



CHALICE
GOLD MINES LIMITED

Eastern Goldfields

- Higginsville
- Chalice

West Pilbara

- Yandeearra

Murchison

- Gnaweeda

CAPITAL STRUCTURE

Issued Capital:

Shares	72,800,000
Options	6,075,000

CHALICE GOLD MINES LTD

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RC Drilling to commence at Higginsville

24 March 2006

Chalice Gold Mines Ltd (Chalice Gold) advises that RC drilling is expected to commence on the Higginsville Project in the first week of April 2006.

The Higginsville area (Figure 1) has previously produced around 690,000 oz of gold from both bedrock (the Poseidon South and Two Boys mines) and palaeochannel deposits.

More recently, Avoca Resources Limited (Avoca) has announced the discovery of the high grade gold resource at Trident (reported by Avoca as 2,990,000 tonnes at 5.0g/t gold for 485,000 oz), a blind deposit located just south of the historic Poseidon South gold mine.

Chalice Gold's Higginsville Project comprises 150km² of tenements adjacent to Avoca's tenements at Higginsville and includes 10 km of strike of the Poseidon Thrust, interpreted to be the key controlling structure for the Trident, Poseidon South and Two Boys gold deposits.

6,000 metres of RC and diamond drilling is planned by Chalice Gold at Higginsville and Chalice Deeps in the first three months post IPO, as part of 31,000 metres of drilling planned in the first year post IPO.

Drilling will commence at Higginsville on the Poseidon Footwall targets (Figure 2) and then test the Mitchell Basement North and South Prospects.

Enquiries:

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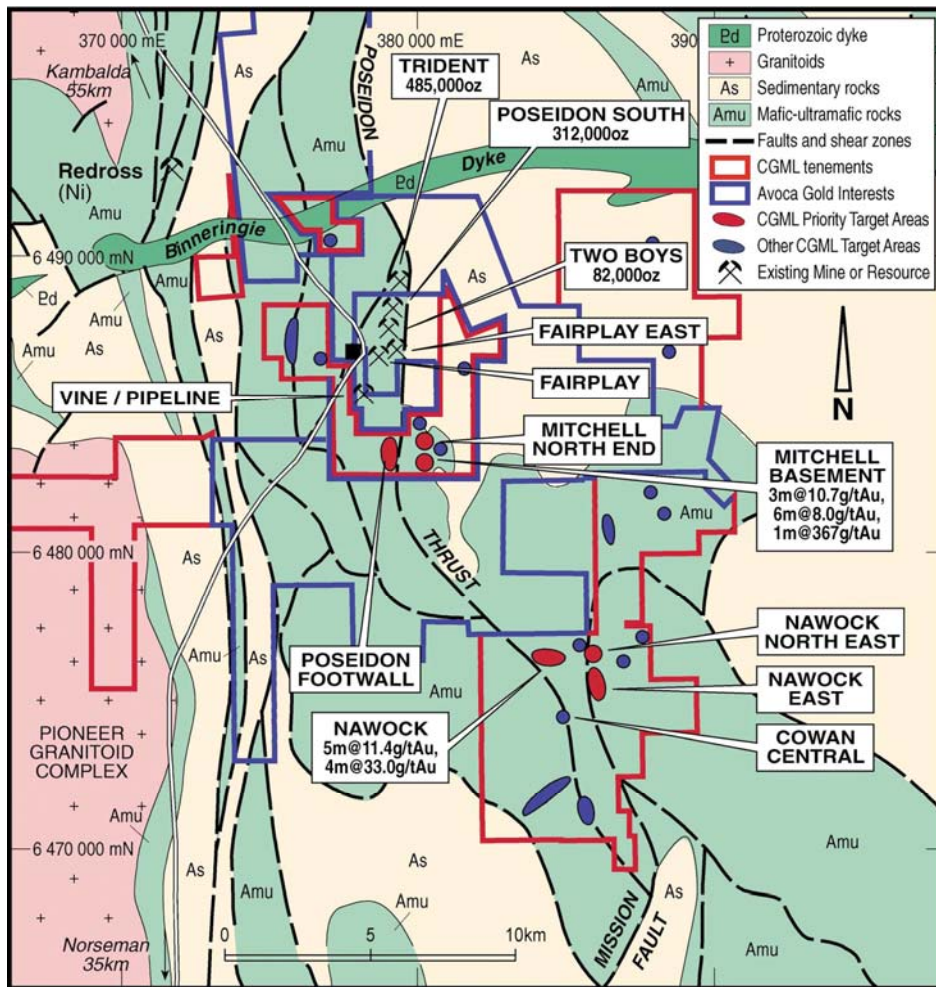


Figure 1 : Higginsville Project – tenements, interpreted geology and exploration targets

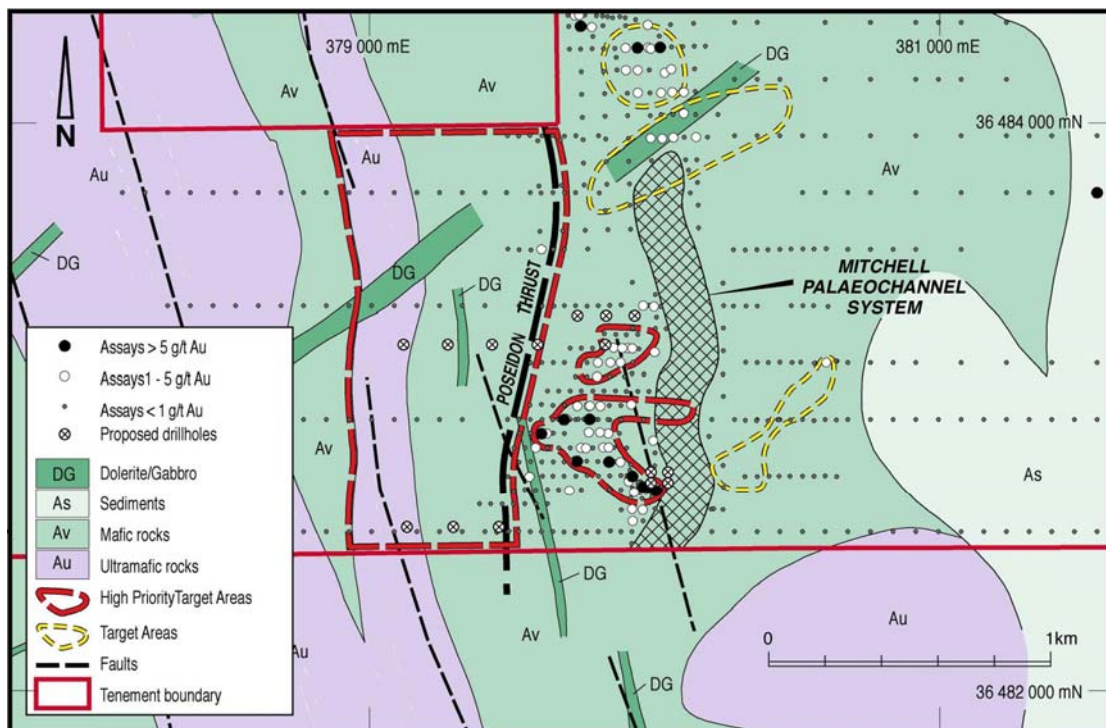


Figure 2 : Higginsville Project – proposed drilling, Mitchell Basement and Poseidon Footwall targets