



## 2018 Annual General Meeting Presentation

27 November 2018

ASX : CHN

TSX : CXN

# Forward looking statements and disclosures



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, filings on [sedar.com](http://sedar.com), and to ASX/TSX 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](http://www.chalicegold.com)

## 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 Company's projects 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, 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", "believes", "occur", "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; the ultimate outcome for shareholders of any Class Ruling received from the Australian Tax Office ("ATO") in relation to any proposed 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](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.

## Competent Person and Qualifying Persons Statement

The information in this presentation that relates to exploration results for the Pyramid Hill Project is based on information compiled by Dr. Kevin Frost, 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, 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 inclusion in the announcement of the matters based on his information in the form and context in which it appears.

The Information in this presentation 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" and "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 presentation that relates to exploration results for the East Cadillac Gold Project is extracted from ASX announcements entitled "Chalice expands exploration drilling program 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 program 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](http://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.





## A unique, well-funded junior explorer



### District-scale, tier-1 exploration projects

- **Two potentially transformational** drill programmes in **Australia** and **Canada**

### Strong balance sheet

- **c. A\$34M in cash** + A\$2M in liquid investments + A\$3M current receivables at 30-Sept-18 (~A\$39M / 14.7cps)

### Proven and experienced team

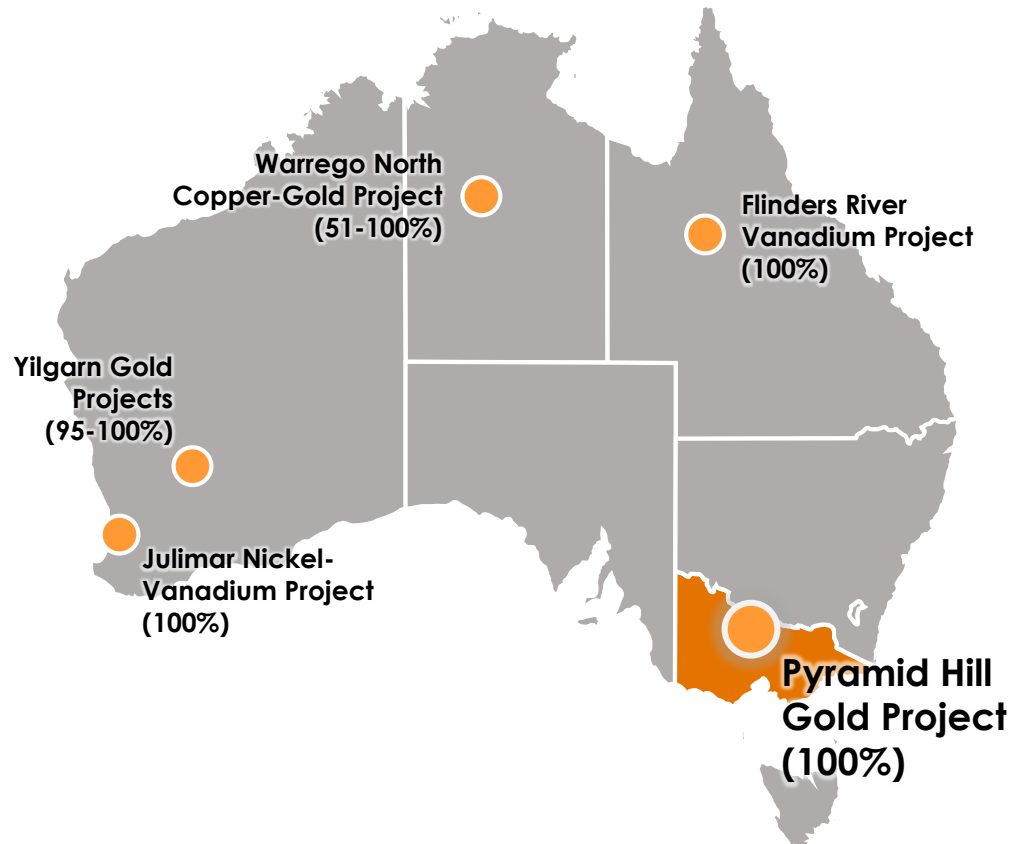
- Large, highly capable team with broad experience and specialist expertise

### Track record of successful value creation

- Proven business model, with net proceeds from asset sales of **~A\$107M**, ~A\$25M capital return in 2012
- **~A\$11M (4cps) capital return proposed for Nov 2018**

# Portfolio of District-Scale, High Impact Projects in Australia and Canada

## Australia



## Canada





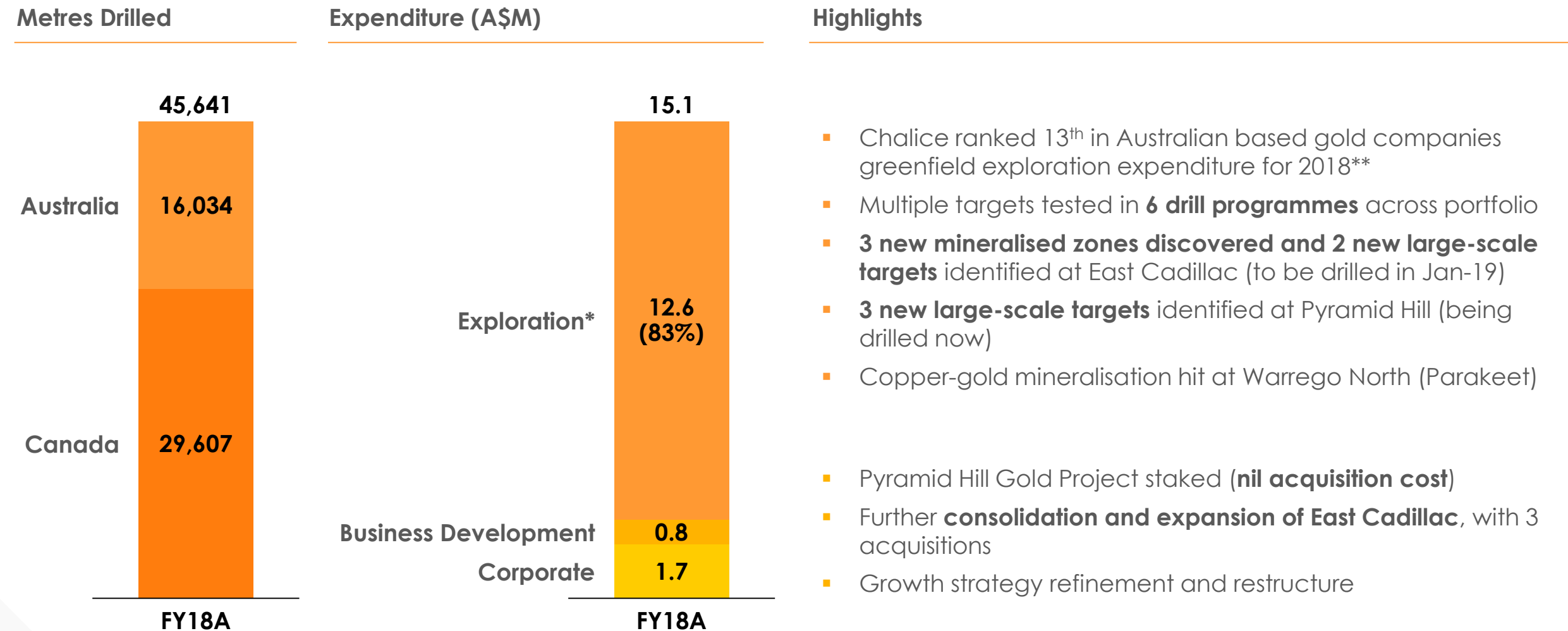


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## 2018 year in review and outlook for 2019

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**2018 in review** ~A\$13M spent on 7 drill programmes and 2 regional sampling programmes over the year



\* Median for ASX listed junior explorers in 2017 was ~\$0.7M, equivalent to ~50% of their total annual expenditure – MinEx Consulting 2017

\*\* SOURCE: S&P Global Market Intelligence



# 2018 in pictures



The Chalice team have been working tirelessly to drive value for shareholders

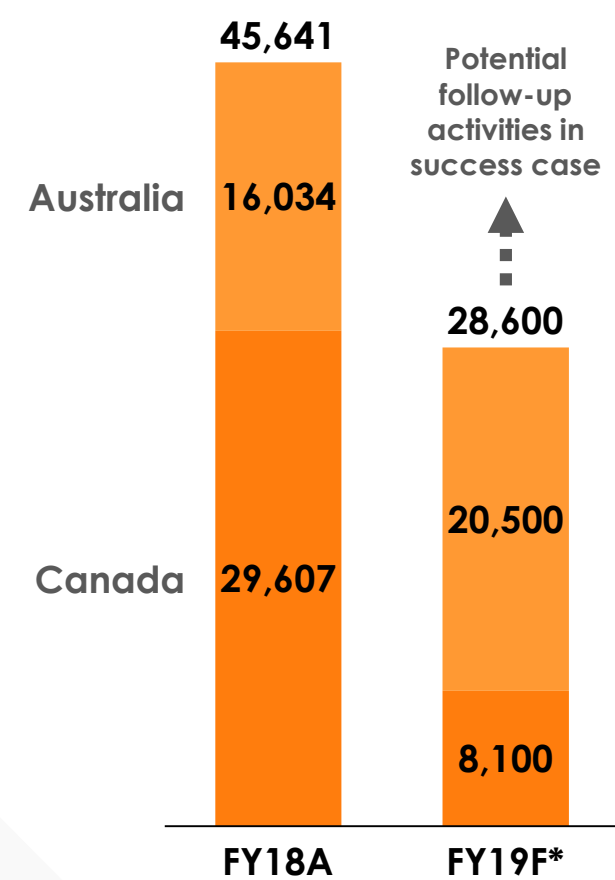




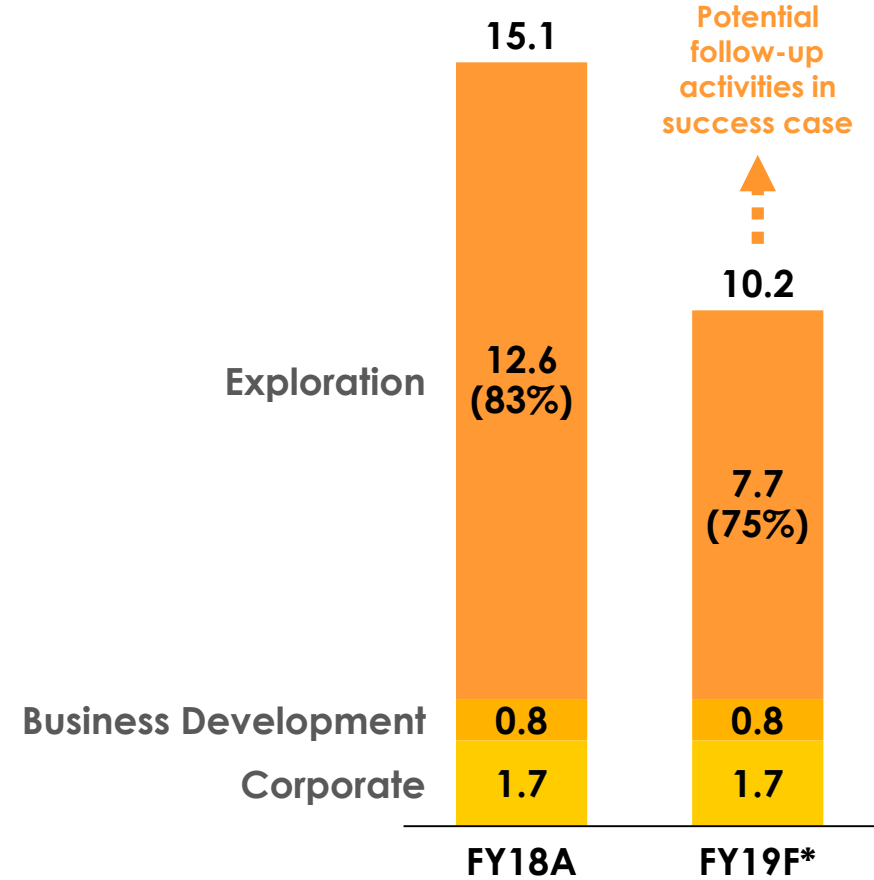
# 2019 outlook ~A\$8M forecast spend on exploration for FY19, targeting large-scale greenfield gold discoveries on two key projects



## Metres Drilled



## Expenditure (A\$M)



## Strategy and Outlook

- Focus on 2 key projects – make **large, globally significant greenfield gold discoveries** and rapidly define:
  - 3 new large-scale targets currently being drilled at **Pyramid Hill Gold Project**, in 8,500m maiden drill programme
  - 2 new large-scale targets to be drilled at **East Cadillac Gold Project**, in 8,100m drill programme commencing Jan-2019
- Upgrade or divest other projects and streamline the portfolio
- Return excess capital and increase leverage on exploration portfolio
- Continue search for opportunistic, high impact exploration acquisitions

\* Forecast includes currently budgeted programmes only and does not include additional follow-up activities in a success case

## Our strategy has a long-term view and aims to address the growing deficit in new discoveries worldwide...

“

*There is an absolute appetite to improve the portfolio mix... and Australia and North America are very much focus areas*

*AngloGold Ashanti*

*We're open for business in the exploration space, we're actively looking for new partners.... if you have got a project, come and talk to us*

*Newcrest*

*The most exciting part about Fosterville is the host of other targets that are there and the opportunities – maybe we still haven't found the real gold deposit yet... We believe there's more to come*

*Kirkland Lake Gold*

*Peaks in discoveries precede the peaks in exploration spend. So the best time to get in [to junior explorers], is when exploration spend bottoms out and starts rising... which is now!*

*MinEx Consulting*

”



# Our Vision

Discover and grow to become a globally recognised specialist explorer and developer

## Our People Strategy

Create a culture of sustainable success, teamwork and career development



## Our Value Strategy

Actively manage the portfolio and undertake targeted, high impact activity on our projects



## Our Growth Strategy

Make timely, high impact acquisitions with an owner's mindset



## Our Core Values

**INTEGRITY**

'Do the right thing'

**OWNERSHIP**

'Think like an owner'

**URGENCY**

'Act today, not tomorrow'

**ALIGNMENT**

'If Chalice wins, we all win'

**ADVANCEMENT**

'Improve every day'





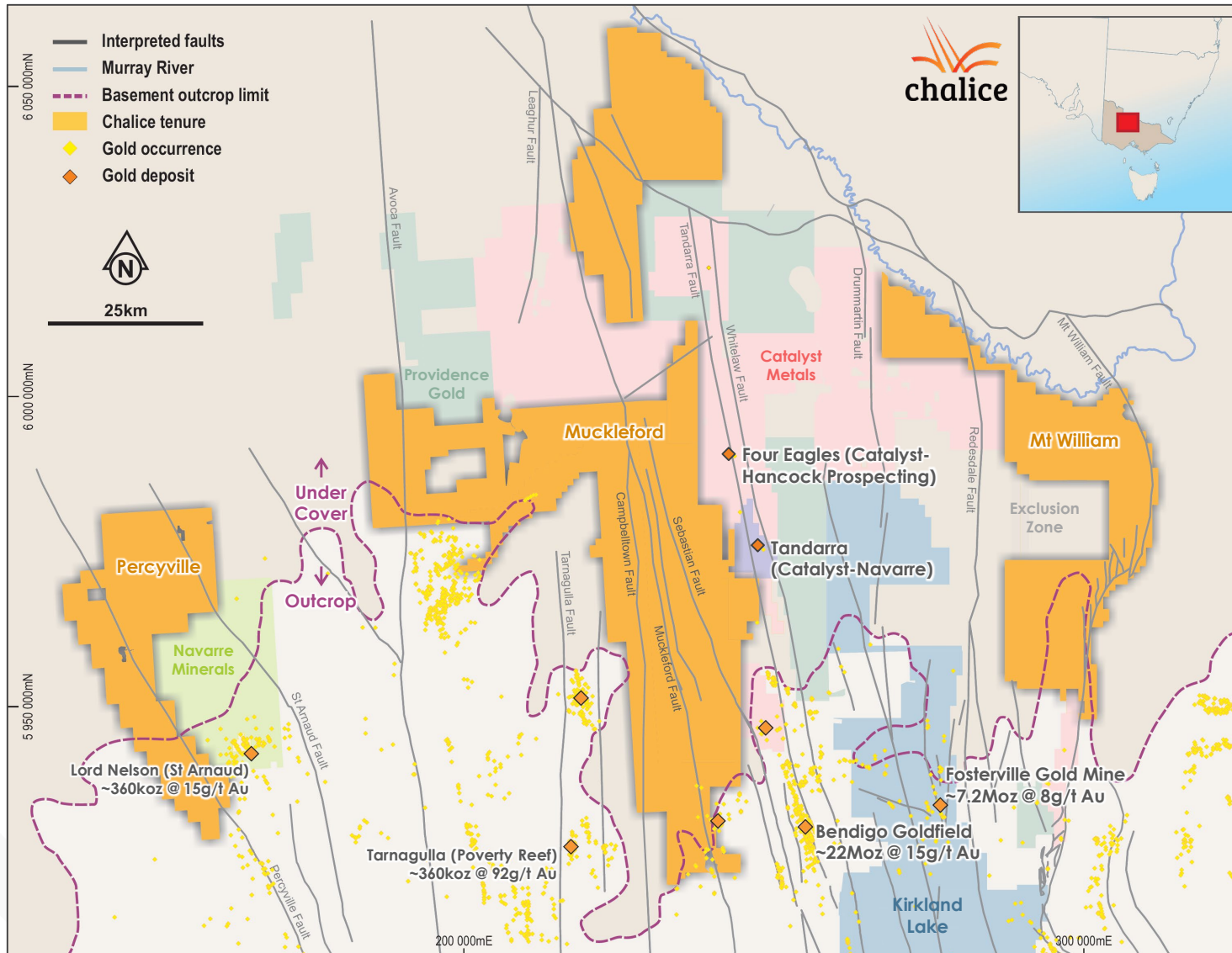
# Pyramid Hill Gold Project

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Victoria

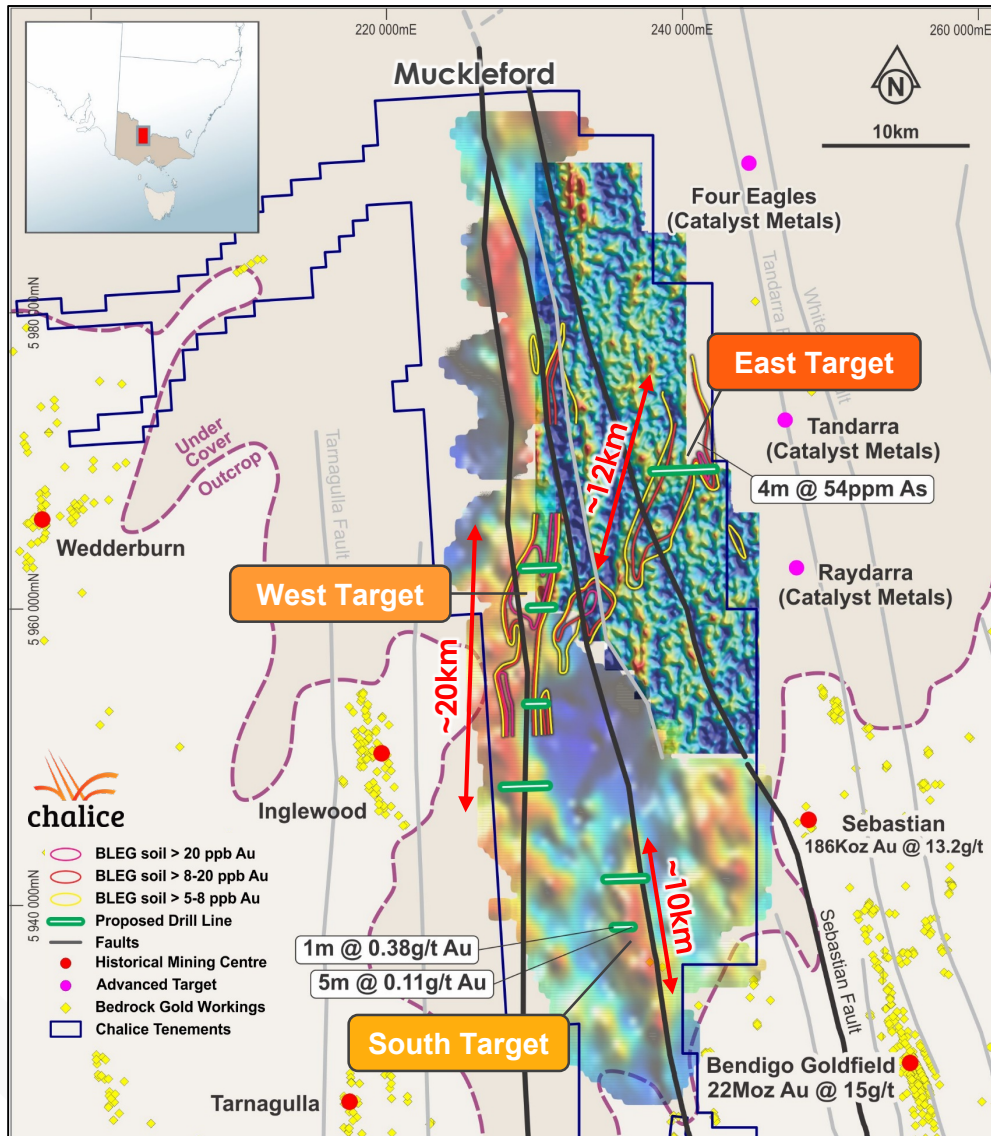


**Pyramid Hill** is a district scale >4,500km<sup>2</sup> project acquired in late 2017, in the highly prospective and re-invigorated North Bendigo zone



- Bendigo Zone has produced **>60Moz of high-grade gold**
- Northern part of the Bendigo Zone is under cover and is poorly explored – **this is the opportunity**
- Victorian Govt 'Gold Undercover' estimated an undiscovered gold endowment of **~32Moz Au** in this northern Zone
- Chalice controls >4,500km<sup>2</sup> in 3 districts:
  - **Muckleford:** NW of world-class **22Moz @ 15g/t Au** Bendigo Goldfield and W of Tandarra and Four Eagles Projects
  - **Mt William:** NE of the **7Moz** Fosterville Gold Mine of Kirkland Lake Gold (ASX: KLA | TSX: KL) – **US\$261/oz Op. Cash Costs** YTD 2018
  - **Percyville:** NW of historic St Arnaud Goldfield
- Chalice's tenure covers several major regional faults which host the significant Fosterville, Bendigo, Ballarat and Castlemaine deposits (amongst others)

# Pyramid Hill maiden 8,500m drill program commenced in early November, drilling three large-scale target areas that are effectively untested



- Mix of aircore (AC) and reverse circulation (RC) drilling depending on cover – multi-purpose rig currently being mobilised to site
- Wide spaced lines (3km+), tightly spaced holes planned
- Minimal effective historical drilling over the West and East targets

## West Target

- **>20km** gravity feature and **>12km** coherent soil anomaly overlying Campbelltown Fault
- 20-50m cover expected

## South Target

- **>10km** gravity feature overlying Muckleford Fault
- 10-30m cover expected
- Anomalous gold in historical AC drilling (RC follow-up planned)

## East Target

- **>12km** coherent soil anomaly overlying Sebastian Fault
- 90-110m of cover expected







# Pyramid Hill first phase of AC completed, new multi-purpose rig arriving on site in late November



Wallis AC rig (completed 3,000m in Nov-18)



New multi-purpose Strike AC/RC rig (5,500m planned)



A combination of appropriate rig set-up and experienced geological team show that **exploration can be effective under Murray Basin / Permian cover**





# East Cadillac Gold Project

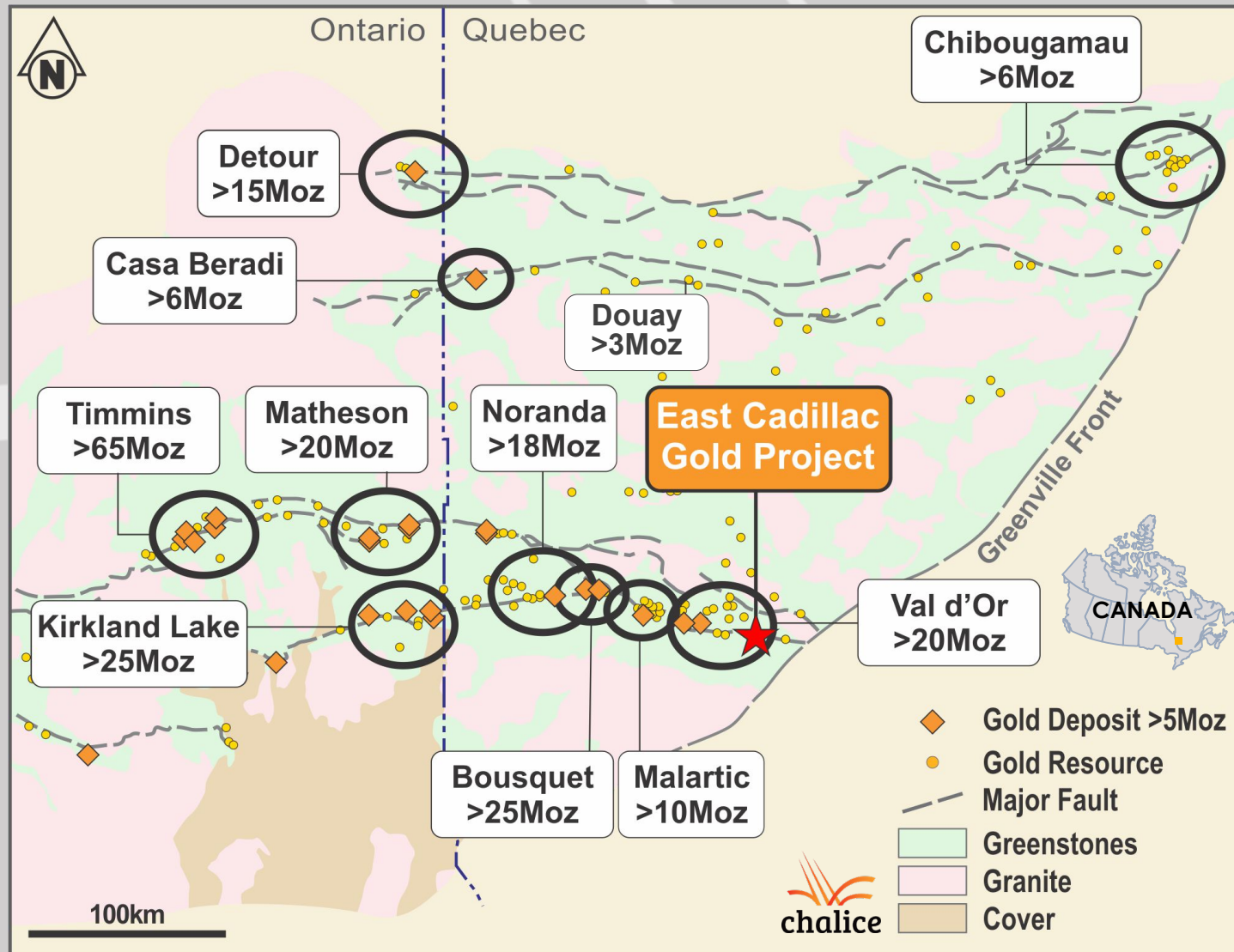
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Quebec





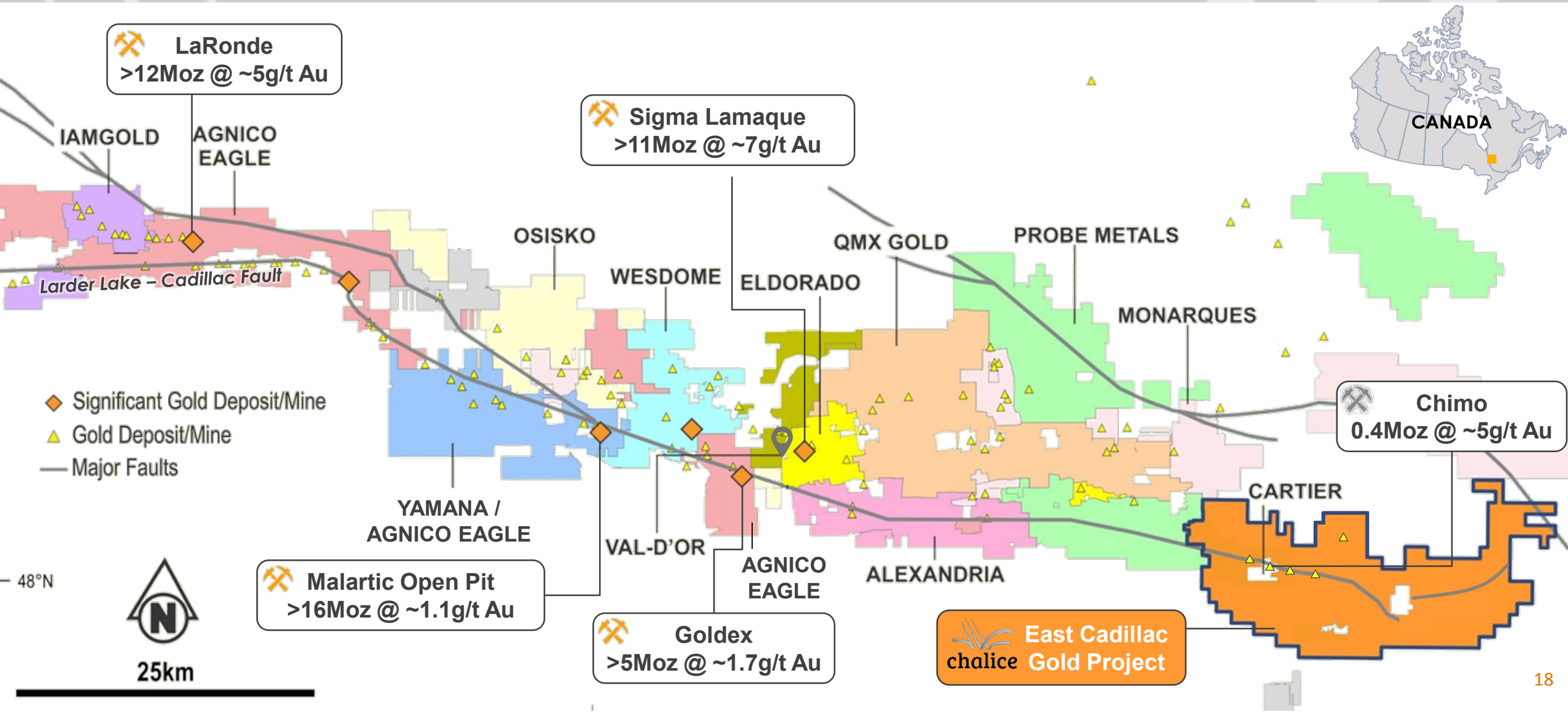
**East Cadillac** is a district scale 245km<sup>2</sup> project acquired in late 2016, located in the prolific Abitibi greenstone belt (regional gold endowment of >210Moz)



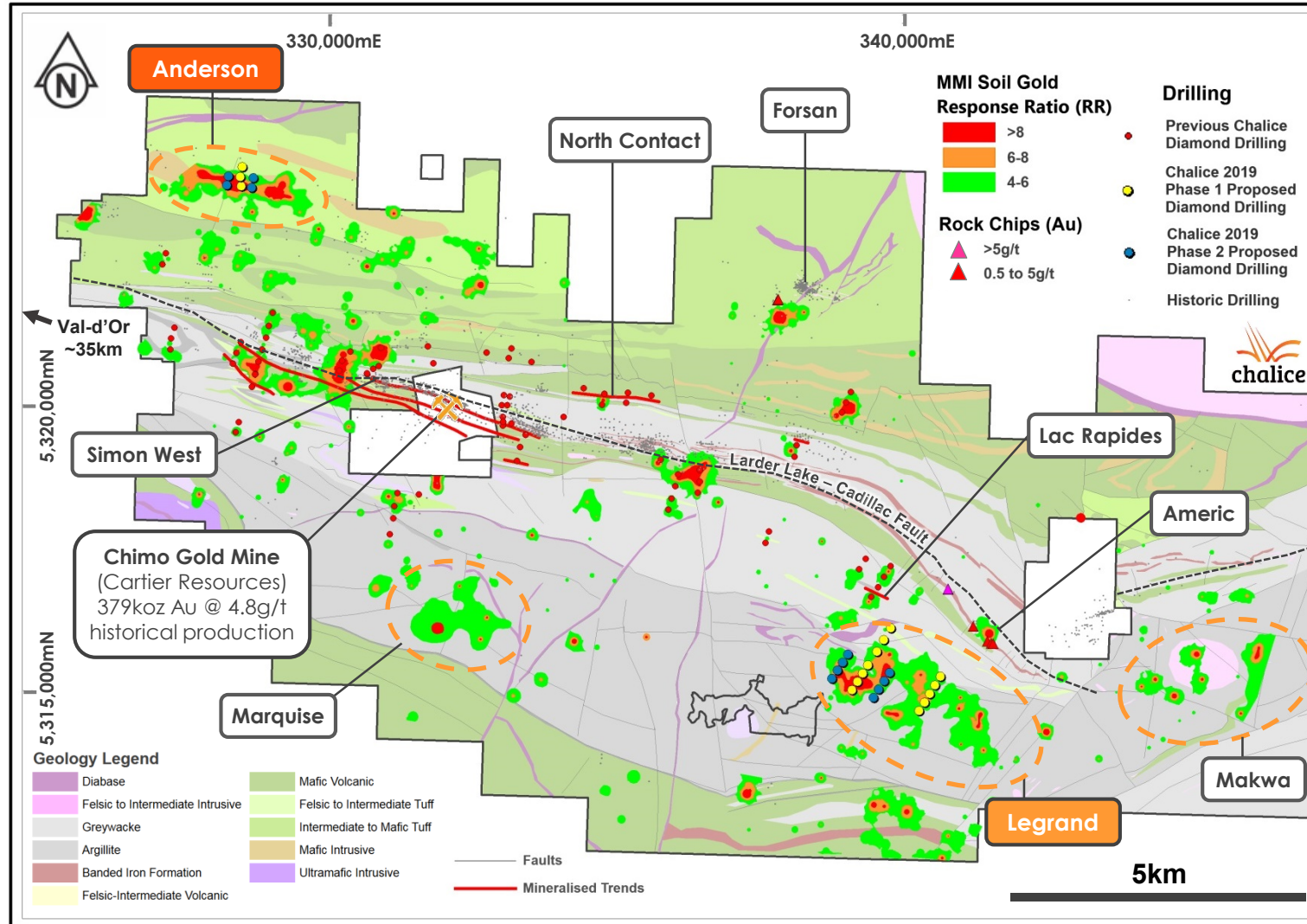
- **>27km of strike** along the Larder Lake – Cadillac Fault – the most prolific gold trend in the southern Abitibi, with known gold endowment of **>100Moz**
- **14 earn-in / purchase agreements** executed since late 2016 to **consolidate** ownership 70-100%
- **~C\$12 million** spent to date by Chalice on exploration
- Multiple historic resources and occurrences on the Project

**Quebec is a mining friendly jurisdiction with no state royalty and a ~30% exploration rebate**

The Project is along strike from several globally significant gold mines and surrounds a historical high-grade gold mine



# East Cadillac recent soil sampling has identified the large Legrand and Anderson MMI soil anomalies – new large-scale targets for drilling in Jan-19



- **8,100m diamond drill programme** planned for Jan-Mar 2019

- 3D-IP survey expansion underway

## Legrand Target

- **3.4km x 1.3km** coherent MMI gold-in-soil anomaly
- Peak of **22x** background
- Similar geochem pathfinder signature and structural setting to **>16Moz** Canadian Malartic
- Untested by drilling

## Anderson Target

- **2.3km x 0.5km** coherent MMI gold-in-soil anomaly
- Multiple large gold deposits along a regional structure to the west
- Untested by drilling



# Corporate

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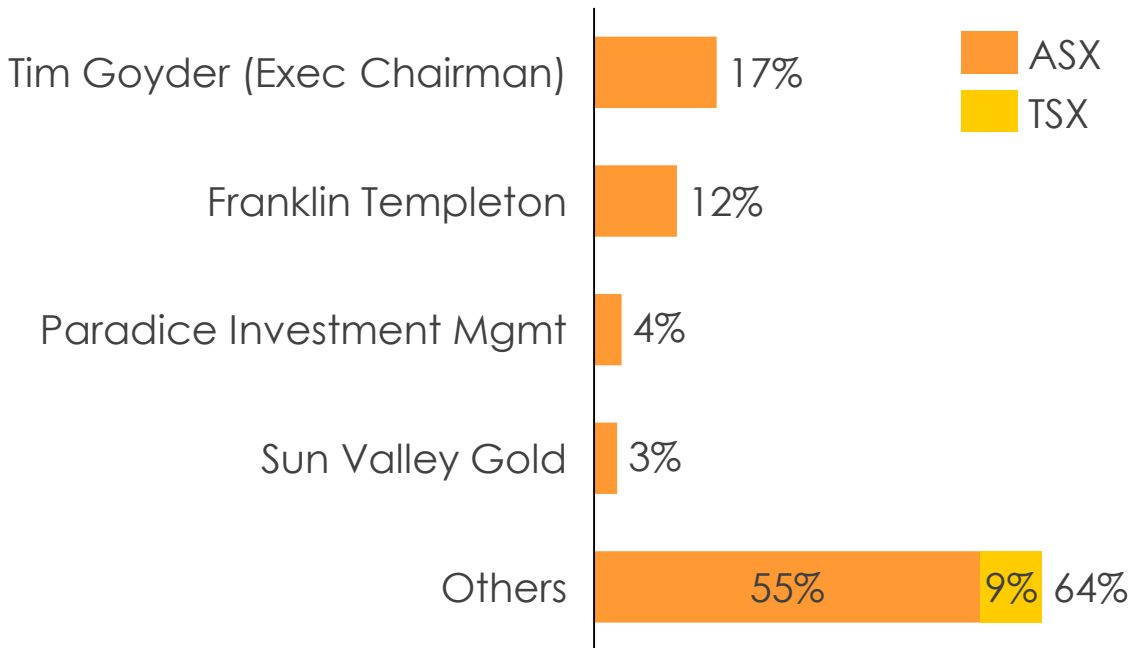
# Corporate snapshot



## Capital Structure

Australian listing	ASX: CHN
Canadian listing	TSX: CXN
Shares on Issue	~266M
Shares – fully diluted	~285M
ASX 52 week high/low	A\$0.22 / A\$0.13
TSX 52 week high/low	C\$0.22 / C\$0.13
<b>Cash</b>	<b>A\$34.1M</b>
Liquid listed investments	A\$2.1M
Current receivables	A\$3.0M
Market capitalisation	~A\$37M
<b>Enterprise value</b>	<b>~nil</b>

## Top Shareholders



## Liquid Investments

AusGold (ASX: AUC)	66M shares (~11%)	~A\$1.5M
Others		~A\$0.6M

As of 30 Sept 2018 (rounded), excludes proposed capital return of 4cps

# Board and management team



## **Tim Goyder, Executive Chairman**

- 40+ year industry veteran
- Long track record of success as an investor, entrepreneur and company director
- Largest shareholder of Chalice (~17%)



## **Alex Dorsch, Managing Director, BEng (Hons), BFin**

- Company CEO since March 2018
- Experienced consultant, engineer and corporate advisor in the energy and resources sectors
- Previously Specialist consultant with McKinsey & Company



## **Stephen Quin, Independent Non-Exec Director, PGeo**

- 35 years experience in mining and exploration
- President and CEO of Midas Gold Corp (TSX: MAX)



## **Morgan Ball, Lead Independent Non-Exec Director, BCom, ACA**

- Chartered Accountant with 25+ years experience
- Significant mining, commercial and corporate experience
- Chief Financial Officer of Saracen Mineral Holdings (ASX: SAR)



## **Dr Kevin Frost, GM – Exploration, BSc (Hons) PhD MAIG**

- Geologist with 30+ years experience
- Highly regarded geologist within proven history of discovery
- Part of the discovery team for the Flying Fox and Spotted Quoll nickel deposits (Western Areas)



## **Richard Hacker, Chief Financial Officer, BCom, ACA, ACIS**

- 20+ years professional, commercial and corporate experience in the resources and energy sector in Australia and the UK



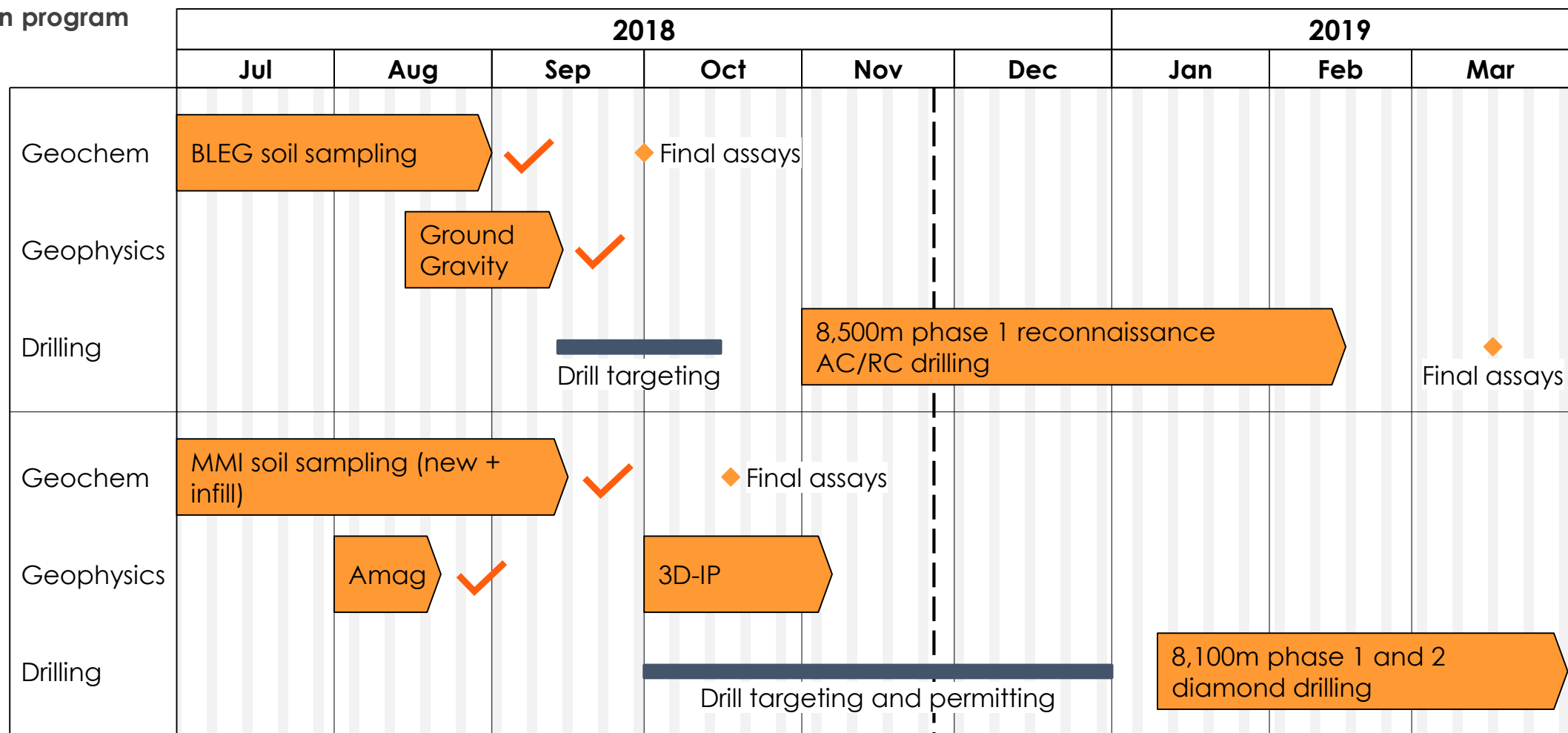
## **Patrick Lengyel, Exploration Manager – Canada, BSc**

- Geologist with 20+ years experience
- Extensive experience in orogenic gold and base metals
- Previously Principal Geologist at Teck Resources Limited



## Two potentially transformational drill programmes over the next 3 months in Victoria and Quebec

### Indicative exploration program



27. Nov 2018



## Company Highlights



### District scale exploration projects

across prolific geological terranes in tier-1 jurisdictions, two potentially transformational drill programmes coming up



### Well funded

c. A\$39M in current assets at end Sept-18



### Proven track record of delivering value

~A\$107 million generated from asset sales to date

4cps (A\$10.7M) capital return proposed for Nov 2018



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## Thank You

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