Quarterly Report
for the period ended 31 March 2008

Chalice Gold Mines Limited reports on activity for the quarter ended 31 March 2008:

Gnaweeda Gold Project

- Teck Cominco has advised that it has met its 51% earn-in expenditure requirement under the project joint venture agreement, by spending over $750,000.

- Based on assessment of the results of recent exploration at the project, including drilling results announced in Chalice Gold's 31 December 2007 Quarterly Report, Teck Cominco intends to proceed to advance exploration under the second stage earn-in provisions of the joint venture agreement. (Teck Cominco has the right to earn a further 19% interest in the project, ie. to an overall 70% interest, by increasing its total project spend to $1.5 million.)

- Further RC and diamond drilling at the Turnberry and St Anne's Prospects is planned by Teck Cominco to:

  - test the extent of known mineralisation following high-grade results achieved in the previous RC drilling program; and

  - provide important structural information about the system to aid understanding of controls on mineralisation for future targeting of thicker high-grade zones.

  The proposed program will include:

  - 5 holes comprising RC pre-collars with diamond tails at Turnberry, for an estimated total of 1500 metres; and

  - 1 diamond tail on a pre-existing RC hole (GNRC010) at St Anne's to properly test the target zone (below 150 metres).

Yandeearra Gold Project

- In the previous quarter, Chalice Gold negotiated a joint venture agreement with De Grey Mining whereby De Grey Mining is to spend $1.67 million over 3 years to earn 80% of rights to all minerals other than iron ore and uranium, over a number of tenements on the eastern side of the Yandeearra Gold Project.

  De Grey Mining has reported that geological reconnaissance and rock-chip sampling during the quarter, along with compilation of data from previous explorers, has highlighted at least two areas with potential for VMS-style base metals mineralisation and three project-scale structures prospective for gold. Mapping and soil sampling programs are underway to define drill targets.

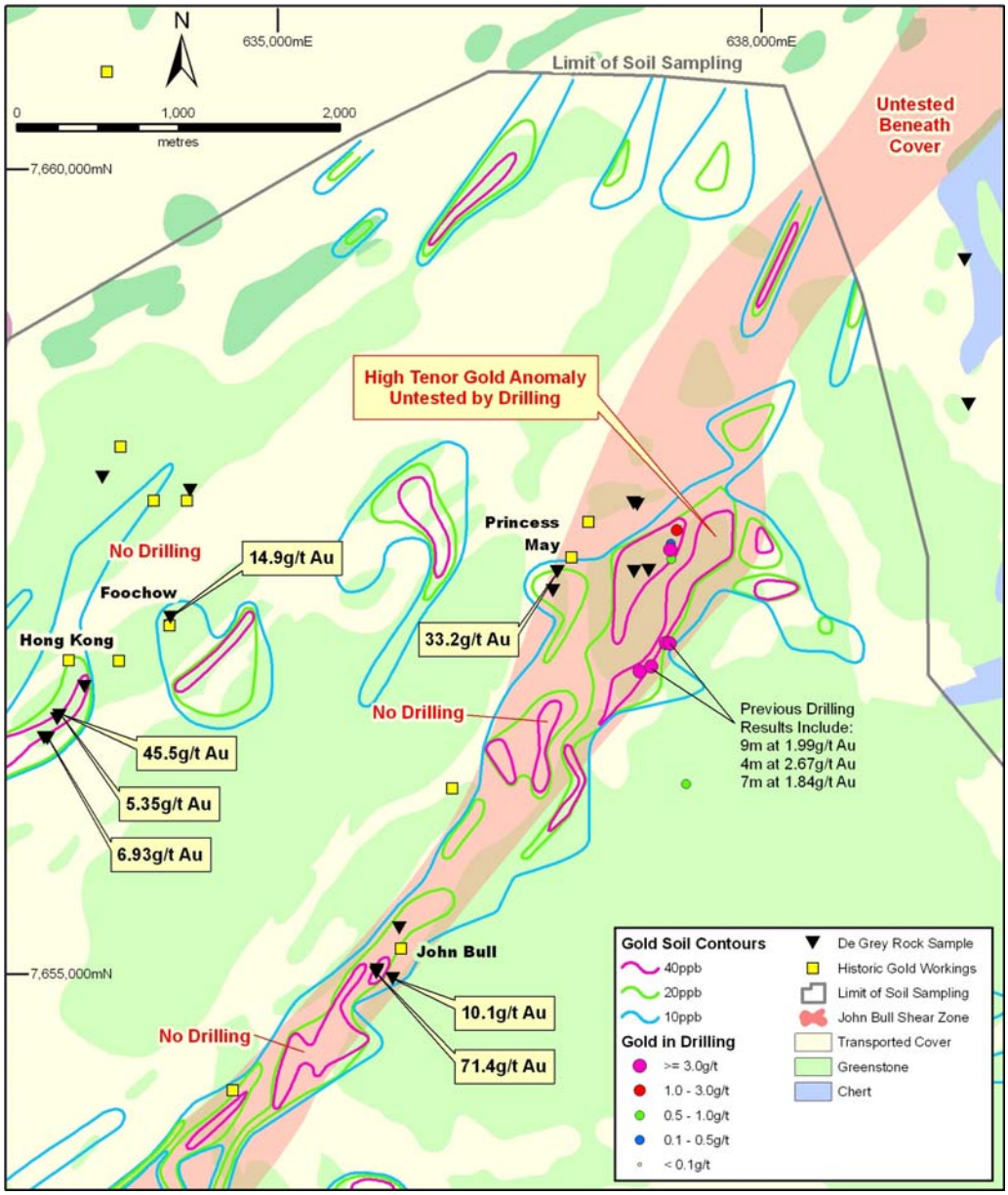

Figure 1: Location of VMS and gold targets identified by De Grey Mining at the Yandeearra Gold Project

Yandeearra VMS Targets

De Grey Mining's geological reconnaissance in the southwestern Yandeearra area (the Western Pride area) has identified a sequence of bimodal volcanic rocks, prospective for VMS-style base metals mineralisation.

The alternating sequence of basalt, rhyolite and felsic volcaniclastic units sub-crops over a width of up to 950m and has a potential strike length of 7km. It is covered to the north and south by younger Fortescue Group basalt and sediments (Figure 2). Soil sampling for base metals in the 1970's of part of this extent located a copper-in-soil anomaly of up to 825ppm over a 700m strike length of altered felsic volcaniclastic rocks. The soil anomalism remains open to the west and north under transported cover.

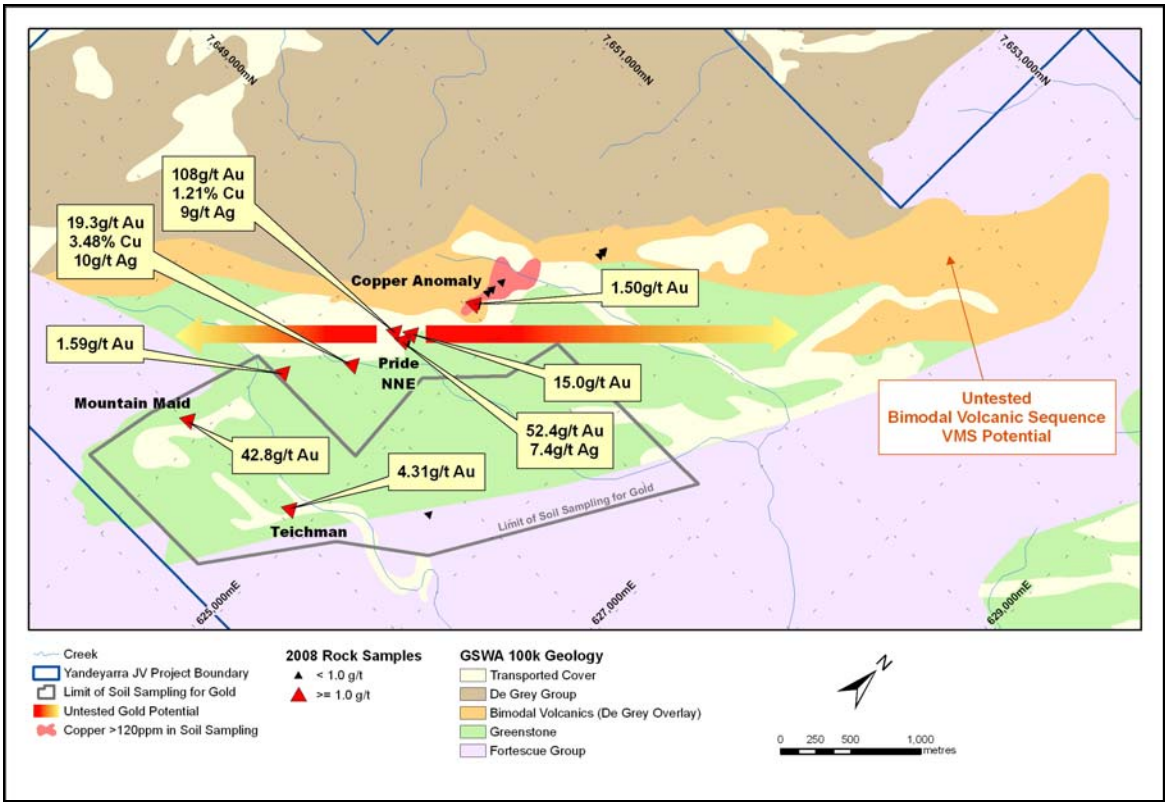

Figure 2: Rock sampling results and VMS prospective bimodal volcanic sequence in the Western Pride area, Yandeearra Gold Project

In the central project area, an orientation sampling traverse was sited over an area of known elevated lead-in-soil values (up to 346 ppm) located by previous explorers. The traverse confirmed the lead-in-soils anomaly and also returned significantly elevated values of barium, silver, mercury and antimony, metals commonly associated with volcanogenic massive sulphide (VMS) style mineralisation.

Follow-up field investigation by De Grey Mining identified a limited area of sub-cropping felsic volcanic rock at the peak of the soil anomaly, further supporting the possibility of a VMS geological environment. The interpreted strike extensions of the anomalous area are covered by a veneer of transported overburden and the area has never been tested by drilling.

Yandeearra Gold Targets

Samples collected in the Western Pride area from sulphide rich quartz-carbonate veins exposed in shallow prospecting pits over an 80m strike length returned assays up to 108g/t gold, 1.26% copper and 9g/t silver. The area is surrounded by alluvial gravel cover. A single sample of a previously unrecorded gossanous quartz-carbonate vein sub-cropping through the transported cover 100m to the north of the pits assayed 15.0g/t gold with anomalous copper and silver.

High grade rock samples up to 71.4g/t and 33.2g/t gold were returned from sampling at the Princess May and John Bull historic workings. No drilling has been undertaken at any of these workings.

A 530m portion of the John Bull Shear Zone on strike to the historical workings was drill tested in 2003 and yielded gold intercepts:

- BYRC013: 9m at 1.99g/t gold from 42m;
- BYRC014: 4m at 2.67g/t gold from 75m; and
- BYRC015: 7m at 1.84g/t gold from 35m.

Coherent and high tenor gold in soil anomalies, up to 920ppb gold, located directly over the John Bull Shear and its second order splays remain untested, as do the northern and southern strike extensions of these anomalies beneath shallow gravel cover.

In the Pilbara Well Shear Zone, samples of quartz vein collected from old workings on the south side of Sandy Creek returned assays up to 14.4g/t gold and 2.67% copper. The workings have not been drill tested. At Pilbara Well East, sampling of a copper occurrence returned 6.73% copper, 50.2g/t silver and 1.01g/t gold within quartz veined chlorite schist.

Yandeearra Iron Ore

As reported for the previous quarter, Chalice Gold negotiated an option agreement with Atlas Iron whereby Atlas Iron is to spend a minimum $200,000 on exploration for iron ore during the option period. Initial work by Atlas Iron during the quarter has included literature research and reconnaissance field examination.

Corporate

As at 31 March 2008 the Company had a cash balance of $8.4 million.

The information in this report that relates to Exploration Results is based on information compiled by Mr Roger Thompson, a full-time employee of Chalice Gold Mines Limited, who is a Member of the Australian Institute of Geoscientists. Mr Thompson 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.

Andrew Bantock
Executive Chairman

29April 2008