



ASX Announcement

7 December 2021

Falcon Metals Raises \$30 million in IPO

Chalice Mining Limited ("**Chalice**" or "**the Company**", ASX: CHN | OTCQB: CGMLF) is pleased to provide an update on the demerger and Initial Public Offering ("**IPO**") of Falcon Metals Ltd ("**Falcon**").

The IPO, comprising of a Priority Offer to eligible Chalice shareholders and a Shortfall Offer is now closed. The IPO received strong support from Chalice shareholders and new investors, with the Offers to raise up to a maximum of \$30 million closing oversubscribed.

The demerger will allow Chalice to focus on its world-class Julimar Ni-Cu-PGE Project and the new West Yilgarn Ni-Cu-PGE Province in Western Australia. Following the ASX-listing, Falcon will be a new, high-profile gold exploration specialist led by a highly decorated board and management team. With the strong starting cash position, Falcon will have a unique platform to make a tier 1 gold discovery in Victoria and Western Australia. Drilling activities are anticipated to commence at Pyramid Hill in January 2022.

Following receipt of Shareholder approval on 3 December 2021 and the satisfaction of the remaining conditions precedent, the Company will issue the Falcon shares to eligible Chalice Shareholders by way of a pro-rata in-specie distribution, on the basis of 1 Falcon share for approximately 3.034¹ Chalice shares held on the updated in-specie record date of **13 December 2021**.

Falcon shares to be allotted under the IPO and the in-specie distribution are anticipated to be issued on **15 December 2021**.

Subject to receiving ASX approval and satisfaction of other remaining conditions, Falcon is targeting admission to the Official List of the ASX and commencement of trading on **22 December 2021**.

Shareholders who are residents of the United States, Canada or other jurisdictions outside Australia and New Zealand will not be eligible to participate in the demerger. The entitlements of ineligible foreign shareholders to Falcon shares as part of the in-specie distribution will be transferred to a sale agent nominated by Chalice, with the net proceeds of sale to be transmitted to the ineligible foreign shareholders.

Bell Potter Securities Limited has been Lead Manager to the transaction.

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, the registration of the US Securities Act and applicable US state securities laws.

The dates referenced in this announcement are indicative only and may vary subject to the Corporations Act, ASX Listing Rules and other applicable laws. Refer to the updated Appendix 3.A.5 lodged on the ASX, 7 December 2021.

¹ On the basis of the number of fully paid ordinary shares on issue in Chalice as at the date of this announcement.

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This announcement has been authorised for release by the Disclosure Committee.

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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 estimated timing of drilling at Pyramid Hill; receipt of ASX approval for the admission of Falcon to the Official List; the Company's intended activities at the Julimar Project; and the success of future exploration activities.

In certain cases, forward-looking statements can be identified by the use of words such as, "anticipated", "indicative", "may", "subject to", "targeting", "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 access to undertake additional ground disturbing exploration work on EM anomalies located in the Julimar State Forrest; the results from testing EM anomalies; 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.