3 February 2020

Infill AC drilling at Karri returns best intercept to date of 4m at ~4g/t gold

Grade increasing as drill density increases while main gold trend extended to >4km of strike

Highlights

- **Significant new assays received** for 4,500m of wide-spaced infill and step-out air-core (AC) drilling at the **Karri Target** – a **new** gold trend identified in late 2019.
- New 4m composite AC drill intercepts include;
  - **4m @ 3.97g/t Au**, within 37m @ 0.71g/t Au – the best intercept at Karri to date;
  - 4m @ 1.19g/t Au; and,
  - 4m @ 0.98g/t Au, within 12m @ 0.43g/t Au.
- The new **~4g/t gold** intercept suggests **grade may be increasing** as target definition improves.
- The main Karri gold trend remains **continuous** between 500m spaced drill lines and has been **extended** to over **4km of strike length**.
- **Four** sub-parallel north-south oriented gold trends defined over an area of **~4km x ~2km**.
- All gold trends remain **open along strike** and **untested at depth** in fresh rock.
- Gold mineralisation is associated with **abundant quartz veining** with minor sulphides and/or oxidised/altered sandstone units within the **weathered top of the Castlemaine Group basement**.
- Vertical infill and step-out **AC drilling continues** on a 500m x 50m grid, with assays currently pending for a further 55 completed drill holes.
- **Maiden diamond drill program underway** at Karri; initial hole has a planned depth of 300-400m.
- Chalice is well positioned in the exciting Victorian Goldfields region with a **100%-owned, >5,000km² land position** and remains **fully funded** to continue its systematic exploration at Pyramid Hill, with a working capital and liquid investments balance of **~$27 million** (at 31 Dec 2019).

Chalice Gold Mines Limited ("Chalice" or "the Company") (ASX: CHN | OTCQB: CGMLF) is pleased to report highly encouraging new air-core (AC) drilling results from the **Karri Target** at its 100%-owned **Pyramid Hill Gold Project**, located in the Bendigo Region of Victoria.

The greenfield Karri Target is located 65km north-west of Bendigo, under 50-85m of Murray Basin cover. The new results follow the initial identification of the Karri gold trend under cover in late 2019 (refer ASX announcement on 12 December 2019).

Chalice's Managing Director, Alex Dorsch, said: *"These latest results have again exceeded our expectations for this early stage of drilling. The potential for the discovery of a high-grade gold system at the Karri Target has increased with the highest grade gold intercept to date, at the centre of a multi-kilometre gold trend.*

"Given 90% of historical gold mines in the Bendigo Zone of Victoria had an average recovered grade of more than 8.5g/t Au[i], the 4g/t gold intercept at this early stage of exploration is considered significant.

"Furthermore, the scale potential of the Target is continuing to grow, with the latest results extending the strike length of the main gold trend to more than 4km. Importantly, all four gold trends at Karri show continuity on 500m spaced drill lines and remain open along strike, confirming the potential for a robust, sizeable gold system that is yet to be tested at depth.

"Two rigs are currently operating, with step-out AC drilling underway to test the potential southern extension of the main trend, and our maiden diamond drill program underway to define key geological controls and to determine the optimal strategy for future deeper drilling."

Drill program overview

The Company's 25,000m Phase 2 reconnaissance AC drill program at the Karri, Ironbark North and Ironbark Targets in the Muckleford Area continues. The AC drill program is designed to further refine the secondary gold and pathfinder dispersion zones defined by shallow, wide-spaced vertical AC drilling in Phase 1. These dispersion zones in the weathered top of basement can be used to vector towards primary gold mineralisation with deeper, tighter spaced drill holes.

A total of 180 AC drill holes for ~20,250m have now been completed at the Karri Target. Encouraging new assays have been received for 4,500m of this program, following on from the ~8,000m of results released previously (refer ASX Announcements on 12 December 2019 and 13 January 2020).

Assays are currently pending for a further 55 completed drill holes at the Karri and Ironbark North Targets.

All AC holes were drilled vertically to AC blade refusal, which typically occurs at the base of weathering in the Castlemaine Group. The Castlemaine Group is the target basement sequence which hosts >60Moz of high-grade historical gold production from the outcropping areas of the Bendigo Zone to the south of the Project.

New drilling results – Karri Target

Drilling tested the continuity and extent of previously intersected gold mineralisation at the Target, on a 500x50m infill and step-out grid.

Significant new drill intercepts include:

- **4m @ 3.97g/t Au**, within 34m @ 0.71g/t Au from 76m to end-of-hole (EOH)
- 4m @ 1.19g/t Au from 48m
- 4m @ 0.98g/t Au within 12m @ 0.43g/t Au from 99m
- 1m @ 1.07g/t Au to EOH within 13m @ 0.18g/t Au from 80m
- 3m @ 0.38g/t Au to EOH withing 19m @ 0.20g/t Au from 121m

The gold intersections above are associated with either zones of quartz veining with minor sulphides (pyrite ± arsenopyrite) or altered/oxidised sandstone. The zones of elevated gold are also strongly anomalous in arsenic (up to 342ppm As), an important gold pathfinder metal in the region.

Importantly, infill drilling continues to demonstrate the robustness of the Target, with all defined gold trends showing continuity on 500m spaced infill drill lines (**Figure 1**).

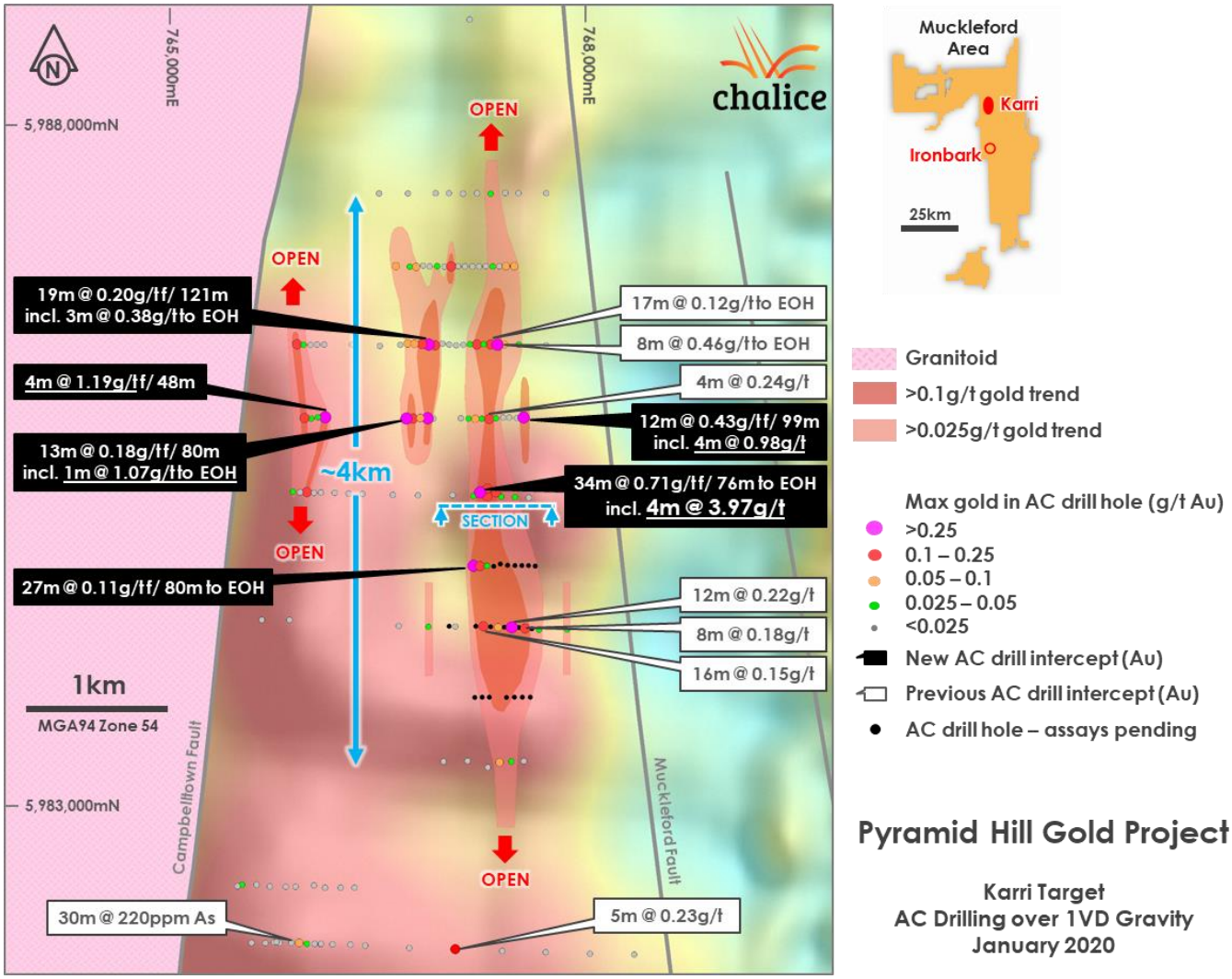

Figure 1. Karri Target Plan View – Maximum gold in AC drilling over gravity geophysics.

Step-out drilling has significantly expanded the footprint of the target, which is yet to be closed off, with four sub-parallel gold trends now defined over a ~4km x ~2km area.

A highly anomalous arsenic interval (30m @ 220ppm As) was intersected in the Phase 1 AC drill program, ~2km south-west of the main gold trend. Additional step-out drilling is planned to test the area to the north of this intercept.

In addition, a single historical AC drill hole, ~1.5km south of the main gold trend, intersected 5m @ 0.23g/t Au from 129m in deeply weathered Castlemaine Group basement. This result may indicate the main gold trend continues a further ~1.5km south, and two step-out AC drill lines are planned on ~1km spaced lines to test this potential southern extension.

The main gold trend shows a consistent north-south orientation sub-parallel to the interpreted position of the regional scale Muckleford Fault. This structural setting is similar to other large-scale gold deposits in the Bendigo Zone, such as the ultra high-grade Fosterville Gold Mine (~9Moz), ~70km south-east of Karri, where the high-grade gold zones are associated with a secondary structure, sub-parallel to the regional-scale Redesdale Fault.

The potential for higher grade gold at depth has not yet been tested, with the latest key intercepts remaining open at depth into fresh rock (**Figure 2**).

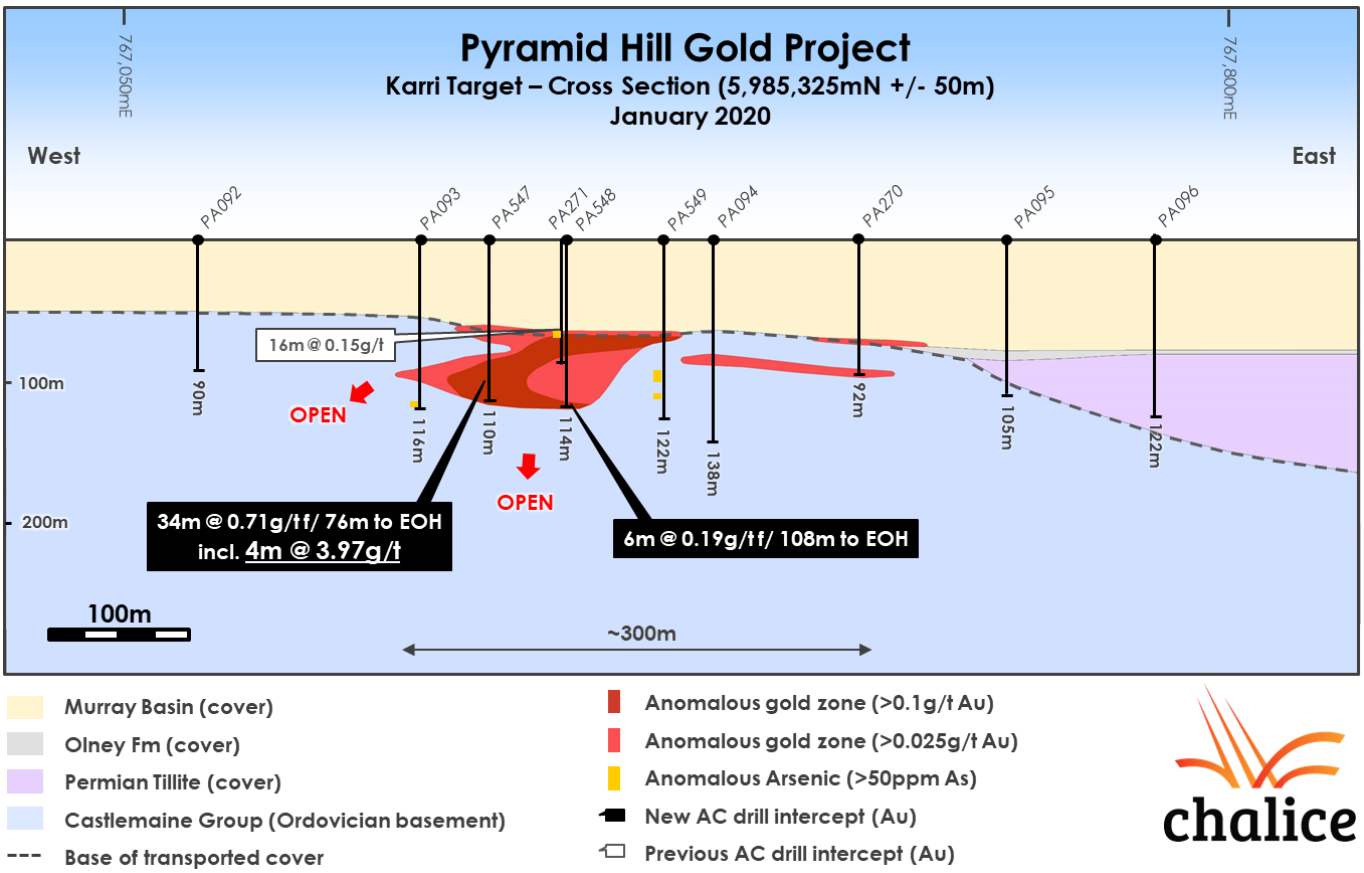

Figure 2. Karri Target Cross Section (5,985,325mN +/- 50m).

Future work

Additional infill and step-out AC drilling is underway at the Karri Target on a 500m x 50m grid, and AC drilling is anticipated to continue until mid-2020.

The first diamond hole of the program is underway at the Karri Target, with a planned depth of ~300-400m. It is expected that diamond drilling will continue in parallel to the ongoing AC drill program.

Authorised for release on behalf of the Company by:

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About the Pyramid Hill Gold Project, Victoria, Australia

*The 100%-owned Pyramid Hill Gold Project was staked in late 2017 and now covers an area of >5,000km² in the Bendigo region of Victoria. The Project comprises three key districts within the Murray Basin covered North Bendigo and North Stawell Zones: Muckleford, Mt William and Percydale (**Figure 3**).*

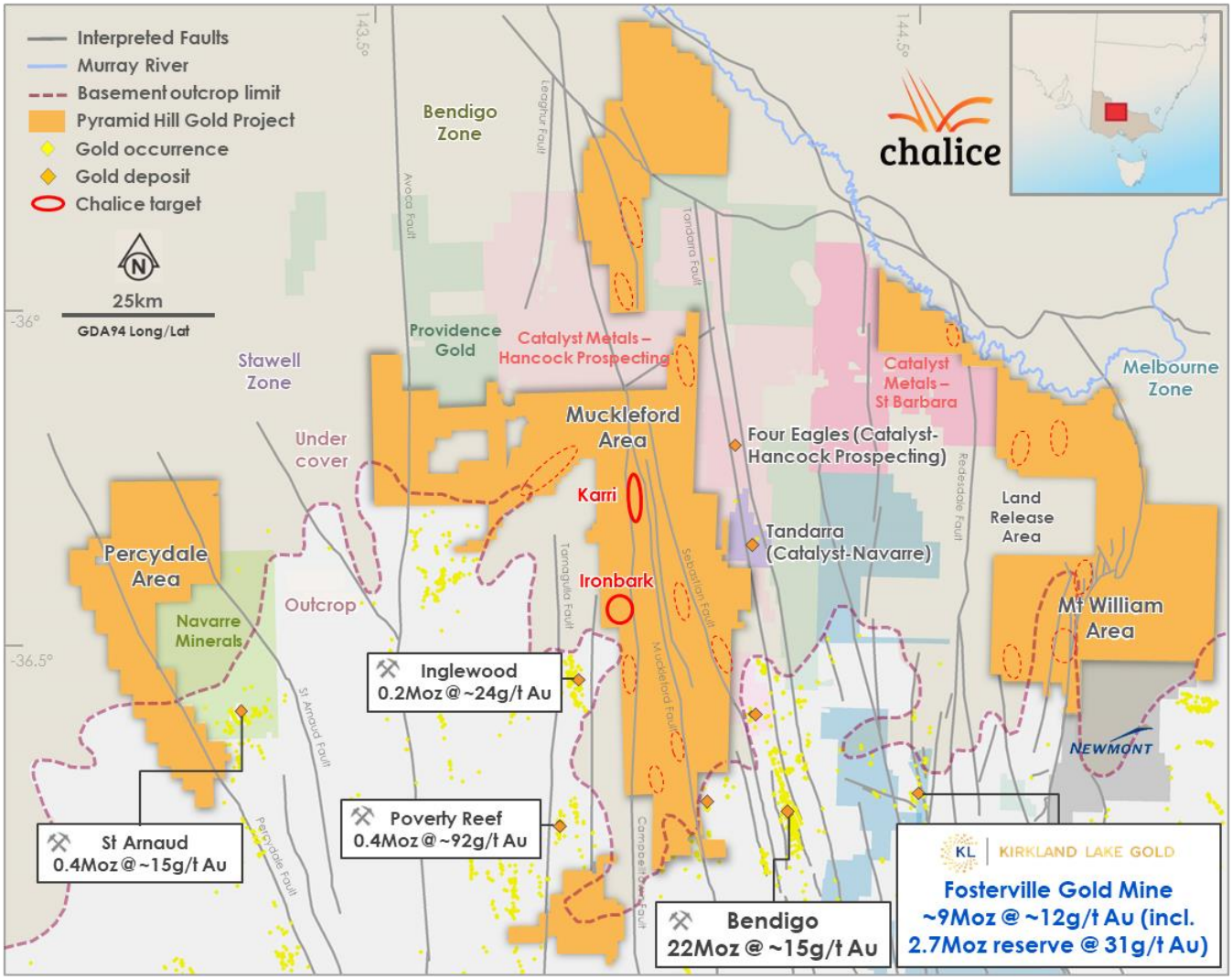

Figure 3. *Pyramid Hill Gold Project tenure, regional land holders, gold deposits and occurrences.*

The central Muckleford Area extends to the north-west of the high-grade historic >22Moz Bendigo Goldfield. The Mt William Area extends to the north-east of one of the world's highest-grade producing

gold mines, the ~9Moz Fosterville Gold Mine owned by Kirkland Lake Gold (NYSE / TSX: KL | ASX: KLA). The Percydale Area is located north-west of the historical St Arnaud Goldfield within the Stawell Zone.

The 'Gold Undercover' initiative[i] by the Victorian Government in 2006-2009 estimated a potential ~32Moz (P50 mid-case) of undiscovered gold beneath Murray Basin cover in the Bendigo Zone. However, the vast majority of the covered area remains sparsely explored. Given there is highly variable, shallow cover over a large portion of the Project, the Company believes that there is excellent potential for the discovery of new commercially viable gold deposits.

Chalice is targeting tier-1 scale (>US$1bn NPV), high-grade gold discoveries under cover and is currently conducting a systematic, regional-scale greenfield exploration program. The Company is utilising all available targeting tools at its disposal, including the substantial pre-existing regional geophysics database (including crustal scale 2D seismic), regional-scale soil sampling and ground geophysics.

Low-cost reconnaissance air-core (AC) drilling to the top of the target basement on wide-spaced lines is currently being used effectively to narrow the target search space over the very large Project area. More than 600 drill holes have been completed to date, outlining three high-priority targets as well as several lower-priority targets within the Muckleford and Mt William Areas. The Company's maiden deep diamond drill program commenced in early 2020.

Competent Persons and Qualifying Persons Statement

The information in this announcement that relates to Exploration Results in relation to the Pyramid Hill Gold Project is based on information compiled by Dr. Kevin Frost BSc (Hons), PhD, a Competent Person, who is a Member of the Australian Institute of Geoscientists. Dr. Frost is a full-time employee of the company and has sufficient experience that is relevant to the activity being undertaken 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 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 previous exploration results for the Pyramid Hill Project is extracted from the following ASX announcements:

- "Drilling to recommence at the Pyramid Hill Gold Project in late September", 2 September 2019
- "Discovery of new >2km gold trend in air-core drilling at Karri Target indicates potential for a significant gold system", 12 December 2019
- "Several new gold zones discovered in first drill holes at Ironbark North Target", 19 December 2019
- "Karri gold trend expanded to over 3km of strike extent", 13 January 2020

The above announcements are available to view on the Company's website at chalicegold.com. The Company confirms that it is not aware of any new information or data that materially affects the information included in the relevant original market announcements. The Company confirms that the form and context in which the Competent Person and Qualified Person's findings 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-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 report and Chalice Gold Mines Limited (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 Company's strategy, the price of O3 Mining securities and Spectrum Metals Limited securities, receipt of tax credits and the value of future tax credits, the estimation of mineral reserve and mineral resources, the realisation of mineral resource estimates, the likelihood of

exploration success at the Company's projects, the prospectivity of the Company's exploration projects, the timing of future exploration activities on the Company's exploration projects, planned expenditures and budgets and the execution thereof, the timing and availability of drill results, potential sites for additional drilling, 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", "believes", "occur", "impending", "likely" 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 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; changes in exploration programs based upon the results of exploration; 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; movements in the share price of O3 Mining and Spectrum Metals securities and future proceeds and timing of potential sale of O3 Mining and Spectrum Metals securities, 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, ASX at asx.com.au and OTC Markets at otcmarkets.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.

Appendix 1: Significant new AC drill intercepts (>0.1g/t Au) – Karri Target, Pyramid Hill Gold Project

Hole ID	From (m)	To (m)	Interval (m)	Gold (g/t)
PA514	99	111	12	0.43
PA514	103	107	**4**	**0.98**
PA522	113	117	4	0.10
PA531	121	140 (EOH)	19	0.20
incl.	137	140 (EOH)	3	0.38
PA532	86	90	4	0.11
PA532	106	110	4	0.13
PA536	92	94 (EOH)	2	0.42
PA538	60	76	16	0.10
PA539	64	68	4	0.43
PA539	80	93 (EOH)	13	0.18
incl.	92	93 (EOH)	**1**	**1.07**
PA540	48	52	**4**	**1.19**
PA543	64	66 (EOH)	2	0.14
PA547	76	110 (EOH)	**34**	**0.71**
incl.	80	84	**4**	**3.97**
PA548	108	114 (EOH)	6	0.19
PA549	64	68	4	0.10
PA550	80	107 (EOH)	27	0.11
PA551	72	76	4	0.11

Appendix 2: JORC Table 1 – Pyramid Hill Gold Project

Section 1 Sampling Techniques and Data

Criteria	JORC Code explanation	Commentary
Sampling techniques	• *Nature and quality of sampling (eg. cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc). These examples should not be taken as limiting the broad meaning of sampling.* • *Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.* • *Aspects of the determination of mineralisation that are Material to the Public Report.* • *In cases where 'industry standard' work has been done this would be relatively simple (eg. 'reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30 g charge for fire assay'). In other cases more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (eg. submarine nodules) may warrant disclosure of detailed information.*	• Aircore (AC) drilling samples were collected via 2-4m composite samples from 1m bulk samples using a PVC spear with each combined composite sample weighing approximately 3kg. 1m samples were taken where applicable at EOH. • All composites were pulverised to nominal 85% passing 75 microns before being analysed. • Qualitative care was taken to ensure representative sample weights were consistent when sampling on a metre by metre basis.
Drilling techniques	• *Drill type (eg. core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc) and details (eg. core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc).*	• The drilling was completed via an air-core (AC) drilling technique using both blade and/or face sampling hammer drill bit with a diameter of 102-104mm.
Drill sample recovery	• *Method of recording and assessing core and chip sample recoveries and results assessed.* • *Measures taken to maximise sample recovery and ensure representative nature of the samples.* • *Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material.*	• Individual recoveries of composite samples were recorded on a qualitative basis. Generally sample weights are comparable and any bias considered negligible. • No relationships have been noticed between sample grade and recoveries.
Logging	• *Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies.* • *Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography.* • *The total length and percentage of the relevant intersections logged.*	• All drill holes were logged geologically including but not limited to; weathering, regolith, lithology, structure, texture, alteration and mineralisation. Logging was at an appropriate quantitative standard to support future geological, engineering and metallurgical studies. • Logging is considered quantitative in nature. • All holes were geologically logged in full.

Criteria	JORC Code explanation	Commentary
Sub-sampling techniques and sample preparation	• *If core, whether cut or sawn and whether quarter, half or all core taken.* • *If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry.* • *For all sample types, the nature, quality and appropriateness of the sample preparation technique.* • *Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.* • *Measures taken to ensure that the sampling is representative of the in-situ material collected, including for instance results for field duplicate/second-half sampling.* • *Whether sample sizes are appropriate to the grain size of the material being sampled.*	• 1 metre AC samples were collected in bulk form from the rig cyclone. 2-4m composite samples of the 1m samples were collected using a spear method. Where 1m samples were collected a spear method was also used. The majority of the samples were dry in nature. • Field duplicate samples were sent every 20th sample to check for assay repeatability. Results of duplicate samples were considered acceptable and within precision and accuracy limits for the style of mineralisation. • Sample sizes are considered appropriate for the style mineralisation sought and the initial reconnaissance nature of the drilling programme.
Quality of assay data and laboratory tests	• *The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.* • *For geophysical tools, spectrometers, handheld XRF instruments, etc, the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc.* • *Nature of quality control procedures adopted (eg. standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (ie. lack of bias) and precision have been established.*	• All samples were sent to ALS prep facility in Adelaide for sample preparation then on-sent to ALS Perth for chemical analysis. • 40 elements (including gold) were analysed using up to a 25g aqua regia method with an ICPAES and ICPMS finish depending on the elements (ALS method code – TL43-MEPKG). Aqua Regia techniques are not considered total in nature. Should refractory mineralisation be encountered (not expected) this can affect the nature of final results. • Chalice has its own internal QAQC procedure involving the use of certified reference materials. Standards – 4 per 100 samples, blanks – 1 per 100 samples and duplicates 4 per 100 samples which accounts for ~9% of the total submitted samples.
Verification of sampling and assaying	• *The verification of significant intersections by either independent or alternative company personnel.* • *The use of twinned holes.* • *Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.* • *Discuss any adjustment to assay data.*	• Significant intersections are checked by the Project Senior Geologist and then by the General Manager of Exploration. Significant intersections are cross-checked with the geology logged and drill chips collected after final assays are received. • No twin holes have been drilled for comparative purposes. The Target is still considered to be in an early exploration stage. • Primary data was digitally collected and entered via a field Toughbook computer using in house logging codes. The data is sent to Perth where the data is validated and entered into the master database. • No adjustments have been made to the assay data received.
Location of data points	• *Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other*	• Hole collar locations have been picked up by Chalice employees using a handheld GPS with a +/- 5m error.

Criteria	JORC Code explanation	Commentary
	locations used in Mineral Resource estimation. • *Specification of the grid system used.* • *Quality and adequacy of topographic control.*	• The grid system used for the location of all drill holes is MGA_GDA94 (Zone 54). A grid zone boundary transects the larger project area. • RL data is considered unreliable although topography around the drill area is flat and hence should not have any significant effect on the interpretation of data. RL's have been assigned from 1 sec (30m) satellite data.
Data spacing and distribution	• *Data spacing for reporting of Exploration Results.* • *Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied.* • *Whether sample compositing has been applied.*	• Nominal drill hole spacing is generally 50-500m between AC holes. • The current spacing is not considered sufficient to assume any geological or grade continuity of the results intersected. • No sample compositing has been applied.
Orientation of data in relation to geological structure	• *Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.* • *If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material.*	• Sampling has been routinely completed beneath transported cover with no selective bias to any particular primary geological domain. • Intersected anomalism to date is generally flat in nature however exact controls on gold anomalism remain unknown, as such its relationship to optimal drill direction (perpendicular to anomalism) remains unclear.
Sample security	• *The measures taken to ensure sample security.*	• Chain of custody is managed by Chalice. Samples are stored on site before being transported by third parties to the laboratories in Adelaide and Perth.
Audits or reviews	• *The results of any audits or reviews of sampling techniques and data.*	• No review has been carried out to date.

Section 2 Reporting of Exploration Results

Criteria	JORC Code explanation	Commentary
Mineral tenement and land tenure status	• *Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings.* • *The security of the tenure held at the time of reporting along with any known impediments to obtaining a licence to operate in the area.*	• Drilling was carried out within EL6737. All licences are wholly owned by CGM (WA) Pty Ltd, a wholly owned subsidiary of Chalice Gold Mines Limited with no known encumbrances.
Exploration done by other parties	• *Acknowledgment and appraisal of exploration by other parties.*	• There has been little effective exploration completed by other parties in the immediate vicinity of the targets identified by Chalice to date. • Chalice has compiled historic records dating back to the early 1980's which indicate only sporadic reconnaissance drilling has been

Criteria	JORC Code explanation	Commentary
		completed by various parties over the project area. All known effective drill holes that reached the basement and were assayed for gold have been compiled. • Homestake Mining completed initial surface sampling which has been evaluated and used by Chalice for some targeting purposes.
Geology	• *Deposit type, geological setting and style of mineralisation.*	• The mineralisation being explored for is orogenic style similar to that seen within the Bendigo and Fosterville gold deposits of the Bendigo Zone. Gold mineralisation in these deposits is typically hosted by quartz veins within in the Ordovician age Castlemaine Group sediments.
Drill hole Information	• *A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill holes:* o *easting and northing of the drill hole collar* o *elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar* o *dip and azimuth of the hole* o *down hole length and interception depth* o *hole length.* • *If the exclusion of this information is justified on the basis that the information is not Material and this exclusion does not detract from the understanding of the report, the Competent Person should clearly explain why this is the case.*	• See Appendix 1 and Appendix 3.
Data aggregation methods	• *In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (eg. cutting of high grades) and cut-off grades are usually Material and should be stated.* • *Where aggregate intercepts incorporate short lengths of high-grade results and longer lengths of low grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail.* • *The assumptions used for any reporting of metal equivalent values should be clearly stated.*	• A length-weighted averaging technique has been applied where necessary to produce all displayed and tabulated drill intersections. In Appendix 1 and in the figures, results are calculated using either a minimum 0.025g/t or 0.1g/t lower cut-off grade and max 4m internal dilution. • Not Applicable. • Not Applicable.
Relationship between mineralisation widths and intercept lengths	• *These relationships are particularly important in the reporting of Exploration Results.* • *If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.* • *If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (eg. 'down hole length, true width not known').*	• The relationship between gold anomalism and true width remains unknown. The anomalism reported is currently interpreted to be a product of secondary dispersion and/or directly related to gold bearing quartz veining in the primary Castlemaine Group basement

Criteria	JORC Code explanation	Commentary
Diagrams	• *Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported These should include, but not be limited to a plan view of drill hole collar locations and appropriate sectional views.*	• Refer to figures in the body of text.
Balanced reporting	• *Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results.*	• Only significant results above 0.1g/t Au have been tabulated in Appendix 1. The results are considered representative with no intended bias.
Other substantive exploration data	• *Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples – size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances.*	• Not Applicable.
Further work	• *The nature and scale of planned further work (eg. tests for lateral extensions or depth extensions or large-scale step-out drilling).* • *Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.*	• Follow up drilling is being planned to better define the anomalous envelopes and to improve the understanding of potential geological controls to anomalism. • Target Zones (anomalous gold trends) as defined on the plan figures highlight the areas of most interest for further follow-up exploration.

Appendix 3: New AC drill hole details – Karri Target, Pyramid Hill Gold Project

Hole ID	MGA East z54 (mE)	MGA North z54 (mN)	RL (m)	Azimuth UTM (°)	Dip (°)	Depth (m)
PA511	767465	5985884	102	n/a	-90	132
PA512	767510	5985885	102	n/a	-90	115
PA513	767563	5985881	102	n/a	-90	120
PA514	767612	5985885	102	n/a	-90	117.5
PA515	766692	5986976	102	n/a	-90	115
PA516	766791	5986972	102	n/a	-90	131
PA517	766837	5986970	102	n/a	-90	130
PA518	766888	5986980	102	n/a	-90	139
PA519	766936	5986973	102	n/a	-90	126
PA520	766988	5986975	102	n/a	-90	113
PA521	767040	5986972	102	n/a	-90	132
PA522	767090	5986973	102	n/a	-90	132
PA523	767035	5983406	105	n/a	-90	103
PA524	767208	5983410	104	n/a	-90	117
PA525	767355	5983363	105	n/a	-90	116
PA526	767440	5983400	105	n/a	-90	100
PA527	767524	5983407	105	n/a	-90	110
PA528	767615	5983409	104	n/a	-90	105

Hole ID	MGA East z54 (mE)	MGA North z54 (mN)	RL (m)	Azimuth UTM (°)	Dip (°)	Depth (m)
PA529	767075	5986411	102	n/a	-90	108
PA530	767028	5986418	102	n/a	-90	128
PA531	766927	5986411	102	n/a	-90	140
PA532	766880	5986414	102	n/a	-90	114
PA533	766826	5986416	102	n/a	-90	126
PA534	766723	5986409	102	n/a	-90	108
PA535	766963	5985878	103	n/a	-90	90
PA536	766920	5985880	103	n/a	-90	94
PA537	766867	5985882	103	n/a	-90	97
PA538	766816	5985877	103	n/a	-90	79
PA539	766768	5985878	102	n/a	-90	93
PA540	766182	5985886	102	n/a	-90	83
PA541	766129	5985887	102	n/a	-90	79
PA542	766081	5985877	102	n/a	-90	70
PA543	766032	5985882	102	n/a	-90	70
PA544	766124	5986411	101	n/a	-90	78
PA545	766076	5986409	101	n/a	-90	72
PA546	766026	5986409	101	n/a	-90	73
PA547	767298	5985346	102	n/a	-90	110
PA548	767352	5985374	102	n/a	-90	114
PA549	767414	5985346	102	n/a	-90	122
PA550	767250	5984817	103	n/a	-90	107
PA551	767298	5984814	103	n/a	-90	99
PA552	767349	5984816	103	n/a	-90	109
PA553	764052	5963799	102	n/a	-90	126

[i] Department of Economic Development, Jobs, Transport and Resources, Victoria, Australia, http://earthresources.efirst.com.au/categories.asp?cID=42