

ASX Announcement

4 May 2012

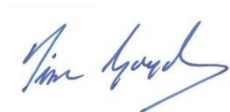
Chalice enters into Joint Venture with ENAMCO for Mogoraib North and Hurum Projects

Chalice Gold Mines Limited (ASX:CHN) (TSX:CXN) advises that it has agreed to enter into a joint venture with the Eritrean National Mining Corporation ("ENAMCO") in relation to its Mogoraib North and Hurum Projects in Eritrea ("the MHJV").

The MHJV will be owned 60 per cent by Chalice and 40 per cent by ENAMCO (including a 10 per cent free carried interest) and will be funded in accordance with each party's paid participating interest, being two thirds Chalice and one third ENAMCO.

In consideration for ENAMCO acquiring its 30 per cent paid participating interest in the MHJV, subject to audit, ENAMCO will sole fund an estimated ~US\$750,000 of exploration expenditures from 1 March 2012. This represents one third of historical project-to-date expenditures incurred at Mogoraib North and Hurum.

A Versatile Time-domain Electro-Magnetic (VTEM) survey was completed in mid-2011 at Mogoraib North that identified over 60 bedrock conductors potentially indicative of Volcanic Hosted Massive Sulphide (VHMS) bodies. Modelling of the VTEM conductor geometries has been completed and the numerous targets identified have been prioritised for drilling.



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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 except as required by law or regulation.

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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 likelihood of exploration success, 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, 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.