

Chalice Gold Mines Limited

Sub-Sahara Resources NL

Merger Presentation April 2009



CHALICE
GOLD MINES LIMITED

www.chalicegold.com



Sub-Sahara Resources NL

www.subsahara.com.au

Disclaimer

The material used in this presentation is intended to be a summary of the proposed merger between Chalice Gold Mines Limited and Sub Sahara Resources NL and includes activities that are current and proposed based on the information available to Chalice Gold Mines Limited as at 20th April 2009.

This presentation may contain value references and "forward looking statements" which are subject to various risks and uncertainties that could cause actual results and future events to differ materially from those expressed or implied by such statements. Investors are cautioned that such statements are not guarantees of future performance and results.

This presentation does not include all available Information on Chalice Gold Mines Limited and should not be used in isolation as a guide to investing in the Company. Any potential investor should also refer to Chalice Gold Mines Limited Annual Reports and to ASX releases and take independent professional advice before considering investing in the Company.

For further information about Chalice Gold Mines Limited, visit the website at www.chalicegold.com

- **Chalice Gold Mines and Sub-Sahara Resources have agreed, subject to consents and approvals, to merge by way of a Scheme of Arrangement**
- **Scheme consideration will comprise 1 Chalice Share for every 10.73 Sub-Sahara Shares**
- **The proposed merger will combine Chalice's strong cash resources (~A\$10M) with Sub-Sahara's 69% interest in the emerging 1.04Moz Zara Gold Project in Eritrea (East Africa)**
- **Chalice to acquire a further 11.12% interest in the Zara Project, subject to completion of the merger, giving the merged group a consolidated 80% interest in the Zara Project**
- **Proposed merger has the full support of the Boards of both companies**

Merger Snapshot

- Approximately 121M shares on issue on completion of the merger
- Post merger market capitalisation of \$17M (based on Chalice share price of \$0.14)
- Capability to rapidly progress Zara project through to definitive feasibility study
- Sufficient funding to carry project through to a decision to mine
- Experienced board with extensive African experience, including Eritrea

Post Merger Board

Tim Goyder (Executive Chairman)

Doug Jones (Managing Director)

Mike Griffiths (Executive Director)

Anthony Kiernan (Non-executive Director)

Expected Post Merger Substantial Shareholders:

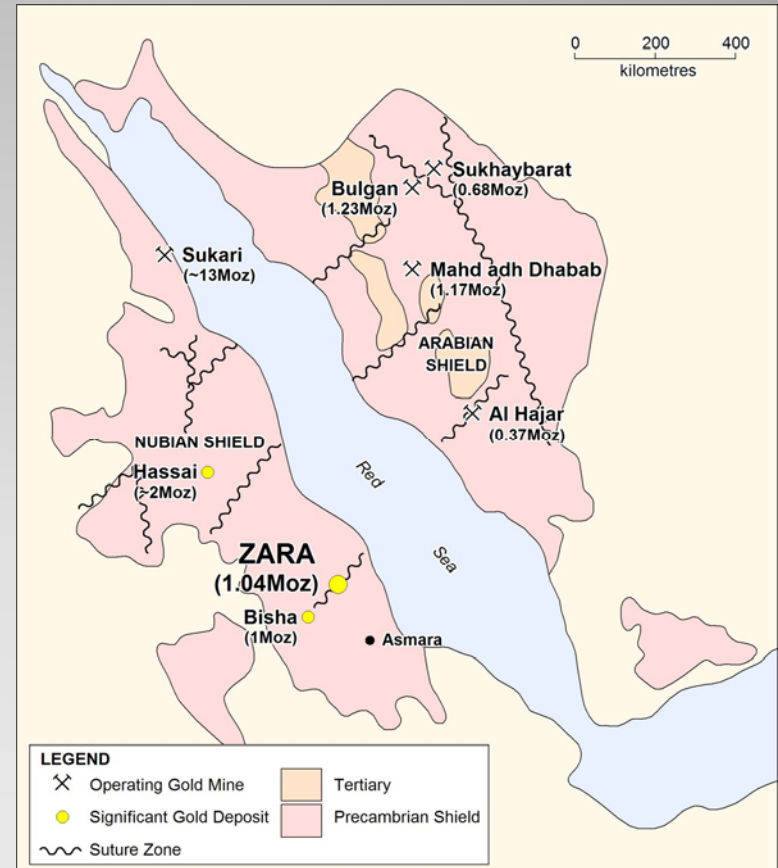
Tim Goyder	14.2%
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Anvil Mining	6.9%
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David Kennedy	5.6%
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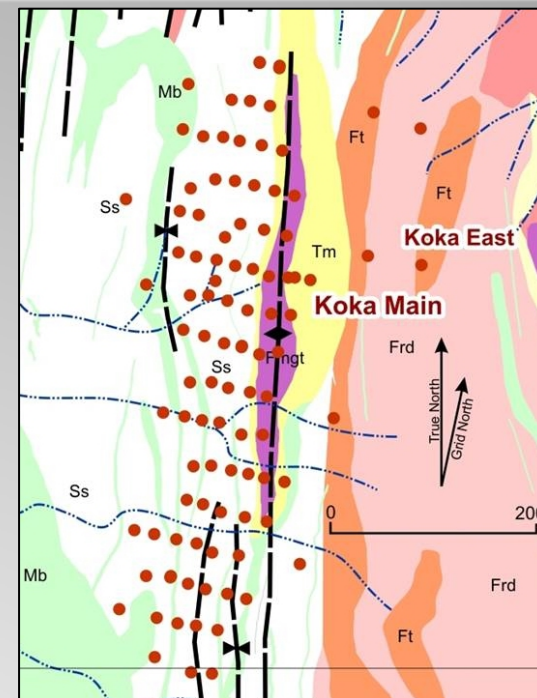
Post Merger Snapshot

- **Zara Gold Project lies within the Precambrian Arabian-Nubian Shield**
- **Host to numerous +1Moz deposits and mines with a history dating back to ancient times**
- **Gold endowment >20Mozs – but largely unexplored in modern times**
- **Various deposit types including mesothermal & epithermal gold and polymetallic (VHMS) styles**
- **Associated with structural controls (regional scale sutures, faults and shear zones) and granitoid magmatism**
- **In Eritrea Nevsun's ~US\$250M Bisha gold and base metal mine currently under construction (LOM production of 1.06 million oz gold, 749 million lb copper, 1,093 million lb zinc, 9.4 million oz silver)**



Potential of the Arabian-Nubian Shield

- Koka Deposit - JORC compliant Indicated and Inferred resource of **5.13 Mt grading 6.31 g/t gold for 1.04Moz contained**
- Current resource based on results from 79 diamond drill holes (9,036 metres drilled)
- Resource currently being updated using results from an additional 30 diamond drill holes (total 18,000 metres drilled to date)
- 570 metres of strike
- Drilled to a depth of 300 metres
- Potential remains open down plunge towards the south

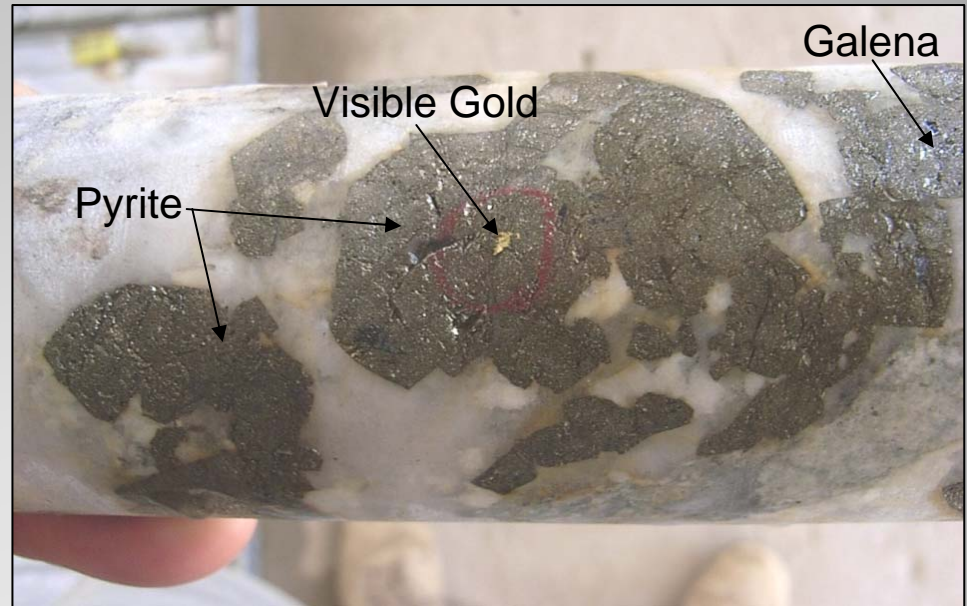


Category	Lower grade cut-off (g/t)	Tonnes (Mt)	Gold (g/t)	Metal (Koz)
Indicated	1.5	4.27	6.31	866
Inferred	1.5	0.86	6.33	174
TOTAL	1.5	5.13	6.31	1,040

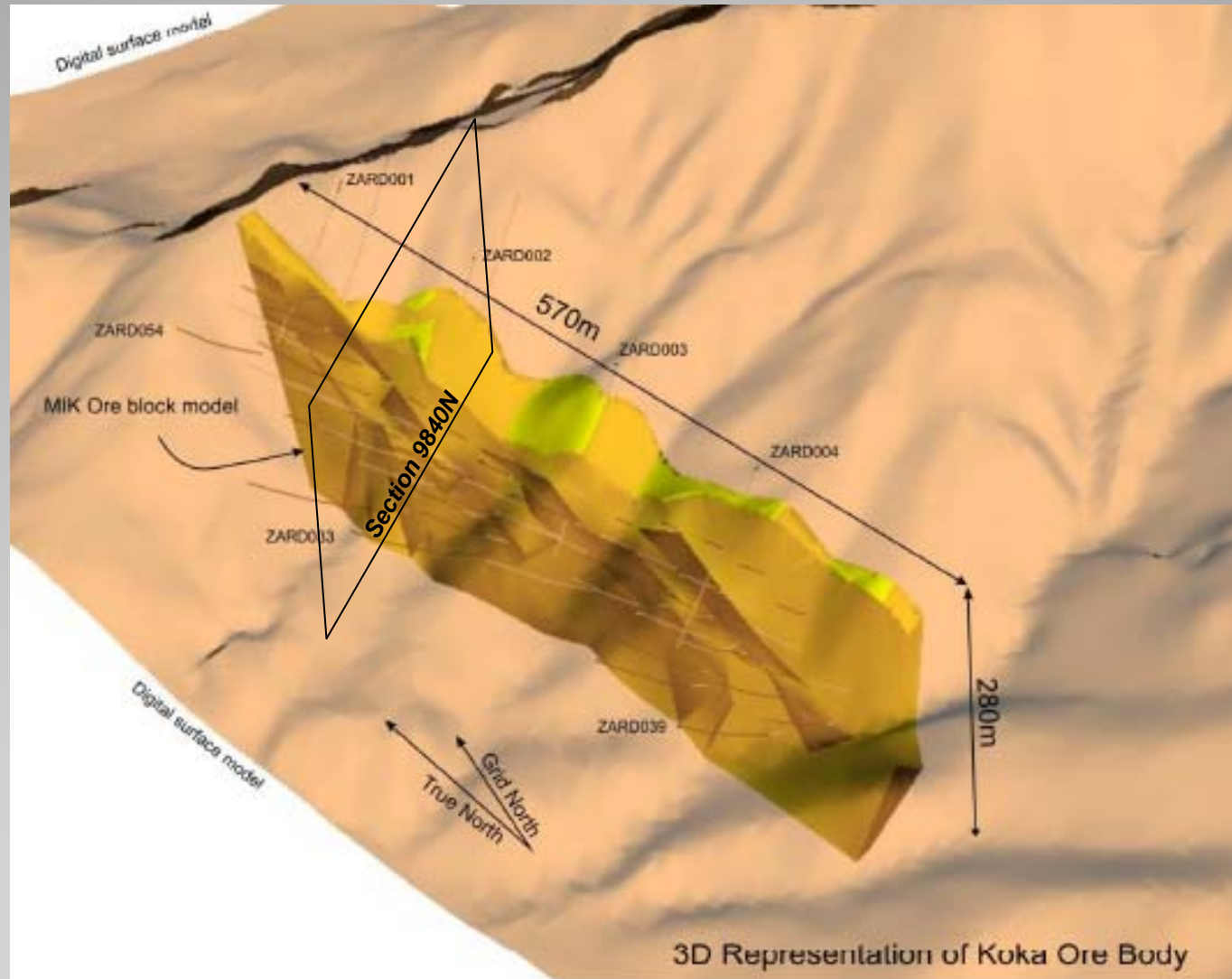
From Coffey Report dated 15th February, 2008 for the Koka Insitu Mineral Resource reported above a nominal 1.5 g/t Au lower cutoff grade and below a statistically derived 100g/t top-cut. MIK derived SMU model estimates using a nominal 5mE x 10mN x 5mRL SMU dimension to emulate assumed open pit mining selectivity. Bulk density of 2.73t/m3 has been applied to mineralized zones. Gold grade tonnage distributions are subdivided by JORC resource categories. Depletion is to the current natural surface, with no mining assumed to-date. The reported resource is otherwise unconstrained but limited by depth of drilling and model extents.

The Zara Gold Project

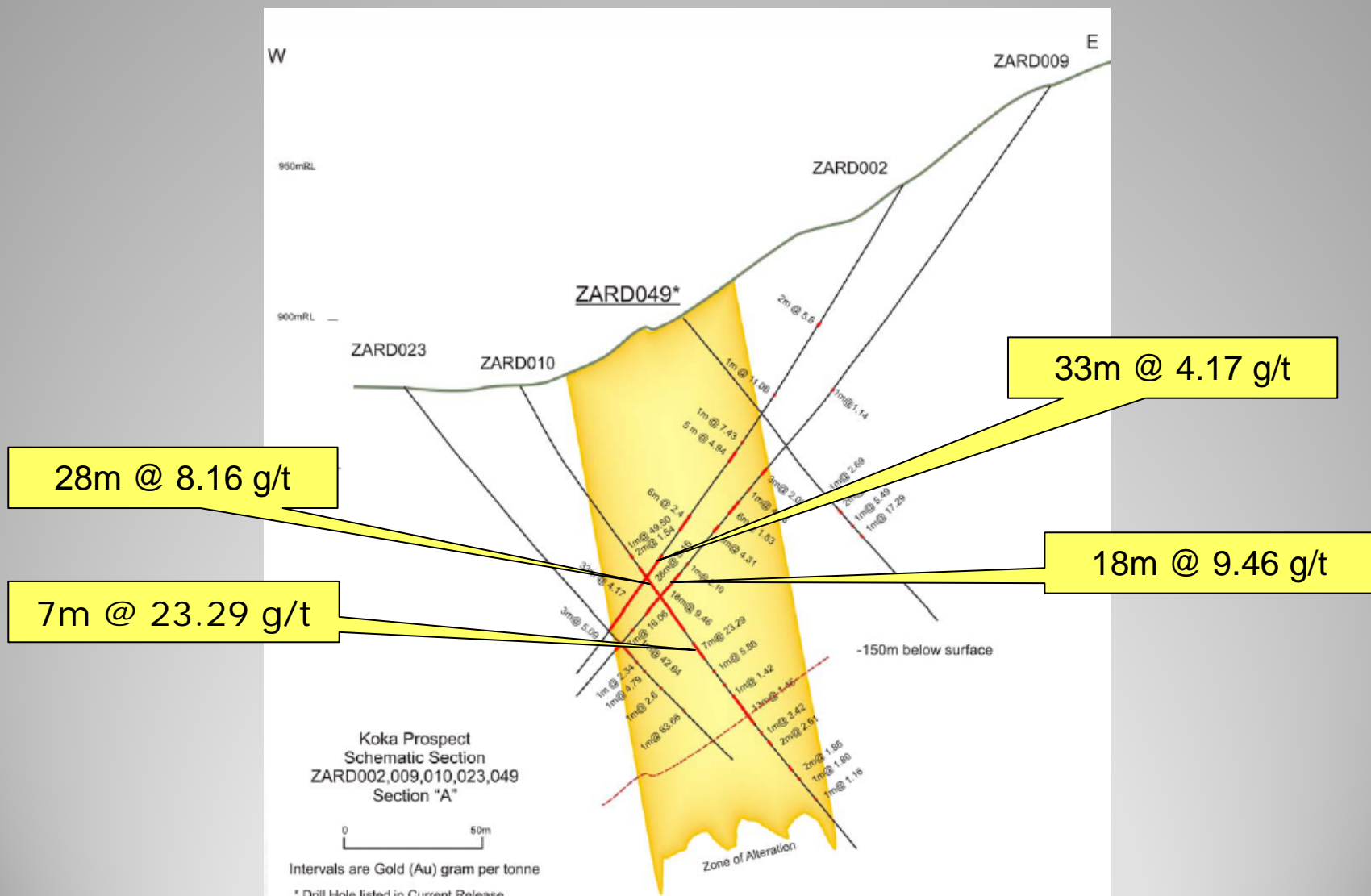
- **Quartz stockwork system cutting micro-granite sill**
- **Limited oxide – bulk of resource is primary sulphide**
- **Coarse sulphide blebs associated with quartz veins**
- **Visible gold & high gold values associated with pyrite, galena, sphalerite & minor chalcopyrite**
- **Metallurgically benign - preliminary testwork indicates high gold recoveries (>95%) with low reagent consumptions**



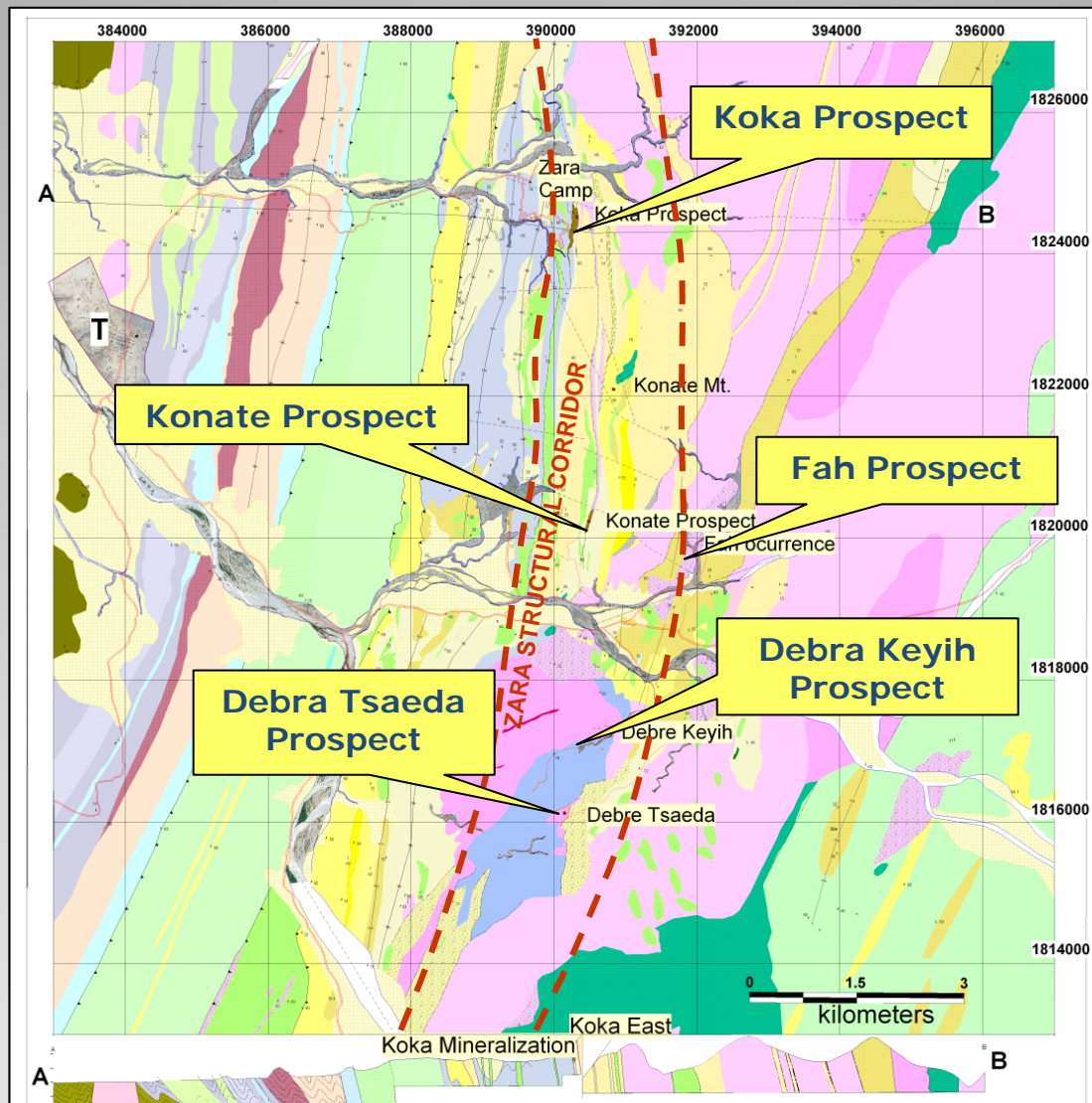
Koka Deposit - Mineralisation



Koka Deposit – 3D Model



Koka Deposit – Section 9840N



Exploration Upside – virtually untouched

Execution of MIA (proposed)	21-22 April 2009
Lodging Scheme Booklet with ASX and ASIC	11 May 2009
First Court Hearing	26 May 2009
Despatch of Notice of Meeting & Scheme Booklet to SBS Shareholders	1 June 2009
Scheme Meeting	1 July 2009
Second Court Hearing	9 July 2009
Lodging of Court Order with ASIC	13 July 2009

Indicative Merger Timetable (subject to change)

Competent Persons Statement

The information in this report that relates to Exploration Results is based on information compiled by Dr Doug Jones, a full-time employee and Director of Liontown Resources Limited, who is a Member of the Australasian Institute of Mining and Metallurgy and is a Registered Professional Geologist. Dr Jones has sufficient experience in the field of activity being reported to qualify as a Competent Person as defined in the 2004 edition of the Australasian Code for Reporting of Exploration Results, Minerals Resources and Ore Reserves, and consents to the release of information in the form and context in which it appears here.

The Independent Resource Estimate for the Koka deposit was prepared by Dr Bielin Shi, whilst employed as a Specialist Resource Geologist for Coffey Mining Pty Ltd. Dr Shi, who is a Member of the Australasian Institute of Mining and Metallurgy, has sufficient experience in the field of Resource Estimation to qualify as a Competent Person as defined in the 2004 edition of the Australasian Code for Reporting of Exploration Results, Minerals Resources and Ore Reserves, and consents to the release of information in the form and context in which it appears here.