

REGISTERED OFFICE

Level 2/1292 Hay Street
West Perth, Western Australia 6005

GPO BOX 2890
Perth, Western Australia 6001

T: +618 9322 3960
F: +618 9322 5800

E: info@chalicegold.com
W: www.chalicegold.com

19 November 2012

Australian Securities Exchange Limited
Exchange Plaza
2 The Esplanade
PERTH WA 6000

Dear Sir

Terms and Conditions of the Appointment of Managing Director

Further to today's announcement regarding the appointment of Mr Bill Bent as Managing Director, please see attached, the key terms of Mr Bent's Executive Service Agreement.

Yours faithfully



RICHARD HACKER
Company Secretary

Key Terms of Managing Director Executive Service Agreement

Annual Fixed Salary	\$390,000 per annum. This figure is gross and is inclusive of amounts paid as superannuation contributions on Mr Bent's behalf.
Short Term Incentive	Mr Bent shall have the opportunity to receive a cash incentive bonus up to the value of 40% of the Annual Fixed Salary upon achievement of key performance indicators (intended to align with the strategic direction of the Company) to be determined by the Board. At the sole election of the Company such incentive bonus may be paid in shares rather than cash.
Long Term Incentive	The Company has in place an Employee Long Term Incentive Plan (the "Plan") to provide incentives to appropriate executives. Subject to shareholder approval under the ASX Listing Rules or Corporations Act (where required), Mr Bent will be entitled to an annual issue of performance rights (issued under the terms of the Plan) having a value of up to 60% of the Annual Fixed Salary. The performance hurdles and performance and/or vesting periods will be determined by the Board.
Notice Period	Either party may terminate the employment agreement for any reason whatsoever upon one party giving to the other party written notice of at least 6 months or such lesser period as agreed between the parties.
Severance Payments	If Mr Bent's employment is terminated by the company (without cause) then Mr Bent shall be entitled to: • where such termination occurs during the 6 month probationary period, a severance payment of \$125,000; • where such termination occurs after the probationary period but before the third anniversary of the commencement date, a severance payment equal to 6 months' worth of the Annual Fixed Salary (at the Annual Fixed Salary applicable immediately prior to the termination date); or • where such termination occurs on or after the third anniversary of the commencement date, a severance payment equal to 3 months' worth of the Annual Fixed Salary (at the Annual Fixed Salary applicable immediately prior to the termination date). • In the event of a material change in Mr Bent's position, status, remuneration, benefits, title, work location, duties or responsibilities to which Mr Bent has not agreed and as a result of which his employment is terminated or he resigns from his employment Mr Bent shall be entitled to a severance payment equal to 12 months' worth of the Annual Fixed Salary (at the Annual Fixed Salary applicable immediately prior to the termination date).