

28 November 2006

Australian Stock Exchange  
Company Announcements Office

**Re: Annual General Meeting – 28 November 2006**

Dear Sir/Madam

Please find attached copy of the script of the Chairman's commentary for today's Annual General Meeting being held at the Company's offices at Level 2, 1292 Hay Street, West Perth at 11.00 am.

A copy of the presentation to be made at the meeting will be available on the Company's website at [www.chalicegold.com](http://www.chalicegold.com).

Yours faithfully



RICHARD HACKER  
Company Secretary



**CHALICE**  
GOLD MINES LIMITED

**CHAIRMAN'S ADDRESS  
TO ANNUAL GENERAL MEETING  
28 NOVEMBER 2006**

As I commented in my letter to shareholders within our Annual Report, Chalice Gold has had an active first year.

Incorporated in October last year, we became ASX listed in March and commenced drilling in April.

The basis of our IPO was that we would rapidly advance an aggressive in-ground exploration campaign, at three prime properties, at the same time providing externally funded discovery potential through our joint venture with Teck Cominco at our Gnaweeda Project.

We have delivered on that plan.

We said we would complete 31,000 metres of drilling in our first year, testing our priority targets at Higginsville and Chalice in the Eastern Goldfields, and at Yandearra in the West Pilbara.

In fact, that drilling was largely achieved in our first six months post listing, due to the efforts of a small, dedicated team led by our Exploration Director John McIntyre.

I would like to thank John, who you will hear from shortly, our Exploration Manager Geoff Allen, and the rest of their team for their efforts to make that happen.

John will run through the results of our drilling with you in a moment, but the bottom line is that we have not, as yet, identified an ore source.

Whilst we saw some success in the Chalice Deeps program and identified broad areas of mineralisation and structures of interest at both Higginsville and Yandearra, these are insufficient to divert our attention from the next steps in the exploration program.

- At Chalice, the next step is underway, with IP geophysical surveys being conducted to delineate new targets in the near mine environs.

- At Higginsville, where we have tested three of the seven priority targets and we turn our attention to the south in the Nawock and greater Lake Cowan area.
- At Yandearra, we await the outcome of recent soil geochemical sampling to determine the next step in the program.

So, we are refining our targets and evaluating our next steps at our three lead projects. This may see us partner with other companies in our future exploration, or focus our next efforts to the best target within the three, probably at Higginsville. That strategy will be developed over the next quarter.

Chalice is fortunate to hold ground in three prime areas for Australian gold exploration. However, we have said from the outset that we cannot rely (and companies at our stage of development should not rely) on exploration success alone. For that reason we have advised shareholders that we are pursuing other resource and project opportunities for your company.

I believe we are in good position to execute this strategy, with around \$3 million cash at bank, a reasonable capital structure, an established technical team and a leadership group with a track record of successful commercial dealing.

We are already active in looking for company building assets and will employ a value based approach.

So, ladies and gentlemen, that's the corporate overview.

I would welcome any questions you may have shortly, but in the meantime, I will hand over to John McIntyre for the exploration overview.

Thank you.