Chalice Gold Mines Limited Exploration Update - East Cadillac Gold Project, Quebec

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Highlights

- ~5,300m reconnaissance diamond drill programme completed at two of the seven high-priority prospects on the E Gold Project – Legrand and Anderson.
- New zones identified at Legrand hosting anomalous gold and Timiskaming conglomerate, indicating the presence significant fault system – the Windward Fault.
- Newly uncovered Windward Fault is untested over ~10km to the west of Legrand, parallel to the highly endowed L Cadillac Fault (LLCF).
- 3D-IP survey completed, highlighting multiple chargeability anomalies, the strongest extending ~3km to the east o Contact Prospect – now a high priority for follow-up work.
- Next phase of targeting and planning activities underway on advanced prospects on the Project including North C Rapides, Simon West, Nordeau West and Legrand.
- New results continue to demonstrate the potential for the 233km2 East Cadillac Gold Project to host a new gold d ~35-60km east of Val-d'Or along the prolific LLCF.

PERTH, Western Australia, April 26, 2019 - Chalice Gold Mines Ltd. (ASX: CHN, TSX: CXN) ("Chalice" or the "Compa pleased to provide an update on recent reconnaissance drilling, geophysics and targeting activities at the East Cadillac Project in Quebec, Canada (the "Project") which continue to highlight its district-scale gold exploration potential.

An 18-hole, 5,316m reconnaissance diamond drill programme has been completed at two of the seven high-priority pro identified by Chalice within the Project, Legrand and Anderson, including:

- One 3-hole fence on the Anderson Target; and
- Three 5-hole fences (at ~1km spacing) on the Legrand Target.

Holes were on average 300m deep for sectional reconnaissance coverage. Down-hole wireline surveying (in-situ imagi geophysical measurements) was completed to assist with ongoing structural interpretation, in preference to standard g orientation to reduce costs and to allow more consistent structural orientations in areas of broken core.

Anomalous gold was intersected at both targets, indicating the presence of a gold system. Importantly, drilling at Legra intersected a significant new untested fault, the Windward Fault, parallel to the Larder Lake Cadillac Fault (LLCF) and i extend for ~10km west of Legrand.

Chalice Managing Director Alex Dorsch said, "Our focus is now turning to the significant chargeability anomalies east o Contact and the newly identified Windward Fault, where we believe there is excellent potential to discover large-scale A gold deposits. The shallow mineralisation intersected thus far at North Contact remains open in all directions and the n assess its up-dip and along strike potential."

"Many of the 5Moz+ high-grade deposits on the Cadillac trend are sub-vertically oriented, commence at depths of ~250 extend to depths of >2.5km. Given the complete lack of deep drilling on the Project outside of the Simon West – – Nordeau trend, we believe that testing the depth potential of several advanced prospects is also a logical next exploration activity."

"Chalice has now essentially completed the regional scale geochemistry and geophysics work on the Project, and now phase of prospect scale exploration begins."

Legrand Target

The three Legrand fences intersected a major new fault system (the Windward Fault) within Pontiac sediments containi fault panels of Timiskaming conglomerate and intermediate tuff. Numerous mafic dykes also occur along the fault and a extension planes to the immediate south.

Several lamprophyre dykes intersected in the northernmost drill hole (ECG-19-091) appear to be the eastern extension lamprophyre dykes in the Lac Rapides target that returned a gold intersection (3.1m @ 4.27g/t Au within 20.8m @ 0.74 the previous (2018) drill programme (refer to Chalice news release dated May 31, 2018).

Widespread quartz-calcite vein arrays with adjacent zones of disseminated pyrite-pyrrhotite-arsenopyrite were identified on all three drill fences. The veining and sulphides are controlled by axial planar structures orientated sub-parallel to the main Windward Fault. Low-grade gold mineralisation was identified along the main fault panel (up to 0.62g/t Au), along extensional structures to the south (up to 1.1 g/t Au) and along the lamprophyre dyke-hosted structure to the north (up to 0.34 g/t Au).

Although the gold grades intercepted to date are low and occur over narrow intervals (up to 2.6m), the identification of p unrecognised fault panels of Timiskaming conglomerate and intermediate volcaniclastics, together with intrusive dolerite/lamprophyre dykes in the Pontiac sediments, indicate a prospective setting for gold mineralisation outside of th LLCF corridor.

The elevated gold zones in drill core occur within broader zones of elevated pathfinder elements including Ag, As, Bi, C Mo, Pb, S, Sb, Te, W & Zn. The pathfinder suite has a similar anomalous response as the MMI soil anomaly, and in te maximum and average values, similar or in some cases higher (e.g. Bi, Cs, Cu, Mo, Pb, W, Zn) than what has been ob the Nordeau West gold deposit (Indicated Mineral Resource of 225,000t @ 4.17g/t Au and Inferred Mineral Resource o 4.09g/t Au).

Similar MMI soil anomalies and one historical gold showing (Marilynne) occur along the 16km long Windward Fault. Oth current drilling and one reconnaissance fence over the Marilynne showing in 2018, the entire 16km strike length remai untested – providing a new trend for exploration on the Project.

Anderson Target

Drilling at the Anderson Target identified one narrow zone of orogenic gold mineralisation (up to 0.73 g/t Au) and anoth zone of gold-rich VMS style mineralization to the south (up to 0.71 g/t Au) from the same assemblage that hosts the Au VMS deposit, located approximately 10km to the west. No further work on the Target is planned.

3D-IP Survey

A 116.8 line km 3D-IP survey was completed at 200m/400m line spacing extending the current survey coverage to ~21 LLCF as well as ~3km over the new Windward Fault at the Legrand Prospect. An inversion model of the current survey merged with the 2018 survey and the interpretation of results is ongoing.

From preliminary analysis, the 3D-IP survey has defined several strong chargeability anomalies over the survey area, r which are extensions to anomalies identified from the 2018 survey (Figure 1)

An anomaly at the eastern end of the Legrand Prospect coincides with the main Windward Fault encountered in the dri additional anomaly to the south of the Windward Fault appears to be a new sub-parallel fault and was not tested by the drilling.

The 2019 survey has also extended the main chargeability anomaly along the LLCF an additional 4.5km east and delin extension to the North Contact chargeability anomaly another 3km east of the 2017-2018 survey. Additional interpretati underway on an inversion model to refine these targets.

Targeting and Planning Activities

New targeting and planning activities are underway on five priority Prospects on the Project – North Contact, La Simon West, Nordeau West and Legrand. Two additional targets – Marquise and Makwa, remain untested and r further in-fill geochemical sampling to refine (refer to Chalice news release dated October 25, 2018).

This follow-up activity is intended to build on previously identified mineralised zones from the reconnaissance drilling by date (Figure 2).

It is expected that all additional results from ongoing activities, including structural data from wireline logging, multi-elen

geochemistry, spectral scanning of selected drill core and thin section description of alteration assemblages, will be inc
into a comprehensive targeting review to assist with prioritising work programmes over these key Prospects.

As part of this review, the potential for shallow, open-pit style mineralisation at the North Contact and Simon West Pros
being investigated. The Company anticipates that this targeting work will be completed by mid-May 2019.

JORC 2012 Tables
Please refer to Appendix 2 for JORC 2012 tables.

(signed)
Alex Dorsch
Managing Director

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About the East Cadillac Gold Project, Quebec, Canada

The East Cadillac Gold Project covers an area of 233km^2 and is located ~35km east of the >20Moz Val-d'Or gold camp
Canada (Figure 3). With land holdings encompassing a strike length of 27km of the Larder Lake-Cadillac Fault (LLCF),
prolifically endowed gold trend in the southern Abitibi, the Project is along strike from several globally significant mines
Canadian Malartic (>16Moz Au Agnico Eagle and Yamana) and Sigma Lamaque (>11Moz Au Eldorado Gold).

The Project surrounds the historic Chimo gold mine, owned by Cartier Resources (TSX: ECR), which produced ~379ko
Au, down to ~800m below surface. Drilling by Cartier and 17% owner Agnico Eagle have resulted in significant extensio
mineralisation below historic workings, with the potential to plunge onto Chalice's claims at depth.

Acquired in late 2016, the Project is a consolidation of several earn-in option agreements (Chalice earning 80 to 100%)
Chalice's 100%-owned claims. Previously segmented ownership hindered any modern regional exploration being applie
effectively, meaning the Project is underexplored relative to the remainder of the LLCF trend.

Since acquiring the Project, Chalice has completed systematic geochemistry and geophysics field programmes, targeti
discovery. This work has generated 7 new, large-scale targets. Chalice has drilled ~35,000m to date on the Project, tes
these new targets resulting in 3 new wide-open discoveries. Drilling has also expanded two existing advanced prospec
strike and down plunge.

Competent Persons and Qualifying Persons Statement
The information in this announcement that relates to Exploration Results in relation to the East Cadillac Gold Project is
information compiled by Dr. Kevin Frost BSc (Hons), PhD, a Competent Person, who is a Member of the Australian Ins
Geoscientists. Dr. Frost is a full-time employee of the company and has sufficient experience that is relevant to the acti
undertaken to qualify as a Competent Person as defined in the 2012 edition of the Australasian Code for Reporting of E
Results, Minerals Resources and Ore Reserves, and is a Qualified Person under National Instrument 43-101 – '
of Disclosure for Mineral Projects'. The Qualified Person has verified the data disclosed in this release, including sampl
analytical and test data underlying the information contained in this release. Dr. Frost consents to the inclusion in the
announcement of the matters based on his information in the form and context in which it appears.

The Information in this announcement that relates to exploration results for the East Cadillac Gold Project is extracted f
releases entitled "Two new gold discoveries expand the district-scale potential of East Cadillac Gold Project, Canada" o
31, 2018. This news release is available to view on the Company's website at www.chalicegold.com. The Company co
is not aware of any new information or data that materially affects the information included in the relevant original mark
announcements. The Company confirms that the form and context in which the Competent Person and Qualified Perso
are presented have not been materially modified from the relevant original market announcements.

Forward Looking Statements
This report may contain forward-looking information within the meaning of Canadian securities legislation and forward-l

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 report and Chalice Gold Mines Ltd. (the 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 Company's strategy, the estimation of mineral res mineral resources, the realisation of mineral resource estimates, the likelihood of exploration success at the Company's the prospectivity of the Company's exploration projects, the timing of future exploration activities on the Company's exp projects, planned expenditures and budgets and the execution thereof, the timing and availability of drill results, potenti additional drilling, the timing and amount of estimated future production, costs of production, capital expenditures, succ mining operations, environmental risks, unanticipated reclamation expenses, title disputes or claims and limitations on i coverage.

In certain cases, forward-looking statements can be identified by the use of words such as "plans", "planning" "expects" not expect", "is expected", "will", "may", "would", "potential", "budget", "scheduled", "estimates", "forecasts", "intends", " or "does not anticipate", "believes", "occur" or "be achieved" or variations of such words and phrases or statements tha actions, events or results may, could, would, might or will be taken, occur or be achieved or the negative of these terms comparable terminology. By their very nature forward-looking statements involve known and unknown risks, uncertainti factors which may cause the actual results, performance or achievements of the Company to be materially different fro 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; chan project parameters as plans continue to be refined; changes in exploration programmes based upon the results of explo future prices of mineral resources; possible variations in mineral resources or ore reserves, grade or recovery rates; ac labour disputes and other risks of the mining industry; delays in obtaining governmental approvals or financing or in the of development or construction activities; as well as those factors detailed from time to time in the Company's interim a 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 d materially from those described in forward-looking statements, there may be other factors that cause actions, events or to be as anticipated, estimated or intended. There can be no assurance that forward-looking statements will prove to be as actual results and future events could differ materially from those anticipated in such statements. Accordingly, reade not place undue reliance on forward-looking statements.

Appendix 1 – East Cadillac Gold Project Diamond Drill Hole Collar Locations

Hole ID	Easting (mE)	Northing (mN)	RL (m)	Azimuth UTM (°)	Dip (°)	Depth (m)
ECG-19-078	328416	5323988	319	190	-55	297
ECG-19-079	328438	5324154	329	190	-55	297
ECG-19-080	328427	5323817	305	190	-55	300
ECG-19-081	339409	5315435	385	210	-55	309
ECG-19-082	339310	5315291	381	210	-55	300
ECG-19-083	339216	5315151	391	210	-55	315
ECG-19-084	339128	5314998	383	210	-55	330
ECG-19-085	339562	5315674	376	210	-55	315
ECG-19-086	340676	5315234	381	210	-55	300
ECG-19-087	340584	5315087	400	210	-55	303
ECG-19-088	340492	5314942	400	210	-55	297
ECG-19-089	340398	5314780	420	210	-55	321
ECG-19-090	340299	5314637	418	210	-55	216
ECG-19-091	341401	5314888	396	210	-55	300
ECG-19-092	341307	5314733	408	210	-55	312
ECG-19-093	341233	5314600	408	210	-55	300
ECG-19-094	341110	5314427	370	210	-55	300
ECG-19-095	341020	5314274	410	210	-55	201

SOURCE Chalice Gold Mines Ltd.

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