



CHALICE
GOLD MINES LIMITED

ABN 47 116 648 956

Chalice Gold Mines Limited
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18 September 2009

Australian Securities Exchange Limited
Exchange Plaza
2 The Esplanade
PERTH WA 6000

Dear Sir/Madam

Proposed issue of unlisted share options to Executive Director

The Company advises that the board of directors has resolved, subject to shareholder approval at the Company's next Annual General Meeting, to issue unlisted options to Mike Griffiths, Executive Director of Chalice Gold Mines Limited, on the following terms and conditions:

Tranche 1

Number:	375,000
Exercise price:	\$0.50
Vesting date:	1 September 2010
Expiry:	1 September 2012

Tranche 2

Number:	375,000
Exercise price:	\$0.50
Vesting date:	1 September 2011
Expiry:	1 September 2012

The unlisted share options will otherwise be issued pursuant to the terms of the Company's Employee Share Option Plan.

Please also see attached Appendix 3Y.

Yours faithfully,

RICHARD HACKER
Company Secretary

Appendix 3Y

Change of Director's Interest Notice

Information or documents not available now must be given to ASX as soon as available. Information and documents given to ASX become ASX's property and may be made public.

Introduced 30/9/2001.

Name of entity	CHALICE GOLD MINES LIMITED
ABN	47 116 648 956

We (the entity) give ASX the following information under listing rule 3.19A.2 and as agent for the director for the purposes of section 205G of the Corporations Act.

Name of Director	Michael Griffiths
Date of last notice	7 September 2009

Part 1 - Change of director's relevant interests in securities

In the case of a trust, this includes interests in the trust made available by the responsible entity of the trust

Note: In the case of a company, interests which come within paragraph (i) of the definition of "notifiable interest of a director" should be disclosed in this part.

Direct or indirect interest	Indirect
Nature of indirect interest (including registered holder) <small>Note: Provide details of the circumstances giving rise to the relevant interest.</small>	
Date of change	18 September 2009
No. of Securities held prior to change	600,960 fully paid ordinary shares
Class	Unlisted Options
Number acquired	<p>Subject to shareholder approval, 375,000 unlisted options with an exercise price of 50 cents, a vesting date of 1 September 2010 and an expiry date of 1 September 2012.</p> <p>Subject to shareholder approval, 375,000 unlisted options with an exercise price of 50 cents, a vesting date of 1 September 2011 and an expiry date of 1 September 2012.</p>
Number disposed	Nil

+ See chapter 19 for defined terms.

Appendix 3Y
Change of Director's Interest Notice

Value/Consideration Note: If consideration is non-cash, provide details and estimated valuation	Nil
No. of securities held after change	600,960 fully paid ordinary shares Subject to shareholder approval, 375,000 unlisted options with an exercise price of 50 cents, a vesting date of 1 September 2010 and an expiry date of 1 September 2012. Subject to shareholder approval, 375,000 unlisted options with an exercise price of 50 cents, a vesting date of 1 September 2011 and an expiry date of 1 September 2012.
Nature of change Example: on-market trade, off-market trade, exercise of options, issue of securities under dividend reinvestment plan, participation in buy-back	Issue of unlisted options under the Company's Employee Share Option Plan.

Part 2 – Change of director's interests in contracts

Note: In the case of a company, interests which come within paragraph (ii) of the definition of "notifiable interest of a director" should be disclosed in this part.

Detail of contract	N/A
Nature of interest	N/A
Name of registered holder (if issued securities)	N/A
Date of change	N/A
No. and class of securities to which interest related prior to change Note: Details are only required for a contract in relation to which the interest has changed	N/A
Interest acquired	N/A
Interest disposed	N/A
Value/Consideration Note: If consideration is non-cash, provide details and an estimated valuation	N/A
Interest after change	N/A

+ See chapter 19 for defined terms.