

# ASX ANNOUNCEMENT

## Increased investment in London Africa

Chalice Gold Mines Limited ABN 47 116 648 956

21 May 2010

Chalice Gold Mines Limited (ASX:CHN) advises that it has increased its investment in unlisted United Kingdom based London Africa Limited ("London Africa") from an 11.8% interest to a 20% interest.

Chalice has subscribed for a further 1.4 million shares in London Africa at 12.5p per share for £175,000 (~A\$304,000). The funds will be applied to a continuing work program currently being undertaken and managed by London Africa.

The London Africa prospecting licences cover 1,562 square kilometres in the prospective Akordat-Orata area in Eritrea and are contiguous to Chalice's Zara Gold Project (Figure 1).



#### INVESTMENT HIGHLIGHTS

Feasibility study scheduled for completion by July 2010

Medium term production potential

Large underexplored ground position with potential for discovery of additional resources



TIM GOYDER  
Executive Chairman

21 May 2010

[www.chalicegold.com](http://www.chalicegold.com)

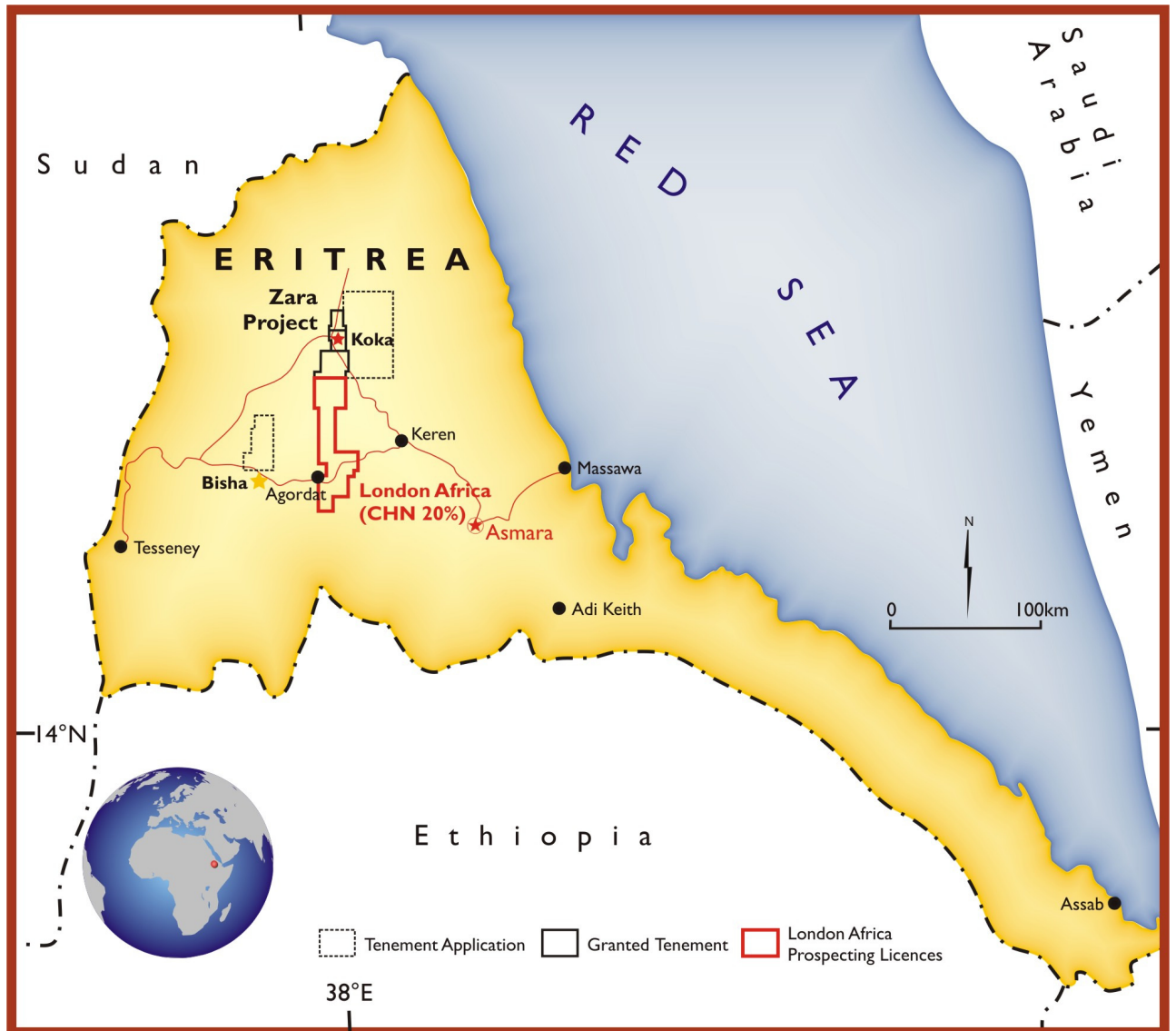


Figure 1: London Africa Prospecting Licences in relation to the Zara Project