

FORM 603
Corporations Act 2001
Section 671B

NOTICE OF INITIAL SUBSTANTIAL HOLDER

To: Company Name/Scheme CHN - Chalice Gold Mines Limited
ACN/ARSN 47 116 648 956

1. Details of Substantial Holder(1)

Name Acorn Capital Limited
ACN/ARSN (if applicable) 082 694 531
The holder became a substantial holder on 23/05/2011

2. Details of Voting Power

The total number of votes attached to all the voting shares in the company or voting interests in the scheme that the substantial holder or an associate (2) had a relevant interest (3) in on the date the substantial holder became a substantial holder are as follows:

Class of Securities (4)	Number of Securities	Person's Votes (5)	Voting Power (6)
Ordinary	12,509,335	12,509,335	5.00%

3. Details of Relevant Interests

The nature of the relevant interest the substantial holder or an associate had in the following voting securities on the date the substantial holder became a substantial holder are as follows:

Holder of Relevant Interest	Nature of Relevant Interest (7)	Class and Number of Securities
Acorn Capital Limited	Power to (or to control) exercise vote and/or dispose of the shares as discretionary investment managers or advisers to superannuation funds, pooled superannuation trusts, managed investment schemes and investment management	12,509,335

4. Details of Present Registered Holders

The persons registered as holders of the securities referred to in Paragraph 3 above are as follows:

Holder of Relevant Interest	Registered Holder of Securities	Person Entitled to be Registered as Holder (8)	Class and Number of Securities
Catholic Superannuation Fund	National Nominees		549,146
Auscoal Superannuation Fund	JP Morgan Chase Nominees		604,318
Military Superannuation & Benefits Board	National Nominees		732,753
Queensland Local Government Superannuation	JP Morgan Chase Nominees		785,524
LUCRF Acorn Micro-Cap Equities	JP Morgan Chase Nominees		786,430
Commonwealth Bank Officers' Superannuation Fund	Citicorp Nominees		1,123,799
Health Super	JP Morgan Chase Nominees		1,290,126
Sunsuper Fund	National Nominees		1,662,348
Acorn Capital Microcap Trust	National Nominees		2,302,075
UniSuper	National Nominees		2,672,816

5. Consideration

The consideration paid for each relevant interest referred to in paragraph 3 above, and acquired in the four months prior to the day that the substantial holder became a substantial holder is as follows:

Holder of Relevant Interest	Date of Acquisition	Consideration (9)		Class and Number of Securities
		Cash	Non-Cash	
Acorn Capital Limited	08-Mar-2006 to 26-May-2011	\$5,580,868.13		12,509,335

6. Associates

The reasons the persons named in Paragraph 3 above are associates of the substantial holder are as follows:

Name and ACN/ARSN (if applicable)	Name of Association

7. Addresses

The addresses of persons named in this form are as follows:

Name	Address
All Relevant Holders	C/O Acorn Capital Limited, Level 12, 90 Collins Street, Melbourne Victoria 3000

Print Name PAUL PALUMBO

Capacity Portfolio Manager

Sign Here

Date 26/05/2011