

APPENDIX B – BACKGROUND ON CHALICE GOLD MINES

Chalice Gold Mines Limited is a junior resources company based in Perth, Australia with an experienced Board and strong management team. Following the sale of its equity in the Zara Project in Eritrea in 2012 the Company is well funded, providing an excellent platform for future growth.

The primary focus of Chalice's growth strategy is on securing a cornerstone asset (or assets), leveraging off its cash position of approximately \$55 million. Chalice's experienced technical team is targeting high quality mining projects globally with strong cash flow generation potential. As a second leg of its growth strategy the Board has approved targeting high quality, "drill ready" targets in low risk jurisdictions on a deal, by deal basis.

Chalice has a 60% JV on the Mogoraib North (550km²) exploration licence in northern Eritrea and recently entered into a joint venture agreement with Uranium Equities Limited (ASX: UEQ) to earn up to 70% of the Marla and Oodnadatta IOCGU projects in South Australia. It also holds a 10% ownership in unlisted public company GeoCrystal Limited which is exploring the Webb Diamond Project in Western Australia.