

Golden Chalice Resources Inc.

Financial Statements

April 30, 2007

Golden Chalice Resources Inc.**Financial Statements**

April 30, 2007**Page**

Auditors' Report	3
Balance Sheets	4
Statements of Operations and Deficit	5
Statements of Cash Flows	6
Notes to the Financial Statements	7 – 37

Auditors' Report

To the Shareholders of Golden Chalice Resources Inc.

We have audited the balance sheets of Golden Chalice Resources Inc. as at April 30, 2007 and 2006 and the statements of operations and deficit, and cash flows for the years then ended. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the Company as at April 30, 2007 and 2006 and the results of its operations and its cash flows for the years then ended in accordance with Canadian generally accepted accounting principles.

"MacKay LLP"

**Vancouver, Canada
July 26, 2007**

Chartered Accountants

Golden Chalice Resources Inc.**Balance Sheets**

April 30,	2007	2006
Assets		
Current		
Cash and cash equivalents (note 9f)	\$ 814,271	\$ 761,743
Accounts receivable (note 11e)	188,834	632,610
Exploration advances	120,349	232,021
Goods and services tax recoverable	71,176	119,713
Loan receivable (note 5)	100,000	-
Mining exploration tax credits recoverable	46,020	105,020
Prepaid expenses	3,750	4,250
	1,344,400	1,855,357
Investment (note 6)	57,665	-
Mineral properties and deferred exploration costs (note 7)	6,448,567	4,011,813
Automobile and equipment (note 8)	22,964	23,531
	\$ 7,873,596	\$ 5,890,701
Liabilities		
Current		
Accounts payable and accrued liabilities	\$ 238,886	\$ 370,309
Share Capital and Deficit		
Share capital (note 9b)	13,804,250	10,491,504
Share subscription advances	-	559,250
Contributed surplus (note 10)	1,766,421	1,087,321
Deficit	(7,935,961)	(6,617,683)
	7,634,710	5,520,392
	\$ 7,873,596	\$ 5,890,701

Continuing operations (note 2)

Subsequent event (note 15)

Approved by the Directors:

-- See Accompanying Notes --

Golden Chalice Resources Inc.**Statements of Operations and Deficit**

For the year ended April 30,	2007	2006
		(note 16)
General and administrative expenses		
Administrative services	\$ 460,000	\$ 477,865
Advertising and promotion	113,613	87,915
Amortization	6,588	7,553
Bank charges	2,578	3,620
Directors fees	114,000	110,500
Interest on convertible debentures	-	4,522
Management fees	165,453	147,674
Office expense and miscellaneous	28,407	36,859
Professional fees	120,334	21,000
Regulatory and stock transfer fees	79,359	52,514
Reorganization costs	8,922	-
Stock-based compensation (note 9c)	681,300	726,241
Write off mineral property costs (note 7)	447,087	445,643
Loss before other items	(2,227,641)	(2,121,906)
Other items		
Interest income	30,827	9,072
Management fee income	36,471	121,928
	67,298	131,000
Loss for the year before taxes	(2,160,343)	(1,990,906)
Future income tax recovery (note 12)	842,065	399,652
Net loss for the year	(1,318,278)	(1,591,254)
Deficit, beginning of the year	(6,617,683)	(5,026,429)
Deficit, end of the year	\$ (7,935,961)	\$ (6,617,683)
Basic and diluted loss per share	\$ (0.02)	\$ (0.04)
Weighted average basic and diluted common shares outstanding	62,459,739	37,856,936

-- See Accompanying Notes --

Golden Chalice Resources Inc.**Statements of Cash Flows**

For the year ended April 30,	2007	2006
Operating activities		
(Loss) for the year	\$ (1,318,278)	\$ (1,591,254)
Add items not affecting cash:		
Amortization	6,588	7,553
Future income tax recovery	(842,065)	(399,652)
Stock-based compensation	681,300	726,241
Write off mineral property costs	447,087	445,643
	(1,025,368)	(811,469)
Change in non-cash working capital items:		
Accounts receivable	443,776	(622,014)
Goods and services tax recoverable	48,537	(65,667)
Prepaid expenses	500	13,399
Accounts payable and accrued liabilities	15,548	(53,215)
	(517,007)	(1,538,966)
Financing activities		
Issue of common shares for cash	4,655,687	4,114,931
Share issue costs	(142,895)	(110,960)
Share subscription advances	-	559,250
Share subscriptions receivable	-	162,450
	4,512,792	4,725,671
Investing activities		
Accounts payable for deferred exploration costs	(146,971)	245,184
Exploration advances	111,672	(90,494)
Acquisition of investment	(57,665)	-
Loan receivable	(100,000)	-
Mineral properties and deferred exploration costs, net of mineral exploration tax credits	(3,803,272)	(3,181,252)
Mining exploration tax credit receivable	59,000	69,780
Purchase of equipment	(6,021)	(1,391)
	(3,943,257)	(2,958,173)
Net increase in cash and cash equivalents	52,528	228,532
Cash, beginning of year	761,743	533,211
Cash, end of year	\$ 814,271	\$ 761,743
Supplemental cash flow information (note 13)		
Interest paid	\$ -	\$ -
Income taxes paid	\$ -	\$ -
Cash and cash equivalents represented by		
Cash	\$ 164,271	\$ 761,463
Cashable term deposits	650,000	-
	\$ 814,271	\$ 761,463

-- See Accompanying Notes --

April 30, 2007

1. Nature of Operation

The Company is in the business of acquiring, exploring, and evaluating mineral properties located in Canada and the United States of America. The Company is in the exploration stage. The Company is incorporated under British Columbia legislation.

The company is in the process of exploring its mineral properties and has either not yet determined whether these properties contain mineral reserves that are economically recoverable or where reserves have been determined, mining operations have not yet commenced. The continued operation of the Company and the recoverability of amounts shown as mineral properties and deferred exploration costs is dependent upon the existence of economically recoverable reserves, the ability of the Company to obtain necessary financing to complete their development, and future profitable production or disposition thereof. The Company has no revenue and has an accumulated deficit of \$7,935,961.

2. Continuing Operations

These financial statements have been prepared in accordance with Canadian generally accepted accounting principles applicable to a going concern which assume that the Company will realize its assets and discharge its liabilities in the normal courses of business rather than through a process of forced liquidation. The operations of the Company were mainly funded by issue of share capital. The continued operations of the Company are dependent on its ability to complete sufficient public equity financing or generate profitable operations in the future. These financial statements do not include any adjustments to the amounts and classifications of assets and liabilities that might be necessary should the company be unable to continue in business.

3. Significant Accounting Policies**a) Mineral properties and deferred exploration costs**

Mineral properties consist of exploration and mining concessions, options and contracts. Acquisition and exploration costs are capitalized and deferred until such time as the property is put into production, or the property is disposed of either through sale or abandonment. If put into production, the costs of acquisition and exploration will be written off over the life of the property based on estimated economic reserves. Proceeds received from the sale of any interest in a property will be credited against the carrying value of the property, with any excess included in operations for the period. If a property is abandoned, the property and deferred exploration costs will be written off to operations.

Although the Company has taken steps to verify title to mineral properties in which it has an interest, in accordance with industry norms for the current stage of exploration of such properties, these procedures do not guarantee the Company's title. Property may be subject to unregistered prior agreements and non-compliance with regulatory requirements.

Recorded costs of mineral properties and deferred exploration and development expenditures are not intended to reflect present or future values of resource properties. The costs are subject to measurement uncertainty and it is reasonably possible, based on existing knowledge, that changes in future conditions could require a material change in the recognized amount.

Management reviews capitalized costs on its mineral properties on a periodic basis and will recognize impairment in value based upon current exploration results and upon management's assessment of the future probability of profitable revenues from the property or from sale of the property.

April 30, 2007

3. Significant Accounting Policies (continued)**a) Mineral properties and deferred exploration costs** (continued)

Exploration costs renounced due to flow-through share subscriptions remain capitalized, however, for corporate income tax purposes, the Company has no right to claim these costs as tax deductible expenses.

b) Asset retirement obligations

The Company records a liability for an asset retirement obligation in the period in which it is incurred and when a reasonable estimate of the fair value of the liability can be made. Furthermore, a corresponding asset retirement cost should be recognized by increasing the carrying amount of the related long-lived asset. The asset retirement cost is subsequently allocated in a rational and systematic method over the underlying asset's useful life. The initial fair value of the liability is accreted, by charges to operations, to its estimated future value.

c) Automobile and equipment

Automobile and equipment are carried at cost less accumulated amortization. Amortization is calculated using the declining balance method at the following annual rates:

Communication equipment	25%
Computer	25%
Office equipment	20%
Vehicle	25%

In the year of acquisition, amortization is recorded at one-half the normal rate.

d) Stock-based compensation

The Company has adopted an incentive stock option plan which is described in note 9(c).

All stock-based awards are measured and recognized using the fair-value method as determined using the Black-Scholes option valuation model. Awards that the Company has the ability to settle with stock are recorded as equity, whereas awards that the Company is required to, or has the practice of settling in cash are recorded as liabilities. Compensation cost is recognized in the statement of operations over the vesting period.

e) Income taxes

Income taxes are accounted for using the future income tax method. Under this method income taxes are recognized for the estimated income taxes payable for the current year and future income taxes are recognized for temporary differences between the tax and accounting bases of assets and liabilities and for the benefit of losses available to be carried forward for tax purposes that are more likely than not to be realized. Future income tax assets and liabilities are measured using tax rates expected to apply in the years in which the temporary differences are expected to be recovered or settled.

April 30, 2007

3. Significant Accounting Policies (continued)**f) Share capital – flow-through shares**

The Company provides certain share subscribers with a flow-through component for tax benefits available on qualifying Canadian exploration, development and related provincial grants. Upon renunciation to the shareholders, the Company will reduce share capital and record a temporary future income tax liability for the amount of the tax deduction renounced to shareholders. In instances where the Company has sufficient deductible temporary differences available to offset the renounced tax deductions, the realisation of the deductible temporary differences will be credited to income in the period of renunciation.

g) Loss per share

Basic loss per share is calculated by dividing the loss for the year by the weighted average number of shares outstanding during the year. Diluted loss per share is calculated using the treasury stock method. Under the treasury stock method, the weighted average number of shares outstanding used in the calculation of diluted loss per share assumes that the deemed proceeds received from the exercise of stock options, share purchase warrants and their equivalents would be used to repurchase common shares of the Company at the average market price.

Existing stock options and share purchase warrants have not been included in the computation of diluted loss per share as to do so would be anti-dilutive. Accordingly, basic and diluted loss per share are the same.

h) Foreign currency translation

Monetary assets and liabilities resulting from foreign currency transactions are translated using the year-end exchange rates. Non-monetary items are translated at the historical rate of exchange. Revenue and expense items, excepting depreciation and future income taxes, are translated at the average rate of exchange for the year. The resultant exchange gain or loss is included in the determination of net income.

i) Use of estimates

The preparation of financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Significant areas requiring the use of management estimates relate to the determination of impairment of mineral properties and useful lives for amortization. Actual results could differ from those estimates.

j) Financial instruments

All significant financial assets, financial liabilities and equity instruments of the Company are either recognized or disclosed in the financial statements together with other information relevant for making a reasonable assessment of future cash flows, interest rate risk and credit risk. Values of financial assets and financial liabilities have been determined and disclosed; otherwise only available information pertinent to fair value has been disclosed.

April 30, 2007

3. Significant Accounting Policies (continued)**k) Cash and cash equivalents**

Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to insignificant risk of changes in value, with original maturities of three months or less.

l) Investment

Investment in a non-public company has been valued at the issue price of similar shares issued by the non-public entity for cash at or near the time of issue of the investment shares and in similar volumes.

m) Share issue costs

Share issue costs incurred on the issue of the Company's shares are charged directly to share capital.

4. Arrangement Agreement with Chalice Diamond Corp.

On August 3, 2006, the Company entered into an Arrangement Agreement (the "Agreement") with Chalice Diamond Corp. ("CDC") in order to implement a statutory procedure known as a Plan of Arrangement (the "Arrangement") under Section 288 of the *Business Corporations Act* (British Columbia). The purpose of the Arrangement was to restructure the Company by transferring the Company's Chapleau Diamond Project, to CDC in consideration for CDC assuming the ongoing obligations of the Company in respect of the properties and issuing common shares, share purchase warrants and stock options on a the basis of one CDC share for each three Company shares (1:3) to the shareholders of the Company. The transaction was recorded at the value of \$1,303,556 being the cost of the Company of its interest in the Chapleau Diamond Project.

The outstanding stock options and warrants of the Company were re-priced to four fifths of the former exercise price to compensate for the transfer of net assets out of the Company. Additional stock based compensation of \$67,300 was recorded during the period for re-priced stock options. Costs of the Arrangement totalling \$8,922 have been borne by the Company and are included in re-organization costs.

Shareholders of the Company approved the Arrangement at an extraordinary meeting of shareholders on September 21, 2006. The Arrangement completed on November 30, 2006.

5. Loan Receivable

The Company entered into a loan agreement with CDC to advance \$100,000 to be used by CDC for working capital. The loan bears interest at the rate of 5% per annum with interest being added to the principal on each annual anniversary of the date of advance. The entire loan and interest accrued from such advance shall be repaid in cash on August 3, 2007, or at the option of CDC may be repaid earlier, provided 30 days prior written notice is given to the Company. Pursuant to the Agreement, CDC is to issue 200,000 common shares to the Company as a bonus in respect of this loan.

As at April 30, 2007, interest receivable on the loan is \$1,219 and is included in accounts receivable.

Golden Chalice Resources Inc.**Notes to the Financial Statements**

April 30, 2007

6. Investment

	2007	2006
Cosigo Resources Inc. (200,000 shares, no market value, shares not listed)	\$ 57,665	\$ -

Golden Chalice Resources Inc.

Notes to the Financial Statements

April 30, 2007

7. Mineral Properties and Deferred Exploration Costs

i) For the year ended April 30, 2007

	British Columbia	New Brunswick	Yukon	Nevada	Bolivia	Abitibi East Ontario	Shillington Ontario	Langmuir Ontario	Chapleau Ontario	Other Ontario and Quebec	Total 2007
Acquisition costs:	\$ 68,500	\$ 140,500	\$ -	\$ 23,249	\$ -	\$ 71,540	\$ 5,670	\$ -	\$ 71,560	\$ 281,881	\$ 662,900
Exploration costs:											
Assays	773	-	10,885	1,001	-	88,106	34,674	1,453	122,223	40,727	299,842
Drilling	-	128,511	-	-	-	660,980	261,818	157,467	-	201,313	1,410,089
Engineering	6,634	44,584	1,428	27,953	-	38,031	8,031	3,999	17,509	5,343	153,512
Field costs	560	6,620	17,264	9,750	-	92,287	36,550	3,074	76,564	23,438	266,107
Geology	-	8,624	33,646	20,041	-	186,942	98,571	24,690	189,047	59,497	621,058
Line cutting and surveys	-	54,793	-	71,875	-	192,088	200,298	10,090	180,312	93,678	803,134
Project management	-	-	1,325	-	-	-	-	-	-	-	1,325
Travel and accommodation	-	-	555	-	-	1,280	-	-	11,656	2,086	15,577
Mining tax credit	-	(30,000)	(16,147)	-	-	-	-	-	-	-	(46,147)
Current period activity	76,467	353,632	48,956	153,869	-	1,331,254	645,612	200,773	668,871	707,963	4,187,397
Balance, beginning of year	211,661	690,013	398,130	283,922	1	320,696	713,641	282,341	634,685	476,723	4,011,813
	288,128	1,043,645	447,086	437,791	1	1,651,950	1,359,253	483,114	1,303,556	1,184,686	8,199,210
Plan of arrangement	-	-	-	-	-	-	-	-	(1,303,556)	-	(1,303,556)
Write-off mineral properties	-	-	(447,086)	-	(1)	-	-	-	-	-	(447,087)
Balance, end of year	\$ 288,128	\$ 1,043,645	\$ -	\$ 437,791	\$ -	\$ 1,651,950	\$ 1,359,253	\$ 483,114	\$ -	\$ 1,184,686	\$ 6,448,567
Costs summary											
Acquisition	\$ 188,000	\$ 389,875	\$ -	\$ 106,058	\$ -	\$ 165,970	\$ 316,857	\$ 66,298	\$ -	\$ 543,151	\$ 1,776,209
Exploration	\$ 100,128	\$ 653,770	\$ -	\$ 331,733	\$ -	\$ 1,485,980	\$ 1,042,396	\$ 416,816	\$ -	\$ 641,535	\$ 4,672,358

Golden Chalice Resources Inc.

Notes to the Financial Statements

April 30, 2007

7. Mineral Properties and Deferred Exploration Costs (continued)

ii) For the year ended April 30, 2006

	British Columbia	New Brunswick	Yukon	Nevada	Bolivia	Abitibi East Ontario	Shillington Ontario	Langmuir Ontario	Chapleau Ontario	Other Ontario	Total 2006
Acquisition costs:	\$ 62,000	\$ 102,769	\$ 92,000	\$ 50,017	\$ -	\$ 78,930	\$ 288,000	\$ 47,638	\$ 61,715	\$ 193,152	\$ 976,221
Exploration costs:											
Assays	3,974	1,756	8,682	1,098	-	-	47,042	4,788	56,908	-	124,248
Drilling	132,087	72,463	94,628	-	-	46,474	129,001	75,311	-	9,267	559,231
Engineering	18,270	24,348	1,817	1,840	-	24,283	2,629	5,207	10,754	656	89,804
Field costs	38,323	7,800	144,291	9,815	-	9,734	57,472	3,706	7,870	3,349	282,360
Geologist	9,843	25,929	11,075	54,627	-	8,406	41,657	14,601	157,703	41,903	365,744
Line cutting and surveys	1,757	309,259	2,452	10,640	-	122,588	117,547	102,315	146,071	173,869	986,498
Project management	2,237	-	10,888	32,506	-	-	-	-	-	-	45,631
Road construction	-	-	6,790	-	-	-	-	-	-	-	6,790
Travel and accommodation	-	1,622	19,964	2,974	-	-	-	-	15,640	-	40,200
Mining tax credit	-	(35,000)	(84,780)	-	-	-	-	-	-	-	(119,780)
Current year activity	268,491	510,946	307,807	163,517	-	290,415	683,348	253,566	456,661	422,196	3,356,947
Balance, beginning of year	353,372	179,067	90,323	120,405	1	30,282	30,293	28,774	178,024	89,968	1,100,509
Write-off of mineral properties	621,863 (410,202)	690,013 -	398,130 -	283,922 -	1 -	320,697 -	713,641 -	282,340 -	634,685 -	512,164 (35,441)	4,457,456 (445,643)
Balance, end of year	\$ 211,661	\$ 690,013	\$ 398,130	\$ 283,922	\$ 1	\$ 320,697	\$ 713,641	\$ 282,340	\$ 634,685	\$ 476,723	\$ 4,011,813
Costs summary											
Acquisition	\$ 119,500	\$ 249,375	\$ 102,000	\$ 82,809	\$ 1	\$ 94,430	\$ 311,187	\$ 66,298	\$ 239,388	\$ 261,270	\$ 1,526,258
Exploration	\$ 92,161	\$ 440,638	\$ 296,130	\$ 201,113	\$ -	\$ 226,267	\$ 402,454	\$ 216,042	\$ 395,297	\$ 215,453	\$ 2,485,555

April 30, 2007

7. Mineral Properties and Deferred Exploration Costs (continued)**BC claims, British Columbia**

- a) On September 20, 2004, the Company optioned certain Purcell Basin properties from Klondike Gold Corp., a corporation related by common directors. The properties include the Hughes Range, Pakk and Davent projects. The Company can earn a 50% interest in the Pakk and Davent projects, and the Hughes Range project by spending an equal amount to what Klondike Gold Corp. had already spent to the date of the agreement, totaling \$280,000 and \$86,000 respectively. During the year ended April 30, 2006, the Company wrote off the Pakk and Davent projects with total costs of \$410,202.
- b) On September 22, 2004, the Company entered into an option agreement for the exclusive use of the Gertrude Novelty property near Rossland, British Columbia. Consideration consists of:
- cash payments of \$300,000 as follows:
 - \$50,000 upon regulatory approval (paid);
 - \$50,000 on or before December 23, 2005 (paid);
 - \$50,000 on or before December 23, 2006 (paid);
 - \$75,000 on or before December 23, 2007; and
 - \$75,000 on or before December 23, 2008.
 - issuing 300,000 shares of the Company's capital stock as follows:
 - 50,000 shares upon regulatory approval (issued at a price of \$0.15 per share);
 - 50,000 shares on or before December 23, 2005 (issued at a price of \$0.24 per share);
 - 50,000 shares on or before December 23, 2006 (issued at a price of \$0.37 per share);
 - 75,000 shares on or before December 23, 2007; and
 - 75,000 shares on or before December 23, 2008.
 - incurring aggregate exploration expenses of \$500,000 as follows:
 - \$40,000 on or before December 23, 2005 (incurred);
 - \$500,000 on or before December 23, 2008.

The Company must also make advance royalty payments commencing December 23, 2009 in the amount of \$20,000 per year.

The optionor is entitled to receive a 2.25% net smelter returns royalty ("NSR"). The Company may at any time purchase 1% of the NSR interest for \$400,000.

April 30, 2007

7. Mineral Properties and Deferred Exploration Costs (continued)**New Brunswick (continued)**

- c) On May 5, 2004, the Company entered into an option agreement for the exclusive use of 620 claims of Bathurst/Carboniferous property near Bathurst, New Brunswick. Consideration consists of:
- paying for the cost of staking:
 - staking at \$90 per claim between 300 and 400 claims (paid).
 - issuing 600,000 shares of the Company's capital stock as follows:
 - 200,000 shares upon signing (issued at a price of \$0.15 per share);
 - 200,000 shares on or before May 18, 2005 (issued at a price of \$0.22 per share); and
 - 200,000 shares on commencement of commercial production.

The optionors are entitled to receive a 1.5% NSR. The Company may at any time purchase 0.75% of the NSR for \$1,000,000.

- d) On September 20, 2004, the Company entered into two option agreements for the exclusive use of the Portage I and Portage II properties. Each consideration consists of:
- cash payments of \$100,000 as follows:
 - \$5,000 each upon signing (paid);
 - \$7,500 each on or before September 20, 2005 (paid);
 - \$12,500 each on or before September 20, 2006 (paid);
 - \$25,000 each on or before September 20, 2007; and
 - \$50,000 each on or before September 20, 2008.
 - issuing 525,000 shares of the Company's capital stock as follows:
 - 50,000 shares upon regulatory approval (issued at a price of \$0.15 per share);
 - 50,000 shares on or before December 23, 2005 (issued at a price of \$0.22 per share);
 - 75,000 shares on or before December 23, 2006 (issued at a price of \$0.40 per share);
 - 100,000 shares on or before December 23, 2007; and
 - 250,000 shares on or before December 23, 2008.
 - incurring aggregate exploration expenses of \$175,000 each as follows:
 - \$25,000 on or before December 23, 2005 (incurred);
 - \$50,000 on or before December 23, 2006 (incurred);
 - \$87,500 on or before December 23, 2007;
 - \$125,000 on or before December 23, 2008; and
 - \$175,000 on or before December 23, 2009.

The optionor is entitled to receive a 2% NSR. The Company may at any time purchase 1% of the NSR for \$1,000,000 per property.

Golden Chalice Resources Inc.

Notes to the Financial Statements

April 30, 2007

7. Mineral Properties and Deferred Exploration Costs (continued)

New Brunswick (continued)

- e) On August 18, 2005, the Company entered into an option agreement to acquire an exclusive interest in the Cheavers Property. Consideration consists of:
- cash payments of \$100,000 as follows:
 - \$5,000 upon signing (paid);
 - \$7,500 on or before August 18, 2006 (paid);
 - \$12,500 on or before August 18, 2007;
 - \$25,000 on or before August 18, 2008; and
 - \$50,000 on or before August 18, 2009.
 - issuing 525,000 shares of the Company's capital stock as follows:
 - 50,000 shares upon regulatory approval (issued at a price of \$0.22 per share);
 - 50,000 shares on or before September 14, 2006 (issued at a price of \$0.37 per share);
 - 75,000 shares on or before September 14, 2007;
 - 100,000 shares on or before September 14, 2008; and
 - 250,000 shares on or before September 14, 2009.
 - incurring aggregate exploration expenses of \$175,000 as follows:
 - \$25,000 each on or before August 18, 2006 (incurred);
 - \$50,000 each on or before August 18, 2007 (incurred);
 - \$87,500 each on or before August 18, 2008;
 - \$125,000 each on or before August 18, 2009; and
 - \$175,000 each on or before August 18, 2010.

The optionor is entitled to receive a 2% NSR. The Company may at any time purchase 1% of the NSR for \$1,000,000.

- f) On November 1, 2006, the Company entered into in an option agreement for the exclusive use of the Tower property. Consideration consists of:
- cash payments of \$50,000 as follows:
 - \$5,000 upon signing (paid);
 - \$7,500 on or before November 1, 2007;
 - \$12,500 on or before November 1, 2008; and
 - \$25,000 on or before November 1, 2009.
 - issuing 250,000 shares of the Company's capital stock as follows:
 - 50,000 shares on or before November 7, 2006 (issued at a price of \$0.49 per share);
 - 50,000 shares on or before November 7, 2007;
 - 50,000 shares on or before November 7, 2008; and
 - 100,000 shares on or before November 7, 2009.
 - incurring aggregate exploration expenses of \$125,000 as follows:
 - \$25,000 on or before November 7, 2007 (incurred);
 - \$50,000 on or before November 7, 2008;
 - \$87,500 on or before November 7, 2009; and
 - \$125,000 on or before November 7, 2010.

The optionor is entitled to receive a 2% NSR. The Company may at any time purchase 1% of the NSR for \$1,000,000.

April 30, 2007

7. Mineral Properties and Deferred Exploration Costs (continued)**Burwash, Yukon**

- g) On June 29, 2004 and amended on January 3, 2006, the Company entered into an option agreement to acquire a 50% interest in the Burwash property. Consideration consisted of:
- cash payments of \$185,000 as follows:
 - \$10,000 upon regulatory approval (paid);
 - \$20,000 on or before June 30, 2005 (paid);
 - \$55,000 on or before January 31, 2006 (paid); and
 - \$100,000 on or before January 31, 2007.
 - issuing 100,000 shares of the Company's capital stock as follows:
 - 100,000 shares on or before June 30, 2005 (issued at a price of \$0.17 per share).
 - incurring aggregate exploration expenses of \$1,000,000 as follows:
 - \$100,000 on or before December 31, 2004 (incurred);
 - \$400,000 on or before December 31, 2005 (incurred);
 - \$550,000 on or before December 31, 2006; and
 - \$1,000,000 on or before December 31, 2007.

During the current year, the Company abandoned and wrote off all costs incurred with respect to the Burwash property.

Abitibi East, Ontario

- h) On July 13, 2004, the Company entered into an agreement to acquire a 100% interest in the Shallow River property. Consideration consists of:
- cash payment of \$5,000 on or before September 16, 2004 (paid).
 - issuing 150,000 shares of the Company's capital stock as follows:
 - 75,000 shares on or before September 16, 2004 (issued at a price of \$0.16 per share); and
 - 75,000 shares on or before September 16, 2005 (issued at a price of \$0.19 per share).

The optionor is entitled to receive a 2% NSR. The Company may at any time purchase 0.8% of the NSR for \$1,000,000.

- i) On October 21, 2005, the Company entered into an agreement to acquire a 100% interest in the Coulson property. Consideration consists of:
- cash payments of \$35,000 as follows:
 - \$5,000 upon on or before February 2, 2006 (paid);
 - \$5,000 upon on or before February 2, 2007 (paid);
 - \$10,000 upon on or before February 2, 2008; and
 - \$15,000 upon on or before February 2, 2009.

April 30, 2007

7. Mineral Properties and Deferred Exploration Costs (continued)**Abitibi East, Ontario (continued)**

- i) - issuing 200,000 shares of the Company's capital stock as follows:
- 50,000 shares on or before February 2, 2006 (issued at a price of \$0.14 per share);
 - 50,000 shares on or before February 2, 2007 (issued at a price of \$0.32 per share);
 - 50,000 shares on or before February 2, 2008; and
 - 50,000 shares on or before February 2, 2007.

The optionor is entitled to receive a 2% NSR. The Company may at any time purchase 1% of the NSR for \$1,500,000.

- j) On March 15, 2007, the Company entered into an agreement to acquire a 100% interest in the Abitibi East – East Extension property. Consideration consists of:
- cash payments of \$125,000 as follows:
 - \$20,000 upon signing (subsequently paid);
 - \$25,000 upon on or before May 8, 2008;
 - \$35,000 upon on or before May 8, 2009; and
 - \$45,000 upon on or before May 8, 2010.
 - issuing 200,000 shares of the Company's capital stock as follows:
 - 50,000 shares on or before May 8, 2007 (subsequently issued at a price of \$0.28 per share);
 - 50,000 shares on or before May 8, 2008;
 - 50,000 shares on or before May 8, 2009; and
 - 50,000 shares on or before May 8, 2010.
 - incurring a minimum of \$84,400 in exploration expenses between May 8, 2008 and May 8, 2011.

The optionor is entitled to receive a 3% NSR. The Company may at any time purchase 1% of the NSR for \$1,000,000, and an additional 1% for \$1,000,000, and the final 1% for \$2,000,000.

The Company shall issue to the Optionor a further 50,000 common shares of the Optionee after the completion of a positive feasibility study.

The Company shall pay to the Optionor Advance Royalty payments in the amount of \$12,500 commencing on the date which is 54 months from the date of the signing and payable every six months thereafter.

April 30, 2007

7. Mineral Properties and Deferred Exploration Costs (continued)**Abitibi East, Ontario (continued)**

- k) On March 15, 2007, the Company entered into an agreement to acquire a 100% interest in the Abitibi East – West Extension property. Consideration consists of:
- cash payments of \$125,000 as follows:
 - \$20,000 upon signing (subsequently paid);
 - \$25,000 upon on or before May 10, 2008;
 - \$35,000 upon on or before May 10, 2009; and
 - \$45,000 upon on or before May 10, 2010.
 - issuing 200,000 shares of the Company's capital stock as follows:
 - 50,000 shares on or before May 10, 2007 (subsequently issued at a price of \$0.28 per share);
 - 50,000 shares on or before May 10, 2008;
 - 50,000 shares on or before May 10, 2009; and
 - 50,000 shares on or before May 10, 2010.
 - incurring a minimum of \$46,400 in exploration expenses between May 10, 2008 and May 10, 2011.

The optionor is entitled to receive a 3% NSR. The Company may at any time purchase 1% of the NSR for \$1,000,000, and an additional 1% for \$1,000,000, and the final 1% for \$2,000,000.

The Company shall issue to the Optionor a further 50,000 common shares of the Optionee after the completion of a positive feasibility study.

The Company shall pay to the Optionor Advance Royalty payments in the amount of \$12,500 commencing on the date which is 54 months from the date of the signing and payable every six months thereafter.

Chapleau, Ontario

- l) All properties in Chapleau project in the amount of \$1,303,556 were transferred to Chalice Diamond Corp. on November 30, 2006 by plan of Arrangement. See note 4.

Langmuir, Ontario

- m) On July 13, 2004, the Company entered into an agreement to acquire a 100% interest in the Langmuir property. Consideration consists of:
- cash payment of \$5,000 on or before September 16, 2004 (paid).
 - issuing 100,000 shares of the Company's capital stock as follows:
 - 50,000 shares on or before September 16, 2004 (issued at a price of \$0.14 per share); and
 - 50,000 shares on or before September 16, 2005 (issued at a price of \$0.19 per share).

The optionor is entitled to receive a 2% NSR. The Company may at any time purchase 1% of the NSR for \$500,000.

April 30, 2007

7. Mineral Properties and Deferred Exploration Costs (continued)**Shillington, Ontario**

- n) On July 8, 2004, the Company entered into an agreement to acquire a 100% interest in the Shillington property. Consideration consists of:
- cash payment of \$5,000 upon on or before September 16, 2004 (paid).
 - issuing 100,000 shares of the Company's capital stock as follows:
 - 50,000 shares on or before September 16, 2004 (issued at a price of \$0.14 per share); and
 - 50,000 shares on or before September 16, 2005 (issued at a price of \$0.19 per share).

The optionor is entitled to receive a 2% NSR. The Company may at any time purchase 1% of the NSR for \$500,000.

Other Ontario and Quebec

- o) On July 13, 2004 and amended on December 1, 2006, the Company entered into three agreements to acquire a 100% interest in the Brinklow, Ellen Creek and Dokis properties. Each consideration consists of:
- cash payment of \$5,000 upon on or before September 16, 2004 (paid).
 - issuing 100,000 shares of the Company's capital stock as follows:
 - 50,000 shares on or before September 16, 2004 (issued at a price of \$0.16 per share); and
 - 50,000 shares on or before September 16, 2005 (issued at a price of \$0.19 per share).

The optionor is entitled to receive a 2% NSR. The Company may at any time purchase 0.5% of the NSR for \$500,000 per property.

- p) On July 13, 2004, the Company entered into an agreement to acquire a 100% interest in the Monpre property. Consideration consisted of:
- cash payment of \$5,000 on or before September 16, 2004 (paid).
 - issuing 100,000 shares of the Company's capital stock as follows:
 - 50,000 shares on or before September 16, 2004 (issued at a price of \$0.16 per share); and
 - 50,000 shares on or before September 16, 2005 (issued at a price of \$0.19 per share).

The optionor is entitled to receive a 2% NSR. The Company may at any time purchase 0.5% of the NSR for \$500,000.

During the year ended April 30, 2006, the Company wrote off all costs incurred with respect to the Monpre property.

April 30, 2007

7. Mineral Properties and Deferred Exploration Costs (continued)**Other Ontario and Quebec (continued)**

q) On February 22, 2005 and amended on December 1, 2006, the Company entered into an agreement to acquire a 100% interest in nine claims (Barber, Bonis1, Bonis2, Corkil1, Corkill2, Katrine1, Katrine2, Katrine3, and Willison) in the Kirkland Lake and New Liskeard areas in Ontario. Consideration consists of:

- cash payment of \$10,000 on or before April 15, 2005 (paid).
- issuing 200,000 shares of the Company's capital stock as follows:
 - 50,000 shares on or before April 15, 2005 (issued at a price of \$0.16 per share);
 - 50,000 shares on or before April 15, 2006 (issued at a price of \$0.43 per share);
 - 50,000 shares on or before April 15, 2007 (issued at a price of \$0.295 per share); and
 - 50,000 shares on or before April 15, 2008.
- incurring aggregate exploration expenses of \$10,000 on each of the nine claims on or before April 15, 2007.

The optionor is entitled to receive a 2% NSR. The Company may at any time purchase 0.5% of the NSR for \$1,000,000.

r) On September 5, 2006, the Company acquired an option to earn a 100% interest in the Kidd claims, located in Kidd township, Ontario. Consideration consists of:

- cash payment of \$13,500 upon signing (paid);
- issuing 300,000 shares of the Company's capital stock as follows:
 - 75,000 shares on or before September 19, 2006 (issued at a price of \$0.385 per share);
 - 75,000 shares on or before September 19, 2007;
 - 75,000 shares on or before September 19, 2008; and
 - 75,000 shares on or before September 19, 2009.

The optionor is entitled to receive a 2% NSR. The Company may at any time purchase 1.75% of the NSR for \$2,000,000.

April 30, 2007

7. Mineral Properties and Deferred Exploration Costs (continued)**Other Ontario and Quebec (continued)**

- s) On September 18, 2005, the Company acquired a 100% interest in the Kimberley Property, located in the Kimberley Township, Ontario. Consideration consists of:
- cash payments of \$17,500 as follows:
 - \$2,500 upon regulatory approval (paid);
 - \$5,000 on or before September 19, 2006 (paid);
 - \$5,000 on or before September 19, 2007; and
 - \$5,000 on or before September 19, 2008.
 - issuing 200,000 shares of the Company's capital stock as follows:
 - 50,000 shares upon regulatory approval (issued at a price of \$0.28 per share);
 - 50,000 shares on or before September 19, 2006 (issued at a price of \$0.49 per share);
 - 50,000 shares on or before September 19, 2007 (subsequently issued at a price of \$3.13 per share); and
 - 50,000 shares on or before September 19, 2008 (subsequently issued at a price of \$3.13 per share).
 - incurring aggregate exploration expenses of \$60,000 as follows:
 - \$20,000 on or before September 19, 2006 (incurred);
 - \$40,000 on or before September 19, 2007; and
 - \$60,000 on or before September 19, 2008.

The optionor is entitled to receive a 2% NSR. The Company may at any time purchase 1% of the NSR for \$750,000.

- t) On September 19, 2005, the Company acquired a 100% interest in the Northland Mine Property, located in the Gauthier Township, Ontario. Consideration consists of:
- cash payments of \$49,000 as follows:
 - \$10,000 on or before November 17, 2005 (paid);
 - \$5,000 on or before November 17, 2006 (paid);
 - \$6,000 on or before November 17, 2007;
 - \$6,000 on or before November 17, 2008; and
 - \$22,000 on or before November 17, 2009.
 - issuing 350,000 shares of the Company's capital stock as follows:
 - 50,000 shares on or before November 17, 2005 (issued at a price of \$0.28 per share);
 - 75,000 shares on or before November 17, 2006 (issued at a price of \$0.49 per share);
 - 75,000 shares on or before November 17, 2007 (subsequently issued at a price of \$3.13 per share);
 - 75,000 shares on or before November 17, 2008 (subsequently issued at a price of \$3.13 per share); and
 - 75,000 shares on or before November 17, 2009 (subsequently issued at a price of \$3.13 per share).
 - incurring aggregate exploration expenses of \$100,000 as follows:
 - \$25,000 on or before November 17, 2006 (incurred);
 - \$50,000 on or before November 17, 2007;
 - \$75,000 on or before November 17, 2008; and
 - \$100,000 on or before November 17, 2009.

The optionor is entitled to receive a 1% NSR. The Company may at any time purchase 0.5% of the NSR for \$500,000.

April 30, 2007

7. Mineral Properties and Deferred Exploration Costs (continued)**Other Ontario and Quebec (continued)**

- u) On October 21, 2005 and subsequently amended on May 30, 2007, the Company acquired a 100% interest in the Winross property located in Penhorwood Township, Ontario. Consideration consists of:

- cash payments of \$15,000 as follows:
 - \$5,000 on or before December 7, 2005 (paid);
 - \$5,000 on or before December 7, 2006 (paid); and
 - \$5,000 on or before December 7, 2007.
- issuing 150,000 shares of the Company's capital stock as follows:
 - 50,000 shares on or before December 7, 2005 (issued at a price of \$0.24 per share);
 - 50,000 shares on or before December 7, 2006 (issued at a price of \$0.15 per share); and
 - 50,000 shares on or before December 7, 2007.

The optionor is entitled to receive a 2% NSR. The Company may at any time purchase 1% of the NSR for \$1,000,000.

- v) On January 19, 2007, the Company acquired a 100% interest in the South Porcupine property located in Whitney Township, Ontario. Consideration consists of:

- cash payment of \$20,000 upon signing (paid).
- cash or an equivalent value in share payments of \$175,000 as follows:
 - \$75,000 on or before February 12, 2008; and
 - \$100,000 on or before February 12, 2009.

The optionor is entitled to receive a 2% NSR. The Company may at any time purchase 2% of the NSR for \$500,000.

- w) On February 5, 2007, the Company acquired a 100% interest in the Rankin Gold Property. Consideration for consists of:

- cash payments of \$35,000 as follows:
 - \$10,000 on or before February 23, 2007 (paid);
 - \$10,000 on or before February 23, 2008; and
 - \$15,000 on or before February 23, 2009.
- issuing 175,000 shares of the Company's capital stock as follows:
 - 50,000 shares on or before February 23, 2007 (issued at a price of \$0.345 per share);
 - 50,000 shares on or before February 23, 2008 (subsequently issued at a price of \$3.13 per share); and
 - 75,000 shares on or before February 23, 2009 (subsequently issued at a price of \$3.13 per share).
- incurring aggregate exploration expenses of \$75,000 as follows:
 - \$25,000 on or before February 23, 2008 (incurred);
 - \$75,000 on or before February 23, 2009;

The optionor is entitled to receive a 2% NSR. The Company may at any time purchase 1% of the NSR for \$500,000.

April 30, 2007

7. Mineral Properties and Deferred Exploration Costs (continued)**Other Ontario and Quebec (continued)**

- x) On February 5, 2007, the Company acquired a 100% interest in the Row Lake Property. Consideration consists of:
- cash payments of \$40,000 as follows:
 - \$10,000 on or before February 26, 2007 (paid);
 - \$10,000 on or before February 26, 2008;
 - \$10,000 on or before February 26, 2009; and
 - \$10,000 on or before February 26, 2010.
 - issuing 200,000 shares of the Company's capital stock as follows:
 - 50,000 shares on or before February 26, 2007 (issued at a price of \$0.35 per share);
 - 50,000 shares on or before February 26, 2008 (subsequently issued at a price of \$3.13 per share);
 - 50,000 shares on or before February 26, 2009 (subsequently issued at a price of \$3.13 per share); and
 - 50,000 shares on or before February 26, 2010 (subsequently issued at a price of \$3.13 per share).
 - incurring aggregate exploration expenses of \$90,000 as follows:
 - \$30,000 on or before February 23, 2008 (incurred);
 - \$60,000 on or before February 23, 2009 (incurred); and
 - \$90,000 on or before February 23, 2010 (incurred).

The optionor is entitled to receive a 2% NSR. The Company may at any time purchase 1% of the NSR for \$1,000,000.

- y) On February 16, 2007, the Company acquired a 100% interest in the Creek Property. Consideration consists of:
- issuing 275,000 shares of the Company's capital stock as follows:
 - 50,000 shares on or before March 30, 2007 (issued at a price of \$0.27 per share);
 - 50,000 shares on or before March 30, 2008;
 - 75,000 shares on or before March 30, 2009; and
 - 100,000 shares on or before March 30, 2010.

The optionor is entitled to receive a 3% NSR. The Company may at any time purchase 2% of the NSR for \$2,000,000.

April 30, 2007

7. Mineral Properties and Deferred Exploration Costs (continued)**Other Ontario and Quebec (continued)**

z) On March 1, 2007, the Company entered into an option agreement with Klondike Gold Corp. ("Klondike"), Amador Gold Corp. ("Amador"), and Hastings Management Corp. ("Hastings"), corporations related by common directors, to acquire a 100% interest in the Meteor Lake property located in the Larden Lake and Sudbury Mining Division, Ontario. Consideration for the Company's 20% share is follows:

- cash payments of \$4,000 upon regulatory approval (paid).
- reimbursing Klondike for the issuance of 40,000 shares of Klondike's capital stock as follows:
 - fair value of 20,000 shares of Klondike issued by Klondike on or before March 28, 2007 (issued by Klondike at a price of \$0.095 per share);
 - fair value of 20,000 shares of Klondike issued by Klondike on or before March 28, 2008.

The optionor is entitled to receive a 1% NSR. The Company may at any time purchase 0.5% of the NSR for \$250,000.

Timmins West, Ontario

aa) The Company acquired by staking a 100% interest in 37 mineral claims known as the Timmins West property located in Penhorwood, Ontario.

Senneville, Quebec

bb) On May 15, 2006, the Company acquired a 100% interest in the Senneville Township property located in Senneville Township, Quebec. Consideration consists of:

- cash payment of \$5,000 upon signing (paid).
- issuing 200,000 shares of the Company's capital stock as follows:
 - 100,000 shares on or before June 29, 2006 (issued at a price of \$0.37 per share); and
 - 100,000 shares on or before June 29, 2007 (subsequently issued at a price of \$3.52 per share);

The optionor is entitled to receive a 2% NSR.

On March 29, 2007, the Company entered into an option agreement with Harricana River Mining Corporation Inc. ("Harricana") under which Harricana can earn a 50% interest in the claims by incurring aggregate exploration expenses of \$350,000 as follows:

- \$150,000 on or before March 29, 2008; and
- \$200,000 on or before March 29, 2009.

Provided Harricana has incurred the exploration expenses of \$350,000, Harricana can acquire an additional 10% interest in the claims by the expenditure of an additional \$250,000 in exploration work on or before March 29, 2010.

Once Harricana has earned its 60% interest in the claims or the period in which it may do so has expired all future activity on the claims shall take place in a Joint Venture between Harricana and the Company.

April 30, 2007

Senneville, Quebec (continued)

If the Company decides not to participate in any program under the joint venture which is then funded by Harricana alone, the interest of the Company in the joint venture shall be reduced in accordance with the formula provided until it reaches 20% whereupon it shall revert to a 20% net profits instead.

Eskapa, Bolivia

- cc) The Company retains a US\$2,000,000 cash royalty, payable commencing after nine months of continuous commercial production, in the Eskapa properties, covering 3,700 hectares, located in Bolivia. During the year ended April 30, 2007, the Company wrote off the Eskapa property with total cost of \$1.

7. Mineral Properties and Deferred Exploration Costs (continued)**Nevada, USA**

- dd) On June 1, 2004, the Company optioned the Uke Project. Under the Option, the Company may purchase the property for US\$1,000 by making option payments totaling US\$405,000 over a period of ten years in addition to conducting US\$330,000 of work on the property over a period of nine years.
- cash payments of US\$405,000 as follows:
 - US\$25,000 on or before June 1, 2004 (paid);
 - US\$25,000 on or before June 1, 2005 (paid);
 - US\$30,000 on or before June 1, 2006 (50% paid);
 - US\$30,000 on or before June 1, 2007 (subsequently paid);
 - US\$35,000 on or before June 1, 2008;
 - US\$35,000 on or before June 1, 2009;
 - US\$40,000 on or before June 1, 2010;
 - US\$40,000 on or before June 1, 2011;
 - US\$45,000 on or before June 1, 2012;
 - US\$50,000 on or before June 1, 2013; and
 - US\$50,000 on or before June 1, 2014.
 - incurring aggregate exploration expenditures of US\$330,000 as follows:
 - US\$25,000 on or before June 1, 2005 (incurred);
 - US\$55,000 on or before June 1, 2006 (incurred);
 - US\$85,000 on or before June 1, 2007 (incurred);
 - US\$120,000 on or before June 1, 2008;
 - US\$155,000 on or before June 1, 2009;
 - US\$195,000 on or before June 1, 2010;
 - US\$235,000 on or before June 1, 2011;
 - US\$280,000 on or before June 1, 2012; and
 - US\$330,000 on or before June 1, 2013.

April 30, 2007

Mineral Properties and Deferred Exploration Costs (continued)**Nevada, USA (continued)**

According to the Agreement if a permit delay has occurred and remains effective on the date a payment is due and payable, one-half of the payment shall be deferred and tolled pending termination of the permit delay in effect on the payment date. If the permit delay terminates within one year following filing of the application for which the permit delay is encountered, within ten business days following termination of the permit delay, the Company shall pay to the Optionor the deferred balance of the payment. If the permit delay terminates more than one year after the date on which the Company files its application, the Company shall be relieved of its obligation to pay the deferred portion of the payment, provided that the Company has complied with all of its other obligations under the Agreement.

ee) On May 17, 2005, the Company optioned the Aphro Project in Nevada, USA. Under the Option, the Company makes advance royalty payments totaling US\$80,000 (US\$20,000 paid) over three years, then continuing at US\$60,000 annually in addition to conducting US\$50,000 of work on the property annually.

- cash payments of US\$80,000 are payable as follows:
 - US\$10,000 upon signing (paid);
 - US\$10,000 on or before January 15, 2006 (50% paid);
 - US\$20,000 on or before January 15, 2007 (50% paid);
 - US\$40,000 on or before January 15, 2008; and
 - The greater of US\$60,000 or the dollar equivalent of 141.17 ounces of gold on or before January 15, 2009 and annually thereafter during the term of the lease.

If the lease is terminated for any reason, including but not limited to partial payment or nonpayment after thirty days written notice, the Company shall be obligated to pay the full amount of advance royalty payments during the calendar year of the termination, and for any prior calendar years during the term of the lease for which advance royalty payments have not been paid.

Both Nevada properties are subject to a sliding scale NSR, based on the average monthly price of gold as published by the London Bullion Dealers Association, of 2% if the price of gold is less than US\$300; 3% if the price of gold is US\$300 or more but less than US\$400; and 4% if the price of gold is US\$400 or more. The Company may purchase one-half of the royalty for US\$2,500,000.

Golden Chalice Resources Inc.**Notes to the Financial Statements**

April 30, 2007

8. Automobile and Equipment

Automobile and equipment comprise the following:

	Cost	Accumulated Depreciation	2007 Net Book Value
Communication equipment	\$ 919	\$ 316	\$ 603
Computer	6,021	753	5,268
Office equipment	1,151	398	753
Vehicle	33,199	16,859	16,340
Total	\$ 41,290	\$ 18,326	\$ 22,964

	Cost	Accumulated Depreciation	2006 Net Book Value
Communication equipment	\$ 919	\$ 116	\$ 803
Computer	-	-	-
Office equipment	1,151	210	941
Vehicle	33,199	11,412	21,787
Total	\$ 35,269	\$ 11,738	\$ 23,531

Golden Chalice Resources Inc.**Notes to the Financial Statements**

April 30, 2007

9. Share Capital**a) Authorized**

Unlimited common shares without par value

b) Issued

	Number of Shares	Amount
Balance, May 1, 2005	26,415,395	\$ 6,461,461
Unexchanged shares	3	-
Issued on property acquisitions	1,370,000	295,475
Private placements	11,400,000	2,450,000
Share issue costs	-	(110,960)
Exercise of warrants at \$0.10 per share	2,300,000	230,000
Exercise of warrants at \$0.11 per share	5,000,000	550,000
Exercise of warrants at \$0.15 per share	5,088,000	763,200
Exercise of warrants at \$0.20 per share	409,902	81,980
Exercise of options	265,000	39,750
Contributed surplus allocated	-	55,250
Conversion of debentures	750,000	75,000
Income tax benefits renounced on flow-through shares issued	-	(399,652)
Balance, April 30, 2006	52,998,300	10,491,504
Plan of Arrangement (note 4)	-	(1,303,556)
Private placements	10,151,000	3,877,650
Share issue costs	-	(142,895)
Exercise of options at \$0.22 per share	20,000	4,400
Contributed surplus allocated	-	2,200
Exercise of warrants at \$0.16 per share	3,743,667	598,987
Exercise of warrants at \$0.20 per share	3,669,500	733,900
Issued on property acquisitions	1,025,000	384,125
Income tax benefits renounced on flow-through shares issued	-	(842,065)
Balance, April 30, 2007	71,607,467	\$ 13,804,250

April 30, 2007

9. Share Capital (continued)**b) Issued (continued)****Private placements of share capital
During the year ended April 30, 2007:**

On June 16, 2006, the Company completed a private placement whereby it issued 1,655,000 non flow-through units at a price of \$0.35 per unit and 1,652,500 flow-through units at a price of \$0.40 per unit. Each non flow-through unit consists of one share and one warrant. Each flow-through unit consists of one share and one warrant. Each warrant is exercisable for a period of two years at a price of \$0.40 per share.

On October 27, 2006, the Company completed a private placement whereby it issued 315,000 non flow-through units at a price of \$0.40 per unit and 3,685,000 flow-through units at a price of \$0.40 per unit. Each non flow-through unit consists of one share and one warrant. Each flow-through unit consists of one share and one warrant. Each warrant is exercisable for a period of two years at a price of \$0.45 per share.

On December 29, 2006, the Company completed a private placement whereby it issued 177,500 non flow-through units at a price of \$0.40 per unit and 836,000 flow-through units at a price of \$0.40 per unit. Each non flow-through unit consists of one share and one warrant. Each flow-through unit consists of one share and one warrant. Each warrant is exercisable for a period of two years at a price of \$0.45 per share.

On February 9, 2007, the Company completed a private placement whereby it issued 200,000 non flow-through units at a price of \$0.40 per unit and 630,000 flow-through units at a price of \$0.40 per unit. Each non flow-through unit consists of one share and one warrant. Each flow-through unit consists of one share and one warrant. Each warrant is exercisable for a period of two years at a price of \$0.45 per share.

On April 1, 2007, the Company completed a private placement whereby it issued 1,000,000 flow-through units at a price of \$0.30 per unit. Each flow-through unit consists of one share and one warrant. Each warrant is exercisable for a period of two years at a price of \$0.35 per share.

During the year ended April 30, 2006:

On August 23, 2005, the Company completed a private placement for the purchase of 5,000,000 non flow-through units at \$0.17 per unit. Each non flow-through unit consisted of one share and one warrant exercisable for a period of two years at \$0.20 per share.

On November 4, 2005, the Company completed a private placement whereby it issued 200,000 non flow-through units at a price of \$0.25 per unit and 1,800,000 flow-through units at a price of \$0.25 per unit. Each non flow-through unit consisted of one share and one warrant. Each flow-through unit consisted of one share and one warrant. Each warrant is exercisable for a period of two years at a price of \$0.25 per share.

On January 18, 2006, the Company completed a private placement whereby it issued 2,460,000 non flow-through units at a price of \$0.25 per unit and 1,940,000 flow-through units at a price of \$0.25 per share. Each non flow-through unit consisted of one share and one warrant. Each flow-through unit consisted of one share and one warrant. Each warrant is exercisable for a period of two years at \$0.30 per share.

Golden Chalice Resources Inc.

Notes to the Financial Statements

April 30, 2007

9. Share Capital (continued)

c) Stock options

The Company has adopted an incentive stock option plan (the "Plan"). The essential elements of the Plan provide that the aggregate number of shares of the Company's capital stock issuable pursuant to options granted under the plan may not exceed ten percent of the issued and outstanding shares of the Company at the relevant time. Options granted under the Plan may have a maximum term of five years. The exercise price of options granted under the Plan will not be less than the discounted market price of the shares (defined as the last closing market price of the Company's shares immediately preceding the grant date, less the maximum discount permitted by TSX Venture Exchange Policy), or such other price as may be agreed to by the Company and accepted by the TSX Venture Exchange. Stock options granted to consultants providing investor relations activities under the Plan are subject to vesting restrictions such that one-quarter of the option shall at a minimum vest on each of the date grant and three, nine and twelve months after the date of grant.

A summary of the status of the Company's stock options as of April 30, 2007 and 2006 and changes during the period then ended is as follows:

	2007		2006	
	Shares	Weighted Average Exercise Price	Shares	Weighted Average Exercise Price
Balance, beginning of year (i)	4,705,000	\$ 0.220	2,640,000	\$ 0.18
Granted	1,060,000	0.280	870,000	0.23
Granted	660,000	0.344	1,460,000	0.44
Exercised	(20,000)	(0.22)	(265,000)	(0.15)
Balance, end of year	6,405,000	\$ 0.240	4,705,000	\$ 0.27

(i) On November 22, 2006, the exercise prices of all the outstanding options were reduced by 20%.

On April 30, 2007, the Company had outstanding stock options to acquire 6,405,000 shares as follows:

Number of Options Outstanding	Number of Options Exercisable	Old Price	New Price	Expiry Date
1,025,000 ⁽¹⁾	1,025,000	\$ 0.15	\$ 0.120	April 6, 2009
300,000	300,000	\$ 0.15	\$ 0.120	November 8, 2009
1,030,000 ⁽²⁾	1,030,000	\$ 0.22	\$ 0.176	April 20, 2010
870,000 ⁽³⁾	870,000	\$ 0.23	\$ 0.184	August 26, 2010
1,460,000 ⁽⁴⁾	1,460,000	\$ 0.44	\$ 0.352	February 2, 2011
1,060,000 ⁽⁵⁾	1,060,000	\$ 0.35	\$ 0.280	June 27, 2011
660,000 ⁽⁶⁾	660,000	\$ 0.43	\$ 0.344	November 1, 2011
6,405,000	6,405,000			

⁽¹⁾ 125,000 options subsequently exercised

⁽²⁾ 125,000 options subsequently exercised

⁽³⁾ 185,000 options subsequently exercised

⁽⁴⁾ 105,000 options subsequently exercised

⁽⁵⁾ 30,000 options subsequently exercised

⁽⁶⁾ 90,000 options subsequently exercised

Golden Chalice Resources Inc.**Notes to the Financial Statements**

April 30, 2007

9. Share Capital (continued)**c) Stock options** (continued)

The following table summarizes information about the stock options outstanding and exercisable on April 30, 2007:

Range of Prices \$	Number	Weighted Average Remaining Life (years)	Weighted Average Exercise Price (\$)
0.12	1,325,000	2.07	0.12
0.17 – 0.18	1,900,000	3.13	0.18
0.28	1,060,000	4.16	0.28
0.34 - 0.35	2,120,000	4.00	0.35
	6,405,000	3.37	0.24

During the current and prior year, stock-based compensation has been recorded in the amount of \$681,300 (2006 - \$726,241) and included in contributed surplus. The amount is management's estimate of the fair value of the 1,720,000 (2006 – 2,330,000) stock options granted and vested during the year, and has been expensed in the statement of operations. The weighted average fair value of options granted and vested during the year is as follows:

	<u>2007</u>		<u>2006</u>	
	Weighted average exercise price \$	Weighted average fair value of option \$	Weighted average exercise price \$	Weighted average fair value of option \$
Exercise price: equals	0.38	0.36	0.44	0.38
exceeds	-	-	0.23	0.20
the market price of the stock on the grant date				

The above fair value amounts were calculated using the Black Scholes option pricing model using the following weighted average assumptions:

	<u>2007</u>	<u>2006</u>
Risk free interest rate	4.27%	3.78%
Expected life	4.30 years	4.60 years
Expected volatility	169.07%	120.40%
Expected dividend	-	-

Option pricing models require the input of highly subjective assumptions including the expected price volatility. Changes in the subjective input assumptions can materially affect the fair value estimate, and therefore the existing models do not necessarily provide a reliable single measure of the fair value of the Company's stock options.

Golden Chalice Resources Inc.**Notes to the Financial Statements**

April 30, 2007

9. Share Capital (continued)**d) Warrants outstanding**

As at April 30, 2007, warrants were outstanding for the purchase of 21,337,765 common shares as follows:

Number	Old Price	New Price	Expiry Date
4,786,765 (1)	\$ 0.20	\$ 0.16	August 22, 2007
2,000,000 (2)	\$ 0.25	\$ 0.20	November 3, 2007
4,400,000 (3)	\$ 0.30	\$ 0.24	January 17, 2008
3,307,500 (4)	\$ 0.40	\$ 0.32	June 16, 2008
4,000,000 (5)	\$ 0.45	\$ 0.36	October 27, 2008
1,013,500 (6)	N/A	\$ 0.45	December 29, 2008
830,000 (7)	N/A	\$ 0.45	February 9, 2009
1,000,000	N/A	\$ 0.35	April 1, 2009
21,337,765			

(1)	1,261,765	warrants subsequently exercised	(5)	573,000	warrants subsequently exercised
(2)	400,000	warrants subsequently exercised	(6)	31,000	warrants subsequently exercised
(3)	460,000	warrants subsequently exercised	(7)	100,000	warrants subsequently exercised
(4)	87,500	warrants subsequently exercised			

e) Escrow shares

Currently, 18,750 (2006 – 18,750) shares are held in escrow.

f) Commitment

As at April 30, 2007, the Company is committed to spend \$110,373 on qualifying Canadian exploration expenses.

10. Contributed Surplus

	2007	2006
Balance, beginning of year	\$ 1,087,321	\$ 416,330
Stock-based compensation	614,000	726,241
Stock-based compensation (re-price)	67,300	-
Contributed surplus allocated	(2,200)	(55,250)
Balance, end of year	\$ 1,766,421	\$ 1,087,321

Golden Chalice Resources Inc.

Notes to the Financial Statements

April 30, 2007

11. Related Party Transactions

- a) During the year ended April 30, 2007, the Company paid administrative services of \$460,000 (2006 – \$477,865) to a management corporation controlled by a director of the Company.
- b) During the year ended April 30, 2007, the Company paid management fees of \$165,453 (2006 – \$147,674) to the Chief Executive Officer of the Company.
- c) During the year ended April 30, 2007, the Company paid directors' fees of \$114,000 (2006 – \$110,500) and consulting fees of \$7,500 (2006 – \$Nil) to the directors of the Company.
- d) During the year ended April 30, 2007, Management fee revenue totaling \$36,471 (2006 – \$121,928) is from corporations related to the Company by common directors.
- e) As at April 30, 2007, the Company has receivables from corporations with common directors in the amount of \$181,092 (2006 – \$121,928).
- f) During the year ended April 30, 2007, the company received interest income totaling \$3,699 (2006 – \$Nil) from a corporation with common directors.

The above transactions are in the normal course of operations and have been valued in these financial statements at the exchange amount, which is the amount of consideration established and agreed to by the related parties.

Golden Chalice Resources Inc.**Notes to the Financial Statements**

April 30, 2007

12. Income Taxes

At the years ended April 30 2007 and 2006 Income tax recovery varied from the amount that would be computed from applying the combined federal and provincial income tax rate to loss before taxes as follows:

	2007	2006
Net loss for the year	\$ (2,160,343)	\$ (1,990,906)
Statutory Canadian corporate tax rate	34.10%	34.10%
Anticipated tax recovery	(736,677)	(678,899)
Change in tax rates resulting from:		
Effect of tax rate change	69,292	52,865
Unrecognized items for tax purposes	304,325	248,131
Expiry on non-capital loss carry forward	24,448	28,954
Future tax assets valuation allowance	(503,453)	(50,703)
Future income tax recovery	\$ (842,065)	\$ (399,652)

The significant components of the Company's future tax assets are as follows:

	2007	2006
Mineral properties and deferred exploration	\$ (167,318)	\$ 616,330
Property and equipment	5,681	4,003
Share issue costs	68,442	52,084
Non-capital loss carry forwards	777,894	515,735
	684,699	1,188,152
Valuation allowance	(684,699)	(1,188,152)
Net future tax assets	\$ -	\$ -

The Company has available non-capital losses for Canadian income tax purposes, which may be carried forward to reduce taxable income in future years. If not utilized, the non-capital losses in the amount of \$2,509,335 expire as follows:

2008	\$ 45,007
2009	102,581
2010	73,270
2015	474,497
2026	736,572
2027	1,077,408
	<u>\$ 2,509,335</u>

At April 30, 2007, the Company has unclaimed resource and other deductions in the amount of \$5,908,833 (2006 - \$5,849,233) which may be deducted against future taxable income on a discretionary basis. In addition, the Company has share issue costs totaling \$220,782 (2006 - \$152,740) which have not been claimed for income tax purposes.

Tax benefits have not been recorded due to uncertainty regarding their utilization, except for the recovery created by renouncement of a benefit on the issuance of flow-through shares.

Golden Chalice Resources Inc.**Notes to the Financial Statements**

April 30, 2007

13. Supplemental Cash Flow Information

	2007	2006
Non-cash financing activities		
Items affecting share capital:		
Share capital issued for mineral properties	\$ 384,125	\$ 295,475
Share capital issued for share subscription advances	559,250	(559,250)
Mineral properties disposed of on plan of arrangement	(1,303,556)	-
Convertible debenture converted	-	75,000
Contributed surplus allocated	2,200	55,250
Tax benefits renounced	(842,065)	(399,652)
Share subscriptions advances	(559,250)	559,250
Contributed surplus	(2,200)	(55,250)
Future income tax liabilities	842,065	399,652
	\$ (919,431)	\$ 370,475
Non-cash investing activities:		
Acquisition costs of mineral properties and deferred exploration costs	\$ (384,125)	\$ (295,475)
Mineral properties and deferred exploration costs transferred out on plan of arrangement	1,303,556	-
Convertible debentures	-	(75,000)
	\$ 919,431	\$ (370,475)

14. Segmented Information

The Company's activities are all in the one industry segment of mineral property acquisition and exploration.

Mineral properties and property and equipment by geographical segment are as follows:

	Canada	Bolivia	U.S.A.	Total
April 30, 2007				
Mineral properties and deferred exploration costs	\$ 6,010,776	\$ -	\$ 437,791	\$ 6,448,567
Automobile and equipment	22,964	-	-	22,964
	\$ 6,033,740	\$ -	\$ 437,791	\$ 6,471,531
	Canada	Bolivia	U.S.A.	Total
April 30, 2006				
Mineral properties and deferred exploration costs	\$ 3,727,890	\$ 1	\$ 283,922	\$ 4,011,813
Automobile and equipment	23,531	-	-	23,531
	\$ 3,751,421	\$ 1	\$ 283,922	\$ 4,035,344

Golden Chalice Resources Inc.**Notes to the Financial Statements**

April 30, 2007

15. Subsequent Event

On June 8, 2007, the Company granted options with a fair value of \$3,675,000 to purchase up to 1,488,000 shares at a price of \$3.25 each to officers, directors and consultants. The options are exercisable on or before June 8, 2012.

16. Comparative Figures

The financial statements have been reclassified, where applicable, to conform to the presentation used in the current year.