



CHALICE GOLD MINES LIMITED
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3 December 2008

Australian Stock Exchange
Level 8
Exchange Plaza
2 The Esplanade
Perth WA 6000

Dear Jill

I refer to your letter of 3 December 2008 regarding the late lodgement of an Appendix 3X. In response to your questions the Company advises that:

1. The reason for the late lodgement was due to an administrative oversight. Immediate action was taken to rectify this error once we became aware of it.
2. The Company takes corporate governance practices very seriously. In accordance with Guidance Note 22 of the Listing Rules, the Company has a contractual arrangement with each director regarding the disclosure of director's interests in securities of the Company. Each director is acutely aware of their continuous disclosure obligations.
3. The Company has reviewed its processes and policies and believes that no further arrangements are required to ensure the compliance with Listing Rule 3.19B. The late lodgement was an honest administrative oversight and not as a result of inadequate arrangements between the Company and its directors regarding continuous disclosure.

Yours faithfully

RICHARD HACKER
Company Secretary



ASX
AUSTRALIAN SECURITIES EXCHANGE

ASX Markets Supervision Pty Ltd
ABN 98 008 624 691
Level 8
Exchange Plaza
2 The Esplanade
Perth WA 6000

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FAXED
3 December 2008

Mr R Hacker
Company Secretary
Chalice Gold Mines Limited
Level 2
1292 Hay Street
WEST PERTH WA 6005

Facsimile: 9322 5800

Dear Richard

**Chalice Gold Mines Limited (the "Company")
Appendix 3X – Director's Interest Notice**

We refer to the following:

1. The Appendix 3X lodged by the Company with ASX on 2 December 2008.
2. Listing rule 3.19A which requires an entity to tell ASX the following:
 - 3.19A.1 The notifiable interests of a director of the entity (or in the case of a trust, a director of the responsible entity of the trust) at the following times.
 - On 1 January 2002.
 - On the date that the entity is admitted to the official list.
 - On the date that a director is appointed.
 The entity must complete Appendix 3X and give it to ASX no more than 5 business days after 1 January 2002 or the entity's admission or a director's appointment.
 - 3.19A.2 A change to a notifiable interest of a director of the entity (or in the case of a trust, a director of the responsible entity of the trust). The entity must complete Appendix 3Y and give it to ASX no more than 5 business days after the change occurs.
 - 3.19A.3 The notifiable interests of a director of the entity (or in the case of a trust, a director of the responsible entity of the trust) at the date that the director ceases to be a director. The entity must complete Appendix 3Z and give it to ASX no more than 5 business days after the director ceases to be a director.
3. Listing rule 3.19B which states as follows.

An entity must make such arrangements as are necessary with a director of the entity (or in the case of a trust, a director of the responsible entity of the trust) to ensure that the director discloses to the entity all the information required by the entity to give ASX completed Appendices 3X, 3Y and 3Z within the time period allowed by listing rule 3.19.A. The entity must enforce the arrangements with the director.

4. The Companies Update dated 27 June 2008, reminding listed entities of their obligation to notify ASX within 5 business days of the notifiable interests in securities held by each director and outlining the action that ASX would take in relation to breaches of listings rules 3.19A and 3.19B.

As the Appendix 3X notifying of the director's relevant interest and his appointment which occurred on 11 November 2008, it appears that the Appendix 3X should have been lodged with the ASX by 18 November 2008. As the Appendix 3X was lodged on 2 December 2008, it appears that the Company may be in breach of listing rules 3.19A and/or 3.19B. It also appears that there may have been a breach of S205G of the Corporations Act by the director concerned.

Please note that ASX is required to record details of breaches of the listing rules by listed companies for its reporting requirements.

ASX reminds the Company of its contract with ASX to comply with the listing rules. In the circumstances ASX considers that it is appropriate that the Company make necessary arrangements to ensure there is not a reoccurrence of a breach of the listing rules.

Having regard to listing rules 3.19A and 3.19B and Guidance Note 22: "Director Disclosure of Interests and Transactions in Securities - Obligations of Listed Entities", we ask that you answer each of the following questions:

1. Please explain why the [Appendix / Appendices] were lodged late.
2. What arrangements does the Company have in place with its directors to ensure that it is able to meet its disclosure obligations under listing rule 3.19A?
3. If the current arrangements are inadequate or not being enforced, what additional steps does the Company intend to take to ensure compliance with listing rule 3.19B?

Your response should be sent to me by e-mail at jill.hewitt@asx.com.au or by facsimile on facsimile number (08) 9221 2020. It should not be sent to the Company Announcements Office.

A response is requested as soon as possible and, in any event, not later than half an hour before the start of trading (ie before 7.30 a.m. W.D.S.T) on Friday 5 December 2008.

Under listing rule 18.7A, a copy of this query and your response will be released to the market, so your response should be in a form suitable for release and should separately address each of the questions asked. If you have any queries or concerns, please contact me immediately

Yours sincerely,



Jill Hewitt
Adviser, Issuers (Perth)