



ASX Announcement  
27 July 2018

## June 2018 Quarterly Activities Report

# Chalice prepares to drill three highly prospective Australian projects and confirms district-scale gold potential in Canada

### Highlights

- **Three Australian Projects to be drilled in Q3 2018** and a large scale field program underway in Canada
- **Two extensive and coherent 12km long gold-in-soil anomalies**, identified and validated at the 100%-owned ~3,080km<sup>2</sup> Pyramid Hill Gold Project in the Bendigo Region of Victoria:
  - Anomalies overlie **major regional faults** which are an important control on the **multi-million ounce gold deposits** located along strike, such as Bendigo, Ballarat and Castlemaine
  - Chalice's tenure in the area now covers **~70km of strike** along each of these faults
  - The anomalies are located within ~30km of the **22Moz** Bendigo Goldfield
  - Ground gravity and additional soil geochemistry programs will commence immediately to expand and refine the targets for initial **air-core drilling in October 2018**, subject to approvals
- **Multiple new prospective, large-scale** targets identified from recent structural re-interpretation at the East Cadillac Gold Project, in Quebec, Canada:
  - **Field program underway** to extend coverage of surface geochemistry and geophysics, and to explore new **large-scale targets**
  - Program includes refinement of the geological understanding of recent **gold discoveries** at North Contact and Lac Rapides, where **wide** mineralised zones were intersected which remain **open along strike and down-dip**
  - **Project area increased by ~100km<sup>2</sup> (~68%)** immediately east and contiguous with the original project boundary, increasing the strike coverage along the Larder Lake – Cadillac Fault to **27km**
- **Large, highly prospective** iron-oxide-copper-gold (IOCG) **Emu Target**, identified on 100%-owned tenure at Warrego North Copper-Gold Project in the Northern Territory – **drilling scheduled for early August 2018**
- **4,850m first pass air-core drilling program** completed at two prospects within the Yilgarn Gold Project, with assay results expected in mid-August
- Two new **prospective vanadium and nickel exploration projects** secured at **Flinders River (Queensland) and Julimar (WA)**, giving Chalice exposure to rapidly growing commodity sectors where the Company sees exceptional growth potential
- Strong **cash and liquid investments** balance of **A\$38.3 million (~14.5c per share)** at quarter-end, allowing Chalice to progress exploration activities across the portfolio at scale

## 1. OVERVIEW

Chalice Gold Mines Limited (“Chalice” or “the Company”) (ASX: CHN | TSX: CXN) is pleased to report on an active quarter in Australia and Canada across its two district-scale gold projects in the highly-endowed gold regions of Bendigo, Victoria and the Abitibi, Quebec.

At the Pyramid Hill Gold Project in the Bendigo region of Victoria, Chalice has identified four coherent and highly prospective gold-in-soil anomalies which have significantly upgraded the exploration potential of the project.

The Bendigo Region is currently enjoying a significant renaissance in gold exploration and development with the continued success of several nearby projects, including the exceptional exploration results reported recently by *Catalyst Metals*’ (ASX: CYL) at its Four Eagles Project, where it recently announced the best gold intersection ever recorded at the Boyd’s Dam Zone – 16m @ 63.0g/t Au including 12m @ 83.7g/t Au including 1m @ 810.0g/t Au from 43m in FERC222<sup>1</sup>. The Four Eagles Project is located ~20km to the east, directly adjacent to Chalice’s tenure.

Early exploration results at Pyramid Hill have created a compelling opportunity to unlock the potential of up to ~70km of underexplored strike along major regional faults controlling multi-million ounce gold deposits such as Bendigo, Ballarat and Castlemaine.

At the East Cadillac Gold Project in Quebec, Chalice completed its first phase of drilling; a 27,300m reconnaissance diamond drill program. The program resulted in three new gold discoveries and has demonstrated the district scale potential of the Project. Based on the results, Chalice has undertaken a structural reinterpretation of the entire project area, which has identified multiple prospective large-scale targets. A field program, aimed at refining and enhancing the Company’s understanding of these targets, has recently commenced.

The Company also continued to develop its pipeline of new growth opportunities, with the Flinders River Vanadium Project and Julimar Nickel-Vanadium Project added to the Portfolio. Chalice’s strong cash position places the Company in a highly advantageous position to explore at scale and at a rapid pace.

## 2. EXPLORATION ACTIVITIES

### 2.1 Pyramid Hill Gold Project, Victoria, Australia

*The 100%-owned Pyramid Hill Gold Project covers an area of 3,080km<sup>2</sup> north of Bendigo in Victoria. The Project extends to the north-west of the world-class >22Moz Bendigo Goldfield and 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 ‘Gold Undercover’ initiative by the Victorian Government estimated a potential ~32Moz of undiscovered gold beneath Murray Basin cover in the Bendigo Zone; where Chalice holds a district scale land position.*

During and subsequent to Quarter-end, Chalice made a strong start to its maiden exploration campaign at the Pyramid Hill Gold Project, identifying four coherent and highly prospective gold-in-soil anomalies.

The two largest anomalies are each approximately 12km long and will be the initial focus of the Company’s exploration campaign, which is now underway. In addition to an expanded geochemical sampling program, Chalice will shortly commence ground-based gravity surveys over granted tenure to refine the structural geology at a local scale in order to refine targets for a planned initial phase of air-core drilling scheduled to commence in October 2018, subject to approvals.

#### Soil Geochemistry

Four coherent BLEG soil anomalies have been outlined (Figure 1), with dimensions at the >5.5ppb Au contour level shown in the table below:

**Table 1. BLEG Gold-in-soil anomalies**

Anomaly Name	Length (km)	Width (km)	Peak Gold Value (ppb Au)
West	12	up to 2.8	81
East	12	2.7	21.5
Central	5	2.7	20.7
North	5	up to 2.0	9.6

Three of the four BLEG soil anomalies were originally identified by *Homestake Gold of Australia* (“Homestake”) in the late 1990s, with the fourth discovered by Chalice. Chalice successfully verified a large portion of the ~20 year old historical sampling results, which is encouraging.

<sup>1</sup> CYL ASX Announcement 25 June 2018

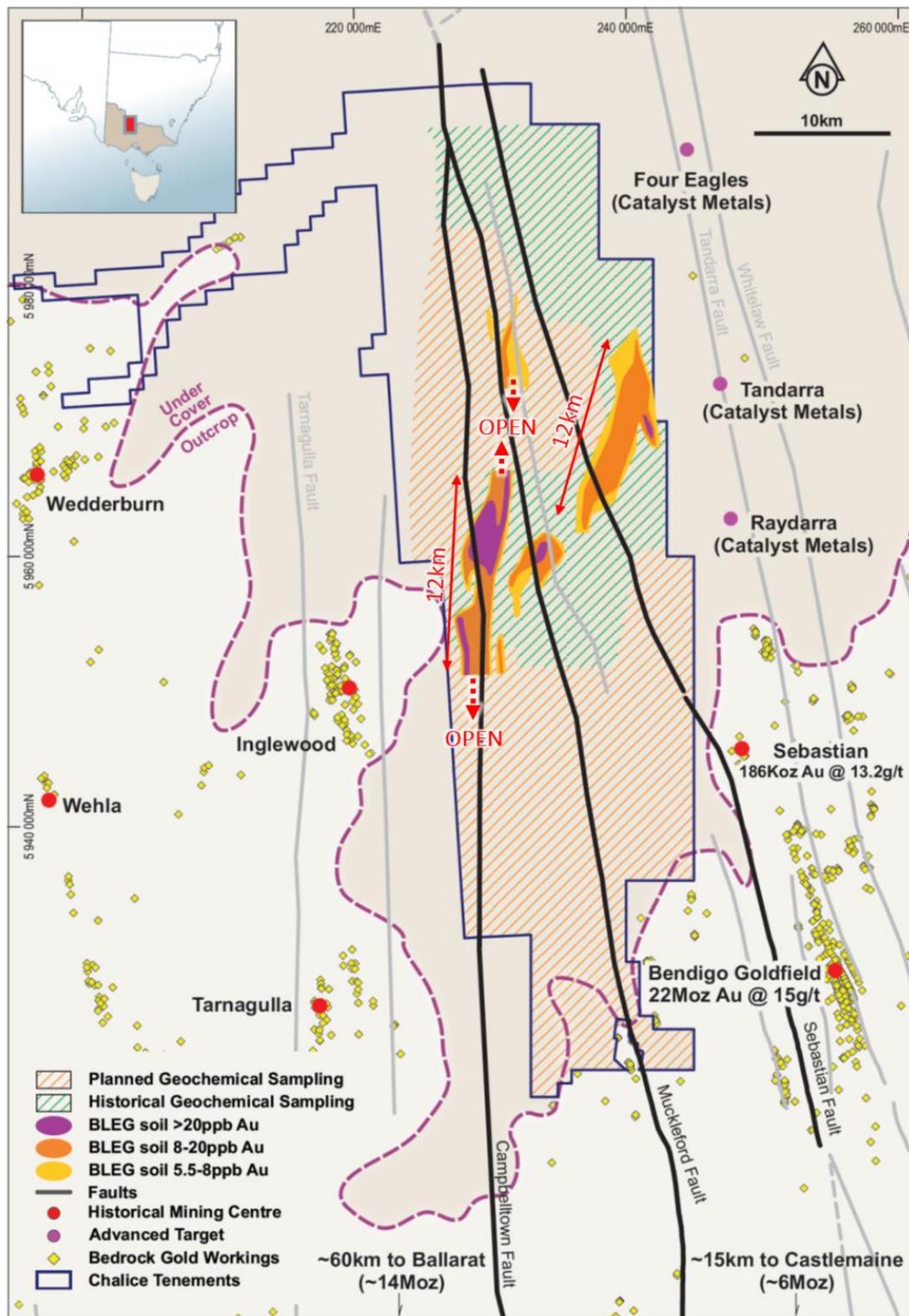


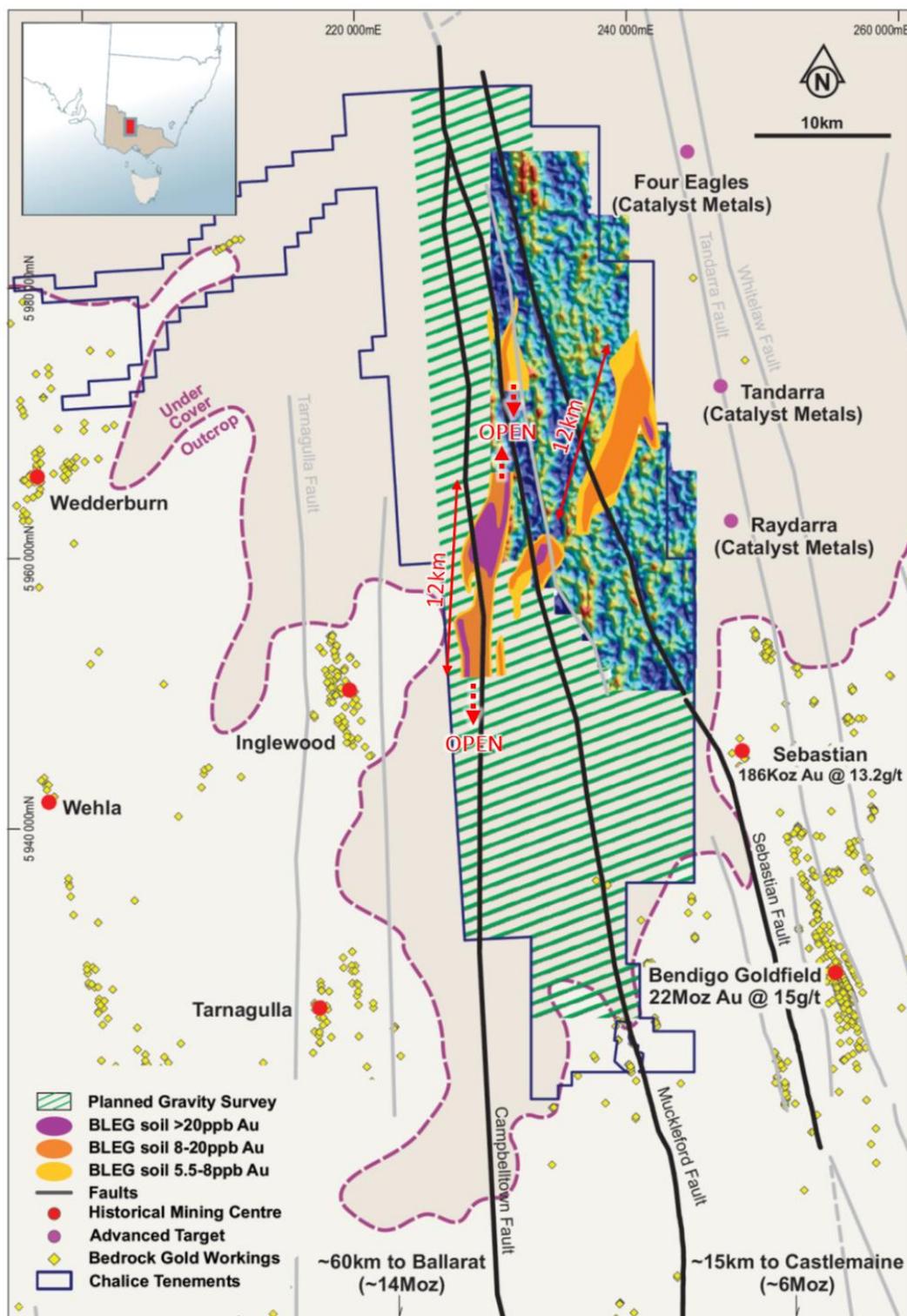
Figure 1. BLEG soil anomalies and planned sampling locations at EL6661 and EL6737

Homestake undertook one traverse of air-core drilling comprising five holes at 300m spacings along an east-west line located north of the West Anomaly. Four holes appear to have terminated in Murray Basin sediments (70-90m depth) and the westernmost hole intersected bedrock at a depth of 48m. While no anomalous gold was reported from this drilling, four of the five holes are interpreted to have stopped short of the target Bendigo Zone basement.

Chalice will commence a follow-up program of BLEG geochemical sampling on granted tenement EL6661 immediately, and thereafter on EL6737, which is expected to be granted shortly.

## Gravity Geophysics

Ground and airborne gravity surveys have defined the position of important regional faults where they trend under the Murray Basin cover. Public domain ground and airborne gravity surveys have been reprocessed and the current interpretation shows that three significant sub-parallel NNW trending mineralised structures (the Sebastian, Muckleford and Campbelltown Faults) extend through the Company's tenure (Figure 2).



**Figure 2. Ground gravity, planned gravity surveys and BLEG soil anomalies at EL6661 and EL6737**

Chalice has identified a prospective three-way convergence of these structures in the northern part of its tenement holding, and this will be further investigated with detailed ground gravity surveys and follow-up soil geochemical sampling.

Most of the orogenic gold deposits and occurrences (i.e. non-alluvial deposits) in the Bendigo region show a strong spatial association with large-scale regional faults (including the Sebastian, Muckleford and Campbelltown Faults) and, more specifically, within second-order west-dipping faults and splays that develop along anticlinal hinge zones in the hanging wall of the regional faults.

The position and continuation of these gold bearing structures and the Chalice tenure is shown in Figure 3, demonstrating the strong exploration potential of the Project.

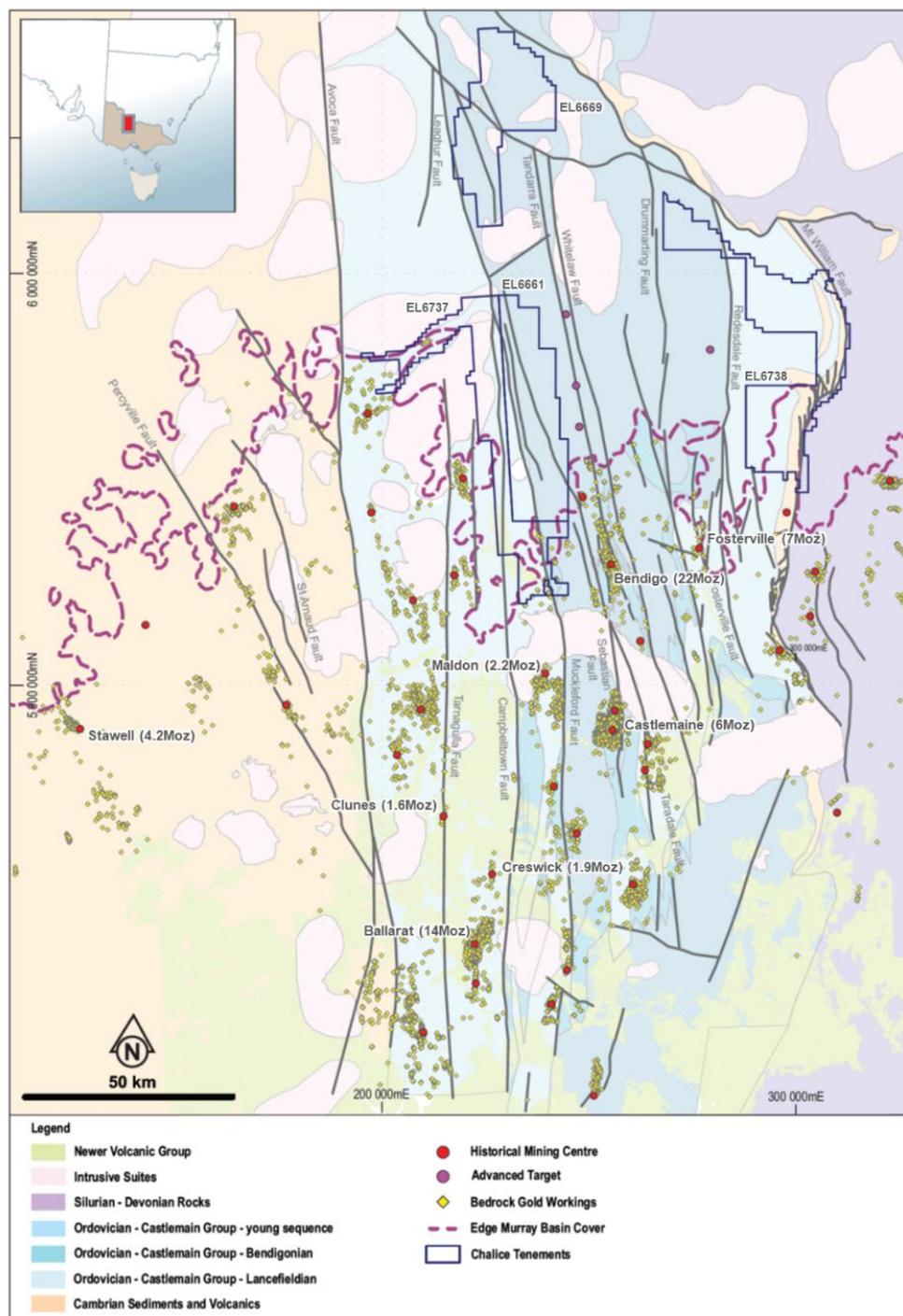


Figure 3. Bendigo Zone regional geology and Pyramid Hill Project tenure

## 2.2 East Cadillac Gold Project, Quebec, Canada

The East Cadillac Gold Project covers an area of 245km<sup>2</sup> 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 situated amongst some of the region's most significant mines and surrounds the historical Chimo gold mine, owned by Cartier Resources (TSX: ECR).

The East Cadillac Project was acquired by Chalice in late 2016 and further consolidated with several earn-in option agreements (Chalice earning 70 to 100%) and 100%-owned claims. Since acquiring the Project, Chalice has completed a 27,300m regional diamond drilling program targeting large scale gold systems, with three new discoveries made to date.

### 2018 Drilling Program Overview

Following the 27,300m regional diamond drilling program completed during the Quarter (Figure 4), Chalice has identified two significant new mineralised trends which have further enhanced the potential of the East Cadillac Project. This follows the highly encouraging results at Simon West, where a >3.5km mineralised strike remains open to the west.

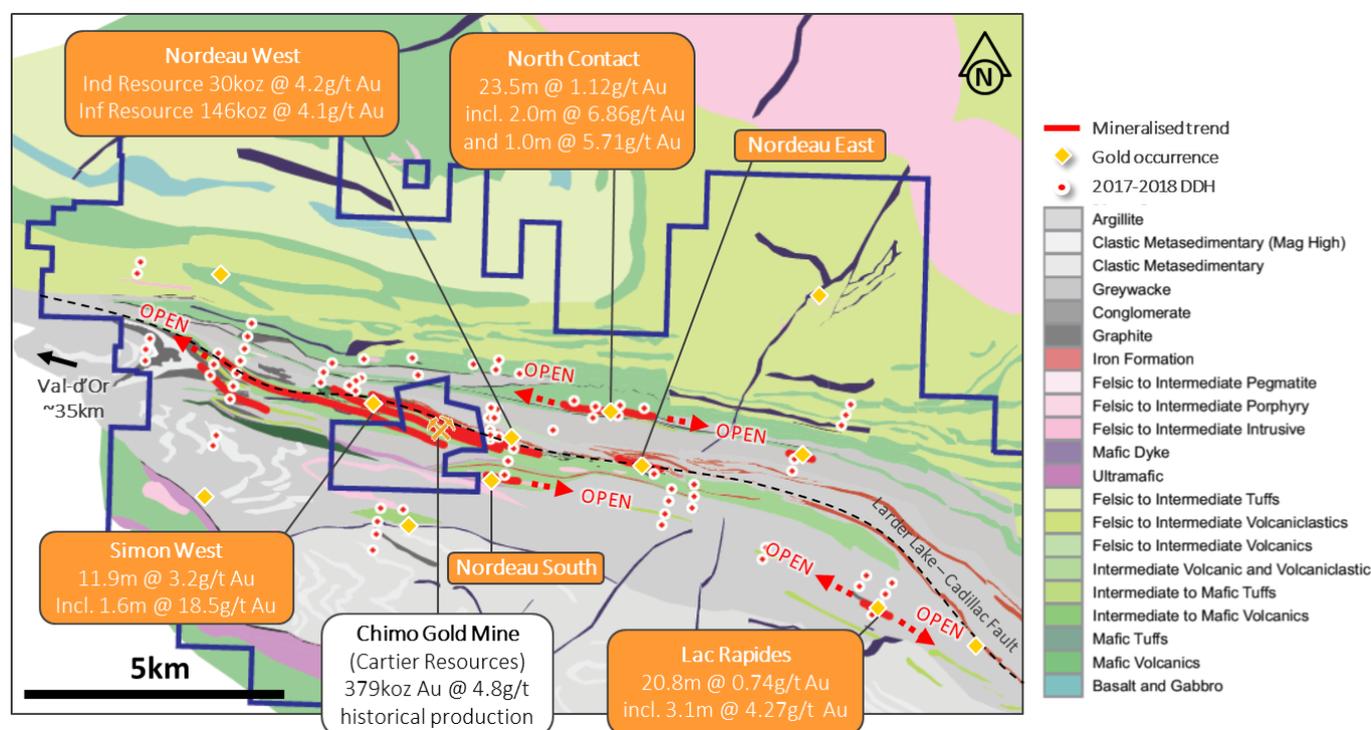


Figure 4. East Cadillac Gold Project regional geology, 2017/2018 diamond drill collars and significant intercepts

The intercepts at North Contact and Lac Rapides have significantly expanded the potential outside of the known Cadillac fault-hosted mineralisation. The lateral extent and thickness of the gold intercepts is considered encouraging and indicates the potential for large-scale mineralising systems. Significant intercepts during the quarter are listed below in Table 2.

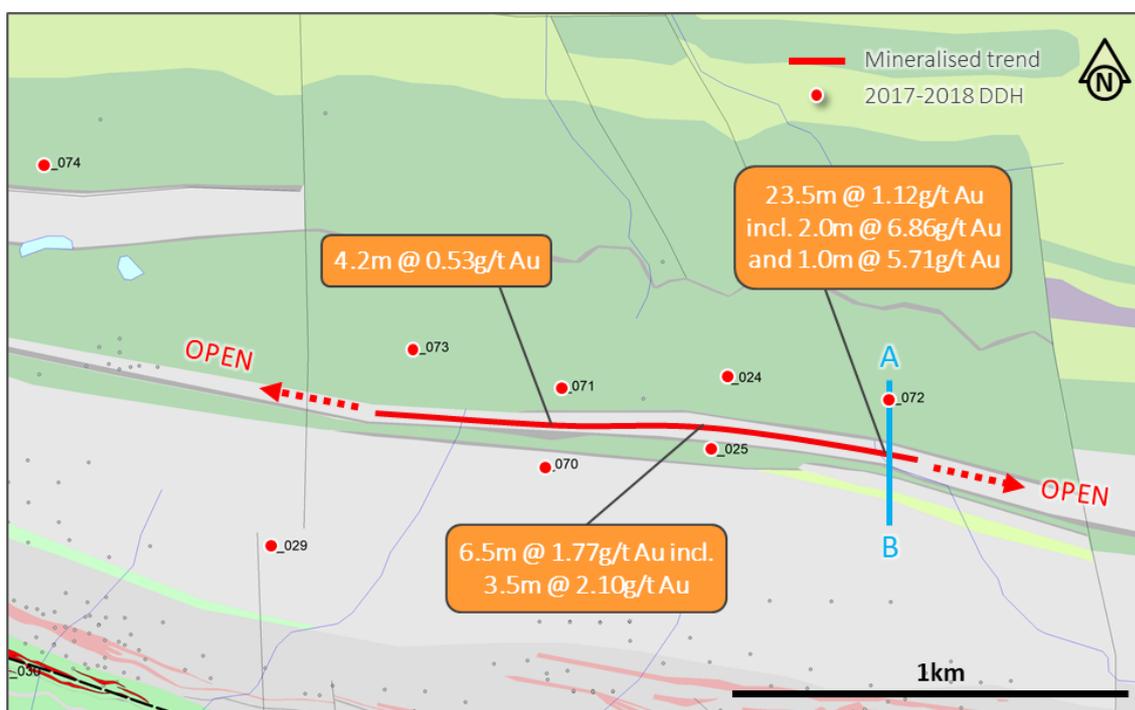
Table 2. East Cadillac Gold Project significant drilling intercepts Q2 2018 (>1g/t, minimum 2m interval)

Target	Hole No.	From (m)	To (m)	Interval (m)	Au Grade (g/t)
North Contact	ECG_18_072	180.5	204.0	23.5	1.12
	ECG_18_072			<b>Incl. 2.0</b>	<b>6.86</b>
	ECG_18_072			<b>Incl. 1.0</b>	<b>5.71</b>
Lac Rapides	ECG_18_049	316.7	337.5	20.8	0.74
	ECG_18_049			<b>incl. 3.1</b>	<b>4.27</b>
Simon West	ECG_18_065	321.0	331.7	10.7	0.66

Target	Hole No.	From (m)	To (m)	Interval (m)	Au Grade (g/t)
	ECG_18_065			<i>Incl. 4.8</i>	<b>1.23</b>
	ECG_18_065			<i>Incl. 0.6</i>	<b>5.34</b>
	ECG_18_021	430.0	434.2	4.2	3.63
	ECG_18_021			<i>Incl. 1.2</i>	<b>6.34</b>

### North Contact

The North Contact was a conceptual target that interpreted the presence of a mineralised fault along the contact between mafic volcanics and adjacent Cadillac sediments, sub-parallel to and approximately 800m north of the Cadillac fault. A series of drill fences were completed targeting an area of gold anomalism in MMI soil samples coincident with a moderate to strong IP chargeability response. Results to date have defined a well-developed mineralised fault that extends over a strike length of >1km and remains open in all directions (Figure 5).



**Figure 5. North Contact regional geology including significant intercepts**

Hole ECG-18-72 intersected a broad zone of gold mineralisation: **23.5m at 1.12g/t Au** from 180.5m, including a high grade interval of **2.0m at 6.86g/t Au**. The thickness of the mineralised intercept is particularly encouraging as it is indicative of a potentially robust mineralised system. Importantly, the mineralised zone is interpreted to extend near to surface and remains untested up-dip (Figure 6).

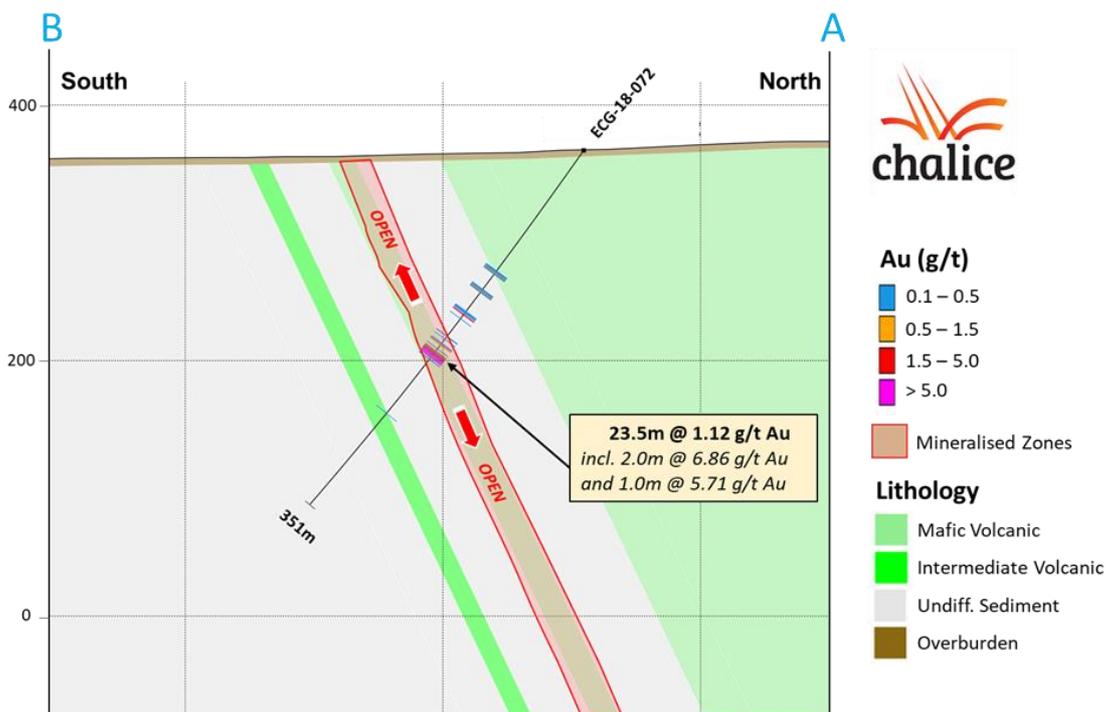


Figure 6. North Contact Cross-Section A-B

### Lac Rapides

Two drill traverses completed at the Lac Rapides target tested a zone of anomalous gold plus pathfinder soil anomaly (W, Bi, As) located approximately 500m south of the Cadillac fault (Figure 7).

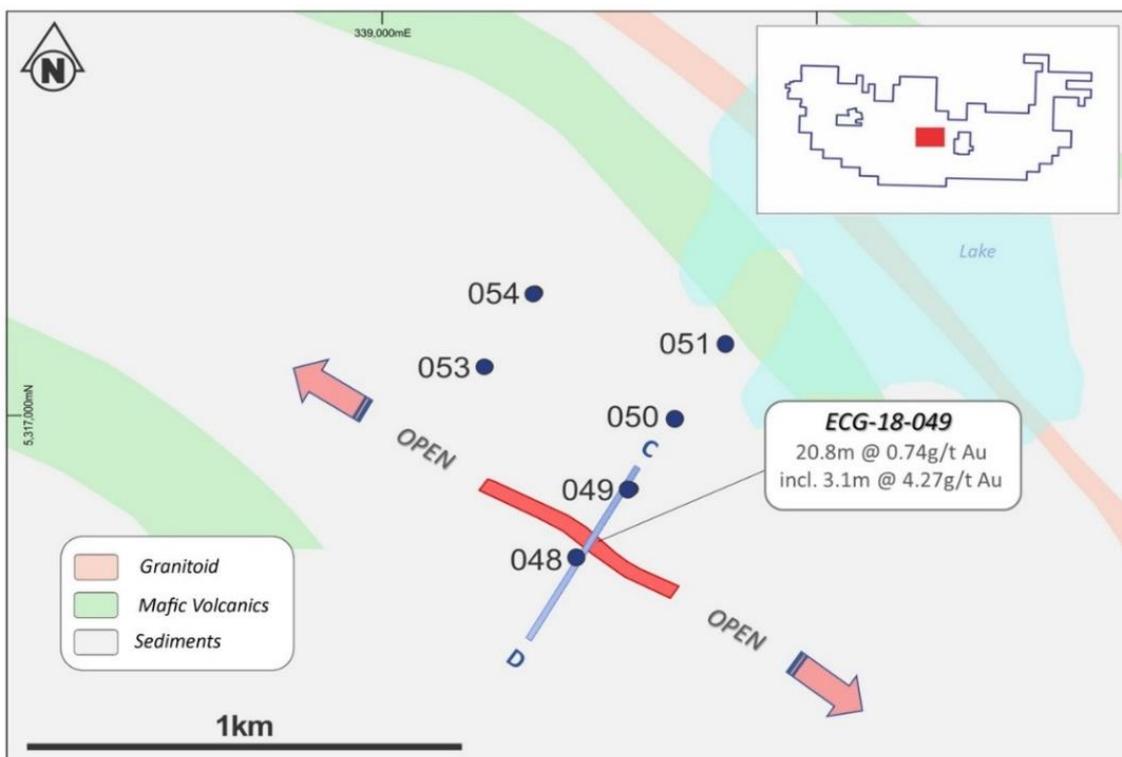


Figure 7. Lac Rapides regional geology including significant intercept

Hole ECG-18-49 intersected a broad zone of low grade mineralisation: **20.8m at 0.74 g/t Au** from 316.7m, including a high grade interval of **3.1m at 4.27 g/t Au** from 323.1m, however it is the thickness of the mineralised zone that is most encouraging. The mineralised zone is remains open along strike and at depth (Figure 8).

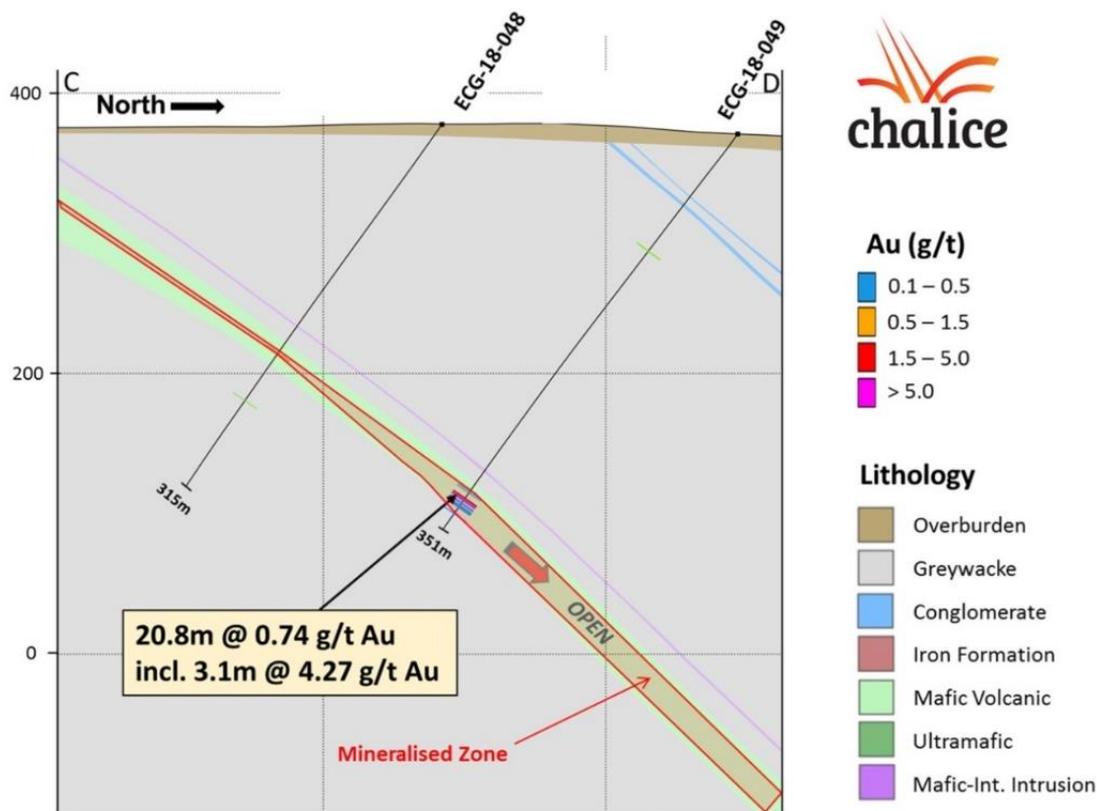


Figure 8. Lac Rapides Cross-Section C-D

### Q3 Field Program

The next phase of field activity at the ECG Project commenced in early July 2018. This ~3 month field program aims to field assess multiple new prospective, large-scale targets identified from recent structural and geophysical reinterpretation over the expanded project area (Figure 9).

The program will also further investigate the recent gold discoveries at North Contact and Lac Rapides and define drill ready targets for the next phase of drilling.

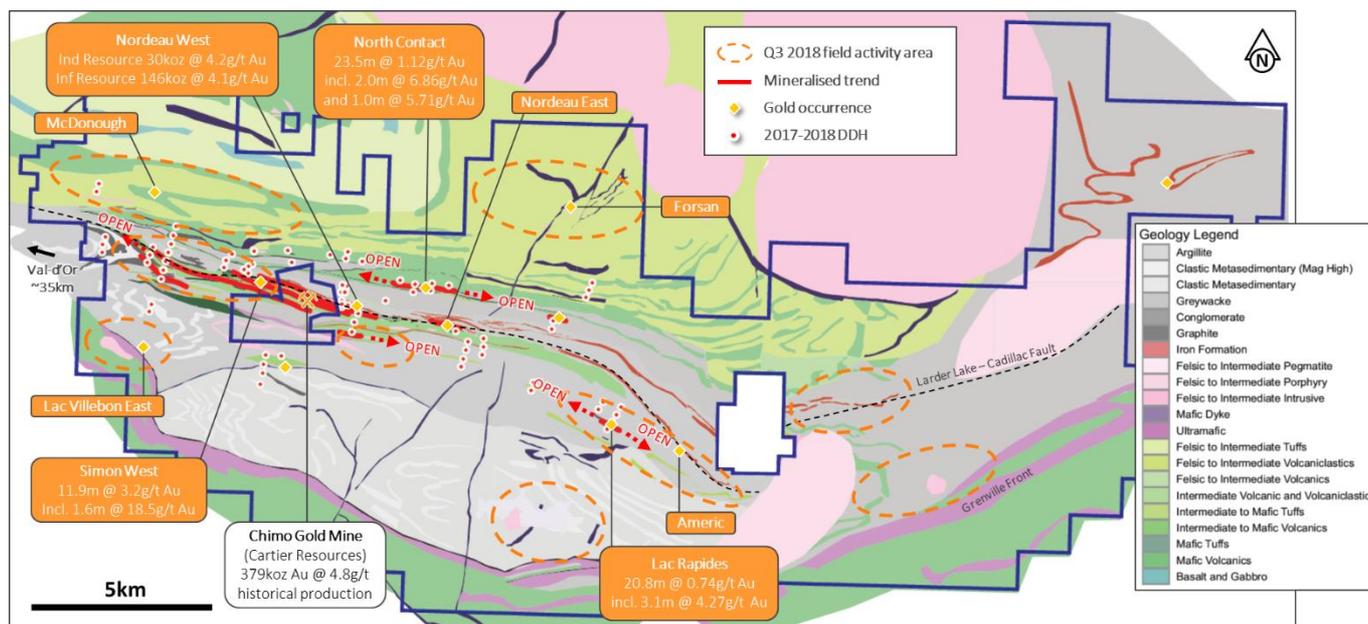


Figure 9. East Cadillac Gold Project structural reinterpretation update June 2018 and Q3 2018 field activity areas

## Renforth Option and Earn-in Agreement

During the Quarter, Chalice entered into an option and earn-in agreement with Renforth Resources Inc. (“Renforth”) whereby Chalice may earn an 80% interest in the Denain-Pershing Project, located immediately east of the ECG Project, by making total option payments of C\$200,000 to Renforth and funding exploration expenditures of C\$1.25 million over a period up to three years. Chalice has the right to withdraw without earning an interest in the project at any time.

The acquisition of the project adds to the already regionally significant contiguous land position held by Chalice along the prolific Larder Lake – Cadillac fault, with the total strike coverage now exceeding 27km, over a total area of ~245km<sup>2</sup>. As part of the transaction, Chalice also subscribed to 5 million common shares in Renforth and was granted 5 million common share purchase warrants, exercisable at C\$0.10 within a 2 year period.

### 2.3 Warrego North Copper-Gold Project, Northern Territory

*The Warrego North Copper-Gold Project is located approximately 5km 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. Warrego was the largest deposit mined in the area with historical production of ~1.6Moz of gold and ~175,000 tonnes of copper, in a classic iron oxide copper gold (“IOCG”) geological setting. Chalice optioned part of the Project in April 2016 from Meteoric Resources (ASX: MEI), and can earn up to a 70% interest in two tenements within the project by sole funding A\$800,000. Three additional tenements surrounding the Meteoric JV tenure are 100% owned.*

During the Quarter, Chalice identified a series of high-priority IOCG targets, collectively known as the Emu Target, on its 100%-owned tenure (Figure 10). Three coincident magnetic and gravity anomalies have been prioritised for drill testing with a planned program of 1,200m of Reverse Circulation drilling which is scheduled to commence in early August 2018. Drilling is targeting typical Tennant Creek style ironstone bodies which have the potential to host high grade copper and gold mineralisation.

Chalice is anticipating that its Exploration Licence Application EL31609, which contains the highly promising Rooster Target, will progress towards grant later in 2018, after which diamond drilling is planned to test a series of large magnetic anomalies.

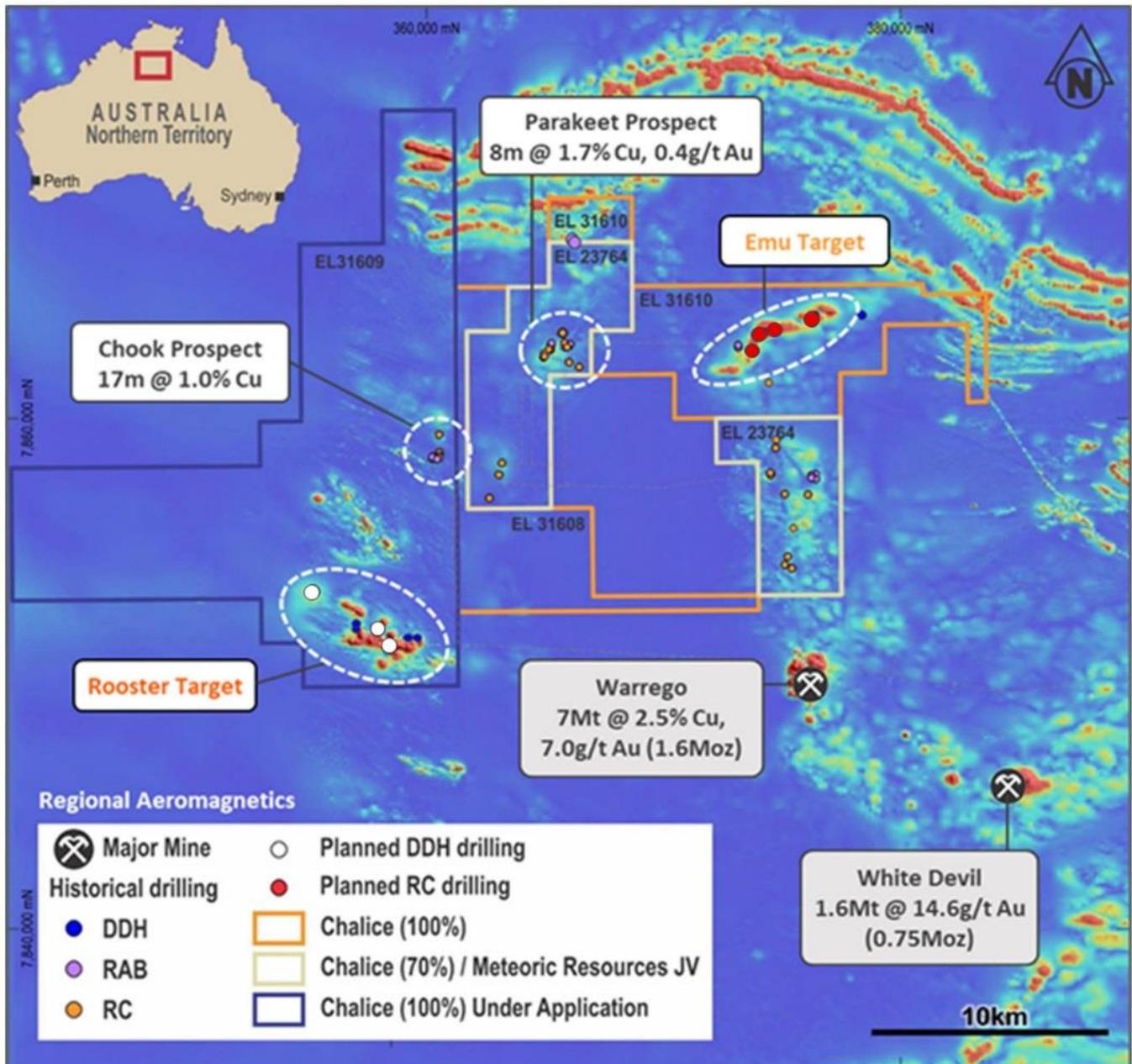


Figure 10. Warrego North Project regional aeromagnetics including tenure, targets and planned drilling collars

## 2.4 Yilgarn Gold Project, Western Australia

The Kurrajong Bore, Bunjarra Well and Gibb Rock project areas are located over prospective greenstone belt sequences in the Eastern Goldfields and Southern Cross Goldfields of Western Australia. The Kurrajong Bore Project (48km<sup>2</sup>) lies ~50km NE of the world class Gwalia gold mine (>5Moz Au) and proximal to other smaller orogenic gold deposits along the Mertondale shear zone. The Bunjarra Well Project (75km<sup>2</sup>) lies adjacent to the highly prospective Keith Kilkenny Shear Zone, a major regional lineament known for its regional prospectivity and gold endowment. Gibb Rock comprises a single Exploration Licence (55km<sup>2</sup>) located over the Holleton greenstone belt.

### Kurrajong Bore

Air-core drilling at the Kurrajong Bore (Mertondale east) and Bunjarra Well prospects (72 holes for 4,850m) commenced on 20<sup>th</sup> June and concluded on 13<sup>th</sup> July. Kurrajong Bore is located ~5km east of the Mertondale gold deposits, owned by Kin Mining (ASX: KIN), which are hosted by a steeply-dipping regional shear zone developed along the contact between felsic and mafic volcanic sequences.

Drilling was undertaken on selected 1km spaced east-west orientated drill sections with holes on 100-200m centres to broadly test magnetic anomalies (interpreted mafic intrusives) and structural targets enclosing felsic and mafic volcanic and sedimentary sequences (Figure 11). Assay results are expected by mid-August.

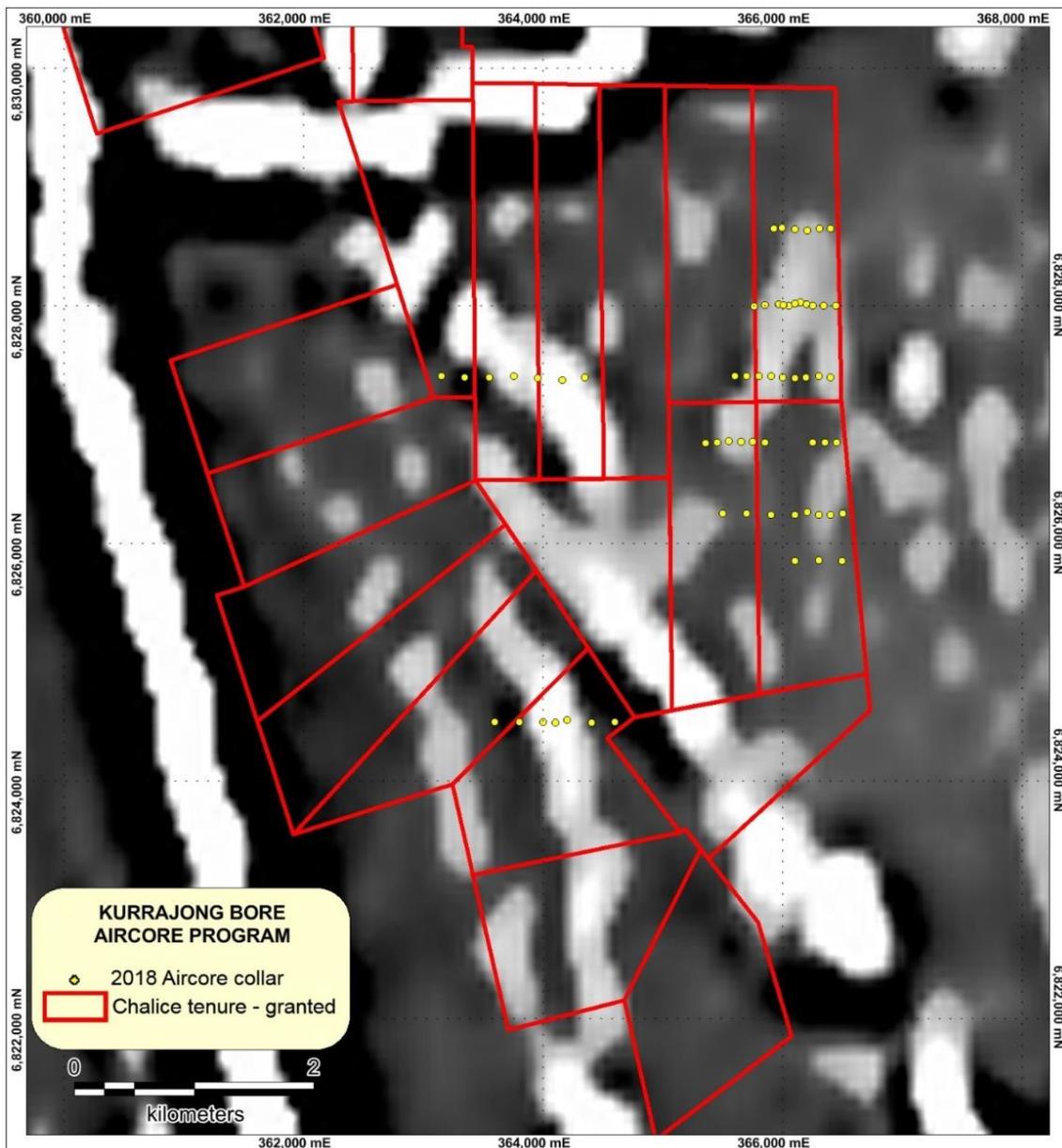


Figure 11. Kurrajong Bore 1VD aeromagnetics including proposed air-core drilling collars

### Bunjarra Well

Bunjarra Well is located ~56km south-east of the Cardinia gold deposit, owned by Kin Mining (ASX: KIN). Two traverses of air-core drilling have been completed to test for strike extensions to two drill-holes which intersected anomalous gold (up to 1g/t Au). Assay results are expected by mid-August.

### 2.5 Flinders River Vanadium Project, Queensland

The 100%-owned Flinders River Vanadium Project is located in central Queensland, ~250km east of Mt Isa and 380km west of Townsville. The project is strategically located within close proximity to the Flinders Highway and Great Northern Railway that connects to the port of Townsville. The region is highly prospective for sedimentary-hosted vanadium mineralisation, with several globally significant vanadium resources nearby held by Intermin Resources Limited (ASX: IRC) / AXF Resources and Multicom Resources.

The resources reported by Intermin / AXF Resources and Multicom are considered to be some of the world's largest and occur within 30km of Chalice's application permits.

Importantly, the vanadium resources reported by Intermin and Multicom share a similar radiometric response with exploration targets seen on the Chalice permits – which is interpreted to be mapping the presence of the shale-rich Toolebuc formation (Figure 12).

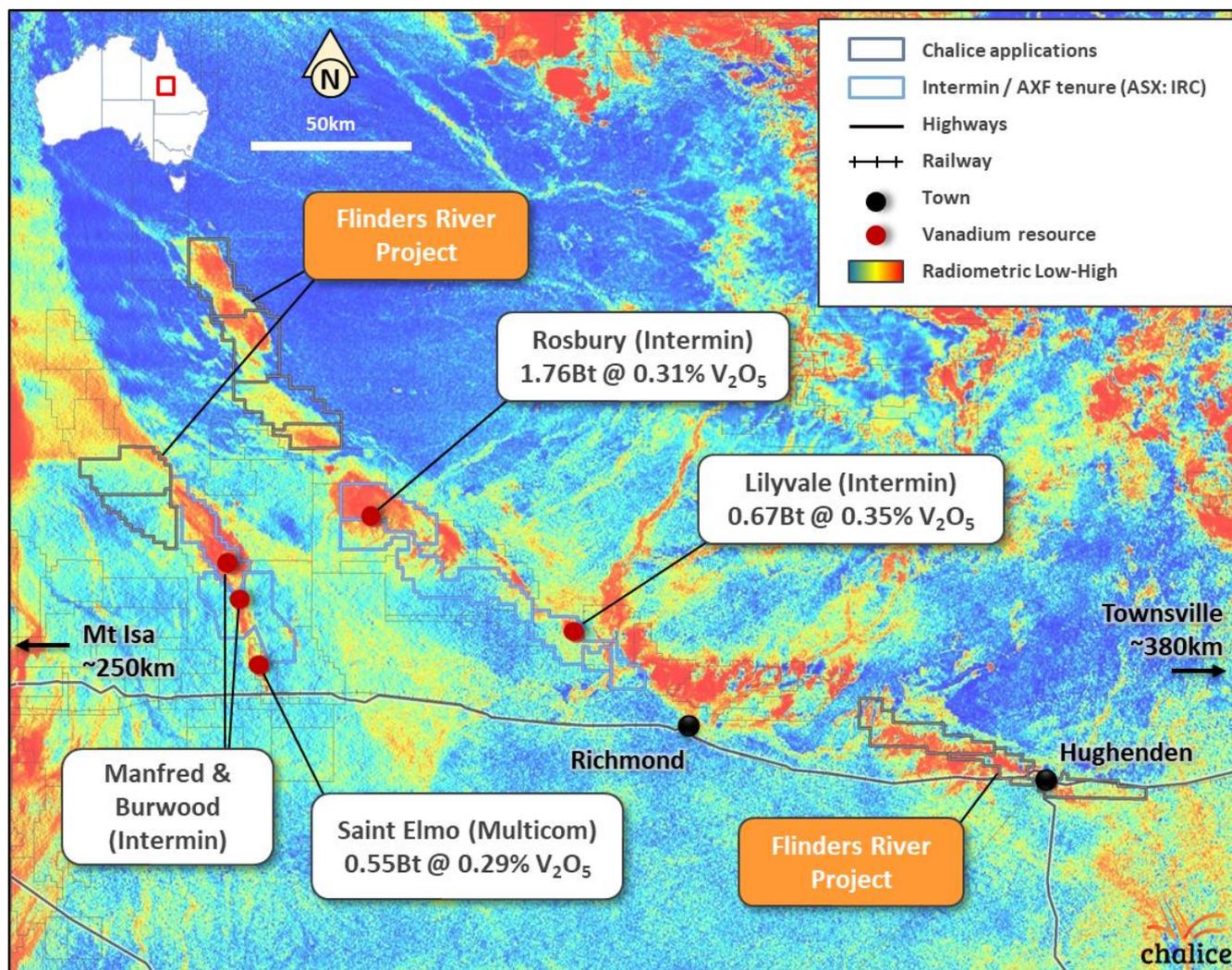


Figure 12. Flinders River Project uranium radiometric imagery including tenure and nearby vanadium resources

Known vanadium mineralisation within the Toolebuc formation typically occurs near surface within oxidised coarse limestone-rich clay and underlying fine-grained carbonate shales where enrichment of vanadium, along with other metals (molybdenum, nickel and copper), has occurred through sedimentary processes.

The Company expects the applications to be granted in Q3 2018, after which it will immediately commence field reconnaissance work. A shallow drilling program is currently being planned, which aims to define the lateral continuity and thickness of the Toolebuc formation over the tenement areas. The program will involve drilling wide-spaced shallow holes to delineate any potential mineralisation in a low cost and rapid manner.

## 2.6 Julimar Nickel-Vanadium Project, Western Australia

The Julimar Nickel-Vanadium Project is located just 80km north-east of Perth, with excellent access via the Great Northern Highway and established infrastructure nearby. The Julimar Project is prospective for both magmatic-style Nickel-Copper-Platinum Group Elements (Ni-Cu-PGE) and intrusion related Iron-Vanadium-Titanium (Fe-V-Ti) mineralisation within an interpreted large (26 x 7km) layered mafic-ultramafic complex.

A review of limited historical exploration, along with interpretation of existing geophysical datasets, supports the interpretation of a prospective mafic-ultramafic intrusive geological setting (Figure 13).

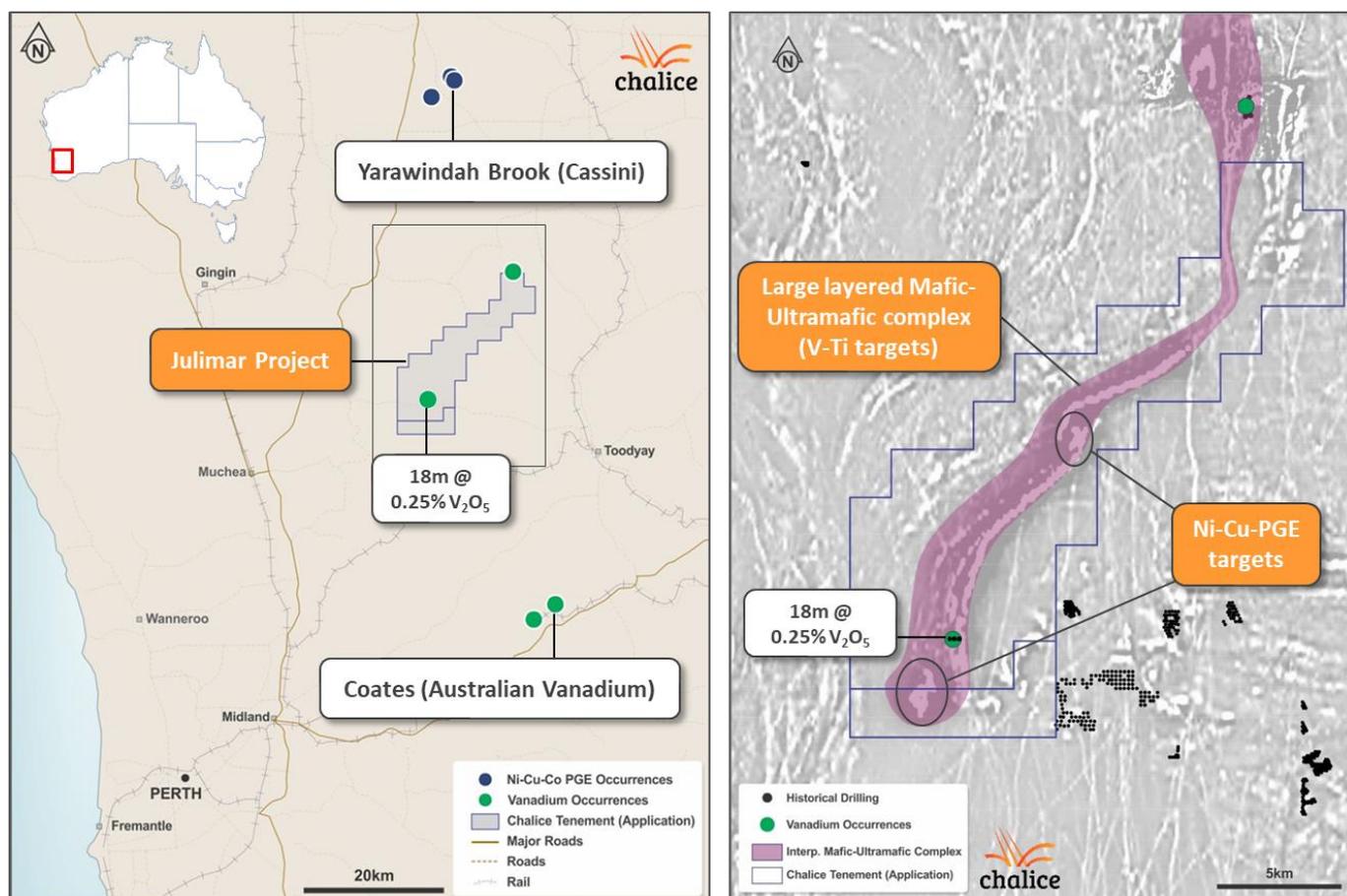


Figure 13. Julimar Project map (LHS) and regional aeromagnetics (RHS)

Chalice expects the applications to be granted in Q3 2018, after which it plans to carry out field reconnaissance work followed by targeted ground magnetic, gravity and electromagnetic surveys over selected target zones (potential feeder zones) within the greater intrusive complex.

Any anomalies generated from the surface geophysical surveys will be the basis for follow-up drill testing.

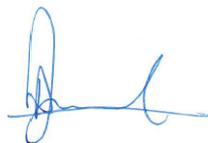
## 3. TENEMENT SCHEDULES

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

#### 4. CORPORATE

Chalice's cash balance was A\$35.7 million (~13.5 cents per share) as at 30 June 2018 using a month end AUD/USD exchange rate of 0.739. In addition, Chalice holds various strategic, liquid investments in ASX and TSX listed companies to the value of A\$2.6 million.

During the Quarter, the Company spent A\$2.6 million on exploration and evaluation activities, A\$0.2 million on administration and corporate costs and A\$0.2 million on business development activities. Further details are available in the attached Appendix 5B.



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### **Competent Persons and Qualifying Persons Statement**

The information in this report that refers to the Pyramid Hill Gold Project is extracted from the announcement entitled "Chalice identifies two 12km+ gold-in-soil anomalies at Pyramid Hill Project, Bendigo" dated 17 July 2018.

The information in this report that refers to the East Cadillac Gold Project is extracted from the announcement entitled "Two new gold discoveries expand the district-scale potential of the East Cadillac Gold Project" dated 31 May 2018.

The information in this report that refers to the Warrego North Copper-Gold Project is extracted from the announcement entitled "Large copper-gold target to be drilled at Warrego North Project" dated 16 July 2018.

The information in this report that refers to the Flinders River Vanadium and Julimar Nickel-Vanadium Projects is extracted from the announcement entitled "Chalice targets new growth front in battery metals following acquisition of two highly prospective vanadium-nickel projects" dated 23 May 2018.

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 original market announcement and that all material assumptions in the market announcement continue to apply and have not materially changed. The Company confirms that the form and context in which the Competent Person's and Qualifying Persons findings are presented have not been materially modified from the original market announcement.

### **Forward Looking Statements**

This document may contain forward-looking information within the meaning of Canadian securities legislation and forward-looking statements within the meaning of the United States Private Securities Litigation Reform Act of 1995 (collectively, forward-looking statements). These forward-looking statements are made as of the date of this document and Chalice Gold Mines Limited (the Company) does not intend, and does not assume any obligation, to update these forward-looking statements.

Forward-looking statements relate to future events or future performance and reflect Company management's expectations or beliefs regarding future events and include, but are not limited to, the estimation of mineral reserve and mineral resources, the realisation of mineral reserve estimates, the likelihood of exploration success at the Company's projects, the timing and amount of estimated future production, costs of production, capital expenditures, success of mining operations, environmental risks, unanticipated reclamation expenses, title disputes or claims and limitations on insurance coverage.

In certain cases, forward-looking statements can be identified by the use of words such as "plans", "expects" or "does not expect", "is expected", "will", "may", "would", "budget", "scheduled", "estimates", "forecasts", "intends", "anticipates" or "does not anticipate", "believes" or variations of such words and phrases or statements that certain actions, events or results may, could, would, might or will be taken, occur or be achieved or the negative of these terms or comparable terminology. By their very nature forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Company to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements.

Such factors may include, among others, risks related to actual results of current or planned exploration activities; changes in project parameters as plans continue to be refined; future prices of mineral resources; possible variations in mineral resources or ore reserves, grade or recovery rates; accidents, labour disputes and other risks of the mining industry; delays in obtaining governmental approvals or financing or in the completion of development or construction activities; as well as those factors detailed from time to time in the Company's interim and annual financial statements, all of which are filed and available for review on SEDAR at [sedar.com](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. Tenement schedule

The following information is provided in accordance with ASX Listing Rule 5.3 for the quarter ended 30 June 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	100%
		E39/1976	CGM (WA) Pty Ltd	100%
		E70/4869	CGM (WA) Pty Ltd	100%
		E77/2353	CGM (WA) Pty Ltd	100%
		E77/2354	CGM (WA) Pty Ltd	100%
		P37/8702	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%
		P37/8706	CGM (WA) Pty Ltd	100%
		P37/8707	CGM (WA) Pty Ltd	100%
		P37/8708	CGM (WA) Pty Ltd	100%
		P37/8709	CGM (WA) Pty Ltd	100%
		P37/8710	CGM (WA) Pty Ltd	100%
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		P37/9018	CGM (WA) Pty Ltd	100%
		P37/9019	CGM (WA) Pty Ltd	100%
		P37/9020	CGM (WA) Pty Ltd	100%
P37/9021	CGM (WA) Pty Ltd	100%		
P37/9022	CGM (WA) Pty Ltd	100%		
P37/9023	CGM (WA) Pty Ltd	100%		
P37/9026	CGM (WA) Pty Ltd	100%		
P37/9029	CGM (WA) Pty Ltd	100%		
P37/9030	CGM (WA) Pty Ltd	100%		
P37/9031	CGM (WA) Pty Ltd	100%		
Victoria	Pyramid Hill	EL006661	CGM (WA) Pty Ltd	100%
Northern Territory	Warrego North	EL23764	CGM (WA) Pty Ltd (51%) & Meteoric Resources NL (49%)	51% - farm-in agreement, right to earn up to 70% interest
		EL31608	CGM (WA) Pty Ltd	100%
		EL31610	CGM (WA) 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 2468013	Chalice Gold Mines (Quebec) Inc.	100%
		2470442 to 2470460	Chalice Gold Mines (Quebec) Inc.	100%
		2499665 to 2499668	Chalice Gold Mines (Quebec) Inc.	100%
		2514476 to 2514481	Chalice Gold Mines (Quebec) Inc.	100%

Location	Project	Claim Numbers	Registered Holder	Nature of Interest
	East Cadillac	2515283 to 2515284	Chalice Gold Mines (Quebec) Inc.	100%
		2514628	Chalice Gold Mines (Quebec) Inc.	100%
		2461488 to 2461495	Chalice Gold Mines (Quebec) Inc.	100%
		2468029 to 2468043	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%
		2385084	Monarques Gold Corporation	0% - option agreement to earn a 70% interest
		2438140 to 2438211	Monarques Gold Corporation	
		2437912 to 2437915	Globex Mining Enterprises Inc.	0% - option agreement to earn a 100% interest
		2437862 to 2437873	Globex Mining Enterprises Inc.	
		2438798 to 2438811	Compagnie minière Baie Bateman inc. (40%) Globex Mining Enterprises Inc. (60%)	
		2438935 to 2438937	Compagnie minière Baie Bateman inc. (40%) Globex Mining Enterprises Inc. (60%)	
		2437791 to 2437811	Globex Mining Enterprises Inc.	
		2434329	Chalice Gold Mines (Quebec) Inc.	100%
		2434769 to 2434771	Chalice Gold Mines (Quebec) Inc.	100%
		2466091 to 2466092	Chalice Gold Mines (Quebec) Inc.	100%
		2470586	Chalice Gold Mines (Quebec) Inc.	100%
		2445500 to 2445501	Chalice Gold Mines (Quebec) Inc.	100%
		2456677	Chalice Gold Mines (Quebec) Inc.	100%
		2456713 to 2456714	Chalice Gold Mines (Quebec) Inc.	100%
		2458268 to 2458272	Chalice Gold Mines (Quebec) Inc.	100%
		2456678 to 2456680	Chalice Gold Mines (Quebec) Inc.	100%
		2457365 to 2457366	Chalice Gold Mines (Quebec) Inc.	100%
		2457890 to 2457892	Chalice Gold Mines (Quebec) Inc.	100%
		2472374 to 2472375	Chalice Gold Mines (Quebec) Inc.	100%
		2491522	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%
		2471188 to 2471202	Chalice Gold Mines (Quebec) Inc.	100%
		2515519	Chalice Gold Mines (Quebec) Inc.	100%
		2437916 to 2437942	Khalkos Exploration Inc.	0% - option agreement to earn a 70% interest
		2443200- 2443243	Renforth Resources Inc. 100%	0% - Option and farm-in agreement to earn a 80% interest
		2480250- 2480258	Renforth Resources Inc. 100%	0% - Option and farm-in agreement to earn a 80% interest
		2481131- 2481222	Renforth Resources Inc. 100%	0% - Option and farm-in agreement to earn a 80% interest
		2405317- 2405327	Renforth Resources Inc. 100%	0% - Option and farm-in agreement to earn a 80% interest
		2423153- 2423166	Renforth Resources Inc. 100%	0% - Option and farm-in agreement to earn a 80% interest
		2462745- 2462751	Renforth Resources Inc. 100%	0% - Option and farm-in agreement to earn a 80% interest
		2477257- 2477258	Renforth Resources Inc. 100%	0% - Option and farm-in agreement to earn a 80% interest
	2480184-2480187	Renforth Resources Inc. 100%	0% - Option and farm-in agreement to earn a 80% interest	
	2484903	Renforth Resources Inc. 100%	0% - Option and farm-in agreement to earn a 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
Northern Territory	Warrego North	EL31608	CGM (WA) Pty Ltd	0%	100%
		EL31610	CGM (WA) Pty Ltd	0%	100%
Quebec	East Cadillac	2515519	Chalice Gold Mines (Quebec) Inc.	0%	100%
		2443200- 2443243	Renforth Resources Inc. 100%	0%	0% - Option and farm-in agreement to earn a 80% interest
		2480250- 2480258	Renforth Resources Inc. 100%	0%	0% - Option and farm-in agreement to earn a 80% interest
		2481131- 2481222	Renforth Resources Inc. 100%	0%	0% - Option and farm-in agreement to earn a 80% interest
		2405317- 2405327	Renforth Resources Inc. 100%	0%	0% - Option and farm-in agreement to earn a 80% interest
		2423153- 2423166	Renforth Resources Inc. 100%	0%	0% - Option and farm-in agreement to earn a 80% interest
		2462745- 2462751	Renforth Resources Inc. 100%	0%	0% - Option and farm-in agreement to earn a 80% interest
		2477257- 2477258	Renforth Resources Inc. 100%	0%	0% - Option and farm-in agreement to earn a 80% interest
		2480184-2480187	Renforth Resources Inc. 100%	0%	0% - Option and farm-in agreement to earn a 80% interest
		2484903	Renforth Resources Inc. 100%	0%	0% - Option and farm-in agreement to earn a 80% interest

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

Location	Project	Tenement No.	Registered Holder	Interest at end of quarter
Western Australia	Yilgarn	E57/1050	CGM (WA) Pty Ltd	0%

## 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")

30 June 2018

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (12 months) \$A'000
<b>1. Cash flows from operating activities</b>		
1.1 Receipts from customers	51	190
1.2 Payments for		
(a) exploration & evaluation	(2,597)	(12,538)
(b) development	-	-
(c) production	-	-
(d) staff costs	(268)	(1,108)
(e) administration and corporate costs	(188)	(739)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	152	568
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid/refunded	68	(632)
1.7 Research and development refunds	-	-
1.8 Other:		
- Business Development	(230)	(716)
- Exploration tax credits received	-	-
<b>1.9 Net cash from / (used in) operating activities</b>	<b>(3,012)</b>	<b>(14,975)</b>
<b>2. Cash flows from investing activities</b>		
2.1 Payments to acquire:		
(a) property, plant and equipment	(8)	(262)
(b) tenements (see item 10)	(29)	(275)

<b>Consolidated statement of cash flows</b>		<b>Current quarter \$A'000</b>	<b>Year to date (12 months) \$A'000</b>
	(c) investments	(254)	(1,169)
	(d) other non-current assets	-	-
2.2	Proceeds from the disposal of:		
	(a) property, plant and equipment	-	-
	(b) tenements (see item 10)	-	-
	(c) investments	-	4,889
	(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>(291)</b>	<b>3,183</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	38,335	46,819
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(3,012)	(14,975)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(291)	3,183
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 (12 months) \$A'000</b>
4.5	Effect of movement in exchange rates on cash held	707	721
<b>4.6</b>	<b>Cash and cash equivalents at end of period</b>	<b>35,739</b>	<b>35,739</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	8,604	11,827
5.2	Call deposits	27,135	26,508
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>35,739</b>	<b>38,335</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

<b>Current quarter \$A'000</b>
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

<b>Current quarter \$A'000</b>
-
-

**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)	-	-

8.1 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
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9. Estimated cash outflows for next quarter		\$A'000			
9.1	Exploration and evaluation	(1,207)			
9.2	Development	-			
9.3	Production	-			
9.4	Staff costs	(296)			
9.5	Administration and corporate costs <sup>(1)</sup>	(192)			
9.6	Other: Business development costs	(236)			
<b>9.7</b>	<b>Total estimated cash outflows</b>	<b>(1,931)</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	Australia: E57/1050	Owned	100%	0%
10.2	Interests in mining tenements and petroleum tenements acquired or increased	Australia: EL31608 EL31610	Owned Owned	0% 0%	100% 100%
		Canada: 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)

Print name: Leanne Stevens

Date: 27 July 2018

## 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)**

Location	Project	Claim Number	Registered Holder	Interest at beginning of quarter	Interest at end of quarter
Quebec	East Cadillac	2515519	Chalice Gold Mines (Quebec) Inc.	0%	100%
		2443200- 2443243	Renforth Resources Inc. 100%	0%	Option and farm-in agreement to earn up to 80% interest
		2480250- 2480258	Renforth Resources Inc. 100%	0%	Option and farm-in agreement to earn up to 80% interest
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