

**ASX Announcement**

## **CHALICE ANNOUNCES ON-MARKET SHARE BUYBACK**

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Chalice Gold Mines Limited (ASX: CHN; TSX: CXN) advises that, subject to approval of the Toronto Stock Exchange, it intends to undertake an on-market share buyback of up to 25,073,088\* ordinary shares as part of a capital management plan over the next 12 months.

The Board of Chalice is committed to actively managing the Company's capital and believes that the buyback provides the opportunity to repurchase shares at attractive valuations and consolidate the Company's capital base for the benefit of shareholders.

The Board will continue to assess the merits of this capital management initiative as market conditions evolve and will keep the market informed of the buyback's progress in accordance with ASX listing rules.

The earliest date the buyback will commence is Wednesday, 19 March 2014. Chalice will appoint Argonaut Securities to act on behalf of the Company in relation to the share buyback process.

An Appendix 3C in relation to the buyback is attached.

The on-market buyback is not being offered or executed through the facilities of the Toronto Stock Exchange. Residents of Canada who wish to participate should contact Mr Richard Hacker, Company Secretary by email at rhacker@chalicegold.com. The on-the-market buy-back is proceeding pursuant to the foreign issuer bid exemption found in applicable Canadian securities laws.

*\*There is no guarantee Chalice will repurchase the full 25,073,088 shares and the Company reserves the right to suspend or terminate the share buyback program at any time and to buyback less than 25,073,088 shares.*



BILL BENT  
Managing Director

3 March 2014

**For further information, please contact:**

Bill Bent, Managing Director  
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

## **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 actual number of shares to be repurchased pursuant to the proposed share buyback plan, the realisation 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.

Accordingly, readers should not place undue reliance on forward-looking statements.

# Appendix 3C

## Announcement of buy-back (except minimum holding buy-back)

Information and documents given to ASX become ASX's property and may be made public.

Introduced 1/9/99. Origin: Appendix 7B. Amended 13/3/2000, 30/9/2001, 11/01/10

Name of entity	ABN/ARSN
Chalice Gold Mines Limited	47 116 648 956

We (the entity) give ASX the following information.

### Information about buy-back

1	Type of buy-back	On market buy back
2	<sup>+</sup> Class of shares/units which is the subject of the buy-back (eg, ordinary/preference)	Ordinary
3	Voting rights (eg, one for one)	One for one
4	Fully paid/partly paid (and if partly paid, details of how much has been paid and how much is outstanding)	Fully paid
5	Number of shares/units in the <sup>+</sup> class on issue	297,528,310
6	Whether shareholder/unitholder approval is required for buy-back	No shareholder approval required
7	Reason for buy-back	Ongoing capital management

<sup>+</sup> See chapter 19 for defined terms.

8 Any other information material to a shareholder's/unitholder's decision whether to accept the offer (eg, details of any proposed takeover bid)

No

### On-market buy-back

9 Name of broker who will act on the company's behalf

Argonaut Securities

10 Deleted 30/9/2001.

11 If the company/trust intends to buy back a maximum number of shares - that number

Up to 25,073,088 ordinary shares

Note: This requires a figure to be included, not a percentage.

12 If the company/trust intends to buy back shares/units within a period of time - that period of time; if the company/trust intends that the buy-back be of unlimited duration - that intention

12 months from date of commencement of buyback

13 If the company/trust intends to buy back shares/units if conditions are met - those conditions

Not applicable

### Employee share scheme buy-back

14 Number of shares proposed to be bought back

Not applicable

15 Price to be offered for shares

Not applicable

### Selective buy-back

- |    |  |                |
|----|--|----------------|
| 16 | Name of person or description of class of person whose shares are proposed to be bought back | Not applicable |
| 17 | Number of shares proposed to be bought back  | Not applicable |
| 18 | Price to be offered for shares   | Not applicable |

**Equal access scheme**

- |    |   |                |
|----|---|----------------|
| 19 | Percentage of shares proposed to be bought back   | Not applicable |
| 20 | Total number of shares proposed to be bought back if all offers are accepted                      | Not applicable |
| 21 | Price to be offered for shares  | Not applicable |
| 22 | +Record date for participation in offer<br><small>Cross reference: Appendix 7A, clause 9.</small> | Not applicable |

**Compliance statement**

1. The company is in compliance with all Corporations Act requirements relevant to this buy-back.

*or, for trusts only:*

1. The trust is in compliance with all requirements of the Corporations Act as modified by Class Order 07/422, and of the trust's constitution, relevant to this buy-back.
2. There is no information that the listing rules require to be disclosed that has not already been disclosed, or is not contained in, or attached to, this form.

Sign here:   
 (Company secretary)

Date: 3 March 2014

Print name: Richard Hacker

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+ See chapter 19 for defined terms.