

# Chalice expands exploration drilling program at East Cadillac Gold Project after identifying 14 new high-priority targets

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Additional 21,000m of diamond drilling to commence immediately with four diamond rigs

## Highlights:

- 21,000m of additional diamond drilling has commenced, and follows on from the 7,700m program at Nordeau West, Marilynne, Simon West and North Contact targets.
- Expanded program will test 14 new high-priority targets identified from recently completed surface rock chip, Mobile Metal Ion (MMI) geochemical sampling and geophysical surveys including 3D Induced Polarization (3D IP), aeromagnetic and Lidar surveys.
- Targets have been prioritised based on regional structural position, surface geochemical results and 3D IP chargeability response.
- Four drilling rigs will be utilised in order to complete the program during the current winter field season.
- Additional geophysics (3D IP) planned over the newly-acquired Forsan tenement holding.
- Combined work program expenditure budgeted at C\$5.3M.
- The East Cadillac Gold Project encompasses a contiguous ~16km strike length of the Larder Lake-Cadillac fault, surrounding the former producing Chimo gold mine. The Project is ~35km east of the >20Moz Val d'Or gold camp, in a region with known gold endowment of >100Moz.
- Diamond drilling has also commenced at the nearby Kinebik Gold Project.

PERTH, Western Australia, Jan. 16, 2018 /CNW/ - [Chalice Gold Mines Ltd.](#) (TSX: CXN; ASX: CHN) is pleased to announce that it has significantly expanded the ongoing exploration program at its East Cadillac Gold Project in the Abitibi region of Quebec Canada, committing to an additional 21,000m of diamond drilling to test multiple newly-identified targets.

The Company is mobilising two additional diamond rigs to site, increasing the total number of rigs operating on the Project to four. The previously announced 7,700m diamond drill program will be completed in January, with the two currently operating rigs scheduled to move on to testing the new targets. The additional two rigs will commence drilling the new targets this week.

## Target selection

After reviewing the results from the recently completed project-wide surface geochemical sampling consisting of MMI soil, Black Spruce bark and rock-chip sampling and following the completion of geophysical surveys including 3D IP and aeromagnetic surveys (refer to September 2017 Quarterly Activities Report), Chalice has identified a number of high-priority targets (Figure 1).

## Selection process

MMI soil sampling identified numerous gold and pathfinder anomalies associated with and along strike from known gold deposits and occurrences on the Larder Lake &#8211; Cadillac fault, as well as volcanic-sediment contacts to the immediate north and within the sediment sequence to the south.

The 3D IP survey highlighted a series of strong chargeability anomalies, some associated with known gold

mineralisation within the Piche Group Volcanics, and other chargeability anomalies which are broadly aligned with contacts between the mafic and sediment packages.

Based on the results of these programs, the targets have been grouped into three areas:

- Larder Lake & Cadillac Fault corridor (the central mineralised trend). Targets in this area are considered lower risk with portions of the trend already assessed, and the focus of drilling will be on testing areas down-plunge of existing showings and untested anomalies.
- Hanging wall targets located north of the trend which are poorly tested to date; a similar area in the Val-d'Or district has delivered deposits such as Sigma Lamaque (~9Moz of historical gold production).
- Footwall targets to the south which are almost entirely untested; a similar area in the Malartic district has delivered deposits such as Canadian Malartic (total reserves and resources of >10Moz Au), however current data is widely spaced (400m) except for immediate area around the Marilynne showing.

#### Program budget and timeline

The new drilling program will continue through March 2018. The Company will utilise four rigs to complete the program during the optimal conditions of the winter field season.

An additional all-inclusive budget of C\$5,310,000 has been approved to complete the program.

#### Kinebik drilling program

The Company is pleased to also announce that the maiden drilling program at the Kinebik Gold Project (refer to News Release on July 4, 2017) has also recently commenced. The program of 9 diamond drill holes for 1,800m will be completed with an additional (5th) diamond drill rig. The program is expected to take approximately one month to complete.

Chalice's Managing Director Tim Goyder said: "Our decision to significantly expand and extend the drilling program at East Cadillac reflects our excitement about the potential of the project and our commitment to aggressively explore this highly-endowed region. The aim of the program is to continue building a high-grade resource base in the most efficient manner, leveraging our strong financial position and technical expertise.

This is a unique opportunity for shareholders to be exposed to an exploration campaign of this size, within a highly endowed gold district, which should generate strong and consistent news-flow over the coming weeks and months."

TIM GOYDER  
Managing Director

#### Competent Persons and Qualifying Persons Statement

The information in this news release that relates to the East Cadillac and Kinebik Gold 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

