

**ASX**

AUSTRALIAN SECURITIES EXCHANGE

MARKET RELEASE

20 May 2010

Chalice Gold Mines Limited**TRADING HALT**

The securities of Chalice Gold Mines Limited (the "Company") will be placed in pre-open at the request of the Company, pending the release of an announcement by the Company. Unless ASX decides otherwise, the securities will remain in pre-open until the earlier of the commencement of normal trading on Monday, 24 May 2010 or when the announcement is released to the market.

Security Code: CHN

Jill Hewitt

Adviser Issuers (Perth)



CHALICE GOLD MINES LIMITED
Level 2, 1292 Hay Street
West Perth, Western Australia 6005
GPO Box 2890
Perth, Western Australia 6001
ABN 47 116 648 956
Tel: +618 9322 3960
Fax: +61 8 9322 5900
Email: Info@chalicegold.com
Website: www.chalicegold.com

20 May 2010

Mr Matthew Foy
Australian Securities Exchange
Exchange Plaza
2 The Esplanade
Perth WA 6000

Dear Matthew

Chalice Gold Mines Limited requests a trading halt in its securities pending the release of an announcement in relation to details of a capital raising.

We anticipate making an announcement prior to commencement of trading on Monday 24 May 2010.

We are not aware of any reason why the trading halt should not be granted.

Regards

A handwritten signature in black ink, appearing to read "R. Hacker".

RICHARD HACKER
Company Secretary