



ASX Announcement

3 July 2024

Strategic MOU with Mitsubishi Corporation

Chalice & Mitsubishi execute a Memorandum of Understanding to advance development of the 100%-owned Gonneville PGE-Ni-Cu-Co Project in WA

Highlights

- « Chalice and **Mitsubishi Corporation** ("Mitsubishi") have entered into a non-binding Memorandum of Understanding ("MOU") to work together during the ongoing Pre-Feasibility Study ("PFS"), with the intention of forming a **potential strategic partnership** to develop Chalice's **100%-owned Gonneville PGE-Nickel-Copper-Cobalt Project**, located on Chalice-owned farmland, 70km NE of Perth in Western Australia (the "Project").
- « The MOU establishes a general framework for collaboration on **technical, financing, marketing and offtake aspects** of the Project during the ongoing PFS.
- « The MOU enables the parties to work jointly to further refine the scope of the Project prior to discussing in good faith **within 90 days of PFS completion** a **potential binding partnership, such as a joint arrangement and investment**.
- « Chalice is **fully funded to complete the PFS, which is targeted for completion in mid CY25**.
- « **Mitsubishi is considered a tier-1 strategic partner** for the Project:
 - « Mitsubishi is one of Japan's largest conglomerates and a leading global natural resources investor with a **long and successful track record** of partnering with mining companies to fund and develop **major mining projects** globally.
 - « Mitsubishi brings a broad range of capabilities, experience and relationships across **equity and debt financing, product marketing, procurement and large-scale project development**.
- « The MOU is **non-exclusive** and does not restrict Chalice from entering into any other transaction involving the Project.

Commenting on the MOU, Chalice Managing Director & CEO, Alex Dorsch, said:

"We are very pleased to have executed the MOU with Mitsubishi, which marks the beginning of a foundational, long-term relationship. Mitsubishi's involvement in the Gonneville Project follows extensive due diligence and discussions over the past ~12 months and highlights the longer-term strategic nature and value of the Project as a potential large-scale, long-life and low-carbon source of critical minerals for Western markets.

"From the outset of the strategic process, Mitsubishi was always considered one of the most impressive and best suited strategic partners for the Gonneville Project, based on its decades-long development, operational and trading track record.

"In the context of key ongoing PFS workstreams and optimisations, the MOU structure is favourable, as it provides a framework for collaboration for both parties during the PFS and allows for the progression and de-risking of the Project prior to having good faith discussions around a potential joint arrangement and investment following the completion of the PFS.

Registered Office

ABN 47 116 648 956

Level 3, 46 Colin Street

West Perth, WA 6005, Australia
PO Box 428, West Perth WA 687.

T: +61 8 9322 3960
F: +61 8 9322 5800

info@chalicemining.com
www.chalicemining.com

 @chalicemining
 chalice-mining

"We have built a collaborative relationship through the process over the last 12 months, and we have strong strategic, cultural and operational alignment with Mitsubishi. We are excited to work together over the next phase of Project studies towards delivery of the PFS in mid-2025 and targeted Final Investment Decision in late 2026."

Mitsubishi Corporation General Manager of the Battery Minerals Office, Kota Ikenishi, added:

"We are pleased to sign this MOU with Chalice in relation to the highly strategic Gonneville PGE-Ni-Cu-Co Project. The Project has the potential to become a large-scale, globally significant critical minerals asset, and its US IRA-qualifying suite of metals could have a strategic importance for Japan in the future."

"We are excited to work together with Chalice and leverage our complementary skillsets to advance the Project as we explore the possibility of formalising a potential long-term partnership."

Overview

Chalice Mining Limited ("Chalice" or "the Company", ASX: CHN) is pleased to announce that it has entered into a non-binding Memorandum of Understanding ("MOU") with Mitsubishi Corporation ("Mitsubishi") in relation to the Company's 100%-owned Gonneville Platinum Group Element ("PGE")-Nickel-Copper-Cobalt Project ("Gonneville" or "the Project") in Western Australia.

The MOU sets out a framework for ongoing collaboration and assistance between Chalice and Mitsubishi in relation to development of the Project, with the aim of exploring the possibility of further joint engagement with Chalice – including a potential binding partnership following completion of the Gonneville Pre-Feasibility Study ("PFS"), which is expected to be completed by mid-CY25.

Both parties intend to have good faith discussions around entering into formal arrangements within 90 days of completion of the PFS, albeit with no obligation on either side to agree to binding terms.

The MOU gives Chalice and Mitsubishi time to collaborate and align more closely on key project development parameters such as determining the optimal flowsheet and product mix, which will be the primary driver of project scale, staging and development plan currently being refined through the PFS.

Mitsubishi is one of the leading natural resources investors in the mining industry, with significant long-term investments and joint ventures in tier-1 assets globally.

Mitsubishi brings a broad range of capabilities, experience and relationships, including strong connections to the Japanese Government and commercial banking groups which Mitsubishi has historically worked closely with to facilitate low-cost funding for its joint venture projects.

Standard Chartered Bank and Macquarie Capital acted as financial advisors and Gilbert + Tobin acted as legal advisor to the Company.

Mitsubishi Overview

Headquartered in Tokyo, Japan, Mitsubishi Corporation is a global integrated business enterprise with a market capitalisation of more than JPY14 trillion (~US\$87 billion). Mitsubishi operates a wide range of businesses together with its global network of around 1,800 group companies, spanning multiple industries and overseen by its 8 business groups: Environmental Energy, Materials Solution, Mineral Resources, Urban Development & eMobility, Food Industry, Smart-Life Creation, and Power Solution.

The Mineral Resources Group has made number of investments in a portfolio of Tier-1 assets in Australia and globally across copper, iron ore, metallurgical coal, aluminium, lithium and nickel. These include the BHP Mitsubishi Alliance joint venture in Australia as well as investments in some of the largest copper assets in the world, including Escondida, Los Pelambres, Anglo American Sur, Antamina and Quellaveco in Chile and Peru.

The Mineral Resources Group is also engaged in trading businesses in coal, iron ore, copper, aluminium, lithium, nickel and ferroalloys, and precious metals, primarily led by Mitsubishi Corporation Resource to Market (RtM). Headquartered in Singapore, RtM has an extensive global network of commodity traders, access to international trading talent and market intelligence that services diversifying customer needs and captures demand in growing markets, particularly in Asia.

About the Gonneville Project

The 100%-owned Gonneville PGE-Nickel-Copper Project is located on Chalice-owned farmland, ~70km north-east of Perth in Western Australia. The greenfield Project was staked in early 2018 as part of Chalice's global search for high-potential nickel sulphide exploration opportunities.

The Project is centred on the Gonneville Resource (refer to ASX Announcement on 23 April 2024) – a shallow, tier-1 scale greenfield critical minerals discovery by Chalice's geologists in early 2020. The Resource hosts a rare mix of critical minerals required for decarbonisation and urbanisation, such as palladium, platinum, nickel, copper and cobalt (Table 1).

Table 1. Gonneville Mineral Resource Estimate (MRE) – 23 April 2024.

Classification*	Mass	Grade				Contained Metal			
	Mt	3E (g/t)	Ni (%)	Cu (%)	Co (%)	3E (Moz)	Ni (kt)	Cu (kt)	Co (kt)
Measured	2.9	1.20	0.21	0.17	0.018	0.12	6.1	4.8	0.52
Indicated	400	0.79	0.15	0.087	0.015	10	610	370	65
Inferred	250	0.80	0.15	0.076	0.014	6.4	370	200	37
Total	660	0.79	0.15	0.083	0.015	17	960	540	96

* Within pit constrained cut-off of A\$25/t NSR and underground MSO cut-off of A\$110/t NSR (refer to ASX Announcement on 23 April 2024 for details of cut-off approach and assumptions). Note some numerical differences may occur due to rounding to 2 significant figures.

Large-scale resources like Gonneville are very rare in the western world and therefore have high strategic value, as current production of PGEs and nickel is dominated by Russia, South Africa and Indonesia.

Chalice recognises the need to develop the Gonneville Project sustainably and responsibly, with a best practice approach to environmental, social and cultural heritage management. Chalice is currently progressing development studies to determine the feasibility of the Project and has commenced the regulatory approvals process, targeting a Final Investment Decision (FID) in late 2026.

The Gonneville Project is favourably located, with access to established road, rail, port and high-voltage power infrastructure nearby, plus access to a significant 'drive-in, drive-out' mining workforce in the Perth surrounds (Figure 1).

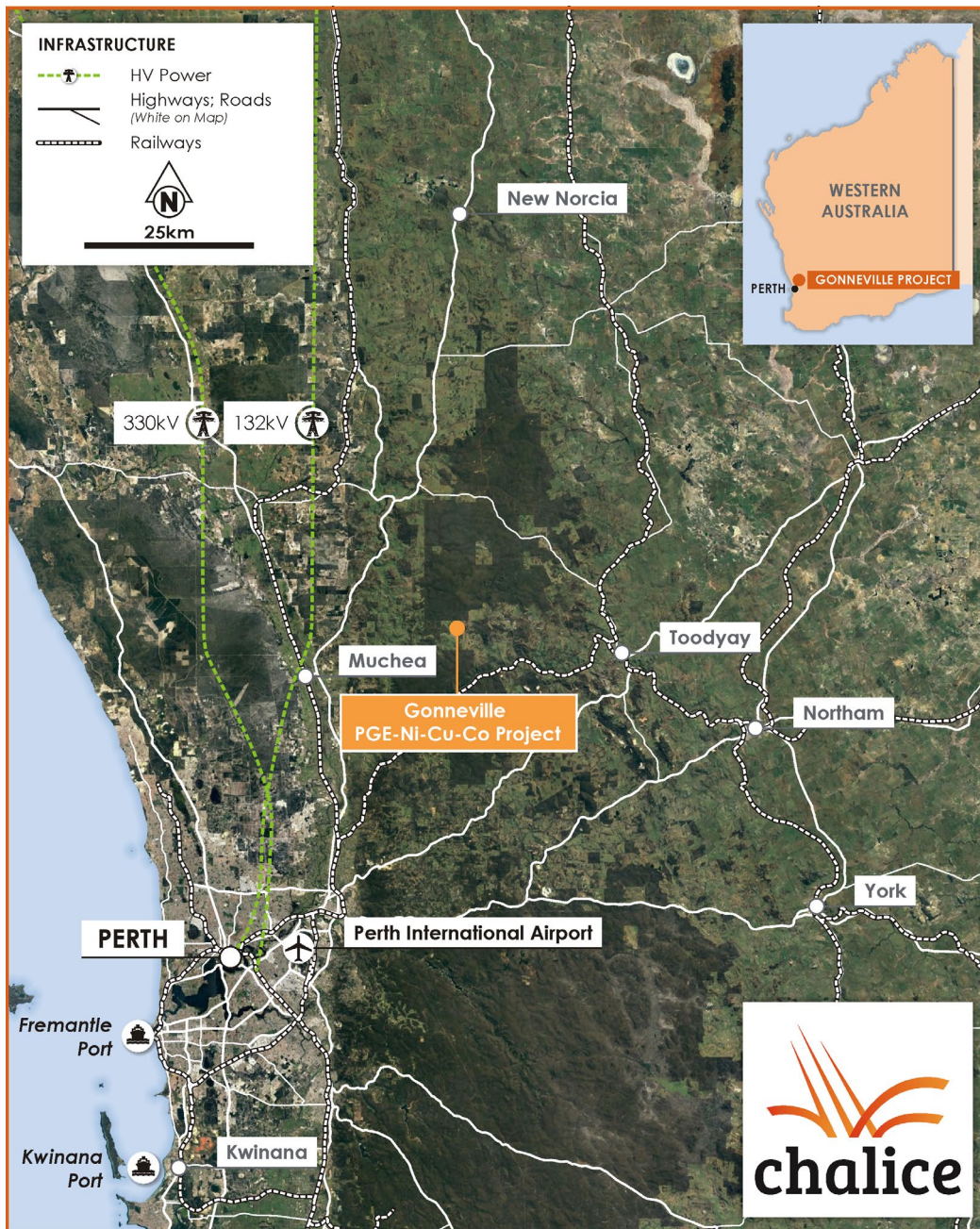


Figure 1. Gonneville Project location.

This announcement is authorised for release by the Disclosure Committee.

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

Corporate Enquiries

Ben Goldbloom
GM Corporate Development
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)
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Competent Person Statement

The information in this announcement that relates to Mineral Resources has been extracted from the ASX announcement titled "Gonneville Resource Remodelled to Support Selective Mining" dated 23 April 2024. This announcement is 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 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.

Forward Looking Statements

This announcement may contain forward-looking statements and forward information, (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 the Company's expectations or beliefs regarding future events and include, but are not limited to: the impact of the discovery on the Gonneville Project's capital payback; the Company's planned strategy and corporate objectives; estimated timing of the Gonneville Project development schedule; the formal arrangements contemplated by the Memorandum of Understanding with Mitsubishi Corporation, the realisation of Mineral Resource Estimates; timing of anticipated production; sustainability initiatives; climate change scenarios; 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; planned production and operating costs profiles; estimated carbon emissions; planned capital requirements; the success of future potential mining operations and the timing of results from planned exploration programs and metallurgical testwork.

In certain cases, forward-looking statements can be identified by the use of words such as, "commence", "considered", "continue", "could", "estimated", "expected", "for", "is", "likely", "may", "plan" or "planned", "possible", "potential", "objective", "opportunity", "targeted", "towards", "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 and development activities; whether geophysical and geochemical anomalies are related to economic mineralisation or some other feature; obtaining appropriate approvals to undertake exploration and development activities; metal grades being realised; metallurgical recovery rates being realised; results of planned metallurgical test work including results from other domains not tested yet; the outcomes of feasibility studies, scaling up to commercial operations; the speculative nature of mineral exploration and development; changes in project parameters as plans continue to be refined and feasibility studies are undertaken; changes in exploration programs and budgets based upon the results of exploration; successful completion of the objectives contemplated by the Memorandum of Understanding with Mitsubishi Corporation; changes in commodity prices and 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.

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.