

Chalice Gold Mines Ltd. (ASX: CHN) *Walhalla-Woods potential at Ironbark?*

Exploration Update
December 20, 2019

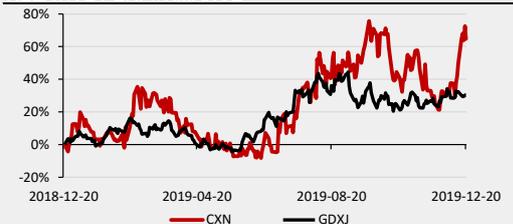
(Currency is CAD\$ unless noted otherwise)

Closing Price	\$0.19	
Fair Value Estimate	NA	
52 Week Low / High	\$0.12 / \$0.23	
CAPITALIZATION	Basic	Diluted
Shares Outstanding (M)	274.1	291.2
Market Capitalization (\$MM)	\$52.0	
Enterprise Value (\$MM)	\$38.6	
Cash and Equivalents (\$MM)	\$13.4	
Total Debt (\$MM)	\$0.0	

STOCK CHART



RELATIVE PERFORMANCE



Peer Comparison

	EV C\$M
Canadian Peer Group	\$206
Australian Peer Group	\$86
Chalice Gold Mines Limited	\$39

*Capital IQ Consensus

MAJOR SHAREHOLDERS

Management (21.39%), Franklin Resources, Inc. (11.35%), Canadian Register Control (5.97%)

DISCLOSURE CODE:

2,4

(Please refer to the disclosures listed on the back page)

Source: RCS, Company Information, Capital IQ

Company Description

Chalice Gold Mines is a well-funded junior explorer with district-scale exploration projects across the tier-1 mining jurisdiction of Australia. Chalice's key projects are the 100%-owned Pyramid Hill Gold Project located in the prospective Bendigo gold district of Victoria, as well as the King Leopold Nickel Project in the west Kimberley region of Western Australia.

Impact: Positive

Chalice Gold Mines released assay results for its Ironbark North Target at its 100%-owned Pyramid Hill Project, in Victoria, Australia. Results from the company's ongoing 25,000m AC (air-core) drill program targeted a large diorite intrusion that the company is hoping to expand in all directions. **Chalice believes these intersections from recent drilling could be representative of historic Walhalla-Woods Point gold mineralization, which if proven correct would be huge for Ironbark.**

Highlights:

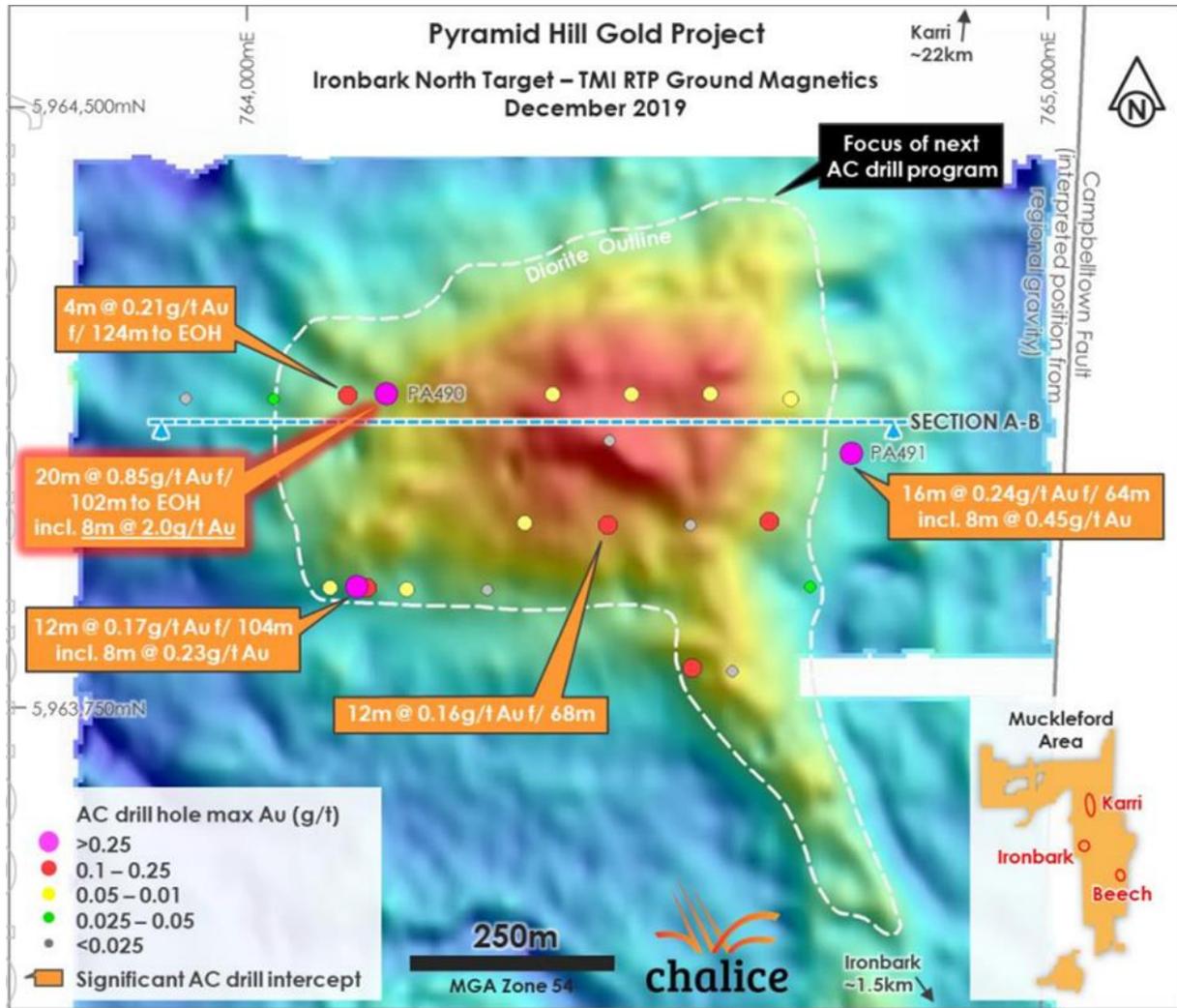
- **First batch of AC drill results from Ironbark.** The company provided encouraging assays (~2,600m) from the first ever holes drilled into the large Ironbark North diorite intrusion (~700mx~400m). The holes were designed to test a mag anomaly ~1.5km NW of the Ironbark diorite and intersected two discrete zones >0.25g/t Au associated with the western and eastern margins of the intrusion. Highlight drill holes include: 1) 0.85g/t Au over 20m including 2.0g/t Au over 8m (PA490); and 2) 0.24g/t Au over 16m including 0.45g/t Au over 8m (PA492).
- **Walhalla-Woods mineralization would be fantastic.** Historically the Walhalla-Woods Point Goldfield (~230km SE) has produced ~2.8Moz Au. The expanded diorite intrusion intersected by recent AC drilling at Ironbark indicates a significantly larger footprint than smaller scale dykes found at Walhalla. The Ironbark North target is open at depth and has the potential to expand along its margin in all directions (Figure 1). If the company can demonstrate the continuity of the mineralized zones, demonstrating the size and scale of the target, we believe Ironbark has the potential to dwarf peer Walhalla-Woods gold deposits Cohens Reef and Morning Star (~1.48Moz at 32.2g/t Au and ~800koz at 26g.t Au, respectively).

- **Encouraging results; lots of follow-up drilling needed.** With ~A\$30M in working capital, the company is well funded to continue its ongoing AC drill program at the Ironbark North target (~4,500m remaining). Additionally, the company is looking to start its maiden diamond drill program that will run parallel to current AC drilling on the project (January 2020). The goal of on-going drilling is aimed at bettering the geological understanding of the target (stratigraphic and structural controls) along its margins for follow-up exploration.

Valuation:

With a fully funded exploration program and discounted EV, Chalice offers significant upside as the company better defines its targets. With the ongoing success of its exploration efforts, Chalice is well funded with an EV of ~\$39M, and we believe it offers significant upside with very limited downside risk. **Upcoming catalysts:** 1) Ongoing exploration results from AC drilling at Pyramid Hill (~9000m of assays pending from Karri and Beech) (Q1/20) and 2) Diamond drilling at Ironbark and Karri (Q1/20).

Figure 1: Ironbark North Target



Source: Company Press Release



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Company Specific Disclosure Details

Company Name	Ticker Symbol	Disclosures
Chalice Gold Mines Ltd.	ASX:CHN	2,4

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