



CHALICE
GOLD MINES LIMITED

"The New East African-Focused Gold Company"



www.chalicegold.com

Corporate Presentation
July 2009

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 3rd June 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

- **Public company developing the Zara Gold Project in Eritrea, East Africa**
- **Targeting 100,000 ozpa production from known 944,000oz resource**
- **Merger with Sub-Sahara Resources NL to be completed in August 2009 (subject to shareholder approval)**
- **Strategic landholding in emerging Arabian-Nubian gold & base metal province (Sukari, Bisha)**
- **Expected completion of Scoping Study in October 2009 and Feasibility Study in May 2010**

Overview

- Chalice and Sub-Sahara to merge via Scheme of Arrangement; fully supported by both Boards
- Scheme consideration to comprise 1 Chalice share for 10.73 Sub-Sahara shares
- Merger to combine Chalice's strong cash position with Sub-Sahara's 69% interest in the Zara Gold Project
- Chalice to acquire a further 11% interest, subject to completion of the merger
- Post merger Chalice to control 80% interest in the Zara Project

Merger Overview

- Approx 121M shares on issue
- Market Cap of ~A\$30M (based on Chalice share price of \$0.25)
- Studies commenced to rapidly progress Zara Project through to production
- Board has extensive African gold 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

- Emerging gold and base metal province – current gold endowment >20Mozs
- Numerous multi-million oz gold deposits and mines dating back to ancient times
- Largely unexplored in modern times
- Centamin's 13Moz Sukari Gold Mine in Egypt commenced production
- Nevsun's \$250M Bisha gold & base metal mine under construction in Eritrea - 1 Moz gold, 750 Mlb copper, 1 Blb zinc, 9 Moz silver)



Gold in the Arabian-Nubian Shield



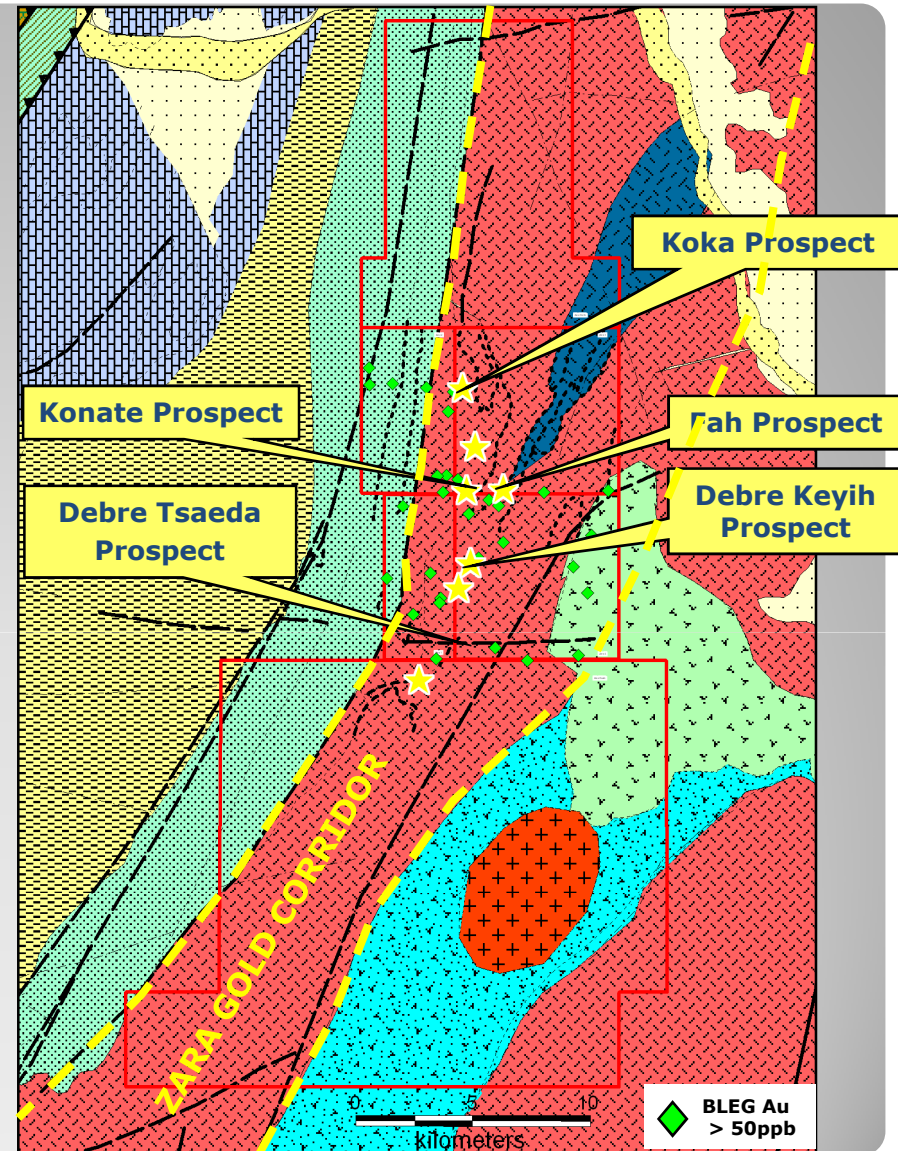
Zara Gold Project – Location

- Stable operating and social environment
- Proactive Government stance on mining developments – “open for business”
- Modern Mining Code
- Increasing foreign exploration & mining investment – 13 groups now active in country



Eritrea Overview

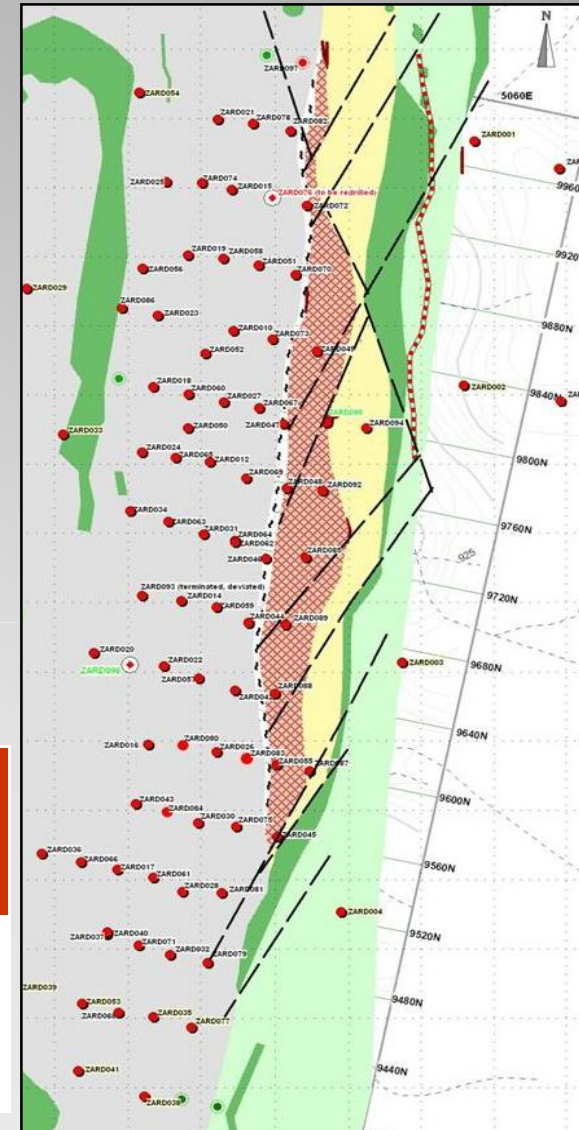
- Major regional scale structural corridor controls gold occurrences
- Tenements cover 50km strike on this corridor (600km²)
- Numerous prospects identified from artisanal gold workings
- Koka Deposit has been main focus of exploration to date



Zara Project – Regional Setting

- Koka Deposit - JORC compliant resource of **5 Mt at 5.8 g/t gold for 944,000 oz**
- Based on results from 109 diamond drill holes (~18,000m drilled)
- 600m strike length, 20-30m wide and open at depth
- Only drilled to 250m below surface
- Bulk of resource shallower than 150m

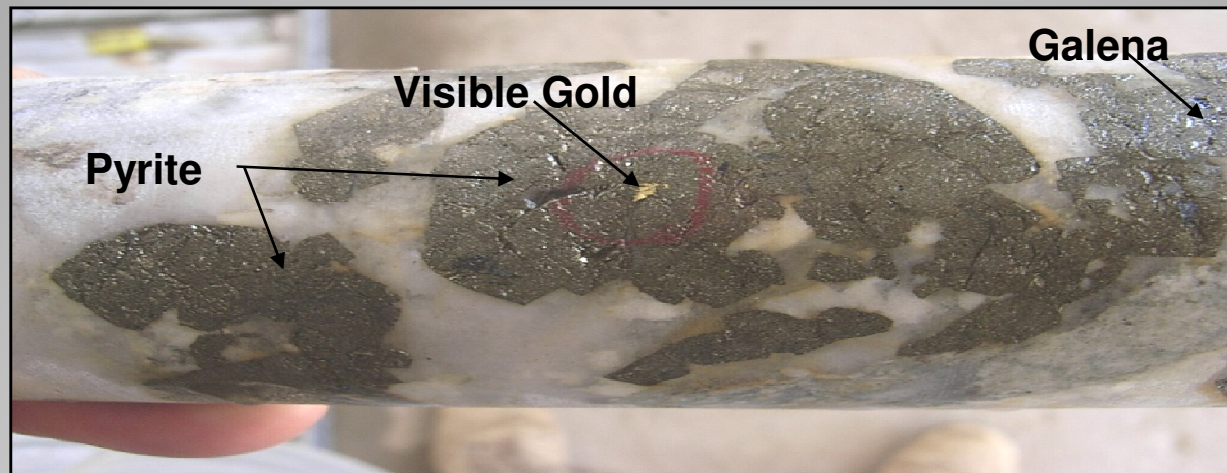
Category	Lower grade cut-off (g/t)	Tonnes (Mt)	Gold (g/t)	Metal (Koz)
Indicated	1.2	4.55	5.9	867
Inferred	1.2	0.49	4.9	77
TOTAL	1.2	5.04	5.8	944



The Koka Gold Deposit

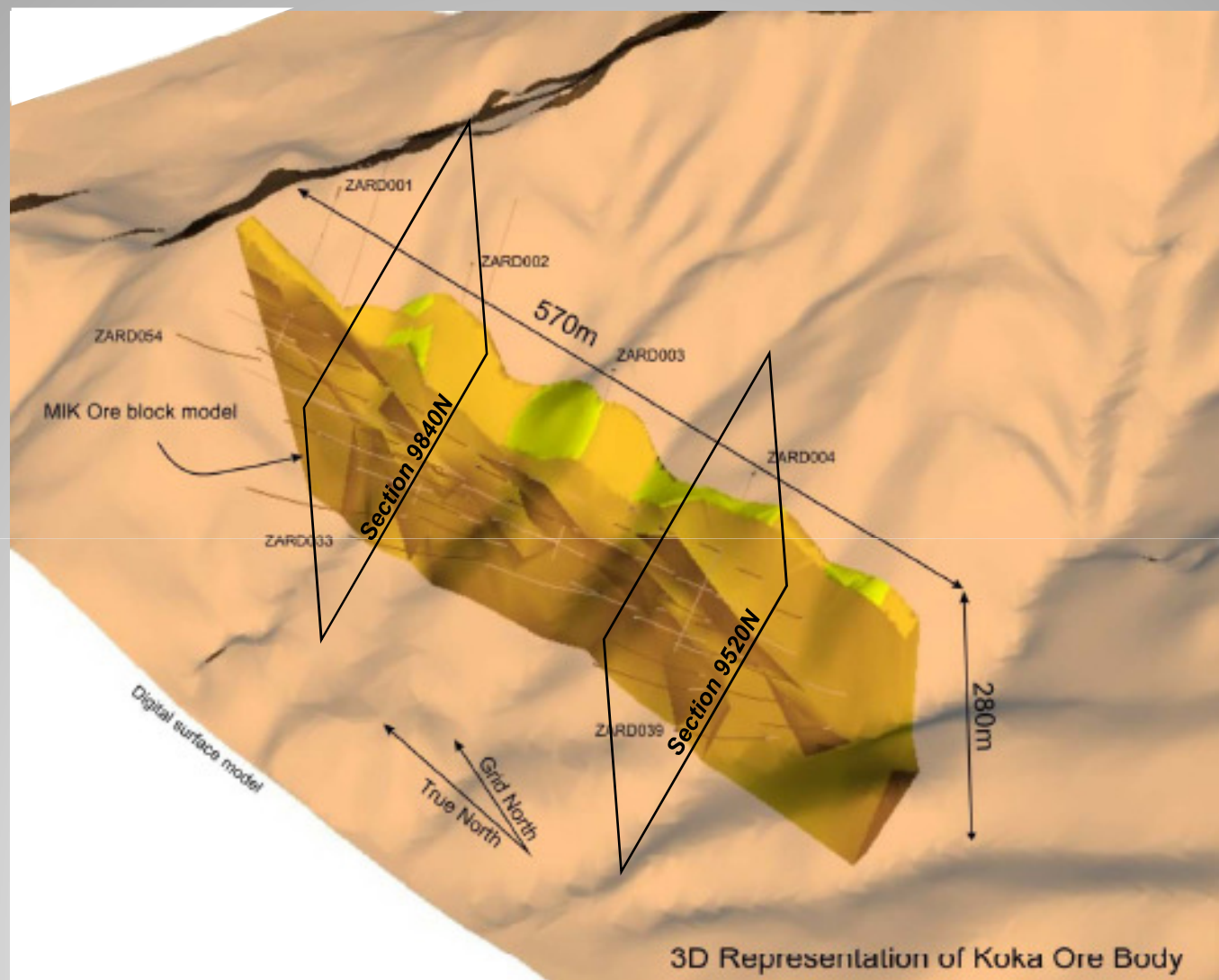


Koka Gold Deposit - looking north

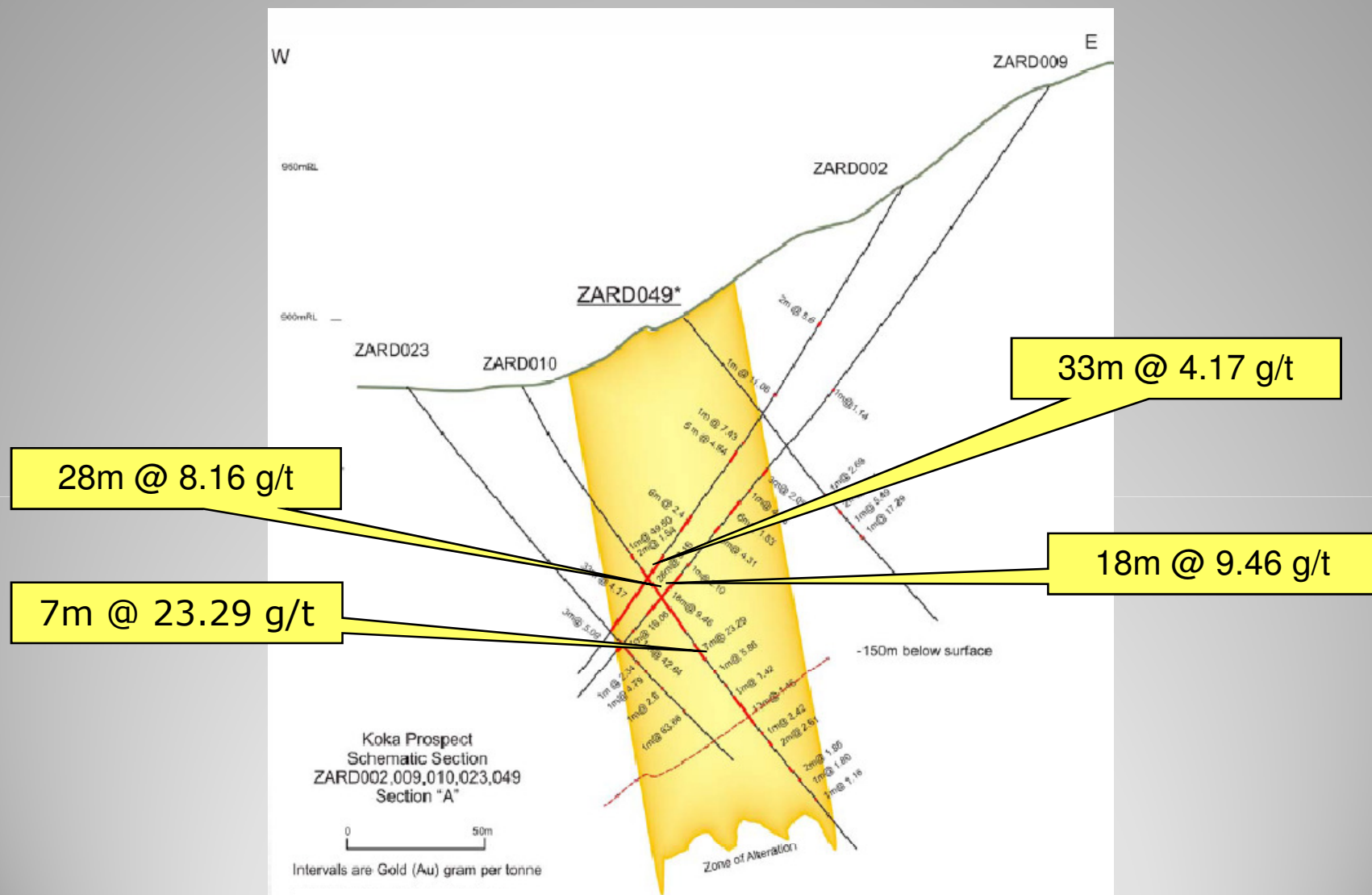


- Quartz stockwork veins cutting microgranite; similar in style to Sukari gold mineralisation
- Visible gold & high gold values associated with sulphides in quartz veins
- Limited oxide – bulk of resource is primary sulphide
- Metallurgically simple - preliminary testwork indicates high gold recoveries (>95%), 40% gravity recovery, low reagent consumptions

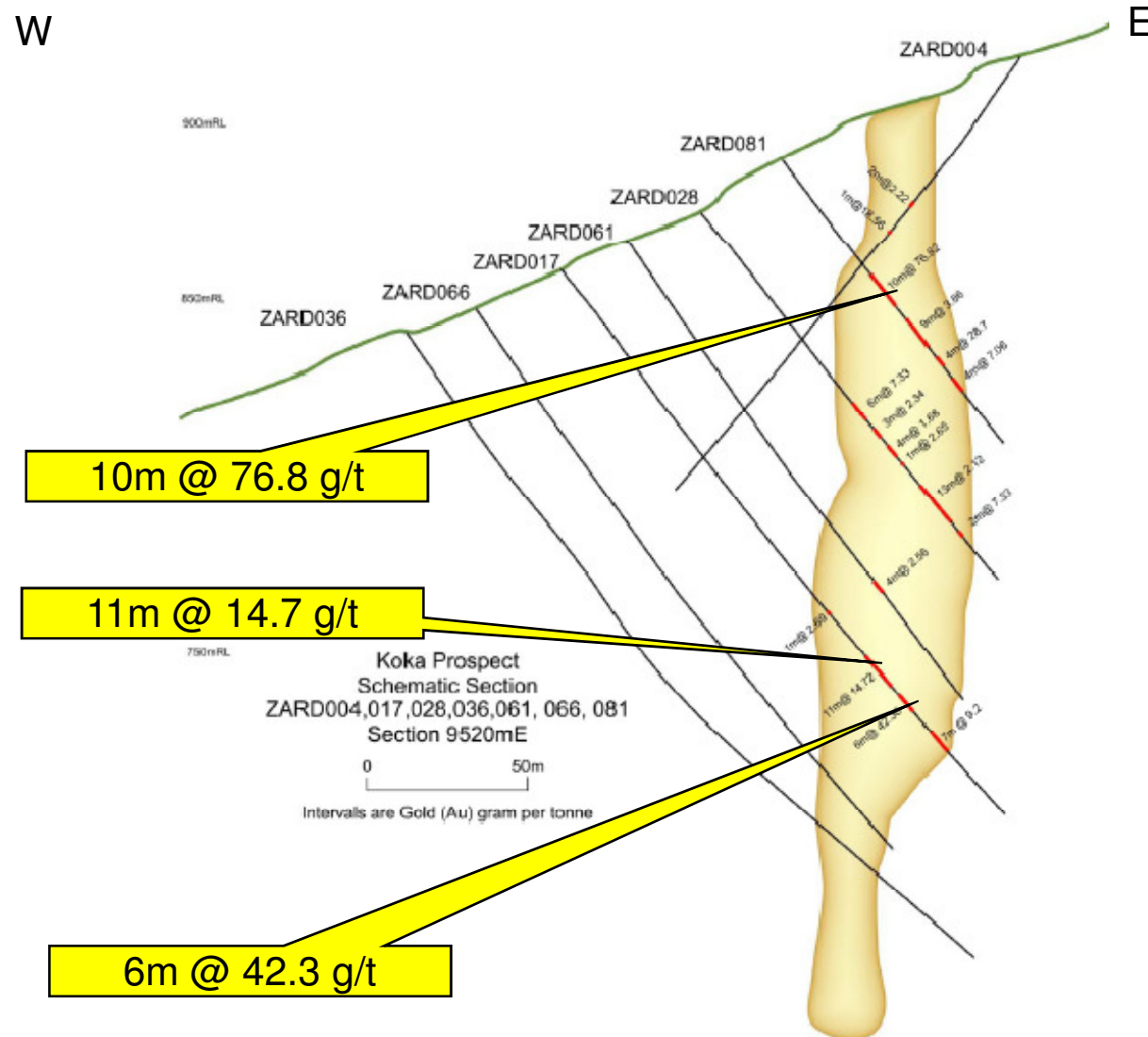
Koka Deposit - Mineralisation



Koka Deposit – 3D Model

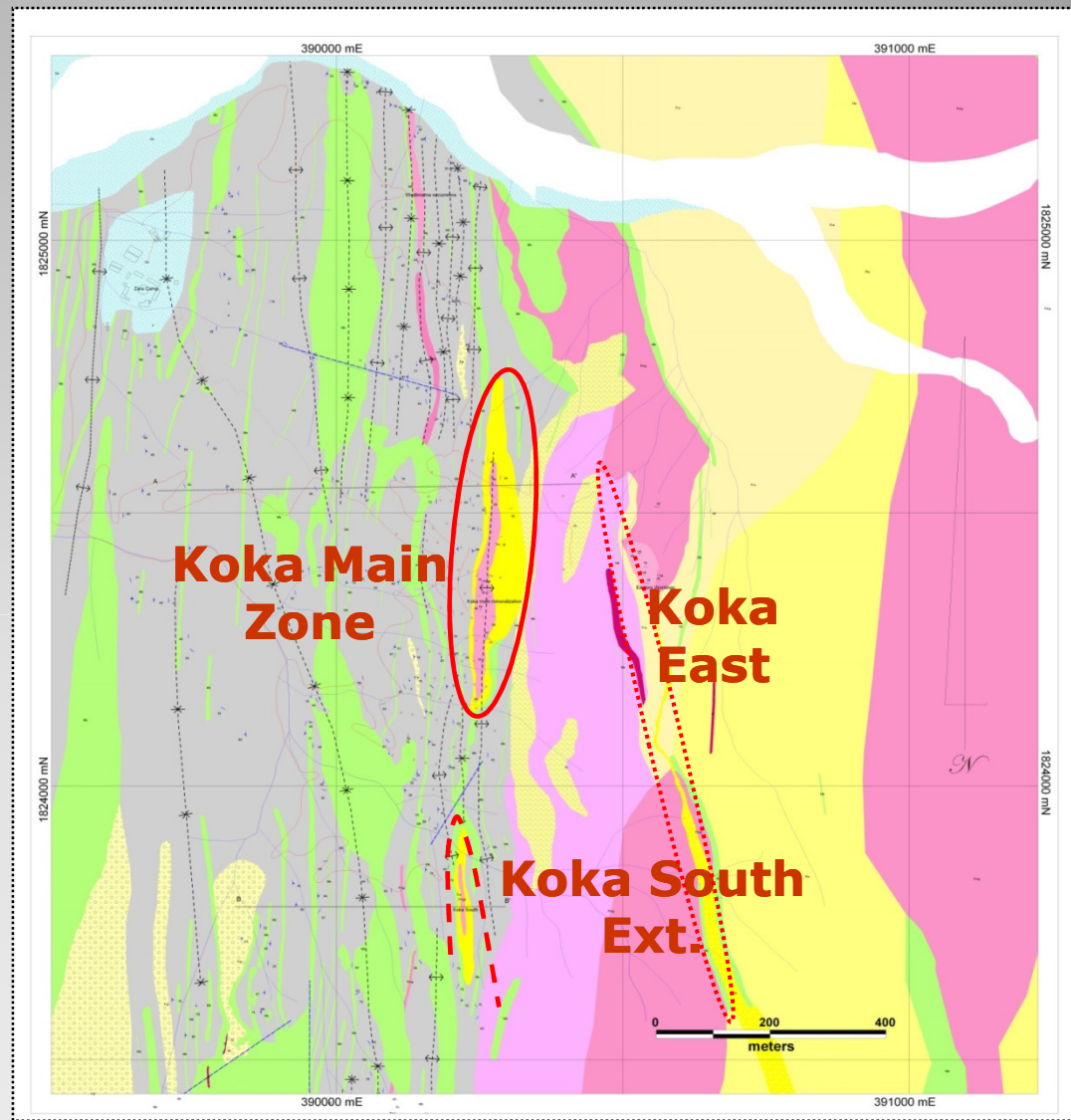


Koka Deposit – Section 9840N



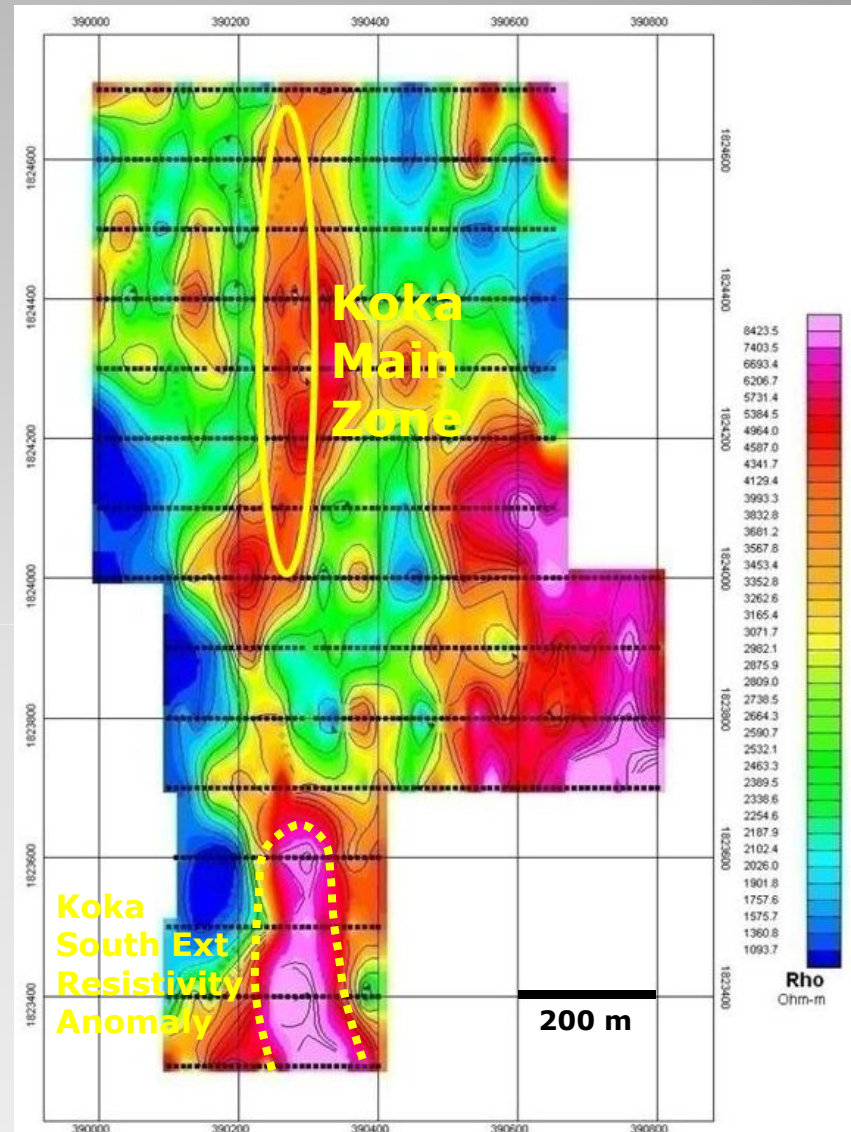
Koka Deposit – Section 9520N

- Exploration to date focused on Koka Main Zone – very little drilling outside this target
- Other targets identified include:
- Koka East – artisanal workings on high-grade quartz vein
- Koka South Extension – IP Resistivity anomaly



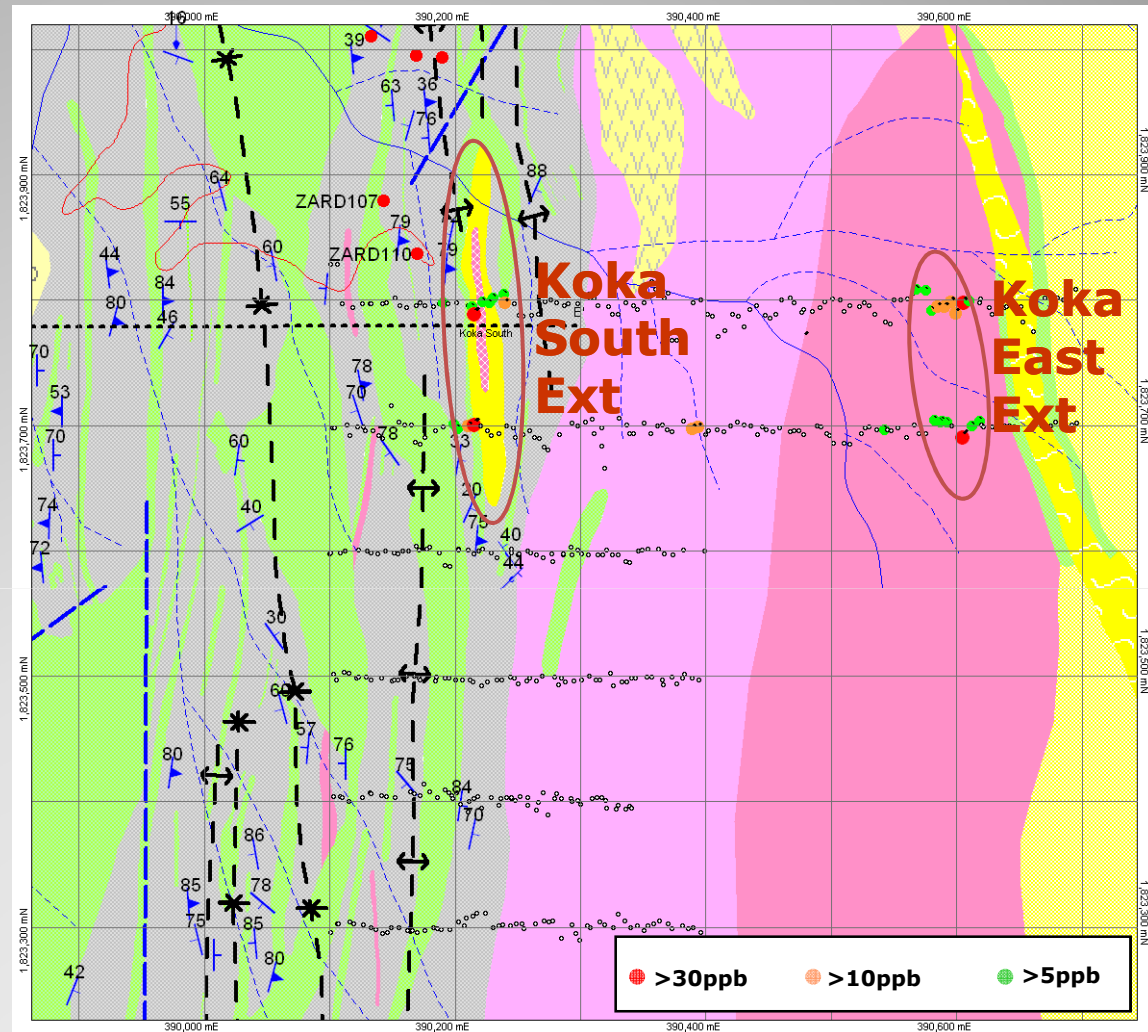
Koka Exploration – 'near mine'

- Koka Main Zone associated with IP Resistivity anomaly
- Reflects silica alteration associated with mineralization
- Strong IP Resistivity anomaly identified 500m to the south
- Ground follow-up confirmed zone of silica-sericite altered microgranite similar to Koka



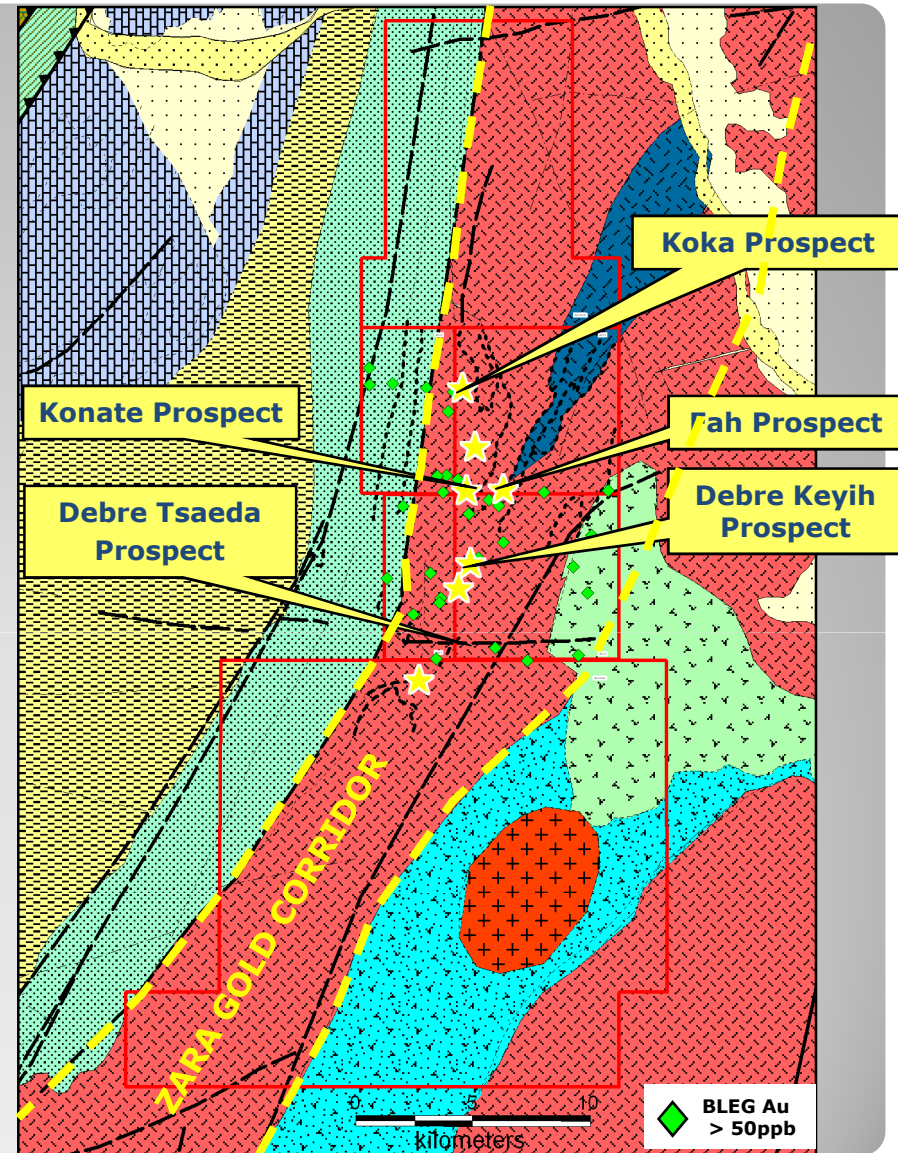
Koka Exploration – IP Resistivity

- Anomalous gold values associated with Koka Sth Ext resistivity and alteration zone
- Drill holes into northern end of zone confirmed Koka-style alteration and mineralization
- Potentially the top of a 'blind' system open to south and down plunge
- Koka East extension confirmed



Koka South Extension – Geochemistry

- No exploration in district before 1998 when Koka discovered
- Koka geological setting extends throughout 600km² tenement block
- Numerous prospects identified from artisanal gold workings
- Drainage BLEG geochemical anomalies identified – will be followed up



Regional Exploration ... virtually untouched 19

- **Complete Scoping Study in October 2009**
- **Complete Feasibility Study in May 2010**
 - **5,000m of drilling to upgrade resource**
 - **Hydrological drilling – contract let**
 - **Metallurgical testwork commenced**
 - **Socio-economic studies & EIS ongoing**
- **Lycopodium appointed to lead engineering studies**
- **Experienced ‘Owner’s Representative’ appointed – metallurgist Steven Chadwick**
- **Regional exploration program to be expanded**

Forward Program

- **Focused growth strategy via merger with Sub-Sahara**
- **Rare opportunity to develop a high-grade gold project with major exploration upside**
- **Strategic ground position in highly gold endowed, under-explored Arabian-Nubian Shield**
- **Targeting 100,000 ozpa production from known 944,000oz resource**
- **Experienced Board and Management with extensive expertise in African gold sector**
- **Aggressive work programme underway to develop the Koka Gold Deposit and discover additional resources**

Summary

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 Chalice Gold Mines Limited, who is a Member of the Australasian Institute of Mining and Metallurgy and is a Chartered 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 Mr Brian Woolf, whilst employed as a Specialist Resource Geologist for Coffey Mining Pty Ltd. Mr Woolf, 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.