

19 December 2019

Several new gold zones discovered in first drill holes at Ironbark North Target

Drilling has now significantly upgraded a third target in as many months at the district-scale Pyramid Hill Gold Project in Victoria

Highlights

- **Highly encouraging assays received** for ~2,600m air-core (AC) drilling at the Ironbark North Target.
- New 4m composite gold intersections from the ongoing 25,000m AC drill program include:
 - **20m @ 0.85g/t Au** from 102m to end-of-hole, including **8m @ 2.0g/t Au** (PA490)
 - **16m @ 0.24g/t Au** from 64m, including **8m @ 0.45g/t Au** (PA491)
 - 12m @ 0.17g/t Au from 104m, including 8m @ 0.23g/t Au (PA492)
 - 12m @ 0.16g/t Au from 68m (PA484)
- Chalice has drilled the first ever holes into the large Ironbark North diorite intrusion, which is interpreted to be **~700m wide x ~400m long**.
- Based on limited AC drilling to date, **all mineralised zones are open** along the margins of the diorite and at depth.
- Ironbark and Ironbark North are the **first known occurrences** of gold mineralisation associated with diorite in the Bendigo Geological Zone of Victoria.
- The historic Walhalla-Woods Point Goldfield, ~230km south-east of the Project, hosted several **high-grade** diorite-associated gold deposits including Cohen's Reef (**~1.5Moz @ ~32g/t Au**) and Morning Star (**~800koz @ ~26g/t Au**).
- The diorite intrusions intersected at the Ironbark and Ironbark North Targets are now confirmed to have a **significantly larger footprint** than the smaller diorite dykes at Walhalla-Woods Point, indicating **potential for large-scale gold discoveries** at each target.
- Additional AC drilling to commence in Q1 2020 to extend drill coverage along the diorite margins.
- An initial diamond drill hole **is also now planned at Ironbark North** as part of the maiden diamond drill program on the project in **January 2020**.
- Chalice is well positioned in this exciting region with a 100%-owned, >5,000km² land position and remains **fully-funded** to continue its systematic exploration at Pyramid Hill, with a working capital and liquid investments balance of **~\$30M (\$0.11 per share)** as of 30 September 2019.

Chalice Gold Mines Limited ("Chalice" or "the Company") (ASX: CHN | OTCQB: CGMLF) is pleased to announce highly encouraging air-core (AC) drilling results from the **Ironbark North Target** at its 100%-owned **Pyramid Hill Gold Project**, located in the Bendigo region of Victoria.

The Company's 25,000m Phase 2 reconnaissance AC drill program at the Ironbark, Karri and Beech Targets continues in the Muckleford Area.

Assays have now been received for a total of 22 AC drill holes for ~2,600m at the Ironbark North Target (the first ever drill holes into this target), which is located ~1.5km north-west of the Ironbark Target. The Target is the second diorite intrusion discovered by Chalice and lies under 50-80m of Murray Basin cover.

Chalice's Managing Director, Alex Dorsch, said: *"Following on from the exciting results at the Karri Target announced last week and at the Ironbark Target announced in November, we have now upgraded a third target on our district-scale project in as many months."*

"The Ironbark North Target was recognised as a second prominent magnetic anomaly in the Ironbark area, where an initial line of drill holes intersected the first mineralised diorite intrusion in Q2 2019. The Ironbark North Target has now delivered the highest-grade gold mineralisation intersected at the project to date of 8m @ 2.0 g/t, which has reinforced the potential of these diorites to host significant gold discoveries."

"While there are direct comparisons to be made with the high-grade diorite related gold deposits of the historic Walhalla-Woods Point Goldfield east of Melbourne, the two Ironbark diorite intrusions have a substantially larger footprint and we are very encouraged by the fact that both targets show strong evidence of gold mineralisation at this early stage of drilling."

"Given the prolific high-grade nature of the Bendigo Zone and the lack of exploration in the undercover region, our three key targets now present a rare opportunity for gold discoveries under shallow cover in Australia."

"The multiplier effect of several potential discoveries at our 100%-owned Pyramid Hill Gold Project is now becoming apparent, given that Chalice controls a large land position surrounding our key targets. Our strong financial position and significant technical expertise in-house positions the Company exceptionally well for the systematic exploration program ahead."

Initial AC drill results – Ironbark North Target

The first AC drill holes at Ironbark North were designed as an initial reconnaissance test of a prominent magnetic anomaly located ~1.5km north-west of the mineralised Ironbark diorite (refer ASX Announcement 14 November 2019).

All holes were drilled vertically to AC blade refusal with good penetration into weathered diorite and Castlemaine Group sediments.

Drilling has intersected two discrete zones of >0.25g/t gold which are broadly associated with the western and eastern margins of the diorite intrusion (**Figure 1**).

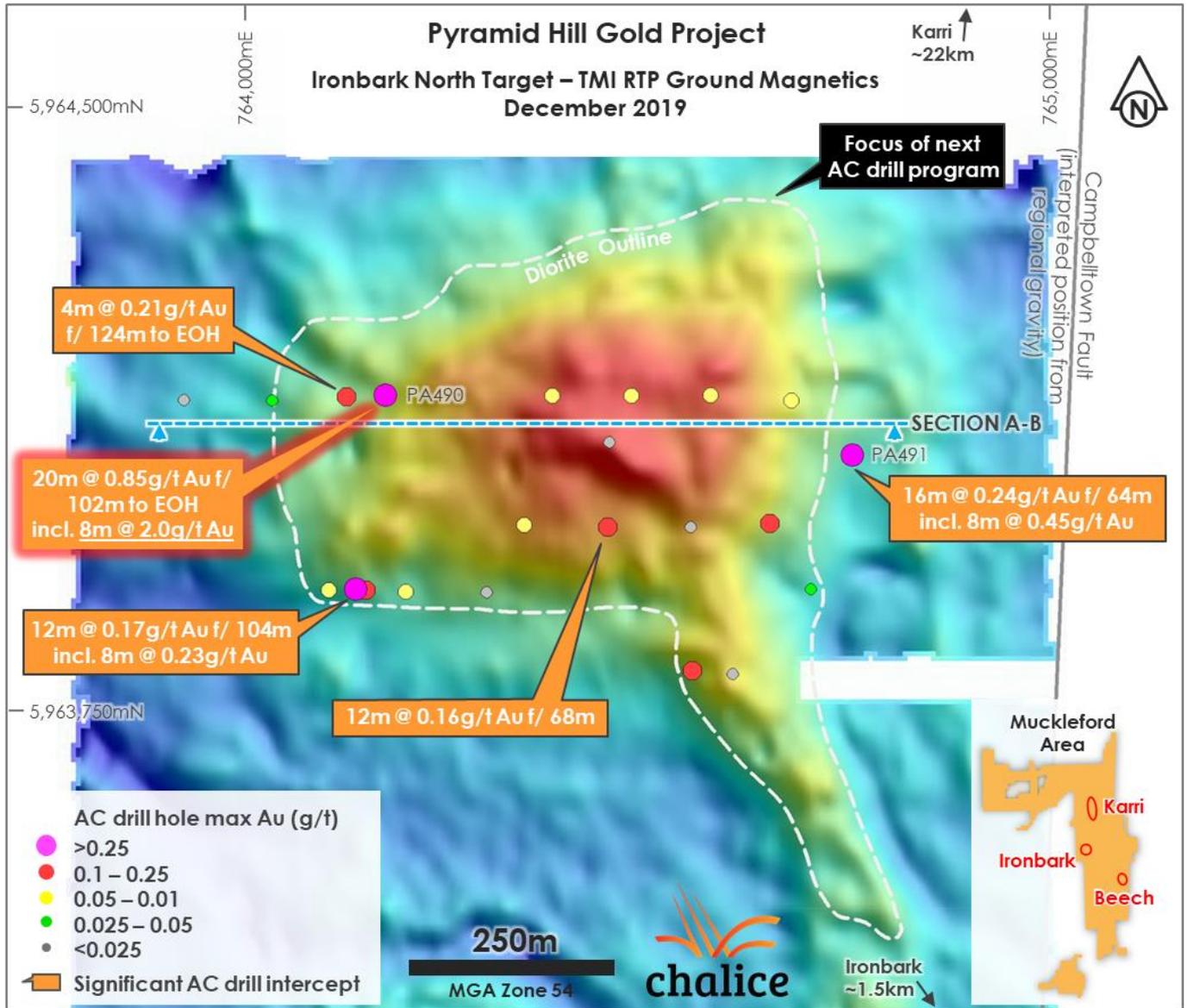


Figure 1. Ironbark North Target Plan View – Maximum gold in AC drilling over Total Magnetic Intensity (TMI) Reduced to Pole (RTP) ground magnetics.

Drill hole PA490 intersected a broad zone of **20m @ 0.85 g/t Au** from 102m to end-of-hole (EOH) including a significant higher-grade interval of **8m @ 2.0 g/t Au** within the western margin of the diorite intrusion.

This high-grade gold zone (102-110m) is associated with chlorite and/or epidote alteration in moderately weathered diorite with minor quartz veining and is anomalous in both arsenic and antimony throughout the entire mineralised zone (**Figure 2**). Arsenic and antimony are important pathfinder metals for gold mineralisation in Victoria.



Figure 2. AC drill chips and significant assay results from PA490 – interval from 100m to 120m.

The broad zone of alteration surrounding this high-grade interval is highly encouraging, as it indicates the potential for a large Walhalla-Woods Point style gold system (a historic Goldfield in the Melbourne Geological Zone of Victoria, ~230km south-east of the Project). While the Ironbark and Ironbark North Targets are located in the neighbouring Bendigo Geological Zone of Victoria, the geological setting is comparable to that of Walhalla-Woods Point.

Further technical information on the historic Walhalla-Woods Point Goldfield is provided in Appendix 1.

Drill hole PA491, located close to the eastern margin of the diorite intrusion, intersected **16m @ 0.24 g/t Au** from 64m including **8m @ 0.45 g/t Au** within weathered Castlemaine Group sediments. This mineralised zone is associated with strongly anomalous antimony which continues to the EOH at 126m and peaks at ~250ppm Sb.

Importantly, based on limited AC drilling at the Target to date, the two key zones of gold mineralisation are open along the margins of the diorite and at depth.

A geological cross section (**Figure 3**) for Ironbark North shows that anomalous gold was intersected in AC drilling across the entire extent of the ~675m wide diorite intrusion, with high grade gold zones preferentially developed near the diorite-sediment contacts.

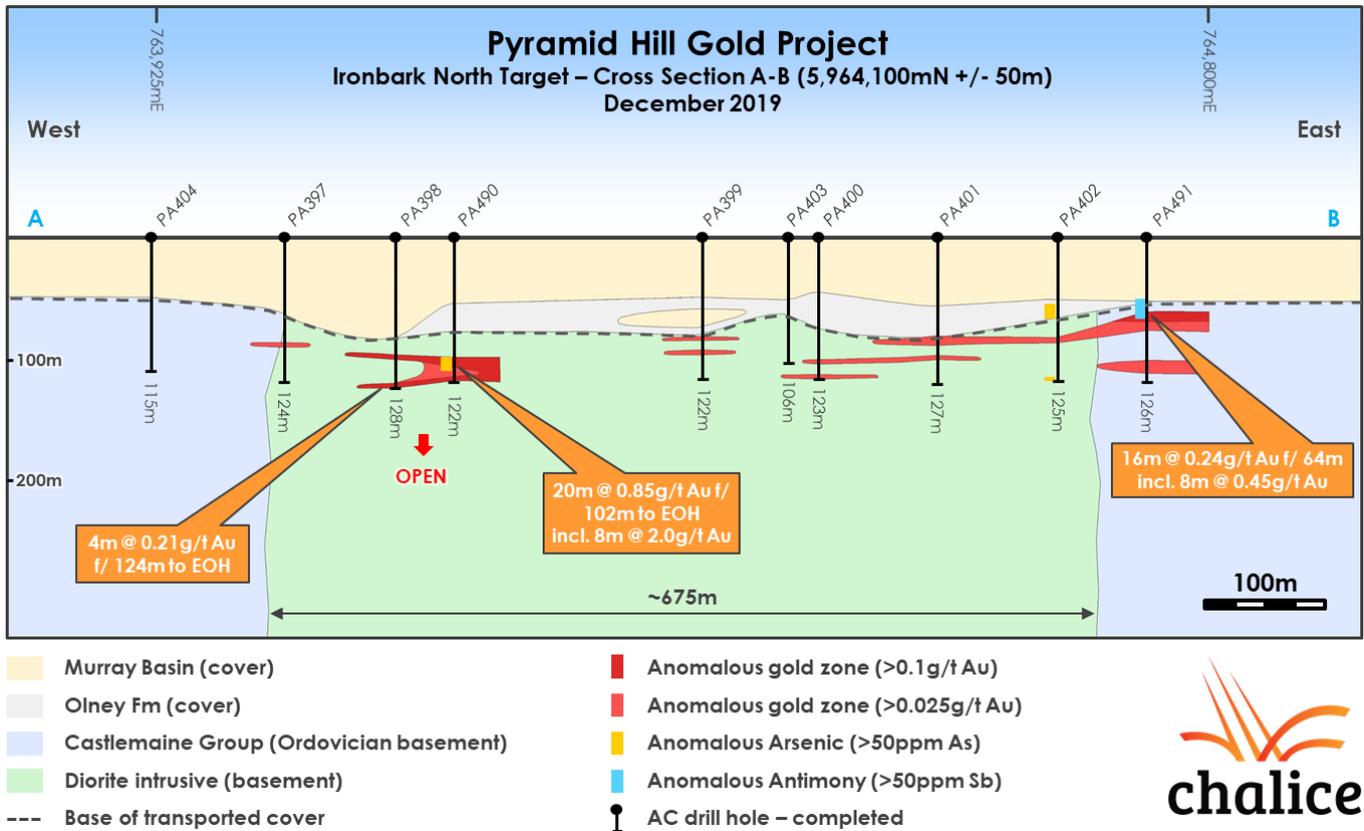


Figure 3. Ironbark North Target Cross Section A-B (5,964,100mN +/- 50m).

Future work

~20,500m of the ~25,000m Phase 2 AC program has now been completed in the Muckleford Area, with assays currently pending for ~9,000m of drilling at the Karri and Beech Targets.

Additional AC drilling is planned at Ironbark North (as well as Ironbark) in Q1 2020, subject to permitting approval. This program will extend drill coverage along the margins of the diorite intrusion to further refine the footprint of the gold zones and define structural zones of interest.

An initial diamond drill hole will also be completed at Ironbark North in January 2020 in parallel to the ongoing AC drill program. The diamond drilling will be used to develop an early understanding of the local stratigraphic and structural controls of the gold mineralisation and also to determine the optimal drilling strategy for the next phases of exploration.

Following on from the AC and initial diamond drill programs, a systematic deeper angled RC/Diamond drill program would commence across the key targets.



Authorised for release on behalf of the Company by:

Alex Dorsch
Managing Director

For further information, please visit chalicegold.com or contact:

Nicholas Read, Principal and Managing Director
Read Corporate Investor Relations
+61 8 9388 1474
info@readcorporate.com.au

Alex Dorsch, Managing Director
Chalice Gold Mines Limited
+61 8 9322 3960
info@chalicegold.com

Follow our communications:

LinkedIn: <https://au.linkedin.com/company/chalice-gold-mines>

Twitter: <https://twitter.com/chalicegold>

Facebook: <https://www.facebook.com/Chalice-Gold-Mines-323740744933099/>

About the Pyramid Hill Gold Project, Victoria, Australia

The 100%-owned Pyramid Hill Gold Project was staked in 2017 and now covers an area of >5,000km² in the Bendigo region of Victoria. The Project comprises three key districts within the Murray Basin covered North Bendigo and North Stawell Zones: Muckleford, Mt William and Percydale (Figure 4).

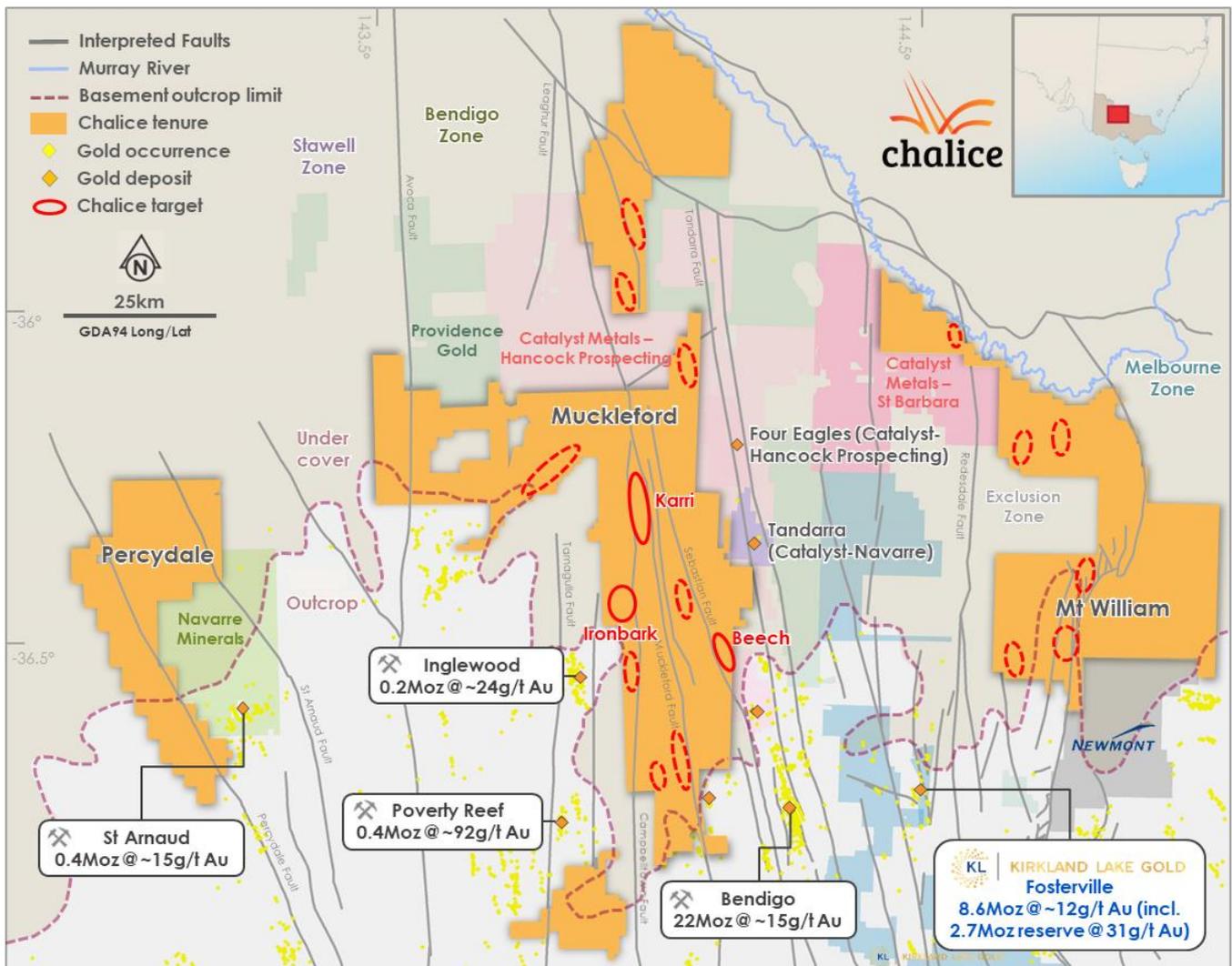


Figure 4. Pyramid Hill Gold Project tenure, regional land holders, gold deposits and occurrences.

The central Muckleford Area extends to the north-west of the high-grade historic >22Moz Bendigo Goldfield. The Mt William Area extends to the north-east of one of the world's highest-grade producing gold mines, the >8Moz Fosterville Gold Mine owned by Kirkland Lake Gold (NYSE / TSX: KL | ASX: KLA). The Percydale Area is located north-west of the historical St Arnaud Goldfield within the Stawell Zone.

The 'Gold Undercover' initiative by the Victorian Government estimated a potential ~32Moz (P50) of undiscovered gold beneath Murray Basin cover in the Bendigo Zone, where Chalice holds ~60% of the total ~7,000km² prospective area.

Chalice is targeting large-scale, high-grade gold deposits, and is currently conducting regional scale greenfield exploration. ~60km of reconnaissance air-core (AC) drilling has been completed to date, which has outlined 4 high priority targets within the Muckleford Area (Ironbark, Ironbark North, Karri and Beech).

Competent Persons and Qualifying Persons Statement

The information in this announcement that relates to Exploration Results in relation to the Pyramid Hill Gold Project is based on information compiled by Dr. Kevin Frost BSc (Hons), PhD, a Competent Person, who is a Member of the Australian Institute of Geoscientists. Dr. Frost is a full-time employee of the company and has sufficient experience that is relevant to the activity being undertaken to qualify as a Competent Person as defined in the 2012 edition of the Australasian Code for Reporting of Exploration Results, Minerals Resources and Ore Reserves, and is a Qualified Person under National Instrument 43-101 – 'Standards of Disclosure for Mineral Projects'. The Qualified Person has verified the data disclosed in this release, including sampling, analytical and test data underlying the information contained in this release. Dr. Frost consents to the inclusion in the announcement of the matters based on his information in the form and context in which it appears.

The Information in this announcement that relates to previous exploration results for the Pyramid Hill Project is extracted from the ASX announcement entitled "Extensive gold and arsenic footprint points towards potential gold system at Ironbark Target, Pyramid Hill Gold Project" dated 14 November 2019.

The above announcement are available to view on the Company's website at chalicegold.com. The Company confirms that it is not aware of any new information or data that materially affects the information 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.

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 price of O3 Mining securities and Spectrum Metals Limited securities, receipt of tax credits and the value of future tax credits, 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 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 "planned", or "will", "would", "followed", "potential", "anticipated", 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; 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; possible variations in mineral resources or ore reserves, 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 O3 Mining and Spectrum Metals securities and future proceeds and timing of potential sale of O3 Mining and Spectrum Metals securities, 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.

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 1: Walhalla-Woods Point Goldfield Technical Overview

The Walhalla-Woods Point Goldfield is located approximately 125km east of Melbourne, in the Melbourne Geological Zone. While the majority of gold deposits in the Walhalla-Woods Point Goldfield are sediment hosted, the highest yielding and most significant deposits are classified as either “dyke-associated” or “dyke-hosted” (Hough, M. A. *et. al* 2010).

Gold Deposit	Area	Dyke Relationship	Dyke Host Rock	Deposit Size and Grade	Approximate Dimensions
Cohens Reef	Walhalla	Dyke-associated	Hornblende Diorite	1.48Moz @ 32.2g/t Au	1500m long, 3m wide, 1134m deep
Morning Star	Woods Point	Dyke-hosted	Hornblende Diorite - Gabbro	~800koz @ 26g/t Au	400m long, 120m wide, 800m deep
A1	Woods Point	Dyke-hosted	Diorite	~620koz @ 32g/t Au	150m long, 45m wide, 700m deep

The dykes are often differentiated and typically exhibit intermediate (diorite) to mafic (gabbro) compositions.

While gold mineralisation is known to closely post-date dyke emplacement in the range of ~2-4 million years (Jowitt, M. *et. al* 2012), the high-grade gold association with the dykes is understood to be due to greater chemical reactivity and rheological contrasts between the dykes and surrounding metasedimentary rocks.

Following dyke emplacement, deformation faulted and fractured the dykes producing pathways for the auriferous (gold-bearing) mineralising fluids. These hydrothermal fluids likely used the same lithospheric structures used to emplace the pre-existing dykes.

The “dyke-associated” deposits (e.g. Cohens Reef) are typically hosted within narrow shear zones (<20m width) located along the margins of narrow dykes with massive to laminated auriferous quartz veining developed throughout the shear zone. Whilst narrow, the Cohens Reef deposit is relatively large (1.48Moz Au) and strike extensive.

The “dyke-hosted” deposits (e.g. Morning Star and A1) typically occur where dykes bulge and thicken along strike and are hosted by auriferous quartz veins developed in reverse faults that cross-cut the dykes forming a vertical ‘ladder vein’ network or in quartz veins sub-parallel to the strike of the dykes themselves.

The quartz veins frequently cross the entire dykes but only persist for short distances, if at all, into the neighbouring metasedimentary country rocks. The highest gold grades (>1500g/t Au) typically occur within 20-30cm wide laminated quartz veins (Jowitt, M. *et. al* 2012) associated with repeated activation and precipitation of gold fluids along fault structures, with grades recognised to generally increase with deposit depth.

These high-grade gold reefs are commonly associated with hydrothermal sulphides, in particular arsenopyrite, and display alteration halos dominated by ankerite, sericite, chlorite, fuchsite and pyrite which also commonly contain low grade gold (<1g/t Au).

Appendix 2: Pyramid Hill Gold Project Ironbark North Target Significant AC Drill Intercepts (>0.1g/t Au)

Hole ID	From (m)	To (m)	Interval (m)	Gold (g/t)
PA398	100	104	4	0.18
PA398	124	128 (EOH)	4	0.21
PA480	90	94	4	0.20
PA484	68	80	12	0.16
PA486	84	88	4	0.10
PA488	100	104	4	0.18
PA490	102	122 (EOH)	20	0.85
Incl.	102	110	8	2.02
Incl.	106	110	4	3.00
PA491	64	80	16	0.24
Incl.	64	72	8	0.45
PA492	104	116	12	0.17
Incl.	108	116	8	0.23

Appendix 3: Pyramid Hill Gold Project – JORC Table 1
Section 1 Sampling Techniques and Data

Criteria	JORC Code explanation	Commentary
Sampling techniques	<ul style="list-style-type: none"> Nature and quality of sampling (eg. cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc). These examples should not be taken as limiting the broad meaning of sampling. Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used. Aspects of the determination of mineralisation that are Material to the Public Report. In cases where 'industry standard' work has been done this would be relatively simple (eg. 'reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30 g charge for fire assay'). In other cases more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (eg. submarine nodules) may warrant disclosure of detailed information. 	<ul style="list-style-type: none"> Aircore (AC) drilling samples were collected via 2-4m composite samples from 1m bulk samples using a pvc spear with each combined composite sample weighing approximately 3kg. 1m samples were taken within some mineralised zones using a spear. All composite and 1m samples were pulverised to nominal 85% passing 75 microns before being analysed . Qualitative care was taken to ensure representative sample weights were consistent when sampling on a metre by metre basis.
Drilling techniques	<ul style="list-style-type: none"> Drill type (eg. core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc) and details (eg. core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc). 	<ul style="list-style-type: none"> The drilling was completed via an aircore (AC) drilling technique using both blade and/or face sampling hammer drill bit with a diameter of 102-104mm.

Criteria	JORC Code explanation	Commentary
Drill sample recovery	<ul style="list-style-type: none"> • Method of recording and assessing core and chip sample recoveries and results assessed. • Measures taken to maximise sample recovery and ensure representative nature of the samples. • Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material. 	<ul style="list-style-type: none"> • Individual recoveries of 1m samples were recorded on a qualitative basis. Generally sample weights are comparable and any bias considered negligible. • No relationships have been noticed between sample grade and recoveries.
Logging	<ul style="list-style-type: none"> • Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies. • Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography. • The total length and percentage of the relevant intersections logged. 	<ul style="list-style-type: none"> • All drill holes were logged geologically including but not limited to weathering, regolith, lithology, structure, texture, alteration and mineralisation. Logging was at an appropriate quantitative standard to support future geological, engineering and metallurgical studies. • Logging is considered quantitative in nature. • All holes were geologically logged in full.
Sub-sampling techniques and sample preparation	<ul style="list-style-type: none"> • If core, whether cut or sawn and whether quarter, half or all core taken. • If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry. • For all sample types, the nature, quality and appropriateness of the sample preparation technique. • Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples. • Measures taken to ensure that the sampling is representative of the in-situ material collected, including for instance results for field duplicate/second-half sampling. • Whether sample sizes are appropriate to the grain size of the material being sampled. 	<ul style="list-style-type: none"> • 1 metre AC samples were collected in bulk form from the rig cyclone. 2-4m composite samples of the 1m samples were collected using a spear method. Where 1m samples were collected a spear method was also used. The majority of the samples were dry in nature. • Field duplicate samples were sent every 20th sample to check for assay repeatability. Results of duplicate samples were considered acceptable and within precision and accuracy limits for the style of mineralisation. • Sample sizes are considered appropriate for the style mineralisation sought and the initial reconnaissance nature of the drilling programme.
Quality of assay data and laboratory tests	<ul style="list-style-type: none"> • The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total. • For geophysical tools, spectrometers, handheld XRF instruments, etc, the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc. • Nature of quality control procedures adopted (eg. standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (ie. lack of bias) and precision have been established. 	<ul style="list-style-type: none"> • All samples were sent to ALS prep facility in Adelaide for sample preparation then on-sent to ALS Perth for chemical analysis. • 40 elements (including gold) were analysed using up to a 25g aqua regia method with an ICPAES and ICPMS finish depending on the elements (ALS method code – TL43-MEPKG). Aqua Regia techniques are not considered total in nature. Should refractory mineralisation be encountered this can affect the nature of final results. • Chalice has its own internal QAQC procedure involving the use of certified reference materials. Standards - 4 per 100 samples, blanks – 1 per 100 samples and duplicates 4 per 100 samples which accounts for ~9% of the total submitted samples.

Criteria	JORC Code explanation	Commentary
Verification of sampling and assaying	<ul style="list-style-type: none"> The verification of significant intersections by either independent or alternative company personnel. The use of twinned holes. Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols. Discuss any adjustment to assay data. 	<ul style="list-style-type: none"> Significant intersections are checked by the Project Senior Geologist and then by the General Manager of Exploration. Significant intersections are cross-checked with the geology logged and drill chips collected after final assays are received. No twin holes have been drilled for comparative purposes. The prospect is still considered to be in an early exploration stage. Primary data was digitally collected and entered via a field Toughbook computer using in house logging codes. The data is sent to Perth where the data is validated and entered into the master database. No adjustments have been made to the assay data received.
Location of data points	<ul style="list-style-type: none"> Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation. Specification of the grid system used. Quality and adequacy of topographic control. 	<ul style="list-style-type: none"> Hole collar locations have been picked up by Chalice employees using a handheld GPS with a +/- 5m error. The grid system used for the location of all drill holes is either MGA_GDA94 (Zone 54) or MGA_GDA94 (Zone 55). In this announcement coordinates are all in Zone 54. A grid zone boundary transects the larger project area. RL data is considered unreliable although topography around the drill area is flat and hence should not have any significant effect on the interpretation of data. RL's have been assigned from 1 sec (30m) satellite data.
Data spacing and distribution	<ul style="list-style-type: none"> Data spacing for reporting of Exploration Results. Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied. Whether sample compositing has been applied. 	<ul style="list-style-type: none"> Nominal drill hole spacing is generally 50-200m between aircore holes. The current spacing is not considered sufficient to assume any geological or grade continuity of the results intersected. No sample compositing has been applied.
Orientation of data in relation to geological structure	<ul style="list-style-type: none"> Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type. If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material. 	<ul style="list-style-type: none"> Sampling has been routinely completed beneath transported cover with no selective bias to any particular primary geological domain. Intersected anomalism to date is generally flat in nature however exact controls on gold anomalism remain unknown, as such its relationship to optimal drill direction (perpendicular to anomalism) remains unclear.
Sample security	<ul style="list-style-type: none"> The measures taken to ensure sample security. 	<ul style="list-style-type: none"> Chain of custody is managed by Chalice. Samples are being stored on site before being transported by third parties to the laboratories in Adelaide and Perth.

Criteria	JORC Code explanation	Commentary
Audits or reviews	<ul style="list-style-type: none"> The results of any audits or reviews of sampling techniques and data. 	<ul style="list-style-type: none"> No review has been carried out to date.

Section 2 Reporting of Exploration Results

Criteria	JORC Code explanation	Commentary
Mineral tenement and land tenure status	<ul style="list-style-type: none"> Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings. The security of the tenure held at the time of reporting along with any known impediments to obtaining a licence to operate in the area. 	<ul style="list-style-type: none"> Drilling was carried out within EL6737. All licences are wholly owned by CGM (WA) Pty Ltd, a wholly owned subsidiary of Chalice Gold Mines Limited with no known encumbrances.
Exploration done by other parties	<ul style="list-style-type: none"> Acknowledgment and appraisal of exploration by other parties. 	<ul style="list-style-type: none"> There has been little effective exploration completed by other parties in the immediate vicinity of the targets identified by Chalice to date. Chalice has compiled historic records dating back to the early 1980's which indicate only sporadic reconnaissance drilling has been completed by various parties over the project area. All known effective drill holes that reached the basement and were assayed for gold have been compiled. Homestake Mining completed initial surface sampling which has been evaluated and used by Chalice for some targeting purposes.
Geology	<ul style="list-style-type: none"> Deposit type, geological setting and style of mineralisation. 	<ul style="list-style-type: none"> The mineralisation being explored for is orogenic style similar to that seen within the Bendigo and Fosterville gold deposits of the Bendigo Zone. Gold mineralisation in these deposits is typically hosted by quartz veins within in the Ordovician age Castlemaine Group sediments. At Ironbark, there is a possibility the gold anomalism is associated with diorite intrusive rocks, possibly similar to some gold deposits within the Walthalla, Woods Point area in the Melbourne Zone.
Drill hole Information	<ul style="list-style-type: none"> A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill holes: <ul style="list-style-type: none"> easting and northing of the drill hole collar elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar dip and azimuth of the hole down hole length and interception depth 	<ul style="list-style-type: none"> See Appendix 2 and Appendix 4.

Criteria	JORC Code explanation	Commentary
	<ul style="list-style-type: none"> o hole length. • If the exclusion of this information is justified on the basis that the information is not Material and this exclusion does not detract from the understanding of the report, the Competent Person should clearly explain why this is the case. 	
Data aggregation methods	<ul style="list-style-type: none"> • In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (eg. cutting of high grades) and cut-off grades are usually Material and should be stated. • Where aggregate intercepts incorporate short lengths of high-grade results and longer lengths of low grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail. • The assumptions used for any reporting of metal equivalent values should be clearly stated. 	<ul style="list-style-type: none"> • A weighted average technique has been applied where necessary to produce all displayed and tabulated drill intersections. In Appendix 2 and in the figures, results are calculated using a minimum 0.025g/t lower cut-off grade and max 4m internal dilution. • Not Applicable. • Not Applicable.
Relationship between mineralisation widths and intercept lengths	<ul style="list-style-type: none"> • These relationships are particularly important in the reporting of Exploration Results. • If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported. • If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (eg. 'down hole length, true width not known'). 	<ul style="list-style-type: none"> • The relationship between gold anomalism and true width remains unknown. The anomalism reported is currently interpreted to be a product of secondary dispersion and/or directly related to gold bearing quartz veining and/or alteration in diorite intrusive and Castlemaine Group sediments
Diagrams	<ul style="list-style-type: none"> • Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported These should include, but not be limited to a plan view of drill hole collar locations and appropriate sectional views. 	<ul style="list-style-type: none"> • Refer to figures in the body of text.
Balanced reporting	<ul style="list-style-type: none"> • Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results. 	<ul style="list-style-type: none"> • Only significant results above 0.1g/t Au have been tabulated in Appendix 2. The results are considered representative with no intended bias.
Other substantive exploration data	<ul style="list-style-type: none"> • Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples – size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances. 	<ul style="list-style-type: none"> • Not Applicable.
Further work	<ul style="list-style-type: none"> • The nature and scale of planned further 	<ul style="list-style-type: none"> • Follow up drilling is being planned to

Criteria	JORC Code explanation	Commentary
	<p>work (eg. tests for lateral extensions or depth extensions or large-scale step-out drilling).</p> <ul style="list-style-type: none"> Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not 	<p>better define the anomalous envelopes and to improve the understanding of potential geological controls to anomalism.</p> <ul style="list-style-type: none"> Target Zones and proposed drill holes as defined on the plan figures highlight the areas of most interest for initial further follow-up exploration.

Appendix 4: Pyramid Hill Gold Project Ironbark North Target AC Drill Hole Details

Hole ID	MGA East z54 (mE)	MGA North z54 (mN)	RL (m)	Azimuth UTM (°)	Dip (°)	Depth (m)
PA397	764033	5964136	118	n/a	-90	124
PA398	764125	5964141	118	n/a	-90	128
PA399	764379	5964142	119	n/a	-90	122
PA400	764477	5964142	119	n/a	-90	123
PA401	764575	5964143	118	n/a	-90	127
PA402	764675	5964136	119	n/a	-90	125
PA403	764450	5964084	119	n/a	-90	106
PA404	763924	5964137	118	n/a	-90	115
PA479	764103	5963900	118	n/a	-90	86
PA480	764149	5963900	118	n/a	-90	123
PA481	764198	5963898	119	n/a	-90	128
PA482	764298	5963897	119	n/a	-90	132
PA483	764345	5963981	118	n/a	-90	113
PA484	764448	5963978	118	n/a	-90	108
PA485	764550	5963978	119	n/a	-90	122
PA486	764648	5963983	119	n/a	-90	120
PA487	764699	5963901	119	n/a	-90	108
PA488	764552	5963799	119	n/a	-90	120
PA489	764602	5963795	119	n/a	-90	97
PA490	764173	5964143	118	n/a	-90	122
PA491	764750	5964068	119	n/a	-90	126
PA492	764108	5963901	118	90	-75	132