

Chalice secures second Gold Project in Canada's world-class Abitibi region

Option agreement sees Chalice consolidate 16km of strike along the highly prospective Larder Lake-Cadillac fault in Quebec, a trend that hosts several multi-million ounce gold deposits

Highlights:

- Chalice Gold Limited (ASX: CHN; TSX: CXN) has entered into a binding option and farm-in term sheet with Richmond Mines Inc. (TSX: RIC; NYSE: RIC) to acquire a 70% interest in the Chimo Gold Project ("Project"), located in the highly endowed Abitibi region of Quebec, Canada.
- Chalice may acquire the interest through total option payments of C\$200,000 and incurring exploration expenditures of C\$3.1M over four years.
- Chalice shall grant a 1% Net Smelter Royalty to Richmond on claims with no existing royalty.
- The Project is located adjacent the Nordeau Gold Project, which Chalice also secured recently under an option agreement, allowing it to consolidate a contiguous ~16km strike length along the Larder Lake-Cadillac fault.
- The Project is adjacent to the former producing Chimo gold mine and lies at the eastern end of the prolific Archaean Abitibi greenstone belt, ~35km east of the >20Moz Val d'Or gold camp.

Chalice Gold Mines Limited (ASX: CHN, TSX: CXN) ("Chalice" or the "Company") is pleased to announce that it has taken a further step towards consolidating a significant ground position in the Abitibi gold province in Quebec, Canada after entering into a binding option and farm-in term sheet to acquire a 70% interest in the **Chimo Gold Project** from Richmond Mines Inc. ("Richmont").

Chalice can earn a 70% interest in the Project by making total option payments of C\$200,000 to Richmont and funding exploration expenditures of C\$3.1 million over a period of four years (Table 1). Upon meeting these requirements and exercising the option, Chalice shall then grant a 1% Net Smelter Royalty ("NSR") to Richmont on claims with no pre-existing royalties. Chalice has the right to withdraw without earning an interest in the Project at any time.

Upon completing all obligations under the term sheet and forming a joint venture, the agreement is subject to usual joint venture dilution terms including reverting to a 1.5% NSR (0.5% NSR on certain claims with pre-existing royalties), with a right to buy back 0.5% of the royalty for C\$1.0M, upon either party diluting its Project interest to less than 10%.

The term sheet remains subject to satisfactory due diligence, primarily in relation to matters of tenure.

Table 1. Chimo Gold Project option and farm-in commitments

Timing	Option Payments	Expenditure Commitment
Upon completion of due diligence	C\$25,000	-
12 months	C\$50,000	C\$700,000
24 months	C\$50,000	C\$700,000
36 months	C\$65,000	C\$700,000
48 Months	-	C\$1,000,000
At completion	C\$10,000	-
Total	C\$200,000	C\$3,100,000

The Chimo Gold Project, together with the Company's recently secured Nordeau Gold Project and adjacent claims owned 100% by Chalice, gives Chalice a significant contiguous land position along the Larder Lake-Cadillac fault, and a strategic foothold in the most prolific gold endowment trend in Canada.

The Abitibi region of Canada is a premier gold district hosting multi-million ounce gold deposits that are preferentially sited on well-defined structural breaks, of which the Larder Lake-Cadillac fault hosts approximately 100Moz of gold in past production and current mineral resources (Figure 1).

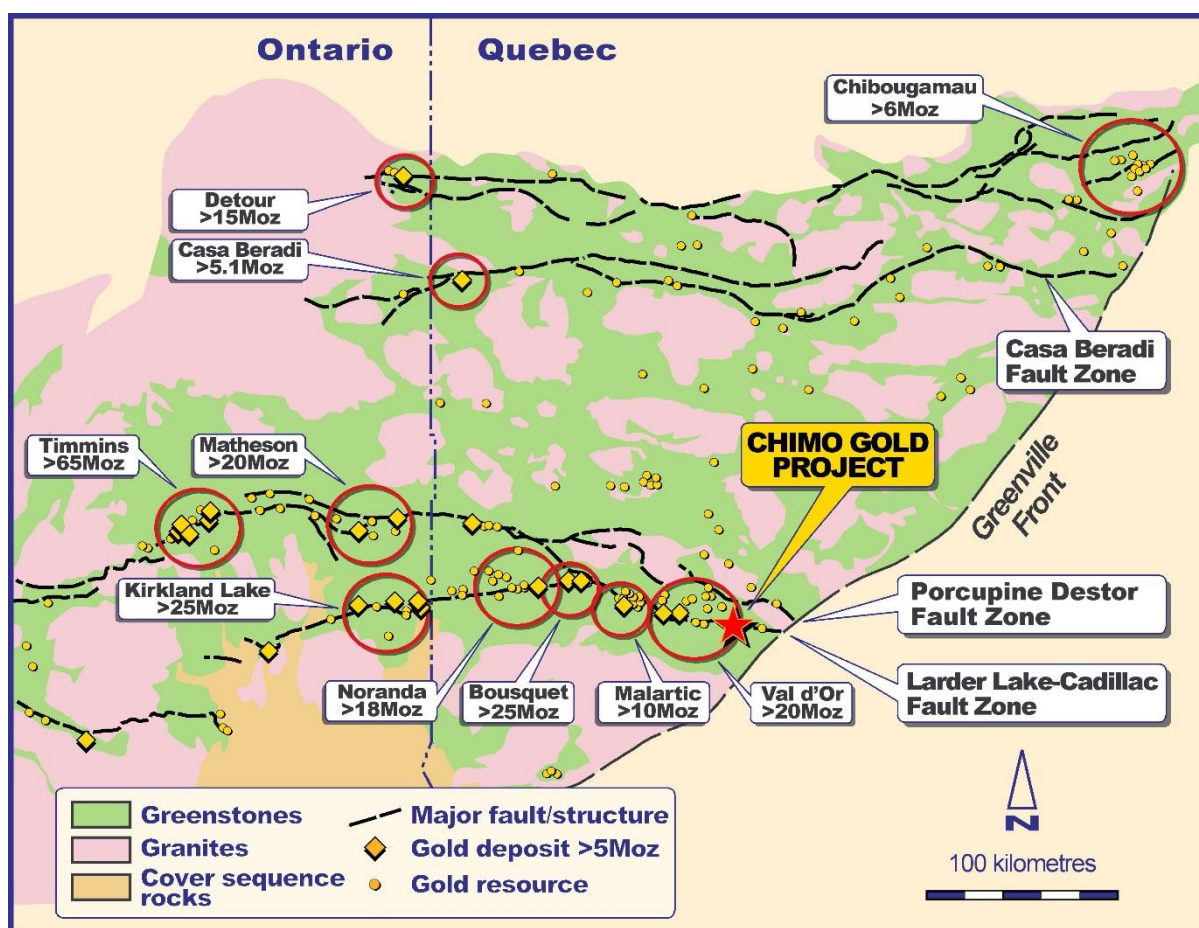


Figure 1. Location map of Chimo Gold Project in the Abitibi sub-Province of Canada.

The Chimo Gold Project

The Chimo Gold Project is located 35km east of Val d'Or and comprises approximately 2,593Ha of claims in two main blocks along strike to the east and west of the former Chimo gold mine (Figure 2).

Historical exploration in the area in the 1940s led to the discovery of the Chimo mine, as well as the Nordeau West and Nordeau East deposits (located on the Company's Nordeau Gold project) to the east of the Chimo Gold Project.

Louvem Mines Inc. ("Louvem") acquired the Chimo claims and completed additional work in the late 1970s and 1980s, resulting in the identification of several gold targets throughout the property. Richmond acquired all of the issued and outstanding shares of Louvem not owned by Richmond Mines in 2010 and completed one surface sampling program in 2013 with recommendations for follow-up drill testing of up to eight separate targets.

Exploration work undertaken to date has highlighted targets to the west of the historical Chimo mine including the Simon West target, which is in a similar geological setting as the historical Chimo Mine and the Nordeau West deposits to the east.

No modern surface geochemistry, geological mapping or structural analysis has been completed in the district for decades. The Company will commence a review of historical exploration results and merge the data with the Company's Nordeau Gold Project to allow an integrated approach to exploration targeting over the Company's consolidated land position.

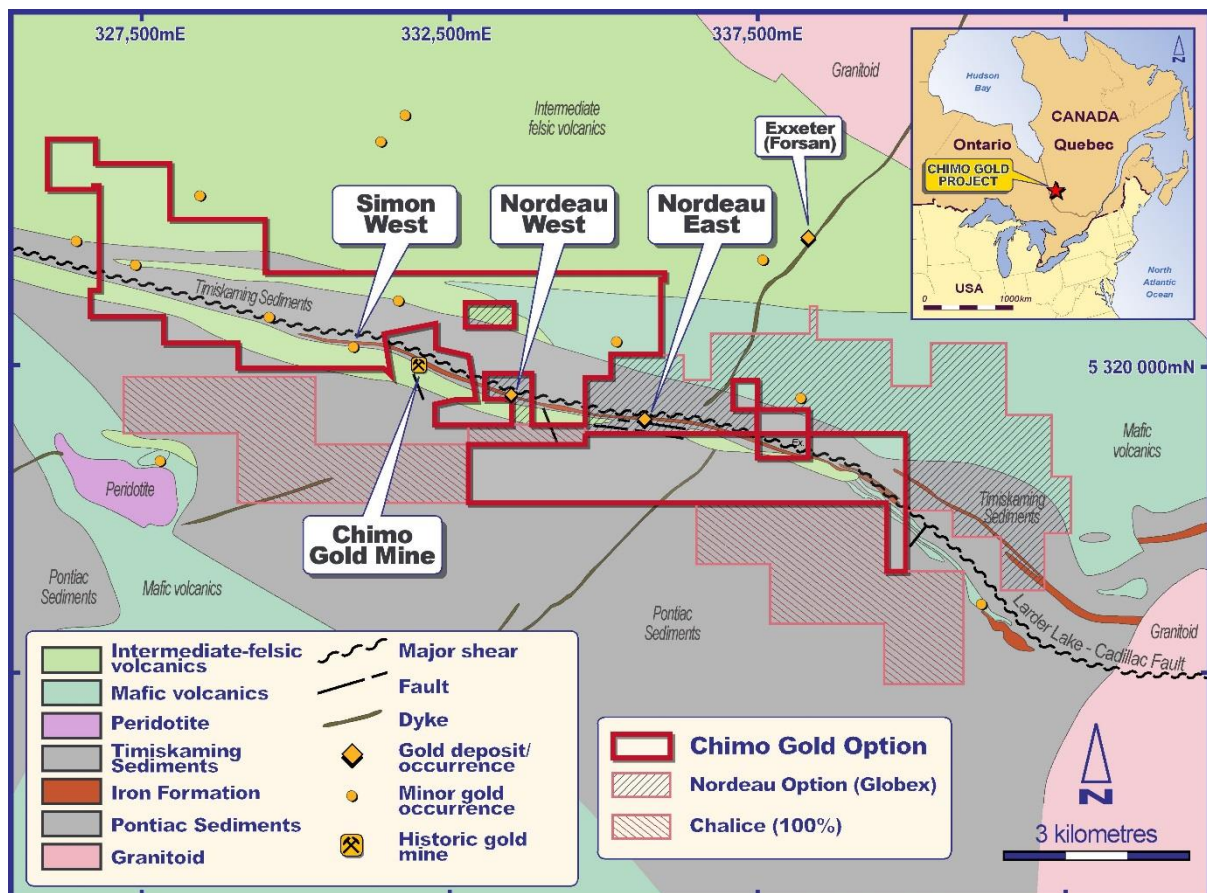


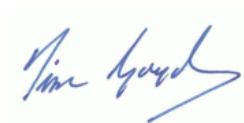
Figure 2. Local geology and tenure of the Chimo Gold Project. Existing tenure shown for the Nordeau Gold project and other claims held 100% by Chalice.

Chalice's Managing Director Tim Goyder said the agreement with Richmond gave the Company a rare opportunity to consolidate a significant contiguous land-holding in a world-class gold district.

"The Abitibi is one of the world's most prolific and well known gold provinces, host to numerous world-class deposits," he said. "Chalice has now been able to assemble what amounts to a significant strategic position covering a contiguous 16km strike length of the major regional fault system that controls a majority of the known gold mineralization in this region."

"By consolidating the Chimo and Nordeau projects, for the first time in decades, we will be able to apply a coordinated and systematic approach to exploration, bringing the latest techniques and methodologies to what is an under-explored area of the Larder Lake-Cadillac Fault."

"We look forward to commencing an immediate review of the project in anticipation of defining targets for drill testing as soon as possible."



TIM GOYDER
Managing Director
Chalice Gold Mines Limited

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Competent Persons and Qualifying Persons Statement


The information in this report that relates to Exploration Results in relation to the Chimo Gold project is based on information compiled by Dr. Kevin Frost BSc (Hons), PhD, who is a Member of the Australian Institute of Geoscientists. Dr. Frost is a full-time employee of the company and has sufficient experience in the field of activity being reported 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 Qualified Person has verified the data disclosed in this release, including sampling, analytical and test data underlying the information contained in this release. Dr. Frost consents to the release of information in the form and context in which it appears here.

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 Gold Mines Limited (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 include, but are not limited to, the estimation of mineral reserve and mineral resources, the realisation 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 mineral resources or 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, all of which are filed and available for review on SEDAR 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.

Appendix 1 Chimo Gold Project – JORC Table 1.

Section 1: Sampling Techniques and Data

Criteria	Explanation	Commentary
Sampling techniques	<i>Nature and quality of sampling (e.g. cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc). These examples should not be taken as limiting the broad meaning of sampling.</i>	Not applicable
	<i>Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used</i>	Not applicable
	<i>Aspects of the determination of mineralisation that are Material to the Public Report. In cases where 'industry standard' work has been done this would be relatively simple (e.g. 'reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30 g charge for fire assay'). In other cases more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (e.g. submarine nodules) may warrant disclosure of detailed information</i>	Not applicable
Drilling techniques	<i>Drill type (e.g. core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc) and details (e.g. core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc).</i>	No drilling reported
Drill sample recovery	<i>Method of recording and assessing core and chip sample recoveries and results assessed</i>	Not applicable
	<i>Measures taken to maximise sample recovery and ensure representative nature of the samples</i>	Not applicable
	<i>Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material.</i>	Not applicable
Logging	<i>Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies.</i>	Not applicable
	<i>Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography.</i>	Not applicable
	<i>The total length and percentage of the relevant intersections logged</i>	Not applicable
Sub-sampling techniques and sample preparation	<i>If core, whether cut or sawn and whether quarter, half or all core taken.</i>	Not applicable
	<i>If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or</i>	Not applicable

Criteria	Explanation	Commentary
	<i>dry.</i>	
	<i>For all sample types, the nature, quality and appropriateness of the sample preparation technique.</i>	Not applicable
	<i>Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.</i>	Not applicable
	<i>Measures taken to ensure that the sampling is representative of the in situ material collected, including for instance results for field duplicate/second-half sampling.</i>	Not applicable
	<i>Whether sample sizes are appropriate to the grain size of the material being sampled.</i>	Not applicable
Quality of assay data and laboratory tests	<i>The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.</i>	No drilling reported
	<i>For geophysical tools, spectrometers, handheld XRF instruments, etc, the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc.</i>	Not applicable
	<i>Nature of quality control procedures adopted (e.g. standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (i.e. lack of bias) and precision have been established.</i>	Not applicable
Verification of sampling and assaying	<i>The verification of significant intersections by either independent or alternative company personnel.</i>	Not applicable
	Not applicable	Not applicable
	Not applicable	Not applicable
	<i>Discuss any adjustment to assay data.</i>	Not applicable
Location of data points	<i>Accuracy and quality of surveys used to locate drillholes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation.</i>	Not applicable
	<i>Specification of the grid system used.</i>	Not applicable
	<i>Quality and adequacy of topographic control.</i>	Not applicable
Data spacing and distribution	<i>Data spacing for reporting of Exploration Results.</i>	Not applicable
	<i>Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied.</i>	Not applicable
	<i>Whether sample compositing has been applied.</i>	Not applicable
Orientation of data in relation to geological structure	<i>Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.</i>	Not applicable
	<i>If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have</i>	Not applicable

Criteria	Explanation	Commentary
	<i>introduced a sampling bias, this should be assessed and reported if material.</i>	
Sample security	<i>The measures taken to ensure sample security.</i>	Not applicable
Audits or reviews	<i>The results of any audits or reviews of sampling techniques and data.</i>	Not applicable

Section 2: Reporting of Exploration Results

Criteria	Explanation	Commentary
Mineral tenement and land tenure status	<p>Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings.</p>	<p>Current Ownership: The Chimo Gold Project is located about 35km east of Val-d'Or, Quebec, Canada and comprises claims owned 100% by Richmond Mines Inc. and other claims owned 100% by Chalice Gold Mines (Quebec) Inc. Chalice Gold Mines (Quebec) Inc. has entered into a binding option and farm-in term sheet to acquire a 70% interest in Richmond's Chimo Gold Project through total option payments of C\$200,000 and incurring exploration expenditures of C\$3,100,000 over 4 years. Chalice shall grant a 1% net smelter royalty to Richmond upon exercising the option.</p> <p>The Chimo Gold Project comprises a total 73 claims for 2,593.43 Ha owned 100% by Richmond Mines Inc. which include title Nos.2385084, 2438140-2438211.</p> <p>Claims owned 100% by Chalice Gold Mines (Quebec) Inc. comprise a total of 25 claims for 1,325.4Ha and include title nos. 2461488-2461495, 2468029-2468043, 2448456 and 2449285.</p> <p>A 2% net smelter royalty is held by third parties (Chimo Gold Mines, Paul Boyd and Patsy Currie Mills) on 784Ha of claims held by Richmond Mines Inc..</p>
	The security of the tenure held at the time of reporting along with any known impediments to obtaining a licence to operate in the area.	All granted tenements are in good standing and there are no known impediments to operating in the area.
Exploration done by other parties	Acknowledgment and appraisal of exploration by other parties.	<p>Exploration commenced in the 1940's and numerous companies have carried out prospecting, geological mapping, trenching and outcrop sampling and ground geophysical surveys.</p> <p>Previous exploration results have not been verified and the Company is in the process of compiling all previous exploration data.</p>
Geology	Deposit type, geological setting and style of mineralisation.	<p>Gold deposits in the Abitibi sub Province are greenstone-hosted gold deposits and they can generally be considered to be a part of the orogenic family of gold deposits.</p> <p>The Chimo Gold Project contains a sequence of volcano-sedimentary rocks that is known as the Trivio structural domain, a kilometres-wide deformation corridor interpreted as the eastern extension of the Larder lake – Cadillac tectonic zone.</p> <p>Gold mineralisation in the Abitibi sub Province is typically hosted in quartz-carbonate veins and surrounding alteration zones developed along major fault zones that are traced for many 10's km across the Archaean granite-greenstone terrane. The Larder lake- Cadillac fault zone is a typical crustal-scale fault zone which host many multi-million ounce gold deposits for a total inventory of approximately 100Moz Au. Gold mineralization is hosted in a wide variety of greenstone belt rock-types including Banded Iron Formation, mafic volcanics, mafic intrusives, fine to coarse-grained sedimentary sequences and granitoids. Gold mineralization is specially associated with lithological contacts between the major rock sequences.</p>
Drill hole Information	<p>A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill holes:</p> <ul style="list-style-type: none"> • easting and northing of the drill hole collar • elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar • dip and azimuth of the hole • down hole length and interception depth • hole length. 	Not applicable

Criteria	Explanation	Commentary
Data aggregation methods	In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (e.g. cutting of high grades) and cut-off grades are usually Material and should be stated.	No Exploration Results reported
	Where aggregate intercepts incorporate short lengths of high grade results and longer lengths of low grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail.	Not applicable
	The assumptions used for any reporting of metal equivalent values should be clearly stated.	Not applicable
Relationship between mineralisation widths and intercept lengths	These relationships are particularly important in the reporting of Exploration Results. If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported. If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (e.g. 'down hole length, true width not known').	Not Applicable
Diagrams	Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported These should include, but not be limited to a plan view of drill hole collar locations and appropriate sectional views.	Not applicable
Balanced reporting	Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results.	Not applicable
Other substantive exploration data	Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples – size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances.	The Company has not verified previous exploration data.
Further work	The nature and scale of planned further work (e.g. tests for lateral extensions or depth extensions or large-scale step-out drilling). Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive	Future work programs are to be considered following the review and compilation of all historic exploration data. Figures 1 and 2.