

18 January 2019

Two major gold drill programmes underway in Victoria and Quebec as Chalice gears up for potentially transformational year in 2019

Highlights

Pyramid Hill Gold Project – Bendigo Region, Victoria, Australia

- Maiden **8,500m reconnaissance Aircore (AC) drilling** programme commenced within the Muckleford Area, assays received for 4,733m to date.
- Additional high quality drill targets have been defined, resulting in a decision to **expand the initial AC programme to 15,000m**. Drilling to continue until the end of February 2019.
- Encouraging early anomalous gold and pathfinder results received to date include:
 - **South Target:** Anomalous gold-in-quartz intersected ~3km to the north along strike from anomalous gold values in historical drill holes, indicating a possible strike-extensive gold zone associated with the Muckleford Fault; and,
 - **West Target:** 15-30m wide zones of anomalous arsenic intersected within four contiguous, 100m spaced holes, indicating a possible halo to proximal gold mineralisation.
- Depth of cover observed typically 20-50m at the South and West Targets, with the prospective basement intersected in **54 of 57 holes (95%)**.
- Gravity geophysics shown to be effective in defining basement highs; highly prospective 'buried hills' in the target basement.
- Chalice now a well-established and active explorer in the Bendigo region, with **~4,500km²** of Exploration Licences and applications in three districts (Muckleford, Mt William and Percydale).

East Cadillac Gold Project – Quebec, Canada

- **~8,100m reconnaissance diamond drill programme** commenced this week, testing two large-scale, highly prospective targets on 100% Chalice owned tenure:
 - **Legrand Target:** a large **~3.4km x 1.3km** gold-plus-pathfinder MMI geochemical anomaly, with similarities to the >16Moz Canadian Malartic gold mine, located ~70km to the west; and,
 - **Anderson Target:** a large **~2.3km x 0.5km** gold-plus-pathfinder MMI geochemical anomaly located on a sub-parallel fault north of the Larder Lake – Cadillac Fault.
- Targets represent the largest and most coherent geochemical anomalies found to date and represent exceptional scale drill targets.

Corporate

- **Strong cash balance of ~A\$21.3 million** at Quarter-end plus liquid investments and receivables of ~A\$5.1 million (total current assets of **~A\$26.4 million or ~A\$0.10 per share**).
- Growth strategy refined to focus principally on high-impact gold exploration opportunities. Excess capital return of **~A\$10.7 million (A\$0.04 per share)** to shareholders completed.

1. OVERVIEW

Commenting on the December Quarter, Chalice MD, Alex Dorsch, said: "The December Quarter marked a key turning point for the Company, with the completion of a capital return of 4 cents per share to shareholders and our focus now squarely on our two key gold exploration projects in Australia and Canada."

"Returning excess capital to shareholders for the second time in the Company's history demonstrates Chalice's continued disciplined capital management. The Company remains in an exceptionally strong financial position with a cash balance of over A\$21 million at Quarter-end. This allows us to aggressively pursue high-impact exploration programmes across our key projects and, in the event of a discovery, quickly ramp-up activities without the need to raise capital."

"Excitement continues to build in Victoria at our Pyramid Hill Gold Project, with drilling at the South and West Targets showing early signs of the potential for a significant gold system. Intersecting highly anomalous gold and pathfinder mineralisation in the very first phase of our drilling is an exciting development, and we are looking forward to assay results for the next two-thirds of the initial drilling programme."

"In addition, drilling started this week in Canada at the East Cadillac Gold Project. These holes will be watched very closely, with two very strong and sizeable targets being tested for the first time. The programme represents the culmination of two years of ground consolidation and systematic regional exploration and we look forward to releasing results."

"With two major drilling programmes underway in premier, established gold provinces, the next Quarter is shaping up to be an exciting one for the Company."

2. EXPLORATION ACTIVITIES

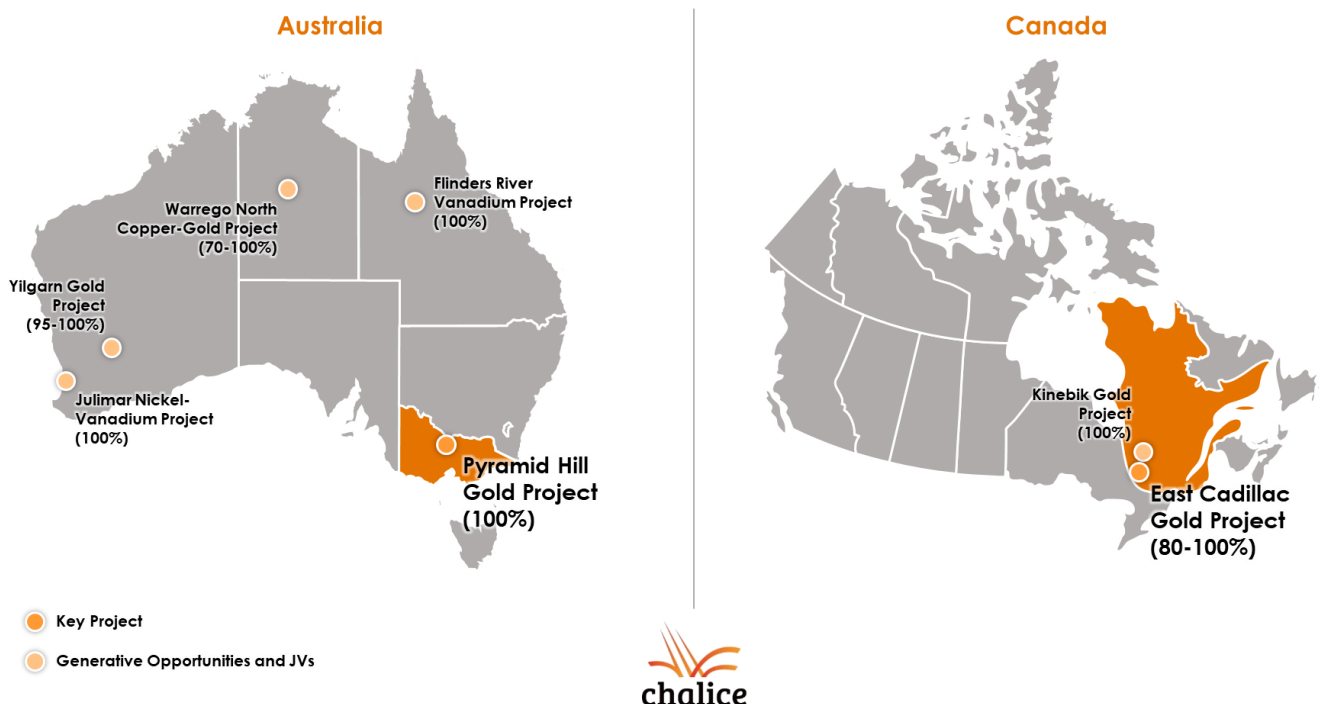


Figure 1. Chalice's project locations in Australia and Canada.

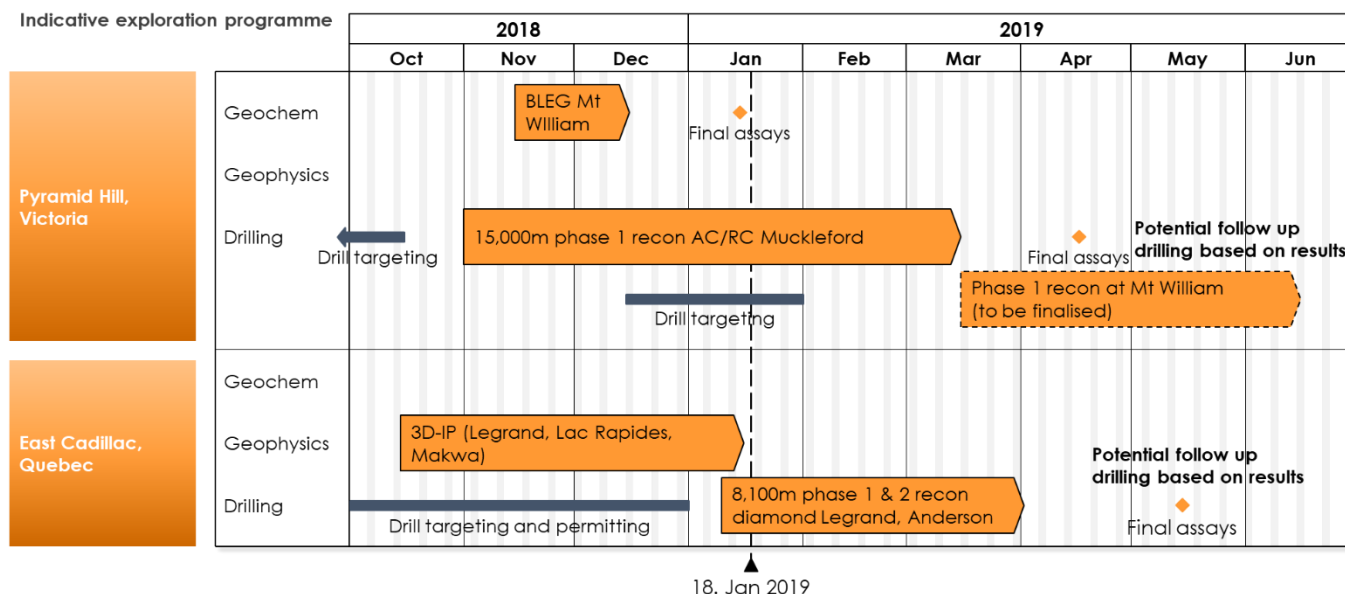


Figure 2. Chalice's indicative exploration schedule 1H 2019.

2.1 Pyramid Hill Gold Project – Bendigo Region, Victoria, Australia

The 100%-owned Pyramid Hill Gold Project was staked in 2017 and now covers an area of ~4,500km² in the Bendigo region of Victoria. The Project comprises three key districts within the Murray Basin covered North Bendigo and Stawell Zones: Muckleford, Mt William and Percydale.

The central Muckleford Area extends to the north-west of the world-class >22Moz Bendigo Goldfield. The Mt William Area extends to the north-east of one of the world's highest-grade gold mines, the >7Moz Fosterville Gold Mine owned by Kirkland Lake Gold (NYSE / TSX: KL | ASX: KLA). The Percydale Area is located north-west of the Stawell Zone within the historical St Arnaud Goldfield.

The 'Gold Undercover' initiative by the Victorian Government estimated a potential ~32Moz (P50) of undiscovered gold beneath Murray Basin cover in the Bendigo Zone, where Chalice holds ~60% of the total ~7,000km² area. Chalice is targeting large-scale, high-grade gold deposits, and is currently conducting regional scale greenfield exploration.

In Q2 2018 geochemistry and gravity geophysics programmes commenced, outlining multiple large-scale targets in areas of thin to moderate cover. The first phase of drilling commenced in Q4 2018 within the Muckleford Area.

During the Quarter, the Company commenced its maiden 8,500m reconnaissance Aircore (AC) / Reverse Circulation (RC) drill programme at Muckleford and continued its soil sampling and targeting programme at Mt William. An additional three Exploration Licence Applications were lodged to cover vacant ground contiguous with granted licences at Muckleford.

¹ V. Lisitsin, A. Olshina, D.H. Moore & C.E. Willman 2007, Assessment of undiscovered mesozonal orogenic gold endowment under cover in the northern part of the Bendigo Zone, GeoScience Victoria Gold Undercover Report 2, Department of Primary Industries. <http://earthresources.efirst.com.au/categories.asp?cID=42>

In light of the encouraging gold and pathfinder element results received in the initial batch of assay results, Chalice has made the decision to almost double the size of the initial reconnaissance drill programme to 15,000m. Drilling will now continue until at least the end of February 2019.

Maiden 2018/2019 Drilling Programme

The Company's maiden reconnaissance AC/RC drilling programme is designed to provide an effective first-pass test of three high priority geochemical and geophysical targets identified in granted tenements EL6737 and EL6661.

The drill programme has proven to be successful in testing the target Castlemaine Group basement under variable thicknesses of Murray Basin and less extensive Permian tillite cover on lines drilled to date.

A total of 4,733m of AC drilling has been completed to date along five east-west drill traverses at the South and West Targets (Figure 3).

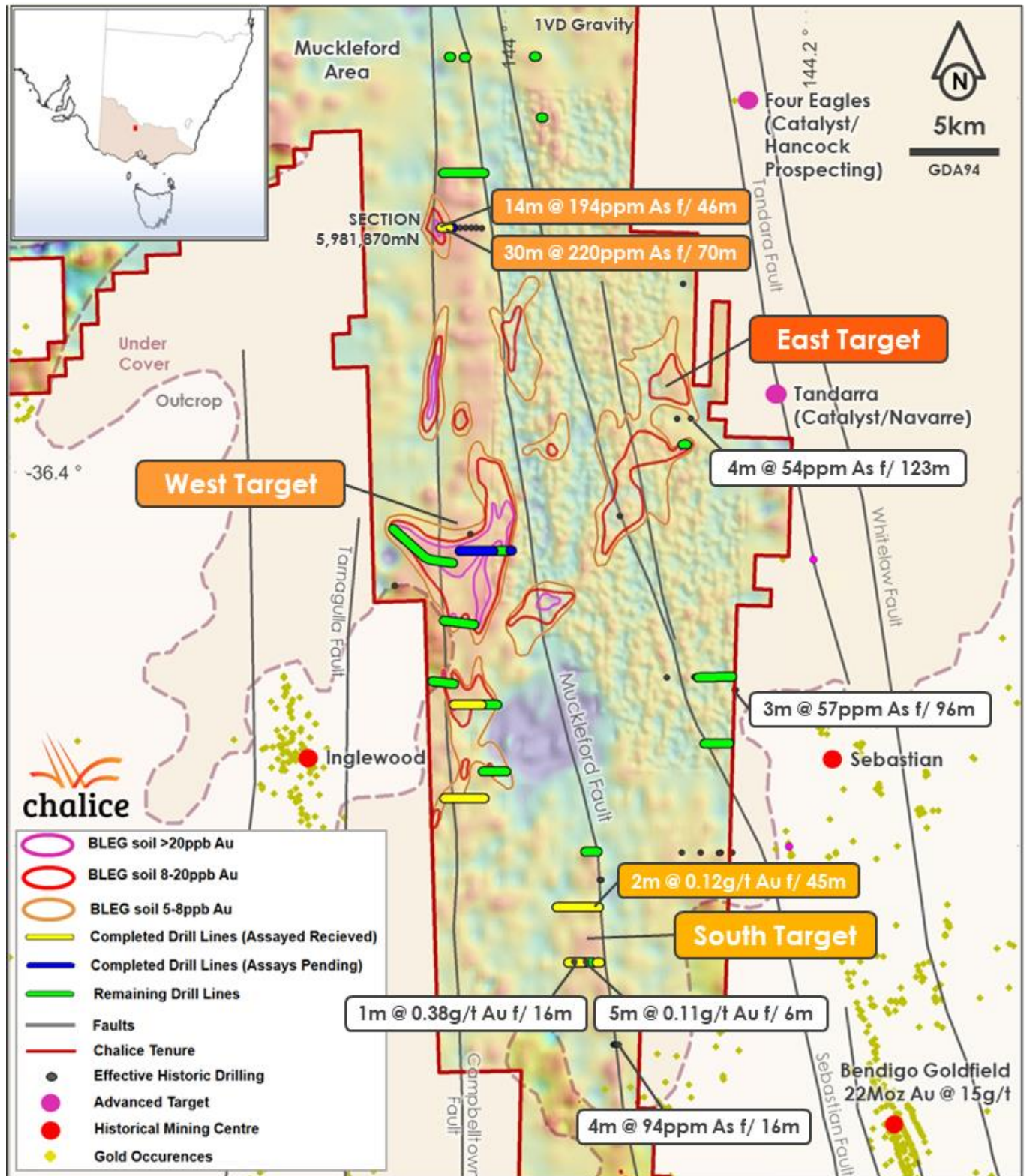


Figure 3. Aircore / RC drill lines, anomalous intercepts and gold-in-soil contours over 1VD gravity.

Assay results have been received for the first 57 AC drill holes and, while no significant gold mineralisation has been intersected to date, the gold and pathfinder results are in line with initial expectations given the early-stage of this reconnaissance geochemical drill programme. Two areas of anomalous gold and/or arsenic have been identified to date.

At the **South Target**, a low-order anomalous gold intercept (up to 0.12g/t Au) has been intersected associated with vein quartz material. This drill traverse is located 3.2km north of historical drill intercepts recorded by St Barbara (ASX: SBM), and this target remains open along strike (Figure 3).

Drilling successfully intersected a broad basement high beneath variable thickness of Murray Basin and Permian tillite cover, showing that the ground gravity survey is proving a successful technique for defining targets under cover.

At the **West Target**, drilling is testing a gold-plus-pathfinder geochemical anomaly, coincident with a regionally extensive gravity anomaly, located along the interpreted trend of the Campbelltown fault. This initial drill line has intersected a broad zone of strongly anomalous arsenic (up to +400ppm) which forms a robust anomaly (>50ppm As), over four contiguous drill holes, and remains open in all directions (Figure 4).

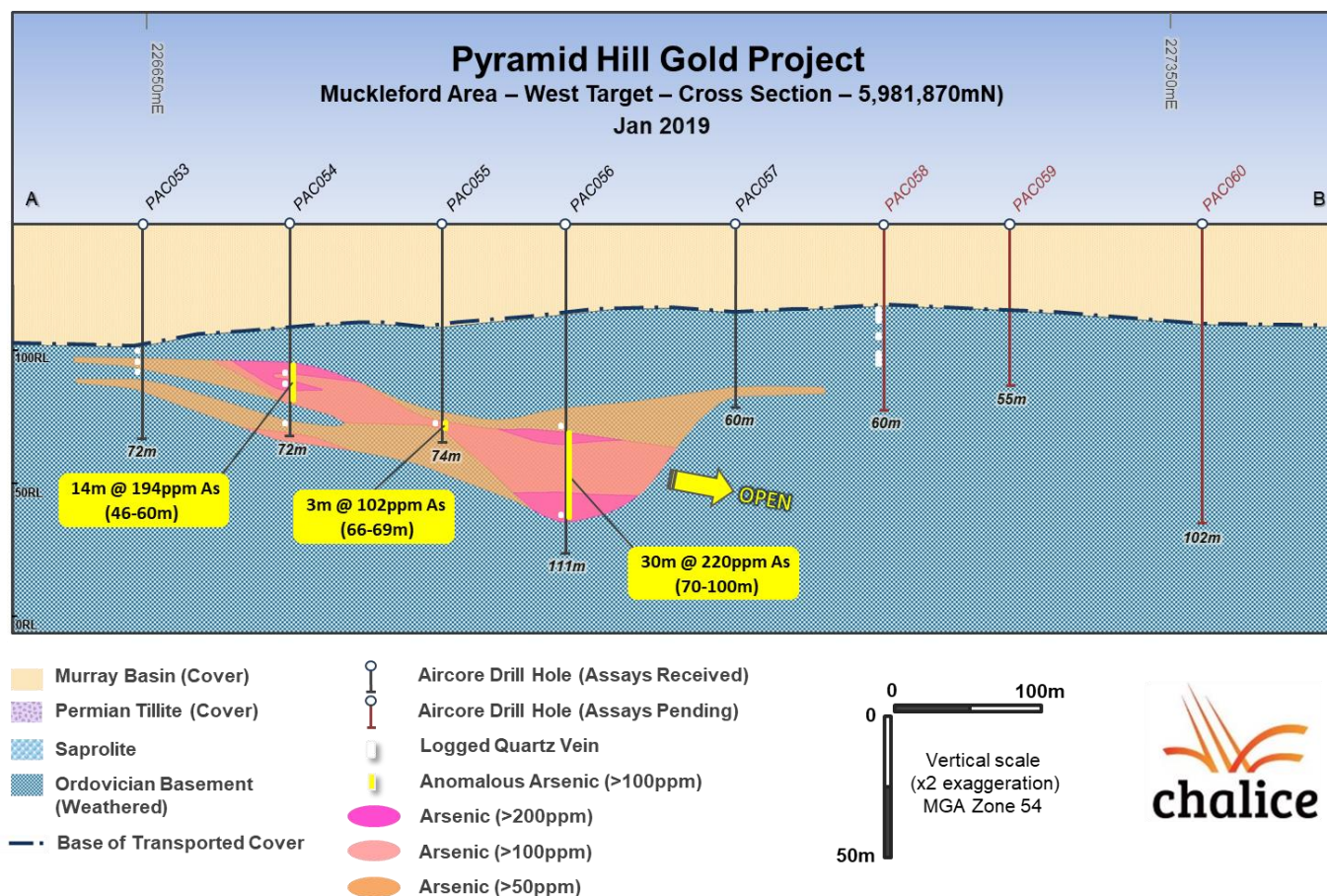


Figure 4. Muckleford West Target Cross Section 5,981,870mN showing anomalous As results

Arsenopyrite has been identified in laminated quartz vein material in AC drill chips from drill hole PA056 (Figure 5), and although no significant gold has been identified from drilling completed to date, arsenic is considered one of the better pathfinder elements for vectoring to orogenic gold mineralisation.

Assay results are awaited for the next three drill holes (PA058-60) located directly east of this anomalous As zone. In addition, a drill traverse is planned to test the same gravity anomaly a further 3.2km to the north.

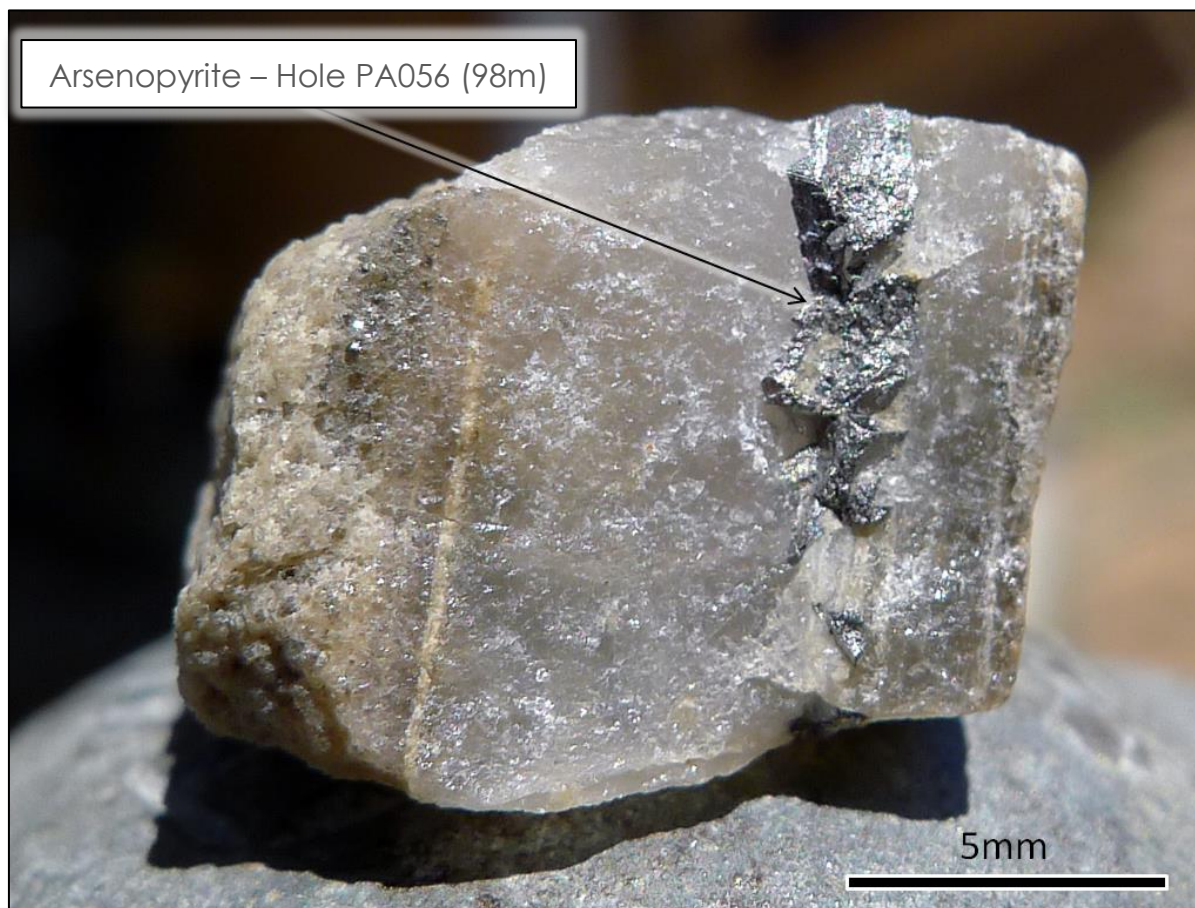


Figure 5. Arsenopyrite in laminated quartz vein (Drill hole PAC056; 98m)

Drilling is currently being undertaken in the central portion of the West Target over the most significant gold-in-soil anomalies. Additional targets have now been defined from soil geochemistry, and hence the current drill programme has been increased to a total of ~15,000m as a first-pass reconnaissance test of the Muckleford Area. Once complete, final results will be reviewed and follow-up in-fill and/or extensional drilling will be planned over priority targets.

Regional Soil Geochemistry

During the Quarter, Chalice completed regional surface geochemical sampling over areas of favourable geology and relatively thin cover within the Mt William Area (EL6738). A total of 834 samples have been collected and assayed to date. Several low order but extensive gold-in-soil anomalies have been identified (Figure 6). Drill targeting is currently underway.

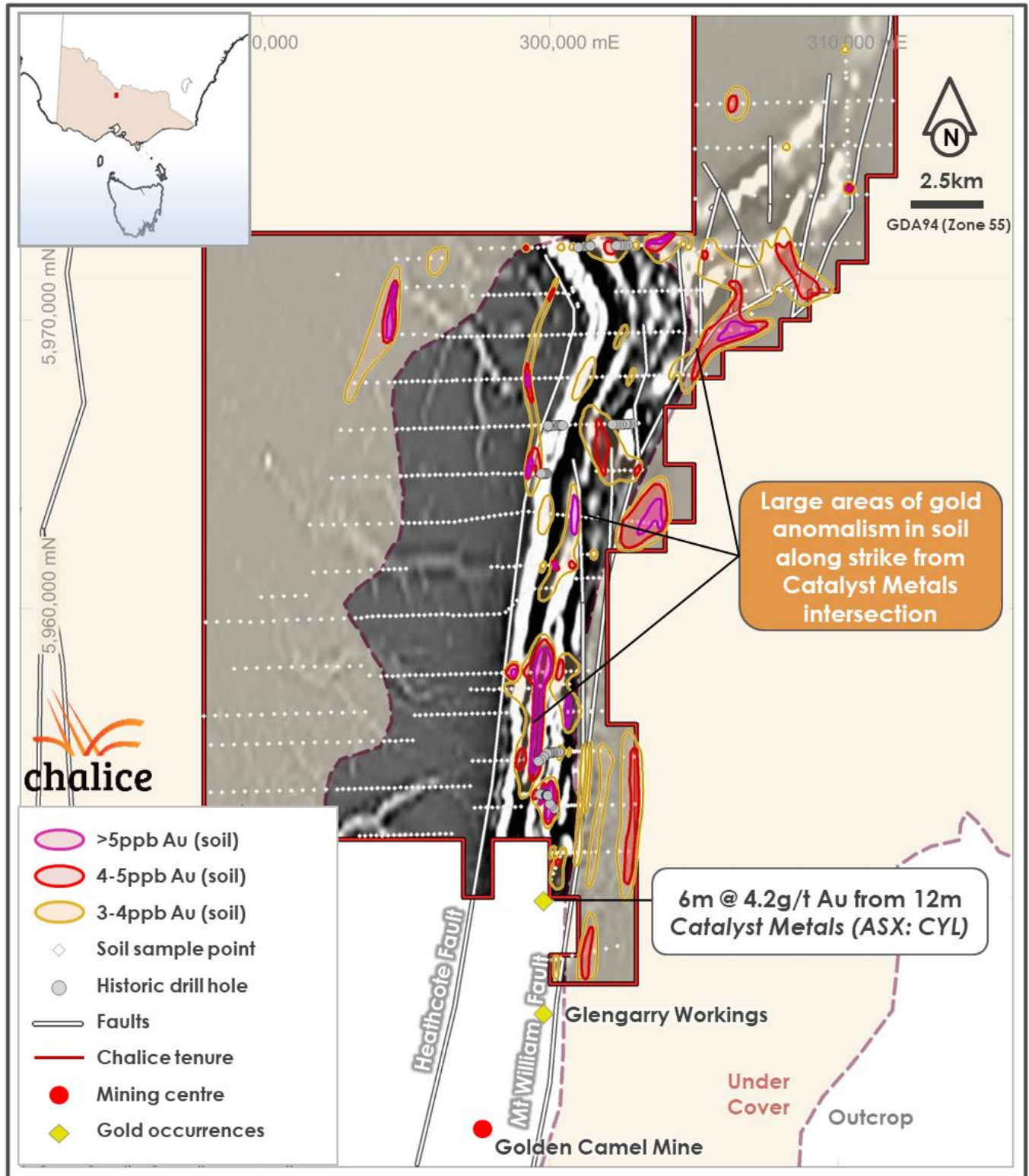


Figure 6. Mt William Area soil geochemical sampling over regional aeromagnetics

Other Targets

The Company is encouraged by the recent ASX reporting (30th Sept 2018) by Catalyst Metals (ASX: CYL) of a shallow RAB drill intersection of 6m @ 4.2g/t Au from 12m at the Golden Camel Project. The drill hole is located close to the southern boundary of EL6738 (Figure 6). Given the apparent northern trend of gold mineralisation within this region, it is possible that this zone may trend into Chalice's tenure and therefore represents a significant target for follow-up exploration.

Tenure

Two new tenements (EL6669 and EL6805) were granted during the quarter (Table 1).

Table 1. Pyramid Hill Gold Project Exploration Licences

Tenement No	Area Name	Area (km ²)	Status	Grant Date
EL6661	Muckleford	711	Granted	02/03/2018
EL6669	Muckleford	683	Granted	03/11/2018
EL6737	Muckleford	781	Granted	17/08/2018
EL6738	Mt William	905	Granted	30/09/2018
EL6805	Percydale	694	Granted	03/12/2018
EL6820	Percydale	8	Application	
EL6864	Muckleford	577	Application	
EL6898	Muckleford	85	Application	
EL6901	Muckleford	55	Application	
Total		4,500		

EL6669 contains a northern extension of the same geological succession as identified within the Muckleford Area, whereas EL6805 covers a 43km strike extent of the Percydale Fault, which is located in the St Arnaud goldfield of the Stawell Zone of Central Victoria (Figure 7).

The Company has commenced a review of historical open file exploration results in order to assess the gold prospectivity of new tenements.

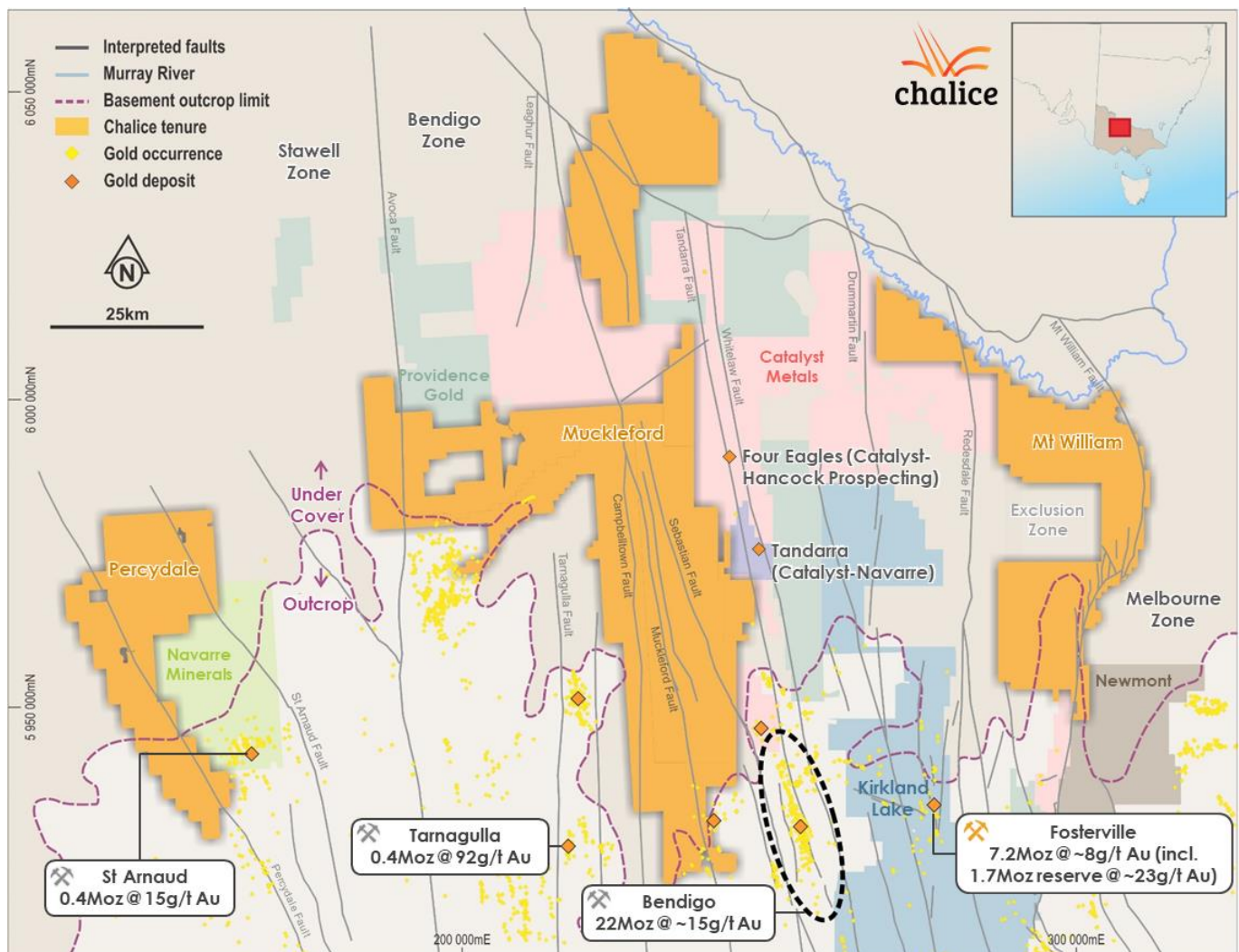


Figure 7. Pyramid Hill Gold Project tenure, regional gold deposits and licence holders

2.2 East Cadillac Gold Project, Quebec, Canada

The East Cadillac Gold Project covers an area of 233km² and is located ~35km east of the >20Moz Val-d'Or gold camp in Quebec, Canada. With land holdings encompassing a strike length of 27km of the Larder Lake-Cadillac Fault, the most prolifically endowed gold trend in the southern Abitibi, the Project is along strike from several globally significant mines including Canadian Malartic (>16Moz Au Agnico Eagle and Yamana) and Sigma Lamaque (>11Moz Au Eldorado Gold).

The Project surrounds the historical Chimo gold mine, owned by Cartier Resources (TSX: ECR – 17% owned by Agnico Eagle), which produced ~379koz @ 4.8g/t Au. Acquired in late 2016, the East Cadillac Gold Project is a consolidation of several earn-in option agreements (Chalice earning 80 to 100%) and Chalice's 100%-owned claims.

Since acquiring the Project, Chalice has completed systematic geochemistry and geophysics field programmes as well as a ~27,600m regional diamond drilling programme targeting large-scale gold

systems, with three new discoveries made to date. Chalice is currently conducting regional exploration on the Project, targeting large-scale, high-grade gold deposits.

During the Quarter, a targeting phase was completed highlighting two new large-scale drill targets, Legrand and Anderson. Preparations for a reconnaissance drilling programme were completed, which is now underway. A 3D Induced Polarisation survey is underway with approximately 90 of 115 line km completed over the Lac Rapides, Legrand and Makwa Targets. Initial results show strong chargeability responses along strike from zones of known gold mineralisation.

2019 Reconnaissance Drilling Programme

An 8,100m reconnaissance diamond drilling programme commenced this week. The programme is planned in two phases to test the Anderson and Legrand Targets, which represent newly identified large-scale MMI geochemical anomalies located to the north and south of the Larder Lake – Cadillac Fault (LLCF), respectively on 100% owned Chalice tenure.

Phase 1 drilling comprises 15 holes for 4,500m along three reconnaissance drill traverses to provide an initial test over core parts of the geochemical anomalies. Phase 2 comprises 12 holes for 3,600m along four step-out drill traverses to scope out potential strike and/or depth extensions to any promising zones of mineralisation visually identified in Phase 1 drilling (Figure 8).

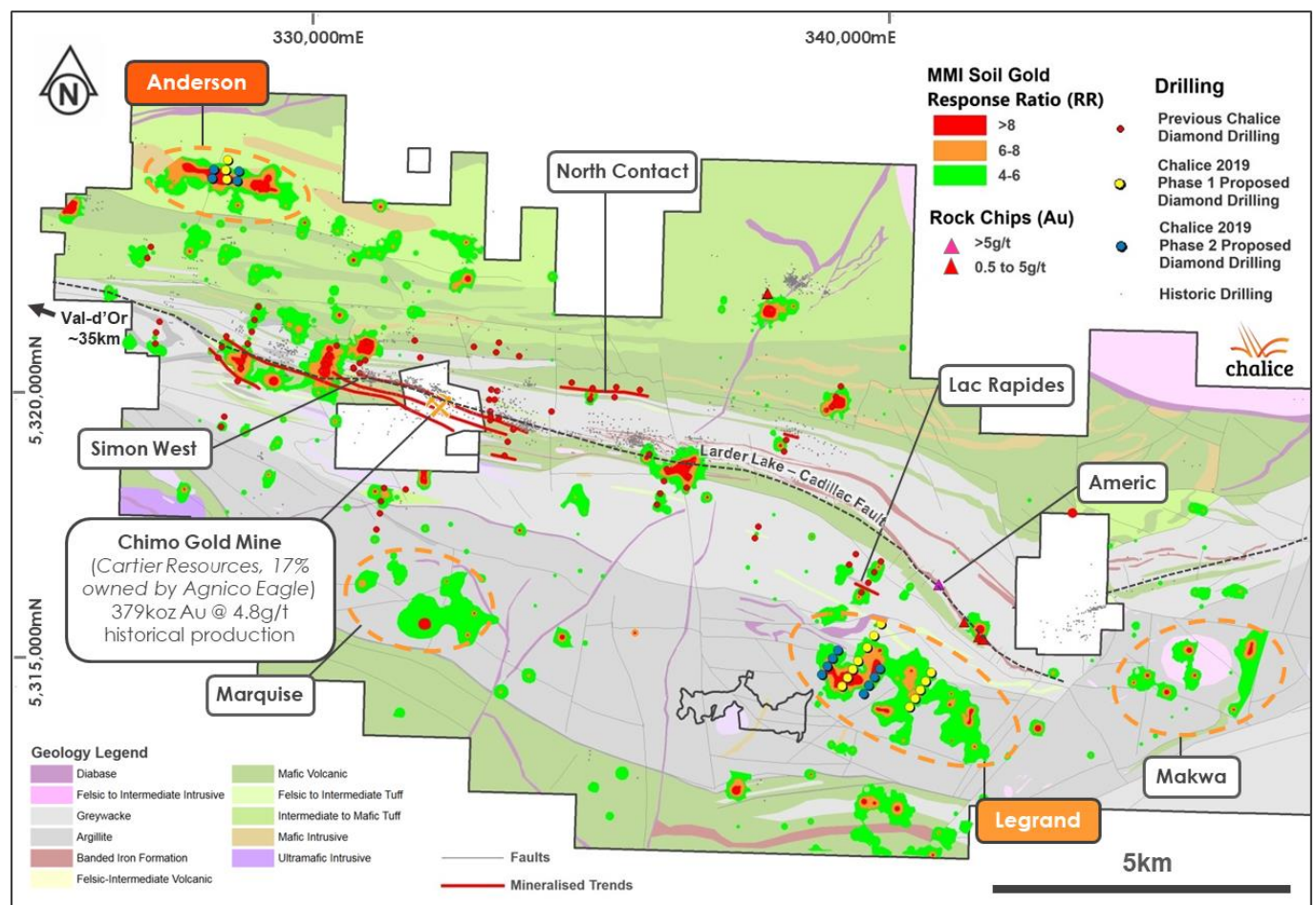


Figure 8. Planned DDH collars over MMI gold-in-soil contours and regional geology.

The **Legrand** anomaly is a gold-plus-pathfinder Mobile Metal Ion (MMI) soil anomaly with an interpreted strike length of more than 3km. It is located approximately 1km south of the LLCF and approximately 1.6km south of Chalice's recent Lac Rapides gold discovery.

Gold-in-soil values range up to 22 times background levels with coincident anomalous As, Ag, Cs, Tl, & W, similar in character and size to the >16Moz Canadian Malartic gold mine (Perrouy, 2018²), owned by Agnico Eagle and Yamana.

The **Anderson** anomaly is another large (>2.5km strike length) gold and pathfinder MMI soil anomaly identified by in-fill sampling during the 2018 summer exploration program. Gold values also range up to 22 times background levels with spatially associated Bi, W.

Drilling is currently underway at Anderson with one drill rig, and a second rig will mobilise to site shortly to commence drilling at Legrand. The two phase programme is expected to continue through to mid-March 2019.

Geophysical Surveys

A 3D Orevision Induced Polarisation (3D IP) survey commenced in early October and continued through the quarter with approximately 92 of the planned 115 line km completed at the end of the Quarter.

The survey is a dipole-dipole array with survey stations at 37.5m spacing on lines 200m to 400m apart, orientated as close as possible to orthogonal to the strike of the geology. The survey represents an extension to the 3D IP survey completed over the western part of the project area in 2017 and, at completion of the current survey, a 3D inversion model will be generated to better define anomalous trends.

A series of chargeability trends has been identified from surveying completed to date, some of which correlate with areas of known gold and pathfinder geochemical anomalies including the Makwa and Legrand targets (Figure 9). These anomalies will be reviewed at the completion of the survey in late January.

² Perrouy et al. 2018, *Expanding the size of multi-parameter metasomatic footprints in gold exploration: utilization of mafic dykes in the Canadian Malartic district, Québec, Canada*. Mineralium Deposita, August 2018

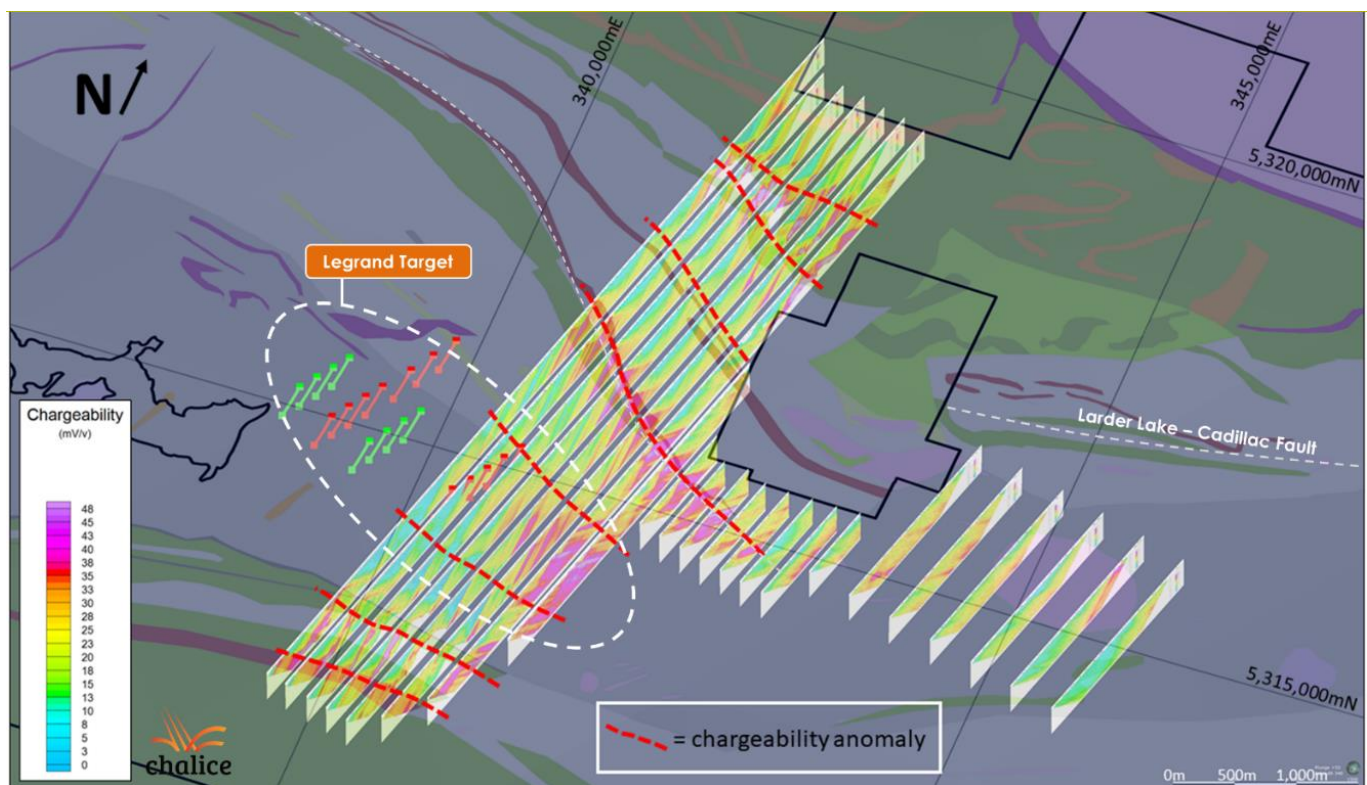


Figure 9. New 3D IP pseudo-sections (85 line km shown of planned 115 line km survey).

Tenure

During the Quarter, the Company withdrew for nil cost from the Forsan Earn-in agreement with Pershimex Resources Corporation.

The Company staked several claims to the South of the Legrand Target, to capture open areas of geochemical anomalism within the Piche Group Volcanics (Figure 10).

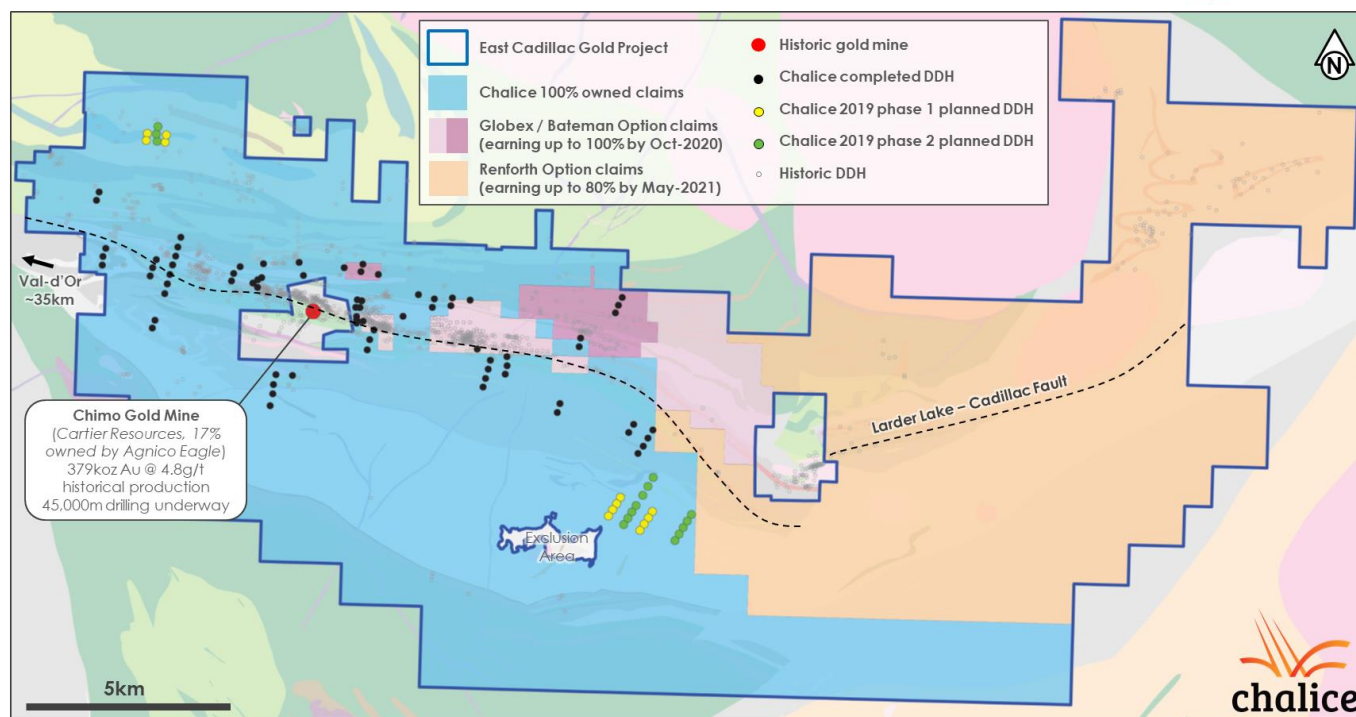


Figure 10. East Cadillac Gold Project tenure, Earn-in Joint Venture Agreements and drill collars

2.3 Other Projects

The Company has continued to evaluate exploration opportunities across regions identified as highly prospective for gold and base metals. During the Quarter, Chalice applied for vacant ground in the Southern Cross greenstone belt (Mt Jackson, within the Yilgarn Gold Project) and the Madura Province (Auralia Nickel-Copper-Gold Project).

The Company has continued to progress generative projects within the portfolio and has been successful in attracting Ramelius Resources (ASX: RMS) as a joint venture partner for the Nulla South and Gibb Rock areas within the Yilgarn Gold Project.

No activity was conducted during the Quarter on the Flinders River, Warrego North and Kinebik Projects.

Yilgarn Gold Project – Gibb Rock, Western Australia (Ramelius earning 75%)

On 14 November 2018, the Company executed a conditional farm-out agreement of the Gibb Rock Project (part of the Yilgarn Project) with Ramelius Resources Limited (ASX: RMS). As part of the agreement, Ramelius may earn a 75% interest in the Project by spending A\$2 million on exploration within three years and reimbursing Chalice A\$50,000 in cash.

Yilgarn Gold Project – Nulla South, Western Australia (Ramelius earning 75%)

On 10 December 2018, Ramelius announced exploration results from the Nulla South Joint Venture. Ramelius commenced initial exploration drilling initially focused around the historical Felstead's Find workings. During the Quarter, 11,175m of AC drilling was completed from 167 holes (NUSA series) along with 5 shallow RC drill holes (NUSC series) for 385m. Significant 1m RC results returned include:

- 13m @ 2.34g/t Au from 34m, and 10m @ 1.08 g/t Au from 53m in NUSC004

- 9m @ 2.07 g/t Au from 69m in NUSC005

Encouraging results from shallow AC drilling include (4m composites):

- 12m @ 1.52 g/t Au from surface in NUSA016
- 12m @ 0.99 g/t Au from 4m in NUSA018
- 12m @ 0.50 g/t Au from 16m in NUSA047
- 4m @ 1.38 g/t Au from surface in NUSA050

Yilgarn Gold Project – Mt Jackson, Western Australia

A single tenement application E77/2577 covering an area of 207.8 km² was lodged during the Quarter. The tenement is interpreted to be prospective for orogenic style gold mineralisation given the presence of an interpreted juncture between two regional scale faults at the northern termination of the Southern Cross greenstone belt. A review of open file reporting indicates no previous exploration work and the Company intends to conduct a surface geochemical survey once the tenement is granted.

Julimar Nickel-Vanadium Project, Western Australia

Access discussions with landowners progressed during the Quarter, with a reconnaissance geochemical and geophysical programme expected to commence in February 2019.

King Leopold Nickel-Copper-PGE Project, Western Australia

The Company is currently progressing four tenement applications (E04/2566 & 2567; E80/5269 & 5270) covering an area of 644 km², situated 80km north-east of Fitzroy Crossing in the west Kimberley region of Western Australia. These tenements are considered prospective for Ni as well as Cu and PGEs, within approximately 70km strike extent of the Hart Dolerite, a Paleo-Proterozoic intrusive complex of the King Leopold Orogen.

The Company interprets the Hart Dolerite to have a similar nickel sulphide prospectivity to the nearby Ruins Dolerite, which has been demonstrated to host magmatic nickel-copper-PGE sulphides at the Double Magic Project of Buxton Resources (ASX: BUX) and Independence Group (ASX: IGO)

Auralia Nickel-Copper-Gold Project, Western Australia

The Company has lodged two tenement applications (E69/3636 & 3637) covering an area of 830km², situated 500km east of Kalgoorlie in the Madura Province of Western Australia. Limited historical exploration drilling below the Eucla Basin in this area intersected ultramafic to mafic intrusive rocks associated with a large 80km strike length magnetic anomaly.

The Company considers the ultramafic-mafic complex to be prospective for intrusive-hosted Ni-Cu-PGE sulphide similar in style to the Nova-Bollinger and Voisey's Bay Ni-Cu-PGE sulphide deposits.

3. CORPORATE

Chalice's **cash balance was A\$21.3 million** as at 31 December 2018. In addition, Chalice holds a number of strategic, liquid investments in ASX and TSX listed companies to the value of A\$2.2 million and has current receivables of A\$2.9 million (Quebec exploration and tax credits).

The Company also has a contingent A\$5 million payment receivable upon commercial production at the Nyanzaga Gold Project in Tanzania (OreCorp Limited ASX: ORR).

During the Quarter, the Company spent A\$1.7 million on exploration activities and A\$0.41 million on administration, business development and corporate costs (net of interest). The Company also completed a capital reduction and return to shareholders of A\$10.7 million (A\$0.04 per share). The Company is awaiting a Class Ruling from the Australian Taxation Office (ATO) in relation to the capital return.

Estimated outflows for the next quarter include A\$3.1 million on exploration activities and A\$0.40 million on administration, business development and corporate costs. Further details are available in the attached Appendix 5B.

In November, Alex Dorsch was appointed to the Board as Managing Director.

4. TENEMENT SCHEDULES

In accordance with ASX Listing Rule 5.3, please refer to Appendix 1 for a listing of all tenement holdings.



Alex Dorsch
Managing Director

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Competent Persons and Qualifying Persons Statement

The Exploration information in this report that relates to the Pyramid Hill Project, Victoria is based on information compiled by Dr. Kevin Frost BSc (Hons), PhD, a Competent Person who is a Member of the Australian Institute of Geoscientists. Dr. Frost is a full-time employee of the Company and has sufficient experience that is relevant to the activity being undertaken to qualify as a Competent Person as defined in the 2012 edition of the Australasian Code for Reporting of Exploration Results, Mineral 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 information disclosed in this release, including sampling, analytical and test data underlying the information contained in this release. Dr. Frost consents to the inclusion in the announcement of the matters based on his information in the form and context in which it appears.

The Information in this announcement that relates to the exploration results for the Pyramid Hill Project is extracted from ASX announcements entitled "Chalice secures extensive strategic position in highly prospective northern Bendigo region, Victoria", "Chalice identifies two 12km+ gold-in-soil anomalies at Pyramid Hill Project, Bendigo", "Chalice set to drill large-scale gold targets at Pyramid Hill Gold Project, Victoria" released on 26 February, 12 July and 27 September 2018 respectively.

The Information in this announcement that relates to exploration results for the East Cadillac Gold Project is extracted from ASX announcements entitled "Chalice expands exploration drilling programme at East Cadillac Gold Project after identifying 14 new high-priority targets", "Significant new gold intersections at East Cadillac Project", Quebec confirm mineralisation over ~3.5km", "Two new gold discoveries expand the district-scale potential of East Cadillac Gold Project, Canada", "New phase of exploration underway at East Cadillac Project in Quebec", "Newly defined large-scale gold anomalies prioritised for drill testing at East Cadillac Gold Project, Quebec" and "Chalice prepares for major new drill programme to test large-scale gold targets at East Cadillac Gold Project in Quebec" released on 16 January, 6 March, 31 May, 10 July, 25 October and 20 November 2018 respectively.

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 relevant original market announcements. The Company confirms that the form and context in which the Competent Person and Qualified Person's findings are presented have not been materially modified from the relevant original market announcements.

Forward Looking Statements

This report 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 report 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 Company's strategy, the estimation of mineral reserve and mineral resources, the realisation of mineral resource estimates, the likelihood of exploration success at the Company's projects, the prospectivity of the Company's exploration projects, the timing of future exploration activities on the Company's exploration projects, planned expenditures and budgets and the execution thereof, the timing and availability of drill results, potential sites for additional drilling, 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", "believes", "occurs" 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 or planned exploration activities; changes in project parameters as plans continue to be refined; changes in exploration programmes based upon the 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; the ultimate outcome for shareholders of any Class Ruling received from the Australian Tax Office ("ATO") in relation to any capital return, 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 Schedule

The following information is provided in accordance with ASX Listing Rule 5.3 for the Quarter ended 31 December 2018.

1. Listing of tenements held

Australia

Location	Project	Tenement No.	Registered Holder	Nature of interest
Western Australia	Yilgarn	E39/1914	CGM (WA) Pty Ltd	95%
		E39/1976	CGM (WA) Pty Ltd	95%
		E70/4869	CGM (WA) Pty Ltd	95%
		E77/2353 to E77/2354	CGM (WA) Pty Ltd	95% - Farm-out agreement, Ramelius Resources Ltd has the right to earn up to 75% interest
		P37/8702 to P37/8711	CGM (WA) Pty Ltd	95%
		P39/5600 to P39/5601	CGM (WA) Pty Ltd	95%
		P37/9012 to P37/9023	CGM (WA) Pty Ltd	100%
		P37/9026	CGM (WA) Pty Ltd	100%
		P37/9028 to P37/9031	CGM (WA) Pty Ltd	100%
	Julimar	E70/5118	CGM (WA) Pty Ltd	100%
Victoria	Pyramid Hill	EL006661	CGM (WA) Pty Ltd	100%
		EL006737 to EL006738	CGM (WA) Pty Ltd	100%
		EL6669	CGM (WA) Pty Ltd	100%
		EL6805	CGM (WA) Pty Ltd	100%
Northern Territory	Warrego North	EL23764	CGM (WA) Pty Ltd (51%) & Meteoric Resources NL (49%)	Farm-in agreement, right to earn up to 70% interest
		EL31608	CGM (WA) Pty Ltd	100%
		EL31610	CGM (WA) Pty Ltd	100%
Queensland	Flinders River	EPM26858 to EPM26860	CGM Lithium Pty Ltd	100%
		EPM26863	CGM Lithium Pty Ltd	100%
		EPM26919	CGM Lithium Pty Ltd	100%
		EPM26861 to EPM26862	CGM Lithium Pty Ltd	100%
		EPM26864 to EPM26866	CGM Lithium Pty Ltd	100%

Canada

Location	Project	Claim Numbers	Registered Holder	Nature of Interest
Quebec	Kinebik	2448108 to 2448207	Chalice Gold Mines (Quebec) Inc.	100%
		2448409 to 2448497	Chalice Gold Mines (Quebec) Inc.	100%
		2449277 to 2449375	Chalice Gold Mines (Quebec) Inc.	100%
		2454112 to 2454113	Chalice Gold Mines (Quebec) Inc.	100%
		2454308 to 2454320	Chalice Gold Mines (Quebec) Inc.	100%
		2454863 to 2454867	Chalice Gold Mines (Quebec) Inc.	100%
		2466152 to 2466176	Chalice Gold Mines (Quebec) Inc.	100%
		2468010 to 2468012	Chalice Gold Mines (Quebec) Inc.	100%
		2470442 to 2470460	Chalice Gold Mines (Quebec) Inc.	100%
		2499665 to 2499668	Chalice Gold Mines (Quebec) Inc.	100%
		2515283 to 2515284	Chalice Gold Mines (Quebec) Inc.	100%
	East Cadillac	2385084	Chalice Gold Mines (Quebec) Inc.	100%
		2434329	Chalice Gold Mines (Quebec) Inc.	100%
		2434769 to 2434771	Chalice Gold Mines (Quebec) Inc.	100%
		2438058 to 2438067	Chalice Gold Mines (Quebec) Inc.	100%
		2438103 to 2438104	Chalice Gold Mines (Quebec) Inc.	100%
		2438130 to 2438133	Chalice Gold Mines (Quebec) Inc.	100%
		2438140 to 2438211	Chalice Gold Mines (Quebec) Inc.	100%
		2445500 to 2445501	Chalice Gold Mines (Quebec) Inc.	100%
		2456677 to 2456680	Chalice Gold Mines (Quebec) Inc.	100%
		2456713 to 2456714	Chalice Gold Mines (Quebec) Inc.	100%
		2457365 to 2457366	Chalice Gold Mines (Quebec) Inc.	100%
		2457890 to 2457892	Chalice Gold Mines (Quebec) Inc.	100%
		2458268 to 2458272	Chalice Gold Mines (Quebec) Inc.	100%
		2461488 to 2461495	Chalice Gold Mines (Quebec) Inc.	100%
		2466091 to 2466092	Chalice Gold Mines (Quebec) Inc.	100%
		2468029 to 2468043	Chalice Gold Mines (Quebec) Inc.	100%
		2470586	Chalice Gold Mines (Quebec) Inc.	100%
		2471188 to 2471202	Chalice Gold Mines (Quebec) Inc.	100%
		2472374 to 2472375	Chalice Gold Mines (Quebec) Inc.	100%
		2481223 to 2481300	Chalice Gold Mines (Quebec) Inc.	100%
		2491126	Chalice Gold Mines (Quebec) Inc.	100%
		2491239 to 2491250	Chalice Gold Mines (Quebec) Inc.	100%
		2491522	Chalice Gold Mines (Quebec) Inc.	100%
		2514628	Chalice Gold Mines (Quebec) Inc.	100%
		2515519	Chalice Gold Mines (Quebec) Inc.	100%
		2525102 to 2525138	Chalice Gold Mines (Quebec) Inc.	100%
		2437791 to 2437811	Globex Mining Enterprises Inc.	0% - Option agreement to earn a 100% interest
		2437862 to 2437873	Globex Mining Enterprises Inc.	
		2437912 to 2437915	Globex Mining Enterprises Inc.	

Location	Project	Claim Numbers	Registered Holder	Nature of Interest
		2438798 to 2438811	Chalice Gold Mines (Quebec) (40%) Globex Mining Enterprises Inc. (60%)	40% - Option agreement to acquire a further 60% interest
		2438935 to 2438937	Chalice Gold Mines (Quebec) (40%) Globex Mining Enterprises Inc. (60%)	
		2443200 to 2443243	Renforth Resources Inc. 100%	0% - Option and farm-in agreement to earn an 80% interest
		2480250 to 2480258	Renforth Resources Inc. 100%	0% - Option and farm-in agreement to earn an 80% interest
		2481131 to 2481222	Renforth Resources Inc. 100%	0% - Option and farm-in agreement to earn an 80% interest
		2405317 to 2405327	Renforth Resources Inc. 100%	0% - Option and farm-in agreement to earn an 80% interest
		2423153 to 2423166	Renforth Resources Inc. 100%	0% - Option and farm-in agreement to earn an 80% interest
		2462745 to 2462751	Renforth Resources Inc. 100%	0% - Option and farm-in agreement to earn an 80% interest
		2477257 to 2477258	Renforth Resources Inc. 100%	0% - Option and farm-in agreement to earn an 80% interest
		2480184 to 2480187	Renforth Resources Inc. 100%	0% - Option and farm-in agreement to earn an 80% interest
		2484903	Renforth Resources Inc. 100%	0% - Option and farm-in agreement to earn an 80% interest

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

Location	Project	Claim Number	Registered Holder	Interest at beginning of Quarter	Interest at end of Quarter
Queensland	Flinders River	EPM26861 to EPM26862	CGM Lithium Pty Ltd	0%	100%
		EPM26864 to EPM26866	CGM Lithium Pty Ltd	0%	100%
Victoria	Pyramid Hill	EL6669	CGM (WA) Pty Ltd	0%	100%
		EL6805	CGM (WA) Pty Ltd	0%	100%
Quebec	East Cadillac	2525102 to 2525138	Chalice Gold Mines (Quebec) Inc.	0%	100%

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

Location	Project	Tenement No.	Registered Holder	Interest at end of Quarter
Quebec	Kinebik	2470442 to 2470460	Chalice Gold Mines (Quebec) Inc.	0%
		2468013	Chalice Gold Mines (Quebec) Inc.	0%
	East Cadillac	2437916 to 2437942	Pershimex Resources Corporation	0% - withdrew from option agreement.

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 2018

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	36	74
1.2 Payments for		
(a) exploration & evaluation	(1,710)	(3,191)
(b) development	-	-
(c) production	-	-
(d) staff costs ⁽¹⁾	(173)	(672)
(e) administration and corporate costs	(263)	(414)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	146	273
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	(2)	(2)
1.7 Research and development refunds	-	-
1.8 Other:		
- Business development	(149)	(474)
1.9 Net cash from / (used in) operating activities	(2,115)	(4,406)

⁽¹⁾Year to date staff costs includes a one-off payment of cash in lieu of shares on the vesting of performance rights (\$61,000) and the pay out of long service leave entitlements (\$67,000).

2. Cash flows from investing activities		
2.1 Payments to acquire:		
(a) property, plant and equipment	(1)	(7)
(b) tenements (see item 10)	-	-
(c) investments	-	-

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (6 months) \$A'000
	(d) other non-current assets	-	-
2.2	Proceeds from the disposal of:		
	(a) property, plant and equipment	-	-
	(b) tenements (see item 10)	-	50
	(c) investments	-	-
	(d) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other:		
	- Tenement security deposits	(32)	(55)
2.6	Net cash from / (used in) investing activities	(33)	(12)

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	(11)	(15)
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:		
	- Equal capital reduction	(10,663)	(10,663)
3.10	Net cash from / (used in) financing activities	(10,674)	(10,678)

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	34,114	35,739
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(2,115)	(4,406)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(33)	(12)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	(10,674)	(10,678)

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	50	699
4.6	Cash and cash equivalents at end of period	21,342	21,342

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	10,394	2,540
5.2	Call deposits	10,948	31,574
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)	21,342	34,114

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

183

-

Includes directors' fees and salaries (including superannuation) of \$183,000.

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

-

-

Mining exploration entity and oil and gas exploration entity quarterly report

8.	Financing facilities available <i>Add notes as necessary for an understanding of the position</i>	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.		


9.	Estimated cash outflows for next quarter	\$A'000
9.1	Exploration and evaluation	(3,141)
9.2	Development	-
9.3	Production	-
9.4	Staff costs	(280)
9.5	Administration and corporate costs ⁽¹⁾	(60)
9.6	Other	(60)
9.7	Total estimated cash outflows	(3,541)

⁽¹⁾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	Quebec: <i>Kinebik</i> 2470442 to 2470460 2468013 <i>East Cadillac Gold</i> 2437916 to 2437942	Owned Owned Option agreement to earn a 70% interest	100% 100% 0%	0% 0% 0%
10.2	Interests in mining tenements and petroleum tenements acquired or increased	Queensland: <i>Flinders River</i> EPM26861 to EPM26862 EPM26864 to EPM26866 Victoria: <i>Pyramid Hill</i> EL6669 EL6805 Quebec: <i>East Cadillac Gold</i> 2525102 to 2525138	Owned Owned Owned Owned Owned	0% 0% 0% 0% 0%	100% 100% 100% 100% 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: 18 January 2019

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.