



CHALICE GOLD MINES LIMITED

28 NOVEMBER 2008

AGM CHAIRMAN'S ADDRESS

To begin with, I would like to provide an overview of how the company is positioned and where we see the future. It is no secret that the recent financial turmoil has forced companies in our sector to make changes and re-assess their options. We are no different, having made changes to ensure that even with a well capitalised balance sheet, that our operations are sustainable in the longer term.

In this respect, we have continued to progress our gold exploration projects at Yandearra, Gnaweeda and Wilga by entering joint venture agreements across all projects, thereby preserving our own capital. We have also implemented changes to reduce our overheads wherever possible.

At the end of September 2008 Chalice is in the enviable position of having \$9.4 million in cash with a further \$1.1 million expected to be received by early next year. With minimal commitments, we are in a strong position to review asset acquisition opportunities as they arise.

In the current environment, we foresee significant opportunities to add value due to rapidly deflating asset valuations; however, we will continue

to wait for the right opportunity with capital preservation being at the forefront of our objectives.

In addition, as announced to the ASX on 24 October 2008 and in light of the severe downturn in capital markets and fall in copper prices, the Company terminated an agreement to acquire the Mt Oxide Copper-Cobalt Project from Perilya Limited with the consent of Perilya. Whilst we were ultimately unable to recommend the transaction to shareholders due to exceptional circumstances, we will continue to proactively assess other opportunities as they arise.

I would also like to take this opportunity to thank the former Chairman, Andrew Bantock, who resigned from the Board a couple of weeks ago. Andrew played an instrumental part in the formation and listing of the Company and leaves with our best wishes. I also welcome Doug Jones to the Board.