



ASX Announcement

19 May 2022

Julimar exploration access update

All approvals now received for further low-impact exploration drilling at the large-scale Hartog-Dampier targets north of Gonneville

Chalice Mining Limited ("Chalice" or "the Company", ASX: CHN | OTCQB: CGMLF) advises that it has now received the final outstanding approvals to conduct planned low-impact exploration drilling at the Hartog-Dampier targets within its 100%-owned **Julimar Nickel-Copper-Platinum Group Element (PGE) Project** in WA (Figure 1).

Importantly, Chalice's drilling will not involve any mechanised clearing of vegetation and strict environmental management measures will be used to minimise impact to the environment, including the use of low-impact, small footprint diamond rigs and comprehensive flora, fauna and cultural heritage monitoring. These small drill rigs will navigate around trees and maximise the use of existing cleared areas in order to keep disturbance to a minimum.

Drilling is expected to commence shortly at the high-priority targets at Hartog and Dampier, located to the north of the globally significant Gonneville PGE-Ni-Cu-Co-Au Deposit. A total of 70 drill sites are planned over the ~10km of Julimar Complex strike length.

The drill program is designed to provide an initial test of the potential for green metals, including nickel, copper, cobalt, platinum and palladium, in the area. These metals are very rare, and are critical for decarbonising the global economy and addressing climate change through technologies such as renewables, electric vehicles, energy storage systems and green hydrogen.

Chalice is in a strong financial position with ~\$54.5 million in cash as at 31 March 2022.

Authorised for release by the Disclosure Committee of the Company.

For further information, please visit www.chalicemining.com to view our latest corporate presentation, 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 Gonnevillite deposit in the very first drill hole at the project in March 2020, intersecting shallow high-grade PGE-nickel-copper-cobalt-gold sulphide mineralisation. Gonnevillite is located on Chalice owned farmland at the southern end of the >30km long Julimar Complex.

In November 2021, Chalice defined a tier-1 scale, pit-constrained maiden Mineral Resource Estimate (Resource) for Gonnevillite – 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 Gonnevillite 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 Gonnevillite Resource is interpreted to cover just ~2km of >30km of the interpreted 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

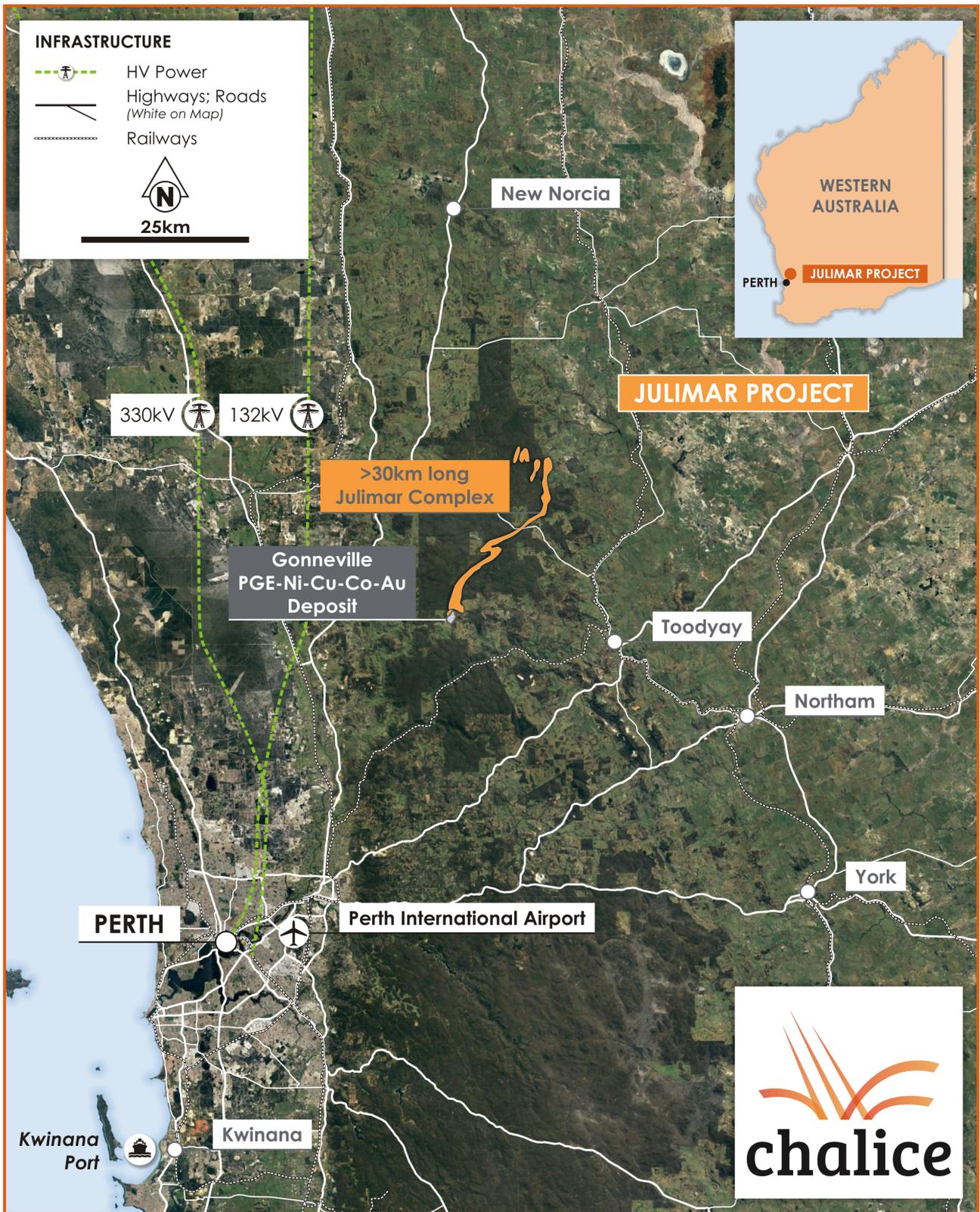


Figure 1. Julimar Complex, Gonneville deposit, Project tenure and nearby infrastructure.

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 Appendix A for further information on the Mineral Resource Estimate and Appendix B for further information on metal equivalents.

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 timing and estimation of mineral resources, and the realisation of mineral resource estimates; the likelihood of exploration success; the timing of planned exploration and study activities on the Company's projects; access to sites for planned drilling activities; 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, "affording", "considered", "continue", "estimate", "expected", "for", "interpreted", "may", "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.

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 A Resource Table

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

For further information on metal equivalents refer to Appendix B.

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.

For further information on metal equivalents refer to Appendix B.

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:

- « $\text{NiEq (\%)} = \text{Ni (\%)} + 0.37 \times \text{Pd (g/t)} + 0.24 \times \text{Pt (g/t)} + 0.25 \times \text{Au (g/t)} + 0.65 \times \text{Cu (\%)} + 3.24 \times \text{Co (\%)};$
- « $\text{PdEq (g/t)} = \text{Pd (g/t)} + 0.66 \times \text{Pt (g/t)} + 0.67 \times \text{Au (g/t)} + 2.71 \times \text{Ni (\%)} + 1.76 \times \text{Cu (\%)} + 8.78 \times \text{Co (\%)};$

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.