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Australian Securities Exchange  
Company Announcements Office

Dear Sir/Madam

- **Nyanzaga Project in Tanzania- entitlement to payment upon Commercial Mining**
- **Barrick Gold bid for Tusker Gold**

Chalice Gold Mines Limited (ASX:CHN) advises that following its merger with Sub-Sahara Resources NL ("Sub-Sahara"), it became entitled to a payment of A\$5 million upon commercial production at the Nyanzaga Project in Tanzania.

The Nyanzaga Project, which hosts the Tusker Gold Project, is currently owned 49% by Tusker Gold Limited (ASX:TKA) and 51% by Barrick Gold Corporation ("Barrick") following Sub-Sahara's sale of its interest in the project to Indago Resources Limited (ASX:IDG) ("Indago") in February 2009. Barrick has announced a takeover bid for Tusker.

As advised to ASX by Indago on 8 February 2010, Indago has entered into a Pre-bid Acceptance Agreement with Barrick in respect of 17.5 million Tusker shares it owns and has notified that it intends to accept the Barrick bid for its remaining 50 million shares.

Should the Barrick takeover of Tusker be successful, Barrick will own 100% of the Nyanzaga Project. Chalice sees this as a positive transaction which may expedite the development of the Nyanzaga Project and hence receipt by Chalice of the A\$5 million deferred consideration.

Yours faithfully



TIM GOYDER  
Executive Chairman