MARKET RELEASE

5 October 2009

Chalice Gold Mines Limited

TRADING HALT

The securities of Chalice Gold Mines Limited (the "Company") will be placed in pre-open at the request of the Company, pending the release of an announcement by the Company. Unless ASX decides otherwise, the securities will remain in pre-open until the earlier of the commencement of normal trading on Thursday, 8 October 2009 or when the announcement is released to the market.

Security Code: CHN
CHNN

Matthew Foy
Senior Adviser, Issuers

CHALICE
GOLD MINES LIMITED
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5 October 2009

Mr Matthew Foy
Australian Securities Exchange
Exchange Plaza
2 The Esplanade
Perth WA 6000

Dear Matthew

Chalice Gold Mines Limited requests a trading halt in its securities pending the release of an announcement in relation to the operation and development of the Zara Project in Eritrea.

We anticipate making an announcement prior to commencement of trading on Thursday 8 October 2009.

We are not aware of any reason why the trading halt should not be granted.

Regards

RICHARD HACKER
Company Secretary