

ASX Announcement

28 November 2013

Chairman's 2013 AGM Address

Our primary focus over the last 12 months has been, and continues to be on targeting high quality mining projects globally with strong cash flow generation potential. Our technical team is applying a structured and disciplined approach in reviewing a significant number of primarily gold and copper projects globally.

Our first significant transaction was recently announced whereby Chalice has signed an agreement to acquire the Cameron Gold Project in Canada from Coventry Resources Inc. The Cameron Project is a quality exploration and development asset, with a solid resource, in a low-risk, favourable mining jurisdiction. The project has good grades, excellent exploration upside potential and access to good infrastructure with a local labour force with strong mining experience.

The transaction is still subject to court and Coventry shareholder approval, however, we envisage that the transaction will complete in late January 2014.

Aside from the quality of the asset, key attractions of the Coventry deal are the ability to preserve our strong cash balance of approximately A\$54 million and the low holding costs of the Cameron Project. If we are successful in closing the deal this will provide us with considerable flexibility as we look to add value to the Coventry assets by unlocking some of the exploration potential and evaluating future development options. At the same time we will continue to look at further complementary transactions within the region.

The Board also approved a second leg to Chalice's strategy, targeting a limited number of high quality "drill ready" exploration opportunities, in low risk mining jurisdictions on a deal by deal basis. The rationale being to take advantage of both the ongoing tightness in the equity markets for junior exploration companies and the significant decline in drilling costs.

Due to the softening market conditions, particularly in the exploration sector, we were pleased to be able to close two exciting exploration deals within the second leg of our strategy during September 2013.

The first deal gives Chalice significant exposure to GeoCrystal Limited's Webb Diamond Project in the West Arunta region of the Gibson Desert in Western Australia, via a 10.1% placement in GeoCrystal. Chalice has the option to participate in future financings until it holds a 51% interest in GeoCrystal. Although it is early days, the Webb Diamond Project shows potential to be a large kimberlite field, with more than 80 discrete aeromagnetic anomalies with the potential to be diamond bearing kimberlite pipes.

The second deal gives Chalice the right to earn up to 70% of both the Oodnadatta and Marla Projects in South Australia, by funding \$5.5 million. Both projects are in a province with high iron oxide-copper-gold-uranium (IOCGU) endowment that hosts deposits such as Olympic Dam, Prominent Hill and Carrapateena. The initial commitment is \$800,000 to undertake the first phase of exploration at Oodnadatta and Marla IOCGU Projects.

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Both transactions provide Chalice shareholders exposure to high quality exploration plays, with significant upside potential. Drilling has commenced on both projects with results expected over the coming months.

In Eritrea, we confirmed the presence of a new VMS system at Mogoraib North, however we have yet to intersect economic grades and widths. We continue to assess our options in relation to this project.

We are confident we are well positioned to execute our growth strategy, with a strong Board, an experienced technical team and a strong balance sheet.

In conclusion, I would like to thank the Board, management team and staff as we continue to search for quality assets around the globe. I would also like to thank our shareholders for your patience and continued support.

Bill Bent will now present a short overview on the Company and its future direction.

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Forward Looking Statements

This document 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 document and Chalice Gold Mines Limited (the Company) does not intend, and does not assume any obligation, to update these forward-looking statements, except as required by law or regulation.

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, statements with respect to whether the conditions to the Coventry Transaction will be met, the estimation of mineral reserves and mineral resources, the realisation of mineral reserve estimates, the likelihood of exploration success, 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 plans, expects or does not expect, is expected, budget, scheduled, estimates, forecasts, intends, anticipates or does not anticipate, or believes, 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 include, among others, conditions precedent to completion of the Coventry Transaction being met;

risks related to actual results of current exploration activities; changes in project parameters as plans continue to be refined; future prices of mineral resources; possible variations in ore reserves, grade or recovery rates; accidents, labour disputes and other risks of the mining industry, 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. 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.