



ASX ANNOUNCEMENT

14 SEPTEMBER 2017

COMPLETION OF THE SALE OF THE DUMBLEYUNG PROJECT TO AUSGOLD LIMITED

Chalice Gold Mines Limited ("Chalice" or "the Company") (ASX: CHN) (TSX: CXN) lodges the attached notice of change of interests of substantial holder, which relates to the Company increasing its relevant interest in Ausgold Limited (ASX: AUC) ("Ausgold") from 9.87% to 13.08% as a result of the completion of the sale of the Company's Dumbleyung Gold Project, Western Australia to Ausgold.

Under the terms of a Purchase and Sale Agreement, in consideration for the Company's 100% interest in the Dumbleyung Project, the Company has received 15 million ordinary shares in Ausgold and 10 million unlisted options exercisable at 3.5 cents each in Ausgold, expiring two years after the date of grant. The shares are subject to an escrow period of 12 months from the date of allotment.

Chalice now holds 55 million ordinary shares and 10 million unlisted options in Ausgold.

Yours faithfully

A handwritten signature in black ink, appearing to read "Leanne Stevens".

Leanne Stevens
Company Secretary

Form 604Corporations Act 2001
Section 671B**Notice of change of interests of substantial holder**

To Company Name/Scheme AUSGOLD LIMITED

ACN/ARSN 140 164 496

1. Details of substantial holder(1)Name CHALICE GOLD MINES LIMITED
ACN/ARSN (if applicable) 116 648 956There was a change in the interests of the
substantial holder on 14 / 09 / 2017
The previous notice was given to the company on 08 / 06 / 2017
The previous notice was dated 08 / 06 / 2017**2. Previous and present voting power**

The total number of votes attached to all the voting shares in the company or voting interests in the scheme that the substantial holder or an associate (2) had a relevant interest (3) in when last required, and when now required, to give a substantial holding notice to the company or scheme, are as follows:

Class of securities (4)	Previous notice		Present notice	
	Person's votes	Voting power (5)	Person's votes	Voting power (5)
ORDINARY SHARES	40,000,000	9.87%	55,000,000	13.08%

3. Changes in relevant interests

Particulars of each change in, or change in the nature of, a relevant interest of the substantial holder or an associate in voting securities of the company or scheme, since the substantial holder was last required to give a substantial holding notice to the company or scheme are as follows:

Date of change	Person whose relevant interest changed	Nature of change (6)	Consideration given in relation to change (7)	Class and number of securities affected	Person's votes affected
14 SEPTEMBER 2017	CHALICE GOLD MINES LTD	SHARES ISSUED IN CONSIDERATION FOR THE SALE OF THE DUMBLEYUNG PROJECT TO AUSGOLD LIMITED		15,000,000 ORDINARY SHARES	15,000,000 ORDINARY SHARES
		REFER ANNEXURE A.			

4. Present relevant interests

Particulars of each relevant interest of the substantial holder in voting securities after the change are as follows:

Holder of relevant interest	Registered holder of securities	Person entitled to be registered as holder (8)	Nature of relevant interest (6)	Class and number of securities	Person's votes
CHALICE GOLD MINES LTD	CHALICE GOLD MINES LTD	CHALICE GOLD MINES LTD		55,000,000 ORDINARY SHARES	55,000,000 ORDINARY SHARES

5. Changes in association

The persons who have become associates (2) of, ceased to be associates of, or have changed the nature of their association (9) with, the substantial holder in relation to voting interests in the company or scheme are as follows:

Name and ACN/ARSN (if applicable)	Nature of association

6. Addresses

The addresses of persons named in this form are as follows:

Name	Address
CHALICE GOLD MINES LIMITED	GPO BOX 2890, PERTH, WA 6001

Signature

print name LEANNE STEVENS

capacity COMPANY SECRETARY

sign here

date 14 / 09 / 2017

DIRECTIONS

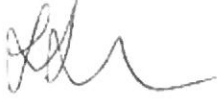
- (1) If there are a number of substantial holders with similar or related relevant interests (eg. a corporation and its related corporations, or the manager and trustee of an equity trust), the names could be included in an annexure to the form. If the relevant interests of a group of persons are essentially similar, they may be referred to throughout the form as a specifically named group if the membership of each group, with the names and addresses of members is clearly set out in paragraph 6 of the form.
- (2) See the definition of "associate" in section 9 of the Corporations Act 2001.
- (3) See the definition of "relevant interest" in sections 608 and 671B(7) of the Corporations Act 2001.
- (4) The voting shares of a company constitute one class unless divided into separate classes.
- (5) The person's votes divided by the total votes in the body corporate or scheme multiplied by 100.
- (6) Include details of:
 - (a) any relevant agreement or other circumstances because of which the change in relevant interest occurred. If subsection 671B(4) applies, a copy of any document setting out the terms of any relevant agreement, and a statement by the person giving full and accurate details of any contract, scheme or arrangement, must accompany this form, together with a written statement certifying this contract, scheme or arrangement; and
 - (b) any qualification of the power of a person to exercise, control the exercise of, or influence the exercise of, the voting powers or disposal of the securities to which the relevant interest relates (indicating clearly the particular securities to which the qualification applies).

See the definition of "relevant agreement" in section 9 of the Corporations Act 2001.
- (7) Details of the consideration must include any and all benefits, money and other, that any person from whom a relevant interest was acquired has, or may, become entitled to receive in relation to that acquisition. Details must be included even if the benefit is conditional on the happening or not of a contingency. Details must be included of any benefit paid on behalf of the substantial holder or its associate in relation to the acquisitions, even if they are not paid directly to the person from whom the relevant interest was acquired.
- (8) If the substantial holder is unable to determine the identity of the person (eg. if the relevant interest arises because of an option) write "unknown".
- (9) Give details, if appropriate, of the present association and any change in that association since the last substantial holding notice.

Annexure A

This is Annexure A of 3 pages (including this page) referred to in Form 604 Notice of Changes of Interests of Substantial Holder signed by me and dated 14 September 2017.

I certify that the attached documents are true copies of the originals.

A handwritten signature in black ink, appearing to read 'LS', with a long horizontal flourish extending to the right.

Leanne Stevens
Company Secretary
Chalice Gold Mines Limited



ABN 47 116 648 956

ASX Announcement

6 June 2017

Chalice subscribes to \$1M share placement in, & sell its Dumbleyung Project to, Ausgold Limited

Chalice Gold Mines Limited ("Chalice" or the "Company") (ASX: CHN) (TSX: CXN) today announced that it has agreed to subscribe to a share placement of 40 million shares in ASX listed Ausgold Limited (ASX: AUC) ("Ausgold") at an issue price of 2.5 cents per share for a total of \$1.0 million ("the Placement"). The funds will predominantly be used to advance Ausgold's flagship Katanning Gold Project in Western Australia. All amounts are in Australian dollars.

In addition to the Placement, Chalice has agreed to sell its Dumbleyung Project, which is located adjacent to the Katanning Gold Project, to Ausgold for 15 million shares (subject to a 12-month escrow) and 10 million unlisted share options that are exercisable at 3.5 cents per share within a 2-year period. The issue of the consideration shares and options to Chalice is subject to Ausgold shareholder approval. Ausgold directors have agreed to (1) recommend the transaction to shareholders and (2) vote all of the shares they hold or control in favour of all necessary resolutions in relation to the transaction. Chalice will also retain a 2 percent NSR over the Dumbleyung Project.

Following completion of the Placement and the issue of the Dumbleyung consideration shares and options, Chalice will hold a 12% interest in Ausgold (increasing to a 14% interest in the event that the consideration options are exercised).

Ausgold's Katanning Gold Project is located 275km southeast of Perth, Western Australia where Ausgold holds a dominant ground position of approximately 4,031km² in a relatively under-explored greenstone belt that is prospective for Archaean gold deposits. In 2015, Ausgold announced a mineral resource for the Katanning Gold Project (<http://www.asx.com.au/asx/statistics/displayAnnouncement.do?display=pdf&idsId=01674505>).

Managing Director Tim Goyder said the Placement and tenement sale provides Chalice with exposure to a relatively advanced, low-risk open-pit gold project in Western Australia.

"We look forward to Ausgold advancing the Katanning Project where we see potential to increase the existing mineral resource. Given the rarity of undeveloped gold projects in Western Australia, Ausgold's large tenement package and the current strong A\$ gold price of ~A\$1720 per oz, we believe there is potential for considerable upside."

ENDS

TIM GOYDER
Managing Director

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For media inquiries, please contact:
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Read Corporate
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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 future share price performance of Ausgold, the likelihood that the Ausgold shareholders will vote in favour of the acquisition of the Dumbleyung Project from Chalice, the estimation of mineral resources at the Katanning Project, the impact recent drilling completed by Ausgold on the mineral resource estimate for the Katanning Project, the likelihood of exploration success and future drilling increasing the current mineral resources, the timing and amount of estimated future mineral resource, mineral reserves, 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, estimates, 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 and future exploration activities; changes in project parameters as plans continue to be refined; future prices of metals contained in the mineral resources; possible variations in mineral resources or ore reserves (if any are defined), 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 www.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.