

DECEMBER 2016 QUARTERLY ACTIVITIES REPORT

Active exploration campaign ahead for Chalice with four projects to be drilled in next 6 months following new farm-in deal in Canada and receipt of key drilling approvals in December Quarter

Highlights:

- Binding option and farm-in term sheet executed with Richmond Mines Inc. (TSX: RIC; NYSE: RIC) to acquire a 70% interest in the Chimo Gold Project, located in the highly endowed Abitibi region of Quebec, Canada, a premier gold district hosting several multi-million ounce deposits.
- The Chimo Gold Project is located adjacent to the Nordeau Gold Project (together now named the East Cadillac 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, ~35km east of the >20Moz Val d'Or gold camp.
- Recent drilling by TSX-V-listed gold explorer Cartier Resources close to the boundary of the East Cadillac Gold Project has returned impressive intercepts.
- Approvals received for drilling at Warrego North Project in the Northern Territory with drilling to commence as soon as possible (weather permitting) targeting high-grade copper-gold Tennant-Creek-style mineralisation.
- Planning and approvals continue in preparation for an active drilling campaign at four projects in Canada, the Northern Territory and WA within the next 6 months.
- During the Quarter Chalice sold 14.1 million shares in First Mining Finance for gross revenue of A\$11.5 million.
- Chalice remains well-funded with cash of A\$40.4 million and 18.2 million shares held in First Mining Finance Corp (TSX-V: FF).
- Chalice continues to target additional high-potential opportunities globally.

Overview:

Chalice Gold Mines Limited (ASX: CHN; TSX: CXN – “Chalice” or “the Company”) is pleased to report on an active period in the December 2016 Quarter which saw the Company execute a further exploration joint venture resulting in the consolidation of a significant ground position along the highly endowed Larder Lake-Cadillac fault in the Abitibi gold province in Quebec, Canada.

Planning for upcoming drilling programs also continued during the quarter in parallel with the process of obtaining drilling approvals in preparation for an active period of exploration set to commence during the March and June Quarters at four of the Company's projects – East Cadillac (Quebec), Warrego North (NT), Latitude Hill (WA) and West Pilbara (WA) projects.

1. East Cadillac Gold Project (formerly Chimo Gold Project) Farm-in Agreement

During the Quarter, Chalice took a further important step towards consolidating a significant ground position in the highly prospective 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”). The Project, together with the Company's

recently secured Nordeau Gold Project and adjacent claims owned 100% by Chalice is now named the “East Cadillac Gold Project”.

Chalice can earn a 70% interest in the project by making total option payments of C\$200,000 to Richmond 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 Richmond 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\$1.0 million, upon either party diluting its Project interest to less than 10%.

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 project 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).

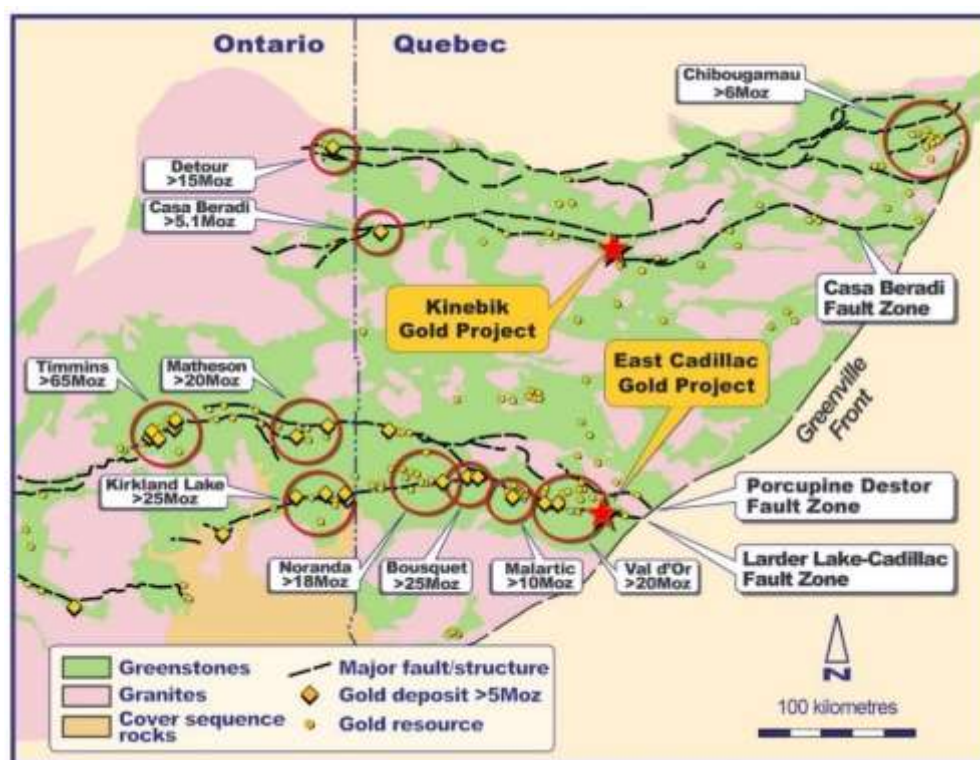


Figure 1. Location map of Chimo Gold Project in the Abitibi Sub-Province of Canada.

The East Cadillac Gold Project is located ~35km east of Val d’Or and comprises approximately 6,725Ha 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

1940's led to the discovery of the Chimo gold deposit, which was subsequently developed in the 1960's and has produced ~ 380,000oz of gold over three phases of mining activity – the latest being 1989-1997.

The historical Chimo gold mine is currently held by Cartier Resources Inc. (TSX-V: ECR) which announced on 18th January 2017 the results of recent exploration drilling which tested exploration targets including a strike extension east of the historical mining areas. Cartier Resources reported drill results which included 15.0m @ 3.2g/t Au (includes 4.0m @ 9.9g/t Au), 9.0m @ 1.5 g/t Au and 1.0m @ 8.6 g/t Au..

The easternmost drill hole is located close to the boundary of the claims comprising the Company's East Cadillac Gold project and demonstrates the broader potential to locate prospective gold trends with the Company's tenements.

The Company's East Cadillac Gold project hosts the Nordeau West and Nordeau east Au deposits as well as numerous gold prospects along the interpreted trend of the Larder Lake Cadillac fault. 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 Globex and Richmond databases to allow an integrated approach to exploration targeting over the Company's consolidated land position.

An extended fall field season in late 2016 allowed for the completion of reconnaissance surface and core sampling on part of the Project. Historical reports and digital data were obtained from the two property vendors and from online government digital records. An updated 43-101 report was initiated in late 2016 and will be completed in the March Quarter. All historical and new field data is being merged into a single database with 3D modelling to follow in early 2017.

Proposed follow-up work will include high quality helicopter aeromagnetic and VLM-EM surveys and reconnaissance diamond drilling towards the end of the March Quarter, to be followed by further comprehensive surface mapping, sampling, stripping and additional diamond drilling later in the year.

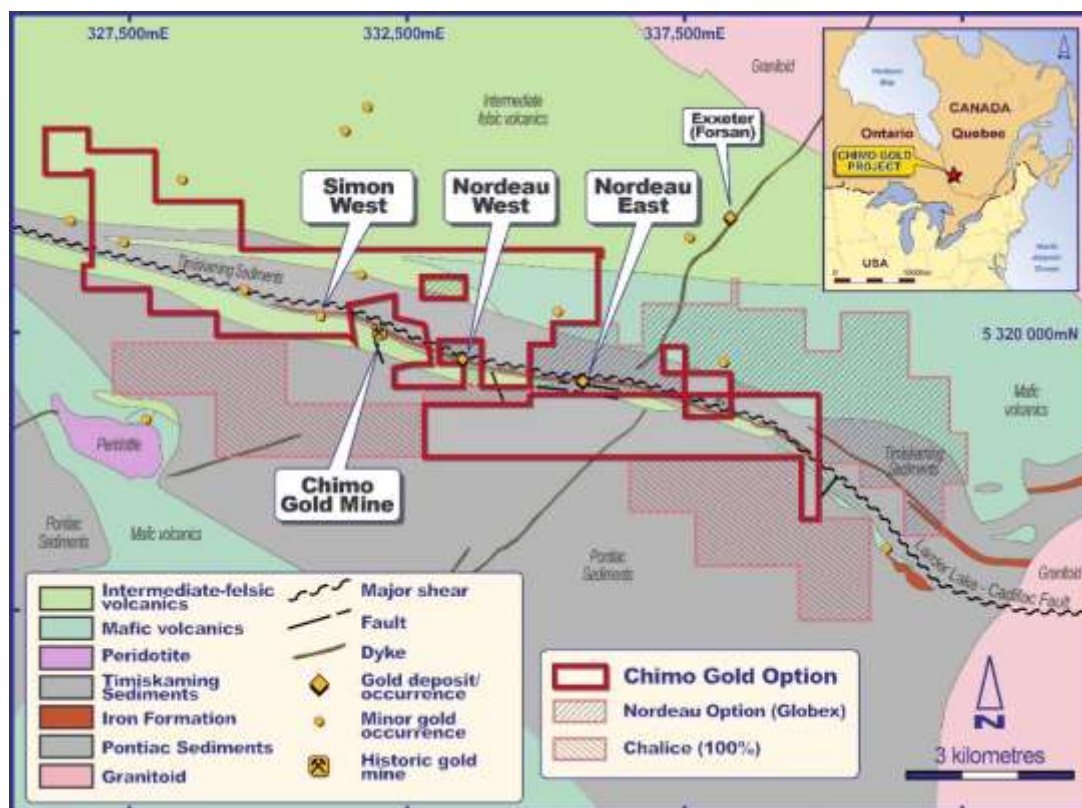


Figure 2. Local geology and tenure of the consolidated East Cadillac Gold Project.

2. Kinebik Gold Project, Quebec (Chalice 100%)

Data integration began during the Quarter, incorporating soil, rock and spectral data collected in the northern summer field season 2016 and combining it with historical data. Preliminary interpretations from the property-wide soil sampling program has identified a pathfinder element gradient that includes a proximal, oxidized signature with anomalous Mo, Bi, a distal, reduced signature containing anomalous Sb, As & W, and areas with anomalous Au adjacent to the Casa Berardi fault. Additional data integration and interpretation is in progress.

Proposed follow-up work will include high quality geophysical surveys, in-fill surface sampling and reconnaissance drilling of existing anomalies during 2017.

3. Warrego North Joint Venture, NT (Chalice earning up to 70%)

The Warrego North Project is a farm-in and joint venture with Meteoric Resources Limited (ASX: MEI) in the Tennant Creek Mineral Field in the Northern Territory of Australia.

During the Quarter, Chalice obtained all necessary approvals for proposed drilling activities at the Warrego North Project late in the quarter and drilling is now anticipated to commence as soon as possible at the end of the northern Australian wet season (March Quarter), weather permitting.

Chalice plans to undertake an initial 2-hole (800m) Reverse Circulation/diamond drilling program to test the Parakeet targets at depth (~300m depth) as shown in Figure 3. Drilling is targeted to test magnetic and gravity inversion models where these are interpreted to intersect with the apparent trend of mineralisation as defined from previous intersections of low-grade copper, bismuth and/or gold.

The target for the proposed drill holes is high-grade copper-gold-bismuth of the Tennant Creek-style ironstone-hosted deposits. However, it has been demonstrated from recent gold discoveries in the Tennant Creek Mineral Field that hematite ironstones are also important host rock (e.g. Edna Beryl, Emmerson Resources) and these deposits have a weak to non-magnetic expression.

The Company will evaluate the potential for hematite ironstones within the broader project area.

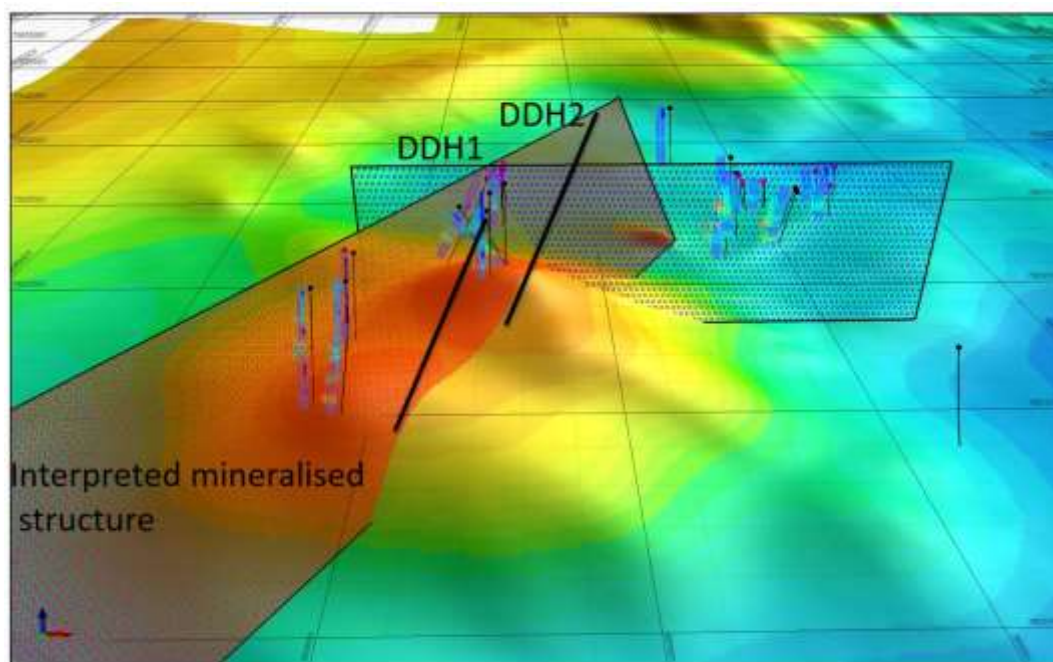


Figure 3. Parakeet target showing previous and proposed drilling and interpreted mineralised structure on a TMI image.

4. Latitude Hill Project, WA (Chalice earning up to 70%)

The Latitude Hill Project is a farm-in and joint venture with Traka Resources Limited (ASX: TKL) ("Traka") in the west Musgrave province of Western Australia.

Chalice is pleased to report that a successful site meeting was held with representatives of the Ngaanyatjarra Council on 14th November 2016 and all parties agreed to terms for the grant of tenements for the Latitude Hill Project. The land access agreement is expected to be progressed during the March Quarter.

Chalice has been successful in obtaining two Co-Funded Exploration Drilling awards to the total value of \$300,000 issued under the State Government Exploration Incentive Scheme for 2017, and these funds will be used for drill testing high priority EM conductors identified on the Latitude Hill project.

The Company is targeting high-grade orthomagmatic nickel-copper-PGE sulphide deposits in the highly prospective Giles Complex mafic to ultramafic intrusives in the west Musgrave Province (Figure 4). A 2012 Spectrem EM airborne survey has identified seven priority targets modelled as bedrock conductors at depths of between 50-160m below surface and the Company plans to follow up these promising targets with ground EM and shallow geochemical sampling to define targets for drill testing (Figure 5).

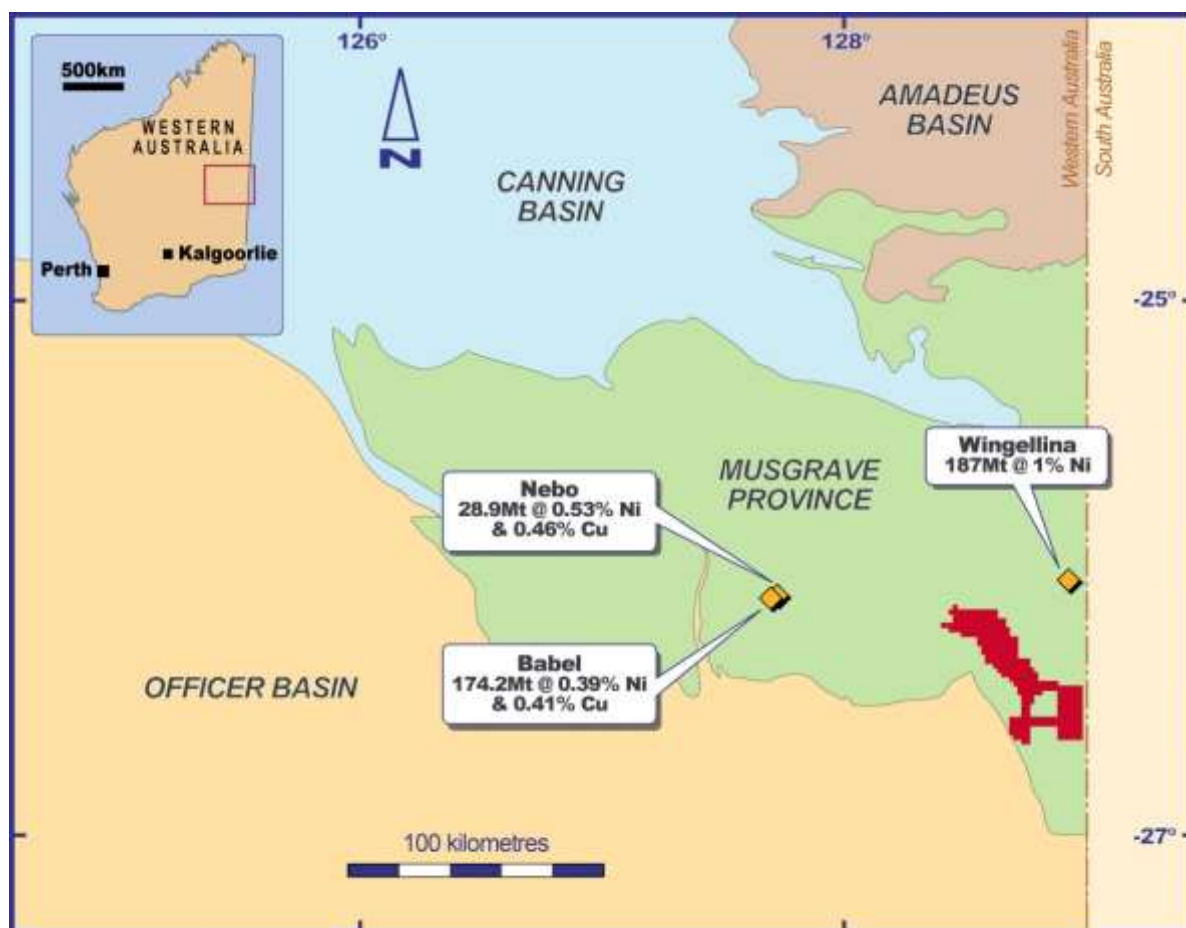


Figure 4. Location of the latitude Hill Project.

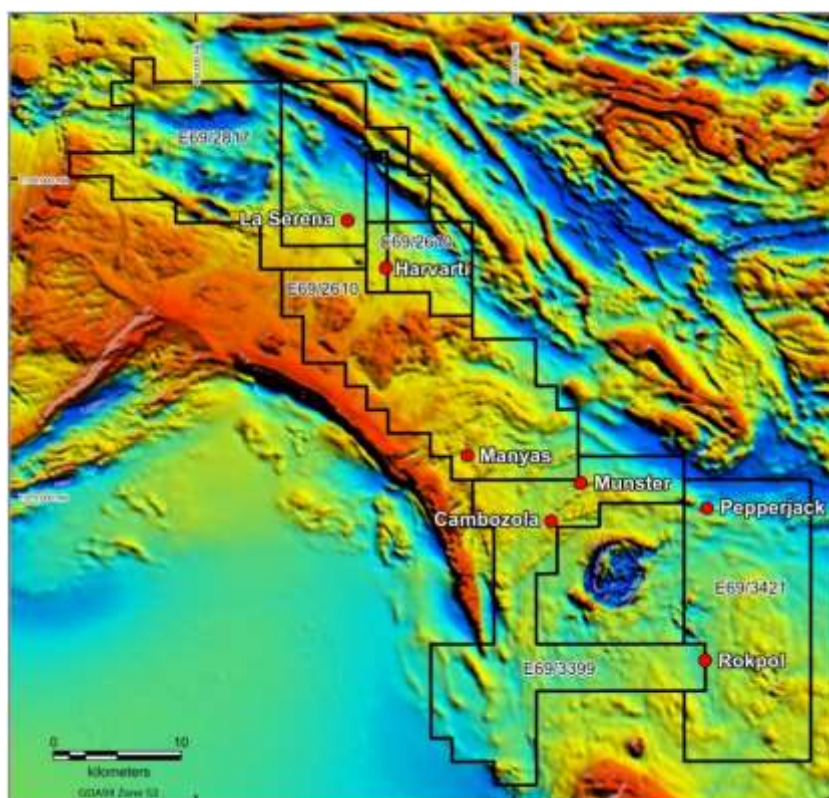


Figure 5. Aeromagnetic image showing location of the latitude Hill project tenements and priority EM conductors.

5. West Pilbara Gold Project (Chalice earning up to 70%)

The West Pilbara Gold Project is a farm-in and joint venture with Red Hill Iron Limited (ASX: RHI) ("Red Hill") located in the highly prospective Ashburton Mineral Field in the Western Australia Pilbara region.

During the Quarter, a reconnaissance program of geological mapping and rock chip sampling was completed at Urandy, Kens Bore and Dereks Bore prospects and sampling results have confirmed localized gold in quartz veining and broader areas of low-level surface gold anomalism associated with major regional NNW and ENE trending structures.

A total of 61 selective and reconnaissance rock chip samples were collected and analysed by SGS from the three prospects, and the Company is currently reviewing the results of the recent field sampling, geological mapping and historic soil sampling programs.

6. Western Australia – Yilgarn Gold Projects (Chalice 100%)

During the Quarter, a total of five new Prospecting Licences (PL) and one Exploration Licence (EL) were granted by the DMP over the Company's Yilgarn Gold projects in Western Australia.

Chalice has undertaken an extensive compilation of previous exploration data for all tenements under grant or application for the Dumbleyung and Southern Cross gold projects and will commence a field program in early February 2017 to follow-up on historical rock-chip samples and anomalous regional gold-in-soil exploration results.

The Company plans to field check areas showing elevated gold and undertake additional sampling (rock-chip, soil) where necessary to validate other targets as identified by historical soil sampling programs at both projects.

7. TSX Listing Review

During the Quarter, the Toronto Stock Exchange ("TSX") advised that it had completed its review of the Company's listing on the TSX following the sale of the Cameron Gold Project and has determined that the Company meets the applicable requirements for a continued listing.

8. Share buy-back

During the Quarter, Chalice continued to buy back shares pursuant to a discretionary on-market share buy-back of up to 28,271,080 ordinary shares as part of a capital management plan. To date, Chalice has purchased 15,439,638 shares at an average price of 18.14 cents.

9. Nyanzaga Project, Tanzania – Entitlement to payment upon Commercial Mining

Following Chalice's merger with Sub-Sahara Resources NL in 2009, Chalice became entitled to a payment of A\$5 million upon commercial production at the Nyanzaga Project in Tanzania. Orecorp Limited (ASX: ORR), which is currently earning a 51% interest in Nyanzaga, have recently completed a positive Scoping Study. Chalice sees this as a positive step towards the development of the Nyanzaga Project and increases the potential for this payment to be made.

10. GeoCrystal Limited

The Company holds 9.68 million shares (~23%) in unlisted diamond explorer GeoCrystal Limited.

11. Tenement schedules

In accordance with ASX Listing Rule 5.3, please refer to Appendix 1 for listing of tenements.

12. Discussion on Quarterly Cash flow

Chalice's cash was A\$40.4 million at 31 December 2016 using a month end USD: AUD exchange rate of 0.72. In addition, Chalice held 18.2 million shares in First Mining Finance Corp (TSX-V: FF) at 31 December 2016. During the Quarter, the Company reduced its exposure to its holding in First Mining Finance Corp (TSXV: FF) through the sale of 14.1 million shares for gross revenue of approximately A\$11.5 million.

During the Quarter, the Company spent A\$0.7 million (YTD: A\$1.2 million) on exploration and evaluation activities, A\$0.4 million (YTD: \$0.8 million) on administration and corporate and staff costs, A\$0.2 million (YTD: A\$0.8 million) on business development activities and A\$0.2 million (YTD: A\$2.6 million) under the on-market share buy-back facility. Total cash inflows from the sale of First Mining Shares during the quarter totaled \$9.7 million (YTD: \$9.7 million).

The impact of foreign exchange rates on the Company's USD cash balances was an exchange gain of A\$0.7 million for the quarter (YTD: exchange gain – A\$0.2 million).

Further details are available in the attached Appendix 5B.



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30 January 2017

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Competent Persons and Qualifying Persons Statement

The information in this report that relates to the Latitude Hill Project is extracted from the announcement entitled “Chalice secures farm-in agreement on west Musgrave Nickel-Copper-PGE Project, WA” dated 22 September 2016.

The information in this report that relates to the East Cadillac Gold Project (formerly the Chimo Gold Project) is extracted from the announcement entitled “Chalice secures second Gold Project in Canada’s world-class Abitibi region” dated 23 November 2016.

The above announcements are available to view on the Company’s website at www.chalicegold.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 announcements and that all material assumptions in the market announcement continue to apply and have not materially changed. The Company confirms that the form and context in which the Competent Person’s and Qualifying Persons 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 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 results of business development activities which may result in a corporate transaction or investment, the actual number of shares and price which may be purchased pursuant to the share buy-back, the future share price performance of First Mining Finance Corp, 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 – Tenement schedules

The following information is provided in accordance with ASX Listing Rule 5.3 for the quarter ended 31 December 2016:

1. Listing of tenements held:

Location	Project	Tenement No.	Registered Holder	Nature of interest
Western Australia		E37/1250	CGM (WA) Pty Ltd	100%
		E39/1914	CGM (WA) Pty Ltd	100%
		E77/2353	CGM (WA) Pty Ltd	100%
		E77/2354	CGM (WA) Pty Ltd	100%
		P39/5600	CGM (WA) Pty Ltd	100%
		P39/5601	CGM (WA) Pty Ltd	100%
		E39/1976	CGM (WA) Pty Ltd	100%
		P37/8702	CGM (WA) Pty Ltd	100%
		P37/8706	CGM (WA) Pty Ltd	100%
		P37/8707	CGM (WA) Pty Ltd	100%
		P37/8710	CGM (WA) Pty Ltd	100%
		P37/8711	CGM (WA) Pty Ltd	100%
	West Pilbara	E08/1227	Red Hill Iron Limited – 40% API Management Pty Ltd – 60%	0% - farm-in agreement, right to earn up to 51% or 70% as applicable (in all minerals other than iron ore)
		E08/1283		
		E08/1289		
		E08/1293		
		E08/1294		
		E08/1295		
		E08/1430		
		E08/1473		
		E08/1516		
		E08/1537		
		E08/1141		
		E08/1693		
	Latitude Hill	ELA69/2817	Traka Resources Limited (application holder)	0% - farm-in agreement, right to earn up to 51% or 70% as applicable
		ELA69/2610		
		ELA69/2592		
		ELA69/3421		
		ELA69/3399		
Northern Territory	Warrego North	EL23764	Meteoric Resources NL	0% - farm-in agreement, right to earn up to 51% interest or 70% as applicable
Canada	Refer appendix 2.			

2. Listing of tenements acquired (directly or beneficially) during the quarter:

Location	Tenement No.	Registered Holder	Nature of interest
Western Australia	E39/1976	CGM (WA) Pty Ltd	100%
	P37/8702		
	P37/8706		
	P37/8707		
	P37/8710		
	P37/8711		
Canada	Refer appendix 3.		

3. Tenements relinquished, reduced or lapsed (directly or beneficially) during the quarter:

There were no tenements relinquished, reduced or lapsed during the quarter.

Appendix 2 - Tenements held (Canada)

[illegible]

Appendix 3 – Tenements acquired (directly or beneficially) during the quarter - Canada

Project	Claim Number	Registered Holder	Ownership interest
Kinebik	2466152	Chalice Gold Mines (Quebec) Inc.	100%
Kinebik	2466153	Chalice Gold Mines (Quebec) Inc.	100%
Kinebik	2466154	Chalice Gold Mines (Quebec) Inc.	100%
Kinebik	2466155	Chalice Gold Mines (Quebec) Inc.	100%
Kinebik	2466156	Chalice Gold Mines (Quebec) Inc.	100%
Kinebik	2466157	Chalice Gold Mines (Quebec) Inc.	100%
Kinebik	2466158	Chalice Gold Mines (Quebec) Inc.	100%
Kinebik	2466159	Chalice Gold Mines (Quebec) Inc.	100%
Kinebik	2466160	Chalice Gold Mines (Quebec) Inc.	100%
Kinebik	2466161	Chalice Gold Mines (Quebec) Inc.	100%
Kinebik	2466162	Chalice Gold Mines (Quebec) Inc.	100%
Kinebik	2466163	Chalice Gold Mines (Quebec) Inc.	100%
Kinebik	2466164	Chalice Gold Mines (Quebec) Inc.	100%
Kinebik	2466165	Chalice Gold Mines (Quebec) Inc.	100%
Kinebik	2466166	Chalice Gold Mines (Quebec) Inc.	100%
Kinebik	2466167	Chalice Gold Mines (Quebec) Inc.	100%
Kinebik	2466168	Chalice Gold Mines (Quebec) Inc.	100%
Kinebik	2466169	Chalice Gold Mines (Quebec) Inc.	100%
Kinebik	2466170	Chalice Gold Mines (Quebec) Inc.	100%
Kinebik	2466171	Chalice Gold Mines (Quebec) Inc.	100%
Kinebik	2466172	Chalice Gold Mines (Quebec) Inc.	100%
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Kinebik	2466176	Chalice Gold Mines (Quebec) Inc.	100%
Kinebik	2468010	Chalice Gold Mines (Quebec) Inc.	100%
Kinebik	2468011	Chalice Gold Mines (Quebec) Inc.	100%
Kinebik	2468012	Chalice Gold Mines (Quebec) Inc.	100%
Kinebik	2468013	Chalice Gold Mines (Quebec) Inc.	100%
Kinebik	2470442	Chalice Gold Mines (Quebec) Inc.	100%
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Kinebik	2470445	Chalice Gold Mines (Quebec) Inc.	100%
Kinebik	2470446	Chalice Gold Mines (Quebec) Inc.	100%
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Kinebik	2470459	Chalice Gold Mines (Quebec) Inc.	100%
Kinebik	2470460	Chalice Gold Mines (Quebec) Inc.	100%
East Cadillac	2461488	Chalice Gold Mines (Quebec) Inc.	100%
East Cadillac	2461489	Chalice Gold Mines (Quebec) Inc.	100%
East Cadillac	2461490	Chalice Gold Mines (Quebec) Inc.	100%
East Cadillac	2461491	Chalice Gold Mines (Quebec) Inc.	100%
East Cadillac	2461492	Chalice Gold Mines (Quebec) Inc.	100%
East Cadillac	2461493	Chalice Gold Mines (Quebec) Inc.	100%
East Cadillac	2461494	Chalice Gold Mines (Quebec) Inc.	100%
East Cadillac	2461495	Chalice Gold Mines (Quebec) Inc.	100%
East Cadillac	2468029	Chalice Gold Mines (Quebec) Inc.	100%
East Cadillac	2468030	Chalice Gold Mines (Quebec) Inc.	100%

Appendix 5B

Mining exploration entity and oil and gas exploration entity quarterly report

Introduced 01/07/96 Origin Appendix 8 Amended 01/07/97, 01/07/98, 30/09/01, 01/06/10, 17/12/10, 01/05/13, 01/09/16

Name of entity

Chalice Gold Mines Limited

ABN

47 116 648 956

Quarter ended ("current quarter")

31 December 2016

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (6 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	39	77
1.2 Payments for		
(a) exploration & evaluation	(677)	(1,175)
(b) development	-	-
(c) production	-	-
(d) staff costs	(165)	(361)
(e) administration and corporate costs	(191)	(371)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	96	132
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Research and development refunds	-	-
1.8 Other:		
- Business Development	(235)	(836)
- Costs associated with the sale of the Cameron Gold Project.	-	(175)
1.9 Net cash from / (used in) operating activities	(1,133)	(2,709)

2. Cash flows from investing activities		
2.1 Payments to acquire:		
(a) property, plant and equipment	(22)	(36)
(b) tenements (see item 10)	-	-

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (6 months) \$A'000
	(c) investments	-	-
	(d) other non-current assets	-	-
2.2	Proceeds from the disposal of:		
	(a) property, plant and equipment	3	3
	(b) tenements (see item 10)	-	25
	(c) investments	9,710	9,710
	(d) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other (provide details if material)	-	-
2.6	Net cash from / (used in) investing activities	9,691	9,702

3.	Cash flows from financing activities		
3.1	Proceeds from issues of shares	-	-
3.2	Proceeds from issue of convertible notes	-	-
3.3	Proceeds from exercise of share options	-	-
3.4	Transaction costs related to issues of shares, convertible notes or options	-	-
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	-	-
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other:		
	- On-market share buy-back	(187)	(2,552)
	- Security deposit	(20)	(20)
3.10	Net cash from / (used in) financing activities	(207)	(2,572)

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	31,238	35,734
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(1,133)	(2,709)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	9,691	9,702
4.4	Net cash from / (used in) financing activities (item 3.10 above)	(207)	(2,572)

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (6 months) \$A'000
4.5	Effect of movement in exchange rates on cash held	794	228
4.6	Cash and cash equivalents at end of period	40,383	40,383

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1	Bank balances	35,309	26,238
5.2	Call deposits	5,074	5,000
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	40,383	31,238

6. Payments to directors of the entity and their associates

- 6.1 Aggregate amount of payments to these parties included in item 1.2
- 6.2 Aggregate amount of cash flow from loans to these parties included in item 2.3
- 6.3 Include below any explanation necessary to understand the transactions included in items 6.1 and 6.2

**Current quarter
\$A'000**

170

-

Includes directors' fees and salaries (including superannuation) of \$155,000 and consulting services of Mr Kiernan (\$15,000).

7. Payments to related entities of the entity and their associates

- 7.1 Aggregate amount of payments to these parties included in item 1.2
- 7.2 Aggregate amount of cash flow from loans to these parties included in item 2.3
- 7.3 Include below any explanation necessary to understand the transactions included in items 7.1 and 7.2

**Current quarter
\$A'000**

-

-

8. Financing facilities available

Add notes as necessary for an understanding of the position

	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
8.1 Loan facilities	-	-
8.2 Credit standby arrangements	-	-
8.3 Other (please specify)	-	-
8.4 Include below a description of each facility above, including the lender, interest rate and whether it is secured or unsecured. If any additional facilities have been entered into or are proposed to be entered into after quarter end, include details of those facilities as well.		

N/A

9. Estimated cash outflows for next quarter		\$A'000			
9.1	Exploration and evaluation				(785)
9.2	Development				-
9.3	Production				-
9.4	Staff costs				(203)
9.5	Administration and corporate costs ⁽¹⁾				(104)
9.6	Other: Business development costs				(341)
9.7	Total estimated cash outflows				(1,433)
⁽¹⁾ Administration and corporate is net of interest received and receipts from customers.					
10.	Changes in tenements (items 2.1(b) and 2.2(b) above)	Tenement reference and location	Nature of interest	Interest at beginning of quarter	Interest at end of quarter
10.1	Interests in mining tenements and petroleum tenements lapsed, relinquished or reduced	Nil			
10.2	Interests in mining tenements and petroleum tenements acquired or increased	AUSTRALIA: E39/1976 P37/8702 P37/8706 P37/8707 P37/8710 P37/8711 CANADA: Refer Appendix 1	Owned Owned Owned Owned Owned Owned	0% 0% 0% 0% 0% 0%	100%

Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Sign here:



(Company secretary)

Date: 30 January 2017

Print name: Leanne Stevens

Notes

1. The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity that wishes to disclose additional information is encouraged to do so, in a note or notes included in or attached to this report.
2. If this quarterly report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, AASB 6: Exploration for and Evaluation of Mineral Resources and AASB 107: Statement of Cash Flows apply to this report. If this quarterly report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.

Appendix 1: Interests in mining tenements acquired or increased (Canada)

Project	Claim number	Nature of Interest	Interest at beginning of quarter	Interest at end of quarter
Kinebik	2466152	Owned	0%	100%
Kinebik	2466153	Owned	0%	100%
Kinebik	2466154	Owned	0%	100%
Kinebik	2466155	Owned	0%	100%
Kinebik	2466156	Owned	0%	100%
Kinebik	2466157	Owned	0%	100%
Kinebik	2466158	Owned	0%	100%
Kinebik	2466159	Owned	0%	100%
Kinebik	2466160	Owned	0%	100%
Kinebik	2466161	Owned	0%	100%
Kinebik	2466162	Owned	0%	100%
Kinebik	2466163	Owned	0%	100%
Kinebik	2466164	Owned	0%	100%
Kinebik	2466165	Owned	0%	100%
Kinebik	2466166	Owned	0%	100%
Kinebik	2466167	Owned	0%	100%
Kinebik	2466168	Owned	0%	100%
Kinebik	2466169	Owned	0%	100%
Kinebik	2466170	Owned	0%	100%
Kinebik	2466171	Owned	0%	100%
Kinebik	2466172	Owned	0%	100%
Kinebik	2466173	Owned	0%	100%
Kinebik	2466174	Owned	0%	100%
Kinebik	2466175	Owned	0%	100%
Kinebik	2466176	Owned	0%	100%
Kinebik	2468010	Owned	0%	100%
Kinebik	2468011	Owned	0%	100%
Kinebik	2468012	Owned	0%	100%
Kinebik	2468013	Owned	0%	100%
Kinebik	2470442	Owned	0%	100%
Kinebik	2470443	Owned	0%	100%
Kinebik	2470444	Owned	0%	100%
Kinebik	2470445	Owned	0%	100%
Kinebik	2470446	Owned	0%	100%
Kinebik	2470447	Owned	0%	100%
Kinebik	2470448	Owned	0%	100%
Kinebik	2470449	Owned	0%	100%
Kinebik	2470450	Owned	0%	100%
Kinebik	2470451	Owned	0%	100%
Kinebik	2470452	Owned	0%	100%
Kinebik	2470453	Owned	0%	100%
Kinebik	2470454	Owned	0%	100%
Kinebik	2470455	Owned	0%	100%
Kinebik	2470456	Owned	0%	100%
Kinebik	2470457	Owned	0%	100%
Kinebik	2470458	Owned	0%	100%
Kinebik	2470459	Owned	0%	100%
Kinebik	2470460	Owned	0%	100%
East Cadillac	2461488	Owned	0%	100%

Project	Claim number	Nature of Interest	Interest at beginning of quarter	Interest at end of quarter
East Cadillac	2461489	Owned	0%	100%
East Cadillac	2461490	Owned	0%	100%
East Cadillac	2461491	Owned	0%	100%
East Cadillac	2461492	Owned	0%	100%
East Cadillac	2461493	Owned	0%	100%
East Cadillac	2461494	Owned	0%	100%
East Cadillac	2461495	Owned	0%	100%
East Cadillac	2468029	Owned	0%	100%
East Cadillac	2468030	Owned	0%	100%
East Cadillac	2468031	Owned	0%	100%
East Cadillac	2468032	Owned	0%	100%
East Cadillac	2468033	Owned	0%	100%
East Cadillac	2468034	Owned	0%	100%
East Cadillac	2468035	Owned	0%	100%
East Cadillac	2468036	Owned	0%	100%
East Cadillac	2468037	Owned	0%	100%
East Cadillac	2468038	Owned	0%	100%
East Cadillac	2468039	Owned	0%	100%
East Cadillac	2468040	Owned	0%	100%
East Cadillac	2468041	Owned	0%	100%
East Cadillac	2468042	Owned	0%	100%
East Cadillac	2468043	Owned	0%	100%
East Cadillac	2437791	Earning into a 100% interest	0%	0%
East Cadillac	2437792	Earning into a 100% interest	0%	0%
East Cadillac	2437793	Earning into a 100% interest	0%	0%
East Cadillac	2437794	Earning into a 100% interest	0%	0%
East Cadillac	2437795	Earning into a 100% interest	0%	0%
East Cadillac	2437796	Earning into a 100% interest	0%	0%
East Cadillac	2437797	Earning into a 100% interest	0%	0%
East Cadillac	2437798	Earning into a 100% interest	0%	0%
East Cadillac	2437799	Earning into a 100% interest	0%	0%
East Cadillac	2437800	Earning into a 100% interest	0%	0%
East Cadillac	2437801	Earning into a 100% interest	0%	0%
East Cadillac	2437802	Earning into a 100% interest	0%	0%
East Cadillac	2437803	Earning into a 100% interest	0%	0%
East Cadillac	2437804	Earning into a 100% interest	0%	0%
East Cadillac	2437805	Earning into a 100% interest	0%	0%
East Cadillac	2437806	Earning into a 100% interest	0%	0%
East Cadillac	2437807	Earning into a 100% interest	0%	0%
East Cadillac	2437808	Earning into a 100% interest	0%	0%
East Cadillac	2437809	Earning into a 100% interest	0%	0%
East Cadillac	2437810	Earning into a 100% interest	0%	0%
East Cadillac	2437811	Earning into a 100% interest	0%	0%
East Cadillac	2437862	Earning into a 100% interest	0%	0%
East Cadillac	2437863	Earning into a 100% interest	0%	0%
East Cadillac	2437864	Earning into a 100% interest	0%	0%
East Cadillac	2437865	Earning into a 100% interest	0%	0%
East Cadillac	2437866	Earning into a 100% interest	0%	0%
East Cadillac	2437867	Earning into a 100% interest	0%	0%
East Cadillac	2437868	Earning into a 100% interest	0%	0%
East Cadillac	2437869	Earning into a 100% interest	0%	0%

