# **ASX ANNOUNCEMENT**

# Koka closer to production with completion of Social and Environmental Impact Reports

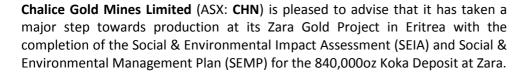


Chalice Gold Mines Limited ABN 47 116 648 956

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# **Highlights**

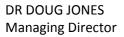
- Koka Social and Environmental Impact Assessment and Management Plans completed and lodged with Eritrean authorities
- The move is a major milestone in the process of obtaining a mining licence for the Koka Gold Mine, which is part of the Zara Project in Eritrea
- 840,000 oz Koka deposit on track for first production in 2013



The SEIA and SEMP have been lodged with the Eritrean Ministry of Energy & Mines. These reports form a key component of the documentation required to secure a mining licence for the Koka deposit. They represent the culmination of two and half years of environmental, socio-economic and community studies.

The studies were conducted by independent consultants Knight Piésold and Global Resources Development and Management Consultants (GREDMCO) in line with internationally accepted standards.

Chalice will press ahead with planning for the development of the Koka mine, with first production scheduled for early 2013. Koka is forecast to produce at an average annual rate of 104,000 ounces at a cash cost of US\$338/oz.





## **INVESTMENT HIGHLIGHTS**

High grade open pit gold deposit (Reserves 760,000 oz @ 5.1 g/t)

Feasibility study completed

Permitting process underway

Medium term production potential

Large underexplored ground position with potential for discovery of additional resources

www.chalicegold.com

# **About the Zara Gold Project**

The Zara Project comprises four Exploration Licences and two Prospecting Licences (the latter currently undergoing conversion to EL's) covering an area of 615km<sup>2</sup> situated in northern Eritrea, approximately 160km northwest of Asmara city. Chalice holds a 100% interest in the project subject to government participation rights.

The Koka Gold Deposit within the project contains a Probable Reserve of 4.6 million tonnes of ore grading 5.1 grams of gold per tonne and containing 760,000 oz of gold. This is contained within an Indicated Resource of 5.0 million tonnes grading 5.3 grams of gold per tonne containing 840,000 oz of gold.

### **Competent Persons' Statement**

The information in this report that relates to Exploration Results is based on information compiled by Dr Doug Jones, a full-time employee and Director of Chalice Gold Mines Limited, who is a Member of the Australasian Institute of Mining and Metallurgy and is a Chartered Professional Geologist. Dr Jones has sufficient experience in the field of activity being reported to qualify as a Competent Person as defined in the 2004 edition of the Australasian Code for Reporting of Exploration Results, Minerals Resources and Ore Reserves, and consents to the release of information in the form and context in which it appears here.

The Mineral Resource estimate was prepared by Mr. John Tyrrell who is a Member of the Australasian Institute of Mining and Metallurgy. Mr. Tyrrell is a full time employee of AMC and has sufficient experience in gold resource estimation to act as Competent Person as defined in the 2004 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (the JORC Code)'. Mr. Tyrrell consents to the inclusion of this information in the form and context in which it appears.

The information in this statement of Ore Reserves is based on information compiled by Mr David Lee who is a Member of the Australasian Institute of Mining and Metallurgy and a full time employee of AMC. Mr Lee has sufficient relevant experience to be a Competent Person as defined in the JORC Code. Mr Lee consents to the inclusion of this information in the form and context in which it appears.