

2 December 2020

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Successful A\$100 million institutional placement to accelerate exploration activities at Julimar

Strong demand from major domestic and international institutions

Highlights

- Chalice has received **firm commitments to raise A\$100 million** (before costs) through a strongly supported Placement at **\$3.75 per share** from a range of domestic and international institutions.
- **Share Purchase Plan (SPP)** for all eligible shareholders to **raise up to A\$10 million** to open on or around 8 December 2020 at the same offer price (\$3.75 per share).
- Post raising, Chalice will be fully funded to support accelerated exploration and development activities at its **Julimar Ni-Cu-PGE Project in WA**, including:
 - ~160,000m of resource definition drilling in order to define a maiden **Mineral Resource Estimate** (majority in Measured and Indicated categories, constrained to an open-pit) for the Gonneville PGE-Ni-Cu-Co-Au discovery by mid-2021;
 - Complete **scoping and pre-feasibility studies** for the Gonneville discovery by ~Q4 2021 and ~Q4 2022 respectively;
 - Initial **drilling at new EM anomalies** within the Julimar State Forest – namely the ~6.5km long Hartog EM Anomaly (subject to access approval); and
 - Initial regional exploration activities within the **>8,000km²** position in the new West Yilgarn Ni-Cu-PGE Province, plus continued generative exploration at the Pyramid Hill Gold Project (Vic) and Hawkstone Ni-Cu-Co Project (WA).
- Upon completion of the Placement, Chalice will have a cash balance of **~A\$126 million**.

Chalice Gold Mines Limited ("Chalice" or the "Company", ASX: CHN | OTCQB: CGMLF) is pleased to announce it has received firm commitments for a A\$100 million placement to sophisticated, professional and institutional investors ("Placement"). In addition to the Placement, the Company has also announced a Share Purchase Plan ("SPP") of up to A\$10 million, with the Placement and SPP in total to raise gross proceeds of up to approximately \$110 million ("Offer").

Chalice's Managing Director, Alex Dorsch said: *"The demand for the placement was incredibly strong, with the book covered multiple times over the desired amount. This is testament to the scale and quality of the discovery at Julimar, but also the potential of the region to become a new world class base and precious metals mineral province.*

"Approximately 160,000 metres of diamond and RC drilling is now planned at Gonneville to support the delivery of a maiden Mineral Resource in mid-2021, which will then lead into mining studies planned over the following 18 months. We have also earmarked significant funding for initial drill testing of the compelling multi-kilometre scale targets within the Julimar State Forest once approvals are obtained.

“The Board of Directors would like to thank our current shareholders for their ongoing strong support and also welcome our new high calibre institutions to the share register in what will be a truly exciting journey ahead for Chalice.”

Placement details

The Placement will comprise the issue of ~26.7 million new fully paid ordinary shares (“Placement Shares”) at an issue price of \$3.75 per share. Completion of the Placement is expected to occur on or around Tuesday, 8 December 2020.

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

The issue price represented a:

- 7.6% discount to the last close price of \$4.06 per share on 30 November 2020;
- 3.9% discount to the 5-day volume weighted average share price on 30 November 2020 (\$3.90 per share).

Bell Potter Securities Limited and Macquarie Capital (Australia) Limited acted as Joint Lead Managers to the Placement.

SPP details

The Company has announced a non-underwritten SPP to raise up to approximately \$10 million (before costs) via the issue of shares at the same price as the Placement (\$3.75 per share).

Eligible shareholders, being those holders of shares with an address in Australia or New Zealand as at 4.00pm (AWST) on Monday, 30 November 2020, will have the opportunity to apply for up to \$30,000 worth of new shares in the Company. The shares issued under the SPP will rank equally with existing ordinary shares of the Company. Should the SPP be scaled back, each applicant’s allocation will be scaled back in accordance with the policy to be described in the terms and conditions of the SPP

At this stage, the maximum gross amount to be raised under the SPP is \$10 million, however the Company reserves the right to change this cap at its discretion by announcement to the ASX.

The terms and conditions of the SPP will be contained in offer documentation which is expected to be made available to eligible shareholders and lodged on the ASX on Tuesday, 8 December 2020.

Indicative timetable

The indicative key dates for the Placement and the SPP are outlined below:

Event	Date
Record date for SPP (4.00pm AWST)	Monday, 30 November 2020
Allotment of Placement shares Dispatch of SPP offer document and application form SPP opening date	Tuesday, 8 December 2020
Closing date for SPP (2pm AWST)	Tuesday, 12 January 2021
Announcement of results of SPP	Friday, 15 January 2021
Issue of SPP shares	Thursday, 21 January 2021
Commencement of trading of SPP shares	Friday, 22 January 2021

The above dates are indicative only and are subject to change, subject to compliance with the ASX Listing Rules and Corporations Act.

Authorised for release on behalf of the Company by:

Alex Dorsch
Managing Director

For further information, please visit www.chalicegold.com to view our latest corporate presentation, or contact:

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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 on private farmland and State Forest. The Project has direct access to major highway, rail, power and port infrastructure in one of the world's most attractive mining jurisdictions – Western Australia.

The Project was staked in 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 (the 'Julimar Complex') based on high-resolution airborne magnetics. The Julimar Complex is interpreted to extend over ~26km of strike and is confirmed to be highly prospective for nickel, copper and platinum group elements (**Figure 1**).

Prior to Chalice's major discovery, the Julimar Complex had never been explored for Ni-Cu-PGE mineralisation, and the lack of any bedrock geology exposures and widespread development of laterite and transported cover in the region hindered the confirmation of the conceptual geological model.

Chalice interpreted two potential 'feeder' zones within the Julimar Complex as initial areas of interest, one situated at the southern end of the complex on private land (the ~1.6km x >0.8km Gonneville Intrusion) and the other situated mid-way along the complex within the Julimar State Forest. Exploration activities have been confined to private land only, with the approval process to gain access to the Julimar State Forest ongoing.

Chalice commenced a systematic greenfield exploration program over the Gonneville Intrusion in mid-2019. The initial drill program commenced in Q1 2020 and resulted in the discovery of shallow high-grade PGE-nickel-copper-cobalt mineralisation. The first drill hole (JRC001) intersected 19m @ 8.4g/t Pd, 1.1g/t Pt, 2.6% Ni, 1.0% Cu and 0.14% Co from 48m. The major greenfield Gonneville discovery defined the new West Yilgarn Ni-Cu-PGE Province.

The intrusion is interpreted as a layered mafic-ultramafic 'sill', with a moderate westerly dip and gentle northerly plunge. The potential 'feeder' for the system, a highly prospective area for high-grade mineralisation, is yet to be discovered. PGE-Ni-Cu-Co +/- Au sulphide mineralisation is widespread throughout the intrusion and has been intersected down to ~850m below surface to date. The intrusion is open to the north into the Julimar State Forest and the depth extent of the intrusion is still unknown.

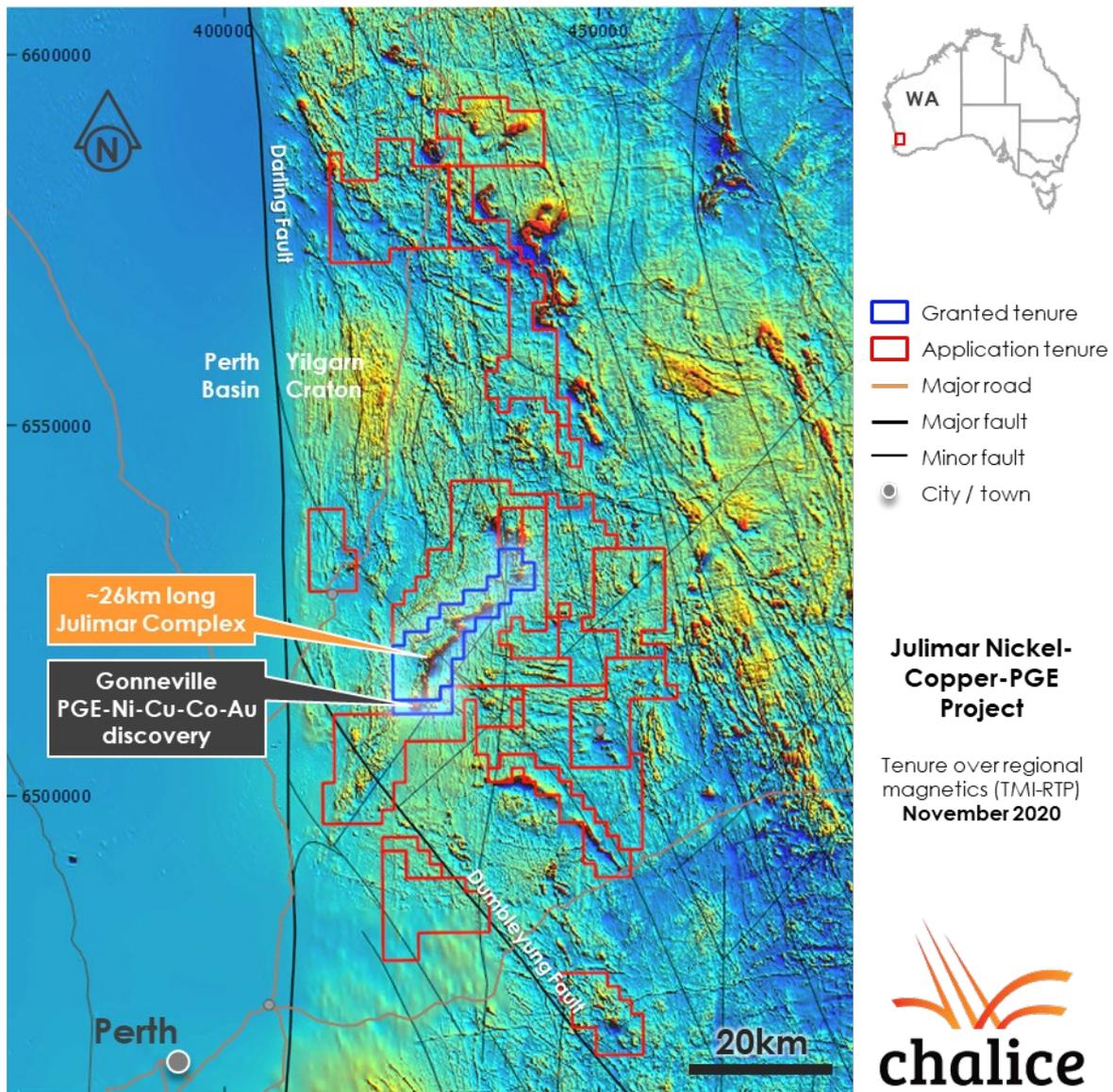


Figure 1. Julimar Project tenure over regional magnetics.

Seven high-grade massive / matrix / heavily disseminated sulphide zones (G1-7) have been defined to date over the southern end of the intrusion. The discrete high-grade PGE-Ni-Cu-Co +/- Au zones comprise sulphide-rich accumulations (10-100% sulphide, defined by >1g/t Pd cut-off) and typically have a grade range of 3-15g/t PGE+Au, 0.5-3.3% Ni, 0.4-4.5% Cu and 0.03-0.27% Co.

The intrusion also hosts widespread disseminated PGE-Ni-Cu-Co mineralisation (trace to 3% on average) surrounding the high-grade zones, which typically has a grade range of 0.5-2.0g/t PGE, 0.1-0.2% Ni, 0.05-0.15% Cu and 0.01-0.03% Co.

Weathering extends down to ~30-40m below surface and a well-developed saprolite (oxide) profile after serpentinite contains elevated PGE-Au grades (typically ranging from 1.2-4.5g/t PGE+Au) from near surface to a depth of ~25m.

Early stage metallurgical testwork completed to date on selected high-grade and disseminated sulphide mineralisation samples has returned promising flotation results, giving initial encouragement that the sulphide-hosted mineralisation at Gonneville will be amenable to conventional flotation under standard conditions.

Tests completed on a composite of oxide mineralisation samples has also returned promising results, with the extraction of PGEs and gold achieved through oxidative leaching under standard conditions.

An airborne electromagnetic (EM) survey was recently completed over the entire Julimar Complex. Three new large EM anomalies were identified – Hartog, Baudin and Jansz. The Hartog EM Anomaly extends ~6.5km directly north of the Gonneville Intrusion into the Julimar State Forest.

Forward Looking Statements

This announcement 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 fair value of investments, 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 existence of additional EM anomalies within the project, 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 "become"; "delivery of"; "lead into"; "indicative"; "plan"; "planned"; "obtained"; "emerging"; "is expected"; "extend"; "will"; "potential"; "prospective"; "promising"; "occur"; "subject to" 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; assay results of visually interpreted mineralised intersections; obtaining appropriate access to relevant freehold properties and the Julimar State Forest; whether geophysical anomalies are related to economic mineralisation or some other feature; obtaining access to undertake additional exploration work on EM anomalies located in the Julimar State Forest; the results from testing EM anomalies; results of planned metallurgical test work; 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; 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 investments and the timing and proceeds realised on future disposals of investments, the impact of the COVID 19 epidemic 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 otcm Markets.com. The Company also refers to the "Key Risks" section of its investor presentation released to the ASX on 1 December 2020.

All dollar amounts are in Australian dollars unless otherwise indicated.

Competent Person Statement

The Information in this announcement that relates to exploration results for the Julimar Project is extracted from the following ASX announcements:

- "High-grade nickel-copper-palladium sulphide intersected at Julimar Project in WA", 23 March 2020
- "Preliminary results from second target at Julimar Project", 24 March 2020
- "Significant nickel-palladium discovery confirmed at Julimar", 15 April 2020
- "Second diamond hole intersects discovery zone at Julimar", 20 April 2020
- "Exciting visual results from deep diamond drill hole at Julimar", 5 May 2020
- "Large-scale PGE system further expanded at Julimar", 11 May 2020
- "High-grade Ni-Cu-PGEs confirmed in discovery zone at Julimar", 25 May 2020
- "Extension of wide, high-grade PGE-Ni-Cu matrix zone at Julimar", 15 June 2020

- "Chalice discovers new high-grade PGE-Cu-Au zone at Julimar", 9 July 2020
- "Significant extension of high-grade PGE-Ni-Cu-Co zones at Julimar", 17 August 2020
- "Positive preliminary metallurgical results at Julimar", 1 September 2020
- "Major new 6.5km-long EM anomaly identified at Julimar", 22 September 2020
- "Significant new PGE-copper-gold horizon defined at Julimar", 6 October 2020
- "Key Private Properties Secured at Julimar", 16 November 2020
- "Significant high-grade PGE-Cu-Au extensions at Julimar", 18 November 2020

The above announcements are available to view on the Company's website at www.chalicegold.com. The Company confirms that it is not aware of any new information or data that materially affects the exploration results included in the relevant original market announcements. 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 announcements.

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