component starting from a depth of ~30m, 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 initial large scale exploration activities underway over the remaining strike length. As such the region is considered highly prospective for further orthomagmatic Ni-Cu-PGE discoveries.

The majority of the Julimar Complex lies beneath a portion of the Julimar State Forest, a ~29,000ha area administered by the Government of WA under the Conservation and Land Management Act 1984. Exploration and mining activities may be permitted within State Forest areas with the concurrence of both the Minister for Environment and Minister for Mines in WA, subject to normal regulatory approval processes.

The Julimar State Forest was the subject of intensive forestry activities until the 1970's, after which time the area was proposed to be upgraded to a Conservation Park. The proposal has not been progressed, largely because the mineral potential of the area is not sufficiently known and partly because the southern portion of the State Forest is within an existing bauxite mining state agreement (ML 1SA).

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

Chalice sees exploration and mining activities within a small portion of the State Forest as an overwhelming net positive to the environment, as the green metals at Julimar play a key role in enabling decarbonisation technologies, and the vast majority of the ~29,000ha area not impacted by mining could ultimately be upgraded in conservation status.

Chalice believes in being part of the solution to climate change by responsibly discovering and developing new mineral deposits that provide the key metals which are critical to decarbonisation. Supporting a low carbon emissions future, including through our operations, is central to our purpose and strategy as an organisation.

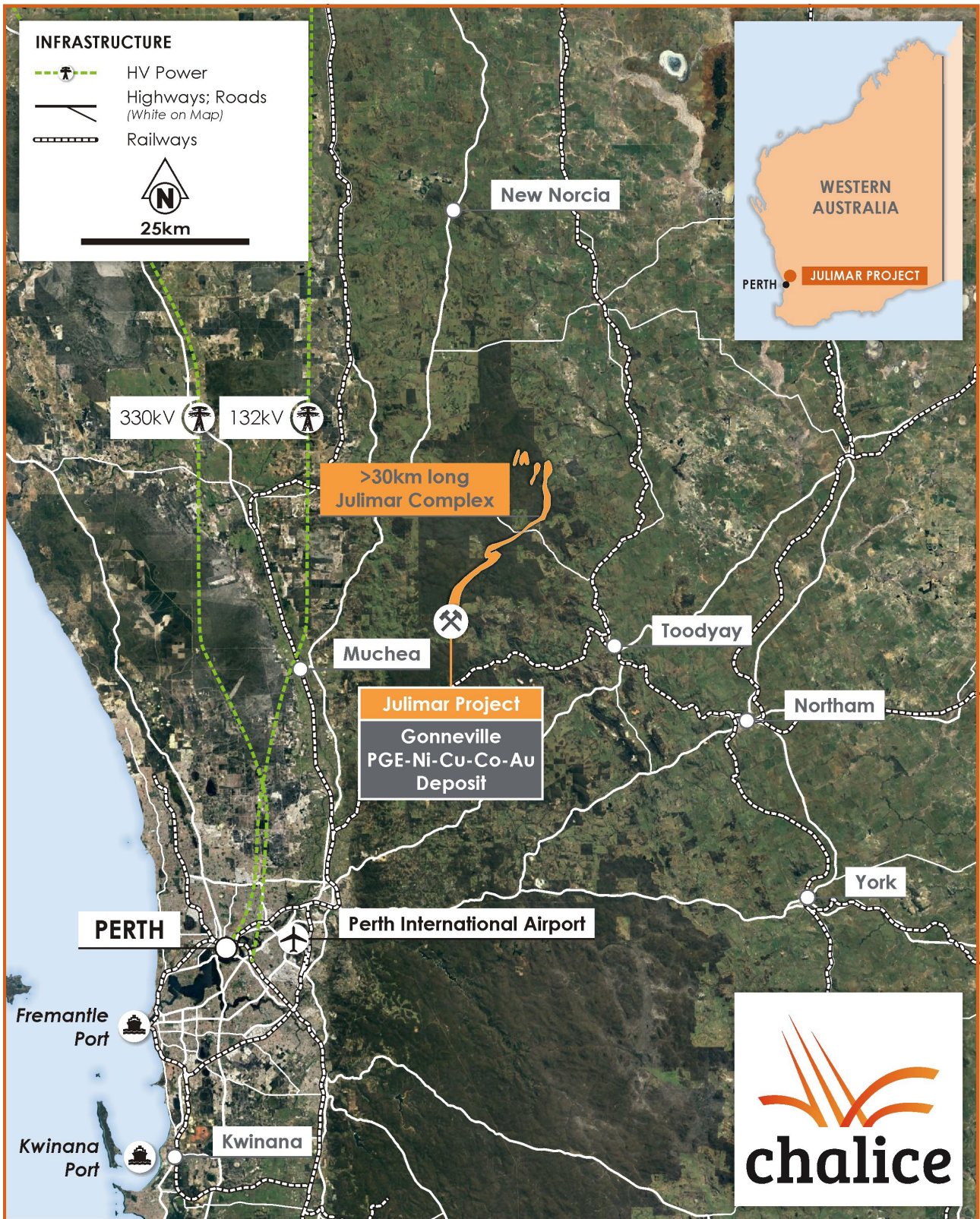


Figure 1. Julimar Complex, Gonneville deposit, Project tenure and nearby infrastructure.

Competent Person's Statement

The information in this announcement that relates to Mineral Resources has been extracted from the ASX announcement titled "Gonneville Resource increases by ~50% to ~3Mt NiEq" dated 28 March 2023. This announcement is available to view on the Company's website at www.challicemining.com.

The Company confirms that it is not aware of any new information or data that materially affects the information included in the original announcement and that all material assumptions and technical parameters underpinning the estimates in the original release continue to apply and have not materially changed. The Company confirms that the form and context in which the Competent Person's findings are presented have not been materially modified from the relevant original market announcement. Refer to Appendix A and Appendix B for further information on the Mineral Resource Estimate and metal equivalents.

Mineral Resources Reporting Requirements

As an Australian Company with securities listed on the Australian Securities Exchange (ASX), Chalice is subject to Australian disclosure requirements and standards, including the requirements of the Corporations Act 2001 and the ASX listing rules. It is a requirement of the ASX listing rules that the reporting of exploration results and mineral resources estimates are in accordance with the 2012 edition of the Australasian Code for Reporting of exploration Results, Minerals Resources and Ore Reserves ("JORC Code").

The requirements of JORC Code differ in certain material respects from the disclosure requirements of United States securities laws and other reporting regimes. There is no assurance that the Company's mineral resource estimates and related disclosures prepared under the JORC Code would be the same as those prepared under United States securities law and other reporting regimes. The terms used in this announcement are as defined in the JORC Code. The definitions of these terms differ from the definitions of such terms for purposes of the disclosure requirements in the United States and other reporting regimes.

Mineral Resource Estimates that are not Ore Reserves do not have demonstrated technical feasibility and economic viability. Due to lower certainty, the inclusion of Mineral Resource Estimates should not be regarded as a representation by Chalice that such amounts can be economically exploited, and investors are cautioned not to place undue reliance upon such figures. No assurances can be given that the estimates of Mineral Resources presented in this announcement will be recovered at the tonnages and grades presented, or at all.

Forward Looking Statements

This announcement may contain forward-looking statements and forward information, including 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 announcement 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 impact of the discovery on the Julimar Project's capital payback; the Company's planned strategy and corporate objectives; the realisation of Mineral Resource estimates; the likelihood of further exploration success; the timing of planned exploration and study activities on the Company's projects; mineral processing strategy; access to sites for planned drilling activities; and the success of future potential mining operations and the timing of the receipt of exploration results.

In certain cases, forward-looking statements can be identified by the use of words such as, "could", "ensured", "estimate", "expected", "for", "forecast", "indicative", "initial", "interpreted", "is", "may", "optionality", "plan" or "planned", "potential", "promising", "seeks", "strategy", "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; metal grades being realised; metallurgical recovery rates being realised; 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 and study programs and budgets based upon results and outcomes, successful completion of the strategic partnering process; changes in commodity prices; economic conditions; 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 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 the ASX at asx.com.au and OTC Markets at otcmarkets.com.

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.

Not an offer in the United States

This announcement has been prepared for publication in Australia and may not be released to US wire services or distributed in the United States. This announcement does not constitute an offer to sell, or a solicitation of an offer to buy, securities in the United States or any other jurisdiction. Any securities described in this announcement have not been, and will not be, registered under the US Securities Act of 1933 and may not be offered or sold in the United States except in transactions exempt from, or not subject to, registration under the US Securities Act and applicable US state securities laws.

Disclaimer

This announcement has been prepared by the Company based on information from its own- and third-party sources and is not a disclosure document. No party other than the Company has authorised or caused the issue, lodgement, submission, despatch or provision of this announcement, or takes any responsibility for, or makes or purports to make any statements, representations or undertakings in this announcement. Except for any liability that cannot be excluded by law, the Company and its related bodies corporate, directors, employees, servants, advisers and agents (together, "Affiliates") disclaim and accept no responsibility or liability for any expenses, losses, damages or costs incurred by you relating in any way to this announcement including, without limitation, the information contained in or provided in connection with it, any errors or omissions from it however caused, lack of accuracy, completeness, currency or reliability or you or any other person placing any reliance on this announcement, its accuracy, completeness, currency or reliability. This announcement is not a prospectus, disclosure document or other offering document under Australian law or under any other law. It is provided for information purposes and is not an invitation nor offer of shares or recommendation for subscription, purchase or sale in any jurisdiction. This announcement does not purport to contain all the information that a prospective investor may require in connection with any potential investment in the Company. Each recipient must make its own independent assessment of the Company before acquiring any shares in the Company.

Appendix A Mineral Resource Estimate – Julimar Project

Table 1. Gonneville Mineral Resource Estimate (JORC Code 2012), 28 March 2023.

Domain	Cut-off Grade	Category	Mass (Mt)	Grade								Contained Metal									
				Pd (g/t)	Pt (g/t)	Au (g/t)	Ni (%)	Cu (%)	Co (%)	NiEq (%)	PdEq (g/t)	Pd (Moz)	Pt (Moz)	Au (Moz)	Ni (kt)	Cu (kt)	Co (kt)	NiEq (kt)	PdEq (Moz)		
Oxide	0.9g/t Pd	Measured	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
		Indicated	7.3	1.9	-	0.06	-	-	-	-	-	2.0	0.45	-	0.01	-	-	-	-	-	0.47
		Inferred	0.2	1.9	-	0.07	-	-	-	-	-	2.0	0.01	-	0.00	-	-	-	-	-	0.02
		Subtotal	7.5	1.9	-	0.06	-	-	-	-	-	2.0	0.47	-	0.01	-	-	-	-	-	0.49
Sulphide (Transitional)	0.35% NiEq	Measured	0.38	0.82	0.17	0.03	0.19	0.17	0.020	0.70	2.2	0.01	-	-	0.72	0.63	0.07	2.7	0.03		
		Indicated	14	0.66	0.15	0.03	0.16	0.10	0.018	0.54	1.7	0.30	0.07	0.01	22	14	2.5	77	0.77		
		Inferred	0.27	0.60	0.16	0.03	0.15	0.12	0.015	0.54	1.7	0.01	-	-	0.42	0.32	0.04	1.5	0.01		
		Subtotal	15	0.66	0.15	0.03	0.16	0.10	0.018	0.55	1.7	0.31	0.07	0.01	23	15	2.6	81	0.81		
Sulphide (Fresh)	0.35% NiEq	Measured	2.3	1.1	0.26	0.03	0.24	0.18	0.019	0.87	2.7	0.08	0.02	-	5.4	4.2	0.43	20	0.20		
		Indicated	280	0.67	0.15	0.03	0.16	0.09	0.015	0.53	1.7	6.0	1.3	0.23	440	260	43	1500	15		
		Inferred	200	0.67	0.15	0.03	0.15	0.09	0.015	0.53	1.6	4.4	0.96	0.16	310	180	29	1100	11		
		Subtotal	480	0.67	0.15	0.03	0.16	0.09	0.015	0.53	1.7	10	2.3	0.39	750	440	72	2600	26		
Underground	0.40% NiEq	Measured	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
		Indicated	1.7	0.75	0.21	0.06	0.14	0.08	0.013	0.55	1.7	0.04	0.01	-	2.4	1.4	0.23	9.5	0.10		
		Inferred	52	0.78	0.17	0.03	0.16	0.11	0.015	0.59	1.8	1.3	0.28	0.05	83	56	7.7	310	3.1		
		Subtotal	54	0.78	0.17	0.03	0.16	0.11	0.015	0.59	1.8	1.3	0.29	0.06	86	57	7.9	320	3.2		
All		Measured	2.7	1.1	0.24	0.03	0.23	0.18	0.019	0.85	2.6	0.09	0.02	-	6.2	4.9	0.51	23	0.23		
		Indicated	300	0.70	0.15	0.03	0.16	0.09	0.015	0.54	1.7	6.8	1.4	0.26	460	280	45	1600	16		
		Inferred	250	0.70	0.15	0.03	0.15	0.09	0.015	0.54	1.7	5.7	1.2	0.22	390	230	37	1400	14		
		Total	560	0.70	0.15	0.03	0.16	0.09	0.015	0.54	1.7	13	2.7	0.48	860	520	83	3000	30		

Note some numerical differences may occur due to rounding to 2 significant figures.

PdEq oxide (Palladium Equivalent g/t) = Pd (g/t) + 1.27x Au (g/t)

NiEq sulphide (Nickel Equivalent %) = Ni (%) + 0.32x Pd(g/t) + 0.21x Pt(g/t) + 0.38x Au(g/t) + 0.83x Cu(%) + 3.00x Co(%)

PdEq sulphide (Palladium Equivalent g/t) = Pd (g/t) + 0.67x Pt(g/t) + 1.17 x Au(g/t) + 3.11x Ni(%) + 2.57x Cu(%) + 9.33x Co(%)

Underground resources are outside the pit above a 0.40% NiEq cut off grade based on sub-level caving mining method

Includes drill holes drilled up to and including 11 December 2022.

Appendix B Metal Equivalents

The Gonneville Resource is quoted in both nickel equivalent (NiEq) and palladium equivalent (PdEq) terms to take into account the contribution of multiple potentially payable metals. The cut-off grade for the sulphide domain was determined using NiEq in preference over PdEq, due to the assumed requirement for sulphide flotation to recover the metals.

PdEq is quoted given the relative importance of palladium by value at the assumed prices. Separate metal equivalent calculations are used for the oxide and transitional/sulphide zones to take into account the differing metallurgical recoveries in each zone.

Oxide Domain

Initial metallurgical testwork indicates that only palladium and gold are likely to be recovered in the oxide domain, therefore no NiEq grade has been quoted for the oxide. The PdEq grade for the oxide has been calculated using the formula:

$$\text{PdEq oxide (g/t)} = \text{Pd (g/t)} + 1.27 \times \text{Au (g/t)}.$$

- « Metal recoveries based on limited metallurgical test work completed to date:
 - « Pd – 75%, Au – 90%.
- « Metal prices used are consistent with those used in the pit optimisation:
 - « US\$1,800/oz Pd, US\$1,800/oz Au

Transitional and Fresh Sulphide Domains

Based on metallurgical testwork completed to date for the sulphide domain, it is the Company's opinion that all the quoted elements included in metal equivalent calculations (palladium, platinum, gold, nickel, copper and cobalt) have a reasonable potential of being recovered and sold.

Only limited samples have been collected from the transitional zone due to its relatively small volume. Therefore, the metallurgical recovery of all metals in this domain are unknown. However, given the relatively small proportion of the transition zone in the Mineral Resource, the impact on the metal equivalent calculation is not considered to be material.

Metal equivalents for the transitional and sulphide domains are calculated according to the formula below:

- « $\text{NiEq\%} = \text{Ni (\%)} + 0.32 \times \text{Pd (g/t)} + 0.21 \times \text{Pt (g/t)} + 0.38 \times \text{Au (g/t)} + 0.83 \times \text{Cu (\%)} + 3.00 \times \text{Co (\%)};$
- « $\text{PdEq (g/t)} = \text{Pd (g/t)} + 0.67 \times \text{Pt (g/t)} + 1.17 \times \text{Au (g/t)} + 3.11 \times \text{Ni (\%)} + 2.57 \times \text{Cu (\%)} + 9.33 \times \text{Co (\%)};$

Metal recoveries used in the metal equivalent calculations are based on rounded average Resource grades for the sulphide domain (>0.35% NiEq cut-off):

- « Pd – 60%, Pt – 60%, Au – 70%, Ni – 45%, Cu – 85%, Co – 45%.

Metal prices used are consistent with those used in the Whittle pit optimisation (based on long term consensus analyst estimates):

- « US\$1,800/oz Pd, US\$1,200/oz Pt, US\$1,800/oz Au, US\$24,000/t Ni, US\$10,500/t Cu and US\$72,000/t Co.