

13 January 2020

Karri gold trend expanded to over 3km of strike extent

2020 exploration activities ramp-up at the district-scale Pyramid Hill Gold Project in Victoria

Highlights

- **Encouraging new assays received** for 3,275m of reconnaissance air-core (AC) drilling at the Karri Target – a **new** gold trend discovered in late 2019.
- The anomalous gold trend has now been extended to over **3km of strike**.
- The gold trend is **contiguous** between ~0.5-1.0km spaced AC drill lines and remains **open along strike**, pointing to the potential for a **significant gold system at depth**.
- **Strongly anomalous gold grades** for this early stage of shallow drilling continue to be intersected within the weathered top of Castlemaine Group basement, in zones of **abundant quartz veining with accompanying sulphides**.
- In-fill and step-out AC drilling continues, with assays pending for a further ~3,000m of drilling.
- A **diamond drill** rig will arrive on site in mid-January to complete an initial ~300m deep drill hole at each of the Karri, Ironbark North and Ironbark Targets.
- Based on real-time results from these initial holes, it is expected that further reconnaissance diamond drilling would follow to systematically test each target at depth.
- A high-resolution **2D seismic line** will be completed at Karri in Q1 2020 as an initial trial of the targeting technique.
- Chalice is well positioned in this exciting region with a **100%-owned, >5,000km²** land position and remains fully-funded to continue its systematic exploration at Pyramid Hill.

Chalice Gold Mines Limited ("Chalice" or "the Company") (ASX: CHN | OTCQB: CGMLF) is pleased to announce encouraging new reconnaissance air-core (AC) drilling results from the **Karri Target** at its 100%-owned **Pyramid Hill Gold Project**, located in the Bendigo Region of Victoria. The Karri Target is located 65km north-west of Bendigo, under 50-85m of Murray Basin cover.

The new results, which follow the initial discovery of the gold trend under cover at the Karri Target in late 2019 (refer ASX announcement on 12 December 2019), have significantly expanded the footprint and the robustness of the Karri Target.

The Company is also pleased to announce a significant ramp-up in activities at the Project, with the impending commencement of its maiden diamond drill program, along with a trial 2D seismic survey.

Chalice's Managing Director, Alex Dorsch, said: "The latest air-core drill results continue to demonstrate the scale and robustness of the gold trend under cover at the Karri Target, with a contiguous gold zone now extending over a strike length of more than 3km."

"Given the scale of the target, the favourable geological setting and the tenor of the results being generated by this relatively early stage of exploration, we believe there is the potential to discover a large-scale gold system at depth."

"The Karri gold trend has a consistent north-south orientation, sub-parallel to the interpreted position of the regional scale Muckleford Fault. This structural setting is similar to many large-scale gold deposits in the

Bendigo Zone, such as Fosterville, ~70km south-east of Karri, where the high-grade gold zones are associated with a secondary structure, sub-parallel to the regional-scale fault."

"In addition, given the location of very high-grade historical gold deposits along the Muckleford Fault to the south of the Project – such as Ballarat (~14Moz @ ~12g/t Au) and Maldon (~2Moz @ 33g/t Au) – we believe there is the potential for similar high grades to be intersected as we drill deeper."

"Our highly effective AC drilling program will continue throughout the current quarter, and we look forward to commencing our first diamond program and 2D seismic survey later this month to better understand the geology and structural controls, and to optimise our future drilling strategy."

"Our strong financial position and significant in-house technical expertise positions the Company exceptionally well for the systematic exploration program ahead."

AC drill results – Karri Target

The Company's 25,000m Phase 2 reconnaissance AC drill program continues at the Karri, Ironbark North and Ironbark Targets in the Muckleford Area. The program is designed to further refine the secondary gold and pathfinder dispersion zones defined in shallow, wide-spaced vertical AC drilling in Phase 1.

These dispersion zones in the weathered top of basement can be used to vector towards primary gold mineralisation in future deeper, tighter spaced drill holes.

A total of 99 Phase 2 AC drill holes for ~11,000m have now been completed at the Karri Target. Encouraging new assays have now been received for 3,275m of this program, following on from the initial 4,700m released in December (refer ASX Announcement on 12 December 2019).

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

Drilling tested the projected north-south strike of the main gold trend a further 1km south of the previous drilling, with results showing the anomalous gold zone now extends over 3km in strike length and is up to 500m wide.

Encouragingly, in-fill drilling has demonstrated that the zones are likely contiguous, and all identified zones remain open along strike to the north and south (**Figure 1**).

The in-fill and step-out drilling on 500m-spaced lines has returned anomalous gold values with the better gold intersections associated with zones of quartz veining with accompanying sulphides (pyrite ± arsenopyrite).

The gold zones are within an interbedded sequence of weathered sandstones and shales that have been variably altered (silicified) and show strongly elevated levels of arsenic (up to 220ppm), an important gold pathfinder in the region.

The highly anomalous gold grades intersected are considered significant for this early stage of wide-spaced, vertical reconnaissance drilling into the weathered top of basement only (**Figure 2**).

Future work – drilling

~20,500m of the ~25,000m Phase 2 AC program has now been completed in the Muckleford Area, with assays currently pending for ~3,000m of drilling at the Karri Target. Further reconnaissance AC drilling is currently underway at the Ironbark North Target, after which further step-out and in-fill AC drilling will be completed at the Karri Target on a 500m x 50m grid.

An initial diamond drill program will commence in mid-January in parallel to the ongoing Phase 2 AC drill program. One ~300m deep hole is planned at each of the Karri, Ironbark North and Ironbark Targets to

provide an early understanding of the local geology and structural controls. This initial information would be used to determine the optimal drilling strategy for the next phases of exploration.

Based on real-time results from these initial diamond holes, the program may be expanded. It is expected that further reconnaissance diamond drilling would follow these initial holes to systematically test each target at depth.

Future work – 2D seismic

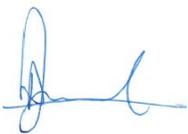
An initial 2D high-resolution seismic survey will be completed in February 2020. This initial trial survey has been designed to determine if the technique can resolve stratigraphic horizons, which could then be used to model the regional and prospect-scale geological setting and highlight any areas of enhanced structural complexity.

The survey has been designed to image the relatively shallow part of the underlying Castlemaine Group sediments and associated structures to a depth of ~2km. If successful, the technique may prove valuable in guiding and optimising future deeper drilling.

The ~15km east-west line will extend from the western margin of the Karri Target to the eastern boundary of the Muckleford Area (**Figure 3**). As such, the line will cross the interpreted positions of the regional-scale Campbelltown, Muckleford and Sebastian Faults beneath younger Murray Basin cover. These Faults are important controls of mineralisation in the region.

Geoscience Australia completed a crustal-scale 2D seismic transect in Victoria in 2006 which successfully resolved the positions of the regional scale faults across the southern part of the Company's Project. By utilising a higher resolution set-up, the Company expects that the 2D seismic technique will be effective in modelling shallow structural features in the Castlemaine Group.

Authorised for release on behalf of the Company by:



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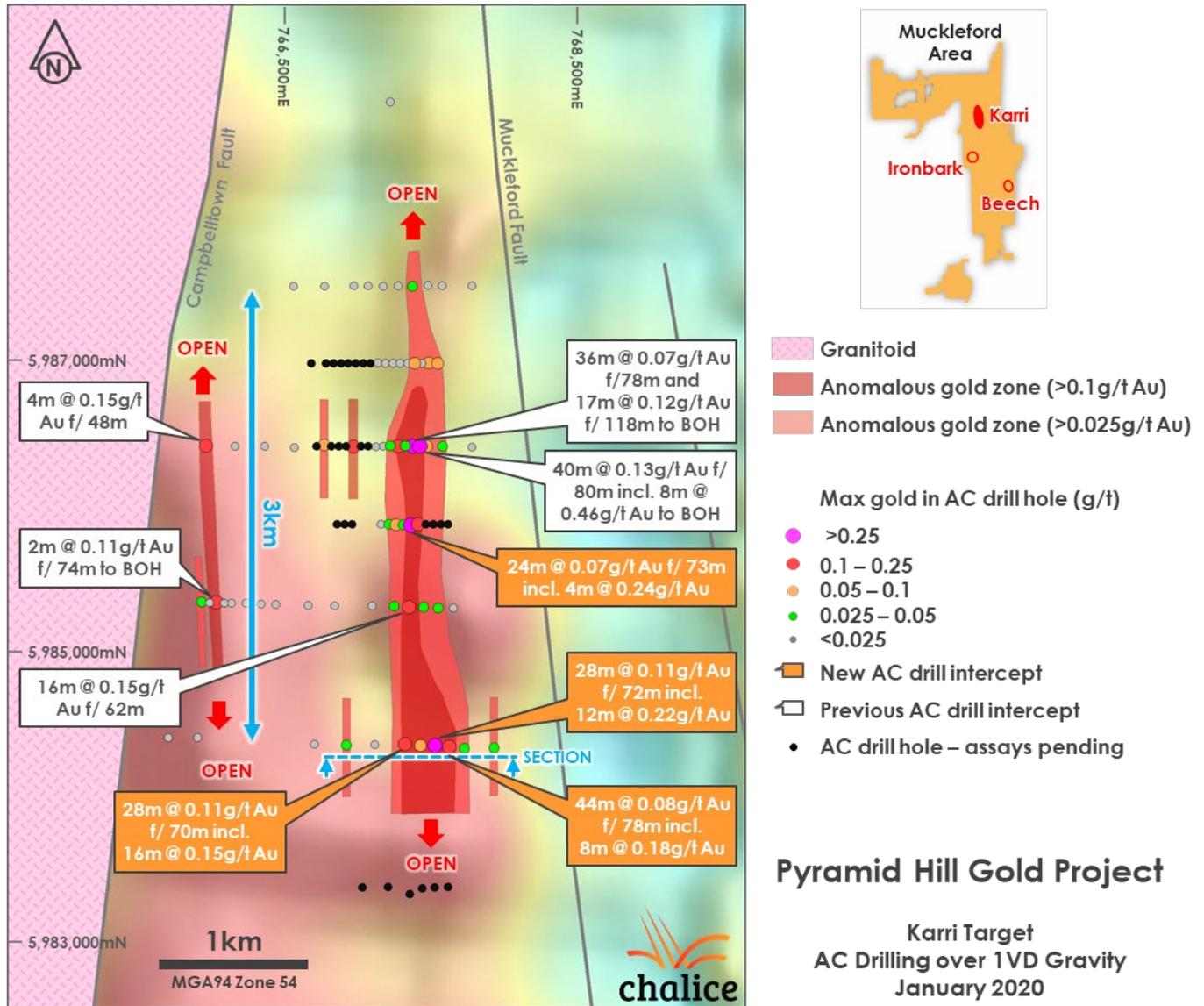


Figure 1. Karri Target Plan View – Maximum gold in AC drilling over gravity geophysics.

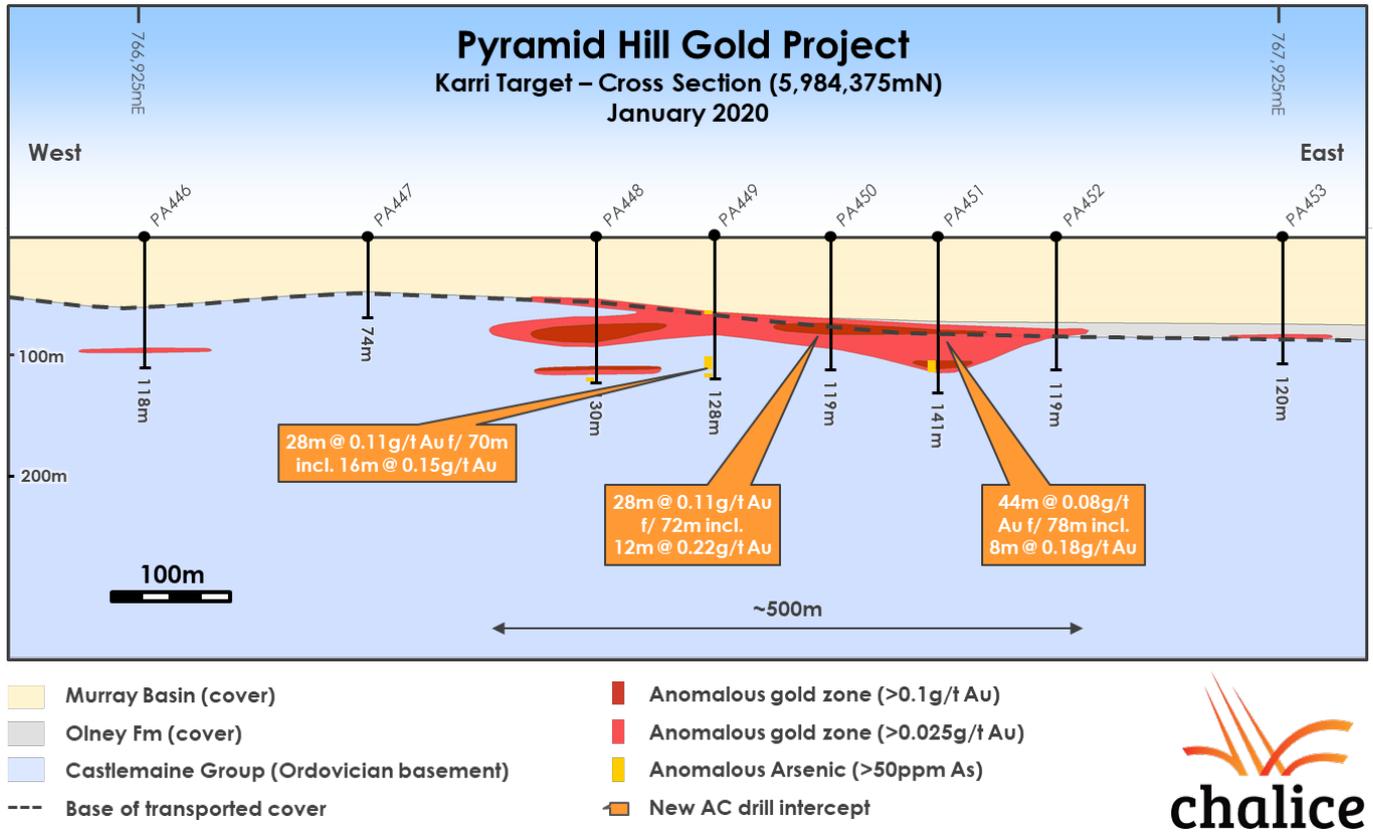


Figure 2. Karri Target Cross Section (5,984,375mN).

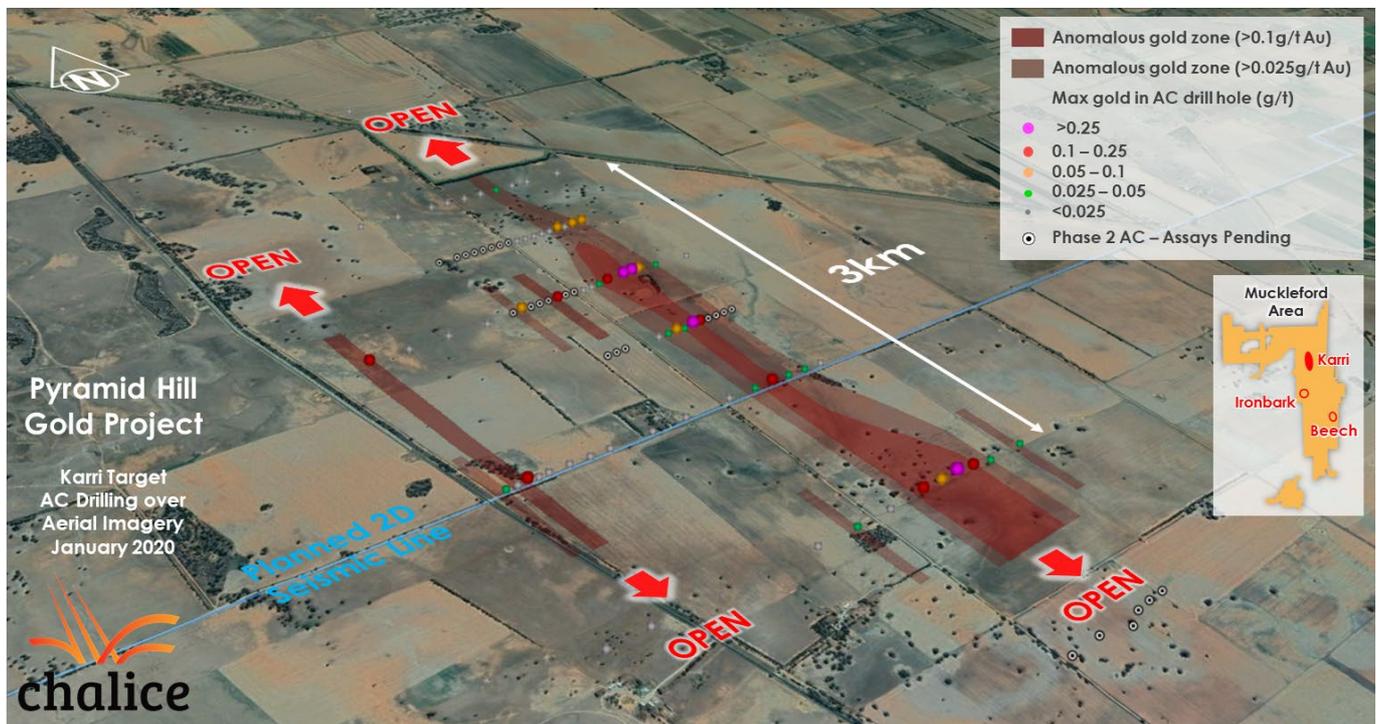


Figure 3. Karri Target Aerial View – gold trends and planned 2D seismic line over aerial imagery.

About the Pyramid Hill Gold Project, Victoria, Australia

The 100%-owned Pyramid Hill Gold Project was staked in 2017 and now covers an area of >5,000km² in the Bendigo region of Victoria. The Project comprises three key districts within the Murray Basin covered North Bendigo and North Stawell Zones: Muckleford, Mt William and Percydale (Figure 4).

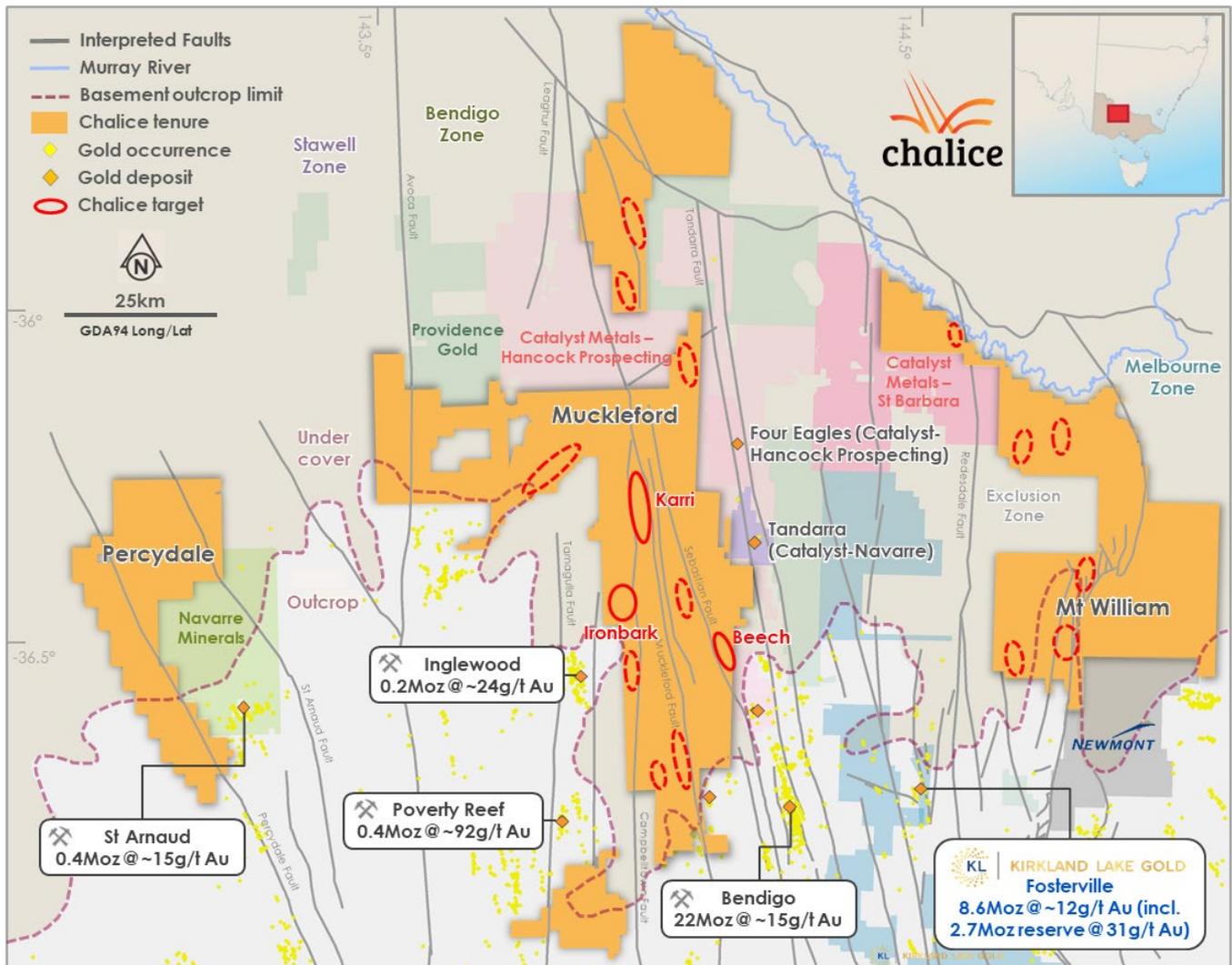


Figure 4. Pyramid Hill Gold Project tenure, regional land holders, gold deposits and occurrences.

The central Muckleford Area extends to the north-west of the high-grade historic >22Moz Bendigo Goldfield. The Mt William Area extends to the north-east of one of the world's highest-grade producing gold mines, the >8Moz Fosterville Gold Mine owned by Kirkland Lake Gold (NYSE / TSX: KL | ASX: KLA). The Percydale Area is located north-west of the historical St Arnaud Goldfield within the Stawell Zone.

The 'Gold Undercover' initiative by the Victorian Government in 2006-2009 estimated a potential ~32Moz (P50 mid-case) of undiscovered gold beneath Murray Basin cover in the Bendigo Zone. However, the vast majority of the under cover areas remain sparsely explored. Given the highly variable cover is less than 100m deep over a large portion of the Project, the Company believes the opportunity for new commercially viable gold discoveries is significant.

Chalice is targeting large-scale, high-grade gold discoveries under cover and is currently conducting a systematic, regional-scale greenfield exploration program. The Company is utilising all available targeting

tools at its disposal, including the substantial pre-existing regional geophysics database (including crustal scale 2D seismic), regional-scale soil sampling and ground geophysics.

Low-cost reconnaissance air-core (AC) drilling to the top of the target basement on wide-spaced lines is being used effectively to narrow the target search space over the very large Project area. ~60,000m of this drilling has been completed to date, which has outlined 3 high priority targets within the Muckleford Area – Ironbark, Ironbark North and Karri.

Competent Persons and Qualifying Persons Statement

The information in this announcement that relates to Exploration Results in relation to the Pyramid Hill Gold Project is based on information compiled by Dr. Kevin Frost BSc (Hons), PhD, a Competent Person, who is a Member of the Australian Institute of Geoscientists. Dr. Frost is a full-time employee of the company and has sufficient experience that is relevant to the activity being undertaken to qualify as a Competent Person as defined in the 2012 edition of the Australasian Code for Reporting of Exploration Results, Minerals Resources and Ore Reserves, and is a Qualified Person under National Instrument 43-101 – 'Standards of Disclosure for Mineral Projects'. The Qualified Person has verified the data disclosed in this release, including sampling, analytical and test data underlying the information contained in this release. Dr. Frost consents to the inclusion in the announcement of the matters based on his information in the form and context in which it appears.

The Information in this announcement that relates to previous exploration results for the Pyramid Hill Project is extracted from the ASX announcement entitled "Discovery of new >2km gold trend in air-core drilling at Karri Target indicates potential for a significant gold system" dated 12 December 2019 and "Shallow drilling hits gold in basement and outlines three high priority targets for follow-up at the Pyramid Hill Gold project, Victoria" dated 8 July 2019.

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

Forward Looking Statements

This announcement may contain forward-looking information within the meaning of Canadian securities legislation and forward-looking statements within the meaning of the United States Private Securities Litigation Reform Act of 1995 (collectively, forward-looking statements). These forward-looking statements are made as of the date of this report and Chalice Gold Mines Limited (the Company) does not intend, and does not assume any obligation, to update these forward-looking statements.

Forward-looking statements relate to future events or future performance and reflect Company management's expectations or beliefs regarding future events and include, but are not limited to, the Company's strategy, the price of O3 Mining Inc. securities and Spectrum Metals Limited securities, receipt of tax credits and the value of future tax credits, the estimation of mineral reserve and mineral resources, the realisation of mineral resource estimates, the likelihood of exploration success at the Company's projects, the prospectivity of the Company's exploration projects, the timing of future exploration activities on the Company's exploration projects, planned expenditures and budgets and the execution thereof, the timing and availability of drill results, potential sites for additional drilling, the timing and amount of estimated future production, costs of production, capital expenditures, success of mining operations, environmental risks, unanticipated reclamation expenses, title disputes or claims and limitations on insurance coverage.

In certain cases, forward-looking statements can be identified by the use of words such as "planned", or "will", "would", "followed", potential", "anticipated" "may", "completed", "impending", "likely", "expected", or variations of such words and phrases or statements that certain actions, events or results may, could, would, might or will be taken, occur or be achieved or the negative of these terms or comparable terminology. By their very nature forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Company to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements.

Such factors may include, among others, risks related to actual results of current or planned exploration activities; changes in project parameters as plans continue to be refined; changes in exploration programs based upon the results of exploration; future prices of mineral resources; possible variations in mineral resources or ore reserves, grade or recovery rates; accidents, labour disputes and other risks of the mining industry; delays in obtaining governmental

approvals or financing or in the completion of development or construction activities; movements in the share price of O3 Mining and Spectrum Metals securities and future proceeds and timing of potential sale of O3 Mining and Spectrum Metals securities, as well as those factors detailed from time to time in the Company's interim and annual financial statements, all of which are filed and available for review on SEDAR at sedar.com, ASX at asx.com.au and OTC Markets at otcmarkets.com.

Although the Company has attempted to identify important factors that could cause actual actions, events or results to differ materially from those described in forward-looking statements, there may be other factors that cause actions, events or results not to be as anticipated, estimated or intended. There can be no assurance that forward-looking statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on forward-looking statements.

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

Hole ID	From (m)	To (m)	Interval (m)	Gold (g/t)
PA448	70	98	28	0.11
Incl.	78	94	16	0.15
PA448	114	118	4	0.10
PA450	72	100	28	0.11
Incl.	76	88	12	0.22
PA451	82	86	4	0.17
PA451	110	118	8	0.18
PA509	89	93	4	0.24

Appendix 2: Pyramid Hill Gold Project – JORC Table 1

Section 1 Sampling Techniques and Data

Criteria	JORC Code explanation	Commentary
Sampling techniques	<ul style="list-style-type: none"> Nature and quality of sampling (eg. cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc). These examples should not be taken as limiting the broad meaning of sampling. Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used. Aspects of the determination of mineralisation that are Material to the Public Report. In cases where 'industry standard' work has been done this would be relatively simple (eg. 'reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30 g charge for fire assay'). In other cases more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (eg. submarine nodules) may warrant disclosure of detailed information. 	<ul style="list-style-type: none"> Aircore (AC) drilling samples were collected via 2-4m composite samples from 1m bulk samples using a pvc spear with each combined composite sample weighing approximately 3kg. 1m samples were taken within some mineralised zones using a spear. All composite and 1m samples were pulverised to nominal 85% passing 75 microns before being analysed . Qualitative care was taken to ensure representative sample weights were consistent when sampling on a metre by metre basis.

Criteria	JORC Code explanation	Commentary
Drilling techniques	<ul style="list-style-type: none"> • Drill type (eg. core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc) and details (eg. core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc). 	<ul style="list-style-type: none"> • The drilling was completed via an aircore (AC) drilling technique using both blade and/or face sampling hammer drill bit with a diameter of 102-104mm.
Drill sample recovery	<ul style="list-style-type: none"> • Method of recording and assessing core and chip sample recoveries and results assessed. • Measures taken to maximise sample recovery and ensure representative nature of the samples. • Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material. 	<ul style="list-style-type: none"> • Individual recoveries of 1m samples were recorded on a qualitative basis. Generally sample weights are comparable and any bias considered negligible. • No relationships have been noticed between sample grade and recoveries.
Logging	<ul style="list-style-type: none"> • Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies. • Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography. • The total length and percentage of the relevant intersections logged. 	<ul style="list-style-type: none"> • All drill holes were logged geologically including but not limited to weathering, regolith, lithology, structure, texture, alteration and mineralisation. Logging was at an appropriate quantitative standard to support future geological, engineering and metallurgical studies. • Logging is considered quantitative in nature. • All holes were geologically logged in full.
Sub-sampling techniques and sample preparation	<ul style="list-style-type: none"> • If core, whether cut or sawn and whether quarter, half or all core taken. • If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry. • For all sample types, the nature, quality and appropriateness of the sample preparation technique. • Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples. • Measures taken to ensure that the sampling is representative of the in-situ material collected, including for instance results for field duplicate/second-half sampling. • Whether sample sizes are appropriate to the grain size of the material being sampled. 	<ul style="list-style-type: none"> • 1 metre AC samples were collected in bulk form from the rig cyclone. 2-4m composite samples of the 1m samples were collected using a spear method. Where 1m samples were collected a spear method was also used. The majority of the samples were dry in nature. • Field duplicate samples were sent every 20th sample to check for assay repeatability. Results of duplicate samples were considered acceptable and within precision and accuracy limits for the style of mineralisation. • Sample sizes are considered appropriate for the style mineralisation sought and the initial reconnaissance nature of the drilling programme.
Quality of assay data and laboratory tests	<ul style="list-style-type: none"> • The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total. • For geophysical tools, spectrometers, handheld XRF instruments, etc, the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc. • Nature of quality control procedures adopted (eg. standards, blanks, duplicates, external 	<ul style="list-style-type: none"> • All samples were sent to ALS prep facility in Adelaide for sample preparation then on-sent to ALS Perth for chemical analysis. • 40 elements (including gold) were analysed using up to a 25g aqua regia method with an ICPAES and ICPMS finish depending on the elements (ALS method code – TL43-MEPKG). Aqua Regia techniques are not considered total in nature. Should refractory mineralisation be encountered this can

Criteria	JORC Code explanation	Commentary
	laboratory checks) and whether acceptable levels of accuracy (ie. lack of bias) and precision have been established.	<p>affect the nature of final results.</p> <ul style="list-style-type: none"> Chalice has its own internal QAQC procedure involving the use of certified reference materials. Standards - 4 per 100 samples, blanks - 1 per 100 samples and duplicates 4 per 100 samples which accounts for ~9% of the total submitted samples.
Verification of sampling and assaying	<ul style="list-style-type: none"> The verification of significant intersections by either independent or alternative company personnel. The use of twinned holes. Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols. Discuss any adjustment to assay data. 	<ul style="list-style-type: none"> Significant intersections are checked by the Project Senior Geologist and then by the General Manager of Exploration. Significant intersections are cross-checked with the geology logged and drill chips collected after final assays are received. No twin holes have been drilled for comparative purposes. The prospect is still considered to be in an early exploration stage. Primary data was digitally collected and entered via a field Toughbook computer using in house logging codes. The data is sent to Perth where the data is validated and entered into the master database. No adjustments have been made to the assay data received.
Location of data points	<ul style="list-style-type: none"> Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation. Specification of the grid system used. Quality and adequacy of topographic control. 	<ul style="list-style-type: none"> Hole collar locations have been picked up by Chalice employees using a handheld GPS with a +/- 5m error. The grid system used for the location of all drill holes is either MGA_GDA94 (Zone 54) or MGA_GDA94 (Zone 55). In this announcement coordinates are all in Zone 54. A grid zone boundary transects the larger project area. RL data is considered unreliable although topography around the drill area is flat and hence should not have any significant effect on the interpretation of data. RL's have been assigned from 1 sec (30m) satellite data.
Data spacing and distribution	<ul style="list-style-type: none"> Data spacing for reporting of Exploration Results. Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied. Whether sample compositing has been applied. 	<ul style="list-style-type: none"> Nominal drill hole spacing is generally 50-500m between aircore holes. The current spacing is not considered sufficient to assume any geological or grade continuity of the results intersected. No sample compositing has been applied.
Orientation of data in relation to geological structure	<ul style="list-style-type: none"> Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type. If the relationship between the drilling orientation and the orientation of key 	<ul style="list-style-type: none"> Sampling has been routinely completed beneath transported cover with no selective bias to any particular primary geological domain. Intersected anomalism to date is generally flat in nature however exact

Criteria	JORC Code explanation	Commentary
	<i>mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material.</i>	controls on gold anomalism remain unknown, as such its relationship to optimal drill direction (perpendicular to anomalism) remains unclear.
Sample security	<ul style="list-style-type: none"> The measures taken to ensure sample security. 	<ul style="list-style-type: none"> Chain of custody is managed by Chalice. Samples are stored on site before being transported by third parties to the laboratories in Adelaide and Perth.
Audits or reviews	<ul style="list-style-type: none"> The results of any audits or reviews of sampling techniques and data. 	<ul style="list-style-type: none"> No review has been carried out to date.

Section 2 Reporting of Exploration Results

Criteria	JORC Code explanation	Commentary
Mineral tenement and land tenure status	<ul style="list-style-type: none"> Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings. The security of the tenure held at the time of reporting along with any known impediments to obtaining a licence to operate in the area. 	<ul style="list-style-type: none"> Drilling was carried out within EL6737. All licences are wholly owned by CGM (WA) Pty Ltd, a wholly owned subsidiary of Chalice Gold Mines Limited with no known encumbrances.
Exploration done by other parties	<ul style="list-style-type: none"> Acknowledgment and appraisal of exploration by other parties. 	<ul style="list-style-type: none"> There has been little effective exploration completed by other parties in the immediate vicinity of the targets identified by Chalice to date. Chalice has compiled historic records dating back to the early 1980's which indicate only sporadic reconnaissance drilling has been completed by various parties over the project area. All known effective drill holes that reached the basement and were assayed for gold have been compiled. Homestake Mining completed initial surface sampling which has been evaluated and used by Chalice for some targeting purposes.
Geology	<ul style="list-style-type: none"> Deposit type, geological setting and style of mineralisation. 	<ul style="list-style-type: none"> The mineralisation being explored for is orogenic style similar to that seen within the Bendigo and Fosterville gold deposits of the Bendigo Zone. Gold mineralisation in these deposits is typically hosted by quartz veins within in the Ordovician age Castlemaine Group sediments. At Ironbark, there is a possibility the gold anomalism is associated with diorite intrusive rocks, possibly similar to some gold deposits within the Walhalla, Woods Point area in the Melbourne Zone.
Drill hole Information	<ul style="list-style-type: none"> A summary of all information material to the understanding of the exploration results including a tabulation of the following 	<ul style="list-style-type: none"> See Appendix 1 and Appendix 3.

Criteria	JORC Code explanation	Commentary
	<p>information for all Material drill holes:</p> <ul style="list-style-type: none"> o easting and northing of the drill hole collar o elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar o dip and azimuth of the hole o down hole length and interception depth o hole length. <p>• If the exclusion of this information is justified on the basis that the information is not Material and this exclusion does not detract from the understanding of the report, the Competent Person should clearly explain why this is the case.</p>	
Data aggregation methods	<ul style="list-style-type: none"> • In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (eg. cutting of high grades) and cut-off grades are usually Material and should be stated. • Where aggregate intercepts incorporate short lengths of high-grade results and longer lengths of low grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail. • The assumptions used for any reporting of metal equivalent values should be clearly stated. 	<ul style="list-style-type: none"> • A length-weighted averaging technique has been applied where necessary to produce all displayed and tabulated drill intersections. In Appendix 1 and in the figures, results are calculated using a minimum 0.025g/t lower cut-off grade and max 4m internal dilution. • Not Applicable. • Not Applicable.
Relationship between mineralisation widths and intercept lengths	<ul style="list-style-type: none"> • These relationships are particularly important in the reporting of Exploration Results. • If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported. • If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (eg. 'down hole length, true width not known'). 	<ul style="list-style-type: none"> • The relationship between gold anomalism and true width remains unknown. The anomalism reported is currently interpreted to be a product of secondary dispersion and/or directly related to gold bearing quartz veining in the primary Castlemaine basement
Diagrams	<ul style="list-style-type: none"> • 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. 	<ul style="list-style-type: none"> • Refer to figures in the body of text.
Balanced reporting	<ul style="list-style-type: none"> • 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. 	<ul style="list-style-type: none"> • Only significant results above 0.1g/t Au have been tabulated in Appendix 1. The results are considered representative with no intended bias.
Other substantive exploration data	<ul style="list-style-type: none"> • Other exploration data, if meaningful and material, should be reported including (but 	<ul style="list-style-type: none"> • Not Applicable.

Criteria	JORC Code explanation	Commentary
	<i>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.</i>	
Further work	<ul style="list-style-type: none"> • <i>The nature and scale of planned further work (eg. tests for lateral extensions or depth extensions or large-scale step-out drilling).</i> • <i>Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not</i> 	<ul style="list-style-type: none"> • Follow up drilling is being planned to better define the anomalous envelopes and to improve the understanding of potential geological controls to anomalism. • Target Zones and proposed drill holes as defined on the plan figures highlight the areas of most interest for initial further follow-up exploration.

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

Hole ID	MGA East z54 (mE)	MGA North z54 (mN)	RL (m)	Azimuth UTM (°)	Dip (°)	Depth (m)
PA447	767120	5984378	104	n/a	-90	74
PA448	767322	5984381	104	n/a	-90	130
PA449	767428	5984374	104	n/a	-90	128
PA450	767528	5984374	104	n/a	-90	119
PA451	767623	5984365	104	n/a	-90	141
PA452	767724	5984354	104	n/a	-90	119
PA453	767927	5984357	104	n/a	-90	120
PA454	765724	5984427	104	n/a	-90	70
PA455	765923	5984426	103	n/a	-90	64
PA493	767223	5988752	100	n/a	-90	126
PA494	767126	5986406	101	n/a	-90	115
PA495	767225	5986412	103	n/a	-90	119
PA496	767141	5986976	102	n/a	-90	118
PA497	767190	5986973	102	n/a	-90	129
PA498	767243	5986974	102	n/a	-90	139
PA499	767291	5986973	102	n/a	-90	141
PA500	767340	5986975	102	n/a	-90	144
PA501	767390	5986974	102	n/a	-90	154
PA502	767437	5986975	102	n/a	-90	138
PA503	767486	5986976	102	n/a	-90	126
PA504	767545	5986975	102	n/a	-90	138
PA505	767160	5985879	103	n/a	-90	129
PA506	767215	5985878	103	n/a	-75	83
PA507	767263	5985875	102	n/a	-90	139
PA508	767312	5985875	102	n/a	-90	120
PA509	767363	5985874	102	n/a	-90	120.5
PA510	767414	5985880	102	n/a	-90	132