

ASX Announcement

2 March 2012

## Change to due diligence timetable for SFECO transaction

Chalice Gold Mines Limited (ASX:CHN/(TSX:CXN) advises that it has agreed to amend the timetable outlined in the short form agreement (“the Agreement”) under which Chalice agreed to sell its 60 percent interest in the Zara Project in Eritrea to China SFECO Group (SFECO).

The Agreement was subject to SFECO being satisfied with its due diligence which was to be completed by 12 March 2012. Chalice understands that the due diligence process is progressing satisfactorily however SFECO has requested an extension to the due diligence period of one month to 12 April 2012 in order to facilitate its internal processes and obtain its Board approval within 14 days thereafter.

Chalice has agreed to the request on the understanding that both parties use their reasonable endeavours to meet the original timetable which contemplated final completion of the transaction in June 2012.



TIM GOYDER  
Executive Chairman



### INVESTMENT HIGHLIGHTS

High grade gold open pit

Mine permitting nearing completion

- Low cash costs of \$338/oz of gold
- 7 year mine life at >100,000 oz average production per year

Large underexplored ground position in the Arabian Nubian Shield

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