

Appendix 5B

Mining exploration entity quarterly report

Introduced 1/7/96. Origin: Appendix 8. Amended 1/7/97, 1/7/98, 30/9/2001.

Name of entity

CHALICE GOLD MINES LIMITED

ABN

47 116 648 956

Quarter ended ("current quarter")

31 MARCH 2006

Consolidated statement of cash flows

	Current quarter \$A	Year to date (9 months) \$A
Cash flows related to operating activities		
1.1 Receipts from product sales and related debtors	-	-
1.2 Payments for (a) exploration and evaluation	(7,708)	(7,708)
(b) development	-	-
(c) production	-	-
(d) administration	(25,830)	(25,830)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	15,873	15,873
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Other	-	-
Net Operating Cash Flows	(17,665)	(17,665)
Cash flows related to investing activities		
1.8 Payment for purchases of: (a)prospects	-	-
(b)equity investments	-	-
(c)other fixed assets	(1,090)	(1,090)
1.9 Proceeds from sale of: (a)prospects	-	-
(b)equity investments	-	-
(c)other fixed assets	-	-
1.10 Loans to other entities	-	-
1.11 Loans repaid by other entities	-	-
1.12 Other (provide details if material)	-	-
Net investing cash flows	(1,090)	(1,090)
1.13 Total operating and investing cash flows (carried forward)	(18,755)	(18,755)

+ See chapter 19 for defined terms.

Cash flows related to financing activities			
1.14	Proceeds from issues of shares, options, etc. (net)	7,434,454	7,434,454
1.15	Proceeds from sale of forfeited shares	-	-
1.16	Proceeds from borrowings	100,200	100,200
1.17	Repayment of borrowings	-	-
1.18	Dividends paid	-	-
1.19	Other	-	-
Net financing cash flows		7,534,654	7,534,654
Net increase (decrease) in cash held		7,515,899	7,515,899
1.20	Cash at beginning of quarter/year to date	-	-
1.21	Exchange rate adjustments to item 1.20	-	-
1.22	Cash at end of quarter	7,515,899	7,515,899

Payments to directors of the entity and associates of the directors

Payments to related entities of the entity and associates of the related entities

		Current quarter \$A
1.23	Aggregate amount of payments to the parties included in item 1.2	6,034
1.24	Aggregate amount of loans to the parties included in item 1.10	-

1.25 Explanation necessary for an understanding of the transactions

Item 1.23 – Consists of salaries and directors fees.
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Non-cash financing and investing activities

2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

Until the date of ASX listing (being 24 March 2006) Bullion Minerals Limited, the Company's parent entity until completion of the Initial Public Offering, funded the Company's pre listing activities. Settlement of the loan between Bullion Minerals Limited and Chalice Gold Mines Limited along with a significant proportion of other capital raising costs occurred subsequent to quarter end.

2.2 Details of outlays made by other entities to establish or increase their share in projects in which the reporting entity has an interest

N/A

+ See chapter 19 for defined terms.

Financing facilities available

Add notes as necessary for an understanding of the position.

	Amount available \$A	Amount used \$A
3.1 Loan facilities	Nil	Nil
3.2 Credit standby arrangements	Nil	Nil

Estimated cash outflows for next quarter

	\$A
4.1 Exploration and evaluation	\$1,000,000
4.2 Development	-
Total	\$1,000,000

Reconciliation of cash

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.

	Current quarter \$A	Previous quarter \$A
5.1 Cash on hand and at bank	7,515,899	7,515,899
5.2 Deposits at call	-	-
5.3 Bank overdraft	-	-
5.4 Other (Bank Guarantee)	-	-
Total: cash at end of quarter (item 1.22)	7,515,899	7,515,899

Changes in interests in mining tenements

	Tenement reference	Nature of interest (note (2))	Interest at beginning of quarter	Interest at end of quarter
6.1 Interests in mining tenements relinquished, reduced or lapsed NIL				

+ See chapter 19 for defined terms.

6.2 Interests in mining tenements acquired or increased	Tenement reference	Nature of interest (note (2))	Interest at beginning of quarter	Interest at end of quarter
	Yandearra Project			
	E47/590	Tenement Purchase Agreement with Bullion (1)	0%	100%
	E47/591	Tenement Purchase Agreement with Bullion (1)	0%	100%
	E47/755	Tenement Purchase Agreement with Bullion (1)	0%	100%
	E47/1041	Tenement Purchase Agreement with Bullion (1)	0%	100%
	E47/1161	Tenement Purchase Agreement with Bullion (1)	0%	100%
	E47/1162	Tenement Purchase Agreement with Bullion (1)	0%	100%
	E47/1163	Tenement Purchase Agreement with Bullion (1)	0%	100%
	E47/1164	Tenement Purchase Agreement with Bullion (1)	0%	100%
	E47/1165	Tenement Purchase Agreement with Bullion (1)	0%	100%
	E47/1166	Tenement Purchase Agreement with Bullion (1)	0%	100%
	E47/1207	Tenement Purchase Agreement with Bullion (1)	0%	100%
	M47/560	Tenement Purchase Agreement with Bullion (1)	0%	100%
	M47/561	Tenement Purchase Agreement with Bullion (1)	0%	100%
	E47/1318	Tenement Purchase Agreement with Bullion (1)	0%	100%
	P47/1060	Option to purchase 100% subject to royalty (1)	0%	0%
	P47/1082	Option to purchase 100% subject to royalty (1)	0%	0%
	M47/354	Option to purchase 100% subject to royalty (1)	0%	0%
	M47/373	Option to purchase 100% subject to royalty (1)	0%	0%
	M47/374	Option to purchase 100% subject to royalty (1)	0%	0%
	M47/380	Option to purchase 100% subject to royalty (1)	0%	0%
	M47/498	Option to purchase 100% subject to royalty (1)	0%	0%
	M47/638	Option to purchase 100% subject to royalty (1)	0%	0%
	M47/783	Tenement Purchase Agreement with Bullion (1)	0%	100%
	M47/784	Tenement Purchase Agreement with Bullion (1)	0%	100%
	M47/785	Tenement Purchase Agreement with Bullion (1)	0%	100%

+ See chapter 19 for defined terms.

6.2 Interests in mining tenements acquired or increased	Tenement reference	Nature of interest (note (2))	Interest at beginning of quarter	Interest at end of quarter
	P47/1223	Tenement Purchase Agreement with Bullion (1)	0%	100%
	P47/1224	Tenement Purchase Agreement with Bullion (1)	0%	100%
	P47/1225	Tenement Purchase Agreement with Bullion (1)	0%	100%
	P47/1226	Tenement Purchase Agreement with Bullion (1)	0%	100%
	P47/1227	Tenement Purchase Agreement with Bullion (1)	0%	100%
	P47/1245	Tenement Purchase Agreement with Bullion (1)	0%	100%
	P47/1246	Tenement Purchase Agreement with Bullion (1)	0%	100%
	E47/1459	Tenement Purchase Agreement with Bullion (1)	0%	100%
	Gnaweeda Project			
	E51/926	Right to earn 100% subject to royalty (1)	0%	0%
	E51/927	Right to earn 100% subject to royalty (1)	0%	0%
	E51/1074	Tenement Purchase Agreement with Bullion (1)	0%	100%
	P51/2514	Tenement Purchase Agreement with Bullion (1)	0%	100%
	P51/2515	Tenement Purchase Agreement with Bullion (1)	0%	100%
	E51/1027	Right to earn 100% subject to royalty (1)	0%	0%
	Wilga Project			
	E39/1003	Tenement Purchase Agreement with Bullion (1)	0%	100%
	Chalice Project			
	E15/821	Tenement Purchase Agreement with Bullion (1)	0%	100%
	E15/822	Tenement Purchase Agreement with Bullion (1)	0%	100%
	E63/873	Tenement Purchase Agreement with Bullion (1)	0%	100%
	P15/4594	Tenement Purchase Agreement with Bullion (1)	0%	100%
	P15/4595	Tenement Purchase Agreement with Bullion (1)	0%	100%
	P15/4596	Tenement Purchase Agreement with Bullion (1)	0%	100%
	P15/4597	Tenement Purchase Agreement with Bullion (1)	0%	100%
	P15/4598	Tenement Purchase Agreement with Bullion (1)	0%	100%
	P15/4599	Tenement Purchase Agreement with Bullion (1)	0%	100%

+ See chapter 19 for defined terms.

6.2 Interests in mining tenements acquired or increased	Tenement reference	Nature of interest (note (2))	Interest at beginning of quarter	Interest at end of quarter
	P15/4600	Tenement Purchase Agreement with Bullion (1)	0%	100%
	P15/4601	Tenement Purchase Agreement with Bullion (1)	0%	100%
	P15/4602	Tenement Purchase Agreement with Bullion (1)	0%	100%
	P15/4603	Tenement Purchase Agreement with Bullion (1)	0%	100%
	P15/4605	Tenement Purchase Agreement with Bullion (1)	0%	100%
	P15/4606	Tenement Purchase Agreement with Bullion (1)	0%	100%
	P15/4607	Tenement Purchase Agreement with Bullion (1)	0%	100%
	P15/4608	Tenement Purchase Agreement with Bullion (1)	0%	100%
	P15/4609	Tenement Purchase Agreement with Bullion (1)	0%	100%
	P15/4610	Tenement Purchase Agreement with Bullion (1)	0%	100%
	P15/4611	Tenement Purchase Agreement with Bullion (1)	0%	100%
	P15/4612	Tenement Purchase Agreement with Bullion (1)	0%	100%
	P15/4613	Tenement Purchase Agreement with Bullion (1)	0%	100%
	P15/4614	Tenement Purchase Agreement with Bullion (1)	0%	100%
	P15/4619	Option to purchase 100% subject to royalty (1)	0%	100%
	P15/4634	Tenement Purchase Agreement with Bullion (1)	0%	100%
	P15/4635	Tenement Purchase Agreement with Bullion (1)	0%	100%
	P15/4636	Tenement Purchase Agreement with Bullion (1)	0%	100%
	P15/4671	Tenement Purchase Agreement with Bullion (1)	0%	100%
	P63/1248	Tenement Purchase Agreement with Bullion (1)	0%	100%
	P63/1249	Tenement Purchase Agreement with Bullion (1)	0%	100%
	P63/1250	Tenement Purchase Agreement with Bullion (1)	0%	100%
	P63/1251	Tenement Purchase Agreement with Bullion (1)	0%	100%
	P63/1252	Tenement Purchase Agreement with Bullion (1)	0%	100%
	P63/1253	Tenement Purchase Agreement with Bullion (1)	0%	100%
	P63/1257	Tenement Purchase Agreement with Bullion (1)	0%	100%

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6.2 Interests in mining tenements acquired or increased	Tenement reference	Nature of interest (note (2))	Interest at beginning of quarter	Interest at end of quarter
	P63/1258	Tenement Purchase Agreement with Bullion (1)	0%	100%
	P63/1259	Tenement Purchase Agreement with Bullion (1)	0%	100%
	P63/1260	Tenement Purchase Agreement with Bullion (1)	0%	100%
	P63/1261	Tenement Purchase Agreement with Bullion (1)	0%	100%
	P63/1262	Tenement Purchase Agreement with Bullion (1)	0%	100%
	P63/1263	Tenement Purchase Agreement with Bullion (1)	0%	100%
	P63/1264	Tenement Purchase Agreement with Bullion (1)	0%	100%
	P63/1265	Tenement Purchase Agreement with Bullion (1)	0%	100%
	P63/1266	Tenement Purchase Agreement with Bullion (1)	0%	100%
	P63/1267	Tenement Purchase Agreement with Bullion (1)	0%	100%
	P63/1268	Tenement Purchase Agreement with Bullion (1)	0%	100%
	P63/1269	Tenement Purchase Agreement with Bullion (1)	0%	100%
	P63/1270	Tenement Purchase Agreement with Bullion (1)	0%	100%
	M15/786	Tenement Purchase Agreement with Bullion (1)	0%	100%
	Higginsville Project			
	E15/828	Tenement Purchase Agreement with Bullion (1)	0%	100%
	E15/829	Tenement Purchase Agreement with Bullion (1)	0%	100%
	E15/838	Tenement Purchase Agreement with Bullion (1)	0%	100%
	P15/4615	Tenement Purchase Agreement with Bullion (1)	0%	100%
	P15/4616	Tenement Purchase Agreement with Bullion (1)	0%	100%
	P15/4617	Tenement Purchase Agreement with Bullion (1)	0%	100%
	P15/4618	Tenement Purchase Agreement with Bullion (1)	0%	100%
	P15/4620	Tenement Purchase Agreement with Bullion (1)	0%	100%
	P15/4621	Tenement Purchase Agreement with Bullion (1)	0%	100%
	P15/4622	Tenement Purchase Agreement with Bullion (1)	0%	100%
	P15/4624	Tenement Purchase Agreement with Bullion (1)	0%	100%

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6.2 Interests in mining tenements acquired or increased	Tenement reference	Nature of interest (note (2))	Interest at beginning of quarter	Interest at end of quarter
	P15/4625	Tenement Purchase Agreement with Bullion (1)	0%	100%
	P15/4626	Tenement Purchase Agreement with Bullion (1)	0%	100%
	P15/4627	Tenement Purchase Agreement with Bullion (1)	0%	100%
	P15/4628	Tenement Purchase Agreement with Bullion (1)	0%	100%
	P15/4629	Tenement Purchase Agreement with Bullion (1)	0%	100%
	P15/4630	Tenement Purchase Agreement with Bullion (1)	0%	100%
	P15/4631	Tenement Purchase Agreement with Bullion (1)	0%	100%
	P15/4632	Tenement Purchase Agreement with Bullion (1)	0%	100%
	P15/4633	Tenement Purchase Agreement with Bullion (1)	0%	100%
	P63/1271	Tenement Purchase Agreement with Bullion (1)	0%	100%
	P63/1272	Tenement Purchase Agreement with Bullion (1)	0%	100%
	P63/1273	Tenement Purchase Agreement with Bullion (1)	0%	100%
	P63/1274	Tenement Purchase Agreement with Bullion (1)	0%	100%
	P63/1275	Tenement Purchase Agreement with Bullion (1)	0%	100%
	P63/1276	Tenement Purchase Agreement with Bullion (1)	0%	100%
	P15/4644	Tenement Purchase Agreement with Bullion (1)	0%	100%
	P15/4645	Tenement Purchase Agreement with Bullion (1)	0%	100%
	P15/4646	Tenement Purchase Agreement with Bullion (1)	0%	100%
	P15/4655	Tenement Purchase Agreement with Bullion (1)	0%	100%
	E15/740	Tenement Purchase Agreement with Bullion (1)	0%	100%
	E15/860	Tenement Purchase Agreement with Bullion (1)	0%	100%
	P15/4647	Tenement Purchase Agreement with Bullion (1)	0%	100%
	P15/4648	Tenement Purchase Agreement with Bullion (1)	0%	100%

- (1) On 18 January 2006, the Company and Bullion Minerals Limited entered into an agreement pursuant to which Bullion agreed to transfer to the Company all of Bullion's legal and equitable interest in the abovementioned tenements, subject to successful completion of the Company's initial public offering.

+ See chapter 19 for defined terms.

(2) Issued and quoted securities at end of current quarter

Description includes rate of interest and any redemption or conversion rights together with prices and dates.

	Total number	Number quoted	Issue price per security (see note 3) (cents)	Amount paid up per security (see note 3) (cents)
7.1 Preference +securities <i>(description)</i>	Nil	Nil	Nil	Nil
7.2 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs.	N/A	N/A	N/A	N/A
7.3 +Ordinary securities	72,800,000	72,800,000	N/A	N/A
7.4 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital.	72,799,998 Nil	72,799,998 Nil	N/A N/A	N/A N/A
7.5 +Convertible debt securities <i>(description)</i>	Nil	Nil	N/A	N/A
7.6 Changes during quarter (a) Increases through issues (b) Decreases through securities matured.	Nil	Nil	N/A	N/A
7.7 Options <i>(description and conversion factor)</i>	6,075,000	Nil	Exercise price \$0.25	Expiry date 21 March 2011
7.8 Issued during quarter	6,075,000	Nil	\$0.25	21 March 2011
7.9 Exercised during quarter	Nil	Nil	N/A	N/A
7.10 Expired during quarter	Nil	Nil	N/A	N/A
7.11 Debentures <i>(totals only)</i>	Nil	Nil		
7.12 Unsecured notes <i>(totals only)</i>	Nil	Nil		

+ See chapter 19 for defined terms.

Compliance statement

- 1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act or other standards acceptable to ASX (see note 4).
- 2 This statement does give a true and fair view of the matters disclosed.

Sign here:  Date: 28 April 2006
Executive Chairman

Print name: Andrew Bantock

Notes

- 1 The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.
- 2 The "Nature of interest" (items 6.1 and 6.2) includes options in respect of interests in mining tenements acquired, exercised or lapsed during the reporting period. If the entity is involved in a joint venture agreement and there are conditions precedent which will change its percentage interest in a mining tenement, it should disclose the change of percentage interest and conditions precedent in the list required for items 6.1 and 6.2.
- 3 **Issued and quoted securities** The issue price and amount paid up is not required in items 7.1 and 7.3 for fully paid securities.
- 4 The definitions in, and provisions of, *AASB 1022: Accounting for Extractive Industries* and *AASB 1026: Statement of Cash Flows* apply to this report.
- 5 **Accounting Standards** ASX will accept, for example, the use of International Accounting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.

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