

Maiden Diamond Drill Program Commences at East Cadillac Gold Project, Quebec Targeting Extensions of Nordeau West Deposit

Drilling to target potential shallow extensions adjacent to recently reported high-grade gold hits

Highlights:

- 2,000m diamond drill program has commenced to test shallow gold targets within the Company's East Cadillac Gold Project in Canada.
- Drilling will target potential extensions of the Company's Nordeau West gold deposit and along strike of the recently announced gold intersections on Cartier Resources' Chimo Gold Project.
- Chalice has significantly expanded its ground-holding at the East Cadillac Project by staking contiguous claims south of the Larder Lake-Cadillac fault.
- A soil sampling program over the Nordeau property in late-2016 identified gold and pathfinder geochemical anomalies in the new areas that have minimal historical exploration.
- Chalice's East Cadillac Gold Project encompasses a contiguous ~16km strike length of the Larder Lake-Cadillac fault, is adjacent to the former producing Chimo gold mine, lies at the eastern end of the prolific Archaean Abitibi greenstone belt, and is ~35km east of the >20Moz Val d'Or gold camp.

Chalice Gold Mines Limited (ASX: CHN, TSX: CXN) ("Chalice" or the "Company") is pleased to advise that it has commenced its maiden diamond drilling program at the Company's East Cadillac Gold Project targeting along strike of the Nordeau West gold deposit, for which it recently reported an updated Mineral Resource estimate (see ASX Announcement – 7 March 2017).

The maiden 2,000m drill program forms part of an expanded exploration program at the East Cadillac Project over the upcoming Spring/Summer field season that will see exploration activities ramp up on several fronts.

A compilation and interpretation of historical exploration data across the project is well advanced and project-wide field activities are expected to commence in mid-April, including an airborne geophysical survey and an expanded surface sampling program including reconnaissance/in-fill sampling and stripping/trenching over defined targets.

The Company has also staked an additional 49.5km² of contiguous claims, significantly expanding its ground-holding to 107.4km² to cover further prospective greenstone belt sequences located south of the Larder Lake-Cadillac fault.

Maiden 2,000m Diamond Drill Program

The Company's maiden drill program has commenced, with drilling designed to test shallow gold targets over a 3km strike length of the Larder Lake-Cadillac fault. The targets include extensions of the Nordeau West and Nordeau East deposits and an alteration zone between the Nordeau West and Nordeau East deposits. All targets are located along strike from known gold deposits/occurrences near former tenement boundaries that were not tested due to the fragmented ownership of the historical tenement holdings (Figure 1).

- The **Nordeau West extension target** is a potential strike continuation of the Nordeau West deposit, where it is interpreted to trend towards the "5M" structure as reported by Cartier Resources' on their nearby Chimo Gold Project. Cartier recently reported significant drill intersections of 15m @ 3.2g/t Au (includes 4m @ 9.9g/t Au), 15m @ 1.5g/t Au and 1m @ 8.6g/t Au (see Cartier Resources (TSX-V: ECR) press release dated 18 January 2017). The closest drill-hole intersection reported by Cartier Resources is only 160m west of Chalice's project boundary. The Nordeau West extension target will be tested by a fence of three drill holes to 200m depth (600m of drilling) to test the interpreted extension of the "5M" structure onto Chalice's holdings, as well as other prospective structures associated with the hangingwall and footwall contacts of the Piche Volcanics (Figure 1).
- One drill hole (200m) will test the **Nordeau West plunge target** (Figure 1) and an additional drill hole (200m) will test a shallow up-dip projection of Nordeau West which has not been tested to date.
- Drilling will also test an area of strong hydrothermal alteration and associated low-grade gold mineralisation within the Piche Volcanics between the Nordeau West and Nordeau East gold deposits known as the **Nordeau Central target** (Figure 1). Drilling will be conducted on two-250m spaced drill sections with holes to 200m depth (800m drilling) with at least one drill hole on each section designed to test the southern (footwall) contact of the Piche Volcanics, which is a favourable contact for gold mineralisation.
- A single 200m drill-hole is proposed to follow-up on a potential east plunge extension of the Nordeau East deposit.

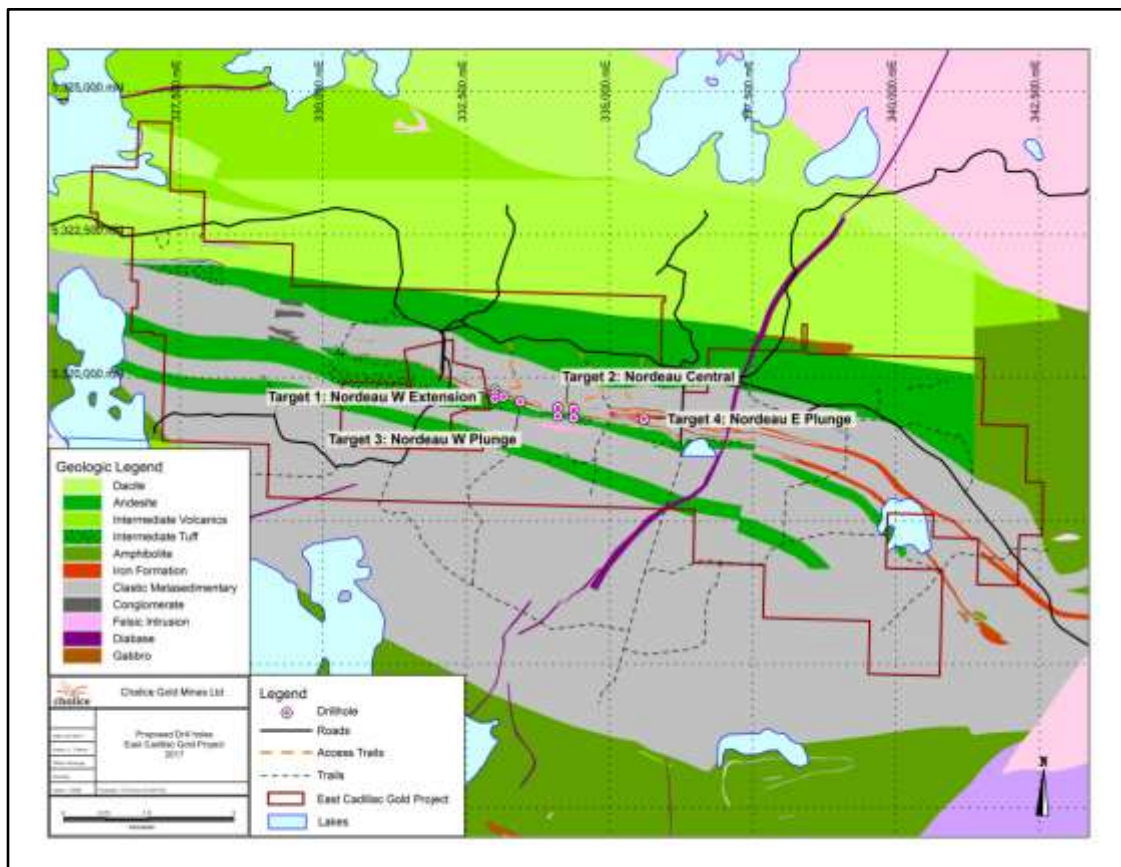


Figure 1. Diamond drill targets, East Cadillac Gold Project

New Claim Staking

Chalice has undertaken additional claim staking for a total of 50.15km² contiguous with the southern margin of the East Cadillac Gold Project. The newly expanded East Cadillac Gold Project now comprises a total of 107.4km² (see Figure 2).

Encouraging results from the 2016 surface sampling on claims staked in late 2016 (see below), in conjunction with preliminary results from project compilation work currently in progress, have identified new targets along a potential sub-parallel trend in the Pontiac sediments located south of the previous property boundary.

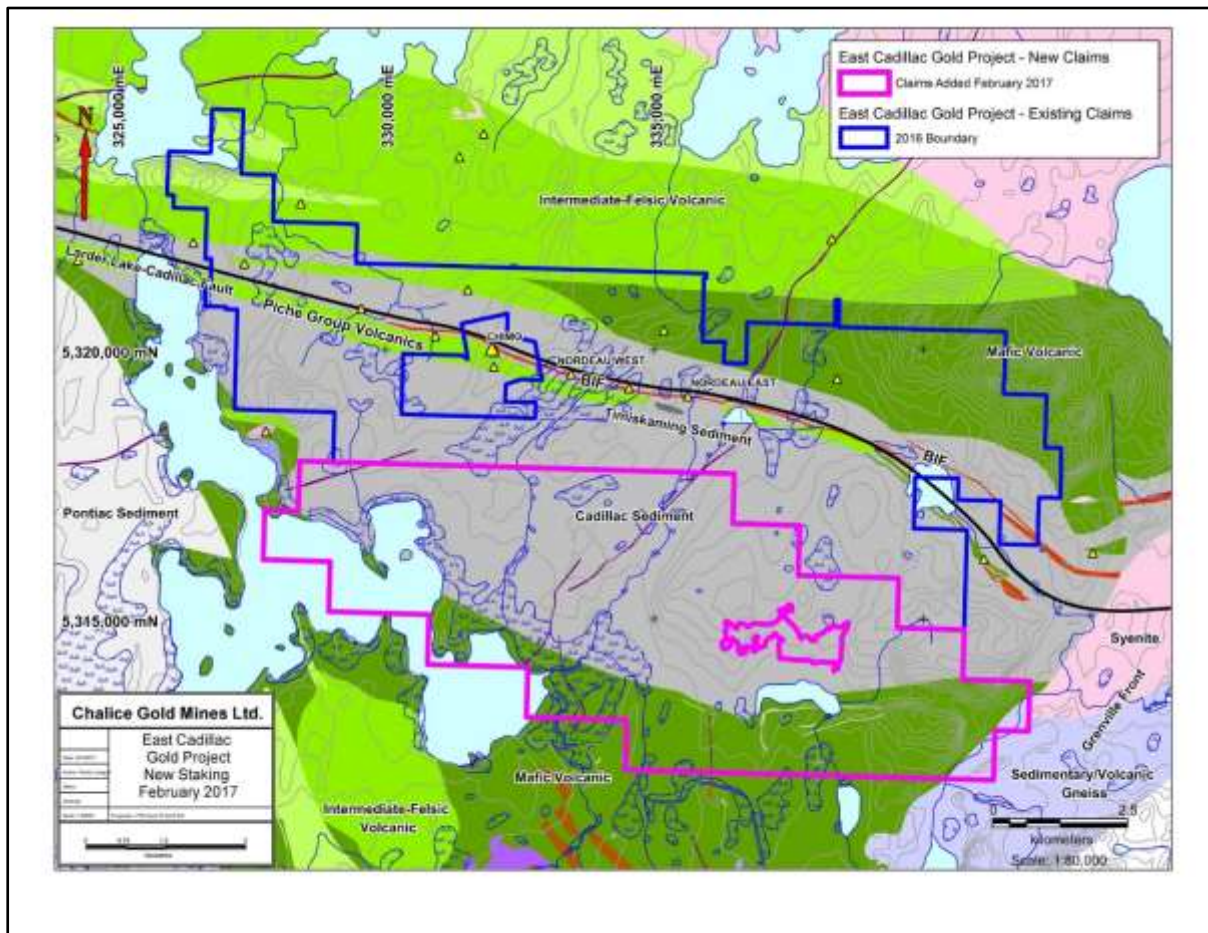


Figure 2. Current tenure for the East Cadillac Gold Project (new claims pending outlined in magenta).

Surface Geochemical Sampling

A program of geochemical sampling was undertaken in late 2016 over the Nordeau property including surface rock sampling for Au/ICP and whole rock and spectral analysis, core sampling for Au/ICP, Whole Rock and spectral analysis, and surface MMI soil sampling.

A total of 426 soil samples were collected and analysed for Au and pathfinders by the MMI technique (see Figure 3). A total of 28 rock and core samples were analysed for Au using ICP, 2 for Whole Rock, 28 for Short Wave Infrared (SWIR) spectral analysis with a Halo sensor, and 12 samples for petrographic analysis.

The relatively restricted 2016 surface sampling program (Chalice only reached agreement on the Nordeau property in late 2016) delineated Au-Ag-W soil anomalies over the Nordeau East deposit and new, previously unrecognized targets, to the north in the adjacent mafic volcanics, and south of the Larder Lake-Cadillac fault over the Pontiac sediments (see Figure 3).

Chalice is encouraged by the identification of anomalous gold and pathfinder signatures over existing mineralization at Nordeau East and also by the delineation of new targets areas within the highly prospective and underexplored greenstone belt succession. The results validate the Company's belief that surface sampling is a cost-effective tool that can be applied in this district to yield new, high-quality targets.

Chalice will re-commence surface sampling (soil and rock) and extending coverage over the entire project as soon as ground conditions are suitable (anticipated to commence mid-May).

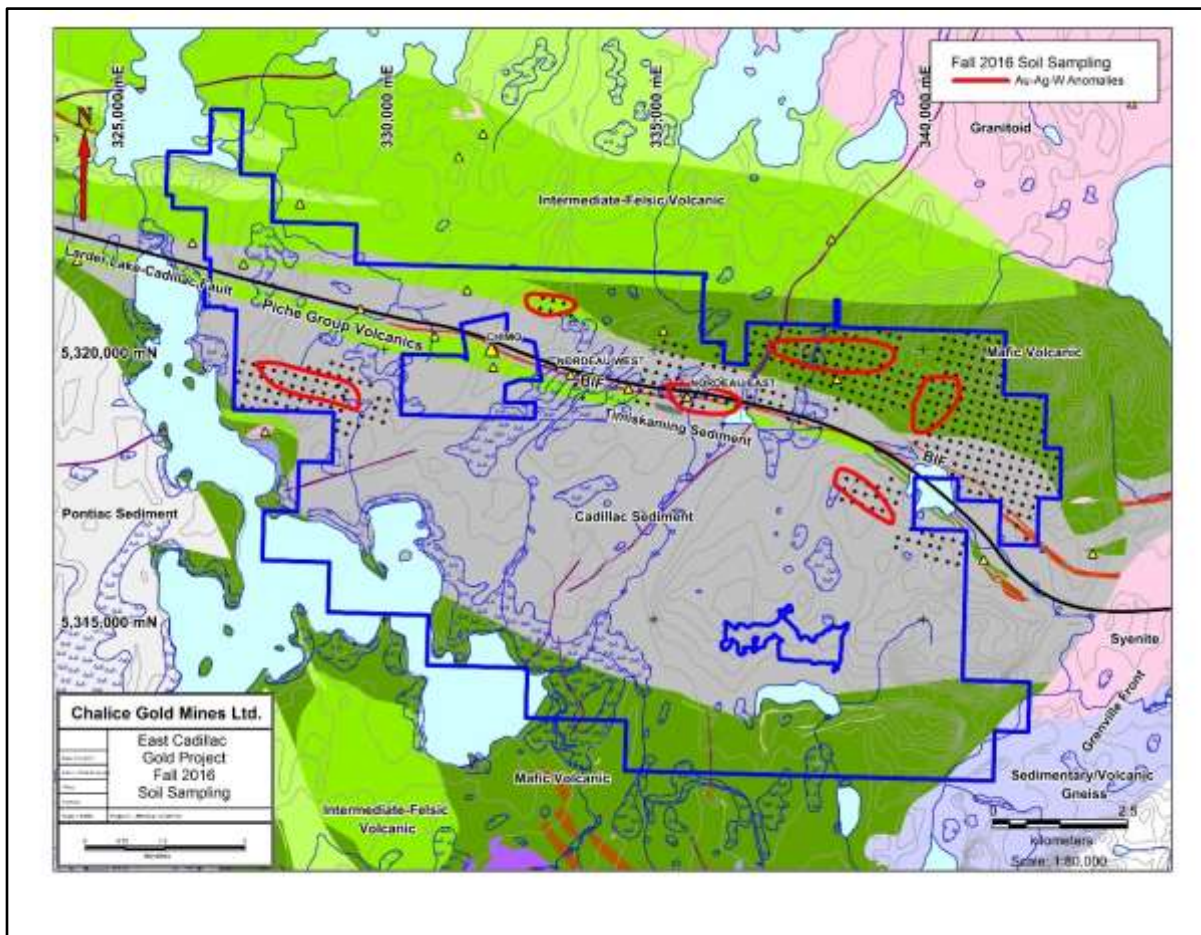


Figure 3. Surface Au-Ag-W anomalies 2016 field sampling, East Cadillac Gold Project.

Chalice's Managing Director, Tim Goyder, said: "Our exploration team has identified high priority targets for initial drill testing as we kick off what is shaping up as a very busy summer field season on the East Cadillac Gold Project. Our coordinated and systematic approach to exploration, drawing on the latest techniques and methodologies, is delivering encouraging results and helping to unlock the potential of what remains an under-explored area of the Larder Lake-Cadillac Fault."

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Competent Persons and Qualifying Persons Statement

The information in this report that relates to Exploration Results in relation to the East Cadillac Gold 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 and is a Qualified Person under National Instrument 43-101 – 'Standards of Disclosure for Mineral Projects'. The Competent 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 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 estimation of mineral reserve and mineral resources, the realisation of mineral reserve estimates, the likelihood of exploration success, 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, or 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 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.

Annexure 1: JORC 2012 Table 1 East Cadillac Gold Project

Section 1: Sampling Techniques and Data

Criteria	Explanation	Commentary
Sampling techniques	<i>Nature and quality of sampling (e.g. 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.</i>	<p>Rock chip samples taken from outcrop. Samples 1-2kg submitted for analysis of gold and pathfinder elements.</p> <p>Soil samples comprise approximately 0.5kg of unsieved material which is submitted for MMI analysis. Samples collected on a 400m x 400m grid and infilled to 200m x 200m over areas of follow-up.</p> <p>Whole rock samples collected from outcrop to ascertain presence or otherwise of alteration signatures.</p>
	<i>Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used</i>	Sample sizes are considered adequate to be representative of the material sampled.
	<i>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 (e.g. '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 (e.g. submarine nodules) may warrant disclosure of detailed information</i>	No drilling reported by Chalice Gold.
Drilling techniques	<i>Drill type (e.g. core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc) and details (e.g. 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).</i>	Not applicable
Drill sample recovery	<i>Method of recording and assessing core and chip sample recoveries and results assessed</i>	Not applicable
	<i>Measures taken to maximise sample recovery and ensure representative nature of the samples</i>	Not applicable
	<i>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.</i>	Not applicable
Logging	<i>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.</i>	Not applicable
	<i>Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography.</i>	Not applicable
	<i>The total length and percentage of the relevant intersections logged</i>	Not applicable
Sub-sampling techniques and sample preparation	<i>If core, whether cut or sawn and whether quarter, half or all core taken.</i>	Not applicable
	<i>If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry.</i>	Not applicable
	<i>For all sample types, the nature, quality and appropriateness of the sample preparation technique.</i>	Sample preparation follows industry standard best practice with analysis at internationally accredited laboratories.

Criteria	Explanation	Commentary
		Rock-chip and whole rock samples oven dried, jaw crushed to 2mm then split by riffle splitter and 250gm and pulverised to 85% passing 75microns.
		Soil samples are unprepared.
	<i>Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.</i>	Not applicable
	<i>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.</i>	Field duplicates, standards and blanks inserted collected at approximately 1/20 samples. Field duplicates are identified within the database. Whilst variation exists on a sample by sample comparison, the overall results are acceptable/comparable.
	<i>Whether sample sizes are appropriate to the grain size of the material being sampled.</i>	Sample sizes are considered appropriate.
Quality of assay data and laboratory tests	<i>The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.</i>	Laboratory procedures and assay data have been carefully selected based on appropriate techniques for the type of analysis required. Soil MMI assay technique is a partial analysis. Rock-chip and whole rock assay techniques are considered total.
	<i>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.</i>	Selected samples taken from outcrop analysed with an ASD TerraSpec Halo scanner.
	<i>Nature of quality control procedures adopted (e.g. standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (i.e. lack of bias) and precision have been established.</i>	Field duplicates, standards and blanks inserted at approximately 1 in 20 samples.
	<i>The verification of significant intersections by either independent or alternative company personnel.</i>	Not applicable
	<i>The use of twinned holes.</i>	Not applicable
Verification of sampling and assaying	<i>Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.</i>	All field data is collected manually and entered into Excel spreadsheets. Hard copies are stored in the Winnipeg office and electronic data is stored on a local file server. All electronic data is periodically backed up to the Perth server
	<i>Discuss any adjustment to assay data.</i>	None applied
	<i>Accuracy and quality of surveys used to locate drillholes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation.</i>	Not applicable
	<i>Specification of the grid system used.</i>	The grid system used is UTM NAD83 Zone 18 datum
Location of data points	<i>Quality and adequacy of topographic control.</i>	Topographic control is from regional map bases
Data spacing and distribution	<i>Data spacing for reporting of Exploration Results.</i>	Rock chip and whole rock samples collected from available outcrops which occur sporadically in the areas traversed. Soil samples collected on a 400m x 400m grid with infill to 200m x 200m
	<i>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.</i>	Not applicable
	<i>Whether sample compositing has been applied.</i>	None applied
Orientation of data in relation to geological structure	<i>Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.</i>	Soil samples collected on a regular grid. Outcrop is poor throughout the project area and hence rock-chip and whole rock samples may not be representative of the rock-types sampled.

Criteria	Explanation	Commentary
	<i>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.</i>	Not applicable
Sample security	<i>The measures taken to ensure sample security.</i>	Samples freighted to assay laboratory.
Audits or reviews	<i>The results of any audits or reviews of sampling techniques and data.</i>	None completed

Section 2: Reporting of Exploration Results

Criteria	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.	<p>The East Cadillac Gold Project comprises agreements with Globex Enterprises Inc and Richmond Mines Inc, and claims held by Chalice Gold Mines (Quebec) Inc. located approximately 35-40km east of Val-d'Or, Quebec, Canada.</p> <p>Chalice Gold Mines (Quebec) Inc has entered into a binding option and farm-in term sheet to acquire Globex's interest in the Nordeau Gold Project through total option payments of C\$590,000 and incurring exploration expenditures of C\$2,500,000 over 4 years. Chalice shall grant a 3% gross metal royalty to Globex upon exercising the option.</p> <p>Claims owned 100% by Globex Enterprises Inc include title nos. 2437791-2437811; 2437912-2437915; 2437862-2437873. Claims owned 60% Globex Enterprises Inc - 40% Bateman Inc. include title nos. 2438798-2438811; 2438935-2438937. The Globex Option comprises a total 54 claims for 1,499.89Ha.</p> <p>Chalice Gold Mines (Quebec) Inc has entered into a binding option and farm-in term sheet to acquire a 70% interest in Richmond Mines Inc. Chimo Gold Project through total option payments of C\$200,000 and incurring exploration expenditures of C\$3,100,000 over 4 years. Chalice shall grant a 1% net smelter royalty to Richmond Mines Inc. upon exercising the option. A 2% net smelter royalty is held by third parties (Paul Boyd and Patsy Currie Mills) on 748Ha of claims held by Richmond Mines Inc.</p> <p>Claims owned 100% by Richmond Mines Inc include title nos. 2385084, 2438140-2438211 for a total of 73 claims for 2,899.81.4Ha.</p> <p>Claims owned 100% by Chalice Gold Mines (Quebec) Inc. include title nos 2461488-2461495, 2468029-2468043, 2448456, 2449285 for a total of 23 claims for 1,325.4Ha, An additional 87 claims are pending for 5,015.68Ha.</p>
	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.	All granted tenements are in good standing and there are no known impediments to operating in the area.
Exploration done by other parties	Acknowledgment and appraisal of exploration by other parties.	<p>Exploration commenced in the 1940's and numerous companies have carried out prospecting, geological mapping, trenching and outcrop sampling and ground geophysical surveys and drilling.</p> <p>Multiple programs of diamond drilling were completed prior to Chalice Gold securing options with Globex and Richmond and pegging new claims over adjoining areas.</p>
Geology	Deposit type, geological setting and style of mineralisation.	<p>Gold deposits on the East Cadillac Gold project are greenstone-hosted gold deposits that belong to the orogenic class of gold deposits.</p> <p>The East Cadillac Gold project contains a sequence of volcano-sedimentary rocks that is known as the Trivio structural domain, a kilometres-wide deformation corridor interpreted as the eastern extension of the larder lake – Cadillac tectonic zone.Au</p> <p>Gold mineralization is categorized into two types of epigenetic gold occurrences:</p> <ol style="list-style-type: none"> Gold mineralisation in silicified lodes with disseminated to semi-massive sulphides (arsenopyrite, pyrrhotite and pyrite) spacially related to sedimentary banded iron formations. Secondary quartz veining is commonly associated with this type of gold mineralisation. Structurally controlled gold mineralisation in altered and sheared zones with quartz or quartz carbonate veins parallel to the schistosity and shear zones (most likelt to be found in volcanic units). Associated disseminated sulphides include arsenopyrite, pyrite and minor chalcopyrite; graphitic horizons are common.

Criteria	Explanation	Commentary
		Both types of mineralization occur as free gold associated with sulphide minerals ranging from 1% to 5% when in quartz veins to as much as 20% to 50% when in association with magnetite iron formations.
Drill hole Information	<p>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:</p> <ul style="list-style-type: none"> • easting and northing of the drill hole collar • elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar • dip and azimuth of the hole • down hole length and interception depth • hole length. 	Not applicable
Data aggregation methods	<p>In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (e.g. cutting of high grades) and cut-off grades are usually Material and should be stated.</p>	Not applicable
	<p>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.</p>	Not applicable
	<p>The assumptions used for any reporting of metal equivalent values should be clearly stated.</p>	Not applicable
Relationship between mineralisation widths and intercept lengths	<p>These relationships are particularly important in the reporting of Exploration Results.</p> <p>If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.</p> <p>If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (e.g. 'down hole length, true width not known').</p>	Not applicable
Diagrams	<p>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.</p>	Figure 1, 2 and 3 show the location of the Project, the area of recent pegging, and the area of soil and rock chip sampling.
Balanced reporting	<p>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.</p>	Not applicable
Other substantive exploration data	<p>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.</p>	All meaningful and material data reported
Further work	<p>The nature and scale of planned further work (e.g. tests for lateral extensions or</p>	A 2000m diamond drill program is underway to test targets located near existing gold deposits as outlined in this release and as shown on the accompanying figures.

Criteria	Explanation	Commentary
	<p>depth extensions or large-scale step-out drilling).</p> <p>Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive</p>	<p>Future work programs will include a surface soil and rock-chip sampling over areas not already sampled which includes the Richmond option and the new claims pegged by Chalice Gold and an airborne magnetic-VLF-EM survey.</p>