



Eritrea's Next Gold Miner



Exploration Overview

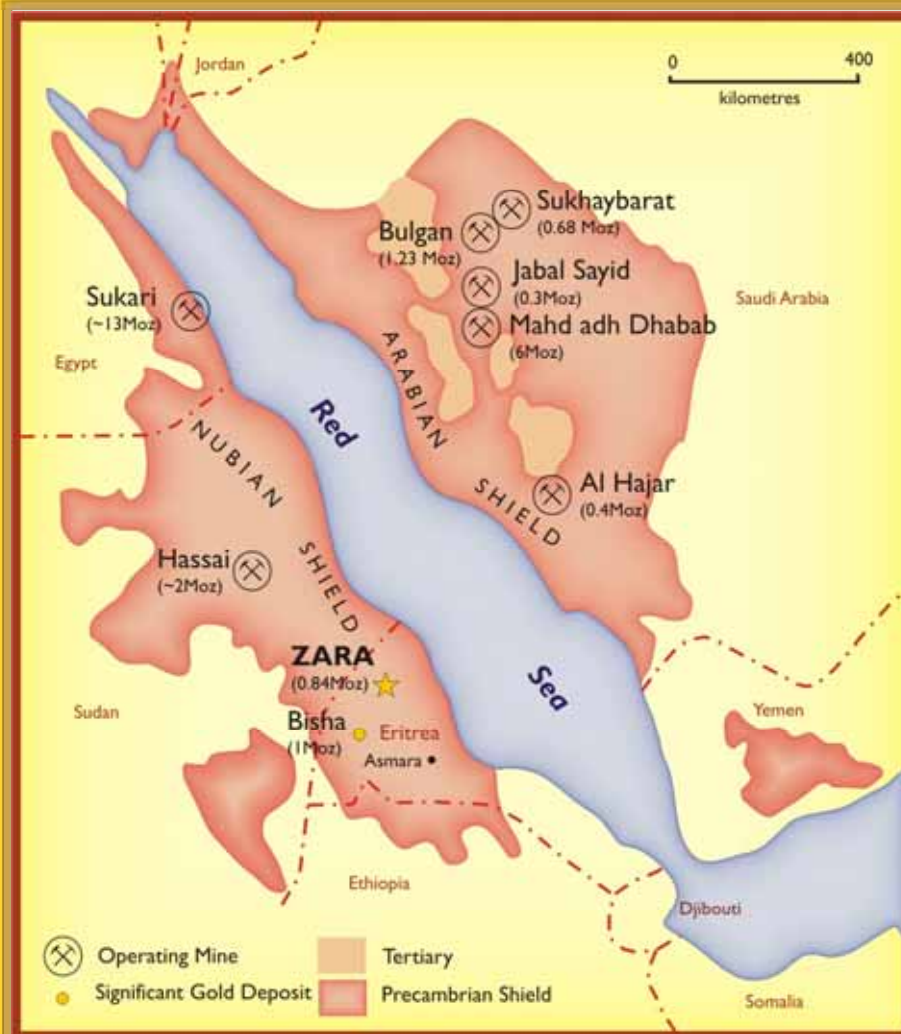
April 2011

www.chalicegold.com

Disclaimer and Competent Persons Statement

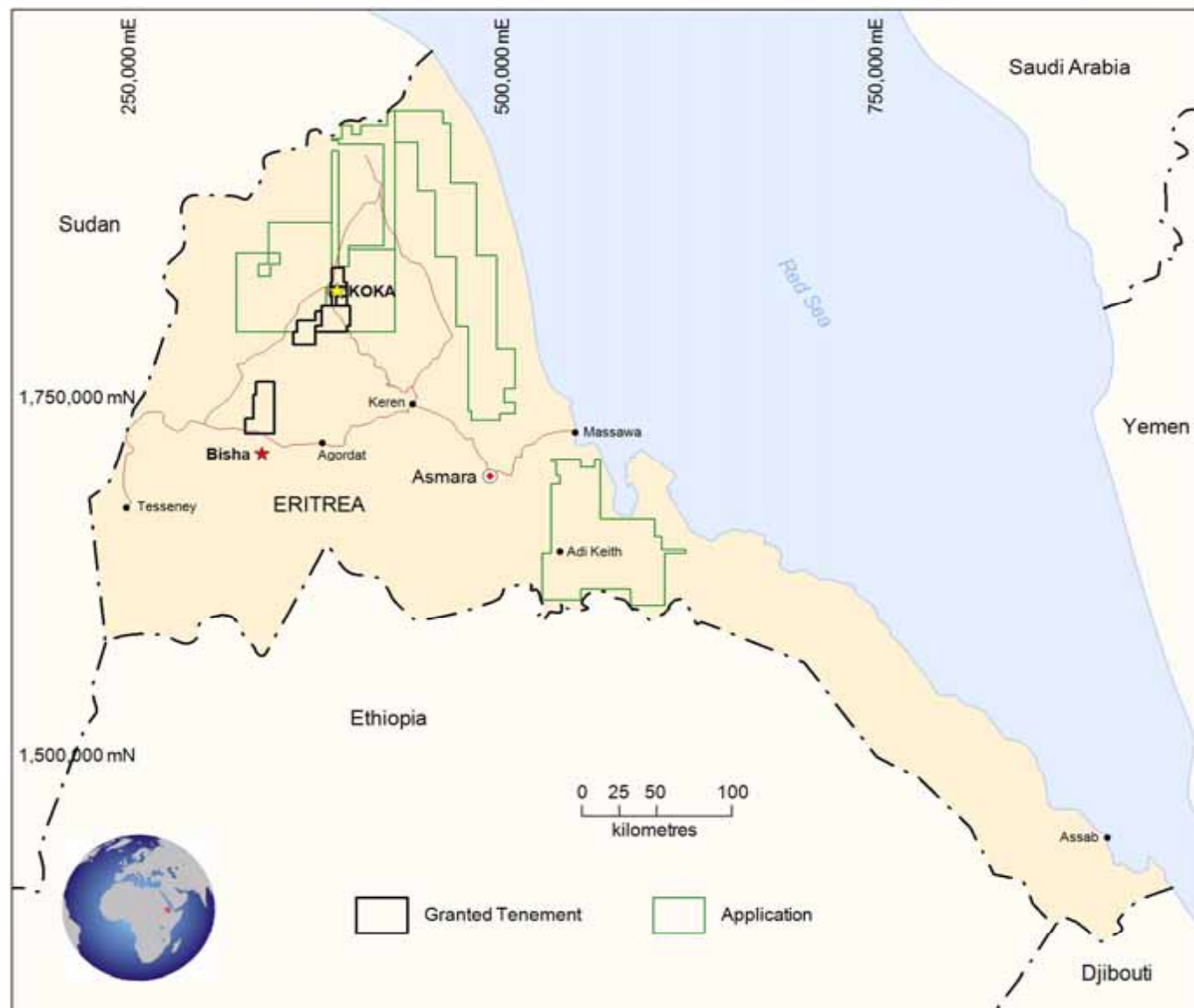
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- This presentation does not include all available Information on Chalice Gold Mines Limited and should not be used in isolation as a guide to investing in the Company. Any potential investor should also refer to Chalice Gold Mines Limited Annual Reports 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.

Arabian-Nubian Shield

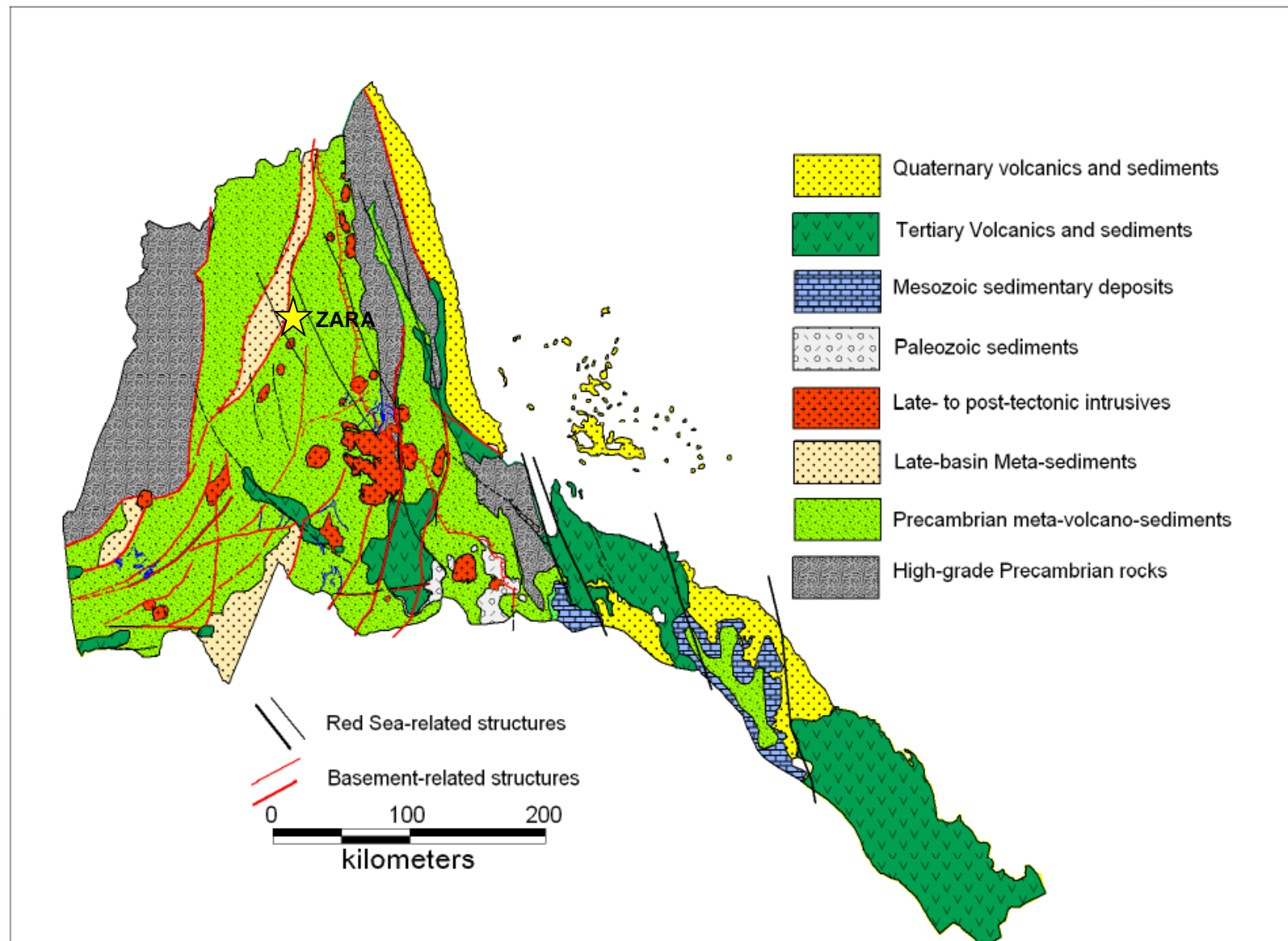


- Zara Project is located within southern Arabian-Nubian Shield – an emerging gold & base metal province
- Gold endowment +20Moz – numerous deposits and mines dating back to ancient times
- Minimal modern exploration
- New world-class projects being developed:
 - *14Moz Sukari Gold Mine (Egypt) – in production (Centamin)*
 - *Bisha Gold & Base Metal Mine (Eritrea), 1Moz gold, 750Mlbs copper, 1Blbs zinc, 9Moz silver – under construction (Nevsun)*

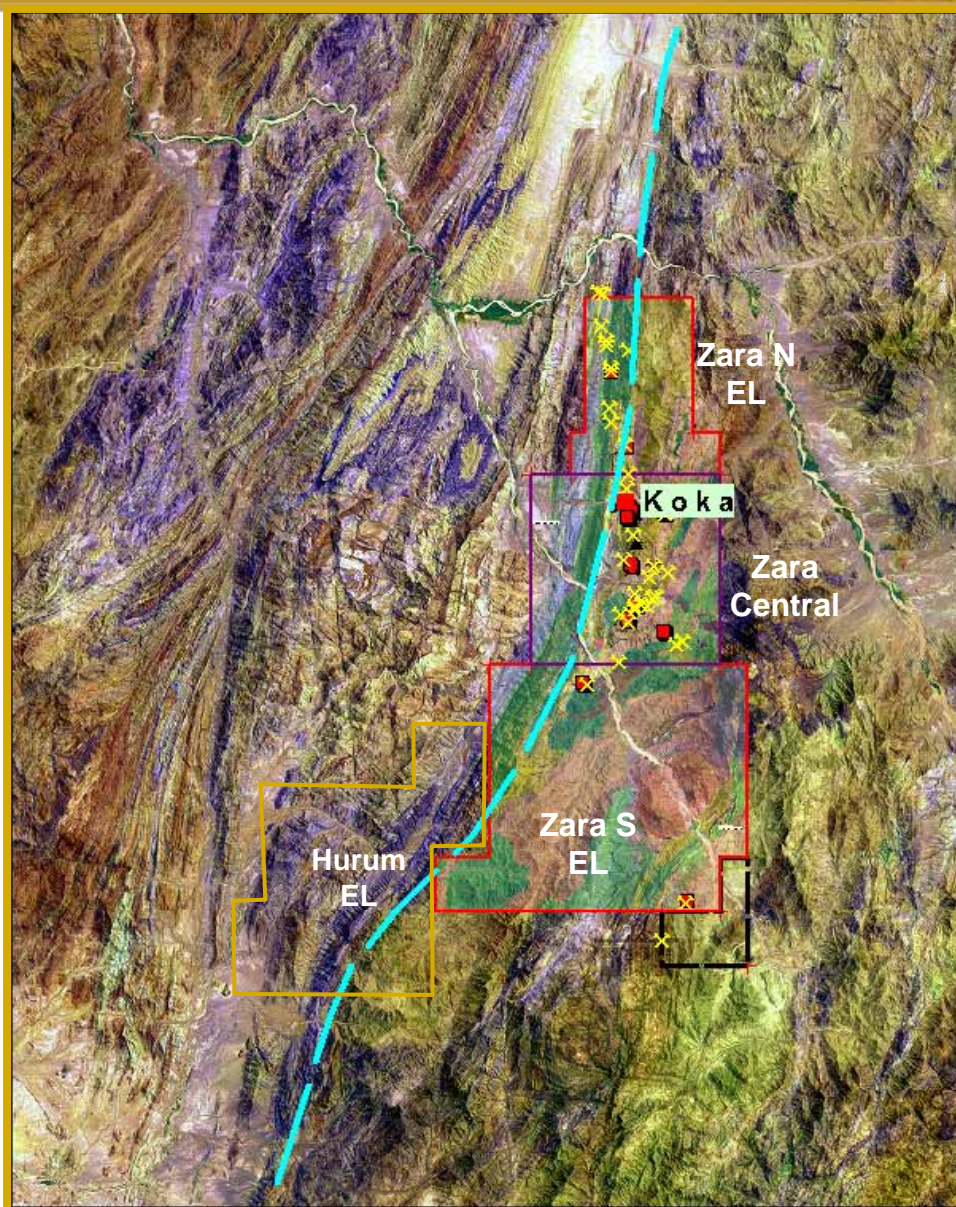
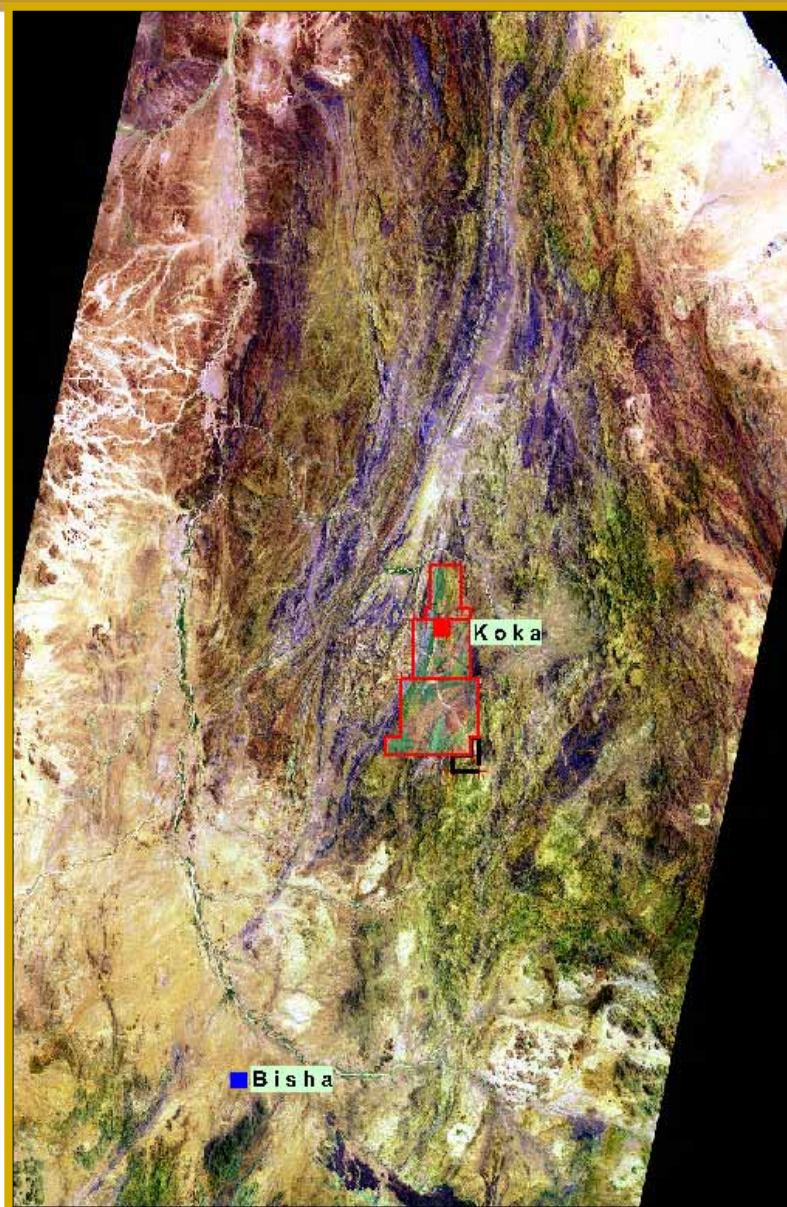
Chalice Tenements – Eritrea



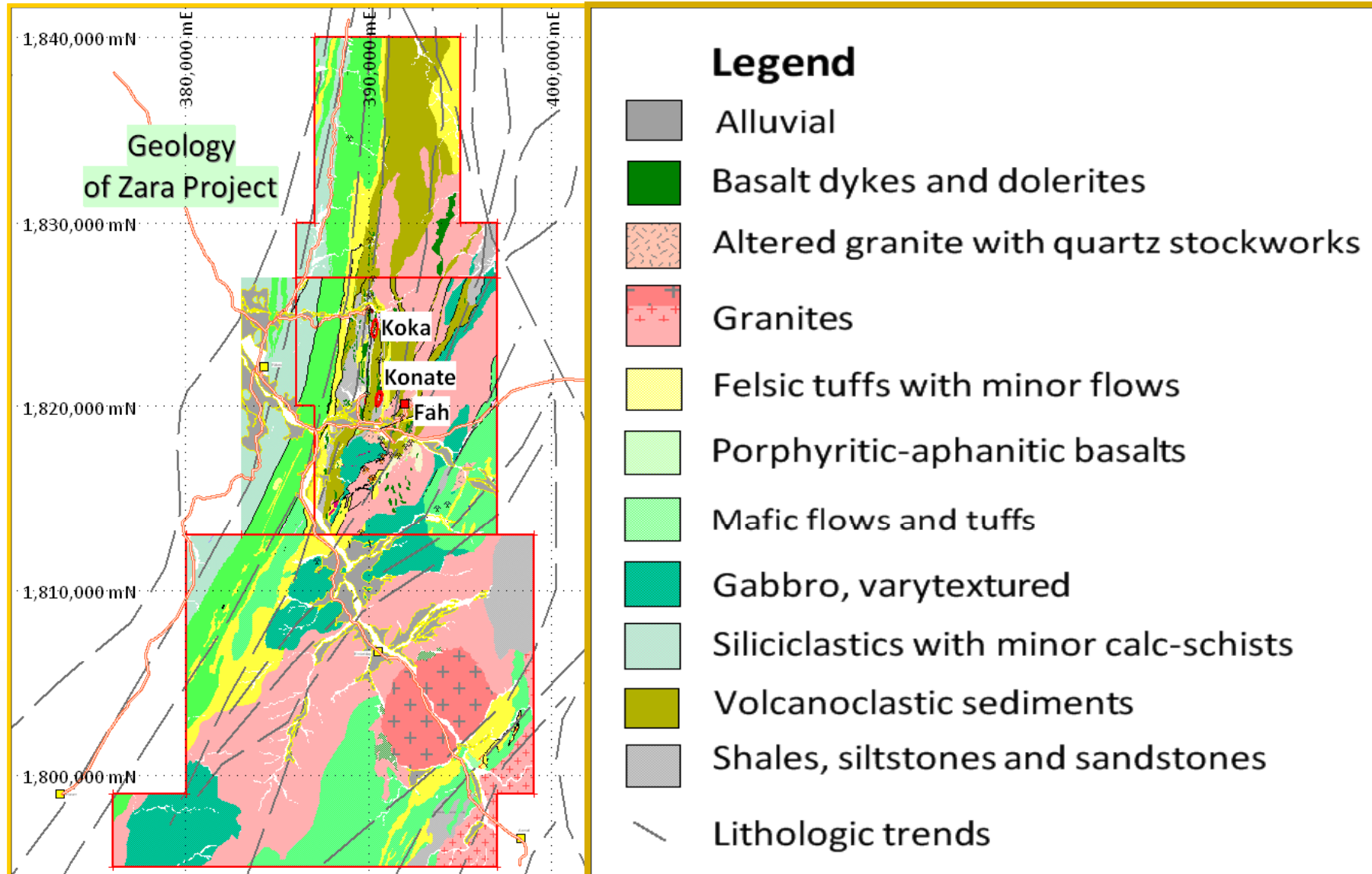
Geological Map of Eritrea



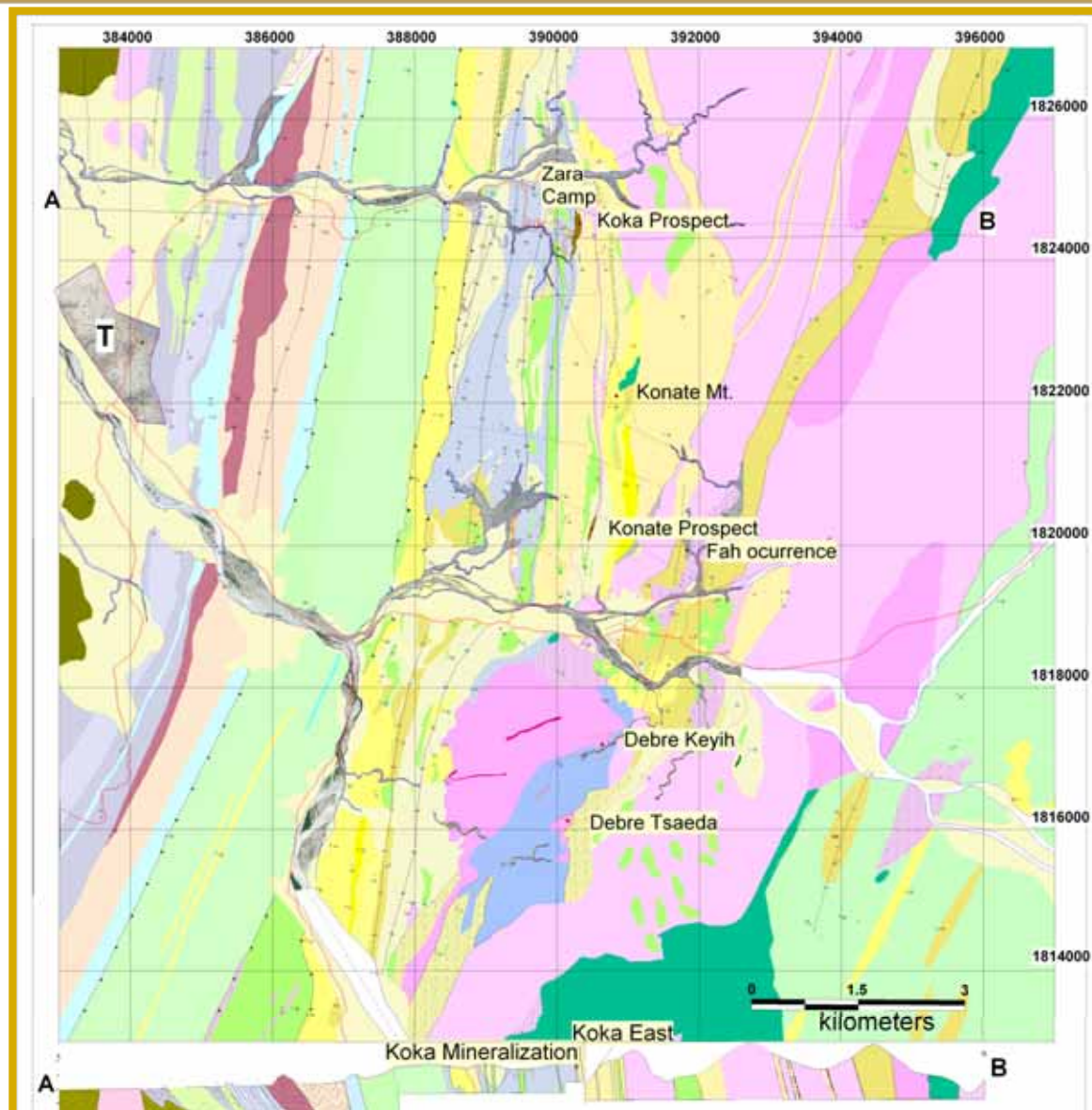
Zara - Regional Geological & Structural Setting



Geology of the Zara Project



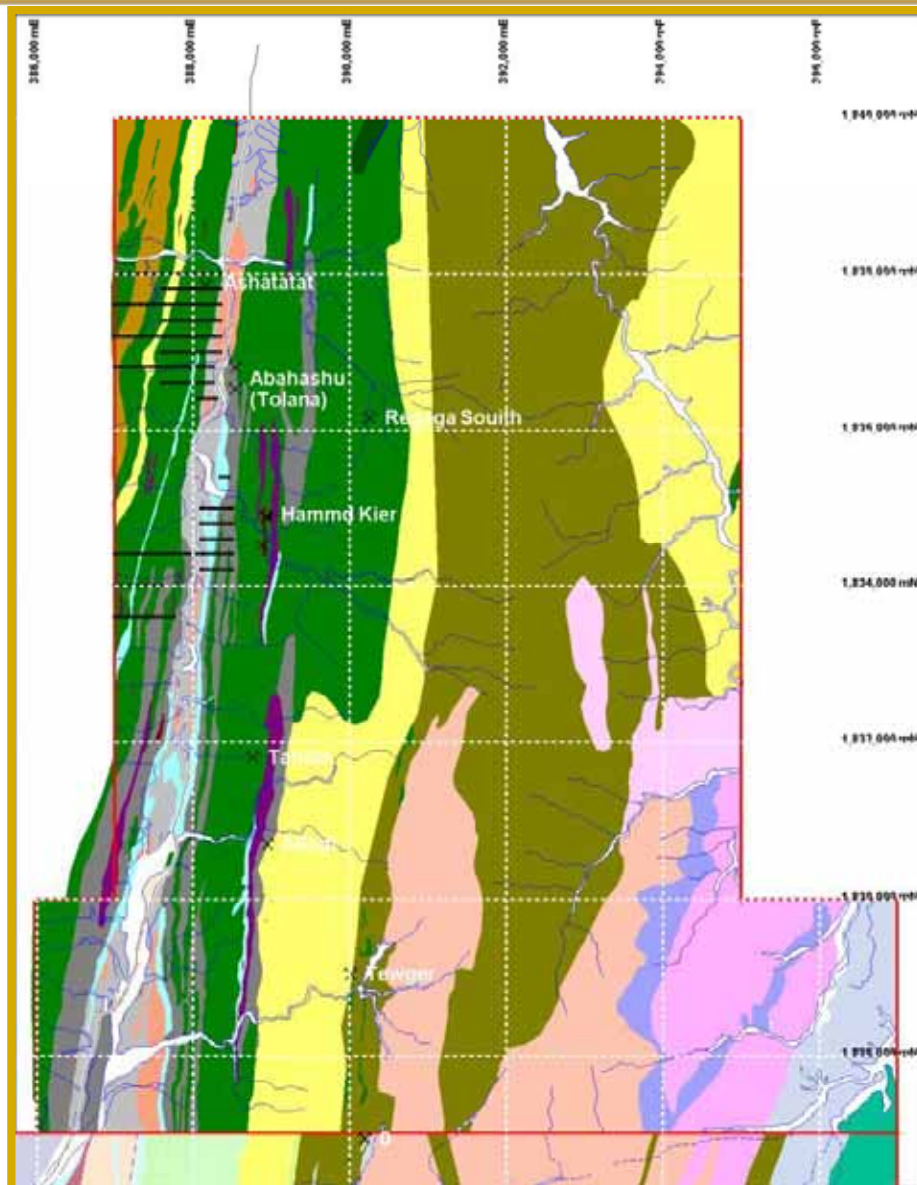
Regional Geological Map of Central Zara Area












Regional Exploration Activities

- Geological mapping to outline structural, lithological and stratigraphic framework of the properties and prospects
- Successive surface geochemical sampling programs:
 - *Stream sediment BLEG and follow-up -80 mesh sampling*
 - *Grid soil sampling*
 - *Rock chip/grab sampling of alteration zones and artisanal workings*
 - *Helicopter assisted mapping and sampling*
- Deep penetration 3D IP survey over Koka – Konate corridor
- Airborne magnetic and radiometric survey over Zara & Hurum
- Ground geophysical surveys over Jani VHMS prospect (Zara Sth)
- Drilling of satellite prospects (Konate)
- Planned VTEM, magnetic & radiometric survey over Mogoraib Nth

Zara North Geology



Legend

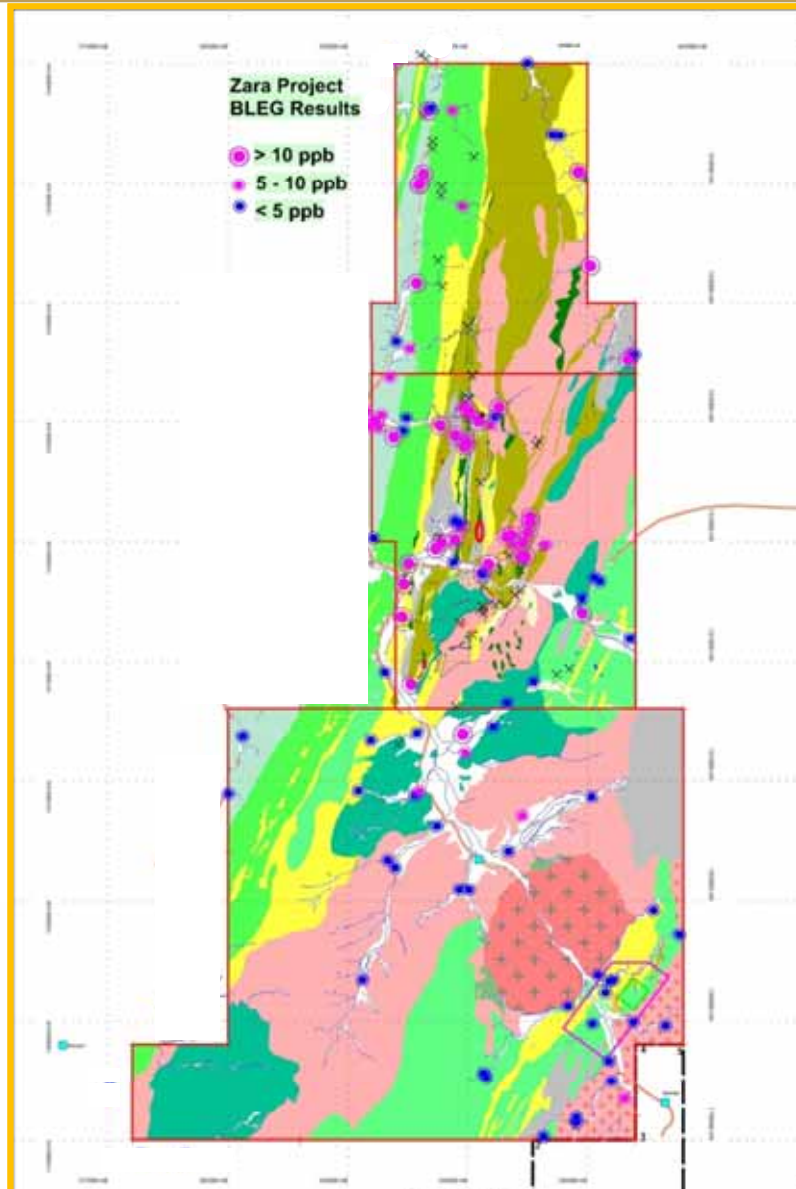
-  Alluvial
-  Basalt dykes and dolerites
-  Altered granite with quartz stockworks
-  Granites
-  Felsic tuffs with minor flows
-  Porphyritic-aphanitic basalts
-  Mafic flows and tuffs
-  Gabbro, varytextured
-  Siliciclastics with minor calc-schists
-  Volcanoclastic sediments
-  Shales, siltstones and sandstones
-  Lithologic trends

Zara North Geology



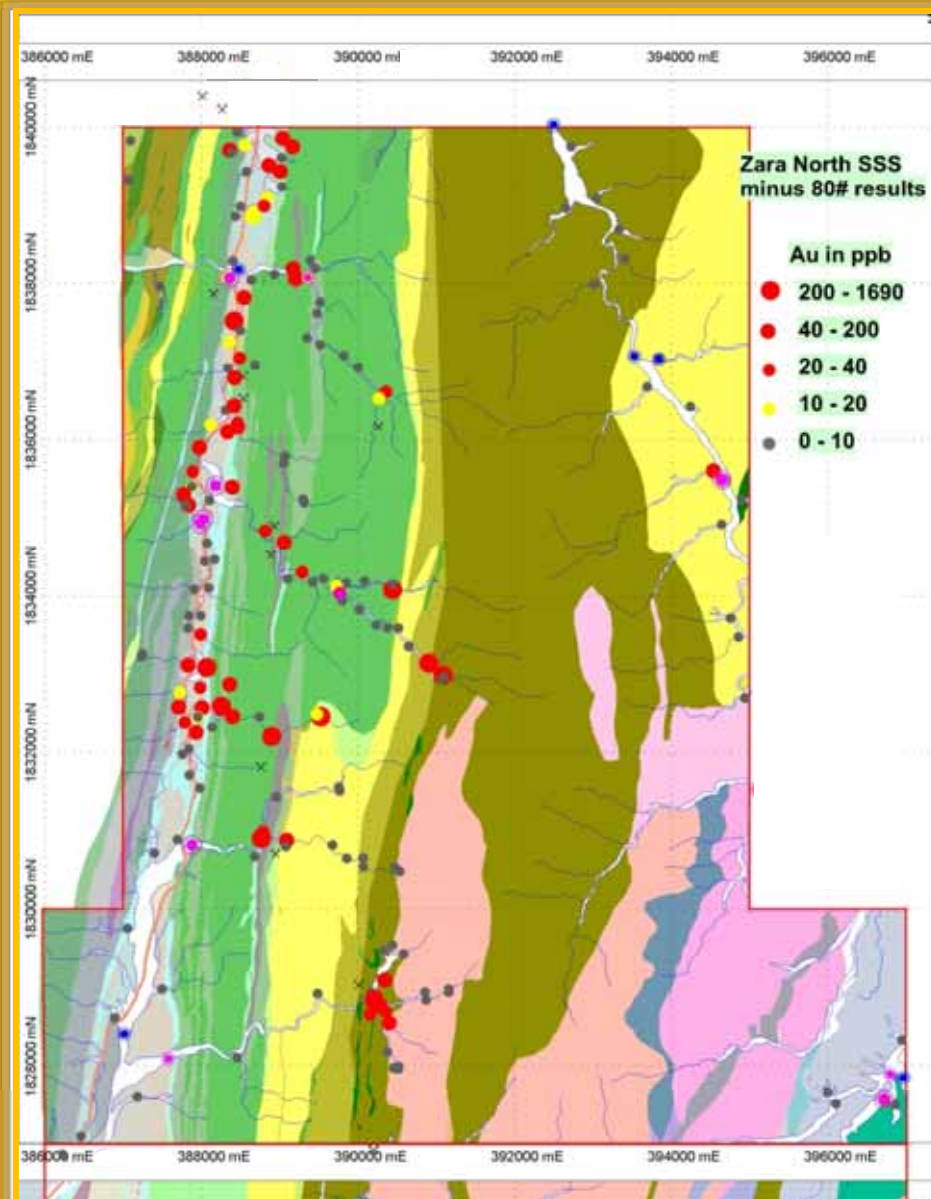
Tight secondary folding in phyllite on the western limb of the regional anticline near the western boundary of the Zara North licence (view looking north).

Zara Project BLEG Sampling Results (2010)



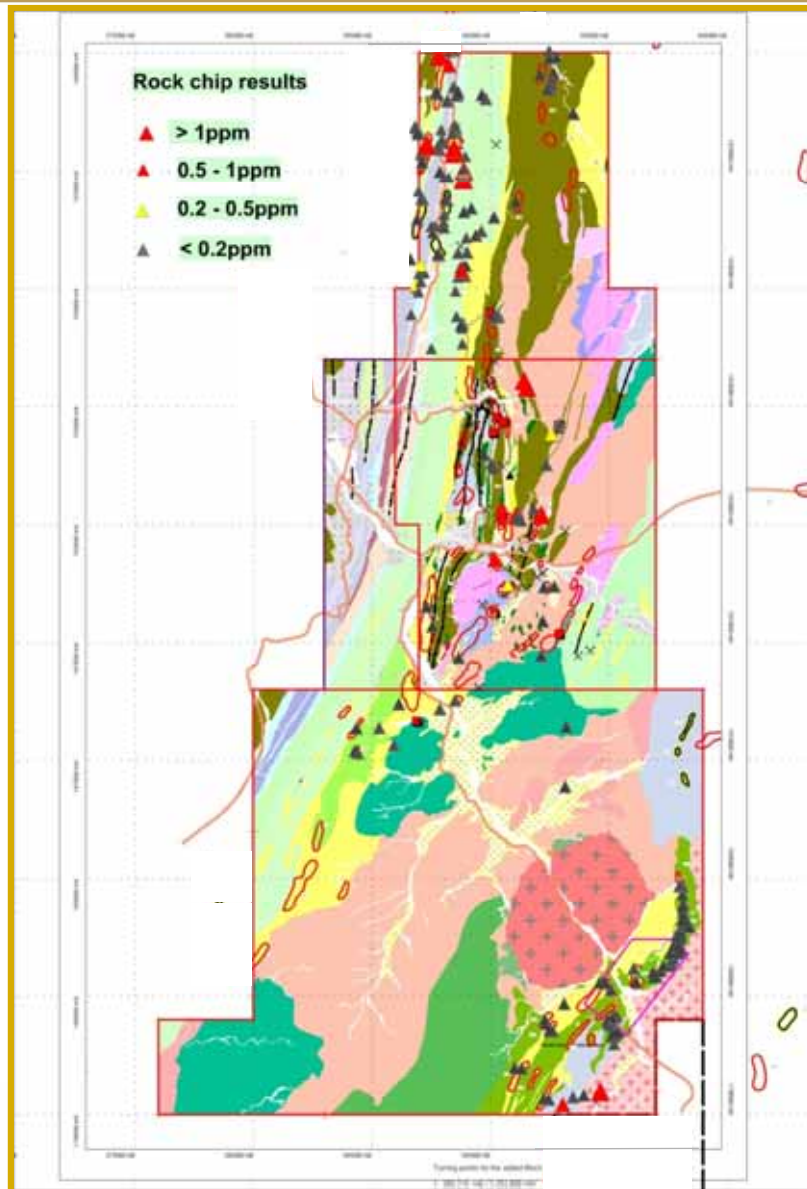
- BLEG orientation survey covering known gold-mineralized central area confirmed the effectiveness of the method
- Sampling extended to remainder of Zara tenement block
- Significant (>5ppb) gold anomalism identified on all three Zara EL's

Zara North EL Follow-up – Infill Drainage Sampling



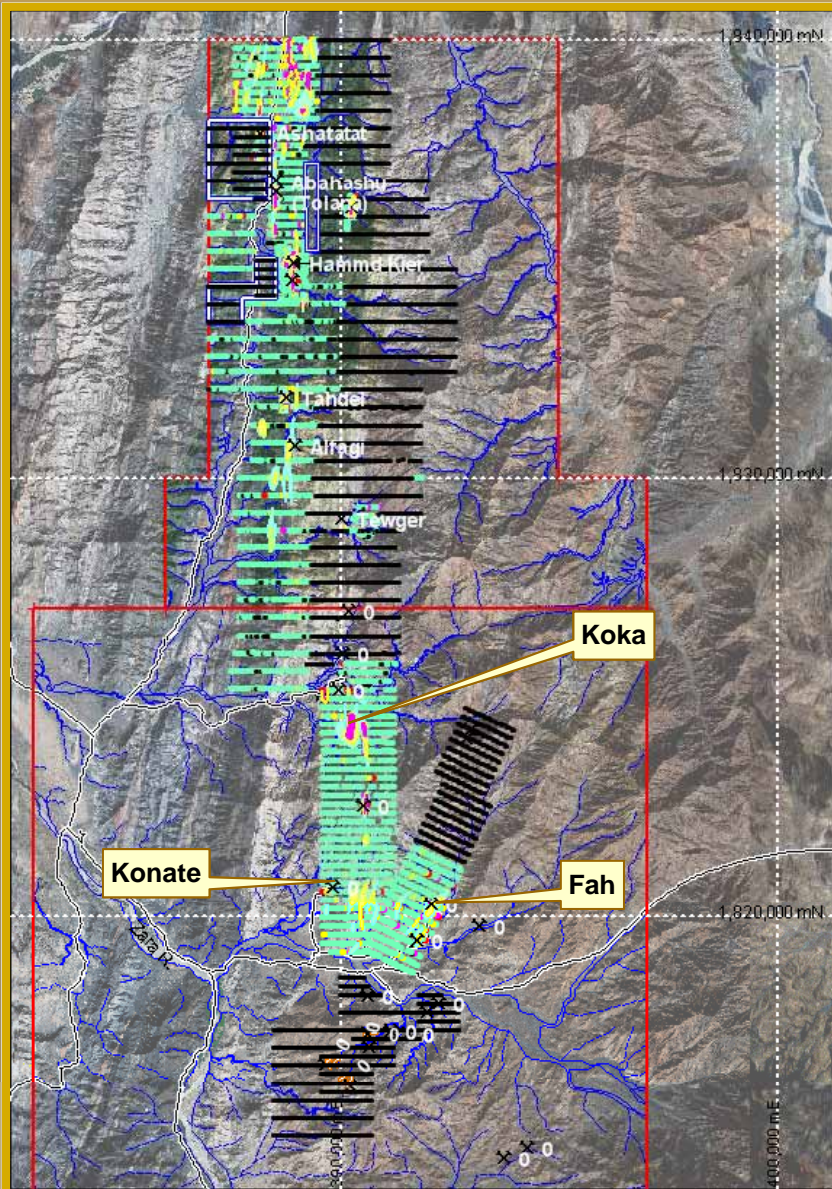
- Drainage BLEG sampling identified Zara North EL western drainage had most significant gold anomalies outside Koka-Konate corridor
- Follow up -80# sampling confirmed BLEG anomalism over 10km strike length
- Anomalism focused along major regional shear zone
- Numerous artisanal workings identified along anomalous trend

Regional Rock Chip/Grab Results



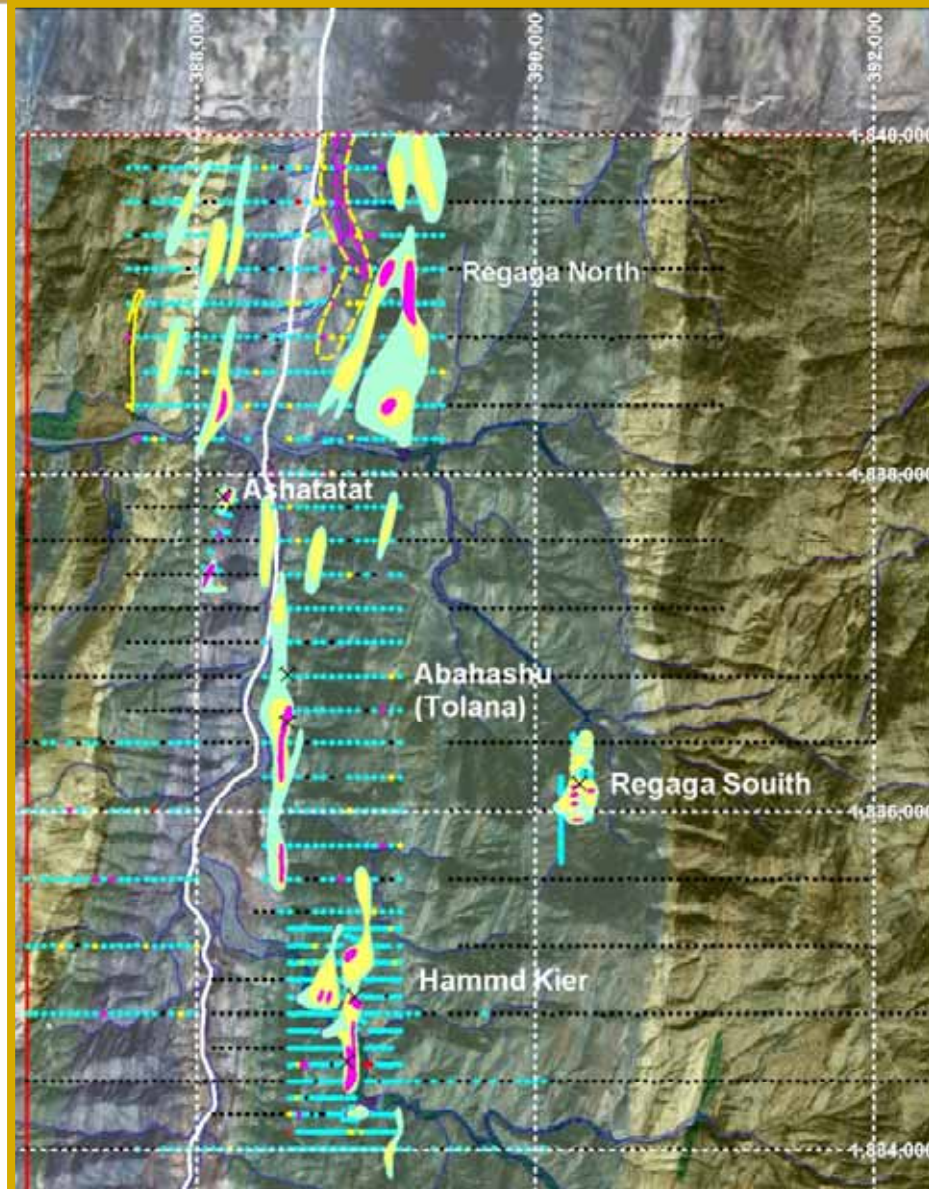
- Initial follow-up of BLEG and 80# anomalies by reconnaissance geological mapping and rock-chip sampling
- Best rock-chip values coincide with drainage anomalies
- Significant gold values (to 32.8g/t) obtained from sampling of artisanal workings

Soil Sampling – northern Zara Tenements

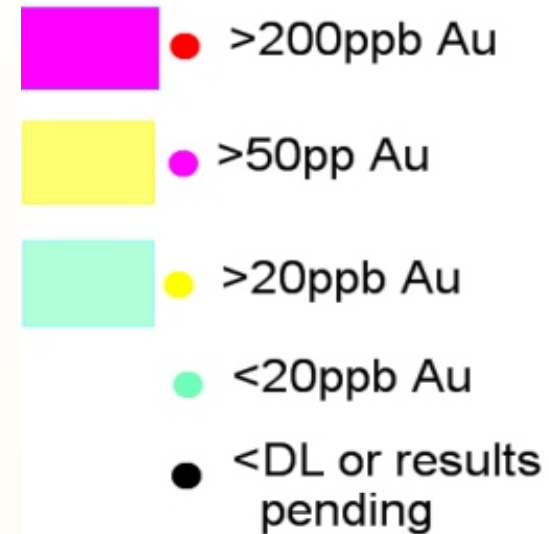


- Soil sampling coverage progressively extended over known gold-anomalous trends on Zara Nth & Zara Central EL
- Significant anomalism being defined over both known mineralized zones and newly identified prospects
- Has identified numerous targets for trenching and/or drill follow-up
- Results pending for large numbers of samples

Zara North EL (Nth Section) Soil Sampling



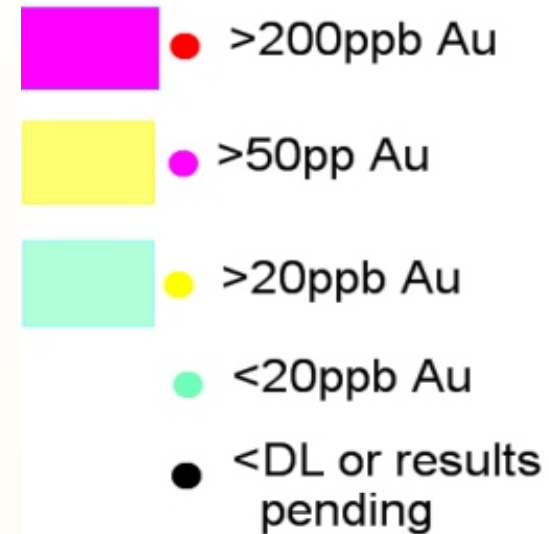
Au values in soils



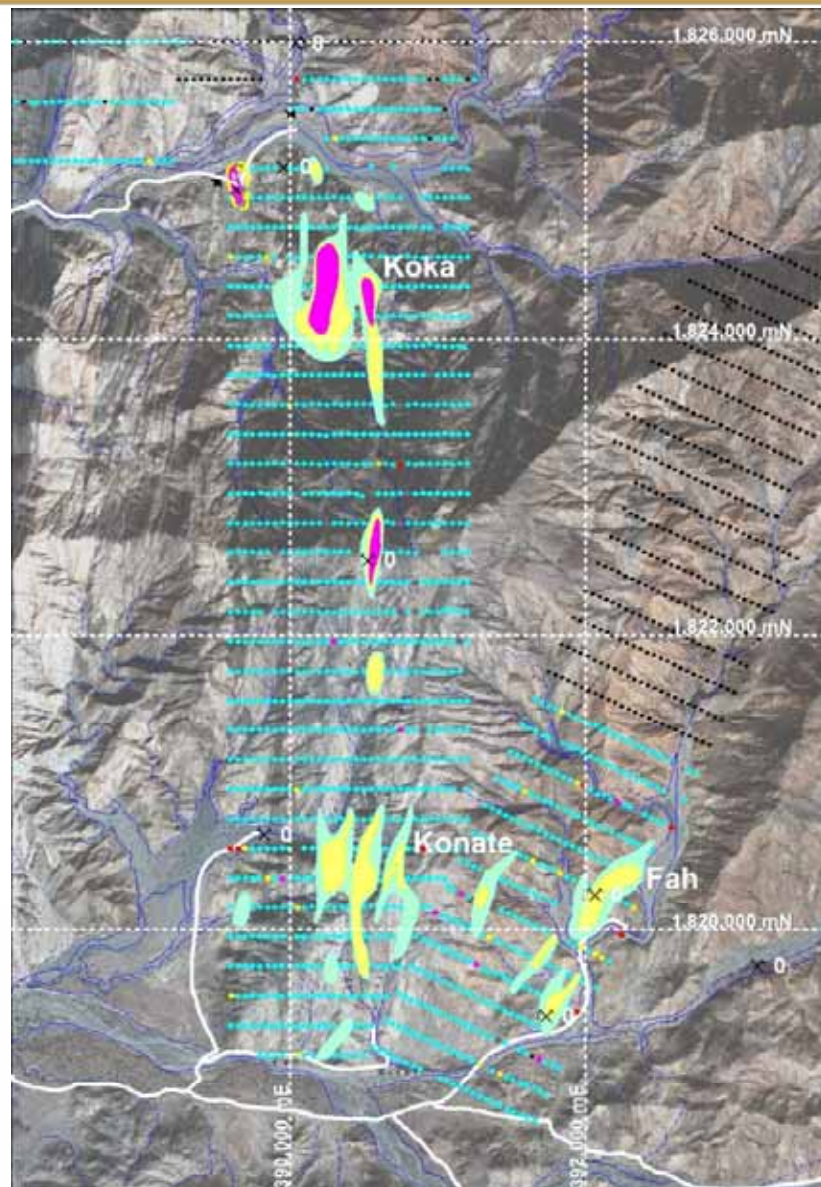
Zara North EL (Sth Section) Soil Sampling



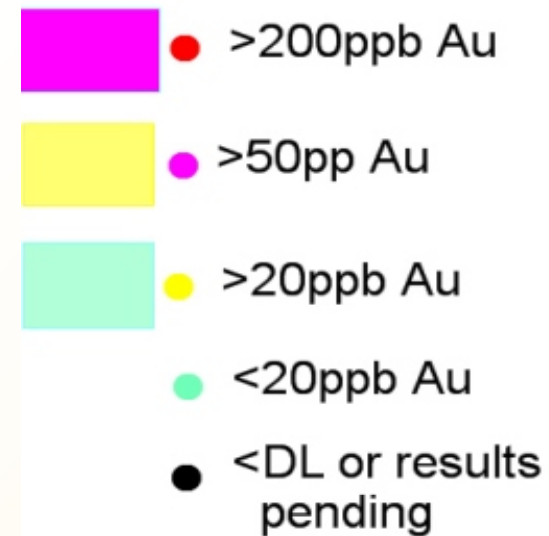
Au values in soils



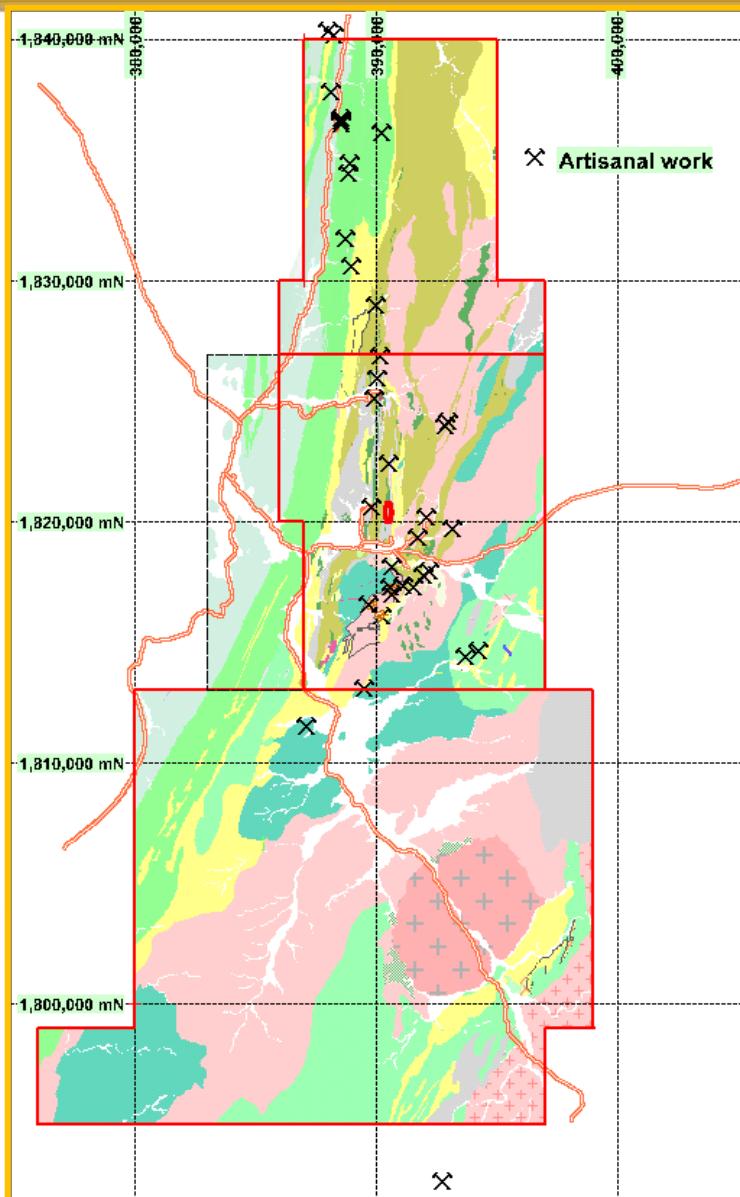
Zara Central Soil Sampling



Au values in soils



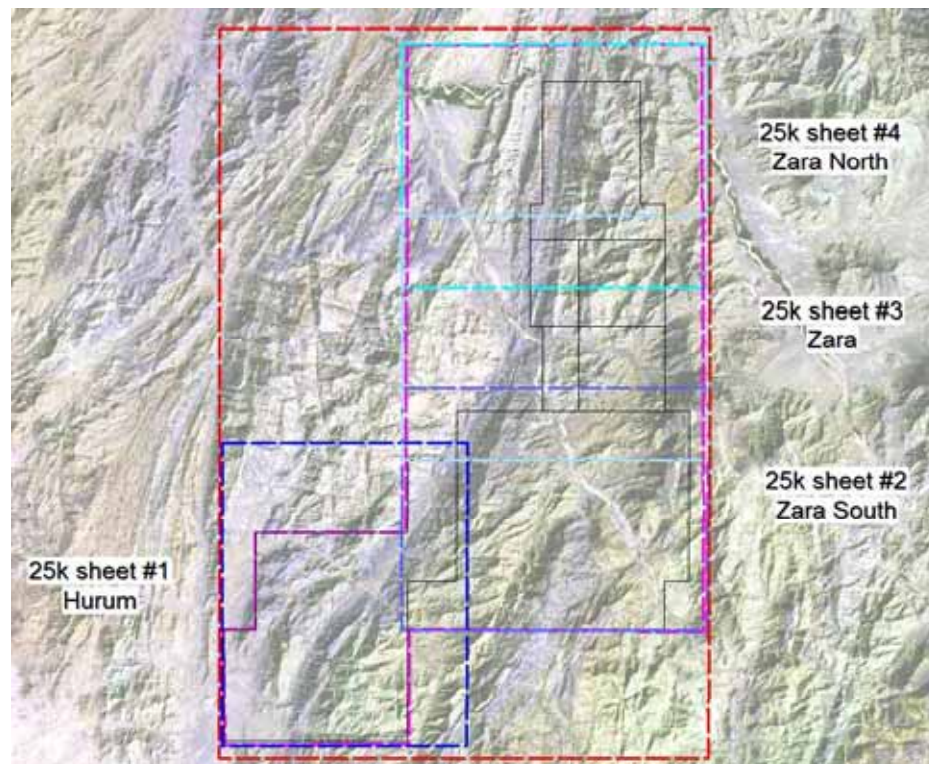
Artisanal Workings



Artisanal workings useful indicators of gold - usually focused on narrow-vein, high-grade mineralization



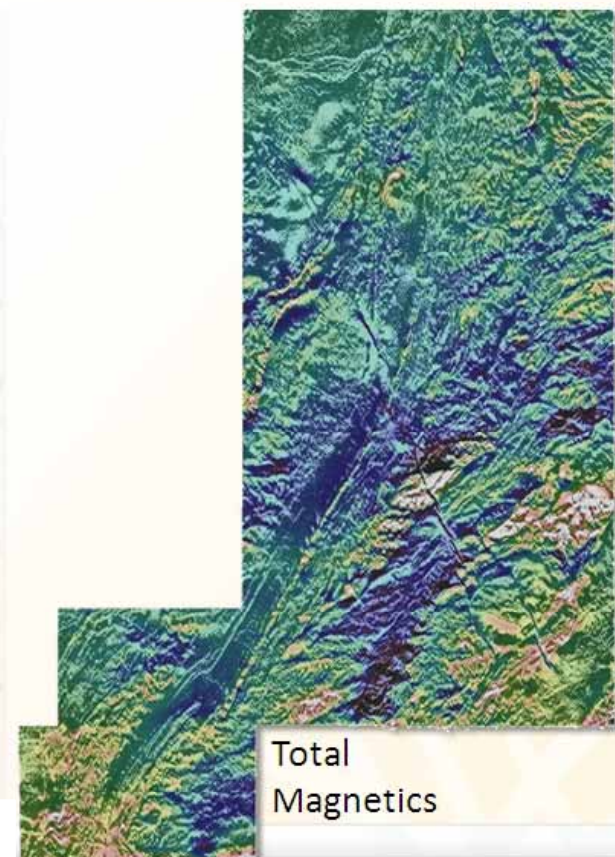
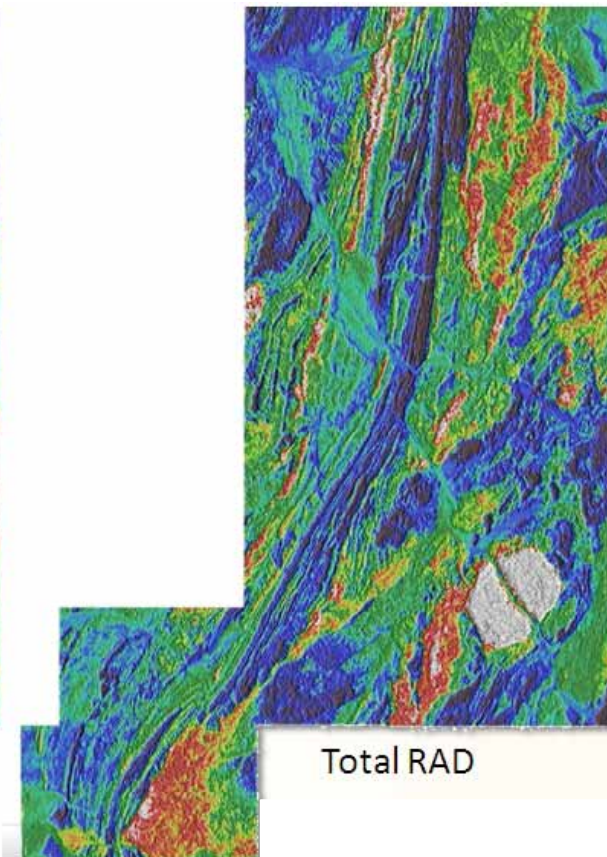
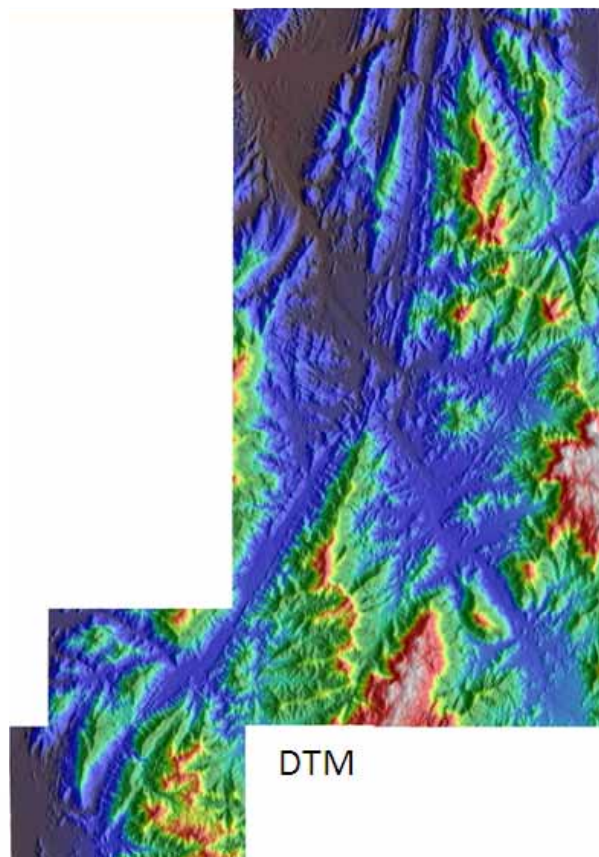
Airborne Geophysical Survey



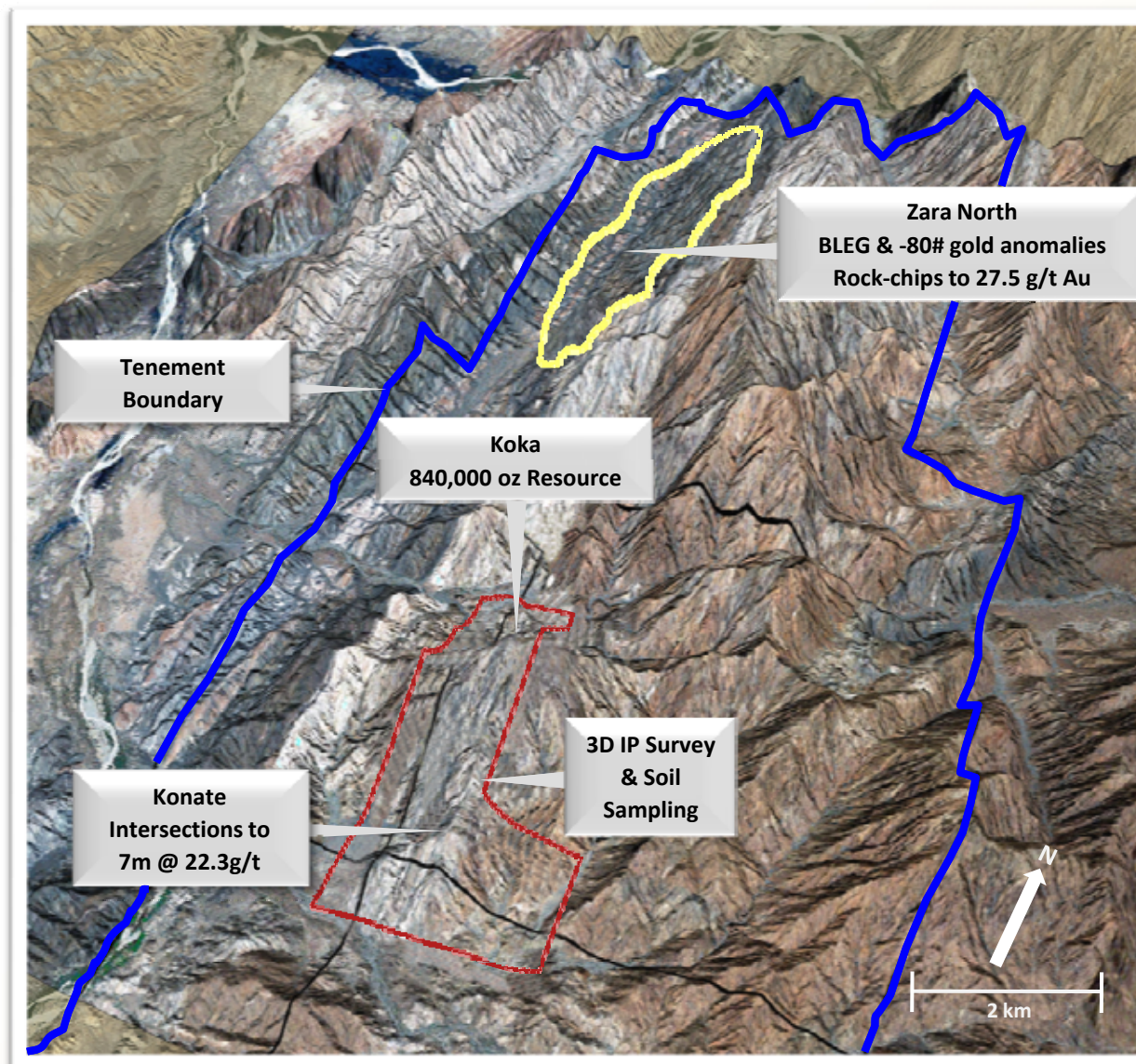
- Covers Zara and Hurum group of tenements
- 12,750 line kilometres
- High-quality magnetics, radiometrics & DTM



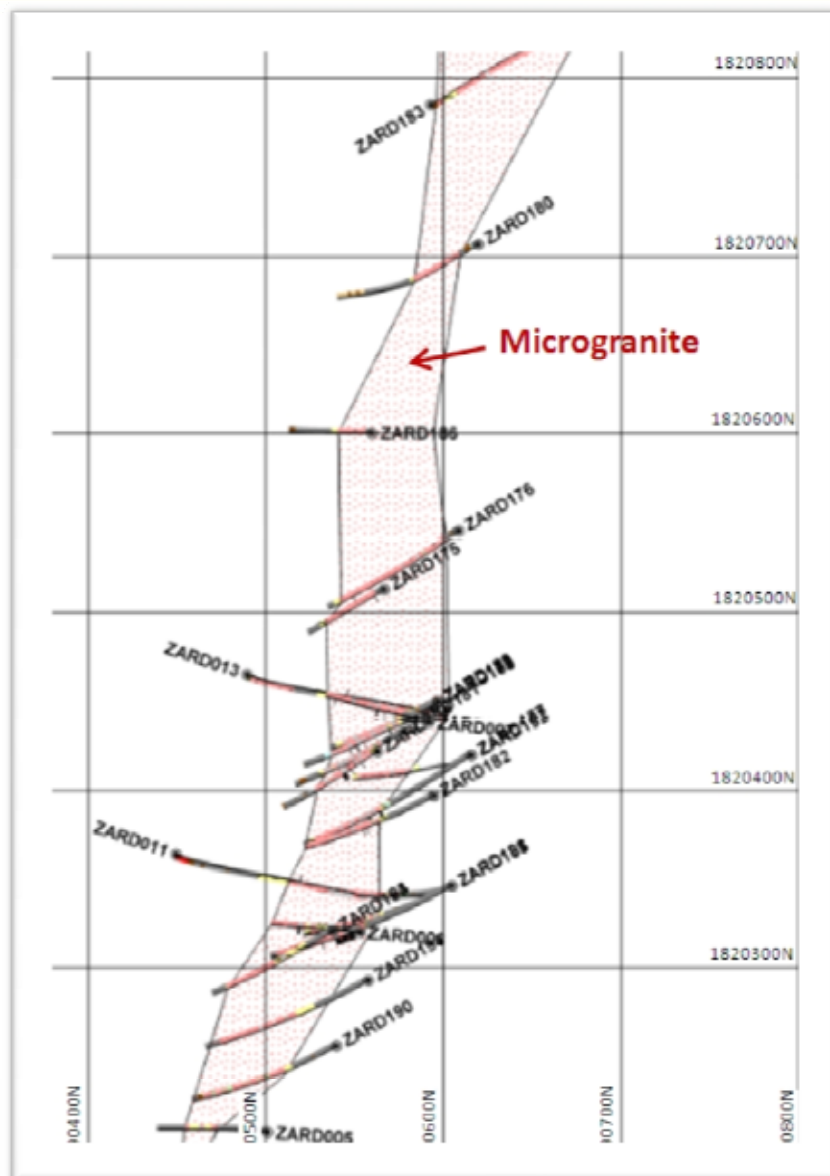
Airborne Geophysics



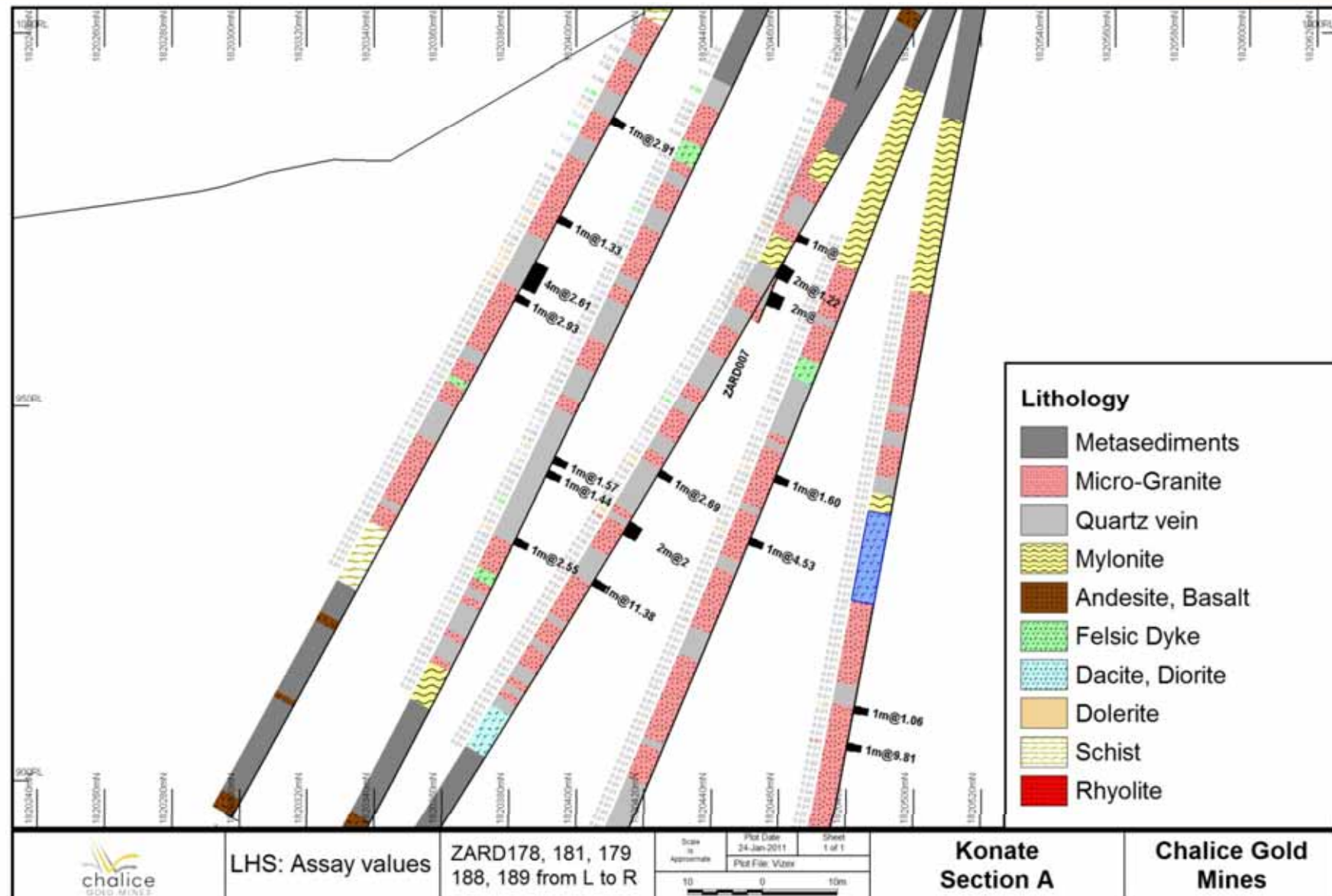
Exploration Potential – ‘Near Mine’



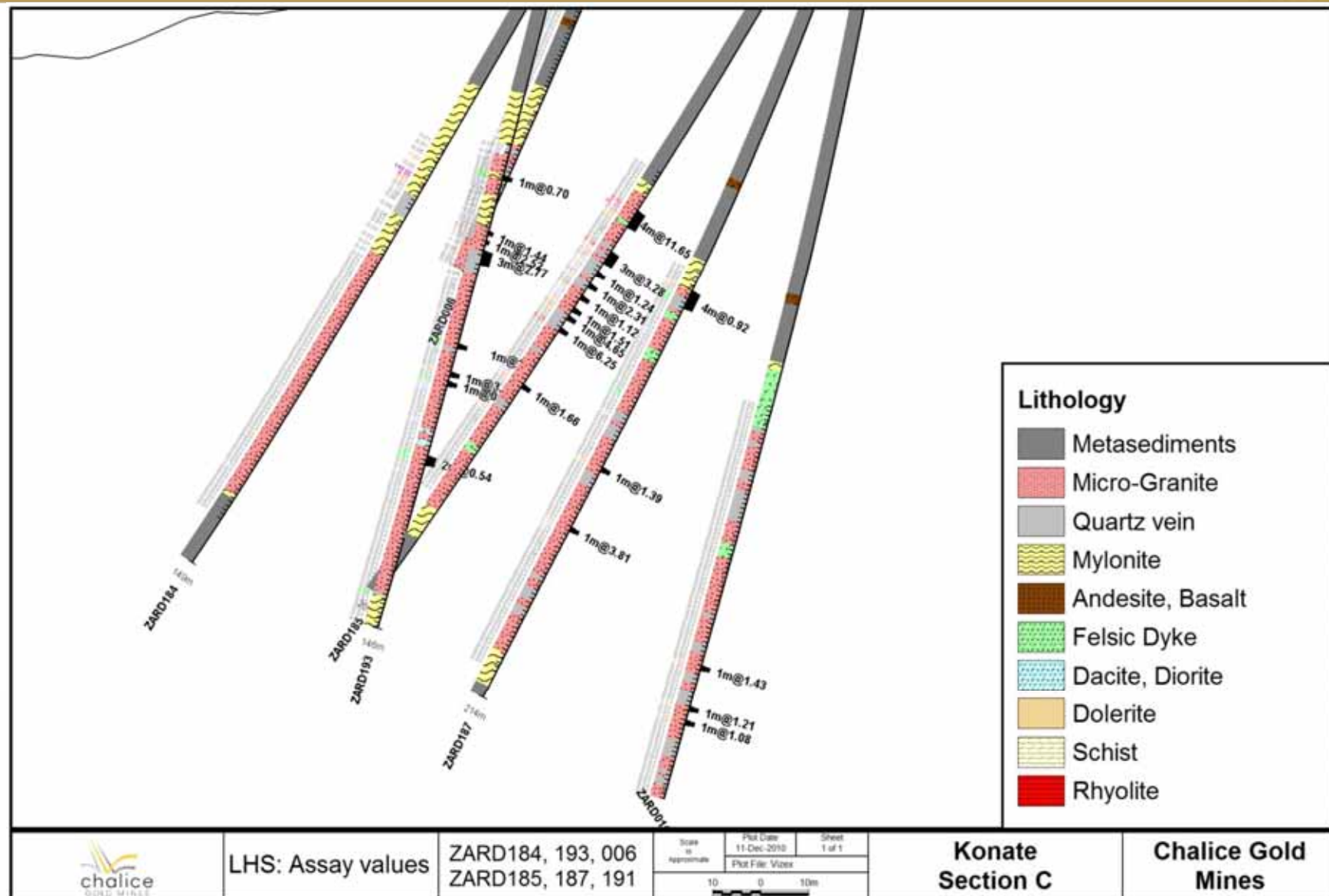
Konate Drilling 2010



Konate Drilling 2010



Konate Drilling 2010



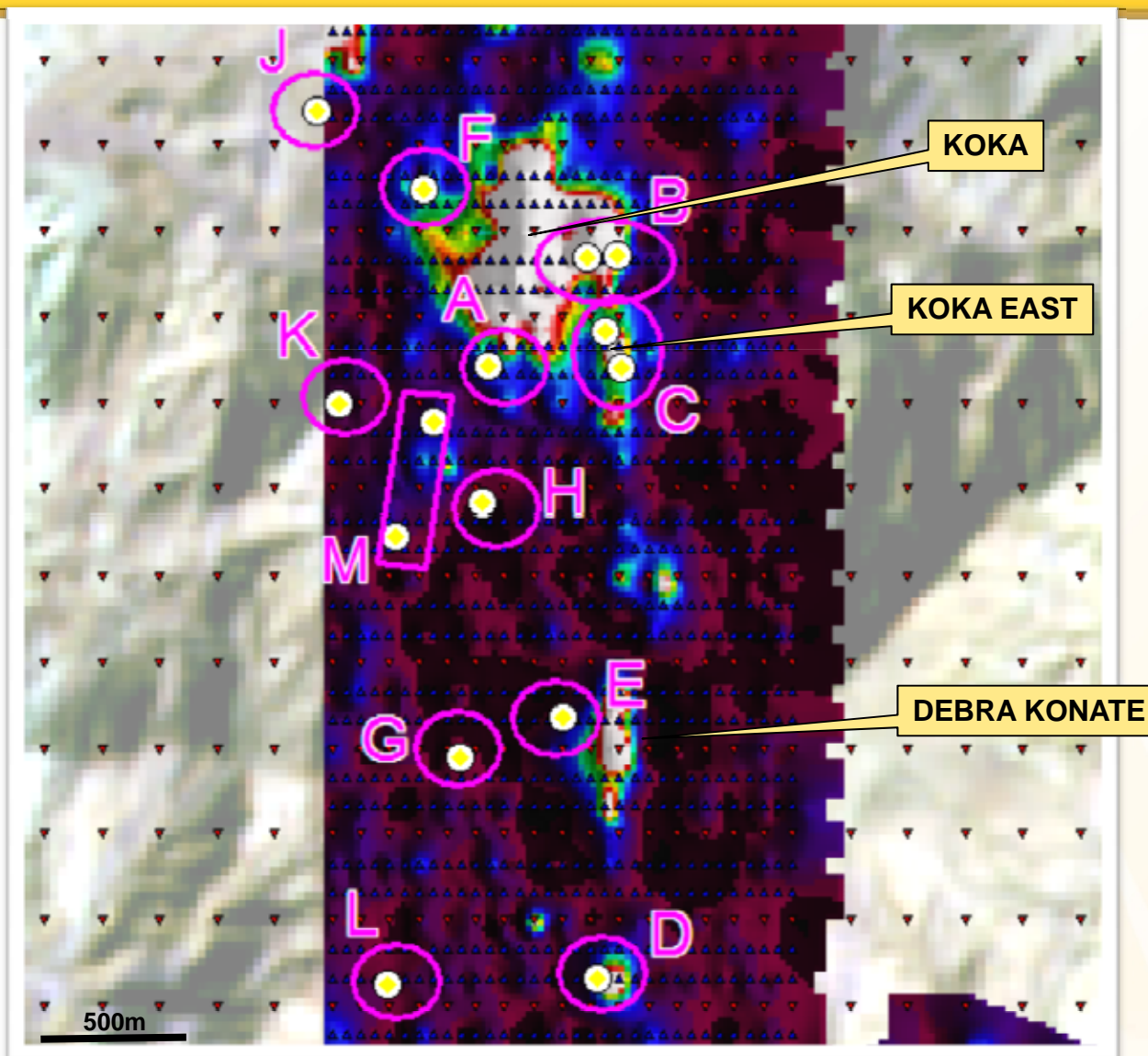
Konate Drillhole Intersections

BHID	From	To	Width	Au_ppm
ZARD005	53.00	54.00	1.00	0.77
ZARD005	60.00	63.00	3.00	0.71
incl	60.00	61.00	1.00	1.43
incl	62.00	63.00	1.00	0.70
ZARD006	65.00	66.50	1.50	0.60
ZARD006	76.00	79.00	3.00	1.32
incl	76.00	77.00	1.00	1.44
incl	78.00	79.00	1.00	2.52
ZARD006	86.00	88.00	2.00	0.80
ZARD007	54.00	55.00	1.00	1.18
ZARD007	63.00	65.00	2.00	2.10
ZARD007	71.00	72.00	1.00	0.57
ZARD007	88.00	89.00	1.00	0.51
ZARD007	113.00	114.00	1.00	1.33
ZARD011	120.00	121.00	1.00	5.17
ZARD013	89.00	91.00	2.00	1.57
ZARD175	13.00	14.00	1.00	1.10
ZARD176	137.00	138.00	1.00	1.89
ZARD177	120.00	123.00	3.00	12.79
incl	121.00	122.00	1.00	34.05
ZARD177	133.00	139.00	6.00	1.61
ZARD177	141.00	142.00	1.00	2.25
ZARD177	184.00	185.00	1.00	0.50
ZARD178	22.00	23.00	1.00	2.91
ZARD178	37.00	38.00	1.00	1.33
ZARD178	44.00	50.00	6.00	2.24
incl	44.00	48.00	4.00	2.61
incl	49.00	50.00	1.00	2.93

BHID	From	To	Width	Au_ppm
ZARD179	62.00	64.00	2.00	1.22
ZARD179	85.00	86.00	1.00	0.99
ZARD179	94.00	95.00	1.00	2.69
ZARD179	101.00	104.00	3.00	3.60
ZARD179	111.00	112.00	1.00	11.38
ZARD181	32.00	35.00	3.00	0.85
ZARD181	51.00	52.00	1.00	0.87
ZARD181	86.00	89.00	3.00	1.16
incl	86.00	87.00	1.00	1.57
incl	88.00	89.00	1.00	1.44
ZARD181	94.00	95.00	1.00	0.88
ZARD181	98.00	99.00	1.00	2.83
ZARD182	71.00	72.00	1.00	6.87
ZARD182	85.00	86.00	1.00	1.73
ZARD182	89.00	90.00	1.00	5.43
ZARD184	52	59	5	30.36
ZARD185	109	113	4	11.65
ZARD185	119	139	20	1.39
Incl	119	122	3	3.28
Incl	124	125	1	1.24
Incl	127	128	1	2.31
Incl	130	131	1	1.12
Incl	133	134	1	1.51
Incl	135	136	1	4.65
Incl	138	139	1	6.25
ZARD185	152	153	1	1.66

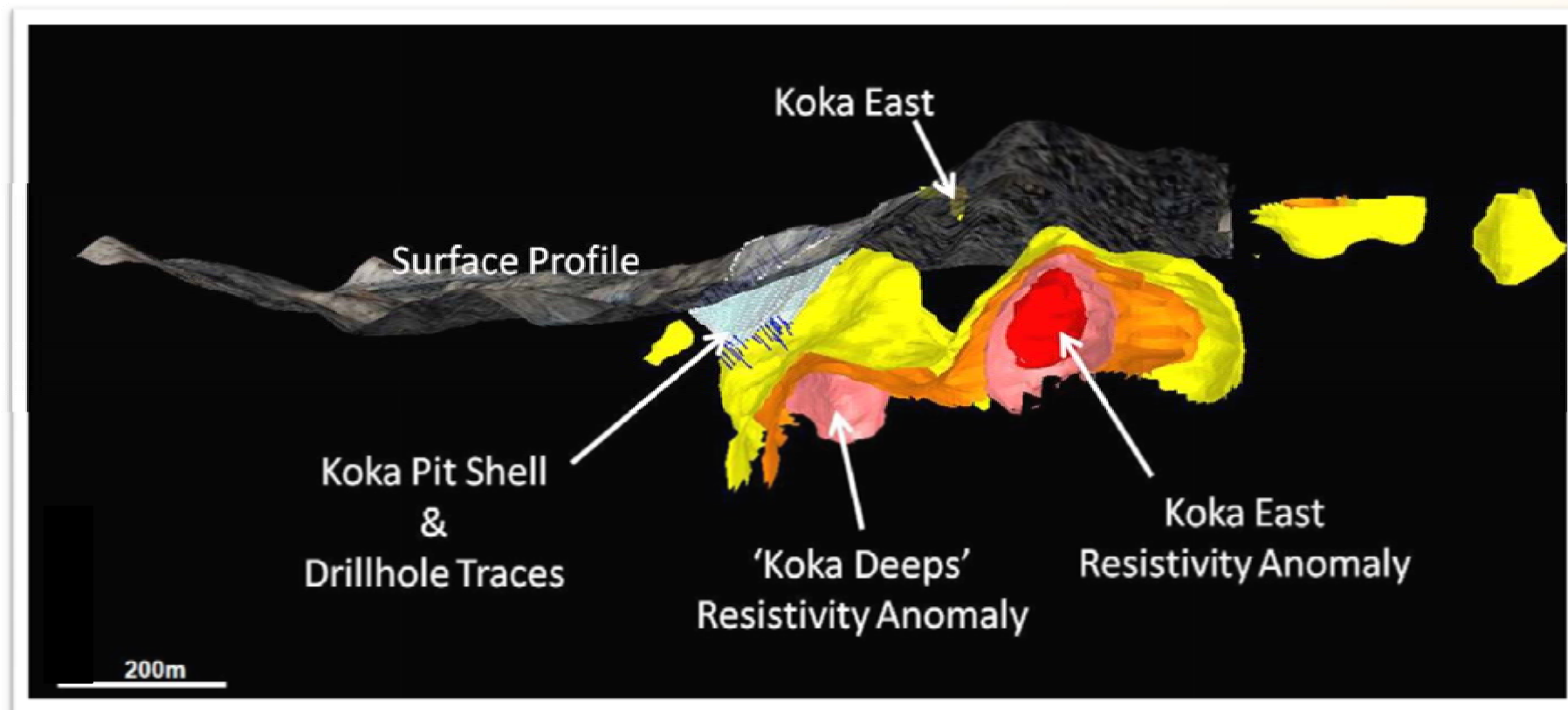
BHID	From	To	Width	Au_ppm
ZARD187	119	123	4	0.92
ZARD187	160	161	1	1.39
ZARD187	174	175	1	3.81
ZARD188	88	89	1	1.60
ZARD188	97	98	1	4.53
ZARD189	115	116	1	1.06
ZARD189	120	121	1	9.81
ZARD190	72	73	1	2.32
ZARD190	83	84	1	1.44
ZARD191	193	194	1	1.43
ZARD191	202	203	1	1.21
ZARD191	205	206	1	1.08
ZARD192	188	189	1	1.07
ZARD193	45	50	1	0.70
ZARD193	65	68	3	2.77
ZARD193	85	86	1	1.00
ZARD193	91	92	1	3.69
ZARD193	93	94	1	0.73
ZARD193	109	111	2	0.54
ZARD193	139	140	1	0.69
ZARD194	98	99	1	1.91
ZARD194	121	122	1	0.69
ZARD194	124	127	3	7.42
incl	124	125	1	20.62
ZARD194	137	138	1	0.79
ZARD194	140	141	1	2.85
ZARD194	144	146	2	1.95
incl	145	146	1	3.36

Koka 3D IP – Near Mine Targets



IP Targets on Soil Gold Geochemistry

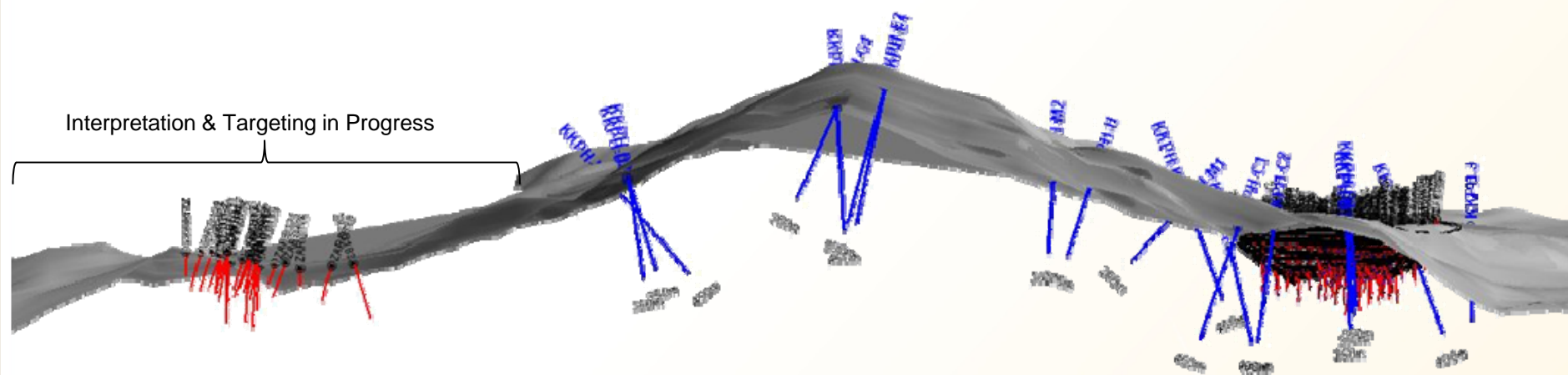
Koka 3D IP – Priority Targets A & C



Planned Drilling of 3D IP Anomalies

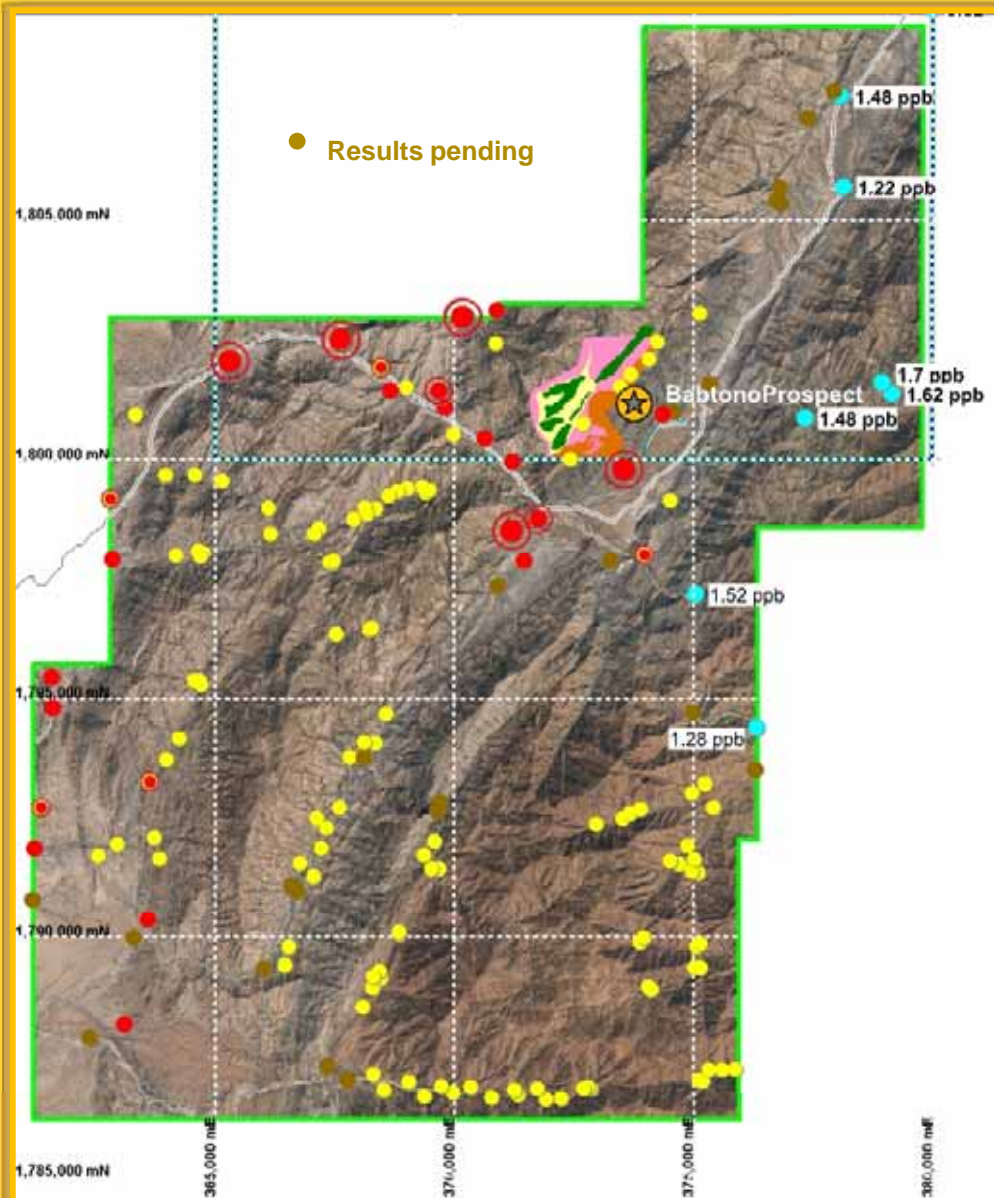
Red traces – completed drilling

Blue traces – planned IP drilling



Koka – Konate Long Section Looking West

Hurum Exploration Licence

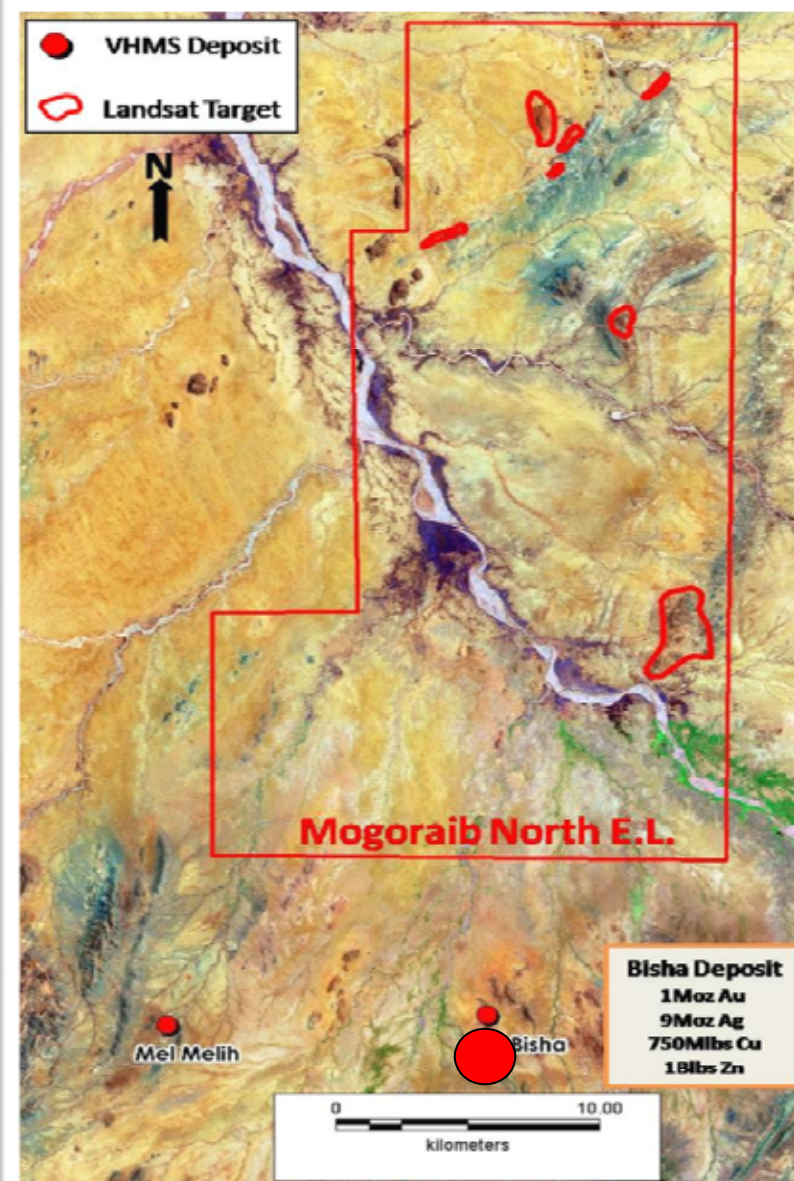


- Hurum EL granted January 2011
- Exploration completed to date:
 - *Airborne Magnetics & Radiometrics*
 - *Stream sediment BLEG & -80# sampling*
 - *Reconnaissance & prospect scale geological mapping (Babtono Prospect)*
 - *Soil sampling - Babtono*
 - *Rock chip sampling*

Mogoraib North Exploration Licence

Located ~10 km north of Nevsun's
Bisha VHMS Project

- *Area 555 sq km*
- *Geological setting similar to Bisha*
- *Landsat spectral signatures similar to Bisha*
- *Airborne VTEM, magnetic and radiometric survey April/May 2011 - ~4000 line kilometres*



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