Chalice targets new growth front in battery metals following acquisition of two highly prospective vanadium-nickel projects

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Chalice secures two well-located and prospective vanadium-nickel exploration projects in Australia, providing an ideal entry point to the battery metals exploration space

Highlights:

- Two prospective exploration projects secured, giving Chalice exposure to the rapidly growing vanadium and nickel markets, where the Company sees exceptional growth potential.
- Chalice has applied for a suite of Exploration Licences in central Queensland and 80km north-east of Perth, WA.
- The Licence Applications include multiple vanadium targets, some of which are also highly prospective for nickel, copper, Platinum Group Elements (PGE's) and titanium.
- The Flinders River Vanadium Project in Queensland consists of nine Licence Applications (2,270km2), surrounding the ~2.6Bt shale-hosted Richmond Vanadium Project, owned by Intermin Resources (ASX: IRC):
  - Vanadium-bearing Toolebuc formation shown to potentially extend over the licence areas, as outlined by radiometric imagery;
  - Field work expected to commence once the applications are granted in Q3 2018, including Aircore drilling to define the lateral continuity of the Toolebuc formation.
- The Julimar Nickel-Vanadium Project located near Perth, WA, consists of two Licence Applications (156km2), covering a 26 x 7km interpreted mafic-ultramafic layered intrusive complex:
  - Layered intrusion prospective for both magmatic Nickel-Copper-Platinum Group Elements and intrusion related vanadium-titanium mineralisation;
  - Field work expected to commence once applications are granted in Q3 2018, including ground magnetic, gravity and EM geophysics to define drill targets.

PERTH, Western Australia, May 23, 2018 /CNW/ - Chalice Gold Mines Ltd. (TSX:CXN; ASX:CHN) is pleased to advise that it has embarked on an exciting new growth opportunity in the battery metals exploration sector after securing two well-located and highly prospective Australian vanadium-nickel exploration projects.

The Company has successfully applied for a suite of Exploration Licences in the Richmond region of central Queensland and in the Julimar region, located just outside of Perth in Western Australia, giving it a highly prospective entry point into the battery metals exploration space with easily accessible exploration targets.

The Projects will provide Chalice with exposure to the growing demand for battery metals, such as vanadium and nickel, as well as copper, Platinum Group Elements (PGEs) and titanium, opening up a new exploration and growth pathway alongside its existing gold portfolio in the world-class Abitibi Province in Canada, the Tennant Creek region of the Northern Territory and the Bendigo region of Victoria.

The Flinders River Vanadium Project

The Flinders River Vanadium Project is located in central Queensland, approximately 250km east of Mt Isa and 380km west of Townsville. The project is strategically located within close proximity to the Flinders Highway and Great Northern Railway that connects to the port of Townsville.

The region is highly prospective for sedimentary-hosted vanadium mineralisation, with several globally significant vanadium resources reported by Intermin Resources Ltd. (ASX: IRC) and Multicom Resources

(Figure 1).

The resources reported by Intermin and Multicom are considered to be some of the world's largest and occur within 30km of Chalice's application permits.

Importantly, the vanadium resources reported by Intermin and Multicom share a similar radiometric response with exploration targets seen on the Chalice permits – which is interpreted to be mapping the presence of shale rich Toolebuc formation (Figure 2).

Known vanadium mineralisation within the Toolebuc formation typically occurs near surface within oxidised coarse limestone-rich clay and underlying fine-grained carbonate shales where enrichment of vanadium, along within other metals (molybdenum, nickel and copper), has occurred through sedimentary processes.

The advantage of these shale-hosted vanadium deposits include:

- Simple, shallow mining – potential free dig, open cut mining at very low strip ratios;
- Low processing cost – potential low-cost removal of the coarse fraction via gravity separation methods and potentially flotation to produce a high grade intermediate feedstock; and
- Proximity to infrastructure – proximal access to road and rail infrastructure is highly advantageous.

The Company expects the applications to be granted in Q3 2018, after which it will immediately commence field reconnaissance work. An Aircore drilling program is currently being planned, which aims to define the lateral continuity and thickness of the Toolebuc formation over the tenement areas. The Aircore program will involve drilling wide-spaced shallow holes to delineate any potential mineralisation in a low cost and rapid manner.

The Julimar Nickel-Vanadium Project

The Julimar Nickel-Vanadium project is located only 80km north-east of Perth, with excellent access via the Great Northern Highway and established infrastructure nearby (Figure 3).

The Julimar Project is prospective for both magmatic-style Nickel-Copper-Platinum Group Elements (Ni-Cu-PGE) and intrusion related Iron-Vanadium-Titanium (Fe-V-Ti) mineralisation within an interpreted large (26 x 7km) layered mafic-ultramafic complex.

A review of limited historical exploration, along with interpretation of existing geophysical datasets, supports the interpretation of a prospective mafic-ultramafic intrusive geological setting (Figure 4).

The Company expects the applications to be granted in Q3 2018, after which it plans to carry out field reconnaissance work followed by targeted ground magnetic, gravity and electromagnetic surveys over selected target zones (potential feeder zones) within the greater intrusive complex. Any anomalies generated from the surface geophysical surveys will be the basis for follow-up drill testing.

Chalice's Chief Executive Officer Alex Dorsch said: "The addition of these exciting new vanadium-nickel projects to Chalice's exploration portfolio provides a low-cost and highly prospective entry point for the Company with significant exposure to strengthening vanadium and nickel markets."

"We look forward to securing the grant of the tenements and getting our field crews on the ground as quickly as possible to commence exploration. Both projects are exceptionally well located with regard to infrastructure and access, and we are confident that, if we are successful in defining areas of significant mineralisation, we will be in a great position to advance these projects rapidly and effectively."

Alex Dorsch
Chief Executive Officer

Competent Persons and Qualifying Persons Statement

The information in this news release 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 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, 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.

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