



ASX Announcement

20 January 2022

Diamond drilling commences at Hartog

First ever exploration drilling underway at the exciting Hartog Target on existing access tracks within the Julimar State Forest

Highlights

- « Approval received from the WA Department of Mines, Industry Regulation and Safety (DMIRS) for **initial low-impact diamond drilling** at the Hartog-Baudin targets within the **Julimar Project**.
- « Drilling has commenced on **existing access tracks only** within the Julimar State Forest, which **avoids any disturbance to vegetation**.
- « The drill program aims to provide an initial indication of the mineral potential of the area, while **minimising environmental impact**.
- « All planned activities will comply with strict environmental requirements and will have no impact on the ongoing recreational use of the forest.

Chalice Mining Limited ("Chalice" or "the Company", ASX: CHN | OTCQB: CGMLF) advises that initial low-impact diamond drilling has now commenced at the Hartog Target within its 100%-owned **Julimar Ni-Cu-PGE Project** in Western Australia.

Drilling has commenced on existing access tracks (used for fire access and by the general public) following approval from the WA Department of Mines, Industry Regulation and Safety (DMIRS), allowing the Company to assess the mineral potential of the area while minimising the environmental impact of its exploration activities.

The initial drill locations at Hartog have been selected based on their ease of access and will be drilled using track-mounted diamond drill rigs that will operate wholly within the footprint of the existing tracks, with no disturbance or clearing of vegetation required.

The drill rigs have fully contained above-ground drilling fluids systems, which means that no excavation of drilling sumps is required and all waste will be disposed of outside the forest.

Chalice's exploration drilling in the Julimar State Forest is strictly governed by the Stage 2 Conservation Management Plan (CMP), developed in consultation with the Department of Biodiversity Conservation and Attractions (DBCA) and approved by the WA State Government on 29 December 2021.

Together with the CMP, Chalice has a number of other key compliance requirements and management plans in place. The low-impact drilling program is expected to have no impact on the ongoing recreational use of the forest.

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Figure 1. Initial drill site on existing access track within the Julimar State Forest.

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 impact of the discovery on the Julimar Project's capital payback; the Company's strategy; the Company's intended activities and estimated timing of 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, "aims", "expected", "planned", "potential", "target", "to", "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 source; obtaining appropriate approvals to undertake exploration activities in the Julimar State Forrest; results of planned metallurgical testwork 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; 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.