



ASX RELEASE

27 October 2021

Opportunity to acquire a broad range of granted QLD tenements

Chase Mining Corporation Limited (ASX: CML, "Chase Mining" or "Company") is pleased to announce that following a due diligence process it has entered an option agreement under a Binding Term Sheet to acquire 100% of Prophet Resources Pty Ltd (PR). PR is a private Queensland focussed exploration company founded primarily by two well-known and respected geoscientists Andrew Gillies and Adrian Day. For more information on the Company see <https://prophetresources.com>

This is in keeping with CML's strategy of acquiring highly prospective tenements, several with drill ready targets on favourable terms within a single jurisdiction. The Company already has exposure in Queensland through its 40% holding in private exploration Company Red Fox Pty Ltd and is actively evaluating other potential opportunities.

As per the attached Schedule 1 - Tenements, PR holds 6 granted EPMs covering over 500km² and 2 EPM Applications. In addition, its 90% controlled company Mt Morgan Exploration Pty Ltd holds 1 granted EPM covering a very prospective area of approximately 123km² southeast of the famous historic Mount Morgan gold-copper mine.

There are no quantified mineral resources within the tenements, however the tenements have collective exploration potential for significant gold, copper, zinc, lead, silver, cobalt, bauxite and base metal mineralisation.

CML's immediate interest in PR was EPM 27001 (Croydon North) where the target is primarily for untested gold mineralisation potential under shallow cover associated with a major structural junction evidenced in regional magnetic data within a coincident embayment of a Gravity High. Approximately 24km north of the historic Croydon goldfield (~1Moz). PR has recently undertaken a ground Sub-Audio Magnetics (SAM) survey over the structural junction area and the data is being interpreted and assessed. Any prospective targets generated will then be ranked with the intention of drill testing priority targets using funding from CML under the option agreement terms.

Pending worthy targets being generated from the SAM survey and availability of equipment and contractors, weather and access conditions, the drilling is planned for November 2021.

Key Commercial Terms:

The Binding Term Sheet affords CML the option to acquire 100% of PR, subject to CML funding of \$250,000 (Stage 1 Commitment) on an exploration work programme mutually agreed to by CML and PR including but not limited to field work, geophysical surveys, drilling programme(s) assaying and processing of data. This will be at the sole risk of CML to create opportunity and add value in the Prophet project portfolio.



CHASE MINING CORPORATION LIMITED

ABN 12 118 788 846



Level 8, 46 Edward Street, Brisbane QLD 4000 PO Box
15505, City East QLD 4002
0439 310 818 | 0419 702 616
<https://www.chasemining.com.au>

Up to \$60,000 of the \$250,000 may be allocated to refunding payment of the current North Croydon SAM survey program activities, its interpretation and reporting.

CML will have the earlier of 2-months after receipt from PR of the final assays and delivery of final technical reports from CML funded exploration program(s) by PR and 1 April 2022 to elect to acquire PR from its shareholders (who are not related parties of CML). If the election is made CML will:

- a) Issue to the vendors 60 million CML shares, plus pay \$330,000 cash.
- b) Commit to a providing 1.5% NSR royalty deeds for each of the tenement listed in Schedule 1, except the Ina Bauxite Project where the royalty will be a \$1/tonne. A royalty deed will be provided by CML and pertaining to each.

If CML elects not to continue to Stage 2 for any reason the Term Sheet will terminate and CML will have no interest in PR or its assets.

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

For further information, please contact:

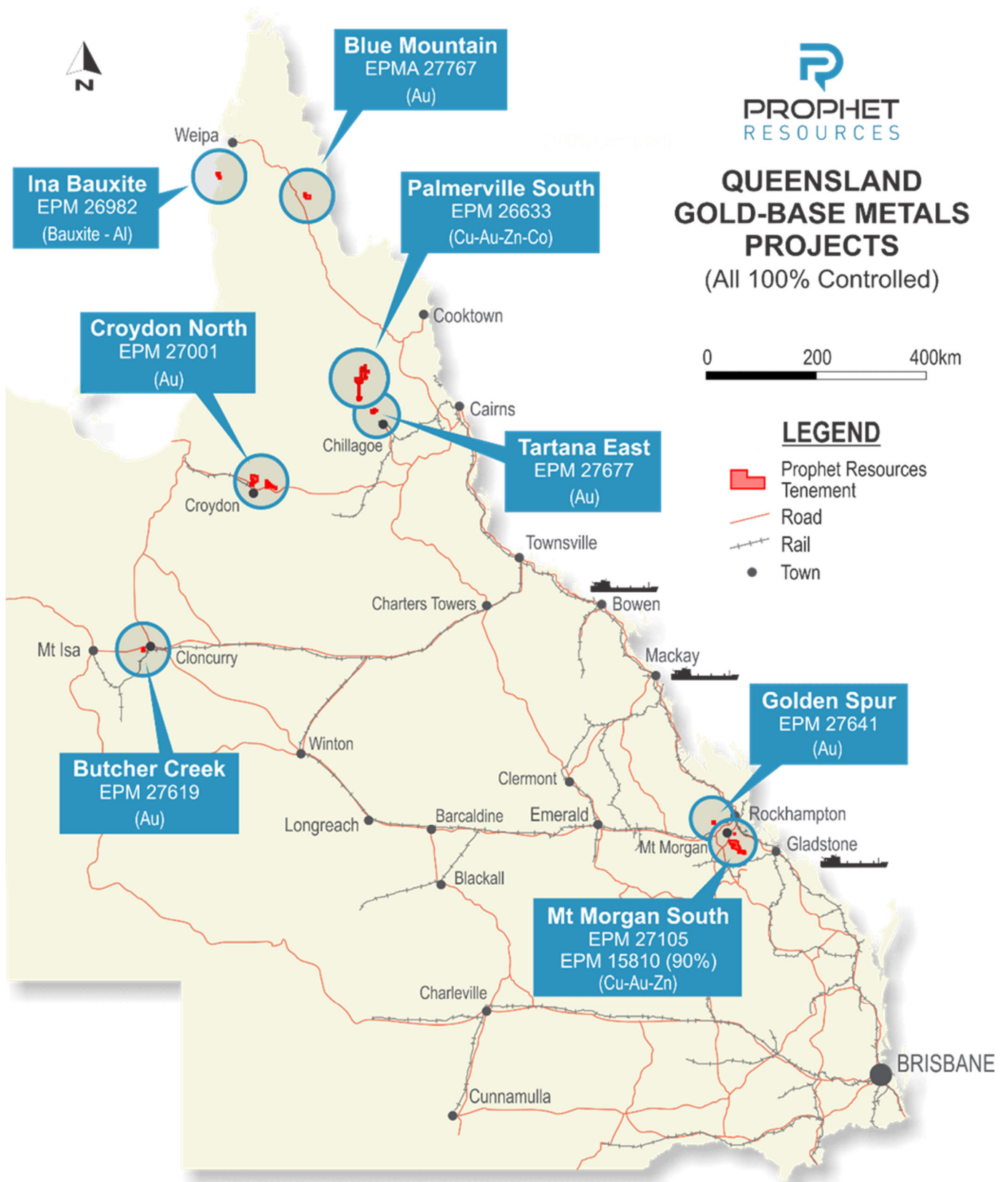
Leon Pretorius

Executive Chairman and CEO

Mobile: 0419 702 616

Email: leon@chasemining.com.au

SCHEDULE 1: Tenements



All Queensland Tenements Controlled by Prophet Resources Pty Ltd

| TENEMENT Type & Number | PROJECT NAME | HOLDING COMPANY 100% | Expiry | AREA SubBlocks |
|------------------------|---------------------|----------------------------------|----------|----------------|
| EPM 15810* | Mt Morgan-Dee Range | Mount Morgan Exploration Pty Ltd | 27/5/22 | 41* |
| EPMA 27105 | Mt Morgan South | Prophet Resources Pty Ltd | Applic | 31 |
| EPM 27641 | Golden Spur | Prophet Resources Pty Ltd | 11/7/26 | 6 |
| EPM 27619 | Butcher Creek | Prophet Resources Pty Ltd | 14/3/26 | 8 |
| EPM 27001** | Croydon North | Prophet Resources Pty Ltd | 14/12/25 | 66** |
| EPM 27677 | Tartana East | Prophet Resources Pty Ltd | 23/5/26 | 13 |
| EPM 26633** | Palmerville South | Prophet Resources Pty Ltd | 2/7/23 | 73** |
| EPMA 27767 | Blue Mountain | Prophet Resources Pty Ltd | Applic | 19 |
| EPM 26982 | Ina Bauxite | Prophet Resources Pty Ltd | 24/2/24 | 14 |

Note:-

1. All Prophet Resources Pty Ltd (PR) held tenements are owned 100%
2. Mt Morgan Exploration Pty Ltd (MME) is owned 90% by PR and 10% Syndicate

EPM = Exploration Permit for Minerals

EPMA = EPM Application

Sub Block is approximate 3 square kilometres in area

(*) the EPM is in two parts

(**) the EPM is in three parts

All granted tenements are current, with all rents and fees paid and up to date. All tenements are in good order and standing as defined by the Queensland Department of Resources.