

31 October 2023

September 2023 Quarterly Activities Report

Highlights

Corporate

- « Chalice ended the quarter in a strong financial position with **~\$130 million in cash and liquid investments**, ensuring the Company is **funded for the next two years**.
- « Ongoing Gonneville Project **strategic partnering process** progressed into a second stage, following receipt of indicative non-binding expressions of interest in late Q3.

Gonneville Nickel-Copper-Platinum Group Element (PGE) Project, Western Australia (100% owned)

- « **Scoping Study** completed initially on indicative large-scale open-pit development options, which outline the potential for Gonneville to become a rare long-life, low-cost, low-carbon *green metals* mine in a western jurisdiction:
 - « Study predicts Gonneville has the potential to become the **lowest cost producer of PGEs in the western world** (2nd quartile on the current PGE industry cost curve) and a significant producer of critical battery metals.
 - « **Large Resource and long mine life** provides significant leverage to a basket of *green metals*, which are in strong demand from global decarbonisation and urbanisation trends.
 - « Project predicted to have **world-class sustainability metrics** and produce **low-carbon intensity products**, making a strong case for a future **green premium** on products.
- « Significant upside to project metrics and development optionality being assessed, with a **near-term focus on improving feed grades and metallurgical recoveries**:
 - « **Staged, high-grade open-pit starter cases** are currently being modelled, adopting a higher cut-off grade according to the grade-tonnage profile of the Resource.
 - « **Early high-grade underground development options** (in parallel with open-pit mining) are being scoped to increase feed grades and recoveries.
 - « 17 new metallurgical drill holes completed and PFS testwork underway to improve **geo-metallurgical understanding and domaining of the deposit** (spatially, mineralogically and metallurgically), with a focus on improving flotation performance.
 - « **Bench scale testwork** on a range of midstream processing technologies continues, targeting the production of a nickel-cobalt product for the lithium-ion battery industry.
- « Step-out drilling at Gonneville continues to enhance the Project, confirming that wide **high-grade Cu-PGE zones continue ~900m down-plunge of the current Resource**:
 - « **34m @ 7.0g/t 3E, 0.16% Ni, 0.63% Cu, 0.02% Co (2.9% NiEq)** from 432m (JD377);
 - « **54.2m @ 3.6g/t 3E, 0.21% Ni, 0.39% Cu, 0.02% Co (1.7% NiEq)** from 1132.8m (JD369W3¹).

¹ JD369W3 is the third wedged directional hole drilled from JD369, the parent drill hole.

- « Wide-spaced step-out drilling continuing with two diamond drill rigs.
- « Lead regulatory approvals contractor appointed, with referral of the Project to WA and Commonwealth Government regulatory agencies **targeted for H1 2024**.

West Yilgarn Nickel-Copper-PGE Province, Western Australia

- « **Drill testing of more than 10 new greenfield Ni-Cu+/-PGE targets** to commence in **Q4 2023**.
- « AC drilling and targeted diamond drilling to commence at the **Baudin-Jansz-Torres Ni-Cu-PGE targets (10-25km north of Gonneville Deposit)** in the coming weeks, upon receipt of final access approvals.

1. Overview

Chalice Managing Director and CEO Alex Dorsch commented: "I would like to acknowledge that the quarter has been a very difficult one for the Company and our shareholders. There has been broad weakness across global markets, particularly in the commodities we are exposed to, which has made conditions especially challenging for exploration and development companies.

"It is also clear that market expectations on certain Scoping Study metrics were not met. The macro-economic assumptions which drove the indicative scale of the published study cases do not align with current market conditions, and as such we are assessing additional staged, high-grade study cases accordingly.

"It is important to acknowledge, however, that Gonneville remains a world-class critical minerals project with significant development optionality – a genuine 'company-making' and globally competitive project that we believe will ultimately transform Chalice into a major green metals producer for many decades to come.

"There are very few projects comparable to Gonneville globally in terms of its scale and metals mix; and there are even fewer projects located in tier-1 western jurisdictions which can deliver the key basket of metals – nickel, copper, cobalt, palladium and platinum – that are essential for global decarbonisation and urbanisation. As such, we retain conviction on prices for these metals trending higher over the long term, particularly for western IRA-compliant producers.

"Because of its sheer scale, high-grade 'core' and the diversity of metals in the resource, Gonneville offers a high degree of development optionality and scalability. Determining the best way to unlock the full value of the asset is an iterative process that will require further engineering and studies. We are committed to defining the optimal development pathway that maximises financial returns while also balancing risk.

"A Scoping Study is an early snapshot in time of what a future possible development could look like and, given very limited optimisation work or engineering has been completed to date, it is difficult to reflect the full value of the asset at this stage. It is a snapshot that will continue to evolve, particularly given that underground mining has not been incorporated as yet. The final development configuration for Gonneville, like in many other major project studies, is likely to evolve considerably over time as study work progresses.

"There are currently several workstreams underway which are aimed at delivering a combination of improved project metrics and high-grade resource definition at Gonneville:

- « **Gonneville Project optimisation** – we will continue to investigate upside opportunities on feed grade and metallurgical recoveries and optimise our development strategy through the ongoing Pre-Feasibility Study and beyond. A key focus is modelling staged, high-grade open-pit starter cases adopting a higher cut-off grade.

« **Strategic partnering** – the strategic partnering process is ongoing with expressions of interest recently received from counterparties. Discussions are now progressing into a second phase, noting there is no assurance currently that the process will result in a transaction. We will only enter into a transaction if we believe it will drive value for shareholders.

« **Growth through exploration** – we have one of the world's most recognised teams of mine-finders and they are focussed on making further major discoveries. We are about to embark on an expansive regional exploration program, representing the culmination of two years of reconnaissance work, which will involve drilling more than 10 new greenfield targets across our >9,600km² West Yilgarn licence holding.

"Importantly, Chalice remains well-funded to progress this work, with ~\$127 million in cash at the end of the September Quarter and no debt. This robust balance sheet ensures the Company is funded for the next two years.

"I look forward to providing more updates on our key activities and the dedicated Chalice team remains committed to creating value for shareholders."

2. Sustainability

2.1 Health and Safety

There were no significant health or safety incidents during the quarter. The Company also had zero Lost Time Injuries across all work sites.

2.2 Environment

There were no significant environmental incidents during the quarter.

Chalice's application for initial exploration drilling activities on existing recreational access tracks across the ~15km long Baudin-Jansz-Torres target areas within the northern portion of the Julimar Exploration Project is in the final stages of assessment by the WA Government. Approval for these activities is now anticipated in Q4 2023.

GHD has been awarded the contract as lead consultant for the Gonneville Project State and Commonwealth environmental assessment and approval processes. GHD is an established leader in environmental impact assessment and approvals in WA and brings to the Project a highly experienced technical team that has worked on several major mining and infrastructure projects in the south-west region of WA.

Formal referral of the Gonneville Project to WA and Commonwealth Governments is targeted for H1 2024.

2.3 Heritage

The WA Government is repealing the recently enacted Aboriginal Cultural Heritage (ACH) Act (2021) and reinstating the 1972 Aboriginal Heritage Act with amendments. Chalice has been closely liaising with the CME and AMEC to understand the requirements of the amendments. We continue to actively engage with Traditional Owner groups and do not anticipate any operational impact from these legislative changes.

2.4 Community and Government

Chalice's stakeholder engagement for the Gonneville Project continued, with Commonwealth, State and local government site visits and briefings conducted during the quarter.

Chalice has signed a Heads of Agreement (HOA) with the Shire of Toodyay for the future establishment of the Chalice Mining Community Fund. The HOA establishes a framework through which Chalice and the Shire of Toodyay can plan and prioritise future spending initiatives to deliver long-term benefits and investment in the local community.

The completion of a formal agreement and the establishment of the Chalice Mining Community Fund are contingent on the Chalice Board making a Final Investment Decision (FID) in favour of proceeding with a development at the Gonneville Project, and the Project achieving all the necessary approvals and funding requirements.

The Company received a record number of funding applications from local community groups during the second annual round of community investment funding in Aug-Sept 2023. Chalice has provided over \$100,000 in funding to more than 20 local community groups in the Toodyay and Chittering Shires in 2023.

3. Exploration and Development Activities

3.1 Gonneville Nickel-Copper- PGE Project, WA (100% owned)

3.1.1 Overview of activities

Chalice's multi-track value creation strategy at the Gonneville Project is to advance development studies and progress regulatory approvals for a potential mine at Gonneville (located entirely on Chalice-owned farmland), continue exploration in the surrounding region to determine the full scale of the mineral system, and consider a strategic partner(s) who adds technical, financial and/or marketing capabilities.

In March 2023, Chalice announced an updated Mineral Resource Estimate ("Resource") for Gonneville of 560Mt @ 0.54% NiEq or 1.7g/t PdEq, for a contained 16Moz of 3E PGE, 860kt Ni, 520kt Cu and 83kt Co (refer to ASX Announcement on 28 March 2023 and attached Appendix B). Chalice commenced studies in late 2021 to assess the viability of a future mine development at Gonneville, in parallel to the resource drill-out.

The following key activities were completed during the quarter, which are outlined in further detail below:

- « Completed the Scoping Study (Study) on indicative bulk open-pit development cases for the Gonneville Project, demonstrating the potential for Gonneville to become a long life, low cost, low-carbon green metals mine;
- « Continued step-out drilling at Gonneville, with high grade zones intersected ~900 metres down plunge of the resource; and
- « Commenced the Pre-Feasibility Study (PFS) with key workstreams focused on evaluating staged, high-grade starter cases, improving metallurgical recoveries, further refinement of geo-metallurgical characteristics of the Resource and assessment of early underground mining options to target higher-grade feed early in the mine life.

Chalice invested \$2.3M during the quarter on pre-development activities and \$6.8M on exploration activities at the Gonneville Project.

3.1.2 Gonneville Project Scoping Study

In August 2023, Chalice completed a Scoping Study (Study) for the Gonneville Project which assessed two indicative staged bulk open-pit development options – 15Mtpa and 30Mtpa.

The Study outlined a tier-1 scale development project in a world-class jurisdiction:

- « ~240Mt and ~440Mt open-pit resources processed (45-80% of the Gonneville Resource) for the 15Mtpa and 30Mtpa cases respectively, generating a tier-1 production profile:

Case	3E (Pd+Pt+Au) (kozpa)	Ni (ktpa)	Cu (ktpa)	Co (ktpa)	Modelled life (yrs)
15Mtpa	~280	~9	~10	~0.8	~19
30Mtpa	~470	~16	~16	~1.4	~18

- « Study predicts Gonneville has the potential to become the lowest cost producer of PGEs in the western world), based on 2022 industry cash costs and base metal by-product credits.
- « Large Resource and long mine life provides significant leverage to *green metals* which are in strong demand from global decarbonisation and urbanisation trends.
- « Project is predicted to have world-class sustainability metrics with low carbon intensity MHP product (~10-12 tCO₂Eq / tNiEq) compared to nickel laterite mines (~30-60 tCO₂Eq / tNiEq) making a strong case for a future *green premium* on products.

The Scoping Study represents a key first step in the development of the Gonneville Project on Chalice-owned farmland. The indicative cases presented in the Scoping Study will be further optimised, along with consideration of underground options during the Pre-Feasibility Study ("PFS"). The PFS is targeted for completion in mid-2025.

Given the inherent optionality of the large, shallow, polymetallic Gonneville Resource, the studies to date have investigated a broad range of development options including open pit/underground mining and concentration only/midstream enrichment flowsheets at a high level. Not all of these cases were presented in the Scoping Study and modelling work is underway on evaluating additional staged, high-grade starter cases matched to a range of different macro-economic conditions.

3.1.3 Pre-Feasibility Study

Chalice has commenced the Pre-Feasibility Study (PFS) for the Project, targeted for completion in mid-2025. The PFS will assess several development cases, including trade-off studies and engineering optimisations, with the aim of determining the preferred case to progress to a Feasibility Study ("FS"). The initial stage of the study will focus on shaping and defining the cases to be evaluated in detail.

Given the large scale of the Resource and unique characteristics of the Project site, flowsheet design and optimisation will continue through the PFS phase, with additional flowsheet steps and capital investment being assessed according to the value added (as measured by increased recovery, decreased cost or improved marketing terms).

A key feature of the PFS is continued evaluation and improved understanding of the fundamental geo-metallurgical characteristics of the various domains within the Gonneville Deposit. Improved domaining of the deposit (spatially, mineralogically and metallurgically) could potentially lead to improved metallurgical recoveries and concentrate quality.

To facilitate this geo-metallurgical work, 17 new metallurgical drill holes were completed in the quarter and PFS testwork is underway on the 60 tonnes of sample (80 variability samples), with a focus on improving comminution and flotation performance, leading to improved metal recovery and grade into flotation concentrates.

Other ongoing study work includes:

- « Assessment of early underground mining options to target higher-grade feed early in the mine life (from within the current Mineral Resource or beyond) in parallel with open-pit mining.
- « Refinement of the Resource model to better define high-grade zones and allow modelling of selective underground mining approaches.
- « Assessment of ore-sorting technologies to reject dolerite (waste rock) from plant feed and other options to enhance overall feed grade.

- « Bench scale testwork on a range of midstream concentrate processing technologies, targeting overall improvement in payability through the production of a lithium-ion battery cathode precursor nickel-cobalt product.
- « Progressing the development of supporting water and power infrastructure corridors.

3.1.4 Strategic partnering process

After launching the strategic partnering process in April 2023, expressions of interest were received from several organisations to support the continued definition and potential development of Gonneville. Discussions with these organisations are being progressed, although there can be no assurance at this stage that the strategic partnering process will result in a transaction.

It is envisaged that a strategic partner(s) could influence the key workstreams of the PFS and Chalice considers external technical input highly valuable at this early stage of studies. Chalice is continuing a study approach which maximises retained optionality to reflect this.

3.1.5 Gonneville Resource growth potential

During the quarter, drilling at Gonneville focused on drilling down-dip of high-grade mineralisation at of the Gonneville ultramafic intrusion which hosts the mineralisation. The Deposit remains open and is poorly tested beyond a depth of ~600m.

Diamond hole JD369W3, drilled ~900m down-plunge of the Resource, intersected an exceptional high-grade interval of:

- « 54.2m @ 3.6g/t 3E, 0.21% Ni, 0.39% Cu, 0.02% Co (1.7% NiEq) from 1132.8m (JD369W3), incl:
 - « 49m @ 3.9g/t 3E, 0.22% Ni, 0.43% Cu, 0.02% Co (1.8% NiEq) from 1135m, incl:
 - « 9m @ 10.0g/t 3E, 0.24% Ni, 1.2% Cu, 0.02% Co (4.3% NiEq) from 1153m.

High-grade mineralisation was also intersected in JD369W1 (~100m down-dip of JD369W3) and in JD369W2 (~250m north of JD369W3):

- « 6.4m @ 3.6g/t 3E, 0.36% Ni, 1.2% Cu, 0.02% Co (2.5% NiEq) from 1188.6m (JD369W1);
- « 6m @ 2.7g/t 3E, 0.15% Ni, 0.08% Cu, 0.01% Co (1.1% NiEq) from 951m (JD369W1).
- « 16.3m @ 2.2g/t 3E, 0.14% Ni, 0.19% Cu, 0.01% Co (1.0% NiEq) from 1199.7m (JD369W1), incl:
 - « 13.1m @ 2.5g/t 3E, 0.16% Ni, 0.22% Cu, 0.02% Co (1.2% NiEq) from 1201.9m
- « 132.8m @ 0.77g/t 3E, 0.15% Ni, 0.07% Cu, 0.01% Co (0.5% NiEq) from 1051.2m (JD369W2), incl:
 - « 8m @ 1.5g/t 3E, 0.19% Ni, 0.14% Cu, 0.02% Co (0.8% NiEq) from 1062m.

The high-grade zones were intersected at the base of the Gonneville Intrusion near the footwall contact and appear to be associated with a gabbro unit that is not present in drilling up-dip. The encouraging elevated copper and gold grades are typical of 'G4 style' mineralisation, which has been intersected near the footwall contact of the Intrusion near surface. This opens up the possibility of a new prospective horizon to target with further exploration drilling.

Results from infill drilling to follow up shallower, high-grade sulphide zones at the northern end of the Deposit continued to intersect high grade intervals of sulphide mineralisation including:

- « 8m @ 2.9g/t 3E, 0.30% Ni, 0.27% Cu, 0.03% Co (1.5% NiEq) from 438m (JD383).
- « 25m @ 2.8g/t 3E, 0.18% Ni, 0.24% Cu, 0.02% Co (1.3% NiEq) from 504m (JD381).
- « 13.6m @ 3.5g/t 3E, 0.15% Ni, 0.19% Cu, 0.02% Co (1.4% NiEq) from 421.1m (JD387W1) and,
- « 6.4m @ 2.1g/t 3E, 0.16% Ni, 0.19% Cu, 0.02% Co (1.0% NiEq) from 437.7m (JD387W1) and,
- « 26.6m @ 1.9g/t 3E, 0.16% Ni, 0.24% Cu, 0.02% Co (1.0% NiEq) from 451m (JD387W1).
- « 14.9m @ 2.8g/t 3E, 0.15% Ni, 0.20% Cu, 0.02% Co (1.2% NiEq) from 438.1m (JD380).

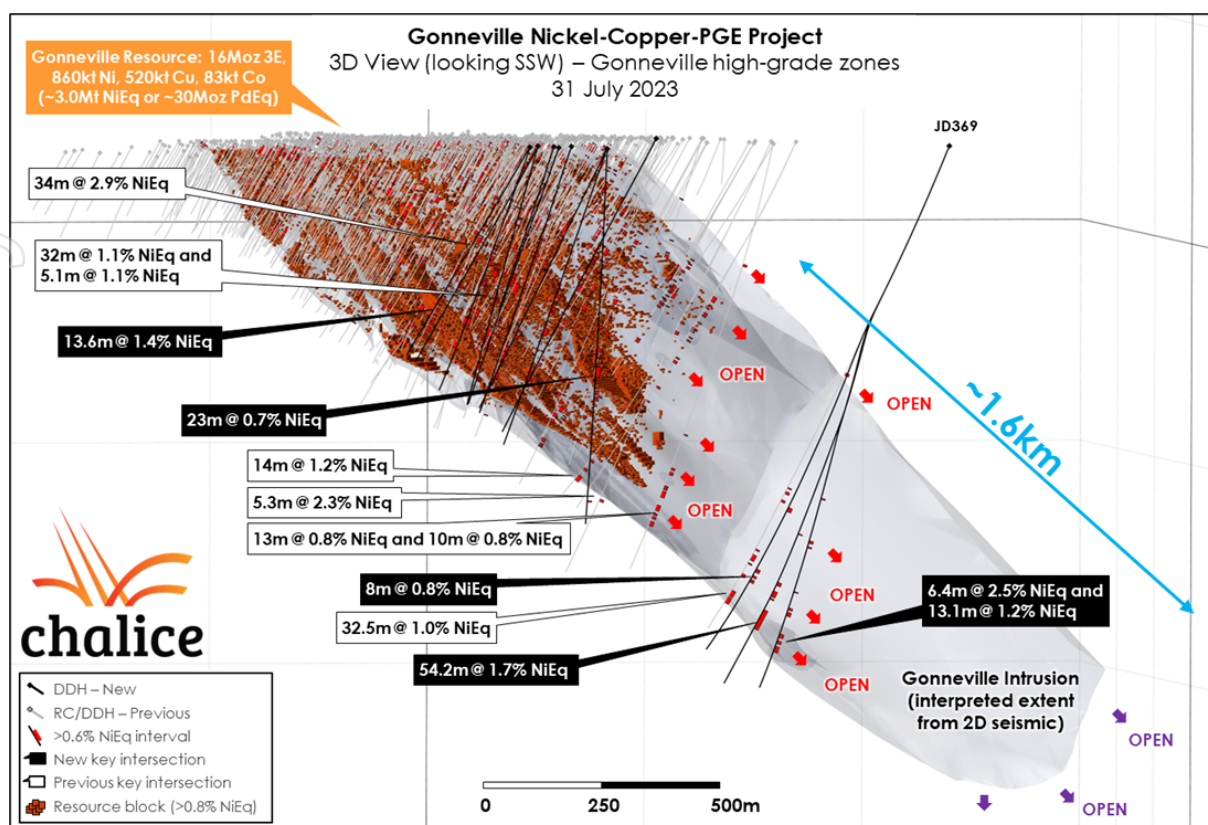


Figure 1. 3D view (looking SSW) of Gonneville Intrusion, >0.8% NiEq Resource blocks and drilling.

3.2 West Yilgarn Nickel-Copper-PGE Province, WA

Exploration activities continued during the quarter over Chalice's largely 100% owned >9,600km² tenure holding in the West Yilgarn Ni-Cu-PGE Province. The new province is considered one of the most exciting nickel sulphide provinces globally, given it is largely unexplored but considered highly prospective for orthomagmatic Ni-Cu+/-PGE sulphide deposits.

Reconnaissance soil geochemistry and geophysics undertaken over the past ~24 months has defined more than 10 new high-priority Ni-Cu+/-PGE targets. Drill testing is planned for the following priority targets over the coming months:

- « A ~2,000m RC drill program testing 5 coincident EM and surface geochemical targets at the Barrabarra Project is scheduled to commence in late 2023 / early 2024.
- « A broad AC program of ~20,000m as well as targeted diamond drilling along existing access tracks testing several untested targets including Baudin and Torres located ~15-20km north-east of Gonneville. This is expected to commence in the coming weeks, pending final access approvals.
- « 2 diamond drill holes testing the Eclipse target located ~5km east of Gonneville will be completed in early 2024 pending access approvals.
- « A ~2,500m AC drilling program testing three targets at the Kings Project is scheduled for December 2023. Further follow-up drilling will be scoped based on AC results.

Initial exploration activities at the recently acquired Northam JV project has identified multiple occurrences of previously unrecognised ultramafic intrusives which will be the focus of ground activities which will ramp up over the coming field season after cropping.

Chalice invested \$2.9M during the quarter on exploration activities in the West Yilgarn Province.



- Development Project
- Operated Exploration Project
- Non-Operated Exploration Project

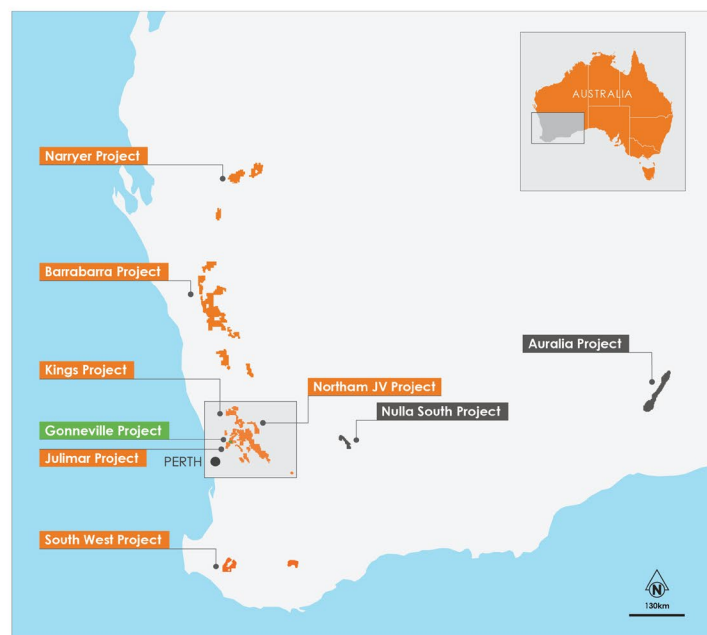
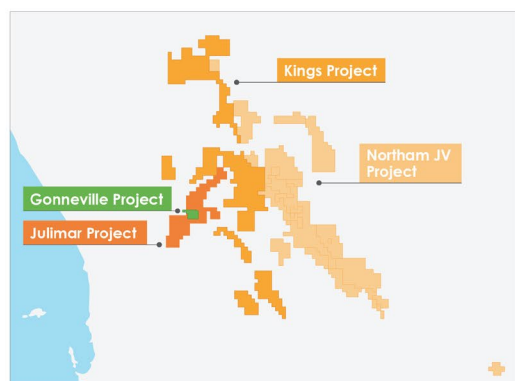


Figure 2. Chalice portfolio map.

3.2.1 Julimar Ni-Cu-PGE Exploration Project (100% owned)

A drilling program to test the ~15km long Baudin-Jansz-Torres target areas within the northern portion of the Julimar Exploration Project is in the final stages of assessment by the WA Government. Reconnaissance AC drilling and targeted diamond drilling utilising low-impact drill rigs are expected to commence in late 2023 upon receipt of these approvals.

A new coherent Ni-Cr+/-Cu soil anomaly has been defined immediately west of the Torres target, which is coincident with a ~2.5km long magnetic anomaly. This is interpreted to be in a similar stratigraphic position to the prospective Hooley Prospect (immediately west of a banded iron marker formation). This area will be the priority for the upcoming drill program.

Up to 2 Exploration Incentive Scheme (EIS) co-funded diamond holes (WA Government to fund 50% of direct drilling costs) are planned to test the Eclipse target, which is located 5km east of Gonneville, pending access approvals. The target includes a series of strong magnetic anomalies with coincident Ni-Cr+/-Cu in soils and limited sub-cropping ultramafic geology.

3.2.2 Kings Nickel-Copper-PGE Exploration Project, WA (100% owned + Bolgart earn-in to 75%)

An extensive soil sampling program and aeromagnetic survey has been undertaken across prospective target zones, with results pending. Reconnaissance AC drilling over the Faroe Cu-Ag-Au target near Piawaning is planned for December 2023.

Two diamond holes were completed at the Bolgart target during the quarter. Ultramafic rocks were intersected in one hole but no significant sulphide mineralisation was intersected.

3.2.3 Northam Nickel-Copper-PGE Exploration Joint Venture Project (Earn-in to 70%)

An earn-in agreement was executed with Northam Resources whereby Chalice may earn up to a 70% JV interest in Northam's ~1,600km² exploration licence holding, located ~35km east of the Gonneville Deposit. Three untested coincident geochemical-EM anomalies will be the focus of regional exploration, with initial drilling targeted in late 2023 / early 2024.

A detailed 50m spaced aeromagnetic survey across the JV holding commenced in late September and is anticipated to be completed by mid-November. A total of 350 reconnaissance soil samples were taken over several targets near Goomalling which has confirmed prospective ultramafic geology. Further infill sampling is planned to follow up.

3.2.4 Barrabarra Nickel-Copper-PGE Exploration Project, WA (100% owned + Koojan earn-in to 80%)

Due to cropping activities and their seasonal constraints on land-access, work at Barrabarra this quarter has comprised consolidation of last year's extensive field sampling activities and planning the upcoming follow-up campaign for the next field season.

A detailed, 69,000 line-km airborne magnetics survey commenced during early October and a complimentary airborne gravity survey will shortly commence.

Drill testing multiple priority greenfield targets is planned in late 2023 / early 2024 following receipt of access approvals. Drilling will be targeting ground-EM plates, coincident with magnetic and multi-element geochemical anomalism identified from Chalice's initial reconnaissance exploration.

3.2.5 South West Nickel-Copper-PGE Exploration Project, WA (100% owned + Venture earn-in to 70%)

The project tenure has been reviewed for LCT pegmatite potential and the Company is well advanced with planning additional field work comprising surface geochemical sampling and field reconnaissance to commence next quarter.

3.2.6 Narryer Nickel-Copper-PGE Exploration Project, WA (100% owned + Mt Narryer earn-in to 75%)

An extensive field program has been undertaken during the quarter, with sustained geological field visits and a >4000 soil geochemical sample campaign completed over numerous ultramafic targets. Assay results have recently been received for all of the samples with several targets for follow up work already identified and further interpretation underway. A large ground gravity survey is planned to commence in November over the most prospective geology.

3.3 Non-Operated Exploration Projects

3.3.1 Auralia Nickel-Copper-PGE Exploration Project, WA (SensOre earning 51%)

Final heritage surveys were completed this quarter for proposed RC drilling of up to 10 holes to test prospective geophysical targets located within the Loonganna mafic-ultramafic intrusion. Drilling is planned for H124 subject to approvals.

3.3.2 Nulla South Gold Exploration Project (Ramelius earning 75%)

No activities were completed during the quarter.

4. Corporate

4.1 Cash and investments

As of 30 September 2023, Chalice had a strong cash balance of ~\$127 million and \$3.1 million in listed investments.

4.2 Cashflow

During the quarter, operating cash flows included expenditures of \$13.1 million on exploration and evaluation activities and ~\$0.3 million on staff costs, administration and corporate (net of interest received).

In addition, the Company acquired an additional strategic private property proximal to the Gonneville Deposit for total cash consideration of \$4.4 million (including stamp duty) and scrip consideration of 611,371 fully-paid ordinary shares. The ~340 hectare rural property is contiguous with other Chalice-owned farmland and strategically important for access and infrastructure.

Further details are available in the attached Appendix 5B.

4.3 Payments to related parties of the entity and their associates

Payments of \$407,000 reported in Item 6.1 of the attached Appendix 5B relate to the remuneration paid to the Managing Director & CEO, as well as fees paid to Non-Executive Directors (including superannuation).

4.4 Share Capital

On 12 July 2023, the Company issued 788,387 fully paid ordinary shares to CPU Share Plans Pty Ltd as trustee for the Chalice Mining Employee Share Trust following the vesting of 75% of the FY2020/2021 Performance Rights (Performance Rights) in accordance with the Company's Employee Securities Incentive Plan.

The Performance Rights were issued to key management personnel and employees in 2020 and 75% of those Performance Rights issued vested following a determination by the Board that certain performance conditions have been satisfied over the three-year measurement period ended 30 June 2023. The remaining 262,802 Performance Rights lapsed due to not meeting the performance conditions.

During the quarter, 588,999 of these vested Performance Rights were exercised.

On 1 September 2023, the Company issued 768,878 FY2023-24 Performance Rights to senior executives and employees of the Company under the terms of the Employee Securities Incentive Plan.

In addition to the above issue, on 1 September 2023, it was resolved that Alex Dorsch, Managing Director and CEO has been awarded 154,574 Performance Rights on the same terms and conditions. The issue of the Performance Rights to Mr Dorsch is conditional on the receipt of shareholder approval to be sought at the Company's 2023 Annual General Meeting ("AGM") being held on 23 November 2023.

On 1 September 2023 the Company issued 611,371 shares as partial consideration to acquire a private property in the vicinity of the Gonneville Project (referred to above) and a further 629,755 shares pursuant to the earn-in agreement with Northam Resources Limited. The share issuances are conditional on the receipt of shareholder approval to be sought at the 2023 AGM.

During the quarter, 42,677 Retention Rights and 27,116 Performance Rights were forfeited by employees upon cessation of employment.

The following table provides a summary of securities on issue as at 30 September 2023:

Description	No.
Ordinary fully paid shares	388,963,304
2020/2021 Performance Rights - vested	199,388
2021/2022 Performance Rights, measurement date 30 June 2024	321,058
2022/2023 Performance Rights, measurement date 30 June 2025	984,683
2023/2024 Performance Rights, measurement date 30 June 2026	768,878
Retention Rights, measurement date 31 December 2025	693,481

4.5 Tenement holdings

In accordance with ASX Listing Rule 5.3, please refer to Appendix A for a listing of all tenement holdings.

Authorised for release by the Board of Directors.

For further information, please visit www.chalicemining.com or contact:

Corporate Enquiries

Alex Dorsch
Managing Director & CEO
Chalice Mining Limited
+61 8 9322 3960
info@chalicemining.com

Media Enquiries

Nicholas Read
Principal and Managing Director
Read Corporate Investor Relations
+61 8 9388 1474
info@readcorporate.com.au

Follow our communications

LinkedIn: [chalice-mining](https://www.linkedin.com/company/chalice-mining)
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Competent Person Statement

The information in this Report that relates to previously reported exploration results for the Gonneville Nickel-Copper-PGE Project is extracted from the following ASX announcements:

- « “Significant High-Grade PGE-Cu-Au Extensions at Julimar”, 18 November 2020
- « “Major Northern Extension of Gonneville Intrusion Confirmed”, 19 October 2022.
- « “Gonneville Resource Increases by Approx. 50% to ~3Mt NiEq” 28 March 2023.
- « “New Wide High-grade Zones in 900m Step-out Drill Hole”, 31 July 2023

The above announcements are available to view on the Company's website at www.challicemining.com. The Company confirms that it is not aware of any new information or data that materially affects the exploration results included in the relevant original market announcements. The Company confirms that the form and context in which the Competent Person's findings are presented have not been materially modified from the relevant original market announcements.

The information in this announcement that relates to Mineral Resources has been extracted from the ASX announcement titled “Gonneville Resource Increases by Approx. 50% to ~3Mt NiEq” dated 28 March 2023. This announcement is available to view on the Company's website at www.challicemining.com.

The Company confirms that it is not aware of any new information or data that materially affects the information included in the original announcement and that all material assumptions and technical parameters underpinning the estimates in the original release continue to apply and have not materially changed. The Company confirms that the form and context in which the Competent Person's findings are presented have not been materially modified from the relevant original market announcement. Refer to Appendix B and Appendix C for further information on the Mineral Resource Estimate and metal equivalents.

Production Targets and Forecast Financial Information

The production targets and forecast financial information disclosed in this Report is extracted from the Company's ASX announcement “Gonneville Nickel-Copper-PGE Project Scoping Study”, dated 29 August 2023.

All material assumptions underpinning the production targets and forecast financial information derived from the production targets in the previous announcement continue to apply and have not materially changed.

Cautionary Statement

This Report includes information extracted from the Company's ASX announcement dated 29 August 2023, titled “Gonneville Nickel-Copper-PGE Project Scoping Study”.

For the production targets and forecast financial information for the 15Mtpa Case scenario (modelled LOM - 19 years), Inferred Resources comprise 14% of the production schedule over the modelled Life of Mine (LOM). For the 30Mtpa Case scenario (modelled LOM - 18 years), Inferred Resources comprise 37% of the production schedule over the modelled Life of Mine (LOM). Significantly, in both the 15Mtpa Case and 30Mtpa Case scenarios, the Inferred Mineral Resources do not play a prominent role in the initial mine plan. Throughout the first 15 years of production, the Inferred Mineral Resources constitute less than ~20% in both production schedules. Accordingly, Chalice has concluded that it is satisfied that the financial viability of both development cases modelled in the Scoping Study is not dependent on the inclusion of Inferred Resources early in the production schedule given an estimated payback period (from commencement of production) of ~2 years for the 15Mtpa Case and the 30Mtpa Case.

There is a low level of geological confidence associated with Inferred Mineral Resources and there is no certainty that further exploration work will result in the determination of Indicated Mineral Resources or that the production targets themselves will be realised.

Mineral Resources Reporting Requirements

As an Australian Company with securities listed on the Australian Securities Exchange (ASX), Chalice is subject to Australian disclosure requirements and standards, including the requirements of the Corporations Act 2001 and the ASX listing rules. It is a requirement of the ASX listing rules that the reporting of exploration results and mineral resources estimates are in accordance with the 2012 edition of the Australasian Code for Reporting of exploration Results, Minerals Resources and Ore Reserves ("JORC Code").

The requirements of JORC Code differ in certain material respects from the disclosure requirements of United States securities laws and other reporting regimes. There is no assurance that the Company's mineral resource estimates and related disclosures prepared under the JORC Code would be the same as those prepared under United States securities law and other reporting regimes. The terms used in this announcement are as defined in the JORC Code. The definitions of these terms differ from the definitions of such terms for purposes of the disclosure requirements in the United States and other reporting regimes.

Mineral Resource Estimates that are not Ore Reserves do not have demonstrated technical feasibility and economic viability. Due to lower certainty, the inclusion of Mineral Resource Estimates should not be regarded as a representation by Chalice that such amounts can be economically exploited, and investors are cautioned not to place undue reliance upon such figures. No assurances can be given that the estimates of Mineral Resources presented in this report will be recovered at the tonnages and grades presented, or at all.

Reliance on Third-Party Information

This Report contains information that has been derived from third party sources that has not been independently verified. No representation or warranty is made as to the accuracy, completeness or reliability of the information.

Forward Looking Statements

This Report may contain forward-looking statements and forward information, (collectively, forward-looking statements). These forward-looking statements are made as of the date of this Report and Chalice Mining 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 impact of the discovery on the Gonneville Project's capital payback; the Company's planned strategy and corporate objectives; "objectives of the strategic partnering process", the realisation of Mineral Resource Estimates; anticipated production; sustainability initiatives; climate change scenarios; the likelihood of further exploration success; the timing of planned exploration and study activities on the Company's projects; mineral processing strategy; access to sites for planned drilling activities; planned production and operating costs profiles; planned capital requirements; the success of future potential mining operations and the timing of the receipt of exploration results.

In certain cases, forward-looking statements can be identified by the use of words such as, "aiming", "anticipate", "commence", "considered", "continue", "could", "estimate", "expected", "for", "forecast", "future", "indicates", "interpreted", "is", "likely", "may", "optionality", "open", "plan" or "planned", "potential", "provides", "predicted", "strategy", "target", "will" 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; whether geophysical and geochemical anomalies are related to economic mineralisation or some other feature; whether visually identified mineralisation is confirmed by laboratory assays; obtaining appropriate approvals to undertake exploration activities; metal grades being realised; metallurgical

recovery rates being realised; results of planned metallurgical test work including results from other zones not tested yet, scaling up to commercial operations; changes in project parameters as plans continue to be refined; changes in exploration programs and budgets based upon the results of exploration; successful completion of the strategic partnering process; changes in commodity prices and economic conditions; political and social risks, accidents, labour disputes and other risks of the mining industry; delays or difficulty in obtaining governmental approvals, necessary licences, permits or financing to undertake future mining development activities; changes to the regulatory framework within which Chalice operates or may in the future; movements in the share price of investments and the timing and proceeds realised on future disposals of investments 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 the ASX at asx.com.au.

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.

The following information is provided in accordance with ASX Listing Rule 5.3 for the quarter ended 30 September 2023.

Table 1. Listing of tenements held

Location	Project	Tenement No.	Registered Holder	Nature of interest
Western Australia	Nulla South	E77/2353 to E77/2354	CGM (WA) Pty Ltd	20% - JV with Ramelius Resources
	Gonneville	E70/5118 to E70/5119	CGM (WA) Pty Ltd	100%
	Kings (regional)	E70/5350	CGM (West Yilgarn) Pty Ltd	100%
		E70/5351	CGM (Julimar) Pty Ltd	100%
		E70/5352	CGM (West Yilgarn) Pty Ltd	100%
		E70/5353	CGM (WA) Pty Ltd	100%
		E70/5354	CGM (West Yilgarn) Pty Ltd	100%
		E70/5358 to E70/5361	CGM (West Yilgarn) Pty Ltd	100%
		E70/5367 to E70/5369	CGM (West Yilgarn) Pty Ltd	100%
		E70/5373	CGM (West Yilgarn) Pty Ltd	100%
		E70/5151	Northam Resources Limited	0% - Earn-in agreement, right to earn up to a 75% interest
		E70/5704	CGM (West Yilgarn) Pty Ltd	100%
		E70/5865	CGM (West Yilgarn) Pty Ltd	100%
	Northam Resources JV	E70/6481 to E70/6482	OBR Exploration Pty Ltd	
		E70/3536-I	Northam Resources Limited	
		E70/4243-I	Northam Resources Limited	
		E70/4508-I	Northam Resources Limited	
		E70/4692-I	Northam Resources Limited	
		E70/5035	Northam Resources Limited	
		E70/5097	Northam Resources Limited	
		E70/5125 to E70/5127	Northam Resources Limited	0% - Earn in agreement, right to earn up to a 70% interest.
		E70/5139 to E70/5140	Northam Resources Limited	
		E70/5149 to E70/5150	Northam Resources Limited	
		E70/5152 to E70/5153	Northam Resources Limited	
		E70/5276 to E70/5277	Northam Resources Limited	
		E70/5426	Northam Resources Limited	
		E70/5456	Northam Resources Limited	
		E70/5724	Northam Resources Limited	

Location	Project	Tenement No.	Registered Holder	Nature of interest
	Auralia	E70/5757 to E70/5759	Northam Resources Limited	
		E69/3636 to E69/3637	CGM (South Yilgarn) Pty Ltd	100% - SensOre Ltd has the right to earn up to a 70% interest
		E69/3700	CGM (South Yilgarn) Pty Ltd	
	Barrabarra	E70/5263 to E70/5264	CGM (West Yilgarn) Pty Ltd	100%
		E70/5355 to E70/5356	CGM (West Yilgarn) Pty Ltd	100%
		E70/5535	CGM (West Yilgarn) Pty Ltd	100%
		E70/5550 to E70/5551	CGM (West Yilgarn) Pty Ltd	100%
		E70/5560 to E70/5561	Koojan Exploration Pty Ltd	0% - Earn in agreement, right to earn up to an 80% interest
		E70/5624	CGM (West Yilgarn) Pty Ltd	100%
		E70/5666 to E70/5667	CGM (West Yilgarn) Pty Ltd	100%
		E70/5695	CGM (West Yilgarn) Pty Ltd	100%
		E70/5705 to E70/5706	CGM (West Yilgarn) Pty Ltd	100%
		E59/2451	CGM (West Yilgarn) Pty Ltd	100%
		E59/2549	CGM (West Yilgarn) Pty Ltd	100%
	South West	E70/5086	CGM (West Yilgarn) Pty Ltd	100%
		E70/5532	CGM (West Yilgarn) Pty Ltd	100%
		E70/5685	CGM (West Yilgarn) Pty Ltd	100%
		E70/6219	CGM (West Yilgarn) Pty Ltd	100%
		E70/4837	CGM (West Yilgarn) Pty Ltd (51%) & Venture Lithium Pty Ltd (49%)	Earn-in agreement, right to earn up to a 70% interest
		E70/5067	CGM (West Yilgarn) Pty Ltd (51%) & Venture Lithium Pty Ltd (49%)	
		E70/5421	CGM (West Yilgarn) Pty Ltd (51%) & Venture Lithium Pty Ltd (49%)	
	Wubin	E70/5357	CGM (West Yilgarn) Pty Ltd	100%
		E09/2436	CGM (West Yilgarn) Pty Ltd	100%
	Narryer	E09/2704	Red Heart Mines Pty Ltd	0% - Earn in agreement, right to earn up to a 75% interest
		E09/2446 to E09/2447	CGM (West Yilgarn) Pty Ltd	100%
Northern Territory	Warrego North	EL23764	CGM (WA) Pty Ltd (51%) & Meteoric Resources NL (49%)	Earn-in agreement, right to earn up to a 70% interest
		EL31608	CGM (WA) Pty Ltd	100% - TC Resources NT Pty Ltd has the right to earn up to a 75% interest
		EL31610	CGM (WA) Pty Ltd	

Table 2. Listing of tenements acquired (directly or beneficially) during the quarter

Location	Project	Tenement No.	Registered Holder	Interest at end of quarter
Western Australia	Northam Resources JV	E70/6481 to E70/6482	OBR Exploration Pty Ltd	0% - Earn in agreement, right to earn up to a 70% interest
		E70/3536-I	Northam Resources Limited	
		E70/4243-I	Northam Resources Limited	
		E70/4508-I	Northam Resources Limited	
		E70/4692-I	Northam Resources Limited	
		E70/5035	Northam Resources Limited	
		E70/5097	Northam Resources Limited	
		E70/5125 to E70/5127	Northam Resources Limited	
		E70/5139 to E70/5140	Northam Resources Limited	
		E70/5149 to E70/5150	Northam Resources Limited	
		E70/5152 to E70/5153	Northam Resources Limited	
		E70/5276 to E70/5277	Northam Resources Limited	
		E70/5426	Northam Resources Limited	
		E70/5456	Northam Resources Limited	
		E70/5724	Northam Resources Limited	
		E70/5757 to E70/5759	Northam Resources Limited	

Table 3. Tenements relinquished, reduced or lapsed (directly or beneficially) during the quarter

Location	Project	Tenement No.	Registered Holder	Interest at end of quarter
Western Australia	Hawkstone	E04/1169	Waterford Bay Pty Ltd	0%
		E04/2405	Kimberley Alluvials Pty Ltd	0%
		E04/2563	Waterford Bay Pty Ltd	0%
		E04/2784	CGM (WA) Pty Ltd	0%
		E04/2299	Strategic Metals Pty Ltd	0%
		E04/2325	Strategic Metals Pty Ltd	0%

Appendix B Mineral Resource Estimate – Gonneville Project

Table 4. Gonneville Mineral Resource Estimate (JORC Code 2012), 28 March 2023.

Domain	Cut-off Grade	Category	Mass	Grade								Contained Metal							
			(Mt)	Pd (g/t)	Pt (g/t)	Au (g/t)	Ni (%)	Cu (%)	Co (%)	NiEq (%)	PdEq (g/t)	Pd (Moz)	Pt (Moz)	Au (Moz)	Ni (kt)	Cu (kt)	Co (kt)	NiEq (kt)	PdEq (Moz)
Oxide	0.9g/t Pd	Measured	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
		Indicated	7.3	1.9	-	0.06	-	-	-	-	2.0	0.45	-	0.01	-	-	-	-	0.47
		Inferred	0.2	1.9	-	0.07	-	-	-	-	2.0	0.01	-	0.00	-	-	-	-	0.02
		Subtotal	7.5	1.9	-	0.06	-	-	-	-	2.0	0.47	-	0.01	-	-	-	-	0.49
Sulphide (Transitional)	0.35% NiEq	Measured	0.38	0.82	0.17	0.03	0.19	0.17	0.020	0.70	2.2	0.01	-	-	0.72	0.63	0.07	2.7	0.03
		Indicated	14	0.66	0.15	0.03	0.16	0.10	0.018	0.54	1.7	0.30	0.07	0.01	22	14	2.5	77	0.77
		Inferred	0.27	0.60	0.16	0.03	0.15	0.12	0.015	0.54	1.7	0.01	-	-	0.42	0.32	0.04	1.5	0.01
		Subtotal	15	0.66	0.15	0.03	0.16	0.10	0.018	0.55	1.7	0.31	0.07	0.01	23	15	2.6	81	0.81
Sulphide (Fresh)	0.35% NiEq	Measured	2.3	1.1	0.26	0.03	0.24	0.18	0.019	0.87	2.7	0.08	0.02	-	5.4	4.2	0.43	20	0.20
		Indicated	280	0.67	0.15	0.03	0.16	0.09	0.015	0.53	1.7	6.0	1.3	0.23	440	260	43	1500	15
		Inferred	200	0.67	0.15	0.03	0.15	0.09	0.015	0.53	1.6	4.4	0.96	0.16	310	180	29	1100	11
		Subtotal	480	0.67	0.15	0.03	0.16	0.09	0.015	0.53	1.7	10	2.3	0.39	750	440	72	2600	26
Underground	0.40% NiEq	Measured	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
		Indicated	1.7	0.75	0.21	0.06	0.14	0.08	0.013	0.55	1.7	0.04	0.01	-	2.4	1.4	0.23	9.5	0.10
		Inferred	52	0.78	0.17	0.03	0.16	0.11	0.015	0.59	1.8	1.3	0.28	0.05	83	56	7.7	310	3.1
		Subtotal	54	0.78	0.17	0.03	0.16	0.11	0.015	0.59	1.8	1.3	0.29	0.06	86	57	7.9	320	3.2
All		Measured	2.7	1.1	0.24	0.03	0.23	0.18	0.019	0.85	2.6	0.09	0.02	-	6.2	4.9	0.51	23	0.23
		Indicated	300	0.70	0.15	0.03	0.16	0.09	0.015	0.54	1.7	6.8	1.4	0.26	460	280	45	1600	16
		Inferred	250	0.70	0.15	0.03	0.15	0.09	0.015	0.54	1.7	5.7	1.2	0.22	390	230	37	1400	14
		Total	560	0.70	0.15	0.03	0.16	0.09	0.015	0.54	1.7	13	2.7	0.48	860	520	83	3000	30

Note some numerical differences may occur due to rounding to 2 significant figures.

PdEq oxide (Palladium Equivalent g/t) = Pd (g/t) + 1.27x Au (g/t)

NiEq sulphide (Nickel Equivalent %) = Ni (%) + 0.32x Pd(g/t) + 0.21x Pt(g/t) + 0.38x Au(g/t) + 0.83x Cu(%) + 3.00x Co(%)

PdEq sulphide (Palladium Equivalent g/t) = Pd (g/t) + 0.67x Pt(g/t) + 1.17 x Au(g/t) + 3.11x Ni(%) + 2.57x Cu(%) + 9.33x Co(%)

Underground resources are outside the pit above a 0.40% NiEq cut off grade based on sub-level caving mining method

Includes drill holes drilled up to and including 11 December 2022.

Table 5. Higher-grade sulphide component of Gonneville Resource (in pit and underground), 28 March 2023.

Domain	Cut-off Grade	Category	Mass	Grade								Contained Metal							
			(Mt)	Pd (g/t)	Pt (g/t)	Au (g/t)	Ni (%)	Cu (%)	Co (%)	NiEq (%)	PdEq (g/t)	Pd (Moz)	Pt (Moz)	Au (Moz)	Ni (kt)	Cu (kt)	Co (kt)	NiEq (kt)	PdEq (Moz)
High-grade Sulphide (Transitional)	0.6% NiEq	Measured	0.17	1.2	0.24	0.05	0.24	0.25	0.023	0.97	3.0	0.01	-	-	0.41	0.43	0.04	1.7	0.02
		Indicated	3.4	1.1	0.21	0.04	0.20	0.16	0.020	0.79	2.5	0.12	0.02	-	6.6	5.3	0.69	27	0.27
		Inferred	0.07	0.84	0.18	0.03	0.22	0.26	0.019	0.81	2.5	-	-	-	0.16	0.18	0.01	0.57	0.01
		Subtotal	3.6	1.1	0.21	0.04	0.20	0.16	0.021	0.80	2.5	0.12	0.02	-	7.2	5.9	0.74	29	0.29
High-grade Sulphide (Fresh)	0.6% NiEq	Measured	0.88	2.2	0.47	0.05	0.39	0.35	0.027	1.6	4.9	0.06	0.01	-	3.4	3.1	0.24	14	0.14
		Indicated	58	1.2	0.26	0.06	0.20	0.18	0.018	0.87	2.7	2.3	0.48	0.11	120	100	10	500	5.1
		Inferred	40	1.3	0.26	0.06	0.19	0.18	0.017	0.87	2.7	1.6	0.33	0.08	75	73	6.6	340	3.5
		Subtotal	98	1.2	0.26	0.06	0.20	0.18	0.017	0.88	2.7	3.9	0.82	0.19	200	180	17	860	8.7
Underground	0.6% NiEq	Measured	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
		Indicated	0.4	1.2	0.36	0.12	0.14	0.11	0.014	0.78	2.5	0.02	-	-	0.61	0.46	0.06	3.3	0.03
		Inferred	13	1.4	0.27	0.06	0.20	0.20	0.017	0.93	2.9	0.58	0.12	0.03	26	26	2.2	120	1.2
		Subtotal	14	1.4	0.28	0.06	0.20	0.19	0.017	0.93	2.9	0.60	0.12	0.03	27	26	2.3	130	1.3
All		Measured	1.1	2.0	0.43	0.05	0.37	0.33	0.026	1.5	4.6	0.07	0.01	-	3.8	3.5	0.28	15	0.15
		Indicated	62	1.2	0.25	0.06	0.20	0.18	0.018	0.87	2.7	2.4	0.50	0.11	130	110	11	530	5.4
		Inferred	53	1.3	0.26	0.06	0.19	0.19	0.017	0.89	2.8	2.2	0.45	0.11	100	99	8.8	470	4.7
		Total	120	1.3	0.26	0.06	0.20	0.18	0.017	0.88	2.7	4.7	0.97	0.22	230	210	20	1000	10

Note some numerical differences may occur due to rounding to 2 significant figures.

This higher-grade component is contained within the reported global Mineral Resource.

PdEq oxide (Palladium Equivalent g/t) = Pd (g/t) + 1.27x Au (g/t)

NiEq sulphide (Nickel Equivalent %) = Ni (%) + 0.32x Pd(g/t) + 0.21x Pt(g/t) + 0.38x Au(g/t) + 0.83x Cu(%) + 3.00x Co(%)

PdEq sulphide (Palladium Equivalent g/t) = Pd (g/t) + 0.67x Pt(g/t) + 1.17 x Au(g/t) + 3.11x Ni(%) + 2.57x Cu(%) + 9.33x Co(%)

Underground resources are outside the pit above a 0.40% NiEq cut off grade based on sub-level caving mining method

Includes drill holes drilled up to and including 11 December 2022.

The Gonneville Resource is quoted in both nickel equivalent (NiEq) and palladium equivalent (PdEq) terms to take into account the contribution of multiple potentially payable metals. The cut-off grade for the sulphide domain was determined using NiEq in preference over PdEq, due to the assumed requirement for sulphide flotation to recover the metals.

PdEq is quoted given the relative importance of palladium by value at the assumed prices. Separate metal equivalent calculations are used for the oxide and transitional/sulphide zones to take into account the differing metallurgical recoveries in each zone.

Oxide Domain

Initial metallurgical testwork indicates that only palladium and gold are likely to be recovered in the oxide domain, therefore no NiEq grade has been quoted for the oxide. The PdEq grade for the oxide has been calculated using the formula:

$\text{PdEq oxide (g/t)} = \text{Pd (g/t)} + 1.27 \times \text{Au (g/t)}.$

- « Metal recoveries based on limited metallurgical test work completed to date:
 - « Pd – 75%, Au – 90%.
- « Metal prices used are consistent with those used in the Resource pit optimisation:
 - « US\$1,800/oz Pd, US\$1,800/oz Au

Transitional and Fresh Sulphide Domains

Based on metallurgical testwork completed to date for the sulphide domain, it is the Company's opinion that all the quoted elements included in metal equivalent calculations (palladium, platinum, gold, nickel, copper and cobalt) have a reasonable potential of being recovered and sold.

Only limited samples have been collected from the transitional zone due to its relatively small volume. Therefore, the metallurgical recovery of all metals in this domain are unknown. However, given the relatively small proportion of the transition zone in the Mineral Resource, the impact on the metal equivalent calculation is not considered to be material.

Metal equivalents for the transitional and sulphide domains are calculated according to the formula below:

- « $\text{NiEq\%} = \text{Ni (\%)} + 0.32 \times \text{Pd (g/t)} + 0.21 \times \text{Pt (g/t)} + 0.38 \times \text{Au (g/t)} + 0.83 \times \text{Cu (\%)} + 3.00 \times \text{Co (\%)};$
- « $\text{PdEq (g/t)} = \text{Pd (g/t)} + 0.67 \times \text{Pt (g/t)} + 1.17 \times \text{Au (g/t)} + 3.11 \times \text{Ni (\%)} + 2.57 \times \text{Cu (\%)} + 9.33 \times \text{Co (\%)}.$

Metal recoveries used in the metal equivalent calculations are based on rounded average Resource grades for the sulphide domain (>0.35% NiEq cut-off):

- « Pd – 60%, Pt – 60%, Au – 70%, Ni – 45%, Cu – 85%, Co – 45%.

Metal prices used are consistent with those used in the Resource pit optimisation:

- « US\$1,800/oz Pd, US\$1,200/oz Pt, US\$1,800/oz Au, US\$24,000/t Ni, US\$10,500/t Cu and US\$72,000/t Co.

Appendix 5B

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Name of entity

Chalice Mining Limited

ABN

47 116 648 956

Quarter ended ("current quarter")

30 September 2023

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (3 months) \$A'000
1.	Cash flows from operating activities		
1.1	Receipts from customers	12	12
1.2	Payments for		
	(a) exploration & evaluation	(13,131)	(13,131)
	(b) development	-	-
	(c) production	-	-
	(d) staff costs	(974)	(974)
	(e) administration and corporate costs	(317)	(317)
1.3	Dividends received (see note 3)	-	-
1.4	Interest received	1,462	1,462
1.5	Interest and other costs of finance paid	(32)	(32)
1.6	Income taxes (paid)/received	-	-
1.7	Government grants and tax incentives	-	-
1.8	Other (payroll tax and GST)	(508)	(508)
1.9	Net cash from / (used in) operating activities	(13,488)	(13,488)
2.	Cash flows from investing activities		
2.1	Payments to acquire or for:		
	(a) entities	-	-
	(b) tenements	-	-
	(c) property, plant and equipment	(4,457)	(4,457)
	(d) exploration & evaluation	-	-
	(e) investments	-	-
	(f) other non-current assets	-	-

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (3 months) \$A'000
2.2	Proceeds from the disposal of:		
	(a) entities	(59)	(59)
	(b) tenements	-	-
	(c) property, plant and equipment	-	-
	(d) investments	-	-
	(e) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other (provide details if material)	1	1
2.6	Net cash from / (used in) investing activities	(4,515)	(4,515)

3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	-	-
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	-	-
3.4	Transaction costs related to issues of equity securities or convertible debt securities	(81)	(81)
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	-	-
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	(113)	(113)
3.10	Net cash from / (used in) financing activities	(194)	(194)

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	145,223	145,223
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(13,488)	(13,488)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(4,515)	(4,515)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	(194)	(194)

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (3 months) \$A'000
4.5	Effect of movement in exchange rates on cash held	1	1
4.6	Cash and cash equivalents at end of period	127,027	127,027

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1	Bank balances	1,261	633
5.2	Call deposits	125,766	144,590
5.3	Bank overdrafts		-
5.4	Other (provide details)		-
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	127,027	145,223

6.	Payments to related parties of the entity and their associates	Current quarter \$A'000
6.1	Aggregate amount of payments to related parties and their associates included in item 1	407
6.2	Aggregate amount of payments to related parties and their associates included in item 2	-
<i>Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments.</i>		

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

7.	Financing facilities <i>Note: the term "facility" includes all forms of financing arrangements available to the entity. Add notes as necessary for an understanding of the sources of finance available to the entity.</i>	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
7.1	Loan facilities	-	-
7.2	Credit standby arrangements	-	-
7.3	Other (please specify)	-	-
7.4	Total financing facilities	-	-
7.5	Unused financing facilities available at quarter end		
7.6	Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.		

8.	Estimated cash available for future operating activities	\$A'000
8.1	Net cash from / (used in) operating activities (item 1.9)	(13,488)
8.2	(Payments for exploration & evaluation classified as investing activities) (item 2.1(d))	-
8.3	Total relevant outgoings (item 8.1 + item 8.2)	(13,488)
8.4	Cash and cash equivalents at quarter end (item 4.6)	127,027
8.5	Unused finance facilities available at quarter end (item 7.5)	-
8.6	Total available funding (item 8.4 + item 8.5)	127,027
8.7	Estimated quarters of funding available (item 8.6 divided by item 8.3)	9.4
<i>Note: if the entity has reported positive relevant outgoings (ie a net cash inflow) in item 8.3, answer item 8.7 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.7.</i>		
8.8	If item 8.7 is less than 2 quarters, please provide answers to the following questions:	
8.8.1	Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?	
Answer: Not applicable		
8.8.2	Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?	
Answer: Not applicable		
8.8.3	Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?	
Answer: Not applicable		
<i>Note: where item 8.7 is less than 2 quarters, all of questions 8.8.1, 8.8.2 and 8.8.3 above must be answered.</i>		

Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Date:31 October 2023.....

Authorised by:By the Board.....
(Name of body or officer authorising release – see note 4)

Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 6: Exploration for and Evaluation of Mineral Resources* and *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.
4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [name of board committee – eg Audit and Risk Committee]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.