



CHALICE
GOLD MINES LIMITED

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COMPLETION OF SALE OF HIGGINSVILLE AND CHALICE GOLD PROJECTS

25 July 2007

Chalice Gold Mines Limited advises that completion has today been achieved for Tranche 1 of the sale of the Higginsville and Chalice gold projects to Avoca Resources Limited, as approved by shareholders on 22 June 2007.

Chalice Gold Mines Limited has today been issued 3,496,503 million Avoca Resources shares (ASX:AVO) (being A\$5 million of Tranche 1 consideration, valued at A\$1.43 per share) and 2 million 3-year A\$1.79 Avoca Resources unlisted options, in full satisfaction of Tranche 1 consideration for the sale.

Chalice Gold Mines Limited will receive a further A\$0.84 million of Avoca Resources shares upon completion of Tranche 2 of the sale, which is expected to occur within the next 10 months, subject to Department of Industry and Resources processing of related tenement matters.

Chalice Gold Mines Limited Chairman Andrew Bantock said:

"We are pleased to have completed Tranche 1 of the sale, recapitalising Chalice Gold Mines through receipt of the Avoca shares. It is pleasing to see this strategic holding already some 12.5% above issue price at today's market values, and we look forward to Avoca's continuing success both from future discovery and from development of the Trident ore body."

ANDREW BANTOCK
Executive Chairman

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