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SHARE PURCHASE PLAN - LETTER TO ELIGIBLE SHAREHOLDERS

Dear Shareholder

19 May 2023

Chalice Mining Limited - Share Purchase Plan Offer

On 12 May 2023, Chalice Mining Limited (ACN 116 648 956) (**Chalice** or **Company**), announced on the Australian Securities Exchange (**ASX**) that it had successfully raised A\$70 million (before costs) from a placement to institutional, sophisticated and professional investors (**Placement**) of 9.59 million new fully paid ordinary shares (**Shares**) at an issue price of A\$7.30 per Share.

On behalf of the Board of Chalice, I am pleased to offer eligible shareholders the opportunity to subscribe for new Shares under a Share Purchase Plan (**Offer** or **SPP**). The SPP allows you to apply to purchase new Shares on the same terms as the recent Placement. The SPP is not underwritten.

The SPP is targeting to raise up to a maximum of A\$10 million (before costs and subject to the Company's discretion to accept oversubscriptions).

Accessing the SPP Offer Document

An offer document with the terms and conditions for the SPP was lodged with the ASX today (**SPP Offer Document**). A copy of the SPP Offer Document along with information about how to apply under the SPP is available online on the Offer website www.computersharecas.com.au/chnspp. The Company encourages you to carefully read the SPP Offer Document before making your investment decision, noting that you will be bound by the terms and conditions in the SPP Offer Document if you choose to participate.

Issue price of new Shares to be issued under the SPP offer

The Company is offering eligible shareholders the opportunity under the SPP to apply for A\$2,500 (minimum) up to A\$30,000 (maximum) worth of new Shares at an issue price of A\$7.30 per new Share (**Issue Price**). The Issue Price is equal to the price at which the Company undertook the Placement and represents a:

- (a) 5.7% discount to the last closing price of A\$7.74 per Share on Wednesday, 10 May 2023 being the last trading day before the Placement and the announcement of the SPP; and
- (b) 5.9% discount to the volumed weighted average market price (VWAP) of the Company's Shares over the last 5 trading days up to and including Wednesday, 10 May 2023 of A\$7.75.

Participation in the SPP by Eligible Shareholders

Participation in the SPP is optional and is open to shareholders who were registered as the holder of Shares in the Company at 7.00pm (AEST) on Thursday, 11 May 2023 (**Record Date**), and whose registered address is in Australia or New Zealand (**Eligible Shareholders**).

If you reside outside Australia and New Zealand, or are in the United States, or are a person acting on the account of a person in the United States, you are not an Eligible Shareholder and are not entitled to participate in the SPP. Applications under the SPP can only be made by Eligible Shareholders and an Eligible Shareholder's right to participate in the SPP offer is not transferable.

Certain Eligible Shareholders who are custodians holding Shares on behalf of certain beneficiaries are also invited to participate in the SPP offer on the terms and conditions set out in the SPP Offer Document.

Eligible Shareholders may apply to purchase a parcel of new Shares with a value of either A\$2,500, A\$5,000, A\$10,000, A\$20,000, or A\$30,000.

Participation is optional and Eligible Shareholders may elect to do nothing. If you choose to do nothing, you will continue to hold the same number of Shares, however, your interest in Chalice will be diluted.

Key dates

The key dates in relation to the SPP offer are summarised below.

Event	Date
Record Date (7.00pm AEST) (the date that eligibility to participate in the SPP offer was determined)	Thursday, 11 May 2023
Announcement of the SPP offer	Friday, 12 May 2023
SPP Offer Document made available to Eligible Shareholders SPP offer opening date (9.00am AEST)	Friday, 19 May 2023
SPP offer closing date (5.00pm AEST)	Friday, 9 June 2023
Announcement of SPP offer results	Thursday, 15 June 2023
Issue of new Shares under SPP offer Application for quotation of new Shares under SPP offer	Monday, 19 June 2023
Commencement of trading of new Shares under SPP offer	Tuesday, 20 June 2023

Note: This timetable is indicative only and is subject to change. The Company reserves the right to alter the above dates at any time, including amending the period for the SPP offer or accepting late applications, either generally or in particular cases, at its discretion and without notice to you, subject to the ASX Listing Rules, the Corporations Act and any other applicable rules. The commencement of trading and quotation of new Shares under the SPP offer is subject to ASX confirmation.

How to apply

Eligible Shareholders may participate in the SPP by applying online on the Offer website: www.computersharecas.com.au/chnspp and by submitting payment via BPAY® (for Eligible Shareholders with an eligible Australian bank account) or EFT (for eligible Shareholders in New Zealand). This is the fastest and easiest way to apply.

If you are unable to pay via BPAY® or access the website to complete the online application, please contact Computershare via the Shareholder Information Line on 1300 850 505 (within Australia) or +61 3 9415 4000 (outside Australia) between 8.30am and 5.00pm (AEST), Monday to Friday, to obtain alternative instructions.

By making a payment under the Offer as described above, you are taken to make an application under the Offer, and make the certifications, representations and warranties described in the SPP Offer Document.

All payments must be received by no later than 5.00pm (AEST) on Friday, 9 June 2023. Please take into account BPAY® or EFT processing times.

It is important to note that your application will be irrevocable, unconditional and cannot be withdrawn, even if the market price of the Shares is less than the Issue Price.

Scale back and oversubscriptions

Chalice reserves the right to determine the amount it raises through the SPP, including the right to reject or scale back any applications in whole or in part (**Scale Back**). At this stage, the maximum amount intended to be raised under the SPP will be capped at a total of A\$10 million (before costs), although the Company reserves the right to change this cap at its discretion by announcement to the ASX (subject to the maximum permitted under the ASX Listing Rules). If there is a Scale Back, you may not receive all the new Shares for which you have applied. In the event of a Scale Back, Chalice will refund to you the difference between your application money and the total offer price for the new Shares issued to you. Please refer to the SPP Offer Document for further information in relation to the Scale Back.

Queries

If you have any questions in relation to how to participate in the SPP offer, please contact Chalice's Share Registry, Computershare, via the Shareholder Information Line, from 8.30am to 5.00pm (AEST) Monday to Friday on 1300 850 505 (within Australia) or +61 3 9415 4000 (outside of Australia). Details can also be found on the Company website at www.chalicemining.com.

Thank you for your continuing support as a valued Shareholder.

Yours sincerely,



Derek La Ferla
Non-Executive Chairman
Chalice Mining Limited