

“The New East African-focused Gold Company”

AGM Presentation

November 2009

www.chalicegold.com

Disclaimer



- The material used in this presentation is intended to be a summary of the proposed merger between Chalice Gold Mines Limited and Sub-Sahara Resources NL and includes activities that are current and proposed based on the information available to Chalice Gold Mines Limited as at 14 October 2009.
- This presentation may contain value references and "forward looking statements" which are subject to various risks and uncertainties that could cause actual results and future events to differ materially from those expressed or implied by such statements. Investors are cautioned that such statements are not guarantees of future performance and results.
- This presentation does not include all available Information on Chalice Gold Mines Limited and should not be used in isolation as a guide to investing in the Company. Any potential investor should also refer to Chalice Gold Mines Limited Annual Reports and to ASX releases and take independent professional advice before considering investing in the Company.
- For further information about Chalice Gold Mines Limited, visit the website at www.chalicegold.com

CHN Overview



- **Approx 137M shares on issue**
- **Market Cap of ~A\$68M (based on Chalice share price of \$0.50)**
- **Focus on developing the high-grade Zara Gold Project in Eritrea, East Africa**
- **Targeting near-term production of ~110,000 oz pa from ~1Moz resource**
- **Expected completion of Feasibility Study in May 2010**
- **Strategic landholding in emerging Arabian-Nubian gold & base metal province (Sukari, Bisha) – major exploration upside**

Board

Tim Goyder (Executive Chairman)

Doug Jones (Managing Director)

Mike Griffiths (Executive Director)

Anthony Kiernan (Non-executive Director)

Substantial Shareholders

Tim Goyder	14.5%
Anvil Mining	6.1%

Gold in the Arabian-Nubian Shield

- Emerging gold and base metal province – current gold endowment >20Mozs
- Numerous multi-million oz gold deposits and mines dating back to ancient times
- Largely unexplored in modern times
- Centamin's 13Moz Sukari Gold Mine in Egypt commenced production
- Nevsun's \$250M Bisha gold & base metal mine under construction in Eritrea - 1 Moz gold, 750 Mlb copper, 1 Blb zinc, 9 Moz silver)



Zara Project - Location



Eritrea Overview

- **Stable operating and social environment**
- **Proactive Government stance on mining developments – “open for business”**
- **Modern Mining Code**
- **Increasing foreign exploration & mining investment – 13 groups now active in country**



Scoping Study Overview



- **Scoping Study finds Koka deposit at the Zara Project in Eritrea has the potential to be financially robust based on a gold price of US\$800 an ounce**
- **Koka forecast to produce an average of 110,000 ounces a year at a cash cost of US\$424 an ounce**
- **Total production of 677,000 ounces over six years from 944,000 ounce current resource with potential to expand current resource base through further drilling**
- **Capital costs estimated at US\$97.8 million**
- **Feasibility Study to be completed by mid-2010**
- **Potential to significantly improve project economics by further optimising pit design based on planned geotechnical drilling**

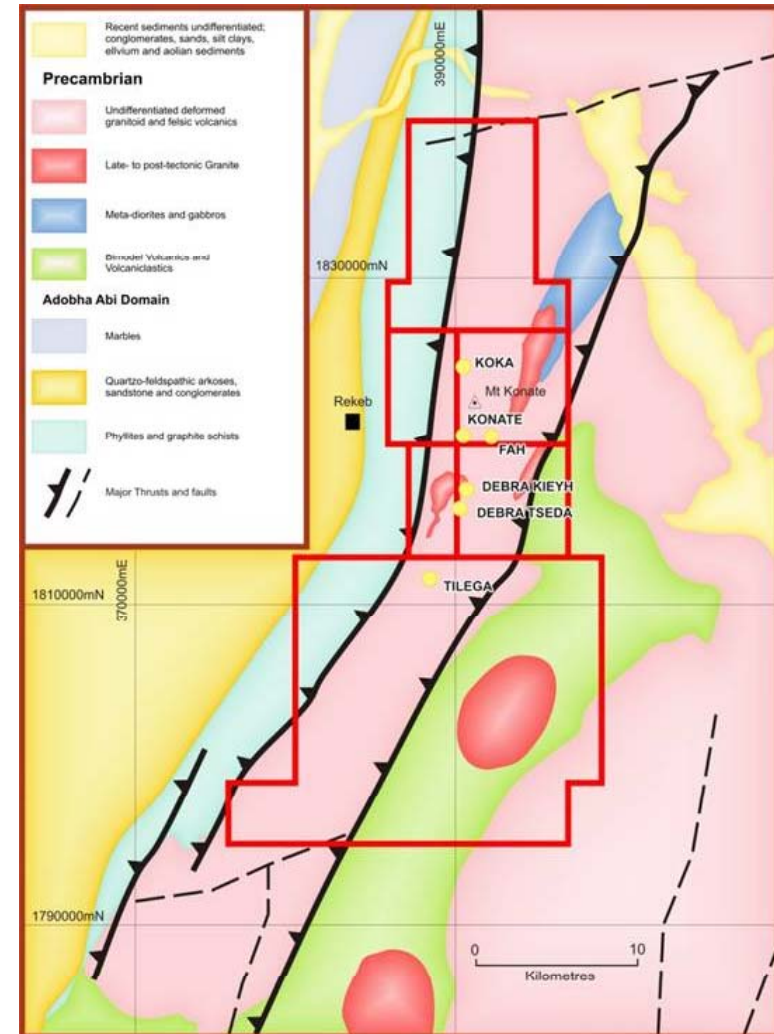
Scoping Study Key Parameters



Parameter	
Average gold production	~110,000 oz per annum
Life of mine	~ 6 years
Total capital costs	US\$97.8 million
Total cash costs	US\$424 per oz
Total gold mined	712,000 oz
Gold recoveries	95%
Gold produced	677,000 oz
Plant capacity	500,000 tpa
Mining costs	US\$241 per oz
Processing costs	US\$169 per oz
G&A costs	US\$14 per oz
Total mined	45.3 million tonnes
Ore milled	3.4 million tonnes
Strip ratio	12.4

Zara Project – Regional Setting

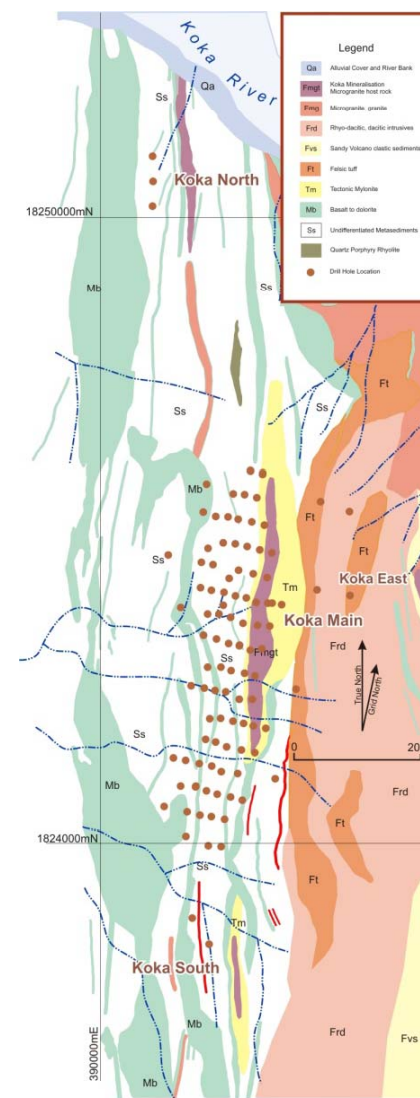
- Major regional structural corridor controls gold occurrences
- Granted tenements cover 50km strike on this corridor (~600km²)
- Numerous prospects identified from artisanal gold workings
- Koka Deposit has been main focus of exploration to date



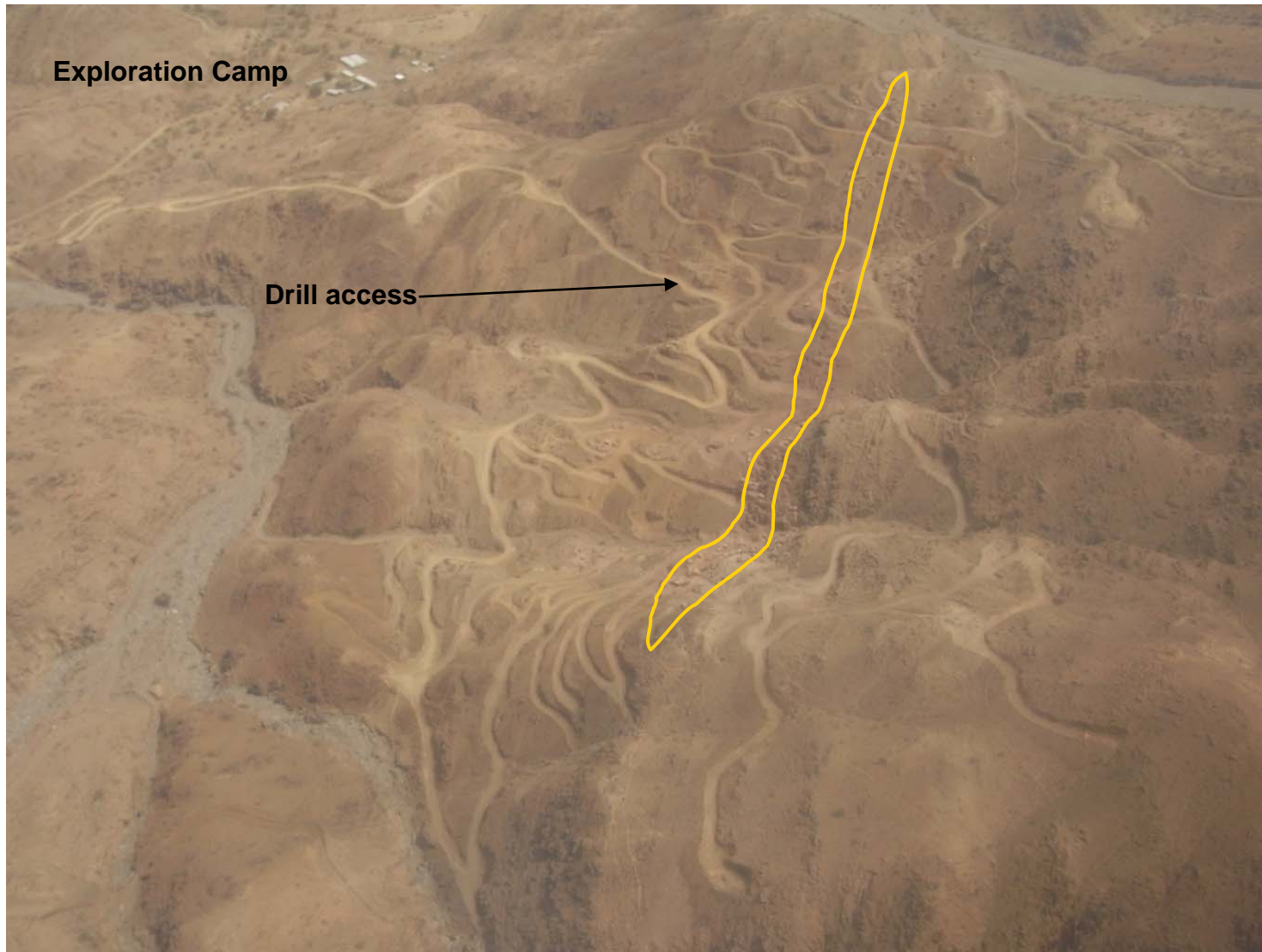
Koka Gold Deposit

- Koka Deposit - JORC compliant resource of 5 Mt at 5.8 g/t gold for 944,000 oz
- Based on results from 109 diamond drill holes (~18,000m drilled)
- 600m strike length, 20-30m wide and open at depth
- Only drilled to 250m below surface
- Bulk of resource shallower than 150m

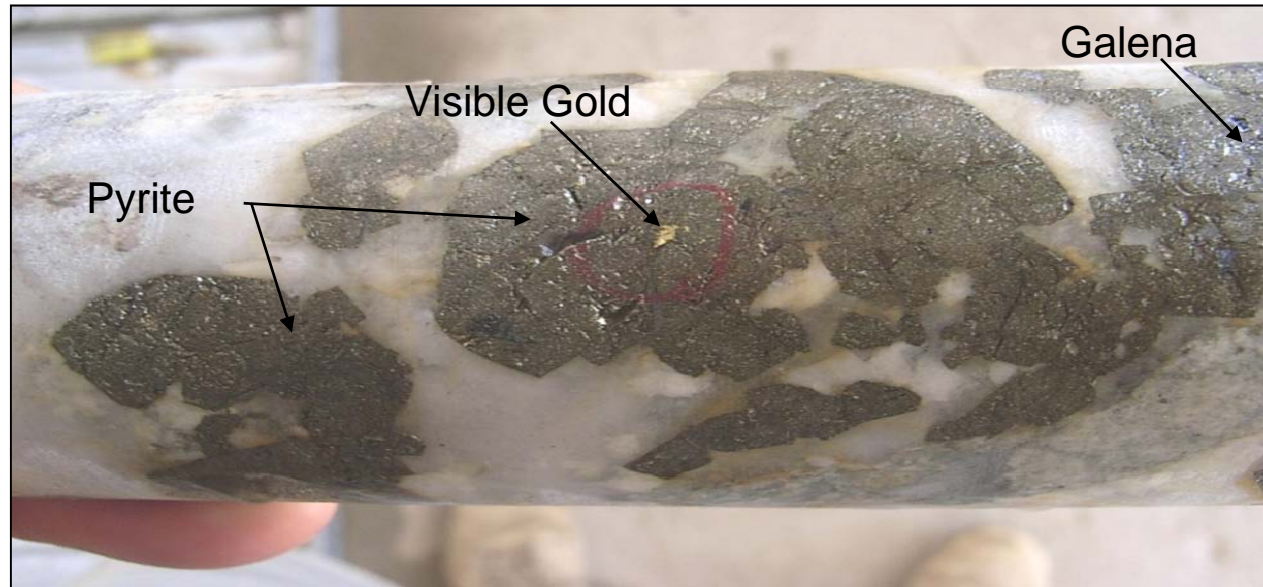
Category	Lower grade cut-off (g/t)	Tonnes (Mt)	Gold (g/t)	Metal (Koz)
Indicated	1.2	4.55	5.9	867
Inferred	1.2	0.49	4.9	77
TOTAL	1.2	5.04	5.8	944



Koka Gold Deposit – looking north



Koka Gold Deposit – mineralisation



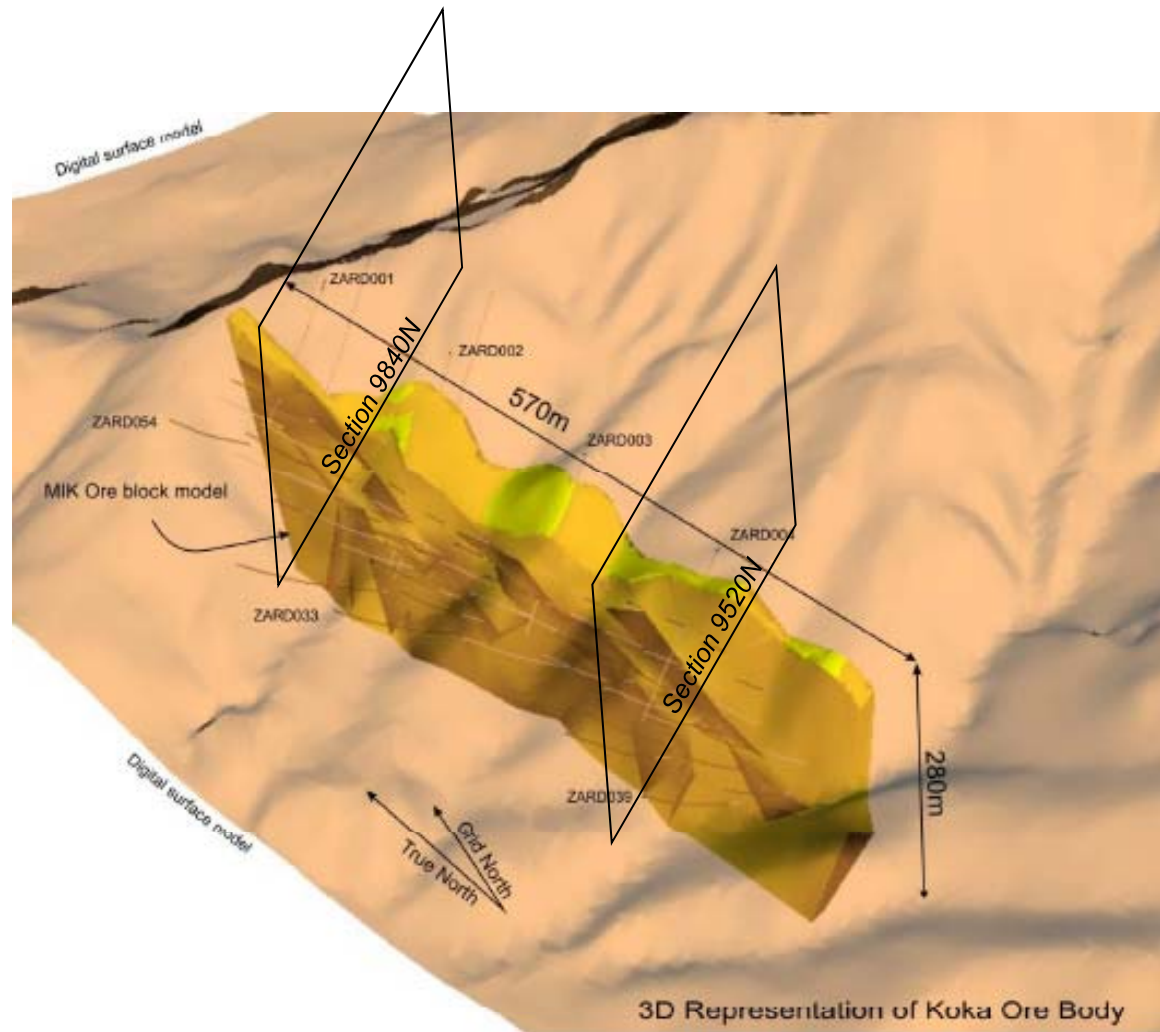
- Quartz stockwork veins cutting microgranite; similar in style to Sukari gold mineralisation
- Visible gold & high gold values associated with sulphides in quartz-carbonate veins
- Sulphides overall less than 2% - no impact on metallurgy – free milling

Koka Gold Deposit – metallurgy

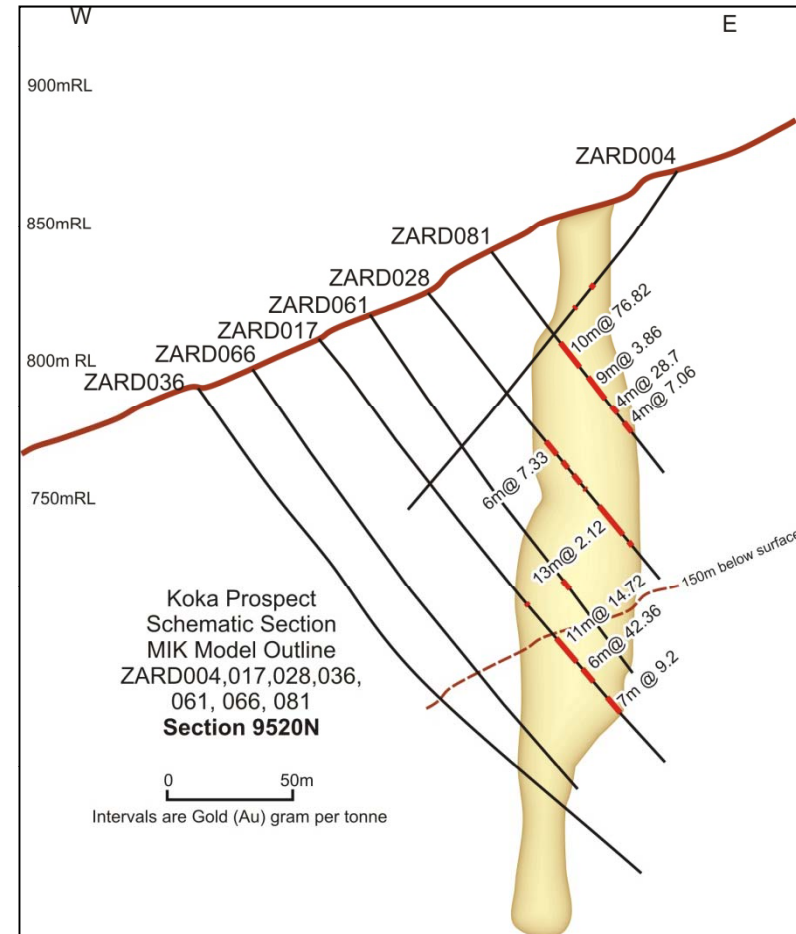
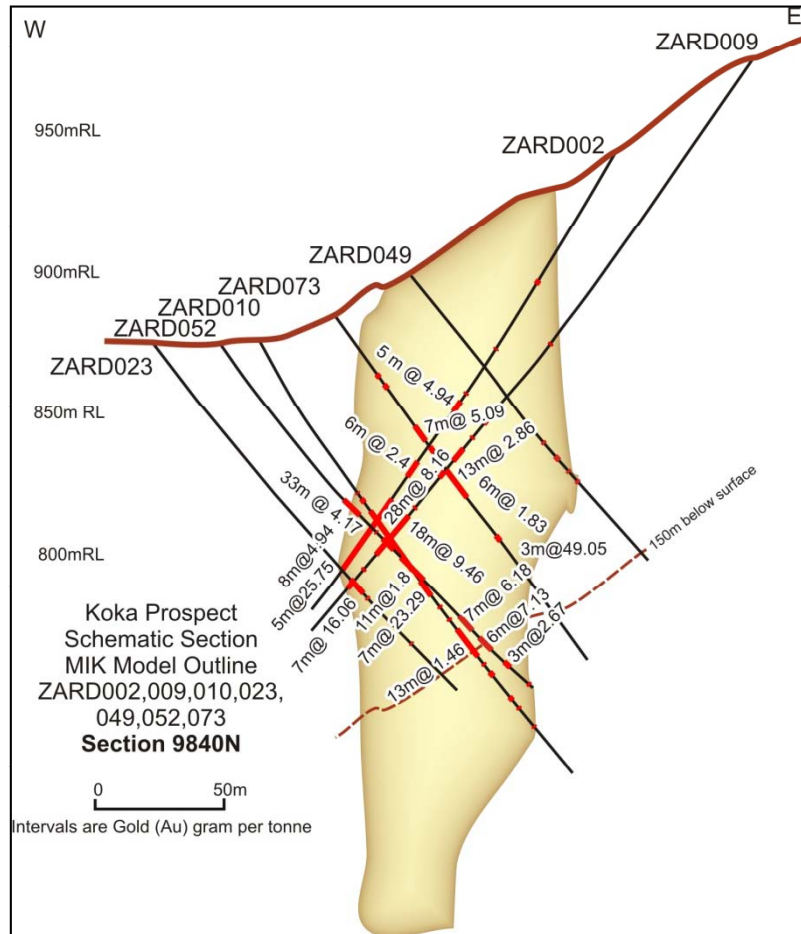


- Metallurgical testwork being undertaken at AMMTEC Perth laboratory
- 7 specifically drilled diamond core holes representative of deposit
- Master composite prepared from 104 intervals
- Initial testwork indicates ore is metallurgically benign
 - ~60% of gold recoverable by gravity
 - Overall recoveries 95-97% for grind sizes of 80% passing 150 to 75 μ respectively
 - Low reagent consumptions - <0.5 kg/t for both lime and cyanide
 - Ore has medium competency - Bond Work Index (15-18kWhrs/t)
 - Abrasion index of 0.3
- Allows simple processing route - conventional ball mill followed by gravity and CIL recovery

Koka Gold Deposit – 3D model

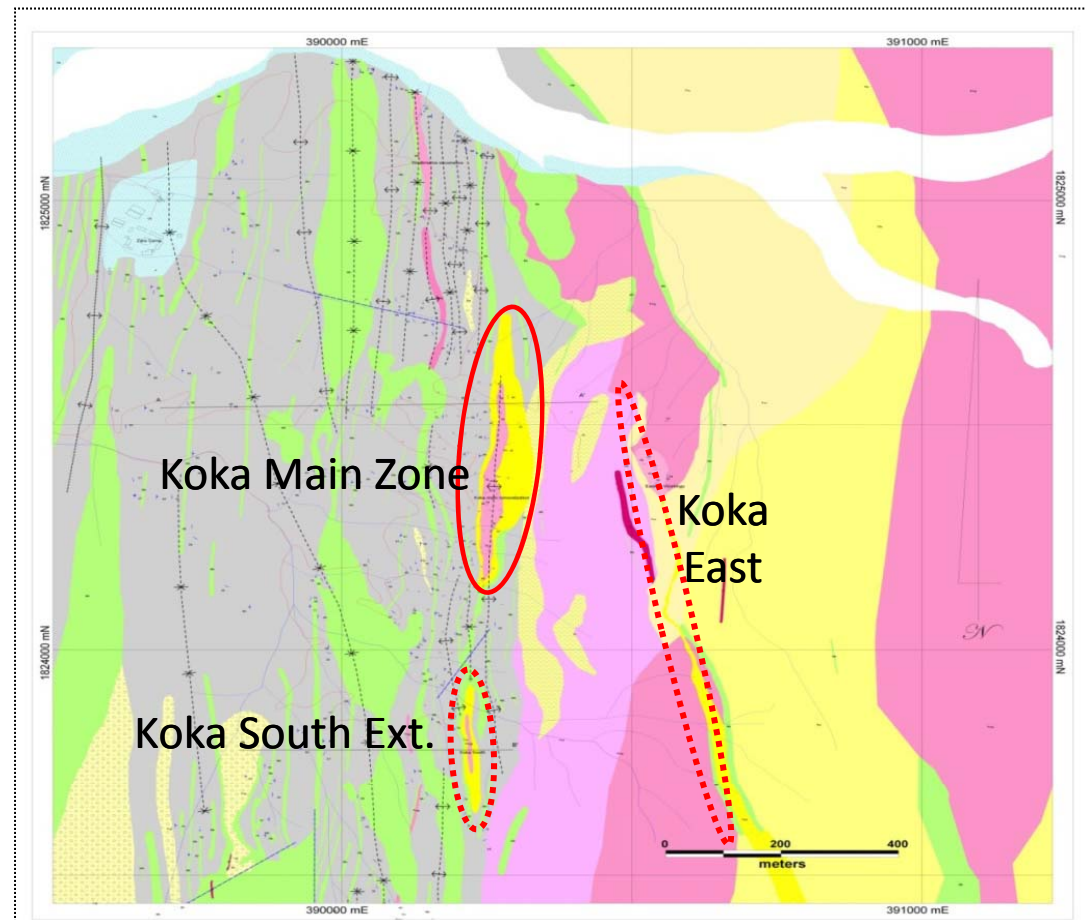


Koka Gold Deposit – cross sections



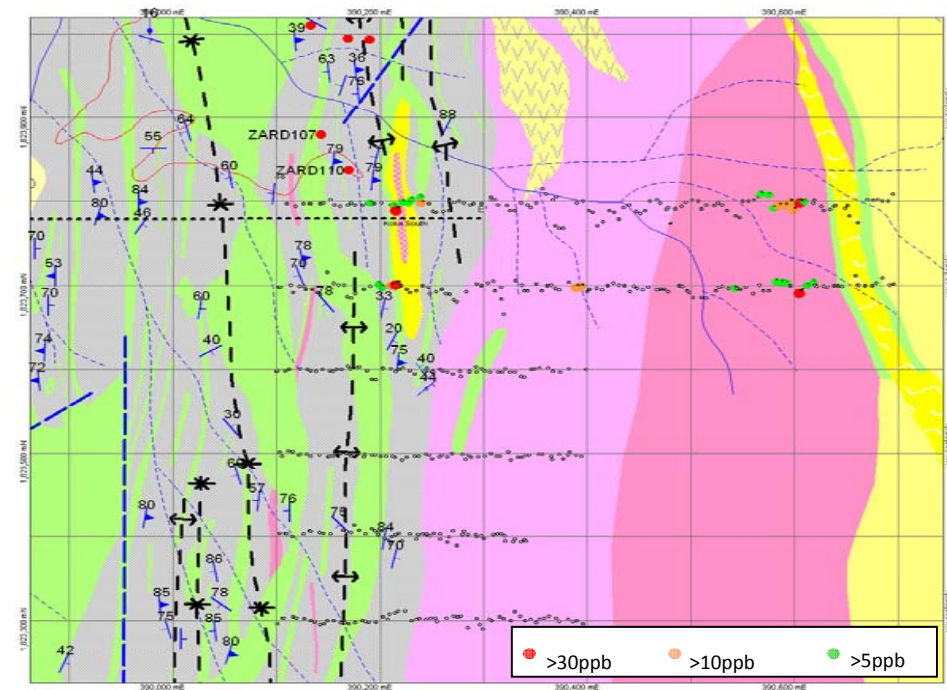
Koka Exploration – ‘near mine’

- Exploration to date focused on Koka Main Zone – very little drilling outside this target
- Other targets identified include:
 - Koka East – artisanal workings on high-grade quartz vein
 - Koka South Extension – IP resistivity anomaly



Koka South Extension

- Strong IP resistivity anomaly identified 500m to the south of Koka
- Ground follow-up confirmed zone of silica-sericite altered microgranite
- Limited drilling confirmed Koka-style mineralization - up to 20g/t over narrow widths
- Potential 'blind' system open down plunge to south



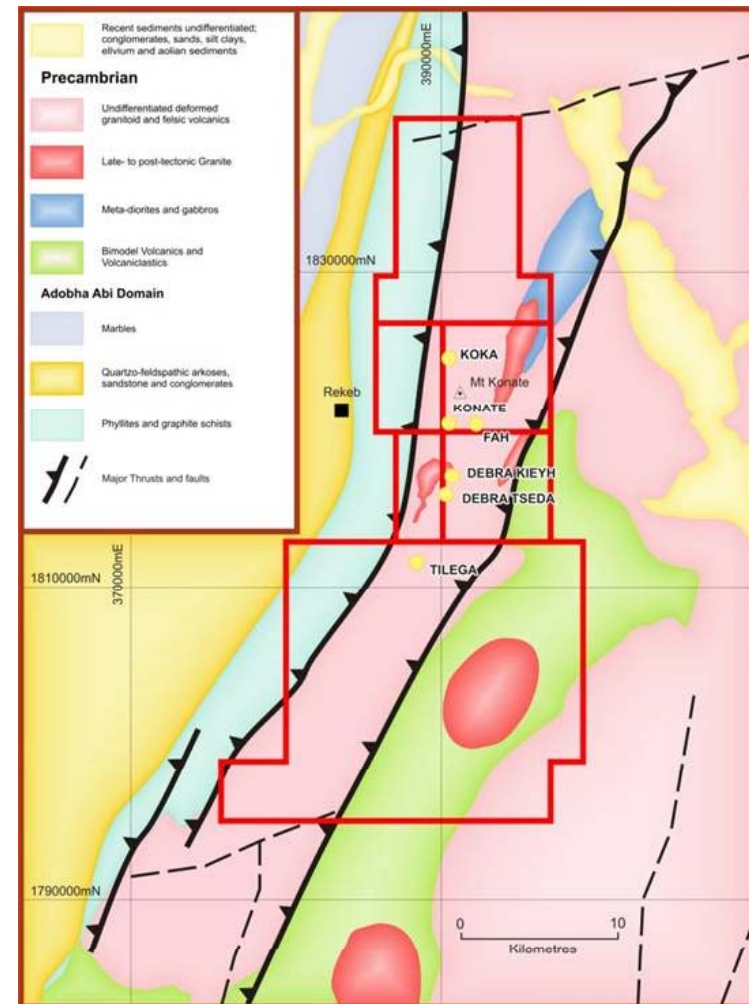
Koka East

- ~80m in hangingwall of Koka Main Zone
- Artisanal workings and prospecting pits over 500m strike
- Koka-style alteration and quartz stockwork mineralization in microgranite
- Outcrops over 50m width
- Very little sampling to date
- First-pass drilling planned as part of geotech drilling programme



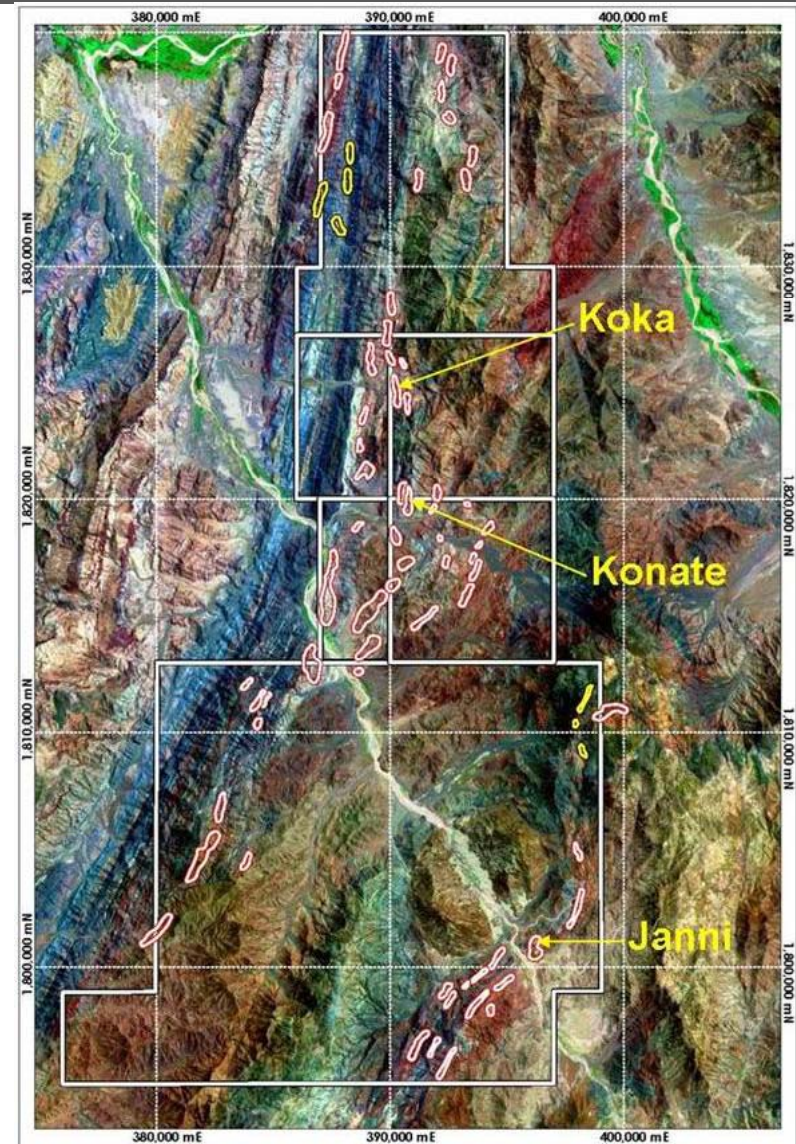
Zara Project – regional potential

- No exploration in district before 1998 when Koka discovered
- Koka geological setting extends throughout ~600km² tenement block
- Numerous prospects identified from artisanal gold workings
- Drainage BLEG geochemical anomalies identified – to be followed up
- Initial Landsat interpretation completed



Landsat Interpretation

- Study covered ~38,000km²
- ~60 new targets identified within 615km² CHN tenement block
- Both gold (Koka-type) & VHMS (Bisha-type) base metal targets identified
- Field work has already validated some of the targets on the ground
- Regional structural interpretation underway to rank & prioritise targets
- Additional ground applied for



Forward Program

- **Lycopodium to complete Feasibility Study by May 2010**
 - **5,000m of diamond drilling to upgrade resource underway**
 - **Hydrological drilling –initial holes indicate adequate water supply**
 - **Metallurgical testwork almost complete**
 - **Socio-economic studies & EIS ongoing**
- **2500m of exploration drilling planned on currently identified ‘near-mine’ targets**
- **Regional exploration program to be expanded**



Summary



- **Focused growth strategy via development of high-grade Koka Gold Deposit**
- **Targeting near-term production of ~110,000 ozpa from current ~1Moz resource**
- **Expected completion of Feasibility Study in May 2010**
- **Strategic ground position in highly gold endowed, under-explored Arabian-Nubian Shield**
- **Aggressive exploration programme underway to expand resource base – numerous identified targets**
- **Experienced Board and Management with extensive expertise in African gold sector**

Competent Persons Statement



The information in this report that relates to Exploration Results is based on information compiled by Dr Doug Jones, a full-time employee and Director of Chalice Gold Mines Limited, who is a Member of the Australasian Institute of Mining and Metallurgy and is a Chartered Professional Geologist. Dr Jones has sufficient experience in the field of activity being reported to qualify as a Competent Person as defined in the 2004 edition of the Australasian Code for Reporting of Exploration Results, Minerals Resources and Ore Reserves, and consents to the release of information in the form and context in which it appears here.

The Independent Resource Estimate for the Koka deposit was prepared by Mr Brian Wolfe whilst employed as a Specialist Resource Geologist for Coffey Mining Pty Ltd. Mr Wolfe, who is a Member of the Australasian Institute of Mining and Metallurgy, has sufficient experience in the field of Resource Estimation to qualify as a Competent Person as defined in the 2004 edition of the Australasian Code for Reporting of Exploration Results, Minerals Resources and Ore Reserves, and consents to the release of information in the form and context in which it appears here.