ASX RELEASE

8 August 2019

DEEP DRILLING OF HIGH GRADE ALOTTA DEPOSIT CONFIRMED

Highlights

- Southern Geoscience Consultants (SGC) have completed additional plate modelling of the Alotta massive sulphide Priority 1 VTEM anomaly;
- The updated modelling assigns a 'shallow plate' to the known near surface Alotta Ni-Cu-Co-PGE mineralised lens which is terminated at about 90m by a porphyry body;
- The two alternative interpretations of a **'strong plate**' at depth below the drilled deposit are being **interpreted to be a possible extension of the high-grade Alotta deposit;**
- No deep drilling has been undertaken at Alotta and the planned hole offers an exciting opportunity to extend the known high-grade Ni-Cu-Co-PGE mineralisation to depth;
- The Company has assessed the 2018 drilling and selected **Hole ZA-18-01** as suitable to test for mineralisation at depth and to undertake a downhole EM (DHEM) survey if necessary;
- A DHEM survey operating at a lower frequency is expected to provide better resolution of any high conductance targets beneath Alotta; and,
- Drilling at Alotta by deepening hole ZA-18-01 is planned to follow-on from the Lorraine drill programme which is currently underway.

Chase Mining Corporation Limited ("CML" or "The Company") is pleased to announce that they have received a final report for the review of the Alotta Priority 1 VTEM anomaly. The Company commissioned Perth based Southern Geoscience Consulting (SGC) to undertake a Peer Review of the previously reported (ASX 16 May 2019) plate models associated with its five Priority 1 VTEM anomaly sites within the Lorraine project area and of the Alotta Priority 1 anomaly (ASX 17 July 2019).

A priority task for SGC was to validate the proposed drill targets at Lorraine ahead of the diamond drill programme. This work was completed and reported to (ASX 17 July 2019). SGC have now completed a review of the Alotta Priority 1 VTEM anomaly so allowing the Company to select one of its 2018 drilled holes, ZA-18-01, to deepen and to provide a downhole EM (DHEM) platform for the exploration of deeper massive sulphide targets beneath Alotta.

Alotta VTEM Anomaly

In addition to the final VTEM survey digital data the Company provided SGC with:

- A 3D mineralisation shell representing a 0.5% Ni+Cu envelope that encompasses the Alotta deposit;
- Historical (2000) drill collar locations and orientations;
- Recent (2018) drilling information – holes ZA-18-01 t0 ZA-18-09; and
- Interpreted sections of the mineralised lens generated by geological consultants Orix Geoscience.

The SGC review differed from the earlier interpretations by modelling a weak conductor within the mineralised lens in response to early-time VTEM data (early channels). This shallow conductor (green plate in Figure 1), did not explain the strong late-time VTEM response characteristic of the Alotta Priority 1 anomaly classification. A deeper, flatter conductor positioned below and outside the mineralised lens provides a better match for the observed late-time VTEM anomaly.

Two alternative models for a stronger and deeper conductor at depth were generated. The plate positions and orientations are not well constrained and need to be verified by a DHEM survey. SGC believes the VTEM data does not fully resolve the response from the strong conductor(s) due to the operating frequency of the system. A DHEM survey operating at a lower frequency is expected to provide better resolution of any high conductance targets beneath Alotta.

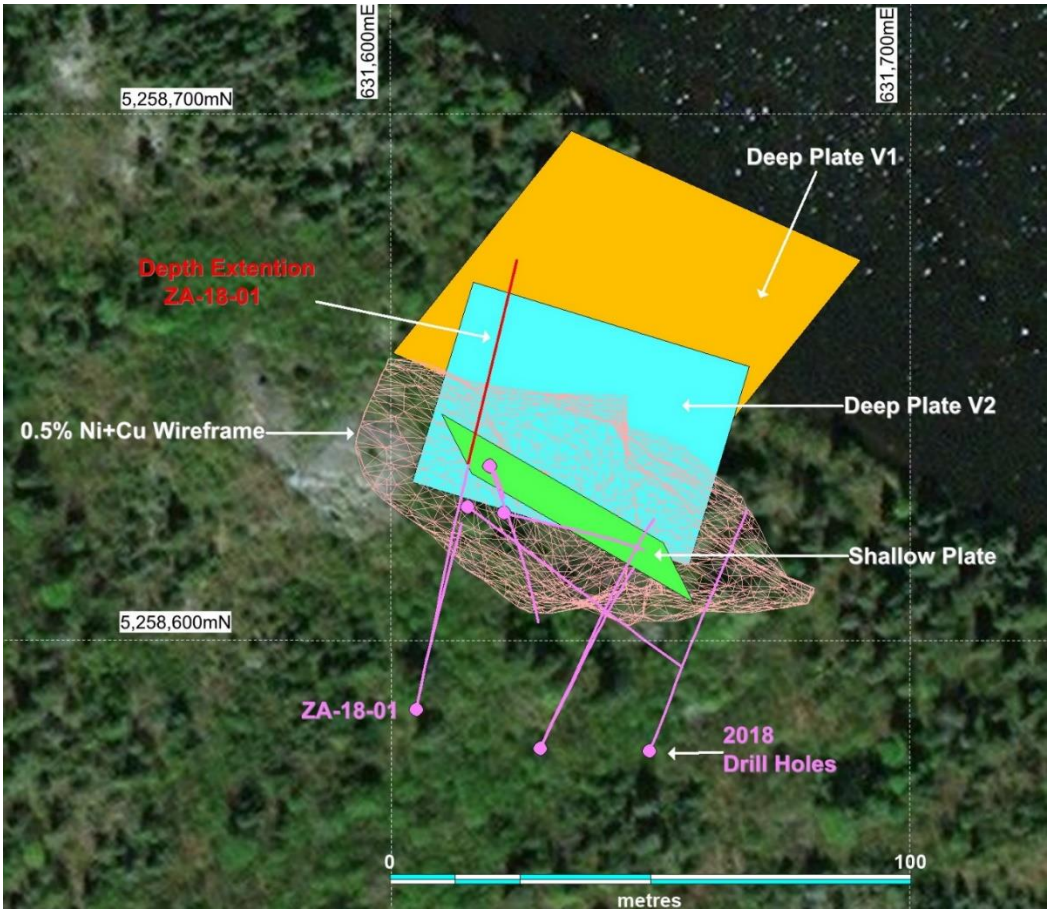

Figure 1: Alotta VTEM Plate Modelling – Shallow Plate is Drilled Mineralisation*.

Deeper Plates Represent Two Alternate Models (V1 is deeper than V2)

(*Coordinates NAD83 UTM Zone 17N)

None of the existing drilling tests the deeper VTEM models with only two historic holes approaching the area of the modelled plates. A 3D model of the mineralised shell (wireframe) and the modelled plates is shown in **Figure 2** (the historic drill collars are not shown in the figure).

SGC recommended that either of the two historic holes or one of the more recent holes could be extended to further investigate the deep, strong Priority VTEM anomaly.

(Information on the VTEM survey is provided in Appendix 1 - JORC Code Table 1 of this release).

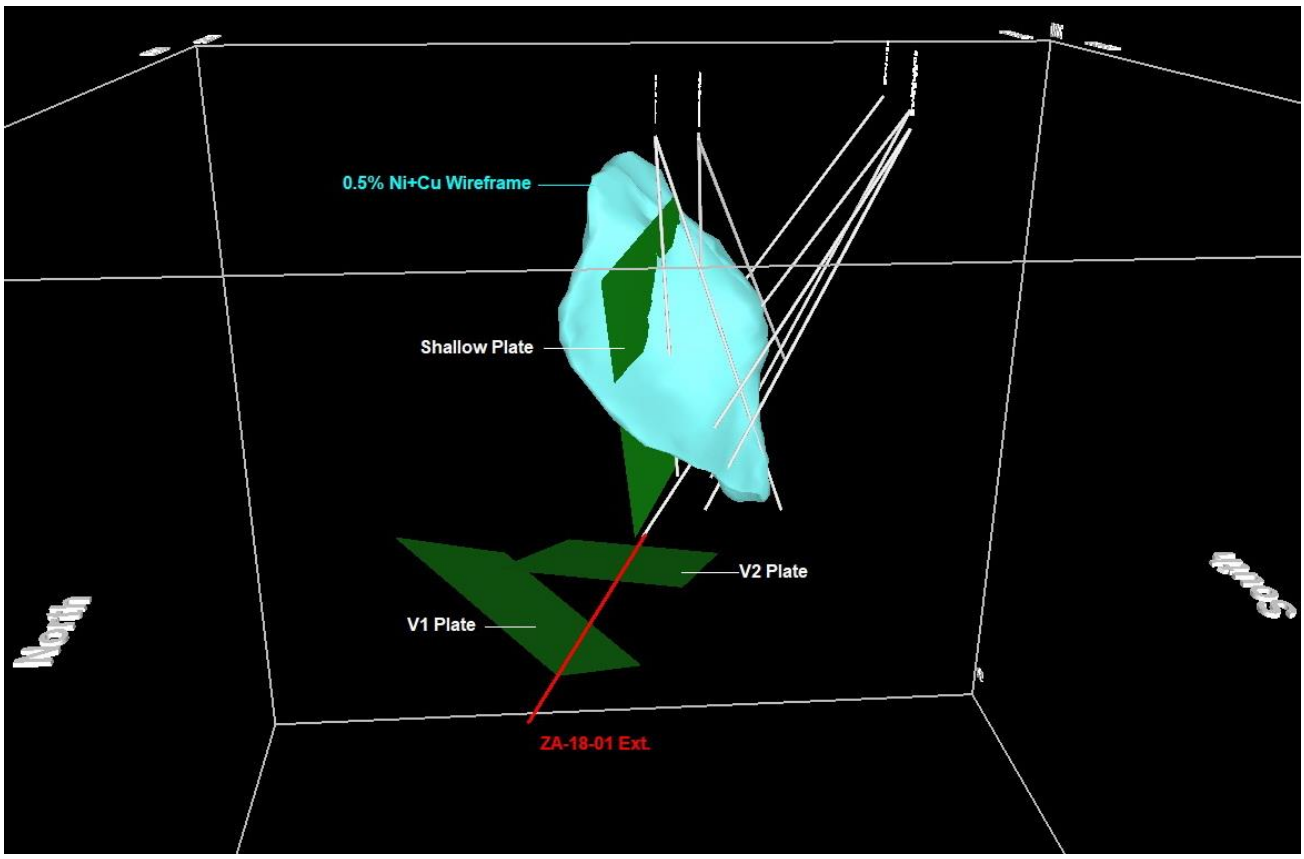

Figure 2: Alotta 3D Plate Model (Looking East)

Planned Downhole EM Programme

The 2018 drill programme at Alotta was carried out by Chibougamau Diamond Drilling Ltd (CDD) who is the contractor for the current Lorraine Project drilling. CDD have indicated that following-on from the Lorraine drilling that they would undertake to re-enter one of the 2018 drilled holes and deepen as required. The Company has selected hole ZA-18-01 (confirmed by SGC) as providing the best 'access' to test for extensions to the Alotta mineralisation and to carry-out the DHEM survey targeting the modelled plates (Figure 2).

The Company's consultants Orix geoscience have already made contact with the private landowners, principally the Town of Laverlochere to extend the 2018 access approvals to cover the planned drilling and DHEM survey.

In 2018 Hole ZA-18-01 was drilled to test for a depth extension to the Alotta massive sulphide lens as outlined by 2001 drilling. The hole successfully extended mineralisation with an intersection of **4.49m at 1.29% Ni, 3.73% Cu, 0.14% Co and 2.88g/t PGE** from 72.28 downhole. The hole was drilled-on to 102m intersecting gabbro, feldspar porphyry and ending in a mafic dyke (Figure 3 (ASX 13 November 2018 and 8 January 2019)).The hole will be extended from 102m to 180m.

Significant massive sulphide Intersects from the 2018 drill programme at Alotta include*:

- **9.20m at 2.59% Ni, 2.79% Cu, 3.37g/t PGE & 0.11% Co** from 85.20m - ZA-18-08
- **11.28m at 2.17% Ni, 2.15% Cu, 2.94g/t PGE & 0.11% Co** from 61.15m - ZA-18-05
- **3.27m at 2.06% Ni, 3.77% Cu, 3.09g/t PGE & 0.12% Co** from 53.10m - ZA-18-04 and **7.10m at 2.38% Ni, 1.87% Cu, 1.90g/t PGE & 0.11% Co** from 70.17m
- **8.13m at 1.74% Ni, 2.06% Cu, 1.59g/t PGE & 0.11% Co** from 43.17m - ZA-18-06 and **5.30m at 3.04% Ni, 0.84% Cu, 1.96g/t PGE & 0.13% Co** from 63.30m

*ASX release 13 Nov 2018

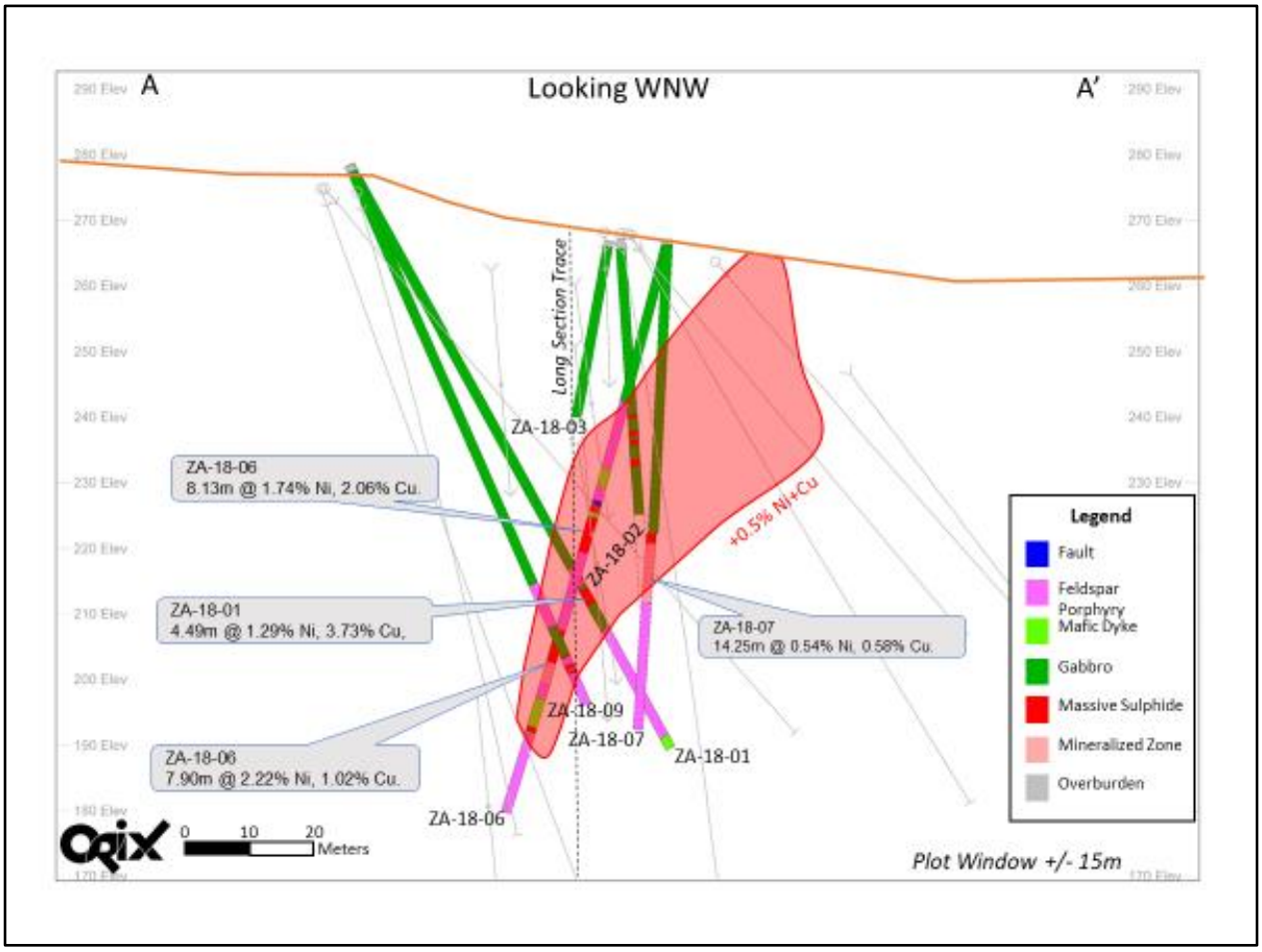

Figure 3: Alotta Cross-Section showing hole ZA-18-01 (ASX 8 January 2019)

In both the historic drilling 2001 and the 2018 drilling the Alotta lens is stoped out (intruded) by feldspar porphyry. On the margins of the massive sulphides, breccia clasts of porphyry are incorporated into the sulphides. The Company interprets the breccias and the ductile fabric in the sulphides to indicate later (local) mobilisation of the massive sulphide. This has led to an interpretation that the shallow Alotta mineralised lens could be detached from a deeper lens i.e. that mineralisation could continue at depth beneath the porphyry body.

Utilising ZA-18-01 not only provides the possibility of intersecting massive sulphides at depths of up to 180m but also provides a prime hole for the DHEM survey to testing the modelled plates. **The hole will be deepened if disseminated or net textured (20-30% matrix sulphides) are intersected in a gabbro host rock toward 180m downhole .**

For, and on behalf of, the Board of Directors of Chase Mining Corporation Limited:
Dr Leon Pretorius
Executive Chairman
Chase Mining Corporation Limited

8 August 2019

Direct any enquiries to: Martin Kavanagh on 0419 429 974 or Leon Pretorius on 0419 702 616

Competent Person Statement

The information in this report that relates to Exploration Activities is based on information evaluated by Dr Leon Pretorius who is a Fellow of The Australasian Institute of Mining and Metallurgy (FAusIMM) and who has sufficient experience relevant to the activity which he is undertaking to qualify as a Competent Person as defined in the 2012 Edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (JORC Code 2012). Dr Pretorius is the Executive Chairman of Chase Mining Corporation Limited and he consents to the inclusion in the report of the information in the form and context in which it appears. Dr Pretorius holds shares in Chase Mining Corporation Limited.

Information in this ASX announcement that relates to Exploration Activities is based on information compiled by Mr Martin Kavanagh. Mr Kavanagh is a Non-Executive Director of Chase Mining Corporation Limited and is a Fellow of the Australasian Institute of Mining and Metallurgy (FAusIMM), a Member of the Australian Institute of Geoscientists (MAIG) and a Member of the Canadian Institute of Mining, Metallurgy and Petroleum (CIM). Mr Kavanagh has sufficient experience, which is relevant to the style of mineralisation and type of deposit under consideration, and to the activities, which he is undertaking. This qualifies Mr Kavanagh as a “Competent Person” as defined in the 2012 edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (JORC Code 2012). Mr Kavanagh consents to the inclusion of information in this announcement in the form and context in which it appears. Mr Kavanagh holds shares in Chase Mining Corporation Limited.

Information in this ASX announcement that relates to Geophysical Exploration Results is based on information reviewed by Mr William Peters, Chairman of, and Consulting Geophysicist with Southern Geoscience Consultants (SGC), consultants to the Company. Mr Peters is a Member of the Australasian Institute of Geoscientists and a Fellow of the Australian Institute of Mining & Metallurgy. He has sufficient experience which 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, Mineral Resources and Ore Reserves (JORC Code 2012). Mr Peters consents to the inclusion in this announcement of the matters based on SGC’s information in the form and context in which it appears.
.

Appendix 1: ASX Announcement **8 August 2019**

JORC Code, 2012 Edition – Table 1 report template

Section 1 Sampling Techniques and Data
(Criteria in this section apply to all succeeding sections.)

Criteria	JORC Code explanation	Commentary
Sampling techniques	• *Nature and quality of sampling (e.g. cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc). These examples should not be taken as limiting the broad meaning of sampling.* • *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 (e.g. 'reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30g charge for fire assay'). In other cases, more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (e.g. submarine nodules) may warrant disclosure of detailed information.*	• A **VTEM™ Max** survey of approximately 718km was conducted over the project claims. • The survey was carried out on flight lines oriented 0-180° on 100m spacings, with the system specifications summarised below. **VTEM™ Max** Configuration Transmitter loop – 35m Peak dipole moment – 710,000 NIA Transmitter Pulse Width – 7 ms Base Frequency: 30Hz Receiver – Z, X coils Magnetic Sensor: Towed Bird Flying Height - 90 meters EM sensor Height- 40 meters Magnetic sensor Height – 75 meters • VTEM surveys are an industry standard practice in testing for massive sulphide mineralised bodies.
Drilling techniques	• *Drill type (e.g. core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc) and details (e.g. core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc).*	• No drilling activities are being reported.
Drill sample recovery	• *Method of recording and assessing core and chip sample recoveries and results assessed.* • *Measures taken to maximise sample recovery and ensure representative nature of the samples.* • *Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material.*	• No drilling activities are being reported.

Criteria	JORC Code explanation	Commentary
Logging	• *Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies.* • *Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography.* • *The total length and percentage of the relevant intersections logged.*	• No drilling activities are being reported. .
Sub-sampling techniques and sample preparation	• *If core, whether cut or sawn and whether quarter, half or all core taken.* • *If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry.* • *For all sample types, the nature, quality, and appropriateness of the sample preparation technique.* • *Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.* • *Measures taken to ensure that the sampling is representative of the in situ material collected, including for instance results for field duplicate/second-half sampling.* • *Whether sample sizes are appropriate to the grain size of the material being sampled.*	• No drilling activities are being reported.
Quality of assay data and laboratory tests	• *The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.* • *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 (e.g. standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (i.e. lack of bias) and precision have been established.*	• **VTEM™ Max** system calibrated prior to commencement of the survey. • All digital data is inspected daily by the Geotech site crew and the Company's consultant geophysicist. • The Company receives a daily report on production and of any equipment issues. • The data reviewed by the Company's consultant geophysicist and lines are re-flown if there are any issues. • The Company's consultant geophysicist has completed QA/QC of the data and advised that it is suitable for public domain release. • .
Verification of sampling and assaying	• *The verification of significant intersections by either independent or alternative company personnel.* • *The use of twinned holes.* • *Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.* • *Discuss any adjustment to assay data.*	• Not applicable for airborne geophysical surveys.

Criteria	JORC Code explanation	Commentary
Location of data points	• *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.*	• Real-time GPS navigation system utilizing the Novatel WAAS enable GPS receiver providing in-flight accuracy of 3 metres, and up to 1.5 metres depending on satellites available. A preliminary flight path map is plotted daily and checked against survey specifications. The grid system for the Project is NAD83 NUTM17.
Data spacing and distribution	• *Data spacing for reporting of Exploration Results.* • *Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied.* • *Whether sample compositing has been applied.*	• The spacing between the flight lines is approximately 100m. Readings sampled to locations every 2-3metres along flight lines. • A preliminary flight path map is plotted daily and checked against survey specifications.
Orientation of data in relation to geological structure	• *Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.* • *If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material.*	• The flight path is perpendicular to strike direction of geological formations and is sufficient to locate discrete conductive anomalies.
Sample security	• *The measures taken to ensure sample security.*	• All data acquired by Geotech Airborne reported to the Company's representatives.
Audits or reviews	• *The results of any audits or reviews of sampling techniques and data.*	• The data were independently verified by Mathew Cooper of Core Geophysics. • The Alotta modelling was undertaken by Greg Maude and William Peters of Southern Geoscience Consulting

Section 2 Reporting of Exploration Results

(Criteria listed in the preceding section also apply to this section.)

Criteria	JORC Code explanation	Commentary
Mineral tenement and land tenure status	• *Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings.* • *The security of the tenure held at the time of reporting along with any known impediments to obtaining a licence to operate in the area.*	• The Company holds 100% of the Project tenements in the name of its wholly owned subsidiary Zeus Olympus Sub Corp. • The Mining Claims are in good standing and no known impediments exist.

Criteria	JORC Code explanation	Commentary
Exploration done by other parties	• *Acknowledgment and appraisal of exploration by other parties.*	• Information relating to the Projects exploration history was sourced from company reports lodged with the Quebec Mines Department (MERN -Ministère de l'Énergie et des Resources naturelles) and compiled by ORIX Geoscience the Company's consultant geologists. • The bulk of the data comes from exploration carried out by Canadian companies between 1987 and 2005.
Geology	• *Deposit type, geological setting and style of mineralisation.*	• The Company is focused on the exploration for Ni-Cu-Co-PGM mineralised gabbro bodies which intrude a sequence of mafic volcanic and felsic volcaniclastic sedimentary rocks in the Belleterre-Angliers Greenstone Belt. • The mineralisation occurs as disseminated to massive sulphides near the base of the gabbro bodies and as remobilised massive sulphides along shears/fault zones.
Drill hole Information	• *A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill holes:* ○ *easting and northing of the drill hole collar* ○ *elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar* ○ *dip and azimuth of the hole* ○ *down hole length and interception depth* ○ *hole length.* • *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.*	• Information in relation to Hole ZA-18-01 has previously been reported to the ASX. • See ASX announcements – 9 October and 13 November 2018 and 8 January 2019. • JORC Table 1 – 13 November 2018 and 8 January 2019.
Data aggregation methods	• *In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (e.g. cutting of high grades) and cut-off grades are usually Material and should be stated.* • *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.*	• As per JORC Table 1 – 13 November 2018 and 8 January 2019.
Relationship between	• *These relationships are particularly important in the reporting of Exploration Results.*	• As per JORC Table 1 – 13 November 2018 and 8 January 2019.

Criteria	JORC Code explanation	Commentary
mineralisation widths and intercept lengths	• *If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.* • *If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (e.g. 'down hole length, true width not known').*	
Diagrams	• *Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported These should include, but not be limited to a plan view of drill hole collar locations and appropriate sectional views.*	• As per JORC Table 1 – 13 November 2018 and 8 January 2019.
Balanced reporting	• *Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results.*	• As per JORC Table 1 – 13 November 2018 and 8 January 2019.
Other substantive exploration data	• *Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples – size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances.*	• The Company's website (www.chasemining.com.au) details historical exploration, geology and mineralisation and geophysical survey data tabled in the form of ASX announcements for the Canadian projects.
Further work	• *The nature and scale of planned further work (e.g. tests for lateral extensions or depth extensions or large-scale step-out drilling).* • *Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.*	• The Company is planning to undertake a diamond drill programme and a Downhole EM survey to test for the continuation of the Alotta mineralization at depth.