

**CHAIRMANS ADDRESS**  
**2014 Annual General Meeting**  
**26<sup>th</sup> November 2014**

Against the backdrop of another extremely challenging year for the resource sector, I am pleased to report that Chalice remains in an enviable position with cash of approximately \$43 million, a well-credentialed team with the ability to identify and capitalize on opportunities, and a clear understanding of where we need to focus our efforts moving forward.

The company took the first steps in this regard in February, with the acquisition of the Cameron Gold project in Ontario, Canada.

With NI43-101 and JORC 2012 Measured and Indicated Resources totaling 674,400 ounces grading over 2.09g/t from 10,058,000 tonnes and additional Inferred Resources of 591,300 ounces grading 2.61g/t from 7,046,000 tonnes, Cameron ticks all the right boxes for us in terms of being a robust resource in a safe jurisdiction, potentially amenable to a lower-cost open pit mining operation.

With an acquisition price of approximately \$6.4 million, or just \$6 per total resource ounce, and low holding costs, this was a sensible and realistic purchase with potential to generate significant value through providing good leverage in a higher gold price environment and/or by exploration success.

The purchase price was satisfied by shares which were in turn, distributed to the shareholders of the vendor, Coventry Resources.

As I noted in the 2014 Annual Report, the Cameron Project has given Chalice a natural focal point in Canada, where we are currently working to consolidate our position in and around Cameron as well as targeting additional high-potential opportunities in North America and elsewhere.

In this regard, we are continuing to follow up attractive exploration targets within Chalice's ground at Cameron and regional joint ventures. Since acquiring the project, we have increased our total ground position in the Cameron region by 38% from 174km<sup>2</sup> to 239km<sup>2</sup> and we are continuing efforts to grow our resource inventory to a level that would justify the development of a long-term gold business in this region.

Shareholders will be aware that our objective is to acquire additional advanced assets which would complement the Cameron Project and provide the ingredients to build a successful mining company.

In saying this, it should be noted we have adopted a disciplined approach to acquisitions and will not do something simply for "the sake of doing it".

Our principal focus in the acquisition area is on brownfields and advanced assets that are either close to production or already in production but require additional capital to realise their potential. We also look at projects that, while at an earlier stage, are located within attractive geological settings and offer high-potential returns from exploration for minimal upfront outlay.

I would say that, over the last 18 months Chalice has assessed, in varying degree, over 300 opportunities and has only put its stake in the ground so far at one, the Cameron Project.

One of our key challenges has not been the number of opportunities available or the price of the assets, but the scarcity of projects and assets capable of generating an attractive return for investors based on our internal assumptions and hurdles.

We will continue our efforts in this regard, and in doing so, maintain the vigorous discipline that we have applied in the past. We have also entered into a number of low-cost exploration ventures, and will continue to consider more of these opportunities in the future as they present themselves.

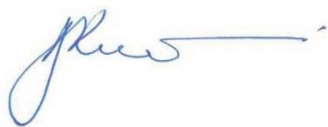
Earlier in the year, Chalice withdrew from its exploration joint venture in Eritrea to focus on the Cameron Project and on securing other opportunities.

In conclusion, I would like to thank Bill Bent and Doug Jones, both of whom stepped down from the Board subsequent to the end of the financial year. Both gentlemen made significant and lasting contributions to the Company and we wish them both well for the future.

In addition to these changes, Tim Goyder moved from the role of Executive Chairman to Managing Director to drive the Company's growth strategy and we were pleased to secure the services of Gary Snow, a very experienced and well-credentialed mining executive, as Chief Operating Officer.

Last but not least, I wish to assure shareholders that we are managing the Company's funds in a prudent manner to preserve our privileged capital position, whilst ensuring that we can act quickly on the right opportunity.

Thank you



Anthony Kiernan  
Chairman

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## **Qualifying and Competent Persons Statement**

### **Information on the Cameron Gold Camp Project**

The information relating to the Mineral Resource estimates reported herein for the Cameron Gold Camp Project is derived from the sections of the Technical Report dated 28 July 2014 prepared for Chalice Gold Mines Limited by Mr. Peter Ball of Datageo Geological Consultants who is a Chartered Professional and Member of the Australasian Institute of Mining and Metallurgy. Mr Peter Ball is a consultant to the Company and is an independent Qualified Person as that term is defined in National Instrument 43-101. Mr. Ball has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity being undertaken to qualify as a Competent Person as defined in the 2012 edition of the Australasian Code for Reporting of Exploration Results, Minerals Resources and Ore Reserves, and is a Qualified Person under National Instrument 43-101 – ‘Standards of Disclosure for Mineral Projects’.

The information that is included in this release in relation to Mineral Resource estimates reported herein for the Cameron Gold Camp Project is extracted from the ASX/TSX Announcement entitled “Chalice Files Updated 43-101 Technical Report” dated 28 July, 2014 and is available to view on [www.chalicegold.com](http://www.chalicegold.com) and [www.sedar.com](http://www.sedar.com). The company confirms that it is not aware of any new information or data that materially affects the information included in the original market announcement and that all material assumptions and technical parameters underpinning the estimates in the relevant market announcement continue to apply and have not materially changed. The company confirms that the form and context in which the Competent Person’s findings are presented have not been materially modified from the original market announcement.

### **Forward-Looking Statements**

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 Chalice does not intend, and does not assume any obligation, to update these forward-looking statements, except as required by law or regulation.

Forward-looking statements relate to future events or future performance and reflect management's expectations or beliefs regarding future events and 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, 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 Chalice to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements. Such factors 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; progressing the Cameron Gold Project, the ultimate economics of any future project, future permitting, future funding of the Cameron Gold Project and other projects, possible variations in ore reserves, grade or recovery rates; accidents, labour disputes and other risks of the mining industry, as well as those factors detailed from time to time in Chalice's interim and annual financial statements, all of which are filed and available for review on SEDAR at [sedar.com](http://sedar.com). Although Chalice 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.