

Significant new gold intersections at East Cadillac Project, Quebec confirm mineralization over ~3.5km

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Large number of assays still awaited from drilling of high-potential targets

Highlights:

- Significant gold mineralization intersected at the East Cadillac Gold Project, Quebec, with significant new assays
 - 11.6m at 3.32g/t Au from 235.9m down-hole including 1.6m at 18.52 g/t Au from 244.0m (hole ECG-18-21) West prospect; and
 - 6.5m at 1.77 g/t Au from 157m down-hole (ECG-18-24) at North Contact prospect.
- Drilling to date has confirmed gold mineralization along ~3.5km of strike of the Larder Lake & Cadillac Fault; Simon West area & an extremely encouraging result.
- An additional drill hole is planned to test the steep westerly plunge of the high-grade mineralization intersected in the North Contact area.
- Significant progress made towards completion of the ~29,000m diamond drill program during the winter field season; drilling continuing to test a number of high-potential targets.
- Only ~40% of the 29,000m program assayed so far.

PERTH, Australia, March 6, 2018 /CNW/ - [Chalice Gold Mines Ltd.](#) (TSX: CXN; ASX: CHN) is pleased to advise that it is making excellent progress with the expanded exploration program at its East Cadillac Gold Project, located in the Abitibi gold province, Quebec, Canada, with the receipt of a number of encouraging new assay results confirming and further expanding the mineralization at the project.

As announced on January 16, 2018, Chalice has increased its planned drilling program at East Cadillac to a planned 29,000m representing an increase of 21,000m. Drilling activity has increased with four diamond rigs now operating.

Drilling Overview

The current diamond drill program was designed to follow-up on potential extensions to the mineralization previously intersected at the Larder Lake & Cadillac Fault, Simon West and to complete an initial assessment of prioritised targets identified from both surface geology and 3D Induced Polarisation surveys undertaken in 2017 (see Figure 1).

The latest assay results have confirmed the presence of significant gold mineralization at Simon West (ECG-18-21) and the continuation of multiple mineralized zones up to 10m in width (ECG-18-16 and 37) over a strike length of ~3.5km to the Chimo Mine boundary. The mineralization is typical of the Abitibi region and is seen elsewhere along the Larder Lake & Cadillac Fault structure.

Chalice is also encouraged by results received from drilling on the Northern Contact, located ~1km north and parallel to the Larder Lake & Cadillac Fault, where drill hole ECG-18-24 intersected 6.5m at 1.77 g/t Au from 157m. This result warrants further testing of the Northern Contact (Figure 1).

The area west of the Chimo Mine boundary is subject to an option and earn-in agreement with "[Monarques Gold Corp.](#)" where Chalice may earn a 70% interest by spending C\$3.1 million and paying option payments totalling C\$200,000. Chalice is expected to meet its expenditure commitments under this agreement in March 2018. Drilling along the northern contact is in accordance with the Monarques agreement and also an option and earn-in agreement with "[Globex Mining Enterprises Inc.](#) (GMX.V)" where Chalice can earn a 100% interest by spending C\$2.5 million and making option payments of C\$590,000 (Globex will receive 10% Gross Metal Royalty).

The latest significant intercepts are listed below in Table 1 (full listing of intersections can be found in Appendix 1). Assays are pending for a number of the intersections.

continuing to be received from the laboratory, with only ~40% of the planned 29,000m program assayed to date.

Table 1. East Cadillac Gold Project latest significant diamond drilling intercepts.

Prospect	Hole	From	To	Interval (m)	Grade (g/t)
2km west of Simon West	ECG_18_016	38.0	43.8	5.8	1.62
	ECG_18_016	incl.		1.0	3.72
	ECG_18_016	251.0	261.8	10.8	0.99
	ECG_18_016	incl.		1.3	3.11
Simon West	ECG_18_018	538.5	544.5	6.0	1.55
	ECG_18_018	incl.		2.0	3.18
	ECG_18_018	441.0	442.0	1.0	9.00
	ECG_18_020	368.5	369.4	0.9	3.44
	ECG_18_020	564.3	566.5	2.2	1.47
	ECG_18_021	235.9	247.7	11.6	3.32
	ECG_18_021	incl.		1.6	18.52
2km west of Simon West	ECG_18_037	125.8	138.8	13.0	0.58
	ECG_18_037	incl.		7.0	0.74
	ECG_18_037	incl.		1.0	1.17
	ECG_18_037	153.8	156.5	2.7	1.28
	ECG_18_037	incl.		0.7	3.00
	ECG_18_037	214.6	220.0	5.4	0.77
	ECG_18_037	incl.		1.4	2.44
Northern Contact	ECG_18_024	157.0	163.5	6.5	1.77
	ECG_18_024	incl.		3.5	2.10

Sampling Techniques- NQ Drill core samples were collected using a diamond drill rig. Core is cut in half using a saw and one half of the core is sent to the lab for analysis, with one half of the core retained in the core box. QA/QC procedures include one standard, one duplicate, and one blank sample within each 20 sample batch. Duplicate samples are core that has been cut in half, and the blank sample is a half core cut in half once again, so that each duplicate represents one quarter of the core. NQ diamond core samples were analysed by ALS Chemex Laboratories. Gold is analysed using ALS Chemex's Au-AA23 method, which is the analysis of a crushed and homogenized sample using fire assay and atomic absorption. Any sample which registers a value of greater than 100 ppm Au is run again using the Au-GRA21, which analysis a 30g crushed and homogenized sample using fire assay with a gravimetric finish.

Simon West Target

At Simon West, drill hole ECG-18-21, which was designed to test the westward extension of the historical deposit, returned a best intercept of 11.6m at 3.32 g/t Au from 235.9m including a higher-grade interval of 1.6m at 18.52 g/t Au from 244.0m (true widths are estimated at 70% of quoted down-hole widths). Assays from the down-dip extension of this zone are pending from drill hole ECG-18-20.

Mineralization is hosted in sheared and altered mafic volcanic rocks altered to a quartz-biotite+ sericite schist. Visible gold was observed in the interval and the gold is associated with trace to 15% by volume arsenopyrite. Three significantly mineralized zones were intersected in the hole (Figure 2), typical of the multiple parallel mineralized horizons seen at many of the deposits along the Larder Lake – Cadillac Fault.

The high-grade mineralization encountered in ECG-18-21 is interpreted to plunge steeply to the west, as seen at the Chimo Mine (Figure 3).

The structures hosting the mineralization at Simon West and the Chimo Mine have been intersected a further 2km west of Simon West, extending the known mineralization over ~3.5km of strike, comprised of a number of zones – which is considered to be an extremely encouraging result as it suggests a large scale plumbing system. An additional drill hole is planned to test the steep westerly plunge of high-grade mineralization intersected in ECG-18-21.

At Far Simon West, drill hole ECG-19-16 intersected two mineralized zones with the deeper zone returning a down-hole intercept of 10.8m at 0.99 g/t Au (Figure 4) and will be followed up with additional drilling.

Northern Contact Target

Chalice is encouraged by the discovery of a new mineralized structure referred to as the Northern Contact, located approximately 1km north and running parallel to the Larder Lake – Cadillac Fault.

Drill-hole ECG-18-24 at the Northern Contact, which was designed to test a coincident soil and IP chargeability anomaly, intersected a mineralized structure positioned at the mafic volcanic and sediment contact (Figure 5). This is newly identified mineralized horizon within the project area which requires significant further work.

Commenting on the results, Chalice's Managing Director, Mr Tim Goyder, said: "The intersections at the Simon West and Northern Contact Targets are very encouraging and clearly show that we have identified a potentially large mineralized system at East Cadillac with significant potential notwithstanding we only have results for approximately 40% of the 29,000m program to date.

"Given that it is just 18 months since we first secured an initial interest in the East Cadillac Gold Project, we have made excellent progress and believe that we are now beginning to understand where the focus of the project lies from an exploration perspective. We are looking forward to completing the current 29,000m program and to receiving the remaining assay results."

TIM GOYDER
Managing Director

About the East Cadillac Gold Project, Quebec, Canada

The East Cadillac Gold Project ("ECG Project") covers an area of 145km² and is located 35km east of the 20Moz Val-d'Or gold camp. With land holdings encompassing a strike length of 16km of the Larder Lake-Cadillac Fault – the most prolifically endowed gold trend in the southern Abitibi – the project is situated amongst some of the region's most significant mines, and is adjacent to the historical Chimo gold mine (owned by "[Cartier Resources Inc.](#) (ECR.V)").

Competent Persons and Qualifying Persons

The information in this news release that relates to Exploration Results in relation to the East Cadillac 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 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 Ltd.](#) (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 at the East Cadillac Gold Project, the realisation of mineral reserve estimates; the likelihood of exploration success including results of future geophysical surveys, drilling at the East Cadillac Gold Project; the timing and costs of future exploration activities on the Company's exploration projects; the potential to define future mineral resources and, if successful at any of the Company's exploration projects, the potential viability of any mineral resource so defined; planned expenditures and budgets and the execution thereof; the timing and availability of drill results; potential sites for additional drilling, that general business and economic conditions will not change in a materially adverse manner; 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, or believes, occur, 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 outcome of the Company to be materially different from any forecasts, estimates or projections. The Company's management believes that the following factors could cause actual results, performance or outcome of the Company to be materially different from any forecasts, estimates or projections. These factors include, among other things, the following:

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 [www.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

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