

**ASX**

AUSTRALIAN SECURITIES EXCHANGE

MARKET RELEASE

20 May 2011

Chalice Gold Mines Limited**TRADING HALT**

The securities of Chalice Gold Mines Limited (the "Company") will be placed in Trading Halt Session State at the request of the Company, pending the release of an announcement by the Company. Unless ASX decides otherwise, the securities will remain in Trading Halt Session State until the earlier of the commencement of normal trading on Tuesday, 24 May 2011 or when the announcement is released to the market.

Security Code: CHN

Jill Hewitt

Senior Adviser Listings (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

Phone: +618 9322 3960
Fax: +61 8 9322 6800
Email: info@chalicegold.com
Web: www.chalicegold.com

20 May 2011

Mr Mauro Paccini
Australian Securities Exchange
Exchange Plaza
2 The Esplanade
Perth WA 6000

Dear Mr Paccini

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 Tuesday 24 May 2011.

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', is written in a cursive style.

RICHARD HACKER
CFO & Company Secretary