

# 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 2009

### Consolidated statement of cash flows

	Current quarter \$A	Year to date (9 months) \$A
<b>Cash flows related to operating activities</b>		
1.1 Receipts from product sales and related debtors	69,584	236,679
1.2 Payments for (a) exploration and evaluation	(192,219)	(617,815)
(b) development	-	-
(c) production	-	-
(d) administration	(324,657)	(1,062,527)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	183,850	440,073
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Other	-	-
<b>Net Operating Cash Flows</b>	<b>(263,442)</b>	<b>(1,003,590)</b>
<b>Cash flows related to investing activities</b>		
1.8 Payment for purchases of: (a)prospects	-	-
(b)equity investments	-	-
(c)other fixed assets	(3,007)	(92,091)
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 – option fee (Atlas Iron Limited)	-	250,000
<b>Net investing cash flows</b>	<b>(3,007)</b>	<b>157,909</b>
1.13 Total operating and investing cash flows (carried forward)	<b>(266,449)</b>	<b>(845,681)</b>

+ See chapter 19 for defined terms.

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<b>Cash flows related to financing activities</b>			
1.14	Proceeds from issues of shares, options, etc. (net)	-	-
1.15	Proceeds from sale of shares	897,003	897,003
1.16	Proceeds from borrowings	-	-
1.17	Repayment of borrowings	-	-
1.18	Dividends paid	-	-
1.19	Other	(1,446)	(1,446)
<b>Net financing cash flows</b>		<b>895,557</b>	<b>895,557</b>
<b>Net increase (decrease) in cash held</b>		<b>629,108</b>	<b>49,876</b>
1.20	Cash at beginning of quarter/year to date	<b>9,393,534</b>	<b>9,972,766</b>
1.21	Exchange rate adjustments to item 1.20	-	-
1.22	<b>Cash at end of quarter</b>	<b>10,022,642</b>	<b>10,022,642</b>

**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	59,140
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 1.1 – cash inflow relates to fees charged to Liontown Resources Limited under a corporate services agreement for the sharing of office overhead costs.

Item 1.2 (a) – cash outflow relates predominantly to costs associated with the proposed acquisition of the Mount Oxide Copper-Cobalt Project from Perilya Limited.

Item 1.12 – cash inflow relates to the option fee received from Atlas Iron Limited in relation to the option agreement to acquire the iron ore rights at the Yandearra Project.

Amounts paid to related parties in 1.23 include remuneration, fees and reimbursements of expenses to directors.

### 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

N/A
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- 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.

<p>Teck Cominco Australia met its 51% earn-in expenditure requirement in the March 2008 quarter (with an option to spend a further \$750,000 to earn up to 70%). Teck Cominco Australia advises that it has incurred an additional \$7,846 expenditure for the current quarter totalling approximately \$67,144 of earn-in expenditure for the Gnaweeda Project to the end of the quarter.</p>
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<p>During the quarter, De Grey Mining Limited notified Chalice Gold Mines of its withdrawal from the Yandearra Project joint venture agreement.</p>
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### 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	65,000
4.2 Development	Nil
<b>Total</b>	<b>65,000</b>

## 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	2,016,256	2,912,715
5.2 Deposits at call	8,006,386	6,480,819
5.3 Bank overdraft	-	-
5.4 Other (Bank Guarantee)	-	-
<b>Total: cash at end of quarter (item 1.22)</b>	<b>10,022,642</b>	<b>9,393,534</b>

## Changes in interests in mining tenements

6.1 Interests in mining tenements relinquished, reduced or lapsed	Tenement reference	Nature of interest (note (2))	Interest at beginning of quarter	Interest at end of quarter
	E47/1318	Application withdrawn	0%	0%
	E47/1459	Application withdrawn	0%	0%
	P47/1223	Application withdrawn	0%	0%
	P47/1224	Application withdrawn	0%	0%
	P47/1225	Application withdrawn	0%	0%
	P47/1226	Application withdrawn	0%	0%
	P47/1227	Application withdrawn	0%	0%
	P47/1246	Application withdrawn	0%	0%
	E51/1027	Surrendered	49%	0%
	P51/2514	Surrendered	49%	0%
	P51/2515	Surrendered	49%	0%
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
	P39/4890	Granted	0%	100%

+ See chapter 19 for defined terms.

**(1) 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 <b>Preference +securities</b> <i>(description)</i>	Nil	Nil	Nil	Nil
7.2 Changes during quarter	N/A	N/A	N/A	N/A
(a) Increases through issues				
(b) Decreases through returns of capital, buy-backs.				
7.3 <b>+Ordinary securities</b>	72,800,000	72,800,000	N/A	N/A
7.4 Changes during quarter				
(a) Increases through issues	Nil	Nil	N/A	N/A
(b) Decreases through returns of capital.	Nil	Nil	N/A	N/A
7.5 <b>+Convertible debt securities</b> <i>(description)</i>	Nil	Nil	N/A	N/A
7.6 Changes during quarter	Nil	Nil	N/A	N/A
(a) Increases through issues				
(b) Decreases through securities matured.				
7.7 <b>Options</b> <i>(description and conversion factor)</i>			Exercise price	Expiry date
	5,575,000	Nil	\$0.25	21 March 2011
	500,000	Nil	\$0.25	1 December 2012
	250,000	Nil	\$0.20	11 December 2012
	500,000	Nil	\$0.20	31 July 2013
7.8 Issued during quarter	Nil	Nil	N/A	N/A
7.9 Exercised during quarter	Nil	Nil	N/A	N/A
7.10 Expired/Forfeited during quarter	Nil	Nil	N/A	N/A
7.11 <b>Debentures</b> <i>(totals only)</i>	Nil	Nil		
7.12 <b>Unsecured notes</b> <i>(totals only)</i>	Nil	Nil		

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## 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: 20<sup>th</sup> April 2009

Company Secretary

Print name: Richard Hacker

## 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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