



CHALICE
GOLD MINES LIMITED

CHALICE GOLD MINES LIMITED

ABN 46 116 648 956

NOTICE OF ANNUAL GENERAL MEETING 2006

TIME: 11.00 am WST

DATE: Tuesday, 28 November 2006

PLACE: Level 2, 1292 Hay Street
West Perth, WA, 6005

This Notice of Meeting should be read in its entirety. If Shareholders are in doubt as to how they should vote, they should seek advice from their professional advisers prior to voting.

Should you wish to discuss the matters in this Notice of Meeting please do not hesitate to contact the Company Secretary on + 61 8 9322 3960.

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TIME AND PLACE OF MEETING AND HOW TO VOTE

VENUE

The Annual General Meeting of the Shareholders of Chalice Gold Mines Limited ('Chalice Gold Mines') which this Notice of Meeting relates to will be held at 11.00 am (WST) on Tuesday 28 November 2006 at:

Level 2, 1292 Hay Street
West Perth WA 6005

YOUR VOTE IS IMPORTANT

The business of the Annual General Meeting affects your shareholding and your vote is important.

VOTING IN PERSON

To vote in person, attend the Annual General Meeting on the date and at the place set out above.

VOTING BY PROXY

To vote by proxy, please complete and sign the proxy form enclosed and either:

- (a) send the proxy form by post to Chalice Gold Mines Limited, Level 2, 1292 Hay Street, West Perth, WA, 6005; or
- (b) send the proxy form by facsimile to the Company on + 61 8 9322 5800,

so that it is received no later than 11.00 am (WST) on Friday 24 November 2006.

Proxy forms received later than this time will be invalid.

NOTICE OF ANNUAL GENERAL MEETING

Notice is given that the Annual General Meeting of Shareholders of Chalice Gold Mines will be held at Level 2, 1292 Hay Street, West Perth, Western Australia at 11.00 am (WST) on Tuesday 28 November 2006.

The Explanatory Statement to this Notice of Meeting provides additional information on matters to be considered at the Annual General Meeting. The Explanatory Statement and the proxy form are part of this Notice of Meeting.

The Directors have determined pursuant to Regulation 7.11.37 of the Corporations Regulations 2001 (Cth) that the persons eligible to vote at the Annual General Meeting are those who are registered Shareholders at the close of business on 24 November 2006.

Terms and abbreviations used in this Notice of Meeting and Explanatory Statement are defined in the Glossary.

AGENDA

Reports and Accounts

To receive the financial report of the Company for the year ended 30 June 2006, together with the directors' report and the auditor's report.

Remuneration Report

To consider and, if thought fit, to pass, with or without amendment, the following resolution as a **non-binding resolution**:

1. *"That, for the purposes of Section 250R(2) of the Corporations Act and for all other purposes, the Company adopts the Remuneration Report as set out in the Annual Report for the year ended 30 June 2006."*

Short Explanation: The Corporations Act provides that a resolution that the Remuneration Report be adopted must be put to vote at a listed company's annual general meeting. The vote on this resolution is advisory only and does not bind the Directors or the Company.

Election of directors

To consider and, if thought fit, to pass, with or without amendment, the following resolutions as **ordinary resolutions**:

2. *"That Mr Andrew Bantock, having been appointed to the Board of Chalice Gold Mines Limited effective 13 October 2005, is hereby elected as a Director in accordance with the Company's Constitution and the listing rules."*
3. *"That Mr Timothy Goyder, having been appointed to the Board of Chalice Gold Mines Limited effective 13 October 2005, is hereby elected as a Director in accordance with the Company's Constitution and the listing rules."*
4. *"That Mr John McIntyre, having been appointed to the Board of Chalice Gold Mines Limited effective 28 October 2005, is hereby elected as a Director in accordance with the Company's Constitution and the listing rules."*
5. *That Mr Bryan Alexander, having been appointed to the Board of Chalice Gold Mines Limited effective 28 October 2005, is hereby elected as a Director in accordance with the Company's Constitution and the listing rules."*

NOTICE OF ANNUAL GENERAL MEETING

Appointment of an independent auditor

6. *That HLB Mann Judd be hereby appointed auditor of the Company and that the firm be paid professional fees as remuneration.*
-

DATED: 23 OCTOBER 2006

BY ORDER OF THE BOARD



ANDREW BANTOCK
EXECUTIVE CHAIRMAN
CHALICE GOLD MINES LIMITED

Voting Exclusion Note:

Where a voting exclusion applies, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote in accordance with the directions on the proxy form or it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

EXPLANATORY STATEMENT

This Explanatory Statement has been prepared for the information of the Shareholders in connection with the business to be conducted at the Annual General Meeting of Chalice Gold Mines Limited to be held at Level 2, 1292 Hay Street, West Perth, Western Australia on Tuesday 28 November 2006 at 11.00 am (WST).

The purpose of this Explanatory Statement is to provide information which the Directors believe to be material to Shareholders in deciding whether or not to pass the resolutions in the Notice of Meeting.

CHALICE GOLD MINES' FINANCIAL REPORT AND SHAREHOLDER QUESTIONS

The financial report, directors' report and auditor's report for Chalice Gold Mines for the year ended 30 June 2006 will be laid before the meeting. There is no requirement for shareholders to approve these reports.

In accordance with the Corporations Act 2001, a reasonable opportunity is given to shareholders, as a whole, to ask questions or make comments on the management of Chalice Gold Mines at the meeting.

Similarly, a reasonable opportunity is given to shareholders, as a whole, to ask questions to Chalice Gold Mines' external auditor, HLB Mann Judd, relevant to:

- (a) the conduct of the audit;
- (b) the preparation and contents of the audit report;
- (c) the accounting policies adopted by Chalice Gold Mines in relation to the preparation of the financial statements; and
- (d) the independence of the auditor in relation to the conduct of the audit.

Shareholders may also submit written questions to HLB Mann Judd if the questions are relevant to the content of HLB Mann Judd's audit report or the conduct of its audit of Chalice Gold Mines' financial report for the year ended 30 June 2006.

Relevant written questions for HLB Mann Judd must be received no later than 5.00pm (WST) on Friday 24 November 2006. A list of those relevant questions will be made available to shareholders attending the meeting. HLB Mann Judd will either answer questions at the meeting or table written answers to them at the meeting. If written answers are tabled at the meeting, they will be made available to shareholders as soon as practicable after the meeting.

Please send any written questions for HLB Mann Judd;

- (a) by post to Chalice Gold Mines Limited, GPO Box 2890, Perth, WA 6001; or
- (b) by facsimile to the Company on facsimile number + 61 8 9322 5800.

EXPLANATORY STATEMENT

RESOLUTION 1 - REMUNERATION REPORT (NON-BINDING RESOLUTION)

In accordance with Section 250R(2) of the Corporations Act, the Company must put a resolution that the Remuneration Report as set out in the Directors' Report be adopted to the vote at the Annual General Meeting. However, this vote is advisory only and does not bind the Directors or the Company.

The Remuneration Report as set out in the Annual Report includes all of the information required by Section 300A of the Corporations Act.

A reasonable opportunity will be provided for discussion of the Remuneration Report at the Annual General Meeting.

RESOLUTIONS 2 TO 5 - ELECTION OF DIRECTORS

Resolutions 2, 3, 4 and 5 are in relation to the election of Directors.

Following incorporation of Chalice Gold Mines, Andrew Bantock, Tim Goyder, Bryan Alexander and John McIntyre were appointed as directors of the Company. Messrs Goyder and Bantock's appointments were effective 13 October 2005 and Messrs Alexander and McIntyre's appointments were effective 28 October 2005.

Under the listing rules and the Company's Constitution, a director who is newly appointed must stand for election at the next general meeting. Accordingly, Messrs Bantock, Goyder, Alexander and McIntyre offer themselves for election to the Board.

Details regarding each of the Directors are set out in the 2006 Annual Report.

RESOLUTION 6 – APPOINTMENT OF INDEPENDENT AUDITOR

In accordance with Section 327B (1) of the Corporations Act, the Company must resolve to appoint an auditor at the Company's first Annual General Meeting. The Directors have appointed HLB Mann Judd as the Company's auditor and HLB Mann Judd have consented to act as the Company's auditor.

Scrutineer

A representative of Chalice Gold Mines' external auditor, HLB Mann Judd, will act as a scrutineer for any polls that may be required at the meeting.

GLOSSARY

2006 Annual Report means the Company's annual report for the year ended 30 June 2006, which was sent to Shareholders with this Notice of Meeting and can be downloaded from the Company's website at www.chalicegold.com.

ASX means Australian Stock Exchange Limited.

ASX Listing Rules or **Listing Rules** means the Listing Rules of ASX.

Board means the Board of Directors.

Company or **Chalice Gold Mines** means Chalice Gold Mines Limited (ABN 47 116 648 956).

Constitution means the constitution of the Company.

Corporations Act means the Corporations Act 2001 (Cth).

Director means a director of the Company.

Remuneration Report means the Remuneration Report as set out on pages 22 to 25 of the 2006 Annual Report.

Share means a fully paid ordinary share in the capital of the Company.

Shareholder means a shareholder of the Company.

WST means Western Standard Time.

PROXY FORM

APPOINTMENT OF PROXY
CHALICE GOLD MINES LIMITED
ABN 47 116 648 956

I/We

being a shareholder of Chalice Gold Mines Limited entitled to attend and vote at the Annual General Meeting, hereby

appoint

Name of proxy

or failing the person so named or, if no person is named, the Chairman of the Annual General Meeting or the Chairman's nominee, to vote in accordance with the following directions or, if no directions have been given, as the proxy sees fit at the Annual General Meeting to be held at 11.00 am (WST) on 28 November 2006 at Level 2, 1292 Hay Street, West Perth, Western Australia and at any adjournment thereof. If no directions are given, the Chairman will vote in favour of all of the resolutions.

Voting on Business of the Annual General Meeting

		FOR	AGAINST	ABSTAIN
Resolution 1	Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 2	Election of Andrew Bantock	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 3	Election of Tim Goyder	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 4	Election of Bryan Alexander	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 5	Election of John McIntyre	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 6	Appointment of Independent Auditor	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

If you do **not** wish to direct your proxy how to vote, please place a mark in this box

By marking this box, you acknowledge that the Chairman may exercise your proxy even if he has an interest in the outcome of the resolution and votes cast by him other than as proxy holder will be disregarded because of the interest. The Chairman will vote in favour of all of the resolutions if no directions are given.

YOU MUST EITHER MARK THE BOXES DIRECTING YOUR PROXY HOW TO VOTE OR MARK THE BOX INDICATING THAT YOU DO NOT WISH TO DIRECT YOUR PROXY HOW TO VOTE.

If you mark the abstain box for a particular item, you are directing your proxy not to vote on that item on a show of hands or on a poll and that your shares are not to be counted in computing the required majority on a poll.

Signed this day of 2006

By:

Individuals and joint holders

Companies (affix common seal if appropriate)

Signature
Signature
Signature

Director
Director/Company Secretary
Sole Director and Sole Company Secretary

CHALICE GOLD MINES LIMITED
ABN 47 116 648 956

Instructions for Completing 'Appointment of Proxy' Form

1. A shareholder entitled to attend and vote at a meeting is entitled to appoint not more than two proxies to attend and vote on their behalf. Where more than one proxy is appointed, such proxy must be allocated a proportion of the shareholder's voting rights. If the shareholder appoints two proxies and the appointment does not specify this proportion, each proxy may exercise half the votes.
2. A duly appointed proxy need not be a shareholder of the Company. In the case of joint holders, all must sign.
3. Corporate shareholders should comply with the execution requirements set out on the proxy form or otherwise with the provisions of Section 127 of the Corporations Act. Section 127 of the Corporations Act provides that a company may execute a document without using its common seal if the document is signed by:
 - Directors of the company;
 - a Director and a Company Secretary of the company; or
 - for a proprietary company that has a sole Director who is also the sole Company Secretary – that Director.

For the Company to rely on the assumptions set out in Section 129(5) and (6) of the Corporations Act, a document must appear to have been executed in accordance with Section 127(1) or (2). This effectively means that the status of the persons signing the document or witnessing the affixing of the seal must be set out and conform to the requirements of Section 127(1) or (2) as applicable. In particular, a person who witnesses the affixing of a common seal and who is the sole Director and sole Company Secretary of the company must state that next to his or her signature.

4. Completion of a proxy form will not prevent individual shareholders from attending the meeting in person if they wish. Where a shareholder completes and lodges a valid proxy form and attends the meeting in person, then the proxy's authority to speak and vote for that shareholder is suspended while the shareholder is present at the meeting.
5. Where a proxy form or form of appointment of corporate representative is lodged and is executed under power of attorney, the power of attorney must be lodged in like manner as this proxy.
6. To vote by proxy, please complete and sign the proxy form enclosed and either:
 - (a) send the proxy form by post to Chalice Gold Mines Limited, GPO Box 2890, Perth, WA, 6001; or
 - (b) send the proxy form by facsimile to the Company on facsimile number +61 8 9322 5800,

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