

ASX Announcement

19 April 2011

Chalice Gold Mines appoints Senior Vice-President of Corporate Development

Chalice Gold Mines Limited ("Chalice" or the "Company") (ASX: CHN, TSX: CXN) announced today the appointment of Dan W Hrushewsky as the Company's Senior Vice-President of Corporate Development based in Toronto, Canada.

Mr Hrushewsky is a graduate Mechanical Engineer, holds an MBA, and is a CFA charter holder. His over 20 years of experience in the mining sector includes project debt and equity finance, investor relations, and corporate development with a bank, a broker, the buy side, and mining companies.

Dan's mandate will be to liaise with the investment community in North America and Europe, to assist in debt and equity capital raising, and to source and assess asset acquisition opportunities.

TIM GOYDER
Chairman



INVESTMENT HIGHLIGHTS

High grade Indicated gold Resource (840,000 oz @ 5.3 g/t gold)

Mine permitting commenced

- Low cash costs of \$338/oz
- 7 year mine life at >100,000 oz average production per year

Large unexplored ground position in the Arabian Nubian Shield

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About Chalice

Chalice Gold Limited is a gold exploration company which owns the high grade, open-pit Koka Gold Deposit and a substantial, largely unexplored, land package in Eritrea. The Koka Gold Deposit consists of an “in-pit” JORC and NI 43-101 compliant Probable Reserve of 4.6 million tonnes of ore with a grade of 5.1 grams of gold per tonne, containing 760,000 ounces of gold. Chalice’s interest in the project is subject to the State of Eritrea’s 10% carried interest, and Eritrea’s right to purchase, at fair value, a further 30% ownership in the deposit. The Company is focused on developing the Koka Gold Deposit into a low cost gold mine which is expected to produce 104,000 ounces of gold per year over a 7 year mine life at an average cash cost of US\$ 338/oz gold. Chalice also holds a substantial strategic ground position of 1,437 km² consisting of licenses along strike of the Koka Gold Deposit, and proximal to Nevsun’s Bisha Mine. These exploration concessions host numerous, high potential, early and advanced stage gold and base metal exploration targets. Chalice is undertaking a systematic exploration effort on these exploration concessions with the aim of discovering significant new deposits.

For further information, please contact:

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Competent Persons and Qualified Person Statement

The information in this report that relates to Exploration Results is based on information compiled by Dr Doug Jones, a full-time employee and Director of Chalice Gold Mines Limited, who is a Member of the Australasian Institute of Mining and Metallurgy and is a Chartered Professional Geologist. Dr Jones has sufficient experience in the field of activity being reported to qualify as a Competent Person as defined in the 2004 edition of the Australasian Code for Reporting of Exploration Results, Minerals Resources and Ore Reserves, and is a Qualified Person under National Instrument 43-101 – ‘Standards of Disclosure for Mineral Projects’. The Qualified Person has verified the data disclosed in this release, including sampling, analytical and test data underlying the information contained in this release. Dr Jones consents to the release of information in the form and context in which it appears here.

The Mineral Resource estimate was prepared by Mr. John Tyrrell who is a Member of the Australasian Institute of Mining and Metallurgy. Mr. Tyrrell is a full time employee of AMC and has sufficient experience in gold resource estimation to act as Competent Person as defined in the 2004 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (the JORC Code)' and is a Qualified Person under National Instrument 43-101 – ‘Standards of Disclosure for Mineral Projects’. Mr Tyrrell consents to the inclusion of this information in the form and context in which it appears.

The information in this statement of Ore Reserves is based on information compiled by Mr David Lee who is a Member of the Australasian Institute of Mining and Metallurgy and a full time employee of AMC. Mr Lee has sufficient relevant experience to be a Competent Person as defined in the JORC Code and is a Qualified Person under National Instrument 43-101 – ‘Standards of Disclosure for Mineral Projects’. Mr Lee consents to the inclusion of this information in the form and context in which it appears.

Forward Looking Statements

This document may contain forward-looking information within the meaning of Canadian securities legislation and forward-looking statements within the meaning of the United States Private Securities Litigation Reform Act of 1995 (collectively, forward-looking statements). These forward-looking statements are made as of the date of this document and Chalice Gold Mines Limited (the Company) does not intend, and does not assume any obligation, to update these forward-looking statements.

Forward-looking statements relate to future events or future performance and reflect Company management's expectations or beliefs regarding future events and include, but are not limited to, statements with respect to the estimation of mineral reserves and mineral resources, the realization of mineral reserve estimates, the timing and amount of estimated future production, costs of production, capital expenditures, success of mining operations, environmental risks, unanticipated reclamation expenses, title disputes or claims and limitations on insurance coverage. In certain cases, forward-looking statements can be identified by the use of words such as plans, expects or does not expect, is expected, budget, scheduled, estimates, forecasts, intends, anticipates or does not anticipate, or believes, or variations of such words and phrases or statements that certain actions, events or results may, could, would, might or will be taken, occur or be achieved or the negative of these terms or comparable terminology. By their very nature forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Company to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements. Such factors include, among others, risks related to actual results of current exploration activities; changes in project parameters as plans continue to be refined; future prices of mineral resources; possible variations in ore reserves, grade or recovery rates; accidents, labour disputes and other risks of the mining industry; delays in obtaining governmental approvals or financing or in the completion of development or construction activities; as well as those factors detailed from time to time in the Company's interim and annual financial statements and management's discussion and analysis of those statements, all of which are filed and available for review on SEDAR at sedar.com. Although the Company has attempted to identify important factors that could cause actual actions, events or results to differ materially from those described in forward-looking statements, there may be other factors that cause actions, events or results not to be as anticipated, estimated or intended. There can be no assurance that forward-looking statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements.

Accordingly, readers should not place undue reliance on forward-looking statements.