



ASX ANNOUNCEMENT

24 June 2019

## Acquisition of Additional Nickel-Copper Sulphide Claims

---

- Chase Mining (the Company) is pleased to announce it has strategically acquired the Bambino Project Area, comprising 34 claims contiguous with its 100% owned Alotta-Delphi-Zullo (ADZ) project area in Quebec, Canada;
  - Following receipt of the Company's successful **VTEM™ Max** (VTEM) results, which validated the Company's view that there is potential for further nickel, copper and PGE (Ni-Cu-PGE) mineralisation within the Company's tenements, the Company moved to further expand its footprint in the area;
  - The strategic acquisition of the Bambino claims more than doubles Chase Mining's footprint in its ADZ project area which hosts the Company's high-grade Alotta Ni-Cu-PGE massive sulphide lens\*;
  - The VTEM survey in the ADZ project area returned an edge of survey Priority 2 target which continues onto the Bambino claims (Zullo Prospect), the acquisition now secures the Priority 2 target within the Company's tenements for evaluation;
  - The further consolidation of the area allows Chase Mining to continue its comprehensive and methodical exploration programme to deliver the best outcome for its shareholders; and,
  - Data compilation and ground truthing of known VTEM and MegaTEM anomalies within the Bambino claims area will be undertaken in conjunction with the Company's ongoing district evaluation programme.
- 

Chase Mining Corporation Ltd (ASX: CML) ('Chase Mining' or 'the Company') is pleased to announce that it has entered into an agreement to acquire the Bambino Project claims which are contiguous with its Canadian Alotta-Delphi-Zullo (ADZ) project area. The Bambino Project comprises 34 granted claims which were in part covered by the VTEM survey as announced to the ASX 29 May 2019 (**Figure 1**).

A purchase and option agreement for the transfer of the Bambino Project has been entered into by Zeus Olympus Sub Corp a wholly owned subsidiary of Chase Mining and has been signed off by the present owner (Optionor). The claims transfer application has been submitted to the Quebec Government together with a 2-year renewal application which is currently being processed.

\* Refer to ASX dated 8 January 2019



**CHASE MINING CORPORATION LIMITED**

ABN 12 118 788 846

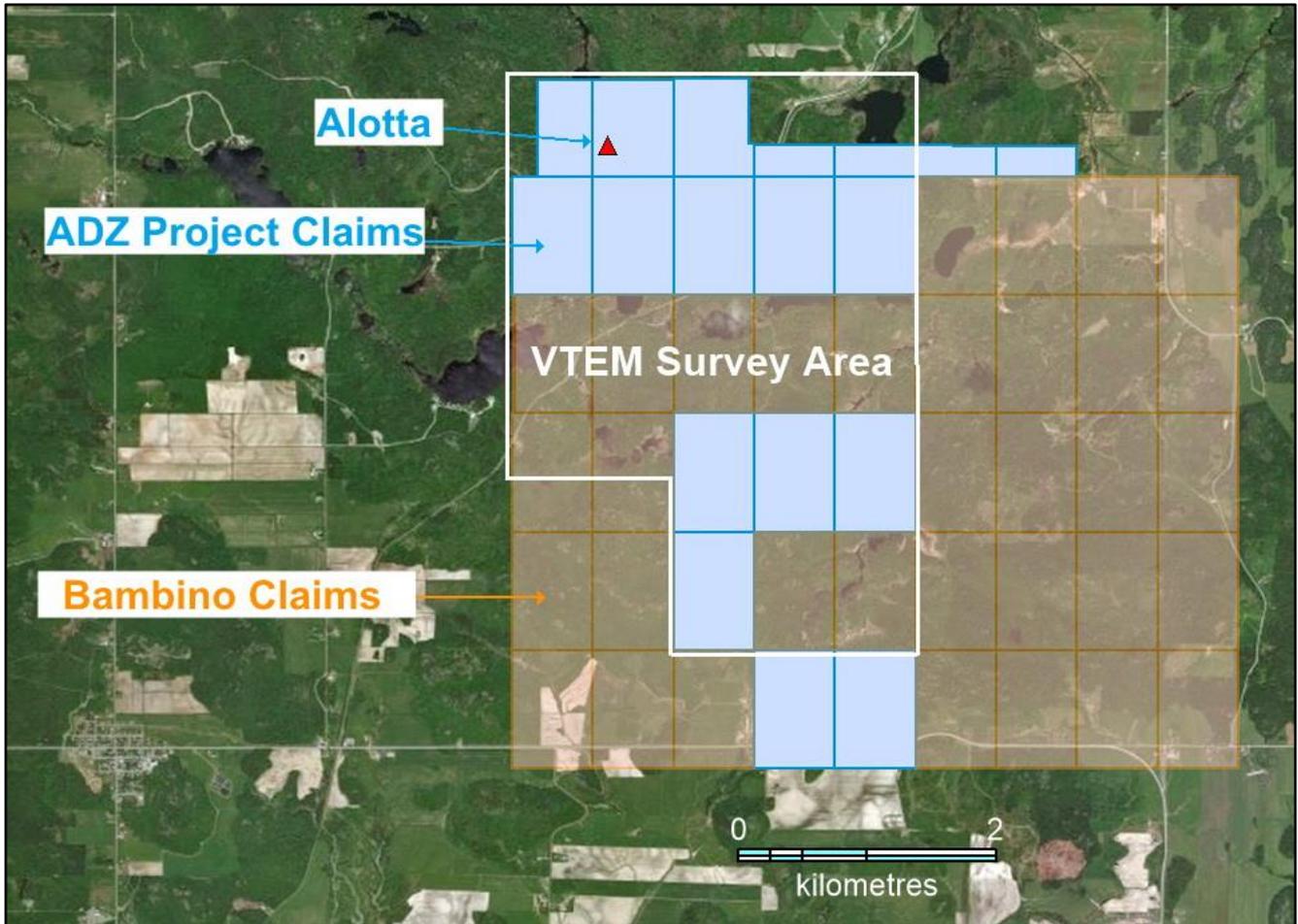
Level 8, 46 Edward St, Brisbane QLD 4000

PO Box 15505, City East QLD 4002

0439 310 818 | 0419 702 616

<https://www.chasemining.com.au>





**Figure 1: ADZ Project Locality Map with Bambino Claims**

### **Bambino Claims Prospectivity**

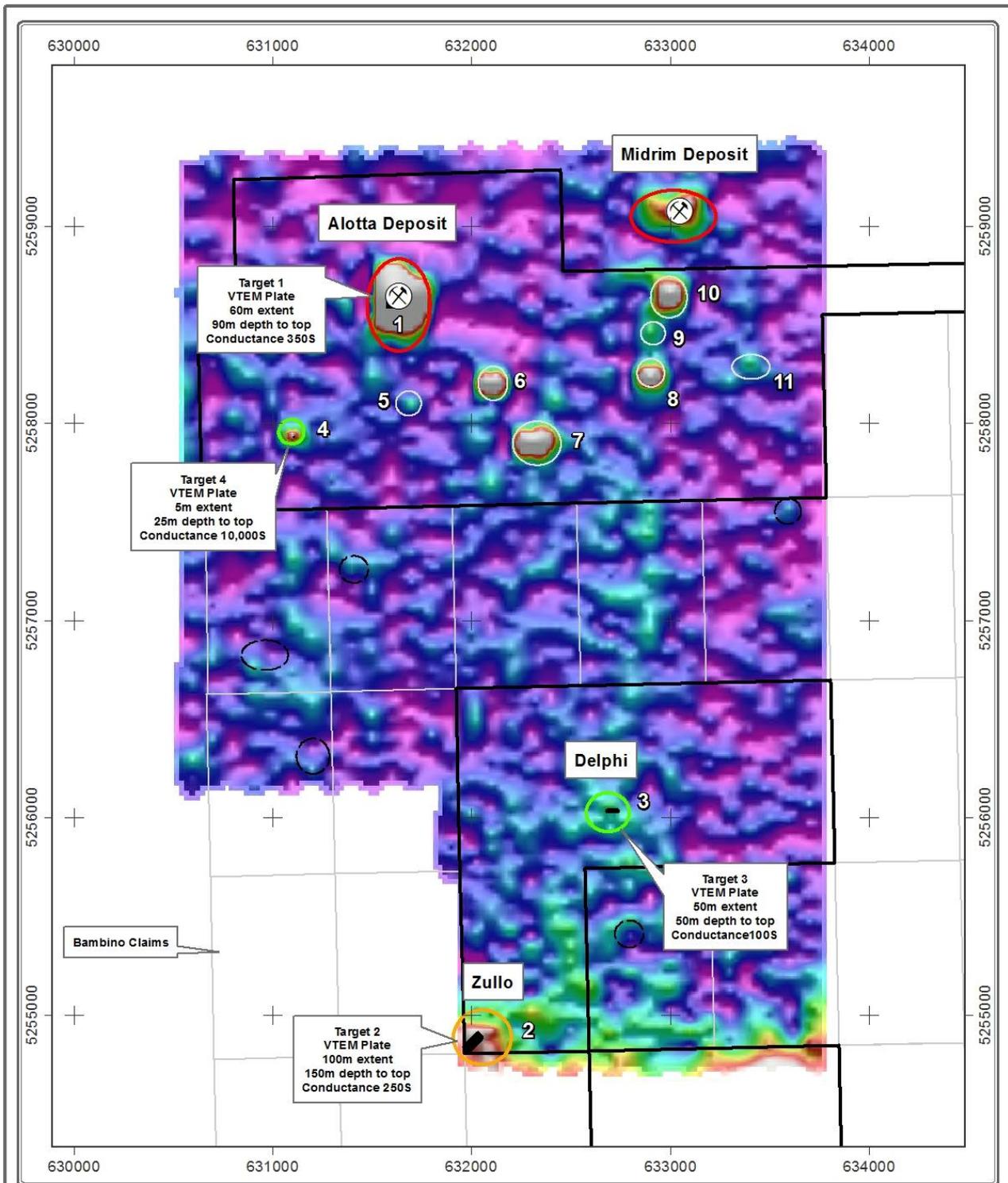
As shown in **Figure 1** the Bambino claims are contiguous with the Company's ADZ project area. The recently flown ADZ project area VTEM survey covered 9 of the 34 Bambino claims (ASX 29 May 2019). The extent of the VTEM coverage is shown in **Figure 2**. Five Priority 3 anomalies B1 to B5 were highlighted for follow-up ground truthing (**Figure 3**). This will be undertaken in conjunction with the ADZ ground truthing programme.

In the south of the claim area the VTEM survey returned a Priority 2 anomaly coincident with the Zullo Prospect within the Company's claims. The modelled plate is a potential drill target pending review of the historic drilling.

There are a number of differentiated gabbro bodies at Zullo shown as magnetic highs in **Figure 3**. The gabbro sill or sills have a total thickness of about 700 metres. All units are cut by late quartz-feldspar porphyry dykes which trend west-northwest and appear to have been introduced along axial plane parallel shears. The mineralisation at Zullo occurs as chalcopyrite associated with quartz veins in sheared volcanics. The historic drilling has yet to be reviewed. The Zullo Priority 2 VTEM anomaly is unconstrained to the west and south into the Bambino claims. The VTEM coverage to the south was limited due to interference from an east-west powerline.

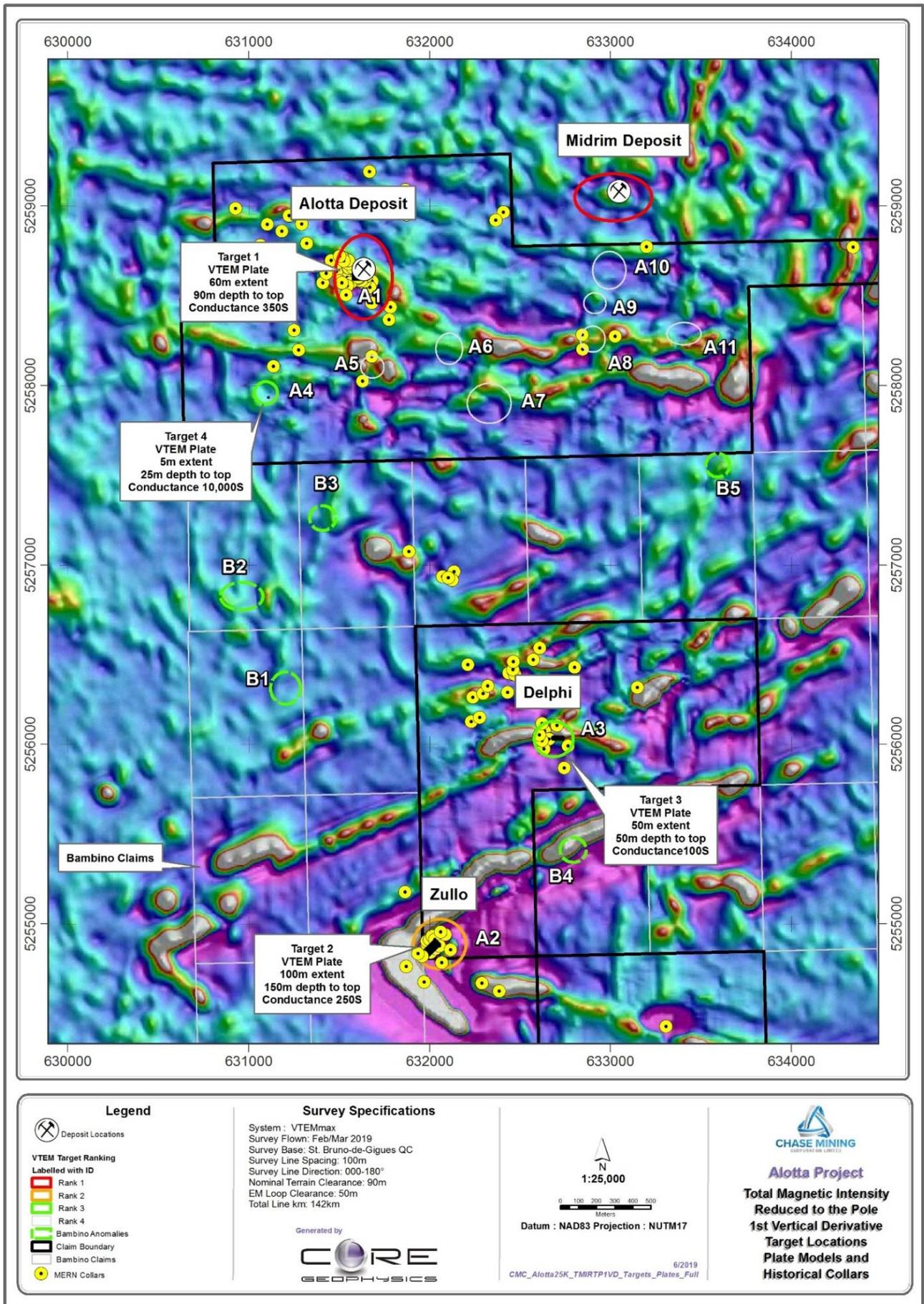
The Bambino claims area was covered by a 2001 MegaTEM survey (airborne EM) which identified several anomalies outside the current VTEM survey area which will need to be followed up.

The MegaTEM survey identified early channel anomalies (shallow) coincident with the VTEM anomalies within the ADZ project area however it did not have the depth capability (~300-400m) of VTEM to identify deep conductors (massive sulphides). The Company's consultants Orix Geoscience will undertake a digital compilation of the historic ADZ and Bambino data following the similar Lorraine area programme.



<p><b>Legend</b></p> <ul style="list-style-type: none"> <li> Deposit Locations</li> <li><b>VTEM Target Ranking</b></li> <li>Labelled with ID</li> <li> Rank 1</li> <li> Rank 2</li> <li> Rank 3</li> <li> Rank 4</li> <li> VTEM Plate Models</li> <li> Claim Boundary</li> <li> Bambino Claims</li> <li> Bambino Anomalies</li> </ul>	<p><b>Survey Specifications</b></p> <p>System : VTEMmax          Survey Flown: Feb/Mar 2019          Survey Base: St. Bruno-de-Gigues QC          Survey Line Spacing: 100m          Survey Line Direction: 000-180°          Nominal Terrain Clearance: 90m          EM Loop Clearance: 50m          Total Line km: 142km</p> <p>Generated by</p> <p><b>CORE</b> GEOPHYSICS</p>	<p style="text-align: center;">N</p> <p style="text-align: center;"><b>1:25,000</b></p> <p style="text-align: center;">0 100 200 300 400 500 Meters</p> <p style="text-align: center;">Datum : NAD83 Projection : NUTM17</p> <p style="text-align: right; font-size: small;">5/2019 CMC_Alotta29K_BFZCH30_Targets_Plates_Full</p>	<p style="text-align: center;"> <b>CHASE MINING</b> CORPORATION L.L.P.</p> <p style="text-align: center;"><b>Alotta Project</b></p> <p style="text-align: center;"><b>VTEMmax Survey B-Field Z Channel 30 Target Locations and Plate Models</b></p>
---	--	---	---

**Figure 2: ADZ and Bambino Claims on VTEM B-Field Channel 30 Z component image. Showing Bambino VTEM Anomalies**



**Figure 3: Alotta – Bambino Claims VTEM Anomalies on Total Magnetic Intensity-1VD Image. Showing historic drill collars and Bambino Priority 3 ranked anomalies B1 – B5**

## **Key Commercial Terms**

Under the terms of the Bambino Option Agreement the Company has acquired 100% interest in the 34 Bambino claims, subject to a 2.0% Net Smelter Royalty (NSR) and certain other terms and conditions as set out below.

As agreed Chase Mining has paid the renewal fees for the claims and allocated a portion of its excess exploration credits accumulated as a result of Alotta drill programme and the recently flown VTEM survey to the claims to ensure they are in good standing as there has only been limited recent work carried out on them as required.

Chase Mining entered into the Bambino Purchase and Option Agreement to acquire 100% of the claims and through which it may also elect to buy-out the 2% NSR under the following provisions:

- The Company will pay the Optionor a total cash fee of C\$35,000 for services rendered over a four (4) year period as follows: C\$7,500 on or before 6 June 2020; C\$7,500 on or before 6 June 2021; C\$10,000 on or before 6 June 2022; and, C\$10,000 on or before 6 June 2023;
- The Company will file eligible Exploration Work and/or transfer Adjacent Property Work Credits and pay Renewal Fees sufficient to renew the Property until 7 August 2023;
- At any time during the Option the Company may elect to exercise the Option for consideration of a single cash payment to the Optionor equal to any outstanding fee payments (the C\$35,000), in which case the Royalty Interest shall survive;
- On or before 6 June 2022 the Company may elect to exercise the Option early and buy out the Royalty Interest for consideration of \$250,000 payable to the Optionor comprising \$25,000 minimum as cash and \$225,000 as a mixture of cash and shares according to the Company's election. Upon such payment the Royalty Interest shall be cancelled and no further cash payments pursuant to shall be due to the Optionor; or
- Within twelve (12) months after exercising the Option, the Company may elect to buy out the Royalty Interest for consideration of \$500,000 payable to the Optionor as a mixture of cash and Shares according to the Company's election. Upon such payment the Royalty Interest shall be cancelled.

**For, and on behalf of, the Board of Directors of Chase Mining Corporation Limited,**

Dr Leon Pretorius  
Executive Chairman  
Chase Mining Corporation Limited

**For technical enquiries contact:**

Martin Kavanagh on 0419 429 974

## **Competent Person Statement**

The information in this report that relates to Project Assessment 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 (the "JORC Code"). 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 Project Assessment 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.