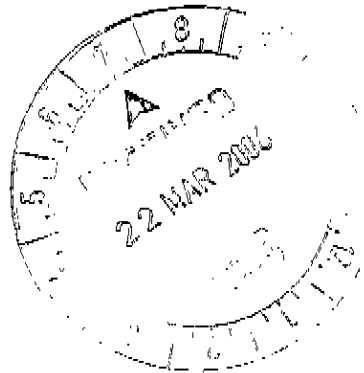




ACN 116 648 956



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21 March 2006

Australian Stock Exchange
Exchange Plaza
2 The Esplanade
Perth WA 6000

Dear Sirs

Chalice Gold Mines Limited confirms, in relation to the proposed in specie distribution by Bullion Minerals Limited of its shares in the Company, the following information:

(a) The terms and conditions of the waiver from listing rule 9.7.

The Company has been granted a waiver from listing rule 9.7 to the extent necessary to change the executed restriction agreement between it and Bullion Minerals Limited to permit the in specie distribution to shareholders of Bullion of some or all of the securities in the Company issued to Bullion the "In Specie Distribution), on the following conditions:

1. Bullion shareholders approve the In Specie Distribution within two months of the commencement of official quotation of the Company's securities.
2. The record date for the In Specie Distribution is five business days after the meeting of Bullion's shareholders to approve the In Specie Distribution.
3. After the listing of the Company, Bullion provides the market with at least one month's notice of the proposed dispatch date with respect to each tranche of the In Specie Distribution.
4. After the listing of the Company, the Company and Bullion disclose in each annual report the number of Company securities the subject of the In Specie Distribution.
5. Any securities distributed to related parties or promoters of the Company or Bullion or any of the associates of such parties ("the Related Parties") are held in escrow from the effective date of the In Specie Distribution until the end of the restriction period.
6. The Company and the Related Parties enter into new restriction agreements for the distributed securities to be received by the Related Parties.
7. The restriction agreement between the Company and Bullion remains in full force and effect in respect of any securities in the Company retained by Bullion.



8. The Company includes in its pre-quotations disclosure details of the In Specie Distribution, including:
- (i) the number of shares subject to the In Specie Distribution;
 - (ii) the proposed dates that Bullion intends to despatch each tranche of the shares subject to the In Specie Distribution, if known; and
 - (iii) a statement that each tranche of shares in the In Specie Distribution received by shareholders (other than the Related Parties) will cease to be subject to restriction after the despatch.
- (b) 35,000,000 shares will be subject to the in specie distribution.
- (c) Bullion intends to despatch each tranche of the shares subject to the in specie distribution 3 months and 6 months after the listing of the Company
- (d) The Company confirms that each tranche of shares in the in specie distribution received by Bullion shareholders (other than the related parties of the Company) will cease to be subject to restriction after the despatch of shares.
- (e) The Company will apply for quotation of shares received by Bullion shareholders after despatch of the shares.

Yours faithfully

A handwritten signature in black ink, appearing to read 'R Hacker'.

RICHARD HACKER
Company Secretary