

24 March 2020

Preliminary results from second target at Julimar Project

Chalice Gold Mines Limited ("Chalice" or "the Company", ASX: CHN | OTCQB: CGMLF) advises that preliminary results have been received from its second target at its 100%-owned **Julimar Nickel-Copper-PGE Project**, located ~70km north-east of Perth in Western Australia.

As reported on 23 March, the second drill hole (JRC002), ~900m north-east of JRC001, was in progress at a depth of 184m as of end of day 22 March. JRC002 was drilled to test a second target – MLEM Conductor 'A', located along the north-east margin of the magnetic anomaly (**Figure 1**).

Conductor 'A' is a separate and distinct MLEM conductor interpreted to be located in a different stratigraphic position to the conductor tested by JRC001 (Conductor 'E').

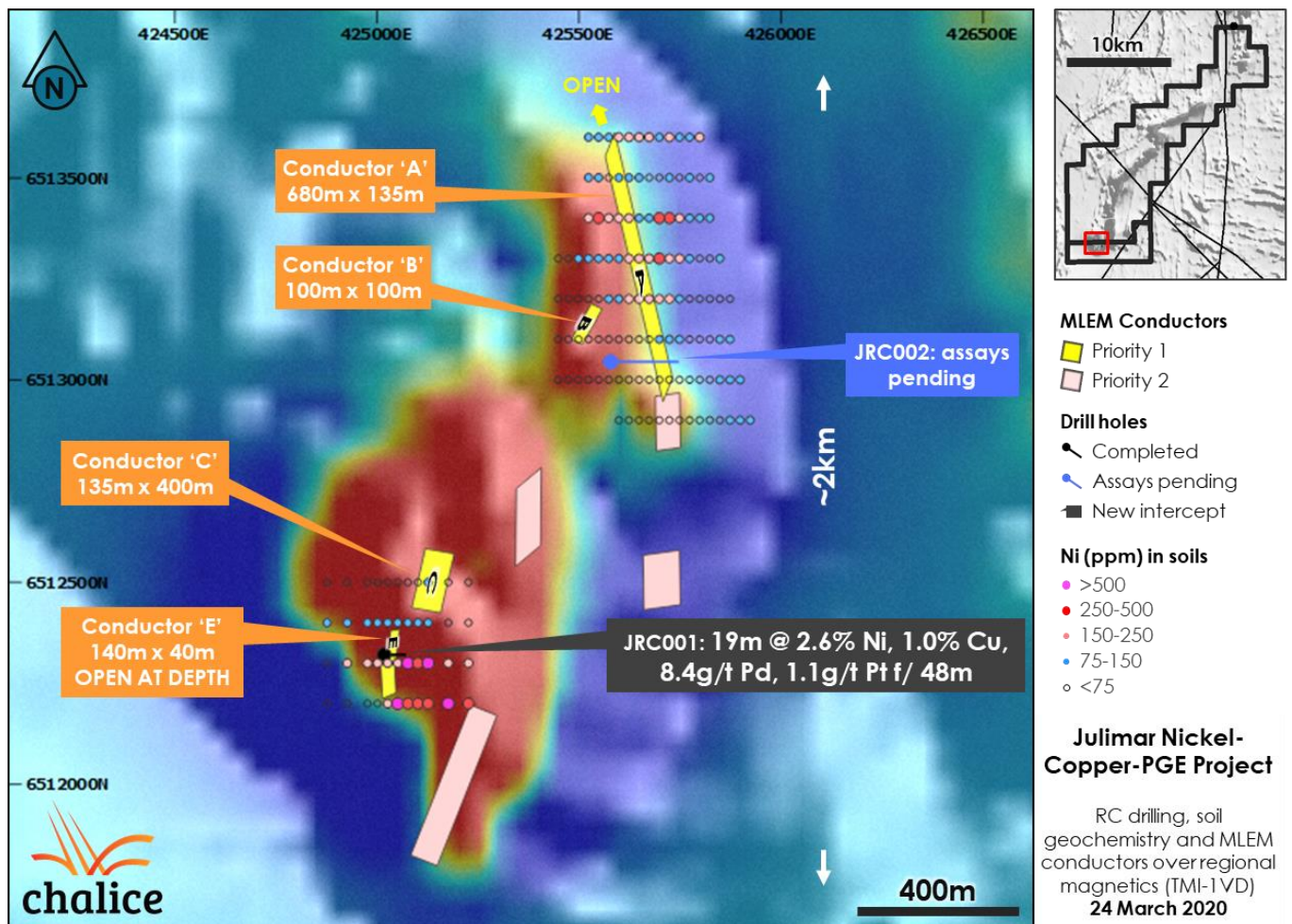


Figure 1. Julimar Project RC drilling, EM targets and soil geochemistry over regional magnetics.

JRC002 intersected a sequence of intrusive mafic to ultramafic rock-types, with trace to 5% disseminated sulphides logged from 87m to 241m. Sulphidic sediments containing semi-massive pyrite and pyrrhotite

were intersected from 241m and continued to the end of hole depth of 280m. This zone is likely to explain the presence of modelled Conductor 'A'.

Hole details are provided in **Table 1** and logged geology is summarised in **Table 2**.

Table 1. New drill hole details – Julimar Ni-Cu-PGE Project.

Hole ID	Easting (mE)	Northing (mN)	RL (m)	Azimuth (°)	Dip (°)	Total depth (m)
JRC002	425,570	6,513,038	252	090	-60	280

Table 2. JRC002 logged geology – Julimar Ni-Cu-PGE Project.

Hole ID	From (m)	To (m)	Geology
JRC002	0	27	Saprolite clays
	27	86	Gabbro
	86	241	Layered ultramafic and mafic intrusive rock types: trace to 5% disseminated sulphides
	241	280	Sulphidic sediments

No massive sulphides were intersected in JRC002 and no significant nickel and copper mineralisation has been detected from portable X-ray Fluorescence (pXRF) analysis of RC samples.

Laboratory assays, including those for Platinum Group Elements (PGE) remain pending.

The presence of ultramafic-mafic intrusive rock-types containing disseminated sulphides is viewed as highly encouraging, and the lack of significant nickel and copper mineralisation associated with this separate target does not detract from the results of JRC001, which tested a different MLEM conductor.

Forward plan

MLEM Conductors 'B' and 'C' will be drilled over the coming weeks and are considered high priority targets. Step-out drilling at Conductor 'E' will commence thereafter.

Down-hole EM commenced on 23 March in order to better define the conductors with the aim to provide step-out drill targets as drilling continues.

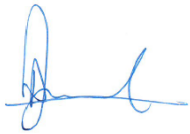
Julimar is one of Chalice's generative exploration opportunities and is being progressed alongside ongoing drilling programs at its Pyramid Hill Gold Project in Victoria.

Discussion

Commenting on the results, Chalice's Managing Director, Alex Dorsch, said: "The first drill hole was a hard act to follow! Preliminary results for the second hole, whilst nothing like the first hole, suggest potential additional zones of mineralisation exist at Julimar. The second hole was targeting an entirely separate target and as such does not detract from our recent discovery.

"Given it is early days at Julimar and acknowledging how difficult magmatic sulphide targets can be to drill, this will not be our last drill hole which does not intersect significant mineralisation. However, we remain excited about the zone discovered in the first hole, as well as the other high-priority EM targets"

Authorised for release on behalf of the Company by:



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

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About the Julimar Nickel-Copper-PGE Project, Western Australia

The 100%-owned Julimar Nickel-Copper-PGE Project was staked in early 2018 and is located ~70km north-east of Perth in Western Australia on private land and State Forest. The Project was staked as part of Chalice's global search for high-potential nickel sulphide exploration opportunities.

*Chalice interpreted the possible presence of a mafic-ultramafic layered intrusive complex at Julimar based on high resolution regional magnetics. The large complex is interpreted to be ~26km long and ~7km wide and is considered highly prospective for nickel, copper and platinum group elements. However, it has never been explored for these metals (**Figure 2**).*

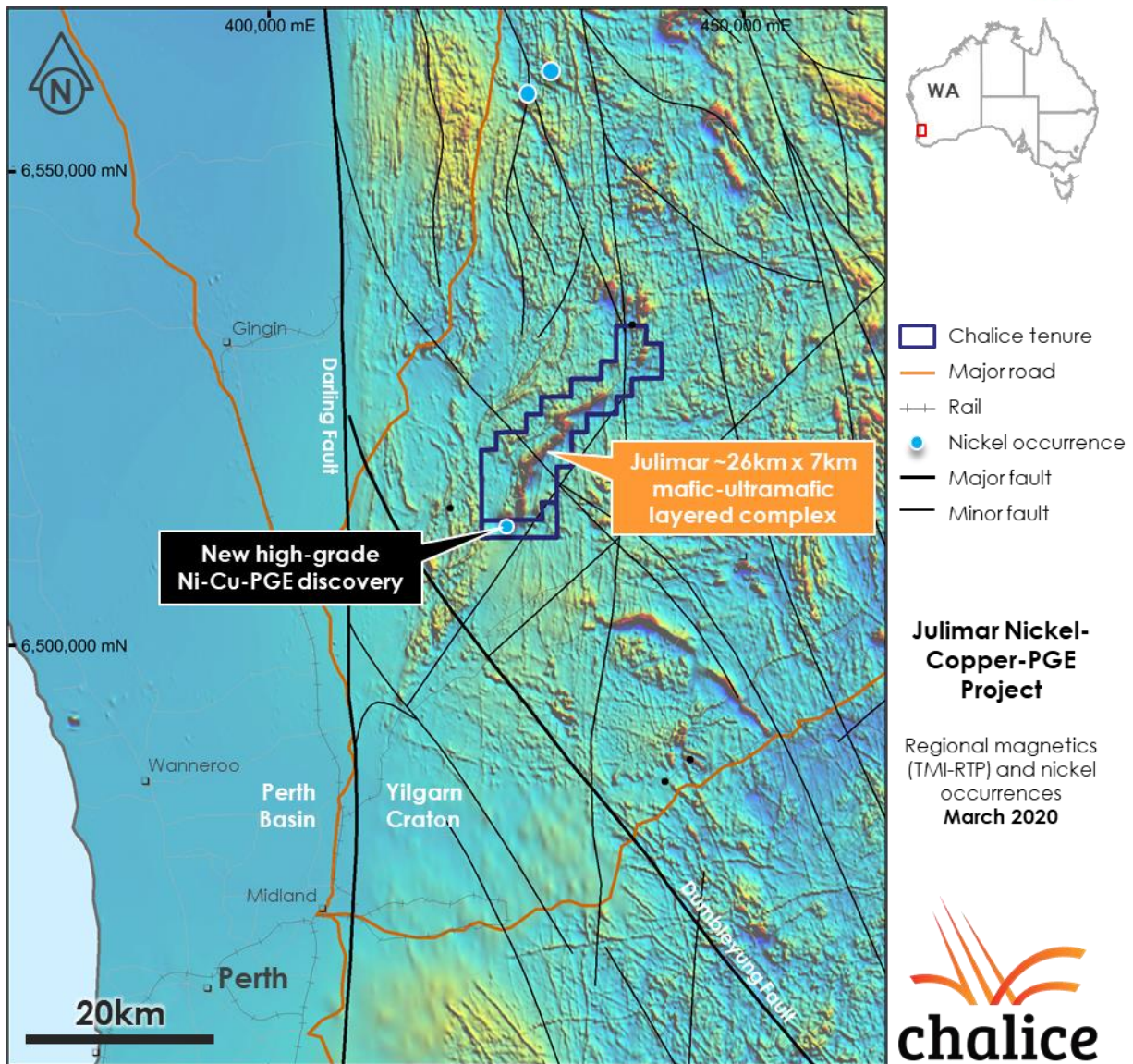


Figure 2. Julimar Project tenure, regional nickel occurrences over regional magnetics (new licence applications not shown).

Chalice is targeting high-grade nickel-copper-PGE discoveries and commenced a systematic, regional-scale greenfield exploration program in mid-2019 upon gaining access, initially in the southern portion of the Project on private land. This included 200m-spaced Moving Loop Electromagnetic (MLEM) with selective 100m infill lines, targeted soil geochemistry over high-priority MLEM conductors, and geological mapping which failed to identify any bedrock exposures over the area of interest.

Two MLEM conductors were shown to be associated with anomalous nickel-in-soils and preferentially located along the margins of a ~2km x 0.5km discrete magnetic anomaly interpreted as a potential feeder zone located near the southern extent of the intrusive complex. An initial RC drill program commenced in Q1 2020.

Competent Persons and Qualifying Persons Statement

The information in this announcement that relates to Exploration Results in relation to the Julimar Nickel-Copper-PGE 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.

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 / Ramelius Resources 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 / Ramelius Resources securities and future proceeds and timing of potential sale of O3 Mining and Spectrum Metals / Ramelius Resources 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.