



ASX Announcement

16 July 2018

Large copper-gold target to be drilled at Warrego North Project, NT

RC drilling set to start within weeks to test large anomalies along 5km target corridor

Highlights

- A series of highly prospective and untested iron-oxide-copper-gold (IOCG) anomalies, collectively known as Emu Target, identified from regional aeromagnetic and ground gravity data on 100%-owned tenure at Warrego North Copper-Gold Project
- The coincident magnetic-gravity anomalies sit along a 5km long target corridor
- Emu Target is located ~15km north of historical *Warrego Mine* (7Mt @ 2.5%Cu, 7.0g/t Au for 175,000t contained copper and 1.6Moz contained gold) and is interpreted to be hosted in similar Warramunga Formation sediments
- Drilling scheduled to commence in August 2018, subject to statutory approvals

Chalice Gold Mines Limited (ASX: CHN | TSX: CXN) is pleased to advise that it has identified a series of high-priority IOCG anomalies, collectively termed the Emu Target, on 100% tenure within its Warrego North Copper-Gold Project in the Northern Territory, Australia.

RC drilling is scheduled to start at the Emu Target within weeks. All the anomalies have been identified by both aeromagnetic and ground-gravity surveys and are interpreted to represent prospective ironstone bodies, which are the rocks known to host to all major Tennant Creek IOCG deposits.

The Emu Target

The Emu Target consists of a series of interpreted ironstones that form a NNE-trending linear corridor of aeromagnetic anomalies over a 5km strike length (Figure 1). The aeromagnetic anomalies, like the Warrego deposit, lie adjacent to the Devils Suite Granite, a late Paleoproterozoic intrusion which is interpreted to be an important source of heat and/or fluid for the IOCG deposits

Three untested anomalies have been prioritised for drill testing based on coincidental aeromagnetic and gravity responses. Four reverse circulation (RC) holes for ~1200m are planned in the initial program to test the targets for concealed ironstones and any associated copper and gold mineralisation.

Next Steps

RC drilling at Emu Target is scheduled to commence in August subject to statutory approvals, and assays are expected within approximately 1 month of completion of drilling.

Chalice is anticipating that application EL31609, which contains the highly promising Rooster Target, will progress towards grant later in 2018 after which diamond drilling is planned to test several identified ironstone targets there.

Chalice Chief Executive Officer Alex Dorsch said: *“The Tennant Creek area is known for prolific high-grade IOCG deposits. These deposits have a small surficial footprint but can extend at depth, making them very attractive and potential ‘company-making’ targets.*

“These latest results support our view that Emu Target has the potential to host high-grade copper and gold mineralisation and we eagerly await results from drilling.”



Alex Dorsch
Chief Executive Officer

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About the Warrego North Copper-Gold Project, Northern Territory

The Warrego North Project is located approximately 20km north-west of the historical high-grade Warrego copper-gold mine in the western part of the Tennant Creek Mineral Field in the Northern Territory. Warrego was the largest deposit mined in the area with historical production of ~1.6Moz of gold and ~175,000 tonnes of copper, in a classic iron oxide copper gold (“IOCG”) geological setting. Chalice optioned part of the Project in April 2016 from Meteoric Resources (ASX: MEI), and can earn up to a 70% interest in two tenements within the project by sole funding A\$800,000. Three additional tenements surrounding the Meteoric JV tenure are 100% owned.

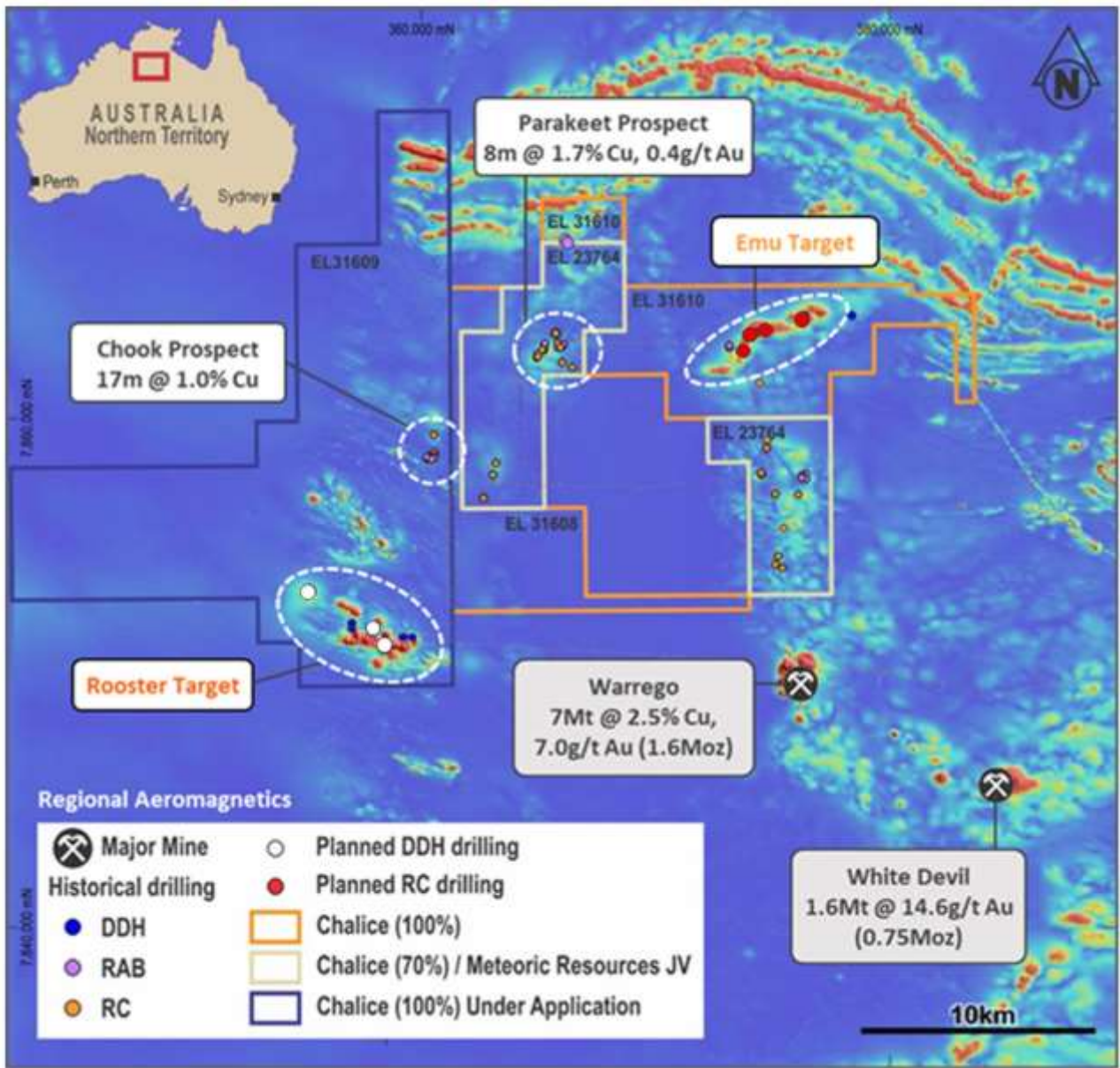


Figure 1. Warrego North Project map including major prospects, tenure and planned drilling

Competent Persons and Qualifying Persons Statement

The information in this report that relates to Exploration Results in relation to the Company's Projects is based on information compiled by Dr. Kevin Frost BSc (Hons), PhD, who is a Member of the Australian Institute of Geoscientists. Dr. Frost is a full-time employee of the company and has sufficient experience in the field of activity being reported 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 release of information in the form and context in which it appears here.

Forward Looking Statements

This document 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 document 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 estimation of mineral reserve and mineral resources, the realisation of mineral reserve estimates, the likelihood of exploration success at the Company's projects, 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", "expects" or "does not expect", "is expected", "will", "may", "would", "budget", "scheduled", "estimates", "forecasts", "intends", "anticipates" or "does not anticipate", "believes" 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; 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; 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.

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.