

Chalice Gold Completes Private Share Placement and Section 708A Notice

Chalice Gold Mines Limited ABN 47 116 648 956

31 March 2010

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THIS PRESS RELEASE SHALL NOT CONSTITUTE AN OFFER TO SELL OR AN INVITATION TO PURCHASE OR SUBSCRIBE FOR ANY SECURITIES OF THE COMPANY IN THE UNITED STATES. THE SECURITIES OF THE COMPANY HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE "U.S. SECURITIES ACT") OR ANY STATE SECURITIES LAWS AND MAY NOT BE OFFERED OR SOLD IN THE UNITED STATES UNLESS THE SECURITIES ARE REGISTERED UNDER THE U.S. SECURITIES ACT, OR AN EXEMPTION FROM THE REGISTRATION REQUIREMENTS OR THE U.S. SECURITIES ACT IS AVAILABLE.

Further to the announcement to ASX on 16 March 2010, Chalice Gold Mines Limited advises that it has completed a brokered private placement of 20,000,000 ordinary shares in the Company to raise A\$7.2 million (before costs of the issue), at a price of A\$0.36 per ordinary share.

The funds will be applied to completion of the feasibility study for the Zara Project in Eritrea and for exploration drilling at Koka East and Koka South. The Company advises it will also issue 1 million, two-year options, with an exercise price of A\$0.36, to Thomas Weisel Partners Canada Inc. as part of the fees payable to it in relation to the private placement.

In relation to the placement, the Company provides the following information in accordance with section 708A(6) of the Corporations Act ("the Act"):

- (a) The issue was made without a disclosure document under Part 6D.2 of the Act;
- (b) this Notice is given under section 708A(5)(e) of the Act;
- (c) as at the date of this Notice, the Company has complied with the provisions of chapter 2M of the Act as they apply to the Company and section 674 of the Act; and
- (d) as at the date of this Notice, there is no excluded information to be provided in accordance with section 708A(7) and (8) of the Act.



RICHARD HACKER
Company Secretary



INVESTMENT HIGHLIGHTS

Scoping study completed

Feasibility study by Mid-2010

Medium term production potential

Large underexplored ground position with potential for discovery of additional resources

www.chalicegold.com