



CHALICE
GOLD MINES LIMITED

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HIGHLIGHTS

Quarterly Report to 31 March 2007

Eastern Goldfields

- Higginsville
- Chalice

- Chalice Gold Mines Limited continued to seek and appraise investment and joint venture opportunities during the quarter, including discussion with potential joint venture partners for the Company's existing projects.
- A "first pass" appraisal of the uranium potential of the Company's Yandearra Project was conducted, based on available radiometric data.

The review highlighted at least one priority uranium target in the southern part of the project area.

- RC drilling by Teck Cominco at the Gnaweeda Project returned significant gold intercepts including:
 - 5m @ 2.02g/t Au from 230m in GNRC001;
 - 5m @ 2.43g/t Au from 50m in GNRC003; and
 - 10m @ 2.03g/t Au from 245m in GNRC003.
- A program of auger drilling was completed at the Wilga Project. Results are awaited.

West Pilbara

- Yandearra

Marchison

- Gnaweeda

Loverton

- Wilga

CAPITAL STRUCTURE

Issued Capital:

Shares	72,800,000
Options	5,825,000

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1.0 YANDEEARRA (100% Chalice Gold Mines Limited)

During the quarter a preliminary review of the available radiometric data for the Yandearra Project area was undertaken to assess the project's potential to host significant uranium mineralisation.

This review has outlined at least one priority uranium target in the southern part of the project area.

The target is defined by a discrete uranium channel radiometric anomaly associated with a small area of mapped sediment outcrop in the Pilbara Well Greenstone Belt north of the Yule Granite.

The Yule Granite appears "hot" in the radiometrics and potentially represents a suitable source rock for uranium mineralisation.

Chalice Gold Mines Ltd has engaged Southern Geoscience Consultants to complete a review of the available radiometric and geological data for the entire project area to define potential uranium targets worthy of further exploration.

The results of this review are expected to be available by mid-May.

2.0 GNAWEEDA (100% Chalice Gold Mines Limited – Teck Cominco earning 70% interest)

Teck Cominco Australia Ltd ("Teck Cominco"), as project manager, reported that a four hole angled RC drilling program was undertaken at the Turnberry Prospect during the quarter.

The RC drilling was designed to target the strike and dip extensions of known gold mineralisation beneath the predominantly shallow (approximately 100m) historical drilling.

The RC holes largely intersected coarse-grained mafic or dolerite rocks with pervasive carbonate alteration, localised quartz-carbonate veining and disseminated pyrite. Mineralised zones in GNRC003 appeared to correspond to strong silica-pyrite alteration, with abundant fine-grained arsenopyrite.

Significant results from drilling are tabulated below and RC hole locations are shown in Figure 1.

Hole ID	North	East	From	To	Interval	Grade (g/t Au)
GNRC001	7086850	678000	230	240	10	1.37
<i>Incl.</i>			230	235	5	2.02
GNRC002	7087245	678215	205	210	5	1.31
			215	220	5	1.56
GNRC003	7087450	678080	45	50	5	0.79
			50	55	5	2.43
			60	65	5	0.92
			245	255	10	2.03
<i>Incl.</i>			250	255	5	3.11
			275	280	5	1.44

Table 1: Significant assay results, Turnberry Prospect
5m composite samples with gold analysed by 50g fire assay.

Planned future exploration by Teck Cominco includes interpretation of multi-element data to assist in identification of compositional trends and PIMA analysis of drillchip samples to assess mica/chlorite zonation.

Additional exploration is also planned to investigate the nickel sulphide and PGE potential of the magnetic anomaly on the eastern side of the project area. Limited drilling (3 holes) completed by Teck Cominco last year intersected coarse grained mafic to ultramafic rocks defined by relict olivine cumulate textures.

Results from this previous drilling included 13m @ 0.33% nickel and 368ppm cobalt from 15m to end of hole in GNAC052.

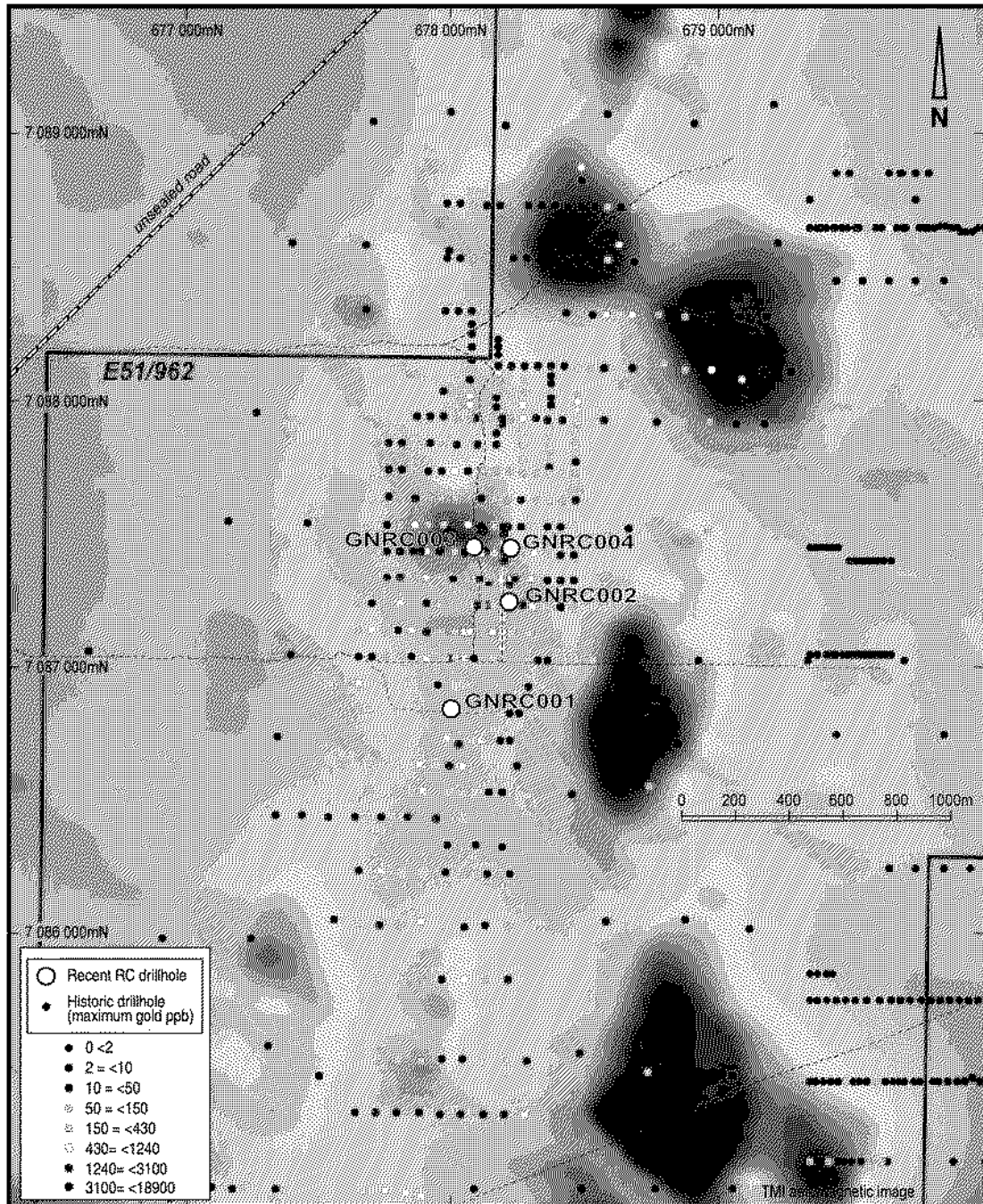


Figure 1: Plan view of the Turnberry Prospect (Gnaweeda Project) showing historical drilling and recently completed RC holes over imaged TMI aeromagnetics.

3.0 WILGA (100% Chalice Gold Mines Limited)

A program of auger geochemistry was completed during the quarter to provide a first pass test in areas of cover. Approximately 400 auger samples were taken in areas of cover in the western and eastern parts of the project area (Figure 2).

The program should provide effective first pass geochemical coverage in areas of interpreted relatively thin cover, as a well developed carbonate horizon was observed in the majority of auger holes.

Assay results from the auger program are pending. Any anomalies defined by this program will be assessed and prioritised for further exploration.

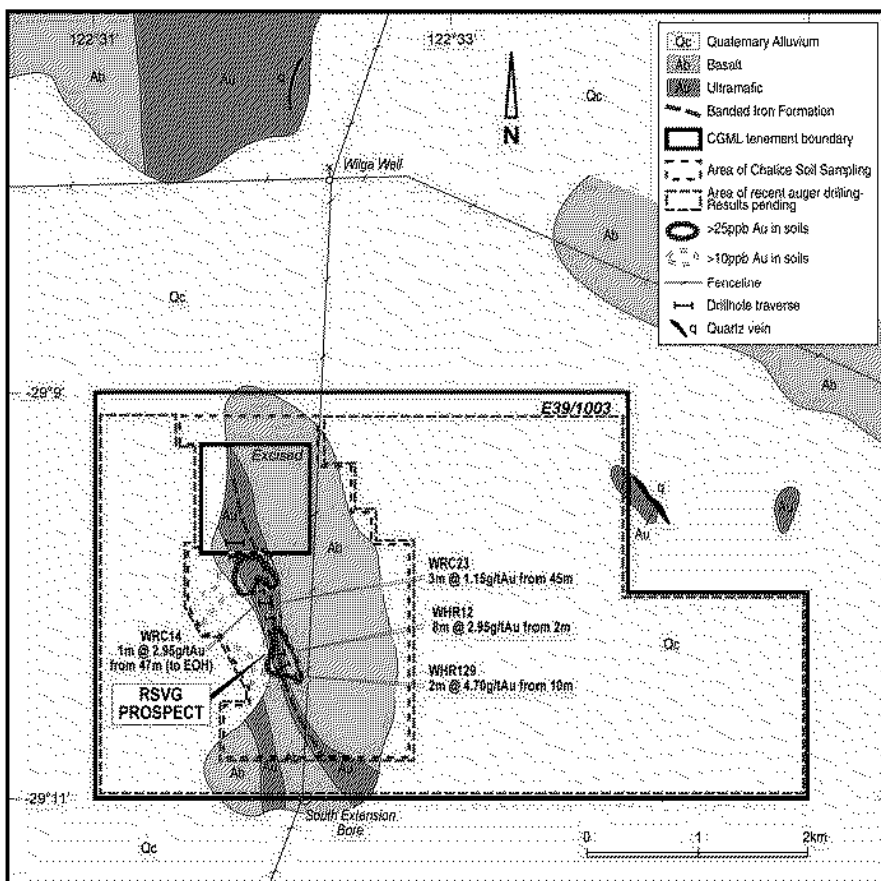


Figure 2: Plan view of the Wilga Project showing the outline of a recently completed auger drilling program



ANDREW BANTOCK
Executive Chairman

The information in this report that relates to Exploration Results is based on information compiled by Mr Bryan Alexander, a full-time employee of Archaean Exploration Services Pty Ltd, who is a Member of the Australian Institute of Mining and Metallurgy. Archaean Exploration Services Pty Ltd consults to Chalice Gold Mines Ltd. Mr Alexander 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.