



CHALICE
GOLD MINES LIMITED

Eastern Goldfields

- **Higginsville**
- **Chalice**

West Pilbara

- **Yandeearra**

Murchison

- **Gnaweeda**

CAPITAL STRUCTURE

Issued Capital:

Shares	72,800,000
Options	6,575,000

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Higginsville Drill Results

8 August 2006

Chalice Gold Mines Limited reports results from a resampling program undertaken on anomalous composite samples reported from its initial drilling program on the Poseidon Thrust target at Higginsville (Figure 1).

Screen fire assays of 1m resamples of a 4m composite from CHRC015 (located in Figure 1), originally reported as 4m @ 1.66g/t Au from 84m, returned results of 3m @ 4.6g/t Au from 85m, including 1m @ 10.9g/t Au from 85m.

The results indicate mineralisation containing coarse gold associated with a logged interval of quartz veining and carbonate-pyrite alteration on a contact between gabbro and undifferentiated mafic volcanics (Figure 2).

Further work in the Poseidon Thrust corridor will follow after a review of all geological information collected to date, including the results of the recently completed SAM geophysical survey and ongoing multi-element indicator geochemistry of the recent drilling.

Enquiries:

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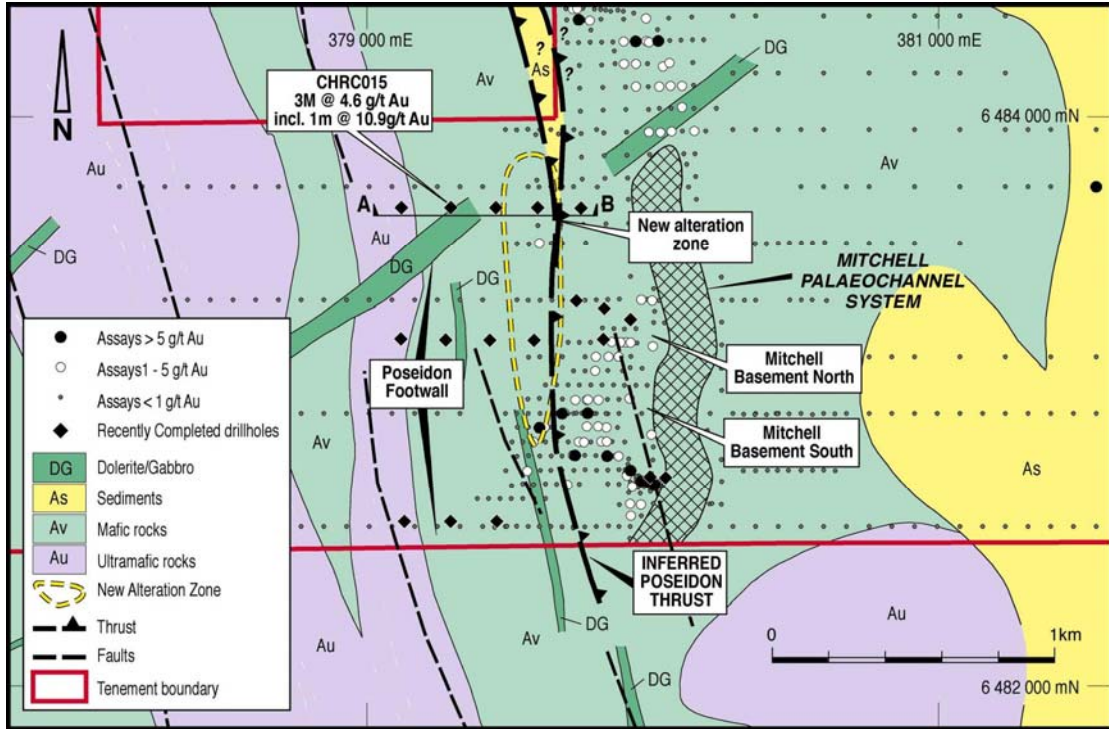


Figure 1: Poseidon Footwall target, showing recently completed RC drilling.

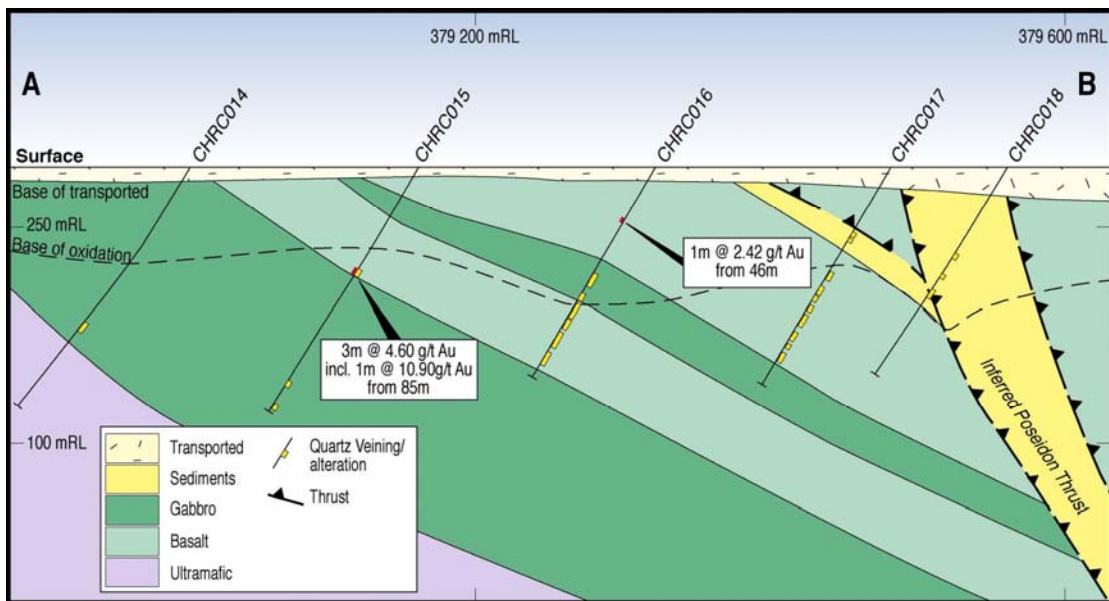


Figure 2: Drill section 6,483,450mN (AMG84_Zone51).

The information in this announcement that relates to Exploration Results is based on information compiled by Mr John McIntyre, a full-time employee of Chalice Gold Mines Ltd, who is a Member of the Australian Institute of Geoscientists. Mr McIntyre has sufficient experience in the field of activity being reported to qualify as a Competent Person as defined in the 2004 edition of the Australasian Code for Reporting of Exploration Results, Minerals Resources and Ore Reserves, and consents to the release of information in the form and context in which it appears here.