Chalice continues to increase its land position in Canada's Abitibi region

12.12.2017 | CNW

Option agreement adds 12km² to its existing East Cadillac Gold Project covering the highly prospective Larder Lake- C
in Quebec.

Highlights:

- Chalice Gold Limited (ASX: CHN; TSX: CXN) has entered into a binding option and farm-in agreement with Khalk Exploration Inc. (TSX-V: KAS) to acquire up to a 70% interest in the Forsan Gold Project in the highly endowed A of Quebec, Canada.
- Chalice may acquire the interest through total option payments of C$375,000 and incurring exploration expenditu C$1.75M within five years and shall grant a 1% Net Smelter Royalty to Khalkos on the claims.
- The project is located adjacent to Chalice's East Cadillac Gold Project and 6km north east of the former producin mine located at the eastern end of the prolific Archaean Abitibi greenstone belt, ~35km east of the >20Moz Val d' camp.
- The project comprises a total area of 12.4 km² and covers approximately 4.3km of a major parallel east-west tren km north of the Larder Lake Cadillac fault.

PERTH, Western Australia, Dec. 12, 2017 /CNW/ - Chalice Gold Mines Ltd. (TSX:CXN; ASX:CHN) is pleased to anno has taken a further step towards consolidating a significant ground position in the Abitibi gold province in Quebec, Can entering into a binding option and farm-in agreement to acquire up to a 70% interest in the Forsan Gold Project ("the P Khalkos Exploration Inc. ("Khalkos").

The Abitibi region of Canada is a premier gold district hosting multi-million ounce gold deposits that are preferentially s well-defined structural breaks, of which the Larder Lake-Cadillac fault hosts approximately 100Moz of gold in past prod current mineral resources.

The acquisition of the Forsan Gold Project adds to the already significant contiguous land position held by Chalice alon Lake-Cadillac fault at its East Cadillac Gold Project (Figure 1).

The Forsan Gold Project

The Forsan property is located 45 km east of the town of Val d'Or, Quebec, Canada and 6 km north east of the former The project comprises 27 claims for a total area of 12.4 km² (Figure 2) and covers approximately 4.3km of a major par east-west trending fault 3.3 km north of the Larder Lake - Cadillac fault. Many of the gold deposits in the Val d'Or distri the Sigma Lamaque deposit, +9M oz Au, occur on similar second order faults.

Historical exploration between 1937 and 2009 has focused almost entirely on the Forsan Main and East zones resultin majority, approximately 3 km, of the east-west fault within the Project area being underexplored. The Company will com review of historical exploration results and merge the data with the Company's East Cadillac Gold Project to allow an in approach to exploration targeting over the Company's consolidated land position.

Option and Earn In Terms

Chalice can earn a 70% interest in the Project by making total option payments of C$375,000 to Khalkos and funding e expenditures of C$1.75 million over a period of five years (Table 1). Upon meeting these requirements and exercising t Chalice shall then grant a 1% Net Smelter Royalty ("NSR") to Khalkos on the claims on the basis that all royalties (inclu pre-existing royalties) do not exceed 3%. Chalice maintains a pre-emptive right over the Khalkos royalty.

Chalice has the right to withdraw without earning an interest in the Project at any time.

Table 1. Forsan Gold Project option and farm-in commitments

Timing	Option Payments	Expenditure Commitment
Execution of binding agreement	C$100,000	-
Year 1	C$100,000	C$250,000
Year 2	C$100,000	C$350,000
Year 3 (Chalice earns 51%)	C$75,000	C$400,000
Year 5 (Chalice may earn a further 19%)	-	C$750,000
Total	C$375,000	C$1,750,000

Chalice's Managing Director Tim Goyder said the agreement with Khalkos further enhanced and consolidated Chalice's a world-class gold district.

"The Abitibi is one of the world's most prolific and well known gold provinces and is host to numerous world-class depo is committed to the district and will continue to add to our strategic position covering the major regional fault system tha majority of the known gold mineralization in this region.

"We look forward to commencing an immediate review of the project in anticipation of defining targets for drill testing as possible."

TIM GOYDER
Managing Director

Competent Persons and Qualifying Persons Statement

The information in this news release that relates to Exploration Results in relation to the Forsan Gold Project is based o information compiled by Dr. Kevin Frost BSc (Hons), PhD, who is a Member of the Australian Institute of Geoscientists. a full-time employee of the company and has sufficient experience in the field of activity being reported to qualify as a C Person as defined in the 2012 edition of the Australasian Code for Reporting of Exploration Results, Minerals Resource Reserves, and is a Qualified Person under National Instrument 43-101 – 'Standards of Disclosure for Mineral Pr Qualified Person has verified the data disclosed in this release, including sampling, analytical and test data underlying t information contained in this release. Dr. Frost consents to the release of information in the form and context in which i here.

Forward Looking Statements

This document may contain forward-looking information within the meaning of Canadian securities legislation and forwa statements within the meaning of the United States Private Securities Litigation Reform Act of 1995 (collectively, forwar statements). These forward-looking statements are made as of the date of this document and Chalice Gold Mines Ltd. 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 expectat beliefs regarding future events and include, but are not limited to, the estimation of mineral reserve and mineral resour realisation of mineral reserve estimates, the likelihood of exploration success at the Forsan Project, whether Chalice wi continue with the earn-into the Forsan Project, the timing and amount of estimated future production, costs of productio expenditures, success of mining operations, environmental risks, unanticipated reclamation expenses, title disputes or 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 e expected, will, may would, budget, scheduled, estimates, forecasts, intends, anticipates or does not anticipate, or believ variations of such words and phrases or statements that certain actions, events or results may, could, would, might or w occur or be achieved or the negative of these terms or comparable terminology. By their very nature forward-looking st 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 expresse by the forward-looking statements. Such factors may include, among others, risks related to actual results of current or exploration activities; changes in project parameters as plans continue to be refined; future prices of mineral resources; variations in mineral resources or ore reserves, grade or recovery rates; accidents, labour disputes and other risks of th industry; delays in obtaining governmental approvals or financing or in the completion of development or construction a well as those factors detailed from time to time in the Company's interim and annual financial statements, all of which a available for review on SEDAR at sedar.com. Although the Company has attempted to identify important factors that c actual actions, events or results to differ materially from those described in forward-looking statements, there may be o 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 tho anticipated in such statements.

Accordingly, readers should not place undue reliance on forward-looking statements.

SOURCE Chalice Gold Mines Ltd.

Contact
Tim Goyder, Managing Director, Chalice Gold Mines Ltd., Telephone +618 9322 3960