



## Building an African Gold Mining Powerhouse



November 2010  
[www.chalicegold.com](http://www.chalicegold.com)

# Disclaimer and Competent Persons Statement

- 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](http://www.chalicegold.com)
- 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 Mineral Resource estimate was prepared by Mr. John Tyrrell who is a Member of the Australasian Institute of Mining and Metallurgy. Mr. Tyrrell is a full time employee of AMC and has sufficient experience in gold resource estimation to act as Competent Person as defined in the 2004 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (the JORC Code)'. Mr. Tyrrell consents to the inclusion of this information in the form and context in which it appears.
- The information in this statement of Ore Reserves is based on information compiled by Mr David Lee who is a Member of the Australasian Institute of Mining and Metallurgy and a full time employee of AMC. Mr Lee has sufficient relevant experience to be a Competent Person as defined in the JORC Code. Mr Lee consents to the inclusion of this information in the form and context in which it appears.

# Corporate Snapshot and Capability

## Capital Structure

Share price	A\$0.71
Shares on issue	211 million
<b>Market capitalisation</b>	<b>A\$150 million</b>
Options on issue	13.1 million
Debt	-
Cash	A\$14m



## Board

- Tim Goyder *Executive Chairman*
- Dr Doug Jones *Managing Director*
- Mike Griffiths *Executive Director*
- Anthony Kiernan *Non-Executive*
- Stephen Quin *Non-Executive*

## Senior Management

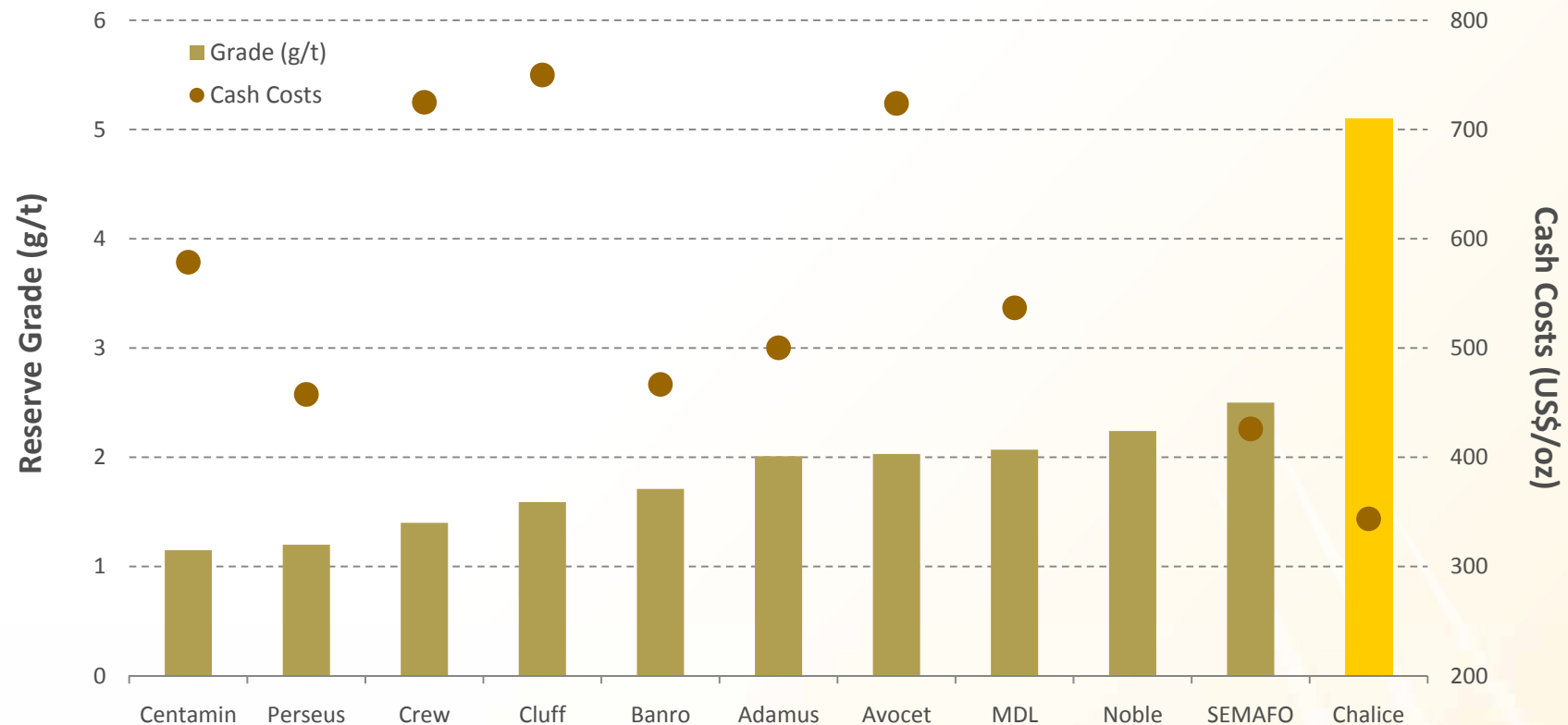
- Steven Chadwick *Project Studies Manager*
- Richard Hacker *CFO*
- Dr Harry Wilhelmij *Exploration Manager*
- Dr Brett Davis *Chief Geologist*
- Yohannes Samuel *Administration Eritrea*

# Eritrea Project Snapshot

- Chalice is a gold development company in the highly prospective and underexplored Arabian-Nubian Shield
- Chalice is developing the high-grade, low cost Zara Project in Eritrea
  - *Open pit - 760,000oz Ore Reserve @ 5.1g/t Au*
  - *LOM production of 104,000oz pa*
  - *US\$338/oz cash operating costs*
- Significant exploration upside
  - *Significant near mine exploration program underway*
  - *20,000 km<sup>2</sup> of regional exploration tenements and applications*

# The Opportunity

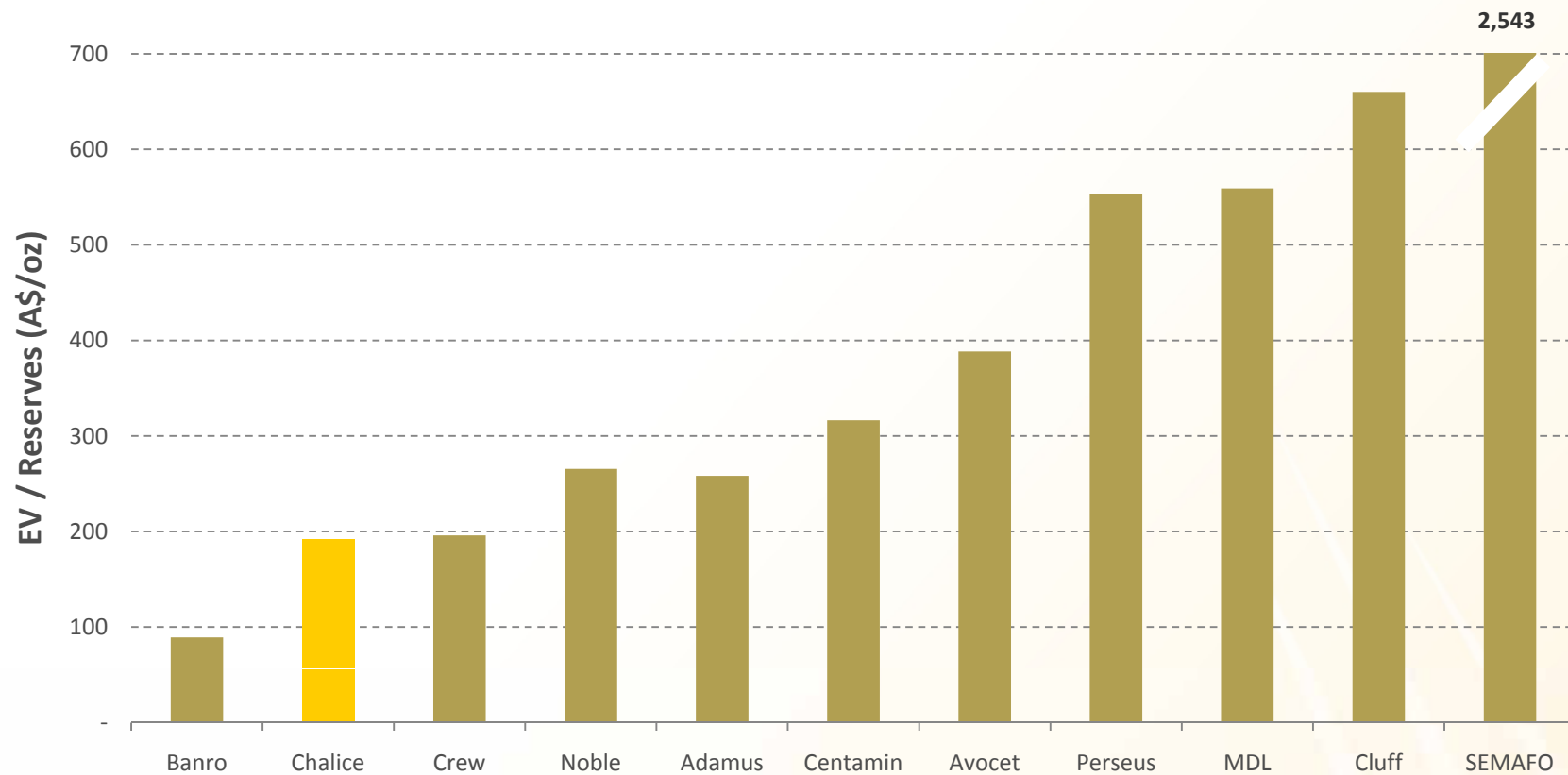
- Chalice will be a high grade, low cost producer



Noble cost of production information not available.

# Comparative Market Valuations

- However, Chalice trades significantly below its African peers



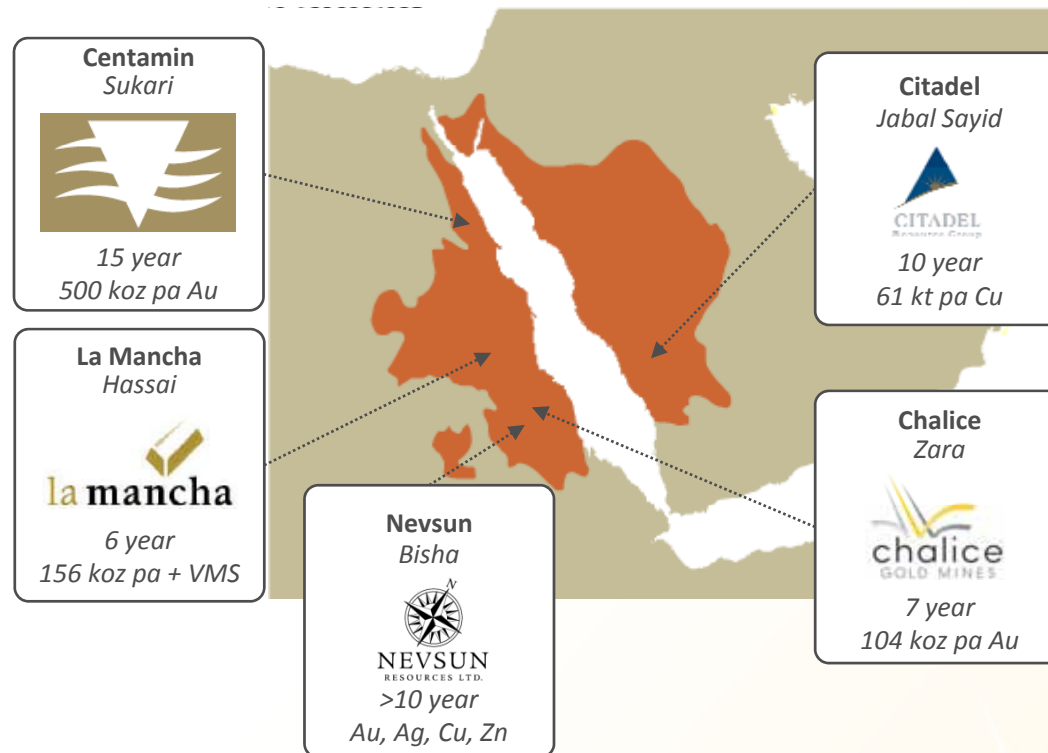
Enterprise values adjusted for in-the-money options.



# Where is Eritrea?



# The Arabian Nubian Shield

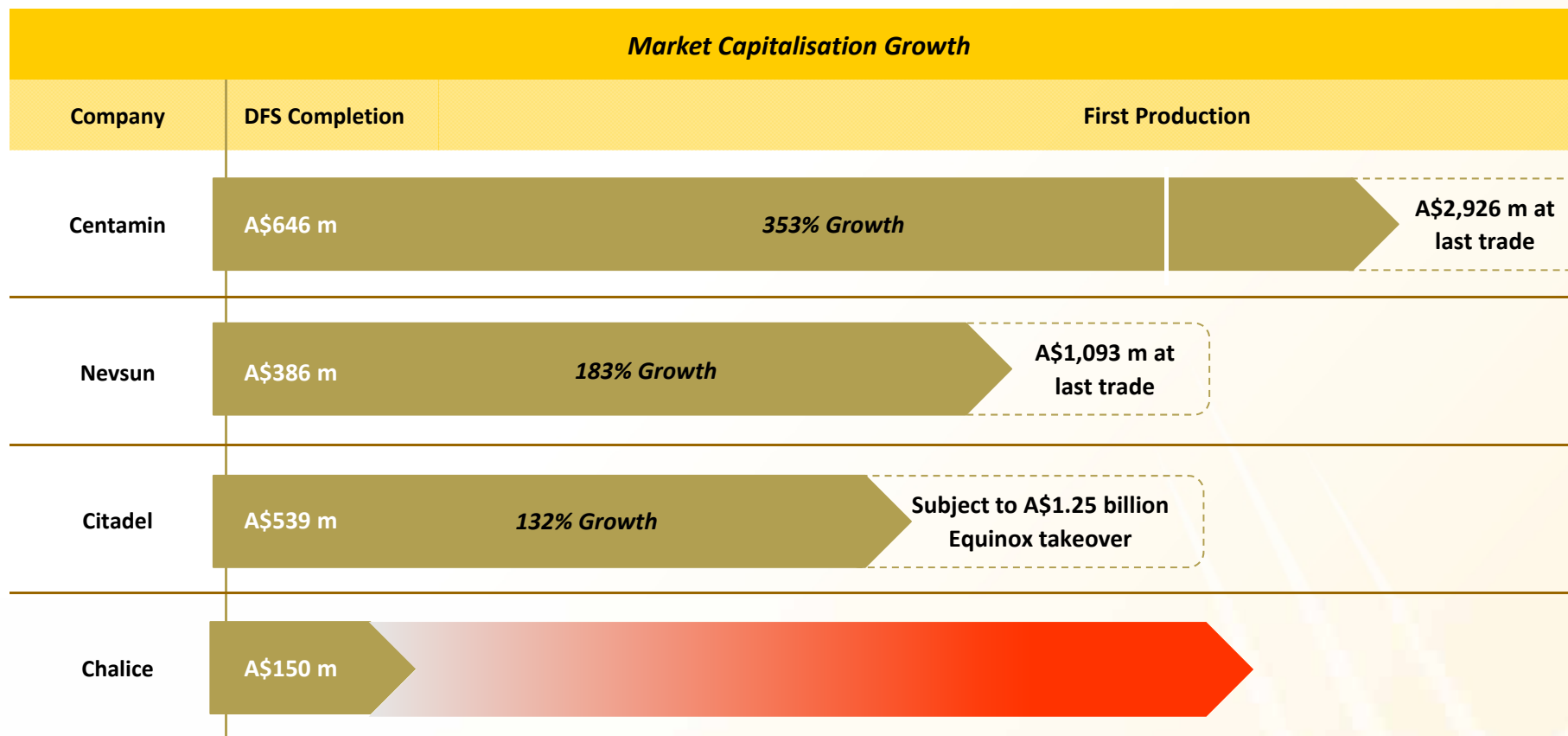


- The Zara Project is located within southern Arabian-Nubian
  - *+20Moz gold endowment*
  - *Over 1,000 recorded ancient copper and gold mines*
  - *Minimal modern exploration*
- World-class projects being developed

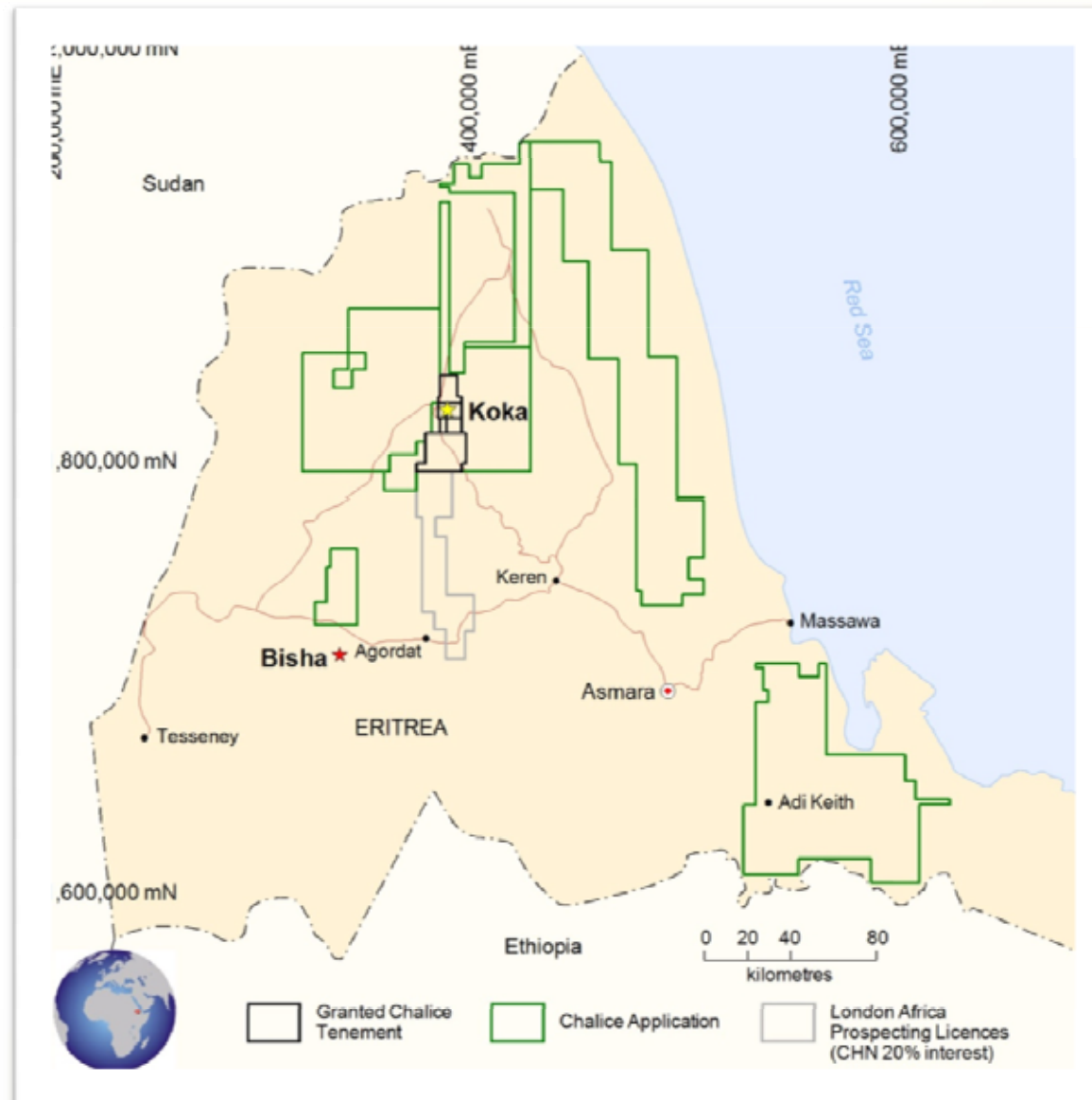


# Arabian-Nubian Shield Companies

- Chalice set for significant growth



# Zara Project Location



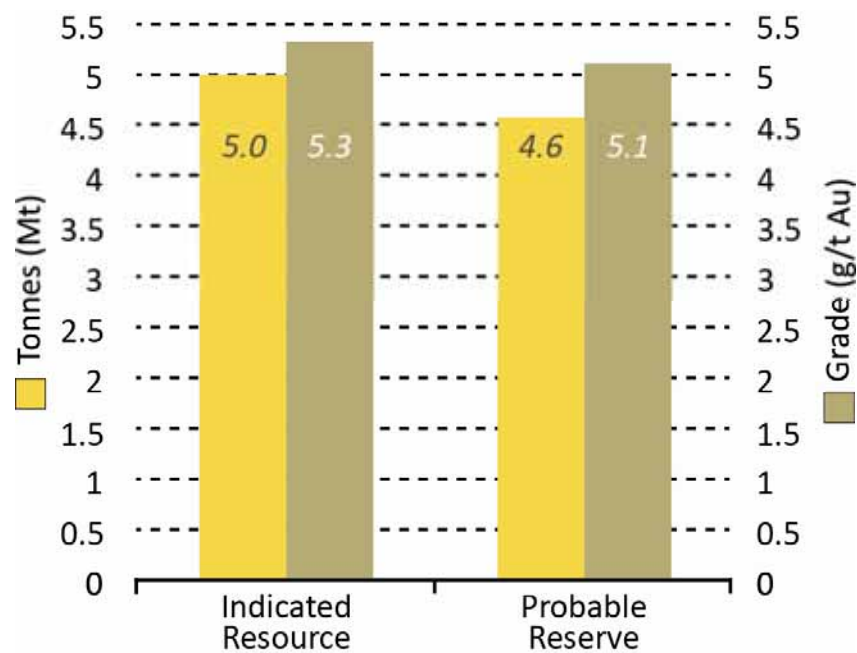
# The Mine Site



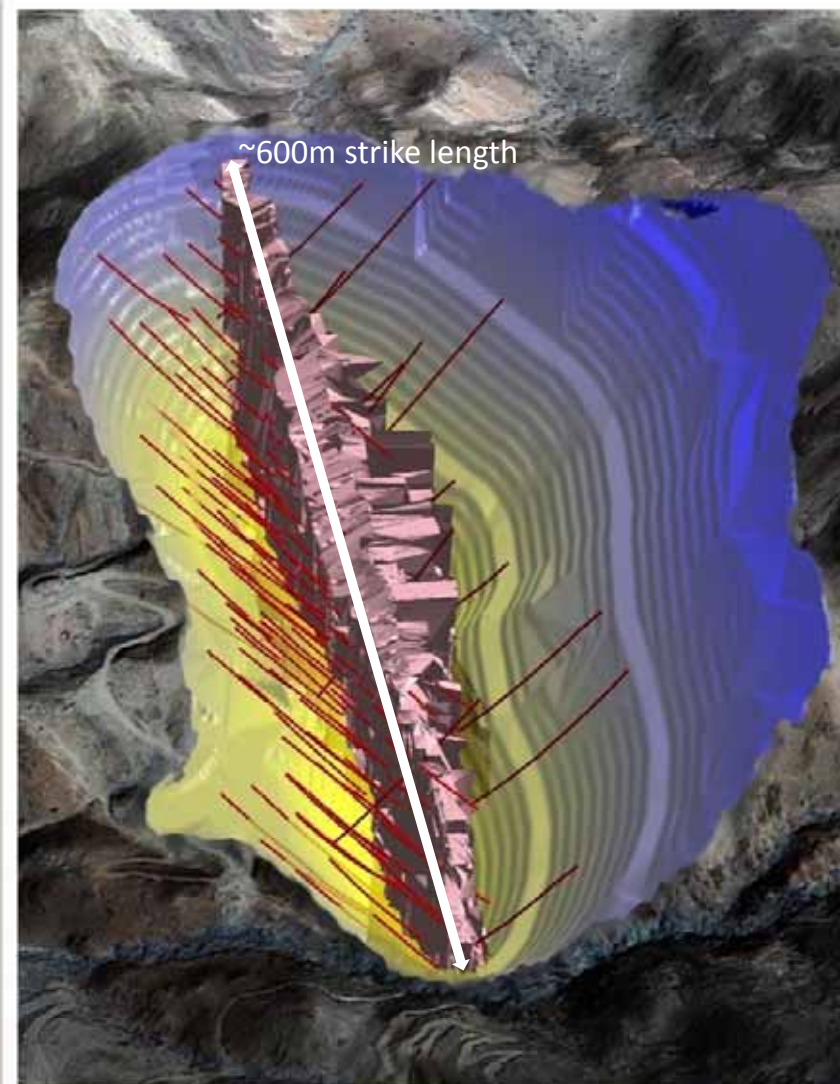


# Koka Gold Deposit

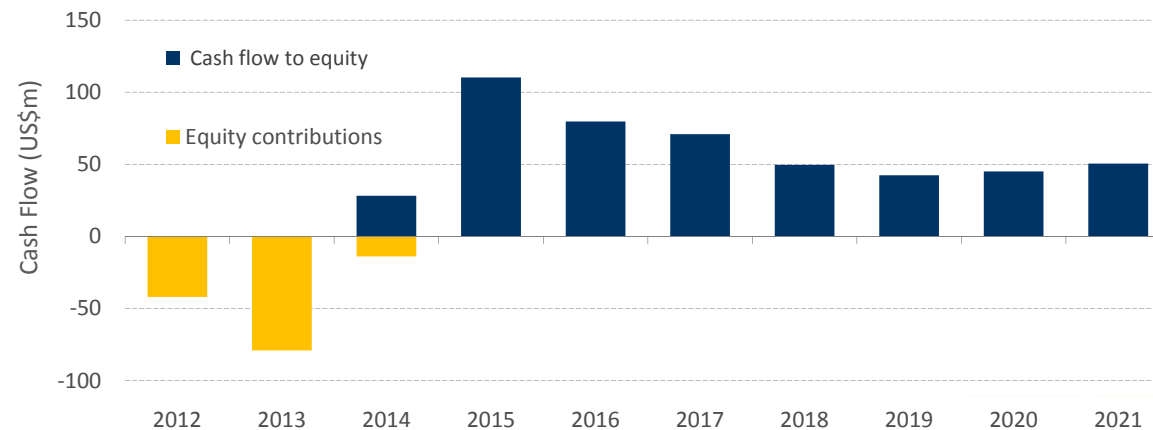
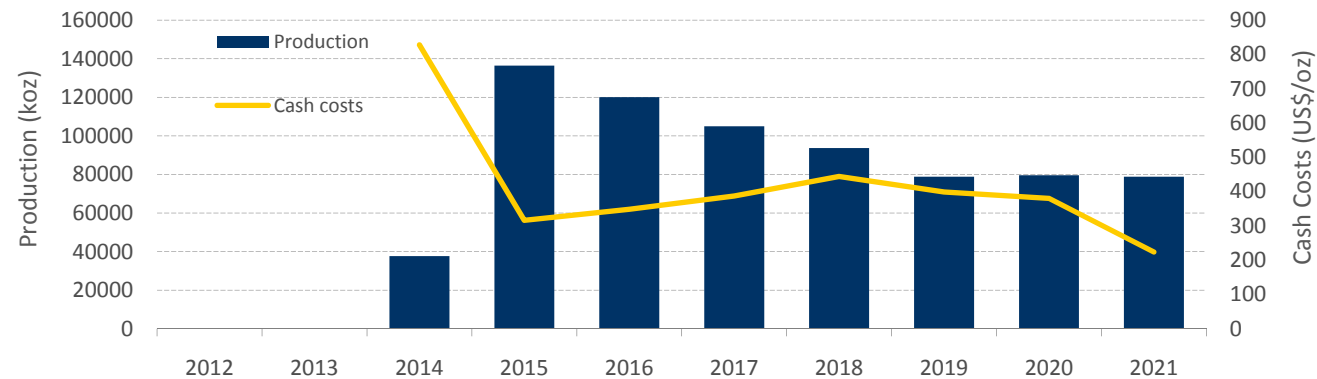
- Indicated Resource of contained gold 840,000 Oz
- Probable Reserve of contained gold 760,000 Oz



\*Both based on 1.2 g/t cut-off



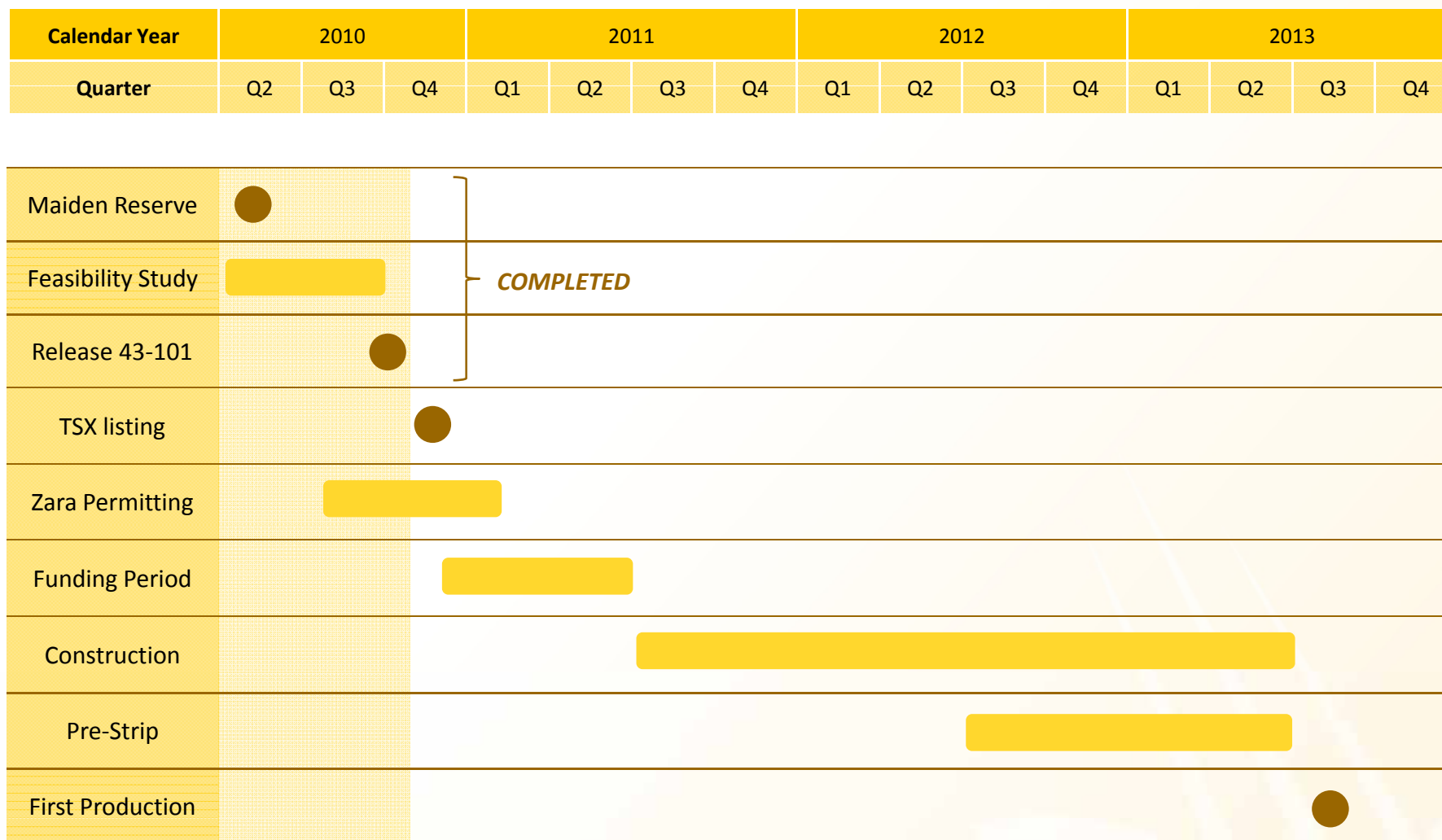
# Koka Outstanding Returns



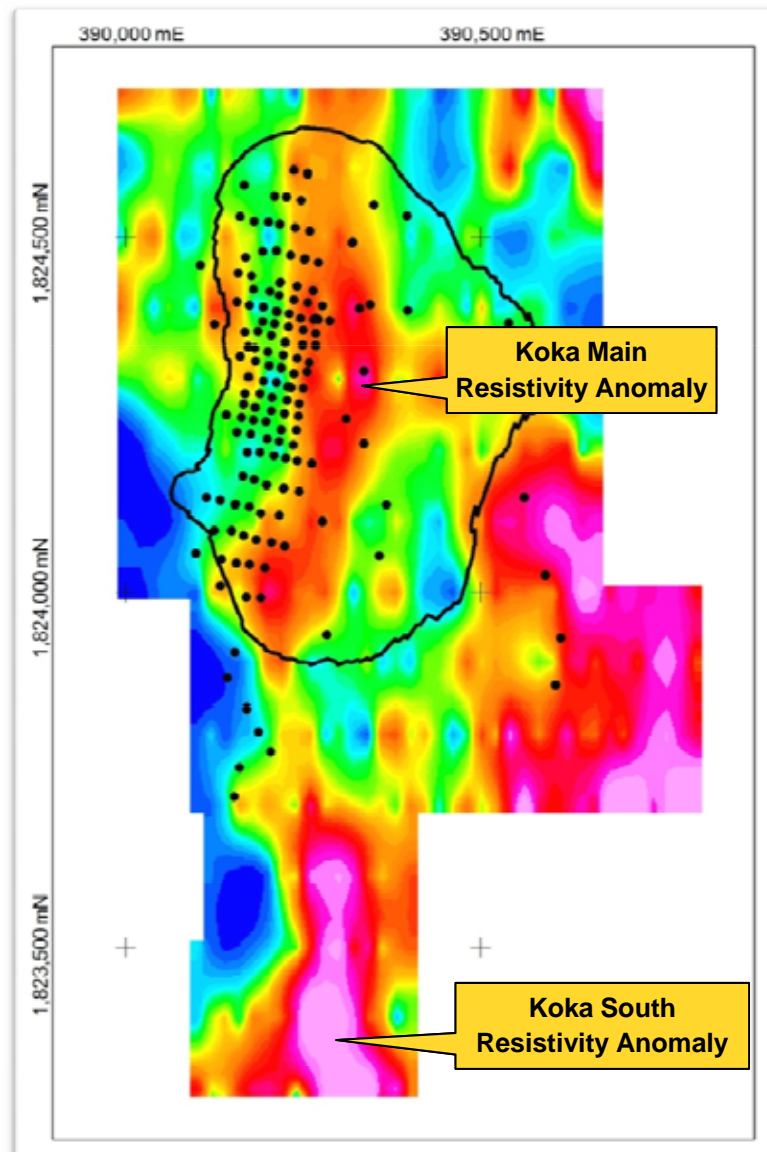
- US\$1300 gold price
- 100% project case, funded by 100% equity
- Capex US\$122M, after tax cash flow generation US\$477M



# Koka Development Schedule

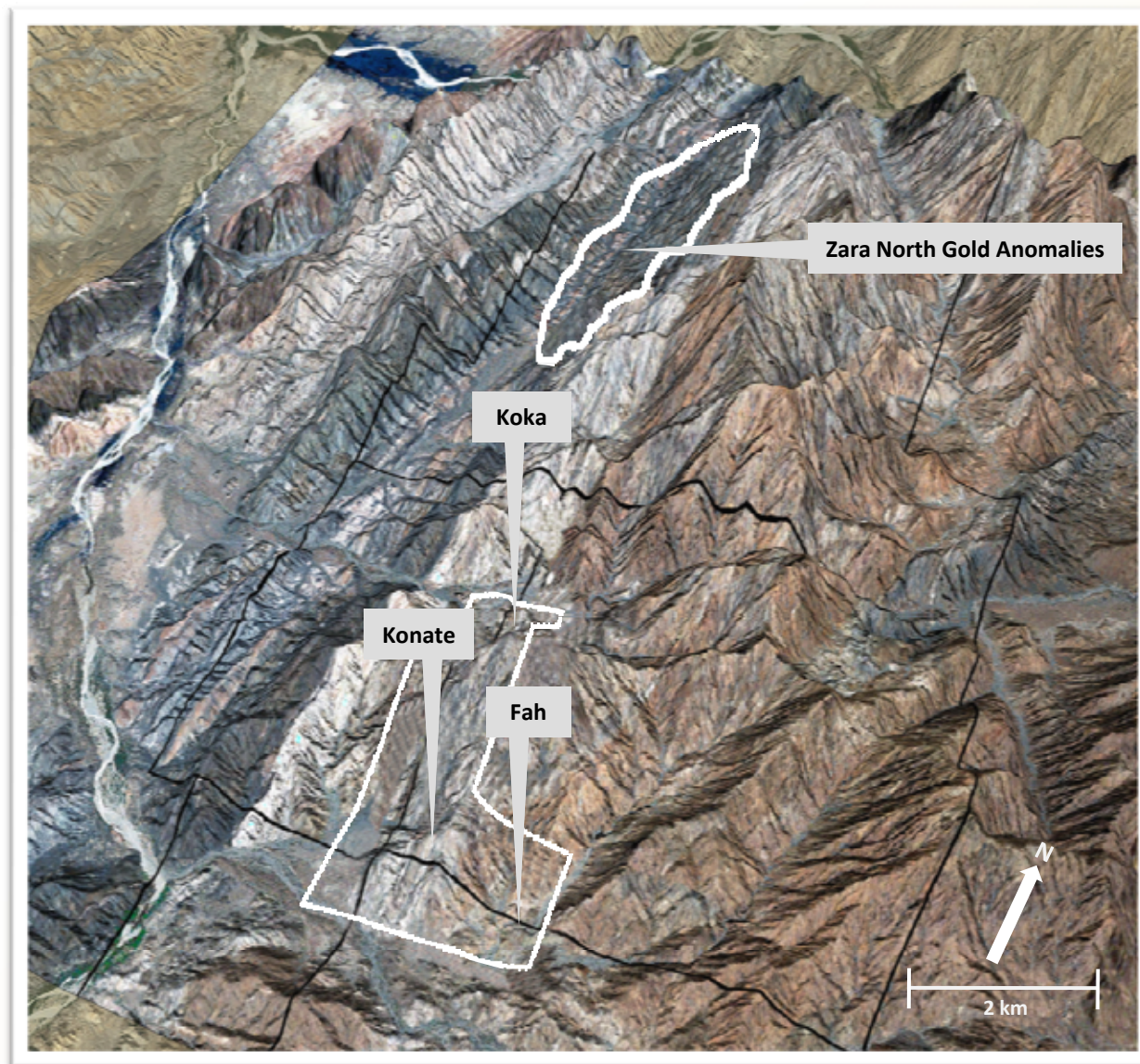


# Chalice- Exceptional Exploration Upside

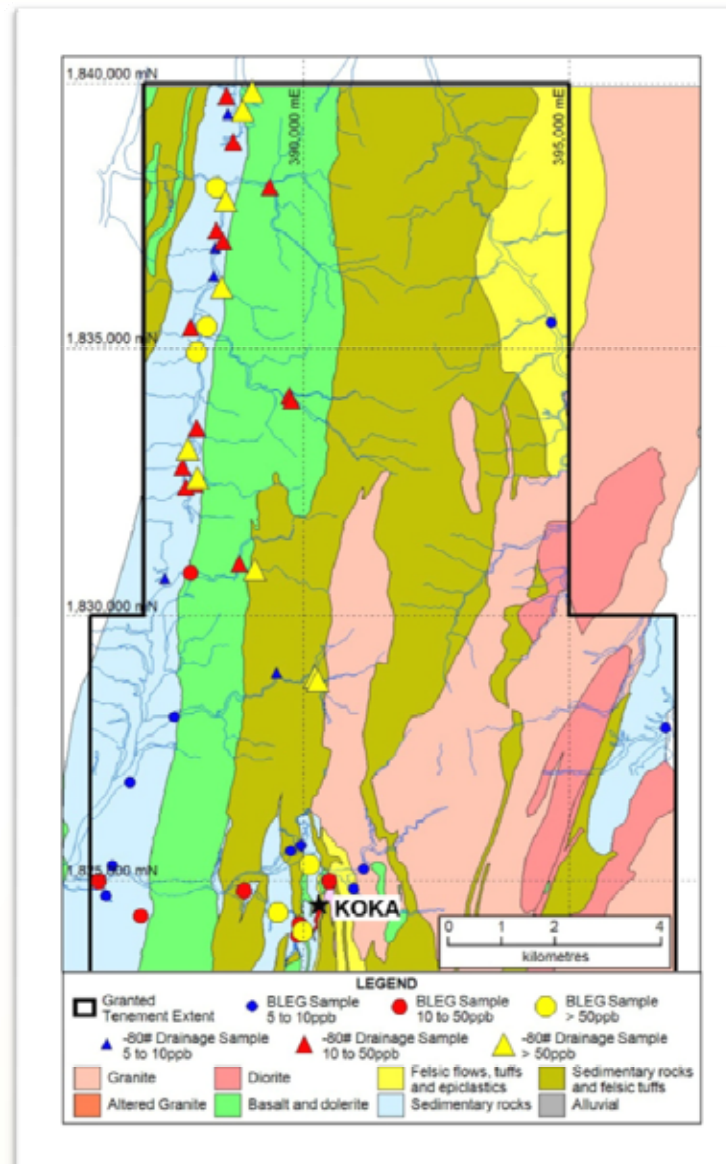




# Koka Near Mine Targets

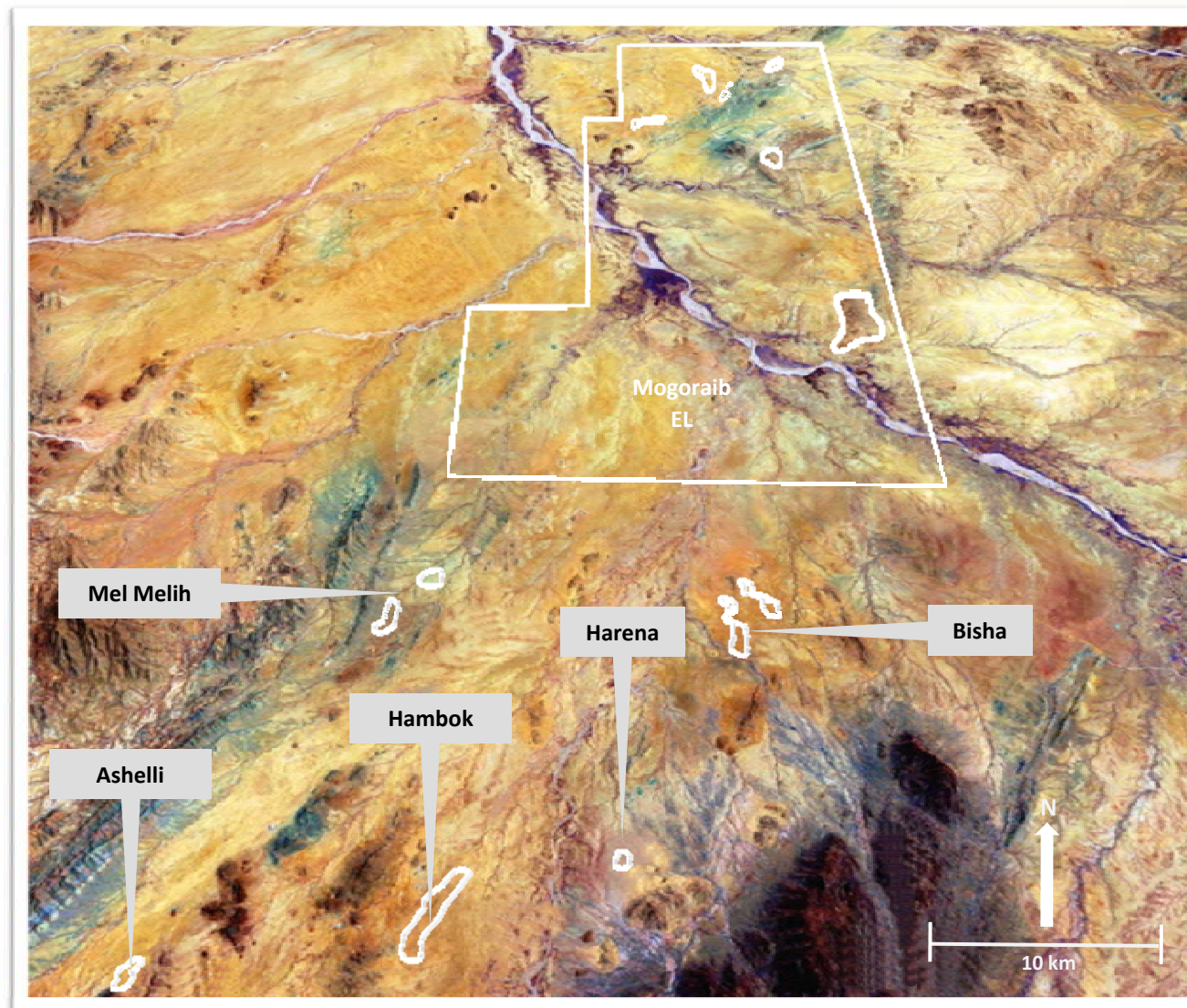


# Regional Geochemical Sampling





# Mogoraib- Next Door to Bisha





# Exploration Timeline

- Exploration program to generate strong news flow

Calendar Year	2010			2011			
Quarter	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Induced Polarisation (IP) Survey							
Helicopter Magnetics & Radiometrics							
Helicopter VTEM							
Geochemical Sampling and Mapping							
Drilling							

# Analysts Starting to Cover Chalice's Story

## Australia

Southern Cross Equities  
Peter Chapman  
E: pchapman@sceq.com.au T: +612 9231 0880

Paterson Securities Limited  
Simon Tonkin  
E: STonkin@psl.com.au T: +618 9225 2816

Agronaut Limited  
Troy Irvin  
E: troy@argonautlimited.com T: +618 9224 6871

## North America

Haywood Securities Limited  
E: jmazumdar@haywood.com T: +1 (604) 697 7124

Stifel Nicolaus  
E: jwolfson@stifel.com T: +1 416 815 3080  
E: hdouglas@stifel.com T: +1 416 815 3108  
E: dhove@stifel.com T: +1 416 815 1548





## Building an African Gold Mining Powerhouse



November 2010  
[www.chalicegold.com](http://www.chalicegold.com)