CHALICE GOLD MINES LIMITED

ANNUAL INFORMATION FORM

September 30, 2014

GLOSSARY

Symbols

-	Nil	Mt	million tones
g	grams	oz	ounces
g/t Au	grams per tonne of gold	t	tonne
kg	kilograms	t/m	tonnes per metre
km	kilometres	V	volts
m	metres	kV	kilovolts
mm	millimetres		

Equivalent values

	kg	lb
kg	1	2.204662
t	1,000	2,204.62

Definitions

"2013 AGM"	The Annual General Meeting of Chalice held on November 28, 2013.
"A$"	Australian dollar
"AIF"	this Annual Information Form dated September 30, 2014
"AM"	the morning of a day
"Archean Star"	Archean Star Resources Inc.
"ASTC Rules"	the settlement operating rules of the ASX
"ASX"	ASX Limited or, in certain context, the Australian Securities Exchange operated by ASX Limited.
"ASX Listing Rules"	the listing rules of the ASX
"Board"	Board of directors of the Company
"Bonus Issue"	the issuance of Shares to Shareholders by way of capitalization of profits or reserves
"Bonus Shares"	Shares which would have been issued upon the Bonus Issue
"Bullion Minerals"	Bullion Minerals Limited
"C$"	Canadian dollar
"Cameron Gold Camp Project"	Includes the Cameron Gold Project (including the Cameron Gold deposit) and West Cedartree Project.
"Cameron Gold Project"	An advanced exploration project located in the southern part of western Ontario, approximately 80 km south-east of the town of Kenora and was acquired by Chalice Gold Mines on 4 February

	2014.
"Cameron Technical Report"....................	the Technical report dated July 25, 2014 relating to the Cameron Gold Project.
"Chalice Annual Financial Report"..........	the Company's annual financial report for the year ended June 30, 2014
"CIM Definition Standards"	CIM Definition Standards on Mineral Resources and Mineral Reserves prepared by the CIM Standing Committee on Reserve Definitions 2005
"Company" or "Chalice"...........................	Chalice Gold Mines Limited and its subsidiaries on a consolidated basis, except where otherwise noted or the context otherwise indicates
"Constitution"...	the constitution of Chalice
"Corporations Act"	*Corporations Act 2001 (Australia)*, as amended
"Dogpaw Gold Deposit".............................	located within the West Cedartree Project and comprises a total area of 16.5 km^2
"Dragon Mining"..	Dragon Mining Limited
"Dubenski Gold Deposit"	Two contiguous mining leases covering 377 ha within the West Cedartree Project and located within 10 km of the Cameron Gold Camp Project.
"Eligible Persons".......................................	persons eligible to participate in the Option Plan
"ENAMCO"	the Eritrean National Mining Corporation
"Gnaweeda Gold Project"	a project in Australia that is not yet considered material to the Company
"GeoCrystal"	GeoCrystal Limited
"Koka Gold Deposit"	the Koka deposit that is part of the Zara Project in Eritrea, East Africa
"Koka Gold Mine"	Koka Gold Mine covering the Koka deposit that is part of the Zara Project in Eritrea, East Africa
"LTIP"	an employee long term incentive plan approved by Shareholders at the 2011 AGM.
"Marla and Oodnadatta Project"	projects owned by ASX listed Uranium Equities comprising of 16 exploration licences totalling 7,746 km^2 and located in northern South Australia.
"Mogoraib North"	an exploration license comprising approximately 548 km^2 in Eritrea

"MHJV"	The Mogoraib North and Hurum joint venture which is owned 60 percent by Chalice and 40 per cent by ENAMCO (including a 10 per cent free carried interest) and will be funded in accordance with each party's paid participating interest, being two thirds Chalice and one third ENAMCO.
"Named Executive Officer"	each of the following individuals: (i) the Chief Executive Officer of the Company; (ii) the Chief Financial Officer of the Company; (iii) each of the Company's three most highly compensated executive officers, or the three most highly compensated individuals acting in a similar capacity, other than the Chief Executive Officer and Chief Financial Officer, at the end of the most recently completed financial year whose total compensation was, individually, more than C$150,000 for that financial year; and (iv) each individual who would be a Named Executive Officer under (iii) above but for the fact that the individual was neither an executive officer of the Company, nor acting in a similar capacity, at the end of the most recently completed financial year-end
"NI 43-101"	National Instrument 43-101 – *Standards of Disclosure for Mineral Projects*
"NI 71-102"	National Instrument 71-102 – *Continuous Disclosure and Other Exemptions relating to Foreign Issuers*
"Option Plan"	an employee and consultant stock option plan approved by Shareholders on November 28, 2013
"Performance Rights"	a right to be issued a Share upon the satisfaction of certain performance conditions that are attached to the right as determined by the Board.
"Rainy River Project"	located in the western-most part of northern Ontario, immediately north of Canada's border with the United States. Comprises of mineral rights over 57.3 sq km and was acquired by Chalice Gold Mines on 4 February 2014.
"SCG"	Shanghai Construction Group Co. Ltd
"SEDAR"..	the System for Electronic Documents Analysis and Retrieval maintained by the Canadian Securities Administrators
"SFECO"	China SFECO Group, a subsidiary of Shanghai Construction Group Co. Ltd.
"Shares"...	ordinary shares in the capital of the Company
"Shareholder"	Shareholders of the Company or other entity
"Stock Exchange Listing Rules"	the listing rules of any stock exchange in the world which the Company is listed on
"Sub-Sahara"...	Sub-Sahara Resources NL

"Teck"..	Teck Resources Limited
"TSX"..	Toronto Stock Exchange
"TSX-V"..	TSX Venture Exchange
"Uranium Equities"	Uranium Equities Limited
"US$"..	United States or US dollar
"Zara Mining SC"	Zara Mining Share Company, a company incorporated in Eritrea and which was owned 60 per cent by Chalice and 40 per cent by ENAMCO
"Zara Project"	a project consists of six contiguous granted licenses granted to Zara Mining SC covering an area totalling 575 km^2 situated in northern Eritrea, approximately 160 km northwest of Eritrea's capital, Asmara and was owned 60 per cent by Chalice and 40 per cent by ENAMCO.

PRESENTATION OF INFORMATION

In this AIF, the terms the "Company" and "Chalice" mean Chalice Gold Mines Limited and its subsidiaries on a consolidated basis, except where otherwise noted or the context otherwise indicates.

Unless otherwise noted, the financial information contained in this AIF is given at or for the year ended June 30, 2014. Where material changes have occurred subsequent to June 30, 2014 and are otherwise not disclosed in the Chalice Annual Financial Report, separate disclosure is provided in this AIF; in particular, under the heading "Recent Developments".

FORWARD-LOOKING INFORMATION

This document may contain forward-looking information within the meaning of Canadian securities legislation and forward-looking statements within the meaning of the United States Private Securities Litigation Reform Act of 1995 (collectively, forward-looking statements). These forward-looking statements are made as of the date of this document and the Company does not intend, and does not assume any obligation, to update these forward-looking statements.

Forward-looking statements relate to future events or future performance and reflect Company management's expectations or beliefs regarding future events and may include, but are not limited to, statements with respect to the estimation of mineral reserves and mineral resources, the realization of mineral reserve estimates, the likelihood of exploration success, the timing and amount of estimated future production, costs of production, capital expenditures, success of mining operations, environmental risks, unanticipated reclamation expenses, title disputes or claims and limitations on insurance coverage. In certain cases, forward-looking statements can be identified by the use of words such as plans, expects or does not expect, is expected, will, may would, budget, scheduled, estimates, forecasts, intends, anticipates or does not anticipate, or believes, or variations of such words and phrases or statements that certain actions, events or results may, could, would, might or will be taken, occur or be achieved or the negative of these terms or comparable terminology. By their very nature forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Company to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements. Such factors may include, among others, risks related to actual results of current exploration activities; changes in project parameters as plans continue to be refined; future prices of mineral resources; possible variations in ore reserves, grade or recovery rates; accidents, labour disputes and other risks of the mining industry; delays in obtaining governmental approvals or financing or in the completion of development or construction activities; as well as those factors detailed from time to time in the Company's interim and annual financial statements and management's discussion and analysis of those statements, all of which are filed and available for review on SEDAR under the Company's profile at sedar.com. Although the Company has attempted to identify important factors that could cause actual actions, events or results to differ materially from those described in forward-looking statements, there may be other factors that cause actions, events or results not to be as anticipated, estimated or intended. There can be no assurance that forward-looking statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements.

Accordingly, readers should not place undue reliance on forward-looking statements.

FINANCIAL INFORMATION AND ACCOUNTING PRINCIPLES

Unless otherwise indicated, references in this AIF to "C$" are to Canadian dollars, references to "US$" are to US dollars and references to "A$" are to Australian dollars.

All financial information in the AIF is derived from the Company's financial statements which were prepared in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Act. In accordance with Accounting Standard AASB 101 Presentation of Financial Statements, compliance with the Australian equivalents to International Financial Reporting Standards ensures that financial information complies with International Financial Reporting Standards.

EXCHANGE RATES

Canadian Dollars per Australian Dollar

The following table sets out the high and low rates of exchange in Canadian dollars for one Australian dollar during the periods noted, the average rates of exchange during such periods and the rates of exchange at the end of such periods.

	C$ per A$			
Calendar Year Ended	**High**	**Low**	**Average Rate**	**End Rate**
June 30, 2014	1.0315	0.9224	0.9818	1.0042
June 30, 2013	1.0685	0.9526	1.0310	0.9604
June 30, 2012	1.0755	0.9981	1.0350	1.0411

On September 29, 2014, the exchange rate provided by the Bank of Canada was C$0.9729 = A$1.00.

Canadian Dollars per US Dollar

The following table sets out the high and low rates of exchange in Canadian dollars for one US dollar during the periods noted, the average rates of exchange during such periods and the rates of exchange at the end of such periods.

	C$ per US$			
Calendar Year Ended	**High**	**Low**	**Average Rate**	**End Rate**
June 30, 2014	1.1249	1.0223	1.0699	1.0661
June 30, 2013	1.0515	0.9675	1.0044	1.0515
June 30, 2012	1.0561	0.9440	1.0032	1.0248

On September 29 2014, the noon rate provided by the Bank of Canada was C$1.1145 = US$1.00.

HISTORICAL GOLD PRICES

The following table shows the average gold prices during each of the calendar years noted below.

Year	Average Gold Price (US$/oz)
2014 year to September	1,288
2013	1,410
2012	1,668
2011	1,573

On September 29, 2014 the AM rate for the gold price was US$1,218/oz.[1]

BASIS OF PRESENTATION

All references to mineral reserves or mineral resources are references to the gross mineral reserves or mineral resources per property, unless reference is made to "attributable" mineral reserves or mineral resources which refers only to Chalice's attributable portion of the mineral reserves and/or mineral resources. All information with respect to mineral reserves or mineral resources is reported in accordance with National Instrument 43-101 *Standards of Disclosure for Mineral Projects* of the Canadian Securities Administrators ("**NI 43-101**") and the CIM Definition Standards and "kg" refers to kilograms, "g" refers to grams, "g/t Au" refers to grams per tonne of gold, "Mt" refers to million tonnes, "m" refers to metres, "t" refers to tonnes, "t/m" refers to tonnes per metre, "mm" refers to millimetres, "km" refers to kilometres, "V" refers to volts, "kV" refers to kilovolts and "oz" refers to ounces.

DESIGNATED FOREIGN ISSUER STATUS

Chalice listed on the TSX on November 26, 2010. Upon that listing Chalice became a reporting issuer in the province of Ontario. However, in accordance with National Instrument 71-102 – *Continuous Disclosure and Other Exemptions Relating to Foreign Issuers* , Chalice will be a "designated foreign issuer" (as is defined in NI 71-102) for the balance of the current financial year and until such time as it ceases to satisfy the requirements to be a designated foreign issuer. As such, the Company will not be subject to the same ongoing reporting requirements as most other reporting issuers in Canada. Generally, Chalice will comply with Canadian ongoing reporting requirements if it complies with the regulatory requirements of ASX, which is a "foreign regulatory authority" (as defined in NI 71-102) and files any documents required to be filed with or furnished to ASX on the Canadian SEDAR.

CORPORATE STRUCTURE

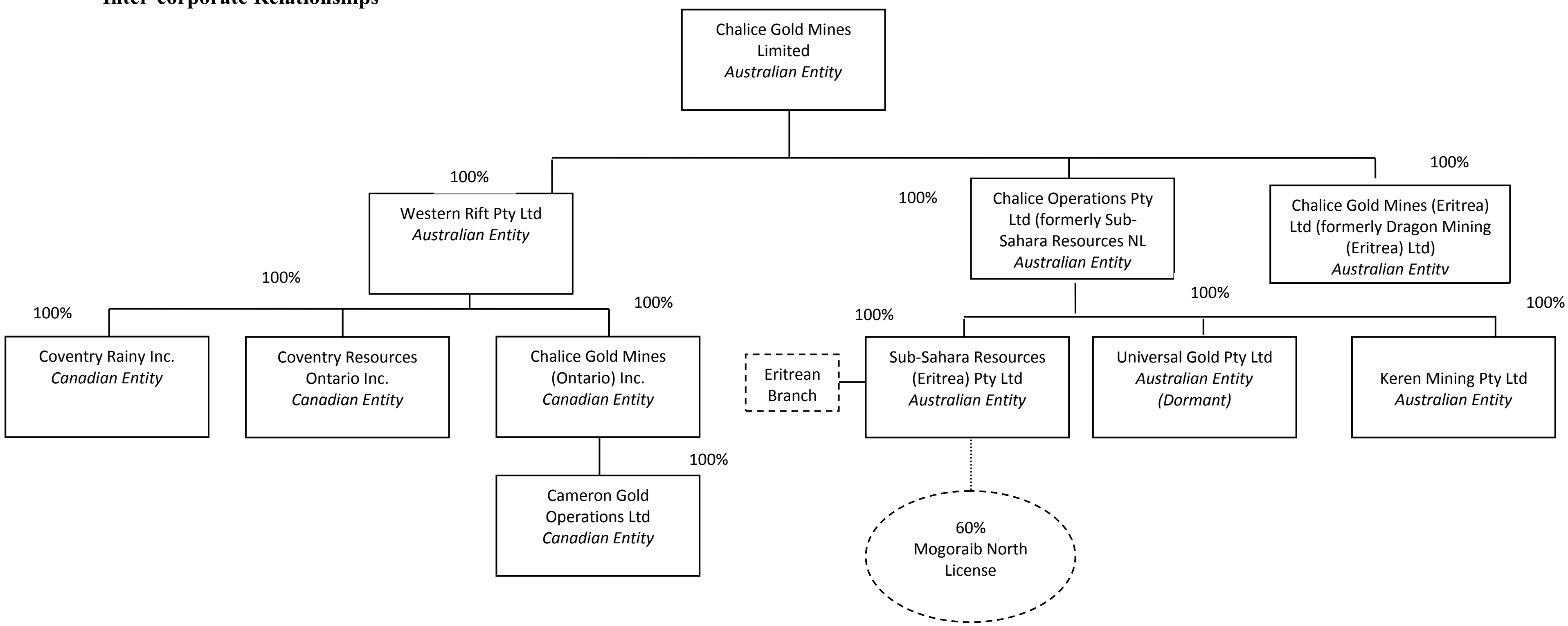
Name, Address and Incorporation

Chalice Gold Mines Limited was incorporated on October 13, 2005 under the Corporations Act under registration number ACN 116 648 956. On March 24, 2006, the Company was listed on the ASX and on November 26, 2010 it was listed on the TSX.

The head and registered office of the Company is located at: Level 2, 1292 Hay Street, West Perth, Western Australia 6005, Australia, telephone: +(618) 9322 3960, facsimile: +(618) 9322 5800.

[1] Source: London Bullion Market Association AM Gold Fix

Inter-corporate Relationships



BUSINESS OF THE COMPANY

Overview

Based in Perth, Western Australia, Chalice is an exploration and development company focused on exploration, and the assessment of resource projects for acquisition.

Chalice's vision is to grow a multi-asset resources company by acquiring and developing high quality resource assets. To deliver this vision the Company is pursuing the following business strategy:

- Grow and advance the Cameron Gold Project in Canada Ontario by adding additional high grade ounces in close proximity to the Cameron deposit

- Targeting quality base and precious metal exploration ground, preferably in lower risk mining jurisdictions.

- Targeting more advanced mineral resource project opportunities on a deal by deal basis, or where Chalice's strong cash position may provide a funding solution to the development of the asset.

RECENT DEVELOPMENTS

Development of the Business

Due to sub-economic drilling results at the Mogoraib North Joint Venture, Chalice has made the decision to exit the Mogoraib Joint Venture (subject to acceptance of an offer to purchase the Company's interest.

On July 29, 2014 Chalice filed an updated 43-101 Technical Report on the Cameron Gold Project in Canada (the "Cameron Technical Report"). The report was prepared in accordance with National Instrument 43-101 and the revised mineral resource estimate updated and replaced the previously reported mineral resources announced by the previous project owners Coventry Resources Inc. for the Cameron, Dubenki and Dogpaw gold deposit.

Fiscal Year Ended June 30, 2014

In June 2014, Chalice entered into an agreement to acquire the Dubenski Gold Deposit in Ontario, Canada for C$700,000.

During the year the Company subscribed for 9,683,333 shares at a cost of $1,770,000 along with 7,583,333 free attaching options (4,250,000 options have an exercise price of 25 cents and expire on or before 31 March 2016 and 3,333,333 options have an exercise price of 20 cents and expire on or before 30 September 2015) in unlisted company GeoCrystal Limited ("GeoCrystal"). Chalice currently has a 24% interest in GeoCrystal with options and first rights over future funding up to a 51% interest in GeoCrystal.

On March 3, 2014, Chalice announced an on-market share buyback to acquire up to 25,073,088 Shares through the facilities of the ASX.

In February 2014 Chalice completed the acquisition of the Cameron Gold Project, the Rainy River Project, the West Cedartree Project and the Ardeen Gold Project in Ontario, Canada by purchasing various subsidiary companies of Coventry Resources Inc. The consideration for the acquisition was 46 million ordinary Chalice shares which were distributed directly to Coventry shareholders on a pro rata basis. No business acquisition report was prepared in connection with the acquisition as Chalice is a designated foreign issuer.

Fiscal Year Ended June 30, 2013

On February 1, 2013, Mr William Bent commenced as the Company's Managing Director.

On December 14, 2012, Chalice completed the payment of a capital return (as approved by shareholders at the Company's 2012 AGM) to shareholders amounting to A$0.10 per share totalling A$25 million. The payment was made to shareholders registered at the close of business on December 10, 2012 (December 9, 2012 for TSX shareholders).

In October 2012, a formal application was lodged with the Eritrean Ministry of Energy and Mines to relinquish the Hurum Exploration Licence.

In October 2012, Chalice terminated the agreement to sell its remaining interest in the Gnaweeda Gold Project to TSX-V listed Archean Star Resources Inc because of non-performance by Archean Star. The Company's interest in the Gnaweeda project is 12.03%.

On September 4, 2012, Chalice completed the sale of the Zara Gold Project in Eritrea to SFECO and the Eritrean National Mining Corporation ("ENAMCO") for a combined consideration of US$114 million.

Fiscal Year Ended June 30, 2012

On June 29, 2012, the shareholders of Chalice approved the disposal of Chalice's 60 per cent interest in the Zara Project in Eritrea, East Africa and, as noted above, this transaction was completed on September 4, 2012.

On June 13, 2012, Chalice agreed to sell its remaining 13.5 per cent interest in the Gnaweeda Project to Archean Star Resources Inc ("Archean Star"). The consideration for the sale is 5 million common shares in Archean Star which is listed on the TSX Venture Exchange ("TSX-V"). The agreement was terminated in the fiscal year ended June 30, 2013 as noted above.

On April 30, 2012, Chalice agreed to enter into a joint venture with ENAMCO in relation to its Mogoraib North and Hurum Projects in Eritrea ("MHJV"). The MHJV is owned 60 percent by Chalice and 40 per cent by ENAMCO (including a 10 per cent free carried interest) and will be funded in accordance with each party's paid participating interest, being two thirds Chalice and one third ENAMCO.

On April 30, 2012, Chalice reached an agreement with Dragon Mining Limited ("Dragon") for the payment of A$1.5 million in full consideration for setting aside the trailing payment of A$4 million in the event that a one million ounce Mineral Reserve is delineated at the Zara Project. The payment was subject to the completion of the sale of the Zara Project by Chalice to SFECO.

On April 27, 2012, the Board of Shanghai Construction Group Co Ltd ("SCG") approved the agreement to acquire Chalice's 60 per cent interest in Zara Mining SC for US$78 million plus a deferred payment of US$2 million. A conditional Sale and Purchase Agreement was executed between SCG subsidiary, SFECO and Chalice. The sale of Chalice's 60 per cent interest in Zara Mining SC was completed during the fiscal year ended June 30, 2013 as noted above.

On April 17, 2012, Chalice and SFECO agreed the consideration payable for the sale of Chalice's 60 per cent interest in the Zara Project.

On April 13, 2012, notification was received by Chalice from SFECO that it has completed its due diligence in respect to the purchase of Chalice's 60 per cent interest in Zara Mining SC.

On January 25, 2012, Chalice agreed to revise the terms with ENAMCO for the sale of Chalice's 30 per cent interest in the Zara Project. Under the revised agreement, ENAMCO made an interim payment of approximately US$3 million to Chalice and the balance of US$31 million payable to Chalice on completion of the sale to SFECO.

On January 16, 2012, Zara Mining SC was granted two mining licences covering the Koka Gold Deposit at the Zara Project.

On December 28, 2011, Chalice entered into a conditional shortform agreement to sell its remaining 60 per cent interest in Zara Mining SC to SFECO. The agreement was subject to SFECO being satisfied with its due diligence.

On December 13, 2011, Chalice signed a Letter of Intent with SFECO setting out a proposal for terms upon which SFECO may acquire Chalice's interest in the Zara Project.

On November 2, 2011, Chalice's 60 per cent owned subsidiary Zara Mining SC executed a Mining Agreement with the Government of the State of Eritrea. The Mining Agreement contained the provisions governing the future development and operation of the Zara Project. Zara Mining SC also applied for a mining licence for a period of 18 years.

On July 29, 2011, Chalice and ENAMCO executed a Shareholders' Agreement to incorporate and regulate their relationship and obligations as shareholders of Zara Mining SC.

CAMERON GOLD CAMP PROJECT

The below details has been extracted from the Cameron Technical Report dated July 25, 2014. For further information on the below, please refer to the Cameron Technical Report which is available on the Company's website at www.chalicegold.com or on SEDAR at www.sedar.com. The Cameron Technical Report is incorporated by reference into this AIF. Any statement contained in the Cameron Technical Report shall be deemed to be modified or superseded for the purposes of this AIF to the extent that a statement contained in this AIF or in any subsequently filed document that also is or is deemed to be incorporated by reference herein modifies or supersedes such statement. Any statement so modified or superseded shall not constitute a part of this AIF, except as so modified or superseded. The modifying or superseding statement need not state that it has modified or superseded a prior statement or include any other information set forth in the document that it modifies or supersedes.

Overview

The Cameron Gold Camp (CGC) Project is an advanced exploration project located in the southern part of western Ontario approximately 80 km south-east of the town of Kenora. The project area is accessible all year round by sealed and unsealed road.

The Cameron Gold Project currently consists of two project areas namely Cameron and West Cedartree. The Cameron Project contains a total of sixty-eight unpatented claims, four patented claims (mineral rights only) and six mining licences of occupation (MLO) plus three mining leases. All of the claims are located within unsurveyed crown lands, mainly in the Rowan Lake area, though some claims are situated in the Tadpole Lake, Brooks Lake and Lawrence Lake areas. The total area of the project is approximately 123.5 km2.

The Cameron project is 100% owned by Cameron Gold Operations (CGO) Limited, a wholly owned subsidiary of Chalice. The project is subject to certain underlying royalties. The West Cedartree project consists of 2 mining licences and 2 MLOs which contain or are surrounded by 42 patented and unpatented claims (freehold or leased). The total area is 16.5 km2.

Accessibility, Climate, Local Resources, Infrastructure and Physiography

The Cameron Gold Project itself is accessible by public sealed and well-maintained unsealed roads and by float plane. In the vicinity (within 100 km) are major national rail lines and regional commercial airports. The climate of the region is moderate continental with temperatures ranging between 35ºC in summer to minus 40ºC in winter. Total annual rainfall averages 55cm, with the heaviest rains occurring between June and August when about half of the average falls. Snowfall averages about 200cm per year and frost penetration can be as deep as two metres.

There are numerous towns and villages within two hours driving distance of the project, the largest being Kenora and Fort Frances, both of which support forest industry activities. Winnipeg in Manitoba (population 635,000) is the closest large urban centre, being about 4.5 hours by road from the project.

Commercial power is located within 30 km of the site from a 115kV power line adjacent to Highway 71. The physiography is typical of the Canadian Precambrian Shield upland in northern Ontario. Topographic relief is relatively low (maximum of 35m) and is characterised by glacial features such as moraines and eskers, with subordinate outcrop occurring as topographic highs. Steep drop offs in areas of outcrop usually denote the presence of fault structures.

Vegetation in the project area consists of mixed boreal forest with subordinate low-lying areas covered by cedar swamp and bog. Minor plantation timber stands are also present. The project area has been extensively logged over a significant time period, with much of the area comprising regrowth forest.

History

On February 5th 2014 Chalice and Coventry Resources Inc (Coventry), the former owner of CGO, successfully completed a Plan of Arrangement under which Chalice acquired a 100% interest in the Cameron Gold Project, which includes the Cameron Gold Deposit. Under this arrangement Coventry shareholders received 46 million Chalice shares.

Previous to this on January 7, 2013, the ASX listed Coventry Resources Limited (Coventry Australia) merged with TSX Venture Exchange (“TSX-V”) listed Crescent Resources Corp. (“Crescent”) upon which Coventry Australia became a wholly owned subsidiary of Crescent. Coventry Australia shareholders received approximately 87.26% of the outstanding shares of Crescent. Crescent subsequently changed its name to Coventry Resources Inc.

Modern exploration commenced in the 1940s and numerous companies have carried out prospecting, line cutting, geological mapping, trenching, soil and outcrop sampling and ground magnetic and electromagnetic (EM) geophysical surveys.

On the Cameron Project there have been numerous exploration and drilling programs. On the Cameron Gold Deposit itself the first drilling was undertaken in July 1960. Prior to Coventry purchasing the project in 2010, 836 holes comprising in excess of 90 km of diamond drillcore were drilled by six companies.

Between 2010 and 2012 Coventry drilled 242 surface diamond holes totalling 36,000m the majority on the Cameron Gold Deposit.

On the West Cedartree Project drilling commenced in 1936 for the Dubenski Gold Deposit where a total of 268 holes have been drilled (29,270m) and in 1944 for the Dogpaw Gold Depositwher a total of for 235 holes have been drilled (19,597m). Three other prospects have been drilled namely McLennans, Angel Hill and Robertson and an historical non-compliant mineral resource has been quoted for the Angel Hill prospect.

In 1995 an open pit excavation was undertaken at the Dogpaw Gold Deposit to generate a bulk sample.

Since 2012 both Coventry and Chalice have carried out exploration work at the Cameron Gold Project none of which has materially impacted the mineral resource estimates reported herein.

Geology

The Cameron Gold Project is located at the western end of the Late Archaean Savant Lake-Crow Lake Belt in the Western Wabigoon Subprovince of the Superior Province in north-western Ontario. The Savant Lake-Crow Lake Belt comprises a number of individual greenstone belts that are most commonly separated by large-scale faults and shear zones, including the Kakagi Lake and Rowan Lake Greenstone Belts.

The Cameron Project region is dominated by the crustal-scale, southeast-striking and northwest-dipping Cameron-Pipestone Fault which extends over a strike length of greater than one-hundred kilometres. The Kakagi Lake

Greenstone Belt comprises a supracrustal sequence that is situated to the southwest of the Cameron-Pipestone Fault, whilst the south-facing Rowan Lake Greenstone Belt, which hosts the Cameron Gold Deposit, is located immediately northeast of this structure.

The geology of the Rowan Lake Greenstone Belt is dominated by the Shingwak Lake Anticline located to the north of the project area. Two geological sequences are exposed within the Shingwak Lake Anticline, the Rowan Lake Volcanics and the Cameron Lake Volcanics.

The Rowan Lake Volcanics comprises a thick, subaqueous mafic flow succession with lesser volcaniclastic sedimentary rocks that is predominantly pillowed and outcrops in the core of the Shingwak Lake Anticline. This unit is overlain with apparent conformity by the Cameron Lake Volcanics, which comprises a mixed succession of south-facing pillowed and massive basaltic rocks, and intermediate to felsic volcaniclastic rocks.

The Cameron Project is mantled by unconsolidated glacial overburden. The thickness of glacial overburden across the project is variable and shows the greatest variation over the Cameron Gold Deposit itself. The discovery outcrops have only thin glacial cover of 1-3m, however in the northwestern area of the deposit, till thickness ranges up to 20m.

A series of large-scale shear zones and faults splay from the Cameron-Pipestone Fault, trending southeast from this regional crustal-scale structure, before striking east-northeast along the northern margin of the intrusive body. There are two main splays, the Cameron Lake and Monte Cristo Shear Zones.

The Cameron Gold Deposit is associated with, and partially hosted by, the Cameron Lake Shear Zone. The Cameron Lake Shear Zone forms part of a number of structures which occur as arcuate splays from the Cameron-Pipestone Fault, including the Monte Cristo Shear Zone. The Monte Cristo Shear Zone is also associated with a number of gold occurrences, principally the Victor and Monte Cristo prospects.

At the Cameron Gold Deposit, the Cameron Lake Shear Zone is a brittle-ductile structure that cross-cuts the local stratigraphy trending northwest-southeast and dips to the northeast at an average angle of 65 – 70 degrees. Smaller splays are common across the mineralised zone. As the Cameron Lake Shear Zone is oriented northwest-southeast and cuts obliquely across stratigraphy striking about east-west, the structure cuts through a number of lithologies, from basalt and dolerite in the southeast, through intermediate volcanic rocks, and then volcaniclastic rocks along the strike of the structure to the northwest.

This lithological transition is highly important as the mafic stratigraphy is the preferred host to gold mineralisation, with the bulk of the mineralisation being hosted in these lithologies in the south-eastern portion of the deposit.

The area of the West Cedartree Project is dominated by the crustal-scale, southeast-striking and northwest-dipping Cameron-Pipestone Fault which extends over a strike length of greater than one-hundred kilometres.

The Kakagi Lake Greenstone Belt, which hosts the Dubenski and Dogpaw Gold Deposits, comprises a topographically-high, north- to east-facing supracrustal sequence that is situated to the southwest of the Cameron-Pipestone Fault.

The geology of the Kakagi Lake Greenstone Belt is dominated by the ENE-WSW trending Emm Bay Syncline, the axis to which is located to the south of the West Cedartree Project. This large-scale fold structure plunges gently to the east-northeast and is terminated to the east by the crustal-scale Cameron-Pipestone Fault.

Previous workers have defined the stratigraphy of the Kakagi Lake Greenstone Belt as comprising two sequences; the lower sequence dominated by submarine ultramafic to mafic, komatiitic-tholeiitic volcanic rocks and minor interflow sedimentary rocks, and an upper sequence consisting of intermediate to felsic tholeiitic to calc-alkaline volcaniclastic rocks.

The sequences are intruded by a series of syn- to post-volcanic, mafic-ultramafic sills and dykes known as the Kakagi Sills which have been folded within the Emm Bay Syncline. The folded sequence has been also intruded by a number of felsic to alkaline bodies.

The Dubenski Gold Deposit is hosted by the Flint Lake Shear Zone, a zone of highly-foliated and variably-sheared rocks traceable for about 2 km. The Flint Lake Shear Zone trends about 80 – 260 degrees and appears to be a splay from the Cameron-Pipestone Fault, similar to the Cameron Lake Shear Zone

The Dogpaw Gold Deposit lies along the northern edge and just west of the widest part of a sequence of pyroclastic rocks. Across the central part of the deposit, the pyroclastic sequence has been intruded by a 1,200 metre wide mass of gabbro-diorite which trends northeast across the claims and noses out in the extreme north-eastern corner of the property. The gabbro is the host to the bulk of the mineralisation.

Mineralisation and Deposit Types

The mineralisation at the Cameron Gold Deposit is mainly hosted in mafic volcanic rocks within a northwest-trending shear zone (Cameron Lake Shear Zone or CLSZ) which dips fairly steeply to the northeast. In the southeastern part of the deposit where the greatest amount of gold has been delineated, the shear zone forms the contact between the mafic volcanic rocks and diabase/dolerite in the footwall.

The mineralisation occurs within quartz breccia veins, associated with intense silica-sericite-carbonate-pyrite alteration in a series of zones that dip moderately to steeply to the northwest within and adjacent to the shear zone. Gold is associated with disseminated pyrite with high sulphide concentration generally corresponding with higher grade. Visible gold is very rare. The mineralisation is open at depth and along strike to the northwest, so potential exists to expand the mineral resource at this deposit.

The Cameron Gold Deposit is a greenstone-hosted gold deposit and whilst it can generally be considered to be a part of the orogenic family of gold deposits, it bears many atypical characteristics that are commonly identified in the largest gold deposits of this style.

These features include:

a) mineralisation dominated by disseminated sulphide replacement and quartz-sulphide stockwork and quartz breccia veins;
b) spatial and temporal association of mineralisation with porphyry intrusive bodies that have similar alteration assemblages (taking into account primary lithological variations);
c) relatively minor amounts of auriferous quartz-carbonate vein material comprising the mineralisation, which is likely temporally-late compared to the disseminated sulphide replacement and quartz breccia veins;
d) high-grade mineralisation is largely deformed and the disseminated sulphide replacement zones that constitute the bulk of the mineralisation are commonly foliated; and
e) the alteration assemblage of the mineralisation (sericite-albite-carbonate-pyrite) is of the atypical style.

The mineralisation at the Dubenski Gold Deposit is hosted by felsic to intermediate 'tuff' and lapilli tuff or sericite schist. Gold is associated with disseminated pyrite, with higher-grade zones corresponding with strong silicification. Although gold is strongly associated with pyrite and silica, not all pyrite carries gold and not all silicified zones are auriferous. Visible gold is common throughout the deposit and occurs along foliation planes and, less commonly, as disseminations.

The mineralisation occurring at the Dogpaw Gold Deposit comprises pyrite-silica, largely as replacements and breccia within both gabbro and mafic volcanic host rocks. The mineralisation varies in thickness considerably, particularly over narrow intervals, ranging from 30 cm to more than five metres, with an average width of two to three metres. Significant pyrite is especially associated with high-grade zones, with ounce plus results commonly associated with pyrite in the range of 10%. Minor chalcopyrite is also recorded as associated with pyrite and visible gold is common, especially in mineralised material of very high grade.

Sampling Method and Analysis

Information concerning field and laboratory techniques adopted prior to Coventry's involvement is limited. All drilling completed on the three deposits that are the subject of the Cameron Technical Report has been diamond core and it was selectively sampled based on mineral content and halved either using manual techniques or a masonry saw. The samples were presented to commercial laboratories and assayed for gold content using fire assay techniques.

Coventry instigated documentation of all stages of field data collection, logging and sampling methods. Core was collected, geologically-logged, sample intervals marked then halved using core saws. QAQC samples and ¼ core duplicates were included in the sample stream prior to leaving site in secure road transport. Coventry (and now Chalice) employed an accredited laboratory to prepare and analyze the samples with fire assay techniques.

DataGeo has found that Coventry's field procedures, sample preparation and assay methods comply with industry standards for the assessment of this style of mineralisation.

Data Verification

In accordance with NI 43-101 guidelines, Mr. Peter Ball visited the Cameron project between September 21 and 24, 2011. DataGeo was given full access to all relevant project data. Mr. Ball again visited the Project area in July 2012 as part of the review of the adjacent West Cedartree Project.

The drillhole information has historically been located on various grid systems. This information has been consolidated onto the NAD83 datum, Zone 15 projection. For the purpose of mineral resource assessment, a local grid was established for the Cameron Gold Deposit with a new north along the strike of the mineralisation. For the Dubenski Gold Deposit the assessment was on the regional grid and for the Dogpaw Gold Deposit it was on a local grid system.

Field inspection in various locations of the drillhole collars and orientation according to collar casing indicated that the data was correctly recorded on the national datum and correctly transformed to the local grid in the case of the Cameron Gold Deposit.

Coventry accumulated and stored the drillhole information in an Access database managed in-house within its Toronto office. On two occasions within the last nine years the sample intervals and assay data has been validated against the original assay laboratory certificates and found to be correct. A total of over 10% of the samples were checked in this manner. DataGeo is satisfied that the database reflects the drillhole information accurately.

Little is known about the data collection procedures pre-Coventry. As such, little QAQC information could be associated with the sample analysis. In order to validate these historical data which provide support for the majority of the information at close spacing for the Cameron Gold Deposit and all of the information for the Dubenski and Dogpaw Gold Deposits, significant re-sample and assay programs were undertaken which equated to over 10% of the underground data that defines the Cameron Gold Deposit mineralisation and over 10% of the total data for the Dubenski and Dogpaw Gold Deposits. The results of this provided, in statistical average terms, very similar grades for the sample intervals and thus provided the required confidence in the original drillhole sample information.

Coventry's 2010, 2011 and 2012 drilling programs on the Cameron Gold Deposit provide coverage along strike and down dip of the mineralisation. The sample submission program included insertion of standards, blanks and duplicates within the stream of samples at a rate of 1 in 20 for each type. The results returned were within acceptable limits and DataGeo believes that the 2010 and 2011 information (used for the Cameron Gold Deposit mineral resource estimate) is accurate within acceptable limits.

Metallurgical Testing

A number of preliminary metallurgical investigations have been conducted on samples from the Cameron Gold Project over the period from 1985 to present. Previous multi-element geochemical assays have revealed that the mineralised material does not contain deleterious elements.

A previous metallurgical testwork program conducted on samples from the Cameron Gold Deposit found that in general the samples tested responded well to direct cyanidation after being ground to 75 µm. Gold recoveries ranged from 92% to 93%. Samples were grind sensitive with maximum gold recoveries occurring at grind P80 sizes in the range 53 to 75 µm and also responded well to an alternative processing regime of flotation of sulphide mineral (mainly pyrite), regrind of flotation concentrate followed by intensive cyanidation of flotation concentrate and cyanidation of flotation tailings. Overall gold recoveries were marginally higher than the direct cyanidation route. Cyanidation tests identified that, provided the samples were ground to 75 µm the optimum leach time was approximately 24 hours.

The testwork program for the preliminary economic assessment study on the Cameron Gold Deposit utilised a composite sample from 17 drill intercepts from 14 separate drillholes from the Cameron Gold Deposit spatially representative of the mineral resource estimate and a single composite sample from the Dubenski Gold Deposit and was completed by SGS Canada in Vancouver, British Columbia.

A suite of comminution tests were conducted with the outcomes being:

- The Bond rod and ball mill work indices are moderate to low.
- The abrasion index is moderate and within the typical range for a dolerite-basalt ore.
- The JK breakage parameters indicate the ore is highly competent.

A number of cyanidation tests have been conducted to determine overall gold recoveries and the effect of grind size on gold recoveries. Gravity recoverable gold was observed to be typically 25% but no improvement in overall gold recovery was observed when this was applied followed by cyanidation of the gravity tails.

The most recent cyanidation test work (2014) indicated that at the desired grind size (P80 of 75 µm) cyanide–in-leach processing would recover 92.5% of the gold with only moderate cyanide usage of 0.2 kg/t with lime consumption of 1.2 kg/t. This compared to direct cyanide leaching at the same grind having a higher recovery (up to 95%) but much higher cyanide consumptions (1.0 kg/t) whilst only slightly lower lime consumption of 0.9 kg/t.

The single Dubenski Gold Deposit sample yielded similar results to those from the Cameron Gold Deposit.

To the extent known, no processing issues or deleterious elements have been identified that could have a significant effect on potential economic extraction. No metallurgical test work has been carried out on the Dogpaw Gold Deposit.

Mineral Resource Estimates

The mineral resource estimate for the Cameron Gold Deposit presented in the Cameron Technical Report was based on data provided by Coventry up to 30th October 2011. Since this date and as part of an ongoing drilling program, a further 53 drillholes (7,050m) were completed at the project. However, only 15 of these drillholes were completed within the area defined by the resource model, with the remaining 42 drillholes being completed on exploration targets within the immediate vicinity of the deposit. It is the opinion of the author that these additional 15 drillholes do not materially impact the mineral resource estimate presented within the Cameron Technical Report.

The drillhole data set utilized consisted of 908 diamond drillholes with a combined length of 112,293m. The holes varied in core diameter from BQ to NQ and were drilled from surface and from the underground excavation.

Mineralisation was interpreted on sections which varied between 10m and 40m apart along the strike of the deposit, on a local grid where local grid north was oriented to 225˚magnetic (Cameron 225 grid). The interpretation is consistent with the geological and mineralisation conditions of the deposit.

Solid models were generated from the sectional interpretation. In total, 45 mineralised zones within the overall Cameron Lake Shear Zone were modelled. Topographic data and thus the limiting vertical surface was derived from a digital terrain model generated from aerial photography acquired recently by Coventry.

As numerous generations of drilling data were utilised for the resource estimate, the sample length used varied considerably across differing programs. On review of samples within the mineralisation however, it was found that the dominant sample lengths were approximately 0.6m, 0.9m and 1.0m and as such 0.75m was selected for the downhole composite length.

The mineralisation was composited down hole, with all composites <0.5m in length excluded. The statistics were reviewed and as expected showed distorted grade populations, positively skewed. Thus some method of normalisation was required to reduce the influence of the higher-grade results which did not fit a normal population distribution.

Grade continuity was assessed for the largest zones using variography and it was found that inherent local variability accounted of 45% of the total sample population variance and that ranges in the direction of strike were approximately 15m to 20m. The dip was in the direction of the overall mineralised zone and there was a moderate to steep grid northerly plunge.

It was determined that for zones with sufficient composite information, because of the presence of a fairly robust variogram, that ordinary kriging would be used to estimate grade into a block model with parent cells of dimensions 5mE x 10mN x 5mRL (relative to the local grid). The input data was top-cut where appropriate and the search influence of the composites that had been top-cut was restricted.

For zones where insufficient composite information was available, grade was either estimated using inverse distance techniques or it was assigned as the average grade of the input data. In both cases input data was top-cut where appropriate. Specific gravity data was modelled and applied to the same block model and the model was validated by comparing it to the input data in total and spatially.

The mineral resource estimate was classified according to confidence in the mineralisation model, the data density and confidence in the supporting data.

Subsequent updates to the October 2011 model in March and May 2012 refined the estimate by improving local grade reconciliation, allowing for the overlying till and improving geological continuity in the central part of the deposit.

The in-situ mineral resource is reported against the May 2012 update and has not been adjusted for the previous underground excavation but is depleted for the overlying till. The mining studies conducted indicated that there was potential for open cut mining to a depth of 250m below the surface and underground beneath that. As such the mineral resource is reported at a 0.5 g/t cut-off to a depth of 250m and a 1.75 g/t cut-off below that, this is shown in Table 1.1 below.

Table 1.1 Cameron Gold Deposit Mineral Resource Statement* at cut-off grades appropriate to location for open cut and underground mining.

	Open Cut Au>=0.5g/t and RL>=750m		Underground Au>=1.75g/t and RL<750m		Total	
Class	**Tonnes**	**Au g/t**	**Tonnes**	**Au g/t**	**Tonnes**	**Au g/t**
Measured	2,872,000	2.30	157,000	2.77	3,029,000	2.33
Indicated	5,417,000	1.76	559,000	3.23	5,976,000	1.90
Meas+Indic	8,289,000	1.95	716,000	3.13	9,005,000	2.04
Inferred	881,000	2.07	5,709,000	2.78	6,590,000	2.69

*Mineral resources are not mineral reserves and do not have demonstrated economic viability. All figures are rounded to reflect the relative accuracy of the estimate.

The mineral resource estimate for the Dubenski Gold Deposit presented in the Cameron Technical Report was based on data provided by Coventry during September 2012 and consisted of 112 diamond drillholes with a combined length of 15,421m. The holes were mostly NQ-sized and were drilled from surface.

Mineralisation was interpreted on sections which varied between 10m and 25m apart along the strike of the deposit, on a local grid identical to the UTM grid. The interpretation is consistent with the geological and mineralisation conditions of the deposit.

Solid models were generated from the sectional interpretation. In total, four mineralised zones within the Dubenski Mineralised Zone (DMZ) were modelled, with two of these the most significant in terms of size and continuity. Topographic data and thus the limiting vertical surface was derived from a digital terrain model (DTM) generated from aerial photography acquired previously by Houston Lake Mines. As the Dubenski Gold Deposit lies adjacent to Flint Lake, bathymetry was created by GPS-located sounding points and an additional DTM created.

As numerous generations of drilling data were utilised for the resource, the sample length used varied considerably across differing programs. On review of samples within the mineralisation however, it was found that the dominant sample lengths are in a range of 0.9m to 1.1m in length and as such 1.0m was selected for the downhole composite length.

The mineralisation was composited down hole, with all composites <0.8m in length excluded. The statistics were reviewed and as expected showed distorted grade populations, positively skewed. Thus some method of normalisation was required to reduce the influence of the higher-grade results which did not fit a normal population distribution.

Grade continuity was assessed for the largest zones using semi-variograms and it was found that the nugget effect accounted of 75% of the total sample population variance and that ranges in the direction of strike were approximately 20m. The dip was to the south at 85° with little continuity across the dip / strike plane. No plunge was observed.

It was determined that for zones with sufficient composite information, because of the presence of a fairly robust variogram, that ordinary kriging would be used to estimate grade into a block model with parent cells of dimensions 10mE x 5mN x 10mRL (relative to the local grid). The input data was top-cut where appropriate and the search influence of the composites that had been top-cut was restricted.

For zones where insufficient composite information was available, grade was either estimated using inverse distance techniques or it was assigned as the average grade of the input data. In both cases input data was top-cut where appropriate. Specific gravity data was modelled and applied to the same block model and the model was validated by comparing it to the input data in total and spatially.

The mineral resource estimate was classified according to confidence in the mineralisation model, the data density and confidence in the supporting data.

The mining studies conducted indicated that there was potential for open cut mining to a depth of 100m below the surface for material with a cut-off, based on diluted grade, of 0.53 g/t Au. This assessment relied on the "ore" mined being transported to and processed at infrastructure at the proposed Cameron Gold Project site. DataGeo took the position of reporting the in-situ mineral resource at a 1.0 g/t gold cut-off and within 150m of the surface to ensure the inclusion of all the mineral resource likely to be suitable for open cut mining; this is shown in Table 1.2.

Table 1.2 Dubenski Gold Deposit Mineral Resource Statement; 1g/t Au cut-off*

Cut-off	Classification	Tonnes	Gold g/t	Gold Oz
1.0 g/t	Indicated	806,000	2.28	59,000
	Inferred	392,000	1.44	18,200

*Mineral resources are not mineral reserves and do not have demonstrated economic viability. All figures are rounded to reflect the relative accuracy of the estimate.

The mineral resource estimate for the Dogpaw Gold Deposit presented in the Cameron Technical Report was based on data provided by Coventry initially during January 2013, with the final data provided in March 2013.

The drillhole data set utilized consisted of 93 diamond drillholes with a combined length of 10,475m, of mostly NQ-size. All holes were drilled from surface.

Mineralisation was interpreted on sections which varied between 12.5m and 25m apart along the strike of the deposit on a local grid. The sectional interpretation was constructed from a combination of lithological information and gold assay information, nominally utilizing a 0.5 g/t cut-off for mineralisation.

The interpretation is consistent with the observed geological and mineralisation conditions of the deposit.

Solid models were generated from the sectional interpretation. In total, ten mineralised zones were modelled. As no topographic information had been supplied the vertical position of the current surface was generated from the surveyed collars of the drillholes with some additional random points added to ensure coverage of the likely area to be modelled. The elevation of these random points was assigned from the neighbouring drillhole collars. A small excavation that was the site of a bulk sample extracted in 1996 was taken into consideration with regards to the topography.

As numerous generations of drilling data were utilised for the resource, the sample length used varied considerably across differing programs. On review of samples within the mineralisation however, it was found that the dominant sample lengths are in a range of 0.9m to 1.1m in length and as such 1.0m was selected for the downhole composite length.

The mineralisation was composited downhole, with all composites <0.8m in length excluded. The statistics were reviewed and as expected showed distorted grade populations, positively skewed. Thus some method of normalisation was required to reduce the influence of the higher-grade results which did not fit a normal population distribution.

Grade continuity was assessed for the largest zones using semi-variograms with the results inconclusive. The nugget effect appeared to account of 75% of the total sample population variance and ranges in the direction of strike were approximately 30m. There was evidence of a steep dip to the north but overall the result was very poor.

It was determined that for zones with sufficient composite information that inverse distance to the power of 3 (to reflect the very high local grade variance) would be used to estimate grade into a block model with parent cells of dimensions 10mE x 2mN x 10mRL (relative to the local grid). The input data was top-cut where appropriate and the search influence of the composites that had been top-cut was restricted.

For zones where insufficient composite information was available, grade was assigned as the average grade of the input data top-cut if appropriate. Specific gravity data was modelled and applied to the same block model and the model was validated by comparing it to the input data in total and spatially.

The mineral resource estimate was classified according to confidence in the mineralisation model, the data density and confidence in the supporting data.

No mining studies have been conducted on the Dogpaw Gold Deposit however the nearby Dubenski Gold Deposit was assessed as part of the preliminary economic assessment study on the Cameron Gold Project. The relative sizes (by extent and tonnes) of the two deposits are similar with the Dogpaw Gold Deposit being further from the proposed Cameron Gold Project facilities and higher grade than the Dubenski Gold Deposit. Thus DataGeo considers it appropriate to report material likely to be suitable for economic open pit mining at a lower cut-off than, and to the same depth as, that used for the Dubenski Gold Deposit. As such only mineral resource remaining within 150m (above 210mRL) of the surface and above a 0.5 g/t cut-offs is considered suitable for reporting and is shown in Table 1.3.

Table 1.3 Dogpaw Gold Deposit Mineral Resource statement* at 0.5g/t gold cut-off*

Cut-off	Classification	Tonnes	Gold g/t	Gold Oz
0.5 g/t	Indicated	247,000	3.02	24,000
	Inferred	64,000	2.27	4,600

*Mineral resources are not mineral reserves and do not have demonstrated economic viability. All figures are rounded to reflect the relative accuracy of the estimate.

Table 1.4 Cameron Gold Camp Project Total in situ mineral resource remaining by Deposit*

Deposit	Description	Cut-off Gold g/t	Class	Tonnes	Gold g/t	Gold Oz
Cameron	Open Cut	0.5g/t	Measured	2,872,000	2.3	212,400
	RL>=750m		Indicated	5,417,000	1.76	306,600
			Meas+Indic	8,289,000	1.95	519,700
			Inferred	881,000	2.07	58,600
	Underground	1.75g/t	Measured	157,000	2.77	14,000
	RL<750m		Indicated	559,000	3.23	58,100
			Meas+Indic	716,000	3.13	72,100
			Inferred	5,709,000	2.78	510,300
Dubenski	Open Cut	1.00g/t	Measured			
	RL>=180m		Indicated	806,000	2.28	59,100
			Meas+Indic	806,000	2.28	59,100
			Inferred	392,000	1.44	18,200
Dogpaw	Open Cut	0.5g/t	Measured			
	RL>=210m		Indicated	247,000	3.02	24,000
			Meas+Indic	247,000	3.02	24,000
			Inferred	64,000	2.26	4,700
ALL			Measured	3,029,000	2.33	226,900
			Indicated	7,029,000	1.98	447,500
			Meas+Indic	10,058,000	2.09	675,900
			Inferred	7,046,000	2.61	591,300

*The mineral resources are not mineral reserves and do not have demonstrated economic viability. All figures are rounded to reflect the relative accuracy of the estimate.

Status of Exploration and Development

As previously acknowledged Coventry completed a preliminary economic assessment of the Cameron Gold Project which included the Cameron Gold Deposit, in a report dated January 12th, 2013. The preliminary economic assessment study on the Cameron Gold Project encompassed engineering, metallurgical and environmental studies to support the design of a potential mining operation.

No decision has been undertaken at this time to develop the Project.

Chalice at present is conducting project and exploration data reviews and implementing programs to assess more regional targets within the Cameron Gold Project. No budget is presented with this report.

Employees

As at the date of this AIF, the Company has an aggregate of 15 full time employees, comprising of 6 in Eritrea (all of whom have been offered termination following Chalice exiting from the Mogoraib North JV in Eritrea), 2 in Canada and 7 in the head office in Perth, Western Australia including the Chairman, Managing Director and Technical Director. In addition, the Company has two non-executive directors.

The Company is dependent upon the services of key executives, including the Executive Chairman and Managing Director. See "*Risk Factors – Dependence on Key Personnel*".

Environmental Protection

All phases of the Company's operations are subject to environmental regulation in the jurisdictions in which it operates. To date, applicable environmental legislation has had no material, financial or operational affects upon the operation of the Company. See also "*Risk Factors – Environmental Risks*".

DIVIDEND POLICY

To date, no dividends have been paid to Shareholders. There are no restrictions in Chalice's constating documents that would restrict or prevent Chalice from paying dividends. However, it is not contemplated that any dividends will be paid on the Shares in the immediate future. Any decision to pay dividends on the Shares in the future will be made by the board of directors of the Company on the basis of the earnings, financial requirements and other conditions existing at such time and will be subject to any restrictions imposed by the terms of any debt facilities or other contractual obligations of Chalice.

SHARE BUY-BACK

On 3 March 2014, the Company announced an on-market share buy-back of up to 25,073,088 Shares through the facilities of the ASX as part of a capital management plan over the next 12 months. To date, a total of 10,036,591 shares have been acquired at an average price of A$0.1528 cents for a total of A$1,554,356 (including brokerage costs). The total maximum remaining shares that can be acquired under the 10%/12 month rule is 15,036,497.

DESCRIPTION OF SHARE CAPITAL

As of September 30, 2014 there were 287,491,719 Shares issued and outstanding. All issued Shares are fully paid. As of September 30, 2014 the Company had 1,050,000 options outstanding. Each option entitles the holder thereof to acquire one Share with an exercise price of 30 cents as detailed below:

Grant Date	Expiry Date	Exercise Price (A$)	Balance Unexercised
June 5, 2013	June 30, 2016	$0.30	1,050,000

As of September 30, 2014, the Company had 5,976,674 performance rights (each, a "performance right") outstanding. Each Performance Right entitles the holder thereof to one Share. All Performance Rights have a nil exercise price.

Rights Attaching to Shares

General

The rights attaching to the Shares arise from a combination of the Company's Constitution (the "Constitution"), the Corporations Act, the ASX Listing Rules and general law.

A summary of the more significant rights is set out below. This summary is not exhaustive nor does it constitute a definitive statement of the rights and liabilities of the Shareholders of the Company. To obtain a more definitive understanding and statement, persons should seek legal advice.

Voting Rights

Subject to the Constitution and any rights or restrictions at the time being attached to Shares, at a general meeting of the Company every Shareholder present in person, or by proxy, attorney or representative has one vote on a show of hands, and upon a poll, one vote for each Share held by the Shareholder. In the case of an equality of votes, the chairperson has a casting vote.

Dividends

Subject to the Corporations Act, Stock Exchange Listing Rules and any rights or restrictions attached to Shares, the Company may pay dividends as the Board determines in its discretion. The directors may determine the method and time for payment of the dividend.

Winding up

Subject to the Corporations Act, Stock Exchange Listing Rules and any rights or restrictions attached to Shares, on a winding up of the Company any surplus must be divided among the Shareholders in proportion which the amount paid on the Shares bears to the total amount paid and payable on the Shares of all Shareholders.

Transfer of Shares

Generally, shares are freely transferable, subject to satisfying the requirements of the Stock Exchange Listing Rules, ASTC Rules, the ACH Clearing Rules and the Corporations Act. The Board may decline to register any transfer of shares but only where permitted to do so by the Corporations Act, Stock Exchange Listing Rules, the ASTC Rules, the ACH Clearing Rules or under the Constitution.

Calls on Shares

Subject to the Corporations Act and the terms of issue of a Share, the Company may, at any time, make calls on Shareholders for all, or any part of, the amount unpaid on the share. If a Shareholder fails to pay a call or instalment of a call, the Company may, subject to the Corporations Act and Stock Exchange Listing Rules, commence legal action for all, or part of the amount due, enforce a lien on the Share in respect of which the call was made or forfeit the Share in respect of which the call was made.

Further Increases in Capital

Subject to the Corporations Act, Stock Exchange Listing Rules, the ASTC Rules and the ACH Clearing Rules and any rights attached to a class of Shares, the Company (under the control of the board of directors) may allot and issue Shares and grant options over Shares, on any terms, at any time and for any consideration, as the directors resolve.

Variation of Rights Attaching to Shares

Subject to the Corporations Act, Stock Exchange Listing Rules, the ASTC Rules and the ACH Clearing Rules and the terms of issue of Shares in a particular class, the Company may vary or cancel rights attached to Shares in that class by either special resolution passed at a general meeting of the holders of the Shares in that class, or with the written consent of the holders of at least 75 per cent of the votes in that class.

General Meeting

Each Shareholder is entitled to receive notice of, and to attend and vote at, general meetings of the Company and to receive notices, accounts and other documents required to be furnished to Shareholders under the Constitution, the Corporations Act and Stock Exchange Listing Rules.

SECURITIES AUTHORISED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS

Employee Share Option Plan

The Company has an employee and consultant stock option plan (the "**Option Plan**") which was approved by Shareholders on November 28, 2013.

The following table sets out information as of June 30, 2014 with respect to equity securities of the Company which have been and are authorised for issuance as compensation under the Option Plan.

Equity Compensation Plan Information			
Plan Category	**Number of securities to be issued upon exercise of outstanding options**	**Weighted-average exercise price of outstanding options (A$)**	**The number of securities available for future issuance will be determined from time to time by taking 5 per cent of the then number of Shares on issue in Chalice and then deducting from that figure the number of outstanding options as at that time and the 5 million shares reserved for issuance under the LTIP.**
Equity compensation plans approved by Shareholders	1,900,000	0.32	7,474,585
Equity compensation plans not approved by Shareholders	-	-	-
Total	1,900,000	0.32	7,474,585

Option Plan

The material features of the Option Plan are set out below.

Eligibility

Under the terms of the Option Plan, the Board (at its discretion) may offer free options to persons ("**Eligible Persons**") who are full-time or part-time employees (including a person engaged by the Company under a consultancy agreement) or to directors (both executive and non-executive) of the Company or any subsidiary, based on a number of criteria, including contribution to the Company, period of employment, potential contribution to the Company in the future, and other factors the board considers relevant.

Under ASX Listing Rules, an issue of options to directors, irrespective of whether made under the Option Plan or not, requires specific Shareholder approval.

Number of Options

The maximum number of options issued under the Option Plan at any one time is 5 per cent of the total number of Shares on issue in the Company, provided that the Board may increase this percentage, subject to the Corporations Act and Stock Exchange Listing Rules.

There are no other restrictions on the maximum percentage of number of options that may be issued to any single person or entity (other than as noted above on an issue of options to directors).

Terms of Options

Each option entitles the holder, on exercise, to one Share in the Company.

There is no issue price for the options. The exercise price for the options will be determined by the Board in its discretion, provided that the exercise price shall not be less than the weighted average sale price of Shares sold on ASX during the five business days prior to the date of issue or such other period as determined by the Board in its discretion. The expiry date of the options is determined by the Board.

Shares issued on exercise of options will rank equally with other Shares of the Company.

Options are personal to the Eligible Persons and may not be transferred other than to a nominee of the Eligible Person. The options may be issued on terms not allowing an exercise until a certain event or fact has taken place, such as a length of time of service or the achieving of a specified event. The Board may determine the vesting period (if any).

An option will lapse upon the first to occur of the expiry date and the Board making a determination that the Eligible Person has acted fraudulently, dishonestly or in breach of his or her respective obligations to the Company. Options are required to be forfeited within three months of an employee ceasing to be employed (other than through retirement, permanent illness or incapacity). In the event of retirement, permanent illness or incapacity, the Board has discretion to allow a longer period before the prospective options lapse.

If, in the opinion of the Board, any of the following has occurred or is likely to occur including: the Company entering into a scheme of arrangement; the commencement of a takeover bid for the Company's Shares: or a party acquiring a sufficient interest in the Company to enable them to replace the Board; then the Board may, at its discretion, declare an option to be free of any conditions of exercise. Options which are so declared may, subject to the lapsing conditions set out above, be exercised at any time on or before their expiry date and in any number.

New Issues

There are no participating rights or entitlements inherent in the options and option holders will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the options. However, the Company will ensure that the record date for determining entitlements to any such issue will be at least six business days after the issue is announced. Option holders shall be afforded the opportunity to exercise all options which they are entitled to exercise pursuant to the Option Plan prior to the date for determining entitlements to participate in any such issue.

Bonus Issues

If the Company makes an issue of Shares to shareholders by way of capitalisation of profits or reserves ("Bonus issue"), each optionholder holding any Options which have not expired at the time of the record date for determining entitlements to the bonus issue, upon exercise of those Options, will be entitled to have be issued with the number of Shares which would have been issued under the bonus issue. The options must be exercised immediately before the record date in determining entitlements under the bonus issue (in addition to the Shares which he or she is otherwise entitled to have issued to him or her upon such exercise). The bonus shares will be paid by the Company out of the profits or reserves (as the case may be) in the same manner as was applied in relation to the bonus issue and upon issue, rank pari passu in all respect with the other Shares issued.

Reconstruction of Capital

In the event of any reconstruction (including a consolidation, subdivision, reduction or return) of the issued capital of the Company prior to the expiry of any options, the number of options to which each option holder is entitled or the exercise price of his or her options or both or any other terms will be reconstructed in a manner determined by the board which complies with the provisions of the Stock Exchange Listing Rules.

Taxation

Under current taxation laws any taxation liability in relation to the options or the Shares issued on exercise of the options will fall on the option holders. The Company will not be liable to fringe benefits tax in relation to options or Shares issued under the Option Plan.

Participation by Directors

Although directors are eligible to be offered options under the Option Plan, any issuance of options to directors requires specific Shareholder approval due to the requirements of ASX Listing Rules and the Corporations Act.

Employee Long Term Incentive Plan

The Company has an employee long term incentive plan (the "**LTIP**") which was approved by Shareholders on November 22, 2011.

The following table sets out information as of June 30, 2014 with respect to equity securities of the Company which have been and are authorised for issuance as compensation under the LTIP.

Equity Compensation Plan Information			
Plan Category	**Number of securities to be issued upon vesting of performance rights**	**Weighted-average exercise price of outstanding performance rights(A$)**	**The number of securities available for future issuance will be determined by taking the outstanding performance rights as at that time from 5 million shares reserved for issuance under the LTIP.**
Equity compensation plans approved by security holders	2,754,149	-	2,245,851
Equity compensation plans not approved by security holders	-	-	-
Total	2,754,149	-	2,245,851

The material features of the LTIP are set out below.

Participation

A Performance Right is a right to be issued a Share upon the satisfaction of certain performance conditions that are attached to the Performance Right, as determined by the Board.

As part of the Company's strategy, the Board wishes to be in a position to grant Performance Rights under the LTIP to employees (including the Named Executive Officers) or an approved nominee to achieve certain objectives.

In accordance with the requirements of the Stock Exchange Listing Rules, prior Shareholder approval will be required before any Director or related party of the Company can participate in the LTIP.

Rules

Performance Rights granted under the LTIP to eligible participants will be subject to performance conditions as determined by the Board from time to time. These performance conditions must be satisfied in order for the Performance Rights to vest. Upon Performance Rights vesting, the Performance Rights will automatically be exercised and the participant will be granted Shares (at no cost to the participant) as soon as reasonably practicable to satisfy the Performance Rights.

The main features of the LTIP (and the terms and conditions to be attached to the LTIP) are summarised as follows:

(a) **Eligible Participants**: All full-time employees and permanent part-time employees (including the Named Executive Officers) of the Company are eligible participants under the LTIP. As noted above, Shareholder approval is required before any Director or related party of the Company can participate in the LTIP.

(b) **Limits on Entitlements:** The maximum number of Shares that is issuable under the LTIP, when combined with the number of Shares issued during the previous five years pursuant to the LTIP or any other employee incentive scheme of the Company (including the Option Plan) but disregarding any offer made, or Performance Rights acquired or Shares issued by way of or as a result of:

(i) an offer to a person situated at the time of receipt of the offer outside Australia; or

(ii) an offer that did not need disclosure to investors because of section 708 of the Corporations Act; or

(iii) an offer made under a disclosure document,

must not exceed 5 per cent of the total number of issued Shares as at the time of the proposed offer, provided that the Board may, in its absolute discretion, increase this percentage, subject to any Corporations Act, Listing Rules (including the conditions and restrictions on issuing securities in ASX Listing Rule 7.1) or ASIC Class Order requirements. As of the date hereof, the total number of issued Shares was 287,491,719.

(c) **Individual Limits:** The LTIP does not set out a maximum number of Shares that may be made issuable to any one person or company, other than the 5 per cent limit referred to above.

(d) **Consideration Payable:** Performance Rights will be granted for no consideration.

(e) **Vesting:** The Performance Rights granted under the LTIP and the performance conditions that must be satisfied in order for the Performance Rights to vest, will be determined by the Board and expressed in a written invitation made by the Company to the eligible participant which is subject to acceptance by the eligible participant (or their nominee) within a specified period. The performance conditions may include one or more of:

(i) employment of a minimum period of time;

(ii) achievement of specific performance objectives by the employee and/or by the Company; or

(iii) such other performance objectives as the Board may determine and set out in the Invitation.

The Board will determine whether performance conditions have been met and Performance Rights therefore have vested. Upon Performance Rights becoming vested, the Company shall issue Shares to the eligible participant (or, if applicable, their nominee) without further action being required on the part of the eligible participant.

(f) **Term and Lapse:** The term of the Performance Rights is determined by the Board in its absolute discretion and will be specified in the Invitation but will ordinarily have a three year term up to a maximum of five years. Performance Rights are subject to lapsing if performance conditions are not met by the relevant measurement date or expiry date (if no other measurement date is specified) or if employment is terminated for cause or in circumstances other than as described in the next paragraph.

(g) **Disability, Redundancy or Death:** Under the LTIP, upon the total and permanent disability, redundancy or death of a participant, as defined in the LTIP, the Board will assess the employee's performance and determine, in light of their performance and the conditions set out in the Invitation, the number of Shares in respect of any unvested Performance Rights which the employee is entitled to receive within:

(i) months from the date of the occurrence of the disability, redundancy or death; or

(ii) such longer period as the Board may determine, not being longer than the original expiry time of the Performance Rights.

Generally in these circumstances, Performance Rights which have not vested within the 6 months or such longer period determined by the Board following the total and permanent disability, redundancy or death of a participant, will automatically lapse.

However, the Board will also have the discretion in these circumstances to pay the participant the market value of the Shares in lieu of granting the Performance Rights. The Board may also, subject to compliance with the Stock Exchange Listing Rules and the Corporations Act, decide that the calculation of the number of Shares should not be reduced on a pro-rata basis because the participant's employment was reduced as a result of the total and permanent disability, redundancy or death, or bring forward the date on which the Shares will vest in the participant.

(h) **Restriction on dealing with Shares:** Shares issued to a participant under the LTIP will not be subject to dealing restrictions, other than the Company's Share Trading Policy.

(i) **Forfeiture:** If a participant acts fraudulently or dishonestly, is in breach of his or her obligations to the Company or ceases to be employed by the Company for any reason other than disability, redundancy or death, the Board will have the discretion to deem any Performance Rights to have lapsed.

(j) **Assignment:** Without the approval of the Board, Performance Rights may not be transferred, assigned or novated, except, upon death, a participant’s legal personal representative may elect to be registered as the new holder of such Performance Rights and exercise any rights in respect of them.

(k) **Takeover Bid or Change of Control:** The Board will have the discretion to determine the amount of Performance Rights vest in this circumstance.

(l) **Winding up:** The Board will have the discretion to determine the amount of Performance Rights vest in this circumstance.

(m) **Alteration in Share Capital:** If there is a reorganisation of the share capital of the Company, the number of Shares, to which an eligible participant is entitled to receive upon vesting of a Performance Right, will be adjusted in the way specified by the Stock Exchange Listing Rules from time to time.

(n) **No Participation Rights:** There are no participation rights or entitlements inherent in the Performance Rights and holders will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Performance Rights.

(o) **Amendments to LTIP:** The Board may at any time and from time to time by resolution alter the LTIP. However, any amendment to the LTIP is subject to any restrictions or procedural requirements relating to the amendment or the rules of an employee incentive scheme imposed by the Stock Exchange Listing Rules or applicable securities laws.

(p) **Suspension or Termination:** The Board may suspend or terminate the LTIP at any time, without notice, but the suspension or termination will not affect any existing grants of Performance Rights already made.

PRICE RANGE AND TRADING VOLUME OF SHARES

The Shares are currently listed on ASX and TSX. The following table sets forth the reported high and low sale prices and the trading volume of the Company’s Shares on each exchange for the financial year ended June 30, 2014.

ASX	High (A$)	Low (A$)	Volume
2014			
June	0.155	0.135	4,585,567
May	0.15	0.14	2,782,005
April	0.16	0.15	12,755,249
March	0.16	0.145	7,767,366
February	0.17	0.14	8,407,456
January	0.145	0.13	1,311,067
2013			
December(1)	0.14	0.13	2,363,700
November	0.165	0.14	1,615,070
October	0.18	0.155	1,355,759
September	0.18	0.165	1,999,322
August	0.185	0.16	13,100,060
July	0.17	0.15	2,031,902

SX	High (CAD$)	Low (CAD$)	Volume
2014			
June	0.15	0.13	115,700
May	0.16	0.13	117,900
April	0.18	0.13	104,700
March	0.17	0.12	193,200
February	0.16	0.15	289,400
January	0.19	0.11	14,500
2013			
December	0.15	0.13	38,500
November	0.16	0.15	10,000
October	0.16	0.15	107,000
September	0.15	0.15	95,500
August	0.15	0.14	78,100
July	0.15	0.14	68,400

PRIOR SALES

The following table summarizes the issuance by the Company of Shares or securities convertible into Shares in the most recent financial year to June 30, 2014.

Shares:

Date of Issue	Description	Number of Shares	Price Per Share (A$)
July 1, 2013	Exercise of options	250,000	0.10
July 29, 2013	Exercise of options	250,000	0.10
November 22, 2013	Performance rights conversion	297,424	Nil

Options:

No unlisted Options were granted during the financial year ended June 30, 2014.

Performance Rights:

No Performance Rights were granted during the financial year ended June 30, 2014, however subsequent to June 30, 2014, 3,388,357 Performance Rights were granted to employees and executives, and an additional 3,961,422 Performance Rights were proposed to be issued to directors (subject to shareholder approval at the Company's 2014 AGM).

The Performance Rights issued to executives and employees, and those to be issued to directors (subject to shareholder approval) are under the terms and conditions of the Company's Long Term Incentive Plan, and in accordance with the vesting conditions as outlined below.

ESCROWED SECURITIES

To the knowledge of the Company, there are no securities held in escrow.

PRINCIPAL SHAREHOLDERS

To the best of the knowledge of the directors and executive officers of the Company, except as set out in the table below, there are no persons who, as of the date hereof, are the direct or indirect beneficial owners of, or exercise control or direction over 10 per cent or more of the outstanding Shares.

Name of Shareholder	Designation of Class	Type of Ownership	Number of Shares	Percentage of Class as of the date hereof %
Timothy Goyder	Ordinary	direct and indirect beneficial(1)	41,733,533	14.52
Franklin Resources Inc	Ordinary	indirect beneficial	31,107,008	10.82

(1) The indirect beneficial interest of Timothy Goyder is by way of his control of (i) Plato Prospecting Pty Ltd. (as trustee for the TRB Goyder Superannuation Fund) which has 1,187,675 Shares and (ii) Lotaka Pty Ltd which has 685,811 Shares.

DIRECTORS AND EXECUTIVE OFFICERS

The following table sets forth, as at the date of this AIF, the name, province or state and country of residence of each director and executive officer of the Company, as well as such individual's position within the Company principal occupation within the five preceding years and periods of service as a director (if applicable).

Each of the directors of the Company will hold office until the next annual meeting of Shareholders or until such director's successor is elected and qualified or until the director's earlier death, resignation or removal. One-third of the directors (except the Managing Director) are required to retire from office each year and submit themselves for re-election (if they wish) and in any event no director may retain office for more than three years without submitting themselves for such re-election. Re-appointment of directors is not automatic.

On September 2, 2014, the Company was granted a waiver from applying section 461.1 of the TSX Company Manual (the "Manual"), requiring annual election of all directors. The Company requested the waiver due to the following reasons:

- the Company's securities are listed on the ASX;
- the Company is incorporated under the Australian Corporations Act 2001 (Cth);
- at least 75 per cent of the Company's trading value and volume over the six month immediately preceding the request for waiver had occurred on the ASX; and
- the Company confirmed that it is in compliance with director election standards and practices of Australian issuers and ASX.

As at the date of this AIF, an aggregate 44,983,136 Shares (representing approximately 15.65 per cent of all issued and outstanding Shares as at that date) are beneficially owned or controlled or directed (directly or indirectly) by all of the directors and executive officers of the Company as a group. In addition, directors and officers have an interest in 1,050,000 unlisted options and 3,837,276 performance rights.

Name, province or state and country of residence and position with the Company	Present principal occupation if different from office held and principal occupation for the past five years	Appointed	Number of Shares owned, controlled or directed (1)
Timothy Rupert Barr Goyder Perth, Western Australia Executive Chairman	Mr. Goyder was initially appointed as a non-executive director in October 2005 and subsequently appointed Executive Chairman in November 2008. Mr Goyder has considerable experience as an executive and as a public and private investor.	October 25, 2005	41,733,533
William Brendan Bent Perth, Western Australia Managing Director	Mr Bent joined Chalice in February 2013, and prior to joining Chalice, Bill held a senior executive role with Mirabela Nickel and was Director of Strategy with PriceWaterhouseCoopers Advisory and an Associate Director at Mainsheet Corporate for a combined period of five years.	February 1, 2013	876,214
Dr Douglas Alan Jones Perth, Western Australia Executive Director	Prior to being appointed Managing Director in December 2009 Dr Jones was a non-executive director of Chalice and also the Managing Director of Liontown Resources Limited (listed on ASX). Dr Jones ceased to be director of Liontown Resources Limited in February 2013 and remains a director of 1 other TSX and AIM listed entity.	November 11, 2008	379,137
Stephen Paul Quin(2)(3) West Vancouver, BC, Canada Non-executive Director	Stephen is President & CEO of Midas Gold Corp. and its predecessor since January 2011. Stephen was, until December 2010, President and COO of Capstone Mining Corp. and President & CEO of its predecessor, Sherwood Mining Corp. from 2005 until the combination with Capstone in 2008. He was also previously a director of TSX-listed Mercator Minerals Ltd, TSX Venture-listed Troon Ventures and NASDAQ-listed Blue Wolf Mongolia Holdings Corp.	May 3, 2010	26,321
Anthony William Kiernan (2)(3) Perth, Western Australia Non-executive Director	Mr. Kiernan is a former practising solicitor and business consultant and a director of three other entities listed on ASX. Mr Kiernan was previously a director of ASX Listed Uranium Equities and Liontown Resources Limited.	February 15, 2007	1,662,041
Richard Keith Hacker Perth, Western Australia Chief Financial Officer and Company Secretary	Mr. Hacker is Chief Financial Officer and Company Secretary of Chalice and he is also a director of ASX Listed Uranium Equities Limited.	August 1, 2008	305,890

(1) The information as to Shares beneficially owned or over which any of the directors or executive officers exercises controls or direction (directly or indirectly) not being within the knowledge of the Company has been furnished by the respective director or executive officer individually.
(2) Member of the Audit Committee.
(3) Member of the Remuneration Committee.

Biographical information for each member of the Board and the executive officers of the Company in addition to the information above is set out below.

Timothy Goyder – Executive Chairman

Mr. Goyder has considerable experience in the resource industry as a prospector, investor, company director and as the owner and operator of a large contract drilling company.

Mr. Goyder has been involved in a range of exploration projects and in the formation and management of various publicly listed companies. He is currently chairman of Uranium Equities Limited and Liontown Resources Limited, all entities being listed on the ASX. Mr Goyder was also previously a director of ASX Listed Strike Energy Limited.

William Bent – Managing Director

Mr Bent joined Chalice in February 2013, from a senior executive role with the nickel producer Mirabela Nickel. At Mirabela, Mr Bent held the positions of Vice President – Business Development and Chief Development Officer responsible for exploration, investor relations, business development, growth and expansion and technical studies. Prior to joining Mirabela, Mr Bent was a Director of Strategy with PriceWaterhouseCoopers Advisory and an Associate Director at Mainsheet Corporate for a combined period of five years, where he focused on strategy, M&A and performance improvement, predominately in the mining and mining services sector in Australia.

Before moving to Australia, Mr Bent spent 12 years in the UK both as a Senior Consultant with the Corven Group in their Consulting & Corporate Finance divisions and for Genesis Oil & Gas as a Process Engineer. He was an Anglo American Bursar and started his career in Anglo's Gold Division in South Africa as a metallurgist.

Mr Bent holds a BSc in Chemical Engineering from the University of Cape Town and an MBA from Cranfield University in the UK. In total, Mr has 22 years of industry and consulting experience and is a Member of AusIMM and a professional engineer with the Institute of Chemical Engineers (IChemE).

Dr Douglas Jones, PhD, AusIMM, CPGeo – Executive Director

Dr Jones is a geologist and has 35 years of experience in international mineral exploration, having worked extensively in Australia, Africa (where he was instrumental in the discovery of the Siguiri gold mine in Guinea), the Americas and Europe. His career has covered exploration for volcanic and sediment-hosted zinc-copper-lead, gold in a wide range of geological settings and IOCG style copper-gold. He is also a director TSX and AIM listed Minera IRL Limited. Dr Jones was also previously a director of Moto Gold Mines Limited, TSX and AIM Listed Serabi Mining Plc and Liontown Resources Limited. Dr Jones held the position of Managing Director up to February 2013 and was appointed Technical Director on appointment of Mr Bent.

Stephen Quin – Non-executive Director

Mr Quin is a mining geologist with over 30 years' experience in the mining and exploration industry. Stephen is based in Vancouver, Canada, and has been the President and CEO of Midas Gold Corp. and its predecessor since January 2011. Stephen was, until December 2010, President and COO of Capstone Mining Corp. and President & CEO of its predecessor, Sherwood Mining Corp. from 2005 until the combination with Capstone in 2008. He was also previously a director of TSX-listed Mercator Minerals Ltd., TSX Venture-listed Troon Ventures and NASDAQ-listed Blue Wolf Mongolia Holdings Corp. Stephen has extensive experience in the resources sector, and in the financing, development and operation of production companies.

Anthony Kiernan, LLB - Non-executive Director

Mr. Kiernan is a former practising solicitor with substantial experience in the administration and operation of listed public companies particularly in the resources sector. He is chairman of BC Iron Limited and Venturex Resources Limited, and a director of South Boulder Mines Limited all of which are listed on the ASX. Mr Kiernan was previously a director of ASX Listed Liontown Resources Limited and Uranium Equities Limited.

Richard Hacker, B.Com, ACA, ACIS – Chief Financial Officer and Joint Company Secretary

Mr. Hacker has substantial professional and corporate experience in the energy and resources sector in Australia and the United Kingdom. He has previously worked in senior finance roles with global energy companies including Woodside Petroleum Limited and Centrica Plc. Prior to this, he worked with prominent international accounting practices. Mr. Hacker is a Chartered Accountant and Chartered Secretary and is also Company Secretary of Liontown Resources Limited and a director of Uranium Equities Limited.

Terms of Directors and Executive Officers

No directors of the Company have set terms, although three months' notice of termination is required for Bill Bent, Douglas Jones and Timothy Goyder. As directors of the Company and other than as contractually bound, their respective terms are in part governed by the Constitution of the Company which, as detailed above, requires one-third of the directors (other than the Managing Director) to retire at each general meeting of the Company, and, if they wish, offer themselves for re-election.

Audit Committee

The Audit Committee of Chalice consists of:

Anthony Kiernan	-	Non-executive director (Chair)
Stephen Quin	-	Independent non-executive director

Neither Mr Kiernan and Mr Quin has formal accounting nor financial qualifications however, each member is financially literate, has an understanding of the Company's industry and has considerable 'on board' experience.

During the year the Audit Committee held two meetings.

The following table outlines the aggregate fees billed by the Company's external auditors in each of the last two financial years:

	2014 **A$**	**2013** **A$**
Audit and review of financial reports	50,500	65,300
Other professional services	-	3,500
	50,500	68,800

The Audit Committee is responsible for establishing and reviewing the engagement of non-audit services by the Company's auditors.

Remuneration Committee

The Remuneration Committee of Chalice consists of:

Anthony Kiernan	-	Non-executive Director (Chair)
Stephen Quin	-	Independent Non-executive Director

During the year the Remuneration Committee held one meeting.

Compensation Discussion & Analysis

The Board is responsible for ensuring Chalice's remuneration strategy is aligned with Company performance and shareholder interests and equitable for participants. To assist with this, the Board has established a Remuneration Committee consisting of the following directors:

Anthony Kiernan	Chair of the Remuneration Committee
Stephen Quin	Independent Non-Executive Director

Both Mr Kiernan and Mr Quin are members of several Remuneration Committees of publicly listed companies and therefore provide a significant depth of experience in relation to executive remuneration particularly in relation to the mining and resources sectors.

The Remuneration Committee's objective is to support and advise the Board in fulfilling its oversight responsibility by focusing on the Company's approach to Board and executive remuneration plus the use of equity generally across the company. Further detail of the role of the Remuneration Committee is set out in the Remuneration Committee Charter that can be accessed on the Chalice website at www.chalicegold.com.

Use of remuneration consultants

To ensure the Remuneration Committee is fully informed when making remuneration decisions, the Remuneration Committee may seek external advice, as it requires, on remuneration policies and practices. Remuneration consultants are able to be engaged by, and report directly to, the Committee. In selecting remuneration consultants, the Committee would consider potential conflicts of interest and independence from the Group's key management personnel and other executives.

During the financial year, the Remuneration Committee did not seek specific advice and recommendations from external consultants and no external consultant fees were billed for both the 2014 and 2013 financial years.

Remuneration report approval at 2013 Annual General Meeting

The Remuneration Report for the financial year ended June 30, 2013 received positive shareholder support and was approved at the 2013 AGM with a vote of 99.4% in favour.

Remuneration principles and components of remuneration

The Company has adopted the following principles in its remuneration framework:

1. Seeking aggregate remuneration at a level which provides the Company with the ability to attract and retain directors and executives of high calibre at a cost which is acceptable to shareholders; and

2. Key management personnel interest being aligned with shareholder value and Company performance by:

    - providing fair, consistent and competitive compensation and rewards to attract and retain appropriate employees;
    - ensuring that total remuneration is competitive with its peers by market standards;
    - incorporating in the remuneration framework both short and long term incentives linked to the strategic goals and performance of the individuals and the Company and shareholder returns;
    - demonstrating a clear relationship between individual performance and remuneration; and
    - motivating employees to pursue and achieve the long term growth and success of the Company.

The following table is an overview of the components of remuneration:

	Element	**Non-executive directors**	**Executives**
Fixed remuneration	Base salary	×	✓
	Base fee	✓	×
	Committee fees	✓	×
	Superannuation	✓(1)	✓
	Consultancy fees	✓(2)	×

	Element	Non-executive directors	Executives
Variable remuneration	Other benefits	✓	✓
	Short term incentives (STI)	×	✓
	Share options	✓[3]	✓
	Performance rights	×	✓

[1]Only applies to Australian non-executives.

[2]Some directors are paid consultancy fees on an arm's length basis (refer below).

[3]Non-executive directors are eligible to participate in the share option plan at the discretion of the Board (refer below for further details).

Non-executive director remuneration

The Company's Constitution and the ASX Listing Rules specify that the aggregate fees to be paid to non-executive directors for their roles as directors are to be approved by shareholders at a general meeting. The latest determination was at the 2011 AGM, whereby Shareholders approved an aggregate amount of $450,000 per year (including superannuation). The Board will not seek any increase for the non-executive director pool at the upcoming 2014 Annual General Meeting.

The fee structure for non-executive directors is reviewed annually and the Remuneration Committee and the Board may consider advice from external consultants, and undertake comparative analyses of the fees paid to non-executive directors of comparable companies in the resources sector with similar market capitalisations. Generally, the Company will position itself within the 50th and 75th percentile band of the comparative market data.
For the 2014 financial year, non-executive directors received a fee of $45,000 (inclusive of superannuation, where applicable). Members of the Audit Committee and Remuneration Committee also received an additional $5,000 for their roles on each of those Committees. The additional payments recognise the additional time commitment by non-executive directors who serve on committees.

The non-executive directors are not entitled to receive retirement benefits. Non-executive directors, at the discretion of the Board, may participate in the Employee Share Option Plan ("ESOP"), subject to approvals required by shareholders. The Board is conscious of the issue of share options to non-executive directors and will continue to balance the cost benefit of issuing share options to attract and retain quality directors against paying higher fixed directors' fees.

Non-executive directors are not eligible to participate in the Company's Long Term Incentive Plan ("LTIP").

Apart from their duties as directors, some non-executive directors may undertake additional work for the Company on a consultancy basis on market terms. The use of consultancy by non-executive directors in addition to their duties as directors enables the Company to better utilise the skills offered by the Board particularly in light of the Company's current small management team. Under the terms of these consultancy agreements, non-executive directors typically receive a daily rate or monthly retainer for the work performed at a rate comparable to market rates that they would otherwise receive for their consultancy services.
The table below sets forth all annual and long term compensation for services rendered in all capacities to Chalice for the financial year ended June 30, 2014 in respect of the non-executive directors:

Name	Fees earned (A$)	Share-based awards (A$)	Option-based awards (A$)	Non-equity incentive plan compensation (A$)	Pension (Superannuation) value (A$)	All other compensation (A$) [2]	Total (A$)
Anthony Kiernan[1]	132,959	-	-	-	4,667	1,684	139,310
Stephen Quin	55,000	-	-	-		2,689	57,689

[1] Mr. Kiernan provided consultancy and legal services to the Company during the year and was paid A$82,500 for such services.

(2) Relates to Directors and Officers insurance premium costs paid by the Company.

Outstanding Option-Based and Share-Based Awards

The following table sets out, for each non-executive director, information concerning all option-based and Share-based awards outstanding as of June 30, 2014.

	Option-based awards				Share-based awards		
Name	**Number of securities underlying unexercised options (#)**	**Option exercise price (A$)**	**Option expiration date**	**Value of unexercised in-the-money options (A$)**	**Number of Shares or units of Shares that have not vested (#)**	**Market or payout value of Share-based awards that have not vested (A$)**	**Market or payout value of vested share-based awards not paid out or distributed (A$)**
Anthony Kiernan (Non-executive Director)	750,000	0.30	June 30, 2016	-	-	-	-
Stephen Quin (Non-executive Director)	300,000	0.30	June 30, 2016	-	-	-	-

Value Vested or Earned During the Year

The following table sets out, for each non-executive director, information concerning the value of incentive plan awards, option-based and share-based awards, as well as non-equity incentive plan compensation, vested or earned during the financial year ended June 30, 2014.

Name	Option-based awards – Value vested during the year (A$)	Share-based awards – Value vested during the year (A$)	Non-equity incentive plan compensation – Value earned during the year (A$)
Anthony Kiernan (Non-executive Director)	-	-	-
Stephen Quin (Non-executive Director)	-	-	-

Executive remuneration

Executive remuneration consists of fixed remuneration and may also comprise variable remuneration in the form of performance based cash bonuses (Short Term Incentive Plan (“STIP”)), share options and performance rights (issued under the terms of the ESOP and Long Term Incentive Plan (“LTIP”) respectively). The LTIP was last approved by the Company’s shareholders at the 2011 AGM and will be put to shareholders for approval at the Company’s upcoming 2014 AGM. The structure of the plan is detailed below.

Fixed remuneration

The level of fixed remuneration is set to provide a base level of remuneration which is both appropriate for the position and competitive in the market. The Company aims to pay within the 50th and 75th percentile band of benchmark data, but the Board has the discretion to pay above this to attract and retain key employees in achieving the Company’s strategic goals.

Fixed remuneration is reviewed at appropriate times (and no less than on an annual basis) by the Remuneration Committee and approved by the Board having regard to the Company and individual performance, relevant comparable remuneration for similarly capitalised companies in the mining industry and independently compiled market data. Executives receive their fixed remuneration in the form of cash.

The fixed remuneration for executives is detailed further in this Report.

Variable remuneration - STIP

The Board has implemented a formal STIP which includes cash bonuses to executives upon achievement of predefined targets. The maximum bonus percentage ("MBP") ranges between 10% and 50% of an executive's fixed annual salary depending on the position held. The STIP is based on achieving "Expected" and "Stretch" targets for the year. Achieving the expected target attracts 20% of the relevant MBP and achieving the stretch target or better attracts up to 100% of the relevant MBP.

The targets set by the Remuneration Committee and the Board for the 30 June 2014 financial year in relation to STIP targets for directors and executives was broadly aligned with the following key strategic objectives:

(i) the acquisition by the Company of a significant project. In relation to the acquisition of a project, the Board has discretion and needs to be satisfied that the acquisition is "significant" in the context of the Company. Stretch targets are based on the price and quality of any asset acquired by the Company;

(ii) successful exploration at the Company's projects. The entitlement ranges from no bonus, where exploration does not add value through various stages up to 100% for a stretch target where exploration defines potential for an economic stand-alone or satellite development; and

(iii) meeting of defined personnel objectives. These relate to matters such as safety, the environment, costs, meeting regulatory matters and the like.

During the 2014 financial year, no cash bonuses were paid to executives as the Remuneration Committee has deemed that the key strategic objectives of the Company had not been achieved to a sufficient level to trigger a bonus payment.

For the financial year ended 30 June 2015, the Remuneration Committee recommended the Company cease the STIP and move 100% of eligible director's and executive's incentive entitlements exclusively to the LTIP. The justification for this recommendation being, at this stage of the Company's development, all the key business objectives of directors and executives have longer dated time frames than the STIP's 12 month time frame.

Variable remuneration –employee long term incentive plan (LTIP)

Under the LTIP, the Board has the discretion to make annual awards of performance rights (which is a right to convert into Shares after achievement of applicable criteria and targets) to executives and employees. The level of the award of performance rights is dependent on an employee's position within the Company. Subject to the performance criteria set out in the terms of the LTIP, performance rights held by an employee may convert into ordinary fully paid shares in the Company. In the event performance criteria are not achieved by the measurement date, the employee's performance rights lapse with no shares being issued.

Annual grant of Performance Rights – 2013/2014

The table below outlines the performance rights that were granted for the 2013/2014 financial year and have not yet vested.

Annual Award - Year	Director/Executive	Number of Rights	Measurement Date
2013	W Bent	1,453,444	1 January 2015
	D Jones	655,000	1 January 2015
	R Hacker	402,139	1 January 2015

The performance rights shown above will not vest (and the underlying shares will not be issued) unless the performance conditions set by the Board have been satisfied. It is the longer term intention of the Company to use the "standard" measure of Total Shareholder Return ("TSR") as the performance measure for the LTIP, where the Company's TSR would be compared against that of a comparator group of companies over the selected performance period for each cycle of the LTIP. However, given the Company's current strategy and position (i.e. its most significant asset is cash) a comparator group of companies cannot yet be determined. The Board therefore selected absolute share price as the most appropriate measure for the above issued performance rights.

The number of performance rights that will vest will be solely dependent on the Company's share price as at the measurement (or test) dates as per above as compared to share price hurdles outlined in the following table. The Company's share price will be calculated on its 30 day VWAP.

Annual Award	If the 30 Day VWAP as at measurement date is:	Percentage of performance rights that will vest	Additional conditions
2013/2014	Below 25 cents	0%	• Following the measurement date, any vested performance rights which are converted to shares will be subject to a holding lock until 30 June 2015.
	25 cents	33%	
	Between 25 cents and 38 cents	Pro rata between 33% and 100%	• Executives must also be an employee of the Company at 30 June 2015.
	Above 38 cents	100%	

Annual grant of Performance Rights – 2014/2015

Subsequent to reporting date it is proposed that the following performance rights for 2014/2015 be granted to directors and executives (*subject to shareholder approval at the Company's 2014 AGM for directors) as follows:

Annual Award	Director/Executive	Number of Rights	Measurement Date	Vesting Date
2014/2015	W Bent*	2,611,927	30 June 2016	30 June 2017
	D Jones*	1,349,495	30 June 2016	30 June 2017
	R Hacker	1,326,693	30 June 2016	30 June 2017

The performance rights shown above will not vest (and the underlying shares will not be issued) unless the performance conditions set by the Board have been satisfied. For the proposed 2014/2015 annual grant of performance rights, the Remuneration Committee recommended to the Board that 100% of directors and executives incentive entitlements are offered via the LTIP and that 50% of the LTIP is to be based on share price and remaining 50% to be based on achieving key business objectives.

The following table outlines key business objectives and the weightings of the performance condition:

Overall Performance Condition	Specific Performance Conditions	Percentage of granted performance rights that will vest if performance conditions are met
Strategic objectives	**Undertake a significant acquisition**: acquire one or more assets in addition to the Cameron Gold Project with potential to generate returns above the Company's internal hurdle rates based on consensus commodity prices and cost assumptions. AND/OR **Make a significant new discovery**: at the Cameron Gold Project or any other Projects/Joint Venture acquired by the Company which shows potential to be economic based on consensus commodity prices and cost assumptions.	50%
Share price objectives If the 60 Day VWAP as at the measurement date is:	Below 23 cents	0%
	23 cents	16.5%
	Between 23 cents and 38 cents	Pro rata between 16.5% and 50%
	Above 38 cents	50%

In addition to the measurement period of 1 July 2014 to 30 June 2016, a 12 month service period must also be completed by each director or executive, meaning that performance rights will not vest or convert into shares until 30 June 2017 at the earliest.

Variable remuneration – stock option plan

Equity grants to executives have previously been delivered in the form of employee share options granted under the Option Plan which was approved by shareholders in 2013. Options were issued at an exercise price determined by the Board at the time of issue.

Generally, no performance hurdles were set on options issued to executives. The Company believed that as options were issued at a price in excess of the Company's current share price at the date of issue of those options, there was an inherent performance hurdle as the share price of the Company's shares had to increase before any reward could accrue to the executive.

The vesting period for share options is at the discretion of the Board and the expiry date of share options is usually between 3 and 5 years.

Upon cessation of employment, participants have 3 months from the date of cessation to exercise the share options. This requirement may be waived at the Board's discretion.

It is the Board's preference to issue Performance Rights under the new LTIP rather than share options.

Link between performance and executive remuneration

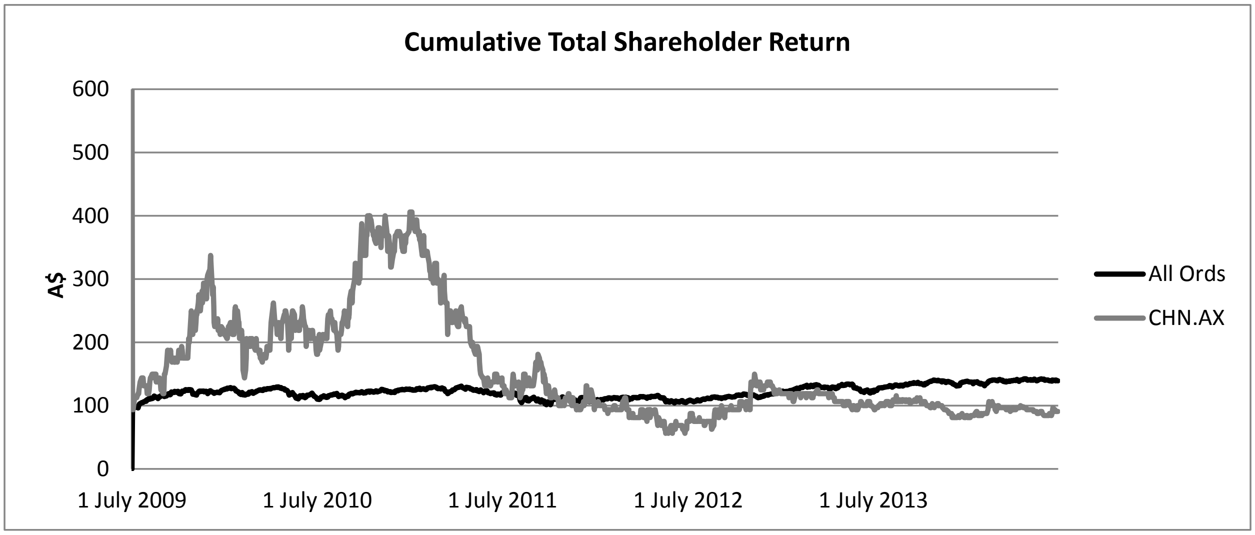
The focus of executive remuneration over the financial year was fixed remuneration and performance rights under the LTIP (i.e. growing the value of the Company as reflected through share price) which seeks to ensure that executive remuneration is appropriately aligned with the business strategy and shareholder interests.

The share price performance over the last 5 years, adjusted to reflect the capital return of A$0.10 cents per share in 2012, is as follows:

	30 June 2010	30 June 2011	30 June 2012	30 June 2013	30 June 2014
Share price	$0.29	$0.23	$0.10	$0.16	$0.15

Cumulative total shareholder return

The following graph compares the yearly percentage change in the Company's cumulative total shareholder return on its Shares with the cumulative total return of the ASX All Ordinaries over the period July 1, 2009 to June 30, 2014. The graph illustrates the cumulative return on a A$100 investment in Shares made in July 1, 2009 as compared with the cumulative return on a A$100 investment in the ASX All Ordinaries made on the same date. The Share performance as set out in the graph does not necessarily indicate future price performance and has been adjusted to reflect the capital the return of A$0.10 cents per share in 2012.



Summary Compensation Table

Information for the year ended June 30, 2014

The following table sets out information concerning the compensation earned from the Company and any of the Company's subsidiaries during the financial year ended June 30, 2014 and for the previous financial year by each of Company's Named Executive Officers.

The Company has reported compensation in the table below for the financial year ended June 30, 2014, in accordance with applicable requirements, as the Company believes this discloses all significant elements of the compensation awarded to, earned by, paid to, or payable to Named Executive Officers of the Company.

Name and principal position	**Year**	**Salary (A$)**	**Share-based awards (A$)[1]**	**Option-based awards (A$) [1]**	**Non-equity incentive plan compensation (A$)**		**Pension value (Superannuation) (A$)**	**All other compensation (A$)[2]**	**Total compensation (A$)**
					Annual incentive plans	Long-term incentive plans			
Timothy Goyder	2014	275,229	-	-	-	-	25,459	8,074	308,762
(Executive Chairman)	2013	281,422	-	-	-	-	27,578	102,557	411,557
William Bent	2014	357,798	34,008	-	-	-	33,096	3,659	428,561
(Managing Director)[3]	2013	149,083	2,329	-	-	-	13,417	1,041	165,870
Douglas Jones	2014	284,404	15,326	-	-	-	26,307	6,034	332,071
(Executive Director)	2013	284,404	1,050	-	-	-	34,596	102,898	422,948

Name and principal position	Year	Salary (A$)	Share-based awards (A$)[1]	Option-based awards (A$) [1]	Non-equity incentive plan compensation (A$) Annual incentive plans	Non-equity incentive plan compensation (A$) Long-term incentive plans	Pension value (Superannuation) (A$)	All other compensation (A$)[2]	Total compensation (A$)
Richard Hacker (Chief Financial Officer)	2014	290,102	14,688	-	-	-	26,834	47,185	378,009
	2013	241,858	33,539	-	-	-	30,767	103,796	409,960
Michael Kelly (General Manager – ZMSC) [3]	2014	-	-	-	-	-	-	-	-
	2013	49,336	-	-	-	-	-	70,027	119,363
Harry Wilhelmij (Exploration Manager)	2014	250,800	-	-	-	-	-	-	250,800
	2013	250,800	-	-	-	-	-	-	250,800

[1] The fair value of the options is calculated at the date of grant using a Black-Scholes Option-pricing model and allocated to each reporting period evenly over the period from grant date to vesting date. The value disclosed is the proportion of the fair value of the options allocated to this reporting period. The fair value of performance rights is calculated at the date of grant using a trinomial model. In valuing the options and Performance Rights market based vesting conditions have been taken into account.

[2] Relates to Directors and Officers insurance premium costs paid by the Company, and long service leave payment made to Mr Hacker.

[3]Following the sale of the Zara Project in September 2013, Mr, Kelly was no longer an employee of the Company.

Incentive Plan Awards

Outstanding Option-Based and Share-Based Awards

The following table sets out, for each Named Executive Officer, information concerning all option-based and Share-based awards outstanding as at June 30, 2014.

	Option-based Awards				Share-based Awards		
Name	**Number of securities underlying unexercised options (#)**	**Option exercise price (A$)**	**Option expiration date**	**Value of unexercised in-the-money options (A$)**	**Number of shares or units of shares that have not vested (#)**	**Market or payout value of share-based awards that have not vested (A$)**	**Market or payout value of vested share-based awards not paid out or distributed (A$)**
William Bent (Managing Director)	-	-	-	-	1,453,444	210,749	-
Douglas Jones (Executive Director)	-	-	-	-	655,000	94,975	-
Richard Hacker (Chief Financial Officer and Company Secretary)	-	-	-	-	402,139	58,310	-
Harry Wilhelmij (In-country Manager)	375,000	0.35	September 14, 2014	-	-	-	-

Incentive Plan Awards - Value Vested or Earned During the Year

The following table sets out, for each Named Executive Officer, information concerning the value of incentive plan awards, option-based and share-based awards, as well as non-equity incentive plan compensation vested or earned during the financial year ended June 30, 2014.

Name	Option-based awards – Value vested during the year (A$)	Share-based awards – Value vested during the year (A$)	Non-equity incentive plan compensation – Value earned during the year (A$)
Timothy Goyder (Executive Chairman)	-	-	-
William Bent (Managing Director)	-	34,008	-
Douglas Jones (Managing Director and Chief Executive Officer)	-	15,326	-
Richard Hacker (Chief Financial Officer and Company Secretary)	-	14,688	-
Harry Wilhelmij (In-country Manager)	-	-	-

Superannuation (Pension Plan) Benefits

The Company paid superannuation benefits of 9.25 per cent up to June 30, 2014, (9.5 per cent from July 1, 2014) of base salary to private superannuation funds for all Australian-based employees in accordance with Australian statutory requirements.

Termination and Change of Control Benefits

The following table outlines the termination and other benefits present within each employment agreement for each of the Named Executive Officers:

Name	Termination	Diminution of Responsibility
Tim Goyder (Executive Chairman)	Mr. Goyder's employment agreement may be terminated by the Company or Mr. Goyder upon giving three months notice.	If Mr Goyder's role in the Company undergoes a material variation or diminution of responsibilities, including a material change in authority or in his reporting relationship to the Board, he may terminate his employment and would then receive a payment equal to 12 months' salary (A$301,376)
William Bent (Managing Director)	Mr Bent's employment agreement may be terminated by the Company or Mr Bent upon giving at least six months' notice or such lesser period as agreed between the parties.	In the event of a material change in Mr Bent's status, remuneration, benefits, title, work location, duties or responsibilities including but not limited to a material change in Mr Bent's direct reporting line or reporting structure, to which Mr Bent has not agreed and as a result of which Mr Bent's employment is terminated or he resigns from his employment with the Company, Mr Bent shall be entitled to a severance payment equal to 12 months' worth of the Annual Salary. (A$391,789)
Douglas Jones (Executive Director)	Dr Jones' employment agreement may be terminated by the Company or Dr Jones upon giving three months notice.	If Dr Jones' role in the Company undergoes a material variation or diminution of responsibilities, including a material change in authority or in his reporting relationship to the Board, he may terminate his employment and would then receive a payment equal to 12 months salary. (A$311,422)
Richard Hacker (CFO/Company Secretary)	Mr Hacker's employment agreement may be terminated by the Company or the employee upon	If Mr Hacker's role in the Company undergoes a material variation or diminution of responsibilities,

Name	Termination	Diminution of Responsibility
	giving three months notice.	including a material change in authority or in his reporting relationship to the Board, he may terminate his employment and would then receive a payment equal to 6 months' salary (A$152,948)
Other Named Executive Officers	All other key management personnel employment agreements may be terminated by the Company or the employee upon giving three months notice.	Nil
Non-Executive Directors	Nil	Nil

Additional Information regarding Directors and Executive Officers

Corporate cease trade orders, bankruptcies, penalties or sanctions

To the Company's knowledge, none of the directors or executive officers of Chalice is, or has been within the ten years before the date of this AIF, a director, chief executive officer or chief financial officer of any company, including Chalice, that:

(i) was subject to a cease trade or similar order or an order that denied such company access to any statutory exemptions under securities legislation, for a period of more than 30 consecutive days that was issued while the director or executive officer was acting in the capacity as director, chief executive officer or chief financial officer; or

(ii) was subject to a cease trade or similar order or an order that denied such company access to any statutory exemptions under securities legislation, for a period of more than 30 consecutive days that was issued after the director or executive officer ceased to be a director, chief executive officer or chief financial officer and which resulted from an event that occurred while that person was acting in the capacity as director, chief executive officer or chief financial officer.

To the Company's knowledge, none of the directors or executive officers of Chalice, or no Shareholder holding a sufficient number of securities of Chalice to affect materially the control of Chalice is, or has been within the ten years before the date of this AIF, a director or executive officer of any company, including Chalice, that, while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets.

To the Company's knowledge, none of the directors or executive officers of Chalice or a Shareholder holding sufficient securities of Chalice to affect materially the control of Chalice, or a personal holding company of any such persons has, within the ten years before the date of this AIF become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or become subject to or instituted and proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the director, executive officer or Shareholder.

To the Company's knowledge, none of the directors or executive officers of Chalice or a Shareholder holding a sufficient number of securities of Chalice to affect materially the control of Chalice, has been subject to any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority or been subject to any other penalties or sanctions imposed by a court, or regulatory body that would likely be considered important to a reasonable investor in making an investment decision with the exception of Mr. Stephen Quin, a director of Bear Lake Gold Ltd., which was party to a settlement agreement that was approved by the Ontario Superior Court of Justice on August 10, 2010. The settlement agreement provides for the settlement, release and dismissal of all claims asserted by the plaintiffs thereto against Bear Lake Gold Ltd. and the individual proposed defendants and does not in any way contain or constitute any admission of liability by Bear Lake Gold Ltd. or its officers, directors or employees.

Stephen Quin was a director of Mercator Minerals Ltd. ("Mercator") when it filed a Notice of Intention to Make a Proposal under the Bankruptcy and Insolvency Act (Canada) (the "BIA") on August 26, 2014. Mr. Quin ceased to be a director/officer on September 4, 2014. Subsequently, pursuant to section 50.4(8) of the BIA, Mercator was deemed to have filed an assignment in bankruptcy on September 5, 2014 as a result of allowing the ten-day period within which Mercator was required to submit a cash flow forecast to the Official Receiver to lapse.

Conflicts of interest

To the best of Chalice’s knowledge, there are no known existing potential conflicts of interest among Chalice, its directors, officers or other members of management of Chalice as a result of their outside business interests as at the date hereof. However, certain of the directors, and officers and other members of management serve as directors, officers, and members of management of other public resource companies. Accordingly, conflicts of interest may arise which could influence these persons in evaluating possible acquisitions or in generally acting on behalf of Chalice. The directors and officers of Chalice have been advised of their obligations to act at all times in good faith in the interest of Chalice and to disclose any conflicts to Chalice if and when they arise.

Indemnification and insurance

The Company has agreed to indemnify all the directors and against all liabilities to another person (other than the Company or a related body corporate) that may arise from their position as directors and officers of the Company, except where the liability arises out of conduct involving a lack of good faith. The agreement stipulates that the Company will meet the full amount of any such liabilities, including costs and expenses.

The Company also pays insurance premiums in respect of directors and officer’s indemnity insurance contracts, for current and former directors and officers. The insurance premiums relate to costs and expenses incurred by the relevant officers in defending proceedings, whether civil or criminal and whatever their outcome; and other liabilities that may arise from their position, with the exception of conduct involving a wilful breach of duty or improper use of information or position to gain a personal advantage.

INDEBTEDNESS OF DIRECTORS AND SENIOR OFFICERS

As of the date hereof, none of the Company’s directors or executive officers, nor any associate of such directors or executive officers is indebted to Chalice or has been the subject of a guarantee, support agreement, letter of credit or similar arrangement or understanding provided by Chalice or any of its subsidiaries.

RISK FACTORS

The exploration for and development of natural resources is a speculative activity that involves a high degree of financial risk. The occurrence of any one or more of these risks or uncertainties could have a material adverse effect on the business, prospects, financial condition and/or operating results of the Company and consequently on the value and/or market price of the Shares. The risks noted below do not necessarily comprise all those faced by the Company.

Mining Risks

Mineral exploration and exploitation involves a high degree of risk, which cannot be fully mitigated, even with a combination of experience, knowledge and careful evaluation. While the discovery of a mineral deposit may result in substantial rewards, few properties that are explored are ultimately developed into producing mines. Substantial expenditures may be required to locate and establish mineral reserves and resources, to develop metallurgical processes to extract the metal from the material processed and to construct mining and processing facilities and infrastructure at a particular site. It is impossible to ensure that the exploration programs in progress or planned by the Company or its joint venture partners will result in a profitable commercial mining operation. Even where commercial quantities of ore are discovered, there can be no assurance that a property will be brought into commercial production or that the funds required to exploit mineral reserves and resources discovered by the Company will be obtained on a timely basis or at all. Whether a mineral deposit will be commercially viable depends on a number of factors, some of which are: the particular attributes of the deposit, such as size, grade and metallurgy of the particular ore-body; proximity to infrastructure; metal prices, which can fluctuate widely; currency fluctuations; financing costs; production costs; and government regulations and any further changes thereto, including regulations relating to prices, taxes, royalties, land tenure, land use, importing and exporting of minerals and environmental protection. The exact effect of these factors cannot accurately be predicted, but the combination of these factors could make a deposit uneconomic and/or may result in the Company not receiving an adequate return on invested capital.

Mining operations generally involve a high degree of risk. Such operations are subject to all the hazards and risks normally encountered in the exploration for, and development and production of gold, including unusual and unexpected geologic formations, formation pressures, seismic activity, rock bursts, fires, power outages, labour disruptions, cave-ins, landslides, flooding, explosions and other conditions involved in the drilling and removal of material, any of which could result in damage to, or destruction of, mines and other producing facilities, damage to life or property, environmental damage and possible legal liability. Mining operations are subject to hazards such as equipment failure or failure of retaining dams around tailings disposal areas which may result in environmental pollution and consequent liability. In addition, operations could be materially adversely affected by the inability to obtain adequate machinery and parts, equipment or labour.

All of the foregoing factors are beyond the control of the Company. There can be no assurance that the Company's mineral exploration and future development activities will be successful and the occurrence of any of the foregoing factors could have a material adverse effect on the Company's business, prospects, financial condition and operating results. In the event that commercial viability is never attained, the Company may seek to transfer its property interests or otherwise realize value or may even be required to abandon its business and fail as a "going concern".

Exploration, Development and Operational Risks

The success of the Company will be dependent on many factors including: the discovery and/or acquisition of mineral reserves and mineral resources; the successful conclusions to feasibility and other mining studies; access to adequate capital for project development and sustaining capital; design and timely construction of efficient mining and processing facilities within capital expenditure budgets; the securing and maintaining of title to tenements; obtaining permits, consents and approvals necessary for the conduct of exploration and potential mining operations; complying with the terms and conditions of all permits, consents and approvals during the course of exploration and mining activities; access to competent operational management and prudent financial administration, including the availability and reliability of appropriately qualified employees, contractors and consultants; the ability of the mining contractors to keep to budget; the ability to procure major equipment items and key consumables in a timely and cost-effective manner; the ability to access full power supply; and the extent and disruption of the rainy season.

The Company's profitability will depend, in part, on the actual economic returns and the actual costs of developing mines, which may differ significantly from the estimates made by the Company. Delays in the construction and commissioning of mining projects or other technical difficulties may result in the Company's current or future projected target dates for production being delayed or further capital expenditure being required. Any delay in the development of a project or cost overruns or operational difficulties once the project is fully developed may have a material adverse effect on the results of the Company.

In common with all new mining operations, there is uncertainty, and therefore risk, associated with operating parameters and costs resulting from the scaling up of extraction methods tested in laboratory conditions. Feasibility studies derive estimates of expected or anticipated project economic returns. These estimates are based on a number of assumptions including: future gold and other metal prices; anticipated tonnage, grades and metallurgical characteristics of ore to be mined and processed; anticipated recovery rates of gold and other metals from the ore; anticipated capital expenditure and cash operating costs; and the anticipated return on investment. Actual cash operating costs, production and economic returns may differ significantly from those anticipated by such studies and estimates. The costs, timing and complexities of mine development and construction can increase because of the remote location of many mining properties. New mining operations could experience unexpected problems and delays during development, construction and mine start-up. There can be no assurance that the Company will be able to complete development of any of its mineral projects at all or on time or on budget due to, among other things, and in addition to those factors described above, changes in the economics of the mineral projects, the delivery and installation of plant and equipment and cost overruns, or that the current personnel, systems, procedures and controls will be adequate to support the Company's operations. Should any of these events occur, it could have a material adverse effect on the Company's business, prospects, financial condition and operating results.

Additional Funding and Dilution

The Company makes, and will continue to make, substantial capital expenditures related to exploration activities, and potentially future development and production. Historically, the Company has financed these expenditures with offerings of its equity securities. The Company will have further capital requirements to the extent it decides to expand its exploration activities, develop future mining operations, or take advantage of opportunities for acquisitions, joint ventures or other business opportunities that may be presented to it or which it may become aware of. In addition, the Company may incur major unanticipated liabilities or expenses. The Company's access to capital is largely determined by the strength of commodity prices, the state of the capital markets, the status of the Company's projects in relation to other resource companies, and its ability to compete for investor support of its projects. In addition, the location of the Company's properties in developing countries may make it more difficult for the Company to obtain debt financing from senior lenders. There can be no assurance that the Company will be able to obtain necessary financing in a timely manner on acceptable terms, if at all. Any failure of the Company to obtain required financing on acceptable terms could have a material adverse effect on the Company's business, prospects, financial condition and operating results and could cause the Company to cancel or postpone planned capital investments, forfeit all or parts of its interest in some or all of its properties or joint ventures and reduce or terminate its operations.

If additional financing is raised through the issuance of equity or convertible debt securities of the Company, the interests of Shareholders in the net assets of the Company may be diluted.

Future Capital Requirements

The future capital requirements of the Company are yet to be determined pending any future business or project acquisitions. As at the date of this AIF, the Company has approximately A$44 million cash at bank allowing the Company to assess future projects for possible acquisitions.

Government Regulation

The Company's mineral exploration, future development and production activities are subject to various laws and regulations governing prospecting, mining, development, royalties, permitting and licensing requirements, production, taxes, labour standards and occupational health, mine safety, protection of the environment, toxic substances, land use, water use, land claims of local people and other matters. Although the Company's exploration activities are currently carried out in material compliance with all applicable rules and regulations, no assurance can be given that new rules and regulations will not be enacted or that existing rules and regulations will not be applied in a manner which could limit or curtail exploration, development or production.

The mineral rights and interests of the Company are subject to government approvals, licenses and permits. Such approvals, licenses and permits are, as a practical matter, subject to the discretion of the applicable governments or governmental officials. No assurance can be given that the Company will be successful in obtaining or maintaining any or all of the various approvals, licenses and permits in full force and effect without modification or revocation. To the extent such approvals, licenses and permits are required and not obtained, the Company may be curtailed or prohibited from continuing or proceeding with planned exploration or future development of mineral properties. The costs and delays associated with obtaining permits and complying with these permits and applicable laws and regulations could stop or materially delay or restrict the Company or its joint venture partner from continuing or proceeding with existing or future operations or projects.

Failure to comply with applicable laws, regulations and permitting requirements, even if inadvertent, may result in enforcement actions thereunder, including orders issued by regulatory or judicial authorities causing operations to cease or be curtailed, and may include corrective measures requiring capital expenditures, installation of additional equipment, or remedial actions. Parties engaged in mining operations or in the exploration or development of mineral properties may be required to compensate those suffering loss or damage by reason of the mining activities and may have civil or criminal fines or penalties imposed for violations of applicable laws or regulations. There can be no assurance that compliance with these laws and regulations or changes thereto or the cost of rehabilitation of site operations which have been closed down or the failure to obtain necessary approvals, permits or licenses or successful challenges to the grant of such approvals, permits or licenses will not materially adversely affect the Company's business, prospects, financial condition, and operating results.

Amendments to current laws and regulations or fiscal tax regimes governing operations or more stringent implementation thereof could have a material adverse impact on the Company and cause increases in exploration expenses, capital expenditures or production costs or reduction in levels of production at producing properties or require abandonment or delays in development of new mining properties or reduction in the profitability of operations.

Risks Relating to International Operations

The Company and its subsidiaries' may be subject to various political, economic and other uncertainties, including, among other things; the risks of war and civil unrest, expropriation, nationalization, renegotiation or nullification of existing concessions, licenses, permits, approvals and contracts, taxation policies, border disputes, foreign exchange and repatriation restrictions, changing political conditions, international monetary fluctuations, currency controls and foreign governmental regulations that favour or require the awarding of contracts to local contractors or require foreign contractors to employ citizens of, or purchase supplies from, a particular jurisdiction. In addition, in the event of a dispute arising from foreign operations, the Company may be subject to the exclusive jurisdiction of foreign courts or may not be successful in subjecting foreign persons to the jurisdiction of courts of its choice.

The Company also may be hindered or prevented from enforcing its rights with respect to a governmental instrumentality because of the doctrine of sovereign immunity. It is not possible for the Company to accurately predict such developments or changes in laws or policy or to what extent any such developments or changes may have a material adverse effect on the Company's business, prospects, financial condition, and operating results.

Property Interests

The operations of the Company require licenses, permits and in some cases renewals of existing licenses and permits from various governmental authorities. Management believes that the Company currently holds or has applied for all necessary licenses and permits to carry on the activities that it is currently conducting under applicable laws and regulations in respect of its properties, and also believes that the Company is complying in all material respects with the terms of such licenses and permits. No guarantee can be given that the Company will be in a position to comply with all such conditions and obligations. In addition, the Company's ability to obtain, sustain or renew such licenses and permits on acceptable terms is subject to changes in regulations and policies and to the discretion of the applicable governmental authorities.

Furthermore, while it is common practice that permits and licenses may be renewed or transferred into other forms of licenses appropriate for ongoing operations, no guarantee can be given that a renewal or a transfer will be granted to the Company or, if they are granted, that the Company will be in a position to comply with all conditions that are imposed.

There can be no assurance that the Company's rights to its properties are valid and exist as set out in this AIF and will not be challenged by third parties claiming an interest in the property. Any property may be subject to prior unregistered agreements or transfers and title may be affected by undetected defects or governmental actions.

Acquisition of Additional Mineral Properties

If the Company loses or abandons its interest in one or more of its properties, there is no assurance that it will be able to acquire other mineral properties of merit, whether by way of option or otherwise, should the Company wish to acquire any additional properties.

Any gold exploration program entails risks relating to the location of ore bodies that are economically viable to mine, the development of appropriate metallurgical processes, the receipt of necessary governmental permits, licenses and consents and the construction of mining and processing facilities at any site chosen for mining. No assurance can be given that any exploration program will result in the discovery of new reserves or resources or the expansion of existing reserves or resources will be successful.

Environmental Regulations

The Company's activities are subject to environmental laws and regulations in the various jurisdictions in which it operates which may materially adversely affect its future operations. These regulations mandate, among other things, the maintenance of air and water quality standards and land reclamation. They also set forth limitations on the generation, transportation, storage and disposal of solid and hazardous waste, the protection of different species of plant and animal life, and the preservation of lands. These laws and regulations require the Company to acquire permits and other authorizations for certain activities. There can be no assurance that the Company will be able to acquire such necessary permits or authorizations on a timely basis, if at all. Environmental legislation is evolving in a manner which will require stricter standards and enforcement, increased fines and penalties for non-compliance, more stringent environmental assessments of proposed projects and a heightened degree of responsibility for companies and their officers, directors and employees. There is no assurance that future changes in environmental regulation, if any, will not adversely affect the Company's operations. Environmental hazards may exist on the properties on which the Company holds interests which are unknown to the Company at present and which have been caused by previous or existing owners or operators of the properties. Reclamation costs are uncertain and planned expenditures may differ from the actual expenditures required.

Dependence on Key Personnel

The success of the Company will be largely dependent upon the performance of its directors and senior officers, consultants and employees, whose expertise and experience the Company considers to be very valuable. The Company depends on a relatively small number of key employees, the loss of any of whom could have an adverse effect on the Company. Failure to retain key individuals or to attract or retain additional key individuals with necessary skills could have a materially adverse impact upon the Company's success. In addition, as the Company's business develops and expands, the Company believes that its future success may depend on its ability to attract and retain other highly skilled and qualified personnel, and there can be no assurance that the Company will be able to do so.

The Company requires specialist skills such as geologists, mining engineers, metallurgical engineers, electrical and mechanical engineers, financial accountants, human resource managers and procurement staff to conduct exploration and development at its other properties. At this time there is significant competition for these skills within the mining industry and there can be no assurance that the Company will be able to recruit and retain suitably qualified and experienced personnel.

Conflicts of Interest

Certain directors and officers of the Company are or may become associated with other natural resource companies which may give rise to conflicts of interest. Such other companies may also compete with the Company for the acquisition of mineral property rights. In addition, certain directors and officers of the Company have either other full-time employment or other business or time restrictions placed on them and accordingly, the Company will not be the only business enterprise of these directors and officers.

Title to Properties

Title to, and the area of, the Company's properties may be challenged or impugned and title insurance is generally unavailable. The Company does not carry title insurance on its properties. No assurances can be given that applicable governments will not revoke or significantly alter the conditions of the applicable exploration authorizations of the Company and that such exploration authorizations will not be challenged or impugned by third parties. The Company can never be certain that it will have valid title to its mineral properties. While the Company has applied for rights to explore various properties, and may also do so in the future, there is no certainty that such rights will be granted or granted on terms satisfactory to the Company. Local mining legislation of certain countries in which the Company operates requires the Company to grant to the government an interest in the Company's property rights. In addition, the properties may be subject to prior unregistered agreements or transfers and title may be affected by undetected defects.

Mineral properties sometimes contain claims or transfer histories that examiners cannot verify, and transfers under foreign law are often complex. A successful claim that the Company does not have title to a property could cause the Company to lose its rights to that property, perhaps without compensation for its prior expenditures relating to the property.

Infrastructure

Development and exploration activities depend on adequate infrastructure, including reliable roads, power sources and water supply. The Company's inability to secure adequate water and power resources, as well as other events outside of its control, such as unusual weather, sabotage, government or other interference in the maintenance or provision of such infrastructure, could materially adversely affect the Company's business, prospects, financial condition, and operating results.

Insurance and Uninsurable Risks

The Company's business is subject to a number of risks and hazards generally, including adverse environmental conditions, industrial accidents, labour disputes, unusual or unexpected geological conditions, rock bursts, ground or slope failures, cave-ins, fires, changes in the regulatory environment and natural phenomena such as inclement weather conditions, floods, earthquakes and other environmental occurrences. Such occurrences could result in damage to mineral properties or production facilities, personal injury or death, environmental damage to the Company's properties or the properties of others, delays in development or mining, monetary losses and possible legal liability.

Although the Company maintains insurance to protect against certain risks in such amounts as it considers reasonable, its insurance will not cover all the potential risks associated with its operations. Insurance coverage may not continue to be available or may not be adequate to cover any resulting liability. Moreover, insurance against risks such as environmental pollution or other hazards as a result of exploration and production is not generally available to the Company or to other companies in the mining industry on acceptable terms. The Company might also become subject to liability for pollution or other hazards which may not be insured against or which the Company may elect not to insure against because of premium costs or other reasons. Losses from these events may cause the Company to incur significant costs that could have a material adverse effect the Company's business, prospects, financial condition, and operating results.

Gold Prices

The development and success of any project of the Company will be primarily dependent on the future price of gold or other commodity prices. The Company is exposed to price risk as its future revenues will be based on a contract with a physical off-take partner at prices that will be determined by reference to market prices of gold at the delivery date. Gold prices are subject to significant fluctuation and are affected by a number of factors which are beyond the control of the Company. Such factors include, but are not limited to, interest rates, exchange rates, inflation or deflation, fluctuation in the value of the United States dollar and foreign currencies, global and regional supply and demand, consumption patterns, sales of gold, forward sales by producers, production, industrial and consumer demand, speculative activities, stability of exchange rates and political and economic conditions. The price of gold has fluctuated widely in recent years, and future price declines could cause any future development of and commercial production from the Company's properties to be impracticable. Depending on the price of gold, projected cash flow from planned mining operations may not be sufficient and the Company could be forced to discontinue any development and may lose its interest in, or may be forced to sell, some of its properties. Future production from the Company's mining properties is dependent on gold prices that are adequate to make these properties economic.

Furthermore, reserve calculations and life-of-mine plans using significantly lower gold prices could result in material write-downs of the Company's investment in mining properties and increased amortisation, reclamation and closure charges.

In addition to adversely affecting the Company's possible future reserve estimates and its financial condition, declining gold prices may impact operations by requiring a reassessment of the feasibility of a particular project. Such a reassessment may be the result of a management decision or may be required under financing arrangements related to a particular project. Even if the project is ultimately determined to be economically viable, the need to conduct such a reassessment may cause substantial delays or may interrupt operations until the reassessment can be completed.

Commodity Hedging

Currently the Company does not have a policy to hedge future commodity sales. If put into place, there is no assurance that a commodity hedging program designed to reduce the risk associated with fluctuations in commodity prices will be successful. Hedging may not protect adequately against declines in commodity prices. Although hedging may protect the Company from a decline in gold prices, it may also prevent the Company from benefiting fully from price increases. In addition, the Company may experience losses if a counter-party fails to purchase under a contract when the contract price exceeds the spot price for the commodity.

If the Company acquires a producing asset, the Board may review its hedging policies in the future.

Competition

The mining industry is intensely competitive in all of its phases, and the Company competes with many companies and individuals, including companies possessing greater financial, technical and other resources than itself with respect to the discovery and acquisition of interests in mineral properties, the recruitment and retention of qualified employees and other persons to carry out its mineral exploration activities. As a result, the Company may be unable to acquire rights to exploit additional attractive mining properties on terms it considers acceptable. There can be no assurance that the Company will acquire any interest in additional operations that would yield reserves or result in commercial mining operations. There is no assurance that the Company will be able to compete successfully with others in acquiring such properties or prospects. If the Company is not able to acquire such interests, this could have a material adverse impact on its business, prospects, financial condition, and operating results.

Recent increases in commodity prices have encouraged increases in exploration, development and construction activities, which have resulted in increased demand for, and cost of, exploration, development and construction services and equipment (including mining fleet equipment). Increased demand for services and equipment could cause project costs to increase materially, resulting in delays if services or equipment cannot be obtained in a timely manner due to inadequate availability, and could increase potential scheduling difficulties and costs due to the need to coordinate the availability of services or equipment, any of which could materially increase project exploration, development or construction costs or result in project delays or both. Any such material increase in costs would adversely affect the Company's business, prospects, financial condition, and operating results.

Expected Continued Operating Losses

The Company has a history of losses and there can be no assurance that the Company will ever be profitable. There can be no assurance that significant losses will not occur in the near future or that the Company will be profitable in the future. The Company's operating expenses and capital expenditures may increase in subsequent years as consultants, personnel and equipment associated with advancing exploration, development and commercial production of its properties are added. The amounts and timing of expenditures will depend on the progress of ongoing exploration and development, the results of consultants' analysis and recommendations, the rate at which operating losses are incurred, the execution of any joint venture agreements with strategic partners, the Company's acquisition of additional properties and other factors, many of which are beyond the Company's control.

The Company expects to continue to incur losses unless and until such time as it increases production, including by commencing production at additional properties, and generates sufficient revenues to fund its continuing operations. The development of the Company's properties will require the commitment of substantial resources to conduct the time-consuming exploration and development of properties. There can be no assurance that the Company will ever achieve profitability.

No History of Dividends

The Company has never paid a dividend on its Shares and does not expect to do so in the foreseeable future. Any future determination to pay dividends will be at the discretion of the Board and will depend upon the capital requirements of the Company, results of operations and such other factors as the Board considers relevant.

Share Price Volatility

Securities markets have experienced a high level of price and volume volatility, and the market price of securities of many companies has experienced wide fluctuations which have not necessarily been related to the operating performance, underlying asset values or prospects of such companies. There can be no assurance that such fluctuation will not affect the price of the Company's securities after the listing, and the market price of the Shares may decline below the listing price.

In addition, in the past, following periods of volatility in the market price of a company's securities, Shareholders have on occasion instituted class action securities litigation against those companies. Such litigation, if instituted, could result in substantial cost and diversion of management attention and resources, which could significantly harm the Company's profitability and reputation.

Exchange Rate, Exchange Control and Export Restriction Risks

The Company undertakes certain transactions denominated in foreign currencies, hence exposures to exchange rate fluctuations arise. The Company does not hedge this exposure. The Company manages its foreign exchange risk by constantly reviewing its exposure and ensuring that there are appropriate cash balances in order to meet its commitments.

Environmental Risks

Mining operations have inherent risks and liabilities associated with pollution of the environment and the disposal of waste products occurring as a result of mineral exploration and production. Laws and regulations involving the protection and remediation of the environment and governmental policies for implementation of such laws and regulations are constantly changing and are generally becoming more restrictive. In addition, there may be unforeseen environmental liabilities, inherent in its activities, such as accidental spills or leaks or other circumstances resulting from mining operations which could subject the Company to extensive liabilities, which may be costly to remedy. The Company cannot give any assurance that, notwithstanding its precautions, breaches of environmental laws (whether inadvertent or not) or environmental pollution will not materially and adversely affect its financial condition and its results of operations.

Partner Risks

The Company's business strategy includes continuing to seek new joint venture opportunities where appropriate. In pursuit of such opportunities, the Company may fail to select appropriate joint venture partners or negotiate acceptable arrangements, including arrangements to finance such opportunities or, where necessary, integrate the acquired businesses and their personnel into the Company's operations. The Company cannot assure that it can complete any business arrangement that it pursues, or is pursuing, on favourable terms, or that any business arrangements completed will ultimately benefit the Company's business.

In addition, the Company's joint venture partners may not be willing or able to fulfil their legal obligations or to fund their share of future development. The Company may be materially adversely affected if it is unable to find or replace joint venture partners.

Legal and Litigation Risks

All industries, including the mining industry, are subject to legal claims, with and without merit. Defence and settlement costs of legal claims can be substantial, even with respect to claims that have no merit. Due to the inherent uncertainty of the litigation process, the resolution of any particular legal proceeding to which the Company may become subject could have a material adverse effect on the Company's business, prospects, financial condition, and operating results.

Labour Risks

The Company believes that all of its operations have, in general, good relations with their employees. However, there can be no assurance that the Company's operations will not be affected by labour-related problems in the future, such as litigation for pay raises and increased benefits. There can be no assurance that work stoppages or other labour-related developments (including the introduction of new labour regulations in local countries of operation) will not materially adversely affect the results of operations or financial condition of the Company.

Risk of Payment Obligations

Under the exploration licenses and certain other contractual agreements to which the Company or its subsidiaries are or may in the future become party, the Company or its subsidiaries are or may become subject to payment and other obligations. If such obligations are not complied with when due, in addition to any other remedies which may be available to other parties, this could result in dilution or forfeiture of interests held by such companies. The Company may not have, or be able to obtain, financing for all such obligations as they arise.

Growth Risks

The Company expects its growth will place significant demands on management and other resources and will require the Company to continue to develop and improve operational, financial and other internal controls. While the Company has in place personnel to manage the strategic, operational and expansion aspects of its operations, there can be no assurance that the Company will be able to continue to provide the necessary resources to support its growth. The Company's potential inability to manage its growth effectively may have a material adverse effect on its results of operations or financial condition.

Differing Rights and Obligations

Chalice is a public limited company incorporated under the laws of Australia. The rights and obligations of holders of Shares are governed by Australian law, including the Corporations Act and by Chalice's Constitution. These rights and obligations differ in certain respects from the rights and obligations of Shareholders in corporations governed by Canadian federal or provincial statutes.

Enforceability of Civil Liabilities

Most of the Company's directors and officers reside outside of Canada. In addition, all of the assets of such persons, and all of the properties of the Company, are located outside of Canada. It may not be possible for investors to effect service of process within Canada upon such persons and it may also not be possible to enforce against the Company and/or such persons judgements obtained in Canadian courts predicated upon the civil liability provisions of applicable securities laws in Canada.

LEGAL PROCEEDINGS AND REGULATORY ACTIONS

Legal Proceedings

The Company is not subject to any legal proceedings material to Chalice to which Chalice or any of its subsidiaries is a party or of which any of Chalice's properties is the subject matter and no such proceedings are known to Chalice to be contemplated.

Regulatory Actions

No penalties or sanctions have been imposed against Chalice by a court relating to provincial and territorial securities legislation or by a securities regulatory authority within the three years immediately preceding the date hereof, no other penalties or sanctions have been imposed by a court or regulatory body against Chalice and Chalice has not entered into any settlement agreements before a court relating to provincial or territorial securities legislation or with a securities regulatory authority within the three years immediately preceding the date hereof.

INTEREST OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS

No director, executive officer or principal holder of securities (as described under "*Principal Shareholders*") or any associate or affiliate of the foregoing has, or has had, any material interest in any transaction within the three most recently completed financial years prior to the date hereof or during the current financial year or any proposed transaction that has materially affected or is reasonably expected to materially affect the Company or any of its affiliates, except as disclosed elsewhere in this AIF.

AUDITOR, TRANSFER AGENT AND REGISTRAR

The auditor of Chalice is HLB Mann Judd, located at Level 4, 130 Stirling Street, Perth, WA 6000, Australia. HLB Mann Judd was appointed the Auditor of the Company in October 2005 and is independent in accordance with the rules of professional conduct of the Institute of Chartered Accountants in Australia.

The Company's registrar and transfer agent in Australia for its Shares is Computershare Investor Services Pty Limited , at Level 2, Reserve Bank Building, 45 St. Georges Terrace, Perth, WA 6000, Australia.

The Company's registrar and transfer agent in Canada for its Shares is Computershare Investor Services Inc. at 100 University Avenue, Toronto, Ontario, M5J 2Y1.

MATERIAL CONTRACTS

The following are the only material contracts, other than contracts entered into in the ordinary course of business, which have been entered into by the Company or any of the Company's subsidiaries (i) during the financial year ended June 30, 2014, (ii) before the beginning of the financial year ended June 30, 2014 but subsequent to December 31, 2001 and which are still in effect, or (iii) subsequent to June 30, 2014.

- an agreement dated January 27, 2011 between the Government of the State of Eritrea and Sub-Sahara Resources (Eritrea) Pty Ltd for the grant of exploration rights and License in Mogoraib North.

- an agreement dated April 27, 2012 between Chalice Gold Mines (Eritrea) Pty Ltd, Shanghai Construction Group (Hong Kong) Limited, China SFECO Group and Chalice Gold Mines Limited for the sale of Chalice's 60 per cent shareholding in Zara Mining SC.

- an agreement dated November 15, 2013 between Chalice Gold Mines Ltd, Western Rift Pty Ltd and Coventry Resources Inc. for the acquisition of the Cameron Gold Project.

The material contracts described above, together with the Technical Report and any other documents regarding Chalice referred to in this AIF may be viewed on SEDAR at www.sedar.com.

EXPERTS

The Company's auditor is HLB Mann Judd, who have prepared an independent auditor's report dated September 27, 2014 in respect of the Company's consolidated and parent company financial statements with accompanying notes as at and for the year ended June 30, 2014.

Peter Ball, BSc, AusIMM (CP – Geology), an independent 'qualified person' for the purposes of NI 43-101, is an author responsible for the preparation of the Cameron Technical Report.

None of the experts named in this section, when or after they prepared the statement, report, or valuation, referred hereto, has received any registered or beneficial interests, direct or indirect, in any securities or other property of Chalice or of one of Chalice's associates or affiliates (based on information provided to Chalice by the experts) or is expected to be elected, appointed, or employed as a director, officer or employee of Chalice or of any associate or affiliate of Chalice.

As of the date hereof, to Chalice's knowledge, the experts named in this section beneficially own, directly or indirectly, in the aggregate, less than one percent of the Shares.

ADDITIONAL INFORMATION

Additional financial information is provided in the Company's 2014 Annual Report, which contains the Company's audited annual financial statements for the year ended June 30, 2014. Such documentation as well as additional information, including financial statements, relating to the Company may be found on SEDAR at www.sedar.com.