

ASX Announcement

10 June 2016

Chalice completes sale of Cameron Gold Project to First Mining Finance Corp.

Chalice Gold Mines Limited (ASX: CHN) (TSX: CXN) ("Chalice" or the "Company") is pleased to announce the successful completion of the previously announced sale of its wholly-owned subsidiary Cameron Gold Operations Ltd., which owns the Cameron Gold Project, to First Mining Finance Corp ("First Mining") (TSX-V:FF) for 32,260,836 common shares in First Mining, following Chalice shareholder approval on 9 June 2016. Chalice now hold approximately 8.1% of the current issued shares of First Mining.

As noted in the Company's announcement on 4 May 2016, the First Mining shares are subject to a statutory resale restriction in Canada for a four-month period from completion. In addition, Chalice has agreed to further provisions, restricting the sales of shares to not more than approximately one eighth of the total number of shares per month over the following eight months except where the sale is in a single block to a purchaser acceptable to First Mining.

In connection with the transaction, First Mining has granted to Chalice a net smelter returns ("NSR") royalty of 1% on certain mining claims within the Cameron Gold project which are not encumbered by pre-existing royalties. First Mining retains the right to repurchase 0.5% of the NSR royalty for CDN\$1,000,000.

Chalice Managing Director, Mr Tim Goyder, said *"the successful completion of this sale places Chalice in an enviable position with cash and investments of approximately A\$62 million (22 cents per share), at current market values, providing a tremendous platform from which to grow the Company and take advantage of new opportunities as they arise."*

Haywood Securities Inc. acted as financial advisor to Chalice. Blake, Cassels & Graydon LLP acted as Canadian legal counsel, and K&L Gates LLP acted as Australian legal counsel to Chalice.

ABOUT FIRST MINING FINANCE CORP.

First Mining is a mineral property holding company whose principal business activity is to acquire high quality mineral assets with a focus in the Americas. The Company currently holds a portfolio of 27 mineral assets in Canada, Mexico and the United States with a focus on gold. Ultimately, the goal is to continue to increase its portfolio of mineral assets through acquisitions that are expected to be comprised of gold, silver, copper, lead, zinc and nickel.

For further information on First Mining please refer to www.firstminingfinance.com

TIM GOYDER
Managing Director

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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 results of business development activities which may result in a corporate transaction or investment, the future share price performance of First Mining Finance Corp., the estimation of mineral reserve and mineral resources, the realisation of mineral reserve estimates, the likelihood of exploration success, 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, or 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 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. 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.