

ASX Announcement

19 November 2012

CHALICE PREPARES FOR FRESH CHAPTER OF GROWTH WITH APPOINTMENT OF NEW MANAGING DIRECTOR

Chalice Gold Mines Limited (ASX: CHN/TSX: CXN) is pleased to announce the appointment of experienced international mining and corporate executive **Mr Bill Bent** as Managing Director.

Mr Bent, who joins Chalice from a senior executive role with the nickel producer Mirabela Nickel, will commence with the Company in the second half of February 2013.

At Mirabela, Mr Bent held the positions of Vice President – Business Development and Chief Development Officer responsible for exploration, investor relations, business development, growth and expansion, and technical studies. During his 2.5 years with Mirabela, he played an instrumental role in completing a comprehensive update of the original project feasibility study, refinancing the Company, ramping up operations to full production, significantly increasing the open pit resources and implementing an ongoing aggressive optimization program.

Prior to joining Mirabela, Mr Bent was a Director of Strategy with PriceWaterhouseCoopers Advisory and an Associate Director at Mainsheet Corporate for a combined period of five years, where he focused on strategy, M&A and performance improvement, predominantly in the mining and mining services sectors in Australia.

Before moving to Australia, Mr Bent spent 12 years in the UK both as a Senior Consultant with the Corven Group in their Consulting & Corporate Finance divisions and for Genesis Oil & Gas as a Process Engineer. He was an Anglo American Bursar and started his career in Anglo's Gold Division in South Africa as a metallurgist. He holds a BSc in Chemical Engineering from the University of Cape Town and an MBA from Cranfield University in the UK. In total, Mr Bent has 22 years of industry and consulting experience and is a Member of AusIMM and a professional engineer with the Institute of Chemical Engineers (IChemE).

Chalice's Executive Chairman, Mr Tim Goyder, said he was delighted to have secured someone of Mr Bent's calibre and broad global experience at the highest levels of the resource sector, including corporate and operational management and strategy.

"Chalice has embarked on an exciting new chapter of its growth following the recent successful sale of our interest in the Zara Gold Project in Eritrea for combined proceeds of \$114 million, leaving the Company with a post-tax cash balance of \$80 million.

"After completing our planned \$25 million capital return in December, we will retain cash of some \$55 million, putting us in a very strong position to identify and secure significant new opportunities in the international resource sector."

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“At the same time, we have exciting opportunities ahead of us at our emerging Mogoraib North VHMS exploration project, located just north of the world-class Bisha Mine in Eritrea, East Africa, where recent exploration has returned some early-stage but very encouraging results indicating the potential for a large-scale VMS system.”

“Progressing this discovery to the next level will be amongst our key priorities for next year, together with the identification and acquisition of new projects or opportunities with the potential to add genuine long-term value for Chalice shareholders.”

Mr Goyder added. *“I am looking forward to working with Bill to take the Company to the next stage of its evolution.”*

“I would also like to take this opportunity to express my sincerest thanks on behalf of the Board and Management to our long-serving Managing Director, Dr Doug Jones, for his enormous contribution to the Company over the past 4 years.”

“Doug has been instrumental in steering the Company through the acquisition, evaluation, feasibility study and subsequent sale of the flagship Zara Gold Project in Eritrea which has put us in such a strong position in the current market. I am delighted that Doug will remain on the Board as Technical Director, focusing on the geological and technical development of the Company.”

Richard Hacker
CFO & Company Secretary

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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, 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.