

**ASX Announcement**

**14 December 2012**

## **\$25 million capital return completed**

---

**Chalice Gold Mines Limited (ASX: CHN/TSX: CXN)** is pleased to advise that it has today despatched the payment of its capital return by cheque to shareholders, amounting to 10 cents per share and totalling \$25 million. The payment has been made to shareholders registered at the close of business on 10 December 2012 (9 December 2012 for TSX shareholders) ("the Record Date").

Shareholders are also advised that, as outlined in the 2012 AGM Notice of Meeting, the Company now has 4.6 million unlisted share options with varying exercise prices and 200,000 performance rights on issue. As approved by shareholders and in accordance with ASX Listing Rules, the exercise price for each option has been reduced by 10 cents. In relation to the performance rights, the number of performance rights will be adjusted to take into account the effect of the capital return on the basis outlined in the 2012 AGM Notice of Meeting.

Following payment of the capital return, Chalice has approximately \$54 million cash on hand and no debt, which will enable the Company to acquire a sizeable resource asset and continue to explore at the 60 per cent owned Mogoraib North Project in Eritrea.

At Mogoraib North, exploration will focus on targeting high grade zones within the T209 Volcanogenic Hosted Massive Sulphide zone, which has identified massive and semi massive sulphides over a minimum 5km's of strike.

Planned surface and down-hole electromagnetic surveys will be undertaken over the next two months prior to the commencement of drilling at the project in early 2013.



TIM GOYDER  
Executive Chairman

**For further information, please contact:**

Tim Goyder, Executive Chairman

Chalice Gold Mines Limited  
Telephone +61 9322 3960

**For media inquiries, please contact:**

Nicholas Read  
Read Corporate  
Telephone: +618 9388 1474

**Chalice Gold Mines Limited, Level 2, 1292 Hay Street, West Perth, Western Australia**

T: +618 9322 3960 F: +618 9322 5800 E: [info@chalicegold.com](mailto:info@chalicegold.com)

[www.chalicegold.com](http://www.chalicegold.com)

## **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. 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](http://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.