

ASX Announcement
Non-binding Letter of Intent

13 December 2011

Chalice Gold Mines Limited (**ASX:CHN**)(**TSX:CXN**) advises that it has signed a Letter of Intent with an entity setting out a proposal for terms upon which that entity may acquire Chalice's interest in the Zara Gold Project.

The proposal is non-binding and incomplete and the directors advise that no assurance can be given that any binding transaction will result.

The directors expect to be able to advise of any further developments within the next 14 days.



RICHARD HACKER
Company Secretary