

4 March 2020

New high-grade gold zones at the large-scale Karri Target

Two rigs currently drilling on the extensive 4km long Karri gold trend, a third rig to arrive in mid-March and further drill results pending at the Pyramid Hill Gold Project in Victoria

Highlights

- Significant new results received from ongoing early stage air-core (AC) drilling at the **Karri Target**:
 - Re-split and fire assay of the previous best AC drill intercept of 4m @ 3.97g/t Au has returned:
 - **1m @ 15.85g/t Au within 2m @ 11.54g/t Au within 30m @ 1.12g/t Au** – the best intercept returned to date from the Project.
 - Significant 3m / 4m composite drill intercepts from 62 new AC drill holes include:
 - **3m @ 3.86g/t Au** to end-of-hole (EOH) associated with a zone of laminated quartz veining, within 23m @ 0.67g/t Au;
 - 4m @ 1.35g/t Au within 20m @ 0.39g/t Au;
 - 4m @ 0.70g/t Au within 32m @ 0.18g/t Au;
 - 38m @ 0.12g/t Au from 86m to EOH; plus,
 - Significant gold results (>0.1g/t Au) in a further 7 holes.
 - The main Karri gold trend defined by AC drilling remains **continuous** over **~4km of strike, open along strike** to the north and **open at depth** – continued robust results support the potential for a **significant gold system** at depth.
 - Vertical infill and step-out **AC drilling continues** on a tightened 250m x 50m grid, with assays currently pending for an additional 42 drill holes.
- Ongoing geological **diamond drilling** at the **Karri Target**:
 - **Initial geological diamond hole** (the first ever test at depth below the main gold trend) intersected a favourable tightly folded **anticline-syncline** structure – a characteristic feature of the large gold systems in the Bendigo Zone including **Fosterville (>9Moz Au)** and **Bendigo (>22Moz Au)** – all assays are pending.
 - Maiden diamond drill program now **extended** to a total of **11 holes** for ~4,000m and a **second diamond drill rig** is expected to arrive on site in **mid-March**.
- Chalice is well positioned in the exciting Victorian Goldfields 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 **~A\$30 million (~A\$0.11 per share)**.

Chalice Gold Mines Limited ("Chalice" or "the Company", ASX: CHN | OTCQB: CGMLF) is pleased to report significant new drilling results from the **Karri Target** at its 100%-owned **Pyramid Hill Gold Project**, located in the Bendigo Region of Victoria.

The greenfield Karri Target is located in the Bendigo Zone, 65km north-west of Bendigo (~22Moz Au), under 50-85m of Murray Basin cover. The new results follow the initial identification of the Karri gold trends under cover in late 2019 (refer ASX announcement on 12 December 2019).

Chalice's Managing Director, Alex Dorsch, said: *"Our momentum in Victoria continues to build, with another round of exciting drill results. The potential for a high-grade gold system at Karri is now supported by the highest grade gold intercept from the project to date of 1m at 15.85g/t Au. This result is especially important as it lies at the centre of a new 4km long, continuous gold trend that is yet to be tested at depth.*

"We expected the likelihood of intersecting primary gold zones to increase as our air-core hole spacing progressively tightened up, given that primary gold zones in the Bendigo Zone are typically less than 15m wide. Drilling has indeed now identified several higher grade primary gold zones within the widened main gold trend, providing immediate targets and justification for an extension of our maiden diamond drill program.

"The first ever diamond hole at Karri has encountered tight folding of Castlemaine Group sediments, which are a key feature of the large gold deposits in the Bendigo Zone. The presence of this structural setting at Karri further upgrades the target and gives us confidence that the gold trends identified by shallow air-core drilling may be caused by a gold system below.

"Two rigs are currently drilling on site, with an additional diamond drill rig scheduled to arrive in mid-March. Step-out and infill AC drilling continues to refine the secondary dispersion footprint of the target, while our maiden diamond drill program, which has now been extended to 11 holes, gives us the first insight into the geological and structural picture at depth."

Operational update

The Company continues its systematic exploration drilling program at the Pyramid Hill Gold Project with two rigs currently on site. Chalice's phased drilling program includes:

- A ~350 hole, ~39,000m Phase 1 reconnaissance AC drill program in the Muckleford and Mt William Areas across several greenfield target areas – commenced in October 2018 and completed in June 2019;
- A ~250 hole, ~25,000m Phase 2 reconnaissance AC drill program at the newly identified Karri, Ironbark and Beech Targets in the Muckleford Area – commenced in October 2019 and completed in early February 2020;
- A ~170 hole, ~20,000m step-out and infill AC drill program at the Karri and Ironbark Targets – commenced in early February 2020 and ongoing; and,
- A maiden geological diamond drill-hole program at the Karri and Ironbark Targets – commenced in mid-January 2020 and ongoing.

Encouraging new assay results have been received for 62 AC holes at Karri, following on from the results released previously (refer ASX Announcements on 12 December 2019, 13 January 2020 and 3 February 2020).

In addition, assays are currently pending for 42 AC drill holes and the first two completed diamond drill holes at the Karri and Ironbark North Targets.

The Company's maiden 15 line-km 2D seismic survey was completed over the Karri Target in mid-February and results, including a detailed structural interpretation to a depth of ~2km, are expected in April.

New AC drill results – Karri Target

AC drilling tested the continuity and extent of previously intersected gold mineralisation at the Karri Target on a 250-500m x 50m infill and step-out grid.

All AC holes were drilled vertically to AC blade refusal, which typically occurs at the base of weathering in the Castlemaine Group sediments. The Castlemaine Group is the target basement sequence which hosts >60Moz of high-grade historical gold production from the outcropping areas of the Bendigo Zone to the south of the Project.

Significant new 3m / 4m composite drill intercepts include:

- 3m @ 3.86g/t Au and 322ppm arsenic (As) to EOH, within 23m @ 0.67g/t Au and 252ppm As from 116m;
- 4m @ 1.35g/t Au within 20m @ 0.39g/t Au from 76m;
- 4m @ 0.70g/t Au and 272ppm As within 32m @ 0.18g/t Au from 78m;
- 38m @ 0.12g/t Au from 86m to EOH; and,
- 3m @ 0.60g/t Au and 7,770ppm As from 124m to EOH.

As with previously identified gold zones, these intercepts are associated with either zones of quartz veining in saprolite or altered/oxidised sandstone (all within the Castlemaine Group basement). Quartz veining in weakly weathered basement contains minor amounts of sulphides (pyrite ± arsenopyrite). The zones of elevated gold are typically also anomalous in arsenic, an important gold pathfinder metal in the region.

The significant intercept of 3m @ 3.86g/t Au to EOH (within 23m @ 0.67g/t Au) is associated with a zone of laminated quartz veining and is located at the end of a drill line in a poorly tested area. As such, the newly identified zone remains open to the east and requires further infill drilling to refine.

Significant gold results (>0.1g/t Au) were also returned in a further 7 drill holes. Importantly, all infill drilling continues to demonstrate the robustness of the multi-kilometre scale gold trends, with all defined gold trends showing continuity on 250m and 500m spaced infill drill lines (**Figure 1**).

Two 1-km spaced AC lines drilled 1-2km south of the main gold trend returned no significant intercepts, indicating that the main gold trend is closed off to the south. Importantly, this does not rule out the possibility of a southerly plunging system at depth which is below the limits of AC drilling (limited to the top of the basement).

Re-assay results – Karri Target

The Company routinely conducts 1m re-splits and fire assays of key composite samples (assayed with aqua regia digest, ICP finish) in order to define any potential high-grade sub-intervals within the composite samples.

Length-weighted fire assay results for 1m samples are generally comparable to the aqua regia composite samples, showing that both sampling and analytical approaches produce repeatable results. A full list of results can be found in Appendix 2.

The original result in hole PA547 (4m @ 3.97g/t Au within 30m @ 0.71g/t Au) was upgraded to:

- **1m @ 15.85g/t Au within 2m @ 11.54g/t Au within 30m @ 1.12g/t Au**

This intercept represents the highest grade gold result returned on the Project to date, and is particularly significant due to its central location in the main gold trend.

The original result in hole PA514 (4m @ 0.98g/t Au and 342ppm As) was upgraded to:

- **1m @ 3.54g/t Au within 4m @ 1.28g/t Au.**

This zone contains a relatively small amount of vein quartz (5-25%) and occurs above a graphitic black shale. This is an encouraging result, as it indicates that the gold is likely to be associated with high-grade veining.

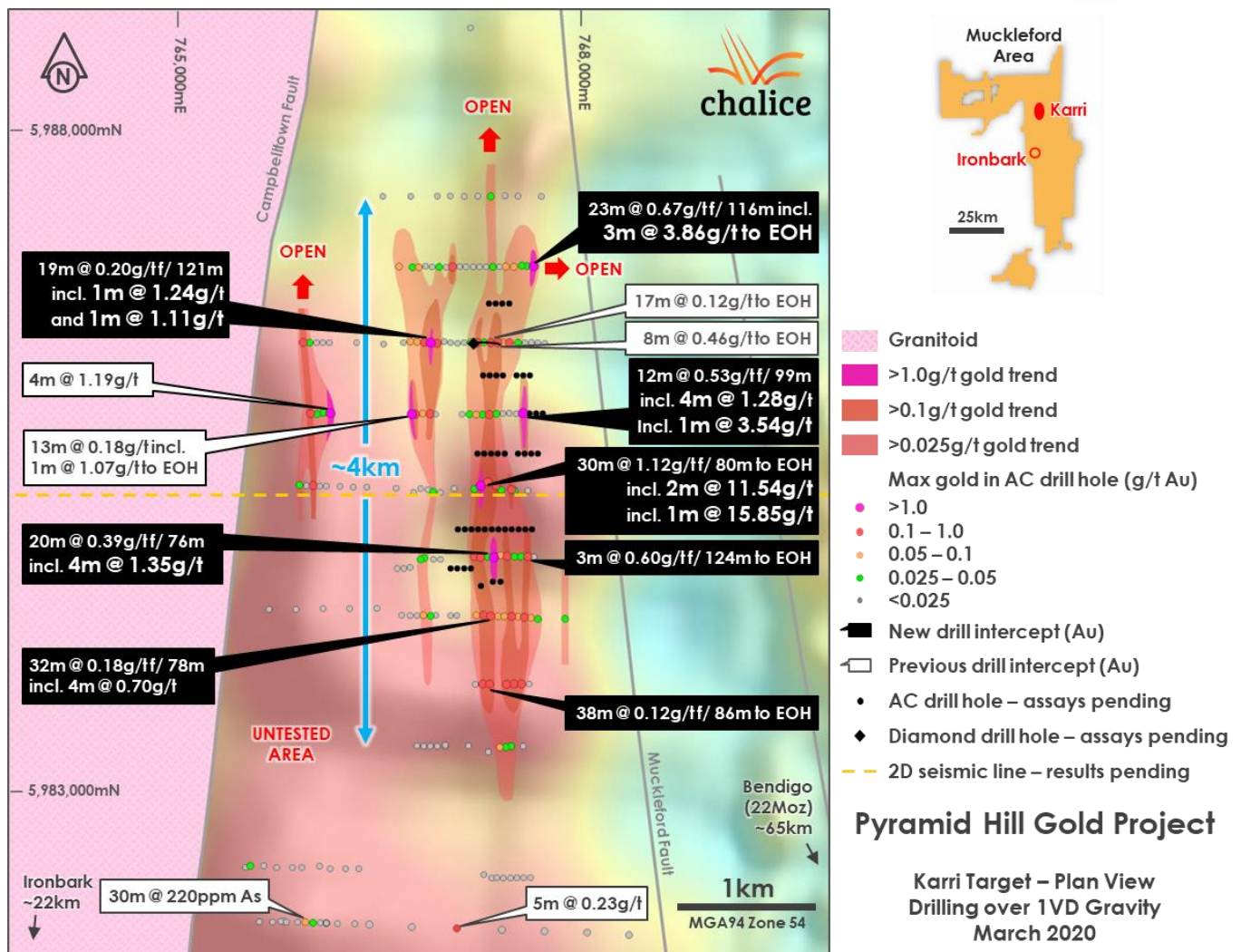


Figure 1. Karri Target Plan View – Maximum gold in AC drilling over gravity geophysics.

Diamond drill core preliminary visual results – Karri Target

The first ever diamond hole at Karri (PHDH001) tested below a line of anomalous gold in AC drilling identified in late 2019, and was designed to provide an initial interpretation of the geological and structural features in the basement geology and help ascertain the optimal drilling strategy going forward.

Oriented core measurements indicate a steep dipping and tightly folded succession of interbedded siltstone and sandstone (Castlemaine Group sediments) which outline an anticline-syncline fold pair.

The identification of tight upright folding is viewed as a positive geological indicator for the prospectivity of the Target given that such structural traps are a characteristic feature of the large gold deposits in the Bendigo Zone including Fosterville (>9Moz Au) and Bendigo (>22Moz Au).

All assays from PHDH001 are currently pending.

Forward plan

One AC and one diamond drill rig are currently drilling on site. A second diamond rig is expected to arrive on site in mid-March. The planned forward work program includes:

- A ~170 hole, ~20,000m step-out and infill AC drill program at the Karri and Ironbark Targets – expected to continue until early April;
- An extended 11 hole, ~4,000m maiden geological diamond drill hole program at the Karri and Ironbark Targets – expected to continue until late April; and,
- 15 line-km 2D seismic program within the Muckleford Area (including across the Karri Target) – acquisition completed, full interpretation of results expected in April.

The ongoing infill AC drill program is designed to complete the definition of secondary gold and pathfinder dispersion zones at Karri, Ironbark North and Ironbark. These dispersion zones located in the weathered top of basement can be used to vector towards primary gold mineralisation with deeper, tighter spaced drill holes.

Infill AC drilling is being undertaken on a 250m x 50m grid. This spacing is anticipated to achieve the required level of target definition at the top of the basement and potentially define the up-plunge / shallow extent of any primary zones of mineralisation.

The maiden diamond drill program is designed primarily for geological and structural purposes, to give an initial reconnaissance level insight into the underlying geology and, combined with the AC program, determine the optimal strategy for future deeper drilling. Wide-spaced diamond drill holes will test below key gold zones identified in AC drilling, and the program may be modified subject to assay results as they are received.

Drilling at Karri is expected to continue until late April, when access is expected to be restricted temporarily by farming activities. Drilling is expected to then continue at the Ironbark Targets as this area has fewer access restrictions.

Authorised for release on behalf of the Company by:



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About the Pyramid Hill Gold Project, Victoria, Australia

The 100%-owned Pyramid Hill Gold Project was staked in late 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 2).

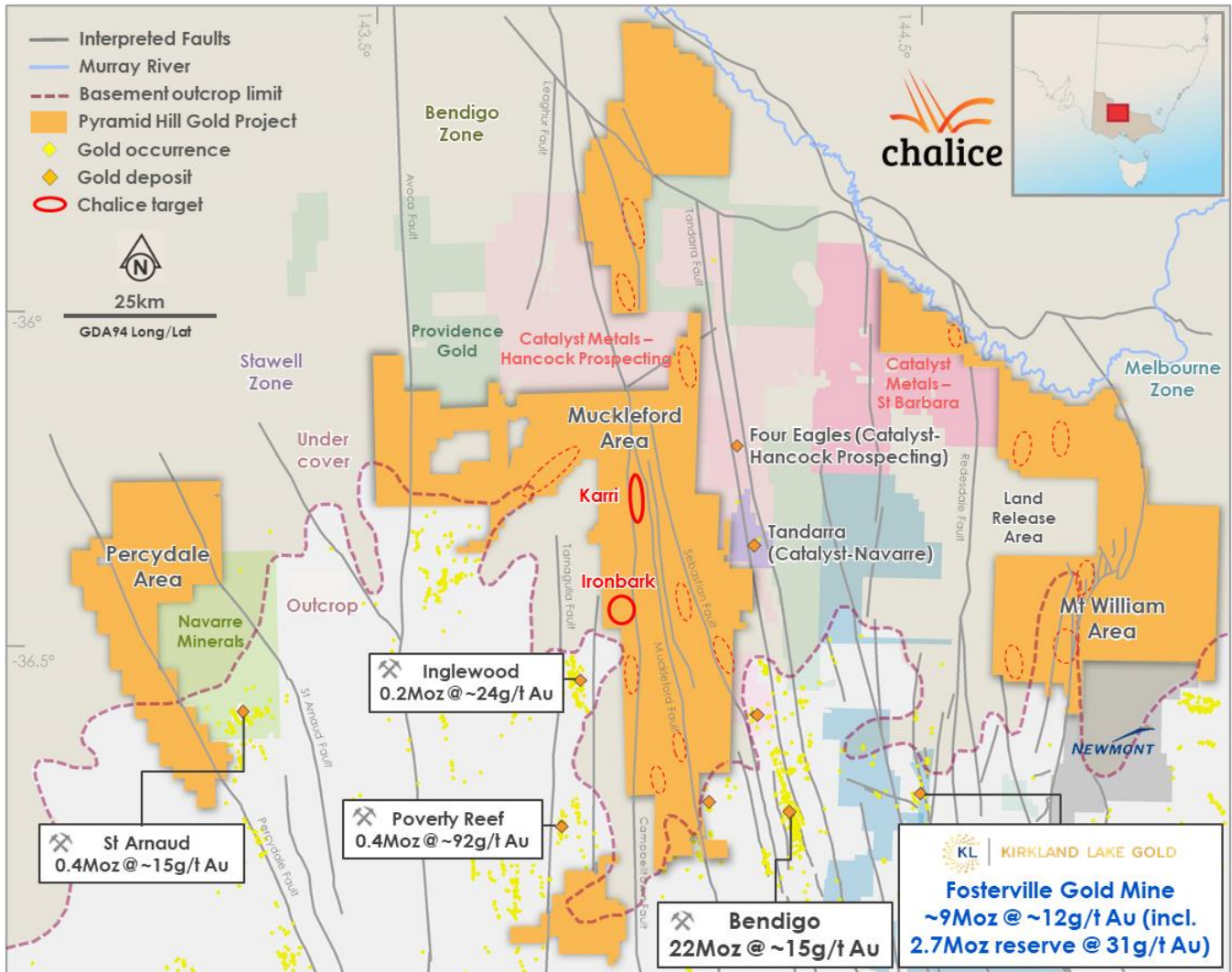


Figure 2. Pyramid Hill Gold Project tenure, regional land holders, gold deposits and occurrences.

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 ~9Moz 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 in 2006-2009 estimated a potential ~32Moz (P50 mid-case) of undiscovered gold beneath Murray Basin cover in the Bendigo Zone. However, the vast majority of the covered area remains sparsely explored. Given there is highly variable, shallow cover over a large portion of the Project, the Company believes that there is excellent potential for the discovery of new commercially viable gold deposits.

Chalice is targeting tier-1 scale (>US\$1bn NPV), high-grade gold discoveries under cover and is currently conducting a systematic, regional-scale greenfield exploration program. The Company is utilising all

available targeting tools at its disposal, including the substantial pre-existing regional geophysics database (including crustal scale 2D seismic), regional-scale soil sampling and ground geophysics.

Low-cost reconnaissance air-core (AC) drilling to the top of the target basement on wide-spaced lines is currently being used effectively to narrow the target search space over the very large Project area. More than 650 drill holes have been completed to date, outlining three high-priority targets as well as several lower-priority targets within the Muckleford and Mt William Areas. The Company's maiden deep diamond drill program commenced in early 2020.

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 following ASX announcements:

- "Discovery of new >2km gold trend in air-core drilling at Karri Target indicates potential for a significant gold system", 12 December 2019
- "Several new gold zones discovered in first drill holes at Ironbark North Target", 19 December 2019
- "Karri gold trend expanded to over 3km of strike extent", 13 January 2020
- "Infill AC drilling at Karri returns best intercept to date of 4m at ~4g/t gold", 3 February 2020

The above announcements 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 report 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 "plans", "planning" "expects" or "does not expect", "is expected", "will", "may", "would", "potential", "budget", "scheduled", "estimates", "forecasts", "intends", "anticipates" or "does not anticipate", "believes", "occur", "impending", "likely" or "be achieved" 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 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 1: Significant new AC drill intercepts Au (>0.1g/t Au) – 4m composite Aqua Regia assay – Karri Target, Pyramid Hill Gold Project

Hole ID	From (m)	To (m)	Interval (m)	Gold (g/t)
PA570	76	96	20	0.39
incl.	76	88	12	0.61
incl.	76	80	4	1.35
PA572	116	124	8	0.16
PA575	108	112	4	0.21
PA575	120	127 (EOH)	7	0.27
incl.	124	127 (EOH)	3	0.60
PA579	50	62	12	0.28
PA579	78	110	32	0.18
incl.	106	110	4	0.70
PA584	98	102	4	0.14
PA584	114	118	4	0.14
PA585	66	78	12	0.29
incl.	66	74	8	0.39
PA585	86	124 (EOH)	38	0.12
PA586	84	88	4	0.18
PA587	76	84	8	0.35
PA588	112	124	12	0.10
PA627	116	139 (EOH)	23	0.67
incl.	136	139 (EOH)	3	3.86
PA628	84	92	8	0.11

Appendix 2: Significant new AC drill intercept re-assays Au (>0.1g/t Au) – 1m re-split Fire assay – Karri Target, Pyramid Hill Gold Project

Hole ID	From (m)	To (m)	Interval (m)	Gold (g/t)
PA514	103	107	4	1.28
incl.	105	106	1	3.54
PA531	124	125	1	1.24
PA531	137	138	1	1.11
PA547	80	110 (EOH)	30	1.12
incl.	81	83	2	11.54
incl.	81	82	1	7.23
and	82	83	1	15.85

Appendix 3: JORC Table 1 – Pyramid Hill Gold Project

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). 	<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 where applicable at EOH.

Criteria	JORC Code explanation	Commentary
	<p>These examples should not be taken as limiting the broad meaning of sampling.</p> <ul style="list-style-type: none"> • 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. 	<p>Additional 1m re-splits were collected from 1m bulk samples using a PVC spear.</p> <ul style="list-style-type: none"> • All composites 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 air-core (AC) drilling technique using both blade and/or face sampling hammer drill bit with a diameter of 102-104mm.
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 composite 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 	<ul style="list-style-type: none"> • 1 metre AC samples were collected in bulk form from the rig cyclone. 2-4m composite samples and 1m re-splits of the 1m bulk samples were collected using a spear method. 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

Criteria	JORC Code explanation	Commentary
	<p>representivity of samples.</p> <ul style="list-style-type: none"> 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. 	<p>precision and accuracy limits for the style of mineralisation.</p> <ul style="list-style-type: none"> 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. For all composite samples, 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 (not expected) this can affect the nature of final results. 1m re-splits were analysed using 50g fire assay with ICP-AES finish 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.
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 Target 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 MGA_GDA94 (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

Criteria	JORC Code explanation	Commentary
		(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 50-500m between AC 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 stored on site before being transported by third parties to the laboratories in Adelaide and Perth.
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 historical 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.

Criteria	JORC Code explanation	Commentary
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 Ordovician age Castlemaine Group sediments.
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 ◦ 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. 	<ul style="list-style-type: none"> • See Appendix 1 and Appendix 3.
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 length-weighted averaging technique has been applied where necessary to produce all displayed and tabulated drill intersections. In Appendix 1 and in the figures, results are calculated using either a minimum 0.025g/t or 0.1g/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 in the primary Castlemaine Group basement
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 	<ul style="list-style-type: none"> • Only significant results above 0.1g/t Au have been tabulated in Appendix 1. The results are considered

Criteria	JORC Code explanation	Commentary
	<i>grades and/or widths should be practiced to avoid misleading reporting of Exploration Results.</i>	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 work (eg. tests for lateral extensions or depth extensions or large-scale step-out drilling). Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive. 	<ul style="list-style-type: none"> Follow up diamond drilling is being undertaken to improve the understanding of the geological controls to anomalism. Target Zones (anomalous gold trends) as defined on the plan figures highlight the areas of most interest for further follow-up exploration.

Appendix 4: New AC drill hole details – Karri Target, Pyramid Hill Gold Project

Hole ID	Northing MGA z54 (mN)	Easting MGA z54 (mE)	RL (m)	Azimuth UTM (°)	Dip (°)	Depth (m)
PA570	5984813	767396	103	n/a	-90	131
PA571	5984829	767445	103	n/a	-90	114
PA572	5984820	767496	103	n/a	-90	140
PA573	5984818	767549	103	n/a	-90	138
PA574	5984818	767600	103	n/a	-90	108
PA575	5984818	767648	103	n/a	-90	127
PA576	5984815	767695	103	n/a	-90	132
PA577	5984380	767075	104	n/a	-90	96
PA578	5984381	767268	104	n/a	-90	150
PA579	5984377	767374	104	n/a	-90	133
PA580	5984374	767475	104	n/a	-90	131
PA581	5984372	767577	104	n/a	-90	145
PA582	5984363	767672	104	n/a	-90	133
PA583	5983868	767260	104	n/a	-90	128
PA584	5983869	767313	104	n/a	-90	150
PA585	5983870	767366	104	n/a	-90	124
PA586	5983868	767489	104	n/a	-90	113
PA587	5983869	767546	104	n/a	-90	133
PA588	5983869	767603	104	n/a	-90	126
PA589	5983869	767660	104	n/a	-90	129
PA590	5983410	766825	104	n/a	-90	126
PA591	5983408	766875	104	n/a	-90	109
PA592	5983409	766924	104	n/a	-90	119
PA593	5983409	766975	104	n/a	-90	117
PA594	5983416	767035	104	n/a	-90	102
PA595	5983400	767486	105	n/a	-90	120
PA596	5984379	766774	103	n/a	-90	126

Hole ID	Northing MGA z54 (mN)	Easting MGA z54 (mE)	RL (m)	Azimuth UTM (°)	Dip (°)	Depth (m)
PA597	5984379	766824	103	n/a	-90	127
PA598	5984381	766871	103	n/a	-90	137
PA599	5984381	766965	103	n/a	-90	112
PA600	5984730	766676	103	n/a	-90	97
PA601	5984729	766726	103	n/a	-90	96
PA602	5984738	766773	103	n/a	-90	111
PA603	5984797	766851	103	n/a	-90	118
PA604	5984809	766879	103	n/a	-90	126
PA605	5984797	766947	103	n/a	-90	110
PA606	5984797	766998	103	n/a	-90	118
PA607	5984430	766127	103	n/a	-90	88
PA608	5984430	766323	103	n/a	-90	72
PA609	5984433	766527	103	n/a	-90	88
PA610	5985296	766800	103	n/a	-90	93
PA611	5985316	766905	103	n/a	-90	115
PA612	5985302	766945	103	n/a	-90	127
PA613	5985296	766998	103	n/a	-90	98
PA614	5982452	767322	105	n/a	-90	126
PA615	5982426	767381	105	n/a	-90	119
PA616	5982428	767418	105	n/a	-90	128
PA617	5982427	767467	105	n/a	-90	120
PA618	5982427	767520	105	n/a	-90	120
PA619	5982428	767568	105	n/a	-90	119
PA620	5982428	767618	105	n/a	-90	124
PA621	5982428	767670	105	n/a	-90	119
PA622	5981110	767296	106	n/a	-90	132
PA623	5981111	767343	106	n/a	-90	111
PA624	5981113	767593	106	n/a	-90	114
PA625	5986984	767604	102	n/a	-90	135
PA626	5986979	767644	102	n/a	-90	125
PA627	5986978	767693	101	n/a	-90	139
PA628	5986411	767511	104	n/a	-90	108
PA629	5986410	767627	102	n/a	-90	110
PA630	5986414	767678	102	n/a	-90	102
PA631	5986411	767723	102	n/a	-90	123