5 May 2020

Exciting visual results from deep diamond drill hole at Julimar

JD003, located ~190m north of the discovery hole, intersects matrix sulphide zones and broad zones of disseminated sulphides down to ~460m

Highlights

- Exciting new visual drilling results received from the new **Gonneville Ni-Cu-PGE discovery** at the **Julimar Project,** ~70km north-east of Perth in Western Australia.
- The third diamond hole (JD003), which is in progress at a current down-hole depth of 489m has intersected broad intervals of sulphide mineralisation (based on visual logging), including:
  - Several zones of disseminated sulphides (trace to 5%) from 28-191.5m, with localised Proterozoic dolerite cross-cutting gabbro and serpentinite.
  - **17m of matrix (20-30% sulphide) and stringer massive sulphides** from 191.5-208.5m.
  - **190.5m** of disseminated sulphides (trace to 3%) with localised zones to 5-8% disseminated sulphides from 270-**460.5m**.
- JD003 is located **~190m north of discovery hole JRC001**, and the 17m matrix sulphide zone is interpreted to be the possible **down-plunge extension of the matrix sulphide zone intersected in JRC006** (41m @ 2.6g/t Pd, 0.4g/t Pt, 0.5% Ni, 0.4% Cu and 0.03% Co from 39m), although more drilling and EM is required to confirm this interpretation.
- Given the **pervasive disseminated sulphide mineralisation encountered** at depth, JD003 will continue until it reaches the projected lower contact of the Gonneville Intrusive, interpreted from the magnetic inversion model to be at ~530m down-hole.
- **New broad zones of PGE mineralisation** also intersected in three new RC holes (JRC007-9) within the intrusive – confirming further widespread PGE mineralisation within the ~1.6km x 0.7km chonolith body.
- A deep sensing **SQUID EM survey is now underway** to test for conductors beyond the depth capabilities of the original Moving Loop EM (MLEM) survey.
- Diamond drilling continues, while the RC program has been temporarily halted to allow the SQUID EM survey to be completed.
- Assays are pending for **4 RC holes**, **3 diamond holes** as well as for **other PGEs** in holes already released.
- The **100%-owned** Julimar Project covers the **entire >26km long** Julimar Intrusive Complex and **~24km of the highly prospective complex is yet to be explored**.
- Chalice remains **fully funded** to continue its **systematic exploration** programs in Western Australia and Victoria, with a current working capital and investments balance of **~$25 million.**

Chalice Gold Mines Limited ("Chalice" or "the Company", ASX: CHN | OTCQB: CGMLF) is pleased to provide an update on its third diamond drill hole and to report additional assay results from RC drilling at its 100%-owned **Julimar Nickel-Copper-PGE Project** in Western Australia.

Chalice's Managing Director, Alex Dorsch, said: *"The third diamond hole at Julimar, which was collared around 200m north of the two key high-grade zones in JRC001 and JRC006, appears to have intersected*

significant intervals of matrix and disseminated sulphides to a depth of ~460m – a remarkable result. The hole has delivered further compelling evidence of the scale of the Gonneville discovery.

"Several broad zones of sulphide mineralisation have also been intersected in the latest RC holes, which further confirms the intrusive has widespread zones of PGE mineralisation.

"Our diamond drilling program is continuing to vector towards high-grade zones and we are hopeful that the current SQUID EM survey will assist in targeting in this regard. A large RC drill program is planned to commence in the coming weeks to fully test the extent of PGE mineralisation within the Gonneville Intrusive."

Preliminary diamond drilling results

The third diamond drill hole (JD003) at the Gonneville Intrusive (located at the southern end of the ~26km long Julimar Intrusive Complex) was drilled to test a strong (~10,000 Siemens) off-hole conductor located ~30m down-dip of JRC004 at a projected target depth of ~190m (**Figure 1**).

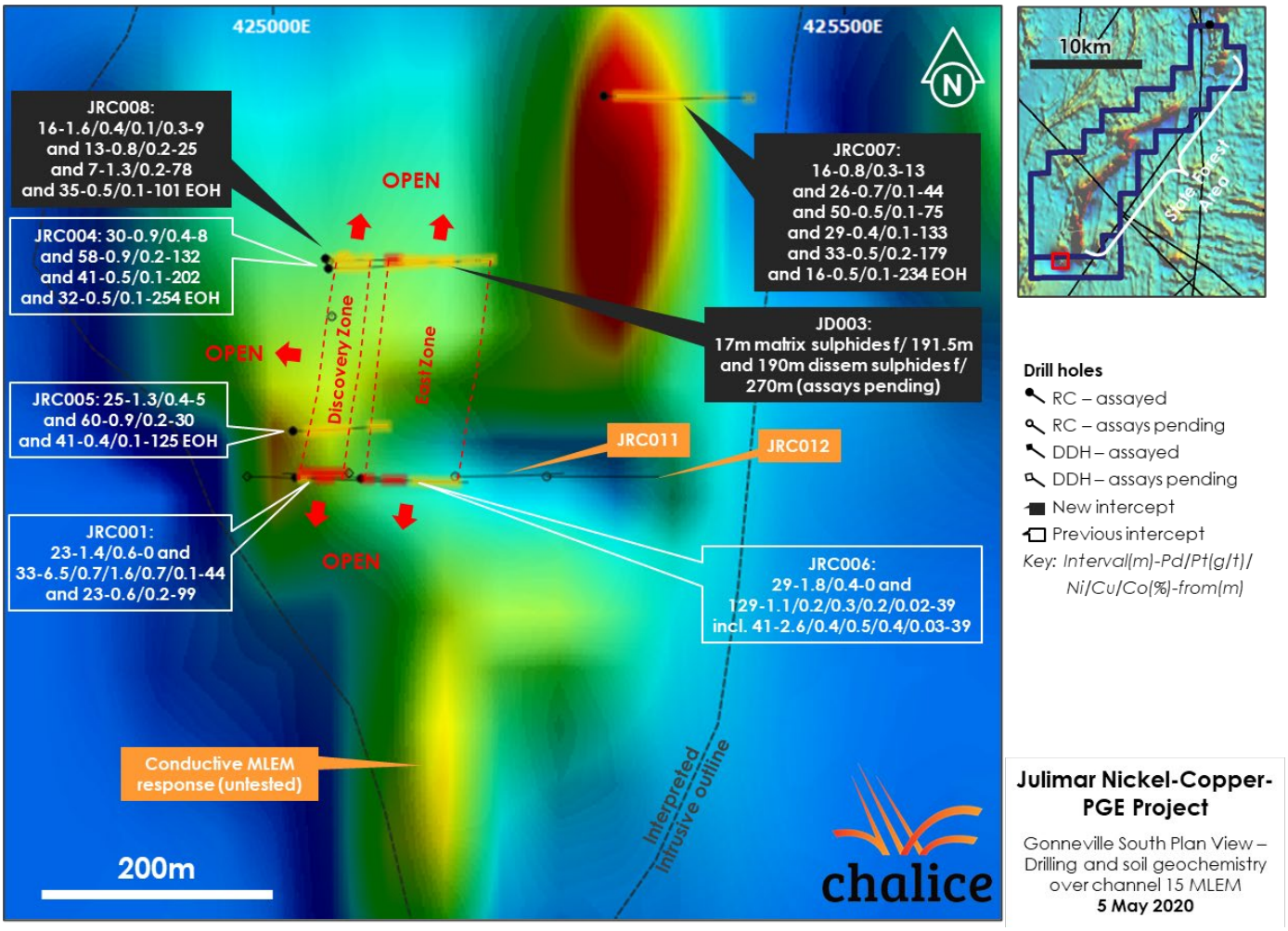


Figure 1. Gonneville South Plan View – Drilling and soil geochemistry over channel 15 MLEM.

JD003 has intersected, based on visual logging:

- Several zones of disseminated sulphides (trace to 5%) from 28-191.5m, with localised Proterozoic dolerite cross-cutting gabbro and serpentinite.
- 17m of matrix (20-30% sulphide) and stringer massive sulphides (pyrrhotite-pentlandite-chalcopyrite) from 191.5m down-hole (**Figure 2**) and 50m down-dip from JRC004 at the predicted location of the off-hole conductor.
- 190.5m of disseminated sulphides (trace to 3%) with localised zones to 5-8% disseminated sulphides from 270-460.5m, including a 2m interval of 30% matrix sulphides from 281-283m.
- Sheared ultramafic and granite from 460.5m to current hole depth of 489m.

The matrix and stringer massive sulphide zone intersected over 191.5-208.5m is located at the contact between a varitextured gabbro containing minor chalcopyrite veinlets and an underlying olivine orthocumulate serpentinite.

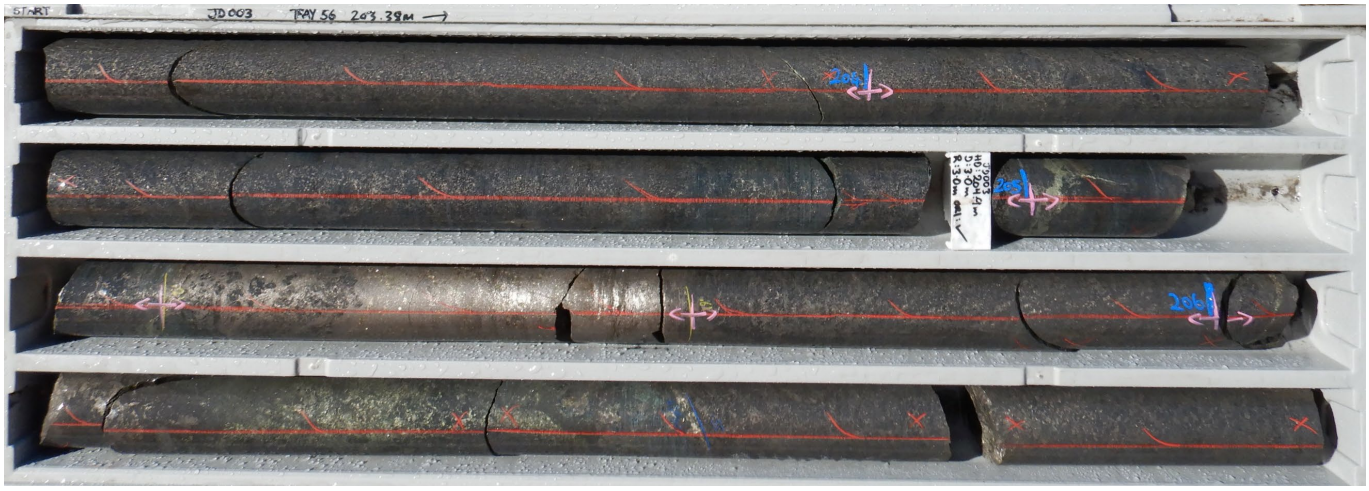


Figure 2. JD003 core from 203.4-207m.

The matrix and stringer massive sulphide zone intersected in JD003 shows a similar style of sulphide mineralisation to the shallow sulphide intersection in JRC006 (41m @ 2.6g/t Pd, 0.4g/t Pt, 0.5% Ni, 0.4% Cu and 0.03% Co from 39m) and a similar geological setting, including a varitextured gabbro hanging-wall, an interpreted steep westerly dip and an approximate north-south strike as suggested by MLEM/DHEM modelling.

As such, the matrix and stringer massive sulphide zone in JD003 is interpreted to be the down-plunge extension of the sulphide zone intersected in JRC006, although further drilling and EM is required to confirm this interpretation.

Given the pervasive disseminated sulphide mineralisation encountered at depth, JD003 will continue until it reaches the lower contact of the Gonneville Intrusive, interpreted from the magnetic inversion model to be at ~530m down-hole.

JD003 will be logged and sampled in the coming week before being sent for assaying. All assays for JD001-002 are also pending.

RC drilling results

Assay results have been received for holes JRC007-9 as well as the remainder of hole JRC006 (80-184m):

- JRC006 was drilled ~60m east of discovery hole JRC001 to test the eastern continuation of a coincident Ni-Cu soil anomaly (as previously reported);
- JRC007 was drilled to test Conductor 'D', ~300m NE of the discovery hole JRC001;
- JRC008 was designed to drill conductor C1, however the hole was abandoned at 136m due to excessive drift; and,
- JRC009 was drilled to test Conductor 'H', ~700m NE of the discovery hole JRC001.

JRC006 intersected a broad interval of disseminated sulphides below the previously reported matrix sulphide intercept, and all four holes (JRC006-9) have intersected broad zones of elevated PGEs including shallow oxide and underlying bedrock sulphide mineralisation in mostly serpentinised ultramafic lithologies (**Figure 3**).

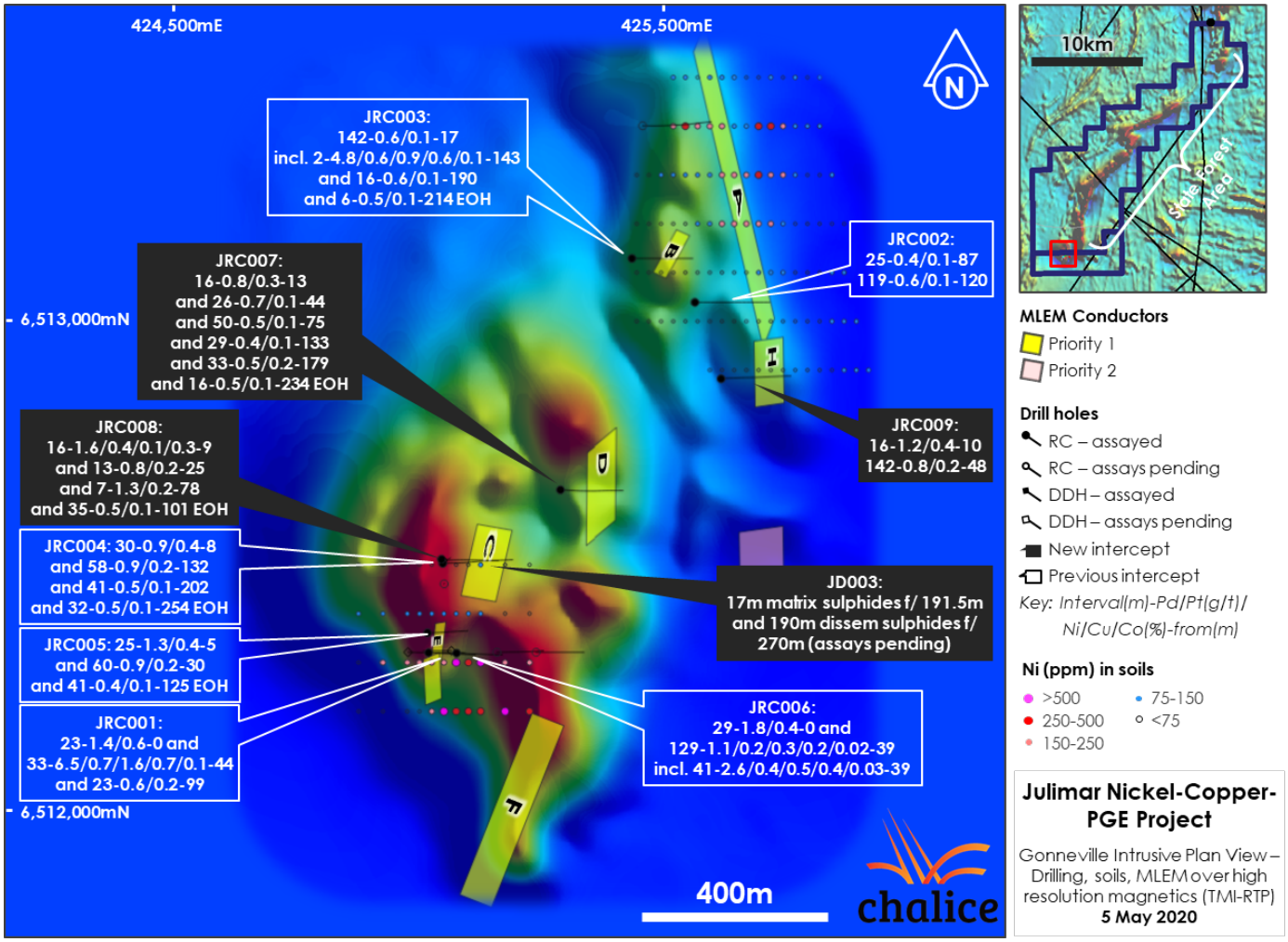


Figure 3. Gonneville Plan View – Drilling and soil geochemistry over TMI-RTP magnetics.

The strongly elevated Pd and Pt in the oxide zones are associated with laterite gravels and saprolite clays developed over serpentinite bedrock. The elevated Pd and Pt in fresh bedrock are associated with trace to 5-10% disseminated sulphides in predominantly serpentinised ultramafic intrusive rock-types.

All mineralised intercepts remain open in all directions, which continues to confirm the potential for a large-PGE system at Gonneville.

Assays are pending for JRC010-12 and JWB001.

New significant intercepts are provided in **Table 1** and updated hole details are provided in **Table 2**.

Table 1. Significant new drill intercepts (>0.3g/t Pd or >0.5% Ni cut-off grade) – Julimar Ni-Cu-PGE Project.

Hole ID	From (m)	To (m)	Width* (m)	Pd (g/t)	Pt (g/t)	Pt+Pd (g/t)	NI (%)	Cu (%)	Co (%)	Geology
JRC006	39	168	**129**	**1.15**	**0.21**	**1.36**	**0.27**	**0.17**	0.02	Sulphide
incl.#	39	80	**41**	**2.58**	**0.41**	**2.99**	**0.55**	**0.40**	0.03	Sulphide
JRC007	13	29	16	0.81	0.28	1.09	0.14	0.15	0.05	Oxide
JRC007	44	70	26	0.68	0.12	0.80	0.16	0.14	0.02	Sulphide
JRC007	75	125	50	0.48	0.12	0.60	0.15	0.04	0.01	Sulphide
JRC007	133	162	29	0.40	0.09	0.49	0.13	0.07	0.01	Sulphide
JRC007	179	212	33	0.50	0.17	0.67	0.14	0.14	0.01	Sulphide
JRC007	234	250 (EOH)	16	0.48	0.11	0.59	0.12	0.05	0.01	Sulphide
JRC008	9	25	**16**	**1.62**	**0.43**	**2.05**	0.15	0.31	0.04	Oxide
JRC008	25	38	13	0.85	0.19	1.04	0.15	0.13	0.02	Sulphide
JRC008	78	85	**7**	**1.31**	**0.25**	**1.56**	0.18	0.07	0.02	Sulphide
JRC008	101	136 (EOH)	35	0.49	0.10	0.59	0.14	0.05	0.02	Sulphide
JRC009	10	26	**16**	**1.25**	**0.43**	**1.68**	0.10	0.11	0.04	Oxide
JRC009	48	190	**142**	**0.77**	**0.17**	**0.94**	**0.17**	**0.13**	0.01	Sulphide
incl	70	79	**9**	**1.45**	**0.33**	**1.79**	**0.27**	**0.16**	0.02	Sulphide
and	151	161	**10**	**1.34**	**0.26**	**1.60**	**0.20**	**0.16**	0.02	Sulphide
and	168	177	**9**	**1.01**	**0.26**	**1.27**	**0.17**	**0.12**	0.01	Sulphide

*#previously reported. *Downhole widths reported, true widths unknown.*

Table 2. Updated drill hole details – Julimar Ni-Cu-PGE Project.

Hole ID	Easting (mE)	Northing (mN)	RL (m)	Azimuth (°)	Dip (°)	Total depth (m)	Survey Type
JD001	424978.0	6512319.2	234.6	90	-60	268.2	DGPS
JD002	425067.0	6512323.0	240.0	269.3	-66.9	150.8	GPS
JD003	425050.0	6512508.0	238.5	90	-78	In progress	GPS
JRC001	425019.0	6512318.3	235.5	90	-60	150	DGPS
JRC002	425567.5	6513038.4	254.1	90	-60	280	DGPS
JRC003	425439.3	6513128.1	255.9	88.2	-61.0	220	DGPS
JRC004	425048.4	6512501.5	238.4	90	-60	286	DGPS
JRC005	425019.7	6512358.6	235.6	92.9	-60.1	166	DGPS
JRC006	425077.5	6512318.3	237.1	93.5	-60.0	184	GPS
JRC007	425289.3	6512652.0	246.4	92.4	-59.8	250	DGPS
JRC008	425045.6	6512510.2	238.5	83.9	-79.2	136	DGPS
JRC009	425621.5	6512881.9	249.1	90	-58.6	250	DGPS

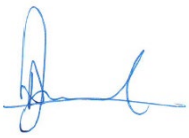
Forward plan

Ongoing and planned activities at Julimar include:

- **Diamond drilling** will continue test key DHEM targets. JD004 is planned as a diamond tail of JRC003, which intersected a 2m wide zone of massive sulphide but could not be cased for DHEM.
- **Down-hole EM** will continue to play a critical role in identifying potential targets for follow-up drilling and will be completed on all holes.
- **Targeting at the Gonneville Intrusive:**
    - A **SQUID EM** survey is currently underway, aiming to provide a deeper detection capacity than the previous ground MLEM survey.
    - Detailed **soil sampling** over the entire intrusive will commence in the coming days.
- **RC drilling** – a Phase 2 RC drill program is being planned, to provide wide-spaced sectional east-west coverage over the Gonneville Intrusive. This program is expected to commence in mid-May.

Chalice will continue to monitor the current advice from the Government and health authorities with regards to restrictions imposed due to the COVID-19 pandemic, and to ensure the ongoing health and well-being of its employees and contractors.

Authorised for release on behalf of the Company by:



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About the Julimar Nickel-Copper-PGE Project, Western Australia

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

Chalice interpreted the possible presence of a mafic-ultramafic layered intrusive complex at Julimar based on high resolution regional magnetics. The large complex is interpreted to be ~26km long and ~7km wide and considered prospective for nickel, copper and platinum group elements. However, it had never been explored for these metals (***Figure 4***).

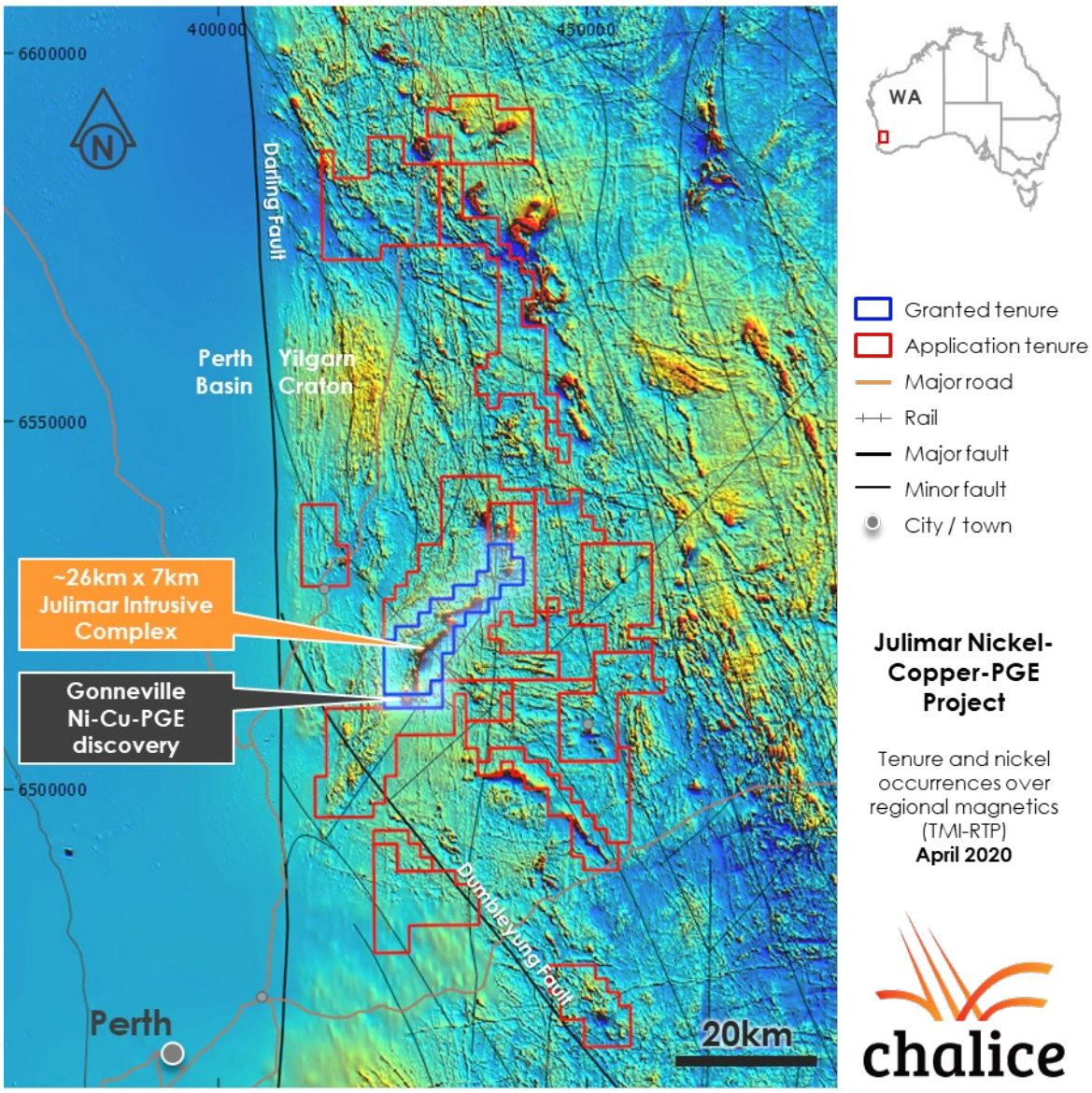


Figure 4. *Julimar Project tenure and nickel occurrences over regional magnetics.*

Chalice is targeting high-grade nickel-copper-PGE discoveries and commenced a systematic, greenfield exploration program in mid-2019 in the southern portion of the Project on private land. This included 200m-spaced Moving Loop Electromagnetic (MLEM) with selective 100m infill lines, targeted soil geochemistry over high-priority MLEM conductors, and geological mapping which failed to identify any bedrock exposures over the area of interest.

Two MLEM conductors were shown to be associated with anomalous nickel-in-soils and preferentially located along the margins of a ~2km x 0.5km discrete magnetic anomaly interpreted as a potential feeder zone located near the southern extent of the intrusive complex.

An initial RC drill program commenced in Q1 2020 and resulted in the discovery of high-grade nickel-copper-cobalt-PGE mineralisation.

About Platinum Group Elements and Palladium

The Platinum Group Elements (PGEs) are a group of six precious metals clustered together on the periodic table: platinum (Pt), palladium (Pd), iridium (Ir), osmium (Os), rhodium (Rh) and ruthenium (Ru).

PGEs have many desirable properties and as such have a wide variety of applications. Most notably, they are used as auto-catalysts (pollution control devices for vehicles), but are also used in jewellery, electronics and hydrogen fuel cells.

Palladium is exceptionally rare and is currently one of the most valuable precious metals, with an acute supply shortage driving prices to a recent record high of US$2,856/oz in February 2020. The current spot price is ~US$1,900/oz.

Strong demand growth (~11.5Moz in 2019[1]) is being driven by regulations requiring increased use of the metal, particularly as an auto-catalyst in gasoline and gasoline-hybrid vehicles. The total palladium market supply from all sources in 2019 was ~10.8Moz, and >75% is sourced from mines in Russia and South Africa[1].

[1] *Source: S&P Global Market Intelligence*

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 information 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 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.

Forward Looking Statements

This report may contain 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 Gold Mines Limited (the Company) does not intend, and does not assume any obligation, to update these forward-looking statements.

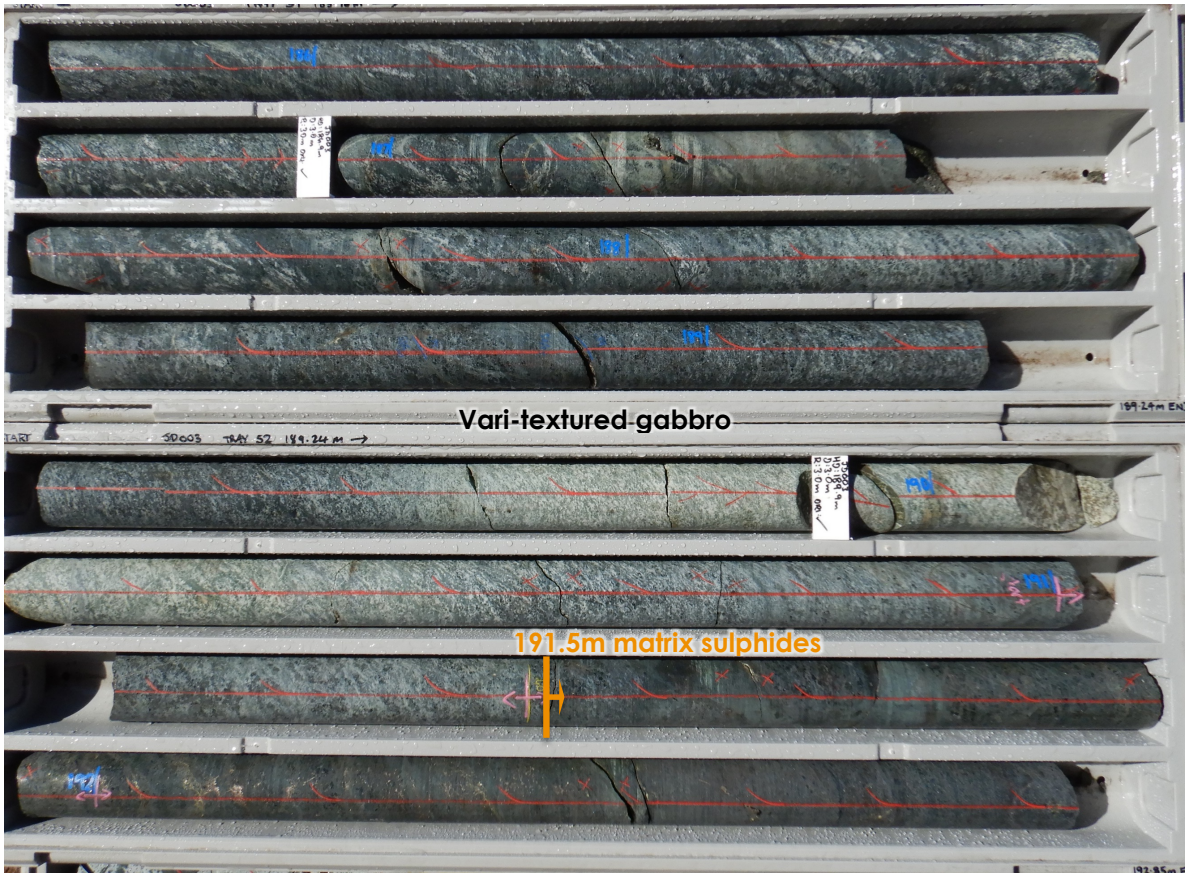
Forward-looking statements relate to future events or future performance and reflect Company management's expectations or beliefs regarding future events and include, but are not limited to, the Company's strategy, the price of O3 Mining securities, receipt of tax credits and the value of future tax credits, the estimation of mineral reserve and mineral resources, the realisation of mineral resource estimates, the likelihood of exploration success at the Company's projects, the prospectivity of the Company's exploration projects, the timing of future exploration activities on the Company's exploration projects, planned expenditures and budgets and the execution thereof, the timing and availability of drill results, potential sites for additional drilling, the timing and amount of estimated future production, costs of production, capital expenditures, success of mining operations, environmental risks, unanticipated reclamation expenses, title disputes or claims and limitations on insurance coverage.

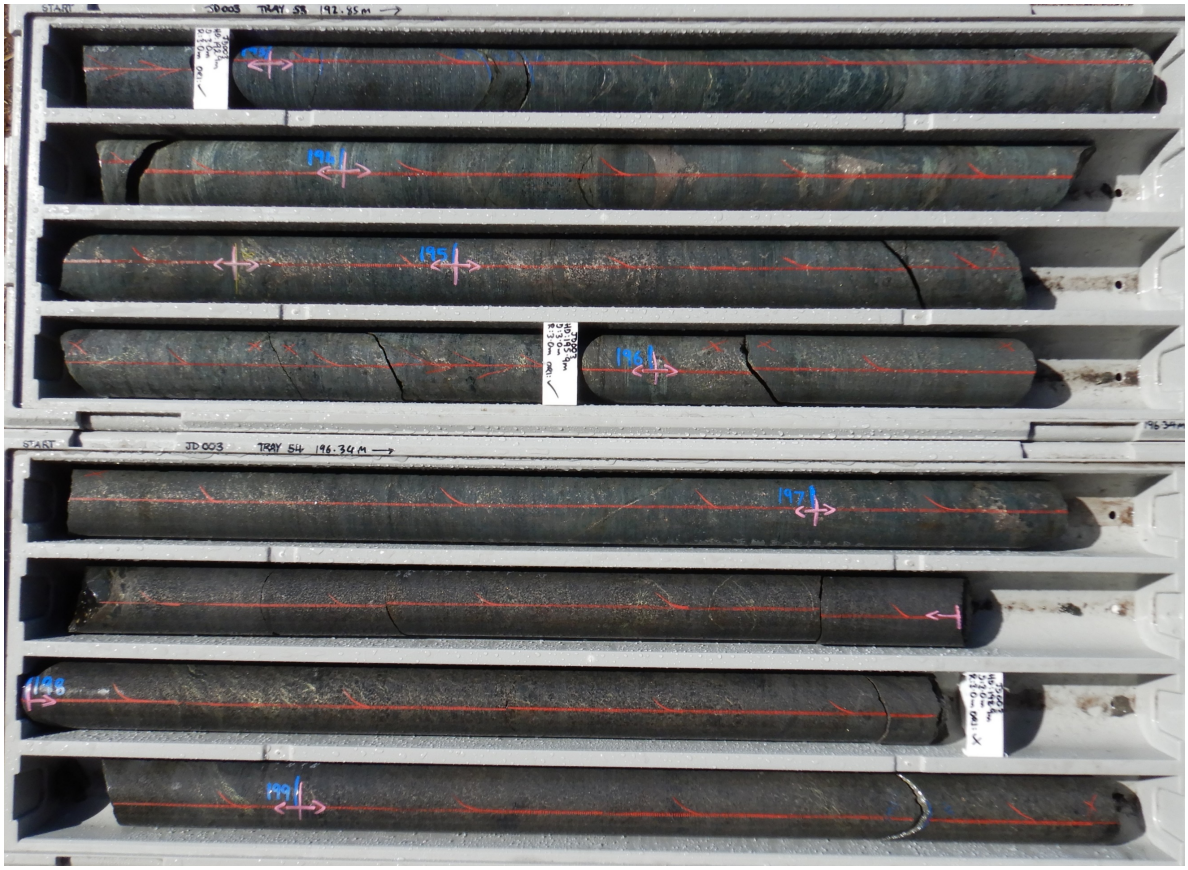
In certain cases, forward-looking statements can be identified by the use of words such as "plans", "planning" "expects" or "does not expect", "is expected", "will", "may", "would", "potential", "budget", "scheduled", "estimates", "forecasts", "intends", "anticipates" or "does not anticipate", "believes", "occur", "impending", "likely" or "be achieved" 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; changes in project parameters as plans continue to be refined; changes in exploration programs based upon the results of exploration; future prices of mineral resources; possible variations in mineral resources or ore reserves, grade or recovery rates; accidents, labour disputes and other risks of the mining industry; delays in obtaining governmental approvals or financing or in the completion of development or construction activities; movements in the share price of O3 Mining securities and future proceeds and timing of potential sale of O3 Mining securities, 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.

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.

Appendix 1: JD003 core photos (185.7-214.3m downhole)

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JD003 TRAY 53 192.35m
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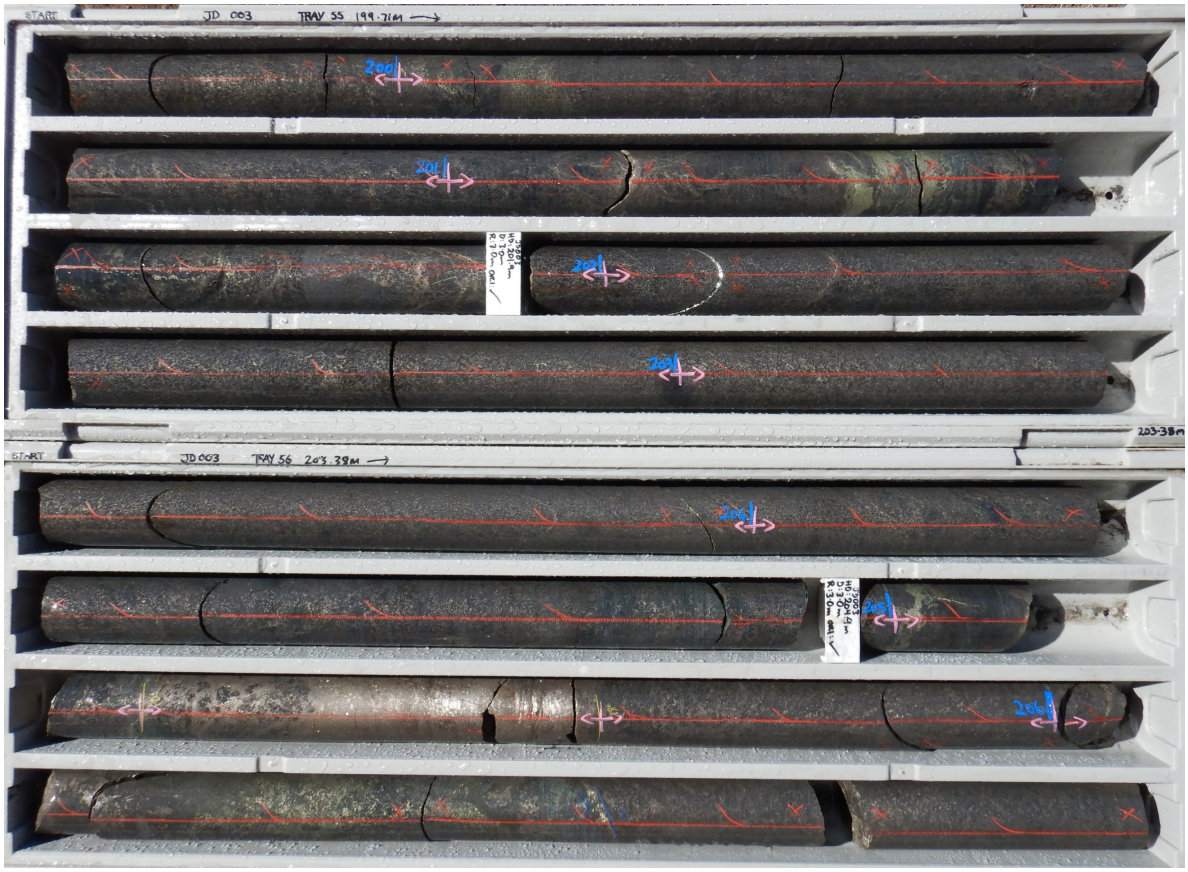
JD 003 TRAY 55 199.71m
JD003 TRAY 56 203.39m
203.38m

Appendix 2: JORC Table 1 – Julimar Ni-Cu-PGE Project

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.* • *Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.* • *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*	• Reverse Circulation (RC) drilling samples were collected as 1m to 4m samples. 1m samples were collected as a split from the rig cyclone using a cone splitter. Composite samples were collected from bulk samples using a PVC spear with the sample speared from top to bottom of the bag to ensure the sample is representative. Composite and 1m samples weigh approximately 3kg. • No diamond drill core sampling reported. • All samples were pulverised at an industry standard laboratory to nominal 85% passing 75 microns before being analysed. • Qualitative care was taken to ensure representative samples weights were consistent when sampling on a metre by metre basis.

Criteria	JORC Code explanation	Commentary
	coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (eg. submarine nodules) may warrant disclosure of detailed information.	
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).*	• Drilling has been undertaken by two drilling techniques: i) Reverse circulation (RC) using a face-sampling hammer drill bit with a diameter of 5.5inches (140mm), and ii) Diamond drilling techniques using HQ3 and HQ sized drill core
Drill sample recovery	• *Method of recording and assessing core and chip sample recoveries and results assessed.* • *Measures taken to maximise sample recovery and ensure representative nature of the samples.* • *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.*	• For RC drilling, individual recoveries or composite samples were recorded on a qualitative basis. Sample weights were slightly lower through transported cover whereas drilling through bedrock yielded samples with more consistent weights. • HQ3 coring technique is used throughout weathered zone to maximise core recovery. Core recovery noted for each run. • No relationships have been evident between RC sample grade and recoveries. • No sampling results reported for diamond drilling
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.* • *Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography.* • *The total length and percentage of the relevant intersections logged.*	• All 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 reconnaissance exploration. • Logging is considered qualitative in nature. • 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.* • *If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry.* • *For all sample types, the nature, quality and appropriateness of the sample preparation technique.* • *Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.* • *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.* • *Whether sample sizes are appropriate to the grain size of the material being sampled.*	• 1m RC samples were collected as 1m splits from the rig cyclone via a rotary cone splitter. The cone splitter was horizontal to ensure sample representivity. Composite samples were collected from bulk samples using a PVC spear with the bulk sample speared from top to bottom of the bag to ensure the sample is as representative as possible. The majority of samples were dry. Wet or damp samples were noted in the sample logging sheet. • Field duplicates were collected from selected sulphide zones as a second 1m split directly from the rotary cone splitter. • Sample sizes are considered appropriate for the style of mineralisation sought and the initial reconnaissance nature of the drilling program. • No sampling results reported for diamond

Criteria	JORC Code explanation	Commentary
		drill core
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.* • *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.* • *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.*	• All RC samples 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 48-element suite was analysed by ICP-MS following a four-acid digest (ALS method code ME-MS61) including Ag, Al, As, Ba, Be, Bi, Ca, Cd, Ce, Co, Cr, Cs, Cu, Fe, Ga, Ge, Hf, In, K, La, Li, Mg, Mn, Mo, Na, Nb, Ni, P, Pb, Rb, Re, S, Sb, Sc, Se, Sn, Sr, Ta, Te, Th, Ti, Tl, U, V, W, Y, Zn, Zr. Additional ore-grade analysis was performed as required for elements reporting out of range for Ni, Cr, Cu (ALS method code ME-OG-62). • Certified analytical standards and blanks were inserted at appropriate intervals. Approximately 5% of samples submitted for analysis comprised QAQC control samples. • No sampling results reported for diamond drill core
Verification of sampling and assaying	• *The verification of significant intersections by either independent or alternative company personnel.* • *The use of twinned holes.* • *Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.* • *Discuss any adjustment to assay data.*	• Significant 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 chips after final assays are received. • No twin holes have been drilled for comparative purposes. The target is still considered to be at an early exploration stage. • Primary data was collected as hard copy records in the field and digitised at the Chalice Perth office where the data is validated and entered into the master database. • No adjustments have been made to the assay data received. • No sampling results reported for diamond drill core.
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.* • *Specification of the grid system used.* • *Quality and adequacy of topographic control.*	• Hole collar locations are initially recorded by Chalice employees using a handheld GPS with a +/- 3m margin of error. • DGPS collar pick-ups replaces handheld GPS collar pick-ups and has <1m margin of error • The grid system used for the location of all drill holes is GDA94 - MGA (Zone 50). • RLs were assigned either from 1 sec (30m) satellite data or DGPS pick-up.
Data spacing and distribution	• *Data spacing for reporting of Exploration Results.* • *Whether the data spacing and distribution is sufficient to establish the degree of*	• RC and diamond drill holes are positioned to drill at high angle to the interpreted dip and strike of the mineralised zone. • Results from the drilling to date are not

Criteria	JORC Code explanation	Commentary
	geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied. • *Whether sample compositing has been applied.*	considered sufficient to assume any geological or grade continuity. • Samples have been composited to a maximum of 4m based on consistent geology.
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.* • *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 mineralisation is interpreted to be mostly orthogonal to the drill hole. • No sampling results reported for diamond drilling
Sample security	• *The measures taken to ensure sample security.*	• No sampling results reported
Audits or reviews	• *The results of any audits or reviews of sampling techniques and data.*	• No review has been carried out to date.

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.* • *The security of the tenure held at the time of reporting along with any known impediments to obtaining a licence to operate in the area.*	• RC and diamond drill holes were drilled on E70/5118 and 5119 on private property. The licences are 100% owned by CGM (WA) Pty Ltd, a wholly owned subsidiary of Chalice Gold Mines Limited with no known encumbrances. • Current drilling is on private land and granted tenure covers both private land and State Forest. • Access for exploration in the State Forest requires Ministerial approval which has not yet been obtained.
Exploration done by other parties	• *Acknowledgment and appraisal of exploration by other parties.*	• 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 two genuine explorers in the area, both primarily targeting Fe-Ti-V mineralisation. • Three diamond holes were completed by Bestbet Pty Ltd targeting Fe-Ti-V situated approximately 3km NE of JRC001. No elevated Ni-Cu-PGE assays were reported. • Bestbet Pty Ltd completed 27 stream sediment samples within E70/5119. No significant Ni-Cu-PGE anomalism was reported. • A local AMAG survey was flown in

Criteria	JORC Code explanation	Commentary
		1996 by Alcoa using 200m line spacing which has been used by Chalice for targeting purposes.
Geology	• *Deposit type, geological setting and style of mineralisation.*	• The deposit type being explored for is magmatic Ni-Cu-PGE sulphide deposits within the Yilgarn Craton. The style of sulphide mineralisation intersected consists of massive, matrix, stringer and disseminated sulphides typical of metamorphosed and structurally overprinted magmatic Ni sulphide deposits.
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:* o *easting and northing of the drill hole collar* o *elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar* o *dip and azimuth of the hole* o *down hole length and interception depth* o *hole length.* • *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.*	• Provided in body of text • 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.* • *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.* • *The assumptions used for any reporting of metal equivalent values should be clearly stated.*	• Significant intercepts are reported using a >0.3g/t Pd cut off. A maximum of 2m internal dilution has been used except in areas of consecutive 4m composites in which case maximum internal dilution is 4m. No top cuts were applied. • Higher grade intercepts were aggregated on the basis of >1g/t Pd unless stated otherwise in the text of the report. No top cuts were applied. • Metal equivalent values are not reported • No sampling results reported for diamond drill core
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.* • *If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (eg. 'down hole length, true width not known').*	• All widths are quoted down-hole. The orientation of the mineralisation is unknown due to insufficient drilling. However, drill holes were orientated to be as close as possible to orthogonal to the interpreted dip of the mineralised zone(s) and/or targets.

Criteria	JORC Code explanation	Commentary
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 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.
Further work	• *The nature and scale of planned further work (eg. tests for lateral extensions or depth extensions or large-scale step-out drilling).* • *Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.*	• Diamond and RC drilling will continue to test high-priority EM conductors, soil geochemical targets. Further drilling along strike and down dip may occur at these and other targets depending on results. • Down-hole EM surveying will be carried out on the majority of drill holes to test for off-hole conductors. Subsequent holes will undergo down-hole EM if required. • Any potential extensions to mineralisation are shown in the figures in the body of the text.