

ASX Announcement

4 October 2012

Agreement to sell residual interest in the Gnaweeda Gold Project terminated

Chalice Gold Mines Limited (ASX: CHN/TSX: CXN) advises that, further to the announcement dated 13 June 2012, Chalice has terminated the agreement to sell its remaining 13.5% interest in the Gnaweeda Gold Project to Archean Star Resources Inc because of non-performance by Archean Star.

Chalice will now revert to its 13.5% interest in the Project with all commensurate rights.



DOUG JONES
Managing Director

For further information, please contact:

Doug Jones, Managing Director
Chalice Gold Mines Limited
Telephone +61 9322 3960

For media inquiries, please contact:

Nicholas Read
Read Corporate
Telephone: +618 9388 1474