

ASX ANNOUNCEMENT

Sale of Wilga Gold Project to AngloGold Ashanti Australia Limited



Chalice Gold Mines Limited ABN 47 116 648 956

29 December 2009

Chalice Gold Mines Limited (ASX: **CHN**) advises that it has agreed to sell its interest in the Wilga Joint Venture to AngloGold Ashanti Australia Limited (ASX: **AGG**) for \$20,000. In addition, Chalice retains a 1.5% Net Smelter Return interest in possible future production capped at \$1.5 million.

The Wilga Joint Venture covers Exploration Licence 39/1003 and Prospecting Licence 39/4890 in the Eastern Goldfields of Western Australia, approximately 55 kilometres south of Laverton and 10 kilometres southeast of AGAA's Sunrise Dam Gold Mine. These have been subject to a Joint Venture between Chalice and AGAA whereby the latter had the option of earning a 75% interest in the properties by the expenditure of \$2 million over four years. Despite an intensive exploration program, including a substantial amount of Aircore and Reverse Circulation drilling, no significant gold mineralization was located. However large quantities of water were encountered in the drilling and, given the proximity to the Sunrise Dam operation, this is of potential future value to AAGA.

The sale is subject to typical conditions precedent for transactions of this nature and third party, including Ministerial consents.

A handwritten signature in blue ink that reads "Doug Jones".

DR DOUG JONES
Managing Director

29 December 2009



ZARA PROJECT, ERITREA INVESTMENT HIGHLIGHTS

High grade gold deposit
(944,000 oz @ 5.8 g/t)

Scoping study completed

Feasibility study by Mid-2010

Medium term production
potential

Large underexplored ground
position with potential for
discovery of additional
resources

www.chalicegold.com

