



ASX Announcement  
19 January 2018

December 2017 Quarterly Activities Report

## Extensive ~30,000m drilling program continues at East Cadillac and Kinebik Gold Projects in prolific Abitibi region of Canada

### Highlights

- **Exploration activity ramps up at Chalice's flagship East Cadillac Gold Project:**
  - Significant new targets identified following review of surface geochemical sampling and 3D-Induced Polarisation (IP) survey results
  - Initial (Phase 1) 7,700m diamond drilling program **increased by 21,000m** (Phase 2) to **28,700m** in total, with four rigs contracted
  - Results from drilling completed to date extend the mineralized structures at the Nordeau West deposit a further 150m west and down to the -800m vertical level
  - Increased ground position now totals 145km<sup>2</sup>
- **Maiden drilling program commences at Kinebik Gold Project:**
  - 1,800m diamond drill program commenced in January 2018
- **Chalice is well positioned to expand its mid-tier scale exploration program, with cash and liquid investments of A\$46M at Quarter-end**

### 1. OVERVIEW

Chalice Gold Mines Limited ("Chalice" or "the Company") (**ASX: CHN**) (**TSX: CXN**) is pleased to report on an active Quarter which saw major exploration programs continue across its key gold and base metal projects in Canada and Australia.

Subsequent to Quarter-end, the Company significantly expanded the ongoing exploration program at its East Cadillac Gold Project in the Abitibi region of Quebec, Canada, committing to an **additional 21,000m** of diamond drilling ("**Phase 2**") (Figure 1) to test multiple newly-identified targets. Following completion of the Phase 2 program, Chalice will have drilled more than **30,000 metres** of diamond drilling in the current financial year at its gold projects in Quebec.

The Company is mobilising two additional diamond rigs to site, increasing the total number of rigs currently operating on the Project to four. The previously announced 7,700m diamond drill program ("**Phase 1**") (Figure 2) will be completed in January 2018, with the two currently operating rigs scheduled to move immediately to test the new Phase 2 targets.

The decision to significantly expand and extend the drilling program at East Cadillac reflects the Company's excitement about the potential of the project and its commitment to aggressively explore this highly-endowed region. The aim of the program is to continue building a high-grade resource base, leveraging Chalice's strong financial position and strong in-house technical expertise.

In addition to the East Cadillac Gold Project program, a 1,800m diamond drill program has also commenced at the Kinebik Gold Project in Quebec.

In Australia, drill programs were completed at the Latitude Hill and West Pilbara Projects. At West Pilbara, whilst several anomalous results were returned, they are not considered sufficiently encouraging to warrant follow-up activities.

Accordingly, the Company has notified the joint venture partner of its intent to withdraw. At Latitude Hill, results are currently being interpreted and assessed.

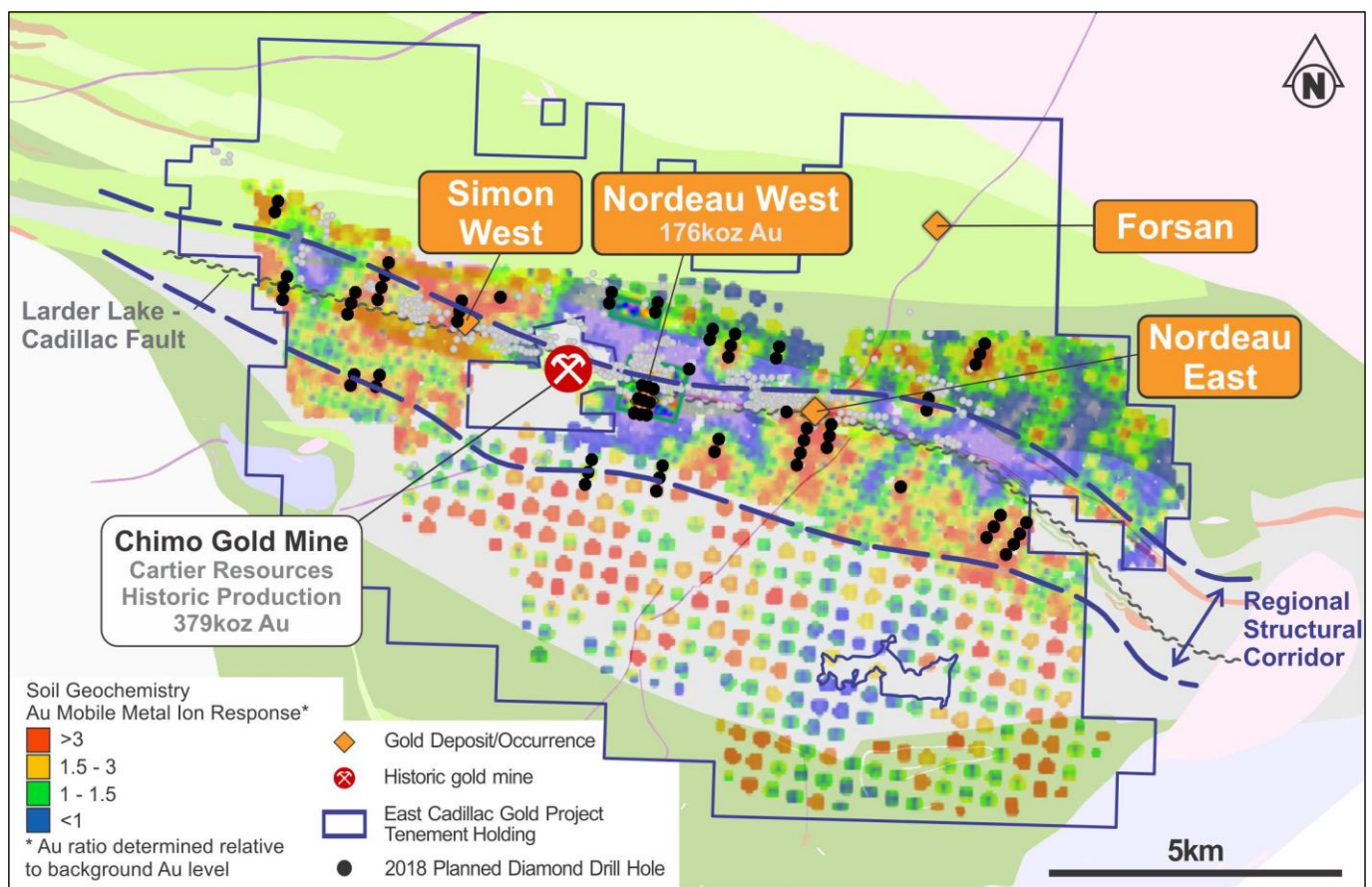
## 2. EXPLORATION ACTIVITIES

### 2.1 East Cadillac Gold Project, Quebec, Canada

The East Cadillac Gold Project ("ECG Project") covers an area of 145km<sup>2</sup> and is located 35km east of the 20Moz Val-d'Or gold camp. With land-holdings encompassing a strike length of 16km of the Larder Lake-Cadillac Fault – the most prolifically endowed gold trend in the southern Abitibi – the project is situated amongst some of the region's most significant mines, and is adjacent to the historical Chimo gold mine (owned by Cartier Resources (TSX: ECR)). Recognising the lack of modern exploration work in the area, Chalice has systematically collected a broad range of geochemical, geophysical and geological data and combined it with a 3D model of the historical work to generate a large number of new targets throughout the highly prospective project area.

#### Proposed Phase 2 Drilling

During the Quarter, Chalice reviewed the results from the recently completed project-wide surface geochemical sampling program, which consisted of MMI soil, Black Spruce bark and rock-chip sampling. This significant dataset, combined with the completion of extensive geophysical surveys including 3D IP and aeromagnetic surveys, has resulted in the identification of several additional high-priority targets (Figure 1).



**Figure 1. Project location map including the new Phase 2, 2018 drilling targets and 2017 MMI geochemistry.**

MMI soil sampling identified numerous gold and pathfinder anomalies associated with and along strike from known gold deposits and occurrences on the Larder Lake – Cadillac fault, as well as volcanic-sediment contacts to the immediate north and within the sediment sequence to the south.

The 3D IP survey highlighted a series of strong chargeability anomalies, some associated with known gold mineralisation within the Piche Group Volcanics, and other chargeability anomalies which are broadly aligned with contacts between the mafic and sediment packages.

Based on the results of these programs, the targets to be tested by the expanded Phase 2 drilling program have been grouped into three areas:

- **Larder Lake – Cadillac Fault corridor (the central mineralised trend).** Targets in this area are considered lower risk with portions of the trend already assessed, and the focus of drilling will be on testing areas down-plunge of existing showings and untested anomalies;
- **Hanging wall targets** located north of the trend which are poorly tested to date – a similar area in the Val-d’Or district has delivered deposits such as Sigma Lamaque (~9Moz of historical gold production); and
- **Footwall targets** to the south which are almost entirely untested – a similar area in the Malartic district has delivered deposits such as Canadian Malartic (total reserves and resources of >10Moz Au), however current data is widely spaced (400m) except for immediate area around the Marilynne showing.

### Phase 1 Drilling

An initial Phase 1 program of 14 holes for approximately 7,700m diamond drilling continued throughout the Quarter, with drilling in two of the four target areas completed (Figure 2). The balance of the drilling will be completed early in Q1 2018 prior to commencing the new Phase 2, 2018 drill holes.

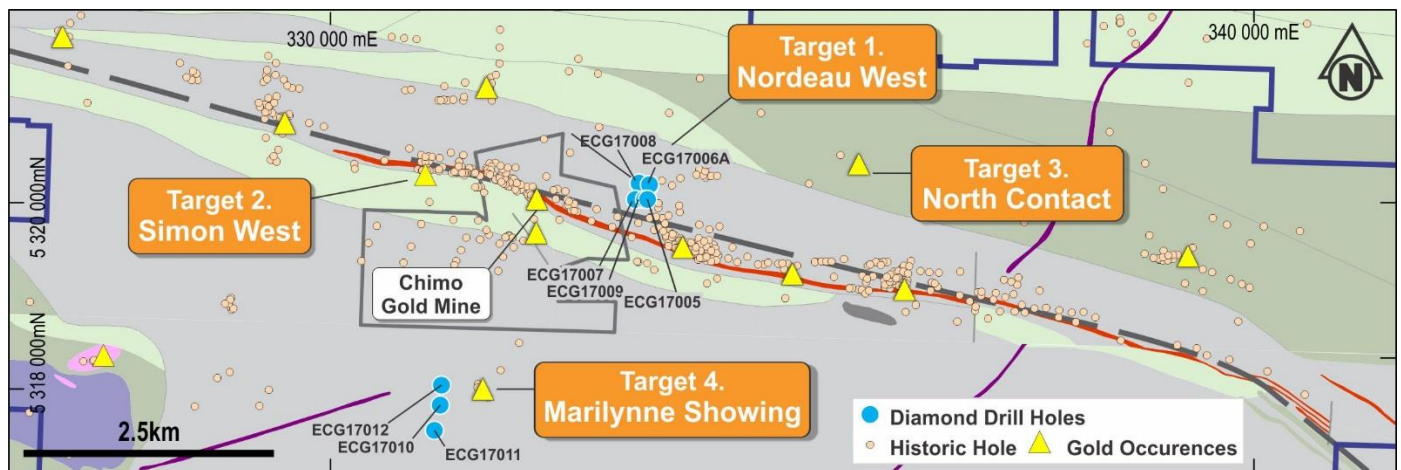


Figure 2. Phase 1 diamond drilling completed during quarter

A total of five drill holes were completed on the down-plunge extension of the Nordeau West deposit (Target 1) with all five holes intersecting the extension of the 5M mineralised structure, the main mineralised structure hosting gold mineralisation at the adjacent Chimo Mine complex.

Seven occurrences of visible gold were observed in the drill core. In addition to the 5M structure, several zones within the hanging wall sediments to the north that potentially represents the western extension of the Nordeau East zone were also identified.

The results have extended the mineralised structures in the Nordeau West deposit a further 150m west and down to the -800m vertical level. The mineralisation is associated with silica-sericite-chlorite-sulphide (arsenopyrite, pyrite) alteration within strongly deformed mafic tuff and volcanic rocks of the Piche Group, as well as the Cadillac sediments to the immediate north of the Cadillac fault.

Broad low-grade halos were defined in each hole with several reporting higher grade zones in the 2-7 g/t Au range across 0.7-3.1m core lengths. Preliminary assay results and drill-hole locations are presented in *Annexure 1*. Additional multi-element analysis is being combined with spectral data in Q1 2018 to complete a final interpretation.



The broad spacing was designed to confirm the extension of the structure and, if possible, grade. Final interpretations will be used to determine if in-fill drilling is warranted.

At the Marilynne showing (Target 4), two of the four holes intersected the surface mineralisation down-dip. Assays for these holes are pending. Drilling at Marilynne identified a previously unknown volcanic panel south of the Larder Lake - Cadillac Fault as well as additional polymictic conglomerate, confirming that this area has higher than previously recognised prospectivity.

The remaining seven holes at Simon West (Target 2) and the North Contact (Target 3) are underway and will be completed by the end of January 2018.

In addition to the Company's diamond drilling program, Cartier Resources, as part of their program testing the depth extension of the Chimo Mine, has collared two mother drill holes within the ECG Project immediately north of the tenement boundary, midway between Target 1 and Target 2. Both holes, CH17\_46 and CH17\_47, required coring, with approximately 500m contained within the Company's tenement area.

The core and all related survey data has been provided to the Company. Both drill holes were logged and sampled in December 2017, with assay results pending.

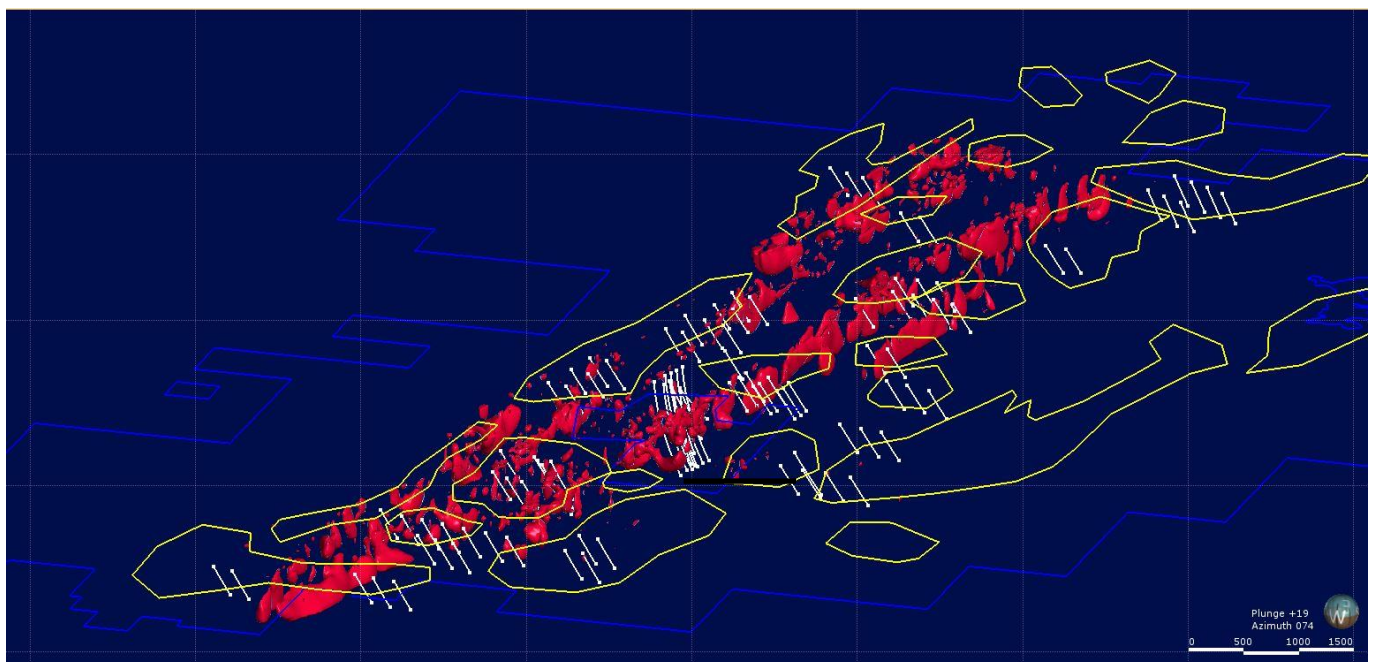
### Surface Geochemistry

Field activities were substantially completed at the start of the quarter, with the conclusion of surface geochemical surveys that included collecting an additional 402 Mobile Metal Ion (MMI) soil and 18 rock-chip samples. In-fill MMI soil samples were collected on detailed 200m x 200m centres in the centre of the property, and on reconnaissance spacing of 400m x 400m centres on the northern edge of the newly expanded property.

Rock-chip sampling was also completed along the northern edge. Results have been partially received and will be compiled and reviewed in Q1 2018.

### IP Geophysics

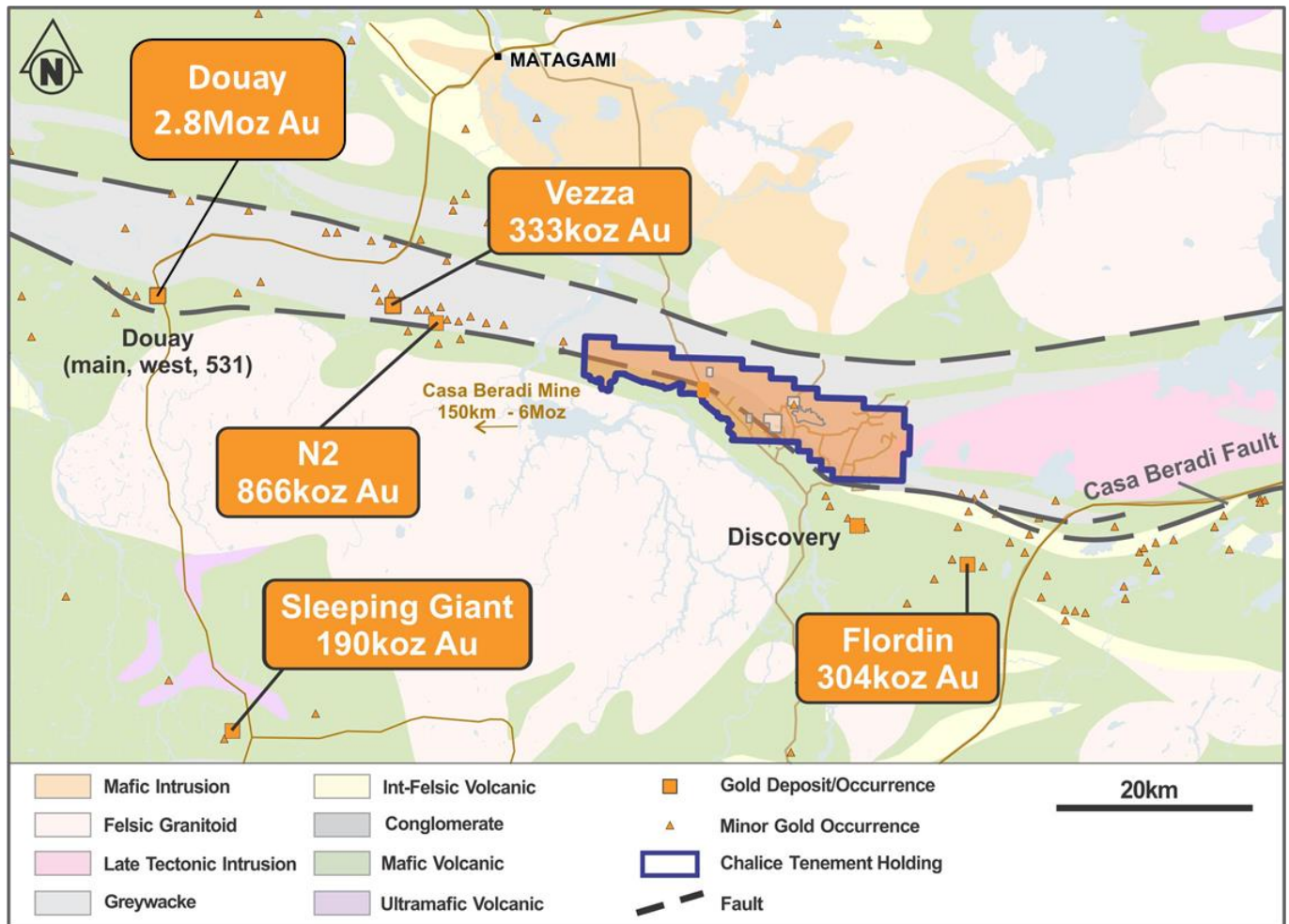
The 3D Induced Polarisation (3D IP) survey initiated in July 2017 was completed in November 2017 and preliminary 3D inversions have been provided for grid halves. As reported previously, well-developed chargeability anomalies have been defined along several trends that are coincident with surface geochemical anomalies and faulted key lithological contacts (Figure 3).



**Figure 3. 3D IP survey showing chargeability iso-surfaces (red) across entire survey area with planned Phase 1 and 2 drill holes and 2017 MMI Soil Geochemistry Anomalies (yellow)**

## 2.2 Kinebik Gold Project, Quebec, Canada

The 100%-owned Kinebik Gold Project covers an area of 187km<sup>2</sup>, including 30km of strike of the Casa Berardi fault in Quebec (Figure 4), which hosts the Casa Berardi multi-million ounce gold mine 150km to the west, and numerous other gold occurrences.



**Figure 4. The Kinebik Gold Project location and nearby gold occurrences**

Geochemical sampling completed in 2016 and 2017, including MMI soil and Black Spruce bark geochemical surveys have defined numerous overlapping anomalies located in a region dominated by meta-sediments and banded Iron Formation. A 3D-IP and ground magnetic survey was completed and combined with the historical geochemistry to define several reconnaissance drill targets.

A maiden drill program of nine holes for 1,800m (200m hole depth) was scheduled to commence in late November 2017, however due to weather-related access issues, the program was rescheduled to January 2018. A diamond drill rig has mobilised to site and commenced drilling post quarter-end.

## 2.3 Latitude Hill Nickel Project, Western Australia

The 990.5km<sup>2</sup> Latitude Hill Project was acquired to provide Chalice with a counter-cyclical investment opportunity in nickel-copper-platinum group metals. The Project is in an under-explored region that is highly prospective for massive and disseminated sulphide deposits similar to the Nova-Bollinger nickel-copper sulphide deposit in the Albany-Fraser Orogen. The Project is subject to a farm-in and joint venture whereby Chalice can earn up to a 51% interest with Traka Resources Limited ("Traka") (ASX: TKL), and up to 70% if Traka elects not to contribute thereafter.

During the quarter, Chalice completed its planned program to test the nine priority moving-loop electro-magnetic (MLEM) targets. A program of RC drilling commenced in September 2017 and continued into the December quarter with a total of 3,576m completed. A total of 15 RC drill-holes targeted and successfully tested each of the nine targets.

Results from drilling show that the interpreted MLEM conductors represent zones of strongly graphitic gneiss or metasediments hosted within either basement gneiss or dominantly metasedimentary sequences, both of which are poorly exposed in the region. Although minor disseminated sulphides are recognised at each locality, the MLEM conductors are explained by the strong abundance of graphite. Unfortunately, no significant nickel results were observed.

A zone of copper mineralisation was identified at the Manyas target in drill hole LHRC010, which returned 19m at 0.45% Cu from 214m including 1m @ 2.23% Cu. The mineralisation was immediately followed-up with four additional holes to test potential strike and dip extensions, resulting in similar intersection of low-grade mineralisation to the west and up-dip of LHRC010. The Company is continuing to assess the results from the drilling.

## **2.4 West Pilbara Project, Western Australia**

*The 2,406km<sup>2</sup> West Pilbara Project is located approximately 160km south-southwest of Karratha and includes 90km of contiguous strike coverage of prospective geology along the contact between the Ashburton and Hamersley Basins, referred to as the Paraburdoo Hinge Zone and defined by regional fault/shear zones. The project is subject to a farm-in and joint venture whereby Chalice can earn up to a 51% interest in the non-iron rights from Red Hill Iron Limited ("Red Hill") (ASX: RHI), and up to 70% if Red Hill elects not to commence contributions once Chalice has earned its 51%.*

During the quarter, Chalice completed reconnaissance aircore and RC drilling programs to follow-up on gold and base metal targets identified at the Wyloo West, Wyloo East, Ken's Bore, Derek's Bore, G1, B2 and Red Hill prospects.

In total, 335 holes for 9,259m were drilled including 276 AC holes for 5,685m and 59 RC holes for 3,574m. While anomalous results were returned from several of the prospects, they are not considered sufficiently encouraging to warrant follow-up exploration. Accordingly, the Company has provided notification to Red Hill of its withdrawal from the farm-in and joint venture agreement, subsequent to quarter-end.

## **2.5 Warrego North**

*The Warrego North Project is located approximately 20km north-west of the historical high-grade Warrego copper-gold mine in the western part of the Tennant Creek Mineral Field in the Northern Territory, Australia. Warrego was the largest deposit mined in the area with historical production of 1.3Moz of gold and 90,000 tonnes of copper from 5 million tonnes of ore at an average grade of 8g/t gold and 2% copper in a classic iron oxide copper gold ("IOCG") geological setting. Chalice can earn up to a 70% interest in the project from Meteoric Resources NL (ASX: MEI) by sole funding A\$800,000.*

No work was completed during the quarter.

## **2.6 Victorian Tenement Applications**

During the quarter, Chalice applied for two Exploration Licences in Victoria (EL006661 and EL006669) which cover a combined area of 1300km<sup>2</sup>. These applications are situated within the Murray Basin, west of the prospective Whitelaw-Tandarra Fault Corridor, with the southern tenement positioned approximately 10km north-west of the highly-fertile Bendigo Goldfield.

## **3. INVESTMENTS**

Chalice holds a several investments in ASX, TSX and unlisted companies. As at 31 December 2017 the market value of its listed investments was A\$3.3 million. During the Quarter, the Company sold 31.5 million shares in Venturex Limited and its remaining 6.9 million shares in First Mining Finance.

#### 4. 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, has recently completed a positive Scoping Study.

#### 5. TENEMENT SCHEDULES

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

#### 6. DISCUSSION ON QUARTERLY CASH FLOW

Chalice's cash was A\$42.5 million at 31 December 2017 using a month end USD: AUD exchange rate of 0.7807. In addition, Chalice held various investments in ASX, TSX and unlisted companies to the value of A\$3.3m.

During the Quarter, the Company spent A\$3.5 million on exploration and evaluation activities, A\$0.6 million on administration and corporate and staff costs and A\$0.1 million on business development activities.

Cash outflows from investing activities in the quarter were from the acquisition of listed securities totalling \$0.515m. Total cash inflows from the sale of remaining First Mining shares during the quarter totalled \$3.8m and sale of Venturex shares totalling \$0.557m.

Further details are available in the attached Appendix 5B.

A handwritten signature in blue ink, appearing to read "Tim Goyder".

Tim Goyder  
Managing Director  
Chalice Gold Mines Limited  
For further information, please contact:

Nicholas Read  
Principal and Managing Director  
Read Corporate Investor Relations  
+61 8 9388 1474

Alex Dorsch  
General Manager Corporate Development  
Chalice Gold Mines Limited  
+61 8 9322 3960  
[info@chalicegold.com](mailto:info@chalicegold.com)

Follow our communications:  
LinkedIn: <https://au.linkedin.com/company/chalice-gold-mines>  
Twitter: <https://twitter.com/chalicegold>



## Competent Persons and Qualifying Persons

The Exploration Results in this report 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 at the East Cadillac Gold Project, the realisation of mineral reserve estimates; the likelihood of exploration success including results of future geophysical surveys, drilling at the East Cadillac Gold Project, the Kinebik Project, the Latitude Hill Project, the Warrego North Project and the West Pilbara Project and other exploration activities; the timing and costs of future exploration activities on the Company's exploration projects; the potential to define future mineral resources and, if successful at any of the Company's exploration projects, the potential viability of any mineral resource so defined; planned expenditures and budgets and the execution thereof; the timing and availability of drill results; potential sites for additional drilling, the future share price performance of the Company's listed investments, that general business and economic conditions will not change in a materially adverse manner; 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, planning, expects or does not expect, is expected, will, may, would, potential, budget, scheduled, estimates, forecasts, intends, anticipates or does not anticipate, or believes, occur, or be achieved, 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 exploration programs based upon results of exploration; 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](http://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 – East Cadillac Gold Project significant diamond drilling intercepts (Phase 1) drill hole locations

Hole	From	To	Intersection	Comments
ECG_17_005 (Target 1 – Nordeau West Extension (5M))	66.6	69.6	3.0m @ 0.47 g/t Au	Unassigned structure
	261.0	265.0	4.0m @ 0.59 g/t Au	Nordeau East Extension
	594.3	619.8	25.5m @ 1.08 g/t Au	Zone 5M
	607.7	610.7	(incl. 3.1m @ 4.74 g/t Au)	
ECG_17_006A (Target 1 – Nordeau West Extension (5M))	488.0	503.3	15.3m @ 0.6 g/t Au	Nordeau East Extension
	501.3	503.3	(incl. 2.0m @ 2.68 g/t Au)	
	812.8	823.0	10.2m @ 2.78 g/t Au	Zone 5M
	812.8	815.3	(incl. 2.5m @ 9.72 g/t Au &	
	841.2	844.2	3.0m @ 2.21 g/t Au)	Zone 5N
ECG_17_007/007W1 (Target 1 – Nordeau West Extension (5M))	77.4	79.4	2.0m @ 1.19 g/t Au	unassigned structure
	243.1	246.1	3.0m @ 0.70 g/t Au	unassigned structure
	292.0	293.0	1.0m @ 4.83 g/t Au	unassigned structure
	480.8	493.1	12.3m @ 0.49 g/t Au	Nordeau East Extension
	480.8	483.8	(incl. 3.0m @ 0.98 g/t Au &	
	491.2	493.1	1.9m @ 1.24 g/t Au)	
	600.4	603.5	3.1m @ 0.58 g/t Au	Zone 5M
	607.3	608.3	1.0m @ 3.08 g/t Au	unassigned structure
	625.4	627.9	2.5m @ 1.69 g/t Au	Zone 5N
	681.4	683.2	1.8m @ 1.40 g/t Au	unassigned structure
	690.7	691.4	0.7m @ 7.84 g/t Au	unassigned structure
ECG_17_008 (Target 1 – Nordeau West Extension (5M))	903.7	910.7	7.0m @ 0.67 g/t Au	Zone 5M
	909.0	910.7	(incl. 1.7m @ 1.95 g/t Au	
ECG_17_009 (Target 1 – Nordeau West Extension (5M))	134.5	136.0	1.5m @ 4.49 g/t Au	Nordeau East Extension
	521.4	541.4	20.0m @ 0.93 g/t Au	Zone 5M
	536.6	541.4	(incl. 4.8m @ 2.04 g/t Au)	
	593.3	594.1	0.8m @ 25.80 g/t Au	Zone 5N

Target	Hole ID	Easting (m)	Northing (m)	RL	Final Depth	Azimuth	Inclination
Nordeau West	ECG_17_005	333080	5319992	354	765	188.6	-83.5
Nordeau West	ECG_17_006A	333118	5320148	363	927	188.0	-87
Nordeau West	ECG_17_007	332983	5319997	355	426	188.0	-80
Nordeau West	ECG_17_007W1	332983	5319997	355	763.4	188.0	-80
Nordeau West	ECG_17_008	333021	5320173	364	945	188.0	-78
Nordeau West	ECG_17_009	333075	5319994	352	603	181.0	-69

Target	Hole ID	Easting (m)	Northing (m)	RL	Final Depth	Azimuth	Inclination
Marilynne	ECG_17_010	331016	5317738	350	312	189.7	-55
Marilynne	ECG_17_011	331077	5318012	343	354	189.2	-55
Marilynne	ECG_17_012	331094	5318226	341	348	190.6	-55

### Sampling Techniques

Drill samples were collected by employees of the Company under the supervision of the Qualified person.

Samples were collected from NQ2 diamond drill core. Diamond core samples were collected at intervals of between 0.3m and 1.3m on the basis of consistent lithology and/or mineralization. A total of 2232 diamond drill core samples were bagged and shipped in sealed sacks to accredited laboratory ALS laboratories in Val d'Or, Quebec, Canada. Samples were analysed by 30g fire assay (Au-AA23) and 4-acid digest with ICP-AES finish (ME-MS61).

The Company's QA/QC procedures comprise the use of Certified Reference Material (CRM), field duplicates and blanks at approximately 1 in 20 samples. The Company's assessment of QA/QC has not identified any issues with analyses reported.

No independent sampling or audits have been undertaken given the early stage nature of the drill program.

## Appendix 2 – Tenement schedules

The following information is provided in accordance with ASX Listing Rule 5.3 for the quarter ended 31 December 2017:

### 1. Listing of tenements held:

#### AUSTRALIA

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%
		E70/4863*	CGM (WA) Pty Ltd	100%
		E70/4864*	CGM (WA) Pty Ltd	100%
		E70/4865*	CGM (WA) Pty Ltd	100%
		E70/4866*	CGM (WA) Pty Ltd	100%
		E70/4869	CGM (WA) Pty Ltd	100%
		P37/8703	CGM (WA) Pty Ltd	100%
		P37/8704	CGM (WA) Pty Ltd	100%
		P37/8705	CGM (WA) Pty Ltd	100%
		P37/8708	CGM (WA) Pty Ltd	100%
		E57/1050	CGM (WA) Pty Ltd	100%
		P37/8709	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		
	Latitude Hill	E08/1141	Traka Resources Limited	0% - farm-in agreement, right to earn up to 51% or 70% as applicable
		E08/1693		
		ELA69/2817		
		ELA69/2610		
		ELA69/2592		
Northern Territory	Warrego North	ELA69/3421	Meteoric Resources NL	0% - farm-in agreement, right to earn up to 51% interest or 70% as applicable
		ELA69/3399		
		EL23764		

\* Dumbleyung tenements sold to Ausgold as disclosed in ASX Announcement dated 14 September 2017. Transfer is pending.

# CANADA

Location	Project	Claim Numbers	Registered Holder	Nature of Interest
Quebec	Kinebik	2448108 to 2448207	Chalice Gold Mines (Quebec) Inc.	100%
Quebec	Kinebik	2448409 to 2448497	Chalice Gold Mines (Quebec) Inc.	100%
Quebec	Kinebik	2449277 to 2449375	Chalice Gold Mines (Quebec) Inc.	100%
Quebec	Kinebik	2454112 to 2454113	Chalice Gold Mines (Quebec) Inc.	100%
Quebec	Kinebik	2454308 to 2454320	Chalice Gold Mines (Quebec) Inc.	100%
Quebec	Kinebik	2454863 to 2454867	Chalice Gold Mines (Quebec) Inc.	100%
Quebec	Kinebik	2466152 to 2466176	Chalice Gold Mines (Quebec) Inc.	100%
Quebec	Kinebik	2468010 to 2468013	Chalice Gold Mines (Quebec) Inc.	100%
Quebec	Kinebik	2470442 to 2470460	Chalice Gold Mines (Quebec) Inc.	100%
Quebec	Kinebik	2499665 to 2499668	Chalice Gold Mines (Quebec) Inc.	100%
Quebec	East Cadillac	2461488 to 2461495	Chalice Gold Mines (Quebec) Inc.	100%
Quebec	East Cadillac	2468029 to 2468043	Chalice Gold Mines (Quebec) Inc.	100%
Quebec	East Cadillac	2481223 to 2481300	Chalice Gold Mines (Quebec) Inc.	100%
Quebec	East Cadillac	2491126	Chalice Gold Mines (Quebec) Inc.	100%
Quebec	East Cadillac	2491239 to 2491250	Chalice Gold Mines (Quebec) Inc.	100%
Quebec	East Cadillac	2385084	Richmont Mines Inc./Monarques Gold	0%- earn-in option agreement into a 70% interest, NOTE: Monarques Gold Corp. acquired 100% interest of all Richmont claims in Quebec in Q4
Quebec	East Cadillac	2438140 to 2438211	Richmont Mines Inc./Monarques Gold	
Quebec	East Cadillac	2437912 to 2437915	Globex Mining Enterprises Inc.	0%- earn-in option agreement into a 100% interest in the Globex interest
Quebec	East Cadillac	2437862 to 2437873	Globex Mining Enterprises Inc.	
Quebec	East Cadillac	2438798 to 2438811	Compagnie minière Baie Bateman inc. (40%) Globex Mining Enterprises Inc. (60%)	
Quebec	East Cadillac	2438935 to 2438937	Compagnie minière Baie Bateman inc. (40%) Globex Mining Enterprises Inc. (60%)	
Quebec	East Cadillac	2437791 to 2437811	Globex Mining Enterprises Inc.	100%
Quebec	East Cadillac	2434329	Chalice Gold Mines (Quebec) Inc.	
Quebec	East Cadillac	2434769 to 2434771	Chalice Gold Mines (Quebec) Inc.	
Quebec	East Cadillac	2466091 to 2466092	Chalice Gold Mines (Quebec) Inc.	
Quebec	East Cadillac	2470586	Chalice Gold Mines (Quebec) Inc.	
Quebec	East Cadillac	2445500 to 2445501	Chalice Gold Mines (Quebec) Inc.	
Quebec	East Cadillac	2456677	Chalice Gold Mines (Quebec) Inc.	
Quebec	East Cadillac	2456713 to 2456714	Chalice Gold Mines (Quebec) Inc.	
Quebec	East Cadillac	2458268 to 2458272	Chalice Gold Mines (Quebec) Inc.	
Quebec	East Cadillac	2456678 to 2456680	Chalice Gold Mines (Quebec) Inc.	
Quebec	East Cadillac	2457365 to 2457366	Chalice Gold Mines (Quebec) Inc.	



Quebec	East Cadillac	2457890 to 2457892	Chalice Gold Mines (Quebec) Inc.	100%
Quebec	East Cadillac	2472374 to 2472375	Chalice Gold Mines (Quebec) Inc.	100%
Quebec	East Cadillac	2491522	Chalice Gold Mines (Quebec) Inc.	100%
Quebec	East Cadillac	2438058 to 2438067	Chalice Gold Mines (Quebec) Inc.	100%
Quebec	East Cadillac	2438103 to 2438104	Chalice Gold Mines (Quebec) Inc.	100%
Quebec	East Cadillac	2438130 to 2438133	Chalice Gold Mines (Quebec) Inc.	100%
Quebec	East Cadillac	2471188 to 2471202	Chalice Gold Mines (Quebec) Inc.	100%
Quebec	East Cadillac	2437916 to 2437942	Khalkos Exploration Inc.	0% interest – earn-in option agreement into a 70% interest

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

Project	Claim Number	Registered Holder	Interest at beginning of quarter	Interest at end of quarter
East Cadillac Gold	2437916 to 2437942	Khalkos Exploration Inc.	0%	0% interest – earn-in option agreement into a 70% interest
Quebec	East Cadillac	2434329	0%	100%
Quebec	East Cadillac	2434769 to 2434771	0%	100%
Quebec	East Cadillac	2466091 to 2466092	0%	100%
Quebec	East Cadillac	2470586	0%	100%
Quebec	East Cadillac	2445500 to 2445501	0%	100%
Quebec	East Cadillac	2456677	0%	100%
Quebec	East Cadillac	2456713 to 2456714	0%	100%
Quebec	East Cadillac	2458268 to 2458272	0%	100%
Quebec	East Cadillac	2456678 to 2456680	0%	100%
Quebec	East Cadillac	2457365 to 2457366	0%	100%
Quebec	East Cadillac	2457890 to 2457892	0%	100%
Quebec	East Cadillac	2472374 to 2472375	0%	100%
Quebec	East Cadillac	2491522	0%	100%
Quebec	East Cadillac	2438058 to 2438067	0%	100%
Quebec	East Cadillac	2438103 to 2438104	0%	100%
Quebec	East Cadillac	2438130 to 2438133	0%	100%
Quebec	East Cadillac	2471188 to 2471202	0%	100%

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

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

## 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 2017

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (6 months) \$A'000
<b>1.</b>	<b>Cash flows from operating activities</b>		
1.1	Receipts from customers	30	77
1.2	Payments for		
	(a) exploration & evaluation	(3,592)	(5,453)
	(b) development	-	-
	(c) production	-	-
	(d) staff costs	(275)	(574)
	(e) administration and corporate costs	(347)	(619)
1.3	Dividends received (see note 3)	-	-
1.4	Interest received	159	301
1.5	Interest and other costs of finance paid	-	-
1.6	Income taxes paid/refunded	420	(1,078)
1.7	Research and development refunds	-	-
1.8	Other:		
	- Business Development	(105)	(215)
	- Exploration tax credits received	-	-
<b>1.9</b>	<b>Net cash from / (used in) operating activities</b>	<b>(3,710)</b>	<b>(7,561)</b>
<b>2.</b>	<b>Cash flows from investing activities</b>		
2.1	Payments to acquire:		
	(a) property, plant and equipment	(122)	(172)
	(b) tenements (see item 10)	-	(216)

<b>Consolidated statement of cash flows</b>		<b>Current quarter \$A'000</b>	<b>Year to date (6 months) \$A'000</b>
	(c) investments	(515)	(915)
	(d) other non-current assets	-	-
2.2	Proceeds from the disposal of:		
	(a) property, plant and equipment	-	-
	(b) tenements (see item 10)	-	-
	(c) investments	4,562	4,639
	(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)	-	-
<b>2.6</b>	<b>Net cash from / (used in) investing activities</b>	<b>3,925</b>	<b>3,336</b>

<b>3.</b>	<b>Cash flows from financing activities</b>		
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	-	
	- Security deposit	-	(9)
<b>3.10</b>	<b>Net cash from / (used in) financing activities</b>	<b>-</b>	<b>(9)</b>

<b>4.</b>	<b>Net increase / (decrease) in cash and cash equivalents for the period</b>		
4.1	Cash and cash equivalents at beginning of period	42,331	46,819
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(3,710)	(7,561)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	3,925	3,336
4.4	Net cash from / (used in) financing activities (item 3.10 above)	-	(9)

<b>Consolidated statement of cash flows</b>		<b>Current quarter \$A'000</b>	<b>Year to date (6 months) \$A'000</b>
4.5	Effect of movement in exchange rates on cash held	(11)	(50)
<b>4.6</b>	<b>Cash and cash equivalents at end of period</b>	<b>42,535</b>	<b>42,535</b>

<b>5.</b>	<b>Reconciliation of cash and cash equivalents</b> at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	<b>Current quarter \$A'000</b>	<b>Previous quarter \$A'000</b>
5.1	Bank balances	16,168	12,793
5.2	Call deposits	26,367	29,538
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
<b>5.5</b>	<b>Cash and cash equivalents at end of quarter (should equal item 4.6 above)</b>	<b>42,535</b>	<b>42,331</b>

**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**

155

-

Includes directors' fees and salaries (including superannuation) of \$155,000.

**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				(6,000)
9.2	Development				-
9.3	Production				-
9.4	Staff costs				(250)
9.5	Administration and corporate costs <sup>(1)</sup>				(150)
9.6	Other: Business development costs				(350)
9.7	<b>Total estimated cash outflows</b>				<b>(6,750)</b>
<sup>(1)</sup> Administration and corporate costs are net of interest revenue 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	<b>AUSTRALIA:</b> Nil  <b>CANADA:</b> Refer Appendix 1			

## 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: 19 January 2018

Print name: Catherine Huynh

## 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	Registered Holder	Interest at beginning of quarter	Interest at end of quarter
East Cadillac Gold	2437916 to 2437942	Khalkos Exploration Inc.	0%	0% interest – earn-in option agreement into a 70% interest
Quebec	East Cadillac	2434329	0%	100%
Quebec	East Cadillac	2434769 to 2434771	0%	100%
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