

Symbol: ASX: CHN TSX: CXN

Shares outstanding: 270 million

Fully diluted: 278 million

Highlights:

- Chalice Gold Limited (ASX: CHN; TSX: CXN) has entered into a binding option and farm-in term sheet with [Globex Mining Enterprises Inc.](#) (TSX: GMX) to acquire Globex's interest in the Nordeau Gold Project located in the highly endowed Abitibi region of Quebec Canada.
- The Nordeau Gold Project is located about 40km east of Val d'Or and includes approximately 9km of strike length of the Larder Lake-Cadillac fault, one of the most prolific gold endowment trends in the southern Abitibi that host several multi-million ounce gold deposits.
- Chalice may acquire the interest in the Nordeau Gold Project through total option payments of C\$590,000 and incurring exploration expenditures of C\$2,500,000 over four years.
- Chalice shall grant a 3% Gross Metal Royalty to Globex upon exercising the option.
- The Project includes a reported historical NI 43-101 mineral resource estimate.
- The Project is located about 1km east of the former producing Chimo gold mine which operated in three periods from the 1960's to 1997.
- This Project together with Chalice's Kinebik Gold Project (located about 170km north of the Nordeau Gold Project) on the Casa Beradi Fault, is part of Chalice's strategy of acquiring quality gold projects on proven gold trends, such as the Abitibi region of Canada.

PERTH, Western Australia, Oct. 11, 2016 /CNW/ - [Chalice Gold Mines Ltd.](#) (ASX: CHN, TSX: CXN) ("Chalice" or the "Company") is pleased to advise that it has entered into a binding option and farm-in terms sheet allowing Chalice to acquire all of TSX listed Globex Mining Enterprises' ("Globex") interest in the Nordeau Gold Project (the "Project"). The Project consists of claims owned 100% by Globex and certain claims where Globex has a 60% interest (see cross hatched area in Figure 1).

Chalice may acquire the interest in the Project by making annual option payments totaling C\$590,000 over four years to Globex (including an initial payment of C\$120,000 in the first year) and undertaking exploration expenditures of C\$2.5 million also over a four year period as set out in Table 1. Upon exercising the option Chalice will grant a 3% Gross Metal Royalty to Globex (there are currently no existing royalties in relation to the Project and no government royalties). Chalice has the right to withdraw without earning an interest in the Project at any time.

The agreement is subject to satisfactory completion of due diligence primarily in relation to matters of tenure.

The Nordeau Gold Project

The Nordeau Gold project is located about 40km east of Val d'Or and comprises approximately 1,450Ha of claims located over about 9km of strike length of the Larder Lake-Cadillac fault (see Figure 1). The Project is located about 1km from the former Chimo gold mine that operated over three periods from the 1960's through to 1997. Underground mining at Chimo was undertaken on multiple gold lodes that extended up to 870m below surface demonstrating that gold systems in the area have a significant vertical extent.

Previous exploration of the Nordeau Gold Project has located gold mineralization along structural trends on, or parallel to, the main lithological contacts between mafic volcanics, mafic intrusives, iron formation and Timiskaming sedimentary rock sequences.

Previous drilling of 121 diamond drill holes on the property has provided the basis for a historical mineral resource (the "Historical Mineral Resource") which was compliant with the reporting standard of National Instrument 43-101 – Standards of Disclosure for Mineral Projects ("NI 43-101") of the Canadian Securities Administrators. In 2009, [Plato Gold Corp.](#) commissioned a NI 43-101 technical report and mineral resource estimate of Nordeau West following drilling undertaken up to 2006-2007.

Gold grades were determined using an inverse distance - squared algorithm into a 3-D (Gemcom) block model with x-y-z (i.e.,

east, west, north, south, vertical) block dimensions of 5.0 m x 2.5 m x 5.0 m. At a cut-off grade of 2.75g/t Au, the Historical Mineral Resource contains an Indicated Mineral Resource of 225,342t @ 4.17 g/t Au (30,212 oz Au) and an Inferred Mineral Resources of 1,112,321t @ 4.09 g/t Au (146,315 oz Au). A Qualified Person has not undertaken sufficient work to classify the Historical Mineral Resource as current and therefore cannot be relied upon. Should the Company wish to prepare a current mineral resource estimate it will recalculate the mineral resource using current inputs and assumptions.

The NI 43-101 technical report entitled "Technical Report, Nordeau Gold Mineral Properties" has an effective date of March 1, 2009. The Historical Mineral Resource estimate was completed by Alex Horvath, P. Eng, of A.S. Horvath Engineering, a Qualified Person as defined by NI 43-101. Note in all cases that the Historical Mineral Resource is not mineral reserves and does not have demonstrated economic viability.

A Qualified Person has reviewed the Technical Report and believes that the Historical Resource Estimate was conducted in a professional and competent manner. The Company has not solely relied on the Historical Mineral Resource in its decision to acquire an interest in the Project. However, the Historical Mineral Resource was prepared by a Qualified Person in accordance with NI43-101 and therefore the Company considers the Historical Mineral Resource to be reliable.

The Historical Mineral Resource is located on claims which are 100% owned by Globex. The mineralization remains open at depth and Chalice considers the potential as excellent for locating additional gold mineralization.

The Nordeau Gold Project also contains a separate zone of gold mineralisation known as Nordeau East, however the reporting of this mineral resource was undertaken in 1988 prior to NI43-101 and Chalice has not verified the mineral resource to report it in this news release. However, the mineralization appears open at depth and Chalice intends to undertake a detailed review of the drilling results as a priority.

Exploration undertaken elsewhere on the property has intersected gold mineralization east of Nordeau East which appears poorly tested. Chalice is excited by the potential of the Nordeau Gold Project and plans to undertake an immediate review of all previous exploration results.

Option and farm-in commitments

Timing	Option Payments	Annual Expenditure Commitments
	C\$	C\$
Upon satisfactory completion of due diligence	120,000	-
Year 1	170,000	350,000
Year 2	140,000	500,000
Year 3	140,000	500,000
Year 4	-	1,150,000
Exercise of option	20,000	-
Total	590,000	2,500,000

Table 1. Nordeau Gold Project option and farm in commitments

Managing Director, Tim Goyder said "Chalice has secured rights to a highly prospective advanced exploration asset showing strong indications of high grade gold mineralization in a world class gold district. In combination with the Company's Kinebik Project, Chalice has now increased its foothold in the highly endowed Abitibi region. We look forward to commencing exploration activities as soon as possible."

Competent Persons and Qualified Persons Statement

The information in this news release that relates to the Nordeau Gold Project 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 NI 43-101. Dr Frost has verified the data disclosed in this release and has reviewed the Technical Report – Nordeau Gold Mineral Properties on behalf of the Company. 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 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 reliability and ability to replicate historic resource estimates, the estimation of mineral reserve and mineral resources, the realisation of mineral reserve estimates, the likelihood of exploration success, 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 or phrases such as plans, expects or does not expect, is expected, will, may, would, budget, scheduled, estimates, forecasts, intends, anticipates or does not anticipate, or 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 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.

SOURCE [Chalice Gold Mines Ltd.](#)

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