



Building an African Gold Mining Powerhouse



Annual General Meeting
25 November 2010
www.chalicegold.com

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- 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
- 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\$0.62 |
| Shares on issue | 211 million |
| Market capitalisation | ~A\$130 million |
| 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*

Substantial Shareholders

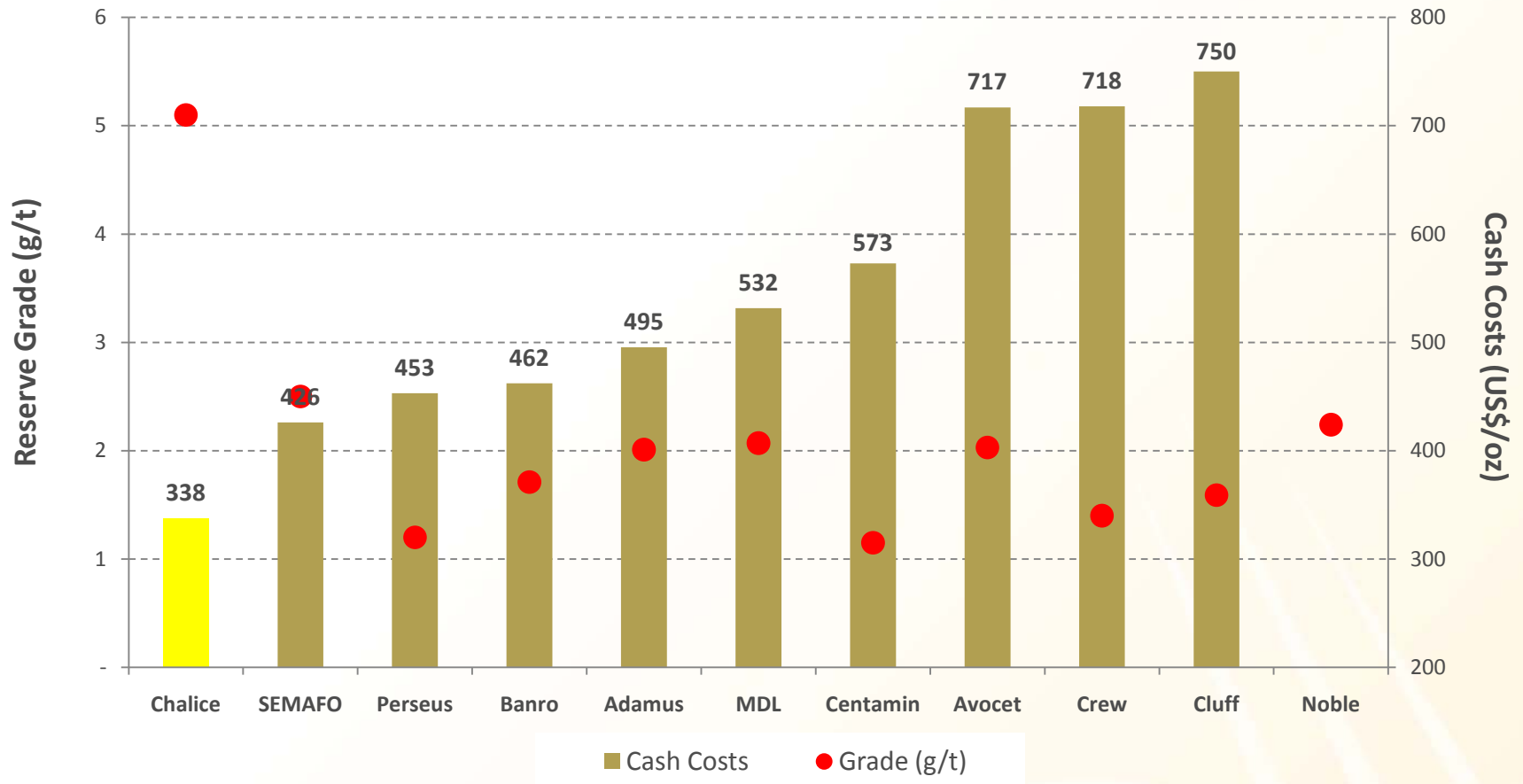
- Franklin Resources 14.8%
- Tim Goyder 11.9%
- Lujeta Pty Ltd 6.8%

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
 - *Feasibility completed, permitting underway*
 - *Open pit - 760,000oz Ore Reserve @ 5.1g/t Au*
 - *Average annual production of 104,000oz over 7 year mine life*
 - *US\$338/oz cash operating costs*
- Significant exploration upside
 - *600 km² of granted tenements*
 - *>19,000 km² of regional tenement applications*
 - *Major exploration program underway*

The Koka Deposit Compared

- Chalice will be a high grade, low cost producer



Noble cost of production information not available.

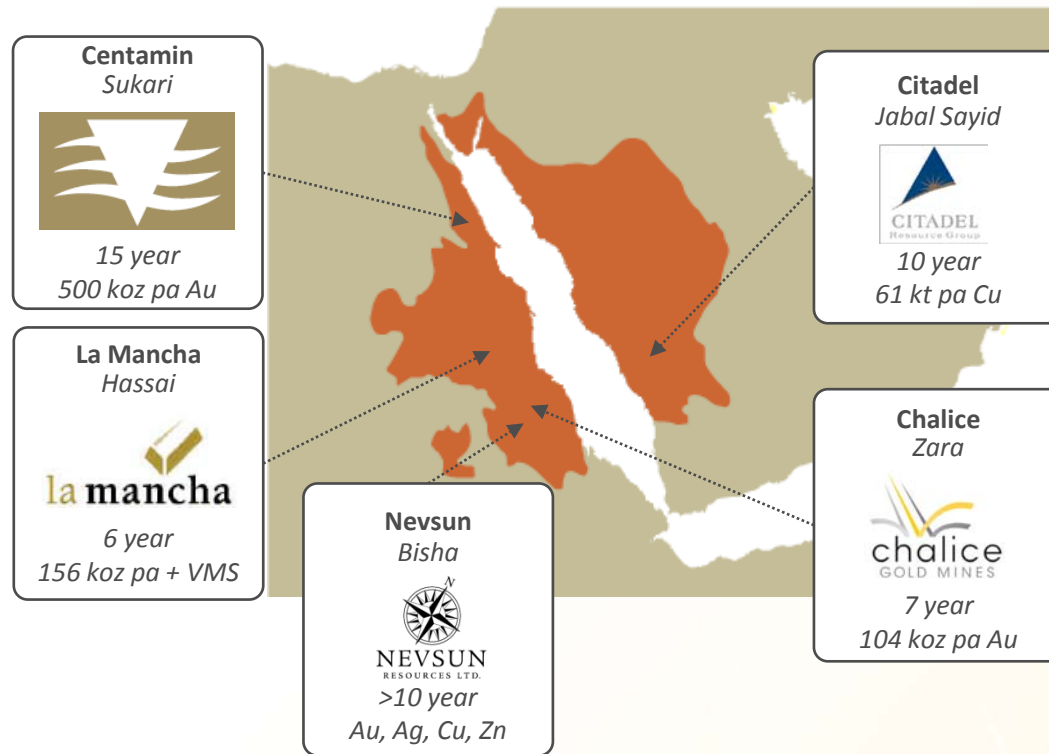
The Year in Review

| | | |
|--|---|-------------|
| Merger with Sub-Sahara completed | ✓ | Aug 2009 |
| Acquisition of 11% interest in Zara from Africa Wide Resources | ✓ | Aug 2009 |
| Positive Scoping Study completed – Feasibility Study commences | ✓ | Oct 2009 |
| 5,000m infill drilling program completed | ✓ | Feb 2010 |
| Near-mine and regional exploration commences | ✓ | Mar 2010 |
| Announcement of revised Resource and maiden Reserve at Koka | ✓ | Jun 2010 |
| Acquired remaining 20% interest in Zara from Dragon Mining | ✓ | Jun 2010 |
| Feasibility Study completed – Project robust and viable | ✓ | Jul 2010 |
| Koka permitting process commences | ✓ | Aug 2010 |
| National Instrument 43-101 Technical Report on Koka Gold Deposit completed | ✓ | Oct 2010 |
| Completion of Social and Environmental Impact reports | ✓ | Oct 2010 |
| Grow the near-mine resource base | | In progress |
| Generate a pipeline of regional targets | | In progress |
| Permit the Koka Gold Deposit | | In progress |
| Fund the development of the Koka Gold Deposit | | In progress |

Where is Eritrea?



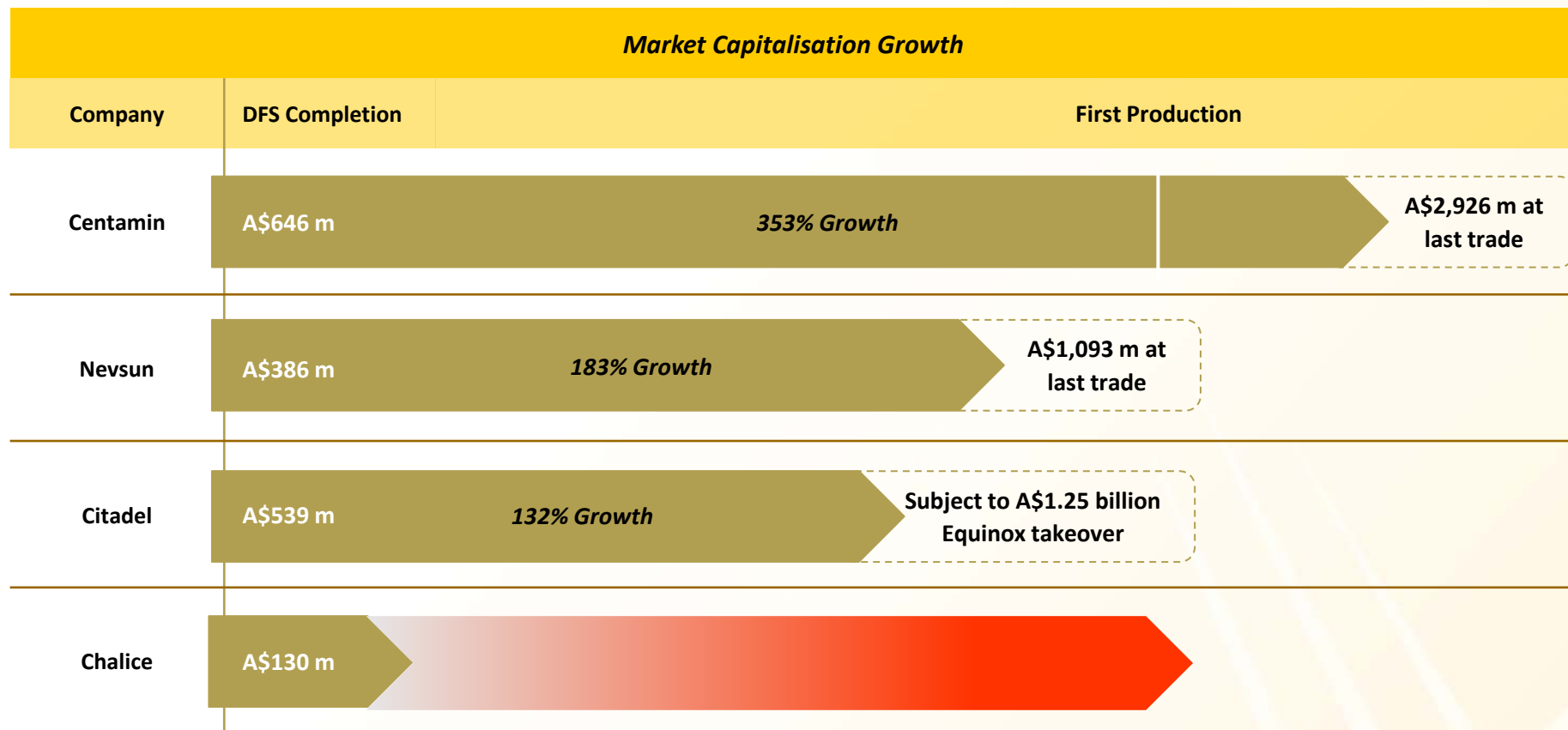
The Arabian-Nubian Shield



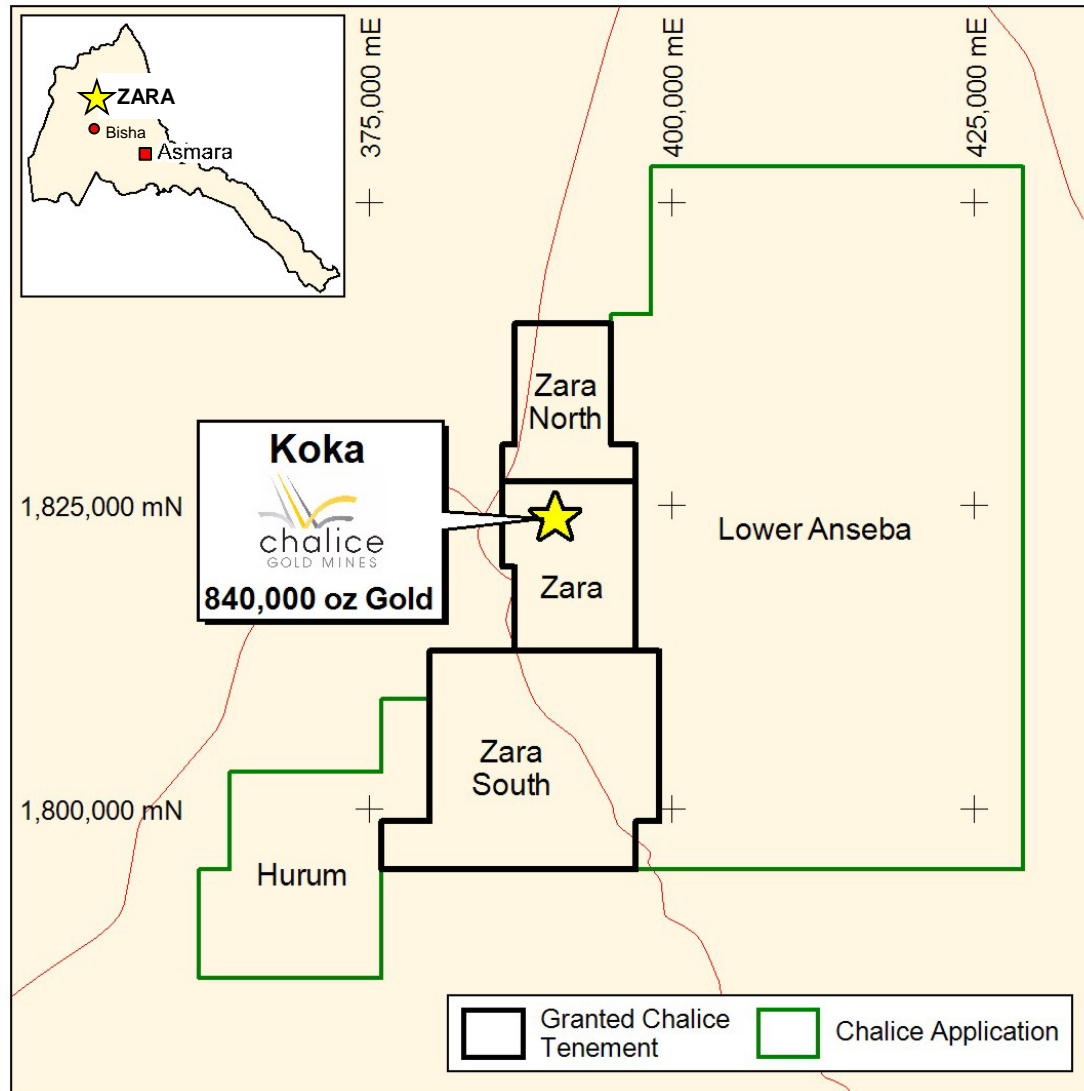
- The Zara Project is located within southern Arabian-Nubian Shield
 - *Current resources +20Moz gold*
 - *Over 1,000 recorded ancient copper and gold mines*
 - *Minimal modern exploration*
- World-class projects now being developed

Arabian-Nubian Shield Companies

- Chalice set for significant growth



Zara Project Location

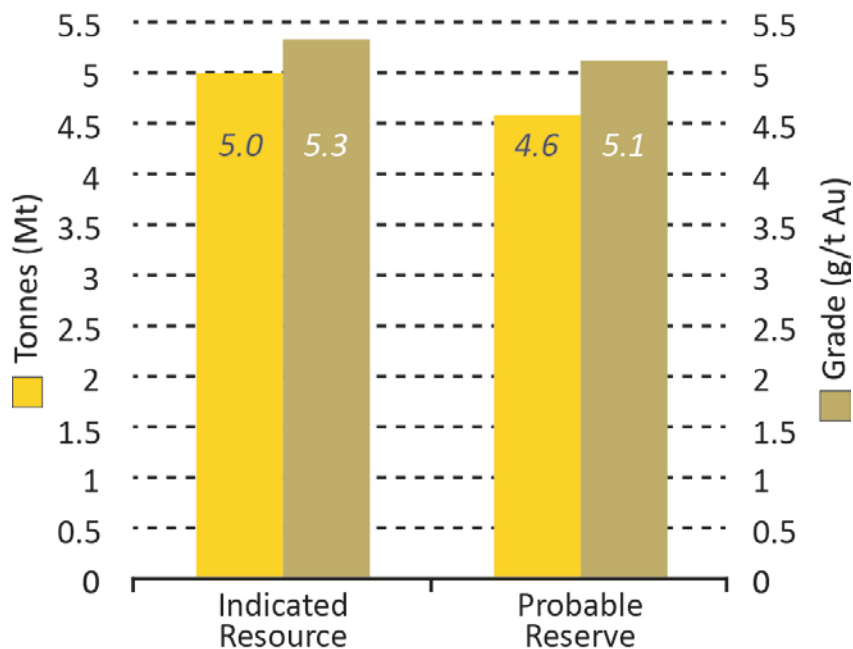


The Mine Site

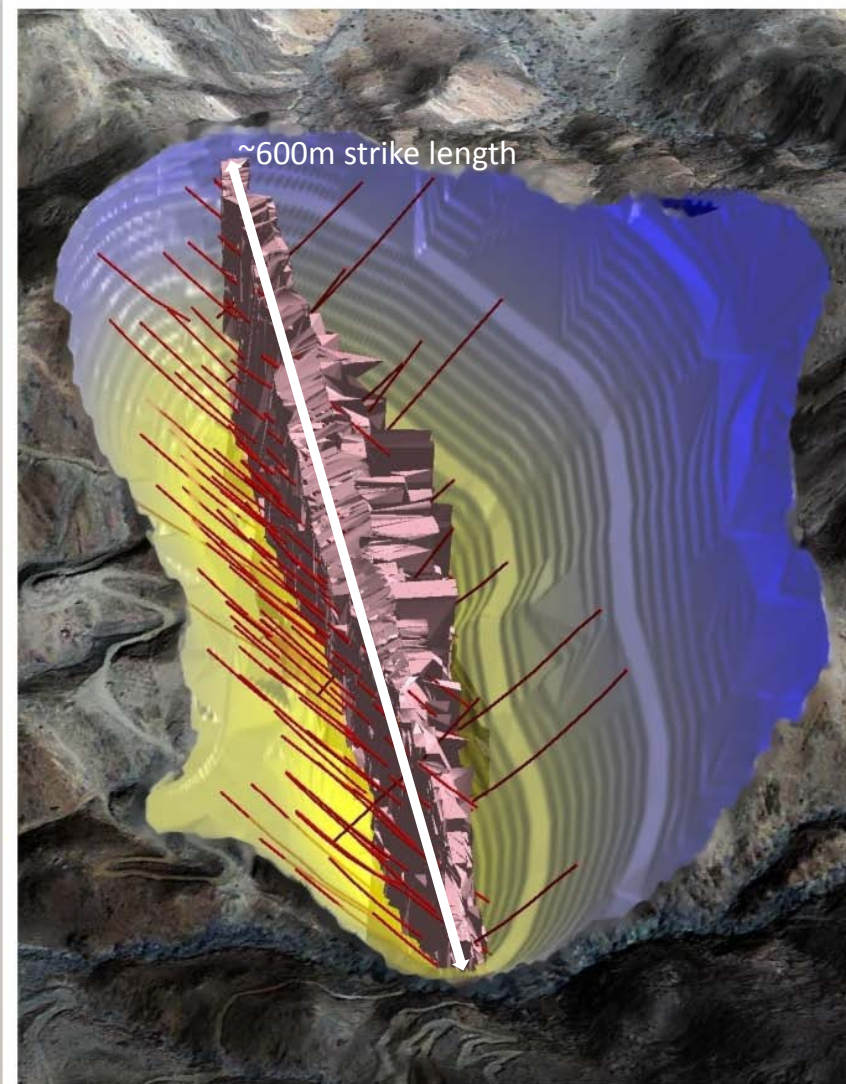


Koka Gold Deposit

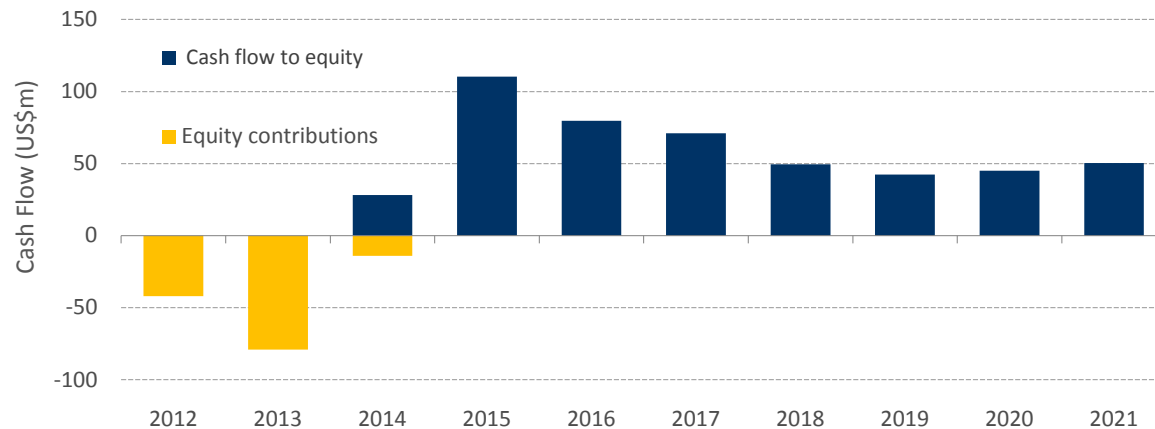
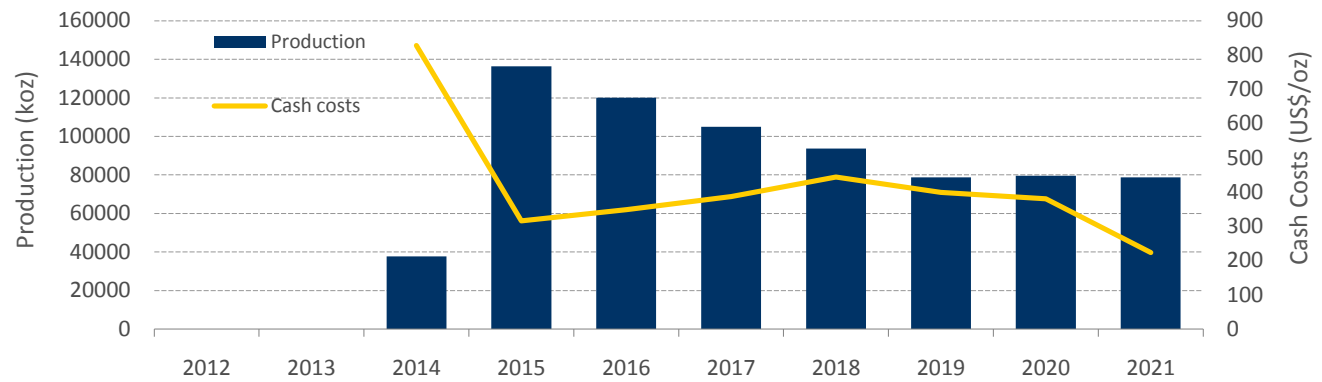
- Indicated Resource of contained gold 840,000 Oz
- Probable Reserve of contained gold 760,000 Oz



*Both based on 1.2 g/t cut-off

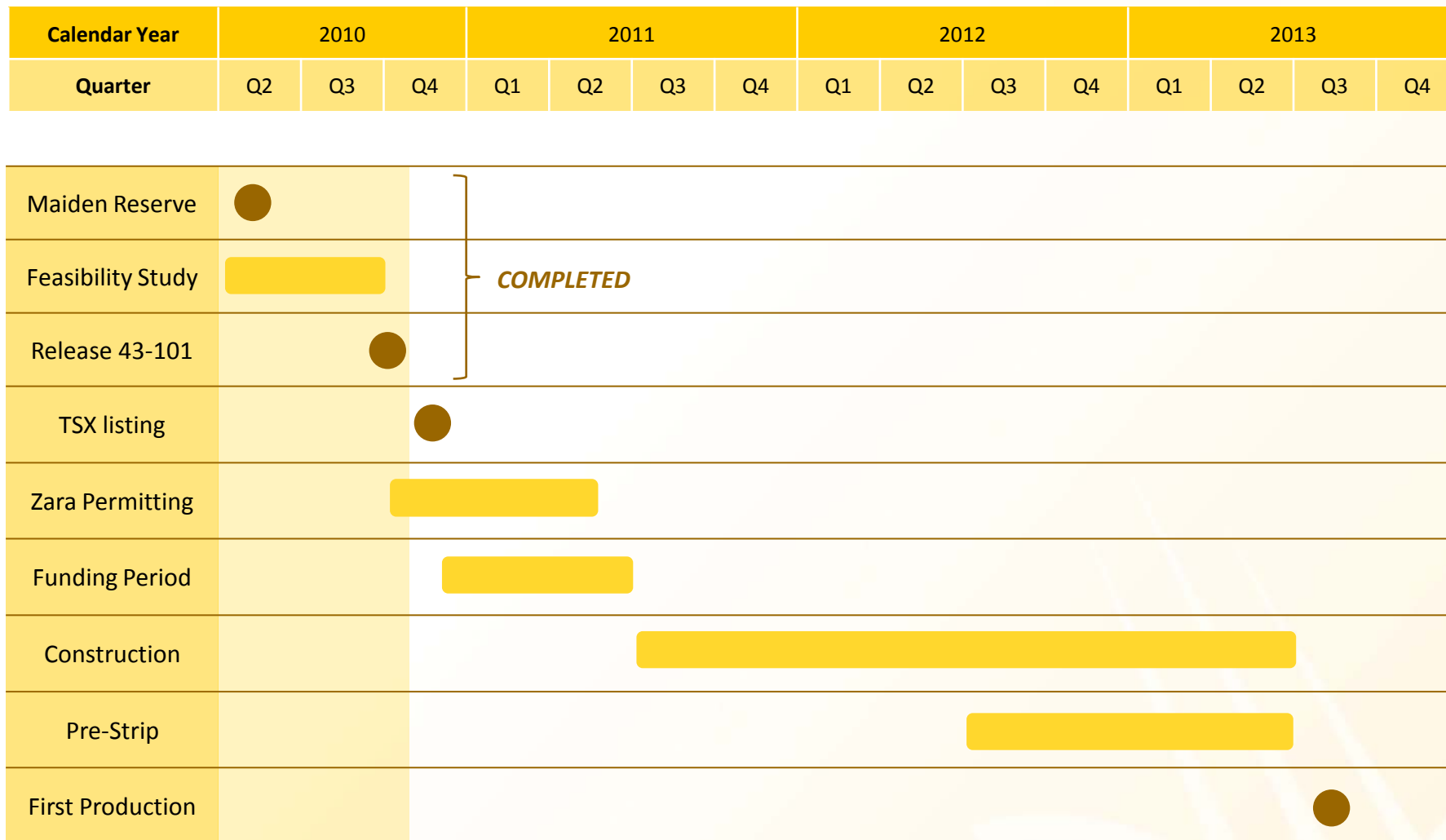


Koka Outstanding Returns



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

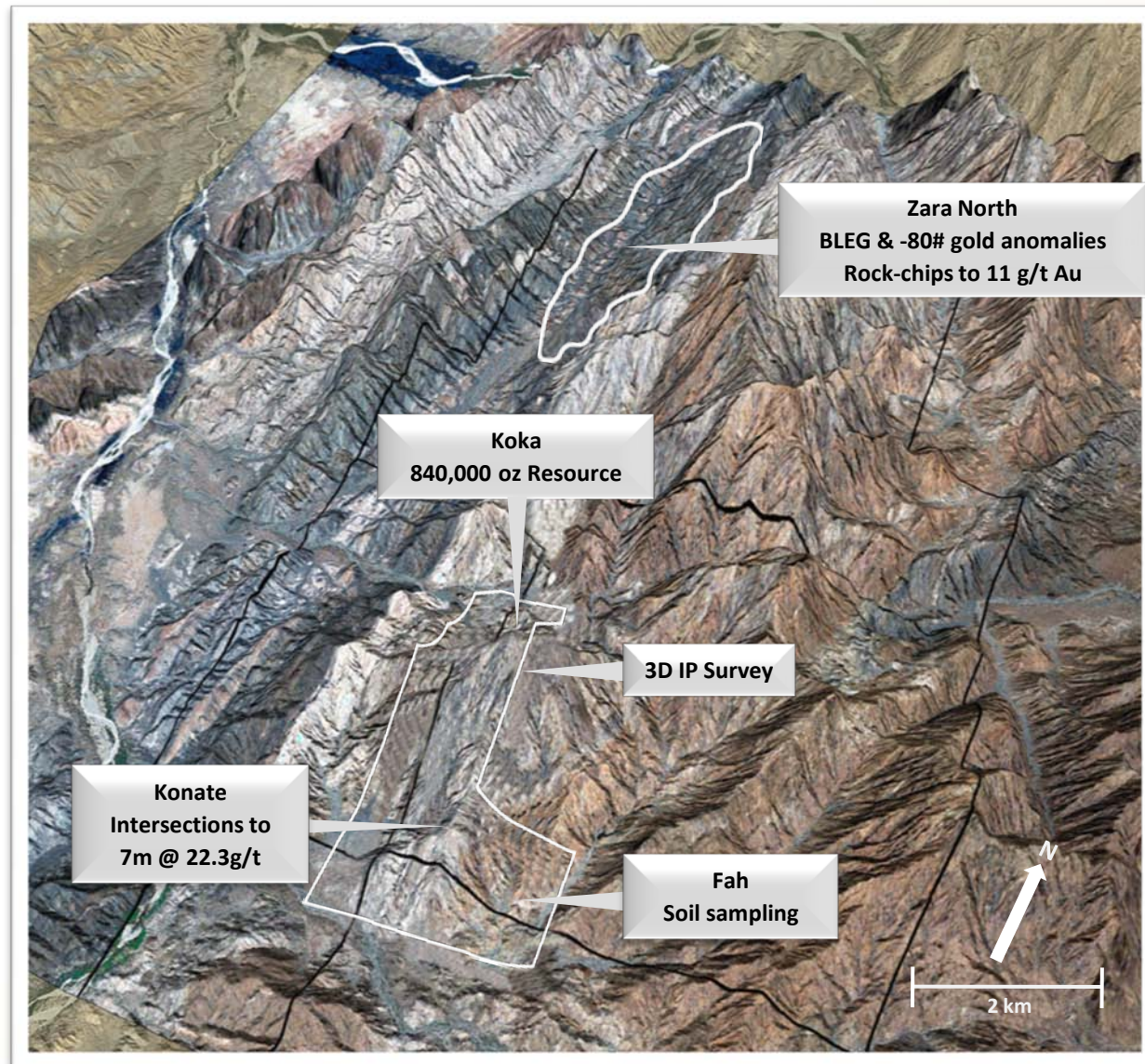
Koka Development Schedule



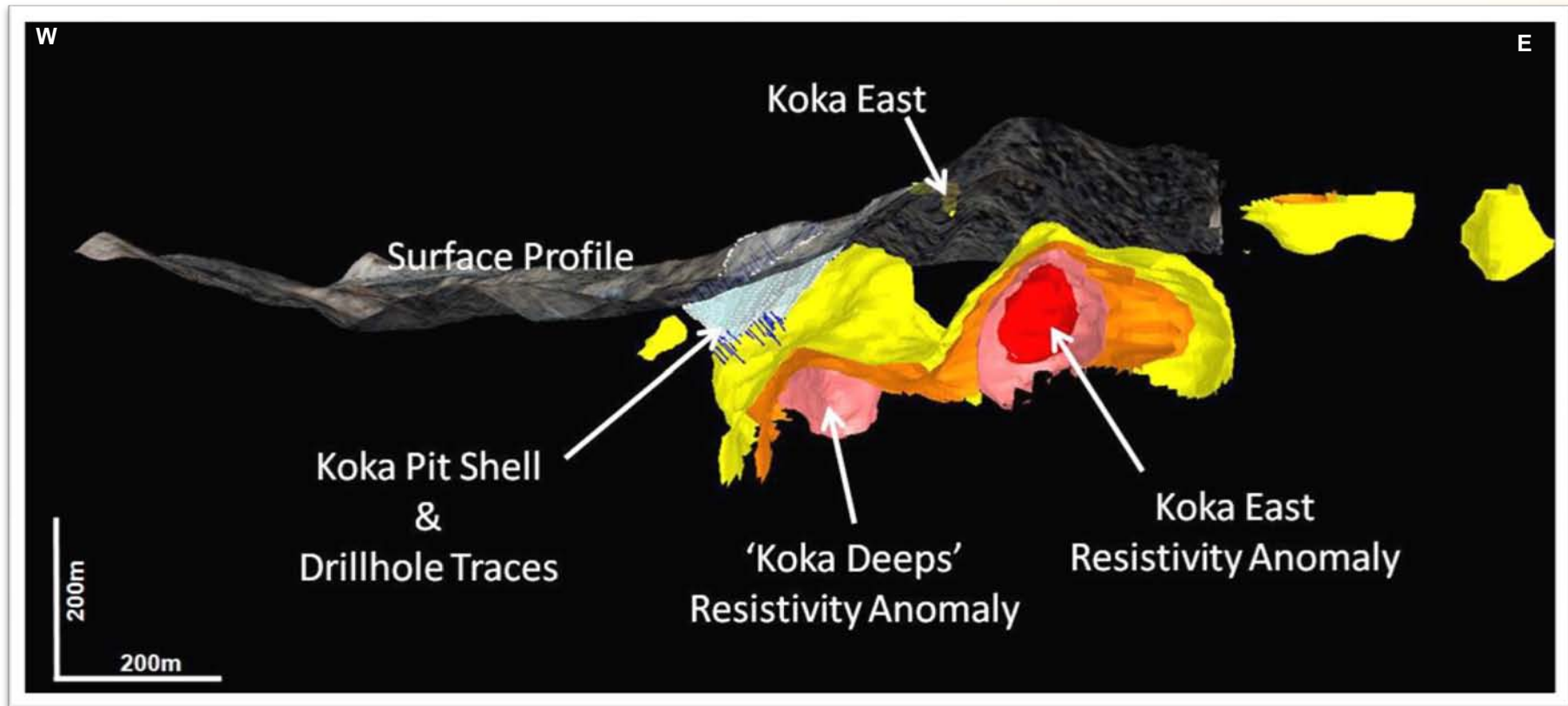
ENAMCO Interest

- ENAMCO has elected to acquire a 30% paid participating interest in Koka (+10% carried interest)
- Participating interest to be acquired at “fair value”
- Process undertaken by ENAMCO and Nevsun Resources for the Bisha Project expected to set the precedent
- ENAMCO to contribute their share of capital costs

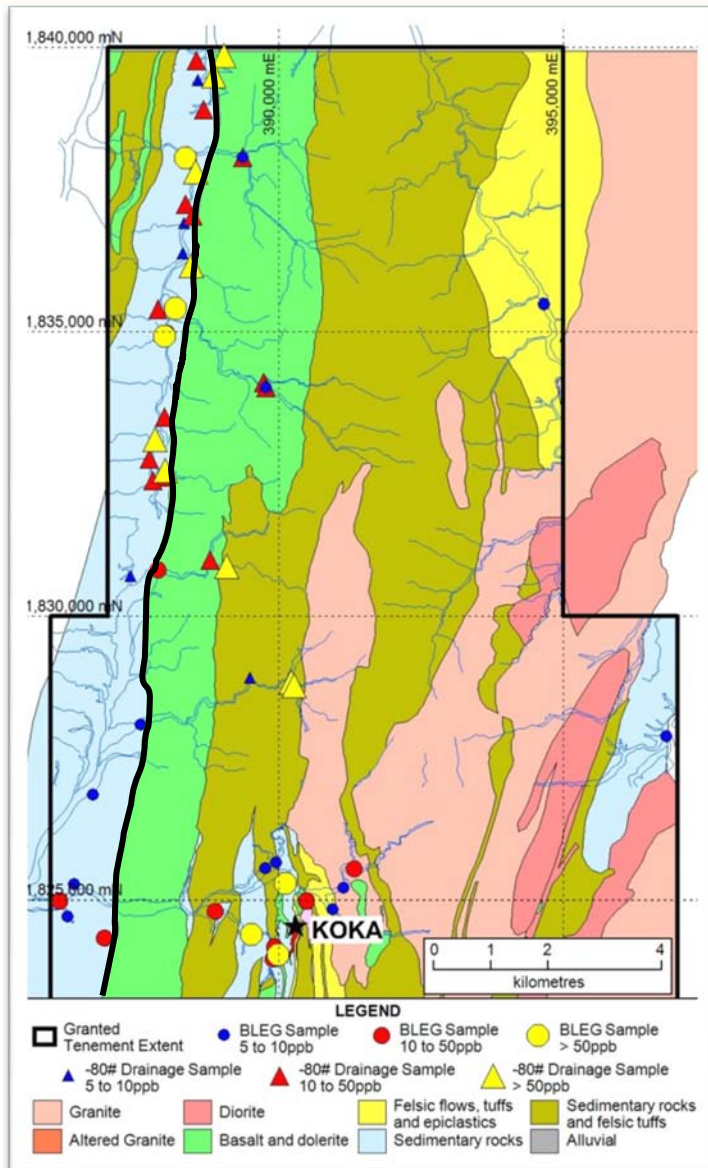
Exploration Potential



Koka 3D IP – Near Mine Targets



Zara North Gold Anomaly



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 | | | | | | | |
| Aero-Magnetics & Radiometrics | | | | | | | |
| Geochemical Sampling & Geological Mapping | | | | | | | |
| Drilling | | | | | | | |

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