

29 January 2020

Two rigs now drilling at the Pyramid Hill Gold Project in Victoria after three large targets were significantly upgraded in the Quarter

Highlights

Pyramid Hill Gold Project – Victoria (100%-owned)

- 186 air-core (AC) drill holes for ~20,390m completed during the Quarter at the **Karri, Ironbark and Ironbark North** Targets.
- Results to date have **significantly upgraded all three** greenfield targets under shallow cover – providing key focus areas for **increased exploration activity in Q1 2020**.
- **Continuous** >0.25g/t Au gold trend discovered at the **Karri Target** which extends over a strike length of **3km** and is up to **500m wide**:
 - Several sub-parallel gold trends also identified in the weathered top of basement, all of which remain **open along strike** and as yet **untested at depth**;
 - Large footprint of the strongly anomalous gold zones indicates the potential for a **significant gold system at depth**;
 - Assays are currently pending for 65 AC drill holes; step-out and infill AC drilling to continue on a ~500m x 50m spaced grid.
- Best 4m composite intercept on Project to date of **8m @ 2.0g/t Au** within a broader zone of 20m @ 0.85g/t Au at the **Ironbark North Target**:
 - **>1g/t gold** has now been intersected in the first ever drill holes into the **two large diorite intrusions** at Ironbark – the **first known occurrence** of this style of mineralisation in the Bendigo Zone of Victoria;
 - All gold zones remain **open**, with mineralisation controls to be evaluated through the current diamond drilling program; and
 - Assays are currently pending for 17 AC drill holes; step-out and infill AC drilling to continue on a ~250m x 50m spaced grid.
- Maiden **diamond drilling program currently underway** for geological and structural purposes.
- **High-resolution 2D seismic trial survey** to be completed in mid Q1 2020.

Julimar Nickel Project – Western Australia (100%-owned)

- **RC drill program** to commence in mid Q1 2020 as an initial test of three high conductance ground EM targets associated with an interpreted intrusive feeder complex.

Corporate

- Chalice remains fully funded with a strong working capital and liquid investments balance of **~\$27M** (or **~\$0.10 per share**), including \$9.7M in cash at 31 December 2019.

1. OVERVIEW

Commenting on the December Quarter, Chalice's Managing Director, Alex Dorsch, said: "When we kicked off the second drill program at our flagship project in Victoria, we believed that the drill results were likely to improve as we zeroed in on our most exciting targets. I think it's fair to say that our expectations have been exceeded by what we've seen over the past month.

"Given we are still at an early stage of exploration and the lack of historical drilling around our targets, the results we have seen from wide-spaced air-core drilling in the last Quarter are encouraging. It's important to note that other under cover gold discoveries in the region, as well as elsewhere in the world, have often taken hundreds of drill holes to find; but once the initial intersection is made, the results and value appreciation follow quickly.

"Our highly effective reconnaissance drilling approach has significantly narrowed the search area on the essentially unexplored >5,000km² project and, encouragingly, our persistence is being rewarded. Now that we are vectoring in on robust zones of primary mineralisation, each round of drilling is becoming more and more targeted.

"In my view, Chalice holds a large part of one of the few remaining unexplored gold provinces in Australia. The story is just beginning, providing a unique opportunity for our investors to be involved. Given the potential high-grade gold endowment beneath Chalice's tenure, as estimated by the Geological Survey of Victoria's Gold Undercover Initiativeⁱ, and the prospect of multiple large-scale greenfield gold discoveries, Pyramid Hill could be a once-in-a-lifetime type of exploration play.

"It is great to see that our activities are now receiving market attention, and to see significant new investment into the region from some of the industry's biggest investors. Our outlook remains very positive on the back of this and we are encouraged by the current strength in the gold price.

"Our strong financial position and significant in-house expertise positions the Company exceptionally well for the systematic exploration program ahead. Activities have ramped up with two rigs now drilling on site and a 2D seismic survey about to commence in the coming weeks."



Figure 1. Diamond Drilling at the Karri Target on the Pyramid Hill Gold Project, Jan-2020.

2. EXPLORATION ACTIVITIES

2.1 Pyramid Hill Gold Project, Victoria

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 2).

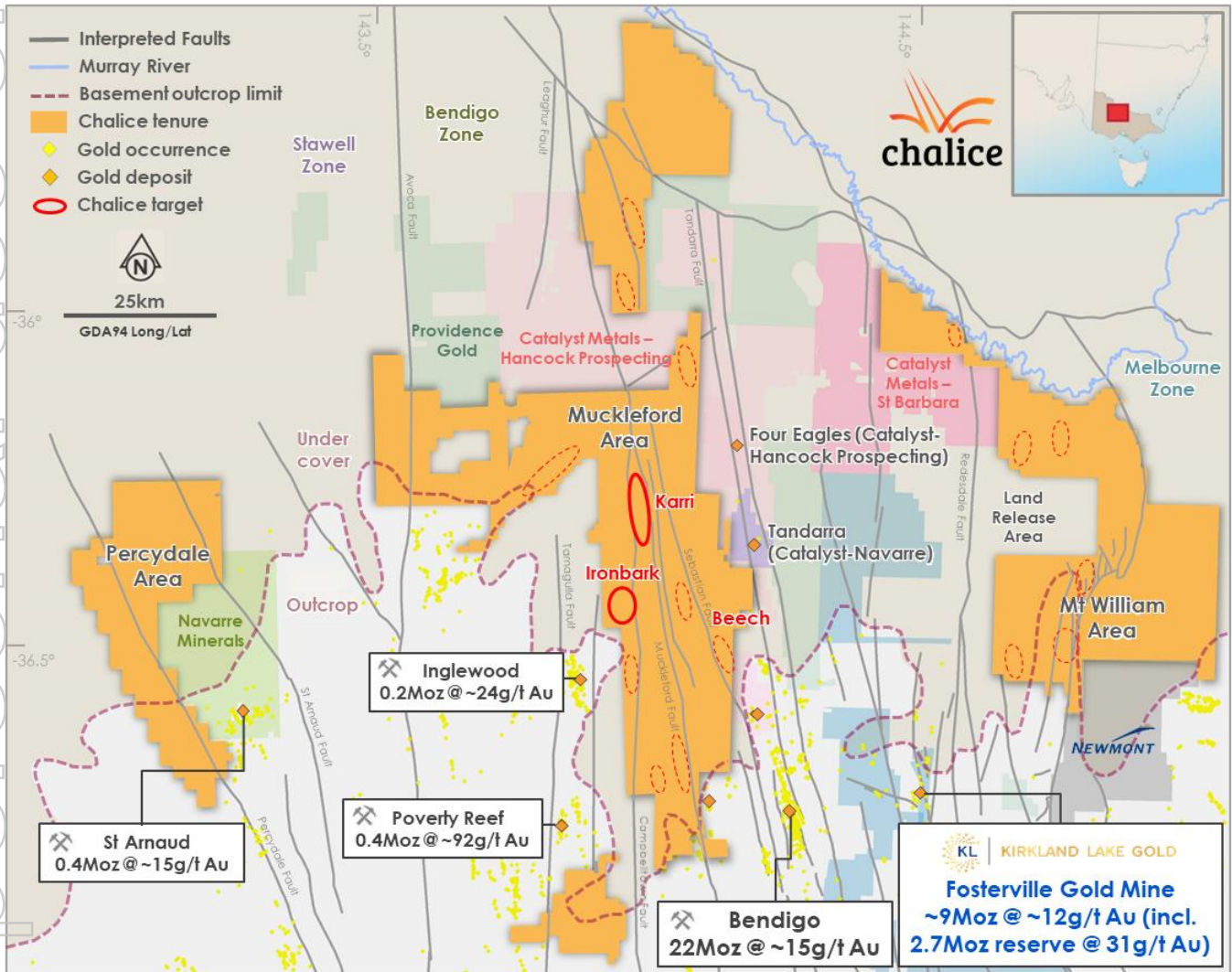


Figure 2. Pyramid Hill Gold Project tenure, regional land holders, gold deposits and occurrences.

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 undercover areas remain 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 580 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.

Overview of Activities

Chalice commenced its second phase of reconnaissance air-core (AC) drilling in late Q3 2019, completing ~20,390m in Q4 2019.

The Phase 2, ~25,000m program was designed to refine the anomalous gold zones at the Ironbark, Karri and Beech Targets defined from the Phase 1 AC drilling program, in order to maximise the effectiveness of future deeper drilling.

Phase 2 AC drill holes were drilled vertically on wide-spacing to AC blade refusal, allowing the Company to sample the top of the weathered basement in order to vector towards primary mineralisation in deeper bedrock.

Encouraging results have been received from the Phase 2 AC program to date and assays are currently pending for ~7,550m of drilling at Ironbark North and Karri.

Three new Exploration Licence Applications were made during the Quarter (EL007040, EL007120 and EL007121).



Figure 3. AC Drilling at the Karri Target on the Pyramid Hill Gold Project, Jan-2020.

Karri Target Results

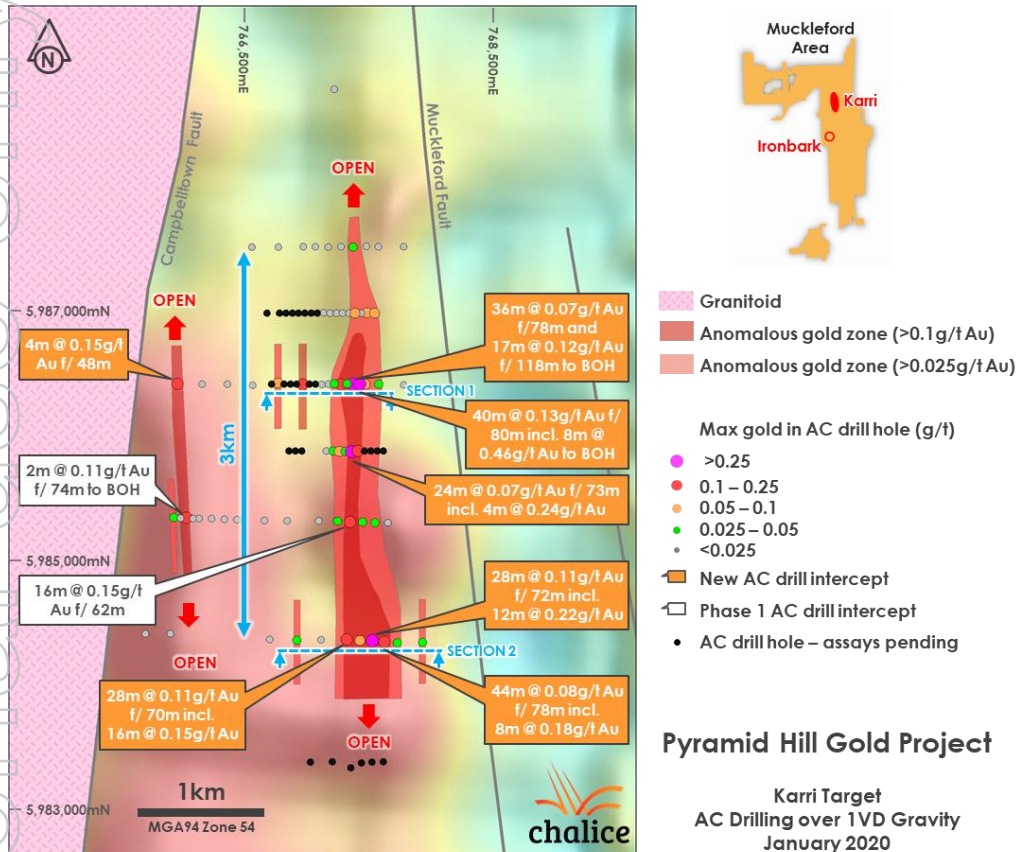


Figure 4. Karri Target Plan View – Maximum gold in AC drilling over gravity geophysics.

The infill and step-out drilling on 500m-spaced lines has returned anomalous gold values with the better gold intersections associated with zones of quartz veining with accompanying sulphides (pyrite ± arsenopyrite) typical of mineralised systems in the region.

The gold zones are hosted in an interbedded sequence of weathered sandstones and shales that have been variably altered (silicified) and show strongly elevated levels of arsenic (up to 220ppm), an important gold pathfinder in the region.

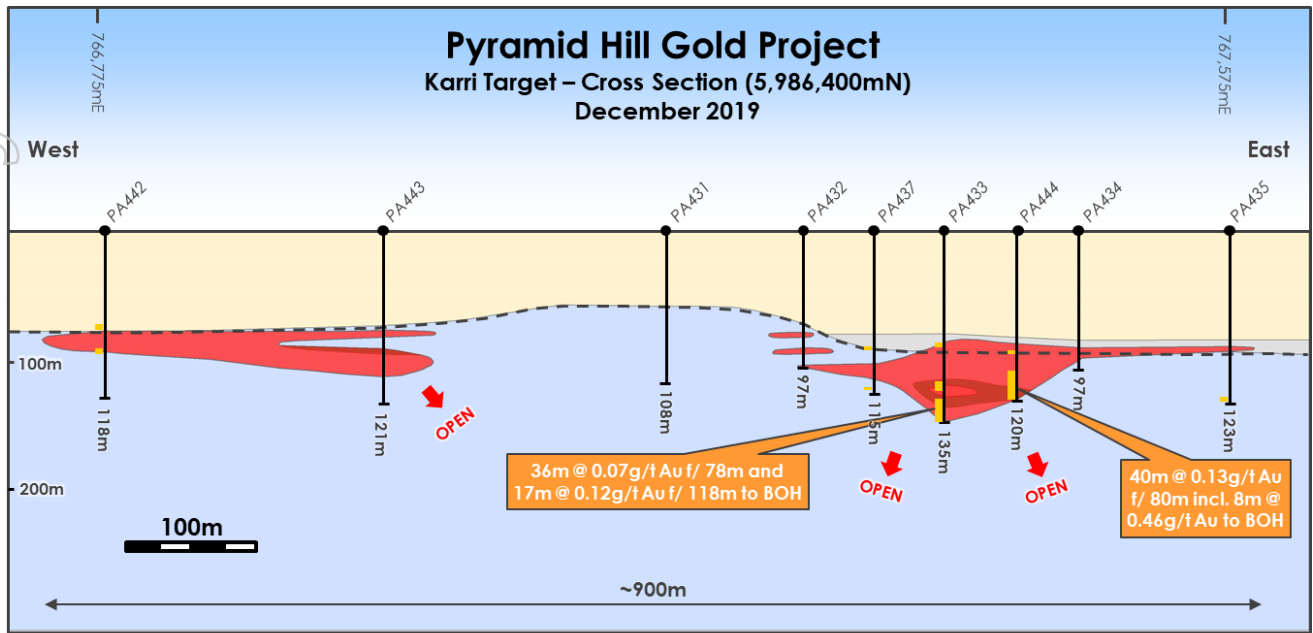
The highly anomalous gold grades intersected are considered significant for this early stage of wide-spaced, vertical reconnaissance drilling into the weathered top of basement (**Figure 5** and **Figure 6**) as they are potentially indicative of a mineralised system at depth.

The Karri Target is located 65km north-west of Bendigo, under 50-85m of Murray Basin cover.

A total of 163 AC drill holes for ~18,000m have been completed at the Target to date (the first ever effective drill holes in the area).

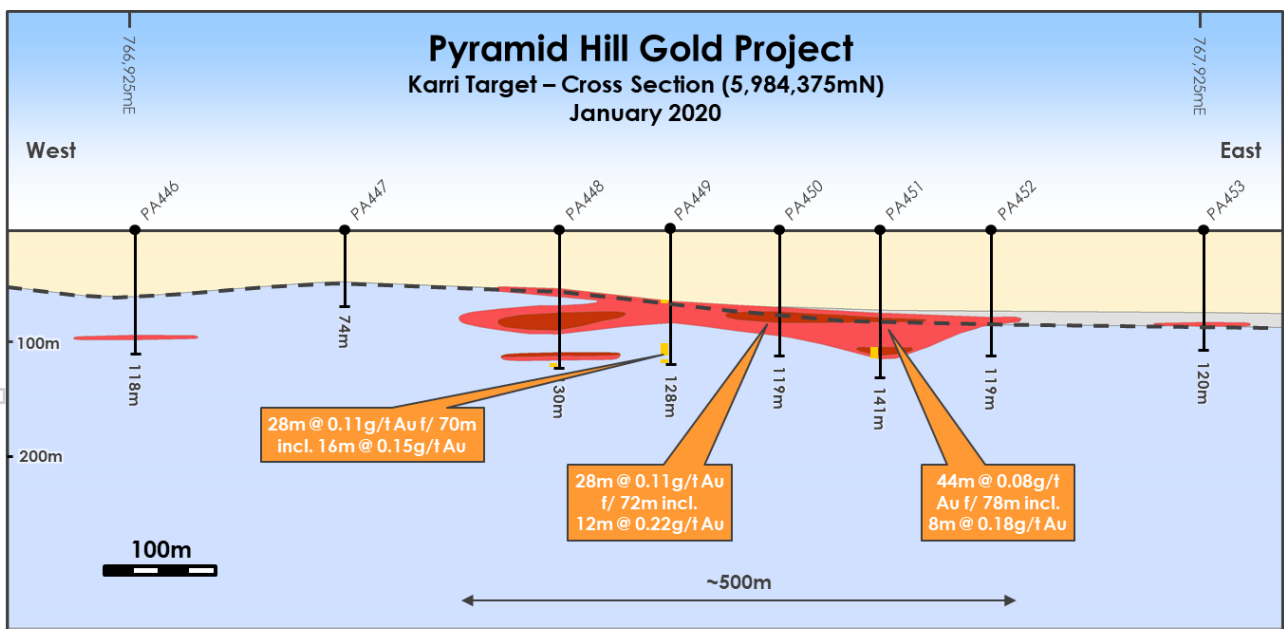
Drilling during the Quarter discovered a north-south trending anomalous gold zone which extends over 3km in strike length and is up to 500m wide.

Encouragingly, infill drilling has demonstrated that the zones are likely continuous, and all identified zones remain open along strike to the north and south (**Figure 4**).



- Murray Basin (cover)
- Olney Fm (cover)
- Castlemaine Group (Ordovician basement)
- Base of transported cover
- Anomalous gold zone (>0.1g/t Au)
- Anomalous gold zone (>0.025g/t Au)
- Anomalous Arsenic (>50ppm As)
- New AC drill intercept

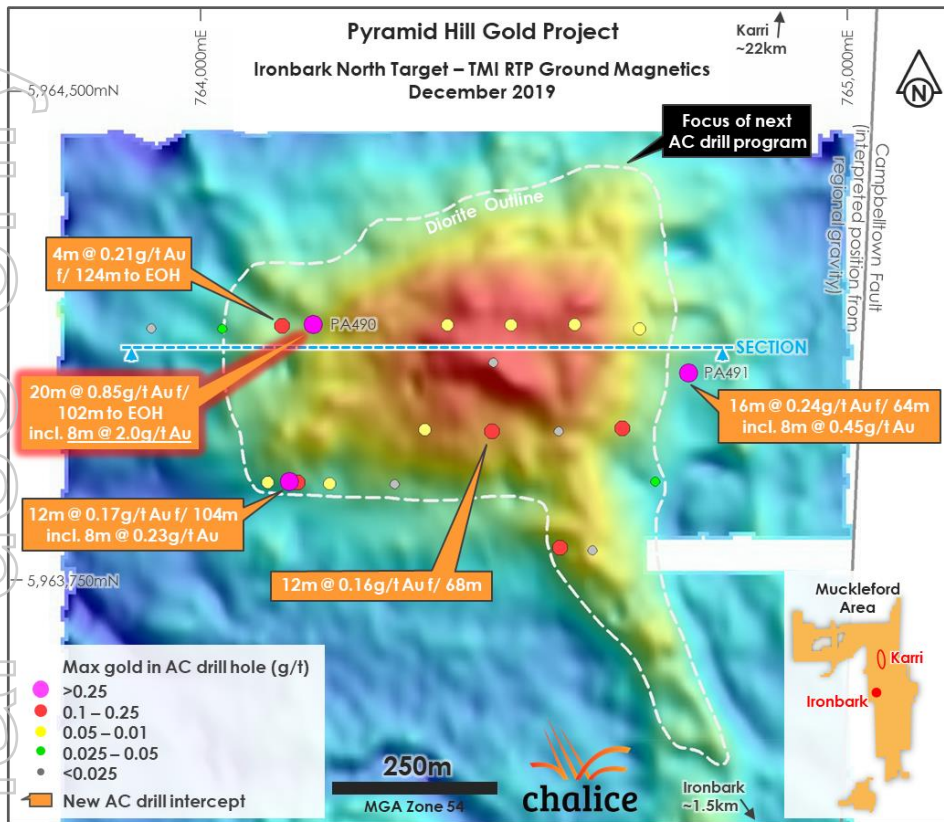
Figure 5. Karri Target Cross-Section (5,986,400mN).



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- Olney Fm (cover)
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- Base of transported cover
- Anomalous gold zone (>0.1g/t Au)
- Anomalous gold zone (>0.025g/t Au)
- Anomalous Arsenic (>50ppm As)
- New AC drill intercept

Figure 6. Karri Target Cross-Section (5,984,375mN).

Ironbark North Target Results



The Ironbark North Target is located ~1.5km north-west of the Ironbark Target and ~45km north-west of Bendigo, under 50-80m of Murray Basin cover.

A total of 39 AC drill holes for ~4,580m have been completed at the Target to date (the first ever effective drill holes in the area).

Drilling during the Quarter discovered two discrete zones of >0.25g/t gold which are broadly associated with the western and eastern margins of a diorite intrusion (Figure 7).

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.

Figure 7. Ironbark North Target Plan View – Maximum gold in AC drilling over Total Magnetic Intensity (TMI) Reduced to Pole (RTP) ground magnetics.

This higher-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 8). Arsenic and antimony are important pathfinder metals for gold mineralisation in the region.



Figure 8. AC drill chips and significant assay results from PA490 – interval from 100m to 120m.

The broad zone of alteration surrounding this 8m @ 2.0g/t Au interval is encouraging as it indicates the potential for a large Walhalla-Woods Point style gold system – an historical goldfield in the Melbourne Geological Zone of Victoria, ~230km south-east of the Project that hosted several high-grade diorite-associated gold deposits including Cohen's Reef (~1.5Moz @ ~32g/t Au) and Morning Star (~800koz @ ~26g/t Au).

While the Ironbark and Ironbark North Targets are located in the neighbouring Bendigo Geological Zone, the geological setting is comparable to that of Walhalla-Woods Point.

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.

A geological cross section shows that anomalous gold was intersected in AC drilling across the entire extent of the ~675m wide diorite intrusion, with the high-grade gold zones preferentially developed near the diorite-sediment contacts (**Figure 9**).

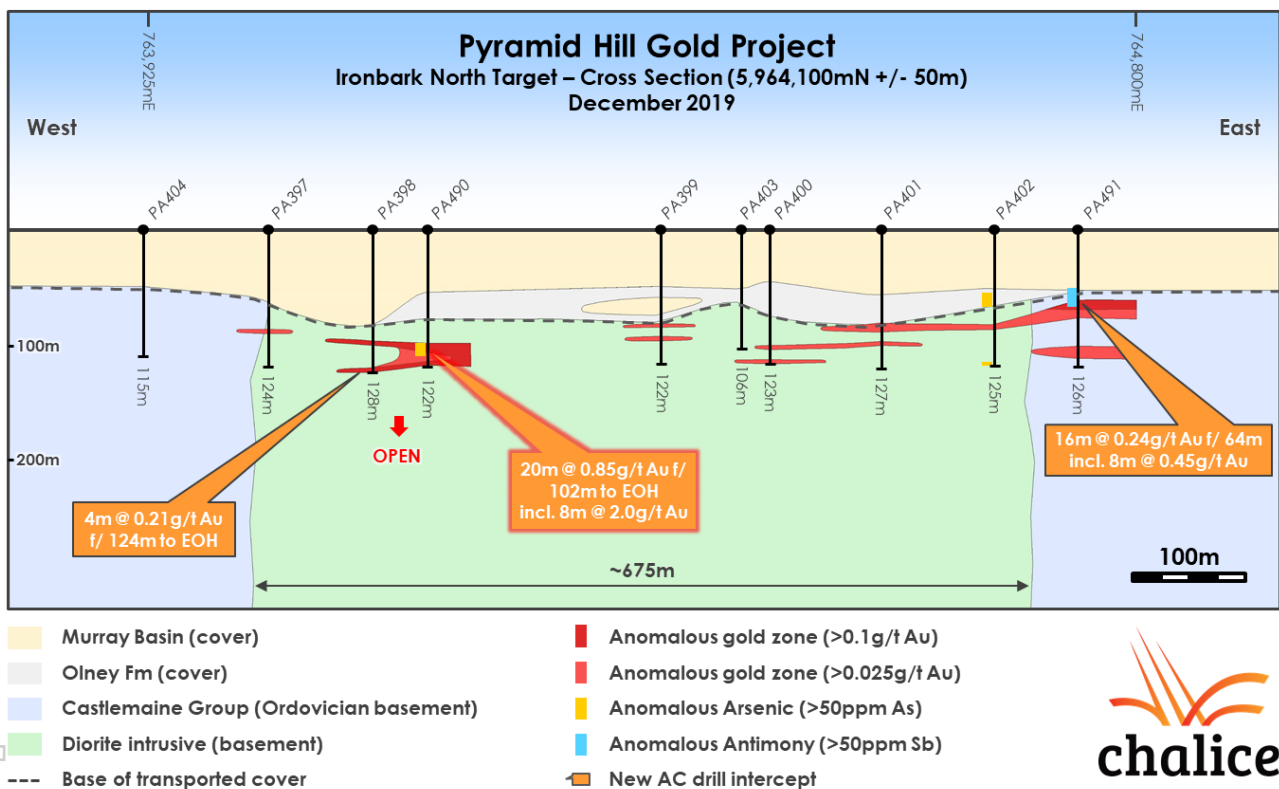


Figure 9. Ironbark North Target Cross-Section (5,964,100mN +/- 50m).

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

Ironbark Target Results

The Ironbark Target is located ~45km north-west of Bendigo, under 35-75m of Murray Basin cover.

A total of 68 AC drill holes for ~6,500m have been completed at the Target to date (the first ever effective drill holes in the area).

Drilling during the Quarter discovered several zones of anomalous gold in basement over an area of approximately 500m x 500m, broadly coincident with the interpreted outline of the Ironbark Diorite (**Figure 10**).

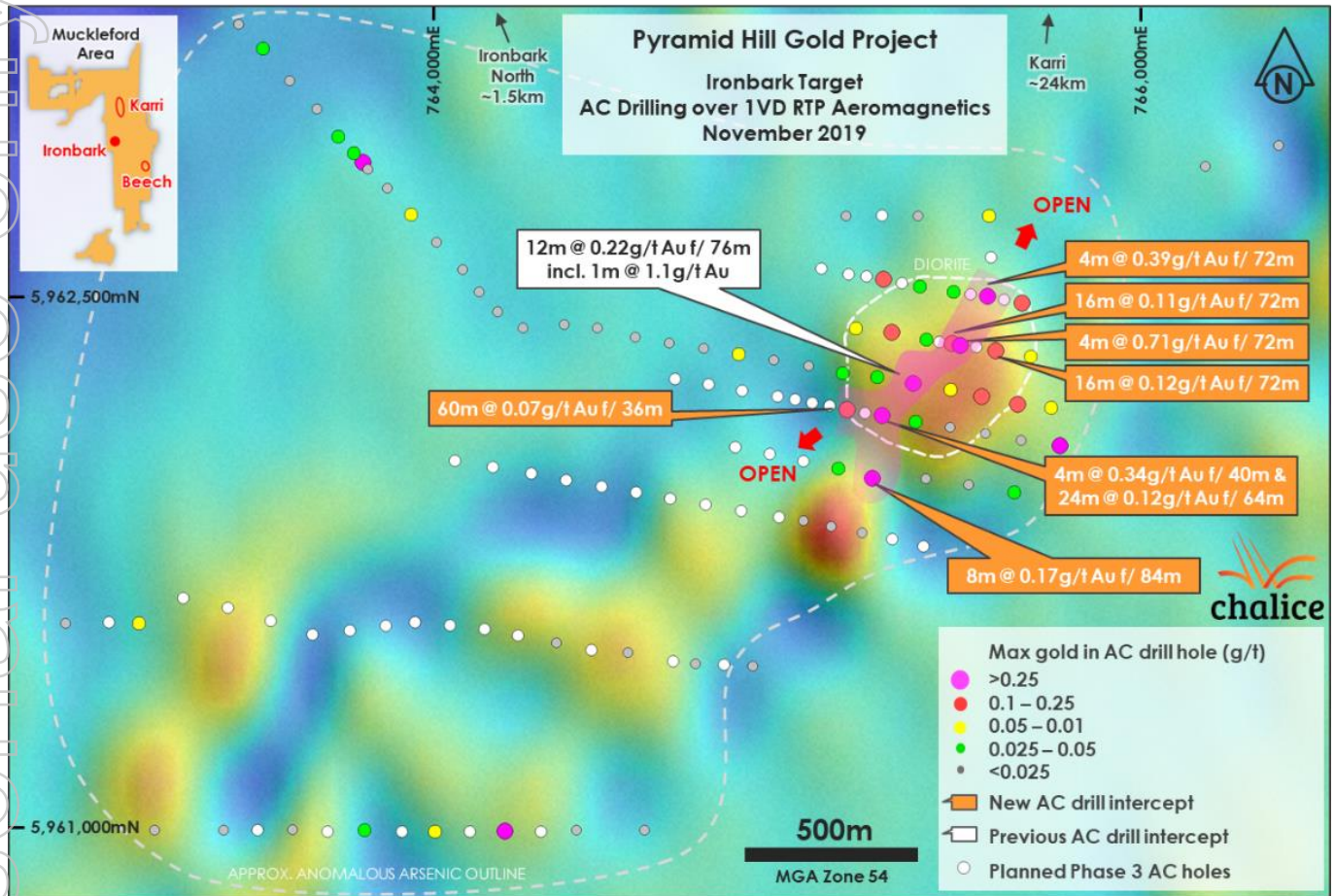


Figure 10. Ironbark Target Plan View – Maximum gold in AC drilling and anomalous arsenic outline over 1st Vertical Derivative (1VD) Reduced-To-Pole (RTP) magnetics.

Anomalous gold (>25ppb Au) is principally associated with the contact between the Ironbark Diorite and Castlemaine Group sediments and within the Ironbark Diorite itself.

Several encouraging, wide, >0.25g/t gold intervals were intersected over an ~600m long ENE trending secondary dispersion zone, immediately above the fresh rock interface. These results could indicate the presence of an ENE trending, low angle north-westerly dipping fault, which may explain the presence of Castlemaine Group sediments overlying the diorite intrusion.

Results to date show that the anomalous gold zone is largely open to the west and open along strike to the north-east and south-west. While no mineable grade mineralisation has yet been intersected, the early indications from AC drilling provide encouragement that exploration is vectoring towards a higher-grade gold trend.

The anomalous gold zone also has an extensive, coincident arsenic footprint, extending over an area of ~3.2km x up to 2.2km, which is open to the south-west and north-east. Arsenic is considered an important pathfinder metal for gold in the Bendigo Zone.

Beech Target Results

The Beech Target is located ~25km north-north-west along strike from Bendigo (22Moz @ ~15g/t Au) adjacent to the Sebastian Fault, under 25-110m of Murray Basin cover.

A total of 14 AC drill holes for ~1,570m were completed on two drill lines during the Quarter. Drilling intersected zones of elevated gold, arsenic and antimony and the encouraging results are currently being reviewed to determine the timing of future step-out drilling.

Planned Drilling in Q1 2020

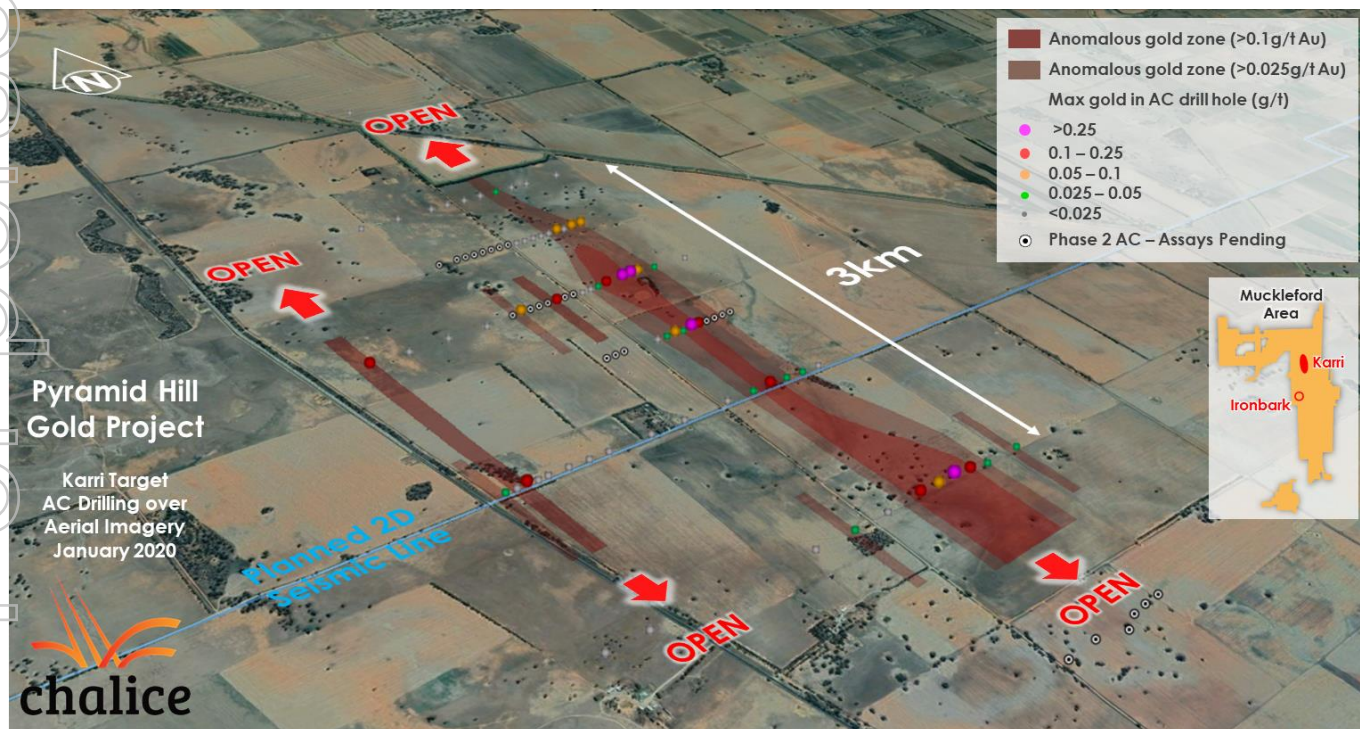
Based on the encouraging AC drill results received during the Quarter, AC drilling will continue in Q1 2020, to test the extension and continuity of identified zones of mineralisation. Step-out and infill vertical AC drilling is currently underway at the Karri Target on a 500m x 50m grid, to be followed by the Ironbark and Ironbark North Targets on a 250m x 50m grid.

An initial diamond drill program commenced on 23 January in parallel to the ongoing Phase 2 AC drill program. One 300-400m deep hole is planned at each of the Karri, Ironbark North and Ironbark Targets to provide an early understanding of the local bedrock geology and structural overprint in the vicinity of anomalous gold in AC holes, which is an important step in understanding the potential controls on gold mineralisation.

This initial geological information will be used to determine the optimal drilling strategy for the next phases of exploration. Based on real-time results from these initial diamond holes, the program may be expanded. It is anticipated that further diamond drilling will follow these initial holes to systematically test each target at depth.

Planned 2D Seismic

An initial 2D high-resolution seismic survey will commence in February 2020 along an east-west line which transects the Karri target as well as a 15km section across the entire Muckleford Area (**Figure 11**).



The line will cross the interpreted positions of the regional-scale Campbelltown, Muckleford and Sebastian Faults beneath younger Murray Basin cover. These Faults are important controls of mineralisation in the region.

This initial survey has been designed to determine if the technique can resolve stratigraphic horizons and structural complexity, which could then be used to model the regional and prospect-scale geological setting and highlight any areas of enhanced prospectivity for gold mineralisation.

The survey has been designed to image the relatively shallow part of the underlying Castlemaine Group sediments and associated structures within ~2km of surface. If successful, the technique may prove valuable in guiding and optimising future deeper drilling.

Geoscience Australia completed a crustal-scale 2D seismic transect in Victoria in 2006 which successfully resolved the positions of the regional scale faults across the southern part of the Pyramid Hill Gold Project. By utilising a higher resolution set-up, the Company anticipates that the 2D seismic technique will be effective in modelling shallow structural features in the Castlemaine Group.

2.2 King Leopold Nickel Project, Western Australia

The King Leopold Nickel Project covers an area of ~1,800km² in the West Kimberley region of WA. The Project covers several known areas of Ruins and Hart Dolerite (**Figure 12**), which are both considered highly prospective for magmatic nickel sulphides as well as other related metals (Cu, Co and PGEs).

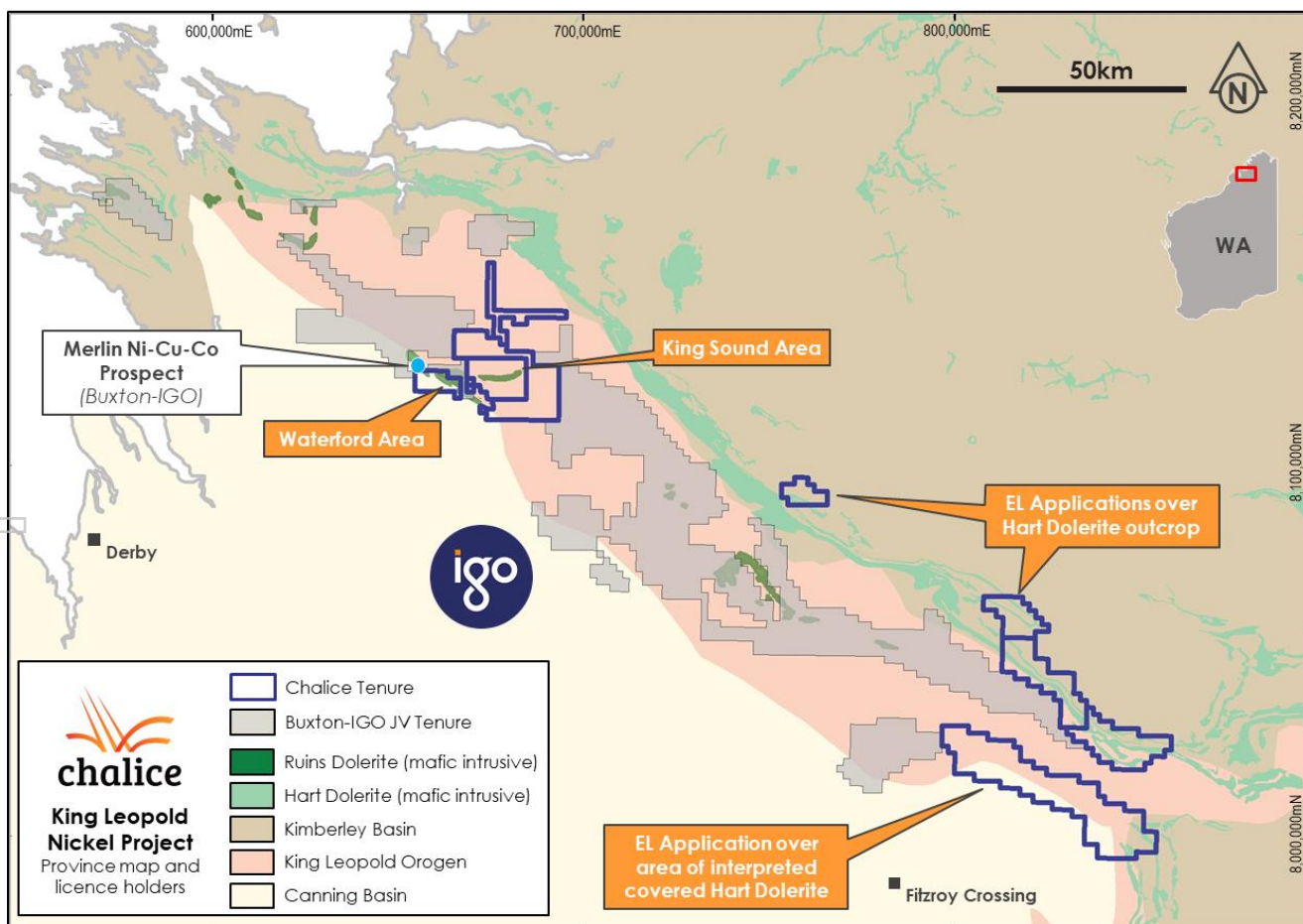


Figure 12. King Leopold Project tenure, nickel prospects and Buxton-IGO tenure over geological domains.

The Ruins Dolerite has been demonstrated to host high-grade nickel sulphides (drill intercept grades up to 8% Ni) following the Merlin discovery in 2015 of Buxton Resources (ASX: BUX). Buxton has since executed two joint venture agreements with Independence Group (ASX: IGO) and exploration activities have ramped up significantly. The JV has also substantially increased its licence holding in the frontier province.

Chalice's King Leopold Nickel Project is a combination of several 100%-owned exploration licences, 100%-owned hard rock rights, as well as an earn-in agreement (Chalice earning up to 85%).

Overview

No field activities were undertaken during the Quarter due to the onset of the summer wet season, which prevented site access. The Company has received results for a soil geochemical survey completed during September 2019 and these results have highlighted the prospectivity of the Ruins Dolerite. Planned field activities including ground EM and RC drilling are expected to re-commence in mid-2020 once access is regained.

2.3 Generative Projects

The Company completed several phases of field work during the Quarter on its Julimar, Mt Jackson and Flinders River Projects. These Projects are early-stage opportunities where low-cost prospect generation can contribute to a diversified pipeline of future projects in the Chalice portfolio. No exploration activity was undertaken on other projects during the Quarter.

Julimar Nickel Project, Western Australia

The Julimar Nickel Project is located ~80km north-east of Perth and is centred over an interpreted 26 x 7km mafic-ultramafic layered intrusion complex which is prospective for nickel, copper and PGEs.

The Company completed an initial ground-based Moving Loop EM (MLEM) program in Q3-Q4 2019 over the southern part of the intrusive complex on private land.

A series of moderate to high conductance anomalies were identified with plates A, B and E selected for drill testing with a 6-hole ~1,500m RC drilling program (**Table 1** and **Figure 13**).

Table 1. Modelled EM conductors, Julimar Nickel Project

Plate ID	Depth to top (m)	Length (m)	Depth Extent (m)	Conductance (Siemens)
A	214	680	135	5,360
B	66	100	100	2,500
C	102	135	400	1,540
D	108	200	200	500
E	40	140	40	11,830
F	34	400	100	300
G	100	135	300	800
H	100	135	200	800

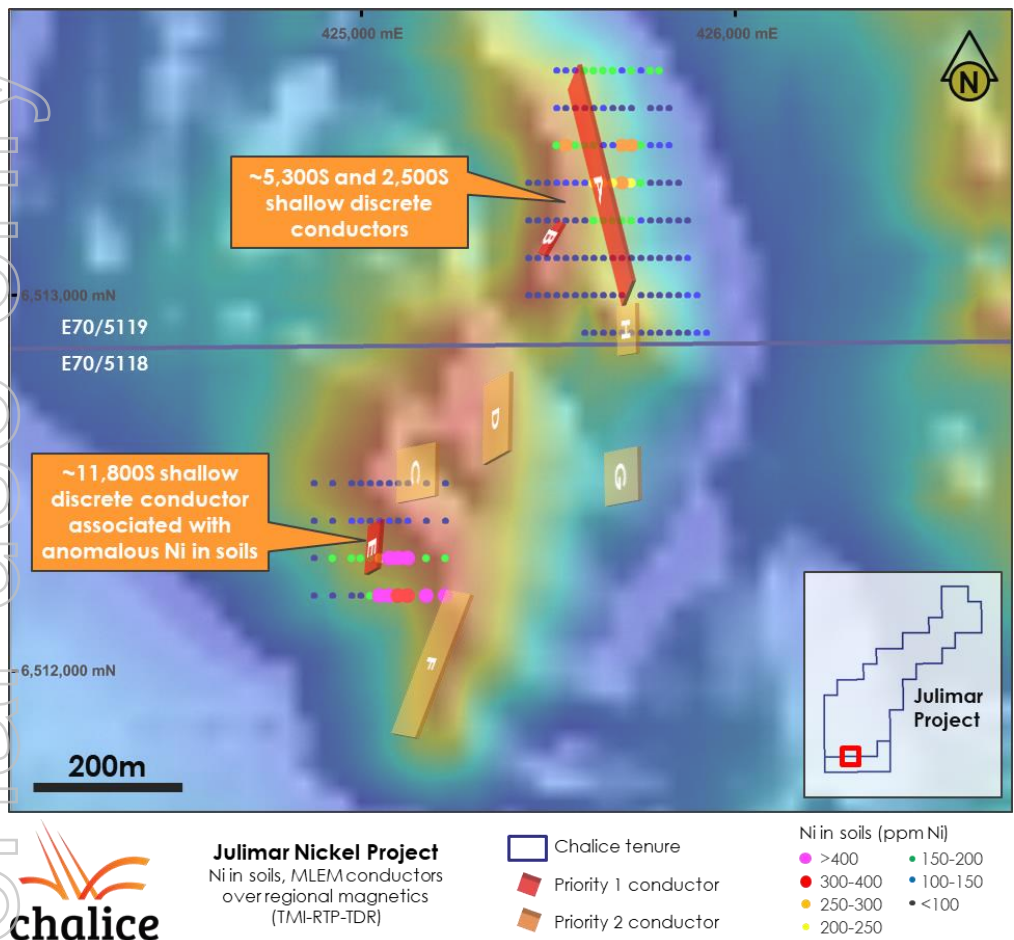


Figure 13. Julimar Nickel Project EM targets and soil geochemistry over regional magnetics.

Mt Jackson Gold Project, Western Australia

Reconnaissance and soil geochemistry programs (~800 samples) were completed at the Mt Jackson Gold Project during the Quarter at the northern end of the Southern Cross greenstone belt. All assay results are pending.

Flinders River Vanadium Project, Queensland

A maiden reconnaissance AC drilling program was completed during the Quarter at the Flinders River Vanadium Project in central Queensland. Drilling targeted areas of potentially shallow, vanadium-bearing mineralisation within oxidised Toolebuc Shale Formation.

A total of 47 AC drill holes were completed for 1,050m across three target areas. Drilling was conducted on ~2km x 1km hole spacing with holes designed to test the shallow oxidised section of the Toolebuc Shale to a depth of 18-33m.

Drilling at the Debella East Target (14 holes for 380m) intersected shallow vanadium mineralisation in oxidised coquina limestone of the Toolebuc Shale with typical intersections of 3-5m at 0.3-0.5% V₂O₅ over an area of ~5km x ~4km.

The high conductance, untested anomalies are interpreted to be sourced from massive sulphides in bedrock and drilling has been designed to test these conductors at relatively shallow depth.

A targeted soil geochemical survey was undertaken over the high conductance anomalies, which are broadly associated with two interpreted mafic intrusive bodies. An encouraging low-order nickel anomaly was identified, associated with conductor E.

The initial RC drilling program is expected to be completed in Q1 2020.

The Debella East Target is immediately east of the Debella Vanadium Project owned by private company Vecco Group Pty Ltd, which has Indicated Mineral Resources of 45Mt @ 0.47% V₂O₅ and Inferred Mineral Resources of 130Mt @ 0.43% V₂O₅ⁱⁱ.

The mineralisation intersected at Debella East is open, demonstrating the potential to expand the footprint of vanadium mineralisation across the Project.

As the Company is focused on its Pyramid Hill Gold Project, it is currently seeking a farm-out or divestment of the Flinders River Project.

2.4 Non-Operated Joint Ventures

Nulla South and Gibb Rock Gold Projects, Western Australia (Ramelius earning 75%)

Operator Ramelius Resources Ltd (ASX: RMS) reported that no exploration drilling was undertaken during the Quarter due to access constraints. Ramelius continues to advance land access discussions and is designing work programs over selected target areas.

3. CORPORATE

As at 31 December 2019, Chalice had a combined working capital and investments balance of ~\$26.8 million. This included ~\$9.7 million in cash, \$8.7 million in O3 Mining Inc. (TSX-V: OIII) shares, \$7.3 million in Spectrum Metals Limited (ASX: SPX) shares, \$0.6 million in net receivables and \$0.5 million in other listed equities.

The Company also has a contingent \$5 million payment receivable upon commercial production at the Nyanzaga Gold Project in Tanzania from OreCorp Limited (ASX: ORR). OreCorp recently completed the acquisition of 100% of the Project holding entity and is currently awaiting grant of a Special Mining Licence.

During the Quarter, the Company spent ~\$1.5 million on exploration activities, ~\$2.4 million on investing activities and ~\$0.9 million on administration, business development, transaction and corporate costs (net of interest and receipts).

Estimated outflows for the next quarter include ~\$1.9 million on exploration activities and ~\$0.9 million on administration, business development, transaction and corporate costs. Further details are available in the attached Appendix 5B.

3.1 Investment in Spectrum Metals Ltd

During the Quarter, the company acquired an additional 25.2 million shares in Spectrum Metals Ltd (ASX: SPX) at a cost of \$2.4 million. Following the acquisition, the Company holds 97.1 million shares representing a ~7% interest.

3.2 Sale of Jericho and Bunjarra Well Gold Projects, Western Australia

On 31 October 2019, Chalice agreed to sell its interest in the Jericho and Bunjarra Well Gold Projects in the Edjudina region of WA to OreCorp Limited (ASX: ORR). The Company was issued 468,809 fully paid ordinary shares in OreCorp and retains a 1% Net Smelter Return (NSR) royalty capped at \$2.5 million as consideration.

3.3 Sale of Kurrajong Bore Gold Project, Western Australia

On 8 November 2019, Chalice agreed to sell its interest in the Kurrajong Bore Gold Project near Leonora in WA to Golden Mile Resources Limited (ASX: G88). The Company retains a 1.25% NSR royalty as consideration.

3.4 Voluntary De-listing from the Toronto Stock Exchange

In November 2019, Chalice advised that it applied for voluntary de-listing of its ordinary shares from trading on the Toronto Stock Exchange (TSX). The last day of trading on the TSX was 16 December 2019.

The decision to de-list was taken due to several factors. Since listing on the TSX in 2010, the Company has not raised capital in Canada and, as a result, there has been limited trading volume of shares on the TSX over a sustained period. In addition, the disposal in July 2019 of the Company's Canadian Projects to O3 Mining Inc. marked an exit of Chalice from Canada. This strategic change has allowed Chalice to focus on its flagship Pyramid Hill Gold Project in Victoria.

The Board of Directors determined that regulatory and other costs associated with maintaining the TSX listing versus the ongoing benefits to the Company were no longer justified.

The Company's Canadian share register will, however, remain open until 31 January 2020 in order to enable shareholders and Canadian Depository for Securities ("CDS") participants currently on the Canadian share register to transfer their shares to the Australian share register to enable trading on the Australian Securities Exchange (ASX).

If CDS participants or shareholders on the Canadian register have not requested to have their shares transferred to the Australian share register by 31 January 2020, their shares will be automatically transferred to an Issuer Sponsored Holding on the Australian share register and they will be sent an Issuer Sponsored Holding statement from the Australian Registrar.

Once this occurs, these shareholders will be able to sell their shares on ASX by quoting their Securityholder Reference Number (SRN) to their broker. Canadian share certificates previously issued will become null and void at such time.

Shareholders whose shares are already held on the Australian share register need to take no action.

4. TENEMENT SCHEDULES

In accordance with ASX Listing Rule 5.3, please refer to Appendix 1 for a listing of all tenement holdings.

This release was authorised by the Board of Chalice Gold Mines Limited.



Alex Dorsch
Managing Director

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

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Competent Persons and Qualifying Persons Statement

The information in this report that relates to Exploration Results is based on information prepared by or 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 the exploration results for the Pyramid Hill Project is extracted from the ASX announcements entitled:

- "Drilling to recommence at the Pyramid Hill Gold Project in late September", 2 September 2019
- "Extensive gold and arsenic footprint points towards potential gold system at Ironbark Target, Pyramid Hill Gold Project", 14 November 2019
- "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

The above announcements are available to view on the Company's website at www.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.

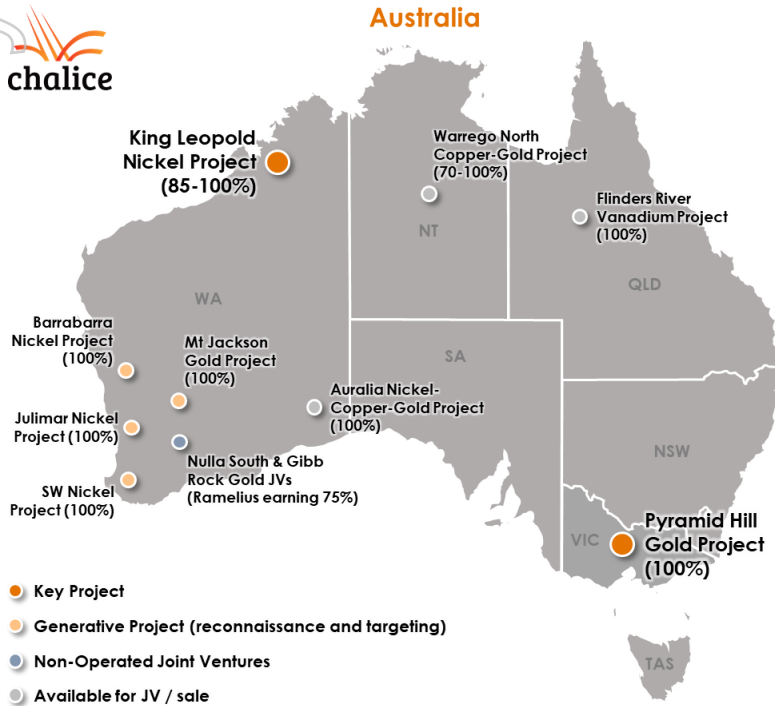
Forward-looking statements relate to future events or future performance and reflect Company management's expectations or beliefs regarding future events and include, but are not limited to, the Company's strategy, the price of O3 Mining securities and Spectrum Metals Limited securities, receipt of tax 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 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. Portfolio and Tenement Schedule



Royalties

- Nyanzaga, Tanzania – **A\$5 million** payment receivable upon commercial production from OreCorp Limited (ASX: ORR)
- East Cadillac, Quebec – **1.0% NSR** partial
- Kinebik, Quebec – **1.0% NSR**
- Ardeen, Ontario – **0.12-1.0% NSR** partial
- Cameron, Ontario – **1.0% NSR** partial
- Jericho, WA – **1.0% NSR** capped
- Bunjarra Well, WA – **1.0% NSR** capped
- Kurrajong Bore, WA – **1.25% NSR**

Strategic Investments

- **~3.1M shares** (~7%) in O3 Mining Inc. (TSX-V: OIII)
- **~97M shares** (~7%) in Spectrum Metals Ltd (ASX: SPX)

Figure 14. Chalice's project locations in Australia, non-operated JV interests, investments and royalties.

The following information is provided in accordance with ASX Listing Rule 5.3 for the Quarter ended 31 December 2019.

1. Listing of tenements held

Location	Project	Tenement No.	Registered Holder	Nature of interest
Western Australia	King Leopold	E04/1169	Waterford Bay Pty Ltd	100% of the hard-rock mineral rights
		E04/2405	Waterford Bay Pty Ltd	100% of the hard-rock mineral rights
		E04/2299	Strategic Metals Pty Ltd	0% - Farm-in agreement, right to earn up to 85% interest
		E04/2325	Strategic Metals Pty Ltd	
		E04/2562	North West Nickel Pty Ltd	100%
	Gibb Rock	E70/4869	CGM (WA) Pty Ltd	95% - Farm-out agreement, Ramelius Resources Ltd has the right to earn up to 75% interest
		E70/5194	CGM (WA) Pty Ltd	100% - Farm-out agreement, Ramelius Resources Ltd has the right to earn up to 75% interest
	Nulla South	E77/2353 to E77/2354	CGM (WA) Pty Ltd	95% - Farm-out agreement, Ramelius Resources Ltd has the right to earn up to 75% interest
	Julimar	E70/5118 to E70/5119	CGM (WA) Pty Ltd	100%

Location	Project	Tenement No.	Registered Holder	Nature of interest
	Auralia	E69/3636 to E69/3637	CGM (WA) Pty Ltd	100%
		E69/3700	CGM (WA) Pty Ltd	100%
	Barrabarra	E70/5263	CGM (WA) Pty Ltd	100%
	Mt Jackson	E77/2577	CGM (WA) Pty Ltd	100%
	SW Nickel	E70/5086	Banks, Aaron Peter; Keil, Michael; Roseberry Holdings Pty Ltd	100%
Victoria	Pyramid Hill	EL006661	CGM (WA) Pty Ltd	100%
		EL006737 to EL006738	CGM (WA) Pty Ltd	100%
		EL006669	CGM (WA) Pty Ltd	100%
		EL006805	CGM (WA) Pty Ltd	100%
		EL006864	CGM (WA) Pty Ltd	100%
		EL006898	CGM (WA) Pty Ltd	100%
		EL006901	CGM (WA) Pty Ltd	100%
EL006960	CGM (WA) Pty Ltd	100%		
Northern Territory	Warrego North	EL23764	CGM (WA) Pty Ltd (51%) & Meteoric Resources NL (49%)	Farm-in agreement, right to earn up to 70% interest
		EL31608	CGM (WA) Pty Ltd	100%
		EL31610	CGM (WA) Pty Ltd	100%
Queensland	Flinders River	EPM26858	CGM Lithium Pty Ltd	100%
		EPM26863	CGM Lithium Pty Ltd	100%
		EPM26861	CGM Lithium Pty Ltd	100%
		EPM26864 to EPM26866	CGM Lithium Pty Ltd	100%

2. Listing of tenements acquired (directly or beneficially) during the Quarter

Location	Project	Tenement No.	Registered Holder	Interest at end of Quarter
Western Australia	Auralia	E69/3700	CGM (WA) Pty Ltd	100%

3. Tenements relinquished, reduced or lapsed (directly or beneficially) during the Quarter

Location	Project	Tenement No.	Registered Holder	Interest at end of Quarter
Western Australia	Jericho	E39/1914	CGM (WA) Pty Ltd	0% - sold
		P39/5600 to P39/5601	CGM (WA) Pty Ltd	0% - sold
	Bunjarra Well	E39/1976	CGM (WA) Pty Ltd	0% - sold
	Kurrajong Bore	P37/8702 to P37/8711	CGM (WA) Pty Ltd	0% - sold
		P37/9016 to P37/9017	CGM (WA) Pty Ltd	0% - sold
		P37/9021	CGM (WA) Pty Ltd	0% - sold
		P37/9028	CGM (WA) Pty Ltd	0% - sold

ⁱ <http://earthresources.efirst.com.au/categories.asp?clD=42>

ⁱⁱ <http://veccogroup.com.au/operations-vanadium-projects/vanadium-hpa-projects/>

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Appendix 5B

Mining exploration entity and oil and gas exploration entity quarterly report

Introduced 01/07/96 Origin Appendix 8 Amended 01/07/97, 01/07/98, 30/09/01, 01/06/10, 17/12/10, 01/05/13, 01/09/16

Name of entity

Chalice Gold Mines Limited

ABN

47 116 648 956

Quarter ended ("current quarter")

31 December 2019

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (6 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers ⁽¹⁾	113	189
1.2 Payments for		
(a) exploration & evaluation	(1,509)	(2,683)
(b) development	-	-
(c) production	-	-
(d) staff costs	(341)	(726)
(e) administration and corporate costs	(266)	(585)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	6	42
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Research and development refunds	-	-
1.8 Other:		
- Business development costs	(279)	(489)
- Canadian transaction and restructuring costs ⁽²⁾	(131)	(273)
- Rent Received	11	11
- Other (net)	(27)	22
1.9 Net cash from / (used in) operating activities	(2,423)	(4,492)

(1) Includes receipts from corporate services provided by Chalice staff.

(2) Canadian transaction (eg. legal fees etc.) and restructuring costs associated with the disposal of the East Cadillac and Kinebik Gold Projects.

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (6 months) \$A'000
2. Cash flows from investing activities		
2.1 Payments to acquire:		
(a) property, plant and equipment	(2)	(6)
(b) tenements (see item 10)	-	-
(c) investments	(2,391)	(5,633)
(d) other non-current assets	-	-
2.2 Proceeds from the disposal of:		
(a) property, plant and equipment	-	9
(b) tenements (see item 10)	-	-
(c) investments	14	508
(d) other non-current assets	-	-
2.3 Cash flows from loans to other entities	-	-
2.4 Dividends received (see note 3)	-	-
2.5 Other:		
- Tenement security deposits refunded	-	10
- Proceeds from disposal of subsidiary	-	615
2.6 Net cash from / (used in) investing activities	(2,379)	(4,497)

3. Cash flows from financing activities		
3.1 Proceeds from issues of shares	-	-
3.2 Proceeds from issue of convertible notes	-	-
3.3 Proceeds from exercise of share options	-	-
3.4 Transaction costs related to issues of shares, convertible notes or options	-	(8)
3.5 Proceeds from borrowings	-	-
3.6 Repayment of borrowings	-	-
3.7 Transaction costs related to loans and borrowings	-	-
3.8 Dividends paid	-	-
3.9 Other:	-	-
3.10 Net cash from / (used in) financing activities	-	(8)

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Mining exploration entity and oil and gas exploration entity quarterly report

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	14,694	18,621
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(2,423)	(4,492)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(2,379)	(4,497)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	-	(8)
4.5	Effect of movement in exchange rates on cash held	(196)	72
4.6	Cash and cash equivalents at end of period	9,696	9,696

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1	Bank balances	9,696	14,694
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	9,696	14,694

6.	Payments to directors of the entity and their associates	Current quarter \$A'000
6.1	Aggregate amount of payments to these parties included in item 1.2	160
6.2	Aggregate amount of cash flow from loans to these parties included in item 2.3	-
6.3	Include below any explanation necessary to understand the transactions included in items 6.1 and 6.2	

Includes directors' fees and salaries (including superannuation) of \$160,000.

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7. Payments to related entities of the entity and their associates	Current quarter \$A'000
7.1 Aggregate amount of payments to these parties included in item 1.2	13
7.2 Aggregate amount of cash flow from loans to these parties included in item 2.3	-
7.3 Include below any explanation necessary to understand the transactions included in items 7.1 and 7.2	

Item 7.1 represents payments made to Liontown Resources Ltd (a director related entity) for the provision of geological consultant services and storage rent at cost.

8. Financing facilities available <i>Add notes as necessary for an understanding of the position</i>	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
8.1 Loan facilities	-	-
8.2 Credit standby arrangements	-	-
8.3 Other (please specify)	-	-
8.4 Include below a description of each facility above, including the lender, interest rate and whether it is secured or unsecured. If any additional facilities have been entered into or are proposed to be entered into after quarter end, include details of those facilities as well.		

9. Estimated cash outflows for next quarter	\$A'000
9.1 Exploration and evaluation	(1,900)
9.2 Development	-
9.3 Production	-
9.4 Staff costs	(300)
9.5 Administration and corporate costs ⁽¹⁾	(300)
9.6 Other ⁽²⁾	(260)
9.7 Total estimated cash outflows	(2,760)

⁽¹⁾ Administration and corporate costs are net of estimated interest revenue and receipts from customers.

⁽²⁾ Canadian transaction (eg. legal fees etc.) and restructuring costs associated with the disposal of the East Cadillac and Kinebik Gold Projects and estimated Business Development Costs.

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10.	Changes in tenements (items 2.1(b) and 2.2(b) above)	Tenement reference and location	Nature of interest	Interest at beginning of quarter	Interest at end of quarter
10.1	Interests in mining tenements and petroleum tenements lapsed, relinquished or reduced	Western Australia: <i>Jericho</i> E39/1914 P39/5600 to P39/5601 <i>Bunjarra Well</i> E39/1976 <i>Kurrajong Bore</i> P37/8702 to P37/8711 P37/9016 to P37/9017 P37/9021 P37/9028	Owned Owned Owned Owned Owned Owned Owned	95% 100% 95% 95% 100% 100% 100%	0% 0% 0% 0% 0% 0% 0%
10.2	Interests in mining tenements and petroleum tenements acquired or increased	Western Australia: <i>Auralia</i> - E69/7000	Owned	0%	100%

Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.



Sign here: .. (Company secretary)

Date: 29 January 2020

Print name: Jamie Armes

Notes

1. The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity that wishes to disclose additional information is encouraged to do so, in a note or notes included in or attached to this report.
2. If this quarterly report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, AASB 6: Exploration for and Evaluation of Mineral Resources and AASB 107: Statement of Cash Flows apply to this report. If this quarterly report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.

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