

ASX ANNOUNCEMENT

12 February 2019

### CONTRACT SIGNED FOR VTEM SURVEY OVER CANADIAN PROJECT AREAS

- The Company has signed a contract to fly an airborne electromagnetic geophysical survey over two areas within its 100% owned Zeus Project area in Quebec, Canada;
- The 718 line-kilometre survey will be flown by Geotech Ltd utilising their helicopter-borne **VTEM™ Max** system;
- It is anticipated that the contractor will mobilise to site in late-February to early-March with preliminary data being available by late-March 2019; and,
- The 100m line-spaced survey will cover the entire area of the Company's 100% owned Lorraine and Alotta-Delphi claim blocks targeting nickel-copper massive sulphide mineralisation.

Ontario based Geotech Ltd has been contracted to fly an airborne electromagnetic (EM) survey utilising its helicopter-borne **VTEM™ Max** system over the Lorraine and Alotta-Delphi-Zullo (ADZ) Project areas in south-west Quebec.

The target within the Company's claims (Figure 1) are nickel-copper-cobalt-precious metal massive sulphides associated with the basal zone of differentiated gabbro sills in the Belletierre-Angliers Greenstone Belt (BAGB).



**Figure 1: Project Locality Map – VTEM Survey Areas**



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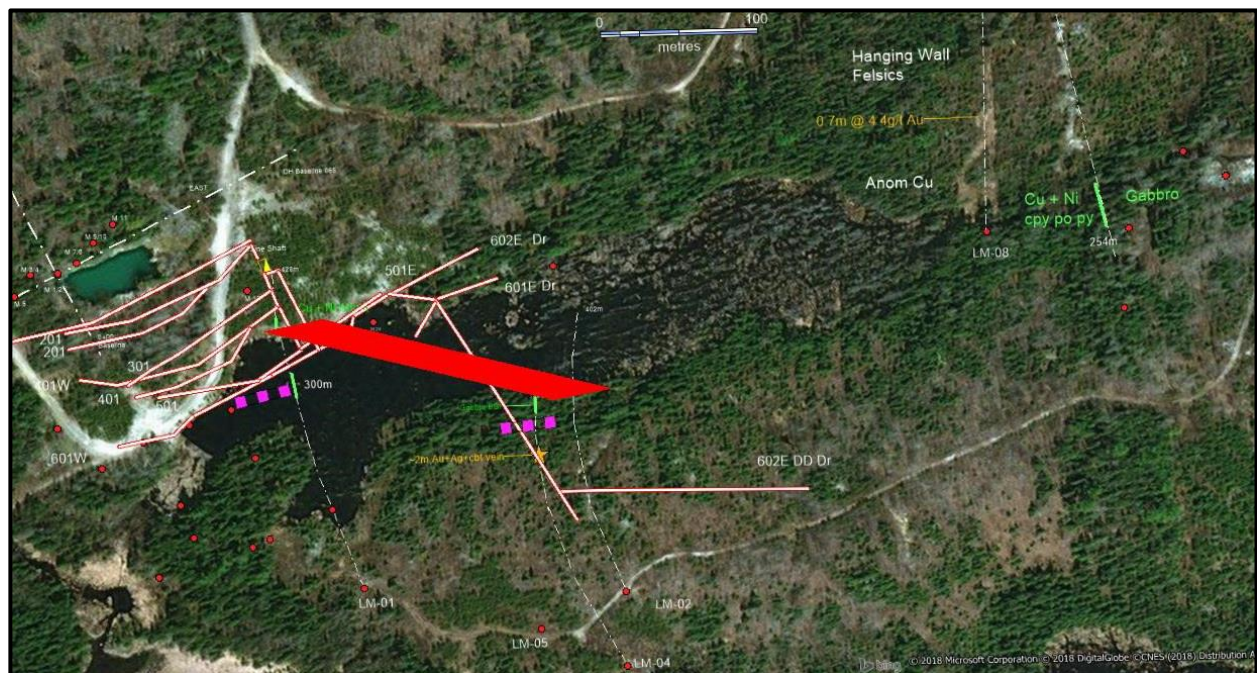
With 100% coverage of the Lorraine claims at 100m line-spacing all the historic drill sites (Figure 2) comprising nickel, gold and base metal\* targets and anomalies will be evaluated by the VTEM survey which has a proven record of locating discrete conductors (massive sulphides) to depths of 300-400m.

\* Cu-Zn-Ag-Co volcanogenic semi-massive to massive sulphides.



**Figure 2: Lorraine Project Claims and Historic Diamond Drill Holes**

Within the Lorraine Project area the VTEM survey will test the depth and strike extensions of the Lorraine Mine which produced 600,000t of nickel-copper massive sulphide ore (from 1965-68). In addition, a 2005 drill programme identified strong off-hole EM anomalies located in the hanging wall to the deposit (see Figure 3). The ~200m strike modelled conductor will be further evaluated by the VTEM system. Reinterpretation of 2015 aeromagnetic data has delineated extensive target gabbro bodies within the Lorraine claims (ASX: 9<sup>th</sup> January 2019) which will be covered by the survey.



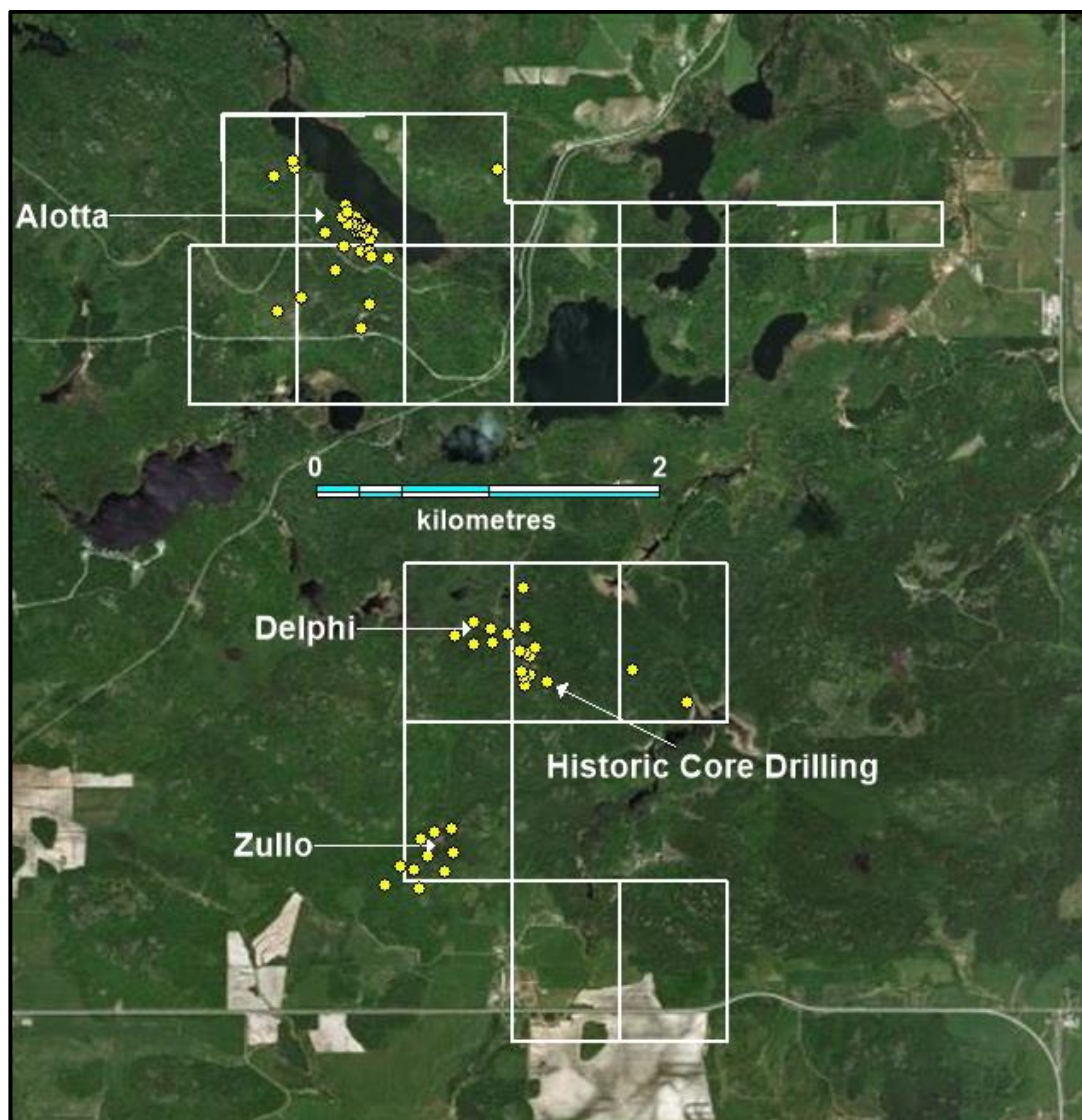
**Figure 3: Lorraine Mine Area Modelled Off-hole EM Conductor (Red) Relative to 1960's Underground Development – Purple dashes are the primary downhole EM responses**



At the Alotta-Delphi-Zullo (ADZ) Project diamond drilling has outlined a substantial near surface (50m) nickel-copper-cobalt-precious metal massive sulphides lens at the Alotta Prospect (ASX: 13th November 2018 and 7th January 2019). The VTEM survey will target the strike and depth extensions to the host gabbro body which is complexly folded (repeated) within the ADZ claims.

At the Delphi Prospect a 2001 IP survey outlined seven high priority chargeability and/or magnetic targets. In addition, downhole IP indicated an off-hole conductive zone at the bottom of BT-01-42, below the Delphi surface showing. Hole BT-01-36 intersected 1.45 metres of massive pyrrhotite, pentlandite and chalcopyrite from 51.55 to 53.00 metres which assayed 6.2% Ni, 2.91% Cu, 0.10% Co, 0.28 g/t Pt and 0.45 g/t Pd. A second hole BT-01-40, drilled parallel to BT-01-36 and 30 metres to the west, intersected 19 metres of mineralisation averaging 1.38% combined Ni-Cu from 79.30 to 98.45 metres. The downhole IP indicated that the mineralisation in drill holes (BT-01-36 and BT-01-40) was connected.

With 100% coverage of the ADZ claims at 100m line-spacing, all the historic drill sites (Figure 4) comprising nickel targets and anomalies will be evaluated by the VTEM survey.



**Figure 4: ADZ Project Claims and Historic Diamond Drill Holes**

Since acquisition of Zeus Minerals Ltd (ASX 3 October 2018) and following on from the successful first drill programme at the Alotta Prospect, the Company and its consults Orix Geoscience and Core Geophysics have been assessing the potential of its Project tenements in the BAGB to host nickel-copper-cobalt-precious metal mineralisation associated with the basal zone of differentiated gabbro sills.

The compilation of historic geological, geophysical reports and drill data has resulted in the delineation of extensive prospective host gabbro sills within the Lorraine and ADZ claim blocks. The known nickel-copper deposits in the BAGB exhibit basal massive sulphide mineralisation. The helicopter-borne **VTEM™ Max** system is an ideal tool for locating conductors (massive sulphides) in resistive terrane as is present in the BAGB. The 100m line-spaced survey will cover the entire area of the Company's 100% owned Lorraine Project and Alotta-Delphi Project claims.

It is anticipated that the contractor will mobilise to site in the late-February to early-March with preliminary data being available by late-March 2019.

**For, and on behalf of, the Board of Directors of Chase Mining Corporation Limited,**

Dr Leon Pretorius  
Executive Chairman  
Chase Mining Corporation Limited

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### **Competent Person Statement**

Information in this ASX announcement that relates to Exploration Results is based on information compiled by Mr Martin Kavanagh. Mr Kavanagh is a Non-Executive Director of Chase Mining Corporation Limited and is a Fellow of the Australasian Institute of Mining and Metallurgy (FAusIMM), a Member of the Australian Institute of Geoscientists (MAIG) and a Member of the Canadian Institute of Mining, Metallurgy and Petroleum (CIM). Mr Kavanagh has sufficient experience, which is relevant to the style of mineralisation and type of deposit under consideration, and to the activities, which he is undertaking. This qualifies Mr Kavanagh as a "Competent Person" as defined in the 2012 edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (JORC Code 2012). Mr Kavanagh consents to the inclusion of information in this announcement in the form and context in which it appears. Mr Kavanagh holds shares in Chase Mining Corporation Limited.