



NEW FUNDING PARTNER AT GNAWEEDA PROJECT

Chalice Gold Mines Limited ("Chalice") advises that it has received notification from Teck Australia Pty Ltd ("Teck") that Teck has entered into an exclusivity agreement with TSX Venture Exchange listed company Kent Exploration Inc. ("Kent") which contemplates Kent earning 100% of Teck's interest, subject to Teck retaining a 75% claw-back, in the Gnaweeda Gold Project in the northern Murchison province of Western Australia. Chalice has consented to the transaction.

Kent has paid Teck a non-refundable A\$50,000 deposit which provides Kent with a three month exclusive period during which time Teck and Kent plan to negotiate and formalise the proposed arrangement.

To earn its interest in the Gnaweeda Gold Project, Kent is required to fund A\$3 million in exploration expenditures over 4 years, with a A\$200,000 (includes deposit) first phase exploration program to be completed by 31 December 2009.

Once Kent has earned its interest in the Gnaweeda Project, Teck has the right to claw back 75% of Kent's interest by spending 2.5 times Kent's exploration expenditures.

Teck is currently earning up to 70% in the Gnaweeda Gold Project by spending A\$1.5M. To date, Teck has earned 51% in the Gnaweeda Project and has elected to spend an additional A\$0.75M to earn a further 19%.

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