



ASX Announcement

25 May 2022

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Successful A\$100 million placement to accelerate exploration and pre-development activities at Julimar

Chalice fully funded for the next phase of growth, with very strong support from leading domestic and international institutions

Highlights

- « Firm commitments received to raise **A\$100 million** (before costs) through a very strongly supported Placement.
- « Placement completed to **leading domestic and international institutional and sophisticated investors**, including a significant contribution from existing shareholders.
- « Chalice now **fully funded for the next 18 months** of exploration and pre-development activities at its 100%-owned Julimar Project and highly prospective West Yilgarn licence holding.
- « Upon completion of the Placement, Chalice is forecast to have cash on hand of **~A\$141 million**.

Overview

Chalice Mining Limited ("Chalice" or "the Company", ASX: CHN | OTCQB: CGMLF) is pleased to advise that it has received firm commitments to raise approximately **A\$100 million** at A\$6.00 per share to fund ongoing exploration and pre-development activities at its 100%-owned **Julimar Nickel-Copper-PGE Project** and highly prospective West Yilgarn licence holding.

Chalice's placement received very strong support from leading domestic and international institutions (including existing shareholders), as well as sophisticated investors.

Chalice is now fully funded for the next 18 months of exploration and pre-development activities, including:

- « Ongoing step-out and resource definition drilling at Gonnevillle to extend the deposit and define a potential underground Resource;
- « Completion of the Gonnevillle Scoping Study, and material advancement of the subsequent Pre-Feasibility Study;
- « Completion of initial low-impact drilling along the >30km long Julimar Complex including the Hartog and Dampier targets;
- « Regional reconnaissance exploration and drilling across multiple new prospects within the ~8,000km² of highly prospective but underexplored West Yilgarn Ni-Cu-PGE Province; and
- « General corporate costs and working capital.

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Placement details

The placement will comprise the issue of ~16.7 million new fully paid ordinary shares ("Placement Shares") at an issue price of A\$6.00 per share ("Placement").

The Placement Shares are to be issued pursuant to the Company's 15% capacity under ASX Listing Rule 7.1.

The issue price represented a 10% discount to the last traded share price of \$6.67 on 23 May 2022.

The Placement is intended to settle on 27 May 2022, with the Placement Shares being issued on 30 May 2022.

Bell Potter Securities Limited and Macquarie Capital acted as joint lead managers to the Placement.

Authorised for release by the Disclosure Committee of the Company.

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

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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 interpreted >26km long Julimar Complex.

In November 2021, Chalice defined a tier-1 scale, pit-constrained maiden Mineral Resource Estimate (Resource) for Gonneville – Indicated and Inferred 330Mt @ 0.94g/t Pd+Pt+Au (3E), 0.16% Ni, 0.10% Cu, 0.016% Co (~0.58% NiEq or ~1.6g/t PdEq)¹. 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 ~2km of the interpreted >30km Julimar Complex strike length. As such the project 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 >8,000km² land position in this exciting new area and is leveraging its competitive 'first mover' advantage.

¹ Refer to full Mineral Resource Statement in Appendix A

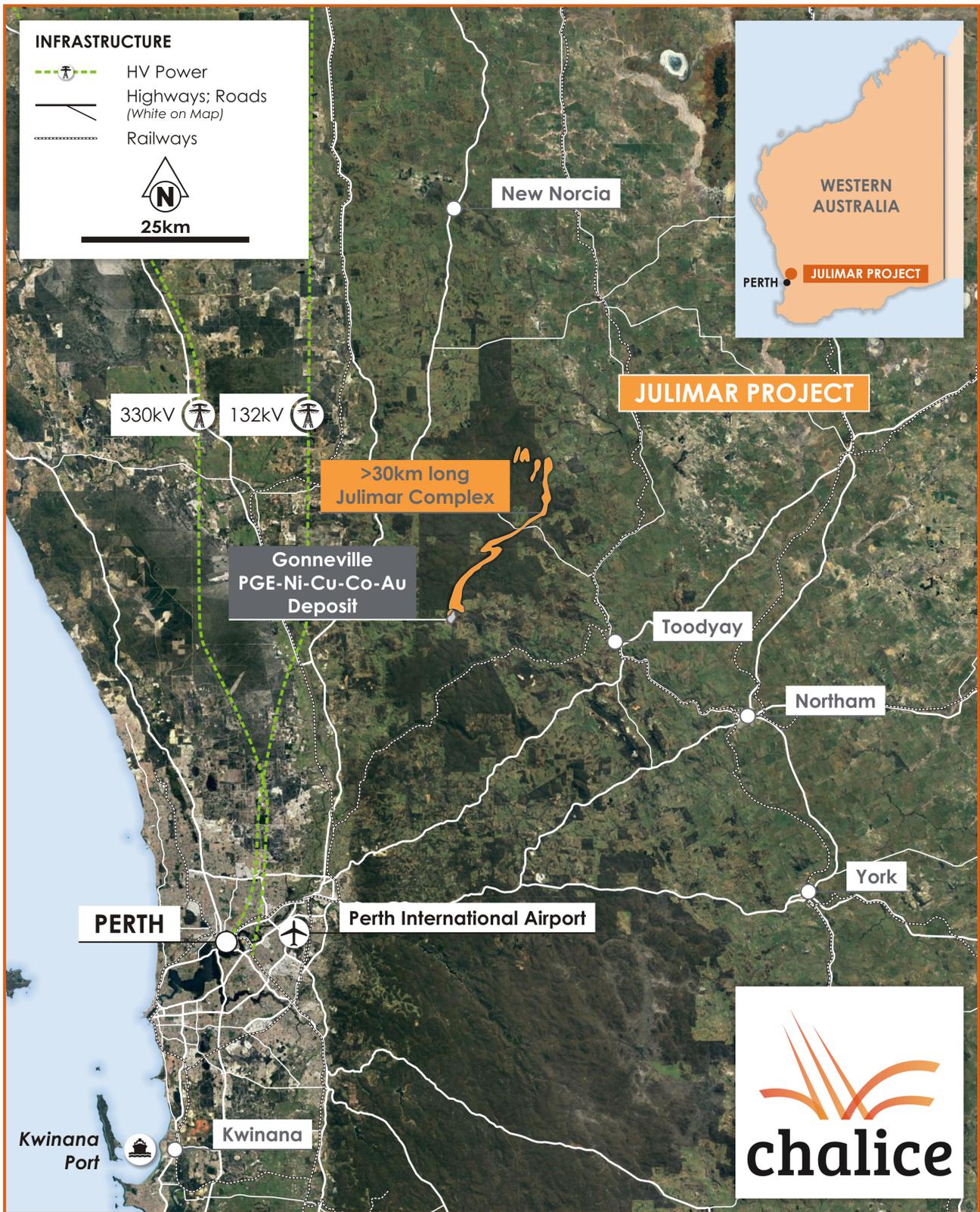


Figure 1. Julimar Complex, Gonneville deposit, Project tenure and nearby infrastructure.

Competent Persons and Qualifying Persons Statement

The Information in this announcement that relates to Mineral Resources has been extracted from the ASX announcement titled "Tier 1 Scale Maiden Mineral Resource at Julimar" dated 9 November 2021 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 and Qualified Person's findings are presented have not been materially modified from the relevant original market announcement. Refer to Annexure A for further information on the Mineral Resource Estimate.

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. Investors should note that it is a requirement of the ASX listing rules that the reporting of mineral resources in Australia is in accordance with the JORC Code and that Chalice's mineral resource estimates comply with the JORC Code.

The requirements of JORC Code differ in certain material respects from the disclosure requirements of United States securities laws. 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.

As a designated reporting issuer in the province of Ontario, Chalice is also subject to certain Canadian disclosure requirements and standards, including the requirements of NI 43-101. The Julimar Project is a material mineral project for the purposes of NI43-101. The confidence categories assigned under the JORC Code were reconciled to the confidence categories in the Canadian Institute of Mining, Metallurgy and Petroleum (CIM) Definition Standards – for Mineral Resources and Mineral Reserves May 2014. As the confidence category definitions are the same, no modifications to the confidence categories were required.

Mineral Resources that are not Ore Reserves do not have demonstrated economic viability. Due to lower certainty, the inclusion of Mineral Resources should not be regarded as a representation by Chalice that such amounts can necessarily 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 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 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", "estimate" "expected", "for", "highly", "interpreted", "likely", "make", "may", "opportunity", "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; 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.

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

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Appendix A Resource Table

Table 1. Gonneville Maiden Mineral Resource Estimate (JORC Code 2012), 9 November 2021.

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	Indicated																	
		Inferred	8.8	1.8	0.06					1.9	0.51	0.02						0.52	
		Subtotal	8.8	1.8	0.06					1.9	0.51	0.02						0.52	
Sulphide (Transitional)	0.4% NiEq	Indicated	7.7	0.68	0.16	0.03	0.18	0.11	0.019	0.60	1.6	0.17	0.04	0.01	14	8.1	1.5	46	0.40
		Inferred	8.0	0.97	0.25	0.03	0.17	0.14	0.029	0.79	2.1	0.25	0.06	0.01	14	11	2.3	63	0.55
		Subtotal	16	0.83	0.20	0.03	0.18	0.12	0.024	0.70	1.9	0.42	0.10	0.02	27	19	3.8	110	0.95
Sulphide (Fresh)	0.4% NiEq	Indicated	150	0.74	0.18	0.03	0.16	0.10	0.016	0.61	1.6	3.5	0.82	0.14	240	150	23	890	7.7
		Inferred	160	0.69	0.16	0.02	0.16	0.10	0.016	0.58	1.6	3.6	0.82	0.12	270	160	26	940	8.2
		Subtotal	310	0.72	0.17	0.03	0.16	0.10	0.016	0.59	1.6	7.1	1.6	0.26	510	310	49	1,800	16
All		Indicated	150	0.74	0.17	0.03	0.17	0.10	0.016	0.61	1.6	3.7	0.86	0.15	250	160	25	930	8.1
		Inferred	180	0.76	0.15	0.03	0.16	0.09	0.016	0.56	1.6	4.4	0.89	0.15	280	170	28	1,000	9.3
		Total	330	0.75	0.16	0.03	0.16	0.10	0.016	0.58	1.6	8.1	1.7	0.30	530	330	53	1,900	17

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

NiEq (%) = Ni (%) + 0.37 x Pd (g/t) + 0.24 x Pt (g/t) + 0.25 x Au (g/t) + 0.65 x Cu (%) + 3.24 x Co (%).

PdEq (g/t) = Pd (g/t) + 0.66 x Pt (g/t) + 0.67 x Au (g/t) + 2.71 x Ni (%) + 1.76 x Cu (%) + 8.78 x Co (%).

Includes drill holes drilled up to and including 31 July 2021.

Table 2. Higher-grade sulphide component of Gonneville Resource, 9 November 2021.

Domain	Cut-off Grade	Category	Mass	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)
High-grade Sulphide (Transitional)	0.60% NiEq	Indicated	1.8	1.2	0.28	0.05	0.27	0.19	0.030	1.0	2.8	0.07	0.02	0	4.9	3.4	0.55	18	0.16
		Inferred	3.8	1.5	0.39	0.05	0.21	0.19	0.044	1.1	3.0	0.18	0.05	0.01	7.9	7.2	1.7	42	0.37
		Subtotal	5.6	1.4	0.35	0.05	0.23	0.19	0.040	1.1	3.0	0.25	0.06	0.01	13	11	2.2	61	0.53
High-grade Sulphide (Fresh)	0.60% NiEq	Indicated	36	1.4	0.35	0.07	0.21	0.21	0.019	1.0	2.8	1.6	0.40	0.08	76	76	6.9	370	3.2
		Inferred	32	1.3	0.30	0.06	0.22	0.21	0.019	1.0	2.7	1.4	0.32	0.06	73	67	6.3	320	2.8
		Subtotal	68	1.4	0.33	0.06	0.22	0.21	0.019	1.0	2.8	3.0	0.72	0.14	150	140	13	700	6.0
All	0.60% NiEq	Indicated	38	1.4	0.35	0.07	0.22	0.21	0.020	1.0	2.8	1.7	0.42	0.08	81	80	7.4	390	3.4
		Inferred	36	1.4	0.31	0.06	0.22	0.21	0.022	1.0	2.8	1.6	0.36	0.06	80	74	8.0	370	3.2
		Total	74	1.4	0.33	0.06	0.22	0.21	0.021	1.0	2.8	3.3	0.78	0.15	160	150	15	760	6.6

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

This higher-grade component is contained within the reported global Mineral Resource.

NiEq (%) = Ni (%) + 0.37 x Pd (g/t) + 0.24 x Pt (g/t) + 0.25 x Au (g/t) + 0.65 x Cu (%) + 3.24 x Co (%).

PdEq (g/t) = Pd (g/t) + 0.66 x Pt (g/t) + 0.67 x Au (g/t) + 2.71 x Ni (%) + 1.76 x Cu (%) + 8.78 x Co (%).

Includes drill holes drilled up to and including 31 July 2021.

Appendix B Metal Equivalents

Sulphide domain intersections and resource figures are quoted using nickel equivalent (NiEq) and palladium equivalent (PdEq) cut-off grades. No metal equivalent is used for drill intersections in the oxide domain.

Based on limited metallurgical testwork completed to date for the sulphide domain at Gonneville, 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.

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

$$\ll \text{NiEq (\%)} = \text{Ni (\%)} + 0.37 \times \text{Pd (g/t)} + 0.24 \times \text{Pt (g/t)} + 0.25 \times \text{Au (g/t)} + 0.65 \times \text{Cu (\%)} + 3.24 \times \text{Co (\%)};$$

$$\ll \text{PdEq (g/t)} = \text{Pd (g/t)} + 0.66 \times \text{Pt (g/t)} + 0.67 \times \text{Au (g/t)} + 2.71 \times \text{Ni (\%)} + 1.76 \times \text{Cu (\%)} + 8.78 \times \text{Co (\%)};$$

Metal recoveries used in the metal equivalent calculations are at the lower end of the range for all metals in the sulphide domain based on limited metallurgical testwork (refer to ASX Announcement on 28 September 2021). Metal recoveries used in the metal equivalent calculations are listed below:

- « Pd – 75%,
- « Pt – 65%,
- « Au – 50%,
- « Ni – 60%,
- « Cu – 80%,
- « Co – 60%.

Metal prices used are:

- « Pd – US\$1,700/oz,
- « Pt – US\$1,300/oz,
- « Au – US\$1,700/oz,
- « Ni – US\$18,500/t,
- « Cu – US\$9,000/t,
- « Co – US\$60,000/t.