ASX Announcement
3 May 2018

Chalice further expands its strategic position in the world-class Abitibi greenstone belt in Canada through new farm-in deal

Option agreement sees Chalice further expand its East Cadillac Gold Project, consolidating more than 27km of strike along the globally significant and prolific Larder Lake – Cadillac fault

Highlights

- Chalice has entered into a binding option and farm-in agreement with Renforth Resources Inc. to acquire an **80% interest in the prospective Denain-Pershing Project**, located immediately east of its East Cadillac Project
- The project has several historical gold showings but is largely unexplored using modern exploration techniques
- **East Cadillac Project area increased by ~100km^2 (~68%)** immediately east and contiguous with the current Project boundary
- Strike coverage along the Larder Lake – Cadillac fault increased by **~11km (~70%)**, consolidating a **contiguous >27km strike length** along this globally significant greenstone belt
- Program of sampling / targeting to be undertaken in Q2-Q3 2018 to assess the full potential of the newly-secured ground

Chalice Gold Mines Limited ("Chalice" or "the Company") (ASX: CHN / TSX: CXN) is pleased to advise that it has further expanded its strategic footprint in the world-class Abitibi gold belt in Quebec, Canada after securing an option and farm-in agreement over a prospective package of ground immediately adjacent to its East Cadillac Gold Project.

The Company has entered into a binding option agreement to acquire up to an 80% interest in the Denain-Pershing Project ("the Project") from Renforth Resources Inc. ("Renforth") (CSE: RFR).

The acquisition of the Project adds to the already regionally significant contiguous land position held by Chalice along the prolific Larder Lake – Cadillac fault (Figure 1), with the total strike coverage now exceeding 27km, over a total area of ~245km^2.

The Denain-Pershing Project

The Denain-Pershing Project is located ~55km east of the town of Val-d'Or in Quebec, and comprises 184 contiguous claims for a total area of ~100km^2. The claims include ~11km of Larder Lake – Cadillac fault.

The Val-d'Or district, which includes Chalice's East Cadillac Gold Project, is one of the more prolific gold producing areas in Canada, having contributed more than 20 million ounces of gold production to the approximately 84 million ounces of gold produced along the Larder Lake – Cadillac structure.

The Project is largely unexplored, with limited historical drilling defining several gold showings on the western and north-eastern parts of the claims. Renforth completed an airborne magnetic survey over the entire property in late 2017 that will allow Chalice to better define the continuation of the Larder Lake – Cadillac fault as it extends through the western portion of the Project.

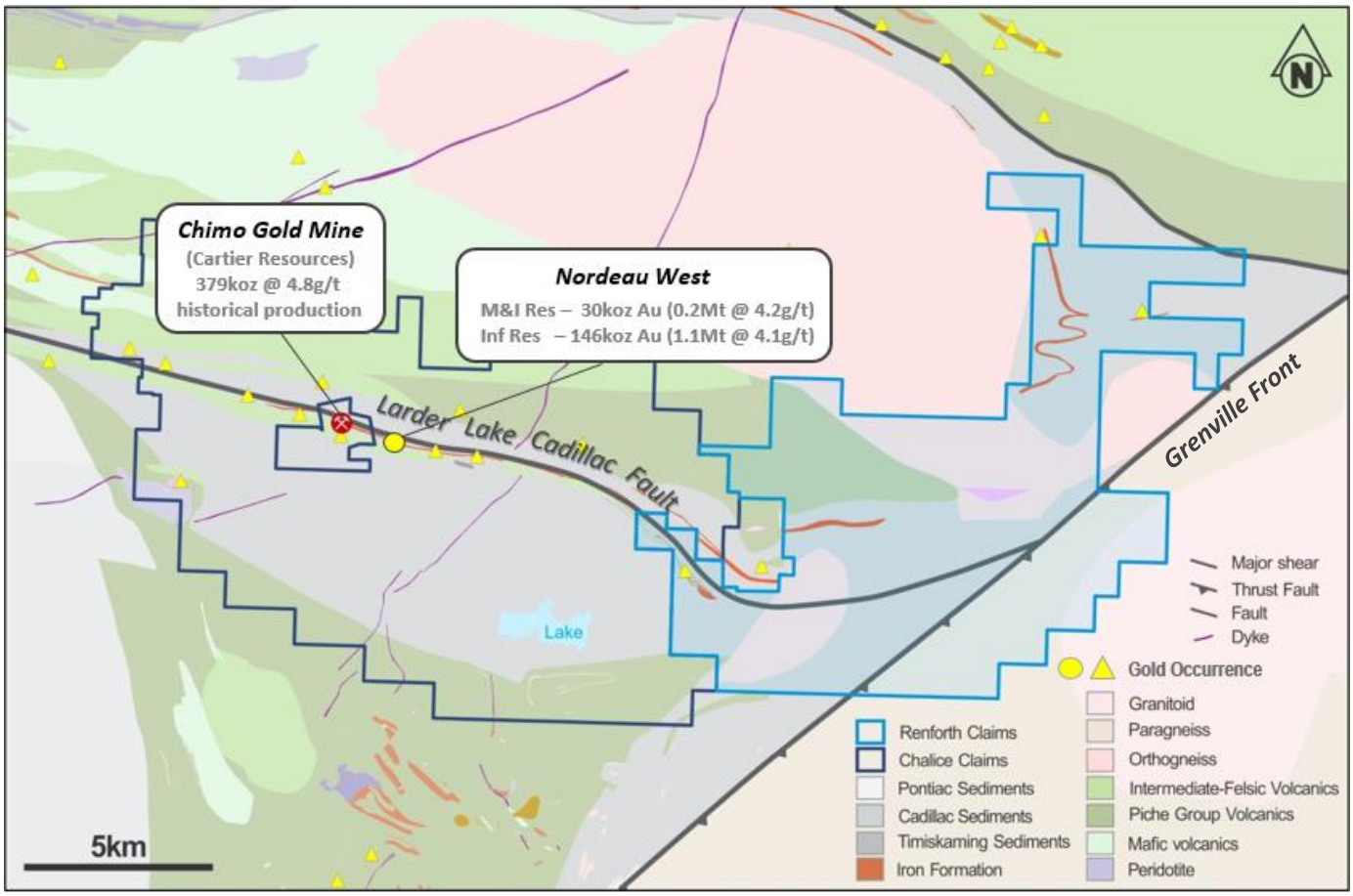


Figure 1. East Cadillac Project location map including the newly-acquired Denain-Pershing claims

Planned work program

The Company will begin merging all historical Renforth exploration data, including existing drill data, into the East Cadillac Project database. This will facilitate an integrated approach to exploration targeting over the consolidated land position.

Initially, a coarse grid surface soil and rock sampling program will be conducted over the summer season (June through October 2018). Once results are processed, it is expected that a surface geophysics program will be conducted to define drill targets.

Option Agreement terms

Chalice may earn an 80% interest in the Project by making total option payments of C$200,000 to Renforth and funding exploration expenditures of C$1.25 million over a period of three years (Table 1). Chalice has the right to withdraw without earning an interest in the Project at any time.

Table 1. Denain-Pershing Project Option Agreement key commercial terms

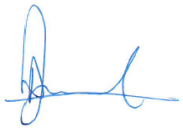
Timing	Option Payments	Expenditure Commitment
Execution of binding agreement	C$50,000	-
Year 1	C$50,000	C$200,000
Year 2	C$50,000	C$400,000
Year 3 (Chalice earns 80%)	C$50,000	C$650,000
Total	**C$200,000**	**C$1,250,000**

Upon completing all obligations under the agreement and forming a joint venture, the agreement is subject to usual joint venture dilution terms including reverting to a 2% NSR upon either party diluting its Project interest to less than 10%,

unless the aggregate royalties payable to any party in respect of a particular claim would exceed 3%, in which case the royalty rate will be reduced such that the maximum aggregate royalty is 3%. The Denain-Pershing claims have pre-existing NSR royalties of up to 2%.

As part of the transaction, Chalice will also subscribe to C$250,000 worth of ordinary shares in Renforth, subject to price and terms to be agreed. Should the share placement not be completed by 31 May 2018 or if the terms are not agreed, the remaining terms of the Option Agreement shall continue to apply. Shares taken up pursuant to the placement will be subject to a 4-month statutory escrow period. The Option Agreement is subject to satisfactory completion of due diligence primarily in relation to matters of tenure.

Chalice's Chief Executive Officer Alex Dorsch said: *"The agreement with Renforth further enhances and consolidates our already significant position in the world-renowned Abitibi, extending our exploration footprint along the key gold-hosting structure in the region, the Larder Lake – Cadillac fault. We are looking forward to kicking off our exploration programs in the near future, applying modern exploration techniques and methodologies for the first time in this region to advance this exciting project as quickly as possible."*



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Background on the East Cadillac Gold Project

The East Cadillac Gold Project ("ECG Project") covers an area of 245km^2 and is located ~35km east of the >20Moz Val-d'Or gold camp in Quebec, Canada. With land holdings encompassing a strike length of 27km of the Larder Lake – Cadillac fault, the most prolifically endowed gold trend in the southern Abitibi, the Project is situated amongst some of the region's most significant mines, and surrounds the historical Chimo gold mine, owned by Cartier Resources (TSX: ECR). Chalice has completed a regional scale geochemistry, geophysics and ~27,000m diamond drilling program on the Project since acquiring the Project in 2016. The Project is a consolidation of several earn-in option agreements (Chalice earning 70 to 100%) and Chalice's 100%-owned claims.

Competent Persons and Qualifying Persons Statement

The information in this report that relates to Exploration Results in relation to the Denain-Pershing Project 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 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 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.

Appendix 1. Denain - Pershing Project – JORC Table 1.

Section 1: Sampling Techniques and Data

Criteria	Explanation	Commentary
Sampling techniques	*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.*	Not applicable, no sampling, drilling or assaying reported
	Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used	Not applicable, no sampling, drilling or assaying reported
	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	Not applicable, no sampling, drilling or assaying reported
Drilling techniques	*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).*	Not applicable, no sampling, drilling or assaying reported
Drill sample recovery	*Method of recording and assessing core and chip sample recoveries and results assessed*	Not applicable, no sampling, drilling or assaying reported
	Measures taken to maximise sample recovery and ensure representative nature of the samples	Not applicable, no sampling, drilling or assaying reported
	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.	Not applicable, no sampling, drilling or assaying reported
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.*	Not applicable, no sampling, drilling or assaying reported
	Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography.	Not applicable, no sampling, drilling or assaying reported
	The total length and percentage of the relevant intersections logged	Not applicable, no sampling, drilling or assaying reported
Sub-sampling techniques and sample preparation	*If core, whether cut or sawn and whether quarter, half or all core taken.*	Not applicable, no sampling, drilling or assaying reported
	If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry.	Not applicable, no sampling, drilling or assaying reported
	For all sample types, the nature, quality and appropriateness of the sample preparation technique.	Not applicable, no sampling, drilling or assaying reported
	Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.	Not applicable, no sampling, drilling or assaying reported
	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.	Not applicable, no sampling, drilling or assaying reported

Criteria	Explanation	Commentary
	Whether sample sizes are appropriate to the grain size of the material being sampled.	Not applicable, no sampling, drilling or assaying reported
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.*	Not applicable, no sampling, drilling or assaying reported
	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.	Not applicable, no sampling, drilling or assaying reported
	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.	Not applicable, no sampling, drilling or assaying reported
Verification of sampling and assaying	*The verification of significant intersections by either independent or alternative company personnel.*	Not applicable, no sampling, drilling or assaying reported
	Not applicable	Not applicable, no sampling, drilling or assaying reported
	Not applicable	Not applicable, no sampling, drilling or assaying reported
	Discuss any adjustment to assay data.	Not applicable, no sampling, drilling or assaying reported
Location of data points	*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.*	Not applicable, no sampling, drilling or assaying reported
	Specification of the grid system used.	Not applicable, no sampling, drilling or assaying reported
	Quality and adequacy of topographic control.	Not applicable, no sampling, drilling or assaying reported
Data spacing and distribution	*Data spacing for reporting of Exploration Results.*	Not applicable, no sampling, drilling or assaying reported
	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.	Not applicable, no sampling, drilling or assaying reported
	Whether sample compositing has been applied.	Not applicable, no sampling, drilling or assaying reported
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.*	Not applicable, no sampling, drilling or assaying reported
	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.	Not applicable, no sampling, drilling or assaying reported
Sample security	*The measures taken to ensure sample security.*	Not applicable, no sampling, drilling or assaying reported
Audits or reviews	*The results of any audits or reviews of sampling techniques and data.*	Not applicable, no sampling, drilling or assaying reported

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.*	**Current Ownership:** The Denain-Pershing Project is located approximately 55km east of Val-d'Or, Quebec, Canada and comprises claims owned 100% by Renforth Resources Inc. The Project comprises a total 184 claims for 100.01 km² and includes title Nos.CDC2443200-CDC2443243, CDC2480250-CDC2480258, CDC2481131-CDC2481131-CDC2481222, CDC2405317-CDC2405327, CDC242153-CDC242166, CDC2462745-CDC246751, CDC2477257-CDC2477258, CDC2480184-CDC2480187, & CDC2484903. Chalice can earn a 80% interest in the Project by making total option payments of C$200,000 to Renforth and funding exploration expenditures of C$1.25 million over a period of three years. Upon meeting these requirements and exercising the option. A 2% net smelter royalty is held by Michel Roby and Gaetan Roby over 20.72km^2. An effective 1.6% net smelter royalty over 19.36km^2 and a 2% NSR over 58.20km^2 is held by Canadian Mining House and Victor Cantore. A Gross Metal Royalty of 2% is held by Globex Mining Enterprises Inc over 1.72km^2.
	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.*	Previous exploration results have not been verified and the Company is in the process of compiling all previous exploration data.
Geology	*Deposit type, geological setting and style of mineralisation.*	Gold deposits in the Abitibi sub Province are greenstone-hosted gold deposits and they can generally be considered to be a part of the orogenic family of gold deposits. The Denain-Pershing project contains a sequence of volcano-sedimentary rocks and covers approximately 11km of the Larder Lake - Cadillac fault. Gold mineralisation in the Abitibi sub Province is typically hosted in quartz-carbonate veins and surrounding alteration zones developed along major fault zones that are traced for many 10's km across the Archaean granite-greenstone terrane. The Larder lake- Cadillac fault zone is a typical crustal-scale fault zone which host many multi-million ounce gold deposits for a total inventory of approximately 100Moz Au. Gold mineralization is hosted in a wide variety of greenstone belt rock-types including Banded Iron Formation, mafic volcanics, mafic intrusives, fine to coarse-grained sedimentary sequences and granitoids. Gold mineralization is specially associated with lithological contacts between the major rock sequences.
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:* • *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, no sampling, drilling or assaying reported
Data aggregation methods	*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.*	Not applicable, no sampling, drilling or assaying reported
	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.	Not applicable, no sampling, drilling or assaying reported

Criteria	Explanation	Commentary
	The assumptions used for any reporting of metal equivalent values should be clearly stated.	Not applicable, no sampling, drilling or assaying reported
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 (e.g. 'down hole length, true width not known').*	Not applicable, no sampling, drilling or assaying reported
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.*	Not applicable, no sampling, drilling or assaying reported
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.*	Not applicable, no sampling, drilling or assaying reported
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.*	The Company has not verified previous exploration data.
Further work	*The nature and scale of planned further work (e.g. 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*	Future work programs are to be considered following the review and compilation of all historic exploration data.