



ASX RELEASE

27 April 2021

UPDATE ON QUEBEC - ALOTTA ACTIVITIES

As announced in several ASX releases during 2021 (21 January, 25 January and 19 February), Chase Mining Corporation Limited (ASX: CML, “Chase Mining” or “Company”) would undertake a detailed desktop review of historic drilling and other exploration data within the greater Alotta, Delphi and Zullo (ADZ) claims area. Given the scope and scale of work involved, this would involve the Company’s Canadian consultants. If this data review and assessment programme was successful in generating additional drill targets, the Company would undertake further drilling in the second quarter 2021, subject to weather and access constraints.

The Company now reports that, at the completion of the data review and assessment and a very thorough evaluation process, which together with the extreme difficulties in the Company’s directors and consultants travelling to Canada, a decision has been made to downgrade the ADZ project area’s potential and that no immediate additional drilling is planned.

As a result, in the short term the Company will focus on its Torrington/Topfibre Project and the strategic investment in Red Fox Resources’ current exploration program (see ASX release 26 April 2021).

Summary of work undertaken and outcome:

The Company’s priority was to determine whether the small body of highgrade Ni-Cu-PGE mineralisation at Alotta could be increased in size by additional drilling within the immediate area or by drilling elsewhere near Alotta.

The Company contracted Canadian consultants Orix Geoscience (Orix) to review all public assessment reports, internal company reports, internal company studies and internal company surveys on the ADZ project to geologically assess the property for potentially hosting additional Alotta-style magmatic Ni-Cu-PGE mineralisation. This study would prioritize targets of merit and recommend an exploration strategy and budget which the Company could then review and progress.

Orix considered the following reports and data in undertaking its review:

- 1) VTEM report by Core Geophysics, Matt Cooper, 2019 for Chase Mining;
- 2) Historical regional drilling spanning 1947-2002;
- 3) Historical deposit focused drilling from 2001 at Delhi, Patry and Zullo;
- 4) Alotta focused drilling programs completed by Chase 2018-2020;
- 5) Technical 43-101 for Aurora Platinum on the Belleterre Project 2003;
- 6) UAV high resolution magnetic survey by Pioneer Aerial Surveys, 2018 for Chase Mining;
- 7) Regional Fugro MEGATEM survey completed by Aurora Platinum, 2000 for their regional targeting;
- 8) Geological mapping by Aurora Platinum 2001-2002;
- 9) Ground magnetic and HLEM survey completed in 1988 over portions of the Alotta property
- 10) Ground IP and Misse-a-la-Masse survey completed in 1988 over portions of the Alotta property.



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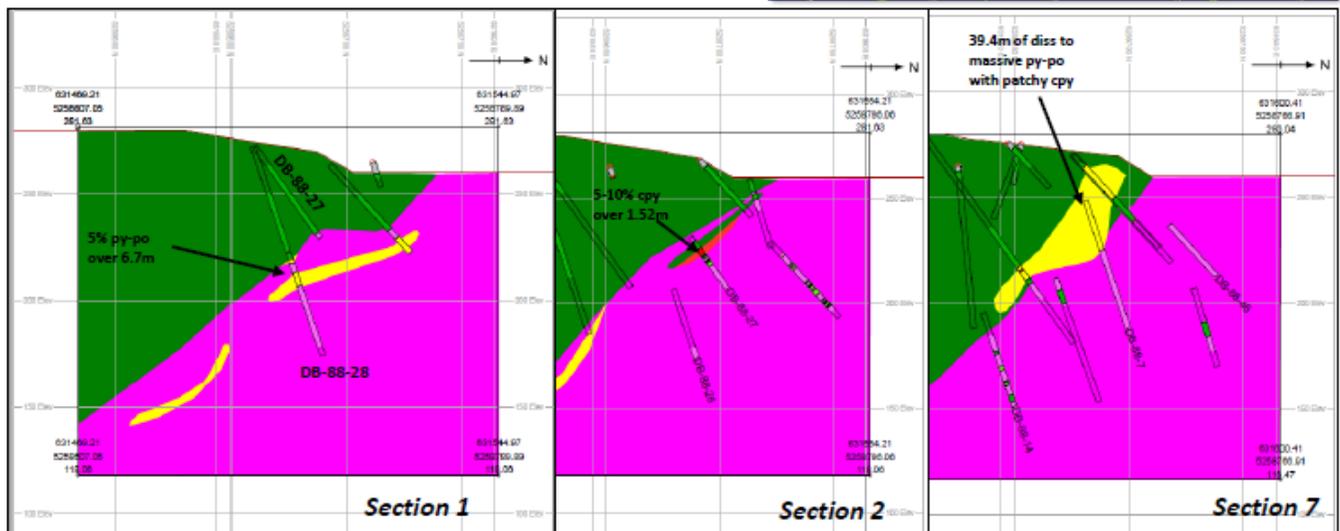
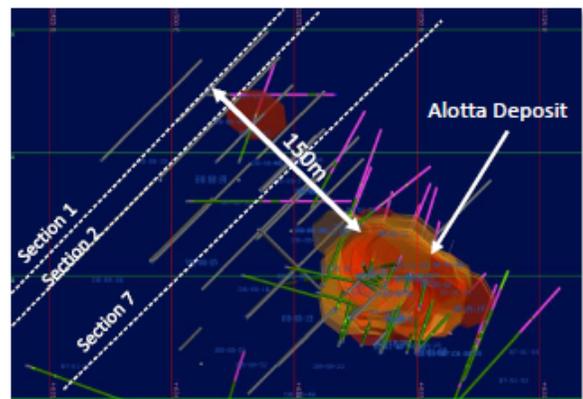
In addition, Orix located information for a total of 202 diamond holes completed since 1947 for a total of 25,495m in the ADZ block (of which 133 holes for 16,451m were at or near Alotta). This was compiled into a single database after digitising and georeferencing.

On 14 April 2021 the Company received the first draft Orix report based on the following process for its review and subsequent discussion with Orix:

1. Collection and organisation of all pertinent public and internal data into 2D layers in Leapfrog for efficient viewing and assessment;
2. Review the Core Geophysics VTEM Report and Targeting exercise completed in 2019 for CML and re-prioritise targets based on historical drilling, coincident geophysical anomalies and geology;
3. Review and assess historical ground geophysical surveys to assess merit of potentially overlooked anomalies; and,
4. Review the past drilling efforts at Alotta and assess the potential for extensions of the mineralisation.

The Company and Orix agreed to firstly focus on the Alotta mineralised body. The conclusion of this exercise was that the current geometry of the deposit appeared closed off along strike and at depth and no further drilling was recommended. An area historically reported to the NW of Alotta that had limited previous shallow drilling was identified as promising, as it contained some interesting zones of disseminated and massive mineralisation that apparently had not been followed up. See Figure below from the draft Orix report.

- ✓ The Alotta NW extension has seen little drilling beyond 1988 over a 150m strike length where drill logs report substantial disseminated to massive sulphides but did not report assays.
- ✓ This remains a target of high merit.



There were also some other outlying areas containing minor mineralisation of lesser interest, but it was agreed by the Company and Orix to focus on the area NW of Alotta, with the aim of increasing its size. Upon closer inspection it later became evident that this area's prospectivity based on the initial interpretation of the area may have contained two erroneous assumptions:

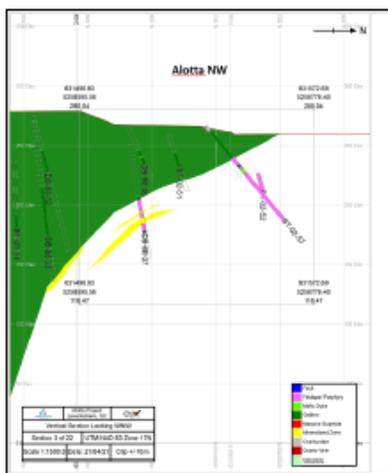
1. That the drillhole collar positions provided by SIGEOM (QC government) were correct within a reasonable margin of error (+/-10m); and,
2. The azimuths in the original logs, and by extension in the SIGEOM data set, were relative to true north.

Prior to drill planning in the area, it was agreed with Orix that the government sourced 1988 historical drillhole data should be validated against any available original documentation. An original drill plan map was subsequently located and georeferenced using local topography, roads and the Petit Lac Long shoreline). The georeferencing revealed two critical pieces of new information:

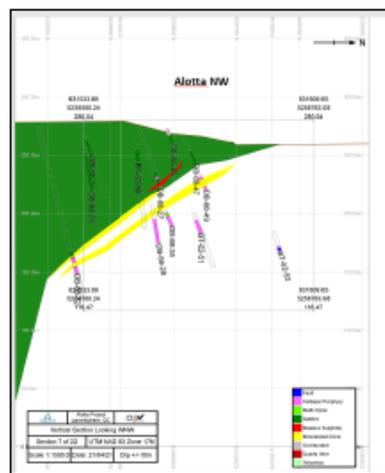
1. SIGEOM collar positions were located 60 to 90m N-E of the georeferenced drillhole collar positions; and
2. Azimuths reported in the logs were relative to a local line-grid system, likely contemporary ground geophysics lines cut at approximately 040 degrees.

The shift in both the collar positions and azimuths resulted in the 1988 mineralised drill holes being positioned directly within the Alotta deposit. See Figure below.

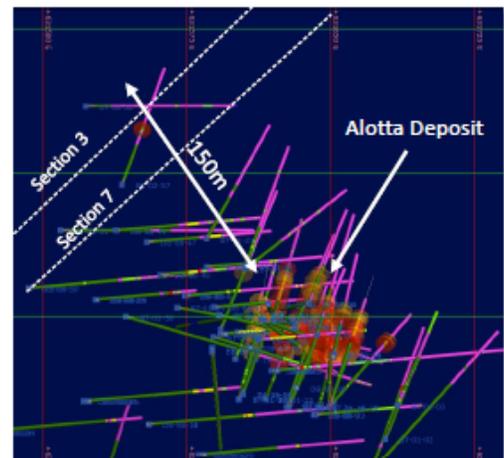
Although this target ranked high on the Orix system it is felt that the NW extension of the Alotta Deposit has been well investigated along strike and at depth, is narrow and presents little opportunity for expansion.



Section 3



Section 7



110 diamond drill holes for 13,549m completed at the Alotta deposit and its potential extensions.



This meant that the most important target identified within Alotta had already been well investigated along strike and at depth, was narrow and presented little opportunity for expansion, that any other ADZ area drilling was likely to be on historical small narrow anomalies with no real size potential, and that any potential value was to add potential resource tonnes if an enlarged Alotta mineralised area had eventuated.

The Company and Orix also undertook another full review of the Alotta mineralised body. The conclusion of this exercise was that the current geometry of the deposit appeared closed off along strike and at depth and no further drilling was recommended.

The Directors will now undertake a further review to see best how to extract value for the Company from the Alotta Project.

New project opportunities

The Company has continued to review numerous projects during the last few months that will complement its existing suite of Australian projects. The Board is focussed on acquiring mature exploration assets with large scale potential in order to add value for all shareholders. The Board will update the market on any of these projects as required under the Listing Rules.

This announcement has been authorised for release to the ASX by the CML Board of Directors.

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COMPETENT PERSON STATEMENT

The information in this document that relates to Exploration Results and activities has been compiled by Dr Leon Pretorius, who is the Executive Chairman and of Chase Mining Corporation Limited and is a Fellow of the Australasian Institute of Mining and Metallurgy (FAusIMM) (CP) and a Member of the Australian Institute of Geoscientists (MAIG). He 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 Dr Pretorius 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 consents to the inclusion of information in this report in the form and context in which it appears.

Dr Pretorius is a substantial shareholder of the Company.